UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 30, 2011

AMERIGON INCORPORATED
(Exact name of registrant as specified in its charter)

Michigan	**0-21810**	**95-4318554**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

21680 Haggerty Road, Ste. 101, Northville, MI	**48167**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (248) 504-0500

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the follow provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 250.13e-4(c))

Item 8.01 Other Events.

PENDING ACQUISITION OF W.E.T. AUTOMOTIVE SYSTEMS AG

Description of the Acquisition

On February 28, 2011, we and our wholly-owned subsidiary Amerigon Europe GmbH ("Amerigon Europe") entered into a Share Sale Purchase Agreement (the "SPA") with Indigo Capital LLP in its capacity as manager for both Indigo Capital IV LP and ICWET LP ("Indigo") and Industrie-Beteiligungs-Gesellschaft mbH ("IBG"), pursuant to which Amerigon Europe has agreed to purchase all of the shares of common stock in W.E.T. Automotive Systems AG ("WET") directly or indirectly owned by each of Indigo and IBG at a purchase price of €40.00 per share, for a total purchase price of approximately € 92,000,000. The shares owned by Indigo and IBG, together with shares currently held in treasury by WET, represent approximately 75.58% outstanding voting rights in WET. Indigo and IBG have agreed to sell their shares to us by tendering such shares pursuant to the WET Tender Offer (as defined below).

Simultaneous with the execution of the SPA, we and Amerigon Europe also entered into a Business Combination Agreement (the "BCA") with WET setting forth the terms and conditions under which Amerigon Europe is required to launch a tender offer in Germany for all of the outstanding shares of WET (the "WET Tender Offer") as well as the terms and conditions governing and WET's conduct prior to and after the closing of the WET Tender Offer. Among other things, the BCA provides that WET shall continue to be operated as a separate business and remain a separate legal entity and subsidiary of Amerigon Europe, including following completion of the WET Tender Offer, unless certain conditions are satisfied. In addition, WET management shall remain substantially unchanged up to and until the occurrence of certain conditions specified in the BCA. Moreover, upon the occurrence of such conditions, the current chief executive officer of WET shall be appointed to the board of directors of Amerigon, subject to compliance with applicable law. A description of the SPA and BCA is set forth in, and a copy of the SPA and BCA are attached to, Amerigon's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 28, 2011 (which is incorporated herein by reference). We are filing this Current Report on Form 8-K to provide certain supplemental information regarding the acquisition of WET (the "Acquisition").

In connection with the execution of the SPA and the BCA, Amerigon Europe is required to file a tender offer document with the German Financial Supervisory Authority, stating the terms of the WET Tender Offer for the outstanding shares of WET and certifying as to the availability of secured financing to complete the WET Tender Offer. Amerigon Europe has filed such tender offer document with the German Financial Supervisory Authority; however, Amerigon Europe has not yet filed a required exhibit to such document from a recognized financing authority that certifies that Amerigon Europe has secured financing in an amount sufficient to complete the Acquisition (which such financing will be comprised of proceeds from a new credit facility entered into with a syndicate of Banks including Bank of America, N.A., an equity offering and our cash), assuming all shares of WET are tendered pursuant to the WET Tender Offer. If Amerigon Europe does not file such financing confirmation with the German Financial Supervisory Authority prior to the end of its statutory review period which is on or about April 11, including because it is unable secure the necessary financing, Indigo may terminate the SPA. In addition, if applicable antitrust approval is not received by May 2011, either Indigo or Amerigon Europe may terminate the SPA.

Pursuant to the SPA and the BCA, we and WET each previously submitted the necessary pre-merger notification filings with the U.S. Federal Trade Commission (the "FTC") and the Antimonopoly Committee of Ukraine (the "AMC") for review by such governmental authorities. The initial statutory waiting period for the pre-merger filing with the FTC is set expire on March 30, 2011; however, we have informed the FTC that we voluntarily withdrew our initial submission on March 30, 2011 and will re-file such submission on April 1, 2011, thereby restarting the 30-day statutory waiting period, which will then be set to expire on May 2, 2011. Our withdrawal and refiling of our submission will allow the FTC a longer period time to review the merger filing before the FTC reaches a conclusion to either issue a request for additional information or allow the waiting period to lapse without action. No assurance can be given that the new statutory waiting period will expire without further requests by the FTC.

Reasons for the Acquisition

We believe the Acquisition could provide us with several compelling benefits, including:

- vertical integration through the acquisition of WET's manufacturing operations allowing us to reduce our reliance on third-party contract manufacturers and capture margins relating to the manufacturing function;
- expansion of our product portfolio to include a range of complementary automobile heating and cooling products in addition to our existing automobile products;
- expansion of our technology portfolio, allowing us to integrate complementary and distinctive technologies in our existing product line-ups;
- increasing our international market reach with operational focus by WET in Europe, while also expanding our reach in North America and Asia; and
- the resolution of our current intellectual property dispute with WET.

We will only be able to fully integrate WET's business with our existing business and maximize the benefits of the Acquisition if we are able to acquire 100% of the outstanding capital stock of WET pursuant to the WET Tender Offer or by completing a squeeze-out merger, if necessary, to gain control of WET. If we do not obtain in excess of 95% of the outstanding capital stock of WET pursuant to the WET Tender Offer and the sale of shares by Indigo and IBG in connection with the SPA, we will not be able to execute a squeeze-out merger under German law. In such case, WET will continue to be operated as a separate business, with separate management, and we will be unable to fully integrate the operations of the two businesses, which could prevent us from fully realizing the benefits anticipated from the Acquisition.

Risk Factors Related to the Acquisition

We may not realize significant benefits from the Acquisition because of integration difficulties and other challenges.

The success of the Acquisition will depend, in part, on our ability to fully integrate WET's business with our existing business. The integration process may be complex, costly and time-consuming. The difficulties of integrating the operations of WET with the operations of Amerigon include, among others:

- strict requirements and minority shareholder protections under German law relating to business integration, regardless of the amount of our ownership in WET if such ownership is less than 100%;
- failure to implement our business plan for the combined business;
- unanticipated issues in integrating manufacturing, logistics, information, communications and other systems;

- diversion of management attention from ongoing business concerns to integration matters;
- challenges assimilating management and other personnel from WET, including because of differences in culture, language and background;
- the size of WET's operations relative to our existing business;
- unanticipated changes in applicable laws and regulations;
- failure to retain key employees;
- operating risks inherent in the WET business and our business;
- the impact on our internal controls and compliance with the regulatory requirements under the Sarbanes-Oxley Act of 2002; and
- unanticipated issues, expenses and liabilities.

We may not accomplish the integration of WET smoothly, successfully or within the anticipated costs or timeframe. The diversion of the attention of management from our current operations to the integration effort and any difficulties encountered in combining operations could prevent us from realizing the full benefits anticipated to result from the Acquisition and could adversely affect our business.

Moreover, we will only be able to fully integrate WET's business with our existing business and maximize the benefits of the Acquisition if we are able to acquire 100% of the outstanding capital stock of WET in the WET Tender Offer or by completing a squeeze-out merger, if necessary, to gain control of WET. If we do not obtain in excess of 95% of the outstanding capital stock of WET in connection with the WET Tender Offer and the sale of shares by Indigo and IBG in connection with the SPA, we will not be able to execute a squeeze-out merger under German law. In such case, WET will continue to be operated as a separate business, with separate management, and we will be unable to fully integrate the operations of the two businesses, which could prevent us from realizing the full benefits anticipated from the Acquisition.

The existence of minority shareholders following the Acquisition may limit our ability to integrate WET for an extended period of time.

Following completion of the Acquisition, certain WET minority shareholders may continue to own an interest in WET. Under German law, we cannot require WET to take actions that may result in cost savings and greater integration but would be deemed disadvantageous to WET, until a domination and profit and loss transfer agreement ("DPLTA") is effective or a mandatory buy-out of the WET shares from any remaining WET shareholders by way of a squeeze-out merger has been implemented. In addition, under the terms of the BCA, WET's ability to pay dividends is restricted until a DPLTA is effective. If a WET minority shareholder challenges the DPLTA or the squeeze-out merger, our ability to take certain cost saving and integration measures may be delayed for an uncertain time following completion of the Acquisition or may not be achievable at all.

Under German law, the existence of minority shareholders following the Acquisition requires all of our dealings with WET to be at arm's length.

Due to the requirement under German law that all of our dealings with WET be at arm's length for as long as there are minority shareholders in WET (or a DPLTA becomes effective), we may not be able to enter into favorable contracts with WET and fully integrate and synergize the combined company. Moreover, we will be forced to negotiate final settlement and intellectual property licensing terms in connection with our current litigation with WET that may end up to be burdensome on our business.

Following completion of the Acquisition, we will have a significant amount of goodwill and other intangible assets on our consolidated financial statements that are subject to impairment testing.

As of December 31, 2010, we had no goodwill and the carrying value of intangible assets on our balance sheet was $4,653,000. As of December 31, 2010, on a pro forma basis after giving effect to the Acquisition, we would have goodwill of $99,353,000 and other intangible assets of $41,213,000. We evaluate goodwill and indefinite life intangible assets for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. Goodwill impairment is indicated and indefinite life intangible assets are impaired when their book value exceeds their fair value. The value of goodwill and other intangible assets from the allocation of the purchase price from the Acquisition will be derived from our business operating plans and is susceptible to an adverse change in demand, input costs or general changes in our business or industry and could require an impairment charge in the future.

The pro forma condensed combined financial statements are not an indication of the combined company's financial condition or results of operations following the Acquisition.

The pro forma condensed combined financial statements contained in this Current Report on Form 8-K are not an indication of the combined company's financial condition or results of operations following the Acquisition. The pro forma condensed combined financial statements have been derived from the historical financial statements of Amerigon and WET and many adjustments and assumptions have been made regarding the combined company after giving effect to the Acquisition. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make and may not be accurate. As a result, the actual financial condition and results of operations of the combined company following the Acquisition may not be consistent with, or evident from, this pro forma financial information.

We will incur significant transaction and acquisition-related costs in connection with the Acquisition.

We will incur significant costs in connection with the Acquisition. The substantial majority of these costs will be non-recurring expenses related to the Acquisition. We may incur additional costs to maintain employee morale and to retain key employees. We will also incur substantial transaction fees and costs related to formulating and implementing our integration plans.

The market price of our common stock may decline as a result of the Acquisition.

The market price of our common stock may decline as a result of the Acquisition if, among other things, we are unable to achieve the expected growth in earnings, if the operational cost savings estimates in connection with the integration of WET are not realized, if the transaction costs related to the Acquisition are greater than expected, if the financing related to the transaction is on unfavorable terms, or if the value of the cash savings attributable to the amortization of goodwill is less than anticipated. The market price of our common stock also may decline if we do not achieve the perceived benefits of the Acquisition as rapidly or to the extent anticipated by financial or industry analysts or if the effect of the Acquisition on our financial results is not consistent with the expectations of financial or industry analysts.

Completion of the Acquisition is subject to the receipt of consents and approvals from, or the making of filings with, government entities that could delay completion of the Acquisition or impose conditions that could have a material adverse effect on the Company or that could cause abandonment of the Acquisition.

The Acquisition is being reviewed by the Federal Trade Commission (the "FTC") under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. Under this statute, Amerigon and WET were required to make pre-merger notification filings and now await the expiration of the statutory waiting period prior to completing the Acquisition. If the FTC challenges the Acquisition, there can be no assurance that such a challenge would be unsuccessful. Any such challenge may seek to enjoin the Acquisition, impose conditions on the completion of the Acquisition or require changes to the terms of the Acquisition. Such conditions or changes could have the effect of preventing or delaying completion of the Acquisition or imposing additional costs on us or limiting the revenues of the Company following the Acquisition, any of which could have a material adverse effect on the Company.

The initial statutory waiting period for the pre-merger filing with the FTC is set to expire on March 30, 2011; however, Amerigon has informed the FTC that it voluntarily withdrew its initial submission on March 30, 2011 and will re-file such submission on April 1, 2011, thereby restarting the 30-day statutory waiting period which will then be set to expire on May 2, 2011. Our withdrawal and refiling of our submission will allow the FTC a longer period of time to review the merger filing before the FTC reaches a conclusion to either issue a request for additional information or allow the waiting period to lapse without action. No assurance can be given that the new statutory waiting period will expire without further requests by the FTC.

The Acquisition is also subject to review by applicable governmental authorities (the "AMC") under the Law of Ukraine "On Protection of Economic Competition", dated January 11, 2001, No. 2210-III. Under this statute, Amerigon and WET were required to make a pre-merger notification filing and now await either the expiration of the statutory waiting period or approval of the Acquisition by the AMC, whichever comes first, prior to completing the Acquisition. If the AMC challenges the Acquisition, we cannot assure you that such a challenge would not be successful. Any such challenge may seek to enjoin the Acquisition, impose conditions on the completion of the Acquisition or require changes to the terms of the Acquisition. Such conditions or changes could have the effect of preventing or delaying completion of the Acquisition or imposing additional costs on us or limiting the revenues of the Company following the Acquisition, any of which could have a material adverse effect on the Company.

We may not be able to generate sufficient cash flows to meet our substantial debt service obligations after the Acquisition and such substantial debt service obligations could adversely affect our business and limit our ability to plan for or respond to changes in our business.

We expect to incur substantial additional debt in connection with the Acquisition. Our ability to make payments on and to refinance our debt obligations and to fund planned capital expenditures depends on our ability to generate cash from our future operations. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We may not be able to refinance any of our indebtedness on commercially reasonable terms, or at all.

If we cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances, any of which could impede the implementation of our business strategy or prevent us from entering into transactions that would otherwise benefit our business. Additionally, we may not be able to effect such actions, if necessary, on commercially reasonable terms, or at all.

Our substantial debt obligations could have important consequences to our business. For example:

- we may be more vulnerable to general adverse economic and industry conditions;
- we may be required to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow for other purposes, including for working capital, dividends, business development efforts and to finance mergers and acquisitions;
- our ability to borrow more money for operations, working capital or to finance future mergers and acquisitions will be limited;
- limiting our ability to refinance or repay debt obligations when they become due;
- we are exposed to the risk of increased interest rates because a portion of our borrowings are at variable rates of interest; and
- our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate may be limited, thereby placing us at a competitive disadvantage compared to our competitors that have less indebtedness.

The covenants to which we are subject under our debt obligations restrict our ability to incur additional indebtedness, grant additional liens against our assets, prepay obligations, make investments and enter into various types of agreements. We are additionally prohibited from making general dividends and other payments with respect to our equity interests in cash, excluding certain dividend payments with respect to certain preferred equity. While not unusual for a financing of this type, the restrictions in our debt obligations may prevent us from taking actions that we believe would be in the best interest of our business and may make it difficult for us to execute our business plans.

We and our subsidiaries may also incur substantial additional indebtedness in the future and the agreements governing such indebtedness might subject us to additional restrictive covenants that could affect our financial and operational flexibility.

Pursuant to the BCA, Amerigon and Amerigon Europe are required to hold onto their investment in WET for a certain period of time and thus are exposed to market risk and lack full investment decision power with respect to such investment.

According to the BCA, Amerigon and Amerigon Europe agreed, for a period of twelve (12) months after the publication of the final acceptance level of the WET Tender Offer required under German law, not to (i) dispose of the WET shares held by them to an individual third party, to a person affiliated with such individual third party, or to a person which qualifies as a “person acting in concert” with such individual third party under German law, (ii) accept a tender offer with regard to the WET shares held by them by any such party, and (iii) undertake vis-à-vis any such party to accept a tender offer with regard to the WET shares held by them, if and as long as (y) the management board and the supervisory board of WET do not approve such tender offer, and (z) (1) the current members of the management board of WET remain in their offices, (2) no further financial liabilities are taken up by WET, (3) the dividend policy of WET is not materially changed or amended (except in certain circumstances), and (4) no disposal of essential subsidiaries or business units is announced. Due to these restrictions, Amerigon and Amerigon Europe are exposed to market risk and lack full investment decision power with respect to their investment in WET.

We and WET are subject to risks related to operating as a supplier in the automotive industry.

As suppliers of automobile seat heating and cooling components, we and WET are subject to numerous business and industry risks, including:

- significant declines in the automotive industry, which may lead to declining product revenues;
- customer credit risk associated with potential bankruptcies of major automotive manufacturers;
- acceptance of products by OEMs;
- volatility in the prices of raw materials;
- potential disruptions in vendor or supplier relationships;
- lengthy sales cycles for automotive products, which can impede growth in product sales;
- intense competition in the automotive industry;
- the ability to protect intellectual property;
- the lack of long-term contracts and the potential unilateral termination of contracts by significant customers;
- the ability to retain key personnel experienced in the industry and the business; and
- potential product liability risks.

The occurrence of any of these risks could materially and adversely affect our and/or WET's business, financial condition and results of operations.

The automotive industry may be negatively impacted by the devastating effects of the earthquake and tsunami that recently hit Japan.

On March 11, 2011, a 9.0 magnitude undersea earthquake occurred off the cost of Japan. The earthquake triggered an extremely destructive tsunami wave that struck Japan shortly after the earthquake. These events have caused extensive and severe structural damage in Japan, including heavy damage to roads and railways, as well as fires in many areas. Many electrical generators ceased operation, and nuclear reactors suffered debilitating explosions. As a result of these disasters, there have been various disruptions to certain of our customers' production of vehicles and to the flow of parts from production facilities in Japan that supply the worldwide automotive industry. We are not certain what impact these events will have on our ability to produce and supply our products to our customers and whether our customers will decrease or cancel production orders if they are not able to produce vehicles. Accordingly, no assurances can be given that these events will not have a material adverse effect on our business, financial condition and results of operations.

As a manufacturer of automotive seat components and other products, WET is subject to risks related to supply chain and logistics management, cost controls and natural and man-made disasters.

WET is subject to a number of risks in connection with its manufacturing operations, including a loss of, or turnover in, manufacturing facility management personnel; cancellation of, or significant delays in, projects in its backlog due to failure to efficiently utilize manufacturing capacity; delays or difficulties in new product development; the potential introduction of similar or superior technologies; financial instability or market declines of major component suppliers; the unavailability of raw materials or components necessary to manufacture products; price increases of limited-source components, products and services that cannot be passed onto the market; governmental interventions and unseasonable weather conditions in the regions where WET operates manufacturing facilities; changes in energy costs; work stoppages or other labor shortages to support its manufacturing operations; and natural or man-made disasters that affect WET's ability to continuously operate its manufacturing facilities. Any of these risks could adversely impact WET's manufacturing operations and its ability to operate efficiently, which may have a material adverse effect on WET's business, financial condition and results of operations.

WET is subject to additional risks associated with its international operations that could adversely affect its results of operations.

WET has significant operations in a number of countries outside of its headquarters in Germany, including China, Hungary, Mexico and the Ukraine. Long-term economic uncertainty in some of the regions of the world in which WET operates, such as Asia, Mexico, Central Europe and other emerging markets, could result in the disruption of markets and negatively affect cash flows from WET's operations to cover its capital needs and debt service.

In addition, as a result of WET's global presence, a significant portion of its revenues and expenses is denominated in currencies other than the Euro (its operational currency). WET is therefore subject to foreign currency risks and foreign exchange exposure, including to the Chinese renminbi, the Hungarian forint, the Mexican peso, the Ukrainian hryvnia and the Canadian dollar. While WET employs financial instruments to hedge transactional and foreign exchange exposure, these activities do not completely insulate WET from those exposures. Exchange rates can be volatile and could adversely impact WET's financial results.

There are other risks that are inherent in WET's international operations, including the potential for changes in socio-economic conditions, laws and regulations, including import, export, labor and environmental laws, and monetary and fiscal policies, protectionist measures that may prohibit acquisitions or joint ventures, unsettled political conditions, natural and man-made disasters, hazards and losses, violence and possible terrorist attacks.

These and other factors may have a material adverse effect on WET's international operations and therefore on WET's business and results of operations.

WET is subject to regulation of its international operations that could adversely affect its business and results of operations.

Due to WET's global operations, WET is subject to many laws governing international relations, including those that prohibit improper payments to government officials and restrict where it can do business and what information or products it can supply to certain countries and foreign governments. Violations of these laws, which are complex, may result in criminal penalties or sanctions that could have a material adverse effect on WET's business, financial condition and results of operations.

