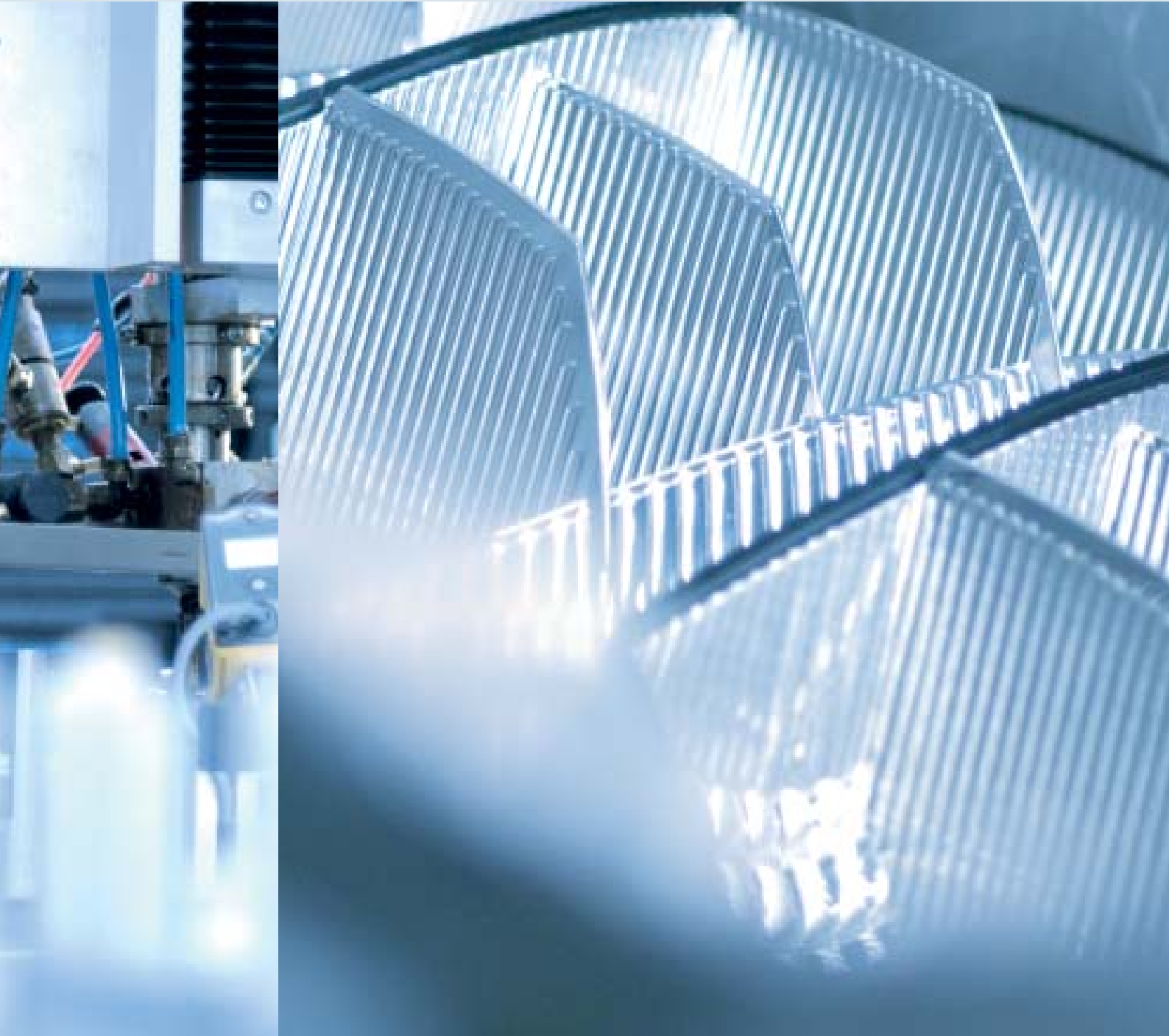


Annual Financial Statements

Consolidated Profit and Loss Statement

Appendix to the Consolidated Financial Statements

Auditors' Certificate



Consolidated Balance Sheet

of Hella KGaA Hueck & Co. as of 05/31/2004 (in KEUR)

Assets	Appendix	05/31/2004	05/31/2003
Intangible Assets	(1)	16,277	23,404
Land, land rights and buildings including buildings on third party land		225,458	216,381
Technical equipment and machines		343,658	318,368
Other equipment, factory and office equipment		74,586	69,816
Payments on account and assets under construction		68,837	62,222
Tangible assets		712,539	666,787
	(1)		
Financial Assets		197,693	193,167
Fixed Assets	(1)	926,509	883,358
Raw materials, consumables and supplies		120,071	114,826
Work and services in process		98,473	107,154
Finished goods and merchandise		209,991	184,513
Payments on account		10,280	6,075
Inventories		438,815	412,568
Trade receivables		444,055	379,698
Receivables from affiliated companies		4,788	25,558
Receivables from companies in which investments are held		10,298	3,308
Other assets		61,413	27,376
Receivables and other assets		520,554	435,940
	(2)		
Other securities		10,748	62,298
Cash in hand, Bundesbank balances, bank balances, checks		120,249	219,229
Current Assets		1,090,366	1,130,035
Prepaid Expenses		14,825	12,231
	(3)		
Deferred Taxes		12,901	9,771
Balance Sheet Total		2,044,601	2,035,395

