HALF-YEAR REPORT 2012

Charles Vögele
Switzerland

“WITH A CLEAR POSITIONING, WE WANT TO WIN BACK CUSTOMERS.”

Frank Beeck, CEO

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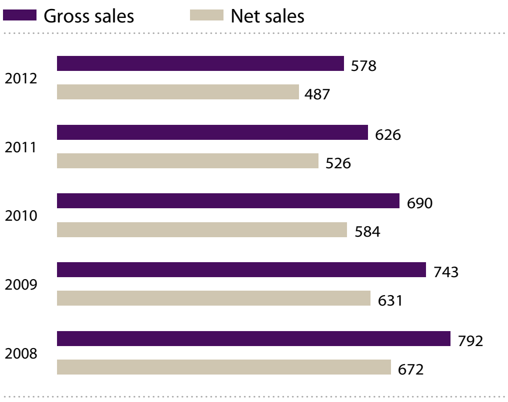
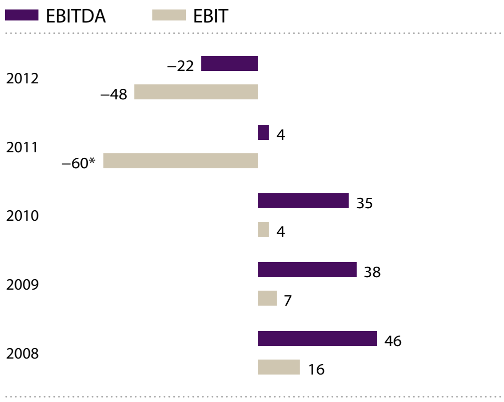
FIVE-YEAR OVERVIEW

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
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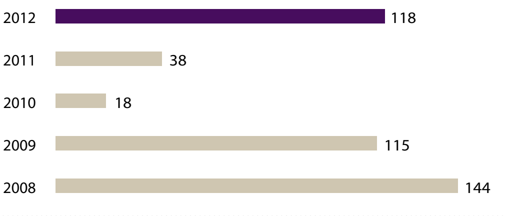
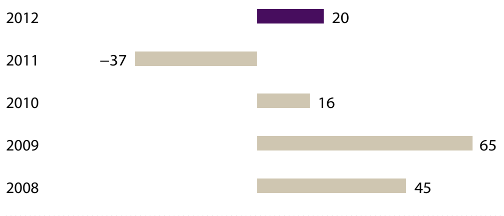


Cash flow from operating activities in CHF million
First half year



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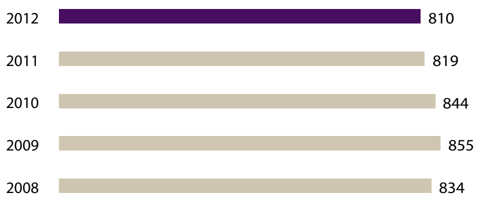

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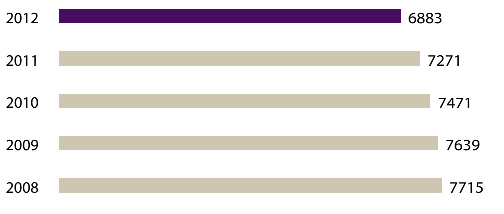


* including CHF 36 million goodwill impairment

GROUP KEY FIGURES

CHF million	1st Half-Year 2012	1st Half-Year 2011	Change
Gross sales	578	626	(8 %)
Change adjusted for currency in %	(4 %)	(2 %)	
Change adjusted for expansion and currency in %	(4 %)	0 %	
Net sales	487	526	(7 %)
Operating earnings before depreciation and impairment (EBITDA)	(22)	4	
Operating earnings (EBIT)	(48)	(60)	
Net profit/(loss)	(54)	(62)	
Cash flow from operating activities	20	(37)	
Net cash provided/(used) in investing activities	(9)	(23)	
Free cash flow	11	(60)	
Number of stores as of 30 June	810	819	(1 %)
Sales area as of 30 June in m^2	633 806	638 685	(1 %)
Number of employees as of 30 June [1]	6 883	7 271	(5 %)
Average number of full-time employees on a half-year basis [1]	4 599	4 668	(1 %)

CHF million	30.06.2012	31.12.2011	
Net debt	(118)	(134)	
Shareholders' equity	298	356	
Balance sheet total	652	742	
Shareholders' equity in % of balance sheet total	46 %	48 %	

[1] Excluding apprentices.

