Interim Report as at 30 June 2008

First six months of 2008:
Sales up 7.8 per cent, profit up 43.7 per cent
Full year: 500 additional jobs
2008: 12,000 employees; 2,000 trainees

fielmann

Fielmann Aktiengesellschaft
Interim Report for the Group as at 30 June 2008

Dear Shareholders and Friends of the Company,
Our expectations for the first half of financial year 2008 have been confirmed. Fielmann considerably expanded its sales and earnings and recorded a double-digit rise in profit.

Interim Management Report

General conditions

The European economy is feeling the effects of the economic and real estate crises in the USA. In the eurozone, prices rose by an average of 4.0 per cent. In order to curb the rate of price increases, the European Central Bank raised its interest rate at the beginning of July for the first time in over a year.

In the second quarter, for the first time in four years, GDP growth dropped to record a fall of 0.5 per cent on the previous quarter.

In Germany, record oil prices have led to spiralling heating and energy costs, with food prices also rising markedly. In light of the continuing high rate of inflation at 3.3 per cent (as of June 2008), the propensity to buy has fallen in Germany and the GfK consumer climate index has fallen to its lowest level in five years. At 8.9 per cent, the increase in wholesale prices compared with the previous year was disproportionately high. In the first six months of the year, German retail was down 0.8 per cent.

As at 30 June 2008, unemployment was running at 7.3 per cent (3.17 million).

Report on earnings, the financial position and assets

Unit sales and revenue

In the first half of 2008, external sales (consolidated sales including VAT) increased by 7.8 per cent to € 532.3 million and consolidated sales by 8.2 per cent to € 451.2 million.

In the second quarter, Fielmann sold 1.5 million pairs of glasses. External sales advanced by 9.1 per cent to € 273.4 million and consolidated sales by 9.2 per cent to € 232.9 million.

Earnings and investments

In the first six months of 2008, pre-tax profit rose by 43.7 per cent to € 80.2 million and profit after tax by 67.4 per cent to € 56.2 million.

Pre-tax profit of the second quarter amounted to € 41.5 million (previous year: € 26.5 million), profit after tax to € 29.1 million (previous year: € 15.9 million). The tax rate for the net income for the first half of the year has been positively affected by the corporate tax reform and fell from 39.8 per cent to 29.9 per cent.

Investments were financed entirely from cash flow and totalled € 13.8 million in the first six months of the year, of which € 9.7 million was invested in branches. The number of stores rose to 607 in the first half of the year (previous year: 585).

Earnings per share

in € '000	June 2008	June 2007	2007
Net income	56,242	33,593	82,044
Income attributable to other shareholders	–1,854	–1,211	–2,968
Period result	**54,388**	**32,382**	**79,076**
Earnings per share in €	**1.29**	**0.77**	**1.88**

Foreign countries

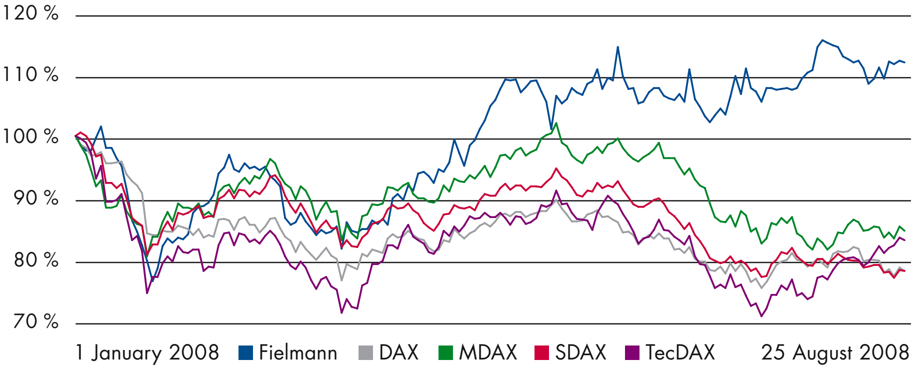
The markets in neighbouring countries offer great potential in terms of growth and earnings. Fielmann generated a sales return before tax of 19.5 per cent in Austria and of 21.3 per cent in Switzerland. We are rapidly pushing ahead with the expansion of our network in Germany and abroad.

