



OUR MISSION

Charles Vögele is your leading local Swiss fashion retailer.

We understand what our customers want, inspiring them with the latest trends in the finest quality in the mid-range price segment.

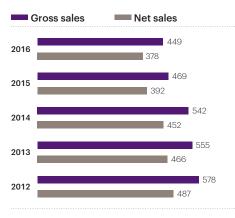
Our expertise in fit and comfort, combined with our friendly service, makes us the trusted partner for people in the prime of their life.

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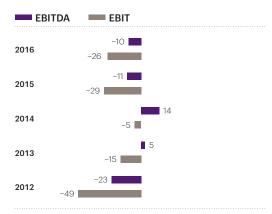
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FIVE-YEAR OVERVIEW

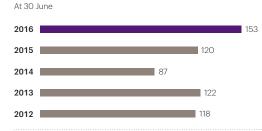
Gross sales and net sales in CHF million First half year



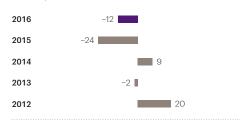
EBITDA and EBIT in CHF million First half year



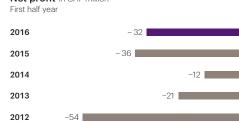
Net debt in CHF million



Cash flow from operating activities in CHF million First half year

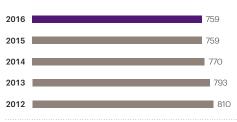


Net profit in CHF million



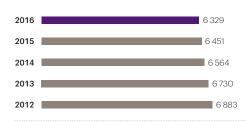
Branches

At 30 June



Employees (without apprentices)





GROUP KEY FIGURES

CHF million	1 st half-year 2016	1 st half-year 2015	Change
Gross sales	449	469	(4 %)
Change adjusted for currency	(6%)	(5 %)	
Change adjusted for expansion and currency	(6%)	(4%)	
Net sales	378	392	(4 %)
Gross profit	247	251	(2 %)
Gross profit margin	65 %	64 %	
Operating results before depreciation and impairment (EBITDA)	(10)	(11)	
EBITDA margin	(3%)	(3%)	
Operating results (EBIT)	(26)	(29)	
Net result	(32)	(36)	
Cash flow from operating activities	(12)	(24)	
Net cash used in investing activities	(3)	(19)	
Free cash flow	(15)	(43)	
Number of stores as of 30 June	759	759	0%
Sales area as of 30 June in m ²	576 174	578 717	0%
Number of employees as of 30 June ¹⁾	6 329	6 451	(2 %)
Average number of full-time employees on a half-year basis 1)	4 153	4 186	(1 %)

CHF million	30.06.2016	31.12.2015	
Net debt	153	141	
Shareholders' equity	57	88	
Balance sheet total	394	395	
Shareholders' equity in % of balance sheet total	14%	22%	

¹⁾ Excluding apprentices.

KEY FIGURES

The first half-year of 2016 was challenging. Sales were hurt by the steady growth of online shopping, continuing retail tourism out of Switzerland and predominantly cool and wet weather in the second quarter. The company's net sales fell –3.7% to CHF 378 million (prior year: CHF 392 million). After adjusting for exchange rate movements and changes in floorspace, the fall was –5.8%. Thanks to an increased gross profit margin and continuing cost discipline, sales quality improved. Operating earnings before depreciation and impairment (EBITDA) went up to CHF –10 million (prior year: CHF –11 million). The net loss came to CHF –32 million (prior year: CHF –36 million).

65%

Improved gross profit margin

Thanks to its disciplined approach to discounting, Charles Vögele was able to improve sales quality and gross profit margin up to 65% (prior year: 64%).

CHF-5 million

Operating costs reduced again

Operating costs fell by CHF -5 million to CHF 257 million (prior year: CHF 262 million), or by CHF -10 million after adjusting for currency movements.

CHF – 10 million

Improved EBITDA

Operating earnings (EBITDA) improved slightly to CHF –10 million (prior year: CHF –11 million). The Company is aiming for a positive result at EBITDA level for the 2016 financial year as a whole.

