2011 HALF-YEAR REPORT

Charles Vögele
Switzerland

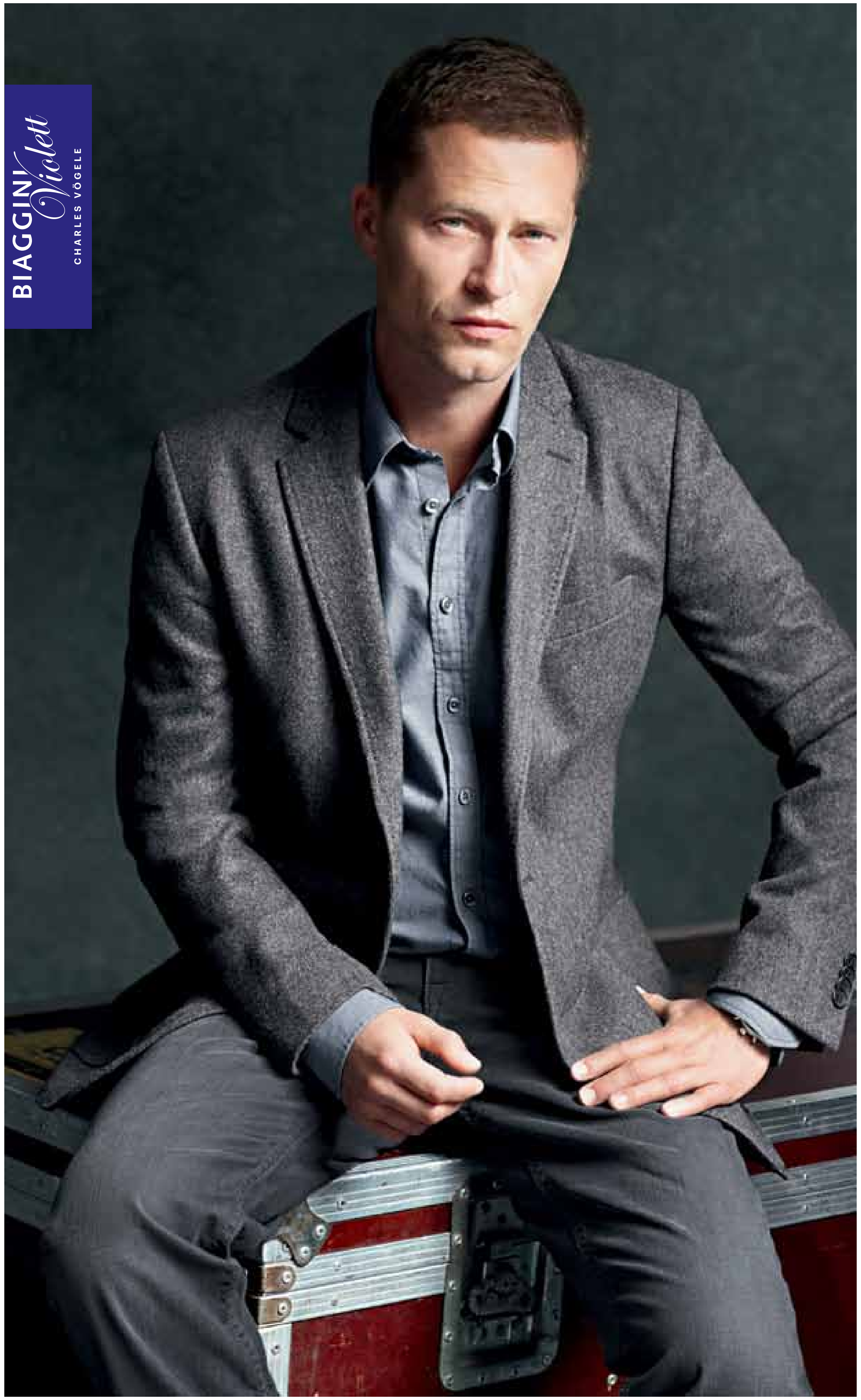
FASCINATION

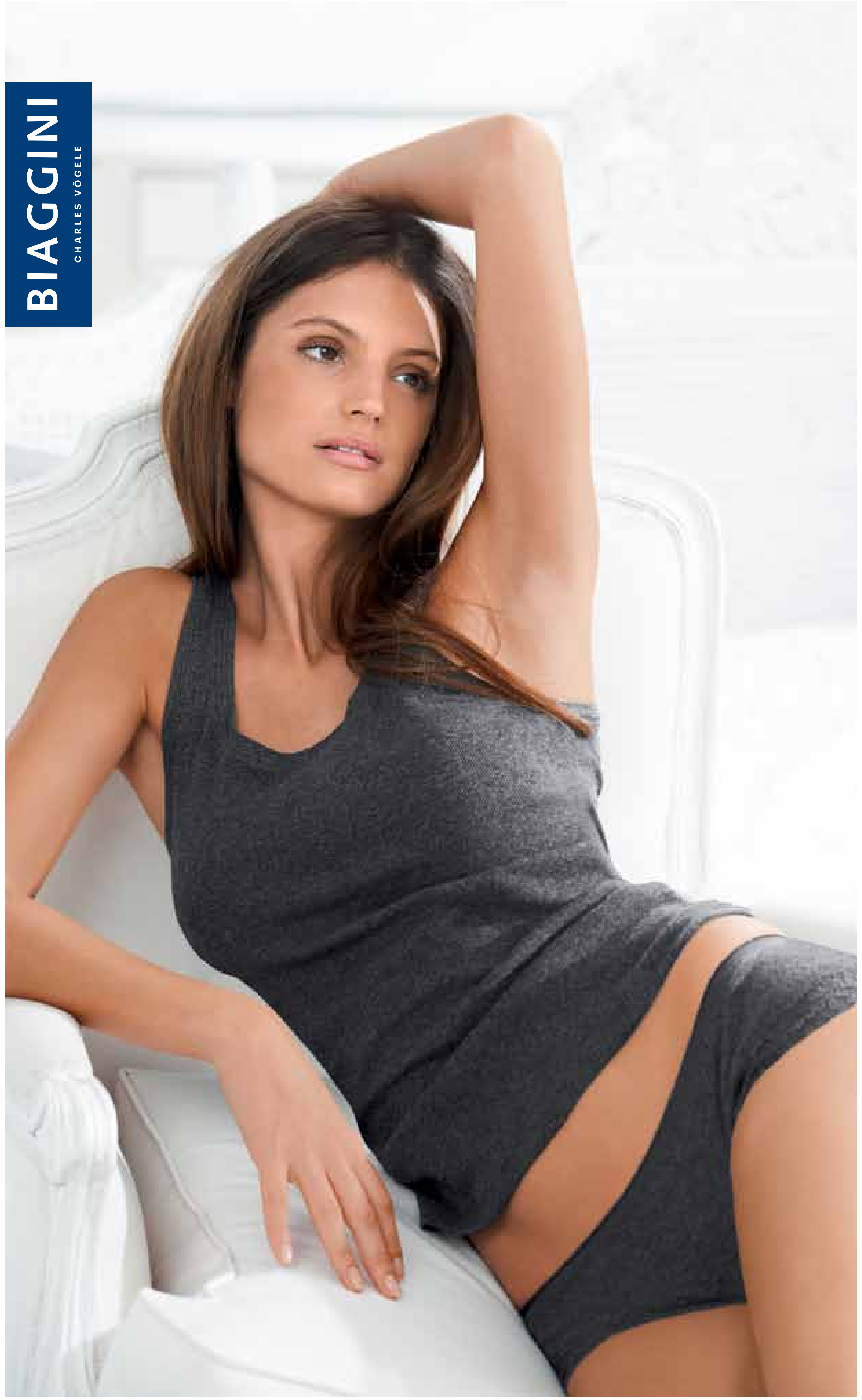
Charles Vögele is the number one choice for people in the prime of their lives who want to feel good and who are looking for the latest fashions at great prices.

GROWTH

PROCESSES


BIAGGINI
CHARLES VÖGELE


BIAGGINI Violett
CHARLES VÖGELE



KEY FINANCIALS

Gross sales were down by 9% to CHF 626 million. This is a reduction of CHF 64 million, of which CHF 55 million was due to currency effects. After adjusting for currency and floorspace changes (like-for-like) sales were about the same as a year previously.

Reduced gross profit margin
