# Interim Report
# as at 30 June 2007

**First six months of 2007:**
**16 per cent increase in profits**
**Profit contribution by Switzerland**
**and Austria: 32 per cent**
**Expansion in Luxembourg:**
**expectations exceeded**

fielmann

# Fielmann Aktiengesellschaft
# Interim Report as at 30 June 2007

### Dear Shareholders and Friends of the Company,

Our expectations for the first half of financial year 2007 have been met. Fielmann achieved an increase in unit sales, sales revenue and income, with profit rising overproportionally.

## Interim Management Report

### General conditions

In the first six months of 2007, the German economy recorded growth of 3 per cent, which is in line with the level across the EU. Growth was primarily based on a rise in international demand. The increase in value added tax by three percentage points at the beginning of the year dampened private consumption. Compared with the same period in the previous year, German retailers recorded a decrease in sales revenue of 0.8 per cent for the first six months of 2007. After adjustments for price rises, the deficit in sales revenue amounted to 1.5 per cent.

As at 30 June 2007, the rate of unemployment was 8.8 per cent (3.7 million).

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

### Unit sales and revenue

Fielmann increased unit sales in the first half of 2007 to more than 3 million pairs of glasses (previous year: 2.8 million pairs of glasses), achieved a rise in external sales (consolidated sales including VAT) of 9.0 per cent to € 493.6 million and consolidated sales of 6.9 per cent to € 416.8 million. The rise in value added tax to 19 per cent in Germany, implemented on 1 January 2007, has caused the overproportional increase in external sales compared with consolidated sales.

In the second quarter of 2007, Fielmann sold 1.5 million pairs of glasses (previous year: 1.4 million). External sales were up by 10.2 per cent to € 250.6 million and consolidated sales by 8.0 per cent to € 213.2 million.

## Earnings and investments

In the first six months of 2007, pre-tax profits rose by 16.0 per cent to € 55.8 million and profit after tax by 12.9 per cent to € 36.5 million.

Pre-tax profits in the second quarter of 2007 amounted to € 26.5 million (previous year: 23.0 million) and profit after tax to € 17.1 million (previous year: € 15.4 million).

Investments were fully financed from cash flow and amounted to € 18.1 million in the first six months of the year. Of this, € 14.1 million were invested in branches. The number of stores rose to 585 in the first half of the year (previous year: 551).

### Earnings per share

| In € '000 | June 2007 | June 2006 | 2006 |
|---|---|---|---|
| Net income | 36,455 | 32,285 | 71,769 |
| Income attributable to other shareholders | –1,211 | –1,074 | –2,707 |
| **Period result** | **35,244** | **31,211** | **69,062** |
| **Earnings per share in €** | **0.84** | **0.74*** | **1.64** |

* Share split with effect from 9 August 2006

## Foreign countries

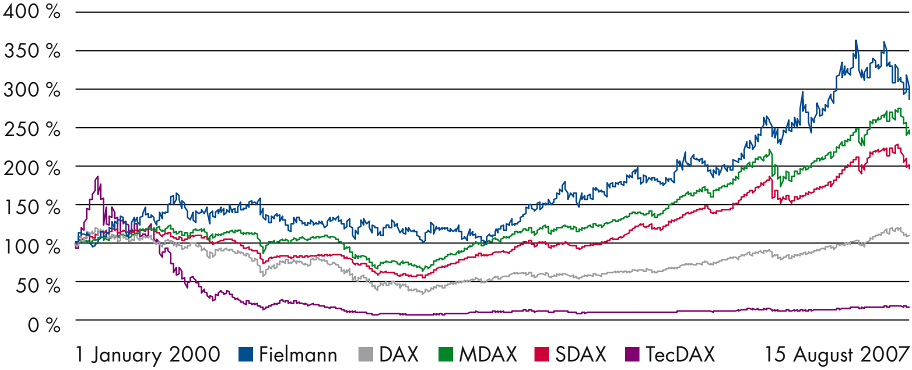
The branches in Austria and Switzerland made a contribution of 11 per cent (previous year: 10 per cent) to unit sales and 32 per cent to net income for the year (previous year: 30 per cent). Fielmann is rapidly pushing ahead with its expansion in Germany and the neighbouring countries.

