

2009 results



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- Operational review of 2009 financial year
- 2009 results
- Outlook for 2010 - 2012



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Operational review of 2009

- Mid-February: CEO takes up post
- April: Board and Group Management conduct a strategic review
Development of corporate strategy VIOLETT
- May: Decision taken to clear-out old stock by end-March 2010. Implementation begins
- June: Commitment to verticalisation, centralisation and emotionalisation
- August: Advertising with new look
- August: Communication of 2012 strategic goals
- September: Start of pilot phase for new store design concept
- November: Own sourcing offices in India and Bangladesh



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Key financials 2009

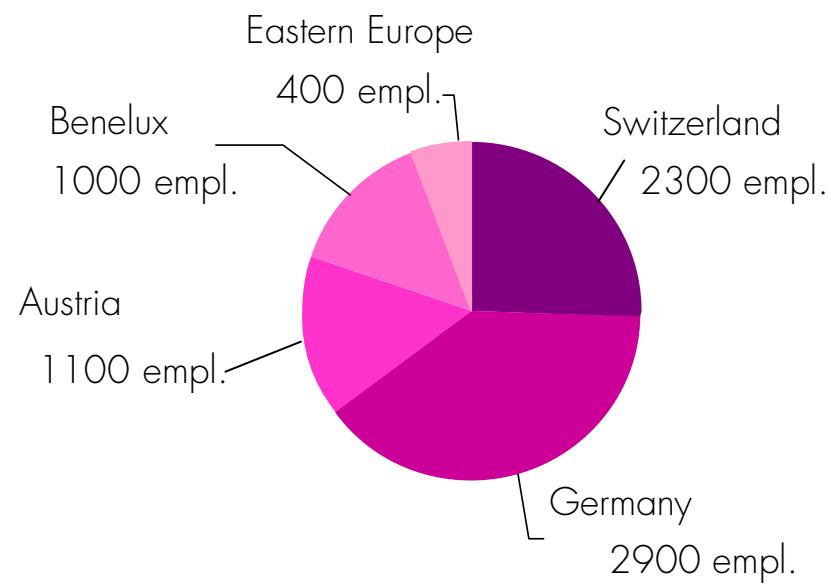
- Currency-adjusted gross sales at previous year's level
- Inventories reduced by 13 million items during the year under review
- Currency-adjusted operating expenses reduced by CHF 19 million
- EBITDA at CHF 71 million despite massive clear-out of old stock.
- Net profit pushed down to CHF -14 million by substantial reduction of old stock
- Free cash flow up significantly to CHF 142 million
- Solid equity ratio of 59%
- Net debt at lowest ever CHF 15 million.



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Employees

- Approximately 7700 employees
 - > 5000 salespeople
 - > 850 branch managers
 - > 570 trainees
- 60 nationalities
- 240 functions



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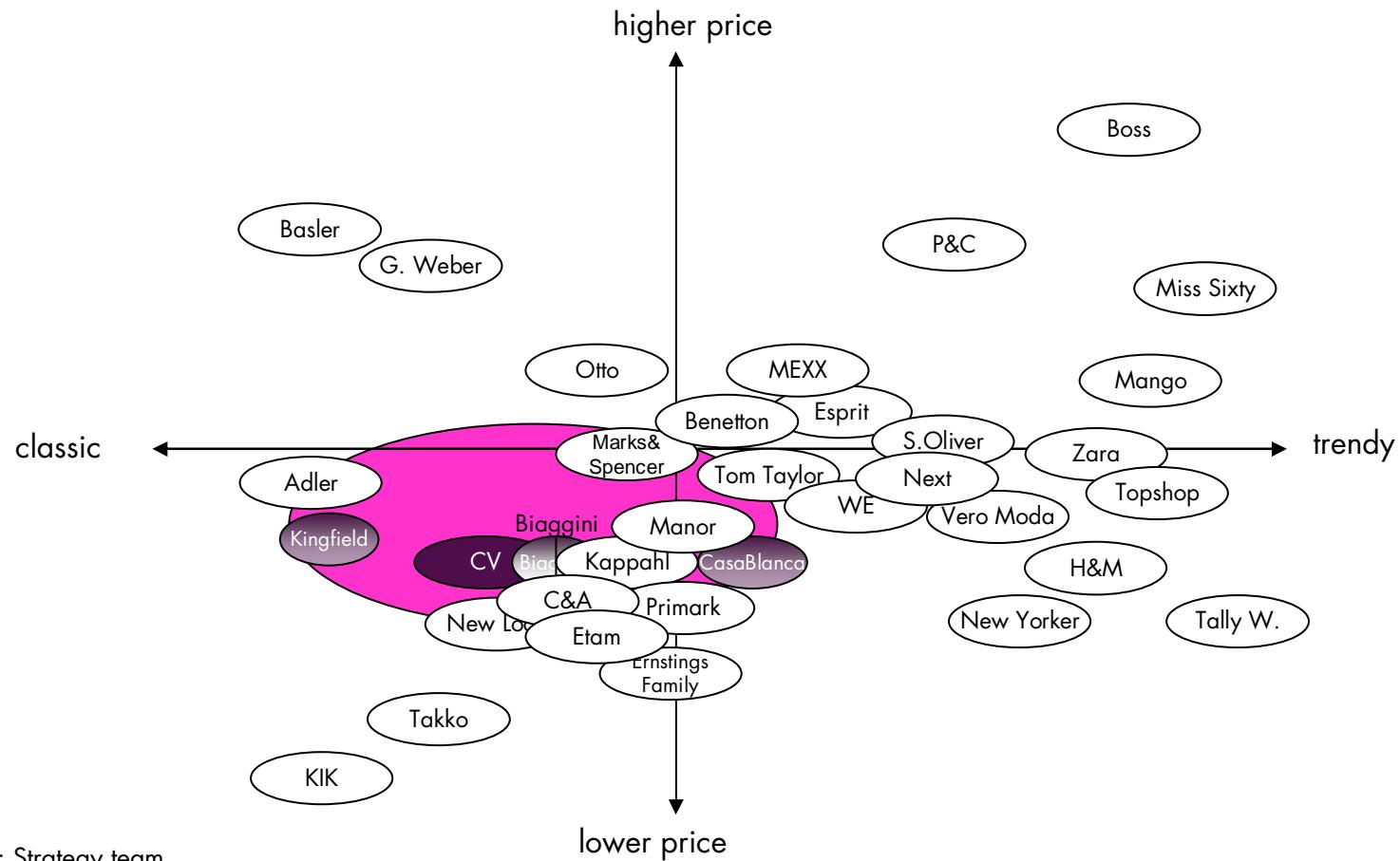
Branches by region

	2008	—	+	2009
Switzerland	165	2	6	169
Germany	326	23	11	314
Austria/ Slovenia	155	6	6	155
Benelux	161	4	9	166
CEE	44	0	9	53
Group total	851	35	41	857



Corporate positioning

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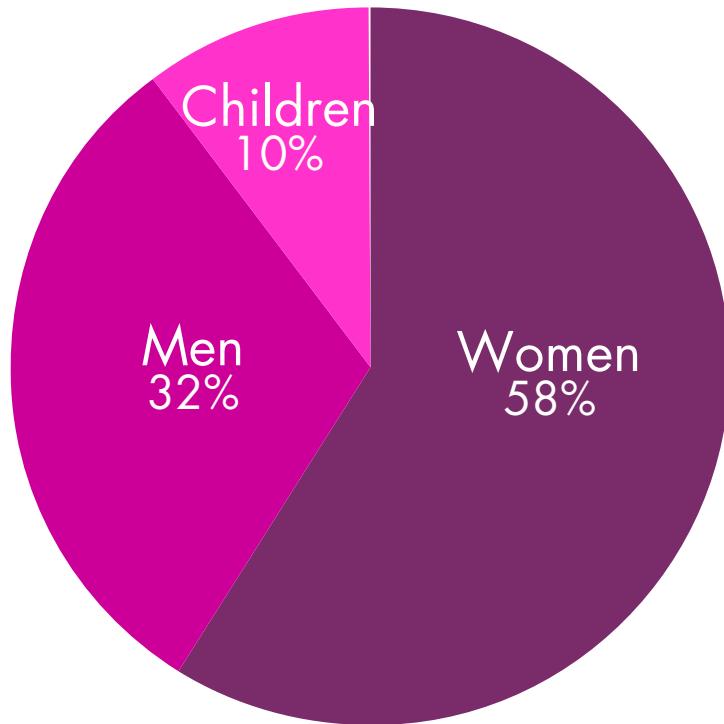


Source: Strategy team

Range portfolio

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Over 80% of our clients are women

