

**FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR FIRST HALF YEAR 2017**  
**REGULATED INFORMATION**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**

(in € 000)	30.06.2017	30.06.2016
Turnover	115,348	113,915
Other operating income	2,815	3,050
Cost of materials	-25,699	-24,186
Other expenses	-35,376	-32,955
Personnel expenses	-21,887	-22,548
Depreciation and amortisation	-3,825	-4,161
<b>Operating profit</b>	<b>31,376</b>	<b>33,115</b>
Impairment of goodwill and intangible assets with indefinite useful life	0	0
Finance income	1,808	1,853
Finance costs	-1,942	-1,943
Share in result of associates	-557	-179
<b>Profit before taxes</b>	<b>30,685</b>	<b>32,846</b>
Income taxes	-10,700	-11,712
<b>Profit for the period</b>	<b>19,985</b>	<b>21,134</b>
Attributable to the owners of the company	20,033	21,185
Attributable to non-controlling interests	-48	-51
Currency translation adjustments related to participations (equity method)	-386	24
Currency translation adjustments related to Group entities and non-controlling interests	118	-94
<b>Total other comprehensive income (fully recyclable in the income statement)</b>	<b>-268</b>	<b>-70</b>
Remeasurement gains/(losses) on defined benefit plans	0	-727
<b>Total other comprehensive income (not recyclable in the income statement)</b>	<b>0</b>	<b>-727</b>
<b>Total of profit for the period and other comprehensive income</b>	<b>19,717</b>	<b>20,337</b>
Basic earnings per share (in euro)	1.50	1.59
Diluted earnings per share (in euro)	1.50	1.59

## **TURNOVER**

Consolidated turnover at Van de Velde increased by 1.3% (from € 113.9m to € 115.3m) in the first half of 2017.

On a comparable basis (including comparable seasonal deliveries) consolidated turnover was up 1.2% (from € 115.6m to € 116.9m). At constant exchange rates, turnover on a comparable basis grew by 1.5%. This turnover growth consists of the following components:

- Wholesale turnover increased by 1.6%. Our PrimaDonna swimwear and the newly introduced PrimaDonna sportswear collections were particularly successful.
- Retail turnover increased by 3.0% on a like-for-like basis at constant exchange rates. Effect of exchange rate and store closures, resulted in a decline of turnover by 1.1%.

## **REBITDA**

Reported REBITDA (i.e. Recurring EBITDA, defined as profit before taxes, before financial results and before depreciation & amortization as well as impairment charges if applicable, excluding extraordinary elements) for the first half year declined by 5.6%, from € 37.3m to € 35.2m. On a comparable basis (including comparable deliveries), consolidated REBITDA declined by 5.7%, from € 38.5m to € 36.3m. The main reasons for this decline were the following:

- Wholesale reported €0.3m lower contribution to REBITDA and Retail reported € 0.1m higher contribution to REBITDA.
- Unallocated costs increased with € 2.0m, mainly through project costs to support the future growth: mainly in brand positioning, reliability and responsiveness of the end-to-end value chain, preparation for upgrading IT & eCommerce infrastructure as well as training & development of people and recruitment of specific talent and expertise.

## **IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE**

In the first half of 2017, no impairment charges have been recorded.

## **FINANCIAL RESULT**

The financial result was in line with the same period last year. When correcting for the dividends received from Top Form, the financial result is slightly lower which mainly related to lower net result exchange gains and losses.

## **SHARE OF RESULTS OF ASSOCIATES**

The share of results of associates (based on the equity method) was € 0.4m lower than the previous year, due to a lower contribution by Top Form and Private Shop:

- The contribution of Top Form (negative contribution of € 0.3m compared with positive contribution of € 0.1m last year) is based on the change to shareholders' equity up to and including 30 June 2017 over the last 12 months as on 31 December 2016 the results of Top Form had not yet been published when the annual accounts were prepared. When taking into account the dividends received over this period, which are accounted for in financial result, the contribution to net result by Top Form is positive.
- The contribution of Private Shop (same negative contribution of € 0.3m as last year) is based on the change to shareholders' equity up to and including 30 June 2017 over the last 6 months. After the capital increase in the beginning of 2017, the situation at Private Shop stabilized but there is no material improvement in the results yet.

## **INCOME TAXES AND NET PROFIT**

Income taxes were lower compared to the same period last year both as a result of the lower profit before tax as well as of the lower effective tax rate of 34.2% (compared to 35.5% in the same period of last year).

