

MAHLE METAL LEVE S.A.
CORPORATE TAXPAYER REGISTRATION NUMBER
CNPJ/MF 60.476.884/0001-87
Publicly-Held Company

ANNOUNCEMENT TO THE SHAREHOLDERS

The shareholders of **MAHLE METAL LEVE S.A.** ("Company") and the market are hereby informed of the following.

I - Withdrawal Rights

1. The withdrawal rights exercise period ended on January 3, 2011 for shareholders to withdraw from the Company due to the deliberations approved by the Extraordinary Shareholders' General Meeting ("Extraordinary General Meeting") held on November 30, 2010, which approved (i) the conversion of all 18,193,197 (eighteen million, one hundred ninety-three thousand, one hundred ninety-seven) nominative, book-entry, preferred shares without par value to common shares at the ratio of 1 preferred share for 1 common share and (ii) the acquisition of Mahle Participações Ltda.

2. We hereby inform that the withdrawal rights were not exercised by any common or preferred shareholder of the Company during the withdrawal right exercise period and thus the deliberations then adopted are ratified and the permission provided by article 137, paragraph 3 of Corporation Law 6404/76 ("LSA") was not exercised.

II - Trading of Preferred Shares

1. The final day for trading preferred shares of the Company will be January 7, 2011. As from January 10, 2011 trading session only common shares of the Company will be traded, under the ticker symbol LEVE3.

III - Capital Increase and Preemptive Rights

1. The shareholders are hereby informed that the same Extraordinary General Meeting approved an increase in the Company's stock capital in the amount of R\$613,500,000.00 (six hundred thirteen million, five hundred thousand Brazilian *reais*), with issuance of 12,315,930 nominative common shares without par value. As a result, the stock capital was increased from R\$352,754,684.00 (three hundred

fifty-two million, seven hundred fifty-four thousand, six hundred eighty-four Brazilian *reais*) to R\$966,254,684.00 (nine hundred sixty-six million, two hundred fifty-four thousand, six hundred eighty-four Brazilian *reais*), represented by 42,769,500 common shares.

2. *Issuance Price and Justification.* The issuance price for each common share is R\$49.81353418, set in accordance with article 170, paragraph 1, item I of LSA, based on expected future earnings of the Company.

3. *Rights and Benefits of New Shares.* The new common shares shall have the same rights as the currently existing shares and shall be entitled on equal terms to all benefits, including dividends and interest on equity that may be approved by the Company.

4. *Exercise of Preemptive Rights.* The Company's shareholders have preemptive rights to subscribe for newly issued shares for a period of 30 days from January 10, 2011 to February 8, 2011, at the ratio of 40.441662505% of the number of shares already held.

5. *Ex-rights Trading.* Beginning January 10, 2011, the Company's shares shall be traded ex-rights.

6. *Subscription and payment of the Shares.* The issued common shares have been fully subscribed by Mahle Industriebeteiligungen GmbH and paid-up through capitalization of credit it was entitled to receive from the Company due to the purchase of Mahle Participações Ltda., which credit amount is equivalent to the capital increase approved.

However, shareholders who exercise the rights of the shares they hold must pay-in the shares they subscribe, at the subscription date, in cash and in a single payment, and the respective amount will be transferred to Mahle Industriebeteiligungen GmbH under the terms of paragraph 2 of article 171 of LSA.

7. *Exercise and Assignment of the Preemptive Right.* Shareholders whose shares are kept under custody with Itaú Unibanco S.A. will receive the subscription agreement at the address indicated in their data registry and may subscribe and pay-in for newly issued shares at any Itaú Unibanco branch, from Mondays to Fridays, during the bank time, by presenting the subscription agreement duly filled out.

A shareholder who fails to receive the subscription agreement and wishes to exercise the preemptive right should request such document at any Itaú Unibanco branch during the term mentioned in item 4 of this clause.

Shareholders whose shares are kept under custody with BM&FBovespa Central Securities Depository (“BM&FBovespa”) should exercise their preemptive rights through their custody agent.

The preemptive right may be exercised at the following service centers of Itaú Unibanco:

BRASÍLIA

*SCS Quadra 3 – Edif. D’Angela, 30 – Bloco A, Sobreloja
Centro – Brasília/DF
CEP: 70300-500*

BELO HORIZONTE

*Av. João Pinheiro, 195 – Subsolo
Centro – Belo Horizonte/MG
CEP: 30130-180*

CURITIBA

*R. João Negrão, 65 – Sobreloja
Centro – Curitiba/PR
CEP: 80010-200*

PORTO ALEGRE

*R. Sete de Setembro, 746 – Térreo
Centro – Porto Alegre/RS
CEP: 90010-190*

RIO DE JANEIRO

*R. Sete de Setembro, 99 – Subsolo
Centro – Rio de Janeiro/RJ
CEP: 20050-005*

SÃO PAULO

*R. Boa Vista, 176 – 1 Subsolo
Centro - Sao Paulo/SP
CEP: 01092-900*

SALVADOR

*Av. Estados Unidos, 50 - 2º AND - (Ed Sesquicentenário)
Comércio - Salvador/BA
CEP: 40020-010*

For subscription of shares or assignment of the preemptive right, shareholders whose shares are not kept under custody with BM&FBovespa should present the following documents: (i) copy of ID card, CPF (taxpayer registration number) and proof of address, in case of individuals; or (ii) certified copy of the amended and

restated bylaws or articles of incorporation, CNPJ (corporate taxpayer registration number) enrollment card, corporate act granting representation powers and ID card, CPF and proof of address of the respective representatives, in case of legal entities or universality of rights. Investors residing abroad may be obliged to present other proxy documents.

8. *Non-subscribed Shares.* There will be no non-subscribed shares since the capital increase has been fully paid-in through the capitalization of the subscriber's credit, whose amount is equivalent to the capital increase.

9. *Waiver of Ratification.* Considering that the entire number of newly issued shares was subscribed by Mahle Industriebeteiligungen GmbH, the approved capital increase is already consummated, and there is no need to subsequent ratification at a Shareholders' Meeting.

10. *Credit of the Shares to the Custody Positions.* The subscribed shares will be credited to the custody positions within two (2) business days after the end of the term for the exercise of the preemptive right set forth in item 4 above.

Additional information may be obtained from the Company's Investor Relations Department located at Av. Paulista, 949, 12^o andar, São Paulo, State of São Paulo, Brazil, CEP 01311-917 or through the telephone number 00 55 (11) 3787-3520, or fax 00 55 (11) 3787-3524.

Mogi Guaçu, January 6, 2011.

Heiko Pott
Investor Relations Officer