

# MAHLE

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**Press conference on the business  
development of the MAHLE Group for the  
business year 2006**

**April 26, 2007**



## Agenda

- Business environment/automobile economic situation
  
- Business development 2006
  - Sales development
  - Income statement
  - Balance sheet
  - Investments
  - Development of headcounts
  
- Strategic acquisitions
  
- Technological developments, CO<sub>2</sub> and global warming
  
- Outlook to business year 2007

## Worldwide automobile production 2005/2006 [in 1,000]

	2005		2006	
	Pass. cars & light coms.	Coml. vehicles	Pass. cars & light coms.	Coml. vehicles
<b>America</b>	<b>18,478</b>	<b>755</b>	<b>18,297</b>	<b>813</b>
- NAFTA	15,746	593	15,265	648
- South America	2,732	162	3,032	165
<b>Asia/Pacific</b>	<b>23,476</b>	<b>1,132</b>	<b>25,589</b>	<b>1307</b>
- Japan	10,440	360	10,970	406
- China	5,142	500	6,590	575
<b>Europe</b>	<b>20,213</b>	<b>596</b>	<b>20,731</b>	<b>625</b>
- Germany	5,583	169	5,667	175
<b>Rest of world</b>	<b>1,534</b>	<b>0</b>	<b>1,718</b>	<b>0</b>
<b>Total</b>	<b>63,701</b>	<b>2,483</b>	<b>66,335</b>	<b>2,745</b>

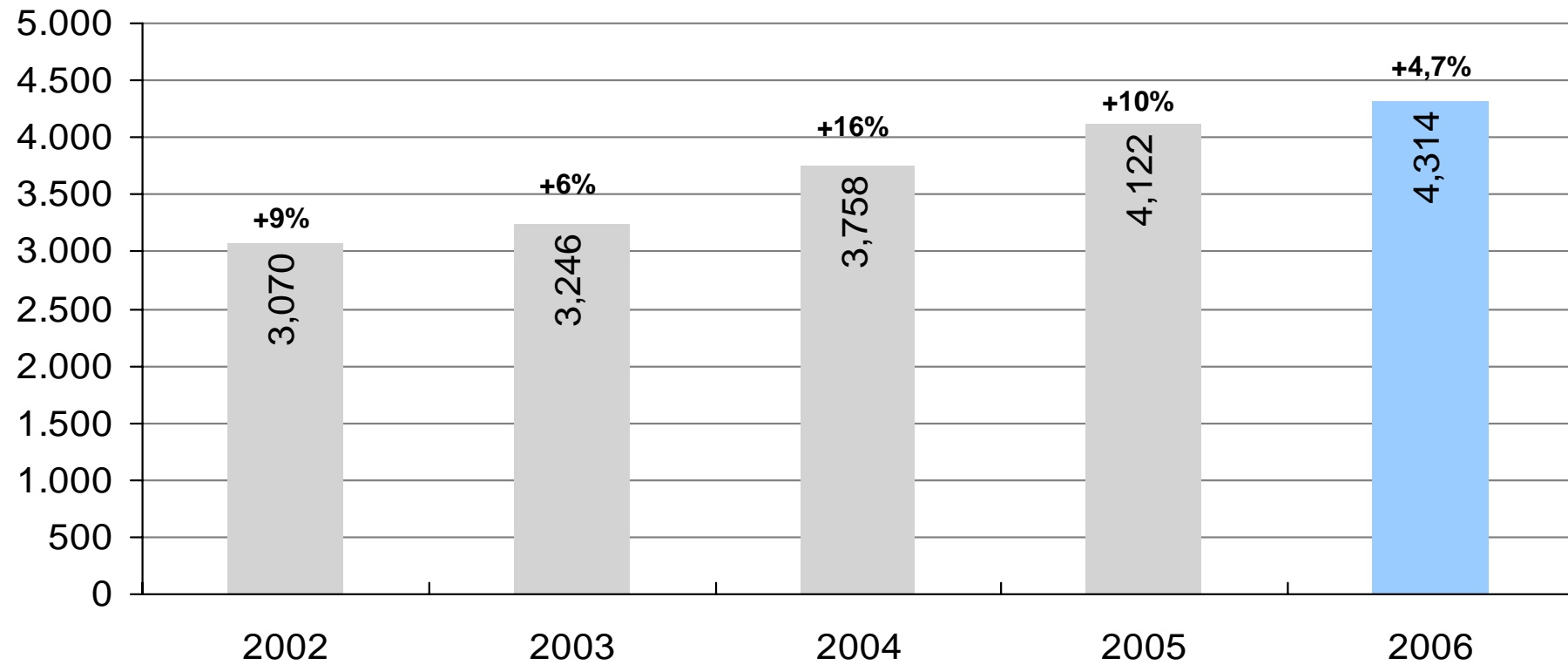
Source: Global Insight, March 2007

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Sales development  
[in million EUR]

