Motors | Automation | Energy | Transmission & Distribution | Paints



Q3 2010 Results Conference Call

October 28th, 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 Q3 2010

- Important aspects:
  - Consolidation of acquisitions (ZEST, South Africa, and Voltran, Mexico)
  - Growth in foreign markets, despite the appreciation of the Real.
- Late cycle business
  - Investment in capacity expansion occurs after the resumption of consumption
  - More evident in areas such as GTD.
- Recent renewable energies auction has left us optimistic with wind energy in Brazil
- Long-term attractiveness:
  - Emerging markets growth, with specific demands;
  - Energy efficiency regulation, increasing the market for high-performance products;
  - New, more intelligent and efficient forms to produce, process and use energy ("smart grid“)
  - Brazil specific events, such as FIFA World Cup and Olympic Games

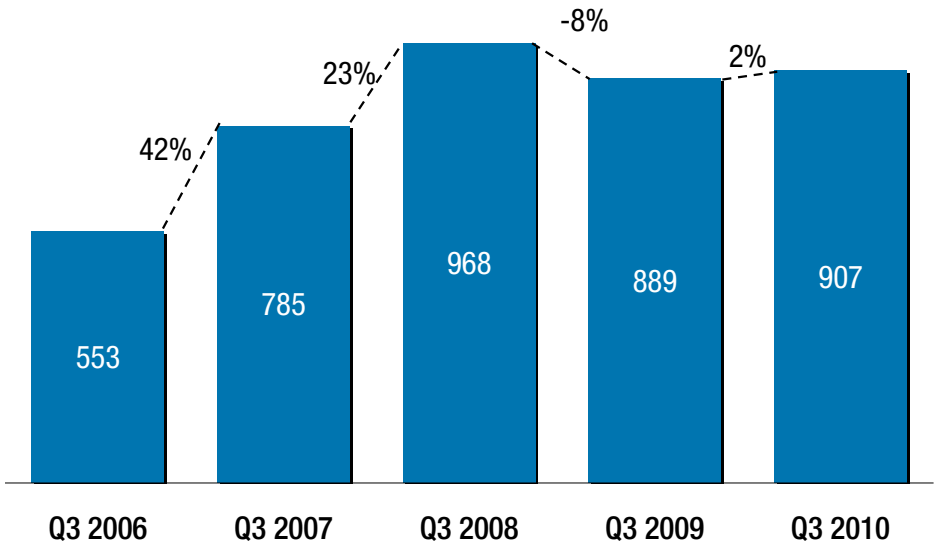
Quarterly Highlights

	Q3 2010	Q2 2010	Growth %	Q3 2009	Growth %
Gross Operating Revenue	**1.419.161**	**1.227.421**	**15,6%**	**1.282.506**	**10,7%**
Domestic Market	906.954	831.210	9,1%	889.302	2,0%
External Markets	512.207	396.211	29,3%	393.200	30,3%
External Markets in US$	*298.020*	*221.100*	*34,8%*	*210.840*	*41,3%*
Net Operating Revenue	**1.188.622**	**1.013.015**	**17,3%**	**1.055.465**	**12,6%**
Gross Operating Profit	373.497	309.158	20,8%	402.210	-7,1%
Gross Margin	*31,4%*	*30,5%*		*38,1%*	
Quarterly Net Income	**141.952**	**116.138**	**22,2%**	**160.103**	**-11,3%**
Net Margin	*11,9%*	*11,5%*		*15,2%*	
EBITDA	**209.196**	**174.015**	**20,2%**	**254.840**	**-17,9%**
EBITDA Margin	*17,6%*	*17,2%*		*24,1%*	

