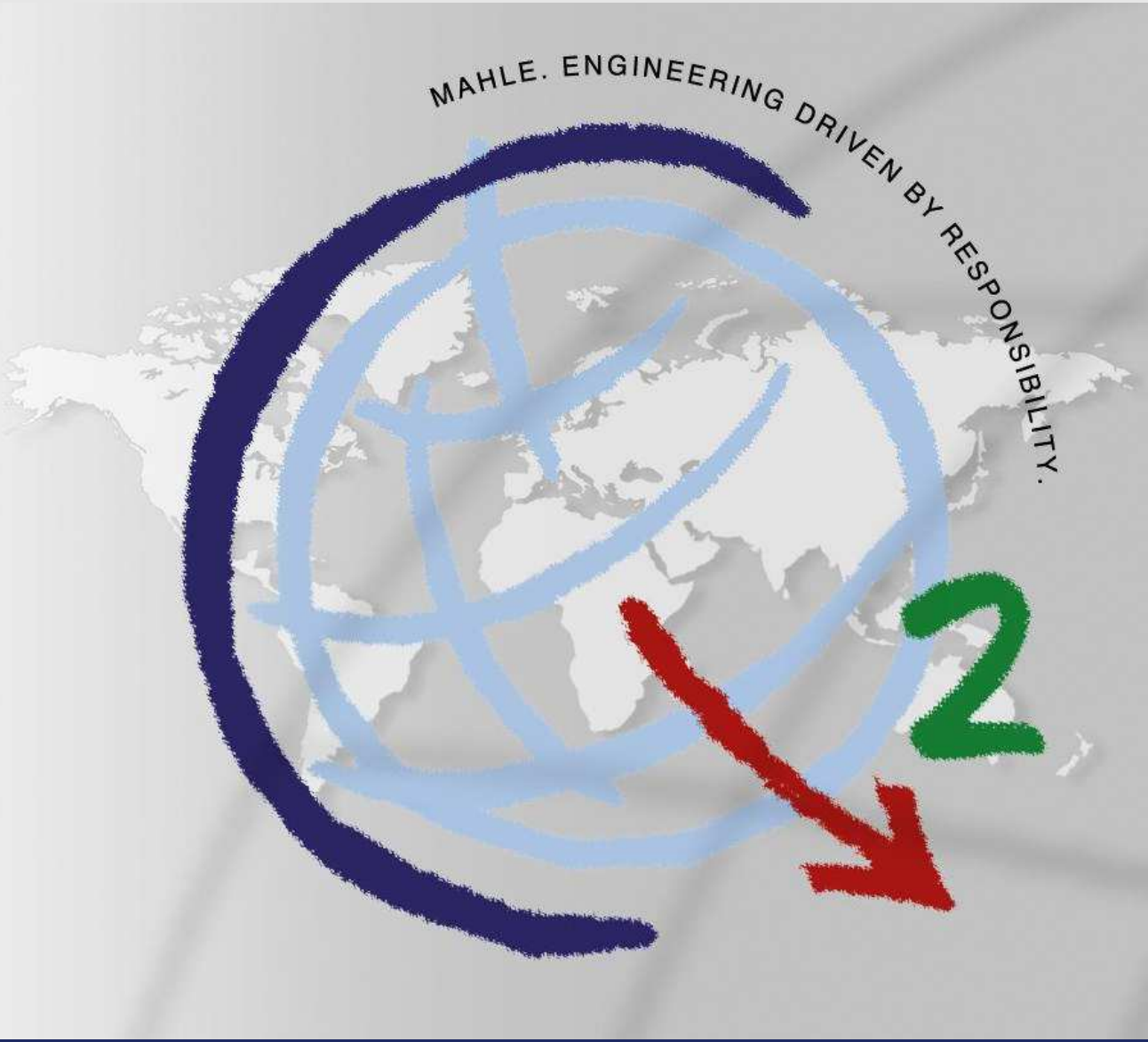
Driven by performance



1Q17 Conference Call

MAHLE Metal Leve S.A.

May 12th, 2017

14:00 p.m. (BR time)
13:00 p.m. (Eastern time)

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1Q17 Highlights

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- **Domestic OEM Sales** grew **19.0%,** the first increase after 13 consecutive quarters of drop;
- **Net Sales Revenue** of R$ 540.5 million in the 1Q17, 5.6% below that reported in the 1Q16 and Ebitda margin of 14.9% (18.8% in the 1Q16);
- The **Net Debt /Ebitda** ratio at the end of the 1Q17 was **0.54 times**, while at the end of the 1Q16 the ratio was 0.62 times.