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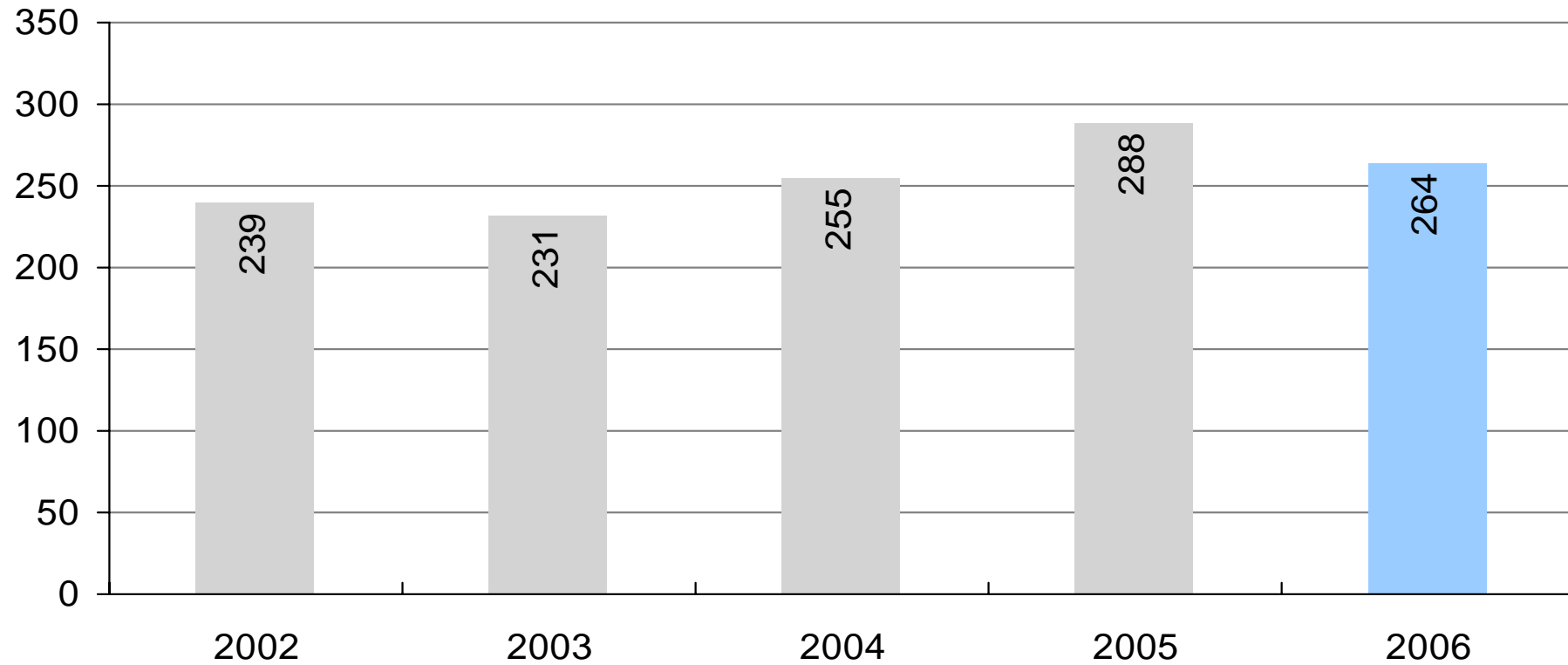
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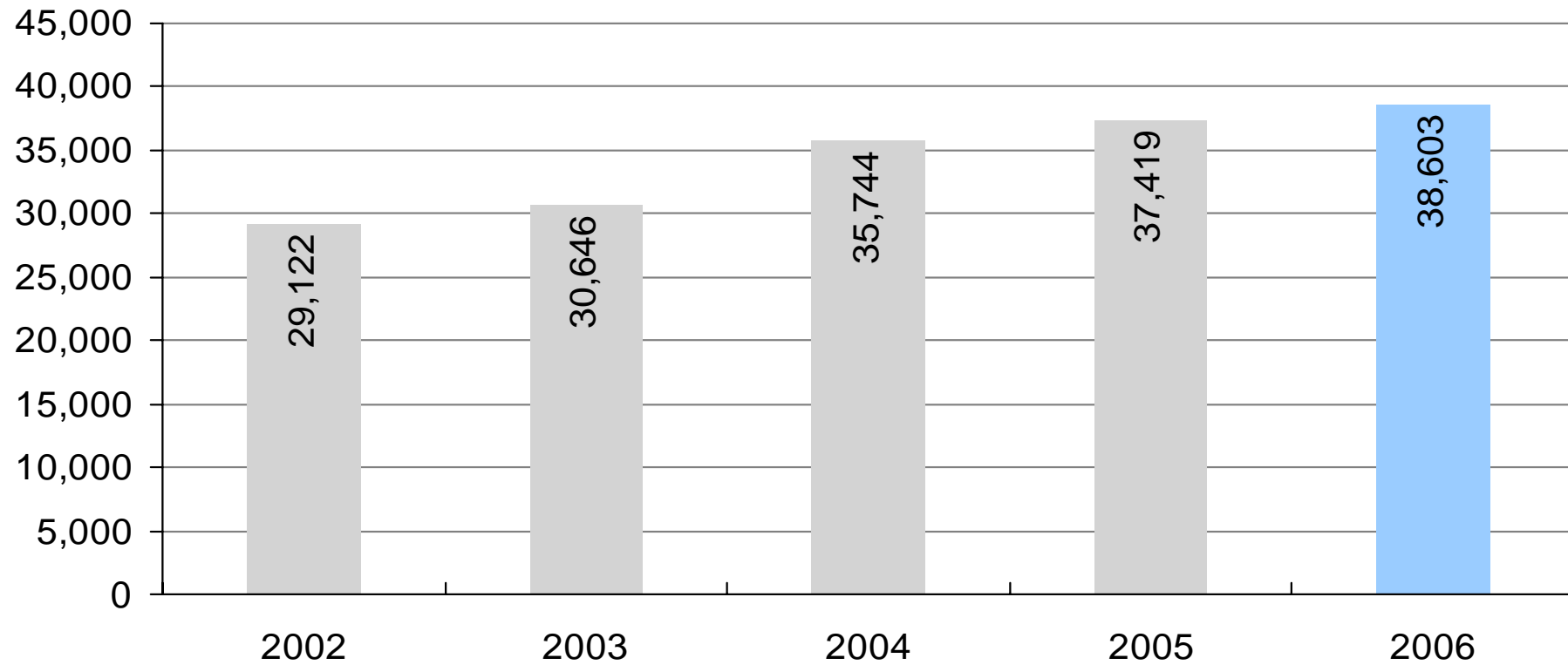


	2005	2006	Difference
	million EUR	million EUR	million EUR
<b>Sales</b>	4,121.8	4,314.0	192.2
Cost of sales	-3,161.1	-3,324.8	-163.7
<b>Gross profit on sales</b>	<b>960.7</b>	<b>989.3</b>	<b>28.6</b>
Selling expenses	-207.3	-221.2	-13.9
General administrative expenses	-200.2	-197.8	2.5
Research and development expenses	-218.5	-241.6	-23.1
Other operating income	167.5	141.5	-26.0
Other operating expenses	-161.4	-151.1	10.4
Financial result	-66.0	-24.5	41.4
<b>Income from ordinary business activities</b>	<b>274.7</b>	<b>294.6</b>	<b>19.9</b>
Taxes	-115.7	-102.8	12.9
<b>Net income for the year</b>	<b>159.0</b>	<b>191.8</b>	<b>32.8</b>

