↗ You are currently in the consolidated financial statement of the HELLA Annual Report. You can download the complete Annual Report as well as the Group management report from our website: www.hella.com/annualreport

CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2014/2015 FISCAL YEAR

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Consolidated income statement

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

€ thousand	Notes	2014/2015	adjusted* 2013/2014
Sales	10	5,834,691	5,343,327
Cost of sales	11	–4,280,770	–3,866,380
Gross profit		1,553,921	**1,476,947**
Research and development costs	12	–543,931	–513,545
Distribution costs	13	–455,459	–435,361
Administrative costs	14	–196,869	–197,421
Other income and expenses	15	16,298	–24,072
Share of profit in investments accounted for using equity method	30	55,336	37,836
Other income from investments		207	2,131
Net operating profit/loss (EBIT)		429,503	**346,515**
Financial income	16	38,453	37,028
Financing costs	16	–74,331	–74,785
Net financial result		–35,878	**–37,757**
Earnings before income taxes (EBT)		393,625	**308,758**
Taxes on income	17	–98,172	–79,176
Earnings for the period		295,453	**229,582**
of which attributable:			
to the owners of the parent company	37	286,995	222,888
to non-controlling interests	37	8,458	6,694
Undiluted earnings per ordinary share in €	19	2.70	2.23
Diluted earnings per ordinary share in €	19	2.70	2.23

* Adjusted due to the reclassification of net other finance income/expense (see Note 6).

Consolidated statement of comprehensive income

(post-tax view)

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

€ thousand	2014/2015	2013/2014
Earnings for the period	**295,453**	**229,582**
Currency translation differences	115,514	–43,742
Changes realised in equity	117,957	–43,742
Gains recognised in profit and loss	–2,443	0
Financial instruments for cash flow hedging	–25,333	4,909
Changes realised in equity	–39,433	455
Losses recognised in profit and loss	14,100	4,454
Change in fair value of financial instruments held for sale	6,022	421
Changes realised in equity	5,924	13
Losses recognised in profit and loss	98	408
Share of other comprehensive income attributable to associated companies and joint ventures	23,677	–1,840
Items which were or will be transferred to profit or loss	**96,203**	**–38,412**
Revaluation from defined benefit pension plans	–22,633	–975
Share of other comprehensive income attributable to associated companies and joint ventures	–1,029	188
Items never transferred to profit or loss	**–22,633**	**–975**
Other comprehensive income for the period	**73,570**	**–39,387**
Comprehensive income for the period	**369,023**	**190,195**
of which attributable:		
to the owners of the parent company	360,032	183,741
to non-controlling interests	8,991	6,454

See also Note 31 for detail of tax effects.

Consolidated statement of financial position

of HELLA KGaA Hueck & Co. as at 31 May

€ thousand	Notes	31 May 2015	31 May 2014
Cash and cash equivalents	22	602,744	637,226
Financial assets	23	405,077	354,982
Trade receivables	24	839,322	692,097
Other receivables and non-financial assets	25	152,010	117,630
Inventories	26	608,853	577,923
Current tax assets		24,504	26,537
Non-current assets held for sale	27	3,357	5,942
Current assets		**2,635,867**	**2,412,337**
Intangible assets	28	220,861	189,928
Property, plant and equipment	29	1,612,331	1,429,608
Financial assets	23	19,653	19,677
Investments accounted for using equity method	30	266,768	239,516
Deferred tax assets	31	118,562	126,523
Other non-current assets	32	42,905	40,948
Non-current assets		**2,281,080**	**2,046,200**
Assets		**4,916,947**	**4,458,537**
Financial liabilities	36	100,221	296,412
Trade payables	33	573,893	573,533
Current tax liabilities		45,776	45,943
Other liabilities	34	556,934	420,940
Provisions	35	72,644	108,733
Current liabilities		**1,349,468**	**1,445,561**
Financial liabilities	36	1,038,886	1,121,252
Deferred tax liabilities	31	24,882	69,006
Other liabilities	34	236,371	219,091
Provisions	35	357,646	261,566
Non-current liabilities		**1,657,785**	**1,670,915**
Subscribed capital	37	222,222	200,000
Reserves and unappropriated surplus	37	1,658,016	1,112,182
Equity before non-controlling interests	37	1,880,238	1,312,182
Non-controlling interests	37	29,456	29,879
Equity		**1,909,694**	**1,342,061**
Equity and liabilities		**4,916,947**	**4,458,537**

Consolidated cash flow statement

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

	€ thousand	Notes	2014/2015	adjusted* 2013/2014
	Earnings before income taxes (EBT)		**393,625**	**308,758**
+	Depreciation and amortisation		**336,193**	309,073
+/–	Change in provisions		**16,126**	29,861
+	Payments received for series production		**130,518**	130,949
–	Non-cash sales transacted in previous periods		**–89,816**	–79,336
+/–	Other non-cash income		**–53,185**	–56,281
+/–	Losses from the sale of non-current assets (prior year: gains)		**2,851**	–821
+	Net financial result		**35,878**	37,757
+/–	Change in trade receivables and other assets not attributable to investing or financing activities		**–128,979**	–65,053
+/–	Decrease/increase in inventories		**–8,428**	–59,144
+/–	Change in trade payables and other liabilities not attributable to investing or financing activities		**39,978**	52,877
+	Interest received		**8,130**	11,109
–	Interest paid		**–46,109**	–43,943
+	Tax refunds received		**6,181**	14,626
–	Taxes paid		**–118,892**	–80,097
+	Dividends received		**35,851**	24,634
=	**Net cash flow from operating activities**		**559,922**	**534,969**
+	Cash proceeds from the sale of property, plant and equipment		**16,458**	12,097
+	Cash proceeds from the sale of intangible assets		**3,602**	4,623
–	Payments for purchase of property, plant and equipment		**–429,489**	–463,207
–	Payments for purchase of intangible assets		**–68,449**	–52,554
+	Repayments of loans from associates or unconsolidated companies		**2,545**	220
–	Payments for loans granted to associates or unconsolidated companies		**–682**	–5,475
–	Payments for acquisition of subsidiaries, less cash received	03	**–405**	–125
+	Cash proceeds from the sale of shares in associates		**21,505**	0
–	Capital in associates		**–16,927**	–640
+	Cash proceeds from capital decrease in investments accounted for using equity method		**13,200**	0
=	**Net cash flow from investing activities**		**–458,642**	**–505,061**
–	Repayment of bond issued in October 2009		**–200,002**	0
–	Payments made for the repayment of financial liabilities		**–231,309**	–13,354
+	Cash proceeds from borrowing	36	**134,912**	68,990
+	Payments made for acquiring shares of non-controlling interests		**–14,786**	0
+	Cash proceeds from the issuance of a bond		**0**	298,398
–	Payments made for the purchase and sale of securities		**–49,741**	–141,984
–	Dividend paid	38	**–59,060**	–55,325
+	Net cash proceeds from shares issued		**272,456**	0
=	**Net cash flow from financing activities**		**–147,530**	**156,725**
=	**Net change in cash**		**–46,250**	**186,633**
+	Cash and cash equivalents as at 1 June		**637,226**	456,098
+/–	Effect of exchange rate fluctuations on cash		**11,768**	–5,505
=	**Cash and cash equivalents as at 31 May**		**602,744**	**637,226**

* Adjusted due to the reclassification of net other finance income/expense (see Note 6).

Consolidated statement of changes in equity

of HELLA KGaA Hueck & Co.

€ thousand	Subscribed capital	Capital reserve	Currency translation reserve	Cash flow hedge reserve
At 1 June 2013	**200,000**	**0**	**10,106**	**−68,747**
Earnings for the period	0	0	0	0
Other comprehensive income for the period	0	0	−43,503	4,909
Comprehensive income for the period	**0**	**0**	**−43,503**	**4,909**
Addition to equity and distributions to shareholders	0	0	0	0
Transactions with shareholders	**0**	**0**	**0**	**0**
At 31 May 2014	**200,000**	**0**	**−33,397**	**−63,838**
Earnings for the period	0	0	0	0
Other comprehensive income for the period	0	0	114,897	−25,254
Comprehensive income for the period	**0**	**0**	**114,897**	**−25,254**
Issue of new capital against cash contributions	22,222	255,556	0	0
Issuing costs	0	−5,322	0	0
Distributions to shareholders	0	0	0	0
Changes in ownership interest in subsidiaries	0	0	5	0
Transactions with shareholders	**22,222**	**250,234**	**5**	**0**
At 31 May 2015	**222,222**	**250,234**	**81,505**	**−89,092**

See also Note 37 for Notes 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
4,026	**−47,302**	**1,080,858**	**1,178,941**	**28,250**	**1,207,191**
0	0	222,888	222,888	6,694	229,582
421	−974	0	−39,147	−240	−39,387
421	**−974**	**222,888**	**183,741**	**6,454**	**190,195**
0	0	−50,500	−50,500	−4,825	−55,325
0	**0**	**−50,500**	**−50,500**	**−4,825**	**−55,325**
4,447	**−48,276**	**1,253,246**	**1,312,182**	**29,879**	**1,342,061**
0	0	286,995	286,995	8,458	295,453
6,022	−22,628	0	73,037	533	73,570
6,022	**−22,628**	**286,995**	**360,032**	**8,991**	**369,023**
0	0	0	277,778	0	277,778
0	0	0	−5,322	0	−5,322
0	0	−55,500	−55,500	−3,560	−59,060
0	0	−8,937	−8,932	−5,854	−14,786
0	**0**	**−64,437**	**208,024**	**−9,414**	**198,610**
10,469	**−70,904**	**1,475,804**	**1,880,238**	**29,456**	**1,909,694**

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.

The consolidated financial statements of HELLA KGaA for the 2014/2015 fiscal year (1 June 2014 to 31 May 2015) were prepared in accordance with all IFRS and IAS standards subject to mandatory application for the period as well as the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRSIC) and the Standing Interpretations Committee (SIC), as endorsed by the EU. The consolidated financial statements are supplemented with a Group management report and the additional disclosures required by Section 315a Handelsgesetzbuch (HGB – German Commercial Code). The comparative values of the prior fiscal year were determined in accordance with the same principles. The consolidated financial statements are prepared in euros (€). Amounts are stated in thousands of euros (€ thousand).

The consolidated financial 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 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 aggregated, rounding differences may occur.

The Management Board released the consolidated financial statements for submission to the Supervisory Board on 24 July 2015. It is the responsibility of the Supervisory Board to review the consolidated financial statements and declare its approval. A resolution by the Supervisory Board approving the consolidated financial statements is expected to be passed at the ordinary Supervisory Board meeting to be held on 11 August 2015.

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. The number of consolidated companies changed not only owing to the acquisition of Hella Nussbaum Solutions GmbH (see Note 03) but intra-group mergers and new company foundations, as well.

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

The main subsidiaries are set out below:

			Share of equity (%)	
Company	**Country**	**City**	**2014/2015**	2013/2014
Changchun HELLA Automotive Lighting Ltd.	China	Changchun	**100**	100
HELLA Shanghai Electronics Co., Ltd.	China	Shanghai	**100**	100
FTZ Autodele & Værktøj A/S	Denmark	Odense	**79**	71
HELLA Fahrzeugkomponenten GmbH	Germany	Bremen	**100**	100
HELLA Innenleuchten-Systeme GmbH	Germany	Wembach	**100**	100
HELLA Automotive Mexico S.A. de C.V.	Mexico	Tlalnepantla	**100**	100
INTER-TEAM Sp. z o.o.	Poland	Warsaw	**50**	50
HELLA Romania s.r.l.	Romania	Ghiroda-Timisoara	**100**	100
HELLA Slovakia Front-Lighting s.r.o.	Slovakia	Kocovce	**100**	100
HELLA Slovakia Signal-Lighting s.r.o.	Slovakia	Bánovce nad Bebravou	**100**	100
HELLA Saturnus Slovenija d.o.o.	Slovenia	Ljubljana	**100**	100
HELLA Autotechnik Nova s.r.o.	Czech Republic	Mohelnice	**100**	100
HELLA Electronics Corporation	USA	Plymouth, MI	**100**	100

A complete listing of the shares held by the Group can be found in an attachment to the Notes starting on page 137. Additional information is provided in Note 45 "Events after the balance sheet date".

03 Acquisition of subsidiaries

On 7 October 2014, the Group acquired an additional 50 % share in Hella Nussbaum Solutions GmbH, which had previously been accounted for using the equity method, thus gaining control over this company. Headquartered in Kehl-Auenheim, its product portfolio comprises A/C servicing equipment, tools, service parts and consumables as well as liquids for vehicle A/C systems and motor coolants. This acquisition will allow the HELLA Group to increase its influence in a company which had previously been managed as a joint venture while also further expanding its expertise in the area of garage equipment for A/C servicing, particularly with regard to legal amendments related to coolants.

The share was increased from 50 % to 100 % in consideration of payment of € 650 thousand. This consideration was rendered in cash form. The shares held prior to this were recognised at a value of € 175 thousand. The fair values of the identifiable assets acquired and liabilities assumed as of the date of the business combination break down as follows:

€ thousand	**Fair value**
Intangible assets	1,844
Property, plant and equipment	58
Inventories	449
Trade receivables	400
Cash and cash equivalents	245
Other assets	49
Financial liabilities	−2,872
Trade payables	−594
Provisions	−311
Net debt at the time of acquisition	**−732**

The acquisition yielded the following goodwill:

€ thousand	Fair value
Value of the consideration transferred	650
Fair value of previously held equity interest	175
Fair value of net debt	732
Goodwill	**1,557**

Goodwill amounting to € 1,557 thousand was allocated to the Aftermarket segment and to non-recognised assets; this goodwill is not expected to be deductible for income tax purposes.

Trade receivables include impairments of € 25 thousand resulting from unrecoverable receivables.

The acquired subsidiary contributed € 1,071 thousand to consolidated sales and impacted earnings for the period with a loss of € –832 thousand.

If the business acquisition had been executed at the beginning of the year, the Group would have reported sales of € 1,886 thousand and a loss of € – 1,252 thousand to Hella Nussbaum Solutions as at 31 May 2015.

04 Principles of consolidation

If the reporting date of a subsidiary is not the same as that of HELLA KGaA, interim financial statements are prepared effective 31 May.

(a) Business combinations

Acquired subsidiaries are accounted for using the purchase method. The acquisition costs correspond to the fair value of the assets acquired, the equity instruments issued and the liabilities arising or assumed on the transaction date. They also include the fair values of all recognised assets and liabilities arising from contingent consideration. Acquisition-related costs are taken to profit and loss upon arising. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair value on the date of acquisition. Goodwill is recognised as the amount by which the business combination costs, the amount of the non-controlling shares in the acquired company already held on the acquisition date and the equity components measured at fair value exceed the net assets measured at fair value. If this figure is negative, the difference is recognised directly in the income statement after reassessment.

(b) Non-controlling interests

In the case of each business combination, the Group determines whether the non-controlling interest in the acquired company is to be measured at its fair value or in accordance with the share which it holds in the net assets of the acquired company at the date of acquisition. Transactions for the purchase or sale of non-controlling interests that do not result in a loss of control are recorded as equity transactions. Any difference between the figure by which the carrying amount of the non-controlling interests is adjusted to match the current share held in the company and the fair value of the consideration rendered or received is recognised directly within equity.

Any binding put options that have been agreed for non-controlling interests are recognised within financial liabilities and measured at their fair value on the basis of the agreed purchase price. If the put option is related to the purchase of a majority holding in the company concerned, its value is recognised as part of the business combination costs.

(c) Subsidiaries

Subsidiaries are entities that are controlled by the Group. The Group is deemed to control a subsidiary if it is exposed to varying returns from its involvement with the subsidiary or has rights to returns and has the ability to use its power over the subsidiary to affect these returns. The financial statements of subsidiaries are included in the consolidated financial statements as of the date on which the Group gains control over them and until the date on which control over them ends.

(d) Investments accounted for using the equity method
Investments accounted for using the equity method comprise shares in joint ventures and associates.

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

Associates are entities over which the Group exercises material influence, but no control, and in which it usually holds 20 % to 50 % of the voting rights.

Shares in joint ventures and associates are accounted for using the equity method and are recorded at acquisition cost upon initial recognition. The Group's share also includes the goodwill arising on acquisition (less cumulative impairments).

The Group's share in the profits and losses is recognised in the income statement from the acquisition date. The cumulative changes following acquisition are deducted from or added to the carrying amount of the investment. If losses have reduced the fair value of the Group's share to zero, additional losses are only allowed for and recognised as liabilities to the extent that HELLA is subject to legal or constructive obligations to settle such losses. Gains at a later period are not taken into account until they are sufficient to cover the unrecognised loss.

Intra-Group transactions, balances and unrealised gains or losses from intra-Group transactions are eliminated. However, the existence of unrealised losses is viewed as an indication that the transferred asset must be examined for impairment. The accounting and measurement methods applied by subsidiaries have been modified where necessary to ensure consistent accounting within the Group.

Functional currency and reporting currency
The items included in the financial statements of each of the Group companies are measured using the currency of the primary economic environment in which the Company operates (functional currency). The consolidated financial statements are prepared in euros, the functional and reporting currency of HELLA KGaA Hueck & Co.

Transactions and outstanding balances
Foreign currency transactions are translated into the functional currency at the spot exchange rate applicable on the transaction date. Gains and losses from the settlement of such transactions as well as from the translation of monetary assets and liabilities held in foreign currencies at the spot exchange rate are recognised in the income statement unless they are designated as qualified cash flow hedges, in which case they are recognised within equity.

05 Currency translation

Changes in the fair value of monetary securities that are denominated in a foreign currency and classified as available for sale are split into currency translation differences arising from changes in amortised cost, which are recognised through profit and loss, and other changes in their carrying amount, which are recognised within equity.

Currency translation differences for non-monetary items, changes in which are recognised at fair value through profit and loss (e.g. equity instruments measured at fair value through profit and loss), are reported in the income statement as part of the gain or loss from measurement at fair value. However, currency translation differences for non-monetary assets, changes in which are recognised at fair value within equity (e.g. equity instruments classified as available for sale), are included in the revaluation reserve.

Group companies

The net profit/loss and balance sheet items of all Group companies that have a functional currency other than the euro are treated as follows:

1. Assets and liabilities are translated into euros for each reporting date using the spot exchange rate.

2. Income and expenses are translated for each income statement using the average exchange rate (unless this fails to give an appropriate approximation of the cumulative effects that would have arisen from currency translation at the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates prevailing on the transaction dates).

3. Any currency translation differences are recognised in equity as separate items within the currency translation reserve and, hence, in comprehensive income.

Currency translation differences arising in connection with consolidation from the conversion of net investments in economically independent foreign operations, financial liabilities, and other foreign currency instruments designated as hedges of such investments, are recognised within equity. If a foreign business is sold, any currency translation differences hitherto recognised within equity are recycled to profit and loss as part of the profit or loss derived from the sale. Goodwill arising from business combinations and from disclosed hidden reserves and liabilities that are recognised as adjustments to the carrying amounts of the assets and liabilities of the Company concerned are translated using the end-of-year spot exchange rate in the same way as that applied to assets and liabilities.

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

	Average		Reporting date	
	2014/2015	2013/2014	**31 May 2015**	31 May 2014
€ 1 = US dollar	**1.2219**	1.3533	**1.0970**	1.3607
€ 1 = Czech koruna	**27.5781**	26.7133	**27.4010**	27.471
€ 1 = Japanese yen	**137.2846**	136.2803	**135.9500**	138.36
€ 1 = Australian dollar	**1.4365**	1.4739	**1.4338**	1.4635
€ 1 = Chinese renminbi	**7.5619**	8.2952	**6.7994**	8.5025
€ 1 = South Korean won	**1,305.1421**	1,457.0238	**1,220.3100**	1,389.2200
€ 1 = Romanian leu	**4.4301**	4.4622	**4.4425**	4.4030

06 Changes in accounting methods

The Group has applied or taken into account the following new or revised standards that have been endorsed by the EU as European law and are subject to mandatory application for the first time.

a. IAS 32 – Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
b. Improvements to IFRS 10 and 12 and IAS 27
c. Improvement to IAS 36 – Impairment of Assets
d. Improvement to IAS 39 – Financial Instruments: Recognition and Measurement

In addition, the Group has adjusted how it recognises financial income and financing costs.

e. Presentation of financial income and financing costs – quantitative effects

(a) Amendment to IAS 32 – Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
This addition to IAS 32 clarifies the requirements for offsetting financial instruments. It explains the meaning of the current legal right to offset and clarifies which gross settlement methods can be viewed as net settlement within the scope of the standard. Along with these clarifications, the guidance concerning the notes disclosure requirements in IFRS 7 has also been extended. This amendment must be applied for the first time to accounting periods starting on or after 1 January 2014. There is no impact on the consolidated financial statements.

(b) Improvements to IFRS 10 and 12 and IAS 27
The changes include a definition of investment entities and exclude such entities from the scope of IFRS 10 – Consolidated Financial Statements.

