EARNINGS RELEASE – 3Q14

IOCHPE-MAXION



November, 2014

Highlights – 3Q14

- Consolidated net operating revenue of R$ 1,486.4 million in 3Q14, a reduction of 3.9% compared to 3Q13

- EBITDA of R$ 168.0 million in 3Q14, a reduction of 4.8% compared to 3Q13

- Net income of R$ 5.2 million in 3Q14, a reduction of 85.3% compared to 3Q13

- Net bank indebtedness of R$ 2,425.1 million at the end of 3Q14 (R$ 2,264.4 million at the end of 3Q13) or 3.9x the LTM EBITDA (3.6x at the end of 3Q13)

Main Drivers – 3Q14

- Sharp fall in vehicles production and agricultural machinery in Brazil
- Sharp fall in light vehicles production in Thailand
- Decrease of commercial vehicles production in Europe
- Growth of vehicle production in the NAFTA region

Market Performance

Automotive Market (units produced)

PRODUÇÃO	BRASIL			NAFTA			EUROPA		
Segmento	**3T13**	**3T14**	**Var.**	**3T13**	**3T14**	**Var.**	**3T13**	**3T14**	**Var.**
Veículos Leves	919,831	773,505	*-15.9%*	3,883,066	4,190,159	*7.9%*	3,801,994	3,876,305	*2.0%*
Veículos Comerciais	63,131	44,660	*-29.3%*	114,642	126,287	*10.2%*	111,908	99,513	*-11.1%*
Total Veículos	**982,962**	**818,165**	***-16.8%***	**3,997,708**	**4,316,446**	***8.0%***	**3,913,902**	**3,975,818**	***1.6%***
Máquinas Agrícolas	27,447	23,429	*-14.6%*	N/A	N/A		N/A	N/A	
Segmento	**9M13**	**9M14**	**Var.**	**9M13**	**9M14**	**Var.**	**9M13**	**9M14**	**Var.**
Veículos Leves	2,687,452	2,244,357	*-16.5%*	12,156,169	12,805,934	*5.3%*	12,222,895	12,888,497	*5.4%*
Veículos Comerciais	178,333	139,857	*-21.6%*	336,149	378,215	*12.5%*	319,706	306,756	*-4.1%*
Total Veículos	**2,865,785**	**2,384,214**	***-16.8%***	**12,492,318**	**13,184,149**	***5.5%***	**12,542,601**	**13,195,253**	***5.2%***
Máquinas Agrícolas	75,824	38,906	*-48.7%*	N/A	N/A		N/A	N/A	

Source: Brazil (ANFAVEA), NAFTA and Europe (IHS Automotive – Light Vehicles and LMC Automotive – Commercial Vehicles)

Europe: Consider EU27+ Turkey

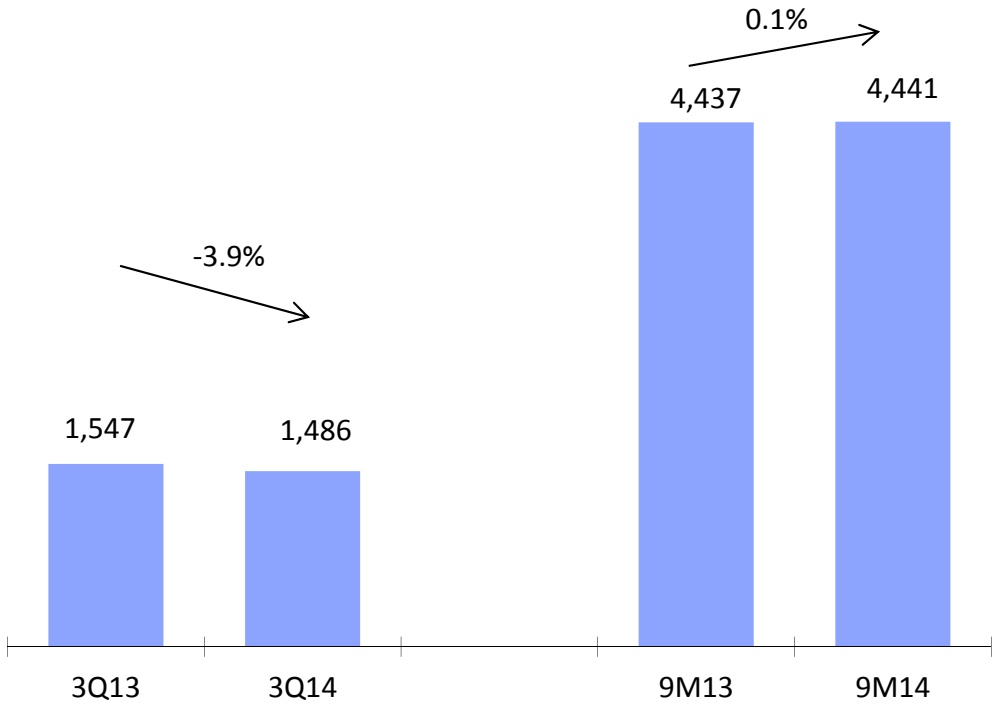
Railway Market (demand of Brazilian market estimated by AmstedMaxion)

