

FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR FIRST HALF YEAR 2015
REGULATED INFORMATION

CONSOLIDATED INCOME STATEMENT

(in € 000)	30.06.2015	30.06.2014
Turnover	113,389	106,958
Other operating income	3,042	2,361
Cost of materials	-24,583	-24,962
Other expenses	-32,348	-28,655
Personnel expenses	-23,142	-21,512
Depreciation and amortisation	-3,982	-3,577
Operating profit	32,376	30,613
Impairment of goodwill and intangible assets with indefinite useful life	0	-16,307
Finance income	2,503	1,180
Finance costs	-3,482	-1,107
Share in result of associates	159	421
Profit before taxes	31,556	14,800
Income taxes	-9,709	-10,156
Profit for the period	21,847	4,644
Attributable to the owners of the company	21,950	4,966
Attributable to non-controlling interests	-103	-322
Currency translation adjustments	1,241	277
Total other comprehensive income (fully recyclable in the income statement)	1,241	277
Total of profit for the period and other comprehensive income	23,088	4,921
Basic earnings per share (in euro)	1.65	0.37
Diluted earnings per share (in euro)	1.65	0.37

TURNOVER DEVELOPMENTS FIRST HALF-YEAR

Consolidated turnover at Van de Velde in the first half of 2015 rose by 6.0% (from € 107.0m to € 113.4m).

On a like-for-like basis (including comparable deliveries) consolidated turnover was up 8.2%. This turnover growth consists of the following components:

- 8.3% growth in wholesale turnover. Growth has continued in all areas: lingerie, beachwear and stayers. In addition, pre-orders for the second half of the year are higher than the same period the previous year.
- A fall in retail turnover at Intimacy by 4.7% (10.3% on a like-for-like basis) in local currency. Due to the strengthening of the American dollar against the euro, retail turnover in euro was up 17.1%.
- In Europe retail turnover rose on a like-for-like basis (excluding store closures) by 4.3%.

RECURRING EBITDA ('REBITDA') TREND FIRST HALF-YEAR

REBITDA for the first half year increased by 6.3%, from € 34.2m to € 36.4m. On a comparable basis (including comparable deliveries), consolidated REBITDA rose by 11.0%, from € 32.3m to € 35.9m. The primary reasons for this rise were the following:

- A rise in wholesale turnover.
- An increase in gross margin primarily due to a positive price and currency effect.
- Increases in fixed costs are mainly related to sales-driving costs (such as marketing and customer programs).
- REBITDA in the retail business is in line with the same period in the previous year.

IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

In the first half of 2014, an impairment charge of € 16.3m was recorded in relation to the intangible assets of Intimacy (goodwill and brand with indefinite useful life). The impairment test conducted early 2015 indicated that the remaining goodwill balance of € 15.1m should also be written off. As a consequence, the value of both goodwill and brand with indefinite useful life related to Intimacy were recorded at zero in the balance sheet at 31/12/2014 and an impairment charge of € 31.4m was recorded in the consolidated income statement for financial year 2014. As a result of this, there are no impairment charges in the first half of 2015.

For further details on the methodology and assumptions regarding the impairments at half-year 2014 and end of year 2014, please refer to the financial report for first half-year 2014 and the annual report for financial year 2014.

FINANCIAL RESULT

The financial result was lower than in the same period last year. This is related to lower interest income as well as negative unrealised exchange losses as a result of the weaker euro.

SHARE OF RESULTS OF ASSOCIATES

The share of results of associates (based on the equity method) was primarily driven by the contribution by Top Form. The contribution by Top Form was based on equity movements up to and including 30 June 2015. Top Form posted profit of HK\$ 35.9m for fiscal year 2015 (1 July 2014-30 June 2015) versus profit of HK\$ 39.3m the previous year. The first half of Top Form's fiscal year 2015 (1 July 2014-31 December 2014) was recognised in Van de Velde's 2014 year-end figures (reported profit of HK\$ 17.1m).

INCOME TAXES AND PROFIT FOR THE PERIOD

Income taxes were lower compared with the same period last year.