Accordingly, investment entities do not consolidate the companies they control in their IFRS consolidated financial statement. This exception from the general principles should not be regarded as an option. Instead of full consolidation, they measure the investments held at fair value and recognise periodic fluctuations in value in profit or loss.

The changes do not have any effect on the consolidated financial statements that include investment entities unless the group parent is itself an investment entity. Accordingly, the change has no effect on the consolidated financial statements of HELLA.

The amendments must be applied for the first time to accounting periods starting on or after 1 January 2014.

(c) Improvement to IAS 36 – Impairment of Assets

As a consequential amendment to IFRS 13 Fair Value Measurement, new disclosure requirements have been introduced for goodwill impairment testing in accordance with IAS 36, under which the recoverable amount of the cash generating units must be disclosed regardless of whether any impairment has been recognised. Since this disclosure in the Notes was introduced inadvertently, it is repealed again with this amendment from May 2013.

On the other hand, this amendment specifies additional disclosures if an impairment has been recognised and the recoverable amount has been calculated on the basis of a fair value.

The amendments are to be applied for the first time in accounting periods commencing on or after 1 January 2014. The additional disclosures required by the amendments have been duly included in these financial statements.

(d) Improvement to IAS 39 – Financial Instruments: Recognition and Measurement

Under the amendments there is no need to discontinue hedge accounting if a hedging derivative is novated to a central counterparty as a consequence of laws or regulations provided certain criteria are met.

The amendments must be applied for the first time to accounting periods starting on or after 1 January 2014. There is no impact on the consolidated financial statements.

(e) Presentation of financial income and financing costs – quantitative effects

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

The interest income reported separately in the prior fiscal year is reported together with other financial income, while the interest expenses reported separately in the prior fiscal year are reported together with other financing costs. This does not result in any change to earnings before taxes; on 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 2013/2014	Reclassification of financial items	adjusted 2013/2014
Sales	5,343,327	0	5,343,327
Cost of sales	–3,866,380	0	–3,866,380
Gross profit	**1,476,947**	**0**	**1,476,947**
Research and development costs	–513,545	0	–513,545
Distribution costs	–435,361	0	–435,361
Administrative costs	–197,421	0	–197,421
Other income and expenses	–24,072	0	–24,072
Share of profit in investments accounted for using equity method	37,836	0	37,836
Other income from investments	2,131	0	2,131
Income from securities and other loans	7,395	–7,395	0
Net other finance income/expense	–12,846	12,846	0
Net operating profit/loss (EBIT)	**341,064**	**5,451**	**346,515**
Interest income	10,894	–10,894	0
Interest expenses	–43,200	43,200	0
Net borrowing costs/net interest income	**–32,306**	**32,306**	**0**
Financial income	0	37,028	37,028
Financing costs	0	–74,785	–74,785
Net financial result	**0**	**–37,757**	**–37,757**
Earnings before income taxes (EBT)	**308,758**	**0**	**308,758**
Taxes on income	–79,176	0	–79,176
Earnings for the period	**229,582**	**0**	**229,582**
Of which attributable:			
to the owners of the parent company	222,888	0	222,888
to non-controlling interests	6,694	0	6,694
Undiluted earnings per ordinary share in €	**2.23**	**0**	**2.23**
Diluted earnings per ordinary share in €	**2.23**	**0**	**2.23**

Consolidated cash flow statement

€ thousand		as reported 2013/2014	Reclassification of financial items	adjusted 2013/2014
	Profit before income taxes	**308,758**	**0**	**308,758**
+	Depreciation/amortisation	309,073	0	309,073
+/–	Change in provisions	29,861	0	29,861
+	Payments received for series production	130,949	0	130,949
–	Non-cash sales transacted in previous periods	–79,336	0	–79,336
+/–	Other non-cash income/expenses	–50,830	–5,451	–56,281
+/–	Profit/loss from the sale of non-current assets	–821	0	–821
+/–	Net borrowing costs/net interest income	32,306	–32,306	0
+/–	Net financial result	0	37,757	37,757
+/–	Change in trade receivables and other assets not attributable to investing or financing activities	–65,053	0	–65,053
+/–	Decrease/increase in inventories	–59,144	0	–59,144
+/–	Change in trade payables and other liabilities not attributable to investing or financing activities	52,877	0	52,877
+	Interest received	11,109	0	11,109
–	Interest paid	–43,943	0	–43,943
+	Tax refunds received	14,626	0	14,626
–	Taxes paid	–80,097	0	–80,097
+	Dividends received	24,634	0	24,634
=	**Net cash flow from operating activities**	**534,969**	**0**	**534,969**
+	Cash proceeds from the sale of property, plant and equipment	12,097	0	12,097
+	Cash proceeds from the sale of intangible assets	4,623	0	4,623
–	Payments for purchase of property, plant and equipment	–463,207	0	–463,207
–	Payments for purchase of intangible assets	–52,554	0	–52,554
+	Repayment of loans from associates or unconsolidated companies	220	0	220
–	Payments for loans granted to associates or unconsolidated companies	–5,475	0	–5,475
–	Payments made for the acquisition of subsidiaries	–125	0	–125
–	Change of capital in associates	–640	0	–640
=	**Net cash flow from investing activities**	**–505,061**	**0**	**–505,061**
–	Payments made for the repayment of financial liabilities	–13,354	0	–13,354
+	Cash proceeds from borrowing	68,990	0	68,990
+	Cash proceeds from the issuance of a bond	298,398	0	298,398
–	Payments made for the purchase of securities	–141,984	0	–141,984
–	Dividend paid	–55,325	0	–55,325
=	**Net cash flow from financing activities**	**156,725**	**0**	**156,725**
=	**Net change in cash**	**186,633**	**0**	**186,633**
+	**Cash and cash equivalents as at 1 June**	**456,098**	**0**	**456,098**
+/–	**Effect of exchange rate fluctuations on cash**	**–5,505**	**0**	**–5,505**
=	**Cash and cash equivalents as at 31 May**	**637,226**	**0**	**637,226**

The following section presents the consolidated income statement and the consolidated cash flow statement that would have resulted if the allocation of net other finance income/expense had applied in the previous reporting periods or on the previous reporting dates, as the case may be. There were no changes to the statement of financial position or the statement of changes in equity.

Consolidated income statement

€ thousand	adjusted 2012/2013	adjusted 2013/2014	2014/2015
Sales	4,835,478	5,343,327	**5,834,691**
Cost of sales	–3,557,638	–3,866,380	**–4,280,770**
Gross profit	**1,277,840**	**1,476,947**	**1,553,921**
Research and development costs	–443,803	–513,545	**–543,931**
Distribution costs	–412,370	–435,361	**–455,459**
Administrative costs	–182,707	–197,421	**–196,869**
Other income and expenses	33,946	–24,072	**16,298**
Share of profit in investments accounted for using equity method	29,186	37,836	**55,336**
Other income from investments	4,371	2,131	**207**
Earnings before interest and income taxes (EBIT)	**306,463**	**346,515**	**429,503**
Financial income	29,750	37,028	**38,453**
Financing costs	–77,549	–74,785	**–74,331**
Net financial result	**–47,799**	**–37,757**	**–35,878**
Earnings before income taxes (EBT)	**258,664**	**308,758**	**393,625**
Taxes on income	–53,111	–79,176	**–98,172**
Earnings for the period	**205,553**	**229,582**	**295,453**

Consolidated cash flow statement

	€ thousand	adjusted 2012/2013	adjusted 2013/2014	**2014/2015**
	Profit before income taxes	258,664	308,758	**393,625**
+	Depreciation and amortisation	260,950	309,073	**336,193**
+/–	Change in provisions	–38,764	29,861	**16,126**
+	Payments received for series production	79,817	130,949	**130,518**
–	Non-cash sales transacted in previous periods	–57,215	–79,336	**–89,816**
+/–	Other non-cash income/expenses	–53,501	–56,281	**–53,185**
+/–	Profit/loss from the sale of non-current assets	79	–821	**2,851**
+	Net financial result	47,797	37,757	**35,878**
+/–	Change in trade receivables and other assets not attributable to investing or financing activities	10,931	–65,053	**–128,979**
+/–	Decrease/increase in inventories	–37,694	–59,144	**–8,428**
+/–	Change in trade payables and other liabilities not attributable to investing or financing activities	47,810	52,877	**39,978**
+	Interest received	7,692	11,109	**8,130**
–	Interest paid	–39,445	–43,943	**–46,109**
+	Tax refunds received	–92,686	14,626	**6,181**
–	Taxes paid	14,011	–80,097	**–118,892**
+	Dividends received	33,151	24,634	**35,851**
=	**Net cash flow from operating activities**	**441,596**	**534,969**	**559,922**
+	Cash proceeds from the sale of property, plant and equipment	3,022	12,097	**16,458**
+	Cash proceeds from the sale of intangible assets	2,397	4,623	**3,602**
–	Payments for purchase of property, plant and equipment	–477,874	–463,207	**–429,489**
–	Payments for purchase of intangible assets	–33,956	–52,554	**–68,449**
+	Repayment of loans from associates or unconsolidated companies	5,230	220	**2,545**
–	Payments for loans granted to associates or unconsolidated companies	–4,442	–5,475	**–682**
+	Cash proceeds from the sale of investments	1,706	0	**0**
–	Payments for acquisition of subsidiaries, less cash received	0	–125	**–405**
–	Capital in associates	–13,375	–640	**–16,927**
+	Cash proceeds from the sale of shares in associates	0	0	**21,505**
+	Cash proceeds from capital decrease in investments accounted for using equity method	0	0	**13,200**
=	**Net cash flow from investing activities**	**–517,292**	**–505,061**	**–458,642**
–	Payments made for the repayment of financial liabilities	–39,144	–13,354	**–231,309**
+	Cash proceeds from borrowing	5,644	68,990	**134,912**
–	Payments made for acquiring shares of non-controlling interests	–5,464	0	**–14,786**
+	Cash proceeds from selling shares of non-controlling interests	885	0	**0**
+	Cash proceeds from the issuance of a bond	495,865	298,398	**0**
–	Payments made for repurchasing shares of an old bond	–110,760	0	**0**
–	Payments made for the purchase of securities	–165,079	–141,984	**–49,741**
–	Repayment of bond issued in October 2009	0	0	**–200,002**
–	Dividend paid	–61,375	–55,325	**–59,060**
+	Cash proceeds from shares issued	0	0	**272,456**
=	**Net cash flow from financing activities**	**120,573**	**156,725**	**–147,530**
=	**Net change in cash**	**44,877**	**186,633**	**–46,250**
+	Cash and cash equivalents as at 1 June	413,163	456,098	**637,226**
+/–	Effect of exchange rate fluctuations on cash	–1,942	–5,505	**11,768**
=	**Cash and cash equivalents as at 31 May**	**456,098**	**637,226**	**602,744**

07 New accounting standards not yet applied

The consequences of revisions to existing standards which were adopted by the EU into EU law must be applied to accounting periods commencing on or after 1 January 2015. The Group has not yet applied these standards to or taken due account of them in these consolidated financial statements in accordance with EU requirements.

a. Improvements to IFRS 2011 – 2013
b. Amendment to IAS 19: Defined Benefit Plans: Employee Contributions
c. Improvements to IFRS 2010 – 2012

(a) Improvements to IFRS 2011– 2013
Amendments have been made to four standards as part of the annual improvement project. Adjustments to the wording of individual IFRSs serve the purpose of clarifying the existing guidance. This concerns IFRS 1, IFRS 3, IFRS 13 and IAS 40. The amendments are to be applied for the first time in accounting periods commencing on or after 1 January 2015. There is no impact on the consolidated financial statements.

(b) Amendment to IAS 19: Defined Benefit Plans: Employee Contributions
The revisions clarify the guidance relating to the allocation of employee or third-party contributions to service periods if the contributions are linked to the service period. In addition, they provide for accounting conveniences if the contributions are independent of the number of years of service. The amendments are to be applied for the first time in accounting periods commencing on or after 1 February 2015. There is no impact on the consolidated financial statements.

(c) Improvements to IFRS 2010 – 2012
Amendments have been made to seven standards as part of the annual improvement project. Adjustments to the wording of individual IFRSs serve the purpose of clarifying the existing guidance. In addition, some revisions affect the disclosures required in the Notes. This concerns IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

The amendments are to be applied for the first time in accounting periods commencing on or after 1 February 2015. There is no impact on the consolidated financial statements.

08 Basis of preparation and accounting policies

Revenue recognition
Sales include the fair value of the consideration already received or still to be received for the sale of goods and performance of services in the normal course of business. Sales are stated excluding sales tax, returns, rebates and discounts and after elimination of internal Group sales.

The Group recognises sales when the amount of revenue can be reliably determined, it is sufficiently probable that the Company will derive economic benefits and the specific criteria set out below for each type of activity have been met.

Revenues from the sale of goods are recognised as soon as the material opportunities and risks relating to ownership of the goods, based on the provisions of the respective contract, have been transferred to the customer. In the case of the sale of goods, this generally applies when the goods have been delivered. If, as part of series deliveries, advance payments are made in addition to the unit price, these payments are reported as other liabilities, deferred over the duration of series production and recognised in sales.

Income from the provision of services is recognised in accordance with the terms of the contract in question, provided the service has been rendered and expenses have arisen.

Interest income is recognised on a pro rata basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

Functional costs

Cross-functional costs contained in the consolidated income statement are reported in accordance with internal reporting requirements. Operating expenses are always initially allocated to the functional area in which they are primarily incurred. If the functional area performs services for which the economic benefit arises in another functional area, such expenses are allocated on a pro-rata basis to the functional area for which the services were performed.

The offsetting of such amounts does not contain any direct reference to the primary cost type and is reported under "Reclassification of functional costs". This applies in particular to the allocation of energy costs, the use of buildings and IT expenses. These are initially recognised together with their respective cost types under administrative costs and then reclassified to the functions where the cost was incurred using pro-rated usage formulas.

Earnings per share

Undiluted earnings per share are calculated by dividing the share of earnings after tax attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the fiscal year. Diluted earnings per share are calculated based on the assumption that all potentially dilutive securities and share-based remuneration plans are converted or exercised.

Property, plant and equipment

Property, plant and equipment are measured at historical cost less cumulative depreciation and impairments. Historical cost comprises the expenses directly attributable to the acquisition.

Subsequent cost, e. g. as a result of expansion or replacement investments, is only recognised as part of the historical cost of the asset or – if applicable – as a separate asset if it is probable that the Group will derive future economic benefits from them and the costs of the asset can be reliably measured. Expenses for repairs and maintenance that do not represent a material reinvestment are recognised as an expense in the income statement in the accounting period in which they arise.

Tools manufactured or acquired by the Group for production purposes are capitalised at cost in accordance with IAS 16 and recorded separately in the statement of assets as production equipment. Each item of property, plant and equipment with historical cost that represents a significant portion of the total value of the item is recognised and depreciated separately.

Land is not depreciated. All other assets are depreciated on a straight-line basis. In this case, their historical cost or fair value is written down to their residual carrying amount over their expected average useful life as follows:

Buildings	25 years
Equipment and machinery	8 years
Production equipment	3–5 years
Operating and office equipment	8 years

The residual carrying amounts and expected useful lives are reviewed and, if necessary, adjusted on each reporting date.

If the carrying amount of any item of property, plant and equipment exceeds its estimated recoverable amount, it is immediately written down to this amount.

Government grants

Government grants are recognised if it is reasonably certain that the related conditions will be satisfied and the grants will actually be received. Grants for the purchase or production of non-current assets (asset-related grants) are deducted from the historical cost of the assets in question and reduce future depreciation. Grants that are not awarded for non-current assets (performance-tied grants) are accounted for in the income statement in the same line item as the related expense items. They are recognised as profit or loss on a pro-rated basis over the periods in which the expenses to be covered by the grants are incurred. Government grants awarded for future expenditure are reported as deferred income.

Intangible assets

Goodwill

Goodwill represents the amount by which the cost of a business combination exceeds the fair value of the Group's shares in the net assets of the entity acquired and the sum of all non-controlling interests at the time of acquisition. The goodwill arising from business combinations is recognised as an intangible asset. The goodwill resulting from the acquisition of an associate is included in the carrying amount of the investment and is therefore not tested for impairment separately but as part of the total carrying amount. The goodwill reported is tested for impairment on an annual basis and measured at historical cost less cumulative impairment. Impairment losses are not reversed. Gains and losses from the sale of an entity include the carrying amount of the goodwill allocated to such entity.

The goodwill is allocated to cash-generating units for the purpose of impairment testing. It is allocated to those cash-generating units or groups of cash-generating units (CGUs) that are expected to benefit from the business combination giving rise to the goodwill.

Capitalised development expenses

Costs related to development projects are recognised as intangible assets in accordance with IAS 38 if it is likely, given their economic and technical viability, that the project will be successful and the costs can be reliably determined. Otherwise, the research and development costs are recognised through profit and loss. Advances or reimbursements from customers are deducted from reported development costs upon receipt; advances collected in the follow-up periods after the start of use are reported as disposals in the consolidated statement of changes in assets. Capitalised development costs are amortised on a straight-line basis over their expected useful life starting with the date on which the product goes into commercial production. Amortisation is calculated on a straight-line basis over an estimated useful life of three to five years. The depreciation/amortisation charged on capitalised development expenses is recognised in the cost of sales and is applied in the Automotive segment.

Acquired intangible assets

Acquired intangible assets are recorded at historical cost. Intangible assets with a definite useful life are amortised on a straight-line basis over their useful life of three to eight years.

Impairment of non-monetary assets

Assets with an indefinite useful life – primarily goodwill within the Group – are not depreciated or amortised but tested for impairment on an annual basis. Assets that are subject to depreciation or amortisation are tested for impairment when corresponding events or changes in circumstances indicate that the carrying amount may no longer be recoverable.

An impairment is recognised in the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is either the fair value of the asset less the cost to sell or the value in use, whichever is higher. For the purposes of impairment testing, assets are aggregated at the lowest identifiable level for which cash flows can be generated for independent units (CGUs). The recoverable amount of a CGU is determined on the basis of the expected future discounted cash flows from planned use (value in use). These are based on Management Board forecasts covering a period of three years. With the exception of goodwill, non-monetary assets for which an impairment has been recognised in prior periods are reviewed at each reporting date to test whether the impairment must be reversed. The impairments and reversals of impairments are included in the cost of sales.

Inventories

Inventories are recognised at the lower of historical cost or net realisable value. Historical cost is determined using the moving average method. The historical cost of finished and unfinished goods includes the costs of product development, raw materials and supplies, direct personnel expenses, other direct costs, and the overheads attributable to production (based on normal plant capacity). The net realisable value is the estimated sales revenue achievable in the normal course of business less the necessary variable distribution costs and the expected cost until completion.

Cash and cash equivalents

Cash and cash equivalents include cash, call deposits and other highly liquid short-term financial assets with an original maximum maturity of three months.

Equity

Subscribed capital

The limited partner shares issued by the Company are classified as equity. The various issues of profit participation rights are recognised as liabilities.

Capital reserve

Cash deposits attributable to the issuance of new shares which exceed the nominal value of the shares issued are recognised under capital reserves. Costs directly attributable to the issuance of new shares are recognised in equity net after tax as a deduction from the capital reserves.

Currency translation reserve

The currency translation reserve comprises all foreign currency translation differences stemming from the translation of the consolidated financial statements of foreign business divisions as well as the effective portion of any foreign currency translation differences arising as a result of hedges of a net capital expenditure in a foreign business division.

Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of cumulative net changes in the fair value of the hedging tools used to hedge cash flows until such point as the hedged cash flows are recognised in profit or loss.

Reserve for financial instruments held for sale

The reserve for financial instruments held for sale contains the cumulative net changes in the fair value of financial assets held for sale until the derecognition or impairment of such assets.

Revaluation from defined benefit pension plans

Revaluations of net debt stemming from defined benefit pension plans comprise actuarial gains and losses attributable to changes in the actuarial assumptions upon which the calculation of defined benefit pension liabilities is based. It also includes the difference between the standardised and actual income generated by the plan assets as well as its impact on any asset ceiling in place.

Trade payables

Trade payables are initially measured at their fair value. They are subsequently measured at amortised cost using the effective interest method.

Current and deferred taxes

Current tax expense is calculated in accordance with the tax legislation applicable in the countries in which the subsidiaries and associates operate. In accordance with IAS 12, deferred taxes are recognised for any temporary differences between the tax basis of the assets/liabilities and their carrying amount in the IFRS financial statements ("temporary concept"). Deferred taxes are also recognised for tax loss carryforwards. Deferred taxes are measured on the basis of the tax rates (and tax legislation) that apply on the reporting date or have essentially been legislated and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are only recognised to the extent to which it is likely that a taxable profit will be available to offset the temporary differences in assets or the unused losses.

