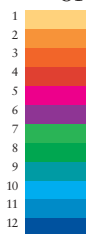


Mode
Vögele

First

Half-Year 2003

Colors are part
of our business



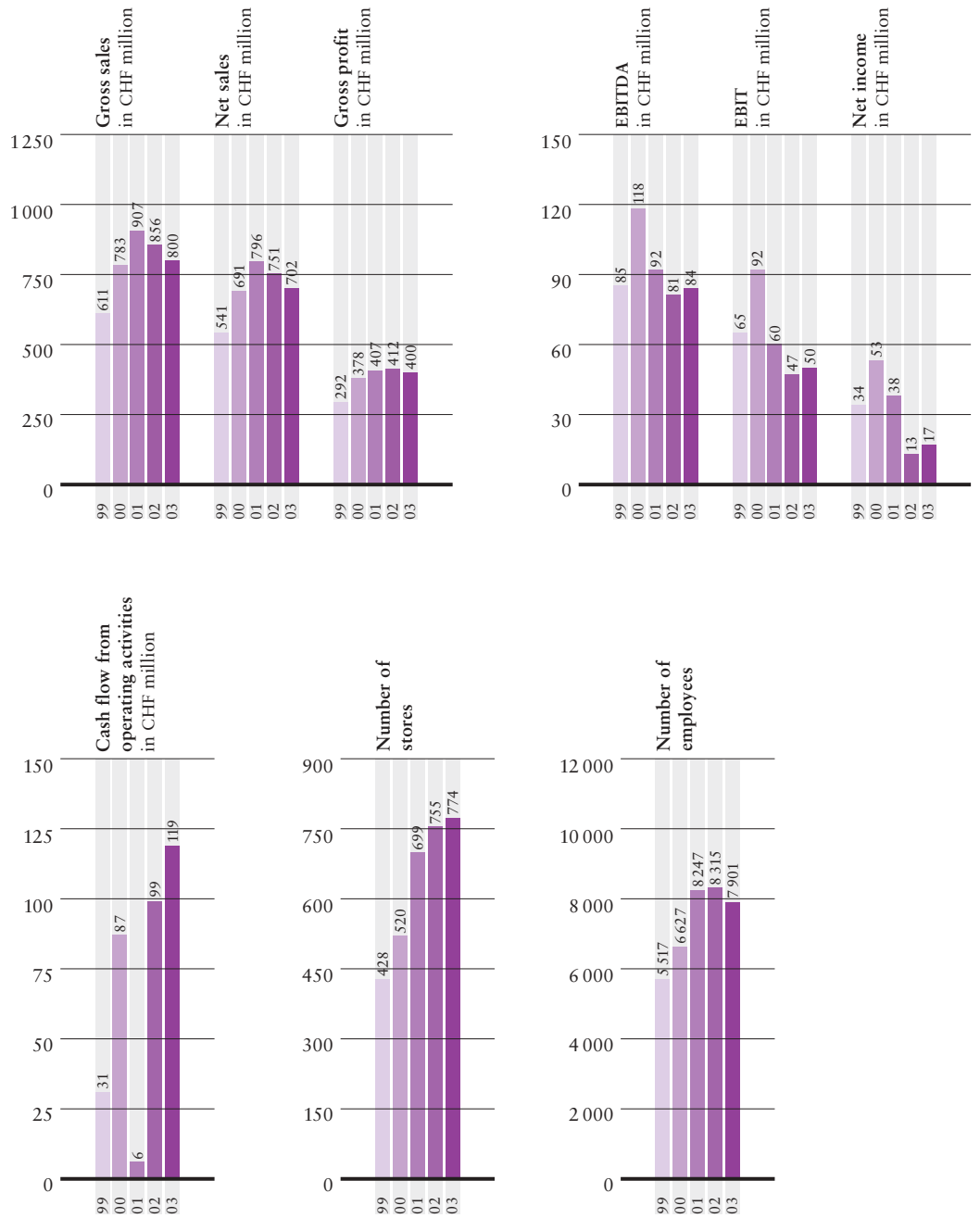
Charles Vögele Group

Half-Year Report 2003

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Group Figures Half-Years 1999–2003



Key Operating Figures

in CHF million	1 st Half-Year 2003	1 st Half-Year 2002	Change in %
Gross sales	800	856	-7
Net sales	702	751	-7
Gross profit	400	412	-3
Gross profit in % of net sales	57.1%	54.8%	
EBITDA ¹⁾	84	81	+4
EBITDA in % of net sales	12.0%	10.7%	
EBIT ²⁾	50	47	+6
EBIT in % of net sales	7.1%	6.3%	
Net income	17	13	+31
Net income in % of net sales	2.5%	1.7%	
Cash flow from operating activities	119	99	+20
Net cash used in investing activities	(6)	(17)	-65
Free cash flow	113	82	+38
Number of stores as of June 30 th	774	755	+3
Sales area as of June 30 th in m ²	579 473	564 041	+3
Net sales per m ² sales area, in CHF ³⁾	1 211	1 343	-10
Number of employees as of June 30 th 4)	7 901	8 315	-5
Average number of full-time employees on a half-year basis ⁴⁾	5 306	5 704	-7
Net sales per average number of full-time employees, in CHF ⁴⁾	132 214	131 696	0
in CHF million	30.6.2003	31.12.2002	Change in %
Net debt	334	432	-23
Shareholders' equity	428	380	+13
Balance sheet total	1 159	1 182	-2