Main Indicators					
(R$ million)	1Q17 (a)	4Q16 (b)	1Q16 (c)	(a/b)	(a/c)
Net sales revenue	540.5	518.6	572.5	4.2%	-5.6%
EBITDA	80.7	(166.1)	107.4	-	-24.9%
Adjusted EBITDA[1]	80.7	43.5	107.4	85.5%	-24.9%
EBITDA margin	14.9%	-32.0%	18.8%	46,9 p.p.	-3,9 p.p.
Adjusted EBITDA margin[1]	14.9%	8.4%	18.8%	6,5 p.p.	-3,9 p.p.
Net income	38.4	(142.7)	73.9	-	-48.0%
Adjusted net income[2]	38.4	2.8	73.9	1271.4%	-48.0%
Net margin	7.1%	-27.5%	12.9%	34,6 p.p.	-5,8 p.p.
Adjusted net margin[2]	7.1%	0.5%	12.9%	6,6 p.p.	-5,8 p.p.

[1] *Ebitda adjustment in the 4Q16 due to impairment loss of R$ 188.6 million on goodwill of the piston rings business, and R$ 21.0 million mainly due to additional labor claims referring to the discontinuance of subsidiary MAHLE Hirschvogel Forjas S.A.*

[2] *Net income adjustment in the 4Q16, as mentioned in item 1 above, due to reversal of R$ 64.1 million relating to income and social contribution taxes on the impairment loss.*

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Performance of the Brazilian automotive industry

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Brazilian automotive industry

Vehicle sales	Jan-Mar 2017					Jan-Mar 2016					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	388,765	140,288	-31,402	20,866	518,517	400,160	82,074	-53,584	-18,083	410,567	-2.8%	26.3%
Light Commercials	71,816	24,925	-17,981	-7,294	71,466	65,325	14,037	-18,756	1,058	61,664	9.9%	15.9%
Total of Light vehicles	**460,581**	**165,213**	**-49,383**	**13,572**	**589,983**	**465,485**	**96,111**	**-72,340**	**-17,025**	**472,231**	**-1.1%**	**24.9%**
Trucks	9,665	5,844	-392	631	15,748	13,110	4,104	-471	-1,607	15,136	-26.3%	4.0%
Buses	1,789	1,636	-	688	4,113	2,720	1,574	-1	46	4,339	-34.2%	-5.2%
Total Trucks and Buses	**11,454**	**7,480**	**-392**	**1,319**	**19,861**	**15,830**	**5,678**	**-472**	**-1,561**	**19,475**	**-27.6%**	**2.0%**
Agricultural	9,752	2,268	-	1,107	13,127	6,912	1,983	-	-1,272	7,623	41.1%	72.2%
Total of medium and heavy vehicle	**21,206**	**9,748**	**-392**	**2,426**	**32,988**	**22,742**	**7,661**	**-472**	**-2,833**	**27,098**	**-6.8%**	**21.7%**
Total vehicle sales	**481,787**	**174,961**	**-49,775**	**15,998**	**622,971**	**488,227**	**103,772**	**-72,812**	**-19,858**	**499,329**	**-1.3%**	**24.8%**
Variation (un) - 1Q17 x 1Q16	**-6,440**	**71,189**	**23,037**	**35,856**	**123,642**							
Variation (%) - 1Q17 x 1Q16	**-1.3%**	**68.6%**	**-31.6%**	**-180.6%**	**24.8%**							

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-Mar 2017 (A)**	**Jan-Mar 2016 (B)**	**A/B**
Passenger Cars	143,168	121,100	18.2%
Light Commercials	43,894	41,039	7.0%
Total of Light vehicle	**187,062**	**162,139**	**15.4%**
Total of medium and heavy vehicle (**)	**6,295**	**4,067**	**54.8%**
Total vehicle sales	**193,357**	**166,206**	**16.3%**
Exports	40,193	35,258	14.0%
Imports	133,308	97,798	36.3%
Automotive trade balance	**(93,115)**	**(62,540)**	**-48.9%**
Vehicle inventory variation in the period (*)	(7,780)	(4,512)	-72.4%
Total vehicle production	**92,462**	**99,154**	**-6.7%**
Production of Light vehicle	**90,905**	**98,168**	**-7.4%**
Production Trucks (***)	1,316	983	33.9%
Production Buses (***)	241	3	7933.3%
Production of medium and heavy vehicle	**1,557**	**986**	**57.9%**
Total Vehicle Production	**92,462**	**99,154**	**-6.7%**

