

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 activities¹	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	Position as at 31 March 2016 in € '000	Position as at 31 December 2015 in € '000
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