2012 ANNUAL RESULTS

2012 MARKET DEVELOPMENTS

Market environment still difficult

- Consumers made reticent by difficult economic situation and euro crisis
- Declining footfall in Europe's clothing markets
- Greater retail tourism (Switzerland)
- Continued high level of competitive, price and merchandise pressure
- EUR/CHF exchange rate more stable

KEY FIGURES 2012

Positive free cash flow, fall in net sales, value adjustments required

- Positive free cash-flow of CHF 15 million (PY CHF -157 million)
- Net sales fall -4.4% (CHF -44 million) to CHF 972 million
  - 1st HY: around 50% due to exchange rate
  - 2 HY: compromises on autumn/winter 2011/2012 range
- Net sales down 3.1% after adjusting for exchange rates and floorspace (l-f-l)
  - Decline in sales caused largely by Switzerland and Germany
- Gross profit margin slightly higher at 61.9% (PY 61.5%)
- Operating expenses reduced by CHF 18 million to CHF 619 million after adjusting for exchange rates
- Value adjustments in CEE und Benelux of CHF 32 million
- Restrictive investment management
- Net result of CHF -109 million

KEY FACTS 2012

Focused work on the turnaround

- Cash management prioritized
- Intensive work on products, single-brand strategy and staying close to customers
- Reduced complexity in procurement
- Logistics of merchandise supply working smoothly again
- Sustainability in strategy implementation

CASH MANAGEMENT

The challenge

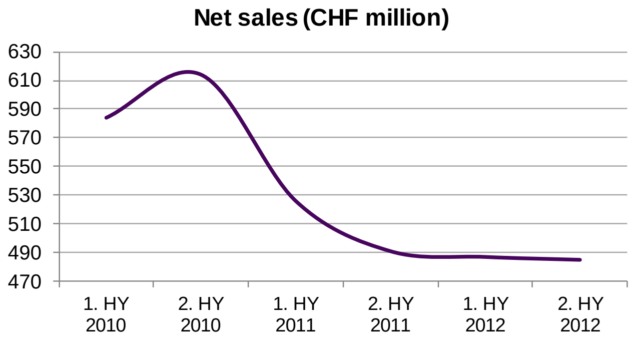
- "Stop the bleeding"

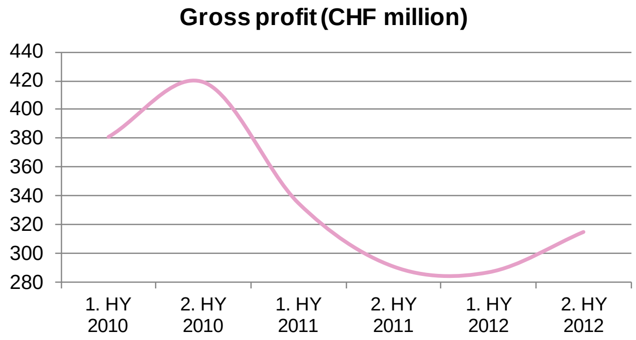
Prioritizing liquidity management

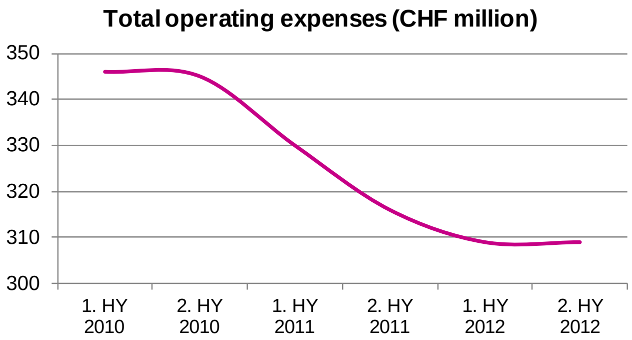
- Free cash flow improved year-on-year by more than CHF 170 million
- Cash management focused on operational activity
- Bigger discounts help to sell off spring/summer collection in 1st HY
- Significant reduction in autumn/winter 2012 purchase volumes due to integration of parts of autumn/winter 2011 range
- Strict cost ratio management
- Restricted investment activity

