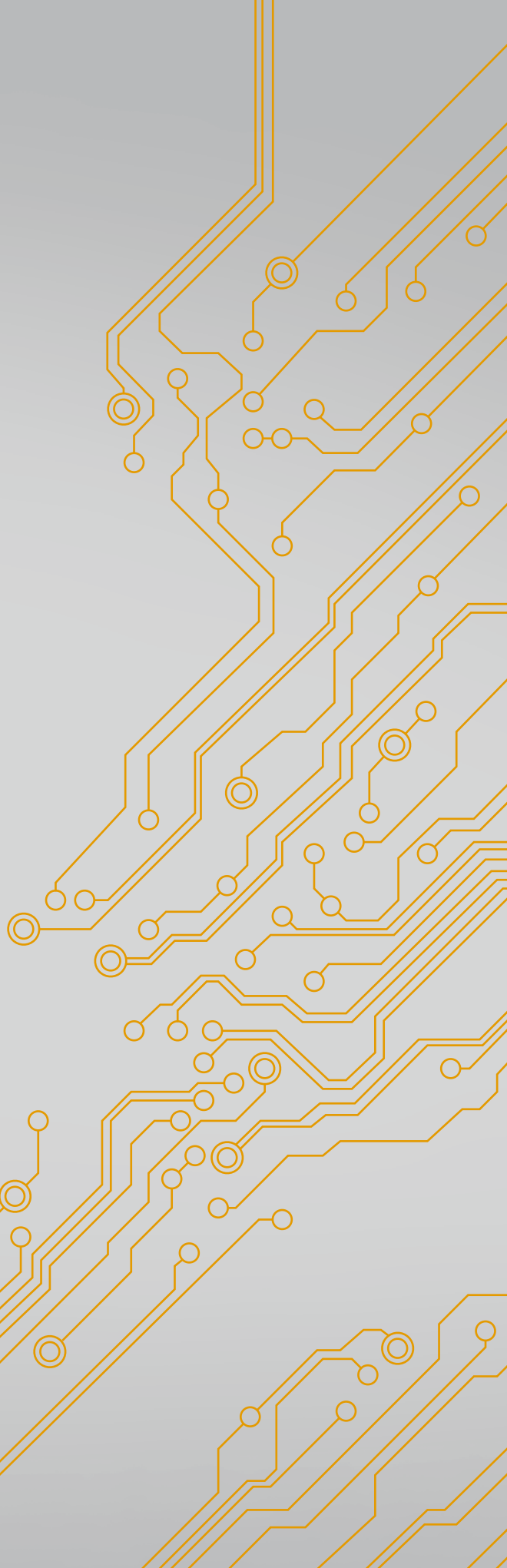
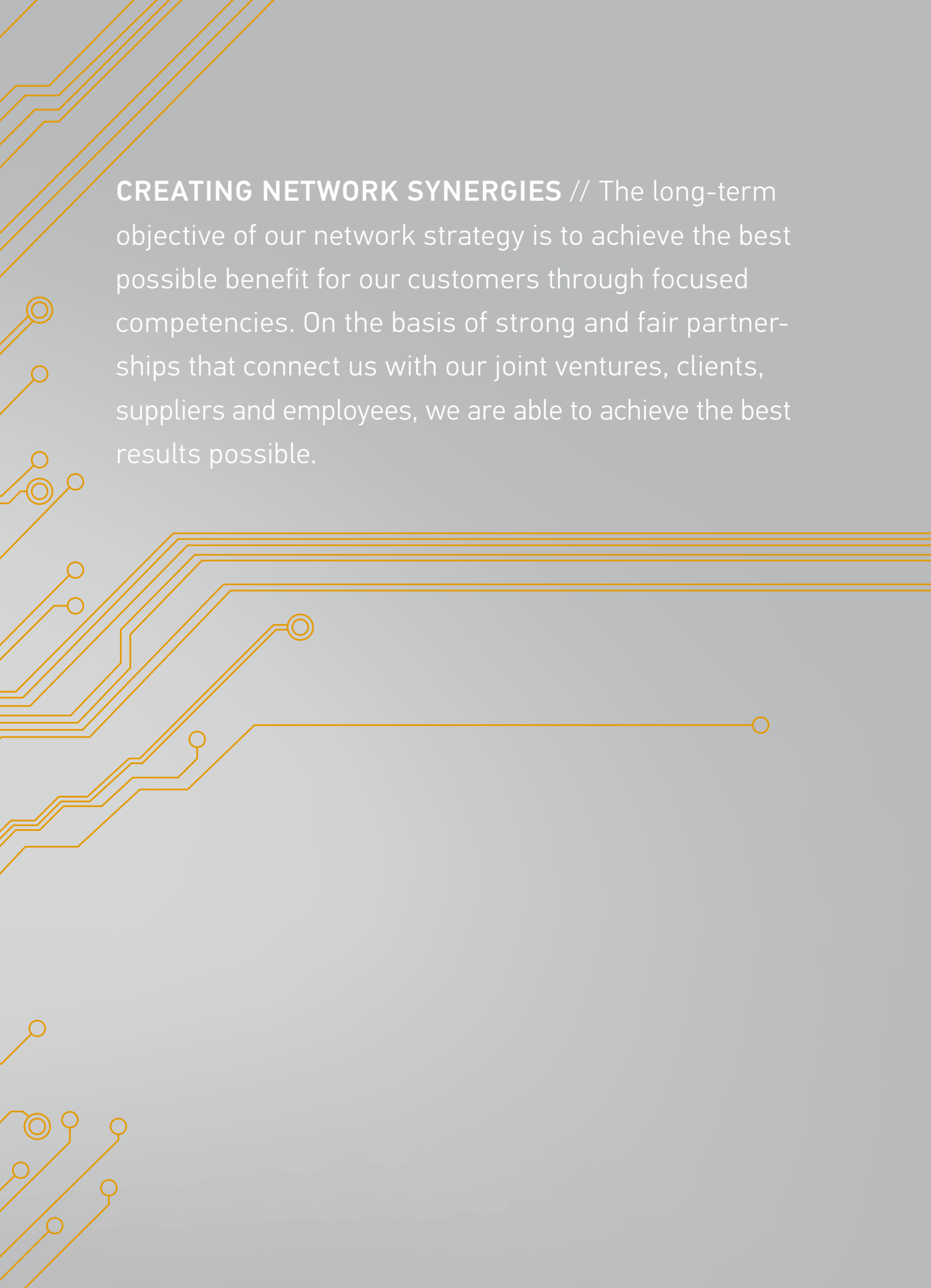




HELLA

ANNUAL REPORT 2011-2012



The background features a light grey color with intricate orange circuit-like patterns. These patterns consist of multiple parallel lines that branch out and connect to small circular nodes, resembling a network or data flow diagram. The lines are most prominent on the left side and extend horizontally across the middle of the page.

CREATING NETWORK SYNERGIES // The long-term objective of our network strategy is to achieve the best possible benefit for our customers through focused competencies. On the basis of strong and fair partnerships that connect us with our joint ventures, clients, suppliers and employees, we are able to achieve the best results possible.

HELLA

ANNUAL REPORT 2011-2012

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From left to right: Prof. Dr. Michael Hoffmann-Becking,
Dr. Jürgen Behrend, Dr. Rolf Breidenbach

LADIES AND GENTLEMEN,

On May 31, 2012, HELLA successfully completed the best fiscal year in its history. With sales of 4.8 billion euros, the already very good figures from the previous year were exceeded by as much as 10%. The EBIT (operative earnings before interest and taxes) also reached a new high, at 346 million euros. Strong demand for luxury vehicles in the growth markets and our focus on key trends in the automotive industry were the decisive factors in this success. All business segments – Automotive, Aftermarket and Special Applications – contributed to these results to the degree consistent with their size.

HELLA's international presence and diversified product portfolio enable the company to continue on a path of stable development, despite regional market fluctuations. Opportunities for growth in the 2011-2012 fiscal year abounded in the emerging markets, particularly China, and in the USA. This compensated for the waning demand in the automotive industry as a result of the uncertainty surrounding the European markets. Moreover, the balanced portfolio of Lighting, Electronics, Aftermarket and Special Applications products produced a high level of stability.

Development and design expertise play a major role in furthering the technological leadership of the HELLA Group. That is why in the past fiscal year we invested a total of 388 million euros, or 8% of sales, in the development of innovative technologies and products, and in building up our workforce of qualified personnel around the world. Innovation and development strength are the continuing basis of our good competitive position.

We were able to considerably develop our solid financial base. On the basis of the operative success, HELLA was able to further optimize its long-term financial standing. Net financial liabilities were reduced dramatically to around 300 million euros, so that they now make up less than half of the EBITDA. Another piece of good news was the positive evaluation by the rating agency Moody's, which in February 2012 raised the rating of the HELLA Group by one grade to "Baa2", a clear investment grade with a continued stable outlook.

Our internal and external networks were further expanded. Our international joint ventures, in particular, enjoyed extremely successful development. This was evident from, among other things, the sharp rise in the income from investments of equity accounted joint ventures. HELLA was able to forge further long-term partnerships, particularly in China, where the establishment of a new joint venture laid an important foundation for further growth in this region.

The new fiscal year is characterized by great economic uncertainty. Our company is well equipped for this phase of our future, both operatively and strategically. Our mastery of the economic crisis in the 2008 - 2009 fiscal year and the results of the previous year have strengthened our equity capital base and our balance sheet for the long term. On this basis, we are poised to overcome the challenges of the future consistently and with lasting success.

Our employees have contributed greatly to our business success. We wish to thank them at this point for their commitment and their resourcefulness. Furthermore, we extend our thanks to our business partners and customers, whose continuing trust cements the foundations of our business success. In future, we will continue to do our best to live up to this trust in HELLA's performance as a reliable partner.

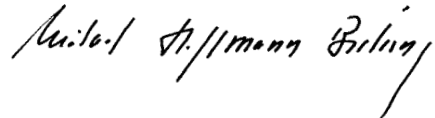
Lippstadt, September 2012



Dr. Jürgen Behrend

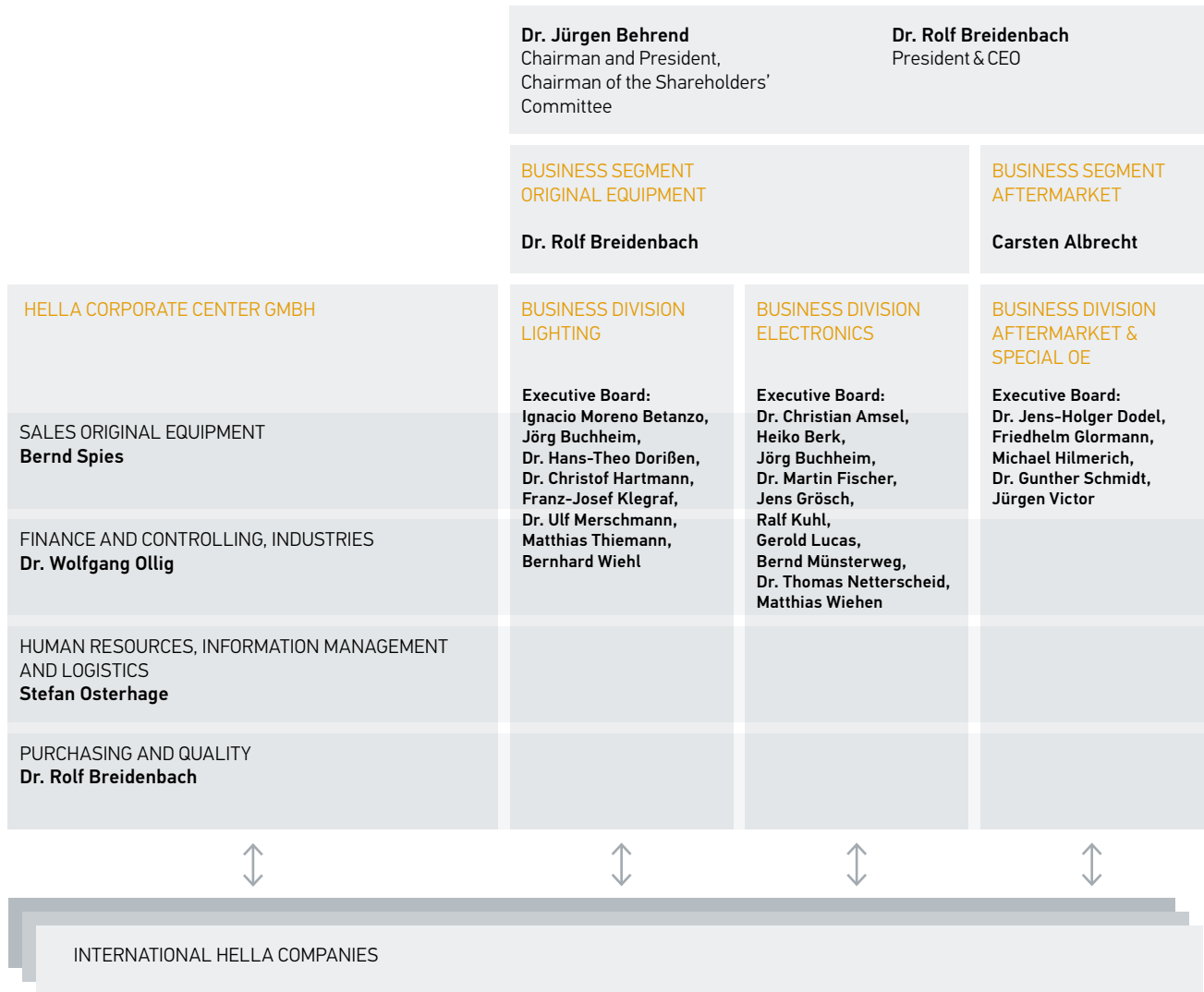


Dr. Rolf Breidenbach



Prof. Dr. Michael Hoffmann-Becking

HELLA KGaA HUECK & CO.



General Partners: Dr. Jürgen Behrend, HELLA Geschäftsführungsgesellschaft mbH, HELLA Beteiligungsgesellschaft mbH & Co. KG

Management Board of HELLA Geschäftsführungsgesellschaft mbH: Dr. Rolf Breidenbach (CEO), Carsten Albrecht, Dr. Wolfgang Ollig, Stefan Osterhage, Bernd Spies

Chairman of the Supervisory Board: Prof. Dr. Michael Hoffmann-Becking

Shareholders' Committee: Dr. Jürgen Behrend (Chairman), Roland Hammerstein (Deputy Chairman), Dr. Dietrich Hueck, Dr. Gerd Kleinert, Klaus Kühn



From left to right: Bernd Spies, Dr. Rolf Breidenbach, Dr. Jürgen Behrend,
Carsten Albrecht, Stefan Osterhage, Dr. Wolfgang Ollig

THE MANAGEMENT BOARD OF HELLA KGAA HUECK & CO.



**HOW DOES
THE HELLA
NETWORK
STRATEGY
WORK?**

CREATING NETWORK
SYNERGIES

THE MORE INDEPENDENT JOINT VENTURES ARE, THE MORE SUCCESSFUL THEY WILL BE

In addition to its own companies and affiliated companies, since the end of the 1990s HELLA has established more than a dozen joint ventures all over the world. In this interview, Dr. Jürgen Behrend explains why the Group sets great store by partnerships. And the Chairman and President of the company also explains what the necessary prerequisites are before such close links can be forged with other firms: mutual trust, synergies for both sides and significant benefits for customers.

In 1998, HELLA founded the first two joint ventures with Behr, the air-conditioning and cooling specialist. These have since been followed by numerous other companies, covering the business fields of lighting, electronics and retail business. Overall, the sales figures of these businesses have now reached nearly 2.0 billion euros, and are still growing. HELLA's share of these figures is around 800 million euros. These partnerships vary greatly in size: from Intedis with 50 employees, with whom HELLA develops electric and electronic vehicle architectures, to joint ventures with sales of several hundred million euros.

The joint ventures are active in many fields. HELLA's expertise in electronics and the mechanical and systematic bodywork knowledge of Mando in South Korea, for example, were united in the joint venture Mando Hella Electronics in 2008, producing electronics and driver assistance systems that are market leaders. Also in 2008, Hella Gutmann Solutions was launched. This South German company combines the diagnostic tools of the measurement technology company with the sales network and spare parts competence of HELLA. The most recent example is the joint venture between HELLA and Changchun Faway

Automobile Components, a Chinese specialist in automotive spare parts and accessories, which was established at the beginning of 2012. Together they will expand HELLA's role as lighting specialist in the growing Asian market.



"Of course, every joint venture contains a large amount of the founding companies' DNA, but over time it increasingly develops its own specific features and characteristics." Dr. Jürgen Behrend – Chairman and President of HELLA

DR. BEHREND, HELLA FREQUENTLY COOPERATES WITH OTHER COMPANIES IN JOINT VENTURES. WHY DO YOU PURSUE A NETWORK STRATEGY?

Dr. Jürgen Behrend: We developed this strategy at the end of the 1990s. Following the paradigm shift in the automotive industry at the beginning of the decade, companies had to become more and more international in order to be successful. At the same time, competition increased from Japan, and later from Korea – and for some time now we have been witnessing the same from China. This proc-

ess of greater fusion meant that many smaller companies disappeared from the market, or lost their independence. As a medium-sized, family-run company, we asked ourselves how we wanted to conquer new markets and also be technologically innovative in the future. Did we want to be swallowed up by a larger corporation sooner or later – or did we want to approach these challenges differently? The network strategy was the right answer to this question.

HOW DID YOU CHOOSE YOUR PARTNERS?

