



## **Interim report as at 30 June 2010**

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**First half-year 2010: Fielmann expands market share**

**First half-year 2010: profit up by 8 per cent**

**2010: Fielmann takes on 850 new trainees**

**fielmann**

# Fielmann Aktiengesellschaft

## Interim report as at 30 June 2010

### Dear Shareholders and Friends of the Company,

Our expectations for the first half of the reporting year have been met.

### Group interim management report

#### General conditions

The German economy recovered in the first six months of the current year. Gross domestic product increased by 3.1 per cent in the reporting period, essentially driven by exports boosted by a weaker euro. Economic output is therefore still 4 per cent down on the level in 2008 before the crisis began. As at 30 June 2010, the number of unemployed stood at 3.2 million and the unemployment rate at 7.5 per cent.

#### Unit sales and sales revenue

#### Report on the income, the financial position and assets

Fielmann expanded its market share. While the rest of the optical industry recorded a 3 per cent decline in unit sales in the first six months, Fielmann increased its unit sales by 1 per cent to 3.1 million pairs of glasses. External sales including VAT climbed to € 573.7 million (previous year € 548.3 million) and consolidated sales to € 487.4 million (previous year € 464.5 million).

In the second quarter, Fielmann again sold more than 1.6 million pairs of glasses. The trend towards high quality varifocal lenses is continuing and there was a 7 per cent increase in the share attributable to these lenses. The company achieved external sales of € 292.7 million (previous year € 280.4 million) and consolidated sales of € 250.3 million (previous year € 238.2 million).

#### Earnings and investments

During the reporting period, pre-tax profit rose by 8 per cent to € 78.2 million (previous year € 72.2 million) and profit after tax to € 55.0 million (previous year € 50.8 million).

In the second quarter, Fielmann increased pre-tax profit to € 41.3 million (previous year € 39.2 million) and net income for the year to € 29.1 million (previous year € 27.7 million).

Investments which are fully funded from cash flow amounted to € 17.2 million (previous year € 18.3 million) after six months.

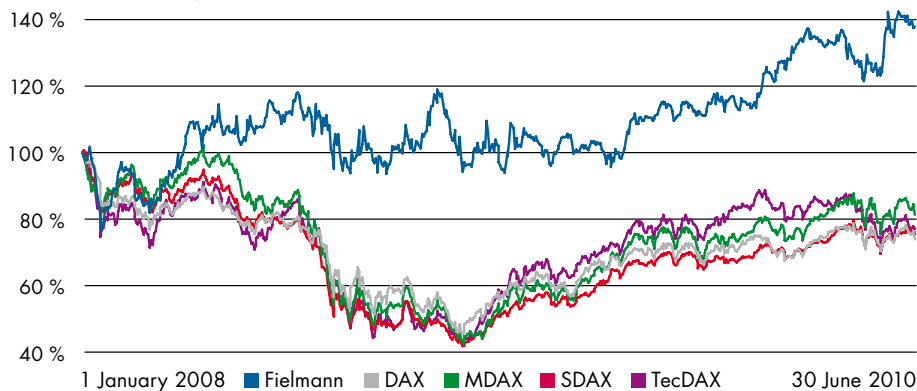
As at 30 June 2010, Fielmann operated 649 branches (previous year 631). We are driving forward expansion and will be opening 20 new stores this year.

## Earnings per share

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

in € '000	June 2010	June 2009	2009
Net income	55,019	50,855	114,348
Income attributable to other shareholders	-1,338	-1,298	-3,261
<b>Period result</b>	<b>53,681</b>	<b>49,557</b>	<b>111,087</b>
<b>Earnings per share in €</b>	<b>1.28</b>	<b>1.18</b>	<b>2.64</b>

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



The equity markets recovered in the first six months of the current financial year, but are still down on the level on 1 January in 2008, the year the crisis began. Between 1 January 2008 and 30 June 2010, the DAX lost 26 per cent, the MDAX 19 per cent, and the SDAX and TecDAX 25 per cent each.

Fielmann shares have proven to be a sound investment. The share price climbed by 38 per cent in the same period and stood at € 62.00 on 30 June 2010.

## Share

## Dividend

The Annual General Meeting of Fielmann AG on 8 July 2010 resolved to pay a dividend of € 2.00 per share for financial year 2009 (previous year € 1.95). Fielmann distributed € 84.0 million to its shareholders, a distribution ratio of 75.6 per cent.

