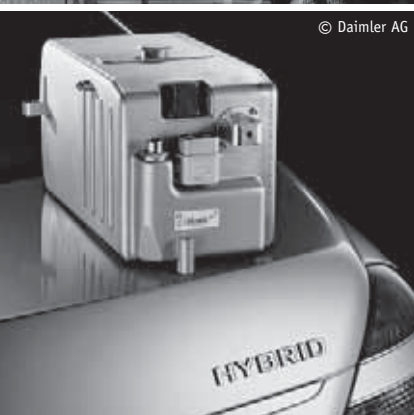
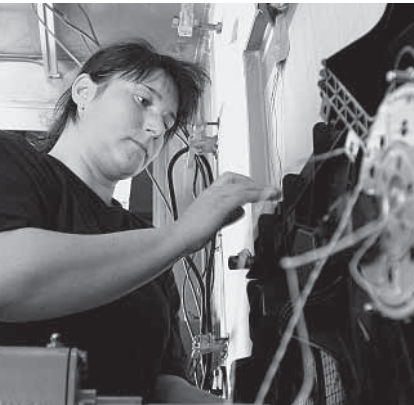




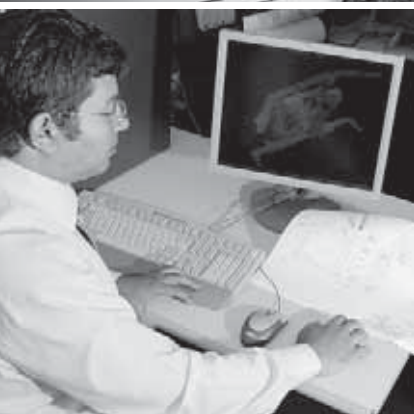
2009 Annual Report

Heat up. Cool down.

BEHR



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Introduction by the Board of Management	4
Report of the Supervisory Board	6
Group Management Report	8
Product Divisions	14
Research and Development	17
Employees	19
Specials	
Behr Worldwide	21
Behr Innovation	25
Annual Statements	29

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The Annual Report is also available in German.

The title page of the Annual Report shows a cooling plate of the Mercedes-Benz S 400 BlueHYBRID, which is cooled directly with refrigerant.

Behr Group	2005	2006	2007	2008	2009¹
Sales	3,052	3,188	3,383	3,332	2,468
Europe	1,967	2,057	2,201	2,250	1,514
North America	762	774	733	646	504
Asia	140	161	222	209	274
Other regions	183	196	227	227	176
EBIT	121	125	85	- 6	- 191 ²
Earnings before taxes (EBT)	92	95	40	- 70	- 235
As % of sales	3.0%	3.0%	1.2%	- 2.1%	- 9.5%
Return on capital employed (ROCE)	10.0%	10.3%	7.0%	- 0.5%	- 21.7%
Balance sheet total	1,921	1,993	2,198	2,034	1,862
Equity ratio ³	24.9%	30.2%	26.4%	22.1%	12.8%
Capital expenditure in fixed assets	178	150	169	185	97
Depreciation	149	164	187	190	197
R&D expenditure	215	229	241	254	206
As % of sales	7.0%	7.2%	7.1%	7.6%	8.3%
Employees (end of year)	18,103	18,594	19,448	18,812	17,071 ⁴

All figures in millions of euros; annual average exchange rate 1 euro = 1.3899 US\$

- 1 Behr Group from continued business divisions; in the 2009 financial statements the assets and liabilities of Behr Industry were classified as held for sale
- 2 Restructuring measures negatively affected the 2009 EBIT by 80 million euros
- 3 Long-term capital provided by shareholders, according to IFRS, and hybrid capital
- 4 Of which Behr Industry accounts for 864 employees

Looking Back at a Very Difficult Year



Markus Flik

Ladies and Gentlemen

In 2009, the automotive industry again struggled with a dramatic market decline—light vehicle production in Europe decreased by 20% and in North America by 32%. The decline was even more pronounced in the truck market. Production figures in this sector were 65% below those of the previous year in Europe and 34% lower in North America. Only the Asian markets and Brazil remained unaffected by this downward trend.

Due to the negative development of global automotive production, our sales, after adjustment for the sale of Behr Industry, dropped by 22%; reported sales by 26%. This decline, coupled with restructuring costs, resulted in significant losses. This also substantially reduced our equity ratio. The year 2009 was the most difficult and also the worst year in our entire company history in terms of earnings.

Initial success worldwide of restructuring measures

In the year under review, we continued with strict and consistent application of the crisis management activities that were already partially initiated in 2007. These measures have taken full effect and even resulted in positive EBIT in the fourth quarter of 2009 before restructuring. Overall, measures which positively affected earnings by 229 million euros were implemented. Our original target was thus comfortably exceeded. Due to the drastic lowering of investments and the consistent reduction of inventories, our net debt increased only slightly in spite of the substantial loss.

We have succeeded in signing a sustainable agreement with the works council and IG Metall (German metalworkers' union) concerning the reduction of up to 300 development and administration jobs in Stuttgart. Production in Barcelona has been closed down. The restructuring of Behr America is making good progress. Despite a sharp drop in sales and the insolvency of two major customers, our US subsidiary was able to minimize losses and generate positive liquidity.

By selling our business for domestic thermostat applications as well as selling a majority interest in our subsidiary Behr Industry to Mahle, we have set the course to focus the

Behr Group more consistently on its core competencies. The sale of Behr Industry is pending the approval of the antitrust authorities.

Growth through globalization and innovations

The companies in the growth markets Brazil, India and China have developed well. Growth in our sector is primarily taking place in the emerging markets, especially in India and China. Behr is well positioned globally to participate in this trend.

Despite the difficult economic situation, we advanced our research and development activities in the fiscal year under review. Our main growth drivers are the issues of reduced emissions for trucks, lower consumption for light vehicles, and electromobility. In 2009, Behr again launched groundbreaking innovations onto the market. This allowed us to strengthen our technological leadership.

Outlook for the fiscal year 2010 and beyond

We anticipate a slight growth in global automotive production in 2010. Based on the inevitable volume recovery in the USA, Brazil, and China, but primarily due to new product launches, we expect sales to increase by approximately 10% in the current fiscal year.

However, the crisis is not over yet. For this reason, we have set clear priorities for the current fiscal year:

the consistent further pursuit of cost reduction measures, implementation of restructuring in North America and Europe, and minimization of capital employed even in the case of an economic upturn. Furthermore, we are working on a new financing structure over the entire restructuring period until the year 2013. We are currently conducting constructive negotiations with our banks to this effect. We intend to increase capital through the admission of a further shareholder to provide the required bolstering of equity.

In 2010, we will substantially reduce our losses, and it is our determined goal to accomplish a turnaround in 2011.

Thanks to the employees and workers' representatives

I would like to sincerely thank our exceptionally motivated and dedicated staff. They have supported our difficult decisions and shown excellent commitment. I would also like to thank the workers' representatives. Despite difficult negotiations, their willingness to cooperate enabled us to initiate important measures in 2009 to help overcome the crisis.

Stuttgart, Germany, May 2010



Markus Flik
CEO

Board of Management

Markus Flik

- CEO
- Research, Strategy, Quality
- CEO of Behr Germany

Colin Carter

- Customer Centers and Sales
- Project Management

Wolfgang Schäfer

(until Dec. 31, 2009)

- CFO
- CEO of Behr Germany

Hermann Tetzner

(since Feb. 1, 2010)

- CFO

Klemens Schmiederer

- Air Conditioning and Engine Cooling Product Divisions
- Development Methods
- Production Optimization

The Way Out of the Crisis



Horst Geidel

Ladies and Gentlemen

Despite diverse overall economic measures implemented to stabilize the economy, in fiscal year 2009 Behr as well as the entire sector faced a dramatic drop in sales and employment in excess of 20%. Compared to original planning, sales were down by as much as 30%. This resulted in annual losses of an unprecedented magnitude.

The Board of Management initiated a timely comprehensive restructuring program, which was approved by the Supervisory Board. The focus of the Supervisory Board was on monitoring implementation progress and providing additional impulses. Overall, these measures exceeded all set goals.

This created an essential prerequisite for improvement of the economic situation from 2010 onward. Even

though an extended period of time will be needed until sales volumes regain the pre-crisis level, the moderately growing market volume, coupled with new production launches and the gain of market shares, are contributing to a clearly positive development. This provides the company with all the prerequisites it needs to return to profitable growth.

A further focus of the Supervisory Board's activities was on securing financial stability. Initially, this consisted of limiting the deployment of funds by halving investments and taking measures to substantially limit the working capital. In addition, a major project for the restructuring of borrowed capital was initiated, which is well on its way. To further relieve the financial situation, the possibility of selling non-core business activities was examined. As a result, the domestic products division of Behr Thermot-tronik was sold to a competitor, and a majority of Behr Industry, in which we have focused our industrial business, was sold to Mahle. Behr is also negotiating with potential investors to bolster the company's equity base in the long term. We expect to implement this project in the course of 2010.

