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The logo for Sempione Retail Ltd. consists of the company name in a white, sans-serif font centered within a solid black rectangular background.

Pre-Announcement of the Public Tender Offer by

Sempione Retail Ltd., Zurich, Switzerland

(or one of its direct or indirect wholly owned subsidiaries, in which case Sempione Retail Ltd. will guarantee such subsidiary's obligations)

for all publicly held bearer shares with a nominal value of CHF 3.00 each of

Charles Vögele Holding Ltd., Freienbach (Schwyz), Switzerland

Subject to the conditions set forth below, including without limitation regarding the scope of the Offer and the Offer restrictions, Sempione Retail Ltd., a corporation owned by three shareholders, namely Retails Investment S.R.L., OVS S.p.A. and Aspen Trust Services Ltd. as trustee and on behalf of the Elarof Trust, and organized under the laws of Switzerland, having its registered office in Zurich (the **Bidder** or the **Offeror**), intends to launch within 4 weeks, a public tender offer (the **Offer**) pursuant to art. 125 *et seq.* of the Swiss Federal Act on Financial Market Infrastructure and Market Conduct in Securities and Derivatives Trading of June 19, 2015 (*Bundesgesetz über die Finanzmarktinfrastrukturen und das Marktverhalten im Effekten- und Derivatehandel*) for all publicly held bearer shares (*Inhaberaktien*) of Charles Vögele Holding Ltd., Freienbach (Schwyz), Switzerland (the **Company** or **Charles Vögele**), with a nominal value of CHF 3.00 each (each a **Charles Vögele Share**).

On September 18, 2016, the Bidder entered into a transaction agreement with the Company (the **Transaction Agreement**) pursuant to which the Bidder agreed to submit and publish the Offer, and the Company's board of directors agreed to recommend the Offer for acceptance by the Company's shareholders.

Bidder and persons acting in concert with Bidder hold, as of September 19, 2016, a total of 1,334,000 Charles Vögele Shares, corresponding to 15,16% of the share capital of Charles Vögele.

I. Terms of the Offer

A. Object of the Offer

Except as set forth below and subject to the offer restrictions, the Offer will extend to all publicly held Charles Vögele Shares, including all Charles Vögele Shares that will be is-

sued by the Company upon the exercise of options outstanding under the Company's option plan (*Aktienoptionsplan*), if any (the **Stock Option Plan**), before the expiration of the Additional Acceptance Period (as defined below). If all options outstanding under the Stock Option Plan are exercised, a total of 78,624 Charles Vögele Shares have to be issued pursuant to such plan.

The Offer will neither extend to Charles Vögele Shares held by the Bidder or any of its direct or indirect subsidiaries (each subsidiary of the Bidder or of the Company, whether a direct or indirect subsidiary, a **Subsidiary**), nor to Charles Vögele Shares held by persons acting in concert with Bidder, nor to Charles Vögele Shares held by the Company or any of its Subsidiaries. Further it does not relate to any Charles Vögele Shares held by Aspen Trust Services Ltd. as trustee and on behalf of the Elarof Trust.

B. Offer Price

The offer price for each Charles Vögele Share is the prevailing 60-day VWAP per Charles Vögele Share one day prior to the publication of the Pre-Announcement, CHF 6.38 net in cash (the **Offer Price**).

The Offer Price will be reduced by the gross amount of any dilutive effects caused by the Company or any of its Subsidiaries in respect of the Charles Vögele Shares prior to the consummation of the Offer (the **Settlement**). Dilutive effects for example are caused by dividend payments, demergers, capital increases or the sale of treasury shares at an issuance or sales price per Charles Vögele Share below the Offer Price, the purchase of Charles Vögele Shares at a purchase price above the Offer Price, the issuance of more than 78,624 Charles Vögele Shares under the Stock Option Plan, the issuance of options or other rights for the acquisition of Charles Vögele Shares and repayments of capital.

Notwithstanding the foregoing, the issuance of not more than 78,624 Charles Vögele Shares out of the Company's conditional share capital as a result of the exercise of options outstanding as of September 19, 2016, under the Stock Option Plan by directors, officers or employees of the Company or any of its Subsidiaries, if any, and any liabilities and costs that the Company or any of its Subsidiaries incurs in connection with the cash settlement of any options outstanding under the Stock Option Plan (in compliance with the best price rule) shall not be deemed dilutive effects for purposes of the Offer.