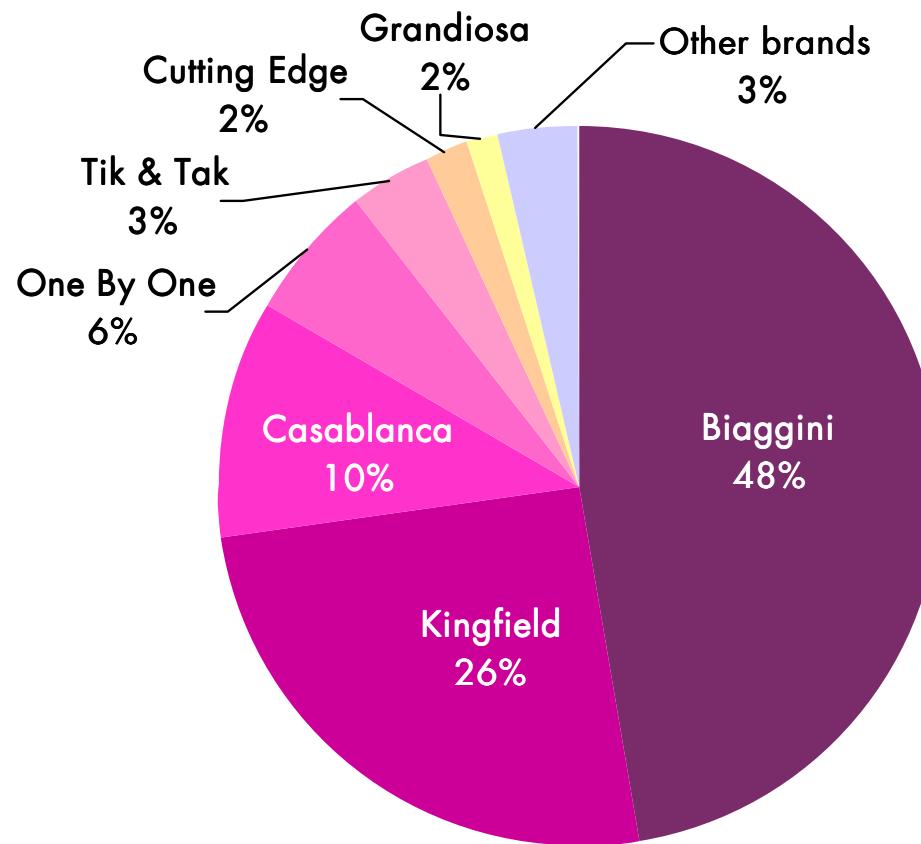


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Brand portfolio

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Three strong brands

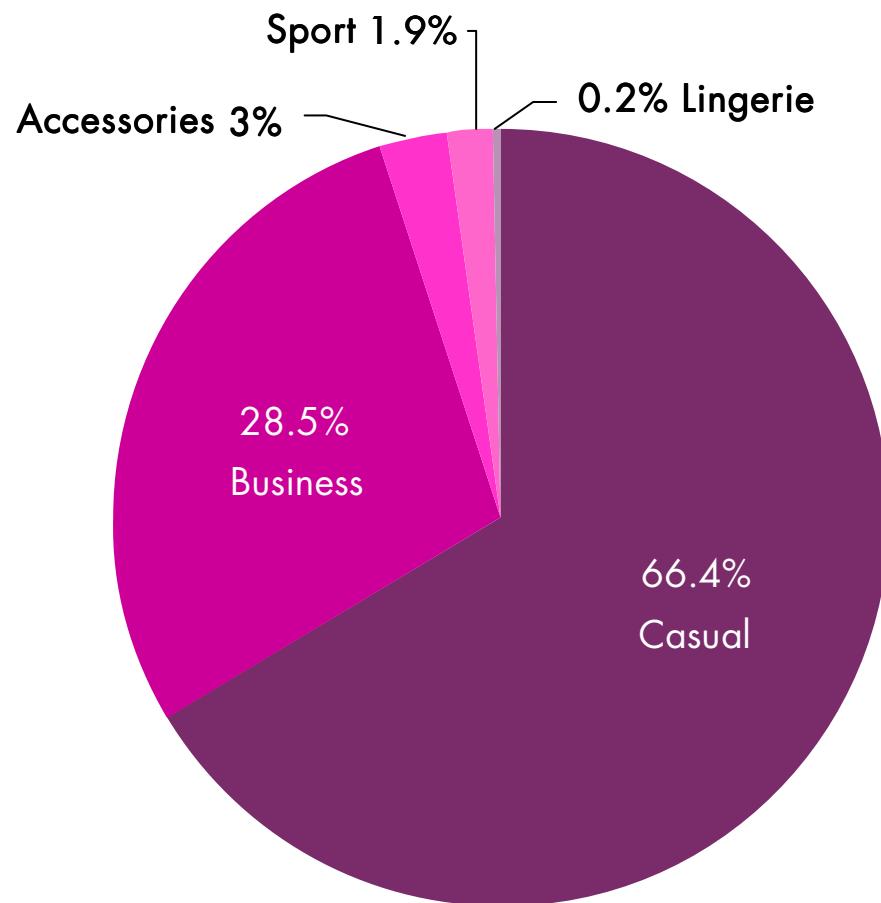


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Style portfolio

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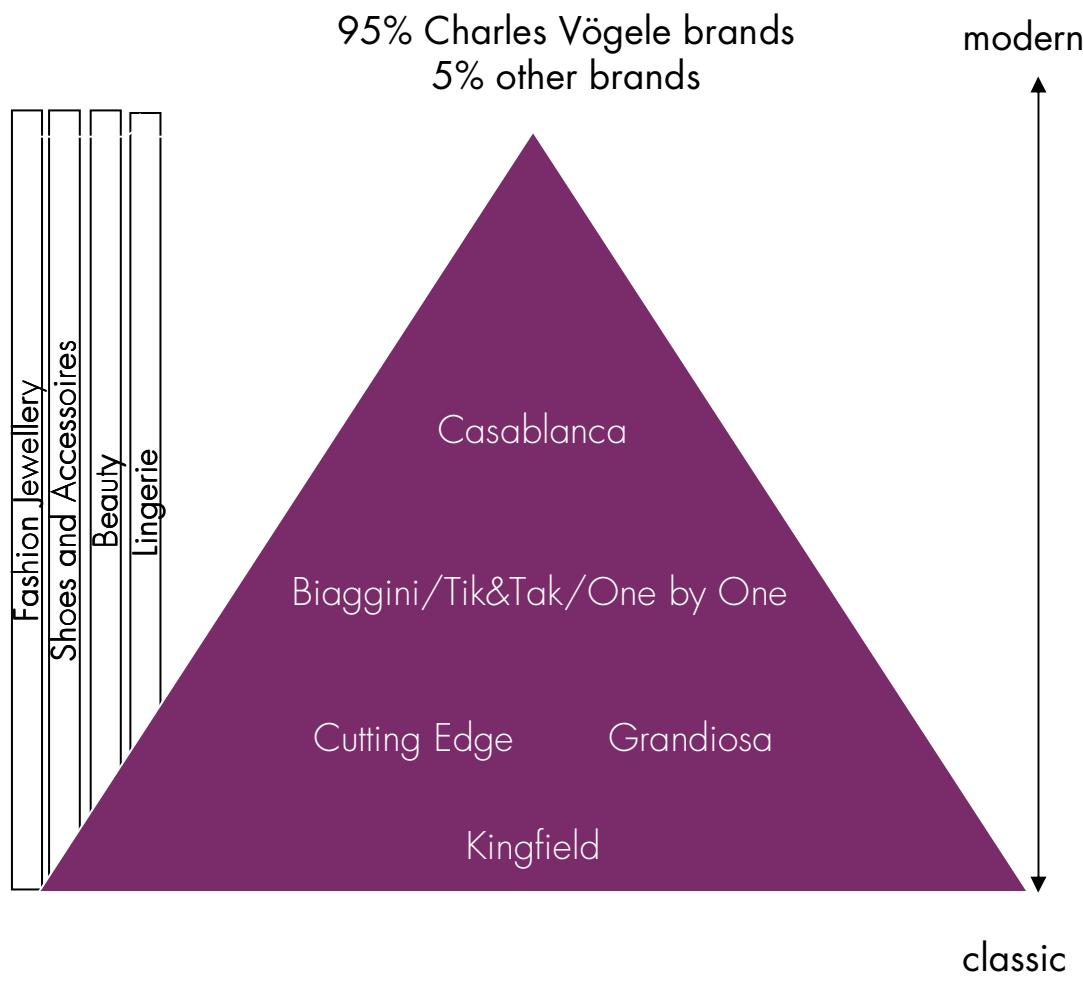
Opportunities in accessories and lingerie



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Product brand portfolio

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Results 2009

Income statement

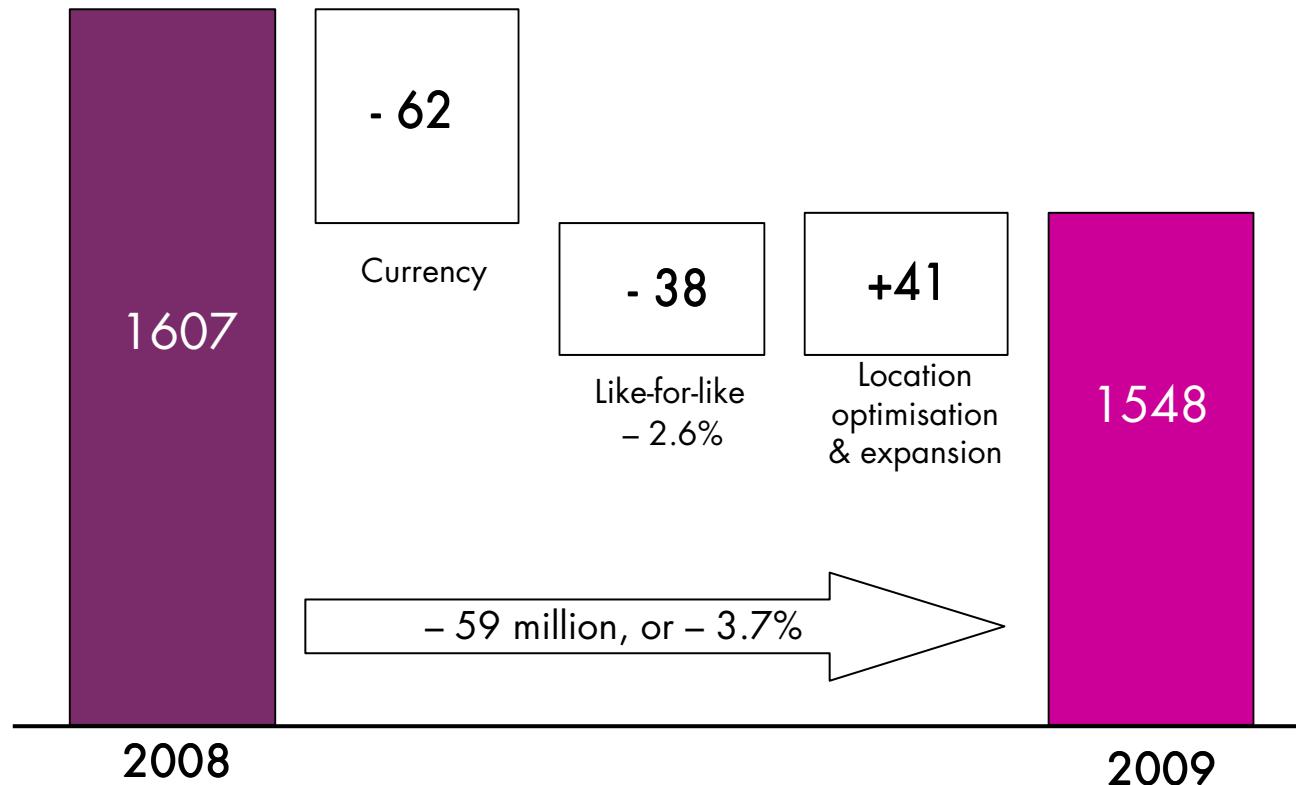
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in CHF m	2009	2008	Δ	Δ%
Gross sales	1548	1607	- 59	- 4%
Net sales	1310	1364	- 54	- 4%
Gross profit	802	891	- 89	- 10%
Gross profit margin	61.2%	65.3%		
Operating expenses	- 731	- 778	+ 47	- 6%
EBITDA	71	113	- 42	- 37%
EBITDA margin	5.4%	8.3%		
EBIT	4	48	- 44	- 92%
EBIT margin	0.3%	3.5%		
Financial expenses	- 7	- 15	+ 8	
Net profit	- 14	12	- 26	

Group gross sales (in CHF m)

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Gross sales unchanged after currency adjustment

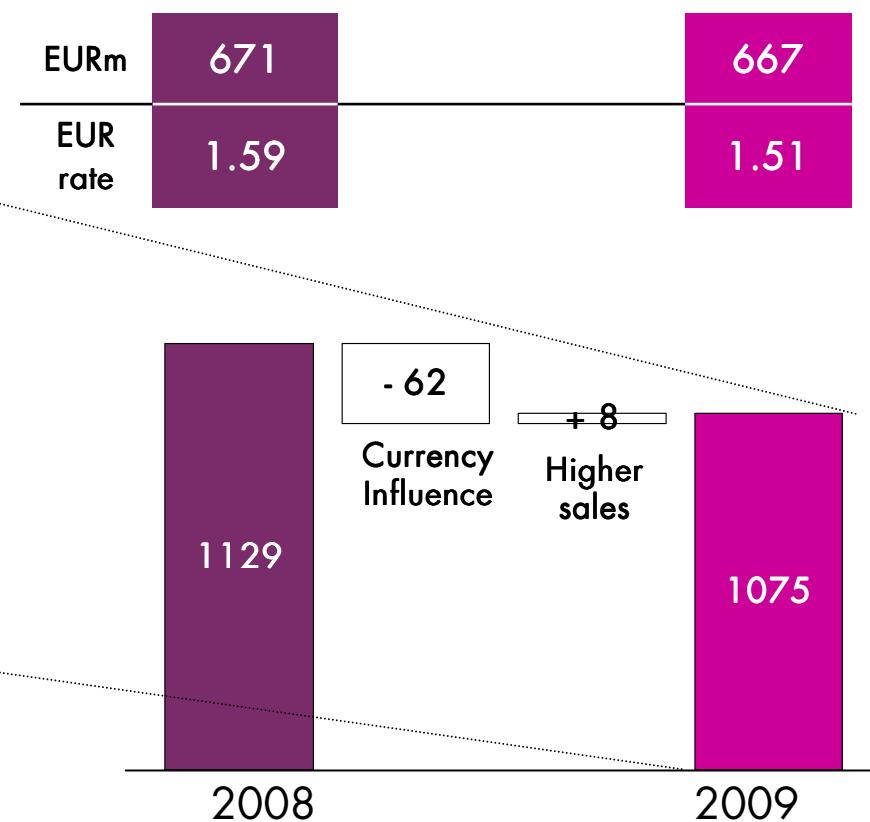
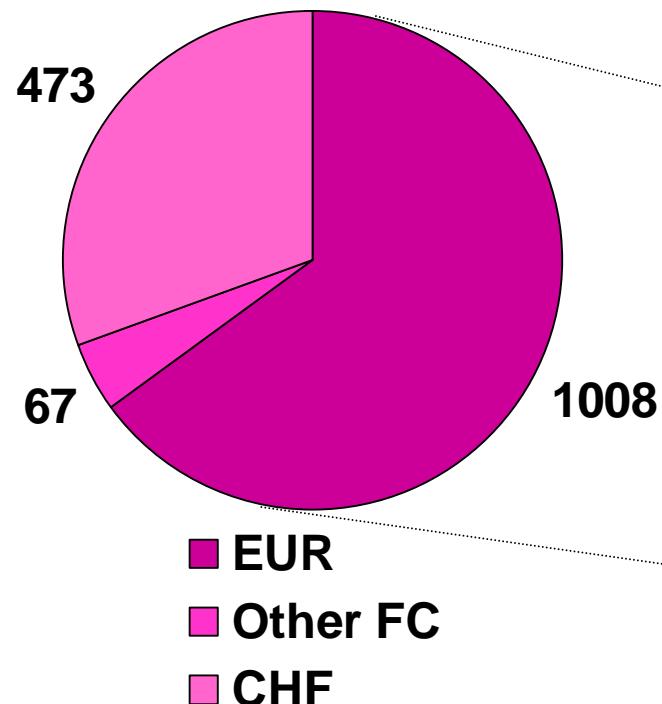


Effect of exchange rates on gross sales

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More than 2/3 of gross sales comes from foreign-currency regions

1'548 CHF m.

