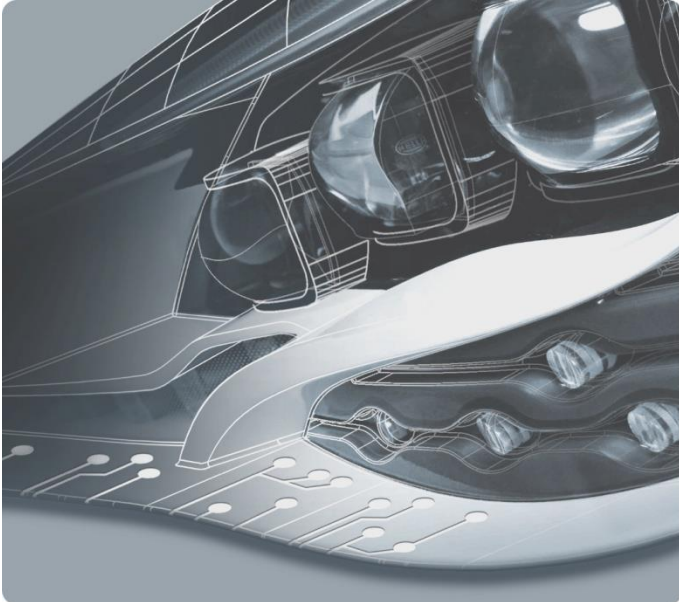




Technology with Vision

9 months FY 2015/16 Roadshow Presentation



HELLA KGaA Hueck & Co

April 2016

Disclaimer

This document was prepared with reasonable care. However, no responsibility can be assumed for the correctness of the provided information. In addition, this document contains summary information only and does not purport to be comprehensive and is not intended to be (and should not be construed as) a basis of any analysis or other evaluation. No representation or warranty (express or implied) is made as to, and no reliance should be placed on, any information, including projections, targets, estimates and opinions contained herein.

This document may contain forward-looking statements and information on the markets in which the HELLA Group is active as well as on the business development of the HELLA Group. These statements are based on various assumptions relating, for example, to the development of the economies of individual countries, and in particular of the automotive industry. Various known and unknown risks, uncertainties and other factors (including those discussed in HELLA's public reports) could lead to material differences between the actual future results, financial situation, development or performance of the HELLA Group and/or relevant markets and the statements and estimates given here. We do not update forward-looking statements and estimates retrospectively. Such statements and estimates are valid on the date of publication and can be superseded.

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 – 9 months FY 2015/16 Roadshow

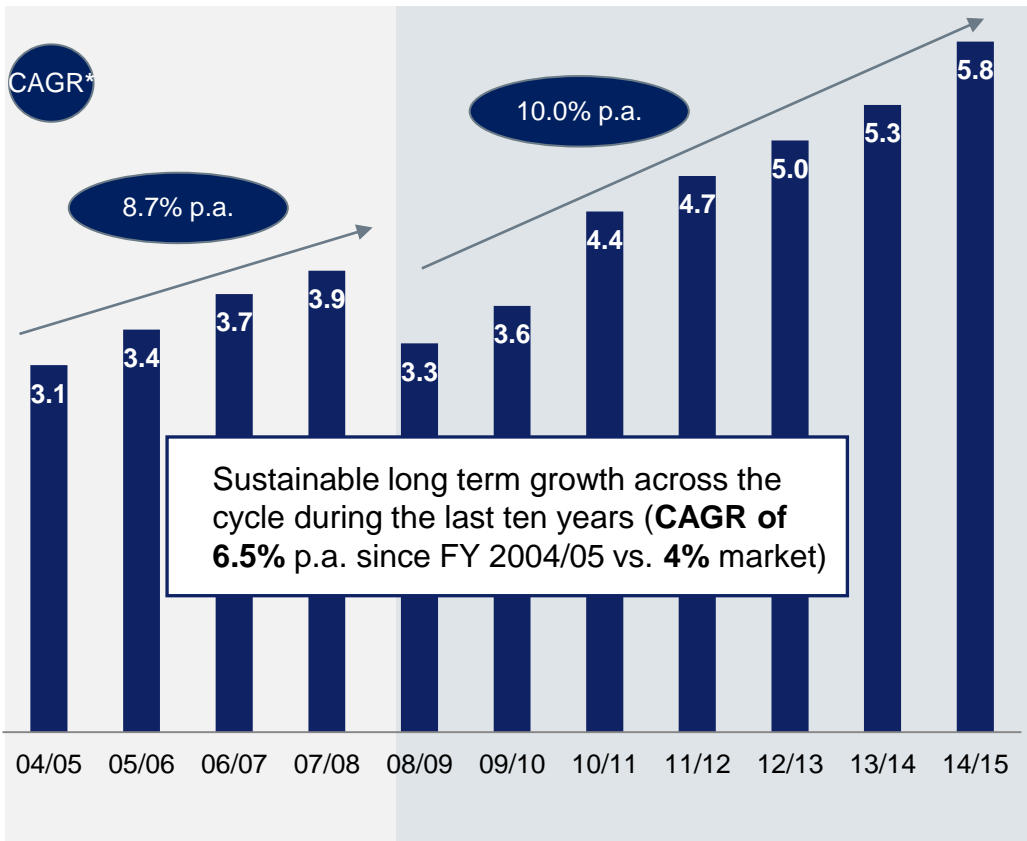
Agenda

- 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

HELLA Group sales, EURbn*



Investors and analysts comments

"...we understood your historical growth, how can we **assess your future sales development?**..."

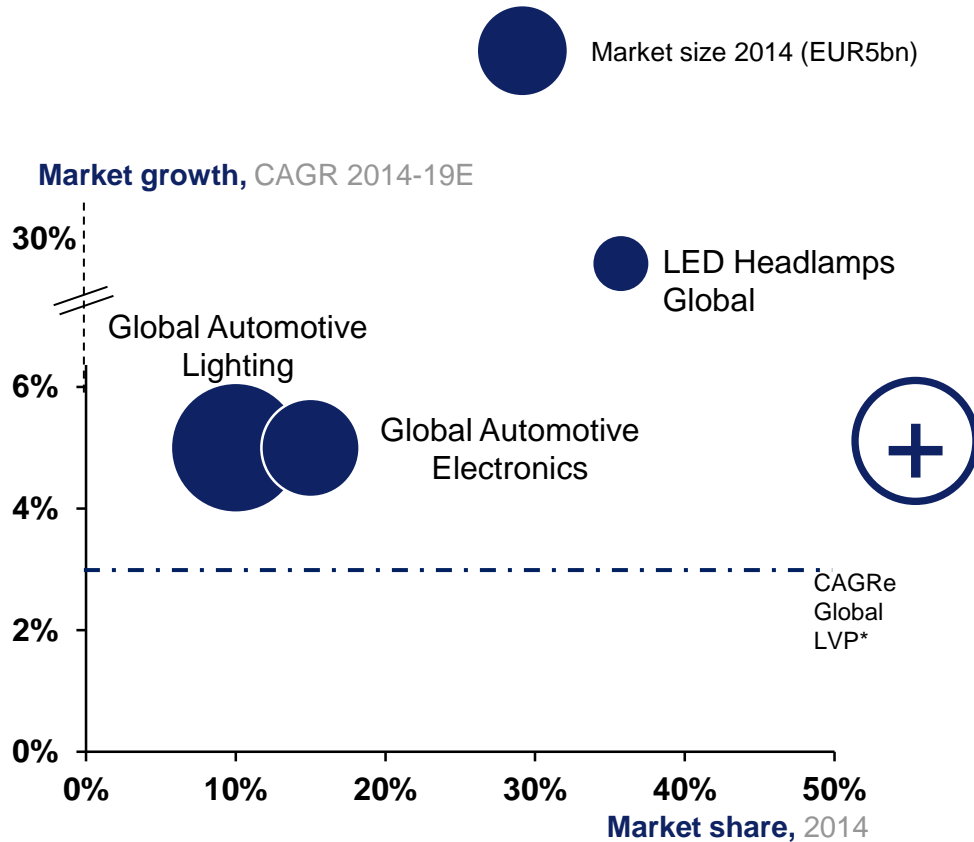
"...outperformance has been 50% in the past, at a market growth of 2-3% in the upcoming years, is that maybe too **conservative for the future?**..."

"...investors are still hesitating about your **future growth rates**, whereas they have **no concerns with high growth rates of your competitors...**"

*Sales as reported w/o adjustments for consolidation or accounting changes

HELLA's automotive segments are growing stronger than the market

HELLA's positioning for future growth



HELLA in market leadership positions¹

□ 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

□ Automotive Electronics

2-3 global position in defined automotive electronic segments

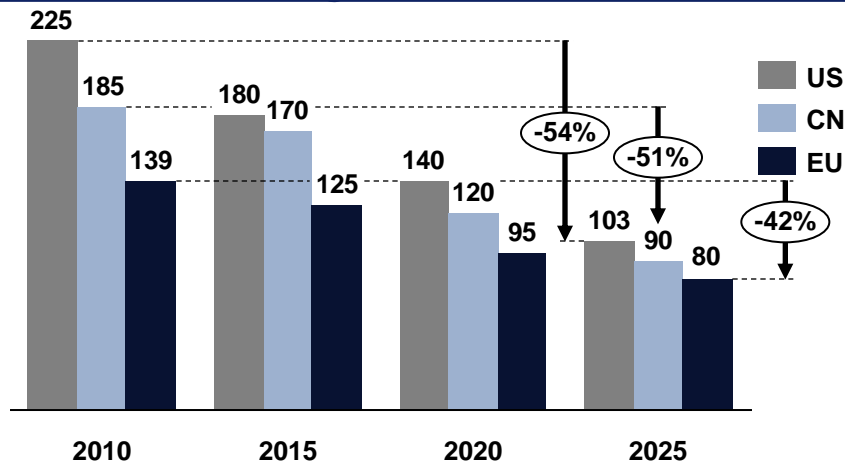
1-2 European position

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

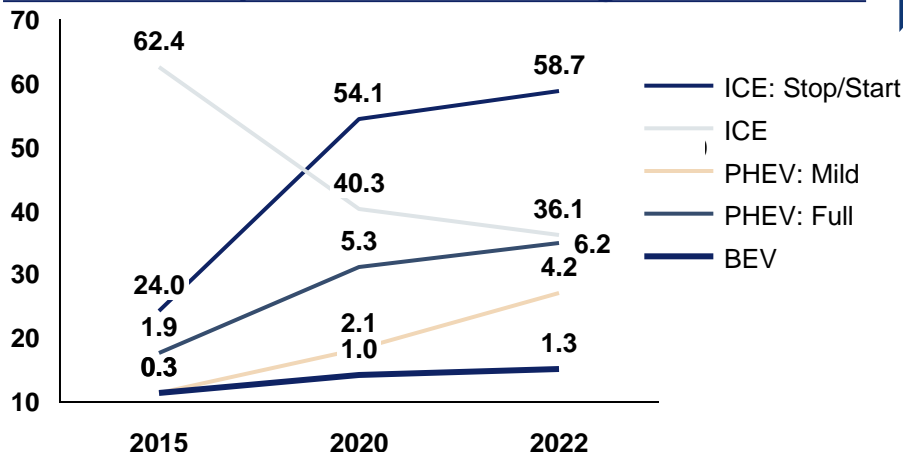
1) All figures related to selected markets and product categories based on HELLA's portfolio, as covered in the market study

