IOCHPE-MAXION

Earnings Release – 4Q07 / 2007



February, 2008

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SIMPLIFIED CORPORATE STRUCTURE

Iochpe-Maxion S.A.

50% — **Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.**

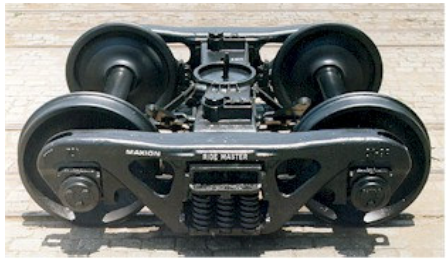
R$ 79.5 million[1] (24%)

Railway Equipments

Railway freight cars: R$ 47.0 million[1] (14%)



Castings: R$ 27.4 million[1] (8%) and wheels: R$ 5.1 million[1] (2%)

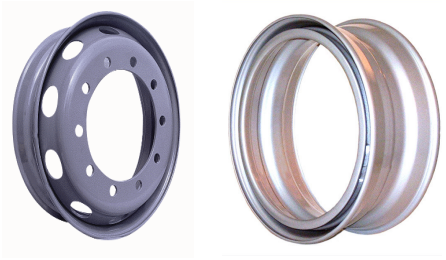


100% — **Maxion Sistemas Automotivos Ltda.**

R$ 220.3 million[1] (67%)

Wheels and Chassis Division

Wheels: R$ 88.8 million[1] (27%)



Chassis: R$ 131.5 million[1] (40%)



Automotive Components Division

Autoparts: R$ 28.7 milhões[1] (9%)

[1] Consolidated net revenue in the fourth quarter of 2007

HIGHLIGHTS

✓ **Consolidated net operating revenue of R$ 328.5 million in 4Q07 and R$ 1,289.2 in 2007, an increase of 23.9% and 3.3% respectively, over the same period of last year**

✓ **EBITDA(*) of R$ 35.2 million in 4Q07 and R$ 164.5 million in 2007, an increase of 47.8% and 1.1% respectively, over the same period of last year**

✓ **Net income of R$ 17.0 million in 4Q07 and R$ 72.4 in 2007, an increase of 1,129.0% and 25.1% respectively, over the same period of last year**

✓ **Net debt bank of R$ 128.3 million (R$ 132.3 million in Dec/06), or 0.8x EBITDA LTM(*) (0.8x in Dec/06)**

(*) 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.

4Q07 – MAIN DRIVERS

✓ **Growth of the Brazilian production of vehicles and agricultural machinery**

✓ **Recovery of domestic demand for railway freight cars**

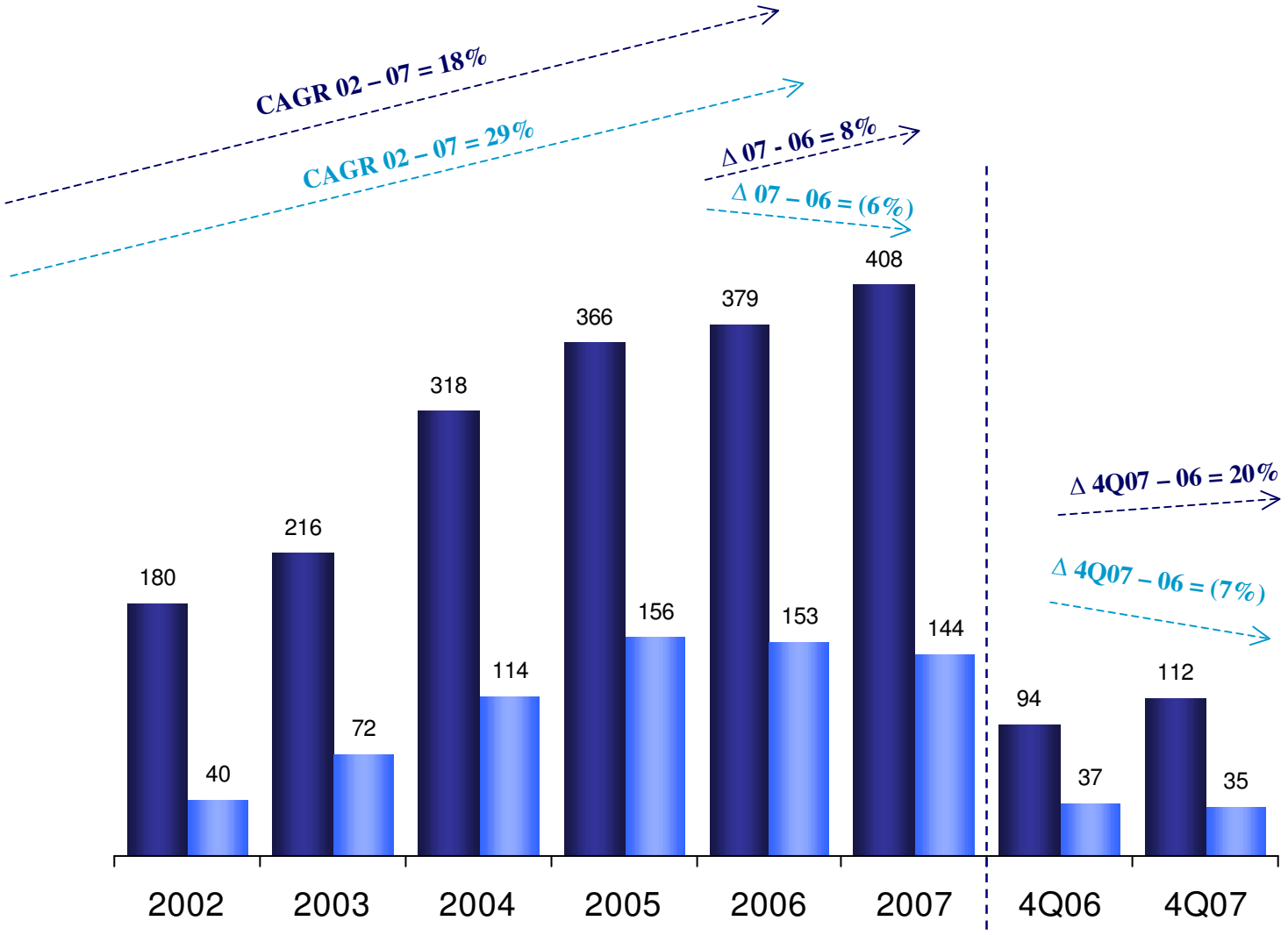
✓ **Impact of the real appreciation (1.7665 – 4Q07 x 2.1499 – 4Q06) on net revenue of exports (reduction R$ 10.0 million)**

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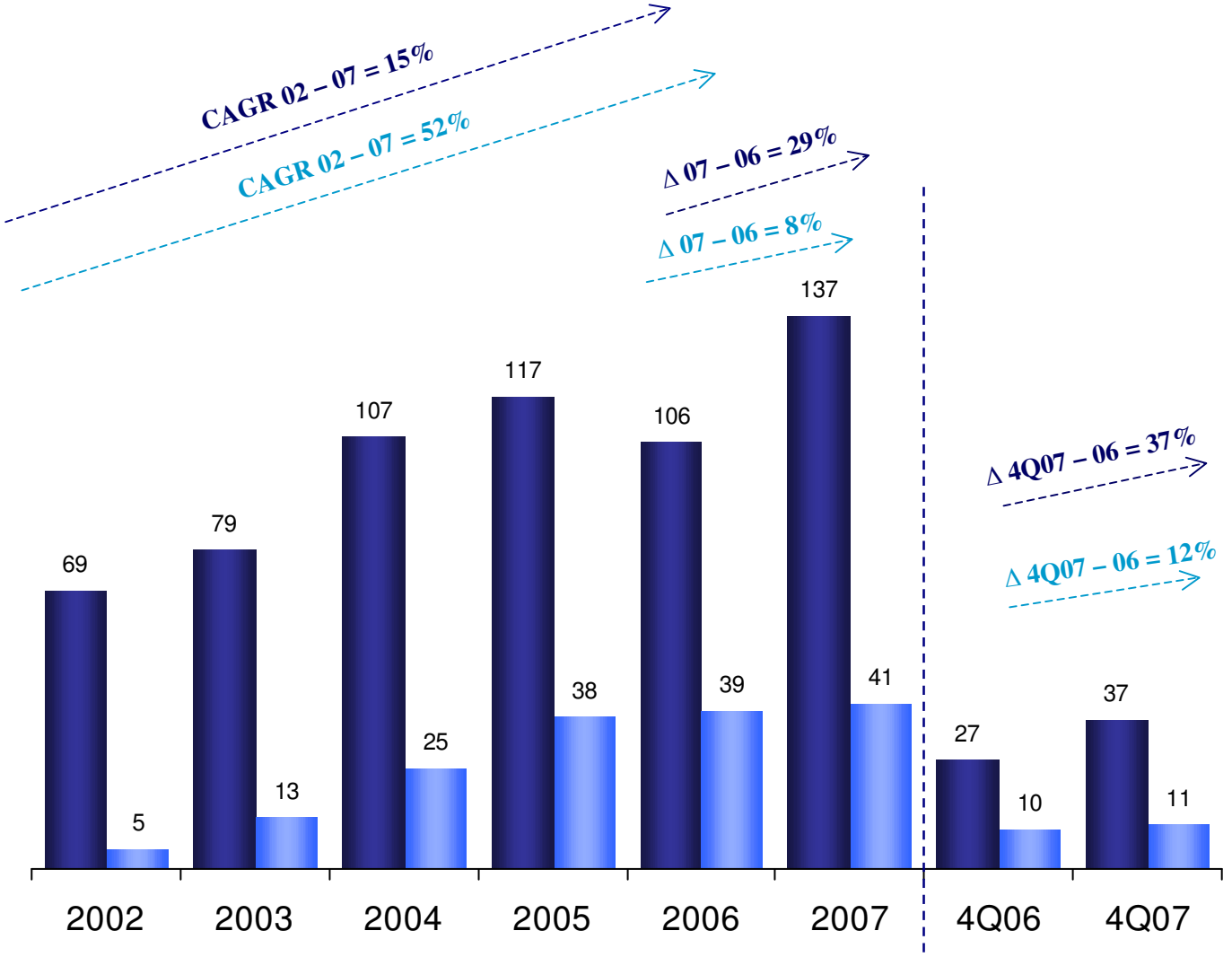
Industry Performance

LIGHT COMMERCIALS – BRAZIL ('000 units)



