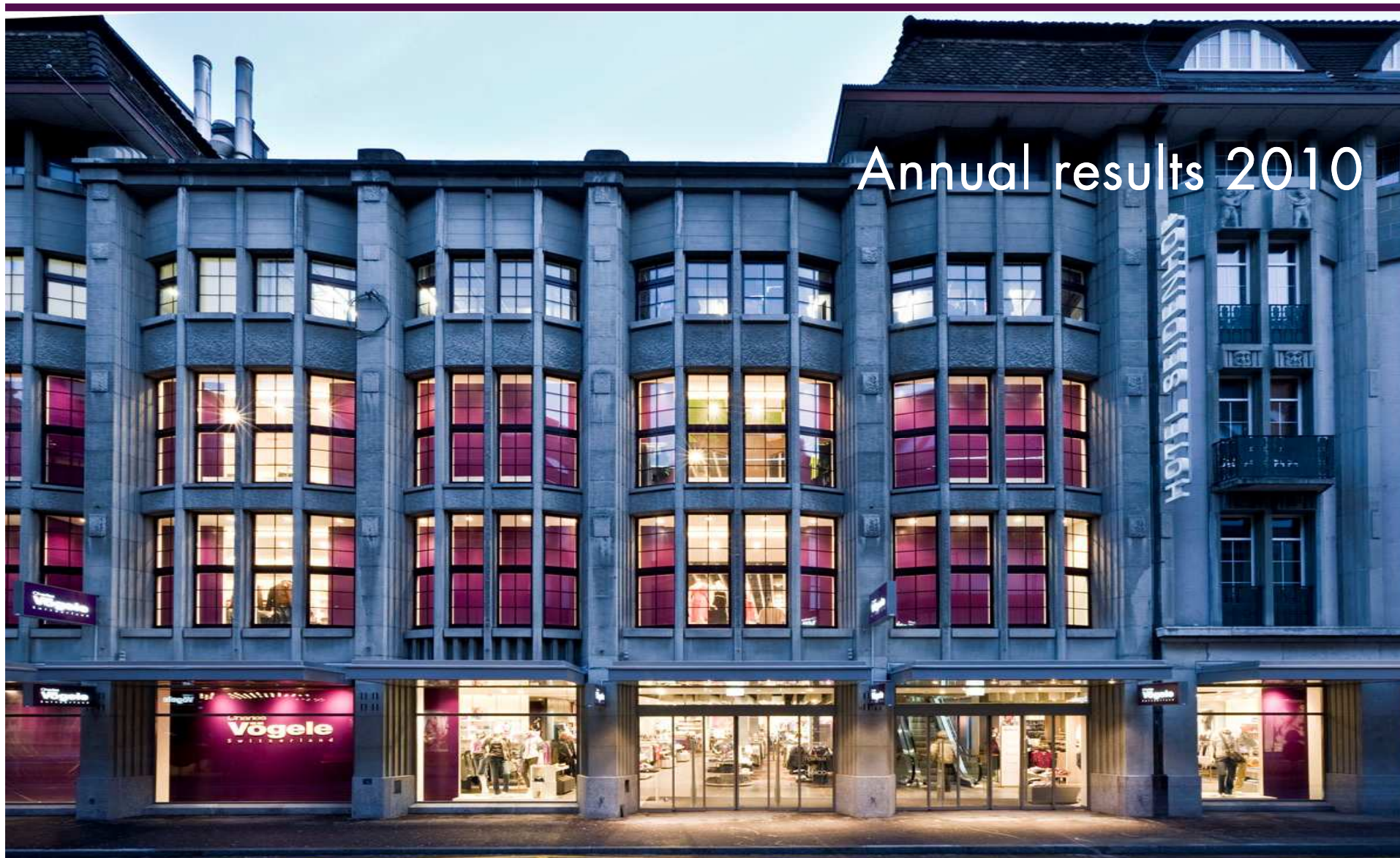


Annual results 2010



Contents

Page 2

- Charles Vögele
- Make VIOLETT happen!
- Annual Results 2010
- Outlook for 2011



Media and analysts conference March 2011 • Charles Vögele Group

Charles Vögele

Page 3



3-Pillar Strategy leads to success



Financial Highlights 2010

Page 5

Charles Vögele returns to profit

- Net profit rises CHF 32 million to CHF 18 million.
- EBITDA increases by CHF 39 million to CHF 110 million
- EBITDA margin on course at 9.2%
- Inventories at CHF 150 million



Key Facts

Page 6

Important player in European fashion retail

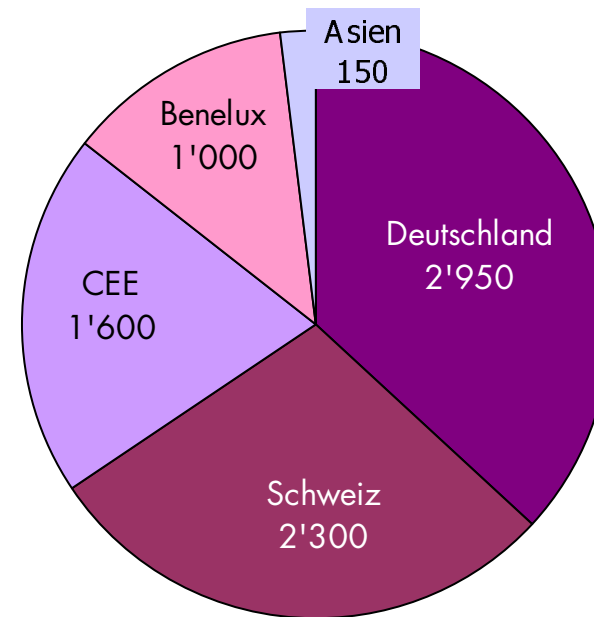
- Active in 9 European countries
- 830 branches in city-centre locations, shopping centres, retail parks
- 650 000 m² of retail space
- 30 million customer transactions
- 3 million CRM clients
- 63 million items sold
- CHF 1.4 billion gross sales
- 8 000 employees



Employees

Page 7

- 8 000 employees
 - of which 600 trainees
- Approximately 60 nationalities
- More than 240 functions



Customer Profile

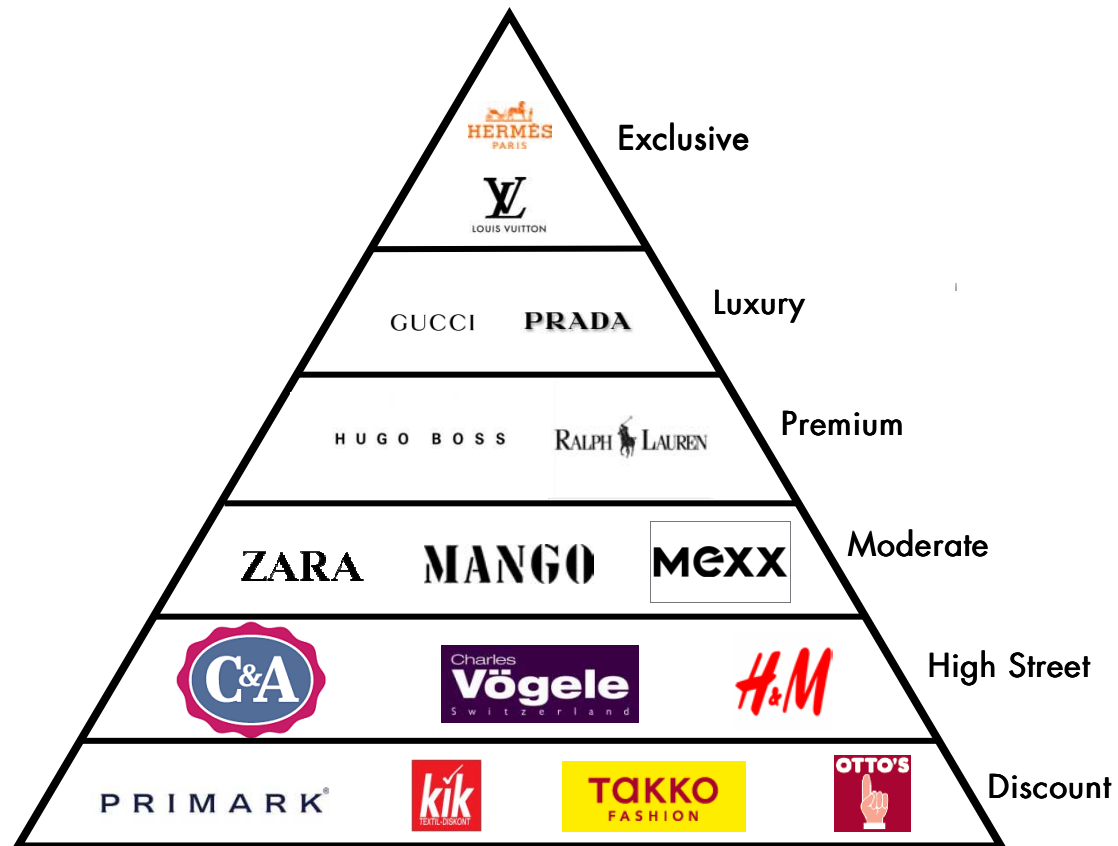
Page 8

- Over 35 years of age
- 80% female
- Have average incomes
- Price and fashion-conscious
- Appreciate expert advice
- In the prime of their lives