Strong market demand for energy efficiency driven by legislative requirements

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



Allocation of powertrain technologies in mill. vehicles



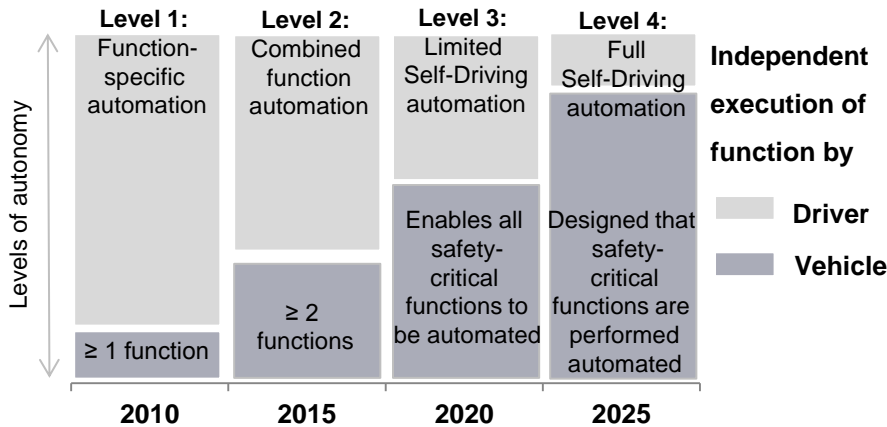
Source: IHS, Strategy Analytics

Reduction of energy consumption and emissions

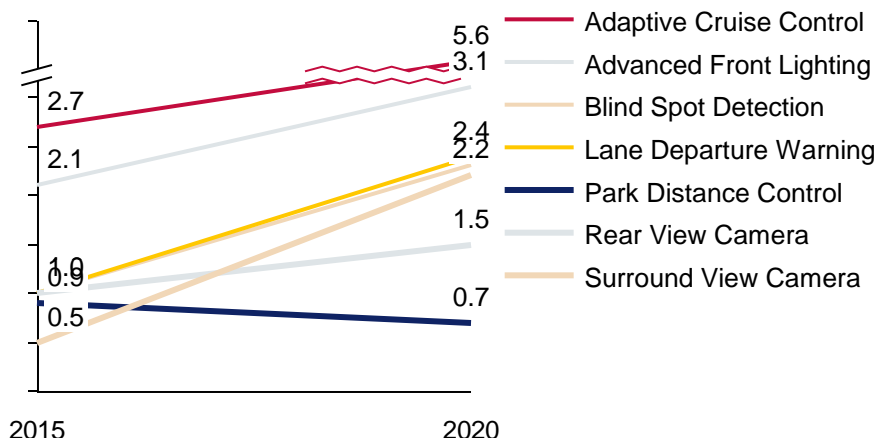
- Continuing **trend towards energy efficiency gains driven by global emission regulations**
- **Ambitious emission targets** across all regions
- Future powertrain concepts to be dominated by internal combustion engines with start/stop
- Initiatives like down-sizing and turbo-charging prevail, but growing 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**

Market demand for automated driving expected to experience strong growth in the coming years

Levels of autonomous driving



Growth of driver assistance technologies in bn USD



2015 2020
Source: NHTSA, Strategy Analytics, HELLA analysis

















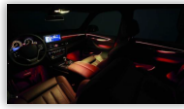

Gradual transition from Driver to Vehicle

- 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

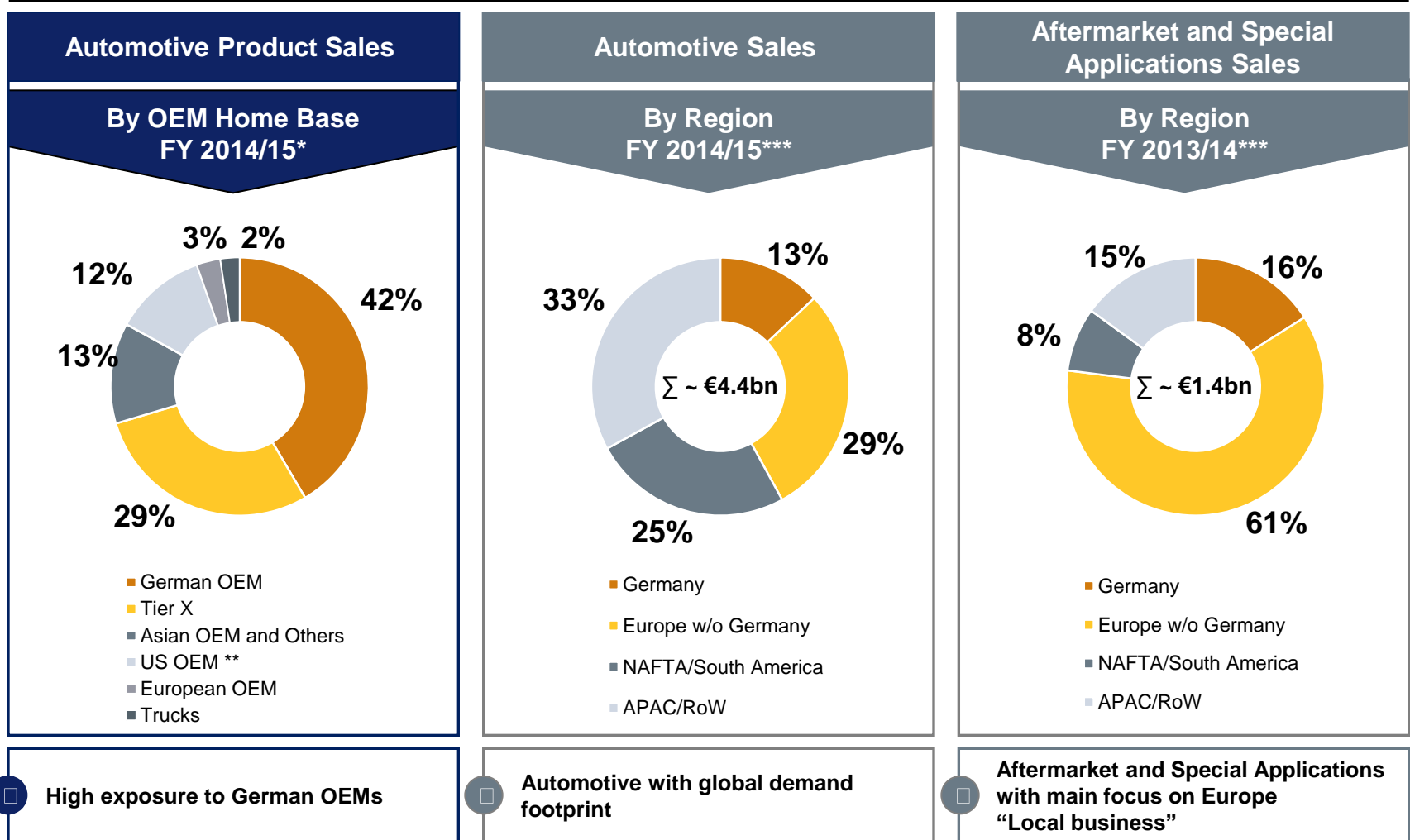
New technologies' demand increasing

- 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**

HELLA is well positioned to benefit from the fundamental market trends in the future

Market trends		Lighting (selected products)	Electronics (selected products)		
Environment/ Efficiency 	Energy efficiency <ul style="list-style-type: none"> □ Fuel System and Energy Management technologies for ICE & PHEV powertrains □ Efficient lighting technologies like LED 	 Matrix-LED Headlight	 LED Rear lamp	 48V DC/DC Converter	 Cooling Valve Actuator
Safety 	Driver safety / automated driving <ul style="list-style-type: none"> □ Light based assistance systems and optimal illumination □ Sensors for detection of the driving environment 	 HD headlamps systems (Advanced Front-Lighting)	 24 GHz Rear radar	 77GHz Front radar	
Styling 	Styling and comfort <ul style="list-style-type: none"> □ Optical elements for individual styling with LED or OLED lighting technology □ Enhanced personalization and interactions (vehicle to environment) 	 OLED Rear lamp	 LED Styling Headlight	 Design-driven Remote keys	 BCM
Comfort 	<ul style="list-style-type: none"> □ Individualized and designed parts 	 Ambient Interior Lighting	 Structural Health Sensor		
<input type="checkbox"/> Unique combination of competence set in advanced electronics and lighting technologies					

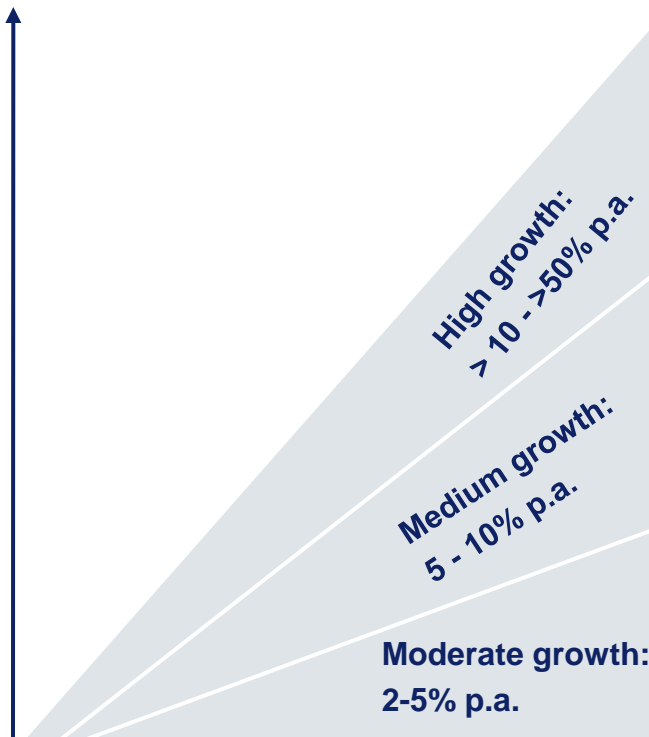
HELLA is well positioned with attractive client mix and regional exposure



* 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)

