IOCHPE-MAXION

EARNINGS RELEASE – 3Q08



October, 2008

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SIMPLIFIED CORPORATE STRUCTURE

Iochpe-Maxion S.A.

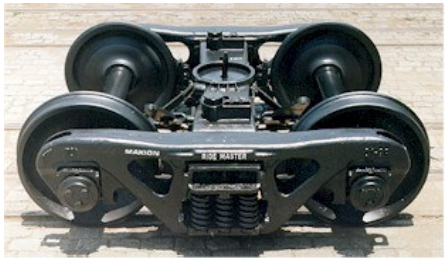
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.

50%

R$ 130.3 million[1] (25%)



Railway Freight Cars: R$ 87.6 million[1] (17%)



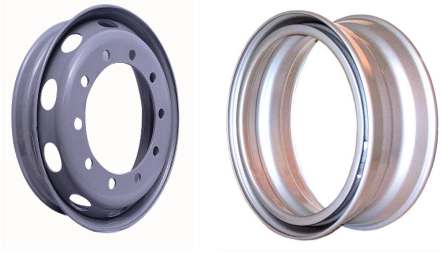
Castings: R$ 33.7 million[1] (6%)

Wheels: R$ 9.0 million[1] (2%)

Wheels and Chassis Division

100%

R$ 357.4 million[1] (68%)



Wheels: R$ 152.4 million[1] (29%)

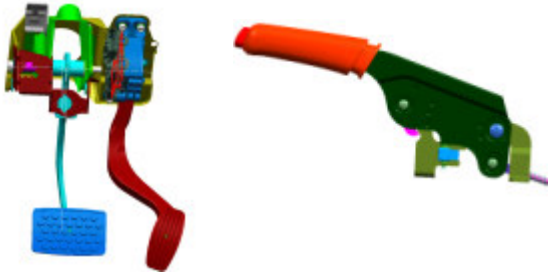


Chassis: R$ 205.0 million[1] (39%)

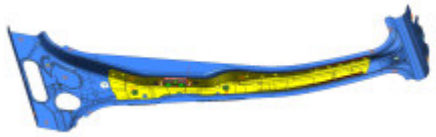
Automotive Components Division

100%

R$ 35.3 milhões[1] (7%)



Hand Brake Leaver and Pedal Sets: R$ 12.8 million[1] (2%)



Structural Stamped Parts: R$ 6.3 million[1] (1%)

[1] Consolidated net operating revenue in the third quarter of 2008

HIGHLIGHTS - 3Q08

✓ Consolidated net operating revenue of R$ 523.0 million, an increase of 47.0% over the same period of last year

✓ EBITDA(*) of R$ 92.2 million, an increase of 60.4% when compared to the same period of last year

✓ Net income of R$ 130.9 million, an increase of 277.9% over the same period of last year

- Not considering the non-recurring gain of R$ 76 million, net income would be R$ 54.9 million, an increase of 82,4% over the same period of last year

✓ Net bank debt of R$ 230.6 million (R$ 173.6 million on Sep/07), or 0,9x EBITDA(*) LTM (1.1x on Sep/07).

(*) EBITDA, throughout this presentation means: net income plus income tax and social contribution, plus non-operating result, plus net financial expenses, plus depreciation and amortization, plus goodwill amortization.

3Q08 - MAIN DRIVERS

✓ Growth of the Brazilian production of vehicles and agricultural machinery

✓ Recovery of domestic demand for railway freight cars

✓ Impact of the real appreciation (1.7051 – 3Q08 x 1.8928 – 3Q07) on net revenue of exports (reduction of R$ 6.7 million)

✓ Participation of exports: US$ 39.1 million on 3Q08 x US$ 30.8 million on 3Q07 (13% of net revenue on 3Q08 x 16% no 3Q07)

✓ Non-recurring gain of R$ 76 million, related to the merger of Maxion Sistemas Automotivos into Iochpe-Maxion on July, 2008

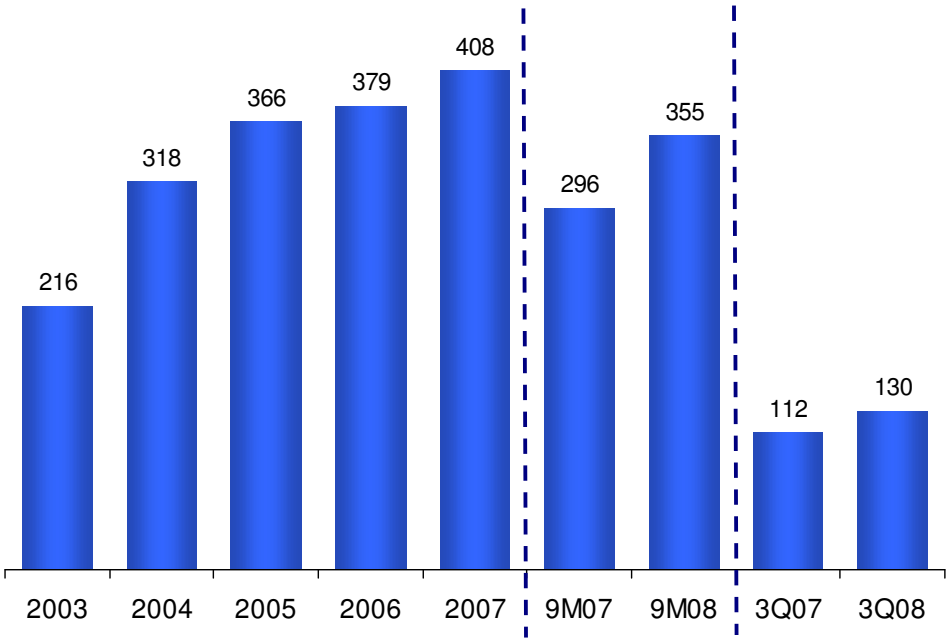
IOCHPE-MAXION



Industry Performance

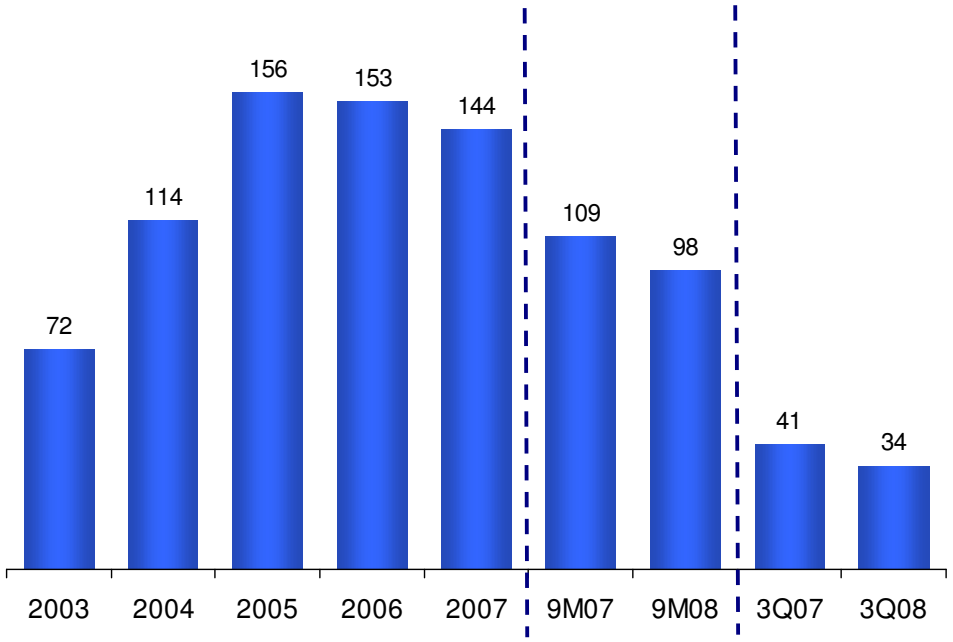
LIGHT COMMERCIALS - BRAZIL ('000 units)

Production



- ✓ Δ 3Q08 - 07 = 15.7%
- ✓ Δ 9M08 - 07 = 19.9%
- ✓ CAGR 2003 - 07 = 17.2%

Export

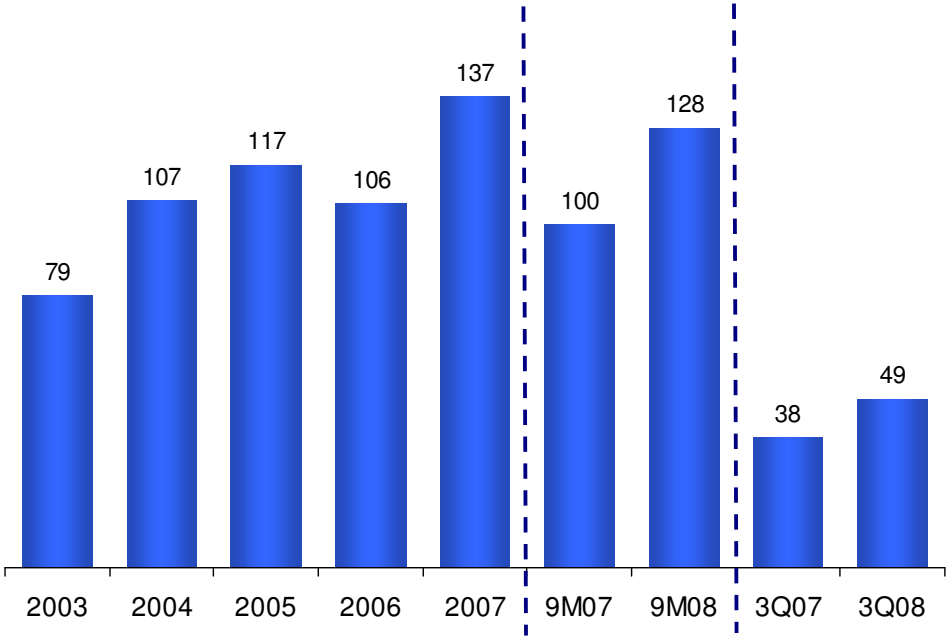


- ✓ Δ 3Q08 - 07 = (17.0%)
- ✓ Δ 9M08 - 07 = (10.6%)
- ✓ CAGR 2003 - 07 = 18.9%

Source: Anfavea

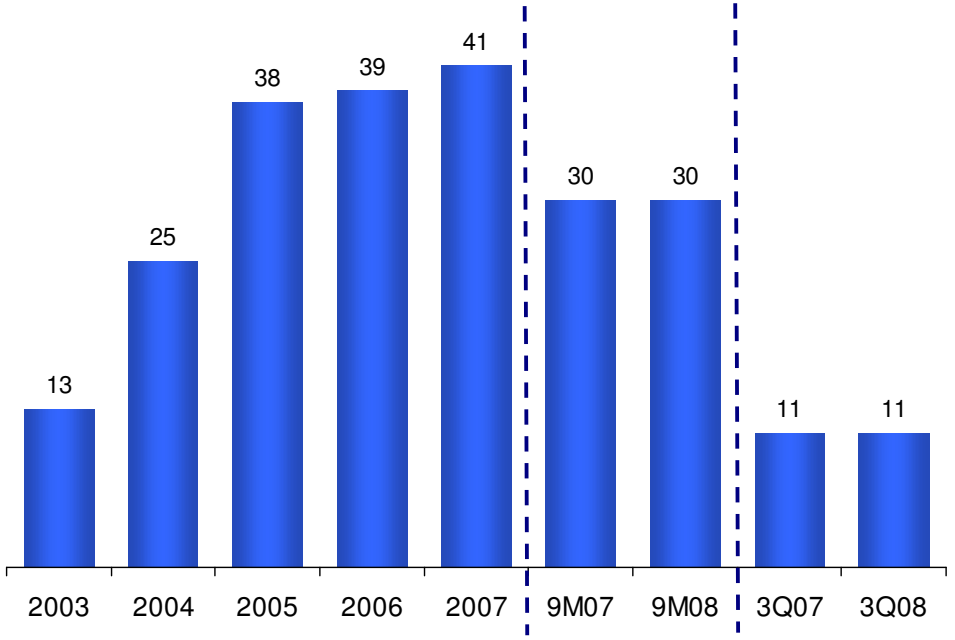
TRUCKS - BRAZIL ('000 units)