Share

Worldwide, the capital markets are still suffering the effects of the property and banking crisis. Since the start of the year, the DAX has lost 22 per cent, the MDAX 15 per cent and the SDAX and TecDAX are both approximately down by 20 per cent.

However, Fielmann shares again proved resilient in this environment, climbing more than 12 per cent since the beginning of the year to € 50.34 per share (as at: 25 August 2008).

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



Dividend

The Annual General Meeting of Fielmann AG on 10 July 2008 resolved a dividend of € 1.40 per share for financial year 2007 (+16.7 per cent on the previous year). Fielmann distributed € 58.8 million to its shareholders, which represents a distribution ratio of 74.4 per cent.

Staff

Fielmann is the biggest employer and trainer in the optical industry. As at 30 June 2008, the Company employed a staff of 11,841 (previous year: 11,259), of whom 1,829 are trainees (previous year: 1,610). This year, an additional 750 young people will start their training at Fielmann.

Information on the Company boards

Prof. Dr.-Ing. Jobs Herrmann stood down from the Supervisory Board at his own request at the end of the Annual General Meeting of Fielmann AG on 10 July 2008. On the same day, Paolo Righi was elected as the new member of the Supervisory Board by the Annual General Meeting.

Forecast, opportunities and risk report

The Company has no information that would result in a change in the material forecasts and other statements provided in its last Group Management Report regarding the Group's development during the financial year. The statements provided in the Annual Report 2007 on the opportunities and risks of the business model remain unchanged

Outlook

For 2008, Fielmann expects a rise in sales and profit and following continued positive development, external sales of more than € 1 billion. Taking into account the extraordinary effect of back-payments from health insurances, we expect a marked double-digit increase in our results.

Until the end of the year, Fielmann will create more than 500 additional jobs, thereby employing a staff of over 12,000 of whom 2,000 will be trainees.

Declaration by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the abridged interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss 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 2008

Fielmann Aktiengesellschaft
The Management Board

Notes

Accounting and valuation principles

The Interim Report as at 30 June 2008 for Fielmann AG and the Group is based on the accounting and valuation principles that were applied to the consolidated annual financial statements as at 31 December 2007, which were prepared in accordance with the International Financial Reporting Standards (IFRS incorporating IAS). The Interim Report has not been reviewed by an auditor.

Changes have resulted from the first-time application of IFRS 8 Segment Reporting. The following segment information is based on IFRS 8 "Operating Segments", which defines the requirements relating to financial reporting for the business segments of a company. IFRS 8 replaces IAS 14 "Segment Reporting" and follows the management approach.

IFRS 8 was adopted by the IASB in November 2006. It comes into force for financial years commencing on or after 1 January 2009. Early application is permitted. Fielmann generates 99 per cent of its sales in its Optical segment and the Group's internal reporting is segmented by country: Germany, Switzerland, Austria and Other (Netherlands, Luxembourg, Poland and Eastern Europe).

Harmonisation of internal and external reporting has not resulted in any variances between the valuation in the segments and in the Group. The allocation of values to the segments is carried out in full through the allocation of accounting units. Segment revenue from transactions with other segments is not valued separately, as these are transactions under commercial law at market terms and conditions.

The result of ordinary activities, in the segments net of the income from participations which are of minor importance for the Group, corresponds to the result for the period within the meaning of IFRS 8.

Due to internal integration, segment assets excluding tax are shown as their share of consolidated assets. No reconciliation value is produced.