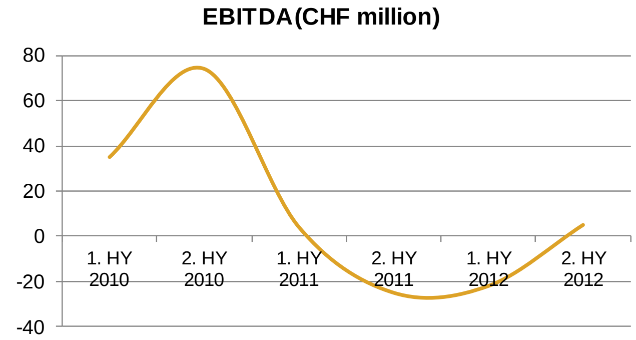
PERFORMANCE IN 2ND HALF OF 2012

Downward trend halted in second half









Main drivers in second half:

- Improved incoming margins
- Less use of discounting
- Strict cost management

PRODUCT & CLOSENESS TO CUSTOMERS

Charles Vögele Switzerland

The challenge

- Switch to single-brand structure
- Reduction in autumn/winter 2012 purchase volumes
- Negative reporting and unsettled customers

Charles Vögele positioned as brand

- Range focused consistently on single-brand strategy and core target group with effect from spring/summer 2013
- Goods presentation to match buying habits: Changeover to core and coordinates sections
- Revision of Women's Wear: optimized fits and sharper fashion statements
- Price adjustments in children's collection increase competitiveness
- Successful Swiss image campaign to increase customer confidence

PROCUREMENT & SUPPLY OF GOODS

Charles Vögele Switzerland

The challenge

- Highly complex procurement process, little flexibility to react to trends
- Gaps in management of goods

Efficiency gains realized

- Logistics processes functioning smoothly again
- Flexible cost structure and reduced investment in logistics
- Optimized through-put times and capacity utilization
- Procurement made less complex by streamlining supplier portfolio
- Revisions and adjustment of sourcing structure
- Incoming margin increased again in 2nd half

STRATEGY

The challenge

- Performance of Swiss market
- Heterogeneous country and store portfolio
- Cost pressure
- Frequent changes in top management