Market Segmentation

Page 9

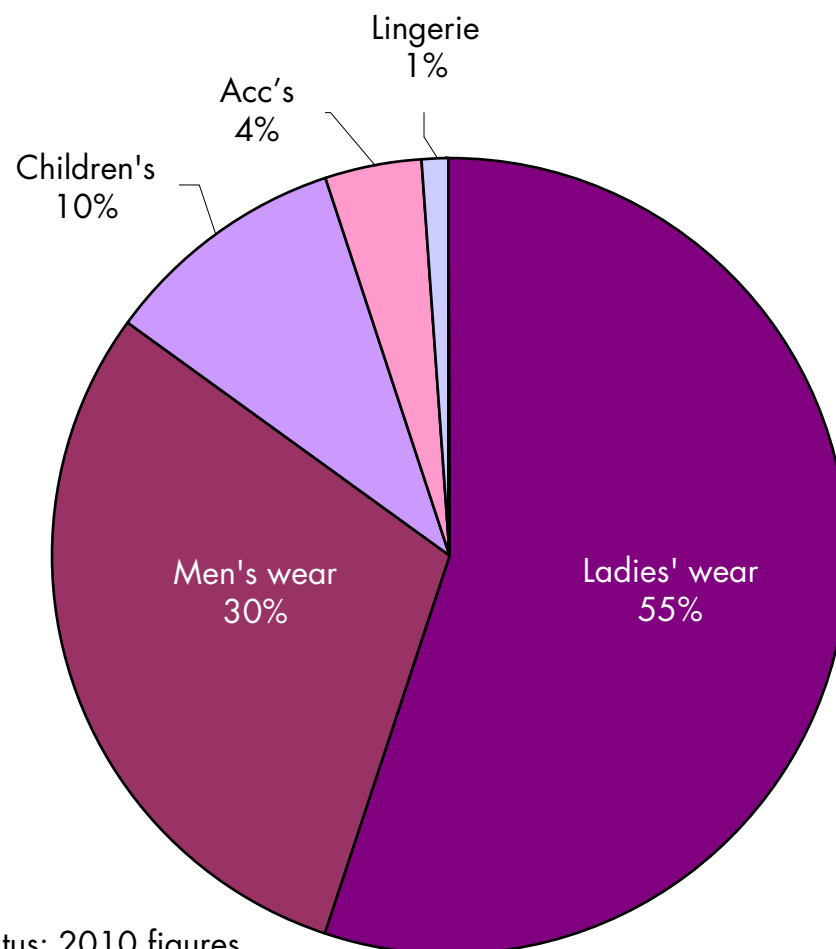


Media and analysts conference March 2011 • Charles Vögele Group

Relative Size of Ranges

Page 10

Potential in accessories and lingerie



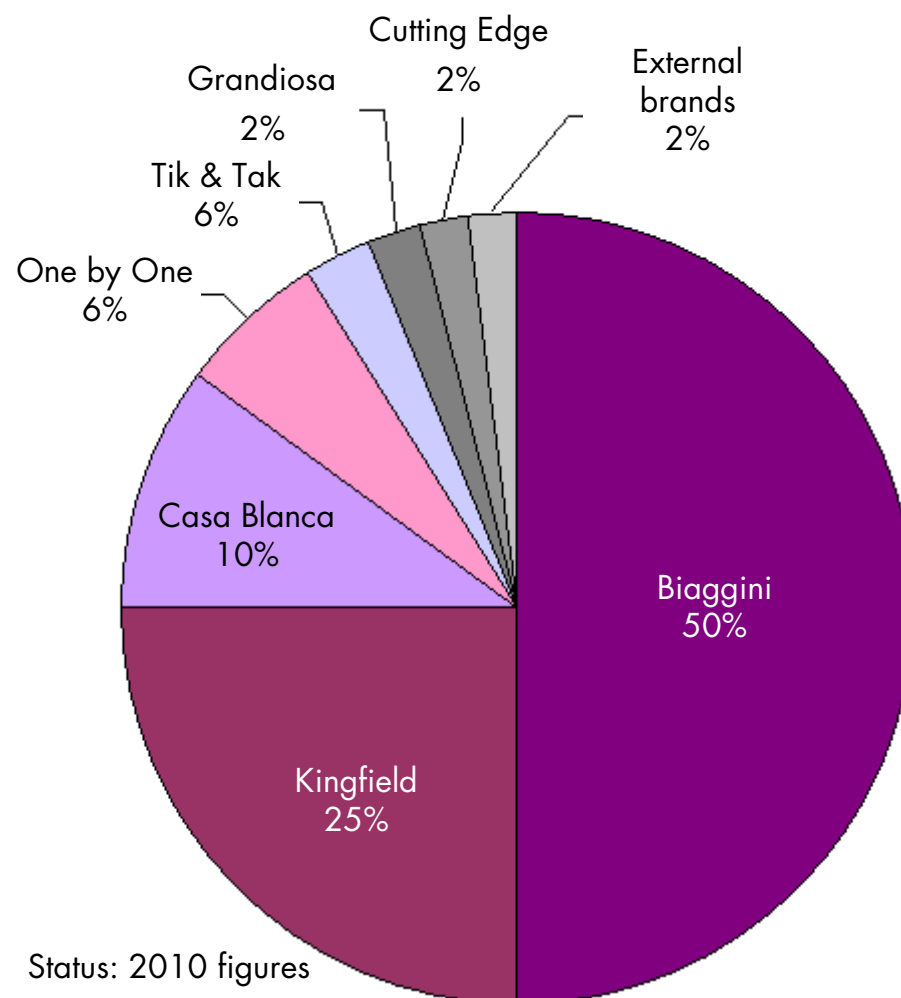
Status: 2010 figures



Brand Shares

Page 11

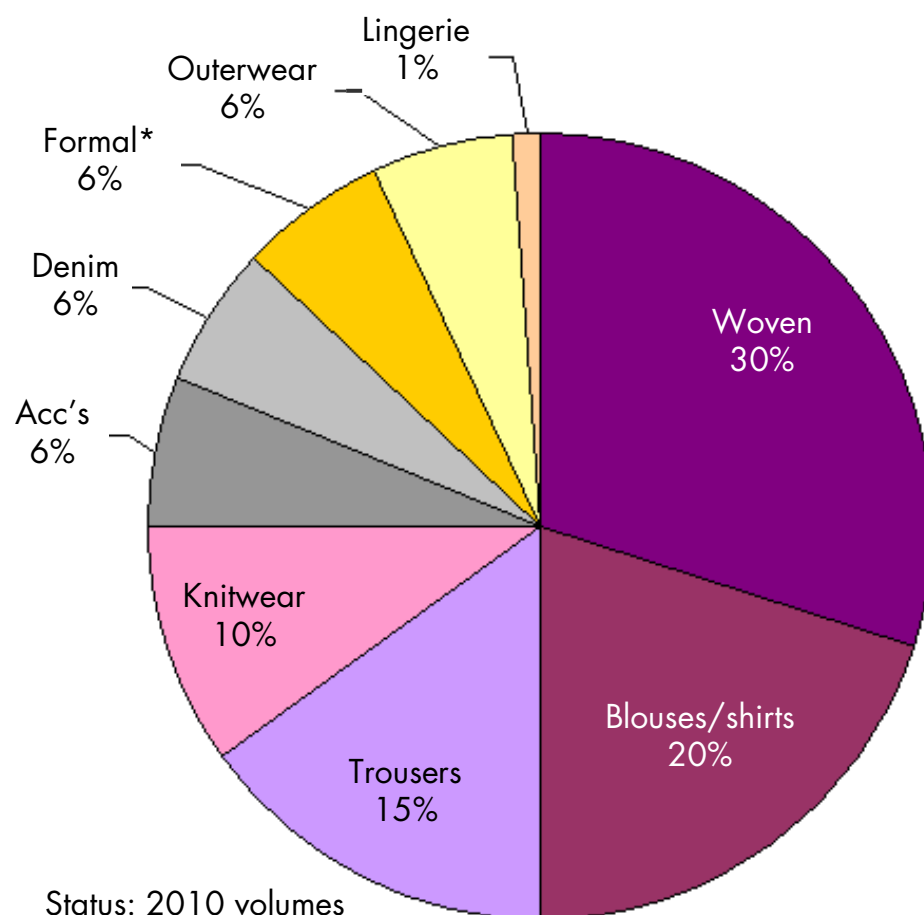
85% of sales from 3 main brands



Category Shares

Page 12

Potential in outerwear and denim



Status: 2010 volumes

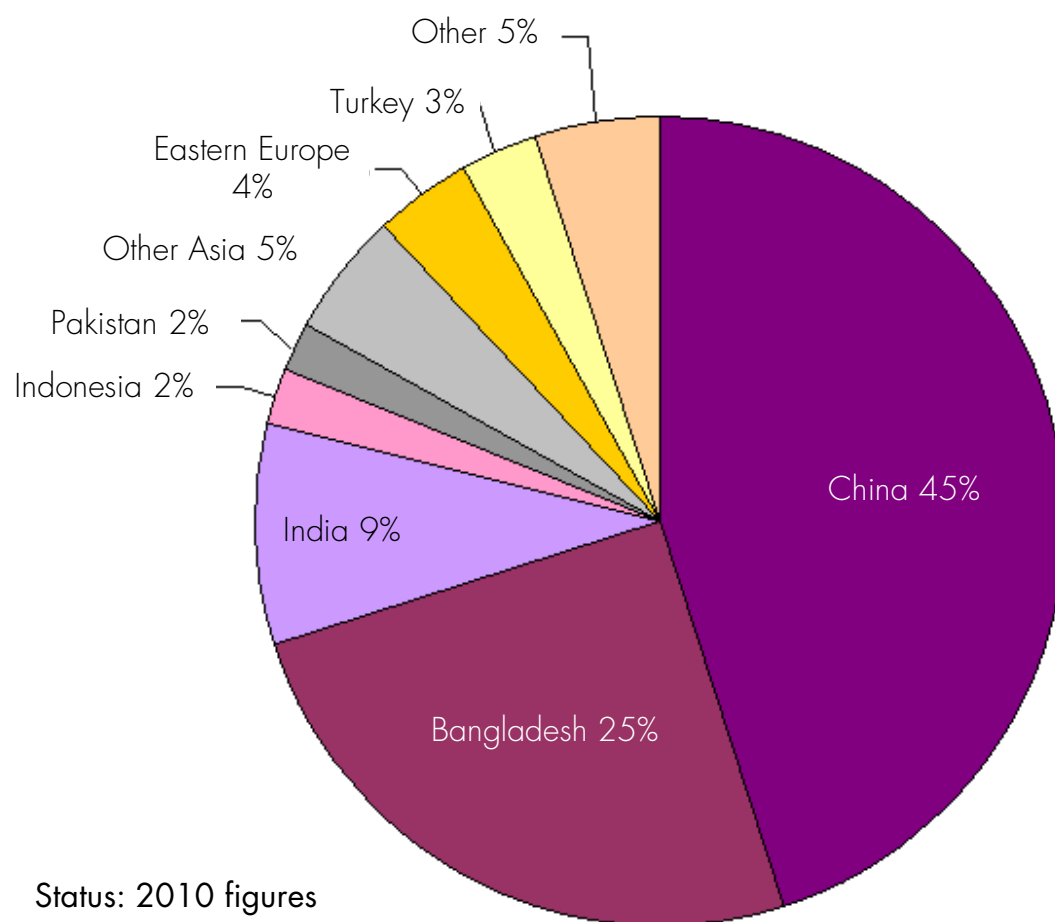
* Formal = Dresses, skirts, blazers, suits, jackets



Sourcing–Regions and Purchasing Volumes

Page 13

90% of goods from Asia



Corporate Social Responsibility

Page 14

Sustainability for a successful future

- Responsible use of natural resources
- Social responsibility towards customers, employees and suppliers
- Guaranteeing comprehensive minimum social standards
- Founder member of the Business Social Compliance Initiative (Brussels), member of Social Accountability International (New York)
- Supporting sustainable social projects in producer countries
- Own local offices; all suppliers subject to regular audits



Make VIOLETT happen!

Page 15

We are leading Charles Vögele into a successful future



A Look Back at 2010

Page 16

March

- Removal of old stock completed: no items older than 18 months
- Zurich flagship store reopens

April/May

- TV campaign in Switzerland and Austria

July

- Frank Beeck joins as CSO

August

- New collection tempo (8 per year) starts
- Introduction of new visual merchandizing concept



A Look Back at 2010

Page 17

September

- Launch of overall brand campaign with Cruz sisters
- Lingerie launched in 500 stores

October

- Regional Distribution Centre South, near Graz, begins operations
- Bern flagship store reopens

November

- Biaggini Violet, designed by Penélope and Mónica Cruz, launched as party collection
- Title sponsor Charles Vögele Fashion Days Zurich

December

- 70 branches now have new interior design
- Til Schweiger signs up as brand ambassador



3-Pillar Strategy

Page 18



Fascination

Page 19



International Testimonials

Page 20

Penélope and Monica Cruz as brand ambassadors for Charles Vögele

- Internationally known European stars
- Natural and appealing
- Great fashion knowledge
- Overall brand campaign with Penélope and Mónica Cruz
- Biaggini Violet collection, designed by Penélope und Mónica Cruz

Next steps

- Biaggini Violet premieres in spring 2011



International Testimonials

Page 21

Til Schweiger – brand ambassador for Charles Vögele

