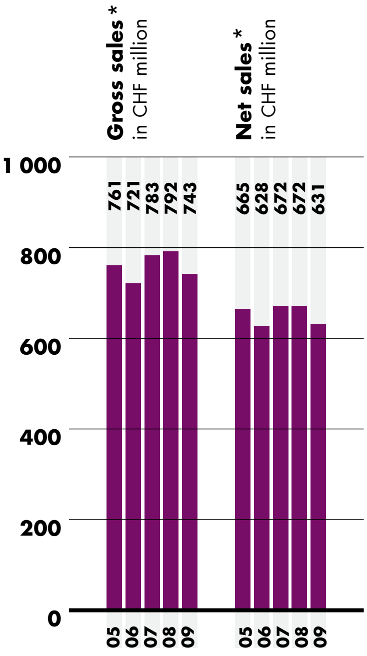
2009
Charles Vögele Group
First Half-Year

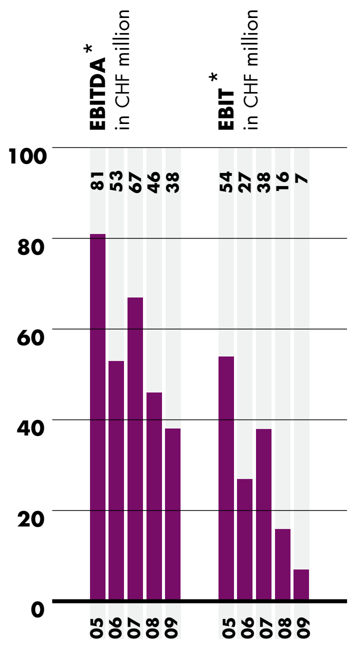
Charles Vögele
Switzerland

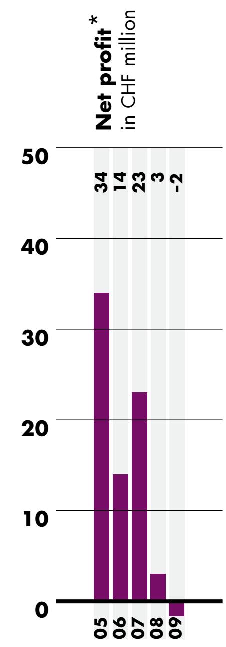
Vision

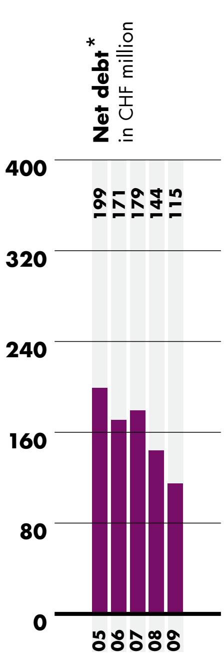
Charles Vögele is the number one choice
for people in the prime of their lives
who want to feel good and who are looking
for the latest fashions at great prices.

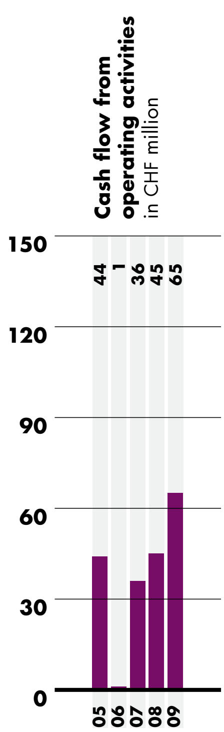
Group Figures
Half-Years 2005 – 2009

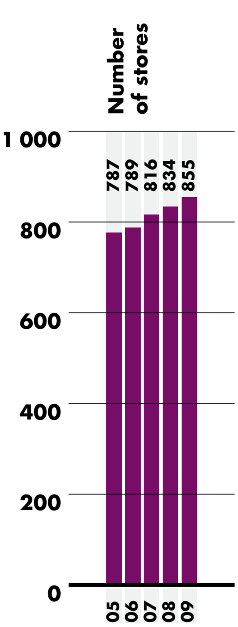


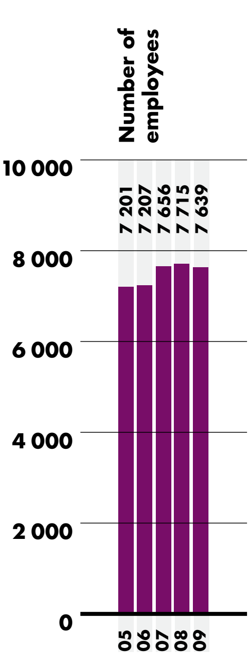












[2] Restatement see Note 2.2 to 2.4 on pages 12 to 15

Group Key Operating Figures

CHF million	1st Half-Year 2008[2]	1st Half-Year 2009	Change
Gross sales	792.2	743.0	(6%)
Change adjusted for currency in %	2%	(1%)	
Change adjusted for expansion and currency in %	(1%)	(4%)	
Net sales	672.1	630.5	(6%)
Operating earnings before depreciation and impairment (EBITDA)	45.9	37.8	(18%)
Operating earnings (EBIT)	15.6	6.6	(58%)
Net profit	3.1	(2.3)	(174%)
Net cash flow from operating activities	45.2	65.4	45%
Net cash provided / (used) in investing activities	(36.0)	(27.3)	(24%)
Free cash flow	9.2	38.1	314%
Number of stores as of June 30	834	855	3%
Sales area as of June 30 in m^2	648 452	671 101	3%
Number of employees as of June 30[1]	7 715	7 639	(1%)
Average number of full-time employees on a half-year basis[1]	4 992	5 036	1%

