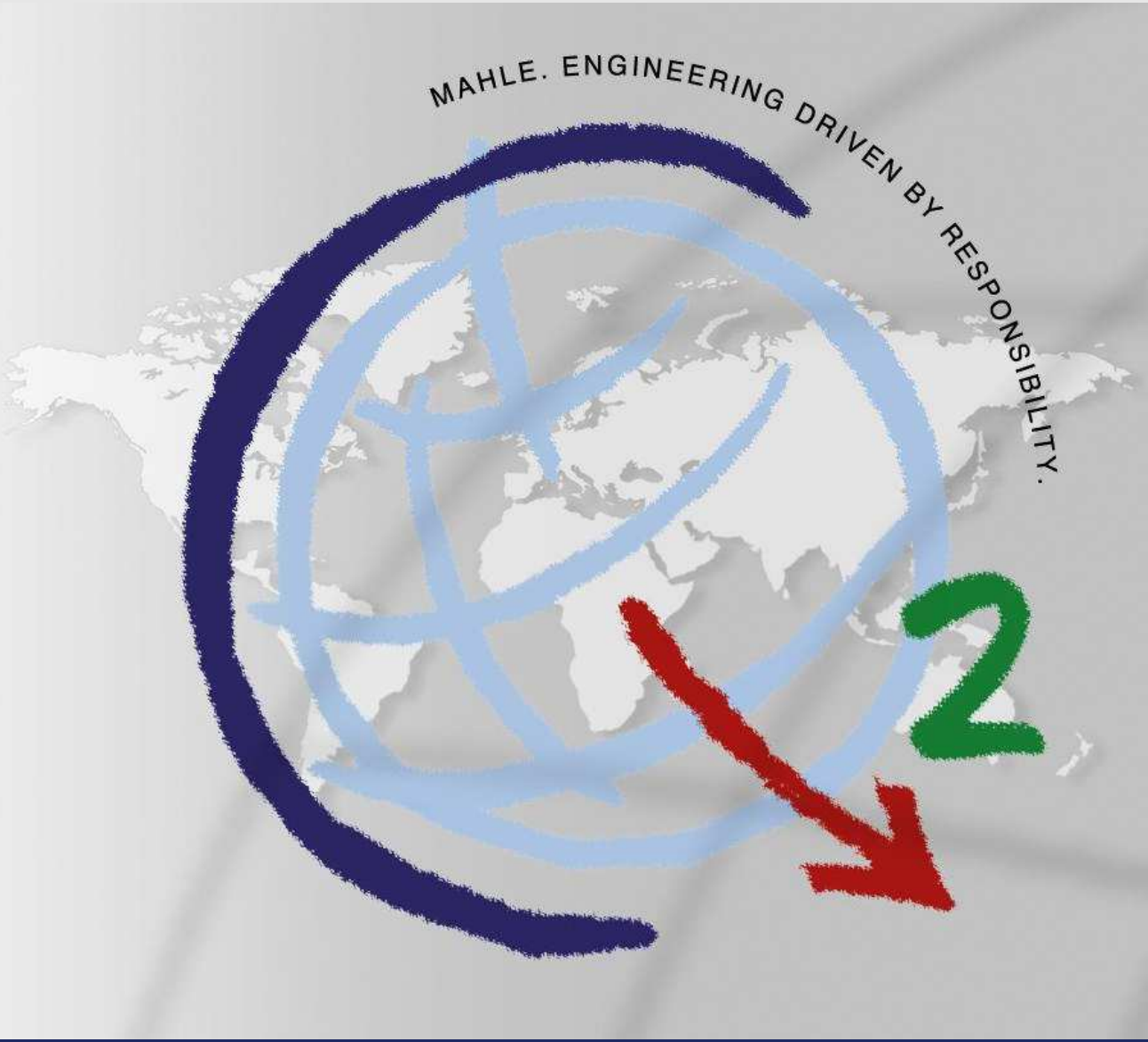
Driven by performance



Conference Call
2Q16 Results

MAHLE Metal Leve S.A.

August 11th, 2016

12:00 p.m. (BR time)

11:00 a.m. (Eastern time)

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Highlights for 2Q16

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- **Net sales revenue** in the 2Q16 totaled R$ 583.5 million, 5.2% less than that of the 2Q15;
- **Exports and Aftermarket Sales** accounted for 75.2% of total sales in the 2Q16 and 70.4% in the 2Q15;
- **Net income** of R$ 42.9 million and net margin of 7.4% in the 2Q16, a drop of 11.7% compared to the 2Q15;
- The **Net Debt/Ebitda** ratio at the end of the 1H16 was **0.69 times**, while at the end of the 1H15 the ratio was 0.78 times;
- The Annual and Extraordinary General Meeting held on April 27, 2016 approved distribution of **additional dividends** in the amount **of R$ 26.0 million**, which refers to a remaining balance of 2015. The Company distributed in 2015 **R$ 198.3 million** of earnings, totaling **100.0% of the Net Income for the year**;
- The Board of Directors Meeting held on April 27, 2016 approved distribution of **R$ 23.1 million (gross)** of **Interest on Equity referring to the 1Q16**;
- The Board of Directors Meeting held on August 9, 2016 approved distribution of **Interest on Equity of R$ 31.0 million (gross)** referring to the period between April 1, 2016 to July 31, 2016.

Main Indicators								
(R$ million)	2Q16 (a)	1Q16 (b)	2Q15 (c)	(a/b)	(a/c)	1H16 (d)	1H15 (e)	(d/e)
Net sales revenue	583.5	574.7	615.2	1.5%	-5.2%	1,158.2	1,194.6	-3.0%
EBITDA	90.2	107.4	103.6	-16.0%	-12.9%	197.6	204.1	-3.2%
EBITDA margin	15.5%	18.7%	16.8%	-3.2 p.p.	-1,3 p.p.	17.1%	17.1%	0 p.p.
Net income	42.9	73.9	48.6	-41.9%	-11.7%	116.8	96.2	21.4%
Net margin	7.4%	12.9%	7.9%	-5.5 p.p.	-0,5 p.p.	10.1%	8.1%	2 p.p.