Fielmann launched its presence in Luxembourg at the start of June this year. The first few weeks in this location have exceeded our expectations. We forecast sales revenue in excess of € 6.5 million in the first full financial year.

## Share

On 13 July 2007, the DAX stood at 8,152 points, exceeding the record level achieved in 2000. Following the mortgage crisis in the USA, all of the major national and international stock market indices lost significantly in value. In mid August, the DAX was 7,265 points, having lost approximately 11 per cent of its value in just a few weeks. The current Fielmann share price is € 46.

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




### Dividend

The Annual General Meeting of Fielmann AG on 12 July 2007 resolved a dividend of € 1.20 per share for financial year 2006 (+26.3 per cent on the previous year). Fielmann distributed € 50.4 million to its shareholders, which represents a ratio of 73.0 per cent.

### Staff

Fielmann is the biggest employer and trainer in the optical industry. As at 30 June 2007, the Company employed a staff of 11,259 (previous year: 10,501), of whom 1,610 are trainees (previous year: 1,364). This year, an additional 650 young people will start their training at Fielmann.

### Information on the bodies of the Company

In its meeting on 19 April 2007, the Supervisory Board of Fielmann AG appointed Dr Stefan Thies (38) as ordinary member of the Management Board with responsibility for Controlling/IT.

With effect from 12 July 2007, Ms Eva Schleifenbaum took over from Holger Glawe as representative of the ver.di union on the Fielmann AG Supervisory Board.

## Forecast, risks and opportunities

The Company has no information that would result in a change in the material forecasts and other statements provided in its last consolidated Management Report regarding the Group's development during the financial year. The statements provided in the Annual Report 2006 on the opportunities and risks of the business model remain unchanged.

## Notes

### Accounting and valuation principles

The Interim Report as at 30 June 2007 is based on the same accounting and valuation principles that were applied to the consolidated annual accounts as at 31 December 2006, which were prepared in accordance with the International Financial Reporting Standards (IFRS incorporating IAS).

Ten companies were included for the first time in the scope of consolidation as at 31 March 2007 and five as at 30 June 2007. These are new branches, in which Fielmann Aktiengesellschaft holds a direct or indirect majority of the voting rights and over which it has uniform control. At the time of preparing this interim report, they had no significant impact on the financial position of the Group. The Company has opted to not have the interim report audited.

### Explanatory notes on the cash flow statement

Financial resources of T€ 107,222 correspond to the balance sheet item "cash and cash equivalents". They comprise liquid funds, money market funds that can be liquidated at any time and securities held until maturity with a remaining term of one month.

| € '000 | June 2007 | June 2006 |
|---|---|---|
| Liquid funds | 41.617 | 37.787 |
| Money market funds | 50.246 | |
| Securities held until maturity | 15.359 | 17.998 |
| **Financial resources** | **107.222** | **55.785** |

## Explanatory notes on the segment report

The item "Other" takes into account the run-up costs for the opening of the two new locations in Luxembourg.

The "Of which balances with banks and securities" item (T€ 167,664) results from the following items: "Cash and cash equivalents" (T€ 107,222) and "Financial assets" (T€ 54,346) as well as "Other financial assets" (T€ 6,096).

Value impairments on securities and goodwill as well as unscheduled depreciation relating to tangible assets were not required in the period under review.

## Information on related parties (IAS 24)

The contractual relationships with related parties explained in Annual Report 2006 continue to be in place to a virtually unchanged extent.

They are carried out at customary market prices and terms and are of minor importance to Fielmann Aktiengesellschaft. In the first six months of 2007, income amounted to T€ 336 and expenses to T€ 1,680.

## Significant events after 30 June 2007

On 25 May 2007, the German government resolved the Unternehmensteuerreformgesetz 2008 (2008 Corporation Tax Act), which was passed by the Bundesrat in its meeting on 6 July 2007. For the current financial year, we expect an increase in the Group tax ratio as a result of various tax-related matters, particularly in connection with the revaluation of deferred tax. This will produce a one-off additional non-cash tax expense. From financial year 2008 onwards, the tax ratio will decrease significantly as a result of our corporate structure and the high level of equity available.