In the first half of 2017, the net profit part of the group declined by 5.4% from € 21.2m to € 20.0m. This resulted in a decline of the profit per share from € 1.59 to € 1.50.

**CONSOLIDATED BALANCE SHEET**

(in € 000)	30.06.2017	31.12.2016
<b>Total fixed assets</b>	<b>70,607</b>	<b>71,904</b>
Goodwill	4,546	4,546
Intangible assets	14,491	15,137
Tangible fixed assets	36,213	37,206
Participations (equity method)	13,945	14,188
Deferred tax asset	0	0
Other fixed assets	1,412	827
<b>Total current assets</b>	<b>81,073</b>	<b>84,812</b>
Inventories	39,735	42,494
Trade and other receivables	29,885	17,487
Other current assets	4,785	6,293
Cash and cash equivalents	6,668	18,538
<b>Total assets</b>	<b>151,680</b>	<b>156,716</b>
<b>Shareholders' equity</b>	<b>107,843</b>	<b>116,620</b>
Share capital	1,936	1,936
Treasury shares	0	0
Share premium	743	743
Other comprehensive income	-8,355	-8,492
Retained earnings	113,519	122,433
<b>Non-controlling interests</b>	<b>542</b>	<b>609</b>
<b>Total non-current liabilities</b>	<b>4,771</b>	<b>4,845</b>
Provisions	808	893
Pensions	474	474
Other non-current liabilities	2,949	3,126
Deferred tax liability	540	352
<b>Total current liabilities</b>	<b>38,524</b>	<b>34,642</b>
Trade and other payables	17,459	16,560
Other current liabilities	1,655	1,211
Income taxes payable	19,410	16,871
<b>Total equity and liabilities</b>	<b>151,680</b>	<b>156,716</b>

### ***FIXED ASSETS***

Fixed assets declined by 1.8% compared with the end of 2016. The following factors determine the development in fixed assets:

- Intangible assets were lower than year-end 2016 because depreciation charges were higher than new investments. New investments in intangible assets were € 0.2m into software and brand registrations.
- Tangible assets were lower than year-end 2016 as also here the depreciation charges were higher than new investments as the construction of the building was finalized in 2016. New investments in tangible assets were € 1.7, mainly related to store refurbishments, IT and audio-visual equipment, car fleet and facility improvements.
- Participations (equity method) declined slightly as the capital increase at Private Shop was compensated by the share of Van de Velde in the loss of associates.
- Other fixed assets increased mainly by the investments in Noyon Dentelle and De Punt as well as rent deposits.

### ***CURRENT ASSETS***

Current assets decreased by 4.4% compared with the end of 2016 for the following reasons:

- Inventories are lower than at the end of 2016, but slightly higher than in June 2016.
- Higher trade receivables compared with the end of 2016. However, due to seasonality, this should be compared with the 2016 interim balance sheet (€ 27.6m). There was still an increase, primarily due to the general turnover increase on the one hand and the higher turnover in specifically May and June on the other hand.
- Lower other current assets, mainly due to lower VAT receivables outstanding and decrease of the prepaid expenses.
- Lower cash position compared with the end of 2016. For more details, please see the statement of cash flows.

### ***SHAREHOLDERS' EQUITY***

Total shareholders' equity amounts to € 107.8m on 30 June 2017. Following comments can be made in this regard:

- Shareholders' equity accounted for 71.1% of total equity and liabilities.
- The decrease in shareholders' equity was mainly due to the dividend pay-out in the first half of 2017.
- For more details, please see the statement of changes in equity.

***NON-CONTROLLING INTEREST***

The decline in the non-controlling interest was due to the adjustment for the share of the minority shareholders in the result of the entities in which they hold their shares. For more details, please see the statement of the changes in equity.

***NON-CURRENT AND CURRENT LIABILITIES***

The non-current and current liabilities amount to respectively € 4.8m and € 38.5m:

