

## 1) HIGHLIGHTS OF THE 4<sup>th</sup> QUARTER 2011

- Consolidated net operating revenue of R\$ 717.2 million in the fourth quarter 2011 and R\$ 2,905.1 in 2011, an increase of 30.4% over the fourth quarter 2010 and 30.4% over 2010;
- EBITDA of R\$ 79.9 million in the fourth quarter 2011 and R\$ 411.2 in 2011, an increase of 61.8% over the fourth quarter 2010 and 31.7% over 2010;
- Net income of R\$ 44.2 million (earnings per share of R\$ 0.4663) in the fourth quarter 2011 and R\$ 223.4 million (earnings per share of R\$ 2.3553) in 2011, an increase of 72.3% over the fourth quarter 2010 (earnings per share of R\$ 0.2706) and 36.1% over 2010 (earnings per share of R\$ 1.9776);
- Net bank debt of R\$ 519.4 at the end of the fourth quarter and 2011 (R\$ 408.2 million at the fourth quarter and 2010) or 1.3x LTM EBITDA (1.3x at the end of fourth quarter and 2010).

## 2) MARKET

### 2.1) Automotive

The table below shows Brazil's vehicle and agricultural machinery production (in units) for the periods indicated, based on data from the Brazilian Association of Vehicle Manufacturers (ANFAVEA):

Segment	4Q10	4Q11	Var.	2010	2011	Var.
Passenger Cars	649,707	587,770	-9.5%	2,584,690	2,534,534	-1.9%
Light Commercials	152,908	144,052	-5.8%	566,567	607,781	7.3%
Trucks	49,017	57,242	16.8%	189,941	216,270	13.9%
Buses	8,538	12,978	52.0%	40,530	47,565	17.4%
<b>Total Vehicles</b>	<b>860,170</b>	<b>802,042</b>	<b>-6.8%</b>	<b>3,381,728</b>	<b>3,406,150</b>	<b>0.7%</b>
Agricultural Machinery	19,708	19,753	0.2%	88,874	81,809	-7.9%

Within these production volumes and according to ANFAVEA\*, Brazilian vehicle and agricultural machinery exports (in units) for the periods indicated, are shown below:

Segment	4Q10	4Q11	Var.	2010	2011	Var.
Passenger Cars	96,137	121,687	26.6%	374,841	401,194	7.0%
Light Commercials	28,563	25,252	-11.6%	97,529	106,222	8.9%
Trucks	5,742	6,832	19.0%	21,182	26,321	24.3%
Buses	2,645	1,831	-30.8%	9,202	7,831	-14.9%
<b>Total Vehicles</b>	<b>133,087</b>	<b>155,602</b>	<b>16.9%</b>	<b>502,754</b>	<b>541,568</b>	<b>7.7%</b>
Agricultural Machinery	6,081	4,775	-21.5%	19,176	18,373	-4.2%

\* The ANFAVEA's data doesn't include any longer export data on completely knocked-down vehicles (CKD).

According to data from CSM Worldwide, an entity that provides global information regarding the automotive sector, the vehicle production in the NAFTA region, in units, for the periods indicated, are shown below:

Segment	4Q10	4Q11	Var.	2010	2011	Var.
Passenger Cars	1,253,549	1,512,316	20.6%	5,721,284	6,208,341	8.5%
Light Commercials	1,712,109	1,789,775	4.5%	6,219,824	6,917,411	11.2%
<b>Total Light Vehicles</b>	<b>2,965,658</b>	<b>3,302,091</b>	<b>11.3%</b>	<b>11,941,108</b>	<b>13,125,752</b>	<b>9.9%</b>

## 2.2) Railway

The following table shows the Brazilian railway equipment market in the indicated periods, according to AmstedMaxion's estimates:

Segment	4Q10	4Q11	Var.	2010	2011	Var.
Railway Freight Cars (units)	1,198	1,304	8.8%	3,265	5,616	72.0%
Railway Wheels (units)*	12,002	8,569	-28.6%	54,129	64,698	19.5%
Castings (tonnes)*	761	956	25.7%	2,764	7,161	159.1%

\* Replacement market only, excluding wheels and castings used in assembling new railway freight cars.

