2013
HALF-YEAR REPORT

Charles Vögele Switzerland

Considerable creativity and soul in a good cause

Charles Vögele – along with children – has created a T-shirt collection, from which the net profits will go to help children in need. In February 2013 Charles Vögele invited children aged between five and twelve to draw their favourite animal. Sarina Arnold, the Swiss model and Ambassador for the Foundation Kinderhilfe, and an internal jury chose the ten winners from around 3 300 drawings. Charles Vögele then had the winning drawings printed onto organic cotton T-shirts and they can be purchased in the stores in Switzerland.

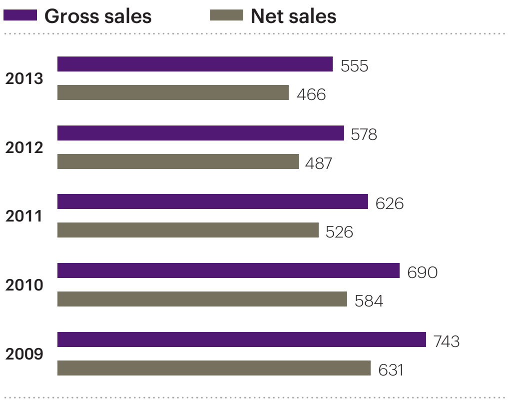
Charles Vögele will donate the net profits from the T-shirts to the Foundation Kinderhilfe, which the Company has been working with since the beginning of 2013. The Foundation's main project is in Kyrgyzstan, where it has set up its own medical project for treating children with cleft lips and palates.

The half-yearly report 2013 is illustrated with photos of the children in the T-shirts they helped to design and also includes quotes from the children on their favourite animals.

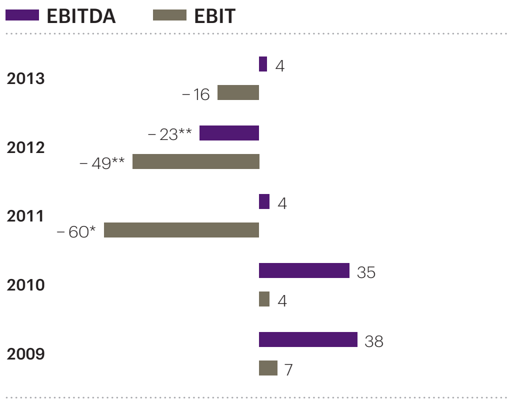
CONTENTS

FIVE-YEAR OVERVIEW

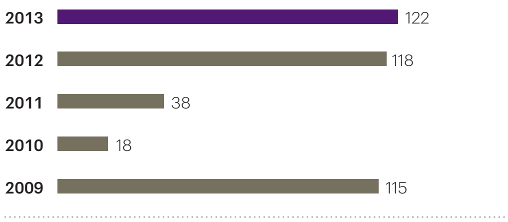
Gross sales and net sales in CHF million
First half year



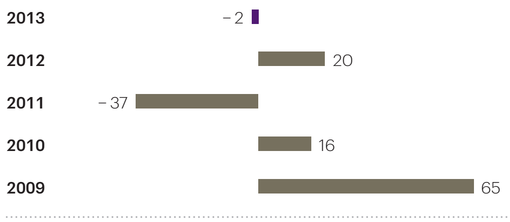
EBITDA and EBIT in CHF million
First half year



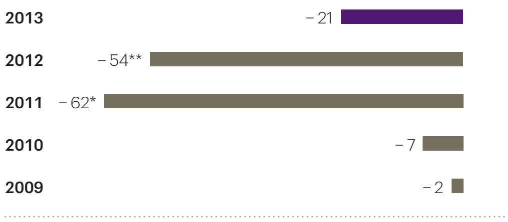
Net debt in CHF million
At 30 June



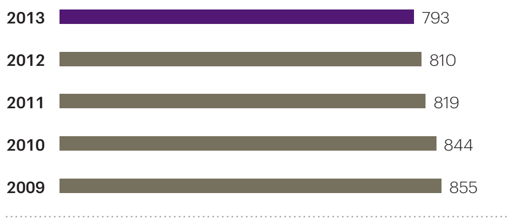
Cash flow from operating activities in CHF million
First half year



