

HALF-YEAR RESULTS 2014

Charles
Vögele
S w i t z e r l a n d



TURNAROUND PROGRESSING AS PLANNED

- Market gets 2014 spring season off to a successful start
- Colder and rainier weather in Q2 impacts on half-year results in textile sector
- Key focuses at Charles Vögele during 1 HY 2014:
 - Fine-tuning of collection's style direction
 - Pilot phase of store format strategy
 - Streamlining of country portfolio (concluded as at July 2014)
- Sales decline halted (like-for-like basis)
- Consolidated loss further reduced
- Switch from IFRS regulatory standard to Swiss GAAP FER



KEY FIGURES 1 HY 2014

Sales quality improved, consolidated loss further reduced

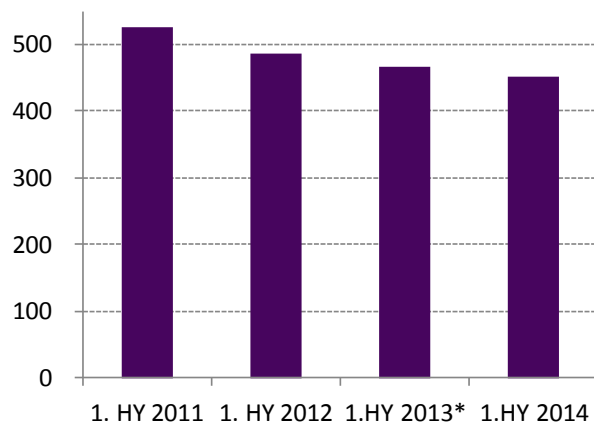
- Gross sales down by -2% to CHF 542 million, increase of 1% adjusted for changes in currency and floorspace
- Operating costs cut by CHF 12 million to CHF 286 million
- Positive result before depreciation and amortization (EBITDA) of CHF 14 million (previous year: CHF 5 million)
- Operating result (EBIT) up by CHF 10 million to CHF -5 million
- Consolidated loss reduced to CHF -12 million



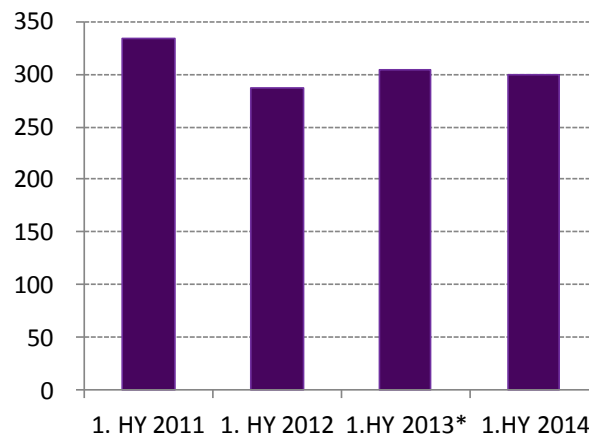
KEY FIGURES 1 HY 2014

Turnaround in operating result confirmed

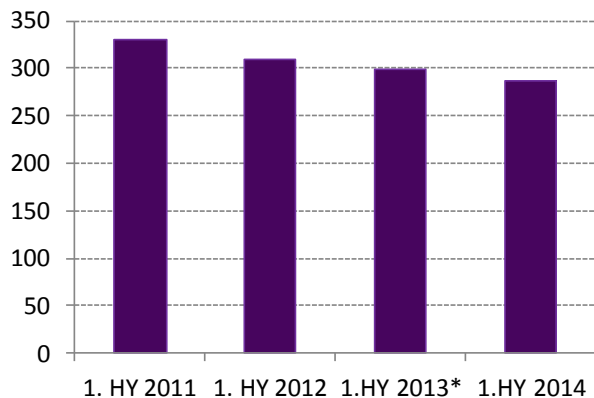
Net sales (CHF million)



