CONSOLIDATED INCOME STATEMENT

(in € 000)	30.06.2014	30.06.2013
Turnover	106,958	96,979
Other operating income	2,361	2,207
Cost of materials	-24,962	-23,611
Other expenses	-28,655	-26,095
Personnel expenses	-21,512	-21,098
Depreciation and amortisation	-3,577	-3,683
Operating profit	**30,613**	**24,699**
Impairment of goodwill and intangible assets with indefinite useful life	-16,307	0
Finance income	1,180	1,880
Finance costs	-1,107	-396
Share in result of associates	421	-138
Profit before taxes	**14,800**	**26,045**
Income taxes	-10,156	-6,331
Profit for the period	**4,644**	**19,714**
Attributable to the owners of the company	4,966	19,874
Attributable to non-controlling interests	-322	-160
Currency translation adjustments	277	-46
Total other comprehensive income (fully recyclable in the income statement)	**277**	**-46**
Total of profit for the period and other comprehensive income	**4,921**	**19,668**
Basic earnings per share (in euro)	0.37	1.48
Diluted earnings per share (in euro)	0.37	1.48

TURNOVER DEVELOPMENTS FIRST HALF-YEAR

Consolidated turnover at Van de Velde in the first half of 2014 rose by 10.3% (from € 97.0m to € 107.0m).

On a like-for-like basis (not taking into account early deliveries of the collection for the second half of the year), consolidated turnover was up 9.4%. This turnover growth consisted of the following components:

- 13.8% growth in wholesale turnover. This growth was driven by the very successful launch of PrimaDonna Swim and the strong growth in lingerie. Follow-up orders in the first half of the year were also higher than during the same period in the previous year.
- A fall in retail turnover at Intimacy by 22.7% (14.1% on a like-for-like basis) in local currency. Due to the weakening of the US dollar against the euro, the fall in euro was greater.
- In continental Europe retail turnover at Rigby & Peller rose by 12.6%, especially due to strong like-for-like growth in Germany (18.9%). Retail's footprint is increasingly concentrated on Northern Europe (openings in Denmark, franchising in the Netherlands, closures in France and Spain).
- Retail turnover at Rigby & Peller in the United Kingdom rose by 9.1% (3.9% on a like-for-like basis) in local currency. Due to the strengthening of the UK pound against the euro, the rise in euro was greater.
- Retail turnover at the former Donker stores contributed € 2.4m (compared with € 1.3m for April-June 2013). Turnover at the former Donker stores rose by 13.7% on a like-for-like basis.

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

REBITDA (€ 34.2m) for the first half year increased by 20.5%. On a comparable basis (not taking into account early deliveries of the collection for the second half of the year), consolidated REBITDA (€ 32.3m) rose by 19.2%. The most important reasons for this rise were the following:

- A rise in wholesale turnover.
- An increase in gross margin of about 0.5%. This was due to a positive price effect (partly offset by a negative currency effect) and lower stock depreciation.
- No increase in fixed costs, except sales-driving costs (such as marketing and customer programs).
- Increased REBITDA in the retail business of all chains, except for a substantial decrease at Intimacy.

IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

As previously announced, the profitability of Intimacy suffered from a further turnover decrease. In 2013 Intimacy's consolidated EBITDA (including the margin on Van de Velde brands sold through Intimacy) was slightly positive, but this was no longer the case in the first half of 2014. The targets set for 2014 were not achieved and Intimacy's performance also fell short of the targets set when the majority stake was acquired in 2010. These were used as a basis for the valuation in 2010 of the goodwill and the other intangibles in accordance with IFRS.

An interim impairment test was conducted in response to a number of impairment indicators (including the non-achievement of the 2014 targets). In the 2013 annual report, it was stated that Intimacy's failure to achieve the 2014 targets could lead to an impairment charge.

The intangible assets tested for impairment were goodwill allocated to the cash-generating unit Intimacy (€ 23.6m) and the brand name with indefinite useful life (€ 7.8m), which had a combined total value of € 31.4m (or US$42.8m).

For more detailed information, please see the annual report for fiscal year 2013.

- ***Result of the impairment test***

  The result of the impairment test was an impairment of US$ 22.1m or € 16.3m.

  After recognition of the impairment, the remaining book value of goodwill was € 15.1m. The brand name is valued at € 0.0m. Both book values are an accurate reflection of the valuation of the cash-generating unit Intimacy on the basis of the existing business plan.

