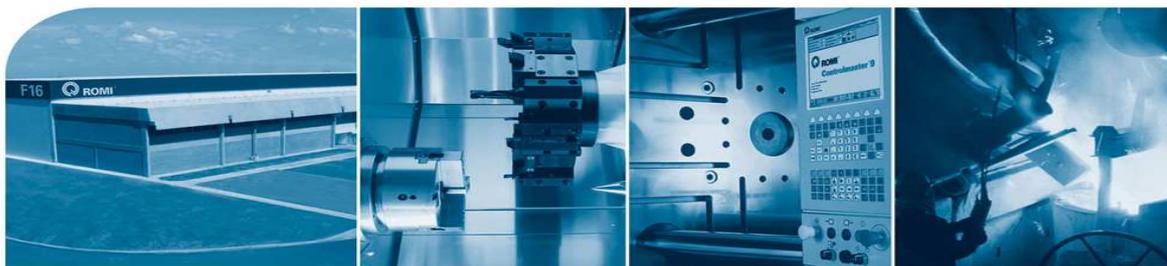




**ROMI**®

A TRADITION OF INNOVATION



**February 8, 2011**

## **4Q10 Earnings Release**

**Share price (12/30/2010)**  
ROMI3 – R\$ 14.50/share

**Market Capitalization (12/31/2010)**  
R\$ 1,084 million  
US\$ 651 million

**Number of shares (12/31/2010)**  
Common: 74,757,547  
Total: 74,757,547

**Free Float = 52.56%**

**February 9, 2011**

### **Earnings Conference Call**

Hour: 12:30 p.m. (Brazil)  
Telephone for connection:  
+55 (11) 4688-6361  
Password for participants: romi

### **Earnings Conference Call in English**

Hour: 2:00 p.m. (São Paulo)  
4:00 p.m. (London)  
11:00 a.m. (New York)  
Tel.: USA +1 (888) 700 0802  
Brazil +55 (11) 4688 6361  
Others + 1 (786) 924 6977  
Access code: romi

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#### **Website:**

www.romi.com



Santa Bárbara d'Oeste, SP, February 8, 2011 – Indústrias Romi S.A. (Bovespa: ROMI3), domestic market leader in Machine Tools and Plastic Processing Machines and important producer of Rough and Machined Cast Iron Parts, announces its results for the fourth quarter of 2010 (4Q10). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with IFRS standards, and monetary values are expressed in thousands of Reais.

## Romi closes 2010 with EBITDA of R\$ 101 million, and a 22.8% growth in the 4Q10 comparing to the 4Q09

### Highlights

- Net Operating Revenue reaches R\$ 191.2 million in 4Q10, a growth of 10.2% over 4Q09 and of 12.8% as compared with 3Q10;
- All the Company's business units posted growth in Net Operating Revenue as compared to 4Q09, especially the Rough and Machined Cast Iron Parts unit, which had a 34.6% increase in net revenue in the period;
- The gross margin, thanks to the dilution of fixed costs due to the Company's increased revenue and productivity, improved from 31.0% in 4Q09 to 34.4% in 4Q10;
- The EBITDA margin in 4Q10 was 14.7%, 150 bps higher than in 4Q09, reflecting the Company's ability to generate operating cash. In the 12M10 x 12M09 comparison, the EBITDA margin grew 890 bps;
- Solid order entry in 12M10, totaling R\$ 691.2 million in the year, evidencing the recovery of the economic activity level in the industrial sectors, a 16.6% growth over 12M09.

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

ROMI - Consolidated	Quarter			Y / Y		
	4Q09	4Q10	% Chg.	12M09	12M10	% Chg.
In Thousand Reais						
<b>Sales Volume</b>						
Machine Tools (units)	524	706	34.7	1,454	2,326	60.0
Plastic Machines (units)	120	111	(7.5)	309	425	37.5
Rough and Machined Cast Iron Parts (tons)	2,352	2,635	12.0	8,276	11,486	38.8
<b>Net Operating Revenue</b>	<b>173,584</b>	<b>191,213</b>	<b>10.2</b>	<b>475,434</b>	<b>673,529</b>	<b>41.7</b>
Gross margin (%)	31.0%	34.4%		31.0%	36.0%	
<b>Operating Income (EBIT)</b>	<b>17,614</b>	<b>21,504</b>	<b>22.1</b>	<b>9,181</b>	<b>76,901</b>	<b>737.6</b>
Operating margin (%)	10.1%	11.2%		1.9%	11.4%	
<b>Net Income</b>	<b>17,081</b>	<b>17,662</b>	<b>3.4</b>	<b>12,808</b>	<b>68,750</b>	<b>436.8</b>
Net margin (%)	9.8%	9.2%		2.7%	10.2%	
<b>EBITDA</b>	<b>22,912</b>	<b>28,146</b>	<b>22.8</b>	<b>29,131</b>	<b>100,942</b>	<b>246.5</b>
EBITDA margin (%)	13.2%	14.7%		6.1%	15.0%	
Investments	7,081	12,141	71.5	51,796	33,253	(35.8)