Segment	3Q13	3Q14	Var.	9M13	9M14	Var.
Railway Freight Cars (unit)	391	1,266	*223.8%*	1,832	3,646	*99.0%*
Railway Wheels (unit)*	15,142	18,812	*24.2%*	48,916	58,828	*20.3%*
Castings (tonnes)*	605	754	*24.6%*	2,074	2,243	*8.1%*

* It does not include wheels and castings used to assemble new railroad freight cars

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Net Operating Revenue – R$ million

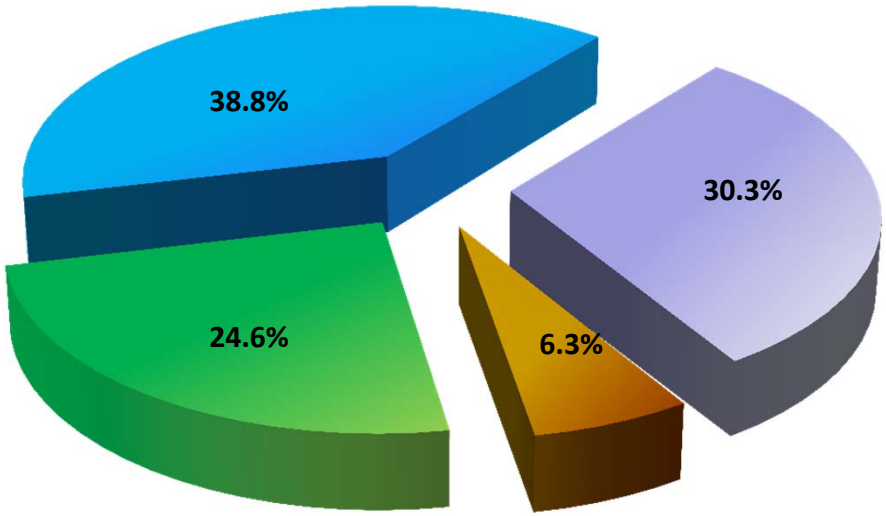


- Sale of scrap reclassified as COGS reduction in 3Q13 and 9M13 : R$ 58.2 million and R$ 178.9 million
- Sale of scrap reclassified as COGS reduction in 3Q14 and 9M14 : R$ 57.2 million and R$ 168.1 million

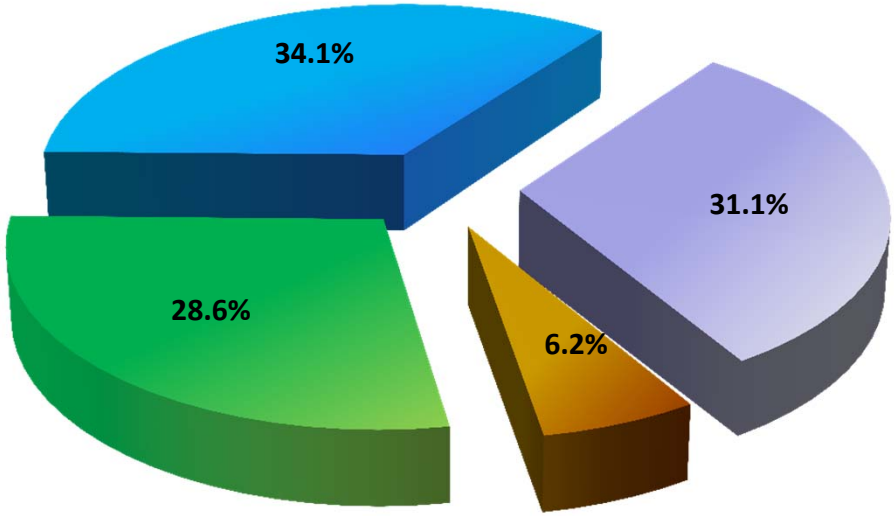
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Revenue by Region – 3Q14

- **Consolidated Net Operating Revenue**
  (R$ 1,546.9 million - 3Q13)



- **Consolidated Net Operating Revenue**
  (R$ 1,486.4 million - 3Q14)

