

MAHLE

Driven by performance

2014 //

**CONSOLIDATED FINANCIAL STATEMENTS
MAHLE GMBH**

CONSOLIDATED FINANCIAL STATEMENTS // MAHLE GMBH

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CONSOLIDATED BALANCE SHEET //

as at December 31, 2014

Assets

in EUR '000

		Dec. 31, 2014	Dec. 31, 2013
A. Fixed assets			
I. Intangible assets			
1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	392,283		480,540
2. Goodwill	111,937		113,706
3. Prepayments	779		5,342
	504,999		599,588
II. Property, plant, and equipment			
1. Land, leasehold rights, and buildings including buildings on third-party land	855,311		782,795
2. Technical equipment and machinery	1,120,325		1,014,732
3. Other equipment, fixtures, and furniture	116,314		106,301
4. Prepayments and assets under construction	354,224		263,422
	2,446,174		2,167,250
III. Financial assets			
1. Shares in affiliated companies	7,217		10,315
2. Shares in associated companies	137,101		118,232
3. Equity investments	5,714		3,885
4. Loans to companies in which participations are held	1,651		0
5. Long-term securities	5,775		28,414
6. Other loans	13,011		8,451
	170,469		169,297
		3,121,642	2,936,135
B. Current assets			
I. Inventories			
1. Raw materials, consumables, and supplies	380,009		334,187
2. Work in process	196,598		179,475
3. Finished goods and merchandise	548,469		452,680
4. Prepayments	19,342		23,070
5. Prepayments received	-46,991		-43,585
	1,097,427		945,827
II. Receivables and other assets			
1. Trade receivables	1,494,820		1,346,772
2. Receivables from affiliated companies	8,170		5,083
3. Receivables from companies in which investments are held	18,105		8,771
4. Other assets	264,331		253,230
	1,785,426		1,613,856
III. Securities			
	594		2
IV. Cash in hand, bank balances, and cheques			
	526,357		465,501
		3,409,804	3,025,186
C. Prepaid expenses			
		17,298	14,477
D. Deferred tax assets			
		170,537	134,415
E. Excess of plan assets over post-employment benefit liability			
		39,087	15,608
		6,758,368	6,125,821

Equity and liabilities

in EUR '000

		Dec. 31, 2014	Dec. 31, 2013
A. Equity			
I. Subscribed capital	150,000		150,000
II. Capital reserves	166,430		166,430
III. Revenue reserves	1,741,723		1,537,348
IV. Equity impact from currency translation	-92,943		-171,994
V. Unappropriated retained earnings	8,570		7,162
VI. Minority interests	581,014		518,544
		2,554,794	2,207,490
B. Accruals			
1. Accruals for pensions and similar obligations	503,179		466,323
2. Accruals for taxes	56,729		52,692
3. Other accruals	1,111,505		1,072,996
		1,671,413	1,592,011
C. Liabilities			
1. Bonds	329,000		0
2. Liabilities to banks	898,201		1,046,765
3. Payments received on account of orders	4,457		11,492
4. Trade payables	888,030		797,861
5. Liabilities on bills accepted and drawn	31,830		3,269
6. Liabilities to affiliated companies	9,729		4,537
7. Liabilities to companies in which investments are held	9,592		3,859
8. Liabilities on hybrid bond	0		103,609
9. Other liabilities	258,667		221,787
thereof from taxes	79,299 (prev. yr. 62,087)		
thereof relating to social security and similar obligations	30,382 (prev. yr. 29,602)		
		2,429,506	2,193,179
D. Deferred income			
		102,655	133,141
		6,758,368	6,125,821

CONSOLIDATED INCOME STATEMENT //

from January 1 to December 31, 2014

in EUR '000	2014	2013
1. Sales	9,942,388	6,941,294
2. Cost of sales	-8,036,711	-5,530,660
3. Gross profit on sales	1,905,677	1,410,634
4. Selling expenses	-513,914	-395,493
5. General administrative expenses	-427,140	-302,451
6. Research and development expenses	-552,316	-336,229
7. Other operating income	308,632	248,335
thereof from currency translation	92,957 (prev. yr. 83,531)	
8. Other operating expenses	-206,407	-202,012
thereof from currency translation	-95,591 (prev. yr. -82,853)	
	-1,391,145	-987,850
	514,532	422,784
9. Investment income	23	245
10. Income from other securities and long-term loans	744	1,322
11. Result from associated companies	-23,539	-12,520
12. Other interest and similar income	36,788	11,371
thereof from affiliated companies	177 (prev. yr. 262)	
thereof income from discounting	1,065 (prev. yr. 886)	
13. Impairment of financial assets and of securities	-6,930	-3,821
14. Expenses from the transfer of losses	-5,256	-3,598
15. Interest and similar expenses	-115,361	-109,247
thereof to affiliated companies	-13 (prev. yr. -72)	
thereof expenses from discounting	-46,374 (prev. yr. -35,362)	
	-113,531	-116,248
16. Result from ordinary activities	401,001	306,536
17. Taxes on income	-92,555	-52,161
thereof income from deferred income taxes	30,825 (prev. yr. 51,485)	
18. Other taxes	-29,287	-18,806
19. Net income	279,159	235,569
20. Unappropriated retained earnings brought forward	62	95
21. Transfer to revenue reserves	-204,975	-195,149
22. Profit applicable to minority shareholders	-103,191	-57,154
23. Loss applicable to minority shareholders	37,515	23,801
24. Unappropriated retained earnings	8,570	7,162

CONSOLIDATED CASH FLOW STATEMENT //

from January 1 to December 31, 2014

in EUR '000	2014	2013
Cash funds at the beginning of the period	465,501	335,791
Cash flow from operating activities	713,224	487,453
Net result (including minority's share of result)	279,159	235,569
Write-downs/write-ups on noncurrent assets	514,385	351,231
Increase/decrease in accruals	31,905	49,127
Other noncash income and expenses	34,895	18,054
Profit/loss on disposals of property, plant, and equipment and from the sale of shares in group member companies	-4,819	5,720
Increase/decrease of inventories, trade receivables, and other assets not related to investing or financing activities	-159,249	-132,996
Increase/decrease of trade payables and other liabilities not related to investing or financing activities	16,948	-39,252
Cash flow from investing activities	-604,835	-599,226
Proceeds from disposals of property, plant, and equipment	16,862	4,777
Purchase of property, plant, and equipment	-488,072	-397,386
Proceeds from disposals of intangible assets	-98	157
Purchase of intangible assets	-10,471	-11,036
Proceeds on disposals of noncurrent financial assets	4,853	6,505
Acquisition of noncurrent financial assets	-49,032	-78,788
Receipts from disposal of shares in subsidiaries and business units	0	3,223
Acquisition of shares in subsidiaries and business units	-101,252	-126,786
Payments/receipts in connection with the short-term financial management of cash investments	22,375	108
Cash flow from financing activities	-12,950	67,988
Cash receipts from issue of capital	10,988	1,650
Cash payments to owners and minority shareholders (dividends)	-42,065	-25,045
Cash proceeds from issuing bonds/loans and short- or long-term borrowings	910,396	497,831
Cash repayments of bonds/loans or short- or long-term borrowings	-892,269	-406,448
Total cash flow	95,439	-43,785
Change in cash funds from exchange rate movements and valuation procedures	-34,583	-41,464
Change in cash funds from changes in the consolidation group	0	214,959
Cash funds at the end of the period	526,357	465,501