(*) 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-Mar 2017	Jan-Mar 2016	variation	Jan-Mar 2017	Jan-Mar 2016	variation
Light vehicle	**680,888**	**570,399**	**19.4%**	**647,643**	**627,624**	**3.2%**
Trucks	17,064	16,119	5.9%	15,960	17,177	-7.1%
Buses	4,354	4,342	0.3%	1,789	2,720	-34.2%
Agricultural	13,127	7,623	72.2%	9,752	6,912	41.1%
Medium and heavy vehicle	**34,545**	**28,084**	**23.0%**	**27,501**	**26,809**	**2.6%**
Total	**715,433**	**598,483**	**19.5%**	**675,144**	**654,433**	**3.2%**

Source: Anfavea and Adefa

Vehicle Production in the main exports market			
Segment	**Jan-Mar 2017 (A)**	**Jan-Mar 2016 (B)**	**A/B**
Production of Light vehicle	4,527,733	4,457,221	1.6%
Production of medium and heavy vehicle	133,620	121,596	9.9%
North America	**4,661,353**	**4,578,817**	**1.8%**
Production of Light vehicle	5,888,036	5,525,644	6.6%
Production of medium and heavy vehicle	146,252	147,475	-0.8%
Europe	**6,034,288**	**5,673,119**	**6.4%**
Total Vehicle Production	**10,695,641**	**10,251,936**	**4.3%**

Source: IHS

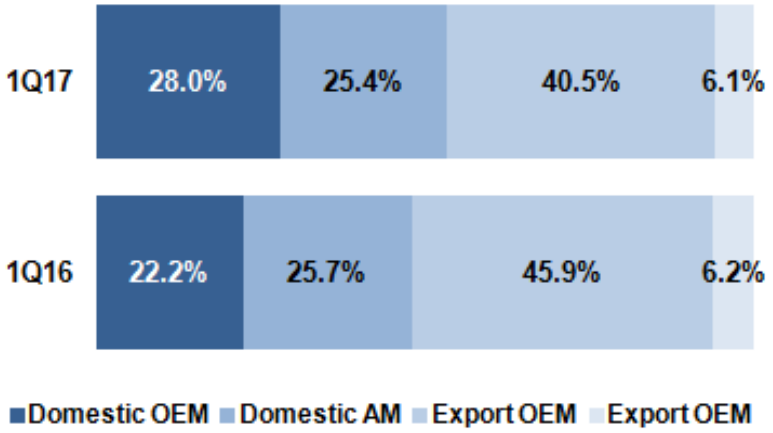
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Performance of the Net Sales Revenue

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Receita liquida por mercado (R$ milhões)	1T17 (a)	Volume/Preço (b)	Variação cambial (c)	1T16 (d)	% Impacto volume/preço (b/d)	% Impacto Var. cambial (c/d)	A.H. (%) (a/d)
Equipamento original							
Doméstico	151.4	24.7	(0.4)	127.2	19.4%	-0.4%	19.0%
Exportação	218.9	(2.9)	(41.1)	262.9	-1.1%	-15.6%	-16.7%
Total	**370.3**	**21.8**	**(41.5)**	**390.1**	**5.6%**	**-10.6%**	**-5.1%**
Aftermarket							
Doméstico	137.4	(1.2)	(8.4)	146.9	-0.8%	-5.7%	-6.5%
Exportação	32.8	5.3	(8.1)	35.5	14.9%	-22.8%	-7.6%
Total	**170.2**	**4.1**	**(16.5)**	**182.4**	**2.2%**	**-9.0%**	**-6.7%**
Total geral	**540.5**	**25.9**	**(58.0)**	**572.5**	**4.5%**	**-10.1%**	**-5.6%**