	2005		2006			2005		2006	
<b>Assets</b>	million EUR	%	million EUR	%	<b>Equity and liabilities</b>	million EUR	%	million EUR	%
Intangible assets	148.9	4.9	130.9	4.0	Equity	1,271.4	42.0	1,363.5	41.6
Tangible fixed assets	1,239.0	40.9	1,235.2	37.7	Provisions f. pensions	343.8	11.4	354.5	10.8
Financial assets	16.5	0.5	15.5	0.5	Other accruals	543.3	18.0	528.3	16.1
Inventories	477.4	15.9	489.1	14.9	Liabilities to banks	411.3	13.6	554.4	16.9
Receiv./other ass.	659.9	21.8	726.9	22.2	Trade payables	323.5	10.7	385.8	11.8
Liquid assets	259.1	8.6	483.4	14.8	Other liabilities	133.3	4.4	90.3	2.8
Other assets	225.9	7.5	195.9	6.0					
<b>Balance sheet total</b>	<b>3,026.7</b>	<b>100.0</b>	<b>3,276.8</b>	<b>100.0</b>	<b>Balance sheet total</b>	<b>3,026.7</b>	<b>100.0</b>	<b>3,276.8</b>	<b>100.0</b>

Development of capital expenditure on fixed assets  
[in million EUR]





	2005	2006
Europe	17,436	17,727
<i>Thereof Germany</i>	8,973	8,850
North America	3,510	3,650
South America	9,559	9,870
Asia/Pacific	6,914	7,356
<b>Total</b>	<b>37,419</b>	<b>38,603</b>

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## Strategic acquisitions



## Strategic acquisitions

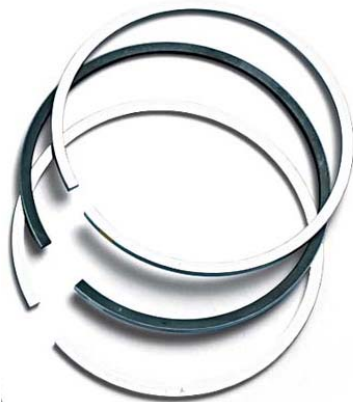
### Dana engine hard parts business

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#### Some core data:

- Start: March 2007
- Products: Piston rings, engine bearings, camshafts;  
Aftermarket business
- Sales 2006: approx. 500 million Euro → approx. 670 million US Dollar
- Production locations: approx. 25 in 10 countries
- Employees: approx. 5,000

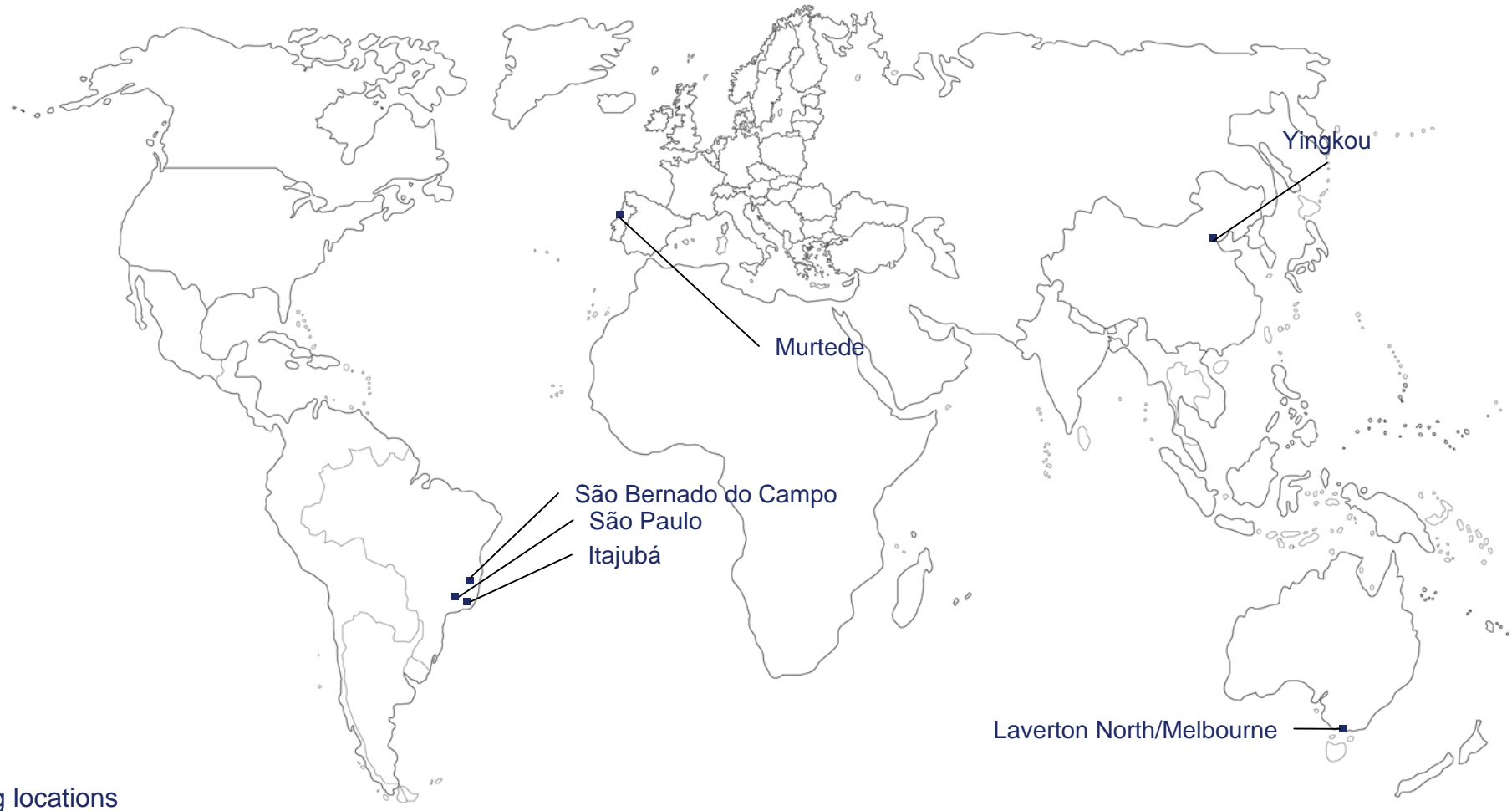


## Strategic acquisitions

Locations product line cylinder components  
(bearings and piston rings)