CHF - 32 million

Improved net result

The net loss for the first half came to CHF –32 million (prior year: CHF –36 million).

LETTER TO SHAREHOLDERS





f.l.t.r. Markus Voegeli, CEO/CFO, and Max E. Katz, Chairman of the Board of Directors

LETTER TO SHAREHOLDERS

COMPREHENSIVE RESTRUCTURING MEASURES INITIATED

Cautious consumer sentiment, the rising share of online shopping and retail tourism are causing a structural shake-out of the clothing sector. In the first half of 2016, Charles Vögele tackled the challenging market environment by pressing ahead with the rigorous implementation of its "CVision" turnaround programme, which is designed to secure the Company's long-term future. With economic activity subdued, competition and price pressure remained fierce in the central European clothing market during the first six months of the year. The rise in online shopping and retail tourism also hurt the sector leading to a structural shake-out within the market. Charles Vögele started the first quarter on a positive note, with customers responding well to the 2016 spring collection. In the second quarter, however, cold and rainy weather had a negative effect on sales of summer collections, leading to early discounting campaigns. Overall, Charles Vögele Group's net sales fell by -3.7% in the first half of 2016 to CHF 378 million (prior year: CHF 392 million). After adjusting for exchange rates and floorspace (like-for-like) the fall in net sales was -5.8%. Thanks to its disciplined approach to discounting, Charles Vögele was able to improve sales quality. At 65%, its gross profit margin was up on the previous year, while inventories were at a healthy level thanks to a flexible purchasing policy.

"We initiated the streamlining of the store portfolio in Switzerland as reaction to the current market developments."

- RESTRUCTURING SWITZERLAND

Markus Voegeli, CEO/CFO

Lower operating costs

Thanks to continuous optimization of the branch network, simplified processes and a more streamlined organization, operating costs fell by CHF –5 million to CHF 257 million (prior year: CHF 262 million), or by CHF –10 million after adjusting for currency movements. Operating earnings at the EBITDA level increased slightly to CHF –10 million (prior year: CHF –11 million) and EBIT to CHF –26 million (prior year: CHF –29 million). The net loss improved to CHF –32 million (prior year: CHF –36 million).

Stable sales performance in CEE, streamlining of Swiss store portfolio initiated

Retail tourism and the steady growth of online shopping hit the Swiss market hard in the first half. Charles Vögele's total net sales in Switzerland fell by -12.4%, or by -11.7% after adjusting for floorspace changes (like-for-like). Given the way the market is developing in Switzerland, Charles Vögele's store network, with 163 separate sales outlets, is too dense. The company is therefore closing stores in locations where there are several outlets, or where sales are unsatisfactory. Germany reported a -2.8% reduction in sales, after adjusting for exchange rates and floorspace, while the Central & Eastern Europe Region reported a -0.1% fall. The Benelux region reported a like-for-like decline of -5.7%.

— REVITALIZING THE BRAND -

"The emotional heritage of the brand has to be strengthened."

Max E. Katz, Chairman of the Board of Directors

Withdrawal from Belgium begun

Charles Vögele Holding AG continuously evaluates ways to optimize the Company's organization, and in June 2016 it decided to withdraw from the Belgian market. Despite intensive efforts, Charles Vögele has never made an operating profit in Belgium. At the request of Charles Vögele Belgium, the commercial court in Antwerp approved the necessary legal reorganization and commissioned two independent trustees to find a buyer for the Belgian organization by 18 November 2016. In the meantime, business activities will continue under the leadership of the local management. Charles Vögele has operated in the Belgian market since 1999 and currently has 41 stores and 210 employees in the country.

Personnel changes

On 18 May 2016 Charles Vögele AG's Shareholders' Meeting elected Christophe Spadone as a new member of the Board of Directors. He is a member of the family that controls the Elarof Trust. As part of the group organized around Teleios Capital AG, the Elarof Trust was already invested in Charles Vögele and held the largest stake within the group. The Teleios Capital AG group disbanded in February 2016. As of 30 June 2016 the Elarof Trust held 15.1% of the Company's share capital. The Board of Directors also confirmed Meinrad Fleischmann in his role as Chief Sales Officer, which he had held on an interim basis since November 2015. Consequently, Meinrad Fleischmann did not stand for re-election as a member of the Board of Directors at the Shareholders' Meeting.