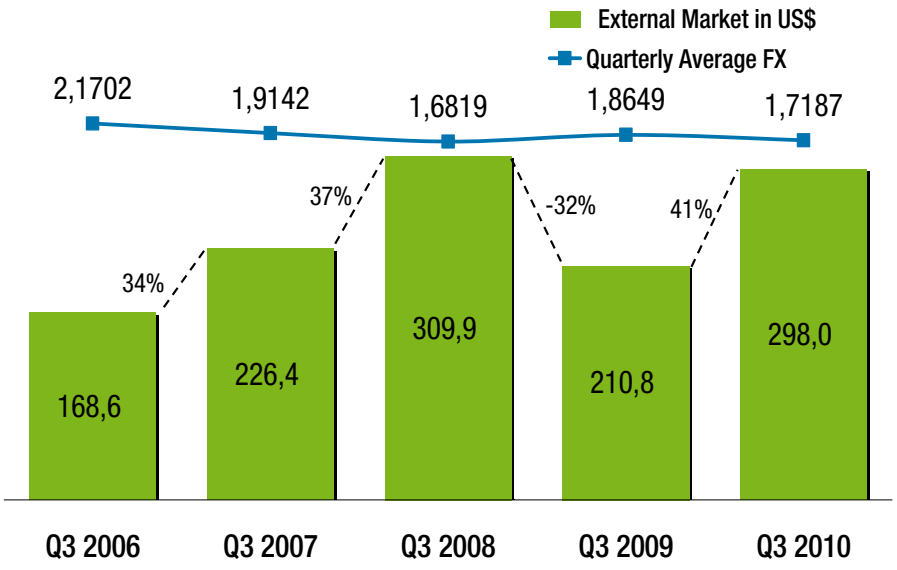
Figures in R$ Thousands

Gross Operating Revenues

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

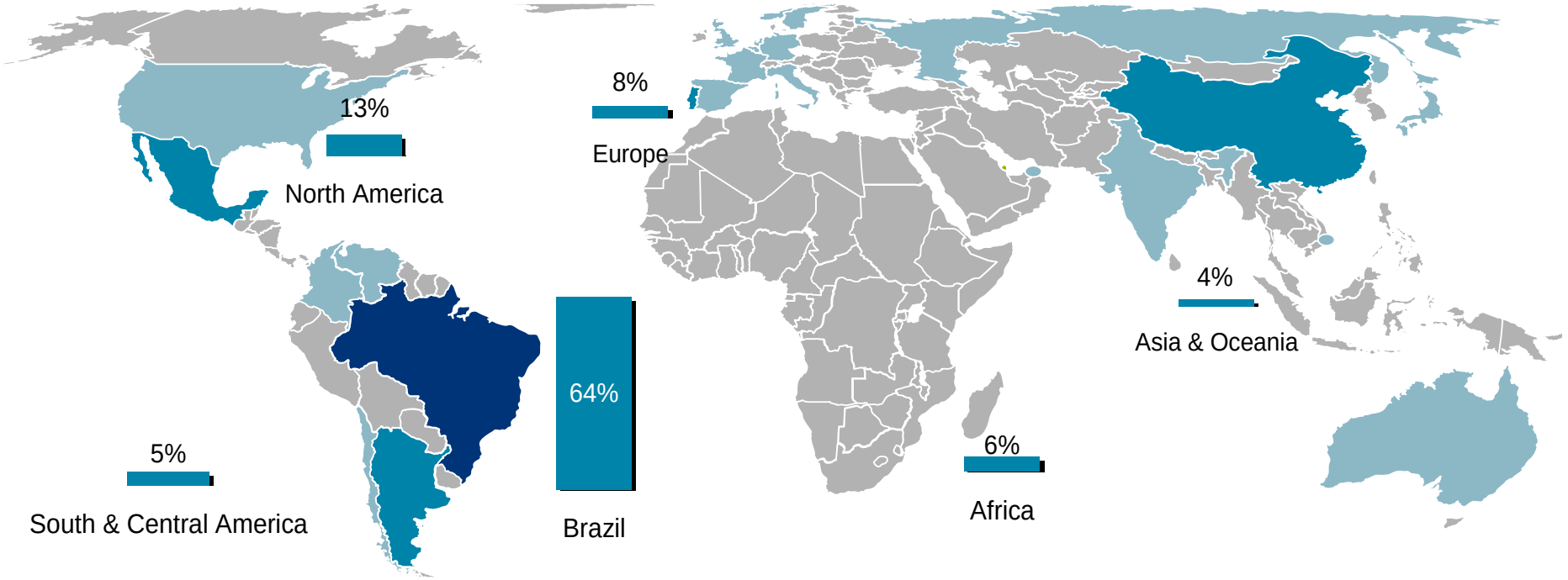


Evolution of Gross Revenues – External Market
(in US$ million)