Strategic measures implemented for profitable growth

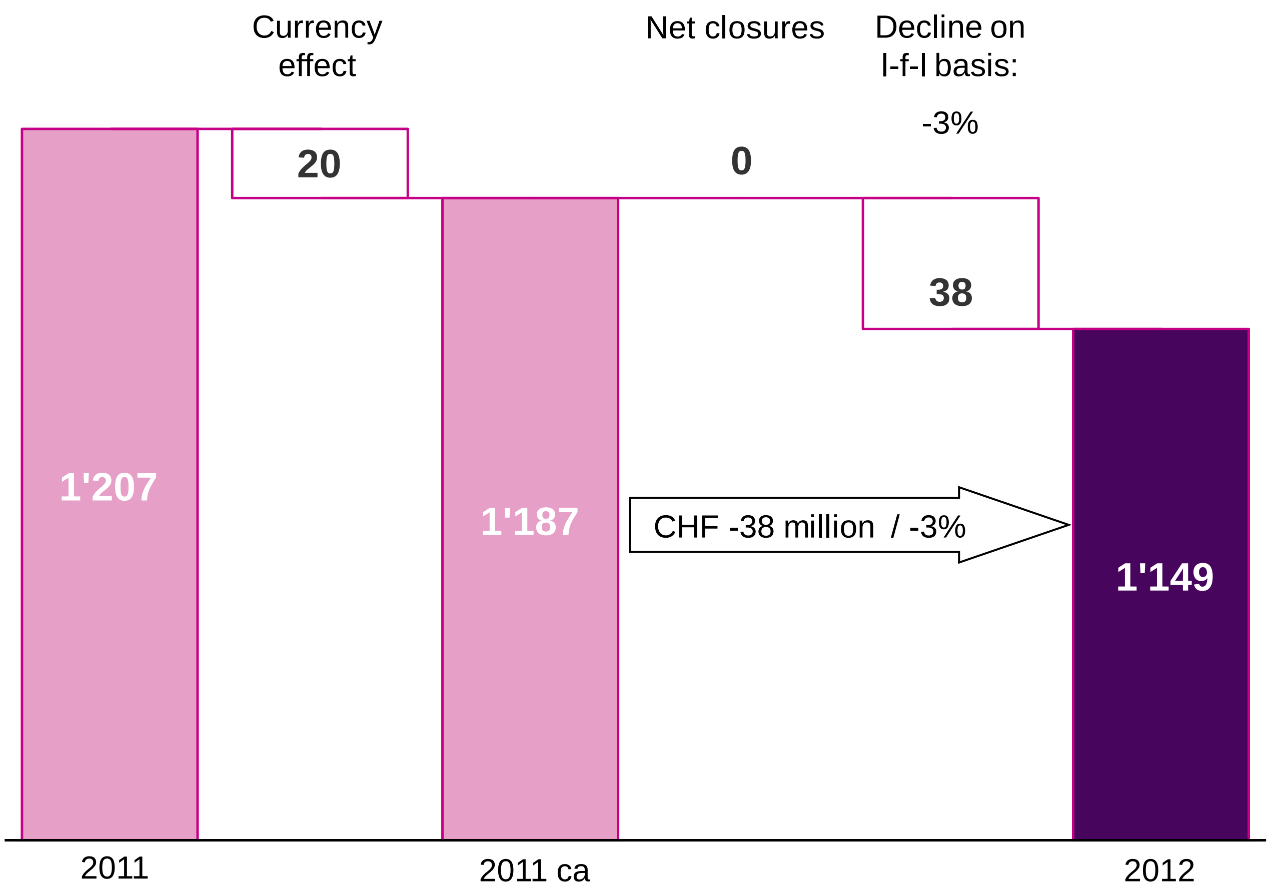
- Examining ways to reduce complexity and focus on core markets
- Prioritizing the Swiss core market
- Rigorous implementation of single-brand strategy
- Operational support from BoD
- Review of strategic options

INCOME STATEMENT

(CHF million)	2012	2011	△	△ in %
Gross sales	1'149	1'207	(58)	(5%)
Net sales	972	1'016	(44)	(4%)
Gross profit	602	625	(23)	(4%)
as % of net sales	61.9%	61.5%		
Total operating expenses	(619)	(646)	+27	+4%
as % of net sales	63.7%	63.6%		
EBITDA	(17)	(21)	+4	(19%)
as % of net sales	-1.7%	-2.1%		
EBIT	(99)	(114)	+15	
as % of net sales	-10.2%	-11.2%		
Net profit/(loss)	(109)	(119)	+10	

CONSOLIDATED GROSS SALES (in CHF million)

