Motors | Automation | Energy | Transmission & Distribution | Paints



Q2 2010 Results Conference Call

July 29th, 2010

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.

General Comments on Q2 2010

- Quarter market by new events on innternationalization strategy:
  - Aditional stake in Voltran (Mexico)
  - Acquisition of control of ZEST (South Africa)
  - Acquisition of Instrutech (Brazil)
- Energy efficency and renewable and distributed energy generation continue to be the main growth opportnities

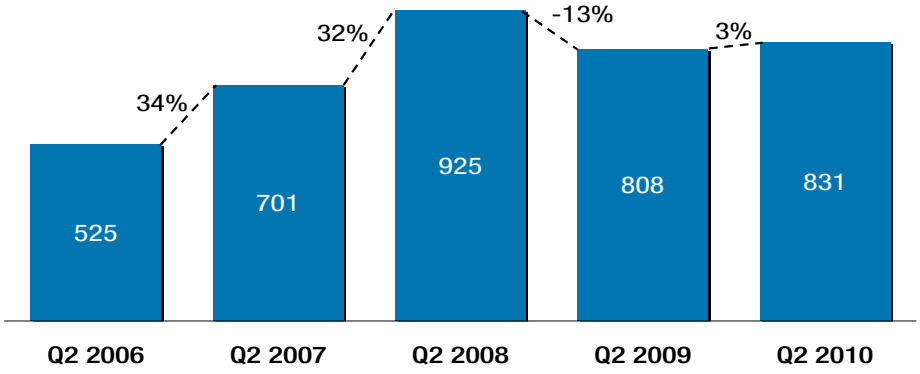
Quarterly Highlights

	Q2 2010	Q1 2010	Growth %	Q2 2009	Growth %
Gross Operating Revenue	**1.227.421**	**1.131.546**	**8,5%**	**1.250.193**	**-1,8%**
Domestic Market	831.200	801.299	3,7%	808.355	2,8%
External Markets	396.200	330.247	20,0%	441.838	-10,3%
External Markets in US$	*221.100*	*181.170*	*22,0%*	*213.396*	*3,6%*
Net Operating Revenue	**1.013.015**	**931.907**	**8,7%**	**1.029.945**	**-1,6%**
Gross Operating Profit	309.158	307.454	0,6%	294.175	5,1%
Gross Margin	*30,5%*	*33,0%*		*28,6%*	
Quarterly Net Income	**116.138**	**119.074**	**-2,5%**	**129.670**	**-10,4%**
Net Margin	*11,5%*	*12,8%*		*12,6%*	
EBITDA	**174.015**	**181.750**	**-4,3%**	**172.925**	**0,6%**
EBITDA Margin	*17,2%*	*19,5%*		*16,8%*	