- International actor
- Natural, authentic appeal
- Equally popular with men and women
- Ideal complement to the Cruz sisters
- Face of the overall brand campaign 2011 – 2012

Next Steps

- Launch Biaggini Violet, designed by Til Schweiger, autumn 2011



More Modern Advertising

Page 22

Marketing on track

- Inspiring overall brand campaign
- Intensified fashion PR
- Dynamic website

Next steps

- New fashion magazine from spring 2011
- Expansion of CRM programme from 2011



Fashion Days

Page 23

Charles Vögele Fashion Days Zurich 2010

- First B2C event
- 7 000 visitors in four days
- Large international media impact
- Charles Vögele Opening Night with Biaggini Violet (Women) and lingerie collections

Next steps

- Headline sponsorship of Zurich Fashion Days until 2012
- Launch of Biaggini Violet, designed by Til Schweiger, November 2011



Fascination

Page 24



More Frequent Collections

Page 25

Collection rhythm doubled

- New items every six weeks
- Collection structured by themes
- Expanded NOS programme
- Faster response to fashion trends

Next steps

- Establishing the new tempo for collection release



New Label Concept

Page 26

Charles Vögele is the overall brand



Fascination

Page 27



Service

Page 28

Customers appreciate expert advice

- Creating a unique shopping ambience
- Encouraging people to think "my salesperson", "my fashion", "my brand"
- High proportion of regular customers
- More customer-friendly and comprehensible presentation of goods

Next steps

- Winning new customers
- Greater range of services in CRM programme
- Focus on salesperson training and development



Store Concept

Page 29

Modern, attractive store design

- Inspirational, customer-focused store concept
- Tests completed successfully
- Flagship stores in Zurich and Bern
- More than 70 stores given the new look by the end of 2010
- Stock presentation by target group and theme

Next steps

- Modernization campaign: 50% of all stores to have new design by 2013



Visual Merchandizing

Page 30

Visual merchandizing creates inspiring fashion worlds

- Customers guided intuitively
- Seasonal campaigns
- Emotional visual language
- Inviting window displays

Next steps

- Increase additional purchases
- All stores to have new visual merchandizing by 2012



Growth

Page 31



New Product Lines

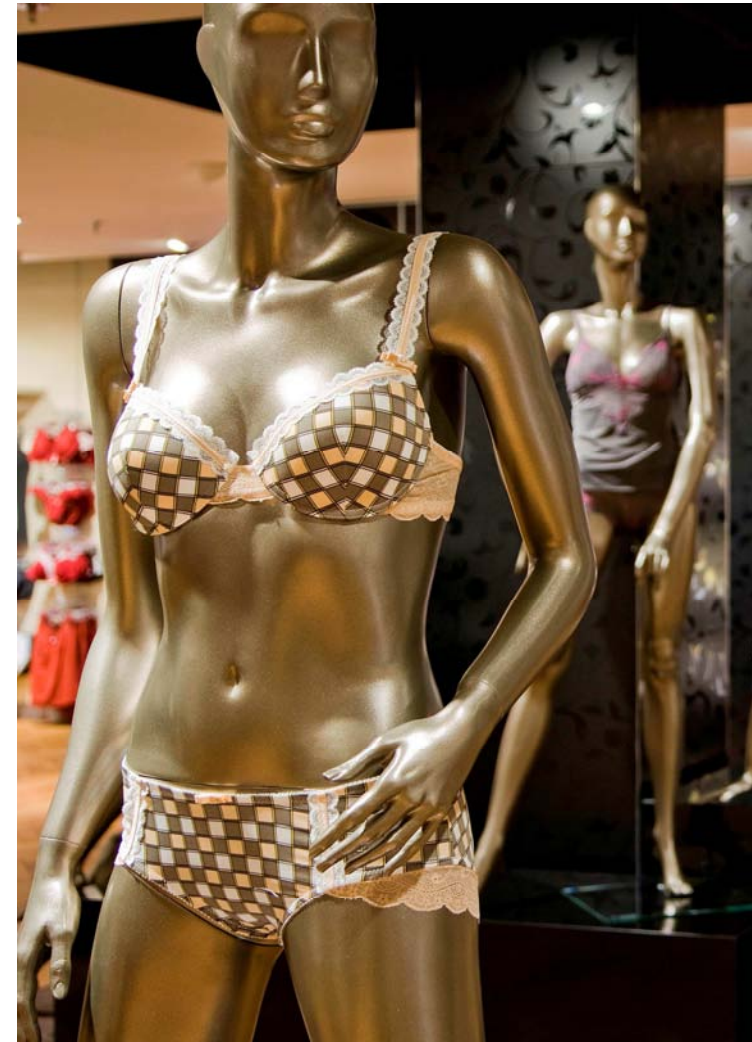
Page 32

Lingerie added to range

- Fashionable collections from Biaggini and Casa Blanca
- Sexy looks for women and men
- Feel-good nightwear
- Launch in September 2010 in 500 stores

