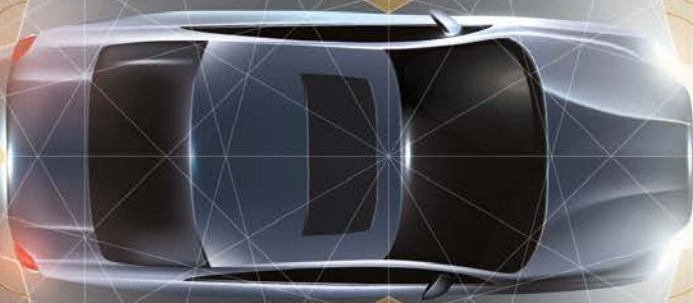




Technology with Vision

QUARTERLY STATEMENT
1ST QUARTER OF
FISCAL YEAR 2016/2017
1 JUNE 2016 – 31 AUGUST 2016



KEY PERFORMANCE INDICATORS

	1st quarter 2016/2017	1st quarter 2015/2016
Sales growth	4%	14%
Adjusted EBIT margin	7.6%	6.8%
	1st quarter 2016/2017	1st quarter 2015/2016
In € million		
Sales	1,553	1,496
Adjusted earnings before interest and taxes (adjusted EBIT)	118	101
<i>Change compared to prior year</i>	17%	4%
Earnings before interest and taxes (EBIT)	117	69
<i>Change compared to prior year</i>	69%	-27%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	210	175
<i>Change compared to prior year</i>	20%	0%
Earnings for the period	83	43
<i>Change compared to prior year</i>	94%	-32%
Earnings per share (in €)	0.75	0.37
<i>Change compared to prior year</i>	102%	-40%
Adjusted operating cashflow	27	65
<i>Change compared to prior year</i>	-58%	605%
Operating cashflow	-45	62
Net capital expenditure	106	106
<i>Change compared to prior year</i>	-1%	-33%
Research and development (R&D) expenses	154	140
<i>Change compared to prior year</i>	10%	20%
	1st quarter 2016/2017	1st quarter 2015/2016
EBIT margin	7.5%	4.6%
EBITDA margin	13.5%	11.7%
R&D expenses in relation to sales	9.9%	9.3%
	1st quarter 2016/2017	1st quarter 2015/2016
Net financial debt (in € million)	296	68
Net financial debt/EBITDA (last 12 months)	0.3x	0.1x
Equity ratio	40.7%	39.7%
Return on equity (last 12 months)	16.3%	19.7%
Employees (as at 31 August 2016)	34,141	32,001

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

HELLA

Quarterly statement on the 1st quarter of fiscal year 2016/2017

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SECTOR PERFORMANCE AND BUSINESS PERFORMANCE OF THE GROUP

for the first three months
of the fiscal year 2016/2017

Sector performance

In the first quarter of the HELLA fiscal year, the international automotive economy developed positively according to surveys conducted by the German Association of the Automotive Industry (VDA), increasing by around 7.5% compared with the same prior-year period. The number of new passenger car registrations in the two core regions of Western Europe and China increased over the prior year; owing to a slight decline in August, the automotive economy in the USA is down marginally on the prior-year's level. Despite a temporary decline in July 2016, which was attributable to calendar effects, the number of new registrations in Western Europe increased by almost 4% during the first quarter of fiscal year 2016/2017. The Western European market benefited here from a market increase of 6% and 8% respectively in June and August, among other things. The trend was also positive in Germany, where a total increase of 4% was recorded. China also confirmed its position as an important growth market for the automotive industry in the first quarter of 2016/2017, with the market posting a 27% increase for the entire quarter. This increase is largely attributable to tax relief on vehicles with a displacement of up to 1.6 litres, growing demand for sport utility vehicles (SUVs) and catch-up effects from the weak prior-year quarter. Performance in the USA is still defined by a strong increase in light trucks, while the number of new passenger vehicle registrations continues to fall. After two moderately positive months, the number of new registrations in the USA fell by 3% in August 2016. This is also due to calendar effects, as there was one less sales weekend in August in the USA. All in all, the number of new registrations in the USA fell very slightly by less than 1%.