Regarding the ongoing business operations, the Board of Management

provided the Supervisory Board with prompt and regular updates on the financial situation and development of the company, as well as on market developments. The monthly reports, planning documents, as well as the assessment of opportunities and risks provided by the Board of Management were issues of the Supervisory Board meetings.

The Board of Management kept the Supervisory Board informed of all projects and activities of particular importance, also outside of the meetings. Activities that required Supervisory Board approval were discussed in detail at Supervisory Board meetings before decisions were made.

Personnel changes

As of December 31, 2009, Wolfgang Schäfer left the Board of Management. His successor is Hermann Tetzner, who joined the Board of Management on February 1, 2010. He is in charge of Finance and Administration.

Annual Statements

The annual statements for the 2009 fiscal year, compiled by the Board of Management, in conjunction with Accounting and the Group Management

Report, have been audited by Ernst & Young AG Wirtschaftsprüfungsgesellschaft in Stuttgart, Germany, and have been issued with unreserved certification.

Ernst & Young AG was appointed auditor at the shareholders' meeting on May 6, 2009. The auditors reported on their review at a meeting of the Supervisory Board. The Supervisory Board has approved the company and Group annual statements as well as the Group Management Report, which were also presented at the shareholders' meeting.

On behalf of the Supervisory Board, I would like to thank the Board of Management and all employees for their outstanding commitment in a very difficult time. The implemented measures demanded a large degree of understanding and loyalty. This also applied to the collaboration with the workers' representatives who constructively participated in the decisions in the interest of the long-term safeguarding of jobs.

Stuttgart, Germany, May 2010



Horst Geidel
Chairman of the Supervisory Board

Supervisory Board

Horst Geidel, Chairman

Walther Zügel, Deputy Chairman

Klaus P. Bleyer

Hans-Joachim Daiber

Joachim E. Schielke

Hans-Joachim Schöpf

Armin Schuler

Jochen Wolf

Economic Situation in the Year Under Review Still Critical

Continued downturn in the auto industry

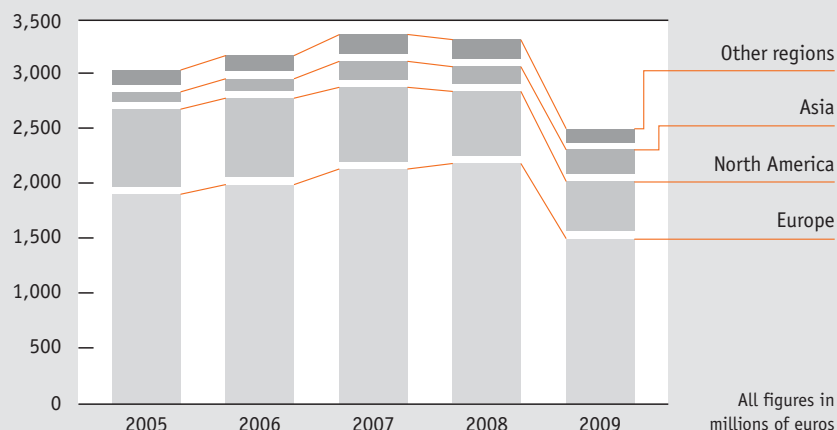
In 2009, global auto production fell by 12% to approximately 61 million units. Light vehicle production fell by around 12%. Truck production was down 30% on the previous year. In North America, around a third fewer automobiles were produced overall. Production in Western Europe was almost a fifth lower than the level in 2008, while in Eastern Europe production figures more than halved. Growth was only registered in Asia and Brazil.

Drop in demand resulted in considerable loss in sales

In the year under review, sales of the Behr Group dropped by 22.3% to 2,468 million euros, after adjustment for the sale of Behr Industry.

The international share of overall sales was 70%, about the same level as the previous year. Sales in Germany decreased by 33.0% to 722 million euros. In the rest of Europe, sales revenues stood at 792 million euros (-32.4%).

Behr Group Sales
2009 | 2,468 million euros



In North America sales reached 504 million euros, which was 22% below the previous year's figure. In the remaining regions, sales reached 176 million euros (-22.5%). Only Asia registered growth with sales of 274 million euros, which is an increase of 31.1%.

Negative economic trend hits all product divisions

Sales in the Air Conditioning Product Division dropped by 18.7% to 1,040 million euros. Sales of engine cooling products dropped to 1,181 million euros (-23.9%). The service business decreased by 13.7% to 226 million euros. The industrial technology business division was discontinued with the sale of Behr Industry. The industrial technology sales of other Group companies are included in the Engine Cooling Product Division.

Sharp decline in earnings

The global auto crisis and restructuring expenses led to a significant drop in earnings. The EBIT reached -191 million euros, which is 185 million euros below the previous year's figure (-6 million euros). Restructuring measures negatively affected the EBIT by 80 million euros. Earnings before taxes dropped from -70 million euros in the previous year to -235 million euros.

Drop in operating cash flow

We managed to limit the decline in operating cash flow to 79 million euros, or 45.5%. This was aided by the successful reduction in inventories and investments.

Reduced investment and R&D spending

We have reduced our investments in tangible assets from 185 million euros in 2008 to 97 million euros—a minus of 47.6%. We were able to achieve this through optimum utilization of existing production capacities. R&D expenditures came to 206 million euros (-18.9%). Thus, in the year under review, the Behr Group spent 8.3% of its sales revenue on the development of new and improved products. Due



to the low sales volumes this figure is slightly higher than the previous year's level.

Back in 2007, Behr launched the Development Efficiency and Excellence Project (DEEP) to leverage efficiency in development projects. Its major goals are more stable processes, increased transparency, and the avoidance of errors, duplicate effort, and unnecessary verifications. The most important measures include improvement of validation, the increased application of simulation, and the targeted development of our design standards.

Number of employees reduced further

As at December 31, 2009, the Behr Group employed a total of 17,071 staff worldwide. This constitutes a 9.3% drop, i.e. 1,741 fewer employees than on the cutoff date for the previous year. This reduction affected all Behr plants with the exception of our production sites in Asia.

Measures introduced to improve earnings take effect

We were able to implement measures to improve earnings across all company

divisions amounting to a total of 229 million euros. Our original target was thus comfortably exceeded. With our very disciplined approach to investments, inventories and receivables management, our net debt only increased from 479 million euros to 524 million euros.

Development of our subsidiaries and joint ventures in the core markets of Europe and USA

Europe

The requisite adjustments in development and administration in Europe are coupled with the further development of our **organizational structure**. The new structure took effect on June 1, 2009. It aims to create clearer accountability for costs and profit. In addition, it increases operational speed and efficiency, as interfaces are reduced, internal synergies are created, and similar know-how combined. In the context of implementation we are bundling

product lines, reorganizing the European plants, closing gaps in process chains, and centralizing administrative functions.

In fiscal 2009 sales of all plants of **Behr Germany** decreased notably. Overall sales revenue dropped to 722 million euros, which is a decrease of 33.0% year-on-year. The production figures also dropped. In the course of the year under review, we especially focused on optimizing the utilization of existing operating capacities – particularly through insourcing in the areas of plastics, fabrication shop, and machining. In addition, we focused on reducing inventories to decrease capital tie-up and to notably lower material costs and investments. We managed to lower some of the controllable costs by up to 50%, to improve utilization of capital-intensive areas of production, and optimize productivity and reject rates. The signing of a sustainable agreement with the works council and IG Metall allowed us to initiate the adaptation of

staffing levels in Development and Administration in Stuttgart. Since July 1, 2009, this location has been applying the “Safeguarding Jobs” collective agreement and, since December 1, has also been working short-time. This allows us to react with the required flexibility to both order fluctuations and downturns.

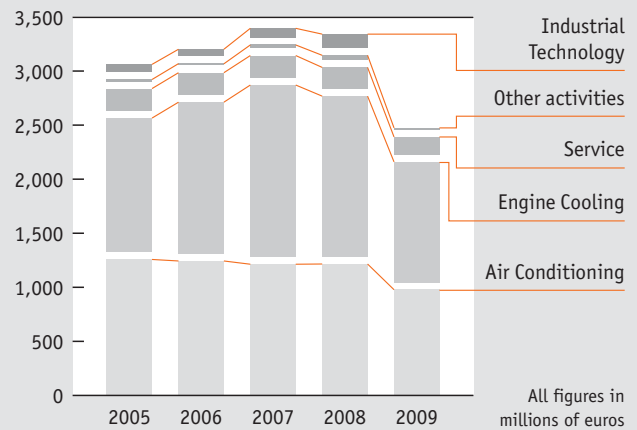
Despite a significant drop in sales, **Behr Kirchberg**, who produces truck HVAC modules, was able to generate positive earnings before restructuring expenses. Additional measures to boost efficiency are currently being prepared.