WET may be subject to liabilities for environmental damage in connection with its current and past manufacturing operations.

WET is subject to costly requirements relating to environmental regulation and environmental remediation matters in connection with its manufacturing operations, which could materially and adversely affect its business and results of operations. Because of uncertainties associated with environmental regulation and environmental remediation activities at sites where WET may be liable, future expenses that WET may incur to remediate environmental damages could be considerably higher than the current accrued liability on its consolidated statement of financial position, which could have a material adverse effect on WET's business and results of operations. For example, WET may be held liable for environmental remediation damages for soil contamination detected at a manufacturing facility that was sold by its former subsidiary, Ruf GmbH in Hungary, if it is determined that the soil contamination occurred prior to the sale of the manufacturing facility. WET recognized a provision for this potential liability in 2007, but there can be no assurance that the amounts provisioned will cover any potential liability.

We have not had access to certain non-public records of WET. As a result, we may be exposed to unknown risks following the Acquisition that could significantly affect our net assets, financial condition and results of operations.

In preparing for the Acquisition, we have relied on publicly accessible information about WET. In preparing the Acquisition offer, we were not provided access to certain non-public records of WET and did not have an opportunity to conduct a full "due diligence" examination of WET. Accordingly, we derived the information about WET contained in this Current Report on Form 8-K from a limited scope diligence review. We are therefore unable to verify that such information is accurate or complete. We may accordingly be exposed to unknown risks following the Acquisition that could significantly affect our net assets, financial condition and results of operations."

Other Risks Related to Our Business and Industry.

Please see "Item 1A – "Risk Factors" contained in our Annual Report on Form 10-K for the year ended December 31, 2010, which is incorporated by reference herein, for risk factors related to our business and industry. These risks may also apply to WET.

WET INFORMATION

WET is a German publicly traded company established in 1968 with headquarters in Odelzhausen, Germany and is a leading designer, developer, and marketer of high quality technology components for the automotive and other markets. WET's primary product categories include automotive seat comfort systems and specialized automotive cable systems. The automotive seat comfort systems category includes automotive seat heaters, climate comfort systems (similar to our climate controlled seat technology) for automotive seats and automotive steering wheel heater systems and integrated electronic components. The specialized automotive cable systems category includes ready-made wire harnesses and related wiring products. WET is globally positioned in the regions of North America, Europe and Asia, with operating subsidiaries in each region. WET has been a manufacturer in the seat comfort segment since 1973. WET's primary customers consist of Tier 1 automotive suppliers, such as Johnson Controls, Lear, Faurecia, and Magna, and large automotive original equipment manufacturers ("OEMs"), including the VW Group, General Motors, BMW, Porsche, Honda, and Toyota / Lexus.

WET also offers product solutions to other customer groups, namely customer groups related to seat heating equipment for the automotive aftermarket, ski lifts and sports stadiums and the production of ventilation systems for the automotive and various other industries. These operations complement WET's automotive seat comfort products, particularly in seat climate comfort systems, in which ventilation systems represent a material part. Furthermore, WET's customer base for these other products extends beyond the automotive industry to the telecommunications and information technology industries.

Historically, the majority of WET's sales volumes have been derived from European and North American OEMs. However, in the past three years, Asian automobile sales have increased due to the growth in that geographic segment, and North American sales volumes have increased due to increased penetration into the North American market as heated seats have become a standard feature on an increased number of vehicle models.

WET maintains a global operational structure with manufacturing sites close to its key customers. WET's European operations are primarily concentrated around its headquarters and customer service center in Odelzhausen, as well as its Hungarian and Ukrainian sites. WET operates three sites in North America, a customer service and research center located in Windsor, Canada, a warehouse facility located in Del Rio, Texas and a production site located in Acuña, Mexico. In Asia, WET operates a low-cost production facility including customer service and research and development functions in Langfang, China and a representative offices in Seoul, South Korea and Tokyo, Japan. In addition to the Chinese market, the Langfang production plant services other Asian markets such as Japan and South Korea, as well as some European programs. WET's China operation was established in 2003 as a wholly-owned operation and serves the South Korean, Japanese, Chinese and certain European markets. WET's Asian operations currently represent a sizeable portion of its sales mix.

HISTORICAL FINANCIAL STATEMENTS OF WET

Attached hereto as Exhibit 99.1 and incorporated herein by reference are the audited consolidated financial statements of WET and related notes as of and for the years ended December 31, 2010, 2009 and 2008 with the independent auditor's report.

PRO FORMA FINANCIAL INFORMATION

Summary of Impact of the Acquisition on our Financial Condition and Results of Operations

The Acquisition, if it occurs, will significantly alter our financial condition and results of operations. WET's 2010 revenues were approximately €227 million, compared to our 2010 revenues of approximately $112 million. WET's total assets as of December 31, 2010 were approximately €214 million, compared to our total assets as of December 31, 2010 of approximately $79 million. See the section entitled "Summary Unaudited Pro Forma Condensed Combined Financial Data" below for additional information.

Although we do not have any immediate cost savings initiatives planned in connection with the Acquisition, other than the elimination of costs that each company has incurred in conjunction with patent litigation against each other, and although we are limited in the actions we may take with respect to WET as set forth in the BCA, we may eventually be in a position to opportunistically institute measures from time to time that will result in cost savings and/or operating synergies. However, we may also incur corresponding restructuring and other non-recurring charges that would impact net income in the periods in which they are taken. No assurances can be given as to timing or that we will be able to achieve any cost or operating synergies as a result of the Acquisition, or that the corresponding restructuring and other non-recurring charges will not be greater than expected.

Our pro forma Adjusted EBITDA for the year ended December 31, 2010, after giving effect to the Acquisition as if it occurred at the beginning of that year, would have been approximately $58 million (as compared to our historical Adjusted EBITDA for the year ended December 31, 2010, of $13.5 million). Our pro forma Adjusted EBITDA margin for the year ended December 31, 2010, after giving effect to the Acquisition as if it occurred at the beginning of that year, would have been approximately 14% (as compared to our historical Adjusted EBITDA margin for the year ended December 31, 2010, of approximately 12%). See the section entitled "Summary Unaudited Pro Forma Condensed Combined Financial Data" below for a discussion regarding reconciliation to GAAP.

SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following tables set forth summary unaudited pro forma condensed combined financial data of Amerigon and WET as of and for the year ended December 31, 2010. This information has been prepared by our management and gives pro forma effect to (1) the completion of the Acquisition, (2) the completion of the WET Tender Offer (based on the assumption that 100% of the outstanding shares of capital stock of WET will be tendered in the WET Tender Offer), (3) the incurrence of indebtedness under the Bank of America credit facility, and (4) the completion of this offering and the application of the proceeds therefrom, in each case as if such transactions had occurred on January 1, 2010, for income statement purposes, and December 31, 2010, for balance sheet purposes. The pro forma data has been prepared from, and should be read in conjunction with, “Management’s Discussion and Analysis of Financial Condition and Results of Operation” in our 2010 Annual Report on Form 10-K and our consolidated financial statements and notes thereto included in our 2010 Annual Report on Form 10-K, each incorporated by reference herein, as well as the consolidated financial statements and notes thereto for WET in our Form 8-K filed on March 30, 2011, incorporated by reference in this prospectus supplement and the accompanying prospectus, in addition to the section captioned “Unaudited Pro Forma Condensed Combined Financial Information” in this prospectus supplement. The consolidated financial statements for WET set forth in this Current Report on Form 8-K are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Our historical and pro forma results are not necessarily indicative of results that may be expected for any future period.

	Pro forma for the year ended December 31, 2010 ($ in thousands, except per share data)
Income Statement Data:	
Product revenues	$ 413,670
Cost of sales	298,649
Gross margin	115,021
Operating costs and expenses:	
Net research and development expenses	34,509
Selling, general and administrative expenses	42,820
Total operating costs and expenses	77,329
Operating income	37,692
Interest income	566
Interest expense	(5,258)
Loss on revaluation of financial instruments	(9,073)
Loss from equity investment	(22)
Other income	604
Earnings before income tax	24,509
Income tax expense	2,229
Net income	22,280
Loss attributable to non-controlling interest	396
Convertible preferred stock dividends	(9,064)
Net income attributable to common stockholders	13,612
Basic earnings per share	$ 0.63
Diluted earnings per share	$ 0.51
Weighted average number of shares—basic	21,717
Weighted average number of shares—diluted	26,918
Other Data:	
Adjusted EBITDA[(1)]	$ 57,211

	Pro forma as of December 31, 2010
	($ in thousands)
Balance Sheet Data:	
Cash & cash equivalents	$ 12,835
Working capital[(2)]	43,479
Total assets	356,704
Indebtedness	120,699
Total liabilities	238,507
Preferred Stock	63,500
Total shareholders' equity	54,697

(1) We define Adjusted EBITDA ("Adjusted EBITDA") as net income before interest income, interest expense, income tax expense, depreciation and amortization and other non-cash income and expenses including foreign currency gains and losses, gains and losses or revaluation of financial instruments, impairment losses and gains and losses on disposals of assets. Although Adjusted EBITDA is not a measure of performance or liquidity in accordance with GAAP, we believe that Adjusted EBITDA is useful as an indicator of ongoing operating performance. Our management uses Adjusted EBITDA, in conjunction with traditional GAAP measures, as part of our overall assessment of company performance. We use this non-GAAP measure in internal management reports used to monitor and make decisions about our business. The principal limitations of Adjusted EBITDA as a performance measure are that it excludes significant expenses and gains required under GAAP, and that our definition of Adjusted EBITDA may be different from similar-sounding non-GAAP measures used by other companies. To mitigate these limitations, we present our GAAP results along with the non-GAAP measure, reconcile Adjusted EBITDA to net income, and recommend that investors not give undue weight to it. We believe that Adjusted EBITDA provides investors useful information by allowing them to view the business through the eyes of management, facilitating comparison of results across historical and future periods and across companies, and providing a focus on the underlying operating performance of the business. In addition, because Adjusted EBITDA is not calculated in accordance with GAAP, it may not be comparable to similarly titled measures employed by other companies.

The reconciliation of Adjusted EBITDA to pro forma net income is as follows:

	Pro forma for the year ended December 31, 2010
	($ in thousands)
Net income	$ 22,280
Interest income	(566)
Interest expense	5,258
Income tax expense	2,229
Depreciation and amortization	15,132
Net currency loss	1,077
Loss on revaluation of financial instruments	9,073
Impairment losses	3,655
Gain on disposal of assets	(927)
Adjusted EBITDA	$ 57,211

(2) Working capital is current assets less current liabilities.

Unaudited Pro Forma Condensed Combined Financial Statements

Attached hereto as Exhibit 99.2 and incorporated herein by reference are the unaudited pro forma condensed combined financial statements of Amerigon as of and for the year ended December 31, 2010. These pro forma financial statements give pro forma effect to the pending Acquisition and certain financing transactions to be consummated in connection with the consummation of the Acquisition. These pro forma financial statements are derived from the historical financial statements of Amerigon and WET. These pro forma financial statements, which have been prepared in connection with the pending Acquisition and financing transactions, are preliminary and reflect a number of assumptions, including, but not limited to, that the Acquisition will be consummated and that the actual terms of the Acquisition will not differ materially from Amerigon's current expectations. There can be no assurance that the Acquisition will be consummated or that the actual terms of the Acquisition will not differ materially from Amerigon's current expectations. Amerigon intends to file revised pro forma condensed combined financial statements following the consummation of the Acquisition and such revised pro forma condensed combined financial statements will update and replace the preliminary pro forma condensed combined financial statements attached to this Current Report on Form 8-K as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits

Exhibit Number	Description
23.1	Consent of KPMG AG Wirtschaftsprüfungsgesellschaft.
99.1	Consolidated financial statements of WET Automotive Systems AG.
99.2	Unaudited pro forma condensed combined financial statements of Amerigon as of and for the year ended December 31, 2010.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERIGON INCORPORATED

Date: March 30, 2011

By: /s/ BARRY G. STEELE

Barry G. Steele,
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
23.1	Consent of KPMG AG Wirtschaftsprüfungsgesellschaft.
99.1	Consolidated financial statements of WET Automotive Systems AG.
99.2	Unaudited pro forma condensed combined financial statements of Amerigon as of and for the year ended December 31, 2010.

EXHIBIT 23.1

Consent of Independent Auditors

The Board of Directors
Amerigon Incorporated

We consent to the incorporation by reference in the registration statements on Form S-3 (No. 333-171787) and Form S-8 (No. 333-03926, 333-61632, 333-100811, 333-44007, 333-139868 and 333-164990) of Amerigon Incorporated of our report dated March 14, 2011, with respect to the consolidated statements of financial position of W.E.T. Automotive Systems Aktiengesellschaft and subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended December 31, 2010, which report appears in the Form 8-K of Amerigon Incorporated dated March 30, 2011 and to the reference to our firm under the heading "Experts" incorporated by reference in registration statements on Form S-3 (No. 333-171787) and Form S-8 (No. 333-03926, 333-61632, 333-100811, 333-44007, 333-139868 and 333-164990).

/s/ KPMG AG Wirtschaftsprüfungsgesellschaft
Munich, Germany
March 30, 2011

EXHIBIT 99.1

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W.E.T. Automotive AG Financial Statements

Independent Auditors' Report

The Board of Directors
W.E.T. Automotive Systems Aktiengesellschaft

We have audited the accompanying consolidated statements of financial position of W.E.T. Automotive Systems Aktiengesellschaft and subsidiaries (the Company) as of December 31, 2010 and 2009 and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of W.E.T. Automotive Systems Aktiengesellschaft and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2010 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

KPMG AG Wirtschaftsprüfungsgesellschaft

Munich, Germany
March 14, 2011

Consolidated statement of financial position

W.E.T. Automotive Systems Aktiengesellschaft, Odelzhausen, Germany

€ '000	as at Dec 31, 2010	as at Dec 31, 2009
ASSETS	**214,363**	**168,962**
Non-current assets	**124,805**	**110,428**
Intangible assets	82,433	65,593
Property, plant and equipment	23,814	29,042
Investment property	678	6,453
Deferred tax assets	17,880	9,325
Other assets	0	15
Current assets	**89,558**	**58,534**
Inventories	26,054	19,947
Trade receivables	37,017	28,684
Receivables from affiliated companies	0	9
Other financial assets	4,372	270
Cash and cash equivalents	10,095	4,980
Current tax assets	1,390	691
Other assets	3,647	3,254
Assets held for sale	6,983	699
EQUITY AND LIABILITIES	**214,363**	**168,962**
Equity	**96,933**	**72,999**
Issued capital	9,600	9,600
Capital reserves	27,466	27,466
Retained earnings	59,598	35,828
Subtotal: Equity attributable to the equity holders of W.E.T.	96,664	72,894
Non-controlling interests	269	105
Non-current liabilities	**61,589**	**15,275**
Pension provisions	2,985	2,855
Financial liabilities	23,479	4,414
Liabilities to affiliated companies	7,925	0
Other financial liabilities	13,198	1,607
Deferred tax liabilities	13,997	6,394
Other liabilities	5	5
Current liabilities	**55,841**	**80,688**
Other provisions	15,296	12,581
Financial liabilities	6,609	38,015
Trade payables	17,049	14,118
Liabilities to affiliated companies	0	705
Other financial liabilities	9,705	10,924
Current tax liabilities	6,184	2,716
Liabilities classified as held for sale	0	510
Other liabilities	998	1,119

Consolidated income statement

for the periods from January 1 to December 31

W.E.T. Automotive Systems Aktiengesellschaft, Odelzhausen, Germany

€ '000	2010	2009	2008
Revenues	**226,943**	**158,053**	**169,550**
Cost of sales	-163,218	-120,336	-127,648
Gross profit	**63,725**	**37,717**	**41,902**
Distribution expenses	-10,936	-8,168	-12,404
Research and development costs	-19,844	-14,117	-16,156
Impairment/Reversal of impairment of capitalised customer relationships	20,065	0	-24,146
Administrative expenses	-15,634	-15,804	-16,227
Other operating income, net	1,199	1,356	1,984
Impairment of goodwill	0	0	-13,738
Operating results	**38,575**	**984**	**-38,785**
Currency gains	21,267	22,298	23,522
Currency losses	-22,120	-25,294	-29,512
Income from valuation of financial instruments	4,729	2,668	906
Expenses from valuation of financial instruments	-11,564	-94	-7,334
Interest income	426	199	183
Interest expenses	-4,942	-3,127	-3,047
Earnings (loss) before income taxes	**26,371**	**-2,366**	**-54,067**
Income tax expense/benefit	-4,187	1,483	6,096
Consolidated income (loss)	**22,184**	**-883**	**-47,971**
Allocation of consolidated income (loss):			
Earnings (loss) attributable to non-controlling interests	148	-70	0
Earnings (loss) attributable to equity holders of W.E.T.	22,036	-813	-47,971
Consolidated income (loss)	**22,184**	**-883**	**-47,971**
Basic/diluted earnings (loss) per share in Euro	**7.25**	**-0.27**	**-15.32**

Consolidated cash flow statement for the periods from January 1 to December 31

W.E.T. Automotive Systems Aktiengesellschaft, Odelzhausen, Germany

€ '000	2010	2009	2008
Operating activities			
Earnings (loss) before income taxes	26,371	-2,366	-54,067
Adjustment interest expense	4,942	3,127	3,047
Adjustment interest income	-426	-199	-183
Depreciation, amortisation and impairment	15,391	13,337	52,233
Change in pension provisions	130	204	85
Change in inventories	-6,107	1,543	4,228
Change in receivables and other assets	-20,097	-7,553	2,564
Change in liabilities, other provisions, and other liabilities	19,345	-402	3,181
Other non-cash expenses and income	-11,964	-4,888	-8,502
Income tax received	25	211	1,147
Income tax paid	-2,341	-3,687	-5,546
Other non-cash movements of assets and liabilities	-1,871	4,959	10,495
Cash flow from operating activities	**23,398**	**4,286**	**8,682**
Investing activities			
Aquisition of property, plant, and equipment	-3,511	-2,459	-5,245
Aquisition of intangible assets	-3,689	-4,124	-5,347
Net advance payments made/received	-139	46	-181
Transactions with non-controlling interests	16	175	0
Business combinations	0	-167	-1,781
Cash flow used in investing activities	**-7,323**	**-6,529**	**-12,554**
Financing activities			
Proceeds from issue of loans	22,516	2,904	14,164
Repayment of financial liabilities	-17,408	-3,311	-2,808
Payments/proceeds from current financial liabilities	-15,513	1,921	5,215
Payments/proceeds from leasing	-2,229	-579	992
Interest received	120	215	167
Interest paid	-4,489	-2,375	-2,954
Receipts/payments of loans to related/affiliated parties	6,476	-154	745
Buyback own shares	0	0	-6,136
Dividend payment	0	0	-384
Cash flow from financing activities	**-10,527**	**-1,379**	**9,001**
Currency translation adjustments	**-433**	**2,137**	**-1,473**
Changes in cash and cash equivalents	**5,115**	**-1,485**	**3,656**
Cash and cash equivalents at the beginning of the fiscal year	4,980	6,465	2,809
Cash and cash equivalents at the end of the fiscal year	**10,095**	**4,980**	**6,465**

Consolidated statement of comprehensive income for the periods from January 1 to December 31

W.E.T. Automotive Systems Aktiengesellschaft, Odelzhausen, Germany

€ '000	2010	2009	2008
Consolidated income (loss)	**22,184**	**-883**	**-47,971**
Gains/losses from financial instruments recognised directly in equity	2,044	7,010	-9,300
Exchange rate differences recognised directly in equity	405	-3,645	-1,230
Actuarial gains and losses recognised directly in equity	-227	-339	114
Other income (loss) before taxes	**2,222**	**3,026**	**-10,416**
Change in deferred taxes for expenses and income recognized directly in equity	-488	-474	2,623
Other income (loss)	**1,734**	**2,552**	**-7,793**
Consolidated comprehensive income (loss)	**23,918**	**1,669**	**-55,764**
Allocations of consolidated comprehensive income (loss):			
Equity holders of W.E.T.	23,770	1,739	-55,764
Non-controlling interests	148	-70	0