Production



- ✓ Δ 3Q08 - 07 = 28.3%
- ✓ Δ 9M08 - 07 = 27.8%
- ✓ CAGR 2003 - 07 = 14.8%

Export

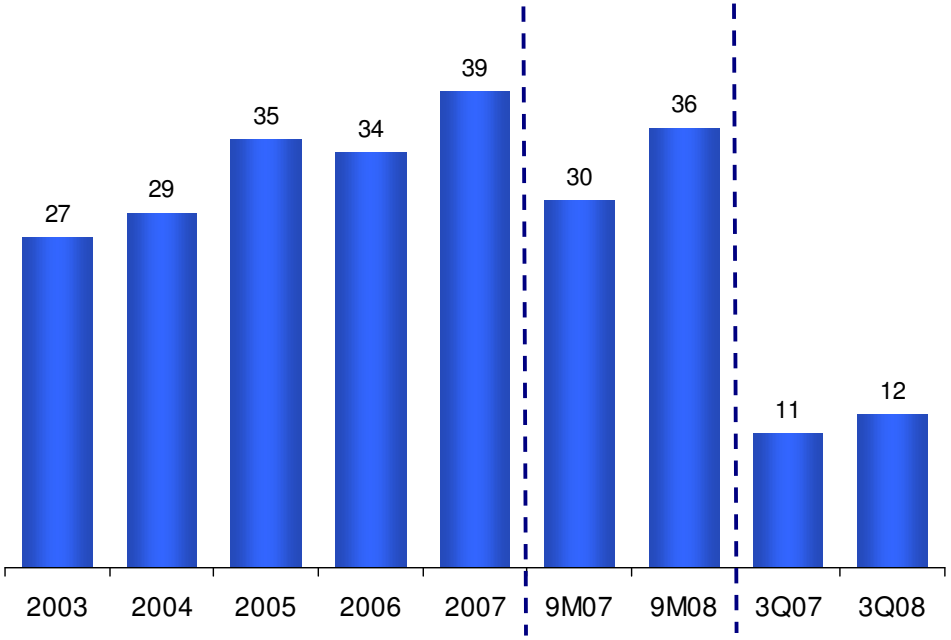


- ✓ Δ 3Q08 - 07 = 3.2%
- ✓ Δ 9M08 - 07 = 1.1%
- ✓ CAGR 2003 - 07 = 33.3%

Source: Anfavea

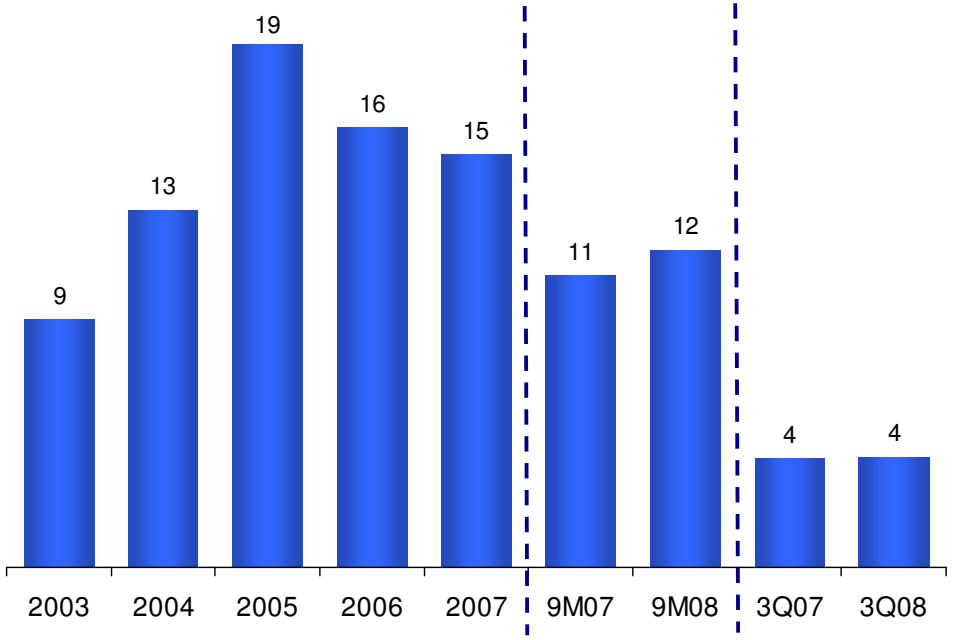
BUSES - BRAZIL ('000 units)

Production



- ✓ Δ 3Q08 - 07 = 15.9%
- ✓ Δ 9M08 - 07 = 18.7%
- ✓ CAGR 2003 - 07 = 9.6%

Export

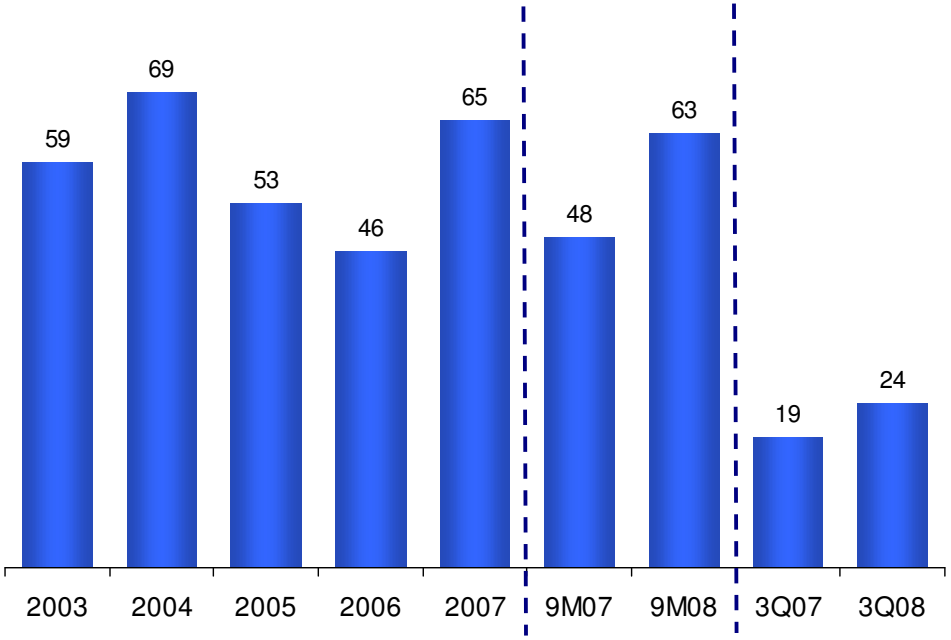


- ✓ Δ 3Q08 - 07 = 1.9%
- ✓ Δ 9M08 - 07 = 8.8%
- ✓ CAGR 2003 - 07 = 13.6%

Source: Anfavea

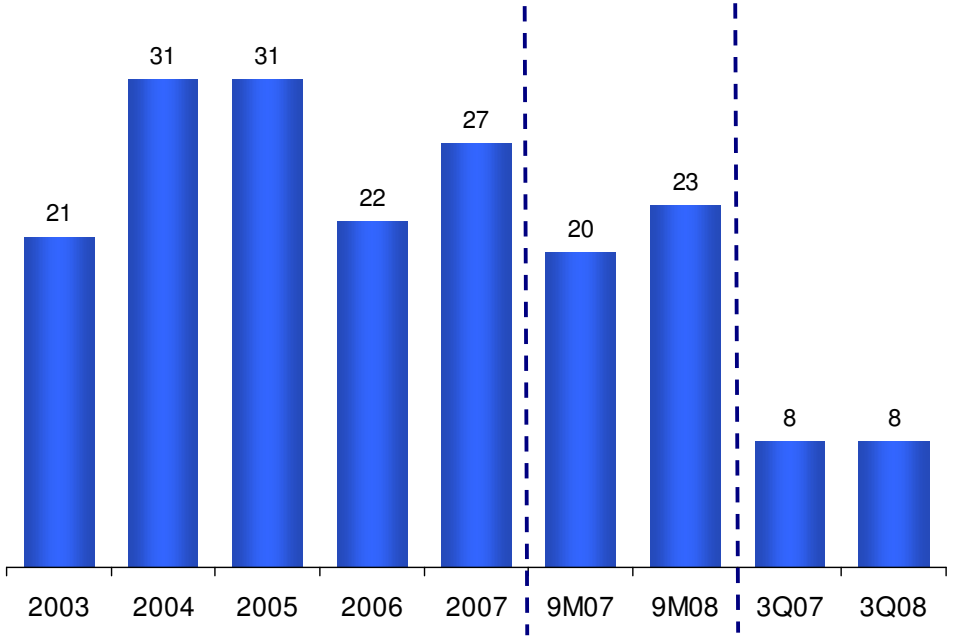
AGRICULTURAL MACHINERY - BRAZIL ('000 units)

Production



- ✓ Δ 3Q08 - 07 = 23.5%
- ✓ Δ 9M08 - 07 = 32.7%
- ✓ CAGR 2003 - 07 = 2.5%

Export

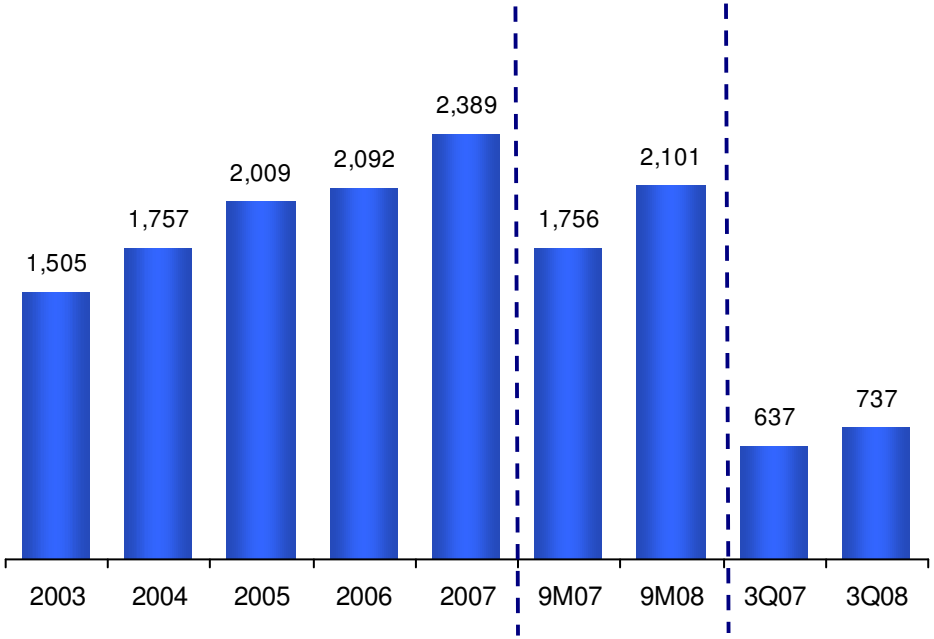


- ✓ Δ 3Q08 - 07 = 2.2%
- ✓ Δ 9M08 - 07 = 16.8%
- ✓ CAGR 2003 - 07 = 6.5%

Source: Anfavea

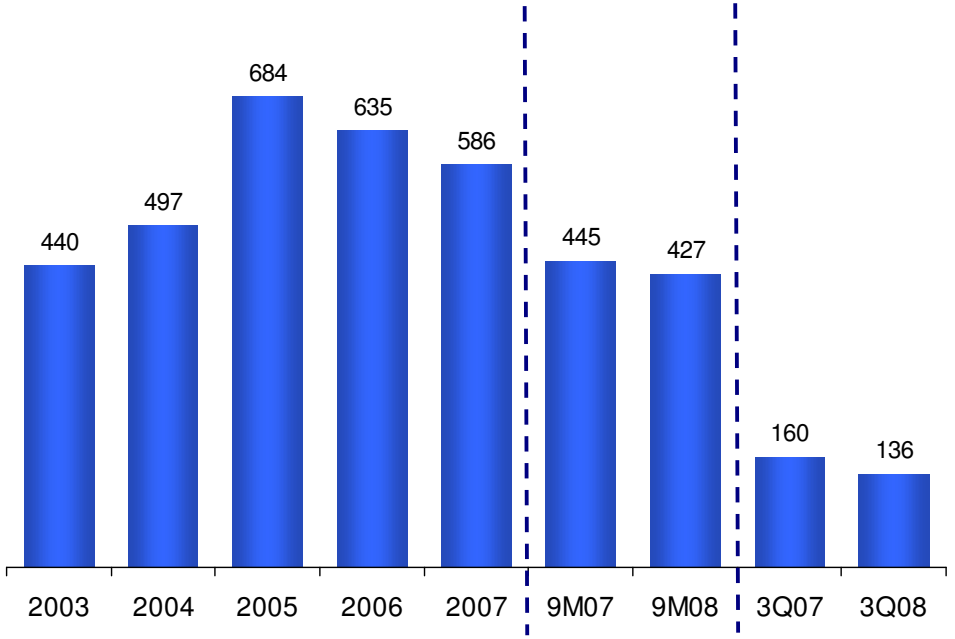
PASSENGER CARS - BRAZIL ('000 units)

