IOCHPE-MAXION

2Q11 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

August, 2011

IOCHPE-MAXION

HIGHLIGHTS



2Q11 Highlights

- Consolidated net operating revenue of R$ 694.0 million, an increase of 21.9% over the second quarter 2010

- EBITDA(*) of R$ 108.8 million, an increase of 22.7% over the second quarter 2010

- Net income of R$ 57.2 million, an increase of 21.4% over the second quarter 2010

- Net bank debt of R$ 553.4 million (R$ 471.1 million at the end of 2Q10) or 1.6x LTM EBITDA(*) (1,8x at the end of 2Q10)

(*) 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.

2Q11 – Main Drivers

- Strong demand on the Brazilian railway freight cars market
- Growth of the Brazilian truck production
- Acquisition of 50% of Montich in Argentina, establishing Maxion Montich

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INDUSTRY PERFORMANCE



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Brazilian Vehicle Production / Export

- ✓ **Units**
- ✓ **Source: Anfavea**

Production

Segment	2Q10	2Q11	Var.	1H10	1H11	Var.
Passenger Cars	654,340	655,768	*0.2%*	1,263,852	1,285,888	*1.7%*
Light Commercials	143,198	161,124	*12.5%*	269,485	302,979	*12.4%*
Trucks	47,201	51,356	*8.8%*	88,656	99,467	*12.2%*
Buses	11,399	11,699	*2.6%*	21,219	22,066	*4.0%*
Total Vehicles	**856,138**	**879,947**	***2.8%***	**1,643,212**	**1,710,400**	***4.1%***
Agricultural Machinery	23,564	20,846	*-11.5%*	43,812	40,653	*-7.2%*

Export

Segment	2Q10	2Q11	Var.	1H10	1H11	Var.
Passenger Cars	89,460	92,217	*3.1%*	182,698	181,343	*-0.7%*
Light Commercials	24,148	28,688	*18.8%*	46,802	52,356	*11.9%*
Trucks	4,999	6,934	*38.7%*	9,086	12,556	*38.2%*
Buses	2,086	2,048	*-1.8%*	4,025	3,685	*-8.4%*
Total Vehicles	**120,693**	**129,887**	***7.6%***	**242,611**	**249,940**	***3.0%***
Agricultural Machinery	5,095	4,516	*-11.4%*	8,248	8,688	*5.3%*

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Light Vehicle Production in the NAFTA Region

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

Segment	2Q10	2Q11	Var.	1H10	1H11	Var.
Passenger Cars	1,348,920	1,319,409	*-2.2%*	2,643,308	2,734,926	*3.5%*
Light Commercials	1,683,583	1,743,865	*3.6%*	3,268,950	3,704,020	*13.3%*
Total Light Vehicles	**3,032,503**	**3,063,274**	***1.0%***	**5,912,258**	**6,438,946**	***8.9%***

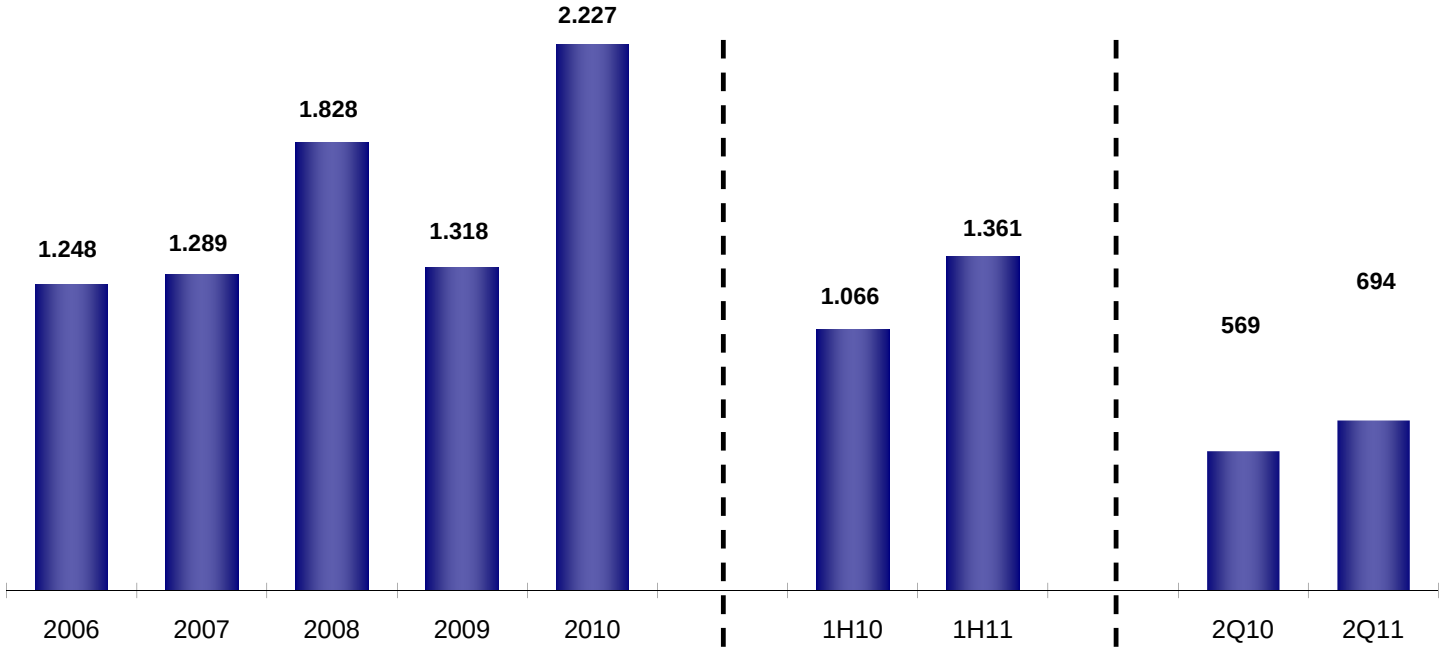
✓**Source: AmstedMaxion estimation**

Segment	2Q10	2Q11	Var.	1H10	1H11	Var.
Railway Freight Cars (units)	643	1,340	*108.4%*	1,172	2,783	*137.5%*
Railway Wheels (units)*	15,749	24,006	*52.4%*	26,727	37,463	*40.2%*
Castings (tonnes)*	730	1,384	*89.6%*	1,114	2,419	*117.2%*

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



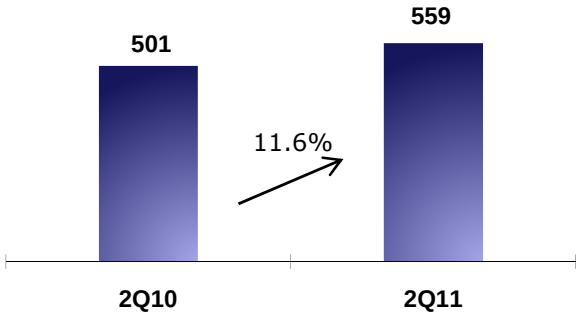
Consolidated Net Operating Revenue– R$ million



- ✓ Δ 1H11 – 10 = 27.6%
- ✓ Δ 2Q11 – 10 = 21.9%
- ✓ CAGR 2006 – 10 = 15.6%

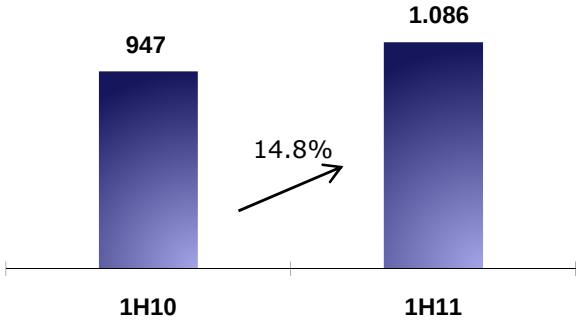
Net Operating Revenue by Segment– R$ million

Automotive Segment



✓ 80.6% of consolidated net revenue in the 2Q11

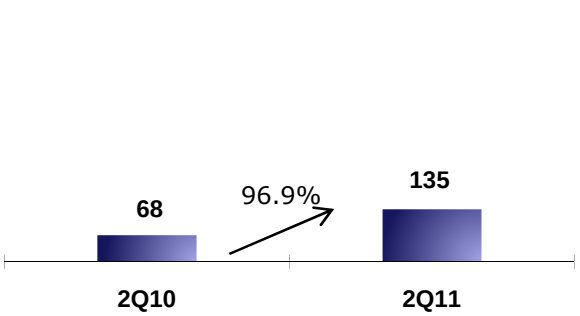
✓ 88.0% of consolidated net revenue in the 2Q10



✓ 79.8% of consolidated net revenue in the 1H11

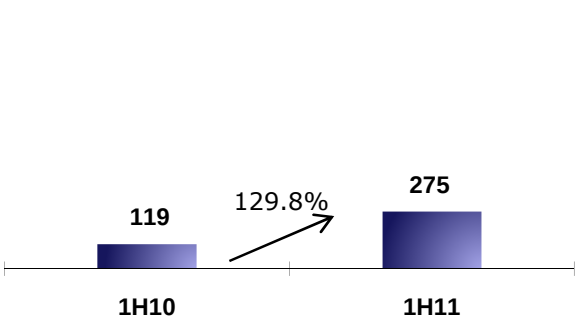
✓ 88.8% of consolidated net revenue in the 1H10