Equity and Liabilities	Appendix	05/31/2004	05/31/2003
Subscribed Capital (Previous Year: Fixed Capital)	(4)	200,000	102,258
Equity earned by the Group	(5)	258,426	457,709
Capital from certificates of participation	(6)	88,470	69,464
Shares of other shareholders		26,803	47,605
Equity		573,699	677,036
Special Reserves with an Equity Portion	(7)	0	7,675
Accruals for pensions and similar obligations		133,405	130,124
Tax accruals		12,558	16,230
Other accruals	(8)	270,602	250,876
Accruals		416,565	397,230
Bonds		202,766	172,766
Other financial liabilities		72,411	0
Liabilities to banks		283,266	242,329
Payments received on account of orders		13,076	23,242
Trade payables		303,909	276,676
Liabilities on bills accepted and drawn		1,623	26,466
Liabilities to affiliated companies		1,941	524
Liabilities to companies in which investments are held		9,260	6,091
Other liabilities		165,216	202,942
Liabilities	(9)	1,053,468	951,036
Deferred Income		869	2,418
Balance Sheet Total		2,044,601	2,035,395

Development of Consolidated Fixed Assets

of Hella KGaA Hueck & Co. (in KEUR)

Fiscal Year 2003-2004	Acquisition and production costs 06/01/2003	Exchange differences	Changes in the consolidated companies
Industrial and similar rights	89,213	-149	-4,614
Payments on account	599	-71	0
Intangible Assets	89,812	-220	-4,614
Land, land rights and buildings including buildings on third party land	428,552	-850	-16,869
Technical equipment and machines	1,264,698	297	-7,409
Other equipment, factory and office equipment	243,461	421	-4,187
Payments on account and assets under construction	62,222	-616	9,890
Tangible Assets	1,998,933	-748	-18,575
Shares in affiliated companies	14,216	357	-8,404
Loans to affiliated companies	1,630	30	0
Investments			
a) In associated companies	3,860	13	0
b) In other companies	43,784	-8	1,309
Loans to companies in which investments are held	5,971	-9	1,913
Long-term investments	110,166	-17	-38
Other loans	15,111	-2	-25
Payments on account	10,737	0	-4,153
Financial Assets	205,475	364	-9,398
	2,294,220	-604	-32,587

	Additions	Disposals	Transfers	Accumulated depreciation 05/31/2004	Net book value 05/31/2004	Net book value 05/31/2003	Depreciation during the fiscal year
	10,420	2,175	-3,645	-73,311	15,739	22,954	-10,824
	201	0	-37	-154	538	450	-24
	10,621	2,175	-3,682	-73,465	16,277	23,404	-10,848
	19,687	5,796	13,819	-213,085	225,458	216,381	-13,033
	132,337	59,740	38,573	-1,025,098	343,658	318,368	-133,464
	40,578	18,539	1,281	-188,429	74,586	69,816	-31,383
	52,989	5,657	-49,991	0	68,837	62,222	0
	245,591	89,732	3,682	-1,426,612	712,539	666,787	-177,880
	4,112	15	0	-1,818	8,448	13,608	-1,210
	1,100	195	0	-307	2,258	1,323	0
	909	234	0	0	4,548	3,860	0
	10,076	264	5,856	-1,336	59,417	42,473	-24
	21	0	0	-2,733	5,163	3,238	0
	12,425	17,275	0	-1,940	103,321	103,020	-11
	2,791	3,531	728	-534	14,538	14,908	-7
	0	0	-6,584	0	0	10,737	0
	31,434	21,514	0	-8,668	197,693	193,167	-1,252
	287,646	113,421	0	-1,508,745	926,509	883,358	-189,980

Consolidated Profit and Loss Statement

of Hella KGaA Hueck & Co. (in KEUR)

