

Interim report as at 31 March 2016

fielmann

Fielmann Aktiengesellschaft

Group interim report as at 31 March 2016

Dear Shareholders and Friends of the Company,

Our expectations for first quarter of 2016 have been met. The first three months of the 2016 financial year were characterised by the early arrival of Easter and one less shopping day.

Report on the income, the financial position and assets

Unit sales and sales revenue

While the rest of the optical sector had to absorb a decline in unit sales against the same period last year of more than 2.0 per cent, Fielmann sold 1.87 million pairs of glasses again (previous year: 1.87 million pairs of glasses). External sales totalled € 372.1 million (previous year: € 373.3 million) and consolidated sales were at € 316.4 million (previous year: € 317.1 million).

Earnings and investments

The pre-tax profit was € 54.1 million (previous year: € 62.8 million) and net income for the quarter amounted to € 38.2 million (previous year: € 44.6 million). After three months, investments which are fully funded from cash flow totalled € 5.9 million (previous year: € 11.3 million).

As at 31 March 2016, Fielmann operated 695 branches (previous year: 689). Expansion is continuing and further branches will be opening this year.

Earnings per share

After three month, earnings per share totalled € 0.44 (previous year: € 0.52). There were no circumstances which could have led to a dilution of earnings per share during the period under review or comparable periods.

Dividend

The Supervisory Board and Management Board of Fielmann Aktiengesellschaft will recommend to the Annual General Meeting on 14 July 2016 that a dividend of € 1.75 per share should be paid out, which is an increase of 9,4 per cent from the previous year. The total dividend pay-out amounts to € 147.0 million (previous year: € 134.4 million).

Fielmann is the largest employer in the optical industry, with 17,095 members of staff as at 31 March 2016 (previous year: 16,671), of which 2,935 are trainees (previous year: 2,814).

Staff

Fielmann is the biggest training provider and accounts for more than 40 per cent of all trainees in Germany. National awards testify to the high standard of our training. In the German optical industry competition, Fielmann accounted for all national winners over the last five years.

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 the Annual Report 2015 on the opportunities and risks of the business model remain unchanged

Fielmann is confident for the rest of the year. In the second quarter there will be three additional shopping days. Fielmann is expanding its market position and rapidly advancing its expansion plans. Further branches are to be opened in Italy. Consumers buy from companies that guarantee the best service at reasonable prices, and in the optical industry, this means Fielmann.

Outlook

Hamburg, April 2016

Fielmann Aktiengesellschaft
The Management Board

Cash flow statement

| Cash flow statement according to IAS 7 for the period from 1 January to 31 March | 2016 in € '000 | 2015 in € '000 | Change in € '000 |
|--|-------------------|-------------------|---------------------|
| Earnings before interest and taxes (EBIT) | 54,121 | 62,776 | -8,655 |
| + Write-downs/write-ups on tangible assets and intangible assets | 9,422 | 9,224 | 198 |
| - Taxes on income paid | -21,029 | -13,942 | -7,087 |
| +/- Other non-cash income/expenditure | -80 | 3,061 | -3,141 |
| +/- Increase/decrease in accruals without provisions for income taxes | 9,578 | 13,095 | -3,517 |
| -/+ Profit/loss on disposal of tangible assets and intangible assets | 8 | -9 | 17 |
| -/+ Increase/decrease in inventories, trade debtors and other assets not attributable to investment and financial operations | -16,202 | -24,260 | 8,058 |
| +/- Increase/decrease in trade creditors as well as other liabilities not attributable to investment or financial operations | 2,342 | 17,153 | -14,811 |
| - Interest paid | -244 | -239 | -5 |
| + Interest received | 305 | 221 | 84 |
| -/+ Increase/decrease in financial assets held for trading or to maturity | -25,608 | -27,017 | 1,409 |
| = Cash flow from current business activities | 12,613 | 40,063 | -27,450 |
| Receipts from the sale of tangible assets | 52 | 190 | -138 |
| - Payments for tangible assets | -3,362 | -9,758 | 6,396 |
| + Receipts from the sale of intangible assets | 0 | 63 | -63 |
| - Payments for intangible assets | -2,063 | -1,049 | -1,014 |
| + Receipts from the disposal of financial assets | 11 | 3 | 8 |
| - Payments for financial assets | -500 | -462 | -38 |
| = Cash flow from investment activities | -5,862 | -11,013 | 5,151 |
| Payments to company owners and non-controlling shareholders | -1,052 | -1,063 | 11 |
| - Acquisition of own shares | -1,313 | -1,451 | 138 |
| + Receipts from loans raised | 213 | 0 | 213 |
| - Repayment of loans | -72 | -2 | -70 |
| = Cash flow from financing activity | -2,224 | -2,516 | 292 |
| Cash changes in financial resources | 4,527 | 26,534 | -22,007 |
| +/- Changes in financial resources due to exchange rates | -34 | 464 | -498 |
| + Financial resources at 1 January | 95,649 | 127,337 | -31,688 |
| = Financial resources at the end of the period | 100,142 | 154,335 | -54,193 |

