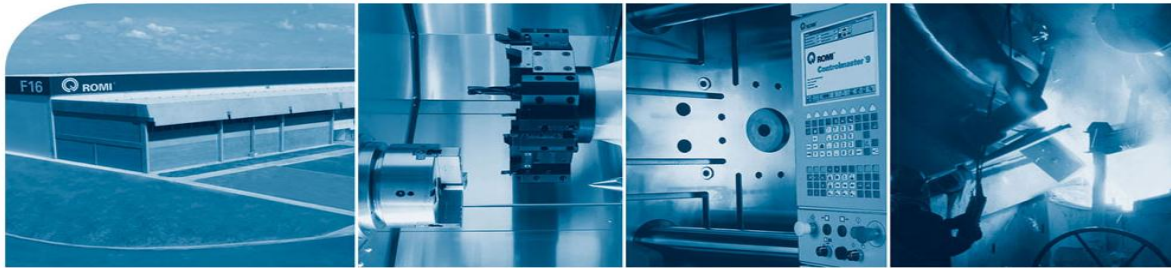




ROMI®

A TRADITION OF INNOVATION



April 24, 2012

1Q12 Earnings Release

April 25, 2012

Share Price (03/31/2012)
ROMI3 – R\$ 6.01/share

Market Capitalization (03/31/2012)
R\$ 449.3 million
US\$ 251.0 million

Number of Shares (03/31/2012)
Common: 74,757,547
Total: 74,757,547

Free Float = 50.00%

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 (888) 700 0802
Brazil +55 (11) 4688 6341
Other + 1 (786) 924 6977
Access code: Romi

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Santa Bárbara d'Oeste, SP, April 24, 2012 - Indústrias Romi S.A. (Bovespa: ROMI3), domestic market leader in Machine Tools and Plastic Processing Machines, as well as an important producer of Rough and Machined Cast Iron Parts, announces its results for the first quarter of 2012 (1Q12). 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

Acquisition of Burkhardt + Weber, German manufacturer of machine tools, represented R\$37.6 million in net operating revenue in 1Q12 and EBITDA of R\$ 10.5 million

- Net operating revenue from Burkhardt + Weber ("B+W"), between the acquisition date (January, 31 2012) and the end of the quarter (March, 31 2012) was R\$ 37.6 million, with EBITDA of R\$ 10.5 million;
- With the consolidation of B+W, 34.5% of net operating revenue from abroad in 1Q12 was from Asia, showing expansion of the geographic base and operations in emerging markets;
- Plastic Processing Machines posted net revenue growth of 3.6% in 1Q12 in relation to 4Q11;
- The Rough and Machined Cast Iron Parts unit experienced 45.3% growth in new orders in 1Q12 in relation to 4Q11, due especially to demand for products for the wind energy market.

ROMI - Consolidated	Quarter				
	1Q11	4Q11	1Q12	Chg. % 1Q/1Q	Chg. % 1Q/4Q
In Thousand Reais					
Sales Volume					
Machine Tools (units)	441	511	257	(41.7)	(49.7)
Plastic Machines (units)	101	61	44	(56.4)	(27.9)
Rough and Machined Cast Iron Parts (tc)	3,240	4,250	3,515	8.5	(17.3)
Net Operating Revenue	138,742	152,016	149,721	7.9	(1.5)
Gross margin (%)	31.3%	32.3%	20.6%		
Operating Income (EBIT)	2,582	(19,070)	(8,825)	(441.8)	46.3
Operating margin (%)	1.9%	-12.5%	-5.9%		
Net Income	7,897	(17,219)	(3,429)	(143.4)	19.9
Net margin (%)	5.75%	-11.3%	-2.3%		
EBITDA	9,573	(12,042)	17	(99.8)	(100.1)
EBITDA margin (%)	6.9%	-7.9%	0.0%		
Investments	3,882	6,776	1,465	(62.3)	(78.4)

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



ROMI®

A TRADITION OF INNOVATION

Corporate Profile

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

The Company has 13 industrial units, five of which are dedicated to the final assembly of industrial machinery. Romi also operates two foundries, four 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 3,950 industrial machines and 50,000 tons of castings per year. This structure already considers B+W, a German manufacturer of machine tools acquired in January, 31 2012, facilities.

The Machine Tools business unit, which accounted for 70.2% of the Company's 1Q12 revenue, comprises lines for Conventional Lathes, CNC (computerized numerical control) Lathes, Machining Centers, and Vertical and Horizontal Heavy and Extra-Heavy Lathes. The Rough and Machined Cast Iron Parts and Plastic Processing Machines business units (the latter comprising plastic injection and blow molding machines) contributed 14.2% and 15.6%, respectively, of the revenue for the period.