Railway Segment



✓ 19.4% of consolidated net revenue in the 2Q11

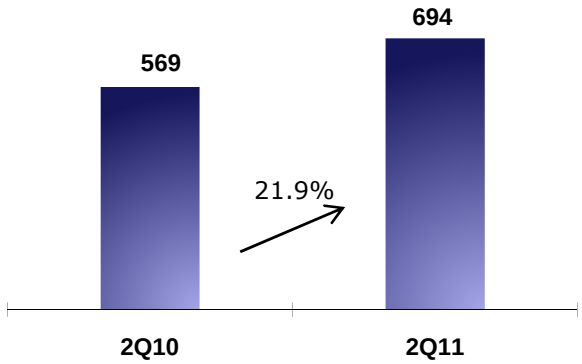
✓ 12.0% of consolidated net revenue in the 2Q10

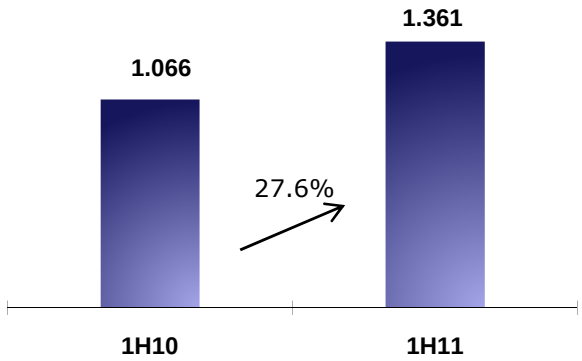


✓ 20.2% of consolidated net revenue in 1H11

✓ 11.2% of consolidated net revenue in 1H10

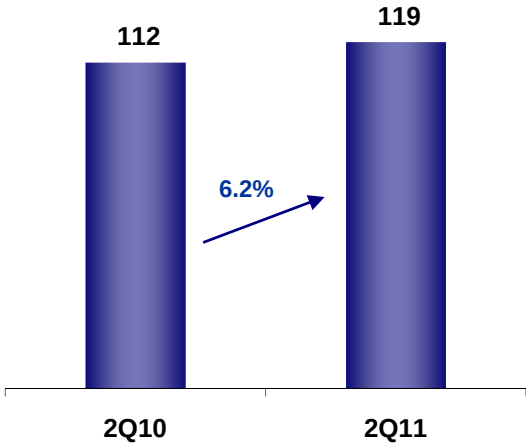
Consolidated





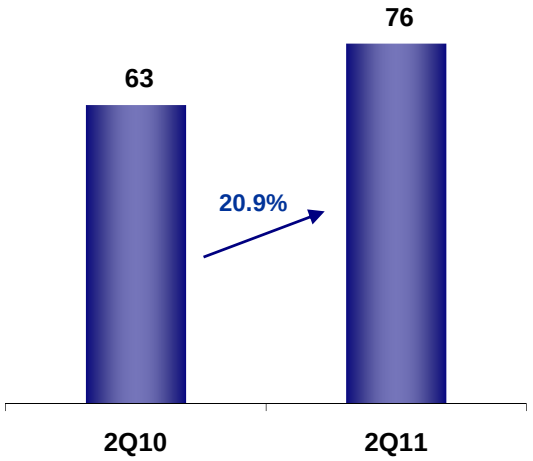
Export / International Sales

Consolidated – R$ million



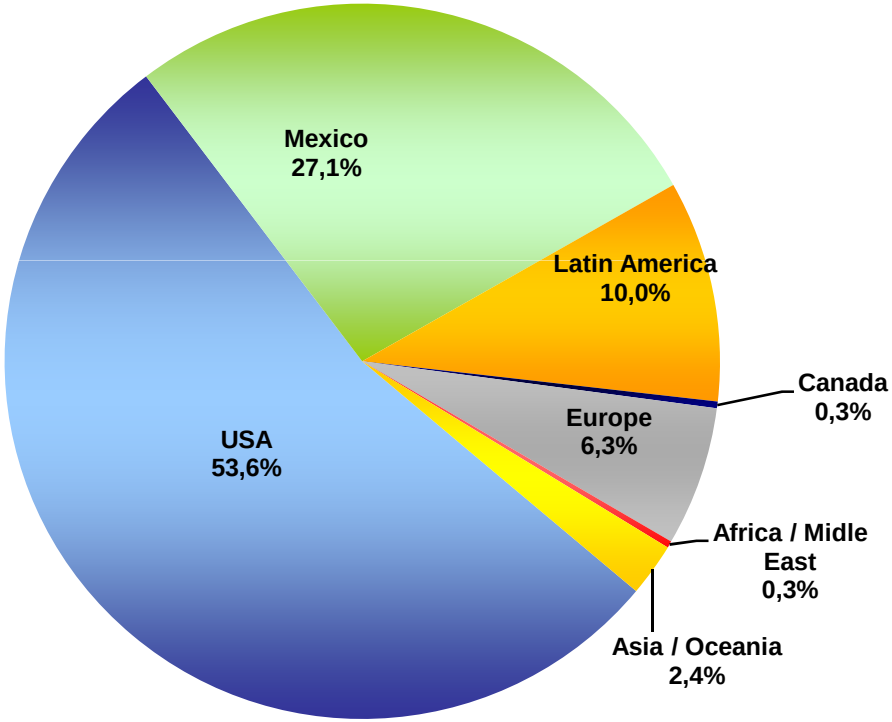
- ✓ R$ 234 million in the 1H11
- ✓ Δ 1H11 – 10 = 10.5%
- ✓ 17.1% of consolidated net revenue in the 2Q11 (19.7% in the 2Q10)
- ✓ 17.2 of consolidated net revenue in the 1H11 (19.9% in the 1H10)

Consolidated – US$ million



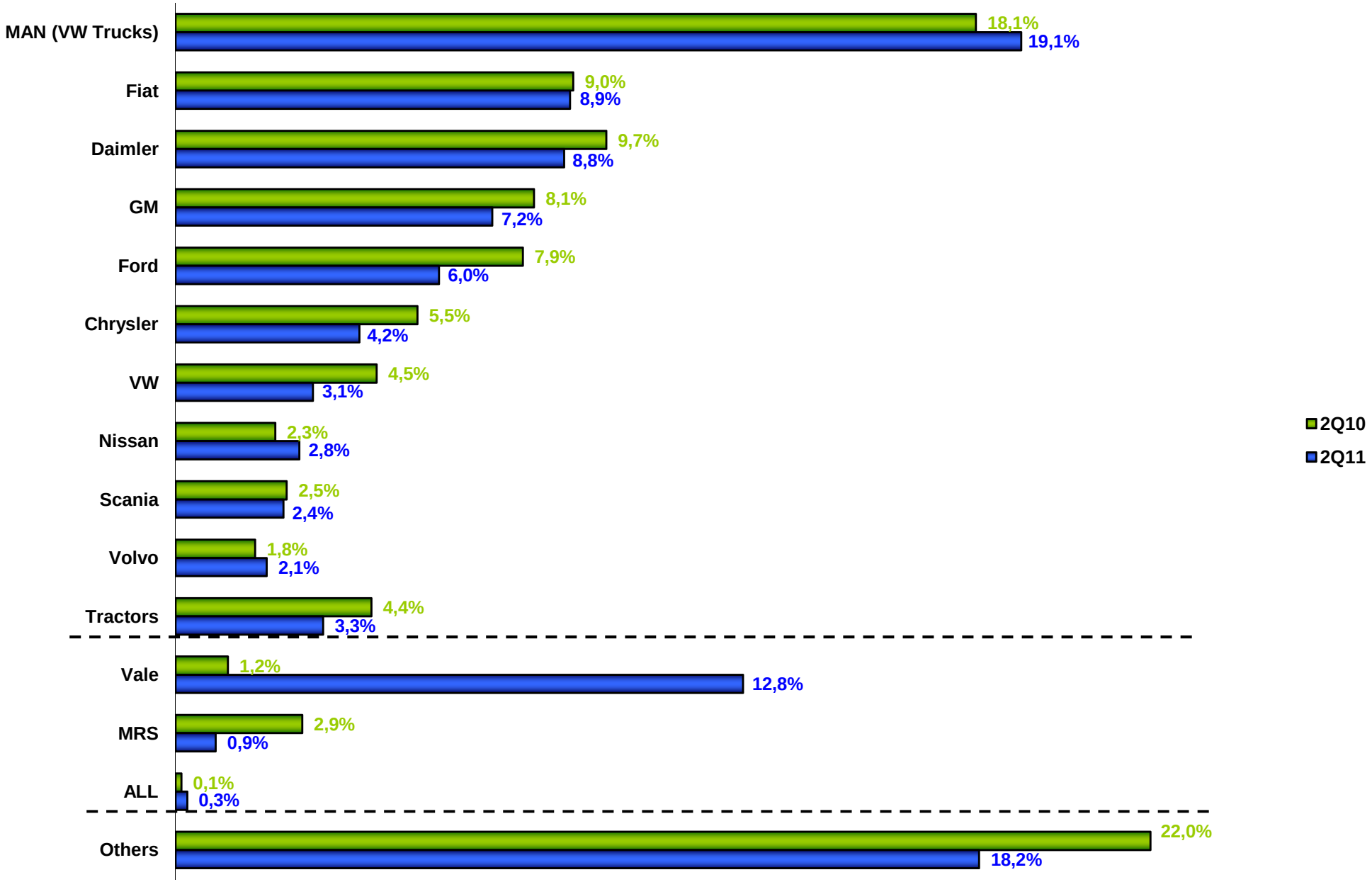
- ✓ US$ 146 million in the 1H11
- ✓ Δ 1H11 – 10 = 23.7%