## Corporate Profile

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

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

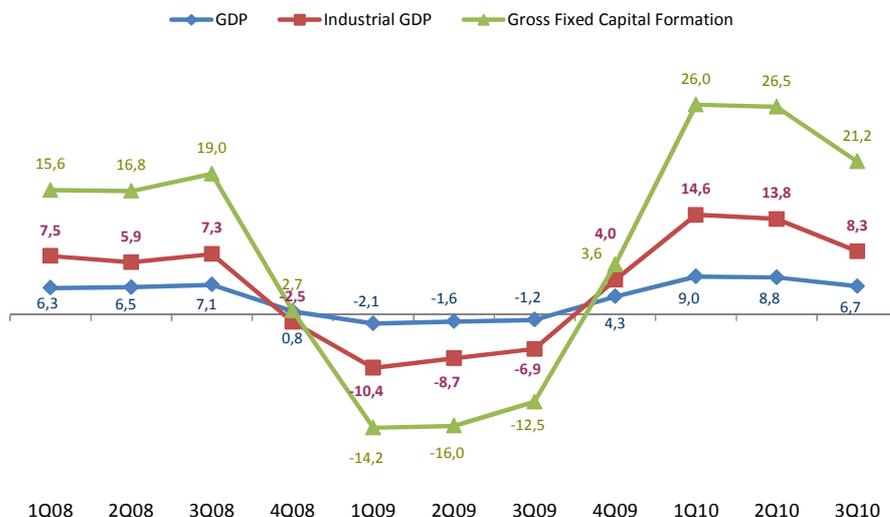
The Machine Tools Business Unit, which accounted for 65.5% of the Company's revenue in 4Q10, comprises lines for Conventional Lathes, CNC Lathes, and Machining Centers for Vertical and Horizontal Heavy and Extra-Heavy Lathes. The Rough and Machined Cast Iron Parts unit and the Plastic Processing Machines unit, the latter comprising plastic injection and blow molding machines, contributed 8.5% and 26.0, respectively, to the revenue for the period.

## Current Economic Scenario

The year 2010 was marked by a strong recovery of consumption and of the industry. Such recovery was sustained by the Brazilian Government's credit policy oriented to the capital goods market, through BNDES's PSI (Investment Support Program), which favored all the market, providing to Romi a strong revenue growth of 41.7% per year.

The Brazilian economy also experienced, at the end of 2010, continued optimism regarding the consumption level, but also a concern about inflation behavior. Especially for the capital goods industry, the main concern this last quarter was foreign exchange behavior. The appreciated currency not only makes imported products more affordable in the domestic market, but also reduces the competitiveness of the product manufactured in Brazil in foreign countries.

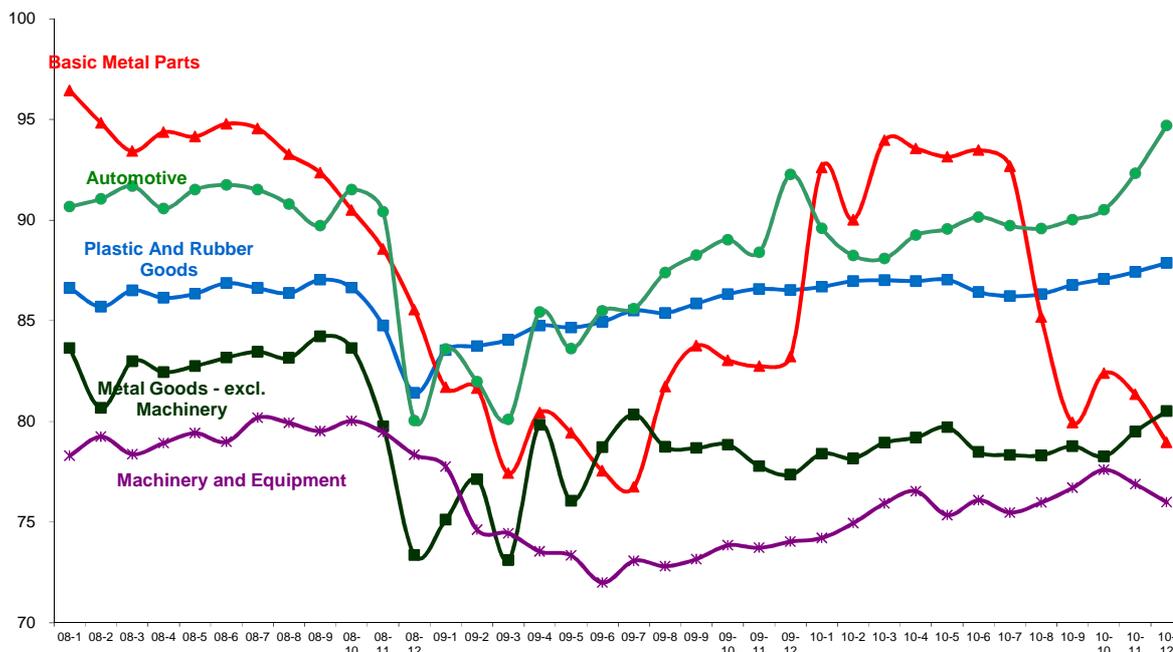
For 2011 the expectation is optimistic, especially regarding employment, credit and consumption level. The industrial production should growth at moderate levels.





Economic data for the third quarter of 2010 (as compared to the same period of 2009), disclosed by the Brazilian Statistics Bureau (IBGE), indicates an 8.3% growth of Industrial GDP. The Gross Fixed Capital Formation (GFCF) posted a strong growth of 21.2%, resulting from the growth of domestic production of machinery and equipment.

The following graph prepared by the São Paulo State Federation of Industries (Fiesp) demonstrates the installed capacity utilization factor (ICUF). The principal sectors that demand our products have underwent an important increase in installed capacity utilization since January 2009, with some of them already presenting higher levels than in the pre-crisis period.



The Gross Fixed Capital Formation is an important driver of the Company's growth.

## Market

The Company's main advantages in the domestic market – cutting-edge technology products, an own distribution network in the country, ongoing technical assistance, availability of attractive customer credit packages in local currency, and short product delivery times – are all recognized by customers, giving the ROMI® brand name a traditional and prestigious reputation.

