

*(Convenience Translation into English from the
Original Previously Issued in Portuguese)*

MAHLE METAL LEVE S.A.

*Quarterly Financial Statements
for the Quarter Ended March 31, 2007 and
Independent Auditors' Review Report*

Balance Sheet – Assets (in Thousand Brazilian Reais)

Description	31/Mar/07	31/Dec/06
Total of Assets	1,154,887	965,948
Current Assets	594,058	495,157
Cash Equivalents	91,941	93,962
Cash and Banks (Note 4)	27,528	9,508
Financial Applications (Note 4)	64,413	84,454
Credits	334,997	266,332
Clients	293,269	226,226
Receivables - Clients (Note 5)	153,705	145,492
Receivables - Related Parties (Note 8)	159,421	157,976
Provision for doubtful accounts	-6,279	-6,289
Discounted exchange variations	-13,578	-70,953
Credits - Misc.	41,728	40,106
Recoverable Taxes (Note 7)	32,276	34,356
Deferred Tax Return and Social Contribution (Note 9.c)	9,452	5,750
Inventories	150,797	128,516
Other	16,323	6,347
Non Current Assets	560,829	470,791
Long Term Assets	56,567	59,859
Credits - Misc.	0	0
Related Party Credits	0	0
With affiliated and associated companies	0	0
With controlled companies	0	0
With other related parties	0	0
Other	56,567	59,859
Deferred Tax Return and Social Contribution (Note 9.c)	41,514	43,739
Recoverable Taxes (Note 7)	13,863	14,938
Other Receivables	1,190	1,182
Fixed Assets	504,262	410,932
Investments	119,281	27,350
Shareholdings - Affiliates/Associated Companies	0	0
Shareholdings - Affiliates/Associated Companies - Premium	0	0
Shareholdings - Controlled Companies	53,994	26,979
Shareholdings - Controlled Companies - Premium	64,916	0
Other Investments	371	371
Property, Plant and Equipment	353,612	345,422
Intangible Assets	7,070	7,790
Deferred	24,299	30,370

Balance Sheet – Liabilities (in Thousand Brazilian Reais)

Description	31/Mar/07	31/Dec/06
Total of Liabilities	1,154,887	965,948
Current Liabilities	434,443	416,798
Loans and Financings	228,351	210,769
Debentures	0	0
Service Providers	61,220	52,203
Taxes, Fees and Contributions	4,058	4,415
Payable Dividends	20,165	41,804
Proposed Dividends	20,000	20,000
Interest on Own Capital	165	21,804
Provisions	46,813	41,501
Provisions for vacation and 13th salary (Note 16)	26,191	20,508
Provisions - Misc. (Note 17)	20,622	20,993
Debts with Related Parties	21,558	21,289
Other	52,278	44,817
Labor Liabilities (Note 16)	23,106	22,395
Advances from Clients	1,057	2,256
Other Liabilities	28,115	20,166
Non Current Liabilities	256,686	106,086
Long Term Liabilities	256,686	106,086
Loans and Financings	168,556	19,240
Debentures	0	0
Provisions	86,061	86,314
Provisions for contingencies (Note 19)	81,900	80,023
Provisions for guarantees (Note 18)	4,161	4,152
Provision for overdraft liabilities contr.	0	2,139
Debts with Related Parties	13	0
Advance for future capital increase	0	0
Other	2,056	532
Income from Future Years	0	0
Shareholder's Equity	463,758	443,064
Realized Capital Stock	352,755	352,755
Capital Reserves	0	0
Reassessment Reserves	0	0
Own Assets	0	0
Controlled, Affiliates and Associated Companies	0	0
Profit Reserves	91,356	90,309
Legal Reserves	46,508	45,461
Statutory Reserves	0	0
Contingency Reserves	0	0
Realizable Profit Reserves	0	0
Retention of Profits	0	0
Special Reserve for Non Distributed Dividends	0	0
Other Profit Reserves	44,848	44,848
Reserves for expansion and modernization	44,848	44,848
Accumulated Profits/Losses	19,647	0
Advance for future capital increase	0	0

Income Statement (in Thousand Brazilian Reais)

Description	01/Jan/07 to 31/Mar/07	01/Jan/06 to 31/Dec/06
Gross income from sales and/or products	409,830	403,768
Deductions from gross income	-64,779	-67,850
Net income from sales and/or products	345,051	335,918
Cost of sold goods and/or services	-267,001	-255,188
Gross Income	78,050	80,730
Operating Expenses/Income	-50,463	-48,737
With sales	-19,453	-19,799
General and administrative	-24,825	-20,613
Management fees	-1,055	-986
Administrative expenses	-23,770	-19,627
Financial	-7,608	-6,439
Financial Income	23,893	11,622
Financial Expense	-31,501	-18,061
Other Operating Income	2,541	2,414
Other Operating Expense	-9,762	-10,669
Expenses with technology and development	7,060	-7,299
Other operating expense	-2,702	-3,370
Income from equity method	8,644	6,369
Equity Method (Note 10)	6,505	1,939
Reversal of desv. of perm. shareholdings (Note 10)	2,139	4,430
Operating Income	27,587	31,993
Non Operating Income	325	129
Income	325	129
Expenses	0	0
Profit before income tax/interest	27,912	32,122
Provision for Tax Return and Social Contribution	-8,646	-11,127
Deferred income tax	1,354	2,665
Statutory shareholdings/contributions	0	0
Shareholdings	0	0
Contributions	0	0
Reversal of Interest on Own Capital	0	0
Profit/Loss for the Period	20,620	23,660
Shares, non treasury (thousand)	30,454	30,4540
Profit per share (Brazilian reais)	0,67709	0,77691
Losses per share (Brazilian reais)	-	-

Balance Sheet – Consolidated Assets (in Thousand Brazilian Reais)

Description	31/Mar/07	31/Dec/06
Total of Assets	1,252,824	1,008,509
Current Assets	695,003	543,697
Cash Equivalents	117,362	113,058
Cash and Banks (Note 4)	37,150	16,767
Financial Applications (Note 4)	80,212	96,291
Credits	357,759	267,407
Clients	310,066	226,989
Receivables - Clients (Note 5)	218,582	197,777
Receivables - Related Parties (Note 8)	111,834	106,840
Provision for doubtful accounts	-6,772	-6,675
Discounted exchange variations	-13,578	-70,953
Credits - Misc.	47,693	40,418
Recoverable Taxes (Note 7)	37,755	34,376
Deferred Tax Return and Social Contribution (Note 9.c)	9,938	6,042
Inventories	194,243	156,588
Other	25,639	6,644
Non Current Assets	557,821	464,812
Long Term Assets	58,310	61,600
Credits - Misc.	0	0
Related Party Credits	0	0
With affiliated and associated companies	0	0
With controlled companies	0	0
With other related parties	0	0
Other	58,310	61,600
Deferred Tax Return and Social Contribution (Note 9.c)	42,366	44,670
Recoverable Taxes (Note 7)	14,629	15,623
Other Receivables	1,315	1,307
Fixed Assets	499,511	403,212
Investments	69,114	371
Shareholdings - Affiliates/Associated Companies	0	0
Shareholdings - Affiliates/Associated Companies - Premium	0	0
Shareholdings - Controlled Companies	0	0
Shareholdings - Controlled Companies - Premium	68,743	0
Other Investments	371	371
Property, Plant and Equipment	398,567	364,324
Intangible Assets	7,531	8,147
Deferred	24,299	30,370

