



## **Interim report as at 31 March 2008**

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**1<sup>st</sup> quarter: EBT up 32 per cent  
2008: 30 new branches,  
400 additional jobs**

**felmann**

# Fielmann Aktiengesellschaft

## Interim report as at 31 March 2008

### **Dear Shareholders and Friends of the Company,**

Our expectations for the first quarter of financial year 2008 have been met, with Fielmann recording double digit growth in its results.

### **Interim Management Report**

#### **General conditions**

GDP growth slowed in the first weeks of the year and the forecast revival in private consumption failed to materialise. In the interim, economic research institutes and banks downgraded their growth forecasts for consumption in real terms.

In addition to the rise in energy and food prices, consumer propensity to buy was further dampened by uncertainty concerning the future development of the economy and anxieties relating to the future of the US economy.

As at 31 March 2008, unemployment totalled 3.5 million, and the rate of unemployment was running at 8.4 per cent.

#### **Report on earnings, the financial position and assets**

In the first quarter, Fielmann sold 1.5 million pairs of glasses and recorded external sales (overall consolidated sales including VAT) totalling € 258.9 million (previous year: € 243.0 million) and consolidated sales amounting to € 218.3 million (+ 7.2 per cent).

Pre-tax profit rose by 31.8 per cent compared with the previous year to € 38.7 million and income for the year increased 53.6 per cent to € 27.1 million. The disproportionately high increase in the result after tax is attributable to the corporation tax reforms. The tax rate was reduced from to 39.8 per cent to 29.9 per cent. Earnings per share amounted to € 0.62 (previous year: € 0.41) and after three months, investments paid for in full out of cash flow totalled € 5.0 million (previous year: € 5.6 million). As at 31 March 2008, the number of shops had risen to 601 (previous year: 572).

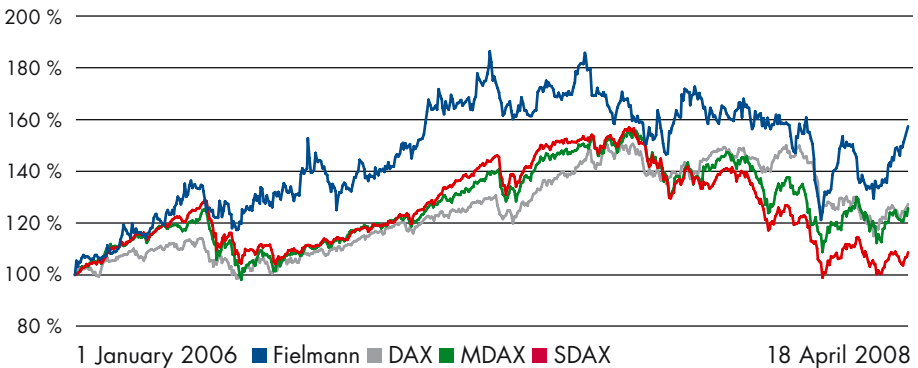
## Earnings per share

in € '000	March 2008	March 2007	2007
Profit after tax	27,135	17,668	82,044
Income attributable to other shareholders	-1,014	-533	-2,968
<b>Income for the period under review</b>	<b>26,121</b>	<b>17,135</b>	<b>79,076</b>
<b>Earnings per share in €</b>	<b>0.62</b>	<b>0.41</b>	<b>1.88</b>

Developments on the international stock exchanges remain volatile. In the first quarter, the DAX dropped back 19 per cent to its current level of 6,843 points, and Fielmann share stands at € 44.75.

## Share

### Comparison of Fielmann share price performance, DAX, MDAX and SDAX



In light of the positive business development in 2007, the Supervisory and Management Boards will recommend payment of a dividend of € 1.40 per share (previous year: € 1.20) for financial year 2007 to the Annual General Meeting taking place on 10 July 2008. The total sum paid out will amount to € 58.8 million.

## Dividend

## Employees

At the end of March, Fielmann, the biggest employer and trainer in the optical industry, had a staff of 11,873 employees (previous year: 11,147), of which 1,858 were trainees, which is 211 more than in the previous year.

## Forecast, opportunities and risk report

The company is not aware of any circumstances which might significantly affect the forecasts and other statements contained in the last consolidated management report relating to the development of the Group for the year. The statements made in the 2007 Annual Report on the opportunities and risks of the business model remain unchanged.

## Notes

## Accounting and valuation principles

The interim report as at 31 March 2008 has been prepared on the same accounting and reporting basis as the consolidated annual accounts for the year ending 31 December 2007, which were prepared in accordance with the International Financial Reporting Standards (IFRS incorporating IAS).