The group profit rose from € 5.0m to € 22.0m (+342.0%). The recurring group profit (excluding the non-recurring impairment charge related to Intimacy) rose from € 21.3m to € 22.0m (+3.2%) and the recurring profit per share rose from € 1.60 to € 1.65.

CONSOLIDATED BALANCE SHEET

(in € 000)	30.06.2015	31.12.2014
Total fixed assets	70,542	67,980
Goodwill	4,546	4,546
Intangible assets	17,467	18,107
Tangible fixed assets	32,476	29,339
Participations (equity method)	14,859	14,708
Deferred tax asset	333	333
Other fixed assets	861	947
Total current assets	89,736	91,936
Inventories	36,942	37,149
Trade and other receivables	24,666	13,570
Other current assets	5,530	5,945
Cash and cash equivalents	22,598	35,272
Total assets	160,278	159,916
Shareholders' equity	129,136	133,979
Share capital	1,936	1,936
Treasury shares	-262	-833
Share premium	743	743
Other comprehensive income	-7,896	-9,063
Retained earnings	134,615	141,196
Non-controlling interests	688	717
Total non-current liabilities	4,442	4,665
Provisions	838	877
Pensions	31	32
Other non-current liabilities	3,107	3,237
Deferred tax liability	466	519
Total current liabilities	26,012	20,555
Trade and other payables	18,343	15,707
Other current liabilities	1,206	937
Income taxes payable	6,463	3,911
Total equity and liabilities	160,278	159,916

FIXED ASSETS

Fixed assets rose by 3.8% compared with the end of 2014. The following factors determine the development in fixed assets:

- Intangible assets were lower than year-end 2014 because depreciation charges were higher than new investments.
- Tangible fixed assets were higher than year-end 2014 due to new investments. These investments mainly relate to the extension of the mini-load in Wichelen and the renovation work in Schellebelle.
- Participations (equity method) rose due to the increase in equity at Top Form.

CURRENT ASSETS

Current assets fell by 2.4% compared with the end of 2014 for the following reasons:

- Lower inventories compared with the end of 2014.
- Higher trade receivables compared with the end of 2014. However, due to seasonality, this should be compared with the 2014 interim balance sheet (€ 23.1m). There was still an increase, primarily due to the turnover increase on the one hand and the higher turnover in June on the other (including higher deliveries for the autumn/winter 2015 season).
- Lower other current assets, mainly due to a timing effect on the VAT position.
- Lower cash position compared with the end of 2014. For more details, please see the statement of cash flows.

SHAREHOLDERS' EQUITY

- Shareholders' equity accounted for 80.6% of total equity and liabilities.
- The fall in shareholders' equity was solely due to the dividend pay-out in the first half of 2015.
- For more details, please see the statement of changes in equity.

NON-CONTROLLING INTEREST

The fall 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

- Non-current liabilities scarcely changed compared with year-end 2014.
- Current liabilities were 26.5% higher than at year-end 2014 due to the following reasons:
 - o An increase in trade payables due to a stricter working capital management.
 - o Higher tax liabilities taking into account taxes due related to fiscal year 2014 (see balance sheet year-end 2014) and the balance of current tax liabilities versus prepaid taxes.

FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR FIRST HALF YEAR 2015
REGULATED INFORMATION

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to the shareholders of the parent									
(in € 000)	Share capital	Share premium	Treasury shares	Retained earnings	Share-based payments	Other comprehensive income	Equity	Non-controlling interests	Total equity
Equity at 31.12.2013	1,936	743	-1,182	180,942	523	-9,502	173,460	3,976	177,436
Profit for the period				4,966			4,966	-322	4,644
Other comprehensive income						273	273	56	329
Purchase of treasury shares			-23				-23		-23
Sale of treasury shares for stock options			465				465		465
Amortisation deferred stock compensation					55		55		55
Granted and accepted stock options				159	-159		0		0
Reserves at Top Form				804		-52	752		752
Dividends				-28,592			-28,592		-28,592
Adjustments non-controlling interests				1,498			1,498	-1,498	0
Equity at 30.06.2014	1,936	743	-740	159,777	419	-9,281	152,854	2,212	155,066

