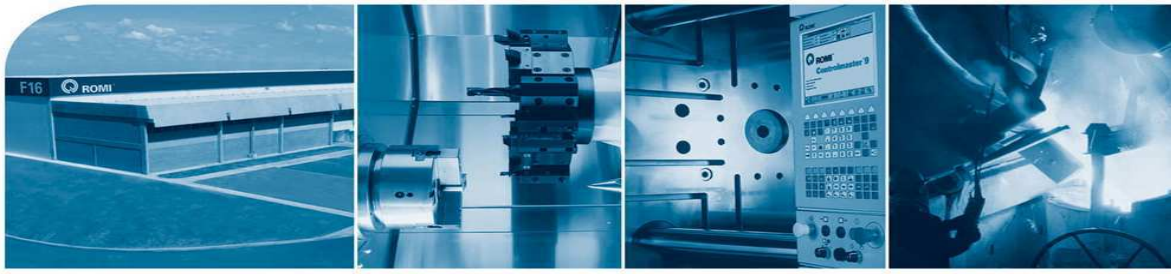
ROMI® | A TRADITION OF INNOVATION



April 27, 2010

1Q10 Earnings Release

Share price (03/31/10)
ROMI3 – R$ 12.50/share

Market Capitalization (03/31/10)
R$ 934 million
US$ 525 million

Number of shares (03/31/10)
Common: 74,757,547
Total: 74,757,547

***Free Float* = 52.56%**

April 28, 2010

Earnings Conference Call
Time: 10:30 a.m. (Brazil)
Telephone:
(55 11) 4688-6361
Access code: romi

Earnings Conference Call in English
Time: 12:30 p.m. (Brazil)
4:30 p.m. (London)
11:30 a.m. (New York)
Tel.: USA – 1 888 700 0802
Brazil – 55 11 4688 6361
Others – 1 786 924 6977
Access code: romi

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ROMI 1930 · 2010

ROMI® | A TRADITION OF INNOVATION

Santa Bárbara d'Oeste, SP, April 27, 2010 – Indústrias Romi S.A. (Bovespa: ROMI3), a domestic market leader in Machine Tools and Plastic Processing Machines and an important producer of Rough and Machined Cast Iron Parts, announces its results for the first quarter of 2010 (1Q10) Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with IFRS standards, and monetary values are expressed in thousands of Reais.

Net Operating Revenue reaches R$ 145.1 million in 1Q10, an increase of 91.5% over 1Q09.

Highlights

- **Growth in new orders for Rough and Machine Cast Iron Parts was 24.9% in 1Q10 compared with 4Q09 and 507% in relation to 1Q09,** the result of the gradual recovery of capital goods industries;
- **Order backlog remains steady, to the tune of R$ 209.4 million in 1Q10, with growth of 5.3% over 4Q09 and 127.8% in relation to 1Q09**, evidencing the recovery of the economic activity level in the country's industrial sectors;
- **Higher production volume, allied with the ongoing search for enhanced productivity, reflects positively on gross margin of all Business Units** - margin for 1Q10 is 36%;
- **EBITDA stands at R$ 18.5 million in 1Q10, growth of 287% over 1Q09,** evidencing the Company's capacity for maintenance and generation of cash.

ROMI - Consolidated	**Quarter**					
In Thousand Reais	**1Q09**	**1Q10**	**% Chg.**	**4Q09**	**1T10**	**% Chg.**
Sales Volume						
Machine Tools (units)	246	526	113.8	524	526	0.4
Plastic Machines (units)	25	83	232.0	120	83	(30.8)
Rough and Machined Cast Iron Parts (tons)	1,826	2,423	32.7	2,352	2,423	3.0
Net Operating Revenue	**75,769**	**145,132**	**91.5**	**173,584**	**145,132**	**(16.4)**
Gross margin (%)	*33.4%*	*36.0%*		*31.0%*	*36.0%*	
Operating Income (EBIT)	**(14,757)**	**13,931**	**194.4**	**17,614**	**13,931**	**(20.9)**
Operating margin (%)	*19.5%*	*9.6%*		*10.1%*	*9.6%*	
Net Income	**(7,838)**	**10,563**	**234.8**	**17,081**	**10,563**	**(38.2)**
Net margin (%)	*-10.3%*	*7.3%*		*9.8%*	*7.3%*	
EBITDA	**(9,928)**	**18,567**	**287.0**	**22,912**	**18,567**	**(19.0)**
EBITDA margin (%)	*-13.1%*	*12.8%*		*13.2%*	*12.8%*	
Investments	31,359	4,775		7,081	4,775	

EBITDA = earnings before interest, taxes, depreciation and amortization.

Corporate Profile

Romi is the leading Brazilian manufacturer of Machine Tools and Plastic Processing Machines. It also has an important share of the Rough and Machined Cast Iron Parts market. The Company's main customer segments are automotive (light and heavy), agricultural machinery, capital goods, consumer goods, tooling, hydraulic equipment, among many others.

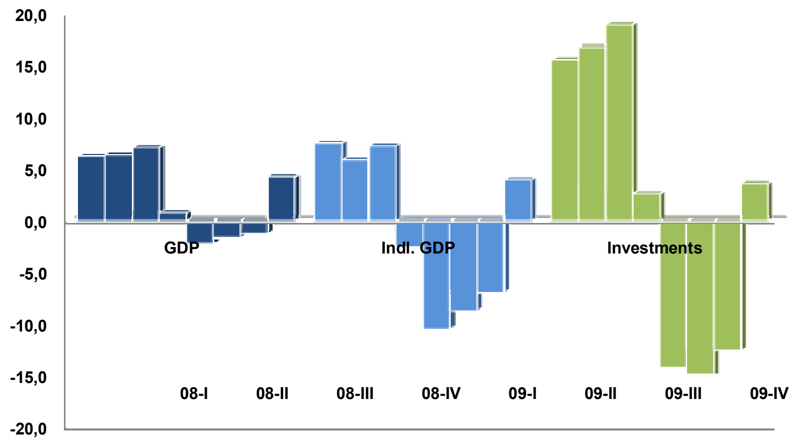
The Company has eleven industrial units, four of which are dedicated to the final assembly of industrial machinery. Romi also operates two foundries, three units for the machining of components, one unit for the manufacture of sheet metal components and a plant for the assembly of electronic control panels. The Company has an annual installed capacity for the production of approximately 3,900 industrial machines and about 50,000 tons in castings.

The Machine Tools Business Unit, which accounted for 70.9% of the Company's 1Q10 revenue, comprises lines for Conventional Lathes, CNC Lathes (computerized numerical control), Machining Centers and Vertical and Horizontal Heavy and Extra-Heavy Lathes. The Rough and Machined Castings and Plastic Processing Machines business units, the latter comprising plastic injection and blow molding machines, contributed 9.2% and 19.9%, respectively, to the revenue in the quarter.

Current Economic Scenario

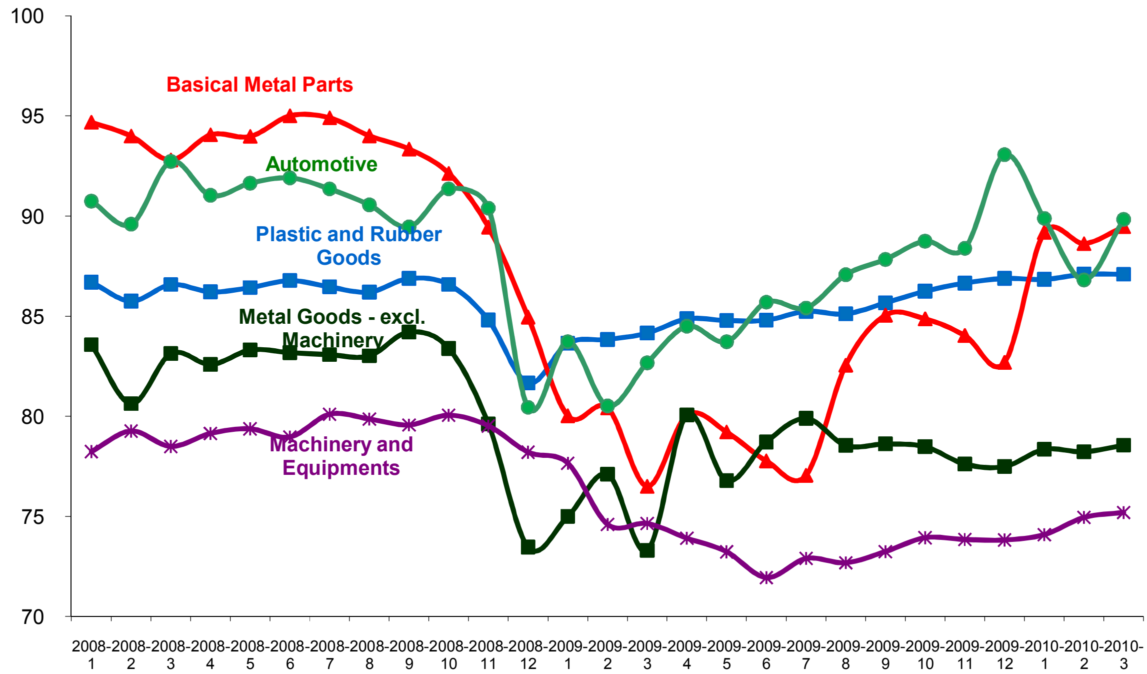
The capital goods industry, given its cyclical characteristics and the fact that it is correlated with the level of investments of other industries, is normally the first to suffer the effects of drops in demand and the slowest to return to normal levels. Even so, as we have already described in previous reports, the Company has been experiencing a gradual recovery in its business since the second half of 2009, mainly due to the following aspects: (*i*) reduction in the interest rate for fixed capital investments, as carried out by the Brazilian Economic and Social Development Bank (BNDES) in July 2009 and extended through December 2010, (*ii)* improvement in the industry confidence level, and (*iii*) replenishing of inventories in the economy.