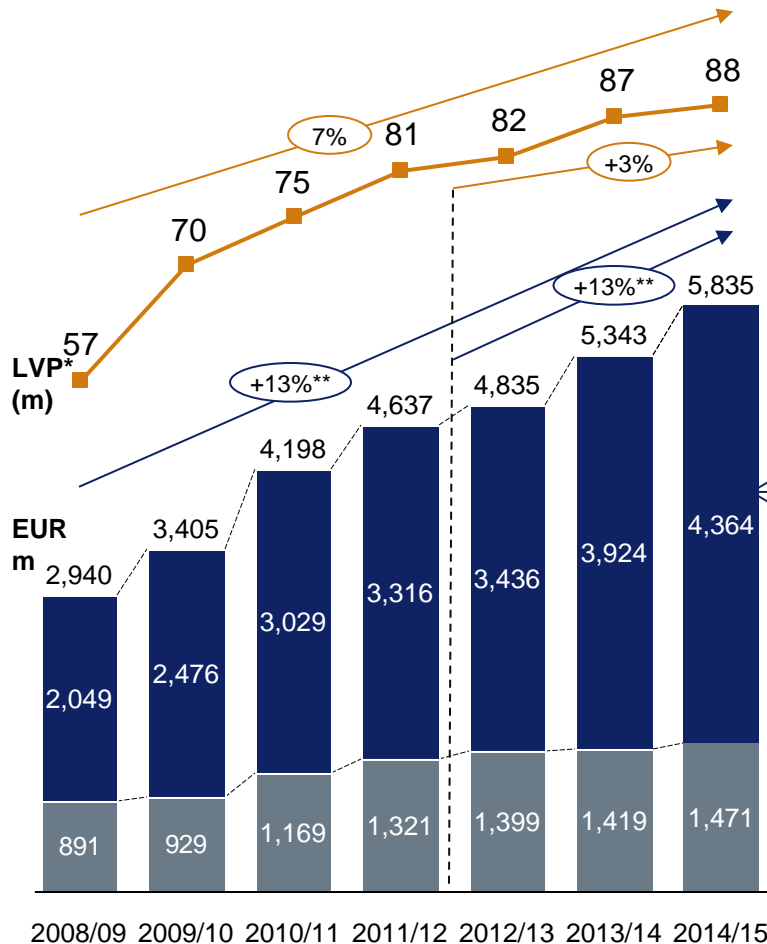
- Full-LED headlamps and rear lamps
 - OLED rear lamps
 - Engine Compartment Actuators (waste gate, TAS, TOS)
 - Rear applications
 - DC/DC converter
 - Intelligent battery sensors
-
- Hybrid rear lamps
 - Interior lighting systems
 - Vacuum pumps
 - Radio transmitter keys
-
- Small lamps (e.g. fog, 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

HELLA market outperformance in Automotive



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

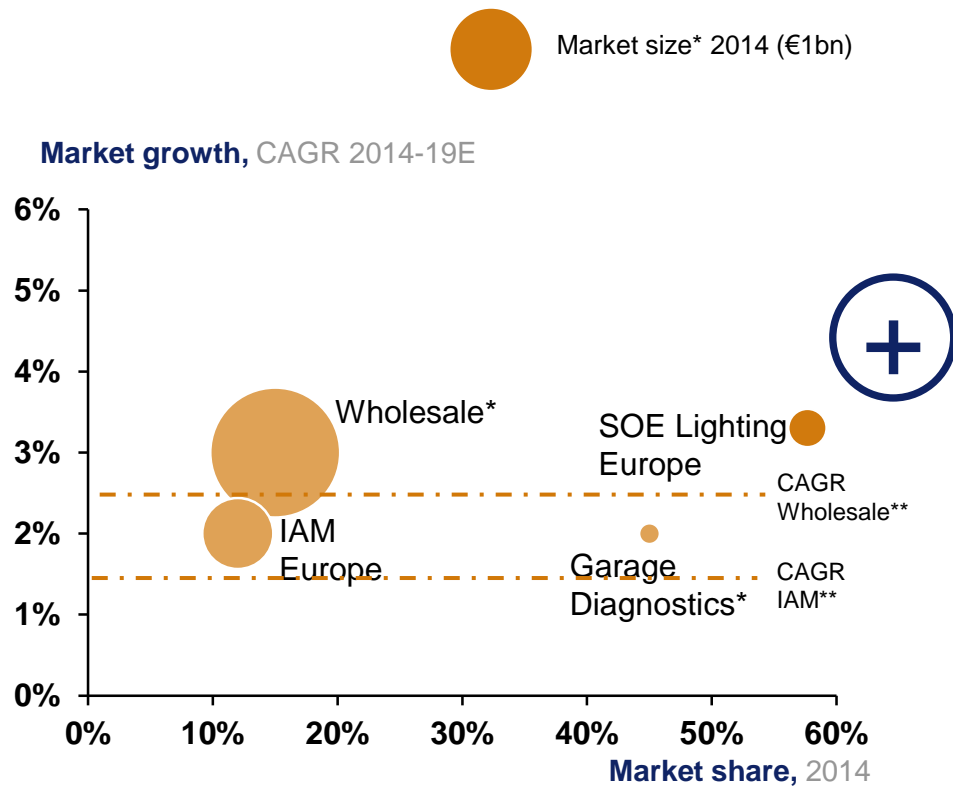
- **Next development steps in lighting solutions and LED penetration** strong organic growth drivers
- HELLA **solutions** played **key role in automotive progress** since decades
- Well positioned in **automotive trends** energy efficiency and automated driving

*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



HELLA in market leadership positions¹

- 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

Unique position

IAM
Customer proximity and high distribution power together with core product competences as OE supplier

A

Wholesale
Strong network concept that integrates HELLA wholesalers to achieve scale benefits

B

Garage
Portfolio development tailored to meet market requirements and technological trends

C

Strategic focus

- Optimization and increase of current portfolio
- Additional potential through clearly defined portfolio competence
- Improvement of customer access
- Completion of NORDIC FORUM organization to utilize synergies and economies of scales
- Selected share increase and acquisitions
- Use UCANDO as digital asset
- Integration of HELLA Gutmann into HELLA network
- Systematic use of HELLA Gutmann data and diagnostic competence
- Offer advanced high tech products and technologies

Key trends

Consolidation and new players

- Wholesale consolidation and professionalization at wholesale and garage level
- Influence of intermediaries
- Low cost parts suppliers entering market

Digitalization

- New online business channels and interfaces
- Big data and comparability of offering

Changing customer preferences

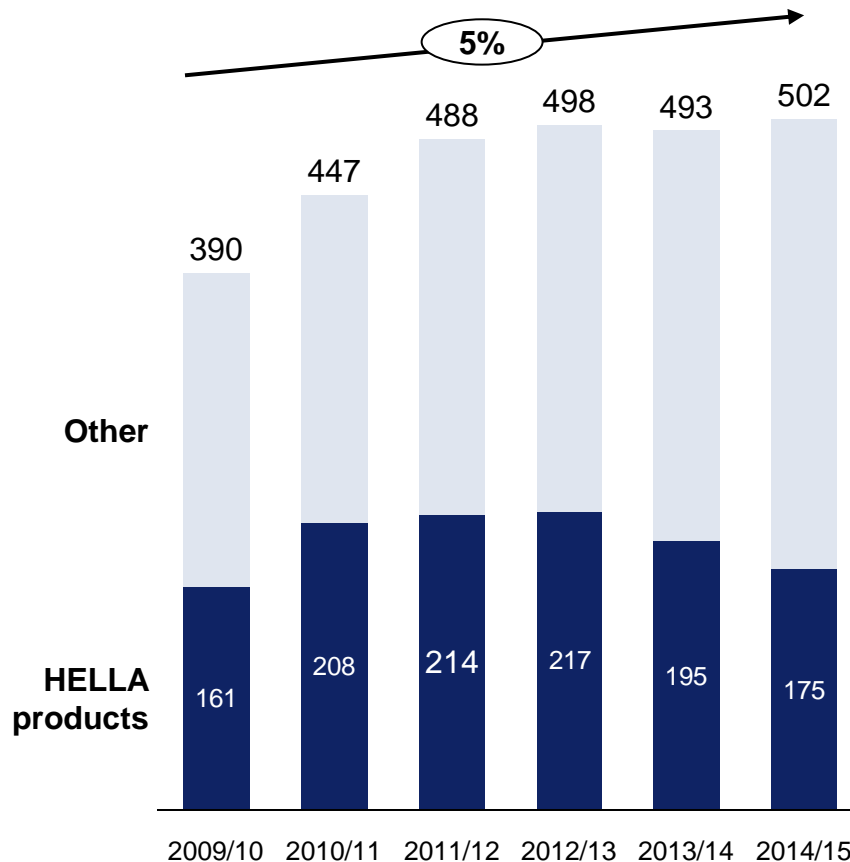
- E-mobility and autonomous driving need highly sophisticated products and garages
- Less importance of car and need for more efficient repairs

HELLA's stable IAM business is well positioned for future key market trends

A

HELLA historic growth path

EUR millions



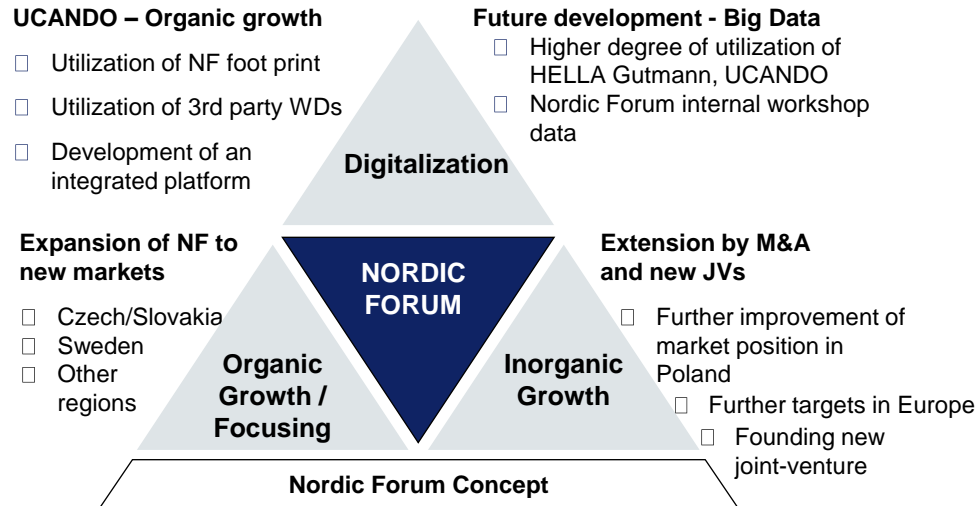
Levers for execution of growth strategy

- 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

B

NORDIC FORUM integrated concept

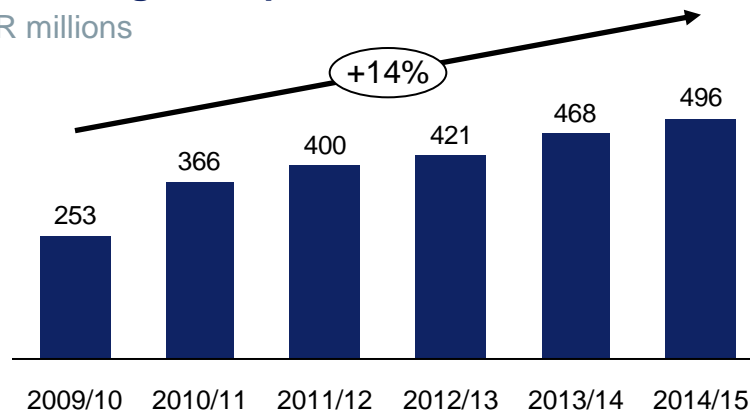


Levers for execution of growth strategy

- 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



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

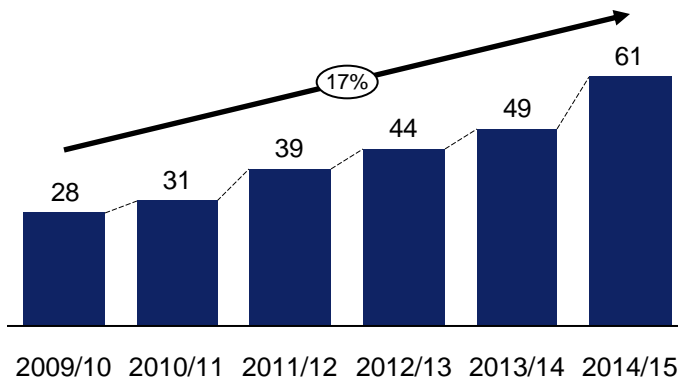
C

HELLA 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)