Business performance

Growth of 3.8% after three months; currency and portfolio adjusted growth at 5.2%

Consolidated sales grew by 3.8% over the prior-year period to around € 1.6 billion in the first quarter of fiscal year 2016/2017. The exchange rate development had a negative effect of 1.2 percentage points on the growth rate in the first three months. The disposal of the Industries and Airport Lighting business areas reduced sales by an additional 0.2 percentage points. Excluding these effects from exchange rates and the portfolio optimization, adjusted sales growth is 5.2%.

Sales with third-party companies in the Automotive segment grew by 3.2% in the reporting period. This moderate growth rate compared to the prior year is attributable mainly to project ramp-downs, negative exchange rate effects and weaker business development of Chinese customers. Their gains in market share are below expectations.

The Aftermarket segment raised its sales with external third parties in the reporting period by 7.3% over the prior year.

Sales with third parties in the Special Applications segment in the first three months of the current fiscal year declined moderately by 2.4% compared with the prior year (portfolio-adjusted growth was +2.6%). This is essentially due to the disposal of the Industries and Airport Lighting business divisions.

HELLA Group sales (in € millions and year-on-year growth in percent) for the first three months of 2016/2017

2014/2015	1,318 (4.5%)
2015/2016	1,496 (13.5%)
2016/2017	1,553 (3.8%)

Results of operations**Adjusted EBIT increased by 17 % in the first three months**

Net operating profit/loss (EBIT) in the first quarter of fiscal year 2016/2017 increased significantly over the prior-year period, by € 48 million to € 117 million. This equates to an EBIT margin of 7.5 % (prior year: 4.6 %). EBIT adjusted for restructuring expenses (adjusted EBIT) amounted to € 118 million in the first quarter and were therefore up € 17 million on the prior-year quarter, which was adjusted in particular for one-time expenses incurred as a result of the loss of a Chinese supplier. As a result, the adjusted EBIT margin increased to 7.6 % in the first three months of the current fiscal year (prior year: 6.8 %). The increase was largely as a result of a higher gross profit margin and an improved contribution to earnings made by the joint ventures.

Gross profit in the first three months of fiscal year 2016/2017 grew by € 53 million to € 428 million. This resulted in an increase in the gross profit margin from 25.1 % to 27.6 % (26.7 %, adjusted for exceptional effects in the prior-year period). This positive development is largely due to less complex production rollouts and higher utilisation of the global production capacities in the Automotive business segment because of deferred capacity expansion.

Expenses for research and development (R & D) in the first quarter increased by € 14 million over the prior-year period to

€ 154 million. The share of R & D expenses in relation to sales is therefore 9.9 % (prior year: 9.3 %). The main reasons for the increase in the R & D ratio are the strong order intake and investment in new product generations.

The distribution costs incurred in the course of the fiscal year so far have increased by € 4 million to € 123 million. Distribution costs in relation to sales have remained constant compared with the prior year. Administrative costs rose from € 52 million to € 55 million in the first three months. The cost ratio in relation to sales remained constant over the prior year at 3.5 %.

In the first quarter of fiscal year 2016/2017, the net of other expenses and income increased from € -3 million in the prior year to € +5 million. Of this amount, an additional expense of € 6 million resulted from the loss of the Chinese supplier. Furthermore, the restructuring costs included in other operating income were € 1 million lower than in the prior year.

Income from associates reached € 15 million in the first three months. This increase compared to the prior year (€ 8 million) was due to stronger demand in this quarter as well as additional one-off tax expenses in the prior-year period that were no longer recognised in the reporting period.

At € 10 million in the first quarter of fiscal year 2016/2017, net financial expenses remained unchanged from the prior year.