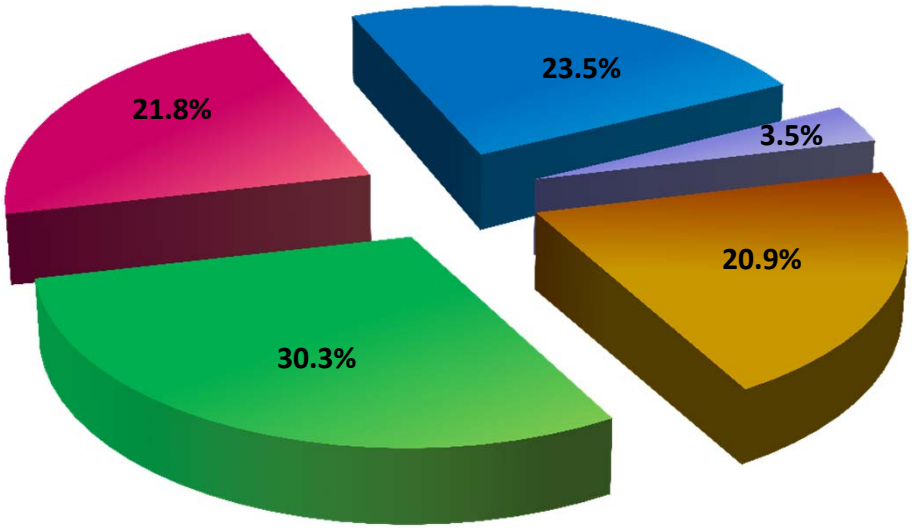


North America | South America | Europe | Asia + Others

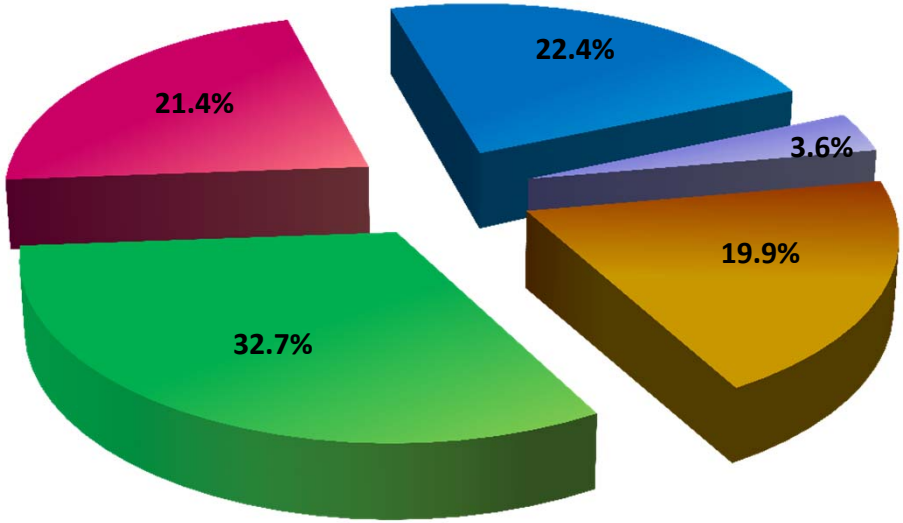
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Revenue by Product – 3Q14

- **Consolidated Net Operating Revenue (R$ 1,546.9 million - 3Q13)**



- **Consolidated Net Operating Revenue (R$ 1,486.4 million - 3Q14)**



Light Vehicles Wheels (steel) | Light Vehicles Wheels (aluminum) | Commercial Vehicles Wheels (steel)

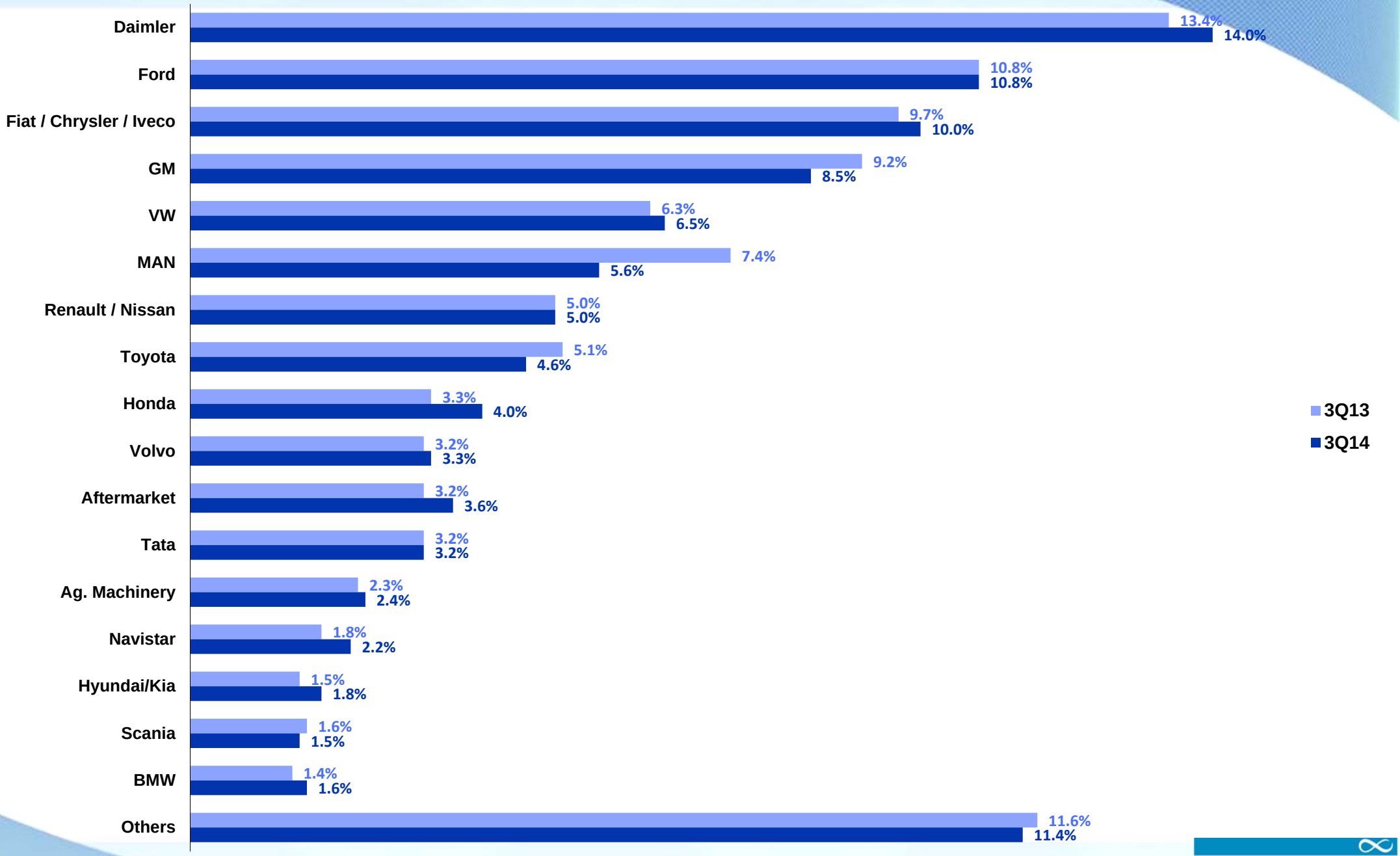
Structural Comp. (light vehicles) | Structural Comp. (commercial vehicles)

