

Press release on the business development in the 1st half of 2012 and outlook

Stuttgart/Germany, September 3, 2012

With sales of around EUR 3.21 billion in the first half of 2012, MAHLE exceeds the previous year's value by 7.8 percent.

In the first half-year of 2012, the MAHLE Group recorded sales of EUR 3,207.1 million, outperforming the previous year's value by 7.8 percent (EUR 232.9 million). The sales increase is based primarily on organic growth (EUR +145.9 million); the revaluation of numerous foreign currencies, particularly the U.S. dollar, Japanese yen, and Chinese renminbi, also had a positive impact (EUR +87.0 million).

MAHLE increased its European sales by 2.5 percent to around EUR 1.54 billion, with extremely varied development within Europe. The recession in some southern European countries in particular led to double-digit percentage declines in a number of production units. In Germany, sales remained almost at the previous year's level, while growth was recorded in Eastern Europe. The contribution to sales made by the European units fell from 51 to 48 percent.

In Asia, an important growth market for MAHLE, sales of EUR 649 million were achieved—this corresponds to an increase of around 16 percent. The relative proportion of sales produced in Asia thus rose from 19 to 20 percent. Catch-up effects in Japan following the natural disaster in 2011 and double-digit percentage growth in important markets such as China, South Korea, and Thailand were major contributing factors.

In the Mercosur region, the previous year's sales level was not achieved because of anticipatory effects in the commercial vehicle sector in connection with new exhaust gas regulations in Brazil. The relative contribution to sales made by the South America region decreased from 13 to 12 percent.

In the NAFTA region, sales increased to EUR 646 million, which represents growth of 26 percent. The contribution to sales made by the region thus rose from 17 to 20 percent and now matches the contribution made by Asia.

Sales growth is likely to remain at a lower level in the second half of 2012. We still expect the economic situation in the automotive industry outside Europe to remain generally stable, and therefore envisage potential sales of around EUR 6.3 billion for the whole year—this corresponds to growth of just under 6 percent. However, this becomes unrealistic if the sovereign debt crisis in Western Europe affects the economic activity of other world regions.

Our profit developed positively in comparison with the first half of 2011. In the second half of the year, however, the weak growth will probably have an impact on the return on sales. Nevertheless, we currently expect that all world regions apart from Europe will stabilize or increase their contributions.

The number of employees decreased from 49,103 to 48,084 in the first half of the year (June 30, 2012). In Europe, the number fell by 478 to 20,203, of which 9,041 are employed in Germany—in the previous year, this figure was 9,181. The number of employees rose by 258 to 9,370 in Asia and by 153 to 7,586 in North America. In South America, it was necessary to reduce the headcount by 952 to 10,925.

Productivity increases in connection with the good capacity utilization meant that the sales per employee rose further in most plants.

Significant milestones of the MAHLE Group's development in 2012

InnoWa Membrane GmbH with headquarters in Schwaikheim/Germany

acquired: The company specializes in the development, application, and manufacture of high-performance filter systems based on membrane technology. It now trades under the name MAHLE InnoWa GmbH, located in Stuttgart.

Range extender for electric vehicles presented to the press: MAHLE developed the range extender to demonstrate the advantages of the "combustion engine plus electric drive" combination. A demonstrator vehicle based on a common series vehicle was constructed for further testing and to verify the suitability of this application for daily use. With comparable driving dynamics and cruising range, it achieves extremely low CO₂ emissions in the NEDC of 45 g/km.

Headquarters operations for North America consolidated in Farmington Hills, Michigan:

The purchase of the former Nailco facility provides the company with an additional 4,500 square meters of office and warehouse space. The Test Systems and Engineering Services divisions of MAHLE Powertrain, currently based in Novi, Michigan, and the Aftermarket business unit, located in Ann Arbor, will move to Farmington Hills. More than 350 people will then assume the central service responsibilities for all of MAHLE's activities in the NAFTA region as well as the important TechCenter functions at the location.

Logistics center for the aftermarket in Russia: With the purchase of a 50,000 square meter plot in Obninsk, 70 kilometers southwest of Moscow, MAHLE has inaugurated a new phase of its aftermarket strategy for Eastern Europe. Construction work on the 10,000 square meter logistics center for the spare parts business in Russia and Belarus is slated for 2013, and commissioning for the beginning of 2014. The first production units for the busi-

ness units Engine Systems and Components as well as Filtration and Engine Peripherals are also set to be constructed at the new MAHLE site.

New MAHLE headquarters in Tokyo: Across an area of around 2,300 square meters, 140 employees from sales, finance, controlling, IT, and management for our filtration business are located there. In addition, the After-market business unit, which was previously located at another site because of a lack of space, has been integrated into the new building.

New plant in Kyushu/Japan: The new location for the production of air intake and filtration systems is located close to the plants of major customers. After the earthquake and tsunami in March 2011, having production plants on two islands (Honshu and Kyushu) presents a way to minimize risks. The production area will initially comprise 7,500 square meters. Completion is scheduled for September and start of production for the end of the year.

Plant expansions in Thailand: In order to defend and increase our market share with Japanese manufacturers, MAHLE is following the trend—Japanese vehicle manufacturers are increasingly relocating the production of passenger cars and commercial vehicles to Thailand—and is expanding the two existing plants in Thailand. The location in Bangkok mainly produces pistons. The construction of a large building, which will house an assembly line, testing equipment, and subsequently also machining and coating lines, will be completed in September 2012. Buildings for storage areas and offices will be constructed in Samutprakarn. The areas that will be cleared will then have space for two new production lines for heat exchangers and capacity for the production of air intake systems and valve covers.

Majority acquisition of Behr, scheduled for the beginning of 2013, delayed: As a shareholder, MAHLE was informed by the Behr Management that investigation proceedings had been initiated against manufacturers of thermal systems for automobiles for suspected competition-restrictive prac-

tices, which proceedings also concern Behr. The European Commission requested an inspection at Behr in Stuttgart/Germany in May. In the United States, the local Department of Justice has also launched investigations. MAHLE as a Company is in no way affected by this inspection. The aim of acquiring the majority holding in Behr and of integrating Behr fully into the MAHLE Group is ongoing. However, it will be delayed as a result of the anti-trust investigation proceedings.