

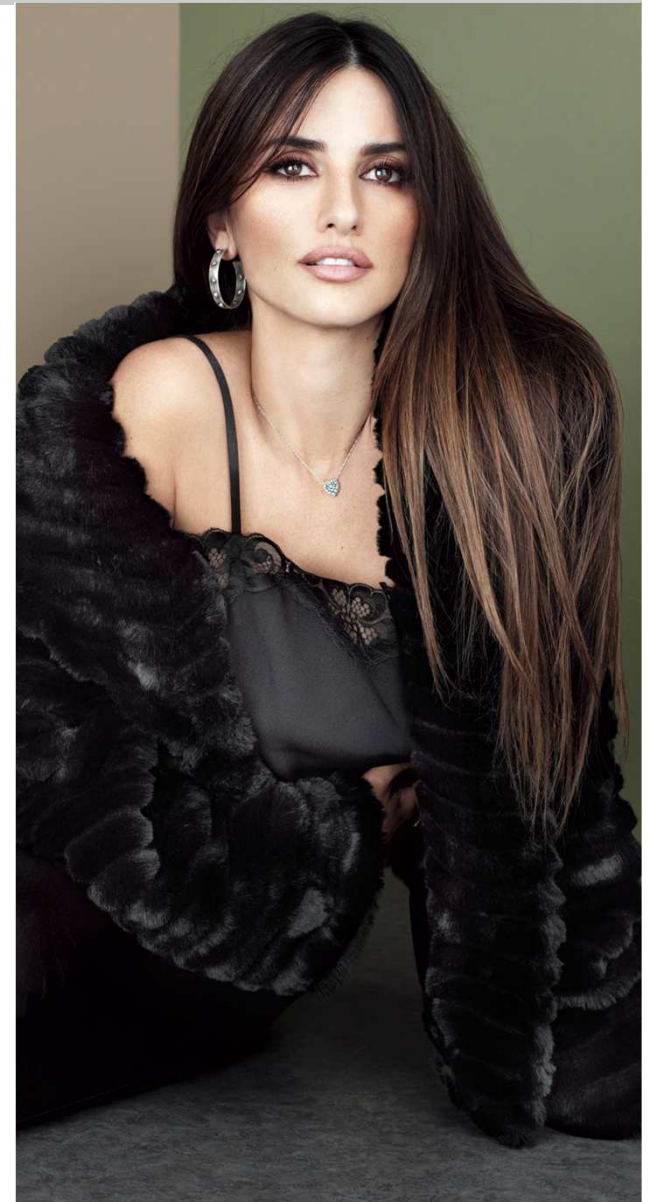
HALF-YEAR RESULTS 2011



CONTENTS



- OPERATIONAL REVIEW OF 1ST HALF 2011
- OUTLOOK
- HALF-YEAR RESULTS 2011



OPERATIONAL REVIEW OF 1ST HALF 2011



KEY FIGURES

NEGATIVE CONSOLIDATED RESULTS OWING TO DIFFICULT OPERATING CONDITIONS

- Gross sales reduced to CHF 626 million (-9% down on previous year)
- Sales maintained after adjusting for currency and floor space changes
- Operating costs remain low at CHF 330 million
- Negative consolidated result of CHF -62 million
 - of which CHF 36 million goodwill impairment Germany and Austria
 - of which CHF 19 million owing to weakness of euro
- Solid balance sheet structure with low net debt (CHF 38 million) and high equity ratio of 61%



KEY FACTS



HALF-YEAR RESULTS UNSATISFACTORY

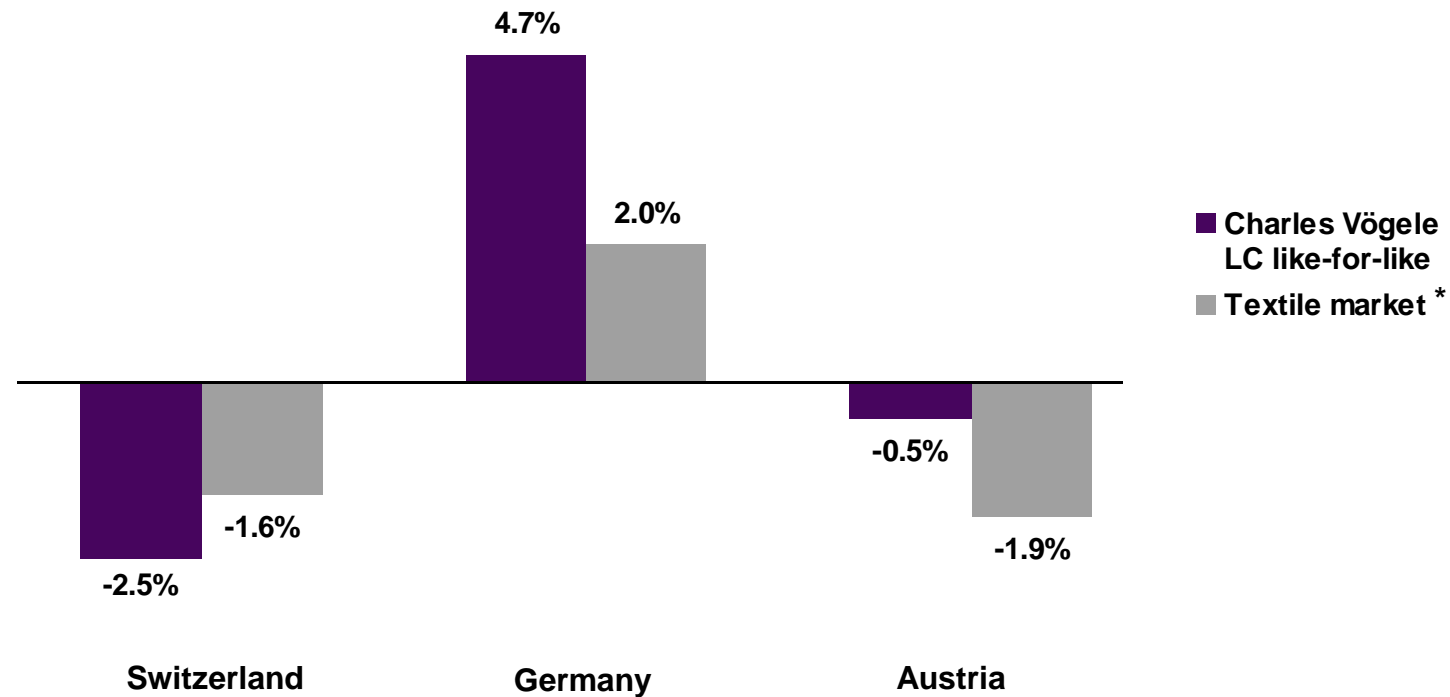
- Effects of implementation of 3-pillar strategy (Fascination, Growth, Processes) are delayed
 - New direction has not attracted enough new customers
- Challenging economic situation, persistently strong Swiss franc
- Increased raw materials and labour costs in procurement markets