¹⁾ Earnings before depreciation, amortization, interest and taxes

²⁾ Earnings before interest and taxes

³⁾ Calculated on the basis of average m² sales area per month

⁴⁾ Without apprentices

Dear Shareholder,

In the first six months of the current year, further progress was made with implementation of the strategic goals defined one year ago. The Board of Directors, Group Management, and employees have dedicated themselves very intensively, and with encouraging preliminary results, to the permanent strengthening of the Charles Vögele Group.

However, the successes already achieved must not be allowed to conceal the fact that the extensive measures will only start to have their full positive impact on our company from the end of 2004. Furthermore, the processes which have been initiated are taking place in a market environment which will continue to be extremely demanding and challenging for a long time to come. The uncertain economic and political prospects are still causing consumers to exercise great restraint.

We are nevertheless confident that we shall achieve the ambitious goals, even under difficult conditions. It can be seen from the semi-annual result that we are on the right track. We are pleased that the new Group Management under the dedicated leadership of Daniel Reinhard has quickly been able to re-establish in our Group a success-oriented corporate culture, with motivated and customer-oriented employees.

The vision of our Group is to take a leading position in our target markets. This means that in all countries where the Charles Vögele Group offers its products and services, it wants to have a geographically seamless presence with above-average returns. By this means, we want to be an attractive partner for our customers, employees, and shareholders.

In the current year, we want to further improve the profitability of the Charles Vögele Group, to further reduce debt, and to strengthen the equity base. We are therefore grateful that the shareholders who attended the Annual General Meeting approved our proposal to pay no dividend, and to use the net income entirely to strengthen the equity.

As of the date of the Annual General Meeting, William Slee resigned from the Board of Directors at his own request. I would like to take this opportunity of thanking him cordially for his many years of dedicated effort in our supervisory body.

On behalf of the Board of Directors, I thank all who directly or indirectly support us in the challenging implementation of our strategy. Thanks go especially to our employees, who devote themselves conscientiously to our company every day.



Carlo Vögele
Chairman of the Board

A solid basis has been laid

The goals for the first half of 2003 were ambitious – and they were achieved. The strategy approved by the Board of Directors is being implemented according to plan, and the initiated projects are starting to show results. Particularly in the area of Supply Chain Management the analysis phase has been completed, and the measures, as well as the timeframe for their implementation, have been defined. The project will be completed by the end of 2004, so savings will show through in net income as from 2005. Overall, these measures will provide the Charles Vögele Group with a greatly improved operational platform for exploiting the market, as well as in terms of competitiveness.

Inventory reduction on plan

In recent months, the aim was to implement those projects with the greatest immediate impact on the company's permanent recovery. One of these top-priority projects was the reduction of inventories. In the first half of 2003, capital tied up in inventories was reduced by CHF 62.5 million from CHF 347.4 million to CHF 284.9 million. The already achieved reduction of inventories by approximately 10 million items relative to the first half of 2002 resulted in lower handling costs. The target set for 2003 of reducing the value of inventories by CHF 75 million is therefore now within reach.

Positive development of cash flow

The cash flow from operating activities increased by CHF 20.1 million to CHF 119.1 million (comparable period of the previous year: CHF 99.0 million). Particularly positive effects on the cash flow were derived from the rapid reduction of inventories and the increase in operating income.

Sharply lower net debt

With the reduction of net debt by CHF 98.1 million to CHF 333.7 million, the target set for the end of 2003 was already achieved by mid-year. Repayment to the bank consortium of the credit tranche of CHF 51.3 million due in August already took place at the start of July. This means that the repayments of CHF 102.5 million planned for 2003 were already completed before they became due. There will be a further slight reduction in net debt at the end of 2003.

Improved net income

A further top priority of Group Management in the first half of 2003 was to improve profitability. At CHF 400.2 million, gross profit declined slightly from the previous year (CHF 411.9 million), whereas relative to the comparable period last year the gross profit margin rose from 54.8% to 57.1%.

Operating income before depreciation, amortization, interest and taxes (EBITDA) increased from CHF 80.7 million to CHF 84.2 million. Relative to the corresponding period in the previous year, this is an improvement of 4.3%. Operating income before interest and taxes (EBIT) also improved by 5.3% from CHF 47.1 million in the previous year to CHF 49.6 million. These results show that the measures implemented to increase efficiency, and the cost reductions they make possible, are having lasting effects. However, above all, the Charles Vögele Group is proud that it has been able to implement this process so far without significant store closures or major reductions in personnel.

Net income, at CHF 17.3 million, surpassed the comparable value from the previous year (CHF 13.1 million) by some 32.1%. This is the result of the systematic work which is performed daily with commitment by the employees in the various markets and at headquarters.