Consolidated statement of changes in equity for the periods from January 1 to December 31

W.E.T. Automotive Systems Aktiengesellschaft, Odelzhausen, Germany

€'000	Issued capital	Additional paid-in capital	Valuation reserve (Retained Earnings)	Currency translation (Retained Earnings)	Others (Retained Earnings)	Attributable to equity holders of W.E.T.	Non-controlling interest	Total
Status as at January 1, 2008	**9,600**	**27,466**	**-2,223**	**1,399**	**97,197**	**133,439**	**700**	**134,139**
Exchange rate differences				-1,230		-1,230		-1,230
Valuation of actual and derivative financial instruments Gains/losses recognised directly in equity			-9,300			-9,300		-9,300
Changes in deferred taxes recognised directly in equity			2,623			2,623		2,623
Changes in pension appraisals recognised directly in equity					114	114		114
Changes in equity recognised directly in equity			**-6,677**	**-1,230**	**114**	**-7,793**		**-7,793**
Consolidated loss					-47,971	-47,971		-47,971
Consolidated comprehensive loss			**-6,677**	**-1,230**	**-47,857**	**-55,764**		**-55,764**
Dividends					-384	-384		-384
Buyback own shares					-6,136	-6,136		-6,136
Acquisition of non-controlling interest							-700	-700
Status as at December 31, 2008	**9,600**	**27,466**	**-8,900**	**169**	**42,820**	**71,155**	**0**	**71,155**
Status as at January 1, 2009	**9,600**	**27,466**	**-8,900**	**169**	**42,820**	**71,155**	**0**	**71,155**
Exchange rate differences				-3,645		-3,645		-3,645
Valuation of actual and derivative financial instruments Gains/losses recognised directly in equity			7,010			7,010		7,010
Changes in deferred taxes recognised directly in equity			-747		273	-474		-474
Changes in pension appraisals recognised directly in equity					-339	-339		-339
Changes in equity recognised directly in equity			**6,263**	**-3,645**	**-66**	**2,552**	**0**	**2,552**
Consolidated (loss)					-813	-813	-70	-883
Consolidated comprehensive income			**6,263**	**-3,645**	**-879**	**1,739**	**-70**	**1,669**
Dividends					0	0		0
Contribution from non-controlling interest							175	175
Status as at December 31, 2009	**9,600**	**27,466**	**-2,637**	**-3,476**	**41,941**	**72,894**	**105**	**72,999**
Status as at January 1, 2010	**9,600**	**27,466**	**-2,637**	**-3,476**	**41,941**	**72,894**	**105**	**72,999**
Exchange rate differences				405		405		405
Valuation of actual and derivative financial instruments Gains/losses recognised directly in equity			2,044			2,044		2,044
Changes in deferred taxes recognised directly in equity			-488			-488		-488
Changes in pension appraisals recognised directly in equity					-227	-227		-227
Changes in equity recognised directly in equity			**1,556**	**405**	**-227**	**1,734**		**1,734**
Consolidated income					22,036	22,036	148	22,184
Consolidated comprehensive income			**1,556**	**405**	**21,809**	**23,770**	**148**	**23,918**
Contribution from non-controlling interest							16	16
Status as at December 31,2010	**9,600**	**27,466**	**-1,081**	**-3,071**	**63,750**	**96,664**	**269**	**96,933**

A. General notes

1. Basics

The W.E.T. Group operates worldwide as a developer, manufacturer and distributor of heating systems, interior equipment and accessories used in automobile seats and other automotive and electronic applications in the automotive industry. The Company has customer service centers and production facilities in Europe, Asia and North America. Its customers include automotive manufacturers, suppliers and manufacturers of electric and industrial technology around the globe. The Group's parent company is W.E.T. Automotive Systems Aktiengesellschaft (hereinafter referred to as W.E.T. AG), and is based in Rudolf-Diesel-Strasse 12, D-85235 Odelzhausen, Germany.

The consolidated financial statements of W.E.T. AG for the three-year period ending December 31, 2010, comprise the parent and all directly and indirectly owned subsidiaries (hereinafter referred to as W.E.T. Group). These consolidated financial statements have been authorized for issue by the board of directors on March 14, 2011.

The income statement has been prepared according to the function of expense method. To improve clarity in the presentation, various items of the statement of financial position and of the income statement have been aggregated. These items are marked and explained separately in the notes.

The functional currency of the parent company and the presentation currency of the Group is the Euro (€). Unless indicated otherwise, all amounts are reported in thousands of Euros (€ '000).

Running Mate GmbH (formerly W.E.T. Beteiligungs GmbH), a direct subsidiary of W.E.T. Holding (Luxembourg) S.A., held controlling interest in W.E.T. AG until April 16, 2010. On this date, a group of investors took over all of Running Mate GmbH's shares in W.E.T. AG and as a result Indigo Capital LLP became an indirect shareholder of W.E.T. AG owning more than half of its voting rights. Indigo Captial LLP's affiliated companies ICWET L.P. and Indigo Capital IV L.P. directly hold shares in W.E.T. AG.

2. Declaration of conformity

The consolidated financial statements of W.E.T. AG as at December 31, 2008, December 31, 2009, and December 31, 2010, have been prepared in accordance with all International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), London, United Kingdom, as well as with all interpretations of the International Financial Reporting Interpretations Committee (IFRIC) prevailing in the financial year under review and mandatory at the reporting date.

B. New and revised standards/interpretations

1. New and revised standards applicable for the first time in the financial year 2010

The following were applicable for the first time for the fiscal year ending December 31, 2010:

Standard/Interpretation	Description	Effective for Annual Periods beginning on or after:
IFRS 1	First-time adoption of Internationl Financial Reporting Standards – Additional exemptions for First-time adopters	January 1, 2010
IFRS 2	Share-based Payment – Amendments relating to group cash-settled share-based payment transactions	January 1, 2010
IFRS 3	Business Combinations – Comprehensive revision on applying the acquisition method	July 1, 2009
IAS 27 / IAS 28 / IAS 31	Consequential amendments arising from amendments to IFRS 3	July 1, 2009
IAS 39	Financial Instruments: Recognition and Measurement – Amendments for eligible hedged items	July 1, 2009
IFRIC 17	Distributions of Non-cash Assets to Owners	July 1, 2009
IFRIC 18	Transfers of Assets from Customers	July 1, 2009
Various	Annual Improvements Project of April 2009	mostly January 1, 2010

IFRS 1 – First–time adoption of International Financial Reporting Standards – Additional exemptions for first-time adopters

IFRS 1 has been amended to provide additional exemptions from full retrospective application of IFRS for the measurement of oil and gas assets and leases.

The above changes do not affect the consolidated financial statements of W.E.T. AG, since the Group has adopted IFRS in fiscal year 2005/2006.

IFRS 2 – Share-based Payment – Amendments relating to group cash-settled share-based payment transactions

IFRS 2 has been amended to clarify the accounting for group cash-settled share-based payment transactions, where a subsidiary receives goods or services from employees or suppliers but the parent or another entity in the group assumes the employee benefit expenses for those goods or services. The amendments clarify that such transactions are within the scope of IFRS 2. The amendments also incorporate guidance previously included in IFRIC 8 and IFRIC 11 which have now been withdrawn.

The above changes do not affect the consolidated financial statements of W.E.T. AG, since the Group does not conduct share-based payment transactions.

IFRS 3 – Business Combinations – Comprehensive revision on applying the acquisition method

The most significant amendments to IFRS 3 are the following:

- Acquisition-related costs are expensed at the time that such services are received.
- Contingent consideration is measured at fair value at the date of acquisition, and subsequent changes are recognised in the income statement rather than adjusting goodwill on acquisition.
- Entities have a choice for each buiness combination entered into, to recognise 100% of the goodwill of the acquired entity, not just the acquiring entity's portion of the goodwill. This increased amount of goodwill also increases the non-controlling interest in the net assets of the acquired entity. Such non-controlling interest is reported as part of consolidated equity.
- All consideration transferred needs to be analysed to determine whether it is part of the exchange transaction or for another transaction, such as remuneration for the provision of future services or settlement of existing relationships. Such other transactions must be accounted for separately from the business combination.
- If the acquirer reacquires a right that it previously granted to an acquiree, the right will be recongised as an identifiable intangible asset, separately from goodwill.
- The acquirer will reassess all assets and liabilities acquired to determine their classification or designation as required by other standards. There are two exceptions, namely for leases and insurance contracts, which are classified and designated based on the contractual terms and conditions at the date of inception of the contract.
- In step acquisitions, previously held interests are remeasured to fair value at the date of subsequent acquisition and this value is included in calculating goodwill. Any gain or loss arising from the remeasurement is recognised in the income statement.

The above changes do not affect the consolidated financial statements of W.E.T. AG, since no changes in the Group structure have taken place in the year under review.

IAS 27/ IAS 28 / IAS 31 – Consequential amendments arising from amendments to IFRS 3

The most significant changes are as follows:

- Partial disposal of an investment in a subsidiary while control is retained is accounted for as an equity transaction with owners and a gain or loss is not recognised.
- Partial disposal of an investment in a subsidiary that results in loss in control triggers remeasurement of the residual holding to fair value. Any difference between fair value and carrying amount is recognised in the income statement. Thereafter IAS 28, IAS 31, or IAS 39 is applied to the remaining holding, as appropriate.
- Losses incurred by the subsidiary will be allocated between the controlling and non-controlling interests even if the losses exceed the non-controlling equity investment in the subsidiary.
- If an investor loses significant influence over an associate, it derecognises that associate and recognises in the income statement the difference between the sum of

the proceeds received and any retained interest, and the carrying amount of the investment in the associate. When an investor loses joint control over a jointly controlled entity similar treatment is required.

The above changes do not affect the consolidated financial statements of W.E.T. AG, since no changes in the Group structure have taken place in the year under review.

IAS 39 – Financial Instruments: Recognition and Measurement - Eligible hedged items

The amendment addresses only the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion, in particular situations. The amendment clarifies that an entity is permitted to designate a portion of the fair value or cash flow changes of a financial instrument, as a hedged item.

The above amendment does not affect the consolidated financial statements of W.E.T. AG, since the Group has not designated options as hedging instruments of one-sided risks.

IFRIC 17 – Distributions of Non-cash Assets to Owners

IFRIC 17 provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation applies to all non-reciprocal distributions of non-cash assets, including those giving the shareholders a choice of cash or other assets, provided that all owners of the same class of equity instruments are treated equally and the non-cash assets distributed are not ultimately controlled by the same party before and after distribution.

IFRIC 17 does not affect the consolidated financial statements of W.E.T. AG, as non-cash assets were not distributed to shareholders.

IFRIC 18 – Transfers of Assets from Customers

IFRIC 18 clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant, and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water).

IFRIC 18 is particularly relevant for entities in the utility sector and is therefore irrelevant for the W.E.T. Group.

Annual Improvements to IFRSs

Apart from the changes described above, the Annual Improvements Project of April 2009 resulted in 15 minor amendments to ten standards and two interpretations. The subjects for amendment were the following:

- Scope of IFRS 2 and revised IFRS 3 (IFRS 2).
- Disclosures of non-current assets or disposal groups classified as held for sale or discontinued operations (IFRS 5).
- Disclosure of information about segment assets (IFRS 8).
- Current/non-current classification of convertible instruments (IAS1).
- Classification of expenditures on unrecognised assets (IAS 7).
- Classification of leases of land and buildings (IAS 17).
- Determining whether an entity is acting as a principal or as an agent (IAS 18).
- Unit of accounting for goodwill impairment testing (IAS 36).
- Additional consequential amendments arising from revised IFRS 3 (IAS 38).
- Measuring the fair value of an intangible asset acquired in a business combination (IAS 38).
- Treating loan prepayment penalties as closely related embedded derivatives (IAS 39).
- Scope exemption for business combination contracts (IAS 39).
- Cash flow hedge accounting (IAS 39).
- Scope of IFRIC 9 and revised IFRS 3 (IFRIC 9).
- Change of the restriction on the entity that can hold hedging instruments (IFRIC 16).

The changes which are relevant to the Group do not have a material affect on the consolidated financial statements of W.E.T. AG.

2. New and revised standards for which application was not yet mandatory in the financial year 2010

The following table shows all published standards and interpretations whose adoption is not yet mandatory for the financial year 2010. On December 31, 2010, the changes to IFRS 1 which are mandatory as from 2011, and changes to IFRS 7, IFRS 9, IAS 12, and the amendments to the annual Improvement Project of May 2010 were not yet endorsed by the EU. None of these standards have been applied earlier by the W.E.T. Group.

Standard / Interpretation	Description	Effective for Annual Periods beginning on or after:
IFRS 1	First-time Adoption of International Financial Reporting Standards – Limited exemption for first-time adopters from comparative disclosures in accordance with IFRS 7	July 1, 2010
IFRS 1	First-time Adoption of International Financial Reporting Standards – Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs'	July 1, 2011
IFRS 1	First-time Adoption of International Financial Reporting Standards – Additional exemption for entities ceasing to suffer from severe hyperinflation	July 1, 2011
IFRS 7	Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets	July 1, 2011
IFRS 9	Financial Instruments: Classification and Measurement	January 1, 2013
IAS 12	Income Taxes – Limited scope amendment (recovery of underlying assets)	January 1, 2012
IAS 24	Related Party Disclosures	January 1, 2011
IAS 32	Financial Instruments: Presentation – Classification of rights issues	February 1, 2010
IFRIC 14	Prepayments of a Minimum Funding Requirement	January 1, 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 1, 2010
Various	Annual Improvement Project of May 2010	mostly July 1, 2010

IFRS 1 – First-time Adoption of International Financial Reporting Standards

In January 2010, the IASB amended IFRS 1 to exempt first-time adopters of IFRSs from providing the additional disclosures introduced in March 2009 by *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)*. The amendment grants first-time adopters the same transition provisions that Amendments to IFRS 7 provides to current IFRS preparers.

In December 2010, the IASB amended IFRS 1 to:

- provide relief for first-time adopters of IFRSs from having to reconstruct transactions that occurred before their date of transition to IFRSs.
- provide guidance for entities emerging from severe hyperinflation either to resume presenting IFRS financial statements or to present IFRS financial statements for the first time.

The above changes will not affect the consolidated financial statements of W.E.T. AG, since the Group has adopted IFRS in fiscal year 2005/2006.

IFRS 7 – Amendments enhancing disclosures about transfers of financial assets

The enhanced disclosures will allow users of financial statements to improve their understanding of transfer transactions of financial assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of the reporting period.

This amendment is not expected to result in any material effects on the consolidated financial statements of W.E.T. AG.

IFRS 9 – Financial Instruments: Classification and Measurement

The purpose of IFRS 9 is to replace IAS 39 in the medium term.

Phase I of IFRS 9 applies to all financial assets, which will be classified in two categories instead of four, i.e. as being measured either at amortized cost or at fair value. Furthermore, derivatives will no longer be assessed separately, but along with the underlying contract. Reclassification is only permitted when an entity changes its individual business model. Apart from a number of simplifications, the new standard now only provides for one method for impairment tests for all financial assets. Also, reversal of impairment losses is now generally prohibited.

Work on the other phases is ongoing and includes classification and measurement of financial liabilities, impairment of financial instruments, hedge accounting and derecognition of financial instruments.

Possible effects for the W.E.T. Group are currently being reviewed.

IAS 12 – Income Taxes

The standard requires an entity to measure the deferred tax relating to an asset depending on whether it expects to recover the carrying amount of the asset through use or sale. The amendment provides a practical solution to the problem of assessing whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 "Investment Property". This is done by introducing the presumption that recovery of the carrying amount will normally be through sale.

This amendment is not expected to be relevant for the W.E.T. Group since Investment Property is measured using the cost model.

IAS 24 – Related Party Disclosures

The amendment to IAS 24 clarifies the definition of a related party. This mainly results in more extensive disclosures on the relationships between the subsidiaries within the group.

This amendment is not expected to have any material effect on the W.E.T. Group.

IAS 32 – Financial Instruments: Presentation - Classification of rights issues

The amendment states that if rights (and certain options or warrants) are issued pro rata to all of an entity's existing owners of the same class of an entity's non-derivative equity instruments, for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated.

This regulation is not expected to be relevant for the W.E.T. Group since no such rights issues are expected.

IFRIC 14 – Prepayments of a Minimum Funding Requirement

IFRIC 14 provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset.

This amendment is not expected to have any material effect on the W.E.T. Group.

IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 clarifies the IFRS requirements when an entity settles a financial liability fully or partially by issuing shares or other equity instruments. The interpretation clarifies that:

- the equity instruments issued to a creditor to extinguish a financial liability are part of the "consideration paid" as defined in IAS 39.41.
- the equity instruments issued are always measured at their fair value. If their fair value cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.
- the difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued is included in the income statement.
- where only part of a financial liability is extinguished, the entity needs to determine whether part of the consideration paid relates to a modification of the liability outstanding. If so, the consideration paid is allocated between the two parts.

Possible future effects for the W.E.T. Group are currently being reviewed.

Annual Improvements to IFRSs

Apart from the changes described above, the Annual Improvements Project of May 2010 resulted in 11 minor amendments to 6 standards and 1 interpretation. The subjects for amendment were the following:

- Accouting policy changes in the year of adoption (IFRS 1).
- Revaluation bases as deemed cost (IFRS 1).
- Use of deemed cost for operations subject to rate regulation (IFRS 1).
- Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS (IFRS 3).
- Measurement of non-controlling interests (IFRS 3).
- Unreplaced and voluntarily replaced share-based payment awards (IFRS 2).

- Clarification of disclosures (IFRS 7).
- Clarification of statement of changes in equity (IAS 1).
- Transition requirements for amendments arising as a result of IAS 27 (IAS 27).
- Significant events and transactions (IAS 34).
- Fair value of award credits (IFRIC 13).

These changes are not expected to have any material effect on the W.E.T. Group.

C. Accounting principles

The consolidated financial statements of W.E.T. AG have been prepared in accordance with International Financial Reporting Standards (IFRSs) pursuant to IAS 27.

Recognition of income

Income is measured at the fair value of the consideration received or receivable. The recognition of income is handled as follows:

Revenues

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer, the price can be measured reliably, recovery of the consideration is probable and the costs incurred or to be incurred in respect of the transaction can be estimated reliably. Revenue is recognized, net of returns, trade discounts, bonuses and volume rebates. A breakdown of the revenue in the W.E.T. Group is presented in section J. Group segment reporting.

Interest income

Interest income from securities and other financial assets is only recognized as income if it is probable that the company will receive the economic benefit and the amount of the income can be measured reliably.

Intangible assets

Acquired and self-constructed intangible assets are capitalized at cost if it is probable that the future economic benefits that are attributable to the asset will flow to the W.E.T. Group and the cost of the asset can be measured reliably. After initial recognition intangible assets are carried at cost less amortisation and any impairment losses. Distinction is made between intangible assets with an indefinite or finite life.

Intangible assets with a finite life are subject to scheduled amortization on a straight-line basis over the estimated useful life. The amortization period and the amortization method are reviewed every financial year at the reporting date. Also, if there are any indications of impairment, impairment tests are carried out in accordance with IAS 36. An impairment loss is recognized if the carrying amount of an individual asset exceeds the recoverable amount. The recoverable amount of an asset is defined as either the asset's fair

value less costs to sell or its value in use, whichever is higher. The resulting impairment loss is an expense allocated to the functional areas in the income statement. This does not apply to impairment of goodwill which is presented as a separate line-item in the income statement.

Apart from goodwill, intangible assets mainly comprise customer relationships, technologies, development costs, licenses, patents and software. With the exception of goodwill, there are no intangible assets with an indefinite useful life.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. It is measured at cost less accumulated impairment losses.

In accordance with IAS 36, impairment tests are carried out at least once a year and also when there are any signs of impairment. For the purpose of this impairment test, goodwill is allocated to cash generating units that are expected to benefit from this goodwill. The cash generating units correspond to the operating segments of the W.E.T. Group. An impairment loss is recognized if the carrying amount of the cash generating unit to which the goodwill is allocated exceeds the recoverable amount.