- Non-current liabilities have remained stable compared to year-end 2016.
- Current liabilities were 11.2% higher than at year-end 2016 due to the following reasons:
  - o An increase in trade and other payables compared to year-end 2016. However, due to seasonality effects this needs to be compared versus June 2016 (€ 17.4m). Compared to June 2016 this represents a stable position of trade and other payables.
  - o Other current liabilities show an increase compared to year-end 2016 as well as to June 2016 which is due to higher VAT payables outstanding.
  - o Higher tax liabilities taking into account taxes due related to fiscal year 2016 (see balance sheet year-end 2016) and the balance of current tax liabilities. In 2017 no taxes have been prepaid until 30 June 2017.
- The company applies FX forward contracts to manage transaction risks. On 30 June 2017 the fair value of these FX forward contracts was € 0.1m, comprising an unrealized income of € 0.2m and an unrealized loss of € 0.1m.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(in € 000)	Attributable to the shareholders of the parent							Equity	Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Retained earnings	Other reserves	Share-based payments	Other comprehensive income			
<b>Equity at 31.12.2015</b>	<b>1,936</b>	<b>743</b>	<b>0</b>	<b>135,394</b>	<b>0</b>	<b>290</b>	<b>-9,132</b>	<b>129,231</b>	<b>865</b>	<b>130,096</b>
Profit for the period				21,185				21,185	-51	21,134
Other comprehensive income					-727		24	-703	-94	-797
Purchase of treasury shares			885					885		885
Sale of treasury shares for stock options			-885					-885		-885
Amortisation deferred stock compensation						41		41		41
Granted and accepted stock options				144		-144		0		0
Reserves at Top Form								0		0
Dividends				-28,636				-28,636		-28,636
<b>Equity at 30.06.2016</b>	<b>1,936</b>	<b>743</b>	<b>0</b>	<b>128,087</b>	<b>-727</b>	<b>187</b>	<b>-9,108</b>	<b>121,118</b>	<b>720</b>	<b>121,838</b>

(in € 000)	Attributable to the shareholders of the parent							Equity	Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Retained earnings	Other reserves	Share-based payments	Other comprehensive income			
<b>Equity at 31.12.2016</b>	<b>1,936</b>	<b>743</b>	<b>0</b>	<b>122,470</b>	<b>-293</b>	<b>256</b>	<b>-8,492</b>	<b>116,620</b>	<b>609</b>	<b>117,229</b>
Profit for the period				20,033				20,033	-48	19,985
Other comprehensive income							137	137	-19	118
Purchase of treasury shares			614					614		614
Sale of treasury shares for stock options			-614		0			-614		-614
Amortisation deferred stock compensation						84		84		84
Granted and accepted stock options				113		-113		0		0
Reserves at Top Form				-386			0	-386		-386
Dividends				-28,645				-28,645		-28,645
<b>Equity at 30.06.2017</b>	<b>1,936</b>	<b>743</b>	<b>0</b>	<b>113,585</b>	<b>-293</b>	<b>227</b>	<b>-8,355</b>	<b>107,843</b>	<b>542</b>	<b>108,385</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

(in € 000)	30.06.2017	30.06.2016
<b>Cash flows from operating activities</b>		
Cash receipts from customers	110,762	113,335
Cash paid to suppliers and employees	-81,560	-82,830
<b>Cash generated from operations</b>	<b>29,202</b>	<b>30,505</b>
Income taxes paid	-7,654	-3,816
Other taxes paid	-3,349	-3,433
Interest and bank costs paid	-180	-124
<b>Net cash from operating activities</b>	<b>18,019</b>	<b>23,132</b>
<b>Cash flows from investing activities</b>		
Interest received	18	65
Received dividends	333	321
Purchase of fixed assets	-1,977	-4,927
Investment in other participating interests	-828	0
Net sale / (purchase) of treasury shares	-230	-361
<b>Net cash used in investing activities</b>	<b>-2,684</b>	<b>-4,902</b>
<b>Cash flows from financing activities</b>		
Dividends paid	-28,643	-28,643
Repayment of long-term borrowings / increase in financial debt	0	0
Repayment of short-term borrowings / increase in financial debt	-203	150
Net financing of customer growth fund	23	67
<b>Net cash used in financing activities</b>	<b>-28,823</b>	<b>-28,426</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>-13,488</b>	<b>-10,196</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>18,538</b>	<b>28,148</b>
<b>Exchange rate differences</b>	<b>1,618</b>	<b>1,222</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>-13,488</b>	<b>-10,196</b>
<b>Cash and cash equivalents at end of period</b>	<b>6,668</b>	<b>19,174</b>



**SEGMENT INFORMATION**

Van de Velde is a single-product business, being the production and sale of luxury lingerie. Van de Velde distinguishes two operating segments: Wholesale and Retail. No segments have been combined.

Van de Velde group identified the Management Committee as having primary responsibility for operating decisions and defined operating segments on the basis of information provided to the Management Committee.

