

MAHLE plans restructuring of the Alzenau location

Stuttgart, March 26, 2009 – As the operating profit has been negative for a number of years and in view of the currently worsening crisis in the automotive sector, the Management Board of the MAHLE Group elaborated a plan to discontinue production at the location in Alzenau at the end of June 2009 and close the location.

From 2005 to 2009 inclusive, the operating profit of the Alzenau plant has shown a cumulative total loss of around EUR 70 million. In the past few years, attempts have been made to counteract this development by means of various measures. Besides the cost-saving provisions in the 2005 agreement to secure locations and safeguard employment for all MAHLE locations in Germany, a reconciliation of interests in 2006 did not produce the desired result. In addition, over the past few months, several scenarios were formulated for an innovative labor agreement, but all of these would still lead to a significantly negative operating profit.

At present, the loss situation is being exacerbated by the considerably reduced market demand and the increased personnel and material costs. Recently elaborated forecasts show furthermore that an enduring market recovery cannot be expected at medium term. The Management Board of the MAHLE Group therefore plans to close the plant in Alzenau in Lower Franconia as part of the restructuring of production in the Piston Systems product line. Discussions with the employee representation regarding a reconciliation of interests are planned.

"We are aware of our social responsibility," affirms Dr. Hans Peter Coenen, member of the Management Board. "We therefore intend to offer employees the opportunity, for example, to join a 'job creation company', where they can obtain additional qualifications within the profession they have learned as well as by acquiring

new skills for the job market. Employees from Alzenau can also apply for vacant positions within the MAHLE Group. We regret the impact that an eventual closure of the location will have on the employees in Alzenau. Nevertheless, we also have a commitment to the other employees and the shareholders of the MAHLE Group, particularly the MAHLE Foundation, to minimize losses and ensure the long-term success of the Company. So we see no alternative to the closure of the plant."

The plant currently has around 410 employees and 14 apprentices. At the MAHLE plant in Alzenau, pistons for passenger car diesel and gasoline engines are coated and machined.