IOCHPE-MAXION

1Q11 EARNINGS RELEASE

MAXION
Rodas e Chassis
uma divisão da IOCHPE-MAXION

MAXION
COMPONENTES AUTOMOTIVOS
UMA DIVISÃO DA IOCHPE-MAXION



AmstedMaxion

FUMAGALLI
AUTOMOTIVE WHEELS
A division of IOCHPE-MAXION

May, 2011

IOCHPE-MAXION

HIGHLIGHTS



- Consolidated net operating revenue of R$ 667.0 million, an increase of 34.3% over the first quarter 2010

- EBITDA(*) of R$ 100.7 million, an increase of 32.7% over the first quarter 2010

- Net income of R$ 56.2 million, an increase of 71.5% over the first quarter 2010

- Net bank debt of R$ 525.8 million (R$ 486.1 million at the end of 1Q10), or 1.6x LTM EBITDA(*) (2,5x at the end of 1Q10)

(*) 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.

1Q11 Main Drivers

- Strong recovery of the Brazilian railway freight cars market

- Significant growth in the North-American production of light vehicles

- Growth in Brazilian vehicle production, specially due to the vehicles and agricultural machinery exports

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INDUSTRY PERFORMANCE



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Brazilian Vehicle Production

- ✓ **Units**
- ✓ **Source: Anfavea**

Segment	2006	2007	Var.	2008	Var.	2009	Var.	2010	Var.	1Q10	1Q11	Var.
Passenger Cars	2,092,003	2,389,409	14.2%	2,545,729	6.5%	2,575,418	1.2%	2,823,949	9.7%	654,302	701,394	7.2%
				CAGR 2006-10 = 7.7%								
Light Commercials	379,221	407,912	7.6%	458,806	12.5%	449,337	-2.1%	582,570	29.7%	129,035	145,359	12.7%
				CAGR 2006-10 = 11.3%								
Trucks	106,001	136,760	29.0%	167,330	22.4%	123,632	-26.1%	191,646	55.0%	41,979	44,552	6.1%
				CAGR 2006-10 = 15.9%								
Buses	33,809	38,741	14.6%	44,111	13.9%	34,535	-21.7%	45,869	32.8%	10,952	10,843	-1.0%
				CAGR 2006-10 = 7.9%								
Total Vehicles	2,611,034	2,972,822	13.9%	3,215,976	8.2%	3,182,922	-1.0%	3,644,034	14.5%	836,268	902,148	7.9%
				CAGR 2006-10 = 8.7%								
Agricultural Machinery	46,065	64,954	41.0%	84,986	30.8%	66,210	-22.1%	88,874	34.2%	20,248	19,784	-2.3%
				CAGR 2006-10 = 17.8%								

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Brazilian Vehicle Export

- ✓ **Units**
- ✓ **Source: Anfavea**

Segmento	2006	2007	Var.	2008	Var.	2009	Var.	2010	Var.	1Q10	1Q11	Var.
Passenger Cars	635,851	586,416	-7.8%	558,207	-4.8%	373,747	-33.0%	615,989	64.8%	138,028	160,400	16.2%
			CAGR 2006-10 = -0.8%									
Light Commercials	152,782	144,126	-5.7%	122,022	-15.3%	78,178	-35.9%	113,565	45.3%	25,462	27,172	6.7%
			CAGR 2006-10 = -7.2%									
Trucks	38,188	41,190	7.9%	38,665	-6.1%	13,504	-65.1%	23,060	70.8%	4,599	5,621	22.2%
			CAGR 2006-10 = -11.9%									
Buses	15,991	15,040	-5.9%	15,689	4.3%	9,896	-36.9%	14,624	47.8%	3,094	2,530	-18.2%
			CAGR 2006-10 = -2.2%									
Total Vehicles	842,812	786,772	-6.6%	734,583	-6.6%	475,325	-35.3%	767,238	61.4%	171,183	195,723	14.3%
			CAGR 2006-10 = -2.3%									
Agricultural Machinery	21,837	27,065	23.9%	30,216	11.6%	14,780	-51.1%	19,161	29.6%	3,153	4,172	32.3%
			CAGR 2006-10 = -3.8%									

Light Vehicle Production in the NAFTA Region

- ✓ **Units**
- ✓ **Source: CSM Auto**

Segmento	2006	2007	Var.	2008	Var.	2009	Var.	2010	Var.	1Q10	1Q11	Var.
Passenger Cars	6,852,880	6,447,076	-5.9%	6,184,372	-4.1%	4,017,809	-35.0%	5,194,547	29.3%	1,294,388	1,396,087	7.9%
			CAGR 2006-10 = -6.7%									
Light Commercials	8,460,891	8,654,309	2.3%	6,453,761	-25.4%	4,558,132	-29.4%	6,748,157	48.0%	1,585,367	1,917,546	21.0%
			CAGR 2006-10 = -5.5%									
Total Light Vehicles	**15,313,771**	**15,101,385**	**-1.4%**	**12,638,133**	**-16.3%**	**8,575,941**	**-32.1%**	**11,942,704**	**39.3%**	**2,879,755**	**3,313,633**	**15.1%**
			CAGR 2006-10 = -6.0%									

✓ **Source: AmstedMaxion estimation**

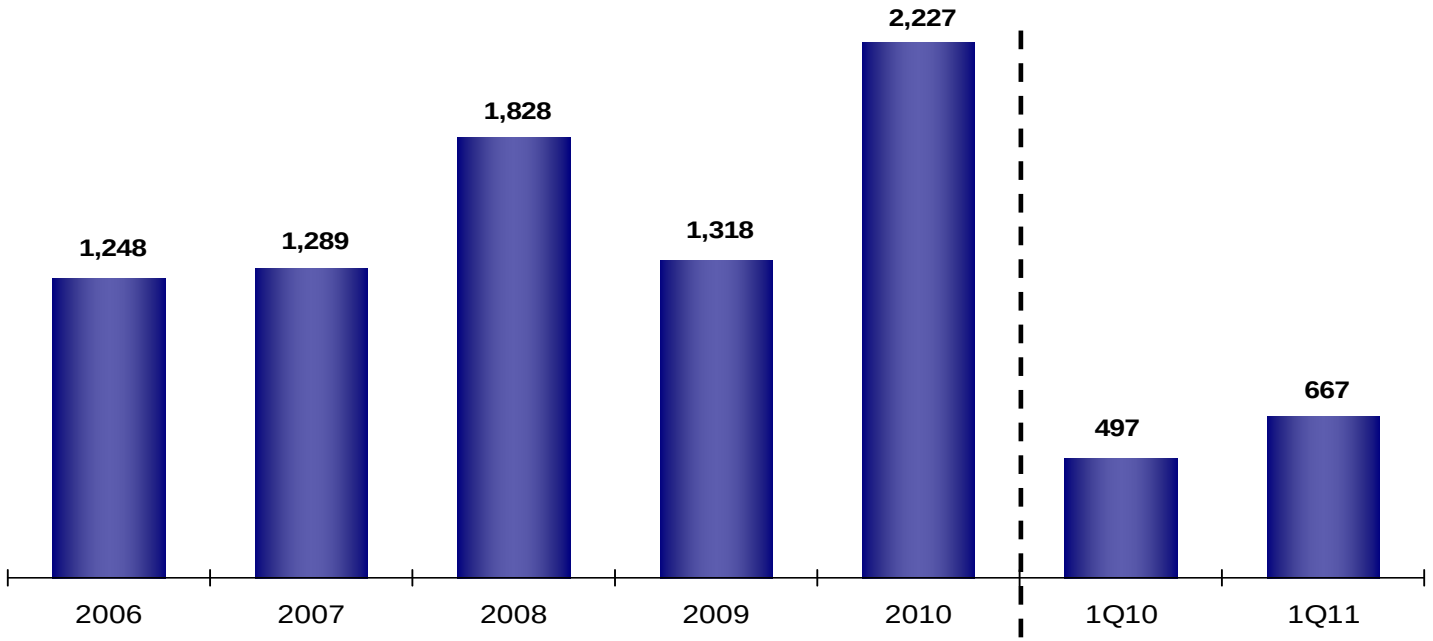
Segment	2006	2007	Var.	2008	Var.	2009	Var.	2010	Var.	1Q10	1Q11	Var.
Railway Freight Cars (units)	3,668	1,249	-65.9%	5,118	309.8%	981	-80.8%	3,265	232.8%	533	1,443	170.7%
			CAGR 2006-10 = -2.9%									
Railway Wheels (units)*	50,830	48,010	-5.5%	48,256	0.5%	33,634	-30.3%	54,129	60.9%	10,978	13,457	22.6%
			CAGR 2006-10 = 1.6%									
Castings (tonnes)*	3,270	5,673	73.5%	4,763	-16.0%	1,645	-65.5%	2,764	68.0%	384	1,035	169.7%
			CAGR 2006-10 = -4.1%									

