



Interim Report as at 30 September 2010

Third quarter 2010: sales revenue + 5%, earnings + 10%
Specialist opticians of tomorrow: 2,715 trainees
2010 as a whole: 500 additional jobs

fiehlmann

Fielmann Aktiengesellschaft

Interim report as at 30 September 2010

Dear Shareholders and Friends of the Company,

Our expectations for the first nine months of the year under review have been met.

Group interim management report

General situation

The German economy has recovered. Where research institutes were expecting economic growth for Germany of 1.5 per cent in spring 2010, in October they raised their forecast for the year as a whole to 3.5 per cent. The upturn is mainly supported by exports and the increased investments in equipment.

In the first nine months of 2010 the German retail trade increased its sales revenue in real terms compared to the previous year by 1 per cent. The number of unemployed came to 3.03 million as at 30 September 2010 and the unemployment rate stood at 7.2 per cent.

Unit sales and sales revenue

Report on the income, the financial position and assets

Fielmann has extended its market shares. While the rest of the optical industry posted a fall in unit sales after nine months, Fielmann increased its unit sales in the same period by 1 per cent to 4.8 million spectacles (ZVA/Euronet). External sales revenue including value added tax increased to € 876.6 million (previous year € 837.2 million) and group sales revenue to € 747.7 million (previous year € 712.6 million).

Fielmann sold 1.7 million spectacles in the third quarter (previous year 1.6 million spectacles). The trend towards high-quality varifocals is continuing unabated. The company generated external sales revenue of € 302.9 million (previous year € 288.9 million) and group sales revenue of € 260.3 million (previous year € 248.1 million).

Pre-tax profit increased by 8.9 per cent to € 129.0 million (previous year € 118.4 million) in the period under review, and the profit after tax to € 91.6 million (previous year € 83.3 million). After nine months the pre-tax profit stood at 17.2 per cent (previous year 16.5 per cent).

Fielmann increased its quarterly pre-tax profit by 10.1 per cent to € 50.8 million (previous year € 46.2 million) and its quarterly net income by 12.7 per cent to € 36.6 million (previous year € 32.5 million).

After nine months investments, which are fully funded from cash flow, stood at € 26.4 million (previous year € 28.5 million).

As at 30 September 2010 there were 652 Fielmann branches (previous year 640). By the end of the period under review 63 new branches had been opened in the three years since the financial and economic crisis began. We are pushing ahead with expansion.

Earnings and investments

Earnings per share

No circumstances which could have led to a dilution in the earnings per share occurred in either the period under consideration or the comparable periods.

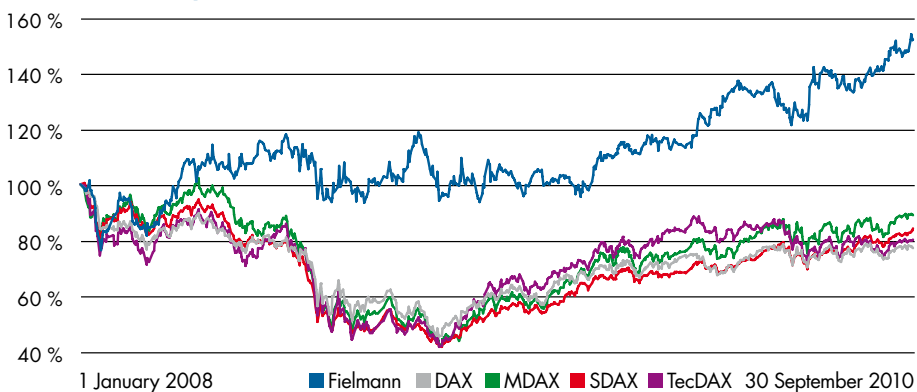
in € '000	30. 9. 2010	30. 9. 2009	2009
Net income	91,619	83,325	114,348
Income attributable to other shareholders	-2,667	-2,591	-3,261
Period result	88,952	80,734	111,087
Earnings per share in €	2.12	1.92	2.64

Share

The equities markets recovered again in the third quarter, but are still below the level prior to the outbreak of the financial and economic crisis in January 2008. By 30 September 2010 the DAX lost 23 per cent, the MDAX 11 per cent and the TecDAX 20 per cent.

