Bankhaus Lampe Deutschlandkonferenz 2016

HELLE KGaA Hueck & Co

BadenBaden
April 2016
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This document contains an English translation of the accounts of the Company and its subsidiaries. In the event of a discrepancy between the English translation herein and the official German version of such accounts, the official German version is the legal valid and binding version of the accounts and shall prevail.
HELLA – BHL Deutschlandkonferenz  April 2016

Agenda

HELLA’s Strategic Growth Path

Financial Overview FY 2011/12 - FY 2014/15

Results 9 months FY 15/16
How will HELLA’s growth path continue?

Above market growth in the last 10 years

<table>
<thead>
<tr>
<th>HELLA Group sales, EURbn*</th>
<th>Investors and analysts comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>”…we understood your historical growth, how can we <strong>assess your future sales development</strong>?…”</td>
</tr>
<tr>
<td></td>
<td>”…outperformance has been 50% in the past, at a market growth of 2-3% in the upcoming years, is that maybe too <strong>conservative for the future</strong>?…”</td>
</tr>
<tr>
<td></td>
<td>”…investors are still hesitating about your <strong>future growth rates</strong>, whereas they have <strong>no concerns</strong> with <strong>high growth rates</strong> of your <strong>competitors</strong>…”</td>
</tr>
</tbody>
</table>

Sustainable long term growth across the cycle during the last ten years (**CAGR of 6.5%** p.a. since FY 2004/05 vs. **4% market**)
HELLA’s automotive segments are growing stronger than the market

**HELLA’s positioning for future growth**

- Global Automotive Lighting
- Global Automotive Electronics
- LED Headlamps Europe

**Market growth, CAGR 2014-19E**

- 30%
- 20%
- 10%
- 0%

**Market size 2014 (EUR5bn)**

**HELLA in market leadership positions**

1. **Automotive Lighting**
   - #1 market position in LED headlamps Europe
   - #3-4 global market position in OE passenger car lighting
   - #1-2 European market position in OE passenger car lighting

2. **Automotive Electronics**
   - #2-3 global position in defined automotive electronic segments
   - #1-2 European position

Source: External market study commissioned by HELLA (2014), HELLA analysis
*expected 5-years CAGR

1) All figures related to selected markets and product categories based on HELLA’s portfolio, as covered in the market study
Strong market demand for energy efficiency driven by legislative requirements

Global emission regulations in CO2 (g/km) per NEDC

- US
- CN
- EU

<table>
<thead>
<tr>
<th>Year</th>
<th>US</th>
<th>CN</th>
<th>EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>185</td>
<td>139</td>
<td>125</td>
</tr>
<tr>
<td>2015</td>
<td>180</td>
<td>170</td>
<td>140</td>
</tr>
<tr>
<td>2020</td>
<td>125</td>
<td>103</td>
<td>95</td>
</tr>
<tr>
<td>2025</td>
<td>103</td>
<td>90</td>
<td>80</td>
</tr>
</tbody>
</table>

Reduction of energy consumption and emissions

- Continuing trend towards energy efficiency gains driven by global emission regulations
- Ambitious emission targets across all regions
- Future powertrain concepts to be dominated by internal combustion engines with start/stop
- Initiatives like down-sizing and turbo-charging prevail, but growing focus on Hybrid technology
- Further efficiency gains drive growth of new technologies (i.e. 12V/48V dual-voltage systems)
- HELLA’s segments show healthy growth due to an ongoing trend towards sophisticated applications and innovation

Allocation of powertrain technologies in mill. vehicles

- ICE: Stop/Start
- ICE
- PHEV: Mild
- PHEV: Full
- BEV

<table>
<thead>
<tr>
<th>Year</th>
<th>ICE: Stop/Start</th>
<th>ICE</th>
<th>PHEV: Mild</th>
<th>PHEV: Full</th>
<th>BEV</th>
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<tbody>
<tr>
<td>2015</td>
<td>24.0</td>
<td>1.9</td>
<td>2.1</td>
<td>1.9</td>
<td>0.3</td>
</tr>
<tr>
<td>2020</td>
<td>54.1</td>
<td>5.3</td>
<td>1.0</td>
<td>4.2</td>
<td>1.3</td>
</tr>
<tr>
<td>2022</td>
<td>58.7</td>
<td>6.2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: IHS, Strategy Analytics
Market demand for automated driving expected to experience strong growth in the coming years

Levels of autonomous driving

<table>
<thead>
<tr>
<th>Level</th>
<th>Function-specific automation</th>
<th>Combined function automation</th>
<th>Limited Self-Driving automation</th>
<th>Full Self-Driving automation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>≥ 1 function</td>
<td>≥ 2 functions</td>
<td>Enables all safety-critical functions to be automated</td>
<td>Designed that safety-critical functions are performed automated</td>
</tr>
<tr>
<td>Level 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Gradual transition from Driver to Vehicle

- Acceptance of automated driving functions determined by reliable, proven safety features
- Fundamental change in consumer value for individual mobility
- Supplier gain increasing share in value chain – need and frequency for innovations lead to more outsourcing by OEMs

New technologies’ demand increasing

- Existing driver assistance functions are key enablers for automated driving
- **New functional requirements** facilitate growth of new technologies (i.e. Front/Side Detection)
- Automotive electronics experienced rapid innovation process
- Innovations shifting from single, standalone solutions to complex system or module innovations

Growth of driver assistance technologies in bn USD

- Adaptive Cruise Control
- Advanced Front Lighting
- Blind Spot Detection
- Lane Departure Warning
- Park Distance Control
- Rear View Camera
- Surround View Camera