Behr Thermot-tronik (BTT), specialized in thermostatic control technology for the auto industry as well as industrial technology, recorded a 13.2% drop in sales. Above all, series production launches in the Czech Republic, Mexico, Italy, Korea and China generated business. The domestic products division was sold in the context of concentrating activities on the core business.

Sales in Growth Markets
2009 | 522 million euros



Sales by Product Division
2009 | 2,468 million euros



Behr Service supplies auto manufacturers and their sales centers with spare parts for air conditioning and engine cooling systems. In 2009, the company explored new business sectors in order to return to growth. These included retrofittable non-idle A/C systems, refrigerant recycling equipment for current and new refrigerants and production of aftermarket heat exchangers.

Behr Industry focuses on cooling and air conditioning systems for rail and special purpose vehicles, buses, ships, construction and agricultural machinery, as well as the aviation industry, and stationary heavy-duty engines. An additional business unit specializes in energy production, e.g. gensets and solar energy. In the context of concentrating on its core competencies, Behr sold the majority shares of Behr Industry to Mahle in early 2010. The sale is pending the approval of the antitrust authorities.

Our two Group companies in France, **Behr France Rouffach** and **Behr**

France Hambach, were also affected in 2009 by the negative trend in the international auto industry. Overall, sales revenue at Behr France declined by 18.7%. However, several new products for high-volume light vehicle models went into serial production.

At **Frape Behr**, the substantial drop in sales as well as the negative impact of one-off effects resulting from the closure of production in Barcelona affected profits. The launched restructuring measures showed initial results.

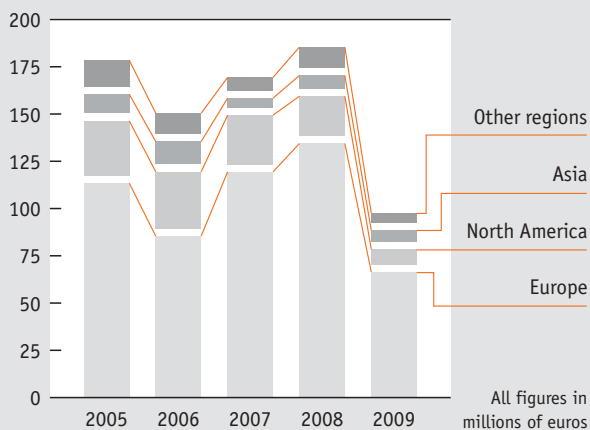
Our subsidiary **Behr Czech** had to contend with a 29.6% drop in sales in the year under review. The operational goals, including productivity, quality and logistics cost targets as well as inventory reductions, were achieved. In the current fiscal year, the company's activities will include further leveraging the skills of its employees and better public presentation of Behr as an attractive employer. This will secure the required resources to implement expected

growth. In addition, further process improvements are being planned.

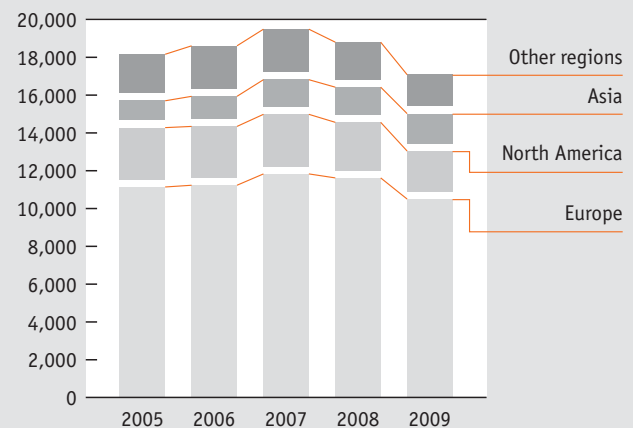
North America

The restructuring measures at **Behr America** made good headway in fiscal 2009. The main focus was on leveraging R&D efficiency as well as utilizing synergies within our global network. One example is the increased development cooperation with Behr Engineering Services, India. In Charleston, South Carolina, we were able to make considerable operational improvements with the aid, for example, of quality enhancing measures. In addition, restructuring of the production site in Dayton, Ohio, commenced in conjunction with focusing of production and partial relocation to Mexico. In the year under review, Behr America also successfully launched series products for mid-size and compact cars. Our US subsidiary was thus able to penetrate new market segments. The introduction of new products

Capital Expenditure in Fixed Assets
2009 | 97 million euros



Employees at Year's End
2009 | 17,071*



*Of which Behr Industry accounts for 864 employees

that lower fuel consumption and emissions additionally contributed to reinforcing the market position of Behr America.

In 2009, **Behr Mexico**, a subsidiary of Behr America, successfully handled a series of new product launches and introduced new production processes. Behr Mexico mastered these challenges through close collaboration with experts from the entire Behr Group. In fiscal year 2010, the company will once again face major tasks due to increasing production figures from further launches.

Growth markets

The development of the growth markets Brazil and Asia is the topic of the special section "Behr Worldwide" on pages 21 to 24.

Other regions

The slump in the automotive industry as well as the strong decline in demand for copper/brass radiators resulted in noticeable sales losses for **Behr South Africa**. However, the implemented restructuring measures proved successful. For example, the plant in Pretoria was sold as part of a management buy-out in early 2010.

Joint ventures with Hella and Plastic Omnium

We have consistently expanded our commitment in the market for

complete systems and modules in cooperation with renowned partners since 1999.

In 2009, **Behr-Hella Thermocontrol (BHTC)** was able to strengthen its leading position in the European market for electronic control heads and control units for vehicle air conditioning through new high-volume orders. In addition, the company inaugurated its own production plant in the US. Business in China developed very positively.

Our joint venture, **HBPO**, the world's only systems supplier that exclusively develops and produces frontend modules, concluded fiscal year 2009 successfully despite the difficult market conditions. Altogether, 3.2 million assembly units comprising lighting technology, engine cooling components, crash-boxes, electronics, locks, and bumpers were produced. This success was primarily fueled by new product launches. In 2010, HBPO will open two new plants in Rastatt, Germany and Kecskemét, Hungary. The company also wants to further expand its activities in Asia.

Behr Hella Service, our third joint venture with Hella, is one of the leading providers of spare parts for air conditioning and engine cooling for European vehicles. Its product range includes more than 6,000 items. In the year under review, the company expanded its business outside Europe and set the course for another exclusive sales partnership for thermal management products with AKG Thermotechnik International.

In addition, Behr Hella Service optimized its processes internationally and thus further increased its competitive stance. The projected earnings of the company were met.

Outlook

The market downturn seems to be over. However, we only expect a slight volume recovery in 2010. In view of the inevitable market recovery in the USA, Brazil, and China, and, in particular, due to a number of new production launches, Behr will generate more than 10% sales growth. As restructuring measures take effect in 2010, we will significantly reduce our losses. We have established clear priorities for the current fiscal year:

- Consistent further pursuit of cost reduction measures
- Successful implementation of restructuring in North America and Europe
- Minimization of capital employed
- Group refinancing
- Bolstering our equity

We want to achieve the latter by admitting an additional minority shareholder—within the framework of a capital increase—in the current fiscal year.

All these activities are geared to achieving a turnaround in 2011.

	Shareholding	Consolidation	Sales, consolidated (in millions of euros)		Change (in %)
			2008	2009	
Europe					
Behr GmbH & Co. KG	100%	Full	1,042	722	- 30.7%
Behr Kirchberg GmbH	100% ⁴	Full	120	60	- 49.8%
Behr Thermot-tronik GmbH ¹	100%	Full	103	89	- 13.2%
Behr Service GmbH ¹	100% ⁴	Full	174	145	- 16.9%
Behr Industry GmbH & Co. KG ^{1,5}	100%	Full	206	178	- 13.6%
Behr-Hella Thermocontrol GmbH ^{1,2}	50%	Proportionate	126	106	- 16.1%
HBPO GmbH ^{1,2}	33.3%	Proportionate	290	230	- 20.5%
Behr France Rouffach S. A. S. ¹	100% ³	Full	291	252	- 13.5%
Behr France Hambach S. A. R. L.	100% ⁴	Full	120	82	- 31.4%
Frape Behr S. A.	100% ⁴	Full	359	238	- 33.7%
Behr Czech s. r. o. ¹	100% ³	Full	348	245	- 29.6%
North America					
Behr America, Inc. ¹	100% ⁴	Full	529	398	- 24.7%
Asia					
Behr India Ltd.	60% ⁴	Full	46	45	- 2.9%
Behr Jinan Co., Ltd.	100%	Full	-	1	-
Behr-Toyo Engine Cooling Systems K. K. ²	50%	Proportionate	9	8	- 13.7%
Behr Korea, Inc.	100% ⁴	Full	1	6	+ 453.4%
Shanghai Behr Thermal Systems Co., Ltd. ²	50%	Proportionate	46	78	+ 69.3%
Dongfeng Behr Thermal Systems Co., Ltd. ²	50%	Proportionate	19	23	+ 22.6%
Shanghai Sanden Behr Automotive Air Conditioning Co., Ltd. ^{1,2}	17.5%	Proportionate	43	57	+ 33.1%
Other regions					
Behr Brasil Ltda.	100% ³	Full	163	122	- 24.9%
Behr South Africa (Pty.) Ltd.	100% ⁴	Full	135	99	- 26.3%

1 Including subsidiaries
2 Pro rata

3 Including shares held by Behr Verwaltung GmbH
4 Shares are held by Behr Holding International GmbH

5 Reported as a disposed business division for 2009

Market Position Remains Sound

High cost pressure continues

Due to the global financial and economic crisis, and the transformation of the auto industry, sales revenues in the Air Conditioning (-18.7%) and Engine Cooling (-23.9%) Product Divisions dropped considerably in the year under review. The price pressures in our industry remained high. This is why measures to lower costs in all

corporate divisions were given top priority in fiscal 2009.