Balance Sheet – Consolidated Liabilities (in Thousand Brazilian Reais)

Description	31/Mar/07	31/Dec/06
Total of Liabilities	1,252,824	1,008,509
Current Liabilities	511,691	444,443
Loans and Financings	257,514	211,672
Debentures	0	0
Service Providers	83,170	55,334
Taxes, Fees and Contributions	8,742	5,388
Payable Dividends	22,095	43,812
Proposed Dividends	21,930	20,000
Interest on Own Capital	165	23,812
Provisions	56,720	49,459
Provisions for vacation and 13th salary (Note 16)	28,969	22,307
Provisions - Misc. (Note 17)	26,729	27,152
Provision for Tax Return and Social Contribution	1,022	0
Debts with Related Parties	26,896	31,148
Other	56,554	47,630
Labor Liabilities (Note 16)	26,033	23,586
Advances from Clients	1,125	2,292
Other Liabilities	29,396	21,752
Non Current Liabilities	264,800	109,440
Long Term Liabilities	264,800	109,440
Loans and Financings	171,473	23,407
Debentures	0	0
Provisions	91,186	85,428
Provisions for contingencies (Note 19)	86,988	81,276
Provisions for guarantees (Note 18)	4,198	4,152
Debts with Related Parties	13	0
Advance for future capital increase	0	0
Other	2,128	605
Income from Future Years	0	0
Shareholdings - Minority Interest	12,575	11,562
Shareholder's Equity	463,758	443,064
Realized Capital Stock	352,755	352,755
Capital Reserves	0	0
Reassessment Reserves	0	0
Own Assets	0	0
Controlled, Affiliates and Associated Companies	0	0
Profit Reserves	91,356	90,309
Legal Reserves	46,508	45,461
Statutory Reserves	0	0
Contingency Reserves	0	0
Realizable Profit Reserves	0	0
Retention of Profits	0	0
Special Reserve for Non Distributed Dividends	0	0
Other Profit Reserves	44,848	44,848
Reserves for expansion and modernization	44,848	44,848
Accumulated Profits/Losses	19,647	0
Advance for future capital increase	0	0

Consolidated Income Statement (in Thousand Brazilian Reais)

Description	01/Jan/07 to 31/Mar/07	01/Jan/06 to 31/Mar/06
Gross income from sales and/or products	459,435	437,931
Deductions from gross income	-75,370	-74,495
Net income from sales and/or products	384,065	363,436
Cost of sold goods and/or services	-287,577	-271,177
Gross Income	96,488	92,259
Operating Expenses/Income	-66,214	-57,998
With sales	-23,615	-22,219
General and administrative	-25,299	-21,595
Management fees	-1,055	-986
Administrative expenses	-24,244	-20,609
Financial	-7,947	-6,348
Financial Income	24,819	12,661
Financial Expense	-32,766	-19,009
Other Operating Income	2,541	2,414
Other Operating Expense	-11,894	-10,250
Expenses with technology and development	-8,776	-8,037
Other operating expense	-3,118	-2,213
Income from equity method	0	0
Operating Income	30,274	34,261
Non Operating Income	439	137
Income	439	137
Expenses	0	0
Income before income tax/interest	30,713	34,398
Provision for Tax Return and Social Contribution	-10,540	-12,631
Deferred income tax	1,459	2,724
Statutory shareholdings/contributions	0	0
Shareholdings	0	0
Contributions	0	0
Reversal of Interest on Own Capital	0	0
Shareholdings - Minority Interest	-1,012	-831
Profit/Loss for the Period	20,620	23,660
Shares, non treasury (thousand)	30,454	30,454
Profit per share (Brazilian reais)	0,67709	0,77691
Losses per share (Brazilian reais)	-	-

Notes

(In Thousand Brazilian Reais)

1. Operations

The Company's main purpose is the research, development, manufacturing and marketing, both locally and abroad, of components and accessories for internal-combustion engines, which are sold to several industries and segments, such as assembly plants (automobiles, trucks, tractors, etc.), aftermarket, aviation engine industry, stationary engines, and others.

The products manufactured by the Company are: pistons, piston pins, camshafts, bushings, sleeves, valve filters, valve rockers, connecting rods, ring-holders, valve guides, valve seats, cylinder liners and filters.

Other activities are developed through subsidiary companies, including the production of sintered metal components, and valves for combustion engines as well as the sale of products and technical assistance services in the international market.

On 9 March 2007 Company acquired operating net assets with respect to unit of Bronzines from Dana Indústria Ltda., located in the City of Gravataí, State of Rio Grande do Sul, offered in a public auction before the American authority for US\$1,5 million, equivalent to R\$3.135.

On 20 March 2007 Company and its wholly subsidiary MAHLE Metal Leve GmbH acquired all shares (1,400,000 common shares) owned by Graceland Limited Holding LLC., organized pursuant to the laws of Delaware, USA, and Dinansen Inversora S.A., organized pursuant to the laws of Argentina in Establecimientos Metalúrgicos Edival S.A., with head offices in the City of Rafaela, Argentina, at Av. Santa Fé, 2350, in order to introduce products developed by Edival (valves for combustion engines) to the variety of products offered by Company, domestically and internationally, for the amount of US\$41.2 million. Of this amount US\$ 39.1 million, or R\$ 81,826, refer to the company, creating a premium of R\$64,916, based on the business future profitability.

2. Basis of Preparation and Presentation of Financial Statements

Third-month information are the responsibility of the Company's management and were prepared in compliance with the provisions of Brazil's Corporation Law and standards of the Brazilian Securities Commission - CVM. Such practices and rules are consistent to the ones used and disclosed on financial statements as of 31 December 2006.

The preparation of the Third-month information involves the use of accounting estimates. These accounting estimates were established by objective and subjective factors based on the Company management's judgment for determining the adequate amounts to be recorded in the Third-month information. Estimates and premises are used in the selection of useful lives and recoverability of property, plant and equipment, and the analysis of transactions recovery and credit risk analysis in determining the allowance for doubtful accounts, as well as analysis of other risks in determining other provisions, including provisions for contingencies and warranties, measurement of financial instruments and other assets and liabilities at balance sheet date.