Fiscal year 2003-2004	2003-04	2002-03
Sales	3,140,824	3,027,624
Increase/decrease in work in process and finished goods	24,038	-65,245
Own work capitalized	41,232	41,926
Other operating income	125,902	92,105
a) Cost of raw materials, consumables and supplies and of purchased merchandise	-1,581,864	-1,402,512
b) Cost of purchased services	-122,674	-110,934
Cost of materials	-1,704,538	-1,513,446
a) Wages and salaries	-733,655	-703,998
b) Social security, pension and other benefit costs	-154,537	-153,474
- Thereof for pensions: KEUR 20,584 (previous year KEUR 24,618)		
Personnel expenses	-888,192	-857,472
Depreciation and amortization cost on intangible and tangible assets	-188,728	-181,164
Other operating expenses	-448,843	-395,226
a) From affiliated companies	820	189
b) From associated companies	783	644
c) From other investments	2,185	926
Income from investments	3,788	1,759
Income from other long-term securities and loans	4,622	4,344
- Thereof from affiliated companies KEUR 5 (previous year: KEUR 6)		
Other interest and similar income	7,666	6,796
- Thereof from affiliated companies KEUR 54 (previous year: KEUR 265)		
Depreciation of financial assets and securities of current assets	-2,789	-14,217
a) From associated companies	-89	-20
b) Other	0	-1,105
Expenses for loss absorption	-89	-1,125
Interest and similar expenses	-29,711	-20,341
Expenses for participating certificates	-9,544	-6,069
Profit from ordinary operations	75,638	120,249
Taxes on income	-29,261	-29,422
Other taxes	-2,338	-2,814
Annual Net Profit	44,039	88,013
- Thereof profit allocated to other shareholders KEUR 5,537 (previous year: KEUR 6,900)		
- Thereof losses suffered by other shareholders KEUR 383 (previous year: KEUR 490)		

Appendix to the Consolidated Financial Statements for 2003-2004

Hella KGaA Hueck & Co. (formerly Hella KG Hueck & Co), Lippstadt

A. General Information

These consolidated financial statements have been prepared in accordance with the commercial law provisions applicable to corporations.

To increase the transparency and clarity of the consolidated financial statements, we have combined some individual items in the consolidated balance sheet. These items are explained separately in the Appendix to the Consolidated Financial Statements. The additional details required for the individual items have also been included in the Appendix to the Consolidated Financial Statements.

The consolidated profit and loss statement of the Group has been prepared in accordance with the total costs type of accounting.

B. Consolidated Companies

The consolidated financial statements of Hella KGaA Hueck & Co. (formerly Hella KG Hueck & Co.) of Lippstadt (abbreviated to: Hella KGaA) cover 17 domestic and 76 foreign subsidiaries, which hold the status of having been fully consolidated within the Group.

Hella KGaA Hueck & Co. is the parent company for the companies mentioned in the listing of holdings of the Group pursuant to § 290 of the Commercial Code. The consolidated financial statements of Hella KGaA Hueck & Co. include all major subsidiaries of the company.

Companies having no business activity or carrying out insignificant business were not included in the consolidated financial statements in accordance with § 296 (2) of the Commercial Code because they are of lesser significance for the net worth and for the financial and earnings position of the Group.

Equity balancing of major investments in associated companies was carried out using the book value method. This involved five foreign subsidiaries.

One German and one Ukrainian subsidiary were created during the past fiscal year and have been included in the consolidated financial statements since their founding. One Danish company was acquired and has been included in the consolidated financial statements in the course of its full consolidation.

Furthermore, seven companies which were not included in the consolidated financial statements last year owing to their minor importance were included in the consolidated financial statements for the first time in the year under review in the course of their full consolidation.

On the other hand, two insignificant British companies were withdrawn from the group of consolidated companies pursuant to § 296 (2) of the Commercial Code during this fiscal year.

One company in Finland was merged with its direct Finnish parent company during the past fiscal year and for that reason is no longer included in the group of consolidated companies. Three companies in Denmark were merged with their direct parent company during the fiscal year and are no longer included in the group of consolidated companies, either.

One American company was liquidated during the year under review and for that reason has been withdrawn from the group of consolidated companies.

One company in Slovenia that was included in last year's consolidated financial statements following its full consolidation joined forces last year with a Slovenian company, that is now being fully consolidated for the first time.

Five companies that were fully consolidated during the previous year were included along proportional lines in the consolidated financial statements pursuant to § 310 of the Commercial Code because they were run jointly with an unconsolidated company. For the same reason, two companies created during the fiscal year and two companies that were not consolidated due to their minor importance were proportionately included in the consolidated financial statements for the first time.

The trends and changes of reversal to be found taking place in the Group's consolidated companies, which are listed above, have for the most part offset each other in the main lines of the consolidated financial statements; without those changes, the balance sheet total and consolidated sales would have risen somewhat more. Nevertheless, comparability with the data for the previous year has not been significantly impaired by the change in the scope of consolidation.

C. Principles of Consolidation

The consolidated financial statements of Hella KGaA Hueck & Co. were prepared as of May 31, 2004, the balance sheet date of the parent company. In cases where consolidated subsidiaries have differing balance sheet dates, those subsidiaries are included on the basis of intercompany financial statements drawn up as of that date and covering the period of the consolidated financial statements.