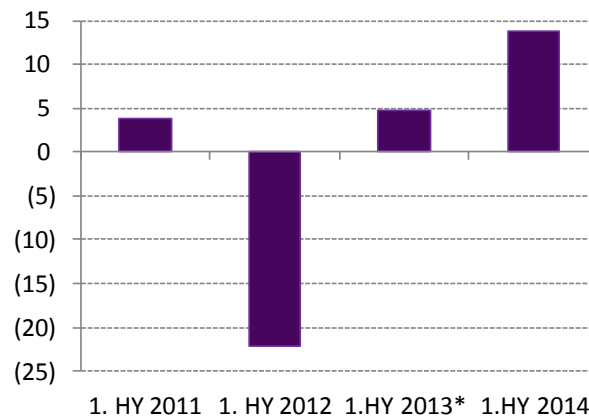
Gross profit (CHF million)



Total operating expenses (CHF million)



EBITDA (CHF million)



- Streamlining of portfolio
- Sales decline halted (like-for-like basis)
- Discount rate reduced
- Stable gross profit margin
- Reduced operating costs

KEY FACTS 1 HY 2014

Pressing ahead with turnaround measures

Collection/range

- Development of collection geared around store format strategy
- Fine-tuning of collection's style direction
- Range improvements

Store format strategy

- Full development of target formats for CV stores
