



**Interim report
as at 31 March 2018**

fielmann

Fielmann Group

Interim report as at 31 March 2018

Dear Shareholders, Dear Friends of the Company,

After an extremely mild January, footfall dropped sharply in the months of February and March due to a serious wave of influenza.

Units sold and sales revenue

The number of glasses sold in the first quarter of 2018 amounted to 1.92 million (previous year: 1.95 million). External sales incl. VAT and changes in inventories reached € 401.7 million (previous year: € 402.9 million), while consolidated sales grew by 2.3% to € 349.9 million (previous year: € 341.9 million).

Earnings and investments

Fielmann generated a pre-tax profit of € 61.4 million (previous year: € 60.6 million) and the net income for the quarter amounted to € 43.3 million (previous year: € 42.1 million).

In the first three months, investments totalled € 14.6 million (previous year: € 10.2 million). All investments were financed from our cash flow.

As at 31 March 2018, Fielmann operated 724 stores (previous year: 706), 184 of which also contained hearing aid studios (previous year: 170).

Earnings per share

Q1 earnings per share were € 0.50 (previous year: € 0.49).

There were no circumstances which could have diluted 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 12 July 2018 that a dividend of € 1.85 per share be paid out. This represents an increase of 2.8% over the previous year. The total dividend payout amounts to € 155.4 million (previous year: € 151.2 million). The dividend will be paid out after the approval by the Annual General Meeting on 17 July 2018.

Employees

Fielmann is Germany's largest employer in the optical industry, with 18,368 employees as at 31 March (previous year: 17,775), of which 3,243 are

apprentices (previous year: 3,048). Fielmann is also the biggest training provider and accounts for more than 40% of all apprentices 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.

Günther Fielmann and Marc Fielmann will jointly lead Fielmann Aktiengesellschaft in a Co-CEO structure. This decision was made unanimously by the Supervisory Board in its session on 12 April 2018 and is effective immediately.

Changes to invoicing modalities with the health insurance providers in the hearing acoustics business have resulted in an earlier time frame for revenue recognition. The amount of finished orders was reduced in line with the higher sales revenues.

To Fielmann's knowledge, there is no information necessitating changes to the main forecasts or other expectations formulated in the last Group Management Report. The statements provided in the Annual Report 2017 on the opportunities and risks of the business model remain unchanged, too.

Fielmann will continue to grow, open up new stores, expand existing ones and move into better locations. On 22 March, Fielmann opened its first Italian flagship store in Verona. We currently operate 12 stores in Northern Italy and plan for 40 stores there over the medium term.

April showed a significant increase in footfall in the stores. We are confident of expanding our market position and expect a positive development for the financial year 2018.

Hamburg, April 2018

Fielmann Aktiengesellschaft
The Management Board

Information on the bodies of the Company

Change to the reporting of total consolidated sales

Forecast, opportunities and risk report

Outlook

Cash flow statement

Cash flow statement according to IAS 7 for the period from 1 January to 31 March	2018 € 000s	2017 € 000s	Change € 000s
Earnings before taxes (EBT)	61,377	60,610	767
+ Statement-related expenditure in the final result	262	416	-154
- Statement-related income in the final result	-235	-192	-43
+ Write-downs on tangible assets and intangible assets	11,051	10,358	693
- Taxes on income paid	-21,341	-24,123	2,782
+/- Other non-cash income/expenditure	5,045	-1,043	6,088
+/- Increase/decrease in accruals	10,027	11,896	-1,869
-/+ Profit/loss on disposal of tangible assets as properties kept as financial investments and intangible assets	-3,297	23	-3,320
-/+ Increase/decrease in inventories, trade debtors and other assets not attributable to investment or financial operations	-20,962	-7,155	-13,807
+/- Increase/decrease in trade creditors and other liabilities not attributable to investment or financial operations	8,670	12,814	-4,144
- Interest paid	-183	-329	146
+ Interest received	215	332	-117
-/+ Increase/decrease in financial assets held for trading	10,321	-1,884	12,205
= Cash flow from operating activities	60,950	61,723	-773
Receipts from the disposal of tangible assets	41	92	-51
- Payments for tangible assets	-12,610	-6,870	-5,740
- Payments for intangible assets	-1,754	-2,532	778
+ Receipts from the disposal of financial assets	35	33	2
- Payments for financial assets	-220	-800	580
= Cash flow from investment activities	-14,508	-10,077	-4,431
Payments to company owners and non-controlling shareholders	-1,008	-1,202	194
+/- Sale/Acquisition of own shares	-842	-1,780	938
+ Receipts from loans raised	8	411	-403
- Repayment of loans	-356	-294	-62
= Cash flow from financing activities	-2,198	-2,865	667
Payment-affecting changes in cash and equivalents	44,244	48,781	-4,537
+/- Changes in cash and equivalents due to exchange rates	-77	257	-334
+ Cash and equivalents at the beginning of the period	172,131	114,032	58,099
= Cash and equivalents at the end of the period	216,298	163,070	53,228

Offsetting and reconciliation to cash flow

For the period from 1 January to 31 March	2018 in € 000s	2017 in € 000s	Change in € 000s
= Cash flow before increase/decrease in financial assets held for trading or to maturity	70,628	63,607	7,021
-/+ Increase/decrease in financial assets held for trading	-9,678	-1,884	-7,794
= Cash flow from operating activities	60,950	61,723	-773

Cash and cash equivalents totalling T€ 216,298 (previous year: T€ 163,070) include 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€ 383,305 (previous year: T€ 420,110) is shown in a separate table as follows:

Summary of financial assets

	31 March 2018 in € 000s	31 March 2017 in € 000s	Change in € 000s
Liquid funds	148,496	115,851	32,645
Capital investments with a specific maturity of up to 3 months	67,802	47,219	20,583
Cash and cash equivalents	216,298	163,070	53,228
Non-current financial assets	2,891	2,080	811
Other non-current financial assets	45,321	77,644	-32,323
Capital investments with a specific maturity of more than 3 months	118,795	177,316	-58,521
Financial assets	383,305	420,110	-36,805

Segment reporting 1.1. to 31.3.2018

The figures for the previous year are indicated in parentheses.

in € million	Germany	Switzerland	Austria	Other	Consolidation	Consolidated value
Sales revenues from the segment	296.5 (284.8)	41.5 (44.4)	20.4 (20.2)	10.5 (9.2)	-19.0 (-16.7)	349.9 (341.9)
Sales revenues from other segments	18.9 (16.5)	0.0 (0.1)	0.1 (0.1)			
Outside sales revenues	277.6 (268.3)	41.5 (44.3)	20.3 (20.1)	10.5 (9.2)		349.9 (341.9)
Cost of materials	66.9 (69.6)	8.2 (8.9)	4.8 (4.9)	3.2 (2.9)	-16.7 (-15.7)	66.4 (70.6)
Personnel costs	119.2 (116.4)	16.6 (17.5)	7.7 (7.6)	3.8 (3.0)		147.3 (144.5)
Scheduled depreciation	9.1 (8.6)	1.1 (1.1)	0.4 (0.4)	0.5 (0.3)		11.1 (10.4)
Expenses in the financial result	0.3 (0.4)			0.1 (0.1)	-0.1 (-0.1)	0.3 (0.4)
Income in the financial result	0.2 (0.2)	0.1 (0.1)			-0.1 (-0.1)	0.2 (0.2)
Result before taxes¹	52.4 (47.3)	6.7 (9.5)	3.0 (4.0)	-0.7 (-0.2)		61.4 (60.6)
Taxes on income and earnings	16.5 (15.5)	1.3 (1.9)	0.4 (0.7)	-0.1 (0.2)	-0.1 (0.2)	18.0 (18.5)
Consolidated net income for the period	35.8 (31.8)	5.4 (7.6)	2.6 (3.3)	-0.6 (-0.4)	0.1 (-0.2)	43.3 (42.1)
Non-current segment assets excluding financial instruments and deferred tax assets	276.4 (257.6)	28.4 (28.4)	6.1 (7.3)	17.2 (10.8)		328.1 (304.1)
Investments	12.6 (7.2)	1.0 (0.7)	0.1 (0.2)	0.9 (2.1)		14.6 (10.2)
Deferred tax assets	10.4 (8.8)		0.3 (0.3)	2.3 (0.3)		13.0 (9.4)

¹ In the segments excl. income from participations

Financial calendar 2018

Annual General Meeting	12 July 2018
Dividend payout	17 July 2018
Half-year report	30 August 2018
Analyst's conference	31 August 2018
Quarterly report	1 November 2018
Preliminary figures 2018	February 2019
Bloomberg code	FIE
Reuters code	FIEG.DE
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Consolidated profit and loss account

For the period from 1 January to 31 March	2018 in € 000s	2017 in € 000s	Change
1. Consolidated sales	349,850	341,871	2.3 %
2. Changes in inventories	-2,027	7,322	-127.7 %
Total consolidated sales	347,823	349,193	-0.4 %
3. Other operating income	5,730	2,594	120.9 %
4. Cost of materials	-66,396	-70,631	-6.0 %
5. Personnel costs	-147,337	-144,508	2.0 %
6. Depreciation	-11,051	-10,358	6.7 %
7. Other operating expenses	-67,365	-65,456	2.9 %
8. Expenses in the financial result	-262	-416	-37.0 %
9. Income in the financial result	235	192	22.4 %
10. Result before taxes	61,377	60,610	1.3 %
11. Taxes on income and earnings	-18,045	-18,475	-2.3 %
12. Consolidated net income for the period	43,332	42,135	2.8 %
13. Income attributable to other shareholders	-1,044	-1,364	-23.5 %
14. Result for the period	42,288	40,771	3.7 %
Earnings per share in € (diluted/basic)	0.50	0.49	

Consolidated balance sheet

Assets	Position as at 31 March 2018 in € 000s	Position as at 31 December 2017 in € 000s
A. Non-current fixed assets		
I. Intangible assets	25,126	24,771
II. Goodwill	45,953	46,032
III. Tangible assets	242,476	239,731
IV. Investment property	14,586	16,089
V. Financial assets	2,891	2,706
VI. Deferred tax assets	12,989	12,686
VII. Other financial assets	45,321	57,822
	389,342	399,837
B. Current assets		
I. Inventories	131,420	128,673
II. Trade debtors	46,389	31,158
III. Other financial assets	49,013	51,810
IV. Non-financial assets	19,547	13,924
V. Tax assets	11,665	10,748
VI. Financial assets	118,795	117,399
VII. Cash and cash equivalents	216,298	172,131
	593,127	525,843
	982,469	925,680
Liabilities		
A. Equity		
I. Subscribed capital	84,000	84,000
II. Capital reserves	92,652	92,652
III. Profit reserves	516,589	362,763
IV. Result for the period	42,288	155,400
V. Non-controlling interests	231	195
	735,760	695,010
B. Non-current liabilities		
I. Accruals	24,098	23,776
II. Financial liabilities	1,509	1,858
III. Deferred tax liabilities	9,325	9,463
	34,932	35,097
C. Current liabilities		
I. Accruals	52,534	42,828
II. Financial liabilities	153	151
III. Trade creditors	64,261	63,820
IV. Other financial liabilities	19,392	25,276
V. Non-financial liabilities	64,607	50,090
VI. Income tax liabilities	10,830	13,408
	211,777	195,573
	982,469	925,680