Driven by performance

MAHLE Metal Leve announces the results for the first quarter of the Fiscal Year 2010

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Mogi Guaçu, May 14, 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 first quarter of the Fiscal Year 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.

Macroeconomic Scenario

Brazil's economy maintained in 1Q 2010 the same pace of activity accelerated as at the end of 2009, well over the levels of the beginning of the prior year marked by the global financial crisis. The major industrial sectors showed an upward trend, with production levels similar to those before the outbreak of the global crisis, especially automotive durable and semi-durable consumer goods industry. These favorable conditions were due to a series of factors, including: increased domestic consumption, more favorable economic indicators, income growth for persons in lower income categories, greater credit availability and government measures to expand consumption that were implemented by the end of 1Q 2010. The international market showed signs of recovery, favoring Brazilian exports, though not keeping pace with imports due to the appreciation of the Brazilian currency and still moderate recovery of the main markets in which the Company operates. Imports grew at an accelerated pace due to a strong domestic demand and the appreciation of the Brazilian *real*, which has a negative effect on the Brazilian production.

Summary of Income Statements

R$ million

	Consolidated		
	1Q 2010	1Q 2009	Var.%
Net revenues from sales			
-Domestic market	288.7	228.6	26.3%
-Export market	124.8	105.0	18.9%
Total	**413.5**	**333.6**	**24.0%**
Sales – Export market in US$ million	69.2	45.2	53.1%
Gross income	**104.3**	**51.0**	**104.5%**
-Gross margin	25.2%	15.3%	9.9 p.p.
Operating income	**38.3**	**(47.9)**	**180.0%**
- Operating margin	9.3%	(14.4%)	23.7 p.p.
Net income	**25.2**	**(36.1)**	**169.8%**
-Net margin	6.1%	(10.8%)	16.9 p.p.
EBITDA	67.2	**16.3**	312.3%
-EBITDA margin	16.3%	4.9%	11.4 p.p.

Net income
The Company ended the first quarter with a net income of R$ 25.2 million, due to more consistent economic conditions and environment at the beginning of the year, which resulted in the recovery of the markets in which the Company operates.

Operating performance as measured by EBITDA
The consolidated operating performance measured by EBITDA for 1Q 2010 was R$ 67.2 million, representing a growth of 312.3%. EBITDA margin was 16.3%, an increase of 11.4 percentage points over the same quarter of 2010. This is a result of the improvement of production and sales levels coupled with the effects of operating adjustments made by the Company during 2009.

Capital expenditure
Capital expenditure budget approved for FY 2010 amounts to R$ 58.4 million, in consolidated basis (R$ 45.8 million, in the parent Company), and has been earmarked for: new products and processes; rationalization of production; machinery and equipment; quality; construction and information technology. Property, plant and equipment expenditures for the first quarter totaled R$ 5.7 million.

Forecasts
(a) Company
Company's Management forecasts an increase in domestic sales at levels close to the projected production volume of the automotive industry in Brazil, considering currently stable economy and strong domestic demand. The prospect for the export market is one of gradual sales recovery, as a result of positive economic indicators in the first quarter in the main markets in which the Company operates.

(b) Brazilian automotive industry
The forecast for the automotive industry for 2010 is a 7.4% increase in vehicle production, corresponding to 3.4 million units, despite stagnant sales for the next months due to an increase in interest rates, end of discount on IPI (Tax on Industrialized Products) rate at the end of March 2010 and rise in costs of production of vehicles resulting from the increase in prices of raw materials, principally steel. The continually evolving domestic scenario is positively influenced by the higher purchasing power of lower-income class, improvement of employment level, consumer confidence and infrastructure investments. In the heavy-duty vehicle segment, the increase in production is estimated at 35% for trucks and 24% for buses, as a result of economy growth projections, principally for agribusiness and for the above-mentioned infrastructure and construction projects as well.