The recent financial crisis affected industry more severely than services and trade. Economic data for the four quarter of 2009, as disclosed by the Brazilian Statistics Bureau (IBGE) in March 2010, indicates 4.09% positive growth of Industrial GDP and 3.6% positive growth of Gross Fixed Capital Formation (FBKF), after four consecutive quarters of strong negative fluctuations, corroborating the outlook for a return to growth.



Source: IBGE (Quarters)

The following graph prepared by the São Paulo State Federation of Industries (Fiesp) shows the FBKF in juxtaposition with the level of installed capacity utilization (NUCI). The principal sectors to which we sell our products underwent a critical reduction in installed capacity utilization in 4Q08 and 2Q09, although as from the second half of 2009 we can already see an improvement in these indicators and in some cases already a return to historical levels of utilization.



Source: Fiesp - INA Indicador de Nível de Atividade - NUCI (Nível de Utilização da Capacidade Instalada)

Industrial GDP and Gross Fixed Capital Formation are important drivers of our Company's growth.

Market

The Company's principal competitive advantages in the domestic market – cutting-edge technology products, an own distribution network in the country, ongoing technical assistance, availability of attractive customer credit packages in local currency, and short product delivery times – are all recognized by customers, giving the ROMI® brand name a traditional and prestigious reputation. In addition, the Company's financial soundness has also become an even more important factor in customer purchasing decisions, in a business environment of worldwide economic instability and, principally, tight credit.

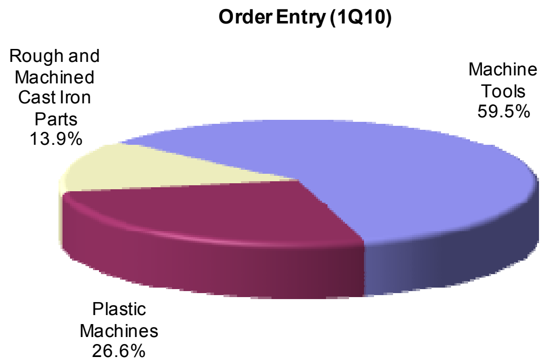
New Orders (gross values including sales tax)

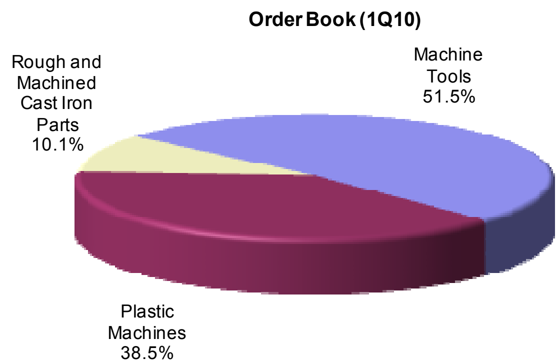
Order Entry (R$ thousands)	1Q09	1Q10	% Chg.
Machine Tools	34,040	94,084	176.4
Plastic Machines	15,159	42,138	178.0
Rough and Machined Cast Iron Parts	3,621	21,968	506.7
Total	**52,820**	**158,190**	**199.5**

Order Entry (R$ thousands)	4Q09	1Q10	Var.%
Machine Tools	158,061	94,084	-40.5
Plastic Machines	71,065	42,138	-40.7
Rough and Machined Cast Iron Parts	17,585	21,968	24.9
Total	**246,711**	**158,190**	**-35.9**

In 1Q10, we posted a rise of 199.5% over the same period last year, basically due to the effects of the economic crisis at that time. In relation to 4Q09, there was a drop in new orders of machines resulting from the natural seasonality of these business units and the effect of earlier orders being placed by our customers in 4Q09, caused by expectations regarding termination of the BNDES financing program, which did not actually occur; indeed, it wound up being extended through December 2010.

We highlight the recovery of the Rough and Machine Cast Iron Parts unit, mainly the sectors related to agricultural machinery and trucks, reflecting growth of 24.9% in relation to the immediately preceding quarter and of 506.7% over 1Q09.





Order Backlog (gross values including sales tax at the end of each period)

Order Book (R$ thousands)	1Q09	1Q10	% Chg.
Machine Tools	60,154	107,763	79.1
Plastic Machines	23,098	80,528	248.6
Rough and Machined Cast Iron Parts	8,636	21,066	143.9
Total	**91,888**	**209,357**	**127.8**

The recovery of the domestic economy, allied with the improvement in the industry confidence level and the replenishing of inventories, reflected positively on the order backlog for our products, generating a rise of 127.8% in the comparison with the same period of 2009. In the Plastics Machines unit, the results are even more evident, given this unit's exposure as well to domestic consumption.

Order Book (R$ thousands)	4Q09	1Q10	% Chg.
Machine Tools	121,817	107,763	-11.5
Plastic Machines	67,103	80,528	20.0
Rough and Machined Cast Iron Parts	9,952	21,066	111.7
Total	**198,872**	**209,357**	**5.3**

In the comparison with the immediately preceding period, the order backlog rose by 5.3% and we begin to see signs of recovery in our Rough and Machine Cast Iron Parts order backlog.

Note: The order backlog figures do not include parts, services and resale business.

Operating Performance

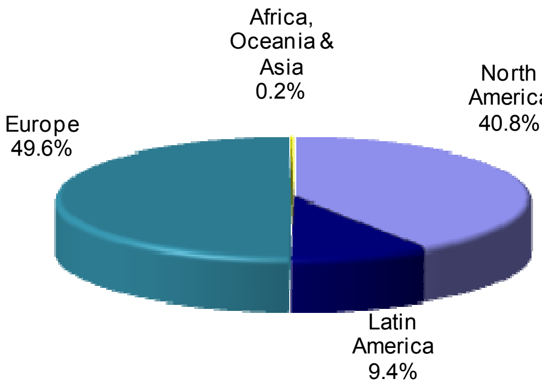
Net Operating Revenue

The Company's Consolidated Net Operating Revenue in 1Q10 reached R$ 145.1 million, representing growth of 91.5% in relation to 1Q09 (R$ 75.8 million).

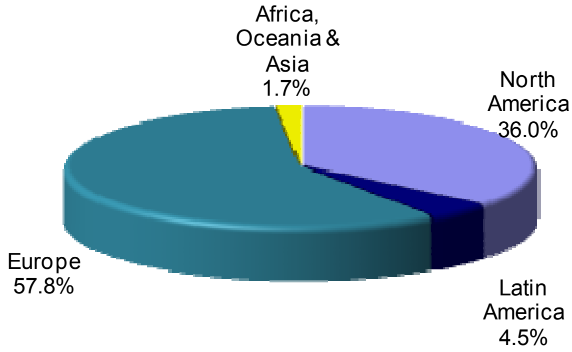
In comparison with the immediately preceding period, Consolidated Net Operating Revenue was down 16.4%, a fluctuation that is mainly the result of the natural seasonality of the Company's business.

In 1Q10 foreign market revenue amounted to R$ 11.2 million, a reduction of 36% in relation to 1Q09 (R$ 17.5 million). In Dollar terms, 1Q10 sales totaled US$ 6.2 million, representing a decrease of 17.3% against the US$ 7.5 million posted in 1Q09, evidencing the economic difficulties still being faced by the world economy. Domestic market revenue accounted for 7.7% of the Net Operating Revenue, considerably down from the 23% achieved in 1Q09.

Exports Destination (1Q09)



Exports Destination (1Q10)



Europe is our main buying market, representing 57.8% of the foreign market revenue in 1Q10 (49.6% in 1Q09), followed by the United States with 36.0% (40.8% in 1Q09), Latin America with 4.5% (9.4% in 1Q09), and other continents with 1.7% (0.2% in 1Q09).

Net Operating Revenue (R$ thousand)

Romi - Consolidated	Quarter		
Net Operating Revenue (R$ `000)	**1Q09**	**1Q10**	**% Chg.**
Machine Tools	50,330	102,880	104.4
Plastic Machines	15,407	28,861	87.3
Rough and Machined Cast Iron Parts	10,032	13,391	33.5
Total	**75,769**	**145,132**	**91.5**

Romi - Consolidated	Quarter					
Net Operating Revenue (R$ `000)	**1Q09**	**2Q09**	**3Q09**	**4Q09**	**1Q10**	**% Chg.**
Machine Tools	50,330	64,634	77,698	118,010	102,880	(12.8)
Plastic Machines	15,407	28,859	32,057	43,536	28,861	(33.7)
Rough and Machined Cast Iron Parts	10,032	10,583	12,250	12,038	13,391	11.2
Total	**75,769**	**104,076**	**122,005**	**173,584**	**145,132**	**(16.4)**

Note: See income statements by Business Unit in Appendix I.

Machine Tools

The net operating revenue of this unit reached R$ 102.9 million in 1Q10, posting a significant increase of 104.4% in relation to 1Q09. Compared with the immediately preceding period, we note a decrease of 12.8% due to the business seasonality.