VERTICALIZATION -

"The ongoing structural adjustment in the clothing market necessitates cost adjustments."

Markus Voegeli, CEO/CFO

Adapting to structural changes

Lower sales and the ongoing shake-out of the clothing market necessitate structural cost adjustments. The first cost measures were taken at head office in Pfäffikon in April.

With its intensified transformation programme, "CVision", Charles Vögele is equipping itself to deal with the continuing challenges thrown up by the market. The programme builds on three pillars "Restructuring Switzerland", "Revitalizing the brand" and "Verticalization". As well as streamlining the store portfolio, "Restructuring Switzerland" includes the targeted selling of premises in the second half of the year. The company's positioning is being sharpened up and strengthened through a revitalization of the emotional heritage of the brand. The focus here is on embedding the brand promise in the relevant target groups and correcting the public's image of the company. As well as winning back former customers, measures to gain new customers are being reinforced. Verticalizing the focus of all the processes in the organization will reduce the complexity of the Company and its cost structure.

In April 2016, Management successfully extended the existing syndicated loan of up to CHF 245 million until 2018, thus securing Charles Vögele's future funding base. This allows Charles Vögele to press ahead with its transformation and turnaround process.

Outlook

The second half of 2016 will also be challenging. The various company-wide initiatives that form the "CVision" programme will be at the centre of the Company's efforts. Partly because of planned property sales, the Group's managers expect to see positive operating earnings at the EBITDA level for the current financial year and positive EBIT from 2018.

The Board of Directors and Group Management would like to thank all employees for their great dedication to Charles Vögele Group. We would like to thank our business partners and shareholders for their cooperation and support.

Yours sincerely

M.E. Wats

Max E. Katz Chairman of the Board of Directors

Markus Voegeli CEO/CFO

Niklaus Fumasoli is Project Manager for "CVision". His job is to ensure that "CVision" reaches every part of the Company, informs every action by every employee, and thus ultimately benefits Charles Vögele's customers. In this interview, he tells us about the big picture.

> As Project Manager, how do you explain "CVision" to employees? If we want to do more than just react moment to moment, we need a long-term focus. "CVision" shows us how we can remain a strong player in the fashion market for a long time to come. What is more, "CVision" is especially tailored to us: we designed it and we believe in it. The forces that determine the course of the fashion market change quickly, sometimes as a result of weather, sometimes because of wildfire trends. "CVision" will allow us to cope with these forces from a position of strength.

> What is new about "CVision"? Because of its integrated character, the vision encompasses the whole Company. Over the last year Charles Vögele has proved that it is good at managing big projects: our range redesign and store format strategy were great pieces of work. And now "CVision" is the biggest of all. It covers every area of Charles Vögele and its business.

The vision has been set; what's the next step? Every company-wide programme begins with a phase of careful analysis and planning. Then we have to identify and prioritize the actions required. Repositioning a company for the future always involves questioning the existing model. This can be difficult, which makes me all the more impressed with everyone's courage and willingness to contribute.

"CVision" is a challenge and an inspiration for everyone at Charles Vögele.

What is the added value of "CVision" for customers? In the near future we will be using an integrated way of working in every part of the Company, putting our customer at the centre of our vision, as well as introducing properly focused processes to serve them efficiently. The aim is to provide an inspiring shopping experience based on personal customer interaction at all points of contact, highly on-trend collections and good availability across all channels.

We are focusing on customers.

What exactly convinced you personally that "CVision" is right for the Company? The fact that it is so comprehensive is challenging and inspiring. It makes it clear to everyone that they need to give their heart and soul to make the vision a reality. This overall view of all the different success factors right along the value chain is vital if we are to realize the vision and have a successful future.