Historical growth path

EUR millions

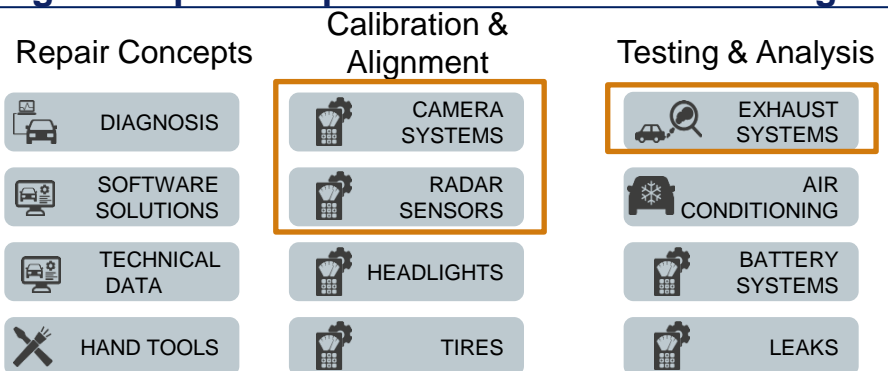


Market & trends



- 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

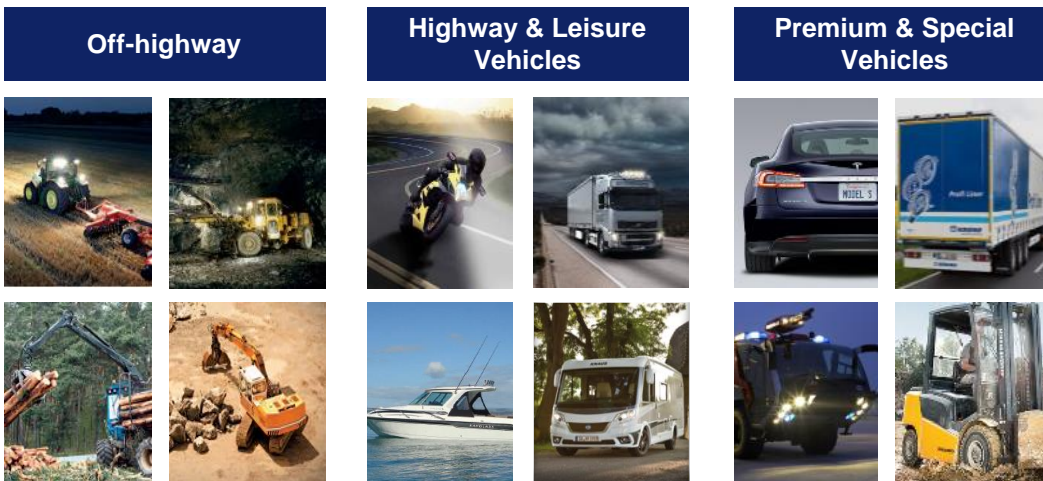
High tech product portfolio and service offering



Unique high tech workshop competence

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

Areas

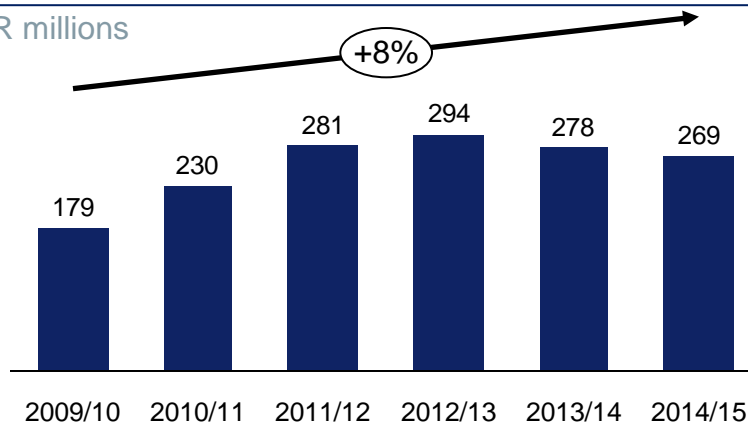


Strategic direction

- 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

EUR millions



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

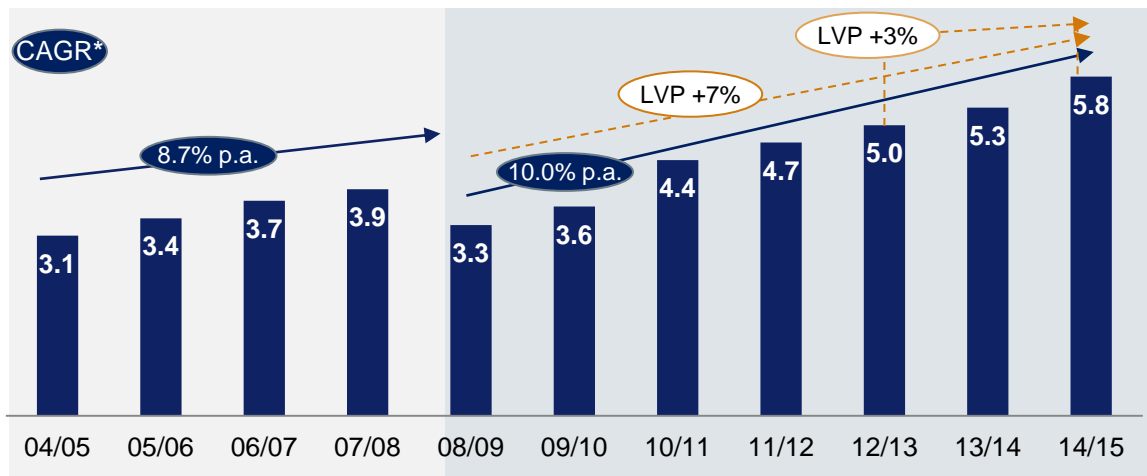
HELLA – 9 months FY 2015/16 Roadshow

Agenda

- HELLA's Strategic Growth Path
- Financial Overview FY 2011/12 - FY 2014/15
- Results 9 months FY 15/16

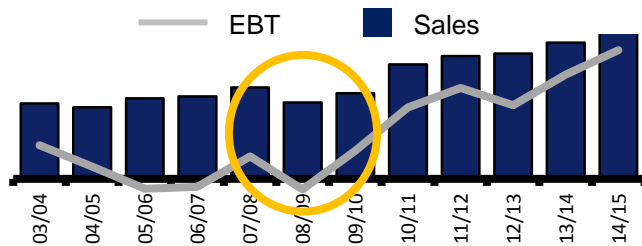
Track record of steady growth across the cycle and resilience of business model

HELLA GROUP sales* in EURbn

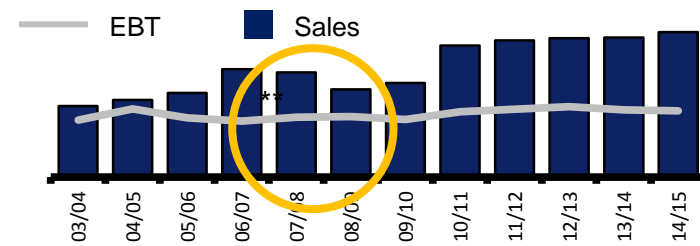


- Sustainable long term growth across the cycle during the last ten years with a clear focus on organic growth (CAGR of 6.5% p.a. since FY 2004/05)
- Targeted growth trend continued
- Organic growth of the HELLA GROUP outperformed the automotive market by >5%-points in the last 3 years

Automotive*



Aftermarket*



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

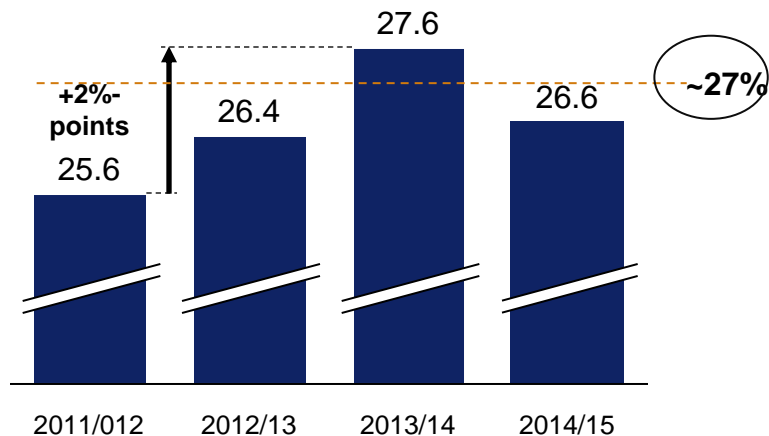
*Cumulated Annual Growth Rate; sales as reported w/o adjustments for consolidation or accounting changes



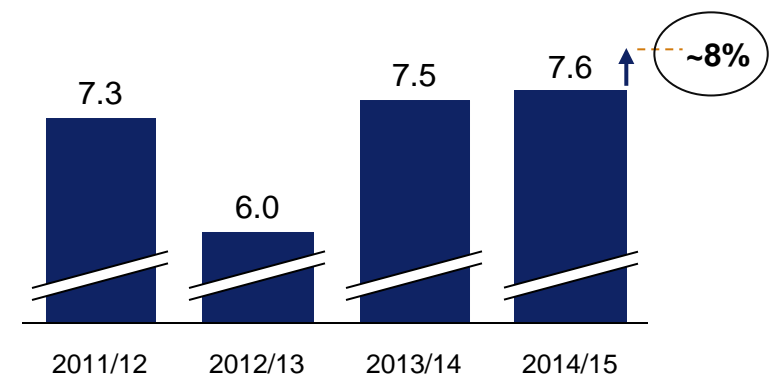
Competitive Gross Profit margin and mid-term EBIT margin potential

% sales

Gross Profit margin



Adj. EBIT margin



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

EBIT margin

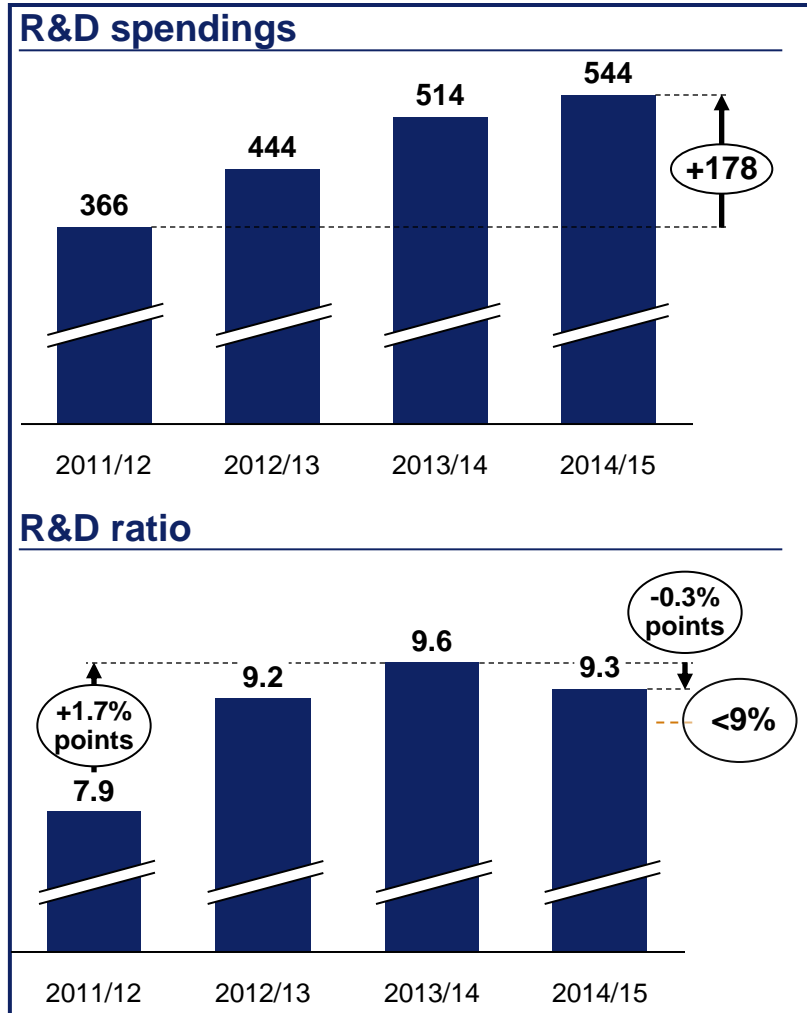
Improvement of adj. EBIT margin achieved