## New Orders (gross values, including sales taxes)

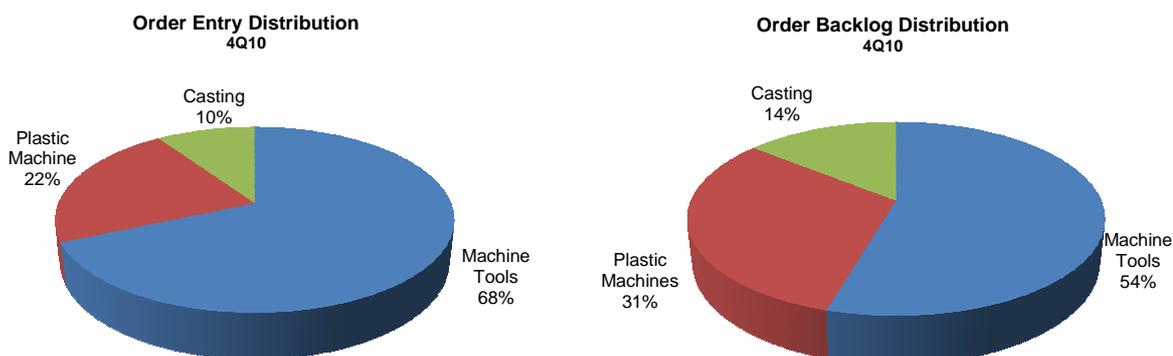
Order Entry (R\$ thousand)	4Q09	1Q10	2Q10	3Q10	4Q10	Chg.% 4Q/4Q	Chg.% 4Q/3Q
Machine Tools	158,061	94,084	132,784	111,777	99,194	(37.2)	(11.3)
Plastic Machines	71,065	42,138	53,187	43,865	32,127	(54.8)	(26.8)
Rough and Machined Cast Iron Parts	17,585	21,968	22,065	24,276	13,729	(21.9)	(43.4)
<b>Total</b>	<b>246,711</b>	<b>158,190</b>	<b>208,036</b>	<b>179,918</b>	<b>145,050</b>	<b>(41.2)</b>	<b>(19.4)</b>

In relation to 4Q09, there was a drop in new orders resulting from the effect of earlier orders being placed by our customers in 4Q09, caused by expectations regarding termination of the BNDES financing program in December 2009, which did not actually occur; indeed, it wound up being extended through March 2011.



During 2010, we noted a consistent movement in the volume of new orders, with a 16.6% growth as compared to 2009, as shown in the table below:

Order Entry (R\$ thousands)	12M09	12M10	Chg.%
Machine Tools	381,436	437,838	14.8
Plastic Machines	163,557	171,316	4.7
Rough and Machined Cast Iron Parts	47,828	82,039	71.5
<b>Total</b>	<b>592,821</b>	<b>691,193</b>	<b>16.6</b>



### Order Backlog (gross values, including sales taxes at the end of each period)

Order Book (R\$ thousand)	4Q09	1Q10	2Q10	3Q10	4Q10	Chg.% 4Q/4Q	Chg.% 4Q/3Q
Machine Tools	121,817	107,763	128,434	124,310	82,656	(32.1)	(33.5)
Plastic Machines	67,103	80,528	77,228	66,470	47,564	(29.1)	(28.4)
Rough and Machined Cast Iron Parts	9,952	21,066	19,779	22,543	21,457	115.6	(4.8)
<b>Total</b>	<b>198,872</b>	<b>209,357</b>	<b>225,441</b>	<b>213,323</b>	<b>151,677</b>	<b>(23.7)</b>	<b>(28.9)</b>

The recovery of the Brazilian economy occurred more consistently as from the third quarter of 2009 with the acceleration of the industrial activity, allied with the improvement in industry confidence level and the replenishing of inventories, with consequent increase in the Company's new orders and net operating revenue, reflecting its ability to capture opportunities along these periods, associated with its competitive advantages.

In the comparison with the immediately preceding quarter, the amounts show a normal seasonality for the Machine Tools, Plastic Processing Machines and Rough and Machined Cast Iron Parts businesses.

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

## Operating Performance

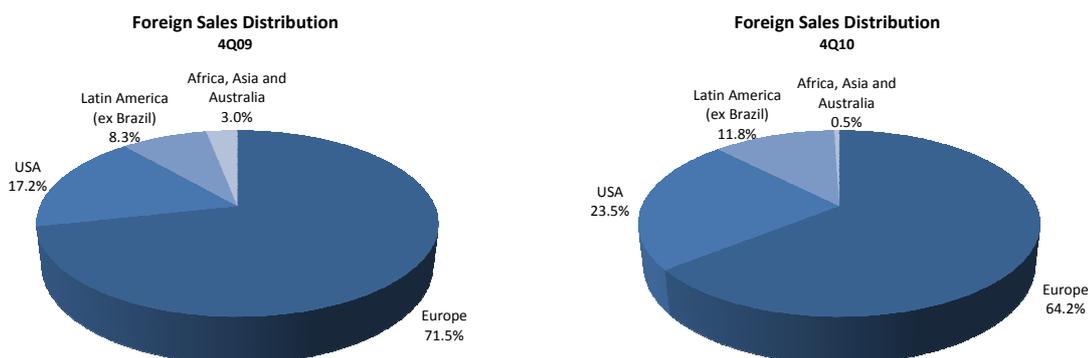
### Net Operating Revenue

The Net Operating Revenue posted by the Company in 4Q10 reached R\$ 191.2 million, a 10.2% growth over 4Q09 (R\$ 173.6 million).

The revenue growth in 2010 was basically due to the excellent general performance of the Company's operations in view of the positive performance of the industrial activity in Brazil, and mainly due to the investment in innovation, considered strategic for Romi. Products launched and renewed in the last three years accounted for approximately 65% of the Net Operating Revenue in 2010.

As compared to 2009, Romi's Total Net Operating Revenue was up by 41.7%, a significant growth that surpassed the growth of Industrial GDP and also of Gross Fixed Capital Formation.

In 4Q10, revenues from foreign market reached R\$ 19.2 million, 43.3% over 3Q10 and 2.7% over 4Q09. In dollars, sales in 4Q10 totaled US\$ 11.4 million, an increase of 46.1% as compared to 3Q10 and of 6.5% as compared to 4Q09. The amounts also evidence the economic difficulties faced by the world economy, especially in Europe, the Company's main foreign market, associated to the appreciation of the Real against the Dollar.



This quarter Europe accounted for 64.2% of our revenues in the foreign market. The share of the United States in Romi's sales portfolio increased, accounting for 23.5% of revenues. Latin America's share was 11.0%.

