Motors | Automation | Energy | Transmission & Distribution | Paints



Q4 2010 Results Conference Call

February 24, 2011

Disclaimer

The statements that may be made during this conference call relating to WEG's business perspectives, projections and operating and financial goals and to WEG's potential future growth are management beliefs and expectations, as well as information that are currently available.

These statements involve risks, uncertainties and the use of assumptions, as they relate to future events and, as such, depend on circumstances that may or may not be present.

Investors should understand that the general economic conditions, conditions of the industry and other operating factors may affect WEG's future performance and lead to results that may differ materially from those expressed in such future considerations.

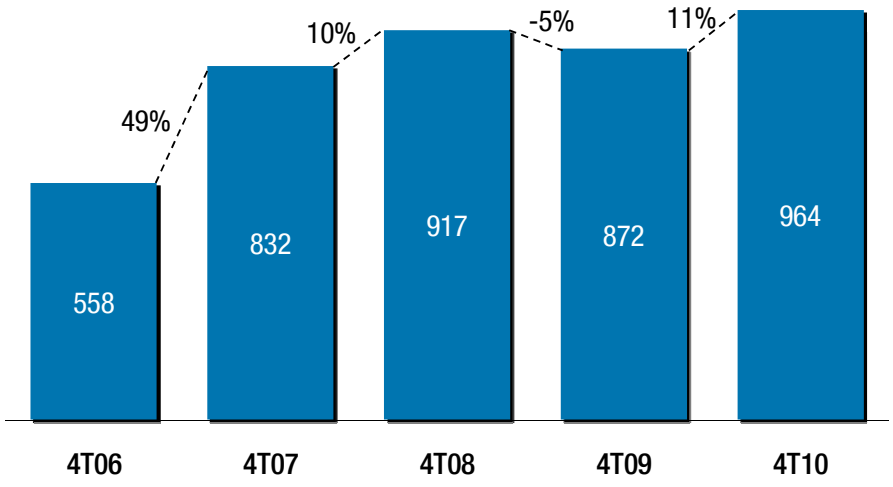
Quarterly Highlights

	Q4 2010	Q4 2009	Growth %	12M10	12M09	Growth %
Gross Operating Revenue	**1,504,610**	**1,306,913**	**15.1%**	**5,282,737**	**5,110,596**	**3.4%**
Domestic Market	964,472	871,618	10.7%	3,503,934	3,371,627	3.9%
External Markets	540,138	435,295	24.1%	1,778,803	1,738,969	2.3%
External Markets in US$	*315,241*	*250,328*	*25.9%*	*1,015,532*	*877,290*	*15.8%*
Net Operating Revenue	**1,258,429**	**1,076,969**	**16.8%**	**4,391,973**	**4,210,620**	**4.3%**
Gross Operating Profit	**391,300**	345,185	13.4%	**1,386,952**	1,356,401	2.3%
Gross Margin	*31.1%*	*32.1%*		*31.6%*	*32.2%*	
Quarterly Net Income	**141,508**	**137,162**	**3.2%**	**519,782**	**550,543**	**-5.6%**
Net Margin	*11.2%*	*12.7%*		*11.8%*	*13.1%*	
EBITDA	**224,149**	**228,547**	**-1.9%**	**789,110**	**837,424**	**-5.8%**
EBITDA Margin	*17.8%*	*21.2%*		*18.0%*	*19.9%*	