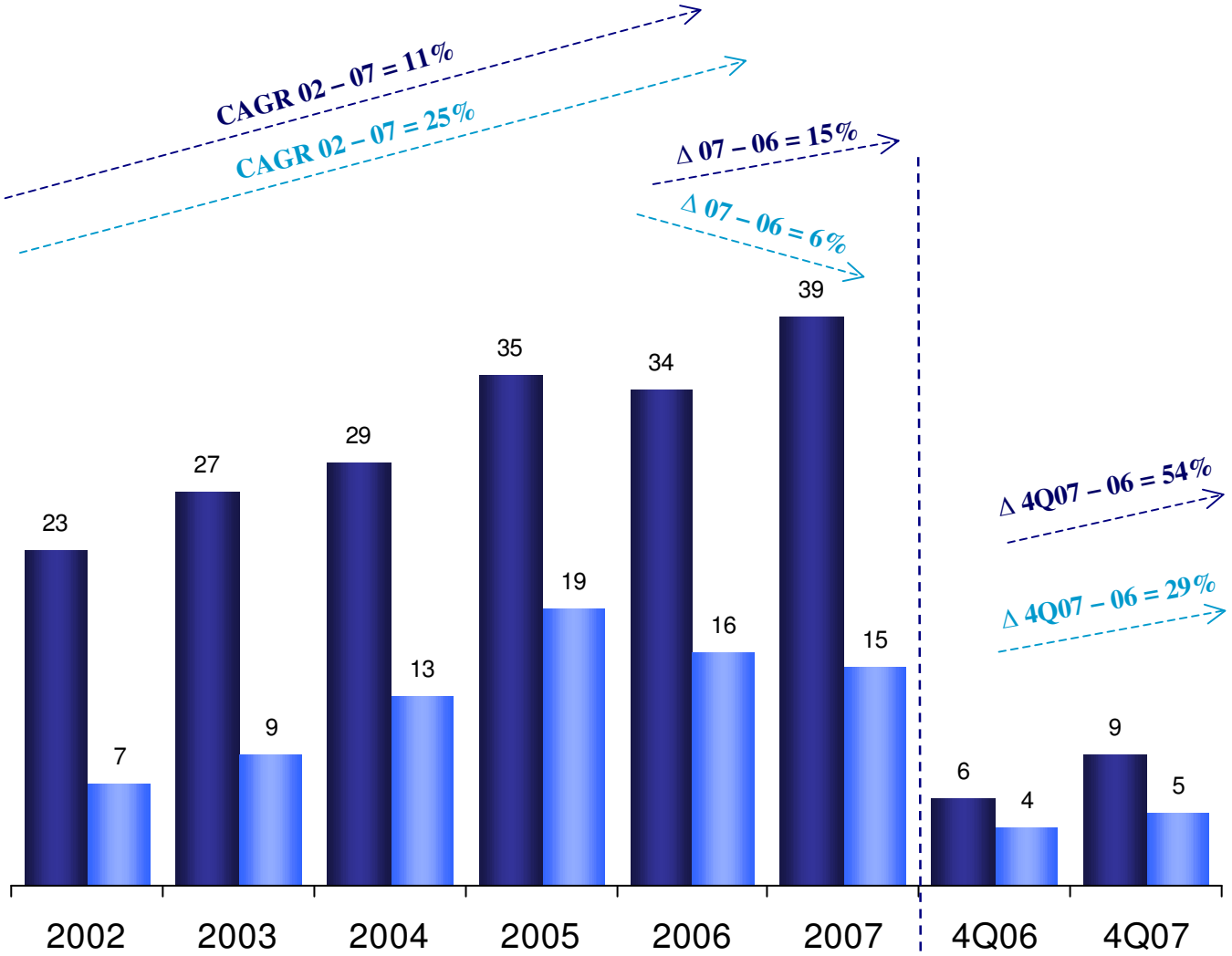
Source: Anfavea

TRUCKS – BRAZIL ('000 units)



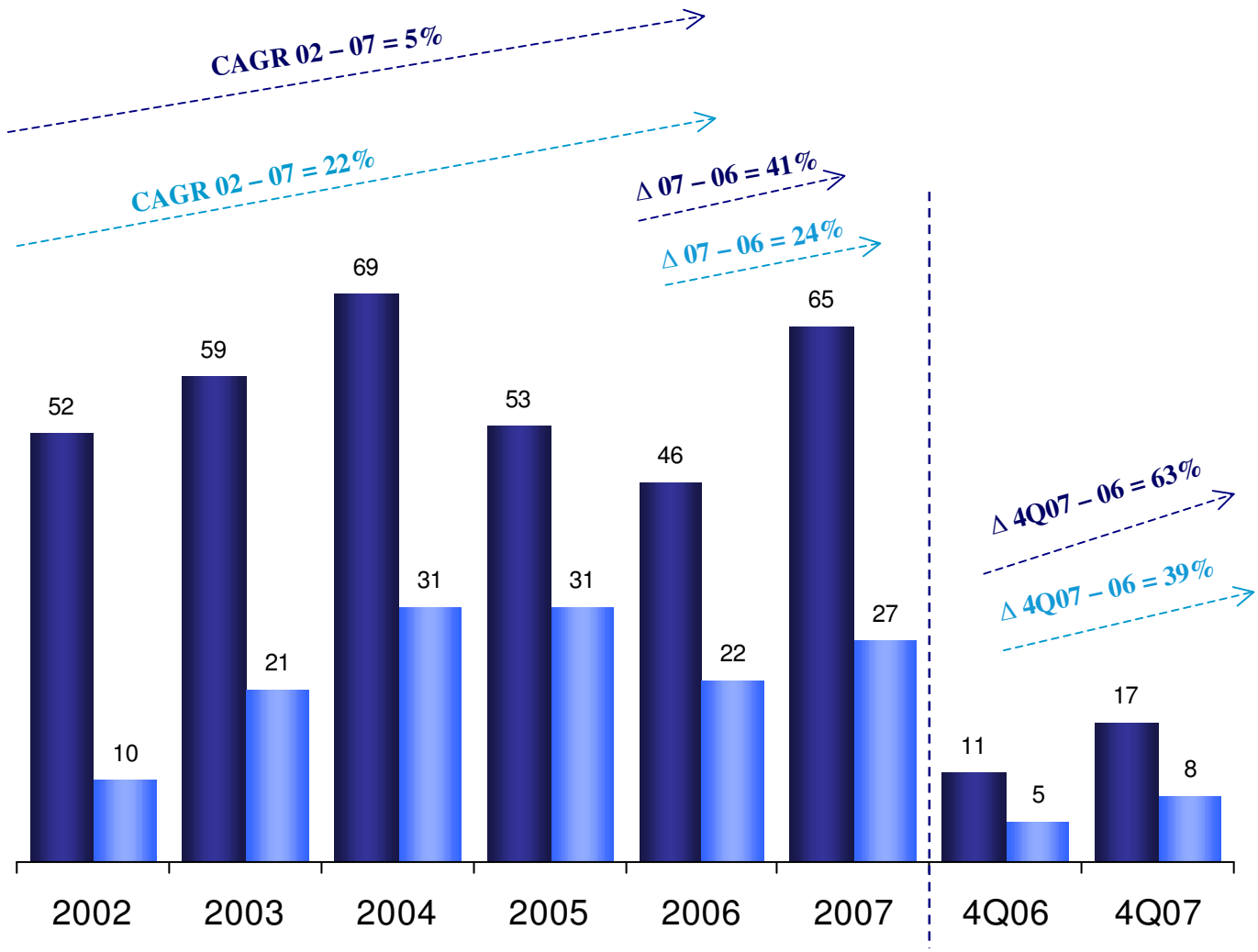
Source: Anfavea

BUSES – BRAZL ('000 units)



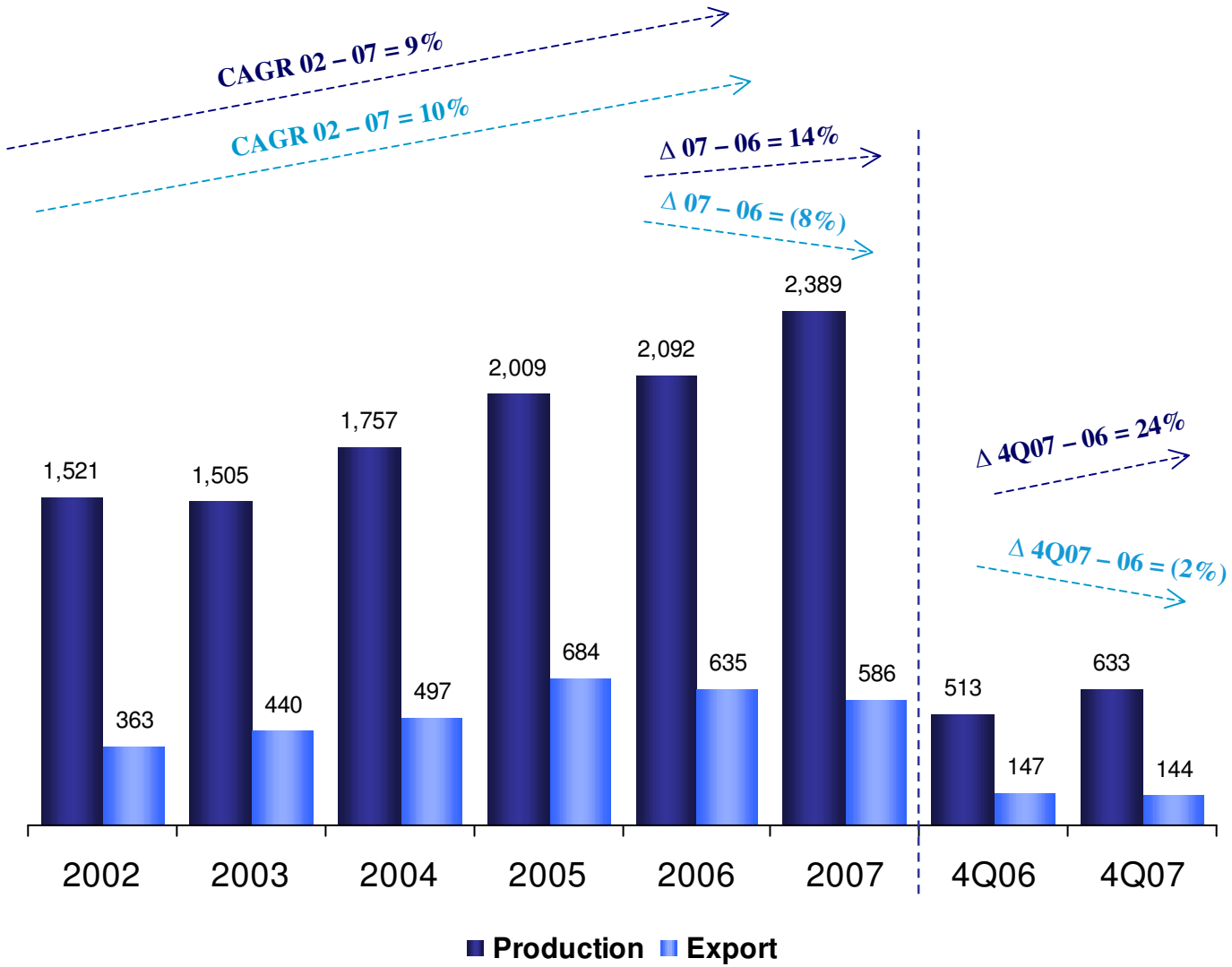
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AGRICULTURAL MACHINERY – BRAZIL ('000 units)



