



Interim report as at 30 September 2014

Fielmann increases unit sales, revenue and profit
Result registers significant growth in the 3rd quarter of 2014
Fielmann trains more than 2,900 opticians

fielmann

Fielmann Aktiengesellschaft

Group interim report as at 30 September 2014

Dear Shareholders and Friends of the Company,

Our expectations for the first nine months 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

Over the past few weeks, leading economic research institutes have significantly lowered their growth forecasts for Germany. While growth of 1.9 per cent had been predicted for 2014 in spring, this has now been reduced to growth of just 1.3 per cent. The German government only expects the gross domestic product (GDP) to increase by 1.2 per cent, down from 1.8 per cent in spring.

Private consumption is still being assigned a special role. Sales revenue in the German retail sector for the first nine months of 2014 rose by 1.3 per cent year-on-year in real terms. The rate of inflation was 0.8 per cent in September 2014. As at 30 September 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

In the first three quarters of the year, Fielmann increased its unit sales by 4.3 per cent to 5.6 million pairs of glasses (previous year: 5.4 million). External sales including VAT increased by 6.4 per cent to € 1,087.5 million (previous year: € 1,021.9 million) and consolidated sales rose by 6.6 per cent to € 931.3 million (previous year: € 873.9 million).

In the third quarter, Fielmann improved unit sales by 1.9 per cent to 1.92 million pairs of glasses (previous year: 1.88 million pairs of glasses). External sales including VAT grew by 5.4 per cent to € 369.7 million (previous year: € 350.8 million), while consolidated sales rose by 5.4 per cent to approximately € 318.3 million (previous year: € 302.0 million).

Earnings and investments

Pre-tax profit was up by 16.4 per cent to € 178.1 million (previous year: € 153.0 million) and profit after tax grew by 15.8 per cent to € 126.3 million (previous year: € 109.1 million).

Fielmann increased pre-tax quarterly profit by 16.8 per cent to € 70.9 million (previous year: € 60.7 million) and profit after tax by 17.3 per cent to € 50.8 million (previous year: € 43.3 million).

As at 30 September 2014, Fielmann operated 681 branches (previous year: 674). Fielmann is continuing to expand and this year will open additional stores, extend existing stores and move stores to better locations.

The earnings per share increased by 15.2 per cent to € 1.45. There were no circumstances which could have led to a dilution of earnings per share during the period under review or comparable periods.

Earnings per share

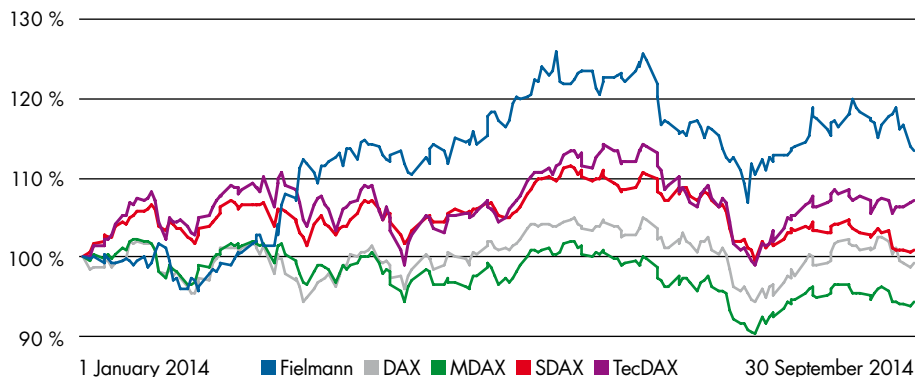
in € '000	30.9.2014	30.9.2013	31.12.2013
Net income for the period	126,332	109,098	142,026
Income attributable to other shareholders	-4,470	-3,277	-4,000
Profit for the period under review	121,862	105,821	138,026
Earnings per share* in €	1.45	1.26	1.64

*Stock split on 22 August 2014; previous year's figure adjusted

Political events including the Ukraine crisis and the conflict in the Middle East as well as weaker economic data in the eurozone and the fiscal policies of major central banks all contributed towards greater uncertainty on the capital markets in the third quarter.

Shares

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



As at 30 September 2014, the DAX was at 9,474 points and was therefore 1 per cent below its level at the beginning of the year. The price of Fielmann shares rose by 14 per cent to € 48.60 per share certificate over the same period.

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. This was completed on 22 August 2014.