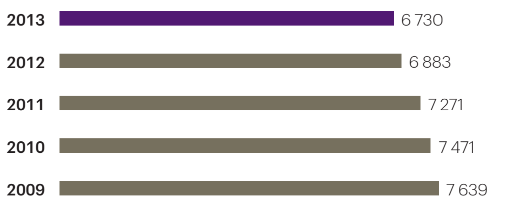
Net profit in CHF million
First half year



Branches
At 30 June



Employees (without apprentices)
At 30 June



* Including CHF 36 million goodwill impairment
** Restatement of prior year-figures regarding IAS 19 revised, see note 2.3 in the financial report

GROUP KEY FIGURES

CHF million	1st Half-Year 2013	1st Half-Year 2012	Change
Gross sales	555	578	(4 %)
Change adjusted for currency in %	(5 %)	(4 %)	
Change adjusted for expansion and currency in %	(5 %)	(5 %)	
Net sales	466	487	(4 %)
Gross profit	303	287	
Operating earnings before depreciation and impairment (EBITDA) [2]	4	(23)	
Operating earnings (EBIT) [2]	(16)	(49)	
Net profit/(loss) [2]	(21)	(54)	
Cash flow from operating activities	(2)	20	
Net cash provided/(used) in investing activities	(4)	(9)	
Free cash flow	(6)	11	
Number of stores as of 30 June	793	810	(2 %)
Sales area as of 30 June in m²	615 742	633 806	(3 %)
Number of employees as of 30 June [1]	6 730	6 883	(2 %)
Average number of full-time employees on a half-year basis [1]	4 414	4 599	(4 %)

CHF million	30.06.2013	31.12.2012
Net debt	(122)	(115)
Shareholders' equity [2]	212	229
Balance sheet total [2]	544	613
Shareholders' equity in % of balance sheet total	39 %	37 %

[1] Excluding apprentices
[2] Restatement of prior year figures regarding IAS 19 revised, see note 2.3 in the Financial Report

KEY FINANCIALS

The long winter and the gloomy weather in spring 2013 made sales difficult for the whole clothing sector. Charles Vögele was no exception, with gross sales falling by 4 % to CHF 555 million in the first half of 2013. Thanks to an active management of discounting and positive influences on the gross profit margin, Charles Vögele increased its gross profit despite the reduced sales. The consolidated loss fell during the period under review to CHF –21 million, compared with CHF –54 million in the first half of 2012.

CHF 16 million

Higher gross profit

Thanks to targeted discount management, Charles Vögele was able to improve its gross profit. At CHF 303 million this was 6 % up on the year-back figure. The gross profit margin went up accordingly from 59 % to 65 %.

CHF 299 million

Strict cost management

Thanks to continued strict cost management operating costs were reduced by another CHF 11 million during the period under review.

CHF 4 million

Positive EBITDA

Following the deficit of CHF –23 million in the previous year, EBITDA (operating earnings before depreciation and amortization) were positive again at CHF 4 million. Charles Vögele has thus passed an important hurdle on its way back to sustainable profitability.

CHF –21 million

Significantly lower consolidated loss

The consolidated loss was reduced from CHF –54 million a year previously to CHF –21 million.

LETTER TO SHAREHOLDERS

LETTER TO SHAREHOLDERS

ACTIONS HAVING AN IMPACT

With gross sales of CHF 555 million Charles Vögele Group upped its operational efficiency and increased its gross profit margin in the first half 2013. Gross profit increased by CHF 16 million to CHF 303 million. EBITDA came to CHF 4 million. The consolidated loss in the period under review was reduced to CHF –21 million compared to CHF –54 million in the previous year. This is another important step on the way back to sustainable profitability.

The long winter and the gloomy weather made sales for the textile market difficult in spring 2013. With lots of rain, record low temperatures and only a few hours of sunshine, the whole industry suffered. Some providers saw business fall by up to 20% in the first quarter. There was still demand for pullovers and jackets, but sales of spring collections were sluggish. The odd warm days in April and sunny spells in June provided some relief. Overall, the Swiss clothing market shrank by around 5%. As a result of the disappointing turnover, the sales season was brought forward in many places, which intensified competition still further. Some providers were already discounting their goods by up to 50% in May. Charles Vögele started its sales as planned during June and so benefited from better margins.

Benelux better than the market

In the challenging market of Belgium and the Netherlands (Benelux), as well as in Hungary, Charles Vögele increased its net sales after adjusting for changes in currency and floor space. Austria performed in line with the market, while Switzerland and Germany both slightly underperformed the market.

