(A free translation of the original in Portuguese)

# Indústrias Romi S.A.

**Quarterly information (ITR) at**
**March 31, 2013**
**and report on review of**
**quarterly information**

## Report on Review of Quarterly Information

To the Board of Directors and Shareholders
Indústrias Romi S.A.

### Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Indústrias Romi S.A., included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2013, comprising the balance sheet as at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

### Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.



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Indústrias Romi S.A.

## Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

## Other matters

### Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 2013. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Campinas, April 23, 2013

PricewaterhouseCoopers
PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F"

Marcos Roberto Sponchiado
Marcos Roberto Sponchiado
Contador CRC 1SP175536/O-5

# Indústrias Romi S.A.

## Balance sheet
**In thousand of reais** (A free translation of the original in Portuguese)

| Assets | Notes | Company March, 31 2013 | Company December, 31 2012 | Consolidated March, 31 2013 | Consolidated December, 31 2012 |
|---|---|---|---|---|---|
| Current | | | | | |
| Cash and cash equivalents | 3 | 53,112 | 45,110 | 81,012 | 82,320 |
| Trade accounts receivable | 4 | 84,388 | 95,844 | 103,354 | 125,568 |
| Onlending of FINAME manufacturer financing | 5 | 299,910 | 317,633 | 299,910 | 317,633 |
| Inventories | 6 | 225,387 | 233,435 | 291,757 | 301,686 |
| Related parties | 8 | 9,229 | 9,779 | 530 | 456 |
| Taxes recoverable | | 10,339 | 8,942 | 13,368 | 10,817 |
| Other receivables | 5 | 25,995 | 26,721 | 29,963 | 29,798 |
| | | 708,360 | 737,464 | 819,894 | 868,278 |
| Non-current | | | | | |
| Trade accounts receivable | 4 | 12,778 | 13,842 | 12,778 | 13,842 |
| Onlending of FINAME manufacturer financing | 5 | 270,153 | 312,805 | 270,153 | 312,805 |
| Related parties | 8 | 31,068 | 31,076 | | |
| Taxes recoverable | | 688 | 874 | 688 | 874 |
| Deferred income tax and social contribution | 15 | 54,332 | 52,004 | 54,332 | 52,004 |
| Judicial deposits | 14 | 1,755 | 1,697 | 1,755 | 1,697 |
| Other receivables | 5 | 34,075 | 27,681 | 35,050 | 28,663 |
| Investment in subsidiary and associated companies | 7 | 95,500 | 105,601 | 1,865 | 1,944 |
| Property, plant and equipment | 10 | 221,059 | 223,907 | 274,368 | 272,857 |
| Investment properties | 9 | 14,202 | 14,202 | 16,103 | 16,103 |
| Intangible assets | 11 | 5,718 | 6,169 | 42,549 | 45,493 |
| | | 741,328 | 789,858 | 709,641 | 746,282 |
| Total assets | | 1,449,688 | 1,527,322 | 1,529,535 | 1,614,560 |

| Liabilities and equity | Notes | Company March, 31 2013 | Company December, 31 2012 | Consolidated March, 31 2013 | Consolidated December, 31 2012 |
|---|---|---|---|---|---|
| Current | | | | | |
| Borrowings | 12 | 65,642 | 67,605 | 67,567 | 70,192 |
| FINAME manufacturer financing | 13 | 270,630 | 285,440 | 270,630 | 285,440 |
| Trade accounts payable | | 36,555 | 30,565 | 48,014 | 41,516 |
| Payroll and related taxes | | 17,962 | 16,975 | 23,044 | 21,781 |
| Borrowings | | 4,268 | 9,573 | 6,427 | 11,263 |
| FINAME manufacturer financing | | 8,963 | 10,844 | 36,187 | 41,838 |
| Dividends and interes on capital | | 60 | 70 | 107 | 112 |
| Profit sharing | | 322 | 322 | 322 | 322 |
| Other payables | | 9,880 | 9,411 | 14,661 | 16,877 |
| Provision for net capital deficiency - subsidiary | 7 | 5,157 | 4,890 | | |
| Related parties | 8 | 392 | 435 | 541 | 590 |
| | | 419,831 | 436,130 | 467,500 | 489,931 |
| Non-current | | | | | |
| Borrowings | 12 | 133,883 | 142,790 | 143,186 | 152,490 |
| FINAME manufacturer financing | 13 | 262,557 | 302,279 | 262,557 | 302,279 |
| Borrowings | | 1,779 | 3,461 | 1,779 | 3,461 |
| Provision for tax, labor and divil risks | 14 | 6,959 | 6,520 | 6,959 | 6,520 |
| Other payables | | 598 | 615 | 780 | 325 |
| Deferred income tax and social contribution | 15 | | | 21,115 | 22,284 |
| | | 405,776 | 455,665 | 436,376 | 487,359 |
| Total liabilities | | 825,607 | 891,795 | 903,876 | 977,290 |
| Equity | | | | | |
| Capital | | 489,973 | 489,973 | 489,973 | 489,973 |
| Capital reserve | | 2,052 | 2,052 | 2,052 | 2,052 |
| Treasury shares | 16 | | (17,850) | | (17,850) |
| Profit reserve | | 139,741 | 157,591 | 139,741 | 157,591 |
| Accumulated deficit | | (8,054) | | (8,054) | |
| Other comprehensive income | | 369 | 3,761 | 369 | 3,761 |
| | | 624,081 | 635,527 | 624,081 | 635,527 |
| Non controlling interests | | | | 1,578 | 1,743 |
| Total equity | | 624,081 | 635,527 | 625,659 | 637,270 |
| Total libilities and equity | | 1,449,688 | 1,527,322 | 1,529,535 | 1,614,560 |

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

## Indústrias Romi S.A.

**Statement of Income**
**Quarters ended March 31**
**In thousands of reais unless otherwise stated** (A free translation of the original in Portuguese)

| | Notes | Company 2013 | Company 2012 | Consolidated 2013 | Consolidated 2012 |
|---|---|---|---|---|---|
| **Operations** | | | | | |
| Net Operating revenue | | 116,182 | 102,152 | 141,747 | 149,721 |
| Cost of sales and services | | (87,539) | (82,335) | (106,870) | (118,827) |
| **Gross profit** | | 28,643 | 19,817 | 34,877 | 30,894 |
| **Operation income (expenses)** | | | | | |
| Selling | | (12,184) | (14,249) | (16,635) | (18,717) |
| General and administrative | | (14,641) | (16,662) | (19,236) | (21,110) |
| Research and development | | (4,551) | (5,643) | (4,633) | (5,904) |
| Management profit sharing and fees | | (1,466) | (2,087) | (1,498) | (2,121) |
| Equity in the earnings of subsidiaries | 7 | (3,169) | 9,191 | - | - |
| Other operating income, net | | 180 | 16 | 171 | 8,133 |
| | | (35,831) | (29,434) | (41,831) | (39,719) |
| **Operating loss** | | (7,188) | (9,617) | (6,954) | (8,825) |
| **Financial income (expenses)** | | | | | |
| Financial income | | 2,560 | 4,038 | 3,888 | 4,708 |
| Financial expenses | | (4,864) | (4,643) | (6,253) | (4,930) |
| Foreign exchange gains, net | | (890) | 115 | (894) | 137 |
| | | (3,194) | (490) | (3,259) | (85) |
| **Loss before taxation** | | (10,382) | (10,107) | (10,213) | (8,910) |
| **Income tax and social contribution** | | | | | |
| Current | 15 | - | | (312) | (573) |
| Deferred | 15 | 2,328 | 6,496 | 2,592 | 6,054 |
| **Loss for the quarter** | | (8,054) | (3,611) | (7,933) | (3,429) |
| **Attributable to:** | | | | | |
| Controlling interests | | (8,054) | (3,611) | (8,054) | (3,611) |
| Non-controlling interests | | | | 121 | 182 |
| | | (8,054) | (3,611) | (7,933) | (3,429) |
| Basic and diluted loss per share (R$) | 16 | (0,11) | (0,05) | (0,11) | (0,05) |

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

## Indústrias Romi S.A.

**Statement of comprehensive income**
**Quarters ended March 31**
**In thousands of reais unless otherwise stated** (A free translation of the original in Portuguese)

| | Company | | Consolidated | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| **Loss for the quarter** | (8,054) | (3,611) | (7,933) | (3,429) |
| Foreign currency translation effects | (3,392) | 492 | (3,392) | 492 |
| **Comprehensive loss for the quarter** | (11,446) | (3,119) | (11,325) | (2,937) |
| **Attributable to:** | | | | |
| Controlling interests | (11,446) | (3,119) | (11,446) | (3,119) |
| Non-controlling interests | | | 121 | 182 |
| | (11,446) | (3,119) | (11,325) | (2,937) |

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

## Indústrias Romi S.A.

### Statement of changes in shareholders' equity

**In thousands of reais unless otherwise stated** (A free translation of the original in Portuguese)

| | | Attributable to the controlling interests | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Earnings reserve | | | | | | | |
| | Notes | Capital | Capital Reserve | Treasury share | Retained earnings | Legal reserve | Total | Other comprehensive cumulative income (loss) | Retained earnings (accumulated deficit) | Controlling interest | Non-controlling interests | Total |
| **At January 1st, 2012** | | 489,973 | 2,052 | (4,599) | 154,586 | 41,012 | 195,598 | (5,248) | | 677,776 | 1,968 | 679,744 |
| **Total comprehensive loss for the quarter** | | | | | | | | | | | | |
| Loss for the quarter | | | | | | | | | (3,611) | (3,611) | 182 | (3,429) |
| Foreign currency translation effects | | | | | | | | 492 | | 492 | | 492 |
| **Total comprehensive loss for the quarter** | | | | | | | | 492 | (3,611) | (3,119) | 182 | (2,937) |
| Purchase of treasury shares | | | | (6,698) | | | | | | (6,698) | | (6,698) |
| Proposed dividends (R$1.68 per share) | | | | | | | | | | | (541) | (541) |
| **At March 31st, 2012** | | 489,973 | 2,052 | (11,297) | 154,586 | 41,012 | 195,598 | (4,756) | (3,611) | 667,959 | 1,609 | 669,568 |
| **At January 1st, 2013** | | 489,973 | 2,052 | (17,850) | 116,579 | 41,012 | 157,591 | 3,761 | | 635,527 | 1,743 | 637,270 |
| **Total comprehensive loss for the quarter** | | | | | | | | | | | | |
| Loss for the quarter | | | | | | | | | (8,054) | (8,054) | 121 | (7,933) |
| Foreign currency translation effects | | | | | | | | (3,392) | | (3,392) | | (3,392) |
| **Total comprehensive loss for the quarter** | | | | | | | | (3,392) | (8,054) | (11,446) | 121 | (11,325) |
| Cancellation of shares in treasury | 16 | | | 17,850 | (17,850) | | (17,850) | | | | | |
| Proposed dividends by subsidiary | | | | | | | | | | | (286) | (286) |
| **At March 31st, 2013** | | 489,973 | 2,052 | | 98,729 | 41,012 | 139,741 | 369 | (8,054) | 624,081 | 1,578 | 625,659 |

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

# Indústrias Romi S.A.

## Statement of cash flow
## Quarters ended March 31
**In thousands of reais** (A free translation of the original in Portuguese)

| | Notes | Company 2013 | Company 2012 | Consolidated 2013 | Consolidated 2012 |
|---|---|---|---|---|---|
| **Cash flows from operationg activities** | - | | | | |
| **Loss before taxation** | | **(10,382)** | **(10,107)** | **(10,213)** | **(8,910)** |
| Adjustments from: | | | | | |
| Financial income and expenses and foreign exchange variations | | 2,527 | 1,782 | 1,771 | 1,821 |
| Depreciation and amortization | 10-11 | 7,703 | 7,668 | 9,348 | 8,842 |
| Allowence for doubtful accounts and for other receivables | | 5,485 | 4,463 | 6,299 | 4,463 |
| Cost of property, plant and equipment disposals | | 208 | 142 | 213 | 142 |
| Equity in subsidiaries and provision for net capital deficiency, net of dividends received | 7 | 3,169 | (9,191) | | |
| Provision for inventory losses | | 2,511 | 1,861 | 2,511 | 1,861 |
| Provision for tax, labor and civil risks | | (482 | 595 | (482 | 595 |
| Negative goodwill on the acquisition of foreign subsidiary | | | | | (8,094 ) |
| Changes in operationg assets and liabilities | | | | | |
| Trade accounts receivable | | 13,804 | 13,595 | 23,537 | 5,944 |
| Related parties | | (463) | (6,706) | | |
| Onlending of FINAME manufacturer financing | | 53,763 | 48,896 | 53,763 | 48,896 |
| Inventory | | 7,310 | (11,992) | 5,734 | 6,096 |
| Taxes recoverable | | (1,211) | 602 | (2,296) | (621) |
| Judicial deposits | | (58 | (1,200) | (58) | (1,200) |
| Other receivables | | 842 | (5,545) | (301) | (5,559) |
| Trade accounts payable | | 6,243 | (18,096) | 7,211 | (19,107) |
| Related parties | | (43 | 1,965 | | |
| Payroll and related taxes | | 1,908 | (618) | 2,384 | (463) |
| Taxes payable | | (5,687) | (1,645) | (5,295) | (1,669) |
| Advances from customers | | (1,881) | (1,026) | (4,434) | (11,215) |
| Other payables | | 452 | 446 | (1,307) | 2,787 |
| Cash provided by (used in) operations | | 85,718 | 15,889 | 88,385 | 24,609 |
| Income tax and social contribution paid | | (1,300) | (519) | (1,622) | (519) |
| **Net cash provided by operating activies** | | 84,418 | 15,370 | 86,763 | 24,090 |
| **Cash flows from investing activities** | | | | | |
| Purchases of property, plant and equipment | | (4,612) | (1,408) | (11,651) | (1,465) |
| Received dividends | | 3,848 | 7,261 | | |
| Acquisition of foreign subisidiary | 7 | | | | (46,830) |
| Cash and cash equivalents originated from acquisition of foreign subsidiary | 7 | | | | 5,939 |
| Capital increase in foreign sibisdiary | | (41) | (2,336) | | |
| **Net cash provided by (used in) investing activities** | | (805) | 3,517 | (11,651) | (42,356) |
| **Cash flows from financing activities** | | | | | |
| Interest on capital and dividends paid | | (10) | (11) | (291) | (777) |
| Purchase of treasury shares | | | (6,698) | | (6,698) |
| New borrowings | | 5,819 | 7,556 | 7,355 | 9,651 |
| Payment of other financing | | (16,670) | (8,582) | (18,731) | (9,358) |
| Interest paid | | (3,230) | (3,798) | (3,337) | (3,838) |
| New FINAME manufacturer financing | | 22,417 | 53,440 | 22,417 | 53,440 |
| Payment of FINAME manufacturer financing | | (76,221) | (81,033) | (76,221) | (81,033) |
| Interest paid - FINAME manufacturer financing | | (7,716) | (11,960) | (7,716) | (11,960) |
| **Net cash used in financing activities** | | (75,611) | (51,086) | (76,524) | (50,573) |
| **Increase (decrease) in cash and cash equivalents** | | 8,002 | (32,199) | (1,412) | (68,839) |
| **Cash and cash equivalents at the beginning of the quarter** | | 45,110 | 83,467 | 82,320 | 162,813 |
| **Foreign exchanges profts (losses) of cash equivalents of foreign subsidiaries** | | | | 104 | (3,372) |
| **Cash and cash equivalents at the end of the quarter** | | 53,112 | 51,268 | 81,012 | 90,602 |