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY //

from January 1 to December 31, 2014

	Parent company					Minority interests			Group equity	
	Subscribed capital	Capital reserves	Earned equity	Accumulated other comprehensive income	Accumulated other comprehensive income	Equity	Capital and earned equity	Accumulated other comprehensive income		Accumulated other comprehensive income
in EUR '000				Currency translation/ exchange differences	Other items			Currency translation/ exchange differences	Other items	
As at January 1, 2013	150,000	166,430	1,186,051	-47,675	162,385	1,617,191	148,967	-43	9,112	1,775,227
Dividends paid	0	0	-5,000	0	0	-5,000	-20,114	0	0	-25,114
Changes in the consolidation group	0	0	0	190	-1,081	-891	370,710	666	0	370,485
Consolidated net income for the year	0	0	202,216	0	0	202,216	33,353	0	0	235,569
Other comprehensive income	0	0	-61	-124,509	0	-124,570	121	-24,228	0	-148,677
Total comprehensive income	0	0	202,155	-124,509	0	77,646	33,474	-24,228	0	86,892
As at December 31, 2013	150,000	166,430	1,383,206	-171,994	161,304	1,688,946	533,037	-23,605	9,112	2,207,490
Dividends paid	0	0	-7,100	0	0	-7,100	-35,121	0	0	-42,221
Changes in the consolidation group	0	0	0	0	0	0	12,034	0	0	12,034
Consolidated net income for the year	0	0	213,483	0	0	213,483	65,676	0	0	279,159
Other comprehensive income	0	0	38	79,051	-638	78,451	114	19,767	0	98,332
Total comprehensive income	0	0	213,521	79,051	-638	291,934	65,790	19,767	0	377,491
As at December 31, 2014	150,000	166,430	1,589,627	-92,943	160,666	1,973,780	575,740	-3,838	9,112	2,554,794

CONSOLIDATION GROUP //

The consolidated financial statements include MAHLE GmbH, Stuttgart/Germany (parent company), 26 domestic and 128 foreign subsidiaries. Furthermore, 41 companies are proportionately consolidated and ten companies were valued according to the equity method. The consolidated companies are included in the list of shareholdings.

In the 2014 business year, the following companies were consolidated for the first time:

- Letrika Group, as at September 1

With the first consolidation of the Letrika Group as at September 1, 2014, 13 companies were fully consolidated. For a detailed overview, please refer to the list of shareholdings.

Three companies were merged with other group companies in the year under report.

In the year under report, 15 companies were not included in the consolidated financial statements on account of their immateriality.

Seven companies were not valued according to the equity method due to their immateriality.

Key changes to the consolidation group

In the year under report, the Letrika Group was acquired. The assets, liabilities, and deferred income transferred in the course of the acquisition are included in the MAHLE Group balance sheet with the following amounts at the acquisition date:

Fixed assets	EUR 92,278k	Current assets	EUR 101,433k	Prepaid expenses	EUR 1,242k
Accruals	EUR 14,203k	Liabilities	EUR 97,552k	Deferred income	EUR 4k
Deferred tax liabilities	EUR 2,247k				

Sales increased acquisition-related by EUR 75 million. The other items in the income statement increased correspondingly. The Letrika Group reported a net loss, mainly caused by subsequent accounting of the purchase price allocation.

The composition of the companies included in the consolidated financial statements in the year 2013 changed substantially as a result of the first consolidation of the MAHLE Behr Group. Until September 30, 2013, the shares in MAHLE Behr GmbH & Co. KG were valued according to the equity method (36.85%). As of October 1, 2013, MAHLE Beteiligungen GmbH acquired the majority of the shares in MAHLE Behr GmbH & Co. KG (50.71%) and thus achieved a controlling influence.

The information below is provided to make the consolidated financial statements of the current year comparable with the previous year's statements.

Consolidated income statement	2014 MAHLE Group	2013 MAHLE Group including 12 months MAHLE Behr Group	2013 MAHLE Group including 3 months MAHLE Behr Group
in EUR '000			
Sales	9,942,388	9,708,643	6,941,294
Cost of sales	-8,036,711	-7,916,315	-5,530,660
Selling expenses	-513,914	-502,473	-395,493
General administrative expenses	-427,140	-415,389	-302,451
Research and development expenses	-552,316	-489,322	-336,229
Other operating income and expenses	102,225	97,215	46,323
Financial result	-113,531	-151,240	-116,248
Result from ordinary activities	401,001	331,119	306,536
Taxes on income	-92,555	-68,899	-52,161
Other taxes	-29,287	-27,695	-18,806
Net income	279,159	234,525	235,569

Consolidated cash flow statement	2014 MAHLE Group	2013 MAHLE Group including 12 months MAHLE Behr Group	2013 MAHLE Group including 3 months MAHLE Behr Group
in EUR '000			
Cash funds at the beginning of the period	465,501	335,791	335,791
Cash flow from operating activities	713,224	597,390	487,453
Cash flow from investing activities	-604,835	-681,047	-599,226
Cash flow from financing activities	-12,950	106,959	67,988
Total cash flow	95,439	23,302	-43,785
Change in cash funds from exchange rate movements and valuation procedures	-34,583	-39,078	-41,464
Change in cash funds from changes in the consolidation group	0	145,486	214,959
Cash funds at the end of the period	526,357	465,501	465,501

EXEMPTION PROVISIONS FOR DOMESTIC COMPANIES //

The following subsidiaries are applying the exemption according to Sec. 264, Para. 3, respectively Sec. 264b of the HGB, with regard to the disclosure of their annual financial statements and/or the preparation of the management reports:

MAHLE Aftermarket GmbH, Stuttgart; MAHLE Beteiligungen GmbH, Stuttgart; MAHLE Filtersysteme GmbH, Stuttgart; MAHLE Immobilien GmbH, Stuttgart; MAHLE Industrial Thermal Systems GmbH & Co. KG, Stuttgart; MAHLE Industriebeteiligungen GmbH, Stuttgart; MAHLE Industriefiltration GmbH, Stuttgart; MAHLE Industriemotoren-Komponenten GmbH, Stuttgart; MAHLE Industry GmbH, Stuttgart; MAHLE International GmbH, Stuttgart; MAHLE Kleinmotoren-Komponenten GmbH & Co. KG, Stuttgart; MAHLE Motorkomponenten GmbH, Plettenberg; MAHLE Powertrain GmbH, Stuttgart; MAHLE Ventiltrieb Brandenburg GmbH, Wustermark; MAHLE Ventiltrieb GmbH, Stuttgart; MAHLE Versicherungsvermittlung GmbH, Stuttgart

METHOD OF CONSOLIDATION //

Subsidiaries that were fully consolidated until December 31, 2009, were consolidated using the book value method as in prior years. After this date, the value of the participation of the parent company at the time of first consolidation, which takes place at the time the participation was acquired, is to be offset against the proportionate share of the book value of the equity of the subsidiary. In the case of companies that were consolidated for the first time from 2010 onward, the assets, liabilities, as well as prepaid expenses and deferred income acquired were revalued as part of the purchase price allocation at the time that the company became a subsidiary. Goodwill is normally amortized over ten years, as the markets that are relevant to the MAHLE Group are dominated by a small number of suppliers as well as high barriers to market entry and have historically shown that the average useful life of acquired goodwill is ten years. Impairments in the business year totaled EUR 965k.

The capital consolidation of the recently acquired shares in the Letrika Group led to a goodwill of EUR 27,304k.

Associated companies were valued at equity using the book value method. The amount stated is determined by the time of first inclusion in the consolidated financial statements. As at December 31, 2014, the differences were rolled forward to EUR 7,657k.

The intra-group supply of goods and services as well as mutual receivables and liabilities were offset and intercompany profits were eliminated.

Deferred taxes resulting from consolidation measures with effect on income were recorded using a tax rate of 24.00 percent.

ACCOUNTING AND VALUATION PRINCIPLES //

The existing methods were retained and were also used by the associated companies.