- Maxion Wheels = 75.6%
- Maxion Structural Comp. = 24.4%

- Maxion Wheels = 76.5%
- Maxion Structural Comp. = 23.5%

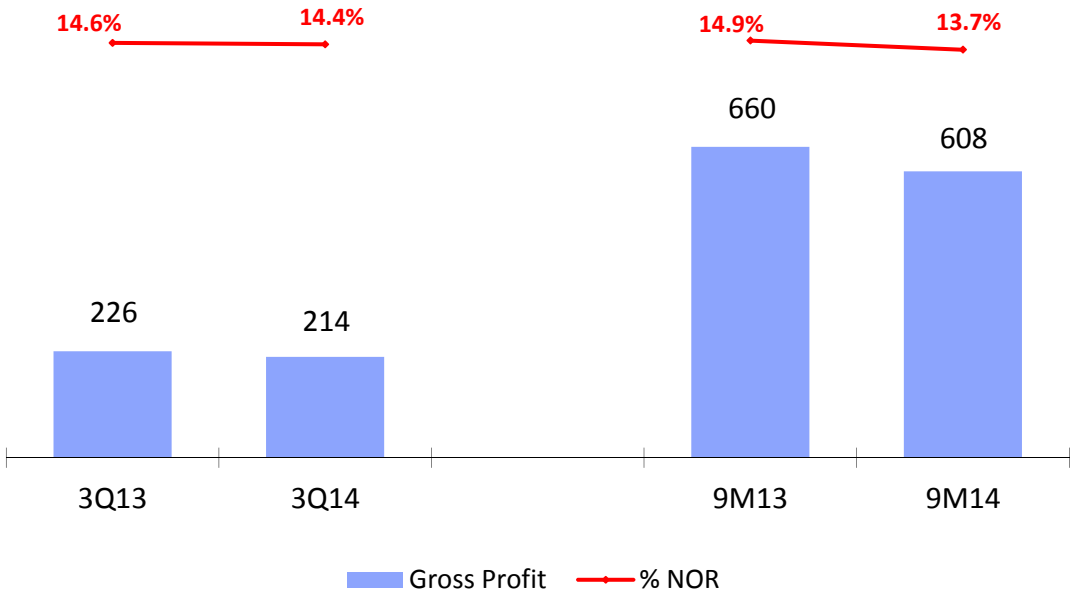
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Revenue by Customer – 3Q14



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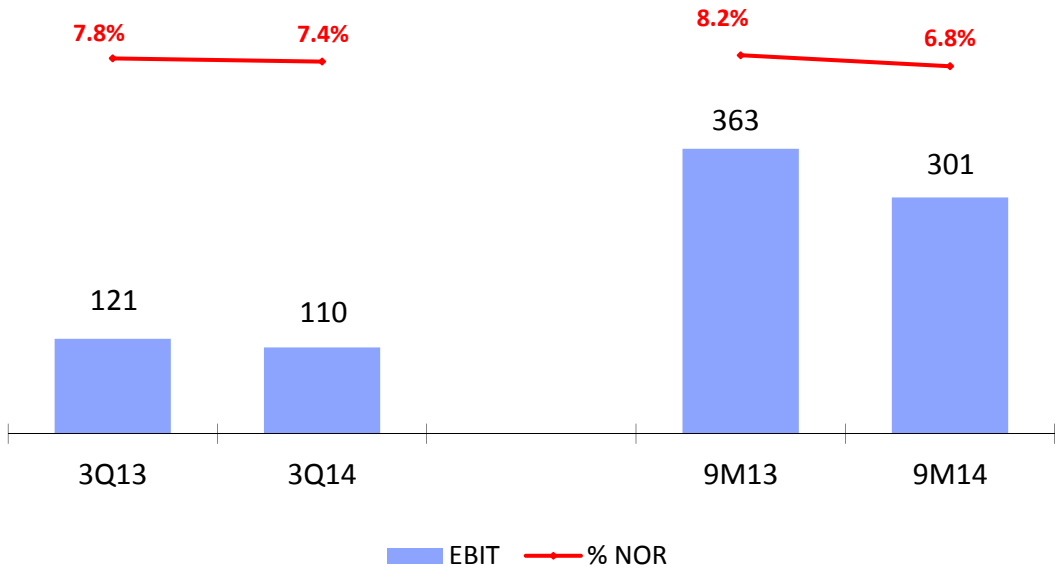
Gross Profit – R$ million