Volume sales at the Machine Tools Business Unit in 1Q10 totaled 526 units, a growth of 113.8% in relation to 1Q09 (246 units), while in comparison with the immediately preceding period (524 units) there was stability. The differences between the variation in revenue and volume in relation to the previous quarter is the result of the product mix, since in this quarter we began delivery of many conventional lathes to technical schools, a product that has a low unit value.

The Business Unit's major domestic customers were from the machining services, automotive, technical school, tooling, machinery and equipment, oil, hydraulic and casting industries.

Plastic Processing Machines

In 1Q10, volume sales at the Plastic Processing Machines Business Unit totaled 83 units, up 232% over 1Q09 (25 units) and, in comparison with the immediately preceding period (120 units), there was a drop of 30.8%, basically due to the business seasonality.

The net revenue of this unit reached R$ 28.9 million in 1Q10, representing growth of 87.3% in relation to 1Q09. Compared with 4Q09, there was a drop of 33.7%.

The industries that presented the highest demand for products of this Business Unit were packaging, automotive, service, real estate and home appliances.

Rough and Machine Cast Iron Parts

Volume sales of this Business Unit in 1Q10 amounted to 2,423 tons, a rise of 32.7% over the 1,826 tons sold in 1Q09. In comparison with the immediately preceding period, there was an increase of 3.0%, which evidences the recovery of some of the segments that buy our products.

The low volume of sales is the result of the economic slump over the course of 2009, reflecting a share of 9.2% of this business unit in the Company's total revenue in 1Q10 (13.2% in 1Q09).

Demand during the period came principally from the following segments: commercial automotive (trucks), agricultural machinery, equipment for energy generation and capital goods.

Operating Costs and Expenses

The gross margin achieved in 1Q10 shows an improvement of 5.0 p.p. in relation to 4Q09 and a gradual recovery over the course of last year, with an improvement of 2.6 p.p. against the same period last year. This is due to the increased productivity of the manufacturing units with a significant rise in production volume.

The operating margin for 1Q10 recovered by 29.1 p.p. in relation to 1Q09, even though there was a slight decline 0.5 p.p. compared with 4Q09, resulting from lower net operating revenue.

Romi - Consolidated	Quarter				
Gross Margin (%)	**1Q09**	**2Q09**	**3Q09**	**4Q09**	**1Q10**
Machine Tools	42.5%	33.7%	40.4%	37.1%	41.2%
Plastic Machines	39.4%	36.2%	25.6%	23.8%	31.6%
Rough and Machined Cast Iron Parts	-21.6%	-9.5%	-21.3%	-3.2%	5.4%
Total	**33.4%**	**30.0%**	**30.3%**	**31.0%**	**36.0%**

Romi - Consolidated	Quarter				
Operating Margin (%)	**1Q09**	**2Q09**	**3Q09**	**4Q09**	**1Q10**
Machine Tools	-10.3%	10.3%	13.4%	17.6%	16.1%
Plastic Machines	-36.1%	-3.8%	-8.6%	-2.9%	-5.6%
Rough and Machined Cast Iron Parts	-40.0%	-25.8%	-33.9%	-16.0%	-7.6%
Total	**-19.5%**	**2.7%**	**2.9%**	**10.1%**	**9.6%**

Machine Tools

The gross margin of this Business Unit reached 41.2% in 1Q10, a rise of 4.1 p.p. in relation to 4Q09, due to the increase in production volume, generating greater efficiency. Compared with 1Q09 there was a drop of 1.3 p.p.

The operating margin for the first quarter of 2010 recovered strongly – 26.4 p.p. – in relation to 1Q09, but was down 1.5 p.p. when compared with 4Q09. Since Romi's operating expenses are more fixed than variable, the volume of revenue explains the fluctuations in the operating margin.

Plastics Processing Machines

The gross margin in 1Q10 reached 31.6%, recovering 7.8 p.p. in relation to 4Q09, although in comparison with 1Q09 we note a decrease of 7.8 p.p. The greater production volume contributed to this gross margin gain. The effect on the operating margin is basically due to the fluctuation in revenue between the quarters analyzed.

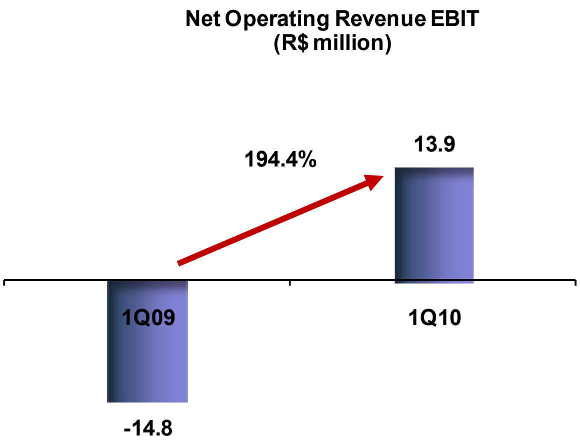
Rough and Machine Cast Iron Parts

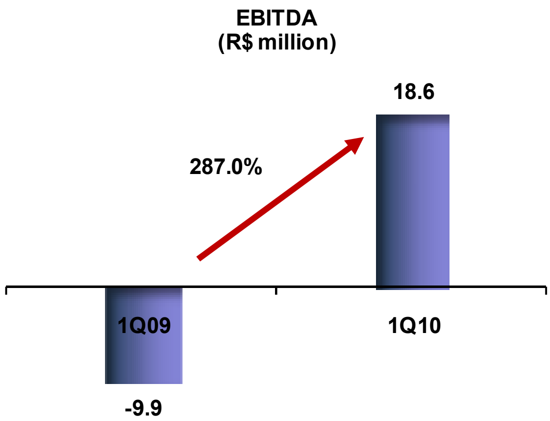
This unit has been more intensively impacted by low production volume, posting negative margins in 2009. Certain operating adjustments implemented by the Company have resulted in a gradual improvement in gross and operating margins, with a positive growth margin of 5.4% in 1Q10, a recovery of 8.6 p.p.

EBITDA and EBITDA Margin

In 1Q10, our operating cash flow as measured by EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) was R$ 18.6 million, representing an EBITDA margin of 12.8%.

Reconciliation of Net Income to EBITDA	Quarter					
R$ thousands	1Q09	1Q10	% Chg.	1Q09	1Q10	% Chg.
Net Income	**(7,838)**	**10,563**	***234.8***	**17,081**	**10,563**	**(38.2)**
Net Financial Income	(3,977)	3,076	(177.3)	(2,938)	3,076	(204.7)
Income tax and social contributions	(2,942)	292	(109.9)	3,471	292	(91.6)
Depreciation and amortization	4,829	4,636	(4.0)	5,298	4,636	(12.5)
EBITDA	**(9,928)**	**18,567**	***287.0***	**22,912**	**18,567**	**(19.0)**
EBITDA Margin	***-13.1%***	***12.8%***		***13.2%***	***12.8%***	





Net Result

Net income is R$ 10.6 million in 1Q10, a result that represents a significant improvement over the loss of R$ 7.8 million posted in 1Q09, although lower than the result in 4Q09 of R$ 17.1 million, due to seasonality at that time of year and the effects of financial expenses related to exchange variation.

The financial result was impacted by the exchange variation on cash overseas. In 1Q10 the Company remitted to its New York bank account the amount of US$ 74 million and, at the beginning of April, remitted an additional US$ 18 million, totaling US$ 92 million. The strategy for remitting such amounts overseas was the high cost of hedging and the availability of Company cash. The amount is for supporting the acquisition of companies abroad as opportunities arise.

Distribution of Result

As decided by the Board of Directors at the meeting held on March 16, 2010, payment was made of interest on capital attributable to the mandatory minimum dividend for 2010, in the gross amount of approximately R$ 9.0 million, representing R$ 0.12 per share, on April 20, 2010.

Investments

In 1Q10 investments totaled R$ 4.8 million, which represents a reduction of 84.7% in relation to the amount invested in 1Q09 (R$ 31.4 million). In 2010, funds have basically been earmarked for the maintenance of the plants.

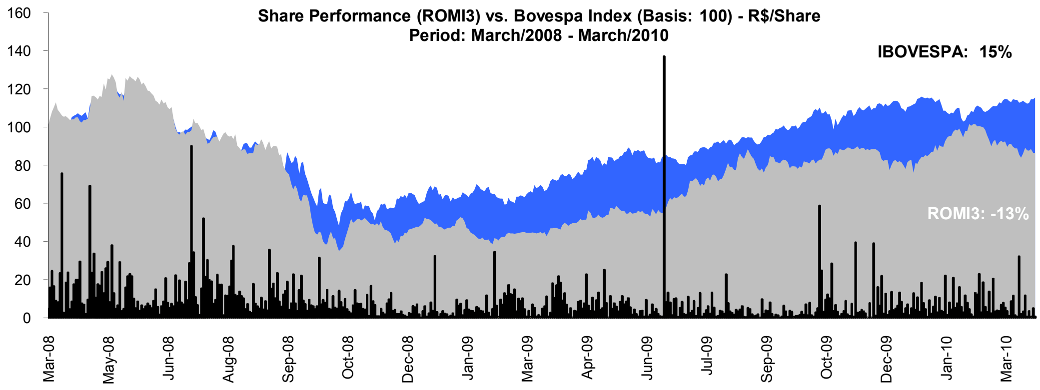
Financial Position

Investments, including those backed up by debentures, are made with prime financial institutions and their yield is substantially linked to the Interbank Certificate of Deposit ("CDI") or time deposit (TD), when abroad. The consolidated position of the Company's cash and cash equivalents at March 31, 2010 was R$ 237 million.

