2013 RESULTS

MAHLE
Driven by performance



MAHLE REPORTS EBITDA OF R$ 455.2 MILLION IN 2013; MARGIN OF 19%

Mogi Guaçu, São Paulo State, March 14, 2014 - MAHLE Metal Leve S.A. (BM&FBOVESPA: LEVE3), Brazil's leader in the manufacture and marketing of components for internal combustion engines, today announced its results for fiscal year 2013. The following operating and financial information, unless otherwise indicated, is presented on a consolidated basis and in Brazilian reais (R$), in accordance with Brazilian Corporate Law.

Highlights

Net Sales Revenue was R$ 2,393.8 million in 2013, an increase of 4.4% compared to the same period of the prior year;

Adjusted EBITDA (*) was R$ 455.2 million in 2013, representing an adjusted EBITDA margin of 19.0% (16.9% in the prior year);

Net Profit for 2013 was R$ 201.5 million (R$ 179.2 million in 2012), representing a net margin of 8.4% in the year, up 0.6 percentage points from the prior year's margin;

Main Indicators						
(R$ million)	**2013**	**2012**	**Var %**	**4Q13**	**4Q12**	**Var %**
Net sales revenue	2,393.8	2,292.2	4.4%	570.4	556.9	2.4%
Adjusted EBITDA	455.2	387.0	17.6%	103.7	99.8	4.0%
Adjusted EBITDA margin	19.0%	16.9%	2,1 p.p.	18.2%	17.9%	0,3 p.p.
Profit	201.5	179.2	12.5%	31.3	51.8	-39.6%
Net margin	8.4%	7.8%	0,6 p.p.	5.5%	9.3%	-3,8 p.p.

(*) corresponds to the calculation of EBITDA in accordance with CVM Instruction 527/2012 effective from 2013, including in this metric the provision for impairment of intangible assets.

Macroeconomic scenario

Industrial activity grew 1.2% in 2013 compared with the same period of the prior year, after dropping 2.5% in 2012. The annualized rate for the last twelve months expanded 1.2% in December 2013 at a slightly faster pace than in October (1.0%) and November (1.1%), the Brazilian Institute of Geography and Statistics (IBGE) said.

During 2013 the federal government continued to implement a series of measures to improve conditions for a more favorable domestic macroeconomic environment.

In November, the Brazilian Monetary Policy Committee (Copom) unanimously decided to raise Selic rate to 10.0% per year without bias, going ahead with the process of adjusting the basic interest rate, started at the meeting held in April 2013. This rate remained unchanged by the end of the year.

Inflation as measured by the monthly variation in the Extended Consumer Price Index (IPCA) in 2013 was 5.91% against 5.84% in 2012, according to the data disclosed by IBGE.

Brazil's trade balance reported a surplus of US$ 2.6 billion in 2013 (US$ 19.4 billion in 2012). This result came from exports of US$ 242.2 billion and imports of US$ 239.6 billion, with variances of -1.0% and +6.5%, respectively, compared to the prior year

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Performance of the Brazilian automotive industry

The federal government maintained in the fourth quarter of 2013 and at the beginning of this year a series of government measures to stimulate the automotive industry, among which we emphasize the following:

> ***Setting the rates for PSI for 2014:*** the Ministry of Finance announced the rates for the Investment Support Program (PSI) operated by the National Development Bank (BNDES) for 2014. The Finame line, which extends capital to businesses for the purpose of acquiring capital goods such as trucks, buses and agricultural machinery, has now an interest rate of 6% per year, compared to 4% per year in 2013. This rate is practically equivalent to the annual inflation rate of 2013 and is therefore very attractive. Other lines of PSI have also been adjusted: the rate on export financing rose from 5.5% per year to 8% per year and the rate on innovation incentive rose from 3.5% per year to 4% per year.

Gradual increase in IPI as from January 2014: the government decided to announce an increase in the rates of the Federal Excise Tax (IPI) for automobiles and utility vehicles beginning on January 1, 2014. This increase will be in effect until June 30. Thus, the IPI tax will return to normal levels starting July 1, as shown in the table below.

Vehicles / PowerTrain	Prior rate	Jan. to Dec. 2013 (*)	New Proposal	
			Jan. to Jun. 2014	From July 2014 on
Vehicles				
Up to 1.0	7.0%	2.0%	3.0%	7.0%
From 1.0 up to 2.0 (flex fuel)	11.0%	7.0%	9.0%	11.0%
From 1.0 up to 2.0 (gasoline)	13.0%	8.0%	10.0%	13.0%
Utility vehicles	8.0%	2.0%	3.0%	8.0%
Utility vehicles (carrier transport)	8.0%	2.0%	3.0%	4.0%
Trucks	5.0%	0.0%	0.0%	0.0%

(*) For vehicles within automotive regime (descounted 30 p.p. IPI rate).
Source: Ministry of Finance

The tax rate will remain 0% for the truck segment, with no date for change.

Total sales of vehicles

The Brazilian car industry sales in 2013 increased 5.0% (including agricultural machinery sales) over the prior year.