Acquired intangible assets and property, plant, and equipment are valued at acquisition costs or cost of sales minus depreciation and amortization. Depreciation was performed on a straight-line basis using standard useful lives. If lower valuations were provided, impairments were carried out. Internally developed trademarks and similar rights and values were not capitalized.

Financial assets were stated at the lower of acquisition cost or fair value, if the impairment is expected to be permanent.

Inventories are capitalized at acquisition costs or cost of sales. Unfinished and finished goods are valued taking into account the appropriate share of material and production overheads and depreciation of fixed assets. If the market prices or fair values were lower than the book values, or marketability was limited, devaluations were performed to the extent necessary.

Receivables and other assets are recorded at nominal value. Appropriate write-downs are recorded to account for receivables with recognizable risks of nonpayment; a general valuation allowance is set up to cover the general credit risk.

Accruals for taxes and other accruals adequately cover uncertain liabilities and anticipated losses from pending transactions. Valuation is based on the settlement amount taking into account necessary cost increases. Accruals with a remaining term of more than one year were discounted by using the average market interest rate of the past seven fiscal years provided by the German Central Bank.

Accruals for pensions and similar obligations are calculated group-wide in accordance with actuarial principles (using the projected unit credit method) and discounted to present value. The calculation is based on the following discount rates: domestic 4.20–4.66 percent according to the German Regulation on the Discounting of Provisions ("Rückstellungsabzinsungsverordnung") of November 18, 2009; foreign 1.10–5.89 percent. The option to assume a standardized remaining term of 15 years was not utilized. Expected salary increases of 1.31–5.95 percent and anticipated labor turnover rates of 2.43–4.70 percent were taken into consideration. The mortality tables recognized in each country were taken as the basis for the calculation.

If the conditions respecting posted values remain unchanged, the option to maintain previous value adjustments pursuant to Art. 67, Para. 1, Sentence 2 of the Introductory Act on the German Commercial Code (EGHGB) is utilized.

Assets that serve exclusively to settle pension-related obligations and cannot be utilized to settle claims of any other creditors (plan assets in the form of long-term securities) were offset against the accruals at their fair value. Excess amounts are recorded within the position "Excess of plan assets over post-employment benefit liability."

Liabilities are stated at their settlement amount.

Receivables, bank balances, and liabilities in foreign currency with a remaining term of less than one year were valued using the mid spot rate applicable at the balance sheet date. If the remaining term was more than one year, the valuation was based on the exchange rate applicable as of the acquisition date or the lower or higher exchange rate at the balance sheet date.

Changes in exchange rates and interest rates represent a risk to operational business that is very difficult to estimate. To minimize this risk, appropriate hedging transactions such as derivatives are therefore used. These transactions are only concluded with banks that have a prime credit rating. Their use is based on standard guidelines, subject to strict internal controls, and restricted to the hedging of operational business as well as that of related investments and financing activities.

If effective hedging relationships existed between the underlying operating transactions or highly probable transactions and the hedging transaction, they were included in hedge accounting evaluation units under the "frozen value method" ("Einfrierungsmethode").

Deferred tax assets and liabilities are set up to account for all temporary and quasi-permanent differences between the tax and balance sheet values. Furthermore, deferred taxes for tax loss and interest carried forward and tax credits were capitalized, provided the tax benefit was reasonably recoverable within the next five years. Deferred taxes were determined using tax rates that are expected to apply at the time of recovery and are based on the regulations adopted at the balance sheet date. Deferred tax assets and liabilities are presented as a net value. The tax rates fall within a range of 10.00–38.53 percent.

CURRENCY CONVERSION //

The financial statements of the foreign companies were—if not prepared in euro—converted as follows:

Equity	Exchange rate at date of acquisition (or first consolidation)
Other balance sheet items	Mid spot rate at the balance sheet date
Income statement items	Average exchange rate for the year

Exchange rate differences in connection with the use of the closing rate method were shown as "currency translation Jan 01." Differences arising from the conversion of movements during the current year were shown in a separate column in the asset schedule.

Any difference arising from the differentiated translation of the balance sheet items into euro was included under "Equity impact from currency translation" in the consolidated shareholders' equity.

The "thereof" information on currency conversion in the income statement includes both unrealized and realized exchange rate differences.

NOTES TO THE CONSOLIDATED BALANCE SHEET //

Receivables and other assets	Carrying amount Dec. 31, 2014	Thereof with a remaining term of more than one year
in EUR '000		
Accounts receivables		
Trade receivables	1,494,820	34
Receivables from affiliated companies	8,170	0
Receivables from companies in which investments are held	18,105	0
Other assets	264,331	14,721
Total	1,785,426	14,755

In the previous year, trade receivables (EUR 84k), as well as other assets (EUR 17,666k), had a remaining term of more than one year.

Other assets contain receivables from shareholders amounting to EUR 9k (previous year: EUR 4k). Prepaid expenses include, among others, the differences between net loan proceeds and liabilities to banks (debt discounts) amounting to EUR 755k (previous year: EUR 41k).

Equity

The group's unappropriated retained earnings equal that of the parent company and contain the amount carried forward from the previous year of EUR 62k.

Accruals for pensions and similar obligations as well as other accruals

Notes for offsetting pursuant to Sec. 246, Para. 2, Sentence 2 of the HGB

in EUR '000	
Settlement amount of offset liabilities	395,700
Acquisition costs of assets	192,342
Fair value of assets	287,241
Offset income	38,303
Offset expenses	47,051

Since the year 2014, there is no surplus anymore, by exercising the option to retain existing provisions to Art. 67, Para. 1, Sentence 2 of the EGHGB.

Other accruals primarily relate to anticipated losses from pending transactions, outstanding credit notes and rebates, as well as outstanding purchase invoices. In addition, this item includes obligations arising from employment contracts as well as guarantee and warranty risks.

Liabilities	Carrying amount Dec. 31, 2014	Thereof with a remaining term of up to 1 year	Thereof with a remaining term between 1 and 5 years	Thereof with a remaining term of more than 5 years
in EUR '000				
Bonds	329,000	0	29,000	300,000
Liabilities to banks	898,201	254,370	340,723	303,108
Payments received on account of orders	4,457	4,450	7	0
Trade payables	888,030	887,610	420	0
Liabilities on bills accepted and drawn	31,830	31,830	0	0
Liabilities				
to affiliated companies	9,729	9,729	0	0
to companies in which investments are held	9,592	9,592	0	0
Other liabilities	258,667	205,399	43,243	10,025
Total	2,429,506	1,402,980	413,393	613,133

In the previous year, liabilities to banks (EUR 206,697k), payments received on account of orders (EUR 10,950k), trade payables (EUR 797,104k), liabilities on bills accepted and drawn (EUR 3,269k), liabilities to affiliated companies (EUR 4,537k), liabilities to companies in which investments are held (EUR 3,859k), liabilities on hybrid bond (EUR 3,609k), and other liabilities (EUR 163,786k) had a remaining term of less than one year.

Other liabilities do not contain any payables to shareholders (previous year: EUR 111k).

Of the liabilities to banks, EUR 28,596k is secured by property liens and EUR 6,078k by similar rights.

Deferred taxes

Deferred tax assets arise predominantly from temporary differences in intangible assets, property, plant, and equipment, and accruals. The temporary differences in intangible assets mainly include goodwill capitalized in the tax balance sheet and amortized over five years, but not recorded in the consolidated balance sheet. Furthermore, deferred tax assets arise from differing accounting treatment in intangible assets and tangible fixed assets. The temporary differences in accruals essentially include differing carrying amounts between the tax balance sheet and the consolidated balance sheet for accruals for pensions and similar obligations, as well as accruals that are not tax-deductible, such as accruals for anticipated losses.