Net sales down as expected

In the first half-year 2003, the continually poor consumer sentiment became worse. This intensified competitive pressure in the various markets. Since reducing inventories is still a top-priority goal for our company the addition of new products to the spring and summer collections was limited, in the knowledge that this would result in lower sales. From the start of the year until the end of the Iraq conflict the reduction was strongly pronounced, but since the spring it has remained within reasonable limits. At CHF 701.5 million, net sales were 6.6% lower than in the previous year (CHF 751.2 million).

Consumer sentiment dominates national markets

The markets of the Charles Vögele Group were dominated by negative consumer sentiment of varying intensity.

In Switzerland, the propensity to consume stagnated at a low level. This was reflected in net sales, which dropped by 9.6% from the previous year's CHF 296.6 million to CHF 268.2 million. Thanks to strict cost management and a continuing focus on the return, the sales-related component of the fall in income was partly compensated. The operating income (EBITDA) of CHF 41.9 million was slightly below the previous year's record value of CHF 43.1 million. The opening of a new store at Collombey in the Canton of Valais underscores that for competitive companies there are opportunities for selective expansion even in stagnating or contracting markets.

The economic situation in Germany deteriorated further in the first half of the year. The unemployment rate continued to climb, while the propensity to consume fell. Not least affected is the textiles market. Closures, expansion stops, business run-downs and declarations of insolvency are daily occurrences in this industry. This situation was also felt by the Charles Vögele Group: net sales fell by 6.1% from CHF 258.2 million to CHF 242.5 million. Thanks to the continuing reduction in inventories, and the improved cost structure in various areas resulting from reorganization of the German sales organization, there was a further increase in operating revenue. EBITDA rose by CHF 6.9 million from CHF -3.0 million to CHF +3.9 million. Two new stores were opened in the first half of the year – at Berlin-Reinickendorf und Bremen-Vegesack – and one former store was closed.

Remarkably, Austria is demonstrating a certain resistance to the Europe-wide economic weakness. However, by degrees the cost-cutting measures of the government are also affecting Austrians' inclination to purchase, causing sales in the clothing business to fall. In this demanding environment, the Charles Vögele Group was successful in achieving a 1.1% growth in net sales to CHF 116.5 million (previous year CHF 115.2 million), and thereby perceptibly increasing its market share. At the same time, EBITDA went up from CHF 10.4 million to CHF 10.6 million. While a new store was opened in Vienna, two previous stores were closed.

In The Netherlands, the economy deteriorated sharply in the first half of 2003 after the market there had so far stayed better than in Germany. No end to the decline is in sight. In combination with the cost-cutting measures of the government, this caused a sharpening of the competitive situation, from which the classic discounters benefit. The economic situation in Belgium develops in step with The Netherlands. In view of these situations, and through the sale of three stores as part of further optimization of the store network, net sales of the Charles Vögele Group dropped by 8.4% to CHF 74.3 million after CHF 81.1 million in the previous year. At the same time, however, the cost management measures which were introduced, along with the successful reduction of inventories, had a positive effect on operating income (EBITDA), which improved again slightly from CHF –12.9 million to CHF –11.0 million. One new store was opened in The Netherlands in the first half-year.

Little improvement in consumer sentiment in sight

Since no noticeable economic improvement in the markets served by the Charles Vögele Group is in sight for the second half of 2003, there is also unlikely to be any significant improvement in consumer sentiment. The targets for the development of sales and income communicated at the start of the year still remain valid nevertheless. They foresee a more or less unchanged operating income (EBITDA) as compared to the previous year and a further decline in sales.



Daniel Reinhard
Chief Executive Officer

Coordinated processes from product idea to point of sale

Special topics

By providing additional background information on present projects and on the implementation of key measures in the Half-Year Report, we want to foster the understanding of the development of the Charles Vögele Group and to improve transparency.

The introduction of a professional Supply Chain Management (SCM) will further improve the competitiveness of the Charles Vögele Group. In a first phase, an analysis was made of all processes in the planning phase of the collection, from the first product idea through to presentation of the clothes in the stores. Following that, planned measures were formulated with the objective of synchronizing all relevant process phases with each other to enable the roughly 65 million items of clothing which are purchased each year to be offered in the 774 Vögele stores inexpensively, at the right time, and in line with demand. To implement this concept, the Supply Chain Management (SCM) area of responsibility was established on February 1st, 2003.

With the SCM concept, the Charles Vögele Group is implementing a cornerstone of its newly formulated strategy. The clear positioning in the respective markets is linked to the customer-oriented alignment of the assortment, which for certain parts of the collection also implies greater currency of fashion. Standardization of the market identity through trans-national basis assortments, which are complemented with additional country-specific assortments, as well as coordination of global procurement, are important principles of the Vögele strategy.

This combines offerings aligned to local needs with utilization of the synergy and scale effects of strong centralization. With the new planning and simulation instrument of the SCM concept, the complex interrelationships can be precisely controlled and transparently structured.