NIKLAUS FUMASOLI PROJECT MANAGER "CVision"



Niklaus Fumasoli is an experienced project manager. Among other things, he was responsible for rolling out the store format strategy, before becoming Head of the "CVision" surground office

RESTRUCTURING SWITZERLAND

As a Swiss company with long history we have a special connection with the home market. At the same time, it is vital that the Company responds to market changes. In order to stay relevant and to respond to the latest developments in the clothing market, we are streamlining the store portfolio as well as intensifying our customer loyalty programme and our appeal to new customers.

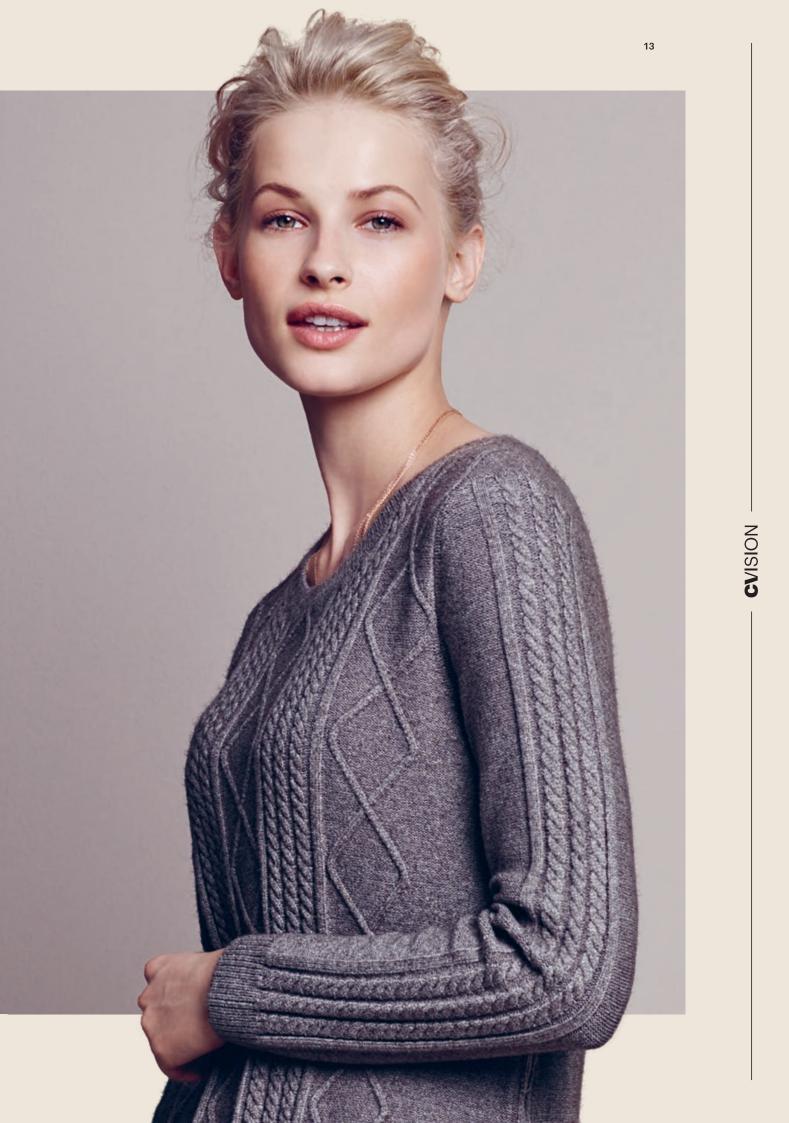
Charles Vögele has been an important part of the Swiss fashion market since 1955. We are proud of this tradition and we take great care to maintain it. This is why the first pillar of our "CVision" strategy is dedicated maintaining our success in the Swiss home market. Staying close to customers in the modern consumer market requires us to pay attention to several new factors. Thanks to CRM programmes and digital channels, intensified contact with core customers and a targeted appeal to new customers have become much more important. We have a widespread portfolio of stores in Switzerland, so we will continue to be physically close to our customers even after redimensioning the branch network.



