



**Interim report as at 30 June 2017**

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**fielmann**

# Fielmann Aktiengesellschaft

## Interim company report as at 30 June 2017

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

The results of the first half of 2017 are in line with our expectations. With customer-friendly services, glasses at the best prices and wide-ranging guarantees, Fielmann has increased the number of units sold, sales revenue and profits.

### **Interim management report**

#### **Economic conditions**

The German economy has enjoyed continued growth since the spring of 2013. This growth is fueled by the positive state of the labour market combined with low oil and energy prices. Consumer goods manufacturers and service providers are benefiting from this. Construction activity increased significantly as a result of low interest levels. More recently, increases in global trade have led to an uplift in exports.

Retail sales in the first half of the year increased in real terms by 1.7%. On 30 June 2017, 2.47 million people were unemployed, with the rate of unemployment standing at 5.5%. The number of available jobs rose in June to over 730,000.

### **Report on the earnings, financial and asset positions**

#### **Units sold and sales revenue**

Fielmann increased its units sold in the first six months by 2.2% to 4.01 million (previous year: 3.93 million). External sales incl. VAT rose by 5.3% to € 813 million (previous year: € 771.9 million). Consolidated sales went up by 5.3% to € 695.4 million (previous year: € 660.4 million).

Despite three fewer shopping days in the second quarter compared to the previous year, Fielmann increased its units sold to 2.06 million (previous year: 2.05 million). External sales incl. VAT rose to € 410.1 million (previous year: € 399.8 million), while consolidated sales grew to € 353.5 million (previous year: € 344 million).

In the first half of the year the pre-tax profit increased by 6% to € 123.6 million (previous year: € 116.6 million) and the net income rose by 6% to € 87.7 million (previous year: € 82.7 million).

From April to June, the pre-tax profit amounted to € 63 million (previous year: € 62.6 million) and the net income stood at € 44.7 million (previous year: € 44.4 million). All investments were financed from our cash flow and totalled € 26.7 million (previous year: € 21.7 million) after six months. In the first half of 2017, Fielmann opened new stores in the Italian cities Vicenza, Verona, Trento, Varese and Piacenza. As at 30 June, Fielmann operated 711 stores (previous year: 700), 175 of which also contained hearing aid studios (previous year: 150).

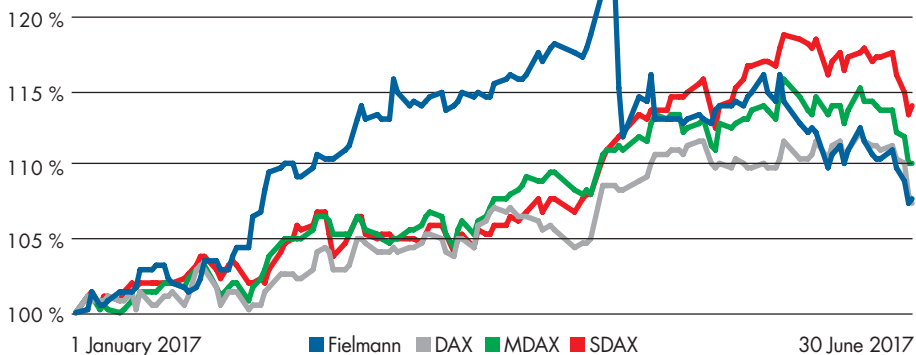
The earnings per share improved to € 1.01 (previous year: € 0.96). There were no circumstances which could have diluted earnings per share during the period under review or during comparable periods.

## Earnings and investments

## Earnings per share

in € '000	30.6.2017	30.6.2016	31.12.2016
<b>Net income for the period</b>	<b>87,695</b>	<b>82,706</b>	<b>171,218</b>
Income attributable to other shareholders	-2,808	-2,482	-4,910
<b>Result for the period</b>	<b>84,887</b>	<b>80,224</b>	<b>166,308</b>
<b>in '000 units</b>			
Number of shares	84,000	84,000	84,000
Own shares	-52	-35	-5
Number of shares	83,948	83,965	83,995
<b>Earnings per share</b>	<b>1.01</b>	<b>0.96</b>	<b>1.98</b>

## Performance comparison of the Fielmann share, DAX, MDAX and SDAX



### Shares

In the first six months of 2017 stock prices increased globally. In retrospect, fears of political uncertainty in Europe and emerging protectionism seem to have been unfounded. The DAX achieved a record high in June with 12,888 points. In the first six months of the year, the value of the index rose by 7.35% and the value of Fielmann shares increased by 7.63% to € 67.54 per share.