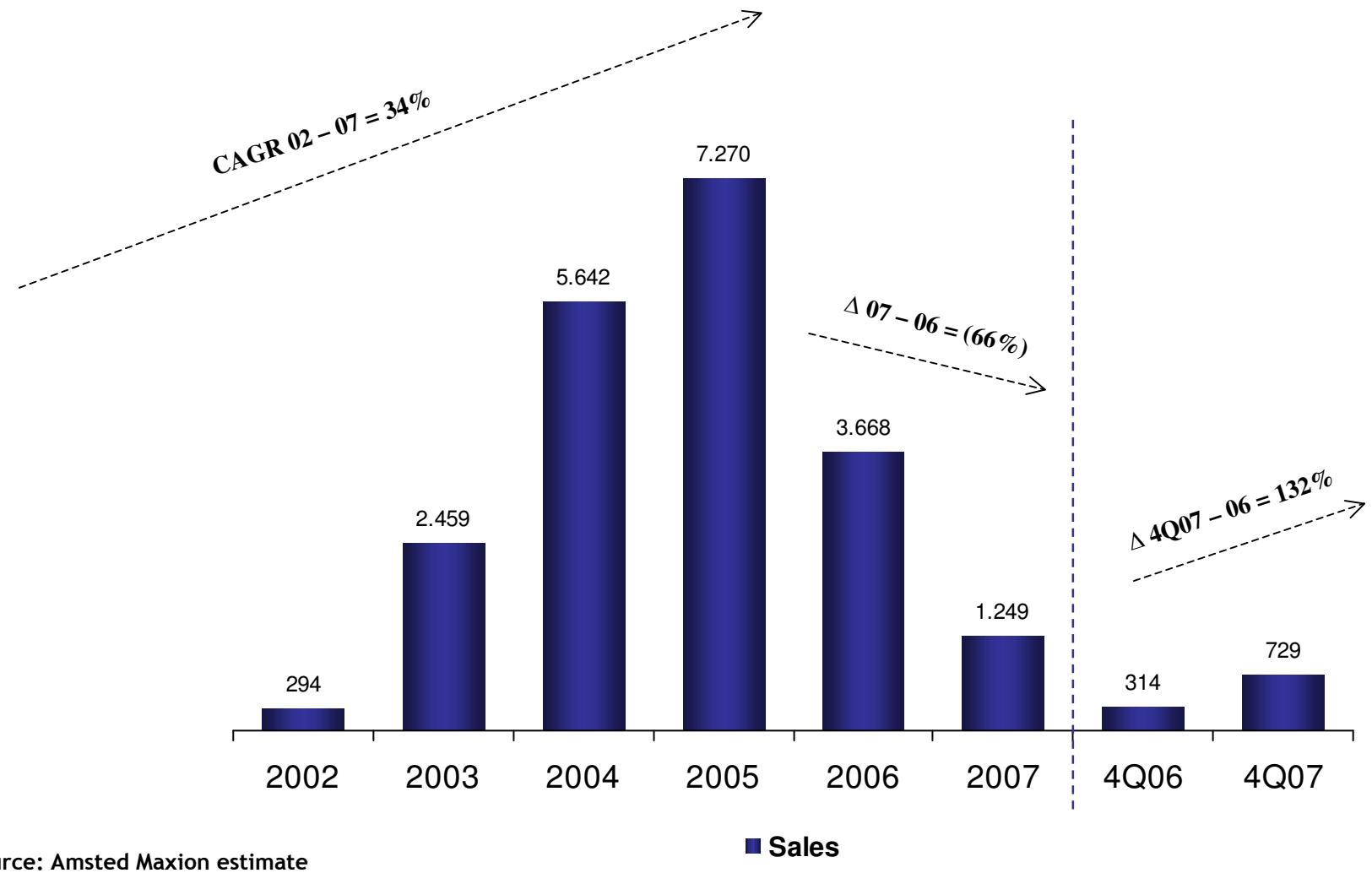
Source: Anfavea

PASSENGER CARS – BRAZIL ('000 units)



Source: Anfavea

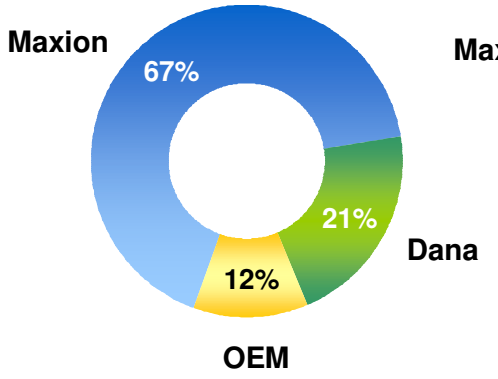
RAILWAY FREIGHT CARS – BRAZIL (units)

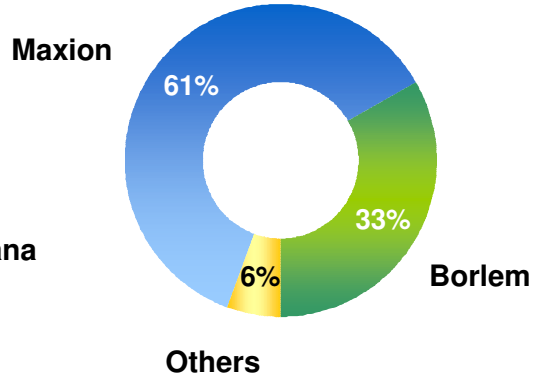


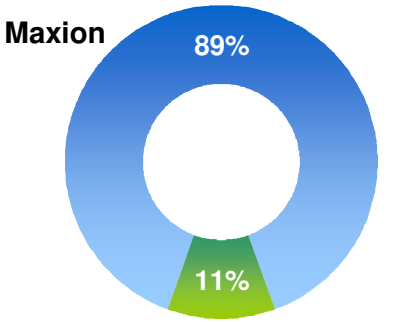
Source: Amsted Maxion estimate

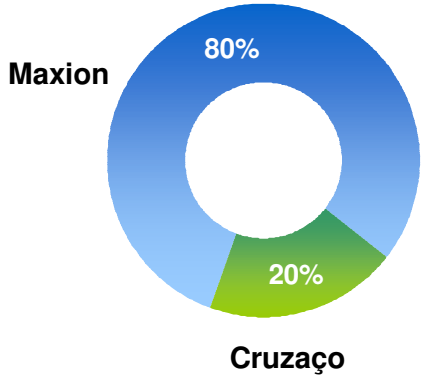
MARKET SHARE – BRAZIL (2007)

Chassis	Commercial Vehicles Wheels	Railway Freight Cars	Railway Castings









Maxion 2006	66%	57%	81%	80%

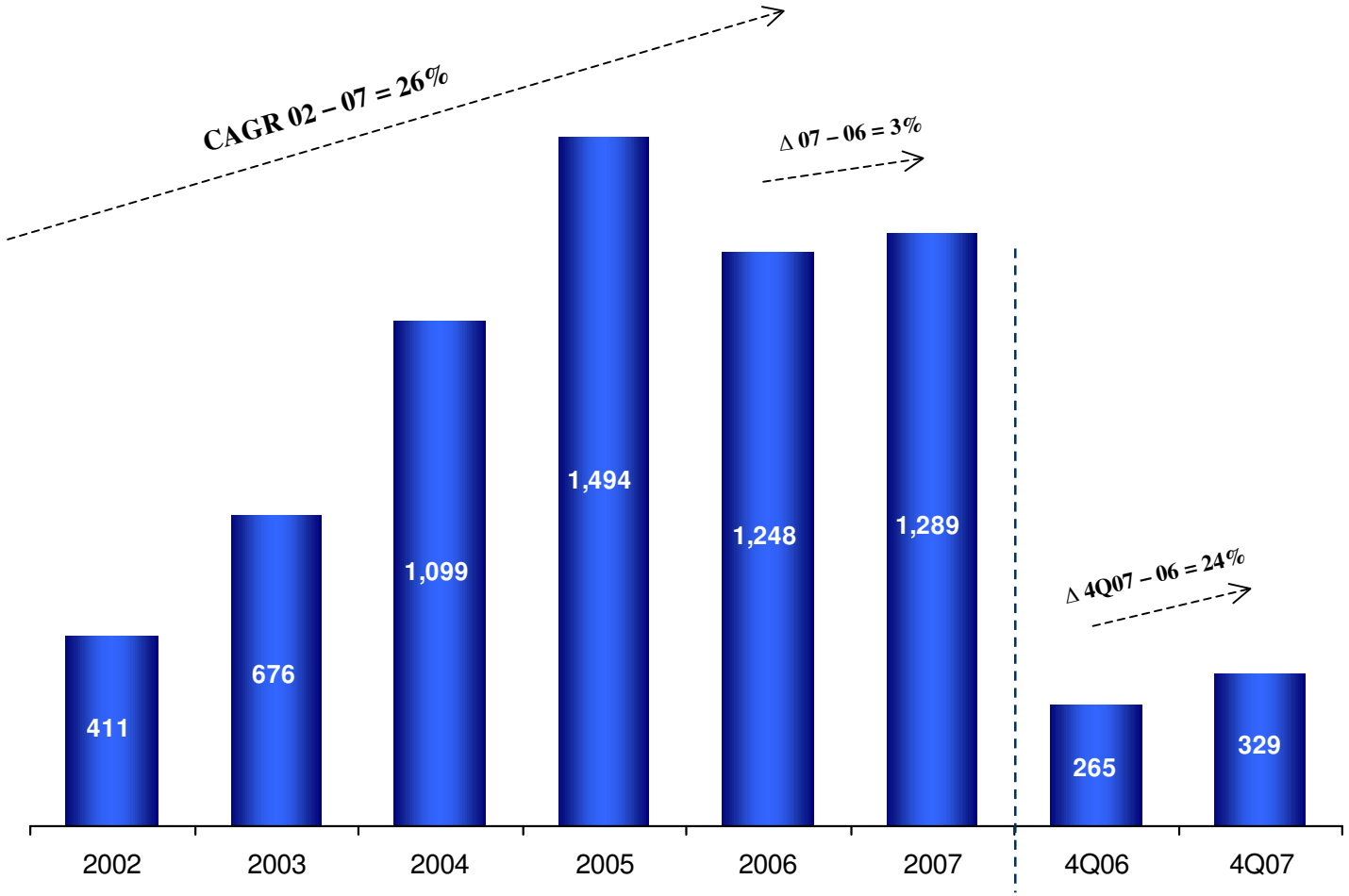
Source: Maxion Estimate

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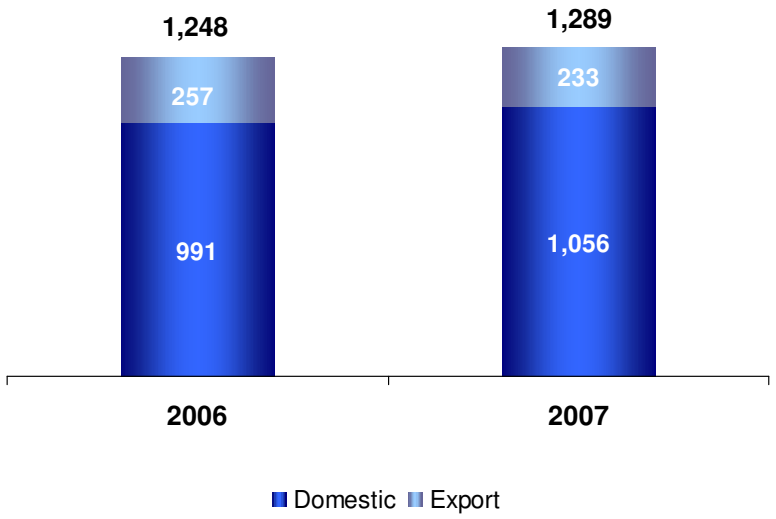


