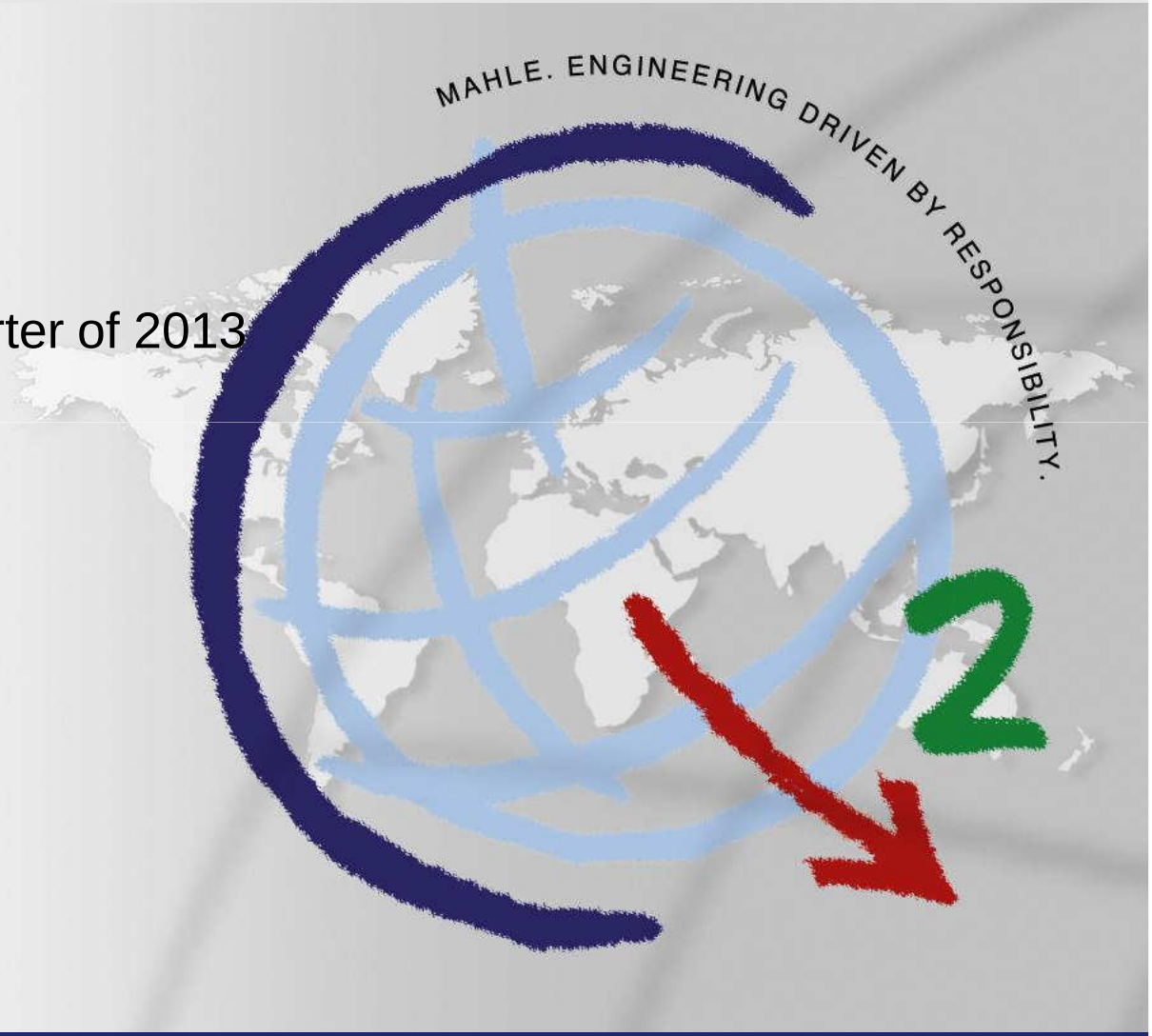
Driven by performance




Conference Call

Performance for the Second Quarter of 2013

**MAHLE Metal Leve S.A.**

August 12, 2013 – 11:00 a.m. (Eastern time)



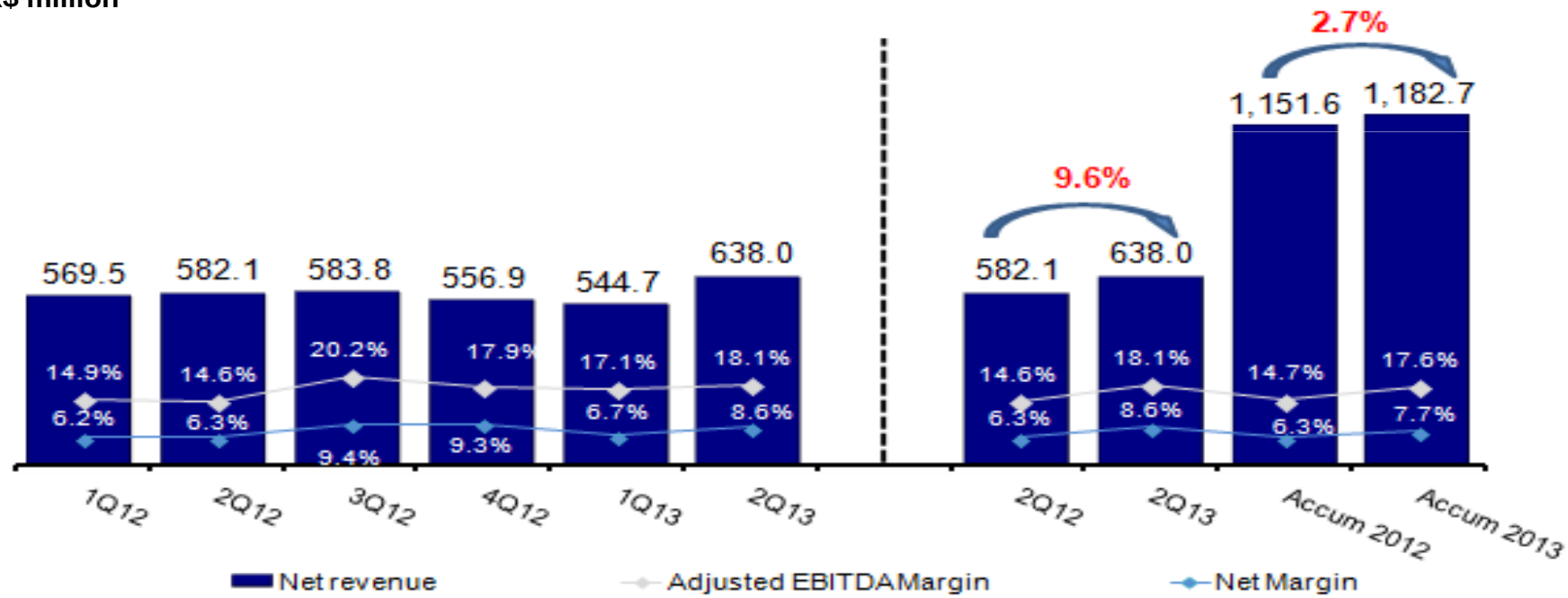
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# Highlights (Performance for the Second Quarter of 2013)