### Dividends

On 1 June 2017, the Annual General Meeting of Fielmann AG agreed on a dividend payout of € 1.80 per share for the financial year 2016 (previous year: € 1.75). Fielmann paid its shareholders € 151.2 million (previous year: € 147 million), which represents a payout ratio of 90.9% and a dividend yield of 2.9% on the year-end closing price for 2016.

### Employees

In the optical industry Fielmann is Germany's largest employer and training provider. As at 30 June 2017 Fielmann employs 17,862 staff (previous year: 17,140), of which 2,924 are apprentices (previous year: 2,826).

Our apprentices are the basis of our future success. This year, more than 1,000 young people began their apprenticeships with Fielmann. National awards testify to the high standard of our training. In the German Optical Industry Competition, Fielmann accounted for all national winners in every competition over the last five years.

After 30 years of service for Fielmann, Mr Günter Schmid retired from the Management Board as his contract came to an end. The Management Board, Supervisory Board and employees are very grateful for all the expertise and experience he brought to and the work he has done for the company. The Supervisory Board appointed Mr Michael Ferley as Executive Director for Materials Management and Production. This appointment took effect on 1 July 2017. Mr Ferley has already worked for the Fielmann Group since 1991. He held several positions with a wide range of responsibilities. Most recently he served as Managing Director of our Production and Logistics Centre in Rathenow.

## **Information on changes to the Management Board**

### **Forecast, opportunities and risk report**

To the Company'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 2016 on the opportunities and risks of the business model remain unchanged, too.

Fielmann continues to grow, plans to open additional stores, expand existing ones and move to more attractive locations. We are confident to increase our market position and expect our business to develop positively.

## **Outlook**

We affirm that to the best of our knowledge the consolidated accounts prepared in accordance with the applicable accounting regulations convey a fair and true view of the Group's assets, finances and income. We also assert that the business development and - in particular the business results as they are presented in the Group Management Report – provide a true and fair view. Finally we assure our investors that the report accurately reflects the opportunities and risks inherent in the future development of the Group.

## **Responsibility statement**

Hamburg, August 2017

Fielmann Aktiengesellschaft  
The Management Board

## Notes

### Accounting and valuation principles

Like the Annual Financial Statement of 31 December 2016, the interim report of 30 June 2017 has been prepared according to the International Financial Reporting Standards (IFRS and IAS). The result for the comparative period takes into account the actual tax ratio of the financial year 2016.

### Explanatory notes on the cash flow statement

The financial resources of € 89,081,000 (previous year: €165,673,000) correspond to the item "Cash and cash equivalents" in the balance sheet. This figure covers the liquid funds and capital investments, provided they have a remaining term of up to three months. The reason for the significant difference is the early payout of the dividends (June 2017, previous year: July 2016).

The financial assets are broken down according to the typical maturities pursuant to IAS 1. The composition of financial assets of € 289,013,000 (previous year: € 432,262,000) is displayed in a separate table on page 9.

### Explanatory notes on the financial result as at June 2017

The previous year's figures are stated in parentheses:

in € '000	Expenses	Income	Balance
Result from cash and capital investments	-135 (-127)	549 (654)	414 (527)
Result from on-balance sheet and other transactions not relating to financial assets	-633 (-547)	82 (25)	-551 (-522)
<b>Interest result</b>	<b>-768 (-674)</b>	<b>631 (679)</b>	<b>-137 (5)</b>
Write-ups and write-downs on financial assets and similar items	0 (0)	0 (0)	0 (0)
<b>Financial result</b>	<b>-768 (-674)</b>	<b>631 (679)</b>	<b>-137 (5)</b>

In accordance with the regional structure of the internal reporting system, segment reporting distinguishes between the geographic regions in which the Group offers and delivers products and services.