Source: NHTSA, Strategy Analytics, HELLA analysis

2010 2015 2020 2025
HELLA is well positioned to benefit from the fundamental market trends in the future

### Market trends

<table>
<thead>
<tr>
<th>Environment/Efficiency</th>
<th>Energy efficiency</th>
<th>Fuel System and Energy Management technologies for ICE &amp; PHEV powertrains</th>
<th>Efficient lighting technologies like LED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>Driver safety / automated driving</td>
<td>Light based assistance systems and optimal illumination</td>
<td>Sensors for detection of the driving environment</td>
</tr>
<tr>
<td>Styling</td>
<td>Styling and comfort</td>
<td>Optical elements for individual styling with LED or OLED lighting technology</td>
<td>Enhanced personalization and interactions (vehicle to environment)</td>
</tr>
</tbody>
</table>

#### Lighting (selected products)
- Matrix-LED Headlight
- LED Rear lamp
- 48V DC/DC Converter
- Cooling Valve Actuator
- HD headlamps systems (Advanced Front-Lighting)
- 24 GHz Rear radar
- OLED Rear lamp
- LED Styling Headlight
- OLED Rear lamp
- Ambient Interior Lighting
- Design-driven Remote keys
- Structural Health Sensor
- BCM

#### Electronics (selected products)

**Unique combination of competence set in advanced electronics and lighting technologies**
HELLA is well positioned with attractive client mix and regional exposure

**Automotive Product Sales**

*By OEM Home Base*

FY 2014/15*

- German OEM: 13%
- Tier X: 2%
- Asian OEM and Others: 3%
- US OEM **: 2%
- European OEM: 12%
- Trucks: 29%

**Automotive Sales**

*By Region*

FY 2014/15***

- Germany: 25%
- Europe w/o Germany: 33%
- NAFTA/South America: 13%
- APAC/RoW: 29%

- Total: ~€4.4bn

**Aftermarket and Special Applications Sales**

*By Region*

FY 2013/14***

- Germany: 16%
- Europe w/o Germany: 15%
- NAFTA/South America: 8%
- APAC/RoW: 61%

- Total: ~€1.4bn

*Automotive sales excl. non-product sales, e.g. customer reimbursements ** Thereof ~30% with Europe-based production locations *** External sales volume, not including inter-segment sales
Broad automotive product portfolio in strong growing areas

Market growth, CAGR 2014 - 2019E

**Hella products (examples)**
- Full-LED headlamps and rear lamps
- OLED rear lamps
- Engine Compartment Actuators (waste gate, TAS, TOS)
- Rear applications
- DC/DC converter
- Intelligent battery sensors
  
  Hybrid rear lamps
  Interior lighting systems
  Vacuum pumps
  Radio transmitter keys
  
  Small lamps (e.g. fog, CHMSL, side turn indicator)
  Electrical power steering
  Accelerator pedal sensors
  Body control modules

HELLA with clear strategic focus on **areas that show attractive growth potential** (emission reduction, safety increase)
Electronic components projected to substantially benefit from **higher electronic content** in future cars
Multiple **innovative products** already on the market and innovations to come from current **pipeline**

Source: External market study commissioned by HELLA (2014), HELLA analysis
HELLA’s automotive portfolio has outperformed the market by 600bsp, acceleration to >900bsp in the last 3 years

**Sources of growth by business divisions**

**Automotive Lighting**

HELLA one of the technology leaders in LED with competence set in Light Based Assistance Systems

**Automotive Electronics**

Next development steps in lighting solutions and LED penetration strong organic growth drivers

HELLA solutions played key role in automotive progress since decades

Well positioned in automotive trends energy efficiency and automated driving

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*Global Light Vehicle Production; ** CAGR Automotive segment only (external sales) including FX*
Aftermarket and Special OE will contribute to growth and profitability

HELLA’s positioning for future growth

Market size* 2014 (€1bn)

Market growth, CAGR 2014-19E

0% 10% 20% 30% 40% 50% 60%

0% 1% 2% 3% 4% 5% 6%

Wholesale* IAM Europe SOE Lighting Europe CAGR Wholesale**

Garage Diagnostics* CAGR IAM**

HELLA in market leadership positions

Leadership in European Aftermarket
# 1-3 in IAM, WD, and diagnostic systems
HELLA Aftermarket generating **structurally slower but stable growth**
Stable cash flow generation by
HELLA Aftermarket
Future market discontinuities
Consolidation
Digitalization
Changing customer preferences

Leadership in Special OE
# 1 in Special OE Lighting Europe
The transfer of competence offers opportunities like **LEDification**
Importance of generating critical business sizes

Source: External market study commissioned by HELLA (2014), HELLA analysis
*Wholesale includes DN, PL, NOR, Garage diagnostics DACH, ** expected 5-years CAGR

1) All figures related to selected markets and product categories based on HELLA’s portfolio, as covered in the market study
## Unique Aftermarket positioning in the value chain to capture opportunities of new market trends

