

## **Restructuring of MAHLE's Alzenau location**

Stuttgart, April 23, 2009 – In the meeting on April 23, 2009, the Supervisory Board of MAHLE GmbH adopted the Group's business plan. As part of this business plan, a decision was made regarding the restructuring of the Piston Systems division in Europe, resulting from the difficult market development. The corresponding package of measures includes among others the discontinuation of production at the Alzenau location.

The major reasons for the planned closure as part of the restructuring measures are the losses that the location has suffered for several years as well as the current market situation and forecast. Despite all the cost-saving measures and schemes introduced in recent years, the losses could not be reduced. The alternative ideas and scenarios discussed in the past few months do not indicate that the Alzenau location will be economically efficient if production continues.

The negotiations between the Management Board and the employee representation regarding the reconciliation of interests and a social plan are currently being pursued. Several options are being investigated. However, the Management Board still intends to stop production at the plant.

"The Alzenau location has been unprofitable for a number of years. From 2005 to 2009 alone, the losses have reached around EUR 70 million. Even in years when capacities were fully utilized, economically sustainable results could not be achieved at the Alzenau location with the existing structures. The current economic situation and the resulting under-utilization of the installations force us to react promptly to minimize losses," said Prof. Heinz K. Junker, Chairman of the MAHLE Management Board.

The MAHLE Group is one of the 30 largest companies in the automotive supply industry worldwide. As a leading manufacturer of components and systems for the combustion engine and related products, MAHLE ranks among the top 3 systems suppliers for piston systems, cylinder components, valve train systems, air management systems, and liquid management systems. MAHLE employs around 49,000 people at 115 production plants and eight research and development centers. In 2008, MAHLE achieved sales in excess of EUR 5 billion (USD 7.3 billion).