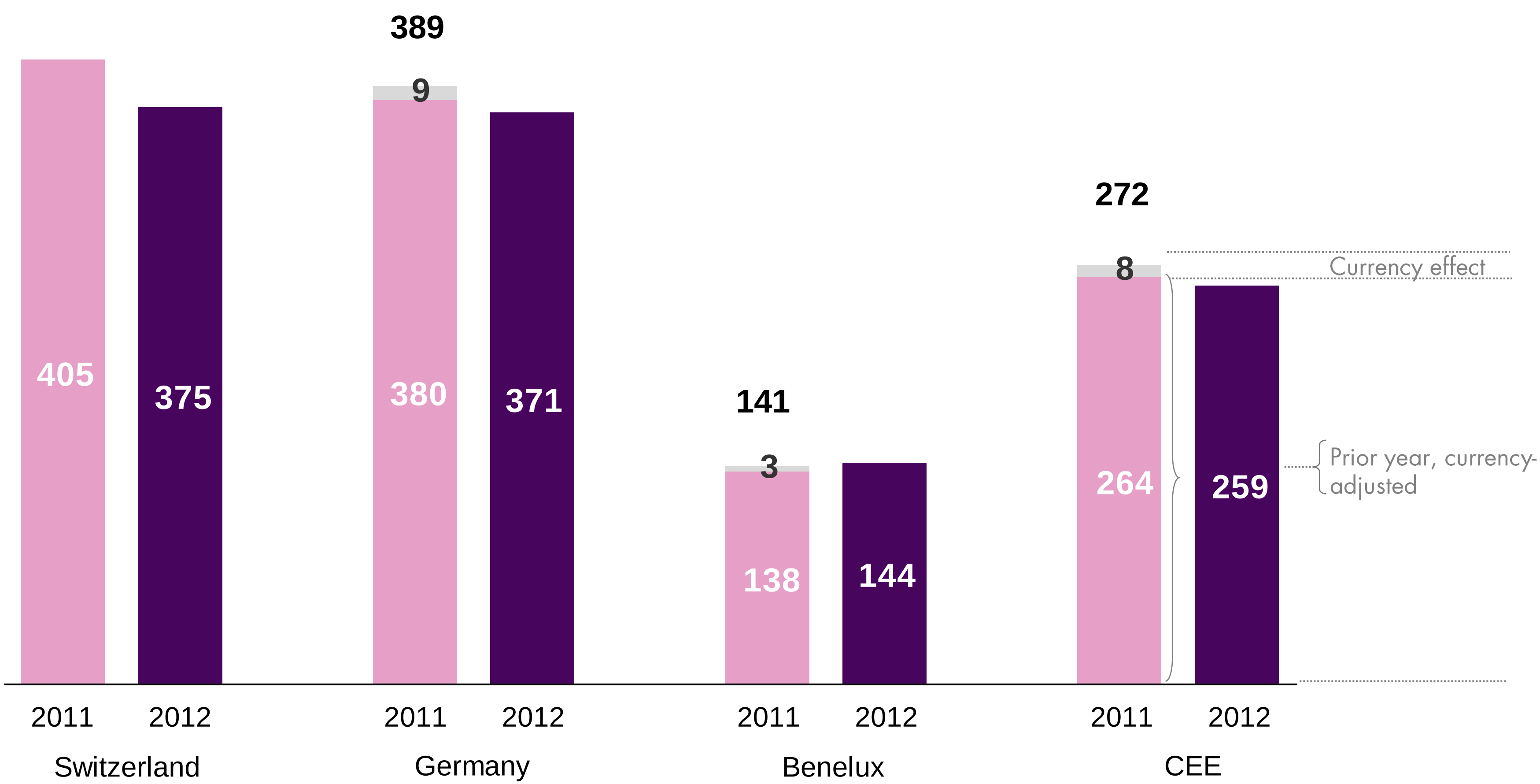
Currency effect and l-f-l decline hurt first-half results most



CONSOLIDATED GROSS SALES BY REGION (in CHF million)

Charles Vögele Switzerland

Benelux increases gross sales, Switzerland suffers most from decline in footfall



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GROSS PROFIT

Fall in volumes reduces gross profit

- Decline of CHF 23 million (from CHF 625 million to CHF 602 million)
  - Lower volume and currency influence: CHF -27 million
  - Positive margin effect: CHF 4 million

Main influences:

- Lower footfall and customer numbers led to fewer items sold
- Less discounting, though still at a high level because of need to shed old stock
- Better incoming margin in 2nd half
- Increase in supplier accounts
- Lower value adjustments thanks to reduction in inventories