The Fielmann share proved able to hold its value. The price rose in the same period by 52 per cent and was quoted at € 68.42 on 30 September 2010.

Performance comparison of Fielmann shares, DAX, MDAX, SDAX and TecDAX



Dividend

The ordinary Annual General Meeting of Fielmann AG on 8 July 2010 resolved payment of a dividend of € 2.00 per share (+2.6 per cent compared to previous year) for the financial year 2009. Fielmann paid € 84.0 million (previous year € 81.9 million) to its shareholders, a ratio of 76 per cent.

At the end of the third quarter Fielmann employed 13,816 members of staff (previous year 13,272), of which 2,715 trainees (previous year 2,527).

Staff

Our trainees are the specialist opticians of tomorrow. National awards testify to the high standard of training of our staff. In 2010 Fielmann again provided national winners and accounted for 71 per cent of all state winners in the practical performance competition of the German optical craftsmen's trade.

The term of office of the existing members of the supervisory board finished upon conclusion of the Annual General Meeting 2010. By resolution of the Annual General Meeting on 8 July 2010 the supervisory board is now composed of sixteen members. For further details please refer to our statements in the half-yearly report 2010.

Information on the bodies of the company

Forecast, opportunities and risk report

To the Company's knowledge, there is no information which would result in changes to the main forecasts and other statements given in the last consolidated management report regarding the development of the Group for the financial year. The statements provided in Annual Report 2009 on the opportunities and risks of the business model remain unchanged.

We are confident that we can expand our market position. Our customers stay loyal to us. Consumers buy from companies that guarantee high quality at reasonable prices: in the optical industry, this means Fielmann. For the year as a whole Fielmann confirms its forecast, expecting growth in unit sales, sales revenue and earnings and will create more than 500 new jobs.

Outlook

A significant change in the underlying situation may lead us to adjust this forecast.

Hamburg, November 2010
Fielmann Aktiengesellschaft
The Management Board

Notes

Accounting and valuation methods

The interim report as at 30 September 2010 has been prepared using the same accounting and valuation methods as the consolidated annual accounts as at 31 December 2009, which were prepared in accordance with the International Financial Reporting Standards (IFRS incorporating IAS).

Transition from net income to overall result

in € '000	2010	2009
Net income for the first nine months	91,619	83,325
Earnings from financial instruments available for sale, reported under equity	252	-28
Earnings from currency conversion, reported under equity	5,198	86
Overall result not affecting net income	5,450	58
Overall result	97,069	83,383
of which attributable to entities outside the Group	2,667	2,591
of which attributable to owners of the parent company	94,402	80,792

Explanatory notes on the cash flow statement

The financial resources of T€ 83,423 correspond to the item shown in the balance sheet "cash and cash equivalents". They comprise the liquid funds and securities with a fixed final maturity of up to three months. There have been increased investments in this investment class over the last few months. The financial assets, which also count as financial capital, have a residual term of over three months and are broken down according to the typical maturities pursuant to IAS 1.

The results of the reference period take into account the actual tax rate of financial year 2009.

Explanatory notes on the financial result as at 30 September 2010

in € '000	Expenses	Income	Total
Result from loans and securities	-386	1,862	1,476
Result from accounting and other processes not related to financial investments	-1,471	1,045	-426
Net interest income	-1,857	2,907	1,050
Write-ups and write-downs on financial investments and similar	0	120	120
Financial result	-1,857	3,027	1,170

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.