CHF million	31.12.2008[2]	30.6.2009
Net debt	151.7	114.5
Shareholders' equity	495.4	493.2
Balance sheet total	891.7	817.6
Shareholders' equity in % of balance sheet total	56%	60%

[1] Excluding apprentices
[2] Restatement see Note 2.2 to 2.4 on pages 12 to 15

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Currency-adjusted gross sales at previous year's level

- **Gross sales at previous year's level after adjusting for currency movements (–1%)**
- **Like-for-like gross sales 4% below previous year (after currency adjustment)**
- **Stocks streamlined and reduced by CHF 43 million, or 15% compared with 30.6.2008**
- **Operating expenses cut by over CHF 30 million thanks to savings measures**
- **EBITDA at CHF 38 million despite dismantling of old stocks (18% down on prior-year figure)**
- **Free cash flow up CHF 29 million in the first half to CHF 38 million**
- **Net debt reduced by CHF 38 million to record low of CHF 114 million**
- **Equity ratio increased to 60%**

In a recessionary environment, Charles Vögele Group managed to maintain currency-adjusted gross sales at the year-back level. Before adjusting for currencies, gross sales declined by CHF 49 million (6%), or 4% after adjusting for both currency movements and changes in retail area (like-for-like). Overall, gross sales came to CHF 743 million. The fact that EBITDA fell by only CHF 8 million (18%) to CHF 38 million, despite an exceptional major overhaul of old stocks, can be attributed to the cost reduction programme. Net profit slipped from the previous year's CHF 3 million to CHF –2 million.

Currency-adjusted gross sales at previous year's level

Activity in the real economy cooled significantly in the second half of 2008, and as this trend worsened in early 2009 it began to have an effect on consumer sentiment. The spending patterns of Charles Vögele Group's customers are heavily influenced by their needs and by the weather. Bearing this in mind, it was pleasing to see that after adjusting for currency movements sales only fell 1% during the high-margin months despite worsening consumer sentiment and unfavourable weather conditions. Owing to the weak euro and the fall in the value of various Eastern European currencies, gross sales before currency adjustments fell by CHF 49 million, or 6%, to CHF 743 million. The store portfolio was increased slightly.

Major exceptional restructuring of old stocks initiated

A major exceptional restructuring of old stocks was initiated at the start of April 2009 for the next twelve months, and has already begun to bear fruit. At CHF 237 million (30.5 million items), inventories were down by CHF 43 million (5.6 million items), or 15%, compared with end-June 2008. Although this large reduction in stocks was achieved by means of deep discounting, the gross profit margin at the end of June this year was still high at 62.6%. The Group's declared aim is to clear out all items that are more than 18 months old by the end of March 2010.

Cost-cutting measures initiated early

Cost-cutting measures were introduced as the economic downturn gathered pace. These helped to ensure that operating expenses were reduced by CHF 31 million, or 8%, from CHF 388 million to CHF 357 million. After currency adjustments, the cost reduction was CHF 14 million, or 4%. Currency effects on sales and costs thus more or less cancelled each other out. Following successful renegotiations of existing rental contracts, rental costs only increased slightly, even though more stores were in operation than in the prior-year period. All other expense positions were reduced, in some cases substantially. Because the Group was not involved in any major promotional events and because it adjusted its marketing mix, advertising and promotion expenses were down CHF 16 million, or 26%, on the year-back figure. Personnel expenses fell 6% thanks to process changes and Group-wide cost saving measures. These targeted measures also account for the fact that EBITDA came to CHF 38 million, which is only CHF 8 million, or 18%, lower than a year ago. The EBITDA margin was 6%, compared with 6.8% in 2008. After deducting depreciation, EBIT came in at CHF 7 million, a fall of 58%. Financial expense was reduced by a half. At CHF –2 million net profit was lower than the year-back figure of CHF 3 million.

High free cash flow, low net debt

Cash flow was CHF 20 million higher than for the same period of the previous year at CHF 65 million, mainly because of the streamlining of old stocks. With investment activities CHF 9 million lower, free cash flow was up CHF 29 million to CHF 38 million.

There was a further reduction in net debt: at CHF 114 million this item was lower than at any time since the company was listed on the stock market. The CHF 250 million credit facility to mid-2012 is available in full. With a high equity ratio of 60%, the Group's balance sheet is in very good shape.

