Driven by performance

MAHLE Metal Leve announces the results for the second quarter and accumulated period from January to June 2010

Mogi Guaçu, August 13, 2010 - **MAHLE Metal Leve S.A. (BM&F BOVESPA: LEVE3, LEVE4)**, a leading manufacturer in the production of engine components in Brazil, announces today the results for the second quarter and accumulated period from January to June of the FY 2010. The Company's operating and financial information, except where otherwise indicated, is presented in consolidated basis and in BRL, according to the Corporation Law.

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Macroeconomic Scenario

The Brazilian economic activity has shown stabilization since May this year after 16 consecutive months of growth. The economic activity expansion shows that the economy may be keeping pace with the growth rates deemed sustainable in the long term, contrary to what happened in the first quarter. In the first months this year, the manufacturing activity was influenced by a gradual recovery of the international market as well as the domestic stability scenario, boosting the domestic demand. This process was also supported by inventory restocking and early demand that, in its turn, was driven by expectations of the end of tax incentives. The global economic recovery continues to be led by emerging economies, but there are signs that the intensity of this process may be less than expected, in a scenario in which the dynamism in the G3 economies (US, Europe and Japan) still in 2011 becomes less probable.

Summary of Income Statements

R$ million

	Consolidated					
	2Q10	2Q09	Var.%	1H10	1H09	Var.%
Net revenues from sales						
-Domestic Market	324.8	266.2	22.0%	613.5	494.8	24.0%
-Export Market	141.1	94.8	48.8%	265.9	199.8	31.1%
Total	465.9	361.0	29.0%	879.4	694.6	26.6%
-Sales - export market in US$ million	78.7	45.8	71.8%	147.8	91.2	62.1%
Gross income	116.7	73.8	58.1%	221.0	124.8	77.1%
-gross margin	25.1%	20.4%	4.7 p.p.	25.1%	18.0%	7.1 p.p.
Operating income	37.5	11.8	217.8%	75.8	(36.1)	310.0%
-operating margin	8.0%	3.3%	4.7 p.p.	8.6%	(5.2%)	13.8 p.p.
Net income	22.5	4.6	389.1%	47.8	(31.5)	251.7%
-net margin	4.8%	1.3%	3.5 p.p.	5.4%	(4.5%)	9.9 p.p.
EBITDA	64,2	33.9	89.4%	127.4	47.1	170.5%
-Ebitda margin	13.8%	9.4%	4.4 p.p.	14.5%	6.8%	7.7 p.p.

Net income
The Company ended the first half of 2010 with a net income of R$ 47.8 million: R$ 25.3 million relating to the first quarter and R$ 22.5 million to the second quarter. In the same period of the prior year the Company ended the first half with a negative result of R$ 31.5 million.

Operating performance measured by EBITDA
The consolidated operating performance measured by EBITDA (earnings before interest, taxes, depreciation and amortization) for the first half of 2010 was R$ 127.4 million, representing a growth of 170.5% compared to R$ 47.1 million in the first half of 2009, period impacted by the serious global financial crisis. The EBITDA margin was 14.5%, an increase of 7.7 percentage points over the 6.8% margin for the same period of 2009, which reflects the strong operating performance in the first half of 2010.

Capital expenditure
The main projects implemented in the first half of 2010 totaled R$ 17.1 million, well below the accumulated depreciation of R$ 46.4 million for the same period. The approved investment budget (capital expenditure) for fiscal year 2010 amounts to R$ 58.4 million in the consolidated and R$ 45.8 million in the parent company, respectively, earmarked for new products and processes, production rationalization, machinery and equipment, quality, and information technology.

Forecasts
(a) Company
In view of the Company's performance for the first half of 2010 and the outlook for the Brazilian macroeconomic scenario, the Company expects that its sales in 2010 will be in line with the production forecast for the Brazilian automotive industry. The international market is expected to stay on the course of a slow and gradual recovery of sales supported by an upturn in world economy, despite growing uncertainties and volatility in the major markets.