Adjusted net operating profit/loss (EBIT; in € millions and relative to sales) for the first three months of 2016/2017

2014/2015	97 (7.4%)
2015/2016	101 (6.8%)
2016/2017	118 (7.6%)

After taxes on income of € 23 million (prior year: € 16 million) the earnings of the period in the first quarter were € 83 million (prior year: € 43 million). This equates to a return on sales of 5.4% compared to 2.9% in the prior year.

Results of operations of the segments**Adjusted EBIT in the Automotive segment climbed by 26%**

Sales with third parties in the Automotive segment rose by 3.2% in the first three months of the current fiscal year to € 1.2 billion (prior year: € 1.1 billion). Net operating profit/loss (EBIT) for the segment in the period under review increased by € 49 million to € 98 million when compared with the prior year. The lower prior-year figure was attributable above all to non-recurring exceptional charges of € 29 million incurred as a result of the supplier default. Based on segment sales, the EBIT margin in the first quarter reached 8.3% compared to an adjusted EBIT margin of 6.8% in the prior year. This increase is based above all on the increase in the gross profit margin due to higher utilisation brought about by the delay in expanding the global network and the associated deferment of the corresponding expenses.

The Aftermarket segment continued on its growth path in the first quarter of fiscal year 2016/2017, with a 7.3% increase in sales with third parties to € 0.3 billion. The key drivers behind this growth were the positive performance in the business with workshop equipment, such as for example technologically advanced diagnostic tools, and a strong wholesale business. Net operating profit/loss (EBIT) in the segment amounted to € 20 million for the first three months of the current fiscal year. Based on the segment sales, this equates to an EBIT margin of 6.1% (prior year: 5.5%). This positive development is largely a result of a favourable product mix within the segment's business areas.

As a result of the disposal of the Industries and Airport Lighting business divisions, sales with external third parties in the Special Applications segment in the first quarter declined slightly by 2.4% compared with the prior year (portfolio-adjusted growth was +2.6%). Net operating profit/loss (EBIT) of the segment fell by € 3 million to € 2 million. Notwithstanding the difficult conditions in the agricultural industry, solid margins continued to be generated in the remaining business activities with manufacturers of special vehicles. Within the entire segment, however, the EBIT margin based on segment sales is 2.6% and therefore down on the prior year level of 7.5%. This was due to subsequent costs arising from the disposal.

Cashflow

Adjusted operating cashflow in the first quarter of € 27 million

Net cashflow from operating activities fell by € 104 million to € 87 million in the three-month period. The decline is mainly because of the previously announced suspension of the factoring programme, which was no longer economically viable to run. Given that the programme involves a real sale without any right of recourse, this had the effect of reducing the trade receivables. The volume of receivables sold amounted to € 70 million. The volume of trade receivables rose accordingly in the reporting period. In addition, trade liabilities were paid in the first quarter, the volume of which had increased more strongly at the end of the fiscal year. Net cashflow from operating activities also includes payments of € 2 million for the partial retirement and severance payment programme in Germany (prior year: € 3 million).

Net capital expenditures as the net of the net payment flows for the acquisition or sale of non-current assets (€ 132 million; prior year: € 129 million) and the corresponding customer reimbursements (€ 26 million; prior year: € 23 million) came to € 106 million and were around € 1 million lower than the prior year's figure.

Cashflow from investing activities (excluding acquisitions) and operating activities correspondingly came to € –45 million, after

resulting in a cash inflow of € 62 million in the prior year period. Adjusted for payments for restructuring and the increase in receivables due to the termination of the factoring programme, the adjusted operating cashflow amounted to € 27 million (prior year: € 65 million).

Continuing strong financial basis for growth

Compared to the end of the prior fiscal year, cash and cash equivalents and current financial assets decreased by € 89 million to € 825 million. The total of current and non-current financial liabilities grew to € 1,120 million, equivalent to a decline of € 32 million compared with May 2016 (€ 1,152 million).