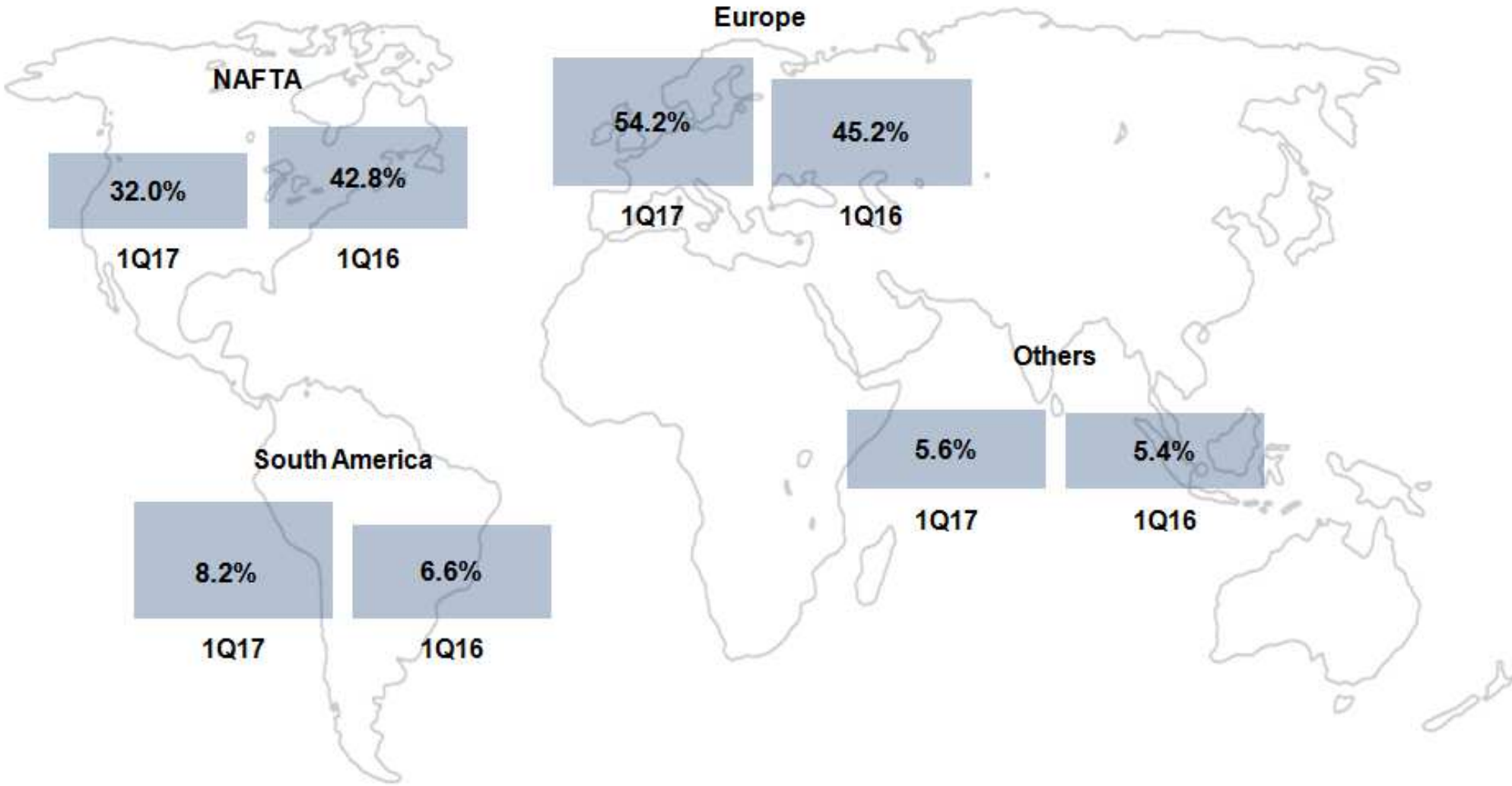
- Volume / price increased by 4.5% between quarters.



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MAHLE Metal Leve's consolidated exports by region:

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Driven by performance



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Summary P&L

Driven by performance

- As shown in the table below, the Company closed the 1Q17 with gross margin of 25.3% (29.6% in the 1Q16):

Summary P&L (R$ million)	1Q17	1Q16	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)
Net sales revenue	**540.5**	**572.5**	**100.0%**	**100.0%**	**-5.6%**
Cost of sales	(404.0)	(403.1)	-74.7%	-70.4%	0.2%
Gross income	**136.5**	**169.4**	**25.3%**	**29.6%**	**-19.4%**
Gross margin	25.3%	29.6%			-4,3 p.p.

- The gross margin drop between the quarters results from the negative exchange variation impact.
- Cost of sales between the quarters remained the same despite the salary adjustments and the volume increase, maily in local OEM market.

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Summary P&L

Driven by performance

SG&A expenses:

- Reduced selling expenses are due to the drop in the Company's sales.
- The increase in general and administrative expenses, in turn, is mainly due to payment of indemnity for employment terminations to adjust the number of employees, coupled with the salary adjustments in Brazil and Argentina.