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Performance of the Brazilian automotive industry

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Brazilian automotive industry												
Vehicle sales	**June 2016**					**June 2015**					**Sales Variation (A/C)**	**Production Variation (B/D)**
	Sales (Local + Imp) (A)	**Export**	**Import**	**Inventory**	**Total Production (B)**	**Sales (Local + Imp) (C)**	**Export**	**Import**	**Inventory**	**Total Production (D)**		
Passenger Cars	806,378	145,456	-100,191	-17,949	833,694	1,076,261	153,376	-173,607	-2,616	1,053,414	-25.1%	-20.9%
Light Commercials	145,886	27,233	-38,339	7,668	142,448	195,738	31,623	-41,023	-5,376	180,962	-25.5%	-21.3%
Total of Light vehicles	**952,264**	**172,689**	**-138,530**	**-10,281**	**976,142**	**1,271,999**	**184,999**	**-214,630**	**-7,992**	**1,234,376**	**-25.1%**	**-20.9%**
Trucks	25,589	7,658	-888	-1,060	31,299	37,292	10,192	-662	-5,192	41,630	-31.4%	-24.8%
Buses	5,683	2,906	-2	652	9,239	9,658	3,264	0	943	13,865	-41.2%	-33.4%
TotalTrucksandBuses	**31,272**	**10,564**	**-890**	**-408**	**40,538**	**46,950**	**13,456**	**-662**	**-4,249**	**55,495**	**-33.4%**	**-27.0%**
Agricultural	17,056	4,389	0	-1,639	19,806	24,687	5,340	0	434	30,461	-30.9%	-35.0%
Total of medium and heavy vehicle	**48,328**	**14,953**	**-890**	**-2,047**	**60,344**	**71,637**	**18,796**	**-662**	**-3,815**	**85,956**	**-32.5%**	**-29.8%**
Total vehicle sales	**1,000,592**	**187,642**	**-139,420**	**-12,328**	**1,036,486**	**1,343,636**	**203,795**	**-215,292**	**-11,807**	**1,320,332**	**-25.5%**	**-21.5%**
Variation (un) - 1H16 x 1H15	**-343,044**	**-16,153**	**75,872**	**-521**	**-283,846**							
Variation (%) - 1H16 x 1H15	**-25.5%**	**-7.9%**	**-35.2%**	**4.4%**	**-21.5%**							

Source: Anfavea

(*) Vehicle inventory variation = production - (sales + exports - imports)

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Performance of the Argentinean automotive industry

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Argentinian automotive industry			
Vehicle Sales (Locally-manufactured and imported)	**Jan-Jun 2016 (A)**	**Jan-Jun 2015 (B)**	**A/B**
Passenger Cars	249,814	203,690	22.6%
Light Commercials	96,390	73,760	30.7%
Total of Light vehicle	**346,204**	**277,450**	**24.8%**
Total of medium and heavy vehicle (**)	**7,501**	**8,725**	**-14.0%**
Total vehicle sales	**353,705**	**286,175**	**23.6%**
Exports	88,633	128,304	-30.9%
Imports	208,590	151,666	37.5%
Automotive trade balance	**(119,957)**	**(23,362)**	**413.5%**
Vehicle inventory variation in the period (*)	(7,594)	911	-933.6%
Total vehicle production	**226,154**	**263,724**	**-14.2%**
Production of Light vehicle	**224,038**	**260,411**	**-14.0%**
Production Trucks (***)	1,915	3,082	-37.9%
Production Buses	201	231	-13.0%
Production of medium and heavy vehicle	**2,116**	**3,313**	**-36.1%**
Total Vehicle Production	**226,154**	**263,724**	**-14.2%**

(*) Vehicle inventory variation = production - (sales + exports - imports).
(**) Source: Arcaras Arg.
(**) Source: IHS
Source: Adefa

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Vehicle production and sales (Brazil + Argentina)
Vehicle production in the main exports markets

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Production and Sales: Brazil & Argentina	Vehicle production			Vehicle sales		
	Jan-Jun 2016	Jan-Jun 2015	variation	Jan-Jun 2016	Jan-Jun 2015	variation
Light vehicle	**1,200,180**	**1,494,787**	**-19.7%**	**1,298,468**	**1,549,449**	**-16.2%**
Trucks	33,214	44,712	-25.7%	33,090	46,017	-28.1%
Buses	9,440	14,096	-33.0%	5,683	9,658	-41.2%
Production Trucks and Buses	**42,654**	**58,808**	**-27.5%**	**38,773**	**55,675**	**-30.4%**
Agricultural	19,806	30,461	-35.0%	17,056	24,687	-30.9%
Medium and heavy vehicle	**62,460**	**89,269**	**-30.0%**	**55,829**	**80,362**	**-30.5%**
Total	**1,262,640**	**1,584,056**	**-20.3%**	**1,354,297**	**1,629,811**	**-16.9%**

Source: Anfavea and Adefa

Vehicle Production in the main exports market			
Segment	**Jan-Jun 2016 (A)**	**Jan-Jun 2015 (B)**	**A/B**
Production of Light vehicle	9,130,313	8,798,907	3.8%
Production of medium and heavy vehicle	260,157	291,011	-10.6%
North America	**9,390,470**	**9,089,918**	**3.3%**
Production of Light vehicle	11,378,033	10,918,369	4.2%
Production of medium and heavy vehicle	294,359	294,979	-0.2%
Europe	**11,672,392**	**11,213,348**	**4.1%**
Total Vehicle Production	**21,062,862**	**20,303,266**	**3.7%**

