(Convenience Translation into English from the Original Previously Issued in Portuguese)

Indústrias Romi S.A.

Condensed Consolidated Financial Statements for the Quarter Ended March 31, 2009 and Independent Accountants' Review Report

Deloitte Touche Tohmatsu Auditores Independentes

Deloitte.

Deloitte Touche Tohmatsu
Av. Dr. José Bonifácio Coutinho
Nogueira, 150 - 5° - Sala 502
13091-611 - Campinas - SP
Brasil

Tel: +55 (19) 3707-3000
Fax: +55 (19) 3707-3001
www.deloitte.com.br

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Shareholders, Board of Directors and Management of
Indústrias Romi S.A.
Santa Bárbara D'Oeste - SP

1. We have reviewed the interim condensed consolidated financial statements of Romi S.A. ("Company") and subsidiaries for the quarter ended March 31, 2009, all expressed in Brazilian reais and prepared under the responsibility of the Company's management, comprising the condensed consolidated balance sheet as of March 31, 2009, and the condensed consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for quarters then ended March 31, 2009 and 2008, and the related notes and Management report.

2. Our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), together with the Brazilian Federal Accounting Council (CFC), and consisted, principally, of: (a) inquiries of and discussions with certain officials of the Company and its subsidiaries who have responsibility for accounting, financial and operating matters about the main criteria adopted in the preparation of the interim condensed consolidated financial statements; and (b) review of the information and subsequent events that had or might have had material effects on the financial position and results of operations of the Company and its subsidiaries.

3. Based on our review, we are not aware of any material modifications that should be made to the accounting information included in the interim condensed consolidated financial statements referred to in paragraph 1 for them to be in conformity with International Accounting Standard (IAS) 34, Interim Financial Statements, issued by the International Accounting Standards Board (IASB).

4. Brazilian accounting practices differ, in certain material respects, from IFRSs issued by the International Accounting Standards Board (IASB). Information related to the nature and effect of these differences is presented in note 4 to the condensed consolidated interim financial statements.

5. We had previously audited the consolidated balance sheet as of December 31, 2008, prepared under the international financial reporting standards issued by IASB, and issued an unqualified report thereon, dated February 17, 2009.

6. The accompanying condensed consolidated interim financial statements have been translated into English for the convenience of readers outside Brazil.

Campinas, April 28, 2009

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Walbert Antonio dos Santos
Engagement Partner

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDÚSTRIAS ROMI S.A. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2009 AND DECEMBER 31, 2008
(In thousands of Brazilian reais - R$)
(Reviewed by independent accountants to the extent described in the report dated April 28, 2009)

ASSETS	Note	2009	2008
CURRENT ASSETS			
Cash and cash equivalents	5	73,257	135,224
Temporary cash investments:			
Trading securities	5	42,141	53,721
Trade accounts receivable	6	44,459	79,591
Onlending of FINAME manufacturer financing	7	328,550	306,892
Inventories	8	303,867	285,344
Recoverable taxes	9	19,563	17,742
Other receivables		7,776	7,247
Total current assets		819,613	885,761
NONCURRENT ASSETS			
Long-term assets:			
Trade accounts receivable	6	2,884	3,700
Onlending of FINAME manufacturer financing	7	432,960	479,371
Recoverable taxes	9	19,154	18,245
Deferred income and social contribution taxes	19	16,434	12,731
Escrow deposits	16	14,739	13,803
Other receivables		6,445	6,634
Property, plant and equipment, net	10	279,838	256,340
Intangible assets		4,538	2,843
Goodwill		1,496	1,496
Total noncurrent assets		778,488	795,163
TOTAL ASSETS		1,598,101	1,680,924

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	2009	2008
CURRENT LIABILITIES			
Loans and financing	11	32,489	28,503
FINAME manufacturer financing	12	281,374	270,028
Trade accounts payable		25,995	31,136
Payroll and related charges	14	23,406	33,845
Taxes payable	15	1,762	7,357
Advances from customers		9,281	14,082
Dividends interest on capital		3,780	11,777
Profit sharing		900	4,500
Other payables		14,393	15,160
Total current liabilities		393,380	416,388
NONCURRENT LIABILITIES			
Loans and financing	11	67,292	70,957
FINAME manufacturer financing	12	419,678	453,323
Reserve for contingencies	16	16,931	15,876
Deferred income and social contribution taxes on negative goodwill	19	7,947	7,947
Taxes payable	15	3,578	3,578
Other payables		6,687	9,626
Total noncurrent liabilities		522,113	561,307
SHAREHOLDERS' EQUITY			
Capital		505,764	505,764
Capital reserve		2,209	2,209
Profit reserve		176,880	187,071
Cumulative foreign currency translation adjustments		3,767	5,649
Retained loss		(7,576)	-
Shareholders' equity of controlling		681,044	700,693
NON-CONTROLLING INTERESTS		1,564	2,536
TOTAL SHAREHOLDERS' EQUITY AND NON-CONTROLLING INTERESTS		682,608	703,229
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,598,101	1,680,924

The accompanying notes are an integral part of these condensed consolidated financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDÚSTRIAS ROMI S.A. AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE QUARTERS ENDED MARCH 31, 2009 AND 2008
(In thousands of Brazilian reais - R$)
(Reviewed by independent accountants to the extent described in the report dated April 28, 2009)

	Note	2009	2008
NET OPERATING REVENUE		75,769	152,856
COST OF SALES	24	(50,476)	(91,724)
GROSS PROFIT		25,293	61,132
OPERATING INCOME (EXPENSES)			
Selling expenses	24	(13,718)	(14,180)
General and administrative expenses	24	(17,251)	(12,164)
Research and development expenses	24	(6,736)	(6,624)
Management profit sharing and compensation	24	(1,857)	(3,410)
Tax expenses	24	(503)	(773)
Other operating income	24	15	859
Total		(40,050)	(36,292)
(LOSS) INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME		(14,757)	24,840
Financial income	25	7,023	8,048
Financial expenses	25	(1,987)	(1,454)
Changes in foreign exchange rates, net		(1,059)	376
		3,977	6,970
(LOSS) INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES		(10,780)	31,810
INCOME TAX AND SOCIAL CONTRIBUTION	19	2,942	(5,874)
Current		(761)	(7,428)
Deferred		3,703	1,554
NET(LOSS)INCOME		(7,838)	25,936
COMPREHENSIVE (LOSS) INCOME			
Currency translation of foreign investments		(1,882)	116
NET COMPREHENSIVE (LOSS) INCOME		(9,720)	26,052
NET (LOSS) INCOME ATTRIBUTED TO:			
Owners of the parent		(7,576)	25,736
Non-controlling interests		(262)	200
		(7,838)	25,936
NET COMPREHENSIVE (LOSS) INCOME ATTRIBUTED TO:			
Owners of the parent		(9,458)	25,852
Non-controlling interests		(262)	200
		(9,720)	26,052
Basic and diluted (loss) earnings per share - R$	18	(0.099)	0.327

The accompanying notes are an integral part of these condensed consolidated financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDÚSTRIAS ROMI S.A. AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY FOR
THE QUARTERS ENDED MARCH 31, 2009 AND 2008
(In thousands of Brazilian reais - R$)
(Reviewed by independent accountants to the extent described in the report dated April 28, 2009)

