

**MAHLE to Expand Valve Train Operation in China**

**Stuttgart/Germany, 25 January 2007 – On January 16, 2007, MAHLE celebrated the grand opening ceremony of the new valve company MAHLE Tri-Ring Valve Train (Hubei) Co., Ltd. in Macheng, China. The joint venture negotiations have been finalized in the end of 2006. In doing so, MAHLE has strengthened its position in the currently largest automotive growth market.**

MAHLE holds 60% of the shares of the joint venture. Hubei Tri-Ring Company Limited holds 40%.

For the product engine valves, MAHLE has excellent know-how in product development, raw parts manufacturing, machining, surface treatment, automatic inspection technology and other fields, while Hubei Tri-Ring has established and accumulated effective local management experience over the past years. The joint venture will provide the capability to produce all sorts of engine valve designs which are used in car and truck engines. MAHLE Tri-Ring Valve Train is going to launch the mainstream and high-end products in the markets in China and other countries with the support of the MAHLE worldwide sales network.

MAHLE Tri-Ring Valve Train has currently approx. 1,600 employees and produces 20 million engine valves annually. The joint venture plans to introduce new production technologies already in 2007.

MAHLE Tri-Ring Valve Train is the 8<sup>th</sup> production plant of the MAHLE Group in China. In April last year, MAHLE had furthermore opened a common development center in Shanghai for all its activities in China. Within the product group engine valves of the MAHLE Group, the new Chinese plant is the 4<sup>th</sup> production plant besides the existing locations in Germany, Poland

and Italy. "With the new plant in China, we are going to close a strategic gap in supplies in our engine valve product portfolio, because our global customers expect not only deliveries in Europe, but also in all other important worldwide regions", says Prof. Dr. Heinz K. Junker, Chairman of the Management Board of the MAHLE Group, commenting the acquisition.

The MAHLE Group is a globally leading manufacturer of components and systems for the combustion engine and engine peripherals – from piston systems, cylinder components, valve train systems via air management systems up to liquid management systems. With currently approximately 37,500 employees in more than 80 production locations and in seven research and development centers, MAHLE expects in 2006 a sales of approximately 4.3 billion EUR and ranges, therefore, among the 30 largest suppliers of the automotive industry worldwide.

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