Technology
with Vision

THREE MONTH REPORT
FISCAL YEAR 2015/2016
1 JUNE – 31 AUGUST 2015

KEY PERFORMANCE INDICATORS

In € million	**1st quarter 2015/2016**	1st quarter 2014/2015
Sales	**1,496**	1,318
Change compared to last year	***14 %***	*4 %*
Earnings before interest, taxes, depreciation and amortisation (EBITDA)*	**175**	174
Change compared to last year	***0 %***	*26 %*
Operating result (EBIT)	**69**	95
Change compared to last year	***– 27 %***	*52 %*
Earnings for the period	**43**	64
Change compared to last year	***– 32 %***	*70 %*
Earnings per share (in €)	**0.37**	0.62
Change compared to last year	***– 40 %***	
Net cash generated from operating activities	**191**	180
Change compared to last year	***6 %***	*125 %*
Net capital expenditures**	**106**	159
Change compared to last year	***– 33 %***	*18 %*
Research and development (R&D) expenses	**140**	117
Change compared to last year	***20 %***	*1 %*

	31 August 2015	31 August 2014
R&D expenses in relation to sales	**9.3 %**	8.9 %
EBITDA margin*	**11.7 %**	13.2 %
EBIT margin*	**4.6 %**	7.2 %
Net debt (in € million)	**68**	423
Net debt/EBITDA (last 12 months)	**0.1 x**	0.6 x
Equity ratio	**39.7 %**	30.9 %
Return on equity (last 12 months)	**20 %**	20 %
Employees	**32,001**	31,662

* Prior year adjusted on account of reclassification of other financial results. Further information is provided in the notes to this report under Note 3.

** Settlements for capital expenditures offset against capital inflows from customer refunds.

Please note that where sums and percentages in the report have been rounded, differences may arise as a result of commercial rounding.

HELLA
Three Month Report for the fiscal year 2015/2016

Condensed interim consolidated financial statements and interim Group management report

HELLA ON THE CAPITAL MARKET

Consolidation phase on the capital market

Since reaching record levels in April 2015 the international capital markets have initiated a consolidation phase which culminated in a sharp correction lasting several days in mid-August. Investor uncertainty was caused by the sovereign debt crisis in Greece, which has now eased somewhat but has by no means been resolved, but also and in particular by the turbulence on the Chinese capital markets and the subdued economic outlook in China together with its impact on the global economy.

The DAX, Germany's benchmark index, slumped from its all-time high of 12,259 points to around 9,350 points by mid-August, closing the period under review at 10,259 points, a drop of some 12 %. The indices for small and medium-sized companies, SDAX and MDAX, largely performed in line with the DAX until mid-July. Thereafter, however, their performance was substantially more positive, as a result of which they recorded losses of only 1 % and 4 %, respectively, at the end of the quarter.

Performance of HELLA share struggling in a declining market

Following price gains of 27 % from the start of the year to the end of the previous annual period on 31 May 2015, the HELLA share price tended sideways from the start of June to mid-August. Subsequently, the HELLA share was unable to escape the turbulence on the international capital markets and the more critical assessment of the automotive cycle. The share ended the period under review with a XETRA closing price of € 37.54 (as at 31 August 2015). This corresponds to a 16 % decline in the share price during the period under review whereas the relevant benchmark index, SDAX, recorded a drop of 1 %.

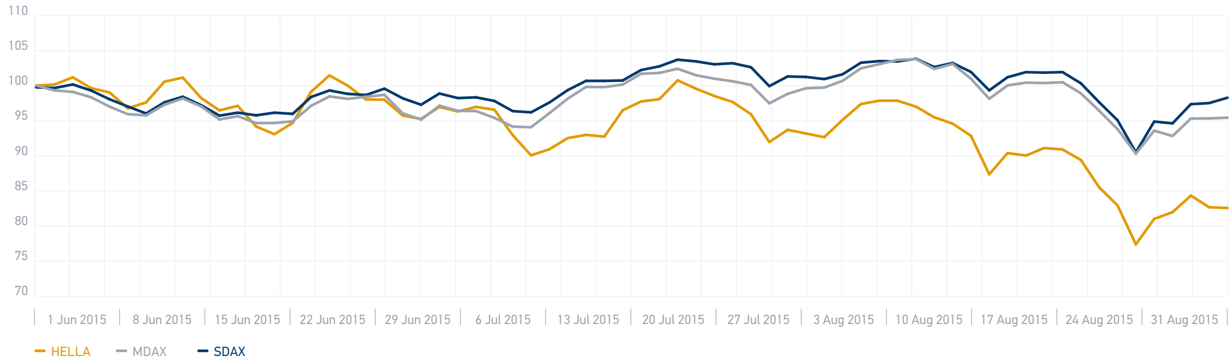
The reporting on the failure of one supplier and the resultant exceptional burden on earnings for the first quarter and the full fiscal year led to a decline in the share price on 18 September. The share was additionally weighed down by general losses on the stock markets triggered, in particular, by uncertainty about the future performance of the global economy following the postponement of the interest-rate turnaround in the USA. On that day the HELLA share declined by around 9 %, the benchmark DAX closed 3 % down and the SDAX and MDAX lost approx. 1 % each.

The liquidity of the HELLA share was increased substantially due to the placement by family shareholders in May 2015. While the average daily XETRA trading volume amounted to approx. 86,000 shares per trading day from the start of the year to the time of placement, the HELLA share generated average daily XETRA trading volume of around 132,000 shares (+ 53 %) during the period under review.

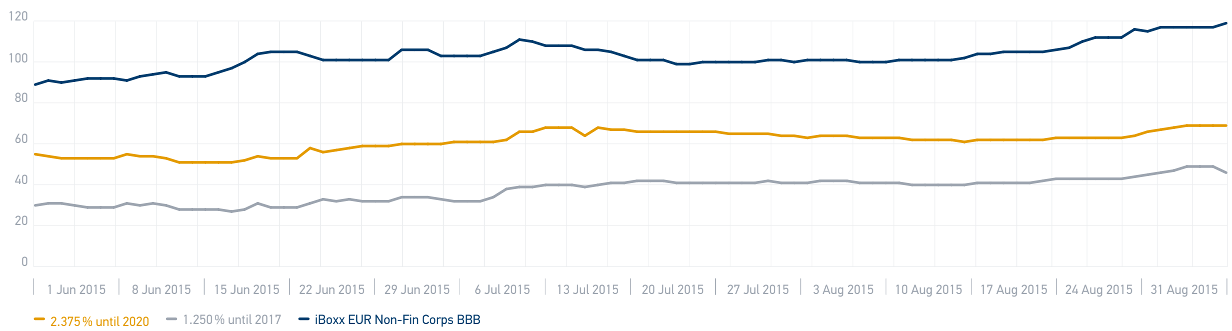
Initial stock market quotation	11 November 2014
Ticker symbol	HLE
ISIN	DE000A13SX22
WKN	A13SX2
Share class	No-par value ordinary bearer shares
Market segments	Prime Standard (Frankfurt Stock Exchange) Regulated market (Luxembourg Stock Exchange)
Index	SDAX
Nominal capital	€ 222,222,224
Number of shares issued	111,111,112 shares
Highest price in the first quarter	€ 46.02 per share
Lowest price in the first quarter	€ 35.21 per share
Average daily trading volume	132,409 shares
Average daily trading volume	€ 5.59 million
Closing price on 31 August 2015	€ 37.54 per share
Market capitalisation on 31 August 2015	€ 4,171.11 million

All trading information relates to XETRA.

Price development in the reporting period compared to selected indices (indexed on 1 June 2015)



Development of the Z-spreads



Shareholder structure

* 60 percent of the shares are subject to a pool agreement up until 2024.