REVITALIZING THE BRAND

The Charles Vögele brand has a long tradition. We are building on this asset and consciously investing in our brand's emotional immediacy. Tailored collections and inspiring stores will ensure we appeal to our customers and help us attract new consumers – both online and on-site.

Charles Vögele is known for being a traditional Swiss fashion house. We regard this as a foundation on which a revitalized brand can grow. By sharpening up our profile even more, we can get even closer to customers and make them feel even more attached to us. We see the positive emotional charge carried by the brand as a valuable asset with longterm relevance, which is why we have made it the second pillar of our "CVision" strategy. We are creating positive experiences at all points of contact. Our products create an affinity because they suit our customers in terms of both fashion and fit. We make the brand environment palpable in our stores, and immediately recognizable online. In this way Charles Vögele becomes a very appealing brand for people in the prime of their lives.



VERTICALIZATION

The aim of the third initiative in the "CVision" program is to create an integrated, process-oriented organization based on customer life cycles. The focus here is on increasing efficiency, reducing complexity and optimizing the vertical processes.

Trends in the clothing industry come and go increasingly quickly, demonstrating the importance of fast response times. Bringing the trend into the branches at the right moment is crucial to the success of a collection. If we are to ensure we can react quickly enough, we need our processes to be appropriately focused and optimized. With lean processes we can pass on cost savings to customers; with flexible procedures we can respond quickly to changing customer needs; and with optimized procurement we can offer the right trends at the right time. In this way we can remain a reliable fashion partner for our customers and thus secure our future for the long term.



FINANCIAL REPORT

From 1 January to 30 June CONSOLIDATED INCOME STATEMENT

CHF 1 000	Note	1⁼ half-year 2016	in %	1 st half-year 2015	in %
Net sales		377 607	100.0%	392 128	100.0%
Cost of goods	8	(130 460)	(34.5%)	(140 985)	(36.0%)
Gross profit		247 147	65.5%	251 143	64.0%
Personnel expenses		(109 973)	(29.1%)	(112 562)	(28.7%)
Rental expenses		(81 722)	(21.6%)	(81 798)	(20.9%)
Advertising and promotion expenses		(30 096)	(8.0%)	(28 170)	(7.2%)
General operating and administrative expenses		(37 588)	(10.0%)	(43 094)	(11.0%)
Other operating income		2 829	0.7%	3 749	1.0%
Other operating expenses		(149)	(0.0%)	(118)	(0.0%)
Operating results before depreciation and impairment (EBITDA)		(9 552)	(2.5%)	(10 850)	(2.8%)
Depreciation and impairment on property, plant and equipment		(15 506)		(16 538)	
Depreciation and impairment on intangible assets	••••••	(974)		(1 146)	
Operating results (EBIT)		(26 032)	(6.9%)	(28 534)	(7.3%)
Financial results, net	5	(4 946)		(5 372)	
Results for the period before income tax		(30 978)	(8.2%)	(33 906)	(8.6%)
Income tax expenses	6	(581)		(1 990)	
Net result		(31 559)	(8.4%)	(35 896)	(9.2%)
Basic earnings per share	7	(3.71)		(4.24)	
Diluted earnings per share	7	(3.71)		(4.24)	

At 30 June CONSOLIDATED BALANCE SHEET

CHF 1 000	Note	30.06.2016	31.12.2015
Assets			
Current assets			
Cash and cash equivalents		46 530	45 196
Trade account receivables		3 689	4 251
Other short-term receivables		12 698	9 692
Prepaid expenses		3 612	2 419
Inventories	8	123 602	116 541
Assets held for sale		9 719	0
Total current assets		199 850	178 099
Non-current assets			
Property, plant and equipment	10	188 056	210 949
Financial assets		115	115
Intangible assets	10	5 582	5 372
Total non-current assets		193 753	216 436
Total assets		393 603	394 535
Liabilities and shareholders' equity			
Current liabilities			
Short-term financial liabilities	9	1 436	1 481
Trade payables		49 268	32 875
Other short-term liabilities		27 021	27 252
Accruals		31 602	30 432
Short-term provisions		1 795	1 910
Total current liabilities		111 122	93 950
Non-current liabilities			
Long-term financial liabilities	9	197 739	184 818
Long-term provisions		27 425	27 351
Total non-current liabilities		225 164	212 169
Shareholders' equity			
Share capital		26 400	26 400
Treasury shares		(6 947)	(7 299
Other reserves		148 777	148 983
Retained earnings		(110 913)	(79 668
Total shareholders' equity	11, 12	57 317	88 416
Total liabilities and shareholders' equity		393 603	394 535