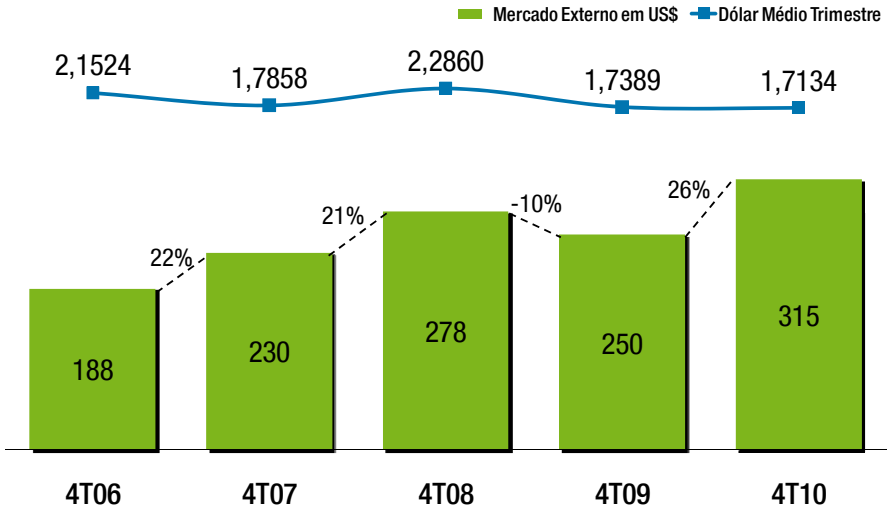
Figures in R$ Thousands

Gross Operating Revenues

Evolution of Gross Revenues – Domestic Market
(in R$ million)

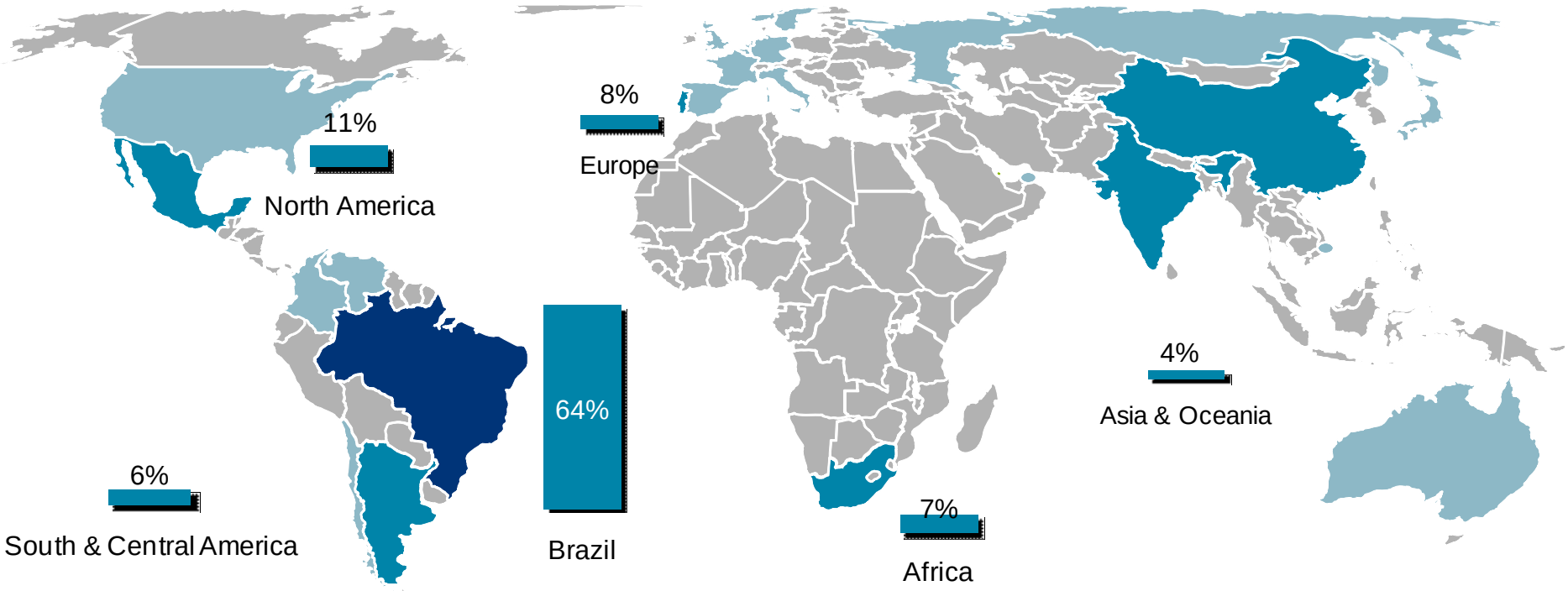


Evolution of Gross Revenues – External Market
(in US$ million)

