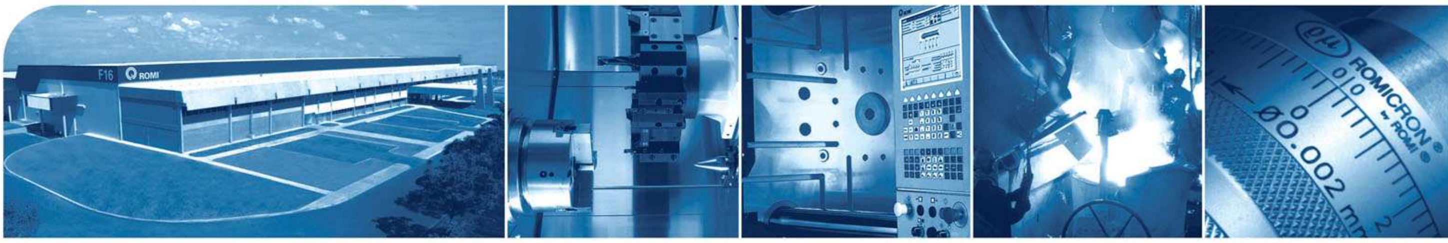
TRADIÇÃO EM INOVAR



Santa Bárbara d'Oeste, SP, Abril 23, 2008 – Indústrias Romi S.A. (Bovespa: ROMI3, -), a domestic market leader in Machine Tools and Plastic Machines announces its results for the first quarter 2008 (1Q08). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis and monetary values are expressed in Reais and IRFS Standards.

1Q08

Net income reaches R$ 25.9 million in 1Q08, a growth of 37.9% in relation to 1Q07

Highlights

- **A 21.9% improvement in net operating revenue in 1Q08 against 1Q07,** reflecting the solid performance of the domestic economy and customer recognition of the excellence of our products.
- **1Q08 growth of 54.8% in net operating revenue from the Plastic Machines unit compared with 1Q07,** mainly due to the consolidation of the Prática line in the market and stronger demand from the Brazilian market, as well as entering into the blowing machines' sector.
- **Strong increase of sales volumes in Rough and Machined Cast Iron parts in relation to 1Q07,** reflecting the growth of production capacity.
- **Orders entry recorded year-on-year growth of 15.8% overall for the Company,** the highlight being the increase of 23.4% in the Machine Tools unit.
- **Keeping its tradition of innovation,** the Company starts this quarter to report its Financial Statements in IFRS standards, much before the pertaining CVM Instruction allowance.

ROMI - Consolidated	Quarter		
In Thousand Reais	1Q07	1Q08	% Chg.
Sales Volume			
Machine Tools (units)	521	518	(0.6)
Plastic Machines (units)	56	81	44.6
Rough and Machined Cast Iron Parts (tons)	4,540	5,575	22.8
Net Operating Revenue	**125,411**	**152,856**	**21.9**
Gross margin (%)	*41.5%*	*40.0%*	
Operating Income (EBIT)	**21,580**	**24,840**	**15.1**
Operating margin (%)	*17.2%*	*16.3%*	
Net Income	**18,802**	**25,936**	**37.9**
Net margin (%)	*15.0%*	*17.0%*	
EBITDA	**24,197**	**28,326**	**17.1**
EBITDA margin (%)	*19.3%*	*18.5%*	
Investments	5,974	8,299	

1 – EBITDA = Net income before financial results, depreciation, amortization and taxes.

2 - EBIT = Operating income.

Share Price (03/31//08)
ROMI3 - R$ 15.03/share

Market Capitalization
R$ 1,181 million
US$ 675 million

Total Shares
Common: 78,557,547
Total: 78,557,547

Free Float: 54.7%

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Índice de Ações com Tag Along Diferenciado

FIRB – Financial Investor Relations Brasil
www.firb.com

CORPORATE PROFILE

Romi is a leading company among the Brazilian manufacturers of Machine Tools and Plastic Machines. It also is an important player in the Rough and Machined Castings sector. Company's main customer segments are automotive and auto parts, capital goods and consumer goods in general.