Loans taken out by the Company are basically intended for investments in expansion and modernization of plants, and financing of exports and imports. At March 31, 2010, local currency financing was R$ 241 million and foreign currency financing amounted to R$ 3 million, totaling R$ 244 million.

At March 31, 2010, the Company has not entered into any derivative transactions.

Capital Markets



Source: Bovespa (São Paulo Stock Exchange)

At the end of 1Q10, the Company's common shares (ROMI3) were quoted at R$ 12.50 and were up by 6.6% and 101%, in relation to the end of 4Q09 and 1Q09, respectively. The Bovespa index in the same period posted gains of 2.6% and 71.9%, respectively.

The Company's market capitalization at March 31, 2010 was R$ 934 million and the average daily trading volume during 1Q10 was R$ 1,170 thousand.

IFRS

As already disclosed, as from December 31, 2007 the Company has reported its financial statements in accordance with International Financial Reporting Standards (IFRS). Below we show the impacts of the differences between IFRS and Generally Accepted Accounting Principles in Brazil (BRGAAP) at March 31, 2010.

Amounts in R$ thousand	3/31/10
Shareholders' equity under BRGAAP	682,567
Adjustments under IFRS:	
Amortization of intangible asset arising on acquisition of JAC Indústria Metalúrgica Ltda. ("JAC") recorded for IFRS purposes	(474)
Deferred taxes relating to amortization of the intangible asset above	161
Other differences	(116)
Controlling interests	682,138
Non-controlling interests	1,559
Shareholders' equity under IFRS	683,697
Net income for period under BRGAAP	10,657
Adjustments under IFRS:	
Amortization of intangible asset arising on acquisition of JAC Indústria Metalúrgica Ltda. ("JAC") recorded for IFRS purposes	(142)
Deferred taxes relating to amortization of the intangible asset above	48
Net income under IFRS	10,563

Financial Statements

Consolidated Balance Sheets

IFRS (R$ thousand)

ASSETS	4Q09	1Q09	1Q10
CURRENT	**914,546**	**819,612**	**951,245**
Cash and Cash equivalents	225,913	73,257	237,192
Marketable securities	-	42,141	-
Trade accounts receivable	75,935	44,459	69,734
Trade accounts receivable - Finame Manufacturer	342,155	328,550	350,825
Inventories	243,651	303,867	263,973
Recoverable taxes	15,937	19,562	16,199
Other assets	10,955	7,776	13,322
NON CURRENT	**825,036**	**778,489**	**826,337**
Long-Term Assets	**537,452**	**492,617**	**536,126**
Trade accounts receivable	4,468	2,884	4,775
Trade accounts receivable - Finame Manufacturer	477,737	432,960	475,825
Recoverable taxes	14,126	19,154	11,924
Deferred income taxes	16,166	160,435	17,730
Escrow Deposits	17,999	14,739	19,542
Other assets	6,956	6,445	6,330
Investments			
Property, Plant and Equipment	281,361	279,838	281,141
Other investments	4,206	4,538	7,053
Goodwill	2,017	1,496	2,017
TOTAL ASSETS	**1,739,582**	**1,598,101**	**1,777,582**

Consolidated Balance Sheets
IFRS (R$ thousand)

LIABILITIES AND SHAREHOLDER'S EQUITY	4Q09	1Q09	1Q10
CURRENT	**406,125**	**393,380**	**415,909**
Loans	25,538	32,489	23,171
Trade accounts payable	32,926	25,995	41,715
Liabilities - Finame Manufacturer	284,390	281,374	292,497
Payroll and related charges	22,402	23,406	25,211
Taxes payable	10,259	1,762	6,676
Advances from customers	7,584	9,281	7,245
Interest on capital, dividends and participations	10,406	4,680	9,385
Other liabilities	12,620	14,393	10,009
NON CURRENT	**648,920**	**522,113**	**677,976**
Loans	207,123	67,292	220,172
Liabilities - Finame Manufacturer	405,967	419,678	417,913
Deferred income taxes on negative goodwill	8,930	7,947	8,753
Taxes payable	3,642	3,578	3,806
Other liabilities	2,935	6,687	5,333
Provision for contingencies	20,323	16,931	21,999
SHAREHOLDER'S EQUITY	**682,540**	**681,044**	**682,138**
Capital	505,764	505,764	505,764
Capital reserves	2,209	2,209	2,209
Cumulative Translation Adjustments	179,041	169,304	180,424
Profit reserves/retained earnings	(4,474)	3,767	(6,259)
NON CONTROLLING INTERESTS	**1,997**	**1,564**	**1,559**
TOTAL SHAREHOLDER'S EQUITY	**684,537**	**682,608**	**683,697**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**1,739,582**	**1,598,101**	**1,777,582**

Consolidated Statements of Income
IFRS (R$ thousand)

R$ Thousand	1Q09	1Q10	% Chg.	4Q09	1Q10	% Chg.
Net Operating Revenue	**75,769**	**145,132**	**91.5**	**173,584**	**145,132**	**(16.4)**
Cost of sales and services	(50,476)	(92,936)	84.1	(119,793)	(92,936)	(22.4)
Gross Profit	**25,293**	**52,196**	**106.4**	**53,791**	**52,196**	**(3.0)**
Gross Margin %	*33.4%*	*36.0%*		*31.0%*	*36.0%*	
Operating Expenses	**(40,050)**	**(38,265)**	**94.5)**	**(36,177)**	**(38,265)**	**5.8**
Selling	(13,718)	(13,242)	(3.5)	(14,358)	(13,242)	(7.8)
General and administrative	(17,251)	(16,549)	(18.4)	(14,986)	(16,549)	(1.4)
Management profit sharing	(1,857)	(1,988)	7.1	(1,841)	(1,988)	(22.1)
Research and development	(6,736)	(5,779)	22.6	(5,984)	(5,779)	38.0
Taxation	(503)	(768)	52.7	(469)	(768)	63.8
Other operating revenue	15	61	306.7	1,461	61	(95.8)
Operating Income (Loss) before Financial Results	**(14,757)**	**13,931**	**194.4**	**17,614**	**13,931**	**(20.9)**
Operating Margin %	*-19.5%*	*9.6%*		*10.1%*	*9.6%*	
Financial Results	**3,977**	**(3,076)**	**(177.3)**	**2,938**	**(3,076)**	**(204.7)**
Financial income	7,023	6,423	(8.5)	6,519	6,423	(1.5)
Financial expenses	(1,987)	(3,793)	90.9	(2,719)	(3,793)	39.5
FX changes, net	(1,059)	(5,706)	438.8	(862)	(5,706)	561.9
Operating Income(Loss)	**(10,780)**	**10,855**	**200.7**	**20,552**	**10,855**	**(47.2)**
Income tax and social contribution	2,942	(292)	(109.9)	(3,471)	(292)	(91.6)
Net income (Loss)	**(7,838)**	**10,563**	**234.8**	**17,081**	**10,563**	**(38.2)**
Net Margin %	*-10.3%*	*7.3%*		*9.8%*	*7.3%*	
Management profit sharing	-	-		-	-	
Owners of the parent	(7,576)	10,353	236.7	16,865	10,353	(38.6)
Non controlling interests	(262)	210	180.2	216	210	(2.8)
EBITDA	**(9,928)**	**18,567**	**287.0**	**22,912**	**18,567**	**(19.0)**
Net income (Loss)	(7,838)	10,563		17,081	10,563	
Income tax and social contribution	(2,942)	292		3,471	292	
Financial results	(3,977)	3,076		(2,938)	3,076	
Depreciation and amortization	4,829	4,636		5,298	4,636	
EBITDA Margin %	*-13.1%*	*12.8%*		*13.2%*	*12.8%*	
Nº of shares in capital stock (th)	74,758	74,758		74,758	74,758	
Net income (loss) per share - R$	-0.10	0.14		0.23	0.14	
Book value per share - R$	9.11	9.12		9.13	9.12	

Consolidated Statements of Cash Flows
IFRS (R$ thousand)