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). The following day, Fielmann distributed a total of € 121.8 million (previous year: € 113.4 million), which represents 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

At the end of the third quarter, Fielmann had 16,739 employees (previous year: 16,176), of whom 2,990 are trainees (previous year: 2,914). With a 5 per cent share of specialist optical stores, Fielmann accounts for 38 per cent of all trainees in the optical industry. Our trainees are the experts of tomorrow. National awards testify to the high standard of our training. In the optical industry's trainee competition, Fielmann accounted for all national winners in Germany and 92 per cent of all state winners in 2014.

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 Group management report regarding the development of the Group for the financial year. The statements provided in the Annual Report 2013 on the opportunities and risks of the business model remain unchanged.

Outlook

Fielmann is confident of expanding its market position. For 2014, we are anticipating a continuation of the positive business performance.

Hamburg, November 2014
Fielmann Aktiengesellschaft
The Management Board

Notes

The interim report as at 30 September 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€ 188,739 (previous year: T€ 165,573) 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€ 331,666 (previous year: T€ 309,552) is shown in a separate table on page 9.

The figures for the previous year are stated in parentheses.

in € '000	Expenses	Income	Total
Result from loans and securities	-228 (-245)	1,216 (730)	988 (485)
Result from accounting and other processes not related to financial investments	-777 (-530)	35 (41)	-742 (-489)
Net interest income	-1,005 (-775)	1,251 (771)	246 (-4)
Write-ups and write-downs on financial investments and similar	0 (0)	0 (0)	0 (0)
Financial result	-1,005 (-775)	1,251 (771)	246 (-4)

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.

Accounting and valuation principles

Explanatory notes on the cash flow statement

Explanatory notes on the financial result as at 30 September 2014

Explanatory notes on segment reporting

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 nine months, the proceeds amounted to T€ 645 (previous year: T€ 587) and expenses to T€ 2,906 (previous year: T€ 2,853). The balances have been offset as at the reporting date.

Key events after 30 September 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 86,887 of the Company's own shares was deducted from the item posted as Securities. The book value as at 30 September 2014 amounted to T€ 4,103. 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 September 2014

in € '000	Position as at 1. 1.	Dividends/ profit shares ¹	Overall result for the period	Other changes	Position as at 30. 9.
Subscribed capital	54,600			29,400	84,000
Capital reserves	92,652				92,652
Group equity generated	432,732	-121,719	121,862	-29,400	403,475
Foreign exchange equalisation item	14,266		582		14,848
Own shares	-98			-4,005	-4,103
Share-based remuneration	1,524			187	1,711
Valuation reserve IAS 19	-1,370		-872		-2,242
Non-controlling interests	179	-4,320	4,470	-181	148
Group equity	594,485	-126,039	126,042	-3,999	590,489

Movement of equity September 2013

in € '000	Position as at 1. 1.	Dividends/ profit shares ¹	Overall result for the period	Other changes	Position as at 30. 9.
Subscribed capital	54,600				54,600
Capital reserves	92,652				92,652
Group equity generated	408,702	-113,298	105,821	-455	400,770
Foreign exchange equalisation item	15,423		-1,135		14,288
Own shares	-91			-4,287	-4,378
Share-based remuneration	1,173			129	1,302
Valuation reserve IAS 19	-1,410				-1,410
Non-controlling interests	105	-3,213	3,277	-131	38
Group equity	571,154	-116,511	107,963	-4,744	557,862

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

Financial calendar 2015

Preliminary figures 2014
Quarterly report
Balance sheet press conference
Annual General Meeting
Bloomberg code
Reuters code
ISIN