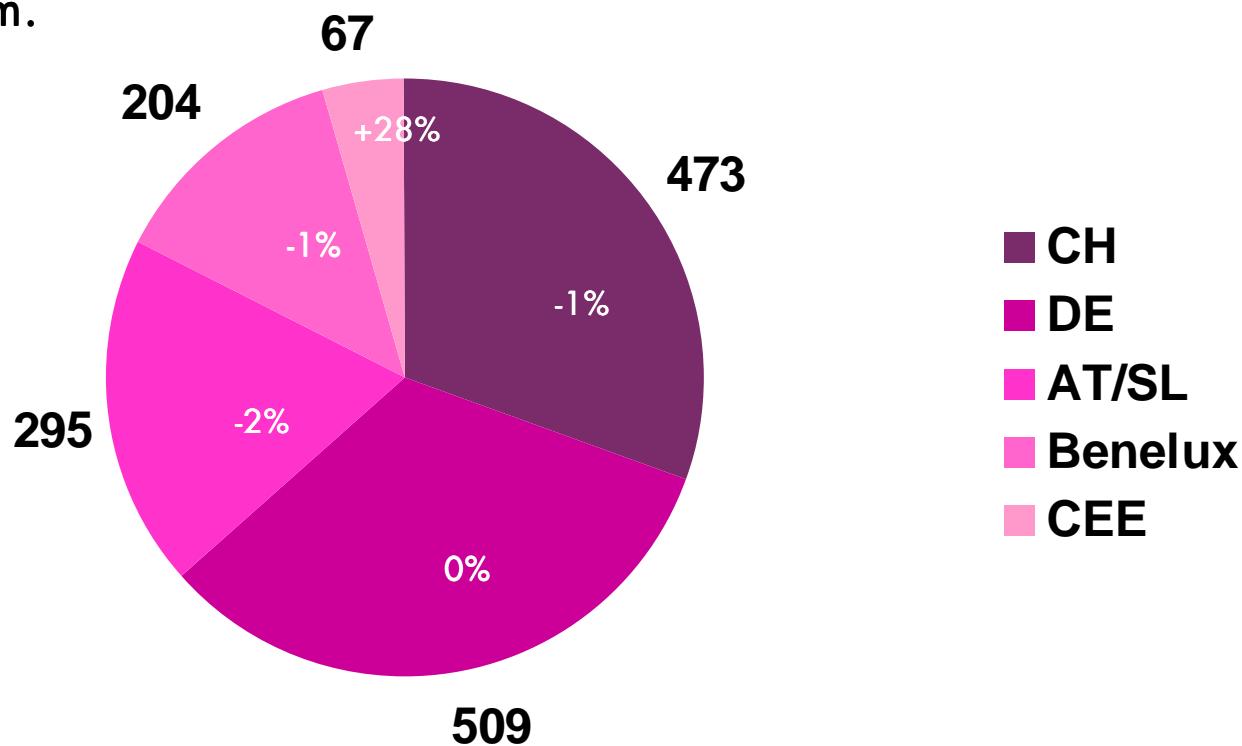


Gross sales by region (in CHF m)

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At previous year's level overall after currency adjustment (year-on-year change in %)

1'548 CHF m.



New sell-off system

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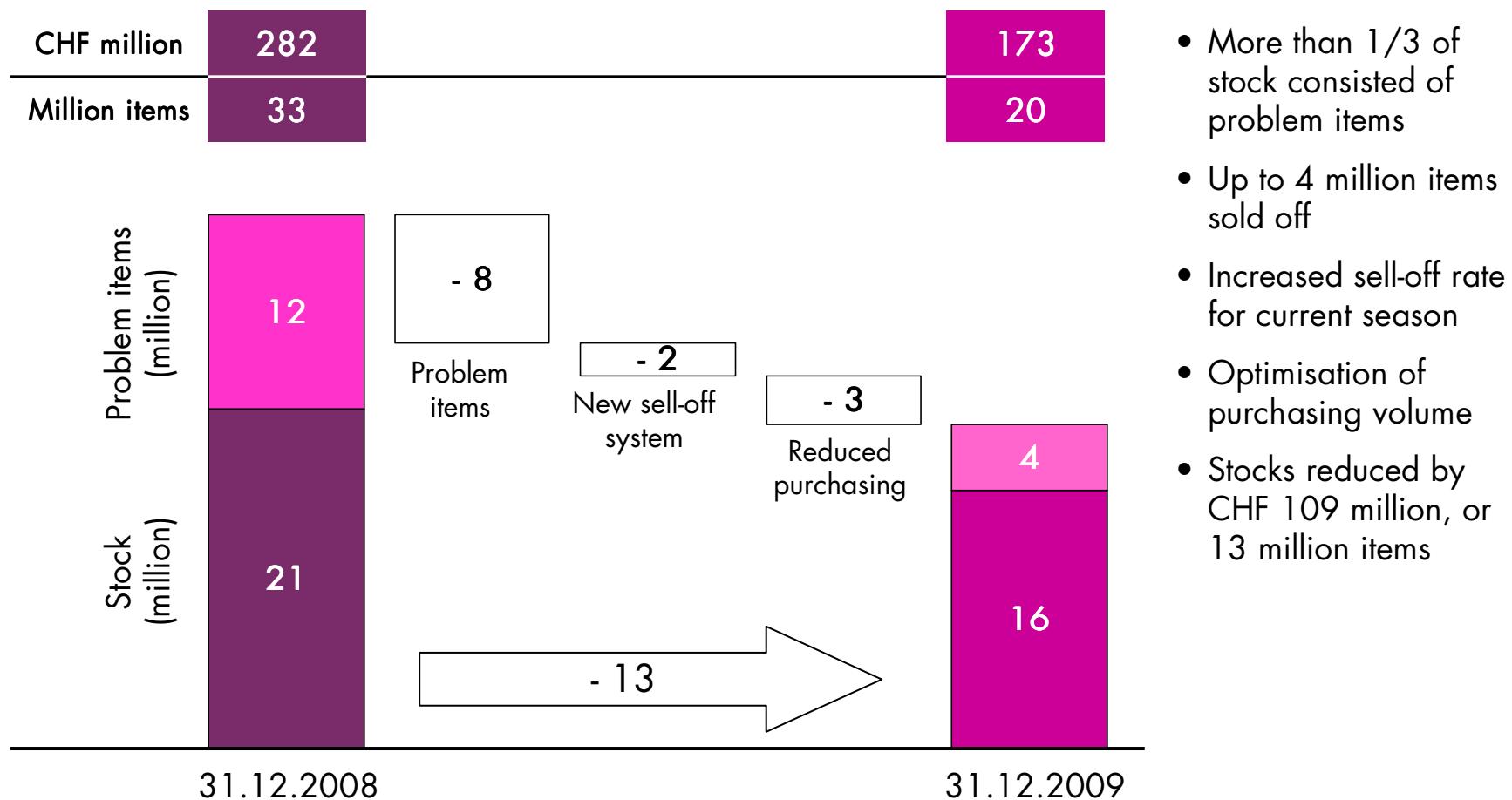
Inventory levels are heavily influenced by the new sell-off system



Inventories

Page 18

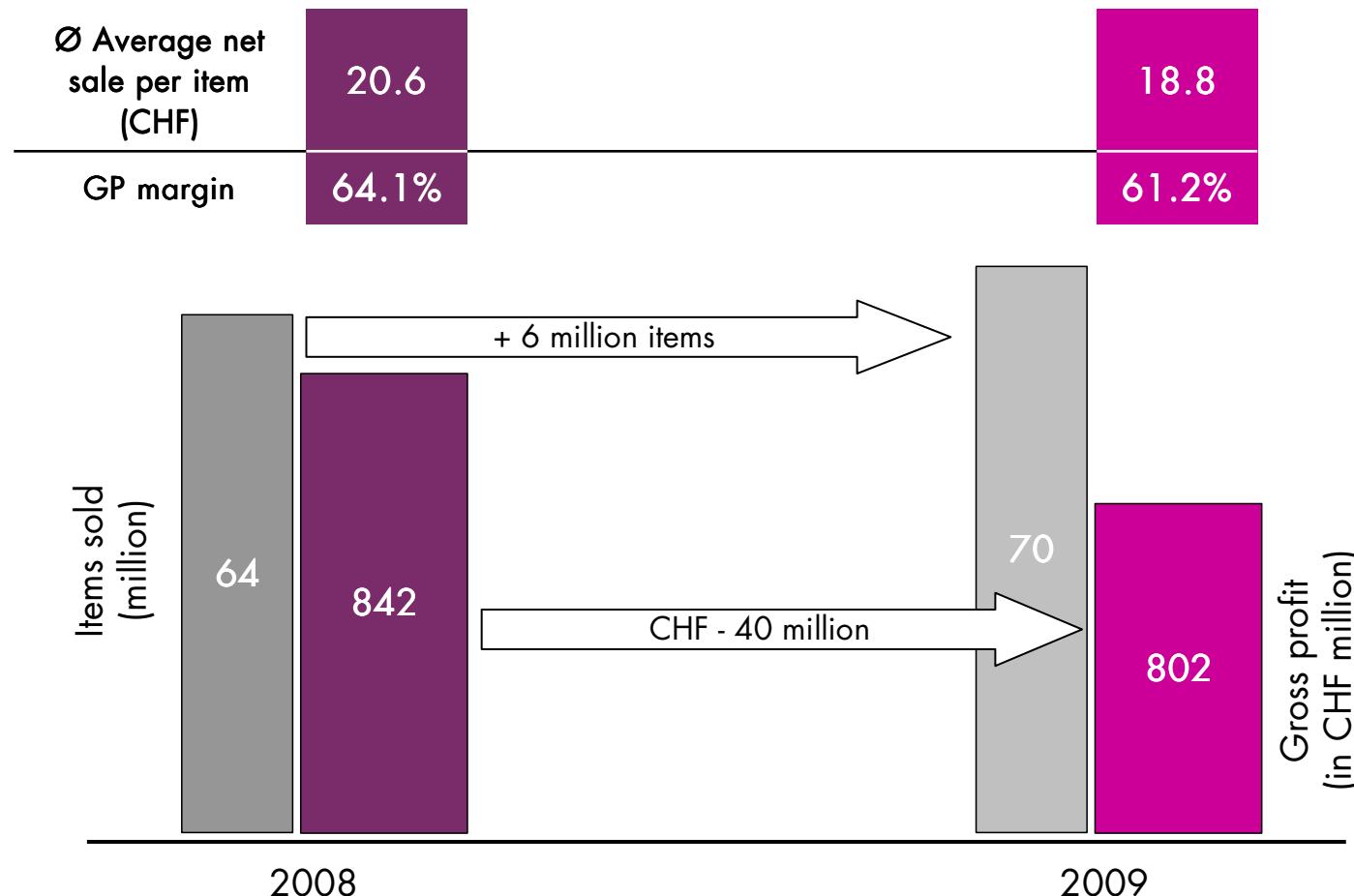
Major streamlining of inventories going as planned



