



Interim report as at 31 March 2011

2010: dividend up by 20.0 per cent to € 2.40

1st quarter of 2011: profit increases by 17.7 per cent

fielmann

Fielmann Aktiengesellschaft

Group interim report as at 31 March 2011

Dear Shareholders and Friends of the Company,

Our expectations for the first quarter of financial year 2011 have been met. Fielmann achieved a rise in unit sales, sales revenue and profit.

Group interim management report

General conditions

The economy has recovered in Germany and Europe. Research institutes forecast growth of 2.8 per cent for the German economy in 2011 and of 2.0 per cent for 2012. The upturn is primarily driven by increased domestic demand and boosted by the effects of a backlog in demand, especially in the construction industry. Foreign trade, which was already strong in the previous quarters, has accompanied the economic recovery.

In the first months of the year, turnover of retail recorded growth in real terms of 1.8 per cent compared with the previous year. As at 31 March 2011, the number of unemployed stood at 3.21 million and the unemployment rate at 7.6 per cent.

Unit sales and sales revenue

Report on the income, the financial position and assets

Fielmann increased its unit sales by 4.7 per cent to 1.6 million pairs of glasses. External sales rose by 7.7 per cent to € 302.7 million and consolidated sales by 7.9 per cent to € 255.9 million. Fielmann expanded its market share in terms of both unit sales and sales revenue.

Earnings and investments

Fielmann increased its pre-tax profit by 17.7 per cent to € 43.7 million and achieved a rise in net income for the quarter of 18.6 per cent to € 31.3 million. The pre-tax return amounted to 17.1 per cent after the first three months of the year (previous year: 15.7 per cent).

Investments which are fully funded from cash flow amounted to € 7.3 million after the first quarter (previous year: € 7.8 million).

As at 31 March 2011, Fielmann operated 655 branches (previous year: 646).

Earnings per share

There were no circumstances which could have led to a dilution of earnings per share during the period under review or comparable periods.

in € '000	31. 3. 2011	31. 3. 2010	2010
Net income	31,270	26,373	120,832
Income attributable to other shareholders	-850	-628	-3,044
Period result	30,420	25,745	117,788
Earnings per share in €	0.72	0.61	2.80

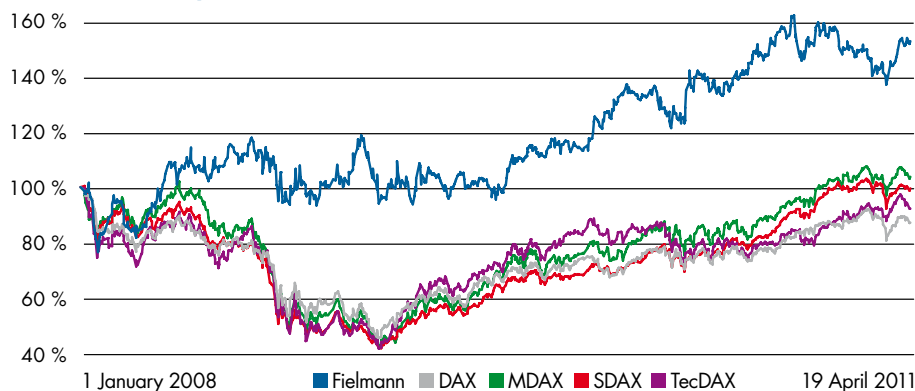
In the first quarter of 2011, the equity markets continued to recover from the impact of the global financial and economic crisis. Despite this positive trend, uncertainty prevailed in the markets.

The MDAX and SDAX have returned to their pre-crisis levels, whereas as at 31 March 2011, the DAX was still below the level prior to the start of the crisis in 2008.

Fielmann shares have proven to be a sound investment. The share price stood at € 70.50 on 20 April.

Share

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



Dividend

The Supervisory Board and Management Board of Fielmann AG will recommend to the Annual General Meeting on 7 July 2011 to pay a dividend of € 2.40 per share, which represents an increase of 20.0 per cent on the previous year (previous year: € 2.00). The total distribution amounts to € 100.8 million (previous year: € 84.0 million).

