



Interim Report as at 30 June 2014

Fielmann increases sales, unit sales and profit
Fielmann shares: stock split at a ratio of 1 to 2
Fielmann recruits more than 900 trainees

fielmann

Fielmann Aktiengesellschaft

Group interim report as at 30 June 2014

Dear Shareholders and Friends of the Company,

Our expectations for the first half of 2014 have been met. With its consumer-friendly services, glasses at a reasonable price and comprehensive guarantees, Fielmann expanded its market shares.

Group interim management report

General conditions

Economic development in Germany weakened in the second quarter of 2014. While in the first quarter of 2014, gross domestic product still rose by 2.5 per cent on the previous year's figure, GDP growth in the second quarter was only 0.8 per cent. This was on account of early investment as a result of the mild winter and political unrest in Ukraine.

In this climate, private consumption has a special role to play. In the first half of the year, sales revenue in the German retail sector rose by 1.5 per cent year-on-year in real terms. The Central Association of the German Retail Trade is expecting an improvement from the previous year on a price-adjusted basis for the year as a whole as well. In June 2014, the rate of inflation was 1.0 per cent. As at 30 June 2014, the number of unemployed in Germany stood at 2.8 million, and the unemployment rate amounted to 6.5 per cent.

Report on the income, the financial position and assets

Unit sales and sales revenue

Fielmann increased its unit sales by 5.5 per cent to 3.7 million pairs of glasses in the first half of the year (previous year: 3.5 million pairs of glasses). External sales including VAT rose by 7.0 per cent to € 717.8 million (previous year: € 671.1 million) and consolidated sales were up 7.2 per cent to € 613.0 million (previous year: € 571.9 million).

In the second quarter, Fielmann improved its unit sales by 1.9 per cent to 1.9 million pairs of glasses (previous year: 1.8 million pairs of glasses), while external sales grew by 3.8 per cent to € 356.4 million (previous year: € 343.4 million) and consolidated sales rose by 4.3 per cent to € 306.6 million (previous year: € 294.1 million).

Earnings and investments

In the first half of the year, pre-tax profit was up by 16.1 per cent to € 107.2 million (previous year: € 92.3 million) and profit after tax grew by 14.8 per cent to € 75.6 million (previous year: € 65.8 million).

In the second quarter, Fielmann increased pre-tax quarterly profit by 6.7 per cent to € 48.2 million (previous year: € 45.2 million) and profit after tax by 4.9 per cent to € 33.8 million (previous year: € 32.2 million). Investments which are fully funded from cash flow amounted to € 15.9 million at the end of the first six months (previous year: € 14.7 million).

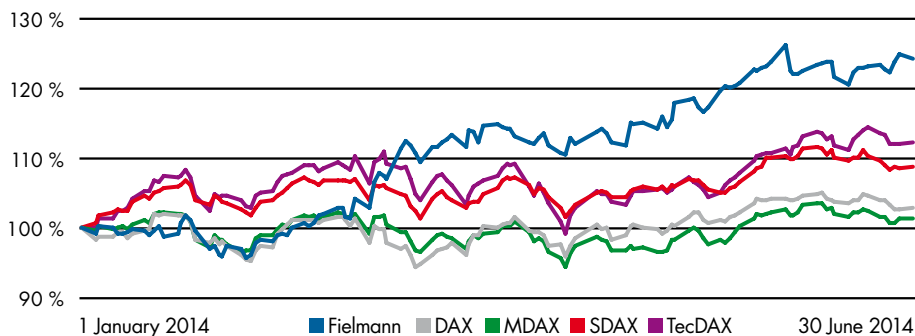
As at 30 June 2014, Fielmann operated 679 branches (previous year: 673). We are continuing to expand and this year we will open additional stores, extend existing stores and move stores to better locations.

Earnings per share improved by 13.7 per cent to € 1.74. There were circumstances which could have led to a dilution of earnings per share during the period under review or comparable periods.