Next steps

- 5% of total sales by 2013



New Product Lines

Page 33

From fashion business to vertical lifestyle provider

- Shoes as complementary range
- Goods presented as shoes-in-shop
- Shoe collection coordinated with fashion themes

Next steps

- Own brands Casa Blanca and Biaggini
- Procurement in cooperation with Vögele Shoes
- From spring 2011: in 300 stores in main markets



New Product Lines

Page 34

Biaggini Violett for Women and Men

- High quality, fashionable collections
- Round out the range at the top end
- Exclusive design partnerships

Next steps

- Presentation of Biaggini Violett (Women) spring/summer collection in March 2011
- Til Schweiger developing Biaggini Violett (Men) for autumn 2011



Increasing Refinement of Products

Page 35

The product is the hero

- Fits tailored to target groups
- More comfortable to wear
- Innovative materials
- Collections promoted by brand

Next steps

- Continual product quality campaign



Growth

Page 36



E-Commerce

Page 37

Charles Vögele Online 24/7

- Online in Switzerland, Germany and Austria since 1 February 2011
- State-of-the-art online shop
- Expanded advertising platform
- Multi-channel distribution generates customer visits
- Start with Casa Blanca and lingerie

Next steps

- Expand to cover whole collection from summer 2011
- From autumn 2011: expansion into Benelux



Growth

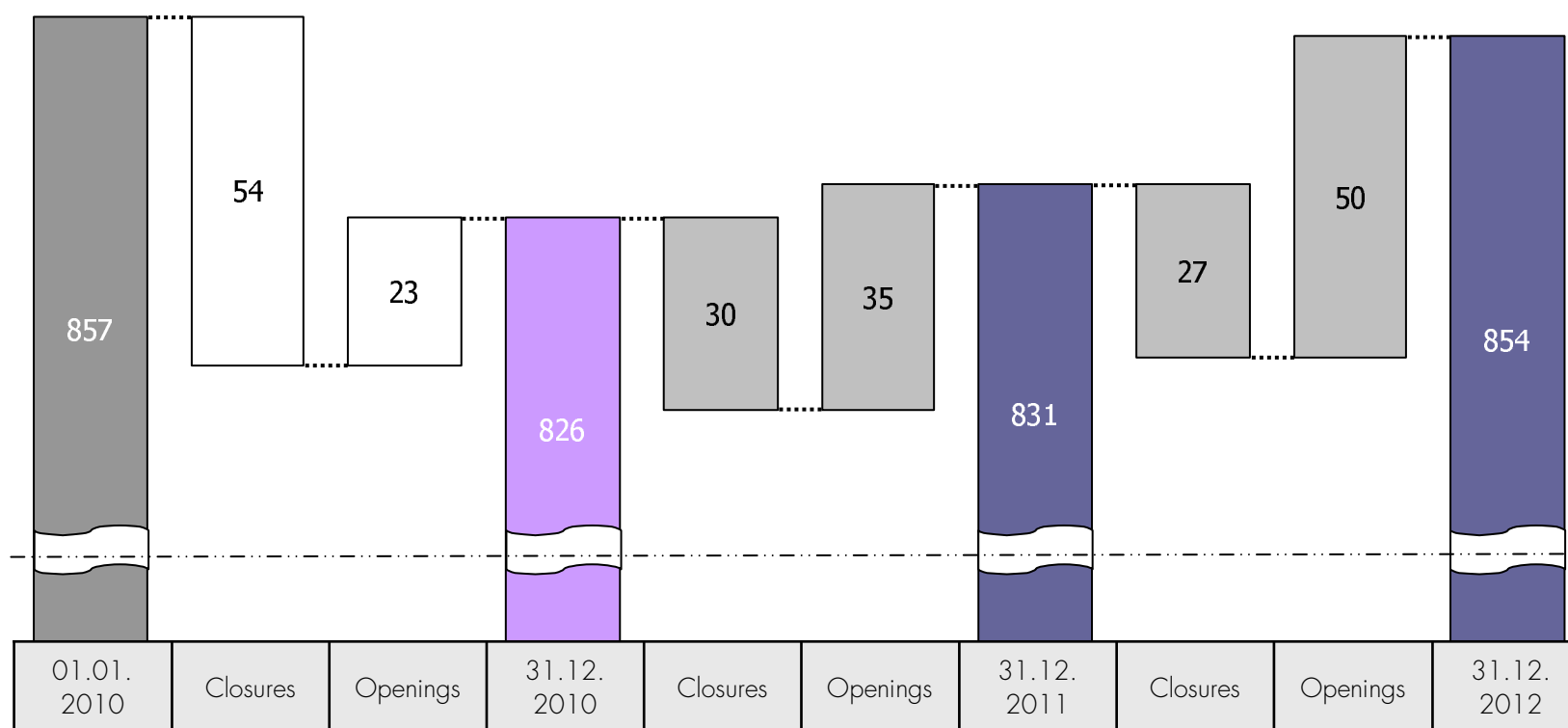
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Optimizing Locations

Page 39

Back to growth



Next steps

- Potential-focused expansion in main markets

Processes

Page 40



Supply Chain Optimization

Page 41

Fast, efficient distribution of goods

- Reducing and outsourcing logistics operations
- Three RDC (North, South, Switzerland) with state-of-the-art storage technology and integrated e-commerce processing
- More flexibility through central stockholding
- Better service thanks to floor-ready stock delivery

Next steps

- June 2011: RDC North begins operations
- 2012: planning RDC Switzerland



Processes

Page 42



Personnel and Organizational Development

Page 43

Charles Vögele as an attractive employer

- Potential analysis and career development programme
- Strategy meeting for top 150
- Roadshow workshops for all store managers
- Training for 600 trainees
- Partnership with St. Gallen University's RetailLab
- Code of Conduct and Ombudsman Unit