Staff

Fielmann is the largest employer and trainer in the optical industry. As at 31 March 2011, the Company employed 13,715 members of staff (previous year: 13,254), of which 2,583 are trainees (previous year: 2,397).

Our trainees are the future experts. The high standard of training provided to our employees is reflected by nationwide awards. In the optical industry's trainee competition, Fielmann once again accounted for the national winner in Germany and 71 per cent of all state winners in 2010.

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 Annual Report 2010 on the opportunities and risks of the business model remain unchanged.

Outlook

Fielmann is confident it will be able to expand its market position. Consumers are attracted to companies which guarantee them high quality at reasonable prices and in the optical industry, this means Fielmann. For 2011, we are expecting growth in unit sales, sales revenue and profit.

A significant change in the general situation could lead to an adjustment to this forecast.

Hamburg, April 2011
Fielmann Aktiengesellschaft
The Management Board

Notes

The interim report as at 31 March 2011 has been prepared on the same accounting and reporting basis as the consolidated annual accounts as at 31 December 2010, 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 2010 as well as the adjustments in accordance with IAS 8. With regard to these adjustments, please refer to the explanations given in the 2010 Annual Report.

in € '000	2011	2010
Net income for the first three months	31,270	26,373
Earnings from financial instruments available for sale, reported under equity	0	16
Earnings from currency conversion, reported under equity	-1,936	2,545
Overall result not affecting net income	-1,936	2,561
Overall result	29,334	28,934
of which attributable to entities outside the Group	850	628
of which attributable to owners of the parent company	28,484	28,306

Accounting and valuation principles

Transition from net income to overall result

Financial resources totalling T€ 92,307 (previous year: T€ 80,248) 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 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€ 272,162 (previous year: T€ 236,776) is shown in a separate table.

Explanatory notes on the cash flow statement

Explanatory notes on the financial result as at 31 March 2011

in € '000	Expenses	Income	Total
Result from loans and securities	-138	737	599
Result from accounting and other processes not related to financial investments	-523	45	-478
Net interest income	-661	782	121
Write-ups and write-downs on financial investments and similar	0	0	0
Financial result	-661	782	121

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.

Information on related parties (IAS 24)

The contractual relationships with related parties reported in the 2010 Annual Report have remained virtually unchanged. Transactions are executed at standard market terms and prices and are of secondary importance to Fielmann Aktiengesellschaft.

After three months, the proceeds amounted to T€ 183.6 (previous year: T€ 171.7) and expenses to T€ 821.3 (previous year: T€ 836.9). The balances have been offset as at the reporting date.

Key events after 31 March 2011

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 6,672 of the Company's own shares was deducted from the item posted as Securities. The book value as at 31 March 2011 amounted to T€ 445. 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, March 2011

The figures for the previous year are indicated in brackets.

in € '000	Position as at 1 January ¹	Dividends paid/ Share of result ²	Profit for the period	Other changes	Position as at 31 March
Subscribed capital	54,600 (54,600)				54,600 (54,600)
Capital reserves	92,652 (92,652)				92,652 (92,652)
Group equity generated	380,142 (337,531)	0 (0)	30,420 (25,745)	-2,374 (1,054)	408,188 (364,330)
of which securities held for sale	0 (0)			252 (16)	0 (16)
of which currency equalisation item	11,845 (3,927)			-1,936 (2,545)	9,909 (6,472)
of which own shares	158 (330)			287 (1,507)	445 (1,837)
of which share-based remuneration	1,094 (409)			-5 (0)	1,089 (409)
Minority interests	-291 (-291)	-935 (-690)	850 (628)	-32 (24)	-408 (-329)
Group equity	527,103 (484,492)	-935 (-690)	31,270 (26,373)	-2,406 (1,078)	555,032 (511,253)

¹ The values for the previous year as at 1 January 2010 were adjusted in accordance with IAS 8 (see table below).

² Dividend paid and share of profit allocated to other shareholders.