HELLA shares suffer slight losses in jittery markets

Volatility in the capital markets was high over the course of the quarter, triggered by doubts about China's growth trajectory. The European bond markets were also affected, resulting in nervous reactions by some market players and thus particularly in higher credit default costs. The price of HELLA euro bonds declined slightly as a result but traded in line with comparable indices and benchmark bonds. At the end of the quarter on 31 August, the Z-spreads (measured in basis points over the euro mid-swap reference) of the 2.375 % bond and of the 1.250 % bond were traded at 67 and 44 basis points and thus slightly above the comparative spreads of 48 and 36 basis points, respectively, at the end of the past fiscal year.

Investor relations

In the first quarter of the fiscal year 2015/2016 the IR team continued its ongoing dialogue with investors, analysts and private shareholders. It attended the European Autos Conference held by J. P. Morgan in London in June and visited domestic and international investors at road shows in Frankfurt and London for in-depth conversations. Group appointments or one-to-one talks take place throughout the year at the Group's headquarters in Lippstadt/Germany. Furthermore, the IR team and HELLA's top management sought an active exchange with investors and analysts via a large number of telephone meetings.

The capital market remains very interested in HELLA as a company. At present, the company is being monitored continuously by twelve financial analysts. Despite general market uncertainty, the assessment of the business performance and strategy remains fundamentally positive. An up-to-date list of brokers and their recommendations for the share can be viewed in the Investor Relations section of the website at **www.hella.com/ir**.

Shareholder structure

Following the placement in May 2015 the free float of the HELLA share remains unchanged at 27.7 %. The family shareholders are the major shareholder group, now accounting for around 72 % of HELLA shares. The rest are owned by institutional investors and also by private shareholders. In the period under review, none of these held reportable shareholdings.

INTERIM GROUP STATUS REPORT

for the first three months of the fiscal year 2015/2016

General economic conditions

Following a slight recovery in the global economy during the first half of 2015, the economic climate deteriorated in the first three months of the HELLA fiscal year 2015/2016 (June 2015 to August 2015). The International Monetary Fund (IMF) sees two main drivers for the current, more pessimistic assessment: first of all, the slower pace of recovery in the industrialised countries and, secondly, the economic slowdown in many emerging markets, particularly in China. While the deterioration of the economic climate in North America and Europe was at a relatively high level, the economic climate remained substantially below the long-term average in Asia. The sharp drop in prices on the Chinese stock exchanges at the end of the three-month period under review also led to significant price losses on the international stock markets. In addition, falling commodity prices, which particularly affected the emerging markets, and the uncertainty surrounding the timing and extent of rate hikes by the US Federal Reserve weighed on the global economy. This development has demonstrated just how interconnected, volatile and characterised by mutual dependencies between the major economic regions the response of the globalised world economy is.

Economic growth in the automotive sector

Global passenger car unit sales showed an overall positive performance in the first eight months of 2015. All told, the USA, Western Europe and even the new EU states provided stimuli for further growth while the outlook for the Chinese passenger car market clouded over during the period under review.

The USA reported an increase in new registrations of light vehicles of 3.9 % to around 11.6 million. This increase was underpinned by stronger demand for light trucks whereas unit sales of passenger cars were down. In Western Europe, new registrations of passenger cars increased by 8.5 % to 8.7 million vehicles in the period from January to August. In the period under review from June to August, the top 5 markets of Western Europe, in particular, recorded a very positive performance with double-digit growth rates in some cases. The German vehicle market contributed to this trend; with 2.1 million new registrations in the first eight months of the year it was nearly 6 % above the prior year's figure.

In China, the number of new registrations increased by 4.5 % to 12 million vehicles in the period from January to August 2015. Following a strong start, the market's momentum declined substantially over the course of the year. During the period under review from June to August, new registrations fell short of the prior year's levels; a clear break following years of growth. The Indian vehicle market has grown by around 6 % to 1.8 million new registrations so far this year. Unit sales of light vehicles continued their negative performance in Brazil and Russia, with both markets recording double-digit rates of decline. During the period from January to August, unit sales in Russia fell by 33.5 % while those in Brazil were down 20.4 %.

HELLA Group sales (in € million) for the first three months of 2015/2016

HELLA grows by almost 14 % in the first quarter

Boosted by new start-ups, a good market setting in Europe and America and favourable exchange-rate trends, consolidated sales rose by around 14 % to € 1.50 billion in the first quarter, of which 4 percentage points were attributable to changes in exchange rates.

The Automotive business remains the driving force of consolidated growth in the first quarter of the fiscal year 2015/2016. Although demand in the Chinese market, which had been booming for many years, has recently cooled down significantly, the persistently high number of new start-ups and good level of demand in Europe and America have led to a high pace of growth of sales with third-party companies in the Automotive segment which, at 15 %, once again posted the strongest increase. Moreover, the Aftermarket business, which is heavily focused on Europe, has become more steady on its feet with an increase in sales with third-party companies of 10 %.

In Europe HELLA retains its strong positioning among German premium manufacturers. Automotive megatrends of reducing consumption and energy efficiency (CO2 reduction), safety as well as styling (LED) and comfort remain the main drivers of growth in HELLA's business activities which is well above market levels.

Earnings weighed down significantly by loss of one supplier

Notwithstanding the good unit sales performance, earnings in the first quarter were weighed down substantially following the loss of a Chinese supplier of injection moulding components. As a result, EBIT declined by € 26 million year-on-year to € 69 million. The EBIT margin fell accordingly to 4.6 %, down from 7.2 % in the prior year.

The manufacture of the intermediate products affected by the loss of the supplier has been reorganised completely in order to protect the supply chain, resulting in a considerable increase in expenses and subsequent write-offs. The public was informed of this on 17 September 2015 in an ad hoc release. All told, earnings (EBIT) of the first quarter were reduced by € 29 million on an extraordinary basis. Without this one-off expense EBIT would have risen by € 4 million or 4 % to € 98 million and the EBIT margin would total 6.6 %. Excluding the expenses for the voluntary partial retirement and severance programme launched in 2013 amounting to € 3 million, EBIT adjusted for one-off expenses comes to € 101 million, i. e. 6.8 % of sales.

Earnings before income taxes declined to € 59 million in the first quarter (prior year: € 82 million). Net income for the period came to € 43 million, after € 64 million in the prior year.

Earnings before interest and income taxes (EBIT; in € million) for the first three months of 2015/2016

Gross profit rose from € 350 million to € 375 million. This includes one-off expenses of € 24 million, which weighed the gross profit margin down by 1.6 percentage points. Excluding these additional expenses, the margin would have been slightly above the prior year's figure of 26.7 %. HELLA constantly implements measures to hedge operational currency risks as part of its active risk management system. By protecting itself against the negative impact of unfavourable exchange rate developments it is also restricting its ability to take advantage of favourable exchange rate developments where opportunities arise. The offsetting costs and income of currency hedges are included in the cost of sales. As a result, effects of exchange rate developments on sales are thus not reflected in gross profit to the same extent.

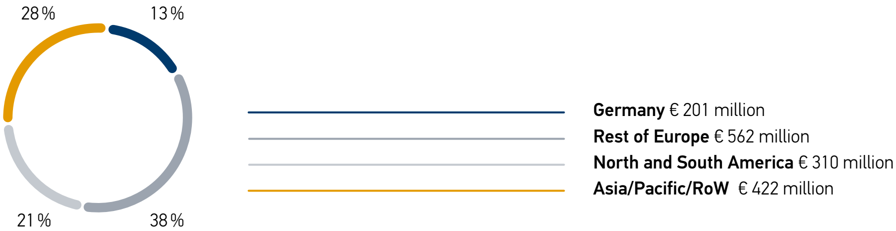
Research and development remain HELLA's main pillars of an innovative and thus attractive product portfolio. Research and development costs came to € 140 million in the first quarter and accounted for 9.3 % of sales; they were thus in line with the level of the last fiscal year, when the ratio was also 9.3 %. Compared with the prior year's quarter, however, they rose by 0.4 percentage points. This was due to the exceptionally low base of the prior year as a result of development costs shifting from the first to the second quarter. All told, the ratio in the first half of the prior year came to 9.5 %.