In 2010, sales in the foreign market accounted for 8.7% (US\$ 33.9 million) of our Net Operating Revenue as compared to the 13.2% (US\$ 32.2 million) achieved in 2009. In YTD terms, Europe accounted for 65.9% (62.7% in 2009), the United States 24.2% (27.3% in 2009), Latin America 9.4% (8.7% in 2009), and other countries 0.5% (0.3% in 2009).

#### Net Operating Revenue (R\$ thousand)

Romi - Consolidated	Quarter					Year		
	4Q09	3Q10	4Q10	Chg 4Q/4Q	Chg 4Q/3Q	12M09	12M10	Chg
<b>Net Operating Revenue</b>								
Machine Tools	118,010	102,952	125,188	6.1%	21.6%	310.672	427.104	37.5%
Plastic Machines	43,536	46,998	49,825	14.4%	6.0%	119.859	179.413	49.7%
Rough and Machined Cast Iron Parts	12,038	19,602	16,200	34.6%	(17.4%)	44.903	67.012	49.2%
<b>Total</b>	<b>173,584</b>	<b>169,552</b>	<b>191,213</b>	<b>10.2%</b>	<b>12.8%</b>	<b>475.434</b>	<b>673.529</b>	<b>41.7%</b>

**Note:** See income statement by Business Unit in Appendix I.

#### Machine Tools

The net operating revenue of this unit reached R\$ 125.2 million in 4Q10, a 6.1% growth over 4Q09. As compared to 3Q10, the growth of net operating revenue was 21.6%, due to the delivery of the order backlog presented at the end of the third quarter of 2010.

In the domestic market, the major customers of this Business Unit were from the machining services, automotive, machinery and equipment, technical school, tooling, oil, hydraulic, and agricultural machines.

#### Plastic Processing Machines

In 4Q10, the net revenue of the Plastic Processing Machines Business Unit totaled 111 units, volume consistent with the one posted in 4Q09 and 3Q10.

The net revenue of this unit reached R\$ 49.8 million in 4Q10, a 14.4% increase over 4Q09. As compared to 3Q10 the increase was 6.0%.

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

#### Rough and Machined Cast Iron Parts

In 4Q10, the sales of this unit totaled 2,635 tons, a 12.0% rise over the 2,352 tons sold in 4Q09, which evidences the recovery of some of the segments that demand our products, such as the automotive – trucks, agricultural machines and capital goods.



The sales volume, growing but still below historical levels, is the result of the economic slump, mainly in heavy and extra-heavy parts, many of them for export to developed markets. This unit had an 8.5% share in the Company's total net operating revenue in 3Q10, against a 11.6% share in 3Q09.

## Operating Costs and Expenses

The gross margin in 4Q10 improved 3.4 p.p. as compared to 4Q09, and the operating margin (EBIT) posted a 1.1 p.p. recovery.

As Romi's operating expenses are more fixed than variable, the main factors that boosted such improvements were the dilution of fixed costs in view of a greater volume of production and sales, as well as a strict control over operating expenses. However, this growth could have been higher since the impact of the annual collective labor bargaining represented an increase of approximately R\$1.5 million in cost of goods sold in 4Q10 when compared to 4Q09. Also, this quarter Romi started Romi Italy's personnel restructuring program, recognizing an impact of approximately R\$ 770 thousand in cost of goods sold.

Romi - Consolidated	Quarter					Year	
Gross Margin	4Q09	1Q10	2Q10	3Q10	4Q10	12M09	12M10
Machine Tools	37.1%	41.2%	42.7%	45.0%	41.9%	38.1%	42.7%
Plastic Machines	23.8%	31.6%	34.4%	36.2%	27.9%	29.3%	32.6%
Rough and Machined Cast Iron Parts	-3.2%	5.4%	0.6%	9.5%	-4.2%	-13.7%	3.0%
<b>Total</b>	<b>31.0%</b>	<b>36.0%</b>	<b>35.6%</b>	<b>38.5%</b>	<b>34.4%</b>	<b>31.0%</b>	<b>36.0%</b>

Romi - Consolidated	Quarter					Year	
EBIT Margin	4Q09	1Q10	2Q10	3Q10	4Q10	12M09	12M10
Machine Tools	17.3%	16.1%	16.8%	19.5%	19.0%	10.6%	17.9%
Plastic Machines	-2.0%	-5.6%	6.2%	8.2%	0.7%	-9.2%	3.3%
Rough and Machined Cast Iron Parts	-16.0%	-7.6%	-9.8%	-1.2%	-15.8%	-28.6%	-8.3%
<b>Total</b>	<b>10.1%</b>	<b>9.6%</b>	<b>10.6%</b>	<b>14.0%</b>	<b>11.2%</b>	<b>1.9%</b>	<b>11.4%</b>

### Machine Tools

The gross margin of this Business Unit reached 41.9% in 4Q10, a 480 bps rise over 4Q09. As compared to 3Q10 there was a 310 bps dilution of the gross margin mainly to the annual collective labor bargaining and the increase in discounts for maintaining product competitiveness, since there was a significant appreciation of the real in the period.