Region in Value – 2Q11



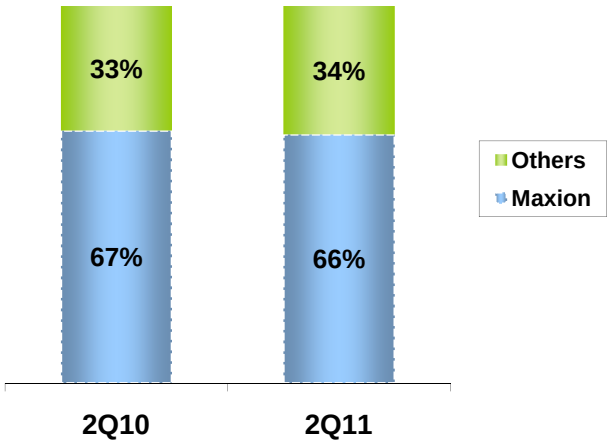
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Revenue by Customer

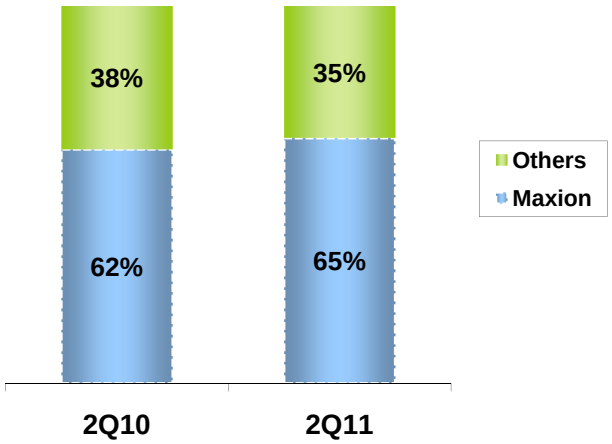


Market Share - Brazil

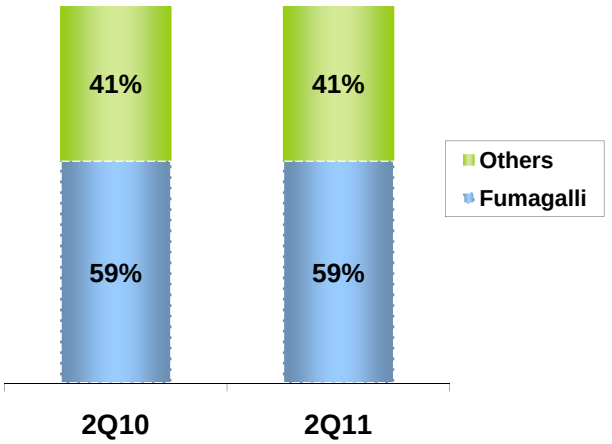
Chassis



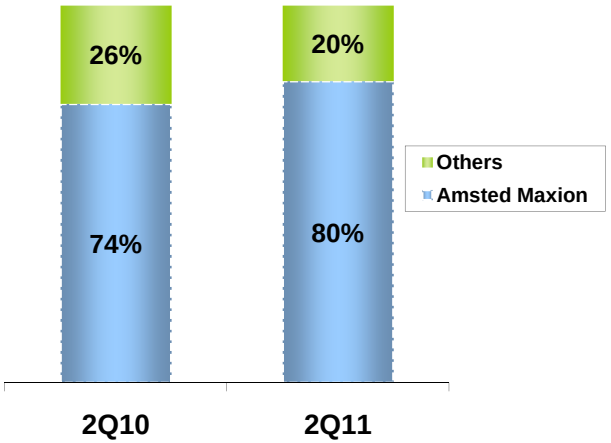
Maxion Wheels



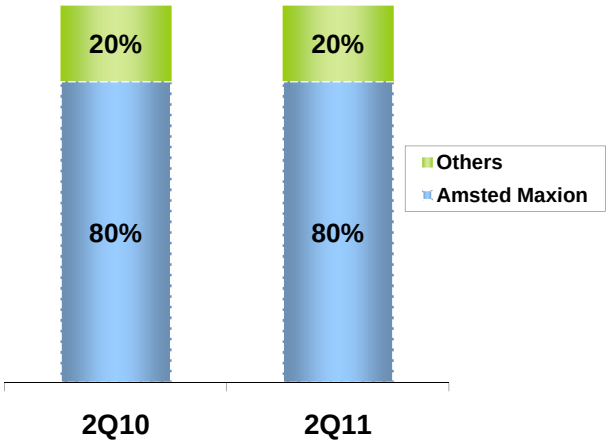
Fumagalli Wheels



Railway Freight Cars

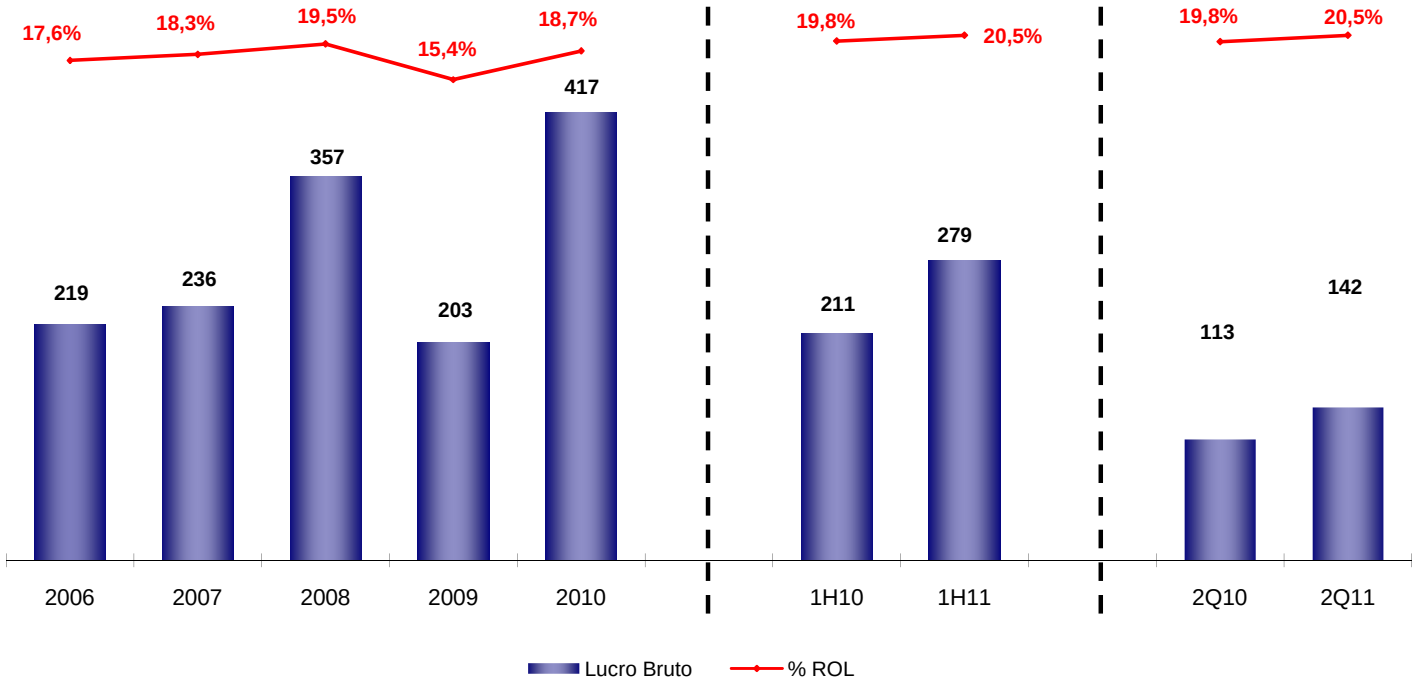


Railway Castings



Source: Iochpe-Maxion Estimation

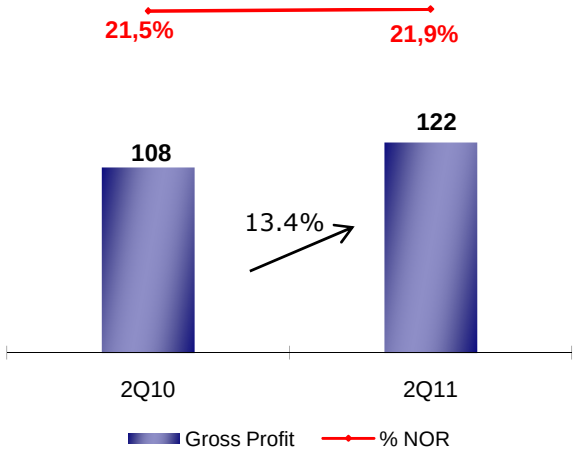
Consolidated Gross Profit – R$ million



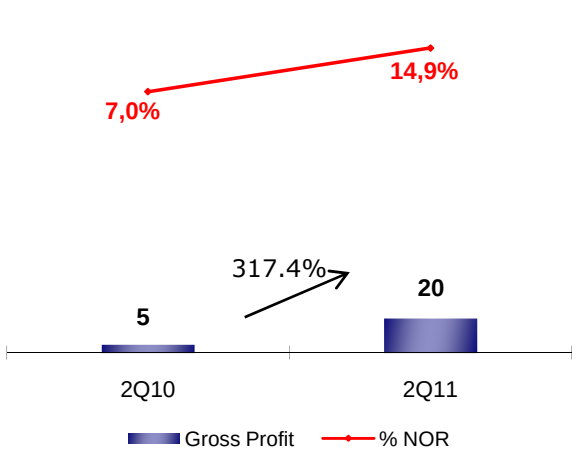
- ✓ Δ 1H11 – 10 = 32.0%
- ✓ Δ 2Q11 – 10 = 26.4%
- ✓ CAGR 2006 – 10 = 17.5%