CHARLES VÖGELE IN COMPARISON TO THE TEXTILE MARKET



VOLATILE SALES PERFORMANCE IN MAIN MARKETS IN 1ST HALF OF 2011



*Source:
Switzerland: Swiss Fashion Stores
Germany: Textilwirtschaft
Austria: KMU Forschung Austria

3-PILLAR STRATEGY



REVIEW OF 1ST HALF 2011



FASCINATION

- New brand ambassador Til Schweiger enhances existing umbrella brand campaign
- Launch of new fashion magazine
- Increased fashion competence due to new market appearance
- Introduction of new CRM* programme in Benelux
 - 300 000 new CRM customers in 3 months
- Further roll out of new store design concept
 - Visual merchandising concept is working
 - More than 120 stores given the new look by end of 1st half 2011

⇒ Not enough new customers gained yet



ADVERTISING CAMPAIGNS WITH BRAND AMBASSADORS

Charles
Vögele
S w i t z e r l a n d

The advertisement is split into two panels. The left panel features two women modeling coats. The woman on the left is wearing a leopard-print coat, and the woman on the right is wearing a beige double-breasted coat. The right panel features a man modeling a dark navy blue parka over a grey sweater and tan trousers. The background is a solid grey.

JACKE
BIAGGINI
129.–

MANTEL
BIAGGINI
169.–

JACKE
BIAGGINI
139.–

Til Schweiger

Charles
Vögele
S w i t z e r l a n d

www.charles-voegele.ch

LAUNCH OF NEW FASHION MAGAZINE

Charles
Vögele
S w i t z e r l a n d



REVIEW OF 1ST HALF 2011



GROWTH

- Launch of first Biaggini Violetta women's collection
- Introduction of online shop
- Strong expansion of accessory and lingerie lines
- Shoes available in more than 300 stores since March
- Further streamlining of store portfolio

⇒ Optimization potential in core collection



LAUNCH OF BIAGGINI VIOLETT WOMAN'S COLLECTION

A fashion advertisement for the Biaggini Violet collection by Charles Vögele. The ad is split into two main sections. The left section features a male model, Til Schweiger, wearing a dark grey overcoat over a black suit and tie. The right section features two female models, Penélope and Mónica Cruz, wearing black outfits. The background is a mix of dark blue and olive green.

Til Schweiger

MANTEL
BIAGGINI
VIOLETT
249.–

BLAZER
BIAGGINI
VIOLETT
129.–

Penélope &
Mónica Cruz

KLEID
BIAGGINI
VIOLETT
129.–

Charles
Vögele
S w i t z e r l a n d

www.charles-voegele.ch

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INTRODUCTION OF ONLINE SHOP

Charles
Vögele
S w i t z e r l a n d

Corporate Site | Newsletter Anmeldung | Service-Center | Grössenberater | Kontakt | Sprache: Deutsch ▾

SUCHE

MEIN KONTO
anmelden ▶

WARENKORB Artikel 0 | 0.00 CHF
zur Kasse ▶ 

DAMEN HERREN MINIS KIDS

Charles Vögele
S w i t z e r l a n d

AKTUELL
Neu eingetroffen


KATEGORIEN

- Jacken
- Shirts
- Tops
- Blusen
- Pullover
- Strickjacken
- Hosen
- Jeans
- Kleider
- Röcke
- Accessoires
- Wäsche
- Nachtwäsche

CASA BLANCA

BIAGGINI

BIAGGINI VIOLETT




STRICKJACKE

CHF **69.95***

Bitte Grösse wählen:

☐ sofort lieferbar ☐ wenige verfügbar
☐ ausverkauft – mit 1 Klick vormerken

1 ▾ **IN DEN WARENKORB** ▶

 **Zum Einzelprodukt** ▶

Produktdetails ▾

BLUSE

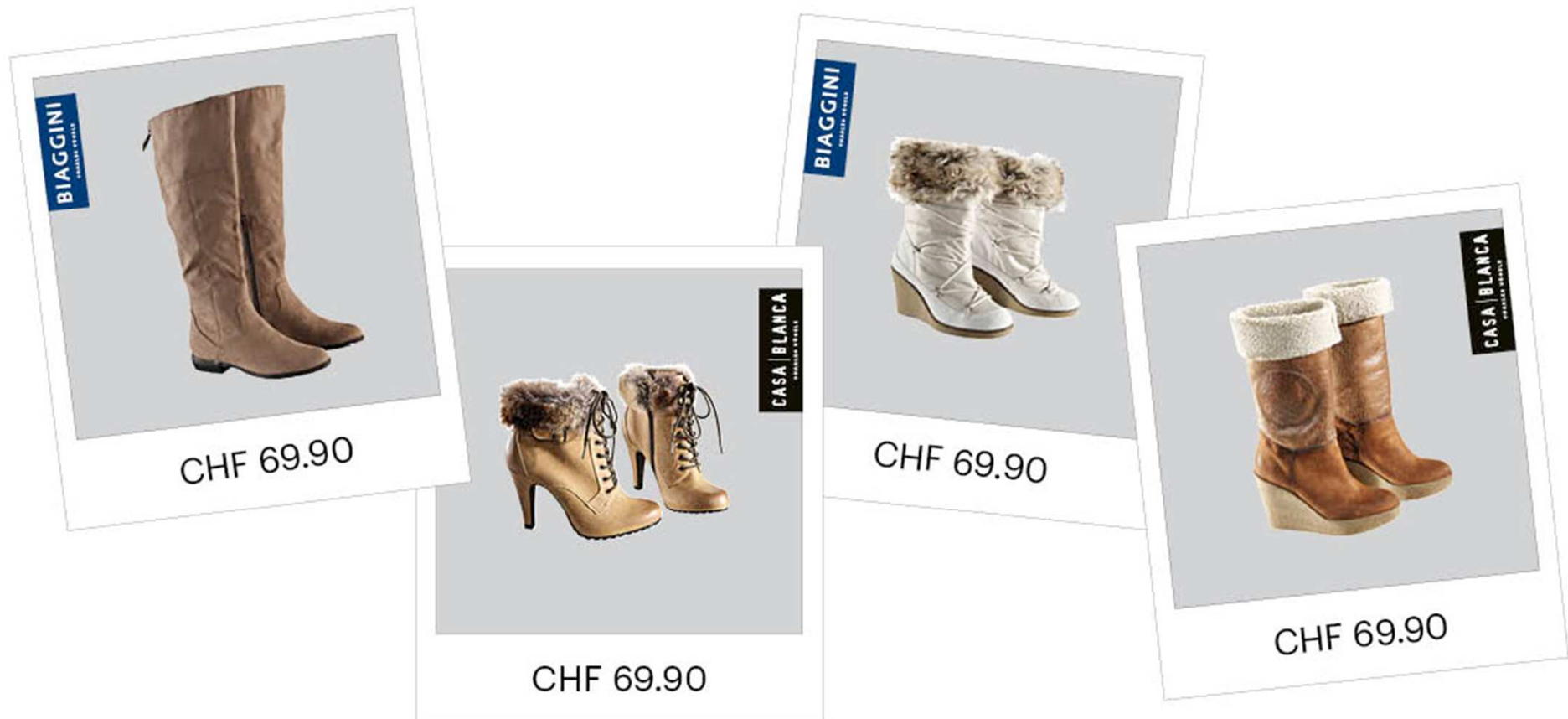
CHF **39.95***

Bitte Grösse wählen:

☐ sofort lieferbar ☐ wenige verfügbar
☐ ausverkauft – mit 1 Klick vormerken

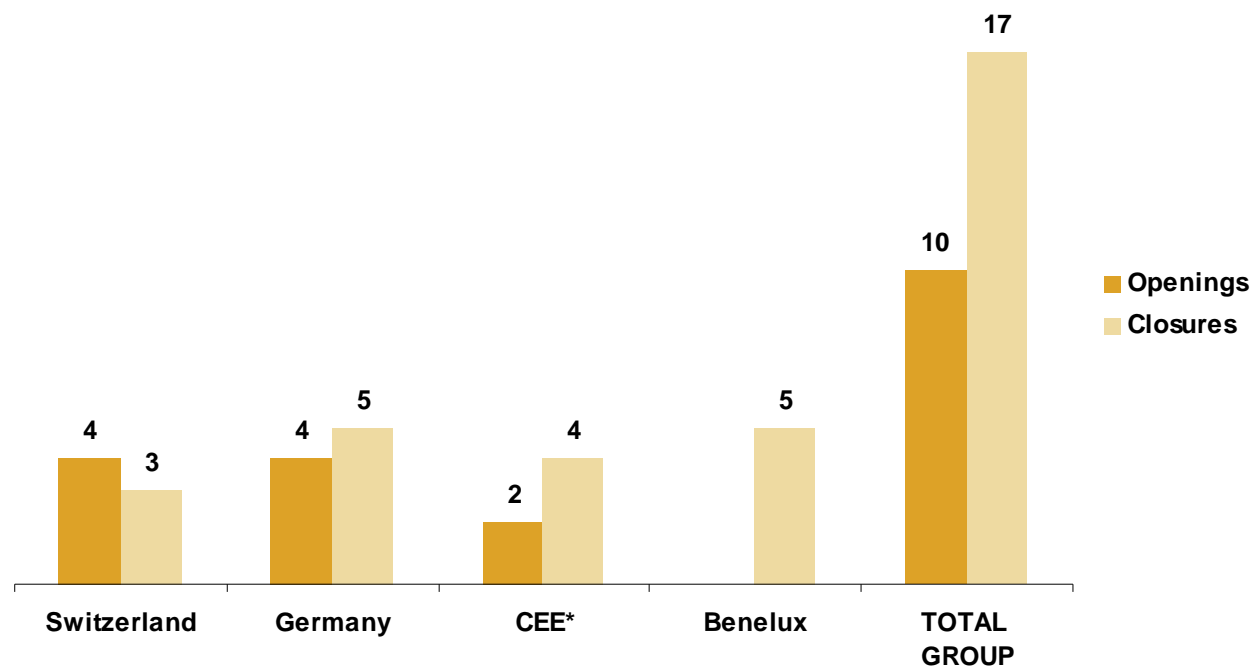
1 ▾ **IN DEN WARENKORB** ▶

SHOES AVAILABLE IN MORE THAN 300 STORES





FURTHER STREAMLINING OF STORE PORTFOLIO



	01.01.2011	Openings	Closures	30.06.2011
Switzerland	168	4	3	169
Germany	294	4	5	293
CEE*	203	2	4	201
Benelux	161		5	156
TOTAL GROUP	826	10	17	819