Increase in gross profit and positive EBITDA

The Company's net sales fell by 4% to CHF 466 million. After adjusting for exchange rate and floorspace (like-for-like), the fall was 5%. The management team focused on improving operating results. Thanks to deliberately cautious discount management, Charles Vögele was able to improve its gross profit despite the lower sales. At CHF 303 million, this was 6% up on the year-back figure. The gross profit margin went up accordingly from 59% to 65%. Continued strict cost management kept operational costs down. These were another CHF 11 million lower than in the prior-year period at CHF 299 million. Operating earnings before depreciation and amortization (EBITDA) were positive at CHF 4 million, compared with the negative result of CHF –23 million a year previously. Operating earnings (EBIT) were at CHF –16 million in the first half of 2013, compared with the year-back figure of CHF –49 million. The consolidated loss was significantly reduced in the period under review to CHF –21 million, from CHF –54 million in the first half of 2012.

Completing the Group Management team

The Board of Directors of Charles Vögele Holding AG has confirmed Markus Voegeli as Chief Executive Officer. He will also continue to perform the role of Chief Financial Officer. Markus Voegeli has strong leadership qualities and many years of experience in top management positions. The Board of Directors is convinced that he will continue to master his responsibilities outstandingly.

F.l.t.r. **Hans Ziegler, Chairman of the Board of Directors, and Markus Voegeli, Chief Executive Officer**

Furthermore, the Board of Directors is very pleased to be appointing Matthias Wunderlin, a proven retail professional, to its Management team. The 39 year-old Swiss will take over the function of Chief Sales Officer on 1 November 2013. As a member of Group Management he will be responsible for managing all country organizations and for Charles Vögele Group's marketing. Moreover, Beatrice Grünwald was appointed as new Chief Purchasing Officer. In this role she will be responsible from 1 December 2013 for collection development, merchandise management and supply chain management including sourcing. She follows Dr. Matthias Freise, Member of the Administrative Board of Charles Vögele Holding AG, who acts as CPO ad interim until the end of September.

From the fourth quarter of 2013, Charles Vögele will once again have a full Group Management team that can push ahead with the strategy of returning Charles Vögele Group to profitable growth.

Number one priority: turnaround

The top priorities for the second half of 2013 are the targeted implementation of turnaround measures. The gradual withdrawal from the Polish and Czech markets is on track. A decision should be made about any withdrawal from Hungary in autumn 2013. Overall the Board of Directors and Group Management expect much better operating results for the 2013 financial year as a whole.

The Board of Directors and Group Management dedicate all their commitment to the turnaround and the sustainable recovery of the Charles Vögele Group and protecting the interests of all stakeholders. We would particularly like to thank our employees for their enormous commitment, their flexibility and for their willingness to view changes as opportunities to make improvements. We would like to thank our business partners and shareholders for their cooperation and support.

Yours sincerely

Hans Ziegler
Chairman of the
Board of Directors

Markus Voegeli
CEO

MANAGEMENT DISCUSSION WITH MARKUS VOEGELI

FOCUS ON CORE TASKS

At the beginning of 2013, Group Management developed a comprehensive turnaround strategy to ensure a sustainable improvement in results. The main priorities in the strategy are improving performance and getting closer to the market. As a first step towards making Charles Vögele more powerful and efficient, the Group's organizational structure was streamlined, with individual areas focused on their core business.

Markus Voegeli, CEO, in discussion

Could you describe how the Company's management is organized and tell us who is responsible for what? In future our teams should concentrate more on the core tasks of cultivating the market and tending to products. This principle has led us deliberately to reduce the complexity of the management structure even further. The Chief Executive Officer/Chief Financial Officer is now responsible for all areas relating to the Company's performance management and resource planning. This includes controlling, IT and human resources. The Chief Sales Officer (CSO) manages all the country organisations and is now also responsible for Charles Vögele Group's marketing. He ensures that customer communications – from advertising to the way goods are presented in store – are consistent and comprehensive. Finally, the Chief Purchasing Officer (CPO) is in charge of developing collections and purchasing, as well as goods distribution. Our aim here is twofold – to define clear and comprehensive responsibilities, and to simplify cooperation between different areas.

What are the current priorities with regard to the rehabilitation of the Charles Vögele Group? We are currently focusing on close performance management and a stronger concentration on markets and customers. Now the management team is complete we can properly implement the package of measures developed in recent months. And though we have a diversified store portfolio, if we want to respond well to varying market needs, we need to revise our store format strategy. We are introducing major changes and improvements to operational goods management.