KEY FINANCIALS

Net sales were down –7% at CHF 487 million. During the first quarter in particular the weak euro again had a negative effect. Approximately CHF 20 million of in total CHF 39 million was due to the sharp depreciation of foreign currencies (mainly the euro) against the Swiss franc. In local currency terms the decline in sales was –4%, or –5% after adjusting for exchange rate and floorspace changes (like-for-like). Free cash flow improved to CHF 11 million compared to CHF –60 million in the first half of the previous year. The Company is therefore on track to achieve the goal, communicated in March, of closing the financial year with a balanced free cash flow.

CHF 11 million

Positive free cash flow
Free cash flow improved to CHF 11 million compared to CHF –60 million in the first half of 2011.

CHF 155 million

Reduced inventories
Inventories were reduced by CHF –57 million to CHF 155 million during the period under review.

CHF 309 million

Operating expenses on a low level
Operating costs were reduced by another CHF –21 million during the period under review thanks to organizational optimizations, a strict cost management and currency effects.

59%

Decline in gross profit margin
Due to price adjustments and increased sales activities the gross profit margin slipped from 63.5% to 59%.

CHF –54 million

Negative net result
The net result improved to CHF –54 million. At 46%, the equity capital ratio remains solid.

LETTER TO SHAREHOLDERS

From left to right: **Frank Beeck, CEO, and Hans Ziegler, Chairman of the Board of Directors**

LETTER TO SHAREHOLDERS

FOCUSING ON THE CORE TARGET GROUP

At the midpoint of the year, Charles Vögele Group is well on the way to achieving its goal of generating a balanced free cash flow in 2012. Key milestones in the first half-year included the reorientation of the Company and the optimization and adjustment of all processes to fit with the adapted brand strategy. Furthermore efficiency and cost gains were realized. The logistics has been stabilized since the beginning of the year. These factors form the basic prerequisite for the rehabilitation of the business.

The first six months of the current financial year were marked by cautious consumer sentiment. In Switzerland in particular Charles Vögele continued to suffer as a result of customers' uncertainty and a generally reticent mood throughout the clothing industry. Consequently, after an extraordinary weak April with very little footfall in shops, the Company decided to bring its summer sale forward, which compromised profitability but secured the sale of the summer collection. The marketing activities have been refocused on the target clientele, and the cooperation with Penélope and Mónica Cruz and Til Schweiger was ended. The aim of the Company is to clearly show the customers again what Charles Vögele stands for.

Positive free cash flow

The Group's overall net sales were down in the first half of 2012, falling by −7% to CHF 487 million. During the first quarter in particular the weak euro yet again had a negative effect. Approximately half of the in total CHF 39 million decline in sales was due to the sharp depreciation of foreign currencies (mainly the euro) against the Swiss franc. In local currency terms, the decline in sales was −4%, and after adjusting for changes in exchange rates and floorspace (like-for-like) −5%. Due to price adjustments and increased sales activities the gross profit margin slipped from 63.5% to 59%. Charles Vögele's operating costs were reduced again by CHF −21 million thanks to organizational optimizations and rigorous cost management. About half of the amount is due to the fall in the value of the euro. This all resulted in operating earnings (EBIT) of CHF −48 million (HY1 2011: CHF −60 million including CHF 36 million goodwill impairment) and a consolidated loss of CHF −54 million (HY1 2011: CHF −62 million).

The free cash flow improved to CHF 11 million compared to CHF −60 million in the first half of 2011. This increase confirms the formulated target in March 2012 of achieving a balanced free cash flow for the business year 2012.

Return to traditional strengths

During the first half of 2012, Charles Vögele refocused its activities more strongly on the requirements of its core clientele: women and men aged 40 and over. The Company has worked hard on its products and on a clear positioning in order to mitigate insecurity among customers. Thanks to the reorientation of the organization along the whole value chain, it was possible to make procurement less complex while significantly increasing the reliability and quality of processes and products. Initial successes will become apparent in the second half of the year. Teething problems in logistics have been sorted out, and distribution of goods has been functioning smoothly again since the beginning of the year. Thanks to the outsourcing of logistics, the Company is now benefiting from a more flexible cost structure and lower capital expenditure.

The introduction of the one-brand strategy should also have a positive effect. It sharpens the Charles Vögele brand's clear positioning and focus. Implementation of the adjusted brand strategy will be completed by the time the 2013 spring/summer collection arrives. Charles Vögele has reorganized the presentation of its goods into core departments and coordinates areas. In doing so the Group has refocused on its traditional strengths. Customers can once again find in the core departments the whole range of trousers, jackets or blouses, for example, all in the same place, along with the appropriate expert advice. At the same time in the coordinates areas, whole outfits, including shoes and accessories, are on display to show customers how items can be combined and to underline Charles Vögele's fashion skills. The presentation of goods is backed up by a flexible and modular new shop concept that can be adjusted to suit the size of the sales floor and meet specific regional requirements without the need for major investment.