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



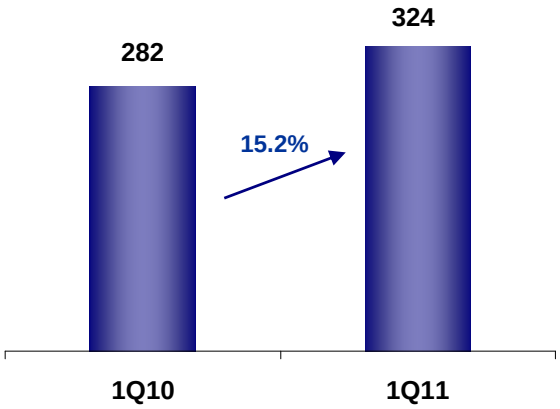
Consolidated Net Operating Revenue – R$ million

- ✓ Δ 1Q11 - 10 = 34.3%
- ✓ Δ 2010 - 09 = 69.0%
- ✓ CAGR 2006 - 10 = 15.6%



Consolidated Net Operating Revenue by Division – R$ million

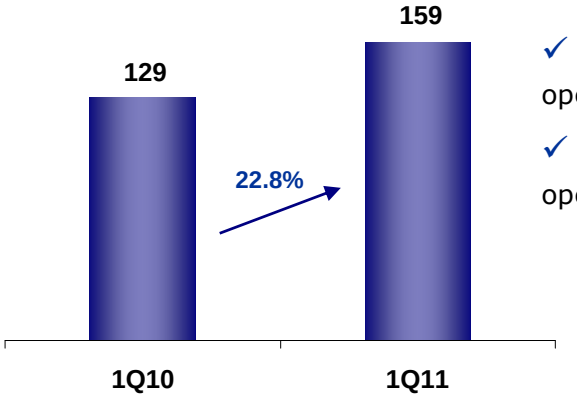
Wheels and Chassis



✓ 48.6% of consolidated net operating revenue in the 1Q11

✓ 56.7% of consolidated net operating revenue in the 1Q10

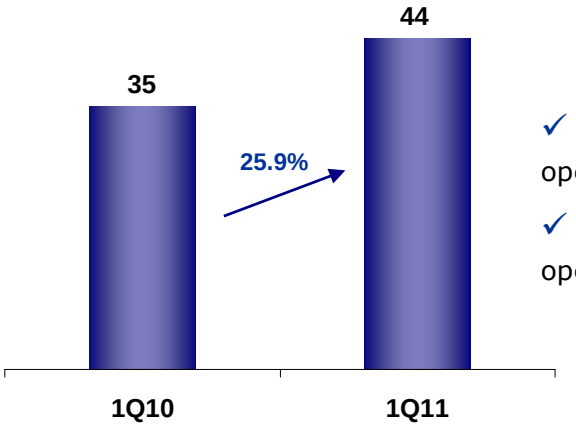
Fumagalli Wheels



✓ 23.8% of consolidated net operating revenue in the 1Q11

✓ 26.0% of consolidated net operating revenue in the 1Q10

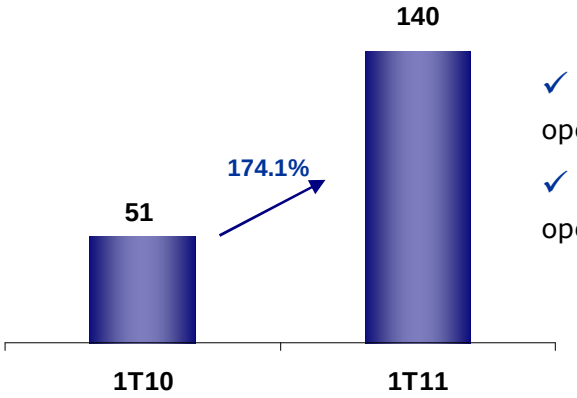
Automotive Components



✓ 6.6% of consolidated net operating revenue in the 1Q11

✓ 7.0% of consolidated net operating revenue in the 1Q10

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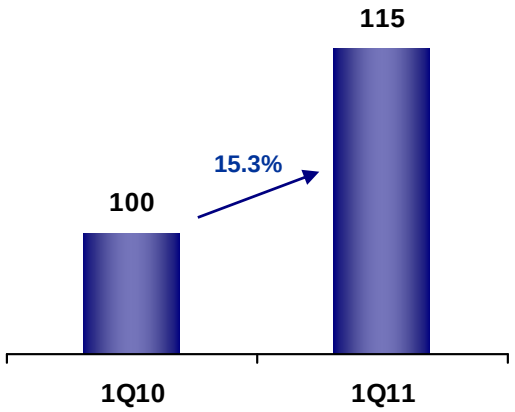


✓ 21.0% of consolidated net operating revenue in the 1Q11

✓ 10.3% of consolidated net operating revenue in the 1Q10

Export / International Sales

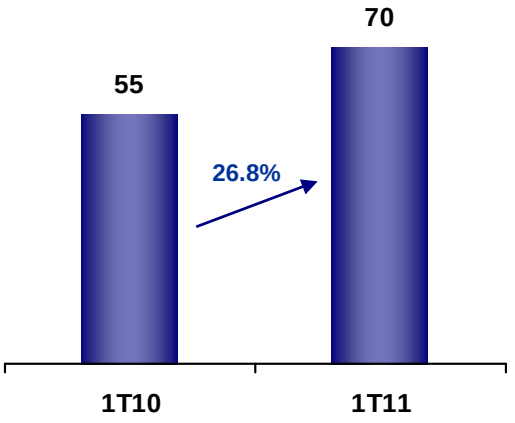
Consolidated – R$ million



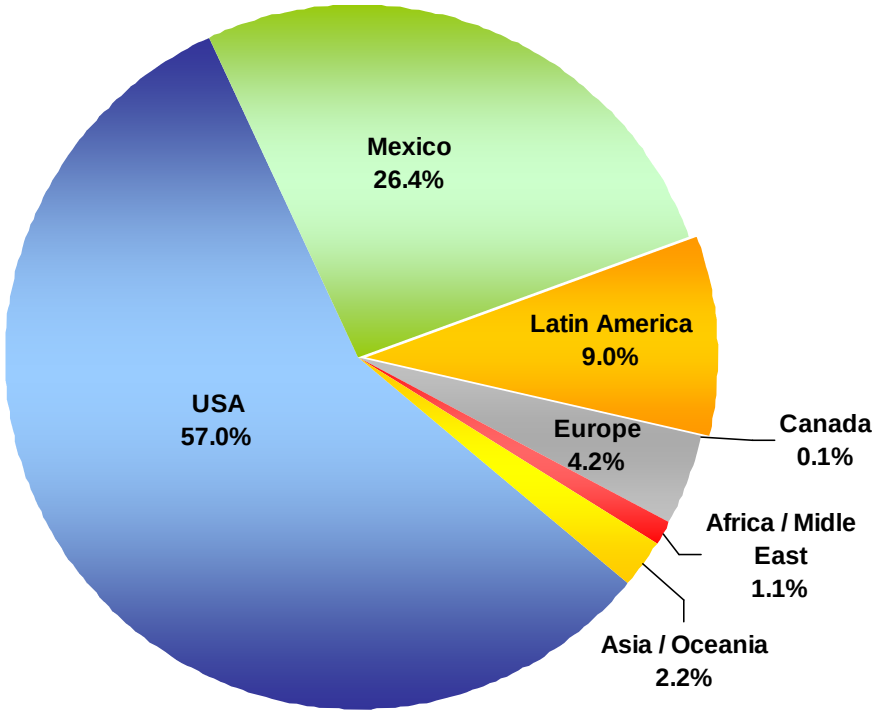
✓ 17.3% of consolidated net operating revenue in the 1Q11