Production



- ✓ Δ 3Q08 - 07 = 15.7%
- ✓ Δ 9M08 - 07 = 19.7%
- ✓ CAGR 2003 - 07 = 12.2%

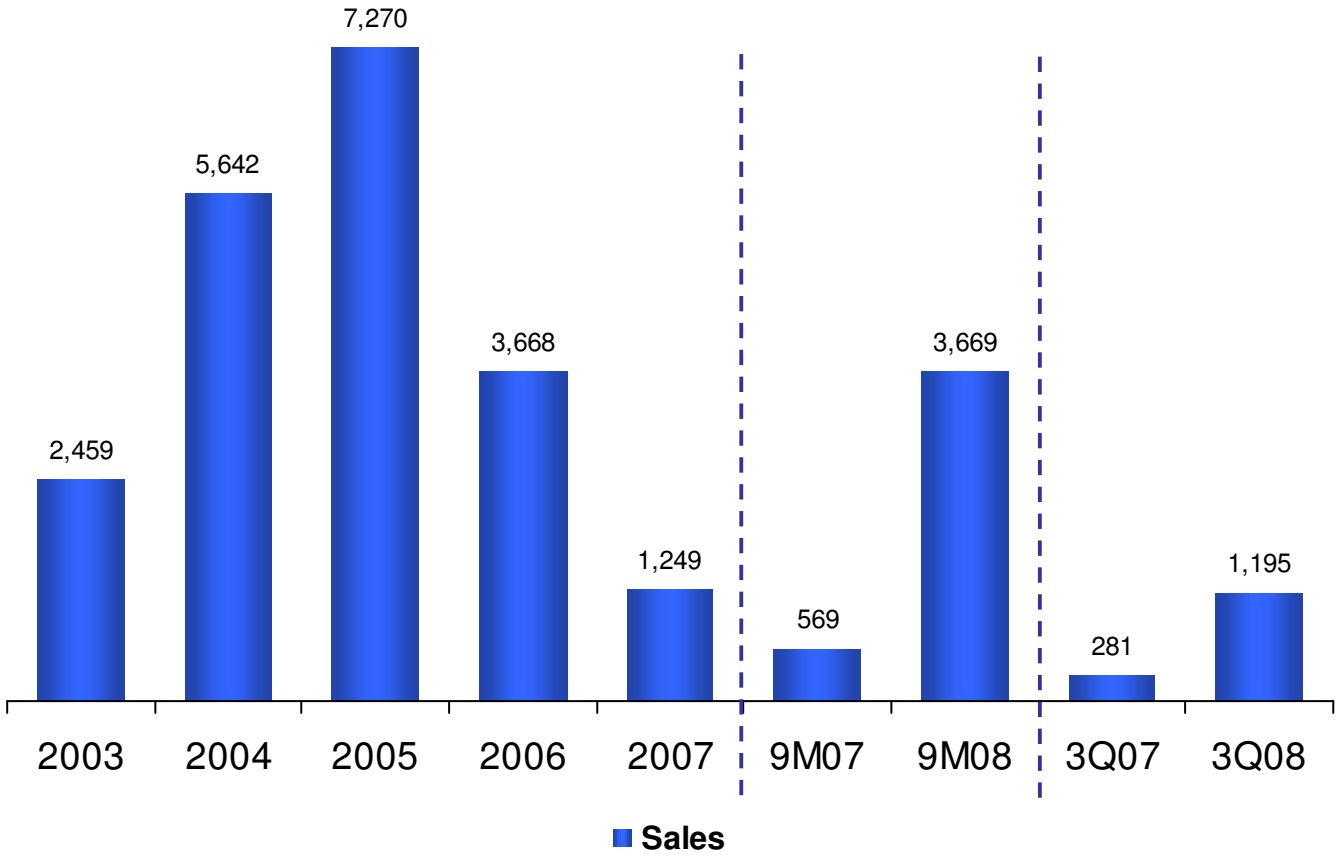
Export



- ✓ Δ 3Q08 - 07 = (15.2%)
- ✓ Δ 9M08 - 07 = (3.9%)
- ✓ CAGR 2003 - 07 = 7.4%

Source: Anfavea

RAILWAY FREIGHT CARS - BRAZIL (units)



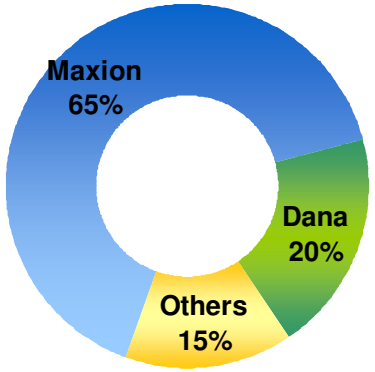
Sales

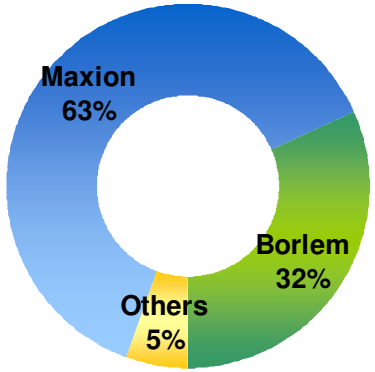
- ✓ Δ 3Q08 - 07 = 325.3%
- ✓ Δ 9M08 - 07 = 544.8%
- ✓ CAGR 2003 - 07 = (15.6%)

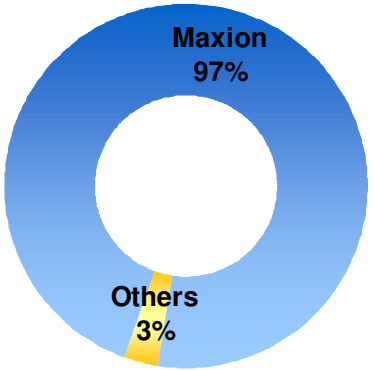
Source: Amsted Maxion estimate

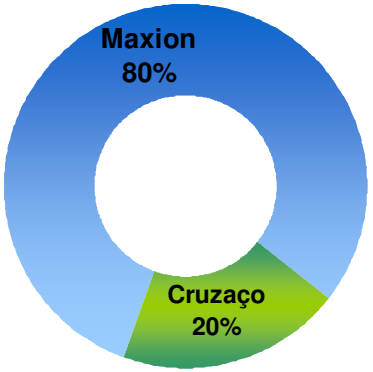
MARKET SHARE – BRAZIL (9M08)

Chassis	Commercial Vehicles Wheels	Railway Freight Cars	Railway Castings









✓ Maxion: 67% on 9M07

✓ Maxion: 62% on 9M07

✓ Maxion: 79% on 9M07

✓ Maxion: 80% on 9M07

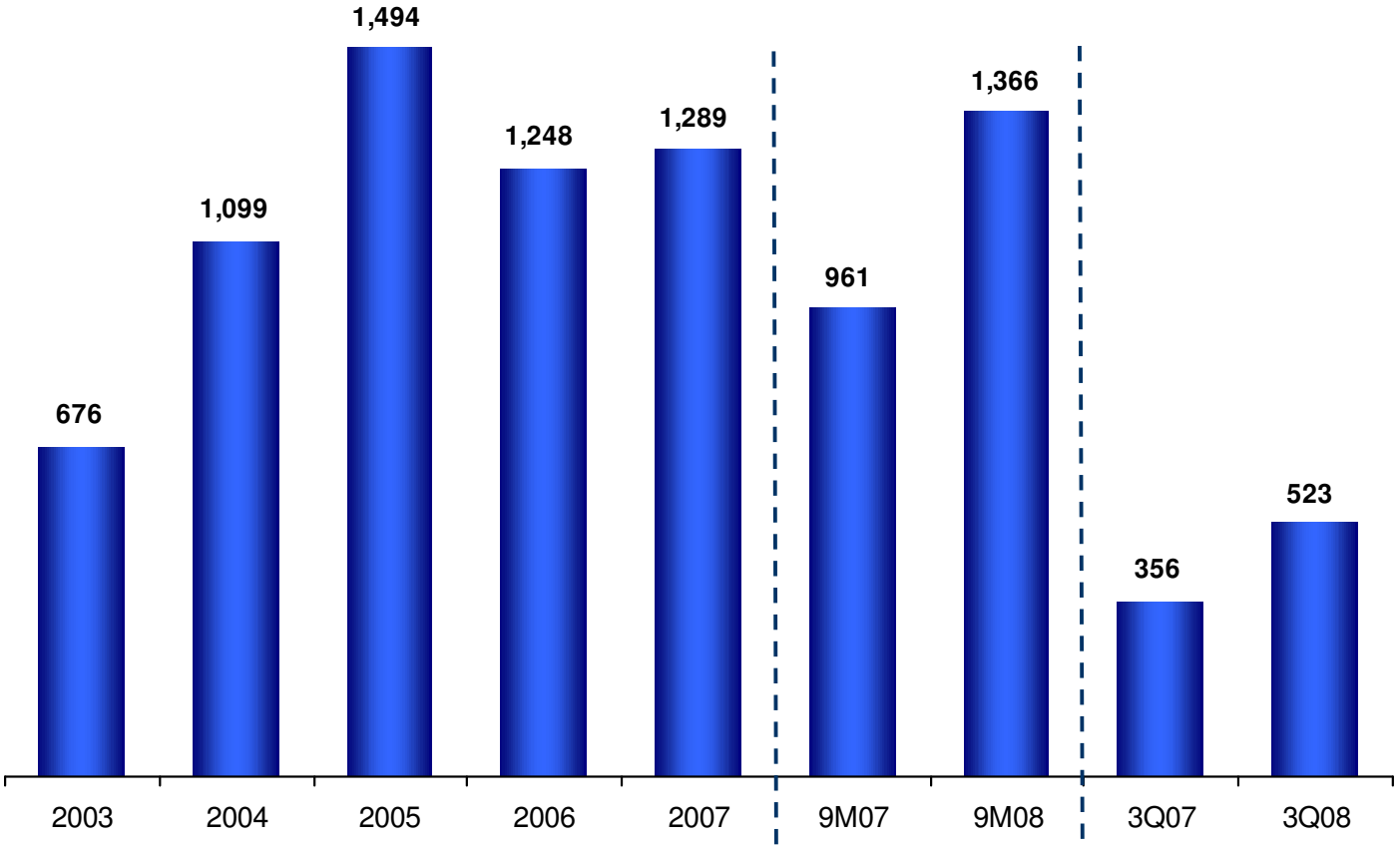
Source: Maxion estimate

IOCHPE-MAXION



Financial and Operating Performance

NET OPERATING REVENUE (R$ million)