February 2015
28 April 2015
28 April 2015
9 July 2015
FIE
FIEG.DE
DE0005772206

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Cash flow statement

Cash flow statement according to IAS 7 for the period from 1 January to 30 September	2014 in € '000	2013 in € '000	Change in € '000
Earnings before interest and taxes (EBIT)	177,829	153,016	24,813
+/- Write-downs/write-ups on fixed assets	27,317	25,209	2,108
- Taxes on income paid	-50,012	-27,772	-22,240
+/- Other non-cash income/expenditure	-1,729	3,951	-5,680
+/- Increase/decrease in accruals without provisions for income taxes	875	2,207	-1,332
-/+ Profit/loss on disposal of fixed assets	271	206	65
-/+ Increase/decrease in inventories, trade debtors and other assets not attributable to investment or financial operations	-18,297	-15,763	-2,534
+/- Increase/decrease in trade creditors as well as other liabilities not attributable to investment or financial operations	27,453	20,639	6,814
- Interest paid	-647	-617	-30
+ Interest received	1,134	731	403
-/+ Increase/decrease in financial assets held for trading or to maturity	38,357	-135,263	173,620
= Cash flow from current business activities	202,551	26,544	176,007
Receipts from disposal of fixed assets	972	261	711
- Payments for investments in tangible assets	-23,080	-19,452	-3,628
+ Receipts from the sale of intangible assets	0	194	-194
- Payments for investments in intangible assets	-2,057	-3,685	1,628
+ Receipts from disposal of financial assets	10	287	-277
= Cash flow from investment activities	-24,155	-22,395	-1,760
Payments to company owners and non-controlling shareholders	-126,039	-116,511	-9,528
+ Receipts from issuing bonds and raising (financial) loans	125	235	-110
- Payments from repayments of bonds and (financial) loans	-265	-249	-16
= Cash flow from financing activity	-126,179	-116,525	-9,654
Cash changes in financial resources	52,217	-112,376	164,593
+/- Changes in financial resources due to exchange rates	34	-46	80
+ Financial resources at 1 January	136,488	277,995	-141,507
= Financial resources at 30 September	188,739	165,573	23,166

Offsetting and reconciliation to cash flow

For the period from 1 January to 30 September	2014 in € '000	2013 in € '000	Change in € '000
= Cash flow before increase/ decrease in financial assets held for trading or to maturity	164,194	161,807	2,387
-/+ Increase/decrease in financial assets held for trading or to maturity	38,357	-135,263	173,620
= Cash flow from current business activities	202,551	26,544	176,007

Summary of financial assets

	30. 9. 2014 in € '000	30. 9. 2013 in € '000	Change in € '000
Liquid funds	94,563	70,360	24,203
Securities with a fixed term up to three months	94,176	95,213	-1,037
Financial resources	188,739	165,573	23,166
Non-current financial assets	212	225	-13
Other non-current financial asset	26,980	25,122	1,858
Capital investments with a specific maturity of more than 3 months	115,735	118,632	-2,897
Financial assets	331,666	309,552	22,114

Segment reporting 1. 1. to 30. 9. 2014

The figures for the previous year are indicated in parentheses.

in € million	Germany	Switzerland	Austria	Others	Consolidation	Consolidated value
Sales revenues from the segment	780.3 (727.8)	110.3 (102.5)	53.3 (51.7)	21.7 (21.7)	-34.3 (-29.8)	931.3 (873.9)
Sales revenues from other segments	34.2 (29.5)		0.0 (0.1)	0.1 (0.2)		
Outside sales revenues	746.1 (698.3)	110.3 (102.5)	53.3 (51.6)	21.6 (21.5)		931.3 (873.9)
Cost of materials	178.6 (168.1)	31.3 (30.2)	16.8 (16.5)	7.8 (8.1)	-34.0 (-29.0)	200.5 (193.9)
Personnel costs	292.6 (279.1)	40.5 (37.4)	18.7 (17.5)	6.4 (6.9)		358.2 (340.9)
Scheduled depreciation	22.9 (20.8)	2.4 (2.3)	1.2 (1.2)	0.8 (0.9)		27.3 (25.2)
Expenses in the financial result	1.3 (1.3)			0.1 (0.1)	-0.4 (-0.6)	1.0 (0.8)
Income in the financial result	1.1 (0.7)	0.4 (0.4)	0.1 (0.1)	0.1 (0.1)	-0.4 (-0.5)	1.3 (0.8)
Result from ordinary activities¹	144.1 (121.0)	24.9 (21.3)	11.2 (10.8)	-2.1 (0.0)	0.0 (-0.1)	178.1 (153.0)
Income taxes	43.0 (37.1)	6.4 (5.0)	2.4 (2.3)	-0.3 (0.0)	0.2 (-0.5)	51.7 (43.9)
Profit for the period after tax	101.1 (83.9)	18.5 (16.3)	8.7 (8.5)	-1.8 (0.0)	-0.2 (0.4)	126.3 (109.1)
Segment assets excluding taxes	700.9 (680.2)	66.2 (37.4)	17.6 (17.8)	22.6 (18.9)		807.3 (754.3)
Investments	20.0 (21.3)	4.5 (1.4)	0.4 (0.3)	0.2 (0.1)		25.1 (23.1)
Deferred tax assets	10.3 (10.0)	0.1 (0.1)	0.3 (0.4)	0.6 (0.2)		11.3 (10.7)