## **Explanatory notes on the segment report**

The gains from foreign exchange conversions accrued during the period under review, reported in equity, mainly result from the valuation of the Swiss subsidiaries, which was adjusted to the exchange rates.

## **Explanatory notes on the statement of the overall result**

The contractual relations to the related parties described in the 2016 financial report continue in almost unchanged form. All transactions are conducted at customary market prices and conditions. These transactions are of minor importance to Fielmann Aktiengesellschaft.

## **Information on related parties (IAS 24)**

After six months the revenues arising from these transactions amount to € 558,000 (previous year: € 522,000) and the expenses to € 1,917,000 (previous year: € 2,140,000). The balances have been offset as at the reporting date.

At the time this report was prepared, there had been no significant events after the end of the second quarter which could have an effect on the assets, financial position and earnings of the Fielmann Aktiengesellschaft and Fielmann Group.

## **Significant events after 30 June 2017**

The amount of 52,139 units of own shares was offset from the item Securities (previous year: 34,922). The book value as at 30 June 2017 is € 3,654,000 (previous year: € 2,588,000). The quoted Fielmann shares were acquired within the meaning of § 71 Para. 1 No. 2 of the German Stock Corporation Act (AktG), in order to offer them to staff of Fielmann Aktiengesellschaft or its affiliated companies as employee shares.

## **Other information**

## Cash flow statement

Cash flow statement according to IAS 7 for the period from 1 January to 30 June	2017 € '000	2016 € '000	Change € '000
Earnings before taxes (EBIT)	123,648	116,645	7,003
+ Statement-related expenditure in the final result	768	674	94
- Statement-related income in the final result	-631	-679	48
+ Write-downs on tangible assets and intangible assets	20,770	19,197	1,573
- Taxes on income paid	-46,340	-35,042	-11,298
+/- Other non-cash income/expenditure	753	599	154
+/- Increase/decrease in accruals	-2,830	-5,295	2,465
-/+ Profit/loss on disposal of tangible assets and intangible assets	2	-23	25
-/+ Increase/decrease in inventories, trade debtors and other assets not attributable to investment or financial operations	-11,489	-14,198	2,709
+/- Increase/decrease in trade creditors and other liabilities not attributable to investment or financial operations	21,889	15,577	6,312
- Interest paid	-634	-465	-169
+ Interest received	714	892	-178
-/+ Increase/decrease in financial assets held for trading	52,956	-1,507	54,463
<b>= Cash flow from operating activities</b>	<b>159,576</b>	<b>96,375</b>	<b>63,201</b>
Receipts from the disposal of tangible assets	136	194	-58
- Payments for tangible assets	-22,526	-16,459	-6,067
- Payments for intangible assets	-3,340	-4,558	1,218
+ Receipts from the disposal of financial assets	293	39	254
- Payments for financial assets	-800	-650	-150
<b>= Cash flow from investment activities</b>	<b>-26,237</b>	<b>-21,434</b>	<b>-4,803</b>
Payments to company owners and non-controlling shareholders	-153,828	-2,371	-151,457
- Acquisition of own shares	-3,297	-2,337	-960
+ Receipts from loans raised	590	0	590
- Repayment of loans	-229	-48	-181
- Payments for the acquisition of shares for subsidiaries	-1,671	0	-1,671
<b>= Cash flow from financing activities</b>	<b>-158,435</b>	<b>-4,756</b>	<b>-153,679</b>
Payment-affecting changes in financial resources	-25,096	70,185	-95,281
+/- Changes in financial resources due to exchange rates	145	-161	306
+ Financial resources at the beginning of the period	114,032	95,649	18,383
<b>= Financial resources at the end of the period</b>	<b>89,081</b>	<b>165,673</b>	<b>-76,592</b>



## Offsetting and reconciliation to cash flow

For the period from 1 January to 30 June	2017 in € '000	2016 in € '000	Change in € '000
= Cash flow before increase/ decrease in financial assets held for trading	106,620	97,882	8,738
-/+ Increase/decrease in financial assets held for trading	52,956	-1,507	54,463
= Cash flow from current business activities	159,576	96,375	63,201