Asia procurement in own hands

On 1 November 2009, Charles Vögele Group is taking its procurement operations in India and Bangladesh into its own hands. For the last 15 years, purchasing in these countries has been handled through agents of the Singapore-based Texline Associates Pte. Ltd. Purchasing activities in Hong Kong and Shanghai were brought in house two years ago. By integrating purchasing into its own organization, Charles Vögele Group now manages and controls another part of the value chain, which constitutes a very important competitive advantage for a vertically structured company – not least because it means it can react quickly to changing customer requirements. 75% of goods made in Asia are now sourced by Charles Vögele's own purchasing offices.

RFID project successfully completed

The RFID project started in mid-2008 in Slovenia was concluded successfully. Thanks to its close cooperation with external logistics and technology providers, Charles Vögele Group can now track the flow of individual goods along the whole value chain without gaps and at close to real time. It is the first company in the global clothing industry to achieve this feat. The main motivation for initiating the project was the desire for complete control of the flow of goods. This new technology also provided insights about how to manage the flow more precisely. The significance of this success was reflected in the award for "Best RFID Implementation" that Charles Vögele Group won from the prestigious American RFID Journal. Once the optimization potential has been evaluated, the new technology will be rolled out in other countries.

Changes to the Board of Directors and Group Management

The Chairman of the Board of Directors, Bernd H. J. Bothe, as well as Vice Chairman Dr. Felix R. Ehrat and the two Board members Carlo Vögele and Daniel Sauter did not make themselves available for re-election to the Board of Directors at the AGM on 1 April 2009. The newly constituted Board of Directors consists of the previous members Alain Caparros, Hans Ziegler, Jan C. Berger and Prof. Peter Littmann. The new Chairman is Alain Caparros. He is also Chairman of the Managing Board of REWE Group, one of Germany's leading retail businesses. Hans Ziegler is Vice Chairman of the Board.

The composition of Group Management has also changed: on 16 February, André Maeder took over as CEO from Bernd H. J. Bothe, who had been managing the company on an interim basis since mid-August 2008. Mr. Maeder is an internationally experienced brand and fashion specialist. He was previously a member of the Managing Board of Hugo Boss and S. Oliver, and for six years he was COO at Harrods in London. He has already been employed by Charles Vögele Group before, working in purchasing between 1989 and 1995. The Board of Directors has also appointed Markus Voegeli as the new Chief Financial Officer. Voegeli was previously an independent consultant in the financial sector, and before that he was CFO of the listed Valora Group for four years. He will take up his position at Charles Vögele Group on 1 October 2009. Voegeli succeeds Dr. Felix Thöni who is leaving the company as previously announced.

Reduction in par value implemented

The reduction in the par value of Charles Vögele Holding AG shares from CHF 4.00 to CHF 3.50 per share, as proposed by the Board of Directors, was approved by the Annual General Meeting of Shareholders on 1 April 2009 and implemented on 3 July 2009 with a repayment of CHF 0.50 per bearer share. The share capital now comes to CHF 30 800 000 and is made up of 8 800 000 shares with a par value of CHF 3.50 each.

Major change at all levels

Charles Vögele Group is set to change its organizational structures and processes significantly, especially with regard to collections, purchasing and stock control. The rhythm of collections is being doubled, the speed with which collections are produced is being increased. The Group's strong position in up-to-the-minute, price-conscious fashion is being further expanded and focused on the demographically attractive target group of people in their prime middle years. A new and more self-confident visual image is being ushered in by means of a new store concept and a more emotion-based advertising campaign highlighting the Group's own brands – especially the trend-oriented Casablanca brand.

Potential-oriented expansion

The branch portfolio is being reviewed as part of the new, potential-oriented expansion strategy. The aim is to achieve a denser branch network in the main markets.

E-commerce as a new sales channel

Online shopping is currently generating the highest growth rates in Europe. Charles Vögele Group will be exploiting the potential of this additional sales channel.

New format strategy

The existing store portfolio, which only included formats larger than 800 m^2, is being augmented by stores offering smaller floorspace. This opens up potential for carrying gender-specific or brand-specific ranges.

Growth in line with market expected for financial year as a whole

Charles Vögele Group believes that in terms of like-for-like sales it will outperform the shrinking general market. The urgently required streamlining of old stock is likely to affect results in the second half-year by CHF 20–30 million. Charles Vögele Group is confident that in the medium-term the measures taken will have a positive effect on both the income and cost sides. Concrete action is also being formulated to implement the findings of the Strategic Review carried out by the Board of Directors in collaboration with Group Management.