Capital consolidation uses the book value method pursuant to § 301 (1)(1) of the Commercial Code. The capital subject to consolidation is accordingly stated at the amount corresponding to the book values of the assets, liabilities, prepaid expenses, deferred income items, accounting conveniences and special reserves to be included in the annual financial statements.

Hella KGaA uniformly chooses to make consolidating eliminations at the time of the first inclusion of subsidiaries in the consolidated financial statements pursuant to § 301 (2) of the Commercial Code. That point in time is May 31, 1989. For shares in subsidiaries acquired later than May 31, 1989, the first-time consolidation is uniformly carried out at the time of acquisition of shares.

The date of first consolidation in accordance with § 301 (2) of the Commercial Code has been chosen as the time of first consolidation for any newly acquired shares in subsidiaries which have not been consolidated since acquisition because they are not significant for the Group's net worth and financial and earnings situation in accordance with § 296 (2) of the Commercial Code.

According to § 301 (2) of the Commercial Code, the point in time chosen for the first consolidation of the Mexican Group is June 1, 1994, with the value determined using the equity method in the consolidated financial statements as of May 31, 1994, and being consistently taken as a basis for valuation.

In accordance with § 301 (2) of the Commercial Code, the point in time chosen for the first consolidation of the Holger Christiansen Group is October 1, 1998, with the value determined using the equity method in the consolidated financial statements as of May 31, 1998 and adjusted up to September 30, 1998, and being taken as a basis for valuation.

Credit differences resulting from the consolidation of capital as of May 31, 1989, are equivalent to realized profits as defined by § 309 (2)(2) of the Commercial Code. Therefore, such differences are included in equity earned by the Group. Debit differences remaining after addition to certain assets are treated as goodwill. These are added to goodwill resulting from the application of proportional consolidation and the equity method. The resulting total amount of goodwill is offset with equity earned by the Group pursuant to § 309 (1)(3) and § 312 (2)(3) of the Commercial Code.

Joint ventures are included proportionately in the consolidated financial statements using the book value method pursuant to § 310 (2) of the Commercial Code in conjunction with § 301 (1)(1) of the Commercial Code.

The time of acquisition of shares in proportionately consolidated companies has been consistently used as the time for offsetting of the capital subject to consolidation as defined in § 310 (2) of the Commercial Code in conjunction with § 301 (2) of the Commercial Code. Where there was no proportional inclusion during the year of acquisition due to the minor importance of joint ventures, the proportional first consolidation was done at the time of the first proportional inclusion in the annual financial statements.

Shares in associated companies are always included in the consolidated financial statements in accordance with the equity method at the proportionate equity capital amounts (book value method) using the equity method. Valuation methods that in some cases deviated from the consolidated financial statements were used for the consolidation of associated companies. The valuation of the investments in associated companies and determination of the differences were consistently done according to § 312 (3) of the Commercial Code as of May 31, 1989, the point in time of the first inclusion of the associated companies in the consolidated financial statements. For investments in associated companies acquired after May 31, 1989, the equity method has been consistently used since the date of acquisition.

Loans and other receivables, as well as liabilities between companies included in the consolidated financial statements, have been eliminated in accordance with § 303 (1) of the Commercial Code. That also applies to the proportionally eliminated claims and debts of the joint ventures included in the consolidated financial statements. Intercompany profits included in inventories and fixed assets have been eliminated; they were not eliminated only in cases of minor importance pursuant to § 304 (2). That also applies to intercompany profits in relation to the joint ventures.

Sales and other revenue between companies included in the consolidated financial statements are offset against related expenses in accordance with § 305 (1) of the Commercial Code to the extent they are not reported as an increase in inventories or other own work capitalized. This also applies to proportionally eliminated income and expenses of joint ventures included in the consolidated financial statements.

Deferred taxes were created to remove inter-company profits and income effects resulting from the elimination of intercompany balances and recorded as deferred taxes.

D. Foreign Currency Translation

With respect to financial statements of foreign subsidiaries prepared in local currencies, balance sheet items – with the exception of shares in affiliated companies and equity capital, each of which are translated at the historic exchange rate – and depreciation, income from investments, and losses absorbed from investments are translated into Euro amounts at the mean exchange rate on the balance sheet date. All other income and expense amounts are translated at the year's average rate. Foreign currency translation effects are reflected in items of the Profit and Loss Statement. The effects of translation on equity due to exchange rate fluctuations are offset against equity earned by the Group and have no effect on profits.

The aforementioned translation method may result in the reflection of currency gains or losses, even for transactions denominated in Euros, where such transactions are performed by foreign group companies.

E. Accounting and Valuation Principles

Intangible assets are capitalized at the cost of acquisition less scheduled depreciation using the straight-line method.