The deferred tax liabilities result predominantly from temporary differences relating to tangible fixed assets owing to differing carrying amounts and depreciation methods in the tax and consolidated balance sheets. In addition, the hidden reserves disclosed as part of the purchase price allocation of the acquisition of MAHLE Behr and the Letrika Group lead to deferred tax liabilities in intangible assets and in tangible fixed assets.

Deferred tax assets of EUR 109,598k were set up on tax loss carried forward of EUR 510,107k that is recoverable within five years. Deferred tax assets were written off by EUR 93,035k as at December 31, 2014, as their realization is not deemed sufficiently likely.

Off-balance-sheet transactions

As at the balance sheet date, off-balance-sheet transactions exist in connection with significant building and land leasing agreements (EUR 115,352k) and factoring (EUR 152,744k). These off-balance-sheet transactions led to a strengthening of the liquidity situation as well as the diversification of financing sources as at the balance sheet date. The cash outflow arising from these will mostly be postponed into the future. No material risks are anticipated from these transactions.

Contingent liabilities

in EUR '000	
Contingents from notes	25,100
Guarantees	2,354
Warranties	1,297

To our knowledge, the underlying obligations can be fulfilled in all cases by the companies concerned. We do not expect the contingent liabilities to be claimed.

Other financial obligations

in EUR '000	
Purchase commitments for investments	143,657
Financial obligations from rent and lease agreements	49,654
Others	24,784

NOTES TO THE CONSOLIDATED INCOME STATEMENT //

The income statement of the MAHLE Group has been prepared according to the cost of sales method. Sales are thus set against the expenses incurred in their realization, which is allocated in principle to the functions production, sales, general administration, and research and development.

The cost of sales comprises the material and production costs incurred in the realization of sales, the landed costs of the trade business, and the costs of the allocation to accruals for warranties. Furthermore, this item also contains depreciation and amortization on the hidden reserves disclosed as part of the purchase price allocation of the acquisition of MAHLE Behr and the Letrika Group. These include technologies, technical equipment, and machinery, as well as land and buildings.

The selling expenses include, in particular, personnel and non-personnel expenses, depreciation allocated to the sales function, as well as logistics, market research, sales promotion, shipping and handling, and advertising costs. Furthermore, it also contains amortization on the hidden reserves disclosed as part of the purchase price allocation of the acquisition of MAHLE Behr and the Letrika Group. These include trademark rights and customer relationships.

The general administration expenses include personnel and non-personnel expenses as well as depreciation allocated to the administrative function.

The personnel and non-personnel expenses and depreciation allocated to the research and development functions are substantial to the MAHLE Group. In order to present the economic status of the group more clearly, they have been included as separate items in the breakdown.

Other operating income contains EUR 92,425k income relating to other periods. This income is mainly related to the reversal of accruals. Other operating expenses contain EUR 5,303k expenses relating to other periods. This expense is mainly related to disposals of depreciable fixed assets.

Sales by area of operation

in EUR '000

Engine Systems and Components business unit	2,529,841
Filtration and Engine Peripherals business unit	1,981,395
Thermal Management business unit	2,995,490
Aftermarket business unit	827,267
Industry business unit	432,630
Profit centers and services	1,175,765
Total	9,942,388

Sales by geographical market (target area)

in EUR '000

Europe	4,888,278
North America	2,419,955
South America	598,963
Asia/Pacific	1,947,572
Africa	87,620
Total	9,942,388

Personnel expenses

in EUR '000

Total	2,453,110
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Depreciation, amortization, and impairments of intangible and tangible fixed assets

in EUR '000

Total	507,688
thereof impairments	2,416

Result from associated companies

in EUR '000

Investor's share in associates' net income/net loss of the year	-24,034
Effects of roll-forward of the difference	495
Result from associated companies	-23,539

Subsequent accounting of the purchase price allocation within the acquisition of MAHLE Behr and Letrika Group

in EUR '000

Depreciation and amortization within cost of sales	95,359
Amortization within selling expenses	26,404
Release of subsidies within other operating income	25,506
Release of deferred tax liabilities	29,114

OTHER NOTES //

Average annual number of employees (excluding apprentices)

Direct employees	33,653
Indirect employees	29,888
Total	63,541

The total average annual number of employees includes a pro rata figure of 1,912 employees from proportionately consolidated companies.

Derivatives

Derivatives in accordance with Secs. 285, 314 of the HGB not yet settled as at the balance sheet date can be broken down as follows:

in EUR '000	Nominal amounts	Fair value *)
Transactions relating to interest	242,528	-4,606
Transactions relating to currency	1,029,943	-28,811
Transactions relating to currency and interest	20,239	-112
Transactions relating to commodities	19,008	-1,052

*) The fair value of currency- and commodities-related transactions corresponds to the market value of the derivatives as at the balance sheet date, which is identified in accordance with the net present value method. All interest-related transactions are based on recognized financial/mathematical models.

The derivative contracts as at December 31, 2014, are placed exclusively with banks. Evaluation units were established for hedging transactions with an effective relationship to the underlying transaction. Accruals of EUR 3,223k were set up for all other hedging transactions that have resulted in anticipated losses.

Evaluation units

The following evaluation units were created from derivatives:

in EUR '000	Type of evaluation unit	Amount of hedged transaction	Balance sheet item
Currency exposure			
Recorded values	Portfolio hedge	70,541	Trade receivables
	Portfolio hedge	6,987	Bank balances
	Portfolio hedge	-916	Liabilities to banks
	Portfolio hedge	-8,333	Trade payables
Remaining currency exposure from eliminated transactions with affiliated companies	Portfolio hedge	182,719	
Future transactions	Portfolio hedge	168,823	
Currency and interest exposure (cross currency swap)			
Recorded values	Portfolio hedge	-3,046	Liabilities to banks
Remaining currency exposure from eliminated transactions with affiliated companies	Portfolio hedge	9,708	
Interest exposure			
Recorded values	Portfolio hedge	-145,633	Liabilities to banks
Remaining currency exposure from eliminated transactions with affiliated companies	Portfolio hedge	0	
Commodity exposure			
Future transactions	Portfolio hedge	17,565	

in '000	Volume of hedged exposure
Currency exposure in transaction currency	
AUD	-200
CAD	16,736
EUR	-102,412
GBP	-12,710
JPY	19,076,724
MXN	229,653
PHP	116,389
RON	15,596
RUB	-818,500
THB	-436,145
TRY	4,938
USD	-534,692
Currency and interest exposure in transaction currency	
CNY	-79,680
Interest	fixed CNY/variable 3-month-Euribor
USD	3,698
Interest	fixed USD/fixed THB
Interest exposure in transaction currency	
EUR	139,000
Interest	fixed EUR/variable 6-month-Euribor
IDR	100,000,000
Interest	fixed IDR/variable 3-month-IDR Jibor
Commodity exposure	
Aluminum	9,230
Copper	3,517
Nickel	4,428
Tin	391

The changes in value in the underlying and hedging transactions are offset during the hedging horizon, since risk positions (underlying transactions recognized on the balance sheet) are immediately hedged by means of forward exchange transactions of the same amount, in the same currency, and with the same maturity period in accordance with the guidelines of the group risk management.

The risk of potential future changes in cash flows arising from highly probable underlying transactions is offset by using hedging transactions. The hedge ratio of such future transactions is reduced over time, the further such transactions are in the future. The hedging horizon for currency- and commodities-related hedging transactions which are included in hedge accounting relationships is generally two years and, in exceptional cases, can be extended up to three years for commodities hedging transactions. Past experience has shown that this strategy has led to an effective hedging of cash flows in forecast evaluation units.