Changes are attributable to IFRS 8 segment reporting system, which has been applied here for the first time. The segment information indicated below is based on IFRS 8 Operating Segments, which define the requirements for reporting the financial results of a company's business segments.

IFRS 8, which supersedes IAS 14 Segment Reporting, adopts the management approach and was ratified by the IASB in November 2006. It applies to financial years commencing on or after 1 January 2009, however, it may also be applied in advance of this date.

Fielmann is a producer, agent and optician. The Group's operations cover the entire value added chain. Optical retail sales account for 99 per cent of total sales. Internal reporting is based on segmentation by country. Because of the growth potential, reporting has been retained for the segments relating to Austria and Other (Netherlands, Luxembourg, Poland and Eastern Europe). Due to regional customer orientation, we have dispensed with segmentation by product groups. Values have been allocated to the segments solely on the basis of items posted in the accounts. Consequently, there should be no variation between the values indicated under the segments and those for the Group attributable to harmonisation of the internal and external reporting systems. Segment proceeds from business transacted with other segments are not subject to special valuation, since they represent normal commercial transactions at standard market terms and conditions. The results relating to ordinary activities, adjusted by the results from participations indicated under the segments and which are of secondary significance in the consolidated accounts, correspond to the result for the period under review in the context of IFRS 8. Due to the internal interweaving, segment assets excluding taxes are indicated as a share of the consolidated group assets. No reconciliation has been carried out.

Seven companies were included for the first time in the scope of consolidation as at 31 March 2008. These were newly established sales companies in which Fielmann Aktiengesellschaft holds a direct or indirect majority share of the voting rights and which are uniformly managed. At the time of preparing the present interim report, they had no significant effect on the financial position of the Group.

## Explanatory notes on the cash flow statement

Financial resources totalling T€ 134,274 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 of up to one month.

in € '000	March 2008	March 2007
Liquid funds	56,027	54,826
Money market funds	20,894	15,359
Fixed-term securities	57,353	35,016
<b>Financial resources</b>	<b>134,274</b>	<b>105,201</b>

## 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. Segment reporting according to IFRS 8 is based on management reporting. The result from ordinary activities and the income for the quarter reported internally are in line with the result for the period under review according to IFRS 8.

## Details on relationships to associated individuals and companies (IAS 24)

The contractual relationships with associated individuals and companies reported in the 2007 Annual Report have remained virtually unchanged. Transactions are executed at standard market terms and conditions and are of secondary importance to Fielmann Aktiengesellschaft (see 2007 Annual Report, Report on relationships with affiliated companies in the context of § 312 AktG).

In the first three months, the proceeds amounted to T€ 167.7 and the expenses to € 960.3.

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.

## **Key events**

Under the item posted as Securities, the stock of 21,324 of the company's own shares was sold with a book value as at 31 March 2008 of T€ 856.6. The Fielmann shares reported have been bought on an ongoing basis 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**

For 2008, Fielmann is anticipating a continuous positive development in unit sales, sales and profits. For the year overall, we will be opening 30 new branches with the creation of more than 400 additional jobs.

## **Outlook**

Hamburg, April 2008

Fielmann Aktiengesellschaft  
The Management Board

## Segment reporting March 2008

The figures for the previous years are indicated in brackets.