		Attributable to shareholders' interest									
				Profit reserve							
	Note	Capital	Capital reserve	Profit reserve	Legal reserve	Total	Cumulative foreign currency translation adjustments	Retained earnings	Shareholders' equity of controlling	Minority interest	Total
BALANCES AS OF DECEMBER 31, 2007		505,764	2,209	86,062	31,185	117,247	(968)	-	624,252	1,871	626,123
Net income		-	-	-	-	-	116	25,736	25,852	200	26,052
Allocations:											
Interest on capital - Law 9249/95		-	-	-	-	-	-	(9,427)	(9,427)	-	(9,427)
BALANCES AS OF MARCH 31, 2008		505,764	2,209	86,062	31,185	117,247	(852)	16,309	640,677	2,071	642,748
BALANCES AS OF DECEMBER 31, 2008		505,764	2,209	150,238	36,833	187,071	5,649	-	700,693	2,536	703,229
Net income		-	-	-	-	-	(1,882)	(7,576)	(9,458)	(262)	(9,720)
Repurchase of shares	18	-	-	(10,191)	-	(10,191)	-	-	(10,191)	-	(10,191)
Allocations:											
Interest on capital - Law No. 9249/95	18	-	-	-	-	-	-	-	-	(710)	(710)
BALANCES AS OF MARCH 31, 2009		505,764	2,209	140,047	36,833	176,880	3,767	(7,576)	681,044	1,564	682,608

The accompanying notes are an integral part of these condensed consolidated financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDÚSTRIAS ROMI S.A. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE
QUARTERS ENDED MARCH 31, 2009 AND 2008
(In thousands of Brazilian reais - R$)
(Reviewed by independent accountants to the extent described in the report dated April 28, 2009)

	Note	2009	2008
Cash flows from operating activities:			
Net (loss) income		(7,838)	25,936
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:			
Current and deferred income and social contribution taxes	19	(2,942)	(1,554)
Depreciation		4,829	3,486
Allowance for doubtful accounts		759	139
Gain on sale of property, plant and equipment		124	(887)
Financial expenses		(626)	1,235
Provision for inventory losses		1,215	686
Reserve for contingencies, net		119	(202)
Increase (decrease) in assets:			
Temporary cash investments in trading securities		11,579	(16,252)
Trade accounts receivable		35,419	4,783
Onlending of FINAME manufacturer financing		24,753	(29,324)
Inventories		(21,229)	(14,959)
Recoverable taxes, net		(6,707)	(617)
Other receivables		(638)	(2,820)
Increase (decrease) in liabilities:			
Trade accounts payable		(4,973)	(502)
Payroll and related charges		(10,365)	(12,013)
Taxes payable		(1,673)	5,607
Advances from customers		(4,755)	708
Other payables		(3,662)	151
Cash provided by (used in) operating activities		13,389	(36,399)
Income taxes paid		(937)	(1,936)
Interests paid		(1,860)	(1,205)
Net cash provided by (used in) operating activities		10,592	(39,540)
Cash flows from investing activities:			
Purchase of property, plant and equipment		(29,205)	(8,299)
Sale of property, plant and equipment		-	1,010
Increase in intangible assets		(695)	-
Acquisition of investment in subsidiary, net of cash balance acquired		-	(1,911)
Net cash provided by (used in) investing activities		(29,900)	(9,200)
Cash flows from financing activities:			
Interest on capital and dividends paid		(12,307)	(4,201)
New loans and financing		6,912	14,343
Payments of loans and financing		(5,802)	(12,864)
Increase in FINAME manufacturer financing	12	40,922	96,694
Payment of FINAME manufacturer financing	12	(63,224)	(46,807)
Repurchase of shares	17	(10,191)	-
Net cash provided by (used in) financing activities		(43,690)	47,165
Decrease in cash and cash equivalents and temporary cash investments		(62,998)	(1,575)
Exchange variation on cash balance of foreign subsidiaries		1,031	-
Cash and cash equivalents and temporary cash investments - beginning of period		135,224	189,010
Cash and cash equivalents and temporary cash investments - end of period		73,257	187,435

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. GENERAL INFORMATION

Indústrias Romi S.A. (the “Company”) is engaged in the manufacture and sale of machine tools, metal cutting machines, plastic injection molding machines, industrial equipment and accessories, tools, castings and parts in general, IT equipment and peripherals, systems analysis and development of data processing software related to the production, sale, and use of machine tools and plastic injectors, manufacturing and sale of rough cast parts and machined cast parts, export and import, representation on own account or for the account of third parties, and provision of related services, as well as holding interests in other commercial or civil companies, as partner or shareholder, and the management of own and/or third-party assets. The Company’s industrial facilities consist of eleven plants divided into three units located in the city of Santa Bárbara d’Oeste, in the State of São Paulo and two in the state of Turin, Italy. The Company also holds equity interests in subsidiaries in Brazil and abroad, as described in Note 3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

The condensed consolidated interim financial statements for the quarter ended March 31, 2009 have been prepared in conformity with to IAS 34, Interim Financial Statements. The condensed consolidated interim financial statements should be read together with the consolidated financial statements for the year ended December 31, 2008, which have been prepared in conformity with the international financial reporting standards issued by the International Accounting Standards Board (IASB).

Except as explained below, the accounting policies adopted for the condensed consolidated interim financial statements are consistent with the accounting practices adopted and disclosed in the consolidated financial statements for the year ended December 31, 2008.

The following new standards and amendments thereto are mandatory for the first time in annual reporting periods starting on or after January 1, 2009:

- IAS 1 (revised), Presentation of Financial Statements. The revised standard forbids the presentation of income and expense items (changes in shareholders' equity not attributed to owners) in the statement of changes in equity; such items are to be reported in a separate component from changes in shareholders' equity not attributed to owners.

  Entities may elect one of two forms of presentation - a comprehensive income statement or an income statement and a comprehensive income statement.

  The Company elected to present a comprehensive income (loss) statement. The condensed consolidated interim financial statements for the quarter have been prepared according to the revised disclosure requirements.

- IFRS 8, Operating Segments. An entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. The operating segments presented are consistent with the financial information and reporting reviewed by the chief executive officer or group of executive responsible for the entities operating decision-making on the resources to allocate to the segment and assess its performance.

  The adoption of IFRS 8 did not result in changes in the operating segments reported in the past under IAS 14.

The following new standards, amendments or interpretations are mandatory for the first time for annual reporting periods starting on or after January 1, 2009:

- IAS 23 (amended), Borrowing Costs.

- IFRS 2 (amended), Share-based Payment.

- IAS 32 (amended), Financial Instruments: Presentation.

- IFRIC 13, Customer Loyalty Programmes.

- IFRIC 15, Agreements for the Construction of Real Estate.

- IFRIC 16, Hedges of a Net Investment in a Foreign Operation.

- IAS 39 (amended), Financial Instruments: Recognition and Measurement.

The following new pronouncements, amendments and interpretations were issued but are not effective for the annual reporting periods starting on or after January 1, 2009 and have been adopted early by the Company:

- IFRS 3 (amended), Business Combinations, and consequent amendments to IAS 27, Consolidated and Separate Financial Statements, IAS 28, Investments in Associates, and IAS 31, Interest in Joint Ventures, effective for business combinations whose acquisition date occurred on or after the beginning of the first annual reporting period starting on or after July 1, 2009. The Company's management is analyzing the impact of new requirements related to the recognition of acquisitions, consolidation and associates in the group;

- IFRIC 17, Distributions of Non-cash Assets to Owners. Effective for annual reporting periods starting on or after July 1, 2009. Currently, this interpretation does not apply to the Company.