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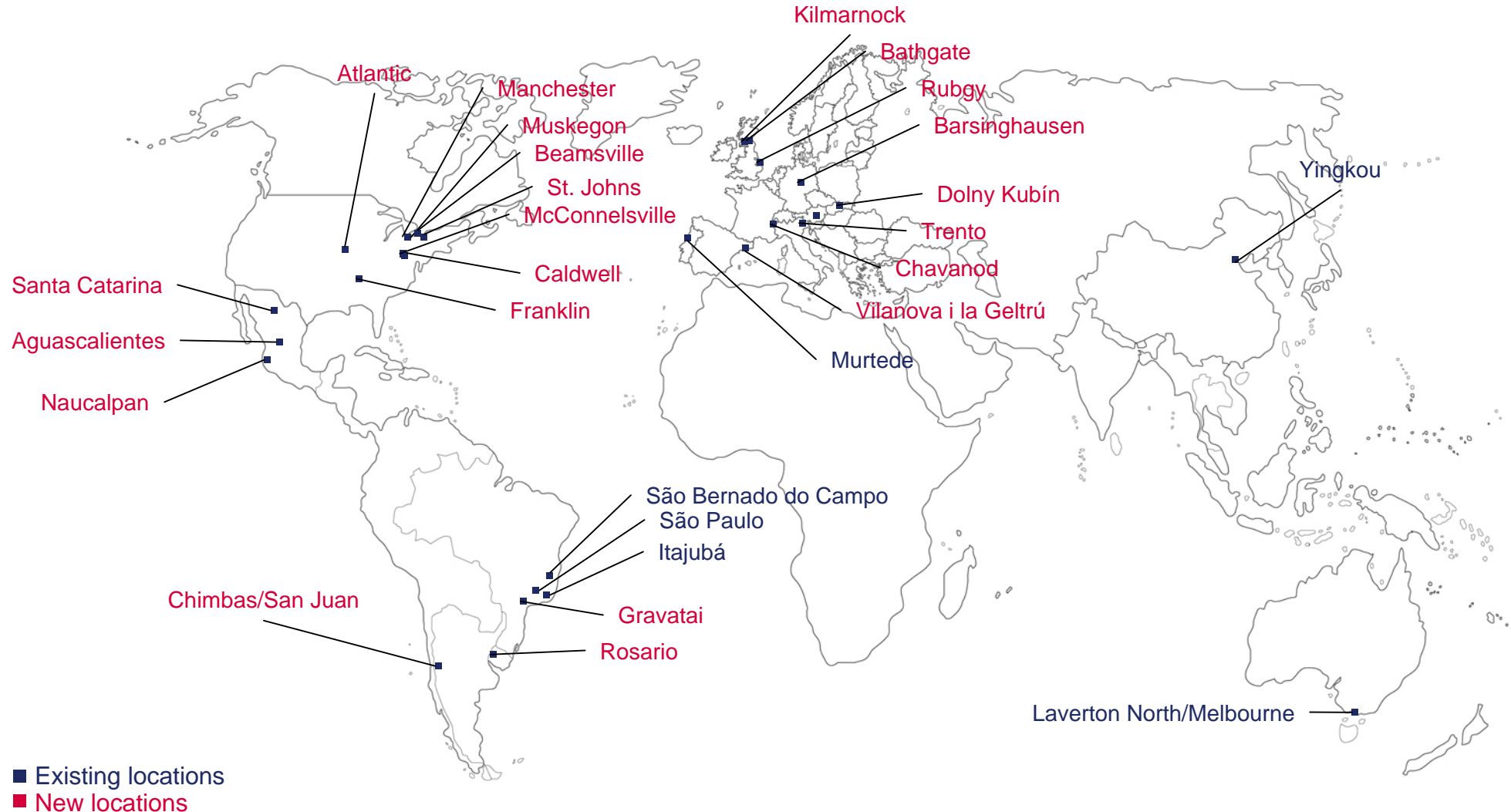
■ Existing locations

# Strategic acquisitions

## Locations product line cylinder components (bearings and piston rings)



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## Strategic acquisitions

### Air intake module and air filtration business division from Siemens VDO Automotive

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#### Some core data:

- Start: Final negotiations ongoing
- Products: Complete air intake modules, air filtration devices and air management systems for passenger car combustion engines
- Sales 2006: approx. 300 million Euro
- Production locations: 5 in 4 countries
- Employees: approx. 1,000