Gross Profit by Segment – R$ million

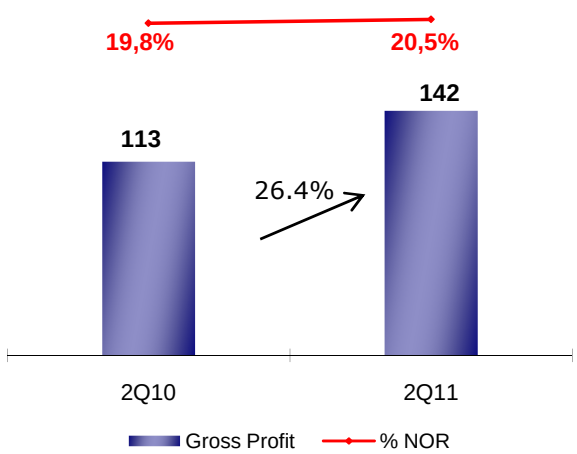
Automotive Segment

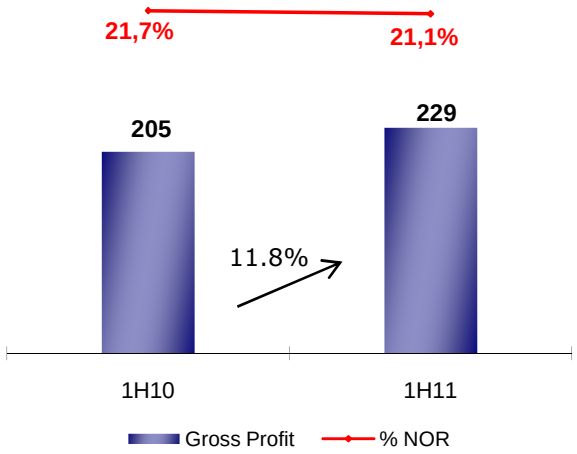


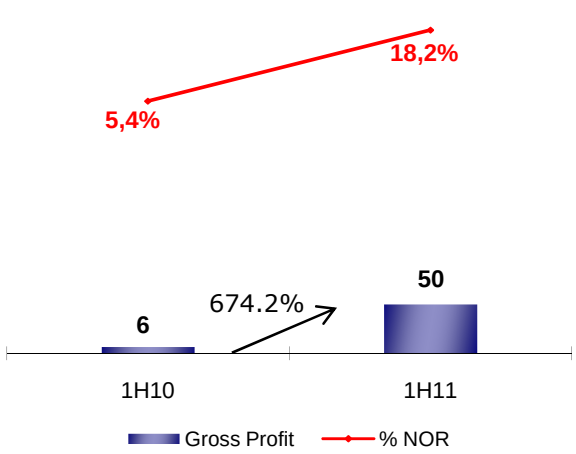
Railway Segment

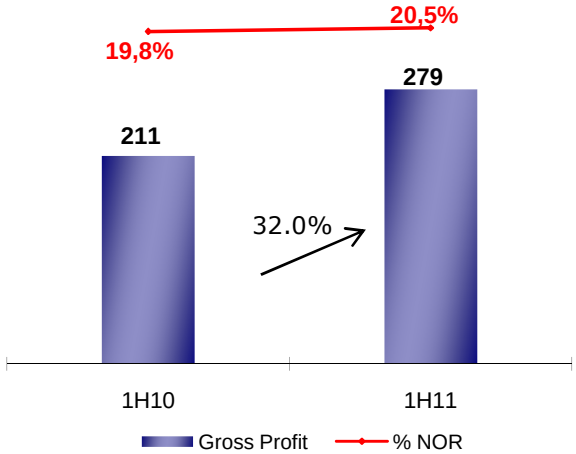


Consolidated

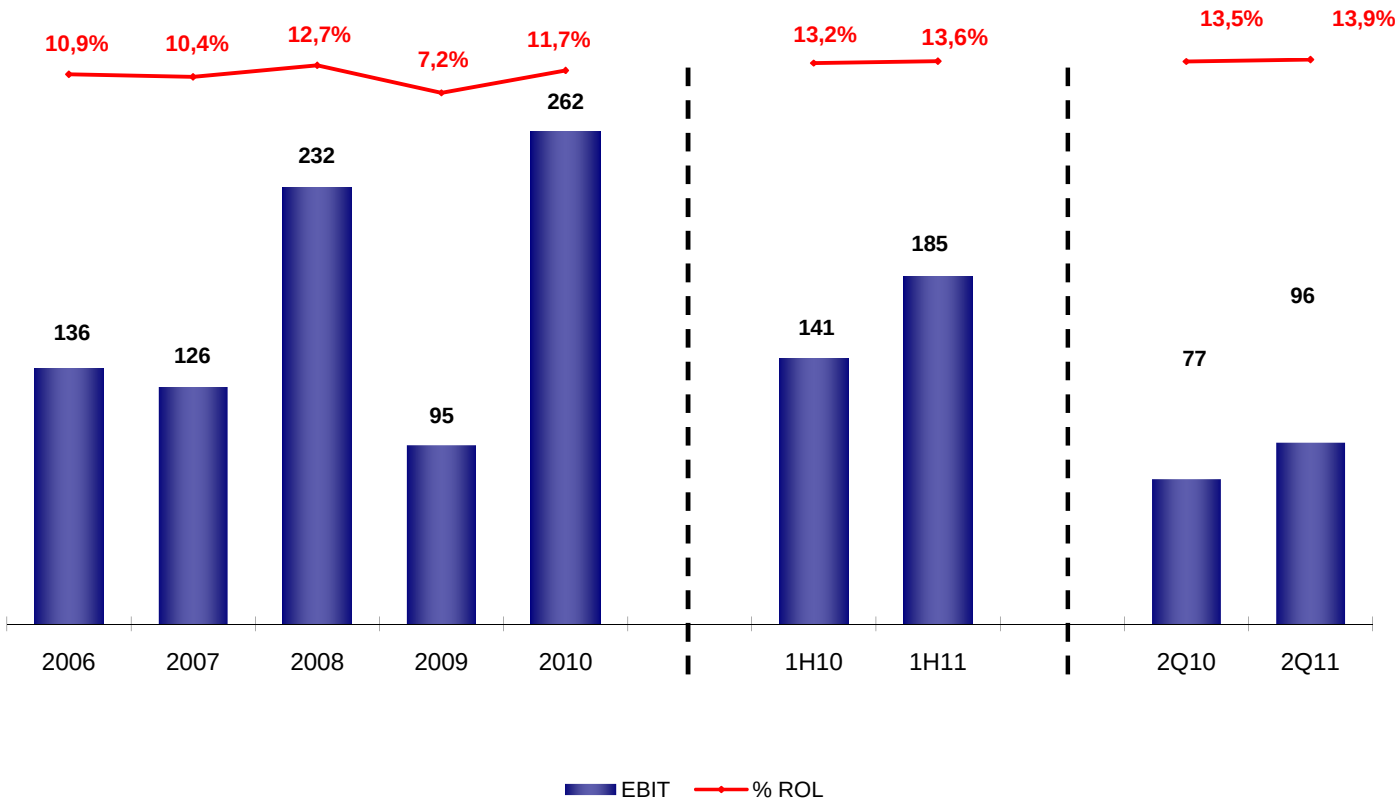








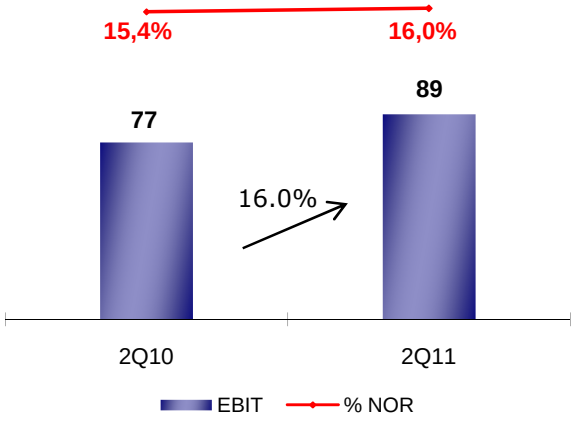
Earnings Before Income and Tax (EBIT) – R$ million