- IFRIC 18, Transfers of Assets from Customers. Effective for annual reporting periods starting on or after July 1, 2009. Currently, this interpretation does not apply to the Company.

3. CONSOLIDATED FINANCIAL STATEMENTS

3.1. The following practices were adopted in the preparation of the condensed consolidated financial statements:

3.1.1. Subsidiaries

The Company fully condensed and consolidated the financial statements of all its subsidiaries. There is control when the Company holds, directly or indirectly, most of the voting rights at the Shareholders' Meeting or has the power to determine the financial and operational policies, to obtain benefits from its activities.

Subsidiary		Country	Main activity
Rominor - Comércio, Empreendimentos e Participações S.A. ("Rominor")		Brazil	Ventures and equity interests in general
Romi Machine Tools, Ltd. ("Romi Machine Tools")		United States of America	Distribution of machine tools and cast and machined products in North America
Interocean Comercial Importadora e Exportadora S.A. ("Interocean")		Brazil	Trading company, not operating in the reporting periods
Favel S.A. ("Favel")		Uruguay	Sales representation for Latin America
Romi Europa GmbH ("Romi Europe")		Germany	Technical assistance and support to dealers in Europe, Asia, Africa, and Oceania
Romi Itália S.R.l. (Romi Italy)	(a)	Italy	Development, design, production and sale, distribution, import and export of machinery and equipment for processing of plastic raw materials
Subsidiaries of Romi Italy	(a)		
Sandretto UK Ltd.		United Kingdom	Distribution of plastic molding machines and spare part services
Sandretto Industries S.A.S.		France	
Metalmecanica Plast B.V.		Netherlands	
Italprensas Sandretto S.A.		Spain	

(a) Limited liability company established on May 22, 2008 with a capital of € 300,000 fully subscribed by the single partner Romi Europa. On July 24, 2008 Romi Italia acquired, through its parent at the time Romi Europa, from Sandretto Industrie S.r.l. ("Sandretto Italia") the ownership interests in the subsidiaries above and the corporate group consisting of the assets and rights and two plants located in the region of Turin, Italy.

The acquisition of ownership interests from Sandretto Italia generated a gain of € 7,822,000 (equivalent to R$ 19,316 as translated at the buy exchange rate of the acquisition date) because the amount paid was lower that the fair value of the subsidiaries' acquired assets and assumed liabilities, according to the effect presented in note 4 from the reconciliation of BRGAAP shareholders' equity and IFRS shareholders' equity.

As of March 31, 2009, the Company records under line account "Other payables", in current and noncurrent liabilities, the remaining balance of € 3,325,000.00 (equivalent to R$ 10,230), related to the acquisition price that will be paid in three semiannual installments of € 1,125,000.00 (equivalent to R$ 3,461), with the next installment falling due in: July 2009. This balance is adjusted at the rate of 3% p.a., as determined in the agreement.

The Company has not yet completed the measurement at fair value of assets and liabilities assumed and, as allowed by IFRS 3, the Company has up to one year from the acquisition date to record the final adjustments to determine the fair value. Accordingly, the amounts presented above may differ from the final amounts. The Company expects to complete the fair value analysis by the end of the second quarter of 2009.

On acquisition date the corporate group of the Sandretto Italia's subsidiaries were under Extraordinary Management, and the presentation of pro forma consolidated net income for the period as if the acquisition had taken place on January 1, 2008 was unfeasible due to the following factors that rendered the reading of pro forma financial statements as the financial statements of a going concern:

- The acquisition of the Sandretto Itália industrial group, comprised of tangible and intangible assets, does not provide the necessary information for the preparation of a performance report.

- Sandretto Italia and its subsidiaries were under Extraordinary Administration, i.e., their income and expenses did not reflect the income and expenses of a going concern.

Net revenue and loss of this subsidiary considered in the condensed consolidated statement of income for the quarter ended March 31, 2009 are R$ 6,915 and R$ 3,267, respectively.

The table below shows the main captions of the balance sheets as of March 31, 2009 and December 31, 2008 and statements of income for the first quarter ended March 31, 2009 and 2008 of the consolidated operating subsidiaries. The financial statements of the subsidiaries Interocean, Romi Europa andFavel are not presented because of the immateriality of the balances:

	Romi Europe and Subsidiaries		Rominor		Romi Machine Tools	
	3/31/2009	12/31/2008	3/31/2009	12/31/2008	3/31/2009	12/31/2008
Assets						
Current	60,471	57,348	37,822	34,044	16,472	19,606
Noncurrent	19,470	20,317	6,443	6,461	486	522
Total assets	79,941	77,665	44,265	40,505	16,958	20,128
Liabilities						
Current	40,730	28,111	21,697	3,922	17,339	19,788
Noncurrent	10,422	45,512	-	-	141	158
Shareholders' equity	28,789	4,042	22,568	36,583	(522)	182
Total liabilities and shareholders' equity	79,941	77,665	44,265	40,505	16,958	20,128
	3/31/2009	3/31/2008 (*)	3/31/2009	3/31/2008	3/31/2009	3/31/2008
Net operating revenue	6,915	-	3,653	3,584	3,212	4,216
Gross profit	(3,257)	-	3,635	3,584	315	585
Income (loss) from operations	(3,262)	-	4,523	3,454	(699)	(204)
Income (loss) before taxes	(3,262)	-	4,523	3,454	(699)	(199)
Net income (loss)	(3,267)	-	3,766	2,876	(699)	(199)

(*) Subsidiary Romi Italia was established on May 22, 2008, the reason why we do not present the balances for the quarter ended March 31, 2008.

Intercompany balances and transactions have been eliminated in consolidation using the following main procedures:

a) Elimination of intercompany balances.

b) Elimination of intercompany inventory profits, when material.

c) Elimination of the Company's investments with the subsidiaries' capital, reserves and retained earnings balances.

d) Elimination of intercompany transactions.

e) Recording of minority interest in a separate caption in the consolidated financial statements.

4. RECONCILIATION BETWEEN IFRS AND BRGAAP

The company filed the Information Quarterly or consolidated, prepared in accordance with accounting practices adopted in Brazil (BRGAAP) and therefore below presents the reconciliation of the main differences between the IFRS and BRGAAP that affect the Company's shareholders equity for the first quarter ended March 31, 2009 and December 31, 2008. The income statement for the quarter ended March 31, 2009 and 2008 does not show any difference between IFRS and BRGAAP.

SHAREHOLDERS' EQUITY RECONCILIATION - BRGAAP X IFRS AS OF MARCH 31, 2009

		3/31/2009	3/31/2008
Shareholders' equity under BRGAAP		660,728	679,243
Adjustments under IFRS:			
Reversal of negative goodwill of subsidiary Rominor	(a)	4,199	4,199
Recognition in net income of the gain obtained in a foreign subsidiary as a result of the acquisition of subsidiaries	(b)	19,316	19,316
Deferred income tax and social contribution on adjustments above	(a) (b)	(7,947)	(7,947)
Foreign currency translation adjustments	(b)	4,748	5,882
Participation of owners of the Parent		681,044	700,693
Non Controlling interests		1,564	2,536
Shareholders' equity		682,608	703,229

(a) Negative goodwill on business acquisition: Under IFRS 3, differently from BRGAAP, there is no provision for maintenance of the negative goodwill arising from the acquisition of its subsidiary Rominor in 1992, in view of the investment acquisition value being lower than the book value. Therefore, such amount was adjusted, net of taxes, to the shareholders' equity as of January 1, 2006.

