

BALANCE SHEET OF THE MAHLE GROUP as at December 31, 2007

Assets

in EUR '000

		Dec. 31, 2007	Dec. 31, 2006
Fixed assets			
Intangible assets			
Industrial rights and similar rights	24,386		14,533
Goodwill	225,324		115,629
Advance payments	651		696
	250,361		130,858
Property, plant and equipment			
Land, leasehold rights and buildings including buildings on third-party land	464,051		411,097
Technical equipment and machinery	800,666		675,209
Other equipment, fixtures and furniture	64,013		66,273
Advance payments and assets under construction	101,067		82,592
	1,429,797		1,235,171
Financial assets			
Shares in affiliated enterprises	3,210		1,456
Shares in associated enterprises	1,515		918
Other equity investments	1,672		1,584
Long-term investments	12,487		10,397
Other loans	985		1,097
	19,869		15,452
		1,700,027	1,381,481
Current assets			
Inventories			
Raw materials and supplies	183,637		133,094
Work in process	162,163		131,610
Finished goods and merchandise	316,946		219,094
Advance payments	13,397		5,318
	676,143		489,116
Accounts receivable and other assets			
Trade receivables	767,260		725,162
Receivables from affiliated enterprises	191		432
Receivables from enterprises in which investments are held	2,236		1,476
Other assets	160,341		99,746
Deferred tax assets	133,801		86,537
	1,063,829		913,353
Marketable securities		51,271	76,880
Cash on hand and at banks		228,228	406,478
		2,019,471	1,885,827
Prepaid expenses		21,268	9,445
		3,740,766	3,276,753

Equity and liabilities

in EUR '000

		Dec. 31, 2007	Dec. 31, 2006
Equity			
Subscribed capital	150,000		150,000
Capital reserves	166,430		166,430
Revenue reserves	1,134,057		958,585
Unappropriated retained earnings	7,081		6,011
Minority interests	80,723		82,457
		1,538,291	1,363,483
Accruals			
Accruals for pensions and similar obligations	372,407		354,496
Accruals for current taxes	67,654		31,632
Accruals for deferred taxes	67,565		47,484
Other accruals	629,995		449,166
		1,137,621	882,778
Liabilities			
Liabilities to banks	441,382		554,432
Advance payments received on account of orders	5,920		2,254
Trade payables	490,785		378,482
Liabilities on bills accepted and drawn	3,216		2,450
Payables to affiliated enterprises	445		881
Payables to enterprises in which investments are held	3,883		3,988
Other liabilities	117,187		84,735
Taxes:	29,020 (previous year 22,142)		
Relating to social security and similar obligations:	20,662 (previous year 15,328)		
		1,062,818	1,027,222
Deferred income		2,036	3,270
		3,740,766	3,276,753

Development of fixed assets of the MAHLE Group

in EUR '000	Accumulated acquisition or production cost as at Jan. 1, 2007	Changes in the Group	Additions in business year 2007	Write-ups in business year 2007	Disposals in business year 2007	Transfers in business year 2007	Accumulated depreciation and amortization	Net book value as at Dec. 31, 2007	Depreciation and amortization expense in business year 2007
Intangible assets									
Trademarks and similar rights	66,467	6,105	11,087	–	824	542	58,991	24,386	8,145
Goodwill	312,203	–	153,221	–	12,767	–	227,333	225,324	33,971
Advance payments	694	–	104	–	–	–147	–	651	–
	379,364	6,105	164,412	–	13,591	395	286,324	250,361	42,116
Property, plant and equipment									
Land, leasehold rights and buildings including buildings on third-party land	782,164	59,277	22,225	–	11,008	13,843	402,450	464,051	24,931
Technical equipment and machinery	2,644,042	78,250	150,068	68	85,985	208,357	2,194,134	800,666	190,231
Other equipment, fixtures and furniture	364,306	4,434	24,073	–	13,975	–118,384	196,441	64,013	25,269
Advance payments, assets under construction	79,678	18,358	112,358	–	3,585	–104,211	1,531	101,067	61
	3,870,190	160,319	308,724	68	114,553	–395	2,794,556	1,429,797	240,492
Financial assets									
Shares in affiliated enterprises	5,237	–	2,101	–	298	–	3,830	3,210	–
Shares in associated enterprises	6,025	15,279	–	598	15,279	–	5,108	1,515	–
Other equity investments	1,556	–	117	–	1	–	–	1,672	–
Loans to enterprises in which participations are held	–	3,648	–	–	3,648	–	–	–	–
Long-term investments	11,180	–	5,723	–	3,462	–	954	12,487	216
Other loans	2,757	–	156	–	239	–	1,689	985	1
	26,755	18,927	8,097	598	22,927	–	11,581	19,869	217
	4,276,309	185,351	481,233	666	151,071	–	3,092,461	1,700,027	282,825

INCOME STATEMENT OF THE MAHLE GROUP from January 1 to December 31, 2007

in EUR '000		2007	2006
Sales		5,060,445	4,314,020
Cost of sales	– 3,935,054		– 3,324,752
Gross profit on sales		1,125,391	989,268
Selling expenses	– 284,604		– 221,181
General administrative expenses	– 234,040		– 197,781
Research and development expenses	– 277,670		– 241,618
Other operating income	121,535		141,514
Other operating expenses	– 101,822		– 151,087
		– 776,601	– 670,153
Investment income		604	123
From associated enterprises:	600 (previous year 85)		
Income from other investments and long-term loans		131	195
Other interest and similar income		17,304	17,836
From affiliated enterprises:	2 (previous year 2)		
Amortization of financial assets and of marketable securities		– 217	– 35
Interest and similar expenses		– 58,481	– 42,609
To affiliated enterprises:	2 (previous year 6)		
Income from ordinary business activities		308,131	294,625
Taxes on income		– 66,886	– 91,053
Other taxes		– 18,196	– 11,760
Net income for the year		223,049	191,812
Profit applicable to minority shareholders:	21,403 (previous year 22,079)		
Loss applicable to minority shareholders:	45 (previous year 543)		