

MAHLE announces acquisition of Argentinean Valve Producer Edival

Stuttgart/Germany, 21 March 2007 – The MAHLE Group, headquartered in Stuttgart, Germany, announced today that MAHLE Metal Leve S.A., its Brazilian subsidiary, has acquired the Argentinean company Edival, located in Rafaela, province of Santa Fé. The acquisition includes the whole operation of Edival comprising the industrial plant as well as the administrative, sales and engineering offices.

Edival, which was established in 1953, produces mainly valves, valve guides and valve seat inserts for internal combustion engines supplying to OEM, aftermarket, performance, racing, aircraft and stationary segments. The company is certified with regard to quality and environment and has a production capacity of 15 million valves annually in a range of more than 3,000 different products. In 2006, Edival is expected to reach annual sales above 40 million USD. Edival has approximately 800 employees.

Prof. Dr. Heinz K. Junker, Chairman of MAHLE Group Management Board and CEO, stated, "Having no valve activities in South America so far, this new acquisition will enable us to provide our local customers with specific, integral functional and cost-optimized solutions. We will strengthen our market position in South America and enhance our global valve train business by exporting from Argentina to the North American and European markets for dedicated engine families. The new company will now be integrated step by step into the global network of the MAHLE organization. We expect to achieve further growth through synergies and increasing efficiency based on the flexibility in the production and the company's competitiveness. In the engine valve product group MAHLE has expanded its capacities signifi-

cantly in the last few months, by adding to its three European valve plants in Germany, Italy and Poland its newly created joint venture MAHLE Tri-Ring in China and now Edival in Argentina. We can now offer all of our customers engine valves from a truly global landscape.”

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 approximately 37,500 employees in more than 80 production locations and in seven research and development centers, MAHLE expects in 2006 sales of approximately 4.3 billion EUR and ranges, therefore, among the 30 largest suppliers of the automotive industry worldwide.

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