Source: IHS

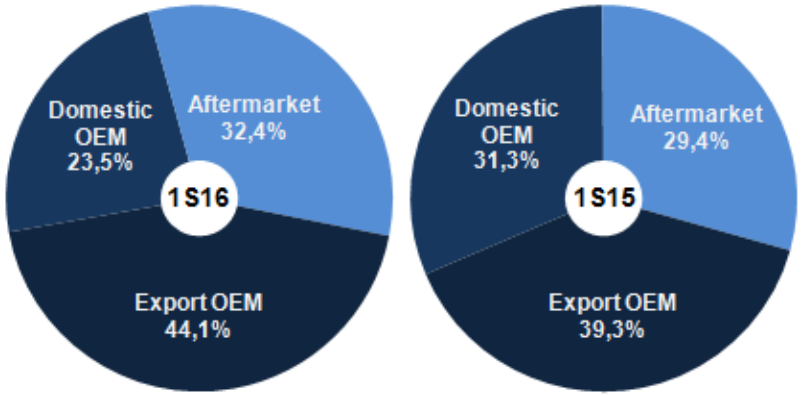
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Performance of the Net Sales Revenue

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Performance of the net sales revenue (R$ Million)	2Q16 (a)	2Q15 (b)	% Share by market (a)	% Share by market (b)	H.A. (%) (a/b)	1H16 (c)	1H15 (d)	% Share by market (c)	% Share by market (d)	H.A. (%) (c/d)
Original equipment										
Domestic	144.5	182.1	24.8%	29.6%	-20.6%	271.7	373.6	23.5%	31.3%	-27.3%
Export	248.6	253.0	42.6%	41.1%	-1.7%	511.5	469.4	44.1%	39.3%	9.0%
Total	**393.1**	**435.1**	**67.4%**	**70.7%**	**-9.7%**	**783.2**	**843.0**	**67.6%**	**70.6%**	**-7.1%**
Aftermarket										
Domestic	153.4	146.3	26.3%	23.8%	4.9%	302.5	288.1	26.1%	24.1%	5.0%
Export	37.0	33.8	6.3%	5.5%	9.5%	72.5	63.5	6.3%	5.3%	14.2%
Total	**190.4**	**180.1**	**32.6%**	**29.3%**	**5.7%**	**375.0**	**351.6**	**32.4%**	**29.4%**	**6.7%**
Grand total	**583.5**	**615.2**	**100.0%**	**100.0%**	**-5.2%**	**1,158.2**	**1,194.6**	**100.0%**	**100.0%**	**-3.0%**

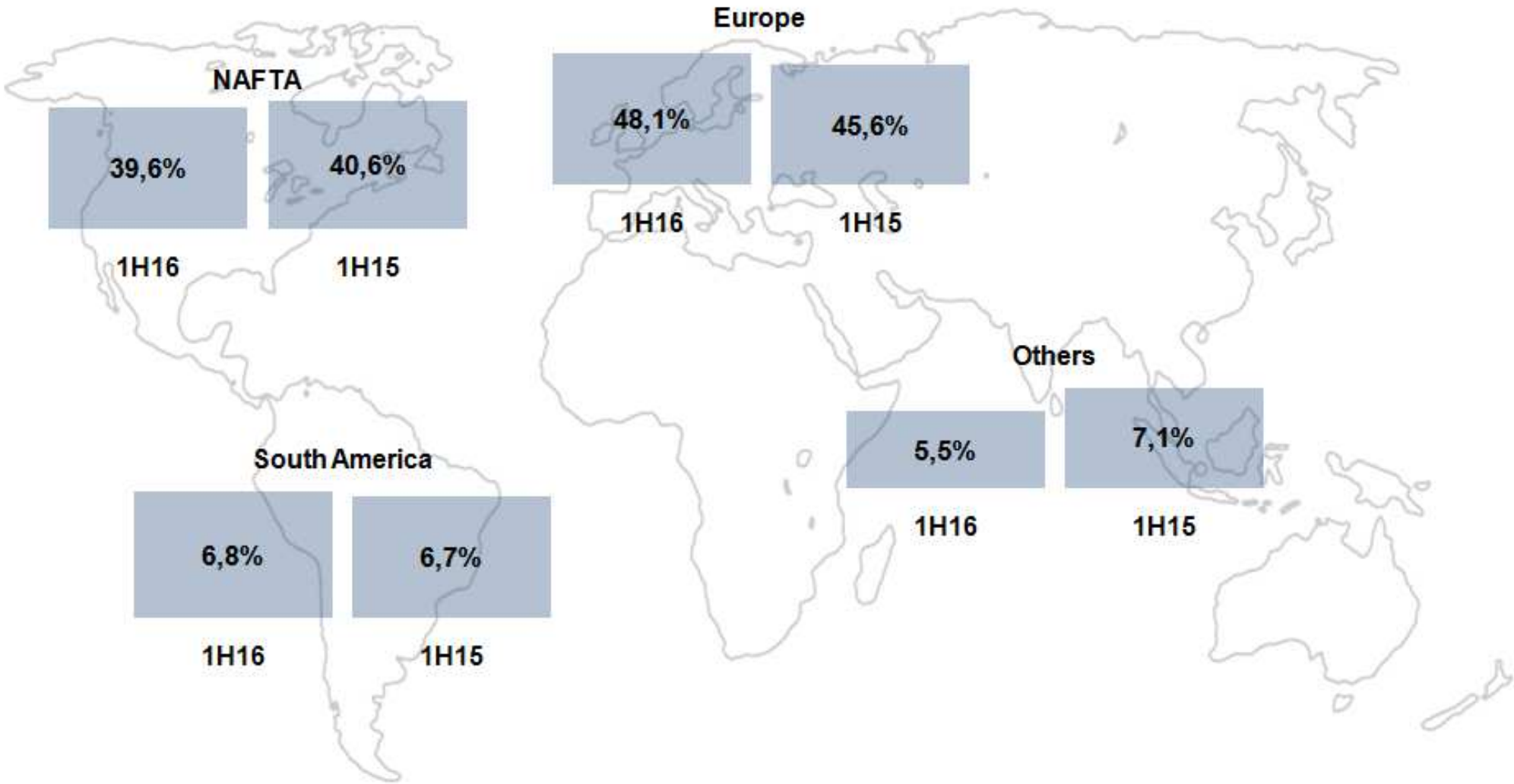
Revenue from Exports and Aftermarket Sales corresponded to 76.5% of total sales in 1S16.