(b) Brazilian automotive industry
Production of vehicles – According to the Brazilian Automotive Industry Association (Anfavea), the Brazilian automotive industry is expected to close 2010 with a total production of 3.4 million units, including light vehicles, trucks and buses, representing an increase of 7% over 2009 levels.

Sales to domestic market – The perspective for the second half of 2010 is of stability as compared to the same period of the prior year, principally with respect to sales of automobiles and light vehicles, due to the increase in interest rates and the end of the reduction in IPI rate. The current perspective is that at the end of 2010 the growth of sales of national and imported vehicles (light vehicles, trucks and buses) to the domestic market will be about 8% more than in 2009. The perspective for the truck segment is of optimism. If sales levels remain as they were these past six months, the segment production will hit new records and the projected growth for the year is around 35%. This estimate is due to the increased demand from civil construction, mining, agriculture and oil sectors. The perspective for the bus segment is a growth of 24% in relation to 2009.

Sales to export market - Despite signs of gradual recovery of light vehicle sales, 2010 projections for the export market remain the same as at the beginning of the year, and the perspective is of a sales growth of about 12%, equivalent to 530 thousand units (475 thousand units in 2009), well below 735 thousand units in 2008.

Sales and production of agricultural machines – Anfavea estimates sales of agricultural machines in 2010 will reach 67.0 thousand units, with a growth of 21% compared to 2009 due to a new record crop expected for 2010.

(c) Argentinean automotive industry

The vehicle production in Argentina is expected to hit a record high in 2010, totaling about 680 thousand units, up about 32% from the poor performance in 2009 (512.9 thousand units). This estimate is the result of an upturn in Argentinean economy, especially the manufacturing activity of the consumer durable goods sector, including the automotive industry, whose production remains at high levels due to, among others, the following factors such as: relatively stable exchange rates, growth in exports resulting from a strong demand from Brazil, and agricultural crop above expectations.

Economic and Financial Performance of the Company

In the first half of 2010 the Company's performance was positive according to the operational performance indicators. This is a result of an increase in sales to the domestic market, both the original equipment and aftermarket, due to increased economic activity that has positively influenced the performance of the automotive and auto parts industries. Although still at lower levels, the international market has also contributed to this result due to recovering supply to the automotive industry. To adjust to the current production levels, the Company increased headcount by 418 employees, i.e. 5.4% compared to the end of 2009, and now has 8,212 employees.

Net Revenues from Sales

The Company presented consolidated net revenues from sales of R$ 879.4 million in the first half of 2010, a growth of 26.6% over the same period of 2009, which represents an improvement of 24.0% in the domestic market and of 33.1% in the export market. Net revenues from sales for the second quarter of 2010 was R$ 465.9 million, representing an increase of 29.0% compared to the same quarter of 2009, and of 12.7% compared to the prior quarter.

Sales by market:

R$ million

Total Sales	2Q10	2Q09	Variation	1H10	1H09	Variation
Domestic market	324.8	266.2	22.0%	613.5	494.8	24.0%
Export market	141.1	94.8	48.8%	265.9	199.8	33.1%
Total	**465.9**	**361.0**	**29.0%**	**879.4**	**694.6**	**26.6%**

Consolidated original equipment sales and market situation
The original equipment market totaled R$ 334.2 in the second quarter of 2010, representing an increase of 43.4% compared to the prior quarter. The balance for the period from January to June 2010 was R$ 627.2 million, an increase of 38.2% compared to R$ 453.6 million in the same period of 2009. This market represented 71.3% of the consolidated total sales (65.3% in the first half of 2009), as shown below:

Sales by market:

R$ million

Original equipment	2Q10	2Q09	Variation	1H10	1H09	Variation
Domestic market	214.0	158.5	35.0%	402.0	294.8	36.4%
Export market	120.2	74.6	61.2%	225.1	158.8	41.8%
Total	**334.2**	**233.1**	**43.4%**	**627.2**	**453.6**	**38.2%**

Domestic market – The original equipment sales to the domestic market grew by 35.0% in the quarter and 36.4% in the first half of 2010, compared to the same periods of the prior year. This result is due to the strong performance of the automotive industry in all segments, especially the truck and bus segments.