## 3) FINANCIAL AND OPERATING PERFORMANCE

### Consolidated

I.S - R\$ thousand	4Q10	4Q11	Var.	2010	2011	Var.
Net Operating Revenue	549,866	717,209	30.4%	2,227,398	2,905,139	30.4%
Cost of Goods Sold	(469,389)	(605,175)	28.9%	(1,810,781)	(2,353,383)	30.0%
<b>Gross Profit</b>	<b>80,477</b>	<b>112,034</b>	<b>39.2%</b>	<b>416,616</b>	<b>551,756</b>	<b>32.4%</b>
	<b>14.6%</b>	<b>15.6%</b>		<b>18.7%</b>	<b>19.0%</b>	
Operating Expenses	(42,712)	(46,721)	9.4%	(155,060)	(193,503)	24.8%
<b>Operating Income (EBIT)</b>	<b>37,765</b>	<b>65,313</b>	<b>72.9%</b>	<b>261,557</b>	<b>358,253</b>	<b>37.0%</b>
	<b>6.9%</b>	<b>9.1%</b>		<b>11.7%</b>	<b>12.3%</b>	
Financial Results	(4,522)	5,856	-229.5%	(29,506)	(15,175)	-48.6%
<b>Net Income</b>	<b>25,671</b>	<b>44,238</b>	<b>72.3%</b>	<b>164,153</b>	<b>223,436</b>	<b>36.1%</b>
	<b>4.7%</b>	<b>6.2%</b>		<b>7.4%</b>	<b>7.7%</b>	
<b>EBITDA</b>	<b>49,416</b>	<b>79,941</b>	<b>61.8%</b>	<b>312,271</b>	<b>411,163</b>	<b>31.7%</b>
	<b>9.0%</b>	<b>11.1%</b>		<b>14.0%</b>	<b>14.2%</b>	

### 3.1) Net Operating Revenue

Consolidated net operating revenue totaled R\$ 717.2 million in the fourth quarter 2011, an increase of 30.4% over the same quarter of last year.

Main factors contributing to this result were: (i) the strong demand on the Brazilian railway freight cars market, (ii) the growth in Brazilian truck and bus production, (iii) the growth in NAFTA region light vehicles production and (iv) the sales of tooling to customers of the Automotive Segment which reached R\$ 17.6 million (as a reference, R\$ 1.6 million in the same period of last year).

Consolidated net operating revenue totaled R\$ 2,905.1 million in 2011, an increase of 30.4% over the year before.

Consolidated exports and international sales totaled R\$ 162.6 million or US\$ 86.7 million in the fourth quarter 2011 (R\$ 581.4 million or US\$ 309.9 million in 2011), an increase of 65.7% in reais and 47.2% in US dollars over the fourth quarter of last year (increase of 41.7% in reais and 25.8% in US dollars over 2010).

The consolidated main export and international sales destinations in the fourth quarter 2011, by value, were: USA with 51.3% (53.2% in 2011), Mexico with 22.6% (23.5% in

2011), Latin America with 17.6% (14.4% in 2011), Europe with 4.2% (5.2% in 2011), Asia/Oceania with 2.5% (2.6% in 2011), Africa/Middle East with 1.6% (0.9% in 2011) and Canada with 0.3% (0.2% in 2011).

Consolidated Net Operating Revenue - R\$ thousand	Domestic Market			International Market			Total		
	4Q10	4Q11	Var.	4Q10	4Q11	Var.	4Q10	4Q11	Var.
Wheels (Brazil)	85,223	106,955	25.5%	7,721	9,447	22.4%	92,943	116,402	25.2%
% Part.	15.5%	14.9%	0.0%	1.4%	1.3%	0.0%	16.9%	16.2%	0.0%
Wheels (China)	-	-	0.0%	5,644	7,120	26.1%	5,644	7,120	26.1%
% Part.	0.0%	0.0%	0.0%	1.0%	1.0%	0.0%	1.0%	1.0%	0.0%
Maxion Montich (50%)	-	-	0.0%	-	15,051	0.0%	-	15,051	0.0%
% Part.	0.0%	0.0%	0.0%	0.0%	2.1%	0.0%	0.0%	2.1%	0.0%
Chassis	173,561	215,494	24.2%	7,764	6,403	-17.5%	181,325	221,897	22.4%
% Part.	31.6%	30.0%	0.0%	1.4%	0.9%	0.0%	33.0%	30.9%	0.0%
Wheels and Chassis Division	258,784	322,449	24.6%	21,129	38,021	79.9%	279,913	360,470	28.8%
% Part.	47.1%	45.0%	0.0%	3.8%	5.3%	0.0%	50.9%	50.3%	0.0%
Fumagalli Division	73,266	62,216	-15.1%	68,781	106,567	54.9%	142,047	168,782	18.8%
% Part.	13.3%	8.7%	0.0%	12.5%	14.9%	0.0%	25.8%	23.5%	0.0%
Automotive Comp. Division	44,611	50,475	13.1%	-	-	0.0%	44,611	50,475	13.1%
% Part.	8.1%	7.0%	0.0%	0.0%	0.0%	0.0%	8.1%	7.0%	0.0%
AmstedMaxion (50%)	75,132	119,520	59.1%	8,164	17,962	120.0%	83,296	137,482	65.1%
% Part.	13.7%	16.7%	0.0%	1.5%	2.5%	0.0%	15.1%	19.2%	0.0%
<b>Iochope-Macion Consolidated</b>	<b>451,793</b>	<b>554,659</b>	<b>22.8%</b>	<b>98,073</b>	<b>162,550</b>	<b>65.7%</b>	<b>549,866</b>	<b>717,209</b>	<b>30.4%</b>
% Part.	82.2%	77.3%	0.0%	17.8%	22.7%	0.0%	100.0%	100.0%	0.0%