Influence on gross profit (currency-adjusted)

Page 19

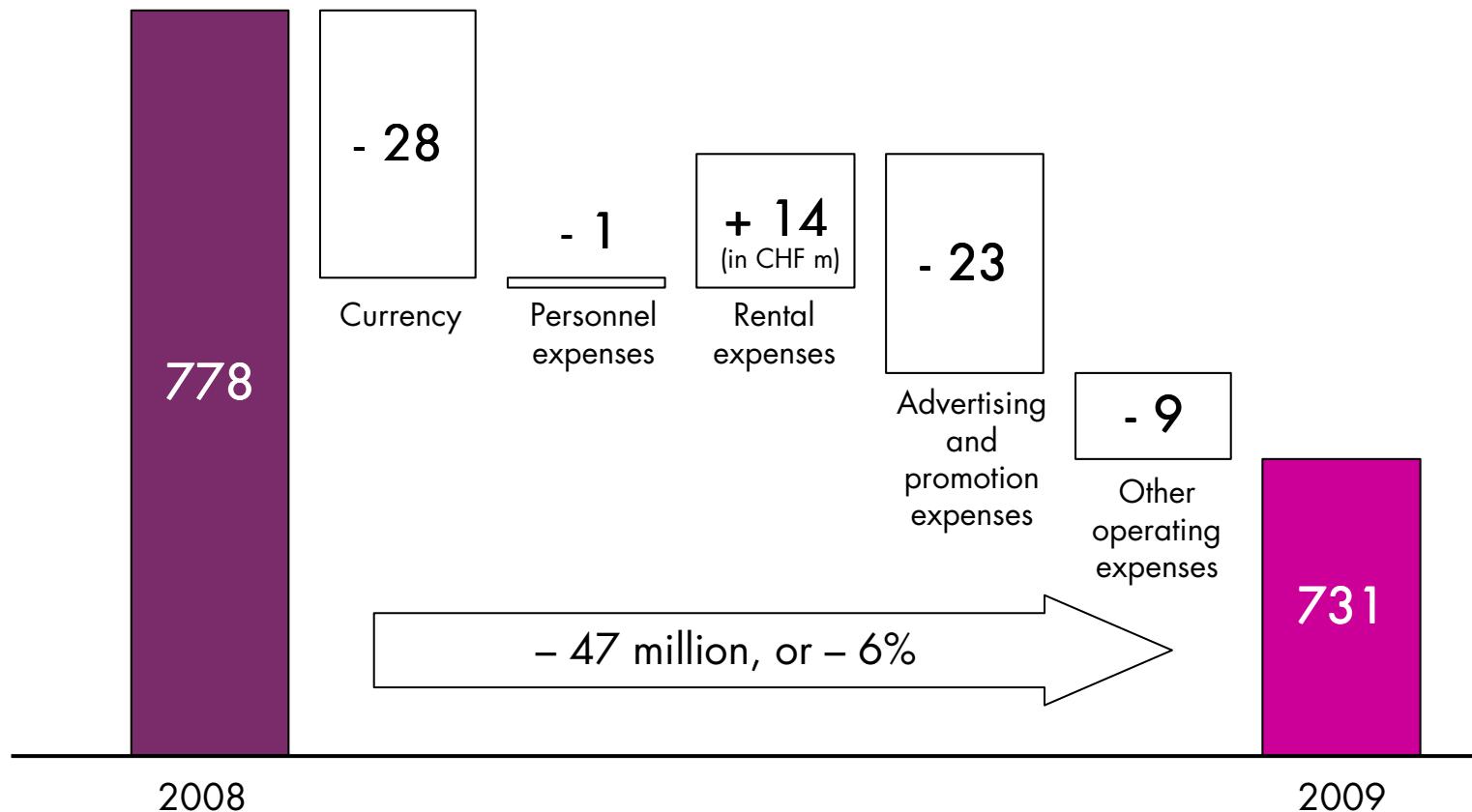
9.4% more items sold thanks to price reductions



Operating costs (in CHF million)

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Operating costs reduced thanks to savings measures



Operating costs (in CHF million)

Page 21

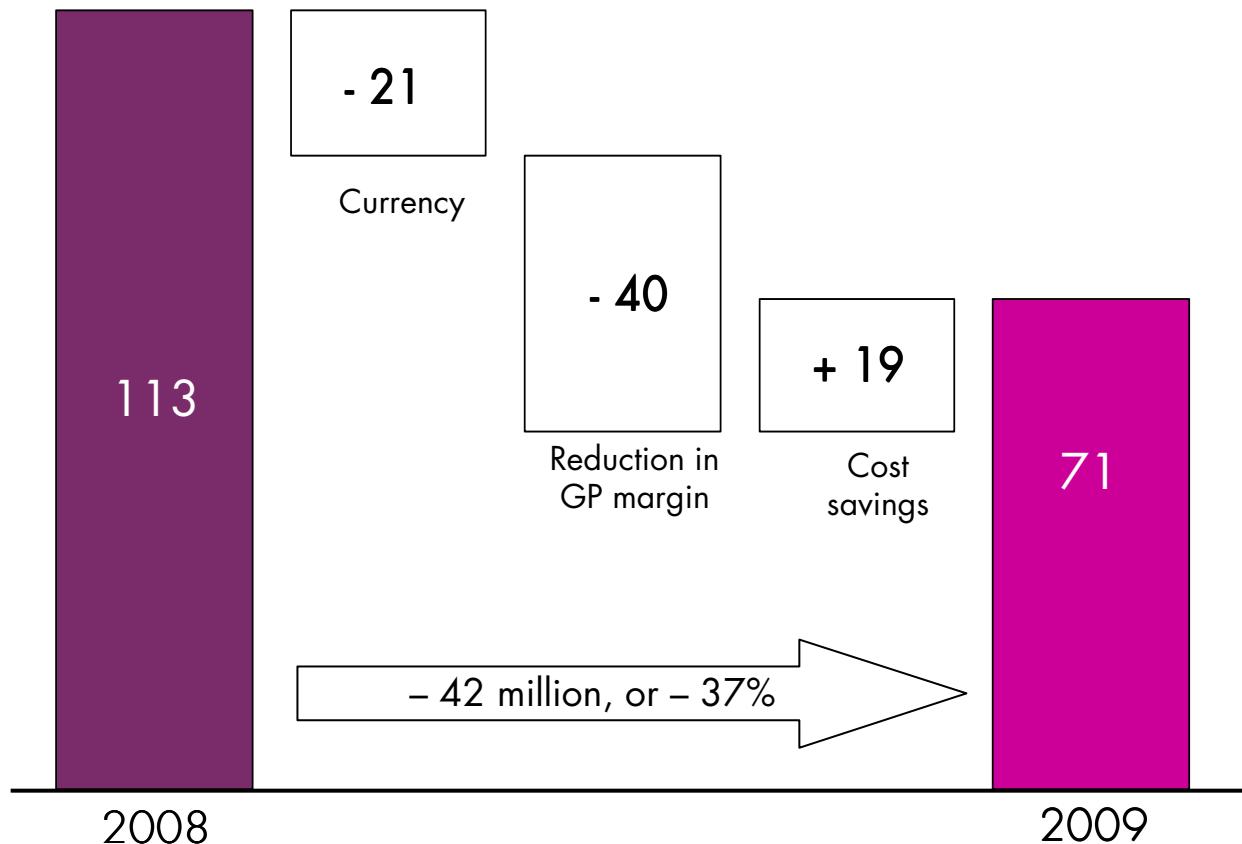
Operating costs optimised in various areas

in CHF m	2009	2008	Δ	Δ%	Remarks
Personnel expenses	309	321	-12	-4%	• Small decline after currency adjustment
<i>In % of net sales</i>	<i>23.6%</i>	<i>23.4%</i>			
Rental expenses	242	237	+ 5	+ 2%	• Expansion and increased incidental costs
<i>In % of net sales</i>	<i>18.4%</i>	<i>17.3%</i>			
Advertising expenditure	91	119	-28	-24%	• Optimisation of marketing mix and reduction in spending
<i>In % of net sales</i>	<i>7.0%</i>	<i>8.7%</i>			
Other operating costs	89	101	-12	-12%	• Mainly reduced cost from streamlining inventories
<i>In % of net sales</i>	<i>6.8%</i>	<i>7.4%</i>			
Total operating costs	731	778	-47	-2%	
<i>In % of net sales</i>	<i>55.8%</i>	<i>56.8%</i>			

Group EBITDA (in CHF m)

Page 22

Cost-savings compensate for some of the negative influence of currencies and gross profit margin



Overview of regions (in CHF m)

Page 23

All regions impacted by economic crisis and streamlining

in CHF m		2009	2008	Remarks
Switzerland	Gross sales	473	478	• Switzerland still biggest earner
	EBITDA	70	75	
Germany	Gross sales	509	535	• Margin pressure • Streamlining of store portfolio
	EBITDA	3	18	
Austria/Slovenia	Gross sales	295	316	• Focus on optimisation and expansion
	EBITDA	11	20	
Benelux	Gross sales	204	216	• Optimisation of store portfolio
	EBITDA	- 3	5	
CEE	Gross sales	67	62	• Neg. currency influence • Decline in demand (crisis)
	EBITDA	-10	- 5	
Group total	Gross sales	1548	1607	
	EBITDA	71	113	

Overview of EBIT to net profit (in CHF m)

Page 24

Operating costs optimised in various areas

in CHF m	2009	2008	Δ	Δ%	Remarks
EBIT	4	48	- 44	- 91%	• Slightly higher depreciation
In % of net sales	0.3%	3.5%			
Financial expenses	- 7	- 15	+ 8	+ 53%	• Financial costs halved thanks to much lower net debt
Taxes	- 11	- 21	+ 10	+ 48%	• Large difference in results (EBT) between the national companies
Net profit	- 14	12	- 26	- 217%	
In % of net sales	- 1.0%	0.9%			

Key balance sheet figures

Page 25

Solid financing, very high equity ratio

in CHF m	31.12.09	31.12.08	Δ
Inventories	173	282	- 109
Tangible fixed assets	400	428	- 28
Net debt	15	152	- 137
Total assets	818	892	- 74
Equity ratio	59%	56%	

Free cash flow

Page 26

Free cash flow up by CHF 118 million to CHF 142 million

in CHF m	2009	2008	Δ
Cash flow from operating activities	188	103	+ 85
Net cash flow from investment activities	- 46	- 79	+ 33
Free cash flow	142	24	+ 118

Capital spending (in CHF million)

Page 27

New store design concept in development: sharp reduction in renovations

in CHF m	2009	2008	Δ	Δ%	Remarks
Store openings	20	27	- 7	- 26%	• Fewer openings
Renovations	9	36	- 27	- 75%	• Development of a new store design concept
Infrastructure	17	16	+ 1	+ 6%	• Mainly IT
Total capital spending	46	79	- 33	- 42%	