Explanatory notes on the cash flow statement

Financial resources of T€ 174,242 correspond to the balance sheet item "cash and cash equivalents". They comprise liquid funds, money market funds that can be realised at any time and securities with a maturity of up to one month.

in € '000	June 2008	June 2007
Liquid funds	70,536	41,617
Money market funds	13,366	50,246
Securities with fixed maturities	90,340	15,359
Financial resources	**174,242**	**107,222**

Explanatory notes on the segment report

The item "Other" takes into account run-up costs for the opening of two branches in Poland. In line with the regional breakdown in the internal reporting structure, segmentation is carried out according to the geographic region in which the products and services of the Group are offered and supplied.

Information on related parties (IAS 24)

The contractual relationships with related parties explained in Annual Report 2007 continue to be in place virtually unchanged.

They are carried out at customary market prices and terms and are of minor importance to Fielmann Aktiengesellschaft. In the first six months, income amounted to T€ 335 (previous year: T€ 336) and expenses to T€ 1,892 (previous year: T€ 1,680).

Significant events after 30 June 2008

At the time of preparing this report, there were no events known to the Company with a significant impact on the assets, liabilities, financial position and profit or loss of Fielmann Aktiengesellschaft and the Group.

Other details

The portfolio of 24,795 no-par value own shares under the item "Securities" was sold. The book value as at 30 June 2008 amounted to T€ 1,105. 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 and its affiliated companies as employee shares. In addition, staff in the German branches receive shares upon achieving specified targets. The item has been taken into account in the half-year financial statements.

Segment reporting 1 January to 30 June

The figures for the previous years are indicated in brackets.

in € million	Germany		Switzerland		Austria		Other		Consolidation		Group	
Sales revenue from segment	382.5	(355.0)	49.3	(44.4)	23.6	(22.8)	13.3	(10.6)	–17.5	(–16.0)	451.2	(416.8)
Sales revenue from other segments	15.6	(14.2)	1.4	(1.0)			0.5	(0.8)				
Outside sales revenue	**366.9**	**(340.8)**	**47.9**	**(43.4)**	**23.6**	**(22.8)**	**12.8**	**(9.8)**			**451.2**	**(416.8)**
Cost of materials	122.1	(122.8)	17.0	(16.0)	8.4	(8.1)	4.7	(4.2)	–21.5	(–19.5)	130.7	(131.6)
Personnel costs	137.4	(129.0)	15.8	(13.2)	7.5	(7.2)	4.2	(3.4)			164.9	(152.8)
Scheduled depreciation	13.2	(13.3)	1.1	(1.2)	0.7	(0.9)	0.6	(0.5)			15.6	(15.9)
Interest expenses	1.1	(1.0)	0.2	(0.0)			0.2	(0.2)	–0.7	(–0.3)	0.8	(0.9)
Interest income	2.9	(2.6)	0.2	(0.6)	0.4	(0.2)	0.1	(0.2)	–0.7	(–0.3)	2.9	(3.3)
Result from ordinary activities[1]	**65.6**	**(40.9)**	**10.2**	**(11.3)**	**4.6**	**(4.0)**	**–0.2**	**(–0.3)**	**0.0**	**(–0.1)**	**80.2**	**(55.8)**
Tax on income and revenue	19.6	(18.2)	2.7	(2.6)	1.2	(1.0)	0.1	(0.0)	0.3	(0.4)	23.9	(22.2)
Profit for the period	**45.9**	**(22.7)**	**7.5**	**(8.7)**	**3.4**	**(3.0)**	**–0.3**	**(–0.3)**	**–0.3**	**(–0.5)**	**56.2**	**(33.6)**
Segment assets excl. taxes	545.9	(488.3)	45.9	(39.6)	16.3	(17.9)	18.9	(20.2)			627.0	(566.0)
Investments	11.6	(15.2)	0.7	(1.3)	0.1	(0.4)	1.4	(1.2)			13.8	(18.1)
Deferred taxes	17.6	(21.2)	0.2	(0.2)			0.1	(0.1)			17.9	(21.5)

[1] In the segments without income from participations

Movement of equity, June 2008

The figures for the previous years are shown in brackets.