Light vehicle and truck manufacturers placed fewer orders in the crisis year 2009 than in the previous year. Nevertheless, we were able to acquire many new projects and consolidate our sound market position. The recently launched battery cooling business unit received new concept and serial

	2008	2009	Change in %
Air Conditioning Sales (millions of euros)	1,279	1,040	- 18.7
Production (thousands of units)			
Heaters and HVAC units	7,556	5,993	- 20.7
Control heads and control units	6,508	6,634	+ 1.9
Condensers	6,979	6,127	- 12.2

Engine Cooling Sales (millions of euros)	1,552	1,181	- 23.9
Production (thousands of units)			
Radiators	6,475	5,952	- 8.1
Charge air coolers	5,083	3,950	- 22.3
Engine cooling modules	5,232	4,308	- 17.7
Oil coolers	4,661	3,440	- 26.2
Exhaust gas heat exchangers	1,249	932	- 25.4
Visco® fan drives	1,157	707	- 38.9
Frontend modules	3,142	2,716	- 13.6

development orders in 2009 from customers around the world.

Excellent customer relations with joint teams at all levels, our technical competence, product innovations, competitive prices, as well as a focused, clearly structured approach to selecting projects and quoting were key factors for successful acquisitions.

Successful production launches

On the basis of consistent front loading –the transfer of problem identification and solution to the early phases of the development process—we were able to further improve the efficiency of our production launches. The best example in this respect are the HVAC system and cooling module for the Porsche Panamera. Development of these sophisticated solutions remained within our cost targets and SOP proceeded smoothly.

The progress of the Development Efficiency and Excellence Project (DEEP) is also helping to leverage our competitiveness. For example, we have integrated analytical methods from the Six Sigma toolbox into our development processes. These methods allow us to clearly identify and permanently avoid errors.

Behr Engineering Services

Another factor supporting competitive development costs is the close cooperation of the engineers at the

US and European Behr development locations with our teams in India. Since 2000, Behr India has been providing engineering services for other Behr Group companies. At the end of 2009, Behr Engineering Services had approximately 100 members of staff. Commissioned by the R&D departments in the USA and Europe, they primarily conduct standard design and simulation tasks.

The collaborative project work across borders requires structured processes, detailed task descriptions, as well as a high degree of communication and mutual understanding. The team members are coached accordingly with the help of intercultural training. In addition, the staff of Behr Engineering Services receive intensive training

during on-site visits to the Behr R&D centers in Stuttgart, Germany and Troy, Michigan.

Effective tools for inventory reduction

Given the substantially diminished earnings situation, the reduction of inventories also remained one of our primary goals in the crisis year 2009. Despite the difficult environment, including greatly fluctuating customer orders and many supplier insolvencies, the Behr Group lowered its inventories by 61 million euros. At the same time, we were able to maintain our delivery reliability toward customers at a high level. To minimize inventory sustainably, the Behr plants are in-



In late 2009, we concluded the Behr Quality Drive (BQD) project that was launched in 2005, but the associated measures continue to be applied. With the aid of the Six Sigma method, product divisions and plants can now solve even complex

problems. To date, a total of 120 employees from around the world have completed the Six Sigma training course. They help us on a daily basis to ingrain the method in our organization. BQD continues to steadily raise the awareness of high-quality products and stable processes within the company.

creasingly using the analysis and planning tool value stream mapping. The objective of this method is to keep the intermediate inventories along the entire value-added chain, from delivery of the raw materials to the finished products, as low as possible. Its key elements are timely preview planning and inventory range analysis, optimization of supplier lot sizes, and determination of the optimal delivery concept, as well as the reduction of production leadtimes.

The application of value stream mapping was stepped up in the year under review. Interdisciplinary teams from Procurement, Development, Logistics and Production work closely together to minimize inventories, despite the often complex international flow of goods and customer requirements regarding JIT and JIS deliveries. Modern software tools support the process in a fully automated manner. For example, our customer Audi uses an eKanban application to inform the relevant production line at the

Behr plant in Neustadt, Germany of its need for HVAC systems. At the plant, the software calculates the required material for the production and the corresponding supplier needs. This means that the inventories at Audi control our value-added chain at the plant and with respect to our suppliers. This allows us to produce in close synchronization with our customers. At the same time, the local proximity to Audi keeps inventories low for both Behr and our customer.

Patented hot-paint fluxing cuts costs

In the year under review, we introduced what is known as hot-paint fluxing to the production process of indirect charge air coolers for trucks. This new technology has helped us to substantially lower the amount of flux required for brazing. In addition, the hot-paint fluxing process requires considerably less energy.

New organization has positive effects

Implemented on June 1, 2009, the change to the organizational structure in Europe expedited our processes and facilitated the strict prioritization of activities, which proved particularly important during the crisis year. The Air Conditioning and Engine Cooling Product Divisions now bear the entire responsibility for product development—from Advanced Engineering to Production. Notable improvements resulted in part from the closer cooperation of different R&D locations such as Stuttgart, Germany and Rouffach, France. The closed process chain has sustainably improved the quality of the production launches at our plants. The joint successes motivate the teams.

Clear Priorities

Fewer investments in R&D

In 2009, Behr invested 206 million euros in R&D. This is 18.9% less than in fiscal year 2008. Even more consistent prioritization and further streamlining of processes cushioned the effects of the budget cuts and the reduction in working hours. Targeted insourcing of previously externally commissioned tests as well as the utilization of public funds for basic research projects further contributed to reduced costs.

Despite the difficult environment, we were able to further strengthen our leading technology position. Committed employees, a clearly structured innovation process, and systematic investments were key factors contributing to this success.

Cutting consumption and emissions

Downsizing of gasoline engines—the reduction of displacement volume while maintaining consistent engine performance—has become the predominant method for improving fuel economy across all light vehicle segments. Downsizing is achieved by turbocharging and charge air cooling. In the year under review,

we further increased our lead in the field of charge air cooling and now offer our customers solutions for engine-mounted charge air coolers or coolers integrated directly into the intake system.

Cooled exhaust gas recirculation (EGR) in diesel engines is already contributing significantly to compliance with strict emission standards. In future, EGR will also play an increasingly significant role in gasoline engines, where it is used to reduce fuel consumption. By carrying out system evaluations with regard to savings potential, and developing components, in the year under review we have prepared the market launch.

For truck applications, Behr offers innovations such as the air-cooled EGR cooler for two-stage exhaust cooling, as well as indirect charge air cooling for two-stage charging, to reduce pollutant emissions.

Exhaust energy recovery in trucks

When future climate protection legislation takes effect, the utilization of exhaust energy as a method to lower CO₂ emissions will become increasingly significant. Therefore, in

2009 a major focus was on developing concepts for exhaust energy recovery. This technology segment, which is new to the auto industry, offers Behr additional sales potential, for example through new heat exchangers required by these systems.

Air conditioning: focus on comfort and economy

Development efforts in the Air Conditioning Product Division aim to provide optimum climate comfort while minimizing A/C system-induced fuel consumption. Vehicle manufacturers' demands for improved fuel economy again increased in the year under review. We are meeting these needs with new heat exchangers and circuit concepts. All individual measures that increase the efficiency of A/C systems are pooled under the name of ECO-A/C®.

The comfort demands of drivers are also continuously increasing. In addition to thermal and acoustic comfort, air quality is gaining in importance. With the Behr Oxal® evaporator coating technology and products for ionization and fragrance diffusion, we offer a complete range of solutions for enhancing the air quality in the vehicle cabin. Serially produced since 2006, Behr Oxal® reduces microorganism growth on the evaporator and thus prevents unpleasant odors. In 2009, we advanced the market launch of the efficiency enhanced antimicrobial coating Behr Oxal nano®.

Serial production of our integrated air quality module with ionization and scenting commenced in fall 2009, marking the successful launch of this future-oriented segment.

New refrigerant for A/C systems

From 2011, the EU prohibits the currently used refrigerant R134a in new vehicle types. Behr is prepared for the changeover with appropriately enhanced heat exchangers designed for the new refrigerant.