<table>
<thead>
<tr>
<th>Unique position</th>
<th>Strategic focus</th>
<th>Key trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAM</td>
<td>Customer proximity and high distribution power together with core product competences as OE supplier</td>
<td><strong>Consolidation</strong> and new players</td>
</tr>
<tr>
<td></td>
<td>Optimization and increase of current portfolio</td>
<td>Wholesale consolidation and professionalization at wholesale and garage level</td>
</tr>
<tr>
<td></td>
<td>Additional potential through clearly defined portfolio competence</td>
<td>Influence of intermediaries</td>
</tr>
<tr>
<td></td>
<td>Improvement of customer access</td>
<td>Low cost parts suppliers entering market</td>
</tr>
<tr>
<td>Wholesale</td>
<td>Strong network concept that integrates HELLA wholesalers to achieve scale benefits</td>
<td><strong>Digitalization</strong></td>
</tr>
<tr>
<td></td>
<td>Completion of NORDIC FORUM organization to utilize synergies and economies of scales</td>
<td>New online business channels and interfaces</td>
</tr>
<tr>
<td></td>
<td>Selected share increase and acquisitions</td>
<td>Big data and comparability of offering</td>
</tr>
<tr>
<td></td>
<td>Use UCANDO as digital asset</td>
<td></td>
</tr>
<tr>
<td>Garage</td>
<td>Portfolio development tailored to meet market requirements and technological trends</td>
<td><strong>Changing customer preferences</strong></td>
</tr>
<tr>
<td></td>
<td>Integration of HELLA Gutmann into HELLA network</td>
<td>E-mobility and autonomous driving need highly sophisticated products and garages</td>
</tr>
<tr>
<td></td>
<td>Systematic use of HELLA Gutmann date and diagnostic competence</td>
<td>Less importance of car and need for more efficient repairs</td>
</tr>
<tr>
<td></td>
<td>Offer advanced high tech products and technologies</td>
<td></td>
</tr>
</tbody>
</table>
HELLA’s stable IAM business is well positioned for future key market trends

Levers for execution of growth strategy

- Achieve sales growth through portfolio competence and a portfolio roll-out in all local entities
  - OE production
  - Qualified IAM production
  - Re-packaging

- Increase share of HELLA products at core European customers. Improve customer access
  - International KAM-structure
  - Key account improvements

- Closure of regional distributions gaps

- Maintain competitiveness through cost optimization

- Explore e-Commerce opportunities
HELLA’s wholesale business participates in European consolidation and digitalization

NORDIC FORUM integrated concept

- UCANDO – Organic growth
  - Utilization of NF foot print
  - Utilization of 3rd party WDs
  - Development of an integrated platform
- Expansion of NF to new markets
  - Czech/Slovakia
  - Sweden
  - Other regions

Future development - Big Data
- Higher degree of utilization of HELLA Gutmann, UCANDO Nordic Forum internal workshop data

Digitalization
- Organic Growth / Focusing
- Inorganic Growth
- Extension by M&A and new JVs
- Further improvement of market position in Poland
- Further targets in Europe Founding new joint-venture

Nordic Forum Concept

Levers for execution of growth strategy

- Further optimization of procurement
- Further harmonization of IT
- Ramp-up and expansion of digitalization strategy with e-commerce (B2C)
- Developing and testing the digitalization strategy for B2B2C (Integrated Services Platform)
- Inorganic expansion

Historical growth path

EUR millions

- 253
- 366
- 400
- 421
- 468
- 496


Takeover of 100% shares in INTER-TEAM and FTZ in September and November 2015
Workshop business with pivotal role for buying process based on high tech offering and competences

**HELLE Gutmann positioning**

Development from diagnostics provider to repair and maintenance specialist for high tech workshop products

Generation, analysis and usage of “Big Data” in new business fields

Premium provider of workshop solutions, diagnostic tools and garage equipment

Workshop proximity enables technical services for HGS and whole HELLA IAM organization

High tech offering based on diagnostic competence (camera systems, radar, exhaust systems)

**Market & trends**

E-mobility and autonomous driving

Car-sharing solutions

Less importance of car

Increasing complexity, functionality and interfaces in modern cars

Steering of customers/drivers and related parts’ purchase by OEMs, IAM & Intermediates

**Historical growth path**

EUR millions


28 31 39 44 49 61

17%

**High tech product portfolio and service offering**

Repair Concepts

Calibration & Alignment

Testing & Analysis

DIAGNOSIS

CAMERA SYSTEMS

EXHAUST SYSTEMS

SOFTWARE SOLUTIONS

RADAR SENSORS

AIR CONDITIONING

TECHNICAL DATA

HEADLIGHTS

BATTERY SYSTEMS

HAND TOOLS

TIRES

LEAKS

Unique high tech workshop competence

Growth path for HELLA’s Special OE segment to be strengthened by clear product and market strategy

Areas

<table>
<thead>
<tr>
<th>Off-highway</th>
<th>Highway &amp; Leisure Vehicles</th>
<th>Premium &amp; Special Vehicles</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Off-highway" /></td>
<td><img src="image2" alt="Highway &amp; Leisure Vehicles" /></td>
<td><img src="image3" alt="Premium &amp; Special Vehicles" /></td>
</tr>
</tbody>
</table>

Strategic direction

- **Drive LEDfication**
- **Drive advantage of synergies with automotive sector**
- **Customized / semi-customized headlamp solutions with innovative technology**
- **Push technology upgrade growth with E/E off-the-shelf**
- **Leverage lighting customer base to develop electronic product portfolio**
- **Local portfolios for emerging markets**
- **Parts of business to be analyzed if competitive size is achievable**

Historical growth path

<table>
<thead>
<tr>
<th>EUR millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/10 230</td>
</tr>
<tr>
<td>2010/11 281</td>
</tr>
<tr>
<td>2011/12 294</td>
</tr>
<tr>
<td>2012/13 278</td>
</tr>
<tr>
<td>2013/14 269</td>
</tr>
<tr>
<td>2014/15 230</td>
</tr>
</tbody>
</table>

+8%
HELLA is well positioned to outperform the market in the future

**Historical performance**

- Track record of long term market outperformance

**Existing position**

- Strong competitive positions
- Attractive market segments
- Technological leadership