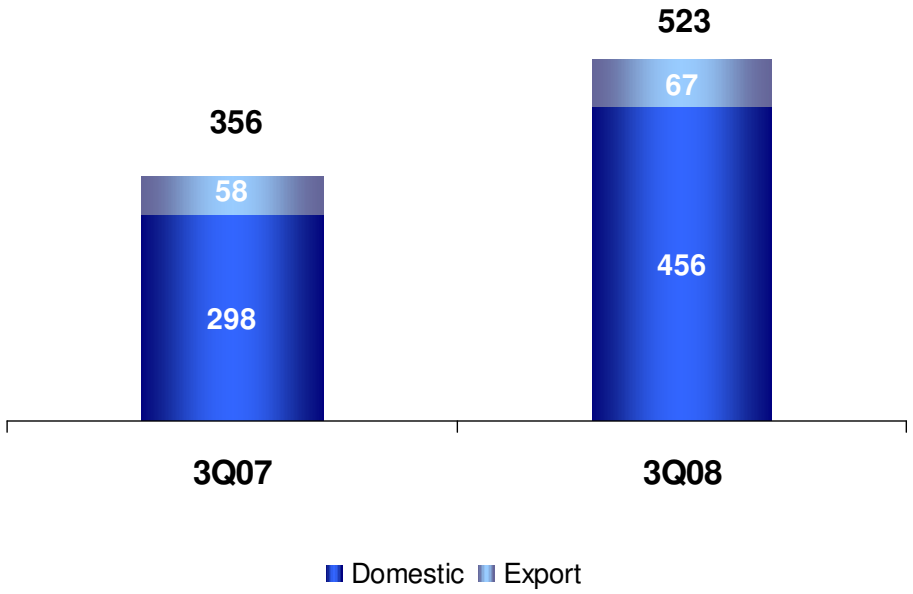


Net Operating Revenue

- ✓ Δ 3Q08 - 07 = 47.0%
- ✓ Δ 9M08 - 07 = 42.1%
- ✓ CAGR 2003 - 07 = 17.5%

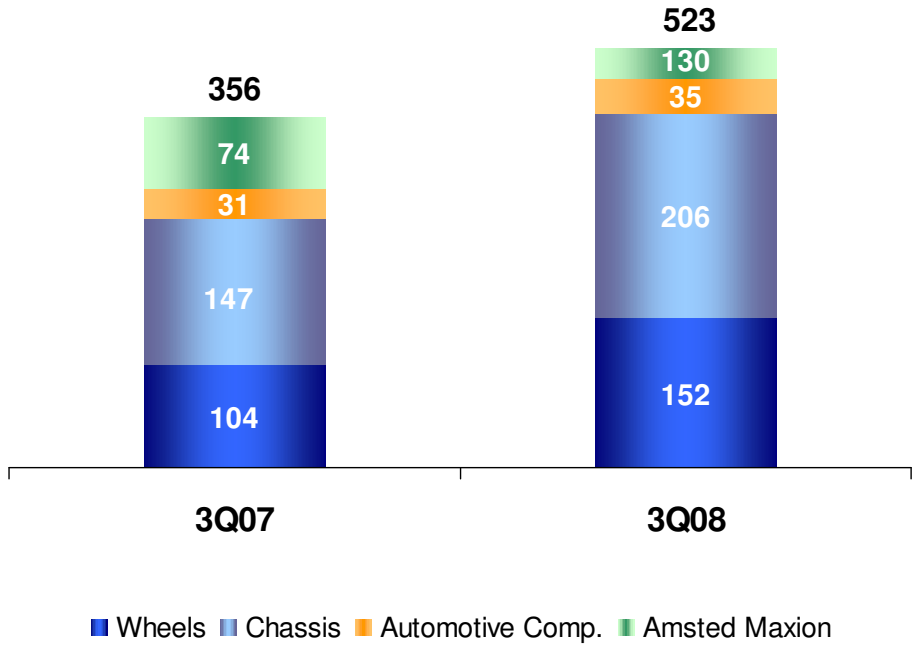
NET OPERATING REVENUE (R$ million)

Revenue by Market



- ✓ Domestic: Δ 3Q08 – 07 = 53.2%
- ✓ Export: Δ 3Q08 – 07 = 15.4%

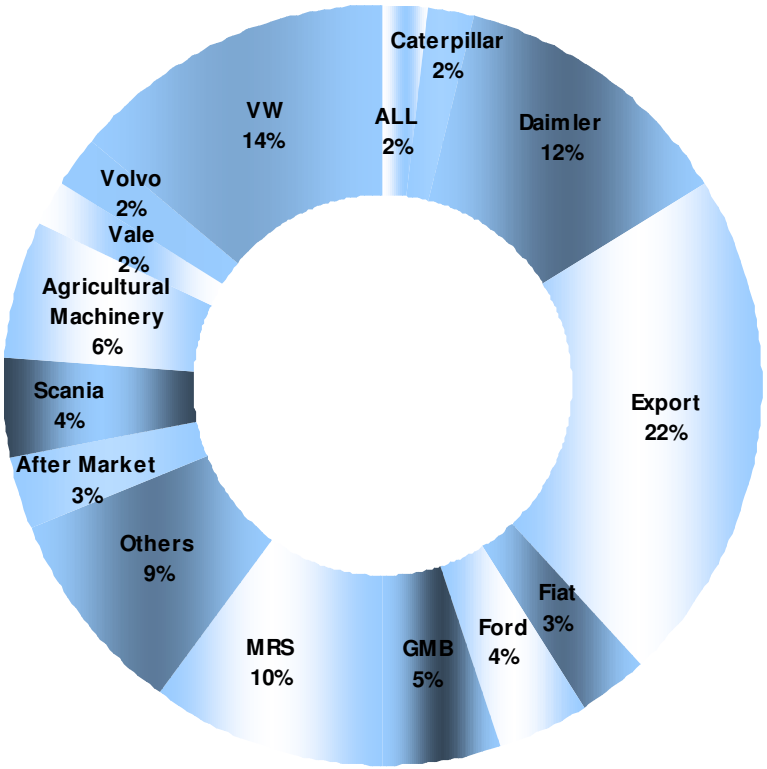
Revenue by Division / Business



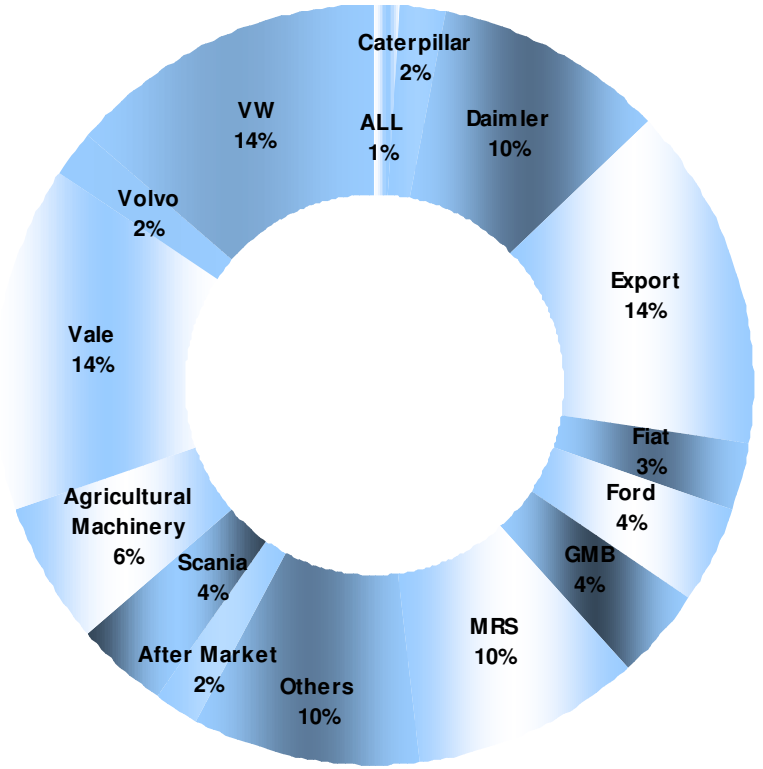
- ✓ Wheels: Δ 3Q08 – 07 = 44.8%
- ✓ Chassis: Δ 3Q08 – 07 = 39.5%
- ✓ Automotive Comp.: Δ 3Q08 – 07 = 14.0%
- ✓ Amsted Maxion: Δ 3Q08 – 07 = 76.7%

NET OPERATING REVENUE

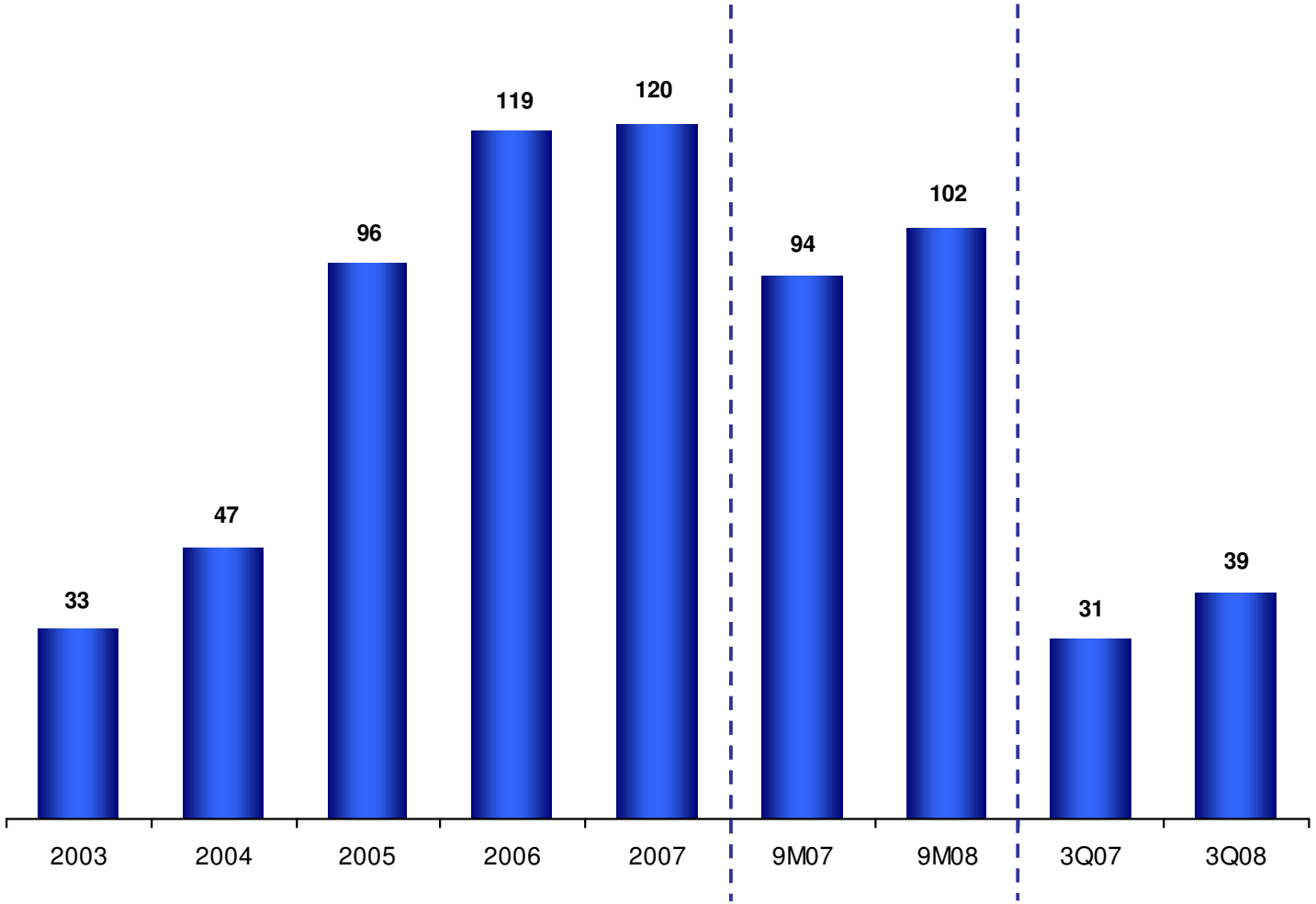
Revenue by Customer – 3Q07



Revenue by Customer – 3Q08



EXPORTS (USD million)