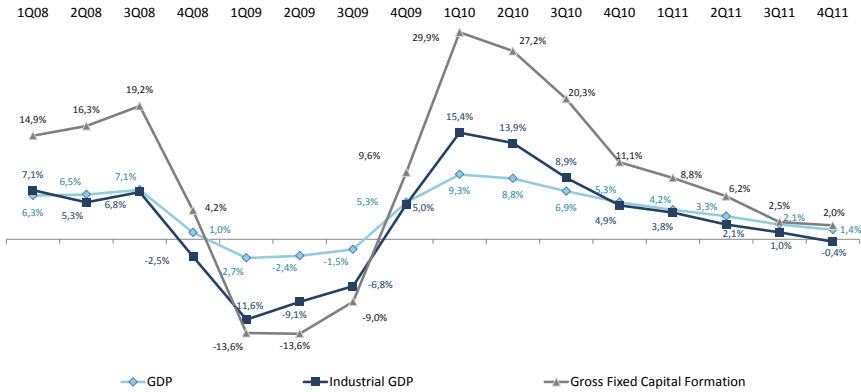
Current Economic Scenario

In early 2012, the international scenario did not show signs of recovery, with developed economies in debt.

In Brazil, although manufacturers' utilization of installed capacity continued to show good levels (81.9% in February 2012), an appreciated BRL – along with rising production costs – discouraged investments to expand supply of manufactured goods. Production costs have been suffering strong inflationary pressure, especially labor, making domestic products less competitive compared to imports. As a result, the current scenario of growing consumption, sustained mainly by the Brazilian middle class, has been supplied in large part by imported products. Consequently, investments in machinery and equipment began 2012 without improvements in relation to 4Q11.

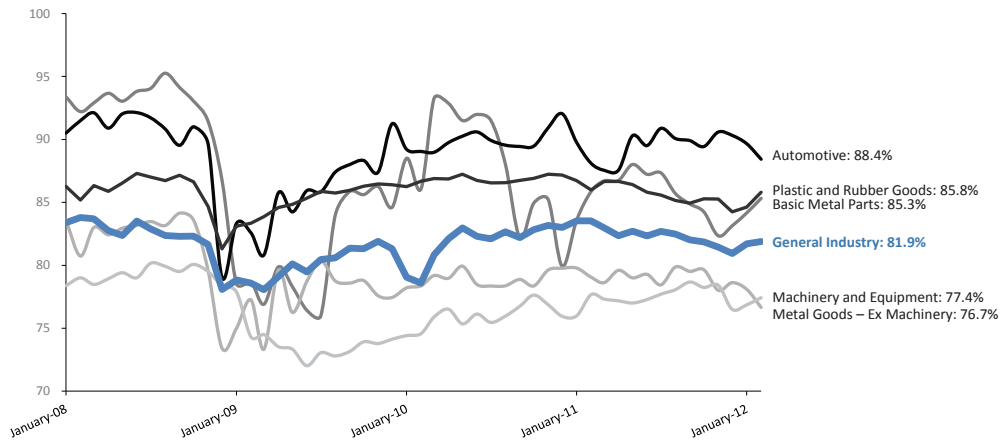
In light of this scenario, on April 3, 2012 the Brazilian government announced a package of measures with the purpose of stimulating industrial activity in Brazil, making it more competitive. Among these measures, the most important one for the sector is tax relief on payroll, with a reduction of employers' social security contribution, from the current 20% on nominal salary. Regarding the interest rate on financing, there was a reduction from 6.5% per year to 5.5% per year for BNDES' FINAME financing lines, and an extension to December 2013 of the Investment Sustaining Program (PSI), geared toward machinery and equipment purchases. These measures should have a positive impact on the industry as a whole, and consequently on Romi's operations, since they favor the domestic industry's competitiveness, allowing for an increase in demand for industrial products manufactured in Brazil.

Economic data for the fourth quarter of 2011 (compared to the same quarter of 2010), released by the IBGE, point to industrial GDP shrinking 0.4%. Growth of Gross Fixed Capital Formation also decelerated sharply, to 2.0%, due to growth in 2010 compared to demand conditions in 2011, especially late in the year.



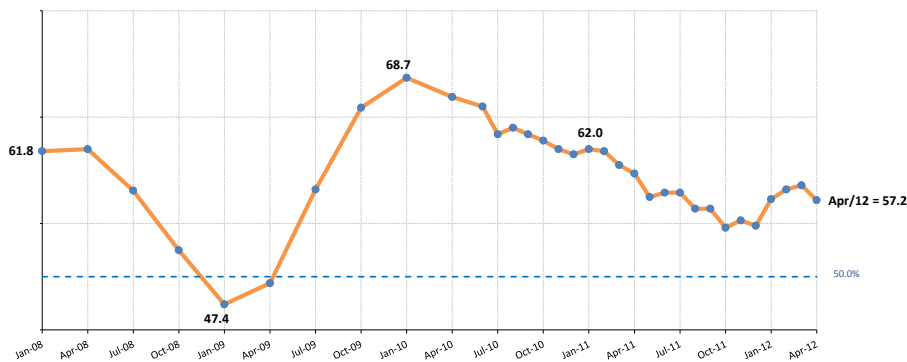
Source: IBGE (quarter this year vs. quarter last year)