The settlement of transactions involving such estimates may differ significantly from those estimates recorded in the Third-month information, given the lack of precision inherent in the estimation process. The Company reviews its estimates and assumptions at least quarterly.

Assets and liabilities are classified under "current" whenever their realization or settlement is likely to occur within the following twelve months. Otherwise, they are stated as "non current". Monetary assets and liabilities denominated in foreign currency were converted into Brazilian reais at the foreign exchange rate in force at the balance sheet closing date. Currency translation adjustments were recognized in the income statement.

In order to improve the information provided to the market, the Company is also presenting the statements of cash flows as additional information, prepared in accordance with Accounting Standard and Procedure NPC No. 20, of IBRACON (Brazilian Institute of Independent Auditors), considering the main operations that affected the Company's and subsidiaries' cash and cash equivalents. Such statements are divided into operating, investing and financing activities.

Comparative third-month information with respect to the previous year was reclassified in some items in order to be suitable with respect to third-month information for 31 March 2007.

The quarterly information on March 31, 2007 include net assets of the bearings facilities acquired from Dana Industrial Ltda., for R\$ 3,135 and the financial information of the controlled company Etablecimientos Metalurgicos Edival S.A., acquired on March 20, 2007, as mentioned above. The results of the quarter ended on March 31, 2007, parent company and consolidated, are not substantially affected by the results of the controlled company Etablecimientos Metalurgicos Edival S.A.

3. Summary of the Main Accounting Practices

The main accounting practices adopted in the preparation of third-month information are consistent to information disclosed in financial statements as of 31 December 2006.

a) Consolidation

Consolidated third-month information has been prepared according to the basic principles of consolidation established by Brazil's Corporation Law and standards of the Securities Commission and they contemplate the elimination of investments proportionally to the parent company's interest in shareholders' equity of subsidiaries, of the asset and liability accounts, unrealized income from inventories, and of income and expenses among consolidated companies. Minority interest is disclosed in the balance sheet and in the consolidated income statement.

Consolidated companies are presented as follows:

	Interest on total capital (%)			
	1Q07		1Q06	
	Direct	Indirect	Direct	Indirect
MAHLE Metal Leve Miba Sinterizados Ltda.	70	-	70	-
Establecimientos Metalúrgicos Edival S.A	95	5	-	-
MAHLE Metal Leve GmbH (abroad)	100	-	100	-
MAHLE Metal Leve International NV (abroad)	-	100	-	100

4. Cash and Cash Equivalents

	Parent Company		Consolidated	
	31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
Cash and banks	27,528	9,508	37,150	16,767
Financial applications	64,413	84,454	80,212	96,291
	91,941	93,962	117,362	113,058

Financial applications substantially refer to Bank Deposit Certificates, bearing interest at rates that varying from 100% to 100,6% of the Interbank Deposit Certificates - CDI.

5. Trade Accounts Receivable

	Parent Company		Consolidated	
	31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
Market				
Domestic	113,122	104,904	128,738	115,859
Foreign	40,583	40,588	89,844	81,918
	153,705	145,492	218,582	197,777

6. Inventories

	Parent Company		Consolidated	
	31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
Finished products	60,375	48,397	82,491	60,069
Work-in-progress	65,371	60,420	69,675	63,214
Raw materials	18,980	17,661	25,409	18,763
Ancillary materials	9,516	9,458	11,245	10,724
Imports in transit	5,389	2,506	20,584	14,099
Provision for inventory losses	-8,834	-9,926	-15,161	-10,281
	150,797	128,516	194,243	156,588

7. Recoverable Taxes

	Parent Company		Consolidated	
	31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
Income and social contribution taxes (Note 9)	5.909	8.517	8.056	6.924
Income tax on financial applications	1.114	3.474	1.193	3.793
Income and social contribution taxes on services provided	160	596	160	597
ICMS on acquisition of fixed assets	15.811	16.368	16.699	17.171
ICMS and IPI tax	9.463	6.408	11.378	6.821
PIS tax	2.048	2.068	2.162	2.190
COFINS tax	9.324	9.514	9.850	10.077
Other taxes	2.310	2.349	2.886	2.426
	46.139	49.294	52.384	49.999
Current	-32.276	-34.356	-37.755	-34.376
Non Current	13.863	14.938	14.629	15.623

ICMS on acquisitions of fixed assets will be recovered at 1/48th per month.

8. Related Parties

Companies	Balances 31/Mar/07		Parent Company (2007)							
	Current Assets	Current Liabilities	Sales/Income					Purchases		
			Products	Services	Commissions	Products	Services	Fixed Assets	Commissions	Royalties
MAHLE Metal Leve Miba Sinterizados Ltda.	233	182	-	631	-	1,116	-	-	-	-
MAHLE Componentes de Motores do Brasil Ltda.	1,968	10,668	100	4,076	1,262	22,592	440	-	-	-
MAHLE Indústria e Comércio Ltda.	-	39	-	-	-	-	-	-	-	-
MAHLE Componentes de Motores S.A.	1,135	-	262	-	-	-	-	-	-	-
MAHLE S.A. de Argentina	7,490	-	4,696	-	-	138	-	-	-	-
MAHLE S.A. Espanha	-	-	-	-	-	-	-	-	-	-
MAHLE Pistoni Itália SpA	-	-	-	-	-	64	-	-	-	-
MAHLE GmbH	623	6,110	752	-	-	2,715	-	972	-	3,411
MAHLE France SARL	221	-	221	-	-	-	-	-	-	-
MAHLE Filtersysteme	1,208	1,310	886	-	-	841	-	-	-	-
MAHLE Filter Systems North America, Inc.	50	-	-	-	-	-	-	-	-	-
MAHLE Filter Systems Wednesbury Ltd.	-	-	-	-	-	-	-	-	5	-
MAHLE Componentes de Motor de México, S. de R.L. de C.V.	181	8	-	-	-	12	-	-	-	-
MAHLE Engine Components (Thailand) Co. Ltd.	70	-	72	-	-	-	-	-	-	-
MAHLE, Inc.	19,683	319	17,822	-	-	6	-	-	268	-
MAHLE Polska Spolka. z o.o	-	1	-	-	-	-	-	-	-	-
MAHLE Motorkomponenten Schweiz AG	-	83	-	-	-	84	-	-	-	-
MAHLE Motorkomponenten GmbH	3,951	159	3,300	-	-	228	-	-	-	-
MAHLE Motorsports, Inc.	10	-	-	-	-	-	-	-	-	-
MAHLE Technology, Inc.	1	-	-	-	-	-	-	-	-	-
MAHLE Metal Leve International NV	116,999	-	91,399	-	-	-	-	-	-	-
MAHLE Engine Components Australia Pty Ltd.	53	1	54	-	-	-	-	-	1	-