Distribution costs declined by 0.2 percentage points to 7.9 % in relation to sales. Alongside the sales organisation of the Automotive business, distribution costs mainly also include the cost of the retail network in our Aftermarket business. Moreover, distribution costs also comprise volume-related outbound shipping costs for supplying our customers.

Research and development

	1st quarter 2015/2016	+/–	1st quarter 2014/2015
R&D employees	**6,119**	6 %	5,722
EXPENSES IN € MILLION			
Automotive	**132**	22 %	108
Aftermarket and Special Applications	**8**	– 9 %	8
Total	**140**	**20 %**	**117**
in % of sales	**9.3**		8.9

Regional market coverage by end customers for the first three months of 2015/2016



Administration costs rose by € 6 million to € 52 million in the first quarter and came to 3.5 % of sales. They were thus at the prior year's level.

Other expenses and income of € –3 million include € 6 million in impairments as a consequence of the switch of a supplier in China.

Income from investments accounted for using the equity method has declined substantially when compared with the prior year's quarter. It came to € 8 million, after € 13 million in the prior year. Following a good quarter in the prior year, the decline is attributable to factors including less favourable unit sales in Korea and to special items, such as additional tax payments.

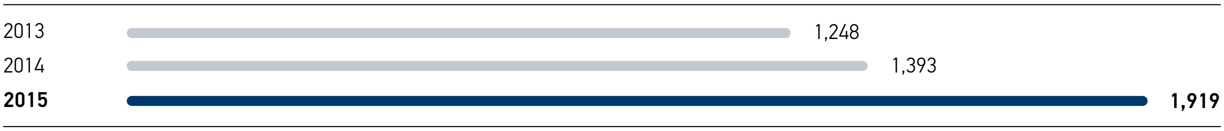
Net financial expense decreased from € 12 million to € 10 million. The drop is essentially attributable to the repayment of a 7.25 % bond in October of last year, the cost of which was included in the first-quarter figures.

Strong growth in Automotive and Aftermarket

In the first quarter the Automotive segment once again reported the strongest growth with a rise in sales in the third-party customers. Strong demand in Europe and America and further new start-ups made a material contribution to this increase. Furthermore, sales were also boosted by the appreciation of the foreign currencies vis-à-vis the euro. All told, sales in the Automotive segment rose by 10 % to € 1.1 billion in the first quarter. Excluding intra-group sales with other segments, sales to third-party customers rose by 15 %.

The broad regional footprint continued to have a positive effect in the quarter under review. By contrast, the presence in India and Brazil is very limited, and we have no local activities in Russia; the weaknesses in these regions therefore did not have any negative impact on the business performance. Net operating profit/loss of the segment declined by € 28 million to € 48 million. This includes the non-recurring charges totalling € 29 million mentioned earlier incurred in connection with the loss of a Chinese supplier. Without this charge, the EBIT margin would have come to 6.8 %, after 7.3 % in the prior year. The decline in the operating margin is attributable to more than simply this one-off effect and was also caused by factors including additional expenses linked to new start-ups of complex products with LED technology in Eastern Europe and China.

HELLA Group equity (in € million; at 31 August of each year)



In the Aftermarket segment the sales performance in the first quarter showed a marked increase over the prior year. The growth rate of 10 % offset the considerably weak demand seen in the same quarter of the prior year, which was largely attributable to temporary inventory adjustments of the consolidating wholesale business in Germany. Net operating profit/loss increased from € 15 million to € 17 million. The EBIT margin was 5.5 % and remained unchanged over the prior year.

In the Special Applications segment, which pools business activities with producers of special vehicles and industrial lighting, demand in the agricultural sector remained very weak. Segment sales declined by € 0.5 million overall to € 73 million. The segment result increased by € 1 million to € 5 million. The EBIT margin improved from 6.2 % to 7.5 %.

Substantial increase in operating cash flow in the first quarter

Cash generated from operating activities rose by € 12 million to € 191 million in the first quarter. This figure includes € 3 million (prior year: € 3 million) in payouts for the partial retirement and severance programme in Germany. Net capital expenditure as a balance of the net payment outflow for the sale or purchase of non-current assets (€ 129 million; prior year: € 174 million) and the relevant customer refunds (€ 23 million; prior year: € 15 million) recorded a substantial decline, decreasing from € 159 million to € 106 million.

Cash flow from investing (excluding acquisitions) and operating activities accordingly came to € 62 million, after € 6 million in the prior year. In operating terms, before payouts for restructurings and the acquisition of investments, cash flow came to € 65 million (prior year: € 9 million).

€ 4 million were spent on payouts for loans to associates or unconsolidated companies. The Group received € 3 million in capital repayments.

Strong financial basis for further growth

The liquidity position from cash and cash equivalents and current financial assets increased by € 42 million to € 1,050 million when compared with the start of the fiscal year. Current and non-current financial liabilities decreased by a total of € 22 million to € 1,118 million.

Net debt as the balance of cash and cash equivalents and current financial assets together with current and non-current financial liabilities fell by a total of € 63 million to € 68 million in the first three months. At the reporting date the ratio of net debt to EBITDA for the last twelve months was 0.1.

The corporate rating issued by Moody's remains in the investment grade segment at Baa2 with a stable outlook. Moody's last updated its Credit Opinion in February 2015.

Permanent employees in the HELLA Group (at 31 August of each year)

The high liquidity position of more than € 1 billion still results in a substantial increase in total assets of € 84 million to € 4.8 billion in the first quarter. The equity ratio stood at 40 % at the end of the quarter. The increase in total assets resulting from the high liquidity position influences the equity ratio significantly. The equity ratio in relation to total assets adjusted for liquidity comes to 51 %.

Human Resources

At the reporting date on 31 August 2015 the HELLA Group employed 32,001 permanent employees. This corresponds to an increase of 1.1 % or 339 employees over the prior year. When compared with 31 May 2015 the number of permanent employees rose slightly by 0.4 % or 137 employees. HELLA recorded the strongest growth in the rest of Europe, due particularly to the increase in the headcount in Eastern Europe. In the Asia/Pacific/RoW region the number of employees decreased by 8.8 % due to the fact that the staff of Beifang Hella Automotive Lighting Ltd. was transferred to a spun-off joint venture on 1 December 2014.

Opportunity and risk report

There were no significant changes in the opportunities and risks during the period under review. There were also no significant changes in the ongoing investigations into cartels, the outcome of which is still not foreseeable at present. We expect a more active continuation of the EU proceedings after the European Commission's summer recess, i. e., from autumn 2015 onwards. We are unable at present to estimate whether, and if so to what extent, existing market risks will change as a consequence of the recently reported events in connection with emissions tests on diesel motor vehicles. Details of the significant opportunities and risks may be found in our statements in the 2014/2015 annual report.

Overall economic and industry-specific outlook

The world economy is expected to show a positive albeit muted performance over the coming quarters. After the IMF downgraded its forecast for the 2015 calendar year by 0.2 percentage points to 3.3 % in July, IMF Managing Director Lagarde did not rule out the possibility of further deterioration in early September. Although the IMF expects positive stimuli in the oil-importing countries for 2015 and 2016 on account of persistently low oil prices, at the same time it projects lower growth in most major economies over the medium term, with the exception of the USA. The slowdown in the pace of China's economic growth and the substantially weaker outlook for Russia may, moreover, have a negative impact on additional emerging markets in the Asia/Pacific region. Furthermore, the global macroeconomic trend is burdened by recent volatility on the Chinese financial markets and persistent, significant geopolitical risks, such as in Ukraine, Russia or Syria. This leads to a high level of uncertainty for all market players.