Currency and interest rate hedging transactions (cross currency swaps) are entered into with the same maturity profile as the respective underlying contracts and form a fair value hedge with the corresponding financial liability.

The "critical term match method" is used to measure the effectiveness of the hedging relationship.

Remuneration of the members of the Management Board of MAHLE GmbH (parent company)

in EUR '000

Supervisory Board	245
Management Board	13,355

The total remuneration of the Management Board comprises fixed and variable components. The fixed portions for the 2014 business year came to EUR 2,559k, and the variable compensation for 2014 to EUR 9,937k. The remuneration shown also includes an adjustment for the previous year. The fixed portions include benefits in kind, which consist primarily of the noncash benefits of having company cars.

Remunerations paid to former members of the Management Board and their descendants totaled EUR 1,492k.

An amount of EUR 19,466k is set aside for this group of persons in the pension accruals as at December 31, 2014.

Auditor's fee

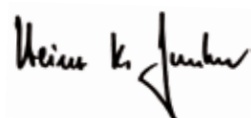
The total fee for the business year charged by PricewaterhouseCoopers AG, the group auditor, pursuant to Sec. 314, Para. 1, No. 9 of the HGB, consists of the following:

in EUR '000

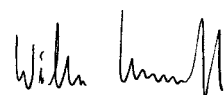
Audit of financial statements	868
Other assurance services	622
Tax advisory services	672
Total	2,162

Stuttgart/Germany, March 16, 2015

The Management Board of MAHLE GmbH



Heinz K. Junker



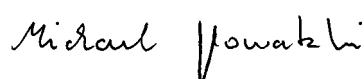
Wilhelm Emperhoff



Arnd Franz



Michael Frick



Michael Glowatzki



Rudolf Paulik



Jörg Stratmann

CONSOLIDATED STATEMENT OF FIXED ASSETS //

from January 1 to December 31, 2014

in EUR '000	Acquisition/ manufacturing costs Dec 31, 2013	Currency translation Jan 01, 2014	2014	2014	2014	2014	2014	Accumulated depreciation/ amortization	Write-ups of the business year	Net book values Dec 31, 2014	Depreciation/ amortization of the business year
			Changes at the Group	Additions	Disposals	Reclassifi- cations	Currency translation of current year				
I. Intangible assets											
1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	600,106	1,923	11,942	10,235	3,808	5,415	174	233,704	0	392,283	116,602
2. Goodwill	577,379	3,832	27,304	37	116,627	0	-2,303	377,685	0	111,937	29,111
3. Prepayments	5,342	10	0	236	147	-4,658	-4	0	0	779	0
	1,182,827	5,765	39,246	10,508	120,582	757	-2,133	611,389	0	504,999	145,713
II. Property, plant, and equipment											
1. Land, leasehold rights, and buildings including buildings on third-party land	1,299,191	33,600	43,494	29,328	6,195	23,795	3,260	571,162	0	855,311	46,928
2. Technical equipment and machinery	3,990,336	112,195	25,227	127,041	66,289	192,831	9,036	3,270,052	0	1,120,325	276,730
3. Other equipment, fixtures, and furniture	345,351	8,156	4,133	34,411	14,513	7,958	371	269,553	0	116,314	37,606
4. Prepayments and assets under construction	265,327	16,619	3,811	297,292	2,108	-225,341	1,000	2,466	90	354,224	711
	5,900,205	170,570	76,665	488,072	89,105	-757	13,667	4,113,233	90	2,446,174	361,975
III. Financial assets											
1. Shares in affiliated companies	26,861	-18	12	0	22	0	0	19,616	0	7,217	3,073
2. Shares in associated companies	118,232	0	1,202	43,959	27,244 ¹⁾	0	4,367	3,415	0	137,101 ²⁾	3,415
3. Equity investments	3,885	345	853	631	24	24	0	0	0	5,714	0
4. Loans to companies in which participations are held	0	0	1,604	99	52	0	0	0	0	1,651	0
5. Long-term securities	29,847	6	0	143	22,387	0	5	1,849	10	5,775	413
6. Other loans	8,614	654	0	4,161	550	-24	90	67	133	13,011	29
	187,439	987	3,671	48,993	50,279	0	4,462	24,947	143	170,469	6,930
	7,270,471	177,322	119,582	547,573	259,966	0	15,996	4,749,569	233	3,121,642	514,618

1) Resulting from continuation of equity approach and disposal due to dividend payments.

2) Thereof shares in affiliated companies measured according to the equity method: EUR 33k.

LIST OF SHAREHOLDINGS //

as at December 31, 2014

Shareholdings in companies included in consolidation, associated companies, companies included in consolidation on a pro-rata basis and other companies in which shareholdings of at least 20% are held	Share in equity %	Equity EUR '000	Result of the last business year EUR '000
Parent company			
MAHLE GmbH Stuttgart/Germany			
1. Full consolidated subsidiaries			
a) Full consolidated subsidiaries of MAHLE GmbH with direct shareholding quota			
Conso, LLC Wilmington, Delaware/USA	100.00		
Letrika d.d. Šempeter pri Gorici/Slovenia	99.37		
MAHLE Aftermarket France SAS Décines/France	100.00		
MAHLE Aftermarket GmbH Stuttgart/Germany	100.00		
MAHLE Aftermarket Inc. Farmington Hills, Michigan/USA	100.00		
MAHLE Aftermarket Ltd. Bilston/Great Britain	100.00		
MAHLE Aftermarket Pte. Ltd. Singapore/Singapore	100.00		
MAHLE Aftermarket S. de R.L. de C.V. Lerma/Mexico	100.00		
MAHLE Aftermarket S.L. Alcalá de Henares/Spain	100.00		
MAHLE Aftermarket SAS Poissy Cedex/France	100.00		
MAHLE Aftermarket, ULC Burlington/Canada	100.00		
MAHLE Anéis Participações Ltda. Mogi Guaçu/Brazil	100.00		
MAHLE Behr GmbH & Co. KG Stuttgart/Germany	50.71		
MAHLE Beteiligungen GmbH Stuttgart/Germany	100.00		
MAHLE Componente de Motor SRL Timisoara/Romania	100.00		
MAHLE Componentes de Motor de México, S. de R.L. de C.V. Ramos Arizpe/Mexico	100.00		
MAHLE Componentes de Motor España S.L. Vilanova i la Geltrú/Spain	100.00		
MAHLE Componentes de Motores S.A. Murteide/Portugal	100.00		
MAHLE Componenti Motori Italia S.p.A. La Loggia/Italy	100.00		
MAHLE Composants Moteur France SAS Chavanod/France	100.00		

Shareholdings in companies included in consolidation, associated companies, companies included in consolidation on a pro-rata basis and other companies in which shareholdings of at least 20% are held

