

**PUBLIC TENDER OFFER
FOR CHARLES VÖGELE HOLDING AG
BY SEMPIONE RETAIL AG**

19 September 2016

Max E. Katz, Chairman of the Board of Directors of Charles Vögele Holding AG
Stefano Beraldo, Sempione Retail AG & CEO OVS

Transaction overview

- All cash public tender offer by Sempione Retail AG ("Sempione Retail") for Charles Vögele Holding AG ("Charles Vögele")
- Sempione Retail owned by three investors (Retail Investment, OVS and Aspen)
- Current key shareholder, Aspen Trust Services, supports the deal and is co-investing
- Charles Vögele's Board of Directors recommends unanimously the acceptance

Offer price

- Offer price of CHF 6.38 per bearer share corresponds to volume-weighted average price of the last 60 trading days
 - 2.1% premium to the closing price of CHF 6.25 on 16 September 2016
 - 28% premium to analyst price target of CHF 5.00 (Vontobel)
 - Fair price according to Fairness Opinion from Ernst & Young AG

Offer conditions

- At least 70% "ownership" achieved by the end of the possibly extended offer period¹
- No material adverse effect on Charles Vögele business during the offer period
- Regulatory and merger control clearances and other customary closing conditions

Agreements

- Transaction Agreement between Charles Vögele and Sempione Retail
- Upon completion, Sempione Retail to sell most of Charles Vögele's German business
- Agreement signed to sell all pledged real estate in Switzerland upon completion and lease back parts of it
- Cooperation agreement between Charles Vögele and OVS upon completion
- Intention to delist Charles Vögele from the SIX Swiss Exchange

Offer period

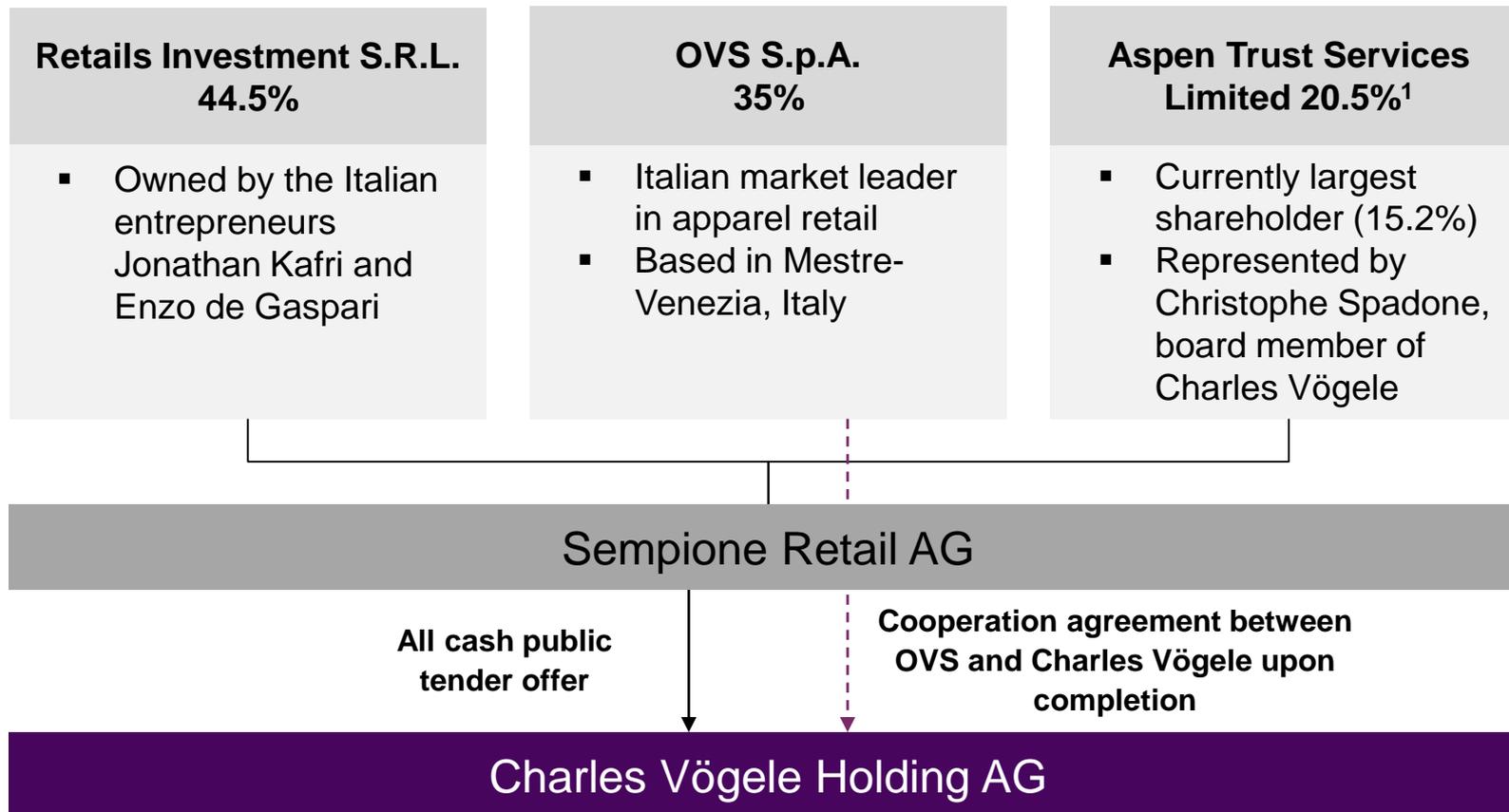
- Planned publication of offer documents on or around 12 October 2016
- Planned offer period from on or around 26 October to 23 November 2016