Financial outlook for 2010

Page 28

- Renewal at all levels in 2010 and 2011
- Streamlining of inventories finalised in Q1 2010
- Another positive consolidated result expected in 2010
- In a slowly recovering economic environment, management is planning to double the EBITDA margin to 10% in the medium term

Share price 1.1.2009 – 25.02.2010

Page 29

Charles Vögele shares outperform SPI



Information for investors / key figures

Page 30

		31.12.2009	31.12.2008
Bearer shares	Number	8 800 000	8 800 00
Par value (par value reduction decided on 1 April 2009)	CHF	3.50	4.00
End-year share price	CHF	37.00	27.50
Share price - year high	CHF	48.05	98.90
- year low	CHF	28.00	27.50
Average daily volume	Number	19 692	22 780
Free float	%	90	95
Market capitalization	CHF m	326	242
Book value per share	CHF	56	57



Outlook 2010 – 2012

Strategic objective

Page 32

Charles Vögele on the way to becoming one of Europe's leading vertical fashion companies

- Press ahead with verticalisation
- Improve image of overall brand
- Increase fashion credibility
- Faster processes
- More efficient organisational structure
- Qualitative expansion

>> Improve shop-floor productivity



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Renewal at all levels 2010 - 2012

Page 33

Optimising processes along the whole value chain

Time to market

- Centralising merchandising and logistics
- Separating brand management, sourcing and merchandising

Brand management

- Double the tempo of collections
- New ranges

Sourcing

- Own sourcing offices in India and Bangladesh

Merchandising

- Centralisation
- NOS

Supply chain management

- Centralising distribution logistics

POS

- Marketing
- Store design
- Expansion
- E-commerce

Change management

Old stock

Page 34

Physical reduction in old stock

- Substantial, one-off clear-out of old stock since April 2009
- Modified discounting policy ensures that after the end of March 2010 no item will be older than 18 months
- Modified purchasing policy of current items -> stocks of current season's clothes reduced

>> Prerequisite for operational measures along the whole value chain

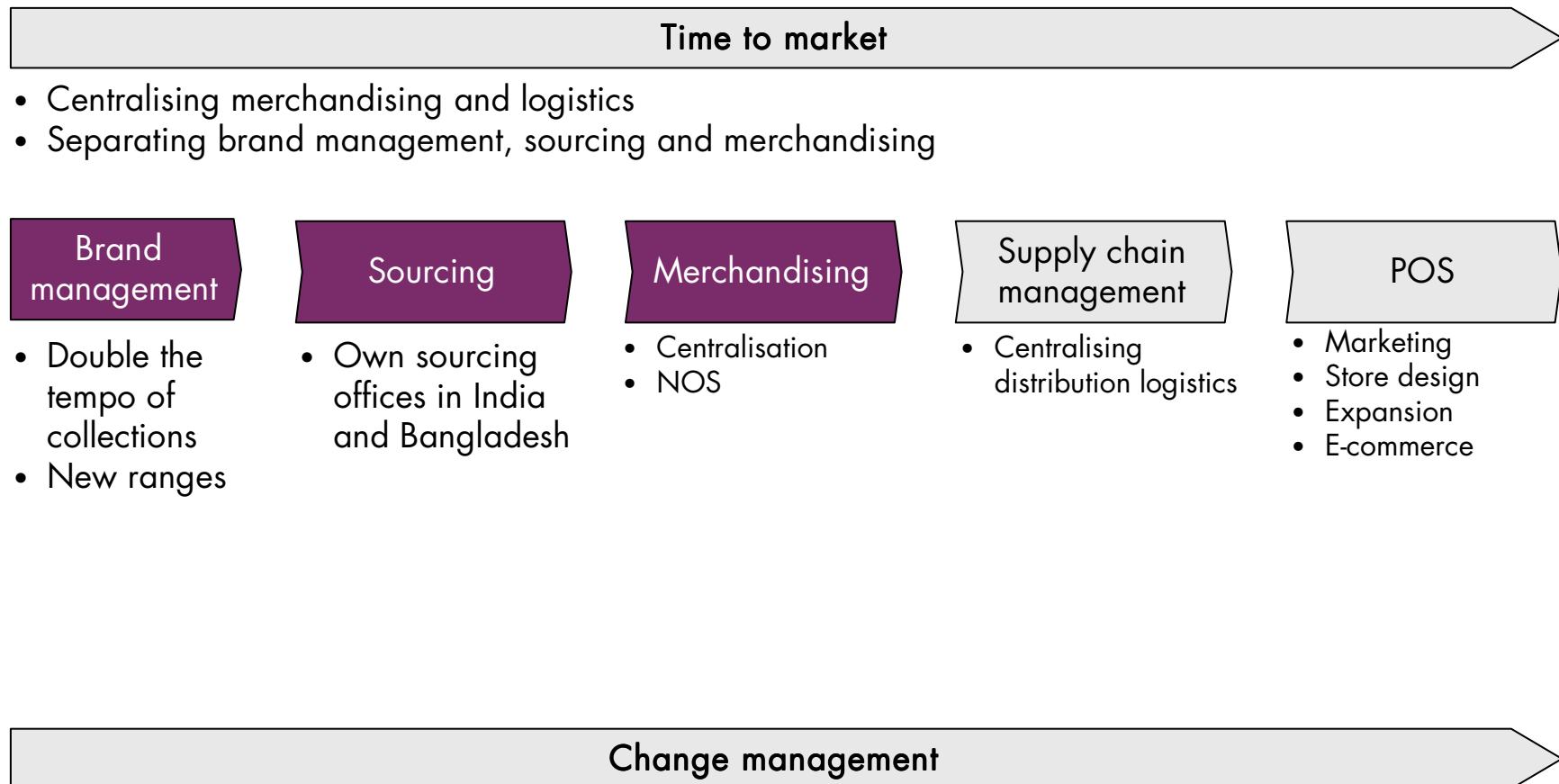


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Renewal at all levels

Page 35

Optimising processes along the whole value chain:



Brand Management / Sourcing / Merchandising

Page 36

Purchasing specialised by core competence

- New purchasing organisation:
 - Brand Management to put together the collection
 - Sourcing to procure the collections
 - Merchandising to manage all stores

>> Specialisation increases competence

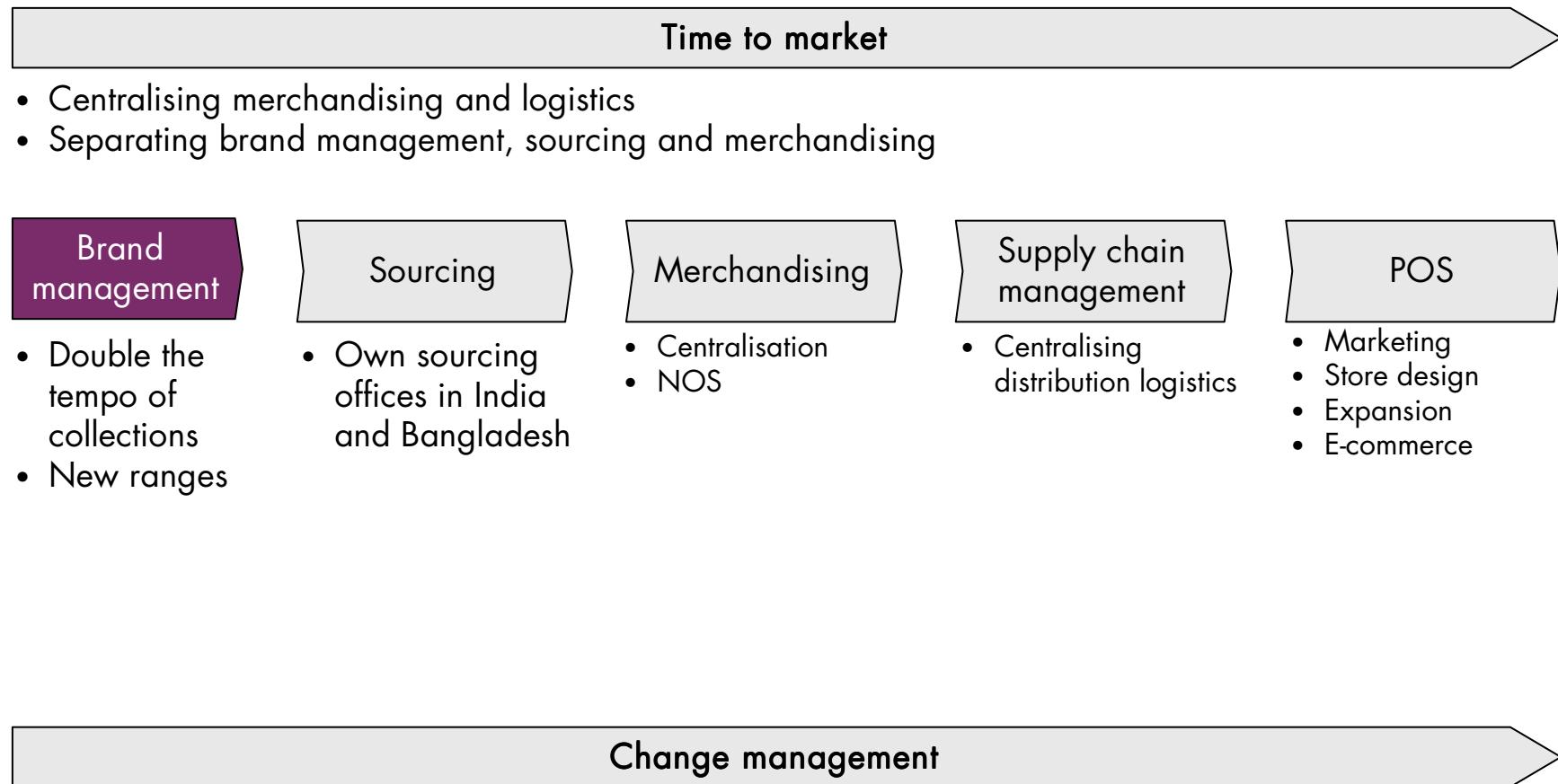


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Renewal at all levels

Page 37

Optimising processes along the whole value chain:



Brand Management

Page 38

Collection rhythm doubled

- Tempo of collections doubled from 4 to 8 per year
- Make the stores more attractive
- Shorter stock life cycles