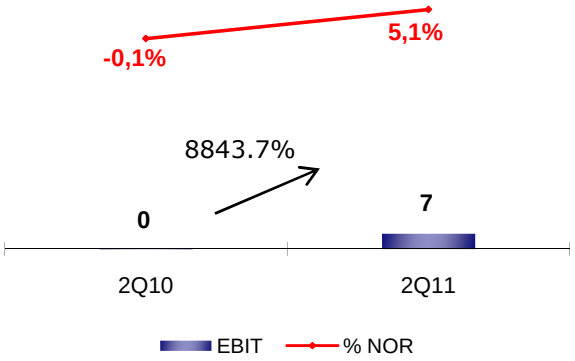
- ✓ Δ 1H11 – 10 = 31.2%
- ✓ Δ 2Q11 – 10 = 25.1%
- ✓ CAGR 2006 – 10 = 17.8%

Earnings Before Income and Tax (EBIT) by Segment – R$ million

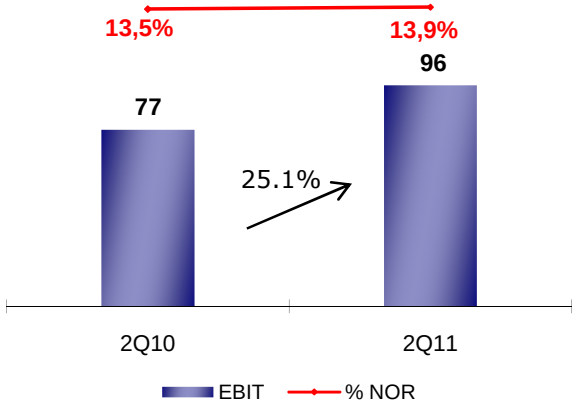
Automotive Segment

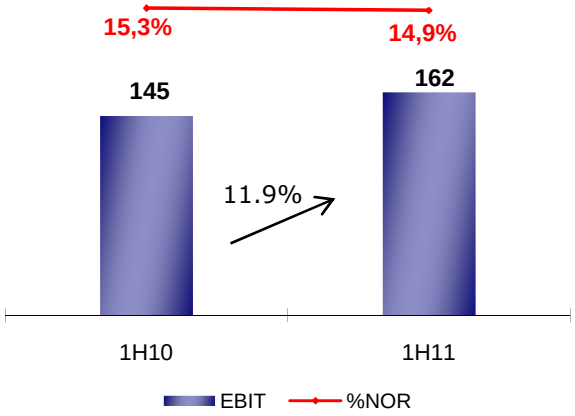


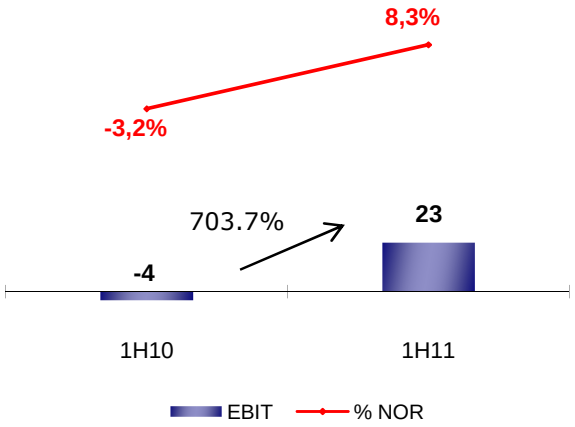
Railway Segment

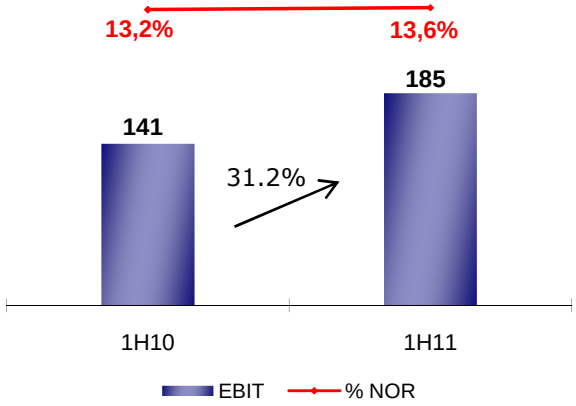


Consolidated

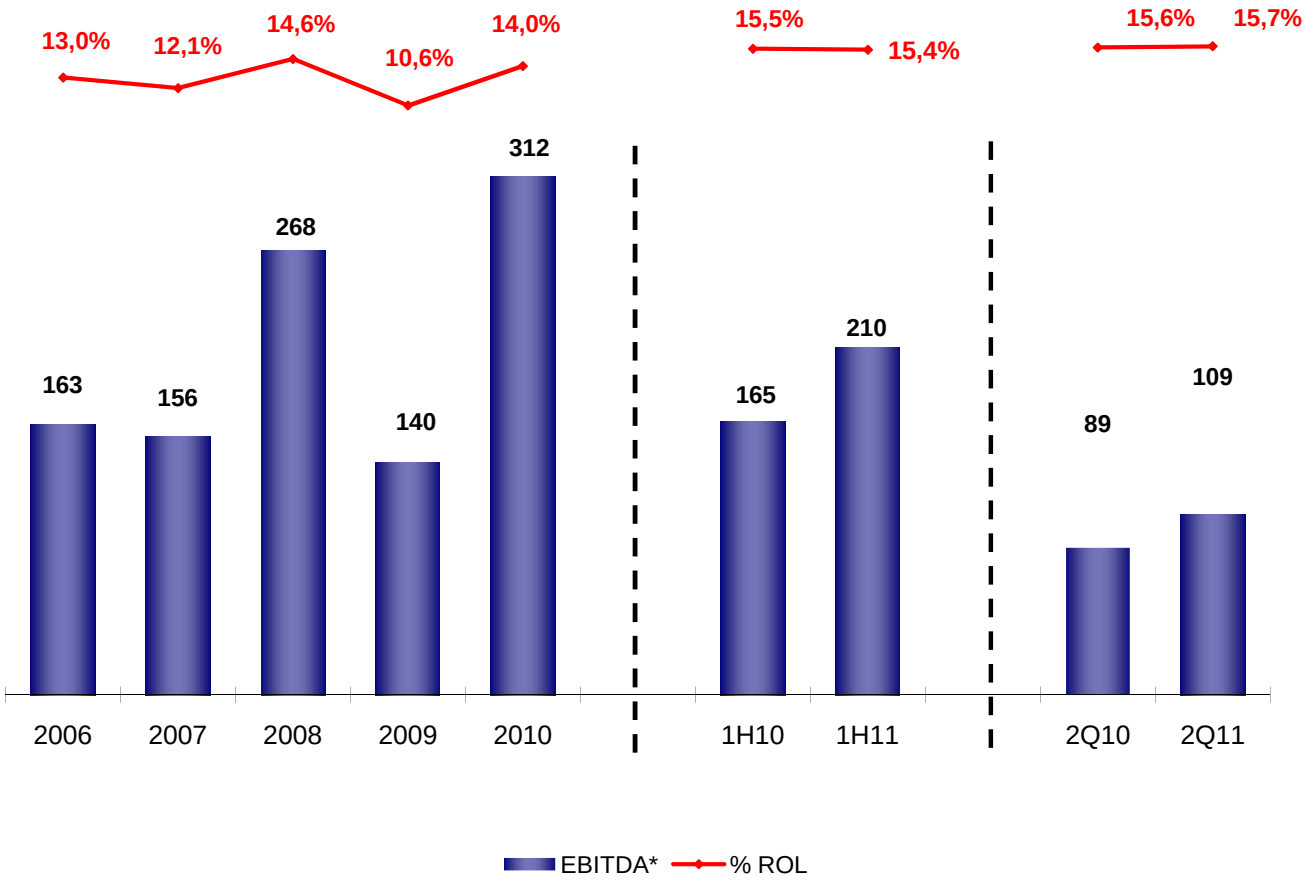








Consolidated EBITDA – R$ million

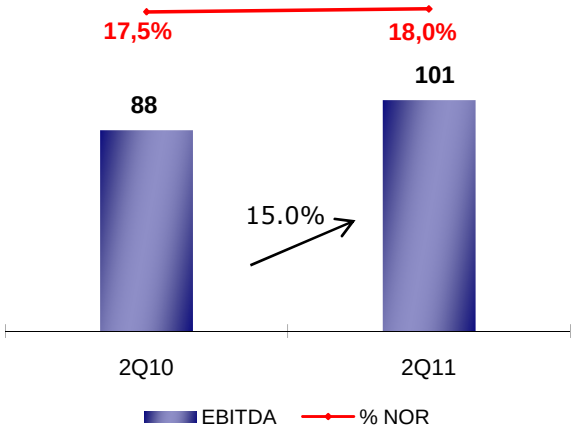


- ✓ Δ 1H11 – 10 = 27.0%
- ✓ Δ 2Q11 – 10 = 22.7%
- ✓ CAGR 2006 – 10 = 17.6%

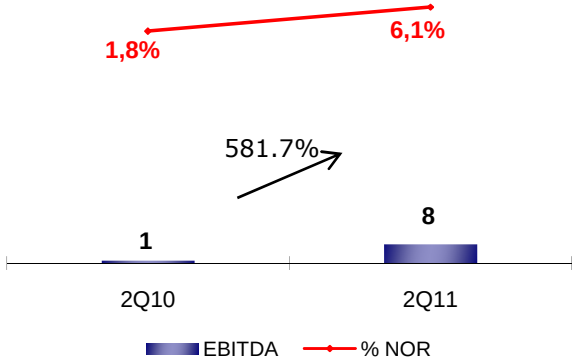
(*) EBITDA, throughout this presentation means: net income plus income tax and social contribution, plus non-operating result, plus net financial expenses, plus depreciation and amortization, plus goodwill amortization.