¹ In the segments excl. income from participations

Statement of the overall result

For the period from 1 January to 30 September	2014 in € '000	2013 in € '000	Change
Consolidated net income for the period	126,332	109,098	15.8 %
Items which are reclassified under certain conditions and reported in the profit and loss account			
Earnings from foreign exchange conversion, reported under equity	582	-1,135	-151.3 %
Items which will not be reclassified and reported in the profit and loss account in future			
Revaluation IAS 19	-872	0	
Other profit/loss after tax	-290	-1,135	-74.4 %
Overall result	126,042	107,963	16.7 %
of which attributable to minority interests	4,470	3,277	36.4 %
of which attributable to parent company shareholders	121,572	104,686	16.1 %

Consolidated profit and loss account

For the period from 1 July to 30 September	2014 in € '000	2013 in € '000	Change
1. Consolidated sales	318,307	302,008	5.4 %
2. Changes in finished goods and work in progress	-387	-1,030	-62.4 %
Total consolidated revenues	317,920	300,978	5.6 %
3. Other operating income	2,655	2,230	19.1 %
4. Costs of materials	-70,478	-68,537	2.8 %
5. Personnel costs	-117,076	-112,017	4.5 %
6. Depreciation	-8,880	-8,442	5.2 %
7. Other operating expenses	-53,199	-53,299	-0.2 %
8. Expenses in the financial result	-394	-262	50.4 %
9. Income in the financial result	352	42	738.1 %
10. Result from ordinary activities	70,900	60,693	16.8 %
11. Income taxes	-20,147	-17,419	15.7 %
12. Consolidated net income for the period	50,753	43,274	17.3 %
13. Income attributable to other shareholders	-1,881	-1,652	13.9 %
14. Profit for the period under review	48,872	41,622	17.4 %
Earnings per share in € (diluted/basic)	0.58	0.50	

Consolidated profit and loss account

For the period from 1 January to 30 September	2014 in € '000	2013 in € '000	Change
1. Consolidated sales	931,290	873,916	6.6 %
2. Changes in finished goods and work in progress	4,696	4,362	7.7 %
Total consolidated revenues	935,986	878,278	6.6 %
3. Other operating income	7,210	6,673	8.0 %
4. Costs of materials	-200,542	-193,881	3.4 %
5. Personnel costs	-358,202	-340,913	5.1 %
6. Depreciation	-27,317	-25,209	8.4 %
7. Other operating expenses	-179,306	-171,932	4.3 %
8. Expenses in the financial result	-1,005	-775	29.7 %
9. Income in the financial result	1,251	771	62.3 %
10. Result from ordinary activities	178,075	153,012	16.4 %
11. Income taxes	-51,743	-43,914	17.8 %
12. Consolidated net income for the period	126,332	109,098	15.8 %
13. Income attributable to other shareholders	-4,470	-3,277	36.4 %
14. Profit for the period under review	121,862	105,821	15.2 %
Earnings per share in € (diluted/basic)	1.45	1.26	

Consolidated balance sheet

Assets	Position as at 30 September 2014 in € '000	Position as at 31 December 2013 in € '000
A. Non-current fixed assets		
I. Intangible assets	9,567	9,705
II. Goodwill	45,468	45,383
III. Tangible assets	207,345	211,087
IV. Investment property	15,110	15,435
V. Financial assets	212	221
VI. Deferred tax assets	11,309	8,381
VII. Tax assets	1,192	1,192
VIII. Other financial assets	26,980	16,826
	317,183	308,230
B. Current assets		
I. Inventories	124,385	108,848
II. Trade debtors	21,829	18,370
III. Other financial assets	39,534	41,257
IV. Non-financial assets	12,353	15,132
V. Tax assets	7,441	6,858
VI. Financial assets	115,735	164,247
VII. Cash and cash equivalents	188,739	136,488
	510,016	491,200
	827,199	799,430
Equity and liabilities	Position as at 30 September 2014 in € '000	Position as at 31 December 2013 in € '000
A. Equity capital		
I. Subscribed capital	84,000	54,600
II. Capital reserves	92,652	92,652
III. Profit reserves	291,827	325,254
IV. Balance sheet profit	0	121,800
V. Profit for the period under review	121,862	0
VI. Non-controlling interests	148	179
	590,489	594,485
B. Non-current liabilities		
I. Accruals	20,158	18,239
II. Financial liabilities	1,962	2,103
III. Deferred tax liabilities	3,971	3,967
	26,091	24,309
C. Current liabilities		
I. Accruals	39,749	40,776
II. Financial liabilities	130	127
III. Trade creditors	73,518	60,075
IV. Other financial liabilities	17,645	17,141
V. Non-financial liabilities	54,042	41,652
VI. Income tax liabilities	25,535	20,865
	210,619	180,636
	827,199	799,430