>> Always new colours and fashions on the shop floor



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Brand Management

Page 39

New ranges are being introduced

- Stockings/socks
- Lingerie / underwear

>> Increase average spend per visit



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Brand Management

Page 40

Existing ranges also being expanded

- Accessories
- Jeans
- Grandiosa
- Leisurewear – casual

>> Increase fashion credibility

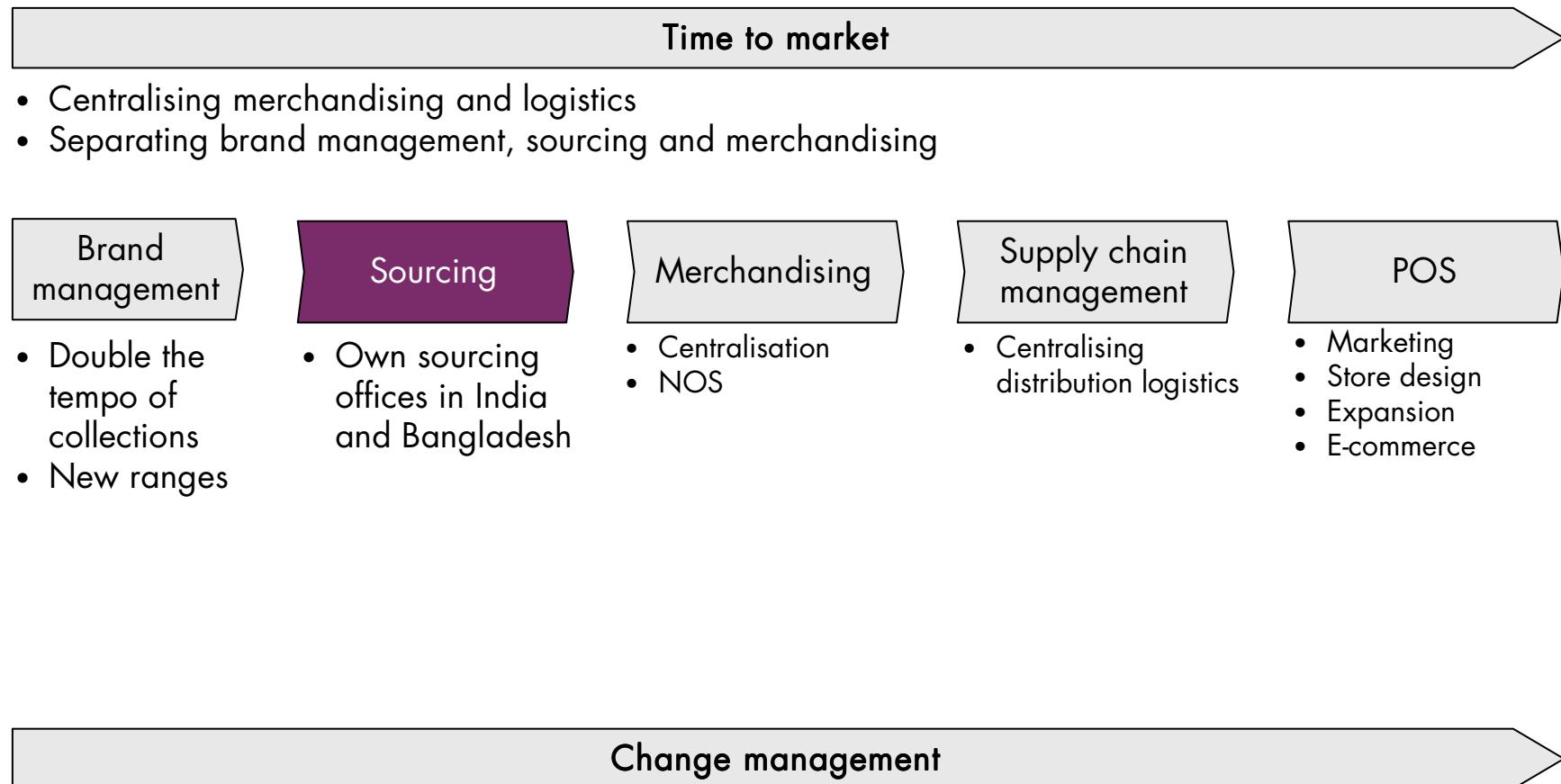


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Renewal at all levels

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Optimising processes along the whole value chain:



Sourcing

Page 42

Additional sourcing offices opened in Asia

- Own sourcing offices in India and Bangladesh since start of November 2009
- 75% via our own sourcing offices (China, Bangladesh, India)
- 400 suppliers
- 90% of production comes from Asia
- 70 million items of clothing per year
- Quality standards and consistency assured
- New Vice President Sourcing from 1 April 2010

>> Better quality and control

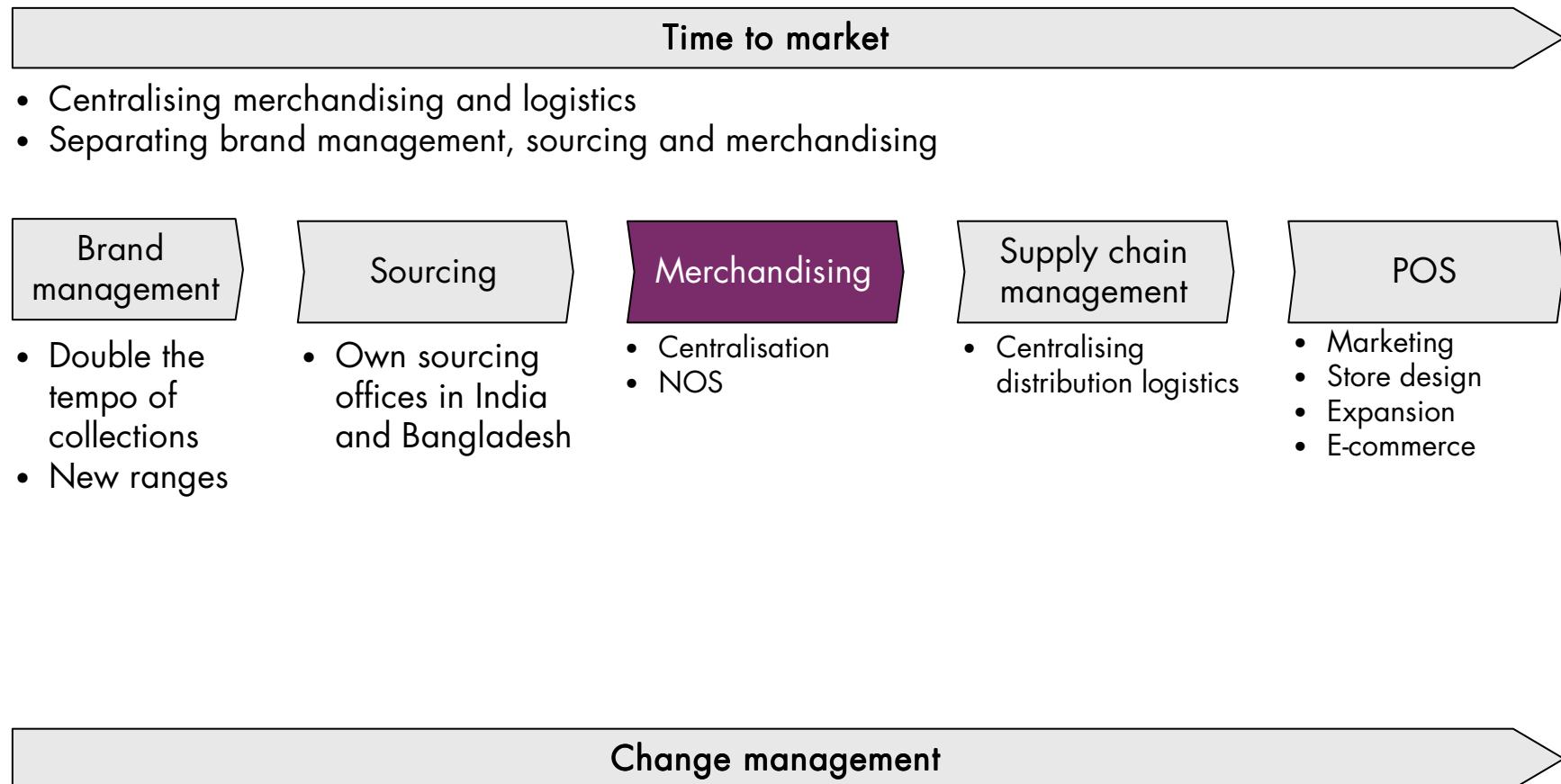


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Renewal at all levels

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Optimising processes along the whole value chain:



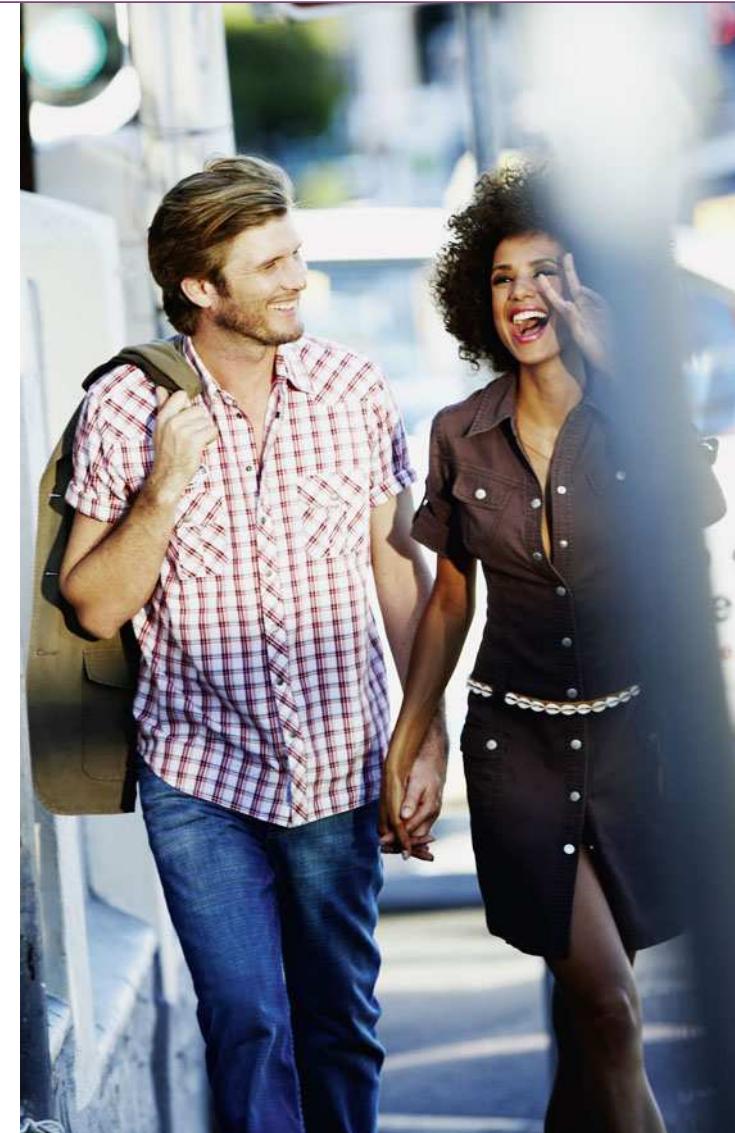
Merchandising

Page 44

Merchandise Management is being centralised

- Allocation of stock to stores is managed centrally
- The flow of stock can be adjusted for each country
- Centralisation of the supply chain process

>> Faster and more precise stock control



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Merchandising

Page 45

Brand management focused on formats

- Fashion themes allocated to brands
- Coordinates
- Colour themes
- Size slots

>> Fashion themes more visible



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Merchandising

Page 46

Proportion of never-out-of-stock items is doubled

- Proportion of NOS doubled to 15%
- Continuity in the ranges

>> Ensuring the availability of essentials



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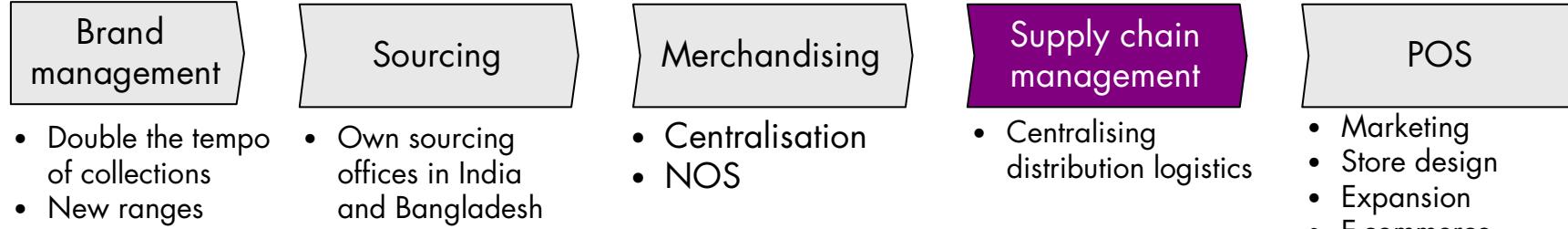
Renewal at all levels

Page 47

Optimising processes along the whole value chain:

Time to market

- Centralising merchandising and logistics
- Separating brand management, sourcing and merchandising