(b) Refers to gain on preliminarily determined fair value in excess of book value of assets acquired and liabilities assumed in relation to the purchase price.

5. CASH AND CASH EQUIVALENTS AND TITLES HELD FOR TRADING

Cash and cash equivalents include cash, banks and short-term, highly liquid investments with original maturities of 90 days or less and low risk of variation in market value.

	3/31/2009	12/31/2008
Cash	11,051	15,635
Bank certificates of deposits (CDB)	33,638	75,891
Short-term investments backed by debentures	26,356	39,242
Treasury bills (LFT)	-	2,818
Other	2,212	1,638
Cash and cash equivalents (a)	73,257	135,224
Bank certificates of deposits (CDB)	25,108	46,055
Short-term investments backed by debentures	16,540	7,666
Treasury bills (LFT)	493	-
Total titles held for trading (b)	42,141	53,721

a) Short-term investments are conducted with prime financial institutions to minimize credit risk; this policy was adopted by the Company for the management of these financial assets. Profitability of these assets is substantially related to CDI (interbank deposit rate).

b) Short-term investments recorded as titles held for trading are conducted with prime financial institutions to minimize credit risk; this policy was adopted by the Company to manage these financial assets. Profitability of these assets is substantially related to CDI (interbank deposit rate), with a grace period of 120 days.

6. TRADE ACCOUNTS RECEIVABLE

	3/31/2009	12/31/2008
Current assets:		
Domestic customers	24,546	38,168
Foreign customers	23,258	44,075
Allowance for doubtful accounts	(3,345)	(2,652)
	44,459	79,591
Noncurrent assets:		
Domestic customers	541	1,233
Foreign customers	2,343	2,467
	2,884	3,700

The Company’s maximum exposure to credit risk is the amount shown above, net of allowance for doubtful accounts.

The credit risk of trade receivables arises from the possibility that the Company does not receive the amounts resulting from sales transactions. To mitigate this risk, the Company adopts the procedure of analyzing in detail the financial position of its customers, establishing a credit limit and constantly monitoring their balances. The allowance for doubtful accounts is calculated based on a risk assessment, which considers historical losses, customers’ financial position and the financial position of the economic group to which they belong, guarantees and legal counsel’s opinion, and is considered sufficient to cover any losses on accounts receivable.

The Company has R$ 12,648 as of March 31, 2009 (R$ 11,983 as of December 31, 2008) in sale financing transactions with its customers. In these transactions the Company is jointly liable for the financing repayment. In the event of the customer's default, the Company is liable for the payment and the equipment pledged to the financial institution is transferred to the Company. The balance of trade accounts receivable is presented net of sale financing transactions.

The balance of trade accounts receivable from domestic customers as of March 31, 2009 and December 31, 2008 is as follows:

	3/31/2009	12/31/2008
Current	14,073	22,294
Past-due:		
1 to 30 days	3,257	8,097
31 to 60 days	1,216	2,264
61 to 90 days	471	411
91 to 180 days	1,481	571
181 to 360 days	2,041	3,895
Over 360 days	2,007	636
Total past-due	10,473	15,874
Total trade accounts receivable	24,546	38,168

The balance of trade accounts receivable from foreign customers as of March 31, 2009 and December 31, 2008 is as follows:

	3/31/2009	12/31/2008
Current	15,600	36,226
Past-due:		
1 to 30 days	3,837	4,756
31 to 60 days	526	424
61 to 90 days	1,040	664
91 to 180 days	1,000	1,173
181 to 360 days	269	482
Over 360 days	986	350
Total past-due	7,658	7,849
Total trade accounts receivable	23,258	44,075

The changes in the allowance for doubtful accounts are as follows:

Balance as of December 31, 2008	2,652
Receivables accrued in the year	746
Receivables definitively written off	(53)
Balance as of March 31, 2009	3,345

7. ONLENDING OF FINAME MANUFACTURER FINANCING

		3/31/2009	12/31/2008
Current assets:			
FINAME falling due		294,291	279,968
FINAME awaiting release	(a)	1,819	4,427
FINAME past-due	(b)	32,440	22,497
		328,550	306,892
Noncurrent assets:			
FINAME awaiting release	(a)	420,229	452,807
FINAME falling due		12,731	26,564
		432,960	479,371
Total		761,510	786,263

Onlending of FINAME manufacturer financing arises from sales to customers that will be financed by funds obtained by the Company from the FINAME (National Equipment Financing Authority) (see note 12).

FINAME manufacturer financing refers to financing linked to sale operations, with maturities of up to 60 months, grace period of up to 12 months and interest of 4% to 5.8% per year + TJLP (Brazilian long-term interest rate), and these terms and conditions are established by the BNDES (National Bank for Economic and Social Development), according to the customer's characteristics. After identifying the customer and the sale and defining the customer's eligibility under BNDES Circular 195, of July 28, 2006, the BNDES, through a financial institution, releases the funds, under an agreement in the name of the Company and acceptance by the customer that will receive the financing. The amounts, terms and interest of the financing are fully reflected in the amounts receivable by the Company to be transferred to the financial institution. The Company had retention of title to the financed equipment.

Onlending of FINAME manufacturer financing is as follows:

a) FINAME awaiting release: Refers to FINAME manufacturer financing transactions that have already been qualified and approved by the parties, including preparation of documentation, issuance of the sales invoice, and delivery of the products to the customer. As of the financial statement dates, the financial institution had not deposited the related funds in the Company's checking account because of the usual operating times of the financial institution.

b) FINAME past-due: Refers to receivables not settled by the customers by the due date, considering the financial statement dates. The Company did not recognize an allowance for possible losses on the realization of this balance due to the retention of title to the machinery sold (collateral). The Company believes that in case of customer's default the value of the machinery would be sufficient to cover the total amount due by the customer.

As of March 31, 2009 and December 31, 2008, the individual and consolidated balances of “Onlending of FINAME manufacturer financing” are as follows:

	3/31/2009	12/31/2008
Current	296,110	284,394
Past-due:		
1 to 30 days	7,126	5,536
31 to 60 days	4,938	2,941
61 to 90 days	3,514	2,339
91 to 180 days	6,847	4,249
181 to 360 days	5,605	3,815
Over 360 days	4,410	3,617
	32,440	22,498
Total Current	328,550	306,892
2010	172,054	121,679
2011	144,529	197,769
2012	79,318	109,575
2013	27,792	41,870
2013 thereafter	9,267	8,478
Total noncurrent	432,960	479,371
Total	761,510	786,263

8. INVENTORIES

	3/31/2009	12/31/2008
Finished products	120,806	93,274
Work in process	92,722	92,996
Raw materials and components	88,462	91,336
Imports in transit	1,877	7,738
	303,867	285,344

Inventory balance is net of the amount of R$ 16,699 (R$ 15,484 as of December 31, 2008) of the provision for the realization of inventories of slow-moving materials and components with remote probability of being realized through sale or use.