Focus on opening
high-potential stores

REVIEW OF 1ST HALF 2011



PROCESSES

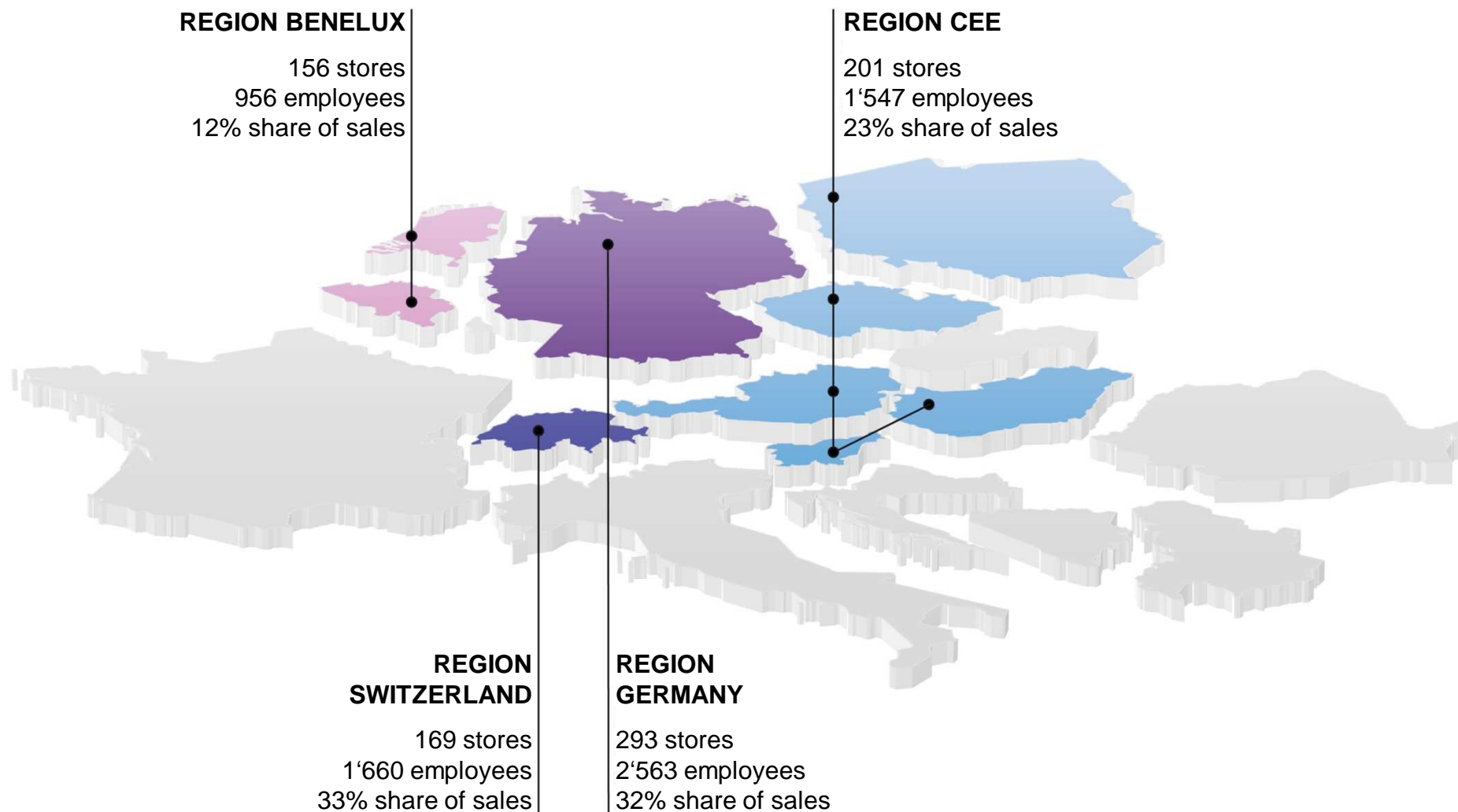
- Relocation of logistics in Eurozone to two Regional Distribution Centres (RDC North and South)
 - Internal reorganization to match verticalization and centralization of processes
 - Central purchasing set up for non-saleable goods
 - Sales organization in four regions established
-
- ⇒ Planned capacity not yet fully achieved
 - ⇒ Reorganization of purchasing not yet complete



RELOCATION OF LOGISTICS IN EUROZONE TO RDCs NORTH AND SOUTH



SALES ORGANIZATION IN FOUR REGIONS ESTABLISHED



OUTLOOK

Charles
Vögele
S w i t z e r l a n d



OUTLOOK FOR 2ND HALF OF 2011

MEASURES IMPLEMENTED

- Women's collection will be revised
- Advertising with more aggressive prices
- Cost reduction measures
- Pace of renovation will be increased
- Reducing processing times in logistics





NEXT STEPS IN 3-PILLAR STRATEGY

CONTINUING THE MODERNIZATION STRATEGY

- Strengthening the depth of the range
- Raising the regional sales approach in advertising
- More store openings than closures in the medium term
- Rolling out new CRM concept to all markets
- New visual merchandising look for all stores by end of 2012
- Online shop to offer entire collection in Switzerland, Germany, Austria and Benelux from autumn 2011



HALF-YEAR RESULTS 2011





INCOME STATEMENT

DECLINE IN SALES, LOWER GROSS PROFIT MARGIN AND GOODWILL IMPAIRMENT WEIGHT DOWN RESULTS

(CHF m)	1 HY 2011	1 HY 2010	△	△ in %	
Gross sales	626	690	(64)	(9%)	◀◀
Net sales	526	584	(58)	(10%)	
Gross profit	334	381	(47)	(12%)	
as % of net sales	63.5%	65.3%			
Total operating expenses	(330)	(346)	+16	+5%	
as % of net sales	62.7%	59.2%			
EBITDA	4	35	(31)	(89%)	
as % of net sales	0.8%	6.0%			
EBIT	(60)	4	(64)		
as % of net sales	-11.4%	0.7%			
Net profit/(loss)	(62)	(7)	(55)		