Development costs

Development costs for new or substantially improved products are capitalized at cost, provided that the expenses can be clearly attributable to the asset during its development, the technical feasibility of completing the asset is certain, and there is the intention to use or sell the intangible asset upon completion. It must be sufficiently probable that the development activity will yield an economic benefit for the company. The capitalized costs must be directly attributable to the development process. After completion of a project, capitalized development expenses are subject to straight-line amortization over a useful life that corresponds to the planned product lifecycle. Annual impairment tests are conducted for uncompleted and capitalized development projects.

Research and development costs that cannot be capitalized are recognized as an expense when incurred. In financial year 2010, research and development expenses amounted to €19,844k (2009: €14,117k, 2008: €16,156k).

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

The cost comprises the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets comprises the costs directly attributable to their production as well as a systematic allocation of the production-related overhead costs.

Borrowing costs related to the acquisition, construction or production of assets cannot be allocated to qualifying assets and can therefore not be capitalized.

Costs related to the maintenance and day-to-day servicing of the assets can also not be capitalised, but are rather expensed.

Depreciation is applied on a straight-line basis over the useful life. The depreciation period and method are reviewed every financial year at the reporting date. Impairment tests according to IAS 36 are carried out if there are signs of impairment. Impairment tests for property, plant and equipment are carried out in the same way as those for intangible assets with finite useful lives (see above).

Investment property

At initial recognition, land and buildings that represent investment property as defined in IAS 40 are measured at cost of purchase or construction. In subsequent periods, measurement is conducted according to the cost model. In this context, the regulations of IAS 16 (Property, Plant and Equipment) are applied.

For disclosure purposes, where no market value was available for the investment property at the reporting date, the fair value of the investment property was measured using the discounted cash flow method on the basis of future rental income in accordance with the operating lease agreement, the remaining useful life of the building, and the location-specific WACC.

Leases

Leases that transfer all material risks and rewards incidental to ownership to the W.E.T. Group are presented as finance leases under intangible assets or property, plant and equipment, depending on the asset leased out. At initial recognition, measurement takes place at the lower of the fair value of the asset and the present value of the minimum lease payments. Depreciation takes place over the shorter of the useful life of the asset and the lease term. Future minimum lease payments are presented under financial liabilities.

Leases that do not satisfy the conditions of finance leases are operating leases. Such leases are recognized as expenses in the income statement when they occur.

Depreciation and amortization

Depreciation of property, plant and equipment and amortization of intangible assets are based on the following useful lives, which are standardised throughout the group:

	Useful life in years
Intangible assets	
Customer relationships	15
Technology	8 – 13
Development costs	4
Software	3 – 8
Buildings	10 – 50
Plant and machinery	3 – 20
Furniture, fixtures and fittings	3 – 15

Since the income statement is presented using the function of expense method, depreciation and amortization are included in the following line-items of the income statement: cost of sales, distribution costs, research and development expenses and general administrative expenses.

Inventories

Raw materials, consumables and commodities are measured at cost of purchase, and unfinished and finished goods are measured at cost of production. This is done using the weighted average method. The cost of production comprises the costs directly attributable to the production as well as a systematic allocation of the production-related overhead costs. Financing costs are not part of the cost, since they cannot be allocated to qualifying assets. If the net realisable value expected on the reporting date is below cost, e.g. due to excessive storage time, damage or reduced marketability, a write-down is performed to the lower value. The net realisable value refers to the estimated selling price to be realized in the ordinary course of business less estimated costs until completion and estimated necessary distribution costs.

Financial assets

A financial asset is recognized when the W.E.T. Group becomes a party to the contractual provisions of the financial asset. Financial assets are derecognized when the rights to cash flows from a financial asset expire or the rights are transferred to a third party. In the case of transfer, the criteria of IAS 39 concerning the transfer of risks and rewards of financial assets are observed.

At initial recognition, valuation is made at fair value. For subsequent measurement, financial assets are classified in the following four categories: “At fair value through profit or loss”, “Held to maturity”, “Loans and receivables” and “Available for sale”.

In the W.E.T. Group, financial assets of the category “At fair value through profit or loss” only consist of derivative financial instruments. The W.E.T. Group uses derivative financial instruments to reduce exchange and interest rate risks. As a matter of principle, the W.E.T. Group does not hold or issue derivative financial instruments for trading or speculative purposes. To reduce certain risks, the W.E.T. Group executes currency futures, options and interest rate swaps on the basis of the prospective interest and exchange rate risks. Derivative financial instruments are valued at fair value at each balance sheet date; changes in the fair value are recognized in the income statement, unless they are subject to special hedge accounting treatment.

Financial assets classified as “Held to maturity” and “Loans and receivables” are valued at amortized cost. Gains and losses are recognized in the income statement when the financial asset is derecognized or impaired. If there is objective evidence of an impairment, the difference between the carrying amount and the present value of the expected future cash flows is written off.

Financial assets classified as “Available for sale” are carried at fair value, and any unrealised gains and losses from exchange rate differences arising from revaluation are recorded separately to equity until they are realised. Deferred taxes are accounted for on the unrealised amount.

If there is clear evidence that the financial asset is impaired, the loss accumulated in equity is removed from equity and recognized in the income statement.

The accounting date for financial assets of all categories is the settlement date.

Financial assets in the statement of financial position comprise the following:

Trade receivables and other financial receivables

Other financial receivables mainly consist of derivative financial instruments with a positive market value which are classified “At fair value through profit and loss”. All trade receivables and remaining financial receivables are classified as “Loans and receivables” and valued accordingly.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at banks. They have a maturity date of not more than three months and thus are carried at amortised cost.

Other assets

Other assets include non-financial assets. These are initially valued at fair value and subsequently carried at amortized cost.

Deferred tax assets and deferred tax liabilities

Deferred taxes are measured at the tax rates that are expected to apply to the period within which the asset is realised or the liability is settled. In accordance with IAS 12, deferred tax assets and deferred tax liabilities are recognized for all temporary differences between the carrying amount of an asset or liability and carried at their value for tax purposes. Deferred tax assets are also recognized for tax losses carried forward and tax credits. Deferred tax assets are recognized for temporary differences and losses carried forward to the extent that it is probable that taxable profits will be available in the future.

Deferred taxes are computed using the effective tax rates, which are enacted, or are substantialy enacted, in each country at the time of realisation. The effect of tax rate changes on deferred taxes is recognized in the income statement when the statutory amendment becomes effective.

Pension provisions

Pension provisions are measured using the projected unit credit method in accordance with IAS 19. This method considers the pensions and benefit entitlements, and also the increase in pensions and salaries expected in the future using prudent estimates of
relevant influencing variables. The calculation takes place on the basis of actuarial appraisals considering biometric assumptions.

Actuarial gains and losses are recorded as other income and shown on the statement of comprehensive income. Service and interest costs for pension provisions are recognised within administrative expenses.

Other provisions

Other provisions are recognized for all uncertain third party obligations and risks of the W.E.T. Group. Recognition is only possible if there is a current obligation (legal or constructive) from a past event, a claim is likely, and the amount of the obligation can be reliably measured. The recognised amounts represent the best possible estimate of the expenses required to settle the future obligation in the amount expected at the balance sheet date.

These provisions are generally for personnel/social benefits-related and warranty obligations, among others.

Government grants

Government grants are not recognized in income until it is sufficiently certain that W.E.T. AG will fulfill the conditions associated with the grants and the grants will actually be received. Grants are either recognized directly in the income statement when the expenses they relate to are incurred, or initially deferred under other liabilities if they relate to assets.

Financial liabilities

A financial liability is recognized when the W.E.T. Group becomes a party to the contractual provisions of the financial liability. A financial liability is derecognized when it is extinguished, i.e. when the obligations specified in the contract are settled, canceled or expired.

Initial recognition is at fair value. Subsequent valuation of financial liabilities is at amortized cost, except for derivative financial instruments with negative market values, which are measured at fair value at the balance sheet date. Any changes in the fair value are recognized as gains or losses in the income statement, unless they are subject to special hedge accounting treatment.

Financial liabilities in the statement of financial position include liabilities to banks and to finance leasing companies as well as deferred interest, trade payables and other financial liabilities, and derivative financial instruments with negative market value.

Derivative financial instruments – hedge accounting

The company accounts for some of its derivative financial instruments as cash flow hedges as defined in IAS 39. As these derivatives are designated as hedging instruments

for future anticipated cash flows, the effective portion of the gain or loss resulting from the valuation at the balance sheet date is recognized as a separate item within equity. The ineffective portion of the gain or loss is recognized in the income statement. These hedging transactions and the respective correlations meet the requirements for hedge accounting. The gains or losses recognized in equity are posted in the income statement when the hedged items are realized. Discounts or premiums for hedged contracts are recognized within earnings for the period, until maturity.

Estimates

The preparation of consolidated financial statements according to the regulations of the IASB requires that future assumptions and estimates that affect the amount and presentation of assets and liabilities, income and expenses, and contingent liabilities, are made. The assumptions and estimates mainly concern the Group's standardized determination of assets useful lives, the accounting and measurement of provisions, the realisation of future tax credits and the planning and measurement assumptions underlying the impairment tests.

At times, the actual values may differ from the assumptions and estimates made. Changes are recognised as gains or losses as soon as they become evident.

Significant assumptions can result in inaccurate estimates which can lead to a significant risk that adjustments have to be made to assets and liabilities within the following financial year. These assumptions and estimates are presented in Section K. Material assumptions and estimates.

D. Consolidated companies

Apart from the parent company W.E.T. AG, consolidated companies of the Group comprise the directly and indirectly held subsidiaries listed below. The equity interest in the joint venture Yongsan W.E.T. Korea Co., Ltd. is 50%. However, the company is fully consolidated because it is controlled by W.E.T. AG. The equity interest in all other companies is 100%. The financial year of all included companies corresponds to the parent's financial year.

- W.E.T. Automotive GmbH, Odelzhausen, Germany (W.E.T. GmbH)
- W.E.T. Special Products GmbH, Odelzhausen, Germany (W.E.T. Special Products)
- W.E.T. Automotive Systems Ungarn Kft, Pilisszentiván, Hungary (W.E.T. Hungary)
- W.E.T. Holding (Malta) Limited, Ta' Xbiex, Malta (W.E.T. Malta Holding)
- W.E.T. Automotive Systems (Malta) Limited, Ta'Xbiex, Malta (W.E.T. ITC Malta)
- W.E.T. Automotive Ukraine TOV, Vynohradiv, Ukraine (W.E.T. Ukraine)
- W.E.T. Automotive Systems (China) Limited, Langfang, China (W.E.T. China)
- W.E.T. Automotive Systems Inc., Asan, Korea (W.E.T. Korea)
- W.E.T. Automotive Systems Ltd., Windsor, Canada (W.E.T. Canada)
- W.E.T. Automotive Systems (Texas), Inc., Del Rio, Texas, USA (W.E.T. USA)
- W.E.T. Sistemas Automotrices S.A. de C.V., Ciudad-Acuna, Mexico (W.E.T. Mexico)

- Motion Holdings LLC, Wilmington, Delaware, USA (Motion Holdings)
- ComairRotron GmbH, Odelzhausen, Germany
- Yongsan W.E.T. Korea Co., Ltd., Asan, Korea (W.E.T. Yongsan)
- Comair Rotron (Shanghai) Fan Co., Ltd., Shanghai, China (Comair)

Subsidiaries operate within different social and legal environments. Due to regulatory provisions, in some cases restrictions may apply to the transfer of funds, which W.E.T. AG avoids by means of contractual agreements conforming with the respective legal framework.

In accordance with a purchase agreement dated December 17, 2009 between the subsidiary SeaTex AG and a third party, all assets, inventories for material, and the building site at Filderstadt were transferred to the third party on January 1, 2010.

In May 2010, SeaTex AG changed its name and legal form and is now W.E.T. Special Products GmbH.

These changes are not significant for the Group's earnings, financial position, and cashflow.

Upon receipt of the official permits, Comair, which the W.E.T. Group had acquired in October 2008, was fully consolidated for the first time in January 2009 and included in the consolidated financial statements.

Since its inclusion in the scope of consolidated companies, Comair has generated external revenue in 2009 of €3.6 million and a net loss of €0.8 million.

Assets and liabilities recognized at the time of acquisition amounted to €1.8 million for current assets, €1.2 million for non-current assets, €2.3 million for current liabilities and €0.7 million for equity.

E. Consolidation principles

Capital consolidation takes place using the purchase method by offsetting the acquisition costs against the Group's share in the equity of the consolidated subsidiary at the time of purchase, measured at market value. Any remaining positive difference is capitalized as goodwill. Any negative difference is immediately recognized under operating income in the income statement.

Intragroup receivables, payables, income and expenses, as well as earnings from intercompany transactions (intercompany profits) are eliminated on consolidation.

F. Currency translation

The translation of financial statements prepared in foreign currencies by the individual group companies is performed using the functional currency concept. The functional currency is the currency of the primary business environment in which the company

operates. The functional currency of W.E.T. AG and the reporting currency of the Group is the Euro. Since the subsidiaries conduct their business independently with regards to financial, business and organizational aspects, the functional currency is basically identical to the national currency of the country in which each company operates, or of its primary business environment. For the consolidated financial statements, income and expense items from the financial statements of the subsidiaries that are prepared in foreign currency are translated to the presentation currency at the average annual rate pursuant to IAS 21.40, and assets and liabilities are translated at the closing rate. Exchange rate differences that result from the difference in the translation of the statement of financial position and income statement as well as the translation of the opening net assets at a closing rate that differs from the previous closing rate are recognized in equity.

Goodwill resulting from the acquisition of subsidiaries as well as any fair value adjustments to the carrying amounts of assets and liabilities are treated as assets and liabilities of the foreign subsidiary. They are therefore reported in the functional currency of the foreign subsidiary and translated into the presentation currency according to the above-mentioned rules.

Foreign currency transactions in the individual financial statements of the subsidiaries are initially reported in the functional currency using the spot exchange rate between the functional currency and the foreign currency on the date of the transaction. For subsequent periods, monetary items in foreign currency are always translated using the closing rate. Any resulting currency gains or losses are recognised directly in the income statement.

The exchange rates used for the translation of the key currencies have changed in relation to the Euro as follows:

	Closing rate		Average annual rate		
	2010	**2009**	**2010**	**2009**	**2008**
Canadian Dollar	0.7543	0.6648	0.7306	0.6314	0.6385
Hungarian Forint	0.003571	0.003668	0.003624	0.003547	0.004023
US Dollar	0.7543	0.6975	0.7524	0.7176	0.6749
Chinese Renminbi	0.1141	0.1020	0.1111	0.1051	0.0982
Ukrainian Hryvnia	0.09352	0.08593	0.09352	0.08862	0.13019
Korean Won	0.000666	0.000598	0.000650	0.000563	0.000618

G. Notes to the statement of financial position and to the income statement

1. Development of intangible assets and property, plant and equipment

€ '000	Intangible Assets			Property, Plant and Equipment				Total
	Industrial property Rights and Similar Rights	Develop-ment Projects	Goodwill	Property and Buildings	Plant and Machinery	Production and Office Equipment	Con-struction in Progress	Total
Financial Year 2009								
Cost								
As at January 1, 2009	58,583	17,248	75,498	33,078	30,592	12,299	159	227,457
Business Combinations	235	0	0	0	1,441	179	0	1,855
Exchange Rate Differences	216	1,239	0	123	-431	77	-4	1,220
Additions	415	3,709	11	13	1,944	320	175	6,587
Disposals	0	616	0	4,663	577	662	0	6,518
Assets classified as held for sale	-83	0	0	-1,420	-647	-381	0	-2,531
Reclassifications	18	0	0	711	36	9	-67	707
As at December 31, 2009	59,384	21,580	75,509	27,842	32,358	11,841	263	228,777
Depreciation and Impairment								
As at January 1, 2009	42,044	8,669	33,378	12,992	16,398	10,365	0	123,846
Business Combinations	0	0	0	0	377	42	0	419
Exchange Rate Differences	139	606	0	156	36	92	0	1,029
Additions	3,295	2,428	0	844	3,669	772	0	11,008
Additions Impairment	174	321	0	1,066	763	0	0	2,324
Disposals	0	111	0	1,794	564	660	0	3,129
Assets classified as held for sale	-63	0	0	-910	-498	-347	0	-1,818
Reclassifications	0	0	0	463	0	0	0	463
As at December 31, 2009	45,589	11,913	33,378	12,817	20,181	10,264	0	134,142
Carrying Amount as at Dec 31, 2009	**13,795**	**9,667**	**42,131**	**15,025**	**12,177**	**1,577**	**263**	**94,635**
Carrying Amount as at Dec 31, 2008	**11,257**	**8,579**	**42,120**	**20,086**	**14,194**	**1,934**	**159**	**98,329**

€ '100	Intangible Assets			Property, Plant and Equipment				Total
	Industrial Property Rights and Similar Rights	Develop-ment Projects	Goodwill	Property and Buildings	Plant and Machinery	Production and Office Equipment	Con-struction in Progress	Total
Financial Year 2010								
Cost								
As at January 1, 2010	59,384	21,580	75,509	27,842	32,358	11,841	263	228,777
Business Combinations	0	0	0	0	0	0	0	0
Exchange Rate Differences	302	1,504	0	508	2,274	464	15	5,067
Additions	800	2,889	0	195	2,337	906	73	7,200
Disposals	425	864	0	0	1,430	1,478	3	4,200
Assets classified as held for sale	0	0	0	14,913	0	0	0	14,913
Reclassifications	0	0	0	9,026	34	31	-65	9,026
As at December 31, 2010	60,061	25,109	75,509	22,658	35,573	11,764	283	230,957
Depreciation and Impairment								
As at January 1, 2010	45,589	11,913	33,378	12,817	20,181	10,264	0	134,142
Business Combinations	0	0	0	0	0	0	0	0
Exchange Rate Differences	202	846	0	126	1,213	361	0	2,748
Additions	3,537	3,364	0	832	4,198	676	0	12,607
Additions Impairment	107	0	0	2,646	0	0	0	2,753
Reversal of Impairment	20,065	0	0	0	0	0	0	20,065
Disposals	425	200	0	0	1,076	1,465	0	3,166
Assets classified as held for sale	0	0	0	7,742	0	0	0	7,742
Reclassifications	0	0	0	3,433	0	0	0	3,433
As at December 31, 2010	28,945	15,923	33,378	12,112	24,516	9,836	0	124,710
Carrying Amount as at Dec 31, 2010	**31,116**	**9,186**	**42,131**	**10,546**	**11,057**	**1,928**	**283**	**106,247**
Carrying Amount as at Dec 31, 2009	**13,795**	**9,667**	**42,131**	**15,025**	**12,177**	**1,577**	**263**	**94,635**

2. Intangible assets

Intangible assets comprise customer relationships, technologies, licenses, patents and software. Acquired and self-produced developments and acquired goodwill are also presented under this category.

Impairment tests on goodwill were conducted based on cash generating units in accordance with IAS 36. Goodwill of the cash generating units is as follows:

Cash generating units	in € '000
As of December 31, 2010	42,131
As of December 31, 2009	42.131

The majority of the goodwill resulted from the acquisition of shares in W.E.T. Automotive Systems Ltd., Canada, with a carrying value as of December 31, 2010 of €37,751k (December 31, 2009: €37,751k). The remaining balance related to Europe.

For the purpose of conducting impairment tests, future cash flows for each cash generating unit were determined for the next three financial years. Planning is based on past empirical values as well as best possible estimates of future developments provided by corporate management.

In addition, in order to conduct impairment tests, management estimated cash income beyond the forecast period, by extrapolating figures using a constant growth rate for subsequent years. The weighted average growth rate used in the forecasted values corresponds to expected growth predictions. Using the discounted cash flow method, present values for the cash generating unit were calculated. The following parameters were applied:

Cash generating unit	Weighted average cost of capital (before taxes)	Growth factor
2010	12.4% – 16%	1.0%
2009	11.5% –13.5%	1.0%
2008	13.30%	0.5%

These parameters were determined by assessing the company-specific risk under consideration of industry-specific parameters.