C. Offer Period and Additional Acceptance Period

It is expected that the offer prospectus relating to the Offer (the **Offer Prospectus**) will be published within 4 weeks. After the lapse of the cooling-off period of ten (10) trading days at SIX Swiss Exchange (**Trading Days**), it is intended that the Offer will remain open for acceptance during twenty (20) Trading Days (the **Offer Period**). The Offeror reserves the right to extend the Offer Period once or several times to a maximum of forty (40) Trading Days or, with the approval of the Swiss Takeover Board (the **TOB**), beyond forty (40) Trading Days. If the Offer is successful, after the expiration of the (possibly extended) Offer

Period, there will be an additional acceptance period of ten (10) Trading Days for the subsequent acceptance of the Offer (the **Additional Acceptance Period**).

D. Offer Conditions, Waiver of Offer Conditions and Period for which the Offer Conditions are in Force and in Effect

1. Offer Conditions

The Offer is expected to be subject to the conditions set forth below. The period in respect of which each of the conditions will be in force and in effect is described in Section I.D.3.

- (a) *Minimum Acceptance Rate*: By the end of the (possibly extended) Offer Period, the Offeror shall have received valid acceptances for such number of Charles Vögele Shares representing, when combined with the Charles Vögele Shares held by Re-tails Investment S.R.L., OVS S.p.A. and Aspen Trust Services Ltd. as trustee and on behalf of the Elarof Trust and the Charles Vögele Shares that the Bidder and the persons acting in concert with the Bidder (including Charles Vögele) will directly or indirectly own or control at the end of the (possibly extended) Offer Period, at least 70% of all Charles Vögele Shares that will be issued and outstanding at the end of the (possibly extended) Offer Period.
- (b) *Merger Clearances and Other Approvals*: All waiting periods applicable to the acquisition of the Company by the Offeror shall have expired or been terminated and all competent merger control and other authorities shall have approved the acquisition of the Company by the Offeror, without imposing any condition or undertaking on the Bidder and/or the Company and/or any of their respective Subsidiaries and/or any shareholder of Offeror that, in the opinion of an independent accounting firm or investment bank of international repute to be appointed by the Offeror, would reasonably be expected to cause a Regulatory Material Adverse Effect on the Bidder and/or the Company and/or any of their respective Subsidiaries and/or any shareholder of Offeror. A **Regulatory Material Adverse Effect** shall mean a reduction of the consolidated net sales of the Charles Vögele group of one year of CHF 120 million – corresponding to approx. 15% of the consolidated net sales of the Charles Vögele group in the financial year 2015 as per the Company's annual report 2015 – or more.
- (c) *No Injunction*: No judgment, decision, order or other authoritative measure shall have been issued preventing, prohibiting or declaring illegal the Offer or its consummation.
- (d) *No Company Material Adverse Effect*: After the date of this Pre-Announcement until the end of the (possibly extended) Offer Period, no unforeseeable circumstances or events shall have occurred or been disclosed which would reasonably be expected to have a Company Material Adverse Effect on the Charles Vögele group; provided, that the negative trend in the consolidated net sales of the Charles Vögele group

shall not be deemed unforeseeable. A **Company Material Adverse Effect** shall mean a reduction of the consolidated net sales of the Charles Vögele group of one year of CHF 80 million – corresponding to approx. 10% of the consolidated net sales of the Charles Vögele group in the financial year 2015 as per the Company's annual report 2015 – or more.

For purposes of determining whether a Company Material Adverse Effect has occurred, (1) changes resulting from general economic, financial or market conditions, (2) changes generally affecting the industries in which the Company and its respective Subsidiaries operate and (3) any effects of the Permissible Transactions (as defined below) or of the Offer or its Settlement shall not be taken into account.