A core team of managers from the key functional areas under the leadership of SCM-responsible Dr. A. Stockert has drawn up a rolling implementation plan, which can be periodically reviewed and modified.

Measures which have been defined include:

- Centralization of the European warehousing hub at Lehrte/Germany. As well as allowing space savings, this will ensure continuous product supplies and seamless quality control.
- Complete restructuring of logistics in the Benelux countries. This will result in measurable space and cost savings.
- Creation of a framework assortment plan, with planning of goods receipts down to the store level. This instrument not only allows a product flow aligned to requirements, but also gives an early indication of whether the goals regarding assortment positioning and structure are being met, which will reduce write-offs and obsolete stock levels. This measure will therefore already be implemented before the start of orders for the spring/summer season 2004.

The Charles Vögele Group expects introduction of the SCM concept to not only increase efficiency but also to generate additional substantial cost savings.

Consolidated Income Statement

from January 1st to June 30th

in CHF 1 000	1 st Half-Year 2003	1 st Half-Year 2002
Gross sales	800 167	855 931
Reductions in sales (value-added tax and others)	(98 638)	(104 738)
Net sales	701 529	751 193
Cost of sales	(301 282)	(339 282)
Gross profit	400 247	411 911
In % of net sales	57.1%	54.8%
Personnel expenses	(147 446)	(153 739)
Rental expenses	(93 269)	(90 210)
Advertising and promotion expenses	(45 080)	(56 247)
Operating and administration expenses	(44 837)	(46 937)
Operating real estate income, net	817	864
Operating financial income	13 522	15 066
Other operating income	201	0
Total operating expenses	(316 092)	(331 203)
EBITDA¹⁾	84 155	80 708
In % of net sales	12.0%	10.7%
Depreciation	(27 039)	(26 158)
Amortization of goodwill	(7 492)	(7 419)
EBIT²⁾	49 624	47 131
In % of net sales	7.1%	6.3%
Other financial income	724	483
Other financial expenses	(15 060)	(13 812)
Effect of exchange rates	6 516	(6 389)
Non-operating real estate income, net	(43)	(44)
Earnings before taxes	41 761	27 369
In % of net sales	6.0%	3.6%
Taxes	(24 468)	(14 249)
Net income	17 293	13 120
In % of net sales	2.5%	1.7%
Earnings per share (undiluted)³⁾	1.97	1.49
(diluted) ⁴⁾	1.91	1.45

¹⁾ Earnings before depreciation, amortization, interest and taxes

²⁾ Earnings before interest and taxes

³⁾ Based on an average number of 8 781 033 shares in 1st half-year 2003 and 8 784 914 shares in 1st half-year 2002

⁴⁾ Based on an average number of 9 045 033 shares in 1st half-year 2003 and 9 048 914 shares in 1st half-year 2002

Consolidated Balance Sheet

as of June 30th

in CHF 1 000	30.6.2003	31.12.2002
Assets		
Current assets		
Cash and cash equivalents	198 295	147 909
Other receivables and advance payments	37 993	32 707
Inventories	284 935	347 411
Total current assets	521 223	528 027
Long-term assets		
Tangible assets	436 809	443 202
Financial assets	1 669	1 573
Intangible assets	175 757	178 019
Deferred tax assets	23 532	31 351
Total long-term assets	637 767	654 145
Total assets	1 158 990	1 182 172
Liabilities and shareholders' equity		
Current liabilities	221 301	261 462
Long-term liabilities	509 450	540 488
Shareholders' equity	428 239	380 222
Total liabilities and shareholders' equity	1 158 990	1 182 172

Cash and cash equivalents

Cash and cash equivalents of CHF 198.3 million as of June 30th, 2003, were used for a repayment of short-term bank liabilities of CHF 51.3 million in early July 2003.

Inventories

in CHF 1 000	30.6.2003	31.12.2002
Current inventory, gross	386 908	410 451
Inventory valuation adjustment	(110 069)	(96 462)
Current inventory, net	276 839	313 989
Upcoming season	7 823	33 155
Heating oil	273	267
Total	284 935	347 411

During the first half-year 2003 the book value of inventory decreased by CHF 62.5 million. For intended special discounts in the second half-year 2003 additional, not system-driven value adjustments of CHF 9.8 million were made. On an annual basis, inventories could be reduced by CHF 121.8 million to CHF 284.9 million.

Deferred tax assets

The reduction in deferred tax assets is basically attributable to the valuation adjustment on the capitalized tax loss carry-forwards in the Belgian and Dutch sales organization, as their usefulness in the foreseeable future has been reassessed.

Long-term liabilities

During the first half-year 2003 the long-term liabilities decreased by CHF 71.2 million, primarily as a result of the scheduled repayment of bank loans of CHF 51.3 million. Loans outstanding as of June 30th, 2003, amounting to CHF 401.3 million include CHF 88.8 million current liabilities and CHF 312.5 million long-term liabilities. Interest is based on EURIBOR or LIBOR plus a margin. Due to the operating improvements the margin was reduced from 350 to 225 basis points since the beginning of April 2003 and from September 2003 there will be a further reduction of 50 basis points.