Export market – The original equipment sales to the export market were R$ 120.2 million in the quarter and R$ 225.1 million in the first half of 2010, representing an increase of 61.2% and 41.8%, respectively, compared to the same periods of 2009, due to the increase in supply to the automotive industry that has shown signs of recovery, although at levels below pre-crisis average for the quarters of 2008. Exports in the first half of 2010, when analyzed in U.S. dollars, amounted to US$ 125.2 million, representing an increase of 72.9% compared to the same period of the previous year.

Sales and situation of the aftermarket
The consolidated aftermarket sales was R$ 131.7 million in the quarter and R$ 252.2 million in the first half of 2010, representing an increase of 2.9% and 4.7% respectively, compared to the same periods of the prior year. This segment represented 28.7% of consolidated total sales in the first half of 2010 (34.7% in the first half of 2009), as shown below:

Sales by market:

R$ million

Aftermarket	2Q10	2Q09	Variation	1H10	1H09	Variation
Domestic market	110.8	107.7	2.8%	211.5	199.9	5.8%
Export	20.9	20.2	3.3%	40.7	41.0	-0.6%
Total	**131.7**	**127.9**	**2.9%**	**252.2**	**240.9**	**4.7%**

Domestic market - The domestic aftermarket showed a growth in sales of 2.8% in the quarter and 5.8% in the first half of 2010 compared to the same periods of 2009. In spite of these increases, the Company did not supply all of the requests for goods to customers due to the activity level of the original equipment market, having as goal the normalization of the deliveries from the third quarter of 2010.

Export market - The consolidated aftermarket sales to the export market were R$ 40.7 million in the first half of 2010, a reduction of 0.6% compared to the same period of the previous year. This decrease was due to the suppressed demand mainly in Latin America and the appreciation of the local currency relative to the U.S. dollar. Exports in the first half of 2010, when analyzed in U.S. dollars, amounted to US$ 22.6 million, representing an increase of 20.2% compared to the same period of the previous year.

Gross income

The consolidated gross income in the first half of 2010 was R$ 221.0 million, representing a gross margin of 25.1%, an increase of 7.1 percentage points compared to the first half of 2009 (a gross margin of 18%). This positive result was due to the strong performance in the domestic and export market and continuing control over operating expenses.

Operating Performance

The operating income in the first half of 2010 totaled R$ 75.8 million (against a loss of R$ 36.1 million in the first half of 2009). This positive result was obtained due to the favorable economic conditions and also by the measures of strict control over operating expenses adopted by the Company to minimize the effects of the global financial crisis, as well as the change of the Company's hedging policy.

Financial Management
Net Financial Income (Expenses)

The Company posted net financial expenses of R$ 12.9 million in the first half of 2010, representing an improvement of R$ 35.0 million compared to the first half of 2009 (expenses of R$ 47.9 million).

R$ million

	1H10	1H09	Variation
Interest, net	**(9.6)**	**(27.0)**	17.8
Monetary variation	**(5.4)**	**(6.7)**	1.3
Currency variation, net	**2.9**	**(4.3)**	7.3
Result with derivatives ("overhedge")	**(0.3)**	**(9.1)**	8.8
Other	**(0.5)**	**(0.8)**	(0.2)
Net financial expenses	**(12.9)**	**(47.9)**	**35.0**

The improvement in net interest is due to a significant reduction in indebtedness and financial cost as well as a change in indebtedness maturity from short-term to long-term. Due to a change in the hedging policy to a more gradual approach the possibility of overhedge has been virtually eliminated.

Indebtedness

The consolidated net indebtedness as of June 30, 2010 totaled R$ 191.3 million, a reduction of 24.1% compared to R$ 251.9 million recorded in the year ended December 31, 2009. This decline in indebtedness is due to the increase in Company's cash generation, as consequence of the recovery of the automotive market.