- Δ 3Q14 – 3Q13 = -5.3%
- Δ 9M14 – 9M13 = -7.8%

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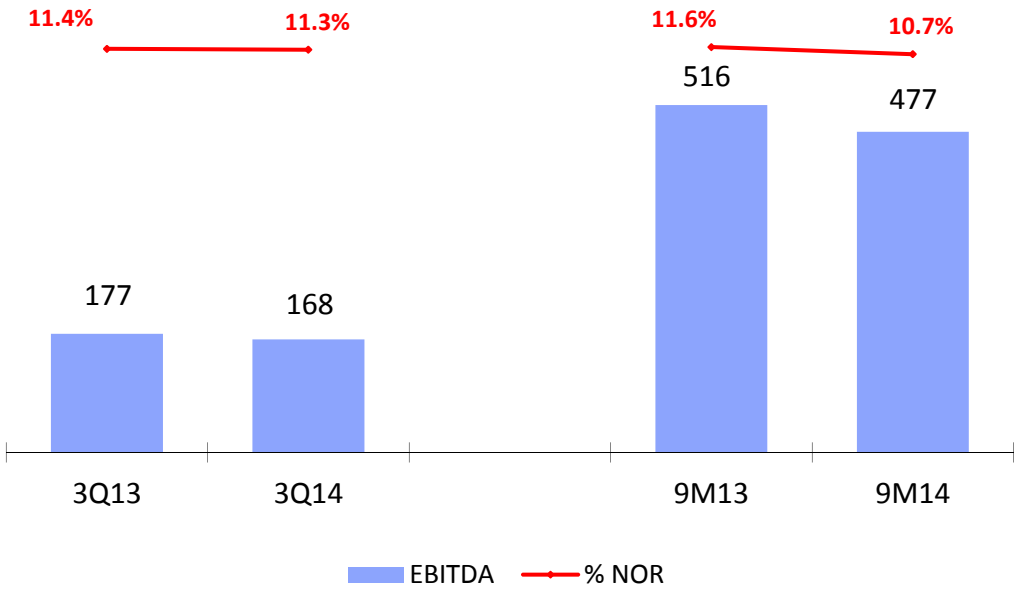
Earnings before Interest and Tax (EBIT) – R$ million



- Δ 3Q14 – 3Q13 = -8.8%
- Δ 9M14 – 9M13 = -17.1%

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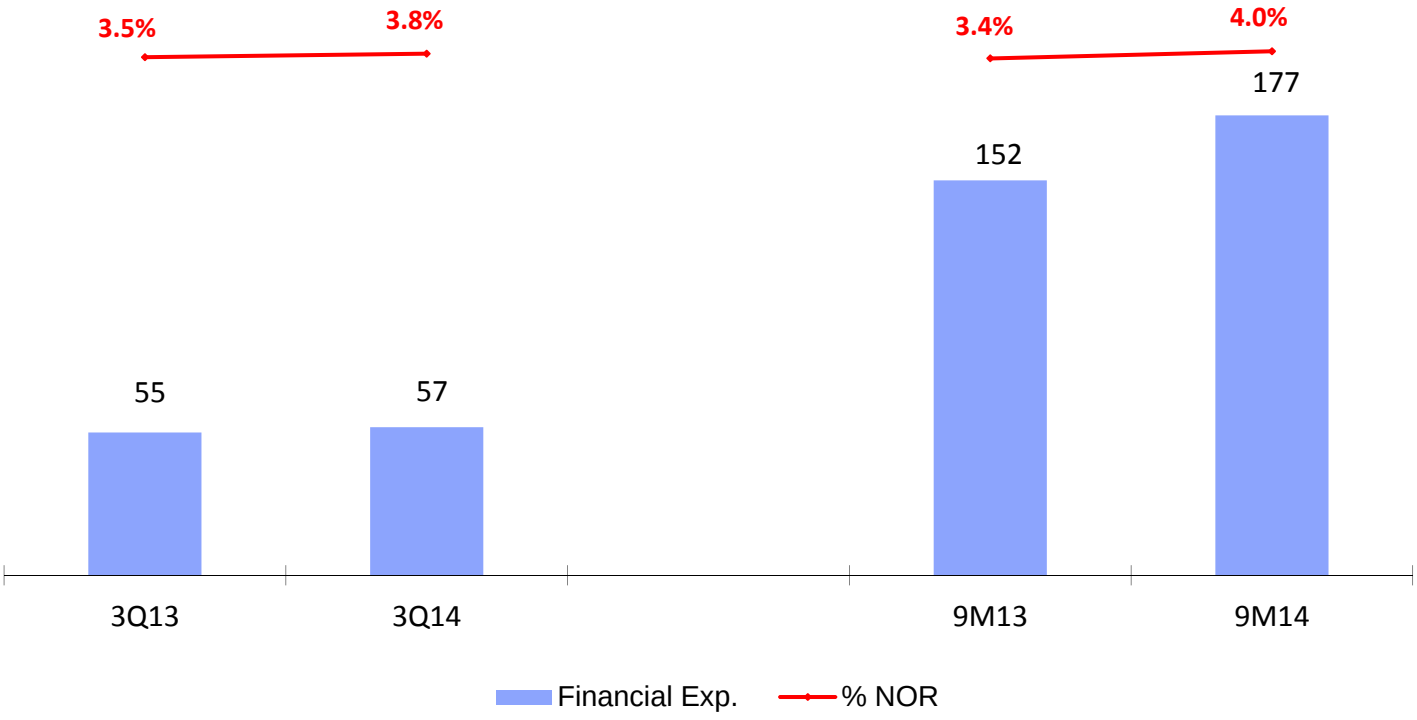
EBITDA – R$ million