- Creation of quick wins
- Roll-out of more pilot stores in countries

Merchandise Management

- Improvement of store-oriented planning processes
- Strengthening of local merchandise management

Core market Switzerland

- Creation of a supplementary range for large stores (CV-Selection)
- KONTAKT! sales training
- Increased sales quality through restrictive mark-down management

Streamlining branch portfolio

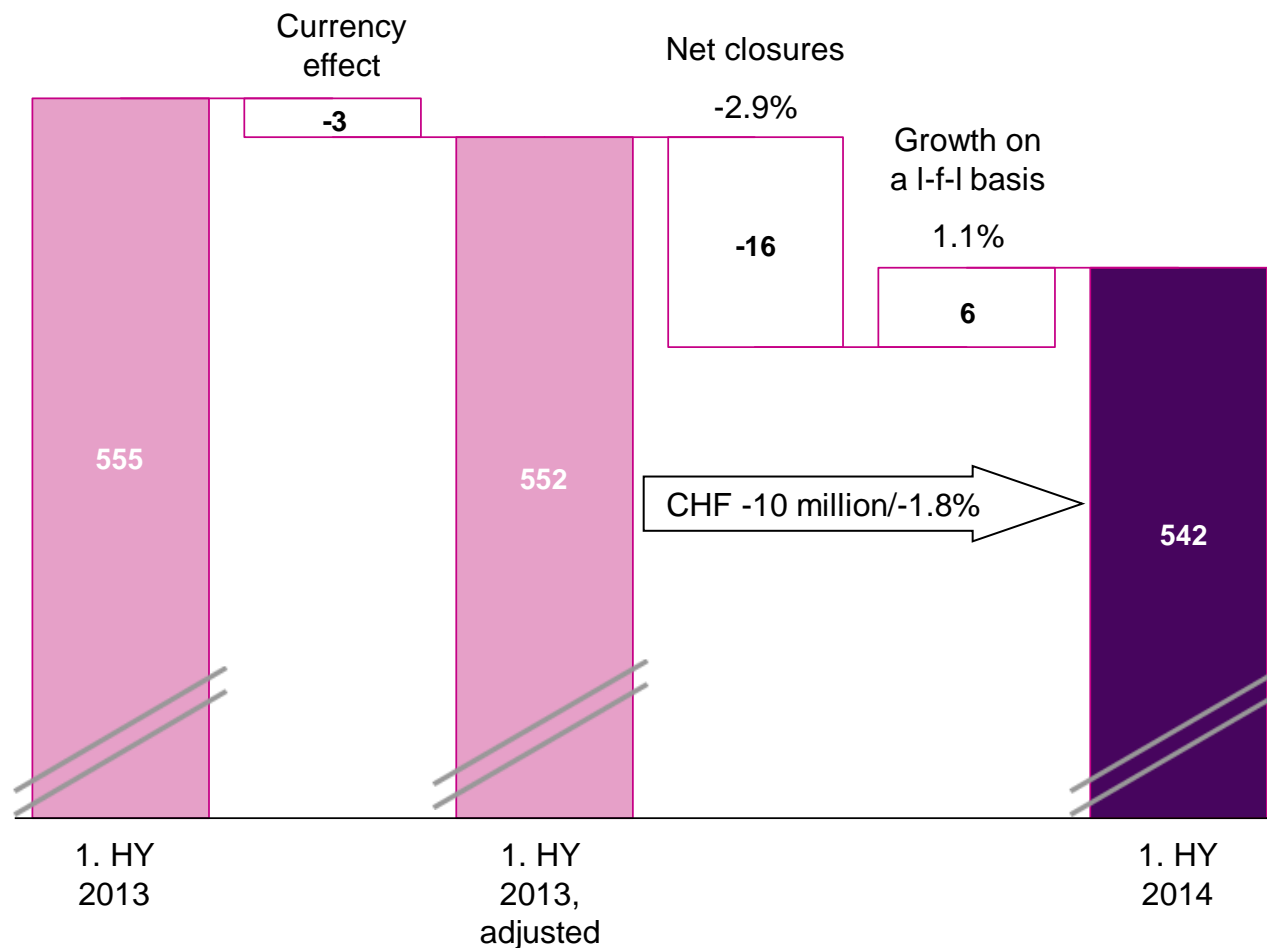
- Withdrawal from Poland and Czech Republic completed (as at July 2014)
- Continuous monitoring and optimization of store portfolio