Through these partnerships, our aim is to become as powerful and efficient as much larger suppliers in the respective fields. We also wish to achieve scale effects in development and production, for example. Our partners must therefore possess the skills that we lack – and vice versa. Furthermore, these synergies are intended to bring real added value for customers, who have to accept the joint venture and perceive it as something of value to them. Because we insist on cooperation, entrepreneurial responsibility

»It is hugely important for the company management to oversee the foundation of a joint venture every step of the way, particularly in the initial phases, getting all those involved on board and staying on course.«

DR. JÜRGEN BEHREND

and decentralized management internally, our partners should be on an equal footing and have a similar company philosophy – for in our opinion only an equitable partnership with a single management works well for both parties in equal measure.

COULD YOU GIVE AN EXAMPLE OF THIS?

Our first joint venture was set up with Behr in Stuttgart. Like us, the then CEO, Horst Geidel, was convinced of the benefits of a cooperative strategy. Let's take automatic air-conditioning as an example: Behr, as a specialist in cooling and air conditioning, but without electronics expertise, and HELLA, with its knowledge of electronic controls, fit together extremely well. Both technologically and as family-owned businesses with very similar corporate philosophies. BHTC is now 14 years old, and achieves sales of around 300 million euros with more than 1,200 employees. That same year, with Behr we also founded the HBPO joint venture, which develops frontend modules.

WERE YOU WORRIED THAT IT MIGHT NOT WORK OUT?

No. But it is hugely important for the company management to follow newly founded ventures such as these every step of the way, particularly in the initial phases, getting all those concerned on board and staying on course – and also because the partnership with Behr and Horst Geidel was a promising start to our cooperative strategy. Mutual respect, fairness and personal trust between the CEOs are also essential. At the same time, however, both partners must make sure that sanctions exist, in the event that one of them does not stick to the agreements made.

WITH BEHR, YOU COMBINED THE TECHNOLOGIES OF BOTH SIDES. HOW DO YOU USE THE NETWORK STRATEGY TO ACHIEVE GREATER INTERNATIONALIZATION?

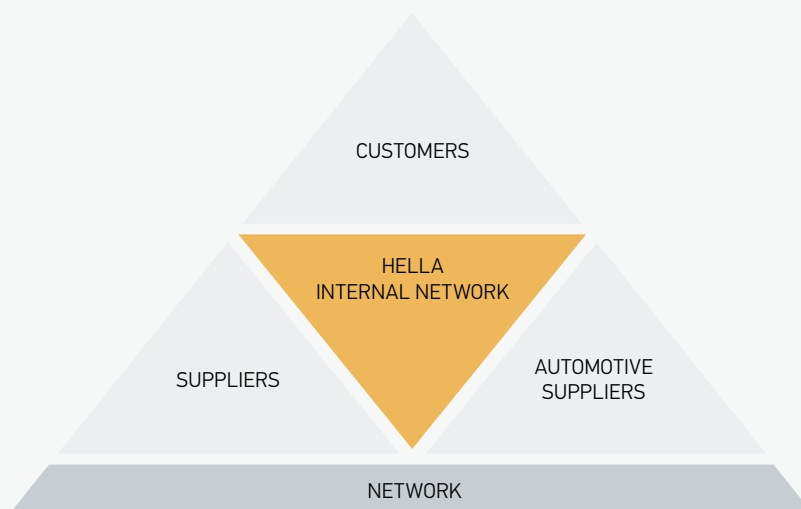
We have set up further joint ventures, first with German, then also with international suppliers, and synergies have been achieved through these. Another important factor is evident overseas: In South Korea, for example, it is very difficult for a foreign company to get itself recognized as a supplier by South Korean car manu-

facturers. Through joint ventures with the South Korean companies Sam-Lip and Mando, we were able to make use of their expertise and gain access to the market. Once we are acknowledged as a supplier, we will also be able to act independently as HELLA, in addition to our joint venture companies.

A JOINT VENTURE, SUCH AS THOSE IN SOUTH KOREA, IS VERY FAR AWAY FROM THE HELLA HEAD OFFICE IN LIPPSTADT. HOW DO YOU ENSURE THAT THE PARTNERSHIPS CONTINUE TO FUNCTION IN THE WAY YOU WOULD WISH?

In the initial phase, the important thing is for both partners to contribute their technological skills and expertise; experts work there for longer periods and help to shape the venture. After this, there must be continual communication while the partnership is up and running. However, in general companies in other countries should be run by local people. For the more independent joint ventures are, the more successful they will be – which company the CEOs are from, for example, or whether they are recruited from other companies, makes no difference.

HELLA HAS BUILT UP A NETWORK THAT FUNCTIONS ON MANY LEVELS



CUSTOMERS HELLA enters into partnerships with customers for whom the company is a strategic key supplier.

INTERNAL NETWORK The various HELLA companies cooperate at international level.

SUPPLIERS HELLA forges especially strong links with companies that supply vital parts for the Group.

AUTOMOTIVE SUPPLIERS Some suppliers offer technologies that enhance or supplement HELLA products. The company establishes more intense partnerships with these firms.

IS HELLA'S INFLUENCE NOT THEN WATERED DOWN AT SOME POINT?

I would replace the expression "watered down" with something more positive. Over time, the joint venture evolves its own identity. The process of entrepreneurial self-organization is intentional. Of course, a company of this kind still contains large amounts of the founding companies' DNA. But increasingly it develops its own specific features and characteristics – after all, it is active in a very special area and must appear as an independent company to its customers. For them, it is important to know

that the joint venture makes its own entrepreneurial decisions, and the parent companies only set the long-term strategic guidelines.

WHERE DO YOU SEE FURTHER JOINT VENTURES FOR HELLA?

We have a particular interest in China. We have been active there for 20 years already, and currently employ 3,800 workers at ten sites. Development is extremely dynamic: at the beginning of the next decade, the Chinese market will be precisely as large as the European and American markets together. Even today, around 24 % of

all parts produced by HELLA are installed in cars that are driven in Asia, and there mainly in China. We have therefore concluded a binding joint venture agreement with one of the four large Chinese car firms, and a declaration of intent with another. And so we have laid the foundations to ensure that HELLA can significantly expand its presence in China.



EUROPE

NORTH AND SOUTH AMERICA




AFRICA

HELLA GROUP

Asia/Pacific

- Australia
- China
- Dubai

- New Zeala
- Philippine
- Singapo
- South K



»In Romania, I am responsible for controlling higher level management functions such as Human Resources, Finance and Controlling, IT or Purchasing. Visions and objectives are coordinated and realized in close cooperation with Group headquarters. Even in the most difficult situations, I know I can always rely on the full support of the Lippstadt office.«

MIRABELA CHERA – HEAD OF THE HELLA CORPORATE CENTER IN TIMIȘOARA, ROMANIA
KLAUS-MARTIN HEGEMANN – HEAD OF CENTRAL CONTROLLING IN LIPPSTADT, GERMANY

LEADING TECHNOLOGY AND STRONG GLOBAL PERFORMANCE

In the 2011-2012 fiscal year, HELLA increased sales by 10% to 4.8 billion euros. In the Automotive sector, HELLA has been able to benefit from the continuing high demand for premium vehicles in growth markets around the world. In addition, the Aftermarket and Special Applications segments were able to expand their business with specific customer solutions and cutting-edge technological products. The EBIT attained a new record, at 346 million euros. This growth in earnings and internal cash flow generation enables us to further expand our technological leadership and boost our global competitiveness.

STRONG FAMILY-OWNED COMPANY IN AN INTERNATIONAL ENVIRONMENT

HELLA KGaA Hueck & Co. is one of the world's Top 50 automotive suppliers, and among the 100 largest German industrial companies. The corporate culture has always been characterized by the intense international focus of this family-owned company. At over 70 sites in 30 countries around the world, more than 27,000 employees work on new technologies and innovative systems that make

vehicles safer, greener, and more comfortable. HELLA operates one of Europe's largest aftermarket organizations for automotive parts, accessories, diagnostics, and services. Furthermore, HELLA puts its great expertise in the use of LED technology and intelligent electronics into products for special purpose vehicles, such as agricultural machinery, and into new areas of application for industrial customers. In order to increase its technological leadership, HELLA invested a total of 388 million euros in research and development in the last fiscal year – that's around 8% of consoli-



The 140 meter light testing facility is used by HELLA engineers for measuring and testing innovative headlamp technologies and illuminants.

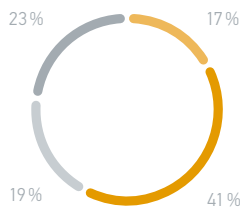
dated sales. Nearly 5,000 employees are engaged in researching new technologies and securing the company's innovative strength far into the future.

GROWTH WITH A BALANCED BUSINESS PORTFOLIO

The activities of the HELLA Group are divided into three segments, which together make up the company's balanced business portfolio. In the Automotive segment, HELLA focuses on developing, manufacturing and marketing lighting technology and electronics components and systems for vehicle manufacturers and other suppliers. HELLA centers its work on the key megatrends of the automotive industry – environment, safety, and comfort – and responds to these with products such as intelligent battery sensors, radar-based driver assistance systems and

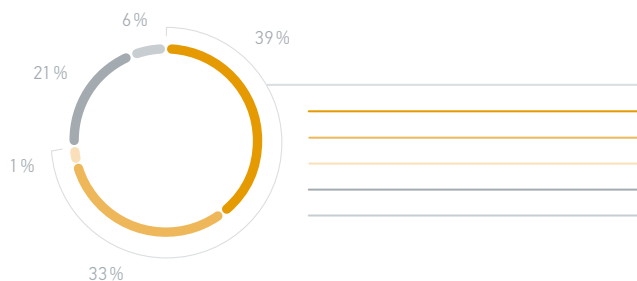
adaptive lighting systems. In addition, in its Aftermarket segment, HELLA develops, produces, and markets products for the independent aftermarket and garages. In the Special Applications segment, HELLA provides target groups from construction machinery manufacturers and ship builders to local authorities and energy utility companies, with innovative lighting and electronics products. Expertise in technology, processes and quality from the Automotive sector is systematically transferred and optimally adapted, making the company highly competitive in terms of cost and innovation.

This balanced business portfolio provides the HELLA Group with attractive opportunities for growth while simultaneously reducing the risk profile, as the different branches enjoy different growth cycles. The mutually complementary Automotive and Aftermarket segments are particularly im-



REGIONAL MARKET COVERAGE BY END CUSTOMERS – FY 2011-2012

- Germany €811 million
- Rest of Europe €1,987 million
- North and South America €897 million
- Asia/Pacific/RoW €1,115 million



SALES TO THIRD PARTIES ACCORDING TO BUSINESS ACTIVITY – FY 2011-2012

Automotive	€3,479 million
– Lighting	€1,865 million
– Electronics	€1,581 million
– Miscellaneous	€33 million
Aftermarket	€1,018 million
Special Applications	€313 million

portant in this connection. While the sale of passenger cars and therefore OE business in general prosper in a booming economy, the Aftermarket business profits on an anti-cyclical basis, in that customers have their vehicles repaired rather than buying new ones.

TARGETED FOCUS ON INNOVATIVE TECHNOLOGIES

Innovative technologies form the backbone of business success throughout the company. HELLA's ongoing commitment to research and development enables it to occupy a leading position in numerous fields. There is special focus on technologies that increase road traffic safety or reduce CO₂ emissions and fuel consumption. Safety-relevant innovations include, in particular, intelligent headlamps and radar systems. In 2008, HELLA launched series production of the first full LED headlamp, followed in 2010 by the first headlamp with glare-free high beam, which enables the driver to keep the high beam on all the time. Moreover, HELLA made use of 24-GHz radar technology to develop assistance functions, which help the driver to change lanes, for example, by surveying the traffic situation behind the vehicle. Energy-efficient technologies mostly originate from our comprehensive electronics portfolio, which incorporates numerous products such as intelligent battery sensors, vacuum pumps and voltage stabilizers. These are subject to ever growing demand from the world's leading automakers with millions already in ser-

vice. More recent product developments, such as electric power steering, for example, or radiator grill actuating mechanisms, are currently being positioned on the market with various partners.

INTERNAL AND EXTERNAL PARTNERING

Reliable and fair partnerships play a decisive part in achieving sustained, future-oriented growth. Companies that pool their areas of expertise with strong partners can exploit lasting synergistic effects, offer customers tangible added value and thus secure their market position for the long term. As such, HELLA defines its commitment to partnerships as a fundamental corporate value, which shapes daily cooperation on all levels equally. At the same time, effective, respectful cooperation among colleagues is just as important as cooperation with customers, suppliers and our joint venture companies.

As part of its global network strategy, HELLA is expanding its strong international competitive position through synergistic cooperative models with customers and suppliers. The aim here is to achieve clear win-win situations for customers, partners and the company. This is attained by pooling and further developing complementary areas of expertise in joint ventures. The joint venture with the Gutmann company, for instance, focuses on developing and selling diagnostic tools for garages. Thus, Hella Gutmann

Solutions can rely on Gutmann's comprehensive specialist knowledge, and on HELLA's outstanding sales network. In combination with extensive additional services such as a technical hotline and special leasing offers, the joint venture is an important partner to garages.

STRONG VALUES GUIDE OUR CORPORATE CULTURE

In addition to the values of partnership, HELLA employees are bound by a shared commitment to demonstrate entrepreneurial accountability and autonomy, ensure sustainability, deliver excellent performance, innovate and embrace positive changes, demonstrate integrity, and lead by example. These form the basis for all action in the company, and their targeted implementation is both a spur and a guide for achieving lasting success. With this authentic set of values, HELLA endeavors to convincingly satisfy the demands of customers, suppliers, business partners and shareholders.

FINANCIAL AUTONOMY CREATES ENTREPRENEURIAL FREEDOM

A solid financial base and the generation of a sustainable cash flow are top priorities for an independent family-owned company such as HELLA. Only they enable long-term growth, the continued expansion of sites around the world, and high investment in research and development. Financial autonomy based on excellent operative performance safeguards and strengthens HELLA's long-term successful corporate development.

External financing includes credit financing with an international banking consortium, and capital market instruments. The credit lines, which were already extended in the 2010-2011 fiscal year, plus substantial liquid funds, can still be called upon at any time and provide us with a significant degree of entrepreneurial flexibility, thereby ensuring our ability to take decisions and act on them. In February 2012, the international rating agency Moody's raised its rating for HELLA and the bond issued in 2009, by one grade to the solid investment grade "Baa2", assessing the outlook once again as "stable". This improved rating can be traced back to the company's positive development in recent years, and the continuous improvement in profitability and key credit metrics.

OUTLOOK

- // Stable and global growth in all three business segments, Automotive, Aftermarket and Special Applications
- // Strengthening of the competitive position in growth markets
- // Strengthening of the international research and development network for improved focus on customer and market needs



Cross-departmental cooperation and interdisciplinary teams open up new solutions.

**HOW DOES
INTER-
NATIONALITY
CREATE
ADDED VALUE?**

AUTOMOTIVE

FRUITFUL COOPERATION

In international teams, HELLA employees develop lighting and electronics solutions for numerous automotive manufacturers and diverse vehicle segments. The objective is to make use of the synergies that are inherent in interculturality, interdisciplinarity and specialist market experience and knowledge, specifically for the benefit of our customers. In this way, a network of Indian, Czech and

German developers were able to realize an ambitious project. The resulting Bi-Xenon headlamp module with safety-related AFS functions such as active bend lighting, the low-beam country light function and a camera-controlled adaptive high-beam assistant, meets the growing demand for high-quality, safety-related technology.





»At HELLA, internationality is a way of life. This project is one of the best examples I know for this: the headlamp module was created through the close cooperation of development departments in India, the Czech Republic, and Germany. The key success factors were transparent communication together with clearly defined tasks and objectives.«

JÖRG HELLWIG – HEAD OF WORLDWIDE HEADLAMP DEVELOPMENT IN LIPPSTADT, GERMANY
VENKATESAN RADHAKRISHNAN – HEAD OF THE DEVELOPMENT CENTER IN CHENNAI, INDIA

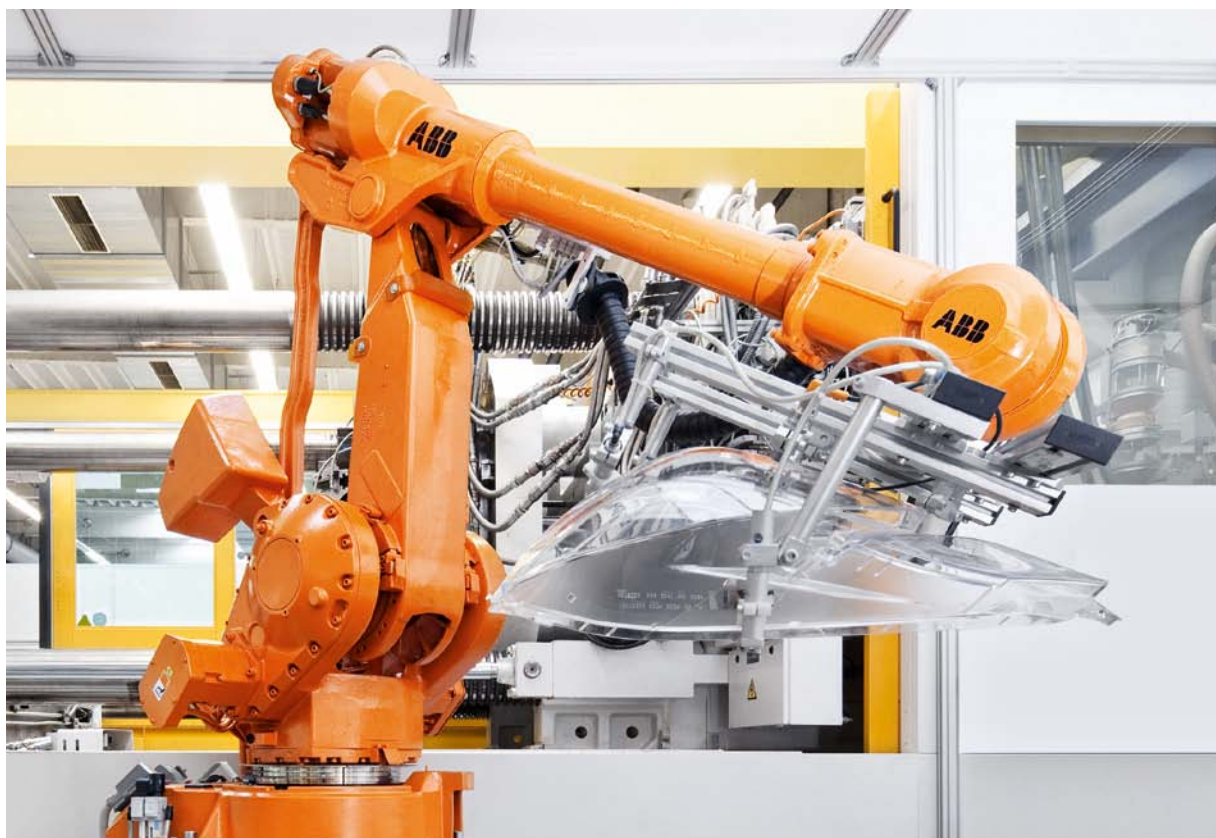
LED ASSERTS ITSELF IN ALL VEHICLE SEGMENTS

After a very strong performance last year, the Lighting Business Division achieved an increase in sales of 4 % to 1.9 billion euros in the 2011-2012 fiscal year, with innovative and competitive products. In order to permanently reinforce its position as a leading supplier of sophisticated lighting systems, the focus is on the expansion of global research and development capabilities. Here, HELLA's expertise in optical engineering and the control electronics of LED products provides our customers with a unique competitive advantage.