**Concept for future growth**

- System competence in Lighting and Electronics to participate in fundamental market trends
- Products for the reduction of CO2 emissions and increase of energy efficiency
- Product for prevention of accidents
- Products for higher individualization and personalization
- Products for comfortable convenient driving

**Aftermarket** business is well positioned to capture major key trends (consolidation, digitalization and change in customer preferences)

**Special Applications** business pushed by extended product-market strategy
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Agenda

HELLA’s Strategic Growth Path

- Financial Overview FY 2011/12 - FY 2014/15
- Results 9 months FY 15/16
Track record of steady growth across the cycle and resilience of business model

**HELLA GROUP sales** in EURbn

**Automotive**

**Aftermarket**

**Sustainable long term growth across the cycle** during the last ten years with a clear focus on organic growth (CAGR of 6.5% p.a. since FY 2004/05)

**Targeted growth trend continued**

**Organic growth** of the HELLA GROUP outperformed the automotive market by >5% points in the last 3 years

**Resilient business model** with **stable cash flow generation** through strong share of aftermarket business

*Cumulated Annual Growth Rate; sales as reported w/o adjustments for consolidation or accounting changes*
## Competitive Gross Profit margin and mid-term EBIT margin potential

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Profit margin (%)</th>
<th>Adj. EBIT margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>25.6</td>
<td>7.3</td>
</tr>
<tr>
<td>2012/13</td>
<td>26.4</td>
<td>6.0</td>
</tr>
<tr>
<td>2013/14</td>
<td>27.6</td>
<td>7.5</td>
</tr>
<tr>
<td>2014/15</td>
<td>26.6</td>
<td>7.6</td>
</tr>
</tbody>
</table>

### Gross Profit margin
- **Improvement of GP margin achieved**
- Improvement driven by **innovative product portfolio** and operational excellence (LiON)
- Deviations from +/- 27% driven by **segment mix, one-offs** and **new launches** in high tech products
- Launch support especially in H1 FY15/16
- **Gross Profit margin level ~27% regarded as industry competitive**

### Adj. EBIT margin
- **Improvement of adj. EBIT margin achieved**
- EBIT reduction in FY 12/13 due to investment into future growth and globalization platform (e.g. increased R&D expenses)
- **Scale effects** and **increased efficiency** on structural costs drive margin
- FY15/16 affected by ramp-up expenses
- **Over the cycle, mid to long-term adjusted EBIT margin of ~8% feasible**
Continued high R&D as basis for future growth

EUR millions and % sales

R&D spendings

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (EUR millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>366</td>
</tr>
<tr>
<td>2012/13</td>
<td>444</td>
</tr>
<tr>
<td>2013/14</td>
<td>514</td>
</tr>
<tr>
<td>2014/15</td>
<td>544</td>
</tr>
</tbody>
</table>

+178

R&D ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>7.9</td>
</tr>
<tr>
<td>2012/13</td>
<td>9.2</td>
</tr>
<tr>
<td>2013/14</td>
<td>9.6</td>
</tr>
<tr>
<td>2014/15</td>
<td>9.3</td>
</tr>
</tbody>
</table>

+1.7% points

-0.3% points

Strong focus on innovations

Significant R&D investments in previous years set the basis for **strong top line future growth**

Build-up of **local know-how**, high investment in **new technologies** (basic research), increased product complexity and **new product categories** (e.g. radar) drove recent expenses

Continuous high R&D spending to maintain technology leadership position

Balance between investments and efficiency

Higher ratio compared to peers underpins **innovation track record**

Recent and future R&D ratio improvement by **ongoing efficiency-increases** of teams and scale effects

Roll-out of **high tech products**

Ratio itself no optimization target

**Mid to long-term reduction <9% feasible**
Proven ability to manage costs

**Administrative expenses**

<table>
<thead>
<tr>
<th>Year</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR millions</td>
<td>167</td>
<td>183</td>
<td>197</td>
<td>197</td>
</tr>
<tr>
<td>% sales</td>
<td></td>
<td></td>
<td>+14</td>
<td></td>
</tr>
</tbody>
</table>

**Administrative expense ratio**

<table>
<thead>
<tr>
<th>Year</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>% sales</td>
<td>3.6</td>
<td>3.8</td>
<td>3.7</td>
<td>3.4</td>
</tr>
<tr>
<td>Points</td>
<td></td>
<td>+0.2%</td>
<td>-0.4%</td>
<td></td>
</tr>
</tbody>
</table>

**Dedicated improvement programs set-up**
- Investments in global corporate center network ensure lean administrative processes
- In FY 15/16 further spendings on employee qualification, infrastructure and implementation of standards

**Performance oriented organization**
- Efficiency gains through re-location (incl. temporary double-functions) to best cost countries and shared service centers improved OTD and TTM processes
- Continuous optimization through operational excellence improvement initiatives (e.g. LiON)
- Short term constant ratio expected

**Process improvements and scale effects drive ratio, long term reduction possible**
Proven ability to manage costs

EUR millions and % sales

**Distribution expenses**

- 2011/12: 382
- 2012/13: 412
- 2013/14: 435
- 2014/15: 455

**Under-proportional increase of variable costs**

- Global aftermarket network main cost driver
- IAM distribution network and European wholesale network extended
- Ongoing improvements monitored e.g. reduction of overhead functions in sales companies, optimized logistics concept

**Development of costs well on track**

**Distribution expenses**

**Distribution expense ratio**

- 2011/12: 8.2 (+: 0.3% points)
- 2012/13: 8.5
- 2013/14: 8.1 (-: 0.7% points)
- 2014/15: 7.8