EBITDA by Segment– R$ million

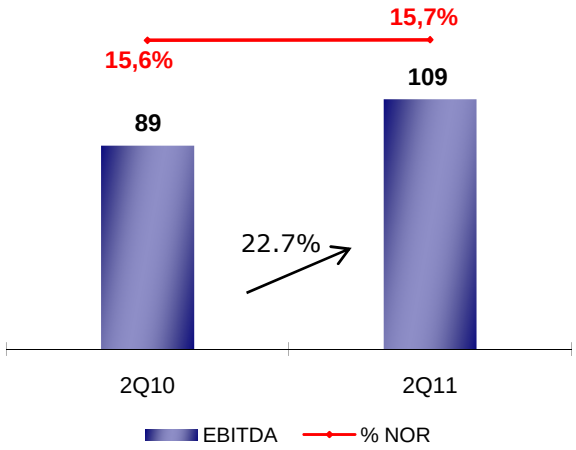
Automotive Segment

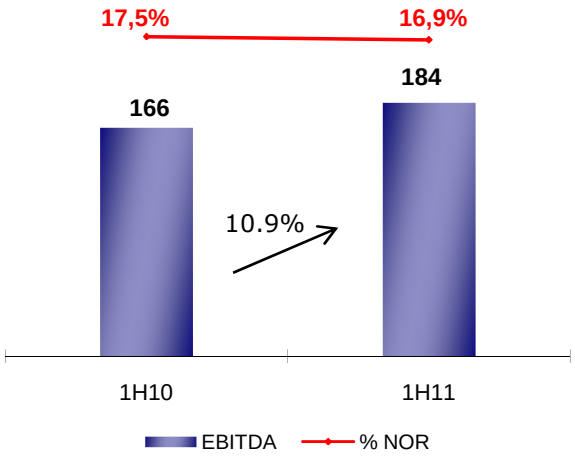


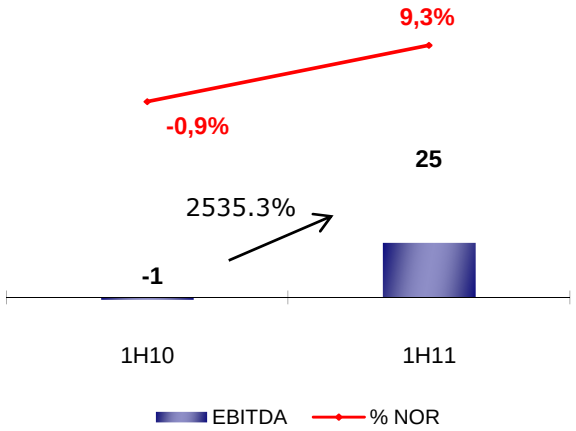
Railway Segment

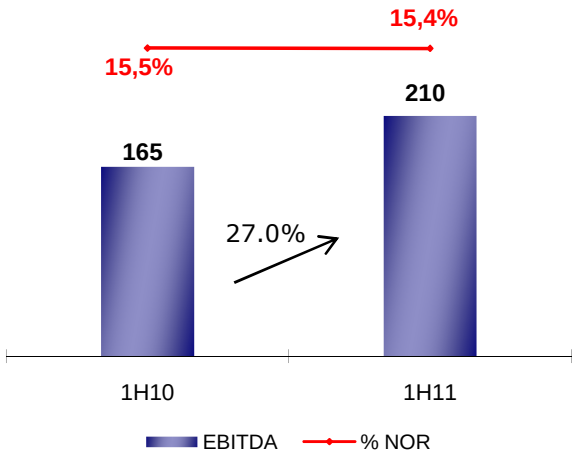


Consolidated

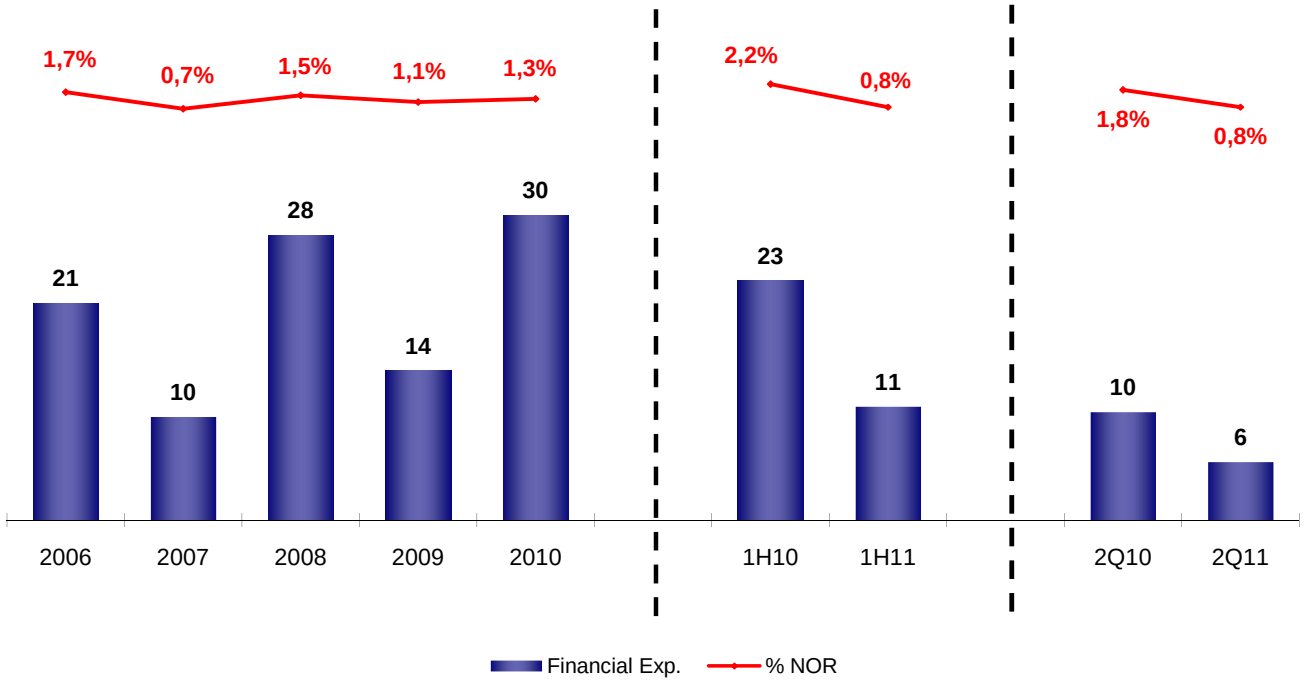








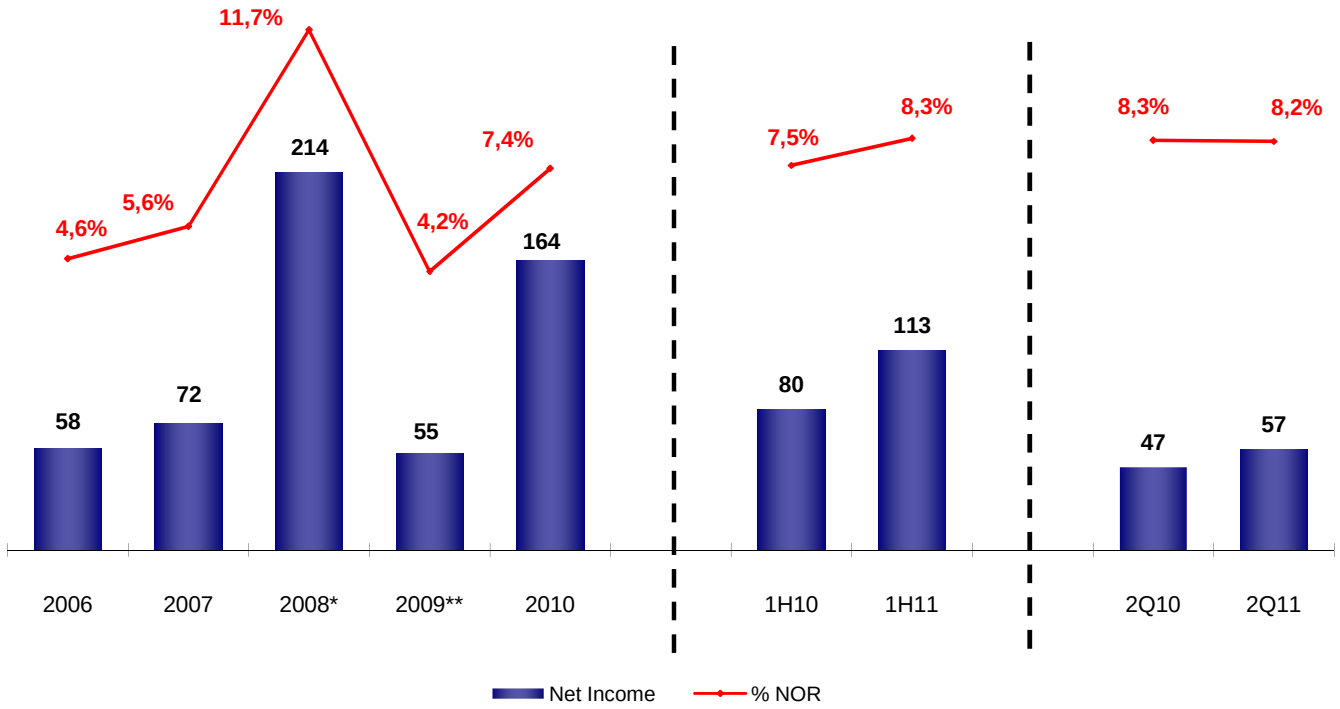
Net Financial Expenses – R$ million



✓ Δ 1H11 – 10 = -52.6%

✓ Δ 2Q11 – 10 = -46.3%