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

## Indústrias Romi S.A.

**Statement of value added**
**Quarters ended March 31**
**In thousands of reais** (A free translation of the original in Portuguese)

| | Notes | Company 2013 | Company 2012 | Consolidated 2013 | Consolidated 2012 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Sales and products and services | | 141,031 | 123,435 | 167,299 | 171.393 |
| Allowance for doubtful accounts and for other receivables | | (5,427) | (4,463) | (6,299) | (4.463) |
| Other operating income, net | | | 16 | | 8.133 |
| | | 135,604 | 118,988 | 161,000 | 175.063 |
| **Inputs purchased from third parties** | | | | | |
| Material used | | (51,028) | (43,879) | (58,412) | (72.312) |
| Other costs of products and services | | (4,546) | (5,142) | (5,528) | (6.267) |
| Electricity, third-party services and other expenses | | (8,339) | (9,814) | (13,132) | (13.811) |
| | | (63,913 | (58,835) | (77,072) | (92.390) |
| **Gross added value** | | 71.691 | 60,153 | 83,928 | 82,673 |
| Depreciation and amortization | 10-11 | (7,703) | (7,668) | (9,348) | (8.842) |
| **Net value added generated by the Company** | | 63.988 | 52,485 | 74,580 | 73,831 |
| **Value added received in transfer** | | | | | |
| Equity in the earnings of subsidiaries | 7 | (3,169) | 9,191 | | |
| Financial income and net foreign exchange gains | | 1,670 | 4,153 | 2,994 | 4.845 |
| **Total value added do distribute** | | 62.489 | 65,829 | 77,574 | 78,676 |
| **Distribution of value added** | | | | | |
| Employees | | | | | |
| Payroll and related charges | | 30,389 | 35,415 | 43,655 | 45.963 |
| Sales comissions | | 611 | 1,215 | 611 | 1.794 |
| Management profit sharing and fees | | 1,466 | 2,087 | 1,498 | 2.121 |
| Employee profit sharing | | | | | |
| Pensions plans | | 403 | 420 | 403 | 420 |
| Taxes | | | | | |
| Federal | | 24,173 | 22,049 | 24,571 | 23.448 |
| State | | 6,991 | 1,971 | 6,991 | 1.971 |
| Municipal | | 844 | 707 | 844 | 707 |
| Interest | | 4,864 | 4,643 | 6,253 | 4.930 |
| Rentals | | 802 | 933 | 802 | 933 |
| Dividends and interes on capital | | | | | |
| Accumulated loss for the quarter | | (8.054) | (3,611) | (8,054) | (3,611) |
| **Value added distributed** | | 62.489 | 65,829 | 77,574 | 78,676 |

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

## 1 General information

Indústrias Romi S.A. (the "Parent company" and/or “Company”) and its subsidiaries (together referred to as the "Company" and/or as "Consolidated"), has been listed on the "New Market" of the São Paulo Stock Exchange ("Bovespa") since March 23, 2007, and is based in Santa Barbara D’Oeste, São Paulo. The company is engaged in the assembly and sale of capital goods in general, including machine tools, plastic injection molding machines, industrial equipment and accessories, tools, castings and parts, as well as providing systems analysis and developing data processing software related to the production, sale, and use of machine tools and plastic injectors; the manufacture and sale of raw cast parts and machined cast parts; export and import, and representation on its own account or on account of third parties, and the provision of related services. It also holds investments in other companies, and manages it own and/or third party assets.

The Company's industrial facilities consist of eleven plants in three units located in the city of Santa Bárbara D’Oeste, in the State of São Paulo, and one located in the city of Reutlingen, Germany. The last one is a high-precision tooling machine manufacturer, which was acquired by the Company on January 31, 2012. The Company also holds investments in subsidiaries in Brazil and abroad.

This quarterly information was approved by the Company’s Board of Directors and authorized for issue on April 23, 2013.

## 2 Basis of preparation and accounting policies

The financial information for the quarter ended March 31, 2013 of the Company and its subsidiaries has been prepared in accordance with CVM Resolution 673, of October 20, 2011, which approves accounting standard CPC 21 (R1) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The accounting policies adopted by the Company in the preparation of the parent company and consolidated quarterly information are the same as those used in the preparation of the financial statements for the year ended December 31, 2012 and, therefore, both should be read together.

The parent company financial information presents the measurement of investments in subsidiaries by the equity method of accounting, pursuant to prevailing Brazilian legislation. Accordingly, this parent company financial information is not considered as being in accordance with the International Financial Reporting Standards ("IFRS"), which require the measurement of such investments in the separate financial statements of the parent at their fair value or at cost.

All amounts in thousands of reais unless otherwise stated

As there is no difference between the consolidated equity and consolidated profit attributable to the owners of the Company, disclosed in the consolidated quarterly information prepared in accordance with IFRS and accounting practices adopted in Brazil, and the Company's equity and profit disclosed in the parent company financial information prepared in accordance with accounting practices adopted in Brazil, the Company elected to present this parent company and consolidated quarterly information in a single set.

The purpose of the statement of value added is to disclose the wealth created by the Company and its distribution during a certain period, and is presented by the Company, as required by the Brazilian Corporate Law, as an integral part of its parent company quarterly information, and as supplementary information to the consolidated quarterly information, since this statement is not required by IFRS.

### (a) Standards, interpretations and amendments to existing standards effective as at March 31, 2013 and that did not have a material impact on the Company's quarterly information

The interpretations and amendments to existing standards were issued and were effective as at March 31, 2013. However, they did not have a material impact on the Company's quarterly information.

**IFRS:**

| Standard | Subject |
|---|---|
| IFRS 9 | Financial Instruments |
| IFRS 10 | Consolidated Financial Statements |
| IFRS 11 | Joint Arrangements |
| IFRS 12 | Disclosure of Interests in Other Entities |
| IFRS 13 | Fair Value Measurement |
| IAS 27 | Separate Financial Statements |
| IAS 28 | Investments in Associates and Jointly Controlled Entities |

**CPC/CVM:**

| Standard | Subject |
|---|---|
| Instruction 527 | Addresses the voluntary disclosure of non-accounting information - EBITDA or EBIT |

The Brazilian Accounting Pronouncements Committee ("CPC") has not yet issued the pronouncements and amendments related to the new and revised IFRS presented above. In view of the commitment of the CVM and the Brazilian Securities Commission ('CVM') to keep the set of standards issued updated according to the changes made by the International Accounting Standards Board (IASB), we expect these standards and amendments to be issued by the CPC and approved by the CVM by the date they become effective.

All amounts in thousands of reais unless otherwise stated

### (b) Notes included in the financial statements as at December 31, 2012 not included in this quarterly information

The quarterly information is presented in accordance with accounting standard CPC 21 and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB). The preparation of this quarterly information involves judgment by the Company's management on the relevance and changes that should be disclosed in the notes. Accordingly, this quarterly information includes selected notes and does not comprise all notes presented in the year ended December 31, 2012. As permitted by Circular Letter 03/2011 of the Brazilian Securities Commission (CVM), the following notes are not presented:

- Summary of significant accounting policies (Note 2);
- Business combinations (Note 3);
- Investment property (Note 10);
- Pension plan (Note 18);
- Insurance (Note 19);
- Financial instruments and operating risks (Note 20):
- Net operating revenue (Note 23);
- Expenses by nature (Note 24);
- Finance income (costs) (Note 25); and
- Other operating income, net (Note 26).

## 3 Cash and cash equivalents

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | March 31, 2013 | December 31, 2012 | March 31, 2013 | December 31, 2012 |
| Cash | 3,546 | 2,715 | 14,524 | 20,596 |
| Bank Deposit Certificates ("CDBs") (a) | 46,817 | 34,381 | 55,633 | 45,781 |
| Short-term investments backed by debentures (a) | 2,400 | 6,378 | 10,506 | 14,307 |
| Short-term investments in foreign currency -US$ (time deposits) | - | 1,389 | - | 1,389 |
| Other | 349 | 247 | 349 | 247 |
| Total cash and cash equivalents | 53,112 | 45,110 | 81,012 | 82,320 |

(a) These investments are substantially pegged to the Interbank Deposit Certificate (CDI) interest rate.

**All amounts in thousands of reais unless otherwise stated**

## 4 Trade accounts receivable

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **March 31, 2013** | **December 31, 2012** | **March 31, 2013** | **December 31, 2012** |
| Current: | | | | |
| Domestic customers | 80,881 | 92,372 | 81,579 | 93,702 |
| Foreign customers | 5,327 | 5,154 | 27,980 | 38,187 |
| Allowance for doubtful accounts | (1,820) | (1,682) | (6,205) | (6,321) |
| | 84,388 | 95,844 | 103,354 | 125,568 |
| Non-current: | | | | |
| Domestic customers | 12,446 | 13,243 | 12,446 | 13,243 |
| Foreign customers | 1,521 | 1,789 | 1,521 | 1,789 |
| Allowance for doubtful accounts | (1,189) | (1,190) | (1,189) | (1,190) |
| | 12,778 | 13,842 | 12,778 | 13,842 |

Trade accounts receivable from customers are recorded at their amortized costs, with approximate their fair values.

The parent company and consolidated balances of trade accounts receivable as at March 31, 2013 and December 31, 2012, are as follows:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | **March 31, 2013** | **December 31, 2012** | **March 31, 2013** | **December 31, 2012** |
| Not yet due | 66,600 | 88,327 | 83,117 | 116,428 |
| Past due: | | | | |
| 1 to 30 days | 14,899 | 3,213 | 16,141 | 3,251 |
| 31 to 60 days | 420 | 850 | 953 | 1,921 |
| 61 to 90 days | 346 | 376 | 786 | 430 |
| 91 to 180 days | 996 | 2,190 | 1,260 | 2,702 |
| 181 to 360 days | 1,083 | 951 | 1,469 | 1,098 |
| Over 360 days | 1,864 | 1,619 | 5,833 | 6,059 |
| | 19,608 | 9,199 | 26,442 | 15,461 |
| Total | 86,208 | 97,526 | 109,559 | 131,889 |
| Allowance for doubtful accounts | (1,820) | (1,682) | (6,205) | (6,321) |
| Total current | 84,388 | 95,844 | 103,354 | 125,568 |

**All amounts in thousands of reais unless otherwise stated**

The balance of non-current trade accounts receivable as at March 31, 2013, parent company and consolidated, is distributed as follows:

| | **Parent company and consolidated** |
|---|---|
| Receivables: | |
| 2014 | 8,295 |
| 2015 | 4,692 |
| 2016 | 962 |
| 2017 | 18 |
| | 13,967 |
| Allowance for doubtful accounts | (1,189) |
| Total - non-current | 12,778 |

The changes in the allowance for doubtful accounts, parent company and consolidated, are as follows:

| | **Parent company** | **Consolidated** |
|---|---|---|
| As at December 31, 2012 | 2,871 | 7,510 |
| Additional allowance recorded | 138 | 152 |
| Receivables written off | | |
| Foreign exchange rate variations | | (268) |
| As at March 31, 2013 | 3,009 | 7,394 |

The additions to and realization of the provision for impairment of receivables have been included in "General and administrative expenses".

The maximum exposure to credit risk as at the balance sheet date is equal to the carrying amount of each class of receivables mentioned above. The other receivables at the balance sheet date do not contain impaired assets.

**All amounts in thousands of reais unless otherwise stated**

## 5 Receivables - onward lending of FINAME manufacturer financing

| | Parent company and consolidated | |
|---|---|---|
| | **March 31, 2013** | **December 31, 2012** |
| Current | | |
| FINAME not yet due | 269,860 | 287,228 |
| FINAME awaiting release (a) | 1,888 | 2,557 |
| FINAME past due (b) | 41,967 | 39,791 |
| | 313,715 | 329,576 |
| Allowance for doubtful accounts | (13,805) | (11,943) |
| | 299,910 | 317,633 |
| Non-current: | | |
| FINAME not yet due | 266,777 | 306,751 |
| FINAME awaiting release (a) | 7,551 | 10,229 |
| | 274,328 | 316,980 |
| Allowance for doubtful accounts | (4,175) | (4,175) |
| | 270,153 | 312,805 |
| Total | 570,063 | 630,438 |

The item "Receivables - onward lending of FINAME manufacturing financing" refers to sales to customers financed using funds from the National Bank for Economic and Social Development ("BNDES") (Note 13). These receivables are carried at their amortized costs, which approximate their fair values.

FINAME manufacturer financing refers to funds specifically linked to sales transactions, with terms of up to 45 months, with the option of a grace period of up to 6 months and interest of between 2.5% and 6.5% per year, prefixed or increased by the Long-term Interest Rate ("TJLP"), in accordance with the terms defined by the BNDES at the time of the transaction. As part of the measures adopted by the federal government to foster investment and consumption, the Investment Support Program ("PSI") line of the National Bank for Economic and Social Development (BNDES) that finances capital goods, investments and technology, was extended to December 31, 2013. Up to June 30, 2013 the fixed interest rate is 3.0% per year and 3.5% from that date to December 31, 2013.

The financing terms are also based on the customer's characteristics. Funds are released by the BNDES by identifying the customer and the sale, as well as checking that the customer has fulfilled 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 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 retains title to the financed equipment until the final settlement of the obligation by the customer.Receivables - onward lending of FINAME manufacturer financing include:

**All amounts in thousands of reais unless otherwise stated**

(a) FINAME transactions awaiting release: refers to FINAME manufacturer financing transactions which meet the specified terms and have been approved by all parties involved. The preparation of documentation, the issue of the sales invoice, and the delivery of the equipment to the customer have all taken place. The crediting of the related funds to the Company's account by the agent bank is pending at the end of the reporting period, in view of the normal operating terms of the agent.