Explanatory notes on segment report

Since 2 December 2009 PROCON Multimedia AG has no longer belonged to the related parties within the meaning of IAS 24 and section 312 of the German Stock Corporation Act (AktG). The other contractual relationships with associated individuals and companies reported in the 2009 Annual Report have remained virtually unchanged. Transactions are executed at standard market terms and prices and are of secondary importance to Fielmann Aktiengesellschaft.

Information on related parties (IAS 24)

After nine months, the proceeds amounted to T€ 545 (previous year T€ 509) and expenses to T€ 2,469 (previous year T€ 2,869). The balances have been offset as at the reporting date.

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

Significant events after 30 September 2010

The portfolio of 42,382 own shares under the item posted as Securities was sold. The book value as at 30 September 2010 amounted to T€ 2,653. The reported Fielmann shares were acquired within the meaning of Section 71 para. 1 no. 2 AktG to offer them to staff of Fielmann Aktiengesellschaft or its affiliated companies as employee shares.

Other disclosures

Movement of equity, September 2010

The figures for the previous year are indicated in brackets.

in € '000	Position as at 1 January	Dividends paid/ Share of result ¹	Profit for the period	Other changes	Position as at 30 September
Subscribed capital	54,600 (54,600)				54,600 (54,600)
Capital reserves	92,652 (92,652)				92,652 (92,652)
Group equity generated	350,727 (320,911)	-84,000 (-81,900)	88,952 (80,734)²	3,003 (-1,026)	358,682 (318,719)
of which securities held for sale	0 (28)			252 (-28)	252 (0)
of which currency equalisation item	3,927 (3,013)			5,198 (86)	9,125 (3,099)
of which own shares	330 (57)			2,323 (1,101)	2,653 (1,158)
of which share-based remuneration	409 (440)				409 (440)
Minority interests	-291 (123)	-2,853 (-2,604)	2,667 (2,591)	30 (-55)	-447 (55)
Group equity	497,688 (468,286)	-86,853 (-84,504)	91,619 (83,325)	3,033 (-1,081)	505,487 (466,026)

¹ Dividend paid and share of profit allocated to other shareholders.

² This item has been adjusted in accordance with the ACTUAL tax ratio for 2009.

Composition of financial assets

in € '000	30. 9. 2010	30. 9. 2009
Liquid funds	43,278	48,080
Securities with a fixed term up to three months	40,145	75,471
Financial resources	83,423	123,551
Financial investments	1,003	1,266
Other financial assets	34,097	11,257
Securities with a fixed term more than three months	93,155	58,758
Financial capital	211,678	194,832

Cash flow statement

For the period 1 January to 30 September	2010 € '000	2009 € '000	Change € '000
Earnings before interest and taxes (EBIT)	127,801	115,467	12,334
Write-ups on financial investments	120		120
Interest expenses	-1,857	-1,045	-812
Interest income	2,907	3,981	-1,074
Result from ordinary activities	128,971	118,403	10,568
Taxes on income	-37,352	-35,078 ¹⁾	-2,274
Profit for the period (including shares of minority interests)	91,619	83,325	8,294
+/- Write-downs/write-ups on fixed assets	26,057	24,526	1,531
+/- Increase/decrease in long-term accruals	323	154	169
+/- Other non-cash income/expenditure	-2,307	798	-3,105
= Cash flow after elimination of non-cash items in the P&L	115,692	108,803	6,889
+/- Increase/decrease in current accruals	-319	-17,343	17,024
-/+ Profit/loss on disposal of fixed assets	105	165	-60
-/+ Increase/decrease in inventories, trade debtors as well as other assets not attributable to investment and financial operations	-24,656	-15,704	-8,952
-/+ Increase/decrease in financial assets held for trading or to maturity	-34,660	12,846	-47,506
+/- Increase/decrease in trade creditors as well as other liabilities not attributable to investment and financial operations	24,346	25,159	-813
= Cash flow from current business activities	80,508	113,926	-33,418
Receipts from the disposal of tangible assets	260	838	-578
- Payments for investments in tangible assets	-25,404	-25,278	-126
+ Receipts from disposal of intangible assets	230	70	160
- Payments for investments in intangible assets	-909	-2,643	1,734
+ Receipts from disposal of financial assets	247	478	-231
- Payments for investments in financial assets	-107	-171	64
- Payments for the acquisition of consolidated companies and other business units after deduction of acquired cash resources ¹⁾	0	-410	410
= Cash flow from investment activities	-25,683	-27,116	1,433
- Payments to company owners and minority shareholders	-86,853	-84,504	-2,349
+/- Payments in Transit	2,246	-3,865	6,111
= Cash flow from financial activities	-84,607	-88,369	3,762
Cash changes in financial resources	-29,782	-1,559	-28,223
+/- Changes in financial resources due to exchange rates, scope of consolidation and valuation	1,020	617	403
+ Financial resources at 1 January	112,185	124,493	-12,308
= Financial resources at 30 September	83,423	123,551	-40,128