R&D expenses:

- 3.9% of net sales revenue in the 1Q17, which is in line with the percentages reported in the previous periods.

Other operating income (expenses):

- Income from Recovered Taxes under the Reintegra Program;
- Sale of electric power surplus between 1Q17 and 1Q16;
- Provisions for labor contingencies;

Summary P&L (R$ million)	1Q17	1Q16	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)
Net sales revenue	**540.5**	**572.5**	**100.0%**	**100.0%**	**-5.6%**
Selling expenses	(33.8)	(35.9)	-6.3%	-6.3%	-5.8%
General and administrative expenses	(23.9)	(21.6)	-4.4%	-3.8%	10.6%
Technology and product development expenses	(21.3)	(22.0)	-3.9%	-3.8%	-3.2%
Other operating income (expenses)	(2.3)	(7.1)	-0.4%	-1.2%	-67.6%

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Operating income measured by the EBITDA

Driven by performance

- In the 1Q17, EBITDA was R$ 80.7 million (R$ 107.4 million in the 1Q16), representing an EBITDA margin of 14.9% (18.8% in the 1Q16).

- The table below shows the changes between the quarters in the accounts that make up EBITDA figure:

EBITDA 1Q16	Other operating income (expenses)	Selling expenses	Depreciation	Technology and product development expenses	General and administrative expenses	Gross income	EBITDA 1Q17
107.4	4.8	2.1	0.9	0.7	(2.3)	(32.9)	80.7

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Financial Management – Net financial result

Driven by performance

Net financial result (R$ million)	1Q17 (a)	1Q16 (b)	Var. (a - b)
Interests (income on investments)	5.7	1.5	4.2
Interests (expenses on financing)	(12.8)	(11.5)	(1.3)
Interests (Others)	0.2	0.5	(0.3)
Interests, net (i)	**(6.9)**	**(9.5)**	**2.6**
Exchange variation, net	(6.3)	(7.7)	1.4
Result with derivatives	10.5	13.7	(3.2)
Exchange variation and Result with derivatives (ii)	**4.2**	**6.0**	**(1.8)**
Monetary variation, net	(8.8)	(7.5)	(1.3)
Others	(1.5)	(1.3)	(0.2)
Monetary variation, net + Others (iii)	**(10.3)**	**(8.8)**	**(1.5)**
Financial income (expenses), net (i + ii + iii)	**(13.0)**	**(12.3)**	**(0.7)**

Interest rates and volumes (average)	1Q17 (a)	1Q16 (b)	Var. (a - b)
Remunetarion of investments	11.6%	12.7%	-1,1 p.p.
Cost of debt	9.3%	10.6%	-1,3 p.p.
Investments - average[1]	221.3	69.7	217.5%
Average debt	(516.9)	(404.8)	27.7%

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Net Income

Driven by performance

- In addition to the negative impact of the exchange variation on net revenue, the reduction in net income between the periods was mainly due to the tax benefit of R$ 21.5 million in the subsidiary MAHLE Metal Leve GmbH registered in 1Q16 (which did not occur in the 1Q17).

(R$ million)	1Q17 (a)	1Q16 (b)	(a/b)
Net income	38.4	73.9	-48.0%
Net margin	7.1%	12.9%	-5,8 p.p.

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Financial Management – Indebtedness (part I)

- At the end of the 1Q17, the Company's total indebtedness was R$ 163.9 million, representing a reduction of 10.5% compared to the end of 2016 (R$ 183.2 million).

