

## WEG announces acquisition of a controlling stake on TGM, a Brazilian manufacturer of turbines and transmissions

Jaraguá do Sul, December 15, 2016 - WEG S.A. (Bovespa: WEGE3 / OTC: WEGZY) announced the acquisition of a controlling stake on TGM Indústria e Comércio de Turbinas e Transmissões Ltda. ("TGM"), a Brazilian manufacturer of turbines and transmissions with headquarters in Sertãozinho, State of São Paulo, Brazil.

Founded in 1991, TGM is a leading Brazilian provider of solutions and equipment for power generators drivers, focusing on thermal and wind renewable energy, from the initial viability studies to the complete plant operation, including systems studies and industrial energy planning. It also provides equipment for mechanical drives, like hoods, fans, shredders, water pumps, mills, sugar cane levelers, turbo chargers, turbo blowers and a specific line for industrial processes.

In addition to the Sertãozinho headquarters, which occupies an area of 70,000 square meters, the TGM also has units in Maceio (AL), São José dos Campos (SP) and Nuremberg, Germany, employing around 1,000 people. Net revenue in 2015 were of approximately R\$ 238 million.

According to Mr. Eduardo de Nóbrega, WEG Energy Managing Director, the TGM acquisition will expand WEG's product line in thermal generation and other industrial segments. "We will offer complete solutions that will be more competitive and more attractive. In addition, TGM has an important presence in the external market, which strengthens our position as a global company," he explains.

The transaction is subject to certain conditions and to the approval from the competition authorities.