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

Yours sincerely

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

Consolidated Income Statement
from January 1 to June 30

CHF 1000	Note	1st Half-Year 2008[1)]	1st Half-Year 2009
Net sales		**672 137**	**630 526**
Cost of goods	4.1	(237 641)	(235 159)
Personnel expenses		(159 765)	(150 724)
Rental expenses		(116 031)	(117 415)
Advertising and promotion expenses		(60 967)	(45 225)
General operating expenses		(52 888)	(47 422)
Other operating income		1 087	3 177
Operating earnings before depreciation and impairment (EBITDA)		**45 932**	**37 758**
In % of net sales		**6.8%**	**6.0%**
Depreciation and impairment		(30 372)	(31 202)
Operating earnings (EBIT)		**15 560**	**6 556**
In % of net sales		**2.3%**	**1.0%**
Financial income		546	179
Financial expenses		(5 232)	(4 274)
Exchange gains/(losses), net		(1 612)	971
Profit before income tax		**9 262**	**3 432**
In % of net sales		**1.4%**	**0.5%**
Tax expenses	5	(6 151)	(5 709)
Net profit/(loss)		**3 111**	**(2 277)**
In % of net sales		**0.5%**	**(0.4%)**
Basic earnings per share	6	**0.37**	**(0.27)**
Diluted earnings per share	6	**0.37**	**(0.27)**

The notes on pages 12 to 21 are an integral part of these consolidated interim financial statements.
[1)] Restatement see Note 2.2 to 2.4.

Consolidated Balance Sheet (condensed)

as of June 30

CHF 1000	Note	31.12.2008[1]	30.6.2009
Assets			
Current assets			
Cash and cash equivalents		47 947	34 519
Receivables, advance payments and prepaid expenses		34 816	25 590
Derivative financial instruments		6 321	0
Inventories	4	282 628	236 952
Assets available for sale	7	0	7 033
Total current assets		**371 712**	**304 094**
Long-term assets			
Tangible assets	11	428 414	422 780
Financial assets		1 157	1 069
Intangible assets	11	83 144	82 819
Deferred tax assets		7 240	6 825
Total long-term assets		**519 955**	**513 493**
Total assets		**891 667**	**817 587**
Liabilities and shareholders' equity			
Current liabilities	9	154 039	133 287
Long-term liabilities	10	242 259	191 128
Shareholders' equity	8, 9	495 369	493 172
Total liabilities and shareholders' equity		**891 667**	**817 587**

The notes on pages 12 to 21 are an integral part of these consolidated interim financial statements.
[1] Restatement see Note 2.2 to 2.4.

Consolidated Cash Flow Statement (condensed)

from January 1 to June 30

CHF 1000	Note	1st Half-Year 2008[1]	1st Half-Year 2009
Net profit/(loss)		**3 111**	**(2 277)**
Adjustments:			
– Tax expenses		6 151	5 709
– Net financial expenses		6 298	3 124
– Depreciation and impairment		30 372	31 202
– Profit on disposal of assets		0	(28)
– Other non-cash expenses		1 736	867
Change in long-term provisions		(117)	47
Change in inventories		4 286	49 219
Change in net working capital		13 538	(17 346)
Financial income received		546	3 064
Financial expenses paid		(7 536)	(3 825)
Taxes paid		(13 196)	(4 348)
Net cash flow from operating activities		**45 189**	**65 408**
Net cash provided/(used) by investing activities	11	**(36 039)**	**(27 282)**
Net cash provided/(used) by financing activities	10	**(1 294)**	**(51 885)**
Net increase/(decrease) in cash and cash equivalents		**7 856**	**(13 759)**
Net cash and cash equivalents at the beginning of the period		**27 128**	**47 947**
Effect of exchange rate changes		(637)	331
Net increase/(decrease) in cash and cash equivalents		7 856	(13 759)
Net cash and cash equivalents at the end of the period		**34 347**	**34 519**

The notes on pages 12 to 21 are an integral part of these consolidated interim financial statements.
[1] Restatement see Note 2.2 to 2.4.

Consolidated Comprehensive Income

from January 1 to June 30

CHF 1000	1st Half-Year 2008[1]	1st Half-Year 2009
Net profit/(loss)	**3 111**	**(2 277)**
Currency-exchange effects of foreign subsidiaries	(4 201)	4 806
Change of fair value of cash flow hedges after taxes	1 749	(1 402)
Total other comprehensive income	**(2 452)**	**3 404**
Comprehensive income	**659**	**1 127**

The notes on pages 12 to 21 are an integral part of these consolidated interim financial statements.
[1] Restatement see Note 2.2 to 2.4.

Consolidated Statement of Changes in Group 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 31.12.2007		**52 800**	**(31 106)**	**173 789**	**335 970**	**(4 697)**	**(6 824)**	**3 350**	**523 282**
Effect of changes in accounting policies					(2 634)	(16)			(2 650)
Balance 31.12.2007 restated		**52 800**	**(31 106)**	**173 789**	**333 336**	**(4 713)**	**(6 824)**	**3 350**	**520 632**
Comprehensive income[1]					3 111	(4 201)	1 749		659
Value of granted options								1 736	1 736
Value of exercised/ expired options					431			(431)	0
Disposals of treasury shares	8		1 769		120				1 889
Par value reduction	9	(17 600)							(17 600)
Balance 30.6.2008		**35 200**	**(29 337)**	**173 789**	**336 998**	**(8 914)**	**(5 075)**	**4 655**	**507 316**
Balance 31.12.2008		**35 200**	**(33 428)**	**173 789**	**351 732**	**(26 201)**	**(6 180)**	**5 863**	**500 775**
Effect of changes in accounting policies					(5 729)	323			(5 406)
Balance 31.12.2008 restated		**35 200**	**(33 428)**	**173 789**	**346 003**	**(25 878)**	**(6 180)**	**5 863**	**495 369**
Comprehensive income[1]					(2 277)	4 806	(1 402)		1 127
Value of granted options								867	867
Value of exercised/ expired options					852			(852)	0
Disposals of treasury shares	8		678		(115)				563
Purchase of treasury shares	8		(563)						(563)
Par value reduction	9	(4 400)	209						(4 191)
Balance 30.6.2009		**30 800**	**(33 104)**	**173 789**	**344 463**	**(21 072)**	**(7 582)**	**5 878**	**493 172**