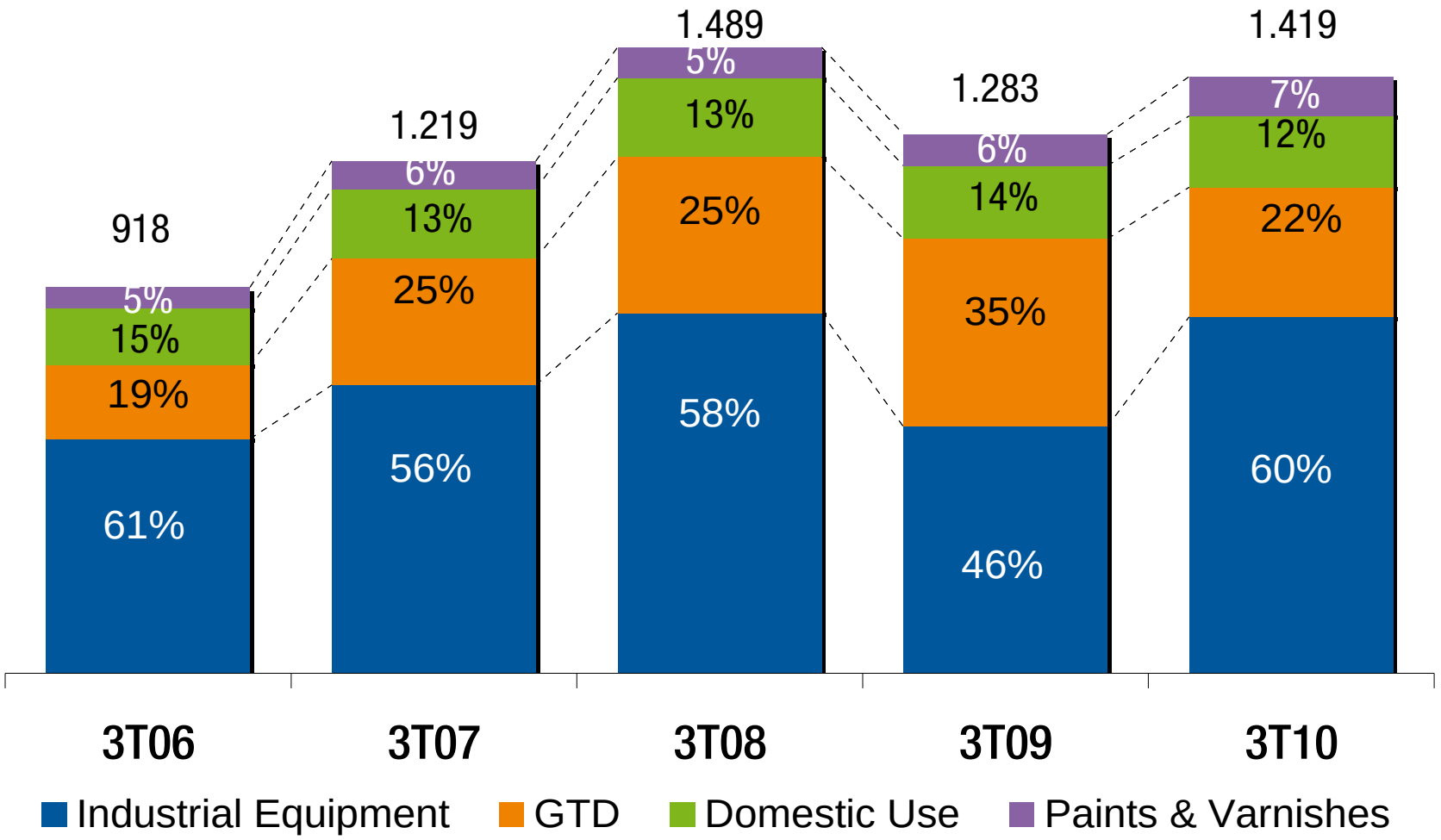
Global Presence

Gross Revenues Breakdown – Q3 2010

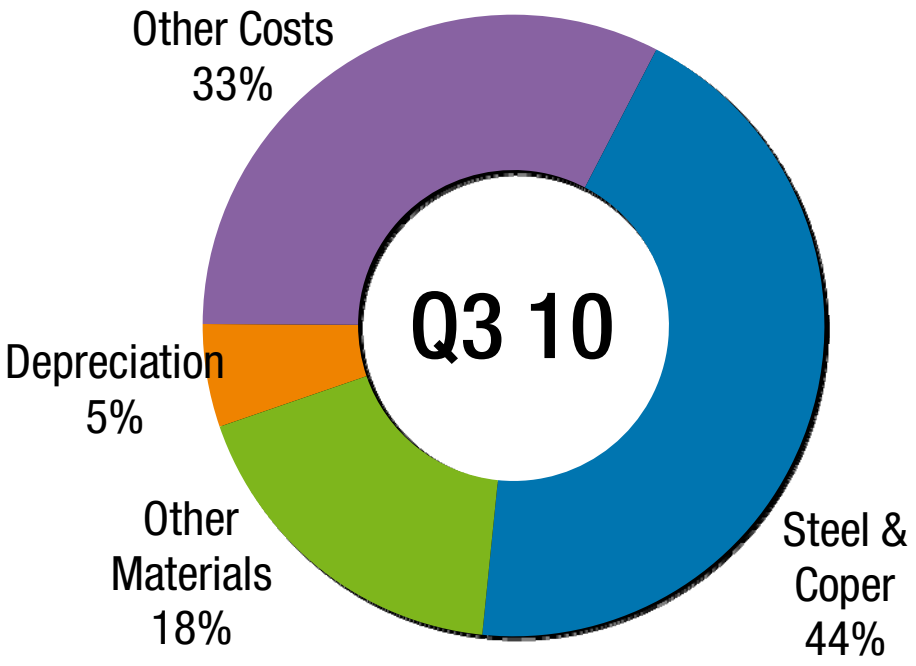


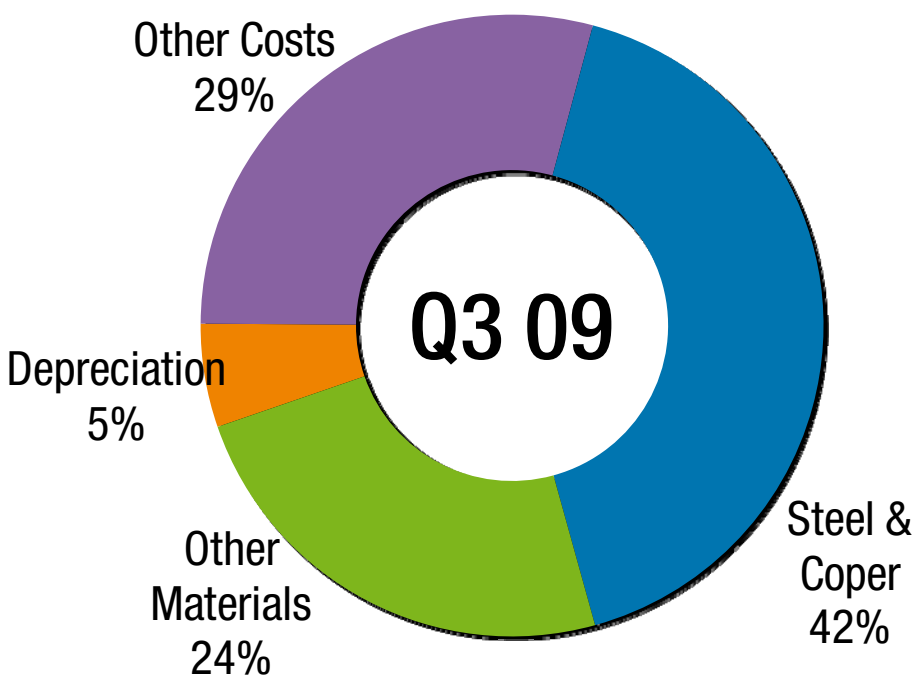
Business Areas

Gross Revenues Breakdown – Q3 2010