According to the German Association of the Automotive Industry (VDA – Verband der Automobilindustrie), international passenger car markets should grow by around 1 % to 76.6 million units in 2015. The USA and, to some extent, China will probably remain the drivers of growth. Moreover, automotive unit sales will pick up more sharply in Western Europe as well. The heterogeneous development of the individual markets is, however, expected to continue. We cannot rule out the possibility that a weakening of

Permanent employees in the HELLA Group by region (at 31 August)

Chinese economic growth or a fall in local stock exchange prices will lead to changes in consumer behaviour in the course of the year and thus have a further negative impact on Chinese automotive demand. On the US market, unit sales of light vehicles are forecast to grow by 3 % to 16.9 million new vehicles, boosted by low fuel prices. German car manufacturers are also likely to benefit from this trend as their share of the US passenger car market comes to 12 %. New vehicle registrations in Germany are expected to record a slight increase of around 2 % to 3.1 million vehicles in 2015. Furthermore, Western Europe is expected to record further growth of around 6 % to 12.8 new vehicle registrations.

Company-specific outlook

Based on these underlying conditions and forecasts and assuming that no serious economic upheaval occurs, we expect the performance of the purely operational business activities of the HELLA Group to be positive in the remainder of the fiscal year 2015/2016.

Notwithstanding the expected unit sales performance, net operating profit/loss (EBIT) will, however, be weighed down substantially by the reported loss of a Chinese supplier. This is expected to result in one-off expenses and additional write-offs amounting to a total of up to € 50 million for the current fiscal year 2015/2016.

Against the backdrop of these developments it seems unlikely at present that the expected overall burden resulting from the supplier failure can be offset over the course of the fiscal year. Although HELLA still expects sales growth in the mid to high single-digit percentage range in the full fiscal year, EBIT will probably fall short of the prior year's level due to the one-off charge. Accordingly, the EBIT margin will decrease over the prior year. From today's perspective and excluding this one-off charge, EBIT would have increased over the prior year, as expected.

The forward-looking 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 the other market players and government measures. If any of these or other uncertainties 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.

CONDENSED INTERIM FINANCIAL STATEMENTS

Consolidated income statement

of HELLA KGaA Hueck & Co. for the period from 1 June to 31 August

€ thousand	2015/2016	adjusted* 2014/2015
Sales	**1,495,962**	1,317,805
Cost of sales	**–1,120,930**	–967,718
Gross profit	**375,032**	**350,087**
Research and development costs	**–139,623**	–116,695
Distribution costs	**–118,910**	–107,711
Administrative costs	**–52,252**	–46,304
Other income and expenses	**–3,378**	1,655
Contribution to earnings from investments accounted for using the equity method	**7,991**	13,457
Other income from shares in associates	**0**	20
Net operating profit/loss (EBIT)	**68,860**	**94,509**
Financial income	**5,118**	4,060
Financing costs	**–14,764**	–16,441
Net financial result	**–9,646**	**–12,381**
Earnings before income taxes (EBT)	**59,214**	**82,128**
Taxes on income	**–16,255**	–18,548
Earnings for the period	**42,959**	**63,580**
of which attributable:		
to the owners of the parent company	**41,197**	61,732
to non-controlling interests	**1,762**	1,848
Undiluted earnings per ordinary share in €	**0.37**	0.62
Diluted earnings per ordinary share in €	**0.37**	0.62

* Adjusted due to the reclassification of other financial results (see Note 4).

Consolidated statement of comprehensive income

(after-tax view)

of HELLA KGaA Hueck & Co. for the period from 1 June to 31 August

€ thousand	2015/2016	2014/2015
Earnings for the period	**42,959**	**63,580**
Currency translation differences	**−57,917**	24,333
Financial instruments for cash flow hedging	**12,777**	−9,411
Changes realised in equity	**6,990**	−7,330
Losses recognised in profit and loss	**5,787**	−2,081
Change in fair value of financial instruments held for sale	**−6,271**	−164
Changes realised in equity	**−6,865**	346
Losses recognised in profit and loss	**594**	−510
Share of other comprehensive income attributable to associates and joint ventures	**−11,470**	4,407
Items which were or can be transferred to profit or loss	**−51,411**	**14,758**
Revaluation from defined benefit pension plans	**19,205**	−26,659
Share of other comprehensive income attributable to associates and joint ventures	**0**	20
Items never transferred to profit or loss	**19,205**	**−26,659**
Other comprehensive income for the period	**−32,206**	**−11,901**
Comprehensive income for the period	**10,753**	**51,679**
of which attributable:		
to the owners of the parent company	**9,438**	49,529
to non-controlling interests	**1,315**	2,150

Consolidated statement of financial position

of HELLA KGaA Hueck & Co. as at 31 August

€ thousand	31 Aug 2015	31 May 2015	31 Aug 2014
Cash and cash equivalents	**722,952**	602,744	646,374
Financial assets	**326,581**	405,077	367,469
Trade receivables	**745,407**	839,322	639,037
Other receivables and non-financial assets	**156,604**	152,010	118,491
Inventories	**657,635**	608,853	642,463
Current tax assets	**34,893**	24,504	35,795
Non-current assets held for sale	**3,357**	3,357	5,917
Current assets	**2,647,429**	**2,635,867**	**2,455,546**
Intangible assets	**218,059**	220,861	196,616
Property, plant and equipment	**1,544,942**	1,612,331	1,430,001
Financial assets	**19,122**	19,653	19,285
Investments accounted for using equity method	**234,789**	266,768	225,248
Deferred tax assets	**122,213**	118,562	146,042
Other non-current assets	**46,245**	42,905	36,877
Non-current assets	**2,185,370**	**2,281,080**	**2,054,069**
Assets	**4,832,799**	**4,916,947**	**4,509,615**
Financial liabilities	**68,061**	100,221	315,328
Trade payables	**581,449**	573,893	491,395
Current tax liabilities	**44,945**	45,776	53,143
Other liabilities	**498,695**	556,934	419,305
Provisions	**79,611**	72,644	108,183
Current liabilities	**1,272,761**	**1,349,468**	**1,387,354**
Financial liabilities	**1,049,547**	1,038,886	1,121,699
Deferred tax liabilities	**37,094**	24,882	69,328
Other liabilities	**220,266**	236,371	232,776
Provisions	**333,753**	357,646	305,026
Non-current liabilities	**1,640,660**	**1,657,785**	**1,728,829**
Subscribed capital	**222,222**	222,222	200,000
Reserves and unappropriated surplus	**1,667,454**	1,658,016	1,161,711
Equity before non-controlling interests	**1,889,676**	1,880,238	1,361,711
Non-controlling interests	**29,702**	29,456	31,721
Equity	**1,919,378**	**1,909,694**	**1,393,432**
Equity and liabilities	**4,832,799**	**4,916,947**	**4,509,615**