(b) FINAME past due: refers to amounts receivable not settled by customers by their due dates. The Company records provisions for possible losses on the realization of these balances, at the amount of the difference between the expected value of the sale of the collateral (machinery) recovered through the guarantee and the value of the receivable from the customer. In instances in which the machine guaranteed cannot be located, a full loss provision is made for balance of the receivable.

The machines seized as part of the implementation process are recorded at their book value, not exceeding their market value, under the category of "Other receivables", pending a final court decision, following which they are repossessed and transferred to inventory. As at March 31, 2013, the balance of repossessed machinery under "Other receivables" in the parent and consolidated quarterly information amounted to R$ 21,691 (R$ 22,031 as at December 31, 2012) in current assets and R$ 33,134 (R$ 22,777 as at December 31, 2012) in non-current assets.

As at March 31, 2013 and December 31, 2012, the balances of "Receivables - onward lending of FINAME manufacturer financing" in the parent and consolidated quarterly information were as follows:

| | **Parent company and consolidated** | |
|---|---|---|
| | **March 31, 2013** | **December 31, 2012** |
| Not yet due | 271,748 | 289,785 |
| Past due: | | |
| 1 to 30 days | 6,315 | 6,224 |
| 31 to 60 days | 3,749 | 3,160 |
| 61 to 90 days | 2,865 | 2,726 |
| 91 to 180 days | 6,958 | 7,518 |
| 181 to 360 days | 9,365 | 8,920 |
| Over 360 days | 12,715 | 11,243 |
| | 41,967 | 39,791 |
| Total - current | 313,715 | 329,576 |

**All amounts in thousands of reais unless otherwise stated**

The expected realization of the non-current receivables relating to the onward lending of FINAME manufacturer financing, parent company and consolidated is as follows:

| | Parent company and consolidated |
|---|---|
| | March 31, 2013 |
| Non-current: | |
| 2014 (9 months) | 138,878 |
| 2015 | 98,864 |
| 2016 | 31,441 |
| 2017 and thereafter | 5,145 |
| Total - non-current | 274,328 |

The changes in the allowance for doubtful accounts, parent company and consolidated, are as follows:

| | Parent company and consolidated | |
|---|---|---|
| | March 31, 2013 | December 31, 2012 |
| Opening balance | 16,118 | 13,169 |
| Additional allowance recorded | 1,862 | 2,949 |
| Closing balance | 17,980 | 16,118 |

The additions to and realization of the provision for impairment of receivables have been included in "General and administrative expenses".

The maximum exposure to credit risk as at the balance sheet date is equal to the carrying amount of each class of receivables mentioned above.

All amounts in thousands of reais unless otherwise stated

## 6 Inventories

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | March 31, 2013 | December 31, 2012 | March 31, 2013 | December 31, 2012 |
| Finished products | 73,272 | 85,816 | 90,371 | 105,680 |
| Work in progress | 73,610 | 76,932 | 107,555 | 107,830 |
| Raw materials and components | 76,565 | 69,833 | 91,891 | 87,322 |
| Imports in transit | 1,940 | 854 | 1,940 | 854 |
| Total | 225,387 | 233,435 | 291,757 | 301,686 |

The inventory balances, parent company and consolidated, as at March 31, 2013 are net of the amounts of R$46,004 and R$54,782 respectively (R$46,282 and R$54,188 respectively as at December 31, 2012) corresponding to the provision for slow-moving inventory with remote probability of being realized through sale or use.

The changes in the provision to bring inventory to its net realizable value, parent company and consolidated, are as follows:

| | Parent company | Consolidated |
|---|---|---|
| As at December 31, 2012 | 46,282 | 54,188 |
| Inventory sold or written off | (5,746) | (5,746) |
| Provision recorded or transfer of provision resulting from machines repossessed during the period | 5,508 | 6,340 |
| As at March 31, 2013 | 46,044 | 54,782 |

The changes in the provision for inventory losses by class of inventory are as follows:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | March 31, 2013 | December 31, 2012 | March 31, 2013 | December 31, 2012 |
| Finished products | 2,694 | 2,610 | 6,551 | 6,646 |
| Used machines | 19,747 | 21,682 | 19,747 | 21,682 |
| Work in progress | 8,795 | 8,053 | 8,795 | 8,053 |
| Raw materials and components | 14,808 | 13,937 | 19,689 | 17,807 |
| Total | 46,044 | 46,282 | 54,782 | 54,188 |

All amounts in thousands of reais unless otherwise stated

## 7 Investments in subsidiaries and associates

The following list shows the investments of the Company in its subsidiaries:

| Subsidiary | Country | Main activity |
|---|---|---|
| Rominor Comércio, Empreendimentos e Participações S.A. ("Rominor") | Brazil | Ventures and investments 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 during 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 Europe") | Germany | Technical assistance and support to dealers in Europe, Asia, Africa and Oceania |
| Subsidiaries of Romi Europe:<br>-Burkhardt + Weber Fertigungssysteme GmbH ("B+W") (i) | Germany | Production and sale of large scale tooling machines with high technology, precision and productivity, as well as machinery for specialized applications |
| Associate B+W:<br>-Riello Sistemi (Riello Shangai) Trade | China | Sales and after-sales service agent and direct technical assistance for machine tools produced by B+W. |
| Subsidiary B+W:<br>-Burkhardt+weber / Romi (Shanghai) Co., Ltd. (ii) | China | Sales and after-sales service agent and direct technical assistance for machine tools produced by B+W. |
| Sandretto Mexico - S. de RL. de CV | Mexico | Sale of machinery, machine tools, machinery for plastics, casts and machined products in that marketplace. |
| Romi Itália S.r.l. ("Romi Italy") (iii) | Italy | Development of projects, production and sales, distribution, import and export of machinery, and equipment for the processing plastic raw materials and the distribution of machine tools |
| Subsidiaries of Romi Italy:<br>- Sandretto UK Ltd.<br>-Sandretto Industries S.A.S.<br>-Metalmecanica Plast B.V.<br>-Italprensas Sandretto S.A. | <br>United Kingdom<br>France<br>The Netherlands<br>Spain | Distribution of machinery for plastics, spare parts, services and technical assistance. |

**(i)** The Company, on January 31, 2012, through its wholly-owned subsidiary Romi Europe GMBH ("Romi Europe") acquired all of the shares in Burkhardt + Weber Fertigungssysteme GmbH ("B+W") for € 20,500 thousand, equivalent to R$ 46,830 (the "consideration transferred"), entirely paid on the acquisition date.

The B+W acquisition is in line with the Company's strategic plan of expanding its portfolio of products with higher technology content and globally expanding its operational and market bases. B+W produces and sells large scale tooling machines, with a high level of technology, precision and productivity, as well as machinery for specialized applications.

**(ii)** This subsidiary was established with capital of € 220 thousand, and up to March 31, 2013 € 80 thousand had already been paid up.

**(iii)** On April 23, 2013, the Company's management approved the total liquidation of the subsidiary Romi Itália S.r.l., as described in note 19.

**All amounts in thousands of reais unless otherwise stated**

**March 31 ,2013**

| | Romi Italy and subsidiaries: | Romi Europe and subsidiaries | Rominor | Romi Machine Tools | Interocean | Romi A.L. | Sandretto Mexico | Total |
|---|---|---|---|---|---|---|---|---|
| Investments: | | | | | | | | |
| Number of shares held | (a) | (a) | 6,191,156 | 3,000 | 78 | 13,028 | 1,188,000 | |
| Ownership interest | 100.00% | 100.00% | 93.07% | 100.00% | 100.00% | 100.00% | 100.00% | |
| Current assets | 38,832 | 58,331 | 17,333 | 6,249 | 18 | 2,569 | 31 | |
| Non-current assets | 11,813 | 75,011 | 5,778 | 135 | | | 2 | |
| Current liabilities | 9,982 | 47,223 | 337 | 5,224 | 10 | | 4 | |
| Non-current liabilities | 30,869 | 24,213 | | 6,317 | | 2 | | |
| Equity (net capital deficiency) of subsidiary | 9,794 | 61,906 | 22,774 | (5,157) | 8 | 2,567 | 29 | |
| Changes in investments: | | | | | | | | |
| Opening balance as at December 31, 2012 | 12,891 | 66,718 | 23,413 | (4,890) | 8 | 2,546 | 25 | 100,711 |
| Foreign exchange variations on foreign investments | (700) | (2,720) | | 67 | | (37) | (2) | (3,392) |
| Capital increase | | | | | | | 41 | 41 |
| Return of available amounts of foreign subsidiary | | | | | | | | |
| Dividends proposed and paid (b) | | | (3,848) | | | | | (3,848) |
| Share of profits (losses) of subsidiaries | (2,397) | (2,092) | 1,631 | (334) | | 58 | (35) | (3,169) |
| Equivalent value - closing balance | 9,794 | 61,906 | 21,196 | (5,157) | 8 | 2,567 | 29 | |
| Investments in subsidiaries | 9,794 | 61,906 | 21,196 | | 8 | 2,567 | 29 | 95,500 |
| Total investments in subsidiaries | 9,794 | 61,906 | 21,196 | | 8 | 2,567 | 29 | 95,500 |
| Provision for net capital deficiency of subsidiary | | | | (5,157) | | | | (5,157) |
| Investments in associates | | | | | | | | |
| 30% interest in Riello Sistemi (Shangai) Trade Co.,Ltd acquired through a business combination. | | | | | | | | 1,865 |
| Total investments in associates – consolidated | | | | | | | | 1,865 |

(a) The subsidiaries' capital is not divided into quotas or shares in their articles of organization.
(b) On March 11, 2013, the subsidiary Rominor approved the payment of dividends for 2012 and the Company received the amount of R$ 3,848.

All amounts in thousands of reais unless otherwise stated

## 8 Related party transactions

The balances and transactions with related parties as at March 31, 2013 and December 31, 2012 are as follows:

**Parent company**

(i) Balances

| | Receivables (current) | | Loan receivable (non-current) | | Total receivable | | Payables (current) | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2013 | December 31, 2012 | March 31, 2013 | December 31, 2012 | March 31, 2013 | December 31, 2012 | March 31, 2013 | December 31, 2012 |
| Direct subsidiaries: | | | | | | | | |
| Romi Europe | 543 | 873 | 666 | 696 | 1,209 | 1,569 | 36 | 102 |
| Rominor | | | | | | | 96 | |
| Romi Italy | 2,076 | 3,379 | 24,075 | 23,992 | 26,151 | 27,371 | | |
| Romi Machine Tools | 4,837 | 4,688 | 6,317 | 6,378 | 11,154 | 11,066 | 61 | 62 |
| Interocean | | | 10 | 10 | 10 | 10 | | |
| Romi A.L. | | | | | | | 199 | 271 |
| Indirect subsidiaries: | | | | | | | | |
| Sandretto Industries S.A.S. | 934 | 147 | | | 934 | 147 | | |
| Italprensas Sandretto S.A. | | 25 | | | | 25 | | |
| Sandretto UK Ltd. | 839 | 667 | | | 839 | 667 | | |
| Total | 9,229 | 9,779 | 31,068 | 31,076 | 40,297 | 40,855 | 392 | 435 |

All amounts in thousands of reais unless otherwise stated

## (ii) Transactions

| | Sales revenue | | Operating expenses | | Finance income | |
|---|---|---|---|---|---|---|
| | March 31, 2013 | March 31, 2012 | March 31, 2013 | March 31, 2012 | March 31, 2013 | March 31, 2012 |
| Direct subsidiaries: | | | | | | |
| Romi Europe | 107 | 261 | 103 | 326 | 26 | 2 |
| Rominor | | | 333 | 279 | | |
| Romi Italy and subsidiaries: | 1,546 | 1,165 | | | 933 | 48 |
| Romi Machine Tools | 885 | 3,333 | | | 61 | 25 |
| Interocean | | | 64 | | | |
| Romi A.L. | | | | 113 | | |
| Total | 2,539 | 4,759 | 500 | 718 | 1,021 | 75 |

In the consolidated quarterly information, receivables and payables refer to trading transactions between B+W and its associate Riello Shangai.

Loans receivable have predetermined maturities, are payable in the short and long terms and bear semi-annual LIBOR plus interest of 1% per annum and foreign exchange variations. The loan agreements between the Company and its subsidiaries are generally intended to increase working capital so as to provide financial support to these subsidiaries.

The subsidiary Rominor is the guarantor of some of the FINAME manufacturing financing transactions involving the Company, and the financing is collateralized by promissory notes and sureties (Note 13). The Company has seven buildings rented to its subsidiary Rominor, which are used by the sales branch operations in Brazil.

The Company entered into trading transactions with certain subsidiaries for the supply and purchase of equipment, parts and pieces, and does not have material transactions with related parties with other than of this nature. Decisions regarding transactions between the Company and its subsidiaries are made by management. Trade notes mature in the short term.

**All amounts in thousands of reais unless otherwise stated**

Management compensation for the quarters ended March 31, 2013 and 2012 was as follows:

### (iii) Short-term benefits

| | March 31, 2013 | March 31, 2012 |
|---|---|---|
| Fees and charges | 1,339 | 1,939 |
| Private pension plan | 107 | 124 |
| Healthcare plan | 20 | 24 |
| **Parent company** | 1,466 | 2,087 |
| Fees and charges of subsidiaries | 32 | 34 |
| **Consolidated** | 1,498 | 2,121 |

The amounts shown above comply with the limits established by the Board of Directors.

## 9 Investment property

During the first quarter of 2012 Management decided, based on the completion of the property register review and regularization, as well as the perspectives of short and medium-term expansion of operations, to reclassify certain property, totaling R$ 14,202 in the parent company and R$ 16,103 in the consolidated quarterly information, previously recorded as Property, Plant and Equipment to Investment Property for future rental income and capital appreciation.

The investment property is stated at historical cost, and for fair value disclosure purposes the Company contracted an independent expert, who applied a methodology accepted by the "Brazilian Institute of Engineering Appraisals" as well as recent transactions with similar property and assessed the fair value less cost to sell this property at R$ 117,681 in the Parent Company and R$ 141,700 Consolidated.