- Δ 3Q14 – 3Q13 = -4.8%
- Δ 9M14 – 9M13 = -7.7%

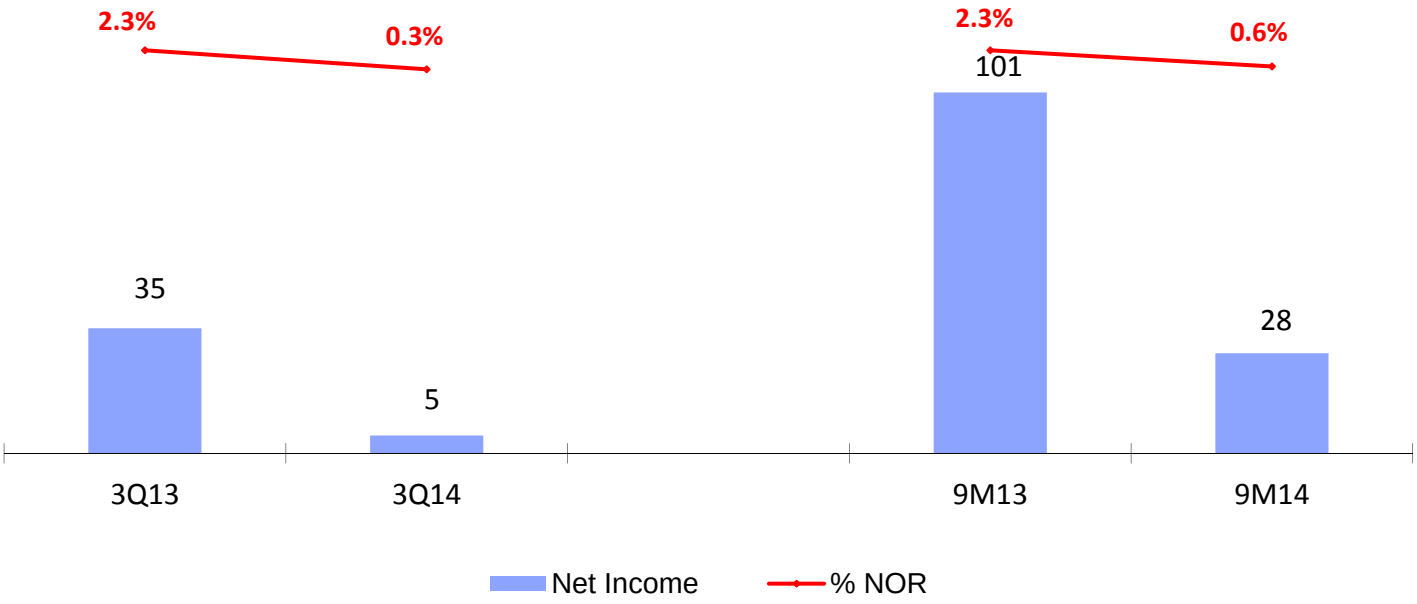
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Net Financial Expense – R$ million