Consolidated cash flow statement

of HELLA KGaA Hueck & Co. for the period from 1 June to 31 August

€ thousand		2015/2016	adjusted* 2014/2015
	Profit before income taxes	**59,214**	**82,128**
+	Depreciation and amortisation	**106,077**	79,984
+/–	Change in provisions	**7,044**	2,217
+	Payments received for series production	**23,039**	14,969
–	Non-cash sales transacted in previous periods	**–24,039**	–19,916
+/–	Other non-cash income	**–15,040**	–14,284
+/–	Losses from the sale of non-current assets (prior year: gains)	**4**	–40
+	Net financial result	**9,646**	12,381
+/–	Change in trade receivables and other assets not attributable to investing or financing activities	**58,207**	56,464
+/–	Decrease/increase in inventories	**–69,439**	–62,977
+/–	Change in trade payables and other liabilities not attributable to investing or financing activities	**32,369**	33,107
+/–	Interest received / paid	**–1,374**	–856
–	Taxes paid	**–25,536**	–23,284
+	Dividends received	**31,236**	19,848
=	**Net cash generated from operating activities**	**191,408**	**179,741**
+	Cash proceeds from the sale of property, plant and equipment and intangible assets	**1,778**	628
–	Payments for the purchase of property, plant and equipment and intangible assets	**–130,954**	–174,136
+	Repayments of loans from associates or unconsolidated companies	**101**	131
–	Payments for loans granted to associates or unconsolidated companies	**–4,317**	0
+	Cash proceeds from capital decrease in investments accounted for using equity method	**2,792**	13,200
=	**Net cash generated from investing activities**	**–130,600**	**–160,177**
–	Payments for the repayment of financial liabilities	**–59,492**	–10,028
+	Cash proceeds from borrowing	**49,181**	12,039
–	Payments made for the purchase and sale of securities	**75,877**	–15,627
–	Dividend paid	**–1,069**	–308
=	**Net cash generated from financing activities**	**64,497**	**–13,924**
=	**Net change in cash**	**125,305**	**5,640**
+	Cash and cash equivalents as at 1 June	**602,744**	637,226
+/–	Effect of exchange rate fluctuations on cash	**–5,097**	3,508
=	**Cash and cash equivalents as at 31 August**	**722,952**	**646,374**

* Adjusted due to the reclassification of other financial results (see Note 4).

Consolidated statements of changes in equity

of HELLA KGaA Hueck & Co.

€ thousand	Subscribed capital	Capital reserve	Currency translation reserve	Cash flow hedge reserve
At 1 June 2014	**200,000**	**0**	**–33,397**	**–63,838**
Earnings for the period	0	0	0	0
Other comprehensive income for the period	0	0	24,031	–9,411
Comprehensive income for the period	**0**	**0**	**24,031**	**–9,411**
Distributions to shareholders	0	0	0	0
Transactions with shareholders	**0**	**0**	**0**	**0**
At 31 August 2014	**200,000**	**0**	**–9,366**	**–73,249**
At 1 June 2015	**222,222**	**250,234**	**81,505**	**–89,092**
Earnings for the period	0	0	0	0
Other comprehensive income for the period	0	0	–57,437	12,744
Comprehensive income for the period	**0**	**0**	**–57,437**	**12,744**
Distributions to shareholders	0	0	0	0
Transactions with shareholders	**0**	**0**	**0**	**0**
At 31 August 2015	**222,222**	**250,234**	**24,068**	**–76,348**

See also Note 10 for information on equity.

Reserve for financial instruments held for sale	Revaluation from defined benefit pension plans	Other retained earnings / profit carried forward	Equity before non-controlling interests	Non-controlling interests	Total capital
4,447	**–48,276**	**1,253,246**	**1,312,182**	**29,879**	**1,342,061**
0	0	61,732	61,732	1,848	**63,580**
–164	–26,659	0	–12,203	302	**–11,901**
–164	**–26,659**	**61,732**	**49,529**	**2,150**	**51,679**
0	0	0	0	–308	**–308**
0	**0**	**0**	**0**	**–308**	**–308**
4,283	**–74,935**	**1,314,978**	**1,361,711**	**31,721**	**1,393,432**
10,469	**–70,904**	**1,475,804**	**1,880,238**	**29,456**	**1,909,694**
0	0	41,197	41,197	1,762	**42,959**
–6,271	19,205	0	–31,759	–447	**–32,206**
–6,271	**19,205**	**41,197**	**9,438**	**1,315**	**10,753**
0	0	0	0	–1,069	**–1,069**
0	**0**	**0**	**0**	**–1,069**	**–1,069**
4,198	**–51,699**	**1,517,001**	**1,889,676**	**29,702**	**1,919,378**

NOTES

01 Basic information

HELLA KGaA Hueck & Co. ("HELLA KGaA") and its subsidiaries (collectively referred to as the "Group") develop and manufacture lighting technology and electronics components and systems for the automotive industry. The Group also produces complete vehicle modules and air conditioning systems in joint venture undertakings. The Group's production and manufacturing sites are located across the globe; its most significant markets are in Europe, the USA and Asia, particularly Korea and China. In addition, HELLA has its own international sales network for vehicle accessories of all kinds.

The Company is a stock corporation, which was founded and is based in Lippstadt, Germany. The address of the Company's registered office is Rixbecker Str. 75, Lippstadt.

These interim financial statements have been prepared as a condensed interim report in accordance with the requirement of the International Financial Reporting Standards (IFRS) applicable as of 31 August 2015 and as adopted by the European Union. The interim report was created in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are accompanied by an interim management report. The comparative values of the prior annual period were determined in accordance with the same principles.

The interim financial statements are prepared in euros (€). Amounts are stated in thousands of euros (€ thousand). The interim report is prepared using accounting and measurement methods that are applied consistently within the Group on the basis of amortised historical cost. This does not apply to assets that are held for sale and derivative financial instruments, which are measured at fair value. The consolidated income statement is prepared using the cost-of-sales method. The current/non-current distinction is observed in the consolidated statement of financial position. The amounts stated under current assets and liabilities are for the most part due for settlement within twelve months. Accordingly, non-current items are mainly due for settlement in more than twelve months. In order to enhance the clarity of the presentation, items of the consolidated statement of financial position and consolidated income statement have been grouped together where this is appropriate and possible. These items are broken down and explained in the notes to the consolidated financial statements. Please note that where sums and percentages in the report have been rounded, differences may arise as a result of commercial rounding.

02 Scope of consolidation

In addition to HELLA KGaA Hueck & Co., all significant domestic and foreign subsidiaries that are directly or indirectly controlled by HELLA are consolidated. Material joint ventures are included in the consolidated financial statements in accordance with the equity method of accounting.

Number	**31 Aug 2015**	31 May 2015	31 Aug 2014
Fully consolidated companies	**101**	101	102
Companies accounted for using equity method	**52**	52	48

03 Accounting and measurement methods

The accounting and measurement methods used in the interim report are the same as those used in the consolidated financial statements of 31 May 2015. These methods are explained in detail in the consolidated financial statements of 31 May 2015.

The presentation of financial income and financing costs was adjusted in the consolidated financial statements of 31 May 2015; accordingly, additional explanatory disclosures may be dispensed with in the Notes without any loss of relevant information.

The interest income reported separately in the interim report of the prior annual period is reported together with other financial income, while the interest expenses reported separately in the prior annual period are reported together with other financing costs. This does not result in any change to earnings before taxes; on the other hand, this adjustment ensures that net operating profit/loss (EBIT) no longer includes other financing costs or financial income.

Hence the Group is following through on its decision to present the EBIT margin (ratio of EBIT to sales) as a key performance indicator. In our opinion, this change considerably improves the comparability of net operating profit/loss (EBIT) as a key performance indicator.

As a consequence thereof, an adjustment will be made to the recognition of net cash flows from operating activities which correlates to net operating profit/loss.

The quantitative effects are set out in the following tables.