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:



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

The Industrial Executive Confidence Index, released by the National Confederation of Industry (CNI), still doesn't show any trend in 2012:



Source: CNI - ICEI (Industrial Executives' 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\$ thousand)	1Q10	1Q11	2Q11	3Q11	4Q11	1Q12	Chg % 1Q12/1Q11	Chg % 1Q12/4T11
Machine Tools ⁽¹⁾	94,084	110,370	129,179	113,057	105,751	81,999	-25.7%	-22.5%
Plastic Machines	42,138	30,418	37,846	27,861	25,495	25,312	-16.8%	-0.7%
Rough and Machined Cast Iron Parts	21,968	38,149	21,186	33,304	19,445	28,250	-25.9%	45.3%
Total	158,190	178,937	188,211	174,222	150,691	135,561	-24.2%	-10.0%

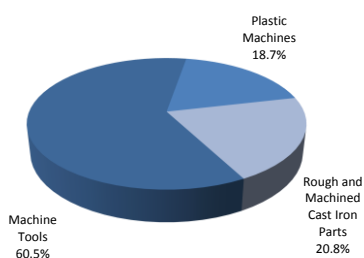
(1) Includes R\$ 9.2 million of B+W's order entry obtained in the months of January, February and March, 2012.

In 1Q12, the Company had a volume of new orders 24.2% smaller than that obtained in 1Q11. During this period, which encompasses the first three months of the year, new orders totaled R\$ 135.6 million, taking into account R\$ 9.2 million in orders originated by B+W, a German company recently acquired by Romi and consolidated into its financial statements beginning February 1, 2012. B+W's order entry from January to March was taken into account in this amount because the referred volume will be converted integrally into Romi's net operating revenues during the coming quarters.

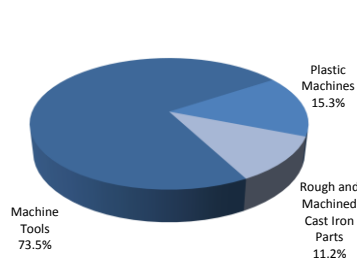
In relation to 1Q11, the Machine Tools and Plastic Processing Machines units' new orders were 25.7% and 16.8% lower, respectively, resulting from the economic scenario described previously in this report.

In the Rough and Machined Cast Iron Parts segment, new orders rose 45.3% in relation to the fourth quarter of 2011, mainly due to growth in the wind power generation sector.

Order Entry
(1Q12)



Order Book
(1Q12)



Order Book (R\$ thousand)	1Q10	1Q11	2Q11	3Q11	4Q11	1Q12	Chg % 1Q12/1Q11	Chg % 1Q12/4T11
Machine Tools	107,763	95,269	103,986	92,277	96,143	155,945	63.7%	62.2%
Plastic Machines	80,528	41,876	33,139	29,789	27,609	32,371	-22.7%	17.2%
Rough and Machined Cast Iron Parts	21,066	43,313	36,530	33,612	31,824	23,868	-44.9%	-25.0%
Total	209,357	180,458	173,655	155,678	155,576	212,183	17.6%	36.4%

Inside the present Machine Tools Order Book there is R\$ 83.8 million that belongs to B+W's order book.



Operating Performance

Net Operating Revenue

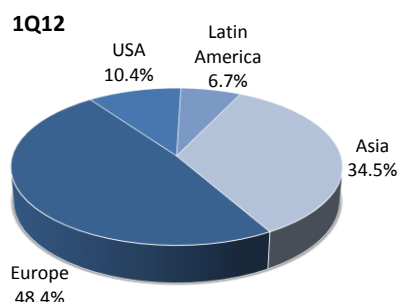
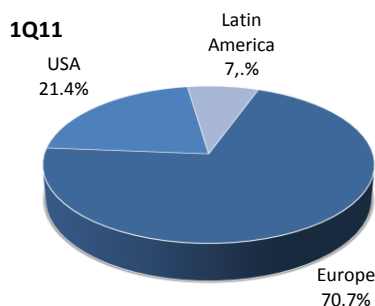
The Company's Net Operating Revenue for 1Q12 reached R\$ 149.7 million, up 7.9% from 1Q11 down 1.5% from 4Q11, the immediately prior quarter.

As already mentioned, since February 1, 2012 Romi has consolidated into its results the performance of B+W. Had we excluded the amounts attributed to it, the Company's Net Operating Revenue for 1Q12 would have been R\$ 112.1 million, 19.2% less than that obtained for 1Q11. In this comparison, the machine tools and plastic processing machines segments had greater difficulty than rough and machined cast iron parts. Consolidated revenue from machine tools and plastic processing machines was 24.7% less than that achieved for 1Q11. Meanwhile, revenue from rough and machined cast iron parts was 17.1% greater in the same comparison.

The market's current situation, with low investment levels, was the main factor that impacted the Company's revenue, since – in general – there was no increase in discounts in relation to the fourth quarter of 2011.