(c) Brazilian auto parts industry
Total revenues from sales of the auto parts industry for 2010 is estimated at US$ 40.7 billion, with a growth of 16.6% over 2009. Sindipeças (Brazilian Auto Parts Manufacturers Association) estimates that Brazilian auto parts exports will amount to US$ 6.8 billion, up 2.5% from 2009. The industry's imports will total US$ 10.4 billion, a 14% increase. Thus, the industry's trade deficit will be US$ 3.6 billion (US$ 2.5 billion in 2009). In

view of the significant increase in imports of auto parts, at the beginning of May 2010 the Brazilian government approved a progressive elimination of the tax reduction on auto parts import duties paid by vehicle manufacturers, with the objective of reducing the trade deficit and making the industry more competitive to face such situations.

(d) Argentinean automotive industry
In view of the results for the first quarter, the market forecasts a GDP increase of about 5% this year, driven by the recovery of the domestic market, significant increase in agricultural crop and exports of industrial products to Brazil. Vehicle production in Argentina for 2010 is estimated at 635 thousand units, representing an increase of approximately 23% as compared with the disappointing performance for the first three months of 2009. As a result of the upturn in the Argentinean and Brazilian markets, the automotive industry expects an even more significant recovery in vehicle production.

Company's Economic and Financial Performance
The Company ended the first quarter with a satisfactory performance due to the increase in domestic sales and more favorable economic conditions at the beginning of the year, which has supported a consistent performance in the markets of original equipment and aftermarket. However, the comparison basis at the beginning of this year was impaired due to the disappointing performance for the first two months of 2009.

Net Revenues from Sales
Consolidated net revenues from sales for the first quarter was R$ 413.5 million, representing an increase of 24% over the same period of the prior year, with a growth of 26.3% in the domestic market and 18.9% in the export market.

Sales performance by market in 1Q 2010 vs.1Q 2009

R$ million

	1Q 2010	1Q 2009	%
Domestic market	288.7	228.6	26.3
Export market	124.8	105.0	18.9
Total	413.5	333.6	24.0

Sales to the domestic market
Domestic sales for the first quarter were R$ 288.7 million, representing 70% of total sales, an increase of 26.3% over the first quarter of 2009, as a result of more favorable conditions and a significant recovery of the automotive industry since the second half of the prior year due to the reduction in IPI rate extended until the end of the first quarter. The high performance of the domestic market for the quarter resulted in a sales increase of 37.8% in the original equipment market and 9.2% in the aftermarket, as compared to the same quarter of 2009. The increase in sales in the aftermarket was due to the economic recovery and upsurging investments in Brazil, resulting in a recovery of the transportation services and improvement in the vehicle fleet and agricultural machinery maintenance services.

R$ million

	1Q 2010	1Q 2009	%
Original equipment market	188.0	136.4	37.8
Aftermarket	100.7	92.2	9.2
Total	288.7	228.6	26.3

Sales to the export market

Export sales for the quarter was R$ 124.7 million, an increase of 18.8% in relation to the same quarter of 2009. The original equipment market recorded an increase of 24.6%, due to the increase in supply to the automotive industry. However, the aftermarket fell by 4.8%, due to the appreciation of the local currency against the U.S. dollar.

R$ million

	1Q 2010	1Q 2009	%
Original equipment market	104.9	84.2	24.6
Aftermarket	19.8	20.8	-4.8
Total	124.7	105.0	18.8

Exports in U.S. dollars amounted to US$ 69.2 million, an increase of 53%, with increases of 61% in the original equipment market and 22% in the aftermarket in relation to the same period of last year.

US$ million

	1Q 2010	1Q 2009	%
Original equipment market	58.2	36.2	60.8
Aftermarket	11.0	9.0	22.2
Total	69.2	45.2	53.1

Gross margin

In the first quarter, consolidated gross income was R$ 104.3 million, representing a gross margin of 25.2%, an increase of 9.9 percentage points compared to same quarter of last year. The improvement of gross margin from the third quarter of 2009 is a result of heated demand in both markets of original equipment and aftermarket, and a consequent increased production and sales, combined with various operating adjustments adopted by the Company in 2009, aiming to reduce the effects of the global crisis that has strongly affected the automotive and auto parts industries in the first months of the previous year.