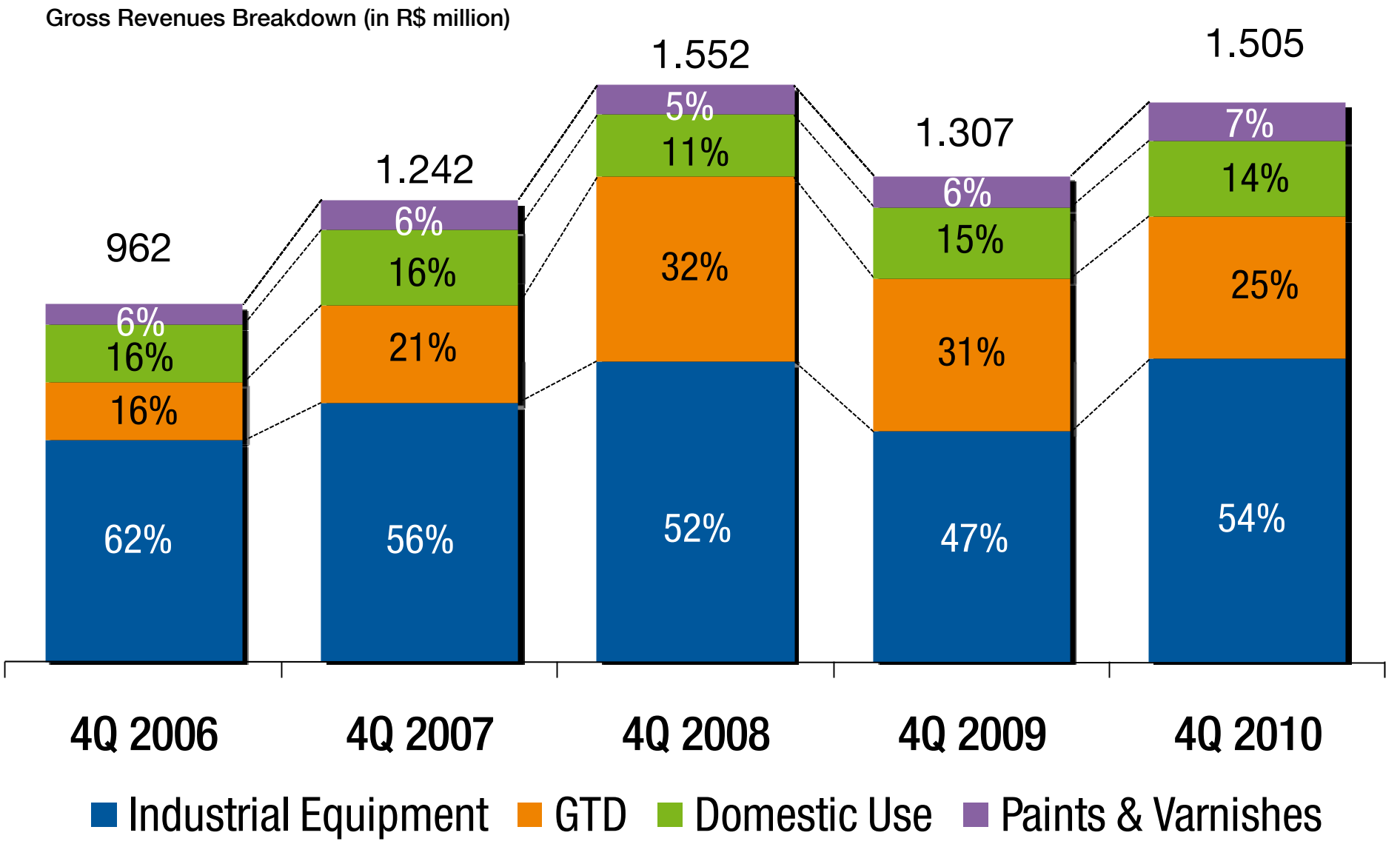


Global Presence

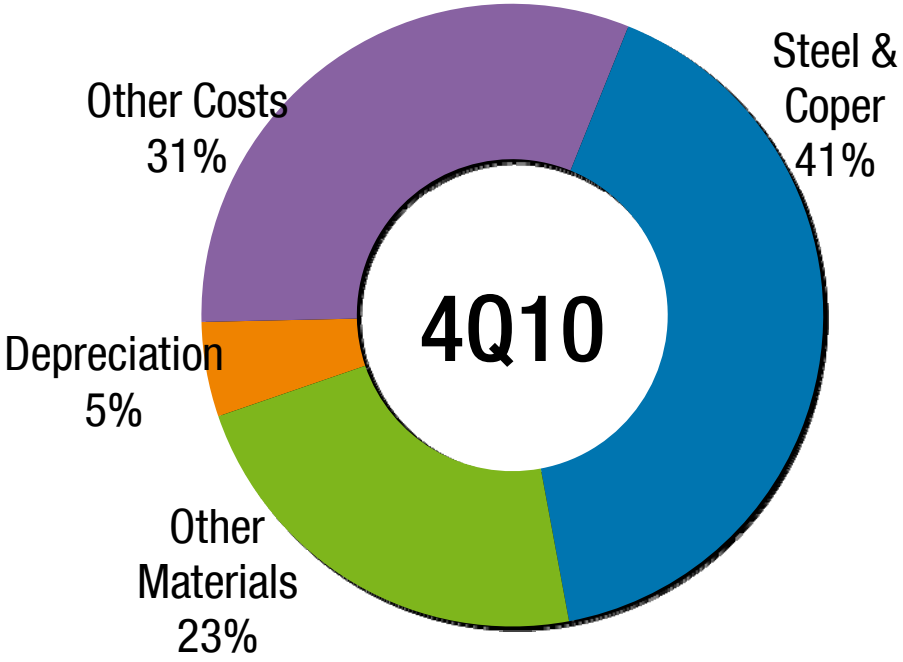