Consolidated Cash Flow Statement

from January 1st to June 30th

in CHF 1 000	1 st Half-Year 2003	1 st Half-Year 2002
Earnings before interest and taxes (EBIT)	49 624	47 131
Adjustments: Depreciation and amortization	34 531	33 577
Profit on disposal of assets	(201)	(13)
Long-term provisions	297	(37)
Other non-cash (income)/expenses	0	39
Operating profit before changes in working capital	84 251	80 697
Change in short-term receivables, advance payments and prepaid expenses	(2 382)	518
Change in inventories	79 194	39 693
Change in current liabilities	(4 902)	4 213
Operating profit after changes in working capital	156 161	125 121
Financial income received	724	483
Financial expenses paid	(11 919)	(10 974)
Taxes paid	(25 859)	(15 651)
Non-operating income received/(paid)	38	37
Cash flow from operating activities	119 145	99 016
Net cash used in investing activities	(5 976)	(17 385)
Net cash used in financing activities	(53 914)	(4 441)
Net increase/(decrease) in cash and cash equivalents	59 255	77 190
Net cash and cash equivalents at the beginning of the period	147 909	67 965
Effect of exchange rate changes	(8 869)	(4 942)
Net increase/(decrease) in cash and cash equivalents	59 255	77 190
Net cash and cash equivalents at the end of the period	198 295	140 213

Cash flow from operating activities

The increase in cash flow from operating activities by CHF 20.1 million to CHF 119.1 million is mainly due to the further reduction of inventories.

Net cash used in investing activities

Net cash used in investing activities basically reflects the investments in tangible assets (shop fittings and equipment for communication).

Net cash used in financing activities

In the first half-year of 2003, net cash used in financing activities reflects the repayment of bank loans amounting to CHF 51.3 million.

Consolidated Statement of Changes in Group Equity

in CHF 1 000	Share capital	Treasury shares	Share premium reserve	Retained earnings	Valuation financial instruments	Total
Balance 1.1.2002	88 000	(533)	173 789	127 369	(4 030)	384 595
Net income of the period	0	0	0	13 120	0	13 120
Effect of exchange rates	0	0	0	(2 235)	0	(2 235)
Reserve for valuation of financial instruments	0	0	0	0	(18 935)	(18 935)
Balance 30.6.2002	88 000	(533)	173 789	138 254	(22 965)	376 545
Balance 1.1.2003	88 000	(565)	173 789	137 313	(18 315)	380 222
Net income of the period	0	0	0	17 293	0	17 293
Effect of exchange rates	0	0	0	20 138	0	20 138
Recognized through income statement	0	0	0	0	465	465
Recognized through purchase of goods	0	0	0	0	15 036	15 036
Reserve for valuation of financial instruments	0	0	0	0	(4 905)	(4 905)
Acquisition of treasury shares for management participation	0	(10)	0	0	0	(10)
Balance 30.6.2003	88 000	(575)	173 789	174 744	(7 719)	428 239

Share capital

The share capital of Charles Vögele Holding AG consists of 8 800 000 fully paid-in shares at a par value of CHF 10 each.

Treasury shares

As of June 30th, 2003, the Company held 19 285 shares in treasury (June 30th, 2002: 15 086 shares) reserved for additional management participation programs of the Charles Vögele Group.

Dividend

At the Annual General Meeting held on April 29th, 2003, it was decided not to distribute a dividend for the financial year 2002.

Value fluctuation on financial instruments

Valuation of financial instruments as of June 30th, 2003, comprises the change in fair value of the open cash flow hedges amounting to CHF 8.9 million (CHF 26.6 million as of June 30th, 2002) less deferred taxes of CHF 1.2 million (CHF 3.6 million as of June 30th, 2002).

Accounting Principles

General

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Group's accounting principles are unchanged from those set out in the Charles Vögele Group 2002 financial statements, pages 8–13. The consolidated financial statements for the 6-month period ended June 30th, 2003, are prepared in accordance with IAS 34 concerning interim financial reporting.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Charles Vögele Holding AG and its Swiss and international subsidiaries.

Consolidation is performed using the purchase method.

Assets and liabilities as well as income and expenses of the companies in which Charles Vögele Holding AG has a direct or indirect interest exceeding 50% of the voting rights of a company's share capital or another form of controlling interest, are fully included in the consolidated financial statements. The interest of the minority shareholders in the net assets and the net income is disclosed separately in the consolidated balance sheet and income statement.

Associated companies, minority shareholdings between 20% and 50% of the voting rights, or investments with significant influence by the management of the Charles Vögele Group, are accounted for using the equity method. The share of net assets allotted to the Charles Vögele Group is recorded in the balance sheet under investments. The share of net income of such investments is reflected in the income statement.

Equity interests of less than 20% are recorded under investments and are valued at cost. Any impairment in value is recorded as financial expense.

Intercompany receivables and payables, expenses and profits between companies included in the consolidation are eliminated.

Scope of consolidation

Changes in 2002:

In the first half-year 2002 there were no changes in the scope of consolidation.