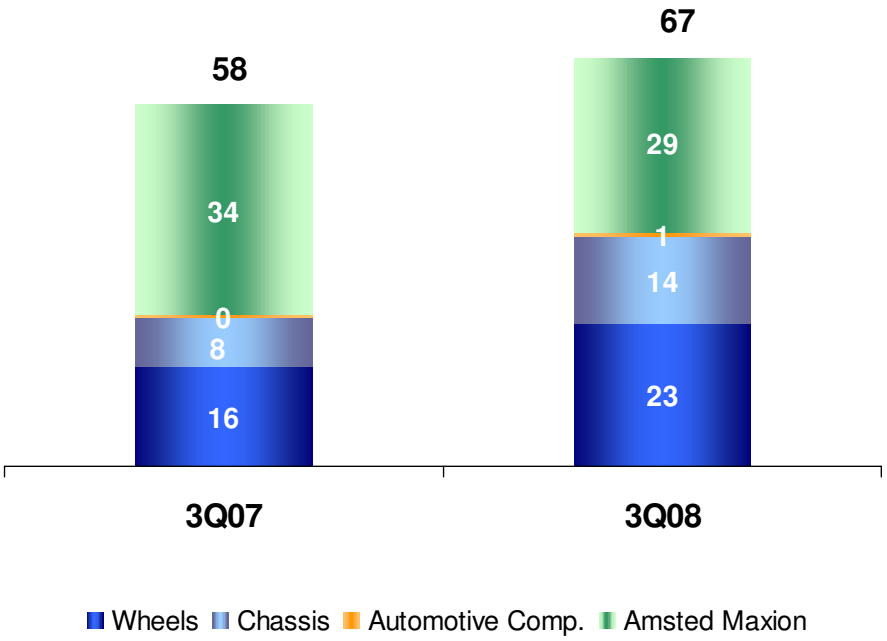


Exports

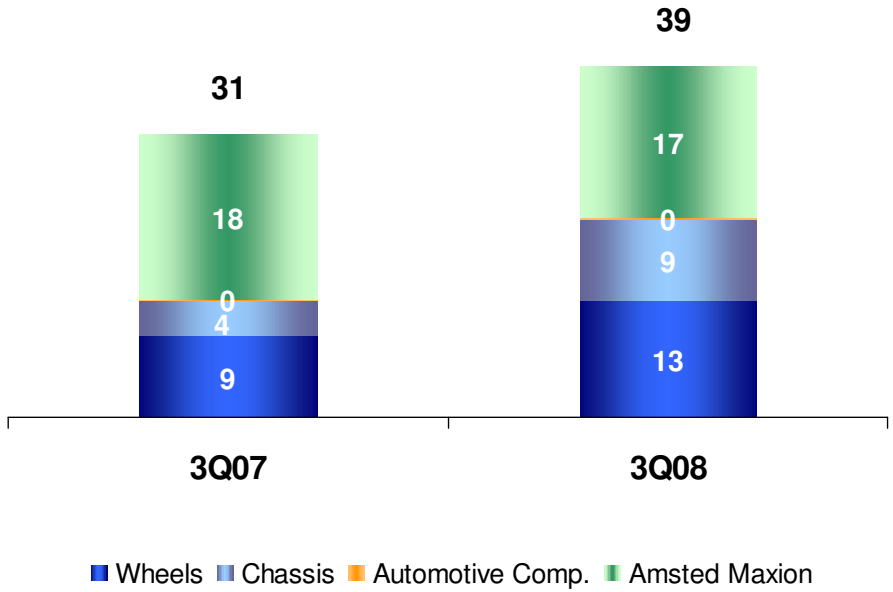
- ✓ Δ 3Q08 - 07 = 27.1%
- ✓ Δ 9M08 - 07 = 7.9%
- ✓ CAGR 2003 - 07 = 38.1%

EXPORTS BY DIVISION / BUSINESS

R$ thousand



US$ thousand



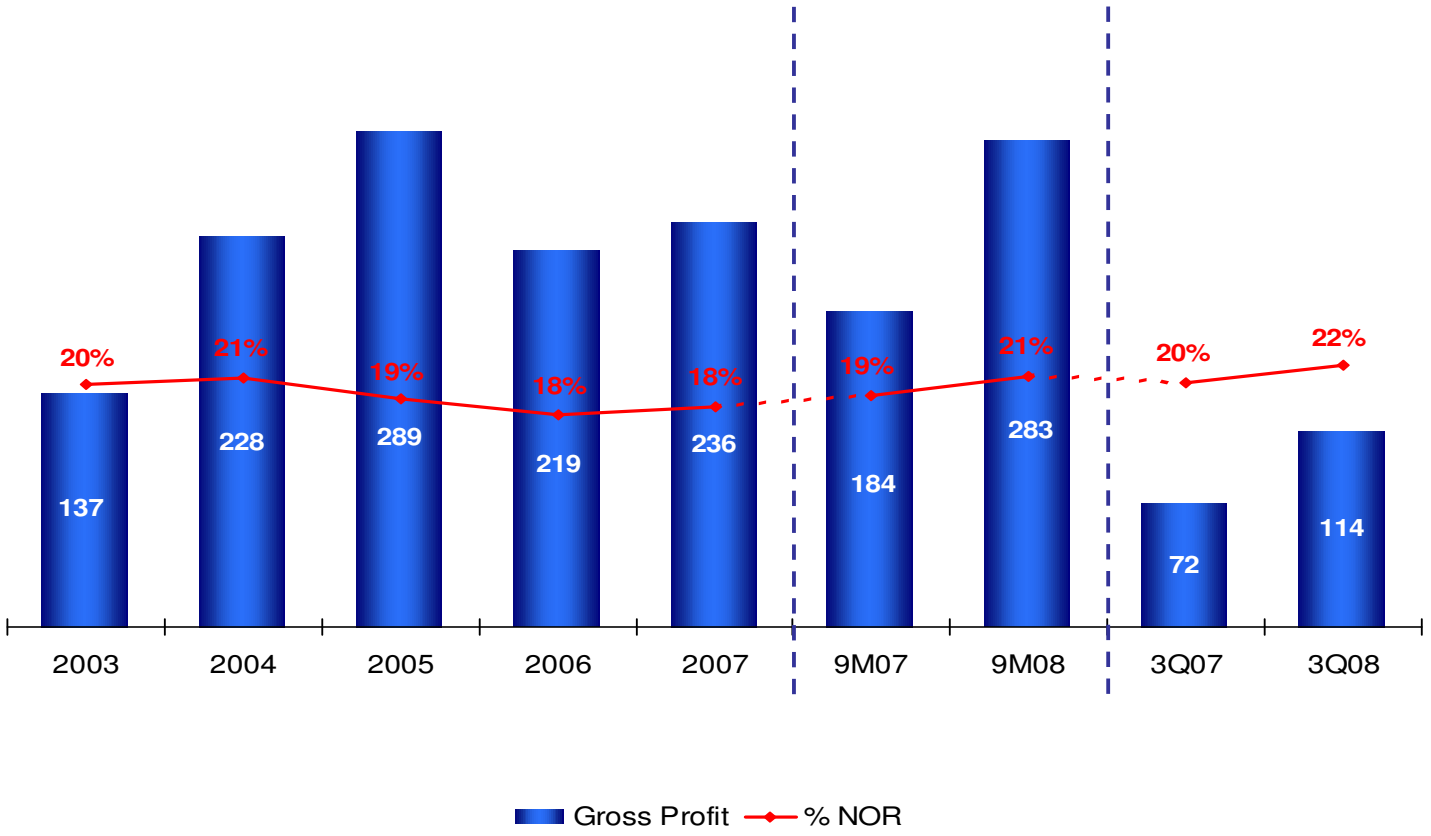
Variation 3Q8 - 07 = 15.4%

- ✓ Wheels = 30.0%
- ✓ Chassis = 84.2%
- ✓ Automotive Comp. = 86.7%
- ✓ Amsted Maxion: = (13.3%)

Variation 3Q8 - 07 = 27.1%

- ✓ Wheels = 44.0%
- ✓ Chassis = 106.3%
- ✓ Automotive Comp. = 105.8%
- ✓ Amsted Maxion: = (5.1%)

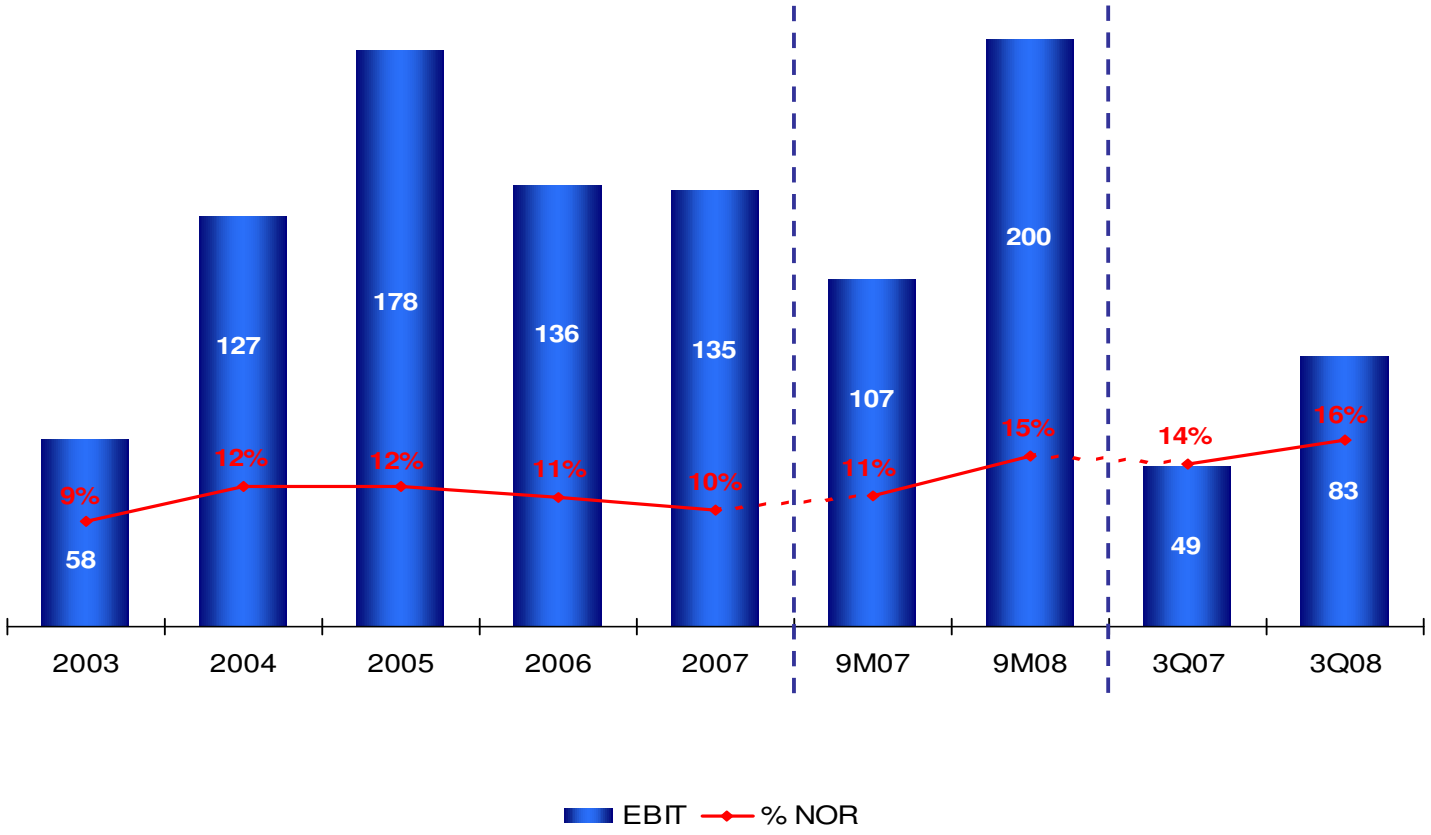
GROSS PROFIT (R$ million)