Increased raw materials and labour costs in procurement markets had a negative impact on the gross profit margin. These rises were offset to a certain extent by changes in the USD exchange rate. The gross profit margin slipped from 65.3% to 63.5%.

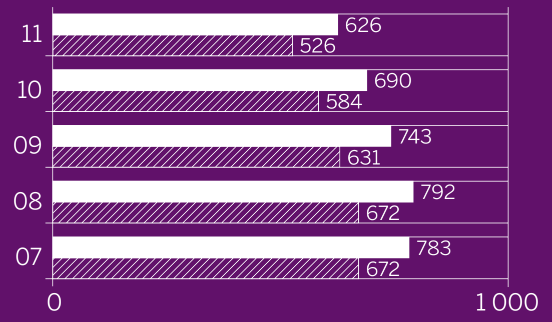
Operating costs at low level
Reorganization and process optimization measures are having an effect. Operating costs are low at CHF 330 million.

Goodwill impairment
The sharp fall in the value of the EUR led to a goodwill impairment of CHF 36 million in Germany and Austria.

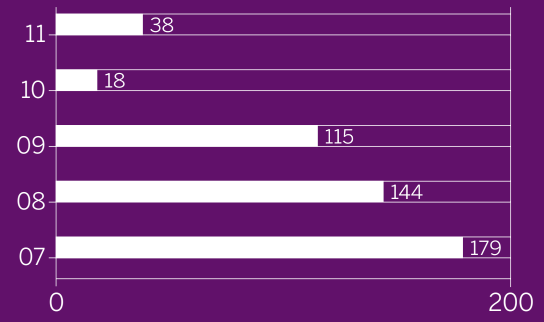
Fall in net profit
The net result for the year fell to CHF –62 million. At 61%, the equity capital ratio remains solid.

