

Pfäffikon, 21 October 2016

**Information to the shareholders of Charles Vögele Holding AG**  
regarding the  
**public tender offer of Sempione Retail AG**

Dear shareholders,

As you may have read in the media, on 19 October 2016 Sempione Retail AG ("**Sempione Retail**") published the offer prospectus regarding its public tender offer ("**Offer**") for all publicly held bearer shares of Charles Vögele Holding AG ("**Charles Vögele**") at a price of CHF 6.38 per bearer share.

The Board of Directors of Charles Vögele has examined the Offer carefully and unanimously recommends that Charles Vögele shareholders accept the Offer and tender their Charles Vögele shares into the Offer. This letter sets forth the reasons for the Board of Directors' recommendation.

Despite recurring losses, Charles Vögele has been able to make substantial progress with its turnaround in recent years. However, the company has suffered increasingly from the latest market developments and has been confronted with the related shakeout of the European retail apparel industry. The situation in Switzerland, Charles Vögele's most profitable market, has been further exacerbated by the abolition of the minimum euro exchange rate by the Swiss National Bank (SNB) in January 2015, effectively increasing, on a relative basis, Charles Vögele's fixed costs, intensifying price pressure, increasing cross-border shopping tourism and negatively impacting currency conversion of foreign sales.

As a response, Charles Vögele introduced an intensified turnaround program to reduce the company's cost base and to realign its country and store portfolio. However, given further declining sales and ongoing market challenges, the Board of Directors believes that a successful takeover by Sempione Retail and the resulting cooperation with the Italian fashion retailer OVS S.p.A. would allow Charles Vögele to return to profitability and a sustainable business model. The Board of Directors and Charles Vögele's Management believe that the transaction and the envisaged cooperation with OVS S.p.A. facilitate a reduction of the Group's market-related risks and at the same time contribute to a more rapid and successful implementation of the turnaround program.

Based on these considerations, after consultation with the Charles Vögele Group Management and backed by an independent fairness opinion from audit and consultancy firm Ernst & Young AG, the Board of Directors considers the Offer Price of CHF 6.38 per Charles Vögele bearer share fair and recommends that you tender your Charles Vögele shares into the Offer. The Offer allows Charles Vögele's shareholders to exit their investment and related risks, and it provides all shareholders with the opportunity to realize their investment at the same time at a price which is slightly above the closing price immediately prior to the announcement of the transaction, without being exposed to the risk of possible losses that could be incurred in the context of a sale of large stock positions.

For information on how to tender your Charles Vögele shares, please refer to the respective instructions of your deposit bank. The Offer is, among other things, subject to the condition that by the end of the

main Offer period, Sempione Retail has received acceptances for such number of Charles Vögele shares representing, when combined with the Charles Vögele shares already held (e.g., by Elarof Trust), at least 70% of all outstanding Charles Vögele shares. If you intend to tender your Charles Vögele shares, the Board of Directors therefore recommends that you do not wait and that you instruct your depository bank prior to 16 November 2016 to tender your Charles Vögele shares during the main Offer period, which is expected to end on 16 November 2016, 4:00 p.m. Central European Time (CET). By doing so, you will contribute to the satisfaction of this Offer condition, thereby supporting the Offer to become successful and not to fail.

The offer prospectus and other Offer related documentation of Sempione Retail are available on the website of Sempione Retail (<<http://www.sempioneretail.com>>) and on the website of Morrow Sodali, the Global Information Agent for the Offer (<<http://www.sodali-transactions.com/>>).

For further information shareholders of Charles Vögele can also contact Morrow Sodali via e-mail at [charlesvoegeleoffer@morrow sodali.com](mailto:charlesvoegeleoffer@morrow sodali.com) and by phone at 0800 897 664 (from Switzerland) or +41 91 601 00 34 (from outside Switzerland). These telephone numbers will be active on weekdays during the Offer Period from 9:00 a.m. to 6:00 p.m. Central European Time (CET).



Pfäffikon, 21 October 2016

Max E. Katz  
Chairman of the Board of Directors  
Charles Vögele Holding AG

### Important Notice

This letter does not constitute an offer to buy or sell, or a solicitation of an offer to buy or sell, bearer shares of Charles Vögele Holding Ltd. (**Charles Vögele**) or any other securities. Shareholders of Charles Vögele are urged to read the offer documents pertaining to the public tender offer (the **Offer**) of Sempione Retail Ltd. (the **Offeror**) that have been or will be published by the Offeror, which are available at [www.sempioneretail.com](http://www.sempioneretail.com).