"We have defined immediate sales-focused measures and we have identified further cost saving potentials."

Markus Voegeli

A variety of immediate sales-focused measures are also being defined, and further potential cost savings are being identified. We are currently looking at different initiatives to increase the effectiveness of our marketing and we will already be refining our market image in the second half of this year.

How do you ensure that the measures you are taking achieve their objectives and thus support the Group's rapid turnaround? I have great faith in the experience and skill of the teams currently working on the different themes. The important thing now is targeted collaboration. The new and simpler structure will help with this. In order to move forward quickly, while also continually making critical assessments of what we are doing, we are working selectively with external experts. The management consultants at Roland Berger are helping us manage a Programme Management Office (PMO) and are actively working with us on the most important projects.

VIVIENNE SCHWYZER
10 YEARS OLD

“I like lambs when they run around on their spindly legs.”

“I think sheep are really cool animals. They are outside in the meadows, bleating and eating all day long. I especially like it when lambs run around on their spindly legs. They look so cute.”

SAMIR KOTHARI
9 YEARS OLD

“My Tyranno-saurus eats other dinosaurs!”

“The Tyrannosaurus is my favourite dinosaur, because it is so fast and can jump a long way. I would like to be able to run as fast as the Tyrannosaurus. But it is also dangerous – because it eats other dinosaurs!”

SILVANA KROPF
5 YEARS OLD

“Butterflies have such beautiful wings for flying.”

“My favourite animal is the butterfly, because butterflies are very colourful. And they have beautiful wings for flying. Butterflies are very light – like a feather. I would like to be able to fly like a butterfly.”

ZOE ENGLER
8 YEARS OLD

“Poodles can run especially well.”

“Poodles have a lovely coat.
It is so soft and white like a sheep. But there are also black poodles. And poodles run especially elegantly. But I drew a poodle because dogs are man’s best friend.”

FINANCIAL REPORT

From 1 January to 30 June

CONSOLIDATED INCOME STATEMENT

CHF 1000	Note	1st Half-Year 2013	1st Half-Year 2012
Net sales		**466 112**	**486 623**
Cost of goods	6	(162 830)	(199 604)
Personnel expenses [1]		(122 244)	(127 222)
Rental expenses		(95 893)	(97 777)
Advertising and promotion expenses		(37 278)	(39 239)
General operating and adminstrative expenses		(47 004)	(49 045)
Other operating income		3 012	3 709
Operating earnings before depreciation and impairment (EBITDA)		**3 875**	**(22 555)**
In % of net sales		0.8%	(4.6%)
Depreciation and impairment		(20 306)	(26 238)
Operating earnings (EBIT)		**(16 431)**	**(48 793)**
In % of net sales		(3.5%)	(10.0%)
Financial income		158	269
Financial expenses		(6 257)	(4 432)
Exchange gains/(losses), net		3 106	(548)
Profit/(loss) before income tax		**(19 424)**	**(53 504)**
In % of net sales		(4.2%)	(11.0%)
Income tax expenses [1]	4	(1 991)	(607)
Net profit/(loss)		**(21 415)**	**(54 111)**
In % of net sales		(4.6%)	(11.1%)
Basic earnings per share [1]	5	**(2.55)**	**(6.44)**
Diluted earnings per share [1]	5	**(2.55)**	**(6.44)**

The notes on pages 24 to 29 are an integral part of these consolidated interim financial statements.
[1] Restatement of prior year figures regarding IAS 19 revised, see note 2.3.

From 1 January to 30 June

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CHF 1000	1st Half-Year 2013	1st Half-Year 2012
Net profit/(loss)	**(21 415)**	**(54 111)**
Currency translation differences of foreign subsidiaries	(413)	1 013
Change of fair value of cash flow hedges, net after taxes	2 879	(5 365)
Total items that may be reclassified subsequently to profit and loss	**2 466**	**(4 352)**
Change of valuation of pension liabilities, net after taxes [1]	1 200	371
Total items that will not be reclassified to profit and loss	**1 200**	**371**
Total other comprehensive income	**3 666**	**(3 981)**
Total comprehensive income	**(17 749)**	**(58 092)**

The notes on pages 24 to 29 are an integral part of these consolidated interim financial statements.
[1] Restatement of prior year figures regarding IAS 19 revised, see note 2.3.