✓ 20.2% of consolidated net operating revenue in the 1Q10

Consolidated – US$ million

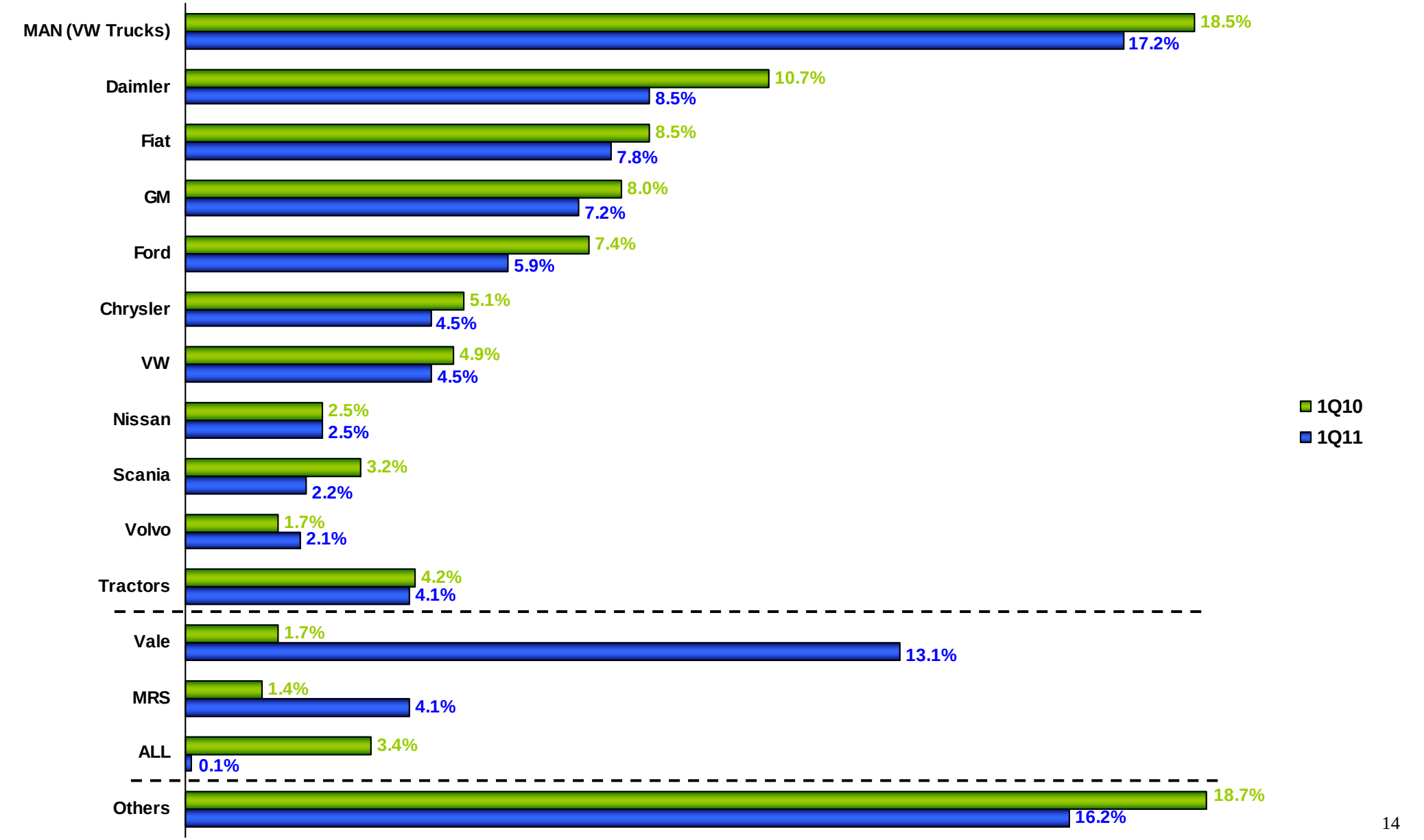


Region in Value – 1Q11



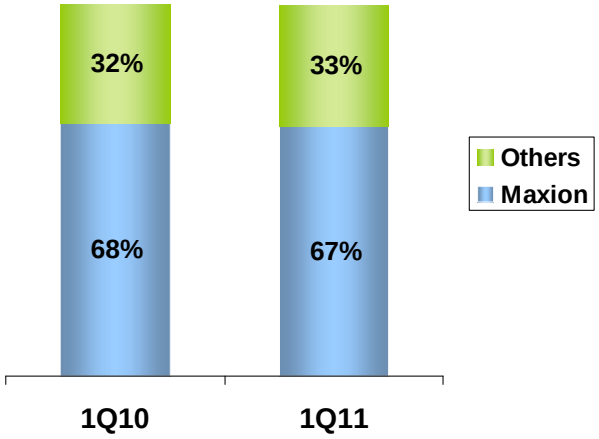
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Revenue by Customer