The notes on pages 12 to 21 are an integral part of these consolidated interim financial statements.
[1] Restatement see Note 2.2 to 2.4.

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 sales outlets 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 Pfäffikon SZ, Switzerland, and listed on the SIX Swiss Exchange.

2 Summary of main accounting and valuation principles

2.1 Preparation of the interim financial statements

The interim consolidated financial statements in this report are 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 in accordance with the International Financial Reporting Standards (IFRS) 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 6 to 21 of Charles Vögele Group's 2008 financial report. In particular, this half-year report has been prepared in accordance with IAS 34 Interim Financial Reporting.

2.2 Changes in accounting policies

Changes to IFRS standards valid from January 1, 2009

The following new IFRS standards, changes to existing standards and interpretations of existing standards, valid since January 1, 2009, affect these interim financial statements and have been applied:

- IFRS 1: First-time adoption of International Financial Reporting Standards (amendment)
- IFRS 8: Operating segments (new)
- IFRIC 13: Customer loyalty programmes (new)
- IAS 1: Presentation of financial statements (revised)

The main changes for these interim financial statements are as follows:

IFRS 8: Operating segments

Based on the new IFRS 8 standard, valid from January 1, 2009, segment reporting has been restructured and now matches the company's internal reporting to the Board of Directors and Group Management. In order to give a more comprehensive view of the individual segments' financial performances, net income previously shown under central services has been allocated proportionately to the individual segments. The new segment reporting covers the five segments Switzerland, Germany, Austria/Slovenia, Benelux and CEE (Poland, Hungary and the Czech Republic). The new standard affects the structure of segment reporting but has no effect on the Group's asset, financial or earnings situation. The comparative figures shown in segment reporting for the period under review have been adjusted accordingly.

IFRIC 13: Customer loyalty programmes (CRM)

According to the new interpretation of IFRIC 13 (Customer loyalty programmes), which was made compulsory from January 1, 2009, unused vouchers distributed as part of a loyalty card programme must be deferred according to the "deferred revenue method" at fair value. Instead of deferring the purchase cost, which has been the practice previously, deferral must now be based on revenue. This change has increased the liabilities shown for loyalty card programmes in previous periods, leading to a retrospective adjustment in the previous year's figures (see Note 2.4).

Changes to IFRS standards valid for future reporting periods

The following new and amended IFRS standards and interpretations have been approved, but only come into effect for future reporting periods. They have not been applied in advance to these interim financial statements. The potential implications of these standards and changes for Charles Vögele Group's accounts are currently being examined.

Starting financial year 2010:
- IFRS 2: Share-based payment (amendment)
- IFRS 3: Business combinations (revised)
- IFRS 5: Non-current assets held for sale and discontinued operations (amendment)
- IAS 27: Consolidated and separate financial statements (revised)
- IFRIC 17: Distributions of non-cash assets to owners (new)
- IFRIC 18: Transfers of assets from customers (new)
- Improvement Programme 2009 (various minor adjustments of existing standards)

2.3 Correction to the prior-year income statement pursuant to IAS 8 owing to an error (restatement)

Until Charles Vögele Group's report for the 2008 financial year, discounts relating to the purchase of goods and services, costs for cash deposits resulting from cash transactions in stores and other bank fees were shown as operational financial income under the "other operating income" heading of the income statement. Under IFRS, however, discounts, rebates and other similar sums should be deducted directly from the cost of purchase. As in the 2008 financial report, this error in the income statement for the previous period has been corrected with retrospective effect in these interim financial statements, and the discount income has been reassigned to the relevant items in the income statement. In addition, costs for cash deposits and bank fees have been restated under general operating expenses. This correction has no influence on reported operating earnings or net profit, or on the balance sheet or cash flow statement. Neither is any correction required to "changes in group equity" or "earnings per share". Corrections to the prior-year period are shown in detail in the next section.