Changes in 2003:

In June 2003, Charles Vögele Holding AG was merged with Charles Vögele Beteiligungen AG, backdated to January 1st, 2003. As a result all assets and liabilities of Charles Vögele Beteiligungen AG were transferred to Charles Vögele Holding AG.

In May 2003, a new Group company, Charles Vögele Import GmbH, was founded in Lehrte, Germany.

The company is fully included in the consolidated financial statements, since Charles Vögele Holding AG holds 100% of its share capital. This company renders services for purchasing logistics in connection with the centralized warehousing facility in Lehrte.

Segment reporting

The Group operates in the segments "sales organizations", "central services" and "holding companies". The segment "sales organizations" includes the branches and related sales logistics. The centralized services of the Group relating to the fashion retail are summarized in the "central services" segment. The major centralized Group services are purchasing combined with purchasing logistics, information technology, communications, finance, controlling and accounting. The Group's finance companies are included under "holding companies".

The Charles Vögele Group is a centrally managed group with a decentralized organizational structure operating solely in the fashion retail. The centralization and replication of the concept are fundamental cornerstones of the Group's strategy. For the correct presentation of the added value resulting from the central services the sales organizations are charged with an imputed service mark-up corresponding to a fair market price of 15% on the purchase price of products sold.

Foreign currency conversion

All assets and liabilities in balance sheets prepared in foreign currencies are converted using exchange rates as of June 30th, 2003. Income and expenses in income statements prepared in foreign currencies are converted at average rates of exchange for the half-year. Differences arising from conversion are allocated directly to retained earnings in the balance sheet. Exchange gains and losses resulting from foreign currency transactions are included in the income statement.

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

2003	ISO code	Unit	Balance Sheet 30.6.2003	Income Statement 1 st Half-Year 2003
Euro	EUR	1	1.55	1.49
USA	USD	1	1.36	1.35

2002	ISO code	Unit	Balance Sheet 31.12.2002	Income Statement 1 st Half-Year 2002
Euro	EUR	1	1.45	1.47
USA	USD	1	1.39	1.64

Foreign currency transactions during the year are converted at the exchange rate prevailing at the date of the transaction.

Segment Information 1st Half-Year 2003

in CHF 1 000	Sales organizations	Central services	Holding company	Consolidation entries	Group
Gross sales	800 165	327 930	0	(327 928)	800 167
Net sales	701 526	327 930	0	(327 927)	701 529
EBITDA ¹⁾	45 432	30 300	(1 578)	10 001	84 155
EBITDA in % of net sales	6.5%	9.2%	–	–	12.0%
Depreciation	(23 876)	(3 138)	0	(25)	(27 039)
Amortization of goodwill	(4 751)	0	0	(2 741)	(7 492)
EBIT ²⁾	16 805	27 162	(1 578)	7 235	49 624
EBIT in % of net sales	2.4%	8.3%	–	–	7.1%
Number of employees as of 30. 6. 2003 ³⁾	7 659	242	0	0	7 901
Average number of full-time employees on a half-year basis ³⁾	5 093	213	0	0	5 306
Net sales per average number of full-time employees, in CHF ³⁾	137 743	0	0	0	132 214

in CHF 1 000	Switzerland	Germany	Austria	Belgium/ The Netherlands	Total sales organizations
Gross sales	289 404	281 785	140 219	88 757	800 165
Net sales	268 233	242 486	116 481	74 326	701 526
Share of Group net sales in %	38%	34%	17%	11%	100%
EBITDA ¹⁾	41 926	3 900	10 639	(11 033)	45 432
EBITDA in % of net sales	15.6%	1.6%	9.1%	–14.8%	6.5%
Depreciation	(9 935)	(8 163)	(2 847)	(2 931)	(23 876)
Amortization of goodwill	0	(2 545)	0	(2 206)	(4 751)
EBIT ²⁾	31 991	(6 808)	7 792	(16 170)	16 805
EBIT in % of net sales	11.9%	–2.8%	6.7%	–21.8%	2.4%

Sales stores (number):

Balance 1. 1. 2003	153	346	128	148	775
New openings	1	2	1	1	5
Closures	0	(1)	(2)	(3)	(6)
Balance 30. 6. 2003	154	347	127	146	774

Sales area (m²):

Balance 1. 1. 2003	123 848	259 896	91 600	105 979	581 323
New openings ⁴⁾	1 145	1 226	742	147	3 260
Closures	0	(510)	(1 275)	(3 325)	(5 110)
Balance 30. 6. 2003	124 993	260 612	91 067	102 801	579 473

Number of employees as of 30. 6. 2003 ³⁾	2 330	2 701	1 204	1 424	7 659
Average number of full-time employees on a half-year basis ³⁾	1 410	1 898	900	885	5 093
Net sales per average number of full-time employees, in CHF ³⁾	190 236	127 759	129 424	83 984	137 743

¹⁾ Earnings before depreciation and amortization, interest and taxes

²⁾ Earnings before interest and taxes

³⁾ Without apprentices

⁴⁾ Inclusive change in floor space, movements within the same location (shopping centers) and size adjustments