Gross margin per quarter

1Q 2009	2Q 2009	3Q 2009	4Q 2009	**1Q 2010**
15.3%	20.4%	26.6%	24.5%	**25.2%**

Financial Management

Net Financial Income (Expenses)

The net financial expenses was of R$ 6.1 million, an improvement of R$ 37.1 million in relation to the same quarter of 2009 (expenses of R$ 43.2 million).

R$ million

	1Q 2010	1Q 2009	Variation
Interests, net	(5.0)	(13.9)	8.9
Monetary variations	(2.3)	(3.1)	0.8
Net foreign exchange exposure	0.1	(10.5)	10.6
Overhedge result	1.5	(13.5)	15.0
Others	(0.4)	(2.2)	1.8
Net financial expenses	**(6.1)**	**(43.2)**	**37.1**

The improved results of derivative financial instruments are due to the increase in the price of commodities and the relative exchange stability in the first quarter. Due to a change in the hedging policy to a more gradual approach the possibility of overhedge has been virtually eliminated. The improvement of net interest result is due to a significant reduction in indebtedness and financial cost as well as a change in indebtedness profile from short to long-term.

Indebtedness

Consolidated net indebtedness for the first quarter totaled R$ 211.5 million, a reduction of 51% compared to R$ 435.2 million recorded in the same quarter of 2009. Comparing with the figures presented at the end of 2009, there is a decline of R$ 40.4 million.

R$ million

Liabilities	03.31.10	03.31.09
Financings		
- short-term	106.8	537.8
- long-term	312.2	118.4
Advances on export receivables	-	55.8
Assets		
Cash/banks/financial investments	207.5	276.8
Net indebtedness	**211.5**	**435.2**

Out of the total financings of R$ 419.0 million, 25% refers to short-term and 75% to long-term (82% and 18% respectively, for the same quarter of last year). The change in the maturity of the financings was due to renegotiations with financial institutions in the third quarter of 2009.

Performance of the Brazilian Automotive Industry

In the first quarter, the Brazilian automotive industry recorded a significant growth in sales of light vehicles, trucks and buses in both domestic and export markets as well as in vehicle production. The comparison basis was impaired due to the disappointing performance in the first quarter of 2009 resulting from the global crisis started in mid-2008 and worsened at the beginning of 2009.

In thousand units

Vehicle Sales and Production by segment	1Q 2010	1Q 2009	Var.%
Domestic wholesales of vehicles – locally-manufactured and imported			
- Light vehicles (passenger cars and light commercials)	750.4	642.0	16.9
- Trucks	31.2	21.5	45.0
- Buses	6.4	4.8	34.4
Total	**788.0**	**668.3**	**17.9**
Vehicle imports			
- Light vehicles (passenger cars and light commercials)	141.1	103.8	36.0
- Trucks	0.5	0.8	-46.3
- Buses	-	-	
Total	**141.6**	**104.6**	**35.4**
Vehicle exports			
- Light vehicles (passenger cars and light commercials)	151.5	81.8	85.1
- Trucks	4.6	3.3	37.8
- Buses	3.1	2.0	55.9
Total	**159.2**	**87.1**	**82.7**
Vehicle production			
- Light vehicles (passenger cars and light commercials)	773.8	631.5	22.5
- Trucks	42.0	24.9	68.9
- Buses	10.9	8.1	35.3
Total	**826.7**	**664.5**	**24.4**