In 1Q12, the revenues that Romi (without taking B+W into account) obtained in the foreign market reached R\$ 20.7 million, up 24.3% from the figure for 1Q11 (R\$ 16.7 million). In dollars, revenues from the foreign market reached US\$ 11.7 million in 1Q12, representing a 17.3% increase in relation to 1Q11 (US\$ 10.0 million).

In the quarter, taking B+W's revenue into account, Europe represented 48.4% of the revenue obtained in the foreign market. In relation to the same period the previous year, a highlight was the entry of the Asian market into the portfolio, thanks to revenue obtained by B+W in China, of R\$ 19,3 million. Thus, the United States' share of Romi's sales portfolio was diluted, now accounting for 10.4%. Meanwhile, Latin America now accounts for 6.7%.



Net Operating Revenue (R\$'000)

Romi - Consolidated	Quarter				
	1Q11	4Q11	1Q12	Chg % 1Q/1Q	Chg % 1Q/4Q
Net Operating Revenue					
Machine Tools	85,489	103,212	105,151	23.0%	1.9%
Plastic Machines	35,062	22,459	23,260	-33.7%	3.6%
Rough and Machined Cast Iron Parts	18,191	26,345	21,310	17.1%	-19.1%
Total	138,742	152,016	149,721	7.9%	-1.5%

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

Machine Tools

This unit's net operating revenue reached R\$ 105.2 million in 1Q12, of which R\$ 37.6 million referring to the consolidation of B+W's net operating revenue. This amount represented an increase of 23.0% in comparison to the same quarter last year, and 1.9% compared to 4Q11, the immediately prior quarter. Excluding the effects of B+W on this comparison, this business unit's net operating revenue was down 21.0% from 1Q11, and down 34.6% from 4Q11.

The Machine Tools Business Unit's physical sales totaled 257 units in 1Q12, of which 10 were made by B+W. This amount is 41.7% lower than that obtained in 1Q11 (441 units), and 49.7% lower than that obtained in 4Q11 (511 units).

The main reason for this decrease in volume of machines sold in this business unit was retraction of the economy, commented upon previously.

In the first quarter of 2012 Romi sold its first vertical, CNC (computerized numerical control), double-column VT 5000 lathe, the largest vertical CNC lathe ever manufactured in the Southern Hemisphere. This machine weighs 170 tons, and is equipped with a plate with a 5-meter diameter, with capacity to machine large parts, up to 7 meters in diameter, 6 meters tall and weighing 90 tons. This equipment is mainly used in the oil and gas sector.

In the domestic market, this business unit's main customers were in the machining services, automotive, machinery and equipment, tooling, oil and agricultural machinery segments.

Plastic Processing Machines

In 1Q12, the Plastic Processing Machinery Business Unit's net revenue totaled R\$ 23.3 million, representing a 33.7% decrease from 1Q11, resulting from competitive conditions in the domestic industry.

In the quarter, this business unit's physical sales totaled 44 units, diminishing 56.4% in relation to 1Q11 (101 units), and 27.9% in comparison to the immediately prior quarter (61 units).

The sectors that posted the greatest demand for this business unit's products in the domestic market were packaging, household utensils, automotive, civil construction, food and toys.

Rough and Machined Cast Iron Tools

In 1Q12, this unit's physical sales totaled 3,515 tons, up 8.5% from the 3,240 tons sold in 1Q11, due especially to segments such as agricultural machinery, wind energy and capital goods.

Operating Costs and Expenses

Gross margin for 1Q12 was flat in relation to 4Q11, and was down 10.7 percentage points in relation to 1Q11, mainly due to the decrease in the volume of operations and strong inflationary pressures, especially related to labor. As Romi's operating expenses are more fixed in nature than variable, this decrease in revenues directly affects the Company's margins.

Romi - Consolidated	Quarter				
	1Q11	4Q11	1Q12	Chg bps 1Q/1Q	Chg bps 1Q/4Q
Gross Margin (%)					
Machine Tools	36.3	28.0	28.1	(820)	10
Plastic Machines	34.9	11.6	20.7	(1,420)	910
Rough and Machined Cast Iron Parts	1.0	(9.0)	(16.4)	(1,740)	(740)
Total	31.3	19.2	20.6	(1,070)	140

Romi - Consolidated	Quarter				
	1Q11	4Q11	1Q12	Chg bps 1Q/1Q	Chg bps 1Q/4Q
EBIT Margin (%)					
Machine Tools	5.7	(3.2)	4.5	(120)	770
Plastic Machines	(1.2)	(47.4)	(32.3)	(3,110)	1,510
Rough and Machined Cast Iron Parts	(10.3)	(19.5)	(28.6)	(1,830)	(910)
Total	1.9	(12.5)	(5.9)	(780)	660

Machine Tools



This business unit's gross margin was 28.1% in 1Q12, down 820 bps in relation to 1Q11. Due to the decrease in machinery sales volume, it was not possible to achieve significant dilution of fixed costs and expenses. This unit's gross margin was similar to that obtained in 4Q11, despite the decrease in revenue (excluding the consolidation of B+W), demonstrating that the adjustment of headcount, among other measures, is having a positive impact on the Company's results.