Consolidated Net Operating Revenue - R\$ thousand	Domestic Market			International Market			Total		
	2010	2011	Var.	2010	2011	Var.	2010	2011	Var.
Wheels (Brazil)	374,656	436,035	16.4%	38,875	43,082	10.8%	413,531	479,118	15.9%
% Part.	16.8%	15.0%	0.0%	1.7%	1.5%	0.0%	18.6%	16.5%	0.0%
Wheels (China)	-	-	0.0%	23,335	37,669	61.4%	23,335	37,669	61.4%
% Part.	0.0%	0.0%	0.0%	1.0%	1.3%	0.0%	1.0%	1.3%	0.0%
Maxion Montich (50%)	-	-	0.0%	-	39,097	0.0%	-	39,097	0.0%
% Part.	0.0%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%	1.3%	0.0%
Chassis	734,625	917,193	24.9%	31,896	17,025	-46.6%	766,522	934,218	21.9%
% Part.	33.0%	31.6%	0.0%	1.4%	0.6%	0.0%	34.4%	32.2%	0.0%
Wheels and Chassis Division	1,109,281	1,353,228	22.0%	94,107	136,873	45.4%	1,203,388	1,490,102	23.8%
% Part.	49.8%	46.6%	0.0%	4.2%	4.7%	0.0%	54.0%	51.3%	0.0%
Fumagalli Division	280,680	273,601	-2.5%	281,075	389,910	38.7%	561,755	663,511	18.1%
% Part.	12.6%	9.4%	0.0%	12.6%	13.4%	0.0%	25.2%	22.8%	0.0%
Automotive Comp. Division	169,367	196,052	15.8%	-	-	0.0%	169,367	196,052	15.8%
% Part.	7.6%	6.7%	0.0%	0.0%	0.0%	0.0%	7.6%	6.7%	0.0%
AmstedMaxion (50%)	257,706	500,903	94.4%	35,182	54,571	55.1%	292,888	555,474	89.7%
% Part.	11.6%	17.2%	0.0%	1.6%	1.9%	0.0%	13.1%	19.1%	0.0%
<b>Iochope-Macion Consolidated</b>	<b>1,817,035</b>	<b>2,323,784</b>	<b>27.9%</b>	<b>410,364</b>	<b>581,355</b>	<b>41.7%</b>	<b>2,227,398</b>	<b>2,905,139</b>	<b>30.4%</b>
% Part.	81.6%	80.0%	0.0%	18.4%	20.0%	0.0%	100.0%	100.0%	0.0%

### 3.2) Cost of Goods Sold

The cost of goods sold reached R\$ 605.2 million in the fourth quarter 2011, equivalent to 84.4% of the consolidated net operating revenue and an increase of 28.9% over the fourth quarter 2010, when cost of goods sold accounted for 85.4% of the consolidated net operating revenue.

The cost of goods sold reached R\$ 2,353.4 million in 2011, equivalent to 81.0% of the consolidated net operating revenue and an increase of 30.0% over 2010, when cost of goods sold accounted for 81.3% of the consolidated net operating revenue.

### 3.3) Gross Profit

In the fourth quarter 2011, gross profit stood at R\$ 112.0 million, representing a gross margin of 15.6% and an increase of 39.2% over the same period of last year, when gross profit totaled R\$ 80.5 million and gross margin stood at 14.6%.

In 2011, gross profit stood at R\$ 551.8 million, representing a gross margin of 19.0% and an increase of 32.4% over the previous year, when gross margin stood at 18.7%.

### 3.4) Net Operating Expenses

Net operating expenses reached R\$ 46.7 million in the fourth quarter 2011, an increase of 9.4% over the same quarter of last year. Net operating expenses were equivalent to 6.5% of consolidated net operating revenue in the quarter, against 7.8% in the fourth quarter 2010.

The variation on net operating expenses is mostly related to (i) payroll increase related to the annual salary collective bargain process occurred on the quarter and (ii) the R\$ 4,5 million revenue related to lawsuits on PIS/COFINS taxes concluded definitively and in our favor in the quarter.

Net operating expenses reached R\$ 193.5 million in 2011, an increase of 24.8% over 2010. Net operating expenses were equivalent to 6.7% of consolidated net operating revenue in the year, against 7.0% in 2010.

### 3.5) Earnings Before Interest and Tax (EBIT)

EBIT reached R\$ 65.3 million in the fourth quarter 2011 or 9.1% of consolidated net operating revenue, up by 72.9% against the fourth quarter 2010, when it represented 6.9% of consolidated net operating revenue.

EBIT reached R\$ 358.3 million in 2011 or 12.3% of consolidated net operating revenue, up by 37.0% against 2010, when it represented 11.7% of consolidated net operating revenue.

### 3.6) Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

EBITDA totaled R\$ 79.9 million in the fourth quarter 2011, an increase of 61.8% over the same quarter of last year. As a margin of consolidated net operating revenue, EBITDA increased from 9.0% in the fourth quarter 2010 to 11.1% in the fourth quarter 2011.