R$ thousands	4Q09	1Q09	1Q10
Cash from operating activities			
Net (Loss) Income	**17,081**	**(7,838)**	**10,563**
Income tax - current and deferred	3,471	(2,942)	292
Depreciation e amortization	5,298	4,829	4,636
Provision for doubtful accounts	1,938	759,000	1,832
Loss (Gain) on sale of fixed assets	(88)	124	55
Financial expenses and FX changes	2,618	(0,626)	5.386
Provision for inventory devaluation	(2,841)	1,215	691
Provision for contingencies	814	1.055	1.676
Change on operating assets	-	-	-
Purchase of trading securities	-	11.579	-
Trade accounts receivable	(32,053)	35,419	8,411
Trade accounts receivable - Finame Manufacturer	(15,516)	42,968	6,837
Inventories	26,083	(21,229)	(22,301)
Recoverable taxes	1,416	(6,707)	161
Escrow deposits	(1,341)	(936)	(1,543)
Other current and long term assets	(6,230)	(638)	(2,168)
Change on operating liabilities	-	-	-
Trade accounts payable	6,047	(4,973)	7,489
Payroll and related charges	(3,759)	(10,365)	2,916
Taxes payable	297	(1.673)	(3.976)
Advances from customers	163	(4.755)	(328)
Other current and long term liabilities	4,746	(3,662)	(3,610)
Cash provided by (used in) operating activities	**8,144**	**31,604**	**17,019**
Income taxes paid	1,657	(937)	(904)
Net Cash provided by (used in) operating activities	**9,801**	**30,667**	**16,115**
Acquisitions of fixed assets	(5,941)	(29,205)	(4,229)
Sale of assets	2,306	-	-
Intangible		(695)	(129)
Cash flow used in investment operations	**(3,635)**	**(29,900)**	**(4,358)**
Interest on capital and dividends paid	(1,009)	(12,307)	(8.667)
New loans and financing	129,471	6,912	17,443
Payments of loans	(1,401)	(5,802)	(7,210)
Interests paid	(2,728)	(20,075)	(17,919)
New loans - Finame Manufacturer	92,635	40,922	89,496
Payments of loans Finame Manufacturer	(58,430)	(63,224)	(68,573)
Repurchase of shares	(16,356)	(10,191)	-
Cash flow from financial activities	**142,182**	**(63,765)**	**4,570**
Net Cash Flow	**148,348**	**(62,998)**	**16,327**
Exchange rate of cash and cash equivalents of foreign investments	(949)	1.031	(5.048)
Cash and cash equivalents - beginning of period	**78,514**	**135,224**	**225,913**
Cash and cash equivalents - end of period	**225,913**	**73,257**	**237,192**

Appendix I

Income Statement by Business Units - 1Q10

R$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	**102,880**	**28,861**	**13,391**	**145,132**
Cost of Sales and Services	(58,288)	(14,393)	(20,255)	(92,936)
Business Units Transfers	3,999	-	9,423	13,422
Business Units Transfers	(6,238)	(5,354)	(1,830)	(13,422)
Gross Profit	**42,353**	**9,114**	**729**	**52,196**
Gross Margin %	*41.2%*	*31.6%*	*5.4%*	*36.0%*
Operating Expenses	**(25,802)**	**(10,722)**	**(1,741)**	**(38,265)**
Selling	(9,070)	(3,532)	(640)	(13,242)
General and Administrative	(10,577)	(5,067)	(905)	(16,549)
Management profit sharing	(1,517)	(327)	(144)	(1,988)
Research and Development	(4,151)	(1,628)	-	(5,779)
Taxation	(550)	(166)	(52)	(768)
Other operating revenue	63	(2)	-	61
Operating Income (loss) before Financial Results	**16,551**	**(1,608)**	**(1,012)**	**13,931**
Operating Margin %	*16.1%*	*(5.6%)*	*(7.6%)*	*9.6%*

Income Statement by Business Units - 1Q09

R$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	**50,330**	**15,407**	**10,032**	**75,769**
Cost of Sales and Services	(28,970)	(6,458)	(15,048)	(50,476)
Business Units Transfers	2,848	-	3,563	6,411
Business Units Transfers	(2,809)	(2,885)	(717)	(6,411)
Gross Profit (Loss)	**21,399**	**6,064**	**(2,170)**	**25,293**
Gross Margin %	*42.5%*	*39.4%*	*-21.6%*	*33.4%*
Operating Expenses	**(26,584)**	**(11,620)**	**(1,846)**	**(40,050)**
Selling	(8,230)	(4,495)	(993)	(13,718)
General and Administrative	(11,266)	(5,265)	(720)	(17,251)
Management profit sharing	(1,490)	(260)	(107)	(1,857)
Research and Development	(5,227)	(1,509)	-	(6,736)
Taxation	(369)	(108)	(26)	(503)
Other operating revenue	(2)	17	-	15
Operating Income (loss) before Financial Results	**(5,185)**	**(5,556)**	**(4,016)**	**(14,757)**
Operating Margin %	*-10.3%*	*-36.1%*	*-40.0%*	*-19.5%*

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

Indústrias Romi S.A.

Condensed Consolidated Financial Statements for the period ended March 31, 2010 and Independent Accountants' Review Report

Deloitte Touche Tohmatsu Auditores Independentes

Deloitte.

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

INDEPENDENT ACCOUNTANTS' SPECIAL 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 Indústrias Romi S.A. ("Company") and subsidiaries for the quarter ended March 31, 2010, 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, 2010 and 2009, and the condensed consolidated statements of income, changes in shareholders' equity and cash flows for quarters then ended, 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 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 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. We had previously audited the balance sheet as of December 31, 2009, prepared under the international accounting standards issued by the IASB, and issued an unqualified report thereon, dated February 9, 2010.

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

Campinas, April 27, 2010

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, 2010 AND DECEMBER 31, 2009
(In thousands of Brazilian reais - R$)

ASSETS	Note	2010	2009
CURRENT ASSETS			
Cash and cash equivalents	5	237,192	225,913
Trade accounts receivable	6	69,734	75,935
Onlending of FINAME manufacturer financing	7	350,825	342,155
Inventories	8	263,973	243,651
Recoverable taxes		16,199	15,937
Other receivables		13,322	10,955
Total current assets		951,245	914,546
NONCURRENT ASSETS			
Long-term assets:			
Trade accounts receivable	6	4,775	4,468
Onlending of FINAME manufacturer financing	7	475,825	477,737
Recoverable taxes		11,924	14,126
Deferred income and social contribution taxes		17,730	16,166
Escrow deposits	12	19,542	17,999
Other receivables		6,330	6,956
Property, plant and equipment, net	9	281,141	281,361
Intangible assets		7,053	4,206
Goodwill		2,017	2,017
Total noncurrent assets		826,337	825,036
TOTAL ASSETS		1,777,582	1,739,582

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	2010	2009
CURRENT LIABILITIES			
Loans and financing	10	23,171	25,538
FINAME manufacturer financing	11	292,497	284,390
Trade accounts payable		41,715	32,926
Payroll and related charges		25,211	22,402
Taxes payable		6,676	10,259
Advances from customers		7,245	7,584
Dividends and interest on capital		8,995	9,059
Profit sharing		390	1,347
Other payables		10,009	12,620
Total current liabilities		415,909	406,125
NONCURRENT LIABILITIES			
Loans and financing	10	220,172	207,123
FINAME manufacturer financing	11	417,913	405,967
Deferred income and social contribution taxes on negative goodwill		8,753	8,930
Taxes payable		3,806	3,642
Reserve for contingencies	12	21,999	20,323
Other payables		5,333	2,935
Total noncurrent liabilities		677,976	648,920
SHAREHOLDERS' EQUITY			
Capital		505,764	505,764
Capital reserve		2,209	2,209
Retained earnings		170,071	179,041
Profit of the period		10,353	-
Cumulative foreign currency translation adjustments		(6,259)	(4,474)
Shareholders' equity of controlling		682,138	682,540
NON CONTROLLING INTERESTS		1,559	1,997
TOTAL SHAREHOLDERS' EQUITY AND NON CONTROLLING INTERESTS		683,697	684,537
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		1,777,582	1,739,582

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 INCOME STATEMENTS FOR
THE PERIOD ENDED MARCH 31, 2010 AND 2009
(In thousands of Brazilian reais - R$ - except earnings per share)

	Note	03/31/2010	03/31/2009
NET OPERATING REVENUE		145,132	75,769
COST OF SALES		(92,936)	(50,476)
GROSS PROFIT		52,196	25,293
OPERATING INCOME (EXPENSES)			
Selling expenses		(13,242)	(13,718)
General and administrative expenses		(16,549)	(17,251)
Research and development expenses		(5,779)	(6,736)
Management profit sharing and compensation	14	(1,988)	(1,857)
Tax expenses		(768)	(503)
Other operating income, net		61	15
Total		(38,265)	(40,050)
INCOME (LOSS) FROM OPERATIONS BEFORE FINANCIAL INCOME		13,931	(14,757)
FINANCIAL RESULTS			
Financial income		6,423	7,023
Financial expenses		(3,793)	(1,987)
Exchange loss, net		(5,706)	(1,059)
		(3,076)	3,977
INCOME (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES		10,855	(10,780)
INCOME AND SOCIAL CONTRIBUTION TAXES	15		
Current		(1,849)	(761)
Deferred		1,557	3,703
		(292)	2,942
NET INCOME (LOSS)		10,563	(7,838)
Attributed to:			
Owners of the parent		10,353	(7,838)
Non-controlling interests		210	262
		10,563	(7,576)
BASIC EARNINGS (LOSS) PER SHARE	13	0.14	(0.10)

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 COMPREHENSIVE INCOME STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2010 AND 2009
(In thousands of Brazilian reais - R$)

	03/31/2010	03/31/2009
NET INCOME (LOSS)	10,563	(7,838)
COMPREHENSIVE (LOSS) INCOME		
Currency translation on foreign investments	(1,785)	(1,882)
NET COMPREHENSIVE INCOME (LOSS)	8,778	(9,720)
NET COMPREHENSIVE INCOME (LOSS) ATTRIBUTED TO		
Owners of the parent	8,568	(9,720)
Non controlling interest	210	262
	8,778	(9,458)

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 CONDENSED SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED MARCH 31, 2010 AND 2009
(In thousands of Brazilian reais - R$)