The Company has nine industrial units, of which two are dedicated to the machining of its own components and three to the final assembly of industrial machinery. Romi also operates a foundry, an industrial unit for high-precision tooling systems, one for the manufacture of sheet metal and also a division for the assembly of electronic control panels. The Company has an installed production capacity for approximately 3,640 machines/year and about 40,000 ton/year in castings, both areas of which are in a phase of gradually taking up spare capacity following recent investments in expansion in 2006 and 2007.

The Machine Tools Business Unit, which accounted for about 63.3% of the Company's 1Q08 sales revenue, comprises lines for Conventional Lathes, CNC Lathes (computerized numerical control), Machining Centers and Romicron® High Precision Machining Tools. The Rough and Machined Castings business unit represented 17.4% of the Company's 1Q08 sales and the Plastic Machines business unit, comprised of injection molding and blow molding, represented approximately 19.3%.

CURRENT ECONOMIC SCENARIO

Current Economic Scenario

The Brazilian economic scenario was favorable in the first quarter of 2008, as it was in 2007, showing real growth in all levels of the economic activity, mainly due to the expansion of domestic demand, which reflected positively in the Company's performance. The question of the Real's ongoing appreciation has been a matter of concern among the sectors that compete directly with imported products. However, the Company has managed this question satisfactorily, in a way to minimize this effect on its financial results.

Due to Romi's strong correlation with the Brazilian industrial performance, it was possible to obtain a significant operating performance in 1Q08, representing a 21.9% growth of the consolidated Net Operating Revenue, compared to 1Q07.

MARKET

Market

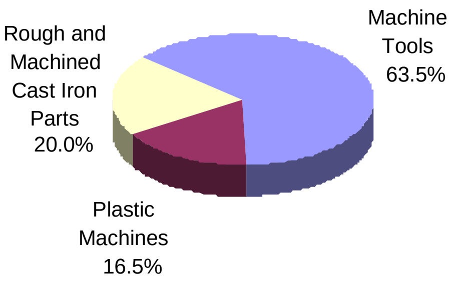
The Company was able to efficiently absorb the country's acceleration in economic activity. New opportunities identified were effectively converted into new orders. Management believes that in addition to the strong domestic demand, Romi has been also recognized by the customers due to the excellence of its products and services.

New Orders (gross values, with taxes)

Order Entry (R$ Thousands)	1Q07	1Q08	% Chg.
Machine Tools	107,449	132,625	23.4
Plastic Machines	32,062	34,370	7.2
Rough and Machined Cast Iron Parts	40,765	41,765	2.5
Total	**180,276**	**208,76**	**15.8**

New orders in 1Q08 reported growth of 15.8% compared with 1Q07, being stronger in the Machine Tools unit, which registered an increase of 23.4% in relation with 1Q07, a reflection of the good performance of the domestic economy, particularly in the industrial and service sectors.

New Order (Distribution) – 1Q08



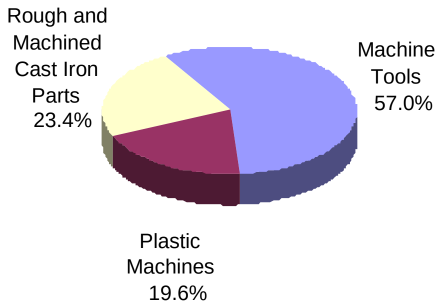
Order Entry (R$ thousands)	4Q07	1Q08	% Chg.
Machine Tools	124,871	132,625	6.2
Plastic Machines	22,756	34,370	51.0
Rough and Machined Cast Iron Parts	31,964	41,765	30.7
Total	**179,591**	**208,760**	**16.2**

In relation with the previous period, 4Q07, new orders in 1Q08 registered growth of 16.2%. The comparative analysis indicates a rise in product sales of the Plastic Machines and the Rough and Machined Castings units, corroborating the good performance of the domestic economy.

Order Book (gross values including taxes at the end of each period)

Order Book (R$ thousands)	4Q07	1Q08	% Chg.
Machine Tools	84,136	108,954	29.5
Plastic Machines	31,181	37,460	20.1
Rough and Machined Cast Iron Parts	36,321	44,664	23.0
Total	**151,638**	**191,078**	**26.0**

Order Book (Distribution) - 1Q08



At the end of 1Q08, the order book reported an increase of 26.0%, compared with 4Q07. The last and the first months of this period suffered a natural reduction, reflecting the seasonal market fluctuation in which Romi operates, nonetheless, the Company understands that the good performance for the first quarter of 2008 in all the business units is mainly due to the consolidation of its product lines in an expanding market.