## Composition of financial assets

	30 June 2017 in € '000	30 June 2016 in € '000	Change in € '000
Liquid funds	59,874	116,640	-56,766
Capital investments with a specific maturity of up to 3 months	29,207	49,033	-19,826
<b>Financial resources</b>	<b>89,081</b>	<b>165,673</b>	<b>-76,592</b>
Non-current financial assets	1,819	1,276	543
Other non-current financial assets	47,500	78,431	-30,931
Capital investments with a specific maturity of more than 3 months	150,613	186,882	-36,269
<b>Financial assets</b>	<b>289,013</b>	<b>432,262</b>	<b>-143,249</b>

## Financial calendar 2017/2018

Analysts' conference	1 September 2017
Quarterly report	2 November 2017
Preliminary figures for 2017	February 2018
Quarterly report	April 2018
Bloomberg code	FIE
Reuters code	FIEG.DE
ISIN	DE0005772206

## Further information:

Fielmann AG · Investor Relations  
Ulrich Brockmann  
Weidestraße 118 a · 22083 Hamburg  
Tel.: +49 (0) 40 / 270 76-442  
Fax: +49 (0) 40 / 270 76-150  
E-mail: investorrelations@fielmann.com  
Internet: www.fielmann.com

## Segment reporting 1 January to 30 June 2017

The previous year's figures are stated in parentheses.

in € million	Germany	Switzerland	Austria	Other	Consolidation	Goodwill
Sales revenues from the segment	580.9 (547.6)	89.1 (83.8)	41.9 (40.0)	19.2 (16.2)	-35.7 (-27.2)	695.4 (660.4)
Sales revenues from other segments	35.3 (27.0)	0.1 (0.1)	0.3 (0.1)			
<b>External sales revenues</b>	<b>545.6 (520.6)</b>	<b>89.0 (83.7)</b>	<b>41.6 (39.9)</b>	<b>19.2 (16.2)</b>		<b>695.4 (660.4)</b>
Cost of materials	142.1 (133.1)	17.7 (16.4)	10.0 (9.3)	5.9 (5.0)	-33.6 (-25.1)	142.1 (138.7)
Personnel costs	229.1 (216.5)	35.4 (34.1)	15.0 (14.1)	6.5 (4.8)		286.0 (269.5)
Scheduled depreciation	17.2 (15.8)	2.2 (2.1)	0.9 (0.8)	0.7 (0.5)	-0.2 (0.0)	20.8 (19.2)
Expenses in the financial result	0.7 (0.8)	0.2 (0.0)		0.2 (0.1)	-0.3 (-0.2)	0.8 (0.7)
Income in the financial result	0.7 (0.5)	0.2 (0.4)			-0.3 (-0.2)	0.6 (0.7)
<b>Result before taxes<sup>1</sup></b>	<b>98.0 (91.0)</b>	<b>18.2 (16.3)</b>	<b>8.1 (8.9)</b>	<b>-0.9 (0.4)</b>	<b>0.2 (0.0)</b>	<b>123.6 (116.6)</b>
Income taxes	30.4 (28.7)	3.7 (3.2)	1.4 (1.7)	0.4 (0.4)	0.1 (-0.1)	36.0 (33.9)
<b>Profit for the period after tax</b>	<b>67.6 (62.3)</b>	<b>14.5 (13.1)</b>	<b>6.7 (7.2)</b>	<b>-1.3 (0.0)</b>	<b>0.2 (0.1)</b>	<b>87.7 (82.7)</b>
Non-current segment assets excluding financial instruments and deferred tax assets	261.8 (256.6)	27.8 (28.5)	6.9 (6.2)	13.0 (7.2)		309.5 (298.5)
Investments	19.9 (18.0)	1.8 (2.4)	0.3 (0.6)	4.7 (0.7)		26.7 (21.7)
Deferred tax assets	8.8 (7.9)		0.3 (0.3)	0.2 (0.6)		9.3 (8.8)