Wholesale refers to business with independent specialty retailers (customers external to the group); Retail refers to business through our own retail network (stores, franchisees and e-commerce). The type of customer to whom a sale is realised determines whether a customer is allocated to either Wholesale or Retail. The integrated margin is shown within the Retail segment for Van de Velde products sold through Van de Velde's own retail network. In other words, the Retail segment comprises the wholesale margin on Van de Velde products and the results generated within the network itself.

Management monitors the results in the two segments separately to a certain level ('direct contribution'), so that decisions can be taken on the allocation of resources and the evaluation of performance. Performance in the segments is evaluated on the basis of directly attributable revenues and costs. General costs (such as overhead), financial result, the result using the equity method, tax on the result and minority interests are managed at group level and are not attributed to segments. Costs that are not attributed benefit both segments and any further division of the costs, such as general administration, IT and accountancy, would be arbitrary.

Assets that can be reasonably attributed to segments (goodwill and other fixed assets as well as stock and trade receivables) are attributed. Other assets are reported as non-attributable, as are liabilities. Assets and liabilities are largely managed at group level, so a large part of these assets and liabilities are not attributed to segments.

The accounting policies of the operating segments are the same as the key policies of the group. The segmented results are therefore measured in accordance with the operating result in the consolidated financial statements.

Van de Velde does not have any transactions with a single customer in Wholesale or Retail worth more than 10% of total turnover.

Transaction prices between operating segments are on an arm's length basis, comparable with transactions with third parties.

In the following tables, the segmented information is shown for the periods ending on 30 June 2017 and on 30 June 2016.

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Segment Income Statement								
(in € 000)	2017				2016			
	Wholesale	Retail	Unallocated	Total	Wholesale	Retail	Unallocated	Total
Segment revenues	95,758	19,590	0	<b>115,348</b>	93.802	20.113	0	<b>113.915</b>
Segment costs	-46,927	-17,046	-16,174	<b>-80,147</b>	-44.831	-17.639	-14.169	<b>-76.639</b>
Depreciation	0	-829	-2,996	<b>-3,825</b>	0	-2.137	-2.024	<b>-4.161</b>
Segment results	48,831	1,715	-19,170	<b>31,376</b>	48.971	337	-16.193	<b>33.115</b>
Impairment				<b>0</b>				<b>0</b>
Net finance profit				<b>-134</b>				<b>-90</b>
Result from associates				<b>-557</b>				<b>-179</b>
Income taxes				<b>-10,700</b>				<b>-11,712</b>
Non-controlling interests				<b>48</b>				<b>51</b>
Net income				<b>20,033</b>				<b>21,185</b>

Segment Balance Sheet						
(in € 000)	2017			2016		
	Wholesale	Retail	Total	Wholesale	Retail	Total
Segment assets	69,709	22,436	92,145	66,748	24,115	90,863
Unallocated assets			59,535			71,892
<b>Consolidated total assets</b>	<b>69,709</b>	<b>22,436</b>	<b>151,680</b>	<b>66,748</b>	<b>24,115</b>	<b>162,755</b>
Segment liabilities	0	0	0	0	0	0
Unallocated liabilities			151,680			162,755
<b>Consolidated total liabilities</b>	<b>0</b>	<b>0</b>	<b>151,680</b>	<b>0</b>	<b>0</b>	<b>162,755</b>

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Capital expenditure								
(in € 000)	2017				2016			
	Wholesale	Retail	Unallocated	Total	Wholesale	Retail	Unallocated	Total
Tangible fixed assets	0	512	1,230	<b>1,742</b>	0	510	4,082	<b>4,592</b>
Intangible assets	0	6	229	<b>235</b>	0	12	323	<b>335</b>
Depreciation	0	829	2,996	<b>3,825</b>	0	2,137	2,024	<b>4,161</b>

Breakdown by region - turnover						
(in € 000)	2017			2016		
	Eurozone	Elsewhere	Total	Eurozone	Elsewhere	Total
Turnover	79,462	35,886	<b>115,348</b>	77,390	36,525	<b>113,915</b>

The most important markets, determined on the basis of the quantitative IFRS criteria, are:

- Belgium, Germany and the Netherlands for the Eurozone
- USA for Elsewhere.

Further information about the assets of the company - location			
(in € 000)	Belgium	Elsewhere	Total
Tangible fixed assets	29,860	6,353	<b>36,213</b>
Intangible assets	7,521	6,970	<b>14,491</b>
Inventories	34,646	5,089	<b>39,735</b>

**PROSPECTS**

The outlook of Van de Velde remains unchanged and we kindly refer to the press release of 19 April 2017.