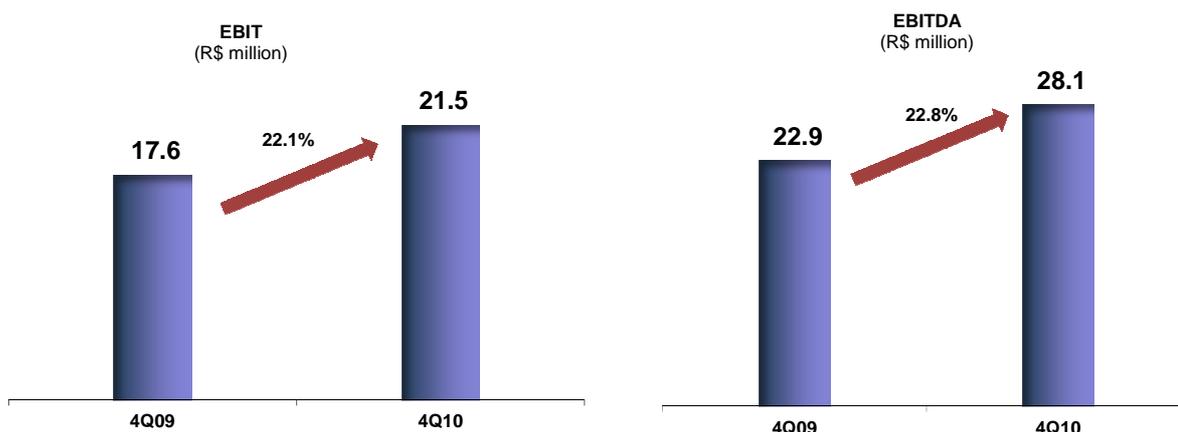
The operating margin for the fourth quarter of 2010 recovered 170 bps as compared to 4Q09 and posted a consistent growth during 2010.

### Plastic Processing Machines

The gross margin in 4Q10 reached 27.9%, recovering 410 bps as compared to 4Q09, and decreasing 830 bps against 3Q10, the latter a result of the product mix and the annual collective labor bargaining and the start of Romi Italy's restructuring process.

### Rough and Machined Cast Iron Parts

This unit is still being intensively impacted by the effects of the world economic crisis started in the second half of 2008. During 2009, this unit posted negative margins, however, in 2010, it posted positive gross margin.



## EBITDA and EBITDA Margin

In 4Q10, our operating cash flow as measured by EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) was R\$ 28.1 million, representing an EBITDA margin of 14.7%, 150 bps over 4Q09. These indicators evidence the Company's ability to generate operating cash, which presented the following evolution:

Reconciliation of Net Income to EBITDA	Quarter					Year	
	4Q09	1Q10	2Q10	3Q10	4Q10	12M09	12M10
R\$ thousand							
<b>Net Income</b>	<b>17,081</b>	<b>10,563</b>	<b>15,223</b>	<b>25,602</b>	<b>17,662</b>	<b>12,808</b>	<b>68,750</b>
Net Financial Income	(2,938)	3,076	(11)	(8,868)	1,256	(5,355)	(4,247)
Income tax and social contributions	3,471	292	2,528	6,992	2,586	1,728	12,398
Depreciation and amortization	5,298	4,636	5,971	6,792	6,642	19,950	24,041
<b>EBITDA</b>	<b>22,912</b>	<b>18,567</b>	<b>23,711</b>	<b>30,518</b>	<b>28,146</b>	<b>29,131</b>	<b>100,942</b>
<b>EBITDA Margin</b>	<b>13.2%</b>	<b>12.8%</b>	<b>14.1%</b>	<b>18.0%</b>	<b>14.7%</b>	<b>6.1%</b>	<b>15.0%</b>

The impacts on EBITDA are those mentioned in the section "Operating Costs and Expenses".

## Net Income

The net income for the fourth quarter was R\$ 17.6 million, a result similar to the one posted in 4Q09 and lower than in 3Q10 because the net income for 3Q10 was positively impacted by the recognition of tax credits of approximately R\$ 5.8 million, net of income tax and social contribution. The gross amount was R\$ 8.8 million, of which R\$ 8.7 million was recognized under financial income and R\$ 0.1 under other operating income. Such credits refer to social security taxes of a tax lawsuit in which the Company was the plaintiff, with outcome favorable to the Company.

## Earnings Distribution

As decided by the Board of Directors at the meeting held on December 17, 2010, on January 21, 2011 payment was made of interest on capital attributable to the mandatory minimum dividend for 2010, in the gross amount of approximately R\$ 10.4 million, representing R\$ 0.14 per share.

## Investments

Investments in 4Q10 totaled R\$ 12.1 million, a 71.5% increase over the amounts invested in 4Q09 (R\$ 7.1 million). In 2010, investments totaled R\$ 33.3 million (R\$ 51.8 in 2009), basically earmarked for maintenance, productivity and modernization of plants and information technology.



## Financial Position

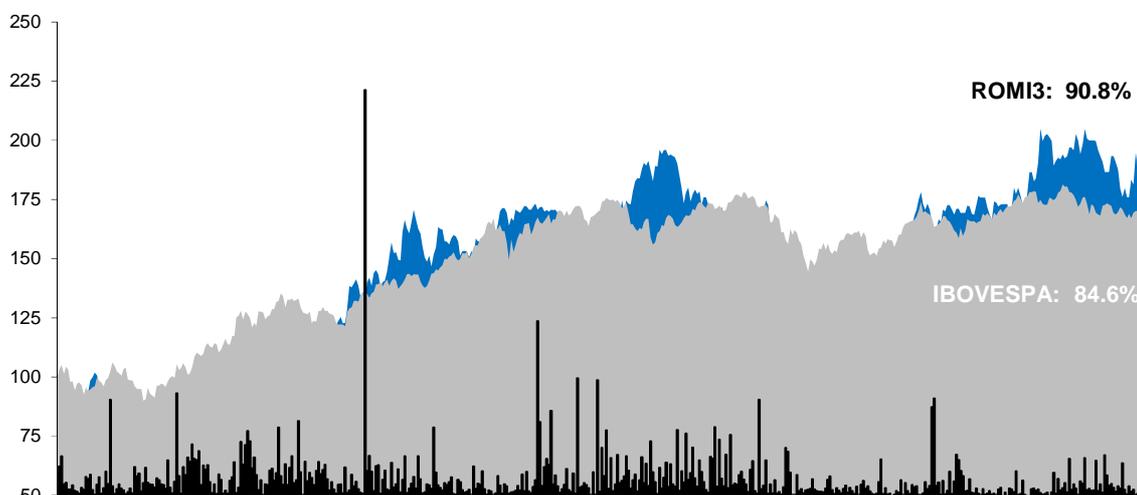
Investments, including those backed up by debentures, are made with prime financial institutions and their yield is substantially linked to the Interbank Certificate of Deposit (“CDI”) or time deposit (TD), when abroad. The consolidated position of the Company’s cash and cash equivalents at December 31, 2010 was R\$ 247 million, of which R\$ 157 million in foreign currency and R\$ 90 million in local currency.