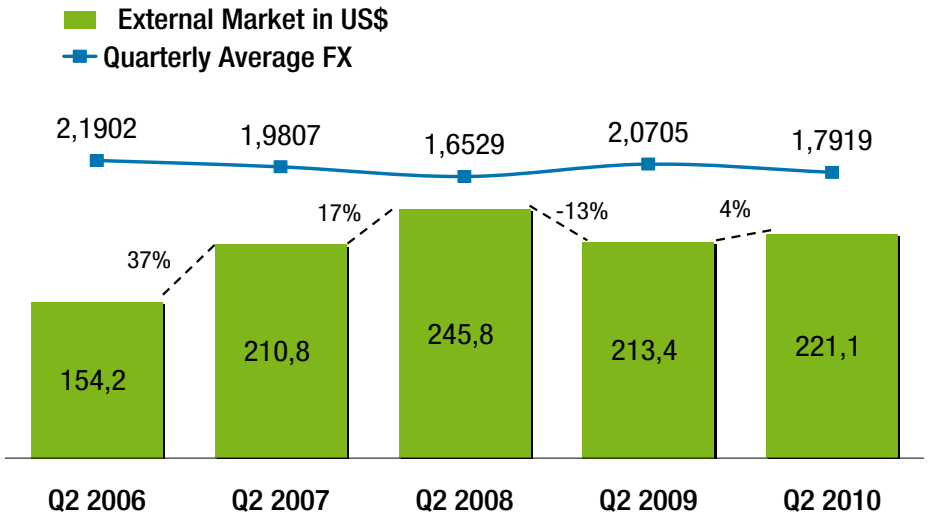
Figures in R$ Thousands

Gross Operating Revenues

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

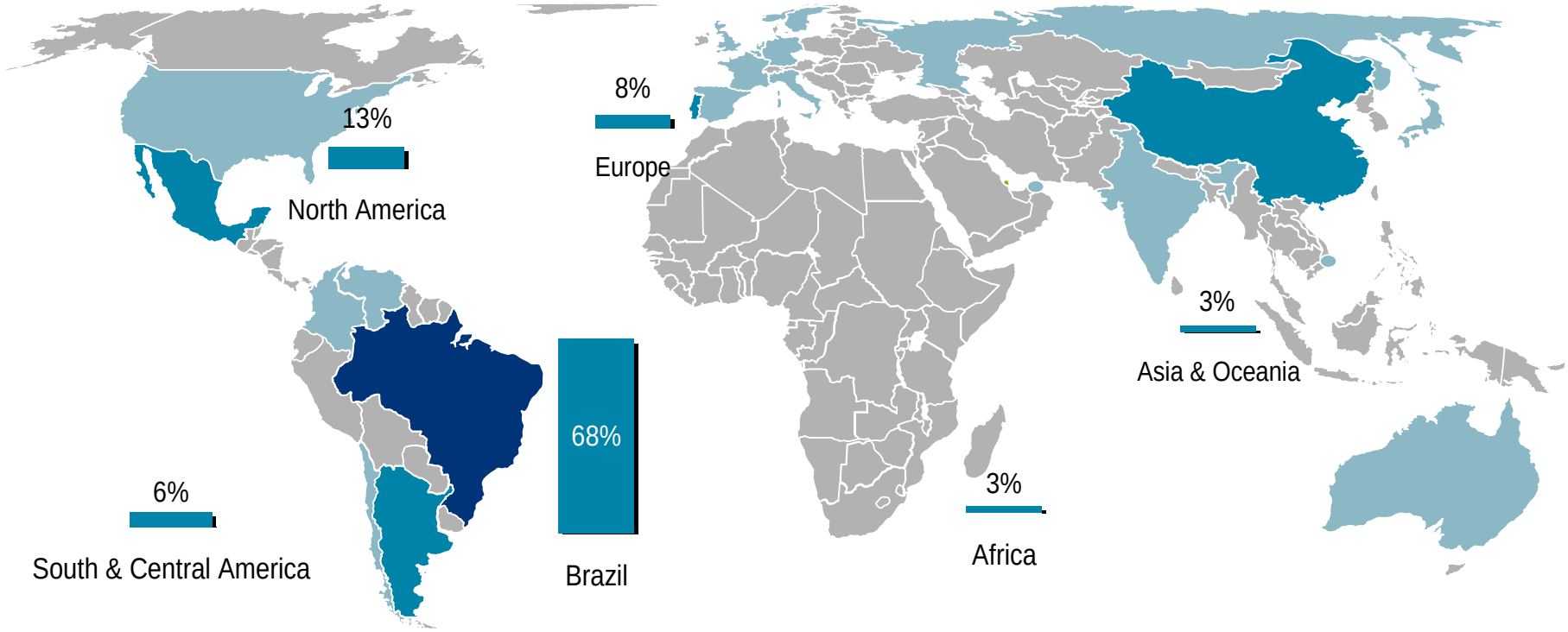


Evolution of Gross Revenues – External Market
(in US$ million)