**All amounts in thousands of reais unless otherwise stated**

## 10 Property, plant and equipment

Changes in property, plant and equipment in the parent company and consolidated quarterly information are as follows:

| | Parent company | Consolidated |
|---|---|---|
| Net book amount as at December 31, 2012 | 223,907 | 272,857 |
| Changes in the period: | | |
| Additions | 4,612 | 11,651 |
| Disposals | (208) | (213) |
| Depreciation | (7,252) | (7,958) |
| Foreign exchange rate variations | - | (1,969) |
| Net book amount as at March 31, 2013 | 221,059 | 274,368 |
| As at March 31 ,2013 | | |
| Total cost | 438,763 | 513,626 |
| Accumulated depreciation | (217,704) | (239,258) |
| Net book amount | 221,059 | 274,368 |

Due to the financing agreements with the BNDES for investments in property, plant and equipment, the Company pledged as collateral machinery and equipment amounting to R$55,463 as at March 31, 2013 (R$55,463 as at December 31, 2012). These items refer to land, facilities, machinery and equipment.

## 11 Intangible assets

Changes in intangible assets in the parent company and consolidated quarterly information are as follows:

| | Parent company | Consolidated |
|---|---|---|
| Net book amount as at December 31, 2012 | 6,169 | 45,493 |
| Changes in the period: | | |
| Amortization | (451) | (1,390) |
| Foreign exchange rate variations | | (1,554) |
| Net book amount as at March 31, 2013 | 5,718 | 42,549 |
| As at March 31 ,2013 | | |
| Total cost | 11,050 | 51,784 |
| Accumulated amortization | (5,332) | (9,235) |
| Net book amount | 5,718 | 42,549 |

All amounts in thousands of reais unless otherwise stated

## 12 Borrowing

Changes in borrowing in the parent company and consolidated quarterly information are as follows:

| | Parent company | Consolidated | | |
|---|---|---|---|---|
| | Local currency | Local currency | Foreign currency | Total |
| Borrowing balance as at December 31, 2012 | 210,395 | 210,395 | 12,287 | 222,682 |
| New borrowing (a) | 5,819 | 5,819 | 1,536 | 7,355 |
| Repayment of principal | (16,670) | (16,670) | (2,061) | (18,731) |
| Payment of interest | (3,230) | (3,230) | (107) | (3,337) |
| Exchange and monetary variations (principal and interest) | (260) | (260) | (432) | (692) |
| Interest for the period | 3,471 | 3,471 | 5 | 3,476 |
| Borrowing balance as at March 31 ,2013 | 199,525 | 199,525 | 11,228 | 210,753 |
| Current | 65,642 | 65,642 | 1,925 | 67,567 |
| Non-current | 133,883 | 133,883 | 9,303 | 143,186 |
| | 199,525 | 199,525 | 11,228 | 210,753 |

The maturities of financing recorded in non-current liabilities as at March 31, 2013 in the parent company and consolidated quarterly information were as follows:

| | Parent company | Consolidated |
|---|---|---|
| 2014 (9 months) | 28,726 | 29,083 |
| 2015 | 77,281 | 77,997 |
| 2016 | 14,842 | 15,558 |
| 2017 | 12,076 | 12,792 |
| 2018 and thereafter | 958 | 7,756 |
| Total | 133,883 | 143,186 |

**All amounts in thousands of reais unless otherwise stated**

## 13 FINAME manufacturer financing

| | Parent company and consolidated | |
|---|---|---|
| | **March 31, 2013** | **December 31, 2012** |
| Current: | | |
| FINAME manufacturer financing | 270,630 | 285,440 |
| Non-current: | | |
| FINAME manufacturer financing | 262,557 | 302,279 |
| Total | 533,187 | 587,719 |

The agreements related to FINAME Manufacturer Financing are guaranteed by promissory notes and sureties, and the main guarantor is the subsidiary Rominor. The balances are directly related to the balances of the receivables from the onward lending of FINAME Manufacturer Financing (Note 5), considering that the loans are directly linked to sales to specific customers. The contractual terms related to the amounts, charges and periods financed under the program are fully passed on to the financed customers, and the monthly payments by the customers are fully used for the repayment of the related financing agreements. The Company, therefore, acts as an agent for the financing, but remains the main debtor in these transactions.

The balances of the line item ‘FINAME manufacturer financing’ and, consequently, of the line items ‘Receivables - onward lending of FINAME manufacturer financing’ as at March 31, 2013 and December 31, 2012, were adjusted for inflation through the end of the reporting period. The difference of R$36,876 between these line items as at March 31, 2013 (R$42,719 as at December 31, 2012) refers to past-due trade notes, renegotiations in progress, and FINAME transactions not yet disbursed by the agent bank. Management understands that there are no risks to the realization of these receivables since the amounts are collateralized by the financed machinery.

The non-current maturities of the FINAME manufacturer financing as at March 31, 2013, parent company and consolidated, are as follows:

| | Parent company and consolidated |
|---|---|
| 2014 (9 months) | 137,186 |
| 2015 | 94,061 |
| 2016 | 27,365 |
| 2017 and thereafter | 3,945 |
| Total | 262,557 |

All amounts in thousands of reais unless otherwise stated

## 14 Provision for tax, labor and civil risks

The management of the Company and its subsidiaries, based on the opinion of legal counsel, recognized a provision for tax, labor and civil lawsuits as follows:

| | Parent company and consolidated | |
|---|---|---|
| | March 31, 2013 | December 31, 2012 |
| Tax | 43,097 | 40,802 |
| Civil | 1,699 | 1,152 |
| Labor | 2,083 | 1,582 |
| Judicial deposits (d) | (36,330) | (35,111) |
| Total | 10,549 | 8,425 |
| Current liabilities | 3590 | 1,905 |
| Non-current liabilities | 6959 | 6,520 |
| | 10,549 | 8,425 |

The Management of the Company and its subsidiaries, based on the opinion of its legal counsel, classified the tax, civil and labor lawsuits, involving risks of loss classified by management as possible, for which no provision was recognized as follows:

| | Parent company and consolidated | |
|---|---|---|
| | March 31, 2013 | December 31, 2012 |
| Tax | | |
| ICMS on the activation of machinery | 153 | 150 |
| Social security contribution - Cooperatives | 1,846 | 1,766 |
| Offsetting of IRPJ - 2002 and 2003 | 1,267 | 1,267 |
| Civil | | |
| Losses and damages | 3,882 | 5,796 |
| Labor | 1,772 | 1,988 |
| Total | 8,920 | 10,967 |

**All amounts in thousands of reais unless otherwise stated**

For lawsuits classified as probable losses, Management recognized a provision for losses. The changes in the provision in the quarter ended March 31, 2013 are as follows:

| | Parent company and consolidated | | | | |
|---|---|---|---|---|---|
| | December 31, 2012 | Additions | Utilizations/reversals | Inflation adjustment | March 31, 2013 |
| Tax | 40,802 | 2,191 | (1) | 105 | 43,097 |
| Civil | 1,152 | 513 | | 34 | 1,699 |
| Labor | 1,582 | 790 | (320) | 31 | 2,083 |
| (-) Judicial deposits | (35,111) | (1,219) | | | (36,330) |
| | 8,425 | 2,275 | 321 | 170 | 10,549 |

Based on management's and its legal counsel's assessment, the subsidiaries are not parties to any ongoing lawsuits or exposed to material contingent risks.

As at March 31, 2013, the main lawsuits, which were classified by management as probable losses based on the opinion of legal counsel and, therefore, included in the provision for risks, are as follows:

**(a) Tax lawsuits**

Refer to the provisions for:

(i) Social Integration Program ("PIS") and Social Contributions on Revenues ("COFINS") related to State Value-Added Tax ("ICMS") on sales, which amounted to R$ 6,480 (R$ 6,280 as at December 31, 2012) and R$ 29,850 (R$ 28,926 as at December 31, 2012), respectively.

(ii) National Institute of Social Security ("INSS") contributions on services provided by cooperatives, amounting to R$ 2,351 (R$ 2,271 as at December 31, 2012).

(iii) During 2012, the Company was assessed by the tax authorities, who disallowed part of the offsetting during the period from June to September 2010, related to social security contribution unduly paid on the directors' fees and independent contractors' fees in the period from October 1989 to July 1994. The authorities alleged that the calculations for the period between the payment date judged undue to the credit offsetting date was performed in disagreement with the requirements of the court and the law. Although the Company's management has presented a defense at the lower administrative court, grounded on the expectation of probable losses, it decided to accrue the amount of R$ 3,619, based on the best estimates of the outcome of these assessments.

(v) The other lawsuits total R$ 797 (R$ 760 as at December 31, 2012).

### (b) Civil lawsuits

These refer mainly to civil lawsuits in which the Company is the defendant related mainly to the following claims: (i) revision/rescission of contracts; (ii) indemnities; and (iii) annulment of protest of notes with losses and damages, among others.

### (c) Labor lawsuits

The Company has recorded a provision for contingencies for labor lawsuits in which it is the defendant, for which main types of claim are as follows: (i) Additional overtime due to reduction of the lunch break; (ii) health hazard premium/hazardous duty premium; (iii) stability prior to retirement; (iv) indemnities for occupational accident/disease; and (v) jointly liability of outsourced companies, among others.

The tax, civil and labor lawsuits assessed as possible losses 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 provision. The amounts involved do not qualify as legal obligations.

### (d) Judicial deposits

The Company has judicial deposits amounting to R$ 38,085 (R$ 36,808 as at December 31, 2012), of which R$ 36,330 (R$ 35,111 as at December 31, 2012) refers to PIS and COFINS levied on ICMS on sales, as mentioned in item (a) (i) and the other deposits are of different nature and classified in non-current assets.

## 15 Income tax and social contribution

Income tax is calculated at the rate of 15% on taxable profits plus a 10% surcharge on taxable profits exceeding R$240, and social contribution is calculated at the rate of 9% on taxable profits. The subsidiary Rominor pays income tax and social contribution on a presumed profit basis.

**All amounts in thousands of reais unless otherwise stated**

The table below shows a reconciliation of the tax effect on the parent company's profit (loss) before income tax and social contribution by applying the prevailing tax rates as at March 31, 2013 and 2012:

| | Parent company | | Consolidated | |
|---|---|---|---|---|
| | March 31, 2013 | March 31, 2012 | March 31, 2013 | March 31, 2012 |
| Profit (loss) before income tax and social contribution | (10,382) | (10,107) | (10,213) | (8,910) |
| Standard rates (income tax and social contribution) | 34% | 34% | 34% | 34% |
| Income tax and social contribution at standard rates | 3,530 | 3,437 | 3,472 | 3,030 |
| Reconciliation with the effective rate: | | | | |
| Shares of the profits (losses) of subsidiaries and provision for the net capital deficiencies of subsidiaries | (1,077) | 3,125 | | |
| Negative goodwill on acquisitions of foreign investments | | | | 2,751 |
| Other additions (deductions), net (a) | (125) | (66) | (1,192) | (300) |
| Current and deferred income tax and social contribution benefits (expenses) | 2,328 | 6,496 | 2,280 | 5,481 |

(a) The amounts in the consolidated quarterly information refer basically to the differences in the calculation of income tax and social contribution between the actual taxable profit and presumed profit basis, due to the fact that the subsidiary Rominor is a taxpayer on a presumed profit basis during the reporting periods, and due to the non-recognition of deferred taxes on the tax losses of foreign subsidiaries.

The changes in deferred tax assets and liabilities, parent company and consolidated, for the six-month period ended March 31, 2013 were as follows:

| | Asset | | Liability | |
|---|---|---|---|---|
| | Parent company | Consolidated | Parent company | Consolidated |
| As at December 31, 2012 | 52,004 | 52,004 | | 22,284 |
| Changes in the period: | | | | |
| Additions | 2,328 | 2,328 | | |
| Realization | | | | (264) |
| Foreign exchange rate variations | | | | (905) |
| As at March 31, 2013 | 54,332 | 54,332 | | 21,115 |

## 16 Equity

### Share capital

As at March 31, 2013, the Company's subscribed and paid-up capital amounting to 489,973 (R$ 489,973 as at December 31, 2012) is represented by 71,757,647 (74,757,547 as at December 31, 2012) book-entry, registered common shares, without par value, all with the same rights and benefits.

### Changes in the number of shares

| Common shares issued | March 31 , 2013 |
|---|---|
| Shares as at December 31, 2012 | 74,757,547 |
| Treasury shares canceled (i) | 2,999,900 |
| Total shares | 71,757,647 |

On March 12, 2013 the Extraordinary General Meeting approved the cancelation of 2,999,900 common shares issued by the Company, amounting to R$ 17,850, held in treasury, without capital reduction, acquired during the share repurchase program ended on August 16, 2012.

### Legal reserve

As required by Article 193 of Law 6,404/76, the balance of the line item "Legal reserve" is equivalent to 5% of profit for the year, limited to 20% of the share capital.

### Loss per share

Basic losses per share are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of outstanding common shares during the year, excluding common shares purchased by the Company and held as treasury shares.

| | March 31, 2013 | March 31, 2012 |
|---|---|---|
| Loss attributable to the controlling shareholders | (8,054) | (3,611) |
| Weighted average number of shares outstanding (in thousands) | 71,758 | 74,409 |
| Basic and diluted losses per share | (0.11) | (0.05) |

Basic and diluted earnings (losses) per share are the same, since the Company does not have any instruments diluting the earnings (losses) per share.

**Cumulative translation adjustments**

The Company recognizes in this line item the cumulative effect of the translation of the financial statements of its subsidiaries that use a functional currency different from the Parent company's functional currency. In the statement of changes in equity, the balance sheet and the statement of comprehensive income, this amount is allocated to "Other comprehensive income".

This cumulative effect is reversed to the income statement as a gain or loss only in the event of a disposal or write-off of the investment.