The loans taken out by the Company are basically intended for investments in expansion and modernization of plants, and financing of exports and imports. At December 31, 2010, local currency financing was R\$ 236 million and foreign currency financing amounted to R\$ 2 million, totaling R\$ 238 million.

At December 31, 2010, the Company had not entered into any derivative transactions.

## Capital Market

Share Performance (ROMI3) vs. Bovespa Index (Basis: 100) - R\$/Share  
01/01/2009 to 12/31/2010



Source: BMF&Bovespa (São Paulo Stock, Commodities and Futures Exchange)

At the end of 4Q10, the Company’s common shares (ROMI3) were quoted at R\$ 14.50 and were up by 12.5% in the quarter (4Q10 x 3Q10) and up by 23.6% as compared to the end of 4Q09. The Bovespa index was down by 0.18% over 3Q10, and up by 1.04% as compared to the end of the fourth quarter of 2009.

The Company’s market capitalization at December 31, 2010 was R\$ 1,084 million and the average daily trading volume in 4Q10 was R\$ 705 thousand, and in 2010 R\$ 699 thousand.

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

**Financial Statements****Consolidated Balance Sheet**

IFRS (R\$ thousand)

ASSETS	12/31/2009	12/31/2010
<b>CURRENT</b>	<b>914,546</b>	<b>976,708</b>
Cash and Cash equivalents	225,913	246,935
Trade accounts receivable	80,004	87,364
Trade accounts receivable - Finame Manufacturer	338,086	350,935
Inventories	243,651	263,460
Recoverable taxes	15,937	14,090
Other assets	10,955	13,924
<b>NON CURRENT</b>	<b>824,069</b>	<b>884,484</b>
<b>Long-Term Assets</b>	<b>537,033</b>	<b>588,116</b>
Trade accounts receivable	4,468	14,544
Trade accounts receivable - Finame Manufacturer	477,737	500,103
Recoverable taxes	14,126	9,943
Deferred income taxes	15,747	19,996
Escrow Deposits	17,999	24,466
Other assets	6,956	19,064
<b>Investments</b>		
Property, Plant and Equipment	281,361	289,018
Other investments	5,675	7,350
<b>TOTAL ASSETS</b>	<b>1,738,615</b>	<b>1,861,192</b>

**Consolidated Balance Sheet**

IFRS (R\$ thousand)

<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>12/31/2009</b>	<b>12/31/2010</b>
<b>CURRENT</b>	<b>406,009</b>	<b>450,169</b>
Loans	25,538	24,927
Liabilities - Finame Manufacturer	284,390	303,579
Trade accounts payable	32,926	48,323
Payroll and related charges	22,402	36,422
Taxes payable	10,259	11,305
Advances from customers	7,584	7,579
Interest on capital, dividends and participations	10,406	12,192
Other liabilities	12,504	5,842
<b>NON CURRENT</b>	<b>647,953</b>	<b>709,006</b>
<b>Long-term liabilities</b>		
Loans	207,123	212,615
Liabilities - Finame Manufacturer	405,967	454,304
Deferred income taxes on negative goodwill	8,076	7,325
Taxes payable	3,642	4,721
Other liabilities	2,822	3,612
Provision for contingencies	20,323	26,429
<b>SHAREHOLDER'S EQUITY</b>	<b>682,656</b>	<b>700,042</b>
Capital	489,973	489,973
Capital reserves	2,052	2,052
Profit reserves	195,105	225,656
Other accumulated comprehensive income	(4,474)	(17,639)
<b>NON CONTROLLING INTERESTS</b>	<b>1,997</b>	<b>1,975</b>
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>684,653</b>	<b>702,017</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>1,738,615</b>	<b>1,861,192</b>