The recoverable amount determined in this way based on the value in use was then compared with the carrying amount of the cash-generating unit for the purpose of determining impairment. In 2010 and 2009, no need for impairment was determined in either the testing using underlying current market parameters or in advanced sensitivity analyses. In 2008, an impairment of €13,738k was recorded.

In financial year 2010, development projects were amortized by €3,364k (2009: €2,428k; 2008: €1,684k).

At December 31, 2010 no development projects needed to be impaired (2009: €321k; 2008: €92k). In 2009 and 2008, such impairments were recognized as expenses under research and development costs.

In the financial year, customer relationships were amortised by €385 k (2009: €385k; 2008: €2,425k). Impairments recognized in 2008 amounting to €24,146k have been partially reversed in the current year. The reversal of impairment is a result of year-end impairment testing based on positive business development and future prospects and amounts to €20,065k. This corresponds to the depreciated historical cost as it would have been on December 31, 2010, if the impairment had never been recognised. This was done in accordance with IAS 36.117.

Both, the impairment in 2008 and the partial reversal of this impairment are presented in a separate line in the income statement.

Intangible assets include capitalized leased standard software attributable to the Group as beneficial owner, due to the provisions of an underlying finance lease. This software is used at the German site. The initial term of the lease expires 2011. The lease provides for a renewal option at the end of the minimum contract term. A purchase option for the acquisition of the software does not exist.

Furthermore, the lease for the SAP ERP system was accounted for as a finance lease in the financial year. The term of this lease runs until May 2013.

The details of the minimum lease payments of the individual leases are presented under financial liabilities. As at December 31, 2010, the carrying amount of these intangible assets was €3,086k (2009: €4,673k).

3. Property, plant and equipment

The composition and development of property, plant and equipment are presented in the separate fixed asset schedule above.

4. Investment property

At December 31, 2010 buildings representing investment properties as defined in IAS 40 are those held by the German parent. The building held by the Hungarian subsidiary and defined as investment property in the prior years no longer qualifies as such, since it is management’s intention to sell it within 2011. The selling process was initiated towards the end of 2010 and there is already a prospective buyer. As at September 30, 2010, the building in Hungary was reclassified to current assets as a held-for-sale asset in line with IFRS 5.

In the Group, investment property was subject to depreciation on a straight-line basis with depreciation rates of 4% (2008/2009: 4%) in Germany and 2% (2008/2009: 2%) in Hungary. In the financial year 2010, rental income from investment property amounted to €312k (2009: €495k; 2008: €361k). Operating expenses for maintenance and occupancy costs amounted to €47k (2009: €59k; 2008: €28k), of which €24k

(2009: €21k; 2008: €20k) were assigned to areas with rental income and €23k (2009: €38k; 2008: €8k) to areas without rental income.

Investment property in € '000	2010	2009
Cost		
As at January 1	11,630	12,557
Exchange rate differences	-244	-227
Additions	0	7
Reclassifications	-9,026	-707
As at December 31	2,360	11,630
Depreciation		
As at January 1	5,177	4,941
Exchange rate differences	-93	-69
Additions	31	768
Reclassifications	-3,433	-463
As at December 31	1,682	5,177
Carrying amount as at the end of the financial year	678	6,453
Carrying amount as at the beginning of the financial year	6,453	7,616

The fair value of the investment property as at the reporting date was computed using the discounted cash flow method. In the case of the Hungarian subsidiary, the market value was recognized in the previous year. The total fair value of the investment property amounted to €897k (2009: €6,656k).

5. Assets and liabilities held for sale

Assets held for sale at the balance sheet date mainly represent the building in the Hungarian subsidiary measured at fair value less costs to sell in accordance with IFRS 5. The building was impaired by €2,646k to bring it to its fair value of €7,171k. The estimated costs to sell the building would amount to some €268 k. The impairment is allocated to the functional areas as follows: 63% to Cost of Sales, 9% to Research and Development, and 28% to Administration. At December 31, 2010, the Group also owned some Tooling amounting to €80 k, which it sold to a customer in the first quarter of 2011.

As at December 31, 2009, material parts of the assets of SeaTex amounting to €713k less costs to sell of €14k were classified as non-current assets held for sale, and non-current liabilities of €510k were classified as liabilities held for sale. These assets and liabilities were sold on the basis of a notarized contract dated December 17, 2009, effective as of January 1, 2010. Impairments of €704k were applied to the non-current assets. These assets and liabilities were allocated to the Others segment.

6. Inventories

In € '000	31.12.2010	31.12.2009
Raw materials and supplies	17,209	13,408
Work in progress	1,309	844
Finished goods	7,536	5,695
	26,054	19,947

The write-offs due to obsolete inventories amounted to €449k (2009: €615k; 2008: €4k). Inventories prior to any write-offs totalled €26,503k (2009: €20,562k; 2008: €20,861k).

7. Receivables and other assets

In € '000	31.12.2010 Total	31.12.2010 Short-term	31.12.2010 Long-term	31.12.2009 Total	31.12.2009 Short-term	31.12.2009 Long-term
Trade Receivables	**37,017**	**37,017**	**0**	**28,684**	**28,684**	**0**
Receivables from affiliated companies	**0**	**0**	**0**	**9**	**9**	**0**
Other financial assets						
Derivative financial instruments	4,208	4,208	0	102	102	0
Others	164	164	0	168	168	0
	4,372	**4,372**	**0**	**270**	**270**	**0**
Other assets						
Tax assets	2,041	2,041	0	2,011	2,011	0
Prepaid expenses	402	402	0	359	359	0
Advance payments on property, plant and equipment	131	131	0	170	170	0
Advance payments on intangible assets	392	392	0	214	214	0
Others	681	681	0	515	500	15
	3,647	**3,647**	**0**	**3,269**	**3,254**	**15**
	45,036	**45,036**	**0**	**32,232**	**32,217**	**15**

8. Cash and cash equivalents

In € '000	31.12.2010	31.12.2009
Cheques and cash on hand	39	26
Cash at banks	10,056	4,954
	10,095	4,980

Cash at banks mainly consists of deposits on current accounts and short-term investments with average interest rates of 0 to 3.4% (2009: 0 to 1%; 2008: 0.2 to 1.65%).

9. Equity

a) Issued capital

As at December 31, 2010 and as at December 31, 2009, the Company's share capital amounted to €9.6 million, divided into 3,200,000 no-par shares. All ordinary shares having a calculated nominal value of €3.00 are fully paid up.

By means of a resolution passed at the General Meeting of November 25, 2005, the Board of Directors was authorized, subject to the approval of the Supervisory Board, to increase the share capital by up to €4.8 million (authorized capital) through single or multiple issues of up to 1,600,000 shares against cash or contribution in kind until November 24, 2010. This authorization was not utilized, and amended as follows in the resolution of the General Meeting of May 20, 2010: the Board of Directors was authorized, subject to the approval of the Supervisory Board, to increase the share capital by up to €4.8 million through single or multiple issues of up to 1,600,000 bearer shares against cash or contribution in kind until May 19, 2015. This authorization may be utilised in partial amounts. The Board of Directors is authorized, subject to the approval of the Supervisory Board, to define in broad terms the shareholders' rights and the conditions of the share issue.

The Board of Directors is authorized to issue stock options in order to increase the motivation of the employees and management staff of W.E.T. Group, and to promote their long-term loyalty to the Group. Stock options may not be issued to members of the Board of Directors of W.E.T. AG. At the General Meeting of May 20, 2010, the Board of Directors was authorized, subject to the approval of the Supervisory Board, to issue warrants for the subscription of up to 48,000 bearer shares of the company until May 19, 2015, taking into consideration certain conditions, such as the term, waiting periods, lock-up periods etc. These warrants may be issued all at once, in several partial amounts, or – if granted warrants have lapsed due to cancellation or for any other reason – repeatedly. The issue of up to 48,000 new bearer shares also results in a conditional increase in the company's share capital of up to €144,000 (contingent capital I). This conditional capital is solely used to grant new shares to the bearers of warrants.

Furthermore, through a resolution passed at the General Meeting of May 29, 2008, the Company was authorized to buy back own shares up to an amount representing 10% of

the current share capital. The authorization was valid until November 28, 2009. The Company made use of this authorization on July 9, 2008 where 5% of its own shares were bought by means of a public buy-back announcement.

The number of shares in free float were as follows:

Shares	31.12.2010	31.12.2009
No-par shares	3,200,000	3,200,000
Own shares	-159,988	-159,988
Shares in free float	**3,040,012**	**3,040,012**

All ordinary shares in free float provide the right to participate and vote at the General Meeting.

The capital management of W.E.T. Automotive Systems Aktiengesellschaft is in conformity with the statutory laws on the maintenance of capital. W.E.T. Automotive Systems Aktiengesellschaft is not subject to any capital requirements under its articles of association.

Additional paid-in capital

Additional paid-in capital of the W.E.T. Group remained unchanged compared to the prior year.

Additional paid-in capital includes premiums from the issue of shares and is subject to restrictions in accordance with Section 150 of the German Stock Corporation Act (AktG).

Retained Earnings

Retained earnings include past earnings generated and retained by the consolidated companies, adjustments recognised directly in equity including those arising when IFRS was applied for the first time, as well as currency translation adjustments from capital consolidation, debt consolidation, and the valuation of net income to the year-end rate.

In financial year 2008, the purchase of own shares of a value of €6,136,000 was recorded against retained earnings.

Non-controlling interests

Non-controlling interests include a capital interest in the following company:

In € '000	31.12.2010	31.12.2009
Yongsan W.E.T., Korea Co. Ltd, Asan, Korea	269	105

10. Provisions

Pension provisions

Within the framework of a performance related post-retirement plan, the Company has entered into pension commitments for retired and active members of the Board of Directors. Financing is provided through the allocation of provisions. For active members of the Board of Directors there is solely a commitment through remuneration conversion by means of a variable non-recurrent contribution.

The following table shows the assumptions used for the actuarial appraisal:

	2010	2009	2008
Interest rate	4.50%	5.03%	6.10%
Compensation increase rate	1.50%	0.0% – 1.5%	0.0% – 1.5%
Pension progression rate	2.00%	2.00%	2.00%
Labour turnover rate	0%	0%	0%

Pension provisions comprise the following:

In € ‘000	2010	2009
Defined benefit obligation	3,320	3,271
Fair value of plan assets	658	777
Net obligation	2,662	2,494
Reconciliation of the net obligation to the value recognized in the statement of financial position as at December 31:		
Pension provisions	2,985	2,885
Less: not considered in the statement of financial position (IAS 19.58)	-323	-361

The defined benefit obligation developed as follows:

In € '000	2010	2009	2008
Present value of the defined benefit obligation as at January 1	3,271	2,924	3,000
Expenses for financial year:			
– Current service cost	10	35	27
– Interest expense	159	172	324
– Past service cost	0	0	-109
Actuarial gain/loss recognized outside profit or loss	226	336	-127
Benefits paid	-346	-196	-191
Present value of the defined benefit obligation as at December 31	3,320	3,271	2,924

The development of the fair value of the plan assets is as follows:

In € '000	2010	2009	2008
Plan assets as at January 1	777	699	733
Return on plan assets	27	30	20
Contributions	0	50	135
Benefits paid	-145	0	-176
Actuarial gain	-1	-2	-13
Plan assets as at December 31	658	777	699

The development of the net obligations over the last five years was as follows:

In € '000	31.12.10	31.12.09	31.12.08	31.12.07	30.06.07
Accrued benefit value	3,320	3,271	2,924	3,000	2,985
Fair value of plan assets	658	777	699	733	556
Net obligation	2,662	2,494	2,225	2,267	2,429

The expected return on plan assets ranges from 4.0% (2009: 4.0 to 4.2%; 2008: 4.3% to 4.5%). The actual return is 4.1% (2009: 4.0%, 2008: 4.3%). A return of 4.0% is expected for 2011. The revenue from available plan assets amounted to €26k (2009: €28k; 2008: €27k).

Plan assets comprise the employer's pension insurance policies.

The pension insurance policies taken out to finance the pension obligations are pledged to the beneficiaries and satisfy the requirements of a qualifying insurance policy. For this reason, the insurance values were calculated under consideration of the asset ceiling and netted against the benefit obligation.

The fair value/asset value of the aforesaid insurance is determined on the basis of the calculation of the underlying insurance tariffs.

The statutory pension scheme in Germany is considered to be a defined contribution plan. Contributions to the statutory pension scheme amounted to €1,639k (2009: 1,789k; 2008: €1,863k).

Other provisions

In the financial year under review, other provisions developed as follows:

In € '000	As at 01.01.10	Exchange rate difference	Additions	Reversals	Usage	As at 31.12.10
Personnel and social obligations						
Short-term	1,901	38	5,773	695	2,450	4,567
Warranty obligations						
Short-term	4,283	45	3,885	93	1,551	6,569
Other obligations						
Short-term	6,397	265	6,631	3,825	5,308	4,160
Short-term	**12,581**	**348**	**16,289**	**4,613**	**9,309**	**15,296**
Total	**12,581**	**348**	**16,289**	**4,613**	**9,309**	**15,296**

In € '000	As at 01.01.09	Exchange rate difference	Business Combinations	Additions	Reversals	Usage	As at 31.12.09
Personnel and social obligations							
Short-term	1,636	30	0	3,706	547	2,924	1,901
Warranty obligations							
Short-term	5,193	76	0	1,004	1,031	959	4,283
Other obligations							
Short-term	3,105	-29	295	6,542	1,039	2,477	6,397
Short-term	**9,934**	**77**	**295**	**11,252**	**2,617**	**6,360**	**12,581**
Total	**9,934**	**77**	**295**	**11,252**	**2,617**	**6,360**	**12,581**

The personnel and social obligations mainly include amounts due for employee bonuses, employment termination settlements, reorganizations and partial retirement agreements. These are mainly due in 2011 and will almost certainly be incurred in full. The warranty obligations comprise provisions for warranty claims. These obligations areise on the basis of contractual warranty claims or other legal claims. Measurement is based on statistical methods. The payment is rendered after an internal quality assurance check. The other obligations take various recognisable individual risks into account. These involve the legal and consultation costs in the Amerigon case, the outflow of which funds we expect according to the progress of the proceedings in 2011.

11. Liabilities and other debts

In € '000	Total	31.12.10 Current	Non-Current	Total	31.12.09 Current	Non-Current
Financial liabilities to banks	25,444	4,444	21,000	36,065	36,065[1)]	0
thereof deferred interest	24	24	0	241	241	0
from finance leasing	4,644	2,165	2,479	6,874	2,460	4,414
	30,088	**6,609**	**23,479**	**42,939**	**38,525**	**4,414**
Trade payables	**17,049**	**17,049**	**0**	**14,118**	**14,118**	**0**
Liabilities to affiliated companies	**7,925**	**0**	**7,925**	**705**	**705**	**0**
Other financial liabilities						
Commitments from settlement agreements	1,700	1,700	0	3,307	1,700	1,607
Labor and social contributions	1,226	1,226	0	735	735	0
Other personnel liabilities	431	431	0	260	260	0
Derivative financial instruments	15,103	1,905	13,198	6,804	6,804	0
Others	4,443	4,443	0	1,425	1,425	0
	22,903	**9,705**	**13,198**	**12,531**	**10,924**	**1,607**
Other liabilities						
Liabilities from taxes/duties	818	818	0	858	858	0
Others	185	180	5	266	261	5
	1,003	**998**	**5**	**1,124**	**1,119**	**5**
	78,968	**34,361**	**44,607**	**71,417**	**65,391**	**6,026**

1) €510k presented as liabilities held for sale

Financial liabilities to banks

Current liabilities to banks include drawn balances within the context of the working capital facility. The maximum credit line amounts to €10,000k (2009: €20,000k) and consists of mid-term uses of consortium funds and short-term overdrafts at individual banks. As at December 31, 2010, the short-term overdrafts amounted to €3,000k (2009: €5,000k). This credit line of €3,000k (2009: €5,000k) incurs interest at the EONIA monthly average rate plus a credit margin of 5% (2009: 2% plus a variable credit margin as defined in the senior facility agreement (SFA), which correlates to the debt to EBITDA ratio). In 2010, this interest rate averaged 5.44% (2009: 4.05%). As at December 31, 2010, the utilization of the credit lines including guarantees amounted to €178k, leaving unused credit amounting to €2,822k (2009: €2,155k and €2,845).

The senior facility agreement (SFA) concluded in September 2003, including various amendments, remains valid.

The credit agreements and the available credit lines depend substantially on compliance with covenants. These are indicators from the consolidated financial statement that, by definition, represent maximum or minimum limits. A review is performed on a quarterly basis. The indicators subject to review are leverage ratio, fixed charge cover, equity ratio and investments, the latter two being reviewed only at the end of the financial year. Due to violation of the covenants as at December 31, 2009, loans due for long-term repayment have been reclassified as current financial liabilities.

According to the credit agreements there will be an excess cash flow calculation which will probably lead to a further prepayment of the remaining amount of Facility A. Based on a preliminary calculation the main part of Facility A was paid prematurely in December 2010. The outstanding amount of Facility A was reclassified from long-term to short-term at the end of December 2010.

SeaTex liabilities to banks in 2009 comprise two loans that were mainly used for the acquisition and extension of the plant and for project-related investments. These loans were related to non-current assets held for sale, and complete repayment took place in January 2010.

As at December 31, 2010 and December 31, 2009, financial liabilities to banks were structured as follows:

In € '000	Maturity	31.12.10	31.12.09
Senior facility agreement (SFA)		23,137	34,295
thereof Facility A	2012	2,137	6,618
thereof Facility B		0	12,164
thereof working capital facility		0	15,513
thereof KfW working capital facility	2012	21,000	0
SeaTex		0	510[1)]
Bank of China	2011	2,283	1,019
Total		25,420	35,824
Less short-term portion (including reclassifications)		-4,420	-35,824
Non-current liabilities to banks		**21,000**	**0**

1) €510k presented as liabilities held for sale

In accordance with the concluded loan agreements, liabilities to banks as at December 31, 2010 are due for repayment as follows:

Financial year ending	In € '000
December 31, 2011	2,283
December 31, 2012	23,137
Thereafter	0
	25,420

All SFA loans, except the KfW working capital facility bear interest at the Euribor or an equivalent rate, plus a variable credit margin as defined in the SFA, which correlates to the debt to EBITDA ratio. The interest rate for the KfW working capital facility is fixed at 9.25%.

Additionally, a provision fee for the unused portion of the working capital facility amounting to 50% of the actual credit margin must also be paid.

In accordance with the concluded loan agreements, the liabilities to banks as at December 31, 2009 are due for repayment as follows:

Financial year ending	In € '000
December 31, 2010	22.714
December 31, 2011	13.110
Thereafter	0
	35.824

In 2009, all SFA loans beared interest at the EURIBOR or LIBOR rate plus a credit margin of 2.75% or 1.75%, respectively.

Liabilities to affiliated companies

The liabilities to affiliated companies arise for the most part from loans including interest from ICWET L.P. of €7,925k (2009: €705k) and other liabilities of €0k (2009: €19k).

Collaterals for the loans mainly consist of the following:

- Guarantee for liabilities of all consolidated companies;
- Pledging of company shares;
- Pledging of bank accounts and securities accounts;
- Assignment of claims arising from intercompany receivables;
- Land charges for property;
- Assignment of non-current/current assets of various Group companies;
- Assignment of receivables from operating activities.

The following table presents the carrying amounts of assets pledged as collateral:

In € '000	31.12.2010	31.12.2009
Intangible assets	759	940
Property, plant and equipment	6,925	12,230
Investment property	677	6,453
Held for sale assets	6,903	0
Inventories	19,709	14,618
Trade receivables	28,491	22,208
Cash and cash equivalents	6,806	3,339

The collaterals may be used if the terms of the SFA are breached.

Financial liabilities from finance leasing

The minimum lease payments under finance leases are as follows:

In € '000	31.12.2010	31.12.2009
Total future minimum lease payments		
Due within one year	2,210	2,533
Due within one to five years	2,707	4,923
	4,917	**7,456**
Interest contained in future minimum lease payments		
Due within one year	45	73
Due within one to five years	228	509
	273	**582**
Present value of future minimum lease payments		
Due within one year	2,165	2,460
Due within one to five years	2,479	4,414
	4,644	**6,874**

Trade payables

In the financial statements, all trade payables are presented as current liabilities, as even liabilities with longer terms correspond to the normal business cycle.