FIVE-YEAR OVERVIEW HALF-YEARS 2007 – 2011

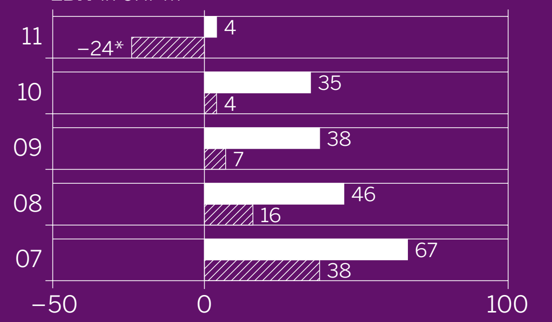
■ **Gross sales** in CHF m
▨ **Net sales** in CHF m



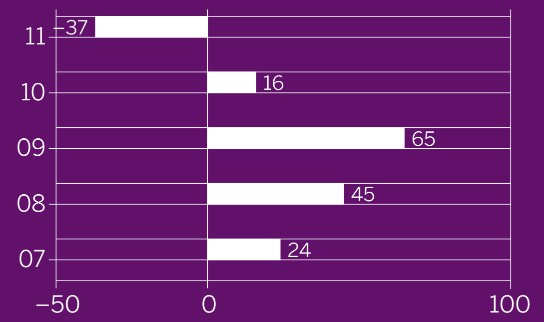
■ **Net debt** in CHF m



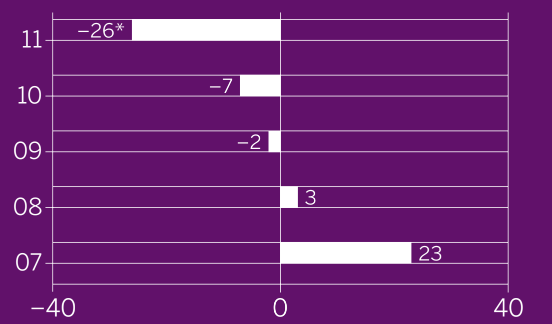
■ **EBITDA** in CHF m
▨ **EBIT** in CHF m



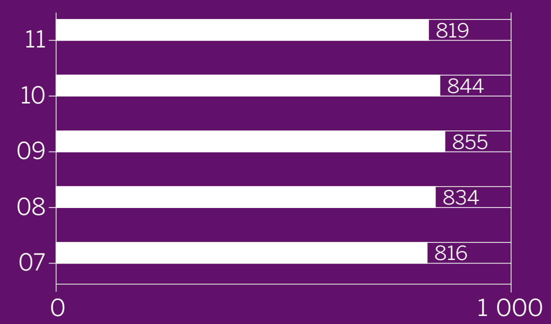
■ **Cash flow from operating activities** in CHF m



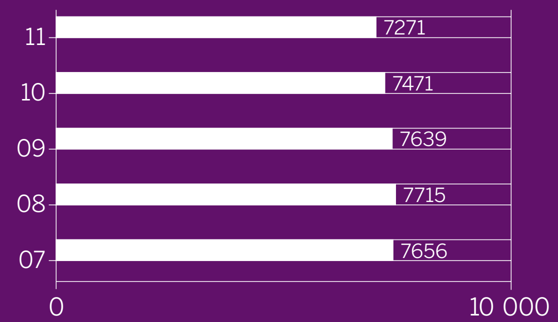
■ **Net profit** in CHF m



■ **Number of branches**



■ **Number of employees****



* Before goodwill impairment of CHF 36 million
** excluding trainees

GROUP KEY FIGURES

CHF million	**1st Half – Year 2011**	1st Half – Year 2010	Change
Gross sales	626	690	(9%)
Change adjusted for currency in %	(2%)	(4%)	
Change adjusted for expansion and currency in %	0%	(5%)	
Net sales	526	584	(10%)
Operating earnings before depreciation and impairment (EBITDA)	4	35	
Operating earnings (EBIT)	(60)	4	
Net profit/(loss)	(62)	(7)	
Cash flow from operating activities	(37)	16	
Net cash provided/(used) in investing activities	(23)	(18)	
Free cash flow	(60)	(2)	
Number of stores as of 30 June	819	844	(3%)
Sales area as of 30 June in m²	638 685	663 498	(4%)
Number of employees as of 30 June[1)]	7 271	7 471	(3%)
Average number of full – time employees on a half – year basis[1)]	4 668	4 930	(5%)

CHF million	**30.06.2011**	31.12.2010
Net cash/(net debt)	(38)	26
Shareholders' equity	400	473
Balance sheet total	657	756
Shareholders' equity in % of balance sheet total	61%	62%

1) Excluding apprentices.

CONTENTS

WORLD OF FASHION

The new collection designed by Til Schweiger is available in stores from autumn 2011. Since March 2011, Charles Vögele's range has also included fashion shoes.