LED MEGATREND REACHES THE HIGH-VOLUME MARKET

In the past fiscal year, too, the LED megatrend gained ever more momentum and penetrated all areas of vehicle illumination. With our excellent technological expertise both in the use of the LED light source and in working with its complex control electronics, HELLA benefits from this development. HELLA is a sought-after partner to international premium vehicle and high-volume manufacturers, and successfully accomplished numerous demanding projects in the 2011-2012 fiscal year. Driven by high demand, development periods are becoming shorter and shorter –

a challenge for which leading manufacturers place their complete trust in HELLA's technological expertise. For example, in the past fiscal year our engineers, with their process experience, developed a sophisticated full LED headlamp for a compact vehicle of a German premium-class customer in just a few months. Working closely with another customer, the result was an exceptionally narrow and complex full LED rear lamp for a sports car, which satisfies not only restricted package space specifications, but also the exacting thermal requirements of this type of vehicle.



Injection-molded plastic cover lens

Despite the increased safety and reduced energy consumption achieved by using LEDs in vehicle lighting, most manufacturers reserve the LED low and high beam for the upper vehicle segment. We are increasingly focusing on the development of suitable full LED headlamps for standard use in higher volume, lower vehicle segments. Until now, widespread use of this kind has been obstructed by high development costs, which result primarily from the high level of headlamp individualization. A first step to successfully establishing the LED in the high-volume market is therefore the standardization and integration of as many parts and components as possible.

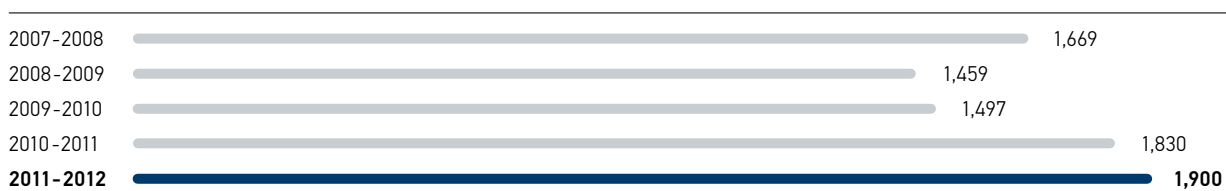
LIGHT SAFETY FACTOR GAINS IN IMPORTANCE

The “white” light of a full LED headlamp equates to a considerable increase in safety and comfort for drivers. Unlike the yellowish halogen and bluish xenon spectra, the color

of an LED is similar to daylight, providing drivers with a more relaxed night vision that is less fatigue-inducing. Furthermore, LED technology offers completely new possibilities, such as the creation of a headlamp with glare-free high beam that has no mechanical parts and is therefore wear-free. For these lamps, low and high beam are produced by “LED arrays”. Here, numerous LEDs are arranged in a matrix and dimmed up or down as required. We will be able to experience systems of this kind on our roads in just a few years.

Another market success for HELLA’s Lighting division was the fitting of a compact car with the adaptive cut-off line function, which adapts the range of the headlamp in line with the distance from preceding or oncoming vehicles. The first ever use of such complex, camera-based light functions in medium-class vehicles confirms that their importance is extending beyond the premium segment.

SALES INCLUDING INTER-SEGMENT ACTIVITIES (IN € MILLION) – LIGHTING



GLOBAL CORPORATE NETWORKS EXPANDED

In the period under review, HELLA greatly expanded its global production and development network, especially in Mexico and China. Since this fiscal year, around 100 engineers and designers in Guadalajara, Mexico, have been supporting the existing development network for Asian and North American customers. This is the consequence of an increased focus on regional customer requirements. In addition, HELLA also increased production capacity for headlamps and rear lamps, in order to ensure a flexible response to rising demand from the growth region of North and South America (NSA). In China, too, HELLA forged ahead with the expansion of the existing infrastructure. Firstly, the construction of a development center in Nanjing, begun in the last fiscal year, was successfully continued; secondly, HELLA established a joint venture with FAWAY, a leading Chinese automotive supplier, thereby acquiring a strong local partner for further growth in China. In future,

this joint venture will develop and produce lighting systems for the Chinese market.

As well as expanding capacity, the networking of our development locations is another key objective. The growth of our international development team is both an opportunity and a challenge. For lighting technology, it is a key tenet of our growth strategy and global innovative leadership.

STYLING AS A KEY DISTINGUISHING FACTOR

To ensure we can always offer customers new possibilities for brand-typical, individualized lighting design for the vehicle front and rear, the testing of innovative technologies is indispensable. With this in mind, our lighting engineers are currently working on the production of a rear lamp based on a light source that is as yet new to the automotive sector: OLED. Here, organic semiconductor material enables

larger areas to be illuminated without additional aids such as light guides. Moreover, this light source opens up a wide range of possibilities for ambient interior design. At the same time, our engineers are striving to improve existing technologies: for a headlamp exhibited at the 2012 Geneva Motor Show, for example, a tri-functional light guide only eight millimeters thick simultaneously acting as a position, daytime running and indicator light, was created.

INTEREST IN INDIVIDUALIZED VEHICLE INTERIORS INCREASES

The use of innovative lighting systems is no longer restricted to a vehicle's exterior. More and more, purely functional lighting is being supplemented by design-conscious elements. In the 2011-2012 fiscal year, HELLA began series production of an ambient function for a panoramic roof, which uses lateral lighting to set a relaxed mood at night. Further launches, such as the creation of an extensive LED-based ambient and interior lighting package for a German premium vehicle customer, for example, also enjoyed

success. In the period under review, HELLA commenced the targeted expansion of appropriate development and manufacturing capacities to cope with rising demand in this field globally.

CONTINUED GROWTH FOR HBPO JOINT VENTURE

The HBPO joint venture specializes in the design, development, assembly and sales of complex front-end modules and, as such, holds a unique position internationally. In the fiscal year, the company demonstrated its high level of development expertise with innovative approaches to future-oriented themes such as lightweight design, CO₂ reduction and improved aerodynamics. The company employs over 1,300 staff at 18 production sites and five development locations, and can count among its successes in 2011 12 production launches and, for the first time, sales of over one billion euros. One vital strategic step was entry into the Chinese market. Here, HBPO will produce and supply front-end modules for a customer's local production.

OUTLOOK

// Positioning of HELLA as top supplier for automotive lighting technology

// Boosting of development capacities, particularly in growth markets

// Further optimization of LED lighting systems for all vehicle segments



Headlamp cover frames are inspected before being allowed to continue to the next processing stage.



»Mando Hella Electronics does more than combine HELLA's experience in driver assistance systems with Mando's expertise in the area of chassis systems. With a particular focus on South Korea, we offer our customers a whole range of top-of-the-line products developed in-house, such as our electric servo-assisted steering system for more efficiency and safety.«

MARKUS STEHLE AND KYUNGSOO KIM – MANAGING DIRECTORS OF MANDO HELLA ELECTRONICS IN INCHEON, SOUTH KOREA

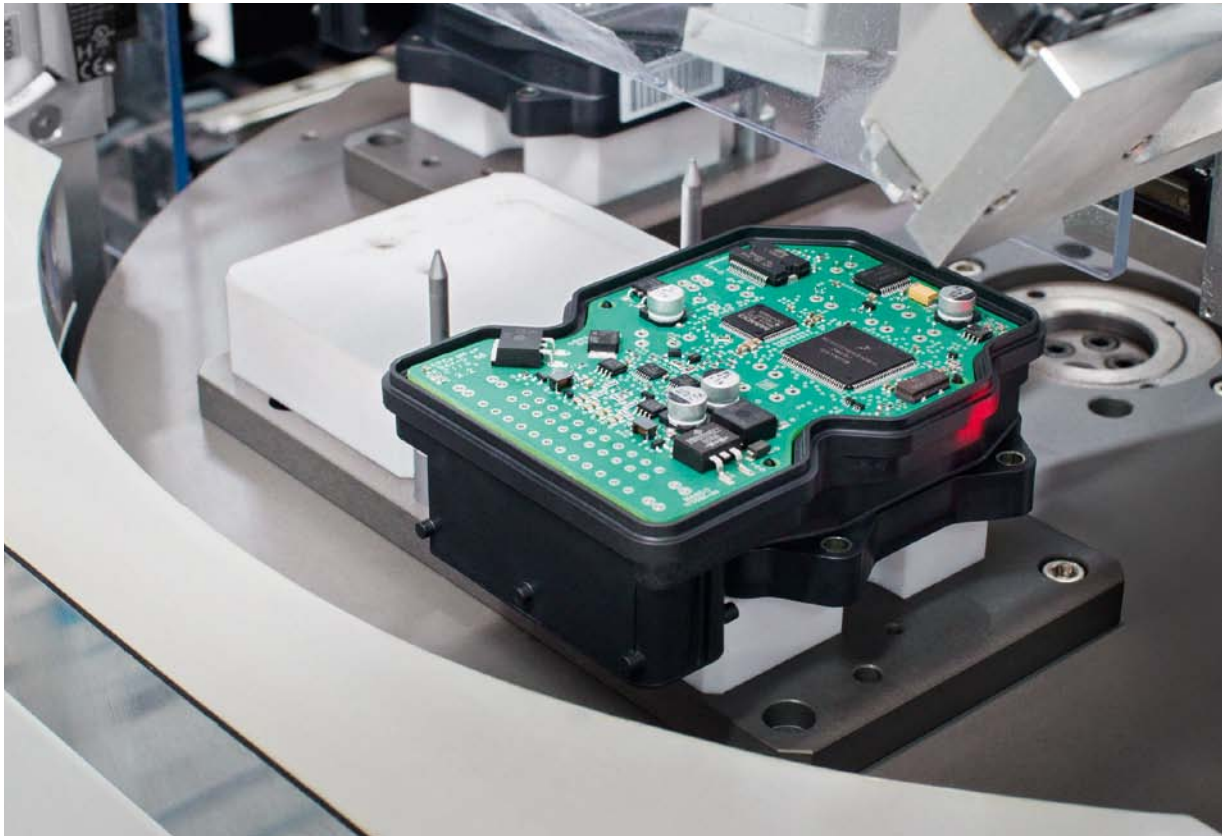
GROWTH WITH A HIGH-PERFORMING PORTFOLIO AND GLOBAL PRESENCE

In step with the key megatrends of Energy Management and Safety, the Electronics Business Division increased its sales in the 2011-2012 fiscal year by 12 % to 1.9 billion euros. A decisive factor in this success was the global footprint, which enabled HELLA to grow worldwide with high-performing products – particularly in America and Asia. The continued, targeted expansion of its efficient network of production and development locations is a major strategic objective for Electronics.

FUEL AND CO₂ REDUCTION BECOME EVEN MORE IMPORTANT

Against a background of statutory regulations and rising fuel prices, the issues of CO₂ reduction and greater fuel economy gained further in importance in the 2011-2012 fiscal year, also at international level. HELLA has responded to the constant rise in demand with a broad product portfolio. A good example of this is Electric Power Steering (EPS), which was successfully put into series production in the period under review. As this function is entirely based on demand, unlike hydraulic power steering, its use can lead to savings of up to 0.8 liters of fuel per 100 kilometers,

and 20 grams of CO₂ per kilometer. Electric vacuum pumps for brake boosters also went from strength to strength. Here, numerous new contracts were acquired in Europe, NSA and Asia in the fiscal year, further securing HELLA's position as a global market leader. In addition, HELLA commenced the development of radiator grill actuating mechanisms. When the vanes of the radiator grill are closed, the engine reaches optimum operating temperature more quickly, lowering both fuel consumption and exhaust emissions. Moreover, towards the end of the fiscal year HELLA started the international roll-out of a control unit for demand-based control of the fuel pump for the Asian market.



The electronic brain of the Electronic Stability Program that prevents loss of steering control and traction is inserted into its housing.

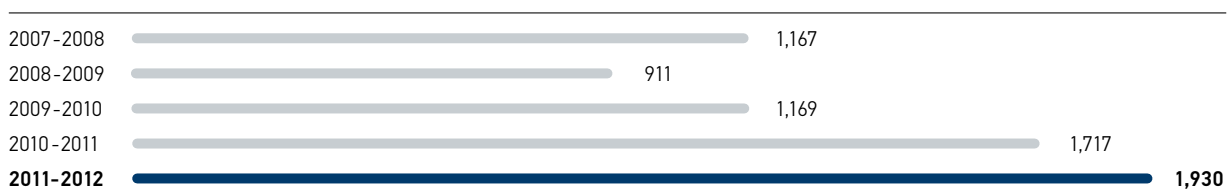
MORE SAFETY WITH RADAR TECHNOLOGY

As the number of vehicles on our roads continues to grow, new devices are required for monitoring the traffic situation. HELLA is developing and producing driver assistance systems featuring the 24-GHz radar sensor, which monitor traffic conditions behind the vehicle – and especially the blind spot – during lane changing, for example, in order to warn the driver of approaching vehicles. Thanks to their 24-GHz narrow-band technology, these systems are considerably cheaper than camera systems, for example, and are therefore suitable for use in medium and lower vehicle segments, also in the long term. What is more, interest in highly integrated, cost-efficient technologies of this kind is also growing in the Asian markets, where HELLA is ideally positioned to achieve further growth with local customers. Together with the radar specialist InnoSenT, HELLA is set to expand its radar expertise and develop further innovative and sophisticated solutions, such as assistance functions for intersections with poor visibility, for example.

WORLD MARKET LEADER FOR SOPHISTICATED SENSOR SYSTEMS

HELLA was able to further enhance its position as the world market leader for accelerator pedals in the 2011-2012 fiscal year, by supplying around 25 million pedals and acquiring numerous new, large contracts. At the same time, our engineers are working on a new, active pedal. In future, this pedal will perform a number of functions, including providing drivers of hybrid vehicles with feedback as to whether the vehicle is running electrically or using the combustion engine. In this way, drivers can learn and continually improve a fuel-efficient driving style for all kinds of drive. Where the Energy Management sector is concerned, HELLA was also able to strengthen its leading market position, with the intelligent battery sensor. Here, the Electronics Business Division acquired many new contracts, and kicked off the expansion of local production to cope with strong demand in the USA. As the next step, HELLA will commence local production of the rain/light sensor in Mexico, also in response to extremely high customer demand.

SALES INCLUDING INTER-SEGMENT ACTIVITIES (IN € MILLION) – ELECTRONICS



SUCCESSFUL NEW BUSINESS IN BODY ELECTRONICS

HELLA manufactures complex body electronics for various global product platforms. For established markets, these products are developed on the basis of an internationally standardized software architecture, which HELLA developed further in the 2011-2012 fiscal year. In addition, for one internationally active German vehicle manufacturer, HELLA successfully launched series production of a basic functional module at sites in Brazil and China, which targets the requirements of fast growing emerging markets in terms of both function and cost. Furthermore, HELLA also won the contract for Asia's largest central electronics platform with an Indian client in the period under review. The acquisition of this contract demonstrates that HELLA is perceived in Asian markets as a competent partner that delivers and has a local presence.

EXPANSION OF NETWORKS BOOSTS MARKET POSITION

In the past fiscal year, we considerably expanded our global development network, as a strategic pillar of our company's international success. In addition to the extension of the development centers at our sites in Pune in India and Timișoara and Craiova in Romania, these activities primarily focused on China, where the development sites in Shanghai and Nanjing underwent considerable expansion. Moreover, the construction of a second plant, which will produce relays and oil sensors specifically for the Chinese market, was started in Xiamen. Besides all this, in the 2011-2012 fiscal year, HELLA pushed ahead with the expansion of capacities in Brazil, where preparations are afoot for the final assembly of a central control unit. From a strategic point of view, we are striving for further growth throughout the NSA region.