**Improvements of ratio achieved**

- Higher ratio compared to peers due to high aftermarket share
- Investments in global distribution network until FY12/13
- Ratio reduced by efficiencies gains and declining aftermarket business
- Currently increased investments in e-commerce platform

**Short to mid-term optimization potential limited**
### Continuous measure generation to facilitate operating leverage

<table>
<thead>
<tr>
<th>Main achievements</th>
<th>Continuous challenges</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lighting</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production network optimized</td>
<td>Roll out complex (LED) projects: HR qualifications, production process, quality of components, supplier certification</td>
<td>Local support from technology hubs</td>
</tr>
<tr>
<td>Regular design-to-cost workshops during development phase</td>
<td>Reduction of non-quality expenses</td>
<td>Thorough enforcement of improvement programs</td>
</tr>
<tr>
<td><strong>Electronics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global development network established, optimized and extended</td>
<td>Global competitive TtM organization</td>
<td>Implement recent “Lessons-learned”</td>
</tr>
<tr>
<td>Multiple sourcing strategy implemented</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aftermarket &amp; Special Applications</strong></td>
<td></td>
<td>Improve efficiency in supply chain and own value added</td>
</tr>
<tr>
<td>Overhead functions reduced with optimized logistics for sales comps</td>
<td>Further harmonization of NORDIC FORUM (e.g. reporting, IT, procurement), strengthen structures</td>
<td>Improve key account organization</td>
</tr>
<tr>
<td>Low-cost production in Romania</td>
<td>Leverage of inventories</td>
<td>Improve customer penetration</td>
</tr>
<tr>
<td><strong>Corporate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate center structure established</td>
<td>Qualification of employees to enable complex production &amp; quality monitoring</td>
<td>Investments in HR base</td>
</tr>
<tr>
<td>Overhead functions reduced</td>
<td>Increase efficiency of corporate center structure</td>
<td>HR talent review</td>
</tr>
<tr>
<td></td>
<td>Address highly qualified people</td>
<td>Strengthening 2nd mgmt. level</td>
</tr>
</tbody>
</table>
Clearly directed investments and active Working Capital management

**Revenue growth, expansion and active management drive WC**

- Regional expansion to Asia (increase in receivables)
- Inventory mainly tied to efforts to improve product availability in Aftermarket (increase inventories)
- Currency effects influence WC
- Continuing optimization programs in logistics in place

**Net CAPEX down after globalization**

- Increase in capex in FY12/13 to significant investments in global footprint
- Continuous investments in customer-specific equipment with increased product complexity needed
- Reimbursements around 130 mill. EUR ease need for CAPEX

**Net CAPEX ratio around 7% needed to facilitate organic growth**
Strong cash flow and ROIC improvement achieved after globalization

**Operative CF* development**

<table>
<thead>
<tr>
<th>Year</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operative CF</td>
<td>166</td>
<td>-61</td>
<td>51</td>
<td>120</td>
</tr>
<tr>
<td>Increase</td>
<td>-227</td>
<td>0</td>
<td>181</td>
<td></td>
</tr>
</tbody>
</table>

**ROIC development**

<table>
<thead>
<tr>
<th>Year</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROIC</td>
<td>15.5**</td>
<td>15.8</td>
<td>17.3</td>
<td></td>
</tr>
<tr>
<td>Increase</td>
<td>1.8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**After FY11/12 consistent improvement**

FY12/13 influenced by high CAPEX as part of the strategic growth program as well as build-up of inventories driven by higher sales and higher expenses in key technologies and innovations

Increase driven by profitable top-line growth and under-proportional increase of cash-effective working capital

FY15/16 will be affected by supplier case

**Increase in line with expectations**

**ROIC implemented as KPI**

HELLA employs Return on Invested Capital (ROIC) as a further performance indicator in FY 2012/13

ROIC improvement to 17.3% due to increased operating leverage

**Increasing capital efficiency during the last 2 years**

*Operative Cash Flow before dividends and net capital expenditure on financial assets or shares in associates (excluding cash restructuring payments)

**Before reclassification of income from securities and net other financial income/expenses

---

Capital structure provides flexibility for the long-term growth

### Solid capital structure

<table>
<thead>
<tr>
<th></th>
<th>Net debt/EBITDA</th>
<th>Cash &amp; assets</th>
<th>Debt and maturity profile*, EUR millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 2014</td>
<td>0.6x</td>
<td>1,013</td>
<td>Euro bond I: 0</td>
</tr>
<tr>
<td>August 2015</td>
<td>0.1x</td>
<td>1,050</td>
<td>Euro bond II: 0</td>
</tr>
<tr>
<td>August 2014</td>
<td>0.6x</td>
<td>1,013</td>
<td>Aflac bond I: 300</td>
</tr>
<tr>
<td>August 2015</td>
<td>0.1x</td>
<td>1,050</td>
<td>Aflac bond II: 500</td>
</tr>
</tbody>
</table>

### Strategic flexibility

HELLA has a stable and solid financial fundament which forms the basis for its future strategic plans

- Prudent financial policy throughout the cycle
- Financing of long-term growth strategy
- Acquisition firepower

**Capital-market-oriented capital structure**

**Good liquidity profile** and consistent liquidity management

**EUR 87m dividends** (0.77EUR/share) paid September 2015

* As of May, 2015; Euro bond I: 1.15%, Euro bond II: 2.375%, Aflac bonds hedged values **Mostly short-term

**Additional Revolving Credit** (2015) (1+1+5) of EUR 450m with 10 core banks as **back-up facility**
HELLA’s Strategic Growth Path