Segment Information 1st Half-Year 2002

in CHF 1 000	Sales organizations	Central services	Holding companies	Consolidation entries	Group
Gross sales	855 931	423 146	0	(423 146)	855 931
Net sales	751 193	423 146	0	(423 146)	751 193
EBITDA ¹⁾	37 557	41 601	(2 159)	3 709	80 708
EBITDA in % of net sales	5.0%	9.8%	–	–	10.7%
Depreciation	(23 076)	(3 082)	0	0	(26 158)
Amortization of goodwill	(4 678)	0	0	(2 741)	(7 419)
EBIT ²⁾	9 803	38 519	(2 159)	968	47 131
EBIT in % of net sales	1.3%	9.1%	–	–	6.3%
Number of employees as of 30. 6. 2002 ³⁾	8 091	224	0	0	8 315
Average number of full-time employees on a half-year basis ³⁾	5 506	198	0	0	5 704
Net sales per average number of full-time employees, in CHF ³⁾	136 432	0	0	0	131 696

in CHF 1 000	Switzerland	Germany	Austria	Belgium/ The Netherlands	Total sales organizations
Gross sales	320 073	300 241	138 658	96 959	855 931
Net sales	296 614	258 227	115 237	81 115	751 193
Share of Group net sales in %	40%	34%	15%	11%	100%
EBITDA ¹⁾	43 136	(3 047)	10 374	(12 906)	37 557
EBITDA in % of net sales	14.5%	–1.2%	9.0%	–15.9%	5.0%
Depreciation	(9 900)	(8 179)	(2 043)	(2 954)	(23 076)
Amortization of goodwill	0	(2 506)	0	(2 172)	(4 678)
EBIT ²⁾	33 236	(13 732)	8 331	(18 032)	9 803
EBIT in % of net sales	11.2%	–5.3%	7.2%	–22.2%	1.3%

Sales stores (number):

Balance 1.1. 2002	148	330	117	149	744
New openings	3	12	1	0	16
Closures	0	(3)	0	(2)	(5)
Balance 30. 6. 2002	151	339	118	147	755

Sales area (m²):

Balance 1.1. 2002	118 292	247 368	82 389	107 330	555 379
New openings ⁴⁾	2 709	8 612	800	0	12 121
Closures	(32)	(1 634)	0	(1 793)	(3 459)
Balance 30. 6. 2002	120 969	254 346	83 189	105 537	564 041

Number of employees as of 30. 6. 2002³⁾

Number of employees as of 30. 6. 2002 ³⁾	2 594	2 842	1 161	1 494	8 091
Average number of full-time employees on a half-year basis ³⁾	1 612	2 081	860	953	5 506
Net sales per average number of full-time employees, in CHF ³⁾	184 004	124 088	133 997	85 114	136 432

¹⁾ Earnings before depreciation and amortization, interest and taxes

²⁾ Earnings before interest and taxes

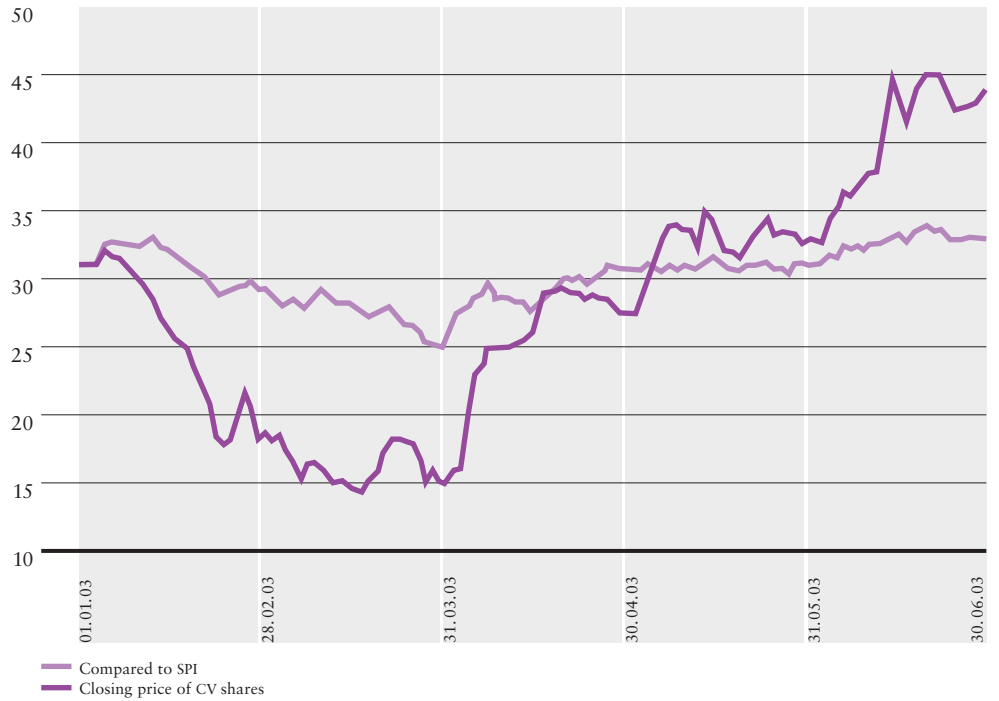
³⁾ Without apprentices

⁴⁾ Inclusive change in floor space, movements within the same location (shopping centers) and size adjustments