Net debt as the balance of cash and cash equivalents and current financial assets together with current and non-current financial liabilities increased by € 58 million to € 296 million in the first quarter compared with the end of the prior fiscal year. At the reporting date, the ratio of net debt to EBITDA for the last twelve months was 0.3, and therefore higher than the ratio of 0.1 as at the end of August 2015. The ratio was 0.3 at the end of the prior fiscal year.

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 July 2016.

Opportunity and risk report

There were no significant changes in the opportunities and risks during the reporting period. Details of the significant opportunities and risks may be found in our statements in the 2015/2016 consolidated financial statement.

Forecast report

Industry outlook

At the start of the HELLA fiscal year, the outcome of the British referendum to exit the European Union heightened the uncertainties about the future development of the European economic and financial markets. As a consequence of this, in July 2016 the Ifo Business Climate Index for the automotive industry fell to its lowest level since April 2013. Although the automotive suppliers are marginally more optimistic, their long-term business expectations have also deteriorated. Although it is still difficult to predict the long-term effects of the Brexit decision, the VDA in September revised downwards its previous forecast, dating from July 2016, for the US market alone. The guidance for Western Europe remains unchanged and was raised for China. All in all, the VDA predicts the world market will grow by 3% in 2016

to 80.4 million new registrations. Regardless of the Brexit, the VDA's expectations for Western Europe remain unchanged with a gain of 5% to 13.8 million units. The positive developments in China prompted the VDA to raise the forecast for this economic area from 8% to 10%, and therefore to 22.1 million new registrations. The driving forces behind this were the tax relief that is set to expire at the end of the 2016 calendar year and the associated demand effects brought forward from 2017. The VDA revised its forecast for the US market as a whole downwards slightly and now predicts a decline of 2% to 17.1 million light vehicles (passenger vehicles and light trucks). Based on the IHS Light Vehicle Production Forecast, the automotive economy is expected to slow down in 2017, in terms of vehicle production. On a global level, new production should increase by 1.5%.

Company outlook

The current outlook is fundamentally in line with the forecasts on sales and adjusted earnings, as well as the adjusted operating result margin, stated in the 2015/2016 Annual Report. We therefore also anticipate sales growth for the fiscal year as a whole, as well as a mid-single-digit percentage increase in adjusted EBIT, and hence an adjusted EBIT margin approximately at the prior-year level. In the event that the first quarter exchange rate trend continues, the sales growth for the year as a whole might diminish. Even so, this should not have any negative implications for adjusted EBIT.

FINANCIAL INFORMATION FOR THE QUARTER

Consolidated income statement

of HELLA KGaA Hueck & Co.

€ thousand	1st quarter 1 June to 31 August 2016	1st quarter 1 June to 31 August 2015
Sales	1,552,566	1,495,962
Cost of sales	- 1,124,768	- 1,120,930
Gross profit	427,798	375,032
Research and development costs	- 154,024	- 139,623
Distribution costs	- 122,644	- 118,910
Administrative costs	- 54,729	- 52,252
Other income and expenses	5,337	- 3,378
Earnings from investments accounted for using the equity method	14,764	7,991
Other income from shares in associates	17	0
Net operating profit/loss (EBIT)	116,520	68,860
Financial income	12,017	5,118
Financing costs	- 22,074	- 14,764
Net financial result	- 10,057	- 9,646
Earnings before income taxes (EBT)	106,463	59,214
Taxes on income	- 22,996	- 16,255
Earnings for the period	83,467	42,959
of which attributable:		
to the owners of the parent company	83,236	41,197
to non-controlling interests	231	1,762
Undiluted earnings per ordinary share in €	0.75	0.37
Diluted earnings per ordinary share in €	0.75	0.37

Segment reporting

The segment information for the first three months (1 June to 31 August) of fiscal years 2016/2017 and 2015/2016 is as follows:

€ thousand	Automotive		Aftermarket		Special Applications	
	2016/2017	2015/2016	2016/2017	2015/2016	2016/2017	2015/2016
Sales with third-party companies	1,162,750	1,126,924	313,286	291,995	70,153	71,895
Intersegment sales	11,911	19,937	11,466	14,785	427	1,025
Cost of sales	-881,472	-901,718	-216,254	-205,937	-45,198	-44,697
Gross profit	293,189	245,143	108,498	100,843	25,382	28,223
Research and development costs	-143,832	-131,927	-4,556	-3,710	-4,118	-3,986
Distribution costs	-27,016	-26,613	-80,013	-76,840	-15,598	-15,392
Administrative costs	-44,138	-41,963	-8,570	-7,194	-4,038	-3,887
Other income and expenses	6,759	-2,522	2,155	1,928	195	486
Result of investments accounted for using the equity method	12,614	6,211	2,150	1,780	0	0
Net operating profit/loss (EBIT)	97,577	48,329	19,664	16,807	1,823	5,444
Additions to non-current assets	87,018	62,508	4,317	4,878	2,195	2,754

Sales reconciliation:

€ thousand	2016/2017	2015/2016
Total sales of the reporting segments	1,569,993	1,526,561
Sales in other divisions	18,678	16,499
Elimination of intersegment sales	-36,105	-47,097
Consolidated sales	1,552,566	1,495,962

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

€ thousand	2016/2017	2015/2016
EBIT of the reporting segments	119,064	70,580
EBIT of other divisions	-800	1,226
Unallocated income	-1,744	-2,946
Consolidated EBIT	116,520	68,860
Net financial result	-10,057	-9,646
Consolidated EBT	106,463	59,214

Consolidated balance sheet

of HELLA KGaA Hueck & Co.

€ thousand	31 August 2016	31 May 2016	31 August 2015
Cash and cash equivalents	480,595	585,134	722,952
Financial assets	343,974	328,790	326,581
Trade receivables	953,340	937,471	745,407
Other receivables and non-financial assets	148,794	146,376	156,604
Inventories	667,216	607,584	657,635
Current tax assets	39,032	26,783	34,893
Non-current assets held for sale	2,924	2,924	3,357
Current assets	2,635,875	2,635,062	2,647,429
Intangible assets	225,387	225,021	218,059
Property, plant and equipment	1,685,031	1,697,539	1,544,942
Financial assets	16,889	17,033	19,122
Investments accounted for using the equity method	259,804	261,448	234,789
Deferred tax assets	134,589	122,954	122,213
Other non-current assets	38,506	36,244	46,245
Non-current assets	2,360,206	2,360,239	2,185,370
Assets	4,996,081	4,995,301	4,832,799
Financial liabilities	47,985	86,880	68,061
Trade payables	609,113	633,818	581,449
Current tax liabilities	68,449	57,923	44,945
Other liabilities	518,805	558,043	498,695
Provisions	61,891	65,259	79,611
Current liabilities	1,306,243	1,401,923	1,272,761
Financial liabilities	1,072,131	1,064,789	1,049,547
Deferred tax liabilities	26,436	25,767	37,094
Other liabilities	195,233	193,284	220,266
Provisions	363,294	330,888	333,753
Non-current liabilities	1,657,095	1,614,728	1,640,660
Subscribed capital	222,222	222,222	222,222
Reserves and unappropriated surplus	1,805,643	1,750,563	1,667,454
Equity before non-controlling interests	2,027,865	1,972,785	1,889,676
Non-controlling interests	4,878	5,865	29,702
Equity	2,032,743	1,978,650	1,919,378
Equity and liabilities	4,996,081	4,995,301	4,832,799