R$ million

Liabilities	06.30.10	12.31.09
Financing	560.6	420.2
-short-term	115.4	92.2
-long-term	445.2	328.0
Assets		
Cash/ banks/ financial investments	(369.3)	(168.3)
Net indebtedness	**191.3**	**251.9**

Performance of the Brazilian Automotive Industry

In line with the pace of expansion of the Brazilian economy in the first months of the year, the automotive industry showed a growth in production and sales of automobiles, light vehicles, trucks and buses, recording the best six-month period of the history. However, in the second quarter the segment of automobiles and light vehicles has had a period of little growth due to the return of high interest rates in the economy, the end of the reduction in the IPI (Tax on Industrialized Products) rate for domestic vehicles in March, and an increase in the production costs of vehicles caused by the increase in the prices of raw materials, especially steel.

Domestic wholesales of vehicles (locally-manufactured and imported) – in units

The national and imported vehicle sales to the domestic market in the second quarter of 2010 (including light vehicles, trucks and buses) totaled 791.7 thousand units, representing an increase of 1.3% in comparison to the same quarter of the previous year, according to Anfavea. In the first half of 2010, sales totaled 1,579.7 thousand units, an increase of 9.0% over the same period in 2009.

National and imported vehicle sales to the domestic market by segment:

In thousand units

Segment	2Q10	2Q09	Variation	1H10	1H09	Variation
Light vehicles (automobiles and light commercial vehicles)	745.1	751.5	-0.9%	1,495.5	1,393.5	7.3%
Trucks	39.8	24.7	61.1%	71.0	46.2	53.7%
Buses	6.8	5.3	28.3%	13.2	10.1	30.8%
Total vehicles	**791.7**	**781.5**	**1.3%**	**1,579.7**	**1,449.8**	**9.0%**

Source: Anfavea.

Sales by segment:

Light vehicles - After a first quarter of strong sales of cars and light commercial vehicles, benefited from the extension of reduced IPI rate until March, sales levels in the second quarter stabilized in comparison with the same period of last year. In the second quarter of 2010, sales decreased by 0.9% compared to the second quarter of 2009 and sales increased by 16.9% as compared the first quarter of this year with the equal quarter of

the previous year, closing the six-month period with a growth of 7.3% when compared to similar periods of last year.

Trucks - The semi-heavy and heavy-duty truck segment is showing signs of recovery, particularly the heavy load transportation segment. This recovery is being driven by favorable economic conditions, return of investments in large infrastructure and construction projects in the country, mining, agriculture and oil extraction, and in the semi-light, light and medium vehicle segment, the demand was stimulated mainly by the growth of trade. The recovery in sales of trucks was also due to the extension of reduced IPI rate for this segment until December and lower Finame (Machinery and Equipment Financing) rates of the National Bank for Economic and Social Development (BNDES) for production and acquisition of new national machinery and equipment.

Buses - The bus segment is booming, with growth of 28% in the quarter and 31% in the six-month period when compared to the same periods of last year, due to the factors mentioned above, that still contributes to the acceleration of investments in this sector, coupled with the fact that 2010 be an election year.

Therefore, the heavy-duty vehicle segment (trucks and buses) is active and significant investments will be made in the sector with the aim of adapting the bus and truck engines to the Motor Vehicle Air Pollution Control Program (PROCONVE), which will come into force in 2012 with the goal of reducing emissions and saving fuel.

Vehicles Sales to the export market – in units
Vehicle sales to the export market registered a growth in the six-month period, due to the recovery of the main markets of Brazilian vehicles, especially Argentina, Chile and Mexico. The Brazilian exports of vehicles in the second quarter were 198.3 thousand units, and 357.5 thousand units in the period from January to June 2010, representing increases of 75% and 78%, respectively, in relation to the same periods of the previous year. This increase in sales is due the fact that in the first half of last year the international consumer markets ceased imports because of the global financial crisis, and are now showing signs of gradual recovery.