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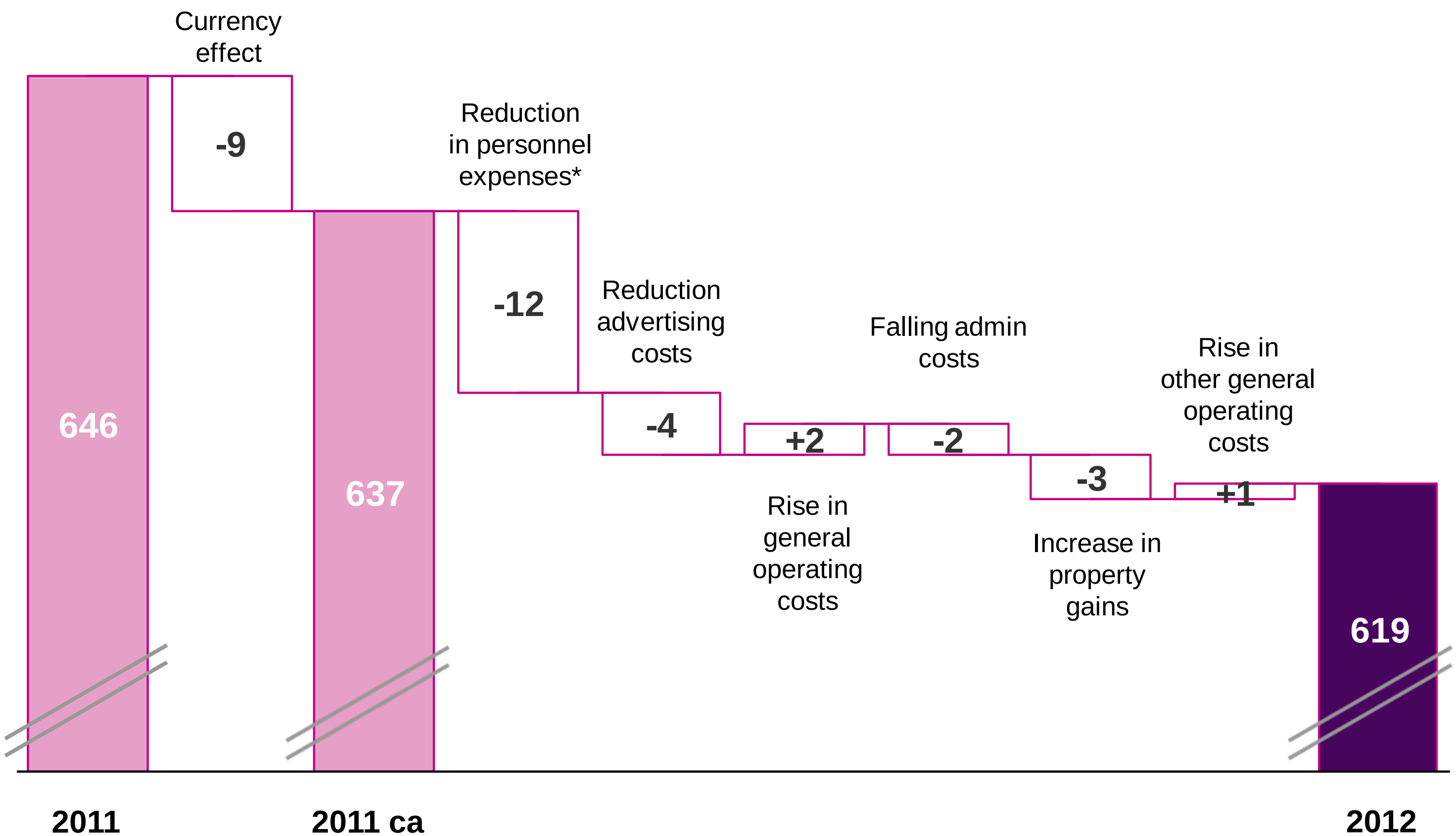
OPERATING COSTS (in CHF million)

Savings of CHF 18 million after currency adjustment



*Of which around CHF 7 million from outsourcing logistics

Charles Vögele Switzerland

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IMPROVED PERFORMANCE IN 2ND HALF

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Increase in gross profit leads to positive EBITDA in 2nd half

(CHF million)	1. HY 2011	1. HY 2012	Δ 1. HY	2. HY 2011	2. HY 2012	Δ 2. HY
Net Sales	525	487	(38)	491	485	(6)
Gross Profit	334	287	(47)	291	315	24
as % of net sales	63.5%	59.0%		59.3%	64.9%	
Total operating expenses	(330)	(309)	21	(316)	(310)	6
EBITDA	4	(22)	(26)	(25)	5	30

REGIONAL PERFORMANCES

Switzerland Region:

- Clothing market has shrunk by 3%
- Retail tourism, competitive and price pressure
- CV's l-f-l performance -8.7% (realized turnover)
- Negative media reporting unsettles customers
- Image campaign launched
- Strict cost management increases EBITDA