## Staff

As at the end of the second quarter, Fielmann employed 13,200 members of staff (previous year 12,585), of which 2,337 are trainees (previous year 2,128). With a 5 per cent share of optician's stores in Germany, Fielmann trains 33 per cent of all trainees in the optical industry. More than 850 young people started their training in Germany and other countries with Fielmann this year.

## Notes to the bodies of the Company

The term of office of the members of the Supervisory Board finished at the end of the Annual General Meeting in 2010. By resolution of the Annual General Meeting on 8 July 2010, the Supervisory Board now comprises sixteen members.

### Shareholder representatives

Prof. Dr. Mark K. Binz  
(Supervisory Board Chairman)  
Anton-Wolfgang Graf von Fsinceer Castell  
Hans Georg Frey, since 8. 7. 2010  
Helmut Nanz, until 8. 7. 2010  
Hans Joachim Oltersdorf  
Marie-Christine Ostermann, since 8. 7. 2010  
Prof. Dr. Hans-Joachim Priester  
Pier Paolo Righi  
Dr. Stefan Wolf, since 8. 7. 2010

### Employees representatives

Eva Schleifenbaum  
(Dep. Supervisory Board Chairman)  
Sören Dannmeier, since 8. 7. 2010  
Jana Furcht  
Ralf Greve, since 8. 7. 2010  
Peter Haacke, until 8. 7. 2010  
Johannes Haerkötter, until 8. 7. 2010  
Fred Haselbach, since 8. 7. 2010  
Karin Höft, until 8. 7. 2010  
Christopher Meier, since 8. 7. 2010  
Petra Oettle, since 8. 7. 2010  
Josef Peitz, since 8. 7. 2010  
Sabine Thielemann, until 8. 7. 2010

The Management Board would like to thank the retired members of the Supervisory Board for their long-standing cooperation built on trust as well as their varied and constructive suggestions, and wishes the new members enthusiasm and success in all their activities.

## 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.

Fielmann is confident it will be able to expand its market position. In times of economic difficulty in particular, consumers are attracted to companies which guarantee them high quality at reasonable prices and in the optical industry, this means Fielmann. For the full year, we are expecting growth in unit sales, sales revenue and earnings. This year we are planning to open 20 new branches and employ a staff complement of more than 13,600 (previous year 13,235).

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

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, financial and income positions of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Hamburg, August 2010

Fielmann Aktiengesellschaft  
The Management Board

## **Outlook**

## **Declaration by the Management Board**

## Accounting and valuation principles

## Reconciliation from half year result to overall result

## Explanatory notes on the cash flow statement

### Notes

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

in € '000	2010	2009
<b>Profit for the first six months</b>	<b>55,019</b>	<b>50,855</b>
Earnings from financial instruments available for sale, reported under equity	181	-28
Earnings from currency conversion, reported under equity	5,091	-780
<b>Overall result not affecting net income</b>	<b>5,272</b>	<b>-808</b>
<b>Overall result</b>	<b>60,291</b>	<b>50,047</b>
of which attributable to entities outside the Group	1,338	1,298
of which attributable to owners of the parent company	58,953	48,749

Financial resources totalling T€ 111,010 correspond to the item posted on the balance sheet as "cash and cash equivalents" and includes liquid funds, money market funds which can be liquidated at any time and securities with a fixed term up to three months. In principle, financial assets, which are also considered to be fixed financial assets, have a residual term of over three months and are broken down according to the usual maturities under IAS 1. There was increased investment in this asset class in recent months. Interest income and expenses are generally cash items. The result for the comparable period takes account of the actual tax rate in financial year 2009.

in € '000	June 2010	June 2009
Liquid funds	64,222	59,020
Securities with a fixed term up to three months	46,788	126,688
<b>Financial resources</b>	<b>111,010</b>	<b>185,708</b>
Financial investments	1,083	1,415
Other financial assets	52,109	1,995
Financial assets	97,105	45,605
<b>Financial capital</b>	<b>261,307</b>	<b>234,723</b>

in € '000	Expenses	Income	Total
Result from loans and securities	-319	900	581
Result from accounting and other processes not related to financial investments	-1,159	910	-249
<b>Net interest income</b>	<b>-1,478</b>	<b>1,810</b>	<b>332</b>
Write-ups and write-downs on financial investments and similar	0	120	120
<b>Financial result</b>	<b>-1,478</b>	<b>1,930</b>	<b>452</b>

## Explanatory notes on the financial result as at 30 June 2010

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 reporting

Since 2 December 2009, PROCON Multimedia AG no longer belonged to the associated companies within the meaning of IAS 24 or § 312 of the AktG (German Stock Corporation Act). The other contractual relationships with related parties 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. After six months, the proceeds amounted to T€ 377 (previous year T€ 338) and expenses to T€ 1,611 (previous year T€ 1,956). The balances have been offset as at the reporting date.