Order Book (R$ thousands)	1Q07	1Q08	% Chg.
Machine Tools	82,943	108,954	31.4
Plastic Machines	28,099	37,460	33.3
Rough and Machined Cast Iron Parts	41,496	44,664	7.6
Total	**152,538**	**191,078**	**25.3**

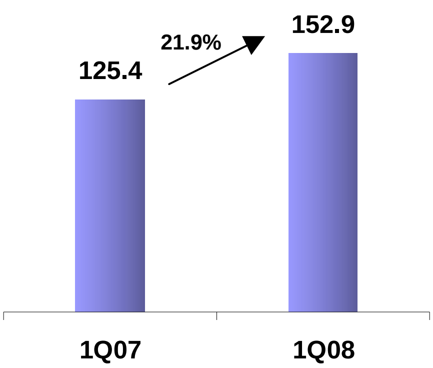
A comparison of this quarter's order book with the same period last year, showed a growth of 25.3%. Again, it is important to highlight the good performance of 1Q08, a period that usually presents a natural reduction on the business activities. The Company ties the good performance of its business to the expansion of economic activity in Brazil and to its capacity to reach small customers, with important differentials when compared to competitors.

Note: The values for the order book do not include parts, services and resale business.

OPERATING PERFORMANCE

Net Operating Revenue

Net Revenue (R$ million)



The Company reported a consolidated net operating revenue in 1Q08 of R$ 152.9 million, a growth of 21.9% compared with the same period in 2007. This improvement reflects the consistent growth of the Brazilian economy, combined with Romi's efforts to increase the utilization of additional installed capacity following recent investments.

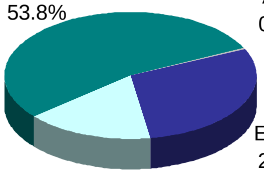
The increase in value of sales in the first quarter of 2008 was due to the combination of two variables: increase of volume and a change in the mix of products sold.

Regarding exports, Romi's performance in local currency was 11.1% lower, with exports of R$ 20.0 million in 1Q08, against R$ 22.5 million 1Q07. However in US dollars, the exports represented USD 11.5 million in 1Q08 against USS 10.7 in 1Q07, an increase of 7.5%, corroborating that even with the Real's appreciation against the USD dollar, the Company continues to be competitive in the external market. Net Operating Revenue from exports reached 13% in 1Q08, compared with 18%, in 1Q07.

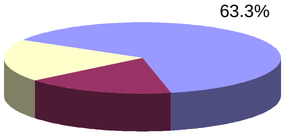
The United States continues to be the leading purchaser of our products, accounting for 54% of all overseas sales (47% in 1Q07), followed by Europe with 29% (29% in 1Q07) and

South America with 16% (6% in 1Q07). Africa and Asia did not have a relevant participation in 1Q08, markets that in 1Q07 represented 18% of our exports.

Exports Destination (1Q08)



Net Operating Revenue by Bussiness Unit (1Q08)



Net Operating Revenue (R$ thousand)

Romi - Consolidated	Quarter		
Net Operating Revenue (R$ '000)	**1Q07**	**1Q08**	**% Chg.**
Machine Tools	83,976	96,733	15.2
Plastic Machines	17,227	26,674	54.8
Rough and Machined Cast Iron Parts	24,208	29,449	21.6
Total	**125,411**	**152,856**	**21.9**

Note: See income statements per business unit in Annex I

Machine Tools

Physical sales in 1Q08 by the Machine Tools Business Unit amounted 518 units, almost the same performance in relation to that of 1Q07, which registered 521 units sold.

Comparing the net operating revenue on a quarterly basis (1Q08 X 1Q07), this business unit recorded a growth of 15.2%, due to the mix of products sold. The Machine Tools Business Unit has continued to show solid revenue growth over the past few years.