2.4 Overview of changes and corrections in the previous period

The retrospective changes described in Notes 2.2 and 2.3 are shown in the following overviews:

Consolidated Income Statement

CHF 1000	1st Half-Year 2008 published	IAS 8 reclassification discount	IFRIC 13 CRM	1st Half-Year 2008 restated
Net sales	**675 827**	**0**	**(3 690)**	**672 137**
Cost of goods	(254 244)	15 452	1 151	(237 641)
Gross profit	**421 583**			
Personnel expenses	(159 765)	0	0	(159 765)
Rental expenses	(116 031)	0	0	(116 031)
Advertising and promotion expenses	(61 381)	414	0	(60 967)
General operating expenses	(50 705)	(2 183)	0	(52 888)
Other operating income	14 770	(13 683)	0	1 087
Total operating expenses before depreciation and impairment	**(373 112)**			
Operating earnings before depreciation and impairment (EBITDA)	**48 471**	**0**	**(2 539)**	**45 932**
In % of net sales	**7.2%**			**6.8%**
Depreciation and impairment	(30 372)	0	0	(30 372)
Operating earnings (EBIT)	**18 099**	**0**	**(2 539)**	**15 560**
In % of net sales	**2.7%**			**2.3%**
Net, financial income	(6 298)	0	0	(6 298)
Profit before income tax	**11 801**	**0**	**(2 539)**	**9 262**
In % of net sales	**1.7%**			**1.4%**
Tax expenses	(6 297)		146	(6 151)
Net profit/(loss)	**5 504**	**0**	**(2 393)**	**3 111**
In % of net sales	**0.8%**			**0.5%**
Basic earnings per share	**0.65**			**0.37**
Diluted earnings per share	**0.65**			**0.37**

Consolidated Balance Sheet (condensed)

CHF 1000	31.12.2008 published	IAS 8 reclassification discount	IFRIC 13 CRM	31.12.2008 restated
Liabilities and shareholders' equity				
Current liabilities	148 202	0	5 837	154 039
Long-term liabilities	242 690	0	(431)	242 259
Shareholders' equity	500 775	0	(5 406)	495 369
Total liabilities and shareholders' equity	**891 667**	**0**	**0**	**891 667**

Assets shown in the prior-year balance sheet are unchanged.

Consolidated Cash Flow Statement (condensed)

CHF 1000	1st Half-Year 2008 published	IAS 8 reclassification discount	IFRIC 13 CRM	1st Half-Year 2008 restated
Net profit/(loss)	**5 504**	**0**	**(2 393)**	**3 111**
Adjustments:				
– Tax expenses	6 297	0	(146)	6 151
– Net financial expenses	6 298	0	0	6 298
– Depreciation and impairment	30 372	0	0	30 372
– Profit on disposal of assets	0	0	0	0
– Other non-cash expenses	1 736	0	0	1 736
Change in long-term provisions	(117)	0	0	(117)
Change in inventories	4 286	0	0	4 286
Change in net working capital	10 999	0	2 539	13 538
Financial income received	546	0	0	546
Financial expenses paid	(7 536)	0	0	(7 536)
Taxes paid	(13 196)	0	0	(13 196)
Net cash flow from operating activities	**45 189**	**0**	**0**	**45 189**

Consolidated Comprehensive Income

Based on the changes in IAS1 (Presentation of financial statements), this table is shown for the first time in these interim financial statements.

CHF 1000	1st Half-Year 2008	IAS 8 reclassification discount	IFRIC 13 CRM	1st Half-Year 2008 restated
Net profit/(loss)	**5 504**	**0**	**(2 393)**	**3 111**
Currency-exchange effects of foreign subsidiaries	(4 236)	0	35	(4 201)
Change of fair value of cash flow hedges after taxes	1 749	0	0	1 749
Total other comprehensive income	**(2 487)**	**0**	**35**	**(2 452)**
Comprehensive income	**3 017**	**0**	**(2 358)**	**659**

2.5 Scope of consolidation

There were no changes in the scope of consolidation in the first half-year of 2009.

2.6 Foreign currency translation

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

2008	ISO code	Unit	Balance Sheet 31.12.2008	Income Statement 1st Half-Year 2008
Euro	EUR	1	1.49	1.61
Hong Kong	HKD	1	0.14	0.13
China	CNY	1	0.15	0.15
USA	USD	1	1.06	1.05
Hungary	HUF	100	0.56	0.63
Poland	PLN	100	35.67	46.03
Czech Republic	CZK	100	5.59	6.38
Romania	RON	100	37.08	43.71

2009	ISO code	Unit	Balance Sheet 30.6.2009	Income Statement 1st Half-Year 2009
Euro	EUR	1	1.53	1.51
Hong Kong	HKD	1	0.14	0.15
China	CNY	1	0.16	0.17
USA	USD	1	1.08	1.13
Hungary	HUF	100	0.56	0.52
Poland	PLN	100	34.27	33.70
Czech Republic	CZK	100	5.89	5.55
Romania	RON	100	36.30	35.59