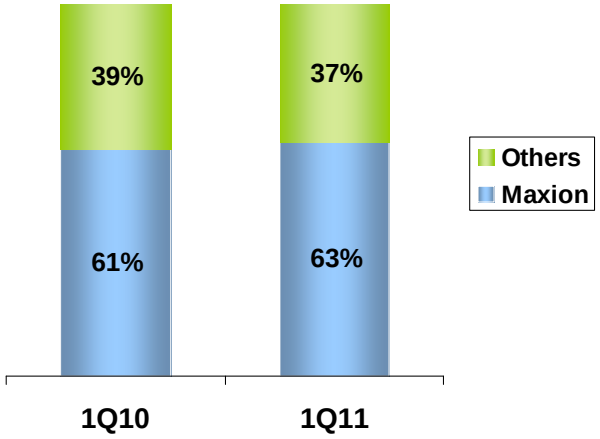


Market Share - Brazil

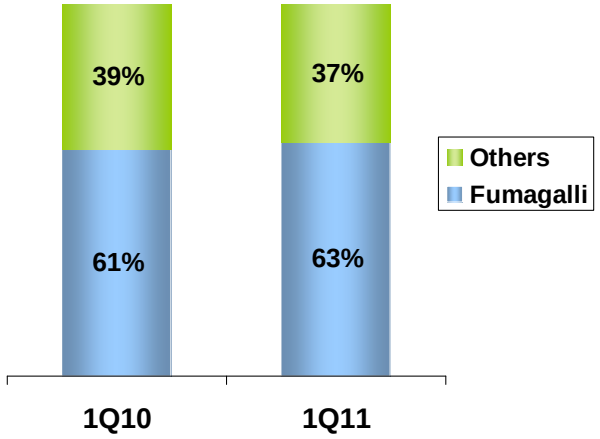
Chassis



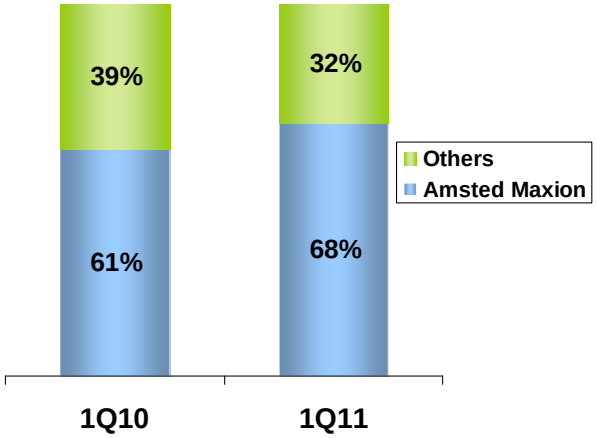
Maxion Wheels



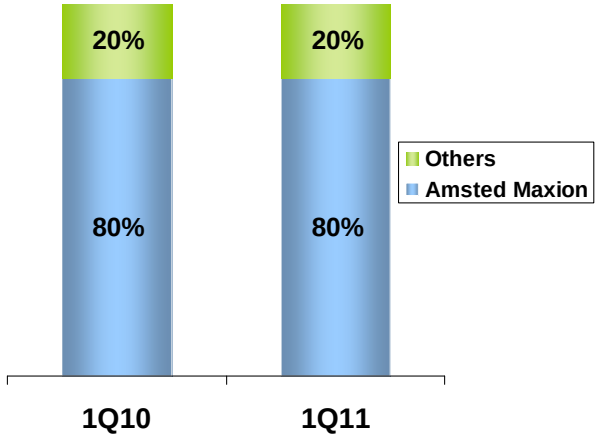
Fumagalli Wheels



Railway Freight Cars

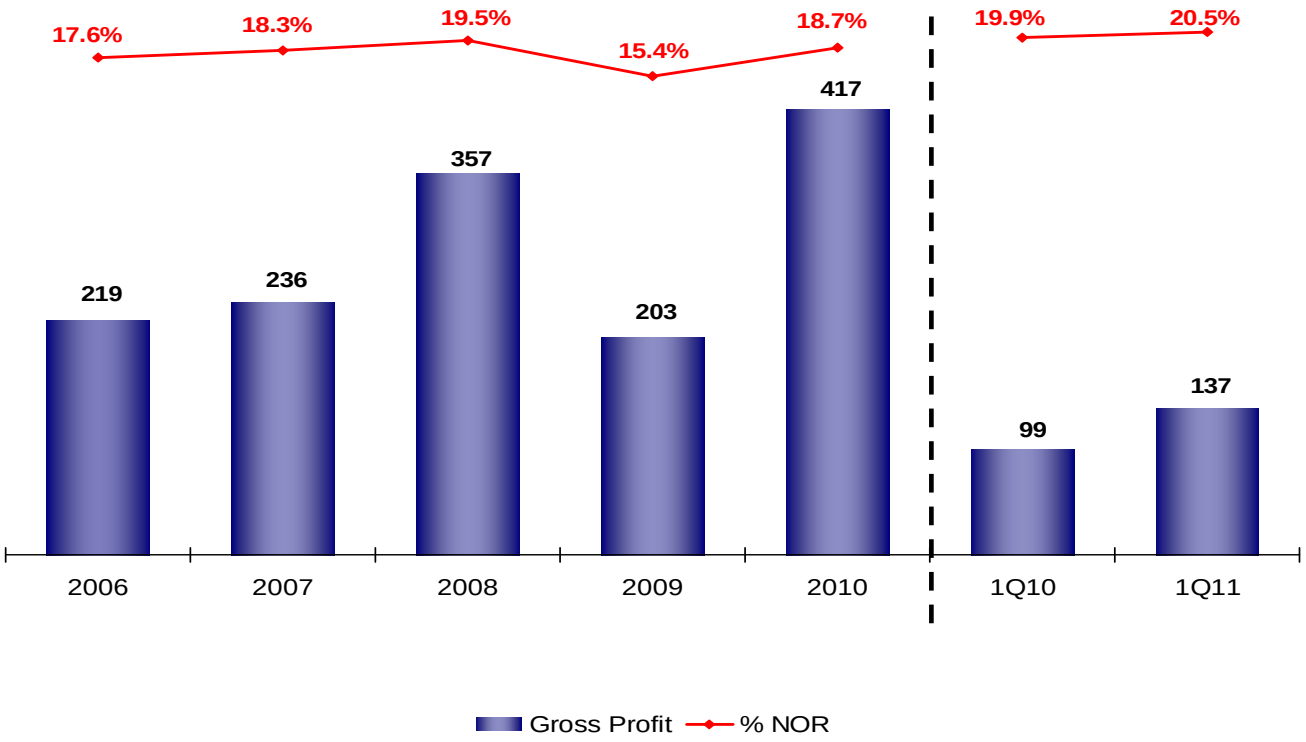


Railway Castings



Source: Iochpe-Maxion estimation

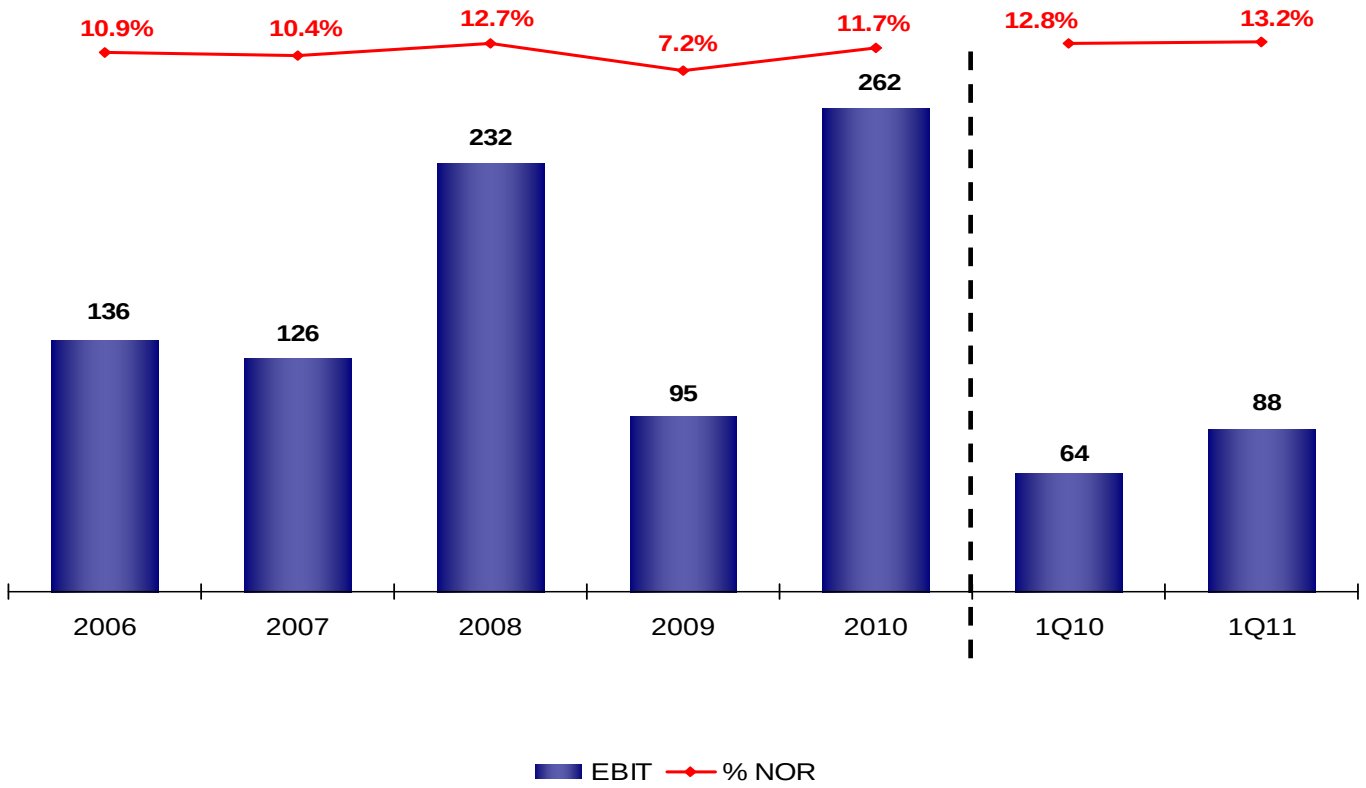
Gross Profit – R$ million



Gross Profit:

- ✓ Δ 1Q11 – 10 = 38.3%
- ✓ Δ 2010 - 09 = 105.2%
- ✓ CAGR 2006 – 10 = 17.5%

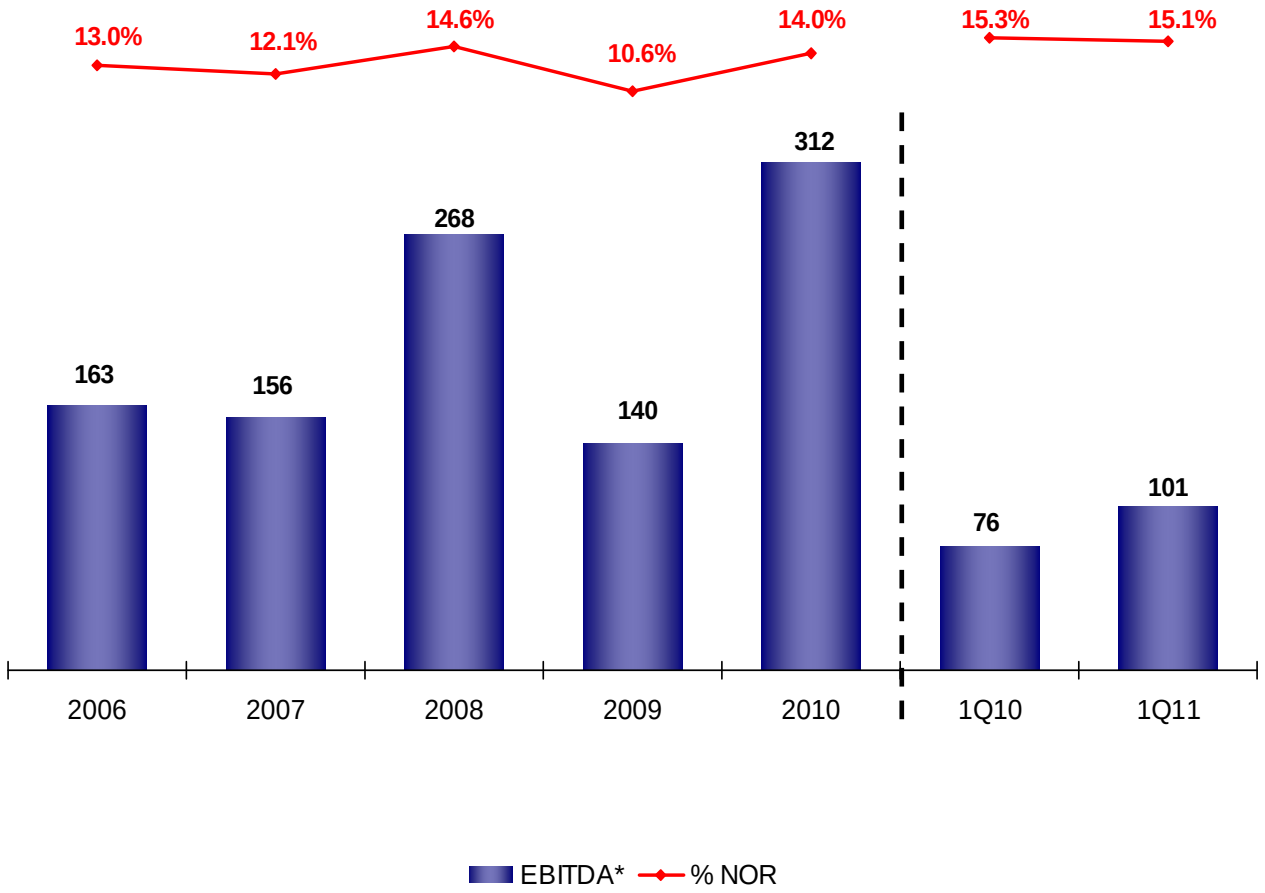
Earnings Before Interest and Tax (EBIT) – R$ million



EBIT:

- ✓ Δ 1Q11 – 10 = 38.5%
- ✓ Δ 2010 - 09 = 175.3%
- ✓ CAGR 2006 – 10 = 17.8%

EBITDA – R$ million

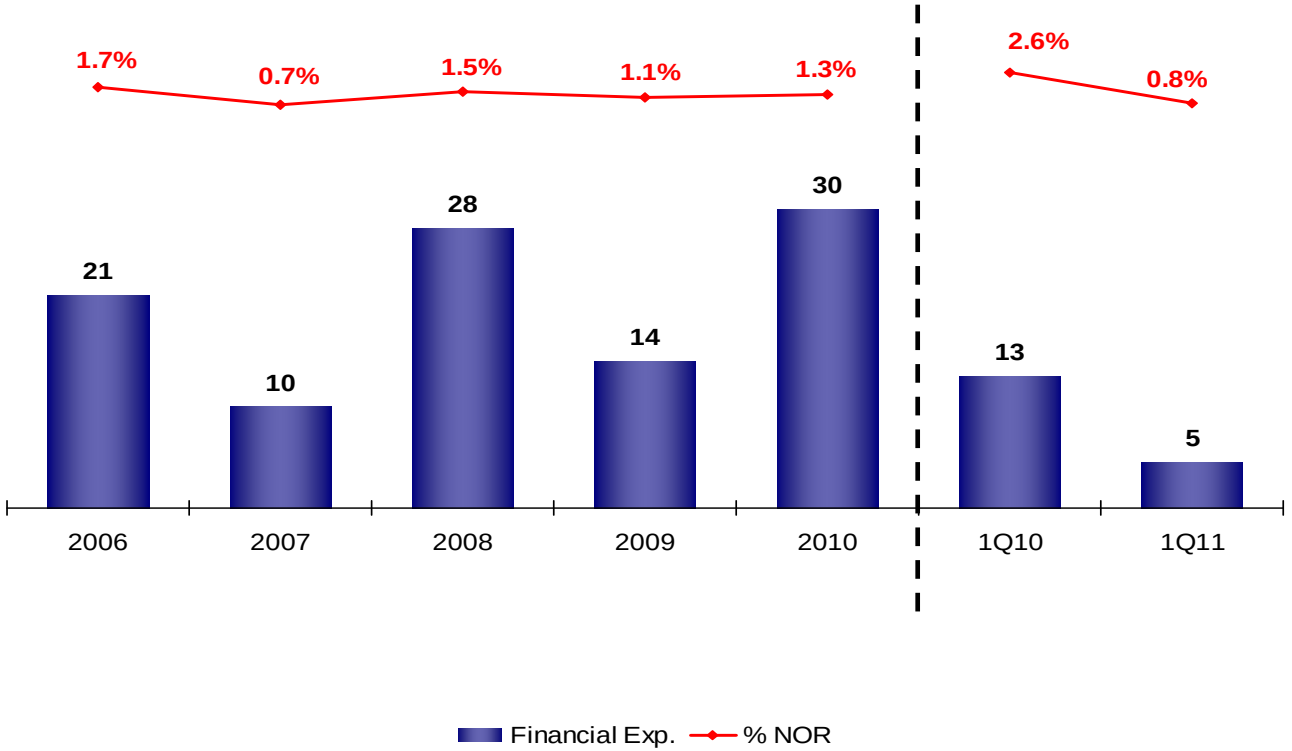


EBITDA:

- ✓ Δ 1Q11 – 10 = 32.7%
- ✓ Δ 2010 - 09 = 123.3%
- ✓ CAGR 2006 – 10 = 17.6%

(*) 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

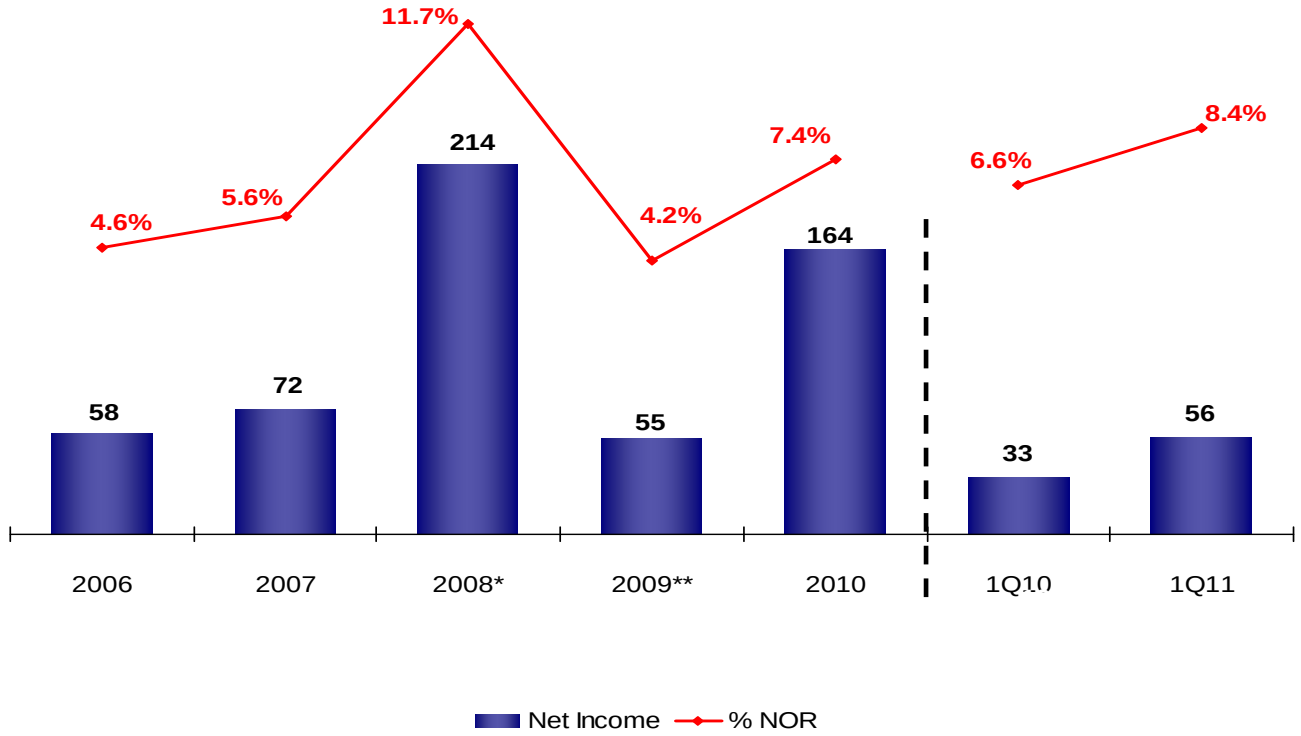
Net Financial Expenses – R$ million



Net Financial Expenses:

- ✓ Δ 1Q11 – 10 = -57.9%
- ✓ Δ 2010 - 09 = 104.2%

Net Income – R$ million



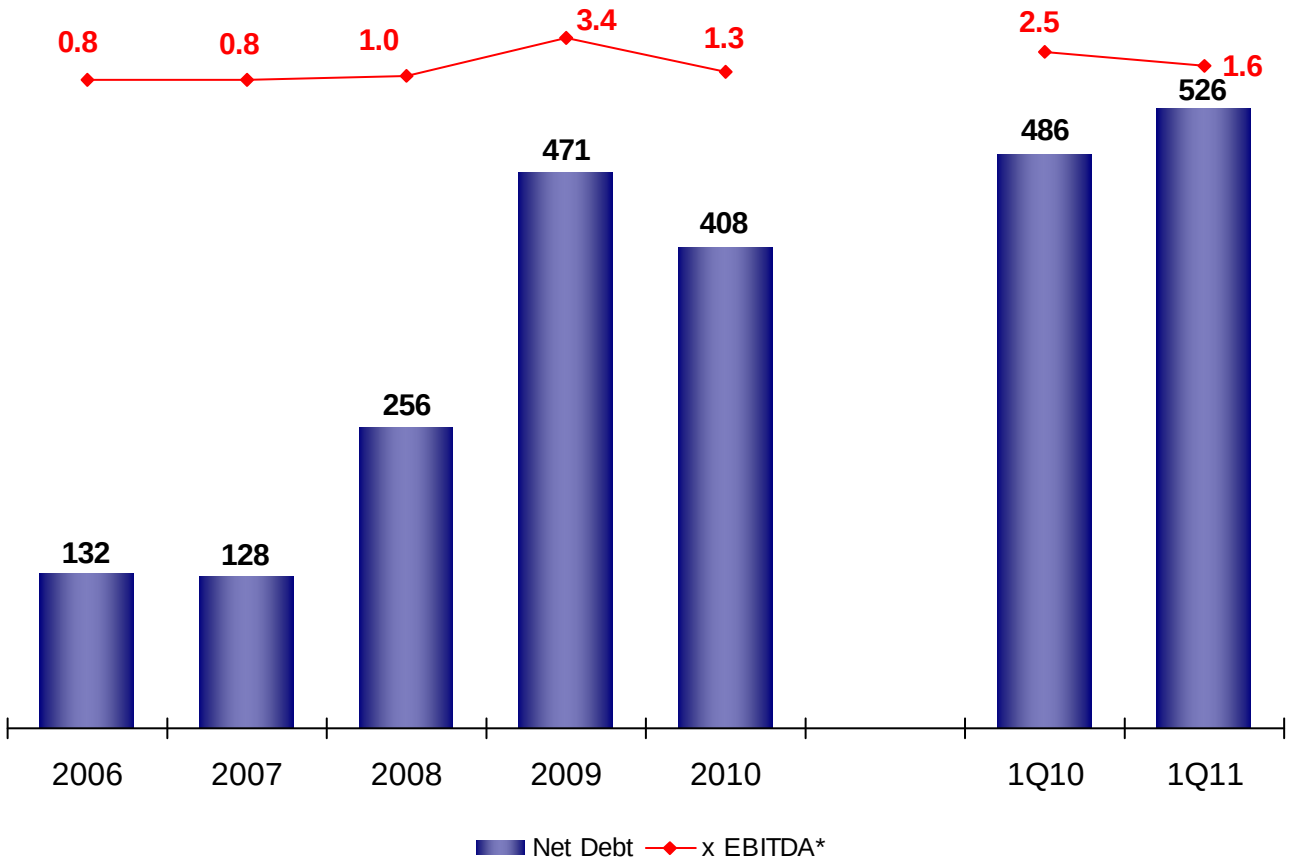
Net Income:

- ✓ Δ 1Q11 – 10 = 71.5%
- ✓ Δ 2010 - 09 = 197.7%
- ✓ CAGR 2006 – 10 = 29.7%

* Non recurring gain of R$ 76 million, generated by the grouping of Maxion Sistemas Automotivos into Iochpe-Maxion

** Non recurring gain of R$ 24 million: R$ 6.6 million net of deferred income tax, due to the company's filling in the debt installments program of the Public Attorney of the Brazilian Treasury Department and Federal tax Authority ("IPI Tax Credit") and R$ 17.6 million related to deferred tax credit recognition in the controlled subsidiary Amsted-Maxion due its tax loss incurred in 2009