The opening of the Online Shop in spring 2011 turned Charles Vögele into a multichannel provider with a strong foothold in the high-potential e-commerce growth market. From this year, the Online Shop is offering the whole collection and has opened its doors for business in the Benelux region, too.

Switzerland loses, Germany better than the market

In Switzerland, the overall market for outerwear shrank again in the first half of 2012. Continuing consumer caution and retail tourism across the Swiss border, prompted by the strength of the Swiss franc, put the brakes on sales despite targeted countermeasures. Charles Vögele also suffered in Switzerland in particular because of the negative news coverage. Total net sales in Switzerland for the first six months of 2012 fell by −7%, while the market as a whole shrank by approximately −4%. Charles Vögele plans to regain the confidence of customers with a large-scale image campaign in the second half of 2012.

In Germany, net sales fell by −2% in local currency, while the market as a whole shrank by approximately −6%. Large regional differences are evident in the markets of Central & Eastern Europe (CEE). The environment remains very challenging in Poland. Slovenia and Austria failed to meet expectations. In Hungary, by contrast, Charles Vögele was able to consolidate sales. In the challenging markets of Belgium and the Netherlands (Benelux), Charles Vögele managed to increase like-for-like net sales by 5%.

Increased expertise on all levels

The Annual Shareholders' Meeting of 4 April 2012 revitalized the Board of Directors by electing Dr. Ulla Ertelt, Prof. Matthias Freise, Max E. Katz, Dirk Lessing and Hans Ziegler (already a member) as its members. All of these people are proven experts in their fields and have the right know-how to take Charles Vögele back to profitable growth.

Charles Vögele is currently in advanced talks with regard to the addition of a suitable COO (Chief Operating Officer) to Group Management, and hopes to be able to make an announcement during the second half of the year. Frank Beeck will continue to handle the CCO (Chief Commercial Officer) function in tandem with his role as CEO.

The Company has significantly strengthened its second tier of operational management: on 1 February 2012 Karin Busnel-Knappertsbusch (47) started her job as Vice President Women's Wear. Karin Busnel-Knappertsbusch is an experienced fashion specialist, who previously worked for international labels.

On track

By refocusing on the requirements of core customers, by working intensively on products and by making organizational changes, Charles Vögele has created the conditions to achieve the goals it announced in March 2012: "2012 – stop the bleeding", "2013 – back to black" and "2014 – back to profit".

The Board of Directors and Group Management are aware that the Group is still not out of the woods; but it is going in the right direction. Great flexibility and the willingness to do a lot more hard work is still required of everyone involved. We would like to thank all our employees, customers, business partners and you, our valued shareholders, for your support and your trust.

With best wishes

Hans Ziegler
Chairman of the
Board of Directors

Frank Beeck
CEO

STRATEGIC OBJECTIVES

3-PILLAR STRATEGY

FASCINATION

- ● Sharpen Charles Vögele's positioning and clear focus
- ○ Customer appeal tailored to target groups
- ● Reorganize stores into core departments/coordinates areas
- ○ Adjust Charles Vögele's brand image

GROWTH

- ○ Up-to-date, target-group-focused range
- ○ Greater depth of range
- ● Expand CRM programme
- ○ Revised ladies' collection

PROCESSES

- ● Stabilize logistics
- ● Optimized incoming goods, sales planning and goods management
- ● Adapt procurement organization to value creation process
- ● Adapt purchase organization to the needs of core clientele

● Goal achieved

○ Implementation by spring-summer collection 2013

TESTIMONIALS

"WE KNOW WHO OUR CUSTOMERS ARE"

Success is built on the balance between maintaining traditional values and tirelessly adapting to the latest trends. The central issues are balance, the ability to act quickly and effectively, and proximity to the business. Membership of the Board of Directors was extensively revised in spring 2012 in order to provide Group Management with the best possible support. The company's management has the specialist expertise needed to return the Group to profitable growth.

Frank Beeck
CEO

"Our customers want fashionable clothing, friendly, well informed advice and good value for money. Therefore Charles Vögele's focus is on the customer, the product, the product performance and our employees."

Markus Voegeli
CFO

"For me, the top priority is to achieve a balanced free cash flow. The refinancing agreement concluded at the start of the year with a broad consortium of banks will ensure that Charles Vögele can master the challenges of the next few years."