The main domestic market customers lie in the automotive, machining services, machinery and equipment, mold and die, and educational sectors.

Plastic Machines

In 1Q08, the physical sales of the Plastic Machines Business Unit amounted to 81 units, 44.6% more than 1Q07. This strong sales performance was mainly due to the consolidation of the Prática product line in the market and the good performance from segments related to consumer goods.

The net operating revenue from the Plastic Machines unit posted a significant growth of 54.8%, in 1Q08 , compared with the same period last year, the best sales performance among the Company's business units in 1Q08.

The automotive, services, packaging, home utility and construction sectors accounted for the greatest demand for the Company's products in this business unit.

Rough and Machined Castings

In 1Q08, the Rough and Machined Castings Business Unit recorded a sales performance growth of 21.6%, in relation to 1Q07, mainly due to increasing demand from the energy generation equipment and agricultural machinery sectors. As a result, there was a consistent improvement in the utilization of installed capacity during the course of the quarter.

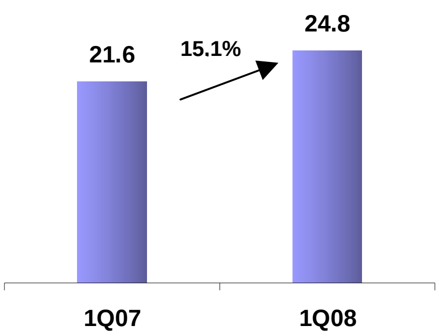
Sales volume at this unit totaled 5,575 tons, in 1Q08, a growth of 22.8% compared with the same period in 2007.

Operating Costs and Expenses

The first quarter 2008 gross margin reported a decline of 1.5 p.p. compared with the same quarter last year. This reduction is mainly due to a more aggressive price discounting policy in an effort to grow the Company's market share. Important to note here is that while on the one hand, foreign exchange rate fluctuations place downward pressure on sale prices, on the other hand, they contributed to a partial reduction in costs of components used in the products sold by the Company, mainly imported items but also others acquired on the domestic market.

The operating margin in 1Q08 suffered a small reduction of 0.9 p.p. against 1Q07 generating an operating margin of 16.3%. Following the factors already presented in the previous topic, the Company, from this quarter, started to account monthly a provision for management's profit sharing, not accounting for it just in December (as it usually happened in previous years). The impact of this change in criteria was of 0.8 p.p. in net margin. Excluding this factor, the operating margin would be in line with the previous year's margin.

Operating Profit (R$ million)



Romi - Consolidated	Quarter	
Gross Margin (%)	**1Q07**	**1Q08**
Machine Tools	45.1%	46.8%
Plastic Machines	41.8%	35.6%
Rough and Machined Cast Iron Parts	28.7%	21.7%
Total	**41.5%**	**40.0%**

Romi - Consolidated	Quarter	
Operating Margin (%)	**1Q07**	**1Q08**
Machine Tools	18.8%	20.8%
Plastic Machines	13.4%	10.3%
Rough and Machined Cast Iron Parts	14.6%	6.6%
Total	**17.2%**	**16.3%**

Machine Tools

The gross margin for this Business Unit in 1Q08 reported an increase of 1.7 p.p., reaching 46.8%, against 45.1% recorded in the same period of last year, as shown in the preceding table. The operating margin for this period had an increase of 2.0 p.p. in relation to 1Q07.

This quarter's partial reduction of export business volume, combined with a change in the mix of products sold, affected the gross margin positively. Associated with these factors, a greater dilution of fixed operating expenses, helped to translate into an increase in the operating margin, from 18.8% in 1Q07, to 20.8% in 1Q08.

Plastic Machines

The Plastic Machines Business Unit posted a reduction of 6.2 p.p in the 1Q08 gross margin on a year-on-year comparative basis.The operating margin suffered a reduction of 3.1 p.p. in the same period, as can be seen in the foregoing table.

The main impacts on the gross margin were due to a policy of more aggressive prices, as the strategy for growin the Company's market share , as well as the acquisition of J.A.C.,in 01/25/2008. The 1Q08 gross margin, without considering the J.A.C.'s acquisition, would have an increase of 2.3 p.p or 37.9%. The operational margin was also affected by the provision for Management profit sharing, already commented previously. Not taking into account the effects of the mentioned provision and the J.A.C. acquisition, the operational margin would be improved by 2.0 p.p to 12.3%.