# Strategic acquisitions

## Locations product line air management systems



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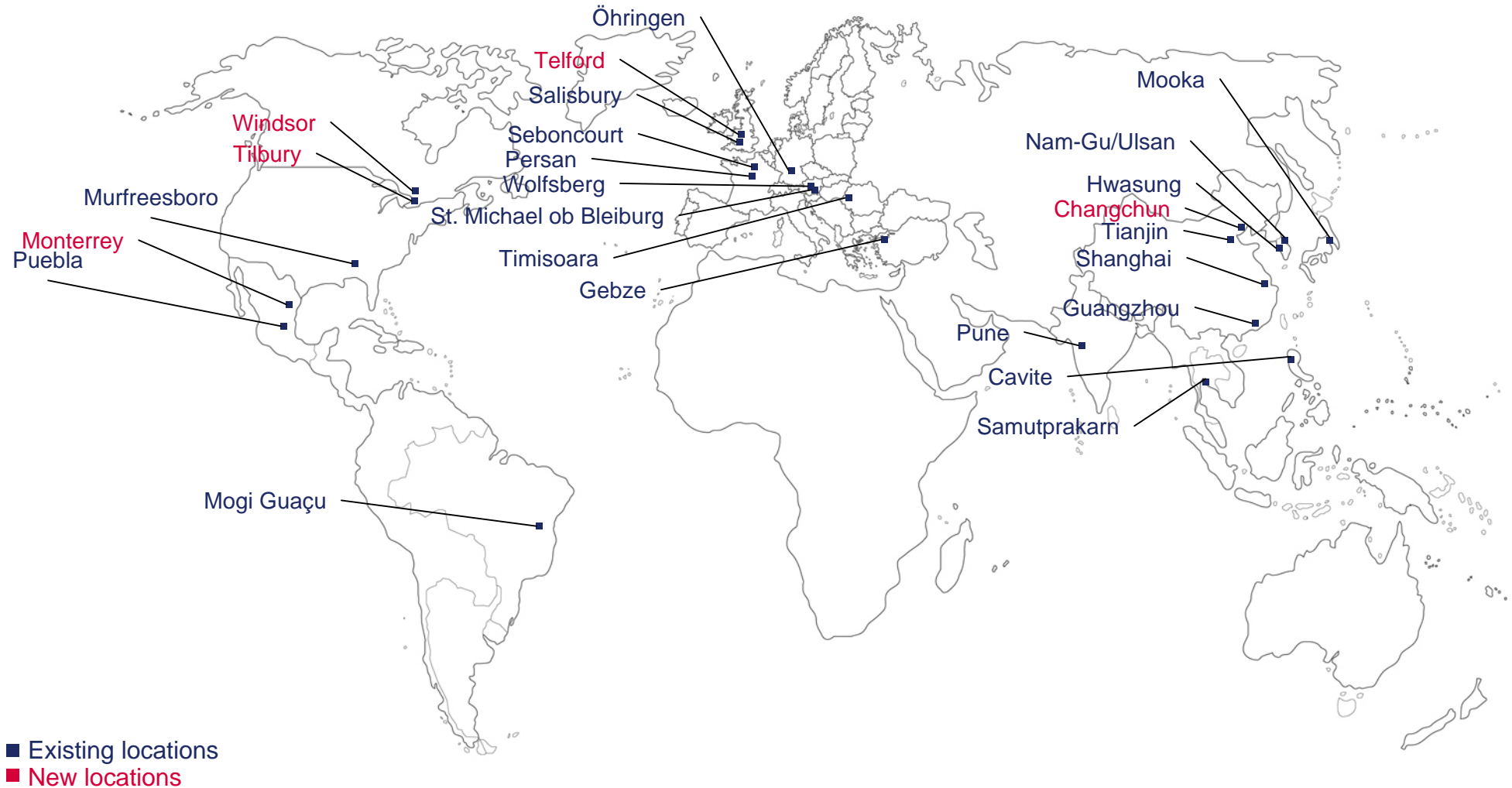


# Strategic acquisitions

## Locations product line air management systems



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## Strategic acquisitions

MAHLE Tri-Ring in Macheng/China

Edival in Rafaela/Argentina

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### Some core data:

- Start: March 2007
- Products: Engine valves: Intake and exhaust valves
- Sales 2006: approx. 45 million Euro → approx. 60 million US Dollar
- Production locations: 2
- Employees: 2,100



## Strategic acquisitions

### Locations product line valve train systems (valves)

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■ Existing locations

## Strategic acquisitions

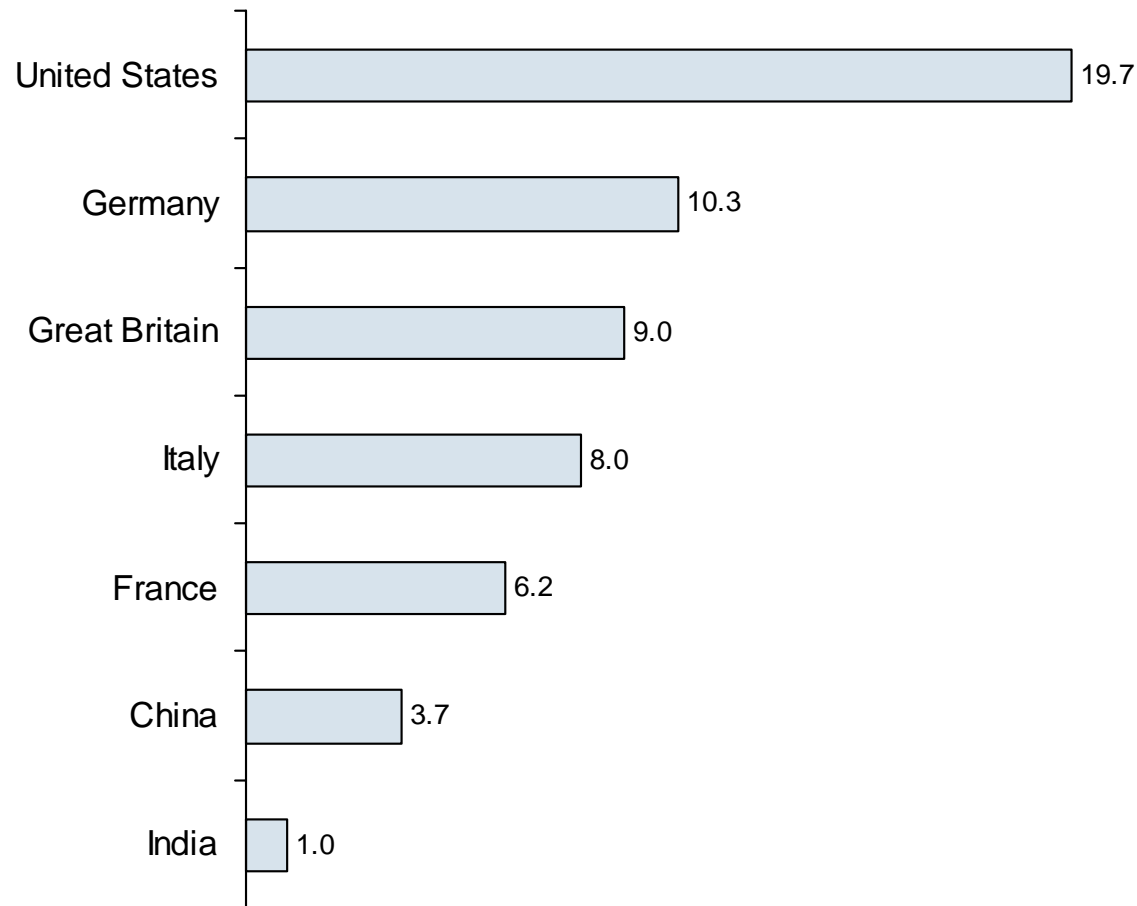
### Locations product line valve train systems (valves)

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**CO<sub>2</sub> emission per capita [t], 2004**