## Other details

The portfolio of 23,473 own shares has been deducted from the item "Securities". The book value as at 30 June 2007 amounted to T€ 888.3. The reported Fielmann shares were acquired within the meaning of § 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 branches receive shares upon achieving specified targets. The item has been included in the half-year accounts.

## Outlook

For financial year 2007, Fielmann expects an increase in unit sales, sales revenue and profits. We are planning to open 35 new branches during the year as a whole, set up additional acoustic technology centres and create more than 400 new jobs.

## Affidavit

We declare that to the best of our knowledge and in accordance with the applied principles of proper consolidated interim reporting, the consolidated interim accounts give a true and fair view of the assets, financial position and earnings of the Group, the Group Interim Management Report portrays the business trend including the results and position of the Group in such a way that a true and fair view is conveyed and the material risks and opportunities associated with the expected development of the Group throughout the remaining months of the financial year are described.

Hamburg, August 2007

Fielmann Aktiengesellschaft
The Management Board

## Segments by region, June 2007

Brackets indicate the previous year's figure.

| € million | Germany | Switzerland | Austria | Other | Consol-idation | Group |
|---|---|---|---|---|---|---|
| Sales revenue | 355.0 (334.9) | 44.4 (41.1) | 22.8 (19.5) | 10.6 (9.0) | –16.0 (–14.7) | 416.8 (389.8) |
| Sales revenue from other segments | 14.2 (12.3) | 1.0 (1.1) | | 0.8 (1.3) | | |
| **Outside sales revenue** | **340.8 (322.6)** | **43.4 (40.0)** | **22.8 (19.5)** | **9.8 (7.7)** | | **416.8 (389.8)** |
| Result from ordinary activities[1] | 40.9 (36.1) | 11.3 (9.6) | 4.0 (2.3) | –0.3 (0.2) | –0.1 (–0.1) | 55.8 (48.1) |
| of which interest income | 1.6 (0.4) | 0.6 (1.1) | 0.2 (0.1) | 0.0 (0.1) | | 2.4 (1.7) |
| **Result from ordinary activities[2]** | **39.3 (35.7)** | **10.7 (8.5)** | **3.8 (2.2)** | **–0.3 (0.1)** | **–0.1 (–0.1)** | **53.4 (46.4)** |
| Investments | 15.2 (20.8) | 1.3 (1.3) | 0.4 (0.6) | 1.2 (0.2) | | 18.1 (22.9) |
| Cash flow[3] | 42.5 (40.0) | 9.2 (8.0) | 3.9 (3.0) | 0.3 (0.6) | –4.5 (–3.9) | 51.4 (47.7) |
| Scheduled depreciation | 13.3 (13.6) | 1.2 (1.3) | 0.9 (0.9) | 0.5 (0.5) | | 15.9 (16.3) |
| Segment assets | 488.3 (451.9) | 39.6 (32.0) | 17.9 (14.1) | 20.2 (12.7) | | 566.0 (510.7) |
| of which balances with banks and securities | 142.8 (96.7) | 17.4 (17.3) | 1.7 (1.4) | 5.8 (2.4) | | 167.7 (117.8) |
| | **345.5 (355.2)** | **22.2 (14.7)** | **16.2 (12.7)** | **14.4 (10.3)** | | **398.3 (392.9)** |
| Segment debts | 123.6 (117.0) | 9.3 (3.8) | 6.1 (2.9) | 3.3 (3.7) | | 142.3 (127.4) |
| of which amounts due to banks | 18.8 (18.1) | 0.1 (0.2) | | 0.2 (0.3) | | 19.1 (18.6) |
| | **104.8 (98.9)** | **9.2 (3.6)** | **6.1 (2.9)** | **3.1 (3.4)** | | **123.2 (108.8)** |

[1] In the segments excl. income from participations [2] Excl. interest [3] In the segments excl. income from participations, adjusted for tax

## Movement of equity, June 2007

Brackets indicate the previous year's figure.