Earnings per share

in € '000	30.6.2014	30.6.2013	31.12.2013
Net income for the period	75,579	65,824	142,026
Income attributable to other shareholders	-2,589	-1,625	-4,000
Profit for the period under review	72,990	64,199	138,026
Earnings per share in €	1.74	1.53	3.29

Performance of Fielmann shares versus the DAX, MDAX, SDAX and TecDAX



Shares

Positive economic developments coupled with the ongoing relaxed monetary policy on the part of central banks continued to buoy the stock market in the first half of 2014. In the first six months of the year, the DAX increased by 3 per cent to 9,833 points and the Fielmann share price was up 24.0 per cent.

Fielmann operates according to an investor-friendly shareholder policy. In order to increase the appeal of Fielmann shares, the Annual General Meeting of Fielmann AG on 3 July 2014 resolved to carry out a stock split at a ratio of 1 to 2. On completion on 22 August 2014, the closing price of Fielmann shares was € 49.05.

Dividend

The Annual General Meeting of Fielmann AG on 3 July 2014 resolved payment of a dividend amounting to € 2.90 per share for financial year 2013 (previous year: € 2.70). On the following day, Fielmann distributed a total of € 121.8 million (previous year: € 113.4 million), being a ratio of 88.3 per cent, and a dividend yield of 3.4 per cent based on the closing share price for the year in 2013.

Staff

Fielmann is the major employer and trainer in the optical industry, with a staff complement of 16,030 as at 30 June (previous year: 15,427), of which 2,683 are trainees (previous year: 2,586).

The trainees of today are the experts of tomorrow. With 5 per cent of the total number of specialist opticians in Germany, Fielmann represents 38 per cent of all trainees in the optical trade. This year, more than 900 young people will begin their professional training with Fielmann.

The high standard of training is confirmed by the national awards we have won. On average for the last five years, 89 per cent of all the awards conferred by the German states and 93 per cent of the national winners in the performance competition had been trained by Fielmann. Fielmann accounted for all federal state and national winners in the past year.

Forecast, opportunities and risk report

To the Company's knowledge, there are no indications that would result in changes to the main forecasts for the financial year given in the last Group management report or other comments on the development of the Group. The statements made in the 2013 Annual Report pertaining to the opportunities and risks and the business model remain unchanged.

Fielmann is confident that it will be able to expand its market position. For 2014, we are anticipating a continuation of the positive business performance and an increase in sales, unit sales and profit.

We affirm that to the best of our knowledge the consolidated interim accounts prepared in accordance with the applicable accounting regulations for the interim reporting convey a view of the Group's assets, finances and income that is true and fair and that business development including business results and the position of the Group are presented in the interim management report for the Group in such a way as to provide a true and fair view as well as to portray the opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Hamburg, August 2014

Fielmann Aktiengesellschaft
The Management Board

Notes

The interim report as at 30 June 2014 has been prepared on the same accounting and reporting basis as the consolidated annual accounts as at 31 December 2013, which were prepared in accordance with the International Financial Reporting Standards (IFRS incorporating IAS). The result for the comparable period takes account of the actual tax rate in financial year 2013.

Financial resources totalling T€ 238,996 (previous year: T€ 244,087) correspond to the item posted on the balance sheet as "cash and cash equivalents" and includes liquid funds as well as securities with a fixed term of up to three months. The financial assets, which also count as financial capital, generally have a residual term of over three months and are broken down according to the typical maturities pursuant to IAS 1. The composition of the financial assets of T€ 395,695 (previous year: T€ 363,230) is shown in a separate table on page 9.

Outlook

Declaration by the Management Board

Accounting and valuation principles

Explanatory notes on the cash flow statement

Explanatory notes on the financial result as at 30 June 2014

The figures for the previous year are stated in parentheses.

in € '000	Expenses	Income	Total
Result from loans and securities	-151 (-154)	874 (702)	723 (548)
Result from accounting and other processes not related to financial investments	-460 (-359)	25 (27)	-435 (-332)
Net interest income	-611 (-513)	899 (729)	288 (216)
Write-ups and write-downs on financial investments and similar	0 (0)	0 (0)	0 (0)
Financial result	-611 (-513)	899 (729)	288 (216)

Explanatory notes on segment reporting

In accordance with the regional structure of the internal reporting system, segmentation is by geographic region where Group products and services are sold or provided.

In light of recent developments in Ukraine, which have had a considerable impact on the exchange rate of the Ukrainian hryvnia (UAH), we are still maintaining the risk provisioning adopted in the first quarter of 2014.