## CO<sub>2</sub> and global warming

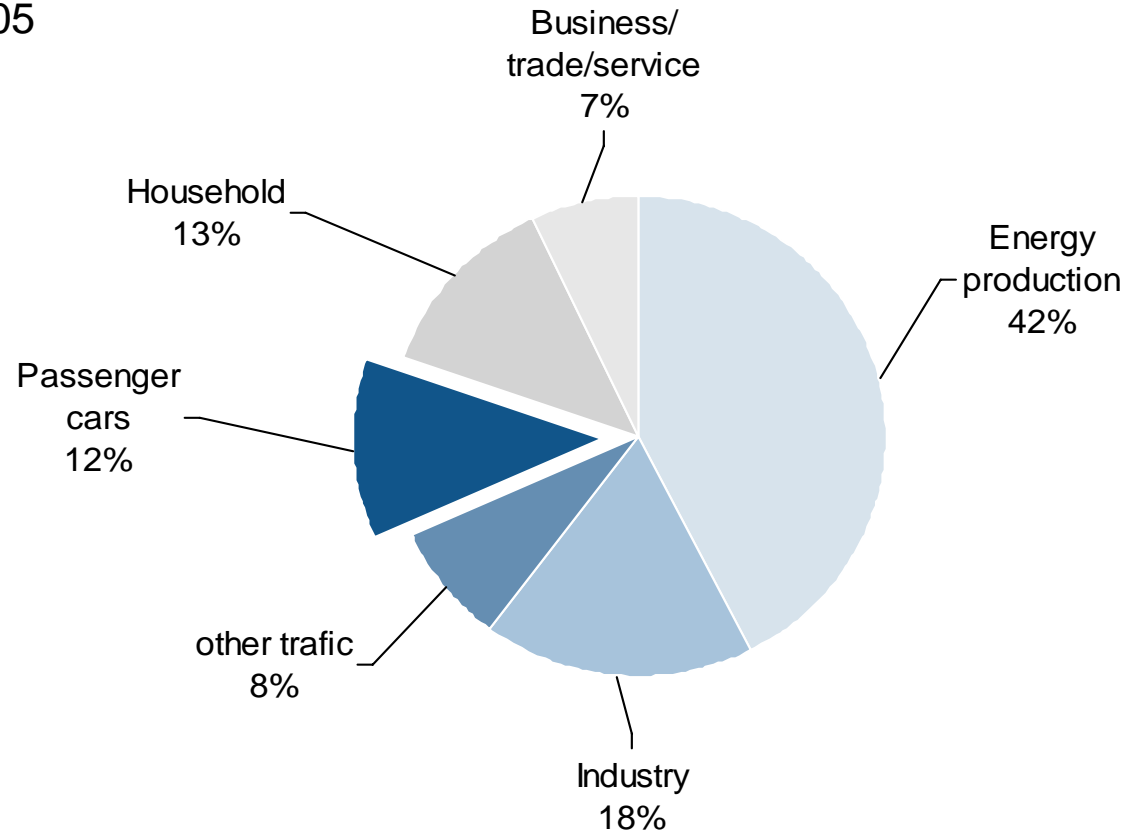
### Percentage of CO<sub>2</sub> emissions in Germany

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#### CO<sub>2</sub> emissions in Germany in 2005

- Total 880 Mio. t
- Passenger cars 106 Mio. t



Source: European Energy Exchange (2004) and Internationales Wirtschaftsforum Regenerative Energie (IRW)

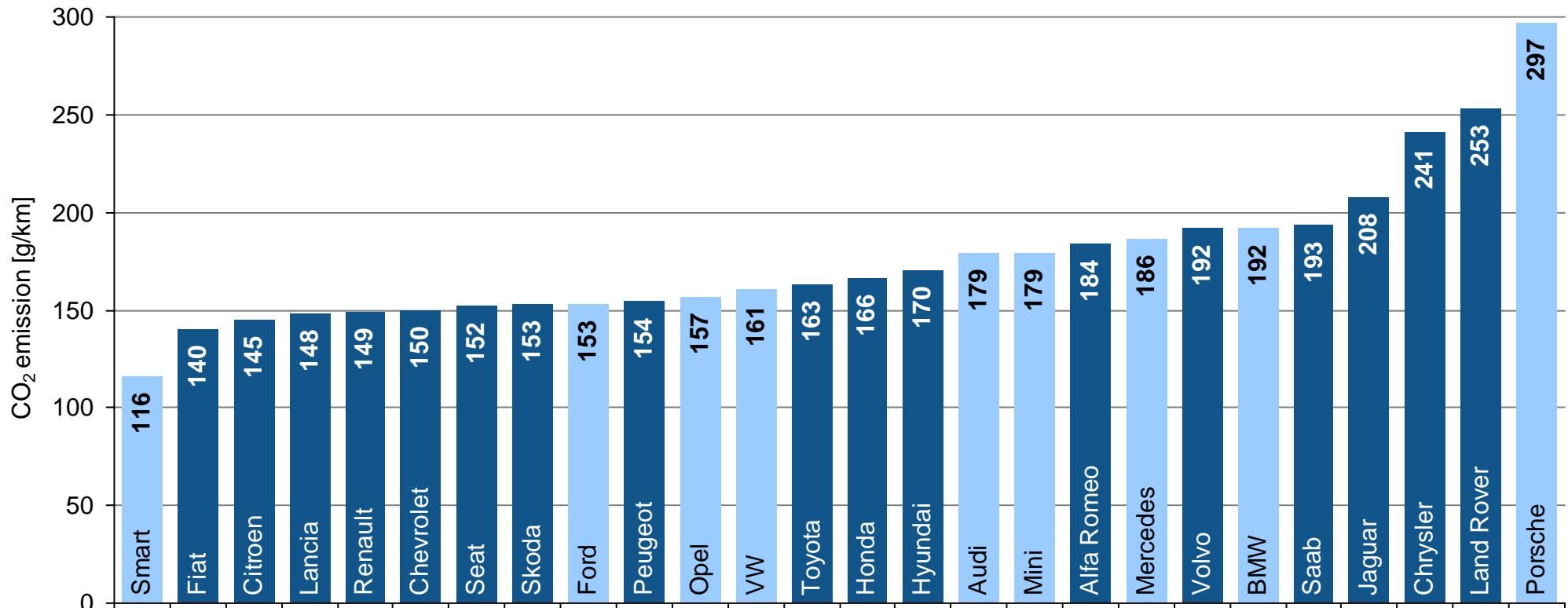
# CO<sub>2</sub> and global warming

## CO<sub>2</sub> emissions of selected passenger car brands

### Fleet average



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Source: Center Automotive Research, FH Gelsenkirchen