Other financial liabilities

Derivative financial instruments contained in other financial liabilities are explained in detail in section G. 12. of the notes.

Other liabilities

The items in other liabilities mainly comprise VAT liabilities. In financial year 2009, cash government aids and grants amounting to €491k were received on the basis of one-time approvals. These mainly resulted from reimbursements in connection with short-time work and for a research project. Of this amount, €429k were recognized through profit or loss in the reporting period, with the balance being recorded in other liabilities.

12. Financial instruments

Objectives and methods of financial risk management

As a global group, W.E.T. Group is exposed to various risks in the course of its business operations. The objective of financial risk management is therefore to identify all significant financial risks at an early stage and to take suitable measures to safeguard current and future success potentials.

Possible risks associated with financial instruments of the W.E.T. Group relate in particular to currency risks resulting from operating in different currency areas, credit risks resulting from unrealised of contractual obligations by contract parties, interest risks, resulting from fluctuating market interest rates, which lead to a change in the fair value of a financial instrument, cash flow interest rate risks leading to a change in the future cash flow of a financial instrument due to changing market interest rates, and price risks in relation to the acquisition of raw materials.

In order to assess and account for these risks, the W.E.T. Group has defined policies through its centralized risk management system, which records and evaluates such risks in a standardized manner. On the basis of regular reporting, risks can be promptly identified and analyzed.

Currency risk

To hedge future cash flows in foreign currency, the W.E.T. Group concludes currency futures, options and non-delivarable forwards for the US Dollar and Canadian Dollar, the Mexican Peso, the Hungarian Forint and the Korean Won. Terms for these transactions are up to a maximum of two years.

In prior years the Group has made use of hedge accounting. As long as the conditions for hedge accounting were met, the transactions were recorded in accordance with the regulations for cash flow hedges. The contracts previously considered as hedge accounting in financial year 2008 and 2009 have been executed in financial year 2010.

The following table presents the currency risk resulting from trade receivables, based on the respective nominal amounts:

In € '000	31.12.2010	31.12.2009
EUR	16,940	16,222
USD	13,949	8,226
CNY	7,121	4,626
KRW	688	801
Others	4	44
Impairment	-1,685	-1,235
	37,017	**28,684**

The following table presents the currency risk resulting from trade payables, based on the respective nominal amounts:

In € '000	31.12.2010	31.12.2009
EUR	8,934	8,509
USD	4,525	3,071
CNY	3,244	2,034
HUF	184	409
CAD	39	50
KRW	11	6
Others	112	39
	17,049	**14,118**

a) Devaluation and revaluation risks 2010

A 10% devaluation (revaluation) of the USD would result in a difference of –€942k (+€942k) in future payments. For 2009, a 10% devaluation (revaluation) of the USD would result in a difference of –€515k (+€515k) in future payments.

A 10% devaluation (revaluation) of the CNY would result in a difference of –€388k (+€388k) in future payments. For 2009, a 10% devaluation (revaluation) of the CNY would result in a difference of –€259k (+€259k) in future payments.

A 10% devaluation (revaluation) of the KRW would result in a difference of –€67k (+€67k) in future payments. For 2009, a 10% devaluation (revaluation) of the KRW would result in a difference of –€80k (+€80k) in future payments.

A 10% devaluation (revaluation) of the HUF would result in a difference of +€18k (–€18k) in future payments. For 2009, a 10% devaluation (revaluation) of the HUF would result in a difference of +€41k (–€41k) in future payments.

Credit risk

The W.E.T. Group is exposed to credit risks when contract partners do not fulfill their obligations. For the W.E.T. Group, this mainly relates to trade receivables. The company generates most of its revenue with system suppliers of the automotive industry, namely with seating manufacturers. Amalgamations among seating manufacturers has left very few large suppliers that supply the automotive industry worldwide.

The main customers account for the following shares with regard to the receivables total:

	31.12.2010	31.12.2009
Customer A	32%	25%
Customer B	16%	13%

Credit risks identified for individual trade receivables are accounted for through impairments. These are reported as distribution costs in the income statement. Regardless of existing collaterals, the carrying amounts of financial assets indicate the maximum exposure to credit risk in the event that contract partners do not fulfill their payment obligations. Provisions for trade receivables developed as follows:

In € '000	31.12.2010	31.12.2009
January 1	1,235	1,121
Currency effect	28	33
Usage	-16	-51
Addition	526	255
Reversal	-88	-123
Provisions as at December 31	**1,685**	**1,235**

The following table presents the credit risk of trade receivables by geographic regions:

In € '000	31.12.2010	31.12.2009
North America	14,165	8,786
Asia	8,538	6,038
Germany	5,388	5,982
European Union	6,828	4,012
Africa	2,323	3,318
Others	1,460	1,783
Impairment	-1,685	–1,235
	37,017	**28,684**

The aging analysis of the trade receivables is as follows:

In € '000	31.12.2010	31.12.2009
Less than 30 days	29,587	20,339
Between 30 and 60 days	6,412	5,382
Between 61 and 90 days	1,245	820
Between 91 and 120 days	68	342
More than 120 days	1,390	3,036
Impairment	-1,685	-1,235
	37,017	**28,684**

Interest risk

The W.E.T. Group is also exposed to interest rate fluctuations, which mainly result from financial liabilities to banks. No significant interest risk exists for other financial assets and liabilities.

The Group concluded an interest rate swap having a nominal value of €9,342k in the financial year 2004/2005 for the purpose of optimizing interest which was terminated during 2010. Other interest rate swaps are still open. Four interest rate swaps were concluded in the financial year 2008 to hedge the interest, exchanging floating interest rates against fixed interest rates. Another interest-rate-currency-swap was also concluded in the financial year 2008 for the purpose of optimizing interest. This swap involves the exchange of the 6-month Euribor plus premium with the 6-month Euribor under certain conditions. The development of the market value and the impact on liquidity of the interest-rate-currency-swap mainly depends on the future development of the Euro-Swiss Franc exchange rate. Contrary to the situation when the interest-rate-currency-swap was entered into in 2008, as of December 31, 2010 and 2009, no hedged item existed in relation to this derivative.

Cash flow interest rate risk

Due to the floating interest rate, loan liabilities and bank overdrafts are exposed to a cash flow interest rate risk. In the reporting period, the variable interest rate fluctuated between 2.0 to 5.8% (2009: 2.0 to 5.5%). Detailed information on financial liabilities to banks is provided in note G. 11. to the financial statement.

Interest rate risks are presented in accordance with IFRS 7 by means of sensitivity analyses. These present the effects of changes in market interest rates on interest payments, interest income and expenses, other types of income, and when applicable equity. If the market interest rate level as at December 31, 2010, had been 100 basis points higher or lower, the earnings would have been €4k higher or lower (2009: €36k).

Price risk

W.E.T. Group is exposed to price risks from the aquisition of raw materials. The open copper future as at December 31, 2009 was terminated in January 2010 and no new transactions were concluded. However, the price risk is low due to the small volume of copper and silver required.

Should the copper price increase or decrease by US$100/ton, the earnings would increase/decrease by €29k (2009: €29k). Should the silver price increase or decrease by US$10/kg, the earnings would increase/decrease by €39k.

Liquidity risk

Liquidity risk describes the danger of being unable to fulfill financial obligations adequately. To eliminate this risk, the W.E.T. Group makes use of effective financial management in which cash inflow and outflow are continually monitored and controlled. Liquidity is mainly generated through business operations and the short-term credit lines available to the Group.

Derivative financial instruments

The notional amounts underlying derivative financial instruments and their market values are presented in the following table:

Nomination in € '000	Term	Nominal value 31.12.2010	Market value 31.12.2010	Nominal value 31.12.2009	Market value 31.12.2009
With negative market value	2011 – 2018	34,595	-14,940	41,823	-3,913
Swaps		**34,595**	**-14,940**	**41,823**	**-3,913**
With positive market value	2011 – 2012	55,246	4,208	0	0
With negative market value	2010 – 2012	1,965	-163	8,012	-370
Currency futures, options recognized through profit or loss		**57,211**	**4,045**	**8,012**	**-370**
With negative market value		0	0	18,184	-2,521
Currency futures, Cash flow hedge		**0**	**0**	**18,184**	**-2,521**
With positive market value		0	0	1,448	102
With negative market value		0	0	0	0
Commodities futures		**0**	**0**	**1,448**	**102**
With negative market value					
Commodities futures, Cash flow hedge					

The nominal value of derivative financial instruments represents the reference value based on which payments are determined. The risk is not linked to the nominal value, but rather to the related changes in exchange and interest rates.

The market value of currency futures is determined using the present value method on the basis of current reference rates of the respective bank under consideration of forward premiums and discounts.

The market value at the reporting date corresponds to the present value of the future cash flows at settlement.

Fair value

For financial assets and liabilities, fair values compared to their carrying amounts are as follows:

In € '000	31.12.10 Carrying amount	31.12.10 Fair value	31.12.09 Carrying amount	31.12.09 Fair value
Trade receivables	37,017	37,017	28,684	28,684
Receivables from affiliated companies	0	0	9	9
Other financial receivables	4,372	4,372	270	270
Derivatives	4,208	4,208	102	102
Others	164	164	168	168
Cash and cash equivalents	10,095	10,095	4,980	4,980
Financial liabilities	30,088	30,088	42,939	42,939
Trade payables	17,049	17,049	14,118	14,118
Liabilities to affiliated companies	7,925	7,925	705	705
Other financial liabilities	22,903	22,903	12,531	12,531
Derivatives	15,103	15,103	6,804	6,804
Others	15,725	15,725	5,727	5,727

The fair value of financial investments corresponds to their market price on the balance sheet date. The carrying amounts of trade receivables and payables, other financial assets and liabilities, and financial receivables and liabilities provide an adequate approximation for fair values. The values presented for the derivative financial instruments correspond to the market values.

Earnings from financial receivables and liabilities recognised in the income statement and measured at fair value through profit or loss totaled –€6,835k (2009: –€2,574k; 2008: €6,428k).

Changes in the fair value of derivatives are regularly accounted for in equity or in earnings, depending on whether the derivatives are part of a hedging relationship (fair value hedge or cash flow hedge) or freestanding derivatives. In the case of fair value hedges, changes in the market valuation of derivative financial instruments and the hedged items are recognized through profit or loss. Changes in the fair value of derivative financial instruments allocated to a cash flow hedge are recognised in other comprehensive income, in the amount of the hedge-effective portion. Changes in the fair value of freestanding derivatives are recorded as gain or loss in the income statement. In financial year 2010, unrealized gains from the measurement of derivatives amounting to €2,044k (2009: €7,010k; 2008: €9,300k Mio. €) were recognized in equity. Since all contracts considered as cash flow hegdges were realised in 2010 there was no ineffective portion recognized through the income statement (2009: income of €918k).

13. Other financial and contingent liabilities

In the W.E.T. Group, other financial and contingent liabilities exist in the form of leases and purchasing commitments.

Future financial liabilities arising from non-cancelable leases were as follows:

Leases in € '000	31.12.10	31.12.09
Thereof with a remaining term		
Up to one year	4,412	4,318
from one to five years	6,656	8,115
more than five years	999	901
Total	12,067	13,334

In financial year 2010, expenses from operating leases amounted to €2,031k (2009: €2,174k; 2008: €2,278k).

As at the balance sheet date, purchasing commitments with a remaining term of less than one year amounted to €467k (2009: €1,033k; 2008: €239k).

14. Other operating income, net

In € '000	2010	2009	2008
Reversal of provisions	275	573	148
Transfer of costs to suppliers	166	319	281
Indemnification	14	77	157
Income from the reversal of doubtful debt allowances on receivables	94	40	420
Income from the increase of pension insurance	0	0	163
Rental income	319	456	394
Result from the sale of property, plant and equipment and intangible assets	-34	-340	194
Canteen service	48	39	0
Others	317	192	227
Total	**1,199**	**1,356**	**1,984**

15. Net interest

In € '000	2010	2009	2008
Interest income			
from lending to affiliated companies	0	2	0
from swap transactions	70	145	95
from cash at banks	37	23	52
Others	319	29	36
	426	199	183
Interest expense			
from current liabilities to banks	-575	-895	-1,114
from non-current liabilities to banks	-1,758	-829	-830
from swap transactions	-1,041	-431	-186
from lending to affiliated companies	-769	-33	-66
from finance leasing	-304	-352	-243
Others	-495	-587	-608
	-4,942	-3,127	-3,047
Total	**-4,516**	**-2,928**	**-2,864**

16. Income Taxes

Earnings before income taxes for the financial year 2010 amounted to –€26,371k (2009: –€2,366k; 2008: –€54,067k).

Expenses/profit from income taxes for financial year 2010, financial year 2009 and financial year 2008 was structured as follows:

(–) expense / (+) income in € '000	2010	2009	2008
Current taxes	-5,579	-2,084	-1,217
Deferred taxes	1,392	3,567	7,313
Total	**-4,187**	**1,483**	**6,096**

Current taxes also include tax expenses of €1.7 million (2009: €0.5 million; 2008: benefits of €0.6 million) which do not relate to the period under review.

In addition to the deferred income tax for the financial year, a total of €488k in deferred tax expenses (2009: €474k in deferred tax expenses; 2008: €2,623k in deferred tax benefit) was set off directly in equity without affecting income in financial year 2010.

The deferred taxes recorded in equity in 2010 result directly from cash flow hedges and pension provisions.

The cash flow hedge transactions recognized in equity in 2008 and 2009 and the deferred taxes formed in connection with them were realised in 2010.

Tax calculations are based on the current or expected tax rates according to the applicable laws of each individual country at the time of realization. As a matter of principle, these tax rates are based on the legislation valid or already passed at the balance sheet date. In financial years 2010, 2009 and 2008, the calculation of deferred taxes in Germany was based on a tax rate of 26.85%, as in the previous years. This is made up of 15% corporation tax, a solidarity surcharge of 5.5% of the corporation tax rate and trade tax at a rate of 11.025%. Also the current tax rate in Germany amounted to 26.85% for all three years. Foreign tax rates varied between 12.5% and 35%.

The causes for the difference between the expected and the actual tax expenses/income in the group are as follows:

In € '000	2010	2009	2008
Earnings before income taxes	26,371	-2,366	-54,067
Domestic tax rate	26,85%	26,85%	26.85%
Expected income tax (income)	**-7,081**	**635**	**14,517**
Tax rate differences/changes	574	712	2,469
Other taxes	-508	-299	-596
Prior year taxes	-1,702	-544	596
Tax credit and revenue that is exempt from taxation	502	312	32
Derecognition of previously recognized and non-recognition of deferred taxes due to non-recoverability	0	-1,333	-7,728
Recognition of deferred taxes not recognized in prior year	4,745	2,095	0
Use of tax-loss carryforwards for which no deferred taxes have been recognized in prior year	30	0	1,345
Non-deductible operating expenses	-699	-98	-671
Other permanent differences	0	0	-3,691
Others	-48	3	-177
Taxes on income	-4,187	1,483	6,096
Tax ratio in %	15,9%	62.7%	11.4%

Deferred tax assets and liabilities

Deferred tax assets and liabilities due to temporary differences between the IFRS statement of financial position and the tax balance sheets and due to tax-loss carryforwards were as follows:

In € '000	31.12.10	31.12.09	31.12.08
Deferred tax assets			
Intangible assets	97	60	161
Property, plant and equipment	3,473	1,481	159
Inventories	235	222	150
Receivables	440	325	15
Other assets	332	351	1,032
Provisions	5,114	3,169	2,712
Liabilities	1,863	1,635	2,176
Unused tax losses	6,326	2,082	347
Deferred tax assets – gross	**17,880**	**9,325**	**6,752**
Deferred tax liabilities			
Intangible assets	10,417	5,933	5,282
Property, plant and equipment	0	0	149
Inventories	4	6	0
Receivables	123	0	328
Other assets	2,348	99	1
Provisions	13	0	108
Liabilities	752	356	1,046
Tax burden from planned distribution of retained earnings	340	0	
Deferred tax liabilities – gross	**13,997**	**6,394**	**6,914**

A total of €3.5 million in deferred tax assets arise from companies with tax losses in 2010 or 2009. The value of the tax assets results from the strength of the general

economic conditions in the year under review and from the projects newly acquired in 2010.

No deferred taxes were calculated on retained earnings of €38.2 million in the case of subsidiaries (2009: €33.7 million; 2008: €29.9 million) as it is intended to invest these earnings in preserving the substance of these companies and in expanding the volume of their business. The potential tax effects have not been calculated due to the disproportionate amount of effort this would involve.

No tax assets were generated on tax-loss carryforwards amounting to €4.6 million (2009: €23.7 million; 2008: €24.4 million) and for temporary differences of €0 million (2009: €0.1 million; 2008: €7.5 million). W.E.T. assumes that there is a high probability that these losses carried forward and temporary differences cannot be utilised in the next years.

17. Personnel expenses

In € ‘000	2010	2009	2008
Wages and salaries	37,581	29,602	36,511
Payroll deductions and support expenses	8,051	6,195	7,307
Pension expenses	3,242	2,748	2,097
	48,874	**38,545**	**45,915**

Personnel expenses are allocated to the functional areas and are therefore distributed within the following items of the income statement: cost of sales, distribution costs, research and development costs and administrative expenses.

18. Number of employees

The average number of employees was as follows:

	2010	2009	2008
Blue-collar employees	3,885	2,952	3,289
White-collar employees	838	787	721
	4,723	**3,739**	**4,010**

H. Earnings per share

Earnings per share are determined by dividing the period earnings attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

The calculation of basic and diluted earnings per share is presented in the following table:

In € ‘000	2010	2009	2008
Earnings attributable to parent shareholders	22,036	-813	-47.971
Weighted average of the ordinary shares issued	3,040,012	3,040,012	3,132,060
Earnings per share in €	7,25	-0.27	-15.32

I. Notes to the cash flow statement

The cash flow statement shows the origin and utilisation of cash flows in the financial years 2008, 2009 and 2010. Distinction is made between cash flows from operating activities, investment activities and financing activities. Operating cashflows are presented using the indirect method.

The balance of funds presented in the cash flow statement comprises all cash and cash equivalents presented in the statement of financial position, i.e. cash in hand, cheques, and cash at banks, in as far as these are available within three months.

J. Group segment reporting

Group segment reporting

Segment reporting was prepared in accordance with IFRS 8 and is based on the internal reports for the chief operating decision-makers of the W.E.T. Group. This information forms the basis for the internal monitoring and entrepreneurial decisions relating to the use and allocation of resources within the Group.

The transitional provisions of IFRS 8 “Operating Segments”, which was applicable for the period beginning 1 January, 2009, we present information related to financial year 2008 as comparative information under the principles of IFRS 8. However, since some necessary information was not available and the cost to develop the information would have been excessive, 2008 comparative information is not available for all segment disclosures presented for the years 2010 and 2009.

Segmentation into regions of the W.E.T. Group

Internal reporting within the W.E.T. Group is mainly split into segments based on the Group’s presence in three geographic regions. For the automotive supplier industry these are the following important sales and production areas:

- North America
- Europe
- Asia

In addition, central Group functions such as administration and IT and the subsidiaries Comair and W.E.T. Special Products, which are reported on internally, are aggregated in the “Others” segment because they do not reach the relevant size criteria to form independent reportable segments as defined by IFRS 8.

The segment information is based on the same accounting principles as the consolidated financial statements of W.E.T. AG.

External revenue represents revenue from sales to third parties. Internal revenue refers to revenue generated between the different segments.

Deliveries and services within the W.E.T. Group are handled in the same way as those made to third parties, under standard market conditions.

The operating result shows the earnings of the respective segment before interest and taxes. Depreciation and amortization includes scheduled depreciation and amortization for the period and also any impairments losses during the reporting period.

The "Capital expenditure" line contains the total purchase cost arising from the acquisition of segment assets (tangible and intangible assets) that are expected to be used over more than one reporting period.