Changes in the allowance for inventory losses and the adjustment to net realizable value, Company and consolidated, are as follows:

Balance as of December 31, 2008	15,484
Inventories permanently written off	(452)
Allowance recognized	1,667
Balance as of March 31, 2009	16,699

9. RECOVERABLE TAXES

	03/31/2009	12/31/2008
Current assets:		
IRRF (withholding income tax) on temporary cash investments	2,082	1,303
IPI (federal VAT), PIS and COFINS (taxes on revenue)	4,165	4,025
ICMS (state VAT) on property, plant and equipment items	5,566	5,545
PIS and COFINS on property, plant and equipment items	5,687	4,978
Taxes on recoverable income of subsidiaries	1,946	1,891
Other	117	-
Total	19,563	17,742
Noncurrent assets:		
PIS and COFINS on property, plant and equipment items	8,802	8,176
ICMS on property, plant and equipment items	6,490	6,006
Taxes on recoverable income of subsidiaries	3,862	4,063
Total	19,154	18,245

Recoverable taxes arise from business and financial transactions carried out by the Company and its subsidiaries and are realizable in the normal course of operations.

Expected realization of noncurrent receivables as of March 31, 2009, Company and consolidated, is as follows:

2010	7,626
2011	5,197
2012	3,683
2013	943
2014	1,705
Total	19,154

10. PROPERTY, PLANT AND EQUIPMENT

	3/31/2009			12/31/2008
	Cost	Accumulated Depreciation	Net	Net
Buildings and yards	134,682	(26,793)	107,899	69,882
Machinery and equipment	170,473	(96,799)	73,674	68,781
Furniture and fixtures	9,044	(5,884)	3,160	3,232
Information technology	19,112	(11,033)	8,079	7,473
Vehicles	3,592	(2,204)	1,388	808
Land	28,462	-	26,528	28,754
Constructions in progress	54,662	-	54,662	73,623
Advances to suppliers	2,524	-	2,524	3,787
Total	422,551	(142,713)	279,838	256,340

In view of the financing agreements with the BNDES for investment in property, plant and equipment, approximately R$ 59,837 as of March 31, 2009 (R$ 60,959 as of December 31, 2008) of property, plant and equipment items is pledged as collateral. These items are fully represented by machinery and equipment.

During the first quarter of 2009, the Company capitalized financial charges in the amount of R$ 1,329 (R$ 108 as of December 31, 2008), recorded under the caption construction in progress.

a) Depreciation rates

The Company depreciates property, plant and equipment items under the straight-line method using the following depreciation rates:

	Depreciation rate (%)
Buildings	4
Machinery and equipment	10
Furniture and fixtures	10
Information technology	20
Vehicles	20
Yards	10

11. LOANS AND FINANCING

	Current		Noncurrent		Maturity	Amortization	Financial charges	Guarantees
	3/31/2009	12/31/2008	3/31/2009	12/31/2008			2008	
Export financing - US$	8,025	6,197	-	5,842	09/02/2010	Semiannual	0.80% per year + LIBOR + exchange variation	Promissory note/surety
Property, plant and equipment - local currency	12,312	10,185	51,957	54,909	15/09/2014	Monthly	Interest of 2% per year + TJLP, paid quarterly through May 2008 and monthly thereafter.	Financed machineryand property mortgage
FINAME sundry	5,453	4,769	13,085	7,188	15/05/2013	Monthly	Interest of 1,3% to 12,5% per year + TJLP, paid monthly together with amortization of principal	Financed machinery
Refinanced drafts	2,093	2,128	1,863	2,013	01/11/2010	Monthly	LIBOR + 1% spread	Customer collateral
Romi Machine Tools, Ltd. - Working capital - US$	57	56	141	158	30/06/2012	Semiannual	Interest of 6.31% to 6.39% per year + exchange variation	Promissory note/surety
Romi Itália and subsidiaries - Working capital - €	4,549	4,923	246	258	11/30/2012	Monthly	Interest over the base rate	Property, plant and equipment
J.A.C. - FINAME - R$	-	245	-	588	11/30/2012	annual	Interest of 1,3% to 12,5% per year + TJLP, paid monthly together with amortization of principal	Financed machinery
Total	32,489	28,503	67,292	70,957				

As of March 31, 2009, as collateral for the financing the Company pledged machinery and equipment with book value of R$ 59,837 (R$ 60,959 as of December 31, 2008) see note 10.

The maturities of financing recorded in noncurrent liabilities as of March 31, 2009 are as follows:

2010	14,922
2011	15,985
2012	15,353
2013	14,356
2014	6,676
Total	67,292

12. FINAME MANUFACTURER FINANCING

	09/30/2009	12/31/2008
Current liabilities:		
FINAME manufacturer financing	281,374	270,028
Noncurrent liabilities:		
FINAME manufacturer financing	419,678	453,323

FINAME manufacturer financing agreements are collateralized by promissory notes and sureties, and the main guarantor is the subsidiary Rominor. The balances of FINAME manufacturer financing are directly linked to the balances of "Onlending of FINAME manufacturer financing" (see Note 6), considering that financing transactions are directly linked to sales to specific customers. The amounts, charges and periods of the financing are fully transferred to the customers receiving the financing, and monthly receipts arising from the caption "Onlending of FINAME manufacturer financing" are fully used to repay the related financing agreements. Therefore, the Company is the transferor of the funds to the banks intermediating the financing transactions, although it remains as the principal debtor of this financing.

FINAME manufacturer financing obtained and transferred to customers have maturities of up to 60 months, with the option of a grace period of up to 12 months and interest of 4% to 5,8% per year + TJLP (Brazilian long-term interest rate), and these terms and conditions are established by the BNDES, according to the customer's characteristics. The balances of FINAME manufacturer financing and, consequently, the balances of Onlending of FINAME manufacturer financing (see Note 6) as of March 31, 2009 were monetarily adjusted through the financial statement date. The difference of R$ 60,458 as of March 31, 2009 (R$ 62,912 as of December 31, 2008) between the balance of Onlending of FINAME manufacturer financing and the balance of FINAME manufacturer financing refers to past-due trade notes, renegotiations in progress for past-due accounts and FINAME transactions not yet released by the financial institution. Management believes that there are no collection risks associated with these receivables because they are collateralized by the financed machinery.

The maturities of FINAME manufacturer financing recorded in noncurrent liabilities as of March 31, 2009 are as follows:

	Company and Consolidated
2010	181,687
2011	153,651
2012	67,516
2013	16,665
2014	158
Total	419,678

13. FINANCIAL INSTRUMENTS

a) Significant accounting policies:

The Company and its subsidiaries enter into transactions with financial instruments whose risks are managed by means of financial position strategies and exposure limit controls. All financial instruments are recorded in the accounting books and consist mainly of:

- Cash and cash equivalent and short-term investments: recognized at amortization cost plus income earned through the balance sheet date, which approximate their fair values;

- Trade accounts receivable: commented and presented in notes 6 and 7;

- Loans and financing: commented and presented in notes 11 and 12.