CO<sub>2</sub> and global warming

MAHLE's contribution to the development of the new  
„consumption-CO<sub>2</sub> emissions regulations“

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## Forged steel piston



CO<sub>2</sub> and global warming

MAHLE's contribution to the development of the new  
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**Aluminum diesel piston with cooled ring carrier**



CO<sub>2</sub> and global warming

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## **Power Cell Unit**



CO<sub>2</sub> and global warming

MAHLE's contribution to the development of the new  
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**CamInCam<sup>®</sup> camshaft**



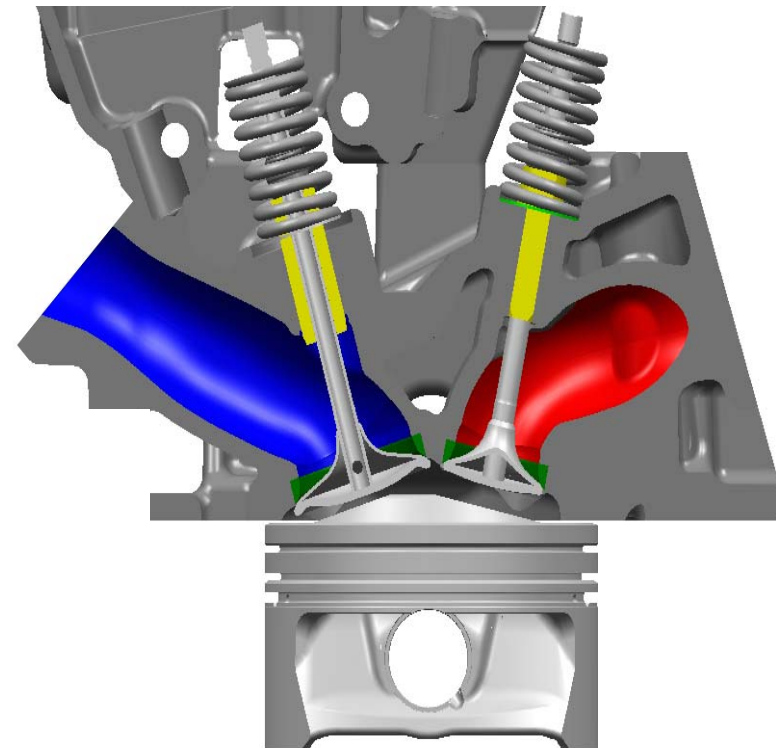
CO<sub>2</sub> and global warming

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**Light weight valve (cut-off demonstration)**



CO<sub>2</sub> and global warming

MAHLE's contribution to the development of the new  
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### All-plastic oil filter



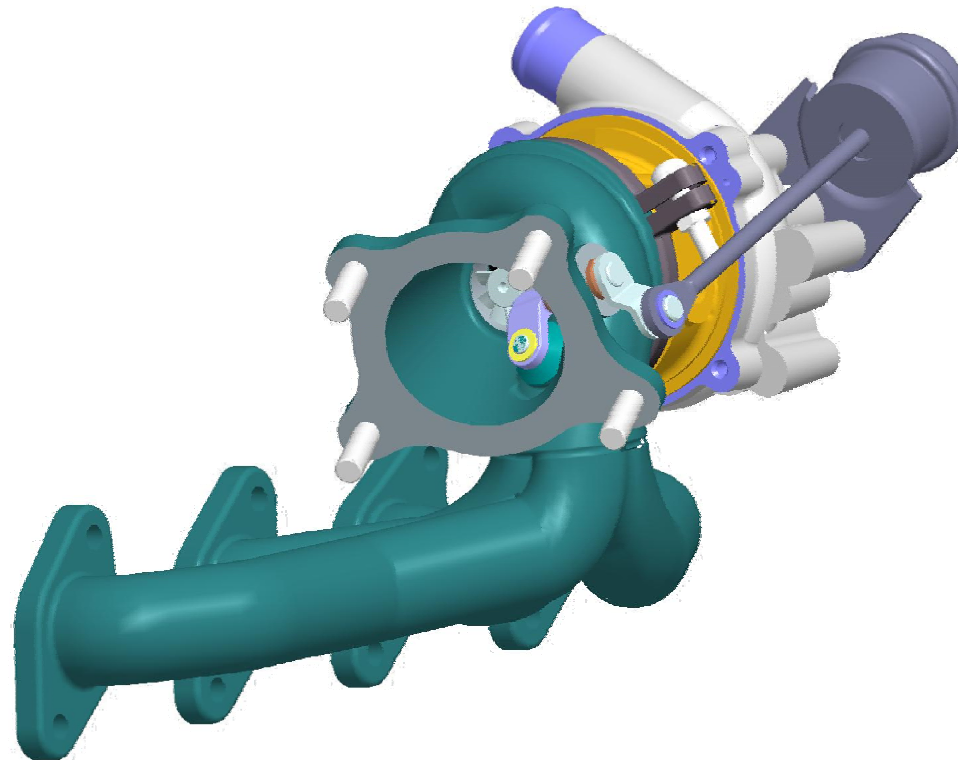
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**Exhaust-gas turbocharger for gasoline engines**