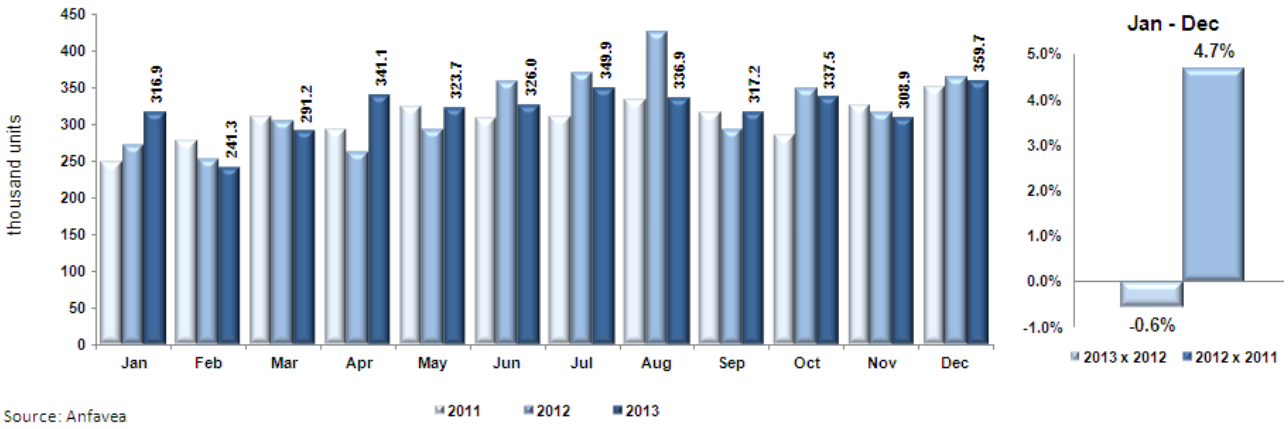
Brazilian automotive industry			
Vehicle Sales (locally-manufactured and imported)	**Jan-Dec 2013 (A)**	**Jan-Dec 2012 (B)**	**B/A**
Passenger Cars	2,763,718	2,851,540	-3.1%
Light Commercials	816,185	782,575	4.3%
Total of Light vehicle	**3,579,903**	**3,634,115**	**-1.5%**
Trucks	154,549	139,147	11.1%
Buses	32,918	28,809	14.3%
Agricultural	83,078	70,139	18.4%
Total of medium and heavy vehicle	**270,545**	**238,095**	**13.6%**
Total vehicle sales	**3,850,448**	**3,872,210**	**-0.6%**
Total Export	**578,887**	**462,134**	**25.3%**
Total Imports	**706,864**	**788,097**	**-10.3%**
Automotive trade balance Total	**(127,977)**	**(325,963)**	**-65.9%**
Vehicle inventory variation in the period (*)	**118,398**	**(60,035)**	**-297.2%**
Total vehicle production	**3,840,869**	**3,486,212**	**10.2%**

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

One highlight was that exports rose 25.3% whereas imported vehicles fell 10.3% compared with 2012.

The lower IPI rate on new vehicles, which remained in effect until December 2013, has contributed to increase auto sales and make December the best month of 2013. On the other hand, selectivity in lending was a factor to be considered, which influenced auto sales negatively during the year. As a result, the default rates on car loans fell for the tenth straight month in December and closed 2013 at 5.17%, the lowest since October 2011, according to data released by the Brazilian Central Bank.

The table below shows the month-by-month sales performance for domestic vehicles in 2013 and in relation to the previous two years.



Source: Anfavea

Variation in vehicle inventory

According to data released by the Brazilian Association of Motor Vehicle Manufacturers (Anfavea), vehicle inventory recorded at the beginning of the fourth quarter of 2013 was 420.7 thousand units, equivalent to 40 days of sales, and at the end of 2013, 353.4 thousand units, equivalent to 30 days of sales.

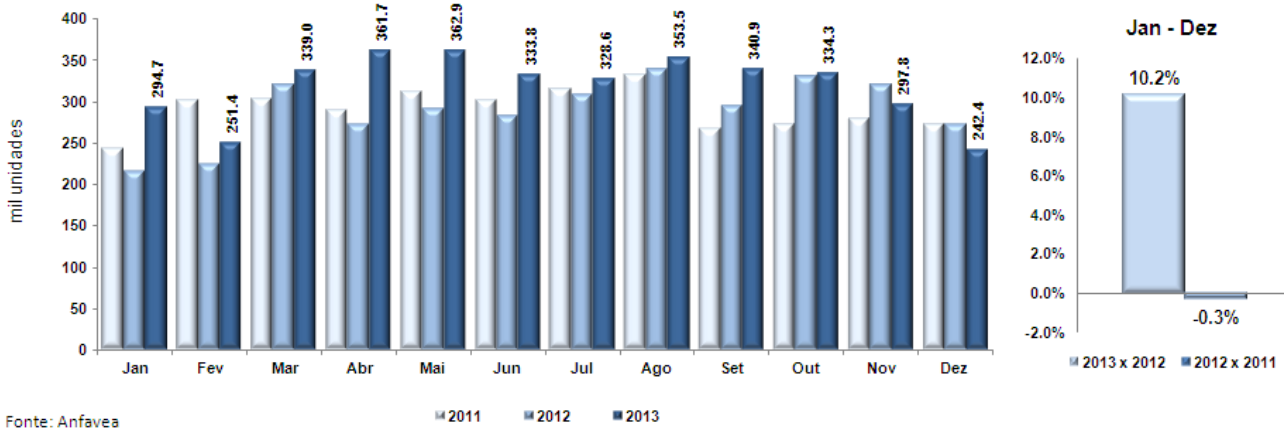
Vehicle production

Brazilian auto production set a new record in 2013, rising by 10.2% over the previous year or by approximately 355 thousand units produced, including the agricultural machinery segment. This result is largely due to the *Inovar-Auto* program with the consequent replacement of imported vehicles by domestic vehicles in sales to the domestic market (81.2 thousand units), in addition to the increase in vehicle exports (116.8 thousand units). Production was 14.5% higher than the average of the last five years, according to calculation by Anfavea.

Vehicle of production	2013	2012	A/B
Production of Light vehicle	**3,510,003**	**3,232,925**	**8.6%**
Production Trucks	190,304	132,953	43.1%
Production Buses	40,111	36,630	9.5%
Agricultural	100,451	83,704	20.0%
Production of medium and heavy vehicle	**330,866**	**253,287**	**30.6%**
Total Production of vehicle	**3,840,869**	**3,486,212**	**10.2%**

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

The table below presents the month-by-month performance of vehicle production in 2013 and in relation to the previous two years.



Fonte: Anfavea

Performance of the Argentinean automotive industry

In 2013 the Argentinean automotive industry posted an increase of 16.1% in sales and of 3.5% in vehicle production compared with the same period of the prior year, as shown in the table below. The positive result is due to, among other reasons, the behavior of the Brazilian market, which continued to be the main destination for vehicles produced in Argentina with 85.8% of the total volume, according to the Argentina Automakers Association (Adefa). As Argentina imports from Brazil most of the internal combustion engines, the Company as an engine components manufacturer also benefits from this performance.

The table below shows the performance of the Argentinean automotive industry in 2013 in relation to the prior year.