Next steps

- Change Management Workshops
- Follow-up employee survey
- Recruiting talent



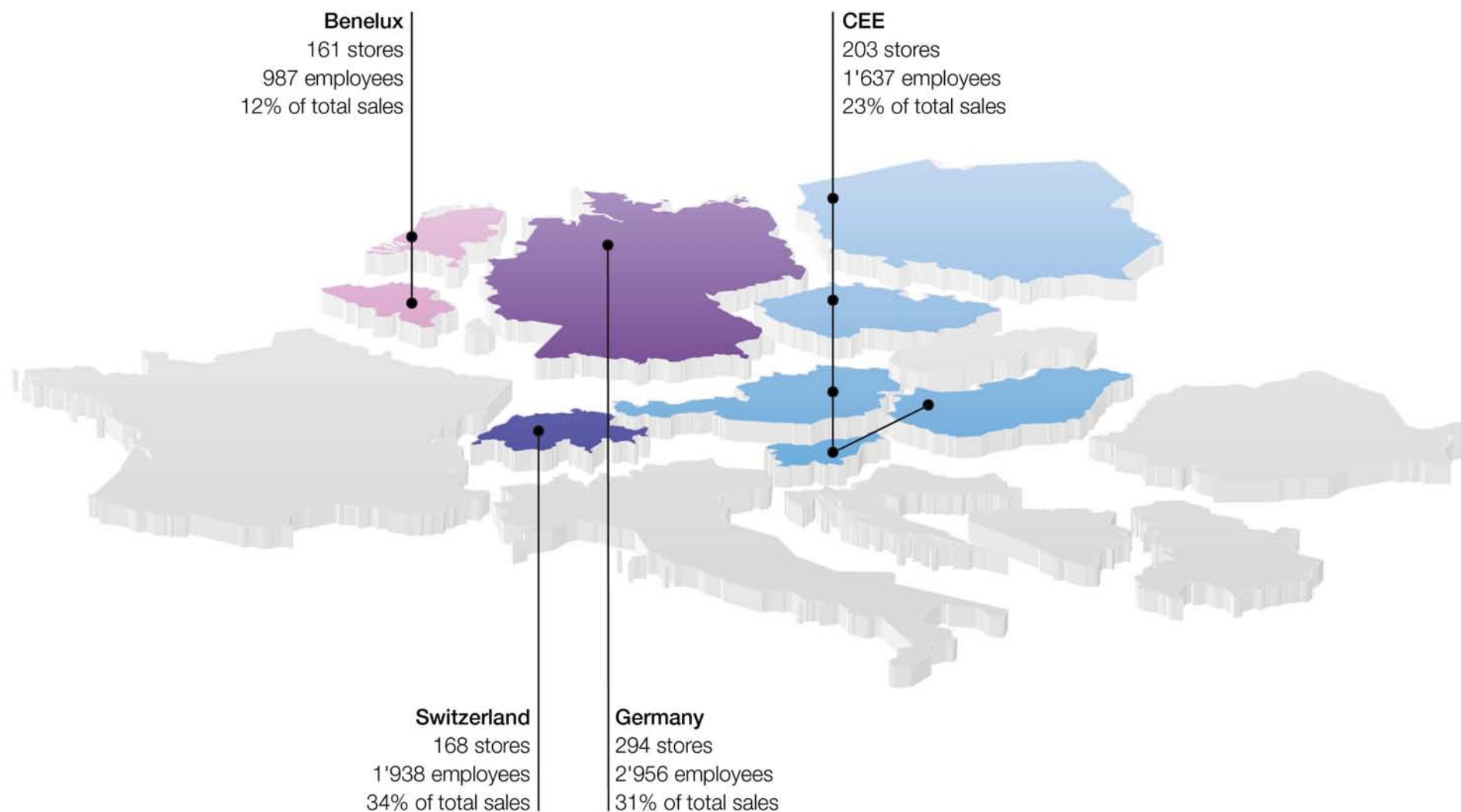
Processes

Page 44



Sales Organization

Page 45

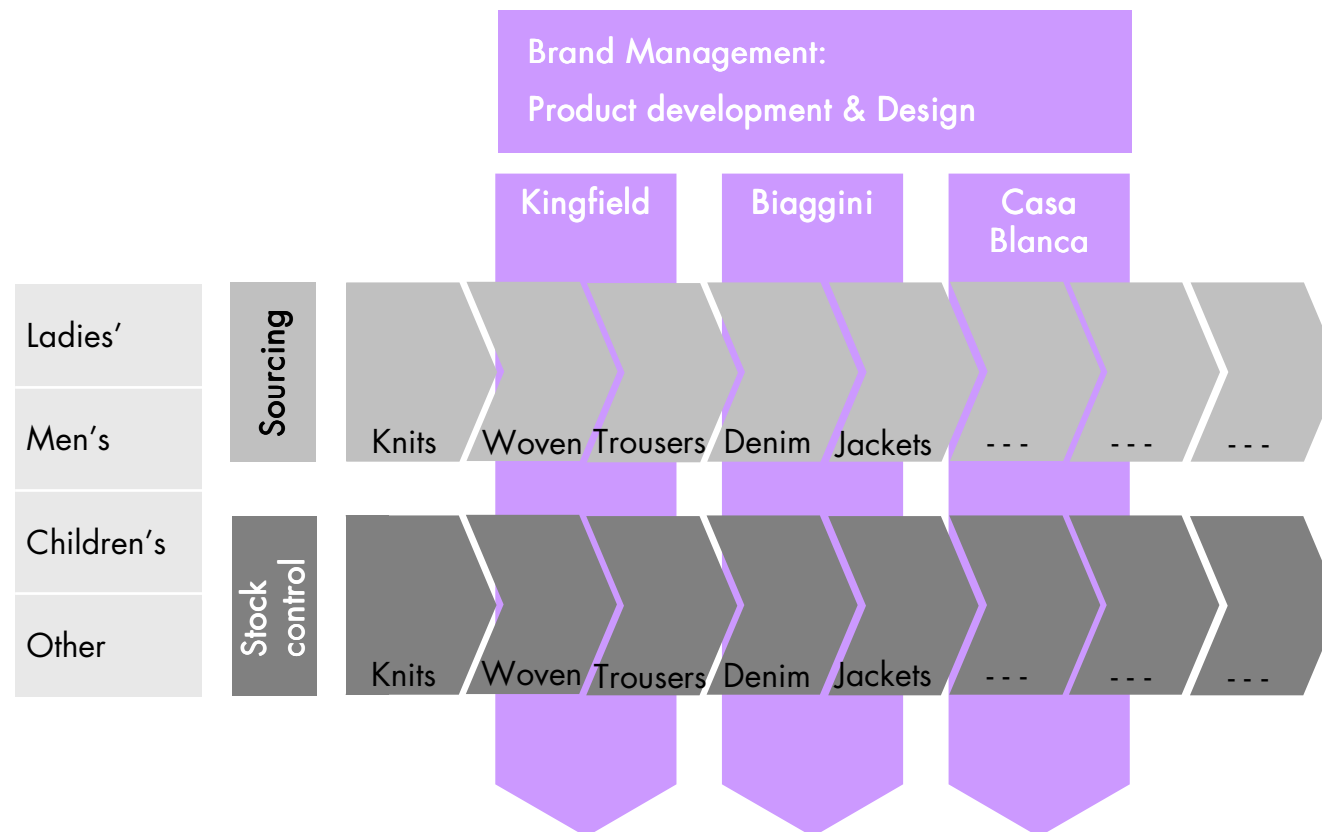


Merchandise Organization

Page 46

Collection development by brand

Procurement and stock control by product group



Sourcing

Page 47

Sourcing in own hands

- 6 sourcing offices in Asia with 150 employees
- Improving technical product competence
- Long-term quality assurance
- Supplier management
- Price transparency
- Economies of scale

Next steps

- Optimization of procurement portfolio
- Shorter time-to-market



Annual Results 2010

Page 48



Balance Sheet – Key Figures

Solid liquidity and equity position

(CHF m)	2010	2009	△
Cash and cash equivalents	130	128	+2
Inventories	150	173	(23)
Tangible assets	353	400	(47)
Net cash/(net debt)	26	(15)	+41
Total assets	756	818	(62)
Shareholders' equity	473	484	(11)
Equity ratio	62%	59%	+3%

Half-Year Results Compared

Second half of 2010 brings turnaround

(CHF m)	1st HY 2010	2nd HY 2010	△	1st HY 2009	2nd HY 2009	△
Gross sales	690	726	+36	743	805	+62
Net sales	584	614	+30	631	679	+48
Gross profit	381	420	+39	395	407	+12
<i>as % of net sales</i>	<i>65.2%</i>	<i>68.4%</i>		<i>62.6%</i>	<i>59.9%</i>	
Total operating expenses	(346)	(345)	+1	(357)	(374)	(17)
<i>as % of net sales</i>	<i>59.2%</i>	<i>56.2%</i>		<i>56.6%</i>	<i>55.1%</i>	
EBITDA	35	75	+40	38	33	(5)
<i>as % of net sales</i>	<i>6.0%</i>	<i>12.2%</i>		<i>6.0%</i>	<i>4.9%</i>	
EBIT	4	34	+30	7	(3)	(10)
<i>as % of net sales</i>	<i>0.7%</i>	<i>5.5%</i>		<i>1.1%</i>	<i>(0.4%)</i>	
Net profit/(loss)	(7)	25	+32	(2)	(12)	(10)