Gross Revenues Breakdown – Q4 2010

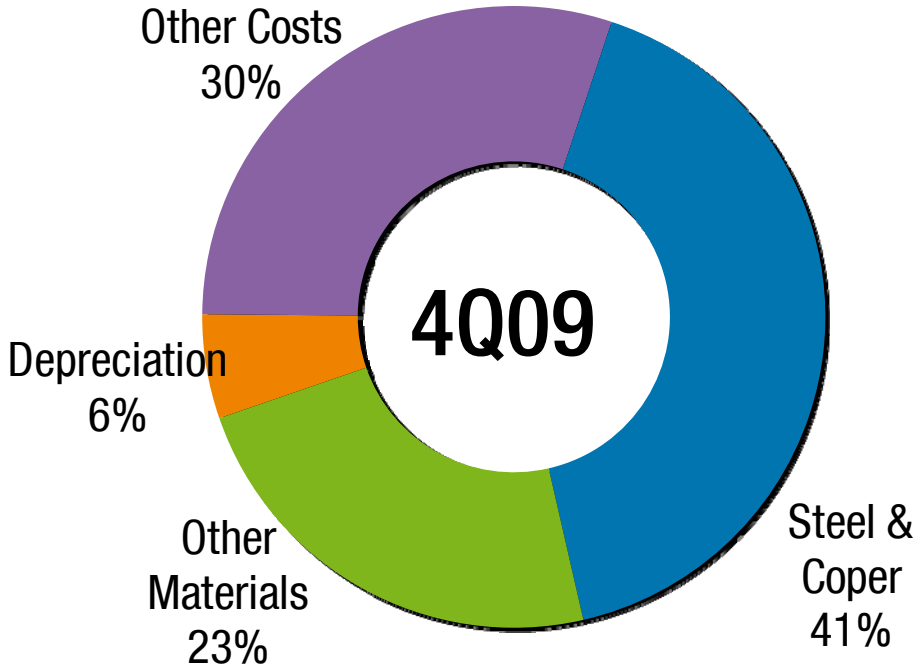