Change management

Supply Chain Management

Page 48

Logistics centralised

- The doubling of the collection tempo has a big influence on logistics
- Flow of goods managed via 3 regional distribution centres
- Delivery to individual stores via distribution hubs

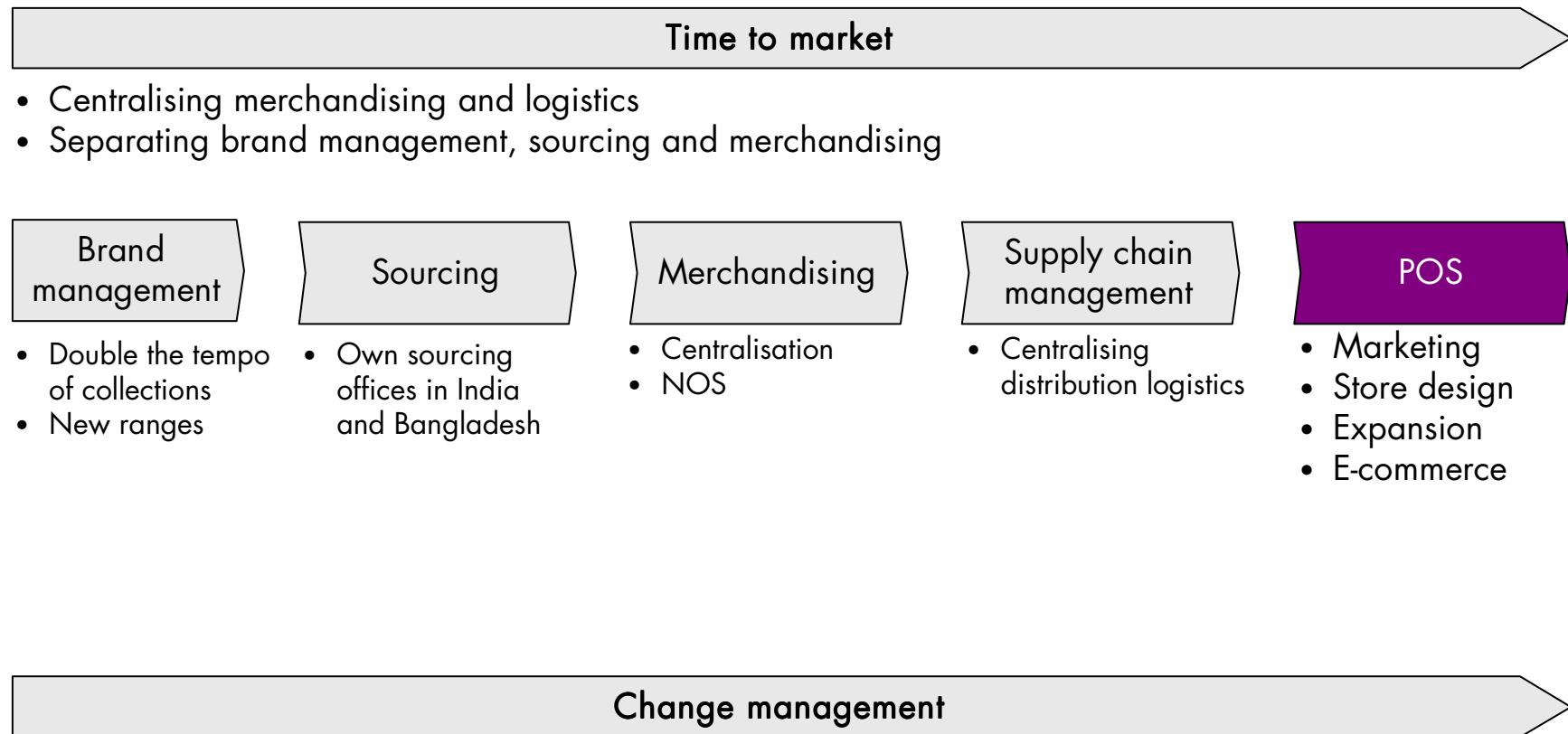
>> Faster and more efficient distribution



Renewal at all levels

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Optimising processes along the whole value chain:



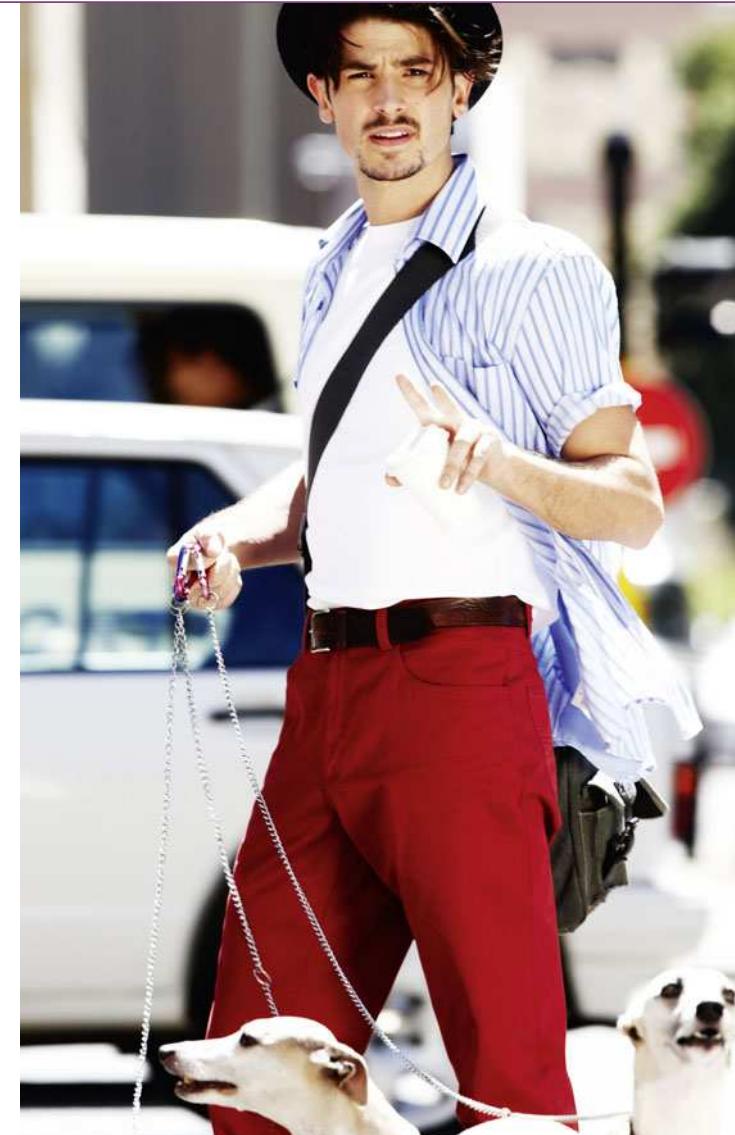
POS - Marketing

Page 50

More emotional marketing

- Target-group specific advertising since autumn 2009
- Sharper profile for the brands
- Marketing adjusted to the requirements of each country

>> Improving the image and strengthening the brand profile



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Fashion brochure



BIAGGINI

1. Tupfen-Bluse, Baumwolle; Gr. 36-50 2. Jersey-Schal, Baumwolle 3. Jupe Baumwolle; Gr. 36-46 4. Tasche in geprägter Krokoleder-Optik 5. Poloshirt in vielen Farben, Baumwolle; Gr. S-XXL 6. Karo-Bluse, Baumwolle; Gr. 38-50 7. Stretchdenim-Hose, Baumwollmischung; Gr. 36-50, 18-24, 72-92

1. Tupfen-Bluse **39.95**

2. Jersey-Schal **14.95**

3. Jupe **39.95**

4. Tasche **39.95**

5. Poloshirt **14.95**

ERÖFFNUNGS
ANGEBOT

6. Karo-Bluse **49.95**
29.95

7. Stretch-
denim-Hose **49.95**

Charles
Vögele
Switzerland

Fashion brochure



GIRLS / BOYS 86-122

1. Blouson, Baumwolle	19.95
2. Kurzarm-Shirt, Baumwolle	12.95
3. Denim-Hose, Baumwolle	29.95
4. Stoff-Koppelgurtel	9.95
5. Cargo-Bermudas	19.95
6. Karo-Dreiecktuch	12.95
7. Shirt, auch in Grün, Baumwolle	9.95
8. Shirt mit Umhängetasche, Baumwolle;	
nicht in allen Filialen erhältlich	
9. Karo-Jupe, Baumwolle	
10. 2-in-1-Shirt mit Westen-	
Optik und Glitzerdruck, Baumwolle	
11. Karo-Hose zum Krempeln, Baumwolle	24.95

1. Blouson, Baumwolle 2. Kurzarm-Shirt, Baumwolle 3. Denim-Hose, Baumwolle 4. Stoff-Koppelgurtel 5. Cargo-Bermudas in 2 Brauntönen, Baumwolle 6. Karo-Dreiecktuch in 2 Farben, Baumwolle 7. Shirt, auch in Grün, Baumwolle 8. Shirt mit Umhängetasche, Baumwolle; nicht in allen Filialen erhältlich 9. Karo-Jupe, Baumwolle 10. 2-in-1-Shirt mit Westen-Optik und Glitzerdruck, Baumwolle 11. Karo-Hose zum Krempeln, Baumwolle

8

Charles
Vögele
Switzerland

Fashion brochure

The main image shows a man in a blue and white striped pullover and khaki trousers walking through a train station, carrying a brown suitcase and a yellow bag. Text overlays indicate item 1: Streifenpullover at 39.95 and item 2: Hose at 79.95.

The side panel features:

- A row of three jackets from the Kingfield brand.
- Text: "Kingfield" with a crown logo.
- Text: "3. Blouson 59.95"
- Text: "1. Streifenpullover, Baumwolle; Gr. M-XXL 2. Hose mit Gürtel, aus atmungsaktiver, Schmutz abweisender „Nano“-Qualität, Baumwolle/Elasthan; Gr. 48-56, 24-27 3. Blouson mit Reissverschluss und Strickbündchen, waschbar; Gr. 46-60"
- A purple gift card with the Vögele logo.
- Text: "MODE SCHENKEN"
- Text: "Unsere neue Giftcard – das beliebte Geschenk für Familie und Freunde. Holen Sie sich in einer unserer Filialen diese moderne und attraktive Geschenkkarte, die wir für Sie gerne mit dem Betrag Ihrer Wahl aufladen."