Net Income – R$ million

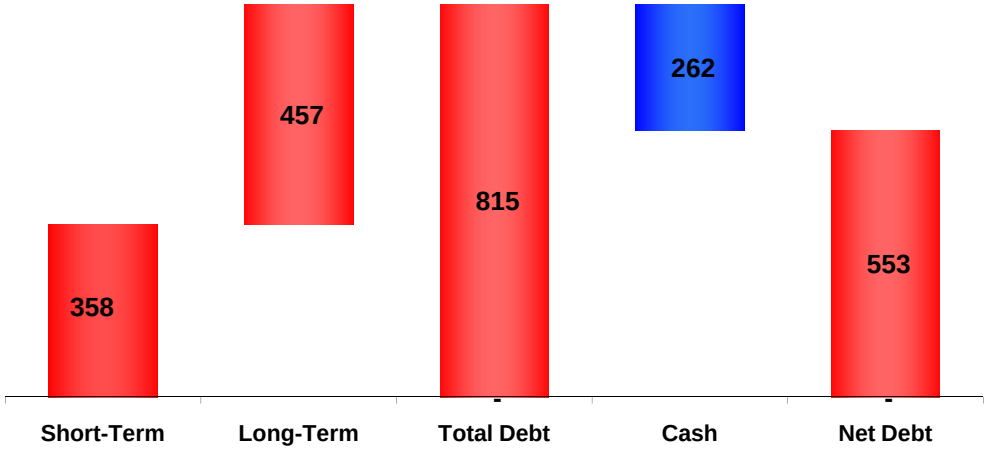


- ✓ Δ 1H11 – 10 = 41.9%
- ✓ Δ 2Q11 – 10 = 21.4%
- ✓ CAGR 2006 – 10 = 29.7%

* 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

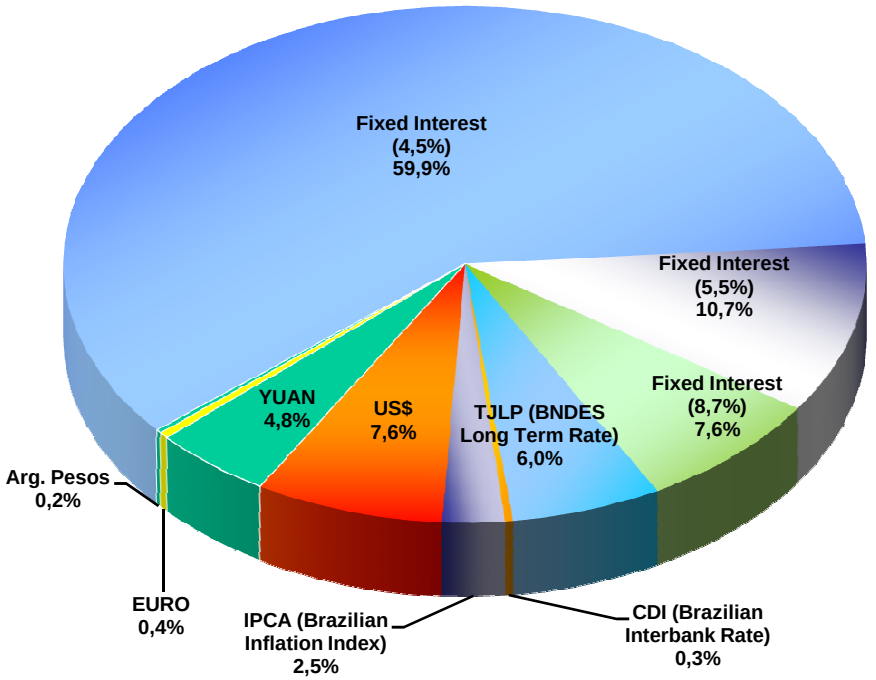
Indebtedness (jun/11)– R$ million



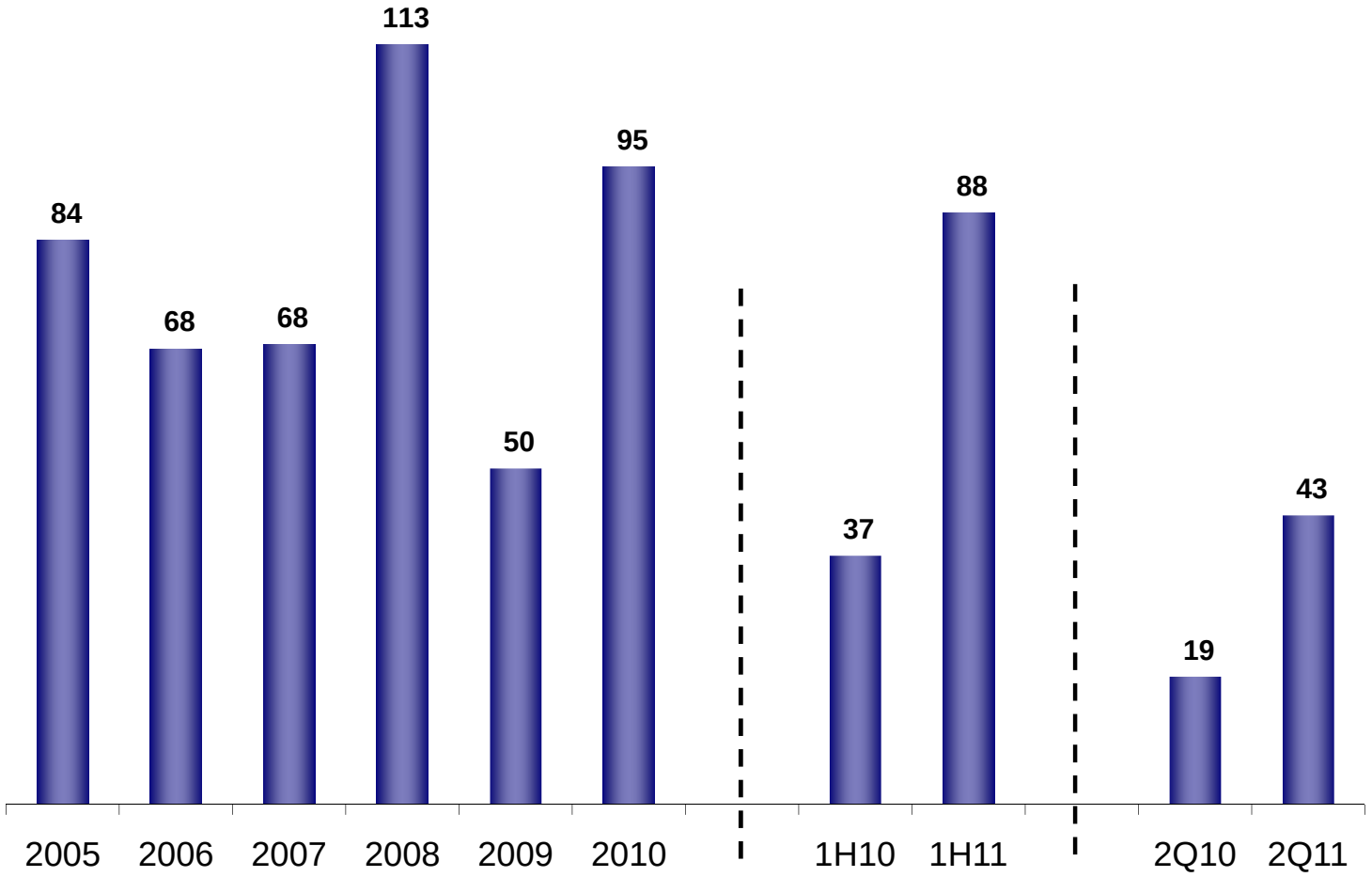
Average Cost

- ✓ Index in R$ - 46,0% of CDI (Brazilian Interbank Rate)
- ✓ Index in US$ - US$ + 5.1% per year