Notes:

¹ Incl. the current stake of Aspen Trust Services Limited as trustee of the Elarof Trust and treasury shares

OVERVIEW OF THE OFFEROR STRUCTURE

Sempione Retail AG



Note:

1 Aspen Trust Services Limited as trustee of the Elarof Trust

Substantially harsher market conditions:

- Competition, price pressure and the rising share of online shopping fundamentally change the European landscape in apparel retail
- Euroshock 2015 and economic consequences for Switzerland (e.g. retail tourism) further hit Charles Vögele's most profitable market
- Swiss Market down by -8% in the first half-year 2016

Offer in the best interest of Charles Vögele:

- Given declining sales and ongoing shakeout in the clothing market, the board continued to evaluate all strategic options
- Strategic cooperation with a strong Italian industry partner fuels the initiated turnaround measures on assortment, brand and efficiency
- Acquisition of Charles Vögele by Sempione Retail entails significant first-mover advantage in fundamentally changing apparel retail market
- Focus on strategic markets Switzerland, Austria, Hungary and Slovenia offers continued opportunities and improved perspectives for Charles Vögele and its employees

A strong brand and operational synergies:

- OVS as contemporary value fashion retailer operating stores with similar size with a strong brand
- Mainly focusing on families, but also targeting a broader and younger customer base
- OVS's established children's brand "OVS Kids" provides ideal base to reposition Charles Vögele's children's wear and generate respective sales growth
- Women range will be further expanded and modernized, augmented by enlarged range of accessories
- Charles Vögele will benefit from European branch network structure and reduce central costs even further
- Volume driven efficiencies and organisational synergies will be achieved in the supply of goods
- Assortment, store format, marketing campaigns and commercial strategy will be aligned with OVS

OVERVIEW OF CHARLES VÖGELE AND OVS

Sempione Retail AG



OVS

Overview	A leading Swiss fashion retailer	Italian market leader in apparel retail (7.1% market share)
Sales EBITDA (2015A)¹	CHF803 million CHF -9 million	EUR 1.3 billion EUR 180 million
Stores	759 in seven countries (165 in Switzerland) (as per end of Jun-16)	More than 1,250 stores of which more than 1,100 in Italy
Brands	Charles Vögele	OVS, OVS kids, UPIM and Blukids
Assortment	Focus on the whole family primarily aimed at the 40+ age bracket	Focus on families but broader and younger assortment with strong women and kids range
Listing	SIX Swiss Exchange (Zurich)	Milan Stock Exchange
Market capitalization²	CHF 55 million	EUR 1.1 billion

Notes:

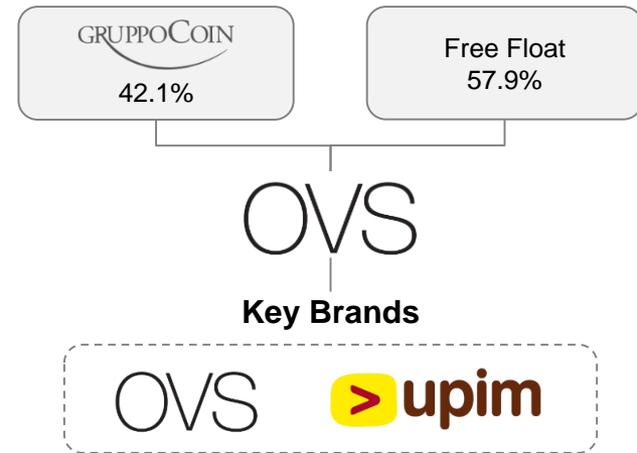
¹ OVS financial year ended on 31-Jan-2016