Hans Ziegler
Chairman of the Board of Directors

"In order to secure the sustainable success of Charles Vögele, our customers have to be able to see what we stand for and what our strengths are. We have to rethink where we traditionally come from, in order to regain the trust of our customers."

Prof. Dr Matthias Freise
Member of the Board of Directors since 2012

"Charles Vögele is a company with a great history, on which we have to build on. I will bring in my energy and know-how in order to secure a sustainable future for Charles Vögele."

Max E. Katz
Vice Chairman since 2012

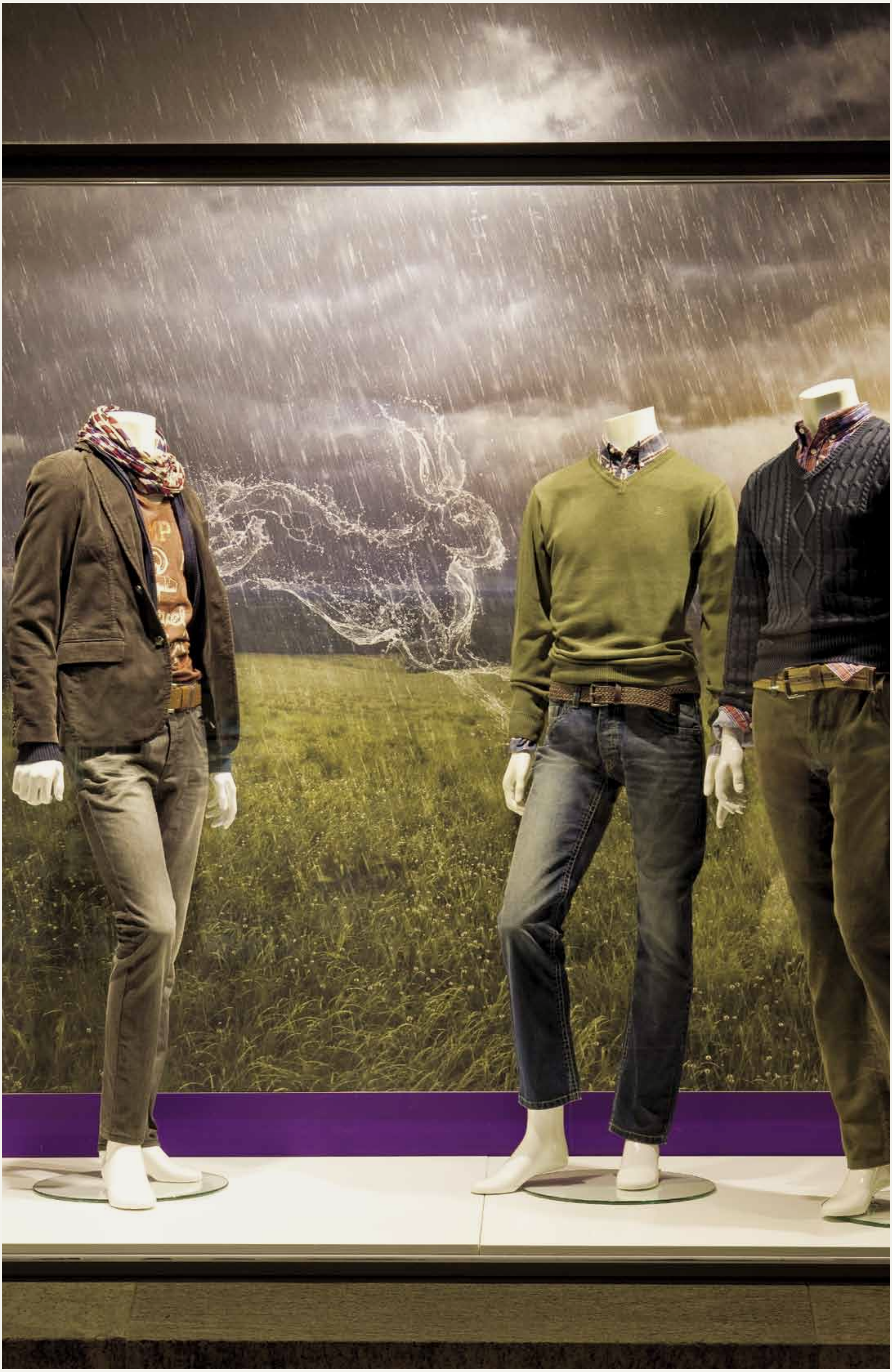
"For me, the biggest challenge is to sharpen the strategy and clearly position the Charles Vögele Group. This will require close cross-disciplinary cooperation. I will be prioritizing the optimization of cash flow and cultivating relationships with our banks."