### Offer Restrictions

#### In General

The Offer by the Offeror described in this letter is not being and will not be made, directly or indirectly, in any country or jurisdiction in which it would be considered unlawful or otherwise violate any applicable laws or regulations, or which would require the Offeror or one of its shareholders to change or amend the terms or conditions of the Offer in any way, to make an additional filing with any governmental, regulatory or other authority or take additional action in relation to the Offer. It is not intended to extend the Offer to any such country or jurisdiction. Documents relating to the Offer, including without limitation this letter, must neither be distributed in any such country or jurisdiction nor be sent into such country or jurisdiction, and must not be used by any natural or legal person resident or incorporated in any such country or jurisdiction for the purpose of soliciting the purchase of any securities of the Company in such countries or jurisdictions.

#### Notice to U.S. Holders

The Offer by the Offeror described in this letter is being made for the bearer shares of Charles Vögele, which are listed on the SIX Swiss Exchange ("**SIX**"), and is subject to Swiss disclosure and procedural requirements, which are different from those in the United States ("**U.S.**"). The Offer is being made in the U.S. pursuant to Section 14(e) of, and Regulation 14E under, the U.S. Securities Exchange Act of 1934, as amended ("**U.S. Exchange Act**"), subject to the exemptions provided by Rule 14d-1(d) under the U.S. Exchange Act, and otherwise in accordance with the requirements of Swiss law. Accordingly, the Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws. U.S. holders of publicly held shares of Charles Vögele are encouraged to consult with their own Swiss advisors regarding the Offer.

According to the laws of Switzerland, bearer shares of Charles Vögele tendered into the Offer may generally not be withdrawn after they are tendered except under certain circumstances, in particular in case a competing offer for the bearer shares of Charles Vögele is launched.

In accordance with the laws of Switzerland and subject to applicable regulatory requirements, the Offeror and its subsidiaries or their nominees or brokers (acting as agents for the Offeror) may from time to time after the date of the pre-announcement, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to purchase, bearer shares of Charles Vögele. These purchases, or arrangements to purchase, may occur either in the open market at prevailing prices or in private transactions at negotiated prices and shall comply with applicable laws and regulations in Switzerland and applicable U.S. securities laws. Any such purchases will not be made at prices higher than the offer price set out in the documents relating to the Offer ("**Offer Price**") or on terms more favorable than those offered pursuant to the Offer unless the Offer Price is increased accordingly. Any information about such purchases or arrangements to purchase will be publicly disclosed in the U.S. on the website of the Swiss Takeover Board (<<http://takeover.ch/transactions/detail/nr/0638>>) to the extent that such information is made public in accordance with the applicable laws and regulations of Switzerland. In addition, the financial advisors to the Offeror and Charles Vögele may also engage in ordinary course trading activities in securities of Charles Vögele, which may include purchases or arrangements to purchase such securities.

It may be difficult for U.S. holders to enforce their rights and any claim arising out of U.S. securities laws, since each of the Offeror and Charles Vögele is located in a non-U.S. jurisdiction, and some or all of their officers and directors may be residents of a non-U.S. jurisdiction. U.S. holders may not be able to sue a non-U.S. company or its officers or directors in a U.S. or non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

The receipt of cash pursuant to the Offer by a U.S. holder of bearer shares of Charles Vögele may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local laws, as well as foreign and other tax laws. Each shareholder of Charles Vögele is urged to consult his or her independent professional advisor immediately regarding the tax consequences of an acceptance of the Offer.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any State of the U.S. has (a) approved or disapproved of the Offer; (b) passed upon the merits or fairness of the Offer; or (c) passed upon the adequacy or accuracy of the disclosure in any documents relating to the Offer, including without limitation this letter. Any representation to the contrary is a criminal offence in the U.S.

#### United Kingdom

This letter is being distributed only to and directed only at persons in the United Kingdom (i) who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("**Order**"), or (ii) who fall within article 49(2)(a) to (d) of the Order (high net worth companies, unincorporated associations, etc.), or (iii) who are persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). This letter must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this letter relates is available only to relevant persons and will be engaged in only with relevant persons. Persons distributing this letter must satisfy themselves that it is lawful to do so.

#### Australia, Canada and Japan

The Offer by the Offeror described in this letter is not addressed to shareholders of Charles Vögele whose place of residence, seat or habitual abode is in Australia, Canada or Japan, and such shareholders may not accept the Offer.