

Press release on the business development of the MAHLE Group in 2011

Stuttgart, April 20, 2012

With more than six billion euros, MAHLE reaches a sales record again.

1. Business development

Sales

The 2011 business year developed more positively for MAHLE as a whole than originally anticipated. Annual sales increased by EUR 741.6 million to EUR 6,002.2 million—the highest sales figures in the Company's history. This corresponds to a growth of 14.1 percent. An achievement that is even more remarkable in light of the fact that MAHLE was hit by two major natural disasters in Asia: the earthquake in Japan on March 11 and the flooding of large areas of Thailand in November/December. Our plants in these countries suffered considerable damage in some cases and were unable to produce on a normal scale for several months. However, our strong competitive position on the international market and our status as a global development partner to the automotive and engine industry allowed us to absorb the sales losses and to grow considerably more quickly than the market as a whole.

In comparison with 2008—the last year before the global financial and economic crisis—the proportion of sales achieved in Europe fell from 54 percent to 50 percent, while the proportion generated in Asia increased from 16 percent to 20 percent. In terms of automotive OE sales, Asia already accounts for more than 25 percent.

Profit

The unexpectedly strong sales growth presented our production plants with some unanticipated challenges. Cost-intensive special measures were needed, particularly in the first half of the year, in order to keep

pace with the level of demand from our customers. The disruptions to production in our eight production plants in Japan and Thailand also had a considerable impact on profit. Market-related increases in material prices likewise impaired profit significantly.

Nevertheless, overall we were able to reach our internal objective of an operating profit margin of > 5 percent. The result from ordinary business activities consequently rose in comparison with the previous year, by exactly EUR 100 million to EUR 351.5 million. Taking into account a much higher tax ratio in comparison with the previous year, the net income for the year amounted to EUR 231.1 million.

Headcount

As at December 31, 2011, the MAHLE Group had a headcount of 48,818 employees—2.9 percent more than in the previous year.

The headcount development by region was as follows:

- Europe (+2.7%), including Germany (+0.2%)
- North America (+6.7%)
- South America (-0.7%)
- Asia/Pacific (+4.9%)

We invested EUR 6.2 million in ongoing qualification activities for our employees. After the introduction of the worldwide MAHLE Talent Management System, over 80 percent of our executive positions were covered through internal candidates within the succession planning.

Long-term trends

From a long-term perspective, compared with 2000, MAHLE has improved its sales by a factor of 2.5 (CAGR = 8.7%), almost doubled the result from ordinary business activities, and increased its headcount by 23,000.

2. Development of the MAHLE Group

Holding in the Behr Group

The development of the MAHLE Group in 2011 was heavily characterized by our holding in the Behr Group, which strengthens our market position sustainably and puts us in a position to expand and optimize our product range. This applies to the complete systems environment for modern combustion engines as well as for alternative powertrain technologies and thermal management of the entire vehicle. At the beginning of the year, we increased our participation in the Behr Group to 36.85 percent and have now started making plans to initiate the acquisition of the of the majority share in the course of 2012.

The integration planning is also progressing well. The integration team created specifically for this process is doing a good job—not only in Europe but also in North and South America and Asia. This means that, following the majority acquisition, we will quickly be in a position to implement new structures and processes, acquire joint customer projects, and thus achieve further synergy effects. A large number of projects are currently in the product planning process. In the medium term, the Behr integration will make MAHLE a bigger and more efficient company that counts among the top 15 automotive suppliers worldwide and plays a significant role in the global automotive supply industry.

Increased holding in MAHLE Mopisan

In line with its strategic commitment to engine components for the aftermarket, MAHLE acquired the remaining shares in the Turkish engine components manufacturer MAHLE Mopisan at the beginning of 2011. In Turkey, MAHLE Mopisan operates two production plants in Izmir and Konya as well as a regional warehouse for the aftermarket in Izmir. Since the acquisition, the companies have operated under the names MAHLE Izmir A.S. and MAHLE Konya A.S.

MAHLE Industry acquires InnoWa Membrane GmbH

At the beginning of 2012, the MAHLE Industry business unit acquired InnoWa Membrane GmbH based in Schwaikheim/Germany. The company specializes in the development, application, and manufacture of high-performance filter systems based on membrane technology. The company now trades under the name MAHLE InnoWa GmbH.

3. Outlook for the 2012 business year

We anticipate stable business development on a global scale and we assume that, because of our strong competitive position, we will be able to participate in the global trends apparent in worldwide automobile production in terms of sales and profit in both 2012 and 2013. The current uncertainties make our global positioning an even more important competitive advantage. Possible declines in demand in individual markets may be absorbed at least partially by other regions. We expect growth impetus to come from the Asia/Pacific and North America regions.

In order to further strengthen our competitiveness, we aim to continuously expand our market position in all major automotive markets. For 2012, we therefore anticipate moderate sales growth for the MAHLE Group, despite the production cuts in Europe. We also expect that the restructuring measures, capacity adjustments, and productivity increases effected in recent years will continue to boost the development of the Group's revenue.

MAHLE now holds 36.85 percent of the shares in the Behr Group. The participation agreement of 2010 made provision for a staged increase in the holding. A call option is set to be exercised on July 1, 2012, to give MAHLE a majority holding of > 50 percent and thus allow full consolidation.

To further strengthen our leading technological position on the global market, we will significantly expand our research and development centers in Detroit/USA and Shanghai/China in 2012 and more than double our development test bench and laboratory capacities in some locations.