Dr Ulla Ertelt
Member of the Board of Directors since 2012

"In its target markets Charles Vögele needs to meet high standards with regards to quality, reliability and good taste. To start with, I will concentrate my expertise on focusing our collections on the requirements of our target groups. We have to offer our customers good contemporary fashions at affordable prices and top quality."

Dirk Lessing
Member of the Board of Directors since 2012

"With my wide experience in the repositioning of companies, I want to help Charles Vögele develop a long-term perspective. It is important for the company's employees, customers and shareholders to know that we have identified problems and introduced measures that are having an effect."



FINANCIAL REPORT

From 1 January to 30 June

CONSOLIDATED INCOME STATEMENT

CHF 1000	Note	1st Half-Year 2012	1st Half-Year 2011
Net sales		**486 623**	**525 648**
Cost of goods	8	(199 604)	(191 692)
Personnel expenses		(126 909)	(139 406)
Rental expenses		(97 777)	(100 747)
Advertising and promotion expenses		(39 239)	(48 796)
General operating and adminstrative expenses		(49 045)	(43 094)
Other operating income	4	3 709	1 965
Operating earnings before depreciation and impairment (EBITDA)		**(22 242)**	**3 878**
In % of net sales		**(4.6 %)**	**0.7 %**
Depreciation and impairment	5	(26 238)	(63 808)
Operating earnings (EBIT)		**(48 480)**	**(59 930)**
In % of net sales		**(10.0 %)**	**(11.4 %)**
Financial income		269	388
Financial expenses		(4 432)	(2 285)
Exchange gains/(losses), net		(548)	(382)
Profit/(loss) before income tax		**(53 191)**	**(62 209)**
In % of net sales		**(10.9 %)**	**(11.8 %)**
Income tax expenses	6	(654)	0
Net profit/(loss)		**(53 845)**	**(62 209)**
In % of net sales		**(11.1 %)**	**(11.8 %)**
Basic earnings per share	7	**(6.41)**	**(7.44)**
Diluted earnings per share	7	**(6.41)**	**(7.44)**

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

From 1 January to 30 June

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CHF 1000	1st Half-Year 2012	1st Half-Year 2011
Net profit/(loss)	**(53 845)**	**(62 209)**
Currency translation differences of foreign subsidiaries	1 013	(1 304)
Change of fair value of cash flow hedges after taxes	(5 365)	(5 209)
Total other comprehensive income	**(4 352)**	**(6 513)**
Total comprehensive income	**(58 197)**	**(68 722)**

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

At 30 June

CONSOLIDATED BALANCE SHEET (CONDENSED)

CHF 1000	Note	30.06.2012	31.12.2011
Assets			
Current assets			
Cash and cash equivalents		98 817	109 553
Receivables, advance payments and prepaid expenses		22 790	19 242
Derivative financial instruments		2 464	9 252
Inventories	8	154 914	211 974
Total current assets		**278 985**	**350 021**
Non-current assets			
Property, plant and equipment	9	324 600	340 846
Financial assets		115	115
Intangible assets	5, 9	44 111	45 195
Deferred tax assets		4 646	5 567
Total non-current assets		**373 472**	**391 723**
Total assets		**652 457**	**741 744**
Liabilities and shareholders' equity			
Current liabilities	11	103 974	330 771
Non-current liabilities	11	250 235	55 026
Shareholders' equity	12, 13	298 248	355 947
Total liabilities and shareholders' equity		**652 457**	**741 744**

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

From 1 January to 30 June

CONSOLIDATED STATEMENT OF CASH FLOWS (CONDENSED)

CHF 1000	Note	1st Half-Year 2012	1st Half-Year 2011
Net profit/(loss)		**(53 845)**	**(62 209)**
Adjustments:			
– Tax expenses		654	0
– Net financial expenses		4 711	2 279
– Depreciation and impairment		26 238	63 808
– Profit on disposal of assets		(232)	(12)
– Other non-cash expenses		430	525
Change in long-term provisions		637	(3 781)
Change in inventories		56 214	(22 529)
Change in net working capital		(7 635)	(5 994)
Financial income received		368	993
Financial expenses paid		(7 280)	(2 337)
Taxes paid		(21)	(7 650)
Cash flow from operating activities		**20 239**	**(36 907)**
Net cash provided/(used) by investing activities	9	**(9 437)**	**(23 456)**
Net cash provided/(used) by financing activities	10	**(21 519)**	**(5 889)**
Net increase/(decrease) in cash and cash equivalents		**(10 717)**	**(66 252)**
Net cash and cash equivalents at the beginning of the period		**109 553**	**129 529**
Effect of exchange rate changes		(19)	(685)
Net increase/(decrease) in cash and cash equivalents		(10 717)	(66 252)
Net cash and cash equivalents at the end of the period		**98 817**	**62 592**