in € '000	Position as at 1 January		Dividends paid/Share of result*		Profit for the period		Other changes		Position as at 30 June	
Subscribed capital	**54,600**	**(54,600)**							**54,600**	**(54,600)**
Capital reserves	**92,652**	**(92,652)**							**92,652**	**(92,652)**
Group equity generated	**265,036**	**(236,723)**			**54,388**	**(35,244)**	**276**	**(–1,369)**	**319,700**	**(270,598)**
of which: securities held for sale	61	(94)					–22	(0)	39	(94)
of which: currency equalisation item	–1,110	(–1,142)					1,545	(–187)	435	(–1,329)
of which: own shares	0	(388)					1,105	(500)	1,105	(888)
of which: share-based remunaration	538	(443)							538	(443)
Minority interests	**–20**	**(16)**	**–1,987**	**(–1,210)**	**1,854**	**(1,211)**	**53**	**(–188)**	**–100**	**(–171)**
Group equity	**412,268**	**(383,991)**	**–1,987**	**(–1,210)**	**56,242**	**(36,455)**	**329**	**(–1,557)**	**466,852**	**(417,679)**

* dividend paid and share of profit allocated to other shareholders

Financial calendar 2008/2009

Analysts' conference	29 August 2008
Quarterly report as at 30 September	6 November 2008
Preliminary figures for 2008	February 2009
Quarterly report as at 31 March	April 2009
Bloomberg code	FIE
Reuters code	FIEG.DE
ISIN	DE0005772206

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Cash flow statement

	For the period 1 January to 30 June	2008 in € '000	2007 in € '000	Change in € '000
	Earnings before interest and taxes (EBIT)	78,106	53,357	24,749
	Interest expenses	–846	–895	49
	Interest income	2,927	3,340	–413
	Result from ordinary activities	**80,187**	**55,802**	**24,385**
	Taxes on income and earnings	–23,945	–22,209[1]	–1,736
	Profit for the quarter (including profits accruing to other shareholders)	**56,242**	**33,593**	**22,649**
+/–	Write-downs/write-ups on fixed assets	15,648	15,948	–300
+/–	increase/reduction in long-term accruals	–32	–63	31
+/–	other non cash expenses/income	1,456	1,939	–483
=	**Cash flow**	**73,314**	**51,417**	**21,897**
+/–	Increase/reduction in current accruals	–2,409	–1,489	–920
–/+	Profit/loss from disposal of fixed assets	69	–133	202
–/+	Increase/reduction in inventories, trade receivables and other assets not attributable to Investment and financial activities	–6,440	–16,169	9,729
–/+	Increase/reduction in financial assets held for trading purposes	–1,925	–40,177	38,252
+/–	Increase/reduction in trade liabilities and other liabilities not attributable to Investment and financial activities	17,161	28,949	–11,788
=	**Cash flow from current business activities**	**79,770**	**22,398**	**57,372**
	Receipts from disposal of tangible assets	410	714	–304
–	Payments for tangible assets	–12,188	–16,617	4,429
+	Receipts from disposal of intangible assets	16	4	12
–	Payments for intangible assets	–1,634	–1,382	–252
+	Receipts from disposal of financial assets	113	81	32
–	Payments for financial assets	0	–91	91
=	**Cash flow from investment activities**	**–13,283**	**–17,291**	**4,008**
–	Payments to company owners and minority shareholders	–1,987	–1,210	–777
–	Payments for redemption of financial credits	2,765	–336	3,101
=	**Cash flow from financial activities**	**778**	**–1,546**	**2,324**
	Cash changes in financial resources	67,265	3,561	63,704
+/–	Currency, consolidation and valuation-related changes in financial resources	453	–384	837
+	Financial resources at start of period under review	106,524	104,045	2,479
=	**Financial resources at end of period under review**	**174,242**	**107,222**	**67,020**

[1] This item has been adjusted in accordance with the ACTUAL tax ratio for 2007.