Sales to the export market by segment:

In thousand units

Segments	2Q10	2Q09	Variation	1H10	1H09	Variation
Light vehicles (automobiles and light commercial vehicles)	189.7	108.3	75.1%	341.2	190.1	79.5%
Trucks	5.2	2.8	85.7%	9.8	6.1	59.7%
Buses	3.4	2.5	36.0%	6.5	4.5	44.9%
Total vehicles	**198.3**	**113.6**	**74.6%**	**357.5**	**200.7**	**78.1%**

Source: Anfavea.

Production of vehicles
Production of vehicles (light vehicles, trucks and buses) remained high in the first half of 2010, driven by the significant increase in sales to the domestic market and recovery of the export market. In the second quarter,

production of vehicles amounted to 926.5 thousand units, representing an increase of 15.3% over the same quarter of last year. In the six-month period, the production in units increased by 19.1%, totaling 1,753.2 thousand units, achieving a new production record in the period. Although due to the poor performance at the beginning of 2009 the comparison basis was affected. The growth of vehicles production in this quarter was higher than the sales due to the replacement of the vehicle stocks and the increase of the exports above the imports.

Production of vehicles by segment (Assembled and Completely Knocked Down - CKD):

In thousand units

Segment	2Q10	2Q09	Variation	1H10	1H09	Variation
Light vehicles (automobiles and light commercial vehicles)	866.2	766.1	13.1%	1,640.0	1,402.0	17.0%
Trucks	47.5	29.4	61.6%	89.5	53.7	66.8%
Buses	12.8	8.2	56.1%	23.7	16.6	42.3%
Total vehicles	**926.5**	**803.7**	**15.3%**	**1,753.2**	**1,472.3**	**19.1%**

Source: Anfavea.

Import of vehicles

The import of vehicles in the second quarter of 2010 totaled 141.0 thousand units, an increase of 34.5% in relation to the same period of last year, focusing primarily on the segment of automobiles and light commercial vehicles. In the January-June period, the growth was 35.0%, totaling 282.6 thousand units. The Brazilian automotive industry has been recording a strong growth in the sales of imported vehicles, principally by Mexico and Argentina, with which Brazil has trade agreements.

Import of vehicles by segment:

In thousand units

Segment	2Q10	2Q09	Variation	1H10	1H09	Variation
Light vehicles (automobiles and light commercial vehicles)	140.3	103.8	35.2%	281.4	207.5	35.6%
Trucks	0.7	1.0	-30.0%	1.2	1.8	-32.4%
Buses	-	-	-	-	-	-
Total vehicles	**141.0**	**104.8**	**34.5%**	**282.6**	**209.3**	**35.0%**

Source: Anfavea.

The market share of sales of imported light vehicles in relation to total sales (domestic and imported) in the six-month period was 18.8% (14.9% in the same period of last year). This result is due to the strong demand in the Brazilian market and the exchange rate favorable to imports.

Trade balance of vehicles – in units

The Brazilian trade balance of vehicles in the first half of 2010, in units, showed a surplus of 74.9 thousand units, with 357.5 thousand units exported and 282.6 thousand units imported. In the first half of 2009 the trade balance of vehicles was negative by 8.4 thousand units.

Trade balance of vehicles:

In thousand units

	1H10	1H09
a) Export of vehicles	357.5	200.7
b) Import of vehicles	282.6	209.3
Variation (a-b)	**74.9**	**-8.4**

Source: Anfavea.

However, the high demand of imported vehicles is represented primarily by luxury and sports vehicles that have few competitors relative to domestic vehicles and are intended for consumers with high purchasing power. In contrast, the country exports popular vehicles with lower value added, substantially worsening the trade balance in monetary values.

Sales and production of agricultural machines

In the first half of 2010, sales of national and imported agricultural machines (wheel and crawler tractors, tillers, combines and loaders & backhoes) to the domestic market grew by 52% due to the upturn of the Brazilian economy resulting from the recovery of the agribusiness, civil construction and mining sectors. In the export market, growth was 13% in the first half of 2010. The production of agricultural machines increased by 54% in the first half of 2010 compared to the same period of the previous period.