<sup>1</sup> In the segments excl. income from participations

## Statement of the overall result

For the period from 1 January to 30 June	2017 in € '000	2016 in € '000	Change in € '000
<b>Profit for the period after tax</b>	<b>87,695</b>	<b>82,706</b>	<b>4,989</b>
<b>Items which are reclassified under certain conditions and reported in the profit and loss account</b>			
Earnings from foreign exchange conversion, reported under equity	-803	-508	-295
<b>Items which will not be reclassified and reported in the profit and loss account in future</b>			
Valuation of employee benefits in accordance with IAS 19)	54	-395	449
<b>Other profit/loss after tax</b>	<b>-749</b>	<b>-903</b>	<b>154</b>
<b>Overall result</b>	<b>86,946</b>	<b>81,803</b>	<b>5,143</b>
of which attributable to minority interests	2,808	2,482	326
of which attributable to parent company shareholders	84,138	79,321	4,817

## Consolidated profit and loss account

For the period from 1 April to 30 June	2017 in € '000	2016 in € '000	Change
1. Consolidated sales	353,480	344,006	2.8 %
2. Changes in inventories	184	286	-35.7 %
<b>Total consolidated sales</b>	<b>353,664</b>	<b>344,292</b>	<b>2.7 %</b>
3. Other operating income	3,012	4,463	-32.5 %
4. Cost of materials	-71,490	-75,081	-4.8 %
5. Personnel costs	-141,454	-134,306	5.3 %
6. Depreciation	-10,412	-9,775	6.5 %
7. Other operating expenses	-70,369	-67,074	4.9 %
8. Expenses in the financial result	-352	-336	4.8 %
9. Income in the financial result	439	390	12.6 %
<b>10. Result from ordinary activities</b>	<b>63,038</b>	<b>62,573</b>	<b>0.7 %</b>
11. Taxes on income and earnings	-18,332	-18,206	0.7 %
<b>12. Net income for the quarter</b>	<b>44,706</b>	<b>44,367</b>	<b>0.8 %</b>
13. Income attributable to other shareholders	-1,444	-1,218	18.6 %
<b>14. Result for the quarter</b>	<b>43,262</b>	<b>43,149</b>	<b>0.3 %</b>
<b>Earnings per share in € (diluted/basic)</b>	<b>0.52</b>	<b>0.52</b>	

## Consolidated profit and loss account

For the period from 1 January to 30 June	2017 in € '000	2016 in € '000	Change
1. Consolidated sales	695,351	660,374	5.3 %
2. Changes in inventories	7,506	6,176	21.5 %
<b>Total consolidated sales</b>	<b>702,857</b>	<b>666,550</b>	<b>5.4 %</b>
3. Other operating income	5,606	7,355	-23.8 %
4. Cost of materials	-142,121	-138,674	2.5 %
5. Personnel costs	-285,962	-269,456	6.1 %
6. Depreciation	-20,770	-19,197	8.2 %
7. Other operating expenses	-135,825	-129,938	4.5 %
8. Expenses in the financial result	-768	-674	13.9 %
9. Income in the financial result	631	679	-7.1 %
<b>10. Result from ordinary activities</b>	<b>123,648</b>	<b>116,645</b>	<b>6.0 %</b>
11. Taxes on income and earnings	-35,953	-33,939	5.9 %
<b>12. Net income for the period</b>	<b>87,695</b>	<b>82,706</b>	<b>6.0 %</b>
13. Income attributable to other shareholders	-2,808	-2,482	13.1 %
<b>14. Result for the period</b>	<b>84,887</b>	<b>80,224</b>	<b>5.8 %</b>
<b>Earnings per share in € (diluted/basic)</b>	<b>1.01</b>	<b>0.96</b>	

Movement in Group equity 2017	Subscribed capital	Capital reserves	Currency translation reserves	Valuation reserves IAS 19	Reserves for own shares	Reserves for share-based remuneration	Profit reserves	Profit reserves and other reserves	Balance sheet profit	Attributable to parent company shareholders	Non-controlling interests	Equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
<b>Position as at 31 December 2016<sup>1</sup></b>	84,000	92,652	21,189	-2,269	-357	2,172	337,432	358,167	151,200	686,019	246	686,265
Consolidated net income									84,887	84,887	2,808	87,695
Transfers to profit reserves										0		0
Other result			-803	54				-749		-749		-749
<b>Overall result</b>			-803	54				-749	84,887	<b>84,138</b>	2,808	<b>86,946</b>
Dividend paid and share of profit allocated to other shareholders							88	88	-151,200	-151,112	-2,716	-153,828
Share-based remuneration						92		92		92		92
Own shares					-3,297			-3,297		-3,297		-3,297
Acquisition on non-controlling interest							-1,671	-1,671		-1,671		-1,671
<b>Position as at 30 June 2017</b>	<b>84,000</b>	<b>92,652</b>	<b>20,386</b>	<b>-2,215</b>	<b>-3,654</b>	<b>2,264</b>	<b>335,849</b>	<b>352,630</b>	<b>84,887</b>	<b>614,169</b>	<b>338</b>	<b>614,507</b>