in € million	Germany	Switzerland	Austria	Other	Consolidation	Group
Sales revenue from segment	185.0 (173.4)	24.3 (22.1)	11.3 (11.2)	6.5 (4.5)	-8.8 (-7.6)	218.3 (203.6)
Sales revenue from other segments	7.7 (6.7)	0.8 (0.5)		0.3 (0.4)		
<b>Outside sales revenue</b>	<b>177.3 (166.7)</b>	<b>23.5 (21.6)</b>	<b>11.3 (11.2)</b>	<b>6.2 (4.1)</b>		<b>218.3 (203.6)</b>
Cost of materials <sup>d</sup>	60.1 (59.0)	8.3 (7.8)	4.0 (3.9)	2.3 (1.7)	-10.4 (-9.4)	64.3 (63.0)
Personnel costs	67.7 (64.3)	7.8 (6.6)	3.7 (3.6)	2.1 (1.4)		81.3 (75.9)
Scheduled depreciation	6.6 (6.6)	0.6 (0.5)	0.3 (0.5)	0.3 (0.3)		7.8 (7.9)
Interest expenses	0.6 (0.5)	0.3 (0.0)		0.1 (0.1)	-0.3 (-0.2)	0.7 (0.4)
Interest income	0.9 (1.0)	0.0 (0.3)	0.2 (0.1)	0.1 (0.1)	-0.3 (-0.2)	0.9 (1.3)
<b>Result from ordinary activities<sup>1</sup></b>	<b>31.3 (21.1)</b>	<b>4.7 (6.0)</b>	<b>2.5 (2.2)</b>	<b>0.3 (0.1)</b>	<b>-0.1 (-0.1)</b>	<b>38.7 (29.3)</b>
Tax on income and revenue	9.5 (9.1)	1.3 (1.5)	0.7 (0.6)		0.0 (0.5)	11.5 (11.7)
<b>Profit for the quarter</b>	<b>21.8 (12.1)</b>	<b>3.4 (4.5)</b>	<b>1.8 (1.6)</b>	<b>0.2 (0.1)</b>	<b>-0.1 (-0.6)</b>	<b>27.1 (17.7)</b>
Segment assets (excl. taxes)	537.4 (479.6)	45.1 (43.2)	14.2 (16.8)	21.3 (16.3)		618.0 (555.9)
Investments	4.4 (5.0)	0.5 (0.3)	0.0 (0.3)	0.1 (0.0)		5.0 (5.6)
Deferred taxes	17.7 (21.1)	0.2 (0.2)		0.1 (0.1)		18.0 (21.4)

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



## Movement of equity, March 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 quarter	Other changes	Position as at 31 March		
<b>Subscribed capital</b>	<b>54,600</b>	<b>(54,600)</b>				<b>54,600</b>	<b>(54,600)</b>	
<b>Capital reserves</b>	<b>92,652</b>	<b>(92,652)</b>				<b>92,652</b>	<b>(92,652)</b>	
<b>Group equity generated</b>	<b>265,036</b>	<b>(236,723)</b>		<b>26,121</b>	<b>1,496</b>	<b>(-493)</b>	<b>292,653</b>	<b>(255,026)</b>
of which: securities held for sale	61	(94)			15	(0)	76	(94)
of which: currency equalisation item	-1,110	(-1,142)			861	(-95)	-249	(-1,237)
of which: own shares	0	(389)			857	(316)	857	(705)
of which: share-based remuneration	538	(149)					538	(149)
<b>Minority interests</b>	<b>-20</b>	<b>(16)</b>	<b>-999</b>	<b>(-596)</b>	<b>1,014</b>	<b>(533)</b>	<b>9</b>	<b>(-86)</b>
<b>Group equity</b>	<b>412,268</b>	<b>(383,991)</b>	<b>-999</b>	<b>(-596)</b>	<b>27,135</b>	<b>(19,329)</b>	<b>1,505</b>	<b>(-579)</b>

\* dividend paid and share of profit allocated to other shareholders,

\*\* for employee shares: see chapter 29 in the text of the 2007 Annual Report

## Cash flow statement

For the period 1 January to 31 March	2008 in € '000	2007 in € '000	Change in € '000
Earnings before interest and taxes (Ebit)	38,478	28,418	10,060
Interest expenses	-701	-399	-302
Interest income	907	1,330	-423
<b>Result from ordinary activities</b>	<b>38,684</b>	<b>29,349</b>	<b>9,335</b>
Taxes on income and earnings	-11,549	-10,020 <sup>1</sup>	-1,529
<b>Profit for the quarter (including profits accruing to other shareholders)</b>	<b>27,135</b>	<b>19,329</b>	<b>7,806</b>
+/- Write-downs/write-ups on fixed assets	7,800	7,934	-134
+/- increase/reduction in long-term accruals	14	-13	27
+/- other non cash expenses/income	787	-32	819
<b>= Cash flow</b>	<b>35,736</b>	<b>27,218</b>	<b>8,518</b>
+/- Increase/reduction in current accruals	6,906	6,766	140
-/+ Profit/loss from disposal of fixed assets	-9	-26	17
-/+ Increase/reduction in inventories, trade receivables and other assets not attributable to Investment and financial activities	-13,427	-17,589	4,162
+/- Increase/reduction in financial assets held for trading purposes	-25,108	-37,059	11,951
+/- Increase/reduction in trade liabilities and other liabilities not attributable to Investment and financial activities	29,861	27,491	2,370
<b>= Cash flow from current business activities</b>	<b>33,959</b>	<b>6,801</b>	<b>27,158</b>
Receipts from disposal of tangible assets	86	252	-166
- Payments for tangible assets	-4,260	-5,027	767
+ Receipts from disposal of intangible assets	16	0	16
- Payments for intangible assets	-741	-593	-148
+ Receipts from disposal of financial assets	50	41	9
- Payments for financial assets	0	-1	1
<b>= Cash flow from investment activities</b>	<b>-4,849</b>	<b>-5,328</b>	<b>479</b>
- Payments to company owners and minority shareholders	-999	-589	-410
- Payments for redemption of (financial) credits	-795	448	-1,243
<b>= Cash flow from financial activities</b>	<b>-1,794</b>	<b>-141</b>	<b>-1,653</b>
Cash changes in financial resources	27,316	1,332	25,984
+/- Currency, consolidation and valuation-related changes in financial resources	434	-176	610
+ Financial resources at start of period under review	106,524	104,045	2,479
<b>= Financial resources at end of period under review</b>	<b>134,274</b>	<b>105,201</b>	<b>29,073</b>

