

MAHLE and BEHR sign share agreement

Stuttgart, July 26, 2010—The two large Stuttgart automotive suppliers MAHLE and BEHR have agreed that MAHLE will take over shares in BEHR in several stages.

The two first stages of the participation will be covered by a unilateral capital increase by MAHLE. In the first stage (2010) MAHLE will take on 19.9 percent of shares; in the second stage, at the beginning of 2011, the participation will be increased to 36.85 percent. The contract also provides that MAHLE can purchase additional shares from the current shareholders by exercising a call option starting in 2013, and can thereby take over the majority of BEHR. It also provides current BEHR shareholders with the potential to then sell their shares to MAHLE in several steps over a period of ten years.

MAHLE's participation in BEHR is subject to approval by the responsible antitrust authorities. The Supervisory boards of the companies involved have already approved the share agreement.

Prof. Dr. Heinz Junker, Chairman of the Management Board of the MAHLE Group, explains: "MAHLE's participation in BEHR opens up significant additional potential for the future of both companies in the market for complete systems solutions for the power train of modern passenger cars and commercial vehicles. The product portfolios complement each other and fit together excellently. Examples include complete exhaust gas recirculation modules and intake systems with integrated charge air coolers. In addition, the subject of 'efficient thermal management,' including heating and cooling, is particularly significant for new generations of vehicles, as fuel consumption and CO₂ emissions are further reduced. This can also be seen in conjunction with the increasing significance of alternative drive systems, from hybrids to vehicles with purely electric or fuel cell drive systems. In the medium term, therefore,

we see a combined potential sales volume of 10 billion euros for MAHLE and BEHR, coupled with a sustained positive return on sales.” Junker continues: “We assume that we will be able to generate the infusion of equity from our free cash flow in the first two stages. Technologically, BEHR already has a leading position. After the closing, we will quickly begin to determine in joint working groups the potential for synergies in products and markets for the significantly complementary product divisions, as well as potential synergies in other functions of the companies. We want to work on par with each other in order to find best practice solutions and set benchmarks. Simple industrial logic brought us to this step, and opens up great opportunities for our future, allowing us to play in the top league of the automotive supplier industry.”

Horst Geidel, Chairman of the BEHR Supervisory Board, accentuates: “The share concept with MAHLE combines two goals in an ideal manner: it stabilizes BEHR on the capital side, with an increase in equity to over 20 percent, and it provides a long-term path to a new corporate structure. The two companies are combining their strengths and securing their position in the group of global leading automotive suppliers. The BEHR family shareholders, as well as BWK, have approved the concept and see it as an excellent prerequisite for successful development of the company.”

Dr. Markus Flik, Chairman of the BEHR Management Board, explains: “The cooperation with MAHLE in complementary product divisions provides additional growth potential for BEHR for engine-mounted components, such as exhaust gas and integrated charge air coolers. Together, we can calculate, design, and manufacture modules and systems more extensively for our customers in these areas. In doing so, we contribute significantly to reducing emissions and consumption in passenger cars and commercial vehicles.” He emphasizes: “As planned, we will implement our current restructuring program across the board in order to secure the turnaround that is developing, and to obtain further potential profits. This gives us a good starting position for our cooperation with MAHLE.”

After official regulatory approvals, which are expected in about two to three months, it is planned that MAHLE's Managing Director Prof. Dr. Heinz Junker and Dr. Bernhard Volkmann will be appointed as new members of the BEHR Supervisory Board.

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The MAHLE Group is one of the 30 largest companies in the automotive supply industry worldwide. With its two business units Engine Systems and Components and Filtration and Engine Peripherals, MAHLE ranks among the top three systems suppliers worldwide for piston systems, cylinder components, as well as valve train, air management, and liquid management systems. The newly formed MAHLE Industry business unit bundles the MAHLE Group's industrial activities. These include the areas of large engines, industrial filtration, as well as cooling and air-conditioning systems. In 2009, the MAHLE Group generated sales of approximately EUR 3.9 billion; around 43,000 employees work at over 100 production plants and eight research and development centers.

More information at www.mahle.com

BEHR GmbH & Co. KG, Stuttgart, is a systems partner for the international automobile industry. A specialist for automotive air conditioning and engine cooling systems, the BEHR Group is one of the world's leading manufacturers and suppliers of original equipment for passenger and commercial vehicles. Group sales in the 2009 business year came to around 2.5 billion euros. BEHR employs approximately 16,000 staff at 17 development locations, 28 production sites, and 12 joint ventures worldwide.

More information at www.behrgroup.com