INCOME STATEMENT

(CHF million)	1. HY 2014	1.HY 2013*	△	△ in %
Gross sales	542	555	(13)	(2%)
Net sales	452	466	(14)	(3%)
Gross profit	300	303	(3)	(1%)
as % of net sales	66.4%	65.0%		
Total operating expenses	(286)	(298)	+12	+4%
as % of net sales	63.3%	63.9%		
EBITDA	14	5	+9	
as % of net sales	3.1%	1.1%		
EBIT	(5)	(15)	+10	
as % of net sales	-1.1%	-3.2%		
Net profit/(loss)	(12)	(21)	+9	

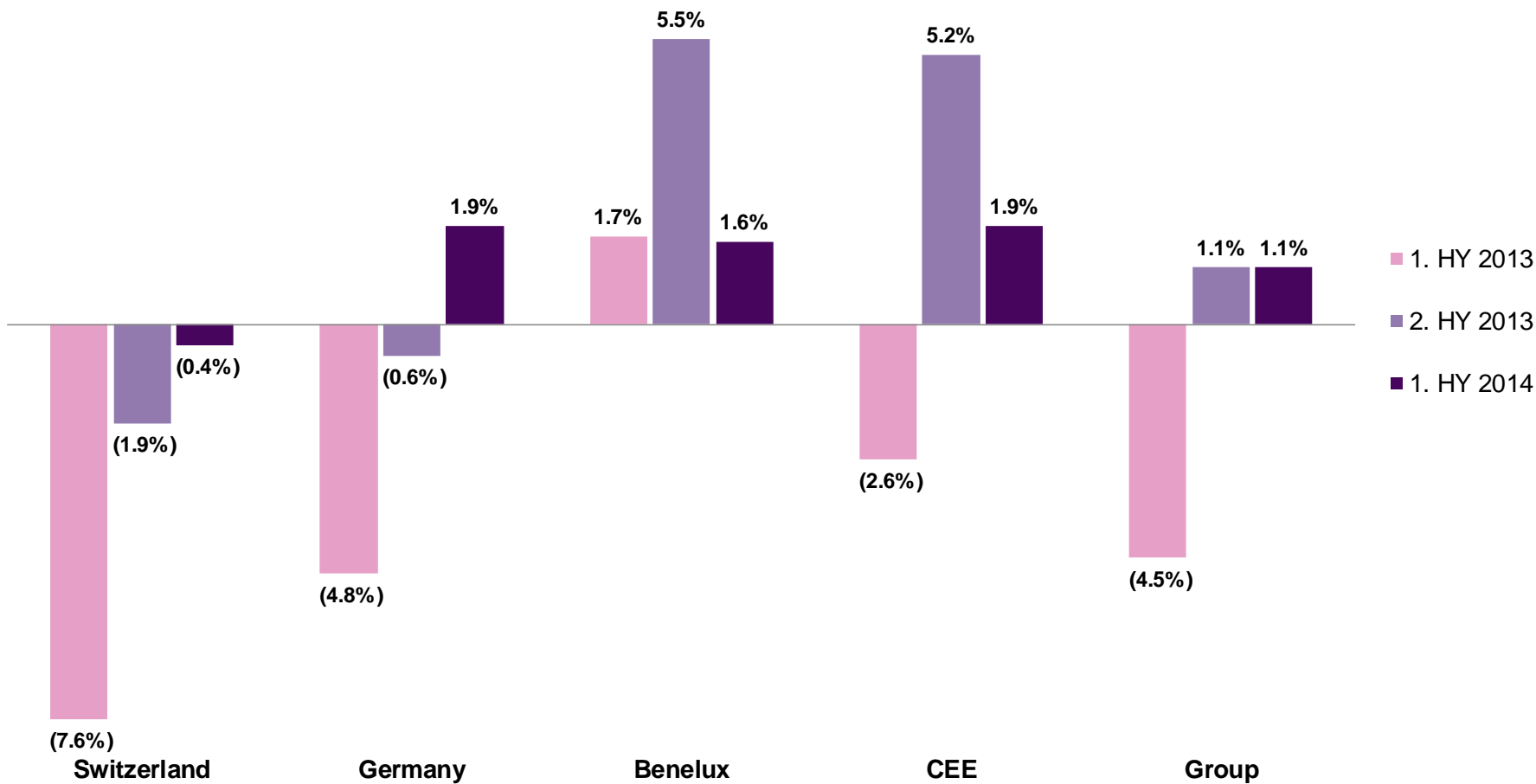
CONSOLIDATED GROSS SALES (in CHF million)

Like-for-like growth of 1.1%, with store numbers down by an average of 3%



CONSOLIDATED GROSS SALES BY REGION (in CHF million)