Thermal management for electric and hybrid vehicles

Cooling of temperature-sensitive Li-ion batteries in electric and hybrid vehicles represents a new and attractive business area for Behr. We began developing initial concepts

in 2005. In 2009, we introduced the world's first serially produced A/C-refrigerant cooled cooling plate for Li-ion batteries for the battery of the Mercedes-Benz S 400 BlueHYBRID.

Battery cooling combines expertise from traditional engine cooling with vehicle air conditioning requirements. It also demands specialized knowledge, for example in electrochemistry. The industrialization of the battery cooling plate therefore did not take place within the established Behr product divisions, but in a separate product center especially created for this new business sector.

The thermal management market for electric and hybrid vehicles is highly diversified. No technologies and standards have been established yet. Thus in 2009, our work in this sector was dominated by extensive advanced engineering activities.



SPECIAL FOCUS

ECO-A/C® – improved efficiency for air conditioning systems.

Over the past ten years, the fuel consumed by A/C systems was reduced by 25%. By 2012, a further reduction of at least 20% is feasible. To achieve this ambitious goal, Behr engineers

are working on many individual measures—such as performance-optimized components and innovative control concepts from BHTC that further reduce the energy consumption of the A/C system.

Employment

Adjusted to the Order Situation

Almost 10% fewer employees worldwide

By the end of the fiscal year 2009, the Behr Group employed a total of 17,071 staff – which is 1,741 less than on December 31, 2008. The reduction affected all Behr locations in Germany and abroad, except for Asia. At the end of 2009, staff numbers in Germany totaled 6,516, which is 7% less than in 2008. In terms of full-time equivalents, the reduction in Germany amounted to as much as 16%, or 23% overall, compared to the peak level recorded in August 2008. This figure reflects the effectiveness of short-time working measures and other instruments employed to enhance flexibility. In Asia, employee numbers rose slightly in the period under review against the general trend.

All HR adjustment methods applied

Numerous measures were implemented to adjust the employment numbers in the most socially acceptable manner. These included, for example, not filling vacated positions, severance, early retirement and partial retirement programs, as well as temporary work hour reductions. This helped to prevent a higher reduction.

Measures in Development and Administration in Stuttgart

As of July 1, 2009, under the “Safe-guarding Jobs” collective agreement, working hours and remuneration in both these divisions were initially reduced to 28 hours. Starting in December of the year under review and up to no later than November 30, 2011, short-time work was implemented. Following in-depth preliminary talks, negotiations with the works councils and IG Metall concerning the restructuring of production in Germany commenced in late January 2010.

Personnel development remains at high level despite crisis

In 2009, Behr adjusted staff development measures to the difficult economic situation. However, we are aware that we must act with a view to the future even in difficult times. For this reason, leadership and communication training remained at the top of our staff development efforts. For example, in fiscal 2010, we are using the short-time working hours to implement a variety of measures to further enhance employee skills. Similar to many other companies, we will benefit from public funding for these activities.

Apprenticeship remains a focal part of HR policy

As a socially responsible company that recognizes the need for skilled young professionals as a prerequisite for returning to sustained growth, the training of new graduates continues to be of great importance to us. For this reason, by the end of 2009, we had prepared approximately 170 trainees and graduates of dual degree programs to launch their professional careers.

Behr currently offers committed and exceptionally motivated young people a total of 24 training programs. These include, for example, the new professional program for warehouse logistics specialists at our Mühlacker plant. With this offer, focused at a single location, we are strengthening our new needs-based strategy. In the future, Behr will focus more on training young people depending on the particular requirements of the respective plants.

Continuing search for young talent

In the year under review, our activities continued to market career opportunities with Behr to students and new graduates. We are proud that even in the economically difficult year under review, Behr continued to rank among

the companies preferred by college and university students for launching their careers. Behr will continue to provide interns and university graduates the opportunity to receive hands-on training.

Excellent opportunities for international careers

Global growth with new products that reduce fuel consumption and emissions or increase comfort for example, will play a key role and is crucial to our future. That means that we are in continual need of employees who are ready to communicate their know-how

and the Behr Culture to our international locations. These assignments benefit both the seconded employee and the companies on location.

Future prognosis

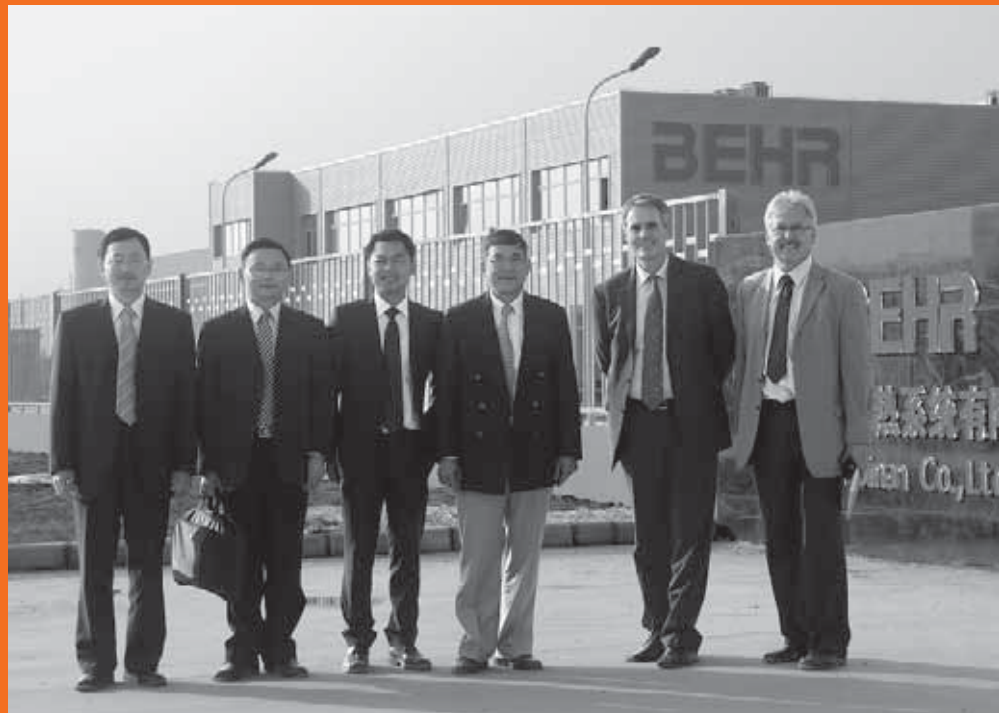
In the current fiscal year, we will continue to implement the measures agreed upon in 2009 to restructure our locations in the USA and Western Europe. Unfortunately, this will require some staff reductions. In selective cases, however, we will adjust the numbers of employees to the expected slight growth. This will chiefly apply to our locations in Asia.



Warehouse logistics specialist – a new apprenticeship career at Behr. The tasks within our company are increasingly complex. Consequently, we are acting with a view to the future and preparing our young specialists for their future tasks

with the help of individual training programs tailored to tomorrow's needs. For example, the trainees in warehouse logistics learn how to use logistics software and handle logistics performance indicators.

Opportunities in Growth Markets



At the new Behr plant in Jinan, China, an international team prepared the launch of production. Since early 2010 the location has been producing engine cooling systems for heavy trucks.

The automotive economy in Behr's key markets of Western Europe and the USA will not recover its former strength within the foreseeable future. However, in countries such as Brazil, India, China, and Turkey the sector is headed toward sustained growth. With our globalization strategy we are well prepared for this development and we will further expand our global activities.



Our production figures in India are constantly rising.

Behr India's customer list includes a growing number of well-known national and international automakers. In the year under review, we were able to lower costs and increase the profitability of our joint venture with the Indian auto supplier Anand Automotive Systems. Further sustained growth of Behr India is expected.

Asian auto production continues to grow

In the fiscal year 2009, Asia's share of global auto production rose to 50%. Not only is demand continually increasing in this region, export rates are also on the rise. In addition, our Asian customers are increasingly installing Behr products in vehicles produced outside Asia—for example in the USA.

Strong partnership in India

The Indian auto market is also developing positively. The country already ranks as the ninth largest manufacturer globally and is the world's fourth largest auto exporter. We are benefiting from this trend through our joint venture with Anand Automotive Systems, Behr India, which was established in 1997.

Affordable, fuel-efficient compact cars are in high demand on the domestic market and are also increasingly being exported. In addition, international manufacturers are opening their own production sites in the booming country. Market researchers predict strong continued growth until at least 2014. Together with our local partner, we are producing the HVAC module for the Tata Nano, India's new "people's car". This constitutes another crucial step toward also establishing Behr as a key player in the low-cost vehicles sector. To meet the high demand for HVAC modules for the Nano, we opened a new plant at the Tata Vendor Park in the Indian city of Sanand in March 2010.