Consolidated income statement

€ thousand	as reported 2014/2015	Reclassification of financial items	adjusted 2014/2015
Sales	1,317,805	0	1,317,805
Cost of sales	– 967,718	0	– 967,718
Gross profit	**350,087**	**0**	**350,087**
Research and development costs	– 116,695	0	– 116,695
Distribution costs	– 107,711	0	– 107,711
Administrative costs	– 46,304	0	– 46,304
Other income and expenses	1,655	0	1,655
Contribution to earnings from investments accounted for using equity method	13,457	0	13,457
Other income from shares in associates	20	0	20
Income from securities and other loans	702	– 702	0
Other financial result	– 4,003	4,003	0
Net operating profit/loss (EBIT)	**91,208**	**3,301**	**94,509**
Interest income	3,358	– 3,358	0
Interest expenses	– 12,438	12,438	0
Net borrowing costs/net interest income	**– 9,080**	**9,080**	**0**
Financial income	0	4,060	4,060
Financing costs	0	– 16,441	– 16,441
Net financial result	**0**	**– 12,381**	**– 12,381**
Earnings before income taxes (EBT)	**82,128**	**0**	**82,128**
Taxes on income	– 18,548	0	– 18,548
Earnings for the period	**63,580**	**0**	**63,580**
Of which attributable:			
to the owners of the parent company	61,732	0	61,732
to non-controlling interests	1,848	0	1,848
Undiluted earnings per ordinary share in €	**0.62**	**0**	**0.62**
Diluted earnings per ordinary share in €	**0.62**	**0**	**0.62**

Consolidated cash flow statement

€ thousand		as reported 2014/2015	Reclassification of financial items	adjusted 2014/2015
	Profit before income taxes	**82,128**	**0**	**82,128**
+	Depreciation/amortisation	79,984	0	79,984
+/–	Change in provisions	2,217	0	2,217
+	Payments received for series production	14,969	0	14,969
–	Non-cash sales transacted in previous periods	–19,916	0	–19,916
+/–	Other non-cash income / expenses	–10,983	–3,301	–14,284
+/–	Profit/loss on sale of non-current assets	–40	0	–40
+/–	Net borrowing costs/net interest income	9,080	–9,080	
+/–	Net financial result		12,381	12,381
+/–	Change in trade receivables and other assets not attributable to investing or financing activities	56,464	0	56,464
+/–	Decrease/increase in inventories	–62,977	0	–62,977
+/–	Change in trade payables and other liabilities not attributable to investing or financing activities	33,107	0	33,107
+	Interest received			
–	Interest paid	–856	0	–856
+	Tax refunds received			
–	Taxes paid	–23,284	0	–23,284
+	Dividends received	19,848	0	19,848
=	**Net cash generated from operating activities**	**179,741**	**0**	**179,741**
+	Cash proceeds from the sale of property, plant and equipment and intangible assets	628	0	628
–	Payments for the purchase of property, plant and equipment and intangible assets	–174,136	0	–174,136
–	Payments for the acquisition of shares in associates	131	0	131
–	Cash proceeds from capital decrease in investments accounted for using equity method	13,200	0	13,200
=	**Net cash generated from investing activities**	**–160,177**	**0**	**–160,177**
–	Payments for the repayment of financial liabilities	–10,028	0	–10,028
+	Cash proceeds from borrowing	12,039	0	12,039
–	Payments for the purchase of securities	–15,627	0	–15,627
–	Dividend paid	–308	0	–308
=	**Net cash generated from financing activities**	**–13,924**	**0**	**–13,924**
=	**Net change in cash**	**5,640**	**0**	**5,640**
+	**Cash and cash equivalents as at 1 June**	**637,226**	**0**	**637,226**
+/–	**Effect of exchange rate fluctuations on cash**	**3,508**	**0**	**3,508**
=	**Cash and cash equivalents as at 31 August**	**646,374**	**0**	**646,374**

04 Particular business transactions

A Chinese supplier dropped out during the period under review and unexpectedly ended its contractual delivery obligations. The manufacture of the intermediate products affected has been reorganised completely in order to protect the supply chain, resulting in a significant increase in expenses, such as special freight costs and additional write-offs. All in all, this resulted in an extraordinary charge against net operating profit/loss in the first quarter. The expected additional expenses are causing losses on existing trade receivables which, in turn, result in allocations to the corresponding provisions. In addition, the goodwill reported for the Group unit was subjected to an impairment analysis and was fully impaired in the result. This led to an expense of € 23,651 thousand for allocations to pending losses and devaluations of property, plant and equipment being recorded in cost of sales, as well as an expense of € 5,611 thousand for the impairment of goodwill in other income and expenses.

05 Sales

Sales for the first three months of the annual period 2015/2016 amounted to € 1,495,962 thousand (prior year: € 1,317,805 thousand). Sales are attributable entirely to the sale of goods and services.

The sales can be classified as follows:

€ thousand	**2015/2016**	2014/2015
Sales from the sale of goods	**1,477,235**	1,278,444
Sales arising from the rendering of services	**18,727**	39,361
Sales total	**1,495,962**	**1,317,805**

06 Earnings per share

Undiluted earnings per share are calculated by dividing the share of earnings attributable to the shareholders of HELLA KGaA Hueck & Co. by the weighted average number of ordinary shares issued.

The number of shares outstanding in the prior year was increased from the previously reported 50 million to 100 million no-par value shares, owing to the stock split conducted in October 2014. This did not lead to any change in equity.

Furthermore, an issue of new capital on 7 November 2014 increased the number of outstanding shares by 11,111,112 to 111,111,112. To facilitate a better comparison, the comparative period has been adjusted to the status after the stock split.

Undiluted earnings per share amounted to € 0.37 and are equivalent to diluted earnings per share.

Number of shares	**31 August 2015**	31 August 2014
Weighted average number of shares in circulation during the period		
Ordinary shares, undiluted	**111,111,112**	100,000,000
Ordinary shares, diluted	**111,111,112**	100,000,000
€ thousand	**2015/2016**	2014/2015
Share of profit attributable to shareholders of the parent company	**41,197**	61,732
€	**2015/2016**	2014/2015
Earnings per share, undiluted	**0.37**	**0.62**
Earnings per share, diluted	**0.37**	**0.62**

07 Segment reporting

External segment reporting is based on internal reporting (management approach). Segment reporting is based solely on financial information used by the company's decision makers for the internal management of the company and to make decisions regarding the allocation of resources and measurement of profitability.

The Lighting and Electronics business divisions are reported together in the Automotive segment. Both business divisions serve a similar customer base worldwide. Both segments are therefore subject to broadly similar economic cycles and market developments. In addition, the individual products have comparable lifecycles. Original Equipment provides lighting and electronics components to automobile manufacturers and other tier-1 suppliers worldwide through an integrated distribution network. The product portfolio of the Lighting business division includes headlamps, signal lamps, interior lamps, and lighting electronics. The Electronics business division focuses on the product areas of body electronics, energy management, as well as driver assistance systems and components (e.g. sensors and engine compartment actuators). The Automotive segment develops, produces and sells vehicle-specific solutions, and develops and brings to market technological innovations. The margins attainable within the segment are mainly dependent on the respective technology used, and to a lesser extent on customers, regions, and products.

The Aftermarket business segment is responsible for the trade in automotive parts and accessories, and the wholesale business. The trade product portfolio includes service parts for the Lighting, Electrical, Electronics, and Thermal Management segments. In addition, the automotive parts and accessories businesses and garages receive sales support through a modern, rapid information and ordering system, as well as through competent technical service. The Aftermarket segment makes only limited use of the Automotive segment's resources, and largely produces the independently developed items in its own plants.

The segment information for the first quarter of the 2015/2016 and 2014/2015 fiscal years is as follows:

	Automotive		Aftermarket		Special Applications	
€ thousand	**2015/2016**	2014/2015	**2015/2016**	2014/2015	**2015/2016**	2014/2015
Sales with third-party companies	**1,126,924**	979,275	**291,995**	265,378	**71,895**	73,153
Inter-segment sales	**19,937**	64,707	**14,785**	13,679	**1,025**	248
Cost of sales	**–901,718**	–814,138	**–205,937**	–186,030	**–44,697**	–46,186
Gross profit	**245,143**	**229,844**	**100,843**	**93,027**	**28,223**	**27,215**
Research and development costs	**–131,927**	–108,198	**–3,710**	–3,936	**–3,986**	–4,561
Distribution costs	**–26,613**	–23,006	**–76,840**	–70,308	**–15,392**	–14,397
Administrative costs	**–41,963**	–35,572	**–7,194**	–6,812	**–3,887**	–3,920
Other income and expenses	**–2,522**	1,923	**1,928**	1,391	**486**	180
Result of investments accounted for using equity method	**6,211**	11,445	**1,780**	2,011	**0**	0
Earnings before interest payments and income taxes	**48,329**	**76,436**	**16,807**	**15,373**	**5,444**	**4,517**
Additions to non-current assets	**62,508**	59,887	**4,878**	5,673	**2,754**	395

Sales for the 2015/2016 and 2014/2015 annual periods are as follows:

€ thousand	2015/2016	2014/2015
Total sales of the reporting segments	**1,526,561**	**1,396,440**
Unallocated sales	**16,499**	0
Elimination of intercompany sales	**–47,097**	–78,636
Consolidated sales	**1,495,962**	**1,317,805**

Unallocated sales relate to revenues generated through personnel services rendered for third-party companies.