Rough and Machined Castings

In 1Q08, the gross margin for the Rough and Machined Castings Business Unit posted a reduction of 7.0 p.p. compared with the same quarter in the preceding year , as shown in the above table.

The operating margin for the quarter recorded at this unit was also down 8.0 p.p., year-on-year basis.

Quarterly margins were largely impacted by three main factors: 1) Increase in costs of raw-materials, still not yet fully transferred to sale prices; 2) accumulative appreciation of the domestic currency, leading to an impact on the export margins, whose effects had not yet been fully transferred to sale prices and 3) alteration in the mix of products, in relation to the previous quarter, due to a higher growth in the supply of rough heavy cast iron parts, for which the Company currently does not have enough installed capacity to supply as machined parts. The investments foreseen in the Vulcano Project, already approved and currently in the process of implementation, will add to the Company's installed capacity for machining such heavy castings, on a gradual scale, from 2009 forwards.

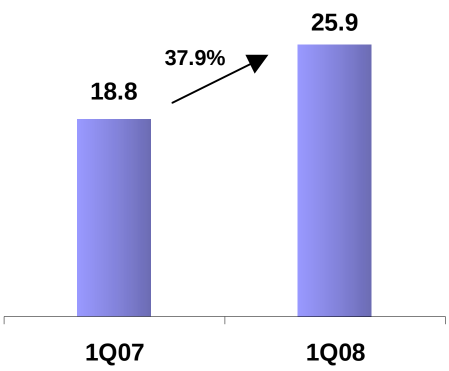
EBITDA and EBITDA margin

In 1Q08, operating cash generation as measured by EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) reached R$ 28.3 million, equivalent to a growth of 17.1% in relation to the first quarter of 2007.The EBITDA margin decreased from 19.3% to 18.5%, compared with 1Q07.

However, if we do not consider the effects of the provision for Management profit sharing (not considered in 1Q07) and the acquisition of J.A.C., the EBITDA margin would be approximately 19.7%, slightly higher compared to the same quarter of the previous year.

Reconciliation of Net Income to EBITDA	Quarter		
R$ thousands	1Q07	1Q08	% Chg.
Net Income	**18,802**	**25,936**	**37.9**
Net Financial Income	(5,208)	(6,970)	33.8
Income tax and social contributions	7,986	5,874	(26.4)
Depreciation and amortization	2,617	3,486	33.2
EBITDA	**24,197**	**28,326**	**17.1**
EBITDA Margin	***19.3%***	***18.5%***	-

Net Income (R$ million)



Net Income

Romi reported net income of R$ 25.9 million in 1Q08, or a year-on-year growth of 37.9%.The financial result of R$ 8.0 million is due to the expansion of the Company's cash position, as well as the fiscal benefit from the payment of Interest on Equity in this quarter (a factor that had not occurred in 1Q07).

Distribution and Results

Following a Board of Director's resolution taken in a meeting held on March 18, 2008 , the Company made a payment of Interest on Equity amounting to R$ 9.4 million on April 18, 2008, this pay-out representing a gross value of R$ 0.12 per share.

Capital Expenditures

The Company's investments in fixed assets, during the first quarter of 2008, totalized R$ 8.3 million. The funds were allocated to Paradiso and Vulcano projects, as foreseen by the Management schedule.

INVESTIMENTOS

Acquisitions

On January 25, 2008 the Company acquired all the quotas representing the capital stock of J.A.C. Indústria Metalúrgica Ltda ("JAC") at a value of R$ 5.5 million. JAC is a traditional manufacturer of plastic blow molding machines in Brazil, with headquarters and manufacturing plant in the city of Americana, state of São Paulo.

After 2 months of JAC's acquisition, Romi achieved a solid evolution in the subsidiary's performance, in line with Romi's strategy of expanding its manufacturing activities and product range as well as the sale of machinery for the processing of plastics, until now concentrated in the injection segment, which is allowing Romi to enjoy important synergies.