- 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

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

R&D ratio

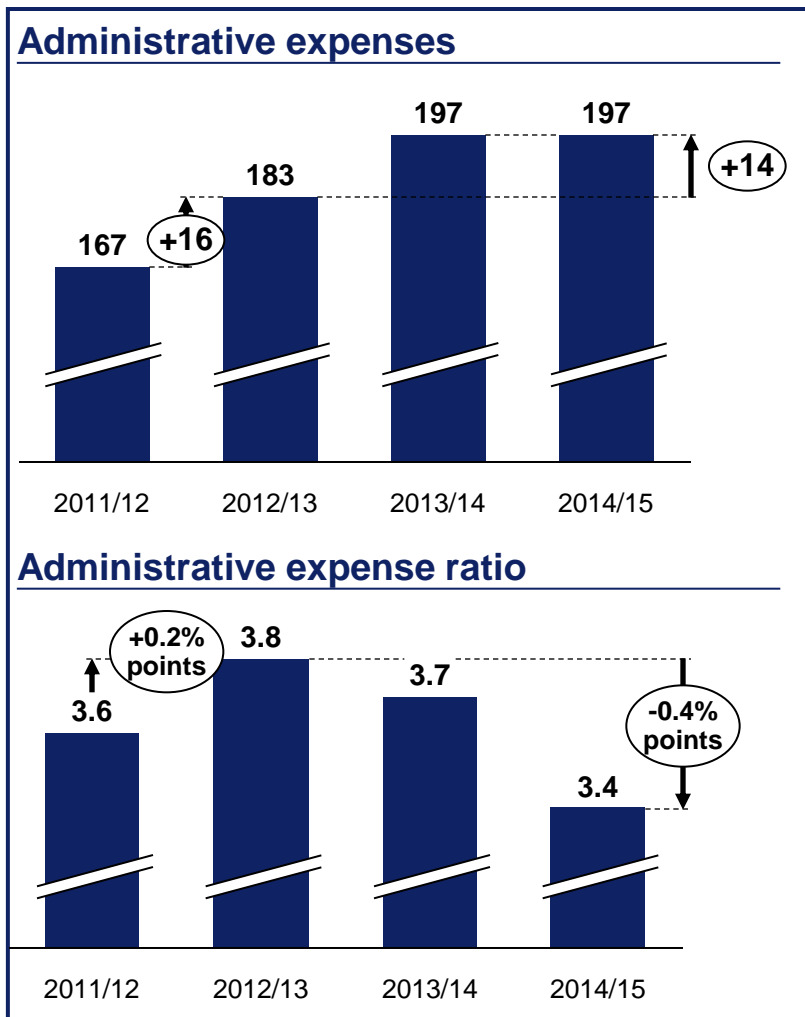
Balance between investments and efficiency

- 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

EUR millions and % sales



Admin expenses

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

Continued focus on global structure to ensure competitiveness

Admin ratio

Performance oriented organization

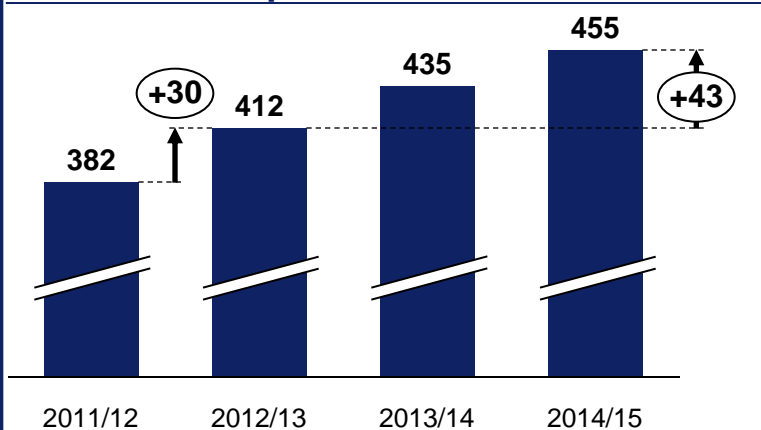
- Efficiency gains through re-location (incl. temporary double-functions) to best cost countries and shared service centers improved OTD and TTM processes
- Continuous optimization through operational excellence improvement initiatives (e.g. LiON)
- Short term constant ratio expected

Process improvements and scale effects drive ratio, long term reduction possible

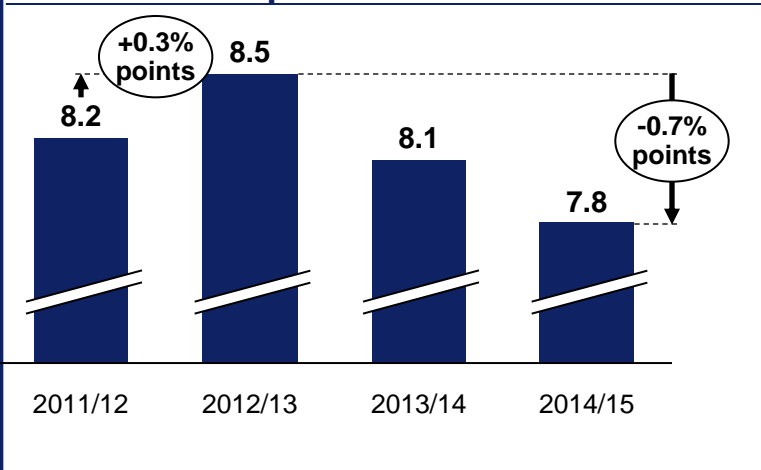
Proven ability to manage costs

EUR millions and % sales

Distribution expenses



Distribution expense ratio



Distribution expenses

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 expense ratio

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

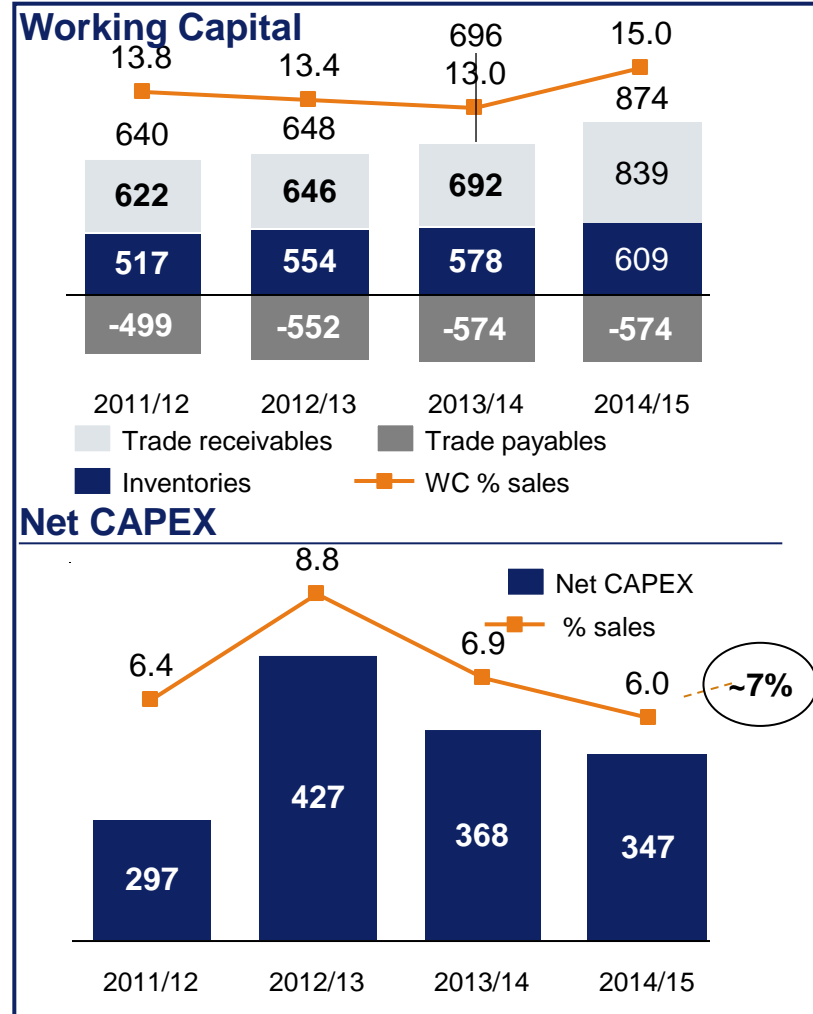
Short to mid-term optimization potential limited

Continuous measure generation to facilitate operating leverage

	Main achievements	Continuous challenges	Actions
Lighting	<ul style="list-style-type: none"> Production network optimized Regular design-to-cost workshops during development phase 	<ul style="list-style-type: none"> Roll out complex (LED) projects: HR qualifications, production process, quality of components, supplier certification Reduction of non-quality expenses 	<ul style="list-style-type: none"> Local support from technology hubs Thorough enforcement of improvement programs Implement recent "Lessons-learned" Improve efficiency in supply chain and own value added Improve key account organization Improve customer penetration Investments in HR base HR talent review Strengthening 2nd mgmt. level
Electronics	<ul style="list-style-type: none"> Global development network established, optimized and extended Multiple sourcing strategy implemented 	<ul style="list-style-type: none"> Global competitive TtM organization 	
Aftermarket & Special Applications	<ul style="list-style-type: none"> Overhead functions reduced with optimized logistics for sales comps Low-cost production in Romania 	<ul style="list-style-type: none"> Further harmonization of NORDIC FORUM (e.g. reporting, IT, procurement), strengthen structures Leverage of inventories 	
Corporate	<ul style="list-style-type: none"> Corporate center structure established Overhead functions reduced 	<ul style="list-style-type: none"> Qualification of employees to enable complex production & quality monitoring Increase efficiency of corporate center structure Address highly qualified people 	