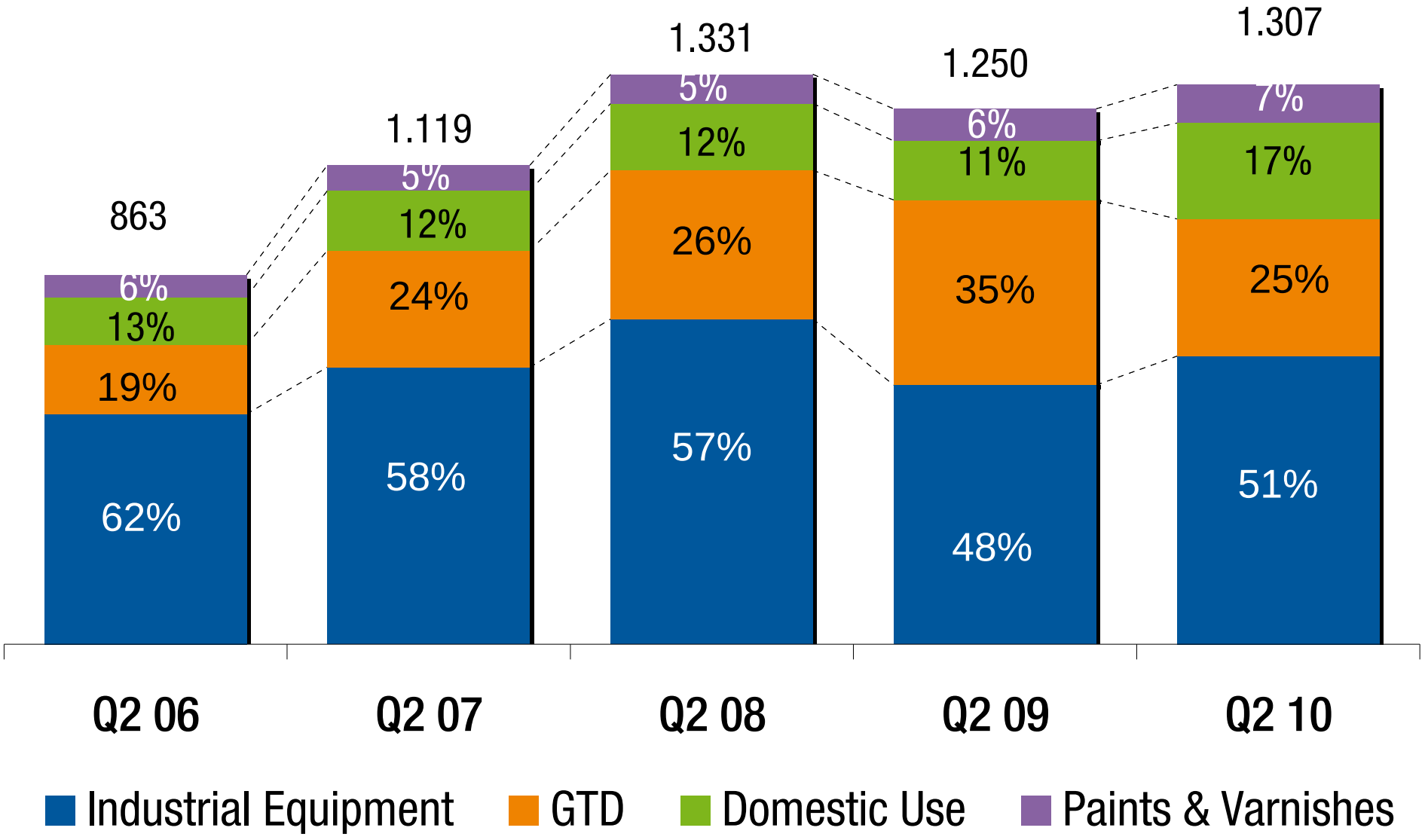
Global Presence

Gross Revenues Breakdown – 2Q10

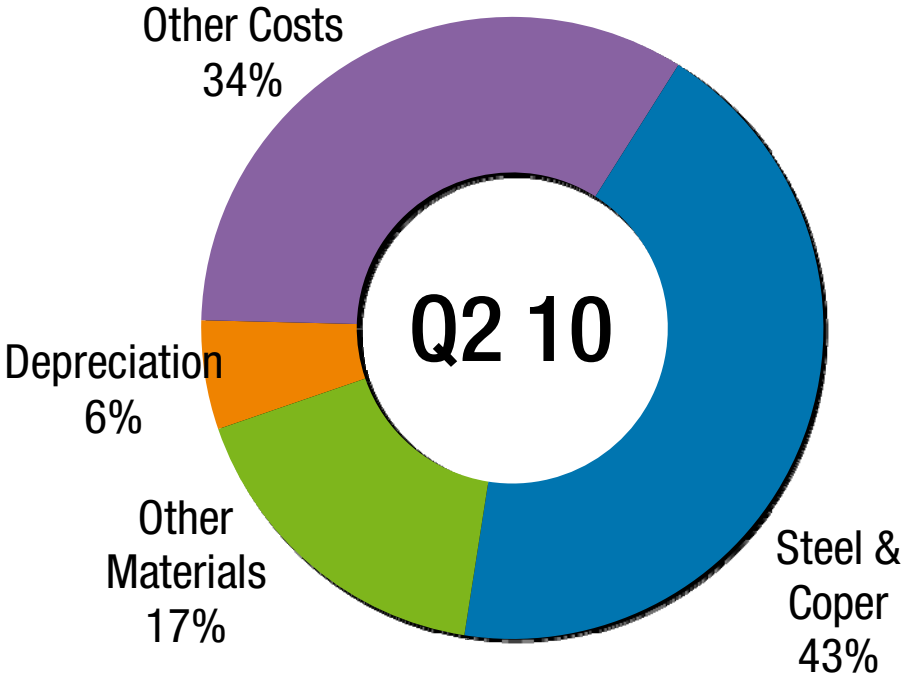


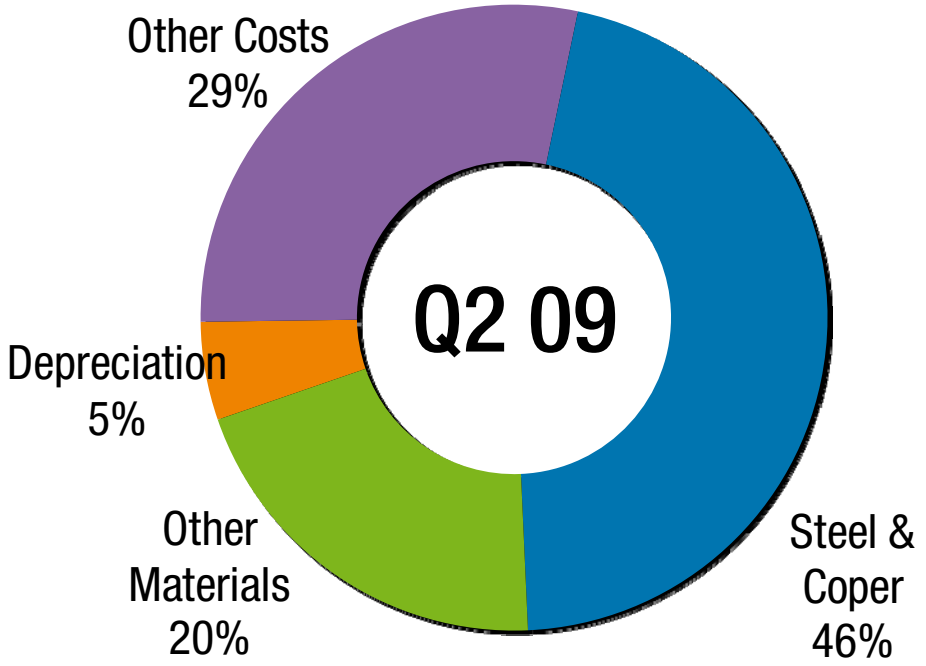