EBITDA totaled R\$ 411.2 million in 2011, an increase of 31.7% over 2010. As a margin of consolidated net operating revenue, EBITDA increase from 14.0% in 2010 to 14.2% in 2011.

The table below shows the EBITDA evolution for the indicated periods:

EBITDA Reconciliation (R\$ thousand)	4Q10	4Q11	Var.	2010	2011	Var.
Net Income	25,671	44,238	72.3%	164,153	223,436	36.1%
Income Taxes	(7,572)	(26,931)	255.7%	(67,898)	(119,642)	76.2%
Financial Results	(4,522)	5,856	-229.5%	(29,506)	(15,175)	-48.6%
Depreciation / Amortization	(11,651)	(14,628)	25.5%	(50,714)	(52,910)	4.3%
<b>EBITDA</b>	<b>49,416</b>	<b>79,941</b>	<b>61.8%</b>	<b>312,271</b>	<b>411,163</b>	<b>31.7%</b>

### 3.7) Financial Result

Net financial result in the fourth quarter 2011 was a gain of R\$ 5.9 million, an improvement of 229.5% when compared to the loss of R\$ 4.5 million in the same quarter of last year.

This variation over the same period of last year is mainly due to: (i) the positive effect of R\$ 16.3 million due to the financial update of lawsuits on PIS/COFINS taxes

concluded definitively and in our favor in the quarter, (ii) the negative net result of R\$ 2.5 million related to FX Rate variation and (iii) the increase of R\$ 3.6 million in expenses from interest on financing due to the higher amount and cost of indebtedness.

Net financial result in 2011 was a loss of R\$ 15.2 million, a reduction of 48.6% when compared to the loss of R\$ 29.5 million in 2010.

### **3.8) Net Result**

In the fourth quarter 2011, net income totaled R\$ 44.2 million (earnings per share of R\$ 0.4663), an increase of 72.3% over the fourth quarter 2010 (net income of R\$ 58.6 million and earnings per share of R\$ 0.2706).

In 2011, net income totaled R\$ 223.4 million (earnings per share of R\$ 2.3553) an increase of 36.1% over 2010 (net income of R\$ 164.2 million and earnings per share of R\$ 1.9776).

### **4) CAPEX**

In the fourth quarter 2011, capital expenditures in new-product development and plant upgrades totaled R\$ 58.1 million (R\$ 50.3 million in the fourth quarter 2010).

In 2011, capital expenditures reached R\$ 196.8 million (R\$ 94.9 million in 2010).

### **5) LIQUIDITY AND INDEBTEDNESS**

Consolidated cash and marketable securities at the end of 2011 was R\$ 337.3 million, with 94.8% of such amount denominated in Reais, 3.5% in Mexican Pesos, 0.9% in Dollars, 0.5% in Yuan and 0.2% in Argentine Pesos.

Marketable securities accounted for 92.1% of such amount, consisting entirely of short-term instruments.

Consolidated gross bank debt reached on the same date R\$ 856.7 million, R\$ 539.5 million (63.0%) of which registered in the short-term and R\$ 317.2 million (37.0%) in the long-term. The main indexes for this gross bank debt were: fixed interest of 4.5% per year (BNDES – PSI-I Program) with 54.8%, followed by fixed interest of 8.7% per year (BNDES – PSI-III program) with 17.3%, US Dollars with 7.6%, Yuan with 6.0%, TJLP (BNDES long-term rate) with 5.7% and fixed interest of 5.5% per year (BNDES – PSI-II Program) with 2.5%.

Consolidated net bank debt stood at R\$ 519.4 million at the end of 2011, up by 27.3% against the amount of R\$ 408,2 million reached at the end of 2010. The net debt/last 12 months EBITDA ratio reached 1.3x at the end of 2011, the same ratio recorded at the end of 2010.

To properly understand the evolution of the consolidated net indebtedness it is relevant to mention the dividend payment and profit distribution of R\$ 65.3 million during the first quarter of 2011, relative to 2010's results.

## 6) NON-DELIVERABLE FORWARD OPERATIONS (NDFs)

Iochope-Maxion uses NDF operations to fix the Reais value of a portion of the forecasted value of its export shipments over the subsequent 12 months as well as a portion of its obligations in foreign currency ("Hedge Accounting"). During the fourth quarter 2011 there was, (i) the execution of new contracts of NDF transactions related to selling future dollars in the amount of US\$ 0.6 million, all to expire in January and February 12 and (ii) the expiration of the NDF contracts, related to selling future dollars, in the amount of US\$ 4.7 million, generating a loss of R\$ 0.7 million.

At the end of 2011, the contracted NDFs were all related to selling future dollars and provisioned as equity adjustment, totaled US\$ 0.6 million, all to expire in January and February 12 and if such contracts would expire in that moment, it would represent a loss of R\$ 0.1 million net of taxes.

## 7) EQUITY

The equity at the end of 2011 reached R\$ 918.6 million (book value per share of R\$ 9.68), up by 17.9% against the equity for the end of 2010 (R\$ 779.4 million and book value per share of R\$ 8.22).