Domestic wholesales of vehicles - locally-manufactured and imported

Sales of domestic and imported vehicles to the domestic market in 2010 (light vehicles, trucks and buses) totaled 788.0 thousand units, representing an increase of 17.9% in relation to 668.3 thousand units sold in the same quarter of 2009. Record sales were reported in March, with increases of 60.0% and 65.8%, respectively, in relation to the first two months of the current year, due to the fact that March was the last month the reduction in IPI rate for domestic cars was in effect, which led consumers to anticipate their purchases in order to take advantage of the tax benefit. All segments presented higher sales in the quarter, generating increases of 16.9% in the segment of passenger cars and light commercials, 45.0% in the truck segment and 34.4% in the bus segment, compared to the same quarter of 2009. This result is associated with favorable economic conditions, increase in the income of lower-income classes, credit availability, longer-term financing, higher employment levels and consumer confidence. The bus segment had sales increase due to the above-mentioned factors and also the election year, which usually contributes to accelerate investments in this sector. The truck segment showed a strong growth in the quarter due to a number of factors

such as good prospects for the agricultural crop with growth of grain transportation in the country, investments in infrastructure due to the GDP growth, the Truck Drivers Financing Program with interest rate at 4.5% per year until 12/31/2010, and the Program for Investment Maintenance (PSI) of the Brazilian Development Bank (BNDES).

Vehicle imports
The imported vehicles market continued to exhibit a strong growth, driven by a heated domestic market and favorable exchange rates. The vehicle imports in the first quarter totaled 141.6 thousand units, a growth of 35.4% in relation to the same quarter of 2009. The sales of imported light vehicles represented 18.8% of the total sales (16.2% in the first quarter of 2009).

Vehicle exports
There are signs of recovery in some major export markets, such as Argentina, Chile, Uruguay, Colombia and Mexico, although lower than the levels recorded in previous years. In the first quarter, vehicle exports (in units) increased by 82.7%, representing 85.1% for light vehicles, 37.8% for trucks and 55.9% for buses as compared to the disappointing performance for the same period of 2009.

Vehicle production
The vehicle production (light vehicles, trucks and buses) in the first quarter was 826.7 thousand units, representing an increase of 24.4% over the same quarter of the previous year, due to the recovery of sales in both domestic and export markets. In March, the production showed increases of 32.5% and 34.6%, respectively, when compared to the immediately previous months due to a significant increase in domestic sales, as previously mentioned.

MAHLE METAL LEVE S.A. PARENT COMPANY AND CONSOLIDATED

BALANCE SHEETS - ASSETS
March 31, 2010 and December 31, 2009
(In thousands of BRL)

ASSETS	Parent Company		Consolidated	
	03.31.2010	12.31.2009	03.31.2010	12.31.2009
Current assets				
Cash and cash equivalents	148,286	98,658	207,525	168,297
Trade accounts receivable	188,157	168,564	268,118	236,865
Accounts receivable from related parties	105,581	109,267	36,149	35,200
Allowance for debtful accounts	(4,132)	(3,617)	(7,357)	(6,369)
Inventories	138,884	126,043	209,559	192,414
Recoverable taxes	16,778	39,529	29,334	51,583
Deferred income and social contributions taxes	23,061	20,734	26,594	23,534
Cash dividends and interest on shareholder's equity receivable	1,184	1,184	-	-
Other assets	17,472	14,811	19,402	19,720
Total current assets	**635,271**	**575,173**	**789,324**	**721,244**
Noncurrent assets				
Long-term receivables	**53,568**	**54,105**	**68,024**	**69,363**
Deferred income and social contribution taxes	44,627	44,899	57,484	58,606
Recoverable taxes	8,679	8,944	10,278	10,495
Other assets	262	262	262	262
Permanent assets	**549,489**	**563,236**	**556,569**	**574,371**
Investments in subsidiaries	79,111	77,297	-	-
Other investments	371	371	371	371
Property, plant and equipment	358,470	373,205	438,328	454,817
Intangible assets	110,860	111,629	117,193	118,449
Deferred charges	677	734	677	734
Total noncurrent assets	**603,057**	**617,341**	**624,593**	**643,734**
Total assets	**1,238,328**	**1,192,514**	**1,413,917**	**1,364,978**