Gross Profit

- ✓ Δ 3Q08 - 07 = 57.5%
- ✓ Δ 9M08 - 07 = 53.9%
- ✓ CAGR 2003 - 07 = 14.6%

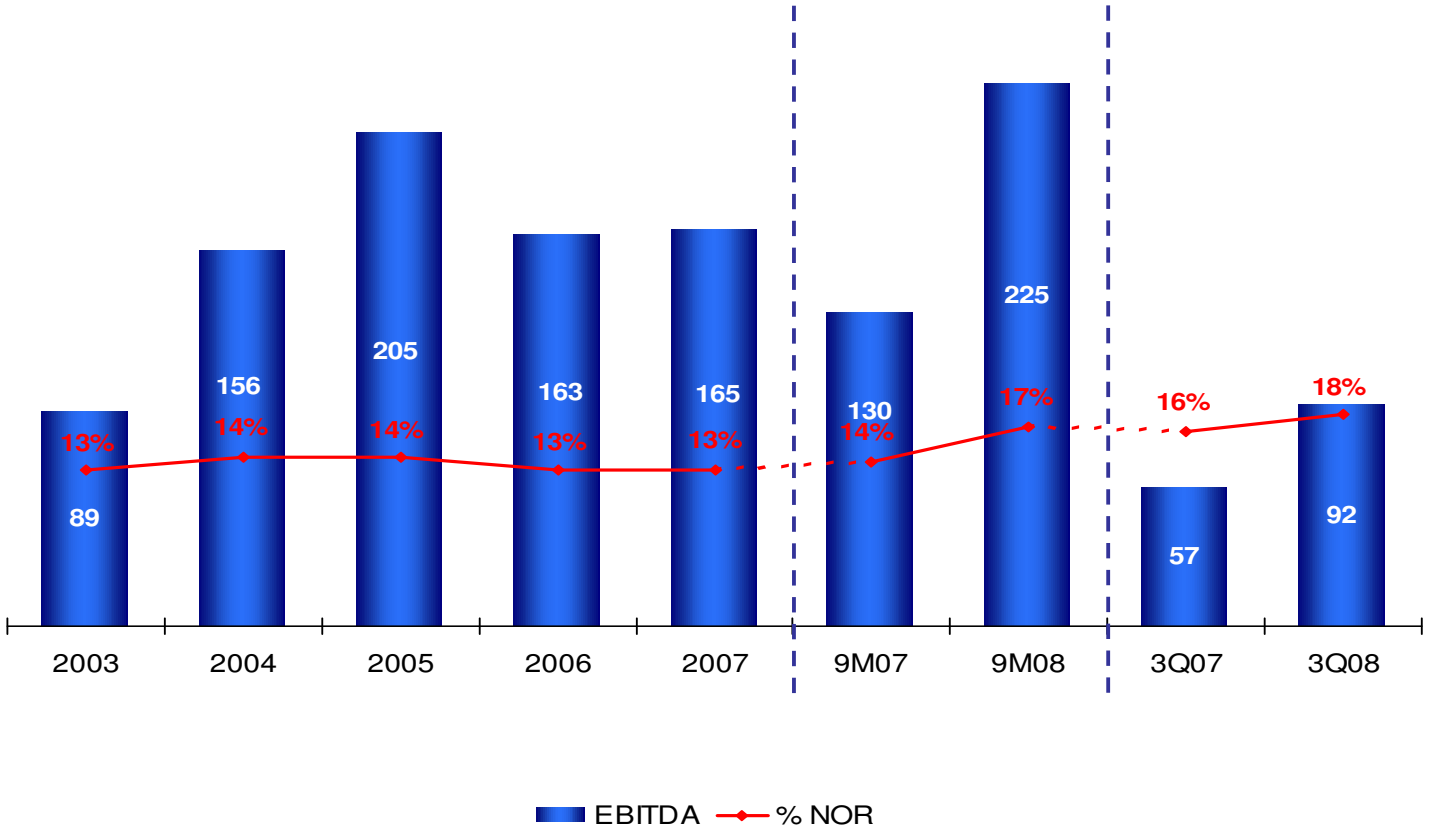
OPERATING INCOME - EBIT (R$ million)



Operating Income

- ✓ Δ 3Q08 - 07 = 68.6%
- ✓ Δ 9M08 - 07 = 86.2%
- ✓ CAGR 2003 - 07 = 23.5%

EBITDA* (R$ million)

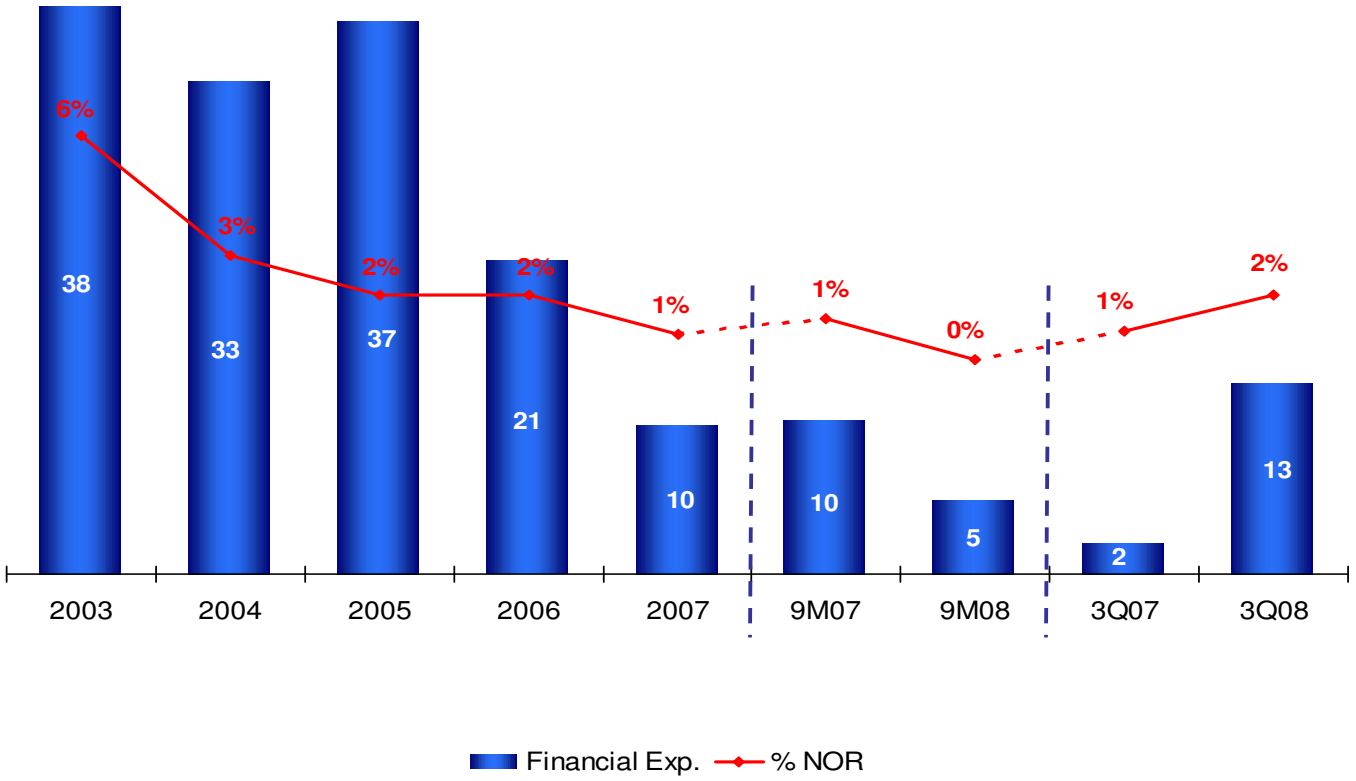


EBITDA

- ✓ Δ 3Q08 - 07 = 60.4%
- ✓ Δ 9M08 - 07 = 72.9%
- ✓ CAGR 2003 - 07 = 16.7%

(*) EBITDA, throughout this presentation means: net income plus income tax and social contribution, plus non-operating result, plus net financial expenses, plus depreciation and amortization, plus goodwill amortization.

NET FINANCIAL EXPENSES (R$ million)



Net Financial Expenses

- ✓ Δ 3Q08 - 07 = 517.6%
- ✓ Δ 9M08 - 07 = (51.8%)
- ✓ CAGR 2003 - 07 = (28.4)%

IMPACT OF THE FX RATE VARIATION

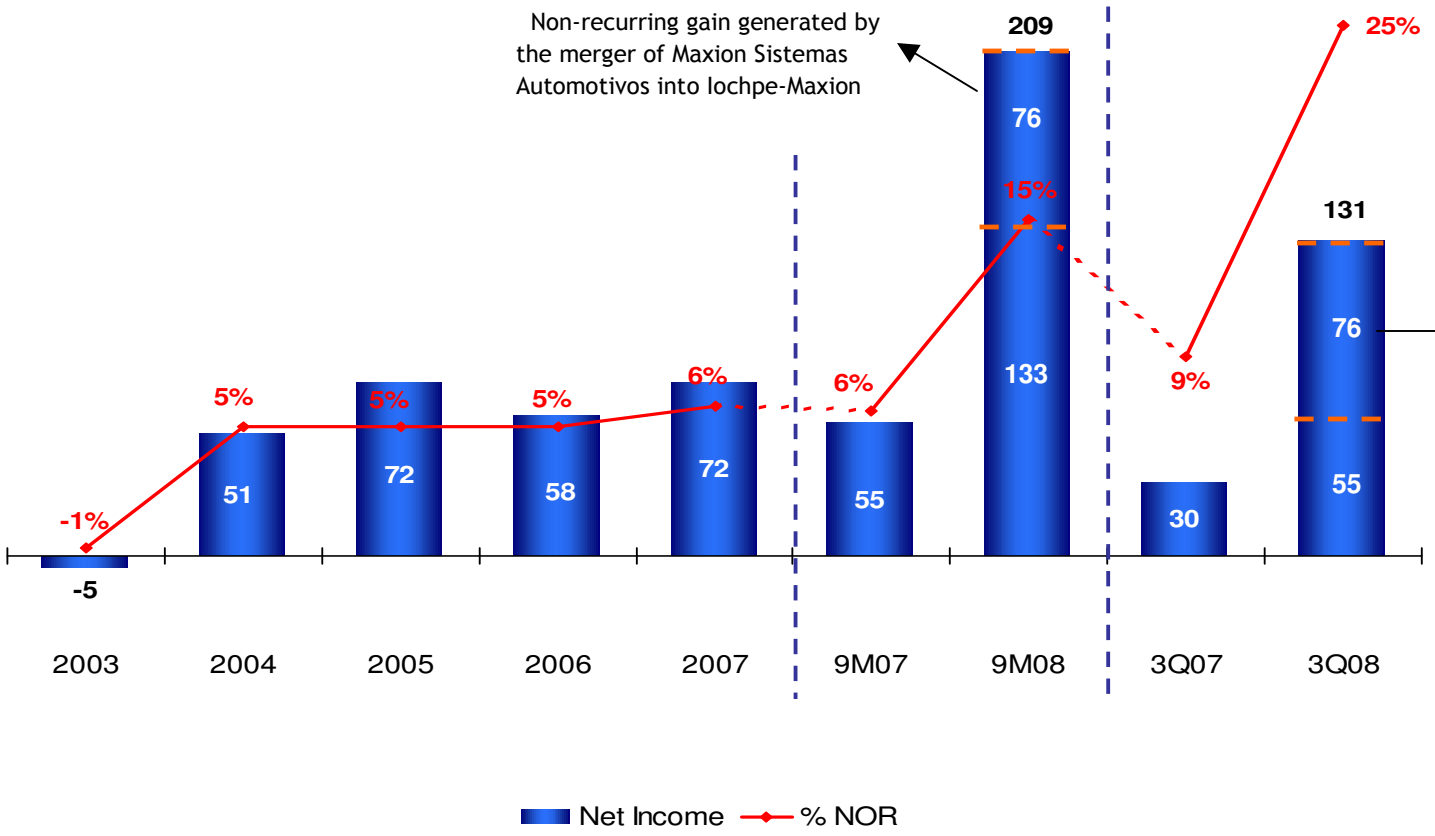
✓ Impact of the FX rate variation on Finacial Expense (Revenue)

Balance	3Q08 Value US$ Million	3Q08 FX Rate Var. R$ million
NDF (expired)	35.8	1.5
ACC	14.6	(4.7)
Loans	30.2	(9.1)
Financial Exp./ Rev.		**(12.3)**

✓ Impact of the FX rate variation on Temporary Equity Reserve

Balance	3Q08 Balance	3Q08 Variation
	R$ MM	
Foreign Investments	6.6	7.4
NDF (to expire)	(8.5)	(16.4)
Total Effect on Equity	**(1.9)**	**(8.9)**

NET INCOME (R$ million)