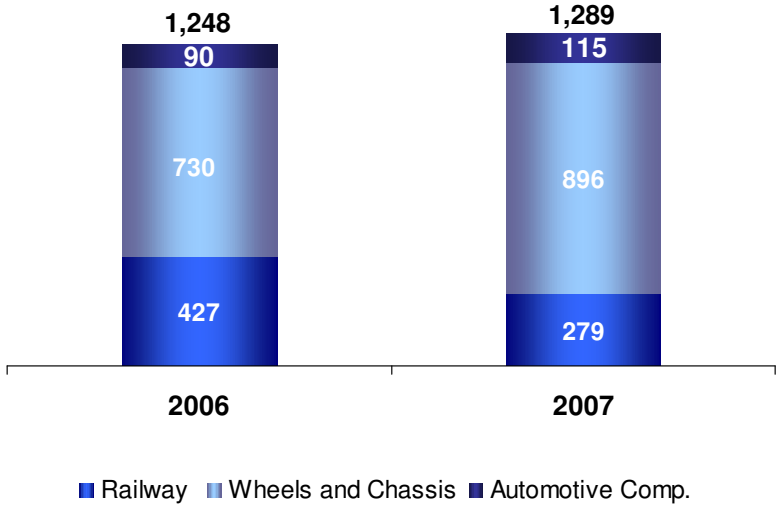
Financial and Operating Performance

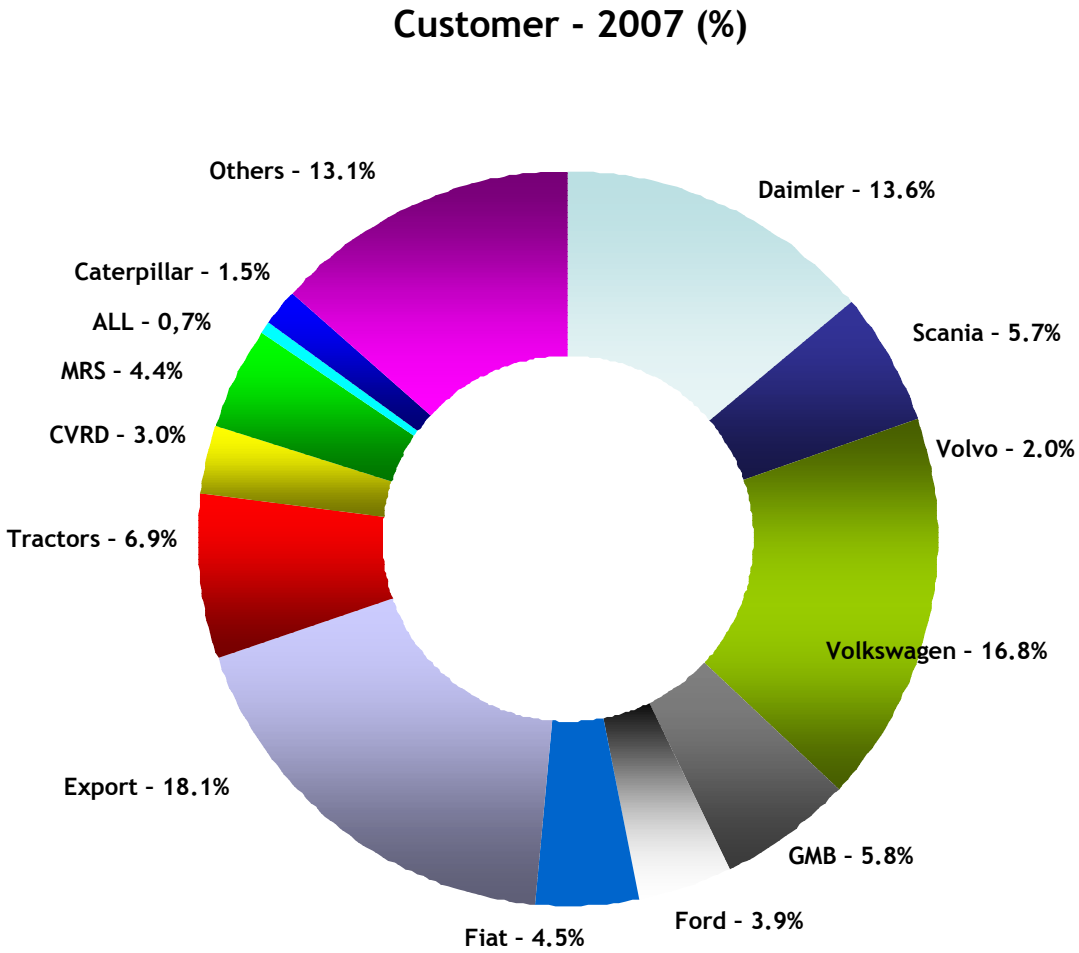
NET OPERATING REVENUE (R$ million)



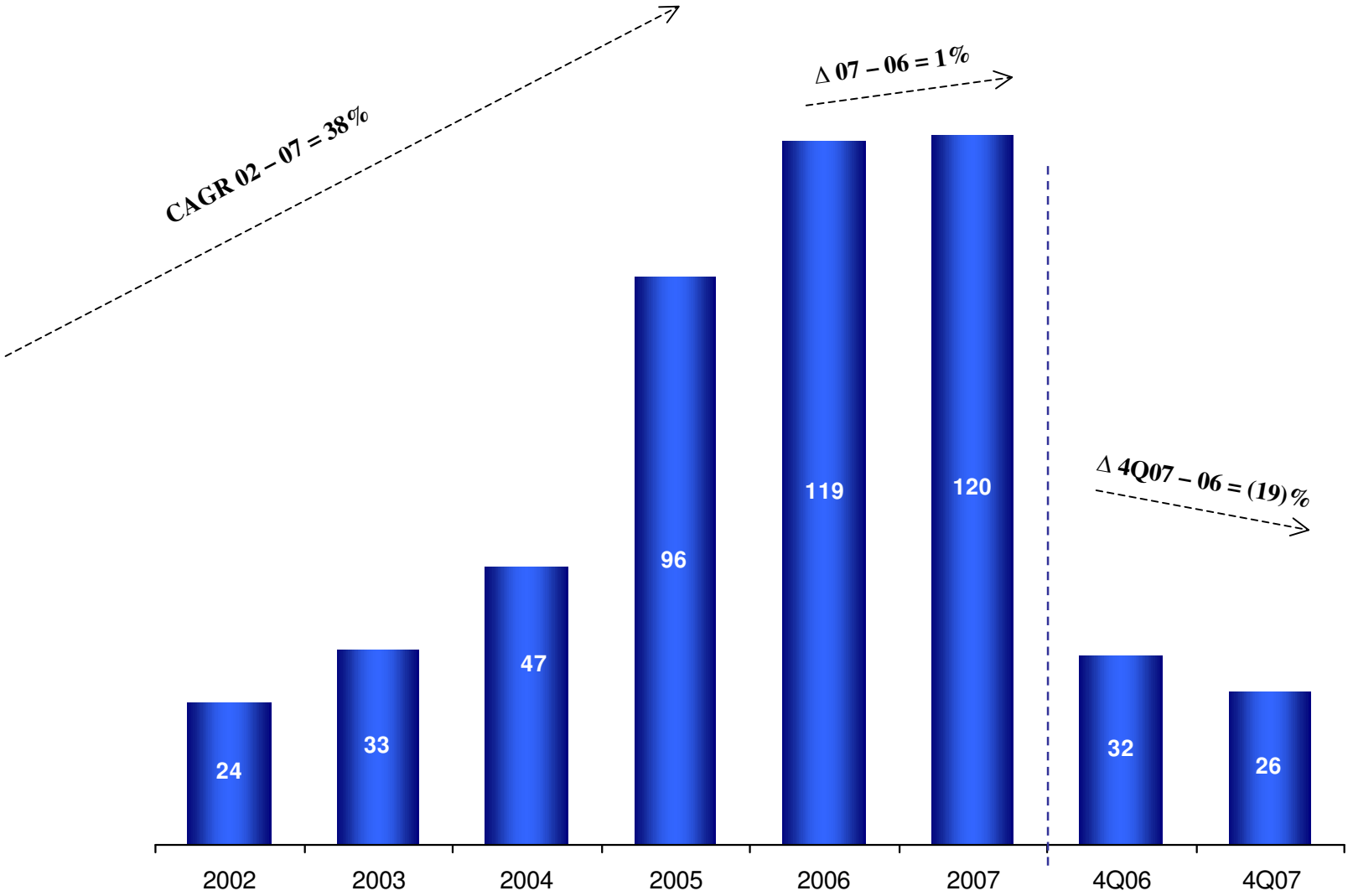
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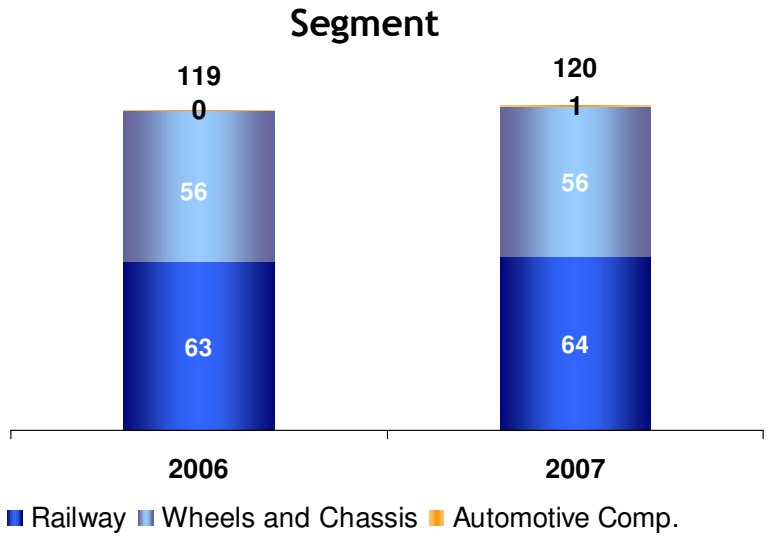