Like-for-like sales growth in all regions other than Switzerland



GROSS PROFIT

Sales quality improved

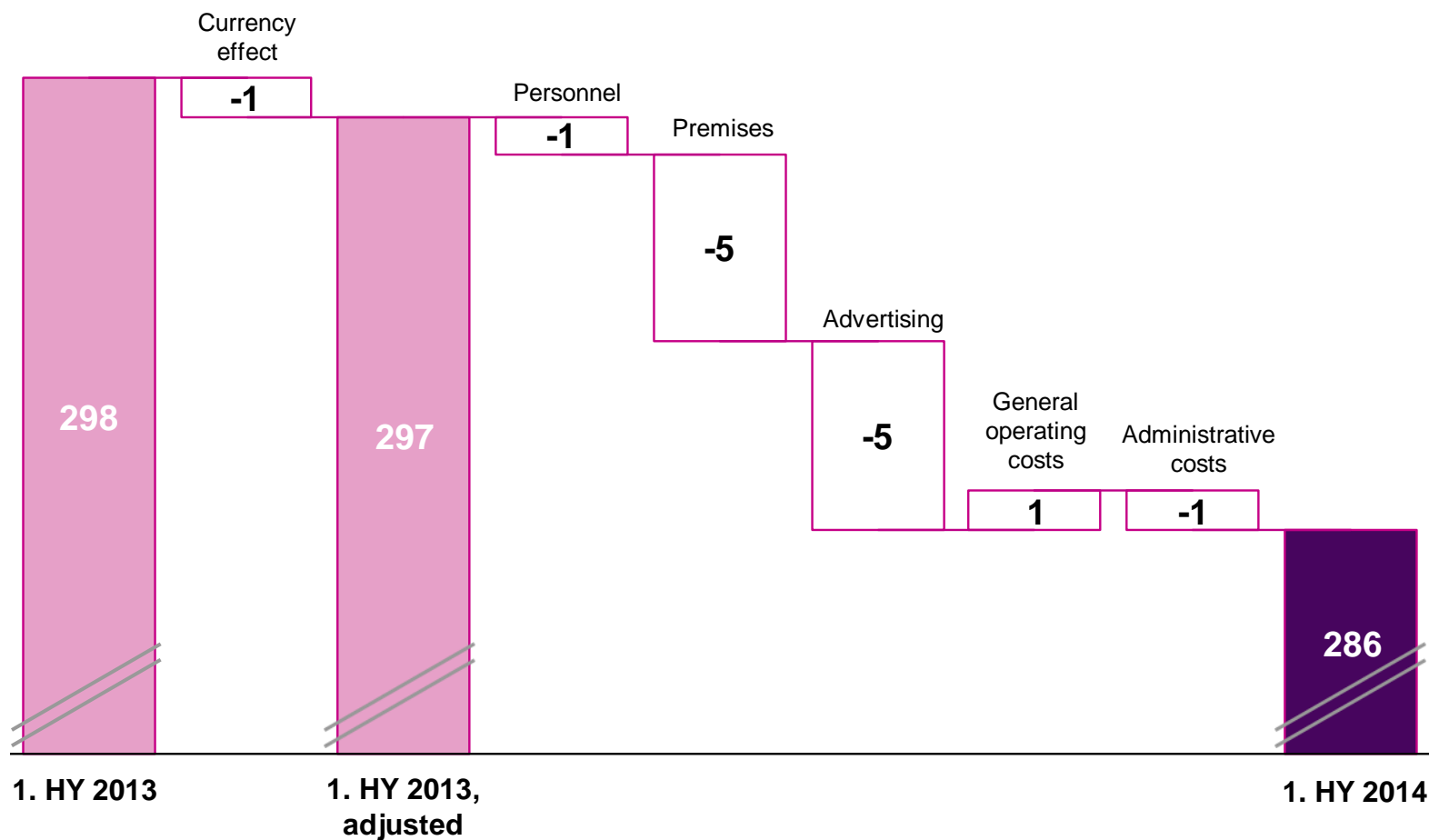
- Down by CHF 3 million (from CHF 303 million to CHF 300 million)
 - Declining volumes & currency effect: CHF -9 million
 - Positive margin effect: CHF 6 million

Key factors:

- Streamlining of retail space (Ø -5%)
- Discount rate further reduced
- Further increase in proportion of sales from consignment goods
- Favorable development in USD/CHF exchange rate

OPERATING COSTS (in CHF million)

Savings of CHF 11 million after currency adjustment



REGIONAL PERFORMANCES

Improved earnings in all regions

Region Switzerland

Region Germany

Region Benelux

(CHF million)	1. HY 2014	1. HY 2013*	1. HY 2014	1. HY 2013*	1. HY 2014	1. HY 2013*
Gross sales	176	177	178	178	71	73
Net sales	157	160	144	145	57	59
EBITDA	26	23	10	9	(3)	(3)
EBIT	18	15	5	3	(3)	(4)
Store portfolio at 1 January	168	170	281	291	141	148
Net change	0	(2)	3	(6)	(3)	(3)
Store portfolio at 30 June	168	168	284	285	138	145

Region CEE

Group's headquarter and consolidation

Group

(CHF million)	1. HY 2014	1. HY 2013*	1. HY 2014	1. HY 2013*	1. HY 2014	1. HY 2013*
Gross sales	117	127	0	0	542	555
Nettoumsatz	94	102	0	0	452	466
EBITDA	3	0	(22)	(24)	14	5
EBIT	0	(2)	(25)	(27)	(5)	(15)
Store portfolio at 1 January	191	203			781	812
Net change	(11)	(8)			(11)	(19)
Store portfolio at 30 June	180	195			770	793