2010 In € '000	Asia	North America	Europe	Others	Reconciliation	Total
Revenue with third parties	53,085	68,442	91,709	13,707	—	**226,943**
Revenue with other segments	4,317	1,126	3,159	26,234	-34,836	0
Total revenue	**57,402**	**69,568**	**94,868**	**39,941**	**-34,836**	**226,943**
Reversal of capitalised customer relationships					**20,065**	**20,065**
Operating results (EBIT)	**8,531**	**6,197**	**3,381**	**2,401**	**18,065**	**38,575**
Currency gains and losses						-853
Income and expenses from the measurement of financial instruments						-6,835
Interest income and expenses						-4,516
Earnings before income taxes						**26,371**
Taxes on income						-4,187
Earnings						22,184
Capital expenditure	**1,433**	**2,558**	**1,145**	**2,207**	**-143**	**7,200**

2009 In € '000	Asia	North America	Europe	Others	Reconciliation	Total
Revenue with third parties	**32,802**	**36,070**	**76,423**	**12,758**	**—**	**158.053**
Revenue with other segments	1,893	1,124	1,641	20,441	-25.099	0
Total revenue	**34,695**	**37,194**	**78,064**	**33,199**	**-25.099**	**158.053**
Operating results (EBIT)	**4,198**	**-889**	**3,349**	**-3,823**	**-1.851**	**984**
Currency gains and losses						-2.996
Income and expenses from the measurement of financial instruments						2,574
Interest income and expenses						-2,928
Earnings before income taxes						**-2,366**
Taxes on income						1,483
Earnings						-883
Capital expenditure	**1.683**	**1.910**	**938**	**3.048**	**-985**	**6.594**

2008 In € '000	Asia	North America	Europe	Others	Reconciliation	Total
Revenue with third parties	**29,737**	**45,345**	**83,407**	**11,061**	**–**	**169,550**
Revenue with other segments	3,566	139	1,842	24,252	-29,799	–
Total revenue	**33,303**	**45,484**	**85,249**	**35,313**	**-29,799**	**169,550**
Operating results (EBIT)	**5,582**	**-1,743**	**-5,285**	**127**	**-36,848**	**-38,785**
Currency gains and losses						-5,990
Income and expenses from the measurement of financial instruments						-6,428
Interest income and expenses						-2,864
Earnings before income taxes						**-54,067**
Taxes on income						6,096
Earnings						-47,974
Capital expenditure	**783**	**2,563**	**3,382**	**4,216**	**-86**	**10,858**

For financial year 2010 the figures in the Reconciliation column mainly result from the reversal of impairment losses in connection with customer relationships and consolidations from internal transactions within the group, for the year 2008 mainly from impairment of goodwill.

Development of the segment assets in the different regions was as follows:

In € '000	31.12.10	31.12.09	31.12.08
Segment assets			
Asia	49,016	36,081	33,140
North America	36,687	24,690	32,170
Europe	25,553	30,229	36,679
Others	97,862	77,367	75,801
Total segments	209,118	168,367	177,790
Reconciliation of segments	-36,887	-41,536	-54,161
Segment assets	172,231	126,831	123,629
Unallocated assets	42,132	42,131	42,120
Consolidated total assets	214,363	168,962	165,749

To monitor the performance and allocation of resources between the segments, the chief operating decision-makers regularly examine the assets. Unallocated assets comprise goodwill, shares in affiliated companies, and lending to affiliated companies.

Products and services of reportable segments

The reportable segments in the W.E.T. Group develop, produce and sell products allocated to two groups:

- seat comfort; and
- automotive cable technology.

The product group "seat comfort" comprises seat heating and seat ventilation elements, and the product group "automotive cable technology" includes all items used for the cabling of components.

External revenue

In € '000	2010	2009	2008
Seat comfort	188,431	127,122	135,655
Automotive cable technology	38,512	30,931	33,895
Group	226,943	158,053	169,550

Major costs/income in the segments are commented in detail in the group management report.

Information on main customers

In accordance with IFRS 8.34 the following represent revenues from major customers of the W.E.T. Group during 2010:

	2010	2009
Customer A	24.5%	22.6%
Customer B	14.8%	17.3%
Customer C	11.8%	12.2%

Revenues with customers are mainly generated in the three presented reporting segments of Asia, North America and Europe.

Geographic information

The external revenues with and non-current assets of the W.E.T. Group are made up of national and international components that are generated in and attributable to the various regions.

Domestic revenues refer to invoiced sales to customers domiciled in Germany.

External revenues in € '000 (2009 € million)	2010	2009
Domestic	40,701	45.9
International	186,242	112.2
Group	226,943	158.1

Non-current assets in € '000 (2009 € million)	31.12.2010	31.12.2009
Domestic	15,274	17.3
International	91,651	83.8
Group	106,925	101.1

K. Material assumptions and estimates

Material assumptions used for the impairment test of goodwill, capitalised customer relationships, and capitalised development costs as of the balance sheet date are presented in section G. Furthermore, the measurement of the individual warranty provisions and the recognition of deferred tax assets in connection with the future use of tax-losses carried forward are subject to considerable estimation uncertainties.

Customer relationships

Due to the substantially improved economic situation and the better forecast for the future, a reversal of the impairment of the customer relationships in North America, which had been written off in 2008 was recorded in 2010. The impairment in 2008 had taken place on the basis of an impairment test that was materially affected by the poor economic outlook prevailing at the time. In the financial year 2010, the carrying amount was appreciated by €20.1 million.

Development costs

Development costs were capitalised as intangible assets to the extent that W.E.T. was able to estimate and substantiate the technical feasibility, the marketability and intention to market, the future benefit, and could reliably measure the attributable expenses.

In the financial year 2010, the W.E.T. Group capitalised development costs of €2.9 million.

Deferred tax assets

Due to the substantially improved economic situation and the better forecast for the future, deferred tax assets were recognised in the amount of €4.7 million for tax-loss carryforwards for which no deferred taxes had been recognised in the prior year, as it is highly probable that it will be possible to use these tax-loss carryforwards within the next three years.

Amerigon

Though W.E.T. considers the patent violation claims to be unfounded, it must pay considerable legal costs in connection with the court proceedings in the USA. Based on the opinion of the Board of Directors at the time of preparation of the annual financial statements, W.E.T. assumes that it will not incur any further material encumbrances for its earnings from the legal dispute with Amerigon apart from the attorney and court costs (provision amounting to US$2.4 million). Moreover, this assumption is based on the view that the patent dispute could be settled by means of arbitration in 2011.

Warranties

As of 31 December, the provisions for warranty obligations amounted to €3.9 million. These are based on estimates of the management under consideration of the recognition and measurement provisions in IFRS. The amount of the provisions depends on the

most probable claims. A provision amounting to 0.5% of the sales of the last 12 months that are subject to warranty was recognised for warranty obligations, based on past experience. The measurement of the risks from individual cases takes place under consideration of the management's assessment of the probability of occurrence of the claim and under consideration of the coverage of the liability insurance taken out.

In financial year 2008 a lump-sum provision in the amount of 1.0% was created, whereby risks from individual cases had already been included.

There were no other important future assumptions or material sources of uncertain estimation that would represent a significant risk requiring a major adjustment of the reported assets and liabilities within the next financial year.

L. Related party relationships

According to IAS 24 - Related Party Disclosures, transactions with individuals or companies that control or are controlled by the W.E.T. Group must be specified, unless they are already included as consolidated companies in the consolidated financial statements. Control is presumed when a parent owns more than half of the voting rights of another entity.

Until April 16, 2010 Running Mate GmbH (formerly W.E.T. Beteiligungs GmbH), held controlling interest in W.E.T. AG.; ultimate control was held by W.E.T. Holding (Luxembourg) S.A., the parent company of Running Mate GmbH. On April 16, 2010 control was taken over by a new investor Indigo Capital LLP which holds majority shares in W.E.T. AG. through its affiliated companies Indigo Capital IV L.P. and ICWET L.P.

Moreover, the disclosure obligation pursuant to IAS 24 applies to individuals that have a substantial influence on the financial and business policies of the W.E.T. Group and to transactions with affiliated companies.

Key management personnel are individuals who are directly or indirectly in charge and responsible for planning, managing and supervising the activities of an entity. In the W.E.T. Group, we consider the members of the Board of Directors in its current composition, and the members of the Supervisory Board, to be key management personnel as defined in IAS 24.

All subsidiaries of W.E.T. AG are fully consolidated companies. The joint venture W.E.T. Yongsan, which was established in 2009, is also fully consolidated since the W.E.T. Group is taking a controlling position.

Direct and ultimate parents

Until April 16, 2010 Running Mate GmbH, (formerly W.E.T. Beteiligungs GmbH), Odelzhausen, Germany, was the direct parent of W.E.T. Automotive Systems AG, Odelzhausen, Germany. Until this date, it held 62.1% (2009: 62.1%, 2008: 62.1%) of

issued shares of W.E.T. AG. The ultimate parent of W.E.T. AG was W.E.T. Holding (Luxembourg) S.A., which held 100% of the shares in Running Mate GmbH. On April 16, 2010 a change in shareholding structure took place within the context of the refinancing of the W.E.T. Group.

As at December 31, 2010 Indigo Capital LLP, London, Great Britain, held indirectly via subsidiaries, 2,162,351 voting rights in W.E.T. AG representing 67.6% of the issued shares of W.E.T. AG.

ICWET L.P., London, Great Britain, and Indigo Capital IV L.P., London, Great Britain, which are ultimately controlled by Indigo capital LLP, directly hold shares in W.E.T. AG. IC WET L.P holds 1,075,866 voting rights representing around 33.6% of the issued shares of W.E.T. AG, and Indigo Capital IV L.P. holds 926,497 voting rights representing around 29.0% of the share capital of W.E.T. AG.

Further subsidiaries of Indigo Capital LLP, London, Great Britain are Indigo Capital (Holdings) Limited, London, Great Britain, Indigo Capital Fund IV (GP) Ltd. (England), London, Great Britain, Indigo Capital IV General Partner L.P., Edinburgh, Great Britain and ICWET GP Limited, London, Great Britain.

Remunerations of the Supervisory Board and Board of Directors

Members of the Board of Directors are:

Caspar Baumhauer, Nautical Engineer, MBA Insead, Munich, Germany – Chairman
Thomas Liedl, MBA, Friedberg, Germany
Frithjof Oldorff, Industrial Engineer, Hebertshausen, Germany

Mr. Caspar Baumhauer and Mr. Thomas Liedl are also members of the Board of Directors of W.E.T. Holding (Malta) Ltd., Ta’ Xbiex, Malta. Mr. Caspar Baumhauer is Chairman of the Board of Directors of W.E.T. Automotive Systems Ltd., Windsor, Canada, and of W.E.T. Automotive Systems Inc., Asan/Korea. Mr. Frithjof Oldorff is a member of the Board of Directors of W.E.T. Automotive Systems (China) Ltd., Langfang, China. The members of the Board of Directors did not receive any separate remunerations for these activities.

The remuneration for the Supervisory Board amounted to €117k (2009: €15k, 2008: €15k).

The total remuneration of the boards for financial year 2010 amounted to €1,750k (2009: €1,473k, 2008: €1,497k). Contained in the 2010 total remuneration is a variable share in the amount of €741k (2009: €516k, 2008: €404k).

Within the framework of a defined benefit plan, the company has made pension commitments to the individual members of the Board of Directors. Further information is presented in section G.10.

There were no share based payments during the year under review.

In the reporting year, former members of the Board of Directors were granted pension benefits amounting to €203k (2009: €201k, 2008: €196k).

Transactions with controlling entities and related personnel

All balances with the direct parent Running Mate GmbH up to April 16, 2010 and the ultimate parent W.E.T. Holding (Luxembourg) S.A. were settled in financial year 2010:

- Payments on outstanding receivables due from Running Mate GmbH and W.E.T. Holding (Luxembourg) S.A. were received;
- Liabilities for services provided by Running Mate GmbH were paid; and
- The loan due to Running Mate GmbH was repaid by W.E.T. AG.

In 2009, Running Mate GmbH had granted W.E.T. AG a loan that was valued at €686k (2008: €840k) as of the closing date. The agreement provided for the payment of interest at the 3-month Euribor plus 225 basis points credit premium and 50 basis points risk premium. The agreement expired on December 31, 2010. Interest expenses amounting to €7k (2009: €32k, 2008: €66k), interest income of €0k (2009: €2k, 2008: €0k) and income from internal cost transfers amounting to €0k (2009: €17k, 2008: €14k) were recognized from relationships with Running Mate GmbH.

Furthermore, in 2009 W.E.T. AG had claims of €5k (2008: €2k) against W.E.T. Holding (Luxembourg) S.A. In the 2009, W.E.T. AG generated income of €3k (2008: €3k) from internal cost transfers of incurred costs to W.E.T. Holding (Luxembourg) S.A.

Members of the Board of Directors and of the Supervisory Board of W.E.T. Automotive Systems AG are directly or indirectly participating in ICWET L.P. London, Great Britain. Through the participation in ICWET L.P. starting April 16, 2010, the Board of Directors is to be apportioned 297,851 voting rights (9.3%) and the Supervisory Board 286,727 voting rights (9.0%) in W.E.T. Automotive Systems AG.

In addition, the Board and Directors and the Supervisory Board of W.E.T. Automotive Systems AG directly or indirectly through ICWET L.P. have provided a subordinated partner loan amounting to €7.173k with a term until April 2014. The interest rate amounts to 15% p.a., the loan is unsecured.

In 2009, key management personnel held a total of 474,000 shares with a par value of €1.25 and a total value of €593k in the share capital of W.E.T. Holding (Luxembourg)

S.A. As of the end of financial year 2009, shareholding in W.E.T. Holding (Luxembourg) S.A. amounted to 0% (2008: 7.9%).

M. Supervisory Board of W.E.T. AG

Members of the Supervisory Board in financial year 2010:

Dr. Franz Scherer, Retiree, Cologne (Chairman)
Other mandates:
Mannheimer AG Holding, Mannheim, Germany
Mannheimer Versicherungs AG, Mannheim, Germany
Mamax Lebensversicherungs AG, Mannheim, Germany
Seeburger AG, Bretten, Germany
Pluradent AG & Co. KG, Offenbach am Main, Germany

Dr. Walter Hasselkus, Lawyer, Gräfelfing (Deputy Chairman)
Other mandates:
Ehlebracht AG, Enger, Germany
DAF Trucks N.V., Eindhoven, Netherlands
Wincanton GmbH, Mannheim, Germany
Wincanton plc, Chippenham, UK

Dr. Peter Paul Moll, Engineer, Munich (Member)
Other mandates:
EDAG GmbH & Co. KGaA, Fulda, Germany

P. Events after the balance sheet date

Proposed takeover of W.E.T. AG by Amerigon, Inc.

On February 28, 2011 W.E.T. AG, Amerigon, Inc., headquartered in Northville, Michigan, USA, and Amerigon Europe GmbH, headquartered in Augsburg, concluded a Business Combination Agreement committing Amerigon, Inc. through its controlled subsidiary, Amerigon Europe GmbH as bidder, to issue a voluntary, public takeover bid to the shareholders of W.E.T. AG pursuant to Sections 29 et. seqq. of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG) for the purchase of all shares in W.E.T. AG in return for a cash payment of € 40.00 per no-par share. Also on February 28, 2011 Amerigon Europe GmbH and the three controlling shareholders of W.E.T. AG (Indigo Capital IV L.P., London, ICWET L.P., London, and Industrie-Beteiligungs-Gesellschaft mbH, Frankfurt) agreed that Amerigon Europe GmbH would acquire their shares in W.E.T. AG. Once this has happened, Amerigon Europe GmbH will hold 71.80 % of the capital stock and, at the same time, 75.58 % of

the voting rights in W.E.T. AG (after deducting W.E.T. AG's own shares of 4.99 % of the capital stock from which no voting rights derive).

The takeover bid by Amerigon Europe GmbH, which is the subject of the Business Combination Agreement, is subject to the proviso that Amerigon Europe GmbH has secured the necessary funding. The transaction is to be financed partly through equity capital of Amerigon Inc. and partly through loans. The SPA is particularly subject to the following conditions: (i) that a replacement is found for the previous bank loans granted to W.E.T. AG and (ii) antitrust clearance of the transaction by the responsible antitrust authorities. If the conditions are not met within the time limits agreed in the SPA, the Parties have rights of recission.

According to the Business Combination Agreement the takeover bid is subject to the following conditions: (1) antitrust clearance of the transaction and (ii) that, once the deal goes through, Amerigon Europe will hold 71.80 % of the capital stock in W.E.T AG, which corresponds to the present holding of the controlling shareholders.

W.E.T. AG and Amerigon Inc. have agreed to end their patent dispute in the USA once the transaction has been signed and sealed.

Pursuant to the Business Combination Agreement, W.E.T. AG and Amerigon Europe GmbH have agreed to form a control and profit and loss transfer agreement within the meaning of Sections 291 et. seqq. of the German Stock Corporation Act (AktG), once the takeover bid has been concluded.

In all probability the bid document for the takeover bid will be submitted to the Federal Financial Supervisory Authority (BaFin) for review as early as this March, and it is to be published immediately after approval or clearance by BaFin. As matters currently stand, the acceptance period for the takeover bid is said to be four weeks. After that follows a further acceptance period of two weeks pursuant to Section 16(2) of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG). The transaction is to be completed by the end of May 2011, in as far as the conditions for it to take place have been satisfied.

In connection with the change in control at W.E.T. AG as a result of the takeover the banks financing W.E.T. AG will probably exercise their right to terminate the current loan agreements with immediate effect; a replacement for the current loans is now being negotiated with various banks. The banks previously financing W.E.T. AG, however, will only exercise their right to terminate the current loan agreements with immediate effect if the transaction actually does take place. This is particularly subject to the condition that the previous bank loans granted to W.E.T. AG are replaced.

EXHIBIT 99.2

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On February 28, 2011, we agreed to acquire 75.58% of the outstanding common stock of W.E.T. Automotive Systems AG ("WET") for €40 per share or approximately €91.9 million in cash plus the assumption of €38.0 million in debt obligations less €10.1 in cash acquired (the "Acquisition"). In conjunction with the Acquisition, we filed a tender offer document on March 28, 2011 with the applicable German authorities describing our intention to launch a tender offer for the remaining outstanding shares of capital stock of WET (the "WET Tender Offer"). The WET Tender Offer price will also be €40 per share or approximately €29.7 million if all shares are tendered. The total amount to be paid for both the Acquisition and WET Tender Offer is €121.6 million or $162.8 million using a foreign currency exchange rate of 1.34 Euro to the U.S. Dollar ("€/$"). The U.S. Dollar amount is likely to vary based upon future market exchange rates. We expect that the Acquisition will be consummated during the second quarter of 2011. Although we have entered into a share purchase agreement in connection with the proposed Acquisition, we cannot guarantee when, or whether, the Acquisition or the WET Tender Offer will be completed. The share purchase agreement contains a number of important conditions that must be satisfied before we can complete the Acquisition. Further, we cannot guarantee the number of shares of WET capital stock, if any, that will be tendered and purchased in the WET Tender Offer.

Amerigon and WET are presently engaged in lawsuits as adversaries concerning intellectual property (the "Lawsuits"). They have agreed to jointly apply to the applicable court for a temporary suspension of proceedings pending successful completion of the Acquisition.

On March 30, 2011, we and Amerigon Europe entered into a credit facility with a syndicate of banks, including Bank of America, N.A., acting as Administrative Agent, Swing Line Lender and L/C Issuer ("Bank of America"), and Merrill Lynch, Pierce, Fenner & Smith Incorporated, acting as Sole Lead Arranger and Sole Book Manager (the "US Bank of America credit facility") and WET and W.E.T. Automotive Systems Ltd. ("WET Canada") entered into a credit facility with the same syndicate of banks (the "WET Bank of America credit facility"), the effectiveness of which is subject to the closing of the Acquisition. We refer to the US Bank of America credit facility and the WET Bank of America credit facility throughout this section of the Form 8-K collectively as the "Bank of America credit facility." We intend to use borrowings under the US Bank of America credit facility to partially fund the Acquisition and the WET Tender Offer and WET intends to use borrowings under the WET Bank of America credit facility to refinance a portion of the long term debt obligations of WET and to fund our and WET's ongoing operations.