## 17 Segment reporting - consolidated

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. The segment reporting for the quarters ended March 31, 2013 and 2012 is as follows:

All amounts in thousands of reais unless otherwise stated

| | | | | | March 31 ,2013 |
|---|---|---|---|---|---|
| | Machine tools | Plastic injection machines | Cast and machined products | Eliminations between segments | Consolidated |
| Net operating revenue | 98,871 | 18,881 | 23,995 | | 141,747 |
| Cost of sales and services | (67,704) | (12,707) | (26,459) | | (106,870) |
| Transfers remitted | 2,821 | | 4,219 | (7,040) | |
| Transfers received | (3,307) | (1,789) | (1,944) | 7,040 | |
| Gross profit (loss) | 30,681 | 4,384 | (188) | | 34,877 |
| Operating income (expenses): | | | | | |
| Selling expenses | (11,877) | (3,890) | (868) | | (16,635) |
| General and administrative | (14,199) | (3,230) | (1,808) | | (19,236) |
| Research and development | (3,159) | (1,474) | | | (4,633) |
| Management fees | (1,112) | (205) | (181) | | (1,498) |
| Other operating income (expenses), net | 197 | (26) | | | 171 |
| Operating profit (loss) | 531 | (4,440) | (3,045) | | (6,954) |
| Inventory | 208,296 | 67,252 | 16,209 | | 291,757 |
| Depreciation and amortization | 5,372 | 649 | 3,327 | | 9,348 |
| Property, plant and equipment, net | 12,006 | 165,254 | 97,108 | | 274,368 |
| Intangible assets | 38,188 | 4,361 | | | 42,549 |

| | Europe | North America | Latin America | Africa and Asia | Total |
|---|---|---|---|---|---|
| Net operating revenue per geographical region | 10,240 | 1,500 | 114,201 | 15,806 | 141,747 |

**All amounts in thousands of reais unless otherwise stated**

| | | | | | March 31 ,2012 |
|---|---|---|---|---|---|
| | Machine tools | Plastic injection machines | Cast and machined products | Eliminations between segments and other | Consolidated |
| Net operating revenue | 105,151 | 23,260 | 21,310 | | 149,721 |
| Cost of sales and services | (74,417) | (15,362) | (29,048) | | (118,827) |
| Transfers remitted | 4,138 | | 6,428 | (10,566) | |
| Transfers received | (5,294) | (3,082) | (2,190) | 10,566 | |
| Gross profit (loss) | 29,578 | 4,816 | (3,500) | | 30,894 |
| Operating income (expenses): | | | | | |
| Selling expenses | (11,719) | (6,069 | (929) | | (18,717) |
| General and administrative | (15,553) | (4,087) | (1,470) | | (21,110) |
| Research and development | (4,066) | (1,838) | | | (5,904) |
| Management fees | (1,609) | (328) | (184) | | (2,121) |
| Tax expenses | (520) | (113) | (60) | | (693) |
| Other operating income (expenses), net | 8,138 | (5) | | | 8,133 |
| Operating profit (loss) | 4,769 | (7,511) | (6,083) | | (8,825) |
| Inventory | 244,159 | 89,686 | 19,201 | | 353,046 |
| Depreciation and amortization | 5,486 | 676 | 2,680 | | 8,842 |
| Property, plant and equipment, net | 163,559 | 11,545 | 108,956 | | 284,060 |
| Intangible assets | 43,626 | 2,635 | | | 46,261 |

| | Europe | North America | Latin America | Africa and Asia | Total |
|---|---|---|---|---|---|
| Net operating revenue per geographical region | 8,372 | 2,967 | 119,302 | 19,080 | 149,721 |

## 18 Future commitments

On January 26, 2012, the Company and Centrais Elétricas Cachoeira Dourada S.A., - belonging to Endesa, decided to amend the contact for the supply of electricity entered into on May 1, 2007, in order to adjust the volume of electricity originally contracted to the current needs of the Company. As a result, the supply of electricity has been extended for another year, up to December 31, 2014, and reflects the following commitments which will be adjusted annually by the General Market Price Index ("IGP-M").

| Year of supply | Amount |
|---|---|
| 2013 (9 months) | 8,392 |
| 2014 | 9,982 |
| Total | 18,374 |

**All amounts in thousands of reais unless otherwise stated**

The Company's management believes that this agreement is compatible with the electricity requirements for the contracted period.

## 19 Events after the reporting period

On April 23, 2013, the Company's Board of Directors approved the opening of the process for the voluntary liquidation of the subsidiary based in Italy, Romi Italia S.r.l. ("Romi Italy"), which was also the decision of that company's governance bodies.

After exhausting all attempts to adjust Romi Italy's structure to the market situation, with the worsening of Romi Italy's economic situation, Management concluded that the discontinuance of the local operations was the solution that would better meet the Company's interests and the purpose of shareholder value generation.

The liquidation process will begin on the days subsequent to its approval, already occurred, and Management has the intention to complete it within approximately one year. In the liquidation process, the current assets will be liquidated and all creditors will be paid. The remaining amount of this operation will be made available to the Company.

The main accounts of the balance sheet as at March 31, 2013 and December 31, 2012 and of the statement of income for the first quarter of 2013 and the years 2012 and 2011 are as follows:

### Balance sheet

| | March 31, 2013 | December 31, 2012 |
|---|---|---|
| Assets | | |
| Current | | |
| Trade accounts receivable | 2,632 | 3,908 |
| Inventories | 19,793 | 22,591 |
| Related parties | 4,769 | 5,599 |
| Other receivables | 2,680 | 2,160 |
| | 29,874 | 34,258 |
| Non-current: | | |
| Other receivables | 62 | 35 |
| Investments in subsidiaries | 13,473 | 14,289 |
| Property, plant and equipment, net | 6,932 | 7,349 |
| | 20,467 | 21,673 |
| Total assets | 50,341 | 55,931 |

| Liabilities and equity | March 31 ,2013 | December 31, 2012 |
|---|---|---|
| Current | | |
| Trade payables | 503 | 1,073 |
| Payroll and related taxes | 658 | 1,382 |
| Related parties | 5,364 | 6,381 |
| Other payables | 3,328 | 3,303 |
| | 9,853 | 12,139 |
| Non-current: | | |
| Deferred income tax and social contribution | 6,873 | 7,165 |
| Other payables | 23,821 | 23,736 |
| | 30,694 | 30,901 |
| Total liabilities | 40,547 | 43,040 |
| Equity | 9,794 | 12,891 |
| Total liabilities and equity | 50,341 | 55,931 |

**All amounts in thousands of reais unless otherwise stated**

### Statement of income

| | March 31 ,2013 | December 31, 2012 | December 31, 2011 |
|---|---|---|---|
| Net operating revenue | 1,432 | 18,456 | 32,863 |
| Cost of sales and services | (2,727) | (23,912) | (37,483) |
| Gross loss | (1,295) | (5,456) | (4,620) |
| Operating income (expenses) | (993) | (9,182) | (11,846) |
| Equity in the earnings of subsidiaries (i) | - | (726) | (2,673) |
| Operating loss | (2,288) | (15,364) | (19,139) |
| Financial expenses | (109) | (449) | (162) |
| Loss for the year | (2,397) | (15,813) | (19,301) |

(i) the amounts related to equity in the earnings of subsidiaries refer to Romi Italy's investments in the following wholly-owned subsidiaries: Sandretto UK Ltd.; Sandretto Industries S.A.S.; Metalmecanica Plast B.V.; and Italprensas Sandretto S.A.. These investments will not be part of Romi Italy's assets available for liquidation and will be transferred to another group company, to be defined by the Company's management.

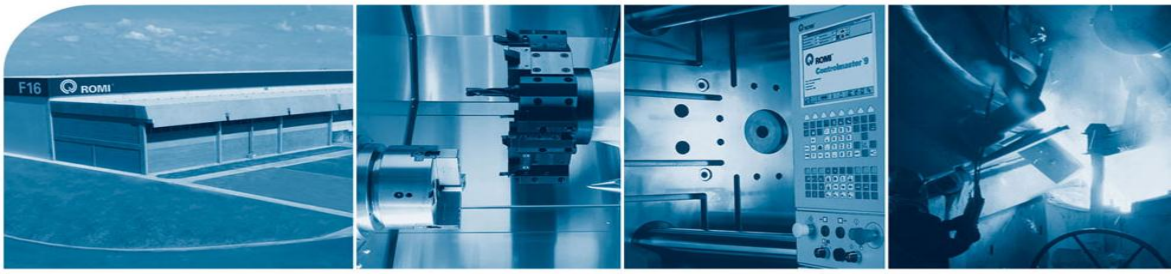
Romi Italy's assets and liabilities are stated at their fair values. The provision for labor contract terminations could not be reliably estimated and, as at March 31, 2013, there was no formal communication of the liquidation to the involved parties. For this reason, the provision was not recorded, which will occur as soon as the amounts can be estimated and the communication made.

* * *

(A free translation of the original in Portuguese)

# Indústrias Romi S.A.

## 1Q13 Earnings Release




# April 23, 2013

## 1Q13 Earnings Release

**April 24, 2013**

**Earnings Conference Call**
Time: 10:30 a.m. (Brazil)
Dial-in number:
+55 (11) 4688-6341
Access code: Romi

**Earnings Conference Call in English**
Time: 12:00 noon (São Paulo)
4:00 p.m. (London)
11:00 a.m. (NY)
Dial-in numbers:
US +1 (855) 281 6021
Brazil +55 (11) 4688 6341
Other + 1 (786) 924 6977
Access code: Romi

**Share Price (03/31/2013)**
**ROMI3 – R$ 5.42/share**

**Market Capitalization (03/31/2013)**
**R$ 388.9 million**
**US$ 193.5 million**

**Number of shares (03/31/2013)**
**Common: 71,757,647**
**Total: 71,757,647**

**Free Float = 50.5%**

**Investor Relations Contact:**

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Investor Relations Officer
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IR Coordinator
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**Website:** www.romi.com

*Santa Bárbara d'Oeste, SP, April 23, 2013 – Indústrias Romi S.A. (BM&FBovespa: ROMI3), domestic market leader in Machine Tools and Plastic Processing Machines, as well as an important producer of Raw and Machined Cast Iron Parts, announces its results for the first quarter of 2013 (1Q13). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with International Financial Reporting Standards (IFRS), and monetary amounts are expressed in thousands of Reais.*

# Highlights

## Gross margin of 24.6% and reduction of operating expenses demonstrate gradual recovery of operations

- For the third consecutive quarter, the Company had positive EBITDA, reaching R$ 2.4 million, as a result of operating adjustment measures taken over the course of 2012;
- A R$ 9.9 million reduction in inventory in the quarter helped cash generation from operating activities;
- In 1Q13, order entry was up 12.9% from 1Q12, reaching R$ 153.0 million in the quarter, notably in the raw and machined cast iron parts segment;
- Order backlog totaled R$ 244.6 million as at March 31, 2013, growing 15.3% from a year earlier.

| ROMI - Consolidated | Quarter | | | | |
|---|---|---|---|---|---|
| R$'000 | 1Q12 | 4Q12 | 1Q13 | Chg. % | Chg. % |
| **Sales Volume** | | | | 1Q/1Q | 1Q/4Q |
| Machine Tools (units) | 257 | 480 | 399 | 55.3 | (16.9) |
| Plastic Machines (units) | 44 | 74 | 50 | 13.6 | (32.4) |
| Raw and Machined Cast Iron Parts (tons) | 3,515 | 3,361 | 3,598 | 2.4 | 7.1 |
| **Net Operating Revenue** | **149,721** | **200,194** | **141,747** | (5.3) | (29.2) |
| *Gross margin (%)* | *20.6%* | *21.9%* | *24.6%* | | |
| **Operating Income (EBIT)** | **(8,825)** | **(81)** | **(6.954)** | (21.2) | 8,585.2 |
| *Operating margin (%)* | *-5.9%* | *0.0%* | *-4.9%* | | |
| **Net Income** | **(3,429)** | **(4,135)** | **(7,933)** | 131.4 | 191.9 |
| *Net margin (%)* | *-2.3%* | *-2.1%* | *-5.6%* | | |
| **EBITDA** | **17** | **9.825** | **2,394** | 13,982.4 | (75.6) |
| *EBITDA margin (%)* | *0.0%* | *4.9%* | *1.7%* | | |
| **Investments** | **1,465** | **4,385** | **11,651** | 695.4 | 165.7 |

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

# Corporate Profile

Indústrias Romi S.A. ("Romi" or "Company") is the leading Brazilian manufacturer of Machine Tools and Plastic Processing Machines, as well as an important producer in the Raw and Machined Cast Iron Parts market. The Company's main customer segments are the automotive (light and heavy), agricultural machinery, capital goods, consumer goods, tools, hydraulic equipment and wind energy industries, among many others.

The Company has eleven manufacturing units, four of which are dedicated to the final assembly of industrial machinery. Romi also operates two foundries, three units for component machining, one unit for the manufacture of steel sheet components, and a plant for the assembly of electronic control panels. The Company has installed capacity for the production of approximately 3,450 industrial machines and 50,000 tons of castings per year.

The Machine Tools business unit, which accounted for 69.8% of the Company's 1Q13 revenue, comprises lines for Conventional Lathes, CNC (Computer Numerical Control) Lathes, Machining Centers, and Vertical and Horizontal Heavy and Extra-Heavy Lathes and Drilling Mills. The Raw and Machined Cast Iron Parts and Plastic Processing Machines business units (the latter comprising plastic injection and blow molding machines) contributed 16.9% and 13.3%, respectively, of the revenue for the quarter.

# Current Economic Scenario

Industrial indicators for the first quarter of 2013 show a still-cautious scenario regarding the pace of growth around the world for the remainder of the year. In Europe, indices still point to contraction of activity. In the United States, meanwhile, although results are their best in the last two years, the outlook is still not encouraging enough for greater investment.

In Brazil, industrial performance indicators from the Brazilian Institute of Geography and Statistics (IBGE) point to persistent instability in the scenario. Capital goods production was up 13.3% in 2013's first two months in relation to the same period of 2012, although capital goods production for industry was just 0.39% greater, corroborating slow resumption of investments in Brazilian industry.

Romi's machine tools and plastic processing machine segments directly suffer the impact of this scenario, in which there is little visibility and a great deal of economic volatility, since, for the Company's customers, machines are purchased mainly to increase installed capacity. This unstable scenario also impacts the raw and machined cast iron parts business, since, although the products supplied by this unit represent, for the most part, inventories for customers, the main customers are in the segments of trucks and agricultural machinery, that is, capital goods.

According to the National Association of Automotive Vehicle Manufacturers (Anfavea), in the first quarter of 2013, in relation to the first quarter of 2012, total production of automotive vehicles grew 12.1%, with light vehicles contributing with a 10.5% increase, while trucks grew 39.1%, and buses, 56.8%. Meanwhile agricultural machinery production grew 3.8% over the same period.

Domestic sales of agricultural machinery is being driven by favorable conditions in agriculture and attractive interest rates of 3% per year in the first half of this year, offered under the BNDES' Investment Sustaining Program (PSI). On the other hand, in the first quarter of this year there was a 36.7% decline in exports of these products in relation to the same quarter last year.