Operating margin for the first quarter of 2012 fell 120 bps in relation to the same quarter of the previous year, due to the aforementioned reasons, and a 770 bps improvement in relation to the fourth quarter of 2011, also the result of adjustment measures taken by Romi in recent months, besides B+W's consolidation that, in the 1Q12, contributed with R\$ 10.2 million in this amount.

Plastic Processing Machines

In this business unit, gross margin reached 20.7% for 1Q12, down 1,420 bps from 1Q11 and improving 910 bps from 4Q11, resulting from the sale of larger machines, which have less influence from Asian competition. However, as in the case of the machine tools unit, the low volume of activity did not allow Romi to dilute its fixed costs and expenses.

Operating margin for the first quarter of 2012 was down 3,110 bps from the same quarter last year, reaching a negative 32.3%. In relation to 4Q11, operating margin improved 1,510 bps.

As in the case of the machine tools unit, the restructuring conducted in recent months has already had a positive effect, as seen in the improvement in margin observed in 1Q12 in relation to 4Q11.

Rough and Machined Cast Iron Parts

This business unit's gross margin was a negative 16.4% in 1Q12, down 1,740 bps in relation to 1Q11. The low level of installed capacity utilization, along with an overall increase in this unit's costs, were the main factors responsible for this result.

Meanwhile, the operating margin for 1Q12 decreased 1,830 bps in relation to the same quarter last year.

EBITDA and EBITDA Margin

In 1Q12, operating cash generation as measured by EBITDA (earnings before interest, taxes, depreciation and amortization) was R\$ 16 thousand, with an EBITDA margin of 0.0% in the quarter, as shown in the table below:

Reconciliation of Net Income to EBITDA	Quarter				
	1Q11	4Q11	1Q12	Chg % 1Q/1Q	Chg % 1Q/4Q
R\$ thousand					
Net Income	7,897	(17,219)	(3,429)	-143.4%	119.9%
Net Financial Income	(2,729)	25	85	-103.1%	240.0%
Income tax and social contributions	(2,586)	(1,876)	(5,481)	111.9%	192.2%
Depreciation and amortization	6,991	7,028	8,842	26.5%	25.8%
EBITDA	9,573	(12,042)	17	-99.8%	-100.1%
EBITDA Margin	6.9%	-7.9%	0.0%		

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

Besides, there has been in this quarter a positive impact of R\$ 10,5 million due to B+W's performance consolidation.

Result for the Quarter

Result for 1Q12 was a negative R\$ 3.4 million, down 143.4% from the figure for 1Q121. The main reasons were declining sales in the quarter, as mentioned previously.

In this amount, R\$ 9,6 million refers to B+W's performance consolidation.



Investments

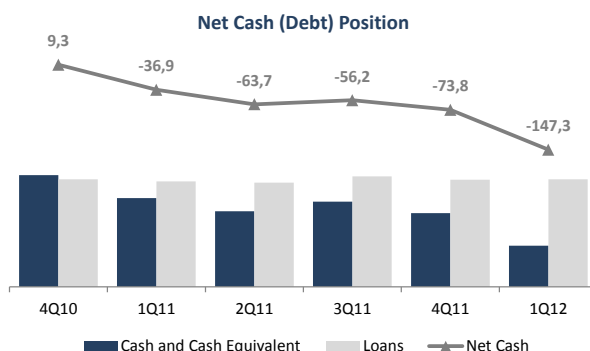
Investments in 1Q12 totaled R\$ 1.5 million, and were basically allocated to maintenance, productivity and upgrading of production facilities, 87.9% less than in the same period of last year, although within the investment plan for the year 2012.

Financial Position

Short-term investments, including those backed by debentures, are made with financial institutions with low credit risk and their yield is 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, 2012 was R\$ 90.6 million, in local currency. The difference between investments as at December 31, 2011 and March 31, 2012 is due to the acquisition of B+W, which is detailed further below.

Romi's borrowings are used mainly in investments to expand plant capacity and upgrading, and financing exports and imports. As at March 31, 2012, the amount of financing in local currency was R\$ 237.9 million.

The Company's cash position continued being impacted, in the first quarter of 2012, by the use of working capital, especially in inventories, in an amount considered higher than normal by management. This scenario arises from the expected growth in investments in Brazil and, as a result, in demand for machinery that did not materialize in 2011. With an adjustment in the production program for 2012, these inventories should decrease in the coming quarters, especially in the second half of 2012.



As at March 31, 2012, the Company did not conduct any derivative transactions.

Burkhardt + Weber

On December 22, 2011, Romi announced the acquisition, through Romi Europe (a wholly-owned subsidiary of Romi), of Burkhardt + Weber Fertigungssysteme GmbH ("B+W"), an important and traditional German manufacturer of machine tools.