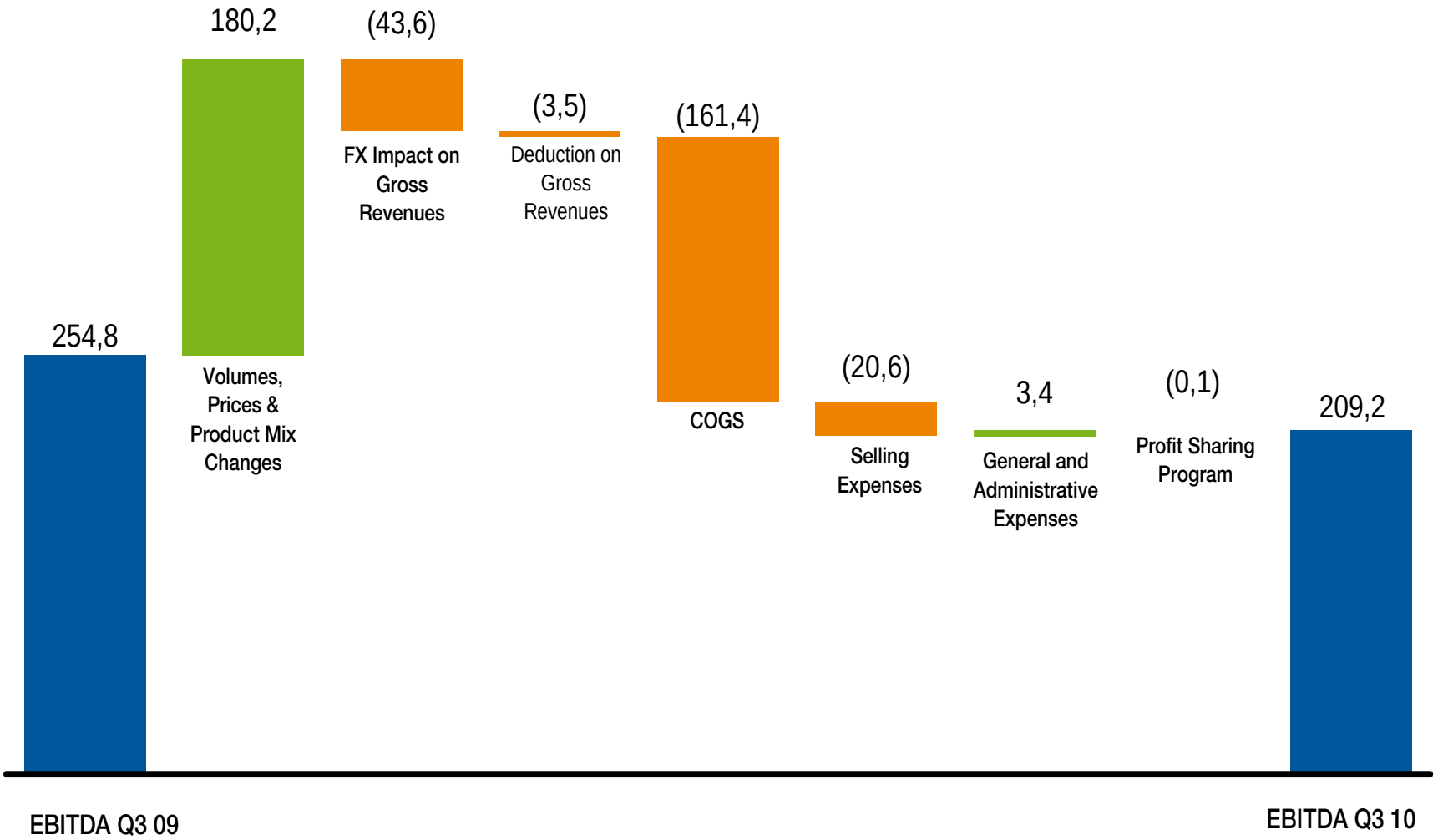


Cost of Goods Sold



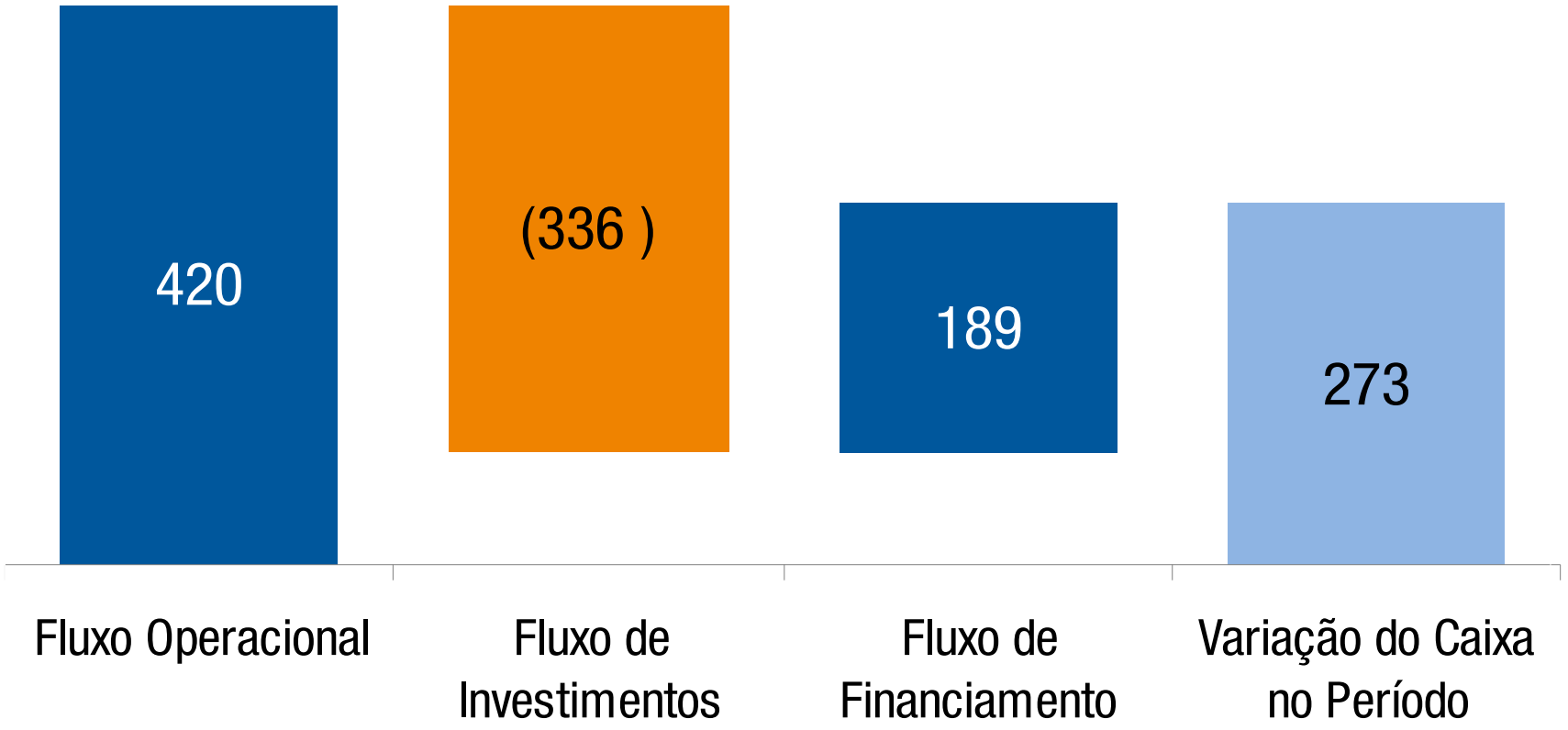


Main changes on EBITDA



Cash Flows

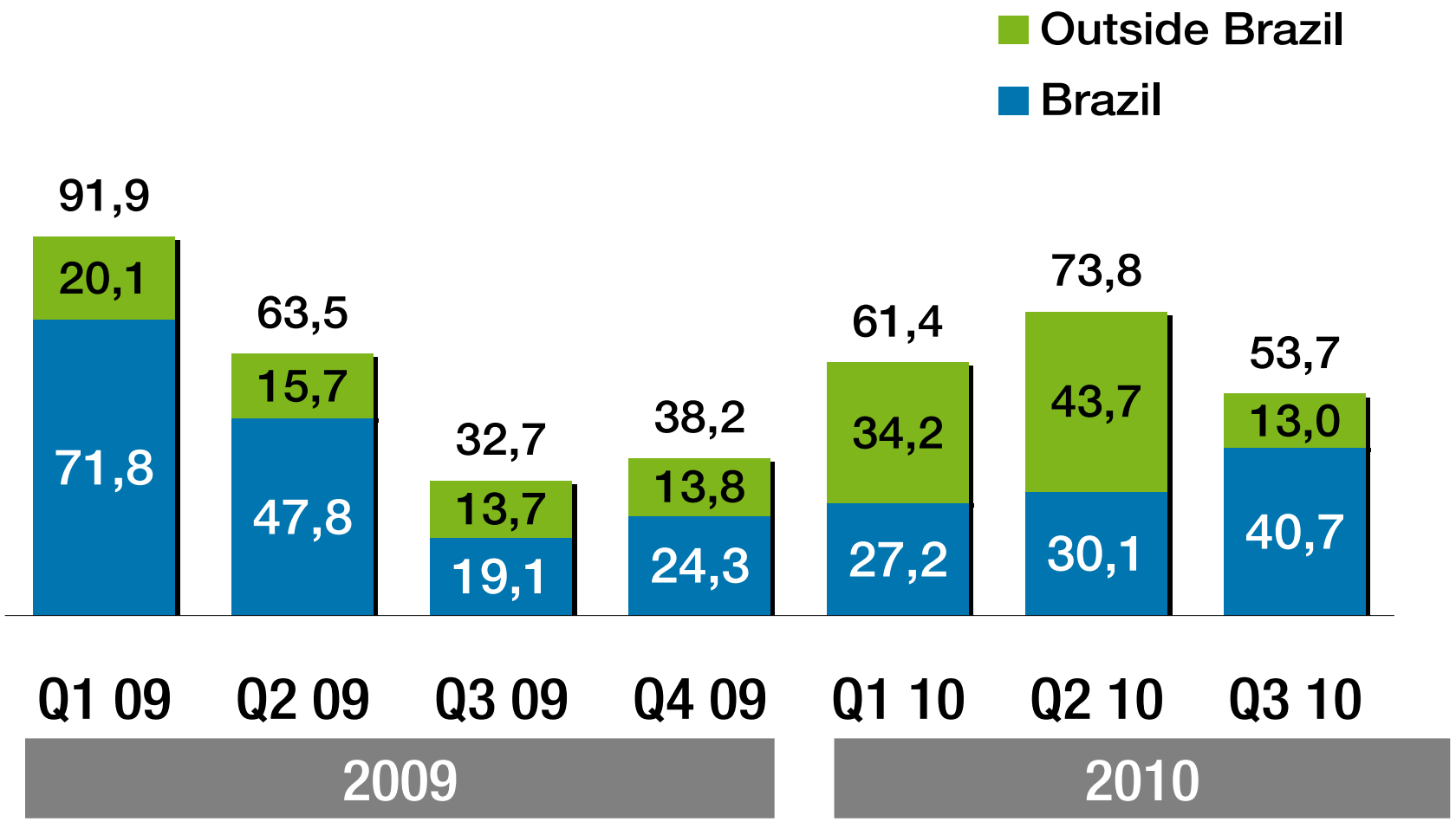
Accumulated 9 months 2010



Financing Policies