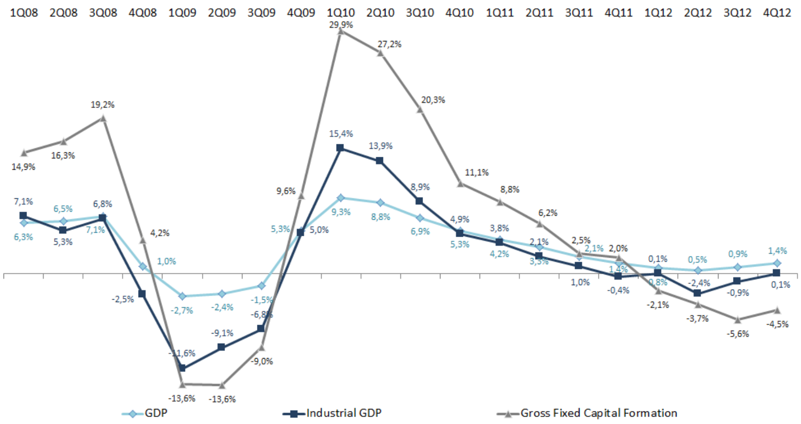
In the case of trucks, sales were down 8.7% in the first quarter 2013 in comparison with the same period of last year, since a change in legislation allowed the sale of inventories of the previous generation of vehicles, the Euro 3, in the first quarter of 2012.

As in the case of agricultural machinery, trucks' sales benefitted from interest rates offered by the BNDES' PSI.

As for automobiles, whose IPI (industrialized products tax) reduction was maintained through the end of 2013, sales grew just 1.75% in the quarter in relation to the same period of 2012. This mismatching of production and sales was partly due to the sector having begun 2013 with low inventories.

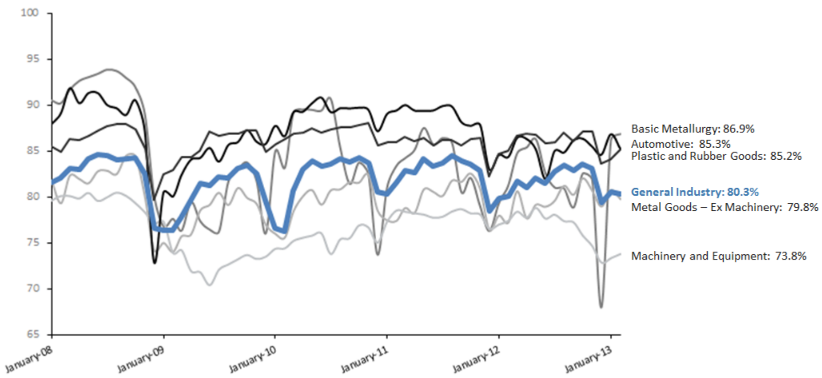
Unlike 2012, when the outlook was for industry to grow in the second half, 2013 is pointing towards a pace of production that should remain moderate and unstable throughout the year, with mere replacement of inventories. This lack of solid prospects has a negative impact on the volume of investment in the country, resulting in a less favorable scenario for Romi's business, especially in the machinery segment.

Economic data from December 2012 (compared to the same period of 2011), released by the IBGE on March 1st 2013, point to stability in industrial GDP, growing 0.1%. In the same comparison, Gross Fixed Capital Formation decelerated, shrinking 4.5%, due to the situation described in the paragraphs above.



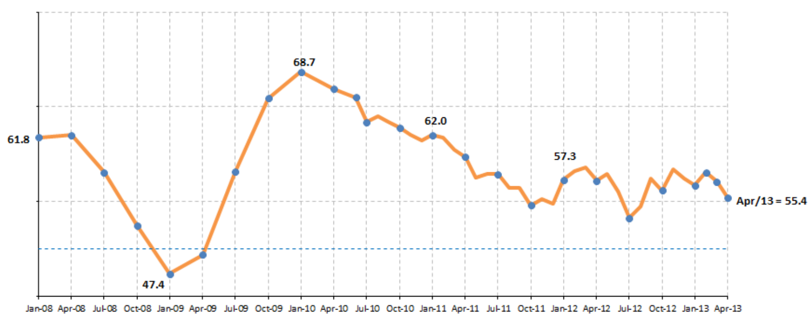

Source: IBGE (quarter this year vs. quarter last year)

The Gross Fixed Capital Formation indicator should be observed in conjunction with FIESP's installed capacity utilization index, as shown in the following graph. We point out the main sectors with demand for the Company's products, with data from February 2013:




Source: Fiesp - INA Activity Level Indicator - NUCI ( Level of Utilization of Installed Capacity)

The Business Confidence Index, released by the National Confederation of Industry (CNI), still points towards confidence (remaining above 50 points) with a slight drop in the beginning of 2013:




Source: CNI - ICEI (Business Confidence Index)

# Market

Romi's main competitive advantages in the domestic market – products with cutting-edge technology, the company's own nationwide distribution network, 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.

| Order Entry (R$ 000) Gross Values, sales taxes included | 1Q11 | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 1Q13 | Chg % 1Q13/1Q12 | Chg % 1Q13/4Q12 |
|---|---|---|---|---|---|---|---|---|
| Machine Tools | 110,370 | 81,999 | 164,605 | 106,530 | 155,800 | 84,479 | 3.0% | -45.8% |
| Plastic Machines | 30,418 | 25,312 | 9,975 | 29,652 | 32,148 | 25,462 | 0.6% | -20.8% |
| Raw and Machined Cast Iron Parts | 38,149 | 28,250 | 40,555 | 21,176 | 16,272 | 43,071 | 52.5% | 164.7% |
| **Total** | **178,937** | **135,561** | **215,135** | **157,358** | **204,220** | **153,012** | **12.9%** | **-25.1%** |

In 1Q13 the Company had a volume of order entry 45.8% lower than that obtained in 4Q12, taking into account B+W's order entry in the quarter. Excluding B+W, order entry in 1Q13 were up 20.8% from 1Q12, and down 20.1% from 4Q12.

The performance of order entry of machinery in the fourth quarter of 2012 was positively affected by the interest rate reduction offered by the FINAME PSI program to 2.5% p.a., which was supposed to end on December 31, 2012 with prospects for returning to 5.5% p.a., and the US dollar's exchange rate, at around R$ 2.05. It is important to highlight that the FINAME PSI program's interest rate has been 3.0% p.a. since January 1, 2013.

The Plastic Processing Machines business unit had a 0.6% increase in the volume of order entry in 1Q13 in relation to 1Q12, and a 20.8% decrease in relation to 4Q12.

The Raw and Machined Cast Iron Parts segment directly benefited from resumed demand for trucks in Brazil, as commented in the "Current Economic Scenario" section. It is also important to take into account the seasonal variation of this business unit's order entry, since the energy generation (wind) sector has the characteristic of making purchase orders at the beginning of the year, reaching more than 12 months of supply. Thus, this unit's order entry grew 52.5% in relation to 1Q12, and 164.7% in relation to 4Q12.

| Order Book (R$ 000) Gross Values, sales taxes included | 1Q11 | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 1Q13 | Chg % 1Q13/1Q12 | Chg % 1Q13/4Q12 |
|---|---|---|---|---|---|---|---|---|
| Machine Tools | 95,269 | 155,945 | 241,495 | 219,392 | 210,390 | 176,377 | 13.1% | -16.2% |
| Plastic Machines | 41,876 | 32,371 | 24,819 | 27,540 | 33,249 | 31,209 | -3.6% | -6.1% |
| Rough and Machined Cast Iron Parts | 43,313 | 23,868 | 31,021 | 35,168 | 24,180 | 37,026 | 55.1% | 53.1% |
| **Total** | **180,458** | **212,184** | **297,335** | **282,100** | **267,820** | **244,612** | **15.3%** | **-8.7%** |

*Note: The order backlog figures do not include parts, services and resales.*

As at March 31, 2013, the order backlog totaled R$ 244.6 million, up 15.3% from the end of 1Q12. Of the Machine Tools order backlog presented, R$ 67.3 million refers to B+W's order backlog.

# Operating Performance

## Net Operating Revenue

The Company's Net Operating Revenue reached R$ 141.7 million in 1Q13, 5.3% lower than in 1Q12 and down 29.2% from 4Q12.

| Romi - Consolidated | Quarter | | | | |
|---|---|---|---|---|---|
| Net Operating Revenue (R$ 000) | 1Q12 | 4Q12 | 1Q13 | Chg % 1Q/1Q | Chg % 1Q/4Q |
| Machine Tools | 105,151 | 150,054 | 98,871 | -6.0% | -34.1% |
| Plastic Machines | 23,261 | 27,162 | 18,881 | -18.8% | -30.5% |
| Raw and Machined Cast Iron Parts | 21,310 | 22,978 | 23,995 | 12.6% | 4.4% |
| **Total** | **149,722** | **200,194** | **141,747** | **-5.3%** | **-29.2%** |

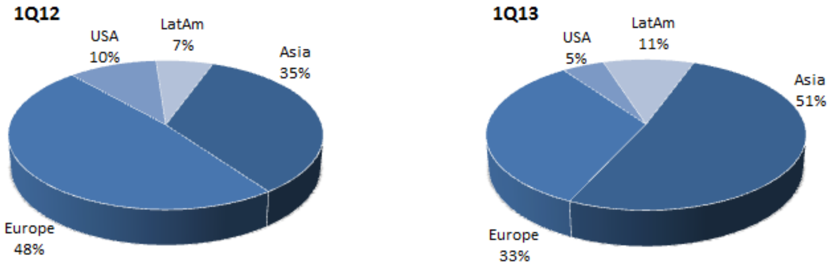
*Note: See income statement by business unit in Appendix I.*

Excluding the figures attributed to B+W, the Company's Net Operating Revenue for 1Q13 would have been R$ 121.5 million, 8.4% higher than the R$ 112.1 million obtained for 1Q12 and 17.8% lower than the R$ 147.9 million obtained for 4Q12, applying the same criterion.

Revenue in the foreign market, including B+W's revenue, in Reais and US dollars, is described in the table below:

| Foreign Sales | Trimestral | | | | |
|---|---|---|---|---|---|
| with B+W | 1Q12 | 4Q12 | 1Q13 | Chg % 1Q/1Q | Chg % 1Q/4Q |
| Net Sales (R$ 000) | 57.1 | 67.7 | 31.4 | -45.0% | -53.6% |
| Net Sales (US$ 000) | 32.3 | 32.9 | 15.7 | -51.3% | -52.2% |

The breakdown of this revenue, in the first quarter of 2012 and 2013, is shown in the chart below:




It is worth pointing out the lack of seasonal pattern of B+W's revenue, which totaled R$ 37.6 million in 1Q12 and R$ 20.3 million in 1Q13, which does not imply difficulties in the business, since the company continues to use its total capacity, with an order backlog guaranteed for at least another year.

In the domestic market, net revenue was up 18.9% from the first quarter of 2012, thanks especially to the performance of the services and raw and machined cast iron parts units.

**Machine Tools**

This unit's net operating revenue reached R$ 98.9 million in 1Q13, of which R$ 20.3 million referring to the consolidation of B+W's net operating revenue. This amount represented a decrease of 6.0% in comparison to the same quarter of last year, and 34.1% compared to 4Q12.

Excluding B+W on this comparison, this business unit's net operating revenue was up 16.4% from 1Q12, and down 19.6% from 4Q12.

The Machine Tools Business Unit's physical sales totaled 399 new units in 1Q13. This amount is 55.3% greater than that obtained in 1Q12 (257 units), and 16.9% lower than that obtained in 4Q12 (480 units). In the last two quarters, volume has been considerably greater than in 1Q12, although 88 of the 399 units sold in 1Q13 and 132 of the 480 sold in 4Q12 were to SENAI (National Service for Industrial Training).

In the domestic market, in 1Q13, this business unit's main customers were in the machinery and equipment industry, in the machining services, education, automotive, foundry and agricultural machinery segments.

**Plastic Processing Machines**

In 1Q13, the Plastic Processing Machines business unit's net revenue totaled R$ 18.9 million, representing a decrease of 18.8% in relation to 1Q12, and 30.5% compared to 4Q12. This performance is directly linked to the performance of Romi Italy, which, given its liquidation process, detailed in the "Romi Italy" section, has been unable to achieve the same levels of sales as in the past.

The Plastic Processing Machines business unit's physical sales totaled 50 units in 1Q13, up 13.6% in relation to 1Q12 (44 units), and down 32.4% in relation to 4Q12 (74 units).

The sectors with the greatest demand for this business unit's products in the domestic market were automotive, packaging, furniture, services and home appliances.

**Raw and Machined Cast Iron Parts**

In 1Q13, this unit's physical sales totaled 3,598 tons, up 2.4% from the 3,515 tons sold in 1Q12, due especially to increased demand in the commercial automotive sector (trucks), as well as the wind energy sector, which is thriving more than in the first quarter of 2012.

The segments with the greatest demand for this unit's products were: commercial automotive (trucks), wind energy and agricultural machinery.

## Operating Costs and Expenses

Gross margin was 24.6% in 1Q13, 400 bps greater than in 1Q12, and up 270 bps from 4Q12. Disregarding B+W, gross margin would have been 25.9%, 340 bps greater than in 1Q12 and 350 bps greater than in 4Q12, using the same criterion.

The moderate price recovery commented in past earnings results and operating adjustments in the Company's personnel over the course of 2012 have contributed to this scenario, as have ongoing control of efficiency and operating expenses as well as optimization of planning and production processes.

On the other hand, 1Q13 results suffered the full impact of the annual collective bargaining agreement, signed in November 2012, which represented a 6.6% increase in the Company's payroll, considering that labor accounts for approximately 25% of the Company's cost structure.

In addition, low utilization of installed capacity had a negative impact on the recovery of Romi's margins.

| Romi - Consolidated | Quarter | | | | |
|---|---|---|---|---|---|
| **Gross Margin (%)** | 1Q12 | 4Q12 | 1Q13 | Chg bps 1Q/1Q | Chg bps 1Q/4Q |
| Machine Tools | 28.1 | 25.8 | 31.0 | 290 | 523 |
| Plastic Machines | 20.7 | 17.7 | 23.2 | 252 | 552 |
| Raw and Machined Cast Iron Parts | -16.4 | 1.4 | (0.8) | 1,564 | (219) |
| **Total** | **20.6** | **21.9** | **24.6** | **397** | **271** |

| Romi - Consolidated | Quarter | | | | |
|---|---|---|---|---|---|
| **EBIT Margin (%)** | 1Q12 | 4Q12 | 1Q13 | Chg bps 1Q/1Q | Chg bps 1Q/4Q |
| Machine Tools | 4.5 | 5.2 | 0.5 | (400) | (466) |
| Plastic Machines | (32.3) | (20.3) | (23.5) | 877 | (322) |
| Raw and Machined Cast Iron Parts | (28.5) | (10.6) | (12.7) | 1,585 | (209) |
| **Total** | **(5.9)** | **-** | **(4.9)** | **99** | **(491)** |

**Machine Tools**

This business unit's gross margin was 31.0% in 1Q13, improving 290 bps in relation to 1Q12, and 520 bps in relation to 4Q12.