Deferred tax assets and deferred tax liabilities are netted only if offsetting is legally permissible. In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

Employee benefits

Pension liabilities

Pension provisions are calculated using actuarial methods on the basis of the projected unit credit method in accordance with IAS 19 (revised in 2011). Pension liabilities are generally measured using the mortality tables valid as at May 31 of the relevant reporting year; in Germany, the calculations are based on the 2005 G Heubeck mortality tables.

In the case of funded pension plans, the pension liabilities calculated using the projected unit credit method are reduced by the fair value of the fund assets. If the fund assets exceed the liabilities, recognition of the assets is limited to the present value of future refunds from the plan or the reduction in future contributions.

Actuarial gains and losses arise from increases or decreases either in the present value of the defined benefit liabilities of the plan or in the fair value of the plan assets. This may be caused by changes in the calculation parameters, differences between the estimated and actual risk exposure of the pension liabilities and returns on the fund assets, excluding amounts reported within net interest income and expenses.

Actuarial gains and losses are recognised directly in equity (other comprehensive income for the period) in the period in which they arise, such as revaluations resulting from the application of an asset ceiling and income from the plan assets (excluding interest on net debt).

Service cost for pensions and similar liabilities is recognised as an expense within net operating profit/loss. The interest expense derived by multiplying the net provisions with the discount rate is likewise recognised within the corresponding items of net operating profit/loss.

Severance benefits

Benefits arising from the termination of employment are paid if an employee is laid off by a Group company before normal retirement age. The Group pays severance benefits if it is under an obligation to terminate the employment of current employees in accordance with a detailed formal plan that cannot be revoked or if it is under an obligation to pay compensation in the event of employment being terminated voluntarily by the employee. Payments that are due for settlement in more than twelve months after the reporting date are discounted to calculate their present value.

Profit-sharing and other bonuses

Liabilities and provisions are recognised for bonus payments and profit sharing and the expected expenses reported on the basis of a measurement process. Provisions are set aside in the consolidated financial statements in cases in which there is legal or constructive obligation based on past business practice.

Provisions

Provisions are recognised if the Group has a present legal or constructive obligation resulting from a past event, it is probable that the settlement of the obligation will result in an outflow of resources and the amount of the provision can be reliably estimated.

If there are a large number of similar liabilities (as is the case for statutory guarantees), the likelihood of an outflow of resources is determined on the basis of this group of liabilities. Provisions are also recognised if there is a low probability of an outflow of resources related to a single liability within this group.

Provisions are measured at the present value of the expected expenses, using a pre-tax rate that reflects current market expectations regarding the interest effect and the risks specific to the liability. The increase in provisions resulting from the related interest expense is recognised in the income statement within interest expense.

Contingent liabilities

Contingent liabilities are potential or existing liabilities towards third parties, for which an outflow of resources is unlikely or whose amount cannot be reliably determined. If no contingent liabilities were assumed under a business combination, these are not recognised in the statement of financial position. In the case of guarantees, the amount of the contingent liabilities stated in the Notes corresponds to the liabilities existing on the reporting date.

Financial instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and, at the same time, a financial liability or equity instrument for another. Financial instruments include financial assets and liabilities and contractual entitlements and obligations relating to the exchange or transfer of financial assets. A distinction is drawn between non-derivative and derivative financial instruments. Financial assets and liabilities are assigned to measurement categories in accordance with IAS 39.

Financial assets

Financial assets are recognised in the statement of financial position if the Company is party to a contract concerning these assets. The purchase or sale of financial assets under normal market conditions is recognised or derecognised at the same value as at the settlement date.

Financial assets which are due for settlement in more than one year are classified as non-current. They are derecognised as soon as the contractual right to payments from the financial assets expires or the financial assets are transferred with all the significant risks and opportunities.

Financial assets are assigned to one of the following four categories:

1. Financial assets at fair value through profit or loss (or “held for trading”)
2. Held-to-maturity financial assets
3. Loans and receivables
4. Available-for-sale financial assets

Financial assets at fair value through profit or loss

A financial asset measured at fair value through profit or loss is initially recognised at its fair value and also subsequently measured at its fair value. The fair value option is not utilised.

Within the HELLA Group, this applies to financial instruments traded by Group companies as well as embedded derivative financial instruments.

Contracts executed for the purpose of receiving or delivering non-financial items for the Group’s own business requirements are not treated as derivatives but as executory contracts. If such contracts include embedded derivative financial instruments that are required to be separated, these are accounted for separately from the executory contracts. The changes in the fair values of the embedded derivative financial instruments are recognised in the income statement.

Held-to-maturity financial assets

Held-to-maturity financial assets are initially recognised at their fair value plus directly attributable acquisition costs. They are subsequently measured at amortised cost using the effective interest method.

At the reporting date, the Group did not have any financial assets in the “held-to-maturity” category.

Loans and receivables

Loans and receivables are initially recognised at fair value plus directly attributable acquisition costs. They are subsequently measured at amortised cost using the effective interest method.

If there is any objective evidence of impairment of an asset’s value and the carrying amount is greater than the value determined in the impairment test, the asset is impaired through profit or loss. Objective evidence of the impairment of an asset may include the deterioration of a debtor’s credit quality and associated payment delays or imminent insolvency. All impairments are recognised indirectly via an impairment account. Within the HELLA Group, this measurement category largely consists of trade receivables and certain other assets.

The accounting and measurement methods for derivative financial instruments with a positive fair value included under other assets are described separately in the section entitled “Derivative financial instruments”.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are designated as “available for sale” on initial recognition or cannot be classified under any of the above categories. However, these assets were not acquired for the purpose of being sold in the near future.

Non-current or current assets available for sale are recognised at their market value on the reporting date. The market price is used to determine the fair value of publicly traded financial assets. If there is no active market, the fair value is determined on the basis of the most recent market transactions or using a valuation method such as the discounted cash flow method.

They are initially recognised on the settlement date. Unrealised gains and losses are recognised within equity with due allowance made for any deferred taxes and are recycled to profit and loss upon the sale of the assets. If there is any objective evidence of the impairment of an asset’s value and the carrying amount is greater than the value determined in the impairment test, a corresponding impairment is taken to profit and loss.

Impairment losses are recognised via an impairment account. In these cases, the receivables are grouped into portfolios in which the reason for the impairment is identical in all cases and clearly separated from other receivables.

Impairments are recognised if and as soon as receivables are irrecoverable or it is probable that they cannot be recovered but only if the amount of the impairment can be reliably determined. An impairment must be recognised in the event of any objective evidence such as protracted default, the commencement of debt recovery actions, pending insolvency or overindebtedness or the petition for or commencement of insolvency proceedings. Non- or low-interest-bearing receivables that are due for settlement in more than one year are discounted, in which case the interest component is recorded within interest income on a prorated basis until settlement of the receivable.

All the other investments included within financial assets belong to the “available-for-sale” category and are measured at historical cost as their market value cannot be reliably determined. The shares and bonds stated under securities are marked to the market.

Financial liabilities

During the fiscal year under review, as in the prior year, there were no non-derivative financial liabilities measured at fair value through profit and loss or categorised as such. The accounting and measurement methods for the derivative financial liabilities measured at market value included under other liabilities are described separately in the section entitled "Derivative financial instruments".

All other non-derivative financial liabilities in the HELLA Group are allocated to the "other liabilities at amortised cost" category. Non-derivative financial liabilities are initially measured at fair value less transaction costs. They are subsequently measured at their amortised cost using the effective interest method.

If an outflow of resources is expected after more than one year, these liabilities are classified as non-current. Liabilities are derecognised if the contractual obligations are settled, reversed or expired.

Derivative financial instruments

The HELLA Group uses derivative financial instruments to hedge financial risks. Derivative financial instruments are recognised on the date on which the corresponding contract is executed irrespective of their purpose and measured at fair value both initially and subsequently. The derivatives are measured on the basis of observable current market data using appropriate valuation methods. Forward exchange transactions and commodity futures transactions are measured on a case-by-case basis at the respective forward rate or price on the reporting date. The forward rates or prices are based on the spot rates and prices, allowing for forward premiums and discounts. The fair values of instruments to hedge interest rate risks are obtained by discounting the future cash inflows and outflows. Market interest rates are used for discounting and applied over the residual term of the instruments. The present value is calculated at the reporting date for each single interest rate, currency and interest rate/currency swap transaction. The counterparty's creditworthiness is usually included in the assessment on the basis of observable market data.

Depending on whether the derivatives have a positive or negative market value, they are reported within other financial assets or other financial liabilities.

The recognition of changes in fair value depends on the accounting treatment applied. In principle, all derivative financial instruments are allocated to the "held for trading" category. Changes in the fair value of assets held in this category are recognised immediately through profit and loss.

In individual cases, selected hedging positions are presented as cash flow hedges in the statement of financial position in accordance with hedge accounting rules. This means that the effective part of the change in fair value is recognised within equity, while the ineffective part is recognised through profit and loss. The part of the change initially recognised within equity is recycled to profit and loss as soon as the underlying transaction is recognised in the income statement.

Borrowing costs

Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or manufacture of a qualifying asset and can therefore be considered to form part of the historical cost of the asset concerned. All other borrowing costs are recognised through profit and loss in the period in which they arise.

As in the prior year, there were no borrowing costs directly attributable to the acquisition, construction or manufacture of a qualifying asset in the 2014/2015 fiscal year. For this reason, borrowing costs were recognised directly as expenditure within the period.

Leases

A lease is an agreement in which the lessor grants the lessee the right to use an asset for a specified period in return for a payment or series of payments.

Operating leases

Leases in which the lessor retains a significant proportion of the risks and opportunities associated with ownership of the leased asset are classified as operating leases. Payments made in connection with an operating lease are recognised in the income statement on a straight-line basis over the duration of the lease.

Finance leases

Leases for property, plant and equipment under which the Group bears the significant risks and enjoys the benefits associated with ownership of the leased assets are classified as finance leases. Assets under finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payment. A lease liability is recognised in the same amount.

Each lease payment is split into an interest component and a reduction of the outstanding liability so that interest is applied consistently to the lease liability. The interest component of the lease payment is recognised as an expense in the income statement. The asset held under a finance lease is depreciated over the shorter of the two following periods: the asset's economic useful life or the term of the lease.

Dividend distributions

Shareholder claims to dividend distributions are recognised as a liability in the period in which the corresponding resolution is adopted.

09 Discretionary decisions and management estimates

The preparation of the consolidated financial statements in accordance with IFRS requires estimates and assumptions to be made. In addition, the application of company-wide accounting and measurement methods requires management to make judgments.

All estimates and assessments are reviewed on a continual basis and are based on past experience and other factors including expectations concerning future events that appear reasonable given the circumstances.

Discretionary decisions and critical accounting estimates

The Group makes forward-looking assessments and assumptions. It is in the nature of things that the resulting estimates only very rarely correspond exactly to the actual, subsequent circumstances. The estimates and assumptions that engender a significant risk in the form of a material adjustment to the carrying amount of assets and liabilities in the following fiscal year are discussed below.

Estimated goodwill impairment

In accordance with the accounting and measurement principles described herein, the Group tests goodwill for impairment on an annual basis. The recoverable amount from cash-generating units (CGUs) is calculated on the basis of the value in use. These calculations must be based on certain assumptions (see also Note 28).

Estimated impairment of property, plant and equipment and intangible assets

The Group tests intangible assets and property, plant and equipment for impairment as soon as any indication of impairment arises in a specific case (triggering event). An impairment loss is recognised by comparing the carrying amount with the estimated recoverable value. The most important estimates concern the definition of the useful lives of the individual intangible assets and property, plant and equipment, the recoverable value of the non-current assets and particularly the cash flow forecasts and discount rates used in this context (see also Notes 28 and 29). The underlying forecasts are based on experience as well as expectations regarding future market developments, particularly assumed sales volumes.

Income taxes

The Group is required to pay income tax in a number of countries. Significant assumptions therefore need to be made to determine the global income tax provisions. There are many transactions and calculations for which the final tax amount cannot be conclusively determined in the normal course of business. The Group measures the amount of the provisions for the expected external tax audits based on estimates of whether and to what extent income taxes will be payable. If the final tax amount for these transactions differs from the amount initially assumed, this is recognised in the actual and deferred taxes in the period in which the tax amount is conclusively determined (see Note 17).

Fair value of derivative and other financial instruments
The fair value of financial instruments not traded on an active market (e. g. derivatives traded over the counter) is determined using appropriate measurement methods selected from a large number of methods. The assumptions used for this are predominantly based on the prevailing market conditions on the reporting date. The Group uses present value methods to determine the fair value of numerous assets available for sale that are not traded on an active market (see Note 41).

Critical assessments concerning the use of accounting and measurement methods
The Group complies with the provisions of IAS 39 to determine the impairment of assets available for sale. This decision requires an extensive assessment to be made. As part of this assessment, the Group appraises the duration and extent of any difference between the fair value of an investment and its historical cost as well as the financial position and short-term business prospects of the entity in which the investment was made, among other things, taking into account such factors as industry and sector conditions (see Note 28).

10 Sales

Sales in the 2014/2015 fiscal year amounted to € 5,834,691 thousand (prior year: € 5,343,327 thousand). Sales are attributable entirely to the sale of goods and performance of services.

The sales can be classified as follows:

€ thousand	2014/2015	2013/2014
Sales from the sale of goods	**5,665,641**	5,220,705
Sales arising from the rendering of services	**169,050**	122,622
Sales total	**5,834,691**	**5,343,327**

Sales by region (based on the headquarters of HELLA's customers):

€ thousand	2014/2015	2013/2014
Germany	**2,152,045**	2,125,042
Eastern Europe	**504,003**	409,401
Rest of Europe	**1,260,982**	1,182,752
North and South America	**886,866**	745,126
Asia/Pacific	**992,006**	848,574
RoW	**38,789**	32,432
Consolidated sales	**5,834,691**	**5,343,327**

Please refer to Note 21 “Segment reporting” for further information on sales.

11 Cost of sales

In the fiscal year € 4,280,770 thousand (prior year: € 3,866,380 thousand) was recognised as expense under cost of sales.

Apart from directly attributable material and production costs, the cost of sales also comprises currency gains and losses (largely from the purchase of materials) and gains and losses from the disposal of fixed assets. Currency gains in the period under review amounted to € 61,427 thousand (prior year: € 71,289 thousand), with currency losses at € 49,869 thousand (prior year: € 75,149 thousand). Gains and losses from the disposal of fixed assets amounted to € 4,271 thousand (prior year: € 2,557 thousand) and € 7,122 thousand (prior year: € 1,736 thousand) respectively.

€ thousand	**2014/2015**	2013/2014
Cost of materials	**−3,025,733**	−2,816,178
Personnel expenses	**−674,008**	−538,814
Depreciation/amortisation	**−267,117**	−247,807
Other	**−297,167**	−230,725
Reclassification of functional costs	**−16,745**	−32,856
Cost of sales	**−4,280,770**	**−3,866,380**

12 Research and development costs

The research and development costs include expenses for future sales and mainly consist of personnel expenses and material costs. The reported expenditure in the fiscal year was € 543,931 thousand (prior year: € 513,545 thousand).

€ thousand	**2014/2015**	2013/2014
Cost of materials	**−35,770**	−38,016
Personnel expenses	**−355,383**	−333,337
Depreciation/amortisation	**−17,529**	−13,633
Other	**−78,111**	−86,330
Reclassification of functional costs	**−57,138**	−42,229
Research and development costs	**−543,931**	**−513,545**

13 Distribution costs

The distribution costs include all downstream production costs that can, however, be attributable directly to the provision of goods or services to customers. This covers storage, supplying customers locally, and outbound freight. The classification as distribution costs is carried out at Group level as well as within individual companies.

€ thousand	**2014/2015**	2013/2014
Cost of materials	**−6,093**	−5,118
Personnel expenses	**−216,901**	−205,309
Depreciation/amortisation	**−10,208**	−10,350
Other	**−222,257**	−214,584
Distribution costs	**−455,459**	**−435,361**

14 Administrative costs

The administrative costs recognised cover all central functions that are not directly related to production, development, or distribution. These essentially consist of the financial, personnel, IT, and similar departments.

€ thousand	2014/2015	2013/2014
Cost of materials	–51,459	–48,535
Personnel expenses	–182,773	–208,972
Depreciation/amortisation	–34,871	–29,750
Other	–264,478	–212,132
Reclassification of functional costs	336,712	301,969
Administrative costs	**–196,869**	**–197,421**

15 Other income and expenses

Other income amounted to € 52,074 thousand in the 2014/2015 fiscal year (prior year: € 30,440 thousand). This also includes € 3,136 thousand (prior year: € 3,970 thousand) in government grants, release of provisions of € 1,301 thousand (prior year: € 2,837 thousand) and insurance reimbursements of € 4,663 thousand (prior year: € 424 thousand).

Other expenses total € 35,776 thousand (prior year: € 54,511 thousand), including goodwill impairments of € 4,620 thousand (prior year: € 591 thousand) (see Note 28).

The voluntary severance and partial retirement programme launched in June 2013 resulted in total costs of € 15,382 thousand (prior year: € 52,403 thousand) in the period under review. This cost is reported in the other expenses outside the functional areas; in addition, this item is not allocated to any segment.

16 Net financial result

Currency gains of € 19,975 thousand (prior year: € 18,738 thousand) are reported in other financial income and, correspondingly, currency losses of € 33,378 thousand (prior year: € 31,585 thousand) incurred in financial transactions are reported in other financial expenses.

Total financing costs, comprising interest expenses plus other financial expenses, are as follows:

€ thousand	2014/2015	2013/2014
Interest income	12,863	10,894
Income from securities and other loans	5,615	7,395
Other financial income	19,975	18,738
Financial income	**38,453**	**37,028**
Interest expenses	–40,953	–43,200
Other financing costs	–33,378	–31,585
Financing costs	**–74,331**	**–74,785**

17 Income taxes

€ thousand	2014/2015	2013/2014
Actual income tax expenses	– 114,019	– 78,731
Deferred taxes	15,847	– 445
Total income taxes	**– 98,172**	**– 79,176**

Of actual income taxes, € – 4,956 thousand is attributable to prior years (prior year: € – 3,832 thousand).

Deferred taxes are calculated based on the tax rates applicable or announced, depending on the legal situation, in the individual countries at the expected time of realisation. The prevailing corporate income tax rate of 15 % plus municipal trade tax and the solidarity surcharge results in a tax rate of 30 % for German companies. The tax rates outside Germany range from 10 % to 39.94 %.

The development of the actual taxes on income derived from the expected tax expense is shown below. A tax rate of 30 % (prior year: 30 %) is taken as a basis.

€ thousand	2014/2015	2013/2014
Earnings before tax	393,625	308,758
Expected tax expense	**– 118,088**	**– 92,627**
Utilisation of previously unrecognised loss-carryforwards	0	2,522
Reversal of previously unrecognised temporary differences	1,294	675
Unrecognised deferred tax assets	– 11,767	– 18,099
Subsequent recognition of deferred tax assets	22,182	18,407
Deferred tax assets from outside basis differences	– 13,275	– 6,202
Tax effect of changes in tax rates and laws	– 306	– 925
Tax-free income effects	10,586	5,981
Associates accounted for using the equity method	14,177	13,801
Tax effect of non-deductible operating expenses	– 9,292	– 7,246
Tax effect for prior years	– 4,956	– 3,832
Non-deductible foreign withholding tax	– 4,508	– 1,691
Change in tax rate	16,461	7,661
Other	– 680	2,399
Effective tax expense	**– 98,172**	**– 79,176**

Of the deferred tax assets subsequently recognised, € 13,531 thousand (previous year: € 7,499 thousand) are attributable to loss carryforwards in the USA. A better positioning in this region and successful restructuring measures brought about an improvement in the results of operations of the companies there, meaning that this item is likely to be used.

18 Personnel expenses

The average number of employees in the companies included in the consolidated financial statements totals 34,085 (prior year: 29,560) during the 2014/2015 fiscal year.

Number	2014/2015	2013/2014
Direct employees	**8,609**	8,085
Indirect employees	**22,875**	21,475
Permanent employees	**31,484**	**29,560**
Temporary employees	**2,601**	0
Total employees	**34,085**	**29,560**

The average number of permanent employees in the HELLA Group in the 2014/2015 fiscal year was 31,484 (prior year: 29,560). The number of employees is stated as a headcount.

Direct employees are directly involved in the manufacturing process, while indirect employees are employed mainly in the areas of quality, research and development, as well as administration and distribution. The number of apprentices stood at 442 during the fiscal year (prior year: 430). "Temporary employees" comprises employees from a company that was fully consolidated for the first time.

Permanent employees in the HELLA Group by region:

€ thousand	2014/2015	2013/2014
Germany	**9,681**	9,989
Rest of Europe	**11,740**	10,641
North and South America	**4,436**	3,490
Asia/Pacific/RoW	**5,627**	5,440
Permanent workforce worldwide	**31,484**	**29,560**

The personnel expenses can be broken down as follows:

€ thousand	2014/2015	2013/2014
Wages and salaries	**1,139,162**	1,030,127
Social security and pension contributions	**289,903**	256,305
Total	**1,429,065**	**1,286,432**

19 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.