| € '000 | As at 1 January | Dividend paid/profit shares* | Consolidated net income for the period | Other changes | 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** | **236,723 (209,235)** | | **35,244 (30,681)** | **–1,369 (–2,335)** | **270,598 (237,581)** |
| of which: securities held for sale | 94 (993) | | | 0 (–993) | 94 (0) |
| of which: currency equalisation item | –1,142 (0) | | | –187 (–383) | –1,329 (–383) |
| of which: own shares | 388 (589) | | | 500 (610) | 888 (1,199) |
| of which: share-based remuneration** | 443 (149) | | | | 443 (149) |
| **Minority interests** | **16 (–29)** | **–1,210 (–1,244)** | **1,211 (1,074)** | **–188 (93)** | **–171 (–106)** |
| **Group equity** | **383,991 (356,458)** | **–1,210 (–1,244)** | **36,455 (31,755)** | **–1,557 (–2,242)** | **417,679 (384,727)** |

* Dividends distributed and profit shares allocated to other shareholders
** For employee shares; cf. Note 28 in Annual Report 2006

## Segments by division, June 2007

Brackets indicate the previous year's figure.

| € million | Wholesale/ Service | | Production/ Logistics | | Retail | | Consolidation | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|
| Sales revenue | 142.8 | (135.4) | 28.4 | (21.5) | 411.2 | (385.1) | –165.6 | (–152.2) | 416.8 | (389.8) |
| Sales revenue from other segments | 139.8 | (132.4) | 25.7 | (19.5) | 0.1 | (0.3) | | | | |
| **Outside sales revenue** | **3.0** | **(3.0)** | **2.7** | **(2.0)** | **411.1** | **(384.8)** | | | **416.8** | **(389.8)** |
| Result from ordinary activities [1] | 27.3 | (22.7) | 8.8 | (5.6) | 19.9 | (20.5) | –0.2 | (–0.7) | 55.8 | (48.1) |
| of which interest income | 5.5 | (5.2) | 1.2 | (0.6) | –4.3 | (–4.1) | | | 2.4 | (1.7) |
| **Result from ordinary activity [2]** | **21.8** | **(17.5)** | **7.6** | **(5.0)** | **24.2** | **(24.6)** | **–0.2** | **(–0.7)** | **53.4** | **(46.4)** |
| Investments | 3.3 | (7.0) | 0.7 | (0.9) | 14.1 | (15.0) | | | 18.1 | (22.9) |
| Cash flow [3] | 22.3 | (19.0) | 7.3 | (6.3) | 26.4 | (27.8) | –4.6 | (–5.4) | 51.4 | (47.7) |
| Scheduled depreciation | 4.5 | (4.9) | 1.0 | (1.3) | 10.4 | (10.1) | | | 15.9 | (16.3) |
| Segment assets | 325.0 | (284.7) | 20.3 | (21.9) | 220.7 | (204.1) | | | 566.0 | (510.7) |
| of which balances with banks and securities | 164.0 | (113.1) | 0.2 | (0.2) | 3.5 | (4.5) | | | 167.7 | (117.8) |
| | **161.0** | **(171.6)** | **20.1** | **(21.7)** | **217.2** | **(199.6)** | | | **398.3** | **(392.9)** |
| Segment debts | 86.5 | (79.2) | 4.9 | (4.8) | 50.9 | (43.4) | | | 142.3 | (127.4) |
| of which amounts due to banks | 15.0 | (14.1) | 0.1 | (0.3) | 4.0 | (4.2) | | | 19.1 | (18.6) |
| | **71.5** | **(65.1)** | **4.8** | **(4.5)** | **46.9** | **(39.2)** | | | **123.2** | **(108.8)** |

[1] In the segments excl. income from participations [2] Excl. interest [3] In the segments excl. income from participations, adjusted for tax

## Financial calendar 2007/2008

| | |
|---|---|
| Analysts' conference | 31 August |
| Quarterly report | 8 November |
| Preliminary figures for 2007 | February 2008 |
| Quarterly report | April 2008 |
| Bloomberg code | FIE |
| Reuters code | FIEG.DE |
| ISIN | DE0005772206 |