Debt Indexation



CAPEX – R$ million



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ADDITIONAL INFORMATION



IOCHPE-MAXION

Income Statement- R$ thousand

I.S - R$ thousand	2Q10	2Q11	Var.	1H10	1H11	Var.
Net Operating Revenue	569,438	693,941	21.9%	1,066,153	1,360,922	27.6%
Cost of Goods Sold						
Raw Material	(288,362)	(345,553)	19.8%	(533,843)	(684,575)	28.2%
Labor	(109,345)	(137,561)	25.8%	(205,570)	(260,445)	26.7%
Others	(59,211)	(68,600)	15.9%	(115,266)	(136,843)	18.7%
	(456,918)	(551,714)	20.7%	(854,679)	(1,081,863)	26.6%
Gross Profit	**112,520**	**142,227**	**26.4%**	**211,474**	**279,059**	**32.0%**
	19.8%	*20.5%*		*19.8%*	*20.5%*	
Operating Expenses						
General and Administrative	(19,043)	(22,941)	20.5%	(38,903)	(48,169)	23.8%
Commercial	(17,370)	(22,477)	29.4%	(32,842)	(45,310)	38.0%
Others	911	(430)	-147.2%	1,098	(828)	-175.4%
	(35,502)	(45,848)	29.1%	(70,647)	(94,307)	33.5%
Operating Income (EBIT)	**77,018**	**96,379**	**25.1%**	**140,827**	**184,752**	**31.2%**
	13.5%	*13.9%*		*13.2%*	*13.6%*	
Financial Results						
Financial Revenue	2,072	10,311	397.6%	7,275	21,945	201.6%
Financial Expenses	(12,521)	(15,925)	27.2%	(30,439)	(32,915)	8.1%
	(10,449)	(5,614)	-46.3%	(23,164)	(10,970)	-52.6%
Earnings After Financial Results	**66,569**	**90,765**	**36.3%**	**117,663**	**173,782**	**47.7%**
	11.7%	*13.1%*		*11.0%*	*12.8%*	
Income Taxes	(19,458)	(33,587)	72.6%	(37,778)	(60,415)	59.9%
Net Income	**47,111**	**57,178**	**21.4%**	**79,885**	**113,367**	**41.9%**
	8.3%	*8.2%*		*7.5%*	*8.3%*	
EBITDA	**88,735**	**108,848**	**22.7%**	**164,996**	**209,523**	**27.0%**
	15.6%	*15.7%*		*15.5%*	*15.4%*	

(*) 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

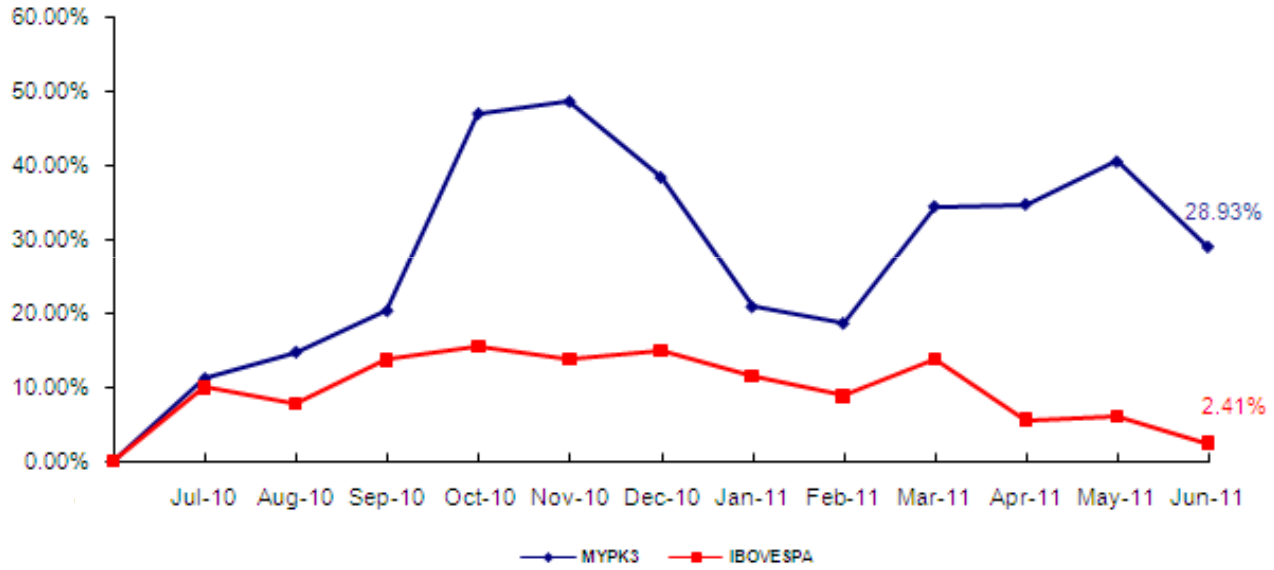
Balance Sheet - R$ thousand

ASSETS	Jun-10	Jun-11
CURRENT		
Cash and Cash Equivalents	46,788	182,337
Marketable Securities	61,578	79,336
Receivables	288,233	382,400
Inventory	260,134	414,281
Recoverable Taxes	9,580	29,111
Antecipated Expenses	4,613	4,682
Other Receivables	14,520	21,451
	685,446	**1,113,598**
LONG TERM		
Receivable	331	316
Recoverable Taxes	36,445	56,316
Deferred Taxes	100,657	77,039
Obligatory deposits and judicial	23,122	27,710
Other Receivables	5,983	5,841
	166,538	**167,222**
Investments	396	233
Plants, Property and Equipment	917,941	1,031,535
Intangible	25,542	26,269
Deferred Items	2,705	-
	946,584	**1,058,037**
TOTAL ASSETS	**1,798,568**	**2,338,857**

LIABILITIES	Jun-10	Jun-11
CURRENT		
Loans	114,415	358,457
Payables	169,777	206,907
Taxes	9,586	16,238
Installment Taxes	4,835	364
Wage & Salaries	70,314	95,908
Customers Advance	18,105	90,383
Dividends	-	-
Other Payables	27,265	46,972
Payable Financial Instruments	-	213
	414,297	**815,442**
LONG TERM		
Loans	465,072	456,566
Provisions	28,637	27,866
Deferred Taxes	118,080	137,799
Others	9,787	15,626
	621,576	**637,857**
EQUITY		
Capital	360,000	500,000
Profit Reserves	120,155	90,923
Equity Adjustment	196,803	175,621
Retained Earnings	85,737	119,014
	762,695	**885,558**
TOTAL LIABILITIES	**1,798,568**	**2,338,857**

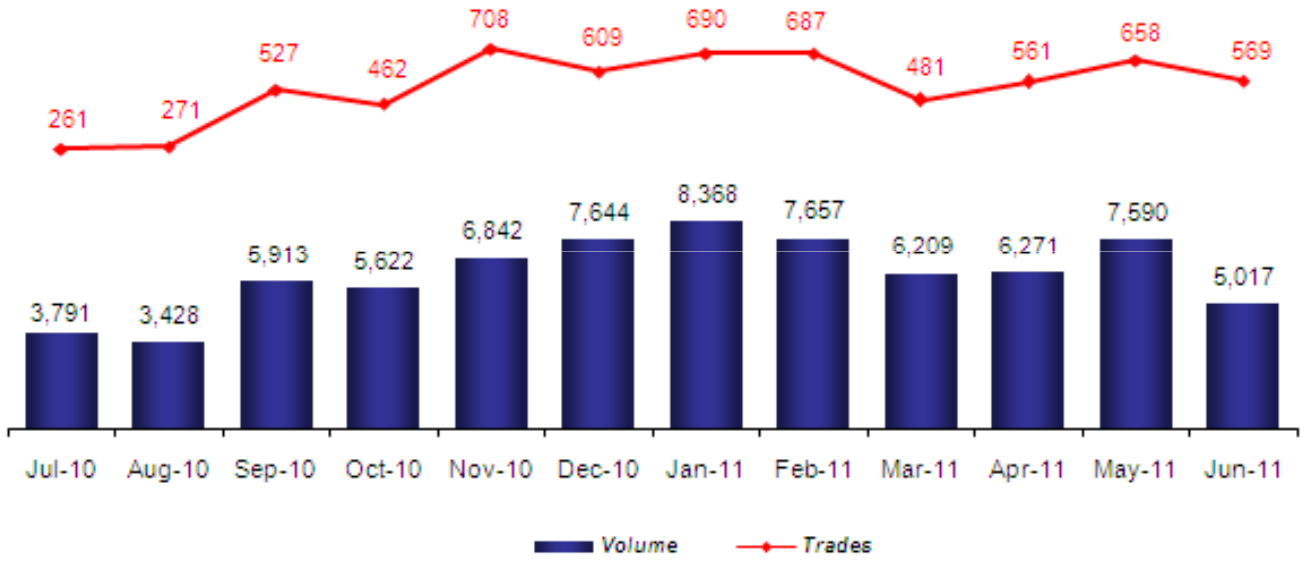
IOCHPE-MAXION

Shares Performance– MYPK3



IOCHPE-MAXION

Average Daily Trade– R$ thousand



IOCHPE-MAXION

2Q11 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

August, 2011