Offsetting and reconciliation to cash flow

| For the period from 1 January to 31 March | 2016 in € '000 | 2015 in € '000 | Change in € '000 |
|--|-------------------|-------------------|---------------------|
| = Cash flow before increase/decrease in financial assets held for trading or to maturity | 38,221 | 67,080 | -28,859 |
| -/+ Increase/decrease in financial assets held for trading or to maturity | -25,608 | -27,017 | 1,409 |
| = Cash flow from current business activities | 12,613 | 40,063 | -27,450 |

Financial resources totalling T€ 100,142 (previous year: T€ 154,335) 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 of 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€ 387,432 (previous year: T€ 382,530) is shown in a separate table as follows:

Explanatory notes on the cash flow statement

Summary of financial assets

| | 31. 3. 2016 in € '000 | 31. 3. 2015 in € '000 | Change in € '000 |
|--|--------------------------|--------------------------|---------------------|
| Liquid funds | 89,937 | 89,991 | -54 |
| Securities with a fixed term up to three months | 10,205 | 64,344 | -54,139 |
| Financial resources | 100,142 | 154,335 | -54,193 |
| Non-current financial assets | 1,154 | 666 | 488 |
| Other non-current financial asset | 75,992 | 19,551 | 56,441 |
| Capital investments with a specific maturity of more than 3 months | 210,144 | 207,978 | 2,166 |
| Financial assets | 387,432 | 382,530 | 4,902 |

Segment reporting 1. 1. to 31. 3. 2016 The figures for the previous year are indicated in parentheses.

| in € million | Germany | Switzerland | Austria | Others | Consolidation | Consolidated value |
|--|----------------------|--------------------|--------------------|------------------|------------------|----------------------|
| Sales revenues from the segment | 262.4 (261.8) | 40.4 (42.4) | 19.1 (18.1) | 7.7 (7.0) | -13.2 (-12.2) | 316.4 (317.1) |
| Sales revenues from other segments | 13.1 (12.2) | | 0.1 (0.0) | | | |
| Outside sales revenues | 249.3 (249.6) | 40.4 (42.4) | 19.0 (18.1) | 7.7 (7.0) | | 316.4 (317.1) |
| Cost of materials | 56.8 (56.0) | 10.2 (10.7) | 6.1 (5.6) | 2.8 (2.5) | -12.3 (-12.2) | 63.6 (62.6) |
| Personnel costs | 109.0 (104.9) | 16.9 (16.9) | 7.0 (6.6) | 2.3 (2.1) | | 135.2 (130.5) |
| Scheduled depreciation | 7.8 (7.7) | 1.0 (1.0) | 0.4 (0.4) | 0.2 (0.2) | 0.0 (-0.1) | 9.4 (9.2) |
| Expenses in the financial result | 0.4 (0.4) | | | | -0.1 (-0.1) | 0.3 (0.3) |
| Income in the financial result | 0.2 (0.3) | 0.2 (0.1) | | | -0.1 (-0.1) | 0.3 (0.3) |
| Result from ordinary activities ¹ | 41.4 (51.8) | 8.4 (6.6) | 4.2 (3.6) | 0.1 (0.7) | 0.0 (0.1) | 54.1 (62.8) |
| Income taxes | 13.3 (15.7) | 1.7 (1.7) | 0.8 (0.7) | 0.1 (0.1) | 0.0 (-0.1) | 15.9 (18.1) |
| Profit for the period after tax | 28.1 (36.0) | 6.7 (4.9) | 3.4 (2.9) | 0.0 (0.6) | 0.0 (0.2) | 38.2 (44.6) |
| Segment assets excluding taxes | 788.0 (775.0) | 89.5 (82.7) | 12.1 (16.5) | 23.1 (21.1) | | 912.7 (895.3) |
| Non-current segment assets excluding financial instruments and deferred tax assets | 251.6 (244.8) | 27.7 (28.8) | 6.2 (6.4) | 7.4 (7.1) | | 292.9 (287.1) |
| Investments | 4.5 (7.7) | 0.7 (2.9) | 0.2 (0.4) | 0.5 (0.3) | | 5.9 (11.3) |
| Deferred tax assets | 7.9 (8.1) | 0.0 (0.1) | 0.3 (0.2) | 0.7 (0.7) | | 8.9 (9.1) |