- ***Methodology used for the impairment test***

  The purpose of this test is to compare the realizable value with the carrying value of the cash-generating unit:
  - A model-based approach determines the realizable value on the basis of the calculated value-in-use, being the present value of the future expected cash flows from this cash-generating unit. A revised version of the business plan was used as the basis for the forecast period 2015-2018. This was supplemented by a realistic cash flow projection for the second half of 2014. A new evaluation of the business plan will be done on a regular basis.
  - The discount rate used to calculate the present value of the future expected cash flows was based on market assessments and is explained below.

The calculation of the value-in-use is most sensitive to the following assumptions:

- Turnover assumptions for the forecast period;
- EBITDA development and EBITDA margins used for the turnover forecast;
- Growth rate used to extrapolate cash flows beyond the forecast period;
- Discount rate.

The assumptions related to turnover and EBITDA developments are based on available internal data as well as historical percentages on the basis of experience. The growth rate and discount rate are checked against external sources insofar as possible and relevant.

Turnover assumptions for the forecast period

The starting point is a revised version of the business plan. This business plan covers the forecast period 2015-2018 and starts from a lower turnover forecast. The revised turnover forecast for 2015 is significantly lower than the previous forecast. This is because the first half of 2014 shows that the expected turnover growth will not be achieved. A realistic forecast has been made for the second half of 2014 on the basis of the developments in the first six months. As from 2016 moderate turnover growth is forecast on a like-for-like basis, albeit starting from a lower basis.

These turnover estimates, which are fully in line with the segment reporting, include the retail turnover of the stores as well as the wholesale turnover for the Van de Velde products sold through these retail channels. Both sources of turnover are impacted by the revised lower forecast.

EBITDA development and EBITDA margins on the turnover forecast

The lower turnover estimates resulted in a lower EBITDA and the development towards the target EBITDA margin for a partially integrated retail chain covers a longer period.

Growth rate used to extrapolate cash flows beyond the forecast period

The long-term percentage used to extrapolate cash flows beyond the forecast period is 2.0%, which is in line with the percentage used for the impairment test at year-end.

Discount rate

The discount rate is in line with the percentage used for the impairment test at year-end and the weighted average cost of capital after tax is 8.6% (11.5% before tax).

- ***Sensitivity analysis***

  As an impairment charge has been recognized for Intimacy, any negative change in any of the above key assumptions would result in a further impairment loss.

FINANCIAL RESULT

The financial result was lower than in the same period last year. In the first half of 2013 exceptional income of € 0.9m was recognized as a consequence of the revision of the price paid for a 35.1% shareholding in Intimacy (transaction dated April 2010). The transaction was completed in 2013. Exchange results were lower in the same period in 2014, but dividend income was higher.

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 from Top Form was based on equity movements up to and including 30 June 2014. Top Form posted profit of HK$ 39.3m for fiscal year 2014 (1 July 2013-30 June 2014) versus a loss of HK$ 3.7m the previous year. The first half of Top Form's fiscal year 2014 (1 July 2013-31 December 2013) was recognized in Van de Velde's 2013 year-end figures (reported profit of HK$ 9.4m).

INCOME TAXES AND PROFIT FOR THE PERIOD

Income taxes were higher compared with the same period last year. This was primarily due to the following reasons:

- The additional profit was mainly generated by the wholesale business, primarily in Belgium, taxed at the Belgian tax rate.
- As a consequence of administrative restructuring, the tax rate for 2014 rose on an annual basis by an estimated 3-4%.

The recurring group profit rose from € 19.9m to € 21.3m (+7.0%) and the recurring profit per share rose from € 1.48 to € 1.60. The group profit, including the non-recurring impairment charge related to Intimacy, decreased by 75.0%.

CONSOLIDATED BALANCE SHEET

(in € 000)	30.06.2014	31.12.2013
Total fixed assets	**84,932**	**100,853**
Goodwill	19,687	28,210
Intangible assets	18,723	26,930
Tangible fixed assets	30,005	30,405
Participations (equity method)	15,078	13,906
Deferred tax asset	333	333
Other fixed assets	1,106	1,069
Total current assets	**91,277**	**96,314**
Inventories	35,269	36,377
Trade and other receivables	23,136	12,205
Other current assets	4,684	8,422
Cash and cash equivalents	28,188	39,310
Total assets	**176,209**	**197,167**
Shareholders' equity	**152,854**	**173,460**
Share capital	1,936	1,936
Treasury shares	-740	-1,182
Share premium	743	743
Other comprehensive income	-9,281	-9,502
Retained earnings	160,196	181,465
Non-controlling interests	**2,212**	**3,976**
Total non-current liabilities	**4,638**	**4,567**
Provisions	1,048	1,034
Pensions	32	32
Other non-current liabilities	3,023	2,976
Deferred tax liability	535	525
Total current liabilities	**16,505**	**15,164**
Trade and other payables	14,132	14,044
Other current liabilities	1,370	852
Income taxes payable	1,003	268
Total equity and liabilities	**176,209**	**197,167**