OVERVIEW OF EBIT TO NET RESULT

Group result improved by CHF 8 million

(CHF million)	1. HY 2014	1. HY 2013*	△
EBIT	(4.8)	(15.5)	+10.7
as % of net sales	-1.1%	-3.3%	
Financial expenses	(4.7)	(6.1)	+1.4
Exchange losses	(0.9)	3.1	(4.0)
Tax expenses	(1.8)	(2.0)	+0.2
Net profit/(loss)	(12.2)	(20.5)	+8.3
as % of net sales	-2.7%	-11.3%	

FREE CASH FLOW

Free cash flow balanced again

(CHF million)	1. HY 2014	1. HY 2013*	△	
EBITDA	14	5	+9	
Change in net working capital	5	(1)	+6	
Net financial & tax expenses	(10)	(6)	(4)	
Cash flow from operating activities	9	(2)	+11	
Cash flow from investing activities	(7)	(4)	(3)	
Free Cash Flow	2	(6)	+8	◀◀
Cash flow from financing activities	(10)	(24)	+14	
Net change in cash & cash equivalents	(8)	(30)	+22	

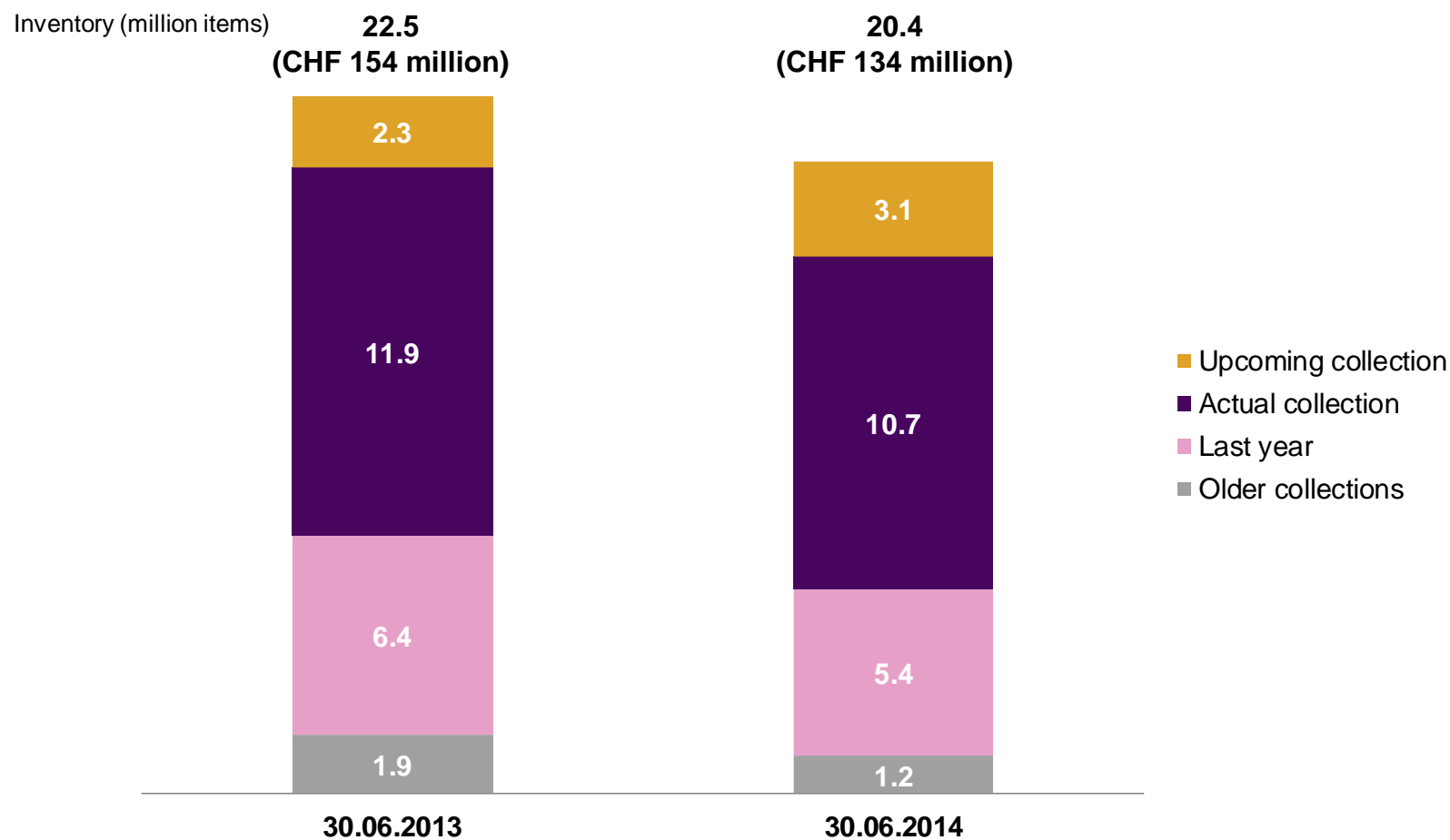
INVESTMENT

Investment slightly up

(CHF million)	1. HY 2014	1. HY 2013	△
Store openings	1.6	0.6	+1.0
Refurbishments/renovation	3.6	2.0	+1.6
Other	0.4	0.5	(0.1)
Total regions	5.6	3.1	+2.5
Group infrastructure	1.2	1.5	(0.3)
Divestment	0.0	(0.3)	+0.3
Total Group, net	6.8	4.3	+2.5

INVENTORIES

Further improvements to stock structure



BALANCE SHEET KEY FIGURES

Key figures stable

(CHF million)	30.06.2014	31.12.2013*	△	30.06.2013*	△
Cash and cash equivalents	62	70	(8)	57	+5
Inventories	134	149	(15)	154	(20)
Tangible assets	223	235	(12)	261	(38)
Net debt	87	89	(2)	122	(35)
Total assets	450	483	(33)	503	(53)
Shareholders' equity	154	166	(12)	176	(22)
Equity ratio	34%	34%	(0%)	35%	(1%)

OUTLOOK FOR 2014