		Attributable to shareholders' interest									
				Earnings reserves							
	Note	Capital	Capital reserve	Retained earnings	Legal reserve	Total	Cumulative foreign currency translation adjustments	Profit (loss) of the period	Shareholders' equity of controlling	Non controlling Interests	Total
BALANCE AS OF DECEMBER 31, 2008		505,764	2,209	150,238	36,833	187,071	5,649	-	700,693	2,536	703,229
Net loss of the period		-	-	-	-	-	-	(9,720)	(9,720)	262	(9,458)
Foreign currency translation adjustments		-	-	-	-	-	(1,882)	-	(1,882)	-	(1,882)
Comprehensive loss		-	-	-	-	-	(1,882)	(9,720)	(11,602)	262	(11,340)
Repurchase of shares		-	-	(10,191)	-	(10,191)	-	-	(10,191)	-	(10,191)
Proposed dividends (equivalent to R$ 2.87 per share)		-	-	-	-	-	-	-	-	(710)	(710)
BALANCE AS OF MARCH 31, 2009		505,764	2,209	140,047	36,833	176,880	3,767	(9,720)	678,900	2,088	680,988
BALANCE AS OF DECEMBER 31, 2009		505,764	2,209	141,603	37,438	179,041	(4,474)	-	682,540	1,997	684,537
Net income		-	-	-	-	-	-	10,353	10,353	210	10,563
Foreign currency translation adjustments		-	-	-	-	-	(1,785)	-	(1,785)	-	(1,785)
Comprehensive income		-	-	-	-	-	(1,785)	10,353	8,568	210	8,778
Interest on capital - Law 9249/95	13c	-	-	(8,970)	-	(8,970)	-	-	(8,970)	-	(8,970)
Proposed dividends (equivalent to R$ 1.54 per share)		-	-	-	-	-	-	-	-	(648)	(648)
BALANCE AS OF MARCH 31, 2010		505,764	2,209	132,633	37,438	170,071	(6,259)	10,353	682,138	1,559	683,697

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 CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2010 AND 2009
(In thousands of Brazilian reais - R$)

	Note	03/31/2010	03/31/2009
Cash flows from operating activities:			
Net income (loss)		10,563	(7,838)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Current and deferred income and social contribution taxes	15	292	(2,942)
Depreciation and amortization		4,636	4,829
Allowance for doubtful accounts and other receivables		1,832	759
Net cost of disposals of fixed assets	9	55	124
Financial expenses and exchange gain or loss		5,386	(626)
Provision for inventory losses		691	1,215
Reserve for contingencies		1,676	1,055
Increase (decrease) in assets:			
Temporary cash investments in trading securities		-	11,579
Trade accounts receivable		8,411	35,419
Onlending of FINAME manufacturer financing		6,837	42,968
Inventories		(22,301)	(21,229)
Recoverable taxes, net		161	(6,707)
Escrow deposits		(1,543)	(936)
Other receivables		(2,168)	(638)
Increase (decrease) in liabilities:			
Trade accounts payable		7,489	(4,973)
Payroll and related charges		2,916	(10,365)
Taxes payable		(3,976)	(1,673)
Advances from customers		(328)	(4,755)
Other payables		(3,610)	(3,662)
Cash provided by operating activities		17,019	31,604
Income taxes and social contribution paid		(904)	(937)
Net cash provided by operating activities		16,115	30,667
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(4,229)	(29,205)
Increase in intangible assets		(129)	(695)
Net cash used in investing activities		(4,358)	(29,900)
Cash flows from financing activities:			
Interest on capital and dividends paid		(8,667)	(12,307)
New loans and financing		17,443	6,912
Payments of loans and financing		(7,210)	(5,802)
Interests paid (included Finame manufacturer financing)		(17,919)	(20,075)
New loans in FINAME manufacturer		89,496	40,922
Payment of FINAME manufacturer financing		(68,573)	(63,224)
Repurchase of shares	17	-	(10,191)
Net cash provided (used in) by financing activities		4,570	(63,765)
Increase (decrease) in cash and cash equivalents		16,327	(62,998)
Cash and cash equivalents - beginning of period		225,913	135,224
Exchange variation changes on the cash and cash equivalents abroad		(5,048)	1,031
Cash and cash equivalents - end of period	5	237,192	73,257

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

1. OPERATIONS

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 Turin, Italy. The Company also holds equity interests in subsidiaries in Brazil and abroad, as described in Note 3.

2. BASIS OF PRESENTATION

The condensed consolidated interim financial statements for the quarter ended March 31, 2010 have been prepared according 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, 2009, which have been prepared according to the international financial reporting standards issued by the International Accounting Standards Board (IASB).

The accounting policies adopted for the condensed consolidated interim financial statements are consistent with the accounting policies adopted and disclosed in the consolidated financial statements for the year ended December 31, 2009.

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, 2009.

(a) Adoption of new and amended IFRSs and IFRIC interpretations

The following new standards, amendments or interpretations, although, with no material impacts on the Financial Statements of the Company, are mandatory for the first time for annual reporting periods starting on or after January 1, 2010:

- IAS 32 (amendment), "Classification of Rights Issues", effective for annual periods beginning on February 1, 2010. This standard is currently not applicable to the Company;

- IFRS 2 (amendment), "Share-Based Payment: Group and treasury share transactions". Effective for annual periods beginning on or after July 1, 2009. This standard is currently not applicable to the Company;

- IFRS 3 (as revised), "Business Combinations" and IAS 27 (amendment), "Consolidated and Separate Financial Statements" and consequential amendments to IFRS 7, "Financial Instruments: Disclosures", IAS 21, "The Effects of Changes in Foreign Exchange Rates", IAS 28, "Investments in Associates", and IAS 31, "Interests in Joint Ventures", IAS 34, "Interim Financial Reporting" and IAS 39, "Financial Instruments: Recognition and Measurement", effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after July 1, 2009. The Company will apply the IFRS 3 (as revised) prospectively for business combinations for which the acquisition date is on or after January 1, 2010;

- IFRIC 17, "Distributions of Non-Cash Assets to Owners". Effective for annual periods beginning on or after July 1, 2009. This interpretation is currently not applicable to the Company;

- IFRIC 18, "Transfers of Assets from Customers". Effective for annual periods beginning on or after July 1, 2009. This interpretation is currently not applicable to the Company.

(b) New and amended IFRS and IFRIC interpretations effective for annual periods beginning on or after January 1, 2010

- IAS 24, "Related Party Disclosures", effective for annual periods beginning on January 1, 2011;

- IFRS 1 (amendment). 'First-time Adoption', effective for annual periods beginning on January 1, 2011. This standard is currently not applicable to the Company;

- IFRS 9, "Financial Liabilities", effective for annual periods beginning on January 1, 2013;

- IFRIC 14 (amendment) "Prepayment of a Minimum Funding Requirement" effective for annual periods beginning on January 1, 2011;

- IFRIC 19, "Extinguishing Financial Liabilities", effective for annual periods beginning on July 1, 2010.

In 2009, the Company decided to make a reclassification in the statement of cash flows and to better reflect the treatment of the FINAME manufacturer financing transaction (see notes 7 and 11), as previously the Company presented the net interest received and paid in operating activities and now presents interest receivable in operating activities and interest payable in financing activities for better presentation purposes. As a result, the changes shown below were reflected in the condensed consolidated interim financial statements for the period ended March 31, 2009, presented for comparative purposes:

	Consolidated		
Reported	Reported	Reclassification	Reclassified
Net cash used in operating activities	12,452	18,215	30,667
Net cash used in investing activities	(29,900)	-	(29,900)
Net cash used in financing activities	(45,550)	(18,215)	(63,765)
Decrease in cash and cash equivalents	(62,998)	-	(62,998)

3. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Company fully 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. The condensed consolidated financial statements include the accounts of the Company and the following subsidiaries:

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 Comércio Importadora e Exportadora S.A. ("Interocean")	Brazil	Trading company, not operating in the periods presented
Romi A.L. S.A. ("Romi A.L.") (formerly Favel S.A.)	Uruguay	Sales representation for Latin America
Romi Europa GmbH ("Romi Europa")	Germany	Technical assistance and support to dealers in Europe, Asia, Africa and Oceania
Romi Italia S.r.l. ("Romi Italia")	Italy	Development of projects, production and sales, distribution, import and export of machinery and equipment for the processing of plastic raw materials
Subsidiaries of Romi Italia:		Distribution of machinery for plastics and spare parts services
Sandretto UK Ltd.	United Kingdom	
Sandretto Industries S.A.S.	France	
Metalmecanica Plast B.V.	The Netherlands	
Italprensas Sandretto S.A.	Spain	

The balances of the balance sheets as of March 31, 2010 and December 31, 2009 and the income statements for the period ended March 31, 2010 and 2009 are summarized below. The financial information of the subsidiaries Interocean, Romi Europa, Romi Machine Tools and Romi A.L. are not presented, because of the immateriality of the balances:

	Romi Italia		Rominor	
	3/31/2010	12/31/2009	3/31/2010	12/31/2009
Assets:				
Current	48,115	50,587	29,549	26,475
Noncurrent	15,168	15,885	6,282	6,300
Total assets	63,283	66,472	35,831	32,775
Liabilities:				
Current	22,628	24,764	13,321	3,944
Noncurrent	7,119	7,139	-	-
Shareholders' equity	33,536	34,569	22,510	28,831
Total liabilities and shareholders' equity	63,283	66,472	35,831	32,775

	Romi Italia		Rominor	
	3/31/2010	3/31/2009	3/31/2010	3/31/2009
Net operating revenue	6,353	6,915	3,150	3,653
Gross (loss) profit	1,709	(3,257)	3,133	3,635
Income (loss) from operations	(2,514)	(3,262)	3,577	4,523
Income (loss) before taxes	(2,514)	(3,262)	3,577	4,523
Net income (loss)	(2,539)	(3,267)	3,040	3,766

The condensed consolidated interim consolidated for the quarter ended March 31, 2010 and 2009 and the financial statements for the year ended December 31, 2009 of foreign subsidiaries, prepared for the same reporting period of the Company's financial statements, have been prepared in accordance with the international financial reporting standards.