We expect to borrow $35 million of our term loan facility and approximately $3.3 million under our revolving credit facility and Amerigon Europe expects to borrow up to $33 million under its term loan facility in connection with the closing of the WET Tender Offer. We may need to borrow a higher amount under the revolving credit facility if the €/$ foreign currency exchange rate is higher than 1.34 when we complete the Acquisition. Our term loan facility and Amerigon Europe's will be subject to quarterly amortization of principal, with the remaining principal balance and any outstanding loans under the revolving credit facility to be repaid on the fifth anniversary of initial funding. Borrowings under the US Bank of America credit facility will bear interest based on the LIBOR rate plus a margin ranging from 2.50% to 3.25%. We and Amerigon Europe can also borrow at a base rate which is determined by the higher of (a) Bank of America's prime rate, (b) Federal Funds rate plus 50 basis points, or (c) the LIBOR rate plus 100 basis points, plus a margin ranging from 1.50% to 2.25%. The margins are based on our consolidated leverage ratio (defined as the ratio of our and our subsidiaries' total debt to EBITDA as defined in the US Bank of America credit facility and determined on a consolidated basis). The US Bank of America credit facility also provides for customary affirmative and negative covenants.

The unaudited pro forma condensed combined financial information combine the historical consolidated statements of operations of Amerigon, giving effect to the completion of the Acquisition, completion of the WET Tender Offer assuming all shares are tendered, borrowings under the Bank of America credit facility and a contemplated offering and the application of the net proceeds there from in each case as if they occurred on January 1, 2010, for income statement purposes, and December 31, 2010, for balance sheet purposes. The unaudited pro forma information should be read in conjunction with the accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information, the historical financial statements of Amerigon and WET and Management's Discussion and Analysis of Financial Condition and Results of Operations, all of which are included or incorporated by reference herein.

The Acquisition and the WET Tender Offer will be treated as a purchase of WET by Amerigon, with Amerigon as the acquiring entity. The unaudited pro forma condensed combined financial information will differ from our final acquisition accounting for a number of reasons, including the fact that our purchase price allocation and estimates of fair value are preliminary and subject to change when our formal valuation and other studies are finalized. The differences that will occur between the preliminary estimates and the final acquisition accounting could have a material impact on the accompanying unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information is presented for informational purposes only. It has been prepared in accordance with the regulations of the SEC and is not necessarily indicative of what our financial position or results of operations actually would have been had we completed the Acquisition and the WET Tender Offer at the dates indicated, nor does it purport to project the future financial position or operating results of the combined company. The unaudited pro forma condensed combined statement of operations does not reflect any revenue or cost savings from synergies that may be achieved with respect to the combined companies except to eliminate certain costs and expenses associated with the Lawsuits.

The historical results of operations of WET for the year ended December 31, 2010, have been prepared in accordance with International Financial Accounting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and reconciled to U.S. GAAP for the purpose of such presentation. We have incurred and will continue to incur certain non-recurring expenses in connection with the Acquisition and WET Tender Offer and the execution of the Bank of America credit facility. These expenses are currently estimated to be approximately $8.2 million. In addition, we expect to pay fees and expenses of approximately $5.8 million in connection with a contemplated offering. These estimated expenses are reflected in the pro forma condensed combined balance sheet as of December 31, 2010, as an adjustment to cash and equity, but are not reflected in the pro forma condensed combined statements of earnings for the year ended December 31, 2010, as they are not expected to have a continuing impact on operations.

Unaudited Pro Forma Condensed Combined Balance Sheet

	As of December 31, 2010			
	Amerigon	WET	Pro Forma Adjustments	Pro Forma Combined
	(In Thousands)			
ASSETS				
Current assets:				
Cash & cash equivalents	$26,584	$ 13,518	$ (17,624) a (3,900) b (1,422) h (4,321) i	$ 12,835
Short-term investments	9,761	—	(9,761) c	—
Accounts receivable, net	18,940	49,569	—	68,509
Inventory	6,825	34,889	522 d	42,236
Derivative financial instruments	—	5,635	—	5,635
Deferred income tax assets	4,905	1,861	(157) d	6,609
Assets held for sale	—	9,351	—	9,351
Prepaid expenses and other assets	1,421	5,103	—	6,524
Total current assets	68,436	119,926	(36,663)	151,699
Property and equipment, net	4,197	36,995	— e	41,192
Goodwill	—	56,419	(56,419) f 99,353 g	99,353
Other intangible assets	4,653	9,691	(9,691) f 36,560 g	41,213
Deferred income tax assets	1,279	23,943	(8,061) g	17,161
Other non-current assets	857	908	4,321 i	6,086
Total assets	$79,422	$247,882	$ 29,400	$356,704
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	15,275	22,829	—	38,104
Accrued liabilities	5,872	40,577	—	46,449
Derivative financial instruments	—	2,551	—	2,551
Current maturities of long-term debt	—	8,818	6,800 h (2,862) h 8,035 h	20,791
Pension benefit obligation	—	275	—	275
Deferred manufacturing agreement	50	—	—	50
Total current liabilities	21,197	75,050	11,973	108,220
Pension benefit obligation	688	3,724	—	4,412
Long term debt	—	42,053	64,450 h (38,733) h 32,138 h	99,908
Derivative financial instruments	—	17,679	—	17,679
Deferred income tax liabilities	—	8,288	—	8,288
Total liabilities	21,885	146,794	69,828	238,507
Preferred stock	—	—	63,500 o	63,500
Total shareholders' equity – Company	57,537	100,728	(100,728) f (3,900) b 700 o	54,337
Non-controlling interest	—	360	—	360
Total shareholders' equity	57,537	101,088	(103,928)	54,697
Total liabilities and shareholders' equity	$79,422	$247,882	$ 29,400	$356,704

See accompanying notes to unaudited pro forma condensed combined financial information

Unaudited Pro Forma Condensed Combined Statement of Operations

	For the Year Ended December 31, 2010			
	Amerigon	WET	Pro Forma Adjustments	Pro Forma Combined
	(In Thousands, except per share data)			
Product revenues	$112,403	$301,267	$ —	$413,670
Cost of sales	79,664	216,672	522 d 1,791 j	298,649
Gross margin	32,739	84,595	(2,313)	115,021
Operating costs and expenses:				
Research and development expenses	9,653	24,856	—	34,509
Selling, general and administrative expenses	10,955	35,272	(3,407) k	42,820
Total operating costs and expenses	20,608	60,128	(3,407)	77,329
Operating income	12,131	24,467	1,094	37,692
Interest income	25	566	(25) l	566
Interest expense	—	(6,561)	1,303 m	(5,258)
Loss on revaluation of financial instruments	—	(9,073)	—	(9,073)
Loss from equity investment	(22)	—	—	(22)
Other income	145	459	—	604
Earnings before income tax	12,279	9,858	2,372	24,509
Income tax expense	2,921	(1,148)	456 n	2,229
Net income	9,358	11,006	1,916	22,280
Income (loss) attributable to non-controlling interest	592	(196)	—	396
Convertible preferred stock dividends	—	—	(9,064) p	(9,064)
Net income attributable to common shareholders	$ 9,950	$ 10,810	$ (7,148)	$ 13,612
Basic earnings per share	$ 0.46			$ 0.63
Diluted earnings per share	$ 0.44			$ 0.51
Weighted average number of shares – basic	21,717			21,717
Weighted average number of shares – diluted	22,496		4,422	26,918

See accompanying notes to unaudited pro forma condensed combined financial information

Notes to Unaudited Pro Forma Condensed Combined Financial Information for Amerigon and WET

(in thousands, except per share data)

Note 1 – Description of Transaction

On February 28, 2011, we agreed to acquire 75.58% of the outstanding common stock of WET for €40 per share or approximately €91.9 million in cash plus the assumption of €38.0 million in debt obligations less €10.1 in cash acquired (the "Acquisition"). In conjunction with the Acquisition, we filed a tender offer document on March 28, 2011 with the applicable German authorities describing our intention to launch a tender offer for the remaining outstanding shares of capital stock of WET (the "WET Tender Offer"). The WET Tender Offer price will also be €40 per share or approximately €29.7 million if all shares are tendered. The total amount to be paid for both the Acquisition and WET Tender Offer is €121.6 million or $162.8 million using a foreign currency exchange rate of 1.34 Euro to the U.S. Dollar ("€/$"). The U.S. Dollar amount is likely to vary based upon future market exchange rates. We expect that the Acquisition will be consummated during the second quarter of 2011. Although we have entered into a share purchase agreement in connection with the proposed Acquisition, we cannot guarantee when, or whether, the Acquisition or the WET Tender Offer will be completed. The share purchase agreement contains a number of important conditions that must be satisfied before we can complete the Acquisition. Further, we cannot guarantee the number of shares of WET capital stock, if any, that will be tendered and purchased in the WET Tender Offer.

Note 2 – Basis of Presentation

The unaudited pro forma financial information has been compiled from underlying financial statements of WET prepared in accordance with IFRS as issued by the IASB, reconciled to U.S. GAAP for the purpose of such presentation (see Note 4).

The unaudited pro forma condensed combined financial information combine the historical consolidated statements of operations of Amerigon, giving effect to (a) the completion of the Acquisition, the WET Tender Offer assuming all shares are tendered, incurrence of debt under the Bank of America credit facility and the application of the proceeds from this offering in each case as if they occurred on January 1, 2010 for income statement purposes and December 31, 2010 for balance sheet purposes. The unaudited pro forma information should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial information, the historical financial statements of Amerigon, the historical financial statements of WET and Management's Discussion and Analysis of Financial Condition and Results of Operations, all of which are included or incorporated by reference in this prospectus supplement. The Acquisition and the WET Tender Offer will be treated as a purchase with Amerigon as the acquiring entity. The unaudited pro forma condensed combined financial information will differ from our final acquisition accounting for a number of reasons, including the fact that our estimates of purchase price allocation and fair value are preliminary and subject to change when our formal valuation and other studies are finalized. The differences that will occur between the preliminary estimates and the final acquisition accounting could have a material impact on the accompanying unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information is presented for informational purposes only. It has been prepared in accordance with the regulations of the SEC and is not necessarily indicative of what our financial position or results of operations actually would have been had we completed the Acquisition and the WET Tender Offer at the dates indicated, nor does it purport to project the future financial position or operating results of the combined company. The unaudited pro forma condensed combined statement of operations does not reflect any revenue or cost savings from synergies that may be achieved with respect to the combined companies except to eliminate certain costs and expenses associated with the lawsuits concerning intellectual property that Amerigon and WET are currently engaged in as adversaries (the "Lawsuits").

For the pro forma condensed combined balances, the purchase price of approximately $162.8 million, net of cash acquired of $13.5 million, has been allocated to the fair values of assets and liabilities acquired as of December 31, 2010. The allocation of the purchase price is preliminary pending the completion of various analyses and the finalization of estimates. An appraisal will be performed to assist management in determining the fair value of acquired assets and liabilities, including identifiable intangible assets. The final purchase price allocation may result in a materially different allocation than that presented in this unaudited pro forma condensed combined financial information.

Accounts receivable	$ 49,569
Inventory	35,411
Derivative financial instruments	5,635
Deferred income tax assets	1,704
Assets held for sale	9,351
Prepaid expenses and other assets	5,103
Property and equipment	36,995
Customer relationships	26,869
Other intangible assets	9,691
Goodwill	99,353
Deferred income tax assets	15,882
Other non-current assets	908
Assumed liabilities (including non-controlling interest)	(96,283)
Assumed debt obligations (including those to be refinanced)	(50,871)
Net assets acquired	149,317
Cash acquired	13,518
Purchase price	$162,835

Identifiable intangible assets.

Customer relationships will be amortized on a straight-line basis over an average estimated life of 15 years.

Goodwill.

Approximately $99.4 million has been allocated to goodwill. Goodwill represents the excess of the purchase price over the fair value of the underlying net tangible and intangible assets. Goodwill will not be amortized but instead will be tested for impairment at least annually (more frequently if certain indicators are present). In the event that management determines that the value of goodwill has become impaired, an accounting charge for the amount of impairment during the fiscal quarter in which the determination is made will be recognized.

Note 3 – Accounting Policies

Upon completion of the Acquisition, Amerigon will review WET’s accounting policies. As a result of that review it may become necessary to adjust the combined entity’s financial statements to conform to those accounting policies that are determined to be more appropriate for the combined entity. The unaudited pro forma condensed combined financial information does not assume any differences in accounting policies.

Note 4 – Reconciliation of amounts for W.E.T. between IFRS and U.S. GAAP

The consolidated financial statements of WET have been prepared in accordance with IFRS as issued by the IASB which differs from U.S. GAAP in certain respects. A description of the relevant accounting principles which differ materially and the related adjustments we made to the WET amounts for purposes of preparing these unaudited pro forma condensed financial statements are as follows:

Capitalization of development costs

Under IFRS, development costs are capitalized on the balance sheet and amortized over their estimated useful life. Under U.S. GAAP these expenses are expensed as incurred. We eliminated the carrying value of development costs and the related deferred tax liability as of December 31, 2010 in the unaudited pro forma condensed combined balance sheet. We also eliminated development cost amortization expense, recorded an expense for development costs that had been capitalized and recorded a related deferred tax expense in the unaudited pro forma condensed combined statement of operations.

Reversal of Impairment Recognized in Prior Years

Under IFRS, an impairment loss for assets other than goodwill are reversed during periods subsequent to the impairment if certain conditions are met. Reversals of impairment losses are not permitted under U.S. GAAP. During 2010, WET partially reversed an impairment loss related to customer relationships that had been recorded during 2008.

These adjustments are summarized as follows:

	As of December 31, 2010		For the year ended December 31, 2010		
	Other Intangible Assets	Deferred Tax Liability	Reversal of Impairment Recognized in Prior Years	Research and Development Expenses	Income Tax Expense
IFRS carrying value	€ 36,488	€ 13,997	€ 20,065	€ 19,844	€ 4,187
Cumulative capitalized development costs at December 31, 2010	(9,186)	(2,457)	—	—	—
Development costs capitalized in 2010	—		—	2,244	(599)
Development cost amortization during 2010	—		—	(3,364)	898
Impairment reversal	(20,065)	(5,351)	(20,065)	—	(5,351)
U.S. GAAP carrying value	€ 7,237	€ 6,189	€ —	€ 18,724	€ (865)
Amount translated to US Dollars	$ 9,691	$ 8,288	$ —	$ 24,856	$ (1,148)

Note 5 – Pro Forma Adjustments

The following are the descriptions of the pro forma condensed combined balance sheet and statement of operations adjustments:

(a) Net change in cash relates to the use of $17,624 cash for the Acquisition.
(b) Net change in cash relates to the transaction costs of $3,900.
(c) Net change in short-term investments relates to the liquidation and use of $9,761 for the Acquisition.
(d) To record inventory at its estimated fair value and the related deferred tax liability.

(e) At this time there is insufficient information as to the specific nature, age and condition of WET's property, plant and equipment to make a reasonable estimation of fair value or the corresponding adjustment to depreciation and amortization. Therefore, we have used WET's carrying amount at the balance sheet date for these pro forma condensed combined financial statements. For each $5,000 fair value adjustment to property, plant and equipment, assuming a weighted-average useful life of 7 years, depreciation expense would change by approximately $714.

(f) To eliminate historical balances:

The adjustments reflect the elimination of WET's pre-Acquisition goodwill, other identifiable intangible assets and equity.

(g) To recognize $99,353 of Goodwill, $26,869 of amortizable Customer relationships and related deferred tax liability of $8,061 and $9,691 of intellectual property in connection with the Acquisition.

(h) The following adjustments display the expected debt financing required to fund the Acquisition and the WET tender offer. These adjustments are contingent upon the closing of the Acquisition and therefore may not occur or will be repaid in the event the Acquisition is not consummated. For purposes of these unaudited pro forma condensed combined financial statements, we anticipate that we will complete the debt financing at the time the Acquisition closes.

Acquisition loans:	
Term note 1 – WET acquisition	$ 35,000
Term note 2 – WET tender offer	33,000
Revolving credit note	3,250
Total acquisition loans	$ 71,250
Current portion	$ 6,800
Long-term portion	$ 64,450
WET Refinancing Loans:	
Current potion	$ 2,862
Long-term portion	38,733
Less cash used	(1,422)
W.E.T. Term Note – Net debt refinanced	$ 40,173
Current Portion	$ 8,035
Long-term portion	$ 32,138
WET loans not refinanced:	
Bank of China revolving loan	$ 3,056
Capital lease obligations	6,220
Total loans not refinanced	$ 9,276
Current portion	$ 5,956
Long-term portion	$ 3,320
Total Pro Forma debt	$120,699
Current portion	$ 20,791
Long-term portion	$ 99,908

(i) To record deferred financing charges incurred in connection with the credit facilities incurred under the Bank of America credit facility, which will be amortized over five years.

(j) Represents the additional amortization of customer relationships resulting from the Acquisition.

(k) Represents the elimination of legal costs incurred and accrued in the amount of $2,800 and $607 by WET and Amerigon, respectively, in conjunction with the Lawsuits. We expect that the Lawsuits will be settled with minimal additional costs upon consummation of the Acquisition.

(l) Represents the elimination of interest income earned on Amerigon's short-term investments during 2010. We will be utilizing the majority of our cash and short-term investments in order to finance the Acquisition.

(m) Adjustment to historical interest expense to reflect the incurrence of $103,978 of borrowings, amortization of deferred debt issuance costs relating to such borrowings and the repayment and retirement of a portion WET's current indebtedness.

Acquisition loans	$ 70,500
W.E.T. Refinancing loans	40,173
Total new loans	$110,673
3-month LIBOR @ 3/21	0.25%
Interest rate margin per loan agreement	3.25%
Effective interest rate	3.50%
Expense on new debt	$ 3,874
Interest on W.E.T. loans not refinanced	520
Amortization of issuance costs	864
Total expense	5,258
Less historical interest expense	(6,561)
Total interest expense adjustment	$ (1,303)

We did not have any borrowings outstanding during 2010 under our current line of credit facility. The LIBOR rate at March 30, 2011 was 0.25%. An increase of 0.125% in the interest rates of our floating rate debt would increase our annual pro forma interest expense by approximately $129.

(n) For purposes of pro forma adjustments, we used tax rates effective in the jurisdictions to which these adjustments apply. These rates may change as we perform a complete tax analysis.

(o) We intend to issue 7,000 shares of our Series C Convertible Preferred Stock (the "Preferred Shares") in this offering to fund a portion of the Acquisition. The Preferred Shares carry an 8% dividend and is convertible to 4,421,984 of our common stock. Certain terms of the Preferred Shares represent embedded derivatives as follows:

Description of Embedded Derivative	Classification	Estimated Value
No acquisition redemption premium	Liability	$ 700
No acquisition warrants	Equity	$ 2,300
Conversion feature	Equity	$ *

* estimate not complete.

See "Description of the Securities Registered" for a complete description of these and other terms of the Preferred Shares. The proceeds from the offering, net of an estimated $5,800 in transaction expenses, are expected to total $64,200 and will be allocated to the Preferred Shares and to the embedded derivatives. Upon consummation of the Acquisition, the no acquisition redemption premium and no acquisition warrants will expire. The amount recorded for the no acquisition redemption premium will result in a gain. This gain is reflected in the pro forma condensed combined balance sheet as of December 31, 2010 as an adjustment to total shareholders' equity, but not reflected in the pro forma condensed combined statements of earnings for the year ended December 31, 2010, as it is not expected to have a continuing impact on operations. We have not completed an analysis of the value of the conversion feature and the estimated amounts for the no acquisition redemption premium and the no acquisition warrants are preliminary and could be different once the analysis is complete. If the conversion feature has a significant value or the no acquisition redemption premium and the no acquisition warrants have significantly different values, the impact of the Preferred Shares on our financial position and operating results could be materially different.

(p) Represents the payment of the 8% dividend for the Preferred Shares included in this offering plus the amortization of the related transaction expenses and amounts allocated to the imbedded derivatives using the interest method.

8% dividend payable during the first year	$4,988
Amortization of transaction expenses and amounts allocated to the imbedded derivatives	4,076
Total	$9,064