Attributable to the shareholders of the parent									
(in € 000)	Share capital	Share premium	Treasury shares	Retained earnings	Share-based payments	Other comprehensive income	Equity	Non-controlling interests	Total equity
Equity at 31.12.2014	1,936	743	-833	140,728	468	-9,063	133,979	717	134,696
Profit for the period				21,950			21,950	-103	21,847
Other comprehensive income						1,167	1,167	74	1,241
Purchase of treasury shares			-365				-365		-365
Sale of treasury shares for stock options			936				936		936
Amortisation deferred stock compensation					69		69		69
Granted and accepted stock options				254	-254		0		0
Reserves at Top Form							0		0
Dividends				-28,600			-28,600		-28,600
Equity at 30.06.2015	1,936	743	-262	134,332	283	-7,896	129,136	688	129,824

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € 000)	30.06.2015	30.06.2014
Cash flows from operating activities		
Cash receipts from customers	112,026	104,833
Cash paid to suppliers and employees	-79,796	-78,044
Cash generated from operations	32,230	26,789
Income taxes paid	-7,212	-5,395
Other taxes paid	-3,105	-2,573
Interest and bank costs paid	-124	-128
Net cash from operating activities	21,789	18,693
Cash flows from investing activities		
Interest received	72	233
Received dividends	313	259
Purchase of fixed assets	-5,480	-2,682
Investment in other participating interests	0	0
Net sale / (purchase) of treasury shares	514	443
Net cash used in investing activities	-4,581	-1,747
Cash flows from financing activities		
Dividends paid	-28,632	-28,605
Repayment of long-term borrowings / increase in financial debt	0	0
Repayment of short-term borrowings / increase in financial debt	-832	259
Net financing of customer growth fund	14	55
Net cash used in financing activities	-29,450	-28,291
Net increase / (decrease) in cash and cash equivalents	-12,242	-11,345
Cash and cash equivalents at beginning of period	35,272	39,310
Exchange rate differences	-432	223
Net increase / (decrease) in cash and cash equivalents	-12,242	-11,345
Cash and cash equivalents at end of period	22,598	28,188

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 2015 and on 30 June 2014.

FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR FIRST HALF YEAR 2015
REGULATED INFORMATION

Segment Income Statement								
(in € 000)	2015				2014			
	Wholesale	Retail	Unallocated	Total	Wholesale	Retail	Unallocated	Total
Segment revenues	89,897	23,492	0	113,389	85,210	21,748	0	106,958
Segment costs	-42,694	-20,552	-13,785	-77,031	-40,545	-19,182	-13,041	-72,768
Depreciation	0	-1,732	-2,250	-3,982	0	-1,411	-2,166	-3,577
Segment results	47,203	1,208	-16,035	32,376	44,665	1,155	-15,207	30,613
Impairment				0				-16,307
Net finance profit				-979				73
Result from associates				159				421
Income taxes				-9,709				-10,156
Non-controlling interests				103				322
Net income				21,950				4,966

Segment Balance Sheet						
(in € 000)	2015			2014		
	Wholesale	Retail	Total	Wholesale	Retail	Total
Segment assets	60,871	28,397	89,268	57,613	44,529	102,142
Unallocated assets			71,010			74,067
Consolidated total assets	60,871	28,397	160,278	57,613	44,529	176,209
Segment liabilities	0	0	0	0	0	0
Unallocated liabilities			160,278			176,209
Consolidated total liabilities	0	0	160,278	0	0	176,209

FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR FIRST HALF YEAR 2015
REGULATED INFORMATION

Capital expenditure								
(in € 000)	2015				2014			
	Wholesale	Retail	Unallocated	Total	Wholesale	Retail	Unallocated	Total
Tangible fixed assets	0	543	4,477	5,020	0	1,256	1,085	2,341
Intangible assets	0	206	254	460	0	29	384	413
Depreciation	0	1,732	2,250	3,982	0	1,411	2,166	3,577

Breakdown by region - turnover						
(in € 000)	2015			2014		
	Eurozone	Elsewhere	Total	Eurozone	Elsewhere	Total
Turnover	74,215	39,174	113,389	71,261	35,697	106,958

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	23,416	9,060	32,476
Intangible assets	10,236	7,231	17,467
Inventories	31,101	5,841	36,942

PROSPECTS

In wholesale, pre-orders for autumn/winter 2015 are higher than the previous year. This rise is naturally lower than in the first half-year because of the absence of the swimwear factor. However, Van de Velde expects a rise in wholesale over the whole year 2015.