The acquisition was concluded on January 31, 2012, for the amount of € 20.5 million, of which € 4.1 million refers to the company's net cash position. Thus, the acquisition's enterprise value was approximately € 16.4 million.

Net operating revenue from B+W consolidated into Romi's 1Q12 results, referring to the months of February and March 2012, in the amount of R\$ 37.6 million, came from the two main markets served by B+W: Europe and Asia, in the proportion of 50% each. With this consolidation, 34.5% of Romi's net operating revenue from abroad in 1Q12 was obtained in Asia, where B+W has a subsidiary, showing expansion of the geographic base and operations in emerging markets.



We present below an Income Statement (for the period from February 1 to March 31, 2012) and the main Balance Sheet accounts as at March 31, 2012 for B+W, both in condensed form.

Income Statement (R\$ 000)	Feb+Mar / 2012
Net Operating Revenue	37,644
Gross Profit	5,704
EBIT	10,200
EBITDA	10,521
Net Profit	9,625

Balance Sheet (R\$ 000)	03/31/2012
Cash and Cash equivalents	7,905
Trade accounts receivable	19,125
Inventories	27,966
Other receivables	4,374
Property, Plant and Equipment, net	25,545
Intangibles	38,229
Total Assets	123,144
Trade accounts payable	5,728
Advances from customers	32,878
Deferred Taxes	14,880
Other payables	9,702
Shareholder's Equity	59,956
Total Liabilities and Shareholder's Equity	123,144

It is important to point out that the first quarter of 2012 concentrated approximately 45% of all of B+W's net revenue for its fiscal year, which began on April 1, 2011 and lasted until March 31, 2012. As it manufactures few machines, each one of them with high added value, there is no specific seasonal variation that determines the distribution of B+W's revenue over the four quarters of the year.

Stock Buyback Program

On August 22, 2011, the Board of Directors approved the program to buy common shares issued by the Company, with purchases of shares to be made between 08/22/2011 and 02/18/2012 (180 days).

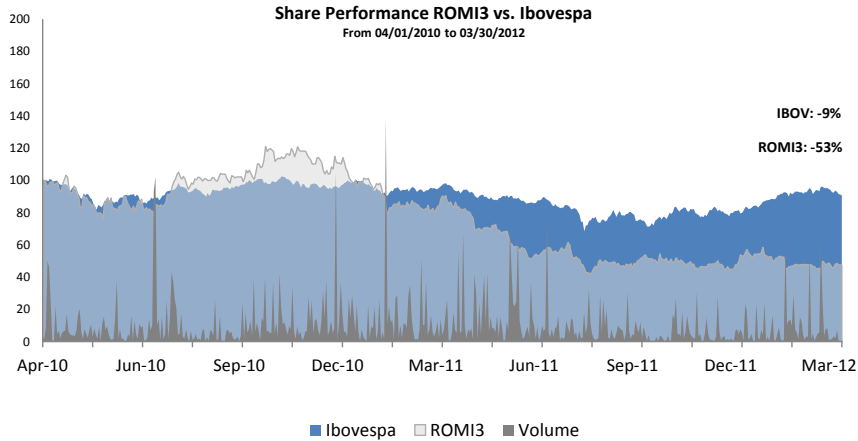
On February 7, 2012, the Board of Directors approved an extension of this program for another 180 days after the original ending date (shares can be purchased through 08/16/2012, without interruption).

As at March 31, 2012, 1,872,400 shares had been purchased, in the amount of R\$ 11,297 thousand, representing an average purchase price of R\$ 6.03 per share.

The Company's goal with the program is to maximize creation of shareholder value through the application of part of its financial resources available within the overall amount of earnings reserves and capital.



Stock Market



Source: BMF&Bovespa

At the end of 1Q12, Romi's common shares (ROMI3) were traded at R\$6.01, posting depreciation of 10.8% in the quarter (1Q12 vs. 4Q11), and 47.6% from the end of 1Q11. The Bovespa index gained 13.7% from the end of 4Q12 and fell 6.9% from the end of 1Q11.

The Company's market capitalization as at March 31, 2012 was R\$ 449.3 million and the average daily trading volume for 1Q12 was R\$ 437 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, the economic situation in Brazil, the industry and international markets, therefore being subject to changes.

Financial Statements

Consolidated Balance Sheet

(R\$ thousand)

ASSETS	03/31/2011	12/31/2011	03/31/2012
CURRENT	961,952	950,348	921,359
Cash and Cash equivalents	196,149	162,813	90,602
Trade accounts receivable	76,064	86,938	87,035
Onlending of FINAME manufacturer financing	348,842	341,688	341,609
Inventories	307,200	314,355	353,046
Recoverable taxes	18,348	11,854	13,290
Related Parties	-	-	224
Other receivables	15,349	32,700	35,553
NONCURRENT	873,060	863,046	894,250
Long-Term Assets	579,379	574,118	546,608
Trade accounts receivable	11,618	13,208	16,329
Onlending of FINAME manufacturer financing	491,878	478,991	439,523
Recoverable taxes	8,626	2,383	2,429
Deferred income and social contribution taxes	23,288	35,001	41,497
Escrow Deposits	25,870	30,669	31,869
Other receivables	18,099	13,866	14,961
Investments			
Property, Plant and Equipment, net	286,605	280,796	284,060
Investment in Subsidiaries and Associate Companies	-	-	1,218
Investment Property	-	-	16,103
Intangible assets	7,076	8,132	46,261
TOTAL ASSETS	1,835,012	1,813,394	1,815,609