In these two months, JAC generated a Net Operating Revenue of R$ 2.4 million and a negative EBITDA margin of 1.0%, an important improvement upon the negative margin of 7.8%, shown by JAC in 2007. The Company credits this performance to the increase in production and sales volumes, to the cash flow increase, and to synergies already obtained, especially in the purchase of raw material and components.

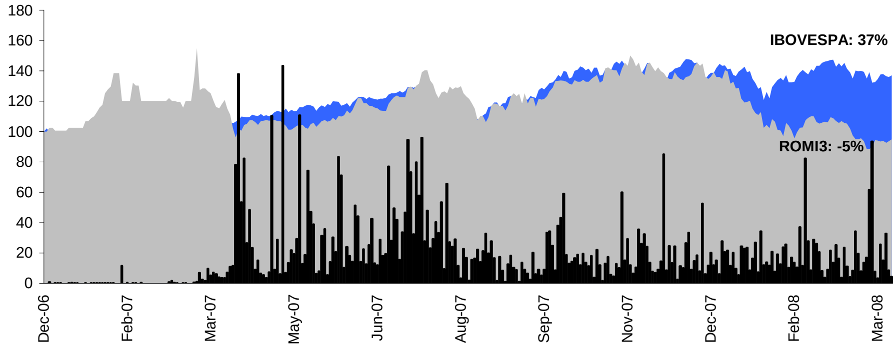
CAPITAL MARKETS

Capital Markets

At the end of 1Q08, the closing price of the Romi's shares (ROMI3) was R$15.03, a fall of 32.3% compared with 4Q07. In the same period the Bovespa stock index (Ibovespa) showed a reduction of 4.6%.

Romi's market capitalization totaled R$ 1.2 billion in March 31, 2008 and the daily average volume in 1Q08 was R$ 3.3 million.

Share Performance (ROMI3) vs. Bovespa Index (Basis: 100) - R$/Share
Period: December/2006 - March/2008



Source: Economática

IFRS

Keeping its tradition of innovation, the Company, from this quarter, starts to report its Financial Statements in IFRS standards, much before the due date as per CVM's Instruction 457, of July 13, 2007. Following this procedure, Romi becomes one of the first companies to publish complete Financial Statements in IFRS standards.

Note as following the main impacts of the BRGAAP x IFRS Standards for the 1Q07 and 1Q08 financial statements.

	1Q07	**1Q08**
Net Income in BRGAAP	18,624	25,936
Adjustments in IFRS:		
Allocation of exchange variation over investments abroad to shareholder's equity	178	-
Net Income in IFRS	**18,802**	**25,936**

	4Q07	**1Q08**
Shareholder's Equity in BRGAAP (excluding minorities)	621,457	637,882
Adjustments in IFRS:		
Reversion of negative goodwill on subsidiary Rominor	4,199	4,199
Deferred Income Tax and Social Contribution related to the negative goodwill on subsidiary Rominor	(1,404)	(1,404)
Shareholder's Equity in IFRS (excluding minorities)	**624,252**	**640,677**

Forward-looking statements contained in this release with respect to the Company's business, forecasts for operating and financial results, and references to potential growth prospects, merely represent forecasts and were based on Management's estimates with respect to future performance. These estimates are highly dependent on market conditions, the economic situation of Brazil, of the industry and the international markets, and for this reason, are subject to change.

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Financial Statements

Consolidated Balance Sheet

IFRS (R$ thousands)

ASSETS	4Q07	1Q08
CURRENT	**786,047**	**833,752**
Cash and Cash equivalents	189,010	142,223
Marketable securities	111,512	172,976
Trade accounts receivable	64,244	63,778
Trade accounts receivable - Finame Manufacturer	223,221	238,751
Inventories	183,044	197,917
Recoverable taxes	11,537	12,190
Other assets	3,479	5,917
NON CURRENT	**565,120**	**594,816**
Long-Term Assets	**435,454**	**452,991**
Trade accounts receivable	2,136	2,203
Trade accounts receivable - Finame Manufacturer	409,896	423,690
Recoverable taxes	5,391	5,439
Deferred income taxes	8,016	9,570
Escrow Deposits	7,087	8,699
Other assets	2,928	3,390
Property, Plant and Equipment	129,666	137,486
Other investments	-	2,843
Goodwill	-	1,496
TOTAL ASSETS	**1,351,167**	**1,428,568**