MAHLE METAL LEVE S.A. PARENT COMPANY AND CONSOLIDATED

BALANCE SHEETS - LIABILITIES AND SHAREHOLDER'S EQUITY
March 31, 2010 and December 31, 2009
(In thousands of BRL)

LIABILITIES	Parent Company		Consolidated	
	03.31.2010	12.31.2009	03.31.2010	12.31.2009
Current liabilities				
Financings	58,974	49,538	106,778	92,195
Trade accounts payable	40,099	35,255	57,474	53,936
Taxes and contributions payable	18,284	15,319	22,442	18,853
Salaries, accrual for vacation and social charges payable	43,725	32,191	56,347	43,415
Unrealized losses with derivative financial instruments	869	2,681	874	2,684
Advances from customers	1,583	1,874	2,198	2,733
Interest on shareholder's equity payable	43,816	43,816	44,387	44,387
Accounts payable to related parties	16,896	14,879	20,317	20,372
Other provisions	23,889	25,071	29,473	32,104
Other liabilities	18,726	20,118	29,546	28,905
Total current liabilities	**266,861**	**240,742**	**369,836**	**339,584**
Non current liabilities				
Financings	286,886	300,281	312,211	328,036
Provision for capital deficiency in subsidiary	1,340	1,190	-	-
Provision for warranties	8,713	9,002	9,643	9,975
Provision for contingencies and legal obligations related to judicial proceedings	77,800	72,717	98,970	93,491
Other liabilities	7,073	7,073	17,403	17,248
Total noncurrent liabilities	**381,612**	**390,263**	**438,227**	**448,750**
Minority interests	-	-	15,999	15,135
Shareholder's equity				
Stock Capital	352,755	352,755	352,755	352,755
Income reserves	215,272	214,010	215,272	214,010
Securities Evaluation Adjustment (similar to Other Comprehensive Income)	2,175	(828)	2,175	(828)
(Exchange variation) adjustments accumulated of conversion (to BRL of subsidiaries headquartered abroad)	(4,330)	(4,428)	(4,330)	(4,428)
Net Income (Loss) accumulated	23,983	-	23,983	-
Total shareholder's equity	**589,855**	**561,509**	**589,855**	**561,509**
Total liabilities and shareholder's equity	**1,238,328**	**1,192,514**	**1,413,917**	**1,364,978**

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MAHLE METAL LEVE S.A. PARENT COMPANY AND CONSOLIDATED

INCOME STATEMENT
Quarters ended on March 31, 2010 and 2009
(In thousands of BRL, except EPS)

INCOME STATEMENT	Parent Company		Consolidated	
	03.31.2010	03.31.2009	03.31.2010	03.31.2009
Gross revenues from sales of goods and services	413,310	317,678	535,017	433,124
Taxes and sales deductions	(87,715)	(70,319)	(121,495)	(99,541)
Net revenues from sales and services	**325,595**	**247,359**	**413,522**	**333,583**
Cost of goods sold and services rendered	(242,215)	(209,292)	(309,250)	(282,571)
Gross income	**83,380**	**38,067**	**104,272**	**51,012**
Selling expenses	(17,115)	(13,221)	(25,937)	(18,323)
Management and Fiscal Council fees	(1,119)	(924)	(1,195)	(924)
General and administrative expenses	(15,957)	(14,446)	(18,258)	(18,799)
Financial result, net	(3,609)	(34,563)	(6,086)	(43,226)
Result of equity pick-up	1,566	(10,348)	-	-
Expenses with technology and product development	(8,830)	(8,295)	(10,213)	(9,756)
Other operating income (expenses), net	(2,729)	(4,013)	(4,288)	(7,914)
Operating revenue (expenses)	**(47,793)**	**(85,810)**	**(65,977)**	**(98,942)**
Income before income and social contribution taxes and minority interest	**35,587**	**(47,743)**	**38,295**	**(47,930)**
Current income and social contribution taxes	(13,946)	-	(15,666)	(237)
Deferred income and social contribution taxes	3,604	11,644	3,480	11,507
Income before minority and reversal of interest on shareholder's equity	**25,245**	**(36,099)**	**26,109**	**(36,660)**
Minority interest	-	-	**(864)**	**561**
Net income (loss) for the quarter	**25,245**	**(36,099)**	**25,245**	**(36,099)**
Earnings (losses) per share issued in the fiscal year in BRL	0.83	-1.19	0.83	-1.19
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 March 31, 2010 and 2009
(In thousands of BRL)