Tangible assets are capitalized at acquisition or manufacturing cost less scheduled depreciation using the straight-line and declining balance methods. Exceptional depreciation is provided where a permanent impairment in value is anticipated. On account of the repeal of § 308 (3) of the German Commercial Code, special write-offs for tax purposes from included annual financial statements in the domestic area may no longer be included in the consolidated financial statements for the first time in the fiscal year of 2003-2004. As a result of the correction of special write-offs for tax purposes taken in previous years, there was a reduction of accumulated depreciation on tangible assets of KEUR 9,608 as of June 1, 2003; that effect was combined with the amount of special reserve items still contained in the consolidated balance sheet for the previous year (KEUR 7,675) and, after deducting deferred taxes to be recorded for them pursuant to Article 54(2) of the Introductory Law to the Commercial Code, allocated to equity earned by the Group with no effect on profits.

Shares in affiliated companies that are included in the consolidated financial statements according to the equity method, as well as investments in associated companies, are stated at the proportional share of equity held. Claims from re-insurance policies are stated at the asset values, as of the balance sheet date, which are provided by the insurance companies. Other financial assets are consistently stated at the cost of acquisition. Any depreciation that is necessary due to an impairment in value on the balance sheet date is calculated; if the reasons for depreciation taken in previous years no longer exist as of the balance sheet date, the relevant additions are made.

Inventories are recorded at acquisition or manufacturing cost within the Group or at the market value if lower. Risks resulting from excessive inventories as well as reduced usability have been taken into account by appropriate reserves.

Receivables are stated at face value less appropriate reserves. Receivables in foreign currencies are translated at the historic rate or at the lower rate as of the balance sheet date. Other assets are recorded at the lower of cost or value as of the balance sheet date.

Marketable securities are stated at the lower of cost or value as of the balance sheet date. Additions reflect the extent to which reasons for the depreciation taken in previous years no longer exist.

Payments prior to the balance sheet date which represent expenditure for a definite period after that date are reported as prepaid expenses. The debt discount (the difference in the amount to be repaid and the amount issued) on liabilities is also included as prepaid expenses and amortized over the term of the respective liabilities.

Deferred taxes are recorded for timing differences between income under the tax regulations and results shown in the financial statements, as long as respective future tax savings or burdens for the entity are more likely than not. Additionally, deferred taxes are recorded for timing differences owing to consolidation measures. Deferred tax assets and deferred tax liabilities from individual company financial statements and those resulting from consolidation are offset and presented as one "Deferred Taxes" item on the assets side of the consolidated financial statements.

Special reserve items were created in consolidated balance sheets for previous years only in cases of “reverse relevance,” according to which tax laws are followed when preparing financial accounts. At the beginning of the fiscal year of 2003-2004, the special reserve items in the consolidated financial statements had to be reversed with no effect on profits as a result of the repealing of § 308 (3) of the German Commercial Code; we refer to the remarks above on special tax write-offs on tangible assets.

Accruals for pensions and similar obligations are based on actuarial computations. The valuations were carried out, for the most part, according to § 6a of the German Income Tax Act.

In determining the amount of other accrued liabilities, all discernible risks and uncertain liabilities have been taken into consideration in accordance with sound business judgement.

Liabilities are always stated at their redemption amount. Liabilities in foreign currencies are translated at the historic rate or at the rate on the balance sheet date, if higher, or at the exchange rate established by rate-hedging transactions.

Bonds that are not included under liabilities to banks are listed as a separate item under liabilities in the consolidated balance sheet pursuant to § 265 (5) of the Commercial Code. Accordingly, other financial liabilities that do not come under either bonds or liabilities to banks are shown as a separate item under liabilities in the consolidated balance sheet pursuant to § 265 (5) of the Commercial Code.

Cash receipts prior to the balance sheet date which represent income for a specific period after that date are disclosed as deferred income.

F. Explanation of the Consolidated Balance Sheet and Consolidated Profit and Loss Statement

(1) Fixed Assets

Fixed asset movements are shown in Annex A of the Explanation of the Consolidated Financial Statements.

The list of share ownership has been submitted to the Commercial Register of the Paderborn District Court.

The proportional net income of associated companies recorded using the equity method is shown as additions under shares in associated companies. The corresponding amounts are shown as income from investments in associated companies. The disposals listed under the shares in the affiliated companies item also contain an annual and proportional net loss recorded within the framework of the equity method.

(2) Receivables and Other Assets

in KEUR	05/31/2004	05/31/2003
Trade receivables,	444,055	379,698
of which due in more than one year: KEUR 1,043 (previous year: KEUR 747)		
Receivables from affiliated companies	4,788	25,558
Receivables from companies in which investments are held	10,298	3,308
Other assets,	61,413	27,376
of which due in more than one year: KEUR 158 (previous year: KEUR 357)		
Total	520,554	435,940

(3) Accruals and Deferrals

This includes a debt discount of KEUR 176 (previous year: KEUR 322).