The operating margin, for its part, was 0.5% in the first quarter of 2013, down 400 bps from 1Q12 and 470 bps from 4Q12, due especially to lower revenue, since expenses are predominantly fixed in nature.

**Plastic Processing Machines**

This business unit's gross margin was 23.2% in 1Q13, up 250 bps in relation to 1Q12, and 550 bps in relation to 4Q12, thanks to a strategy of gradual price recovery in light of a less-appreciated local currency, which contributed to domestic products' competitiveness, as well as a focus on products with greater value added, such as larger machines.

Operating margin for the first quarter of 2013, which was a negative 23.5%, improved 880 bps in relation to 1Q12, and deteriorated 320 bps in relation to 4Q12. This scenario is directly related to the business unit's low level of activity, impairing dilution of operating expenses.

### Raw and Machined Cast Iron Parts

This business unit's gross margin was a negative 0.8% in 1Q13, improving 1,560 bps in relation to 1Q13, and falling 220 bps in relation to 4Q12. Low utilization of installed capacity remains the leading factor responsible for this result.

The improvement in relation to 1Q12 is especially attributable to improvement in the price per kilo of items sold, as well as the measures to improve operating efficiency commented above.

Thus, operating margin was a negative 12.7% for 1Q13, improving 1,590 bps in relation to 1Q12.

## EBITDA and EBITDA Margin

In 1Q13, operating cash generation as measured by EBITDA (earnings before interest, taxes, depreciation and amortization) was a positive R$ 2.4 million, with an EBITDA margin of 1.7% in the quarter, as shown in the table below:

| Reconciliation of Net Income to EBITDA | Quarter | | | | |
|---|---|---|---|---|---|
| R$ thousand | 1Q12 | 4Q12 | 1Q13 | Chg % 1Q/1Q | Chg % 1Q/4Q |
| **Net Income** | **(3,429)** | **(4,135)** | **(7,933)** | **131.4%** | **91.9%** |
| Net Financial Income | 85 | 3,429 | 3,259 | 3734.1% | -5.0% |
| Income tax and social contributions | (5,481) | 625 | (2,280) | -58.4% | -464.8% |
| Depreciation and amortization | 8,842 | 9,906 | 9,348 | 5.7% | -5.6% |
| **EBITDA** | **17** | **9,825** | **2,394** | **13982.4%** | **-75.6%** |
| **EBITDA Margin** | **0.0%** | **4.9,%** | **1.7%** | | |

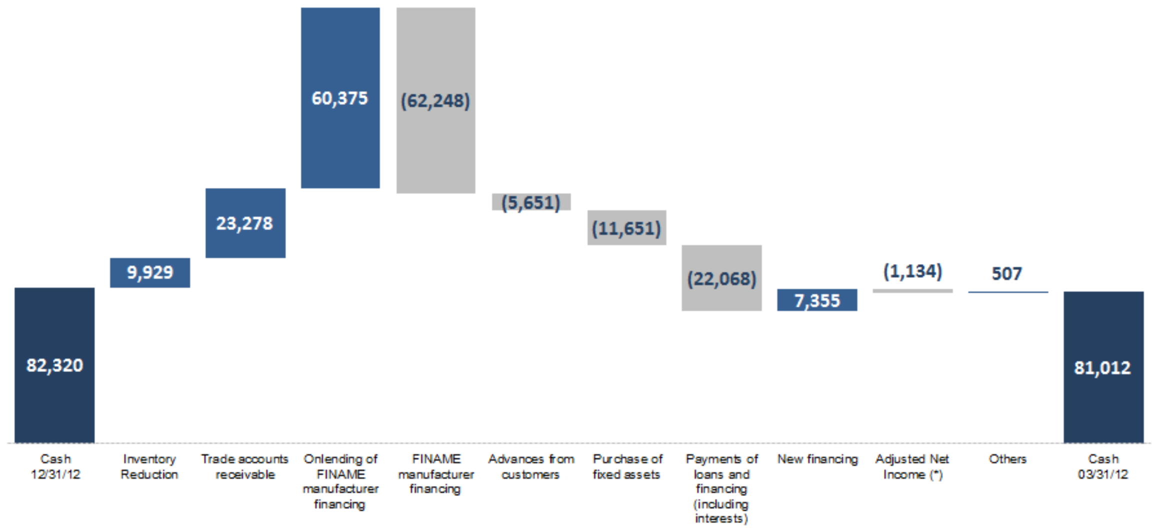
All the impacts mentioned in the "Operating Costs and Expenses" section also impacted Romi's EBITDA in the period.

## Profit (Loss) for the Quarter

Profit (loss) for 1Q13 was a negative R$ 7.9 million, decreasing 131.3% and 91.9% in relation to 1Q12 and 4Q12, respectively.

# Changes in Cash and Cash Equivalents

The main changes in cash in 1Q13 are described below:




(*) refers to profit (loss) for the year, adjusted for income statement items that did not impact cash in the period. These items are: (i) provision for income tax and social contribution; (ii) depreciation and amortization; (iii) PP&E disposal costs; and (iv) provision for contingent liabilities.

**Inventories**

Due to adjustment of production volume and improvement in production leadtime, since 3Q12, the Company's inventories have been decreasing, helping operating cash generation. In relation to 12/31/2012, the inventories account decreased by R$ 9.9 million.

**Trade Receivables**

In relation to 4Q12, the amount of trade receivables decreased by R$ 23.3 million, stemming from a decrease in the volume of sales in the period. In addition, due to the Finame Buyer Financing amounts outstanding, from 12/31/2012 to 03/31/2013 there was a R$10.3 million decrease, helping cash generation in 1Q13.

**Onlending of Finame Manufacturer Financing**

The amount receivable referring to Finame Manufacturer Financing decreased R$ 60.4 million in 1Q13. This decrease results from a decline in sales volume and, mainly, greater use of Finame Buyer Financing, in which the customer obtains financing directly from the financial institution, and Romi receives the amount after the machine is delivered to the customer, without guaranteeing the financing. The conditions for Finame Buyer Financing are the same as those for Finame Manufacturer Financing, and both are regulated by the National Bank for Economic and Social Development (BNDES). This strategy's purpose is to offer customers the best existing financing conditions and gradually reduce Romi's exposure to credit risk.

**Advances from Customers**

The decrease in advances from customers in 1Q13 is attributable to the delivery of machinery in the quarter, and the resulting decrease in the machinery order backlog at the end of 1Q13.

**Financing**

The main payments in the quarter refer to import financing (Finimp), in the amount of R$ 7.8 million, and expansion projects carried out in 2008 and 2009, in the amount of R$ 8.0 million.

**New Financing**

New financing obtained in the first quarter of 2013 is related to import financing (Finimp), in the amount of R$ 3.9 million, and financing related to the purchase of components and for working capital, the latter of which in foreign subsidiaries.

**Investments**

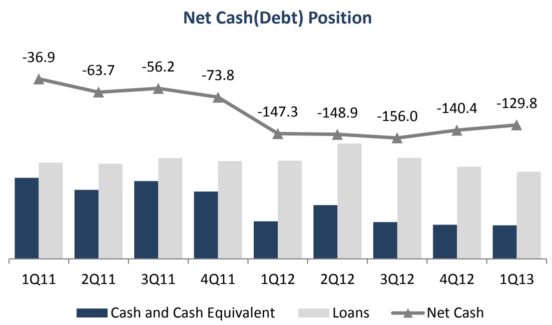
Investments in 1Q13 totaled R$ 11.7 million, and were partially allocated to maintenance, productivity and upgrading of production facilities, within the investment plan for the year 2013. In addition, investments were made in machining equipment, including part of the Flexible Manufacturing System that is being developed by the German subsidiary B+W to be delivered to Romi in early 2014.

## Financial Position

Short-term investments, including those backed by debentures, are made with financial institutions with low credit risk and their yield is substantially pegged to the interbank deposit rate ("CDI"), or time deposit rates (TD), when made abroad. The consolidated position of cash and cash equivalents as at March 31, 2013 was R$ 81.0 million.

Romi's borrowings are used mainly in investments to expand plant capacity and upgrading, and financing exports and imports. As at March 31, 2013, the amount of financing in local currency was R$ 199.5 million, and in foreign currency, R$ 11.3 million, totaling R$ 210.8 million.

The Company's net debt decreased by R$ 10.6 million in the first quarter of 2013.




As at March 31, 2013, the Company did not have any derivative transactions.

# Burkhardt + Weber

We present below an Income Statement and the main Balance Sheet accounts as at March 31, 2013 for B+W, both in condensed form:

| Income Statement (R$ 000) | Feb+Mar / 2012 | 1Q13 |
|---|---|---|
| Net Operating Revenue | 37,644 | 20,279 |
| Gross Profit | 5,704 | 3,425 |
| % | 15.2% | 16.9% |
| EBIT | 10,200 | -1,868 |
| % | 27.1% | -9.2% |
| EBITDA | 10,521 | -363 |
| % | 27.9% | -1.8% |
| Net Profit | 9,625 | -1,852 |

| Balance Sheet (R$ 000) | 03/31/2012 | 03/31/2013 |
|---|---|---|
| Cash and Cash equivalents | 7,905 | 7,190 |
| Trade accounts receivable | 19,125 | 10,450 |
| Inventories | 27,966 | 35,181 |
| Other receivables | 4,464 | 3,952 |
| Property, Plant and Equipment, net | 25,455 | 37,690 |
| Intangible | 38,229 | 36,831 |
| Total Assets | 123,144 | 131,294 |
| Financing | 725 | 9,683 |
| Trade accounts payable | 5,728 | 9,470 |
| Advances from customers | 32,878 | 26,451 |
| Deferred tax liability | 14,880 | 14,242 |
| Other payables | 8,977 | 9,959 |
| Shareholder's Equity | 59,956 | 61,488 |
| Total Liabilities and Shareholder's Equity | 123,144 | 131,294 |

As pointed out previously, as it manufactures large machines with a high degree of customization, there is no specific seasonal variation that determines the distribution of B+W's revenue over the four quarters of the year.

# Romi Italy

As disclosed in previous quarters, in 2012 a project was started to restructure the Company's Italian operation, with the purpose of adjusting the structure of Romi Italy to the market reality and recover operating margins. This project's goal was shutting down manufacturing activities in that unit, which would begin selling machinery and services. The Company's Management exhausted all attempts to carry out the restructuring plan, and in light of Romi Italy's economic-financial situation, it decided to discontinue local operations as the best and most feasible solution.

Condensed Financial Information of Romi Italy (BR GAAP):

**Balance Sheets (in BRL thousands)**

| Assets | 03/31/2013 | Liabilities and Equity | 03/31/2013 |
|---|---|---|---|
| Current Asset | 29,874 | Current Liabilities | 9,853 |
| Other Assets | 62 | Non-Current Liabilities | 30,694 |
| Investments | 13,473 | | |
| Fixed Assets | 6,932 | Equity | 9,794 |
| **Total assets** | **50,341** | **Total liabilities and equity** | **50,341** |

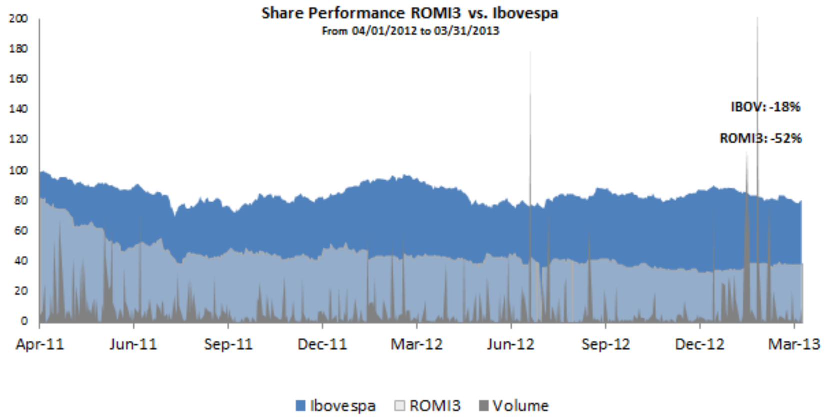
**Income Statement (in BRL thousand)**

| | 2010 | 2011 | 2012 | 1T13 |
|---|---|---|---|---|
| Net Operating Revenue | 35,743 | 32,863 | 18,456 | 1,432 |
| Cost of Goods sold | -36,305 | -37,483 | -23,912 | -2,727 |
| Gross Margin | -562 | -4,620 | -5,456 | -1,295 |
| Sales, General and Administrative Expenses | -11,440 | -14,519 | -9,908 | -993 |
| Operating profit (loss) | -12,002 | -19,301 | -15,813 | -2,288 |
| **EBITDA** | **-11,396** | **-18,873** | **-14,866** | **-2,278** |

Local consultants have been hired to advise on the liquidation process, and a group of liquidators has been appointed to manage Romi Italy's assets, under the supervision of Romi in Brazil, to be responsible for the sale of assets and settlement of liabilities, including the indemnity for the 143 employees who will be terminated. It is estimated that the liquidation process will take approximately a year, and that Romi Italy's assets will be sufficient to cover the liquidation costs, including payments, indemnities and professional fees.

Romi Italy's customers will continue to be served through its subsidiaries located in Europe, which will be transferred from Romi Italy to Romi Brazil, and will not be part of the assets to be liquidated.

# Stock Market




*Source: BMF&Bovespa*

At the end of 1Q13, Romi's common shares (ROMI3) were traded at R$ 5.42, posting appreciation of 17.3% in the quarter (1Q13 vs. 4Q12), and depreciation of 9.8% from the end of 1Q12. The Bovespa index fell 7.5% in relation to the end of 4Q12, and 12.6% in relation to the end of 1Q12.

The Company's market capitalization as at March 31, 2013 was R$ 388.9 million and the average daily trading volume for 1Q13 was R$ 955 thousand.