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- **Net Sales Revenue: R$ 638.0 million in the second quarter of 2013** (R$ 582.1 million in the second quarter of 2012)
- **Adjusted EBITDA (*): R$ 115.4 million in 2013**, representing an **adjusted EBITDA margin of 18.1 %**
- **Net Income: R$ 55.0 million in 2013**, representing a **net margin** of **8.6%**

**R$ million**




**(*) takes into account an adjustment for the provision for losses on fixed and intangible assets ("Impairment").**


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# macroeconomic scenario

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- **Industrial Production** (Brazil): 0.5% decrease in May, compared to March (-2.0 %) and April (-1.0 % ), on accumulated basis over the past 12 months
- **Inflation** (IPCA / Brazil)**:** 6.70% in the last 12 months (out of tolerance range)
- **Basic interest rate** (SELIC / Brazil)**:** at 8.0% in April/2013. This indicator is at 8.50% per year
- **Exchange rate** (regarding the Brazilian currency)**:** The table below shows average exchange rates for the U.S. dollar and the euro (using the PTAX exchange offer rate calculated by the Brazilian Central Bank – Bacen)

| Exchange rate variations for the USD (US$) and EUR (€) | | | | | | Exchange rate on |
|---|---|---|---|---|---|---|
| Currency | Year | Average exchange rate in the quarter | | | | |
| | | 1Q | 2Q | 3Q | 4Q | 7-Aug-13 |
| R$/US$ | 2013 | 2.00 | 2.07 | | | **2.30** |
| | 2012 | 1.77 | 1.96 | 2.03 | 2.06 | |
| R$/€ | 2013 | 2.64 | 2.70 | | | **3.07** |
| | 2012 | 2.32 | 2.52 | 2.54 | 2.67 | |

Source: Bacen.

- **Global economy:** low growth prospects for the global economy remain, especially due to the slowdown in the Chinese economy, coupled with the European recession


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# Evolution of the Brazilian automotive industry

Driven by performance

| Brazilian automotive industry | | | |
|---|---|---|---|
| **Vehicle Sales (locally-manufactured and imported)** | **Jan-Jun 2013 B** | **Jan-Jun 2012 A** | **B/A** |
| Passenger Cars | 1,325,850 | 1,277,675 | 3.8% |
| Light Commercials | 383,682 | 354,074 | 8.4% |
| **Total of Light vehicle** | **1,709,532** | **1,631,749** | **4.8%** |
| Trucks | 74,001 | 70,404 | 5.1% |
| Buses | 15,531 | 14,763 | 5.2% |
| **Total Trucks and Bus** | **89,532** | **85,167** | **5.1%** |
| Agricultural | 41,137 | 31,754 | 29.5% |
| **Total of medium and heavy vehicle** | **130,669** | **116,921** | **11.8%** |
| **Total vehicle sales** | **1,840,201** | **1,748,670** | **5.2%** |
| Export LV | 250,883 | 209,552 | 19.7% |
| Export MH | 15,271 | 15,815 | -3.4% |
| Export Agricultural | 7,055 | 8,604 | -18.0% |
| **Total Export** | **273,209** | **233,971** | **16.8%** |
| Import LV | 361,698 | 390,912 | -7.5% |
| Import MH | 1,570 | 2,637 | -40.5% |
| **Total Imports** | **363,268** | **393,549** | **-7.7%** |
| Automotive trade balance LV | (110,815) | (181,360) | -38.9% |
| Automotive trade balance MH | 13,701 | 13,178 | 4.0% |
| **Automotive trade balance Total** | **(90,059)** | **(183,997)** | **-51.1%** |
| Vehicle inventory variation in the period **(*)** | 155,040 | 15,151 | 923.3% |
| **Total vehicle production** | **1,905,182** | **1,604,243** | **18.8%** |

| | | | |
|---|---|---|---|
| **Production of Light vehicle** | **1,739,941** | **1,483,502** | **17.3%** |
| Production Trucks | 95,268 | 63,009 | 51.2% |
| Production Buses | 21,596 | 15,966 | 35.3% |
| **Production Trucks and Buses** | **116,864** | **78,975** | **48.0%** |
| Agricultural | 48,377 | 41,766 | 15.8% |
| **Production of medium and heavy vehicle** | **165,241** | **120,741** | **36.9%** |