JOINT VENTURES HEADED FOR FURTHER SUCCESS

The joint ventures established as part of our network strategy have enjoyed further successful growth. As well as their technological expertise, they benefit from their excellent access to regional markets. The South Korean joint venture, Mando Hella Electronics (MHE), achieved positive operative earnings in the Asian market in 2011 – only its second complete fiscal year – with chassis control units and sensors. Further growth of nearly 100% is planned for 2012. New products such as the steering power pack, angle of rotation sensors and the first radar sensors for the premium vehicle of a South Korean customer will contribute to this rise in sales. Additionally, we

have acquired further vehicle platforms for 24-GHz radar sensors, which are now employed jointly by HELLA and the recently formed development team at MHE. With the opening of a new plant in Suzhou, China, MHE will supply the Chinese market directly in future, and so share in China's ever growing automotive business. Furthermore, the BHTC joint venture, which specializes in the development and production of complete electronic climate control systems, acquired high-volume contracts in the 2011-2012 fiscal year, continuing its profitable growth. Finally, a significant milestone in our strategic focus on components for electric vehicles was achieved, with the series production of the first electric high-voltage heater.

OUTLOOK

- // Continued expansion of production and development capacities in emerging markets
- // Increase in productivity and efficiency worldwide
- // Forging ahead with local production to secure the international footprint



Excess material is brushed from the PCB for an electric servo-assisted steering system after soldering.

**HOW CAN
WORKSHOP
PROCESSES
BE MADE
MORE
EFFICIENT?**

AFTERMARKET

SERVICE-FOCUSED APPROACH

The increasing number of electronic components in today's average automobile is making workshop processes more and more complicated. Apart from trained specialists, reliable diagnostic tools are the key to rapid, professional and efficient car repairs. With the mega macs 66, Hella Gutmann Solutions has developed a completely new repair concept by combining vehicle-specific diagnostics, technical data and spare parts information in one single device. Online access to one of the world's largest diagnos-

tic data-bases, a technical helpline staffed by experienced master mechatronic engineers and an attractive leasing program are further tools that can help workshops deal with their increasingly complex workdays. At HELLA, we believe in this strategy, and are cooperating with our partner Gutmann to develop our international sales, not only helping workshops throughout Europe meet today's challenges, but also equipping them for the future.





»HELLA and Gutmann are significantly shaping workshop processes. Not only do our products help simplify these processes – they also make them fit for the future. To this end, Gutmann is making its comprehensive experience in diagnostics and repairs available, while HELLA is providing the international sales platform, using their existing sales network.«

KURT GUTMANN AND SVEN KRÜGER – MANAGING DIRECTORS OF HELLA GUTMANN SOLUTIONS IN IHRINGEN, GERMANY

INTERNATIONALITY AND PARTNER CONCEPTS ENSURE LONG-TERM GROWTH

Following on from a strong performance the previous year, the Aftermarket Business Division increased its sales in the 2011-2012 fiscal year by another 5 % to 1.1 billion euros. Decisive factors in this success were strong boosts to growth from Asia and the USA, the solid competitive position of the wholesale business in Northern Europe and highly efficient logistic concepts in the global aftermarket network. In addition, HELLA expanded its product portfolio through cooperation with strong partners, thereby pooling expertise and thus achieving a suitable response to customer and market requirements.

EFFICIENT LOGISTICS DRIVE BUSINESS SUCCESS

As well as responding to the requirements of the global sales and production companies and regional wholesale businesses, in the past fiscal year HELLA also began the strategic reorientation of the logistical structure and process flow organization. During this process, we succeeded in achieving a clear rise in sales, while simultaneously reducing the inventory and retaining constantly high goods availability. Through continuous improvement processes we will optimize our inventory figures still further in future.

BOOSTS TO GROWTH IN THE AFTERMARKET CHIEFLY FROM THE USA AND ASIA

Business growth in the independent aftermarket was stable overall in the 2011-2012 fiscal year, but with major regional differences. In the USA and Asia, sales companies achieved disproportionately high growth rates, due primarily to the expansion of activities in these regions. The still very young companies in Dubai and Turkey also continued to establish themselves with success. Middle East FZE, founded in Dubai in fiscal year 2010-2011, in particular, significantly exceeded expectations in its very first year. In Europe, on the other



A mega macs diagnostic unit being tested and optimized at Hella Gutmann Solutions in Ihringen, Germany.

hand, the development of the independent aftermarket was more subdued in a difficult market environment. In view of the comparatively mild winter, and lack of mileages in these saturated markets, our main focus was to safeguard existing market shares. This goal was achieved, with a slight growth of about 3%.

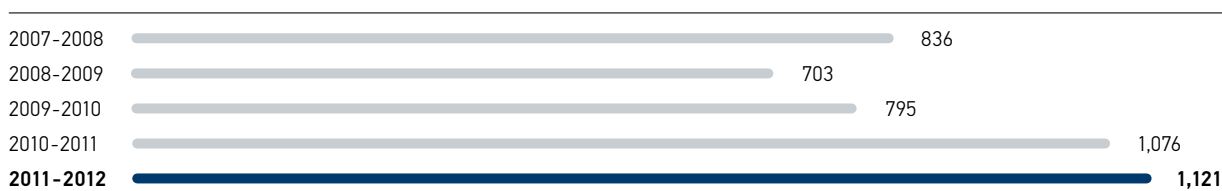
HELLA forged ahead with the further expansion of international facilities in the period under review, particularly in Brazil and Russia, in order to respond to strong market growth in the emerging countries. The key focus here was the expansion of the Russian sales networks by creating a fully operational sales company, and gradual entry into the Brazilian market – an objective that was advanced by the creation of a distribution network and a universal product range.

GROWTH WITH LOCAL PARTNERS IN WHOLESALE

HELLA is itself a wholesaler in Denmark, Poland, Norway, Ireland and China, and supplies garages throughout these countries via its own network of branches and partners. Step by step, we intend to work other markets so that we achieve the same successful market position that we currently occupy in Denmark. Our best opportunities here lie in optimizing logistics, building an extensive branch network, and an innovative product portfolio.

By working together with carefully selected local partners, HELLA manages to respond to specific market requirements in the best possible way, and thus exploit interesting market potential. INTER-TEAM, our Polish company, successfully extended the distribution network by founding 15 new branches. Customer loyalty was also strengthened

SALES INCLUDING INTER-SEGMENT ACTIVITIES (IN € MILLION) – AFTERMARKET



by expanding the product portfolio and optimizing the existing garage concept.

In Norway, the service network was expanded by the integration of AutoMateriell, while our product portfolio was also strategically enlarged to include garage equipment. In addition, three new branches were opened, and further garages were acquired for the introduction of our "Automester" partner concept. Our Irish company also successfully introduced a full service garage concept in May 2012, with the name "Car Partner". Customer benefits were considerably improved by the continual expansion of the product portfolio and the introduction of an efficient online catalog. On the other hand, the establishment of a concept solution for the Chinese market has turned out to be a challenge. In Shanghai, we are working on the expansion of our wholesale organization in an aftermarket that continues to be fragmented.

ADDITIONS TO THE PORTFOLIO IN THERMAL MANAGEMENT

The Behr Hella Service joint venture is a leading supplier of cooling and climate control products in the independent automotive aftermarket. Its excellent competitive position has its foundations in a comprehensive product range of over 6,000 high-quality items, attractive cooperative partners, and a highly efficient global sales network. This joint venture grew sharply at a higher rate than the market in the period under review. Moreover, the product portfolio was expanded to include water pump kits and water pumps for passenger cars, and oil coolers for hydrodynamic retarders in the commercial vehicle sector. Behr Hella Service will continue to extend both its product range and its services and, with HELLA as its sales partner, produce tailor-made solutions for individual customer groups and market segments.

FURTHER EXPANSION OF ACTIVITIES FOR GARAGES

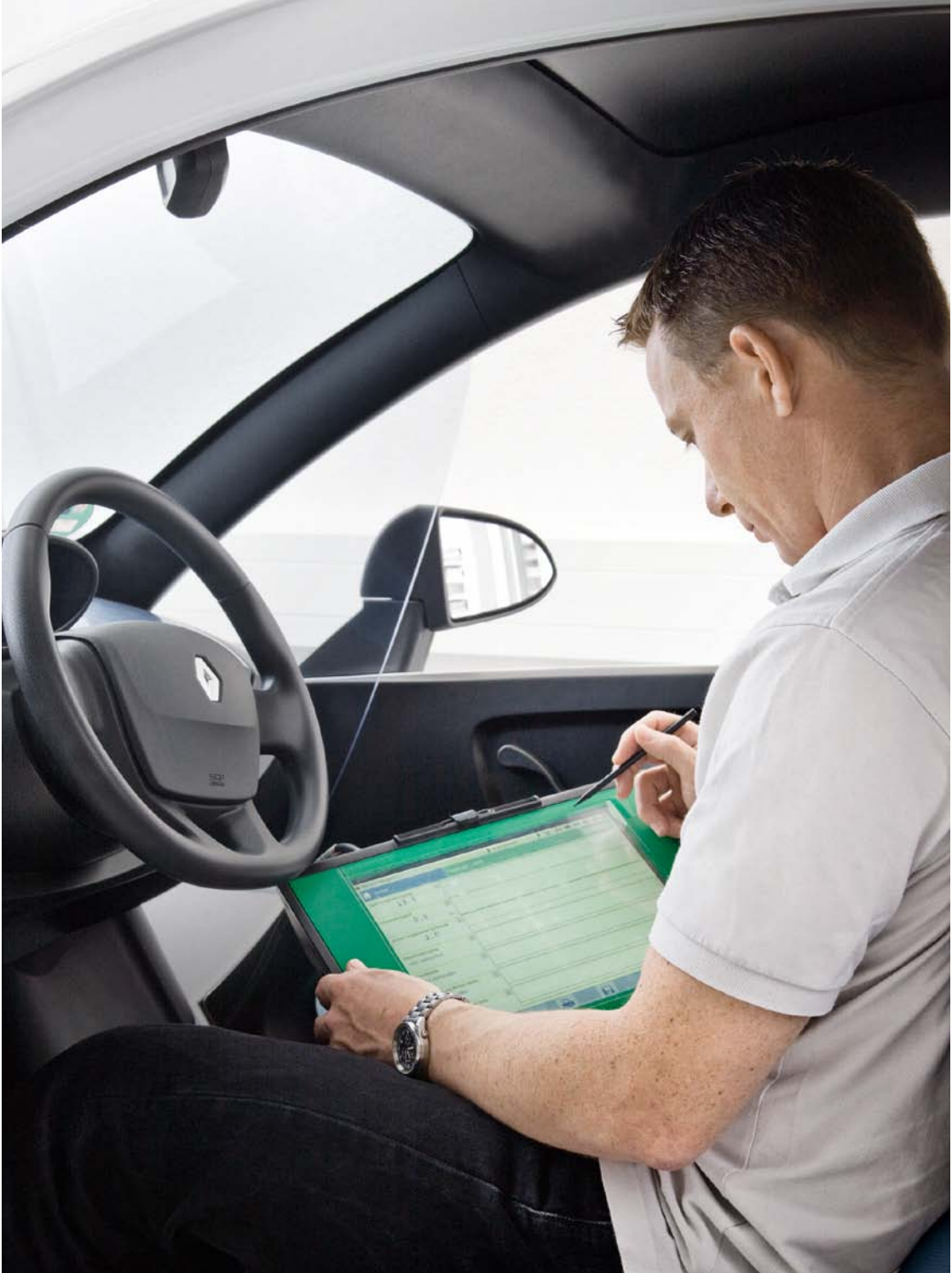
Successful vehicle repair in an environment subject to rapid change depends on two key factors: the use of cutting-edge tools, such as diagnostic units, and the up-to-date knowledge of garage employees. The Hella Gutmann Solutions joint venture grew further in both these areas in the year under review. Where products are concerned, a particular highlight was the international roll-out of the “mega macs 66” – an online and knowledge-based diagnostic unit that, for the first time, combines diagnostics, technical data, and service parts information. Even the smallest product in the range now combines data and diagnostics. It is therefore designed to cope with the most common maintenance work on modern vehicles, and is especially suitable for mobile diagnosis. In this way, following our market share gains in the higher class product segment, we now aim to

make a greater impact on the low-price segment. We have also been able to further expand and internationalize the services required for increasing and reinforcing expertise at garages. HELLA and Hella Gutmann Solutions are in a position to offer technical training courses, call center services and data solutions throughout Europe. In addition, we can now offer financial services for hiring or leasing garage equipment in nearly every European market.

In order to further boost the attractiveness of our garage portfolio, climate control tools are being added to the existing garage range with the foundation of the new joint venture, Hella Nussbaum Solutions. The market launch of this new company is planned for the coming fiscal year 2012-2013.

OUTLOOK

- // Selective expansion of market share in established markets; strengthening the competitive position in China with an innovative garage concept
- // Growth of wholesale companies in Northern and Eastern Europe, and forging ahead with the expansion of garage concepts
- // Furthering of garage expertise and increasing the appeal of the garage portfolio through partnerships with the joint ventures Hella Gutmann Solutions and Hella Nussbaum Solutions



HELLA is continuously expanding its worldwide diagnostics and workshop business.

**HOW DOES
HELLA SATISFY
EACH INDIVID-
UAL CUSTOMER
DEMAND?**

SPECIAL APPLICATIONS

CLOSE TO THE CUSTOMER

Manufacturers of special vehicles, such as buses or construction machinery, are becoming increasingly interested in technology from the passenger car segment. The trend is towards more efficiency, more LED technology and more design. As an automotive parts supplier, HELLA has a high level of technology competence at its fingertips and guarantees the highest possible quality standards, which are used in the Special Applications business segment to develop ambitious lighting solutions for special vehicles in close cooperation with our customers. For the new Setra

touring coach, our engineers cooperated with the EvoBus designers to develop an LED rear lamp unit that sets a new standard in bus lighting – not only in aesthetics, but in innovative technology. This is the first rear lamp unit for a bus or coach that uses so-called light guides to create an unmistakable appearance, when seen at night. With this sophisticated design, we are underscoring the technological and innovative ambitions of our customers, while setting industry standards at the same time.





»In close cooperation with HELLA, we developed a combination rear lamp that fulfills our high design and quality standards. This is important, as an unmistakable, vehicle-specific design at all times is becoming increasingly important to our customers, too.«

THOMAS FRICKE – PROJECT LEADER NEXT-GENERATION COACHES AT DAIMLER BUSES IN ULM, GERMANY
DR. GUNTHER SCHMIDT – HEAD OF INTERNATIONAL SPECIAL OE IN LIPPSTADT, GERMANY

DIVERSE CUSTOMER SOLUTIONS IN LED TECHNOLOGY

In the Special Applications segment, HELLA grew by 26 % in the last fiscal year to reach the record sales figure of 323 million euros. In this sector, HELLA supplies manufacturers of special-purpose vehicles, local authorities and industrial customers. Here, HELLA's energy-efficient and modular LED and electronics products are ideally suited to overcome numerous challenges. High technological expertise, maximum quality and an extremely competitive cost position enable made-to-measure solutions thanks to internal synergies.

INTERNATIONAL GROWTH WITH LED

With our core competencies from the automotive industry, we achieved growth in the 2011-2012 fiscal year – particularly with innovative and energy-efficient LED products – and clearly exceeded our revenue from the previous year. In order to increase the share of LED products in our portfolio, we completed the construction of a PCB assembly plant at our site in Romania in the period under review.

Where agricultural and construction machinery is concerned, our sturdy, heavy-duty LED work lamps with low energy consumption, in particular, enjoyed considerable demand. New devices, such as our Power Beam 5000, which

provides almost double the light output of a xenon auxiliary driving light, demonstrate the major advances now achieved by this technology. With these products, HELLA successfully grew by around 20% worldwide, but especially in NSA and Asia, in the 2011-2012 fiscal year.

For some target groups, such as caravans and buses, HELLA manufactures headlamp modules that can fit flexibly in the front of the vehicle due to their different sizes. In the period under review, the 90-millimeter module range – previously comprising halogen and xenon – was expanded to include a premium LED module, which is available in various designs. As the new module is mechanically compatible with the other variants, existing modules can now



LED expertise for buses, caravans and trucks: the 90 millimeter Premium LED Module is particularly robust and durable.

be updated with state-of-the-art LED technology. These improvements reduce the energy consumption of the new LED headlamp, and noticeably lower vehicles' CO₂ emissions.

INDIVIDUAL DESIGNS FOR BUSES AND CARAVANS

Interest in vehicle-specific designs for front and rear lighting grew considerably among manufacturers of caravans, coaches and buses in the fiscal year. In this market environment, HELLA was able to reinforce its position with individual designs for different customers. Rear lamps with hybrid technology were in particular demand as design elements. In terms of both technology and appearance, they are based on the progressive design of cutting-edge rear lamps in medium-class passenger cars. Moreover in view of safety aspects, the LED gained in importance in front lighting. The first motor homes have already been equipped with headlamps based on the innovative 90-millimeter module.