The equity adjustment at the end of 2011 had a negative variation of R\$ 3.9 million when compared to the end of 2010, due to: (i) the FX Rate variation of foreign investments (positive adjustment of R\$ 8.1 million), (ii) the depreciation of deemed cost for fixed assets (negative adjustment of R\$ 13.1 million) and (iii) the market value at the end year of non-deliverable forward operations (NDFs - negative adjustment of R\$ 1.1 million, net of taxes).

## 8) BUSINESS SEGMENTS

### 8.1) Automotive Segment

In the fourth quarter 2011, the Automotive Segment recorded a net operating revenue of R\$ 579.7 million or 80.8% of the consolidated net operating revenue, up by 24.3% against the fourth quarter 2010.

EBIT reached R\$ 52.7 million, an increase of 19.6%, EBITDA reached R\$ 65.3 million, an increase of 20.1% and net income totaled R\$ 39.8 million, an increase of 24.3%, always comparing the fourth quarter 2011 with the fourth quarter 2010.

The main factors contributing to this result were: (i) the growth in Brazilian truck and bus production and (ii) the growth in NAFTA light vehicles production.



I.S - R\$ thousand	4Q10	4Q11	Var.	2010	2011	Var.
Net Operating Revenue	466,570	579,727	24.3%	1,934,509	2,349,665	21.5%
Cost of Goods Sold	(389,390)	(485,106)	24.6%	(1,534,901)	(1,892,693)	23.3%
<b>Gross Profit</b>	<b>77,180</b>	<b>94,621</b>	<b>22.6%</b>	<b>399,608</b>	<b>456,972</b>	<b>14.4%</b>
	<b>16.5%</b>	<b>16.3%</b>		<b>20.7%</b>	<b>19.4%</b>	
Operating Expenses	(33,094)	(41,894)	26.6%	(129,980)	(147,980)	13.8%
<b>Operating Income (EBIT)</b>	<b>44,085</b>	<b>52,727</b>	<b>19.6%</b>	<b>269,628</b>	<b>308,992</b>	<b>14.6%</b>
	<b>9.4%</b>	<b>9.1%</b>		<b>13.9%</b>	<b>13.2%</b>	
Financial Results	(1,194)	10,318	-964.1%	(17,755)	1,724	-109.7%
<b>Net Income</b>	<b>32,035</b>	<b>39,816</b>	<b>24.3%</b>	<b>177,235</b>	<b>203,034</b>	<b>14.6%</b>
	<b>6.9%</b>	<b>6.9%</b>		<b>9.2%</b>	<b>8.6%</b>	
<b>EBITDA</b>	<b>54,385</b>	<b>65,319</b>	<b>20.1%</b>	<b>314,240</b>	<b>356,056</b>	<b>13.3%</b>
	<b>11.7%</b>	<b>11.3%</b>		<b>16.2%</b>	<b>15.2%</b>	

## 8.2) Railway Segment \*

In the fourth quarter 2011, the Railway Segment recorded a net operating revenue of R\$ 137.5 million or 19.2% of the consolidated net operating revenue, up by 65.1% against the fourth quarter 2010.

EBIT reached R\$ 12.6 million, an increase of 299.1%, EBITDA reached R\$ 14.6 million, an increase of 394.3% and net income totaled R\$ 4.4 million, an increase of 169.5%, always comparing the fourth quarter 2011 with the same quarter of last year.

The strong demand on the Brazilian railway freight cars market contributed to this result.

I.S - R\$ thousand	4Q10	4Q11	Var.	2010	2011	Var.
Net Operating Revenue	83,296	137,482	65.1%	292,889	555,474	89.7%
Cost of Goods Sold	(79,999)	(120,069)	50.1%	(275,880)	(460,690)	67.0%
<b>Gross Profit</b>	<b>3,297</b>	<b>17,413</b>	<b>428.1%</b>	<b>17,009</b>	<b>94,784</b>	<b>457.3%</b>
	<b>4.0%</b>	<b>12.7%</b>		<b>5.8%</b>	<b>17.1%</b>	
Operating Expenses	(9,618)	(4,827)	-49.8%	(25,080)	(45,523)	81.5%
<b>Operating Income (EBIT)</b>	<b>(6,320)</b>	<b>12,586</b>	<b>-299.1%</b>	<b>(8,071)</b>	<b>49,261</b>	<b>-710.4%</b>
	<b>-7.6%</b>	<b>9.2%</b>		<b>-2.8%</b>	<b>8.9%</b>	
Financial Results	(3,328)	(4,461)	34.1%	(11,751)	(16,899)	43.8%
<b>(Net Income) / Loss</b>	<b>(6,364)</b>	<b>4,423</b>	<b>-169.5%</b>	<b>(13,082)</b>	<b>20,402</b>	<b>-256.0%</b>
	<b>-7.6%</b>	<b>3.2%</b>		<b>-4.5%</b>	<b>3.7%</b>	
<b>EBITDA</b>	<b>(4,969)</b>	<b>14,623</b>	<b>-394.3%</b>	<b>(1,969)</b>	<b>55,106</b>	<b>-2898.7%</b>
	<b>-6.0%</b>	<b>10.6%</b>		<b>-0.7%</b>	<b>9.9%</b>	

\* Values corresponding to Iochpe-Maxion's participation (50%)

## 9) DIVIDENDS

Iochpe-Maxion's Bylaws provides for the distribution of 37% of net income (less any accumulated losses from previous periods). As net income reached R\$ 223.4 million in 2011, the dividends to be distributed in 2012, referring to 2011, should amount to R\$ 82.7 million (R\$ 60.7 million in the previous year) or R\$ 0.87380770 per share (R\$ 0.64025559 per share in the previous year).