TIL SCHWEIGER

International movie star and producer Til Schweiger has been Charles Vögele Group's male brand ambassador since spring 2011. The first "Biaggini Violett" collection designed by Til Schweiger is available in stores from autumn this year. His style is casual and sporty, and reflects his personality. The collection will be presented at the second Charles Vögele Fashion Days, which take place from 9 to 12 November. "Til Schweiger is straightforward, obliging and communicative – which is by no means true of all stars," says Christian Braun, Head of Designer Men's Wear. "Each item of clothing – its cut, the way it should be made, etc. – is discussed in great detail." Til Schweiger is keen to give the clothes a masculine look. He favours basics like pullovers, t-shirts, chinos and denim. "Til certainly brings his taste in fashion to bear. It's important to him that every single piece in the Biaggini Violett collection could also come from his own wardrobe."

FROM HEAD TO TOE

Since 1 March 2011, customers have been able to dress themselves fashionably from head to toe. Charles Vögele is now selling shoes at 50 stores in Switzerland and Austria, and at 200 stores in Germany. The range is being developed in cooperation with the design team at Vögele Shoes. Ladies and men's shoes are currently being made for Casa Blanca and Biaggini – all of them designed to complement the clothes collections.

LETTER TO SHAREHOLDERS

In the first half 2011, delays in the impact of the 3-pillar strategy and the weakness of the euro put the brakes on our business performance. The sharp fall in the value of the euro also led to a goodwill impairment in Germany and Austria. Rigorous implementation of the 3-pillar strategy continues.

The first six months of the 2011 financial year were heavily affected by the difficult economic situation and the depreciation of the euro. Consumer sentiment was dampened by the global debt crisis and growing fears of a return to recession. Charles Vögele generates around two thirds of its sales in euro zone countries, and in the first half of 2011 the company saw its sales figures cut by CHF 55 million as a result of exchange rate influences. Gross sales declined to CHF 626 million as a result (first HY 2010: CHF 690 million). After adjusting for changes in exchange rates and floorspace (like-for-like), sales were maintained at the previous year's level.

The positive effects of the 3-pillar strategy were delayed. On the procurement side, price increases driven by the higher cost of raw materials and labour are leading to lower initial margins. The USD exchange rate has only offset this trend to a limited extent. The gross margin fell to 63.5% as a result (first HY 2010: 65.3%).

Operating costs were kept at a low level thanks to reorganization and process optimization measures, with currency factors pushing them down to CHF 330 million.

The fall in the value of the euro prompted a revaluation of the goodwill position in Germany and Austria. This led to a goodwill impairment of CHF 36 million.

As a result, operating earnings came to CHF –60 million (first HY 2010: CHF 4 million), and net profit to CHF –62 million (first HY 2010: CHF –7 million).

3-pillar strategy

At all levels, the reorientation required by the 3-pillar strategy – "Fascination," "Growth," "Processes" – is taking longer than expected, especially in terms of attracting new customer segments. As announced, implementation of the new organizational and process structures will take effect gradually up to the end of 2012.

Strategy implementation is focused strictly on the core competencies of collection development, procurement and customer service. Charles Vögele's verticalization, centralization and improved image will lead to permanent optimizations.

The Board of Directors and the Management are sticking firmly to the 3-pillar strategy. The following milestones were achieved during the period under review:

FASCINATION

The new market image emphasizes Charles Vögele's improved fashion credentials. Highpoints included the advertising campaigns involving Penélope and Mónica Cruz and Til Schweiger. At the same time, Charles Vögele doubled the number of collections from four to eight per year, so it is now presenting a new collection in its stores every six weeks. Advertising is being focused more sharply on customer requirements.

GROWTH

Charles Vögele has optimized its branch portfolio and expanded its range of shoes and accessories. Since spring 2011, the shoes have been presented by theme in 300 stores along with matching outfits. Lingerie, which was introduced in September 2010, has also been well received by customers. The online shop opened for business during the first half of the year, and from autumn 2011 the whole collection will be available in Switzerland, Benelux, Germany and Austria.

Charles Vögele continues to focus on good value, and is always building on the strengths in its range.

PROCESSES

Charles Vögele relocated its logistics in the euro zone to two modern regional distribution centres for the North (in Peine, Germany) and the South (Werndorf, Austria). These state-of-the-art centres, which boast cutting-edge storage technology and integrated e-commerce processing, began operating in June. After a challenging start-up phase, the centres will significantly increase the speed and flexibility of goods supply.

Reorganization into a vertical company with central planning, control and procurement is nearly complete. Weaknesses have been identified and processes and procedures are being optimized all the time.

Change in the Group Management

Werner Lange, Chief Purchasing Officer and Member of Group Management, left the company at his own request on 30 June 2011. The Board of Directors and the Group Management would like to thank Werner Lange for his great commitment over the last four years. André Maeder, CEO, is managing all areas of purchasing on an interim basis.

Market environment remains challenging

The modernization of all areas of the company is being pursued rigorously and put into practice every day. However, the full impact of the reorientation requires more time than originally planned. Charles Vögele expects consumer sentiment to be unsettled and competition to remain intense in the second half of the year in the euro zone. Neither can much relief be expected in procurement markets in the medium term. Given the current foreign exchange and market environment, it will not be possible to break even in 2011.

In the name of the Board of Directors and the Group Management we would like to thank our shareholders for the trust and confidence.