Financial Overview FY 2011/12 - FY 2014/15

Results 9 months FY 15/16
## HELLA Group Key Achievements
### Financial Highlights 9 months 2015/16

### FINANCIAL HIGHLIGHTS

| Sales | HELLA Group sales up 10.3% YoY to 4.7 bill. EUR, thereof 2.4%-points FX effects (mainly USD and CNY) |
| Third party sales development per segment compared to previous year: |
| − Automotive: +11.0% driven by product launches in innovative LED technologies and electronic components for industry megatrends |
| − Aftermarket: +7.1% driven by positive development of independent aftermarket in Europe as well as positive wholesale (Nordic Forum) and workshop equipment business with demand for high-end diagnose and camera calibration tools |
| − Special Applications: +2.0% driven by stabilization in the agricultural, still under pre-crisis level |
| Profitability | Gross Profit margin at 26.6% (-0.4%-points YoY) due to supplier default, excluding one-offs margin at 27.2% (+0.2%-points YoY) due to continued productivity gains in automotive and decreasing launch costs for new technologies mainly in Eastern Europe |
| Structural cost development without major impact on 9 months profitability: R&D cost ratio remained at 9.6%. Distribution and administrative expenses -0.1%-points YoY each. R&D absolute increase due to developing costs for newly acquired business and investments in the international R&D network |
| Liquidity | EBIT at 290 mill. EUR (-20 mill. EUR), EBIT margin at 6.2% (-1.1%-points YoY) |
| Adj. EBIT at 345 mill. EUR, adj. EBIT margin at 7.4% |
| Operative Cash Flow at 35 mill. EUR compared to -19 mill. EUR 9 months FY14/15 |
HELLA Group Key Achievements
Sales – Outperforming the market in the first 9 months of FY 2015/16

New passenger car registrations (in millions)

<table>
<thead>
<tr>
<th>Region</th>
<th>9 months FY 14/15</th>
<th>9 months FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>45.0</td>
<td>46.7</td>
</tr>
<tr>
<td>Europe</td>
<td>9.4</td>
<td>10.4</td>
</tr>
<tr>
<td>China</td>
<td>14.2</td>
<td>15.4</td>
</tr>
<tr>
<td>USA</td>
<td>12.1</td>
<td>12.8</td>
</tr>
</tbody>
</table>

HELLA revenue2 (in EUR millions)

<table>
<thead>
<tr>
<th>Region</th>
<th>9 months FY 14/15</th>
<th>9 months FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>4,218</td>
<td>4,554</td>
</tr>
<tr>
<td>Global</td>
<td>3,177</td>
<td>3,527</td>
</tr>
<tr>
<td>Europe</td>
<td>1,440</td>
<td>1,600</td>
</tr>
<tr>
<td>Asia/RoW</td>
<td>957</td>
<td>1,082</td>
</tr>
<tr>
<td>North/South America</td>
<td>780</td>
<td>845</td>
</tr>
</tbody>
</table>

HELLA Group outperforms market by 6%-points

Source: HELLA; VDA Research 1. Approximation including only most important markets; 2. Regional market coverage by end customers
HELLEA Group Key Achievements
P&L (I) – 9 months 2014/15 to 9 months 2015/16

Gross Profit 9 months FY 15/16 increased by 98 mill. EUR (+9%) to 1,237 mill. EUR after deduction of 27 mill. EUR one-off expenses for the supplier default

Excluding supplier default, Gross Profit increased by 125 mill EUR (+11%) to 1,264 mill. EUR

Extraordinary expenses for supplier default increased COGS by 24 mill EUR in Q1 FY 15/16, by 3 mill. EUR in Q2 FY 15/16, no effect in Q3 FY15/16

Excluding supplier default, the Gross Profit margin improved by 0.2%-points to 27.2% driven by

- increased productivity in the automotive segment and contrarily
- decreasing launch cost for new high-tech products mainly in EE
- positive product mix in Automotive, Aftermarket and SOE segment

Including charges for supplier default GPM decreased by 0.4%-points YoY

*adjusted for one-off charges for supplier default
HELLA Group Key Achievements
P&L (II) – 9 months 2014/15 to 9 months 2015/16, R&D expenses

EUR millions and % sales

<table>
<thead>
<tr>
<th>9 months R&amp;D expenses</th>
<th>9m FY14/15</th>
<th>9m FY15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D ratio 9 months FY15/16 stable at 9.6% driven by increase of ratio in Q3 FY15/16 by 0.7pp to 10.5% after over-proportional increase in absolute development costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absolute R&amp;D expenses increased 9 months FY 15/16 by 43 mill. EUR to 449 mill. EUR, in Q3 FY 15/16 by 21 mill. EUR to 157 mill. EUR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newly acquired businesses need more development efforts than expected as international R&amp;D network is not as its targeted efficiency level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absolute increase driven by strategic growth projects in automotive electronics esp. energy management/fuel efficiency, EPS, automated driving (radar) and in automotive lighting due to big project wins in complex LED technologies</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**HELLA Group Key Achievements**

**P&L (III) – 9 months 2014/15 to 9 months 2015/16**

### Comment

- **Administrative** (in mill. EUR, % of sales)
  - 9 months FY15/16 ratio decreased by 0.1%-points to 3.3% driven by **strong top line growth** compared to 9 months previous year.
  - Q3 FY15/16 ratio remained at 3.4% driven by **weaker top line growth** compared to Q3 previous year, **absolute expenses increased** by 3 mill. EUR to 50 mill. EUR.
  - **Absolute administrative** expenses with a rather stable development. Increase by 12 mill. EUR to 154 mill. EUR due to **growth-related investments** in corporate functions.