Argentinian automotive industry			
Vehicle Sales (locally-manufactured and imported)	**Jan-Dec 2013 (A)**	**Jan-Dec 2012 (B)**	**B/A**
Passenger Cars	684,379	596,397	14.8%
Light Commercials	245,241	205,534	19.3%
Total of Light vehicle	**929,620**	**801,931**	**15.9%**
Trucks	28,254	22,257	26.9%
Buses	6,043	5,870	2.9%
Total of medium and heavy vehicle	**34,297**	**28,127**	**21.9%**
Total vehicle sales	**963,917**	**830,058**	**16.1%**
Exports	433,295	413,472	4.8%
Imports	605,335	482,061	25.6%
Automotive trade balance	**(172,040)**	**(68,589)**	**150.8%**
Vehicle inventory variation in the period **(*)**	(870)	3,026	-128.8%
Total vehicle production	**791,007**	**764,495**	**3.5%**
Production of Light vehicle	**781,222**	**756,948**	**3.2%**
Production Trucks	6,314	4,735	33.3%
Production Buses	3,471	2,812	23.4%
Production of medium and heavy vehicle	**9,785**	**7,547**	**29.7%**

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

The table below consolidates the figures of vehicle production in Brazil and Argentina. This region corresponds to the domestic market in which the Company operates.

Vehicle production in MERCOSUR (*)			
Vehicle production in MERCOSUR (*)	**2013**	**2012**	**B/A**
Production of Light vehicle	**4,291,225**	**3,989,873**	**7.6%**
Production Trucks	196,618	137,688	42.8%
Production Buses	43,582	39,442	10.5%
Production Agricultural	100,451	83,704	20.0%
Production of medium and heavy vehicle	**340,651**	**260,834**	**30.6%**
Total Vehicle Production	**4,631,876**	**4,250,707**	**9.0%**

(*) Considering Brazil and Argentina.
Source: Anfavea and Adefa

The table below shows data of vehicle production in the Company's major export markets in 2013 compared to the previous year.

Vehicle Production in the main exports market			
Segment	**2013**	**2012**	**B/A**
Production of Light vehicle	35,444,733	34,732,232	2.1%
Europe	19,270,288	19,297,892	-0.1%
North America	**16,174,445**	**15,434,340**	**4.8%**
Production of medium and heavy vehicle	1,069,102	1,081,530	-1.1%
Europe	575,572	594,962	-3.3%
North America	**493,530**	**486,568**	**1.4%**
Total Vehicle Production	**36,513,835**	**35,813,762**	**2.0%**

Source: IHS

Financial Performance

Among the main factors that influenced the economic and financial performance in 2013 are:

- vehicle production in Brazil, especially the performance of the truck segment;
- increase in the share of the filter segment in the Company's net sales revenue;
- positive foreign exchange effect on sales to export market, driven by the Brazilian currency depreciation, as well as the gradual recovery of the automotive industry in the major international markets.

In addition to the factors mentioned above, also noteworthy are the payroll tax relief and the tax incentive under the *Reintegra* program.

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Summary P&L (R$ milhões)	2013	2012	%	4Q13	4Q12	%
Operational Performance	(a)	(b)	(a/b)	(c)	(d)	(c/d)
Net sales revenue	**2.393,8**	**2.292,2**	**4,4%**	**570,4**	**556,9**	**2,4%**
Cost of goods sold	(1.731,6)	(1.696,6)	2,1%	(430,4)	(407,1)	5,7%
Gross income	**662,2**	**595,6**	**11,2%**	**140,0**	**149,8**	**-6,5%**
Selling expenses	(164,7)	(154,6)	6,5%	(39,7)	(40,7)	-2,5%
General and administrative expenses	(103,7)	(104,2)	-0,5%	(27,8)	(24,8)	12,1%
Tech and product development expenses	(73,1)	(67,4)	8,5%	(21,4)	(18,4)	16,3%
Other operating income (expenses)	(9,4)	(0,9)	944,4%	(8,5)	6,0	-241,7%
Financial income (expenses), net	(32,8)	(27,5)	19,3%	(5,2)	(9,3)	-43,8%
Operating income	**278,5**	**241,0**	**15,6%**	**37,4**	**62,6**	**-40,3%**
Net income	**201,5**	**179,2**	**12,4%**	**31,3**	**51,8**	**-39,6%**
EBITDA (according to the SEC Instruction 527/2012)	**426,2**	**382,5**	**11,4%**	**74,7**	**99,8**	**-25,2%**
Adjusted EBITDA	**455,2**	**387,0**	**17,6%**	**103,7**	**99,8**	**3,9%**
Margins:						
Gross margin	27,7%	26,0%	1,7 p.p.	24,5%	26,9%	-2,4 p.p.
Operating margin	11,6%	10,5%	1,1 p.p.	6,6%	11,2%	-4,6 p.p.
Net margin	8,4%	7,8%	0,6 p.p.	5,5%	9,3%	-3,8 p.p.
EBITDA margin (according to the SEC Instruction 527/2012)	17,8%	16,7%	1,1 p.p.	13,1%	17,9%	-4,8 p.p.
Adjusted EBITDA margin	19,0%	16,9%	2,1 p.p.	18,2%	17,9%	0,3 p.p.
SG&A expenses to Net sales revenue	11,2%	11,3%	-0,1 p.p.	11,8%	11,8%	0 p.p.

Net sales revenue

Sales for the fiscal year 2013 increased 4.4% compared with the prior year, due to the performance of the domestic market of original equipment (+8.1%) and the improvement of the aftermarket (+2.5%), coupled with an increasing positive foreign exchange effect during the year.

Sales for the fourth quarter of 2013 increased 2.4% compared with the same quarter of the prior year, due to the recovery of the export market of original equipment (+15.3%). There was also a slight decline in sales of original equipment in the domestic market.

The table below shows the variations of the Company's net sales revenue for the domestic (Brazil and Argentina) and export markets of original equipment and aftermarket.

Performance of the net sales revenue (R$ million)	4Q13 (a)	% Share by market	4Q12 (b)	% Share by market	% (a/b)	Accum. January-December 2013 (c)	% Share by market	Accum. January-December 2012 (d)	% Share by market	% (c/d)
Domestic market										
.Original equipment	213.3	37.4%	219.7	39.5%	-2.9%	958.5	40.0%	887.0	38.7%	8.1%
.Aftermarket	148.3	26.0%	148.2	26.6%	0.1%	581.5	24.3%	567.5	24.8%	2.5%
Total	**361.6**	**63.4%**	**367.9**	**66.1%**	**-1.7%**	**1,540.0**	**64.3%**	**1,454.5**	**63.5%**	**5.9%**
Export market										
.Original equipment	181.2	31.8%	157.2	28.2%	15.3%	744.8	31.1%	726.9	31.7%	2.5%
.Aftermarket	27.6	4.8%	31.7	5.7%	-12.9%	109.0	4.6%	110.8	4.8%	-1.6%
Total	**208.8**	**36.6%**	**188.9**	**33.9%**	**10.5%**	**853.8**	**35.7%**	**837.7**	**36.5%**	**1.9%**
Total	**570.4**	**100.0%**	**556.8**	**100.0%**	**2.4%**	**2,393.8**	**100.0%**	**2,292.2**	**100.0%**	**4.4%**

Sales to domestic market – original equipment

The entry of new businesses (intake manifolds, air filters, camshafts), vehicle production increase in Brazil and Argentina, and the recovery of the medium and heavy vehicle segments compared with the prior year have contributed to sales results.