3 Segment reporting

CHF 1000	Switzerland 1st Half-Year 2008	Switzerland 1st Half-Year 2009	Germany 1st Half-Year 2008	Germany 1st Half-Year 2009	Austria/Slovenia 1st Half-Year 2008	Austria/Slovenia 1st Half-Year 2009
Gross sales	235 279	231 293	267 200	240 993	156 051	139 585
Net sales	214 493	209 156	219 620	198 555	127 377	114 243
Segment profit (EBITDA)	31 865	34 604	6 016	3 894	9 295	2 729
EBITDA in % of net sales	14.9%	16.5%	2.7%	2.0%	7.3%	2.4%
Depreciation	(9 404)	(10 063)	(10 468)	(10 385)	(4 544)	(4 409)
Segment profit (EBIT)	22 461	24 541	(4 452)	(6 491)	4 751	(1 680)
EBIT in % of net sales	10.5%	11.7%	(2.0%)	(3.3%)	3.7%	(1.5%)
Share of turnover in %:						
– Women's wear	58%	57%	61%	61%	58%	57%
– Men's wear	33%	33%	29%	29%	32%	32%
– Children's wear	9%	10%	10%	10%	10%	11%

	31.12.2008	30.6.2009	31.12.2008	30.6.2009	31.12.2008	30.6.2009
Net inventories	83 097	64 614	97 749	89 246	50 146	40 543

CHF 1000	Benelux 1st Half-Year 2008	Benelux 1st Half-Year 2009	CEE[1] 1st Half-Year 2008	CEE[1] 1st Half-Year 2009	Group 1st Half-Year 2008	Group 1st Half-Year 2009
Gross sales	106 655	102 201	27 009	28 911	792 194	742 983
Net sales	88 934	85 000	21 713	23 572	672 137	630 526
Segment profit (EBITDA)	1 037	(117)	(2 281)	(3 352)	45 932	37 758
EBITDA in % of net sales	1.2%	(0.1%)	(10.5%)	(14.2%)	6.8%	6.0%
Depreciation	(4 786)	(4 867)	(1 170)	(1 478)	(30 372)	(31 202)
Segment profit (EBIT)	(3 749)	(4 984)	(3 451)	(4 830)	15 560	6 556
EBIT in % of net sales	(4.2%)	(5.9%)	(15.9%)	(20.5%)	2.3%	1.0%
Net, financial income					(6 298)	(3 124)
Profit before income tax					9 262	3 432
Tax expenses					(6 151)	(5 709)
Net profit					3 111	(2 277)
Share of turnover in %:						
– Women's wear	61%	60%	58%	58%	59%	59%
– Men's wear	28%	29%	32%	31%	31%	31%
– Children's wear	11%	11%	10%	11%	10%	10%

	31.12.2008	30.6.2009	31.12.2008	30.6.2009	31.12.2008	30.6.2009
Net inventories	37 457	29 629	12 788	13 766	281 237	237 798
Goods in transit					49 162	43 782
Group eliminations					(48 217)	(45 077)
Total Group inventories, net					282 182	236 503

[1] CEE: Poland, Hungary, Czech Republic

4 Inventories

CHF 1000	31.12.2008	30.6.2009
Current inventory, gross	267 161	230 583
Inventory valuation allowance	(59 823)	(50 589)
Current inventory (current and previous seasons), net	**207 338**	**179 994**
Upcoming season	74 844	56 509
Total inventories, net	**282 182**	**236 503**
Heating oil	446	449
Total recognized in the balance sheet	**282 628**	**236 952**

4.1 Value adjustments on inventories

CHF 1000	1st Half-Year 2008	1st Half-Year 2009
Balance, as of January 1	**(69 098)**	**(59 823)**
Creation/(release) of value adjustments affecting cost of goods	(1 951)	10 190
Effect of exchange rates	1 377	(956)
Balance, as of June 30	**(69 672)**	**(50 589)**

The CHF 45.7 million net reduction in inventories is mainly due to the special offers campaign held in the first half of 2009 with the aim of reducing the volume of old stock. Value adjustments were reduced by CHF 10.2 million as a result.

5 Taxes

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

6 Earnings per share

		1st Half-Year 2008[1]	1st Half-Year 2009
Net profit/(loss)	CHF 1 000	3 111	(2 277)
Weighted average number of basic shares	Number	8 440 395	8 382 359
Adjustment for potentially dilutive share options	Number	37 877	0
Weighted average number of shares for diluted earnings per share	Number	8 478 272	8 382 359
Basic earnings per share	**CHF**	**0.37**	**(0.27)**
Diluted earnings per share	**CHF**	**0.37**	**(0.27)**

[1] Restatement see Note 2.2 to 2.4.

7 Assets held for sale

This position concerns a property in Switzerland that will no longer be needed for operations.

8 Treasury shares

As at June 30, 2009, Charles Vögele Holding AG held 417 641 (June 30, 2008: 333 746) treasury shares. These are earmarked for Charles Vögele Group's Management share option plan.

9 Distribution to shareholders

On April 1, 2009, the Annual Shareholders Meeting decided that instead of distributing a dividend for the 2008 financial year, the par value of Charles Vögele Holding AG shares should be reduced by CHF 0.50 per share from CHF 4.00 to CHF 3.50 per bearer share. The payment was made on July 3, 2009, after the statutory deadlines had expired. The resulting liability to shareholders of CHF 4.4 million was reported as at June 30, 2009, under current liabilities.