EUR/CHF EXCHANGE RATE

EUR/CHF APPROXIMATELY 12% LOWER THAN LAST YEAR

EUR/CHF 2010/2011

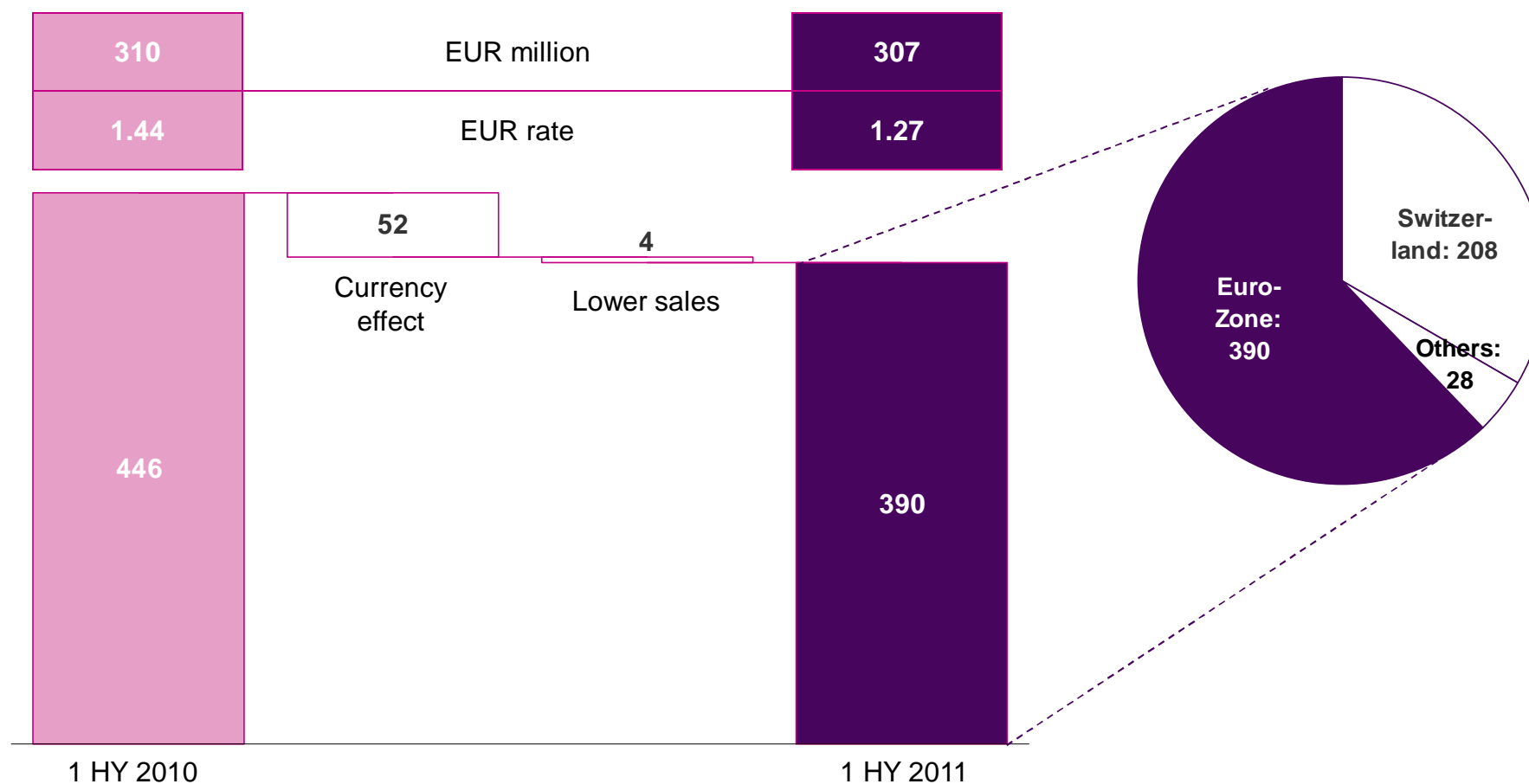
Daily average rate of exchange



Source: Oanda.com

CURRENCY EFFECT ON GROSS SALES (in CHF m)

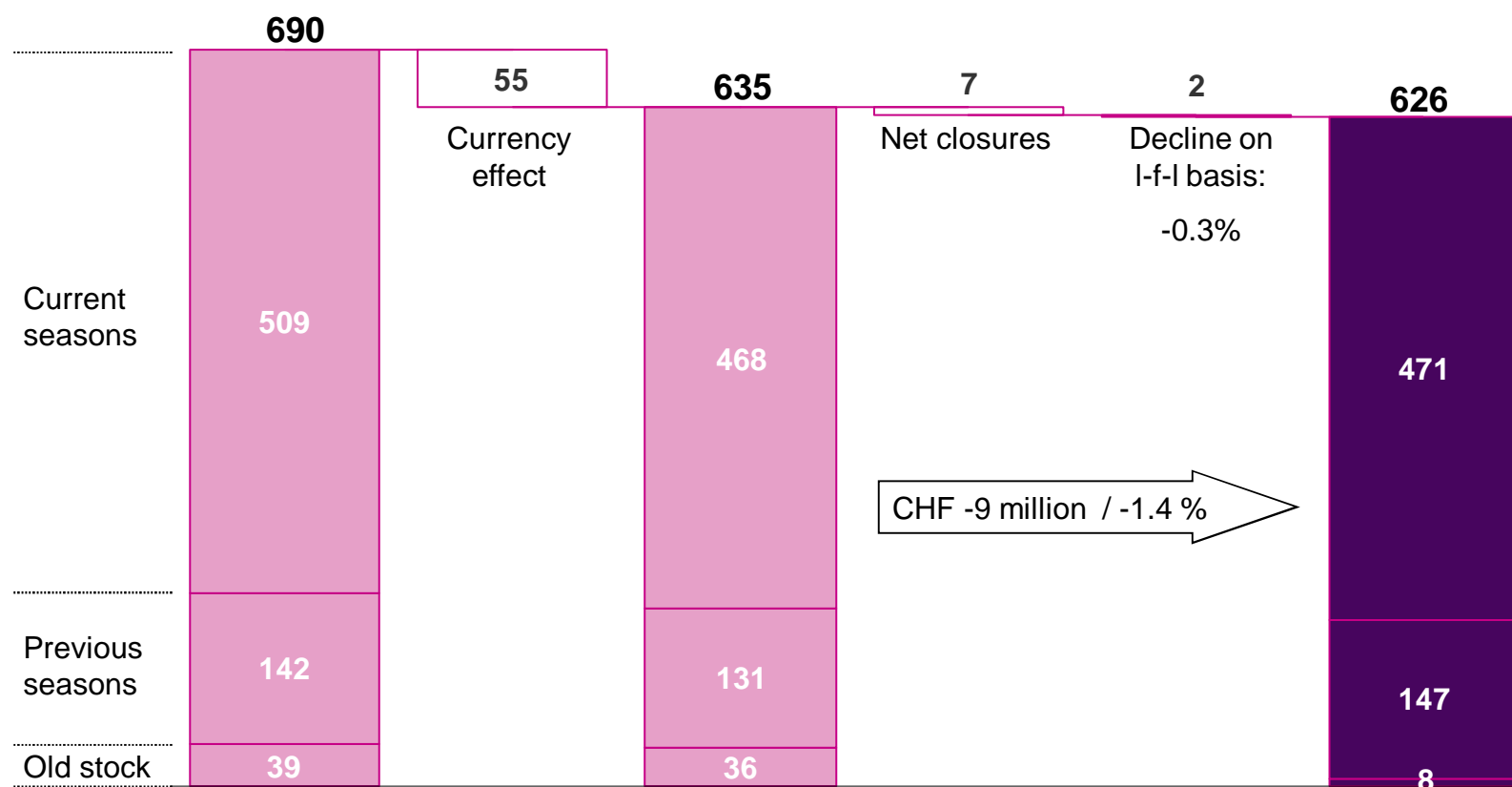
OVER 60% OF CONSOLIDATED SALES AFFECTED BY DEVALUATION OF EURO





CONSOLIDATED GROSS SALES (in CHF m)