From 1 January to 30 June CONSOLIDATED STATEMENT OF CASH FLOWS

CHF 1 000	Note	1 st half-year 2016	1 st half-year 2015
Net result		(31 559)	(35 896)
Adjustments:	•••••••••••••••••		
– Income tax expenses		581	1 990
– Net financial expenses		4 946	5 372
- Depreciation		16 453	17 669
- Impairment		27	15
- Other non-cash expenses		0	41
Change in provisions		(64)	(313)
Change in inventories		(6 966)	9 331
Change in accounts receivables		577	225
Change in other receivables and prepaid expenses		(4 673)	(5 402)
Change in accounts payables		16 046	(14 751)
Change in other current liabilities and accruals	•••••••	(782)	4 429
Financial expenses paid		(6 539)	(5 143)
Taxes paid		66	(1 909)
Cash flow from operating activities		(11 887)	(24 342)
Purchase of property, plant and equipment		(2 157)	(17 607)
Purchase of intangible and financial assets	••••••••••••••••••	(1 184)	(1 270)
Net cash used from investing activities	10	(3 341)	(18 877)
Free cash flow		(15 228)	(43 219)
Proceeds from loans		57 157	45 000
Proceeds from other current financial liabilities		(49)	127
Repayment of loans		(40 000)	(45 000)
Repayment of other non-current financial liabilities		(728)	(837)
Disposal of treasury shares, net		146	310
Net cash provided/(used) from financing activities		16 526	(400)
Net increase/(decrease) in cash and cash equivalents		1 298	(43 619)
Net cash and cash equivalents at the beginning of the period		45 196	97 310
Effect of exchange rate changes		36	(3 001)
Net increase/(decrease) in cash and cash equivalents		1 298	(43 619)
Net cash and cash equivalents at the end of the period	••••••	46 530	50 690

CHF 1 000	Note	Share capital	Treasury shares	Share premium reserve	Retained earnings	Currency translation differences	Valuation share option plan	Total retained earnings	Total
Balance 01.01.2015		26 400	(7 609)	148 983	(12 128)	(2 623)	2 127	(12 624)	155 150
Net result		-	-	-	(35 896)	_	-	(35 896)	(35 896)
Currency translation differences		-	-	-	-	(5 983)	-	(5 983)	(5 983)
Value of granted options		-	-	-	-	_	41	41	41
Value of exercised/expired options		-	-	-	1	_	(1)	-	-
Disposals of treasury shares	11	-	310	-	-	_	-	-	310
Purchase of treasury shares	11	-	-	-	-	_	-	-	-
Balance 30.06.2015		26 400	(7 299)	148 983	(48 023)	(8 606)	2 167	(54 462)	113 622
Balance 01.01.2016		26 400	(7 299)	148 983	(72 827)	(7 931)	1 090	(79 668)	88 416
Net result		-	-	-	(31 559)	-	-	(31 559)	(31 559)
Currency translation differences		-	-	-	-	314	-	314	314
Value of granted options		-	-	-	-	-	-	-	-
Value of exercised/expired options		-	-	-	-	-	-	-	-
Disposals of treasury shares	11	-	352	(206)	-	-	-	-	146
Purchase of treasury shares	11	-	-	-	-	-	-	-	-
Balance 30.06.2016		26 400	(6 947)	148 777	(104 386)	(7 617)	1 090	(110 913)	57 317

From 1 January to 30 June CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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, in Belgium, Austria, Slovenia and Hungary.

The Group company in Poland was wound up in 2015. The only store in Liechtenstein was closed in spring 2016.