MAHLE Engine Components Japan Corporation	-	-	3	-	-	-	-	-	-	-
MAHLE Sistemas de Filtracion S.L.	-	1	-	-	-	-	-	-	1	-
MAHLE Ventiltrieb GmbH	331	710	72	-	-	2,514	-	-	-	-
MAHLE Aftermarket GmbH	1,909	1,039	2,093	-	-	367	-	-	33	-
MAHLE Bearings (Yingkou) Co., Ltd.	1,486	-	82	-	-	-	-	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	1,011	-	686	-	-	-	-	-	-	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	111	-	-	-	153	-	-	-	-
MAHLE Motorteile GmbH	25	-	-	-	-	-	-	-	-	-
MAHLE Vöcklabruck GmbH	597	-	1,229	-	-	-	-	-	-	-
MAHLE Migma Private Ltd.	-	783	-	-	-	1,166	-	-	-	-
MAHLE Trading Shangai Co., Ltd.	-	34	-	-	-	93	-	-	4	-
MAHLE Trading Japan Ltd.	-	-	-	-	-	-	-	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	145	-	-	-	-	-	-	-	-	-
MAHLE Technologies Holding (China) Co., Ltd.	41	-	-	-	-	-	-	-	-	-
Total	159,421	21,558	123,729	4,707	1,262	32,089	440	972	312	3,411

Companies	Balances 31/Dec/06		Parent Company (2006)							
	Current Assets	Current Liabilities	Sales/Income					Purchases		
			Products	Services	Commissions	Products	Services	Fixed Assets	Commissions	Royalties
MAHLE Metal Leve Miba Sinterizados Ltda.	95	20	-	560	-	305	-	-	-	-
MAHLE Componentes de Motores do Brasil Ltda.	2,444	11,061	146	3,664	1,105	24,141	222	-	-	-
MAHLE Componentes de Motores S.A.	814	-	141	-	-	-	-	-	-	-
MAHLE S.A. de Argentina	5,197	-	2,765	-	-	-	-	-	-	-
MAHLE S.A. Espanha	8	-	12	-	-	-	-	-	-	-
MAHLE Pistoni Itália SpA	70	-	2	-	-	34	-	-	-	-
MAHLE GmbH	226	5,164	69	-	-	4,278	-	117	-	3,199
MAHLE France SARL	191	-	56	-	-	-	-	-	-	-
MAHLE Filtersysteme	713	1,649	459	-	-	555	-	-	-	-
MAHLE Filter Systems North America, Inc.	-	-	-	-	-	-	-	-	-	-
MAHLE Componentes de Motor de México, S. de R.L. de C.V.	645	-	-	-	-	-	-	-	-	-
MAHLE Engine Components (Thailand) Co. Ltd.	41	-	10	-	-	-	-	-	-	-
MAHLE, Inc.	27,471	432	45,373	-	-	-	-	70	226	-
MAHLE Polska Spolka. z o.o	77	-	36	-	-	-	-	-	-	-
MAHLE Motorkomponenten Schweiz AG	-	-	-	-	-	552	-	-	-	-
MAHLE Motorkomponenten GmbH	2,836	136	-	-	-	374	-	-	-	-
MAHLE Motorsports, Inc.	39	-	-	-	-	-	-	-	-	-
MAHLE Technology, Inc.	1	-	-	-	-	-	-	-	-	-
MAHLE Metal Leve International NV	112,150	-	64,080	-	-	-	-	-	-	-
MAHLE Engine Components Australia Pty Ltd.	70	9	59	-	-	-	-	-	-	-
MAHLE Engine Components Japan Corporation	-	-	37	-	-	-	-	-	-	-
MAHLE Sistemas de Filtracion S.L.	-	2	-	-	-	-	-	-	-	-
MAHLE Ventiltrieb GmbH	267	731	-	-	-	1,243	-	-	-	-
MAHLE Aftermarket GmbH	2,037	1,344	2,277	-	-	201	-	-	31	-

MAHLE Bearings (Yingkou) Co., Ltd.	1,279	-	-	-	-	-	-	-	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	745	-	61	-	-	-	-	-	-	-	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	54	-	-	-	19	-	-	-	-	-
MAHLE Motorteile GmbH	16	-	-	-	-	-	-	-	-	-	-
MAHLE Vöcklabruck GmbH	350	-	103	-	-	-	-	-	-	-	-
MAHLE Migma Private Ltd.	-	440	-	-	-	227	-	-	-	-	-
MAHLE Trading Shanghai Co., Ltd.	-	247	-	-	-	-	-	-	-	-	-
MAHLE de México S. de R.L. de C.V.	-	-	15	-	-	-	-	-	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	151	-	9	-	-	14	-	-	-	-	-
MAHLE Technologies Holding (China) Co., Ltd.	43	-	-	-	-	-	-	-	-	-	-
Total	157,976	21,289	115,710	4,224	1,105	31,943	222	187	257	3,199	

MAHLE Powertrains Ltd.	1,893	-	1,621	-	-	-	-	-	-	-
MAHLE Ventiltrieb GmbH	331	710	72	-	-	2,514	-	-	-	-
MAHLE Sistemas de Filtracion S.L.	-	1	-	-	-	-	-	-	-	-
MAHLE Aftermarket GmbH	5,301	1,580	5,470	-	65	367	-	-	1	-
MAHLE Bearings (Yingkou) Co., Ltd.	1,486	62	82	-	-	-	-	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	1,011	-	685	-	-	-	-	-	-	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	110	-	-	-	153	-	-	-	-
MAHLE Motorteile GmbH	25	-	-	-	-	-	-	-	-	-
MAHLE Vöcklabruck GmbH	597	9	1,229	-	-	-	-	-	-	-
MAHLE Migma Private Ltd.	-	783	-	-	-	1,166	-	-	-	-
MAHLE Trading Shangai Co., Ltd.	4	34	-	-	-	93	-	-	4	-
MAHLE Trading Japan Ltd.	-	-	-	-	-	-	-	-	-	-
MAHLE International GmbH	-	6	-	-	-	-	-	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	146	-	-	-	-	-	-	-	-	-
MAHLE Technologies Holding (China) Co., Ltd.	41	-	-	-	-	-	-	-	-	-
Total	111,834	26,896	89,967	4,090	1,327	30,985	440	972	291	3,411