Consolidated profit and loss statement

For the period from 1 April to 30 June	2008 in € '000	2007 in € '000	Change
1. Consolidated sales	232,880	213,220	9.2 %
2. Change in finished goods and work in progress	465	39	
Total consolidated revenues	**233,345**	**213,259**	**9.4 %**
3. Other operating income	17,870	13,490	32.5 %
4. Cost of materials	–66,401	–68,560	–3.1 %
5. Personnel costs	–83,603	–76,845	8.8 %
6. Depreciation	–7,848	–8,014	–2.1 %
7. Other operating expenses	–53,735	–48,391	11.0 %
8. Interest income	1,875	1,514	23.8 %
9. Result from ordinary activities	**41,503**	**26,453**	**56.9 %**
10. Tax on income and earnings	–12,396	–10,529 [1]	17.7 %
11. Profit for the quarter	**29,107**	**15,924**	**82.8 %**
12. Income attributable to other shareholders	–840	–678	23.9 %
13. Result for the period under review	**28,267**	**15,246**	**85.4 %**
Earnings per share in €	**0.67**	**0.36**	

Consolidated profit and loss statement

For the period from 1 January to 30 June 2008	2008 in € '000	2007 in € '000	Change
1. Consolidated sales	451,210	416,833	8.2 %
2. Change in finished goods and work in progress	4,094	3,629	12.8 %
Total consolidated revenues	**455,304**	**420,462**	**8.3 %**
3. Other operating income	30,885	25,990	18.8 %
4. Cost of materials	–130,674	–131,589	–0.7 %
5. Personnel costs	–164,926	–152,787	7.9 %
6. Depreciation	–15,648	–15,948	–1.9 %
7. Other operating expenses	–96,835	–92,771	4.4 %
8. Interest income	2,081	2,445	–14.9 %
9. Result from ordinary activities	**80,187**	**55,802**	**43.7 %**
10. Tax on income and earnings	–23,945	–22,209 [1]	7.8 %
11. Profit for the period	**56,242**	**33,593**	**67.4 %**
12. Income attributable to other shareholders	–1,854	–1,211	53.1 %
13. Result for the period under review	**54,388**	**32,382**	**68.0 %**
Earnings per share in €	**1.29**	**0.77**	

[1] This item has been adjusted in accordance with the ACTUAL tax ratio for 2007.

Consolidated balance sheet

Assets	Position as at 30 June 2008 in € '000	Position as at 31 December 2007 in € '000
A. Long-term assets		
I. Intangible assets	10,285	9,952
II. Goodwill	41,281	41,146
III. Fixed assets	189,118	191,395
IV. Investment property	9,515	9,666
V. Financial assets	1,656	1,843
VI. Deferred tax assets	17,937	17,687
VII. Tax assets	2,913	2,913
VIII. Other financial assets	1,178	1,222
	273,883	**275,824**
B. Current assets		
I. Inventories	105,116	96,336
II. Trade and other receivables	47,331	52,245
III. Tax assets	6,036	6,666
IV. Pre-paid expenses	6,523	5,154
V. Financial assets	40,759	38,834
VI. Cash and cash equivalents	174,242	106,524
	380,007	**305,759**
	653,890	**581,583**

Equity and liabilities	Position as at 30 June 2008 in € '000	Position as at 31 December 2007 in € '000
A. Equity capital		
I. Subscribed capital	54,600	54,600
II. Capital reserves	92,652	92,652
III. Profit reserves	265,312	206,236
IV. Balance sheet profit	0	58,800
V. Profit for the period under review	54,388	0
VI. Minority shares of third parties	–100	–20
	466,852	**412,268**
B. Long-term liabilities		
I. Long-term accruals	7,057	7,089
II. Long-term financial liabilities	4,647	4,163
III. Deferred tax liabilities	7,024	6,917
	18,728	**18,169**
C. Current liabilities		
I. Current accruals	33,791	35,341
II. Current financial liabilities	4,205	1,924
III. Trade and other creditors	87,236	70,182
IV. Tax liabilities	43,078	43,699
	168,310	**151,146**
	653,890	**581,583**