

Press release on the business development in the 1st half of 2013 and outlook

Stuttgart/Germany, September 2, 2013

With sales of around EUR 3.03 billion in the first half of 2013, MAHLE remains below the previous year's value by 5.4 percent.

Sales

In the first half-year of 2013, the MAHLE Group recorded sales of EUR 3,033.4 million, or EUR 173.7 million less than in the year-on-year comparison (-5.4%). Around EUR 90 million can be ascribed to negative currency exchange rate effects; the devaluation of the Japanese yen and the Brazilian real had a particularly negative impact. The current weak situation on the global commercial vehicle market and the contrasting regional variations in the development of the passenger car markets have also had a detrimental effect. Because of weak demand, the Group's industrial activities also failed to maintain the previous year's sales level.

In Europe, the persisting sovereign debt crisis and, in this connection, the continued dwindling economic situation in the automotive industry have left their mark on business development. Sales of EUR 1,445 million for the first half-year of 2013 decreased by 6.1 percent in the year-on-year comparison. However, the indicators for stabilization have been increasingly apparent in recent months. While a decrease of 11.9 percent was recorded for the first quarter, sales for the second quarter were roughly on a par with the previous year. The share in sales of the European units amounted to approximately 47 percent and thus declined slightly in comparison with the previous year.

In the North America region, total sales remained 2.2 percent below the previous year's value at EUR 631 million. The Engine Systems and Components business unit was not able to match the previous year's level.

The restrained commercial vehicle production and, in particular, the decline in demand in the off-highway sector had an adverse impact on construction machines and stationary engines. In contrast, the Filtration and Engine Peripherals business unit, which mainly serves the passenger car industry, recorded considerable growth of 8.5 percent. Apart from the generally strong market development in the passenger car and light commercial vehicle sector, production ramp-ups with air intake modules also played a major role in this development. The proportion of Group sales generated in North America rose slightly in the first half-year to 21 percent.

In the South America region, MAHLE may have benefited from the recovery on the passenger car and commercial vehicle markets; however, severely negative exchange rate effects had a substantial influence in euro, the Group currency. Overall, the Group recorded sales of roughly EUR 360 million, which corresponds to a share of about 12 percent in Group sales. The drop of 3.7 percent can be wholly attributed to exchange rate effects. Sales increased by 5.2 percent after adjustment for devaluation effects.

In the Asia/Pacific region, sales of approximately EUR 598 million fell short of the previous year's value by EUR 51.2 million. Exchange rate effects once again had a considerable negative impact of EUR 45.6 million. Especially the massive devaluation of the Japanese yen by well over 20 percent against the euro more than offset the significant growth in some Asian countries. In addition, the development in the Asian countries was quite varied. While China and Thailand were once again able to record positive growth rates, India underwent a difficult development experienced by the entire automotive industry. In Japan, continued restraint in the development of sales is likewise to be expected in comparison with the previous year's figures, which included national purchase incentive programs to strengthen the market and the catch-up effect following the natural disaster, whereby an extraordinary level of demand was generated. The proportion of Group sales achieved in Asia

did not see further growth, particularly due to the massive negative exchange rate shifts, and remained at 20 percent.

Despite the very moderate development of sales overall, major financial ratios in the first half-year, such as the EBITDA and EBIT margins adjusted for extraordinary effects, were kept almost at the previous year's level.

However, restructuring measures introduced to adjust capacities in western Europe to the sustained low level of passenger car production resulted in accruals in the half-year financial statements, which led to considerable adverse special effects on profit. As part of the restructuring measures, MAHLE initiated the shutdown of passenger car piston production at the French location near Colmar. Production is scheduled to end in the first quarter of 2014. The aim is to achieve a significant improvement in capacity utilization at the other European locations in 2014.

For the second half of 2013, the development of sales and revenue is expected to stabilize at the level of the previous year. However, economic uncertainties persist particularly in Europe. Overall, we envisage potential total annual sales of around EUR 6.1 billion.

As at the reference date of June 30, 2013, there was a slight decrease in the number of employees from 48,084 to 47,955. In Europe (including Germany), the number of employees fell slightly in comparison with the previous year by 199 to 20,004. Compared with the previous year, the number of employees in Germany decreased marginally by 74 employees, from 9,041 to 8,967. The headcount increased especially in the Asia/Pacific region at locations in growth markets by 370; this was partly related to imminent production ramp-ups in the second half of 2013 or in 2014. In North America, the number of employees fell slightly by 64 to 7,522. In South America, the number of employees was reduced by 236 to 10,689. At several plants in southern and

western Europe, the instrument of short-time work had to be used in light of the continuing restraint in market demand.

Significant milestones of the MAHLE Group's development in 2013

MAHLE takes over majority share in Behr

In May, MAHLE concluded a purchase agreement for all shares of the BWK GmbH holding company (BWK) in the Behr Group and thus increased its holding from 36.85 percent to approximately 51 percent. At the same time, an agreement was concluded with the family shareholders, who hold the remaining shares along with MAHLE, enabling the full integration of the former Behr companies, which will now trade as MAHLE Behr, into the MAHLE Group as the Thermal Management business unit.

Now that the antitrust authorities of the countries involved have approved MAHLE's acquisition of about 51 percent of shares in Behr GmbH & Co. KG, the majority acquisition can take place with effect from September 30, allowing the full consolidation of the Behr Group in MAHLE's consolidated financial statements as of October 1.

The integration of Behr has created considerable additional potential for both companies, since their product portfolios complement each other excellently—particularly in the promising area of energy-efficient mobility and the associated efficiency technologies required. In order to tap all synergy effects, achieve more efficient market cultivation, and ensure the faster development of new products, it is intended that central divisions of both companies will be brought together—not only in Stuttgart/Germany, but also in North and South America as well as in Asia. In addition, there are plans to generate cost and investment optimizations in growth regions thanks to new joint production plants. Sustained profitable sales figures in excess of EUR 10 billion are forecast for the coming years. The total number of employees thus increases to approximately 65,000, of which around 17,000 are employed in Germany.

North America: campus with extended research and development center and headquarters

Due to the significant sales growth over the past decade and the prospects for the future—MAHLE anticipates sales of more than EUR 2 billion in North America in 2014—, it became necessary to expand the research and development activities as well as the sales and service functions in the region. At the same time, MAHLE wanted to use the opportunity to merge various activities that had previously been carried out at different locations and bring them together in the Detroit area.

At the end of 2011, the prospect arose to purchase a neighboring building of the existing research and development center in Farmington Hills, measuring approximately 11,000 square meters. After a construction period of roughly one year, the new campus was officially inaugurated in June 2013. Around 400 employees are currently based there, and the premises offer space for future expansion.

This step brought together all central activities in North America and the research and development center of the Engine Systems and Components business unit in one location. The research and development activities of the business units Filtration and Engine Peripherals as well as Thermal Management (MAHLE Behr) have been combined at the Troy location, some 30 kilometers away, which also employs around 400 people.