Information for Investors

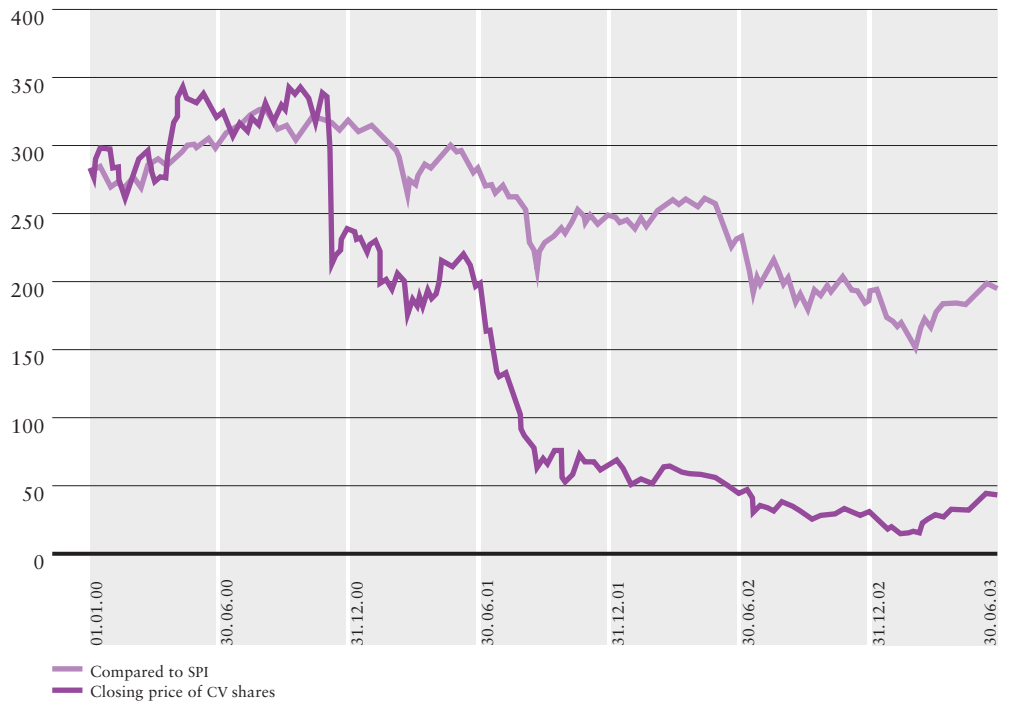
Price development of the Charles Vögele Holding AG shares at SWX Swiss Exchange in Zurich from January 1st, 2003, to June 30th, 2003

in CHF



Price development of the Charles Vögele Holding AG shares at SWX Swiss Exchange in Zurich from January 1st, 2000, to June 30th, 2003

in CHF



Indicative Figures

		30. 6. 2003	31. 12. 2002
Bearer shares, nominal value CHF 10	Number	8 800 000	8 800 000
Share price as per closing date	CHF	44	31
Share price: high low	CHF	52	73
	CHF	13	25
Average trading volume per day	Number	42 600	25 000
Free float	%	100	100
Earnings per share ¹⁾	CHF	2.29	1.81
P/E ratio ¹⁾	Factor	19	17
EV/EBITDA ¹⁾	Factor	4	4
Stock capitalization	CHF million	387	273
Book value per share	CHF	49	43
Dividend	CHF	N/A	0

¹⁾ Based on a 12-month rolling period

Review Report of the Group Auditors to the Board of Directors and Shareholders of Charles Vögele Holding AG, Pfäffikon SZ

According to your request, we have reviewed the consolidated semi-annual financial statements (balance sheet, income statement, statement of cash flows, statement of changes in equity and notes, pages 14 to 21) of Charles Vögele Holding AG for the half-year ended June 30th, 2003. The prior-year comparative figures as of June 30th, 2002, included in the semi-annual financial statements have been subject to agreed-upon procedures performed by other auditors.

These consolidated semi-annual financial statements are the responsibility of the Board of Directors. Our responsibility is to issue a report on these consolidated semi-annual financial statements based on our review.

Our review was conducted in accordance with auditing standards promulgated by the Swiss profession and with the International Standards on Auditing issued by the International Federation of Accountants, which require that a review be planned and performed to obtain moderate assurance about whether the consolidated semi-annual financial statements are free from material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the consolidated semi-annual financial statements do not give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and Swiss law.

PricewaterhouseCoopers AG



Matthias von Moos



Daniel Anliker

Zurich, August 29th, 2003

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Forthcoming events

- Analysts' and media conference on the 2003 year-end results: March 9th, 2004
- Annual General Meeting 2003: April 6th, 2004