Fashion brochure

BIAGGINI

1. Schal **19.95**

2. Jeans-Kappe **14.95**

3. Druck-Schal **14.95**

4. Schal **14.95**

5. Tasche **39.95**

6. Gürtel **14.95**

7. Schal **19.95**

8. Druck-Bluse mit Top **59.95**
39.95

9. Stretch-denim-Hose **39.95**

**ERÖFFNUNGS
ANGEBOT**

**ERÖFFNUNGS
ANGEBOT**

**Charles
Vögele**
Switzerland

1. Schal mit Druck und Fransen 2. Jeans-Kappe, Baumwolle 3. Druck-Schal in Knitteroptik 4. Schal in Knitteroptik mit Fransen 5. Tasche in Lederoptik 6. Gürtel in Lederoptik 7. Schal in Knitteroptik, viele Farben zur Auswahl 8. Druck-Bluse mit Top, zweiteilig, auch in Pink, pflegeleicht; Gr. 38-50 9. Stretchdenim-Hose, in 3 Waschungen, Baumwollmischung Gr. 36-48, 18-23

Casablanca



Casablanca



Casablanca



Image Campaign



Image Campaign

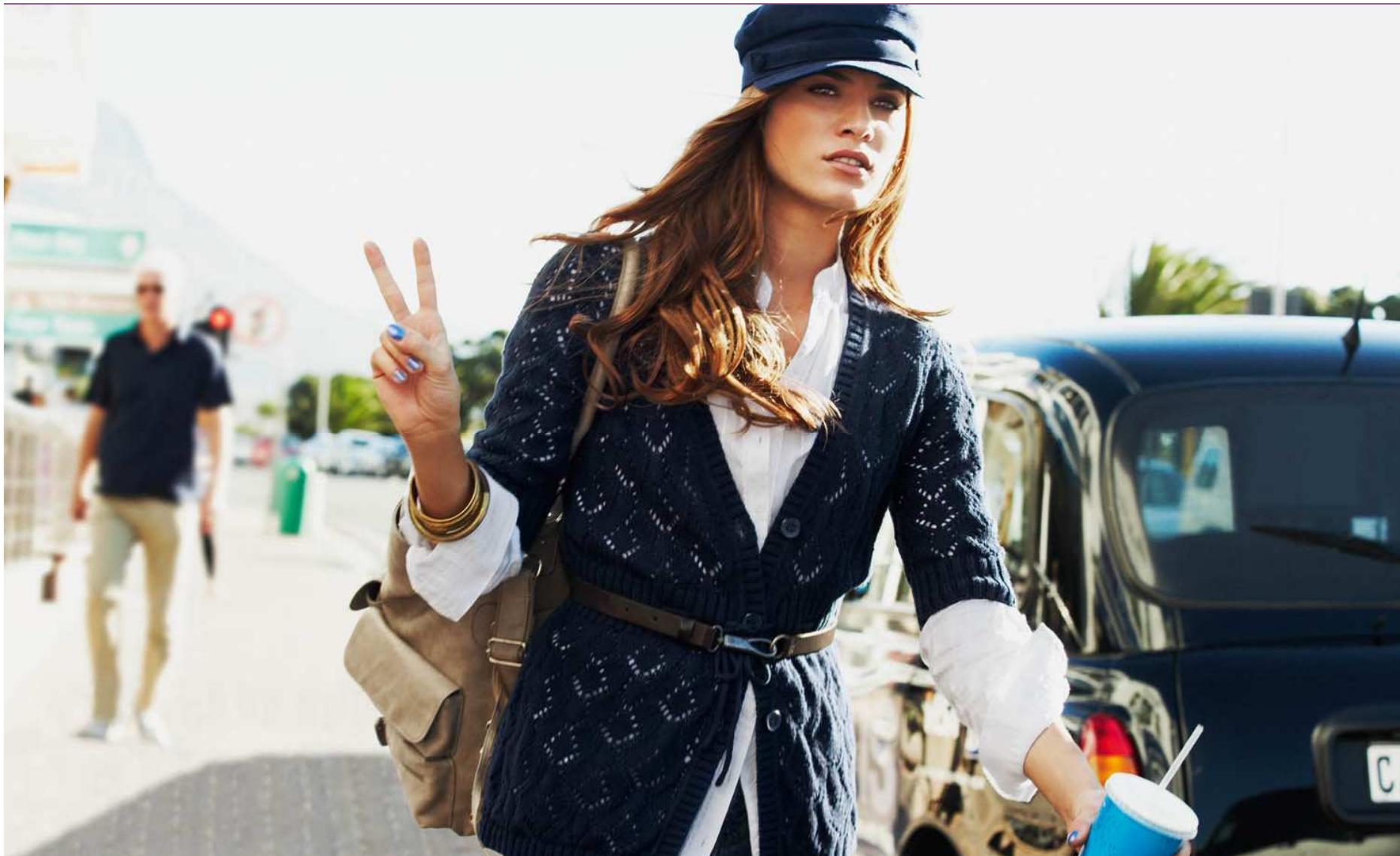


Image Campaign



Image Campaign



POS - Store Design Concept

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New store design concept implemented

- Concept tested in Germany and in Switzerland
- Group's flagship store opened in Zurich,
March 2010
- Charles Vögele brands presented in shop-in-shops

>> Customer-friendly ambience increases feel-good factor



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Store Weinfelden



Store Lancy



Charles Vögele Brand Shops

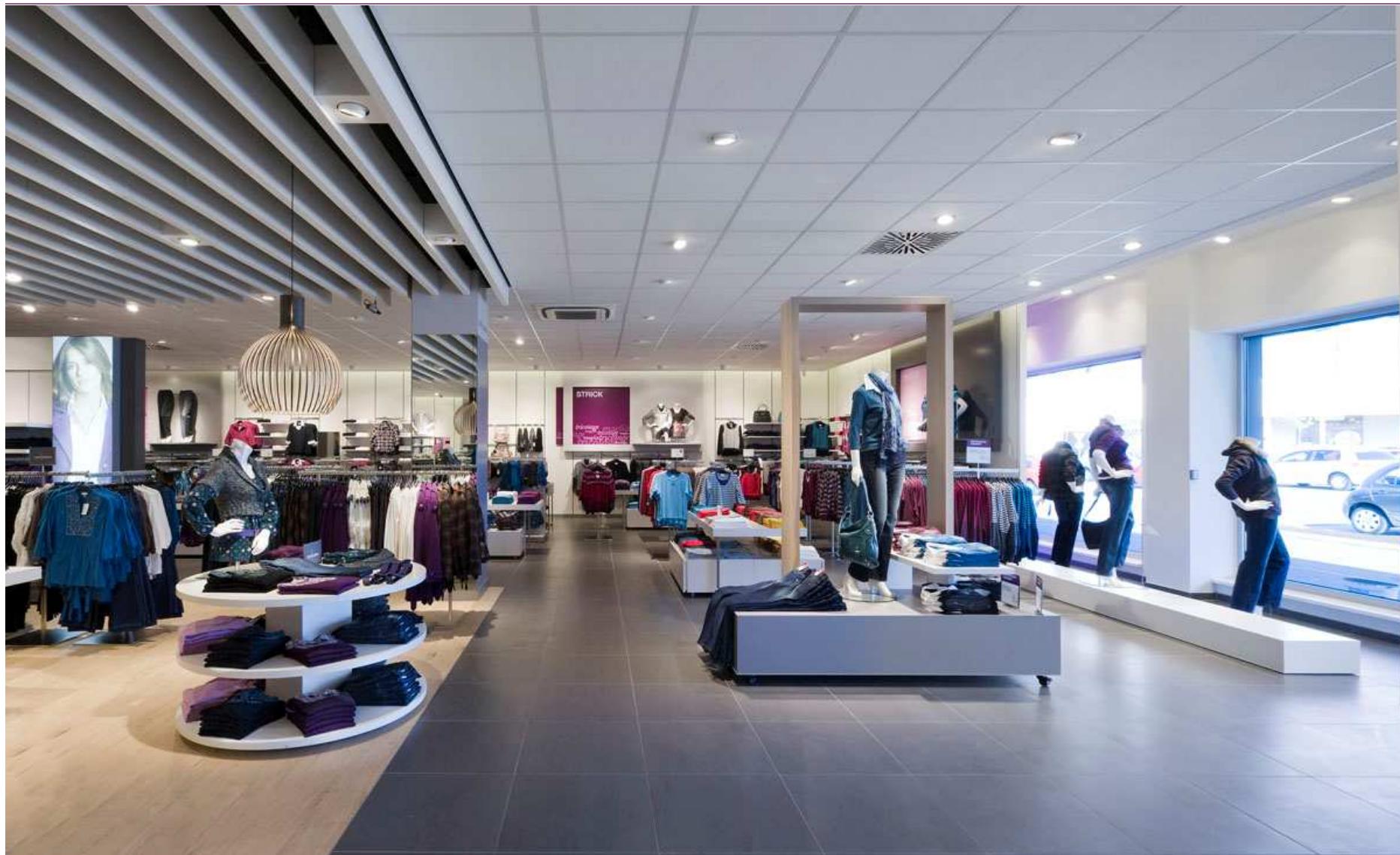


Charles Vögele Brand Shops



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Generous Entrance Zone



Main Departments



Children's Department



Changing Rooms



Cash Desk



POS – E-commerce

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E-commerce introduced

- New Vice President E-Commerce since start of February 2010
- Introduction of online shop planned for Switzerland, Germany, Austria 2011
- Key functions of merchandising & marketing, in-house
- All other functions, e.g. logistics, call centre, customer service, external

>> Forward-looking sales channels



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Formats and Locations

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Expansion potential with all formats

- 300 – 500 m²
- 600 – 800 m²
- > 1000 m²
- Expansion in all locations
- City locations
- Shopping malls
- Retail parks

>> Expansion potential despite saturated markets



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Expansion

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Streamlining and expansion of store portfolio

- Potential analysis carried out in autumn 2009
- Expansion and streamlining of store portfolio based on profitability benchmarks
- Focus on main markets
 - Switzerland
 - Southern Germany
 - Austria

>> Like-for-like growth and quality-driven expansion

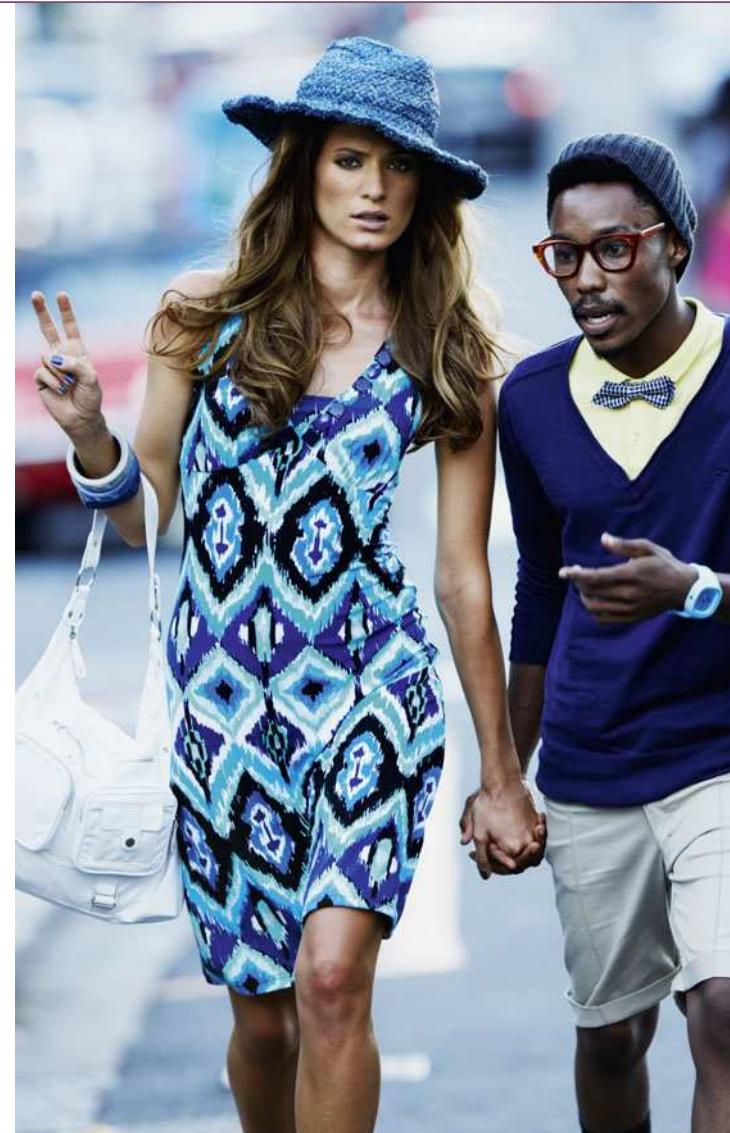


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Outlook

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- Operating environment for clothing retailers still difficult
- Still weighed down by old stock in first half-year
- Despite clear-out of old stock up to March 2010, positive group result expected for year as a whole
- Medium-term goal: EBITDA margin of 10%



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2010/2011 reporting

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- Shareholders' Meeting on the 2009 financial year 14 April 2010
- Media and analysts conference on the 1st half of 2010 24 August 2010
- Media and analysts conference on the 2010 results 8 March 2011

Thank you for your
attention