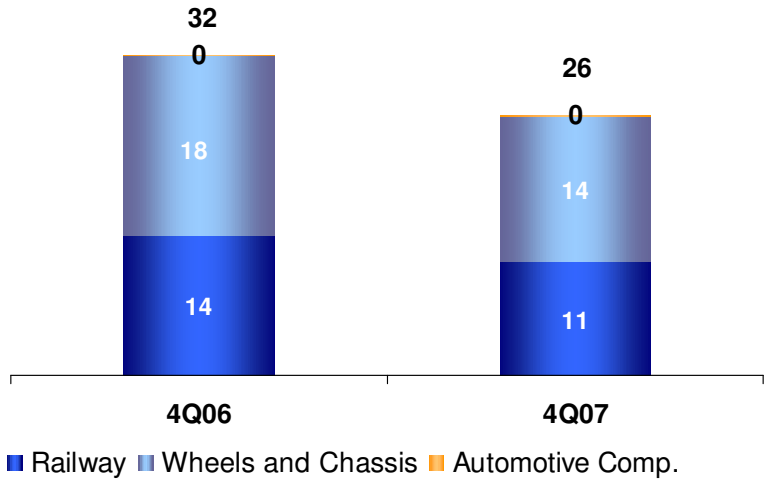


EXPORTS (USD million)

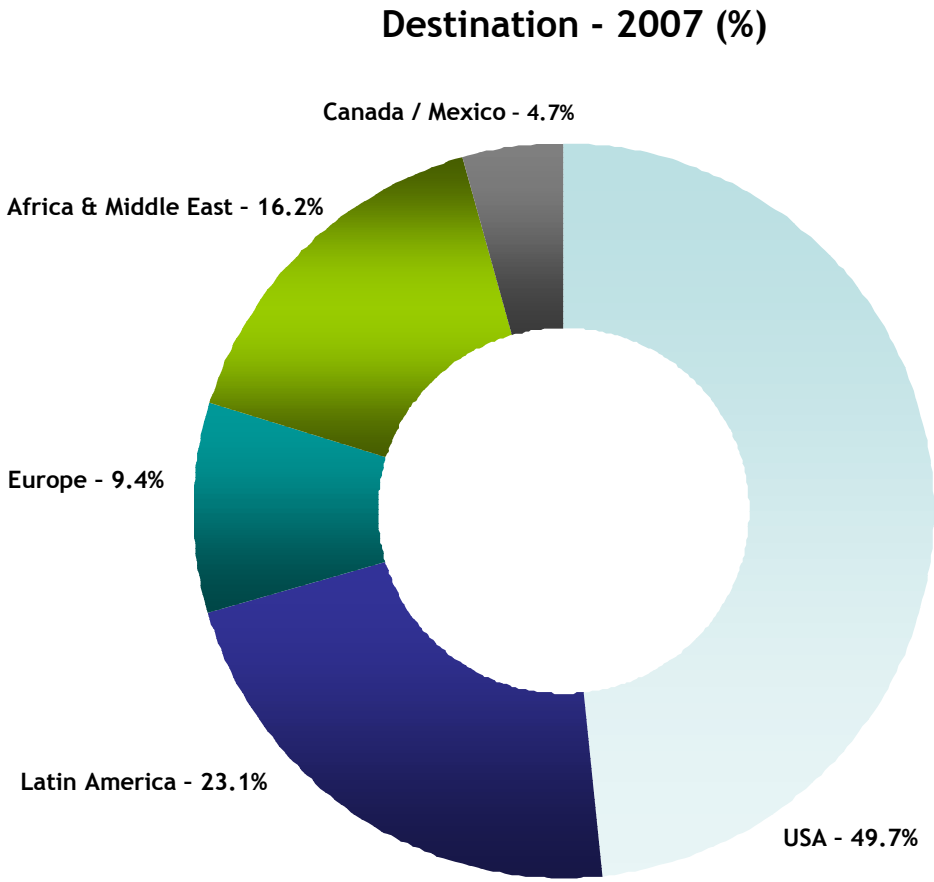


EXPORTS (USD million)

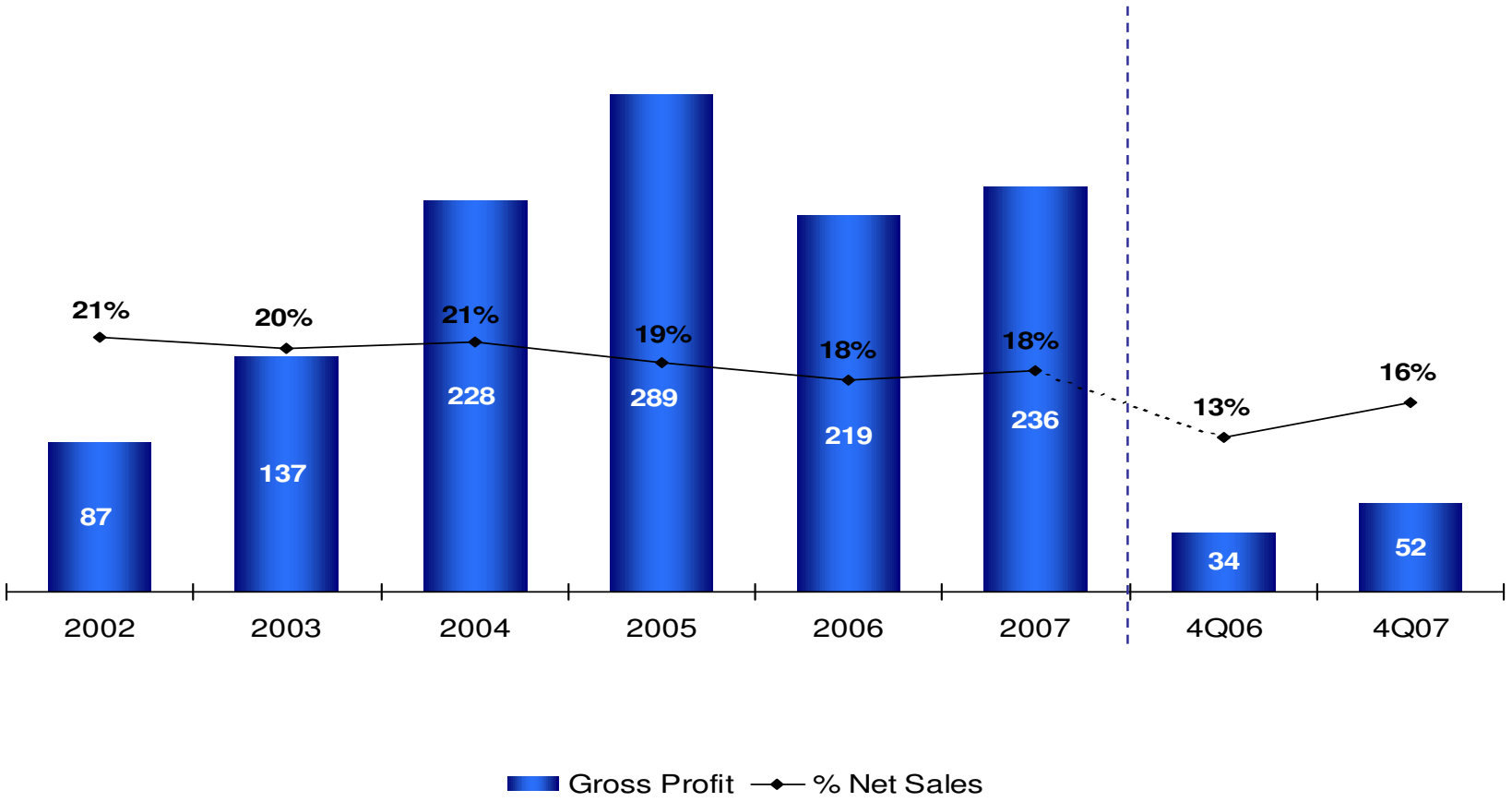




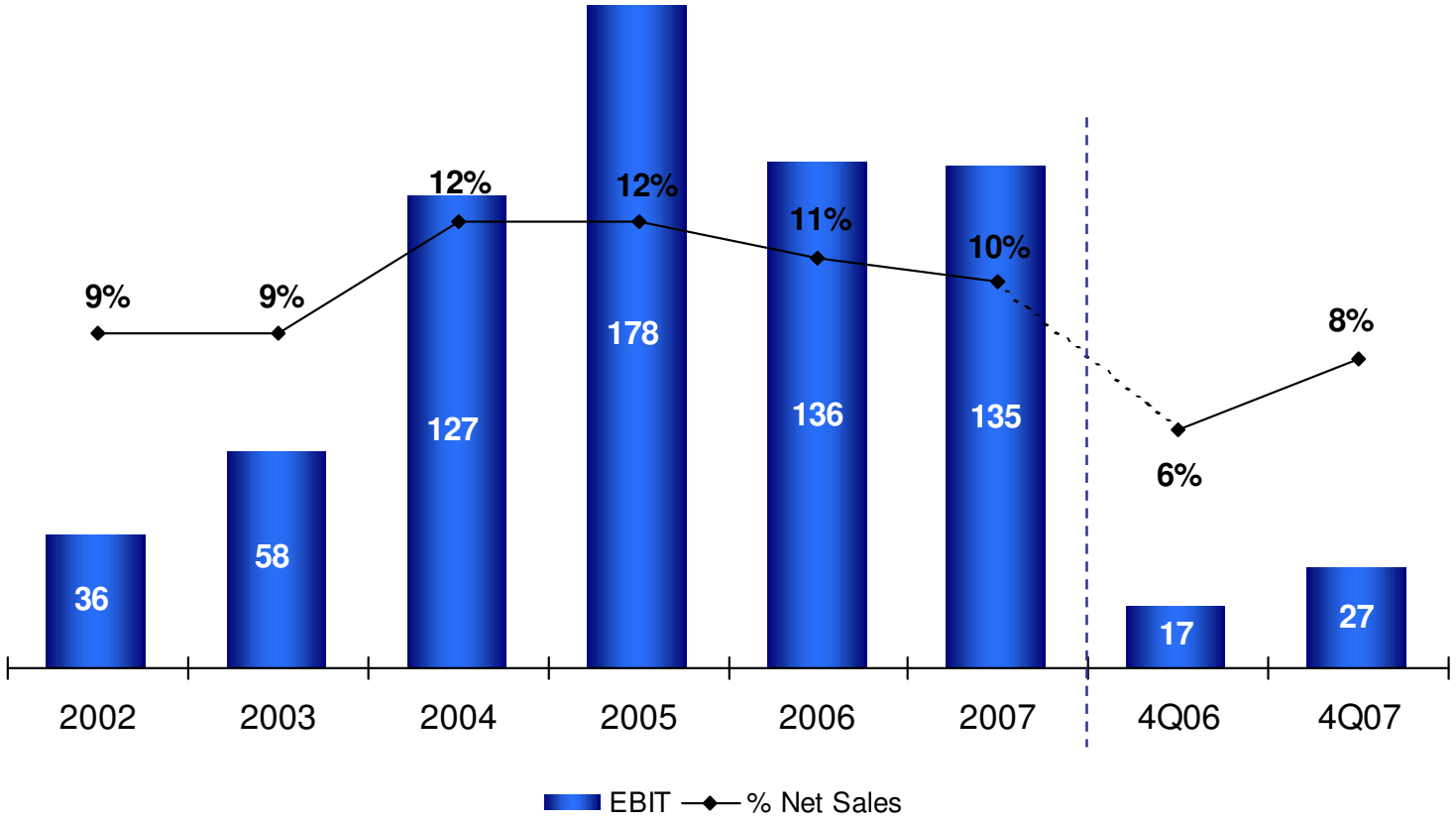
- ✓ Exports 2007 – R$ 232.8 million (US$ 120.2 million)
- ✓ Exports 4Q07 – R$ 45.8 million (US$ 26.0 million)