Yours sincerely,

Alain Caparros Chairman of the Board of Directors	André Maeder Chief Executive Officer

From 1 January to 30 June

CONSOLIDATED INCOME STATEMENT

CHF 1000	Note	1st Half-Year 2011	1st Half-Year 2010
Net sales		**525 648**	**584 415**
Cost of goods	10.1	(191 692)	(202 966)
Personnel expenses		(139 406)	(142 529)
Rental expenses		(100 747)	(115 094)
Advertising and promotion expenses		(48 796)	(50 582)
General operating expenses		(43 094)	(41 337)
Other operating income	5	1 965	3 295
Operating earnings before depreciation and impairment (EBITDA)		**3 878**	**35 202**
In % of net sales		**0.7%**	**6.0%**
Depreciation and impairment	6	(63 808)	(31 161)
Operating earnings (EBIT)		**(59 930)**	**4 041**
In % of net sales		**(11.4%)**	**0.7%**
Financial income		388	250
Financial expenses		(2 285)	(2 848)
Exchange gains/(losses), net		(382)	(3 823)
Profit/(loss) before income tax		**(62 209)**	**(2 380)**
In % of net sales		**(11.8%)**	**(0.4%)**
Income tax expenses	7	0	(4 672)
Net profit/(loss)		**(62 209)**	**(7 052)**
In % of net sales		**(11.8%)**	**(1.2%)**
Basic earnings per share	8	**(7.44)**	**(0.84)**
Diluted earnings per share	8	**(7.44)**	**(0.84)**

The notes on pages 20 to 26 are an integral part of these consolidated interim financial statements.

From 1 January to 30 June

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CHF 1000	1st Half-Year 2011	1st Half-Year 2010
Net profit/(loss)	**(62 209)**	**(7 052)**
Currency translation differences of foreign subsidiaries	(1 304)	(18 774)
Change of fair value of cash flow hedges after taxes	(5 209)	12 117
Total other comprehensive income	**(6 513)**	**(6 657)**
Total comprehensive income	**(68 722)**	**(13 709)**

The notes on pages 20 to 26 are an integral part of these consolidated interim financial statements.

At 30 June

CONSOLIDATED BALANCE SHEET (CONDENSED)

CHF 1000	Note	30.06.2011	31.12.2010
Assets			
Current assets			
Cash and cash equivalents		62 592	129 529
Receivables, advance payments and prepaid expenses		22 545	17 364
Derivative financial instruments	9	6 141	18 336
Inventories	10	170 751	150 365
Total current assets		**262 029**	**315 594**
Non-current assets			
Property, plant and equipment	11	344 288	352 827
Financial assets		115	759
Intangible assets	6, 11	45 785	82 409
Deferred tax assets		5 023	4 857
Total non-current assets		**395 211**	**440 852**
Total assets		**657 240**	**756 446**
Liabilities and shareholders' equity			
Current liabilities		177 344	182 757
Non-current liabilities	13	79 694	101 060
Shareholders' equity	14, 15	400 202	472 629
Total liabilities and shareholders' equity		**657 240**	**756 446**

The notes on pages 20 to 26 are an integral part of these consolidated interim financial statements.

From 1 January to 30 June

CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED)

CHF 1000	Note	**1st Half-Year 2011**	1st Half-Year 2010
Net profit / (loss)		**(62 209)**	**(7 052)**
Adjustments: – Tax expenses		0	4 672
– Net financial expenses		2 279	6 421
– Depreciation and impairment		63 808	31 161
– Profit on disposal of assets		(12)	(2 698)
– Other non-cash expenses		525	588
Change in long-term provisions		(3 781)	(1 237)
Change in inventories		(22 529)	18 845
Change in net working capital		(5 994)	(14 138)
Financial income received		993	250
Financial expenses paid		(2 337)	(11 292)
Taxes paid		(7 650)	(10 010)
Cash flow from operating activities		**(36 907)**	**15 510**
Net cash provided / (used) by investing activities	11	**(23 456)**	**(18 182)**
Net cash provided / (used) by financing activities	12	**(5 889)**	**(23 979)**
Net increase / (decrease) in cash and cash equivalents		**(66 252)**	**(26 651)**
Net cash and cash equivalents at the beginning of the period		**129 529**	**127 649**
Effect of exchange rate changes		(685)	(2 786)
Net increase / (decrease) in cash and cash equivalents		(66 252)	(26 651)
Net cash and cash equivalents at the end of the period		**62 592**	**98 212**

The notes on pages 20 to 26 are an integral part of these consolidated interim financial statements.