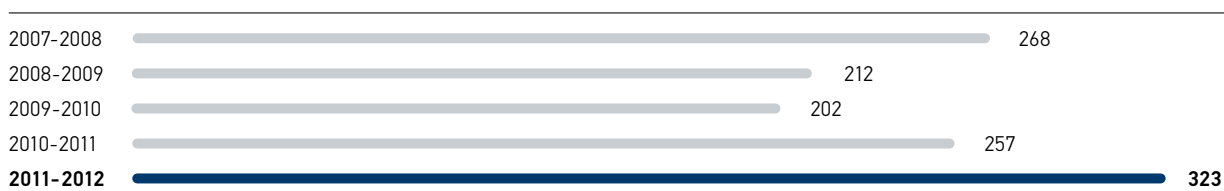
MODULAR TRAILER LIGHTING CONCEPT

The further development of our modular EasyConn trailer wiring achieved considerable success due to its innovative, user-friendly concept. It was produced in close cooperation with fleet and garage managers, and therefore satisfies both exacting technical requirements and demands for cost efficiency. Convinced by these advantages, the first customers have already decided to fit all their semi-trailers with this innovative wiring concept as standard.

LED OUTDOOR LIGHTING RANGE EXPANDED

Towards the end of the 2011-2012 fiscal year, HELLA introduced the Eco RoadLine as an addition to the four-part Eco StreetLine product family. This light features a more powerful LED module consisting of a total of 64 individual LEDs. It is therefore ideal for efficiently illuminating wider streets in residential areas, as well as interstate roads and federal highways. With its extended portfolio, HELLA can

SALES INCLUDING INTER-SEGMENT ACTIVITIES (IN € MILLION) – SPECIAL APPLICATIONS



cover a huge variety of lighting situations and offer customers a comprehensive and complete LED concept for outdoor lighting. HELLA also produces and sells street lighting, including for markets outside Germany, via the site in China and our Bosnian joint venture, Hella Bekto.

SUCCESSFUL APPLICATION OF THE LED MODULE

The powerful LED module – the heart of our Eco Street-Line family – has been optimized for use in further industrial applications. The new Eco IndustryLine lends itself to a range of different uses, and has so far been employed at gas stations, assembly workstations, parking garages and car washes. Its high degree of modularity exploits synergies on the production side, resulting in an innovative product with an attractive price/performance ratio for our customers. A range of different lenses offers great flexibility for adaptation to customer requirements. Thanks to our cooperation with strong partners and system suppliers,

HELLA has succeeded in establishing itself as a market leader in LED lighting for parking garages, for example. For gas stations, too, framework agreements have brought about the first successes: around 250 gas stations all over Germany have now changed to energy-efficient LED lighting.

FURTHER SOLUTIONS FOR INTERIOR LIGHTING

HELLA has extended its range of interior LED lighting in a targeted manner by adding functional products for various applications. We have premiered the first models of our LED ceiling lights and downlights, for instance. Because these most closely approximate daylight, due to the high percentage of blue light in LEDs, they are especially suitable for illuminating workplaces, hallways and offices. In addition, in this fiscal year HELLA launched a range of shop lighting, featuring a light module which, with its various attachment variations, housing colors and further applica-

tions, is sufficiently versatile for use in 600 different applications. As such, it can respond to the entire basic lighting needs of business and sales facilities, showrooms, and so on.

AIRPORT LIGHTING EXPANDED

Following a total development time of just three years, the Airport Lighting Division introduced an extensive range of LED products for airport lighting at the beginning of the 2011-2012 fiscal year. The high level of LED expertise, high-tech capabilities and simultaneous cost efficiency of our runway products result in significant competitive advantages. This allowed us to acquire contracts both in Germany and internationally while still in our first year. Key successes include completely equipping the take-off and landing runways of an American airport with more than 650 LED inset lights, and supplying a Northern European airport with approximately 300 LED runway and taxiway lights. Furthermore, through its acquisition of the Danish specialist

Induperm, HELLA can now include components for elevated lighting in its own range, and also make use of new sales channels in the Scandinavian markets. An important partner was also acquired for the sale of LED navigation lighting in the American market in the past fiscal year.

NEW PRODUCT FAMILY FOR PEOPLE COUNTERS

HELLA makes use of its high expertise in camera technology and image processing to develop innovative and high-precision people counters for various applications. The devices are used both for mobile passenger counting in trains and buses, and for stationary counting in buildings. In spring 2012, HELLA added the APC-180 – a product specially designed for retail requirements – to its portfolio. In just three years, with its high-performing and efficient products, HELLA has asserted itself as a manufacturer of people counters, and its market share is growing apace.

OUTLOOK

- // Further increase in sales in Asia, particularly China, for the truck and construction machinery target groups
- // Enhanced competitiveness through the further internationalization of production and development capacities
- // Intensified roll-out of all industrial products around the world, through the internationalization of development and sales activities



HELLA exhibits its many innovative products at international trade fairs (e.g., light+building).

**HOW HAS
HELLA'S
BUSINESS
DEVELOPED
OVER THE
LAST YEAR?**

FINANCIAL REPORT

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GROUP STATUS REPORT FOR FISCAL YEAR 2011-2012

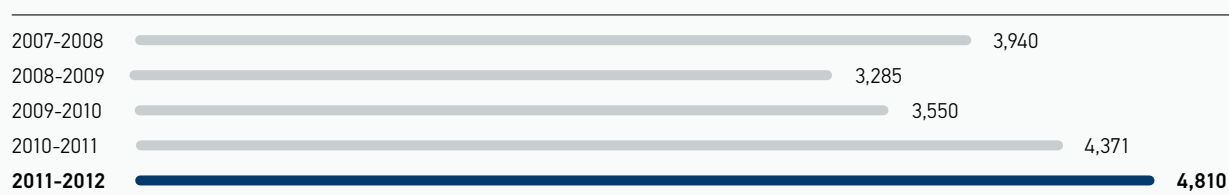
HELLA KGaA Hueck & Co. is a global, family-owned company with more than 27,000 employees at over 70 locations in more than 30 countries. For over 100 years, the company has developed and manufactured innovative lighting technology and electronics components and systems for the automotive industry. HELLA also operates one of the largest aftermarket organizations for automotive parts, accessories, diagnostics, and services in Europe. In its Special Applications business segment, the company develops, produces and markets lighting and electronics products for industrial applications and equipment for special vehicles. The HELLA Group generated sales of €4.8 billion in fiscal year 2011-2012, and is thus among the top 50 automotive suppliers in the world and one of the 100 largest German industrial companies.

POSITIVE, YET FRAGILE ECONOMIC TRENDS – GROWING ECONOMIC RISKS IN 2012

Following the dynamic performance of the world economy in 2010 and the first half of 2011, global economic growth slowed at the beginning of HELLA's fiscal year in the second half of 2011. This was attributable to the negative impact of the debt crisis in the industrialized countries, above all in the eurozone, and the problems related to raising the debt ceiling in the USA. As a result, global economic growth was just 3.9%, a decline of 1.4 percentage points compared with 2010. Worldwide trends in the first half of 2012 were more positive than expected after the weak fourth quarter of 2011. The global economy was more stable as a whole, mainly as a result of positive boosts from growth markets (BRIC) and emerging countries. However,

economic trends and, particularly, the expectations among market players remained uncertain. Economic growth in the USA was positive, but at a low level, meaning that there are still doubts as to whether the upturn is self-sustaining and longer-term. Developments in Europe continued to be very heterogeneous: while continuing budget problems in Southern European countries and reluctant spending lowered economic demand, Germany and other countries in Northern and Central Europe benefited from a continuing, robust domestic economic activity and a stable job market. This ensured a slight growth in the euro area in the first quarter of 2012, enabling an actual recession to be avoided. Apart from the fiscal consolidation measures that were implemented, a further factor that helped to calm the markets and stabilize the financial system was the intervention by the ECB in December 2011 and February 2012.

HELLA GROUP SALES (IN € MILLIONS)



GLOBAL AUTOMOTIVE MARKET REMAINS STABLE – MAINLY THANKS TO THE USA AND CHINA

In 2011 as a whole, the global automotive market for passenger cars rose by 6% to 65.4 million units, although this trend lost some momentum in the second half of the year. The markets in the USA, China, India and Russia were the main growth drivers. Sales in Western Europe were down slightly year-on-year and would have been far worse had it not been for the stable demand in Germany. A major trend in the past fiscal year was the growing interest in more upmarket vehicles, particularly in the USA and China. Consequently, it was mainly the international vehicle manufacturers with expertise in the premium segment and a strong presence in the growth markets who benefited from this.

The development of the automotive market in Europe was again varied. The number of new passenger car registrations in the Western European market in the whole of 2011 was below that of the previous year. The larger European automotive markets were hit especially hard, with France declining by around 2%, Italy by 11%, the UK by 4% and Spain by 18%. The main reasons were the consequences of the unresolved sovereign debt crisis and the resultant consumer uncertainty. The tough economic climate and discontinuation of government subsidy programs had a further negative impact on sales of compact passenger cars in the first half of 2012. In contrast, premium-class vehicles and vehicles with higher-quality equipment gained in

market share. In this context, the German automotive market proved that it was still the backbone of the European automotive industry. In 2011, it grew by 9% to 3.2 million vehicles, benefiting from a robust domestic demand underpinned by company car purchases, a stable domestic economic development and rising real wages. German manufacturers were also able to increase their exports year-on-year by 7% to 4.5 million passenger cars – a new record. However, increasing uncertainty among consumers with regard to the possibility of a solution to the debt crisis also made itself felt in Germany toward the end of the fiscal year, with the result that the German passenger car market fell by just under 5% in May 2012 after positive sales figures in the first four calendar months. Exports also declined by around 13% in May due to a far weaker demand from Western Europe.

In the USA, the overall market for light vehicles (i.e., passenger cars and light trucks) continued its recovery in the second half of 2011. 12.7 million light vehicles were sold over the year, a year-on-year increase of 10%, but still some 25% below the high level of 2005. This stabilization continued in the first half of 2012, helped by an upswing in economic activity, falling unemployment and a pent-up demand, based on the high average age of cars on the road. German manufacturers were able to maintain their success in the US market, growing more strongly than the market across the board and increasing their total market share to around 8%.

There was a slowdown in China in 2011 following the above-average growth of previous years. Whereas sales in the Chinese passenger car market rose by 34 % in 2010, the increase in 2011 was just 8 %, up to 12.8 million units. This high level was also maintained in the first months of 2012 with a slight, single-figure growth rate. One aspect of particular note is the growing interest in premium-class vehicles among Chinese customers, something that benefited German manufacturers first and foremost. According to the German Association of the Automotive Industry (VDA), one in every five vehicles sold in China now is a German brand. German manufacturers were therefore able to increase their market share in 2011 by around 1.8 percentage points to 19.6 %.

Passenger car sales in India also lost a little dynamism in 2011, but grew by 6 % to 2.5 million newly registered cars despite a restrictive monetary policy and rising commodity prices. Double-digit growth rates were achieved again at the beginning of 2012, mainly because consumers brought forward their intended purchases, due, among other things, to the government's announcement of a planned tax increase on diesel vehicles.

The Japanese passenger car market declined year-on-year by some 16 % in 2011, mainly due to the effects of the natural disaster and nuclear reactor meltdown in the spring of 2011. However, a double-figure growth rate for new passenger car registrations towards the end of the year suggested an upward trend, driven by government incentives and a pent-up consumer demand.

SALES OF €4.8 BILLION – 10 % ABOVE THE PREVIOUS YEAR'S RECORD

The HELLA Group posted sales of €4.8 billion, making the fiscal year the most successful one in its history. Despite the slowdown in macroeconomic activity, accompanied by clear signs of weakness in Europe, sales rose by 10 % over the previous fiscal year. HELLA thus continues to grow far more strongly than the market. In relation to pre-crisis levels in fiscal 2007/2008, cumulative growth is 28 % on a comparative basis.

The key drivers to HELLA's growth are still the mega-trends in the automotive industry, which are shaped by a growing environmental awareness and demand for safety, as well as the switch from conventional lighting to LED technology. Furthermore, the company's substantial global footprint gives it a broad market access, and creates sales potential thanks to the high growth rates in the emerging markets. In geographical terms, HELLA continues to see the greatest medium-term growth opportunities in the markets of China and North America, but also in India and Brazil.

During the 2011-2012 fiscal year, HELLA continued to focus on pressing ahead with its international diversification strategy and its activities in the global growth markets. In particular, business relations with the international automotive manufacturers were strengthened as a result. More than 40 % of the Group's sales by end customer are generated outside Europe. In the Automotive segment, the figure for original equipment sales is well above that at 48 %.

REGIONAL MARKET COVERAGE BY END CONSUMERS – FY 2011-2012

	Absolute (in € Mio.)	Relative
Germany	811	17%
Rest of Europe	1,987	41%
North and South America	897	19%
Asia/Pacific/RoW	1,115	23%
Consolidated Sales	4,810	100%

The sales region Asia/Pacific/RoW once more recorded the strongest growth – 12% – in the past fiscal year, contributing 23% to consolidated sales. In the NSA region (North and South America), sales were up 15% year-on-year and accounted for 19% of consolidated sales.

However, business performance in Europe was far weaker. In particular, there was a strong decline in demand in those southern European countries whose economies were especially affected by the Euro crisis. The HELLA Group's sales in "Rest of Europe" (without Germany) therefore grew only slightly, by 3%. In contrast, sales in Germany – as in the previous year – remained a stabilizing factor in the region and increased strongly by 20% compared with the previous year. Apart from benefiting from demand-induced growth in the high-volume new vehicle market, the company significantly expanded its business in the Aftermarket and Special Applications segments in Germany, increasing sales by more than 30% year-on-year.

On the whole, all sales regions contributed to the Group's sales growth. Consequently, the individual share of each region in the consolidated sales has changed only slightly compared to the previous year. The Asia/Pacific region's contribution remained the same at 23% of consolidated sales. However, the share contributed by business in Europe including Germany fell from 59% to 58%. The proportion of sales in the Automotive segment in Europe declined from 53% to 52%.

The main growth drivers in the automotive sector included LED lighting solutions for headlamps and rear lamps, energy management products, and components. In the Aftermarket segment, business in Western and Southern Europe was weaker, whereas activities in the emerging markets, eastern Europe, Asia and North America were particularly positive. Apart from the lighting business, the main growth here was achieved with thermal products and diagnosis equipment. In the Special Applications business segment, there was still a strong demand for LED applications for special vehicles. Sales also increased sharply in the field of vehicle-independent solutions, such as street lighting.

EBIT BREAKS ALL RECORDS AT 346 MILLION

Economies of scale resulting from the growth in volume, along with rigorous cost management, once again produced a sharp increase in the HELLA Group's profitability. With earnings before interest and taxes (EBIT) at €346 million, the EBIT margin, i. e., the ratio of operating profit to sales, once more rose significantly by around one percentage point to a new record of 7%. EBIT increased by just over 29% year-on-year. The large growth in sales, coupled with a disproportionate increase in profitability in fiscal 2011-2012, demonstrates the high competitiveness of the HELLA Group.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) were € 615 million and thus surpassed the € 600 million mark for the first time. The ratio of EBITDA to sales was around 13 %.

The consolidated result rose by 41 %, from € 164 million to € 231 million. As in previous years, all three business segments made a commensurate contribution to the growth in sales and earnings in the past fiscal year.

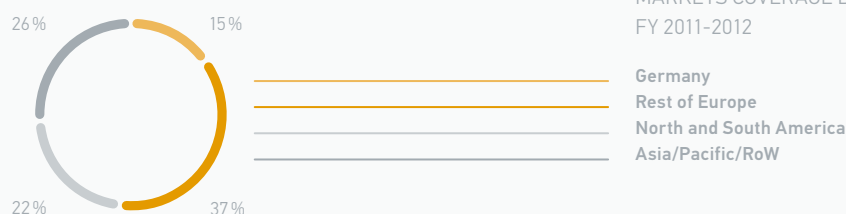
On the procurement side, the commodity markets remained volatile, with key indicators, such as the price of crude oil, copper and silver, falling sharply as the macroeconomic climate deteriorated. HELLA mitigates market volatility by means of variable price agreements on both the purchasing and sales sides. The bottleneck management measures that were necessary in past years for ensuring the availability of certain scarce electronic components have essentially become redundant. In addition, further progress in localizing procurement sources for components played a major part in curbing costs.

Productivity rose sharply as a whole. Despite challenges in respect of material costs, gross earnings increased by 1.2 percentage points to 26.3 % of sales and so made a major contribution to the increase in the consolidated result.

As a result of the company's effort to expand its technology leadership and underpin its growth strategy, research and development expenditure rose in the past fiscal year by some € 42 million to € 388 million, or 8 % of sales. In this context, HELLA is committed to further extending its international development network, so as to develop and produce products locally. HELLA regards research and development expenditure as a key differentiator in its drive to improve competitiveness and as the foundation for the company's positive economic development. If nothing else, due to the increasing technical complexity of lighting and electronic products, the availability of development resources is essential for leveraging opportunities for further growth.

Administrative and distribution costs increased by € 58 million to € 568 million. The increase in distribution costs is mainly attributable to shipping costs, which correlate closely with sales, and also include the costs of setting up the distribution network in the Aftermarket segment.

Income from investments also rose sharply by 52.7 % to € 20.3 million, among other things due to the very successful performance of the equity accounted joint ventures. Net interest expenses fell by € 3 million to € 38 million as a result of a more favorable financing structure. This figure includes a non-recurring special charge of € 2 billion in taxes that had to be repaid for prior years pursuant to a field tax audit.



ALL SEGMENTS COMMERCIALY SUCCESSFUL

Due to the growing importance of Special Applications for the HELLA Group's strategic development, it is reported on separately for the first time in fiscal 2011-2012, thus giving a total of three segments: Automotive, Aftermarket and Special Applications.