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MAHLE Metal Leve's consolidated exports by region:

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Summary P&L

Driven by performance

- Continuity of the initiatives for revamping our processes to increase productivity, such as automation of our production processes, intensification of cost management, among other measures, allowed us to increase our gross margin both in the 2Q16 and in the 1H16, as shown below:

Summary P&L (R$ million)	2Q16	2Q15	1H16	1H15	V.A. (%)	V.A. (%)	V.A. (%)	V.A. (%)	H.A. (%)	H.A. (%)
	(a)	(b)	(c)	(d)	(a)	(b)	(c)	(d)	(a/b)	(c/d)
Net sales revenue	**583.5**	**615.2**	**1,158.2**	**1,194.6**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**-5.2%**	**-3.0%**
Cost of sales	(422.9)	(450.9)	(826.0)	(878.8)	-72.5%	-73.3%	-71.3%	-73.6%	-6.2%	-6.0%
Gross income	**160.6**	**164.3**	**332.2**	**315.8**	**27.5%**	**26.7%**	**28.7%**	**26.4%**	**-2.3%**	**5.2%**
Gross margin	27.5%	26.7%	28.7%	26.4%					0,8 p.p.	2,3 p.p.

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Summary P&L

Driven by performance

SG&A expenses:

- ✓ The increase in such expenses between the periods was due mainly to salary adjustments in Brazil, increase in the rate of the Greater Brazil Plan (Programa Brasil Maior) (payroll exemption) and salary adjustment in MAHLE Argentina.

R&D expenses:

- ✓ 3.8% of net sales revenue, which is in line with the percentages reported in the previous periods.

Other operating income (expenses):

- ✓Provisions for labor contingencies.
- ✓Non-recurring income from sale of electric power surplus to the market.
- ✓Income from Recovered Taxes (under the *Reintegra* Regime);

Partially offset against:

- ✓Provisions for tax contingencies.

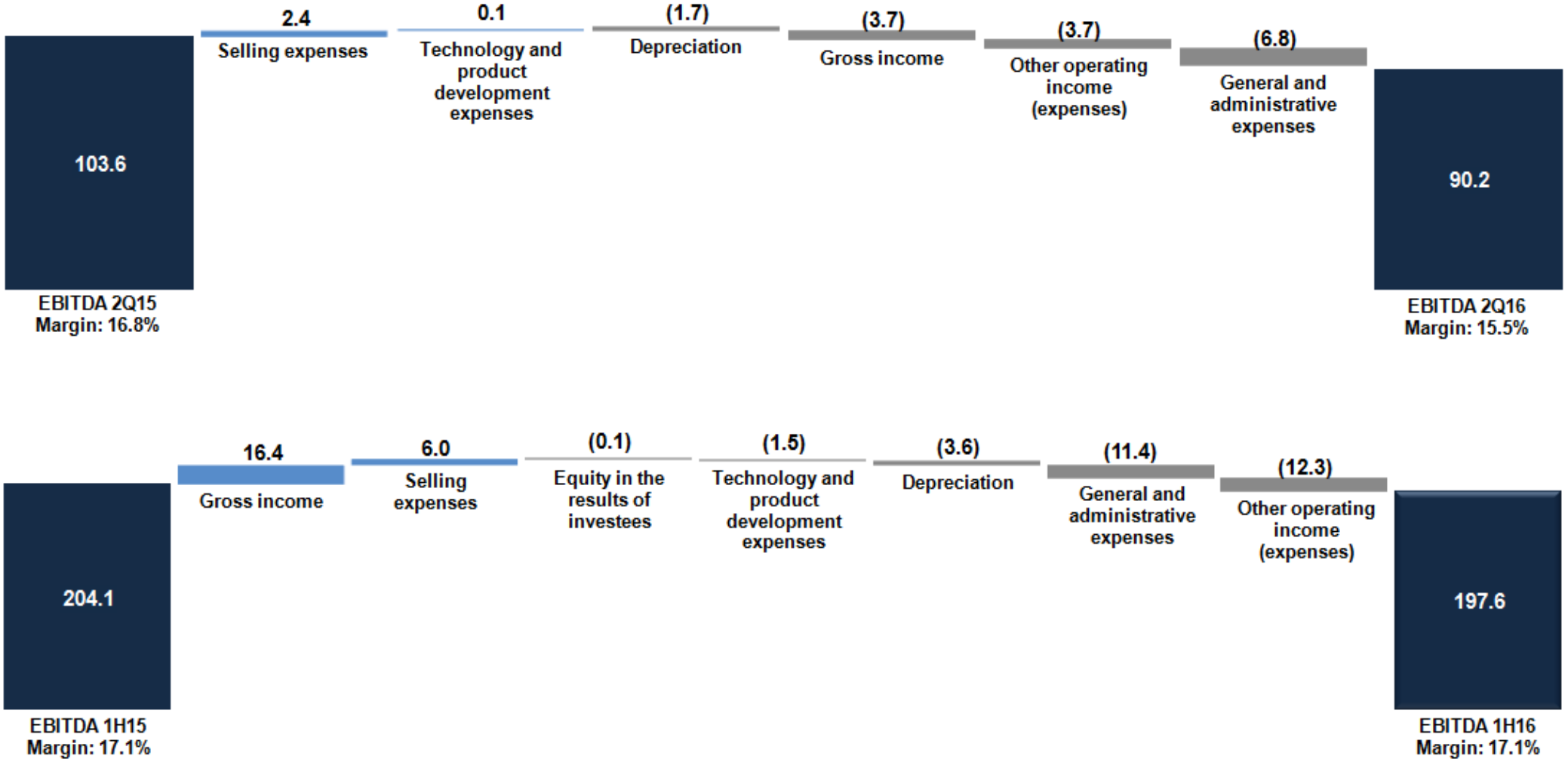
Others incomes and expenses, net	2Q16 (a)	2Q15 (b)	Var. (a-b)	1H16 (c)	1H15 (d)	Var. (c-d)
Provision/Reversal for labor contingencies	(8.5)	(3.2)	(5.3)	(15.6)	(7.4)	(8.2)
Recovered taxes (Reintegra)	0.2	2.4	(2.2)	0.4	7.0	(6.6)
Electric power	-	1.2	(1.2)	(1.6)	7.9	(9.5)
Provision/Reversal for taxes contingencies	-	(0.1)	0.1	0.5	(5.1)	5.6
Provision for environmental liability	-	(0.2)	0.2	-	(0.4)	0.4
Provision for obsolescence	0.3	0.1	0.2	0.4	0.2	0.2
Gains/losses on disposal of assets	1.1	-	1.1	2.1	-	2.1
Other income/expenses	(1.4)	(4.8)	3.4	(1.6)	(5.3)	3.7
Total of others incomes and expenses, net	**(8.3)**	**(4.6)**	**(3.7)**	**(15.4)**	**(3.1)**	**(12.3)**