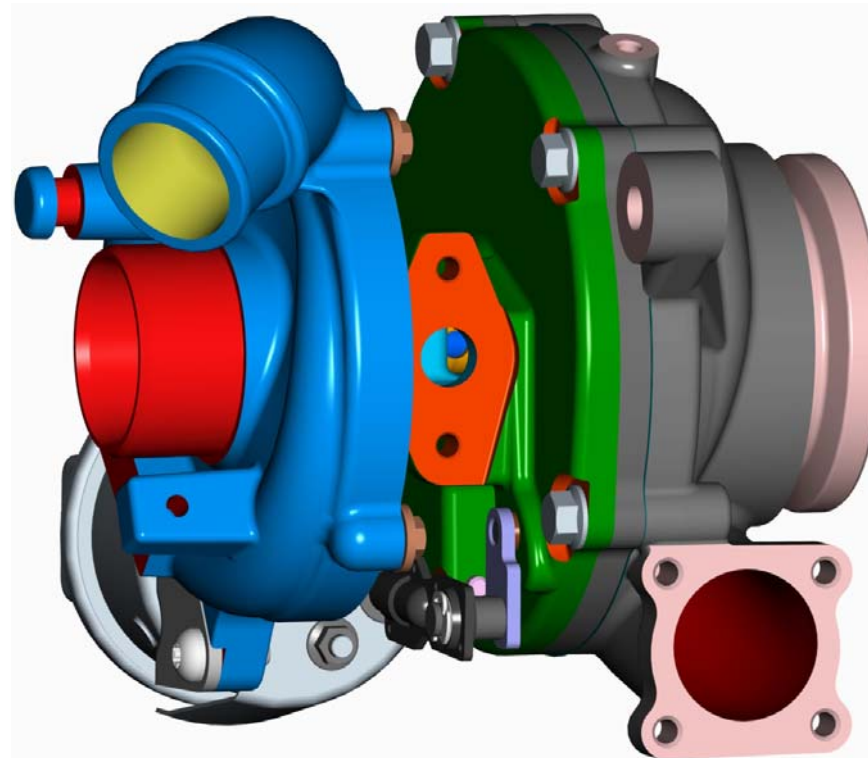
CO<sub>2</sub> and global warming

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**Exhaust-gas turbocharger for diesel engines**



CO<sub>2</sub> and global warming

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**Formula Student SAE engine**



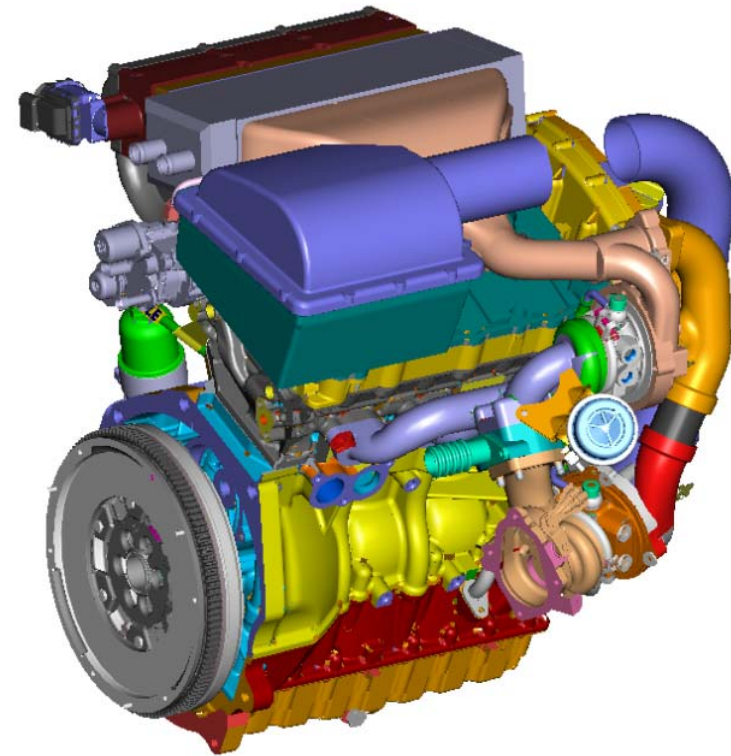
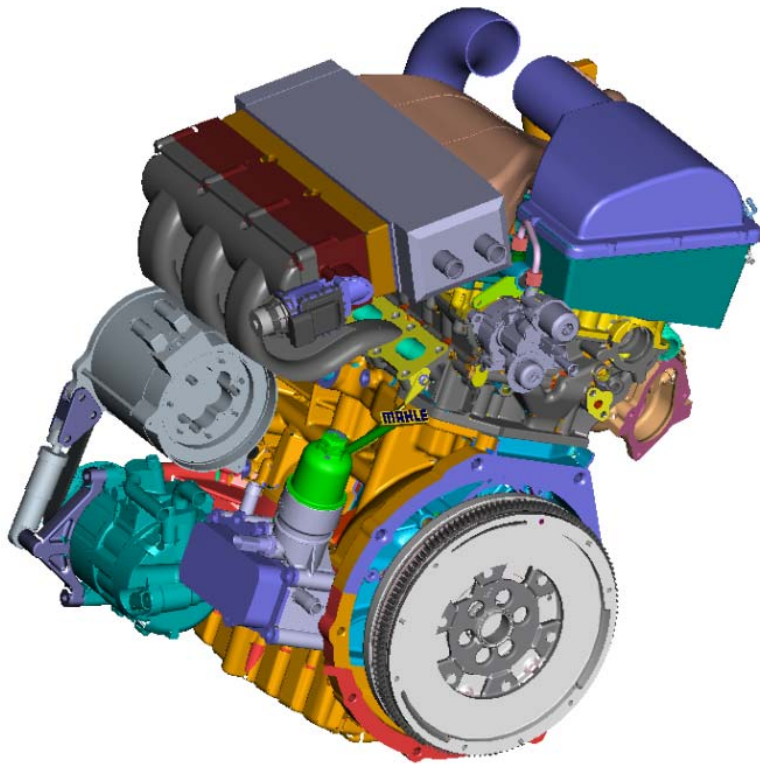
CO<sub>2</sub> and global warming

MAHLE's contribution to the development of the new „consumption-CO<sub>2</sub> emissions regulations“

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### Downsizing technology demonstrator



## Worldwide automobile production 2006/2007 [in 1,000]

	2006		2007	
	Pass. cars & light coms.	Coml. Vehicles	Pass. cars & light coms.	Coml. vehicles
<b>America</b>	<b>18,297</b>	<b>813</b>	<b>18,436</b>	<b>632</b>
- NAFTA	15,265	648	15,225	463
- South America	3,032	165	3,211	169
<b>Asia/Pacific</b>	<b>25,589</b>	<b>1,307</b>	<b>27,493</b>	<b>1,324</b>
- Japan	10,970	406	11,051	380
- China	6,590	575	7,518	626
<b>Europe</b>	<b>20,731</b>	<b>625</b>	<b>20,988</b>	<b>599</b>
- Germany	5,667	175	5,578	165
<b>Rest of world</b>	<b>1,718</b>	<b>0</b>	<b>1,795</b>	<b>0</b>
<b>Total</b>	<b>66,335</b>	<b>2,745</b>	<b>68,712</b>	<b>2,555</b>

Source: Global Insight, March 2007