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

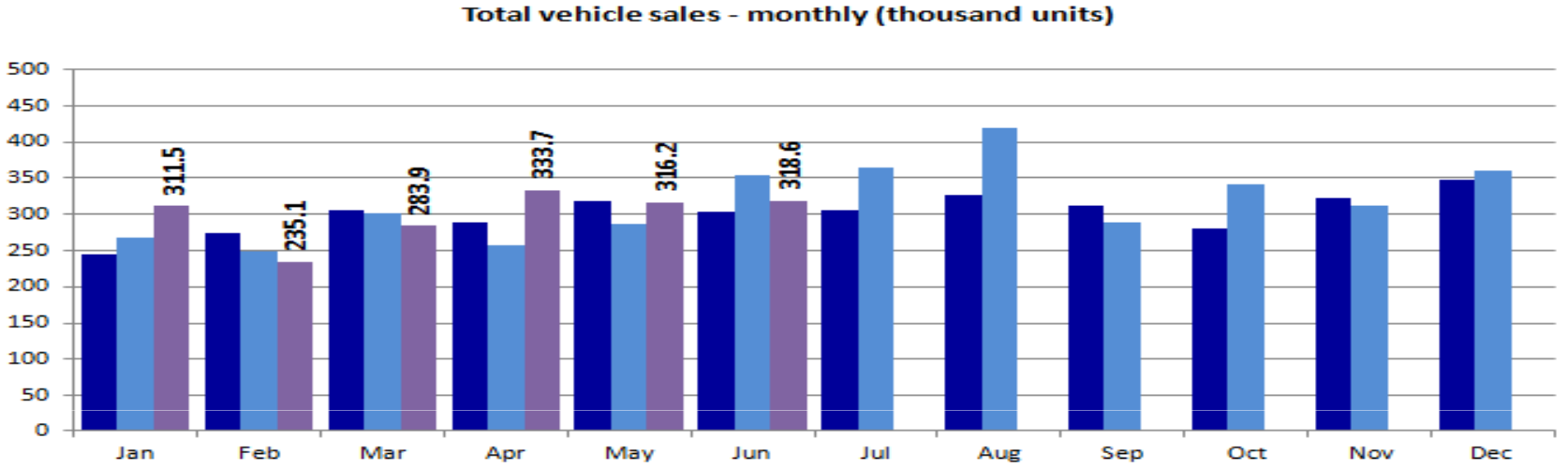
Source: Anfavea

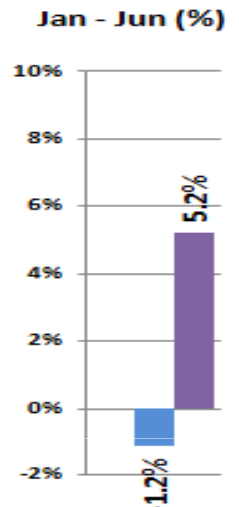


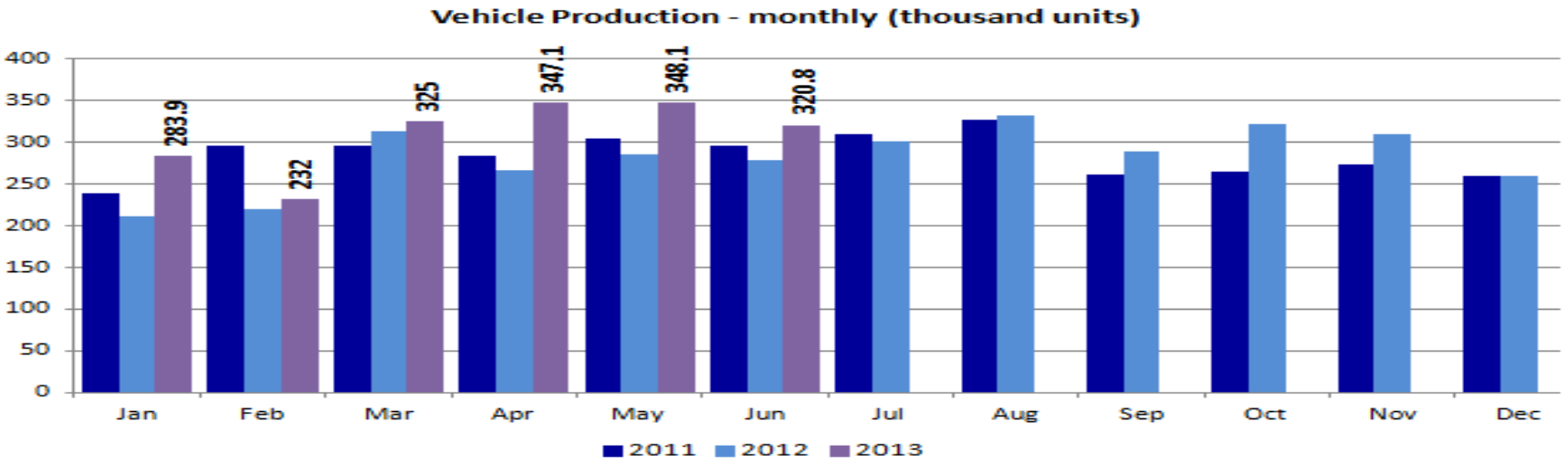
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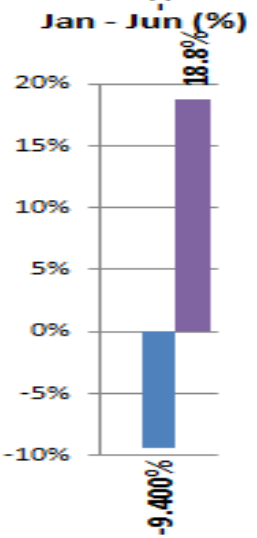
# Evolution of the Brazilian automotive industry