- Δ 3Q14 – 3Q13 = 3.7%
- Δ 9M14 – 9M13 = 16.5%

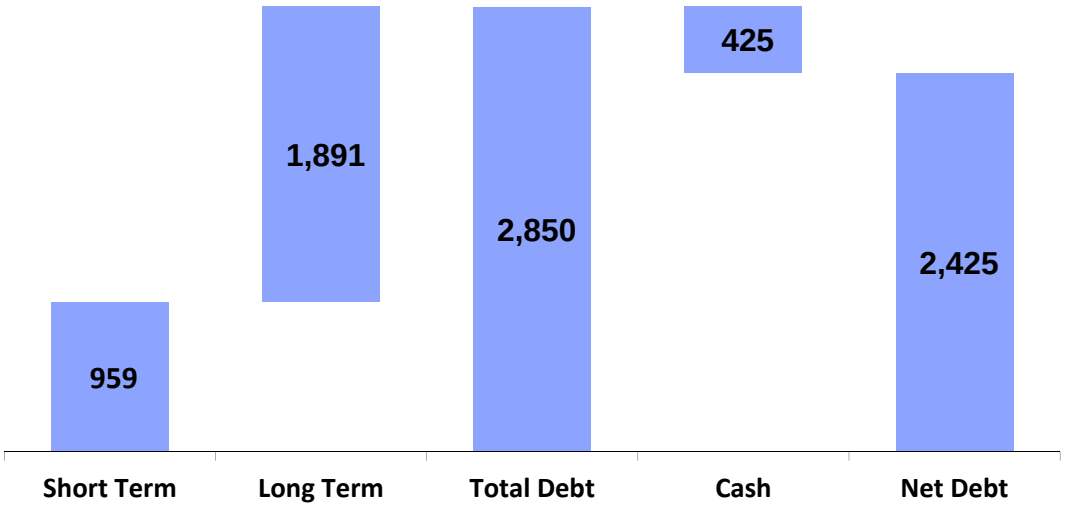
Net Income – R$ million



- Δ 3Q14 – 3Q13 = -85.3%
- Δ 9M14 – 9M13 = -72.8%

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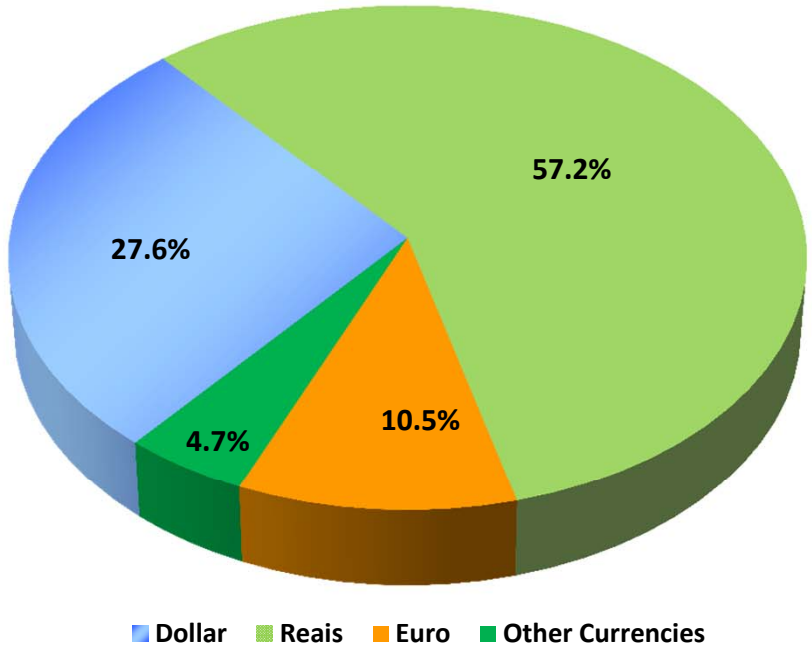
Indebtedness (3Q14) – R$ million



Average Cost

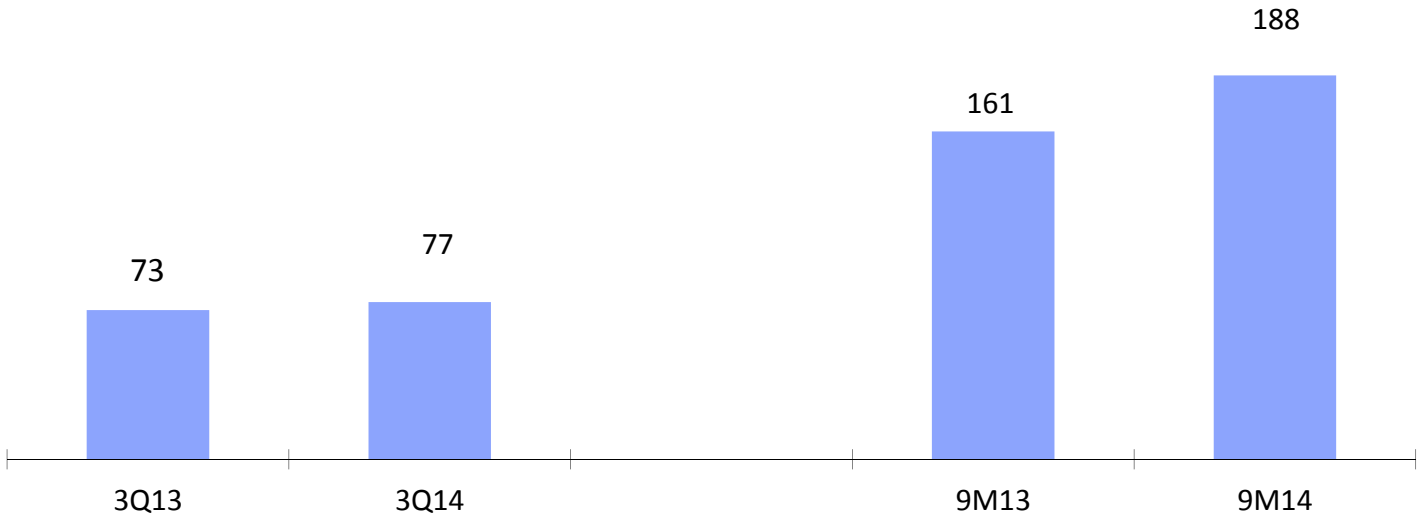
- Indexed in R$ - 99.0% of Brazilian interbank rate (CDI)
- Indexed in US$ - US$ + 4.8% per year
- Indexed in Euro - Euro + 3.3% per year