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Operating income measured by the EBITDA

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Financial Management – Indebtedness (part I)

Driven by performance

- **Indebtedness** At the end of 2Q16, the Company's net indebtedness amounted to R$ 270.7 million, an decrease of 9.5% compared to the figures at the end of 2015 (R$ 299.1 million).

Net indebtedness (R$ million)	As of Jun/30/2016 (a)	As of Dec/31/2015 (b)	Variation (a - b)	% Debt (a)	% Debt (b)
Liabilities (i)	**484.0**	**479.7**	**4.3**	**100%**	**100%**
Short term	123.9	180.7	(56.8)	26%	38%
Long term	360.1	299.0	61.1	74%	62%
Assets (ii)	**(213.3)**	**(180.6)**	**(32.7)**		
Cash / banks / cash investments/ Loans - related parties	(213.3)	(180.6)	(32.7)		
Net indebtedness (i + ii)	**270.7**	**299.1**	**(28.4)**		

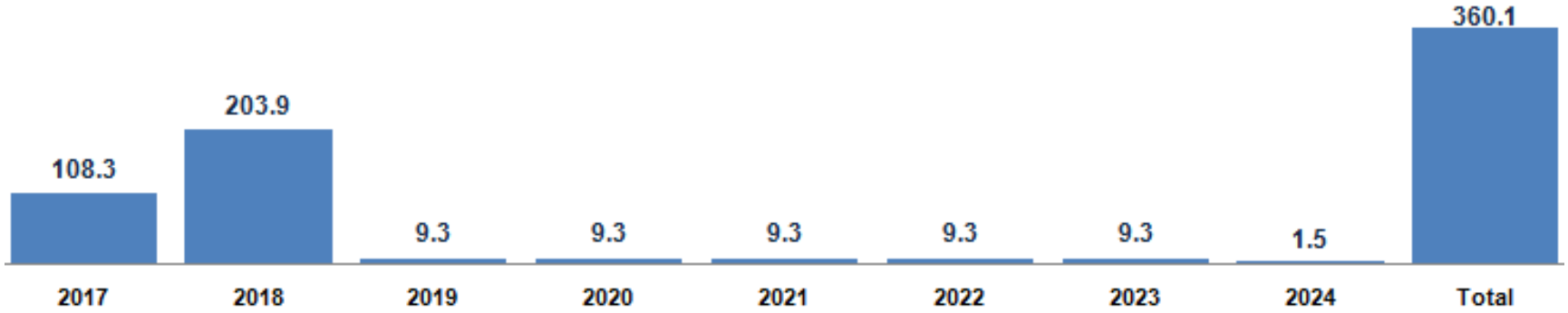
- The Net Debt//Ebitda ratio at the end of the 2Q16 was 0.69 times, while the ratio at the end of 2015 was 0.75 times.