Reconciliation of the segment results with consolidated net profit/loss:

€ thousand	2015/2016	2014/2015
EBIT of the reporting segments	**70,580**	**96,326**
EBIT of other divisions	**1,226**	683
Unallocated income	**–2,946**	–2,500
Consolidated EBIT	**68,860**	**94,509**
Net financial result	**–9,646**	–12,381
Consolidated EBT	**59,214**	**82,128**

08 Notes to the cash flow statement

The financial resource fund comprised solely cash and cash equivalents, as was the case on 31 May 2015.

09 Disclosures on financial instruments

General information on financial instruments
The carrying amounts and fair values of classes of financial instruments and the carrying amounts in accordance with IAS 39 measurement categories as at 31 August 2015 and as at 31 May 2015 are shown below.

€ thousand	Category under IAS 39	Carrying amount 31 Aug 2015	Fair value 31 Aug 2015	Carrying amount 31 May 2015	Fair value 31 May 2015	Fair value hierarchy
Cash and cash equivalents	LaR	**722,952**	**722,952**	602,744	602,744	
Trade receivables	LaR	**745,407**	**745,407**	839,322	839,322	
Loans	LaR	**4,533**	**4,533**	204	204	
Other financial assets						
Derivatives used for hedging	n.a.	**4,094**	**4,094**	2,276	2,276	
Derivatives not used for hedging	HfT	**3,830**	**3,830**	3,181	3,181	
Available-for-sale financial assets	AfS	**321,054**	**321,054**	402,778	402,778	Level 1
Other receivables associated with financing activities	LaR	**44,250**	**44,250**	39,802	39,802	
Financial assets (current)		**1,846,120**	**1,846,120**	**1,890,307**	**1,890,307**	
Trade receivables	LaR	**39,998**	**39,998**	38,347	38,347	Level 2
Loans	LaR	**8,410**	**8,410**	8,559	8,059	Level 2
Other financial assets						
Available-for-sale financial assets	AfS	**10,694**	**10,694**	11,074	11,074	Level 2
Other receivables associated with financing activities	LaR	**19**	**19**	20	20	Level 2
Financial assets (non-current)		**59,121**	**59,121**	**58,000**	**57,500**	
Financial assets		**1,905,241**	**1,905,241**	**1,948,307**	**1,947,807**	
Financial liabilities	FLAC	**65,660**	**65,660**	97,153	97,153	
Trade payables	FLAC	**581,449**	**581,449**	573,893	573,893	
Other financial liabilities						
Derivatives used for hedging	n.a.	**13,886**	**13,886**	11,897	11,897	Level 2
Derivatives not used for hedging	HfT	**4,441**	**4,441**	6,224	6,224	Level 2
Financial lease liabilities	n.a.	**2,402**	**2,402**	3,068	3,068	
Other financial liabilities	FLAC	**143,013**	**143,013**	190,254	190,254	
Financial liabilities (current)		**810,851**	**810,851**	**882,489**	**882,489**	
Financial liabilities to banks	FLAC	**164,667**	**175,273**	153,793	152,506	Level 2
Bonds	FLAC	**884,572**	**940,710**	884,393	942,616	Level 1
Other financial liabilities						
Derivatives used for hedging	n.a.	**101,945**	**101,945**	118,625	118,625	Level 2
Derivatives not used for hedging	HfT	**10,466**	**10,466**	8,214	8,214	Level 2
Financial lease liabilities	n.a.	**307**	**307**	700	700	
Other financial liabilities	FLAC	**582**	**928**	941	941	
Financial liabilities (non-current)		**1,162,539**	**1,229,629**	**1,166,666**	**1,223,602**	
Financial liabilities		**1,973,390**	**2,040,480**	**2,049,155**	**2,106,091**	
Of which aggregated under IAS 39 measurement categories:						
Financial assets HfT		**3,830**	**3,830**	3,181	3,181	
LaR		**1,565,569**	**1,565,569**	1,528,998	1,528,498	
AfS		**331,748**	**331,748**	413,853	413,853	
Financial liabilities HfT		**14,907**	**14,907**	14,438	14,438	
FLAC		**1,839,943**	**1,907,033**	1,900,427	1,957,363	
Financial assets, derivatives used for hedging		**4,094**	**4,094**	2,276	2,276	
Financial liabilities, derivatives used for hedging		**115,831**	**115,831**	130,522	130,522	

Level 1: Measurement of market value based on listed, unadjusted prices on active markets

Level 2: Measurement of market value based on criteria for assets and financial liabilities that can be either directly or indirectly derived from prices on active markets

Level 3: Measurement of market value based on criteria that cannot be derived from active markets.

The Group reports possible transfers between different levels of the fair value hierarchy at the end of the reporting period in which the change occurred. As in the prior year, no transfers were made between different levels of the fair value hierarchy during the reporting period.

The carrying amounts of short-term financial instruments at the reporting date correspond to the market value owing to their short residual term and the fact that they are recognised at market value.

The carrying amounts of non-current financial liabilities also largely correspond to the market values owing to the mostly variable interest rates. Long-term financial instruments on the assets side are mainly determined by the other investments and loans. The fair values of these equity components measured at acquisition costs could not be determined as no stock exchange or market prices were available.

10 Equity

On the equity and liabilities side, share capital is recognised at its nominal value under the "Subscribed capital" item. The share capital amounts to € 222,222 thousand. The no-par value shares are issued to the bearer. All issued shares are fully paid up. Each share confers a right to vote and a right to dividends if distributions are agreed.

Under "Other retained earnings/profit carried forward", other retained earnings of the parent company and past earnings of consolidated companies are also included, unless they have been distributed. This item also includes the statutory reserve of the parent company. The statutory reserve is subject to the distribution restrictions specified in the German Stock Corporation Act (Aktiengesetz).

Actuarial losses of € 19,205 thousand (prior year: € 26,659 thousand) were recognised in the period. The change in value of the defined benefit liabilities or of the assigned plan assets is attributable to calculation parameters and in particular the discount rate used here, which was 2.33 % at the end of August 2015 (May 2015: 1.92 %).

Offsetting of differences in assets and liabilities arising from the capital consolidation of subsidiaries consolidated before 1 June 2006, and the adjustments recognised directly in equity for the first-time adoption of IFRS are also included in this item. Actuarial gains and losses recognised directly in equity, the differences arising from the currency translation of the annual financial statements of foreign subsidiaries not recognised in profit or loss, the impact arising from the measurement of derivative financial instruments acquired for hedging purposes and financial assets not recognised in profit or loss, as well as financial assets from the available-for-sale category, are also recognised in this item.

A detailed overview of the composition and changes in the results recognised directly in equity is presented in the consolidated statement of changes in equity. The Group aims to maintain a strong equity base. The Group strives to strike a balance between a higher return on equity, which would be possible through greater leverage, and the advantages and security offered by a solid equity position. The Group is aiming for a ratio of less than 1.0 for net debt to operating result before depreciation/amortisation (EBITDA) in the long term. The ratio as at 31 August was 0.1.