An issue of new capital on 7 November 2014 increased the number of outstanding shares by 11,111,112 to 111,111,112 during the period under review from 1 June 2014 to 31 May 2015.

In this respect, 100,000,000 no-par value shares were included in the 2014/2015 weighting during the period from 1 June 2014 to 6 November 2014, and 111,111,112 no-par value shares in the period from 7 November 2014 (daily balance calculation).

Undiluted earnings per share amounted to € 2.70 which equates to diluted earnings per share.

Number of shares	31 May 2015	31 May 2014
Weighted average number of shares in circulation during the period		
Ordinary shares, undiluted	**106,270,929**	100,000,000
Ordinary shares, diluted	**106,270,929**	100,000,000

€ thousand	2014/2015	2013/2014
Share of profit attributable to shareholders of the parent company	**286,995**	222,888

€	2014/2015	2013/2014
Earnings per share, undiluted	**2.70**	**2.23**
Earnings per share, diluted	**2.70**	**2.23**

20 Appropriation of earnings

The Management Board will propose to the Annual General Shareholders' Meeting of HELLA KGaA Hueck & Co. that a dividend of € 0.77 per share be distributed from the net profit reported in the separate financial statements prepared for the parent company under commercial law for the 2014/2015 fiscal year, with the remainder of the net profit carried forward. The proposed dividend represents a distribution amount of € 85,556 thousand.

21 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 Special Applications segment includes the Special OE and Industries business divisions. This includes original equipment for special vehicles such as buses, caravans/motor homes, agricultural and construction machinery, municipal vehicles, and trailers, as well as completely vehicle-independent applications such as lighting technology in public and commercial infrastructure. Technological competence is closely linked to the Automotive business, which means that the application range in LED and electronic products can be expanded appropriately and synergies leveraged at the same time.

The Aftermarket and Automotive segments together generated sales of € 751,730 thousand (prior year: € 745,640 thousand) with just one customer in the year under review which accounted for more than 10 % of consolidated sales.

All other Group segments are subordinate in terms of their economic significance and are therefore not segmented further. Their functions relate mainly to Group financing.

Sales as well as the net operating profit/loss before interest and income taxes (EBIT) are the key indicators used to manage the business segments; assets and liabilities are not reported. The internal reporting applies the same accounting and measurement principles as the consolidated financial statements. Special items that are not included in the segment results are identified for the individual reporting periods. These special items are presented in the reconciliation table.

The segment information for the 2014/2015 and 2013/2014 fiscal years is as follows:

	Automotive		Aftermarket		Special Applications	
€ thousand	**2014/2015**	2013/2014	**2014/2015**	2013/2014	**2014/2015**	2013/2014
Sales with third-party companies	**4,364,166**	3,924,386	**1,130,867**	1,076,211	**308,479**	342,730
Inter-segment sales	**226,418**	314,288	**56,014**	67,380	**1,316**	3,318
Cost of sales	**–3,536,127**	–3,267,606	**–797,578**	–760,905	**–199,392**	–222,855
Gross profit	**1,054,457**	**971,068**	**389,304**	**382,686**	**110,403**	**123,193**
Research and development costs	**–511,637**	–477,924	**–15,634**	–15,712	**–16,661**	–19,909
Distribution costs	**–100,370**	–86,406	**–292,354**	–284,356	**–62,419**	–64,599
Administrative costs	**–150,959**	–153,402	**–26,713**	–27,928	**–14,877**	–16,091
Other income and expenses	**13,952**	5,166	**12,235**	17,620	**2,450**	5,466
Result of investments accounted for using equity method	**49,048**	32,270	**6,295**	5,562	**0**	0
Earnings before interest and income taxes	**354,492**	**290,772**	**73,133**	**77,872**	**18,896**	**28,060**
Additions to non-current assets	**388,689**	385,905	**26,440**	25,558	**11,363**	18,507

Sales for the 2014/2015 and 2013/2014 fiscal years are as follows:

	Automotive		Aftermarket		Special Applications	
€ thousand	**2014/2015**	2013/2014	**2014/2015**	2013/2014	**2014/2015**	2013/2014
Sales from the sale of goods	**4,233,659**	3,810,950	**1,128,194**	1,073,935	**303,788**	335,820
Sales arising from the rendering of services	**130,507**	113,436	**2,673**	2,276	**4,691**	6,910

Sales reconciliation:

€ thousand	**2014/2015**	2013/2014
Total sales of the reporting segments	**6,087,260**	**5,728,313**
Sales in other divisions	**87,758**	0
Elimination of intersegment sales	**−340,328**	−384,986
Consolidated sales	**5,834,691**	**5,343,327**

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

€ thousand	**2014/2015**	2013/2014
EBIT of the reporting segments	**446,521**	**396,704**
EBIT of other divisions	**925**	2,214
Net unallocated income	**−17,943**	−52,403
Consolidated EBIT	**429,503**	**346,515**
Net finance income/expense	**−35,878**	−37,757
Consolidated EBT	**393,625**	**308,758**

Non-current assets by region:

€ thousand	**2014/2015**	2013/2014
Germany	**902,246**	932,301
Eastern Europe	**603,567**	509,210
Rest of Europe	**84,905**	83,686
North and South America	**253,761**	169,454
Asia/Pacific	**433,568**	348,670
RoW	**3,033**	2,879
Consolidated non-current assets	**2,281,080**	**2,046,200**

22 Cash and cash equivalents

The cash and cash equivalent items consist of cash and bank balances as well as checks.

23 Financial assets

€ thousand	31 May 2015		31 May 2014	
	Non-current	**Current**	Non-current	Current
Securities	**149**	**402,778**	479	287,445
Other investments	**10,925**	**0**	11,067	0
Loans	**8,559**	**204**	8,115	5,867
Other financial assets	**20**	**2,095**	16	61,670
Total	**19,653**	**405,077**	**19,677**	**354,982**

24 Trade receivables

Trade receivables of € 839,322 thousand include receivables due from associated, non-consolidated affiliated companies and companies in which an interest is held amounting to € 45,898 thousand (prior year: € 40,470 thousand). Other non-current assets include non-current receivables amounting to € 38,347 thousand (prior year: € 34,200 thousand).

€ thousand	31 May 2015	31 May 2014
Trade receivables	**45,898**	**40,470**
with associates	**4,614**	3,384
with investments	**40,585**	33,669
with affiliated companies not included in the consolidated financial statements	**699**	3,417

25 Other receivables and current non-financial assets

€ thousand	31 May 2015	31 May 2014
Other current assets	**21,272**	21,673
Insurance receivables	**16,434**	4,277
Positive market value of currency hedges	**5,457**	4,789
Subtotal other financial assets	**43,163**	**30,739**
Advance payments	**19,176**	10,355
Accrued items	**18,890**	22,148
Receivables for partial retirement	**2,323**	2,809
Advance payments to employees	**1,953**	1,652
Other tax receivables	**66,505**	49,927
Total	**152,010**	**117,630**

26 Inventories

Inventories are broken down as follows:

€ thousand	31 May 2015	31 May 2014
Raw materials and supplies	**184,613**	163,976
Unfinished goods	**186,625**	179,239
Finished goods	**84,005**	82,627
Merchandise	**179,902**	174,242
Other	**2,779**	2,159
Gross inventories	**637,924**	**602,242**
Advance payments received	**–29,071**	–24,319
Total inventories	**608,853**	**577,923**

The carrying amounts of the inventories recognised at fair value less cost to sell amounted to € 186,713 thousand (prior year: € 112,835 thousand).

Impairments amounting to € 14,565 thousand (prior year: € 12,898 thousand) were reversed in the past fiscal year, as the impaired inventories were sold at higher values. Impairments and write-ups on inventory assets are recognised in the cost of sales.

€ 14,602 thousand (prior year: € 10,259 thousand) were recognised in the income statement in the year under review.

Overall, the following impairments on inventories were recognised:

€ thousand	2014/2015	2013/2014
Raw materials and supplies	**15,173**	16,193
Unfinished goods	**4,918**	3,735
Finished goods	**4,183**	3,055
Merchandise	**8,389**	9,644
Total inventories	**32,663**	**32,626**

Inventory purchase and production costs amounting to € 3,067,336 thousand (prior year: € 2,539,262 thousand) were recognised as expenses in the period under review, as well as reductions in inventory of € 53,171 thousand (prior year: € 24,789 thousand).

27 Non-current assets held for sale

This item primarily comprises sites and buildings of disused production facilities which are not assigned to a segment subject to reporting requirements. HELLA expects these sites and buildings to be sold within one year. In the 2014/2015 fiscal year, impairments affecting profit and loss were made in the amount of € 2,560 thousand (prior year: € 0 thousand) and reported in the consolidated net profit/loss under other income and expenses.

28 Intangible assets

€ thousand	Capitalised development expenses	Goodwill	Acquired intangible assets	Total
ACQUISITION OR MANUFACTURING COSTS				
At 1 June 2013	**258,583**	**83,458**	**139,430**	**481,471**
Changes in the scope of consolidation	0	0	0	0
Currency translation	−2,455	−1,250	−638	−4,343
Additions	35,457	0	14,569	50,026
Disposals	−4,549	0	−2,075	−6,624
Reclassifications	−2	0	2	0
At 31 May 2014	**287,034**	**82,208**	**151,288**	**520,530**
CUMULATIVE DEPRECIATION AND AMORTISATION				
At 1 June 2013	**170,149**	**18,785**	**117,151**	**306,085**
Changes in the scope of consolidation	0	0	0	0
Currency translation	−1,863	−166	−286	−2,315
Additions	19,508	0	9,076	28,586
Disposals	−298	0	−2,045	−2,343
Recorded impairments	0	591	0	591
Reclassifications	0	0	0	0
At 31 May 2014	**187,496**	**19,210**	**123,896**	**330,602**
Carrying amounts 31 May 2014	**99,538**	**62,998**	**27,392**	**189,928**

€ thousand	Capitalised development expenses	Goodwill	Acquired intangible assets	Total
ACQUISITION OR MANUFACTURING COSTS				
At 1 June 2014	**287,034**	**82,208**	**151,288**	**520,530**
Changes in the scope of consolidation	0	0	1,844	1,844
Currency translation	3,974	2,625	1,099	7,698
Additions	49,414	1,557	19,035	70,006
Disposals	−4,908	0	−1,441	−6,349
Reclassifications	0	0	0	0
At 31 May 2015	**335,514**	**86,390**	**171,825**	**593,729**
CUMULATIVE DEPRECIATION AND AMORTISATION				
At 1 June 2014	**187,496**	**19,210**	**123,896**	**330,602**
Changes in the scope of consolidation	0	0	0	0
Currency translation	1,692	1,038	588	3,318
Additions	19,479	0	12,113	31,592
Disposals	−1,867	0	−905	−2,772
Recorded impairments	5,508	4,620	0	10,128
Reclassifications	0	0	0	0
At 31 May 2015	**212,308**	**24,868**	**135,692**	**372,868**
Carrying amounts 31 May 2015	**123,206**	**61,522**	**36,133**	**220,861**

All capitalised development expenses were incurred by internal developments. Intangible assets include carrying amounts of € 197 thousand (prior year: € 389 thousand) relating to finance leases. These serve as collateral for the finance lease liabilities. Please refer to Note 44 “Disclosures on leases” for additional information on future leasing payments.

Goodwill

Goodwill is broken down into the business segments as follows:

€ thousand	**31 May 2015**	31 May 2014
Automotive	**12,816**	15,534
Aftermarket	**48,428**	47,185
Special Applications	**278**	279
Total	**61,522**	**62,998**

Goodwill impairment testing in the HELLA Group is based on the CGUs in the operative segments. A cash generating unit does not extend beyond its business segment. CGUs represent the smallest group of assets that generate cash flows, and are, hence, the smallest reporting units. A CGU can either be a legal entity or – insofar as a legal entity operates in different segments – a segmented business division of this legal entity or a subgroup.

If it is determined that the recoverable amount of a cash-generating unit is lower than the carrying amount, an impairment loss is recognised. The recoverable amount is determined on the basis of the expected future discounted cash flows from planned use (value in use). These are based on plans approved by the Management Board covering a period of at least three years. These plans are based on experience, as well as expectations regarding future market developments.

The discount rates applied within the scope of the measurement are calculated on the basis of market data. As in the prior year, consistent growth rates were used to extrapolate cash flows after the detailed planning phase. The growth rates are based on analyses conducted by a specialist service provider and do not exceed the non-current growth rates for the sector or the region in which the CGUs are active.

	Discount rates		Growth rates	
	31 May 2015	31 May 2014	**31 May 2015**	31 May 2014
Automotive	**7.51 % to 15.33 %**	7.23 % to 16.81 %	**1 % to 3 %**	up to 3 %
Aftermarket	**7.51 % to 16.11 %**	7.23 % to 16.37 %	**1 % to 3 %**	up to 3 %

The risk-free interest rate applied is 1.29 % (prior year: 1.57 %) and the market risk premium (incl. country risk) ranges between 6.00 % and 9.75 % (prior year: between 4.50 % and 7.80 %). The inflation spread applied ranged between 0.0 % and 7.17 % (prior year: between 0.0 % and 5.35 %).

The rise in goodwill is attributable to both the € 1,557 thousand acquisition of Hella Nussbaum Solutions GmbH as well as exchange rate effects in the amount of € 1,587 thousand.

Impairment testing conducted within the scope of the annual impairment test led to an impairment loss on goodwill of € 4,620 thousand which is attributable to the electronics business of a company located in India. This company mainly develops, produces and sells electronics components and horns for the local Indian market. The discount rate applied when determining the recoverable amount was 15.33 % (prior year: 16.81 %). This impairment loss was reported under other income and expenses of the Automotive segment (see Note 15). HELLA reports material goodwill in the amount of € 38,738 thousand (prior year: € 37,355) stemming from the CGU Hella Gutmann Holding GmbH. The significant valuation parameters for this CGU are a discount rate of 7.51 % (prior year: 7.23 %) and a growth rate of 2 % (prior year: 2 %). Sales growth of 6 % (prior year: 4 %) is anticipated during the detailed forecast period.

In addition to impairment testing, two sensitivity analyses were carried out for each group of cash-generating units. The most important sensitivity indicators for the impairment test are the discount rates and long-term growth rate. A sensitivity analysis performed for the business segments found that a 1 percentage point increase in the WACC or a 1 percentage point reduction in the long-term growth rate would change the outcome of the impairment test in the Aftermarket and Automotive segments.

The following impairments (–) would arise:

	31 May 2015		31 May 2014	
Automotive segment	**Change in € thousand**	**Change in € thousand**	Change in € thousand	Change in € thousand
Change in percentage points	**WACC**	**Long-term growth rate**	WACC	Long-term growth rate
– 1 percentage point	**0**	**– 253**	0	0
+ 1 percentage point	**– 1,781**	**0**	– 1,040	0

	31 May 2015		31 May 2014	
Aftermarket segment	**Change in € thousand**	**Change in € thousand**	Change in € thousand	Change in € thousand
Change in percentage points	**WACC**	**Long-term growth rate**	WACC	Long-term growth rate
– 1 percentage point	**0**	**– 1,768**	0	– 1,244
+ 1 percentage point	**– 6,743**	**0**	– 6,852	0

29 Property, plant and equipment

€ thousand	Land and buildings	Technical equipment and machines	Production equipment	Other equipment, operating and office equipment	Assets under construction	Total
ACQUISITION OR MANUFACTURING COSTS						
At 1 June 2013	**580,531**	**1,666,274**	**925,798**	**391,380**	**267,080**	**3,831,063**
Changes in the scope of consolidation	0	0	0	0	0	0
Currency translation	−9,412	−28,466	0	−5,810	−6,983	−50,671
Additions	34,161	117,248	44,933	40,056	209,113	445,511
Disposals	−5,394	−37,296	−20,060	−16,614	−890	−80,253
Reclassifications	72,607	98,928	60,809	12,786	−245,130	0
Reclassification as assets held for sale	0	−81	−27	−182	0	−291
At 31 May 2014	**672,493**	**1,816,607**	**1,011,453**	**421,616**	**223,190**	**4,145,359**
CUMULATIVE DEPRECIATION AND AMORTISATION						
At 1 June 2013	**290,472**	**1,177,268**	**787,119**	**286,612**	**511**	**2,541,982**
Changes in the scope of consolidation	0	0	0	0	0	0
Currency translation	−3,146	−17,036	0	−3,855	−3	−24,040
Additions	20,103	150,925	67,720	33,278	0	272,026
Disposals	−4,236	−34,583	−19,797	−15,476	−53	−74,145
Recorded impairments	0	0	0	0	0	0
Reclassifications	−3	166	−126	−28	−9	0
Reclassification as assets held for sale	0	−10	−14	−48	0	−72
At 31 May 2014	**303,190**	**1,276,730**	**834,902**	**300,483**	**446**	**2,715,751**
Carrying amounts 31 May 2014	**369,303**	**539,877**	**176,551**	**121,133**	**222,744**	**1,429,608**

€ thousand	Land and buildings	Technical equipment and machines	Production equipment	Other equipment, operating and office equipment	Assets under construction	Total
ACQUISITION OR MANUFACTURING COSTS						
At 1 June 2014	**672,493**	**1,816,607**	**1,011,453**	**421,616**	**223,190**	**4,145,359**
Changes in the scope of consolidation	0	24	0	34	0	58
Currency translation	23,526	62,376	0	9,705	17,986	113,593
Additions	15,228	114,066	28,825	43,317	226,977	428,413
Disposals	–5,009	–40,815	–6,164	–17,299	–3,965	–73,252
Reclassifications	22,988	113,138	43,261	11,641	–191,028	0
At 31 May 2015	**729,226**	**2,065,396**	**1,077,375**	**469,014**	**273,160**	**4,614,171**
CUMULATIVE DEPRECIATION AND AMORTISATION						
At 1 June 2014	**303,190**	**1,276,730**	**834,902**	**300,483**	**446**	**2,715,751**
Changes in the scope of consolidation	0	0	0	0	0	0
Currency translation	6,671	35,307	0	6,240	4	48,222
Additions	23,882	155,017	69,832	40,407	0	289,138
Disposals	–1,466	–31,401	–4,997	–16,183	0	–54,047
Recorded impairments	0	2,776	0	0	0	2,776
Reclassifications	535	2,037	0	–2,167	–405	0
At 31 May 2015	**332,812**	**1,440,466**	**899,737**	**328,780**	**45**	**3,001,840**
Carrying amounts 31 May 2015	**396,414**	**624,930**	**177,638**	**140,234**	**273,115**	**1,612,331**

Restrictions on the powers of disposition over property, plant and equipment exist in the form of land charges and assignments to the amount of € 2,871 thousand (prior year: € 3,266 thousand).

Property, plant and equipment include carrying amounts of € 3,571 thousand (prior year: € 7,744 thousand) relating to finance leases. Please refer to Note 44 "Disclosures on leases" for additional information on future leasing payments.

Impairments are recognised in the cost of sales.

30 Investments accounted for using equity method

The following is a list of the Group's main investments accounted for using the equity method. The summarised financial information represents the IFRS financial statements of the joint ventures that were the basis for the at-equity measurement in the Group.

BHTC

The group Behr-Hella Thermocontrol (BHTC) consists of six companies that are controlled and reported together by Behr-Hella Thermocontrol GmbH in Germany. It develops, produces and distributes air-conditioning control devices for the automotive industry. BHTC focuses on the assembling of printed circuit boards and mounting of operating units, blower regulators and electronic control units for electric heater boosters.

	31 May 2015	31 May 2014
Share of equity (%)	**50**	**50**
€ thousand		
Cash and cash equivalents	**42,420**	38,775
Other current assets	**90,665**	80,906
Non-current assets	**232,850**	178,284
Total assets	**365,935**	**297,965**
Current financial liabilities	**30,000**	0
Other current liabilities	**114,021**	96,172
Non-current financial liabilities	**41,059**	57,637
Other non-current liabilities	**30,097**	27,044
Total liabilities	**215,176**	**180,853**
Net assets (100 %)	**150,758**	**117,112**
Proportional share of net assets	**75,379**	**58,556**
Sales	**360,518**	329,960
Scheduled depreciation and amortisation	**–31,575**	–30,748
Interest income	**232**	312
Interest expenses	**–1,750**	–1,580
Taxes on income	**–1,526**	–9,849
Earnings before interest and income taxes (EBIT)	**26,397**	**26,650**
Earnings for the period	**23,353**	15,533
Other comprehensive income for the period	**10,540**	–1,997
Comprehensive income for the period	**33,893**	**13,536**
Share of comprehensive income for the period	**16,947**	6,768
Dividends received	**3,500**	**3,500**

BHS

Behr Hella Service (BHS) comprises five companies that are controlled and reported together by Behr Hella Service GmbH in Germany. It serves the global independent aftermarket for vehicle air conditioning and cooling spare parts and accessories.