Business Areas

Gross Revenues Breakdown – 2Q10

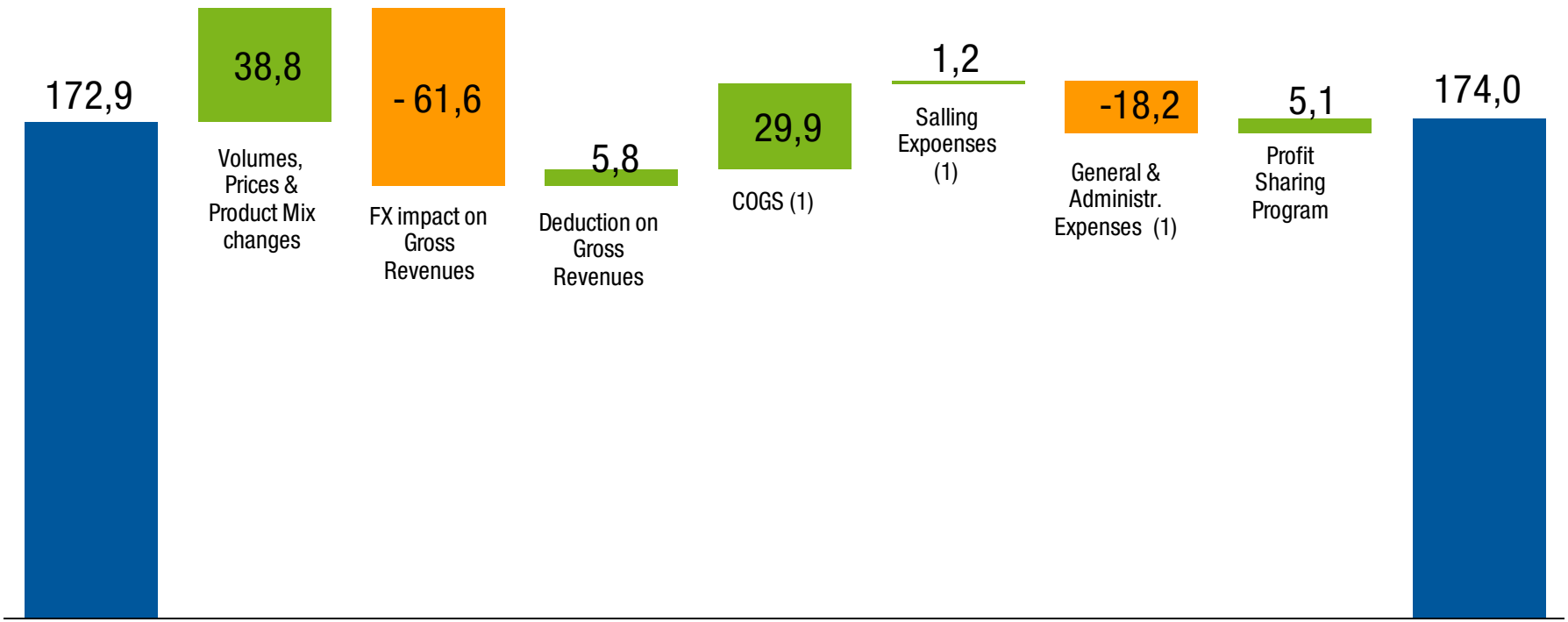


Cost of Goods Sold





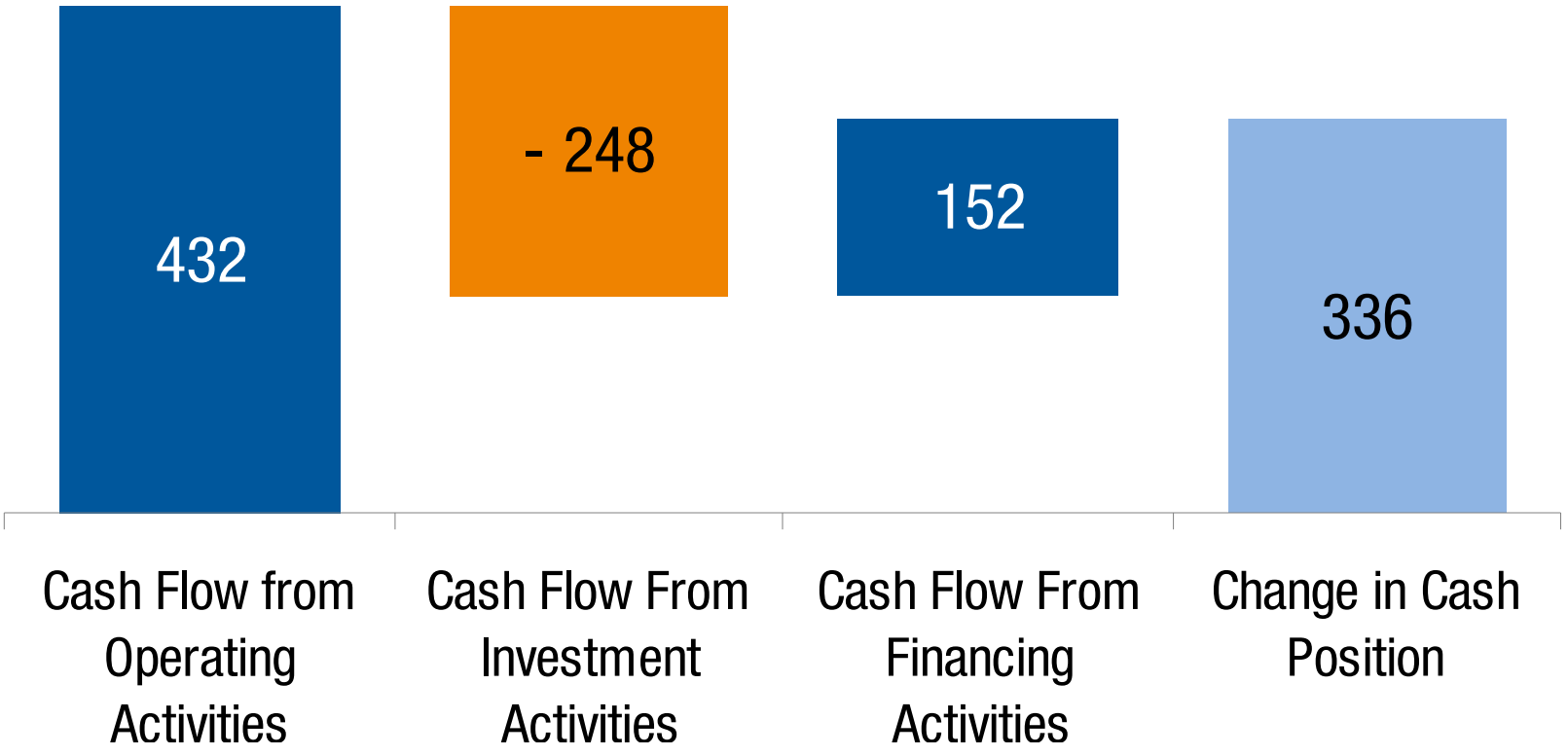