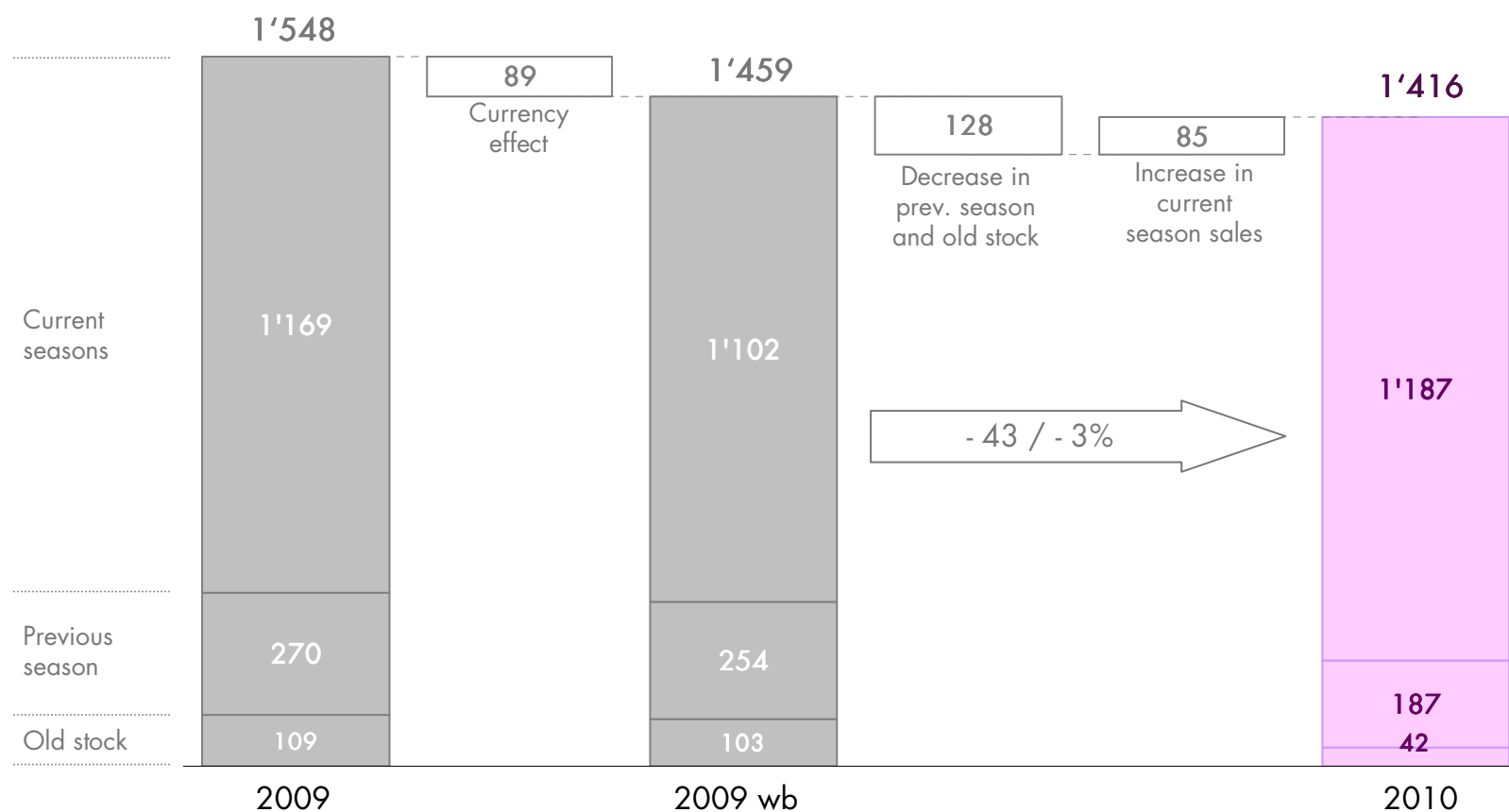
Income Statement

Charles Vögele returns to profit

(CHF m)	2010	2009	△	△ in %	
Gross sales	1'416	1'548	(132)	(9%)	◀◀
Net sales	1'198	1'310	(112)	(9%)	
Gross profit	801	802	(1)	(0%)	
<i>as % of net sales</i>	<i>66.9%</i>	<i>61.2%</i>			
Total operating expenses	(691)	(731)	+40	(5%)	
<i>as % of net sales</i>	<i>57.7%</i>	<i>55.8%</i>			
EBITDA	110	71	+39	+55%	
<i>as % of net sales</i>	<i>9.2%</i>	<i>5.4%</i>			
EBIT	38	4	+34	+850%	
<i>as % of net sales</i>	<i>3.2%</i>	<i>0.3%</i>			
Net profit/(loss)	18	(14)	+32	(229%)	

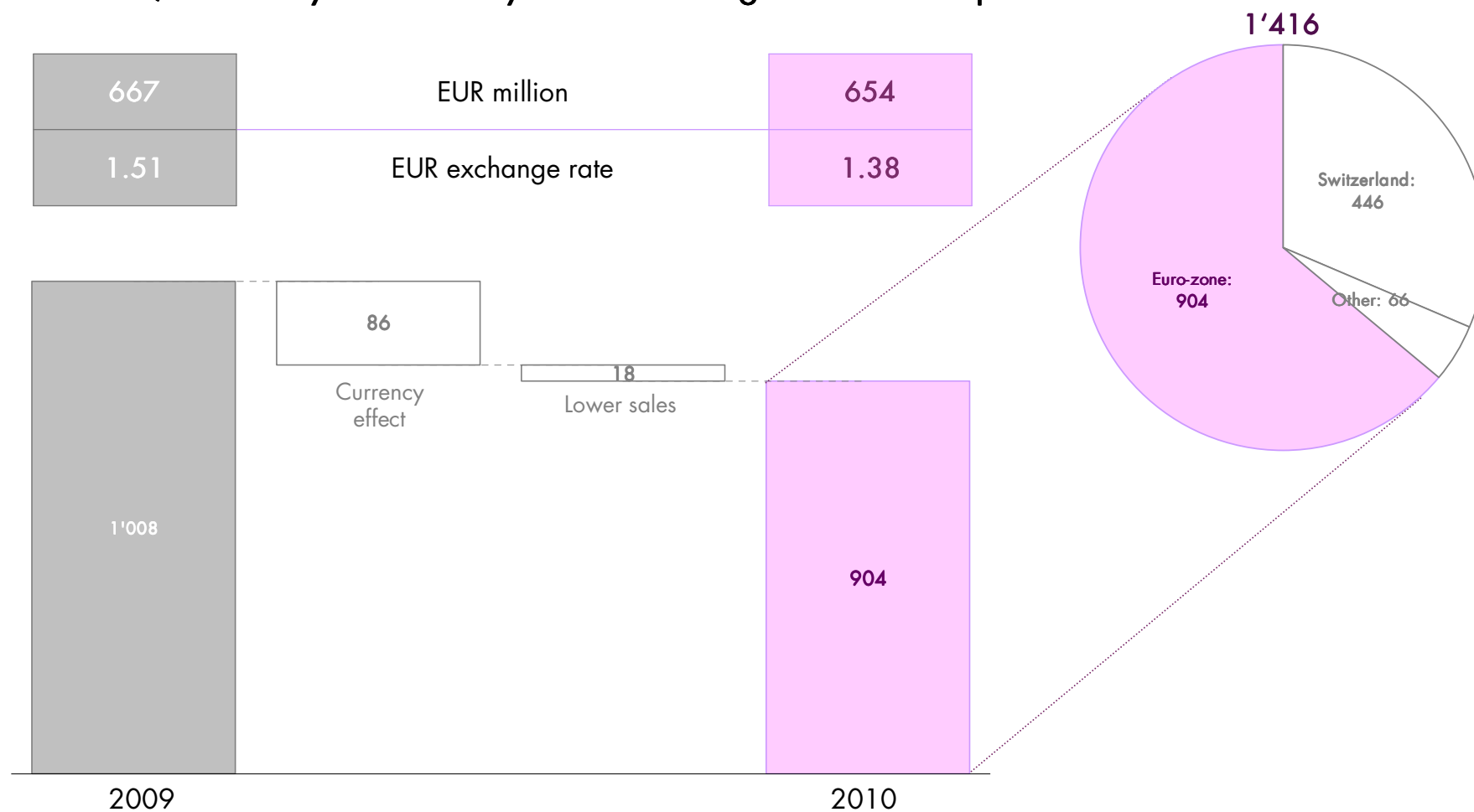
Consolidated Gross Sales (in CHF million)