Consolidated cashflow statement

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

€ thousand	2016/2017	2015/2016
Profit before income taxes	106,463	59,214
+ Depreciation and amortisation	93,365	106,077
+/- Change in provisions	-3,291	7,044
+ Payments received for series production	26,353	23,039
- Non-cash sales transacted in previous periods	-25,743	-24,039
- Non-cash income and expenses	-12,290	-15,040
+ Profits/losses from the sale of non-current assets	3,519	4
+ Net financial result	10,057	9,646
+/- Change in trade receivables and other assets not attributable to investing or financing activities	-26,055	58,207
+/- Change in inventories	-64,825	-69,439
+/- Change in trade payables and other liabilities not attributable to investing or financing activities	-18,837	32,369
- Net interest payments	-1,445	-1,374
- Net tax payments	-24,778	-25,536
+ Dividends received	24,635	31,236
= Net cashflow from operating activities	87,128	191,408
+ Cash proceeds from the sale of property, plant and equipment and intangible assets	6,528	1,778
- Payments for the purchase of property, plant and equipment and intangible assets	-138,409	-130,954
- Net payments and loans issued to investments	0	-4,216
+ Net payments from changes in equity to investments	0	2,792
+ Cash proceeds from sale or liquidation of investments, net of cash transferred	1,725	0
= Net cashflow from investing activities	-130,156	-130,600
- Net payments from borrowing/repayment of financial liabilities	-45,294	-10,311
+/- Net payments made for the purchase and sale of securities	-15,130	75,877
- Dividends paid	-1,216	-1,069
= Net cashflow from financing activities	-61,640	64,497
= Net change in cash and cash equivalents	-104,668	125,305
+ Cash and cash equivalents as at 1 June	585,134	602,744
+/- Effect of exchange rate fluctuations on cash and cash equivalents	129	-5,097
= Cash and cash equivalents as at 31 August	480,595	722,952

FURTHER NOTES

01 Basic information

HELLA KGaA Hueck & Co. (HELLA) 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 all kinds of vehicle supplies.

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

The financial information of the Quarterly statement is prepared in EUR (€). Amounts are stated in thousands of EUR (€ thousand).

The quarterly statements are 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 available 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 balance sheet. 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 balance sheet and consolidated income statement have been grouped together where this is appropriate and possible. Where sums and percentages in the report have been rounded, differences may arise as a result of commercial rounding.

02 Currency translation

Currency translation differences arising from the translation of earnings and items of the statement of financial position of all Group companies which have a functional currency deviating from the euro are reported within the currency translation reserves.

The exchange rates used to translate the main currencies for HELLA were as follows:

	Reporting date		Average 1st quarter		Reporting date	
	31 August 2016	31 August 2015	2016/2017	2015/2016	31 May 2016	31 May 2015
€ 1 = US dollar	1.1132	1.1215	1.1170	1.1118	1.1154	1.0970
€ 1 = Czech koruna	27.0260	27.0210	27.0419	27.1421	27.0220	27.4010
€ 1 = Japanese yen	115.0100	136.0700	115.6345	137.2346	123.8300	135.9500
€ 1 = Mexican peso	20.9424	18.9130	20.7379	17.7720	20.5185	16.8433
€ 1 = Chinese renminbi	7.4311	7.1579	7.4161	6.9487	7.3363	6.7994
€ 1 = South Korean won	1,243.6600	1,326.9600	1,273.4853	1,274.5480	1,326.1100	1,220.3100
€ 1 = Romanian leu	4.4575	4.4307	4.4895	4.4430	4.5108	4.4425
1 € = Danish krone	7.4432	7.4629	7.4390	7.4616	7.4376	7.4597

03 Adjustment of special effects in the operating result

The HELLA Group is managed by the Management Board through key financial indicators. The key indicators of sales growth and adjusted EBIT margin take on prominent importance compared to the other key financial indicators in the management of the Group. A major guideline in assessing the suitability of management indicators is that they have to provide a transparent picture of operational performance. In this process, the non-recurring or exceptional effects in their type or size, referred to as special effects, can lead to distortions with regard to the EBIT margin, for example, and thus adversely affect the ability to assess the Company's performance.