Business Areas

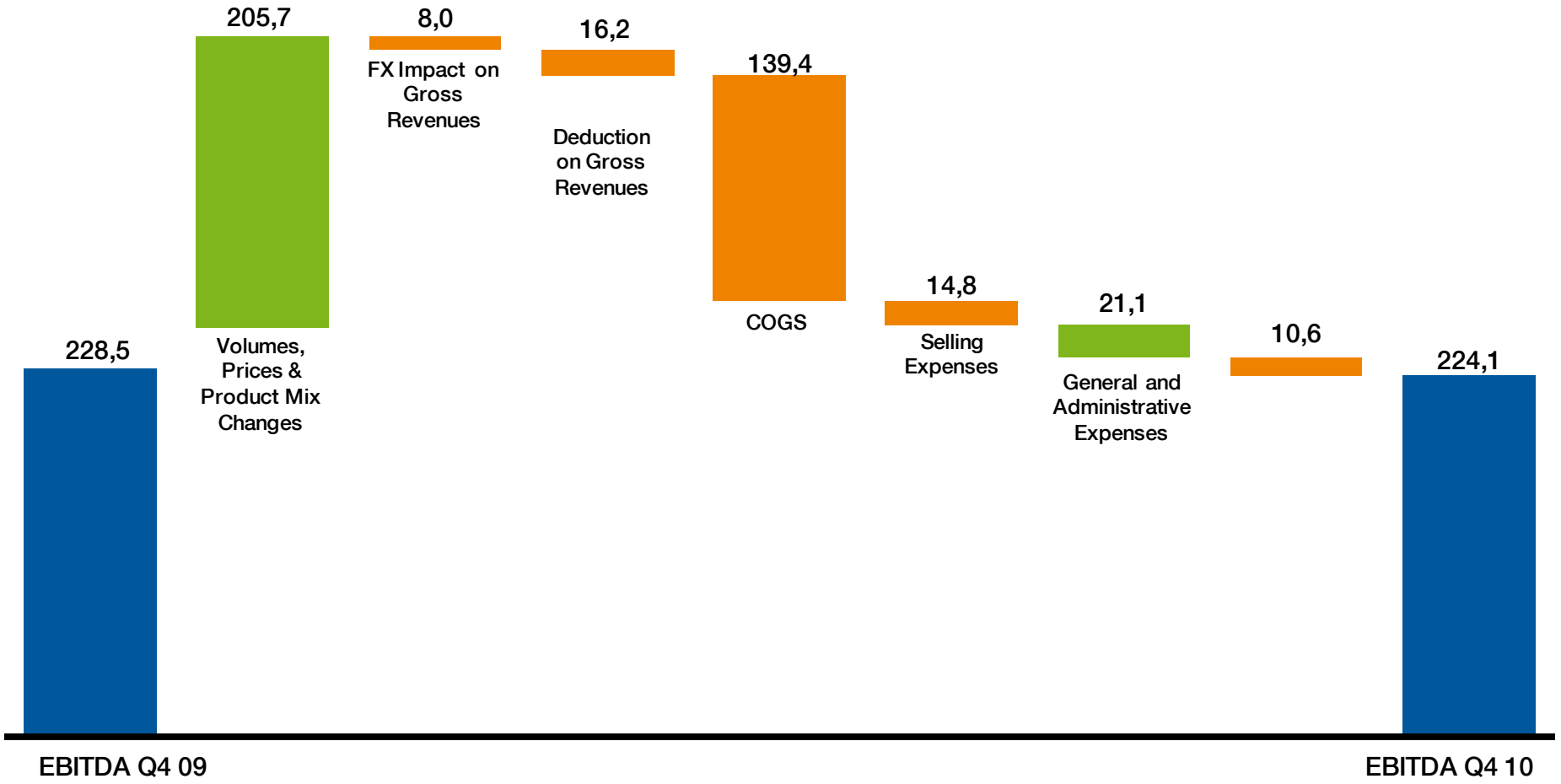


Cost of Goods Sold