Intimacy is rebranded as Rigby & Peller as from 15 September. As well as having a stronger tradition in Lingerie Styling, this is Van de Velde's international brand. At the same time, an "extreme customer centricity" programme will be implemented to improve service to consumers. Finally, a new leader will be appointed for the USA.

Van de Velde also expects a rise in REBITDA for 2015 on a comparable basis. On an annual basis, this rise will in terms of percentage be lower than the 11% reported at half-year.

RISK

As stated in our press release of 24 February 2014, Intimacy has been named as a defendant in a potential class action suit alleging a violation of Facta ("The Fair and Accurate Credit Transactions Act"). This Act sets forth which credit card details can be stated on a purchase receipt.

As stated in our press release of 17 March 2015, we have reached a settlement with the opposing party in this case. This settlement must be approved by the US court.

Van de Velde expects no material impact on the financial situation of the group.

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 2014, except for new standards, interpretations and amendments effective as of 1 January 2015. These new standards and interpretations effective 1 January 2015 are:

- Amendments to IAS 19 Employee benefits – Defined benefit plans: employee contributions, effective 1 February 2015
- Annual improvements to IFRS standards – 2010-2012 cycle (issued December 2013), effective 1 February 2015
- Annual improvements to IFRS standards – 2011-2013 cycle (issued December 2013), effective 1 January 2015.

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

The General Meeting of 29 April 2015 approved the final dividend as proposed by the Board of Directors (€ 2.15/share). The allocated dividend was € 28,633k, which was entirely paid out at 30 June 2015. The total dividend for financial year 2014 amounted to € 3.50/share of which € 1.35/share was paid out as interim dividend in November 2014.

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 2015 were primarily the same as described on pages 60-61 ('Business risks under IFRS 7') of the 2014 annual report.

In the first half of 2015, there were no material transactions with associated companies other than those described in this report or within the normal course of events.

The Board of Directors today approved, based on the powers invested in it by the articles of association, the payment of the interim dividend of € 1.35 per share. After payment of 25% tax, this represents a net dividend of € 1.01 per share.

This dividend will be allocated to the shares with rights that are not suspended. The shares with rights that are suspended are the 5,000 treasury shares bought back under an option programme. The number of shares with dividend rights has accordingly been reduced from 13,322,480 to 13,317,480.

The dividend for registered shares and dematerialised shares will be paid out on 19 November 2015.

Financial calendar with regard to the interim dividend:

- Ex-coupon date: 17 November 2015
- Record date: 18 November 2015
- Payment date: 19 November 2015.

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, 28 August 2015

EBVBA 4F, always represented by
Ignace Van Doorselaere
Chief Executive Officer

Stefaan Vandamme
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 2015 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 (collectively referred to as "the Group") as at 30 June 2015 and the related interim condensed consolidated statements of income, consolidated balance, 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 with total assets of € 160,278 thousand and a consolidated profit for the 6 month period then ended of € 21,847 thousand. Management 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* ("IAS 34") as adopted for use in 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* applicable to review engagements. 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 do not give a true and fair view of the financial position of the Group as at 30 June 2015, and of its financial performance and its cash flows for the 6 month period then ended in accordance with IAS 34.

Ghent, 28 August 2015

Ernst & Young Reviseurs d'Entreprises SCCRL
Statutory auditor
represented by

Paul Eelen
Partner

CONTACTS

For more information, please contact:

Van de Velde NV – Lageweg 4 – 9260 Schellebelle – 09 365 21 00

www.vandevelde.eu

EBVBA 4F, always represented by
Ignace Van Doorselaere
Chief Executive Officer

Stefaan Vandamme
Chief Financial Officer

FINANCIAL CALENDAR

17.11.2015
Ex-coupon date interim dividend

18.11.2015
Record date interim dividend

19.11.2015
Payment date interim dividend

31.12.2015
End of fiscal year 2015

07.01.2016
Announcement of turnover for 2015

24.02.2016
Announcement of results for 2015

27.04.2016
Ordinary General Meeting

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 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.