**Further information:**

Fielmann AG · Investor Relations
Ulrich Brockmann
Weidestraße 118 a · D-22083 Hamburg
Telephone +49 (0) 40 / 27076-442
Fax +49 (0) 40 / 27076-150
E-mail: investorrelations@fielmann.com
Internet: www.fielmann.com

## Cash flow statement

| | for the period from 1 January to 30 June | 2007 € '000 | 2006 € '000 | Change € '000 |
|---|---|---|---|---|
| | Result before interest and tax (EBIT) | 53,357 | 46,421 | 6,936 |
| | Interest expenses | –895 | –786 | –109 |
| | Interest income | 3,340 | 2,479 | 861 |
| | **Result from ordinary activities** | **55,802** | **48,114** | **7,688** |
| | Taxes on income | –19,347 | –16,359 | –2,988 |
| | **Profit for the period (including shares of minority interests)** | **36,455** | **31,755** | **4,700** |
| +/– | Write-downs/write-ups on fixed assets | 15,948 | 16,297 | –349 |
| +/– | Increase/decrease in long-term accruals | –63 | 230 | –293 |
| +/– | Other non-cash income/expenditure | –923 | –565 | –358 |
| = | **Cash flow** | **51,417** | **47,717** | **3,700** |
| +/– | Increase/decrease in current accruals | –1,489 | –105 | –1,384 |
| –/+ | Profit/loss on disposal of fixed assets | –133 | –190 | 57 |
| –/+ | Increase/decrease in inventories, trade debtors as well as other assets not attributable to investment and financial operations | –16,169 | –34,154 | 17,985 |
| +/– | Increase/decrease in financial assets held for trading purposes | –40,177 | –23,242 | –16,935 |
| +/– | Increase/decrease in trade creditors as well as other liabilities not attributable to investment and financial operations | 28,949 | 22,583 | 6,366 |
| = | **Cash flow from current business activities** | **22,398** | **12,609** | **9,789** |
| | Receipts from disposal of tangible assets | 714 | 832 | –118 |
| – | Payments for investments in tangible assets | –16,617 | –19,547 | 2,930 |
| + | Receipts from the sale of intangible assets | 4 | 18 | –14 |
| – | Payments for investments in intangible assets | –1,382 | –3,056 | 1,674 |
| + | Receipts from disposal of financial assets | 81 | 181 | –100 |
| – | Payments for investments in financial assets | 0 | –230 | 230 |
| – | Payments for the acquisition of consolidated companies and other business units after deduction of acquired cash resources | –91 | 0 | –91 |
| = | **Cash flow from investment activities** | **–17,291** | **–21,802** | **4,511** |
| – | Payments to company owners and minority shareholders | –1,210 | –1,478 | 268 |
| – | Payments for the redemption of loans and (finance) loans | –336 | –7,947 | 7,611 |
| = | **Cash flow from financial activities** | **–1,546** | **–9,425** | **7,879** |
| | Cash changes in financial resources | 3,561 | –18,618 | 22,179 |
| +/– | Changes in financial resources due to exchange rates, scope of consolidation and valuation | –384 | –37 | –347 |
| + | Financial resources at the beginning of the period | 104,045 | 74,440 | 29,605 |
| = | **Financial resources at the end of the period** | **107,222** | **55,785** | **51,437** |

## Consolidated profit and loss account

| for the period from 1 April to 30 June | 2007 € '000 | 2006 € '000 | Change |
|---|---|---|---|
| 1. Consolidated sales | 213,220 | 197,507 | 8.0 % |
| 2. Changes in finished goods and work in progress | 39 | 23 | |
| **Total consolidated revenues** | **213,259** | **197,530** | **8.0 %** |
| 3. Other operating income | 13,490 | 13,309 | 1.4 % |
| 4. Costs of materials | –68,560 | –59,303 | 15.6 % |
| 5. Personnel costs | –76,845 | –72,097 | 6.6 % |
| 6. Depreciation | –8,014 | –8,335 | –3.9 % |
| 7. Other operating expenses | –48,391 | –48,393 | 0.0 % |
| 8. Interest result | 1,514 | 302 | 401.3 % |
| **9. Result from ordinary activities** | **26,453** | **23,013** | **14.9 %** |
| 10. Income taxes | –9,327 | –7,581[1] | 23.0 % |
| **11. Net income for the quarter** | **17,126** | **15,432** | **11.0 %** |
| 12. Income attributable to other shareholders | –678 | –496 | |
| **13. Results for the period** | **16,448** | **14,936** | **10.1 %** |
| **Earnings per share in €** | **0.39** | **0.36[2]** | |