Clearly directed investments and active Working Capital management

EUR millions and % sales



Working Capital

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

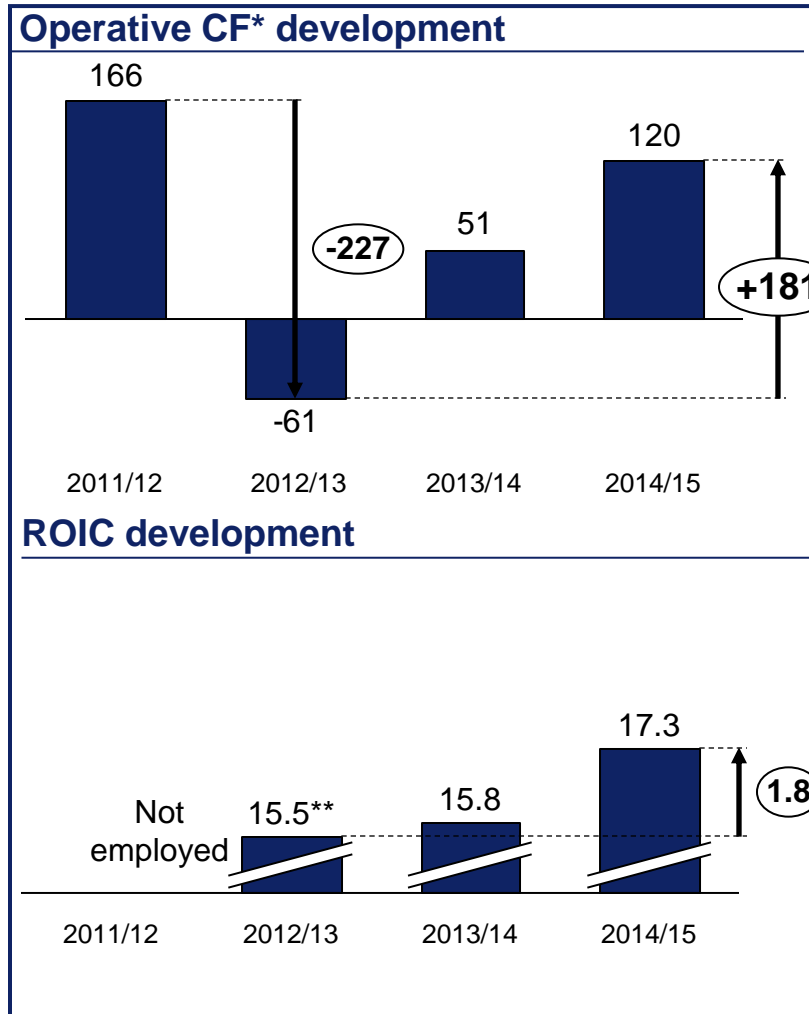
Net CAPEX down after globalization

- 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

EUR millions and % IC



Operative CF

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

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

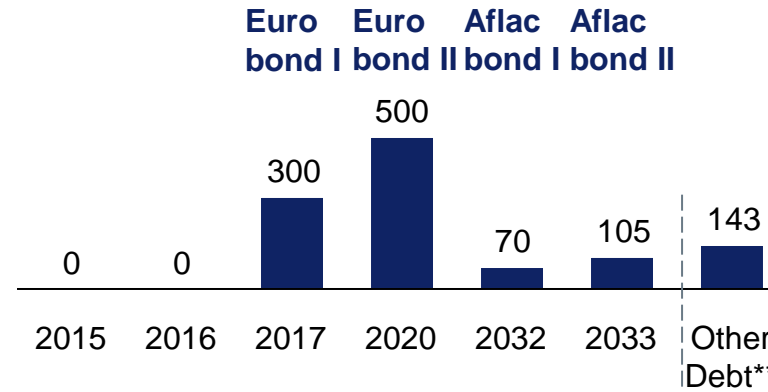
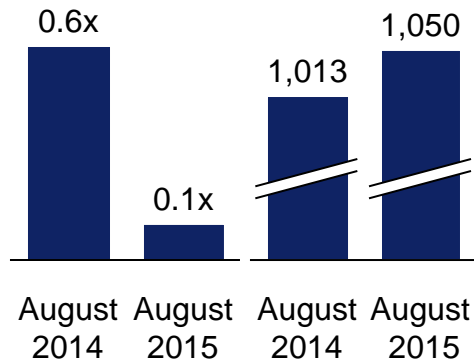
Solid capital structure

Strategic flexibility

Net debt/
EBITDA

Cash & assets

Debt and maturity profile*, EUR millions



Additional Revolving Credit (2015) (1+1+5) of EUR 450m with 10 core banks as back-up facility

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

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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
- **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%**

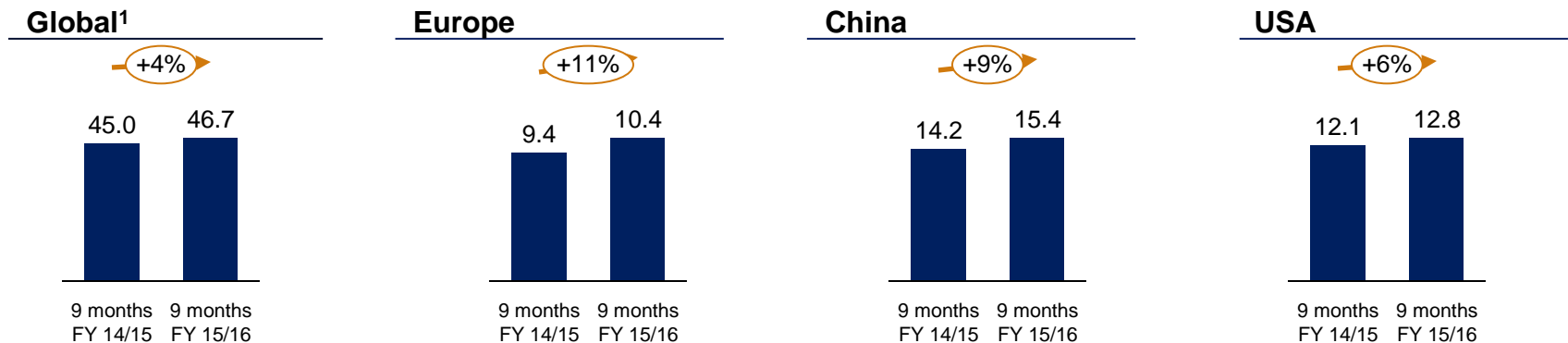
Liquidity

- **Operative Cash Flow at 35 mill. EUR** compared to -19 mill. EUR 9 months FY14/15

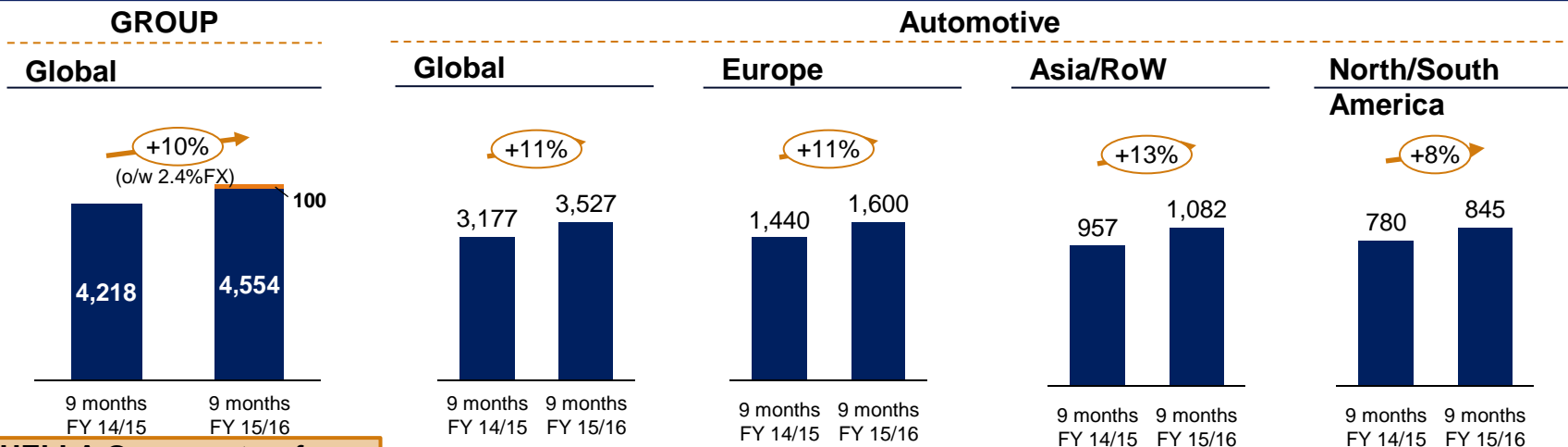
HELLA Group Key Achievements

Sales – Outperforming the market in the first 9 months of FY 2015/16

New passenger car registrations (in millions)



HELLA revenue² (in EUR millions)



HELLA Group outperforms market by 6%-points

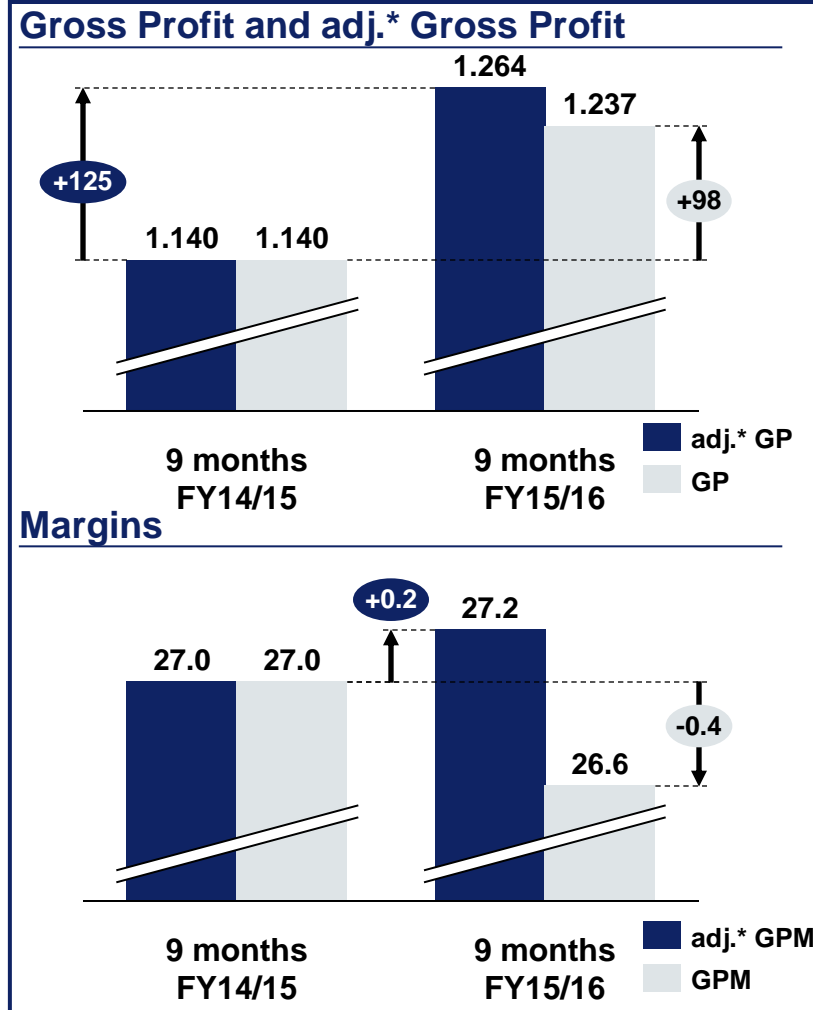
Source: HELLA; VDA Research 1. Approximation including only most important markets; 2. Regional market coverage by end customers