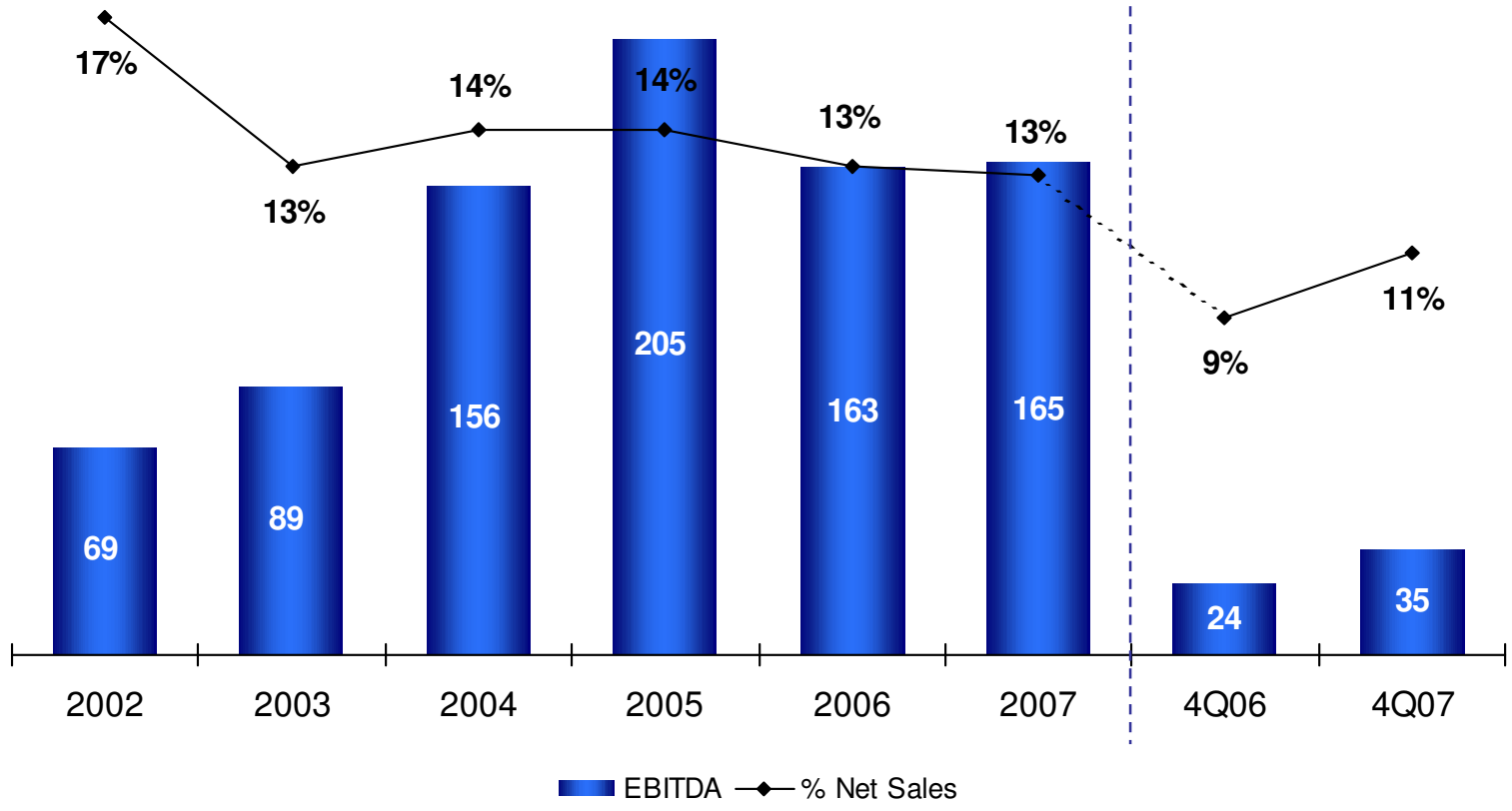
GROSS PROFIT (R$ million)



OPERATING INCOME – EBIT (R$ million)

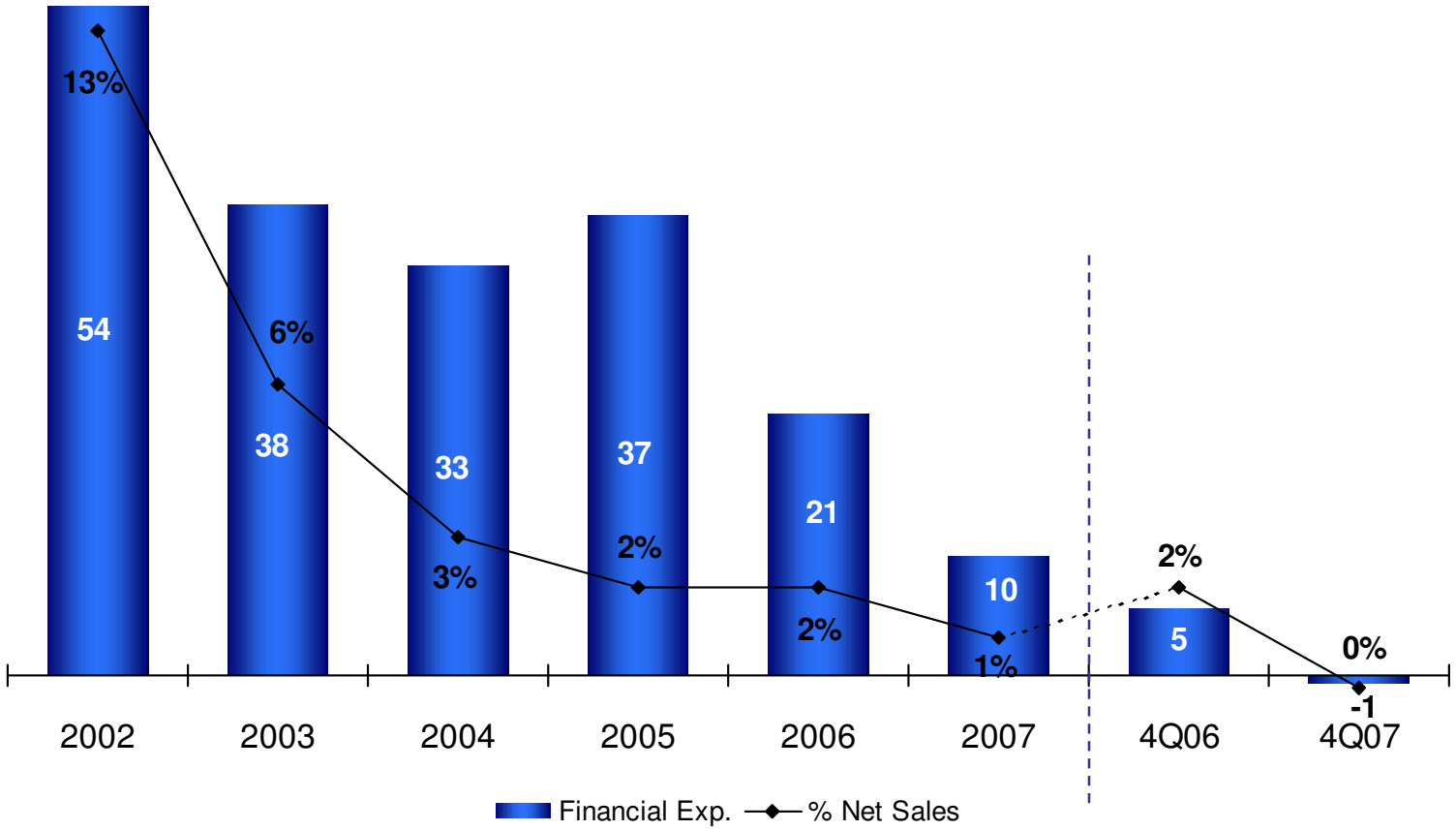


EBITDA* (R$ million)

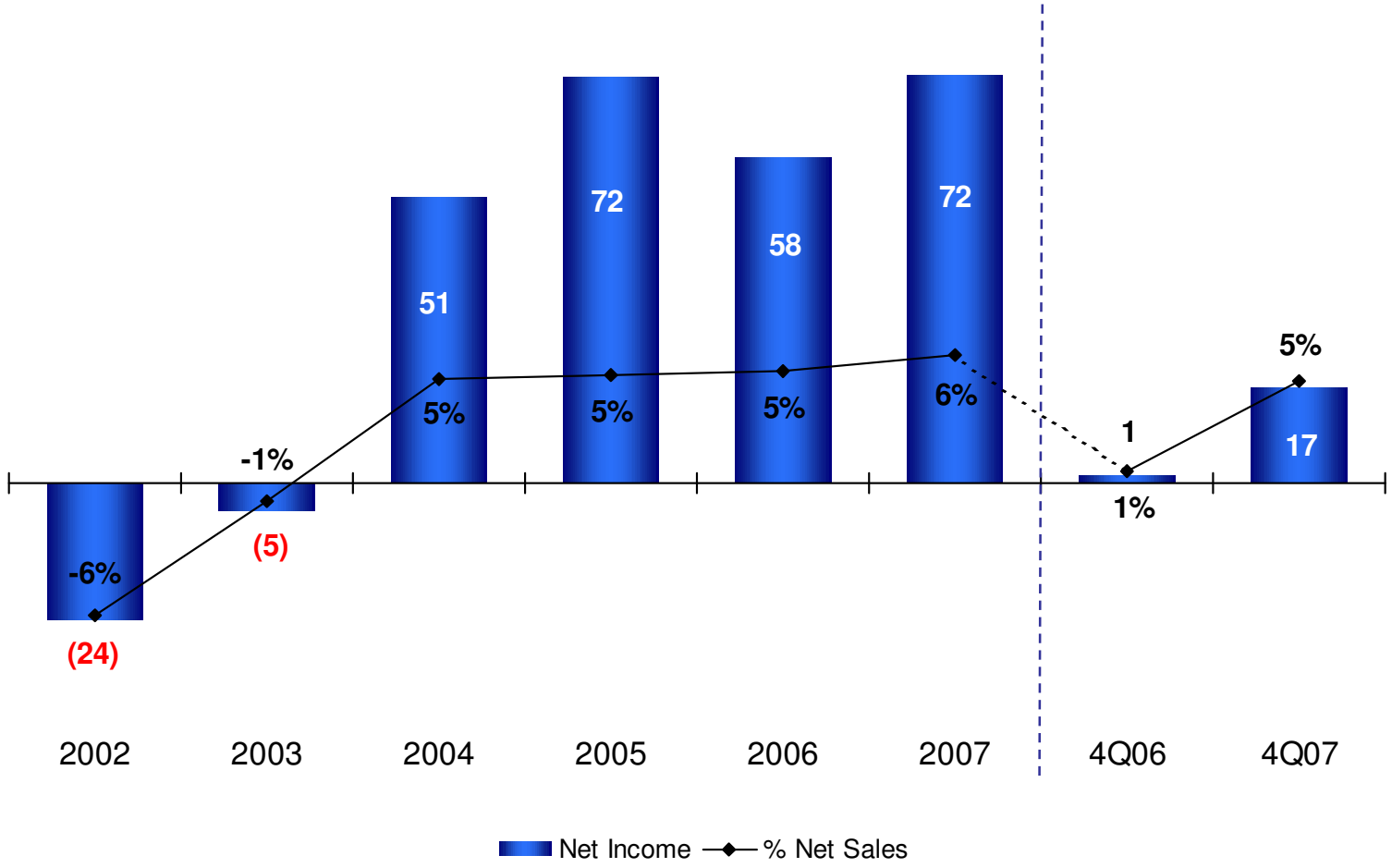


(*) EBITDA, throughout this presentation means: net income plus income tax and social contribution, plus non-operating result, plus net financial expenses, plus depreciation and amortization, plus goodwill amortization.