Sales to domestic market – aftermarket

Sales to this market are related to product mix variances and the launch of new projects. In addition, there has been a sales recovery during the year driven by the dealers network inventory return to normal levels.

Sales to export market – original equipment

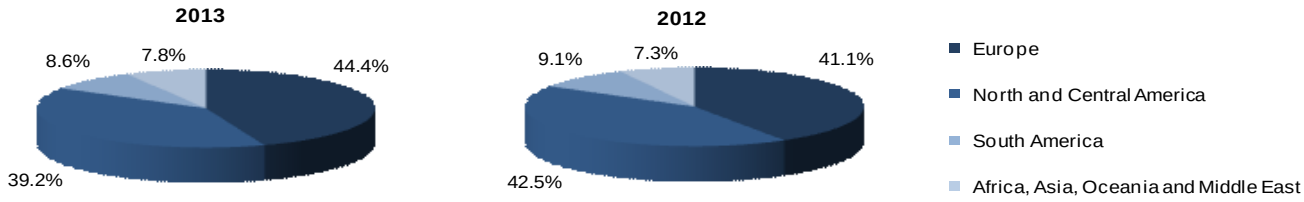
There has been an increase in sales revenue because of an increasing positive foreign exchange effect during the year and a slight recovery of the European market in all segments.

Sales to export market – aftermarket

Exports fell in the year due to a less favorable macroeconomic environment in some countries in Latin America, especially Venezuela (according to additional information shown in Note 7), without considering Brazil and Argentina.

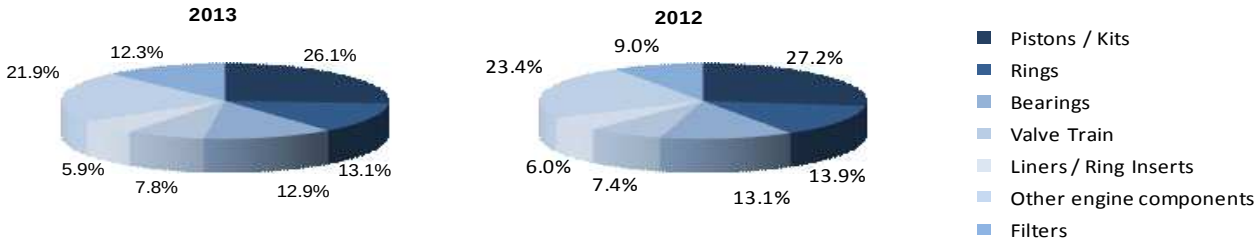
Consolidated export by region

The graphs below show the distribution of sales by geographic region in 2013 and 2012.



Net sales revenue by product

The graphs below show total sales by product in 2013 and 2012.



There has been a significant increase in the share of the filter segment in the Company's net sales revenue at the end of 2013, representing an increase in filter segment's revenue of about 41.8% compared with the same period of the prior year.

Performance of the net sales revenue by segment (R$ million)	4Q13 (a)	% Share by segment	4Q12 (b)	% Share by segment	% (a/b)	Accum. January-December 2013 (c)	% Share by segment	Accum. January-December 2012 (d)	% Share by segment	% (c/d)
.Engine Components	485.1	85.0%	495.1	88.9%	-2.0%	2,078.2	86.8%	2,069.6	90.3%	0.4%
.Filters	85.3	15.0%	61.7	11.1%	38.2%	315.6	13.2%	222.6	9.7%	41.8%
Total	**570.4**	**100.0%**	**556.8**	**100.0%**	**2.4%**	**2,393.8**	**100.0%**	**2,292.2**	**100.0%**	**4.4%**

Gross margin

Gross margin in 2013 increased 1.7 percentage points compared with the previous year. This improvement in gross margin is due to an increase in net sales revenue, payroll tax relief on cost of goods sold, and operating improvements.

Selling, general and administrative expenses

Selling expenses represented 6.9% of the net sales revenue in 2013, an increase of 0.2 percentage points compared with the previous year, primarily due to an increase in freight and sales personnel expenses.

General and administrative expenses, which include basically costs of administrative staff, represented 4.3% of the net sales revenue in 2013, a decrease of 0.2 percentage points in relation to the prior year, due to the rationalization of operations in the administrative areas.

Technology and product development expenses

These expenses represented 3.1% of the net sales revenue in 2013 (increase of 0.2 percentage points compared with the previous year), due to an increase in personnel expenses, focusing on technological innovations, patent filings and consequent launch of new products.

Other operating income (expenses), net

This line item recorded a net expense of R$ 8.5 million, primarily due to a variation in the provision for impairment of intangible assets in the amount of R$ 24.5 million, compared with the prior year. Other factors influenced positively this line item, such as variations in non-recurring gains and reversals of tax and labor lawsuits in the amount of R$ 13.9 million, in addition to other revenue generated from the sale of surplus energy in the amount of R$ 4.6 million (additional information in Note 32).

Operating income measured by EBITDA

Adjusted EBITDA for 2013 totaled R$ 455.3 million, representing a margin of 19.0%. Compared with 2012, EBITDA margin increased by 2.1 percentage points because of a higher operating income.

The calculation of adjusted EBITDA considers including again impairment of intangible assets. Thus, in the 4Q13 a provision for impairment of intangible assets was recorded in subsidiary MAHLE Hirschvogel Forjas S.A., in the amount of R$ 29.0 million (and of R$ 4.5 million in MAHLE Argentina S.A. in the second quarter of 2012).