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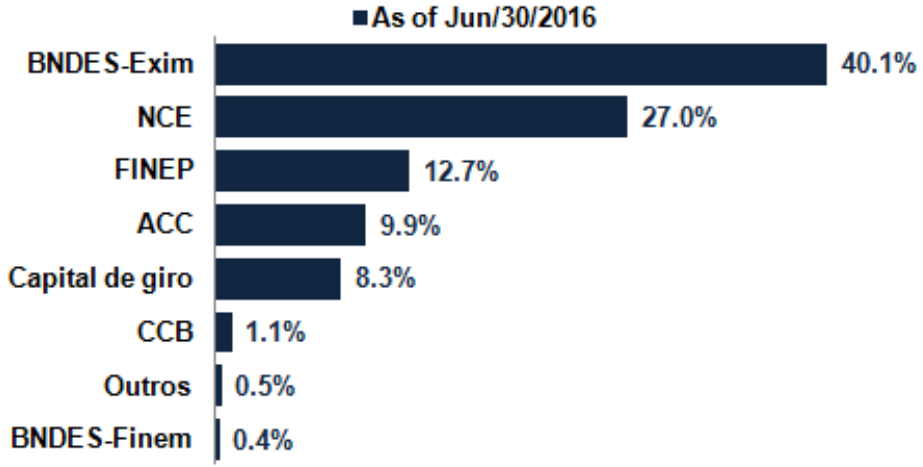
Financial Management – Indebtedness (part II)

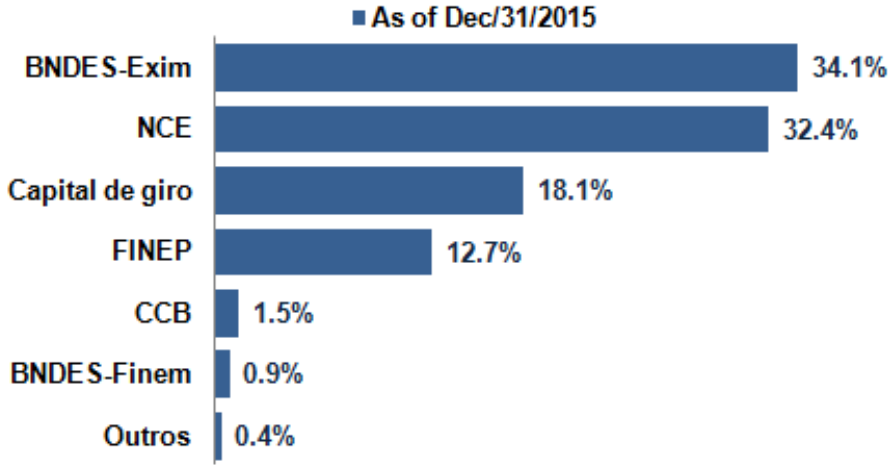
Driven by performance

- The table below shows the periods of settlement of **long-term** debts, which represent 74% of the financing transactions outlined in the slide before:



- Below is the breakdown of the Company's financing by type of funding for each of the periods of the periods of the slide before.





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Financial Management – Net financial result (part I)

Driven by performance

- The main change in net financial income (expenses) (item “i” of the table below) between the 2Q16 and the 2Q15 refers to a negative variation of R$ 13.0 million resulting from net exchange variation and results with derivatives. In the 1H16 and 1H15 the negative variation was R$ 13.2 million.

Net financial result (R$ million)	2Q16 (a)	2Q15 (b)	Var. (a - b)	1H16 (c)	1H15 (d)	Var. (c - d)
Exchange variation, net	(16.9)	(2.1)	(14.8)	(24.6)	27.0	(51.6)
Result with derivatives	8.9	7.1	1.8	22.6	(15.8)	38.4
Exchange variation and Result with derivatives (i)	**(8.0)**	**5.0**	**(13.0)**	**(2.0)**	**11.2**	**(13.2)**
Interests (income on investments)	2.4	7.7	(5.3)	3.9	14.9	(11.0)
Interests (expenses on financing)	(10.3)	(12.8)	2.5	(21.8)	(25.2)	3.4
Interests (Others)	(0.1)	0.5	(0.6)	0.4	0.8	(0.4)
Interests, net (ii)	**(8.0)**	**(4.6)**	**(3.4)**	**(17.5)**	**(9.5)**	**(8.0)**
Monetary variation, net	(8.3)	(6.9)	(1.4)	(15.8)	(11.9)	(3.9)
Others	(1.9)	(1.4)	(0.5)	(3.2)	(3.2)	0.0
Monetary variation, net + Others (iii)	**(10.2)**	**(8.3)**	**(1.9)**	**(19.0)**	**(15.1)**	**(3.9)**
Financial income (expenses), net (i + ii + iii)	**(26.2)**	**(7.9)**	**(18.3)**	**(38.5)**	**(13.4)**	**(25.1)**

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Financial Management – Net financial result (part II)

Driven by performance

- Another change in net financial income (expenses) (item “ii” of the table above) between the 2Q16 and the 2Q15 refers to a reduction in net interest of R$ 3.4 million, while between the 1H16 and 1H15 the change was R$ 8.0 million.

- The variation in interest (income on investments) of R$ 5.3 million between the quarters results from reduction in the average investment levels in the period (R$ 71.2 million and R$ 246.2 million, respectively, averages for the 2Q16 and 2Q15), coupled with higher remuneration of the Company’s investments (14.1% p.a. and 13.2% p.a., respectively, averages for the 2T16 and 2Q15), as shown below:

Interest rates and volumes (average)	2Q16 (a)	2Q15 (b)	Var. (a - b)	1H16 (c)	1H15 (d)	Var. (c - d)
Remunetarion of investments (Brazil)	14.1%	13.2%	-01 p.p.	14.1%	12.7%	01 p.p.
Cost of debt	8.0%	7.7%	00 p.p.	9.8%	7.6%	02 p.p.
Investments - average	71.2	246.2	-71.1%	84.0	291.6	-71.2%
Average debt	(530.5)	(683.2)	-22.3%	(453.2)	(673.9)	-32.8%

[1] - Certificados de Depósito Bancários (CDBs) e Compromissadas, remunerados em média de 99,6% do Certificado de Depósito Interbancário (CDI), aplicados exclusivamente com bancos de primeira linha no Brasil.