Consolidated Balance Sheet

IFRS (R$ thousands)

LIABILITIES AND SHAREHOLDER'S EQUITY	4Q07	1Q08
CURRENT	**313,995**	**329,506**
Loans	30,854	26,240
Loans - Finame Manufacturer	192,884	210,425
Trade accounts payable	25,193	25,424
Payroll and related charges	35,934	24,078
Taxes payable	8,013	11,999
Advances from customers	9,702	10,410
Interest on capital, dividends and participations	6,775	12,001
Other liabilities	4,640	8,929
NON CURRENT	**411,049**	**456,314**
Long-term liabilities		
Loans	50,293	61,338
Loans - Finame Manufacturer	348,710	381,056
Provision for contingencies	8,746	10,156
Deferred income taxes on negative goodwill	1,404	1,404
Taxes payable	1,896	2,360
SHAREHOLDER'S EQUITY	**624,252**	**640,677**
Capital	505,764	505,764
Capital reserves	2,209	2,209
Cumulative Translation Adjustments	(968)	(926)
Profit reserves/retained earnings	117,247	133,630
MINORITY INTERESTS	**1,871**	**2,071**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**1,351,167**	**1,428,568**

Income Statement

IFRS

R$ THOUSAND	1Q07		1Q08	% Chg.
Gross Operating Revenue	**150,791**		**184,550**	**22.4**
Taxes on sales	(25,380)		(31,694)	24.9
Net Operating Revenue	**125,411**		**152,856**	**21.9**
Cost of sales and services	(73,415)		(91,724)	24.9
Gross Profit	**51,996**		**61,132**	**17.6**
Gross Margin %	*41.5%*		*40.0%*	
Operating Expenses	**(30,416)**		**(36,292)**	**19.3**
Selling	(11,775)		(14,180)	20.4
General and administrative	(12,260)		(14,715)	20.0
Research and development	(4,788)		(6,624)	38.3
Taxation	(1,593)		(773)	(51.5)
Operating Income before Financial Results	**21,580**		**24,840**	**15.1**
Operating Margin II %	*17.2%*		*16.3%*	
Financial Results	**5,208**		**6,970**	**33.8**
Financial income	6,155		8,048	30.8
Financial expenses	(1,080)		(1,454)	34.6
FX changes, net	133		376	
Operating Income	**26,788**		**31,810**	**18.7**
Non-operating result	-		-	
Income before income tax and social contribution	**26,788**		**31,810**	**18.7**
Income tax and social contribution	(7,986)		(5,874)	(26.4)
Net income	**18,802**		**25,936**	**37.9**
Net Margin %	*15.0%*		*17.0%*	
Management profit sharing	18,723		25,736	37.5
Minority interests	79		200	153.2
EBITDA	**24,197**		**28,326**	**17.1**
Net income	18,802		25,936	
Income tax and social contribution	7,986		5,874	
Financial results	(5,208)		(6,970)	
Depreciation	2,617		3,486	
EBITDA Margin %	*19.3%*		*18.5%*	
Nº of shares in capital stock (th)	62,362	(*)	78,558	
Net income per share - R$	0.30	(*)	0.33	
Book value per share - R$	6.52	(*)	8.16	

(*) Merely for comparison purposes, already considering the conversion and stock split of March 23 2007.

