

**MAHLE announces agreement to acquire Dana Corporation's engine hard parts business**

Stuttgart/Germany, 4 December 2006 – The MAHLE Group, headquartered in Stuttgart, Germany announced today that it has entered into a stock and asset purchase agreement with Dana Corporation for the acquisition of Dana's engine hard parts business.

The agreement includes the acquisition of all worldwide units of Dana's engine hard parts business by MAHLE, including the Clevite<sup>®</sup> aftermarket organization. In connection with the transaction, the parties will enter into ancillary agreements including an agreement granting MAHLE exclusive distribution rights to Dana's retained Victor Reinz<sup>®</sup> branded products in the independent aftermarket in the US and Canada.

The engine hard parts business of Dana consists of 39 locations in 10 countries with approximately 5,000 employees. The business had sales of approximately \$670 million in 2005. The main products of the engine hard parts business are piston rings, engine bearings, cylinder liners and camshafts manufactured and sold under the Perfect Circle<sup>®</sup>, Clevite<sup>®</sup>, and Glacier Vandervell<sup>™</sup> brands.

As Dana Corp. is a debtor in a Chapter 11 bankruptcy case pending before the United States Bankruptcy Court for the Southern District of New York, closing of the transaction is subject to the approval at that Bankruptcy Court. As a standard part of the bankruptcy process, Dana will allow other parties to make competitive bids for the engine hard parts business and there may be an auction at which Dana, MAHLE and any such other bidders will participate. Closing of the transaction is also subject to government regulatory approvals and customary closing condi-

tions. It is anticipated the conditions to closing, including Bankruptcy Court approval, will be satisfied in time to close the transaction in the 1st Quarter 2007.

Prof. Dr. Heinz K. Junker, CEO of MAHLE Group Management Board, explained, "The acquisition of Dana's engine hard parts business would complement our worldwide market position particularly in the areas of piston rings and engine bearings, as well as in the aftermarket for engine parts. As Dana Corporation has not considered the engine hard parts business as one of its core business segments for some time, it will be a major task to integrate the Dana locations into the existing MAHLE production network by appropriate restructuring measures, in order to facilitate all necessary synergy effects for the future."

The MAHLE Group is a globally leading manufacturer of components and systems for the combustion engine and engine peripherals – from piston systems, cylinder components, valve train systems via air management systems up to liquid management systems. With currently approximately 37,500 employees in more than 80 production locations and in seven research and development centers, MAHLE expects in 2006 a sales of approximately 4.3 billion EUR and ranges, therefore, among the 30 largest suppliers of the automotive industry worldwide.

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