	September 2010	December 2009	September 2009
CASH & EQUIVALENT	**2.399.773**	**2.127.117**	**2.003.241**
- Current	2.399.773	2.127.117	2.003.241
- Long Term	-	-	-
DEBT	**2.345.147**	**1.872.533**	**1.932.624**
- Current	841.311	895.885	943.532
- Long Term	1.503.836	976.648	989.092
NET CASH (DEBT)	**54.626**	**254.584**	**70.617**

Capacity Expansion Investments



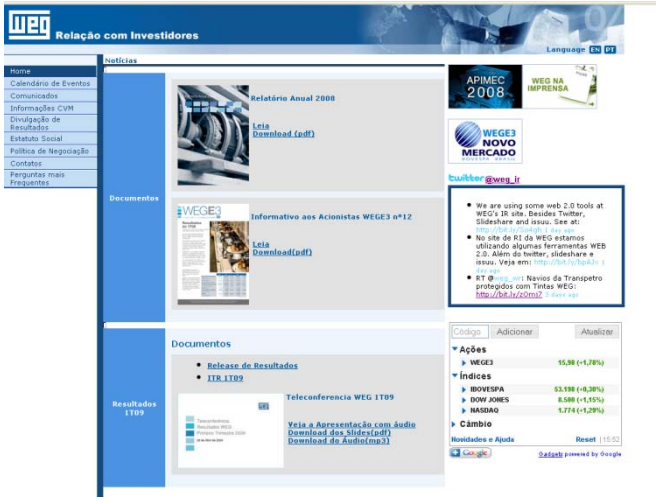
Contacts

- Laurence Beltrão Gomes
  IRO
  laurence@weg.net

- Luís Fernando M. Oliveira
  Investor Relations Manager
  +55 (47) 3276-6973
  luisfernando@weg.net
  MSN Messenger
  luisfernando@weg.com.br

- Daniel Segalin
  Investor Relations Analyst
  +55 (47) 3276-6106
  ri@weg.net

www.weg.net/ir



twitter.com/weg_ir