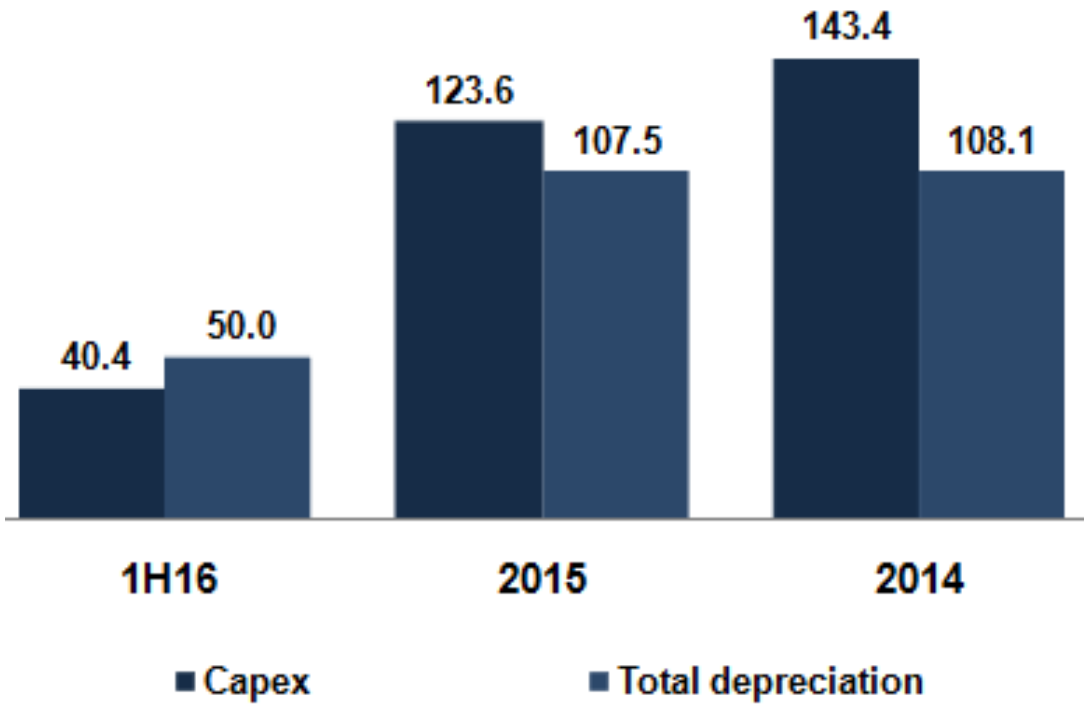
- The average volume of gross indebtedness decreased by 22.3% (from R$ 683.2 million to R$ 530.5 million, in the 2Q15 and 2Q16, respectively) due to repayment of loans and financing, mainly those contracted from the National Bank for Economic and Social Development (BNDES) and from commercial banks (NCE – export credit note). In the 1H16 and 1H15, the average volume of gross indebtedness decreased by 32.8% (R$ 453.2 million and R$ 673.9 million in the 1H15 and 1H16, respectively).

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Capex and Depreciation & Amortization

Driven by performance

- In the 1H16 **actual capex** was **R$ 40.4 million.**
- **Accumulated depreciation and amortization** in the 1S16: **R$ 50.0 million.**
- **Estimated capex (FY 2016)** is **R$ 122.3 million.**

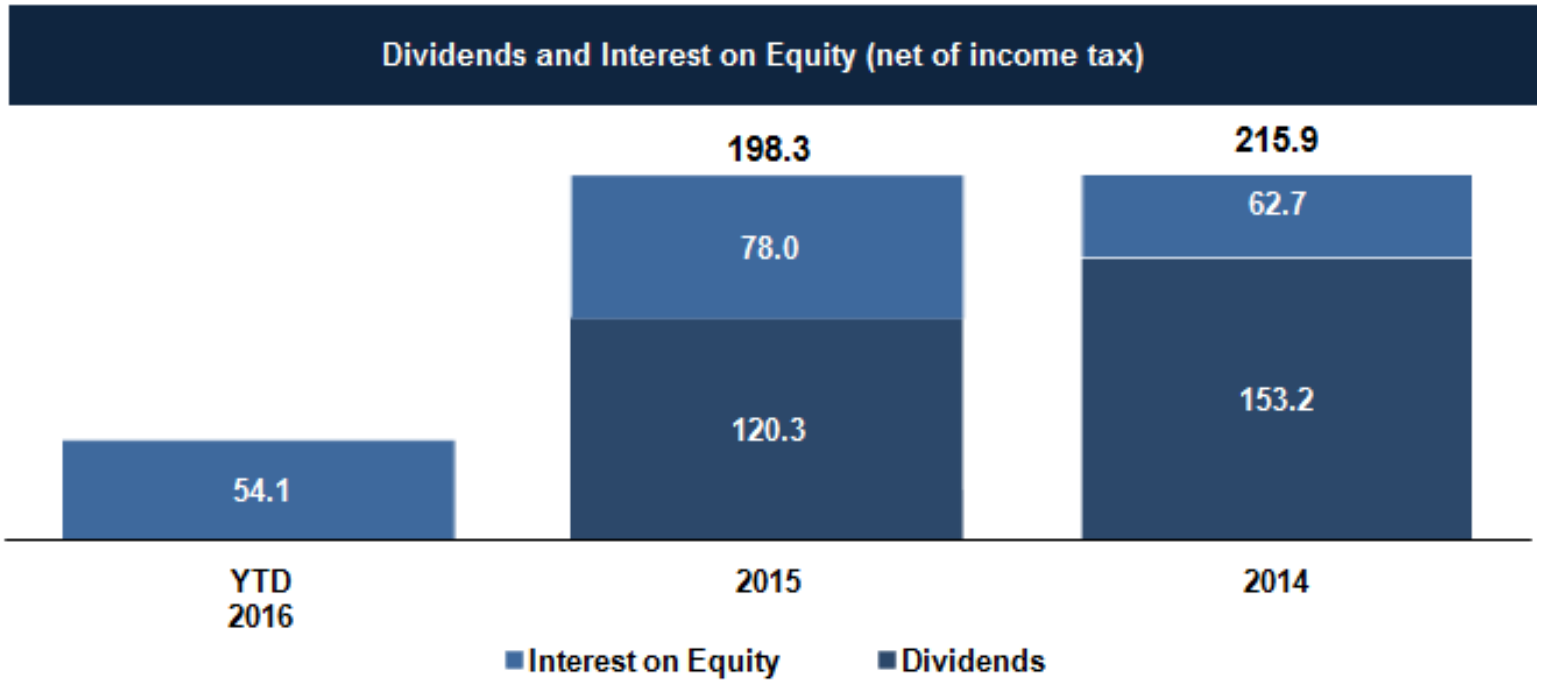


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Net Income and Benefits to Shareholders