*Statements contained in this release related to the Company's business prospects, projections of operating and financial results, and references to the Company's growth potential are mere forecasts and have been based on Management's expectations regarding its future performance. These expectations are highly dependent upon market behavior, economic conditions in Brazil, the industry and international markets, therefore being subject to changes.*

# Financial Statements

## Consolidated Balance Sheet

(R$ thousand)

| ASSETS | 12/31/2011 | 09/30/2012 | 12/31/2012 |
|---|---|---|---|
| **CURRENT** | **921,359** | **868,278** | **819,894** |
| Cash and Cash equivalents | 90,602 | 82,320 | 81,012 |
| Trade accounts receivable | 87,035 | 125,568 | 103,354 |
| Onlending of FINAME manufacturer financing | 341,609 | 317,633 | 299,910 |
| Inventories | 353,046 | 301,686 | 291,757 |
| Recoverable taxes | 13,290 | 10,817 | 13,368 |
| Related Parties | 224 | 456 | 530 |
| Other receivables | 35,553 | 29,798 | 29,963 |
| | | | |
| **NONCURRENT** | **894,250** | **746,282** | **709,641** |
| **Long-Term Assets** | **546,608** | **409,885** | **374,756** |
| Trade accounts receivable | 16,329 | 13,842 | 12,778 |
| Onlending of FINAME manufacturer financing | 439,523 | 312,805 | 270,153 |
| Recoverable taxes | 2,429 | 874 | 688 |
| Deferred income and social contribution taxes | 41,497 | 52,004 | 54,332 |
| Escrow Deposits | 31,869 | 1,697 | 1,755 |
| Other receivables | 14,961 | 28,663 | 35,050 |
| | | | |
| **Investments** | | | |
| Property, Plant and Equipment, net | 284,060 | 272,857 | 274,368 |
| Investment in Subsidiaries and Associate Companies | 1,218 | 1,944 | 1,865 |
| Investment Property | 16,103 | 16,103 | 16,103 |
| Intangible assets | 46,261 | 45,493 | 42,549 |
| | | | |
| **TOTAL ASSETS** | **1,815,609** | **1,614,560** | **1,529,535** |

## Consolidated Balance Sheet

(R$ thousand)

| LIABILITIES AND SHAREHOLDER'S EQUITY | 12/31/2011 | 09/30/2012 | 12/31/2012 |
|---|---|---|---|
| **CURRENT** | **545,354** | **489,931** | **467,500** |
| Loans and financing | 122,236 | 70,192 | 67,567 |
| FINAME manufacturer financing | 307,001 | 285,440 | 270,630 |
| Trade accounts payable | 27,264 | 41,516 | 48,014 |
| Payroll and related taxes | 28,503 | 21,781 | 23,044 |
| Taxes payable | 5,370 | 11,263 | 6,427 |
| Advances from customers | 41,744 | 41,838 | 36,187 |
| Interest on capital, dividends and participations | 392 | 434 | 429 |
| Related Parties | 763 | 590 | 541 |
| Other payables | 12,081 | 16,877 | 14,661 |
| | | | |
| **NON CURRENT** | **600,687** | **487,359** | **436,376** |
| **Long-term liabilities** | | | |
| Loans and financing | 115,622 | 152,490 | 143,186 |
| FINAME manufacturer financing | 419,988 | 302,279 | 262,557 |
| Deferred income and social contribution taxes on negative goodwill | 22,631 | 22,284 | 21,115 |
| Taxes payable | 4,874 | 3,461 | 1,779 |
| Other payables | 33,656 | 6,520 | 6,959 |
| Reserve for contingencies | 3,916 | 325 | 780 |
| | | | |
| **SHAREHOLDER'S EQUITY** | **667,959** | **635,527** | **624,081** |
| Capital | 489,973 | 489,973 | 489,973 |
| Capital reserve | 2,052 | 2,052 | 2,052 |
| Treasury Stock | (11,297) | (17,850) | - |
| Retained earnings | 195,598 | 157,591 | 139,741 |
| | (3,611) | - | |
| Other accumulated comprehensive income | (4,756) | 3,761 | 369 |
| | | | |
| **NON CONTROLLING INTERESTS** | **1,609** | **1,743** | **1,578** |
| | | | |
| **TOTAL SHAREHOLDER'S EQUITY** | **669,568** | **637,270** | **625,659** |
| | | | |
| **TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY** | **1,815,609** | **1,614,560** | **1,529,535** |

## Consolidated Income Statement

**(R$ thousand)**

| | 1Q12 | 4Q12 | 1Q13 | Chg.% 1Q/1Q | Chg.% 1Q/4Q |
|---|---|---|---|---|---|
| **Net Operating Revenue** | **149,721** | **200,194** | **141,747** | **(5.3)** | **(29.2)** |
| Cost of Gods Sold | (118,827) | (156,366) | (106,870) | (10.1) | (31.7) |
| **Gross Profit** | **30,894** | **43,828** | **34,877** | **12.9** | **(20.4)** |
| *Gross Margin %* | *20.6%* | *21.9%* | *24.6%* | | |
| **Operating Income** | **(39,719)** | **(43,909)** | **(41,831)** | **5.3** | **(4.7)** |
| Selling expenses | (18,717) | (19,179) | (16,635) | (11.1) | (13.3) |
| Research and development expenses | (5,904) | (5,049) | (4,633) | (21.5) | (8.2) |
| General and administrative expenses | (20,417) | (16,728) | (18,979) | (7.0) | 13.5 |
| Management profit sharing and compensation | (2,121) | (1,492) | (1,498) | (29.4) | 0.4 |
| Tax expenses | (649) | (492) | (227) | (62.9) | 13.2 |
| Other operating income, net | 921 | (136) | 0,171 | (97.9) | (113.9) |
| **Operating Income before Financial Results** | **(8,825)** | **(81)** | **(6,954)** | **(21.2)** | **8,485.5** |
| *Operating Margin %* | *-5.9%* | *0.0%* | *-4.9%* | | |
| **Financial Income** | **(25)** | **(3,429)** | **(81)** | **3,734.1** | **(5.0)** |
| Financial income | 4,708 | 4,808 | 3,888 | (17.4) | (19.1) |
| Financial expenses | (4,930) | (7,067) | (6,253) | 26.8 | (11.5) |
| Exchance gain (loss), net | 0,137 | 375 | (0,894) | (752.6) | (23.6) |
| **Operating Income** | **(8,910)** | **(3,510)** | **(10,213)** | **14.6** | **191.0** |
| Income tax and social contribution | 5,481 | (0,625) | (625) | (58.4) | (464.8) |
| **Net income** | **(3,429)** | **(4,135)** | **(7,933)** | **131.4** | **91.9** |
| *Net Margin %* | *-2.3%* | *-2.1%* | *-5.6%* | | |
| **Net profit concerning:** | | | | | |
| Controlling interests | (3,611) | (4,274) | (8,054) | 123.0 | 88.4 |
| Non controlling interests | 171 | 157 | 140 | (33.5) | (13.6) |
| | | | | | |
| **EBITDA** | **17** | **9,825** | **2,394** | **13,981.0** | **(75.6)** |
| Net income | (3,429) | (4,135) | (7,933) | 131.4 | 91.9 |
| Income tax and social contribution | (5,481) | 0,625 | 2.280 | (58.4) | (464.8) |
| Financial income | 25 | 3,429 | 81 | 3,734.1 | (5.0) |
| Depreciation | 8,842 | 9,906 | 9,348 | 5.7 | (5.6) |
| *EBITDA Margin %* | *0.0%* | *4.9%* | *1.7%* | | |
| Nº of shares in capital stock (th) | 74,758 | 74,758 | 71,758 | (4.0) | (4.0) |
| Net income per share - R$ | (0.05) | (0.06) | (0.11) | 141.0 | 99.9 |

## Consolidated Cash Flow Statement

**(R$ thousand)**

| | 1Q12 | 4Q12 | 1Q13 |
|---|---|---|---|
| **Cash from operating activities** | | | |
| **Net Income** | **(3,429)** | **(4,135)** | **(7,933)** |
| Current and deferred income and social contribution taxes | (5,481) | 625 | (2,280) |
| Financial expenses and exchange gain | 1,821 | 4,229 | 1,771 |
| Depreciation and amortization | 8,842 | 9,906 | 9,348 |
| Allowance for doubtful accounts and other receivables | 4,463 | 2,774 | 6,299 |
| Proceeds from sale of fixed assets | 142 | 377 | 213 |
| Provision for inventory realization | 1,861 | 4,450 | 2,511 |
| Reserve for contingencies | 595 | 2,068 | (482) |
| Negative goodwill on acquisition of foreign subsidiary | (8,094) | - | - |
| **Change on operating assets** | | | |
| Trade accounts receivable | 5,944 | (30,248) | 23,537 |
| Onlending of FINAME manufacturer financing | 48,896 | 39,983 | 53,763 |
| Inventories | 6,096 | 50,749 | 5,734 |
| Recoverable taxes, net | (621) | 1,934 | (2,296) |
| Escrow deposits | (1,200) | (1,117) | (58) |
| Other receivables | (5,559) | 3,381 | (301) |
| **Change on operating liabilities** | | | |
| Trade accounts payable | (19,107) | 5,637 | 7,211 |
| Payroll and related taxes | (463) | (7,098) | 2,384 |
| Taxes payable | (1,669) | 845 | (5,295) |
| Advances from customers | (11,215) | (11,852) | (4,434) |
| Other payables | 2,787 | 2,023 | (1,307) |
| **Cash provided by (used in) operating activities** | **24,609** | **74,531** | **88,385** |
| Income tax and social contribution paid | (519) | (389) | (1,622) |
| **Net Cash provided by (used in) operating activities** | **24,090** | **74,142** | **86,763** |
| Purchase of fixed assets | (1,465) | (4,385) | (11,651) |
| Proceeds from sale of fixed assets | - | 239 | - |
| Amount paid on acquisition of foreign subsidiary | (46,830) | - | - |
| Exchange variation changes on cash and cash equivalents abroad | 5,939 | - | - |
| **Net cash used in investing activities** | **(42,356)** | **(4,146)** | **(11,651)** |
| Interest on capital paid | (777) | (322) | (291) |
| Share Repurchase | (6,698) | - | - |
| New loans and financing | 9,651 | - | 7,355 |
| Payments of loans and financing | (9,358) | (26,084) | (18,731) |
| Interests paid (including FINAME manufacturer financing) | (15,798) | (14,073) | (11,053) |
| New loans in FINAME manufacturer | 53,440 | 33,137 | 22,417 |
| Payment of FINAME manufacturer financing | (81,033) | (69,195) | (76,221) |
| **Net Cash provided by (used in) financing activities** | **(50,573)** | **(76,537)** | **(76,524)** |
| **Increase (decrease) in cash and cash equivalents** | **(68,839)** | **(6,541)** | **(1,412)** |
| Exchange variation changes on cash and cash equivalents abroad | (3,372) | 92 | 104 |
| **Cash and cash equivalents - beginning of period** | **162,813** | **88,769** | **82,320** |
| **Cash and cash equivalents - end of period** | **90,602** | **82,320** | **81,012** |

# Appendix I

## Income Statement by Business Units - 1Q13

| R$ thousand | Machine Tools | Plastic Machines | Raw and Machined Cast Iron Parts | Total |
|---|---|---|---|---|
| **Net Operating Revenue** | **98,871** | **18,881** | **23,995** | **141,747** |
| **Cost of Sales and Services** | (67,704) | (12,707) | (26,459) | (106,870) |
| Business Units Transfers | 2,821 | - | 4,219 | (7,040) |
| Business Units Transfers | (3,307) | (1,789) | (1,944) | 7,040 |
| **Gross Profit** | **30,681** | **4,384** | **(188)** | **34,877** |
| *Gross Margin %* | *31.0%* | *23.2%* | *-0,8%* | *24.6%* |
| **Operating Expenses** | **(30,150)** | **(8,824)** | **(2,857)** | **(41,830)** |
| Selling | (11,877) | (3,890) | (868) | (16,635) |
| General and Administrative | (14,009) | (3,193) | (1,777) | (18,979) |
| Management profit sharing | (3,159) | (1,474) | - | (4,633) |
| Research and Development | (1,112) | (205) | (181) | (1,498) |
| Taxation | (190) | (37) | (31) | (257) |
| Other operating revenue | 197 | (26) | - | 171 |
| **Operating Income before Financial Results** | **531** | **(4,440)** | **(3,045)** | **(6.954)** |
| *Operating Margin %* | *0.5%* | *-23.5%* | *-12.7%* | *-4.9%* |
| Depreciation | 5,372 | 649 | 3,327 | 9,348 |
| **EBITDA** | **5,903** | **(3,791)** | **282** | **2,394** |
| *EBITDA Margin %* | *6.0%* | *-20.1%* | *1.2%* | *1.7%* |

## Income Statement by Business Units - 1Q12

| R$ thousand | Machine Tools | Plastic Machines | Raw and Machined Cast Iron Parts | Total |
|---|---|---|---|---|
| **Net Operating Revenue** | **105,151** | **23,260** | **21,310** | **149,721** |
| **Cost of Sales and Services** | (74,417) | (15,362) | (29,049) | (118,827) |
| Business Units Transfers | 4,138 | - | 6,428 | 10,566 |
| Business Units Transfers | (5,294) | (3,082) | (2,190) | (10,566) |
| **Gross Profit** | **29,578** | **4,816** | **(3,501)** | **30,894** |
| *Gross Margin %* | *28.1%* | *20.7%* | *-16.4%* | *20.6%* |
| **Operating Expenses** | **(24,810)** | **(12,327)** | **(2,582)** | **(39,719)** |
| Selling | (11,719) | (6,069) | (929) | (18,717) |
| General and Administrative | (15,033) | (3,974) | (1,410) | (20,417) |
| Management profit sharing | (4,066) | (1,838) | - | (5,904) |
| Research and Development | (1,610) | (328) | (183) | (2,121) |
| Taxation | (520) | (113) | (60) | (649) |
| Other operating revenue | 840 | 81 | - | 921 |
| **Operating Income before Financial Results** | **4,768** | **(7,511)** | **(6,083)** | **(8,826)** |
| *Operating Margin %* | *4.5%* | *-32.3%* | *-28.5%* | *-5.9%* |
| Depreciation | 5,486 | 676 | 2,680 | 8,842 |
| **EBITDA** | **10,254** | **(6,835)** | **(3,403)** | **17** |
| *EBITDA Margin %* | *9.8%* | *-29.4%* | *-16.0%* | *0.0%* |