EBITDA (R$ million)	4Q13	4Q12	Var.	2013	2012	Var.
Operational Performance	37.4	62.6	(25.2)	278.5	241.0	37.5
Financial income (expenses), net	5.2	9.3	(4.1)	32.8	27.5	5.3
Depreciation	25.9	20.9	5.0	90.3	82.0	8.3
Deemed cost depreciation	6.2	7.0	(0.8)	24.6	32.0	(7.4)
EBITDA (according to the SEC Instruction 527/2012)	**74.7**	**99.8**	**(25.1)**	**426.2**	**382.5**	**43.7**
Adjustment:						
(+) Provision for losses on fixed and intangible assets	29.0	-	29.0	29.0	4.5	24.5
Adjusted EBITDA	**103.7**	**99.8**	**3.9**	**455.2**	**387.0**	**68.2**
Margens:						
EBITDA (according to the SEC Instruction 527/2012)	13.1%	17.9%	-4.8 p.p.	17.8%	16.7%	1.1 p.p.
Adjusted EBITDA margin	18.2%	17.9%	0.3 p.p.	19.0%	16.9%	2.1 p.p.

Net finance income (costs)

The net finance result for 2013 showed a negative variance of R$ 5.4 million, due to the net result between net foreign exchange variations and results of derivatives (financial instruments used to mitigate the volatility of exchange rates), in addition to the net monetary variation arising from the restatement of labor and tax lawsuits and respective judicial deposits.

The net finance result for the fourth quarter of 2013 showed a positive variation of R$ 4.1 million compared with the same quarter of 2012, due to a reduction in net interest compared with the same quarter of the prior year, arising from a change in the indebtedness profile of the Company occurring since the beginning of 2013.

Net financial result (R$ million)	4Q13	4Q12	Var.	2013	2012	Var.
Interests, net	(4.6)	(7.9)	3.3	(26.3)	(26.5)	0.2
Net monetary variation	(4.9)	(4.3)	(0.6)	(19.2)	(16.9)	(2.3)
Net exchange variation	14.1	4.3	9.8	37.5	25.3	12.2
Result with derivatives	(8.1)	(0.4)	(7.7)	(19.3)	(4.4)	(14.9)
Other	(1.7)	(1.0)	(0.7)	(5.5)	(5.0)	(0.5)
Financial income (expenses), net	**(5.2)**	**(9.3)**	**4.1**	**(32.8)**	**(27.5)**	**(5.3)**

Net Profit

The profit of R$ 201.5 million for 2013 (R$ 179.2 million for 2012) represents a net margin of 8.4% for the year, 0.6 percentage points above the previous year's margin, as a result of an improvement in gross margin.

The net finance result for the fourth quarter of 2013 showed a negative variation of 39.6% mostly due to a variation in the provision for impairment of intangible assets which affects the subsidiary MAHLE Hirschvogel Forjas S.A. by R$ 29 million recognized in December 2013.

Capital expenditures

Capital expenditures in 2013 totaled R$ 120.0 million, and were invested in new products, streamlining, quality, equipment for research and development and information technology, among others.

Total accumulated depreciation in 2013 was R$ 111.5 million, and includes normal depreciation (R$ 86.9 million) and depreciation of deemed cost of property, plant and equipment (R$ 24.6 million), relating to the adjustment for adoption of the International Financial Reporting Standards (IFRS).

Indebtedness

In relation to the end of 2012, the Company has changed significantly the repayment period of its debt, increasing the share of long-term financing in total debt from 41% to 85%.

Net cash from operations in the amount of R$ 88.5 million allowed a reduction of 25.2% in the Company's net debt from R$ 351.4 million to R$ 262.9 million at the end of 2013.

The table below shows the Company's debt profile:

Net indebtedness				**R$ million**
Liabilities	**2013**	**%**	**2012**	**%**
Financings:	488.3		488.5	
.short term	74.5	15%	286.8	59%
.long term	413.8	85%	201.7	41%
Assets:				
Cash / banks / cash investments/ Loans - related parties *	(225.4)		(137.1)	
Net indebtedness	**262.9**		**351.4**	

Dividends and interest on capital

Relating to the fiscal year 2013, the Board of Directors approved the payment of R$ 110.8 million in dividends and interest on capital until December 23, 2013. An additional dividend proposal in the amount of R$ 89.6 million, totaling the distribution of 97.89% of the profit attributable to the shareholders of MAHLE Metal Leve, will be submitted to the General Shareholders' Meeting on April 23, 2014.

Excellence and Technological Innovation

In 2013, various discussions occurred in several entities in the automotive market concerning the regulation of the items of the *Inovar-Auto* program. The Company held meetings with customers when it positioned itself as a strategic partner, in addition to prospecting solutions in technologies for engine components and engineering service activities through the MAHLE Powertrain division.

The Company launched 9 new products in 2013, developed by the Technology Center installed in the city of Jundiai, and filed 34 patent applications. This strengthens the leadership position that the Company enjoys in its segment. In Brazil, the Company is ranked third among privately-owned companies in international patent filings. The products and patents demonstrate the scope of the works developed by the Jundiai Technology Center. Technologies involve coatings of rings, cylinder lines and bearings, oil flow control, filter systems, sintered materials and search for new markets.

In the Brazilian innovation environment, the Company proceeded with the work developed jointly with institutes and universities. Within the activities of Embrapii (Brazilian Company of Industrial Research and Innovation) a new project was contracted in partnership with IPT (Institute for Technological Research). This Institute is one of the country's leaders in metal casting technology, which is the main focus of the work under development.

FINEP (Study and Project Financing Authority) started the financing process, including several projects of the Company's portfolio. The process was approved in the first instance and is expected to be completed in the first quarter of 2014.

Investor Relations

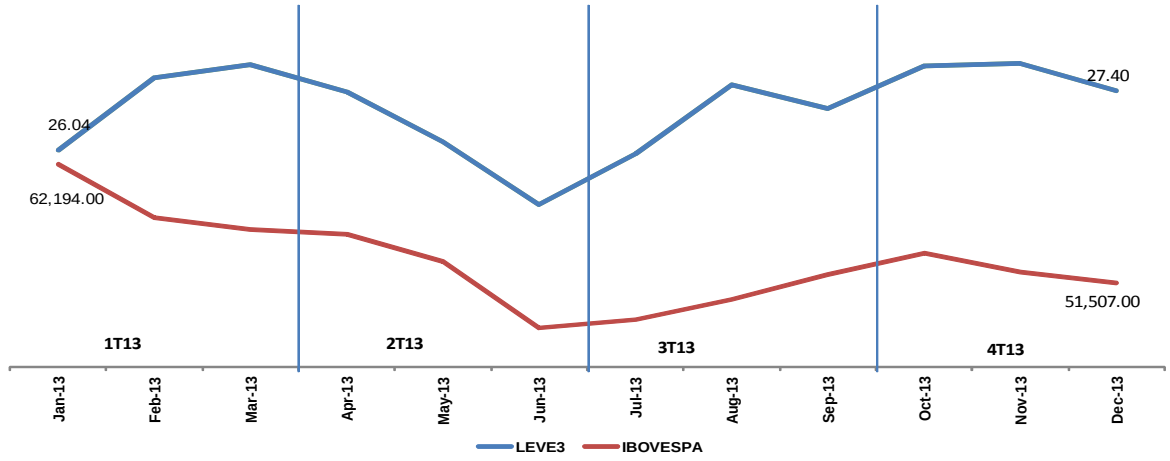
In 2013 the Investor Relations team continued promoting a series of activities to improve the relationship with investors and analysts. During the year, more new contacts were made with investment management firms interested in investing in the Company, and the number of restricted meetings has increased, so has the interest from foreign investors.