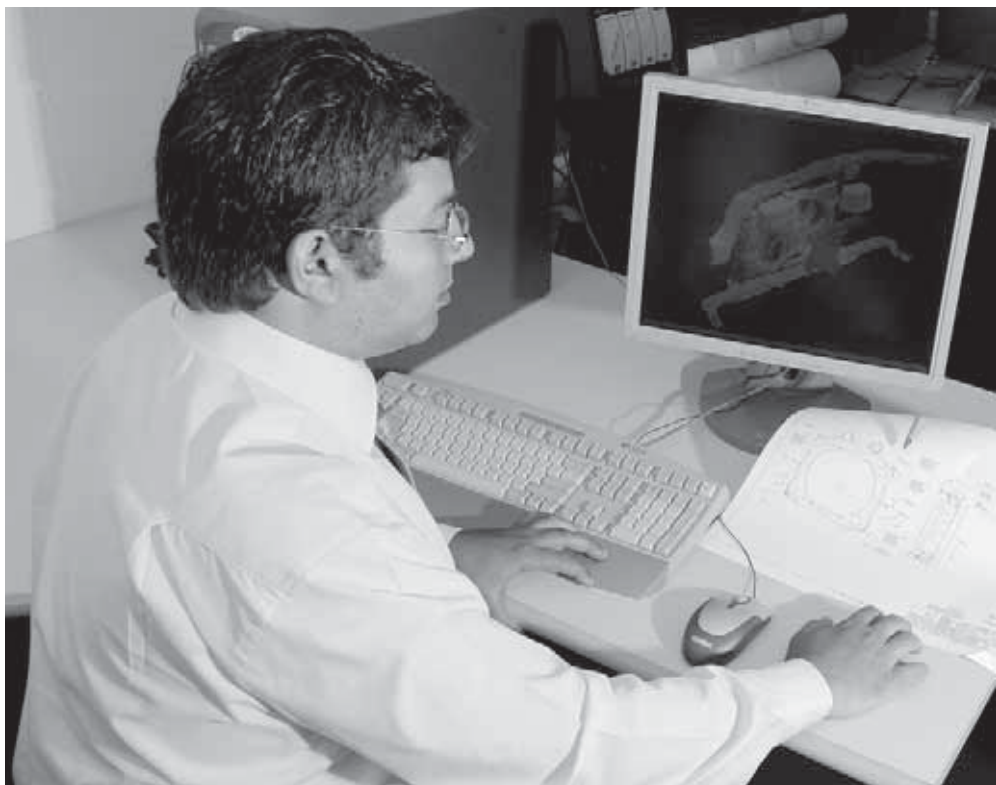
For the past few years, we have also been expanding Behr Engineering Services in Pune, India. Over 100 employees today handle standard design and simulation services for our development departments in the USA and Europe. They are thus substantially contributing to keeping our development costs competitive.

Presence in China since 2003

Behr was quick to recognize the strategic importance of the Chinese market for its operations. In 2003 and 2004, we set up Shanghai Behr Thermal Systems (SBTS), Shanghai Sanden Behr Automotive Air Conditioning (SSB) and Dongfeng Behr Thermal Systems (DBTS) in cooperation with Chinese partners. Behr-Hella Thermo-control, manufacturer of control heads and ECUs for auto A/C systems, and Behr Thermostat-tronik, a specialist for thermostatic control devices, have also been active in China since 2004 and 2008, respectively. In addition, at the turn of the year 2009/2010, Behr Jinan, the first fully-owned Behr company in China, took up operations. The new plant produces engine cooling systems for heavy trucks. For 2010, market experts predict growth of 12 to 15% and the production of approximately 15 million vehicles. This positive trend is expected to continue.

First activities in Korea

Korea is another region offering us growth potential. Becoming active in this country is a key part of our strategy of leveraging our business



R&D continued to be a focal issue for Behr in 2009 – as can be seen here at Behr Brazil.

In late October 2009, we opened a new Technology Center in Arujá, Brazil. With its extensive performance spectrum, including simulation, prototype construction, and mechanical testing, the “Centro Tecnológico” strengthens the position of Behr Brazil in the competition for new air conditioning and engine cooling projects.

with Asian customers and in Asian markets. In 2009, our subsidiary Behr Korea began developing and selling products for air conditioning and engine cooling.

Ambitious goals for the Brazilian market

In Brazil, only one in seven of its approximately 192 million

residents owns a vehicle. With its huge local market, coupled with a strong financial system and a positive trade balance, the country is an attractive production site for the international auto manufacturing industry. All the international automakers and, accordingly, many suppliers are represented locally. Brazil currently ranks number six among the world’s largest auto manufacturing countries.

Behr is already Brazil's leading supplier of engine cooling systems for trucks. Over the past few years, we have also markedly increased our market share for engine cooling for light vehicles. Our aim is to strengthen our leading position in the truck market and to further expand our position in the light vehicle sector.

First Behr activities in Turkey

In recent years, Turkey has evolved into a key region for the European auto and supplier industry and constitutes an important bridgehead to the markets of the Middle East and neighboring countries.

In early 2010, we signed an agreement with the Turkish auto supplier Kale Oto Radyatör to found a joint venture. The new company sells engine cooling systems for trucks and light vehicles in Turkey. With this step, Behr is responding to the fact that several customers already manufacture in Turkey and plan to further expand these locations. The local market also offers us interesting potential. The foundation of the joint venture is pending the approval of the Turkish antitrust authorities.

Our global network

Europe

- Behr GmbH & Co. KG
- Behr Kirchberg GmbH
- Behr Thermot-tronik GmbH
- Behr Service GmbH
- Behr Industry GmbH & Co. KG
- Behr France Rouffach S. A. S.
- Behr France Hambach S. A. R. L.
- Frap Behr S. A.
- Behr Czech s. r. o.

North America

- Behr America, Inc.
- Behr Mexico, S. de R.L. de C.V.

Asia

- Behr Japan K. K.
- Behr Asia-Pacific Management (Shanghai) Co., Ltd.
- Behr Jinan Co., Ltd.
- Behr Korea Inc.

Other regions

- Behr Brasil Ltda.
- Behr South Africa (Pty.) Ltd.

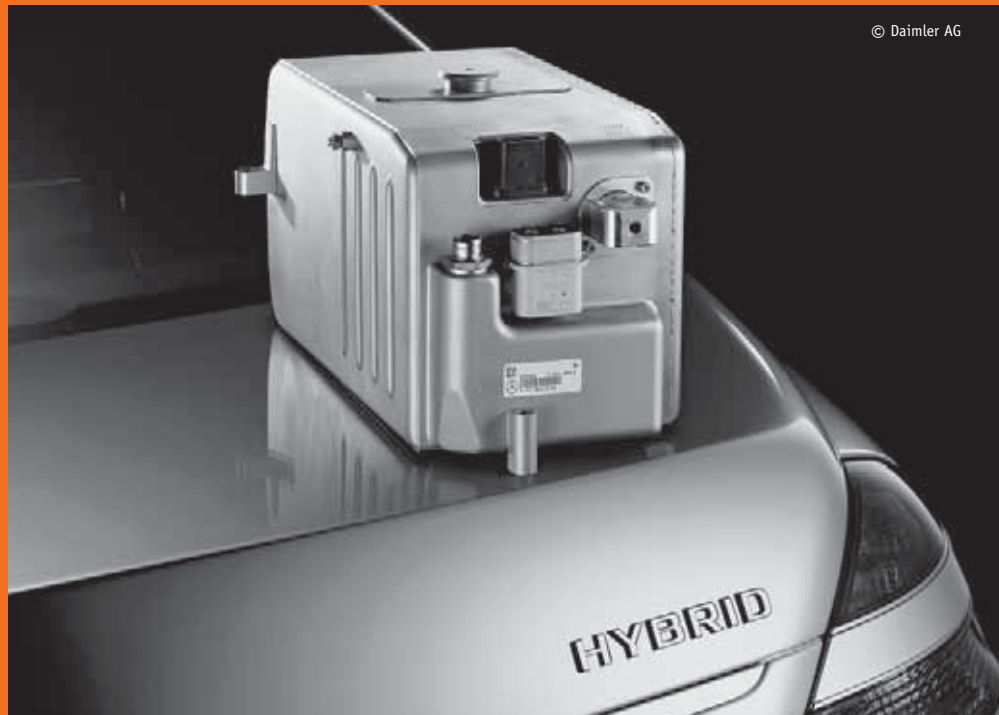
Joint Venture Companies

- Behr-Hella Thermocontrol GmbH
- HBPO GmbH
- Behr Hella Service GmbH
- Behr India Ltd.
- Behr-Toyo Engine Cooling Systems K. K.
- Shanghai Behr Thermal Systems Co., Ltd.
- Dongfeng Behr Thermal Systems Co., Ltd.
- Shanghai Sanden Behr Automotive Air Conditioning Co., Ltd.