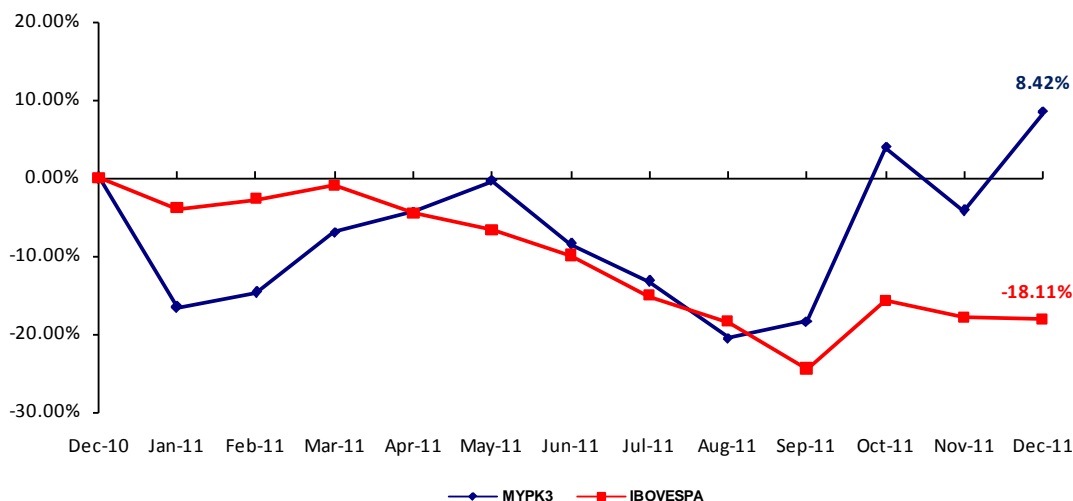
Due to the adoption of the deemed cost concept to property, plant and equipment and its respective depreciation throughout the year, at the end of 2011, a balance of R\$ 11.3 million remained ("Retained Earnings") in the equity

Considering the allocation of said balance as provided in the Company's Bylaws, that is, distribution of 37% of such balance, the amount to be distributed should be R\$ 4.2 million or R\$ 0.04410479 as additional dividends.

## 10) CAPITAL MARKETS

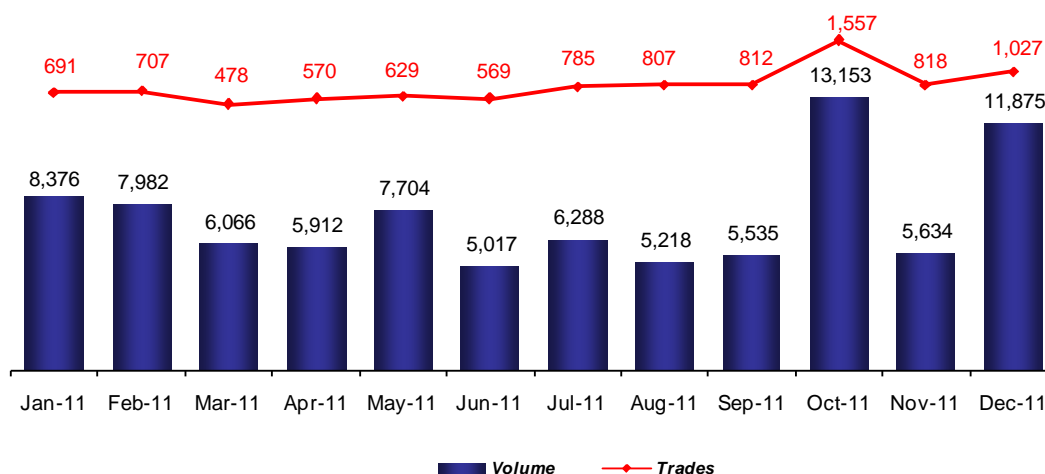
lochpe-Maxion's common shares (Bovespa: MYPK3) closed 2011 priced at R\$ 25.25, appreciating 32.7% in the fourth quarter and 8.4% in 2011. At the end of 2011, lochpe-Maxion's market capitalization totaled R\$ 2,395.3 million (R\$ 2,209.4 at the end of 2010).