Driven by performance




Source: Anfavea


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# Evolution of the Argentinean automotive industry

MAHLE
Driven by performance

| Argentinian automotive industry | | | |
|---|---|---|---|
| **Vehicle Sales (locally-manufactured and imported)** | **Jan-Jun 2013 B** | **Jan-Jun 2012 A** | **B/A** |
| Passenger Cars | 331,567 | 287,478 | 15.3% |
| Light Commercials | 115,447 | 98,555 | 17.1% |
| **Total of Light vehicle** | **447,014** | **386,033** | **15.8%** |
| Trucks | 12,690 | 9,244 | 37.3% |
| Buses | 2,967 | 2,598 | 14.2% |
| **Total of medium and heavy vehicle** | **15,657** | **11,842** | **32.2%** |
| **Total vehicle sales** | **462,671** | **397,875** | **16.3%** |
| | | | |
| Exports | 223,511 | 173,472 | 28.8% |
| Imports | 285,849 | 241,409 | 18.4% |
| **Automotive trade balance** | **(62,338)** | **(67,937)** | **-8.2%** |
| Vehicle inventory variation in the period **(*)** | (13,447) | (2,456) | 447.5% |
| **Total vehicle production** | **386,886** | **327,482** | **18.1%** |
| | | | |
| **Production of Light vehicle** | **382,577** | **324,234** | **18.0%** |
| Production Trucks | 2,734 | 2,125 | 28.7% |
| Production Buses | 1,575 | 1,123 | 40.2% |
| **Production of medium and heavy vehicle** | **4,309** | **3,248** | **32.7%** |

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


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# MERCOSUR – Vehicles Sales and Production

Driven by performance

| Vehicle SALES in MERCOSUR (*) | Jan-Jun 2013 B | Jan-Jun 2012 A | B/A |
|---|---|---|---|
| **Sales of Light vehicle** | **2,156,546** | **2,017,782** | **6.9%** |
| Sales Trucks | 86,691 | 79,648 | 8.8% |
| Sales Buses | 18,498 | 17,361 | 6.5% |
| **Sales Trucks and Buses** | **105,189** | **97,009** | **8.4%** |
| Sales Agricultural | 41,137 | 31,754 | 29.5% |
| **Sales of medium and heavy vehicle** | 146,326 | 128,763 | 13.6% |
| **Total Vehicle Sales** | **2,302,872** | **2,146,545** | **7.3%** |

Vehicle SALES in MERCOSUR (*)

| Vehicle production in MERCOSUR (*) | Jan-Jun 2013 B | Jan-Jun 2012 A | B/A |
|---|---|---|---|
| **Production of Light vehicle** | **2,122,518** | **1,807,736** | **17.4%** |
| Production Trucks | 98,002 | 65,134 | 50.5% |
| Production Buses | 23,171 | 17,089 | 35.6% |
| **Production Trucks and Buses** | **121,173** | **82,223** | **47.4%** |
| Production Agricultural | 48,377 | 41,766 | 15.8% |
| **Production of medium and heavy vehicle** | 169,550 | 123,989 | 36.7% |
| **Total Vehicle Production** | **2,292,068** | **1,931,725** | **18.7%** |

Vehicle production in MERCOSUR (*)

(*) Considering Brazil and Argentina.

Source: Anfavea and Adefa



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# Excellence and Technological Innovation

Driven by performance

- Continuing discussions with certain customers to harness joint opportunities to meet the **Inovar Auto program**. The federal government has not yet published the supplementary regulations and the customers are awaiting publication of said regulations to make decisions about development actions

- **MAHLE Powertrain (**a division of technical and scientific services of the Company) continues prospecting new business of high technical potential, mainly in the sectors of energy production and alternative fuels

- For the second half of 2013, new projects developed jointly with universities, aimed at promoting innovation, are being prepared.

- **Company's leadership position in its industry:**
  - 4 new products were launched (2 in engine components and 2 in filtration systems)
  - 17 new patent applications were filed in the first half of the year. The Company occupies the ninth place of Brazilian companies that more patents were filed by the Patent Cooperation Treaty (PCT) and is the first of the automotive industry in Brazil


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# Performance of the Net Sales Revenue

Driven by performance

| Performance of the net sales revenue (R$ million) | 2Q13 (a) | % Share by market | 2Q12 (b) | % Share by market | % (a/b) | Accum. January-June 2013 (c) | % Share by market | Accum. January-June 2012 (d) | % Share by market | % (c/d) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Domestic market** | | | | | | | | | | |
| .Original equipment | 264.6 | 41.5% | 214.6 | 36.9% | 23.3% | 494.3 | 41.8% | 432.9 | 37.6% | 14.2% |
| .Aftermarket | 146.8 | 23.0% | 137.4 | 23.6% | 6.8% | 272.9 | 23.1% | 271.9 | 23.6% | 0.4% |
| **Total** | **411.4** | **64.5%** | **352.0** | **60.5%** | **16.9%** | **767.2** | **64.9%** | **704.8** | **61.2%** | **8.9%** |
| **Export market** | | | | | | | | | | |
| .Original equipment | 199.1 | 31.2% | 199.6 | 34.3% | -0.3% | 361.1 | 30.5% | 394.1 | 34.2% | -8.4% |
| .Aftermarket | 27.4 | 4.3% | 30.5 | 5.2% | -9.9% | 54.4 | 4.6% | 52.7 | 4.6% | 3.2% |
| **Total** | **226.5** | **35.5%** | **230.1** | **39.5%** | **-1.5%** | **415.5** | **35.1%** | **446.8** | **38.8%** | **-7.0%** |
| **Total** | **638.0** | **100.0%** | **582.1** | **100.0%** | **9.6%** | **1,182.7** | **100.0%** | **1,151.6** | **100.0%** | **2.7%** |