SAME LEVEL AS LAST YEAR AFTER ADJUSTING FOR EXCHANGE RATES AND FLOORSPACE



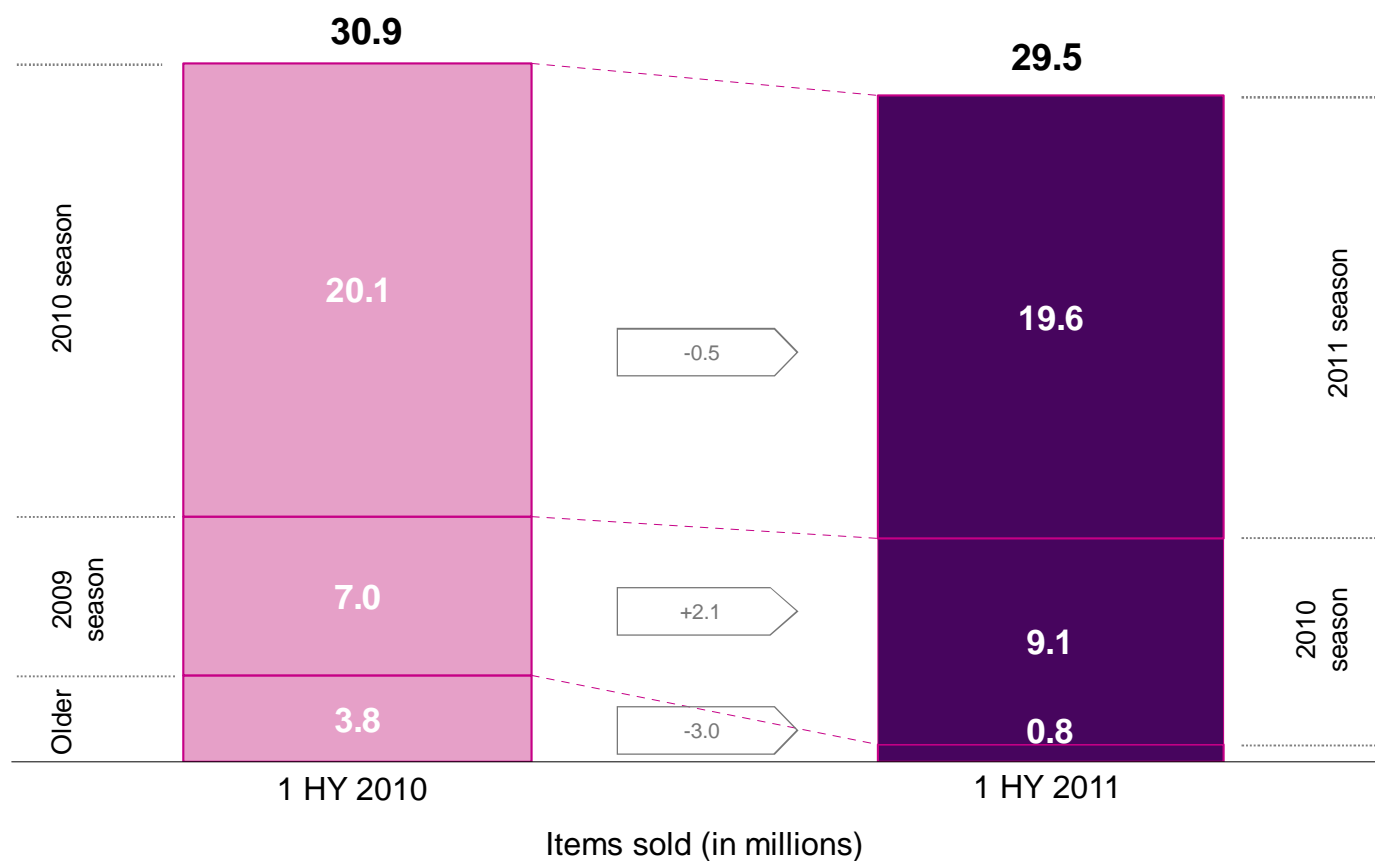


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CHANGE IN TYPE OF ITEMS SOLD