(4) Deferred Taxes

in KEUR	As of 06/01/2003	Offset Addition/ Disposal	As of 05/31/2004
Deferred tax assets from individual balance sheets	7,322	9,987	17,309
Deferred, offset tax liabilities from individual balance sheets	– 8,083	– 3,588	– 11,671
Deferred tax assets as a result of consolidation measures	10,532	– 3,269	7,263
Total	9,771	3,130	12,901

Increases in deferred tax entries taken from the individual balance sheets are primarily also due to the change in the legal form of the parent company, as a result of which the corporate income tax and solidarity surcharge as well as the trade tax (previous year) must now be included in the determination of deferred taxes for the domestic scope of consolidation. That is also the reason why deferred tax assets from the elimination of the intercompany profits have also increased considerably; the resulting overall decline in the net amount of deferred tax assets due to consolidation measures results from the fact that the tax effect from the elimination of the intercompany profits was overcompensated by the recording of deferred tax liabilities with no effect on profits as a result of the repealing of § 308 (3) of the German Commercial Code.

(5) Subscribed Capital (Previous Year: Fixed Capital)

in KEUR	05/31/2004	05/31/2003
Capital stock	200,000	0
Contributions by general partners	0	683
Contributions by limited partners	0	101,575
Total	200,000	102,258

In accordance with the resolution of November 13, 2003 to change the company form, Hella KG Hueck & Co. of Lippstadt was converted into a partnership limited by shares (KGaA) with legal effect from midnight, June 1, 2003. The change was recorded in the Commercial Register on May 18, 2003. As part of the conversion, the fixed capital existing on May 31, 2003, which comprised the contributions of the general partners (€ 0.7 million) and the contribution by the limited partners (€ 101.6 million), was converted into registered limited partner shares having a par value of € 1 each. At the same time as the conversion on June 1, 2003, the parent company carried out a capital increase from company funds and transferred the amount of € 97.7 million from equity earned by the Group to capital stock in the form of registered limited partner shares having a par value of € 1 each.

(6) Equity Earned by the Group

In addition to the retained earnings of the parent company, equity earned by the Group includes credit differences resulting from the first-time consolidation of subsidiaries minus offset transaction values or company goodwill as well as the income of Group companies after first-time consolidation (except portions of income credited to other shareholders), corrected by consolidation measures that affect profits and currency translation effects that do not influence profits.

As a result of the capital increase carried out with company funds in connection with the conversion, the amount of € 97.7 million was transferred from retained earnings of the parent company to capital stock.

The amount of € 140.0 million was distributed as a dividend from retained earnings of the parent company to the shareholders during the fiscal year.

Differences following the first-time consolidation of subsidiaries mainly result from profits retained in subsidiaries during Group affiliation, but before first-time consolidation.

Transaction values or goodwill resulting from the increase in the scope of consolidation during the fiscal year of 2003-2004 totaling KEUR 6,385 was offset with equity earned by the Group with a neutral effect on profits; credit differences resulting from first-time consolidation to the amount of KEUR 397, which correspond to realized profits, were allocated to equity earned by the Group with a neutral effect on profits.

Following the repeal of § 308 (3) of the German Commercial Code, only assets allowed by tax legislation can no longer appear unchanged in the annual financial statements. Accordingly, the special write-offs and special reserve items for tax purposes were reversed in the annual financial statements at the beginning of fiscal year 2003-2004 with a neutral effect on profits; we refer to the above remarks in section E. The net effect of KEUR 10,030 after deducting deferred taxes was allocated to equity earned by the Group pursuant to Article 54 (2) of the Introductory Law to the Commercial Code.

Equity earned by the Group developed as follows during the fiscal year under review:

in KEUR

Situation on June 1, 2003	457,709
Capital increase from company funds	-97,742
Dividend to shareholders	-140,000
Increase in equity from the correction of tax valuations, no effect on profits	10,030
Corrected amount carried forward	229,997
Effects from the translation of equity, offset with no effect on profits	-4,468
Offsetting of goodwill or transaction values from first-time consolidation in the fiscal year of 2003-04	-6,385
Allocation of credit differences from first-time consolidation in the fiscal year of 2003-04	397
Annual Net Profit 2003-04	44,039
Profit of other shareholders	-5,537
Losses of other shareholders	383
Situation on May 31, 2004	258,426

(7) Equity from Certificates of Participation

During the fiscal years since 1997, the parent company has issued the certificates of participation listed below in several issuances. According to the various terms and conditions of the certificates of participation, the owners receive a profit-related payment that has priority over the profit share of the partners. Dividends on the certificates of participation are limited by the fact that they must not lead to a balance sheet loss at Hella KGaA. Claims arising from these certificates are subordinate to all other non-subordinated claims of any other creditors.