At 30 June

CONSOLIDATED BALANCE SHEET (CONDENSED)

CHF 1000	Note	**30.06.2013**	31.12.2012
Assets			
Current assets			
Cash and cash equivalents		57 161	87 009
Receivables, advance payments and prepaid expenses		25 413	17 805
Derivative financial instruments		626	0
Inventories	6	154 276	183 606
Total current assets		**237 476**	**288 420**
Non-current assets			
Property, plant and equipment	7	260 778	273 969
Financial assets		115	115
Intangible assets	7	42 350	43 121
Deferred tax assets [1)]		2 869	7 111
Total non-current assets		**306 112**	**324 316**
Total assets		**543 588**	**612 736**
Liabilities and shareholders' equity			
Current liabilities		118 048	146 819
Non-current liabilities [1)]		213 880	236 986
Shareholders' equity [1)]	8, 9	211 660	228 931
Total liabilities and shareholders' equity		**543 588**	**612 736**

The notes on pages 24 to 29 are an integral part of these consolidated interim financial statements.

1) Restatement of prior year figures regarding IAS 19 revised, see note 2.3.

From 1 January to 30 June

CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED)

CHF 1000	Note	**1st Half-Year 2013**	1st Half-Year 2012
Net profit/(loss) [1]		**(21 415)**	**(54 111)**
Adjustments:			
– Tax expenses [1]		1 991	607
– Net financial expenses		2 993	4 711
– Depreciation and impairment		20 306	26 238
– Profit on disposal of assets		0	(232)
– Other non-cash expenses		289	430
Change in long-term provisions [1]		875	950
Change in inventories		31 909	75 705
Change in net working capital		(32 365)	(27 126)
Financial income received		2 825	368
Financial expenses paid		(7 738)	(7 280)
Taxes paid		(1 750)	(21)
Cash flow from operating activities		**(2 080)**	**20 239**
Net cash provided/(used) by investing activities	7	**(4 304)**	**(9 437)**
Net cash provided/(used) by financing activities		**(23 995)**	**(21 519)**
Net increase/(decrease) in cash and cash equivalents		**(30 379)**	**(10 717)**
Net cash and cash equivalents at the beginning of the period		**87 009**	**109 553**
Effect of exchange rate changes		531	(19)
Net increase/(decrease) in cash and cash equivalents		(30 379)	(10 717)
Net cash and cash equivalents at the end of the period		**57 161**	**98 817**

The notes on pages 24 to 29 are an integral part of these consolidated interim financial statements.
[1] Restatement of prior year figures regarding IAS 19 revised, see note 2.3.

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 pension liabilities	Valuation share option plan	Total
Balance at 1 Jan. 2012 (as previously reported)		**26 400**	**(23 454)**	**173 789**	**226 470**	**(59 786)**	**7 116**	**0**	**5 412**	**355 947**
Restatement for IAS 19 revised, see note 2.3					(6 396)					(6 396)
Balance at 1 Jan. 2012 (restated)		**26 400**	**(23 454)**	**173 789**	**220 074**	**(59 786)**	**7 116**	**0**	**5 412**	**349 551**
Comprehensive income		–	–	–	(54 111)	1 013	(5 365)	371	–	(58 092)
Value of granted options		–	–	–	–	–	–		430	430
Value of exercised/ expired options		–	–	–	31	–	–		(31)	–
Disposals of treasury shares	8	–	68	–	–	–	–		–	68
Purchase of treasury shares	8	–	–	–	–	–	–		–	–
Balance at 30 June 2012		**26 400**	**(23 386)**	**173 789**	**165 994**	**(58 773)**	**1 751**	**371**	**5 811**	**291 957**

CHF 1000	Note	Share capital	Treasury shares	Share premium reserve	Retained earnings	Currency translation differences	Valuation financial instruments	Valuation pension liabilities	Valuation share option plan	Total
Balance at 1 Jan. 2013 (as previously reported)		**26 400**	**(15 377)**	**173 789**	**111 253**	**(63 088)**	**(2 658)**	**0**	**4 079**	**234 398**
Restatement for IAS 19 revised, see note 2.3					(7 585)			2 118		(5 467)
Balance at 1 Jan. 2012 (restated)		**26 400**	**(15 377)**	**173 789**	**103 668**	**(63 088)**	**(2 658)**	**2 118**	**4 079**	**228 931**
Comprehensive income		–	–	–	(21 415)	(413)	2 879	1 200	–	(17 749)
Value of granted options		–	–	–	–	–	–		289	289
Value of exercised/ expired options		–	–	–	22	–	–		(22)	–
Disposals of treasury shares	8	–	189	–	–	–	–		–	189
Purchase of treasury shares	8	–	–	–	–	–	–		–	–
Balance at 30 June 2013		**26 400**	**(15 188)**	**173 789**	**82 275**	**(63 501)**	**221**	**3 318**	**4 346**	**211 660**