Shares Performance - LTM



lochpe-Maxion's daily traded volume on the São Paulo Stock Exchange (Bovespa) averaged R\$ 10.2 million in the fourth quarter 2011 (R\$ 6.7 million in the fourth quarter 2010) from an average of 1,132 trades per day (592 in the fourth quarter 2010). In 2011 daily traded volume averaged R\$ 7.4 million (R\$ 5.8 million in 2010) from an average of 786 trades per day (394 in 2010).

Average Daily Traded





## 11) ACQUISITION OF NEW BUSINESSES

### Hayes Lemmerz

On October 05, 2011, the North American subsidiary Iochpe Holdings LLC has entered into an Agreement and Plan of Merger to acquire 100% of Hayes Lemmerz International, Inc. ("Hayes Lemmerz") for total consideration in the amount of approximately US\$ 725 million (including the assumption of US\$23 million of net indebtedness).

Hayes Lemmerz is a traditional international producer of automotive wheels, aluminum and steel for light vehicles and steel for commercial vehicles.

With 17 industrials units located in USA, Mexico, Brazil, Germany, Czech Republic, Turkey, Spain, Italy, South Africa, India and Thailand has an annual production capacity of approximately 63.4 million wheels.

Reported net sales of US\$890.5 million, net income of US\$39.3 million and Ebitda of US\$112.3 million in the first six months of its 2011 fiscal year ending on July 31, 2011.

As a subsequent event, on February 1<sup>st</sup>, 2012, the North American subsidiary Iochpe Holdings LLC, concluded the acquisition of 100% of Hayes Lemmerz International, Inc., by the approximately final value of US\$ 645 million, due to the variation of certain liabilities and assets, as defined in the Agreement and Plan of Merger.

### Grupo Galaz

On October 18, 2011, the Mexican subsidiaries Iochpe Sistemas Automotivos de Mexico, S.A. de C.V. and Maxion Fumagalli de México, S.A. de C.V. have entered into a *Stock Purchase Agreement* to acquire 100% of Grupo Galaz S.A. de C.V. ("Grupo Galaz") for total consideration in the amount of approximately US\$ 195 million.

Grupo Galaz is a traditional Mexican producer of steel based side rails for commercial vehicles.

Concentrates its industrial operations in Monclova, in Northern México, from where it supplies some of the leading commercial vehicle producers (OEMs) based in North America.

Reported from January to August 2011, net sales of US\$133.7 million, net income of US\$14.5 million and Ebitda of US\$24.9 million.

As a subsequent event, on January 23<sup>rd</sup>, 2012, the Mexican subsidiaries Iochpe Sistemas Automotivos de Mexico, S.A. de C.V. and Maxion Fumagalli de México, S.A. de C.V., concluded the acquisition of 100% of Grupo Galaz S.A. de C.V., by the approximately final value of US\$ 226 million, due to the variation of certain liabilities and assets, as defined in the Agreement and Plan of Merger.

## 12) ARBITRATION CLAUSE

The company is bound to arbitration at the Arbitration Chamber of the *Novo Mercado*, as provided for in the arbitration clause included in its by-laws.

### **13) CVM INSTRUCTION No. 381**

In compliance with Instruction No. 381 of CVM (Brazil's securities commission), we disclose that during the fiscal year 2011, Iochpe-Maxion and its subsidiaries contracted services unrelated to external auditing (due diligence works on the acquisitions processes) in the aggregate amount of R\$ 159.6 thousand, due and payable within one year, and that this amount represented 24.3% of fees related to the auditing of financial statements. Iochpe-Maxion and its subsidiaries, together with their independent auditors, concluded that these services did not affect the independence and objectivity of said auditors, given the defined scope and the nature of the procedures performed. It is the policy of Iochpe-Maxion to comply with regulations that define the restriction on services that independent auditors may provide.

In the course of our relationship with our independent auditors, we seek to evaluate any conflict of interests regarding non-audit activities based on the following principles: auditors are not expected to (a) audit their own work; (b) perform management functions; and (c) promote our interests.

### **14) MANAGEMENT'S STATEMENT**

In compliance with article 25 of CVM's (Brazil's securities commission) Instruction nº 480/09 of December 07, 2009, Management declares that it has reviewed, discussed and agreed with the opinions reflected at the independent auditor's report and the financial statements for December 31<sup>st</sup>, 2011.

The financial information of the Company presented herein is in accordance with the criteria established in the Brazilian securities legislation and is based on audited financial statements. The non-financial information as well as other operational information has not been part of the scope of the audit performed by the independent auditors.

EBITDA means net profit (loss) before financial results, taxes and depreciation and amortization. EBITDA should not be considered as an alternative for net profit (loss), as an indication of the operational performance of the Company, or as an alternative for cash flow as an indication of liquidity. The Company's Management believes that EBITDA is a practical metric to evaluate its operational performance and to permit a comparison with other companies. However, it is worth mentioning that EBITDA is not a metric established in accordance with the accounting procedures adopted in Brazil and could be defined and calculated in a different manner by other companies.

Cruzeiro, February 10, 2012.