¹⁾ This item has been adjusted in accordance with the ACTUAL tax ratio for 2009.

Segment reporting 1. 1. to 30. 9. 2010

The figures for the previous year are indicated in brackets.

in € million	Germany	Switzerland	Austria	Other	Consolidation	Group
Sales revenue from segment	627.0 (604.2)	86.8 (78.3)	40.4 (38.9)	19.8 (18.3)	-26.3 (-27.1)	747.7 (712.6)
Sales revenue from other segments	24.2 (23.9)	1.5 (2.7)		0.6 (0.5)		
Outside sales revenue	602.8 (580.3)	85.3 (75.6)	40.4 (38.9)	19.2 (17.8)		747.7 (712.6)
Cost of materials	194.2 (190.8)	28.8 (27.6)	13.3 (13.2)	7.2 (6.7)	-29.9 (-30.2)	213.6 (208.1)
Personnel costs	236.6 (220.4)	29.8 (26.3)	14.5 (14.0)	6.9 (6.3)		287.8 (267.0)
Scheduled depreciation	21.7 (20.7)	2.1 (1.8)	1.2 (1.0)	1.1 (1.0)		26.1 (24.5)
Expenses in financial result	2.2 (1.3)	0.1 (0.1)	0.0 (0.1)	0.1 (0.2)	-0.5 (-0.6)	1.9 (1.1)
Income in financial result	3.0 (3.1)	0.5 (1.1)	0.1 (0.2)	0.1 (0.2)	-0.7 (-0.6)	3.0 (4.0)
Result from ordinary activities¹	106.1 (100.6)	16.8 (15.4)	6.6 (4.1)	-0.5 (-1.3)	0.0 (-0.4)	129.0 (118.4)
Tax on income and revenue	30.5 (30.5)	4.4 (3.6)	1.6 (1.0)	0.1 (0.3)	0.8 (-0.3)	37.4 (35.1)
Net income for the period	75.6 (70.1)	12.4 (11.8)	5.0 (3.1)	-0.6 (-1.6)	-0.8 (-0.1)	91.6 (83.3)
Segment assets excl. taxes	589.1 (558.0)	36.3 (26.0)	18.5 (19.3)	19.3 (21.9)		663.2 (625.2)
Investments	24.1 (21.9)	1.6 (1.9)	0.6 (3.3)	0.1 (1.4)		26.4 (28.5)
Deferred taxes	18.8 (18.4)	0.2 (0.2)		0.2 (0.0)		19.2 (18.6)

¹ In the segments without income from participations

Financial calendar 2010/2011

Preliminary figures 2010	February 2011
Quarterly report as at 31 March	28 April 2011
Balance sheet press conference	28 April 2011
Annual General Meeting	7 July 2011
Bloomberg code	FIE
Reuters code	FIEG.DE
ISIN	DE0005772206

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Consolidated profit and loss account