**Consolidated Balance Sheet**

(R\$ thousand)

LIABILITIES AND SHAREHOLDER'S EQUITY	12/31/2010	09/30/2011	12/31/2011
CURRENT	435,967	512,924	545,354
Loans and financing	27,914	113,038	122,236
FINAME manufacturer financing	302,781	307,734	307,001
Trade accounts payable	47,920	41,172	27,264
Payroll and related taxes	28,928	26,546	28,503
Taxes payable	2,810	6,505	5,370
Advances from customers	10,329	10,131	41,744
Interest on capital, dividends and participations	9,340	0,628	628
Related Parties	-	-	0,763
Other payables	5,945	7,170	12,081
NON CURRENT	697,215	620,726	600,687
Long-term liabilities			
Loans and financing	205,028	123,776	115,622
FINAME manufacturer financing	448,297	447,020	419,988
Deferred income and social contribution taxes on negative goodwill	7,438	7,761	22,631
Taxes payable	4,721	4,761	4,874
Other payables	27,859	33,061	33,656
Reserve for contingencies	3,872	4,347	3,916
SHAREHOLDER'S EQUITY	700,227	677,776	667,959
Capital	489,973	489,973	489,973
Capital reserve	2,052	2,052	2,052
Treasury Stock	-	(4,599)	(11,297)
Retained earnings	224,370	195,598	191,987
Other accumulated comprehensive income	(16,168)	(5,248)	(4,756)
NON CONTROLLING INTERESTS	1,603	1,968	1,609
TOTAL SHAREHOLDER'S EQUITY	701,830	679,744	669,568
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,861,192	1,867,214	1,815,609

**Consolidated Income Statement**

(R\$ thousand)

	1Q11	4Q11	1Q12	Chg.% 1Q/1Q	Chg.% 1Q/4Q
Net Operating Revenue	138,742	152,016	149,721	7.9	(1.5)
Cost of Goods Sold	(95,297)	(122,884)	(118,827)	24.7	(3.3)
Gross Profit	43,445	29,132	30,894	(28.9)	6.0
<i>Gross Margin %</i>	<i>31.3%</i>	<i>19.2%</i>	<i>20.6%</i>		
Operating Income	(40,863)	(48,202)	(39,719)	(2.8)	(17.6)
Selling expenses	(15,797)	(20,699)	(18,717)	18.5	(9.6)
Research and development expenses	(6,846)	(5,919)	(5,904)	(13.8)	(30.9)
General and administrative expenses	(15,565)	(20,482)	(20,417)	31.2	14.3
Management profit sharing and compensation	(2,171)	(1,374)	(2,121)	(2.3)	54.4
Tax expenses	(536)	(649)	(693)	29.3	6.8
Other operating income, net	52	921	8,133	15,540.4	783.1
Operating Income before Financial Results	2,582	(19,070)	(8,825)	(441.8)	(53.7)
<i>Operating Margin %</i>	<i>1.9%</i>	<i>-12.5%</i>	<i>-5.9%</i>		
Financial Income	2,729	(0,025)	85	(103.1)	240.0
Financial income	5,557	5,745	4,708	(15.3)	(18.1)
Financial expenses	(3,717)	(4,094)	(4,930)	32.6	20.4
Exchange gain (loss), net	889	(1,676)	137	(84.6)	(108.2)
Operating Income	5,311	(19,095)	(8,910)	(267.8)	(53.3)
Income tax and social contribution	2,586	1,876	5,481	111.9	192.2
Net income	7,897	(17,219)	(3,429)	(143.4)	(80.1)
<i>Net Margin %</i>	<i>5.7%</i>	<i>-11.3%</i>	<i>-2.3%</i>		
Net profit concerning:					
Controlling interests	7,685	(17,390)	(3,611)	(147.0)	(79.2)
Non controlling interests	202	171	182	(14.2)	6.4
EBITDA	9,573	(12,042)	17	(99.8)	(100.1)
Net income	7,897	(17,219)	(3,429)	(143.4)	(80.1)
Income tax and social contribution	(2,586)	(1,876)	(5,481)	111.9	192.2
Financial income	(2,729)	25	85	(103.1)	240.0
Depreciation	6,991	7,028	8,842	26.5	25.8
<i>EBITDA Margin %</i>	<i>6.9%</i>	<i>-7.9%</i>	<i>0.0%</i>		
Nº of shares in capital stock (th)	74,758	74,758	74,758	-	-
Net income per share - R\$	0.11	(0.23)	(0.05)	(143.4)	(80.1)