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

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 share option plan	Total
Balance at 1 January 2011		**30 800**	**(30 268)**	**173 789**	**348 876**	**(54 106)**	**(2 747)**	**6 285**	**472 629**
Comprehensive income		–	–	–	(62 209)	(1 304)	(5 209)	–	(68 722)
Value of granted options		–	–	–	–	–	–	525	525
Value of exercised/ expired options		–	–	–	19	–	–	(19)	0
Disposals of treasury shares	12	–	65	–	–	–	–	–	65
Purchase of treasury shares	12	–	(113)	–	–	–	–	–	(113)
Par value reduction	13	(4 400)	218	–	–	–	–	–	(4 182)
Balance at 30 June 2011		**26 400**	**(30 098)**	**173 789**	**286 686**	**(55 410)**	**(7 956)**	**6 791**	**400 202**

CHF 1000	Note	Share capital	Treasury shares	Share premium reserve	Retained earnings	Currency translation differences	Valuation financial instruments	Valuation share option plan	Total
Balance at 1 January 2012		**26 400**	**(23 454)**	**173 789**	**226 470**	**(59 786)**	**7 116**	**5 412**	**355 947**
Comprehensive income		–	–	–	(53 845)	1 013	(5 365)	–	(58 197)
Value of granted options		–	–	–	–	–	–	430	430
Value of exercised/ expired options		–	–	–	31	–	–	(31)	0
Disposals of treasury shares	12	–	68	–	–	–	–	–	68
Purchase of treasury shares	12	–	–	–	–	–	–	–	0
Par value reduction	13	–	–	–	–	–	–	–	0
Balance at 30 June 2012		**26 400**	**(23 386)**	**173 789**	**172 656**	**(58 773)**	**1 751**	**5 811**	**298 248**

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 10 to 26 of Charles Vögele Group's 2011 financial report.

2.2 Changes in accounting policies

New IFRS standards and interpretations

There are no new IFRS standards, changes or interpretations of existing standards that are effective for the first time for the financial year beginning on or after January 1, 2012, that would be expected to have material impact on Charles Vögele's interim financial statements.

2.3 Foreign currency translation

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

2012	**ISO code**	**Unit**	**Balance Sheet 30.06.2012**	**Income Statement 1st Half-Year 2012**
Euro	EUR	1	1.20	1.20
Hong Kong	HKD	1	0.12	0.12
China	CNY	1	0.15	0.15
USA	USD	1	0.95	0.93
Hungary	HUF	100	0.42	0.41
Poland	PLN	100	28.19	28.38
Czech Republic	CZK	100	4.72	4.79

2011	ISO code	Unit	Balance Sheet 31.12.2011	Income Statement 1st Half-Year 2011
Euro	EUR	1	1.22	1.27
Hong Kong	HKD	1	0.12	0.12
China	CNY	1	0.15	0.14
USA	USD	1	0.94	0.91
Hungary	HUF	100	0.39	0.47
Poland	PLN	100	27.52	32.11
Czech Republic	CZK	100	4.73	5.22

3 Segment information

CHF 1000	Switzerland 1st Half-Year 2012	Switzerland 1st Half-Year 2011	Germany 1st Half-Year 2012	Germany 1st Half-Year 2011
Gross sales	191 051	208 478	185 611	199 585
Net sales	172 652	186 256	151 151	163 024
Segment profit (EBITDA)	13 035	18 389	(9 749)	(4 207)
EBITDA in % of net sales	7.5 %	9.9 %	(6.4 %)	(2.6 %)
Depreciation and impairment [3]	(10 492)	(10 449)	(7 153)	(14 554)
Segment profit (EBIT) [3]	2 543	7 940	(16 902)	(18 761)
EBIT in % of net sales	1.5 %	4.3 %	(11.2 %)	(11.5 %)
	30.06.2012	31.12.2011	**30.06.2012**	31.12.2011
Net inventories	50 055	63 824	45 463	60 555