MAHLE Aftermarket GmbH	4,448	2,723	5,830	-	-	201	-	-	31	-
MAHLE Bearings (Yingkou) Co., Ltd.	1,279	64	-	-	-	-	-	-	-	-
MAHLE Engine Components (Nanjing) Co., Ltd.	745	-	61	-	-	-	-	-	-	-
MAHLE Donghyun Filter Systems Co., Ltd.	-	54	-	-	-	19	-	-	-	-
MAHLE Motorteile GmbH	16	-	-	-	-	-	-	-	-	-
MAHLE Vöcklabruck GmbH	350	-	103	-	-	-	-	-	-	-
MAHLE Migma Private Ltd.	-	440	-	-	-	227	-	-	-	-
MAHLE Trading Shanghai Co., Ltd.	-	1,078	-	-	-	-	-	-	-	-
MAHLE Trading Japan Ltd.	-	-	-	-	-	-	-	-	-	-
MAHLE International GmbH	-	39	-	-	-	-	-	-	-	-
MAHLE Engine Components (Chongqing) Co., Ltd.	151	-	9	-	-	14	-	-	-	-
MAHLE Technologies Holding (China) Co., Ltd.	43	-	-	-	-	-	-	-	-	-
Total	106,840	31,148	116,836	3,664	1,105	31,638	222	187	269	3,199

Commercial transactions among related parties refer mainly to acquisition and sale of products and services directly related to operating activities and the conditions in which they are carried out are similar to those of transactions practiced with third parties.

The Company is party to an agreement for transfer of technology with its parent company in Germany, which allows Company the access to pistons manufacture technology, facilitating its penetration in the industrial market. Royalty expenses are recorded in the account Expenses with technology and development, in the amount of R\$3,618 for the year ended 31 March 2007 (R\$14,601 in 31 December 2006).

The commissions refer to services of commercial representation provided for or by related parties. Prices are computed considering profit margins usually practiced in the market in similar transactions.

9. Income and Social Contribution Taxes

Income and social contribution taxes were calculated at rates in force.

a) Reconciliation of income and social contribution tax expenses

The reconciliation of the expense calculated at nominal compound tax rates and the income and social contribution tax expense recorded in the income statement is as follows:

	Parent Company		Consolidated	
	31/Mar/07	31/Mar/06	31/Mar/07	31/Mar/06
Income before income and social contribution Taxes	27,912	32,122	30,713	34,398
Exclusion of the equity pick-up result and valuation allowance	-8,078	-6,789	-	-
Exclusion of results from subsidiaries abroad Adjusted Profit before income and social contribution taxes, adjusted	-	-	-5,717	-4,446
IRPJ and CSSL at nominal rates (34%)	19,834	25,333	24,996	29,952
Adjustments for effective rate calculation:				
Effects on permanent differences				
Transfer pricing				
Other, net	-550	-107	-569	-118
Effects on temporary differences:				
Provisions	-1,352	-2,407	-1,472	-2,329
Current income and social contribution taxes	-8,646	-11,127	-10,540	-12,631
Deferred income and social contribution taxes	1,354	2,665	1,459	2,724
Total income and social contribution taxes	-7,292	-8,462	-9,081	-9,907
Effective rate	36,8%	33,4%	36,3%	33,1%

b) Recoverable income and social contribution taxes

	Parent Company		Consolidated	
	31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
Income tax for the year	6,346	23,190	7,740	27,540
Social contribution tax for the year	2,300	8,444	2,800	10,029
	8,646	31,634	10,540	37,569
Offset against prepaid taxes and tax incentives	-14,991	-38,590	-19,032	-42,865
Social contribution tax credit on depreciation of items purchased for fixed assets	-	-1,522	-	-1,574
Other	436	-39	436	-54
Recoverable tax (Note 9)	-5,909	-8,517	-8,056	-6,924

c) Breakdown of deferred income and social contribution taxes

Deferred income and social contribution taxes have been calculated on temporarily nondeductible provisions, as follows:

	Parent Company		Consolidated	
	31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
Temporary differences				
Provision for contingencies, warranties and others	33,035	32,660	33,466	33,119
Provision for inventory losses	5,300	5,304	5,593	5,586
Allowance for doubtful accounts	1,573	1,582	1,628	1,678
Provision for losses on the realization of other assets	3,760	3,752	3,887	3,879
Commissions on sales and other temporarily nondeductible provisions	7,298	6,191	7,730	6,450
	50,966	49,489	52,304	50,712
Current	-9,452	-5,750	-9,938	-6,042
Non Current	41,514	43,739	42,366	44,670

In accordance with Company's management projections, deferred income and social contribution taxes classified under non current assets, at 31 March 2007, will be as follows:

Year	Parent Company	Consolidated
2008	7.005	7.077
2009	8.779	9.120
2010	3.544	3.593
2011	5.021	5.090
2012 – 2014	12.129	13.381
2015 – 2017	5.036	5.105
	41.514	42.366

10. Investments in Subsidiaries

Investments	31/Mar/07					31/Mar/06				
	Controlled Information			Participation		Participation			Participation	
	Shareholders'	Third-	%	In	In	Third-	Provision	Exchange	In	Third-

	Equity	Month Results		Shareholders' Equity	Month Results	Reversal	variation investment	on	Month Results
MAHLE Metal Leve Miba Sinterizados Ltda. Establecimientos Metalurgicos Edival S.A.	41,914	3,373	70.00	29,340	2,361	-	-	-	1,939
MAHLE Metal Leve GmbH	16,864	188	95.00	16,021	179	-	-527	-	-
	8,633	6,104	100.00	8,633	3,965	2,139	-39		4,430
				53,994	6,505	2,139	-566		6,369

11. Property, Plant and Equipment

	Annual depreciation rates (%)	Parent Company		Consolidated	
		31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
Land	-	7,689	7,644	8,644	8,019
Buildings and construction	4	88,820	88,636	98,087	93,989
Machinery, equipment and facilities	10-20	798,053	786,670	898,923	854,160
Furniture and fixtures	10-20	16,597	16,466	19,308	17,204
Transportation assets	20-25	15,702	16,074	18,601	17,121
Construction in progress	-	60,277	55,403	68,695	56,853
Advances to suppliers	-	13,814	5,916	14,297	7,613
	--	1,000,952	976,809	1,126,825	1,054,959
Accumulated depreciation	--	-647,340	-631,387	-728,258	-690,635
	--	353,612	345,422	398,567	364,324

Works-in-progress and advances to suppliers at 31 March 2007 and 2006 refers to assets, which are in phase of acquisition and/or installation, and various civil construction works for expansion and modernization of Company's industrial facilities, mainly in the piston and bushings segments. Projects in progress include the construction of a new Technology Center, which is expected to be completed by the end of 2007.