HELLA Group Key Achievements

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

EUR millions and % sales



Gross Profit and adj.* Gross Profit

- **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**

Margins

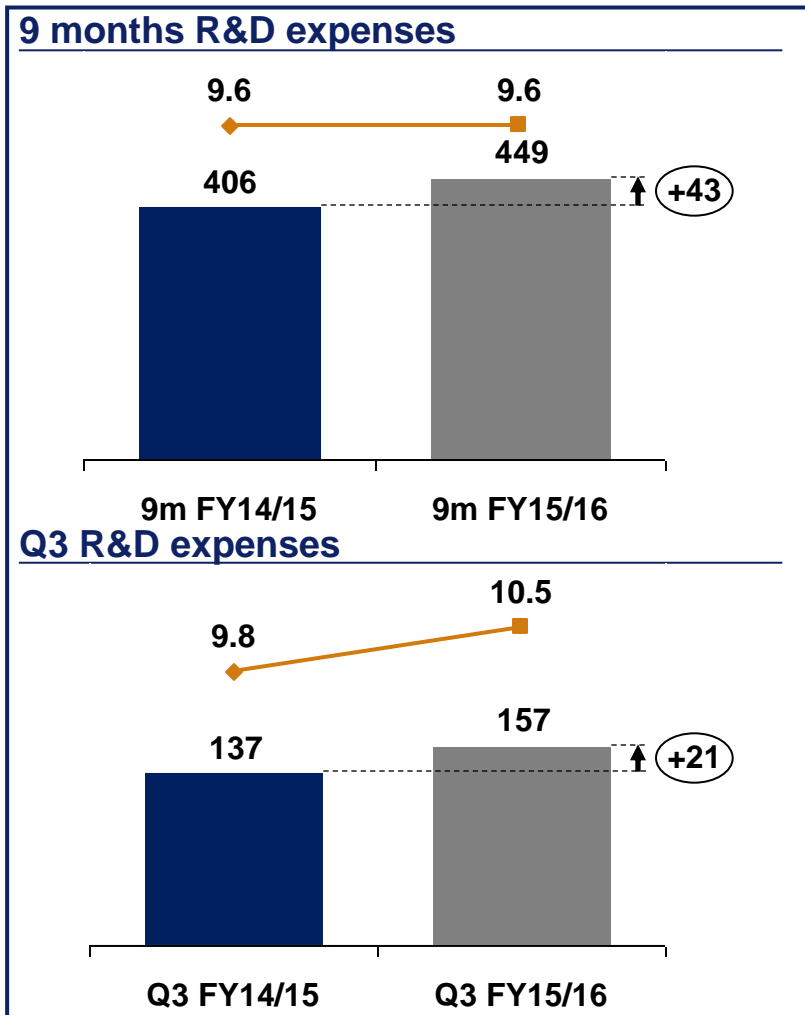
- **Excluding supplier default**, the **Gross Profit margin** improved by 0.2%-points to **27.2%** driven by
 - **increased productivity** in the automotive segment and contrarily **decreasing launch cost** for new high-tech products mainly in EE
 - **positive product mix** in Automotive, Aftermarket 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

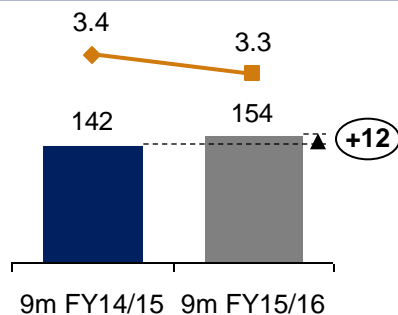


- **R&D ratio 9 months FY15/16 stable at 9.6%** driven by **increase of ratio in Q3 FY15/16 by 0.7pp to 10.5%** after over-proportional increase in absolute development costs
- Absolute R&D expenses increased **9 months FY 15/16** by 43 mill. EUR to **449 mill. EUR**, in **Q3 FY 15/16** by 21 mill. EUR to **157 mill. EUR**
- **Newly acquired businesses** need more development efforts than expected as **international R&D network is not as its targeted efficiency level**
- 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

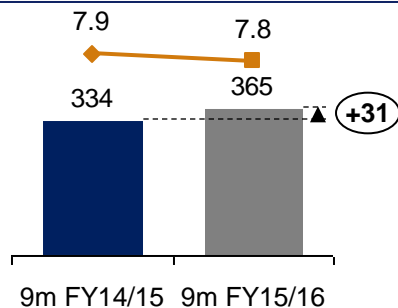
HELLA Group Key Achievements

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

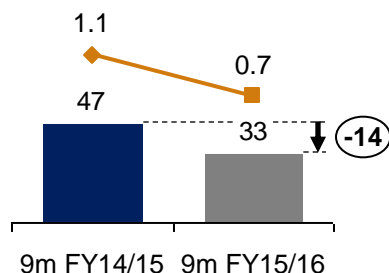
Administrative (in mill. EUR, % of sales)



Distribution (in mill. EUR, % of sales)



JV income (in mill. EUR, % of sales)



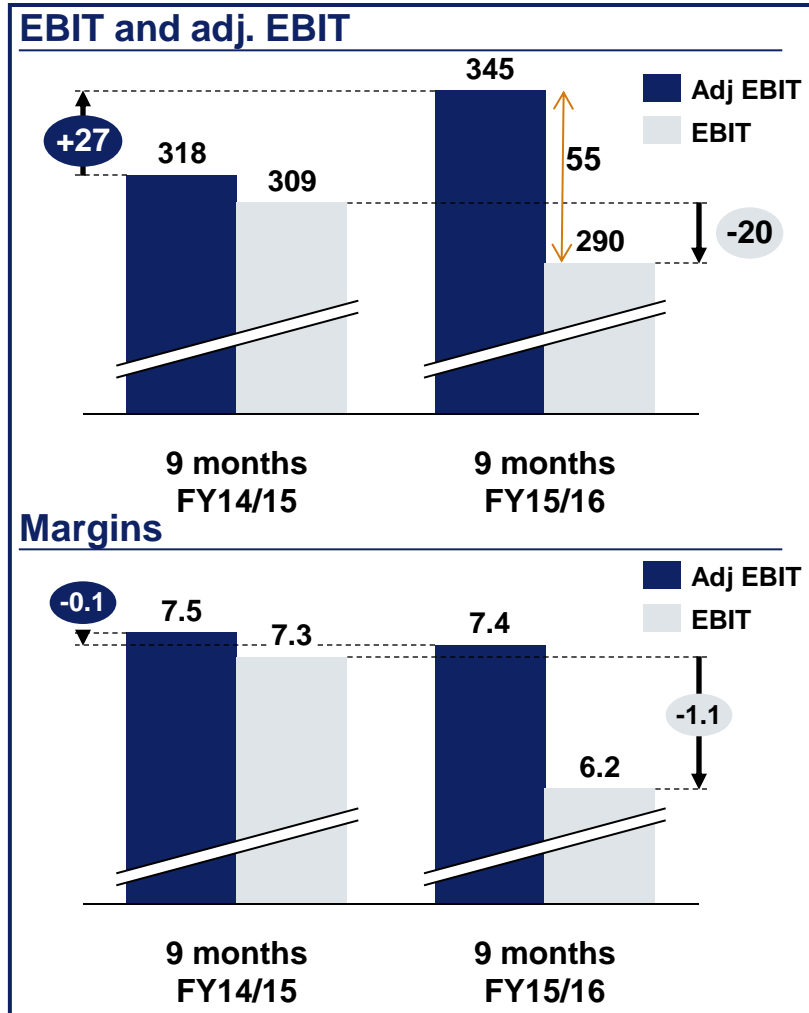
Comment

- **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
-
- **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**
-
- **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.

HELLA Group Key Achievements

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

EUR millions and % sales



EBIT and adj. EBIT

- 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)

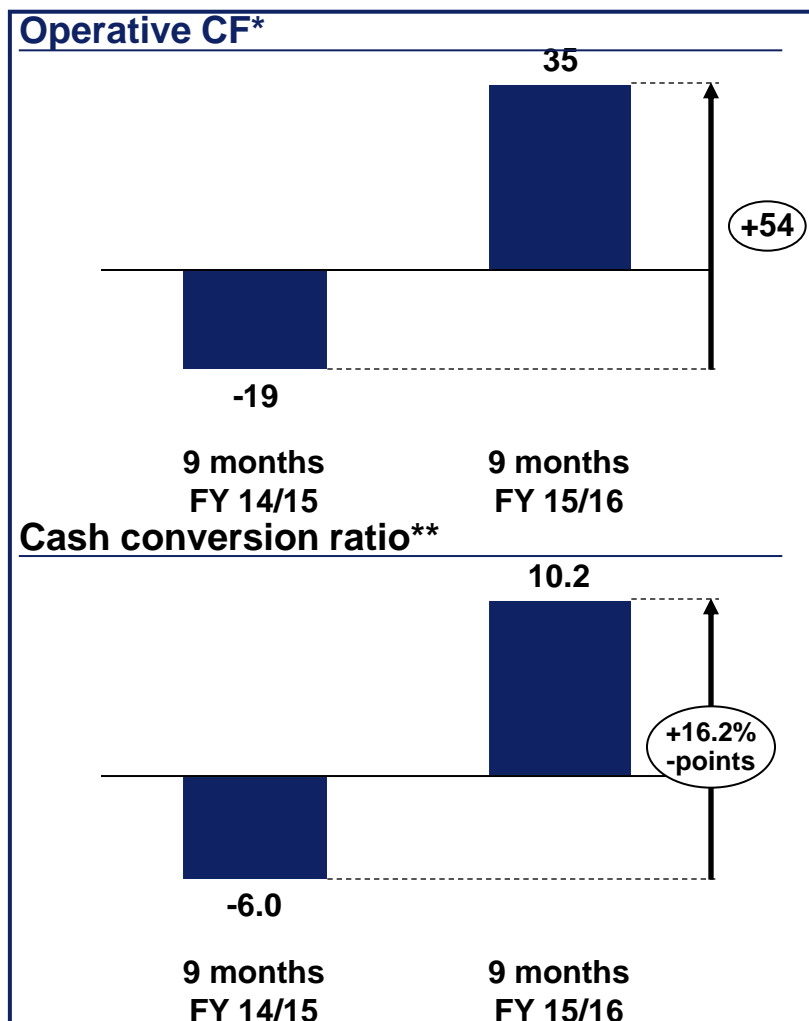
Margins

- 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

EUR millions and cash conversion ratio**



OCF

- **Operative CF*** increased by 54 mill. EUR to **35 mill. EUR**
- **Cash settlements for restructurings of 12 mill. EUR** (31 mill. EUR in FY 14/15) and **34 mill. 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 mill. EUR** increase in receivables due to **reduced factoring program**

OCF / adj. EBIT

- **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

* Operative 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)

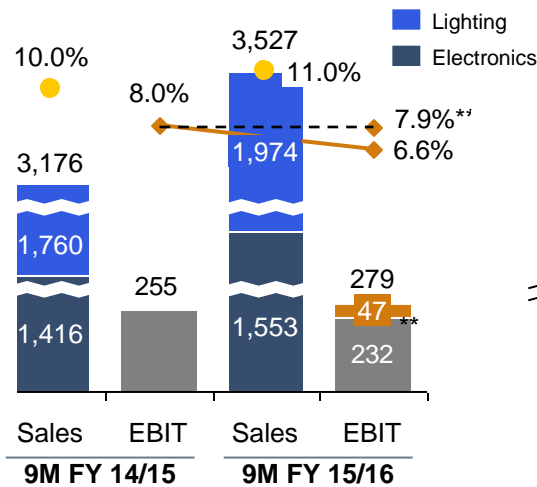
**Operative Cash Flow / adj. EBIT (excl. restructuring costs and one-off effect from supplier default)