CHF 1000	Benelux 1st Half-Year 2012	Benelux 1st Half-Year 2011	CEE [1] 1st Half-Year 2012	CEE [1] 1st Half-Year 2011	Group 1st Half-Year 2012	Group 1st Half-Year 2011
Gross sales	72 406	73 692	129 206	143 756	578 274	625 511
Net sales	59 302	61 161	103 518	115 207	486 623	525 648
Segment profit (EBITDA)	(11 438)	(6 534)	(14 090)	(3 770)	(22 242)	3 878
EBITDA in % of net sales	(19.3 %)	(10.7 %)	(13.6 %)	(3.3 %)	(4.6 %)	0.7 %
Depreciation and impairment [3]	(3 788)	(3 922)	(4 805)	(34 883)	(26 238)	(63 808)
Segment profit (EBIT) [3]	(15 226)	(10 456)	(18 895)	(38 653)	(48 480)	(59 930)
EBIT in % of net sales	(25.7 %)	(17.1 %)	(18.3 %)	(33.6 %)	(10.0 %)	(11.4 %)
Net financial income	–	–	–	–	(4 711)	(2 279)
Profit before income tax	–	–	–	–	(53 191)	(62 209)
Tax expenses	–	–	–	–	(654)	0
Net profit	–	–	–	–	(53 845)	(62 209)
	30.06.2012	31.12.2011	**30.06.2012**	31.12.2011	**30.06.2012**	31.12.2011
Net inventories	18 088	24 679	24 445	35 312	138 051	184 370
Goods in transit	–	–	–	–	16 002	24 940
Centralized inventory	–	–	–	–	29 988	38 928
Group eliminations	–	–	–	–	(29 395)	(36 533)
Total Group inventories, net [2]	–	–	–	–	154 646	211 705

[1] CEE: Austria, Slovenia, Poland, Hungary, Czech Republic.
[2] Difference to the balance sheet value of TCHF 268 (31.12.2011: TCHF 269) is related to heating oil.
[3] In first half-year 2011 including goodwill impairment: Germany TCHF 6 520, CEE TCH 29 671.

4 Other operating income

The value disclosed for the first half-year of 2012 represents mainly operating real estate income. This amount increased compared to last year due to rental income out of real estate, which have been sublet in consequence of the outsourcing of logistics.

5 Goodwill impairment from LBO in previous year

The decrease of depreciation and impairment compared to last year is primarily due to an impairment charge of CHF 36.2 million in the previous year for the portion of goodwill atrribute able to the two markets Germany and Austria. The currency situation in 2011 reduced the expected segment results in Germany and Austria. This was exacerbated by continuing uncertainity about economic conditions and by a highly intense competition. Due to this, the impairment test on goodwill carried out normally at the end of the year was brought forward to 30 June 2011.

6 Taxes

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.

In the first half-year 2011 tax credits from previous years and deferred tax gains neutralized the income tax expenses of Group companies with taxable profit.

7 Earnings per share

		1st Half-Year 2012	1st Half-Year 2011
Net profit/(loss)	CHF 1000	(53 845)	(62 209)
Weighted average number of shares	number	8 404 704	8 363 238
Adjustment for potentially dilutive share options	number	–	61 671
Weighted average number of shares for diluted earnings per share	number	8 404 704	8 424 909
Basic earnings per share	**CHF**	**(6.41)**	**(7.44)**
Diluted earnings per share	**CHF**	**(6.41)**	**(7.44)**

8 Inventories

CHF 1000	30.06.2012	31.12.2011
Current inventory, gross	148 786	155 344
Inventory valuation allowance	(23 578)	(20 445)
Current inventory (current and previous seasons), net	**125 208**	**134 899**
Upcoming season	29 438	76 806
Heating oil	268	269
Total	**154 914**	**211 974**

8.1 Value adjustments on inventories

CHF 1000	1st Half-Year 2012	1st Half-Year 2011
Balance at 1 January	**(20 445)**	**(11 201)**
(Creation)/release of value adjustments affecting cost of goods, net	(3 198)	(2 461)
Effect of exchange rates	65	318
Balance at 30 June	**(23 578)**	**(13 344)**

The decline in inventories is a result of increased sales activities as well as an adjusted inventory management.

The increase in value adjustments in the first half of 2012 is mainly due to a systematical mark-up. This is a result from inventories remaining from the previous year.

9 Cash flows from investing activities

During the first half of 2012, CHF 9.4 million net (previous year CHF 23.5 million net) was invested in fixed and intangible assets. Restrictive investments during the first half-year 2012 were a result of the actual business development.

10 Cash flows from financing activities

Relating to the new financing, bank debts were reduced by CHF 20.5 million net in the first half of 2012. In prior year this position is made up mainly of the par value reduction and the decrease in lease liabilities.