Shift to better quality sales



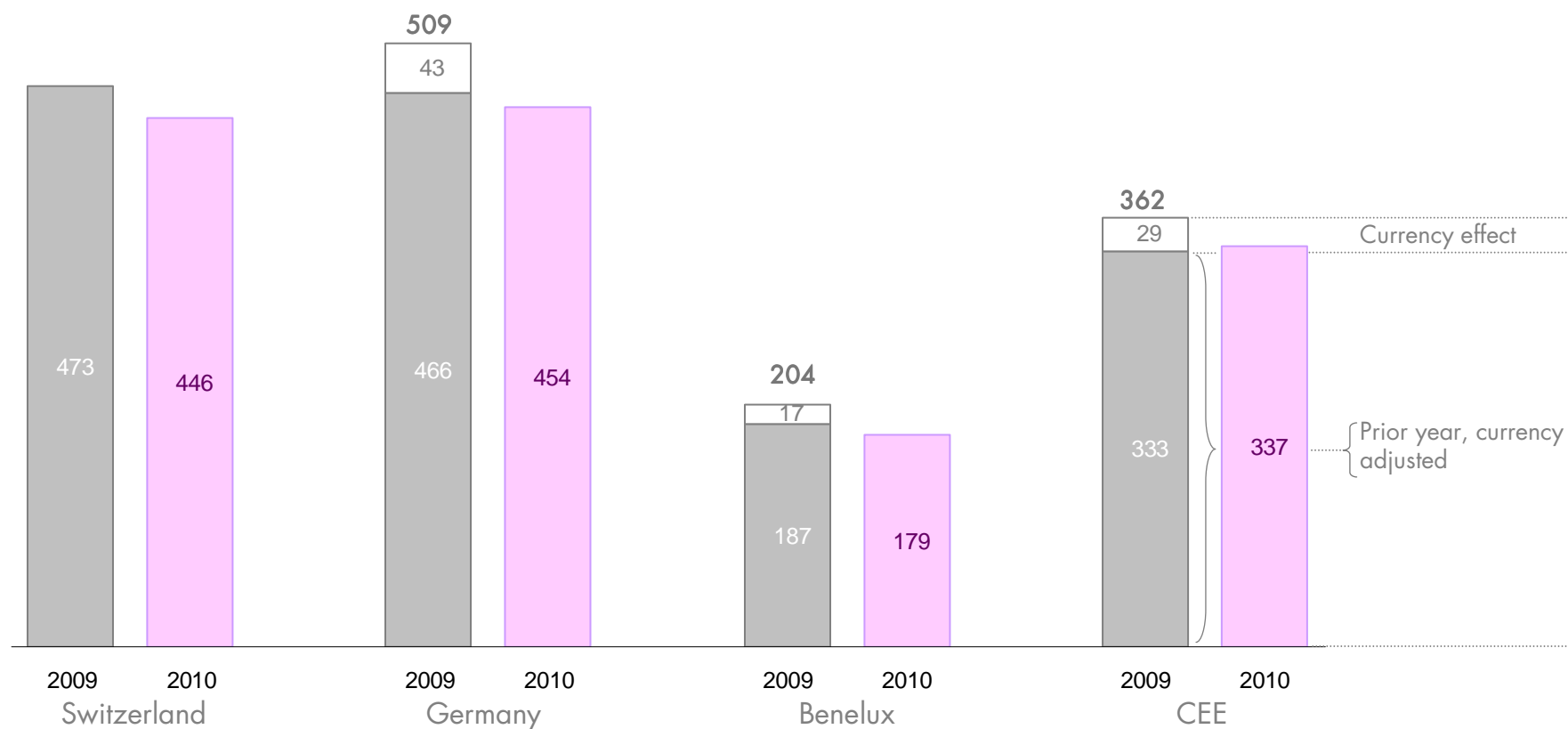
Foreign Currency Effect on Gross Sales (in CHF million)

Almost 2/3 heavily affected by euro exchange rate development



Gross Sales by Region (in CHF million)

Only CEE posts currency-adjusted growth

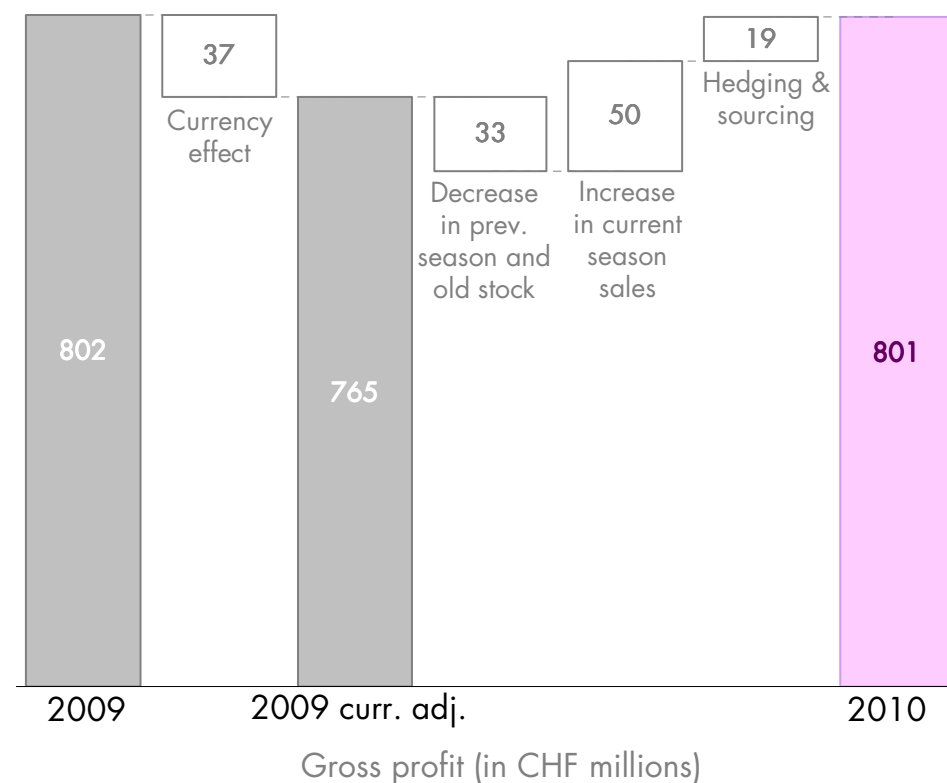
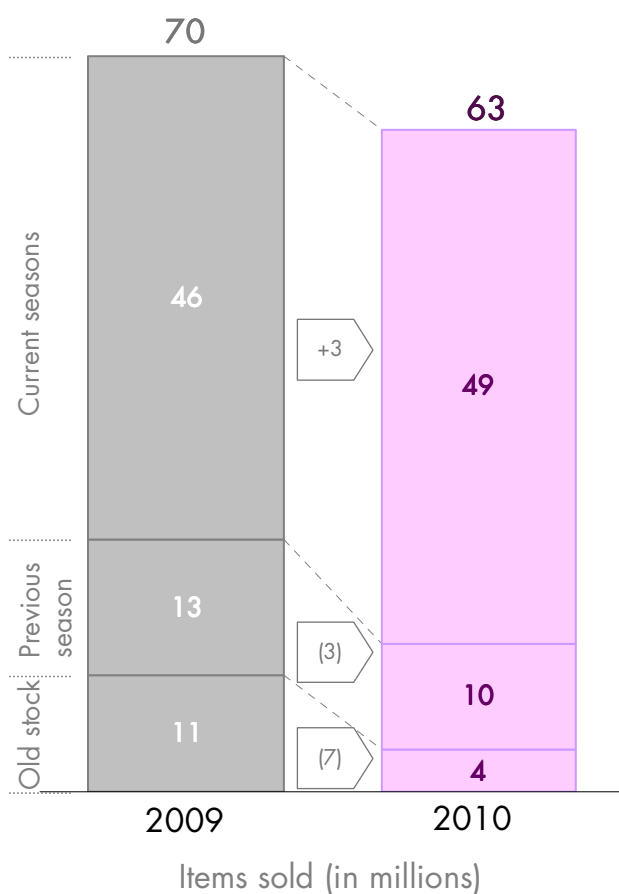


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Gross Profit

Shift to better quality gross profit

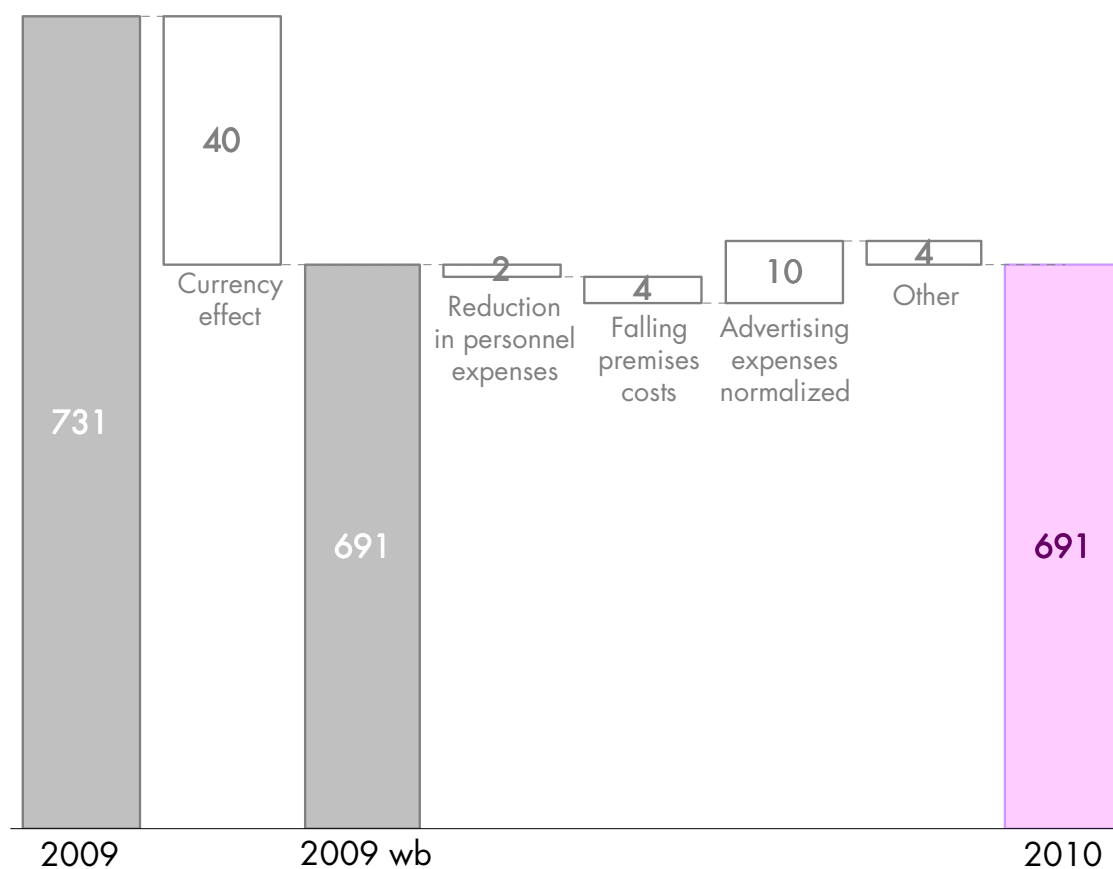


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Operating Costs (in CHF million)