12. Intangible Assets

	Annual amortization rates (%)	Parent Company		Consolidated	
		31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
Software acquisition and installation expenses	20	24,731	23,671	25,239	24,447
Other	20	1,499	2,119	1,517	2,185
	--	25,870	25,790	26,846	26,632
Accumulated amortization	--	-18,800	-18,000	-19,315	-18,485
	--	7,070	7,790	7,531	8,147

13. Deferred Charges

	Annual amortization rates (%)	Parent Company		Consolidated	
		31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
Goodwill on the acquisition of the subsidiary MAHLE MMG Indústria e Comércio Ltda.	20	108,382	108,382	108,382	108,382
Goodwill on the acquisition of the subsidiary P.F.S. II Ind. e Com. de Peças Automotivas Ltda.	20	2,236	2,236	2,236	2,236
Goodwill on the acquisition of the subsidiary T.C.V. Ind. e Com. de Peças Automotivas Ltda.	20	6,674	6,674	6,674	6,674
Pre-operating projects	20	-	1,887	-	1,887
Other projects	20	4,521	4,801	4,521	4,801
		121,813	123,980	121,813	123,980
Accumulated amortization		-97,514	-93,610	-97,514	-93,610
		24,299	30,370	24,299	30,370

14. Service Providers

	Parent Company		Consolidated	
	31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
Domestic	53,320	48,335	67,548	50,415
Foreign	7,900	3,868	15,622	4,919
	61,220	52,203	83,170	55,334

15. Financing

Financial charges	Parent Company		Consolidated	
	31/mar/07	31/Dec/06	31/mar/07	31/Dec/06
Local currency				
Finame – TJLP tax variation plus annual interest of 1.0% to 4.5%	6,951	7,005	6,951	7,005
Working capital – TJLP tax variation plus annual interest of 2.5%	5,201	5,121	10,346	10,184
Working capital – TJLP tax variation plus annual interest from 5.0% to 5.5%	-	-	26,834	-
BNDES-Exim (US\$ 100 million):				
- 80% of the debit balance indexed to the TJLP tax variation plus annual interest of 2.75%	173,117	172,992	173,117	172,992
- 20% of the debit balance indexed to the exchange variation plus annual interest of 10.06%	41,501	43,297	41,501	43,297
- Swap indexed to the exchange variation plus annual interest of 4.30%	-20,413	-13,739	-20,413	-13,739
BNDES-Exim (US\$ 30 million):				
- 80% of the debit balance indexed to the TJLP tax variation plus annual interest of 2.60%	52,348	-	52,348	-
- 20% of the debit balance indexed to the exchange variation plus annual interest of 9.37%	12,504	-	12,504	-
- Swap indexed to the exchange variation plus annual interest of 4.52%	-2,387	-	-2,387	-
BNDES-Exim (US\$ 55 million):				
- 80% of the debit balance indexed to the TJLP tax variation plus annual interest of 2.95%	91,981	-	91,981	-
- 20% of the debit balance indexed to the exchange variation plus annual interest of 10.14%	22,599	-	22,599	-
- Swap indexed to the exchange variation plus annual interest of 5.50%	-521	-	-521	-
Finame – annual interest of 10.5% to 11.5%.	13,537	14,323	13,537	14,323
Other	-	1	101	8
Foreign currency				
Provision for interest on discounted withdrawals	489	1,009	489	1,009
	396,907	230,009	428,987	235,079
Current	-228,351	-210,769	-257,514	-211,672
Non current	168,556	19,240	171,473	23,407

FINAME Financings were used for the acquisition of machinery and equipment and are guaranteed by Company management pledges and chattel mortgage on financed assets.

In the first quarter of 2007, the Company contracted from the financial market three interest rate swap transaction for the BNDES-Exim operation, intended to finance its export operations, used to guarantee the operation on the following amounts and conditions:

- US\$100 million: The original operation was indexed to the TJLP tax variation plus annual interest of 2.75% for 80% of the amount, and exchange variation plus annual interest of 10.06% for the remaining 20%, with final maturity on 15 November 2007. With the swap transaction, the loan is now indexed to the exchange variation plus annual interest of 4.30%;
- US\$30 million: The original operation was indexed to the TJLP tax variation plus annual interest of 2.60% for 80% of the amount, and exchange variation plus annual interest of 9.37% for the remaining 20%, with final maturity on 16 June 2008. With the swap transaction, the loan is now indexed to the exchange variation plus annual interest of 4.52%; and
- US\$55 million: The original operation was indexed to the TJLP tax variation plus annual interest of 2.95% for 80% of the amount, and exchange variation plus annual interest of 10.14% for the remaining 20%, with final maturity on 15 September 2007. With the swap transaction, the loan is now indexed to the exchange variation plus annual interest of 5.50%.

The amounts referring to non current liabilities are broken down by year of maturity:

	Parent Company		Consolidated	
	31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
2008	158,265	9,189	161,182	13,356
2009	6,302	6,197	6,302	6,197
2010	3,389	3,335	3,389	3,335
2011	600	519	600	519
	168,556	19,240	171,473	23,407

16. Salaries, Vacation Pay and Payroll Charges Payable

	Parent Company		Consolidated	
	31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
Vacation Pay	26,495	20,896	29,278	22,707
Payroll Charges	8,112	9,041	9,628	9,616
Employee profit sharing	14,690	12,966	16,096	13,570
	49,297	42,903	55,002	45,893

17. Sundry Provisions

	Parent Company		Consolidated	
	31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
Provision for restructuring	3,195	3,779	3,195	3,779
Provision for future losses	6,756	5,675	7,222	6,141
Provision for professional services	6,525	6,886	11,049	11,453
Provision for royalties and patents	-	-	1,072	1,117
Provision for losses on fixed assets	3,618	3,714	3,628	3,723
Other	528	939	563	939
	20,622	20,993	26,729	27,152

Provision for restructuring

Set up for an amount considered to be sufficient to cover expenses related to the project of relocation of the piston production line.

Provision for future losses

Set up for an amount considered to be sufficient to cover losses on sales contracts already executed in which the Company expects to have a negative profit margin.

Provision for professional services

Set up for an amount considered to be sufficient to cover expenses with outsourced services related to maintenance of machinery and equipment.

18. Provision for Warranties

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>31/Mar/07</u>	<u>31/Dec/06</u>	<u>31/Mar/07</u>	<u>31/Dec/06</u>
Provision for warranties	3,375	3,375	3,412	3,375
Guaranteed-expenditures already identified	786	777	786	777
	<u>4,161</u>	<u>4,152</u>	<u>4,198</u>	<u>4,152</u>

The Company and its subsidiaries assure quality products to their clients, assuming responsibility for possible replacements and repairs resulting from defective goods. Based on the estimates that consider historical data on sales and expenses of similar nature, among other factors, the Company recognizes the provisions as follows:

a) Provision for warranties

This provision is calculated on product sales, based on historical warranty expenses.

b) Guaranteed-expenditures already identified

They refer to cases identified in which the Company estimates to spend funds for replacement and repair of products, including the recalls.

19. Provision for Contingencies and Legal Obligations

The Company and its subsidiaries are parties to civil, labor and tax suits, both at administrative and judicial levels and, when applicable, are supported by judicial deposits. The related provisions for contingencies were set up considering legal advisors' estimates for lawsuits whose chances of loss were assessed as probable. Management believes that the resolution of these issues will not have an effect significantly different from the amount accrued.