Germany Region:

- Overall clothing sales down -2%
- Consumers unsettled by euro crisis
- CV's l-f-l performance -2.6% (real. TU), about same as overall market
- Stable productivity per sqm
- Slightly improved EBITDA

Benelux Region:

- Declining purchase hurts consumer sentiment
- Belgium market grows, Netherlands shrinks
- CV sales (real. TU) grow faster than market, l-f-l (B +9.3 %, NL +6.1%)
- Structural adjustments in BX show first effects
- Productivity per sqm up by 9% (ca)
- One-off effects of structural adjustments
- Value adjustments of CHF 20 million on fixed assets

CEE Region (mainly Austria):

- Cautious consumer sentiment in the CEE Region
- Disappointing business performance in 1st HY, significant improvement in second half
- CV's l-f-l performance in AT -3.6% (real. TU)
- Lower sales in AT and follow-up costs from logistics switch bring down result (EBITDA)
- Value adjustments (HU, CZ, PL) of CHF 12 million on fixed assets

REGIONAL PERFORMANCES

Core markets improve operating result before depreciation (EBITDA)

Region Switzerland

(CHF million)	2012	2011
Net Sales	341	363
EBITDA	36	30
Store portfolio at 1 January	168	168
Openings	*3*	*5*
Closings	*(1)*	*(5)*
Store portfolio at 31 December	170	168

Region Germany

(CHF million)	2012	2011
Net Sales	304	318
EBITDA	(12)	(17)
Store portfolio at 1 January	293	294
Openings	*9*	*11*
Closings	*(11)*	*(12)*
Store portfolio at 31 December	291	293

Region Benelux

(CHF million)	2012	2011
Net Sales	118	117
EBITDA	(20)	(17)
Store portfolio at 1 January	154	161
Openings	*1*	*1*
Closings	*(7)*	*(8)*
Store portfolio at 31 December	148	154

Region CEE

(CHF million)	2012	2011
Net Sales	209	218
EBITDA	(21)	(17)
Store portfolio at 1 January	202	203
Openings	*5*	*7*
Closings	*(4)*	*(8)*
Store portfolio at 31 December	203	202

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COMPARING EBIT TO YEAR-BACK FIGURE

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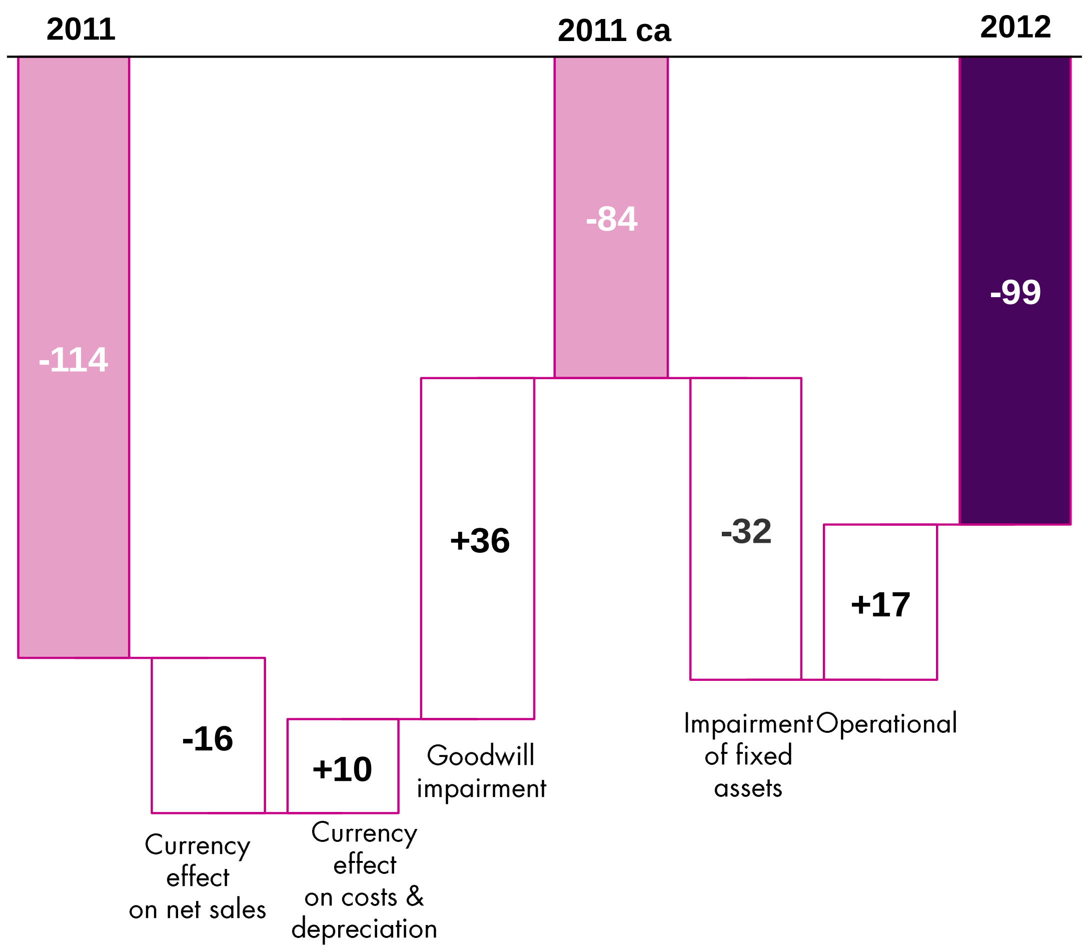
Operating profit (EBIT) improves by CHF 17 million after value adjustments and currency effects