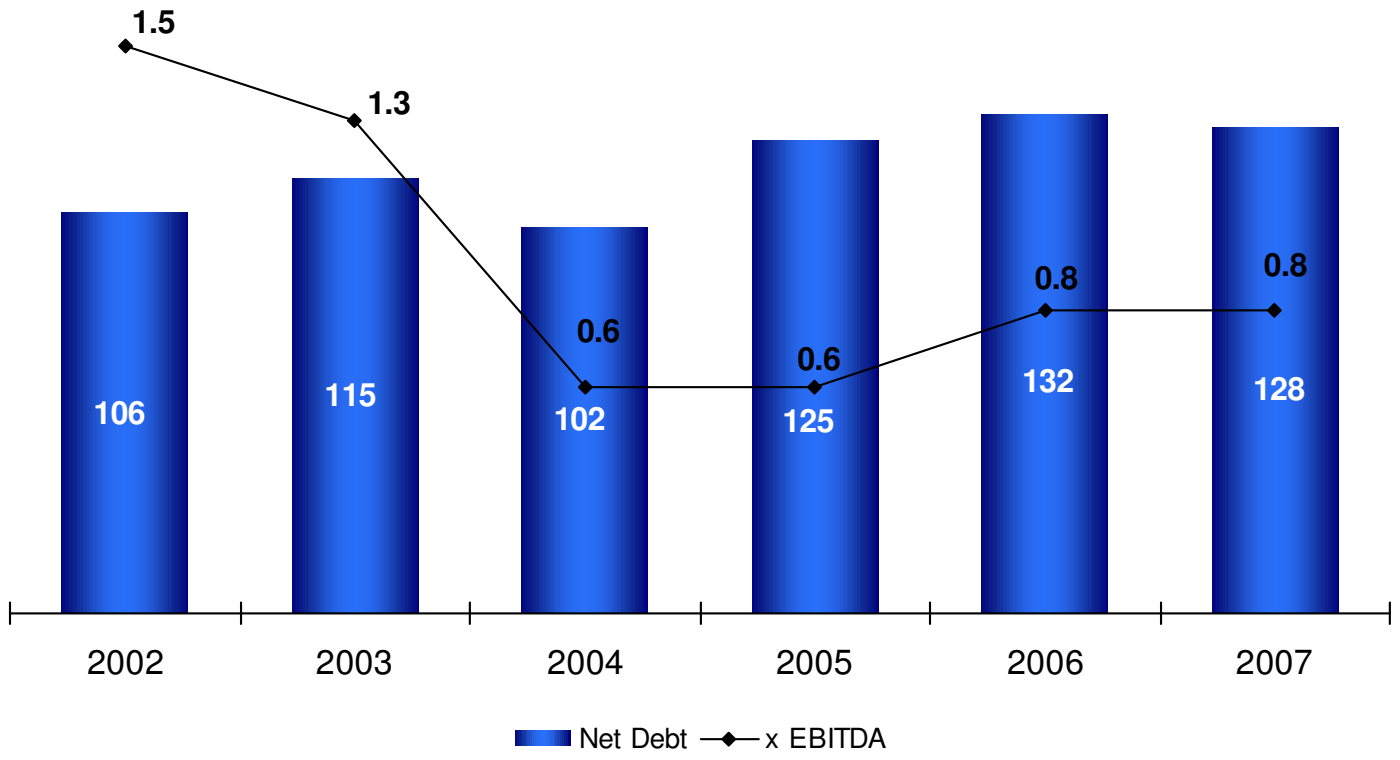
NET FINANCIAL EXPENSES (R$ million)



NET INCOME (R$ million)



NET BANK DEBT (R$ million)

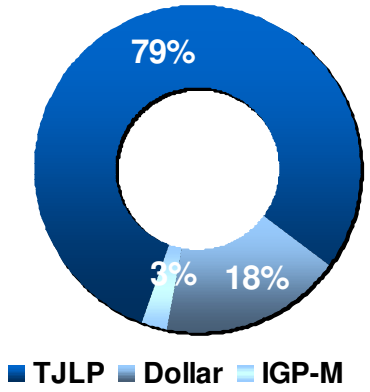


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INDEBTEDNESS – Dec/07 (R$ million)

LINES	SHORT TERM	LONG TERM	TOTAL
Trade Finance / Export	31.2	32.9	64.0
Equipment Finance / EXIM	100.6	115.2	215.8
	131.8	148.0	279.9
(-) Cash & Marketable Securities	151.5	0.0	151.5
Net Debt	**(19.7)**	**148.0**	**128.3**

Debt Indexation



Average Cost (Dec/07)

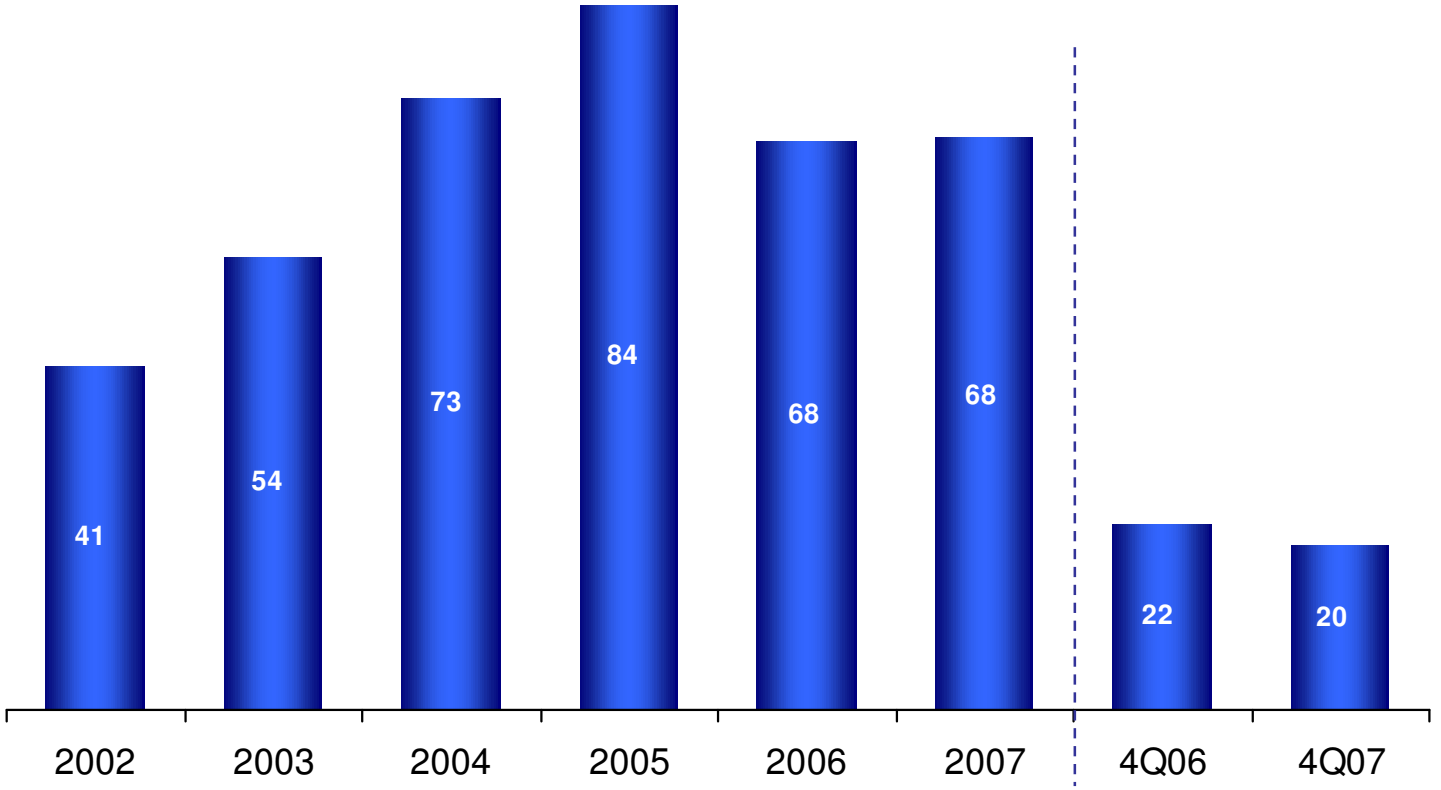
Index by TJLP, CDI e IGPM in R$	80% CDI
Index by Dollar in US$	8.1% per year

✓ At the end of Dec 07, the company had contracted US$ 45.8 million of non-deliverable forward contracts at R$ 1.9852 average FX rate, for the period of Jan to Dec 08

✓ Forward positive impact to expire is not accounted, only the positive impact expired

✓ According to Brazilian GAAP, if at any end of a month a negative future impact is foreseen on the contracts, the full negative impact must be provisioned

CAPEX (R$ million)



IOCHPE-MAXION



Capital Market

STOCKHOLDING RESTRUCTURING - SUBSEQUENT FACT

✓ A special shareholders meeting for holders of the Company`s preferred shares held on January 17, 2008 approved the conversion of Iochpe-Maxion's preferred shares into common shares at a conversion rate of 1.2 preferred shares for each common share

✓ An extraordinary general meeting of shareholders held on the same day approved the share conversion; it also approved a proposed amendment to the Company's bylaws, as well as the Company's migration to the Novo Mercado listings and the election of new members to the Company's board of directors

✓ After the deadline of the shareholder´s right of withdrawal (02/20/08), will begin the process of the conversion of the preferred shares into common shares