At 31 March 2007 and 2006, the contingent risks, based on the legal advisors' opinion, are as follows:

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>31/Mar/07</u>	<u>31/Dec/06</u>	<u>31/Mar/07</u>	<u>31/Dec/06</u>
Civil and labor	51,397	51,104	53,833	52,245
Tax	44,348	42,667	47,082	42,872
Less:				
Judicial Deposits	-13,845	-13,748	-13,927	-13,841
	<u>81,900</u>	<u>80,023</u>	<u>86,988</u>	<u>81,276</u>

Civil and labor contingencies refer namely to claims from employees related to employment relationship and severance payments.

Tax contingencies are basically represented by state and tax notices pending judgment, questioning the adequate interpretation of tax legislation.

In addition to the previously-mentioned totals, the amount of R\$39,093 (R\$35,557 in 31 December 2006) was not considered, resulting from labor, civil and tax cases for which the chances of an unfavorable outcome are possible, according to the Company legal advisors. As such, Management did not record this amount in the financial statements.

20. Shareholders' Equity

a) Capital Stock

Capital stock, subscribed and paid-up, is represented by the following amount of shares, no par value, as of 31 March 2007 and 31 December 2006:

	<u>Amount of Shares</u>
Common shares	12,260,373
Preferred shares	18,193,197
Total of outstanding shares	<u>30,453,570</u>

Company preferred shares are not entitled to vote, but are assured of priority in relation to redemption of capital and payment of non-cumulative minimum dividends. Such shares will acquire the voting right if the Company does not pay during three consecutive years the minimum dividends they are entitled to under the By-Laws. In addition, preferred shares are assured of the right of dividends 10% higher than that attributed to common shares.

b) Legal reserve

The legal reserve was set up in accordance with Brazil's Corporation law, based on 5% of net income for the year, up to the limit of 20% of the realized capital or 30% of the capital plus capital reserve. Beyond said limits appropriations with relation to that reserve are not mandatory. Legal reserve may be used only for capital increase or for the absorption of losses.

21. Financial Expenses, Net

	<u>Parent Company</u>		<u>Consolidated</u>	
	31/Mar/07	31/Dec/06	31/Mar/07	31/Dec/06
<u>Financial expenses</u>				
Interest	-4,057	-1,353	-4,304	-1,425
Monetary variation – losses	-2,485	-2,190	-2,815	-2,230
Exchange variation – losses	-22,429	-12,352	-23,003	-13,007
Other	-2,530	-2,166	-2,862	-2,347
<u>Financial income</u>				
Interest	2,321	2,942	2,690	3,438
Monetary variation – gains	71	37	71	38
Exchange variation – gains	21,467	8,538	22,021	9,074
Other	34	105	36	111
	<u>-7,608</u>	<u>-6,439</u>	<u>-7,947</u>	<u>-6,348</u>

22. Financial Instruments

The Company and its subsidiaries maintain operating strategies and policies, aiming at liquidity, profitability and security, as well as procedures for monitoring of financial instrument balances. In addition, they operate with banks that meet the requirements of financial solidity and reliability, according to Management criteria. The control policy consists of permanent monitoring of the contracted rates, comparing them with the current market rates.

The main risk factors affecting the Company and subsidiary businesses are the following:

a) Credit risk

The Company and its subsidiaries operate in two different markets, namely, original equipment (OEM) and replacement (aftermarket). The possibility of the Company and its subsidiaries incurring losses resulting from financial issues of their OEM clients is remote, due to such clients' profile (assembly plants and other companies operating worldwide).

Regarding aftermarket sales and/or markets in which the companies' management considers that the risk of default is higher, letters of credit, payments in advance or other forms of guarantee are requested before sales are carried out. In this market, the participation of each client in sales is highly diluted, which means that no individual client represents more than five percent of the sales.

At 31 March 2007, "vendor" operations signed by the Company amounted to R\$634 (R\$890 in 31 December 2006), with a maturity term of up to 45 days. Contract risks of such operations are basically credit-related and are managed through careful analysis of credit limits for the clients involved in operations of such nature.

b) Exchange rate risk

In 31 March 2007 and 2006, liabilities denominated in foreign currency exceeded assets, and a net exchange loss in Parent Company of R\$962 (R\$3.814 at 31 March 2006) and in Consolidated of R\$982 (R\$3,933 at 31 March 2006) was assessed, as a result of the appreciation of the Real in relation to foreign currencies.

As of 31 March 2007 and 2006, the Company and its subsidiaries presented the following net exposure to foreign currency variations, particularly the US dollar:

	Parent Company		Consolidated	
	31/Mar/07	31/Mar/06	31/Mar/07	31/Mar/06
Assets				
Trade accounts receivable	40,583	39,866	89,844	47,976
Short-term investments	-	-	4,526	723
Discounted exchange bills	-13,578	-160,091	-13,578	-160,091
Accounts receivable from related parties	157,220	151,188	109,866	144,054
Allowance for doubtful accounts	-1,732	-2,104	-2,175	-2,234
	182,493	28,859	188,483	30,428
Liabilities				
Financing	-371,218	-834	-371,218	-834
Trade accounts payable	-7,900	-19,215	-15,622	-20,559
Provision for warranty	-786	-617	-786	-877
Accounts payable to related parties	-10,669	-9,780	-16,189	-12,942
Other	-924	-675	-939	-706
	-391,497	-31,121	-404,754	-35,918
	-209,004	-2,262	216,271	-5,490

At the first quarter of 2007, as a strategy to reduce risks regarding exchange rate fluctuations in exports, the Company carried out hedge operations through sale of U.S. dollar and Euro contracts in the future market.

Such operations generated a gain of R\$9,103 on the first quarter of 2007, of which R\$2,859 are from cash effects, accounted for under Financial expenses and R\$6,244 accounted for Other Receivables, current, compared to Financial expenses.

In addition, for purposes of hedging against exchange fluctuation of the swap contract referring to the debt with BNDES (commented in Note 15 above), the Company contracted, at the first quarter of 2007, US dollar forward operations, on the following amounts and maturities:

Amount in US Thousand	Forward Maturity Date
16,700	15/Jun/07
16,700	16/Jul/07
17,550	15/Aug/07
16,700	17/Sep/07
16,700	15/Oct/07
16,850	16/Nov/07
30,000	02/Jan/08

As of 31 March 2007, such operations resulted in losses amounting to R\$13,191, recorded under Other obligations, in current liabilities, against the Financial expenses.