Movement in Group equity 2016	Subscribed capital	Capital reserves	Currency translation reserves	Valuation reserves IAS 19	Reserves for own shares	Reserves for share-based remuneration	Profit reserves	Profit reserves and other reserves	Balance sheet profit	Attributable to parent company shareholders	Non-controlling interests	Equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
<b>Position as at 31 December 2015<sup>1</sup></b>	84,000	92,652	21,439	-1,765	-251	2,207	322,273	343,903	147,000	667,555	238	667,793
Consolidated net income									80,224	80,224	2,482	82,706
Transfers to profit reserves												
Other result			-508	-395				-903		-903		-903
<b>Overall result</b>			-508	-395				-903	80,224	<b>79,321</b>	2,482	<b>81,803</b>
Dividend paid and share of profit allocated to other shareholders							147,000	147,000	-147,000		-2,371	-2,371
Share-based remuneration						2,243		2,243		2,243		2,243
Own shares					-2,337			-2,337		-2,337		-2,337
Withdrawals/deposits											-21	-21
<b>Position as at 30 June 2016</b>	<b>84,000</b>	<b>92,652</b>	<b>20,931</b>	<b>-2,160</b>	<b>-2,588</b>	<b>4,450</b>	<b>469,273</b>	<b>489,906</b>	<b>80,224</b>	<b>746,782</b>	<b>328</b>	<b>747,110</b>

<sup>1</sup> As part of a detailed presentation of the movement in Group equity, the presentation was adjusted for the reporting year and for the previous year.

## Consolidated balance sheet

Assets	Position as at 30 June 2017 in € '000	Position as at 31 December 2016 in € '000
<b>A. Non-current fixed assets</b>		
I. Intangible assets	19,023	18,379
II. Goodwill	45,740	45,704
III. Tangible assets	228,575	224,389
IV. Investment property	16,158	16,404
V. Financial assets	1,819	1,313
VI. Tax assets	9,299	9,224
VII. Other financial assets	47,500	87,000
	<b>368,114</b>	<b>402,413</b>
<b>B. Current assets</b>		
I. Inventories	140,868	128,136
II. Trade debtors	30,520	26,733
III. Other financial assets	44,126	46,416
IV. Non-financial assets	18,686	20,314
V. Tax assets	8,630	9,725
VI. Financial assets	150,613	165,765
VII. Cash and cash equivalents	89,081	114,032
	<b>482,524</b>	<b>511,121</b>
	<b>850,638</b>	<b>913,534</b>
	<b>850,638</b>	<b>913,534</b>
Equity and liabilities	Position as at 30 June 2017 in € '000	Position as at 31 December 2016 in € '000
<b>A. Equity capital</b>		
I. Subscribed capital	84,000	84,000
II. Capital reserves	92,652	92,652
III. Profit reserves	352,630	358,167
IV. Profit for the period under review	84,887	151,200
V. Non-controlling interests	338	246
	<b>614,507</b>	<b>686,265</b>
<b>B. Non-current liabilities</b>		
I. Accruals	23,707	23,325
II. Financial liabilities	1,961	1,605
III. Deferred tax liabilities	7,702	8,430
	<b>33,370</b>	<b>33,360</b>
<b>C. Current liabilities</b>		
I. Accruals	38,285	41,495
II. Financial liabilities	171	166
III. Trade creditors	75,159	63,035
IV. Other financial liabilities	20,179	20,426
V. Non-financial liabilities	62,010	50,730
VI. Income tax liabilities	6,957	18,057
	<b>202,761</b>	<b>193,909</b>
	<b>850,638</b>	<b>913,534</b>
	<b>850,638</b>	<b>913,534</b>