From 1 January to 30 June

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHF 1000	Note	Share capital	Treasury shares	Share premium reserve	Retained earnings	Currency translation differences	Valuation financial instruments	Valuation share option plan	Total
Balance at 1 Jan. 2010		**30 800**	**(33 784)**	**173 789**	**333 280**	**(26 775)**	**482**	**6 353**	**484 145**
Comprehensive income		–	–	–	(7 052)	(18 774)	12 117	–	(13 709)
Value of granted options		–	–	–	–	–	–	588	588
Value of exercised / expired options		–	–	–	16	–	–	(16)	–
Disposals of treasury shares	14	–	129	–	–	–	–	–	129
Purchase of treasury shares	14	–	–	–	–	–	–	–	–
Balance at 30 June 2010		**30 800**	**(33 655)**	**173 789**	**326 244**	**(45 549)**	**12 599**	**6 925**	**471 153**
Balance at 1 Jan. 2011		**30 800**	**(30 268)**	**173 789**	**348 876**	**(54 106)**	**(2 747)**	**6 285**	**472 629**
Comprehensive income		–	–	–	(62 209)	(1 304)	(5 209)	–	(68 722)
Value of granted options		–	–	–	–	–	–	525	525
Value of exercised / expired options		–	–	–	19	–	–	(19)	–
Disposals of treasury shares	14	–	65	–	–	–	–	–	65
Purchase of treasury shares	14	–	(113)	–	–	–	–	–	(113)
Par value reduction	15	(4 400)	218	–	–	–	–	–	(4 182)
Balance at 30 June 2011		**26 400**	**(30 098)**	**173 789**	**286 686**	**(55 410)**	**(7 956)**	**6 791**	**400 202**

The notes on pages 20 to 26 are an integral part of these consolidated interim financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Charles Vögele Holding AG, together with its subsidiary companies, forms the Charles Vögele Group, an independent European fashion retail group with branches in Switzerland, Germany, the Netherlands, Belgium, Austria, Slovenia, Poland, Hungary and the Czech Republic.

Charles Vögele Holding AG is a joint stock corporation that is domiciled in Pfaeffikon SZ, Switzerland, and listed on the SIX Swiss Exchange.

2 Summary of significant accounting policies

2.1 Preparation of the interim financial statements

This consolidated interim financial information has been prepared in accordance with IAS 34 Interim Financial Reporting. It is based on the individual interim financial statements of Charles Vögele Group companies, which are all prepared in accordance with standard Group guidelines. The Group's accounts have been prepared on the basis of historical cost modified by derivative financial instruments, which are carried at fair value. Unless stated otherwise below, the accounting principles applied to the consolidated accounts are the same as those described on pages 10 to 26 of Charles Vögele Group's 2010 financial report.

2.2 Changes in accounting policies

> New IFRS standards and interpretations

The following changes to existing IFRS standards and interpretations of existing standards, valid since 1 January 2011, have been applied but don't affect these interim financial statements:

– IFRS 1: First-time adoption of International Financial Reporting Standard (amendment)
– IAS 24: Related party disclosures (amendment)
– IAS 32: Financial instruments: Recognition and measurement (amendment)
– IFRIC 14: IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction (new)
– IFRIC19: Extinguishing financial liabilities with equity instruments (new)
– Improvement Programme 2010 (various minor adjustments of existing standards)

2.3 Foreign currency translation

The following CHF exchange rates are used for the Group's major currencies:

2011	**ISO code**	**Unit**	**Balance Sheet 30.06.2011**	**Income Statement 1st Half-Year 2011**
Euro	EUR	1	1.21	1.27
Hong Kong	HKD	1	0.11	0.12
China	CNY	1	0.13	0.14
USA	USD	1	0.83	0.91
Hungary	HUF	100	0.46	0.47
Poland	PLN	100	30.30	32.11
Czech Republic	CZK	100	4.97	5.22

2010	ISO code	Unit	Balance Sheet 31.12.2010	Income Statement 1st Half-Year 2010
Euro	EUR	1	1.25	1.44
Hong Kong	HKD	1	0.12	0.14
China	CNY	1	0.14	0.16
USA	USD	1	0.94	1.08
Hungary	HUF	100	0.45	0.53
Poland	PLN	100	31.61	35.89
Czech Republic	CZK	100	4.99	5.58
Romania	RON	100	29.21	34.67

3 Seasonality of operations

Due to the seasonal nature of the fashion retail activities in all segments disclosed by Charles Vögele, higher revenues and operating profits are usually expected in the second half of the year than in the first six months.

4 Segment information

CHF 1000	Switzerland 1st Half-Year 2011	Switzerland 1st Half-Year 2010	Germany 1st Half-Year 2011	Germany 1st Half-Year 2010
Gross sales	208 478	213 027	199 585	222 855
Net sales	186 256	192 408	163 024	183 106
Segment profit (EBITDA)	18 389	33 299	(4 207)	1 855
EBITDA in % of net sales	9.9%	17.3%	(2.6%)	1.0%
Depreciation and impairment	(10 449)	(10 652)	(14 554)	(9 899)
Segment profit (EBIT)	7 940	22 647	(18 761)	(8 044)
EBIT in % of net sales	4.3%	11.8%	(11.5%)	(4.4%)
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Net inventories	53 725	51 343	53 327	50 050