Information on related parties (IAS 24)

The contractual relationships with related parties reported in the 2013 Annual Report have remained virtually unchanged. Transactions are executed at standard market terms and prices and are of secondary importance to Fielmann Aktiengesellschaft. After six months, the proceeds amounted to T€ 444 (previous year: T€ 397) and expenses to T€ 2,014 (previous year: T€ 1,825). The balances have been offset as at the reporting date.

Key events after 30 June 2014

At the time of preparing the present interim report, the Company was not aware of any key events occurring after the end of the first quarter which affect the asset, financial and income position of Fielmann Aktiengesellschaft and the Fielmann Group.

Other information

The portfolio of 37,707 of the Company's own shares was deducted from the item posted as Securities. The book value as at 30 June 2014 amounted to T€ 3,514. The Fielmann shares reported were acquired in accordance with § 71 para. 1 No. 2 of the AktG (German Stock Corporation Act), in order to offer them to employees of Fielmann Aktiengesellschaft and its affiliated companies as employee shares.

Movement of equity June 2014

in € '000	Position as at 1. 1.	Dividends/ profit shares ¹	Overall result for the period	Other- changes	Position as at 30. 6.
Subscribed capital	54,600				54,600
Capital reserves	92,652				92,652
Group equity generated	432,732		72,990		505,722
Foreign exchange equalisation item	14,266		324		14,590
Own shares	-98			-3,416	-3,514
Share-based remuneration	1,524			41	1,565
Valuation reserve IAS 19	-1,370				-1,370
Non-controlling interests	179	-2,528	2,589	-87	153
Group equity	594,485	-2,528	75,903	-3,462	664,398

Movement of equity June 2013

in € '000	Position as at 1. 1.	Dividends/ profit shares ¹	Overall result for the period	Other- changes	Position as at 30. 6.
Subscribed capital	54,600				54,600
Capital reserves	92,652				92,652
Group equity generated	408,702		64,199	-455	472,446
Foreign exchange equalisation item	15,423		-1,768		13,655
Own shares	-91			-3,617	-3,708
Share-based remuneration	1,173			-11	1,162
Valuation reserve IAS 19	-1,410				-1,410
Non-controlling interests	105	-1,517	1,625	-71	142
Group equity	571,154	-1,517	64,056	-4,154	629,539

¹ Dividend pay-outs and profit shares assigned to other shareholders

Financial calendar 2014/2015

Analysts' conference	29. August 2014
Quarterly report	6. November 2014
Preliminary figures 2014	Februar 2015
Quarterly report	April 2015
Bloomberg code	FIE
Reuters code	FIEG.DE
ISIN	DE0005772206

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Cash flow statement

Cash flow statement according to IAS 7 for the period from 1 January to 30 June	2014 in € '000	2013 in € '000	Change in € '000
Earnings before interest and taxes (EBIT)	106,887	92,103	14,784
+/- Write-downs/write-ups on fixed assets	18,437	16,767	1,670
- Taxes on income paid	-36,197	-16,657	-19,540
+/- Other non-cash income/expenditure	1,875	1,934	-59
+/- Increase/decrease in accruals without provisions for income taxes	240	-2,017	2,257
-/+ Profit/loss on disposal of fixed assets	14	346	-332
-/+ Increase/decrease in inventories, trade debtors and other assets not attributable to investment or financial operations	-22,773	-17,823	-4,950
+/- Increase/decrease in trade creditors as well as other liabilities not attributable to investment or financial operations	26,640	17,363	9,277
- Interest paid	-422	-402	-20
+ Interest received	866	419	447
-/+ Increase/decrease in financial assets held for trading or to maturity	24,587	-110,423	135,010
= Cash flow from current business activities	120,154	-18,390	138,544
Receipts from disposal of fixed assets	496	21	475
- Payments for investments in tangible assets	-14,414	-12,671	-1,743
+ Receipts from the sale of intangible assets	115	173	-58
- Payments for investments in intangible assets	-1,471	-2,057	586
+ Receipts from disposal of financial assets	7	284	-277
= Cash flow from investment activities	-15,267	-14,250	-1,017
Payments to company owners and non-controlling shareholders	-2,528	-1,517	-1,011
+ Receipts from issuing bonds and raising (financial) loans	308	591	-283
- Payments from repayments of bonds and (financial) loans	-179	-249	70
= Cash flow from financing activity	-2,399	-1,175	-1,224
Cash changes in financial resources	102,488	-33,815	136,303
+/- Changes in financial resources due to exchange rates	20	-93	113
+ Financial resources at 1 January	136,488	277,995	-141,507
= Financial resources at 30 June	238,996	244,087	-5,091