One highlight was the Company's participation in the eighth edition of the annual survey "The Best Companies for Shareholders", published by the magazine *Capital Aberto* together with the Fipecafi Corporate Governance Studies Center (CEG). The survey covered a total of 150 companies whose stock recorded the highest average trading volumes on BM&FBovespa between March 31, 2012 and April 1, 2013.

In addition, at the end of 2013 the Investor Relations department underwent a restructuring in which it became part of the corporate finance management and was transferred to the Technology Center in Jundiai (Anhanguera Highway, interior-capital city direction, km 49.7, CEP 13.210-877, Jundiai, São Paulo). In view of the shutdown of the City-Office, the phone numbers to contact the department are: (11) 4589-0700, (11) 4589-0698 and (19) 3861-9301.

Stock performance

The graphs below show the quotes, the Average Daily Trading Volume (ADTV) and the ADTV turnover in relation to the free-float market capitalization for the four quarters of the fiscal year ended December 31, 2013.



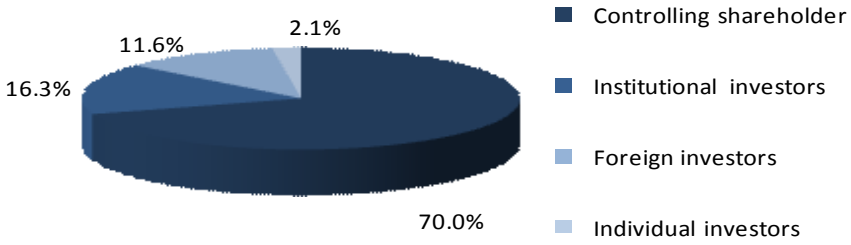
Source: Bloomberg

Variation	
LEVE3	5.22%
Ibovespa	-17.18%

Average Daily Trading Volume (ADTV) and ADTV turnover to Free-Float Mkt Cap					
Period	4Q12	1Q13	2Q13	3Q13	4Q13
Trading Volume (R$ million)	5.5	6.4	7.0	4.8	4.8
Turnover (%)	0.58%	0.63%	0.69%	0.48%	0.45%

Shareholders' profile

At December 31, 2013, shareholders' profile relating to the number of Company shares was represented as follows:



Corporate Governance

The Company adopts good practices in corporate governance, following the principles of transparency, fairness, accountability and corporate responsibility. The Company shares are traded since July 2011 on the BM&FBovespa *Novo Mercado* (New Market) segment, which requires high standards of corporate governance. The Company is subject to arbitration by the Market Arbitration Chamber, pursuant to the binding arbitration clause of its bylaws.

The Company is managed based on the powers and responsibilities of the Board of Directors and Executive Board. The Board of Directors is composed of five permanent members and five alternate members, of which one permanent member (and respective alternate) is independent and elected by the minority shareholders. The Company has also a Supervisory Board, which is composed of three permanent members and three alternate members, of which one member (and respective alternate) is designated by the minority shareholders and two by the controlling shareholders. There is also a Communication Committee whose primary duty is to enforce the Company's guidelines concerning information provided to the market, make sure that CVM Instruction 358 is being followed and evaluate and propose improvements in the communication between the Company and the market stakeholders.

Corporate Risk Management, Internal Controls and Compliance

The Executive Board is responsible for overseeing the internal controls, compliance and corporate risk of the Company so as to promote a sustainable process of creating value for shareholders. Accordingly, the Company has an Internal Controls sector that carries out impartial and timely assessment of the effectiveness of risk management, internal controls and standards and procedures established by management. The sector suggests improvements in controls, standards and procedures, in conformity with the market best practices, promoting a preventive attitude and anticipating risks.

Human resources

The Company adopts the philosophy of continuing education as a way to perpetuate its growth, since continuing education leads to specialized skills and behaviors, either for decision making or improvement of production processes.

In 2013, training initiatives totaled approximately an average of 37 hours per employee and about R$ 4.2 million invested. Such initiatives include activities such as: training in production process operations, education and foreign language allowances, internship, etc.

The Company had 10,001 employees at December 31, 2013.

Environment

The Company's sustainable development strategy is based on the structured management of guidelines such as: maximizing the use of natural resources in all its areas; using the concept of the three R's (Reduce, Reuse and Recycle) applied to solid and liquid waste and atmospheric emissions; and considering as priority the positive influence that each action may reflect on the society.

In 2013 and in the last years the Company has been making efforts to maintain the Waste Management program, resulting in eco-efficiency and technological improvements in the production process that exceeded R$ 3.3 million in actual gains in this period, in addition to the large-scale environmental benefit, since most of the projects were

developed focusing on the use of natural resources, which is consistent with the respect for the capacity of the nature.

Later, a workshop was held to present the results and analysis of projects. A total of 229 new projects was identified for 2014, with focus on raw materials, productive and non-productive inputs, manufacturing supplies, fluids and chemical products, with a view to adding value through a front-end pollution prevention approach and not only an end-of-pipe solution.

Another great opportunity created was the preparation of a list of technologies available for each type of waste. This tool facilitates decision making for the change or maintenance of more adequate technologies, which are cleaner and recover the natural resources embodied in the waste.

Independent Auditors

In accordance with CVM Instruction 381/03, the Company and its subsidiaries have engaged PricewaterhouseCoopers Contadores Públicos Ltda. to provide the services listed below, in addition to the external audit contracted from PricewaterhouseCoopers Auditores Independentes.

Date of Contract	Nature of the service requested	Fees	Percentage related to external audit services fees
05.17.2013	Review of the statement of economic and tax information for legal entity (DIPJ) calendar year 2012	R$ 47,228.00	5%

The Company and its subsidiaries ensure that the provision of other services by auditors will not create any conflict of interest and affect the independence and objectivity necessary for independent audit services.