SHIFT FROM OLD TO NEW ITEMS NOT YET FULLY COMPENSATED



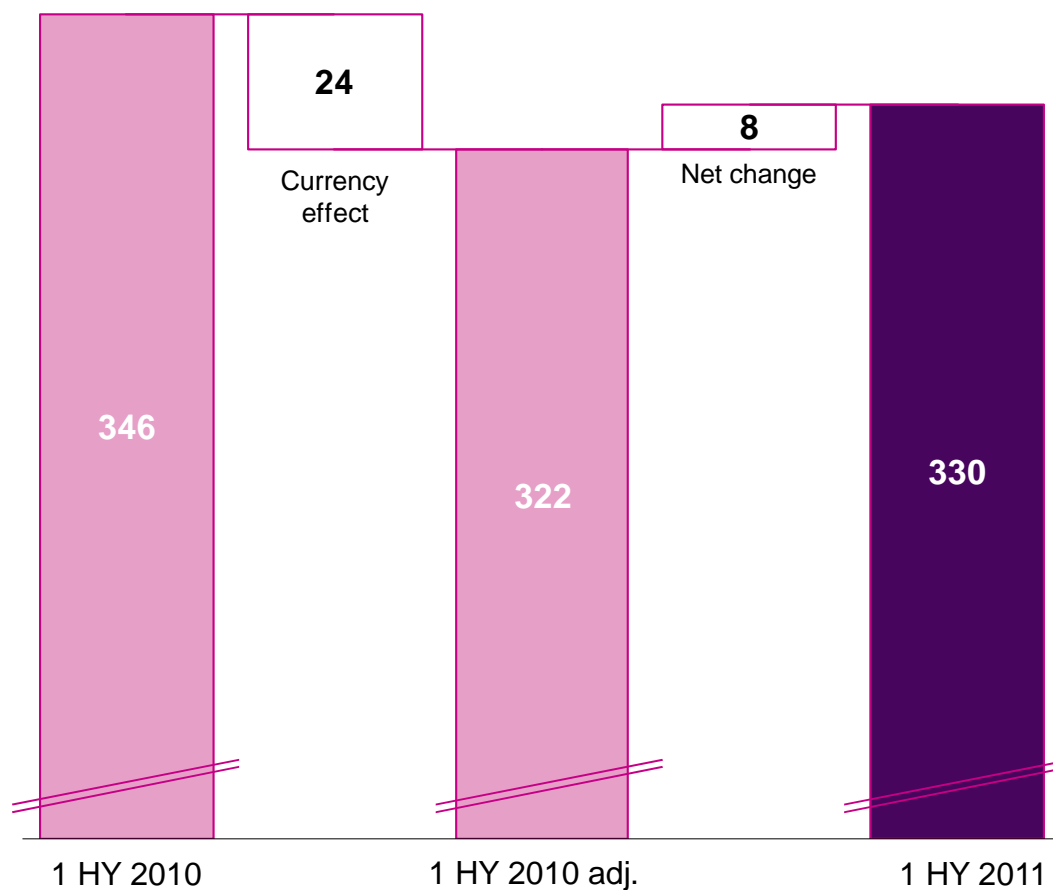


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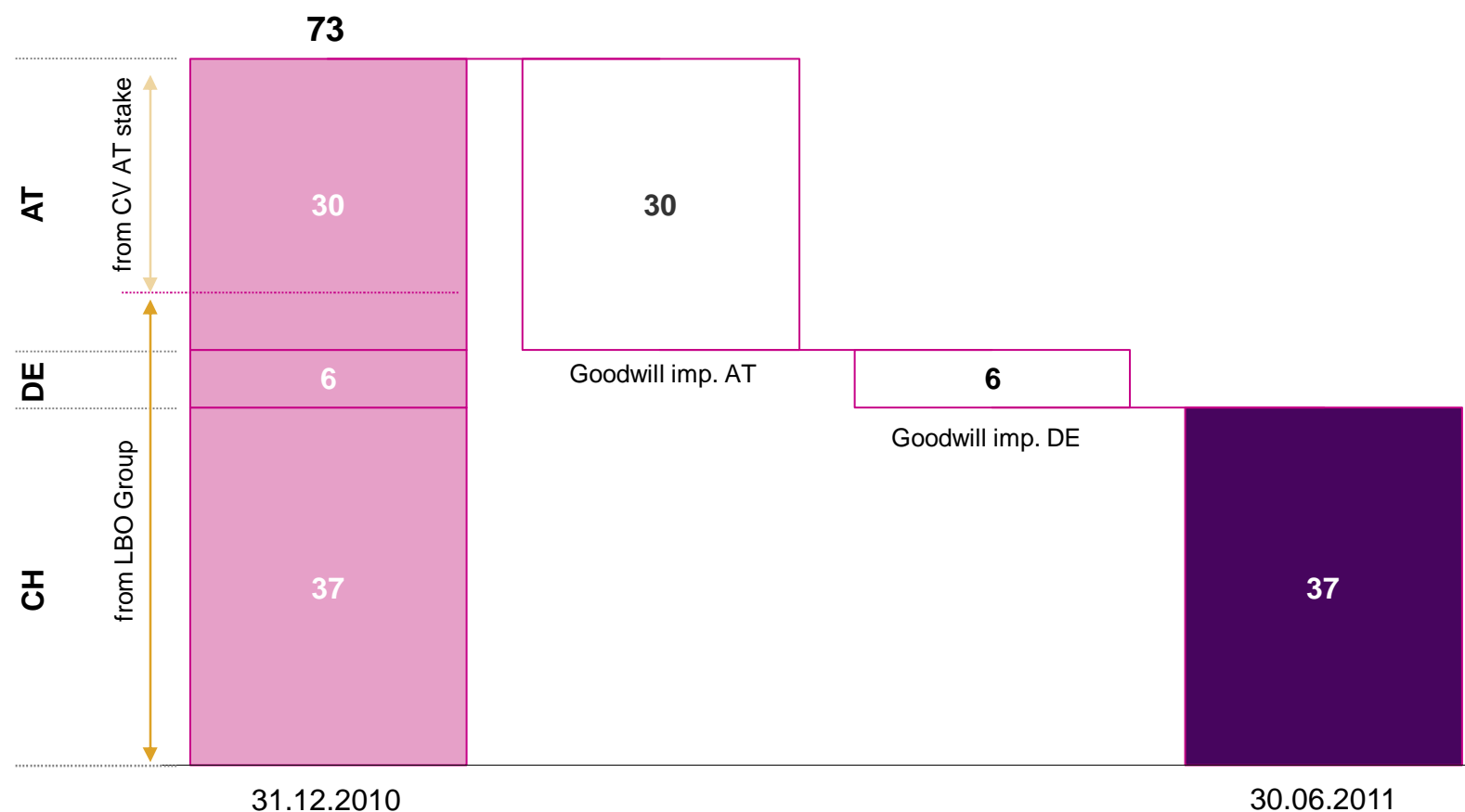
DEVELOPMENT OF OPERATING COSTS (in CHF m)

CURRENCY ADJUSTED OPERATING COSTS HELD AT LOW LEVEL



GOODWILL IMPAIRMENT DE & AT (in CHF m)