OVERVIEW OF EBIT TO NET PROFIT

Charles Vögele Switzerland

Refinancing increases financial expenses

(CHF million)	2012	2011	△
EBIT	(99)	(114)	+15
as % of net sales	-10.2%	-11.2%	
Financial expenses	(10)	(3)	(7)
Exchange losses	1	(1)	+2
Tax expenses	(1)	(1)	
Net profit/(loss)	(109)	(119)	+10
as % of net sales	-11.3%	-11.7%	

INVESTMENT

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Restricted investment activity

(CHF million)	2012	2011	△
Store openings	4	9	(5)
Refurbishments/renovation	7	25	(18)
Other	0	5	(5)
Total regions	11	39	(28)
Group infrastructure	3	10	(7)
Total Group, net	14	49	(35)

FREE CASH FLOW

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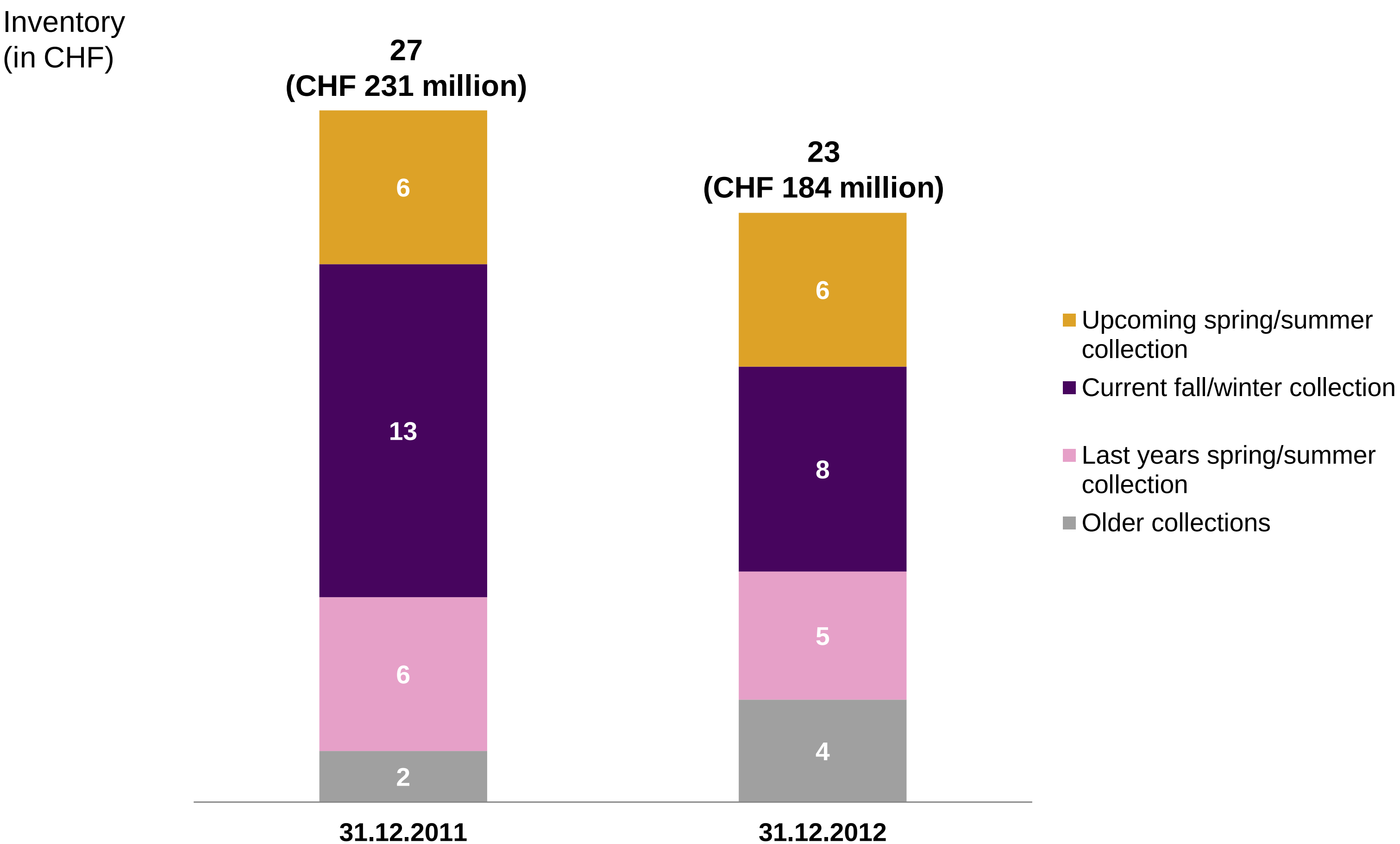
Reduction of inventories contributes greatly to positive cash flow

(CHF million)	2012	2011	△
EBITDA	**(17)**	**(21)**	**+4**
Net change in inventory	44	(82)	+126
Other non-cash positions	11	12	(1)
Net financial & tax expenses	(9)	(17)	+8
Cash flow from operating activities	**29**	**(108)**	**+137**
Cash flow from investing activities	(14)	(49)	+35
Free Cash Flow	**15**	**(157)**	**+172**
Cash flow from financing activities	(38)	138	(176)
Net change in cash & cash equivalents	**(23)**	**(19)**	**(4)**

INVENTORY

Inventory reduced by 4 million items



KEY BALANCE SHEET FIGURES

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Net debt reduced

(CHF million)	31.12.2012	31.12.2011	△
Cash and cash equivalents	87	110	(23)
Inventories	184	231	(47)
Tangible assets	274	341	(67)
Net debt	(115)	(134)	+19
Total assets	612	761	(149)
Shareholders' equity	234	356	(122)
Equity ratio	38%	47%	(9%)

DIFFERENTIATON BASED ON SERVICE

Package of measures initiated

Improve performance

- Evaluate measures to increase sales and potential to reduce costs
- Increase marketing efficiency/CRM
- Withdraw from Poland and Czech Republic
- Review further strategic options
- Market campaign in core Swiss market
- Set up Programme Management Office (PMO) incl. Performance Management

Get closer to the market

- Improve customer service at POS
- Revise store format strategy
- Strengthen customer focus in merchandise management
- Continue to develop marketing/ communication
- Sustainability in collection statements

THANK YOU VERY MUCH

2013 REPORTING

▪ Media and analysts conference on the 2013 half-year financial statements	20.08.2013
▪ Media and analysts conference on the 2013 financial statements	08.04.2014
▪ Annual Shareholders’ Meeting, 2013 annual financial statements	20.05.2014

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