Main changes on EBITDA



(1) Ex depreciation

Cash Flows

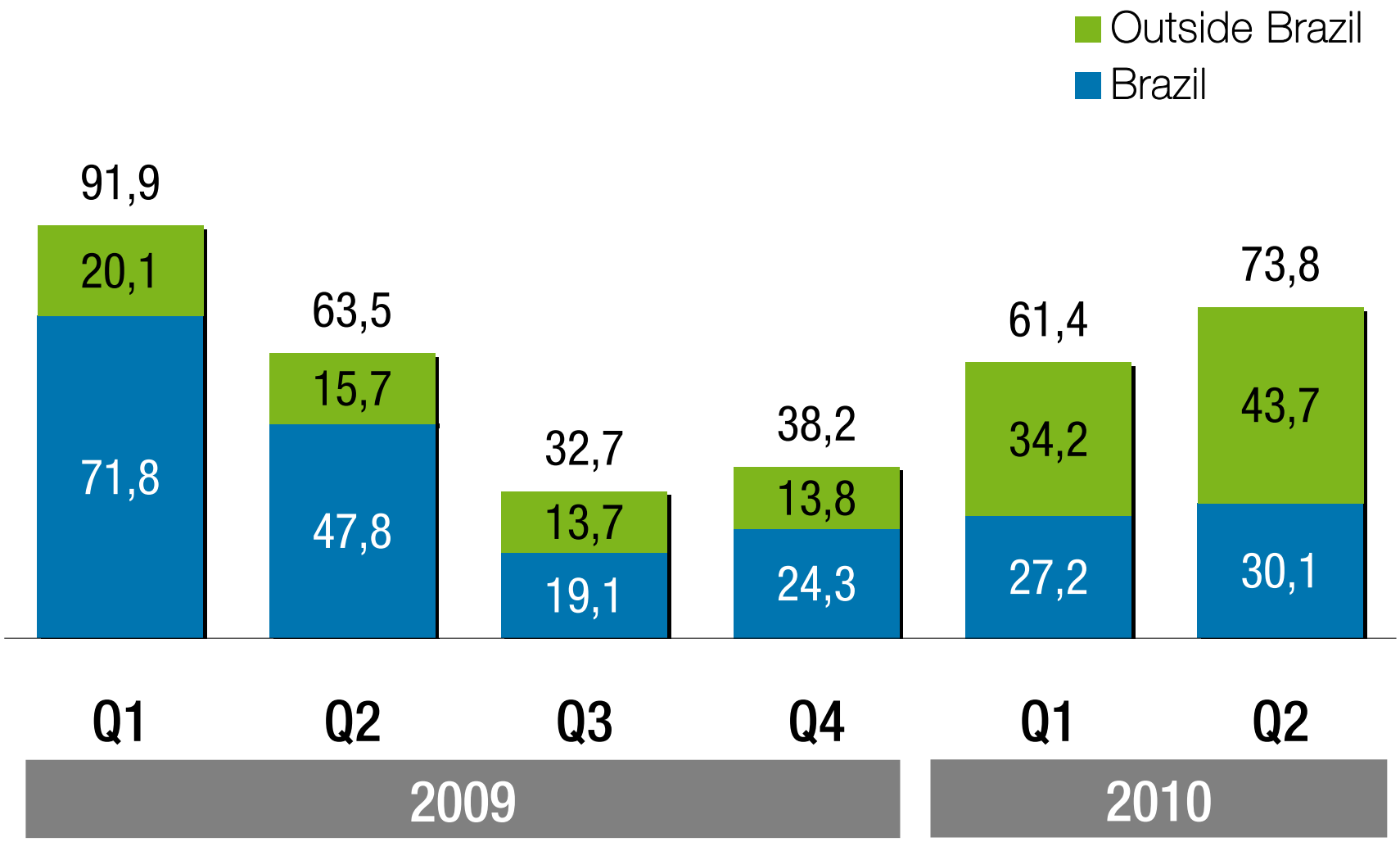
Accumulated 6 months 2010



Financing Policies

	June 2010	December 2009	June 2009