In the previous year a par value reduction of CHF 2.00 per bearer share of Charles Vögele Holding AG was decided for the 2007 financial year. This was paid to shareholders on July 4, 2008.

10 Long-term liabilities

The reduction in long-term debt capital in the first half of 2009 is primarily due to the CHF 50.0 million reduction in long-term bank loans.

11 Net cash used by investing activities

During the first half of 2009, CHF 27.3 million net (previous year CHF 36.0 million net) was invested in fixed and intangible assets.

12 Post balance sheet events

The present interim financial statements take into consideration events occurring between the balance sheet date and August 24, 2009. There were no significant post balance sheet events. The interim financial statements were approved by the Charles Vögele Holding AG Board of Directors on August 24, 2009.

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

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements (consolidated income statement, condensed consolidated balance sheet, condensed consolidated cash flow statement, consolidated comprehensive income, consolidated statement of changes in equity and notes to the interim consolidated financial statements on pages 8 to 21) of Charles Vögele Holding AG for the period ended June 30, 2009. The Board of Directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements 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 condensed consolidated interim financial statements 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 statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

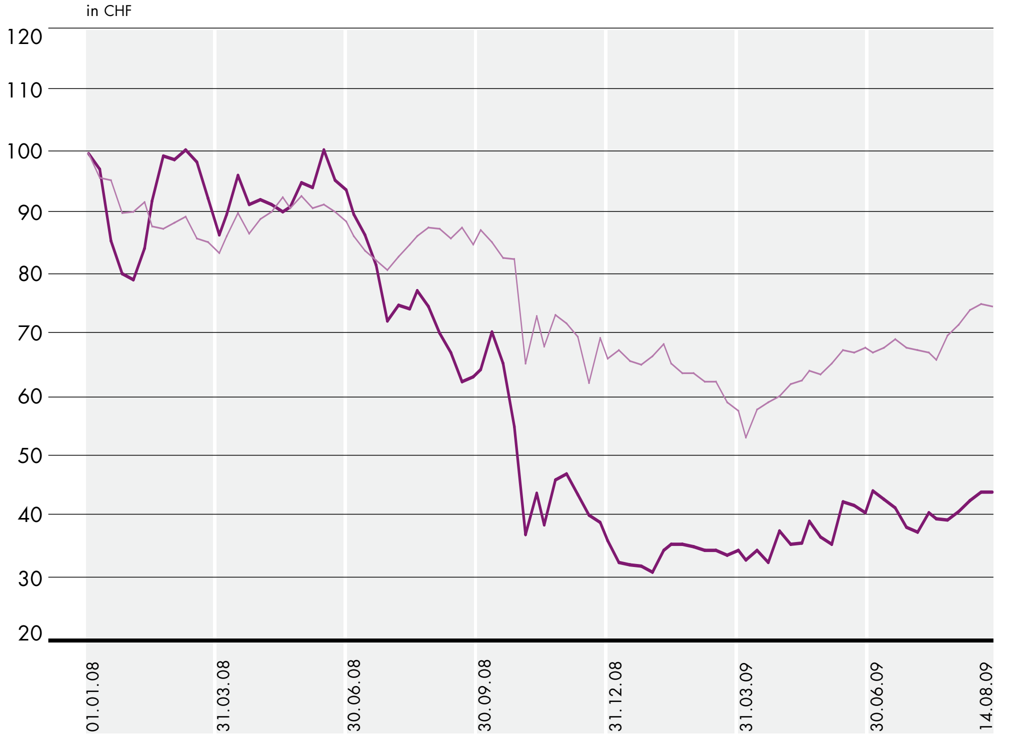
PricewaterhouseCoopers AG

Matthias von Moos   Hanspeter Abegg

Zurich, August 24, 2009

Information for Investors

Price development of the Charles Vögele Holding AG shares at SIX Swiss Exchange in Zurich from January 1, 2008 to August 14, 2009



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

Key Figures

		31.12.2008	30.6.2009
Bearer shares	Number	8 800 000	8 800 000
Par value (reduction decided on April 1, 2009)	CHF	4.00	3.50
Share price as per closing date	CHF	27.50	36.00
Share price:			
– Year high	CHF	98.90	41.85
– Year low	CHF	27.50	28.00
Average trading volume per day	Number	22 780	18 481
Free float	%	95	91
Stock capitalization	CHF million	242	317
Book value per share	CHF	57	56

[1] According to free-float declaration SIX .

Financial Calendar

Media and analysts' conference on the 2009 half-year results	August 25, 2009
Media and analysts' conference on the 2009 business year results	March 9, 2010
Annual General Meeting business year results 2009	April 14, 2010
Media and analysts' conference on the 2010 half-year results	August 24, 2010

The Half-Year Report of the Charles Vögele Group is published in English and German.
The original language is German.

All statements in this report which do not refer to historical facts are statements related to the future which offer no guarantee with regard to future performance; they are subject to risks and uncertainties including, but not confined to, future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors outside the company's control.

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