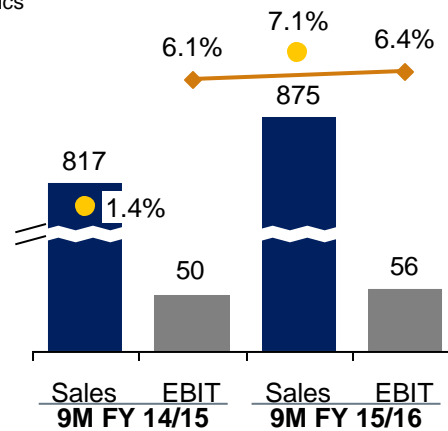
HELLA Group Key Achievements

Segment Highlights – 9 months 2014/15 to 9 months 2015/16

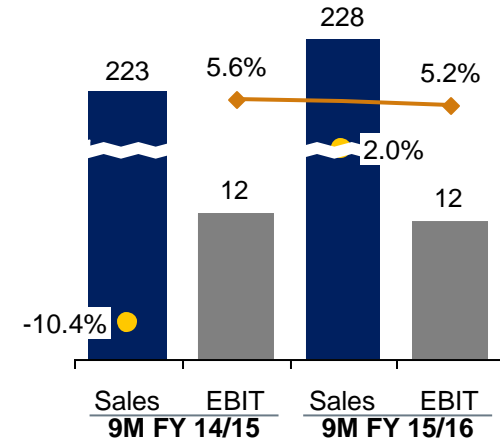
Automotive*



Aftermarket*



Special Applications*



- 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

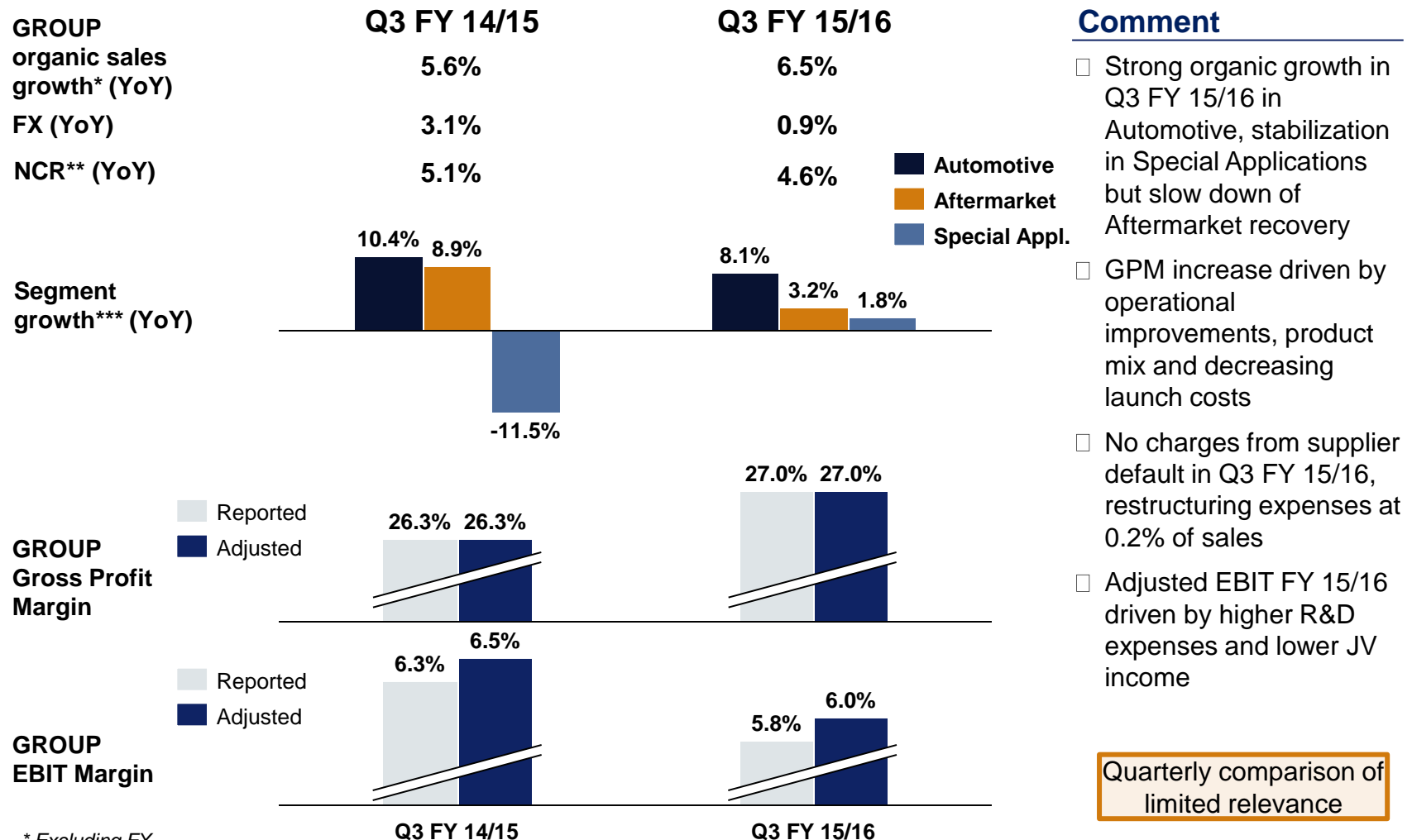
* External sales

** Supplier failure effect; 7.9% margin ex. supplier failure



HELLA Group Key Achievements

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



Quarterly comparison of limited relevance

* Excluding FX

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

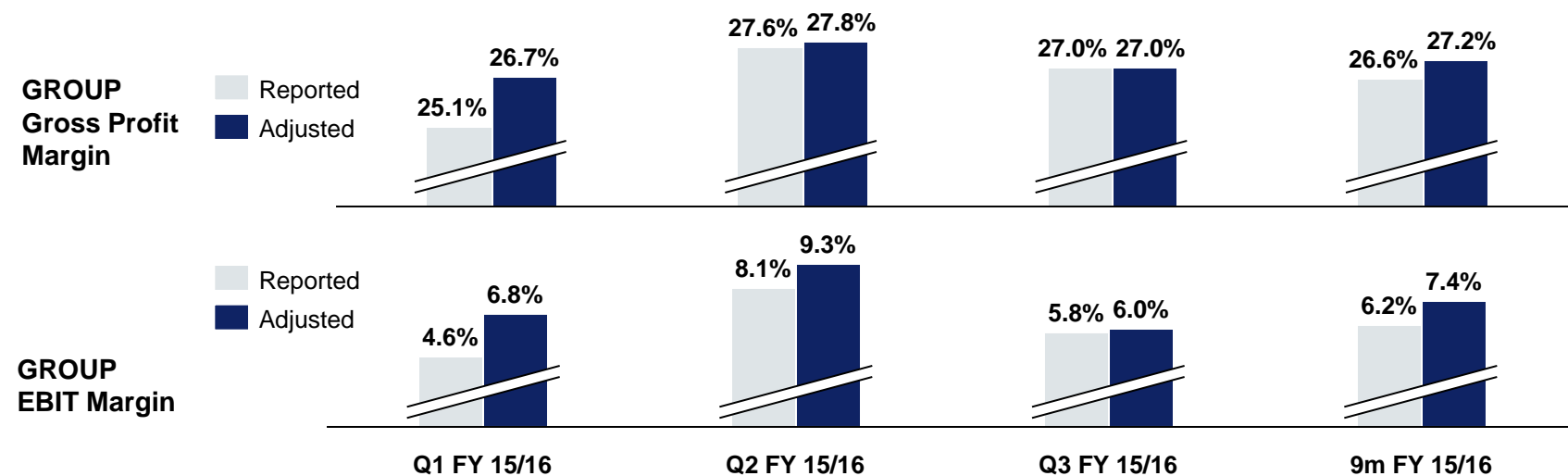
***Third party sales only



HELLA Group Key Achievements

Quarterly Comparison – 9 months 2015/16

	Q1 FY 15/16	Q2 FY 15/16	Q3 FY 15/16	9M FY 15/16
GROUP organic sales growth*(YoY)	9.5%	8.0%	6.5%	7.9%
FX (YoY)	4.0%	2.3%	0.9%	2.4%
GROUP Sales growth (YoY)	13.5%	10.3%	7.4%	10.3%
NCR* (YoY)	0.0%	6.0%	4.6%	3.6%



*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

Region	Outlook Automotive Sales (in m pieces)		Comment
Germany	<div style="text-align: center;">+6%</div> <div style="text-align: center;">3.2</div> <div style="text-align: center;">2015</div>	<div style="text-align: center;">+1%</div> <div style="text-align: center;">3.2</div> <div style="text-align: center;">2016</div>	<ul style="list-style-type: none"> Positive development of new car registrations in 2015 Modest expected growth of approx. 1% for 2016
Western Europe incl. Germany	<div style="text-align: center;">+6%</div> <div style="text-align: center;">13.2</div> <div style="text-align: center;">2015</div>	<div style="text-align: center;">+1%</div> <div style="text-align: center;">13.3</div> <div style="text-align: center;">2016</div>	<ul style="list-style-type: none"> Strong growth to above pre-crises levels in most Western European countries in 2015 Modest growth in 2016 expected after strong 2015, low interest rate level and low fuel prices supportive
USA	<div style="text-align: center;">+6%</div> <div style="text-align: center;">17.4</div> <div style="text-align: center;">2015</div>	<div style="text-align: center;">+1%</div> <div style="text-align: center;">17.5</div> <div style="text-align: center;">2016</div>	<ul style="list-style-type: none"> Positive growth in the calendar year 2015 of around 6% due to favorable economic environment Modest growth of 1% in 2016 after strong 2015 expected
China	<div style="text-align: center;">+9%</div> <div style="text-align: center;">20.0</div> <div style="text-align: center;">2015</div>	<div style="text-align: center;">+6%</div> <div style="text-align: center;">21.3</div> <div style="text-align: center;">2016</div>	<ul style="list-style-type: none"> Declining demand in first half 2015, government supported accelerated growth in last 3 months of 2015 Positive growth in 2016 expected but instable forecast
TOTAL	<div style="text-align: center;">+3%</div> <div style="text-align: center;">78</div> <div style="text-align: center;">CY 2015</div>	<div style="text-align: center;">~2%</div> <div style="text-align: center;">~80</div> <div style="text-align: center;">CY 2016</div>	<ul style="list-style-type: none"> Overall growing expectations with significant regional differences. Uncertainty with respect to political tensions and economic conditions

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:

	<u>Guidance</u>	<u>Comment</u>
Sales	Growth in medium to high one-digit percentage range	<input type="checkbox"/> Sales still expected to grow in the middle to high single-digit percentage range over the full financial year
One-off charges (supplier failure)	47 mill. EUR	<input type="checkbox"/> Already booked in 9 months FY 15/16, no further burden in Q4
EBIT	Below previous year	<input type="checkbox"/> Drag on EBIT due to supplier default cannot be offset by strong sales development. EBIT margin will decrease relative to the prior year
EBIT adjusted by one-offs for supplier default	Mid to high single-digit percentage growth	<input type="checkbox"/> No change in guidance without supplier case (as stated in Q1 & Q2)



Technology with Vision

Thanks for your attention

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