- In 2Q13, sales grew 17.1% compared to the prior quarter and 9.6% compared to the same quarter of the prior year. In the period from January to June 2013, net sales revenue increased 2.7% compared to the same period of the prior year

  – **Domestic market:** *OEM* expressive growth in filtration systems and recovery of the medium and heavy-duty vehicle segments; *AM:* sales recovery has occurred due to a lower level of auto parts inventories in the distribution network

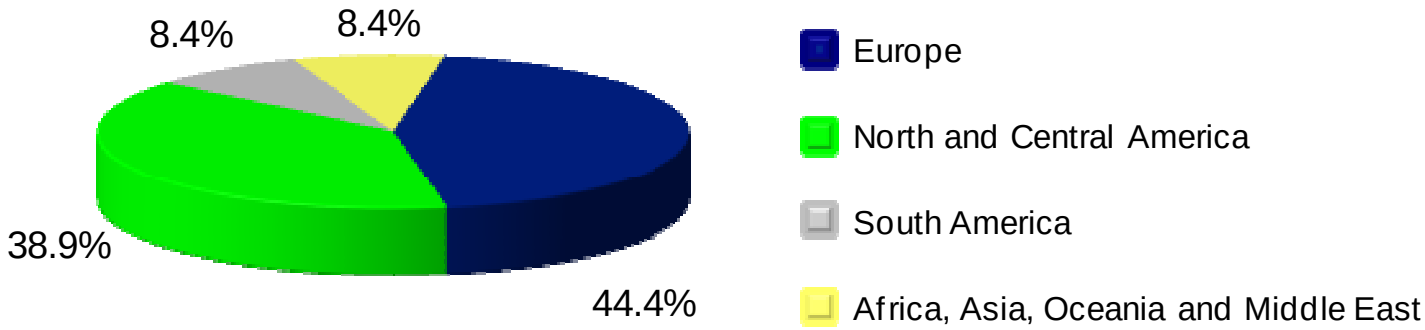
  – **Export market:** *OEM:* sales recovery in the quarter, combined with a positive exchange rate effect. On cumulative basis, however, there are still decline in relation to the same period of the previous year; *AM:* In the second quarter, the exchange rate effect was not able to compensate the decrease in sales volume, due to reductions in auto parts inventories in the distributors network and the economic crisis in Venezuela


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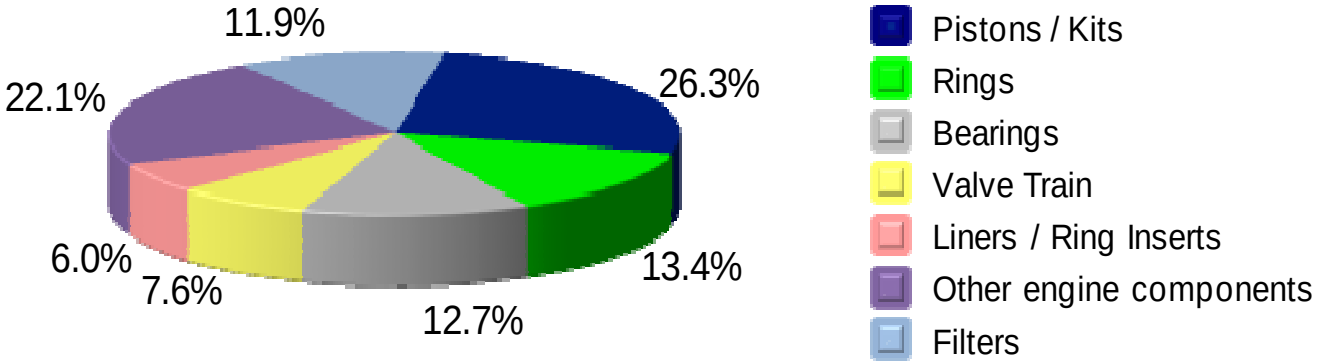
# Exports by region and net sales revenue by product

Driven by performance

- **Consolidated exports by region in the period from January to June 2013: :**




- **Net sales revenue by product in the period from January to June 2013:**





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# Summary P&L

Driven by performance

| Summary P&L (R$ million) | 2Q13 | 2Q12 | % | Accum. January-June 2013 | Accum. January-June 2012 | % |
|---|---|---|---|---|---|---|
| **Operational Performance** | | | (a/b) | (c) | (d) | (c/d) |
| **Net sales revenue** | **638.0** | **582.1** | 9.6% | **1,182.7** | **1,151.6** | 2.7% |
| Cost of goods sold | (456.3) | (441.6) | 3.3% | (861.3) | (876.8) | -1.8% |
| Gross margin | 28.5% | 24.1% | 4,3 p.p. | 27.2% | 23.9% | 3,3 p.p. |

- **Gross income and gross margin - main impacts:**
  - **In 2Q13:** gross margin increased by 4.3 percentage points compared to the same quarter last year

    This improvement in gross margin is due to a higher net sales revenue (including a positive foreign exchange variation), payroll tax relief on cost of goods sold, as well as operating improvements
  - **For the period of January to June 2013**: grew 3.3 percentage points compared to the first half of the prior year, due to the same reasons explained above