- **Distribution** (in mill. EUR, % of sales)
  - 9 months FY15/16 ratio decreased by 0.1%-points to 7.8% driven by **strong top line growth** compared to 9 months previous year.
  - Q3 FY15/16 ratio increased by 0.1%-points to 8.1% driven by **weaker top line growth** compared to Q3 previous year, **absolute expenses increased** by 9 mill. EUR to 121 mill. EUR.
  - **Absolute distribution** expenses increased by 31 mill. EUR to 365 mill. EUR due to higher Aftermarket sales and **ramp-up of e-commerce** as well higher rental and transport costs in Eastern Europe due to **increased level of operations**.

- **JV income** (in mill. EUR, % of sales)
  - 9 months FY15/16 ratio decreased by 0.4%-points to 0.7%. Decline in absolute contribution by 14 mill EUR to 33 mill. EUR due to **high comparable basis**
  - **FY15/16, additional tax-burden** and **weaker Asian markets**
  - Q3 FY15/16 ratio decreased by 0.8%-points to 0.6% after absolute decline by 10 mill. EUR to 9 mill EUR. Decline driven by **one-offs** (~5 mill EUR) and **operational weakness** in Asia.
HELLE Group Key Achievements
P&L (III) – 9 months 2014/15 to 9 months 2015/16

EUR millions and % sales

Adjusted EBIT (excluding restructuring costs and cost for supplier default) increased by 27 mill. EUR (9%) to 345 mill. EUR

Supplier failure in China leads to one-off charges of 47 mill. EUR

EBIT decreased by 20 mill EUR (6%) to 290 mill. EUR

Restructuring expenses 9 months FY 15/16 of 8 mill. EUR (-0.2 mill. EUR YoY)

Adjusted EBIT margin decreased by 0.1%-points to 7.4% in 9 months FY15/16 due to decrease in JV contribution by 0.4%-points

EBIT margin decreased by 1.0%-points to 6.2% mainly driven by supplier default
HELLA Group Key Achievements
Operative CF - 9 months 2014/15 to 9 months 2015/16

Operating Cash Flow (OCF) increased by 54 million EUR to 35 million EUR.

Cash settlements for restructuring of 12 million EUR (31 million EUR in FY 14/15) and 34 million EUR cash out for supplier default are excluded.

Lower working capital consumption compared to FY 14/15, mainly due to longer payment terms and temporarily delayed payments, partly reduced in Q3.

20 million EUR increase in receivables due to reduced factoring program.

Cash conversion ratio** increased by 16.2%-points to 10.2%.

Increase in line with expectations due to profitable top-line growth and lower working capital increase.

* Operating Cash Flow before dividends and net capital expenditure on financial assets or shares in associates (excluding cash restructuring payments and one-off effect from supplier default)

** Operating Cash Flow / adj. EBIT (excl. restructuring costs and one-off effect from supplier default)
HELLA Group Key Achievements
Segment Highlights – 9 months 2014/15 to 9 months 2015/16

Strong demand for innovative electronics and lighting products based on megatrends
Positive demand in Europe, NAFTA and in China
Roll-out of complex products with LED technology still affects margin
Non-recurring charges after supplier failure decrease EBIT by 47 mill. EUR

Independent aftermarket catching up after market recovery
Positive demand for high-end diagnose and camera calibration tools
Higher EBIT margin due to positive product mix and increasing sales

Positive product mix in SOE with increasing sales
Stabilization in the agricultural sector, still under pre-crisis level
Reduced industry sales and EBIT contribution

* External sales
** Supplier failure effect; 7.9% margin ex. supplier failure
## HELLA Group Key Achievements

### Quarterly Comparison – Q3 FY 15/16 vs. Q3 FY 14/15

<table>
<thead>
<tr>
<th>GROUP</th>
<th>Q3 FY 14/15</th>
<th>Q3 FY 15/16</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>organic sales growth* (YoY)</td>
<td>5.6%</td>
<td>6.5%</td>
<td>Strong organic growth in Q3 FY 15/16 in Automotive, stabilization in Special Applications but slow down of Aftermarket recovery</td>
</tr>
<tr>
<td>FX (YoY)</td>
<td>3.1%</td>
<td>0.9%</td>
<td>GPM increase driven by operational improvements, product mix and decreasing launch costs</td>
</tr>
<tr>
<td>NCR** (YoY)</td>
<td>5.1%</td>
<td>4.6%</td>
<td>No charges from supplier default in Q3 FY 15/16, restructuring expenses at 0.2% of sales</td>
</tr>
<tr>
<td>Segment growth*** (YoY)</td>
<td><strong>10.4%</strong></td>
<td><strong>8.1%</strong></td>
<td>Adjusted EBIT FY 15/16 driven by higher R&amp;D expenses and lower JV income</td>
</tr>
</tbody>
</table>

### GROUP Gross Profit Margin

<table>
<thead>
<tr>
<th>GROUP</th>
<th>Reported</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY 14/15</td>
<td>26.3%</td>
<td>26.3%</td>
</tr>
<tr>
<td>Q3 FY 15/16</td>
<td>27.0%</td>
<td>27.0%</td>
</tr>
</tbody>
</table>

### GROUP EBIT Margin

<table>
<thead>
<tr>
<th>GROUP</th>
<th>Reported</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 FY 14/15</td>
<td>6.3%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Q3 FY 15/16</td>
<td>5.8%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

---

* Excluding FX

**New Car Registrations according to HELLA fiscal year, does not include all regions due to limited data availability, source: VDA, HELLA analysis

***Third party sales only

---

* **NCR**: New Car Registrations
  * **Adjusted**: The adjusted results reflect certain items that are not directly comparable across periods, such as restructuring expenses or special items. These adjustments are necessary to provide a more accurate comparison of underlying business performance.