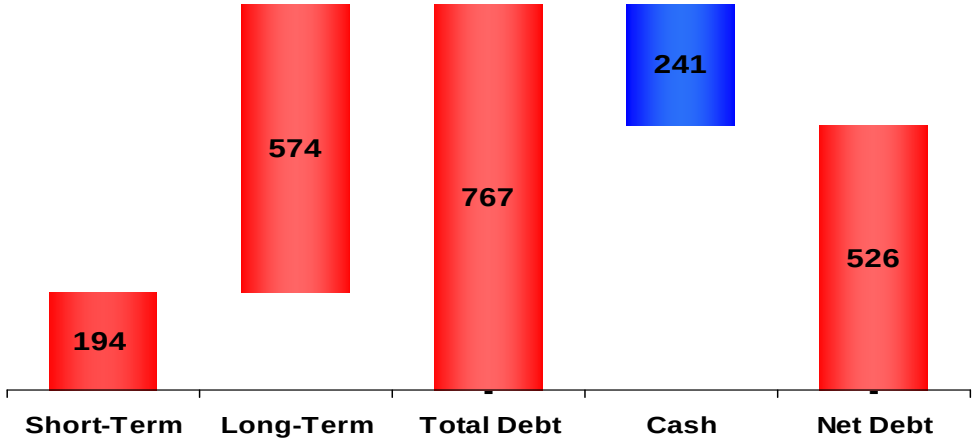
Net Bank Debt – R$ million



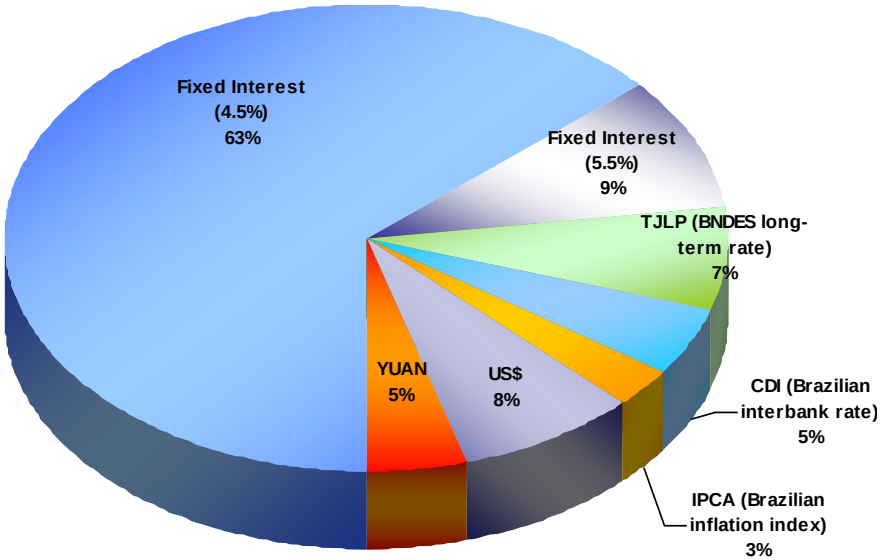
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LTM EBITDA

Indebtedness (Mar/11) – R$ million



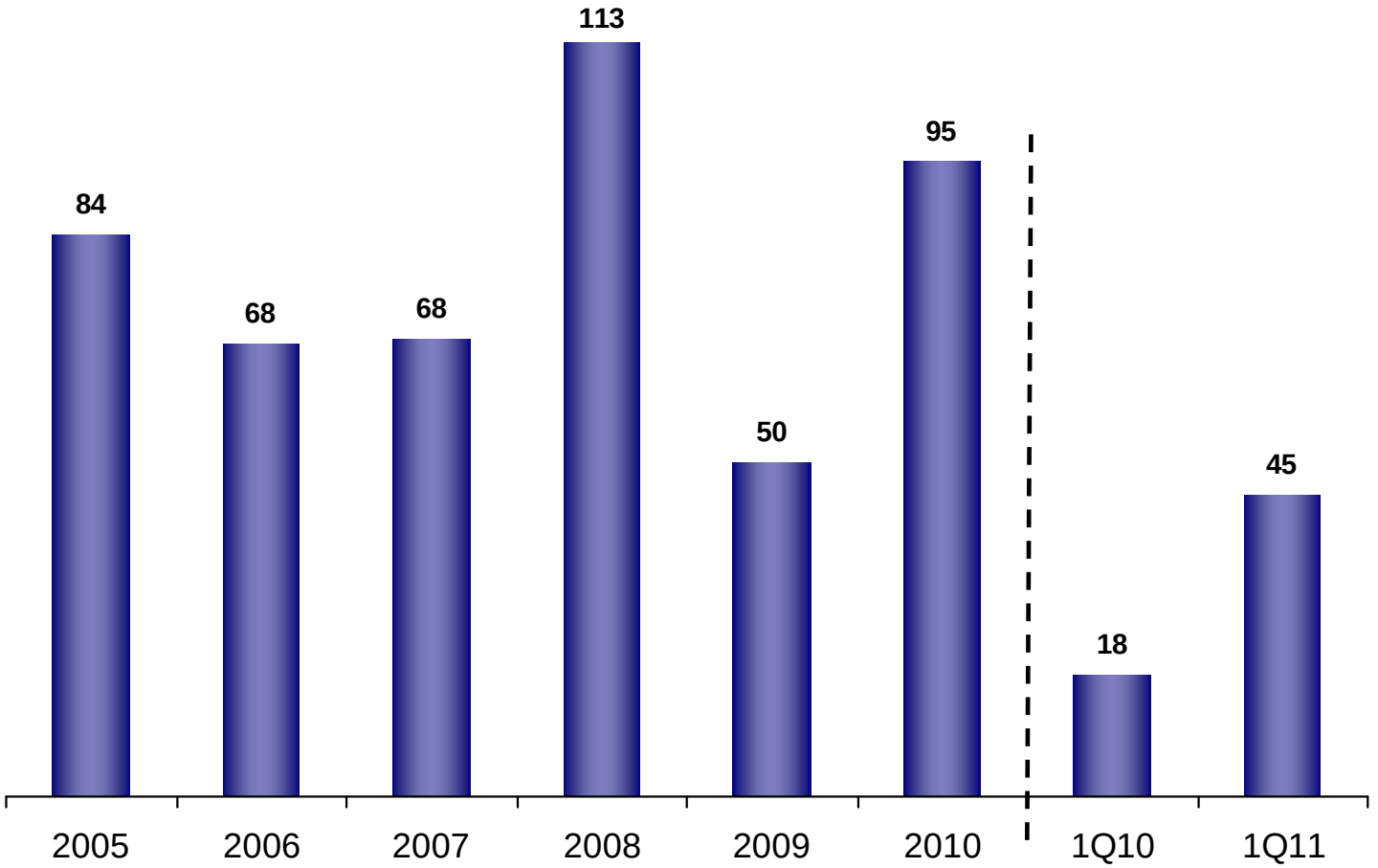
Debt Indexation



Average Cost

- ✓ Index in R$ - 49.5% of CDI (Brazilian Interbank Rate)
- ✓ Index by Dollar in US$ - US$ + 5.3% per year

CAPEX – R$ million



IOCHPE-MAXION

ADDITIONAL INFORMATION



Income Statement – R$ thousand

Consolidated I.S - R$ thousand	1Q10	1Q11	Var.
Net Operating Revenue	496,715	666,981	34.3%
Cost of Goods Sold	-	-	
Raw Material	(245,481)	(338,432)	37.9%
Labor	(96,225)	(122,884)	27.7%
Others	(56,050)	(68,833)	22.8%
	(397,756)	(530,149)	33.3%
Gross Profit	98,959	136,832	38.3%
	19.9%	20.5%	
Operating Expenses			
General and Administrative	(19,859)	(25,228)	27.0%
Commercial	(15,479)	(22,833)	47.5%
Others	186	(398)	-313.5%
	(35,152)	(48,459)	37.9%
Operating Income (EBIT)	63,807	88,373	38.5%
	12.8%	13.2%	
Financial Results			
Financial Revenue	5,203	11,634	123.6%
Financial Expenses	(17,918)	(16,990)	-5.2%
	(12,715)	(5,356)	-57.9%
Earnings After Financial Result	51,093	83,017	62.5%
	10.3%	12.4%	
Income Taxes	(18,320)	(26,828)	46.4%
Net Income	32,773	56,189	71.5%
	6.6%	8.4%	
EBITDA	75,860	100,675	32.7%
	15.3%	15.1%	