Greater competitiveness in original equipment business

The Automotive segment comprises business with products in the fields of lighting technology and electronics components and systems for new vehicles in the automotive sector. HELLA supplies automotive manufacturers worldwide from an international network of development centers and production sites. HELLA profited greatly in this segment from the increase in sales within the automobile industry. The consolidated sales for this segment increased from €3.5 billion to €3.8 billion, while its EBIT was €246 million, following €203 million in the previous year. The Automotive segment once more sharply increased its productivity, posting an EBIT margin of 6.4%. The strategic focus now lies on continuing the expansion of the global development and production network in order to meet the growing demand at a regional level.

LED technology and new partnerships strengthen the Aftermarket segment

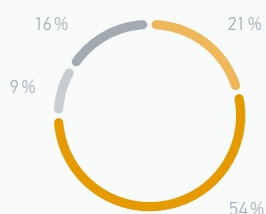
The Aftermarket segment comprises international commercial and service business and wholesaling activities in Northern and Eastern Europe. This segment likewise recorded sharp increases, above all in the growth markets of

eastern Europe, Asia and North America. The segment's consolidated sales increased to around €1.1 billion. EBIT rose by €9 million to €79 million or 7.1% relative to sales.

This positive trend was helped not only by continuing growth in the area of vehicle lighting, but also by a growing product portfolio thanks to partnerships with other suppliers. HELLA utilizes a global sales network to organize the motor-vehicle parts trade, act as a service partner for independent garages and to supply the spare parts organizations of major automobile manufacturers.

Special Applications demonstrate high future potential

In fiscal 2011-2012, HELLA tapped further growth segments in the form of technology and processes from the fields of lighting and electronics, for example in street lighting, airport lighting or people counters. For the first time, this business was pooled with the Special OE business in the Special Applications segment to create a new business division: Special OE and Industries. This comprises original equipment for special vehicles such as buses, caravans, agricultural and construction machinery, municipal vehicles, and trailers, as well as completely vehicle-independent applications such as lighting technology in public and commercial infrastructure. Its technology competence is closely linked to the Automotive business, which means that the application range in LED and electronic products can be expanded appropriately and synergies leveraged at the same time. In accordance with the increasing strategic and economic importance of Special Applications, and due to the fact that its market circumstances dif-



AFTERMARKET AND SPECIAL APPLICATIONS

MARKETS COVERAGE BY END CUSTOMERS –
FY 2011-2012

Germany
Rest of Europe
North and South America
Asia/Pacific/RoW

fer from those of the two other segments, its presentation in a separate business segment is a logical move.

The Special Applications segment generated consolidated sales of €323 million in the current fiscal year, an increase of 26 % over the previous year. The operating result was reduced by startup costs for the Industries business and totaled €22 million. The EBIT margin was thus 6.8 %.

SOUND FINANCIAL BASE STRENGTHENED FURTHER

In fiscal 2011-2012, HELLA was able to further optimize its solid, long-term financial structure on the basis of its operating success. In order to reduce borrowing costs, existing promissory note loans of €38 million were repaid prematurely. Net financial liabilities, i.e. the balance of cash and cash equivalents, short-term financial assets and short- and long-term financial liabilities, fell by €116 million to €299 million, less than half of the EBITDA and well below one third of the Group's equity.

Apart from maintaining low debt levels, as part of its long-term financing strategy, HELLA is relying on a diversified portfolio of financial instruments with a balanced maturity profile in order to achieve the greatest possible independence from individual financial sectors or markets.

Four main long-term financial instruments are currently used:

• Private placement

A total of 22 billion Japanese Yen with a term of 30 years was raised in two transactions as part of a private placement in 2002 and 2003. The securities, which come to maturity in 2032 and 2033, have been fully hedged against exchange rate fluctuations over their entire term. The hedged amount totals €175 million. Under the relevant accounting rules, this foreign currency liability must be carried at its market value despite being hedged. It is therefore included in the financial liabilities to a value of €216 million.

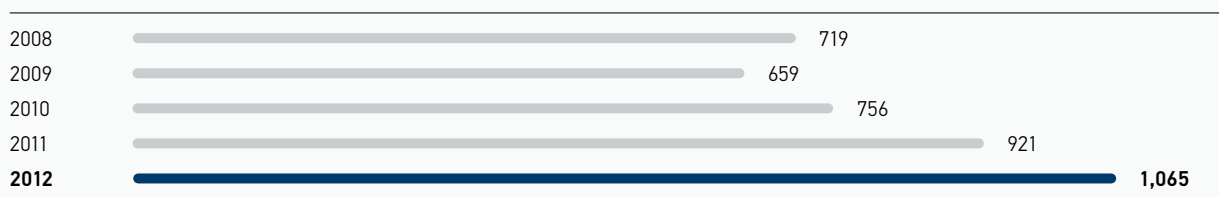
• Capital market bond

A total of €300 million with a term of five years was raised on the capital market as part of a fixed-income bond in October 2009. The bond was quoted at 110.5 and with a return of around 2.8 % on the balance sheet date. It is due for repayment in October 2014.

• Development funding

In 2010 the European Investment Bank granted HELLA a low-interest loan of €150 million with a maturity of five years for financing pioneering projects in the areas of energy efficiency and driving safety. It is to be repaid in 2015.

HELLA GROUP EQUITY (IN € MILLIONS; MAY 31, EACH)



- **Syndicated credit facility**

A syndicated credit facility with a volume of € 550 million and a term of five years was agreed in June 2011 with a consortium of international banks. This credit line is a pure backup and has not been drawn on.

Apart from the secured, long-term funds, HELLA has liquid funds of € 429 million and highly liquid securities of € 42 million. Given that the Group requires liquid funds of around € 150 million for its operational needs, its liquidity reserves are sufficient even allowing for risks.

At the balance sheet date, the volume of sales of trade receivables that have an effect on liquidity had increased by € 50 million compared with the previous year to a total of € 100 million. Since these were genuine sales without right of recourse, the working capital and net debt amount posted on the balance sheet fell accordingly.

In addition to the financial liabilities recognized on the balance sheet, there are also, to a limited extent, liabilities from operating leasing agreements. The present value of the minimum lease payments at the balance sheet date was € 46 million.

In view of the HELLA Group's very positive business and financial performance and the continuing stable outlook, the rating agency Moody's upgraded its rating by one notch to Baa2 in February 2012. According to Moody's, the upgrade reflects HELLA's improved profitability and solid financial position on the balance sheet. It also notes that this posi-

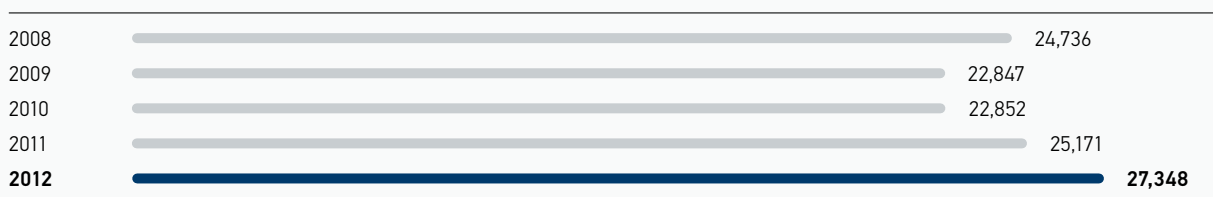
tive trend continues to be underpinned by the company's leading market position in lighting technology, independent parts trading in Europe, and electronics. In addition, Moody's emphasizes the Group's proven success in cost management and improved operating performance.

Cash flow from operational activities rose sharply in the past fiscal year by € 234 million to € 625 million. Investments, excluding cash paid for the purchase of company shares and capital increases, increased by € 73 million to € 386 million. They mainly relate to investments to replace and expand buildings, machinery, plant and other equipment. They are usually of a small-scale nature and intended to adjust capacity so that customer orders on hand can be fulfilled. These investments were offset by premature payments by customers totaling € 72 million, giving a net figure for investments of € 314 million. After allowing for dividends, the entire free cash flow was € 199 million.

EQUITY RATIO INCREASED TO MORE THAN 32 %

Total assets rose year-on-year by € 389 million to € 3.3 billion. Apart from the further increase in cash and cash equivalents of € 115 million, this was mainly due to growth-related investment in tangible assets. In the area of working capital, a dedicated improvement program enabled tied-up capital to be freed up. The balance of trade receivables and payable and inventories declined by around € 43 million to € 678 million. Provisions increased by € 295 million to € 371 million, of which € 163 million are for pension liabilities.

HELLA GROUP EMPLOYEES (MAY 31, EACH)



Equity rose from € 921 million to € 1,065 million and has passed the € 1 billion mark for the first time. The equity ratio rose to 32.1 %. Adjusted for the high level of cash, cash equivalents, and short-term securities, this ratio amounted to 37.5 %.

STAFF INCREASED TO ENABLE FURTHER GROWTH

The HELLA Group employed 27,348 people worldwide at May 31, 2012, a year-on-year increase of 8.6 %. Around 7 percentage points of this are attributable to organic growth, while the remaining 1.6 percentage points are due to the first-time consolidation of new companies.

Intensification of recruiting activities

The expansion of our global development and production network requires new recruitment measures. Especially in growth regions, acquiring qualified, skilled staff is a growing challenge. Consequently, we further intensified our recruiting activities in the year under review. For instance, we expanded our cooperation with universities, increased our presence at recruiting fairs, staged our own selective recruiting events and stepped up headhunting. In view of this, we successfully increased our workforce in the growth regions of China, India, Mexico and eastern Europe and were able to win numerous new employees for HELLA, particularly in research and development.

The attractiveness of HELLA as an employer was also enhanced by the systematic expansion of our various induction programs. Aspects of particular focus were an even more international orientation of the programs and continuous improvement in the support provided. For example, students participating in the dual HELLA full-time bachelor program in Germany are now assigned mentors, internal experts who are able to advise the students in technical matters and ensure their integration in the departments. In the course of their internship, students are optimally prepared for their future position at HELLA by means of technical and company-specific training. In addition, the established HELLA Trainee Program was further expanded and the number of trainees significantly increased.

Systematic training and qualification programs

Worldwide, the number of personnel training measures rose again in the past fiscal year. Apart from the introduction of a worldwide high potentials program, the main focus was on implementing a systematic training and qualification program for new employees. The program is specially designed to get newly-established or strongly-growing locations in Asia, NSA and eastern Europe into operational shape as fast as possible. The program's core objective is to systematically determine the target/actual qualification profiles of every single employee and then use the results of this to develop a customized, systematic training plan. As part of this, experienced colleagues from other HELLA

NUMBER OF HELLA EMPLOYEES BY REGIONS

	May 31, 2012	+/-	Share
Germany	10,572	4%	39%
Rest of Europe	9,296	14%	34%
North and South America	2,955	8%	11%
Asia/Pacific/RoW	4,525	9%	16%
Permanent employees worldwide	27,348	9%	100%

locations are to assist fellow employees with their competence. Knowledge transfer in HELLA's global network of experts has continued to be fostered in the past fiscal year, particularly by secondments and job rotations.

Measures to promote long-term staff loyalty

In a large measure, HELLA's success is attributable to the commitment, the achievements, and the inventiveness of our employees. This is why ensuring that employees remain loyal to the company in the long term is the particular focus of our HR work. As part of these efforts, HELLA conducted a global employee survey for the first time in the year under review, with the aim of obtaining concrete data on key indicators such as employee satisfaction and loyalty. The aim was also to assess the relevance of individual factors to employees, such as management culture, working climate, working conditions, compensation, corporate culture and corporate values.

A key result of the survey was that the vast majority of employees are satisfied with HELLA as an employer. Above all, they particularly value the company's cooperative management culture, entrepreneurial freedom, strategic set-up and internationality. The results also clearly revealed the growing importance of aspects such as reconciling family and work. In view of this, the company pressed ahead with introducing customized working time models and addressing the issue of childcare. For instance, three further company kindergartens in addition to the existing "HELLA Kinderhaus"

in Lippstadt are to be established at HELLA locations in Germany in the coming years. Moreover, an extensive sport and health program for employees was launched for the first time in the year under review.

SAFEGUARDING TECHNOLOGY AND INNOVATION LEADERSHIP THROUGH RESEARCH AND DEVELOPMENT

Long-term growth can be achieved with innovative products geared to key trends in the automotive industry. At HELLA, research and development are highly valued in terms of strengthening our innovativeness and competitiveness. At € 388 million, or 8% of sales, research and development expenditure was again at a high level in fiscal 2011-2012. Apart from investing in new technologies to reduce CO₂ emissions and fuel consumption, intelligent energy management components and innovative driver assistance systems, HELLA also stepped up the expansion of its international development network, in particular at its locations in China and Mexico, in the past fiscal year. We believe that a local presence and customer proximity are vital to successfully developing tailored solutions. For example, around 120 people will ultimately be employed at our newly erected Design and Development Center in Guadalajara, Mexico. The Development Center in Nanjing, China, was launched in the period under review, specializing in energy management and lighting technology. However, the shortage of skilled workers made itself particu-

RESEARCH AND DEVELOPMENT SERVICES

	2011-2012	+/-	2010-2011	2009-2010	2008-2009	2007-2008
R & D employees	4,832	25 %	3,882	3,517	3,262	3,528
EXPENDITURE IN € MILLIONS						
Lighting technology	142	11 %	128	111	120	126
Electronics	224	10 %	204	171	169	169
Aftermarket and Special Applications	22	57 %	14	14	16	15
Total	388	12 %	346	296	305	310
(% of sales)	8.1		7.9	8.3	9.3	7.9

larly felt in Western Europe and the USA, and recruiting adequately qualified staff there is a challenge. The total number of employees in research and development rose by 25 % to more than 4,800 or 18 % of HELLA's total workforce.

Making LED technology available to all vehicle segments

The LED mega-trend again had a crucial impact in all areas of vehicle lighting in the past fiscal year. To date, the use of LED technology for main lighting functions (full-LED headlamps) was primarily restricted to the high-end luxury segment. In order that LED light sources may become established in the lower vehicle segments, it is vital that the development and production costs of full-LED headlamps be significantly reduced. HELLA is well positioned to master this challenge thanks to our many years of experience in using LEDs as well as developing and producing electronic controllers.

A further trend that is also gaining ground in lower-priced vehicle segments is the need for vehicle-specific designs that create an individual light signature at night and enable the vehicle to be identified. Such technologies were tested in fiscal year 2011-2012 and successfully prototyped in combination with new materials and light sources.

Growing awareness of environmental and safety issues demands new technologies

Regulatory constraints, steadily rising fuel prices and, not least, growing environmental awareness mean that new technologies to reduce vehicle emissions and consumption are required. We already offer our customers an extensive product portfolio in this field, and are working on a wide range of further applications. A good example from our existing portfolio are our vacuum pumps for electric brake boosting. Since, like many other successful products from HELLA, they operate purely on demand, CO₂ emissions and fuel consumption can be cut considerably. The same is also true of our electric servo-assisted steering system, which achieves a reduction of up to 0.8 liters of fuel per 100 kilometers and 20 grams of CO₂ per kilometer, compared to conventional hydraulic power steering.

At the Electronics business division, we are currently working on numerous further technologies to make vehicles more efficient, including our radiator grille actuator. When the radiator grille louvers are closed, the engine attains its ideal operating temperature faster, which reduces fuel consumption and exhaust gases; if the engine needs to be cooled, the louvers are opened. Likewise, albeit indirectly, a new active accelerator pedal contributes to more environmentally conscious driving. It informs hybrid vehicle drivers if they are using the electric powertrain only, or the combustion engine has kicked in. As a result, economical driving can be learned and further optimized for each driving concept.

A further focus of our development activities is on increasing safety with improved driver assistance systems. The main objective of such systems is to help drivers cope with the more frequent occurrence of difficult situations caused by increasing traffic density. HELLA offers systems based on 24 GHz radar sensors, which are less expensive than other systems, and so can also be used in the long term in midrange and lower-priced vehicle segments. We are cooperating with the radar specialist InnoSenT to build our radar expertise and jointly develop innovative solutions for further complex functions, such as assistant functions for reversing out of parking spots where visibility is impaired.

Redefining automotive trends

The approach in the Special Applications segment differs from traditional R&D activities in the field of original equipment. Here, HELLA is primarily driving the transfer of technology know-how and existing solutions from the automotive business to other product segments and for new customer groups. As a result, innovations can be implemented and customized faster and at less cost, even with small sales quantities, for example, in special vehicles such as buses, trailers or mobile homes. The growing number of LED solutions for work lamps and beacons confirms this trend. HELLA is therefore working to gradually expand these product families to include LED components. There is also a growing need for vehicle-specific design solutions among manufacturers of special vehicles. For example, light guide technologies for mobile homes and buses were increasingly developed in the past fiscal year. In our Industries business field, we mainly worked on applying existing products to other customer segments. The basis for this is the modular design of all our products in this

area. By way of an example, the light module of our street lighting series Eco StreetLine was successfully adapted to the requirements of multi-story car parks, service stations and carwashes. As a result, we achieve great cost competitiveness as well as a high technology standard. Further applications, such as for assembly stations or cold stores, are currently being optimized with our customers.

ENVIRONMENT: GREATER EFFICIENCY WITH NETWORKS

The issue of environmental management continued to grow in importance in the fiscal year 2011-2012. Apart from the steady optimization of energy and resource consumption in processes and products, a particular focus was on strengthening cooperation in the international "HELLA Environmental Network". For instance, a series of workshops helped build a more closely-meshed network between our various Chinese production sites. This network forms the starting point for a more efficient environmental management at the Chinese locations.

As part of HELLA's group certification activities, the standardization of environmental processes and management system documentation increases efficiency. In addition, two further locations have been integrated in the global group certification according to ISO 14001, which now covers 33 production sites. In the external certification audits in 2011, the average number of deviations per audited location was reduced to 0.46. HELLA thus achieved second place among five other automotive suppliers.