FIXED ASSETS

Fixed assets fell by 15.8% compared with the end of 2013 and the following factors determine the development in fixed assets:

- Goodwill decreased by € 8.5m due to the impairment on Intimacy. Please see pages 3-5.
- Intangible assets were lower than year-end 2013 due to the impairment on Intimacy (€ 7.8m). Please see pages 3-5. Also the depreciation charges were higher than new investments.
- Tangible fixed assets were lower than year-end 2013 because depreciation charges were higher than new investments.
- Participations (equity method) rose due to the increase in equity at Top Form.

CURRENT ASSETS

The current assets fell by 5.2% compared with the end of 2013 for the following reasons:

- Lower inventories compared with the end of 2013.
- Higher trade receivables compared with the end of 2013. However, due to seasonality, this should be compared with the 2013 interim balance sheet (€ 19.7m). 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 2014 season).
- Lower other current assets, mainly due to the use of income tax advance payments carried forward at the end of 2013.
- Lower cash position compared with the end of 2013, due to the payment of the dividend in May 2014. For more details, please see the statement of cash flows.

SHAREHOLDERS' EQUITY

- Shareholders' equity accounted for 86.7% of total equity and liabilities.
- The fall in shareholders' equity was solely due to the dividend pay-out in the first half of 2014.
- For more details, please see the statement of changes in equity.

NON-CONTROLLING INTEREST

The fall in the non-controlling interest was due on the one hand to a revised estimate of future liabilities and on the other hand 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 2013.
- Current liabilities were 8.8% higher than at year-end 2013 due to the following reasons:
    - A slight increase in trade payables and other payables.
    - Higher VAT liabilities due to higher turnover.
    - Higher tax liabilities (see also page 5).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € 000)	Attributable to the shareholders of the parent								
	Share capital	Share premium	Treasury shares	Retained earnings	Share-based payments	Other comprehensive income	Equity	Non-controlling interests	Total equity
Equity at 31.12.2012	**1,936**	**743**	**-1,336**	**177,582**	**469**	**-9,415**	**169,979**	**4,615**	**174,594**
Profit for the period				19,874			**19,874**	-160	**19,714**
Other comprehensive income						-46	**-46**	10	**-36**
Purchase of treasury shares			0				**0**		**0**
Sale of treasury shares for stock options			154				**154**		**154**
Amortisation deferred stock compensation					46		**46**		**46**
Granted and accepted stock options				47	-47		**0**		**0**
Reserves at Top Form				76			**76**		**76**
Dividends				-28,600			**-28,600**		**-28,600**
Equity at 30.06.2013	**1,936**	**743**	**-1,182**	**168,979**	**468**	**-9,461**	**161,483**	**4,465**	**165,948**

(in € 000)	Attributable to the shareholders of the parent								
	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**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € 000)	30.06.2014	30.06.2013
Cash flows from operating activities		
Cash receipts from customers	104,833	101,668
Cash paid to suppliers and employees	-78,044	-80,059
Cash generated from operations	**26,789**	**21,609**
Income taxes paid	-5,395	-68
Other taxes paid	-2,573	-1,616
Interest and bank costs paid	-128	-224
Net cash from operating activities	**18,693**	**19,701**
Cash flows from investing activities		
Interest received	233	353
Received dividends	259	0
Purchase of fixed assets	-2,682	-2,710
Recovery investment in subsidiary [1]	0	7,261
Investment in other participating interests	0	-1,147
Net sale / (purchase) of treasury shares	443	147
Net cash used in investing activities	**-1,747**	**3,904**
Cash flows from financing activities		
Dividends paid	-28,605	-28,555
Repayment of long-term borrowings / increase in financial debt	0	-482
Repayment of short-term borrowings / increase in financial debt	259	-147
Net financing of customer growth fund	55	-89
Net cash used in financing activities	**-28,291**	**-29,273**
Net increase / (decrease) in cash and cash equivalents	**-11,345**	**-5,668**
Cash and cash equivalents at beginning of period	**39,310**	**31,738**
Exchange rate differences	**223**	**242**
Net increase / (decrease) in cash and cash equivalents	**-11,345**	**-5,668**
Cash and cash equivalents at end of period	**28,188**	**26,312**

[1] For 2013 this relates to the collection of the receivable from the minority shareholders of Intimacy (€ 7,232k) plus the cash at Re-Tail BV upon acquisition of the remaining 50.1% of the shares (€ 29k).