**Consolidated Income Statement**  
IFRS (R\$ thousand)

R\$ Thousand	4Q09	4Q10	% Chg.	12M09	12M10	% Chg.
<b>Net Operating Revenue</b>	<b>173,584</b>	<b>191,213</b>	<b>10.2</b>	<b>475,434</b>	<b>673,529</b>	<b>41.7</b>
Cost of sales and services	(119,793)	(125,499)	4.8	(328,138)	(430,776)	31.3
<b>Gross Profit</b>	<b>53,791</b>	<b>65,714</b>	<b>22.2</b>	<b>147,296</b>	<b>242,753</b>	<b>64.8</b>
<i>Gross Margin %</i>	<i>31.0%</i>	<i>34.4%</i>		<i>31.0%</i>	<i>36.0%</i>	
<b>Operating Expenses</b>	<b>(36,177)</b>	<b>(44,210)</b>	<b>22.2</b>	<b>(138,115)</b>	<b>(165,852)</b>	<b>20.1</b>
Selling	(14,358)	(16,814)	17.1	(55,224)	(62,687)	13.5
General and administrative	(14,667)	(18,264)	24.5	(57,508)	(69,168)	20.3
Management profit sharing	(2,160)	(2,385)	10.4	(7,849)	(9,809)	25.0
Research and development	(5,984)	(7,048)	17.8	(22,722)	(24,838)	9.3
Taxation	(469)	(253)	(46.1)	(1,763)	(1,829)	3.7
Other operating revenue	1,461	554	(62.1)	6,951	2,479	(64.3)
<b>Operating Income before Financial Results</b>	<b>17,614</b>	<b>21,504</b>	<b>22.1</b>	<b>9,181</b>	<b>76,901</b>	<b>737.6</b>
<i>Operating Margin %</i>	<i>10.1%</i>	<i>11.2%</i>		<i>1.9%</i>	<i>11.4%</i>	
<b>Financial Results</b>	<b>2,938</b>	<b>(1,256)</b>	<b>(142.8)</b>	<b>5,355</b>	<b>4,247</b>	<b>(20.7)</b>
Financial income	6,519	3,569	(45.3)	18,206	26,050	43.1
Financial expenses	(2,719)	(5,173)	90.3	(6,739)	(16,520)	145.1
FX changes, net	(862)	348	(140.4)	(6,112)	(5,283)	(13.6)
<b>Operating Income</b>	<b>20,552</b>	<b>20,248</b>	<b>(1.5)</b>	<b>14,536</b>	<b>81,148</b>	<b>458.3</b>
Income tax and social contribution	(3,741)	(2,586)	(25.5)	(1,728)	(12,398)	617.5
<b>Net income</b>	<b>17,081</b>	<b>17,662</b>	<b>3.4</b>	<b>12,808</b>	<b>68,750</b>	<b>436.8</b>
<i>Net Margin %</i>	<i>9.8%</i>	<i>9.2%</i>		<i>2.7%</i>	<i>10.2%</i>	
<b>Net Profit concerning:</b>						
Owners of the parent	16,865	17,460	3.5	11,882	67,929	471.7
Non controlling interest	216	202	6.5	926	821	(11.3)
<b>EBITDA</b>	<b>22,912</b>	<b>28,146</b>	<b>22.8</b>	<b>29,131</b>	<b>100,942</b>	<b>246.5</b>
<b>Net income</b>	<b>17,081</b>	<b>17,662</b>		<b>12,808</b>	<b>68,750</b>	
Income tax and social contribution	3,741	2,586		1,728	12,398	
Financial results	(2,938)	1,256		(5,355)	(4,247)	
Depreciation	5,298	6,642		19,950	24,041	
<i>EBITDA Margin %</i>	<i>13.2%</i>	<i>14.7%</i>		<i>6.1%</i>	<i>15.0%</i>	
Nº of shares in capital stock (th)	74,758	74,758		74,758	74,758	
Net income per share - R\$	0.23	0.24		0.17	0.92	
Book value per share - R\$	-	-		-	-	

**Consolidated Cash Flow Statement  
IFRS (R\$ thousand)**

R\$ thousand	4Q09	4Q10	12M09	12M10
<b>Cash from operating activities</b>				
<b>Net Income</b>	<b>17,081</b>	<b>17,662</b>	<b>12,808</b>	<b>68,750</b>
Income tax - current and deferred	3,471	2,586	1,728	12,398
Depreciation and amortization	5,298	6,642	19,950	24,041
Provision for doubtful accounts	1,938	6,273	4,436	12,692
Gain on sale of fixed assets	(88)	(53)	(4,006)	(1,526)
Financial expenses and FX changes	7,027	510	5,865	(3,868)
Provision for inventory devaluation	(2,841)	(4,046)	4,957	(3,216)
Provision for contingencies	814	2,255	4,447	7,005
<b>Change on operating assets</b>				
Purchase of trading securities	-	-	53,721	-
Trade accounts receivable	(32,053)	(23,946)	(1,428)	(14,884)
Trade accounts receivable - Finame Manufacturer	(15,516)	12,071	33,902	18,187
Inventories	26,083	11,579	28,765	(20,137)
Recoverable taxes, net	1,416	(266)	1,560	1,180
Escrow deposits	(1,341)	(1,578)	(4,196)	(6,467)
Other current and long term assets	(6,230)	(5,840)	(7,162)	(14,161)
<b>Change on operating liabilities</b>				
Trade accounts payable	6,047	4,534	3,539	13,596
Payroll and related charges	(3,759)	(3,499)	(10,954)	13,430
Taxes payable	297	2,667	1,558	(2,728)
Advances from customers	163	(3,377)	(6,350)	43
Other current and long term liabilities	4,746	1,097	(6,433)	(4,996)
<b>Cash provided by (used in) operating activities</b>	<b>12,553</b>	<b>25,271</b>	<b>136,707</b>	<b>99,339</b>
Income taxes paid	1,657	(10,860)	(129)	(12,456)
<b>Net Cash provided by (used in) operating activities</b>	<b>14,210</b>	<b>14,411</b>	<b>136,578</b>	<b>86,883</b>
Acquisitions of fixed assets	(5,941)	(8,969)	(53,229)	(29,239)
Sale of assets	2,306	1,326	6,167	3,463
Intangible	-	(405)	567	(1,311)
<b>Cash flow used in investment operations</b>	<b>(3,635)</b>	<b>(8,048)</b>	<b>(46,495)</b>	<b>(27,087)</b>
Interest on capital	(1,009)	(12,335)	(13,901)	(37,702)
New loans and financing	129,471	386	157,267	26,043
Payments of loans	(1,401)	(4,435)	(21,217)	(21,391)
Interests paid	(28,650)	(17,641)	(77,289)	(71,738)
New loans - Finame Manufacturer	92,635	97,072	217,232	363,071
Payments of loans Finame Manufacturer	(48,264)	(79,053)	(248,567)	(292,415)
Repurchase of shares	-	-	(10,194)	-
<b>Cash flow from financial activities</b>	<b>142,782</b>	<b>(16,006)</b>	<b>3,331</b>	<b>(34,132)</b>
<b>Net Cash Flow</b>	<b>153,357</b>	<b>(5,373)</b>	<b>93,414</b>	<b>25,664</b>
Exchange rate of cash and cash equivalents of foreign investments	(5,358)	113	(2,725)	(8,912)
<b>Cash and cash equivalents - beginning of period</b>	<b>77,914</b>	<b>252,195</b>	<b>135,224</b>	<b>225,913</b>
<b>Cash and cash equivalents - end of period</b>	<b>225,913</b>	<b>246,935</b>	<b>225,913</b>	<b>246,935</b>