Net Income

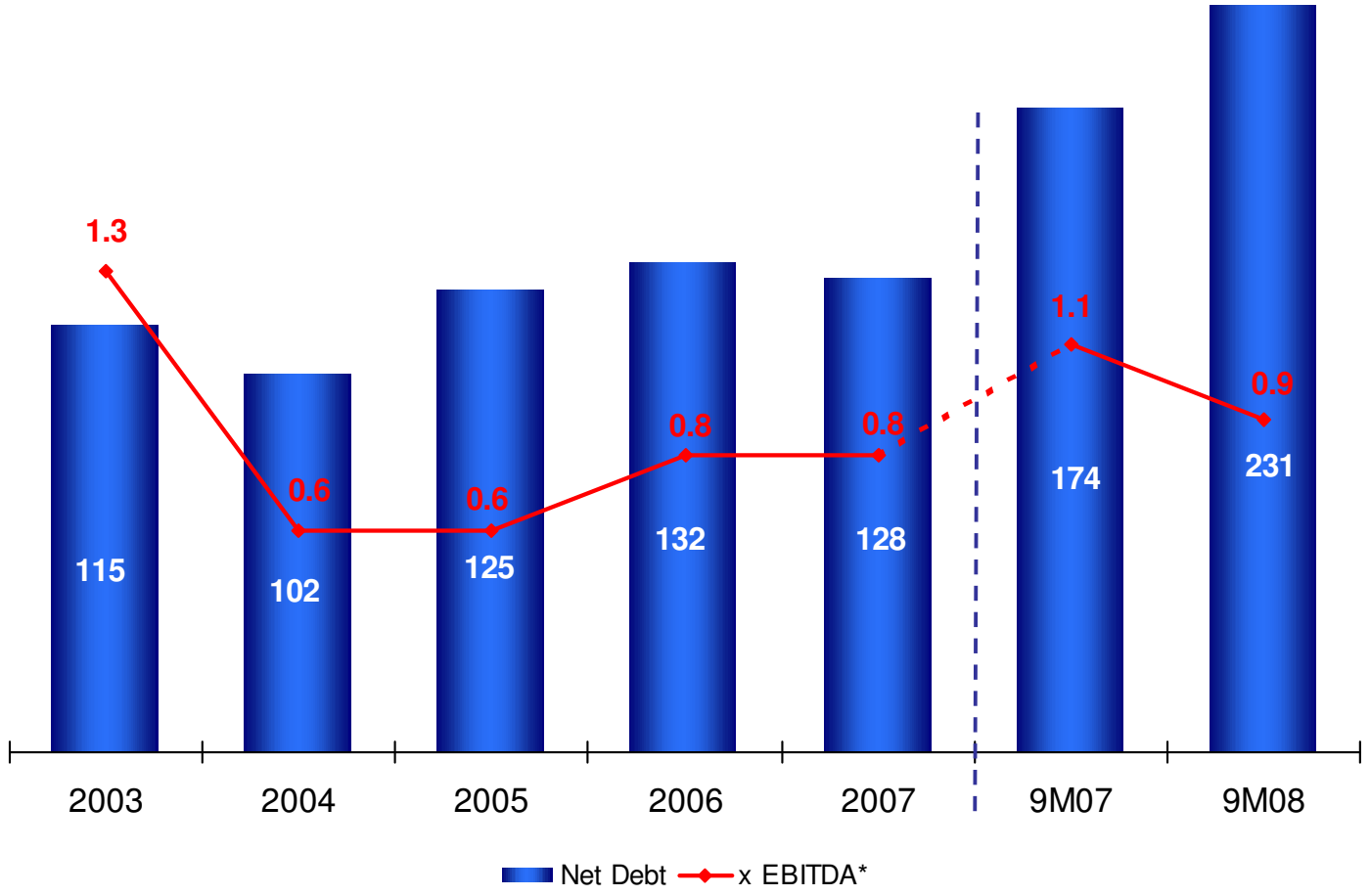
- ✓ Δ 3Q08 - 07 = 335.7%
- ✓ Δ 9M08 - 07 = 277.9%
- ✓ CAGR 2003 - 07 * = 196.2%

Net Income w/ Non-recurring Effect

- ✓ Δ 3Q08 - 07 = 82.4%
- ✓ Δ 9M08 - 07 = 140.5%

* Consider the absolute variation in the period

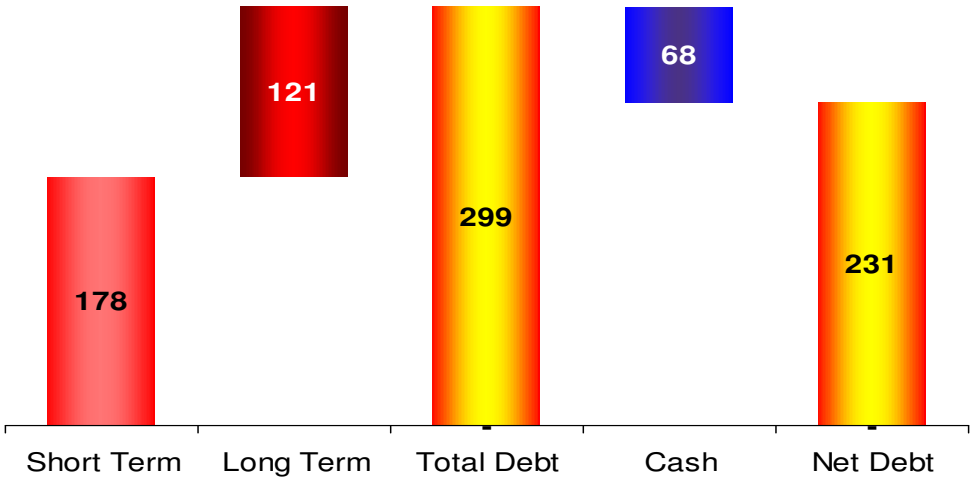
NET BANK DEBT (R$ million)



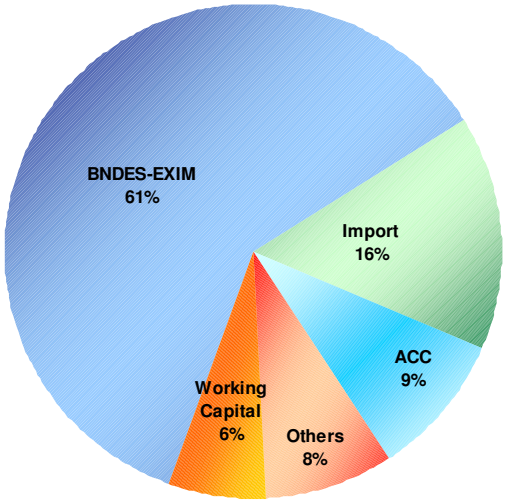
(*) EBITDA, throughout this presentation means: net income plus income tax and social contribution, plus non-operating result, plus net financial expenses, plus depreciation and amortization, plus goodwill amortization

EBITDA LTM

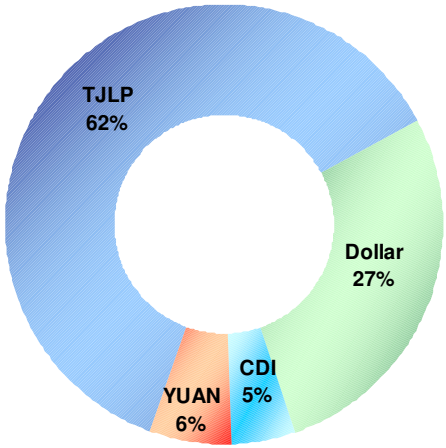
INDEBTEDNESS - SEP/08 (R$ million)



Debt by Lines



Debt Indexation



Indexation	Average Cost
Indexed in R$	79% CDI
Indexed in US$	5,5% per year

OPERATIONS RELATED TO FIXING THE FUTURE VALUE OF THE DOLLAR (NDFs)

✓ At the end of Sep/08, the company had contracted US$ 82.1 million in operations related to selling future dollar at R$ 1.8701 per USD FX rate, for the period of Oct/08 to Sep/09

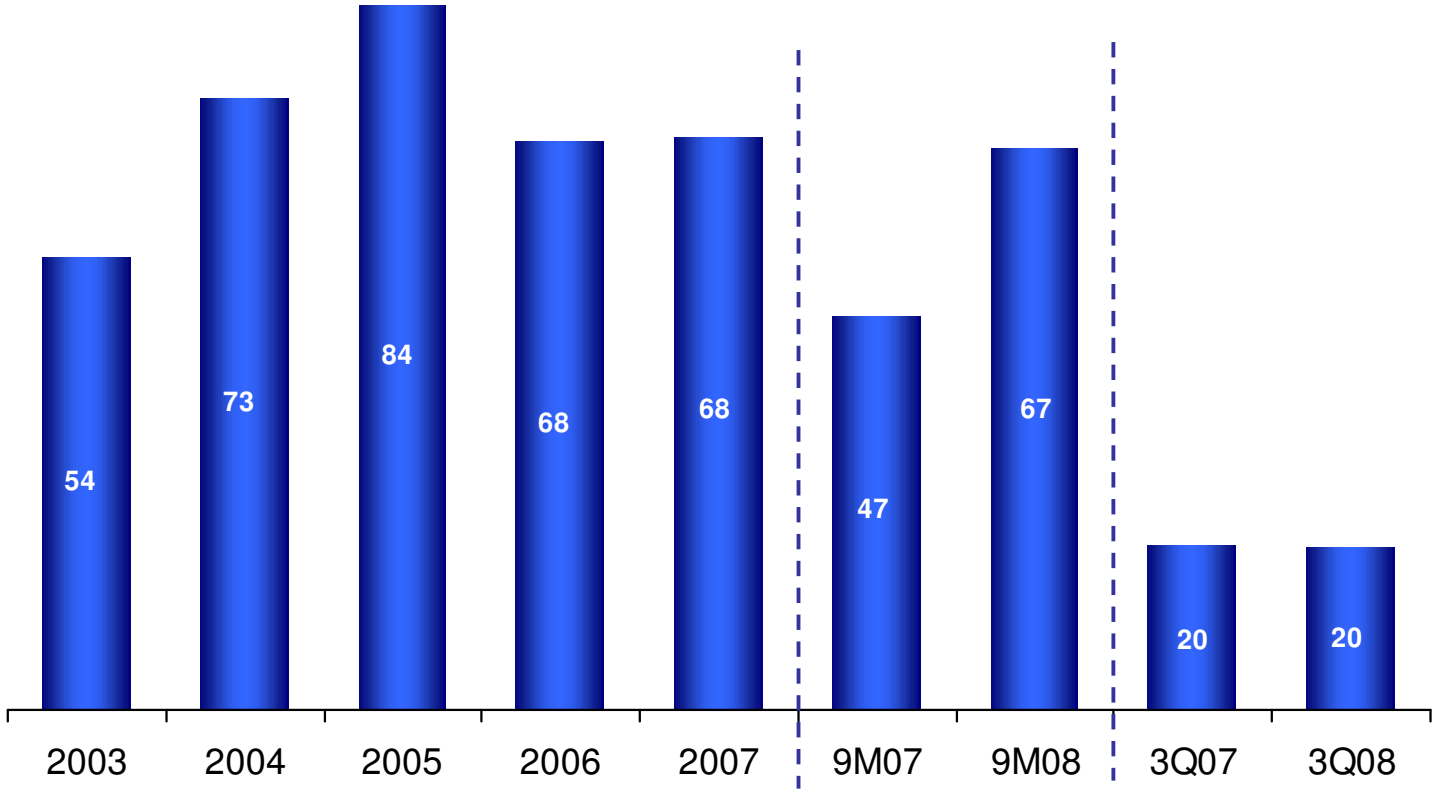
✓ At the end of Sep/08, the company had contracted US$ 5.2 million in operations related to buying future dollar at R$ 1.6630 per USD FX rate, for the period of Oct/08 to Jan/09

✓ If the operations would expire on 09/30/2008, it would represented a negative result of R$ 8.5 million, which was accounted as a negative temporary equity reserve

Period	Operations	Contracted Value US$	Average FX Rate	Gain/Loss* R$ thousand
At the end of 3Q08	NDFs (Buying)	82,100	1.8701	(9,817)
	NDFs (Selling)	5,212	1.6630	1,335
	Total NDFs			**(8,482)**

* Amount accounted as a negative temporary equity reserve

CAPEX (R$ million)