STATEMENT OF CASH FLOW	Parent Company		Consolidated	
	03.31.2010	03.31.2009	03.31.2010	03.31.2009
Cash flows from operating activities				
Net income for the quarter	**25,245**	**(36,099)**	**25,245**	**(36,099)**
Adjustments to reconcile net income to cash provided by operating activities				
Depreciation and amortization	15,818	13,777	18,766	17,860
Result of Equity pick-up	(1,716)	9,816	-	-
Provision for capital deficiency in subsidiary	150	532	-	-
Minority interest	-	-	864	(561)
Interest and exchange and monetary variations, net	7,570	14,933	9,756	20,566
Result on property, plant and equipment sold	(167)	(190)	49	(86)
Deferred income and social contribution taxes	(3,603)	(11,644)	(3,486)	(11,507)
Allowance for dobtful accounts	515	(589)	988	(4,799)
Provision for contingencies and legal obligations	2,949	1,842	3,118	1,437
Provision for warranties	(289)	(104)	(332)	(104)
Other provisions	(1,182)	(2,695)	(2,631)	(2,545)
Losses recognized with derivative financial instruments	3,878	(19,540)	3,940	(20,977)
Provision for losses with property, plant and equipment and intangible assets	-	1,204	-	1,204
Decrease (increase) in assets				
Trade accounts receivable	(19,593)	(16,447)	(31,253)	(14,544)
Accounts receivable from related parties	3,686	66,047	(949)	20,420
Inventories	(10,070)	17,722	(13,090)	39,509
Recoverable taxes	23,017	5,515	22,466	12,387
Other accounts receivable	(3,799)	(5,422)	(880)	(3,689)
Decrease (increase) in liabilities				
Trade accounts payable	4,844	(11,676)	3,538	(18,983)
Salaries, accrual for vacation and social charges payable	11,534	(2,991)	12,932	(5,650)
Taxes and contributions payable	2,965	1,919	3,865	4,453
Accounts payable to related parties	2,017	(1,106)	(55)	(2,073)
Other liabilities and judicial deposits	(1,392)	(1,303)	519	355
Net cash provided by operating activities	**62,377**	**23,501**	**53,370**	**(3,436)**
Net cash used in investing activities				
Acquisition of subsidiary	9	-	9	-
Additions to property, plant and equipment	(3,310)	(1,889)	(5,648)	(3,646)
Additions to intangible assets	(60)	(230)	(65)	(550)
Proceeds from property, plant and equipment sold	501	243	501	495
Net cash used in investing activities	**(2,860)**	**(1,876)**	**(5,203)**	**(3,701)**
Cash flows from financing activities				
Inflow of Financing	29	165,820	28,911	208,001
Amortization of financing-principal amounts	(6,583)	(81,232)	(32,878)	(104,780)
Amortization of financing-interest	(3,042)	(10,749)	(4,437)	(19,943)
Discounted exchange bills	-	40,184	-	39,921
Advances from customers	(292)	(13)	(535)	(514)
Cash dividends and interest on shareholder's equity paid	-	(1,719)	-	(2,499)
Net cash provided by (used in) financing activities	**(9,888)**	**112,291**	**(8,939)**	**120,186**
Increase (decrease) in cash and cash equivalents, net	**49,629**	**133,916**	**39,228**	**113,049**
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	148,287	184,321	207,525	276,826