## 15) APPENDIX

### 15.1) Income Statement (Consolidated)

I.S - R\$ thousand	4Q10	4Q11	Var.	2010	2011	Var.
Net Operating Revenue	549,866	717,209	30.4%	2,227,398	2,905,139	30.4%
Cost of Goods Sold						
Raw Material	(282,885)	(369,842)	30.7%	(1,131,996)	(1,499,480)	32.5%
Labor	(120,101)	(154,201)	28.4%	(438,037)	(558,100)	27.4%
Others	(66,402)	(81,132)	22.2%	(240,748)	(295,803)	22.9%
	(469,389)	(605,175)	28.9%	(1,810,781)	(2,353,383)	30.0%
<b>Gross Profit</b>	<b>80,477</b>	<b>112,034</b>	<b>39.2%</b>	<b>416,616</b>	<b>551,756</b>	<b>32.4%</b>
	<b>14.6%</b>	<b>15.6%</b>		<b>18.7%</b>	<b>19.0%</b>	
Operating Expenses						
General and Administrative	(21,464)	(31,891)	48.6%	(85,086)	(106,889)	25.6%
Commercial	(19,547)	(19,256)	-1.5%	(69,300)	(88,959)	28.4%
Others	(1,702)	4,426	-360.1%	(673)	2,345	-448.6%
	(42,712)	(46,721)	9.4%	(155,060)	(193,503)	24.8%
<b>Operating Income (EBIT)</b>	<b>37,765</b>	<b>65,313</b>	<b>72.9%</b>	<b>261,557</b>	<b>358,253</b>	<b>37.0%</b>
	<b>6.9%</b>	<b>9.1%</b>		<b>11.7%</b>	<b>12.3%</b>	
Financial Results						
Financial Revenue	8,338	23,179	178.0%	24,974	61,746	147.2%
Financial Expenses	(12,860)	(17,323)	34.7%	(54,480)	(76,921)	41.2%
	(4,522)	5,856	-229.5%	(29,506)	(15,175)	-48.6%
<b>Earnings After Financial Results</b>	<b>33,243</b>	<b>71,169</b>	<b>114.1%</b>	<b>232,050</b>	<b>343,078</b>	<b>47.8%</b>
	<b>6.0%</b>	<b>9.9%</b>		<b>10.4%</b>	<b>11.8%</b>	
Income Taxes	(7,572)	(26,931)	255.7%	(67,898)	(119,642)	76.2%
<b>Net Income</b>	<b>25,671</b>	<b>44,238</b>	<b>72.3%</b>	<b>164,153</b>	<b>223,436</b>	<b>36.1%</b>
	<b>4.7%</b>	<b>6.2%</b>		<b>7.4%</b>	<b>7.7%</b>	
<b>EBITDA</b>	<b>49,416</b>	<b>79,941</b>	<b>61.8%</b>	<b>312,271</b>	<b>411,163</b>	<b>31.7%</b>
	<b>9.0%</b>	<b>11.1%</b>		<b>14.0%</b>	<b>14.2%</b>	

## 15.2) Balance Sheet (Consolidated)

ASSETS			LIABILITIES		
	Dec-10	Dec-11		Dec-10	Dec-11
CURRENT			CURRENT		
Cash and Cash Equivalents	57,639	291,484	Loans	138,403	539,506
Marketable Securities	265,481	45,837	Payables	150,106	225,807
Receivables	252,661	395,980	Taxes	11,943	19,235
Inventory	321,035	382,503	Installment Taxes	563	-
Recoverable Taxes	26,479	56,205	Wage & Salaries	72,659	95,619
Anticipated Expenses	779	6,412	Customers Advance	80,594	47,031
Other Receivables	17,350	21,860	Dividends	60,737	82,671
	<b>941,424</b>	<b>1,200,281</b>	Other Payables	27,320	50,929
			Payable Financial Instruments	1,782	104
				<b>544,107</b>	<b>1,060,902</b>
LONG TERM			LONG TERM		
Receivable	331	-	Loans	592,867	317,188
Recoverable Taxes	47,137	52,511	Provisions	28,918	30,787
Deferred Taxes	91,933	70,428	Deferred Taxes	128,029	145,429
Obligatory deposits and judicial	23,956	31,228	Others	11,089	19,688
Other Receivables	4,623	4,045		<b>760,903</b>	<b>513,092</b>
	<b>167,980</b>	<b>158,212</b>			
			EQUITY		
Investments	233	104	Capital	360,000	500,000
Plants, Property and Equipment	948,178	1,106,579	Transactions With Share-Based	1,624	(2,728)
Intangible	26,583	27,438	Payment		
Deferred Items	-	-	Profit Reserves	231,404	239,274
	<b>974,994</b>	<b>1,134,121</b>	Equity Adjustment	181,760	177,901
			Additional Dividends	4,600	4,173
			Retained Earnings	-	-
				<b>779,388</b>	<b>918,620</b>
<b>TOTAL ASSETS</b>	<b>2,084,398</b>	<b>2,492,614</b>	<b>TOTAL LIABILITIES</b>	<b>2,084,398</b>	<b>2,492,614</b>