Outlook

Automotive Industry

Anfavea presented its forecasts for 2014 with a 1.1% increase in total sales to the domestic market, equivalent to sales of 3,810 million vehicles, and a 0.7% increase in vehicle production, equivalent to 3.765 million vehicles.

In the major export markets of the Company, NAFTA and Europe, a gradual recovery is expected to continue in all segments.

Company

In view of this scenario, Management estimates that the Company's performance in 2014 will be similar to that achieved in 2013 despite signs of a slowdown in the domestic market in which the Company operates due to the recent crisis in Argentina and the poor performance of the Brazilian economy. However, we believe that this scenario will be offset by the performance of our exports (NAFTA and Europe), in addition to a favorable trend in the foreign exchange market and the positive expectations for the aftermarket.

The investments announced by our customers in capacity and local production expansion, and the developments of the *Inovar-Auto* program tend to promote a good business environment for the Company in the next years. The Company is ready to keep pace with this growth, either in the adequacy of its production capacity or in technology research and development.

Representation by the Executive Board

In compliance with the provisions of CVM Instruction 480, the Executive Board declares that it discussed, reviewed and agreed with the financial statements for the year ended December 31, 2013 and the opinions expressed in the independent auditor's report.

Acknowledgments

Company's Management thanks its shareholders, customers, suppliers and employees for the support and trust during 2013.

Management

2013 RESULTS

MAHLE
Driven by performance

BALANCE SHEETS (CONSOLIDATED)

	As of Dec/31/2013	As of Dec/31/2012	As of Dec/31/2011
ASSETS	**2,427.7**	**2,370.8**	**2,563.2**
Current assets	**1,014.3**	**942.5**	**1,135.7**
Cash and cash equivalents	34.0	50.4	41.1
Financial investments	186.9	86.7	301.9
Trade accounts receivable	380.2	391.6	358.8
Inventories	314.8	311.4	339.1
Recoverable taxes	74.5	79.5	73.6
Other assets	23.8	22.8	21.2
Noncurrent assets	**1,413.5**	**1,428.3**	**1,427.6**
Deferred taxes	5.3	4.1	11.1
Accounts receivable from related parties	4.5	-	-
Other assets	46.4	19.4	19.8
Invesments in subsidiaries and subs. joined	-	0.4	0.4
Property, plant and equipment	747.1	767.0	753.8
Intangible assets	610.2	637.5	642.5
LIABILITIES	**2,427.7**	**2,370.8**	**2,563.2**
Current liabilities	**402.9**	**592.1**	**809.1**
Salaries, accrual for vacation and social charges	85.4	78.6	88.5
Trade accounts payable	93.6	88.0	88.9
Tax obligations	25.2	38.6	32.3
Financings	74.5	286.8	491.9
Other liabilities	83.6	59.0	67.7
Provisions	40.7	41.1	40.0
Non current liabilities	**650.5**	**426.3**	**414.6**
Financings	413.8	201.7	206.4
Other liabilities	22.0	22.8	56.7
Diferred taxes	60.8	43.3	8.7
Provisions	154.0	158.4	142.8
Consolidated shareholder's equity	**1,374.3**	**1,352.4**	**1,339.5**
Stock capital	966.3	966.3	966.3
Income reserves	273.3	263.2	254.3
Proposed dividends	-	45.0	20.0
Other comprehensive income	53.3	79.7	93.7
Accumulated conversion adjustments	(7.0)	(5.0)	(5.8)
Minority	(1.4)	3.3	11.1

2013 RESULTS

MAHLE
Driven by performance

INCOME STATEMENT (CONSOLIDATED)				
	As of Dec/31/2013	As of Dec/31/2012	Var.	As of Dec/31/2011
Net sales revenue	**2,393.8**	**2,292.2**	**4.4%**	**2,316.9**
Cost of goods sold and services rendered	(1,731.5)	(1,696.6)	2.1%	(1,755.8)
Gross income	**662.2**	**595.6**	**11.2%**	**561.0**
Operating income (expenses)	**(350.9)**	**(327.1)**	**7.3%**	**(311.6)**
Selling expenses	(164.7)	(154.6)	6.5%	(150.9)
General and administrative expenses	(103.7)	(104.2)	-0.4%	(92.3)
Tech and product development expenses	(73.1)	(67.4)	8.4%	(72.8)
Other operating income	97.7	61.8	58.2%	136.1
Other operating expenses	(107.1)	(62.7)	70.8%	(131.7)
Results before financial revenues and expenses	**311.4**	**268.4**	**16.0%**	**249.4**
Financial revenues	117.7	95.7	22.9%	132.2
Financial expenses	(150.5)	(123.2)	22.1%	(130.6)
Income and social contribution taxes	**278.6**	**241.0**	**15.6%**	**251.1**
Current	(62.3)	(28.1)	122.1%	(21.1)
Deferred	(22.5)	(40.7)	-44.7%	(44.6)
Net income for the period	**193.8**	**172.3**	**12.5%**	**185.4**
For the ownership of controlling shareholders	201.5	179.2	12.5%	188.7
For the ownership of non-controlling shareholders	(7.7)	(6.9)	11.6%	(3.3)
Basic and diluted earnings per share issued in BRL	**1.57029**	**1.39643**	**12.5%**	**1.47032**

(*) Note: basic/diluted earnings per share were calculated using the same number of shares after the reverse stock split and the stock split made in May 2012.

2013 RESULTS

MAHLE
Driven by performance

STATEMENT OF CASH FLOW (CONSOLIDATED)