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# Summary P&L

Driven by performance

| Summary P&L (R$ million) | 2Q13 | 2Q12 | % | Accum. January-June 2013 | Accum. January-June 2012 | % |
|---|---|---|---|---|---|---|
| **Operational Performance** | | | (a/b) | (c) | (d) | (c/d) |
| **Net sales revenue** | **638.0** | **582.1** | 9.6% | **1,182.7** | **1,151.6** | 2.7% |
| Selling expenses | (46.4) | (39.5) | 17.5% | (84.2) | (75.2) | 11.9% |
| General and administrative expenses | (25.2) | (29.8) | -15.2% | (50.9) | (54.0) | -5.8% |
| Tech and product development expenses | (17.9) | (16.9) | 6.0% | (34.6) | (32.2) | 7.5% |
| Other operating income (expenses) | (4.1) | (2.5) | 63.7% | 1.6 | (5.9) | -126.3% |
| Financial income (expenses), net | (10.0) | (3.9) | 153.5% | (22.0) | (6.9) | 217.1% |
| SG&A expenses to Net sales revenue | 11.2% | 11.9% | -0,7 p.p. | 11.4% | 11.2% | 0,2 p.p. |

- **SG&A expenses:**
  - Selling expenses: mainly due to impact of freight expenses increase
  - General and administrative expenses: decrease of 1.2 p.p. compared to 2Q12 and of 0.4 p.p. in the period of January to June 2012 (decrease in personnel expenses)
- **Tech and Product Development Expenses:**
  - remained at the same percentage levels as in the comparative periods of the prior year
- **Other operating income (expenses), net:**
  - in the period from January to June 2013 there has been a positive variation of R$ 7.5 million, mainly due to a provision for impairment of intangible assets in the amount of R$ 4.5 million in June 2012


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# P&L measured by the EBITDA

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| EBITDA (according to the SEC Instruction 527/2012) | 2Q13 | 2Q12 | Accum. January-June 2013 | Accum. January-June 2012 |
|---|---|---|---|---|
| Operating income | 78.0 | 48.0 | 131.2 | 100.5 |
| Financial income (expenses), net | 10.0 | 3.9 | 22.0 | 6.9 |
| Depreciation | 21.5 | 20.3 | 42.9 | 40.6 |
| Deemed cost depreciation | 5.9 | 8.1 | 12.4 | 16.9 |
| (=)Adjusted EBITDA | 115.4 | 84.8 | 208.5 | 169.5 |
| (=)EBITDA (according to the SEC Instruction 527/2012) | 115.4 | 80.3 | 208.5 | 165.0 |
| **Margins:** | | | | |
| Adjusted EBITDA margin | 18.1% | 14.6% | 17.6% | 14.7% |
| EBITDA Margin(according to the SEC Instruction 527/2012) | 18.1% | 13.8% | 17.6% | 14.3% |

- **Adjusted EBITDA margin:** increased because of a higher gross margin and operating income
- **Adjusted EBITDA:** considers an impairment of property, plant and equipment and intangible assets (in the second quarter of 2013 no provision for impairment of property, plant and equipment and intangible assets was recorded)


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# Financial Management – Net financial result

Driven by performance

| Net financial result (R$ million) | 2Q13 | 2Q12 | Var. | Accum. January-June 2013 | Accum. January-June 2012 | Var. |
|---|---|---|---|---|---|---|
| Interests, net | (7.2) | (6.7) | (0.6) | (15.4) | (11.0) | (4.4) |
| Net monetary variation | (4.6) | (4.4) | (0.2) | (9.0) | (8.3) | (0.7) |
| Net exchange variation | 21.1 | 24.9 | (3.8) | 17.7 | 20.3 | (2.6) |
| Result with derivatives | (17.8) | (16.0) | (1.8) | (12.8) | (5.1) | (7.7) |
| Other | (1.5) | (1.8) | 0.3 | (2.5) | (2.9) | 0.4 |
| **Financial income (expenses), net** | **(10.0)** | **(3.9)** | **(6.0)** | **(22.0)** | **(6.9)** | **(15.1)** |

- **Net Financial Result:**
  - **In 2Q13:** reduction in net interests compared to 1Q13, due to the Company's debt restructuring started in the first months of 2013 (with BNDES financings at 5.5% fixed rate per year)
  - **For the period of January to June 2013:** net financial result decrease in relation to the accumulated period of 2012, due to an unfavorable exchange rate variation (already including the result with derivatives), as well as a lower result with interests in cash investments


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# Financial Management - Indebtedness

Driven by performance

| Net indebtedness | | | | R$ million |
|---|---|---|---|---|
| **Liabilities** | **Jun.31/2013** | **%** | **Dec.31/2012** | **%** |
| **Financings:** | 529.9 | | 488.5 | |
| .short term | 112.2 | 21% | 286.8 | 59% |
| .long term | 417.7 | 79% | 201.7 | 41% |
| **Assets:** | | | | |
| Cash / banks / cash investments/ Loans - related parties * | (247.0) | | (137.1) | |
| **Net indebtedness** | **282.9** | | **351.4** | |

- **Indebtedness:**
  - **In the 2Q 2013:** the Company reduced by R$ 76.3 million the amount of financings compared to the period ended March 31, 2013 and increased even more the share of long-term financings in total debt, from 41% on December 31, 2012 to 79% on June 30, 2013 (71% in the prior quarter)


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# Net Income

Driven by performance

- **Net income** in 2Q13**: R$ 55.0 million**

  It represents a **net margin** of **8.6%** for 2Q13, with an increase of 2.3 p.p. in relation to 2Q12

- **The basis for calculating distribution of dividends or interest on equity accumulated in 2Q13:**

  Net income (R$ 55.0 million)

  (+) Deemed cost depreciation (R$ 6.2 million)

  (-) Statutory Reserve – 5% (R$ 4.6 million)