Intercompany balances and transactions have been eliminated in consolidations 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, and reclassification of negative goodwill of the subsidiary Rominor to liabilities.

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 individual and consolidated financial statements, prepared in conformity with Brazilian accounting practices (BRGAAP).

Below is the reconciliation between the main differences between IFRS and BRGAAP which affected shareholders' equity as of march 31, 2010 and December 31, 2009 and net income for the period ended March 31, 2010 and 2009:

Reconciliation of shareholders' equity - BRGAAP "versus" IFRS

	3/31/2010	12/31/2009
Shareholders' equity under BR GAAP	682,567	682,875
Adjustments under IFRS:		
Amortization of intangible asset, recorded for IFRS purposes, arising from the acquisition of JAC Indústria Metalúrgica Ltda. ("JAC")	(474)	(332)
Deferred taxes related to the amortization of intangible assets above	161	113
Other differences	(116)	(116)
Controlling interests	682,138	682,540
Non controlling interests	1,559	1,997
Shareholders' equity under IFRS	683,697	684,537

Reconciliation of net income - BRGAAP “versus” IFRS

	3/31/2010	3/31/2009
Net income under BR GAAP	10,657	(7,838)
Adjustments under IFRS:		
Amortization of intangible asset, recorded for IFRS purposes, arising from the acquisition of JAC Indústria Metalúrgica Ltda. (“JAC”)	(142)	-
Deferred taxes related to the amortization of intangible assets above	48	-
Net income under IFRS	10,563	(7,838)

5. CASH AND CASH EQUIVALENTS

	3/31/2010	12/31/2009
Cash	12,672	9,219
Bank certificates of deposits (CDB) (a)	62,572	161,644
Short-term investments backed by debentures (a)	28,676	53,594
Short-term investments in foreign currency - US$ (time deposit) (b)	133,272	1,456
Cash and cash equivalents	237,192	225,913

(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). They comprise cash, demand deposits and short-term investments which can be redeemed within 90 days from the investments date.

(b) The short-term investments made with foreign prime financial institutions, in US dollars, yield fixed interest ranging from 0.26% to 0.35% per year. These short-term investments are used to hedge capital against foreign exchange fluctuation if the transaction described in note 18 is completed.

6. TRADE ACCOUNTS RECEIVABLES

	3/31/2010	12/31/2009
Current:		
Domestic customers	61,388	57,722
Foreign customers	13,947	22,869
Allowance for doubtful accounts	(5,601)	(4,656)
Total	69,734	75,935
Noncurrent:		
Domestic customers	3,855	3,448
Foreign customers	920	1,020
Total	4,775	4,468

The Company’s maximum exposure to credit risk is the balance of trade notes receivable previously mentioned.

The Company has R$ 8,693 as of March 31, 2010 (R$ 9,751 as of December 31, 2009) 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 receivables from domestic customers as of March 31, 2010 and December 31, 2009, is as follows:

	3/31/2010	12/31/2009
Current	54,176	48,330
Past due:		
1 to 30 days	2,645	5,415
31 to 60 days	2,032	732
61 to 90 days	535	220
91 to 180 days	146	1,002
181 to 360 days	831	1,137
Over 360 days	1,023	886
Total past-due	7,212	9,392
Trade accounts receivables	61,388	57,722

The balance of trade accounts receivable from foreign customers as of March 31, 2010 and December 31, 2009 is as follows:

	3/31/2010	12/31/2009
Current	10,992	17,887
Past-due:		
1 to 30 days	1,269	2,217
31 to 60 days	296	1,187
61 to 90 days	291	95
91 to 180 days	109	421
181 to 360 days	227	256
Over 360 days	763	806
	2,955	4,982
Total trade accounts receivables	13,947	22,869

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

Balance as of December 31, 2009	4,656
Receivables accrued in the year	947
Receivables definitively written off	(2)
Balance as of March 31, 2010	5,601

7. ONLENDING OF FINAME MANUFACTURER FINANCING

	3/31/2010	12/31/2009
Current assets:		
FINAME falling due	307,580	291,063
FINAME awaiting release (a)	7,155	10,835
FINAME past due (b)	36,090	40,257
	350,825	342,155
Noncurrent assets:		
FINAME falling due	432,925	412,728
FINAME awaiting release (a)	42,900	65,009
	475,825	477,737
Total	826,650	819,892

Onlending of Finame Manufacturer financing refers to sales to customers financed by funds from the National Bank for Economic and Social Development (BNDES) through a credit line named Finame Manufacturer financing (see Note 11).

FINAME Manufacturer financing refers to funds specifically linked to sales transactions, with terms of up to 60 months, option of up to 12 months grace period and the following interest: (a) between 4% and 5.8% per annum, plus long-term interest rate (TJLP); and (b) 4.5% per annum, prefixed according to Circular 79, of July 10, 2009, for transactions carried out between July 27, 2009 and June 30, 2010. The financing terms established by the BNDES are based on the customer's characteristics. Funds are released by the BNDES by identifying the customer and the sale, and the fulfillment, by the customer, of the terms of Circular 195, of July 28, 2006, issued by the BNDES, through a financial agent, with the formalization of a financing agreement in the name of the Company and consent of the customer to be financed. The terms related to amounts, periods and charges of the transaction are fully reflected in the amounts to be received by the Company from the bank mediating the agreement to which the Company is the debtor. The Company has title to the financed equipment until the final settlement of the obligation by the customer

Amounts receivable - onlending of FINAME Manufacturer financing are represented by:

(a) FINAME awaiting release: refers to FINAME Manufacturer financing transactions already fulfilling the specified terms and approved by the involved parties, including the preparation of documentation, issuance of sales invoice, and delivery of equipment to customer. The credit of the related funds to the Company's account by the agent bank was pending on the date of the financial statements, in view of the normal operating terms of the agent bank.

(b) FINAME past-due: refers to amounts receivable not settled by the customer on the due date, considering the dates of the financial statements. The Company did not record a provision for possible loss on this balance, because it has title to the machines sold (guarantee) and, therefore, believes that in the event of an execution of this guarantee, the amount would be sufficient to cover the total amount due by the customer.

As of March 31, 2010 and December 31, 2009, the balances as of “Onlending of Finame Manufacturer financing” are as follows:

	3/31/2010	12/31/2009
Current	314,735	301,898
Past-due:		
1 to 30 days	5,941	5,122
31 to 60 days	4,022	3,335
61 to 90 days	3,076	2,772
91 to 180 days	6,314	7,634
181 to 360 days	8,619	14,452
Over 360 days	8,118	6,942
	36,090	40,257
Total current	350,825	342,155
2011	242,048	240,889
2012	152,534	150,529
2013	74,419	77,327
2014 and thereafter	6,824	8,992
Total noncurrent	475,825	477,737
Total	826,650	819,892

8. INVENTORIES

	3/31/2010	12/31/2009
Finished products	91,890	93,114
Work in process	85,198	79,444
Raw materials and components	75,922	69,542
Import in transit	10,963	1,551
Total	263,973	243,651

Inventory balance is net of the amount of R$ 20,933 (R$ 20,441 as of December 31, 2009), of the provision for the realization of inventories of slow-moving materials and components with remote probability of being realized through sale or use.

9. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment as are follows:

Balance as of December 31, 2009	281,361
Changes in the period:	
Additions	4,802
Disposals	(55)
Depreciation	(4,494)
Exchange rate changes	(473)
Balance as of March 31, 2010	281,141

In view of the financing agreements with the BNDES for investment in property, plant and equipment, approximately R$ 51,197 as of March 31, 2010 (R$ 80,710 as of December 31, 2009) of property, plant and equipment items is pledged as collateral. These items are fully represented by machinery and equipment.

In the period ended March 31, 2010, the Company capitalized financial charges in the amount of R$ 40 (R$ 1,329 as of March 31, 2009), appropriated to “Construction in progress”.

10. FINANCING

Changes in financing are as follow:

	Local currency	Foreign currency
Balance as of December 31, 2009 (current and noncurrent)	228,644	4,017
New loans and financing (a)	17,443	-
Payments of loans and financing	(5,735)	(1,124)
Interests paid	(3,454)	(460)
Exchange rate (principal and interest)	(59)	336
Financial charges	3,728	7
Balance as of March 31, 2010 (current and noncurrent)	240,567	2,776

The maturities of the financing recorded in noncurrent liabilities as of March 31, 2010 are as follows:

	Consolidated
2011 (nine months)	16,831
2012	107,711
2013	31,027
2014	23,132
2015 and thereafter	41,471
Total	220,172

(a) Refer to a new financing occurred on March, 2010, the Company entered into a financing agreement with the BNDES, under the BNDES Investment Support Program (BNDES PSI), related to an export contract. The financing will be paid in a single installment on December 15, 2012. The Company commits itself to exporting until the agreement settlement date, the equivalent to US$ 10,000,000, Interest on such financing is prefixed at 4.5% per annum. The financing is collateralized by a promissory note signed by the Company. If the amount exported does not reach the amount committed, the Company will be liable for a contractual fine of 10 percent of the difference between the amount exported versus the amount committed. The Company expects to fulfill the export terms and conditions set forth in the financing agreement.