Appendix I

Consolidated Cash Flow Statement

(R\$ thousand)

	1Q11	4Q11	1Q12
Cash from operating activities			
Net Income	7,897	(17,219)	(3,429)
Current and deferred income and social contribution taxes	(2,586)	(1,876)	(5,481)
Depreciation and amortization	6,991	7,028	8,842
Allowance for doubtful accounts and other receivables	2,893	3,803	4,463
Proceeds from sale of fixed assets			
Financial expenses and exchange gain	563	4,477	1,821
Provision for inventory losses	(3,216)	4,270	1,861
Reserve for contingencies	1,956	2,157	595
Negative goodwill on acquisition of foreign subsidiary	-	-	(8,094)
Change on operating assets			
Trade accounts receivable	16,215	12	5,944
Onlending of FINAME manufacturer financing	20,990	31,322	48,896
Inventories	(39,361)	12,761	6,096
Recoverable taxes, net	(2,747)	2,263	(621)
Escrow deposits	(1,404)	(1,431)	(1,200)
Other receivables	240	(8,258)	(5,559)
Change on operating liabilities			
Trade accounts payable	(965)	(1,682)	(19,107)
Payroll and related taxes	(8,322)	(7,346)	(463)
Taxes payable	(7,576)	1,008	(1,669)
Advances from customers	2,738	(703)	(11,215)
Other payables	(1,805)	445	2,787
Cash provided by (used in) operating activities	(7,494)	30,384	24,608
Income tax and social contribution paid	(1,764)	(1,484)	(519)
Net Cash provided by (used in) operating activities	(9,258)	28,900	24,090
Purchase of fixed assets	(2,604)	(6,776)	(1,465)
Proceeds from sale of fixed assets	-	1,756	-
Amount paid on acquisition of foreign subsidiary	-	-	(46,830)
Exchange variation changes on cash and cash equivalents abroad	-	-	5,939
Increase in intangible assets	(22)	(490)	-
Net cash used in investing activities	(2,626)	(5,510)	(42,356)
Interest on capital paid	(9,865)	(9,643)	(777)
New loans and financing	857	-	9,651
Payments of loans and financing	(5,451)	(7,016)	(9,358)
Interests paid (including FINAME manufacturer financing)	(17,011)	(16,839)	(15,798)
New loans in FINAME manufacturer	73,827	64,557	53,440
Payment of FINAME manufacturer financing	(80,703)	(79,201)	(81,033)
Share Repurchase	-	(228)	(6,698)
Net Cash provided by (used in) financing activities	(38,346)	(48,370)	(50,573)
Increase (decrease) in cash and cash equivalents	(50,230)	(24,980)	(68,839)
Exchange variation changes on cash and cash equivalents abroad	(556)	(266)	(3,372)
Cash and cash equivalents - beginning of period	246,935	188,059	162,813
Cash and cash equivalents - end of period	196,149	162,813	90,602



Income Statement by Business Units - 1Q12

R\$ thousand	Machine Tools	Plastic Machines	Rough 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)	30,893
<i>Gross Margin %</i>	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)
Research and Development	(4,066)	(1,838)	-	(5,904)
Management profit sharing	(1,610)	(328)	(183)	(2,121)
Taxation	(520)	(113)	(60)	(693)
Other operating revenue	8,138	(5)	-	8,133
Operating Income before Financial Results	4,768	(7,511)	(6,083)	(8,826)
<i>Operating Margin %</i>	4.5%	-32.3%	-28.5%	-5.9%
	5,486	676	2,680	8,842
EBITDA	10,254	(6,835)	(3,403)	16
<i>EBITDA Margin %</i>	9.8%	-29.4%	-16.0%	0.0%

Income Statement by Business Units - 1Q11

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	85,489	35,062	18,191	138,742
Cost of Sales and Services	(54,326)	(18,026)	(22,945)	(95,297)
Business Units Transfers	5,364	-	7,215	12,579
Business Units Transfers	(5,493)	(4,811)	(2,275)	(12,579)
Gross Profit	31,034	12,225	186	43,445
<i>Gross Margin %</i>	36.3%	34.9%	1.0%	31.3%
Operating Expenses	(26,166)	(12,632)	(2,065)	(40,863)
Selling	(9,282)	(5,890)	(644)	(15,797)
General and Administrative	(10,137)	(4,231)	(1,197)	(15,565)
Research and Development	(4,915)	(1,931)	-	(6,846)
Management profit sharing	(1,526)	(447)	(198)	(2,171)
Taxation	(127)	(119)	(7)	(253)
Other operating revenue	390	164	-	554
Operating Income before Financial Results	4,868	332	(1,879)	2,581
<i>Operating Margin %</i>	5.7%	-1.2%	-10.3%	1.9%
	3,823	721	2,447	6,991
EBITDA	8,691	314	568	9,224
<i>EBITDA Margin %</i>	10.2%	0.9%	3.1%	6.6%