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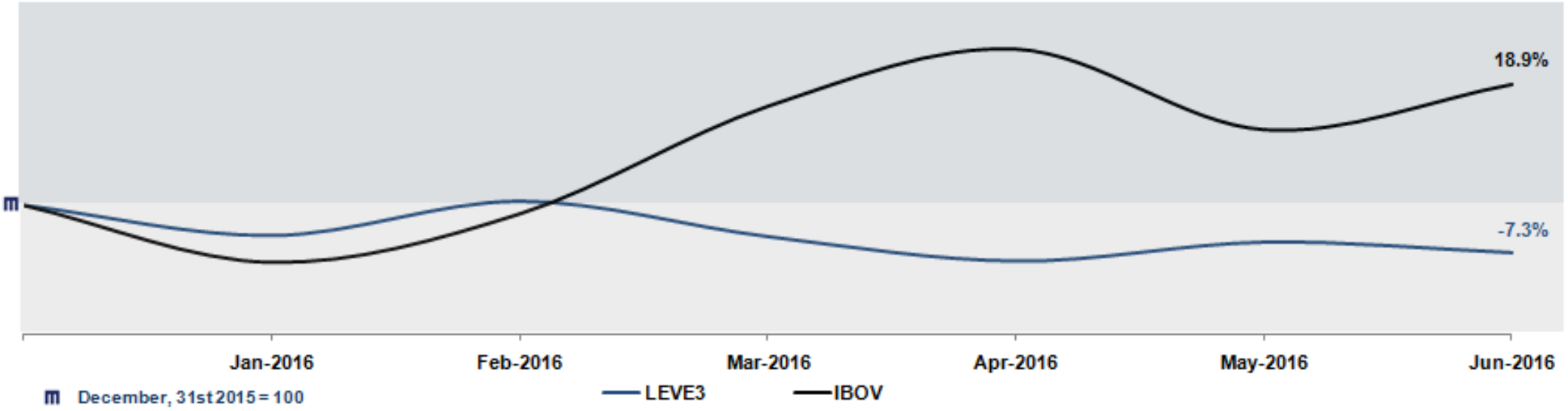
- **Net Income** in 1H16 was **R$ 116.8 million** and **net margin** of **10.1%**, while in the 1H16 **Net Income** was **R$ 96.2 million** and **net margin** of **8.1%.**

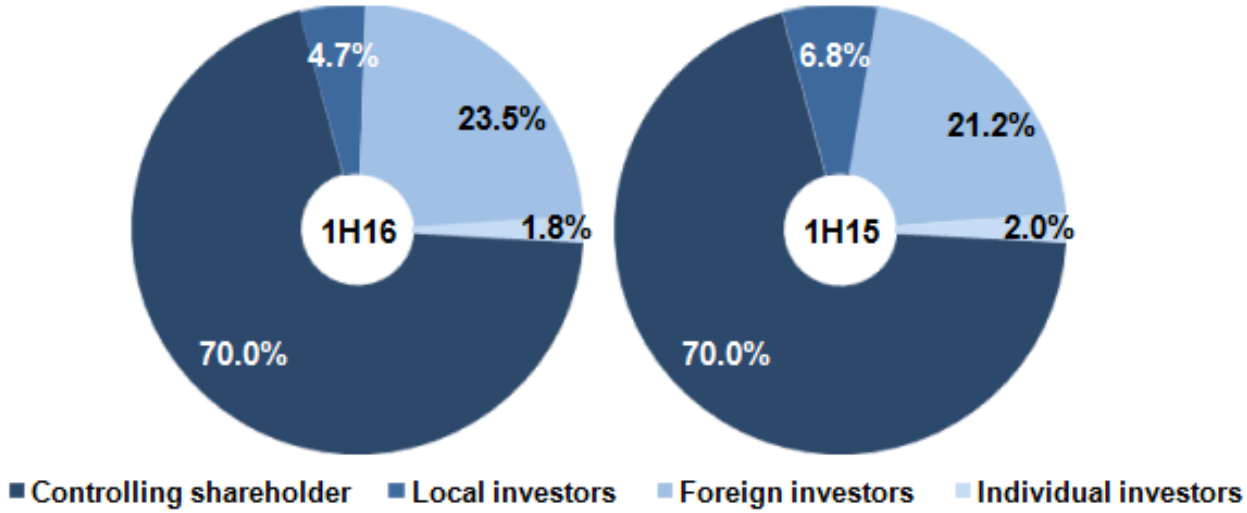


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Stock performance and Shareholder's profile – until June 30, 2016

Driven by performance





Average Daily Trading Volume (ADTV) and ADTV turnover to Free-Float Mkt Cap				
Period	3Q15	4Q15	1Q16	2Q16
Trading Volume (R$ million)	3.4	4.5	6.6	5.6
Turnover (%)	0.40%	0.48%	0.72%	0.62%

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Questions & Answers

Investor Relations:

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