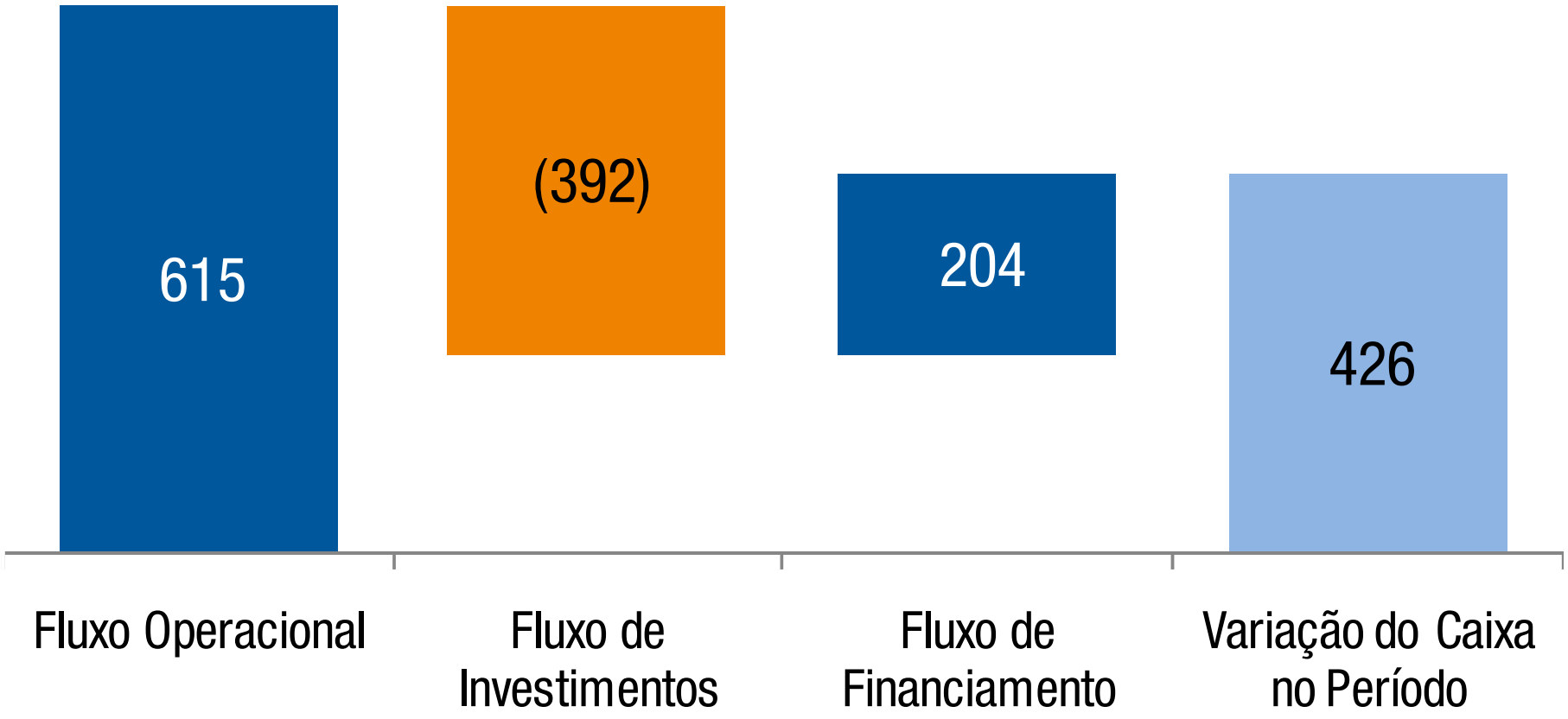
Main changes on EBITDA



(in R$ million)