CASH & EQUIVALENT	2.463.531	2.127.117	1.806.997
DEBT	2.187.124	1.872.533	1.811.906
- Current	741.233	895.885	1.044.633
- Long Term	1.445.891	976.648	767.273
NET CASH (DEBT)	276.407	254.584	(4.909)

Capacity Expansion Investments



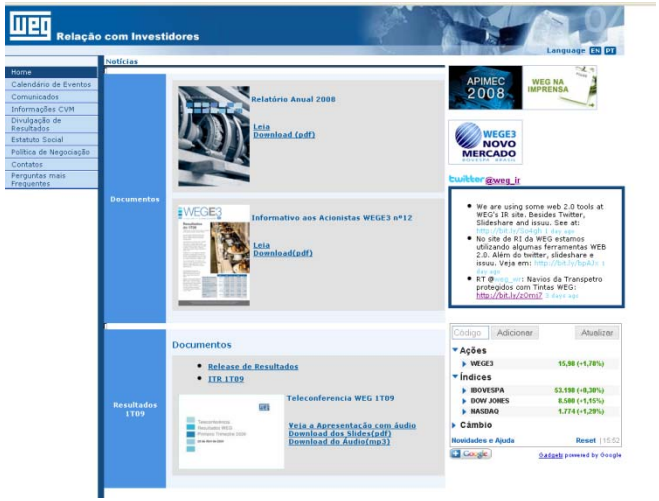
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