At prior-year level after currency adjustment



Expense Positions in Detail

Only advertising expenses and depreciation higher than prior year

(CHF Mio.)	2010	2009	△	Remarks
Personnel expenses	292	309	(17)	- Reduced numbers of stores
<i>as % of net sales</i>	<i>24.4%</i>	<i>23.6%</i>		
Rental expenses	224	242	(18)	- Reduced numbers of stores & optimizations
<i>as % of net sales</i>	<i>18.7%</i>	<i>18.5%</i>		
Advertising expenses	96	91	+5	- Cautious advertising activity in PY
<i>as % of net sales</i>	<i>8.0%</i>	<i>6.9%</i>		
General operating exp.	55	64	(9)	- Consequence of eliminating old stock - reduced storage activities
<i>as % of net sales</i>	<i>4.6%</i>	<i>4.9%</i>		
Administration costs	25	25	+0	
<i>as % of net sales</i>	<i>2.1%</i>	<i>1.9%</i>		
Other operating costs	(1)	0	(1)	
Total operating expenses	691	731	(40)	- Positively influenced by euro exchange rate
<i>as % of net sales</i>	<i>57.7%</i>	<i>55.8%</i>		
Depreciation & imp.	72	67	+5	- Logistics infra. & store portfolio optimization

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Overview of EBIT to Net Profit

Foregin currency differences drag back financial result

(CHF m)	2010	2009	△	Remarks
EBIT	38	4	+34	
<i>as % of net sales</i>	<i>3.2%</i>	<i>0.3%</i>		
Financial expenses	(5)	(7)	+2	- Thanks to record low debt
Exchange losses	(4)	0	(4)	- Devaluation of foreign currency positions
Tax expenses	(11)	(11)	+0	- From tax liable companies in CH & AT; overall at PY level
Net profit/(loss)	18	(14)	+32	
<i>as % of net sales</i>	<i>1.5%</i>	<i>-1.1%</i>		

Investment

Focus on more attractive store image

(CHF m)	2010	2009	△	Remarks
Store openings	12	21	(9)	- Selective new opening
Refurbishments/renovations	28	9	+19	- Implementation of new store design concept
Other	6	11	(5)	- Warehouse infra., brand shops, aircon, etc.
Total regions	46	41	+5	
Group infrastructure	9	7	+2	- IT-systems (hard- & software)
Total Group	55	48	+7	

Free Cash Flow

Cash flow enables further reduction of debt

(CHF m)	2010	2009	△
Cash flow from operating activities	88	188	(100)
Net cash flow from investing activities	(46)	(46)	+0
Free cash flow	42	142	(100)
Net cash flow from financing activities	(35)	(62)	+27
Net change in cash pos.	7	80	(73)
Cash pos. at end-year	130	128	+2

Outlook for 2011



Outlook for 2011

Page 65

February

- Online shop goes live
- Start of new CRM programme in Benelux

March

- Premiere of Biaggini Violet (Women)
- Overall brand campaign with Til Schweiger and the Cruz sisters
- Launch of new fashion magazine

April

- Opening of a branch in Vaduz, Liechtenstein

May

- Start of new CRM programme in Austria

June/July

- RDC North begins operations
- Online shop expanded to whole collection



Outlook for 2011

Page 66

September

- Strategy seminar for top 150 managers
- Re-opening of branch in Seedamm Center
- Overall brand campaign with Til Schweiger and the Cruz sisters

October

- Online shop rolled out in Benelux

November

- Second Fashion Days Zurich
- Launch of Biaggini Violet (Men)



Our View of the Market in 2011

Page 67

Slightly positive performance expected

- Optimistic consumer expectations in Europe
- Economic recovery in East European countries
- Swiss franc stays strong and financial markets stay volatile
- More aggressive competition squeezes out certain providers (especially in Switzerland and Germany)
- Cost pressure in procurement markets (raw materials and wages)



Charles Vögele 2011

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3-Pillar strategy takes effect

- Moderate sales growth expected
- Medium-term EBITDA margin of 10% targeted
- Greater investment in more attractive store portfolio
- 35 new openings
- 75 renovations



2011 Reporting

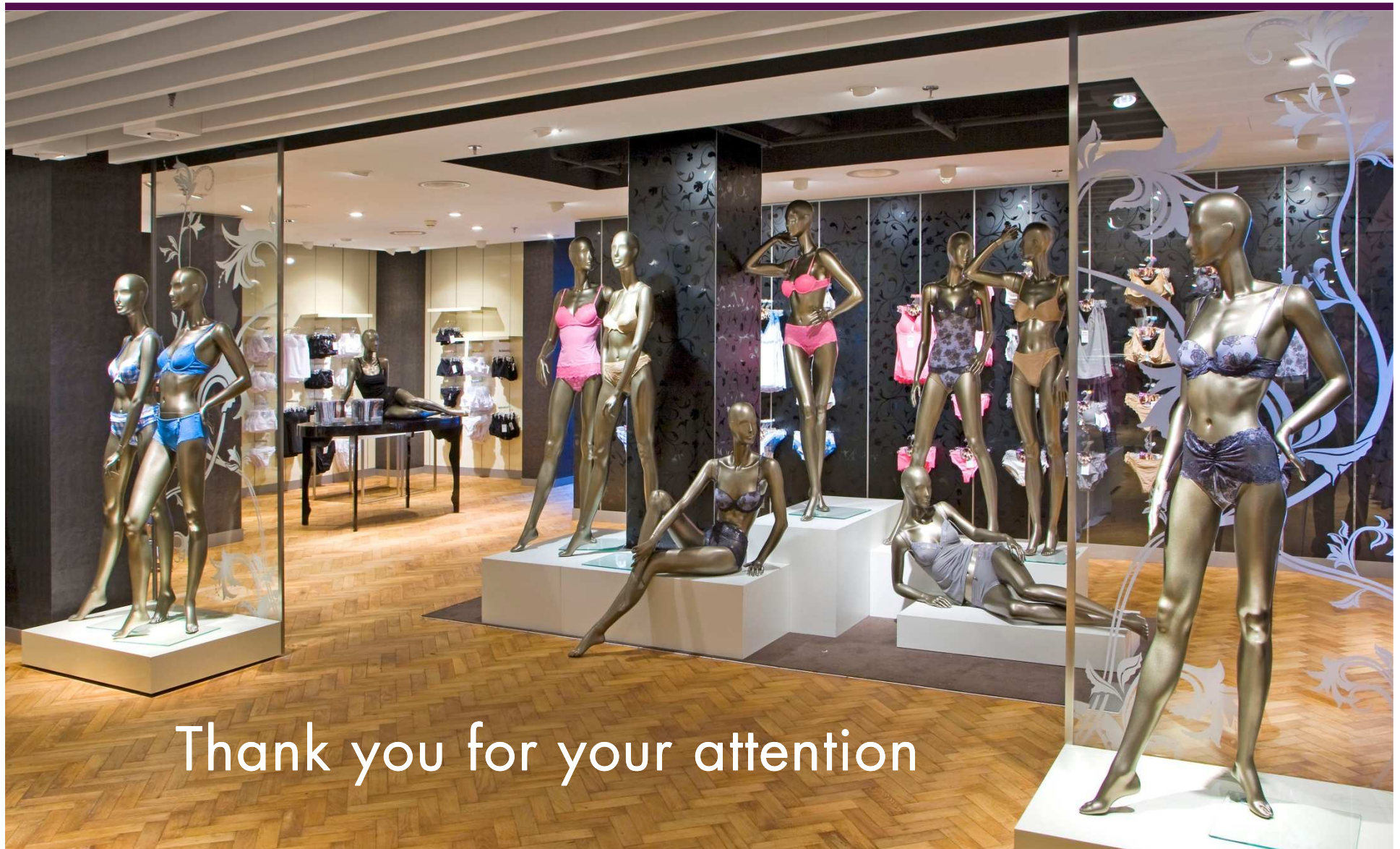
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Annual Shareholders' Meeting 2010	13 April 2011
Media and analysts' conference on 2011 half-year financial statements	23 August 2011
Media and analysts' conference on 2011 financial statements	6 March 2012

Disclaimer

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Thank you for your attention