Special effects are non-recurring or exceptional effects in their type and size which are clearly differentiated from the usual operational business. They are tracked uniformly and consistently in the Group and the method used to calculate adjusted earnings figures must not vary over the course of time in order to facilitate periodic comparison.

For this reason, the adjusted EBIT margin has been defined as one of the most important performance indicators for the steering of the Group's activities. The adjusted EBIT margin as a performance indicator is not defined in the International Financial Reporting Standards. Rather it is reported by HELLA as additional information in its financial reporting because it is also used for internal management and because, from the Company's perspective, it presents the results of operations – freed of special effects – in a more transparent form and facilitates a comparison over time.

The current reporting period saw the adjustment of the costs that were included in earnings before interest and taxes, and were associated with the voluntary severance and partial retirement programme initiated in June 2013. Furthermore, reported earnings for fiscal year 2015/2016 were adjusted for the effect connected with the loss of a Chinese supplier, which was first reported in September 2015.

The reconciliation statement for the first three months (1 June to 31 August of fiscal years 2016/2017 and 2015/2016 is as follows:

€ thousand	2016/2017 as reported	Restructuring	2016/2017 adjusted
Sales	1,552,566		1,552,566
Cost of sales	-1,124,768		-1,124,768
Gross profit	427,798		427,798
Research and development costs	-154,024		-154,024
Distribution costs	-122,644		-122,644
Administrative costs	-54,729		-54,729
Other income and expenses	5,337	1,744	7,081
Earnings from investments accounted for using the equity method	14,764		14,764
Other income from shares in associates	17		17
Operating result (EBIT)	116,520	1,744	118,264

€ thousand	2015/2016 as reported	Restructuring	Loss of supplier	2015/2016 adjusted
Sales	1,495,962			1,495,962
Cost of sales	-1,120,930		23,651	-1,097,279
Gross profit	375,032		23,651	398,683
Research and development costs	-139,623			-139,623
Distribution costs	-118,910			-118,910
Administrative costs	-52,252			-52,252
Other income and expenses	-3,378	2,946	5,611	5,179
Earnings from investments accounted for using the equity method	7,991			7,991
Other income from shares in associates	0			0
Operating result (EBIT)	68,860	2,946	29,262	101,068

04 Adjustment of special effects in the segment results

The negative effects related to the loss of a Chinese supplier were reported within the Automotive segment in the prior year (see section 03). This resulted in a strain on the operating result in the past reporting period, which has been adjusted to ensure better comparability with the current reporting period. The cost of sales included higher production and logistics costs and expense for expected further losses while other income and expense included a goodwill impairment of € 5,611 thousand. The income

statement for the Automotive segment was not adjusted for the first three months of fiscal year 2016/2017. As a result, the EBIT margin corresponds to the adjusted EBIT margin.

The prior year's adjusted income statement for the Automotive segment in the first three months (1 June to 31 August) was as follows:

Automotive			
€ thousand	2015/2016 as reported	Loss of supplier	2015/2016 adjusted
Sales	1,126,924		1,126,924
Intersegment sales	19,937		19,937
Cost of sales	-901,718	23,651	-878,067
Gross profit	245,143	23,651	268,794
Research and development costs	-131,927		-131,927
Distribution costs	-26,613		-26,613
Administrative costs	-41,963		-41,963
Other income and expenses	-2,522	5,611	3,089
Earnings from investments accounted for using the equity method	6,211		6,211
Operating result (EBIT)	48,329	29,262	77,591

05 Adjustment of special effects in cashflow

Adjusted operating cashflow is used as a performance indicator for internal Group management. This indicator is designed to show cashflows from business operations. It is calculated based on cash generated from operating activities as well as incoming and outgoing payments for investments in intangible assets and property, plant and equipment. Cashflows from income or expenses which are non-recurrent in nature are not taken into consideration when calculating adjusted operating cashflow. The increase in trade receivables in the current reporting period is based mainly on the discontinuation of the factoring programme. The programme includes genuine sales without any

right of recourse, resulting in a reduction in balance sheet receivables of € 70 million as at the end of May 2016. Accordingly, the trade liabilities rose during the current reporting period. Due to its non-operational character, this increase and the payouts attributable to the restructuring programme initiated in 2013 have not been included in adjusted operating cashflow.