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

2 Summary of significant accounting policies

2.1 Preparation of the interim financial statements

Charles Vögele Group's half-year financial statements have been prepared in accordance with the accounting principles published in the 2015 financial report. They do not include all the informations given in the consolidated annual financial statements and so should be read and interpreted together with the 2015 financial statements.

The new recommendations of the Swiss GAAP FER Framework concerning revenue recognition as well as those in Swiss GAAP FER 3 and 6, which entered into force as of 1 January 2016, have been adopted. The revised principles concerning revenue recognition had no impact on the disclosures in the consolidated balance sheet and income statement.

2.2 Foreign currency translation

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

	ISO code	Unit	Balance sheet 30.06.2016	Balance sheet 31.12.2015	Income statement half-year 2016	Income statement half-year 2015
Euro	EUR	1	1.09	1.08	1.10	1.06
Hong Kong	HKD	1	0.13	0.13	0.13	0.12
China	CNY	1	0.15	0.15	0.15	0.15
USA	USD	1	0.98	0.99	0.98	0.95
Hungary	HUF	100	0.34	0.34	0.35	0.34
Poland	PLN	100	24.51	25.38	25.10	25.46

3 Segment information

CHF 1000	Switzerland		Germany		Benelux	
	1⁵ half-year 2016	1 st half-year 2015	1 st half-year 2016	1≝ half-year 2015	1 st half-year 2016	1≝ half-year 2015
Gross sales	139 501	160 790	149 729	148 458	59 027	61 277
Net sales	125 703	143 539	122 804	120 912	48 012	49 159
Operating results before depreciation and impairment (EBITDA)	8 577	15 429	3 028	5 144	(3 368)	(2 710)
in % of net sales	6.8%	10.7%	2.5%	4.3%	(7.0%)	(5.5%)
Operating results (EBIT)	1 170	7 304	(805)	1 150	(4 119)	(3 381)
EBIT in % of net sales	0.9%	5.1%	(0.7%)	1.0%	(8.6%)	(6.9%)

CHF 1 000		CEE ¹⁾		and	Group		
	1⁵ half-year 2016	1 st half-year 2015	1 st half-year 2016	1≊ half-year 2015	1≋ half-year 2016	1≊ half-year 2015	
Gross sales	100 634	98 211	-	-	448 891	468 736	
Net sales	81 088	78 518	-	_	377 607	392 128	
Operating results before depreciation and impairment (EBITDA)	(830)	633	(16 959)	(29 346)	(9 552)	(10 850)	
in % of net sales	(1.0%)	0.8%	-	-	(2.5%)	(2.8%)	
Operating results (EBIT)	(2 871)	(1 437)	(19 407)	(32 170)	(26 032)	(28 534)	
EBIT in % of net sales	(3.5%)	(1.8%)	-	-	(6.9%)	(7.3%)	

¹⁾ CEE: Austria, Slovenia and Hungary.

4 Discontinued operations

Within the scope of continual evaluation to optimize the organization, the Board of Directors of Charles Vögele Holding AG has decided to withdraw from the Belgian market. This affects the whole sales organization in Belgium, which is part of the segment Benelux. The key figures are the following:

CHF 1000	1ª half-year 2016	1≊ half-year 2015
Net sales from the sale of goods and services	15 718	17 183
Operating results before depreciation and impairment (EBITDA)	(1 507)	(523)
Operating results (EBIT)	(1 984)	(1 081)

5 Financial results

CHF 1 000	1ª half-year 2016	1 st half-year 2015
Financial income	99	108
Financial expenses	(4 536)	(3 962)
Foreign exchange differences	(509)	(1 518)
Total financial results, net	(4 946)	(5 372)

6 Income tax expenses

As reported in the previous year income tax expenses in the first half-year 2016 result mainly from taxable profit-making subsidiaries.