**Appendix I**

**Income Statement by Business Units - 4Q10**

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
<b>Net Operating Revenue</b>	<b>125,188</b>	<b>49,825</b>	<b>16,200</b>	<b>191,213</b>
Cost of Sales and Services	(70,882)	(27,782)	(26,835)	(125,499)
Business Units Transfers	4,866	-	11,843	16,709
Business Units Transfers	(6,664)	(8,161)	(1,884)	(16,709)
<b>Gross Profit</b>	<b>52,508</b>	<b>13,882</b>	<b>(676)</b>	<b>65,714</b>
<i>Gross Margin %</i>	<i>41.9%</i>	<i>27.9%</i>	<i>-4.2%</i>	<i>34.4%</i>
<b>Operating Expenses</b>	<b>(28,776)</b>	<b>(13,550)</b>	<b>(1,884)</b>	<b>(44,210)</b>
Selling	(10,809)	(5,341)	(664)	(16,814)
General and Administrative	(11,960)	(5,256)	(1,048)	(18,264)
Management profit sharing	(1,755)	(465)	(165)	(2,385)
Research and Development	(4,515)	(2,533)	-	(7,048)
Taxation	(127)	(119)	(7)	(253)
Other operating revenue	390	164	-	554
<b>Operating Income before Financial Results</b>	<b>23,732</b>	<b>332</b>	<b>(2,560)</b>	<b>21,504</b>
<i>Operating Margin %</i>	<i>19.0%</i>	<i>0.7%</i>	<i>-15.8%</i>	<i>11.2%</i>

**Income Statement by Business Units - 4Q09**

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
<b>Net Operating Revenue</b>	<b>118,010</b>	<b>43,536</b>	<b>12,038</b>	<b>173,584</b>
<b>Cost of Sales and Services</b>	<b>(72,338)</b>	<b>(29,591)</b>	<b>(17,864)</b>	<b>(119,793)</b>
Business Units Transfers	3,338	-	6,973	10,311
Business Units Transfers	(5,205)	(3,575)	(1,531)	(10,311)
<b>Gross Profit</b>	<b>43,805</b>	<b>10,370</b>	<b>(384)</b>	<b>53,791</b>
<i>Gross Margin %</i>	<i>37.1%</i>	<i>23.8%</i>	<i>-3.2%</i>	<i>31.0%</i>
<b>Operating Expenses</b>	<b>(23,396)</b>	<b>(11,237)</b>	<b>(1,544)</b>	<b>(36,177)</b>
Selling	(9,320)	(4,515)	(523)	(14,358)
General and Administrative	(8,624)	(4,854)	(798)	(14,276)
Management profit sharing	(1,852)	(510)	(189)	(2,551)
Research and Development	(4,433)	(1,551)	-	(5,984)
Taxation	(291)	(144)	(34)	(469)
Other operating revenue	1,124	337	-	1,461
<b>Operating Income before Financial Results</b>	<b>20,409</b>	<b>(867)</b>	<b>(1,928)</b>	<b>17,614</b>
<i>Operating Margin %</i>	<i>17.3%</i>	<i>-2.0%</i>	<i>-16.0%</i>	<i>10.1%</i>

**Income Statement by Business Units - 12M10**

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
<b>Net Operating Revenue</b>	<b>427,104</b>	<b>179,413</b>	<b>67,012</b>	<b>673,529</b>
Cost of Sales and Services	(239,349)	(95,277)	(96,150)	(430,776)
Business Units Transfers	19,166	-	39,453	58,619
Business Units Transfers	(24,682)	(25,643)	(8,294)	(58,619)
<b>Gross Profit</b>	<b>182,239</b>	<b>58,493</b>	<b>2,021</b>	<b>242,753</b>
<i>Gross Margin %</i>	<i>42.7%</i>	<i>32.6%</i>	<i>3.0%</i>	<i>36.0%</i>
<b>Operating Expenses</b>	<b>(105,670)</b>	<b>(52,605)</b>	<b>(7,577)</b>	<b>(165,852)</b>
Selling	(40,448)	(19,904)	(2,335)	(62,687)
General and Administrative	(42,371)	(22,457)	(4,340)	(69,168)
Management profit sharing	(6,781)	(2,249)	(779)	(9,809)
Research and Development	(16,980)	(7,858)	-	(24,838)
Taxation	(1,079)	(627)	(123)	(1,829)
Other operating revenue	1,989	490	-	2,479
<b>Operating Income before Financial Results</b>	<b>76,569</b>	<b>5,888</b>	<b>(5,556)</b>	<b>76,901</b>
<i>Operating Margin %</i>	<i>17.9%</i>	<i>3.3%</i>	<i>-8.3%</i>	<i>11.4%</i>

**Income Statement by Business Units - 12M09**

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
<b>Net Operating Revenue</b>	<b>310,672</b>	<b>119,859</b>	<b>44,903</b>	<b>475,434</b>
Cost of Sales and Services	(192,365)	(72,691)	(63,082)	(328,138)
Business Units Transfers	12,506	-	17,558	30,064
Business Units Transfers	(12,435)	(12,086)	(5,543)	(30,064)
<b>Gross Profit</b>	<b>118,378</b>	<b>35,082</b>	<b>(6,164)</b>	<b>147,296</b>
<i>Gross Margin %</i>	<i>38.1%</i>	<i>29.3%</i>	<i>-13.7%</i>	<i>31.0%</i>
<b>Operating Expenses</b>	<b>(85,349)</b>	<b>(46,108)</b>	<b>(6,658)</b>	<b>(138,115)</b>
Selling	(35,430)	(16,899)	(2,895)	(55,224)
General and Administrative	(33,122)	(21,201)	(3,185)	(57,508)
Management profit sharing	(5,535)	(1,848)	(466)	(7,849)
Research and Development	(16,927)	(5,795)	-	(22,722)
Taxation	(1,119)	(532)	(112)	(1,763)
Other operating revenue	6,784	167	-	6,951
<b>Operating Income before Financial Results</b>	<b>33,029</b>	<b>(11,026)</b>	<b>(12,822)</b>	<b>9,181</b>
<i>Operating Margin %</i>	<i>10.6%</i>	<i>-9.2%</i>	<i>-28.6%</i>	<i>1.9%</i>