New Iochpe-Maxion

✓ Capital structure composed by common shares only

✓ Board of Directors composed by at least 20% of independent members

✓ 100% Tag Along in case of transfer of control

SHAREHOLDERS STRUCTURE

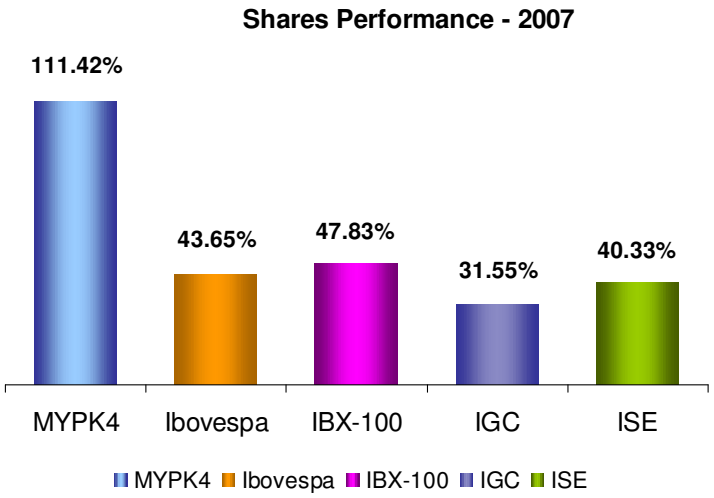
Iochpe-Maxion – Shareholders Structure on 12/31/2007

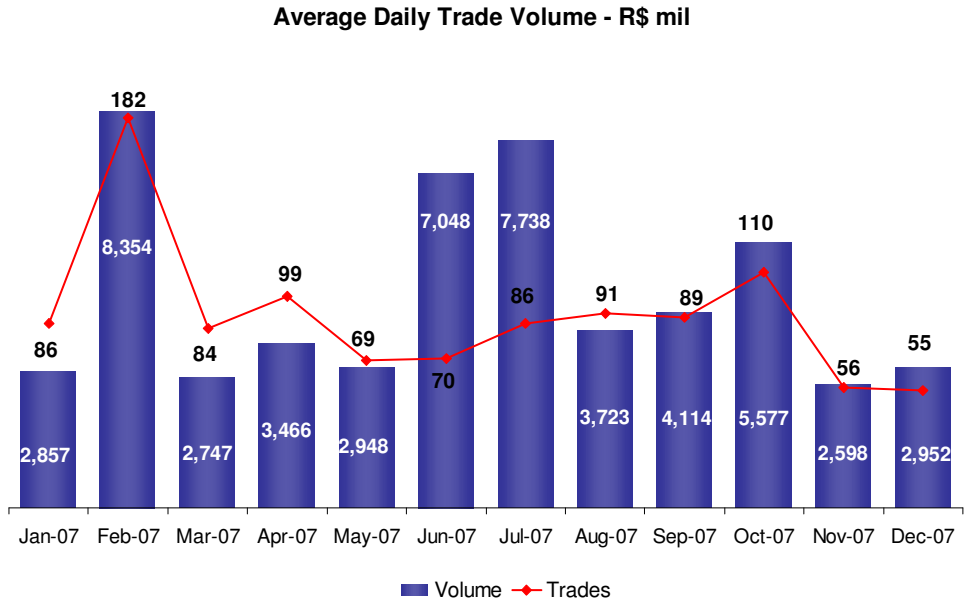
Shareholder	Common	%	% of Total	Preferred	%	% of Total	Total	%
Ioschpe Family	13,924,267	75.56%	26.16%	143,942	0.41%	0.27%	14,068,209	26.43%
BNDESPAR	4,012,050	21.77%	7.54%	9,612,777	27.62%	18.06%	13,624,827	25.60%
Controlling Shareholders	**17,936,317**	***97.33%***	***33.69%***	**9,756,719**	***28.03%***	***18.33%***	**27,693,036**	***52.02%***
Other	492,280	2.67%	0.92%	25,046,988	71.97%	47.05%	25,539,268	47.98%
Total	**18,428,597**	***100.00%***	***34.62%***	**34,803,707**	***100.00%***	***65.38%***	**53,232,304**	***100.00%***

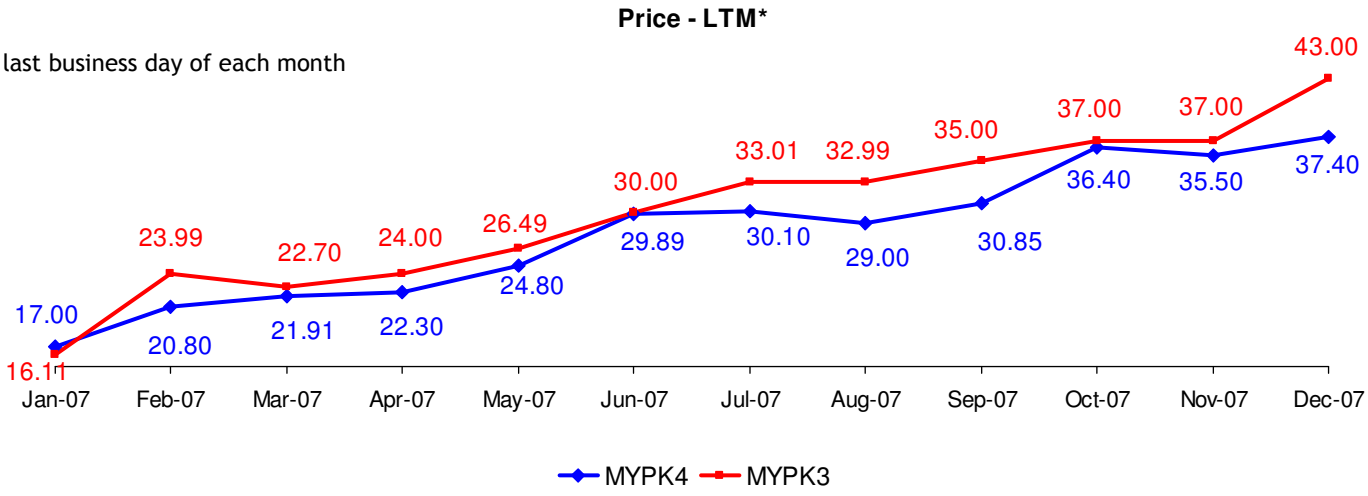
Iochpe-Maxion – Expected Shareholders Structure After the Conversion

Shareholder	Common	%	% of Total	Preferred	%	% of Total	Total	%
Ioschpe Family	14,044,219	29.61%	29.61%	-	0.00%	0.00%	14,044,219	29.61%
BNDESPAR	12,022,698	25.35%	25.35%	-	0.00%	0.00%	12,022,698	25.35%
Controlling Shareholders	**26,066,917**	***54.96%***	***54.96%***	**-**	***0.00%***	***0.00%***	**26,066,917**	***54.96%***
Other	21,364,770	45.04%	45.04%	-	0.00%	0.00%	21,364,770	45.04%
Total	**47,431,687**	***100.00%***	***100.00%***	**-**	***0.00%***	***0.00%***	**47,431,687**	***100.00%***

SHARES PERFORMANCE







* Closing price of the last business day of each month

OUTLOOK

- ✓ **Strong domestic demand for trucks and agriculture machinery**
- ✓ **Recovery of domestic railway freight car market from the end of 2007, onwards**
- ✓ **Implementation of commercial vehicle wheels plant in China**

IOCHPE-MAXION



Additional Information

INCOME STATEMENT (R$ thousand)

Consolidated Income Statement R$ thousand	2007	N.O.R	2006	N.O.R	4Q07	N.O.R	4Q06	N.O.R
Net Operating Revenue	1,289,282	100.0%	1,247,574	100.0%	328,459	100.0%	265,088	100.0%
Cost of Goods Sold	(1,053,576)	81.7%	(1,028,339)	82.4%	(276,866)	84.3%	(231,273)	87.2%
Gross Profit	**235,706**	**18.3%**	**219,235**	**17.6%**	**51,593**	**15.7%**	**33,815**	**12.8%**
Operating Expenses								
General and Administrative	(47,041)	3.6%	(41,755)	3.3%	(12,108)	3.7%	(7,307)	2.8%
Commercial	(5,805)	0.5%	(5,733)	0.5%	(1,597)	0.5%	(1,374)	0.5%
Others	(48,210)	3.7%	(35,352)	2.8%	(10,644)	3.2%	(8,078)	3.0%
	(101,057)	7.8%	(82,840)	6.6%	(24,348)	7.4%	(16,759)	6.3%
Operating Income (EBIT)	**134,649**	**10.4%**	**136,396**	**10.9%**	**27,245**	**8.3%**	**17,057**	**6.4%**
Financial Results								
Financial Revenue	6,233	0.5%	5,402	0.4%	1,685	0.5%	1,577	0.6%
Financial Expenses	(15,839)	1.2%	(26,794)	2.1%	(966)	0.3%	(7,056)	2.7%
	(9,606)	0.7%	(21,392)	1.7%	719	-0.2%	(5,479)	2.1%
Earnings After Financial Income	**125,043**	**9.7%**	**115,003**	**9.2%**	**27,964**	**8.5%**	**11,577**	**4.4%**
Non Operating Results	(8,628)	0.7%	(22,158)	1.8%	(925)	0.3%	(4,963)	1.9%
Earnings Before Taxes	**116,415**	**9.0%**	**92,845**	**7.4%**	**27,039**	**8.2%**	**6,615**	**2.5%**
Income Taxes	(44,024)	3.4%	(35,001)	2.8%	(10,010)	3.0%	(5,229)	2.0%
Net Income	**72,391**	**5.6%**	**57,844**	**4.6%**	**17,029**	**5.2%**	**1,386**	**0.5%**
EBITDA	**164,527**	**12.8%**	**162,688**	**13.0%**	**35,200**	**10.7%**	**23,817**	**9.0%**

(*) 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	Dec-07	Dec-06	LIABILITIES	Dec-07	Dec-06
CURRENT			CURRENT		
Cash	151,519	88,197	Loans	131,820	125,455
Receivables	144,051	221,763	Payables	62,093	46,600
Inventory	167,806	116,346	Customers Advance	50,033	13,339
Recoverable Taxes	18,911	22,609	Wage and Charges	35,543	22,907
Others	13,030	(79,488)	Taxes	3,063	537
	495,317	369,428	Provisions	6,250	3,581
			Others	20,177	46,052
				308,979	258,471
LONG TERM			LONG TERM		
Receivable	1,694	7,980	Loans	148,045	95,060
Deferred Income Taxes	28,881	39,067	Provisions	65,099	67,027
Others	31,052	10,960	Others	7,578	15,360
	61,627	58,008		220,722	177,447
			MINORITY	-	34
PERMANENT			EQUITY		
Investments	125	125	Capital	161,463	161,463
Plants, Property and Equipment	309,614	271,445	Capital Reserves	103,472	103,471
Deferred Items	345	1,879	Retained Earnings	72,391	-
	310,083	273,449		337,326	264,934
TOTAL ASSETS	**867,027**	**700,886**	**TOTAL LIABILITIES**	**867,027**	**700,886**

IOCHPE-MAXION

Earnings Release – 4Q07 / 2007



February, 2008