Guidance confirmed

- Operational focus on ongoing turnaround measures
- Bring sales decline (like-for-like) to a halt for the business year 2014
- Break even operating result (EBIT level)

- Media and analysts conference on the 2014 financial statements 24 March 2015
- Annual Shareholders' Meeting, 2014 annual financial statements 29 April 2015

MANY THANKS

Charles
Vögele
Switzerland



ANNEX:

EFFEKT IFRS - SWISS GAAP FER - RESTATEMENT

Adjustment effects equity

	1.1.2013	30.6.2013
Equity according to IFRS	228.9	211.6
Adjustment goodwill	(36.7)	(36.7)
Adjustment liabilities of defined benefit	6.4	5.9
Adjustment derivative financial instruments	2.7	(0.6)
Change deferred taxes	(5.0)	(4.3)
Adjustment according to Swiss GAAP FER	(32.6)	(35.7)
Equity according to Swiss GAAP FER	196.3	175.9

Adjustment effects net loss

	1. HY 2013
Net loss of the year according to IFRS	(21.4)
Adjustment liabilities of defined benefit	0.8
Adjustment derivative financial instruments	0.1
Adjustment according to Swiss GAAP FER	0.9
Net loss of the year according to Swiss GAAP FER	(20.5)

DISCLAIMER

All statements made in this presentation that do not refer to historical facts are future-oriented statements which offer no guarantee of future performance. They are subject to risks and uncertainties including, but not limited to, future global economic conditions, exchange rates, legal requirements, market conditions, activities by competitors and other factors outside the Company's control.