	Share in equity	Equity	Result of the last business year
	%	EUR '000	EUR '000
MAHLE de México S. de R.L. de C.V. Ramos Arizpe/Mexico	100.00		
MAHLE Donghyun Filter Systems (Tianjin) Co., Ltd. Tianjin/China	100.00		
MAHLE Donghyun Filter Systems Co., Ltd. Hwaseong/South Korea	89.74		
MAHLE Engine Components (Chongqing) Co., Ltd. Chongqing/China	100.00		
MAHLE Engine Components (Nanjing) Co., Ltd. Nanjing/China	100.00		
MAHLE Engine Components (Thailand) Co., Ltd. Bangkok/Thailand	99.75		
MAHLE Engine Components (Yingkou) Co., Ltd. Yingkou/China	100.00		
MAHLE Engine Components India Private Limited Pithampur/India	100.00		
MAHLE Engine Components Japan Corporation Okegawa-shi/Japan	100.00		
MAHLE Engine Components Slovakia s.r.o. Dolný Kubín/Slovakia	100.00		
MAHLE Engine Components USA, Inc. Morristown, Tennessee/USA	100.00		
MAHLE Engine Peripherals and Tooling (Shanghai) Co., Ltd. Shanghai/China	100.00		
MAHLE Engine Systems UK Ltd. Kilmarnock/Great Britain	100.00		
MAHLE Filter Systems (India) Limited Gurgaon/India	50.00 ²⁾		
MAHLE Filter Systems Canada, ULC Tilbury/Canada	100.00		
MAHLE Filter Systems Japan Corporation Tokyo/Japan	100.00		
MAHLE Filter Systems Land Corporation Cavite/Philippines	66.67		
MAHLE Filter Systems North America, Inc. Troy, Michigan/USA	100.00		
MAHLE Filter Systems Philippines Corporation Cavite/Philippines	100.00		
MAHLE Filter Systems s.r.o. Strakonice/Czech Republic	100.00		
MAHLE Filter Systems UK Ltd. Telford/Great Britain	100.00		
MAHLE Filtersysteme Austria GmbH St. Michael ob Bleiburg/Austria	100.00		
MAHLE Filtersysteme France SAS Seboncourt/France	100.00		
MAHLE Filtersysteme GmbH Stuttgart/Germany	100.00		
MAHLE Filtration Industrielle SAS Rungis/France	100.00		
MAHLE Filtration Systems (Hubei) Co., Ltd. Wuhan City/China	100.00		
MAHLE Filtre Sistemleri A.S. Gebze, Kocaeli/Turkey	100.00		

Shareholdings in companies included in consolidation, associated companies, companies included in consolidation on a pro-rata basis and other companies in which shareholdings of at least 20% are held

	Share in equity	Equity	Result of the last business year
	%	EUR '000	EUR '000
MAHLE France SAS Ingersheim/France	100.00		
MAHLE Guangzhou Filter Systems Co., Ltd. Guangzhou/China	100.00		
MAHLE Holding (India) Private Limited Gurgaon/India	100.00		
MAHLE Holding Austria GmbH St. Michael ob Bleiburg/Austria	100.00		
MAHLE Holding España S.L. Vilanova i la Geltrú/Spain	100.00		
MAHLE Immobilien GmbH Stuttgart/Germany	100.00		
MAHLE Immobilien Schweiz AG Grenchen/Switzerland	100.00		
MAHLE Indústria e Comércio Ltda. Mogi Guaçu/Brazil	100.00		
MAHLE Industrial Filter Systems (Shanghai) Co., Ltd. Shanghai/China	100.00		
MAHLE Industrial Filtration (Benelux) BV Lochem/Netherlands	100.00		
MAHLE Industrial Filtration (UK) Ltd. Stoke-on-Trent/Great Britain	100.00		
MAHLE Industrial Filtration USA, Inc. Nowata, Oklahoma/USA	100.00		
MAHLE Industrial Thermal Systems GmbH & Co. KG Stuttgart/Germany	60.00 ¹⁰⁾		
MAHLE Industriebeteiligungen GmbH Stuttgart/Germany	100.00		
MAHLE Industriefiltration GmbH Stuttgart/Germany	100.00		
MAHLE Industriemotoren-Komponenten GmbH Stuttgart/Germany	100.00		
MAHLE Industries UK Ltd. Rugby/Great Britain	100.00		
MAHLE Industries, Incorporated Farmington Hills, Michigan/USA	100.00		
MAHLE Industry GmbH Stuttgart/Germany	100.00		
MAHLE International GmbH Stuttgart/Germany	100.00		
MAHLE Japan Ltd. Tokyo/Japan	100.00		
MAHLE Kleinmotoren-Komponenten GmbH & Co. KG Stuttgart/Germany	100.00		
MAHLE König GmbH Rankweil/Austria	50.00 ¹⁾		
MAHLE König Kommanditgesellschaft GmbH & Co. KG Rankweil/Austria	50.00 ¹⁾		
MAHLE Konya Motor Parçaları San. ve Tic. A.Ş. Konya/Turkey	100.00		
MAHLE Metal Leve S.A. Mogi Guaçu/Brazil	70.00		
MAHLE Motor Parçaları San. ve Tic. A.Ş. Izmir/Turkey	100.00		

Shareholdings in companies included in consolidation, associated companies, companies included in consolidation on a pro-rata basis and other companies in which shareholdings of at least 20% are held	Share in equity	Equity	Result of the last business year
	%	EUR '000	EUR '000
MAHLE Motorkomponenten GmbH Plettenberg/Germany	100.00		
MAHLE Pistons France SARL Ingersheim/France	100.00		
MAHLE Polska Spółka z o.o. Krotoszyn/Poland	100.00		
MAHLE Powertrain GmbH Stuttgart/Germany	100.00		
MAHLE Powertrain Ltd. Northampton/Great Britain	100.00		
MAHLE Powertrain, LLC Farmington Hills, Michigan/USA	100.00		
MAHLE RUS, OOO Moskow/Russia	100.00		
MAHLE S.A. Vilanova i la Geltrú/Spain	100.00		
MAHLE Services (Thailand) Ltd. Samut Prakan/Thailand	100.00		
MAHLE Shanghai Filter Systems Co., Ltd. Shanghai/China	95.00		
MAHLE Siam Filter Systems Co., Ltd. Samut Prakan/Thailand	74.90		
MAHLE Sistemas de Filtración de México S.A. de C.V. Santa Catarina, Monterrey/Mexico	100.00		
MAHLE Technologies Holding (China) Co., Ltd. Shanghai/China	100.00		
MAHLE Trading (Shanghai) Co., Ltd. Shanghai/China	100.00		
MAHLE Trading Japan Co., Ltd. Tokyo/Japan	100.00		
MAHLE Tri-Ring Valve Train (Hubei) Co., Ltd. Macheng/China	65.00		
MAHLE Ventiltrieb Brandenburg GmbH Wustermark/Germany	100.00		
MAHLE Ventiltrieb GmbH Stuttgart/Germany	100.00		
MAHLE Versicherungsvermittlung GmbH Stuttgart/Germany	100.00		
MAHLE Vöcklabruck GmbH Vöcklabruck/Austria	100.00		
OSCON, LLC Wilmington, Delaware/USA	100.00		
OSNOC, LLC Wilmington, Delaware/USA	100.00		
Pt. MAHLE Indonesia Bekasi/Indonesia	100.00		
S.C.I. Daudet Décines/France	100.00		

Shareholdings in companies included in consolidation, associated companies, companies included in consolidation on a pro-rata basis and other companies in which shareholdings of at least 20% are held

b) Full consolidated subsidiaries of

MAHLE Behr GmbH & Co. KG with direct shareholding quota; accounts prepared in accordance with MAHLE accounting principles (German GAAP)