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Cash Flow

IFRS

R$ thousands	1Q07	1Q08
Cash from operating activities		
Net Income	**18.802**	**25.936**
Depreciation	2.617	3.486
Provision for doubtful accounts	26	139
Loss (Gain) on sale of fixed assets	(377)	(887)
Interest on, accounts receivable, accounts payable and loans	(9.239)	1.326
FX changes on, accounts receivable, accounts payable and loans	(425)	(91)
Deferred income tax and social contribution	(722)	(1.554)
Provision for inventory devaluation	782	686
Provision for contingencies	(2.714)	(202)
Change on operating assets		
	(381)	(16.252)
Trade accounts receivable	(2.346)	4.783
Trade accounts receivable - Finame Manufacturer	(25.483)	(29.324)
Inventories	(5.281)	(14.959)
Recoverable taxes, net	(396)	(617)
Other current and long term assets	(1.684)	(2.820)
Change on operating liabilities		
Trade accounts payable	3.889	(502)
Payroll and related charges	(6.924)	(12.013)
Taxes payable	5.738	5.607
Advances from customers	2.768	708
Other current and long term liabilities	1.159	151
Cash provided by (used in) operating activities	**(20.191)**	**(36.399)**
	(524)	(1.205)
	(5.194)	(1.936)
Cash provided by (used in) operating activities	**(25.909)**	**(39.540)**
Acquisitions of fixed assets	(5.974)	(8.299)
Acquisitions of subsidiaries	-	89
Sale of assets	642	1.010
Goodwill on acquisition of subsidiaries	-	(2.000)
Cash flow used in investment operations	**(5.332)**	**(9.200)**
Interest on capital	(52.472)	(4.201)
New loans and financing	32.802	14.343
Payments of loans	(1.428)	(12.864)
New loans - Finame Manufacturer	74.902	96.694
Payments of loans Finame Manufacturer	(35.883)	(46.807)
Cash flow from financial activities	**17.921**	**47.165**
Increase in capital through the issuance of new shares	-	-
Net Cash Flow	**(13.320)**	**(1.575)**
Cash and cash equivalents - beginning of period	**71.069**	**189.010**
Cash and cash equivalents - end of period	**57.749**	**187.435**

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Annex I

Income Statement by Business Units - 1Q08

R$ '000- IFRS	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Gross Operating Revenue	**115.448**	**32.413**	**36.689**	**184.550**
(-) Taxes on Sales	(18.715)	(5.739)	(7.240)	(31.694)
Net Operating Revenue	**96.733**	**26.674**	**29.449**	**152.856**
Cost of Sales and Services	(50.391)	(12.219)	(29.114)	(91.724)
Business Units Transfers	5.903	-	8.870	14.773
Business Units Transfers	(6.987)	(4.967)	(2.819)	(14.773)
Gross Profit	**45.258**	**9.488**	**6.386**	**61.132**
Gross Margin %	*46,8%*	*35,6%*	*21,7%*	*40,0%*
Operating Expenses	**(25.119)**	**(6.745)**	**(4.428)**	**(36.292)**
Selling	(9.107)	(3.151)	(1.922)	(14.180)
General and Administrative	(9.994)	(2.351)	(2.370)	(14.715)
Research and Development	(5.509)	(1.115)	-	(6.624)
Taxation	(509)	(128)	(136)	(773)
Operating Income before Financial Results	**20.139**	**2.743**	**1.958**	**24.840**
Operating Margin %	*20,8%*	*10,3%*	*6,6%*	*16,3%*

Income Statement by Business Units - 1Q07

R$ '000 - IFRS	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Gross Operating Revenue	**99.679**	**20.969**	**30.143**	**150.791**
(-) Taxes on Sales	(15.703)	(3.742)	(5.935)	(25.380)
Net Operating Revenue	**83.976**	**17.227**	**24.208**	**125.411**
Cost of Sales and Services	(45.007)	(8.195)	(20.213)	(73.415)
Business Units Transfers	3.060	-	5.808	8.868
Business Units Transfers	(4.180)	(1.835)	(2.853)	(8.868)
Gross Profit	**37.849**	**7.197**	**6.950**	**51.996**
Gross Margin %	*45,1%*	*41,8%*	*28,7%*	*41,5%*
Operating Expenses	**(22.102)**	**(4.889)**	**(3.425)**	**(30.416)**
Selling	(8.184)	(2.202)	(1.389)	(11.775)
General and Administrative	(9.018)	(1.462)	(1.780)	(12.260)
Research and Development	(3.773)	(1.015)	-	(4.788)
Taxation	(1.127)	(210)	(256)	(1.593)
Operating Income before Financial Results	**15.747**	**2.308**	**3.525**	**21.580**
Operating Margin %	*18,8%*	*13,4%*	*14,6%*	*17,2%*