The Company believes that the other financial instruments, such as payables to related parties for the acquisition of subsidiaries, which are recognized in the consolidated financial statements at their carrying amounts, are substantially similar to those that would be obtained if they were traded in the market. However, because there is no active market for these instruments, differences could exist if they were settled in advance.

b) Risk factors that could affect the Company's business:

Price risk: this risk is related to the possibility of price fluctuations of products sold by the Company or raw materials and other inputs used in the production process. Sales revenues and the cost of sales affected by changes in the international prices of its products or raw materials may change. In order to minimize this risk, the Company constantly monitors price fluctuations in the domestic and international markets.

Interest rate risk: this risk arises from the possibility of losses (or gains) due to fluctuations in interest rates applicable to the assets/investments and liabilities of the Company. In order to minimize possible impacts resulting from interest rate fluctuations, the Company has alternated between fixed rates and variable rates, such as *Libor* and the interbank deposit rate (CDI) and periodically renegotiated their contracts to adjust them to the market.

Exchange rate risk: this risk arises from the possibility of fluctuations in exchange rates affecting financial expenses or income and the liability or asset balance of contracts denominated in a foreign currency. In addition to trade receivables arising from exports from Brazil and investments abroad, which form a natural hedge against currency fluctuations, the Company assesses its exchange exposure.

The Company has financial instruments indexed to the US dollar and the euro. Instruments exposed to exchange rate changes are represented by trade notes receivable, import and export financing, trade accounts payable and loan agreements with subsidiaries located in the United States and Europe. The Company's net exposure to the market risk factor and foreign exchange rate at the moment is as follows:

	Carrying amount		Fair value	
	3/30/2009	12/31/2008	3/30/2009	12/31/2008
Liabilities in foreign currency:				
Financing	(13,018)	(21,576)	(13,018)	(21,576)
Foreign suppliers	(4,603)	(5,731)	(4,603)	(5,731)
Payables (acquisition of subsidiaries)	(10,383)	(14,772)	(10,383)	(14,772)
Assets in foreign currency:				
Trade accounts receivables	23,258	44,075	23,258	44,075
Other	-	2,056	-	2,056
Net exposure	(4,746)	4,052	(4,746)	4,052

The fair value of all elements was measured under the discounted cash flow method based on the Central Bank Overnight Rate (Selic), considering the expected offsetting or realization of liabilities and assets and the market rates in effect on the date information was collected.

Credit risk: this risk arises from the possibility of the Company and its subsidiaries not receiving amounts arising from sales or investments at financial institutions. To mitigate this risk, the Company and its subsidiaries adopt the procedure of analyzing in detail the financial position of their customers, establishing a credit limit and constantly monitoring their balances. In addition, for all transactions of Finame Manufacturer a collateral is required from customers.

Short-term investments are made solely in prime financial institutions with low credit risk. Additionally, each financial institution has a maximum investment limit and balance, determined by the Company’s management.

Risk related to FINAME manufacturer financing transactions: Liabilities related to FINAME manufacturer financing transactions are backed by the balances of “Onlending of FINAME manufacturer financing”. In turn, the equipment related to these receivables is sold with retention of title by the Company to reduce the risk of loss.

Capital management risk: arises from the Company’s option to adopt a financing structure for its operations. The Company manages its equity structure, which consists of a ratio between financial debts and equity (shareholders' equity, retained earnings and profit reserves), based on internal policies and benchmarks.

Risks associated with short-term investments: The Company’s financial investments are basically those backed by CDBs, linked to the CDI, maintained with prime financial institutions and with high liquidity and market circulation.

Interest rate risk: this risk arises from the possibility that the Company incurs losses because of interest rate fluctuations that increase its interest expenses on loans and financing.

Foreign currency sensitivity analysis:

Exchange rate fluctuations may have positive or adverse effects arising from the increase or decrease in trade accounts payable to suppliers of imported materials, in trade accounts receivable from export customers, and in loans and financing, denominated in foreign currency, in particular the US dollar.

As of March 31, 2009, the balances denominated in foreign currency were subject to exchange rate changes. We estimate that a ten percent appreciation or depreciation in the exchange rate in relation to the local currency would have resulted in an expense or income of R$ 475. As of December 31, 2008, based on the same assumption, a ten percent appreciation or depreciation in the exchange rate in relation to the local currency would have resulted in an income or expense of R$ 405.

Interest rate sensitivity analysis:

Income from short-term investments and financial expenses arising from the Company’s loans and financing are impacted by interest rate variations, such as TJLP and CDI. As of March 31, 2009, an estimated ten percent increase or decrease in interest rates would increase or decrease financial income by R$ 110 (R$ 1,667 as of December 31, 2008). This amount was calculated considering the impact of hypothetical increases or decreases in interest rates on outstanding short-term investments and financing.

As the FINAME manufacturer financing is specially related to sales transactions (Trade accounts receivable - FINAME manufacturer financing) due to us, but whose interest rates, according to the rules of FINAME manufacturer financing, must be transferred to our customers, we understand that there is no financial impact on income arising from fluctuations in this financing interest rate.

c) Financial instruments per category

All asset financial instruments are classified as “available for sale”.

All liability financial instruments are classified as “other financial liabilities”.

Financial assets	3/31/2009	12/31/2008
Fair value:		
Titles held for trading	42,141	53,721
Loans and receivables:		
Cash and cash equivalents and short-term investments	73,257	135,224
Trade accounts receivables	44,459	79,591
Onlending of FINAME manufacturer financing	328,550	306,892
Trade accounts receivable - non current	2,884	3,700
Onlending FINAME manufacturer financing - non current	432,960	479,371
Escrow deposits	14,739	13,803

Financial liabilities	3/31/2009	12/31/2008
Other liabilities:		
Financing	32,489	28,503
FINAME manufacturer financing	281,374	270,028
Trade accounts payable	25,995	31,136
Other payables	14,393	15,160
Financing - non current	67,292	70,957
FINAME manufacturer financing - non current	419,678	453,323
Other payables - non current	6,687	9,626

14. PAYROLL AND RELATED CHARGES

	3/31/2009	12/31/2008
Salaries	3,231	4,204
Accrued vacation, 13th salary and related charges	10,568	8,863
Payroll charges	8,727	7,762
Provision for profit sharing	880	13,016
Total	23,406	33,845

Employee profit sharing was recorded in the statements of income for period March 31, 2009 and year ended December 31, 2008, under the captions “cost of sales and services”, “selling expenses”, and “general and administrative expenses”, according to the cost center of each employee.

15. TAXES PAYABLE

	3/31/2009	12/31/2008
COFINS (tax on revenue)	49	1,600
PIS (tax on revenue)	11	349
ICMS (state VAT)	48	1,953
Income and social contribution taxes on net income	673	2,424
Other taxes	981	1,031
Total	1,762	7,357
Non current:		
Others	3.578	3.578

The balance of taxes payable recorded in noncurrent liabilities as of March 31, 2009 matures as follows:

2010	524
2011	717
2012	952
2013	648
2014	465
2015	272
Total	3,578

16. RESERVE FOR CONTINGENCIES

The Company's and subsidiaries' management, along with the legal counsel, classified lawsuits according to the risk of an unfavorable outcome, as specified below:

	Classification of lawsuits - amounts as of March 31, 2009			Recorded reserve	
	Remote	Possible	Probable	3/31/2009	12/31/2008
Tax	348	3,948	14,819	14,819	14,153
Civil	1,487	764	208	208	202
Labor	2,562	1,163	1,904	1,904	1,521
Total	4,397	5,875	16,931	16,931	15,876

The subsidiaries are not parties to any ongoing lawsuit and have no contingencies that should be considered, according to Management and legal counsel.