## Information on related parties (IAS 24)

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

## Key events after 30 June 2010

The portfolio of 28,813 of the company's own shares was deducted from the item posted as Securities. The book value as at 30 June 2010 amounts to T€ 1,763. 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.

## Other information

## Segment reporting 1 January to 30 June 2010

The figures for the previous year are indicated in brackets.

in € million	Germany	Switzerland	Austria	Other	Consolidation	Group
Sales revenue from segment	409.8 (393.3)	56.3 (51.7)	26.5 (25.1)	12.8 (12.4)	-18.0 (-18.0)	487.4 (464.5)
Sales revenue from other segments	16.2 (15.9)	1.4 (1.8)		0.4 (0.3)		
<b>Outside sales revenue</b>	<b>393.6 (377.4)</b>	<b>54.9 (49.9)</b>	<b>26.5 (25.1)</b>	<b>12.4 (12.1)</b>		<b>487.4 (464.5)</b>
Cost of materials	125.4 (124.9)	18.8 (18.0)	8.9 (8.4)	4.7 (4.5)	-20.4 (-20.3)	137.4 (135.5)
Personnel costs	156.7 (145.1)	19.5 (17.3)	9.8 (9.1)	4.6 (4.1)		190.6 (175.6)
Scheduled depreciation	14.4 (13.8)	1.3 (1.2)	0.8 (0.7)	0.7 (0.6)		17.2 (16.3)
Expenses in financial result	1.5 (0.6)	0.1 (0.1)	0.0 (0.1)	0.1 (0.2)	-0.3 (-0.4)	1.4 (0.6)
Income in financial result	2.0 (2.5)	0.2 (0.6)	0.1 (0.2)	0.1 (0.1)	-0.5 (-0.4)	1.9 (3.0)
<b>Result from ordinary activities<sup>1</sup></b>	<b>65.1 (61.0)</b>	<b>10.1 (9.9)</b>	<b>3.7 (2.3)</b>	<b>-0.6 (-0.6)</b>	<b>-0.1 (-0.4)</b>	<b>78.2 (72.2)</b>
Tax on income and revenue	18.8 (19.1)	2.6 (2.3)	1.0 (0.6)	0.1 (0.3)	0.6 (-0.9)	23.1 (21.4)
<b>Net income for the half year</b>	<b>46.3 (41.9)</b>	<b>7.5 (7.6)</b>	<b>2.7<sup>4</sup> (1.7)</b>	<b>-0.7 (-0.9)</b>	<b>-0.7 (0.5)</b>	<b>55.1 (50.8)</b>
Segment assets excl. taxes	628.7 (586.2)	44.6 (39.2)	18.3 (17.4)	20.3 (21.8)		711.9 (664.6)
Investments	15.9 (15.2)	0.9 (1.3)	0.3 (0.9)	0.1 (0.9)		17.2 (18.3)
Deferred taxes	18.7 (18.6)	0.2 (0.2)		0.2 (0.0)		19.1 (18.8)

<sup>1</sup> In the segments without income from participations

## Movement of equity, June 2010

The figures for the previous year are indicated in brackets.

in € '000	Position as at 1 January	Dividends paid/ Share of result <sup>1</sup>	Profit for the period	Other changes	Position as at 30 June
<b>Subscribed capital</b>	<b>54,600 (54,600)</b>				<b>54,600 (54,600)</b>
<b>Capital reserves</b>	<b>92,652 (92,652)</b>				<b>92,652 (92,652)</b>
<b>Group equity generated</b>	<b>350,727 (320,911)</b>		<b>53,681 (49,557)<sup>2</sup></b>	<b>3,717 (-1,366)</b>	<b>408,125 (369,102)</b>
of which securities held for sale	0 (28)			181 (-28)	181 (0)
of which currency equalisation item	3,927 (3,013)			5,091 (-780)	9,018 (2,233)
of which own shares	330 (57)			1,433 (517)	1,763 (574)
of which share-based remuneration	409 (440)				409 (440)
<b>Minority interests</b>	<b>-291 (123)</b>	<b>-1,556 (-1,375)</b>	<b>1,338 (1,298)</b>	<b>50 (-41)</b>	<b>-459 (5)</b>
<b>Group equity</b>	<b>497,688 (468,286)</b>	<b>-1,556 (-1,375)</b>	<b>55,019 (50,855)</b>	<b>3,767 (-1,407)</b>	<b>554,918 (516,359)</b>

<sup>1</sup> Dividend paid and share of profit allocated to other shareholders.