CHF 1000	Benelux 1st Half-Year 2011	Benelux 1st Half-Year 2010	CEE[1] 1st Half-Year 2011	CEE[1] 1st Half-Year 2010	Group 1st Half-Year 2011	Group 1st Half-Year 2010
Gross sales	73 692	92 731	143 756	161 866	625 511	690 479
Net sales	61 161	77 274	115 207	131 627	525 648	584 415
Segment profit (EBITDA)	(6 534)	(2 238)	(3 770)	2 286	3 878	35 202
EBITDA in % of net sales	(10.7%)	(2.9%)	(3.3%)	1.7%	0.7%	6.0%
Depreciation and impairment	(3 922)	(4 385)	(34 883)	(6 225)	(63 808)	(31 161)
Segment profit (EBIT)	(10 456)	(6 623)	(38 653)	(3 939)	(59 930)	4 041
EBIT in % of net sales	(17.1%)	(8.6%)	(33.6%)	(3.0%)	(11.4%)	0.7%
Net financial income	–	–	–	–	(2 279)	(6 421)
Profit before income tax	–	–	–	–	(62 209)	(2 380)
Tax expenses	–	–	–	–	0	(4 672)
Net profit	–	–	–	–	(62 209)	(7 052)
	30.06.2011	31.12.2010	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Net inventories	20 560	19 260	32 173	31 119	159 785	151 772
Goods in transit	–	–	–	–	28 579	28 612
Centralized inventory	–	–	–	–	14 844	1 267
Group eliminations	–	–	–	–	(32 786)	(31 617)
Total Group inventories, net[2]	–	–	–	–	170 422	150 034

[1] CEE: Austria, Slovenia, Poland, Hungary, Czech Republic.
[2] Difference to the balance sheet value of TCHF 329 (2010: TCHF 331) is related to heating oil.

5 Other operating income

The value disclosed for the first half-year of 2011 represents mainly operating real estate income. In the prior year period a profit of CHF 2.7 million could be realized by the sale of a property in Switzerland no longer needed for operations.

6 Goodwill impairment from LBO

The goodwill of CHF 72.9 million previously shown in the consolidated balance sheet was generated by a leveraged buyout through which Charles Vögele Holding AG acquired the shares of the whole Charles Vögele Group from the company's founder and sole shareholder in 1997, as well as the minority stake in Charles Vögele (Austria) GmbH in 1998.

Following the implementation of IFRS 8 in 2009 the goodwill previously managed at Group level was divided up and allocated to the cash-generating units Switzerland, Germany and Austria (part of the CEE segment). The functional currency for all components remained the Swiss franc because the transactions occurred before the amendment of IAS 21 (1 January 2005).

The carrying value of Charles Vögele Group's equity as at 30 June 2011 was significantly higher than its market capitalization, which according to IAS 36 ("Impairment of Assets") could be an impairment indication. In addition, the currency situation weighed down on sales figures. On the procurement side, cost increases, especially for materials and wages, led to lower initial margins. As a result of all this, the impairment test carried out on goodwill normally at the end of the year was brought forward to 30 June 2011.

The impairment test is carried out using value in use calculations based on the discounted free cash flow model. This model is based on the estimated future free cash flows for the next three years. Cash flows that go beyond this three-year period were extrapolated using a constant growth rate. The inflow of funds is derived from the EBITDA margin based on market forecasts and rigorous implementation of the 3-pillar strategy.

Because the currency situation has reduced the expected segment results in Germany and Austria, and because this has been exacerbated by continuing uncertainty about economic conditions, an impairment charge of CHF 36.2 million for the portion of goodwill attributable to these two markets has been recognized.

7 Taxes

Tax credits from previous years and the deferred tax of a Group company for the first half-year of 2011 neutralized the income tax expenses of Group companies with taxable profit.

The high tax rate in the prior-year period is due to the fact that taxable profits and losses at the individual sales companies cannot be set off against each other.

8 Earnings per share

		1st Half-Year 2011	1st Half-Year 2010
Net profit / (loss)	CHF 1000	(62 209)	(7 052)
Weighted average number of shares	number	8 363 238	8 365 980
Adjustment for potentially dilutive share options	number	61 671	16 828
Weighted average number of shares for diluted earnings per share	number	8 424 909	8 382 808
Basic earnings per share	**CHF**	**(7.44)**	**(0.84)**
Diluted earnings per share	**CHF**	**(7.44)**	**(0.84)**

9 Derivative financial instruments

The increase in capitalized derivative financial instruments is driven by the fair value of cash flow hedges for intra-Group deliveries of goods in Euro (derivatives for cash flow hedges in Euro) and by forward foreign exchange contracts (derivatives for trading purposes in Euro) open on the closing date.

10 Inventories

CHF 1000	**30.06.2011**	31.12.2010
Current inventory, gross	127 733	100 057
Inventory valuation allowance	(13 344)	(11 201)
Current inventory (current and previous seasons), net	**114 389**	**88 856**
Upcoming season	56 033	61 178
Heating oil	329	331
Total	**170 751**	**150 365**

10.1 Value adjustments on inventories

CHF 1000	**1st Half-Year 2011**	1st Half-Year 2010
Balance at 1 January	**(11 201)**	**(37 668)**
(Creation) / release of value adjustments affecting cost of goods, net	(2 461)	12 418
Effect of exchange rates	318	1 737
Balance at 30 June	**(13 344)**	**(23 513)**

The CHF 20.4 million net increase in inventories is mainly due to the subdued course of business in the first half-year of 2011. As a result value adjustments had to be increased by CHF 2.4 million.