<sup>1</sup> This item has been adjusted in accordance with the ACTUAL tax ratio for 2007.

## Consolidated profit and loss statement

For the period from 1 January to 31 March 2008	2008 in € '000	2007 in € '000	Change
1. Consolidated sales	218,330	203,613	7.2 %
2. Change in finished goods and work in progress	3,629	3,590	1.1 %
<b>Total consolidated revenues</b>	<b>221,959</b>	<b>207,203</b>	<b>7.1 %</b>
3. Other operating income	13,015	12,500	4.1 %
4. Cost of materials	-64,273	-63,029	2.0 %
5. Personnel costs	-81,323	-75,942	7.1 %
6. Depreciation	-7,800	-7,934	-1.7 %
7. Other operating expenses	-43,100	-44,380	-2.9 %
8. Interest income	206	931	-77.9 %
<b>9. Result from ordinary activities</b>	<b>38,684</b>	<b>29,349</b>	<b>31.8 %</b>
10. Tax on income and earnings	-11,549	-11,681 <sup>1</sup>	-1.1 %
<b>11. Profit for the quarter</b>	<b>27,135</b>	<b>17,668</b>	<b>53.6 %</b>
12. Income attributable to other shareholders	-1,014	-533	90.2 %
<b>13. Result for the period under review</b>	<b>26,121</b>	<b>17,135</b>	<b>52.4 %</b>
<b>Earnings per share in €</b>	<b>0.62</b>	<b>0.41</b>	

<sup>1</sup> This item has been adjusted in accordance with the ACTUAL tax ratio for 2007

### Financial calendar 2008

Annual General Meeting	10 July 2008
Dividend payment	11 July 2008
Six months' interim report	28 August 2008
Analysts' conference	29 August 2008
Bloomberg code	FIE
Reuters code	FIEG.DE
ISIN	DE0005772206

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## Consolidated balance sheet

Assets	Position as at 31 March 2008 in € '000	Position as at 31 December 2007 in € '000
<b>A. Long-term assets</b>		
I. Intangible assets	10,260	9,952
II. Goodwill	41,154	41,146
III. Fixed assets	188,758	191,395
IV. Investment property	9,590	9,666
V. Financial assets	1,726	1,843
VI. Deferred tax assets	17,992	17,687
VII. Tax assets	2,913	2,913
VIII. Other financial assets	1,219	1,222
	<b>273,612</b>	<b>275,824</b>
<b>B. Current assets</b>		
I. Inventories	103,988	96,336
II. Trade and other receivables	54,238	52,245
III. Tax assets	5,783	6,666
IV. Pre-paid expenses	8,856	5,154
V. Financial assets	63,942	38,834
VI. Cash and cash equivalents	134,274	106,524
	<b>371,081</b>	<b>305,759</b>
	<b>644,693</b>	<b>581,583</b>
<b>Equity and liabilities</b>		
<b>A. Equity capital</b>		
I. Subscribed capital	54,600	54,600
II. Capital reserves	92,652	92,652
III. Profit reserves	266,532	206,236
IV. Balance sheet profit	0	58,800
V. Profit for the period under review	26,121	0
VI. Minority shares of third parties	4	-20
	<b>439,909</b>	<b>412,268</b>
<b>B. Long-term liabilities</b>		
I. Long-term accruals	7,103	7,089
II. Long-term financial liabilities	4,454	4,163
III. Deferred tax liabilities	7,037	6,917
	<b>18,594</b>	<b>18,169</b>
<b>C. Current liabilities</b>		
I. Current accruals	39,724	35,341
II. Current financial liabilities	838	1,924
III. Trade and other creditors	100,849	70,182
IV. Tax liabilities	44,779	43,699
	<b>186,190</b>	<b>151,146</b>
	<b>644,693</b>	<b>581,583</b>