The Company has certain financing agreements that set out financial ratios to be met by the financial statements annually, which, therefore, have no impact on the condensed consolidated interim financial statements.

11. FINANCING - FINAME MANUFACTURER

	3/31/2010	12/31/2009
Current:		
FINAME Manufacturer	292,497	284,390
Noncurrent:		
FINAME Manufacturer	417,913	405,967

The agreements related to FINAME Manufacturer financing are guaranteed by promissory notes and surety, and the main guarantor is the subsidiary Rominor. The balances are directly related to the balances of the line item "Amounts receivable - onlending of FINAME Manufacturer financing" (see note 7), considering that the financing are directly linked to sales to specific customers. Contractual terms related to amounts, charges and periods financed under the program are fully passed on to the financed customers, and monthly receipts from the line item "Amounts receivable - onlending of FINAME Manufacturer financing" are fully used for amortization of the related financing agreements. The Company, therefore, acts an agent bank for the financing, but remains as the main debtor of this transaction.

The maturities of FINAME Manufacturer financing recorded in noncurrent liabilities as of March 31, 2010 are as follows:

2011 (nine months)	205,331
2012	153,204
2013	52,960
2014	6,397
2015	21
Total	417,913

12. 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:

	Classifications of lawsuits amounts as of March 31, 2010			Recognized reserve	
	Remote	Possible	Probable	3/31/2010	12/31/2009
Tax	384	3,892	20,060	20,060	18,573
Civil	1,693	1,736	321	321	312
Labor	7,414	341	2,346	2,346	2,284
Total	9,491	5,969	22,727	22,727	21,169
Current balance	-	-	-	728	846
Noncurrent balance	-	-	-	21,999	20,323

As of March 31, 2010, 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:

	12/31/2009	Additions	Use/ reversals	Inflations adjustments	3/31/2010
Tax	18,573	1,487	-	-	20,060
Civil	312	-	-	9	321
Labor	2,284	349	(329)	42	2,346
	21,169	1,836	(329)	51	22,727

In subsidiaries there are no ongoing litigations or contingency risks to be considered, according to assessment made by Management and its legal counsel.

As of March 31, 2010, 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$ 3,488 (R$ 3,223 as of December 31, 2009) and R$ 16,066 (R$ 14,844 as of December 31, 2009), respectively, and INSS (social security contribution) on services provided by cooperatives in the amount of R$ 506 (R$ 506 as of December 31, 2009). The Company is depositing in escrow PIS and COFINS on ICMS on sales, the amount recorded is R$ 19,542 (R$17,999 as of December 31, 2009)

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.

Tax, 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 classified as probable losses will not result in disbursements higher than those recognized in the reserve. The amounts involved do not qualify as legal obligations.

13. EARNINGS PER SHARE AND INTEREST ON CAPITAL

a) Changes in the number of shares

Shares issued	Common	Total
Shares as of December 31, 2009	74,757,547	74,757,547
Shares as of March 31, 2010	74,757,547	74,757,547

b) Earnings per share

In compliance with IAS 33, *Earnings per Share,* the following tables reconcile the net income with the amounts used to calculate the basic and diluted earnings per share:

	3/31/2010	3/31/2009
Net (loss) income attributable to controlling interest	10,563	(7,838)
Weighted average of shares issued (in thousands)	74,758	76,420
Basic and diluted earnings (loss) per share	0.14	(0.10)

c) Interest on capital

In March 16, 2010, according the Shareholders' Meeting, the Company approved the payment of interest on capital, in the amount of R$ 8.970, with withholding of income tax in the amount of R$ 1,015. This amount represented R$ 0.12 per share and the payment was made on April 20, 2010.

14. MANAGEMENT COMPENSATION

Management compensation for the period ended March 31, 2010 and 2009 are as follows:

	3/31/2010	3/31/2009
Fees and charges	1,550	1,695
Profit sharing	314	-
Private pension plan	108	147
Healthcare plan	16	15
Total	1,988	1,857

15. 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 March 31, 2010 and 2009:

	3/31/2010	3/31/2009
Income (loss) before income and social contribution taxes	10,855	(10,780)
Statutory rate (income and social contribution taxes)	34%	34%
Expected income and social contribution tax charges at statutory rate	(3,691)	3,665
Reconciliation to the effective rate:		
Interest on capital	3,050	-
Management profit sharing	(107)	-
Other (additions) deductions, net (*)	456	(723)
Income and social contribution tax charges - current and deferred	(292)	2,942

(*) This amount refers basically to the difference in the calculation of income and social contribution taxes between the actual taxable income and presumed income methods, due to the fact that the subsidiary Rominor is a taxpayer under the presumed income regime during the reported periods and due to the non-recognition of deferred income tax on the tax losses of foreign subsidiaries. Income tax and social contribution income (expenses) was recognized using the tax rate levied on total annual profit determined based on management's best estimate for 2010.

16. SEGMENT REPORTING

To manage its business, the Company is organized into three business units, on which the company's segment reporting is based. The main segments are machine tools, plastic injectors and cast and machined products. Segment reporting for the period ended March 31, 2010 and 2009 are as follows:

	3/31/2010				
	Machine tools	Plastic Injection machines	Cast and machined products	Eliminations between segments and other	Consolidated
Operating revenue, net	102,880	28,861	13,391	-	145,132
Cost of sales	(58,288)	(14,393)	(20,255)	-	(92,936)
Transfer remitted	3,999	-	9,423	(13,422)	-
Transfer received	(6,238)	(5,354)	(1,830)	13,422	-
Gross profit (loss)	42,353	9,114	729	-	52,196
Operating income (expenses):					
Selling expenses	(9,070)	(3,532)	(640)	-	(13,242)
General and administrative expenses	(10,577)	(5,067)	(905)	-	(16,549)
Research and development expenses	(4,151)	(1,628)	-	-	(5,779)
Management profit sharing and compensation	(1,517)	(327)	(144)	-	(1,988)
Tax expenses	(550)	(166)	(52)	-	(768)
Others income (expenses)	63	(2)	-	-	61
(Loss) income from operations before financial results	16,551	(1,608)	(1,012)	-	13,931
Inventories	164,702	84,108	15,163	-	263,973
Depreciation	3,393	526	717	-	4,636
Property, plant and equipment, net	156,642	24,534	99,965	-	281,141
Goodwill	-	2,017	-	-	2,017

	Europe	North America	Latin America	Africa and Asia	Total
Net operating revenue per geographical region	6,386	4,064	134,537	145	145,132

	3/31/2009				
	Machine tools	Plastic Injection machines	Cast and machined products	Eliminations between segments and other	Consolidated
Operating revenue, net	50,330	15,407	10,032	-	75,769
Cost of sales	(28,970)	(6,458)	(15,048)	-	(50,476)
Transfer remitted	2,848	-	3,563	(6,411)	-
Transfer received	(2,809)	(2,885)	(717)	6,411	-
Gross profit (loss)	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)
Others income (expenses)	(2)	17	-	-	15
(Loss) income from operations before financial results	(5,185)	(5,556)	(4,016)	-	(14,757)
Inventories	209,638	76,124	18,105	-	303,867
Depreciation	3,544	250	1,035	-	4,829
Property, plant and equipment, net	162,037	20,236	97,565	-	279,838
Goodwill	-	1,496	-	-	1,496

	Europe	North America	Latin America	Africa and Asia	Total
Net operating revenue per geographical region	5,834	1,364	68,344	227	75,769

17. FUTURE COMMITMENTS

(a) On May 1, 2007, the Company entered into an electricity supply agreement with the electric power utility Centrais Elétricas Cachoeira Dourada S.A. - CDSA, which belongs to the Endesa Group, for the period from January 1, 2008 to December 31, 2013, under the free consumer regime. The agreement is adjusted annually based on the general market price index (IGP-M) and the amounts are distributed into the following years:

Year of supply	Amount
2010 (nine months)	5,820
2011	11,375
2012	11,897
2013	11,897
Total	40,989

The opinion of the Company's management is that this agreement is compatible with the electric power consumption requirements for the contracted period.

(b) Under the agreement for acquisition of Sandretto Industrie S.l.r., the Company commits itself to maintaining, for at least two years from the agreement date, business activities in the production sites, at the Grugliasco and Pont Canavese units, both in Turin, in Italy, as well as the occupational levels for the same period, in a quantity not less than 250 employees (“guarantees”). In the event of non-fulfillment of these guarantees, the Company is required to pay a fine equivalent to € 1,375,000 (equivalent to R$ 3,446 as of March 31, 2010). This two-year obligation ends in July 2010.

18. EVENTS AFTER THE REPORTING PERIOD

In April, the Company filed both with the Brazilian Securities and Exchange Commission and the US stock market regulator, the Securities Exchange Commission (SEC), additional documentation related to the intention to acquire 100% of the outstanding share of Hardinge Inc. (NASDAQ: HDNG) (“Hardinge”), which went public on February 4, 2010. Please refer to related documentation disclosed on our website, www.romi.com, for additional information.

Also, as part of the transaction described in the previous paragraph, the Company incorporated, on March 23, 2010, a wholly-owned subsidiary called Helen Acquisition Corp., in the State of New York, United States of America. On March 31, 2010, no capitalization had been made in this company and capital, totaling US$ 92 million, was paid in on April 6, 7 and 8, 2010.

19. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Company’s Board of Directors on April 27, 2010.