The development of adjusted operating cashflow for the first three months (1 June to 31 August of fiscal years 2016/2017 and 2015/2016 is shown in the following tables:

€ thousand	2016/2017 as reported	Reduction in factoring	Restructuring	2016/2017 adjusted
Profit before income taxes	106,463			106,463
+ Depreciation/amortisation	93,365			93,365
+/- Change in provisions	-3,291		2,171	-1,120
+ Payments received for series production	26,353			26,353
- Non-cash sales transacted in previous periods	-25,743			-25,743
- Non-cash income and expenses	-11,680			-11,680
+ Profits/losses from the sale of non-current assets	3,519			3,519
+ Net financial result	10,057			10,057
+/- Change in trade receivables and other assets not attributable to investing or financing activities	-26,055	70,000		43,945
+/- Decrease/increase in inventories	-64,825			-64,825
+/- Change in trade payables and other liabilities not attributable to investing or financing activities	-18,837			-18,837
+/- Net interest payments	-1,445			-1,445
+/- Net tax payments	-24,778			-24,778
+ Dividends received	24,635			24,635
+ Net cashflow from operating activities	87,128	70,000	2,171	159,299
+ Cash proceeds from the sale of property, plant and equipment and intangible assets	6,528			6,528
- Settlements for the purchase of property, plant and equipment and intangible assets	-138,409			-138,409
= Operating cashflow	-44,753	70,000	2,171	27,418

€ thousand	2015/2016 as reported	Loss of supplier	Restructuring	2015/2016 adjusted
Profit before income taxes	59,214	29,262	2,946	91,442
+/- Depreciation/amortisation	106,077	-17,338		88,739
+/- Change in provisions	7,044	-17,924	309	-4,571
+ Payments received for series production	23,039			23,039
- Non-cash sales transacted in previous periods	-24,039			-24,039
- Non-cash income and expenses	-15,040			-15,040
+ Profits/losses from the sale of non-current assets	4			4
+ Net financial result	9,646			9,646
+ Change in trade receivables and other assets not attributable to investing or financing activities	58,207			58,207
- Decrease/increase in inventories	-69,439			-69,439
+ Change in trade payables and other liabilities not attributable to investing or financing activities	32,369			32,369
- Net interest payments	-1,374			-1,374
- Net tax payments	-25,536			-25,536
+ Dividends received	31,236			31,236
+ Net cashflow from operating activities	191,408		3,255	194,662
+ Cash proceeds from the sale of property, plant and equipment and intangible assets	1,778			1,778
- Settlements for the purchase of property, plant and equipment and intangible assets	-130,954			-130,954
= Operating cashflow	62,231		3,255	65,486

Lippstadt, 22 September 2016

The Managing General Partners of HELLA KGaA Hueck & Co.



Dr. Jürgen Behrend

HELLA Geschäftsführungsgesellschaft mbH



Dr. Rolf Breidenbach
(Chair)



Markus Bannert



Stefan Osterhage



Dr. Matthias Schöllmann

GLOSSARY

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

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 interest payments and income taxes, depreciation and amortisation

EBITDA margin

Ratio of EBITDA to sales

EBT (earnings before taxes)

Profit before income taxes

Employees

Unless defined otherwise, the employees are permanent staff.

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 capital expenditures

Settlements 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 financial 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 cashflow

Net cashflow 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.

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.

R & D

Research and development

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.

Tier-1 supplier

First-level supplier

Working capital

Holdings plus trade receivables minus trade payables

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