11 New syndicated credit agreement

In February 2012, the existing 2007 syndicated credit agreement was replaced before maturity by a new syndicated credit agreement with a credit line of CHF 255 million (old credit line: CHF 250 million). The duration of this new credit line ends in September 2015. The interest rate is based on LIBOR plus a margin of between 100 and 375 basis points depending on financial ratios of the Group.

Since the refinancing was settled during the first half of 2012, all bank loans, totalling CHF 225.5 million, were shown as short-term liabilities as at 31.12.2011. The credit line totalling CHF 205.0 million drawn on 30.06.2012 under the new agreement was reported under long-term liabilities.

12 Treasury shares

As at 30 June 2012 Charles Vögele Holding AG held 391 970 (30 June 2011: 437 034) treasury shares. These are earmarked for Charles Vögele Group's Management share option plan.

13 Distribution to shareholders

On 4 April 2012 the Annual Shareholders' Meeting decided not to pay a dividend for the 2011 financial year.

A par value reduction of CHF 0.50 per bearer share of Charles Vögele Holding AG was paid out to shareholders for the 2010 financial year on 30 June 2011.

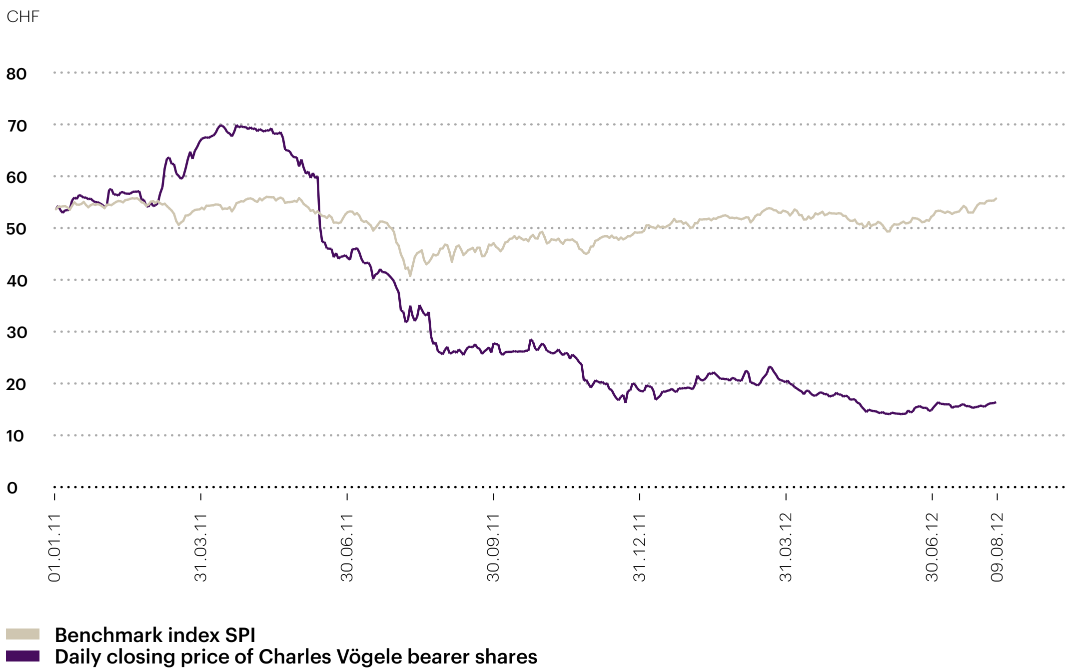
14 Post balance sheet events

The present interim financial statements take into consideration events occurring between the balance sheet date and 20 August 2012. There were no significant post balance sheet events. The interim financial statements were approved by the Charles Vögele Holding AG Board of Directors on 20 August 2012.

SHARE INFORMATION

Share performance

Price performance of Charles Vögele Holding AG bearer shares at SIX Swiss Exchange from 1 January 2011 to 9 August 2012:



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

Share information

		30.06.2012	31.12.2011
Bearer shares	number	8 800 000	8 800 000
Par value	CHF	3.00	3.00
Share price as per closing date	CHF	14.65	18.40
Share price: – Year high	CHF	23.35	70.50
– Year low	CHF	13.50	15.80
Average trading volume per day	number	37 944	28 691
Free float [1)]	%	76	75
Stock capitalization	CHF mill.	129	162
Book value per share	CHF	34	40

[1)] According to free-float declaration SIX.

FINANCIAL CALENDAR

5 MARCH 2013
Media and analysts conference
Annual results 2012

10 APRIL 2013
Annual Shareholders' Meeting
Annual results 2012

20 AUGUST 2013
Media and analysts conference
Half-year results 2013

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.

The half-year report shows photos from the autumn/winter collection.

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