- Net Debt/LTM EBITDA = 3.9x (3.6x at the end of 3Q13)



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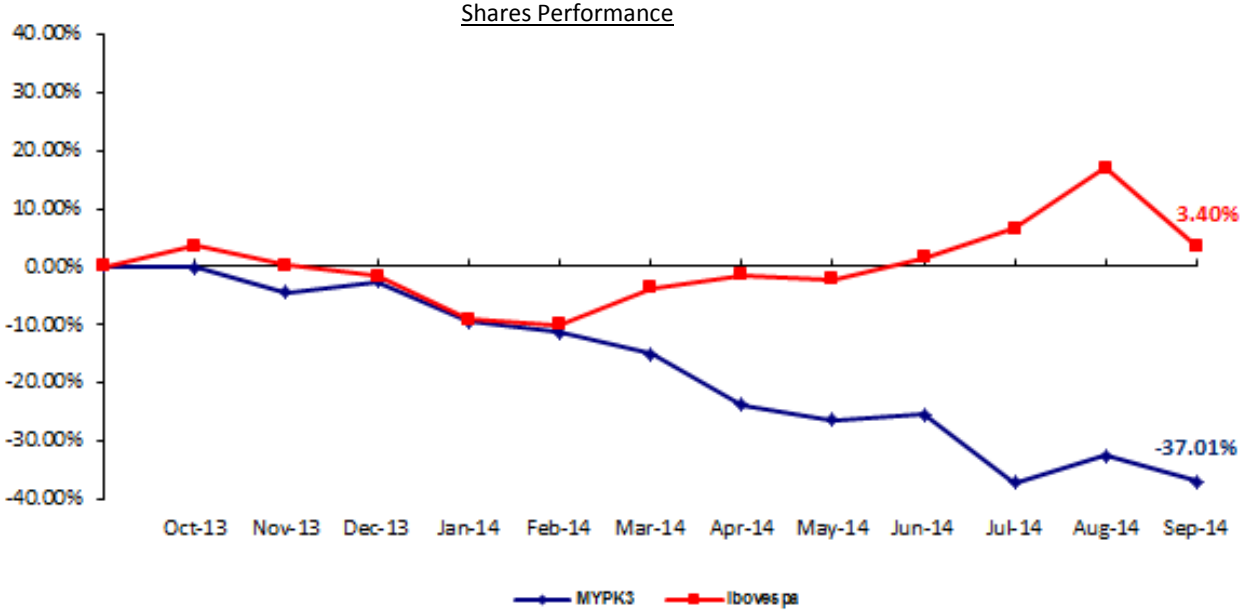
CAPEX – R$ million



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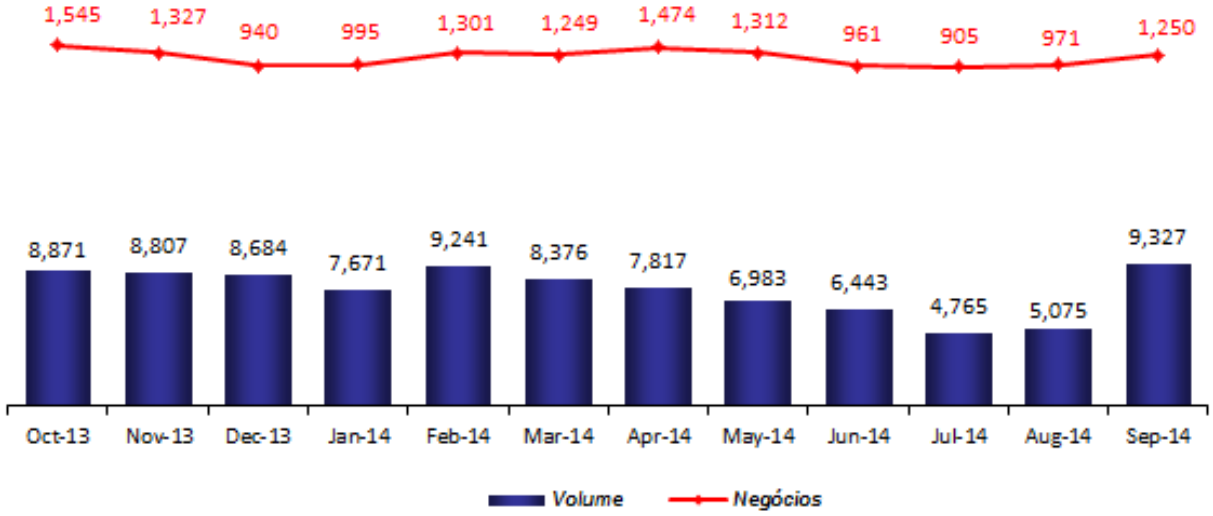
Capital Market

Shares Performance



- Number of shares : 94,863,372 (ON – voting)
- Share price on September 30th , 2014 : R$ 16.68
- Market Cap on September 30th , 2014 : R$ 1,582.3 million

Average Daily Trade Volume



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