In addition, the two plants in Lippstadt are the only HELLA locations to which EU-wide trading in greenhouse gas emission certificates ("CO₂ certificates") applies. HELLA emitted considerably less CO₂ than it was allowed to.

OPPORTUNITY AND RISK REPORT

So that a company's success can be sustained, the risks associated with its business activities must be identified at an early stage and then controlled with foresight. Opportunities and possibilities should be taken, but risks assumed only if the business activity in question will make a reasonable contribution to the company's value.

OPPORTUNITIES

The combination of the business activities of lighting technology and electronics within the Automotive segment harbors significant potential. As headlamps grow in complexity, HELLA is one of the few suppliers to offer innovative light systems and associated control electronics from a single source.

HELLA is also competitively positioned to cater for the three key mega-trends in the automotive industry: safety, environmental protection and comfort. It has an attractive lineup of products to increase efficiency and improve energy management, which is especially important given growing ecological awareness in many markets. In addition to the automotive business, HELLA is able to transfer many automotive OE trends directly to the aftermarket

business. Major growth potentials will also result from the expansion of the sales network, the enlargement of the product portfolio and further market penetration. Additional growth opportunities will come from the still relatively new Industries business field, in which we apply our technology expertise to applications and products outside the automotive industry.

Certain emerging countries are developing at a great pace and offer significant opportunities for further growth on account of their initially low passenger car density. In this connection, HELLA plans to conclude various cooperation deals as well as expand its own capacities in China. HELLA signed a cooperation agreement for a planned joint venture with the leading Chinese automobile manufacturer BAIC in May. Both partners aim to realize the joint venture by the end of 2012.

The high degree of internationalization achieved by HELLA in research and development and production is advantageous in helping it tap emerging markets. In this way, we can not only obtain a slice of the growth, but also develop products that are closely geared to the needs of these markets and customers. This means we are in a position to address localization trends among many automotive manufacturers and can position HELLA as a reliable partner with a longstanding market presence.

The HELLA Group has effective processes and systems in place to enable the early detection, analysis, measurement, control, documentation, and communication of risks. The globally active Internal Audit department regularly reviews the appropriateness and effectiveness of these processes and control systems.

INTERNAL ACCOUNTING CONTROLS

The internal accounting control system forms part of the Group-wide internal risk management and control system. It consists of organizational, control, and monitoring structures to ensure proper and correct recognition and measurement of transactions and their inclusion in the financial reporting. Analyses and measurements are carried out in the course of risk management to help in identifying factors that may influence accounting and financial reporting and in defining appropriate measures to ensure their appropriate recognition. Regulations that are applicable Group-wide, and, together with the annual financial statement planning, determine the process for preparing the financial statements, are codified in an accounting handbook. If there are changes to legal regulations and accounting standards, they are analyzed promptly in terms of their impact on financial reporting and, where necessary, directly included in the consolidated reporting. The local companies are responsible for preparing the single-entity financial statements and are supported and supervised in this by the Group accounting department. The consis-

tency of the reported and verified financial statement data is ensured through appropriate IT systems. The consolidation of the single-entity financial statements is largely carried out centrally. In justified individual cases, for joint ventures for instance, the financial statements of sub-groups are also included in the consolidated financial statements.

The effectiveness of the internal accounting controls is reviewed on a continuous basis by the Internal Audit department. The employees responsible for financial reporting receive regular training. Where necessary, support is provided by external experts for the measurement of complex items, such as pension liabilities. Moreover, the control system incorporates further risk avoidance measures and measures to improve transparency, such as comprehensive plausibility checks, segregation of duties, and the four eyes principle. Furthermore, the analyses carried out as part of risk management contribute to identifying risks which influence financial reporting and enabling introduction of measures to mitigate these risks.

The effectiveness of this internal control system is assessed by the responsible Group companies and departments using an IT-based system and audited on a test basis by the Internal Audit department. The management and supervisory boards are regularly informed of the results.

RISK MANAGEMENT

As a company that operates worldwide, the HELLA Group is essentially exposed to commercial risks due to the increasing internationalization of its business activities, more intense competition, market concentration (on both the demand and supply side), and fluctuations in the sales market and the economy. As a company that makes technologically sophisticated products, HELLA also faces the risk of not being able to recruit qualified, skilled employees for research and development, or hire them in sufficient numbers, or maintain their loyalty in the long term.

Given the sovereign debt crisis in the developed economies, in particular Europe, HELLA's home market, macroeconomic risks as a result of turbulence in the euro area must also be taken into account. In particular, all economic players, including HELLA, would face substantial and not fully foreseeable problems in the event of a breakup of the euro.

Management of development and production processes is of particular importance in the HELLA Group, since possible process weaknesses that cause interruptions to services provided to OE customers can trigger high consequential losses on the customer's side as a result of interrupted production. Allowance is made for such discernible burdens that may impact earnings by means of provisions in the annual financial statements or the corporate plan, in compliance with statutory requirements.

The anti-cyclical business structure of the HELLA Group has a stabilizing effect on its overall business situation. The mutually complementary segments of Original Equipment, Aftermarket (including independent garages, parts dealers, and wholesalers), and Special Applications (with the Industry business) ensure that the company's position is optimized in terms of risks, even in the event of unexpected changes in the market or industry.

Macroeconomic risks and market fluctuations in individual regions can be significantly cushioned by the Group's global orientation, especially through the expansion of its activities in growth regions. Thanks to the diversification in the business divisions and the resulting broad customer base, HELLA also has a high degree of independence from individual customers. The Management Board does not therefore anticipate any major detriment to business even in the event of extraordinary market or customer risks. The company intends to press ahead with continuously expanding its market presence to further stabilize its business activities.

HELLA protects technologies it has developed at great cost and effort by means of patents and other property rights, where this makes strategic sense for the company. Compliance with these rights by the competition is constantly monitored and possible infringements prosecuted. Apart from the infringement of its own rights, there is also the risk that HELLA itself might inadvertently infringe on the rights of third parties, since competitors, suppliers or

customers also apply for a large number of property rights. The existence of effective property rights can not always be determined unambiguously in relation to certain processes, methods and applications. Consequently, HELLA might be prohibited from producing, importing or using relevant technologies in certain countries or may be liable to pay damages.

A variety of organizational and procedural measures are in place to ensure that potential risks are identified at an early stage, giving the Management Board the opportunity to take prompt and appropriate action and countermeasures. A detailed corporate plan for the next three fiscal years is drawn up each year by the divisions responsible at the companies and at Group headquarters, such as Sales, Purchasing, Finance and Controlling. In addition to providing standardized management reports on a regular basis, the responsible managers are also required to inform the company's management immediately about relevant changes to the risk profile. Scenario analyses are also used systematically for issues that are subject to great uncertainty or volatility. The general development of the company is reviewed regularly in close consultation with the Shareholders' Committee and Supervisory Board.

Financial risks as a result of fluctuations in currency and interest rates are managed within the framework of the "Treasury" corporate function in consultation with the Management Board; selective use is made of derivative finan-

cial instruments. In addition, risks as a result of currency fluctuations are limited by sourcing materials locally within the respective currency and sales region.

With regard to the interest rate risk, HELLA uses derivative interest rate deals only for hedging purposes. Currency risks are recognized and hedged centrally within the HELLA Group. In this way, HELLA optimizes risk control and achieves further savings in hedging costs, owing to the counter movement nature of many positions. Currency risks are mainly hedged through forward exchange contracts, matched to the currency flows expected on the basis of the corporate plan. HELLA pursues the same strategy to hedge fluctuations in commodity prices. Derivative financial instruments are used only to hedge transactions arising from operational business.

The Group's liquidity position is adequately secured by long-term loans, promissory notes, a euro bond, and a long-term yen bond. In addition, a long-term, unused syndicated credit line is available to the Group, increased to €550 million in June 2011 and maturing in 2016. Covenants in credit agreements, where the company's failure to comply could give rise to a right of termination for the creditor, are systematically reviewed on an ongoing basis. The corresponding financial figures form part of management reporting. The existing agreements provide enough scope even for the scenario of a sharp economic downturn.

HELLA systematically minimizes default risks through active receivables management and intensive supplier development. New suppliers and existing suppliers undergo regular quality audits and their performance and efficiency are developed further where necessary. The entire internal development process for new products is subject to a range of quality standards with clear milestones designed to check and monitor standards of quality. Extensive quality management also reduces risks that might arise from the production or delivery of faulty parts. In addition, there are insurance policies to cover warranty obligations from serial claims.

Market globalization and legal developments also present external, political risks for HELLA. In this connection, additional consequences from extended warranty obligations can be cited in particular. HELLA's exposure to risks associated with natural disasters or epidemics is no higher than normal.

Compliance with regulatory standards and social norms is fundamental to sustained business success. At the HELLA Group, these rules and standards are set down in a Code of Conduct that is binding for all employees. Assuring compliance with the increasingly complex legal and regulatory requirements is an ever increasing challenge and opens up new risk areas for the company. Regular training and instruction if necessary with the support from external experts therefore represent a key element of continuous compliance management.

The risks and risk areas described are integrated in the risk and compliance management process. In addition, HELLA has appropriate insurance coverage.

The company management is not aware of any developments that could jeopardize the company's assets, financial position, and earnings over the long term, and thus threaten the company's continued existence.

OUTLOOK GROWTH OPPORTUNITIES DESPITE AN UNCERTAIN ECONOMIC CLIMATE

The International Monetary Fund (IMF) forecasts that global growth will slow down to 3.5% in the course of 2012. However, the global economy may slip into recession if the euro debt crisis worsens again. The situation in Europe appears extremely difficult and uncertain due to the major economic problems of the highly-indebted countries of southern Europe and the high level of uncertainty on the financial markets. Whether or not Germany will be able to disassociate itself from this trend remains to be seen, notwithstanding its stable job market, rising real wages, robust domestic economy and continuing export successes. The upturn in the USA is turning out weak, and does not appear to be self-sustaining without expansionary measures by the Federal Reserve. The economic outlook for the United States after the presidential election in November 2012, which traditionally has a stimulating effect on the economy, remains to be seen. The further development of the global economy still appears very uncertain. How China performs is having

an increasing influence on the world economy. China and, to a lesser extent, the other new growth markets are expected to be the major drivers in global economic activity in the second half of 2012 and in 2013.

In general, positive growth impulses are anticipated from all relevant vehicle markets in the automotive industry, apart from in Western Europe. However, the number of new registrations worldwide in 2012 will probably not reach the high level of the previous year. The number of new registrations in Western Europe in the calendar year 2012 is expected to fall by 5% to 12 million. If the debt crisis intensifies or Germany is more strongly hit by it, the Western European passenger car market may perform even more poorly. In addition, rising fuel prices may weigh on new car sales. In this environment, manufacturers and suppliers offering energy-efficient technologies should have distinct opportunities for growth. Overall, it appears to be becoming more important for the European manufacturers to adjust their excess capacities in view of the continuing weak demand. This may also have consequences for suppliers who mainly serve the European market.

In the USA, the reduction in private household debt, the recovery of the labor market and declining fuel prices might

contribute to a further increase in vehicle sales. Further growth is expected for 2012 and 2013, based on the fact that the average age of cars on the road is already abnormally high.

The Chinese vehicle market will continue to grow at a high level in the coming years, albeit at a declining rate. A single-figure percentage increase in passenger car production from 12.2 to around 13 million vehicles is expected for 2012. Incentives by the Chinese government appear to be able to ensure a stable automotive market, despite the weakening economic momentum.

However, these assessments of the global automotive market and regional trends ignore the contingency of a dramatic economic deterioration due to macroeconomic problems in the industrialized countries and on fragile financial markets.

Given its internationally oriented customer structure, the continuous expansion of its worldwide production and development network and the structural improvements and productivity increases, HELLA is expected to perform positively again in the coming fiscal year, provided there are no macroeconomic shocks, such as a breakup of the euro-

zone. The balanced business portfolio with the Automotive, Aftermarket and Special Applications segments should also ensure a stable performance by the company in fiscal 2012/2013, bolstering a profitable growth in all business segments. In the medium term, HELLA expects to grow not only in its home market of Europe, but above all in China and North America. It will also expand its business activities in India and Brazil. The focus in the coming years will be to create and expand production and development capacities and strengthen existing sales structures in these regions. HELLA will be well-positioned in Europe with high-quality products in the fields of lighting technology and electronics and in the aftermarket, despite tough general economic conditions. The Special Applications business, with its focus on LED and electronics applications in special niche markets, has a different business cycle to Automotive and so helps the Group diversify risks. There are also substantial growth opportunities in the coming years in this segment.

Assuming that there are no further serious economic distortions, the HELLA Group expects – despite the increasingly uncertain economic climate – further growth in sales in the medium single-figure percentage range for the fis-

cal year 2012/2013 and a constant level of earnings, as well as a slight growth in sales in the lower single-figure percentage range for fiscal 2013/2014. Its financial position will accordingly continue to improve.

The predictive statements in this report are based on current assessments by HELLA's management. They are subject to risks and uncertainties which HELLA is not able to control or assess precisely, such as the future market environment and general economic conditions, actions by other market players, successful integration of new acquisitions, achievement of anticipated synergy effects and government measures. If one of these or any other uncertainty factors or vagaries should occur, or if the assumptions on which these statements are based turn out to be incorrect, the actual results may differ materially from the results explicitly specified or implicitly contained in these statements. HELLA does not intend to update any predictive statements to reflect events, developments or circumstances that become known after the date of publication of this report, nor in any way acknowledges any obligation to do so.

EVENTS AFTER THE BALANCE SHEET DATE

No events of special relevance have taken place since the close of the fiscal year 2011-2012. In the first months of the new fiscal year, the Group's assets, financial position, and earnings have continued to develop positively.

Lippstadt, July 27, 2012



Dr. Jürgen Behrend

Dr. Rolf Breidenbach

CONSOLIDATED INCOME STATEMENT

of HELLA KGaA Hueck & Co.; June 1, 2011 to May 31, 2012

T€	2011-2012	2010 - 2011
Sales	4,810,213	4,371,113
Cost of sales	-3,543,344	-3,275,051
Gross profit	1,266,869	1,096,062
Research and development costs	-388,269	-345,633
Distribution costs	-391,589	-342,911
Administrative costs	-176,884	-167,970
Other income and expenses	23,006	20,702
Share of profit and/or loss of associates	20,335	13,320
Other income from investments	2,921	3,070
Income from securities and other loans	3,354	189
Other financial result	-14,012	-8,989
Earnings before interest and tax on income (EBIT)	345,731	267,840
Interest income	8,170	7,168
Interest expenses	-46,506	-46,187
Interest result	-38,336	-39,019
Earnings before tax on income (EBT)	307,395	228,821
Taxes on income	-76,294	-65,031
Earnings for the period	231,101	163,790
of which attributable ...		
to the owners of the company	222,801	154,411
to the minority interests	8,300	9,379

STATEMENT OF FINANCIAL POSITION

of HELLA KGaA Hueck & Co.; as of May 31, 2012

T€	May 31, 2012	May 31, 2011
Cash and cash equivalents	429,338	295,806
Financial assets	42,141	60,313
Trade receivables	647,042	621,501
Other receivables and non-financial assets	101,961	77,408
Inventories	543,393	536,902
Current tax assets	19,518	7,647
Non-current assets held for sale	0	13,112
Current assets	1,783,393	1,612,689
Intangible assets	233,719	186,017
Tangible assets	1,092,739	951,201
Financial assets	30,583	38,599
Equity accounted investments	86,578	87,319
Deferred tax assets	81,292	45,160
Other non-current assets	7,144	5,008
Non-current assets	1,532,055	1,313,304
Assets	3,315,448	2,925,993
Financial liabilities	91,700	56,394
Trade payables	512,321	437,329
Current tax liabilities	52,049	35,351
Other liabilities	451,097	348,677
Provisions	125,103	96,880
Current liabilities	1,232,270	974,631
Financial liabilities	679,212	714,729
Deferred tax liabilities	26,128	21,049
Other liabilities	66,532	96,431
Provisions	246,069	197,754
Non-current liabilities	1,017,941	1,029,963
Subscribed capital	200,000	200,000
Reserves and balance sheet results	826,815	689,131
Equity before minorities	1,026,815	889,131
Minority interests	38,422	32,268
Equity	1,065,237	921,399
Equity and liabilities	3,315,448	2,925,993

CASH FLOW STATEMENT

of HELLA KGaA Hueck & Co.; for the period from June 1, 2011 to May 31, 2012

T€	2011-2012	2010 - 2011
Earnings before income tax	307,395	228,821
+ Depreciation	268,770	296,745
+/- Change in provisions	8,911	-34,359
+/- Other non-cash income/expenses	29,183	-25,282
+/- Profit/Loss on sale of fixed assets	-7,230	3,421
+/- Change in financial assets/liabilities	0	3,008
+/- Interest income	38,336	39,019
+/- Change in trade receivables and other assets not attributable to investing or financing activities	-25,541	-124,876
+/- Decrease/Increase in inventories	-6,491	-95,812
+/- Change in trade payables and other liabilities not attributable to investing or financing activities	85,817	169,492
+ Interest received	3,358	1,782
- Interest paid	-39,518	-41,083
- Taxes paid	-43,265	-35,754
+ Tax refunds	1,858	2,616
+ Dividends received	3,000	3,040
= Net cash flow from operational activity	624,583	390,778
+ Payments received from sales of tangible assets	37,193	35,889
- Payments made for the purchase of tangible assets	-379,650	-315,491
+ Payments received from sales of intangible assets	4	644
- Payments made for the purchase of intangible assets	-43,773	-34,159
+ Payments received from sales of financial assets	0	2,148
- Payments made for the purchase of financial assets	-6,062	-6,861
+ Payments received from the sale of subsidiaries	2,458	0
- Payments made for the acquisition of subsidiaries	-19,670	-3,488
- Change of capital in associated companies	-20,899	0
= Net cash flow from investing activity	-430,399	-321,318
- Payments made for the repayment of financial liabilities	-64,077	-112,245
+ Payments received from borrowing	14,520	153,446
- Pension fund provision	0	-112,707
+ Payments received from issuing bonds	20,168	0
- Payments made for repayment of participation certificates	-1,077	-1,146
- Dividends paid	-40,018	-21,642
= Net cash flow from financing activity	-70,484	-94,294
= Net change in cash	123,700	-24,834
+ Cash and cash equivalents as at June 1	295,806	329,842
+/- Effects of changes in consolidation group on cash held	0	631
+/- Effects of changes to the exchange rate on cash	9,832	-9,833
= Cash and cash equivalents as at May 31	429,338	295,806

DEVELOPMENT OF CONSOLIDATED FIXED ASSETS

of HELLA KGaA Hueck & Co.