Offsetting and reconciliation to cash flow

For the period from 1 January to 30 June	2014 in € '000	2013 in € '000	Change in € '000
= Cash flow before increase/ decrease in financial assets held for trading or to maturity	95,567	92,033	3,534
-/+ Increase/decrease in financial assets held for trading or to maturity	24,587	-110,423	135,010
= Cash flow from current business activities	120,154	-18,390	138,544

Summary of financial assets

	30 June 2014 in € '000	30 June 2013 in € '000	Change in € '000
Liquid funds	128,914	98,835	30,079
Securities with a fixed term up to three months	110,082	145,252	-35,170
Financial resources	238,996	244,087	-5,091
Non-current financial assets	214	228	-14
Other non-current financial asset	16,838	26,182	-9,344
Capital investments with a specific maturity of more than 3 months	139,647	92,733	46,914
Financial assets	395,695	363,230	32,465

Segment reporting 1. 1. to 30. 6. 2014

The figures for the previous year are indicated in parentheses.

in € '000	Germany	Switzerland	Austria	Others	Consolidation	Consolidated value
Sales revenues from the segment	512.1 (475.1)	73.5 (67.5)	36.0 (34.5)	14.4 (14.6)	-23.0 (-19.8)	613.0 (571.9)
Sales revenues from other segments	22.9 (19.7)			0.1 (0.1)		
Outside sales revenues	489.2 (455.4)	73.5 (67.5)	36.0 (34.5)	14.3 (14.5)		613.0 (571.9)
Cost of materials	115.4 (108.8)	21.0 (19.7)	11.4 (10.9)	5.2 (5.4)	-22.9 (-19.5)	130.1 (125.3)
Personnel costs	197.1 (187.1)	26.8 (25.3)	13.0 (11.7)	4.2 (4.8)		241.1 (228.9)
Scheduled depreciation	15.5 (13.9)	1.6 (1.5)	0.8 (0.8)	0.5 (0.6)		18.4 (16.8)
Expenses in the financial result	0.9 (0.8)			0.0 (0.1)	-0.3 (-0.4)	0.6 (0.5)
Income in the financial result	0.8 (0.5)	0.3 (0.4)	0.0 (0.1)	0.1 (0.1)	-0.3 (-0.4)	0.9 (0.7)
Result from ordinary activities¹	85.7 (68.9)	17.3 (15.7)	6.9 (7.5)	-2.7 (0.2)		107.2 (92.3)
Income taxes	26.3 (21.3)	4.6 (3.8)	1.4 (1.7)	-0.5 (0.0)	-0.2 (-0.3)	31.6 (26.5)
Profit for the period after tax	59.4 (47.6)	12.7 (11.9)	5.5 (5.8)	-2.2 (0.2)	0.2 (0.3)	75.6 (65.8)
Segment assets excluding taxes	772.6 (735.8)	62.6 (41.5)	17.2 (17.7)	21.9 (18.5)		874.3 (813.5)
Investments	12.9 (13.8)	2.7 (0.7)	0.3 (0.2)			15.9 (14.7)
Deferred tax assets	9.0 (11.0)	0.1 (0.1)	0.3 (0.3)	0.6 (0.2)		10.0 (11.6)

¹ In the segments excl. income from participations

Statement of the overall result

For the period from 1 January to 30 June	2014 in € '000	2013 in € '000	Change
Consolidated net income for the period	75,579	65,824	14.8 %
Items which are reclassified under certain conditions and reported in the profit and loss account			
Earnings from foreign exchange conversion, reported under equity	324	-1,768	-118.3 %
Items which will not be reclassified and reported in the profit and loss account in future	0	0	0 %
Other profit/loss after tax	324	-1,768	-118.3 %
Overall result	75,903	64,056	18.5 %
of which attributable to minority interests	2,589	1,625	59.3 %
of which attributable to parent company shareholders	73,314	62,431	17.4 %