	As of Dec/31/2013	As of Dec/31/2012
Cash flows from operating activities		
Profot (losses) before tax	278.6	241.0
Depreciation and amortization	114.9	114.0
Interest and monetary and exchange variations, net	40.4	65.4
Losses on derivative financial instruments	4.5	(7.5)
Result on property, plant and equipment sold	0.9	(0.5)
Provision for impairment of trade receivables	(4.0)	0.3
Provision for contingencies and legal obligations	(5.2)	15.0
Provision for guarantees	7.9	9.5
Other provisions	(2.3)	(1.7)
Provision for losses with property, plant and equipment, and intangibles	29.4	4.7
Provision for losses on inventories	2.2	3.1
Variações nos ativos e passivos		
Trade accounts receivable and related parties	10.9	(33.1)
Inventories	(5.5)	25.3
Recoverable taxes	(20.0)	(14.7)
Other accounts receivable	(5.6)	(0.7)
Trade accounts payable and related parties	5.5	(32.7)
Salaries, accrual for vacation and social charges	6.8	(9.9)
Taxes and contributions payable	(14.2)	3.7
Advances from customers	1.3	(1.1)
Accounts payable to related companies	(16.1)	(22.9)
Cash Flow from operating activities	**430.5**	**357.2**
Income tax and social contribution paid	(45.1)	(18.7)
Net cash provided by (used in) operating activities	**385.4**	**338.5**
	-	-
Net Cash from Investment Activities	**(119.1)**	**(128.2)**
Additions to property, plant and equipment	(115.4)	(128.0)
Additions to intangible assets	(4.6)	(2.1)
Proceeds from sales of property, plant and equipment	0.8	1.9
Net Cash from Financing Activities	**(193.2)**	**(421.1)**
Inflow of funding	645.7	307.2
Amortization of financing-principal amounts	(636.2)	(527.3)
Amortization of financing interest	(39.2)	(41.1)
Dividends and interest on equity paid	(167.2)	(159.4)
Non-controlling interests in dividends and interest on capital	(0.1)	(0.4)
Asset value relating to the sale of a controlled	3.8	-
Increase (Decrease) in cash and cash equivalent, net	**73.1**	**(210.7)**
Cash and cash equiv. at the beginning of the period	137.1	343.0
Effects of the exchange rates variation on cash and cash equivalents	10.7	4.8
Cash and cash equiv. at the end of the period	220.9	137.1

2013 RESULTS

MAHLE

Driven by performance

Summary P&L (R$ million)	2013	2012	%	1Q13	2Q13	3Q13	4Q13	1Q12	2Q12	3Q12	4Q12	%
Operational Performance	(a)	(b)	(a/b)				(c)				(d)	(c/d)
Net sales revenue	**2,393.8**	**2,292.2**	**4.4%**	**544.7**	**638.0**	**640.7**	**570.4**	**569.5**	**582.1**	**583.8**	**556.9**	**2.4%**
Cost of goods sold	(1,731.6)	(1,696.6)	2.1%	(405.0)	(456.3)	(439.8)	(430.4)	(435.2)	(441.6)	(412.8)	(407.1)	5.7%
Gross income	**662.2**	**595.6**	**11.2%**	**139.7**	**181.7**	**200.9**	**140.0**	**134.3**	**140.5**	**171.0**	**149.8**	**-6.5%**
Selling expenses	(164.7)	(154.6)	6.5%	(37.7)	(46.4)	(40.8)	(39.7)	(35.7)	(39.5)	(38.8)	(40.7)	-2.5%
General and administrative expenses	(103.7)	(104.2)	-0.5%	(25.6)	(25.2)	(25.0)	(27.8)	(24.3)	(29.8)	(25.3)	(24.8)	12.1%
Tech and product development expenses	(73.1)	(67.4)	8.5%	(16.7)	(17.9)	(17.0)	(21.4)	(15.3)	(16.9)	(16.8)	(18.4)	16.3%
Other operating income (expenses)	(9.4)	(0.9)	944.4%	5.7	(4.1)	(2.5)	(8.5)	(3.4)	(2.5)	(1.0)	6.0	-241.7%
Financial income (expenses), net	(32.8)	(27.5)	19.3%	(12.1)	(10.0)	(5.6)	(5.2)	(3.0)	(3.9)	(11.3)	(9.3)	-43.8%
Operating income	**278.5**	**241.0**	**15.6%**	**53.2**	**78.1**	**109.9**	**37.4**	**52.5**	**48.0**	**77.8**	**62.6**	**-40.3%**
Net income	**201.5**	**179.2**	**12.4%**	**36.5**	**55.0**	**78.7**	**31.3**	**35.5**	**36.8**	**55.0**	**51.8**	**-39.6%**
EBITDA (according to the SEC Instruction 527/2012)	**426.2**	**382.5**	**11.4%**	**93.2**	**115.4**	**143.0**	**74.7**	**84.7**	**80.3**	**117.7**	**99.8**	**-25.2%**
Adjusted EBITDA	**455.2**	**387.0**	**17.6%**	**93.2**	**115.4**	**143.0**	**103.7**	**84.7**	**84.8**	**117.7**	**99.8**	**3.9%**
Margins:												
Gross margin	27.7%	26.0%	1.7 p.p.	25.7%	28.5%	31.4%	24.5%	23.6%	24.1%	29.3%	26.9%	-2.4 p.p.
Operating margin	11.6%	10.5%	1.1 p.p.	9.8%	12.2%	17.1%	6.6%	9.2%	8.2%	13.3%	11.2%	-4.6 p.p.
Net margin	8.4%	7.8%	0.6 p.p.	6.7%	8.6%	12.3%	5.5%	6.2%	6.3%	9.4%	9.3%	-3.8 p.p.
EBITDA margin (according to the SEC Instruction 527/2012)	17.8%	16.7%	1.1 p.p.	17.1%	18.1%	22.3%	13.1%	14.9%	13.8%	20.2%	17.9%	-4.8 p.p.
Adjusted EBITDA margin	19.0%	16.9%	2.1 p.p.	17.1%	18.1%	22.3%	18.2%	14.9%	14.6%	20.2%	17.9%	0.3 p.p.
SG&A expenses to Net sales revenue	11.2%	11.3%	-0.1 p.p.	11.6%	11.2%	10.3%	11.8%	10.5%	11.9%	11.0%	11.8%	0 p.p.
Operating income	**278.5**	**241.0**		**53.2**	**78.1**	**109.9**	**37.4**	**52.5**	**48.0**	**77.8**	**62.6**	
Financial income (expenses), net	32.8	27.5		12.1	10.0	5.6	5.2	3.0	3.9	11.3	9.3	
Impairment	29.0	4.5		-	-		29.0	-	4.5	-		
Depreciation	90.3	82.0		21.4	21.5	21.5	25.9	20.3	20.3	20.5	20.9	
Deemed cost depreciation	24.6	32.0		6.5	5.9	6.0	6.2	8.9	8.1	8.1	7.0	
EBITDA (according to the SEC Instruction 527/2012)	**426.2**	**382.5**		**93.2**	**115.4**	**143.0**	**74.7**	**84.7**	**80.3**	**117.7**	**99.8**	
Adjusted EBITDA	**455.2**	**387.0**		**93.2**	**115.4**	**143.0**	**103.7**	**84.7**	**84.8**	**117.7**	**99.8**	