

Van de Velde

23.02.2016 – Press release

Van de Velde: annual results 2015

- **REBITDA ROSE ON A COMPARABLE BASIS BY 8.0%.**
- **RECURRING NET PROFIT INCREASED BY 20.7%.**
- **THE BOARD OF DIRECTORS WILL PROPOSE TO THE GENERAL MEETING OF SHAREHOLDERS A TOTAL DIVIDEND OF € 3.50 PER SHARE, OF WHICH € 1.35 PER SHARE WAS PAID OUT AS INTERIM DIVIDEND IN NOVEMBER 2015.**

1. CONSOLIDATED KEY FIGURES 2015 (ACCORDING TO IFRS STANDARDS AND AUDITED)

Consolidated key figures	31.12.2015	31.12.2014	%
INCOME STATEMENT (IN M€)			
Turnover	209.0	198.4	5.3%
Other operating income	5.5	4.9	13.3%
Cost of materials	(46.2)	(46.2)	(0.1%)
Other expenses	(62.3)	(56.5)	10.1%
Personnel expenses	(44.1)	(42.8)	3.1%
Recurring operating profit before depreciation and amortization ('REBITDA')⁽¹⁾	61.9	57.7	7.3%
Depreciation and amortization	(8.3)	(8.2)	1.4%
EBIT or operating profit	53.7	49.5	8.3%
Impairment of goodwill and intangible assets with indefinite useful life	0.0	(31.4)	(100.0%)
Financial result	0.3	0.7	(53.6%)
Share of result of associates	0.3	0.0	788.2%
Profit before taxes	54.3	18.8	188.5%
Income taxes	(13.2)	(16.4)	(19.2%)
Result of the period attributable to non-controlling interests	0.1	(0.1)	303.9%
Profit for the period attributable to the owners of the company	41.0	2.5	1,548.6%
Recurring profit for the period (excluding impairment)	41.0	33.9	20.7%

⁽¹⁾ REBITDA equals recurring operating profit plus depreciation and amortization on fixed intangible and tangible assets.

Consolidated key figures	31.12.2015	31.12.2014	%
BALANCE SHEET (IN M€)			
Fixed assets	70.8	68.0	4.2%
Current assets	90.9	91.9	(1.1%)
Total assets	161.7	159.9	1.1%
Shareholders' equity	129.2	134.0	(3.5%)
Non-controlling interest	0.9	0.7	20.6%
Non-current liabilities	4.5	4.7	(4.4%)
Current liabilities	27.2	20.6	32.2%
Total equity and liabilities	161.7	159.9	1.1%
KEY FIGURES IN € PER SHARE			
REBITDA	4.6	4.3	7.3%
Recurring profit for the period attributable to the owners of the company	3.1	2.6	20.7%

2. REPORT OF THE STATUTORY AUDITOR ON THE ANNUAL INFORMATION AT 31 DECEMBER 2015

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 GROWTH 2015

Consolidated turnover at Van de Velde rose by 5.3% in 2015 (from € 198.4m to € 209.0m).

On a like-for-like basis (including comparable deliveries) consolidated turnover is up 5.7%. This turnover growth consists of the following components:

- 6.0% growth in wholesale turnover. Growth has continued in all areas: lingerie, beachwear and stayers.
- A fall in retail turnover at Rigby & Peller USA (former Intimacy) by 9.7% (9.8% 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 7.2%.
- In Europe retail turnover rose on a like-for-like basis by 5.8%, due to like-for-like growth in Germany (7.1%) and the Netherlands (5.7%).

REBITDA DEVELOPMENT

Consolidated REBITDA was € 61.9m, 7.3% higher than the previous year. On a like-for-like basis (including comparable deliveries), REBITDA rose by 8.0%.

This is primarily due to the following factors:

- There was strong turnover growth in wholesale.
- The gross margin in wholesale is higher on an annual basis compared to the previous year, mainly due to a positive price and currency impact as well as lower stock depreciation.
- Increases in fixed costs are mainly related to sales-driving costs (such as marketing and customer programs).
- REBITDA in the retail business is slightly lower than the same period in the previous year.

IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

Impairment tests in 2014 resulted in impairment charges of € 31.4m, entirely related to Intimacy. In 2015 no impairment charges were recorded

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

The financial result in 2015 was € 0.4m lower than in the previous year. Interest and dividend income were amongst other things lower than in 2014.

Van de Velde

The result based on the equity method is higher than the previous year. This is mainly due to the contribution of Top Form, which is based on the change in shareholders' equity up to and including 31/12/2015. Top Form reported profit of HK\$ 20.0m for the first half of the financial year 2016 (1/7/2015-31/12/2015).

INCOME TAXES AND PROFIT FOR THE PERIOD

Income taxes were lower compared with the previous year. The recurring Group profit rose from € 33.9m to € 41.0m (+20.7%) and the recurring profit per share rose from € 2.55 to € 3.07 (+20.7%). When the non-recurring components in 2014 are included, the rise in Group profit is 1,548.6%.

CASH POSITION AND SOLVENCY / LIQUIDITY

The cash position at the end of 2015 was € 28.1m (versus € 35.3m at the end of 2014). 2015 was actually a strong year with regard to cash generation and the operational cash flow was € 50.3m versus € 45.9m in 2014. On the other hand, capital expenditures were € 4.9m higher in 2015 versus 2014.

Solvency (share of equity in total equity and liabilities) of Van de Velde Group remained very high (79.9% at the end of 2015 versus 83.8% at the end of 2014). The current assets represented 3.3 times the value of the current liabilities (versus 4.5 at the end of 2014), an indication of very strong liquidity. Furthermore, the Group is completely self-financed.

4. DIVIDEND

For the financial year 2015 the Board of Directors will propose to the General Meeting of Shareholders a total dividend of € 3.5000 per share (net dividend of € 2.5820 per share). Of this amount, € 1.3500 was paid out as an interim dividend in November 2015 (net dividend of € 1.0125 per share). After approval by the General Meeting of Shareholders, the final dividend of € 2.1500 per share (net dividend of € 1.5695 per share) will be paid out as from 4 May 2016.

There are sufficient remaining sources of finance (including cash position) to make all the investments needed to 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.

6. PROSPECTS FOR 2016

2014 was a record year and 2015 was even better. We are very confident that 2016 will again take us to the next level:

- The orders for spring/summer 2016 are higher than in 2015. There appears to be further growth potential in Swimwear. All lingerie brands have posted growth. The most important growth driver is the elaboration of Lingerie Styling, through new dimensions and new countries. Marketing budgets have been raised for all brands.
- In Europe and the United Kingdom retail entered the new year with modest growth, but the relaunch in the United States has not yet broken the trend. In 2016 new management will be responsible for the global retail department.

Van de Velde

7. MANAGEMENT

Ignace Van Doorselaere has decided to leave the company. In order to enable a smooth transition, he is prepared to stay until the end of the year: "I have the utmost confidence in the current strategic course, the 2016 results and the initiatives that have already been prepared for the long-term future of Van de Velde. For me, for other reasons it is time for a new horizon."

8. FINANCIAL CALENDAR

Annual report 2015	25 March 2016
2015 General Meeting	27 April 2016
Ex-coupon date	2 May 2016
Record date	3 May 2016
Payment dividend	4 May 2016
H1 2016 turnover figures	7 July 2016
2016 half-year results	31 August 2016
Year-end closing 2016	31 December 2016



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.

For more information, contact:

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EBVBA 4F, always represented by
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