The notes on pages 24 to 29 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, Liechtenstein, Germany, the Netherlands, in 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 8 to 23 of Charles Vögele Group's 2012 financial report.

2.2 Accounting changes

New IFRS standards and interpretations

Apart from the amendments to IAS 1 «Presentation of Financial Statements» and IAS 19 «Employee Benefits» there are no other amendments or newly applicable IFRS standards or new interpretations of existing standards that have to be applied for the business year beginning 1 January 2013 and that have a material influence on these interim accounts.

IAS 1 requires that positions in the statement of comprehensive income need to be grouped together whether or not they are subsequently to be reclassified to the income statement.

As a result of amendments to IAS 19, the same rate of interest is now applied to plan assets and plan liabilities. In addition, actuarial gains and losses are now recorded directly in the income statement and balance sheet and are no longer spread out over future periods using the corridor method. The changes are to be applied retrospectively to the 2012 financial year, leading to a restatement (see note 2.3).

2.3 Restatement of prior year figures owing to introduction of IAS 19 Revised

The changes to prior year figures necessitated by the introduction of IAS 19 Revised are explained here:

A pension liability worth TCHF 7 525 less deferred tax of TCHF 1 129, which was booked through equity (retained earnings), has been added to the balance sheet as at 1 January 2012.

The additional personnel expenses to be included in the income statement for the first half of 2012 come to TCHF 313 (total for 2012 as a whole: TCHF 1 399) less deferred tax of TCHF 47 (total for 2012 as a whole: TCHF 210).

The «Net profit/(loss)» position in the cash flow statement for the first half of 2012 has changed by TCHF 266. This non-cash effect is balanced out in the positions «Adjustments for tax expenses» and «Change in long-term provisions».

The earnings per share figure has changed by CHF –0.03 for 30 June 2012 and by CHF –0.14 for 31 December 2012 (diluted same as basic in each case).

2.4 Foreign currency translation

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

2013	**ISO code**	**Unit**	**Balance Sheet 30.06.2013**	**Income Statement 1st Half-Year 2013**
Euro	EUR	1	1.23	1.23
Hong Kong	HKD	1	0.12	0.12
China	CNY	1	0.15	0.15
USA	USD	1	0.94	0.94
Hungary	HUF	100	0.42	0.42
Poland	PLN	100	28.51	29.45
Czech Republic	CZK	100	4.76	4.79

2012	ISO code	Unit	Balance Sheet 31.12.2012	Income Statement 1st Half-Year 2012
Euro	EUR	1	1.21	1.20
Hong Kong	HKD	1	0.12	0.12
China	CNY	1	0.15	0.15
USA	USD	1	0.92	0.93
Hungary	HUF	100	0.41	0.41
Poland	PLN	100	29.53	28.38
Czech Republic	CZK	100	4.81	4.79

3 Segment information

CHF 1000	Switzerland 1st Half-Year 2013	Switzerland 1st Half-Year 2012	Germany 1st Half-Year 2013	Germany 1st Half-Year 2012
Gross sales	177 114	191 051	178 021	185 611
Net sales	159 676	172 652	145 078	151 151
Segment profit (EBITDA) [3]	15 186	12 924	727	(9 846)
EBITDA in % of net sales	9.5%	7.5%	0.5%	(6.5%)
Depreciation and impairment	(9 358)	(10 492)	(6 527)	(7 153)
Segment profit (EBIT) [3]	5 828	2 432	(5 800)	(16 999)
EBIT in % of net sales	3.6%	1.4%	(4.0%)	(11.2%)
	30.06.2013	31.12.2012	**30.06.2013**	31.12.2012
Net inventories	41 415	53 456	42 158	54 577