11 Cash flows from investing activities

During the first half of 2011, CHF 23.5 million net (previous year CHF 18.2 million net) was invested in fixed and intangible assets. The prior-year period included CHF 8.7 million of divestments resulting primarily from the sale of a property no longer needed for operations.

12 Cash flows from financing activities

In the first half year of 2011 this position is made up mainly of the par value reduction and the decrease in lease liabilities. In the prior-year period mortgages had been reduced by CHF 18.0 million and lease liabilities decreased considerably (primarily due to an early refinancing).

13 Non-current liabilities

The reduction in non-current liabilities in the first half of 2011 is due primarily to the reclassification of a part of the long-term mortgages (short-term portion is disclosed under current liabilities) in the amount of CHF 18.0 million and the reduction of non-current lease liabilities by CHF 2.3 million.

14 Treasury shares

As at 30 June 2011 Charles Vögele Holding AG held 437 034 (30 June 2010: 432 382) treasury shares. These are earmarked for Charles Vögele Group's Management share option plan.

15 Distribution to shareholders

On 13 April 2011 the Annual Shareholders' Meeting decided that instead of distributing a dividend for the 2010 financial year, the par value of Charles Vögele Holding AG shares should be reduced by CHF 0.50 per share from CHF 3.50 to CHF 3.00 per bearer share. The payment was made on 30 June 2011, after the statutory deadlines had expired.

For the 2009 financial year no dividend disbursement was carried out in the first half-year of 2010.

16 Post balance sheet events

The present interim financial statements take into consideration events occurring between the balance sheet date and 18 August 2011. There were no significant post balance sheet events. The interim financial statements were approved by the Charles Vögele Holding AG Board of Directors on 18 August 2011.

Report on the Review of condensed consolidated interim financial information to the Board of Directors and Shareholders of Charles Vögele Holding AG, Pfaeffikon SZ

> Introduction

We have reviewed the accompanying condensed consolidated interim financial information (consolidated income statement, consolidated statement of comprehensive income, condensed consolidated balance sheet, condensed consolidated cash flow statement, consolidated statement of changes in equity and notes to the interim consolidated financial statements on pages 16 to 26) of Charles Vögele Holding AG for the period ended 30 June 2011. The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

> Scope of Review

We conducted our review in accordance with Swiss Auditing Standard 910 and 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 Swiss Auditing Standards and 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

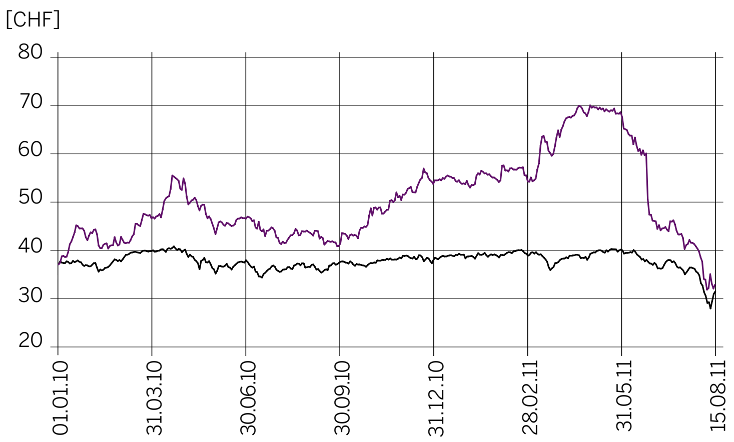
PricewaterhouseCoopers AG

Sandra Boehm Uglow Adrian Steinmann

Zurich, 18 August 2011

Share performance

Price performance of Charles Vögele Holding AG bearer shares at SIX Swiss Exchange from 1 January 2010 to 15 August 2011:



— Compared to SPI
— Closing price of Charles Vögele shares

Listed at: SIX Swiss Exchange, Zurich
Swiss securities number: 693 777
ISIN code: CH 000 693 777
Abbreviation: VCH
Bloomberg: VCH SW
Reuters: VCHZ.S

Share information

		30.06.2011	31.12.2010
Bearer shares	number	8 800 000	8 800 000
Par value (reduction decided on 13 April 2011)	CHF	3.00	3.50
Share price as per closing date	CHF	44.80	53.70
Share price: – Year high	CHF	70.50	57.50
– Year low	CHF	43.55	35.70
Average trading volume per day	number	27 641	13 837
Free float [1]	%	79	78
Stock capitalization	CHF mill.	394	473
Book value per share	CHF	45	54

[1] According to free-float declaration SIX.

FINANCIAL CALENDAR

6 MARCH 2012
MEDIA AND ANALYSTS CONFERENCE
ANNUAL RESULTS 2011

4 APRIL 2012
ANNUAL SHAREHOLDERS' MEETING
ANNUAL RESULTS 2011

21 AUGUST 2012
MEDIA AND ANALYSTS CONFERENCE
HALF-YEAR FINANCIAL STATEMENTS 2012

Charles Vögele Group's half-year report is published in **German** and **English.** The original language is German.

All statements made in this report 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.

The half-year report shows photos from the autumn / winter collection.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