	12/31/2008	Additions	Uses/ reversals	Inflation adjustment	3/31/2009
Tax	14,153	666	-	-	14,819
Civil	202	-	-	6	208
Labor	1,521	357	(185)	211	1,904
	15,876	1,023	(185)	217	16,931

As of March 31, 2009, the main lawsuits, which were classified by Management as probable loss based on the opinion of legal counsel and, therefore, were included in the reserve for contingencies, are as follows:

a) Tax lawsuits

Refer to reserve for PIS and COFINS (taxes on revenue) on ICMS (state VAT) on sales in the amounts of R$ 2,553 (R$ 2,434 as of December 31, 2008) and R$ 11,760 (R$ 11,213 as of December 31, 2008), respectively, and INSS (social security contribution) on services provided by cooperatives in the amount of R$ 506 (R$ 506 as of December 31, 2008). The Company is depositing in escrow PIS and COFINS on ICMS on sales, the amount recorded is R$ 14,739 (R$ 13,803 as of December 31, 2008).

b) Civil lawsuits

Refer to contractual review claims filed in courts by customers.

c) Labor lawsuits

The Company recognized a reserve for contingencies for labor lawsuits in which it is the defendant, whose main causes of action are as follows: a) overtime due to reduction in lunch break; b) 40% fine on FGTS (severance pay fund) prior to retirement; c) 40% fine on FGTS on the elimination of inflation effects of the Verão and Collor economic plans; and d) indemnities for occupational accidents and joint liability of outsourced companies.

Civil and labor lawsuits assessed as possible loss involve matters similar to those above. The Company's management believes that the outcome of ongoing lawsuits will not result in disbursements higher than those recognized in the reserve.

17. SHAREHOLDERS' EQUITY

Capital

Subscribed and paid-up capital as of March 31, 2009 and December 31, 2008 is represented by 78,557,547 registered common shares, without par value, all with the same rights and advantages.

Legal reserve

As provided for in article 193 of Law 6404/76, 5% of net income for the year must be used to recognize a legal reserve, which cannot exceed 20% of capital.

Profit reserve

The amount of retained earnings plus the profit reserve will be used to cover working capital requirements and enable investments to increase and modernize production capacity, introduce new products and invest in subsidiaries, according to the investment plan approved by Management to be submitted to the Annual Shareholders' Meeting.

Share buyback plan

The Board of Directors, in a meeting held on October 21, 2008, approved the common share buyback plan (the “Plan”), for shares to be held in treasury and subsequently cancelled or sold, without capital reduction, pursuant to its By-laws, CVM Instructions 10/80 and 268/97, and other prevailing laws.

With this plan, the Company’s purpose is to maximize shareholders’ value by investing part of its funds available in the total amount of the profit and capital reserves.

As the budgeted number of shares was reached, on March 4, 2009 the Board of Directors approved the termination of the Program. During its effectiveness, the Company bought back 3,800,000 common shares, for a total amount of R$ 25,743, at the average price per share of R$ 6.77. The Extraordinary Shareholders' Meeting held on April 7, 2009 approved the cancelation of the share above. After the cancelation, the total number of shares is 74,757,547.

Cumulative foreign currency translation adjustments

The Company recognizes under this caption the cumulative effect from the translation of financial statements of its subsidiaries that maintain accounting records in a currency different from the parent’s currency. These effects are recognized after the IFRS implementation date. The cumulative effect will be reversed to income as a gain or loss in the event of sale or write-off of the investment.

18. EARNINGS PER SHARE

a) Changes in the number of shares

Shares issued	Common	Total
Shares as of March 31, 2008	78,557,547	78,557,547
Shares as of December 31,2008	78,557,547	78,557,547
Shares as of March 31,2009	78,557,547	78,557,547

b) (Loss) Earnings per share

In compliance with IAS No. 33, *Earnings per Share*, the following tables reconcile the net income with the amounts used to calculate the basic and diluted (loss) earnings per share.

	3/31/2009	3/31/2008
Net (loss) income	(7,576)	25,736
Weighted average of shares issued (in thousands)	76,420	78,557
Basic and diluted (loss) earnings per share	(0.099)	0.327

19. INCOME AND SOCIAL CONTRIBUTION TAXES

Income tax is calculated at the rate of 15%, plus a 10% surtax on annual taxable income exceeding R$ 240. Social contribution is calculated at the rate of 9% on taxable income.

The table below shows a reconciliation of taxes on income before income tax and social contribution by applying the prevailing tax rates as of December 31, 2008 and 2007.

	03/31/2009	03/31/2008
(Loss) Income before income and social contribution taxes	(10,780)	31,810
Statutory rate (income and social contribution taxes)	34%	34%
Expected income and social contribution tax charges at statutory rate	3,665	(10,815)
Reconciliation to the effective rate:		
Interest on capital	-	3,205
Other additions (deductions), net	(723)	1,736
Income and social contribution tax charges	3,703	(5,874)
Provision for income and social contribution taxes	2,942	(5,874)
Effective income and social contribution tax rate	27%	18%

a) Deferred income and social contribution taxes

	3/31/2009				12/31/2008	
Assets	Temporary differences	Income tax	Social contribution tax	Total	Temporary differences	Deferred taxes
Adjustments to market value or other:						
Provision for inventory losses	16,768	4,182	1,509	5,691	15,684	5,305
Repossession of machinery	1,687	421	152	573	1,621	550
Investments	437	109	39	148	437	148
Adjustments to present value: trade accounts receivable and payable	191	48	17	65	321	109
Tax losses carryforwards	11,945	1,976	1,075	3,051	-	-
Commissions	533	133	48	181	780	264
Reserve for contingencies	17,401	4,340	278	4,618	16,174	4,262
Allowance for warranty of machines	3,478	868	313	1,181	3,680	1,249
Performance-based compensations	2,490	621	224	845	1,294	439
Management profit sharing	900	-	81	81	4,500	405
Deferred income and social contribution taxes, net	43,885	12,698	3,736	16,434	44,491	12,731
Liabilities						
Write off of negative goodwill on acquisition of subsidiary	23,515	5,831	2,116	7,947	23,515	7,947

i) The recorded asset is limited to amounts whose utilization is supported by future taxable income projections, approved by Management. Future taxable income projections include several estimates related to the performance of the Brazilian and global economies, selection of exchange rates, sales volume and price, tax rates, among others, which may differ from actual amounts. As the result of income and social contribution taxes depends not only on taxable income, but also on the tax and corporate structure of the Company and its subsidiaries in Brazil and abroad, the expected realization of temporarily nondeductible differences, the existence of non-taxable income, nondeductible expenses, and other variables, there is no direct correlation between the net income of the Company and its subsidiaries and the result of income and social contribution taxes. Accordingly, changes in the realization of temporarily nondeductible differences should not be considered indicative of future profits of the Company and its subsidiaries.

ii) Income and social contribution tax liabilities refer to the write-off of negative goodwill arising from acquisition of a subsidiary as part of the application of the IFRS. Tax payable on gain arising from the write-off of negative goodwill will be deferred when the negative goodwill is realized, which will occur when the investment is sold or impaired.