- (e) *Election of 3 New Members designated by the Offeror and Resignation of current Members of the Board of Directors of the Company:* An extraordinary shareholders' meeting of the Company to be held in the Additional Acceptance Period shall have elected 3 members to the board of directors of the Company (designated by the Offeror) conditional upon, and with effect as of, the Settlement and all current members of the board of directors of the Company shall have resigned from their functions on the boards of directors of the Company and of its Subsidiaries with effect as of the Settlement.
- (f) *No Obligation to Acquire or Sell Material Assets or to Incur or Repay Material Indebtedness:* With the exception of the obligations that have been made public prior to or on the date of this Pre-Announcement or that arise from or are related to the Permissible Transactions, the existing credit facility agreement between, *inter alia*, the Company and a syndicate of banks, the existing bilateral facilities with certain lenders or the Offer or its Settlement, between 1 July 2016 and the transfer of control to the Offeror, the Company and its Subsidiaries shall not have undertaken to acquire or sell any assets or incur or repay any indebtedness in the aggregate amount or value of more than CHF 39 million (corresponding to approx. 10% of the consolidated assets of Charles Vögele group as of 31 December 2015, as per the Company's annual report 2015).
- (g) *No Adverse Resolutions of the General Meeting of Shareholders of the Company:* The general meeting of shareholders of the Company shall not have:
 - (i) resolved or approved any dividend, other distribution or capital reduction or any acquisition, spin-off (*Abspaltung*), transfer of assets and liabilities (*Vermögensübertragung*) or other disposal of assets other than the Permissible Transactions with an aggregate value or for an aggregate consideration of more than CHF 39 million (corresponding to approx. 10% of the consolidated total assets of the Charles Vögele group as of December 31, 2015, as per the Company's annual report 2015);

- (ii) resolved or approved any merger, demerger (*Aufspaltung*) or ordinary, authorized or conditional increase of the share capital of the Company; or
- (iii) adopted an amendment of the articles of association of the Company to introduce any voting limitations (*Stimmrechtsbeschränkungen*).

For purposes of this Pre-Announcement, **Permissible Transactions** shall mean the following transactions:

- (a) the sale, transfer or other disposal of all or part of the shares in, or all or part of the assets of, Charles Vögele (Netherlands) B.V. to any person or the winding-up of Charles Vögele (Netherlands) B.V. through voluntary dissolution or liquidation or through bankruptcy or similar proceedings, or a combination thereof;
- (b) the sale, transfer or other disposal of all or part of the shares in, or all or part of the assets of, Charles Vögele (Belgium) N.V. to any person or the winding-up of Charles Vögele (Belgium) N.V. through voluntary dissolution or liquidation or through bankruptcy or similar proceedings, or a combination thereof;
- (c) the sale, transfer or other disposal of all or part of certain real estate of Charles Vögele or its Subsidiaries: Galgenen, Sigmaringen, Wohlen Zentralstrasse 23, Wohlen Zentralstrasse 52a, Langnau and Delémont.

2. Waiver of Offer Conditions

The Offeror reserves the right to waive, in whole or in part, one or more of the offer conditions.

3. Period for Which the Offer Conditions are in Force and in Effect

- (a) Conditions (a) and (d) shall be in force and in effect with respect to the period until the expiration of the (possibly extended) Offer Period.
- (b) Conditions (b), (c), (e), (f) and (g) shall be in force and effect with respect to the period until the Settlement, conditions (f) and (g), however, the latest until the next shareholders' meeting of the Company.
- (c) If any of the conditions (a) or (d) have not been satisfied or waived by the end of the (possibly extended) Offer Period, the Offeror has the right to declare the Offer as being unsuccessful.
- (d) If any of the conditions (b), (c), (e) and, if still in force and effect (see lit. (b) above), the conditions (f) or (g) have not been satisfied or waived by the Settlement, the

Offeror shall be entitled to declare the Offer unsuccessful or to postpone the Settlement for a period of up to four months after the expiration of the Additional Acceptance Period (the **Postponement**). During the Postponement, the Offer shall continue to be subject to the conditions (b), (c), (e) and, if still in force and effect (see lit. (b) above), the conditions (f) and (g), as long as, and to the extent, such conditions have not been satisfied or waived. Unless the Offeror applies for, and the TOB approves, an additional postponement of the Settlement, the Offeror will declare the Offer unsuccessful if such conditions have not been satisfied or waived during the Postponement.

II. Decisions of the Swiss Takeover Board

On September 9, 2016, the TOB issued the following decision (*Verfügung*) with the number 638/01 (unofficial translation from the German original).