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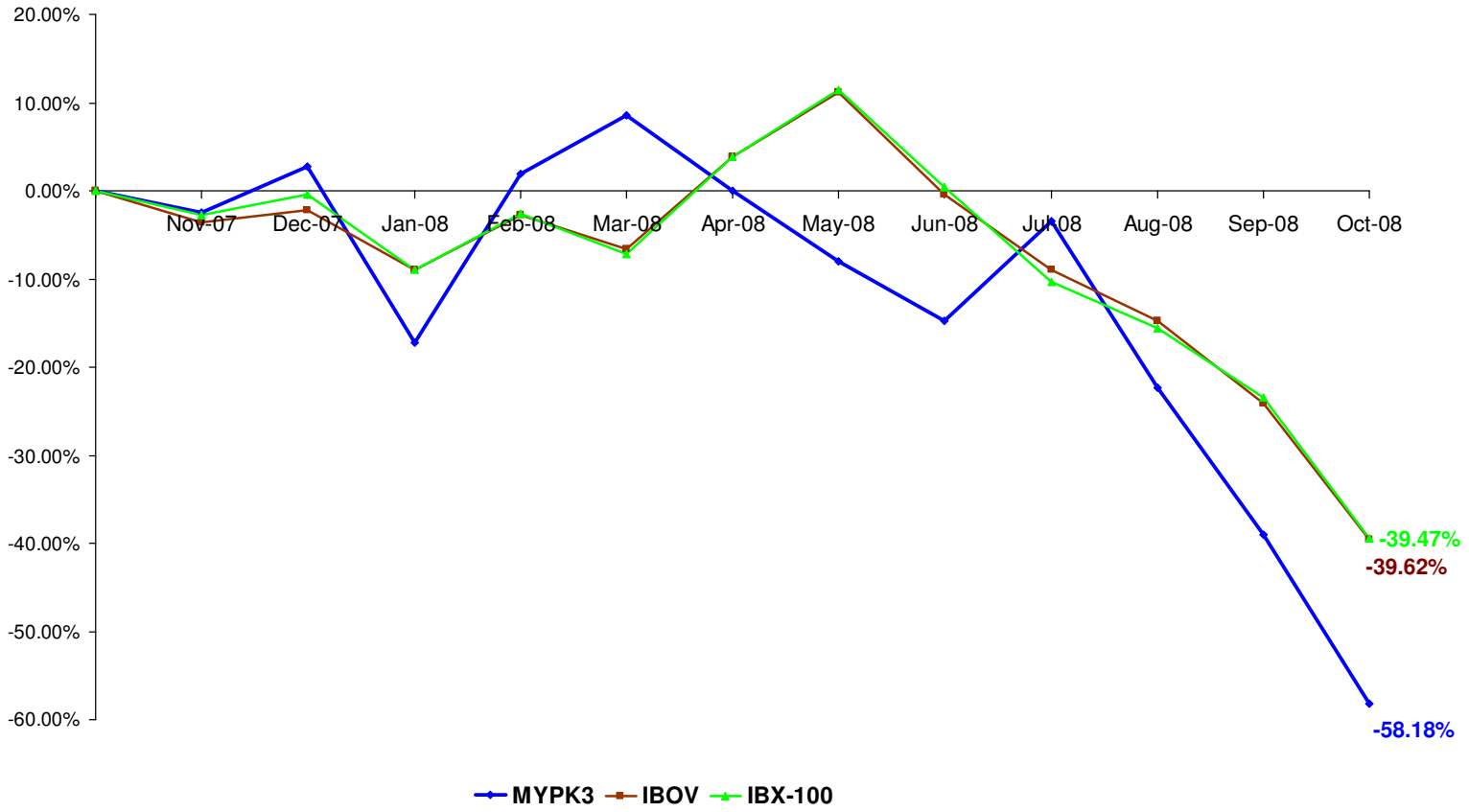
Capital Market

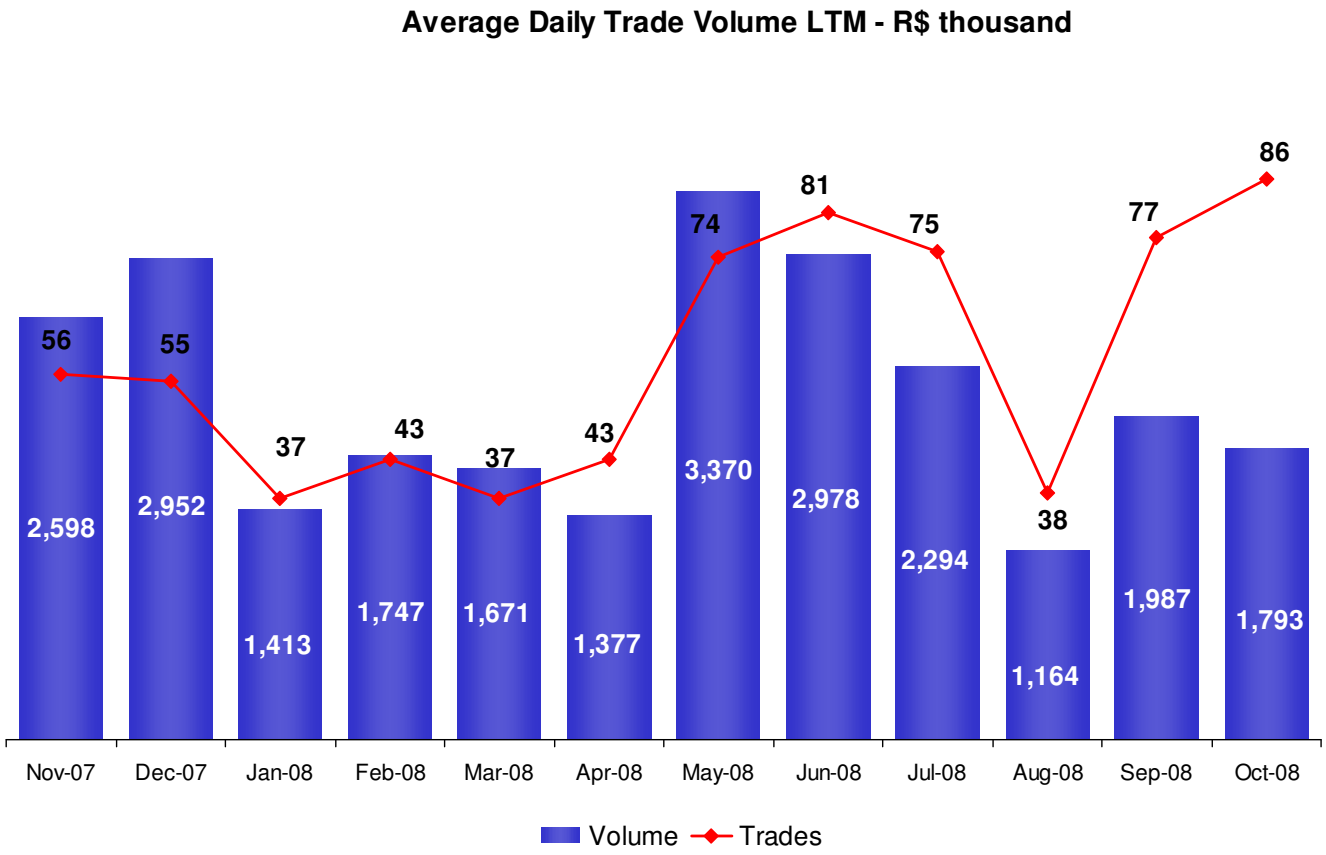
SHARES PERFORMANCE - LTM



✓ Oct/08 – closing price of the 20th (R$ 14.95)

✓ Due to the low liquidity of MYPK3 before the conversion of the shares, was considered the price of MYPK4 before the conversion (02/26/08)

AVERAGE DAILY TRADE VOLUME - R$ thousand



✓ Oct/08 – volume and trades until the 20th

✓ Due to the low liquidity of MYPK3 before the conversion of the shares, was considered the volume and trade of MYPK4 before the conversion (02/26/08)

OUTLOOK

✓ **Extension of the impacts of the financial crisis still to be seen**

RESTRUCTURING

✓ An Extraordinary Shareholders Meeting held on July 1, 2008, approved the merger of the subsidiary Maxion Sistemas Automotivos into Iochpe-Maxion, based on its book value

✓ This restructuring aimed to simplify the company's operational and corporate structure, by concentrating all its main Brazilian operations, except for the subsidiary Amsted Maxion Equipamentos Ferroviarios S.A., in a single company

IOCHPE-MAXION



Additional Information

INCOME STATEMENT (R$ thousand)

Consolidated Income Statement R$ thousand	3Q08	N.O.R	3Q07	N.O.R	9M08	N.O.R	9M07	N.O.R
Net Operating Revenue	522,983	100.0%	355,705	100.0%	1,365,713	100.0%	960,822	100.0%
Cost of Goods Sold								
Raw Material	(261,560)	50.0%	(164,250)	46.2%	(664,569)	48.7%	(445,223)	46.3%
Labor / Others	(147,529)	28.2%	(119,154)	33.5%	(417,744)	30.6%	(331,489)	34.5%
	(409,089)	78.2%	(283,404)	79.7%	(1,082,313)	79.2%	(776,711)	80.8%
Gross Profit	**113,894**	**21.8%**	**72,301**	**20.3%**	**283,400**	**20.8%**	**184,111**	**19.2%**
Operating Expenses								
General and Administrative	(14,178)	2.7%	(11,678)	3.3%	(38,080)	2.8%	(34,934)	3.6%
Commercial	(19,666)	3.8%	(13,815)	3.9%	(50,077)	3.7%	(42,914)	4.5%
Others	3,380	0.6%	2,676	0.8%	4,759	0.3%	1,139	0.1%
	(30,464)	5.8%	(22,817)	6.4%	(83,398)	6.1%	(76,709)	8.0%
Operating Income (EBIT)	**83,430**	**16.0%**	**49,484**	**13.9%**	**200,002**	**14.6%**	**107,402**	**11.2%**
Financial Results								
Financial Revenue	(25)	0.0%	5,272	1.5%	31,412	2.3%	17,286	1.8%
Financial Expenses	(12,724)	2.4%	(7,336)	2.1%	(36,392)	2.7%	(27,611)	2.9%
	(12,749)	2.4%	(2,064)	0.6%	(4,983)	0.4%	(10,325)	1.1%
Earnings After Financial Income	**70,681**	**13.5%**	**47,420**	**13.3%**	**195,019**	**14.3%**	**97,077**	**10.1%**
Non Operating Results	(1,199)	0.2%	(830)	0.2%	(3,229)	0.2%	(7,703)	0.8%
Earnings Before Taxes	**69,482**	**13.3%**	**46,590**	**13.1%**	**191,790**	**14.0%**	**89,374**	**9.3%**
Income Taxes	61,501	11.8%	(16,530)	-4.6%	17,416	1.3%	(34,013)	-3.5%
Net Income	**130,983**	**25.0%**	**30,060**	**8.5%**	**209,206**	**15.3%**	**55,361**	**5.8%**
EBITDA	**92,157**	**17.6%**	**57,455**	**16.2%**	**225,266**	**16.5%**	**130,262**	**13.6%**

(*) EBITDA, throughout this presentation means: net income plus income tax and social contribution, plus non-operating result, plus net financial expenses, plus depreciation and amortization, plus goodwill amortization.

BALANCE SHEET (R$ thousand)

ASSETS	Sep-08	Sep-07
CURRENT		
Cash	28,177	25,821
Financial Investments	40,076	19,842
Receivables	291,554	176,473
Inventory	237,566	162,080
Supliers Advanced	5,481	9,271
Recoverable Taxes	13,548	22,937
Deferred Taxes	23,376	-
Others	1,140	5,818
	640,918	**422,242**
LONG TERM		
Receivable	609	1,524
Obligatory deposits and judicial	12,695	9,186
Recoverable Taxes	11,010	7,761
Deferred Taxes	76,100	34,785
Others	1,718	(5,510)
	102,132	**47,746**
PERMANENT		
Investments	441	125
Plants, Property and Equipment	350,533	296,952
Intangible	4,894	-
Deferred Items	4,629	679
	360,497	**297,756**
TOTAL ASSETS	**1,103,547**	**767,744**

LIABILITIES	Sep-08	Sep-07
CURRENT		
Loans	177,715	100,528
Payables	101,750	75,160
Customers Advance	12,061	11,323
Taxes	15,020	8,757
Wage, Charges and others	60,542	45,301
Others Provision	14,952	6,823
Others	20,145	14,713
	402,185	**262,605**
LONG TERM		
Loans	121,171	118,786
Provisions	55,854	56,814
Others	6,481	9,243
	183,506	**184,843**
MINORITY	**-**	**-**
EQUITY		
Capital	261,463	161,463
Temporaty Equity Reserve	(1,891)	-
Capital Reserves	49,078	103,472
Retained Earnings	209,206	55,361
	517,856	**320,296**
TOTAL LIABILITIES	**1,103,547**	**767,744**

SHAREHOLDERS STRUCTURE

Shareholders Structure on 9/30/2008

Shareholders	Shares	%
Ioschpe Family	13,534,057	28.53%
BNDESPAR	11,593,401	24.44%
Controlling Shareholders	25,127,458	52.98%
Others	22,304,228	47.02%
Total Iochpe-Maxion	**47,431,686**	**100.00%**

IOCHPE-MAXION

EARNINGS RELEASE – 3Q08



October, 2008