11 Events after the reporting date

HELLA concluded the negotiations concerning the acquisition of the remaining shares in INTER-TEAM Sp. z o.o. in Poland and concluded a corresponding purchase agreement on 13 August 2015, subject to the approval by the competent anti-trust authorities.

The purchase price for the remaining 50 % of the shares amounts to TPLN 137,000 (approximately equivalent to € 33,000 thousand). The purchase is intended to support the wholesale business in Eastern Europe in the Aftermarket segment. The Polish antitrust authorities approved the transaction on 21 September. Following payment of the purchase price, which must be effected within the next ten days after approval by the antitrust authorities, the legal transfer to HELLA shall be concluded. The company is already fully consolidated and the acquisition of shares will result not only in cash flows but also a reclassification in equity.

Lippstadt, 24 September 2015

The Managing Partners of HELLA KGaA Hueck & Co.

Dr. Jürgen Behrend

HELLA Geschäftsführungsgesellschaft mbH

Dr. Rolf Breidenbach (Chair)

Carsten Albrecht

Markus Bannert

Jörg Buchheim

Dr. Wolfgang Ollig

Stefan Osterhage

Dr. Matthias Schöllmann

GLOSSARY

AFLAC
Acronym for “American Family Life Assurance Company”. American insurance company specialised in health and life insurance.

Asia/Pacific/RoW
The Asia / Pacific region comprises the countries of Asia as well as Australia and New Zealand. “Rest of world” is the term used to cover all other countries outside of those regions mentioned specifically, such as the African states.

Associates
Associates are companies over which the Group exercises significant influence but no control.

At equity
Inclusion in the consolidated financial statements using the equity method with proportional equity.

Compliance
Compliance with regulations and social norms

DBO (defined benefit obligation)
Value of obligations arising from the company pension scheme

EBIT (earnings before interest and taxes)
Earnings before interest payments and income taxes

EBIT margin
Return on sales (ratio of EBIT to sales)

EBITDA (earnings before interest, taxes, depreciation and amortisation)
Earnings before depreciation, amortisation, interest and income taxes

EBITDA margin
Ratio of EBITDA to sales

EBT (earnings before taxes)
Profit before income taxes

IFRS (International Financial Reporting Standards)
International accounting rules for company financial statements to guarantee international comparability of annual and consolidated financial statements

Joint ventures
Joint ventures are joint arrangements in which HELLA exercises joint control together with other partners and also has rights to the arrangement’s equity.

KGaA
Acronym for “Kommanditgesellschaft auf Aktien”, a partnership limited by shares. The KGaA combines the elements of a stock corporation with those of a limited partnership.

NAFTA
Acronym for “North American Free Trade Agreement”. The North American Free Trade Agreement is a trade association between Canada, the USA and Mexico, and forms a free trade zone in North America.

Net investments
Payments for the acquisition of property, plant and equipment and intangible assets less cash proceeds from the sale of property, plant and equipment and intangible assets as well as payments received for series production.

Net debt
Net debt as the balance of cash and cash equivalents and current financial assets and current and non-current financial liabilities.

North and South America
This region comprises all countries of North and South America.

Operating cash flow
Cash generated from operating activities after capital expenditure, excluding company acquisitions and restructuring measures

Rating
In terms of financial accounting, the rating is a method for classifying creditworthiness. This rating is issued by independent rating agencies on the basis of a company analysis.

R&D
Research and development

Rest of Europe
This region comprises all countries in Europe including Turkey and Russia but excluding Germany.

Return on equity
The return on equity is a ratio calculated by dividing net income by shareholders' equity.

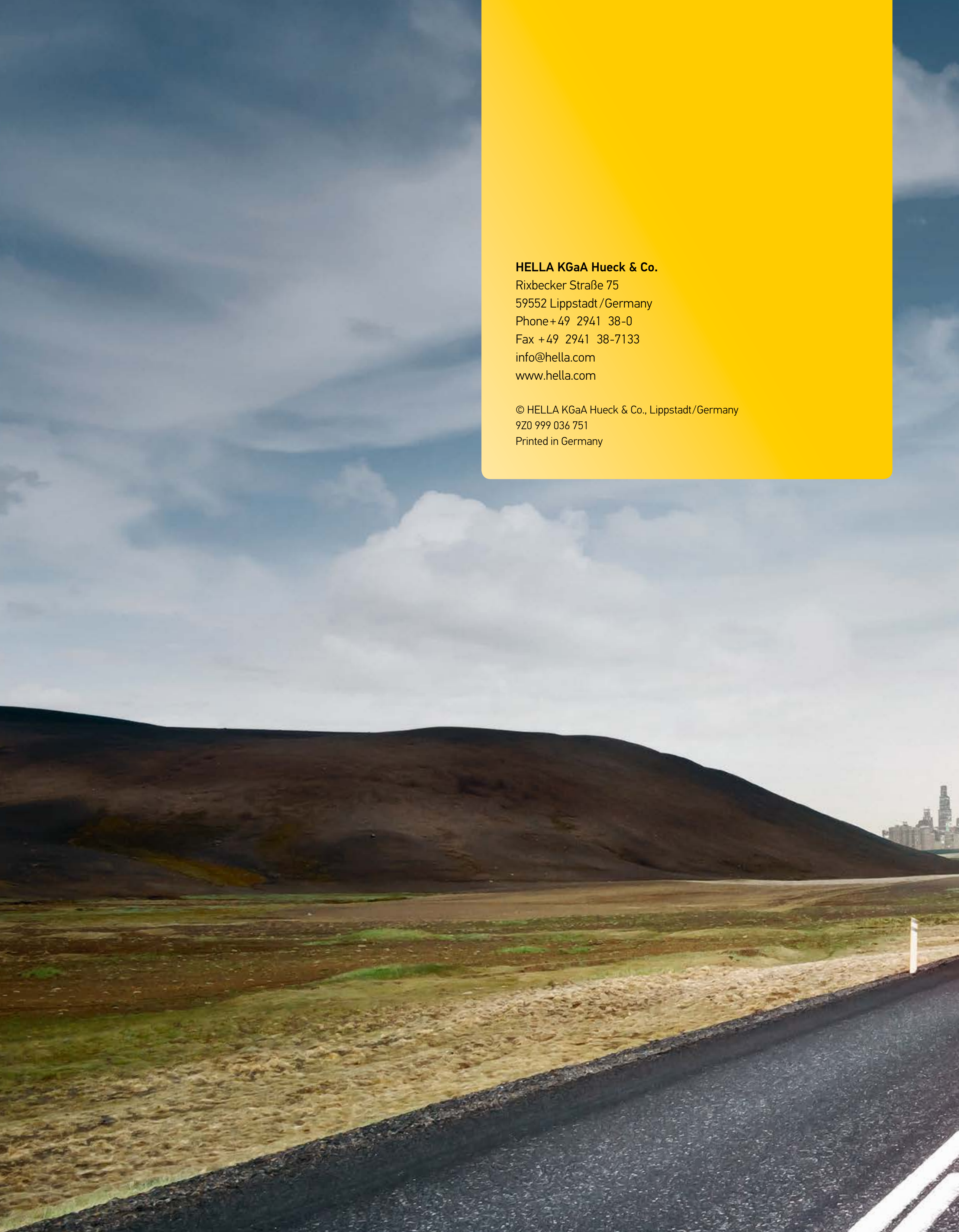
Segment sales
Sales with third-party companies and other business segments

Segment sales of the business division
Sales with third-party companies, other business segments and other business divisions of the same business segment

SOE, Special OE (Special Original Equipment)
Designation of "Special Original Equipment" at HELLA. In this division HELLA systematically taps customer target groups outside the automotive original equipment market, such as manufacturers of caravans/motorhomes, agricultural machinery and construction machinery as well as municipalities.

Tier–1 supplier
First-level supplier

Working Capital
Inventories plus trade receivables minus trade payables



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