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 and franchisees). 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 2014 and on 30 June 2013.

Segment Income Statement								
(in € 000)	2014				2013			
	Wholesale	Retail	Unallocated	Total	Wholesale	Retail	Unallocated	Total
Segment revenues	85,210	21,748	0	**106,958**	74,384	22,595	0	**96,979**
Segment costs	-40,545	-19,182	-13,041	**-72,768**	-36,118	-19,455	-13,024	**-68,597**
Depreciation	0	-1,411	-2,166	**-3,577**	0	-1,750	-1,933	**-3,683**
Segment results	44,665	1,155	-15,207	**30,613**	38,266	1,390	-14,957	**24,699**
Impairment				**-16,307**				**0**
Net finance profit				**73**				**1,484**
Result from associates				**421**				**-138**
Income taxes				**-10,156**				**-6,331**
Non-controlling interests				**322**				**160**
Net income				**4,966**				**19,874**

Segment Balance Sheet						
(in € 000)	2014			2013		
	Wholesale	Retail	Total	Wholesale	Retail	Total
Segment assets	57,613	44,529	102,142	54,736	61,300	116,035
Unallocated assets			74,067			72,660
Consolidated total assets	**57,613**	**44,529**	**176,209**	**54,736**	**61,300**	**188,695**
Segment liabilities	0	0	0	0	0	0
Unallocated liabilities			176,209			188,695
Consolidated total liabilities	**0**	**0**	**176,209**	**0**	**0**	**188,695**

Capital expenditure								
(in € 000)	2014				2013			
	Wholesale	Retail	Unallocated	Total	Wholesale	Retail	Unallocated	Total
Tangible fixed assets	0	1,256	1,085	**2,341**	0	522	1,690	**2,212**
Intangible assets	0	29	384	**413**	0	152	493	**645**
Depreciation	0	1,411	2,166	**3,577**	0	1,750	1,933	**3,683**

Breakdown by region - turnover						
(in € 000)	2014			2013		
	Eurozone	Elsewhere	Total	Eurozone	Elsewhere	Total
Turnover	71,261	35,697	**106,958**	60,711	36,268	**96,979**

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	20,722	9,283	**30,005**
Intangible assets	11,392	7,331	**18,723**
Inventories	29,569	5,700	**35,269**

PROSPECTS

In wholesale, pre-orders for autumn/winter 2014 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 strong rise in wholesale over the whole year 2014.

It is difficult to predict how retail and in particular Intimacy will develop.

Van de Velde also expects a strong rise in REBITDA for the whole year 2014, but relatively speaking this rise will be lower than the interim rise. Both turnover and REBITDA rose by an exceptional degree in the first half-year.

RISK

Intimacy has been named as defendant in a potential class action suit alleging violation of FACTA ("Fair and Accurate Credit Transactions Act"). This Act stipulates the credit card details that can be stated on a cash receipt. The case is currently in the discovery phase and it remains uncertain whether class certification will be granted.

Management cannot reasonably and reliably estimate the outcome or estimate the amount of damages that may result from this matter at this time. Management refers to the following matters:

- To our knowledge, no single consumer has suffered any damage by stating the credit card details on the cash receipt.
- It concerns a rather limited period.
- There are strong arguments and defense lines.

Therefore, it is impossible at this point in time to assess whether this case will result in any cash outflow and when the case eventually will be settled. Management will do what it takes to avoid a possible cash outflow.

As soon as we can provide more relevant clarity, we will communicate this.

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 2013.

The General Meeting of 30 April 2014 approved the dividend as proposed by the Board of Directors (€ 2.15/share). The allocated dividend was € 28,592k, which was almost entirely paid out at 30 June 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 2014 were primarily the same as described on pages 60-61 ('Business risks under IFRS 7') of the 2013 annual report.

In the first half of 2014, there were no material transactions with associated companies other than those described in this report or within the normal course of events.

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, 29 August 2014

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 2014 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 2014 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 € 176,209 thousand and a consolidated profit for the 6 month period then ended of € 4,644 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 2014, and of its financial performance and its cash flows for the 6 month period then ended in accordance with IAS 34.

Ghent, 29 August 2014

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

Paul Eelen
Partner

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

Stefaan Vandamme
Chief Financial Officer

FINANCIAL CALENDAR

31.12.2014
End of fiscal year 2014

08.01.2015
Announcement of turnover for 2014

24.02.2015
Announcement of results for 2014

29.04.2015
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.