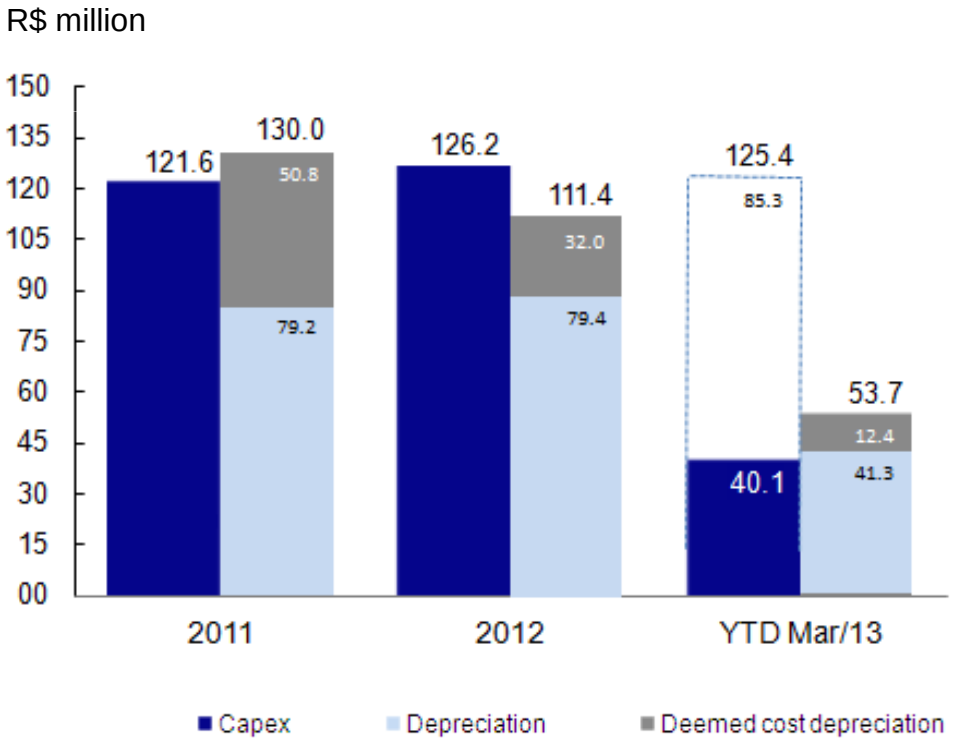
  (=) Basis for calculating (**R$ 93.2 million**)


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# Capex and Depreciation

Driven by performance

- In **2Q13** actual capex was R$ 40.1 million (cumulative basis)
- Estimated capex for **2013 budget** is **R$ 125.4 million**
- **Total accumulated depreciation in 2Q2013:** R$ 53.7 million (including a new International Financial Reporting Standards –IFRS application)



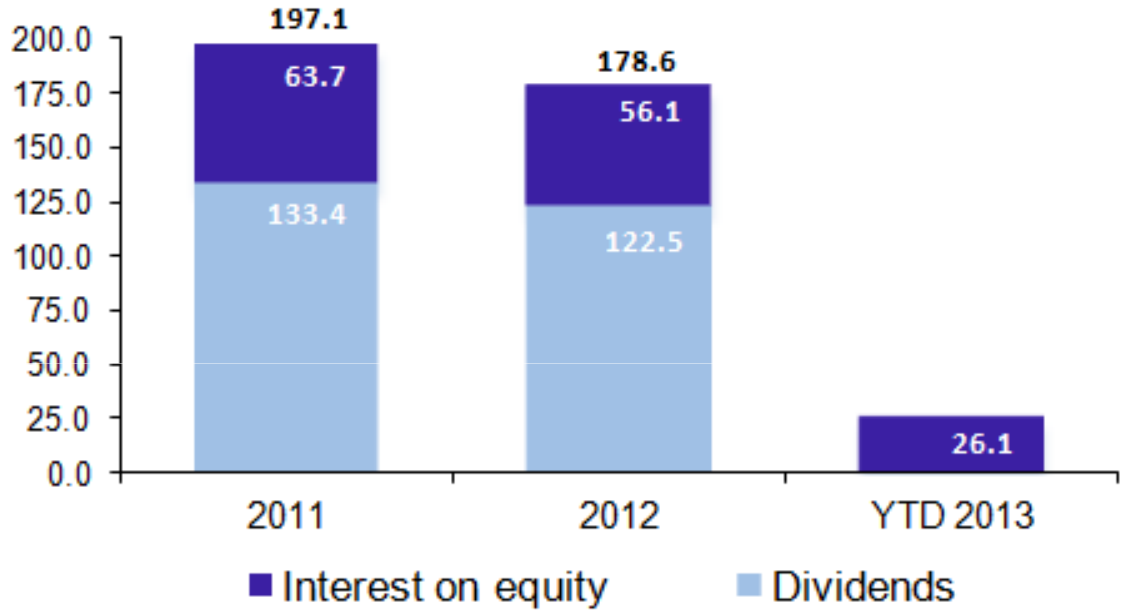

| Capex | 2011 | 2012 | YTD 2013 |
|---|---|---|---|
| % Net sales | 5.4% | 5.6% | 3.4% |
| % Depreciation | 93.5% | 113.3% | 74.6% |


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# Dividends and Interest on Equity (net of income tax)