	31 May 2015	31 May 2014
Share of equity (%)	**50**	**50**
€ thousand		
Cash and cash equivalents	**20,342**	35,243
Other current assets	**53,996**	54,293
Non-current assets	**41,576**	42,473
Total assets	**115,914**	**132,009**
Current financial liabilities	**94**	110
Other current liabilities	**18,654**	12,852
Non-current financial liabilities	**40,000**	40,000
Other non-current liabilities	**395**	351
Total liabilities	**59,143**	**53,313**
Net assets (100 %)	**56,770**	**78,696**
Proportional share of net assets	**28,385**	**39,348**
Sales	**130,689**	127,070
Scheduled depreciation and amortisation	**−548**	−569
Interest income	**155**	126
Interest expenses	**−741**	−259
Taxes on income	**−5,256**	−5,402
Earnings before interest and income taxes (EBIT)	**18,581**	**20,070**
Earnings for the period	**12,884**	14,535
Other comprehensive income for the period	**179**	−595
Comprehensive income for the period	**13,063**	**13,940**
Share of comprehensive income for the period	**6,532**	6,970
Dividends received	**4,295**	**7,953**

HBPO

Hella Behr Plastic Omnium (HBPO), consisting of 22 companies that are controlled and reported together by HBPO Beteiligungsgesellschaft mbH in Germany, has global operations in the fields of development, production planning, quality management, assembly and distribution of front-end modules.

	31 May 2015	31 May 2014
Share of equity (%)	**33**	**33**
€ thousand		
Cash and cash equivalents	**46,353**	68,608
Other current assets	**212,610**	177,064
Non-current assets	**91,335**	74,945
Total assets	**350,298**	**320,617**
Current financial liabilities	**0**	0
Other current liabilities	**252,846**	230,590
Non-current financial liabilities	**0**	0
Other non-current liabilities	**7,531**	6,784
Total liabilities	**260,377**	**237,374**
Net assets (100 %)	**89,921**	**83,243**
Proportional share of net assets	**29,971**	**27,747**
Sales	**1,513,127**	1,306,856
Scheduled depreciation and amortisation	**– 16,676**	– 13,294
Interest income	**127**	237
Interest expenses	**– 65**	– 26
Taxes on income	**– 11,839**	– 14,211
Earnings before interest and income taxes (EBIT)	**44,136**	**40,519**
Earnings for the period	**33,820**	28,267
Other comprehensive income for the period	**2,858**	– 612
Comprehensive income for the period	**36,678**	**27,655**
Share of comprehensive income for the period	**12,225**	9,217
Dividends received	**9,999**	**7,000**

The Group also has shares in further joint ventures and associates, which are also accounted for using the equity method; their summarised financial information is presented below:

€ thousand	**31 May 2015**	31 May 2014
100 % basis		
Sales	**907,377**	719,041
Earnings before interest and income taxes (EBIT)	**70,267**	57,527
Group's total carrying amount of share in associates of:		
Sales	**418,955**	357,425
Earnings before interest and income taxes (EBIT)	**32,195**	**28,581**
Share of consolidated net profit/loss for the period	**29,978**	21,310
Other consolidated net profit/loss for the period	**9,169**	– 2,852
Comprehensive income for the period recognised in the Group	**39,147**	**18,458**
Carrying amount of the remaining companies accounted for using the equity method	**130,312**	**107,091**

The financial information for all joint ventures and all associates is as follows:

€ thousand	31 May 2015	31 May 2014
100 % basis		
Sales	**2,911,711**	2,482,927
Earnings before interest and income taxes (EBIT)	**161,177**	144,766
Group's total carrying amount of share in associates of:		
Sales	**1,168,884**	1,021,554
Earnings before interest and income taxes (EBIT)	**70,292**	**65,447**
Share of consolidated net profit/loss for the period	**55,336**	45,766
Other consolidated net profit/loss for the period	**22,648**	−4,352
Comprehensive income for the period recognised in the Group	**77,984**	**41,414**

The share of losses not recognised for the aforementioned companies accounted for using the equity method is € 5,255 thousand (prior year: € 825 thousand). The recognised net assets of all joint ventures and all associates is broken down as follows:

€ thousand	31 May 2015	31 May 2014
Share of net assets attributable to BHTC	**75,379**	58,556
Share of net assets attributable to BHS	**28,385**	39,348
Share of net assets attributable to HBPO	**29,971**	27,747
Sum of assigned goodwill	**7,140**	7,140
Eliminations through consolidation	**−4,419**	−367
Net assets of material companies accounted for using the equity method	**136,456**	**132,425**
Group's carrying amount of the net assets of the other companies accounted for using the equity method	**139,139**	100,423
Goodwill and eliminations through consolidation	**−8,827**	6,668
Net assets of other companies accounted for using the equity method	**130,312**	**107,091**
Investments accounted for using equity method	**266,768**	**239,516**

€ thousand	31 May 2015	31 May 2014
Share of net assets at 1 June	**239,516**	**210,655**
Earnings for the period after eliminations within the Group	**55,336**	37,836
Other consolidated net profit/loss for the period	**22,648**	−2,146
Capital reduction	**−13,200**	0
Capital contribution	**16,927**	**0**
Sale of shares	**−19,306**	0
Dividends	**−35,152**	−6,830
Share of net assets at 31 May	**266,768**	**239,516**

31 Deferred non-current tax assets/liabilities

The deferred tax assets of € 118,562 thousand (prior year: € 126,523 thousand) and deferred tax liabilities of € 24,882 thousand (prior year: € 69,006 thousand) mainly relate to differences from the tax balance sheet values. Before offsetting and valuation allowance, the current portion of the deferred tax assets and liabilities amounts to € 119,928 thousand and € –74,777 thousand, respectively (prior year: € 85,653 thousand and € –48,931 thousand).

The deferred tax assets and liabilities are broken down as follows:

€ thousand		**31 May 2015**		31 May 2014
	Assets	**Liabilities**	Assets	Liabilities
Intangible assets	**6,028**	**31,666**	5,011	25,403
Property, plant and equipment	**38,067**	**63,976**	47,724	56,743
Financial assets	**1,046**	**3,139**	948	100
Other non-current assets	**0**	**1,547**	17	9,810
Receivables	**14,134**	**527**	7,954	824
Inventories	**12,504**	**8,753**	13,566	10,191
Other current assets	**4,155**	**16,275**	7,824	7,301
Financial liabilities (non-current)	**6**	**1,902**	15	3,683
Provisions for pensions and similar obligations	**55,800**	**969**	45,194	116
Other provisions (non-current)	**19,860**	**0**	7,082	877
Other non-current liabilities	**125**	**2,245**	2,352	1,653
Liabilities	**749**	**12,213**	1,020	5,464
Other liabilities and deferred debts	**83,931**	**34,414**	44,450	24,273
Other current liabilities	**4,456**	**2,594**	10,839	878
Subtotal	**240,861**	**180,221**	**193,997**	**147,316**
Valuation allowance on deferred taxes from temporary differences	**–1,728**	**0**	–10,628	0
Total	**239,132**	**180,221**	**183,369**	**147,316**
Loss carryforwards	**115,091**	**0**	95,712	0
Valuation allowances on loss carryforwards	**–80,323**	**0**	–74,248	0
Netting	**–155,339**	**–155,339**	–78,310	–78,310
Total	**118,562**	**24,882**	**126,523**	**69,006**

It is guaranteed with sufficient probability that the loss carryforwards for which deferred tax assets are recognised will be realised. The amount of the loss carryforwards for which no deferred tax assets are recognised was € 293,453 thousand as at 31 May 2015 (prior year: € 247,995 thousand). Future offsetting against taxable profits is unlikely. Of this amount, € 123,763 thousand will mature in the next five years, and € 169,690 thousand thereafter. Tax assets arising from temporary differences for which no deferred tax assets were recognised amounted to € 1,728 thousand at 31 May 2015 (prior year: € 10,628 thousand).

Deferred taxes that were recognised in other comprehensive income in the period:

	Before taxes	Tax income/ (tax expenses)	After taxes
Financial instruments for cash flow hedging	−31,589	6,335	−25,254
Available-for-sale financial instruments	5,710	312	6,022
Revaluation from defined benefit pension plans	−33,756	11,128	−22,628
Change in fair value	**−59,634**	**17,775**	**−41,860**

32 Other non-current assets

€ thousand	**31 May 2015**	31 May 2014
Receivables from finance leases	**35,707**	32,641
Other non-current assets	**2,640**	4,298
Subtotal other financial assets	**38,347**	**36,939**
Advance payments	**1,179**	1,334
Accrued items	**1,411**	2,674
Plan assets	**1,968**	0
Total	**42,905**	**40,948**

See Note 44 for more detailed explanations about receivables from leases.

33 Trade payables

In the past fiscal year, there were liabilities to associated, non-consolidated affiliated companies and companies in which participating interests are held in the amount of € 32,932 thousand (prior year: € 33,915 thousand).

€ thousand	**31 May 2015**	31 May 2014
Materials and services	**453,348**	450,929
Capital expenditures	**87,613**	88,689
Related parties	**32,932**	33,915
with associates	**3,999**	3,475
with investments	**26,877**	25,958
with affiliated companies not included in the consolidated financial statements	**2,056**	4,482
Total trade payables	**573,893**	**573,533**

34 Other liabilities

€ thousand	31 May 2015		31 May 2014	
	Non-current	Current	Non-current	Current
Derivatives	126,839	18,655	112,849	277
Other financial liabilities	941	190,254	316	118,741
Subtotal other financial liabilities	127,781	208,909	113,165	119,018
Other taxes	0	40,167	0	32,368
Accrued personnel liabilities	0	169,631	0	127,531
Advance payments received	984	19,577	3,186	59,417
Deferred revenue	107,607	118,649	102,740	82,606
Total	236,371	556,934	219,091	420,940

The advance payments received and reported relate primarily to services not yet rendered in full. Other financial liabilities include mainly personnel liabilities of € 169,631 thousand (prior year: € 127,531 thousand) and liabilities from outstanding invoices or credit notes of € 141,581 thousand (prior year: € 80,262 thousand).

35 Provisions

The main components of provisions are presented below:

€ thousand	31 May 2015		31 May 2014	
	Non-current	Current	Non-current	Current
Pension provisions	241,291	374	196,859	158
Other provisions	116,355	72,270	64,707	108,575
Total	357,646	72,644	261,566	108,733

Pension provisions

The HELLA Group provides pension benefits to the vast majority of its employees in Germany. Employees in many of the international HELLA companies also receive occupational pension benefits. There are both defined benefit and defined contribution pension plans.

The benefits provided by the German companies mainly consist of pension payments, the amount of which is based on length of service and which are paid in the form of old age, disability, and survivors' pensions. In addition, one company has a pension scheme whereby members receive a fixed sum depending on the income band in which they are classified. All employees can also participate in a contribution-based scheme through deferred compensation.

The companies continue to remain liable for fulfilment of the pension entitlements assigned to the pension fund, acting as guarantor in the event of non-performance, meaning that the pension liabilities and trust assets will be included on a net basis in the consolidated statement of financial position.

The defined benefit pension scheme in Great Britain and Ireland was closed to newcomers to the company. The same scenario is true for the old-age pension provision in the Dutch company, which also has a defined benefit arrangement. The benefits of both of these schemes are calculated on the basis of length of service and salary and are paid out when retirement age is reached or in the event of disability or death. The Dutch scheme also allows for additional employee contributions. The various plans offered by the Norwegian company also provide pension payments. However, the benefits under the employer-financed plan are calculated taking into account statutory pension provision. The pension is supplemented by an additional employee-financed plan.

Besides these systems, whose benefits are paid on an annual basis, employees of the companies in Mexico, Korea, India and the Philippines receive benefits in the form of a single capital payment. The amount of the obligation from the respective defined benefit plan is determined on the basis of the salary and number of years of service. In Mexico, the guaranteed pension benefits are supplemented by a contribution-based Flex Plan into which the employer can pay variable contributions. Employees in Bosnia, Slovenia, and France receive a one-off lump capital sum on retirement based on their salary. In Italy and Turkey, a capital sum is paid out at the end of the working relationship, irrespective of the reason for the relationship ending.

Granting of defined benefit plans entails the customary long life, inflation, interest rate and market (investment) risks; these risks are regularly monitored and assessed.

In the USA, Australia, and Mexico, as well as in many European and Asian companies, employees receive company pension benefits in the form of defined contribution plans. Furthermore, in the USA there are liabilities for the medical care of active employees, although the costs of these benefits are not borne for former employees after retirement.

The funding status and the reconciliation to the balance sheet amounts are presented below:

€ thousand	**31 May 2015**	31 May 2014
Defined Benefit Obligation (DBO) at end of fiscal year	**382,153**	334,222
Fair value of plan assets at the end of the fiscal year	**– 142,444**	– 138,933
Amount not recognised in assets due to asset ceiling	**4**	1,528
Recognised amount	**239,713**	**196,817**

The amounts carried are made up of the following balance sheet items:

€ thousand	**31 May 2015**	31 May 2014
Assets from covered pension plans	**– 1,952**	– 200
Pension provisions	**241,665**	197,017
Sum of the individual amounts	**239,713**	**196,817**

Asset cover for the pension liability was as follows:

		31 May 2015		31 May 2014
€ thousand	**Defined benefit obligation**	**Plan assets**	Defined benefit obligation	Plan assets
Without asset cover	**231,310**	**0**	191,276	0
At least partial asset cover	**150,843**	**142,444**	142,946	138,933
Total	**382,153**	**142,444**	**334,222**	**138,933**

Change in the present value of pension liabilities:

€ thousand	31 May 2015	31 May 2014
DBO at start of fiscal year	**334,222**	**320,062**
Current service cost	**7,661**	7,532
Past service cost	**– 157**	5,794
Expenses (+)/income (-) plan settlements	**0**	– 164
Interest expense	**9,222**	8,908
Actuarial gains (–)/losses (+) due to changes in demographic assumptions	**14**	273
Actuarial gains (–)/losses (+) due to changes in financial assumptions	**40,181**	2,919
Actuarial gains (–)/losses (+) due to changes in experience-based assumptions	**261**	543
Pension payments	**– 11,045**	– 11,322
Payments for plan settlements	**0**	– 242
Tax payments	**– 1**	– 100
Contributions paid by beneficiaries from the plan	**1,270**	574
Change in the scope of consolidation	**0**	– 93
Currency effects	**525**	– 463
DBO at end of fiscal year	**382,153**	**334,222**

Development of plan assets:

€ thousand	31 May 2015	31 May 2014
Fair value of plan assets at start of fiscal year	**138,933**	**141,362**
Expected income from plan assets	**3,810**	3,937
Actuarial gains (+)/losses (–) from the plan assets	**6,639**	2,383
Employer contributions	**835**	1,461
Beneficiary contributions	**1,270**	574
Pension payments from plan assets	**– 9,544**	– 10,270
Payments for plan settlements	**0**	– 179
Administrative costs	**– 53**	– 66
Change in the scope of consolidation	**0**	– 99
Currency effects	**554**	– 170
Fair value of plan assets at the end of the fiscal year	**142,444**	**138,933**

Development of the asset ceiling:

€ thousand	31 May 2015	31 May 2014
Asset ceiling at start of fiscal year	**1,528**	**1,340**
Interest expense	0	49
Actuarial gains (+)/losses w	4	75
Currency effects	0	– 6
Reclassification of pensions	– 1,528	70
Asset ceiling at end of fiscal year	**4**	**1,528**

The pension cost of the pension plans is broken down as follows:

€ thousand	31 May 2015	31 May 2014
Current service cost	7,661	**7,532**
Past service cost	– 157	5,247
Expenses (+)/income (–) plan settlements	0	– 164
Administrative costs	53	66
Net interest expense	5,412	5,020
Expense recorded in the consolidated net profit/loss for defined benefit pension plans	**12,969**	**17,701**
Actuarial gains (+)/losses (–) from scope of obligations	40,456	3,735
Actuarial gains (+)/losses (–) from the plan assets	– 6,639	– 2,383
Actuarial gains (+)/losses (–) from the asset ceiling	4	75
Expense from revaluation recognised in other comprehensive income	**33,821**	**1,427**
Expense recorded in comprehensive income for defined benefit pension plans	**46,790**	**19,128**

Development of the balance sheet amount:

€ thousand	31 May 2015	31 May 2014
Balance sheet amount at start of fiscal year	**196,817**	**180,040**
Service costs	7,557	12,681
Net interest expense	5,412	5,020
Expense from revaluation recognised in other comprehensive income	33,821	1,427
Pension payments	– 1,501	– 1,052
Payments for plan settlements	0	– 63
Employer contributions	– 835	– 1,461
Tax payments	– 1	– 100
Transfers	0	548
Currency effects	– 29	– 223
Reclassification of pensions	– 1,528	0
Balance sheet amount at end of fiscal year	**239,713**	**196,817**

Actuarial gains/losses recognised in equity:

€ thousand	31 May 2015	31 May 2014
Actuarial gains (+)/losses (–) at start of fiscal year	**–67,058**	**–65,474**
Actuarial gains (+)/losses (–) during fiscal year	**–33,821**	–1,427
Reclassification of pensions	**1,528**	**0**
Currency effects	**–136**	–157
Actuarial gains (+)/losses (–) at end of fiscal year	**–99,487**	**–67,058**

The present value was measured on the basis of the following assumptions:

	Germany		International	
	31 May 2015	31 May 2014	**31 May 2015**	31 May 2014
DBO (in € thousand)	**340,925**	299,639	**41,228**	34,584
Discount rate (in %)	**1.92**	2.71	**2.74**	3.66
Wage and salary trend (in %)	**3.00**	3.00	**2.32**	2.88
Pension trend (in %)	**1.75**	2.00	**1.24**	1.20

The cost of the pension plans was calculated on the basis of the following assumptions:

	Germany		International	
in %	**2014/2015**	2013/2014	**2014/2015**	2013/2014
Discount rate	**2.71**	2.77	**3.66**	3.41
Wage and salary trend	**3.00**	3.00	**2.88**	2.93
Pension trend	**2.00**	2.00	**1.20**	0.97

The discount rate was determined in 2015 on the basis of the yields on the capital markets in the various relevant regions.

The following table shows how the present value of the defined benefit obligation would have changed at the reporting date if individual key assumptions had varied.

		31 May 2015	31 May 2014
Discount rate	+0.5 percentage points	**−8.6%**	−8.0%
	−0.5 percentage points	**10.0%**	9.2%
Pension dynamics	+0.5 percentage points	**6.1%**	4.9%
	−0.5 percentage points	**−5.5%**	−6.1%
Salary dynamics	+0.5 percentage points	**0.4%**	0.4%
	−0.5 percentage points	**−0.3%**	−0.4%
Death rate	+10 percentage points	**−3.1%**	−3.5%
	−10 percentage points	**3.5%**	3.5%

The average duration of the defined pension liabilities, weighted on the basis of the present values, is 18 years (prior year: 18 years).

Breakdown of plan assets:

€ thousand	**31 May 2015**	31 May 2014
Shares	**7.11%**	8.86%
Fixed-income securities	**54.59%**	54.39%
thereof: no price quotation in an active market	**1.47%**	1.66%
Real estate	**0.64%**	0.66%
thereof: no price quotation in an active market	**0.64%**	0.66%
Investment funds	**0.31%**	**0.00%**
Insurance	**35.04%**	33.44%
thereof: no price quotation in an active market	**35.04%**	33.44%
Cash	**1.87%**	2.36%
Other investments	**0.44%**	0.29%
Total all investment types	**100.00%**	**100.00%**

The domestic plan assets are largely managed by a pension fund. Proper management and use of the trust assets is supervised by external trustees. The pension fund is also subject to supervision by the German Federal Financial Supervisory Authority (BaFin).

The plan assets do not include any own financial instruments or assets used by the Group itself.

Current income from the plan assets amounted to € 10,449 thousand in the past fiscal year (prior year: € 6,318 thousand).

Contributions to defined benefit pension plans for 2015/2016 are expected to amount to € 1,524 thousand (prior year: € 1,468 thousand).

The following overview shows the payments expected for the next ten fiscal years (not discounted, excluding payments from the plan assets):

€ thousand	
2015/2016	11,484
2016/2017	11,635
2017/2018	12,426
2018/2019	12,222
2019/2020	12,638
Total of the years 2020/2021 to 2025/2026	76,815

Group liabilities arising from defined contribution pension plans were recognised in profit and loss in the operating result. The expenses amounted to € 83,134 thousand in the fiscal year (prior year: € 77,873 thousand). These expenses also include contributions to public pension insurance funds outside HELLA KGaA, which total € 74,398 thousand (previous year: € 71,070 thousand).