² As per 16 September 2016

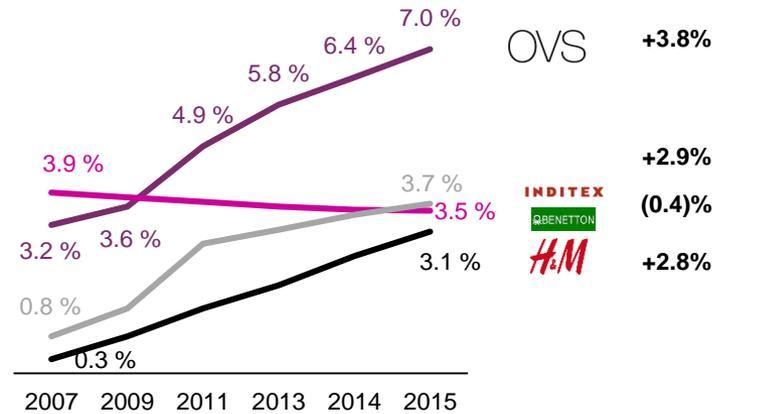
OVS investment highlights

- #1 fashion value retailer in Italy**
growing faster than its competitors and gaining market share
- Unique positioning**
good momentum of the brand (brand awareness and perception);
best price/quality ratio; great merchandising
- Largest and best retail network in Italy**
variety of formats to address the specific needs and better
penetrate different catchment areas; consistent profitability;
consistent track record of openings with 0 ramp up period
- Proven platform**
fully invested platform allows to produce fast and efficiently
integrated supply chain; breakthrough initiatives to enhance top line
and operations
- Strong growth momentum**
focus on customers, products, brand and operations;
continued profitable

OVS Group structure



OVS market share in Italy



STRATEGIC RATIONALE FOR OVS / SEMPIONE RETAIL

Sempione Retail AG



Introduction of OVS brand and merchandising in the Swiss/Austrian market



Acceleration of international expansion in adjacent markets with attractive growth potential



Achievement of further sales and cost synergies

Sale of German business and real estate

- Sale of most of Charles Vögele's German business upon successful settlement
- Sale-and-lease-back transaction with regard to Charles Vögele's pledged real estate assets, conditional upon the settlement
- Proceeds to be used to partly repay the existing syndicated loan

Organizational structure

- New Board of Directors to be elected upon the acceptance of the Offer with effect as of the settlement
- OVS to join forces with existing Charles Vögele management
- Charles Vögele to remain headquartered in Switzerland

Envisaged cooperation

- OVS acting as strategic business partner with long-term interest
- Conversion plan to be refined jointly together with local management
- Focus on geographic areas close to Italy with attractive growth potential (Switzerland, Austria, Slovenia and Hungary)
- Opportunities to benefit from a strong brand (OVS) and operational synergies:
 - Improvement of marketing campaigns and commercial strategy
 - New assortment, store format and visual merchandising
 - Improvement of procurement/logistics and sourcing terms
 - Benefit from enlarged supplier base and European branch network

Integration preparation

- Prepare and refine integration plan for implementation immediately post-closing together with local management

Regulatory approvals

- Regulatory proceedings to be initiated in all relevant jurisdictions shortly

Tendering and Shareholder approvals

- Acceptance of the offer by Charles Vögele shareholders in order to get to at least 70% “ownership”¹ by the end of the possibly extended offer period
- General Meeting for election of new Board of Directors (effective as of the settlement) in additional acceptance period of the offer
- Main offer period from on or around 26 October 2016 to 23 November 2016

Closing

- Settlement/closing expected at end of 2016

Notes:

10 ¹ Incl. the current stake of Aspen Trust Services Limited as trustee of the Elarof Trust and Treasury Shares

Charles Vögele Group

Nicole Borel-Schöwel, Corporate Communications Officer
Gwattstrasse 15, 8808 Pfäffikon SZ
Tel.: +41 55 416 74 02
E-mail: nicole.borel@charles-voegele.com

For further information, please check:
www.charles-voegele.com

Sempione Retail AG

Edwin van der Geest
Dynamics Group
Utoquai 43, 8024 Zürich
Tel.: +41 79 330 55 22
Email: vdg@dynamicsgroup.ch

For further information, please check:
www.sempioneretail.com

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