As of 31 March 2007 and 2006, the Company and its subsidiaries do not have other financial instruments in the form of derivatives other than the swap operation mentioned in Note 15 and those described above.

c) Market values

At 31 March 2007 and 2006, the market values of cash and cash equivalents and accounts receivable and payable approximate the amounts recorded in the third-month information, in view of their short-term nature. With regard to loans and financing, the related market values substantially approximate the third-month information amounts, as such financial instruments are subject to variable interest rates.

23. Employee Benefits

Benefits granted to employees by Company basically refer to monthly benefits and are accounted for as such. There are no post-employment benefits, pension funds or other benefits requiring a specific accounting treatment.

For this quarter, Company and its subsidiaries distributed profit sharing to their employees, based on a trade union agreement, totaling R\$4,987 (R\$4,585 as at 31 March 2006), in Parent Company, and R\$5,260 (R\$4,794 as at 31 March 2006), in the Consolidated. The criteria for profit sharing payment followed the rules set forth in the collective labor agreement, which establishes certain objectives to be reached, described as follows: (i) meeting production goals, for a pre-defined number of employees; (ii) maintaining absenteeism level up to the average annual rate of hours/absence previously defined in relation to the standard

worked hours; and (iii) maintaining the scrap level up to the average annual rate previously defined in relation to the number of parts produced.

24. Private Pension Plan – Defined Contribution

In September 2006, the Company joined the Bradesco income tax deductible private pension plan – PGBL, administered by Bradesco Vida e Previdência, offering its employees the choice of participating in such plan.

The contributions are defined based on classification into salary bands above R\$5 thousand, with contribution percentages varying from 2% to 4% by the employee and the Company. For employees falling into salary bands below R\$5 thousand, the Company will contribute with a nominal salary for every 10 years worked for the Company, on occasion of the employee's retirement, not considering periods prior to September 2006. The employer and employee contributions began in October 2006, with a contribution of R\$644 by the Company.

25. Subsequent Events

In the Annual General Meeting, dated 26 April 2007, Company shareholders approved the following:

- The distribution of dividends proposed by Company's management as at 31 December 2006, in the amount of R\$20,000;
- The budget of investments for 2007, in the amount of R\$230,700 for several projects;
- Constitution of reserve for expansion and modernization for future investments in the amount of R\$44,848, being R\$44,716 retained from the year profit and R\$132 with respect to Dividends and interest on own capital prescribed.

26. Statements of Cash Flow

	Parent Company		Consolidated	
	31/Mar/07	31/Mar/06	31/Mar/07	31/Mar/06
Cash flows from operating activities				
Net income for the quarter	20,620	26,660	20,620	23,660
Adjustments for reconciliation of net profit and cash generated by operating activities				
Depreciation and amortization	22,825	23,886	23,825	24,737
Equity pick-up	-6,505	-1,939	-	-
Minority interest	-	-	1,012	-
Interest and foreign and monetary exchange variations, net	-4,891	2,397	-5,312	2,894
Income from the sale of permanent assets	264	94	262	102
Deferred income and social contribution taxes	-1,477	-2,664	-498	-2,046
Reversal of allowance for doubtful accounts	-10	-198	90	-244
Set up (reversal) of provision for contingencies and legal obligations	-514	415	-578	497
Set up (reversal) of provision for warranties	8	-	-34	-
Reversal of sundry provisions	-371	19	-422	-422
Set up (reversal) of provision for loss of capital in investments	-2,139	-4,430	-	-
Decrease (increase) in assets				
Trade accounts receivable	-8,213	-15,467	-10,344	-14,762
Accounts receivable from related parties	-1,445	-8,889	-4,994	-10,094
Inventories	-22,280	-15,207	-23,719	-15,794
Recoverable taxes	3,155	7,714	2,188	5,464
Dividends and interest on shareholders' equity received from subsidiaries	-	-	-	-
Other accounts receivable	-9,962	-5,877	-18,306	-6,143
Increase (decrease) in liabilities				
Trade accounts payable	9,017	-881	20,957	-79
Salaries, vacation pay and payroll charges payable	6,394	6,196	7,025	6,671
Taxes and contributions payable	-357	3,050	52	3,173
Accounts payable to related parties	269	4,558	-4,239	3,133
Other accounts payable	9,485	411	9,095	563
Net cash provided by operating activities	13,873	16,848	16,500	21,310
Cash flows from investment activities				
Additions to investments	-4,706	-	-	-
Premium on investments	-	-	-	-
Additions to cash in the acquisition of controlled company	-81,286	-	-82,444	-
Additions to property, plant and equipment	-26,057	-18,170	-28,512	-19,496
Receipt on the sale of permanent assets	1,569	-46	1,775	56
Net cash used in investing activities	-110,480	-18,216	-109,181	-19,440
Cash flows from financing activities				
Financing	179,837	3,596	189,576	3,596
Amortization of financing principal amounts	-2,425	-1,311	-7,575	-1,341
Amortization of financing interest	-2,686	-487	-2,823	-545
Discounted exchange bills	-57,375	78,883	-57,375	78,883
Advances from customers	-1,199	-139	-1,180	-229
Minority interest on dividends and shareholders' equity	-	-	-	831
Dividends and interest on shareholders' equity paid	-21,639	-38,803	-23,711	-39,508
Expired dividends	73	-	73	-
Net cash used in financing activities	94,586	41,739	96,985	41,687
Net additions to cash and cash equivalents	-2,021	40,371	4,304	43,557
Cash and cash equivalents at beginning of quarter	93,962	86,840	113,058	100,761
Cash and cash equivalents at end of quarter	91,941	127,211	117,362	114,318
Additional information:				
Payment of income and social contribution taxes	6,951	8,096	10,515	11,500

Report of Special Review – Without Reserves

Dear Directors and Shareholders of
MAHLE Metal Leve S.A.

We have conducted a special review of Third-Month Information (ITR) of MAHLE Metal Leve S.A. and controlled companies, from the third-month period ended as of 31 March 2007, including balance sheets, income statements, the performance report and relevant information, prepared in accordance with accounting practices adopted in Brazil.

Our review was made in accordance with specific rules established by IBRACON (Brazilian Institute of Independent Auditors), jointly with CFC (Brazilian Accounting Board), and such review included mainly the following: (a) inquiry and discussion with managers in charge of accounting, finance and operating areas of Company, concerning the main criteria adopted in the preparation of Third-Month Information; and (b) review of information and events embracing relevant effects now or thereafter on the financial status and operations of Company.

Based on our special review, we are not aware of any relevant change to be made on such Third-Month Information, so that they are in accordance with practices adopted in Brazil, consistently applied to rules issued by CVM (Brazilian Securities Commission), specifically to the preparation of these Third-Month Information.

Campinas, 4 May 2007

ERNST & YOUNG
Auditores Independentes S.S.
CRC2SP015199/O-6

B. Alfredo Baddini Blanc
Accountant CRC1SP126402/O-8