CHF 1000	Benelux 1st Half-Year 2013	Benelux 1st Half-Year 2012	CEE [1] 1st Half-Year 2013	CEE [1] 1st Half-Year 2012	Group 1st Half-Year 2013	Group 1st Half-Year 2012
Gross sales	73 222	72 406	126 736	129 206	555 093	578 274
Net sales	59 322	59 302	102 036	103 518	466 112	486 623
Segment profit (EBITDA) [3]	(6 513)	(11 476)	(5 525)	(14 157)	3 875	(22 555)
EBITDA in % of net sales	(11.0%)	(19.4%)	(5.4%)	(13.7%)	0.8%	(4.6%)
Depreciation and impairment	(1 092)	(3 788)	(3 329)	(4 805)	(20 306)	(26 238)
Segment profit (EBIT) [3]	(7 605)	(15 264)	(8 854)	(18 962)	(16 431)	(48 793)
EBIT in % of net sales	(12.8%)	(25.7%)	(8.7%)	(18.3%)	(3.5%)	(10.0%)
Net financial income	–	–	–	–	(2 993)	(4 711)
Profit before income tax	–	–	–	–	(19 424)	(53 504)
Tax expenses [3]	–	–	–	–	(1 991)	(607)
Net profit	–	–	–	–	(21 415)	(54 111)
	30.06.2013	31.12.2012	**30.06.2013**	31.12.2012	**30.06.2013**	31.12.2012
Net inventories	17 557	22 315	28 954	38 598	130 084	168 946
Goods in transit	–	–	–	–	31 503	38 869
Centralized inventory	–	–	–	–	18 071	15 553
Group eliminations	–	–	–	–	(25 664)	(40 043)
Total Group inventories, net [2]	–	–	–	–	153 994	183 325

[1] CEE: Austria, Slovenia, Poland, Hungary, Czech Republic.
[2] Difference to the balance sheet value of TCHF 282 (31.12.2012: TCHF 281) is related to heating oil.
[3] Restatement of prior year figures regarding IAS 19 revised, see note 2.3.

4 Taxes

The reported tax expense for the first half-year 2013 results mainly from profit making subsidiaries.

Tax expenses for the first half-year 2012 are mainly due to release of deferred taxes from intercompany gains in relation to decrease in inventories.

5 Earnings per share

		1st Half-Year 2013	1st Half-Year 2012
Net profit/(loss)	CHF 1000	(21 415)	(54 111)
Weighted average number of shares	number	8 399 289	8 404 704
Adjustment for potentially dilutive share options	number	–	–
Weighted average number of shares for diluted earnings per share	number	8 399 289	8 404 704
Basic earnings per share	**CHF**	**(2.55)**	**(6.44)**
Diluted earnings per share	**CHF**	**(2.55)**	**(6.44)**

6 Inventories

CHF 1000	30.06.2013	31.12.2012
Current inventory, gross	130 623	127 606
Inventory valuation allowance	(21 647)	(23 266)
Current inventory (current and previous seasons), net	**108 976**	**104 340**
Upcoming season	45 018	78 985
Heating oil	282	281
Total	**154 276**	**183 606**

6.1 Value adjustments on inventories

CHF 1000	1st Half-Year 2013	1st Half-Year 2012
Balance at 1 January	**(23 266)**	**(20 445)**
(Creation)/release of value adjustments	1 988	(3 198)
Effect of exchange rates	(369)	65
Balance at 30 June	**(21 647)**	**(23 578)**

The reduction in inventories compared with 31 December 2012 is seasonal, and the level is the same as at 30 June 2012.

7 Cash flows from investing activities

During the first half of 2013, CHF 4.3 million net (previous year CHF 9.4 million net) was invested in fixed and intangible assets. Restrictive investments during the first half-year 2013 were a result of the actual business development.

8 Treasury shares

As at 30 June 2013 Charles Vögele Holding AG held 379 155 (30 June 2012: 391 970) treasury shares. These are earmarked for Charles Vögele Group's Management share option plan.

9 Distribution to shareholders

On 4 May 2013 the Annual Shareholders' Meeting decided not to pay a dividend for the 2012 financial year as in the previous year.