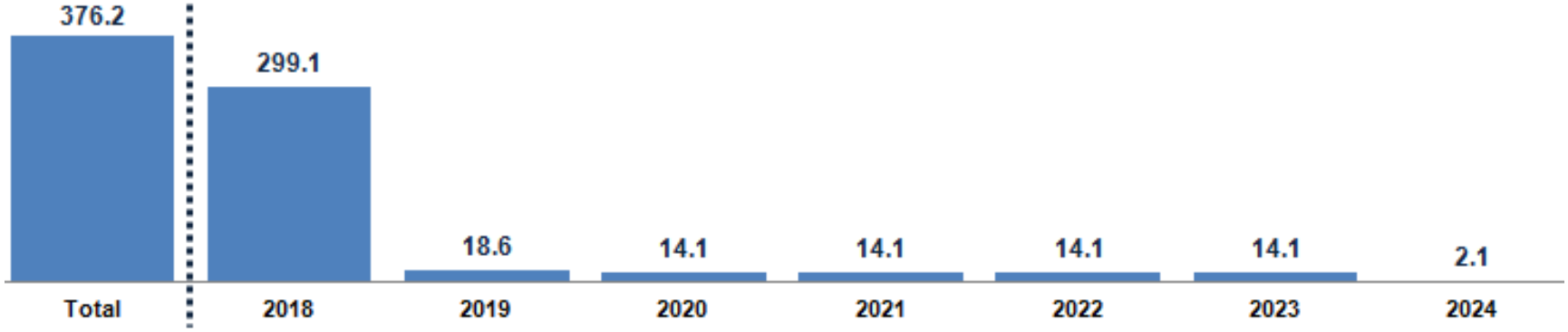
Net indebtedness (R$ million)	As of Mar/31/2017 (a)	As of Dec/31/2016 (b)	Variation (a - b)	% Debt (a)	% Debt (b)
Liabilities (i)	**522.9**	**499.5**	**23.4**	**100%**	**100%**
Short term	146.7	156.3	(9.6)	28%	31%
Long term	376.2	343.2	33.0	72%	69%
Assets (ii)	**(359.0)**	**(316.3)**	**(42.7)**		
Cash / banks / cash investments/ Loans - related parties	(359.0)	(316.3)	(42.7)		
Net indebtedness (i + ii)	**163.9**	**183.2**	**(19.3)**		

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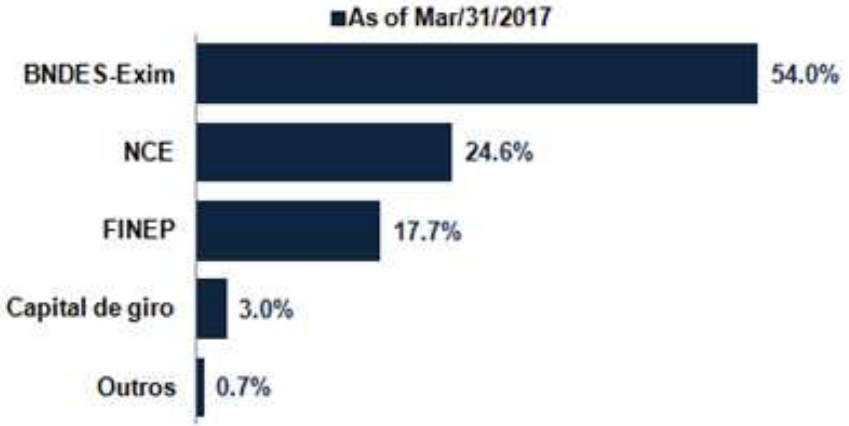
Financial Management – Indebtedness (part II)

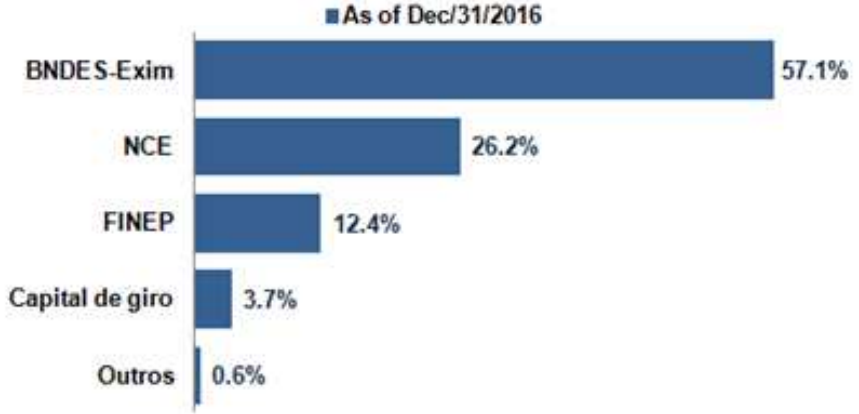
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- The table below shows the periods of settlement of long-term debts, which represent 72% of the financing transactions outlined in the slide before:



- 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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Capex & Depreciation

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CAPEX & Depreciation (R$ million)	1Q17	1Q16
Capex	13.2	14.8
Total depreciation	25.8	24.9

Capex	1Q17	1Q16
% of Net sales revenue	2.4%	2.6%
% of Depreciation	51.2%	59.4%

- Capital expenditures estimated for 2017 total R$ 111.9 million, which should exceed depreciation for the year.

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Questions & Answers

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