**RISK**

Apart from the risk described in the annual report 2016, there are no particular risks to mention.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

This interim consolidated financial information was prepared in compliance with IAS 34, the international standard applicable to interim consolidated financial information.

The same accounting policies and calculation methods were used as in the consolidated financial statements at 31 December 2016, except for new standards, interpretations and amendments effective as of 1 January 2017. These new standards and interpretations effective 1 January 2017 are:

- Amendments to IAS 7 Statement of Cash Flows – Disclosure Initiative<sup>3</sup>, effective 1 January 2017
- Amendments to IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses<sup>3</sup>, effective 1 January 2017
- Annual Improvements Cycle - 2014-2016<sup>3</sup>, effective 1 January 2017

These do not have an impact on the consolidated half-year results of the group.

As of the date of this interim financial report there were no important events after the balance sheet date.

In addition to risks described in the above notes, the material risks and uncertainties with regard to the rest of 2016 were primarily the same as described on pages 61-62 ('Business risks under IFRS 7') of the 2016 annual report.

In the first half of 2017, there were no material transactions with associated companies other than those described in this report or within the normal course of events.

Van de Velde continues to assess the impact of the changes related to IFRS 15, IFRS 16 and IFRS 9 and the current view remains unchanged regarding the annual report of 2016.

Related to the announced Belgian Tax Reform we do not expect a material impact on the financial position of Van de Velde, with the exception of a potential positive impact due to the decrease of tax rate on the current liabilities and the income taxes related to future taxable periods.

**DECLARATION OF THE RESPONSIBLE PERSONS**

The undersigned declare that:

- The financial overviews in this report, which have been prepared in compliance with the applicable standards, faithfully reflect the equity, the financial situation and the results of Van de Velde and the companies included in the consolidation.
- The interim financial report faithfully reflects the development, the results and the position of Van de Velde and the companies included in the consolidation, as well as providing a description of the main risks and uncertainties Van de Velde has to deal with.

Schellebelle, 31 August 2017

Positron BVBA, always represented by  
Erwin Van Laethem  
Chief Executive Officer

Bart Rabaey Consulting VOF, always represented by  
Bart Rabaey  
Chief Financial Officer

**Report of the statutory auditor to the shareholders of Van de Velde NV on the review of the interim condensed consolidated financial statements as of 30 June 2017 and for the 6 month period then ended**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Van de Velde NV (the "Company"), and its subsidiaries as at 30 June 2017 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the 6 month period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These statements show a consolidated balance sheet total of € 151.680 thousand and a net income for the six month period then ended of € 19.985 thousand. The board of directors is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements are not prepared, in all material aspects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

Ghent, 31 August 2017

Ernst & Young Bedrijfsrevisoren BCVBA  
Statutory auditor  
represented by

Paul Eelen  
Partner\*

\* Acting on behalf of a BVBA/SPRL  
18PE0048

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**CONTACTS**

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Positron BVBA,  
always represented by Erwin Van Laethem  
Chief Executive Officer

Bart Rabaey Consulting VOF,  
always represented by Bart Rabaey  
Chief Financial Officer

For pictures, please visit our pressroom: <http://pressroom.vandevelde.eu>  
Click on the link "Media" at the top right corner to find up to date pictures.

**FINANCIAL CALENDAR**

31.12.2017

End of fiscal year 2017

11.01.2018

Announcement of turnover for 2017

27.02.2018

Announcement of results for 2017

23.03.2018

Interactive annual report 2017 online

25.04.2018

Ordinary General Meeting



**ABOUT VAN DE VELDE**

Van de Velde is the powerhouse of world class brands PrimaDonna, Marie Jo and Andres Sarda. Our mission is to deliver the ultimate personalized consumer experience. As a leading player in the luxury and fashionable women's lingerie, swimwear and sportswear sector, Van de Velde bases its long-term strategy on developing and expanding brands upon Lingerie Styling. This proprietary concept combines fit, style and fashion. Our key markets are in Europe and North America and we work closely together with 5,000 on- & offline specialty lingerie stores worldwide. We run our own premium retail chains, under the names Rigby & Peller, Lincherie and Private Shop, in which we exemplify the principles of Lingerie Styling. Van de Velde is listed on Euronext Brussels.