Sales and production of agricultural machines:

In thousand units

	1H10	1H09	Variation
Sales to domestic market	35.0	23.1	51.7%
Sales to export market	8.2	7.3	13.1%
Production	43.8	28.4	54.1%

Source: Anfavea.

Performance of the Brazilian AutoParts Industry

According to the Brazilian Association of Autoparts Manufacturers (Sindipeças), in the first half of 2010 the trade balance of autoparts showed a deficit of approximately US$ 1.8 billion (a deficit of US$ 1.0 billion in the first half of 2009). The period from January to June 2010 exports of autoparts were US$ 4.3 billion, up 49% from the same period of the prior year, and imports were US$ 6.1 million, with an increase of 61%. Exports of Brazilian autoparts to Argentina accounted for 37% of the total exports for the first half of the year, representing an increase of 83% in relation to the same period of the prior year. In the same period, imports from Argentina accounted for 49% of the total imports of autoparts, representing an increase of 11% compared to the same period of the prior year. With the aim of protecting the Brazilian autoparts industry, the federal government approved a progressive elimination of the 40% reduction in the import tax on acquisition of autoparts in the original equipment market abroad. Part of the autoparts trade balance deficit is due to the decline in exports and the need for importing components to meet the heated domestic demand. Under Executive Act number 497 of

July 28, 2010, within a six-month period the reduction percentage for import tax on autoparts must be gradually reduced as follows: 40% until July 31, 30% until October, 20% until April 2011 and totally eliminated on May 1, 2011.

MAHLE METAL LEVE S.A. PARENT COMPANY AND CONSOLIDATED

BALANCE SHEETS - ASSETS
June 30 and March 31, 2010
(In thousands of BRL)

ASSETS	Parent Company		Consolidated	
	06.30.2010	03.31.2010	06.30.2010	03.31.2010
Current assets				
Cash and cash equivalents	294,492	148,286	369,349	207,525
Trade accounts receivable	182,492	188,157	269,518	268,118
Accounts receivable from related parties	115,962	105,581	33,451	36,149
Allowance for debtful accounts	(4,598)	(4,132)	(7,681)	(7,357)
Inventories	138,306	138,884	211,826	209,559
Recoverable taxes	12,529	16,778	23,320	29,334
Deferred income and social contributions taxes	26,454	23,061	30,599	26,594
Cash dividends and interest on shareholder's equity receivable	1,184	1,184	-	-
Other assets	19,386	17,472	21,270	19,402
Total current assets	**786,207**	**635,271**	**951,652**	**789,324**
Noncurrent assets				
Long-term receivables	**54,577**	**53,568**	**65,547**	**68,024**
Accounts receivable from related parties	2,501	-	-	-
Deferred income and social contribution taxes	43,632	44,627	55,636	57,484
Recoverable taxes	8,188	8,679	9,656	10,278
Other assets	256	262	255	262
Permanent assets	**540,905**	**549,489**	**543,920**	**556,569**
Investments in subsidiaries	80,319	79,111	-	-
Other investments	371	371	371	371
Property, plant and equipment	349,512	358,470	427,143	438,328
Intangible assets	110,083	110,860	115,786	117,193
Deferred charges	620	677	620	677
Total noncurrent assets	**595,482**	**603,057**	**609,467**	**624,593**
Total assets	**1,381,689**	**1,238,328**	**1,561,119**	**1,413,917**

MAHLE METAL LEVE S.A. PARENT COMPANY AND CONSOLIDATED

BALANCE SHEETS - LIABILITIES AND SHAREHOLDER'S EQUITY
June 30 and March 31, 2010
(In thousands of BRL)