Adjustment in accordance with IAS 8 as at 1 January 2010

in € '000	Position as at 1 January	Adjustment in accordance with IAS 8	Status following adjustment on 1 January 2010
Subscribed capital	54,600		54,600
Capital reserves	92,652		92,652
Group equity generated	350,727	-13,196	337,531
of which currency equalisation item	3,927		3,927
of which own shares	330		330
of which share-based remuneration	409		409
Minority interests	-291		-291
Group equity	497,688	-13,196	484,492

Cash flow statement

For the period 1 January to 31 March	2011 € '000	2010 € '000	Change € '000
Earnings before interest and taxes (EBIT)	43,585	36,855	6,730
Interest expenses	-661	-360	-301
Interest income	782	649	133
Result from ordinary activities	43,706	37,144	6,562
Taxes on income	-12,436	-10,771	-1,665
Profit for the period (including shares of minority interests)	31,270	26,373	4,897
+/- Write-downs/write-ups on fixed assets	8,449	8,286	163
+/- Increase/decrease in long-term accruals	-48	7	-55
+/- Other non-cash income/expenditure	-1,047	-598	-449
= Cash flow after elimination of non-cash items in the P&L	38,624	34,068	4,556
+/- Increase/decrease in current accruals	5,673	5,829	-156
-/+ Profit/loss on disposal of fixed assets	-8	39	-47
-/+ Increase/decrease in inventories, trade debtors as well as other assets not attributable to investment and financial operations	-18,123	-17,968	-155
-/+ Increase/decrease in financial assets held for trading or to maturity	-81,194	-56,999	-24,195
+/- Increase/decrease in trade creditors as well as other liabilities not attributable to investment and financial operations	21,865	10,866	10,999
= Cash flow from current business activities	-33,163	-24,165	-8,998
Receipts from the disposal of tangible assets	334	118	216
- Payments for investments in tangible assets	-7,054	-7,535	481
- Payments for investments in intangible assets	-213	-224	11
+ Receipts from disposal of financial assets	83	50	33
- Payments for investments in financial assets	-2	-102	100
= Cash flow from investment activities	-6,852	-7,693	841
- Payments to company owners and minority shareholders	-935	-690	-245
- Payments for the redemption of bonds and (financial) loans	-100	-66	-34
+/- Payments in Transit	-371	-153	-218
= Cash flow from financial activities	-1,406	-909	-497
Cash changes in financial resources	-41,421	-32,767	-8,654
+/- Changes in financial resources due to exchange rates, scope of consolidation and valuation	722	830	-108
+ Financial resources at 1 January	133,006	112,185	20,821
= Financial resources at 31 March	92,307	80,248	12,059

Segment reporting 1 January to 31 March 2011

The figures for the previous year are indicated in brackets.

in € million	Germany	Switzerland	Austria	Other	Consolidation	Group
Sales revenue from segment	213.4 (200.6)	30.6 (27.3)	14.0 (12.6)	6.9 (6.0)	-9.0 (-9.4)	255.9 (237.1)
Sales revenue from other segments	8.8 (8.3)	0.0 (1.0)		0.2 (0.1)		
Outside sales revenue	204.6 (192.3)	30.6 (26.3)	14.0 (12.6)	6.7 (5.9)		255.9 (237.1)
Cost of materials	46.5 (46.8)	9.3 (9.1)	4.3 (4.3)	2.4 (2.1)	-8.3 (-11.0)	54.2 (51.3)
Personnel costs	83.0 (78.7)	11.1 (9.5)	4.9 (4.9)	2.3 (2.3)	0.0 (-0.8)	101.3 (94.6)
Scheduled depreciation	6.9 (6.9)	0.8 (0.7)	0.4 (0.4)	0.3 (0.3)		8.4 (8.3)
Expenses in financial result	0.8 (0.4)				-0.1 (-0.1)	0.7 (0.3)
Income in financial result	0.7 (1.8)	0.2 (0.1)	0.0 (0.1)		-0.1 (-1.4)	0.8 (0.6)
Result from ordinary activities¹	35.0 (32.7)	5.7 (4.9)	3.0 (1.3)	0.1 (-0.5)	-0.1 (-1.3)	43.7 (37.1)
Tax on income and revenue	10.2 (10.1)	1.4 (1.3)	0.8 (0.3)		0.0 (-0.9)	12.4 (10.8)
Net income for the period	24.8 (22.7)	4.3 (3.6)	2.2 (1.0)	0.1 (-0.5)	-0.1 (-0.4)	31.3 (26.4)
Segment assets excl. taxes	642.4 (593.9)	37.5 (27.2)	17.1 (18.1)	19.0 (20.2)		716.0 (659.4)
Investments	5.5 (7.2)	1.5 (0.5)	0.1 (0.1)	0.2 (0.0)		7.3 (7.8)
Deferred taxes	18.7 (17.8)	0.0 (0.2)	0.3 (0.0)	0.1 (0.2)		19.1 (18.2)