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



## Cash flow statement

For the period 1 January to 30 June	2010 € '000	2009 € '000	Change € '000
Earnings before interest and taxes (EBIT)	77,711	69,851	7,860
Write-ups on financial investments	120	0	120
Interest expenses	-1,478	-643	-835
Interest income	1,810	3,030	-1,220
<b>Result from ordinary activities</b>	<b>78,163</b>	<b>72,238</b>	<b>5,925</b>
Taxes on income <sup>1)</sup>	-23,144	-21,391	-1,753
<b>Profit for the period (including shares of minority interests)</b>	<b>55,019</b>	<b>50,847</b>	<b>4,172</b>
+/- Write-downs/write-ups on fixed assets	17,230	16,256	974
+/- Increase/decrease in long-term accruals	637	157	480
+/- Other non-cash income/expenditure	-2,142	856	-2,998
<b>= Cash flow after elimination of non-cash items in the P&amp;L</b>	<b>70,744</b>	<b>68,116</b>	<b>2,628</b>
+/- Increase/decrease in current accruals	-3,997	-18,627	14,630
-/+ Profit/loss on disposal of fixed assets	-86	-94	8
-/+ Increase/decrease in inventories, trade debtors as well as other assets not attributable to investment and financial operations	-54,288	-5,492	-48,796
-/+ Increase/decrease in financial assets held for trading or to maturity	-25,795	25,323	-51,118
+/- Increase/decrease in trade creditors as well as other liabilities not attributable to investment and financial operations	29,550	13,831	15,719
<b>= Cash flow from current business activities</b>	<b>16,128</b>	<b>83,057</b>	<b>-66,929</b>
Receipts from the disposal of tangible assets	315	792	-477
- Payments for investments in tangible assets	-16,839	-16,798	-41
+ Receipts from disposal of intangible assets	14	70	-56
- Payments for investments in intangible assets	-258	-1,092	834
+ Receipts from disposal of financial assets	163	173	-10
- Payments for investments in financial assets	-104	-5	-99
- Payments for the acquisition of consolidated companies and other business units after deduction of acquired cash resources <sup>1)</sup>	0	-410	410
<b>= Cash flow from investment activities</b>	<b>-16,709</b>	<b>-17,270</b>	<b>561</b>
- Payments to company owners and minority shareholders	-1,556	-1,375	-181
+/- Payments in Transit	-84	-3,652	3,568
<b>= Cash flow from financial activities</b>	<b>-1,640</b>	<b>-5,027</b>	<b>3,387</b>
Cash changes in financial resources	-2,221	60,760	-62,981
+/- Changes in financial resources due to exchange rates, scope of consolidation and valuation	1,046	455	591
+ Financial resources at 1 January	112,185	124,493	-12,308
<b>= Financial resources at 30 June</b>	<b>111,010</b>	<b>185,708</b>	<b>-74,698</b>

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

## Consolidated profit and loss account

For the period 1 April to 30 June	2010 € '000	2009 € '000	Change
1. Consolidated sales	250,283	238,185	5.1 %
2. Change in finished goods and work in progress	175	1,714	-89.8 %
<b>Total consolidated revenues</b>	<b>250,458</b>	<b>239,899</b>	<b>4.4 %</b>
3. Other operating income	19,441	18,845	3.2 %
4. Cost of materials	-71,608	-69,973	2.3 %
5. Personnel costs	-95,991	-90,683	5.9 %
6. Depreciation	-8,594	-8,138	5.6 %
7. Other operating expenses	-52,530	-52,074	0.9 %
8. Expenses in financial result	-1,118	-292	282.9 %
9. Income in financial result	1,281	1,618	-20.8 %
<b>10. Result from ordinary activities</b>	<b>41,339</b>	<b>39,202</b>	<b>5.5 %</b>
11. Tax on income and earnings	-12,232	-11,604 <sup>1</sup>	5.4 %
<b>12. Net income for the quarter</b>	<b>29,107</b>	<b>27,598</b>	<b>5.5 %</b>
13. Income attributable to other shareholders	-710	-914	-22.3 %
<b>14. Profit for the period under review</b>	<b>28,397</b>	<b>26,684</b>	<b>6.4 %</b>
<b>Earnings per share in €</b>	<b>0.68</b>	<b>0.64</b>	