Customer Support Centers

- Munich, Germany
- Wolfsburg, Germany
- Gothenburg, Sweden
- Paris, France
- Turin, Italy
- as well as at all subsidiaries and joint venture companies

Technology for Tomorrow's Vehicles



Battery cooling for the Mercedes-Benz S 400 BlueHYBRID

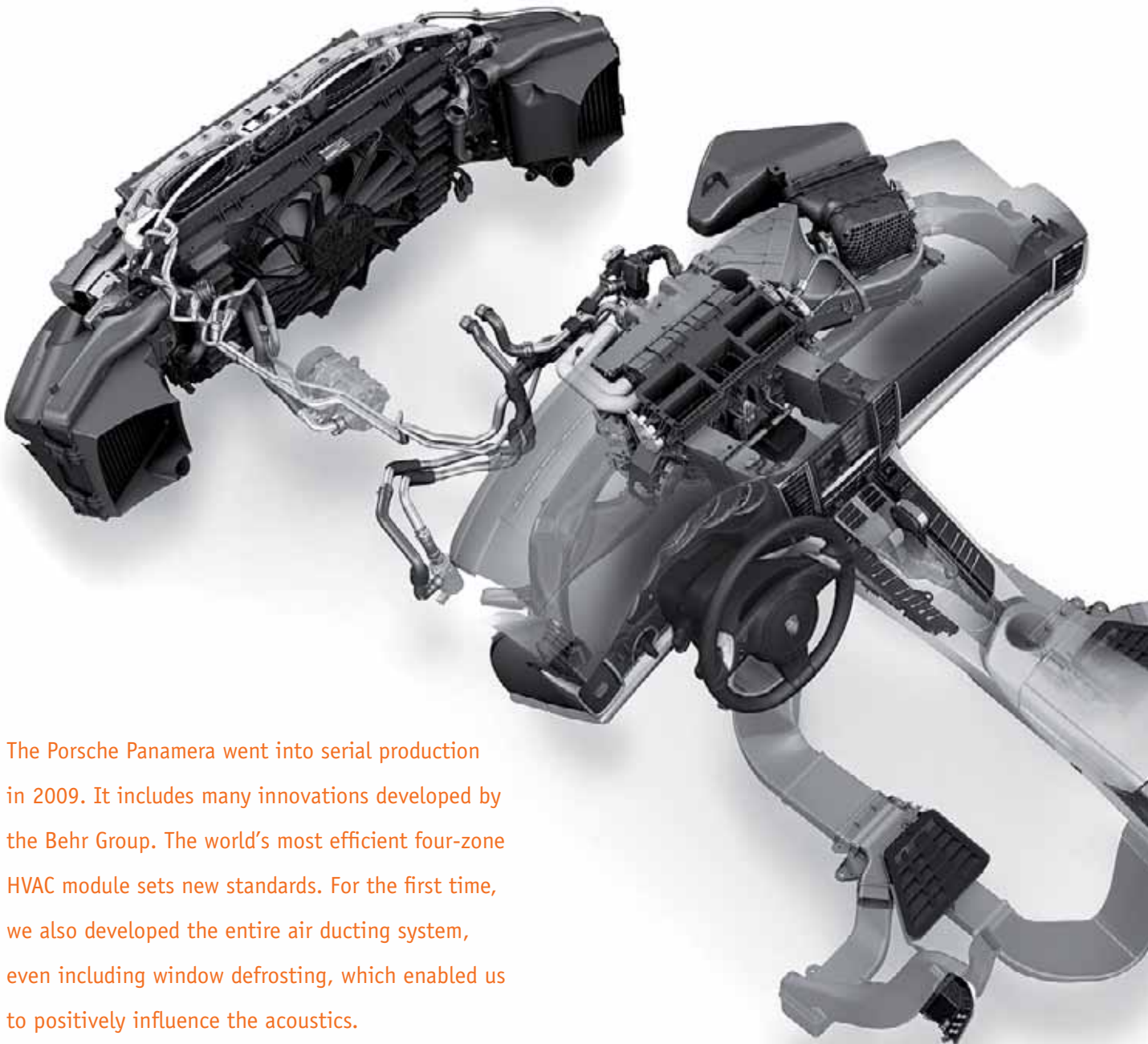
Behr is a leading systems partner for the international auto industry. Our thermal management solutions help light vehicle and truck makers to reach their development goals. Whether heavy trucks, luxury sedans, SUVs, vans, mid-sized, compact or subcompact cars, whether gasoline, diesel or hybrid engines—we develop innovative, optimally harmonized concepts for all vehicles.

Systems competence in thermal management

The Porsche Panamera features many examples of Behr expertise: For this sports sedan we have developed the world's first four-zone climate control

system with temperature and air mass flow management in a single device – no additional rear HVAC module is required. Behr also developed the cabin air ducting, the refrigerant and heating circuits as well as the engine and powertrain cooling module.

Behr-Hella Thermocontrol (BHTC) developed the climate control system including the control head, while HBPO provided the frontend module. In cooperation with Dräxlmaier, Behr and BHTC were also closely involved in the integration of the cockpit.



The Porsche Panamera went into serial production in 2009. It includes many innovations developed by the Behr Group. The world's most efficient four-zone HVAC module sets new standards. For the first time, we also developed the entire air ducting system, even including window defrosting, which enabled us to positively influence the acoustics.

Sustainable mobility

Sustainable mobility is a major development driver in all light vehicle and truck sectors. Thermal management by Behr helps vehicle manufacturers to comply with increasingly strict emission directives, utilize energy more efficiently, and thus lower fuel consumption and CO₂ emissions.

To meet these increasing demands, cooling systems and their controls are becoming increasingly complex. We have complemented the thermostats optimized by Behr Thermot-tronik with a series of infinitely variable pumps and valves to provide the precise cooling output required for every operating point. In light vehicles, accurate thermal management is particularly important during the warm-up phase

to provide all powertrain components with the correct amount of heating or cooling at the right time.

Trucks: Sights set on the Euro VI emissions standard

The European Union first specified emissions limits for heavy trucks in 1992. Since then, the values for nitrogen oxides (NO_x) have been lowered by 75% and those for particulates by 94%. In 2013, the Euro VI standard will take effect. It stipulates a further reduction of emissions. In the USA and Japan the legislative requirements for pollutant emissions are also becoming more stringent. Behr's concepts for cooled EGR and indirect charge air cooling are helping to meet the Euro V emissions requirements for trucks without additional costly exhaust aftertreatment such as selective catalytic reduction (SCR). In addition, our innovative solutions are flexibly applicable and offer good potential for further development to meet Euro VI.

When the Euro VI standard takes effect vehicle cooling requirements will be even stricter. Consequently, we are working on further enhancing component design for radiators, charge air coolers and fans to increase their power density and durability.

High-performance Visco® fans

Behr is the market leader in engine cooling for trucks. Our high-performance Visco® fans play a key role in this. In view of the increased requirements for Euro VI trucks, we promoted

the development of new Visco® fan drives in the year under review. In addition, we offer the ERS 350, the most powerful Visco® fan drive on the market.

Another innovation in the Visco® sector is the infinitely variable coolant pump. This pump marks the penetration of a new market segment for Behr and offers additional sales potential.

Light vehicles: downsizing on the increase

The downsizing of gasoline engines in light vehicles will gain in momentum. This will result in an increase in smaller turbocharged gasoline engines and a growing proportion of indirect charge air coolers. In hybrid vehicles, the low-temperature circuit required for indirect charge air cooling will assume additional cooling functions.

Electrification requires integral thermal management

The electrification of the powertrain will increase further – up to a completely electric vehicle. While electric components, which have optimum working temperatures of 60°C, can be cooled using a secondary low-temperature circuit, conventional engine cooling is stretched to its limits by a Li-ion battery, which has an optimum core temperature of 40°C. As a result, it is necessary to connect the battery cooling to the vehicle's A/C system. This creates a link that couples two independent systems. The implementation of such integral