	Share in equity	Equity	Result of the last business year
	%	EUR '000	EUR '000
Behr Asia Pacific Management (Shanghai) Co. Ltd. Shanghai/China	100.00		
Behr RUS o.o.o. St. Petersburg/Russia	99.90		
Behr Thermot-tronik Korea Ltd. Jangan/South Korea	100.00		
MAHLE Behr Berga GmbH Berga/Germany	100.00		
MAHLE Behr Charleston Inc. Charleston, South Carolina/USA	100.00		
MAHLE Behr Components Spain S.L. L'Espluga de Francolí/Spain	100.00		
MAHLE Behr Dayton L.L.C. Dayton, Ohio/USA	100.00		
MAHLE Behr France Hambach S.A.S. Hambach/France	100.00		
MAHLE Behr France Rouffach S.A.S. Rouffach/France	99.995		
MAHLE Behr Gerenciamento Térmico Brasil Ltda. São Paulo/Brazil	99.98		
MAHLE Behr Holding Deutschland GmbH Stuttgart/Germany	100.00		
MAHLE Behr Holding GmbH Stuttgart/Germany	100.00		
MAHLE Behr Holýsov s.r.o. Holýsov/Czech Republic	100.00		
MAHLE Behr India Limited Pune/India	60.00		
MAHLE Behr Italy s.r.l. Grugliasco/Italy	98.00		
MAHLE Behr Japan K.K. Tokyo/Japan	100.00		
MAHLE Behr Kirchberg GmbH Kirchberg/Germany	100.00		
MAHLE Behr Korea Inc. Busan/South Korea	100.00		
MAHLE Behr Kornwestheim GmbH Kornwestheim/Germany	100.00		
MAHLE Behr Mexico S. de R.L. de C.V. Ramos Arizpe/Mexico	100.00		
MAHLE Behr Mnichovo Hradiště s.r.o. Mnichovo Hradiště/Czech Republic	100.00		
MAHLE Behr Námestovo s.r.o. Námestovo/Slowakia	100.00		
MAHLE Behr Ostrava s.r.o. Mošnov/Czech Republic	99.98		
MAHLE Behr Ostrov s.r.o. Mnichovo Hradiště/Czech Republic	100.00		
MAHLE Behr Service America L.L.C. Troy, Michigan/USA	100.00		

Shareholdings in companies included in consolidation, associated companies, companies included in consolidation on a pro-rata basis and other companies in which shareholdings of at least 20% are held

	Share in equity %	Equity EUR '000	Result of the last business year EUR '000
MAHLE Behr Service Asia Co., Ltd. Shanghai/China	100.00		
MAHLE Behr Service GmbH Schwäbisch Hall/Germany	100.00		
MAHLE Behr Service Mexico, S. de R.L. de C.V. Ramos Arizpe/Mexico	100.00		
MAHLE Behr South Africa (Pty) Ltd. Durban/South Africa	100.00		
MAHLE Behr Spain S.A. Montblanc/Spain	100.00		
MAHLE Behr Thermal Systems (Jinan) Co., Ltd. Jinan/China	100.00		
MAHLE Behr Thermal Systems (Qingdao) Co., Ltd. Qingdao/China	100.00		
MAHLE Behr Troy Inc. Troy, Michigan/USA	100.00		
MAHLE Behr USA Inc. Troy, Michigan/USA	100.00		
MAHLE Behr Versicherungsdienst GmbH Stuttgart/Germany	95.00		
MAHLE Industrial Thermal Systems GmbH & Co. KG Stuttgart/Germany	40.00 ¹⁰⁾		
c) Full consolidated subsidiaries of Letrika d.d. with direct shareholding quota			
Letrika Asing d.o.o. Šempeter pri Gorici/Slovenia	100.00		
Letrika Bel. Ltd. Grodno/Belarus	100.00		
Letrika Bovec d.o.o. Bovec/Slovenia	100.00		
Letrika Deutschland GmbH Freiberg am Neckar/Germany	100.00		
Letrika do Brasil Ltda. Jaguariúna/Brazil	99.9996		
Letrika France S.A.S. Vannes/France	100.00		
Letrika Italia, S.r.l. Reggio Emilia/Italy	100.00		
Letrika Komen d.o.o. Komen/Slovenia	100.00		
Letrika Laktaši d.o.o. Laktaši/Bosnia and Herzegovina	100.00		
Letrika Suzhou Co., Ltd. Taicang City/China	98.45		
Letrika UK Ltd. Surrey/Great Britain	100.00		
Letrika USA Inc. Rockford, Illinois/USA	100.00		

Shareholdings in companies included in consolidation, associated companies, companies included in consolidation on a pro-rata basis and other companies in which shareholdings of at least 20% are held

	Share in equity %	Equity EUR '000	Result of the last business year EUR '000
d) Full consolidated subsidiaries of MAHLE Metal Leve S.A. with direct shareholding quota			
MAHLE Argentina S.A. Rafaela/Argentina	100.00		
MAHLE Filtróil Indústria e Comércio de Filtros Ltda. Mogi Guaçu/Brazil	60.00		
MAHLE Hirschvogel Forjas S.A. Queimados/Brazil	51.00		
MAHLE Industry do Brasil Ltda. Mogi Guaçu/Brazil	100.00		
MAHLE Metal Leve GmbH St. Michael ob Bleiburg/Austria	100.00		
MAHLE Metal Leve Miba Sinterizados Ltda. Indaiatuba/Brazil	60.00		
e) Full consolidated subsidiaries of MAHLE Industrial Thermal Systems GmbH & Co. KG with direct shareholding quota			
MAHLE Industrial Thermal Systems (Tianjin) Co., Ltd. Tianjin/China	100.00		
MAHLE Industrial Thermal Systems America, L.P. Belmont, Michigan/USA	99.00		
MAHLE Industrial Thermal Systems Reichenbach GmbH Heinsdorfergrund/Germany	100.00		

Shareholdings in companies included in consolidation, associated companies, companies included in consolidation on a pro-rata basis and other companies in which shareholdings of at least 20% are held

2. Affiliated companies, not consolidated on account of its immateriality for the presentation of the net assets, financial position and results of operations

a) Affiliated companies of MAHLE Behr GmbH & Co. KG with direct shareholding quota

	Share in equity %	Equity EUR '000	Result of the last business year EUR '000
Hella Behr IT Services GmbH Lippstadt/Germany	50.00 ^{4), 6), 7)}	39,288	7,567
MAHLE Behr Australia Pty. Ltd. Sydney/Australia	100.00 ^{4), 6)}	49	12
MAHLE Behr Sweden AB Askim, Göteborg/Sweden	100.00 ^{4), 6)}	20	3
b) Other affiliated companies with direct shareholding quota			
Compañía Rosarina S.A. Rosario/Argentina	100.00 ⁴⁾	388	-465
MAHLE Engine Components Australia Pty Ltd. Port Melbourne/Australia	100.00 ⁵⁾		
MAHLE Filter Systems Kyushu Corporation Nogata/Japan	100.00 ⁴⁾	107	11
MAHLE Filtracja Przemyslowa a Sp. z o.o. Wroclaw/Poland	100.00 ^{4), 6)}	435	65
MAHLE Industrial Filtration (Malaysia) Sdn. Bhd. Kuala Lumpur/Malaysia	100.00 ^{4), 6)}	-13	-5
MAHLE Industrial Filtration Korea Co., Ltd. Busan/South Korea	100.00 ⁴⁾	-340	-98
MAHLE Industrial Thermal Systems America, Inc. Belmont, Michigan/USA	100.00 ⁴⁾	58	0
MAHLE Industrial Thermal Systems Verwaltung GmbH Stuttgart/Germany	60.00	416	10
MAHLE InnoWa GmbH Stuttgart/Germany	100.00	2,543	0
MAHLE Ipari Szűrő Kereskedelmi Szolgáltató Kft. Kisbér/Hungary	100.00 ⁴⁾	233	6
MAHLE Kleinmotoren-Komponenten Verwaltung GmbH Stuttgart/Germany	100.00	27	1
MG Immobilienentwicklungs- und Ansiedlungsgesellschaft mbH Wolfsberg/Austria	74.00 ⁴⁾	788	-137
PT. MAHLE Filter Systems Indonesia Jawa Barat/Indonesia	100.00 ⁴⁾	-349	-108

Shareholdings in companies included in consolidation, associated companies, companies included in consolidation on a pro-rata basis and other companies in which shareholdings of at least 20% are held

3. Proportionately consolidated companies

a) Subgroup HBPO that is managed by MAHLE Behr GmbH & Co. KG and two more companies; subgroup accounts prepared in accordance with MAHLE accounting principles (German GAAP). The following data are based on IFRS financial statements.