Consolidated profit and loss account

For the period from 1 April to 30 June	2014 in € '000	2013 in € '000	Change
1. Consolidated sales	306,643	294,103	4.3 %
2. Changes in finished goods and work in progress	-402	656	-161.3 %
Total consolidated revenues	306,241	294,759	3.9 %
3. Other operating income	2,597	2,743	-5.3 %
4. Costs of materials	-67,383	-67,227	0.2 %
5. Personnel costs	-120,410	-114,055	5.6 %
6. Depreciation	-9,780	-8,433	16.0 %
7. Other operating expenses	-63,130	-62,678	0.7 %
8. Expenses in the financial result	-287	-207	38.6 %
9. Income in the financial result	384	293	31.1 %
10. Result from ordinary activities	48,232	45,195	6.7 %
11. Income taxes	-14,420	-12,970	11.2 %
12. Consolidated net income for the period	33,812	32,225	4.9 %
13. Income attributable to other shareholders	-1,030	-772	33.4 %
14. Profit for the period under review	32,782	31,453	4.2 %
Earnings per share in € (diluted/basic)	0.78	0.75	

Consolidated profit and loss account

For the period from 1 January to 30 June	2014 in € '000	2013 in € '000	Change
1. Consolidated sales	612,983	571,908	7.2 %
2. Changes in finished goods and work in progress	5,083	5,392	-5.7 %
Total consolidated revenues	618,066	577,300	7.1 %
3. Other operating income	4,555	4,443	2.5 %
4. Costs of materials	-130,064	-125,344	3.8 %
5. Personnel costs	-241,126	-228,896	5.3 %
6. Depreciation	-18,437	-16,767	10.0 %
7. Other operating expenses	-126,107	-118,633	6.3 %
8. Expenses in the financial result	-611	-513	19.1 %
9. Income in the financial result	899	729	23.3 %
10. Result from ordinary activities	107,175	92,319	16.1 %
11. Income taxes	-31,596	-26,495	19.3 %
12. Consolidated net income for the period	75,579	65,824	14.8 %
13. Income attributable to other shareholders	-2,589	-1,625	59.3 %
14. Profit for the period under review	72,990	64,199	13.7 %
Earnings per share in € (diluted/basic)	1.74	1.53	

Consolidated balance sheet

Assets	Position as at 30 June 2014 in € '000	Position as at 31 December 2013 in € '000
A. Non-current fixed assets		
I. Intangible assets	9,606	9,705
II. Goodwill	45,435	45,383
III. Tangible assets	207,438	211,087
IV. Investment property	15,219	15,435
V. Financial assets	214	221
VI. Deferred tax assets	10,003	8,381
VII. Tax assets	1,192	1,192
VIII. Other financial assets	16,838	16,826
	305,945	308,230
B. Current assets		
I. Inventories	122,702	108,848
II. Trade debtors	22,500	18,370
III. Other financial assets	44,051	41,257
IV. Non-financial assets	11,657	15,132
V. Tax assets	7,359	6,858
VI. Financial assets	139,647	164,247
VII. Cash and cash equivalents	238,996	136,488
	586,912	491,200
	892,857	799,430
Equity and liabilities		
	Position as at 30 June 2014 in € '000	Position as at 31 December 2013 in € '000
A. Equity capital		
I. Subscribed capital	54,600	54,600
II. Capital reserves	92,652	92,652
III. Profit reserves	444,003	325,254
IV. Balance sheet profit	0	121,800
V. Profit for the period under review	72,990	0
VI. Non-controlling interests	153	179
	664,398	594,485
B. Non-current liabilities		
I. Accruals	18,593	18,239
II. Financial liabilities	2,002	2,103
III. Deferred tax liabilities	6,131	3,967
	26,726	24,309
C. Current liabilities		
I. Accruals	40,679	40,776
II. Financial liabilities	358	127
III. Trade creditors	82,205	60,075
IV. Other financial liabilities	16,919	17,141
V. Non-financial liabilities	45,618	41,652
VI. Income tax liabilities	15,954	20,865
	201,733	180,636
	892,857	799,430