The capital from the certificates of participation on the balance cut-off date was as follows:

Issuance	Holders	Contractual repayment date	05/31/2004 Nominal value
Series 1 from 1997	Private placement	December 1, 2004	358
Series 2 from 1997	Private placement	December 1, 2004	5,113
Series 1 1999-2004			
Tranche 1	Employees	December 31, 2004	526
Tranche 2	Employees	December 31, 2004	988
Tranche 3	Employees	December 31, 2004	1,094
Tranche 1 2001-2006	Employees	December 31, 2006	1,022
Series 1 2003-2010	Private placement	May 31, 2010	49,795
Series 2 2003-2010	Private placement	May 31, 2010	23,380
Series 3 2003-2010	Private placement	May 31, 2010	1,820
Issuance 2003-2099	Foundation	May 31, 2099	2,556
Tranche 1 2003-2008	Executives	May 31, 2008	306
Tranche 1 2003-2009	Executives	May 31, 2009	299
Series 1 2003-2010	Executives	May 31, 2010	206
Series 2 2003-2010	Executives	May 31, 2010	1,010
Tranche 1 2003-2011	Executives	May 31, 2011	283
Tranche 1 2003-2012	Executives	May 31, 2012	978
Total nominal values			89,734
Minus: residual amount of debt discount			-1,264
Balance sheet value of certificates of participation			88,470

The equity from the certificates of participation in series 1 and 2 from 1997 will be increased over the seven-year term in annual installments of one-seventh of the original debt discount of KEUR 1,473 to the amount of KEUR 210.

The equity in the certificates of participation in series 1 from 2003 will be increased over the six-and-a-half year term by one-thirteenth as of May 31, 2004 (KEUR 105) and during subsequent fiscal years in annual installments of two-thirteenths of the original discount of KEUR 1,369.

(8) Accruals

Other accruals include limited shares of financial contributions for tooling costs received to the amount of KEUR 46,640 (previous year: KEUR 42,809). Accruals in the Human Resources sector – particularly obligations under the German system of early retirement – and warranty obligations are particularly noteworthy.

(9) Liabilities

Type of liability	Due within 1 year	Due in more than 5 years	Total	Due within 1 year	Total
	05/31/2004	05/31/2004	05/31/2004	05/31/2003	05/31/2003
1. Bonds	100,000	102,766	202,766	70,000	172,766
2. Other financial liabilities	0	72,411	72,411	0	0
3. Liabilities to banks	80,713	23,772	283,266	71,392	242,329
4. Payments received on account of orders	13,076	0	13,076	23,242	23,242
5. Trade payables	303,126	0	303,909	276,662	276,676
6. Liabilities on bills accepted and drawn	1,623	0	1,623	26,466	26,466
7. Liabilities to affiliated companies	1,941	0	1,941	524	524
8. Liabilities to companies in which investments are held	9,260	0	9,260	6,086	6,091
9. Other liabilities	162,175	0	165,216	201,174	202,942
- of which taxes: KEUR 19,949 (previous year KEUR 19,052)					
- of which for social security: KEUR 22,279 (previous year: KEUR 21,430)					
			1,053,468		951,036

The bonds item is made up of "Note Certificates" with a complete rate-hedged term of 30 years issued in the fiscal year of 2002-2003 in Japanese yen and amounting to the equivalent of KEUR 102,766, and an amount of KEUR 100,000 (previous year: KEUR 70,000) in short-term bonds from a Commercial Paper program.

The other financial liabilities item contains a loan denominated in Japanese yen amounting to the equivalent of KEUR 72,411 with a term of 30 years, which was taken out and completely rate hedged in the fiscal year of 2003-2004.

The liabilities shown in the consolidated balance sheet include a total of KEUR 139,291 (previous year: KEUR 175,451) from property charges and mortgages, lien on technical equipment and machines, inventories and financial investments and also assignments of security in trade receivables.

The total amount of liabilities with a remaining term of more than five years was KEUR 198,949 (previous year: KEUR 130,591) on the balance sheet date.

(10) Contingent Liabilities

in KEUR	05/31/2004	05/31/2003
Relating to the issuance and transfer of bills of exchange	4,978	30
Relating to guarantees	14,472	23,670
Liabilities from warranty contracts	7,768	21,812
Relating to collateral provided for third-party liabilities	577	3,893
Total	27,796	49,405

(11) Other Financial Obligations

The extent of other financial obligations resulting from rent and leasing agreements as well as purchase commitments from investments is standard with regard to the industry.