Other provisions

€ thousand	1 June 2014	Additions	Reversals	Compounding	Other	Utilisation	31 May 2015
Severance benefits	40,060	6,810	–1,271	0	141	–34,061	**11,679**
Partial retirement programme	14,501	16,668	0	355	46	–12,778	**18,792**
Profit-sharing and other bonuses	25,015	17,623	–1,000	2,371	972	–11,583	**33,398**
Warranty obligations	57,151	48,707	–7,882	2,805	2,576	–32,019	**71,338**
Losses on trade receivables	25,363	16,632	–4,082	3,856	2,078	–7,139	**36,708**
Other provisions	11,191	21,635	–1,213	74	468	–15,445	**16,710**
Total	**173,281**	**128,075**	**–15,448**	**9,461**	**6,281**	**–113,025**	**188,625**

HELLA creates provisions for severance payments likely to be paid, if it is liable for the early termination of employment contracts and HELLA is unable to withdraw from this liability.

The provision for partial retirement programmes corresponds to the present value of the obligation on the reporting date less the fair value of plan assets on the reporting date. A discount rate of 0.63 % was applied (prior year: 1.24 %). Provisions for warranty obligations comprise burdens for concrete isolated cases in the Automotive segment, in particular, for which the current portion amounts to € 26,246 thousand (prior year: € 43,319 thousand).

€ thousand	31 May 2015	31 May 2014
Present value of liability	**45,196**	37,326
Fair value of plan assets	**–26,404**	–22,825
Provision for partial retirement programme	**18,792**	**14,501**

The deducted plan assets are securities. The change in the fair value of the plan asset is recognised under "Other" in the provisions table.

Should warranty obligations arise from contractual or statutory warranty obligations, HELLA creates provisions for these obligations. Specific warranty provisions are made for individual warranty claims that have arisen or been asserted. When carrying out the measurement, the parts concerned are identified based on the established total supplied products and a failure rate estimated for these products. Failure rates are appropriately estimated using historical failure rates and all other available data for each individual warranty case. Measurement is based on the estimated average costs (material and replacement costs). Provided it meets the capitalisation requirements, the compensation expected in connection with warranty claims is accounted for under other assets (€ 16,343 thousand, prior year: € 4,277 thousand).

Provisions for supply and sales liabilities include liabilities under current third-party agreements from which future losses are expected.

The management uses historical figures from similar transactions to estimate the amount of the provisions, taking into account details of any events arising up until the consolidated financial statement is drawn up.

36 Financial liabilities

Current financial liabilities maturing within a year amounted to € 100,221 thousand (prior year: € 296,412 thousand). The 7.25 % bond from 2009 with a nominal amount of € 200,002 thousand which was included in the prior year was paid out in October 2014.

Non-current financial liabilities amounted to € 1,038,886 thousand (prior year: € 1,121,252 thousand) including € 298,983 thousand (prior year: € 298,554 thousand) attributable to a bond with a 1.25 % coupon maturing in September 2017 with a nominal volume of € 300,000 thousand and € 497,142 thousand attributable to a bond with a 2.375 % coupon (prior year: € 496,576 thousand) maturing in 2020 and a nominal volume of € 500,000 thousand.

The item also includes € 88,268 thousand (prior year: € 86,730 thousand) attributable to notes certificates denominated in yen issued in 2002 and 2003 with a 30-year maturity, and € 80,867 thousand (prior year: € 73,078 thousand) attributable to a loan granted in yen, both of which are fully currency-hedged to a value totalling € 175,177 thousand (prior year: € 175,177 thousand); the loan from the European Investment Bank of € 150,466 thousand (prior year: € 150,466 thousand) was paid off during the period under review.

Participatory capital of € 5,444 thousand (prior year: € 5,434 thousand), and finance lease liabilities amounting to € 700 thousand (prior year: € 7,724 thousand) are also recognised.

€ thousand	**31 May 2015**	31 May 2014
Cash and cash equivalents	**602,744**	637,226
Financial assets	**405,077**	354,982
Current financial liabilities	**– 100,221**	– 296,412
Non-current financial liabilities	**– 1,038,886**	– 1,121,252
Net debt	**– 131,286**	**– 425,456**

37 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.

The Annual General Shareholders' Meeting agreed on a stock split on 10 October 2014. One registered no-par value share was replaced with two bearer shares of the Company. The share capital remained unchanged at € 200,000 thousand.

The Annual General Shareholders' Meeting of 31 October 2014 agreed to increase the share capital against contributions by € 22,222,224 by issuing 11,111,112 new shares at a nominal value of € 2 each. Upon registration of the issue of new capital in the Commercial Register of the Paderborn district court on 7 November 2014, the Company's share capital was increased; it now stands at € 222,222,224 and comprises 111,111,112 shares.

A subscription price of € 25.00 was set for each new no-par value share.

The capital reserve increased by € 255,556 thousand in the 2014/2015 fiscal year as a consequence of the issue of new capital against cash contributions. The increase was as a result of the premiums paid by the shareholders; this was offset by the issuing costs of € 5,322 thousand for costs incurred directly in relation to the issue of new capital (e. g. for banks, lawyers and auditors).

On 15 January 2015, the Group took over a further 7.94 % of shares in leading Danish car components wholesaler FTZ. The purchase price of € 14,786 thousand did not lead to any change in the accounting method, as FTZ was already fully consolidated. The Company holds a 78.99 % share in FTZ after the purchase. Specifically, the Group recognised:

- → a reduction in non-controlling interests of € 5,854 thousand
- → a reduction in other retained earnings of € 8,937 thousand
- → a € 5,000 increase in the currency translation provision.

The carrying amount of the net assets of FTZ in the consolidated financial statements amounted to € 51,542 thousand at the time of acquisition.

The following is a summary of the impact of changes in the Group's investment in FTZ:

€ thousand	
Share of Company as at 1 June 2014	50,663
Impact of increase in the investment	5,854
Share of comprehensive income	7,654
Share of Company as at 31 May 2015	**64,171**

Under "Other retained earnings/profit carried forward", other retained earnings of the parent company and past earnings of consolidated companies are also included, provided they have not 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 € 33,821 thousand (prior year: losses of € 1,427 thousand) were recognised. 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 1.92 % at the end of May 2015 (May 2014: 2.71 %).

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 May was 0.2.

The table below summarises the financial information for subsidiaries with material non-controlling interests:

Subsidiary Country	FTZ Autodele & Værktøj A/S Denmark		INTER-TEAM Sp. z o.o. Poland	
€ thousand	**31 May 2015**	31 May 2014	**31 May 2015**	31 May 2014
Non-controlling interests	**21 %**	29 %	**50 %**	50 %
Current assets	**119,321**	101,735	**44,826**	39,701
Non-current assets	**11,867**	13,726	**5,784**	6,770
Total assets	**131,188**	**115,461**	**50,610**	**46,471**
Current liabilities	**– 47,653**	– 42,277	**– 29,523**	– 27,675
Non-current liabilities	**– 2,072**	– 1535	**– 8,505**	– 9,685
Total liabilities	**– 49,725**	**– 43,812**	**– 38,028**	**– 37,360**
Net assets	**81,463**	71,649	**12,582**	9,111
Share of net assets of non-controlling interests	**17,292**	20,986	**6,291**	4,556
Sales	**271,641**	**254,255**	**142,952**	**129,195**
Earnings for the period	**16,824**	14,198	**5,322**	3,774
Other comprehensive income for the period	**30**	– 71	**55**	439
Comprehensive income for the period	**16,854**	**14,127**	**5,377**	**4,213**
Share of comprehensive income attributable to non-controlling interests	**4,199**	4,111	**2,688**	1,887
Dividend paid to non-controlling interests	**2,038**	3,841	**953**	236
Cash flow from operating activities	**13,716**	16,862	**11,982**	1,141
Cash flow from investing activities	**– 10,007**	– 4,422	**687**	– 2,053
Cash flow from financing activities	**– 5,100**	– 13,275	**– 9,766**	1,786
Net increase/decrease in cash	**– 1,389**	**– 835**	**2,903**	**873**
Cash and cash equivalents at start of the period	**1,826**	2,662	**2,188**	1,315
Cash and cash equivalents at end of the period	**437**	1,826	**5,091**	2,188

The data provided represent the amounts before intra-Group elimination on a 100 % basis.

38 Notes to the cash flow statement

The dividends paid include payments of € 55,500 thousand (€ 1.11 per share) to the owners of the parent company and payments to non-controlling interests amounting to € 3,560 thousand.

HELLA makes considerable investments in customer-specific operating equipment, which is capitalised as economic property in the Group's non-current assets. Due to the considerable up-front investments in such operating equipment, HELLA sometimes receives from customers – as an advance on delivery of parts – reimbursement payments, which are reported as deferred income as prepayment on sales.

In accordance with IAS 7, payments for procuring operating equipment must be allocated to investing activities in the cash flow statement, whereas cash proceeds from customer reimbursements as a prepayment on sales must be economically assigned to operating activity.

Regardless of the means of presentation in accordance with the accounting standard, the cash flows from procurement of operating equipment and customer reimbursements are grouped in internal reporting together with the other payments for and proceeds from property, plant and equipment and intangible assets to give the key indicator "net capital expenditure", since advance payment of the customer reimbursements reduces the funding requirement for capital expenditures at the time they are needed and is therefore a major factor in investment decisions.

Operating cash flow is used as a performance indicator for internal Group management. This indicator is designed to show cash flows from business operations. It is calculated based on cash generated from operating activities as well as incoming and outgoing payments for investments in immaterial assets and property, plant and equipment. Cash flows from income or expenses which are non-recurrent in nature are not taken into consideration when calculating operating cash flow.

The development of operating cash flow is shown in the table below:

€ thousand		2014/2015	2013/2014
	Net cash flows from operating activities	**559,922**	**534,969**
+	Adjustment for severance and partial retirement payments	**38,449**	15,323
	Cash proceeds from the sale of property, plant and equipment	**16,458**	12,097
	Cash proceeds from the sale of intangible assets	**3,602**	4,623
	Payments for purchase of property, plant and equipment	**−429,489**	−463,207
	Payments for purchase of intangible assets	**−68,449**	−52,554
–	Sum of cash-relevant investments	**−477,878**	−499,041
=	**Operating cash flow**	**120,493**	**51,251**

39 Information on related party relationships

HELLA KGaA Hueck & Co. and its subsidiaries maintain business relationships with many companies and individuals in the course of their normal operations. In addition to the business relationships with fully consolidated companies, relationships exist with joint ventures, associates and companies in which an interest is held that are classified as related parties under IAS 24.

There are supply and service relationships between companies within the scope of consolidation and related parties, particularly with associates and non-consolidated affiliates. The outstanding items from the purchase and sale of goods and services between companies in the scope of consolidation and associates, as well as non-consolidated affiliates, are presented under the respective items. For further information on goods and services, see Notes 24 and 33.

The following transactions were made with related parties:

€ thousand	2014/2015	2013/2014
Income from the sale of goods and services	**216,898**	**175,679**
with associates	**203,590**	167,642
with joint ventures	**12,860**	7,748
with investments	**0**	0
with affiliated companies not included in the consolidated financial statements	**448**	289
Expenses from the purchase of goods and services	**109,517**	**177,145**
with associates	**57,495**	51,168
with joint ventures	**31,287**	34,637
with investments	**15,306**	15,955
with affiliated companies not included in the consolidated financial statements	**5,429**	75,385

The business relationships with related parties operate under normal market conditions. They do not fundamentally differ from supply and service relationships with third parties. The HELLA Group concluded no significant transactions with related party individuals.

For assuming personal liability in its role as personally liable partner, HELLA Geschäftsführungsgesellschaft mbH receives a fee of € 1 thousand (prior year: € 3 thousand).

In addition, this company is entitled to claim compensation from HELLA KGaA Hueck & Co. for all of the expenses arising in connection with the management of the Company's business activities, including the remuneration of the management bodies.

Remuneration for management in key positions:

€ thousand	2014/2015	2013/2014
Short-term benefits	**19,887**	14,824
Post-employment benefits	**347**	5,706
Other long-term benefits	**219**	0
Total	**20,453**	**20,530**

Members of the management in key positions at HELLA KGaA Hueck & Co. are the Management Board (the Managing General Partner Dr. Jürgen Behrend and the Managing Directors of HELLA Geschäftsführungsgesellschaft GmbH), as well as members of the Shareholders' Committee and the Supervisory Board.

Total remuneration paid to the management bodies:

€ thousand	2014/2015	2013/2014
Total remuneration paid to the active institution members	**19,887**	**14,198**
Management Board	**18,622**	13,241
Supervisory Board	**397**	180
Shareholders' Committee	**868**	777
Total remuneration paid to the former institution members and their surviving dependants	**351**	**348**
Management Board	**351**	348

The Chairman of the Supervisory Board, Prof. Dr. Michael Hoffmann-Becking, is a partner of a law firm which advises HELLA KGaA Hueck & Co. and the Group on various areas of law, including, but not limited to, corporate law, capital markets law,employment law and competition law. In the fiscal year 2014/2015, a total of € 2,401 thousand plus VAT was billed to the Group for such advisory services (previous year: € 766 thousand plus VAT). Such advisory services in the fiscal year 2014/2015 included in particular the support in the going public of HELLA KGaA Hueck & Co. Furthermore, in the context of the planning of the second company kindergarten of HELLA, the Supervisory Board member Christoph Thomas as the owner of an architecture firm received a fee in the amount of € 134 thousand (previous year: € 158 thousand) for advisory services and support.

Other than as described above, no remuneration or personal benefits were granted to Supervisory Board members for their personal services, in particular for advisory or intermediary services.

€ 9,604 thousand (prior year: € 8,921 thousand) was appropriated for the pension liabilities to former members of the Management Board of HELLA KGaA Hueck & Co. and the former Managing Directors of the predecessor company and their surviving dependants. This was partially born by Allianz Pensionsfonds AG. The plan assets absorbed by the liabilities for this group of people amounted to € 4,408 thousand (prior year: € 4,424 thousand).

No loans or advances were granted to the members of the Management Board, the Supervisory Board or the Shareholders' Committee.

40 Declaration of Conformity with the Corporate Governance Code

On 28 May 2015, the personally liable partners as well as the Shareholders' Committee and the Supervisory Board of HELLA KGaA Hueck & Co. ("Company") approved a joint Declaration of Conformity in accordance with Section 161 Aktiengesetz (AktG – German Stock Corporation Act) which states that the recommendations of the German Corporate Governance Code have been and will be complied with as well as which recommendations have not been or are not being applied. This has been made permanently accessible on the Company's website at www.hella.com/declarationofconformity.

41 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 May 2014 and the prior year are shown below.

€ thousand	Category under IAS 39	**Carrying amount 31 May 2015**	**Fair value 31 May 2015**	Carrying amount 31 May 2014	Fair value 31 May 2014	Fair value hierarchy
Cash and cash equivalents	LaR	**602,744**	**602,744**	637,226	637,226	
Trade receivables	LaR	**839,322**	**839,322**	692,097	692,097	
Loans	LaR	**204**	**204**	5,867	5,867	
Other financial assets						
Derivatives used for hedging	n.a.	**2,276**	**2,276**	3,028	3,028	
Derivatives not used for hedging	HfT	**3,181**	**3,181**	1,761	1,761	
Available-for-sale financial assets	AfS	**402,778**	**402,778**	287,445	287,445	Level 1
Other receivables associated with financing activities	LaR	**39,802**	**39,802**	87,620	87,620	
Financial assets (current)		**1,890,307**	**1,890,307**	**1,715,044**	**1,715,044**	
Trade receivables	LaR	**38,347**	**38,347**	34,200	35,173	Level 2
Loans	LaR	**8,559**	**8,059**	8,115	8,387	Level 2
Other financial assets						
Available-for-sale financial assets	AfS	**11,074**	**11,074**	11,067	11,067	Level 2
Other receivables associated with financing activities	LaR	**20**	**20**	16	16	Level 2
Financial assets (non-current)		**58,000**	**57,500**	**53,398**	**54,643**	
Financial assets		**1,948,307**	**1,947,807**	**1,768,442**	**1,769,686**	
Financial liabilities	FLAC	**97,153**	**97,153**	296,004	296,004	
Trade payables	FLAC	**573,893**	**573,893**	573,533	573,533	
Other financial liabilities						
Derivatives used for hedging	n.a.	**11,897**	**11,897**	3,199	3,199	Level 2
Derivatives not used for hedging	HfT	**6,224**	**6,224**	888	888	Level 2
Financial lease liabilities	n.a.	**3,068**	**3,068**	408	408	
Other financial liabilities	FLAC	**190,254**	**190,254**	118,741	118,741	
Financial liabilities (current)		**882,489**	**882,489**	**992,772**	**992,772**	
Financial liabilities to banks	FLAC	**153,793**	**152,506**	231,975	236,207	Level 2
Bonds	FLAC	**884,393**	**942,616**	881,553	116,764	Level 1
Other financial liabilities						
Derivatives used for hedging	n.a.	**118,625**	**118,625**	91,190	91,190	Level 2
Derivatives not used for hedging	HfT	**8,214**	**8,214**	17,850	17,850	Level 2
Financial lease liabilities	n.a.	**700**	**700**	7,724	7,724	
Other financial liabilities	FLAC	**941**	**941**	316	316	
Financial liabilities (non-current)		**1,166,666**	**1,223,602**	**1,230,608**	**1,253,661**	
Financial liabilities		**2,049,155**	**2,106,091**	**2,223,380**	**2,246,433**	
Of which aggregated under IAS 39 measurement categories:						
Financial assets HfT		**3,181**	**3,181**	1,761	1,761	
LaR		**1,528,998**	**1,528,498**	1,465,141	1,466,386	
AfS		**413,853**	**413,722**	298,512	298,512	
Financial liabilities HfT		**14,438**	**14,438**	18,738	18,738	
FLAC		**1,900,427**	**1,957,363**	2,102,122	2,125,175	
Financial asset derivatives used for hedging		**2,276**	**2,276**	3,028	3,028	
Financial liability derivatives used for hedging		**130,522**	**130,522**	94,389	94,389	

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 2014/2015 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. As the market value cannot be reliably determined, the other investments and non-consolidated affiliated companies reported here are carried at acquisition costs in the amount of € 11,074 thousand (prior year: € 11,067 thousand). The change in value compared with the prior year is due to a permanent impairment.

At the reporting date, there were no plans to sell the other investments and non-consolidated affiliates measured at acquisition cost.

Pledged collateral
As at 31 May 2015, securities of € 26,404 thousand (prior year: € 26,450 thousand) were deposited with a trustee as statutory insolvency protection for partial retirement fund assets. Occasionally, collateral is pledged from the business assets to a limited extent as security for bank loans. These may, for example, be categorised as receivables.

Net profit/loss per measurement category
The following table shows the net result from financial instruments for each IAS 39 measurement category:

€ thousand	2014/2015	2013/2014
Loans and receivables	**3,461**	−9,136
Available for sale	**17,882**	10,808
Liabilities measured at amortised cost	**−3,464**	352
Financial derivatives held for trading (net)	**8,333**	−22,478
Total	**26,212**	**−20,454**

When determining the net result from financial instruments, goodwill impairments/write-ups, income and expense resulting from the application of the effective interest method, income and expenses from currency translation, gains or losses on disposals, and other changes in the fair value of financial instruments recognised in profit and loss are taken into account.

Interest income/expense on financial instruments not recognised at fair value in equity
In the 2014/2015 fiscal year, interest expense of € 8.127 thousand (prior year: € 8,270 thousand) was incurred for financial instruments not recognised at fair value in equity – notably derivatives classified as cash flow hedges.

Impairment losses

In addition, impairment losses of € 4,350 thousand (prior year: € 10,930 thousand) were charged on financial assets in the 2014/2015 fiscal year. € 1,032 thousand (prior year: € 1,409 thousand) of the impairments relate to non-current investments in financial instruments of the "available-for-sale" category. Loans and receivables, primarily trade receivables, were written down by € 3,317 thousand (prior year: € 9,521 thousand).

Dividends

Dividend income of € 19,034 thousand (prior year: € 7,779 thousand) was generated by financial instruments classified as "available for sale" in the 2014/2015 fiscal year.

Financial risk management

The HELLA Group is exposed to various financial risks in the course of its operations. In particular, these include liquidity, currency and interest rate risk. Risk management is carried out by the central financial management department in accordance with the guidelines adopted by the corporate bodies. Detailed information is provided in the management report.

On the procurement side, commodity price risks and risks relating to the general security of supply exist, among others. Moreover, credit risks arise from trade receivables, and also from receivables relating to financial transactions, such as the investment of cash or cash equivalents or the acquisition of securities. Liquidity risk can arise from a significant decline in the operative business performance as well as from the risk categories mentioned above.

Management of liquidity risks

HELLA works with mainly centralised liquidity structures in order to pool liquidity across the Group. The centralised liquidity is calculated on a regular basis and planned using a bottom-up process. HELLA actively manages its loan portfolio on the basis of the liquidity planning.