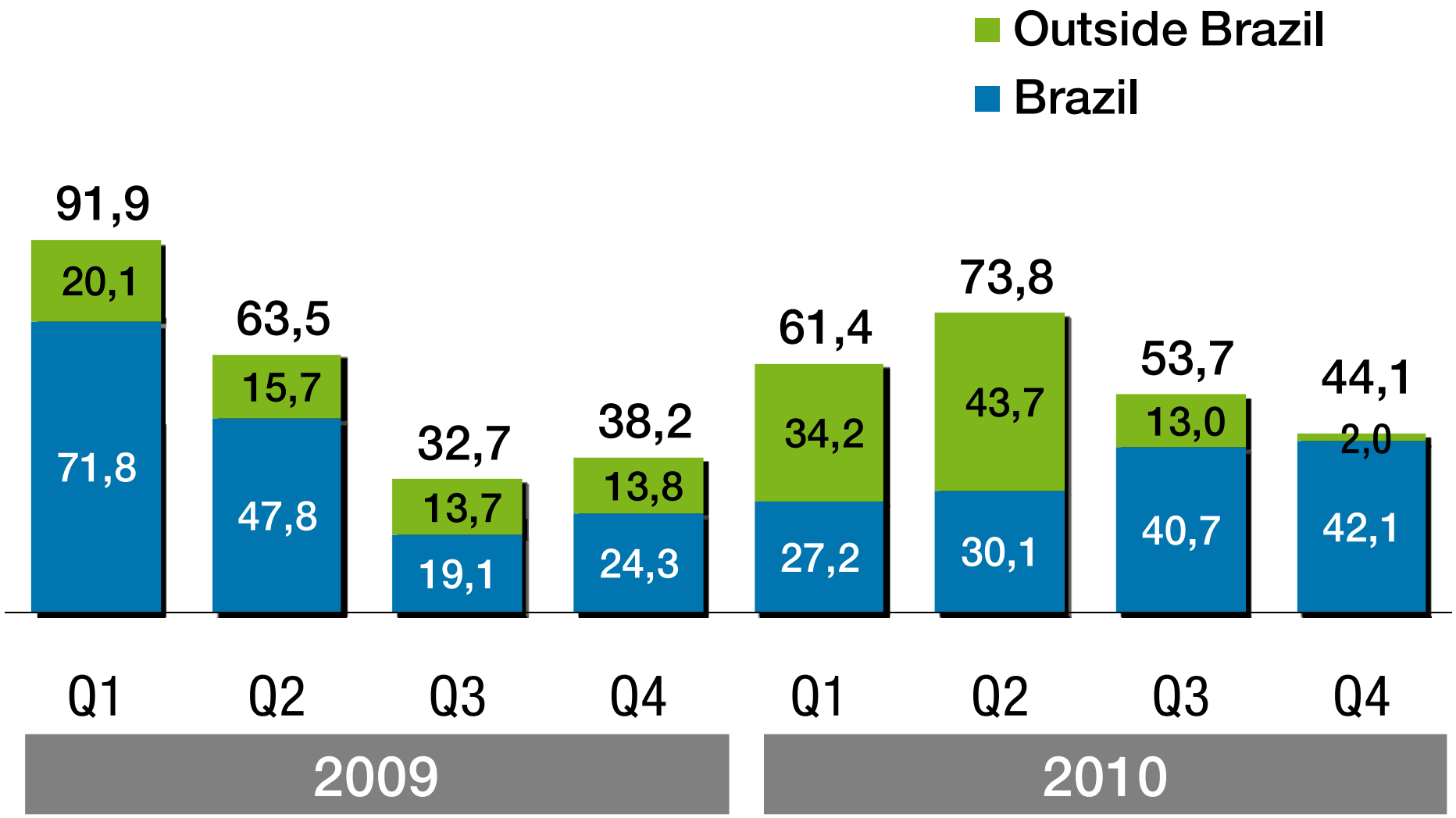
Cash Flows

Accumulated 2010



(in R$ million)

Capacity Expansion Investments



(in R$ million)

Final Comments

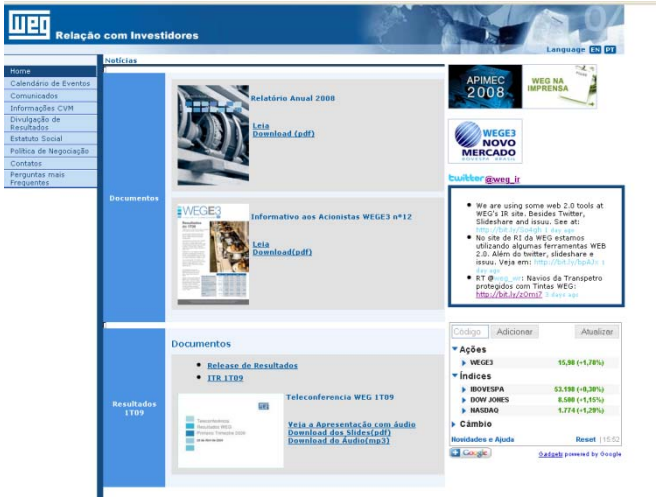
- **Economic recovery is clear and spreading**
- **Medium and long term opportunities remain attractive**
  - **Growth in emerging markets, with specific demands;**
  - **Energy efficiency increasing the market for high-performance products and bringing competition to a different level;**
  - **New forms, more intelligent and efficient, of generating, distributing and using electricity ("smart grid“)**
  - **Events in Brazil, such as the World Cup and Olympics**
- **New products, focused on efficiency, reliability and features**
- **More integrated solutions and systems**
- **Access to new markets and new technologies**

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