---

**Comment**

- **GPM increase**: The Gross Profit Margin (GPM) increased from 3.1% to 0.9% in Q3 FY 15/16, primarily driven by operational improvements, product mix changes, and decreasing launch costs.
- **Organic growth**: Strong 6.5% organic growth in Q3 FY 15/16 compared to 5.6% in Q3 FY 14/15, with a focus on automotive and stabilization in special applications.
- **Special sales**: Limited relevance of third-party sales, indicating potential market or business strategy shifts.

---

**Quarterly comparison of limited relevance**
## HELLA Group Key Achievements

### Quarterly Comparison – 9 months 2015/16

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY 15/16</th>
<th>Q2 FY 15/16</th>
<th>Q3 FY 15/16</th>
<th>9M FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROUP</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organic sales growth*(YoY)</td>
<td>9.5%</td>
<td>8.0%</td>
<td>6.5%</td>
<td>7.9%</td>
</tr>
<tr>
<td>FX (YoY)</td>
<td>4.0%</td>
<td>2.3%</td>
<td>0.9%</td>
<td>2.4%</td>
</tr>
<tr>
<td><strong>GROUP Sales growth (YoY)</strong></td>
<td>13.5%</td>
<td>10.3%</td>
<td>7.4%</td>
<td>10.3%</td>
</tr>
<tr>
<td>NCR* (YoY)</td>
<td>0.0%</td>
<td>6.0%</td>
<td>4.6%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

### GROUP Gross Profit Margin

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY 15/16</th>
<th>Q2 FY 15/16</th>
<th>Q3 FY 15/16</th>
<th>9M FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported</strong></td>
<td>25.1%</td>
<td>26.7%</td>
<td>27.6%</td>
<td>27.8%</td>
</tr>
<tr>
<td><strong>Adjusted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reported</strong></td>
<td>4.6%</td>
<td>6.8%</td>
<td>8.1%</td>
<td>9.3%</td>
</tr>
<tr>
<td><strong>Adjusted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### GROUP EBIT Margin

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY 15/16</th>
<th>Q2 FY 15/16</th>
<th>Q3 FY 15/16</th>
<th>9m FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported</strong></td>
<td>4.6%</td>
<td>6.8%</td>
<td>8.1%</td>
<td>9.3%</td>
</tr>
<tr>
<td><strong>Adjusted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reported</strong></td>
<td>5.8%</td>
<td>6.0%</td>
<td>5.8%</td>
<td>6.0%</td>
</tr>
<tr>
<td><strong>Adjusted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reported</strong></td>
<td>6.2%</td>
<td>7.4%</td>
<td>6.2%</td>
<td>7.4%</td>
</tr>
<tr>
<td><strong>Adjusted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Excluding FX
**New Car Registrations according to HELLA fiscal year, does not include all regions due to limited data availability, source: VDA, HELLA analysis
# Outlook
## Market specific outlook

<table>
<thead>
<tr>
<th>Region</th>
<th>Outlook Automotive Sales (in m pieces)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Germany</strong></td>
<td></td>
<td>• Positive development of new car registrations in 2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Modest expected growth of approx. 1% for 2016</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>Western Europe incl.</strong></td>
<td></td>
<td>• Strong growth to above pre-crisis levels in most Western European</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td></td>
<td>countries in 2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Modest growth in 2016 expected after strong 2015, low</td>
</tr>
<tr>
<td></td>
<td></td>
<td>interest rate level and low fuel prices supportive</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>13.2</td>
</tr>
<tr>
<td><strong>USA</strong></td>
<td></td>
<td>• Positive growth in the calendar year 2015 of around 6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>due to favorable economic environment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Modest growth of 1% in 2016 after strong 2015 expected</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>17.4</td>
</tr>
<tr>
<td><strong>China</strong></td>
<td></td>
<td>• Declining demand in first half 2015, government supported</td>
</tr>
<tr>
<td></td>
<td></td>
<td>accelerated growth in last 3 months of 2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Positive growth in 2016 expected but instable forecast</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>• Overall growing expectations with significant regional</td>
</tr>
<tr>
<td></td>
<td></td>
<td>differences. Uncertainty with respect to political tensions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and economic conditions</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>78</td>
</tr>
</tbody>
</table>

Source: VDA (as of April 2016), HELLA own analysis
**Outlook**  
Company specific outlook FY 2015/16

Presuming no serious economic turmoil, we assume a further positive development of the operative HELLA business, however a decline in EBIT due to one-off charges in the FY 2015/16:

<table>
<thead>
<tr>
<th><strong>Guidance</strong></th>
<th><strong>Comment</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td><em>Growth in medium to high one-digit percentage range</em></td>
</tr>
<tr>
<td><strong>One-off charges (supplier failure)</strong></td>
<td><em>47 mill. EUR</em></td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td><em>Below previous year</em></td>
</tr>
<tr>
<td><strong>EBIT adjusted by one-offs for supplier default</strong></td>
<td><em>Mid to high single-digit percentage growth</em></td>
</tr>
</tbody>
</table>

- Sales still expected to grow in the middle to high single-digit percentage range over the full financial year.
- Already booked in 9 months FY 15/16, no further burden in Q4.
- Drag on EBIT due to supplier default cannot be offset by strong sales development. EBIT margin will decrease relative to the prior year.
- No change in guidance without supplier case (as stated in Q1 & Q2).
Thanks for your attention

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