¹ In the segments without income from participations

Composition of financial assets

in € '000	31. 3. 2011	31. 3. 2010
Liquid funds	27,238	49,851
Securities with a fixed term up to three months	65,069	30,397
Financial resources	92,307	80,248
Financial investments	1,131	1,074
Other financial assets	51,207	27,145
Securities with a fixed term more than three months	127,517	128,309
Financial capital	272,162	236,776

Consolidated profit and loss account

For the period 1 January to 31 March	2011 € '000	2010 € '000	Change
1. Consolidated sales	255,886	237,125	7.9 %
2. Change in finished goods and work in progress	4,787	4,543	5.4 %
Total consolidated revenues	260,673	241,668	7.9 %
3. Other operating income	2,131	3,151	-32.4 %
4. Cost of materials	-54,236	-51,304	5.7 %
5. Personnel costs	-101,301	-94,642	7.0 %
6. Depreciation	-8,449	-8,286	2.0 %
7. Other operating expenses	-55,233	-53,732	2.8 %
8. Expenses in financial result	-661	-360	83.6 %
9. Income in financial result	782	649	20.5 %
10. Result from ordinary activities	43,706	37,144	17.7 %
11. Tax on income and earnings	-12,436	-10,771	15.5 %
12. Net income	31,270	26,373	18.6 %
13. Income attributable to other shareholders	-850	-628	35.4 %
14. Profit for the period under review	30,420	25,745	18.2 %
Earnings per share in €	0.72	0.61	

Financial calendar 2011

Annual General Meeting	7 July 2011
Dividend payment	8 July 2011
Half-year report	25 August 2011
Quarterly report	10 November 2011
Bloomberg code	FIE
Reuters code	FIEG.DE
ISIN	DE0005772206

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Consolidated balance sheet

Assets	Position as at 31 March 2011 in € '000	Position as at 31 December 2010 in € '000
A. Long-term assets		
I. Intangible assets	10,047	10,551
II. Goodwill	45,270	45,522
III. Fixed assets	202,496	204,039
IV. Investment property	10,962	11,033
V. Financial assets	1,131	1,211
VI. Deferred tax assets	19,116	18,083
VII. Tax assets	1,812	1,812
VIII. Other financial assets	51,207	23,556
	342,041	315,807
B. Current assets		
I. Inventories	105,456	93,582
II. Trade and other receivables	58,747	54,021
III. Tax assets	9,415	10,442
IV. Pre-paid expenses	10,886	9,276
V. Financial assets	127,517	73,975
VI. Cash and cash equivalents	92,307	133,006
	404,328	374,302
	746,369	690,109
Equity and liabilities		
	Position as at 31 March 2011 in € '000	Position as at 31 December 2010 in € '000
A. Equity capital		
I. Subscribed capital	54,600	54,600
II. Capital reserves	92,652	92,652
III. Profit reserves	377,769	279,342
IV. Balance sheet profit	0	100,800
V. Profit for the period under review	30,419	0
VI. Minority shares of third parties	-408	-387
	555,032	527,007
B. Long-term liabilities		
I. Long-term accruals	8,942	8,991
II. Long-term financial liabilities	4,482	4,984
III. Deferred tax liabilities	4,549	4,814
	17,973	18,789
C. Current liabilities		
I. Current accruals	40,414	33,888
II. Current financial liabilities	317	286
III. Trade creditors and other liabilities	108,728	84,830
IV. Tax liabilities	23,905	25,309
	173,364	144,313
	746,369	690,109