LIABILITIES	Parent Company		Consolidated	
	06.30.2010	03.31.2010	06.30.2010	03.31.2010
Current liabilities				
Financings	59,031	58,974	115,401	106,778
Trade accounts payable	45,611	40,099	63,800	57,474
Taxes and contributions payable	15,930	18,284	19,367	22,442
Salaries, accrual for vacation and social charges payable	59,121	43,725	73,221	56,347
Unrealized losses with derivative financial instruments	1,747	869	1,747	874
Advances from customers	2,092	1,583	2,712	2,198
Interest on shareholder's equity payable	312	43,816	883	44,387
Accounts payable to related parties	16,603	16,896	18,928	20,317
Other provisions	24,339	23,889	29,446	29,473
Other liabilities	21,726	18,726	32,039	29,546
Total current liabilities	**246,512**	**266,861**	**357,544**	**369,836**
Non current liabilities				
Financings	424,892	286,686	445,216	312,211
Provision for capital deficiency in subsidiary	1,656	1,340	-	-
Provision for warranties	8,926	8,713	9,916	9,643
Provision for contingencies and legal obligations related to judicial proceedings	80,999	77,800	103,057	98,970
Other liabilities	7,073	7,073	17,403	17,403
Total noncurrent liabilities	**523,546**	**381,612**	**575,592**	**438,227**
Minority interests	-	-	16,352	15,999
Shareholder's equity				
Stock Capital	352,755	352,755	352,755	352,755
Income reserves	216,398	215,272	216,398	215,272
Securities Evaluation Adjustment (similar to Other Comprehensive Income)	1,805	2,175	1,805	2,175
(Exchange variation) adjustments accumulated of conversion (to BRL of subsidiaries headquartered	(4,704)	(4,330)	(4,704)	(4,330)
Net Income (Loss) accumulated	45,377	23,983	45,377	23,983
Total shareholder's equity	**611,631**	**589,855**	**611,631**	**589,855**
Total liabilities and shareholder's equity	**1,381,689**	**1,238,328**	**1,561,119**	**1,413,917**

MAHLE

Driven by performance

MAHLE METAL LEVE S.A. PARENT COMPANY AND CONSOLIDATED

INCOME STATEMENT
Quarters ended on June 30, 2010 and 2009
(In thousands of BRL, except EPS)

INCOME STATEMENT	Parent Company		Consolidated	
	06.30.2010	06.30.2009	06.30.2010	06.30.2009
Gross revenues from sales of goods and services	870,088	673,580	1,135,930	909,490
Taxes and sales deductions	(185,149)	(150,568)	(256,551)	(214,901)
Net revenues from sales and services	**684,939**	**523,012**	**879,379**	**694,589**
Cost of goods sold and services rendered	(509,100)	(428,112)	(658,364)	(569,784)
Gross income	**175,839**	**94,900**	**221,015**	**124,805**
Selling expenses	(37,783)	(26,891)	(56,594)	(40,397)
Management and Fiscal Council fees	(5,606)	(2,963)	(6,531)	(3,720)
General and administrative expenses	(34,781)	(30,659)	(40,523)	(36,524)
Financial result, net	(6,823)	(38,633)	(12,912)	(47,938)
Result of equity pick-up	2,832	(14,082)	-	-
Expenses with technology and product development	(19,030)	(15,801)	(21,132)	(18,535)
Other operating income (expenses), net	(4,446)	(4,267)	(7,510)	(13,830)
Operating revenue (expenses)	**(105,637)**	**(133,296)**	**(145,202)**	**(160,944)**
Income before income and social contribution taxes and minority interest	**70,202**	**(38,396)**	**75,813**	**(36,139)**
Current income and social contribution taxes	(28,246)	-	(32,279)	(1,491)
Deferred income and social contribution taxes	5,809	6,926	5,449	6,570
Income before minority and reversal of interest on shareholder's equity	**47,765**	**(31,470)**	**48,983**	**(31,060)**
Minority interest	-	-	**(1,218)**	**(410)**
Net income (loss) for the quarter	**47,765**	**(31,470)**	**47,765**	**(31,470)**
Earnings (losses) per share issued in the fiscal year in BRL	1.57	-1.03	1.57	-1.03
Number of shares issued at the end of the quarter (in thousands)	30,454	30,454	30,454	30,454