7 Earnings per share

		1 [≈] half-year 2016	1 st half-year 2015
Net result	CHF 1000	(31 559)	(35 896)
Weighted average number of shares	number	8 510 346	8 475 442
Adjustment for potentially dilutive share options	number	-	-
Weighted average number of shares for diluted earnings	number	8 510 346	8 475 442
Basic earnings per share	CHF	(3.71)	(4.24)
Diluted earnings per share	CHF	(3.71)	(4.24)

8 Inventories

CHF 1 000	30.06.2016	31.12.2015
Current inventory, gross	90 135	81 469
Inventory valuation allowance	(15 442)	(14 656)
Current inventory (current and previous seasons), net	74 693	66 813
Upcoming season	48 658	49 478
Heating oil	251	250
Total	123 602	116 541

8.1 Value adjustments on inventories

CHF 1 000	1 st half-year 2016	1 st half-year 2015
Balance at 1 January	(14 656)	(19 422)
(Creation)/release of value adjustments	(771)	7
Effect of exchange rates	(15)	1 847
Balance at 30 June	(15 442)	(17 568)

The value adjustment is based on a valuation system derived from the age structure of the goods.

9 Financial liabilities

In April 2016 the expiring syndicated credit agreement with a maximum credit facility of CHF 245 million has been prolonged. The term expires in June 2018. The interest rate is based on LIBOR plus a margin of between 100 and 450 basis points depending on key financial ratios.

The credit line totalling CHF 197.2 million drawn on 30 June 2016 (minus financing costs of CHF 4.3 million, leaving CHF 192.9 million) is reported unter long-term liabilities. The credit line totalling CHF 180 million drawn on 31 December 2015 (minus financing costs of CHF 0.7 million, leaving CHF 179.3 million) was also reported under long-term liabilities.

10 Cash flows from investing activities

During the first half of 2016, CHF 3.3 million net (previous year: CHF 18.9 million net) was invested in fixed and intangible assets. As a result of the current business situation the investment expenditure has been very restrictive in current year. The rollout of the new store format strategy and the concurrent re-shaping process of single stores mainly in Switzerland resulted in higher investment activities during last year.

11 Treasury shares

Charles Vögele Holding AG held as at 30 June 2016 263 399 (previous year: 286 458) treasury shares.

12 Distribution to shareholders

On 18 May 2016 the Annual Shareholders' Meeting decided not to pay a dividend for the 2015 financial year as in the previous year.

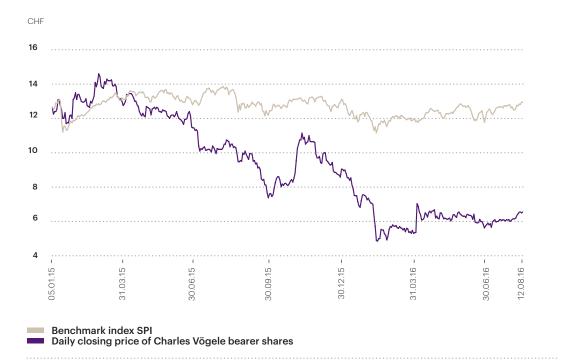
13 Post balance sheet events

The present interim financial statements take into consideration events occurring between the balance sheet date and 23 August 2016. There were no significant post balance sheet events. The interim financial statements were approved by the Charles Vögele Holding AG Board of Directors on 23 August 2016.

SHARE INFORMATION

Share performance

Price performance of Charles Vögele Holding AG bearer shares at SIX Swiss Exchange from 1 January 2015 to 12 August 2016:



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

CHARLES VÖGELE HOLDING AG Half-year Report 2016

Share information

		30.06.2016	31.12.2015
Bearer shares	number	8 800 000	8 800 000
Par value	CHF	3.00	3.00
Share price as per closing date	CHF	5.90	9.03
Share price: - Year high	CHF	9.24	15.10
- Year low	CHF	4.30	7.10
Average trading volume per day	number	45 045	31 214
Free float ¹⁾	%	80	74
Stock capitalization	CHF mil.	52	79
Book value per share	CHF	7	10

¹⁾ According to free-float declaration SIX.

FINANCIAL CALENDAR

21 March 2017 Media and Analysts Conference Annual results 2016

20 April 2017 General Meeting of Shareholders Annual results 2016

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.

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