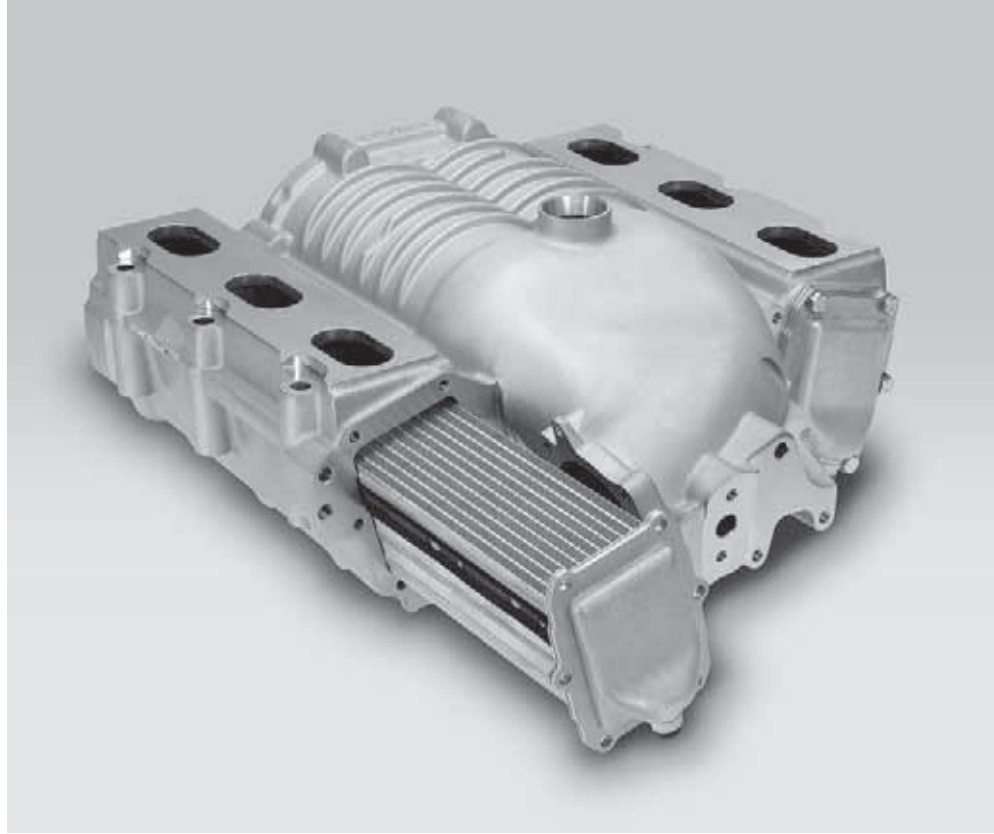
systems requires comprehensive thermal management expertise, which we pool at the Behr Technology and Methods Center.

The Technology and Methods Center also houses development projects geared to further enhancing energy efficiency, e.g. the utilization of exhaust heat for the generation of electrical power for batteries in hybrid and electric vehicles. The numerous advanced engineering projects are publicly funded and our engineers work in close cooperation with institutes, universities and research facilities.

Diverse air conditioning solutions

In the Air Conditioning Product Division, Behr not only offers an extensive range of products, but also develops air conditioning solutions for all categories of vehicles. Our A/C systems for the premium segment set standards in thermal and acoustic comfort. The sophisticated solutions put into serial production in the year under review include an ultra-compact HVAC module that offers optimum climate comfort in a very small packaging space. For applications in subcompact cars, we are working on the development of an "easy-to-use" HVAC module.

In hybrid vehicles, the air conditioning competes with the drive system for battery energy. This requires new



Indirect charge air cooler integrated into the intake system of a premium-class vehicle

In 2009, we initiated the serial production of many new indirect charge air coolers and thus strengthened our strong position in this growth market. Behr is the first manufacturer to supply charge air coolers for low-pressure exhaust cooling. These components meet the high demands of corrosion resistance.

concepts to boost the efficiency of A/C systems. Full hybrids and electric cars also have stricter acoustic requirements because the background noise of the combustion engine is eliminated

entirely when driving electrically. We are meeting these requirements with a new generation of blowers and numerous individual measures in the HVAC system.

Notes on the Annual Statements of the Behr Group

As of December 31, 2009, the Group's **balance sheet total** decreased by 8.5% to 1,862 million euros (2008: 2,034 million euros).

Investment volume that fell below depreciations and the reclassification of disposed business divisions resulted in a drop in **fixed assets** to 917 million euros (2008: 1,037 million euros). Capital expenditure in fixed assets throughout the Group in the year under review was 97 million euros (2008: 185 million euros). With the exception of a few Asian subsidiaries, the reduced capital expenditure in fixed assets was accomplished throughout the entire Group by stringent investment controlling.

The **short-term assets** decreased by 17.7% to 765 million euros (2008: 929 million euros), which was primarily due to the drop in trade receivables, cash and cash equivalents, as well as the substantial decline of inventories. Inventories decreased as of December 31, 2009, from 308 million euros to 247 million euros. The overall effect on the short-term assets from disposed business divisions was 58 million euros.

On December 31, 2009, **equity** (previous year: equity and the long-term capital provided by partners and other shareholders) stood at a grand total of 238 million euros (2008: 450 million euros). This

capital includes hybrid funds of 99 million euros, which, according to IFRS standards, count as equity. At 12.8%, the equity ratio is below that of the previous year.

The **remaining liabilities** (provisions, liabilities) stood at 1,588 million euros, which is nearly the same level as in the previous year (2008: 1,584 million euros). The reduction from the reclassification of the disposed business divisions was more than compensated for, primarily by higher trade payables.

In fiscal 2009, the Group posted **sales** of 2,468 million euros, corresponding to a decrease of 25.9% over the previous year (2008: 3,332 million euros). Adjusted to exclude the disposed business divisions, the drop in sales was 22.3%. **Total output** decreased to 2,530 million euros (2008: 3,409 million euros, adjusted to exclude disposed business divisions: 3,251 million euros).

Material expenses amounted to 1,593 million euros (2008: 2,164 million euros), which corresponds to 63.0% of the total output. The material expenses as a percentage of net sales were reduced by lower raw material costs compared to the previous year.

Personnel expenses decreased by 10.0% to 664 million euros (2008:

738 million euros). Adjusted for restructuring costs and disposed business divisions, the decrease stood at 13.0%. This represents 26.3% of the total output, which is an increase from the previous year (2008: 21.7%) mainly due to sales. On December 31, 2009, the Behr Group employed a staff of 17,071, i.e. 9.3% less than at the end of 2008.

In 2009, **depreciation** increased, primarily due to an increase in depreciation on capitalized development services, to 197 million euros (2008: 190 million euros).

The **financial results** show an expenditure balance of 43 million euros (2008: 64 million euros), influenced mainly by lower interest costs and currency exchange losses in 2008.

Group **earnings before taxes** (EBT) were -234.5 million euros (2008: -69.6 million euros). The result was primarily influenced by the drop in volumes as well as the expenses for restructuring measures. The cost savings from Project 2010 partially compensated for the earnings effects from lower sales and the restructuring costs. The return on sales stood at -9.5%, which is below the previous year's figure (2008: -2.1%).

Balance Sheet for the Behr Group

(Summary of the statutory annual statements)

Assets	12/31/2008	12/31/2009
Long-term assets		
Fixed assets		
Intangible assets	300.7	294.8
Property, plant and equipment	727.2	614.5
Financial assets	9.1	7.7
	1,037.0	917.1
Other assets	68.0	75.4
	1,105.0	992.5
Short-term assets		
Inventories	308.2	247.2
Trade receivables	358.6	314.4
Other assets	87.2	74.9
Cash and cash equivalents*	174.8	128.5
	928.8	765.0
Assets and disposal groups classified as held for sale		104.2
Balance sheet total	2,033.8	1,861.6
Liabilities and equity	12/31/2008	12/31/2009
Equity (previous year: equity and long-term capital provided by partners and other shareholders)	450.4	237.8
Long-term provisions and other long-term liabilities		
Provisions	149.6	108.1
Bank liabilities	493.4	422.0
Other financial liabilities	39.4	33.4
Other liabilities	143.7	172.8
	826.1	736.3
Short-term provisions and other short-term liabilities		
Provisions	63.1	105.4
Bank liabilities	159.2	237.2
Other financial liabilities	10.6	13.5
Trade payables	268.2	293.4
Other liabilities	256.2	202.2
	757.3	851.7
Debts immediately related to the assets listed as held for sale		35.8
Balance sheet total	2,033.8	1,861.6

All figures in millions of euros

* Only means of cash and cash equivalents in accordance with IFRS

Profit and Loss Statement for the Behr Group

(Summary of the statutory annual statements)

	2008	2008 *	2009
Sales	3,332.4	3,176,5	2,467.8
Changes in inventory	- 23.9	- 23.4	- 13.9
Other own work capitalized	100.7	98.3	76.0
Total output	3,409.2	3,251.4	2,529.9
Other operating income	123.6	123.0	68.4
Total operating income	3,532.8	3,374.4	2,598.3
Material expenses	2,164.2	2,083.1	1,593.1
Personnel expenses	738.4	700.1	664.2
Depreciation	190.2	182.5	196.9
Other operating expenses	446.0	421.7	335.3
Total operating expenses	3,538.8	3,387.4	2,789.5
of which restructuring costs	2.7	2.7	79.7
EBIT	- 6.0	- 13.0	- 191.2
Financial results	- 63.6	- 60.0	- 43.3
Earnings before taxes (EBT)	- 69.6	- 73.0	- 234.5

All figures in millions of euros

* For comparative purposes excluding disposed business divisions

Accounting Principles

Accounting Principles

For fiscal 2009, as in the previous year, Behr GmbH & Co. KG prepared the Group's annual statements according to the International Financial Reporting Standard (IFRS).

Scope of Consolidation

Behr GmbH & Co. KG and the companies listed in the overview on page 13 have been included in the Group's annual statements, with the respective method indicated for each.