## Profit and loss account

| for the period 1 January to 30 June | 2007 € '000 | 2006 € '000 | Change |
|---|---|---|---|
| 1. Consolidated sales | 416,833 | 389,829 | 6.9 % |
| 2. Changes in finished goods and work in progress | 3,629 | 3,999 | |
| **Total consolidated revenues** | **420,462** | **393,828** | **6.8 %** |
| 3. Other operating income | 25,990 | 25,083 | 3.6 % |
| 4. Costs of materials | –131,589 | –115,653 | 13.8 % |
| 5. Personnel costs | –152,787 | –144,725 | 5.6 % |
| 6. Depreciation | –15,948 | –16,297 | –2.1 % |
| 7. Other operating expenses | –92,771 | –95,815 | –3.2 % |
| 8. Interest result | 2,445 | 1,693 | 44.4 % |
| **9. Result from ordinary activities** | **55,802** | **48,114** | **16.0 %** |
| 10. Income taxes | –19,347 | –15,829[1] | 22.2 % |
| **11. Net income as at 30 June** | **36,455** | **32,285** | **12.9 %** |
| 12. Income attributable to other shareholders | –1,211 | –1,074 | |
| **13. Results for the period** | **35,244** | **31,211** | **12.9 %** |
| **Earnings per share in €** | **0.84** | **0.74[2]** | |

[1] The item has been adjusted in line with the ACTUAL tax rate for 2006.
[2] Share split with effect from 9 August 2006

## Consolidated balance sheet

| Assets | As at 30 June 2007 € '000 | As at 31 December 2006 € '000 |
|---|---|---|
| **A. Long-term fixed assets** | | |
| I. Intangible assets | 7,490 | 7,466 |
| II. Goodwill | 41,146 | 40,870 |
| III. Tangible assets | 186,608 | 185,369 |
| IV. Investment property | 9,810 | 10,001 |
| V. Financial assets | 1,559 | 1,575 |
| VI. Deferred tax assets | 21,544 | 21,904 |
| VII. Tax assets | 2,799 | 2,799 |
| VIII. Other financial assets | 6,096 | 6,081 |
| | **277,052** | **276,065** |
| **B. Current assets** | | |
| I. Inventories | 91,946 | 86,085 |
| II. Receivables and other assets | 50,016 | 40,833 |
| III. Tax assets | 4,482 | 6,963 |
| IV. Prepaid expenses | 9,802 | 5,125 |
| V. Financial assets | 54,346 | 14,169 |
| VI. Cash and cash equivalents | 107,222 | 104,045 |
| | **317,814** | **257,220** |
| | **594,866** | **533,285** |

| Equity and liabilities | As at 30 June 2007 € '000 | As at 31 December 2006 € '000 |
|---|---|---|
| **A. Equity capital** | | |
| I. Subscribed capital | 54,600 | 54,600 |
| II. Capital reserves | 92,652 | 92,652 |
| III. Profit reserves | 235,354 | 186,323 |
| IV. Balance sheet profit | 0 | 50,400 |
| V. Result for the period | 35,244 | 0 |
| VI. Minority shares of third parties | –171 | 16 |
| | **417,679** | **383,991** |
| **B. Long-term liabilities** | | |
| I. Long-term accruals | 6,282 | 6,344 |
| II. Long-term financial liabilities | 12,903 | 13,832 |
| III. Deferred tax liabilities | 6,841 | 7,670 |
| | **26,026** | **27,846** |
| **C. Current liabilities** | | |
| I. Current accruals | 29,076 | 30,565 |
| II. Current financial liabilities | 7,787 | 7,195 |
| III. Trade creditors and other liabilities | 86,215 | 59,525 |
| IV. Tax liabilities | 28,083 | 24,163 |
| | **151,161** | **121,448** |
| | **594,866** | **533,285** |