- "1. It is declared that the terms and conditions of the draft pre-announcement, which eventually must be completed by the offer price, comply with the statutory provisions for public tender offers.
2. By rejecting request no. 2 it is declared that also Aspen Trust Services Limited as trustee of the Elarof Trust is a main actor in respect of the envisaged transaction and that the maximum price that Aspen Trust Services Limited as trustee of the Elarof Trust paid during the last twelve months before the pre-announcement is taken into account as a previous purchase of shares.
3. It is declared that the intended Term Sheet for a Shareholders' Agreement (including its annexes) does not trigger an increase of the offer price.
4. This decision will be published on the date of the publication of the pre-announcement. Sempione Retail AG must publish the final statements of this decision together with the preannouncement.
5. The fee chargeable to Sempione Retail AG is CHF 40,000. From this amount CHF 30,000 of the already prepaid amount will be deducted."

On September 16, 2016, the TOB issued the following decision (*Verfügung*) with the number 638/02 (unofficial translation from the German original).

- "1. It is declared that the minimum price rule according to article 135 para. 2 let. b of the Financial Market Infrastructure Act (FMIA) applies to purchase transactions in shares of Charles Vögele Holding AG by Aspen Trust Services Limited as trustee of the Elarof Trust as from 16 March 2016.

2. It is declared that the signing of the amended Term Sheet for a Shareholders' Agreement and the signing of the Commitment Letter do not trigger a change in the statements no. 1, 3 and 4 of the decision 638/01 dated 9 September 2016.
3. This decision will be published on the date of the publication of the pre-announcement. Sempione Retail AG must publish the final statements of this decision together with the preannouncement.
4. The fee chargeable to Sempione Retail AG is CHF 20,000."

III. Rights of Shareholders of Charles Vögele

A. Request for Party Status (Article 57 Takeover Ordinance)

Shareholders of Charles Vögele who have been holding at least 3% of the voting rights of Charles Vögele, whether exercisable or not (a **Qualified Participation**), since September 19, 2016 (each a **Qualified Shareholder**), will be granted party status if they file a respective request with the TOB. The request of a Qualified Shareholder must be received by the TOB (Selnaustrasse 30, P.O. Box 1758, 8021 Zurich; fax: +41 (0)58 499 22 91) within five (5) Trading Days from the date of publication of the decision of the TOB (see Section II). The first Trading Day after the publication of the decision of the TOB on the TOB's website will be the first day of the filing period. Concurrently with the request, the applicant has to furnish proof of his or her Qualified Participation. The TOB may request proof of the Qualified Shareholder's continued Qualified Participation at any time. The party status of a Qualified Shareholder will be upheld in relation to any further decisions issued by the TOB in connection with the Swiss Offer, provided that the Qualified Shareholder continues to hold a Qualified Participation.

B. Objection (Article 58 Takeover Ordinance)

A Qualified Shareholder may file an objection against the TOB's decision in respect of the Swiss Offer (see Section II). The objection must be filed with the TOB (Selnaustrasse 30, P.O. Box 1758, 8021 Zurich; fax: +41 (0)58 499 22 91) within five (5) Trading Days from the date of publication of the decision of the TOB. The first Trading Day after the publication of the decision of the TOB on the TOB's website will be the first day of the filing period. The objection must contain a motion, summary reasons and proof of the Qualified Participation as from September 19, 2016.

IV. Offer Restrictions

The Offer 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 Offeror or any 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. Any such documents relating to the Offer must neither be distributed in any such country or jurisdiction nor be sent into such country or jurisdiction, and must not be used for the purpose of soliciting the purchase of securities of the Company by any person or entity resident or incorporated in any such country or jurisdiction.

Any acceptance of the Offer resulting from solicitation activities, or carried out in violation of the above restrictions, will not be accepted.

The acceptance of the Offer by subjects residents in countries other than Switzerland may be subject to specific obligations or restrictions. It is sole responsibility of the recipients of the offers to comply with these rules and, therefore, before accept the Offer, verify their existence and applicability, as advised from its own consultants.

V. Additional Information

Additional information on the Offer is expected to be published electronically through the same media.

Identification

	Security number	ISIN	Tickersymbol
Bearer shares with a nominal value of CHF 3.00 each of Charles Vögele Holding Ltd.	693'777	CH0006937772	VCH

September 19, 2016

Tender Agent