Parent company

HBPO Beteiligungsgesellschaft mbH
Lippstadt/Germany

Companies included in subgroup accounts of HBPO Beteiligungsgesellschaft mbH with direct shareholding quota

	Share in equity %	Equity EUR '000	Result of the last business year EUR '000
HBPO Asia Ltd. Seoul/South Korea	100.00		
HBPO Automotive Hungária Kft. Győr/Hungary	100.00		
HBPO Automotive Spain S.L. Martorell/Spain	100.00		
HBPO Beijing Ltd. Beijing/China	100.00		
HBPO Canada Inc. Windsor/Canada	100.00		
HBPO China Ltd. Shanghai/China	100.00		
HBPO Czech s.r.o. Mnichovo Hradiště/Czech Republic	100.00		
HBPO Germany GmbH Meerane/Germany	100.00		
HBPO GmbH Lippstadt/Germany	100.00		
HBPO Iberia S.L. Pamplona/Spain	100.00		
HBPO Ingolstadt GmbH Ingolstadt/Germany	100.00		
HBPO Japan K.K. Tokyo/Japan	100.00		
HBPO Korea Ltd. Busan/South Korea	100.00		
HBPO Manufacturing Hungary Kft. Kecskemét/Hungary	100.00		
HBPO Mexico S.A. de C.V. Puebla/Mexico	100.00		
HBPO North America Inc. Troy, Michigan/USA	100.00		
HBPO Pyeongtaek Ltd. Pyeongtaek/South Korea	100.00		
HBPO Rastatt GmbH Rastatt/Germany	100.00		
HBPO Regensburg GmbH Regensburg/Germany	100.00		
HBPO Slovakia s.r.o. Lozorno/Slovakia	100.00		

Shareholdings in companies included in consolidation, associated companies, companies included in consolidation on a pro-rata basis and other companies in which shareholdings of at least 20% are held	Share in equity %	Equity EUR '000	Result of the last business year EUR '000
HBPO UK Ltd. Banbury/Great Britain	100.00		
SHB Automotive Modules Company Ltd. Hwaseong/South Korea	50.00		
b) Subgroup Behr-Hella Thermocontrol that is managed by MAHLE Behr GmbH & Co. KG and another company; subgroup accounts prepared in accordance with MAHLE accounting principles (German GAAP). The following data are based on IFRS financial statements.			
Parent company			
Behr-Hella Thermocontrol GmbH Lippstadt/Germany	50.00		
Companies included in subgroup accounts of Behr-Hella Thermocontrol GmbH with direct shareholding quota			
Behr-Hella Thermocontrol (Shanghai) Co., Ltd. Shanghai/China	100.00		
Behr-Hella Thermocontrol EOOD Sofia/Bulgaria	100.00		
Behr-Hella Thermocontrol Inc. Wixom, Michigan/USA	100.00		
Behr-Hella Thermocontrol India Private Limited Pune/India	100.00		
Behr-Hella Thermocontrol Japan K.K. Kanagawa/Japan	100.00		
BHTC Mexico S.A. de C.V. Queretaro/Mexico	98.00		
c) Subgroup Behr Hella Service that is managed by MAHLE Behr GmbH & Co. KG and another company; subgroup accounts prepared in accordance with MAHLE accounting principles (German GAAP). The following data are based on IFRS financial statements.			
Parent company			
Behr Hella Service GmbH Schwäbisch Hall/Germany	50.00		
Companies included in subgroup accounts of Behr Hella Service GmbH with direct shareholding quota			
Behr Hella Comércio de Peças Automotivas S.A. São Paulo/Brazil	100.00		
Behr Hella Service North America L.L.C. Peachtree City, Georgia/USA	100.00		
Behr Hella Service South Africa (Pty) Ltd. Johannesburg/South Africa	100.00		
Behr Service IAM USA Inc. Troy, Michigan/USA	100.00		

Shareholdings in companies included in consolidation, associated companies, companies included in consolidation on a pro-rata basis and other companies in which shareholdings of at least 20% are held

	Share in equity %	Equity EUR '000	Result of the last business year EUR '000
4. Associated companies, consolidated using the equity method			
a) Associated companies of MAHLE Behr GmbH & Co. KG with direct shareholding quota			
Dongfeng-Paninco Automobile Aluminium Heat Exchanger Co.Ltd. Shiyan/China	50.00 ^{4), 8)}		
HICOM HBPO SDN BHD Shah Alam/Malaysia	40.00 ^{7), 9)}		
Shanghai Sanden Behr Automotive Air Conditioning Co. Ltd. Shanghai/China	17.50 ⁷⁾		
b) Associated companies of Letrika d.d. with direct shareholding quota			
INPRIME d.o.o. Tolmin/Slovenia	20.84 ^{3), 4)}	-277	6
Letrika Lab, d.o.o. Šempeter pri Gorici/Slovenia	50.00 ^{3), 4)}	98	3
Letrika Roots Private Limited Coimbatore/India	50.00 ^{3), 4)}	619	-31
Letrika SOL d.o.o. Šempeter pri Gorici/Slovenia	50.00 ^{3), 4)}	943	-44
SiEVA d.o.o. Šempeter pri Gorici/Slovenia	20.00 ^{3), 4)}	6,355	558
c) Other associated companies with direct shareholding quota			
Bosch Mahle Turbo Systems GmbH & Co. KG Stuttgart/Germany	50.00		
Bosch Mahle Turbo Systems Verwaltungs GmbH Stuttgart/Germany	50.00 ³⁾	23	3
Cofap Companhia Fabricadora de Peças Ltda. São Paulo/Brazil	31.65		
Kokusan Denki Co., Ltd. Numazu shi/Japan	38.87		
Kokusan MAHLE Siam Co., Ltd. Samut Prakan/Thailand	49.00		
MAHLE Behr Verwaltung GmbH Stuttgart/Germany	23.08 ^{3), 6)}	17,367	464
Pt Federal Izumi Manufacturing Bogor/Indonesia	36.94		
Ueno Kogyo Co., LTD. Nakano-ku/Japan	25.00		

1) Consolidated due to controlling influence

2) Shareholding 50% + 1 share

3) The company was not measured using the equity method on account of its immateriality for the presentation of the net assets, financial position and results of operations

4) Local financial statements

5) Affiliated company, consolidated using the equity method

6) Previous years figures according to last available financial statement

7) Financial statements pursuant to IFRS

8) Included in financial statements of Dongfeng Behr Thermal Systems Co. Ltd. using the equity method

9) Included in subgroup accounts of HBPO Beteiligungsgesellschaft mbH using the equity method

10) From the Group's perspective, company is included by 100%

AUDITOR'S REPORT //

This audit report is issued on financial statements prepared in the German language.

The auditor has issued the following opinion on the complete consolidated financial statements and the group management report:

We have audited the consolidated financial statements prepared by MAHLE GmbH, Stuttgart/Germany, comprising the balance sheet, the income statement, the cash flow statement, the statement of changes in equity, and the notes to the consolidated financial statements, together with the group management report for the business year from January 1 to December 31, 2014. The preparation of the consolidated financial statements and the group management report in accordance with German commercial law is the responsibility of the parent company's Management Board members. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

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

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position, and results of operations of the group in accordance with (German) principles of proper accounting. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Stuttgart, March 18, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

sgd. Dieter Wißfeld
Wirtschaftsprüfer
(German Public Auditor)

sgd. ppa. Renate Berghoff
Wirtschaftsprüferin
(German Public Auditor)