MAHLE METAL LEVE S.A. PARENT COMPANY AND CONSOLIDATED

STATEMENT OF CASH FLOW
Quarters ended on June 30, 2010 and 2009
(In thousands of BRL)

STATEMENT OF CASH FLOW	Parent Company		Consolidated	
	06.30.2010	06.30.2009	06.30.2010	06.30.2009
Cash flows from operating activities				
Net income for the quarter	**47,765**	**(31,470)**	**47,765**	**(31,470)**
Adjustments to reconcile net income to cash provided by operating activities				
Depreciation and amortization	32,527	27,788	38,648	35,262
Result of Equity pick-up	(3,298)	13,538	-	-
Minority interest	-	-	1,217	410
Interest and exchange and monetary variations, net	15,359	32,059	21,246	41,275
Result on property, plant and equipment sold	(282)	(467)	(304)	1,522
Deferred income and social contribution taxes	(5,809)	(6,926)	(5,449)	(6,570)
Allowance for dobtful accounts	981	(622)	1,312	(5,786)
Provision for contingencies and legal obligations	3,721	379	4,120	(371)
Provision for warranties	(76)	(11)	(58)	(37)
Other provisions	(732)	(4,355)	(2,658)	(6,421)
Losses recognized with derivative financial instruments	3,774	(54,750)	3,841	(57,643)
Provision for losses with property, plant and equipment and intangible assets	398	5,344	396	7,216
Provision for capital deficiency in subsidiary	467	544	-	-
Decrease (increase) in assets				
Trade accounts receivable	(13,927)	(9,056)	(32,653)	4,359
Accounts receivable from related parties	(9,195)	95,540	1,749	24,690
Inventories	(7,109)	45,550	(11,633)	89,810
Recoverable taxes	27,755	11,332	29,102	23,373
Other accounts receivable	(5,285)	(4,752)	(2,331)	(3,261)
Decrease (increase) in liabilities				
Trade accounts payable	10,356	(10,534)	9,864	(20,349)
Salaries, accrual for vacation and social charges payable	26,930	4,105	29,806	4,004
Taxes and contributions payable	611	3,974	790	6,516
Accounts payable to related parties	1,724	5,191	(1,443)	(5,515)
Other liabilities and judicial deposits	1,607	130	3,012	2,254
Net cash provided by operating activities	**128,262**	**122,531**	**136,339**	**103,268**
Net cash used in investing activities				
Acquisition of subsidiary	24	(1,058)	24	(1,058)
Cash dividends and interest on equity received of subsidiaries	-	15,785	-	-
Additions to property, plant and equipment	(13,147)	(4,241)	(17,403)	(7,162)
Additions to intangible assets	(115)	(268)	(139)	(707)
Additions to investments	-	(11,769)	-	-
Proceeds from property, plant and equipment sold	794	682	1,080	(827)
Gains on investments in subsidiaries	-	(205)	-	-
Net cash used in investing activities	**(12,444)**	**(1,074)**	**(16,438)**	**(9,754)**
Cash flows from financing activities				
Inflow of Financing	151,037	210,896	204,966	284,930
Amortization of financing-principal amounts	(18,536)	(202,718)	(67,653)	(263,294)
Amortization of financing-interest	(9,199)	(23,533)	(12,637)	(36,285)
Discounted exchange bills	-	18,658	-	17,120
Advances from customers	218	(9)	(21)	(532)
Cash dividends and interest on shareholder's equity paid	(43,504)	(1,719)	(43,504)	(1,719)
Net cash provided by (used in) financing activities	**80,016**	**1,575**	**81,151**	**220**
Increase (decrease) in cash and cash equivalents, net	**195,834**	**123,032**	**201,052**	**93,734**
Cash and cash equivalents at the beginning of the period	98,658	50,405	168,297	163,777
Cash and cash equivalents at the end of the period	294,492	173,437	369,349	257,511