TANGIBLE ASSETS T€	REAL PROPERTY AND EQUIVALENT RIGHTS	TECHNICAL EQUIPMENT AND MACHINES	PRODUCT- LINKED OPERATING EQUIPMENT	OTHER EQUIPMENT, FACTORY AND OFFICE EQUIPMENT	ASSETS UNDER CONSTRUCTION	TOTAL
ACQUISITION OR MANUFACTURING COSTS						
At June 1, 2010	512,760	1,259,196	779,543	316,610	83,343	2,951,453
Changes in consolidated group	33,759	28,365	6,764	2,855	1,119	72,862
Currency translation	-6,008	-11,195	-910	-3,257	-1,282	-22,652
Additions	12,345	108,147	38,080	31,314	129,042	318,928
Disposals	-8,977	-37,590	-8,312	-15,163	-15,592	-85,634
Transfers	6,550	46,935	19,381	2,204	-76,454	-1,384
At May 31, 2011	550,429	1,393,858	834,547	334,563	120,176	3,233,573
ACCUMULATED DEPRECIATION						
At June 1, 2010	273,046	907,640	645,012	244,478	0	2,070,176
Changes in consolidated group	8,510	16,973	1,467	2,808	32	29,790
Currency translation	-1,824	-3,804	-630	-2,172	0	-8,430
Additions	19,851	123,114	57,366	26,800	0	227,131
Disposals	-10,918	-33,166	-3,058	-14,038	0	-61,180
Impairments	6,627	18,880	12,136	3,835	1,524	43,002
Reversals	-11,724	-4,239	0	-802	0	-16,765
Transfers	-331	-972	1	-50	0	-1,352
At May 31, 2011	283,237	1,024,426	712,294	260,859	1,556	2,282,372
Carrying amounts May 31, 2011	267,192	369,432	122,253	73,704	118,620	951,201
ACQUISITION OR MANUFACTURING COSTS						
At June 1, 2011	550,429	1,393,858	834,547	334,563	120,176	3,233,573
Changes in consolidated group	-9,656	-442	-20,518	5,288	364	-24,964
Currency translation	5,630	12,921	2,157	2,820	2,086	25,614
Additions	17,236	112,209	35,114	42,635	171,501	378,695
Disposals	-8,430	-39,193	-21,875	-10,647	-1,005	-81,150
Transfers	16,388	74,076	19,105	985	-112,290	-1,736
At May 31, 2012	571,597	1,553,429	848,530	375,644	180,832	3,530,032
ACCUMULATED DEPRECIATION						
At June 1, 2011	283,237	1,024,426	712,294	260,859	1,556	2,282,372
Changes in consolidated group	-6,261	-1,308	-20,255	2,164	7	-25,653
Currency translation	2,691	7,128	1,712	2,866	7	14,404
Additions	15,907	116,354	49,998	26,720	441	209,420
Disposals	-2,080	-32,960	-18,429	-9,833	-7	-63,309
Impairments	4,706	11,671	6,653	4,406	188	27,624
Reversals	-5,358	-480	-11	0	-496	-6,345
Transfers	1,861	-33	1,312	-3,064	-1,296	-1,220
At May 31, 2012	294,703	1,124,798	733,274	284,118	400	2,437,293
Carrying amounts May 31, 2012	276,894	428,631	115,256	91,526	180,432	1,092,739

INTANGIBLE ASSETS T€	CAPITALIZED DEVELOPMENT COSTS	GOODWILL	ACQUIRED INTANGIBLE ASSETS	TOTAL
ACQUISITION OR MANUFACTURING COSTS				
At June 1, 2010	221,490	64,646	118,319	404,455
Change in consolidated group	727	8,191	452	9,370
Currency translation	-675	-17	-232	-924
Additions	28,025	324	9,503	37,852
Disposals	-2,607	0	-1,383	-3,990
Transfers	1,793	-50	-359	1,384
At May 31, 2011	248,753	73,094	126,300	448,147

ACCUMULATED DEPRECIATION				
At June 1, 2010	105,449	8,922	104,897	219,268
Change in consolidated group	723	0	305	1,028
Currency translation	-223	-1	-172	-396
Additions	28,228	0	6,662	34,890
Disposals	-1,144	0	-1,357	-2,501
Impairment	1,049	7,494	0	8,543
Reversals	0	0	-54	-54
Transfers	1,511	0	-159	1,352
At May 31, 2011	135,593	16,415	110,122	262,130
Carrying amounts May 31, 2011	113,160	56,679	16,178	186,017

ACQUISITION OR MANUFACTURING COSTS				
At June 1, 2011	248,753	73,094	126,300	448,147
Change in consolidated group	21,922	37,355	1,834	61,111
Currency translation	2,870	-16	345	3,199
Additions	30,946	961	12,778	44,685
Disposals	-17,686	0	-289	-17,975
Transfers	-1,037	0	2,773	1,736
At May 31, 2012	285,768	111,394	143,741	540,903

ACCUMULATED DEPRECIATION				
At June 1, 2011	135,593	16,415	110,122	262,130
Change in consolidated group	4,522	0	0	4,522
Currency translation	1,438	5	196	1,639
Additions	25,977	0	8,752	34,729
Disposals	-125	0	-272	-397
Impairment	3,157	897	2	4,056
Reversals	-715	0	0	-715
Transfers	-429	0	1,649	1,220
At May 31, 2012	169,418	17,317	120,449	307,184
Carrying amounts May 31, 2012	116,350	94,077	23,292	233,719

STATEMENTS OF CHANGES IN EQUITY

of HELLA KGaA Hueck & Co.; for the period from June 1, 2011 to May 31, 2012

	SHARE CAPITAL	CAPITAL RESERVE	RESERVE FOR EXCHANGE RATE DIFFERENCES	CASH FLOW HEDGE RESERVE
TE				
As at May 31, 2010	200,000	0	-9,807	-65,632
Earnings for the period	0	0	0	0
Other comprehensive income	0	0	-20,367	28,708
Total result for the period	0	0	-20,367	28,708
Equity addition and allocation and distribution to shareholders	0	3,061	0	0
Redemption of own shares	0	0	0	0
Transactions with shareholders	0	3,061	0	0
As at May 31, 2011	200,000	3,061	-30,174	-36,924
Earnings for the period	0	0	0	0
Other comprehensive income	0	0	39,099	-36,076
Total result for the period	0	0	39,099	-36,076
Allocation and distribution to shareholders	0	-3,061	0	0
Transactions with shareholders	0	-3,061	0	0
As at May 31, 2012	200,000	0	8,925	-73,000

RESERVE FOR FINANCIAL INSTRUMENTS HELD FOR SALE	ACTUARIAL GAINS AND LOSSES	OTHER RETURNED EARNINGS/PROFIT CARRIED FORWARD	TOTAL	MINORITY INTERESTS	TOTAL EQUITY
683	-535	614,059	738,768	17,585	756,353
0	0	154,411	154,411	9,379	163,790
1,870	7,909	0	18,120	0	18,120
1,870	7,909	154,411	172,531	9,379	181,910
0	0	-22,755	-19,694	-1,948	-21,642
0	0	-2,474	-2,474	7,252	4,778
0	0	-25,229	-22,168	5,304	-16,864
2,553	7,374	743,241	889,131	32,268	921,399
0	0	222,801	222,801	8,300	231,101
-1,707	-48,433	0	-47,117	-128	-47,245
-1,707	-48,433	222,801	175,684	8,172	183,856
0	0	-34,939	-38,000	-2,018	-40,018
0	0	-34,939	-38,000	-2,018	-40,018
846	-41,059	931,103	1,026,815	38,422	1,065,237

AUDITOR'S CERTIFICATE

The statutory balance sheet auditor has granted the following unrestricted auditors' certificate in relation to the complete consolidated financial statements and Group status report:

We have audited the consolidated financial statements prepared by the HELLA KGaA Hueck & Co., comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated cash flow statement, the statement of changes in equity and the notes to the consolidated financial statements, together with the group management report for the business year from June 1, 2011 to May 31, 2012. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB [Handelsgesetzbuch "German Commercial Code"] are the Responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB [Handelsgesetzbuch "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures.

The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in

the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Bielefeld, August 16, 2012

KPMG AG
Wirtschaftsprüfungsgesellschaft

Rehnen
Wirtschaftsprüfer

Droste
Wirtschaftsprüfer

MAJOR INVESTMENTS

INVESTMENTS IN GERMANY, IN PERCENT

			%
Production Companies	HELLA Innenleuchten-Systeme GmbH (HIS)	Germany	100.0
	HELLA Fahrzeugkomponenten GmbH (HFK)	Germany	100.0
	HELLA Trailer Systems GmbH (HTS)	Germany	100.0
	HELLA Leuchten-Systeme GmbH (HLS)	Germany	100.0
	HELLA Werkzeug Technologiezentrum GmbH (HWT)	Germany	100.0
	Behr-Hella Thermocontrol GmbH (BHTC)*	Germany	50.0
	Docter Optics GmbH (DOCO)**	Germany	60.9
	HBPO Beteiligungsgesellschaft mbH (HBPO(H))**	Germany	33.3
	InnoSent GmbH**	Germany	50.0
Sales Companies	HELLA Distribution GmbH (HD)	Germany	100.0
	Behr Hella Service GmbH (BHS)*	Germany	50.0
	Hella Gutmann Holding GmbH (HGHO)	Germany	87.5
Other Companies	Enko Automotive GmbH (ENKO)	Germany	100.0
	HELLA Aglaia Mobile Vision GmbH (HAGL)	Germany	100.0
	HELLA Corporate Center GmbH (HCC)	Germany	100.0
	HELLA Electronics Engineering GmbH (HEER)	Germany	100.0
	Reinhold Poersch GmbH (RP(H))	Germany	100.0

INVESTMENTS IN EUROPE, NOT INCLUDING GERMANY, IN PERCENT

			%
Production Companies	HELLA Lighting Finland Oy (HLF)	Finland	100.0
	HELLA Fahrzeugteile Austria GmbH (HFA)	Austria	100.0
	HELLA Innenleuchten-Systeme Bratislava, s.r.o. (HISB)	Slovakia	100.0
	HELLA Slovakia Signal-Lighting s.r.o. (HSKS)	Slovakia	100.0
	HELLA Slovakia Front-Lighting s.r.o. (HSKF)	Slovakia	100.0
	HELLA Saturnus Slovenija d.o.o. (HSS)	Slovenia	100.0
	Manufacturas y Accesorios Electricos S.A. (MAESA)	Spain	100.0
	HELLA Autotechnik spol. s.r.o. (HAT)	Czech Republic	100.0
	HELLA Autotechnik Nova s.r.o. (HAN)	Czech Republic	100.0
	HELLA Romania s.r.l. (HRO)	Romania	100.0
	Induperm A/S	Denmark	100.0
	Hella-Bekto Industries d.o.o.	Bosnia and Herzegovina	70.0

Sales Companies	HELLA N.V. (HBE)	Belgium	100.0
	FTZ Autodele & Værktøj A/S (FTZDK)	Denmark	71.1
	HELLA A/S (HDK)	Denmark	100.0
	Merca Trading Oy Ab (MEFIN) **	Finland	35.5
	HELLA S.A.S. (HFR)	France	100.0
	HELLA Limited (HLGB)	Great Britain	100.0
	HELLA Ireland Limited (HIEL)	Ireland	100.0
	HELLA S.p.A. (HIT)	Italy	100.0
	HELLA B.V. (HBVNBL)	The Netherlands	100.0
	HELLANOR A/S (HELLANOR)	Norway	100.0
	HELLA Handel Austria GmbH (HHA)	Austria	100.0
	HELLA Polska Sp. z o.o. (HPL)	Poland	100.0
	INTER-TEAM Sp. z o.o. (ITPL)	Poland	50.0
	HELLA S.A. (HES)	Spain	100.0
	HELLA CZ, s.r.o. (HCZ)	Czech Republic	100.0
	Intermobil Otomotiv Müessillik Ve Ticaret A.S. (IOTR)	Turkey	51.0
	HELLA Hungária Kft. (HHU)	Hungary	100.0
	Other Companies	Nordic Forum Holding A/S (NFH)	Denmark
HELLA Engineering France S.A.S. (HEF)		France	100.0
HELLA Corporate Center Central & Eastern Europe s.r.o. (HCCEE)		Czech Republic	70.0
INVESTMENTS IN AMERICA, IN PERCENT			%
Production Companies	HELLA Automotive Mexico S.A. de C.V. (HAM)	Mexico	100.0
	HELLA Electronics Corporation (HEC)	USA	100.0
	HELLA do Brazil Automotive Ltda.	Brazil	100.0
Sales Companies	HELLAmex S.A. de C.V. (HELLAMEX)	Mexico	100.0
	HELLA Inc. (HIUSA)	USA	100.0
	Hella Mining LLC (HMUS)**	USA	60.0
Other Companies	HELLA Centro Corporativo Mexico S.A. de C.V. (HCCM)	Mexico	100.0
	HELLA Corporate Center USA, Inc. (HCCU)	USA	100.0
	HELLA Lighting Corporation (HLC)	USA	100.0

INVESTMENTS IN THE ASIA/PACIFIC REGION, IN PERCENT			%
Production Companies	HELLA Australia Pty Ltd. (HA/HAAU)	Australia	100.0
	HELLA Shanghai Electronics Co., Ltd. (HSE)	China	100.0
	HELLA Changchun Tooling Co., Ltd. (HCT)	China	100.0
	Changchun HELLA Automotive Lighting Ltd. (HCL)	China	100.0
	Beifang HELLA Automotive Lighting Ltd. (HBL)	China	100.0
	HELLA (Xiamen) Automotive Electronics Co. Ltd. (HAE)	China	100.0
	Beijing SamLip Automotive Lighting Ltd. (BSL)**	China	49.0
	HELLA India Electronics Private Limited (HIE)	India	100.0
	Hella India Lighting Ltd. (HIL)	India	81.9
	HELLA-New Zealand Limited (HNZ)	New Zealand	100.0
	Hella-Phil., Inc. (HPI)	The Philippines	90.0
	HSL Electronics Corporation (HSL)**	South Korea	50.0
	Mando Hella Electronics Corp. (MHE)**	South Korea	50.0
	HELLA (Xiamen) Electronic Device Co. Ltd.	China	100.0
	Changchun Hella Faway Automotive Lighting Co. Ltd.**	China	49.0
	Sales Companies	HELLA Korea Inc. (HKI)	South Korea
HELLA Asia Singapore Pte. Ltd. (HSG)		Singapore	100.0
HELLA Trading (Shanghai) Co., Ltd. (HCN)		China	100.0
OOO Orum Merca (MERUS)**		Russia	35.5
HELLA Middle East FZE (HMEA)		United Arab Emirates	100.0
Other Companies	HELLA Asia Pacific Pty Ltd. (HAP(H))	Australia	100.0
	HELLA Asia Pacific Holdings Pty Ltd. (HAPH(H))	Australia	100.0
	HELLA Corporate Center (China) Co., Ltd. (HCCC)	China	100.0
INVESTMENTS IN AFRICA, IN PERCENT			%
Sales Companies	HELLA Automotive South Africa Pty. Ltd. (HASA)	South Africa	100.0

Companies without * are fully consolidated * Proportional consolidation ** at equity

The report is available in English and German. Both versions are available for downloading from www.hella.com (English) and www.hella.de (German).

Further information

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NORTH AND
SOUTH AMERICA
2,948
Employees

GLOBAL DEVELOPMENT, PRODUCTION, AND SALES PRESENCE

LEGEND

- Sales
- ▲ Production
- Development

North and South America

- Brazil ■
- Mexico ■ ▲ ●
- USA ■ ▲ ●

Africa

- South Africa ■



EUROPE
19,868
Employees



ASIA/PACIFIC
4,470
Employees



AFRICA
62
Employees

Europe

Austria	■ ▲ ●	Hungary	■	Russia	■
Belgium	■	Ireland	■	Slovakia	▲ ●
Czech Republic	■ ▲ ●	Italy	■	Slovenia	▲ ●
Denmark	■	Netherlands	■	Spain	■ ▲
Finland	▲ ●	Norway	■	Turkey	■
France	■ ●	Poland	■	UK	■
Germany	■ ▲ ●	Romania	▲ ●		
Greece	■				

Asia/Pacific

Australia	■ ▲ ●	New Zealand	■ ▲ ●
China	■ ▲ ●	Philippines	■ ▲
Dubai	■	Singapore	■
India	■ ▲ ●	South Korea	■ ▲ ●
Japan	■		

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