## Consolidated profit and loss account

For the period 1 January to 30 June	2010 € '000	2009 € '000	Change
1. Consolidated sales	487,408	464,517	4.9 %
2. Change in finished goods and work in progress	4,718	5,368	-12.1 %
<b>Total consolidated revenues</b>	<b>492,126</b>	<b>469,885</b>	<b>4.7 %</b>
3. Other operating income	37,066	34,938	6.1 %
4. Cost of materials	-137,356	-135,496	1.4 %
5. Personnel costs	-190,633	-175,649	8.5 %
6. Depreciation	-17,230	-16,256	6.0 %
7. Other operating expenses	-106,262	-107,571	-1.2 %
8. Expenses in financial result	-1,478	-643	129.9 %
9. Income in financial result	1,930	3,030	-36.3 %
<b>10. Result from ordinary activities</b>	<b>78,163</b>	<b>72,238</b>	<b>8.2 %</b>
11. Tax on income and earnings	-23,144	-21,383 <sup>1</sup>	8.2 %
<b>12. Net income for the half year</b>	<b>55,019</b>	<b>50,855</b>	<b>8.2 %</b>
13. Income attributable to other shareholders	-1,338	-1,298	3.1 %
<b>14. Profit for the period under review</b>	<b>53,681</b>	<b>49,557</b>	<b>8.3 %</b>
<b>Earnings per share in €</b>	<b>1.28</b>	<b>1.18</b>	

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

## Consolidated balance sheet

Assets	Position as at 30 June 2010 in € '000	Position as at 31 December 2009 in € '000
<b>A. Long-term assets</b>		
I. Intangible assets	10,299	11,539
II. Goodwill	45,475	44,964
III. Fixed assets	202,816	199,739
IV. Investment property	11,069	9,774
V. Financial assets	1,083	1,023
VI. Deferred tax assets	19,061	17,554
VII. Tax assets	1,670	2,074
VIII. Other financial assets	52,109	21,281
	<b>343,582</b>	<b>307,948</b>
<b>B. Current assets</b>		
I. Inventories	118,874	107,312
II. Trade and other receivables	52,520	46,651
III. Tax assets	10,648	10,280
IV. Pre-paid expenses	9,541	7,039
V. Financial assets	97,105	71,310
VI. Cash and cash equivalents	111,010	112,185
	<b>399,698</b>	<b>354,777</b>
	<b>743,280</b>	<b>662,725</b>
	<b>743,280</b>	<b>662,725</b>
<b>Equity and liabilities</b>	<b>Position as at 30 June 2010 in € '000</b>	<b>Position as at 31 December 2009 in € '000</b>
<b>A. Equity capital</b>		
I. Subscribed capital	54,600	54,600
II. Capital reserves	92,652	92,652
III. Profit reserves	354,444	266,727
IV. Balance sheet profit	0	84,000
V. Profit for the period under review	53,681	0
VI. Minority shares of third parties	-459	-291
	<b>554,918</b>	<b>497,688</b>
<b>B. Long-term liabilities</b>		
I. Long-term accruals	8,848	8,210
II. Long-term financial liabilities	4,872	4,943
III. Deferred tax liabilities	9,707	8,688
	<b>23,427</b>	<b>21,841</b>
<b>C. Current liabilities</b>		
I. Current accruals	35,144	37,323
II. Current financial liabilities	327	339
III. Trade creditors and other liabilities	101,378	73,899
IV. Tax liabilities	28,086	31,635
	<b>164,935</b>	<b>143,196</b>
	<b>743,280</b>	<b>662,725</b>
	<b>743,280</b>	<b>662,725</b>

### **Financial calendar 2010/2011**

Analysts' conference	27. August 2010
Quarterly report as at 30 September	11. November 2010
Preliminary figures 2010	Februar 2011
Quarterly report as at 31 March	April 2011
Bloomberg code	FIE
Reuters code	FIEG.DE
ISIN	DE0005772206

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