RESULTS AND EURO DEPRECIATION LEAD TO GOODWILL IMPAIRMENT



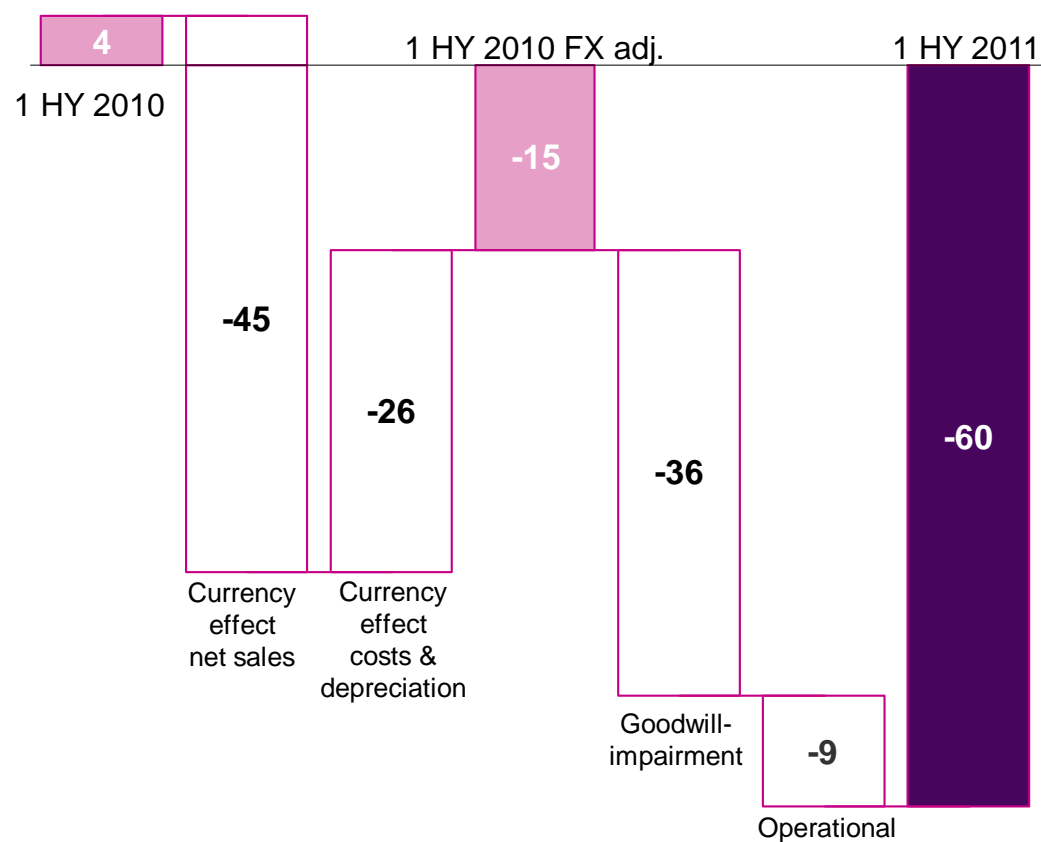


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COMPARING EBIT TO YEAR-BACK FIGURE

EURO AND ONE-TIME EFFECTS HAVE A SIGNIFICANT INFLUENCE ON EBIT





OVERVIEW OF EBIT TO NET PROFIT

REDUCED FINANCIAL AND TAX EXPENSES

(CHF m)	1 HY 2011	1 HY 2010	△	Remarks
EBIT	(60)	4	(64)	
as % of net sales	-11.4%	0.7%		
Financial expenses	(2)	(2)	+0	- Debt burden on low level
Exchange losses	0	(4)	+4	- Devaluation of foreign currency positions in PY
Tax expenses	0	(5)	+5	- Tax credits from previous years and the deferred tax of a Group company for the first half-year neutralized the income tax expenses of Group companies with taxable profit.
Net profit/(loss)	(62)	(7)	(55)	
as % of net sales	-11.8%	-1.2%		



CONSOLIDATED GROSS SALES BY REGION (in CHF m)

GERMANY EXCEEDS AND CEE MATCHES PRIOR-YEAR LEVEL – SWITZERLAND AND BENELUX DECLINING





REGIONAL PERFORMANCES

DECREASE IN EBIT MORE THAN HALF FROM SWITZERLAND

Region Switzerland (in CHF m)	1 HY	
	2011	2010
Net sales	187	192
EBIT	8	23
Store portfolio at 1 January	168	169
<i>Openings</i>	4	0
<i>Closings</i>	(3)	(1)
Store portfolio at 30 June	169	168

Region Benelux (in CHF m)	1 HY	
	2011	2010
Net sales	61	77
EBIT	(11)	(7)
Store portfolio at 1 January	161	166
<i>Openings</i>	0	1
<i>Closings</i>	(5)	(7)
Store portfolio at 30 June	156	160

Region Germany (in CHF m)	1 HY	
	2011	2010
Net sales	163	183
EBIT*	(12)	(8)
Store portfolio at 1 January	294	314
<i>Openings</i>	4	5
<i>Closings</i>	(5)	(8)
Store portfolio at 30 June	293	311

Region CEE (in CHF m)	1 HY	
	2011	2010
Net sales	115	132
EBIT*	(9)	(4)
Store portfolio at 1 January	203	208
<i>Openings</i>	2	6
<i>Closings</i>	(4)	(5)
Store portfolio at 30 June	201	209

*without Goodwill-impairment



INVESTMENT

INVESTMENT VOLUME SLIGHTLY BELOW PREVIOUS YEAR

(CHF m)	1 HY 2011	1 HY 2010	△	Remarks
Store openings	4	7	(3)	- Selective new opening
Refurbishments/renovation	9	14	(5)	- Implementation of new store design concept
Other	3	2	+1	- VM-Concept, Air-con, etc.
Total regions	16	23	(7)	
Group infrastructure	7	4	+3	- New cash registers, IT-systems (hard- & software)
Total Group	23	27	(4)	
Divestment	0	(9)	+9	- In the previous year: Sale of a property no longer needed for operations
Total Group, net	23	18	+5	

FREE CASH FLOW

NEGATIVE FREE CASH FLOW COVERED BY CASH HOLDINGS

(CHF m)	1 HY 2011	1 HY 2010	△
Cash flow from operating activities	(37)	16	(53)
Net cash flow from investing activities	(23)	(18)	(5)
Free cash flow	(60)	(2)	(58)
Net cash flow from financing activities	(6)	(24)	+18
Net change in cash pos.	(66)	(26)	(40)
Cash pos. at end-year	63	98	(35)



KEY BALANCE SHEET FIGURES

SOLID LIQUIDITY AND EQUITY POSITION

(CHF m)	30.06.2011	31.12.2010	△
Cash and cash equivalents	63	130	(67)
Inventories	171	150	+21
Tangible assets	344	353	(9)
Net cash/(net debt)	(38)	26	(64)
Total assets	657	756	(99)
Shareholders' equity	400	473	(73)
Equity ratio	61%	62%	(1%)



REPORTING IN 2012

- MEDIA AND ANALYST CONFERENCE ON 2011 FULL-YEAR RESULTS 6 MARCH 2012
- SHAREHOLDERS' MEETING ON 2011 FINANCIAL YEAR 4 APRIL 2012
- MEDIA AND ANALYSTS CONFERENCE ON 1ST HALF 2012 21 AUGUST 2012

DISCLAIMER



All statements made in this presentation 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.

THANK YOU VERY MUCH

Charles
Vögele
S w i t z e r l a n d