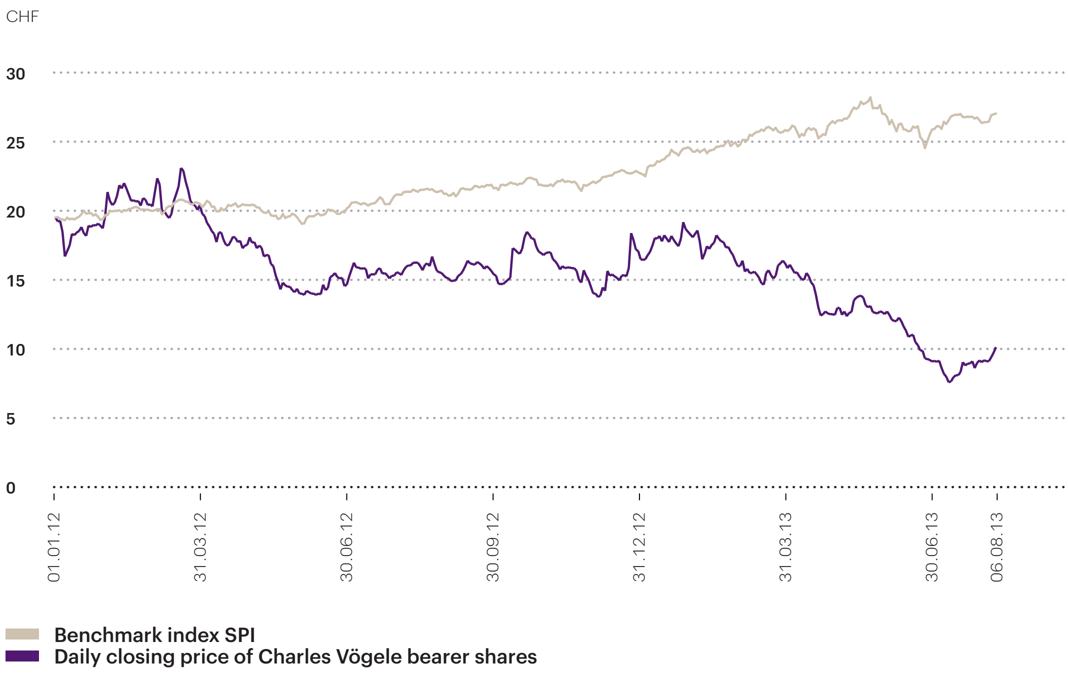
10 Post balance sheet events

The present interim financial statements take into consideration events occurring between the balance sheet date and 19 August 2013. There were no significant post balance sheet events. The interim financial statements were approved by the Charles Vögele Holding AG Board of Directors on 19 August 2013

SHARE INFORMATION

Share performance

Price performance of Charles Vögele Holding AG bearer shares at SIX Swiss Exchange from 1 January 2012 to 6 August 2013:



Listed at:	SIX Swiss Exchange, Zürich
Swiss securities number:	693777
ISIN-Code:	CH 000693777
Abbreviation:	VCH
Bloomberg:	VCH SW
Reuters:	VCHZ.S

Share information

		30.06.2013	31.12.2012
Bearer shares	number	8 800 000	8 800 000
Par value	CHF	3.00	3.00
Share price as per closing date	CHF	9.10	16.50
Share price:			
– Year high	CHF	19.60	23.35
– Year low	CHF	8.92	13.40
Average trading volume per day	number	53 832	38 695
Free float [1]	%	75	76
Stock capitalization	CHF mill.	80	145
Book value per share [2]	CHF	24	26

[1] According to free-float declaration SIX.
[2] Restatement of prior year figures regarding IAS 19 revised, see note 2.3.

FINANCIAL CALENDAR

8 April 2014
Media and analysts conference
Annual results 2013

20 May 2014
Annual Shareholders' Meeting
Annual results 2013

19 August 2014
Media and analysts conference
Half-year results 2014

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.

IMPRINT

Published by
Charles Vögele Holding AG
8808 Pfaeffikon SZ
Switzerland

Concept/Design
YJOO Communications AG, Zurich

Photography
Andreas Mader, Winterthur
Esad Cicic, Munich

Typesetting and Printing
Neidhart + Schön AG, Zurich

Contact
Charles Vögele Holding AG
Investor Relations
P.O. Box 58
Gwattstrasse 15
8808 Pfaeffikon SZ
Switzerland

T + 41 55 416 71 00
F + 41 55 410 12 82

investor-relations@charles-voegele.com
www.charles-voegele.com

FSC
www.fsc.org
MIX
From responsible sources
FSC® C016003

printed carbon neutral
Energy efficient and CO_2 compensated print
SC2012081302 - swissclimate.ch


Charles
Vögele
Switzerland