The following tables show the maximum settlements. The presentation shows the worst-case scenario for HELLA, i.e. the earliest possible contractual payment date. This takes into account creditor cancellation rights. Foreign currency positions are always converted at the spot rate applicable on the reporting date. Interest payments for positions with variable interest rates are always measured at the reference interest rate applicable on the reporting date. In addition to non-derivative financial instruments, derivative financial instruments (e. g. foreign currency forwards and interest rate swaps) are taken into account. For derivatives where gross payments are settled between the parties involved, only the settlements are presented in line with the worst-case scenario. These settlements are offset by cash proceeds, which are also presented. In addition, loans granted but not yet drawn in full and financial guarantees issued are included in the settlements.

Maximum future settlements as at 31 May 2015 **€ thousand**	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivative financial liabilities	917,202	1,064,511	320,466	2,302,179
Derivative financial instruments	611,556	73,033	354,578	1,039,167
Loan commitments/financial guarantees	0	1,000	565	1,565
Total	**1,528,758**	**1,138,544**	**675,609**	**3,342,911**
Incoming payments from gross derivatives	589,464	40,293	242,267	872,024

Maximum future settlements as at 31 May 2014 **€ thousand**	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Non-derivative financial liabilities	1,262,884	760,442	754,898	2,778,224
Derivative financial instruments	416,900	55,573	368,463	840,936
Loan commitments/financial guarantees	1,175	0	0	1,175
Total	**1,680,959**	**816,015**	**1,123,361**	**3,620,335**
Incoming payments from gross derivatives	410,025	22,132	236,203	668,360

The Group's liquidity supply is also sufficiently assured through cash and bank balances on hand, marketable short-term securities on hand, and the available unused bank lines of credit. The following table shows the significant liquidity instruments:

€ thousand	31 May 2015	31 May 2014
Cash and bank balances on hand	602,744	637,226
Marketable securities	402,778	287,445
Cash line of credit	769,367	635,720
Total	**1,774,889**	**1,560,391**

The total of the cash lines of credit available to the HELLA Group amounts to roughly € 769,367 thousand (prior year: € 635,720 thousand). These consist of a syndicated loan to the amount of € 550,000 thousand (maturing in 2016, utilisation as at 31 May 2015: 0 %) and short-term money market lines of credit amounting to € 219,367 thousand (utilisation as at 31 May 2015: 67 %). Standard creditor cancellation rights apply to various credit facilities (as part of financial covenants). These covenants are reviewed on an ongoing basis as part of corporate planning and are currently rated as non-critical. Owing to the broad and international base of its core banks, the funding risk is considered very low. Please refer to Note 44 for additional information about the syndicated loan.

Management of currency risks

Currency risks (in the context of transaction risks) arise from receivables, liabilities, liquid funds, securities, and executory contracts in a currency other than the functional currency. Currency derivatives, primarily foreign currency forwards, are used to hedge against exchange rate-related fluctuations impacting these payments and positions. The currency risk of the HELLA Group is continuously monitored and managed on the basis of the net exposures calculated for the Group. Net exposure is calculated by aggregating planned foreign currency cash flows.

As at 31 May 2015, significant net exposures of the HELLA Group for the 2015/2016 fiscal year were identified in USD (67 million long, prior year: 79 million long), MXN (499 million short, prior year: 103 million short), CNY (152 million long, prior year: 1,312 million long) and CZK (20 million short, prior year: 447 million short); (information is provided in the respective currency).

Currency derivatives are only used to hedge the currency risks arising from underlying transactions. Speculative transactions are not permitted.

In principle, the fair value of currency derivatives is recognised. In the case of cash flow hedge accounting within the meaning of IAS 39, the unrealised gains and losses from the hedging transaction are initially recognised in the statement of changes in equity, with no impact on profit or loss. The gains and losses are only realised when the hedged underlying transaction is also recognised in profit and loss.

HELLA mainly designated currency derivatives to hedge foreign currency cash flows from AFLAC funding maturing in 2032 or 2033 under cash flow hedge accounting. Other currency derivatives used to hedge currency risks from operating cash flow, with a maturity of less than one year in almost all cases, were also designated as cash flow hedge accounting.

In the 2014/2015 fiscal year, changes in the market value of the above-mentioned derivatives used for cash flow hedge accounting amounting to € –39,399 thousand (prior year: € 7,118 thousand) were recognised in equity. All in all, market values of currency derivatives used for hedging purposes amounting to € –130,649 thousand (prior year: € –91,131 thousand) were recognised in equity at the reporting date. Equity losses of € –13,702 thousand were recognised in profit and loss in the 2014/2015 fiscal year (prior year: profit of € 4,455 thousand). Currency derivatives not presented in accordance with hedge accounting showed changes in the market value of currency derivatives recognised in profit and loss of € 7,924 thousand (prior year: € –6,814 thousand).

The following sensitivity analyses show the effects a 10 % change in the exchange rate of each foreign currency would have on equity or on net profit/loss for the year (before taxes). The analysis is based on the respective risk position on the reporting date and only takes into account the significant currencies in the HELLA Group.

€ thousand		31 May 2015		31 May 2014	
Exchange rate	Foreign currency	**depreciates by 10%**	**appreciates by 10%**	depreciates by 10%	appreciates by 10%
Change in equity owing to fluctuations in the market value of currency derivatives used for hedging purposes (cash flow hedge accounting) and fluctuations in the market value of non-derivative debt instruments measured at fair value	CNY	**4,715**	**–5,762**	0	0
	CZK	**–11,770**	**14,385**	–10,204	12,472
	DKK	**0**	**0**	0	0
	MXN	**–6,336**	**7,745**	–7,032	8,594
	PLN	**–3,016**	**3,686**	0	0
	USD	**14,395**	**–17,593**	6,829	–8,347
Change in net profit/loss for the year owing to unhedged currency exposures in the case of non-derivative financial instruments and fluctuations in the market value of derivative financial instruments	CNY	**–2,031**	**2,482**	–14,028	17,146
	CZK	**–66**	**80**	1,482	–1,811
	DKK	**–6,055**	**7,401**	–5,178	6,328
	MXN	**2,691**	**–3,289**	537	–656
	PLN	**47**	**–57**	–3,772	4,611
	USD	**–5,587**	**6,828**	–5,337	6,523

The relatively high sensitivity of the net profit/loss for the year is largely attributable to market fluctuations of derivatives that are not used as a hedge within the meaning of IAS 39 on hedge accounting. Nonetheless, these instruments were used for hedging purposes. Consequently, these derivatives also relate to offsetting underlying transactions in the form of planned transactions that will only be recognised in profit and loss at a later date. In view of these as yet unrealised underlying transactions, the net effect on the result will be significantly less.

Management of interest rate risks

Interest rate risks arise when fluctuations in interest rates lead to changes in the value of financial assets and liabilities on the statement of financial position of HELLA. These may affect the amount of the interest income and expenses in the fiscal year as well as the market value of the derivatives concluded and other financial assets measured at fair value. As at 31 May 2015, interest rate-sensitive net financial debt stood at € 652 million (prior year: € 484 million).

These risks are managed by the HELLA Group through natural hedging, i.e. the elimination of interest rate risks by assuming offsetting items and through the targeted use of derivatives. The derivative financial instruments used are usually interest rate swaps. Interest rate derivatives are generally used to mitigate cash flow risks.

As with currency derivatives, interest rate derivatives are settled largely by HELLA KGaA Hueck & Co. The use of interest rate derivatives is also generally associated with underlying transactions. Interest rate derivatives used to hedge interest rate risks from non-derivative financial instruments are designated as cash flow hedge accounting. Speculative transactions are not permitted.

The following sensitivity analyses show how a 1 percentage point movement in the respective market interest rate would change equity and net profit/loss for the year (in each case before taxes). The analysis is based on the respective risk position on the reporting date.

€ thousand	31 May 2015		31 May 2014	
Market interest rate	rises by 1 percentage point	declines by 1 percentage point	rises by 1 percentage point	declines by 1 percentage point
Change in equity owing to fluctuations in the market value of interest rate derivatives used for hedging (cash flow hedge accounting) and fluctuations in the market value of fixed-income securities recognised directly in equity at fair value	–11,610	11,610	–7,138	7,138
Change in net profit/loss for the year owing to variable interest items in the case of non-derivative financial instruments and fluctuations in the market value of derivative financial instruments	6,527	–6,527	4,842	–4,842

Management of commodity price risks

The HELLA Group is exposed to various commodity price risks through the purchase of components. These risks are managed by the HELLA Group through natural hedging, i.e. the elimination of commodity price risks by means of offsetting effects from purchasing and sales, and through the targeted use of derivatives. The derivatives used are commodity swaps. As at 31 May 2015, there were no commodity derivatives with a material market value (market value in the prior year: € 0).

Commodity exposure for 2015/2016 is expected to amount to € 8.5 million (prior year: € 6 million).

The following sensitivity analysis shows what effects fluctuations of 10% in the market prices of underlying commodities would have had on net profit/loss for the year (before taxes).

€ thousand	31 May 2015		31 May 2014	
Commodity price	rises by 10%	falls by 10%	rises by 10%	falls by 10%
Changes to net profit/loss for the year owing to fluctuations in the market value of hedged items and commodity derivatives used	–850	850	–596	596

Management of other price risks

Other price risks arise for HELLA through investments in current or non-current, non-interest-bearing securities, largely equities and funds that are classified as “available for sale” and therefore measured at fair value in equity. In addition, price risks arise from other investments that belong to the “available-for-sale” category, provided they are measured at fair value. These items are shown in the following table. Investments measured at acquisition cost because the fair value cannot be reliably determined are not exposed to balance sheet risk and are therefore not included in the presentation.

€ thousand	31 May 2015	31 May 2014
Price risk exposure of non-derivative assets	**49,547**	76,734

HELLA actively manages the price risks. By continuously observing and analysing the markets, it is possible to manage investments in real time. Negative developments on the capital markets can thus be identified at an early stage and appropriate measures can be taken. Derivatives are only used to manage other price risks in exceptional cases.

The following sensitivity analyses show what effects fluctuations of 10 % in the market values of original and derivative financial instruments would have had on equity or on profit or loss for the year (before tax). The analysis is based on the respective volumes on the reporting date.

€ thousand		31 May 2015		31 May 2014
Securities price	**rises by 10 %**	**falls by 10 %**	rises by 10 %	falls by 10 %
Change in equity owing to changes in prices of unimpaired securities and investments in public funds	**3,699**	**– 3,699**	7,605	– 7,605
Change in net profit/loss for the year owing to changes in prices of impaired securities	**80**	**– 80**	68	– 68

Management of default risks

Default risks arise for the HELLA Group from its business operations and from financial investments and financial derivatives with positive fair values.

The maximum default risk for the financial assets corresponds to their carrying amount. Netting off is not carried out due to the full or partial lack of offsetting criteria under IAS 32.

Derivative transactions are concluded by HELLA KGaA Hueck & Co. solely on the basis of the German Master Agreement for Financial Derivatives Transactions (DRV). This does not meet the requirements for netting off, since offsetting of outstanding amounts would be legally enforceable only subject to future events, such as the insolvency of a contractual partner. The table below shows the potential for offsetting the financial instruments that are recognised by HELLA KGaA Hueck & Co. and are subject to the stated agreements.

					31 May 2015
€ thousand	Gross	IAS 32.42	Net prior to potential for offsetting	Potential for offsetting	Net
Assets – derivatives	**5,457**	**0**	**5,457**	**– 4,896**	**561**
Liabilities – derivatives	**– 144,960**	**0**	**– 144,960**	**4,896**	**– 140,064**

					31 May 2014
€ thousand	Gross	IAS 32.42	Net prior to potential for offsetting	Potential for offsetting	Net
Assets – derivatives	4,841	0	4,841	– 2,401	2,440
Liabilities – derivatives	– 122,567	0	– 122,567	2,401	– 120,166

Financial derivatives and financial investments are only entered into with banks with good credit ratings.

Operational risk is mainly managed by continuously monitoring receivables. If a specific default risk is identified, this risk is taken into account by recognising impairments in the corresponding amount.

In individual cases, HELLA Group companies also demand collateral to secure receivables. This includes warranties, performance guarantees, and advance securities. HELLA has a directive in place regarding the acceptance of securities. The only acceptable collateral providers are banks and insurance firms with good credit ratings. Furthermore, many supplies to customers are subject to retention of title.

The maximum default risk for the financial assets corresponds to the carrying amounts in the statement of financial position. However, these are to be offset against the collateral accepted by the HELLA Group, so that the actual default risk is lower.

Lending commitments to companies that are not fully consolidated or to third parties are only made by HELLA Group companies in a few isolated cases. The default risk here is limited to the loan amount. As at 31 May 2015 lending commitments to companies that are not fully consolidated and external third parties came to € 1,565 thousand (previous year: € 1,175 thousand).

Trade receivables are essentially spread over key accounts from the automotive and automotive supply industry. The recoverability of all the receivables, which do not include overdue or impaired financial assets, is considered very high. This assessment is based primarily on the fact that the HELLA Group has a long-standing business relationship with most of its customers. The historical default rate for these trade receivables is extremely low.

Financial assets that are overdue but not impaired are shown below:

				31 May 2015				31 May 2014
€ thousand	**up to 30 days**	**31 days to 60 days**	**61 days to 90 days**	**more than 90 days**	up to 30 days	31 days to 60 days	61 days to 90 days	more than 90 days
Trade receivables	**38,078**	**2,496**	**1,236**	**3,395**	22,763	4,604	2,949	8,854
Financial receivables	**0**	**0**	**0**	**0**	0	0	0	0
Other financial assets	**0**	**0**	**0**	**0**	0	0	0	0
Total	**38,078**	**2,496**	**1,236**	**3,395**	**22,763**	**4,604**	**2,949**	**8,854**

An analysis of the individual impaired financial assets is shown below:

			31 May 2015			31 May 2014
€ thousand	**Gross carrying amount**	**Impairment**	**Net carrying amount**	Gross carrying amount	Impairment	Net carrying amount
Trade receivables	**894,085**	**16,416**	**877,669**	741,180	14,883	726,297
Financial receivables	**613,270**	**1,763**	**611,507**	652,168	960	651,208
Other financial assets	**460,664**	**1,533**	**459,131**	392,689	1,752	390,937
Total	**1,968,019**	**19,712**	**1,948,307**	**1,786,037**	**17,595**	**1,768,442**

The following table shows the development of impairments in respect of financial assets in the 2014/2015 fiscal year and the prior year:

€ thousand	Trade receivables	Financial receivables	Other financial assets	Total
At 31 May 2013	**9,176**	**276**	**2,017**	**11,469**
Additions	9,257	684	51	9,992
Utilisation	–1,686	0	0	–1,686
Reduction	–2,354	0	0	–2,354
Other effects	490	0	–316	174
At 31 May 2014	**14,883**	**960**	**1,752**	**17,595**
Additions	3,702	803	0	4,504
Utilisation	–741	0	0	–741
Reduction	–1,427	0	–219	–1,646
Other effects	0	0	0	0
At 31 May 2015	**16,417**	**1,763**	**1,533**	**19,712**

With regard to the financial assets that are neither overdue nor impaired, there is currently no indication that further value adjustments will be needed due to defaults.

Capital risk management

The HELLA Group manages its capital with the aim of ensuring that all Group companies can continue to operate as going concerns. By optimising the debt-equity ratio as needed, capital costs are kept as low as possible. These measures help to maximise shareholder income.

The capital structure consists of the current and non-current liabilities in the statement of financial position less the cash representing net borrowings and the balance sheet equity. The Risk Management Committee assesses and reviews the Group's capital structure on a regular basis. Risk-adjusted capital costs are taken into account in this assessment.

The overall capital risk management strategy pursued in the current fiscal year has not changed from the prior year.

42 Contractual obligations

There were contractual obligations to purchase or use property, plant and equipment amounting to € 18,406 thousand as at the reporting date (prior year: € 11,036 thousand). In addition, there were contractual obligations to purchase intangible assets amounting to € 134 thousand (prior year: € 4,623 thousand).

43 Contingent liabilities

HELLA reports contingent liabilities of € 53 thousand (prior year: € 33 thousand) from issued guarantees. These are not expected to give rise to material actual liabilities for which no provision has been made. There are no potential cases of compensation.

As last reported in the 2013/2014 fiscal year, European and US anti-trust authorities simultaneously initiated anti-trust investigations into HELLA and some other companies in the lighting sector for motor vehicles in 2012. Their outcome is still not foreseeable at present.

We expect a more active continuation of the EU proceedings after the EU Commission's summer recess, i.e., from September 2015 onwards. In the US proceedings there were no activities in the past fiscal year and none are currently in sight.

According to EU regulations, a fine of up to 10 % of consolidated sales in the fiscal year before the decision to impose the fine can be imposed for violations of antitrust law. Fines and penalties imposed by the US authorities may amount to up to 20 % of the sales in the US affected by the cartel agreements. In addition, third parties who suffer loss as a result of violations of antitrust law can claim damages both in Europe and the USA.

The investigations HELLA has itself conducted with the assistance of external law firms revealed a number of incidents that constitute anti-competitive behaviour in accordance with existing practice of the European Commission. With regard to the EU proceedings, however, the fact that these are at an early stage, and in particular the fact that the records could not be inspected to date, means that it is currently impossible to judge how the European Commission will assess the scope and gravity of possible violations. There were no changes in the US proceedings in the past fiscal year. Consequently, it is at the moment not possible to put a reliable figure on the possible financial charges in connection with the proceedings in Europe and the USA. No provisions have therefore been set aside.

44 Disclosures on leases

HELLA KGaA regularly acts as lessee. This concerns both operating and finance leases.

Operating leases as lessee

The expenses under operating leases recognised in profit or loss amounted to € 21,905 thousand in the fiscal year (prior year: € 21,701 thousand). Some lease contracts include extension options. HELLA's liability from operating leases largely relates to leases for passenger vehicles, office equipment, and smaller machinery.

Distribution of the present values of minimum lease payments:

€ thousand	**31 May 2015**	31 May 2014
Up to 1 year	**16,863**	12,511
Between 1 and 5 years	**33,546**	25,312
More than 5 years	**8,095**	8,877
Total	**58,504**	**46,700**

Liabilities arising from finance leases in a capacity as lessee
The leased items contained in the statement of financial position in the context of finance leases largely relate to development services and machine leasing. The lease terms generally range from three to six years. Some leases contain extension or purchase options.

Distribution of minimum lease payments (not discounted):

€ thousand	31 May 2015	31 May 2014
Up to 1 year	3,069	4,655
Between 1 and 5 years	701	3,488
More than 5 years	0	0
Future financing costs under finance leases	–2	–11
Total	**3,768**	**8,132**

Distribution of the present values of minimum lease payments:

€ thousand	31 May 2015	31 May 2014
Up to 1 year	3,068	4,646
Between 1 and 5 years	700	3,486
More than 5 years	0	0
Total	**3,768**	**8,132**

In the Aftermarket segment, HELLA concludes finance lease agreements with garages for its portfolio of diagnostic testing equipment, garage equipment and A/C servicing equipment. These agreements generally have 5-year terms. All lease agreements are concluded in euros and relate exclusively to the German market.

Distribution of minimum lease payments (not discounted):

€ thousand	31 May 2015	31 May 2014
Up to 1 year	12,817	10,756
Between 1 and 5 years	27,246	26,295
More than 5 years	0	0
Future financing costs under finance leases	–4,356	–4,410
Total	**35,707**	**32,641**

Distribution of the present values of minimum lease payments:

€ thousand	31 May 2015	31 May 2014
Up to 1 year	10,963	9,098
Between 1 and 5 years	24,744	23,543
More than 5 years	0	0
Total	**35,707**	**32,641**

Impairments for unrecoverable receivables amounted to € 179 thousand (prior year: € 112 thousand) as at 31 May 2015.

45 Events after the reporting date

HELLA recently entered into negotiations for the acquisition of the remaining shares of INTER-TEAM Sp. z o.o. to strengthen its wholesale business in Eastern Europe and Poland, in particular. Pending approval by anti-trust authorities, HELLA will acquire 50 % of the shares for a purchase price of zł 137,000 thousand (roughly equivalent to € 30,000 thousand). The company is already fully consolidated and the acquisition of shares will result not only in cash flows but also a reclassification in equity. The € 550,000 thousand syndicated loan taken out as at 31 May 2015 was redeemed prematurely on 16 June 2015 by a new syndicated loan due to expire in May 2020. The line was reduced to € 450,000 thousand due to the high availability of funds.

46 Audit fees

The total fee for the services of the auditor KPMG AG Wirtschaftsprüfungsgesellschaft invoiced for the 2014/2015 fiscal year amounts to € 931 thousand (prior year: € 926 thousand) and includes the fees and expenses for the audit. An additional € 258 thousand (prior year: € 52 thousand) for other audit services, € 287 thousand (prior year: € 177 thousand) for tax consulting services and € 7 thousand (prior year: € 68 thousand) for other services were recognised as expenses.