As of March 31, 2009, the expected realization of deferred income and social contribution taxes, recorded in noncurrent assets, is as follow:

	3/31/2009		
	Income taxes	Social contribution	Total
2009	-	-	-
2010	9,757	2,675	12,432
2011	1,591	574	2,165
2012	1,341	484	1,825
2013	7	2	9
2014	2	1	3
Total	12,698	3,736	16,434

b) Breakdown and changes in deferred income tax and social contribution:

	Balance at 12/31/2008	Impact on net income (loss)	Balance a 3/31/2009
Provision for inventory losses	5,305	386	5,691
Repossession of machinery	550	23	573
Investments	148	-	148
Tax losses carryforwards	-	3,051	3,051
Adjustments to present value: trade accounts receivable and payable	109	(44)	65
Allowance for warranty of machines	1,249	(68)	1,181
Performance-based compensations	439	406	845
Commissions	264	(83)	181
Reserve for contingencies	4,262	356	4,618
Management profit sharing	405	(324)	81
Deferred income tax and social contribution assets	12,731	3,703	16,434
Write off of negative goodwill on acquisition of subsidiary	(7,947)	-	(7,947)

20. PENSION PLAN

The Company has defined contribution pension plans managed by an authorized pension plan entity, effective since October 1, 2000, for all its employees and management, which are referred to as *"Plano Gerador de Benefício Livre (PGBL)"* and *"Fundo Gerador de Benefícios (FGB)"*.

The nature of the plan allows the Company, at any time and at its sole and exclusive discretion, to suspend or permanently discontinue its contributions to the plan.

The plan is funded by the Company and its participants, according to the type of benefit for which they are eligible.

The Company's contributions as of March 31, 2009 amounted to R$ 643 (R$ 2,084 in 2008).

21. INSURANCE

The insured amounts are determined and contracted on a technical basis and are considered sufficient to cover potential losses arising from permanent assets and inventories. It is the policy of the Company and its subsidiaries to maintain insurance coverage for assets exposed to risks in amounts considered sufficient by Management to cover potential losses, according to the nature of activities and the risk assessment by specialized consultants. As of March 31, 2009, insurance coverage is as follows:

Coverage	Effective period	Coverage amount
Fire, windstorm, and electrical damage:		
Buildings	01/01 to 12/31/09	20,375
Machinery and equipment	01/01 to 12/31/09	76,705
Inventories	01/01 to 12/31/09	22,772

22. SEGMENT REPORTING

In order to manage its business the Company is organized into three business units. These business units are the basis on which the Company reports its primary information by segment according to IAS 14, Segment Reporting. The main segments are as follows: machine tools, plastic injection machines, and cast and machined products. Segment reporting on these business units is as follows:

	3/31/2009				
	Machine tools	Plastic injection machines	Cast and machined products	Eliminations between segments and other	Consolidated
Operating revenue	50,330	15,407	10,032	-	75,769
Cost of sales	(28,970)	(6,458)	(15,048)	-	(50,476)
Transfers remitted	2,848	-	3,563	(6,411)	-
Transfers received	(2,809)	(2,885)	(717)	6,411	-
Gross profit	21,399	6,064	(2,170)	-	25,293
Operating income (expenses):					
Selling expenses	(8,230)	(4,495)	(993)	-	(13,718)
General and administrative expenses	(11,266)	(5,265)	(720)	-	(17,251)
Research and development expenses	(5,227)	(1,509)	-	-	(6,736)
Management profit sharing and compensation	(1,490)	(260)	(107)	-	(1,857)
Tax expenses	(369)	(108)	(26)	-	(503)
Other income	(2)	17	-	-	15
Loss from operations before financial income (expenses)	(5,185)	(5,556)	(4,016)	-	(14,757)
Financial income	-	-	-	-	7,023
Financial expenses	-	-	-	-	(1,987)
Exchange gains	-	-	-	-	544
Exchange losses	-	-	-	-	(1,603)
Total financial income	-	-	-	-	3,977
Loss before income and social contribution taxes	-	-	-	-	(10,780)
Income and social contribution taxes	-	-	-	-	(2,942)
Net loss	-	-	-	-	(7,838)
Attributed to:					
Owners of the parent	-	-	-	-	(7,576)
Non controlling interests	-	-	-	-	262

	3/31/2008				
	Machine tools	Plastic injection machines	Cast and machined products	Eliminations between segments and other	Consolidated
Operating revenue	96,733	26,674	29,449	-	152,856
Cost of sales	(50,391)	(12,219)	(29,114)	-	(91,724)
Transfers remitted	5,903	-	8,870	(14,773)	-
Transfers received	(6,987)	(4,967)	(2,819)	14,773	-
Gross profit	45,258	9,488	6,386	-	61,132
Operating income (expenses):					
Selling expenses	(9,107)	(3,151)	(1,922)	-	(14,180)
General and administrative expenses	(8,350)	(1,901)	(1,913)	-	(12,164)
Research and development expenses	(5,509)	(1,115)	-	-	(6,624)
Management profit sharing and compensation	(2,503)	(450)	(457)	-	(3,410)
Tax expenses	(509)	(128)	(136)	-	(773)
Other income	859	-	-	-	859
Income from operations before financial income (expenses)	20,139	2,743	1,958	-	24,840
Financial income					8,048
Financial expenses					(1,454)
Exchange gains					528
Exchange losses					(152)
Total financial income					6,970
Income before income and social contribution taxes					31,810
Income and social contribution taxes					(5,874)
Net income					25,936
Attributed to:					
Owners of the parent					25,736
Non controlling interests					200

Sales to outside customers, based on the geographic location of such customers, for each geographic segment do not exceed 10% of the Company’s total sales. Additionally, the related assets by geographic location are substantially located in Brazil.

23. FUTURE COMMITMENTS

On May 1, 2007, the Company entered into an electric power supply agreement with the concessionaire Centrais Elétricas Cachoeira Dourada S.A. - CDSA, which belongs to the Endesa Group, effective between January 1, 2008 and December 31, 2012, under the “free consumer” system. This agreement is annually adjusted based on the IGP-M (general market price index) and distributed as follows:

Year of supply	Amount
2009	7,281
2010	10,579
2011	11,574
2012	12,105
Total	41,539

Management estimates that this agreement is consistent with the required electric power consumption for the agreement period.

24. EXPENSES BY NATURE

The Company elected to report the Consolidated Statement of Income by function. As required by the IFRS, we present below the Consolidated Statement of Income detailed by nature:

	3/31/2009	3/31/2008
Depreciation and amortization	4,829	3,486
Personal expenses	49,731	43,615
Raw material and consumable supplies	21,219	76,150
Freight	2,356	3,270
Other expenses	12,406	2,354
Total	90,541	128,875

	3/31/2009	3/31/2008
Classified as:		
Cost of sales	50,476	91,724
Selling expenses	13,718	14,180
General and administrative expenses	17,251	12,164
Research and development expenses	6,736	6,624
Management profit sharing compensation	1,857	3,410
Tax expenses	503	773
Total	90,451	128,875

25. FINANCIAL INCOME AND EXPENSE

	3/31/2009	3/31/2008
Financial Income:		
Interest on short-term investments	3,990	6,556
Interest on trade notes receivables	3,033	1,492
	7,023	8,048
Financial Expenses:		
Interest on financing	(1,987)	1,454

26. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Company's Board of Directors on April 28, 2009.