Driven by performance

R$ million




**Basis of calculation for dividends:**

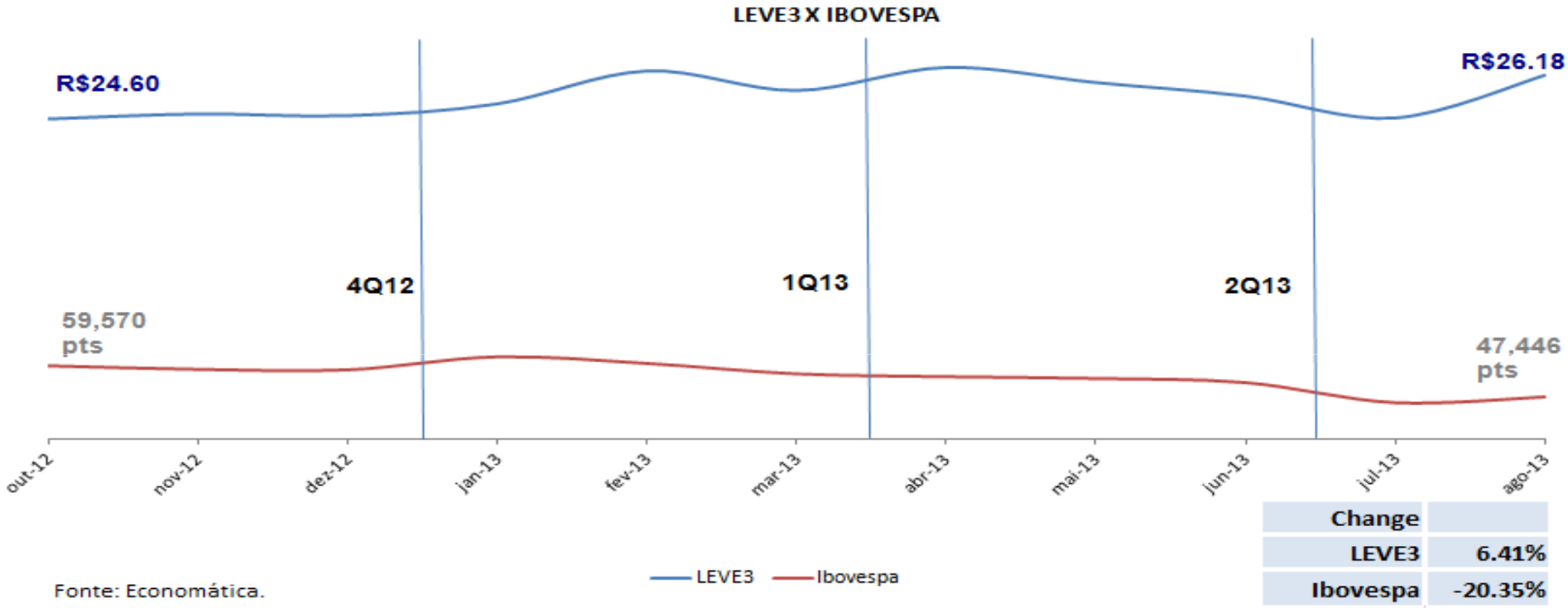
(=) Net income
(+) Deemed cost
(–) Statutory reserve (5%)

| | 2011 | 2012 |
|---|---|---|
| Payout | 95.7% | 95.8% |
| Dividend yield | 10.3% | 7.1% |


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# Stock performance and Shareholder's profile - 2Q13

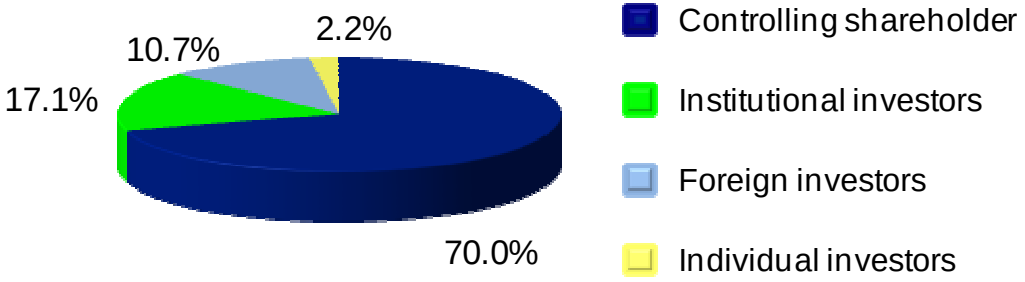
Driven by performance




Fonte: Economática.

| Change | |
|---|---|
| LEVE3 | 6.41% |
| Ibovespa | -20.35% |

| Average Daily Trading Volume (ADTV) and ADTV turnover to Free-Float Mkt Cap | | | | |
|---|---|---|---|---|
| Period | 3Q12 | 4Q12 | 1Q13 | 2Q13 |
| Trading Volume (R$ mio) | 5.8 | 5.5 | 6.4 | 7.0 |
| Turnover (%) | 0.70% | 0.58% | 0.62% | 0.69% |





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# Outlook

Driven by performance

- **MACROECONOMIC SCENARIO**
  - Stability outlook in the pace of concessions of consumption credit lines for the third quarter of 2013
  - The delays in the payment of vehicle loans by individuals fell in June to lowest levels in the last 18 months: 6.1%
  - Global economy: low growth prospects for the global economy remain, especially due to the slowdown in the Chinese economy, coupled with the European recession
- **AUTOMOTIVE INDUSTRY**
  - Anfavea (has maintained its forecasts for 2013): growth in vehicle sales (+4% to +5%, representing sales of 3.9 million vehicles) and growth in vehicle production (+5%, amounting to 3.5 million vehicles). There are risks to the achievement of these figures, due to a probable adequacy of vehicle inventories
- **COMPANY**
  - The Company's Management estimates that net sales revenue will be higher than the prior year's level (despite uncertainties stemming from the adjustment of vehicle stock by auto manufacturers) with a stable operating performance throughout the next quarters combined with a positive bias in margins


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# Questions & Answers


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