Lippstadt, 24 July 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

Scope of consolidation for the 2014/2015 fiscal year

Affiliated companies included in the consolidated financial statements:

No.	Company	Country	City	Investment in %	in
1	HELLA KGaA Hueck & Co.	Germany	Lippstadt	100.0	
2	HELLA Innenleuchten-Systeme GmbH[1]	Germany	Wembach	100.0	1
3	HELLA Innenleuchten-Systeme Bratislava, s.r.o.	Slovakia	Bratislava	100.0	2
4	HELLA Fahrzeugkomponenten GmbH[1]	Germany	Bremen	100.0	1
5	HFK Liegenschaftsgesellschaft mbH	Germany	Bremen	100.0	4
6	HELLA Electronics Engineering GmbH[1]	Germany	Regensburg	100.0	1
7	HELLA Aglaia Mobile Vision GmbH[1]	Germany	Berlin	100.0	1
8	HELLA Leuchten-Systeme GmbH[1]	Germany	Lippstadt	100.0	1
9	HELLA Distribution GmbH[1]	Germany	Erwitte	100.0	1
10	RP Finanz GmbH	Germany	Lippstadt	100.0	1
11	HELLA Finance Nederland	The Netherlands	Nieuwegein	100.0	10
12	Docter Optics SE[1]	Germany	Neustadt an der Orla	95.8	1
13	Docter Optics Inc.	USA	Gilbert, AZ	100.0	12
14	Docter Optics Components GmbH	Germany	Neustadt an der Orla	100.0	12
15	Docter Optics s.r.o.	Czech Republic	Skalice u Ceské Lípy	100.0	12
16	HORTUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Neustadt/Orla KG	Germany	Düsseldorf	94.0	12
17	HELLA Saturnus Slovenija d.o.o.	Slovenia	Ljubljana	100.0	1
18	HELLA Werkzeug Technologiezentrum GmbH[1]	Germany	Lippstadt	100.0	1
19	HELLA Corporate Center GmbH[1]	Germany	Lippstadt	100.0	1
20	HELLA Gutmann Holding GmbH[1]	Germany	Ihringen	100.0	1
21	HELLA Gutmann Solutions GmbH	Germany	Ihringen	100.0	20
22	HELLA Gutmann Anlagenvermietung GmbH	Germany	Breisach	100.0	20
23	HELLA Gutmann Solutions International AG	Switzerland	Hergiswil	100.0	20
24	HELLA Gutmann Solutions A/S	Denmark	Viborg	100.0	20
25	HELLA Gutmann Solutions AS	Norway	Porsgrunn	100.0	24
26	HGS-LITO Kft.	Hungary	Budapest	74.0	20
27	HELLA Nussbaum Solutions GmbH	Germany	Kehl	100.0	20
28	HELLA OOO	Russia	Moscow	100.0	1
29	avitea GmbH work and more	Germany	Lippstadt	100.0	1
30	HELLA Geschäftsführungsgesellschaft mbH	Germany	Lippstadt	100.0	1
31	HELLA Holding International GmbH[1]	Germany	Lippstadt	100.0	1
32	HELLA Shanghai Electronics Co., Ltd.	China	Shanghai	100.0	31
33	HELLA (Xiamen) Electronic Device Co., Ltd	China	Xiamen	100.0	32
34	Jiaxing HELLA Lighting Co., Ltd.	China	Jiaxing	100.0	32
35	HELLA Changchun Tooling Co., Ltd.	China	Changchun	100.0	31
36	HELLA Corporate Center (China) Co., Ltd.	China	Shanghai	100.0	31
37	HELLA Vietnam Company Limited	Vietnam	Ho Chi Minh City	100.0	36
38	Changchun HELLA Automotive Lighting Ltd.	China	Changchun	100.0	31

1 The company exercises the exemption pursuant to Section 264 (3) of the German Commercial Code (HGB).

No.	Company	Country	City	Investment in %	in
39	Beifang HELLA Automotive Lighting Ltd.	China	Beijing	100.0	31
40	HELLA (Xiamen) Automotive Electronics Co. Ltd.	China	Xiamen	100.0	31
41	HELLA Asia Pacific Pty Ltd.	Australia	Mentone	100.0	31
42	HELLA Australia Pty Ltd.	Australia	Mentone	100.0	41
43	HELLA-New Zealand Limited	New Zealand	Auckland	100.0	41
44	Hella-Phil., Inc.	Philippines	Dasmariñas	90.0	41
45	HELLA Asia Pacific Holdings Pty Ltd.	Australia	Mentone	100.0	41
46	HELLA Korea Inc.	South Korea	Seoul	100.0	45
47	HELLA India Automotive Private Limited	India	Gurgaon	100.0	45
48	HELLA UK Holdings Limited	Great Britain	Banbury	100.0	31
49	HELLA Limited	Great Britain	Banbury	100.0	48
50	HELLA Ireland Limited	Ireland	Dublin	100.0	49
51	HELLA Corporate Center USA, Inc.	USA	Plymouth, MI	100.0	31
52	HELLA Electronics Corporation	USA	Plymouth, MI	100.0	51
53	HELLA Inc.	USA	Peachtree City, GA	100.0	51
54	Hella Mining LLC	USA	Elko, NV	60.0	53
55	HELLA España Holdings S. L.	Spain	Madrid	100.0	31
56	Manufacturas y Accesorios Electricos S.A.	Spain	Madrid	100.0	55
57	HELLA S.A.	Spain	Madrid	100.0	55
58	HELLA Handel Austria GmbH	Austria	Vienna	100.0	31
59	HELLA Fahrzeugteile Austria GmbH	Austria	Großpetersdorf	100.0	58
60	HELLA S.A.S.	France	Le Blanc Mesnil-Cedex	100.0	31
61	HELLA Engineering France S.A.S.	France	Toulouse	100.0	60
62	HELLA Benelux B.V.	The Netherlands	Nieuwegein	100.0	31
63	HELLA S.p.A.	Italy	Caleppio di Settala	100.0	31
64	Nordic Forum Holding A/S	Denmark	Odense	100.0	31
65	INTER-TEAM Sp. z o.o.	Poland	Warsaw	50.0	64
66	FTZ Autodele & Værktøj A/S	Denmark	Odense	79.0	64
67	P/f FTZ Faroerne	Faroe Islands	Tórshavn	70.0	66
68	HELLAnor A/S	Norway	Skytta	100.0	64
69	Automester A/S	Norway	Skytta	100.0	68
70	AS Auto Materiell Bygg	Norway	Sandvika	100.0	68
71	UCANDO GmbH	Germany	Berlin	100.0	64
72	UCANDO Sp. z o.o.	Poland	Warsaw	100.0	71
73	HELLA Lighting Finland Oy	Finland	Salo	100.0	31
74	HELLA Autotechnik Nova s.r.o.	Czech Republic	Mohelnice	100.0	31
75	HELLA CZ. s.r.o.	Czech Republic	Zruc nad Sazavou	100.0	31
76	HELLA Hungária Kft.	Hungary	Budapest	100.0	31
77	HELLA Polska Sp. z o.o.	Poland	Warsaw	100.0	31
78	Intermobil Otomotiv Mümessillik Ve Ticaret A.S.	Turkey	Istanbul	56.0	31
79	HELLA Centro Corporativo Mexico S.A. de C.V.	Mexico	Tlalnepantla	100.0	31
80	HELLA Automotive Mexico S.A. de C.V.	Mexico	Tlalnepantla	100.0	79
81	Grupo Administracion Tecnica S.A. de C.V.	Mexico	Tlalnepantla	100.0	79
82	Petosa S.A. de C.V.	Mexico	Tlalnepantla	100.0	79
83	HELLAmex S.A. de C.V.	Mexico	Naucalpan	100.0	79

No.	Company	Country	City	Investment in %	in
84	Sistemas Iluminacion S.A. de C.V.	Mexico	Tlalnepantla	100.0	31
85	HELLA A/S	Denmark	Aabenraa	100.0	31
86	Hella India Lighting Ltd.	India	New Delhi	81.9	31
87	HELLA Asia Singapore Pte. Ltd.	Singapore	Singapore	100.0	31
88	HELLA Trading (Shanghai) Co., Ltd.	China	Shanghai	100.0	87
89	HELLA Auto Service Center Ltd.	China	Shanghai	100.0	88
90	Changchun Hella Shouxin LED Lighting Co. Ltd.	China	Changchun	51.0	87
91	HELLA Slovakia Holding s.r.o.	Slovakia	Kocovce	100.0	31
92	HELLA Slovakia Signal-Lighting s.r.o.	Slovakia	Bánovce nad Bebravou	100.0	91
93	HELLA Slovakia Front-Lighting s.r.o.	Slovakia	Kocovce	100.0	91
94	HELLA Romania s.r.l.	Romania	Ghiroda-Timisoara	100.0	31
95	HELLA do Brazil Automotive Ltda.	Brazil	São Paolo	100.0	31
96	HELLA Automotive South Africa Pty. Ltd. Ltd.	South Africa	Uitenhage	100.0	31
97	HELLA Middle East FZE	United Arab Emirates	Dubai	100.0	31
98	HELLA Induperm A/S	Denmark	Nykobing	100.0	31
99	Hella-Bekto Industries d.o.o.	Bosnia and Herzegovina	Gorazde	70.0	31
100	HELLA China Holding Co., Ltd.	China	Shanghai	100.0	31
101	HELLA (Thailand) Ltd.	Thailand	Bangkok	100.0	31

Associates:

No.	Company	Country	City	Investment in %	in
102	Behr-Hella Thermocontrol GmbH	Germany	Lippstadt	50.0	1
103	Behr-Hella Thermocontrol (Shanghai) Co., Ltd.	China	Shanghai	100.0	102
104	Behr-Hella Thermocontrol Inc.	USA	Wixom, MI	100.0	102
105	Behr-Hella Thermocontrol India Private Limited	India	Pune	100.0	102
106	Behr-Hella Thermocontrol Japan K.K.	Japan	Tokyo	100.0	102
107	Behr-Hella Thermocontrol EOOD	Bulgaria	Sofia	100.0	102
108	BHTC Mexico S.A. de C.V.	Mexico	Queretaro	100.0	102
109	BHTC Servicios S.A. de C.V.	Mexico	San Miguel de Allende	100.0	108
110	Behr-Hella Service GmbH	Germany	Schwäbisch Hall	50.0	1
111	Behr Hella Service South Africa Pty Ltd.	South Africa	Johannesburg	100.0	110
112	Behr Hella Comércio de Peças Automotivas S.A.	Brazil	Arujá	100.0	110
113	Behr Service IAM USA Inc.	USA	Troy, MI	100.0	110
114	Behr Hella Service North America, LLC	USA	Peachtree City, GA	100.0	110

No.	Company	Country	City	Investment in %	in
115	Beijing SamLip Automotive Lighting Ltd.	China	Beijing	24.5	45
116	Beijing Haohua Special Lighting Ltd.	China	Beijing	49.0	115
117	HSL Electronics Corporation	South Korea	Daegu	50.0	45
118	Mando Hella Electronics Corp.	South Korea	Incheon	50.0	31
119	Mando-Hella Electronics (Suzhou) Co. Ltd	China	Suzhou	100.0	118
120	Merca Trading Oy Ab	Finland	Espoo	50.0	66
121	000 Orum Merca	Russia	St. Petersburg	100.0	120
122	Hella Behr IT Services GmbH	Germany	Lippstadt	50.0	1
123	Asia Aftermarket Holding GmbH	Germany	Poing	50.0	31
124	HBPO Beteiligungsgesellschaft mbH	Germany	Lippstadt	33.3	1
125	HBPO GmbH	Germany	Lippstadt	100.0	124
126	HBPO Germany GmbH	Germany	Meerane	100.0	125
127	HBPO Slovakia s.r.o.	Slovakia	Lozorno	100.0	125
128	HBPO Automotive Spain S.L.	Spain	Arazuri	100.0	125
129	HBPO Mexico S.A. de C.V.	Mexico	Cuautlancingo	100.0	125
130	HBPO Czech s.r.o.	Czech Republic	Mnichovo Hradiste	100.0	125
131	HBPO North America Inc.	USA	Troy, MI	100.0	125
132	HBPO UK Limited	Great Britain	Banbury	100.0	125
133	HBPO Canada Inc.	Canada	Windsor	100.0	125
134	HBPO Korea Ltd.	South Korea	Busan	100.0	125
135	HBPO Rastatt GmbH	Germany	Rastatt	100.0	125
136	HBPO Ingolstadt GmbH	Germany	Ingolstadt	100.0	125
137	HBPO China Ltd.	China	Shanghai	100.0	125
138	HBPO Manufacturing Hungary Kft	Hungary	Kecskemét	100.0	125
139	SHB Automotive Module Company Ltd.	South Korea	Gyeongbuk	50.0	125
140	HBPO Automotive Hungaria Kft.	Hungary	Györ	100.0	125
141	HBPO Regensburg GmbH	Germany	Regensburg	100.0	125
142	HBPO Pyeongtaek Ltd.	South Korea	Pyeongtaek	100.0	125
143	HBPO Beijing Ltd.	China	Beijing	100.0	125
144	HBPO Asia Ltd.	South Korea	Seoul	100.0	125
145	HBPO Japan K.K.	Japan	Tokyo	100.0	125
146	ARTEC Advanced Reman Technology	Germany	Illingen	50.0	1
147	MD Hungaria Kereskedelmi	Hungary	Hernad	100.0	146
148	Changchun Hella Faway Automotive Lighting Co., Ltd.	China	Changchun	49.0	32
149	Chengdu Hella Faway Automotive Lighting Co., Ltd.	China	Chengdu	100.0	148
150	InnoSenT GmbH	Germany	Donnersdorf	50.0	1
151	Hella Pagid GmbH	Germany	Essen	50.0	1
152	Beijing Hella BHAP Automotive Lighting Co., Ltd.	China	Beijing	50.0	100
153	Hella BHAP (Sanhe) Automotive Lighting Co., Ltd.	China	Sanhe	100.0	152

The companies listed below were not consolidated as they are of minor significance for the Group's net assets, financial position and results of operations. For this reason, the other disclosures under Section 313 (2) (4) HGB could also be omitted. The Group's shares in these companies were recognised at amortised cost.

Companies not included in the consolidated financial statements:

No.	Company	Country	City	Investment in %	in
154	hvs Verpflegungssysteme GmbH	Germany	Lippstadt	100.0	1
155	Electra Hella's S.A.	Greece	Athens	73.0	31
156	HELLA Brazil Holdings Ltda	Brazil	São Paolo	100.0	31
157	HELLA Japan Inc.	Japan	Tokyo	100.0	31
158	AutoMester Danmark ApS	Denmark	Odense	100.0	66
159	Din Bilpartner Aps	Denmark	Odense	100.0	66
160	CMD Industries Pty Ltd.	Australia	Mentone	100.0	45
161	Tec-Tool S.A. de C.V.	Mexico	El Salto, Jalisco	100.0	79
162	HELLA Property Investments Limited	Great Britain	Banbury	100.0	48
163	Astra-Phil., Inc.	Philippines	Manila	30.0	41
164	Hella-Stanley Holding Pty Ltd.	Australia	Mentone	50.0	1
165	H+S Invest GmbH & Co. KG	Germany	Pirmasens	50.0	1
166	FWB Kunststofftechnik GmbH	Germany	Pirmasens	20.1	165
167	H+S Verwaltungs GmbH	Germany	Pirmasens	50.0	1
168	INTEDIS GmbH & Co. KG	Germany	Würzburg	50.0	1
169	Intedis Inc.	USA	Plymouth, MI	100.0	166
170	INTEDIS Verwaltungs-GmbH	Germany	Würzburg	50.0	1
171	SL – Hella Slovakia s.r.o.	Slovakia	Nové Mesto	49.0	91

Since no significant influence is exercised over the following companies, they were treated as investments.

Investments:

No.	Company	Country	City	Investment in %	in
172	PARTSLIFE GmbH	Germany	Neu-Isenburg	9.7	1
173	TecAlliance GmbH	Germany	Ismaning	7.0	1
174	EMC Test NRW GmbH electromagnetic compatibility	Germany	Dortmund	11.6	1
175	CarTec Technologie- und EntwicklungsCentrum Lippstadt GmbH	Germany	Lippstadt	16.7	
176	KFE Kompetenzzentrum Fahrzeug Elektronik GmbH	Germany	Lippstadt	12.0	1

Auditor's report

"We have audited the consolidated financial statements prepared by HELLA KGaA Hueck & Co., Lippstadt, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated cash flow statement, the consolidated statement of changes in shareholders' equity and the notes to the consolidated financial statement together with the Group management report for the fiscal year from 1 June 2014 to 31 May 2015. The preparation of the consolidated financial statements and the Group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a (1) Handelsgesetzbuch (HGB – German Commercial Code) are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the Group management report on the basis of our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW – Institute of Public Auditors in Germany). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group, and expectations as to possible misstatements, are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on the basis of spot checks within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in the scope of consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

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

Bielefeld, 11 August 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Andrejewski	Hunke
Auditor	Auditor

Responsibility statement

on the consolidated financial statements, annual financial statements, Group management report and management report of HELLA KGaA Hueck & Co. dated 31 May 2015.

To the best of our knowledge, the consolidated financial statements and annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and the Company in accordance with applicable accounting principles, and the Group management report and management report include a fair review of the development and performance of the business and the position of both the Group and the Company, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Lippstadt, 24 July 2015

Dr. Jürgen Behrend
(Managing General Partner of HELLA KGaA Hueck & Co.)

Dr. Rolf Breidenbach
(CEO of
HELLA Geschäftsführungsgesellschaft mbH)

Carsten Albrecht
(Managing Director of
HELLA Geschäftsführungsgesellschaft mbH)

Markus Bannert
(Managing Director of
HELLA Geschäftsführungsgesellschaft mbH)

Jörg Buchheim
(Managing Director of
HELLA Geschäftsführungsgesellschaft mbH)

Dr. Wolfgang Ollig
(Managing Director of
HELLA Geschäftsführungsgesellschaft mbH)

Stefan Osterhage
(Managing Director of
HELLA Geschäftsführungsgesellschaft mbH)

Dr. Matthias Schöllmann
(Managing Director of
HELLA Geschäftsführungsgesellschaft mbH)

Bodies of HELLA KGaA Hueck & Co.

Supervisory Board of HELLA KGaA Hueck & Co.

Prof. Dr. Michael Hoffmann-Becking
Attorney-at-law,
Chairman of the Supervisory Board

Alfons Eilers
Trade union secretary,
first deputy chairman

Dipl.-Ing. Werner Lenke
Engineer,
second deputy chairman
until 26 September 2014

Heidrun Altstädt
MBA,
from 1 August 2014 to 26 September 2014

Laura Behrend
Student,
since 26 September 2014

Paul Berger
Member of the works council

Michaela Bittner
Senior executive

Heinrich Georg Bölter
Member of the works council

Dr. Heinz-Günther Focken
Engineer,
until 26 September 2014

Reinhold Franze
Tool mechanic,
from 1 June 2014 to 26 September 2014

Manuel Frenzel
Student,
since 26 September 2014

Eugenie Friesenhausen
Housewife,
until 26 September 2014

Elisabeth Fries
Housewife

Heinz Hemmis
Member of the works council,
until 31 July 2014

Stephanie Hueck
Entrepreneur,
since 26 September 2014

Susanna Hülsbömer
Member of the works council

Klaus Kühn
Former member of the Management Board
of Bayer AG, Leverkusen,
since 26 September 2014

Manfred Menningen
Trade union secretary

Manuel Rodriguez Cameselle
Member of the works council,
since 26 September 2014

Dr. Matthias Röpke
Engineer,
until 26 September 2014

Marco Schweizer
Master mechanic,
since 26 September 2014

Hans Sudkamp
Managing Director,
until 26 September 2014

Dr. Konstanze Thämer
Doctor,
since 26 September 2014

Christoph Thomas
Architect,
since 26 September 2014

Dipl.-Ing. Dipl.-Wirtsch.-Ing. Konstantin Thomas
Entrepreneur,
until 26 September 2014

Shareholders' Committee

Manfred Wennemer
Formerly CEO of Continental AG,
Chairman of the Shareholders' Committee

Roland Hammerstein
Attorney-at-law,
deputy chairman

Dr. Jürgen Behrend
Entrepreneur,
until 26 September 2014

Moritz Friesenhausen
Business consultant,
since 26 September 2014

Dr.-Ing. Gerd Kleinert
Formerly CEO of
Kolbenschmidt Pierburg AG

Klaus Kühn
Former member of the Management Board
of Bayer AG, Leverkusen

Dr. Matthias Röpke,
Engineer

Dipl.-Ing. Dipl.-Wirtschaf.-Ing. Konstantin Thomas,
Entrepreneur

Management Board

Dr. Jürgen Behrend
Managing General Partner

HELLA Geschäftsführungsgesellschaft mbH
Personally liable partner

Dr. Rolf Breidenbach
CEO

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

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

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

R&D
Research and development

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.

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

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
Payments made to acquire 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.

RoIC (return on invested capital)
The ratio of operating income before financing costs and after taxes (return) to invested capital. After the reclassification of income from securities and net other finance income / expense, the adjusted figure for May 2014 is 15.8 % (initially reported as 15.6 %).

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 new 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