For the period 1 July to 30 September	2010 € '000	2009 € '000	Change
1. Consolidated sales	260,296	248,098	4.9 %
2. Change in finished goods and work in progress	-972	-1,305	-25.5 %
Total consolidated revenues	259,324	246,793	5.1 %
3. Other operating income	18,673	15,747	18.6 %
4. Cost of materials	-76,242	-72,590	5.0 %
5. Personnel costs	-97,127	-91,382	6.3 %
6. Depreciation	-8,827	-8,270	6.7 %
7. Other operating expenses	-45,711	-44,682	2.3 %
8. Expenses in financial result	-379	-401	-5.5 %
9. Income in financial result	1,097	950	15.5 %
10. Result from ordinary activities	50,808	46,165	10.1 %
11. Tax on income and earnings	-14,208	-13,687 ¹	3.8 %
12. Net income for the quarter	36,600	32,478	12.7 %
13. Income attributable to other shareholders	-1,329	-1,293	2.8 %
14. Profit for the quarter	35,271	31,185	13.1 %
Earnings per share in €	0.84	0.74	

Consolidated profit and loss account

For the period 1 January to 30 September	2010 € '000	2009 € '000	Change
1. Consolidated sales	747,704	712,615	4.9 %
2. Change in finished goods and work in progress	3,746	4,063	-7.8 %
Total consolidated revenues	751,450	716,678	4.9 %
3. Other operating income	55,739	50,685	10.0 %
4. Cost of materials	-213,598	-208,086	2.6 %
5. Personnel costs	-287,760	-267,031	7.8 %
6. Depreciation	-26,057	-24,526	6.2 %
7. Other operating expenses	-151,973	-152,253	-0.2 %
8. Expenses in financial result	-1,857	-1,045	77.7 %
9. Income in financial result	3,027	3,981	-24.0 %
10. Result from ordinary activities	128,971	118,403	8.9 %
11. Tax on income and earnings	-37,352	-35,078 ¹	6.5 %
12. Net income	91,619	83,325	10.0 %
13. Income attributable to other shareholders	-2,667	-2,591	2.9 %
14. Profit for the period under review	88,952	80,734	10.2 %
Earnings per share in €	2.12	1.92	

¹ This item has been adjusted in accordance with the ACTUAL tax ratio for 2009.

Consolidated balance sheet

Assets	Position as at 30 September 2010 in € '000	Position as at 31 December 2009 in € '000
A. Long-term assets		
I. Intangible assets	10,185	11,539
II. Goodwill	45,268	44,964
III. Fixed assets	203,813	199,739
IV. Investment property	11,103	9,774
V. Financial assets	1,003	1,023
VI. Deferred tax assets	19,240	17,554
VII. Tax assets	1,671	2,074
VIII. Other financial assets	34,097	21,281
	326,380	307,948
B. Current assets		
I. Inventories	113,417	107,312
II. Trade and other receivables	56,469	46,651
III. Tax assets	10,758	10,280
IV. Pre-paid expenses	11,312	7,039
V. Financial assets	93,155	71,310
VI. Cash and cash equivalents	83,423	112,185
	368,534	354,777
	694,914	662,725
Equity and liabilities		
A. Equity capital		
I. Subscribed capital	54,600	54,600
II. Capital reserves	92,652	92,652
III. Profit reserves	269,730	266,727
IV. Balance sheet profit	0	84,000
V. Profit for the period under review	88,952	0
VI. Minority shares of third parties	-447	-291
	505,487	497,688
B. Long-term liabilities		
I. Long-term accruals	8,533	8,210
II. Long-term financial liabilities	5,043	4,943
III. Deferred tax liabilities	9,187	8,688
	22,763	21,841
C. Current liabilities		
I. Current accruals	39,136	37,323
II. Current financial liabilities	330	339
III. Trade creditors and other liabilities	99,455	73,899
IV. Tax liabilities	27,743	31,635
	166,664	143,196
	694,914	662,725