(12) Group Profit and Loss Statement

Sales are broken down by region as follows:

in KEUR	2003-2004
Domestic companies	1,848,485
Companies in Europe outside Germany	809,519
Sub-group in Mexico	193,712
Hella Asia-Pacific Group	172,405
Sub-group in the USA	116,703
Total	3,140,824

Sales are broken down by activity as follows:

in KEUR	2003-2004
Light and Vehicle Modules	1,400,443
Electronics	940,919
Aftermarket	751,143
Miscellaneous	48,319
Total	3,140,824

The €33.8 million increase in other operational earnings can be primarily attributed to the parent company and it results in particular from the sale of long-term financial investments and marketable securities as well as from additions to long-term financial investments.

As a result of the repealing of § 308 (3) of the German Commercial Code, the other operational earnings entry includes write-backs of special reserves totaling KEUR 0 (previous year: KEUR 732). Therefore, transfers to special reserve items included in other operational expenditure also total KEUR 0 (previous year: KEUR 1,732).

Special write-offs of fixed assets totaled KEUR 1,500.

The change in the legal form of the parent company must be taken into consideration under the "Taxes on Income" entry. While during the last fiscal year Hella KG Hueck & Co. as a commercial partnership with its domestic scope of consolidation was subject fundamentally only to trade tax, now with its scope of consolidation after the conversion into a commercial partnership limited by shares it is also subject to the corporate tax and solidarity surcharge. Therefore, in the Group as a whole the burden of income taxes on the pre-tax result rose from around 25 % in the previous year to around 40 % during the fiscal year of 2003-2004.

G. Additional Information

Average Number of Employees During the Fiscal Year

	2003-2004	2002-2003
Blue-Collar Workers	13,984	13,111
White-Collar Workers	9,352	8,434
Total	23,336	21,545

The number of employees in the fiscal year of 2003-2004 includes 583 blue-collar workers and 452 white-collar workers employed by companies that are included in the Annual Financial Statements in proportion to their business involvement with the Hella Group.

Total Remuneration Paid to the Management Board

The total remuneration paid to members of the Management Board during the fiscal year under review for performance of their duties at Hella KGaA Hueck & Co. and its subsidiaries was KEUR 4,124.

Total Remuneration Paid to the Supervisory Board

The members of the Supervisory Board and the Shareholders' Committee of Hella KGaA Hueck & Co. did not receive any remuneration for the past (first) fiscal year.

Total Remuneration Paid to the Former Members of the Management Board

A total of KEUR 4,111 has been set aside for pension obligations to former members of the Management Board of Hella KGaA Hueck & Co. and earlier managers of its legal predecessor and their survivors. The total amount paid during the fiscal year of 2003-2004 was KEUR 428.

Lippstadt, October 15, 2004
General Partners of Hella KGaA Hueck & Co.

Dr. Jürgen Behrend

Hella Geschäftsführungsgesellschaft mbH

Auditors' Certificate

“We have examined the consolidated financial statements and the Group annual report of Hella KGaA Hueck & Co. (formerly known as Hella KG Hueck & Co.) for the fiscal year June 1, 2003 to May 31, 2004. The drafting of the consolidated financial statements and the Group annual report is subject to German commercial law regulations and responsibility for this lies in the hands of the legal representatives of the company. It is our job to deliver an evaluation of the consolidated financial statements and the Group annual report based on our audit.

We have carried out our audit of the consolidated financial statements in accordance with § 317 of the German Commercial Code under consideration of the principles established by the Institute of Auditors (IDW) for the orderly auditing of annual accounts. Accordingly, the audit is to be planned and carried out so as to determine, to a sufficient degree of certainty, any errors and offences which may significantly affect the portrayal of the picture of the net worth, financial position and results of the Group given by the consolidated financial statements, which should be created in accordance with the principles of orderly book-keeping. Knowledge of the business activities and the economic and legal environment of the company are also to be considered during determination of the audit process, as well as the expectations concerning possible mistakes.

The effectiveness of the internal control system is also evaluated within the framework of the audit, as is the evidence for the information included in the consolidated financial statements and the Group annual report, mainly through a system of sample audits. The audit includes evaluation of the annual accounts of the companies consolidated in the Group, the limitation of the consolidated companies, the principles of accountancy and consolidation used and essential appraisals of the legal representatives as well as an assessment of the general picture given by the consolidated financial statements and the Group annual report. We are of the opinion that our audit provides a sufficiently secure basis for our evaluation.

Our audit has not led to any objections.

We are convinced that with due regard to generally accepted accounting principles, the consolidated accounts give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included in the consolidation as a whole. The Group annual report represents a factually correct portrayal of the situation of the Group and accurately presents the risks of future development.”

Düsseldorf, October 15, 2004

Ernst & Young AG

Wirtschaftsprüfungsgesellschaft
(Auditors and Accountants)

Rukes

Wirtschaftsprüfer
(Certified Public Accountant)

Schmitz

Wirtschaftsprüfer
(Certified Public Accountant)