

Van de Velde

25.02.2013
PRESS RELEASE

VAN DE VELDE: ANNUAL RESULTS 2012

- **CONSOLIDATED TURNOVER RISES BY 1.1%.**
- **A DECREASE IN WHOLESALE TURNOVER, A SLIGHT FALL IN GROSS MARGIN AND AN IMPORTANT INCREASE IN COSTS, SUPPORTING LONG TERM GROWTH, RESULT IN AN EBITDA DECREASE OF 9.2%.**
- **THE BOARD OF DIRECTORS WILL PROPOSE TO THE GENERAL MEETING OF SHAREHOLDERS TO MAINTAIN THE DIVIDEND AT € 2.15 PER SHARE.**
- **THIS CONFIRMS THE CONFIDENCE OF THE COMPANY IN ITS GROWTH AND CASH GENERATION.**

1. CONSOLIDATED KEY FIGURES 2012

Consolidated key figures	31.12.2012	31.12.2011	%
INCOME STATEMENT (IN M€)			
Turnover	181.8	179.8	1.1%
Other operating income	5.0	4.7	7.7%
Cost of materials	(44.5)	(44.6)	(0.2%)
Other expenses	(52.8)	(47.6)	10.9%
Personnel expenses	(40.7)	(38.5)	5.6%
Operating profit before depreciation and amortization ('EBITDA')⁽¹⁾	48.8	53.8	(9.2%)
Depreciation and amortization	(6.1)	(4.3)	41.2%
EBIT or operating profit	42.7	49.4	(13.7%)
Impairment of goodwill and intangible assets with indefinite useful life	(8.0)	0	100.0%
Financial result	3.3	4.8	(32.0%)
Share of result of associates	(2.3)	0.2	(1065.4%)
Profit before taxes	35.6	54.5	(34.7%)
Income taxes	(10.4)	(13.4)	(22.5%)
Result of the period attributable to non-controlling interests	(0.4)	(0.1)	217.7%
Profit for the period attributable to the owners of the company	25.6	41.2	(37.8%)
Recurring profit for the period (excluding impairment)	33.6	41.2	(18.4%)

⁽¹⁾ EBITDA equals operating profit increased with depreciation and amortization on fixed intangible and tangible assets.

Consolidated key figures	31.12.2012	31.12.2011	%
BALANCE SHEET (IN M€)			
Fixed assets	109.4	103.9	5.3%
Current assets	87.7	96.6	(9.2%)
Total assets	197.1	200.4	(1.7%)
Shareholders' equity	170.0	168.1	1.1%
Non-controlling interest	4.6	9.0	(48.7%)
Non-current liabilities	5.0	2.9	71.5%
Current liabilities	17.5	20.4	(14.2%)
Total equity and liabilities	197.1	200.4	(1.7%)
KEY FIGURES IN € PER SHARE			
EBITDA	3.7	4.0	(9.2%)
Recurring profit for the period attributable to the owners of the company	2.5	3.1	(18.4%)

MARIE JO
—HAUTE LINGERIE—

ANDRES SARDA

PRIMA DONNA
1865

2. REPORT OF THE STATUTORY AUDITOR ON THE ANNUAL INFORMATION AT 31 DECEMBER 2012

The statutory auditor has issued an unqualified opinion on the consolidated financial statements. The accounting figures in this release are consistent with the figures in the consolidated financial statements.

3. NOTES TO THE CONSOLIDATED KEY FIGURES

TURNOVER DEVELOPMENTS 2012

In 2012 Van de Velde achieved consolidated turnover growth of 1.1% (from € 179.8m to € 181.8m).

This turnover development can be explained as follows:

- A fall in wholesale turnover of 1.0%. This fall is mainly due to a decline in the first half of 2012; wholesale turnover increased by slightly more than 1.0% in the second half.
- A fall in the retail turnover of Intimacy of 12.6% in local currency and 5.3% in euro.
- In Continental Europe retail turnover of Rigby & Peller (formerly Oreia) rose by 7.0%, due to the opening of new stores in Germany and Spain.
- The contribution of retail turnover of Rigby & Peller in the UK was £ 9.2m (€ 11.3m) versus € 4.4m in 2011 (5 months).

EBITDA DEVELOPMENT

Consolidated EBITDA fell 9.2% to € 48.8m. This evolution is mainly attributable to a combination of the following factors:

- A fall in wholesale turnover with a slight fall in the gross margin due to rising stitching costs in China and higher stock depreciations (primarily raw materials).
- Planned investments in fixed costs to support long term growth (marketing, sales organisation, IT infrastructure and the further development of the retail organisation).

IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

As reported earlier, the Andrés Sardá brand is suffering from the financial crisis in southern Europe, given that Spain is Andrés Sardá's home market. Van de Velde continues to invest in this brand's long-term future, for which additional marketing investments will be made in 2013. The low point of 2010 is clearly behind us and all turnover figures since then have been higher than this low point. Andrés Sardá remains one of our three core brands, alongside Marie Jo/L'Aventure and PrimaDonna/Twist, and will be given the support it needs to achieve this ambition.

However, the development of turnover and the EBITDA contribution in 2012 and 2013 continue to be below expectations as set at the time of acquisition and as a consequence expectations have been adjusted. This results in a partial impairment of € 8.0m of goodwill (€ 2.5m) and intangible assets with indefinite useful life (€ 5.5m) in connection with Andrés Sardá. This impairment is purely an accounting measure representing a non-cash charge and accordingly has no impact on 2012 cash flow or future cash flows. Furthermore, this impairment does not affect the long-term ambition of this brand in any way.

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FINANCIAL RESULT AND MINORITY STAKES (SHARE OF RESULT OF ASSOCIATES)

The financial profit was € 1.5m lower in 2012 than in 2011:

- In 2011 the financial profit included non-recurring revenue of € 2.0m as a consequence of the full accelerated repayment of a CDO.
- In both years the financial profit includes the adjustment of outstanding balances between Van de Velde and the minority shareholders of Intimacy, a gain of € 3.0m in 2012 versus € 1.9m in 2011.
- Dividend income was approximately € 0.7m lower (Top Form) and the sum of the other components were approximately in line with the previous year.

The result recognized under the equity method is primarily attributable to the contribution of Top Form (after adjustment for dividends paid). The contribution of Top Form is based on the change in shareholders' equity up to and including 31/12/2012. The negative result is primarily attributable to the loss (HK\$ 60.0m) that Top Form reported for fiscal year 2012 (1/7/2011-30/6/2012). A limited loss of HK\$ 3.3m was reported for the first half year of fiscal year 2013 (1/7/2012-31/12/2012).

PROFIT FOR THE PERIOD

The recurring Group profit fell from € 41.2m to € 33.6m (-18.4%) and the recurring profit per share fell from € 3.09 to € 2.52 (-18.4%). When the impairment of Andrés Sardá is included, the fall in Group profit is 37.8%.

CASH POSITION AND SOLVENCY/LIQUIDITY

The cash position at the end of 2012 was €31.7m.

Solvency (share of equity in total equity and liabilities) of Van de Velde Group remained very high (86.3% at the end of 2012 versus 83.9% at the end of 2011). The current assets represented five times the value of the current liabilities (versus 4.7 at the end of 2011), an indication of very strong liquidity. Furthermore, the Group is completely self-financed.

4. DIVIDEND

For the financial year 2012 the Board of Directors will propose to the General Meeting of Shareholders the same dividend as in 2010 and 2011, i.e. €2.1500 per share (net dividend of €1.6125 per share). This means a pay-out ratio of approximately 85% of the recurring profit for the period.

The remaining financial sources (including cash position) allow all necessary investments to be made that protect the competitiveness of the company.

5. EVENTS AFTER BALANCE SHEET DATE

No events after the balance sheet date had a major impact on the financial position of the company.

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6. PROSPECTS FOR 2013

Van de Velde strives to maintain consolidated turnover and ebitda at a stable level in 2013 compared with 2012. Turning around Intimacy is particularly important. Cost optimisations have been implemented and all efforts will be on the market in the course of 2013.

7. FINANCIAL CALENDAR

Annual report 2012	No later than 22 March 2013
Q1 2013 interim statement	24 April 2013 after end of trading
2012 General Meeting	24 April 2013
Ex-coupon date	2 May 2013
Record date	6 May 2013
Payment dividend	7 May 2013
H1 2013 turnover figures	4 July 2013 after end of trading
2013 half-year results	30 August 2013 after end of trading
Q3 2013 interim statement	15 November 2013 after end of trading

8. CONTACTS

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CEO

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CFO

9. VAN DE VELDE

Van de Velde NV is a leading player in the luxury and fashionable women's lingerie sector. Van de Velde is convinced of the merits of a long-term strategy based on developing and expanding brands around the Lingerie Styling concept (fit, style and fashion), especially in Europe and North America.

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