¹ In the segments excl. income from participations

Consolidated profit and loss account

| For the period from 1 January to 31 March | 2016 in € '000 | 2015 in € '000 | Change |
|---|-------------------|-------------------|----------------|
| 1. Consolidated sales | 316,368 | 317,100 | -0.2 % |
| 2. Changes in finished goods and work in progress | 5,890 | 5,805 | 1.5 % |
| Total consolidated revenues | 322,258 | 322,905 | -0.2 % |
| 3. Other operating income | 2,892 | 8,671 | -66.6 % |
| 4. Cost of materials | -63,593 | -62,573 | 1.6 % |
| 5. Personnel costs | -135,150 | -130,456 | 3.6 % |
| 6. Depreciation | -9,422 | -9,224 | 2.1 % |
| 7. Other operating expenses | -62,864 | -66,547 | -5.5 % |
| 8. Expenses in the financial result | -338 | -319 | 6.0 % |
| 9. Income in the financial result | 289 | 299 | -3.3 % |
| 10. Result from ordinary activities | 54,072 | 62,756 | -13.8 % |
| 11. Income taxes | -15,897 | -18,143 | -12.4 % |
| 12. Consolidated net income for the period | 38,175 | 44,613 | -14.4 % |
| 13. Income attributable to other shareholders | -1,264 | -1,134 | 11.5 % |
| 14. Profit for the period under review | 36,911 | 43,479 | -15.1 % |
| Earnings per share in € (diluted/basic) | 0.44 | 0.52 | |

Financial calendar 2016/2017

| | |
|--------------------------|-----------------|
| Annual General Meeting | 14 July 2016 |
| Dividend payout | 15 July 2016 |
| Half-year report | 25 August 2016 |
| Analyst's conference | 26 August 2016 |
| Quarterly report | 3 November 2016 |
| Preliminary figures 2016 | February 2017 |
| Bloomberg code | FIE |
| Reuters code | FIEG.DE |
| ISIN | DE0005772206 |

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Consolidated balance sheet

| Assets | Position as at 31 March 2016 in € '000 | Position as at 31 December 2015 in € '000 |
|--|--|---|
| A. Non-current fixed assets | | |
| I. Intangible assets | 12,733 | 11,442 |
| II. Goodwill | 45,588 | 45,652 |
| III. Tangible assets | 217,353 | 223,197 |
| IV. Investment property | 16,777 | 16,900 |
| V. Financial assets | 1,154 | 664 |
| VI. Deferred tax assets | 8,861 | 9,083 |
| VII. Tax assets | 438 | 439 |
| VIII. Other financial assets | 75,992 | 58,768 |
| | 378,896 | 366,145 |
| B. Current assets | | |
| I. Inventories | 142,187 | 133,108 |
| II. Trade debtors | 23,307 | 22,747 |
| III. Other financial assets | 53,429 | 46,052 |
| IV. Non-financial assets | 13,874 | 13,956 |
| V. Tax assets | 11,383 | 11,691 |
| VI. Financial assets | 210,144 | 201,759 |
| VII. Cash and cash equivalents | 100,142 | 95,649 |
| | 554,466 | 524,962 |
| | 933,362 | 891,107 |
| Equity and liabilities | | |
| A. Equity capital | | |
| I. Subscribed capital | 84,000 | 84,000 |
| II. Capital reserves | 92,652 | 92,652 |
| III. Profit reserves | 488,855 | 343,903 |
| IV. Profit for the period under review | 36,911 | 147,000 |
| V. Non-controlling interests | 282 | 238 |
| | 702,700 | 667,793 |
| B. Non-current liabilities | | |
| I. Accruals | 22,637 | 22,376 |
| II. Financial liabilities | 1,407 | 1,553 |
| III. Deferred tax liabilities | 5,221 | 6,310 |
| | 29,265 | 30,239 |
| C. Current liabilities | | |
| I. Accruals | 53,448 | 44,131 |
| II. Financial liabilities | 390 | 102 |
| III. Trade creditors | 61,403 | 65,832 |
| IV. Other financial liabilities | 17,834 | 19,305 |
| V. Non-financial liabilities | 55,654 | 46,331 |
| VI. Income tax liabilities | 12,668 | 17,374 |
| | 201,397 | 193,075 |
| | 933,362 | 891,107 |