(*) 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

IOCHPE-MAXION

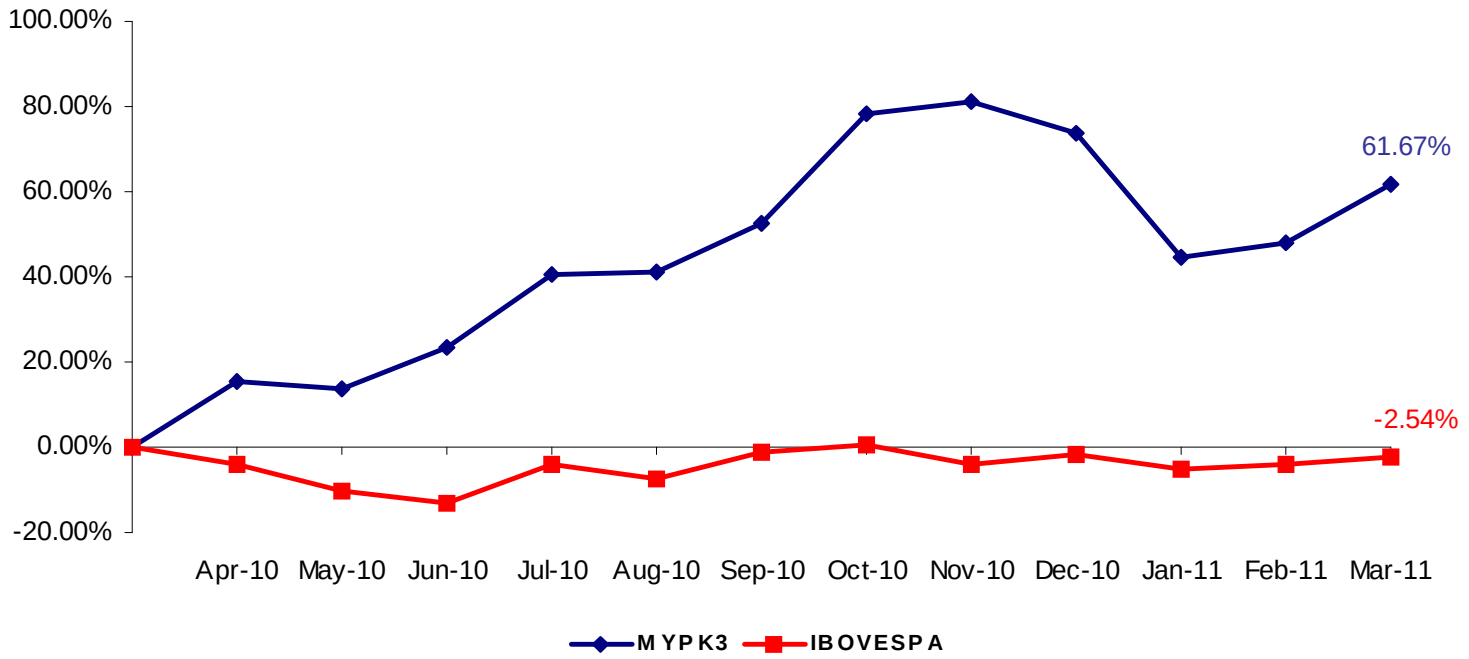
Balance Sheet – R$ thousand

ASSETS	Mar-10	Mar-11
CURRENT		
Cash and Cash Equivalents	31,541	21,137
Marketable Securities	87,031	220,287
Receivables	258,478	353,624
Inventory	211,622	343,418
Recoverable Taxes	12,055	22,724
Antecipated Expenses	7,246	2,119
Other Receivables	10,242	15,478
	618,215	**978,787**
LONG TERM		
Receivable	331	331
Recoverable Taxes	25,364	44,802
Deferred Taxes	103,983	89,379
Obligatory deposits and judicial	24,165	25,361
Other Receivables	6,104	4,724
	159,947	**164,597**
Investments	360	233
Plants, Property and Equipment	916,662	981,542
Intangible	25,345	26,496
Deferred Items	2,887	-
	945,254	**1,008,271**
TOTAL ASSETS	**1,723,416**	**2,151,655**

LIABILITIES	Mar-10	Mar-11
CURRENT		
Loans	211,963	193,606
Payables	123,338	171,407
Taxes	20,602	17,262
Installment Taxes	8,034	470
Wage & Salaries	49,041	72,414
Customers Advance	23,965	78,112
Dividends	-	-
Other Payables	23,910	43,308
Payable Financial Instruments	-	289
	460,853	**576,868**
LONG TERM		
Loans	392,669	573,581
Provisions	27,001	25,943
Deferred Taxes	115,182	129,814
Others	9,272	12,394
	544,124	**741,732**
EQUITY		
Capital	261,463	360,000
Profit Reserves	218,692	231,404
Equity Adjustment	202,585	182,847
Retained Earnings	35,699	58,804
	718,439	**833,055**
TOTAL LIABILITIES	**1,723,416**	**2,151,655**

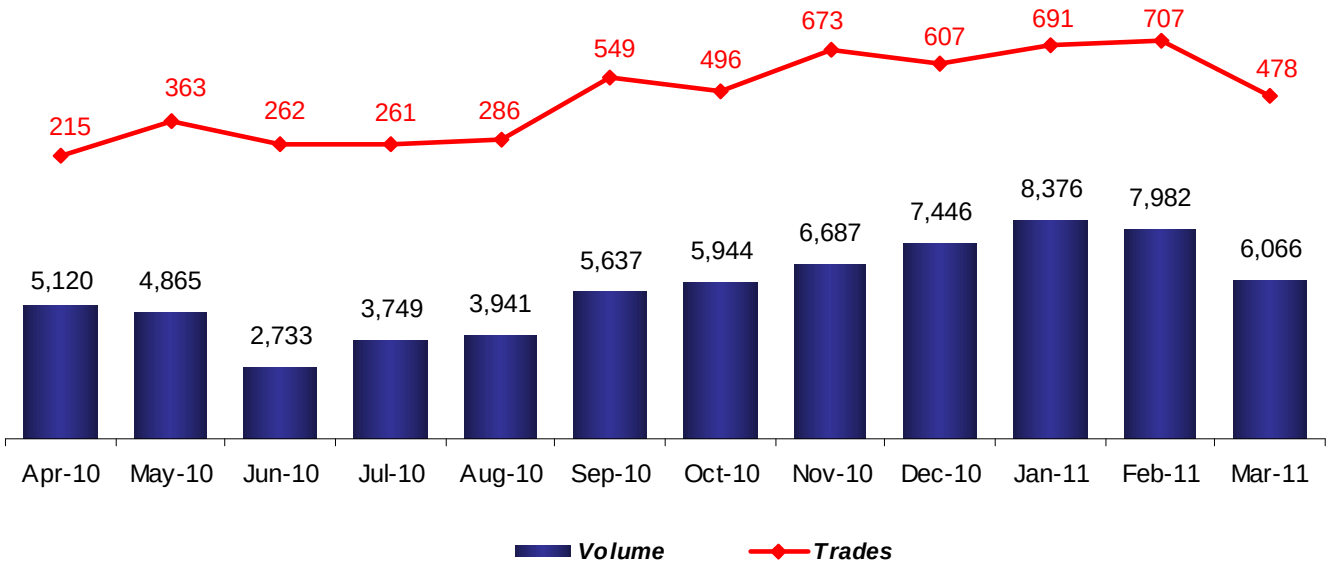
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Shares Performance



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Average Daily Trade – R$ thousand



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1Q11 EARNINGS RELEASE

MAXION
Rodas e Chassis
uma divisão da IOCHPE-MAXION

MAXION
COMPONENTES AUTOMOTIVOS
UMA DIVISÃO DA IOCHPE-MAXION



AmstedMaxion

FUMAGALLI
AUTOMOTIVE WHEELS
A division of IOCHPE-MAXION

May, 2011