



ROMI

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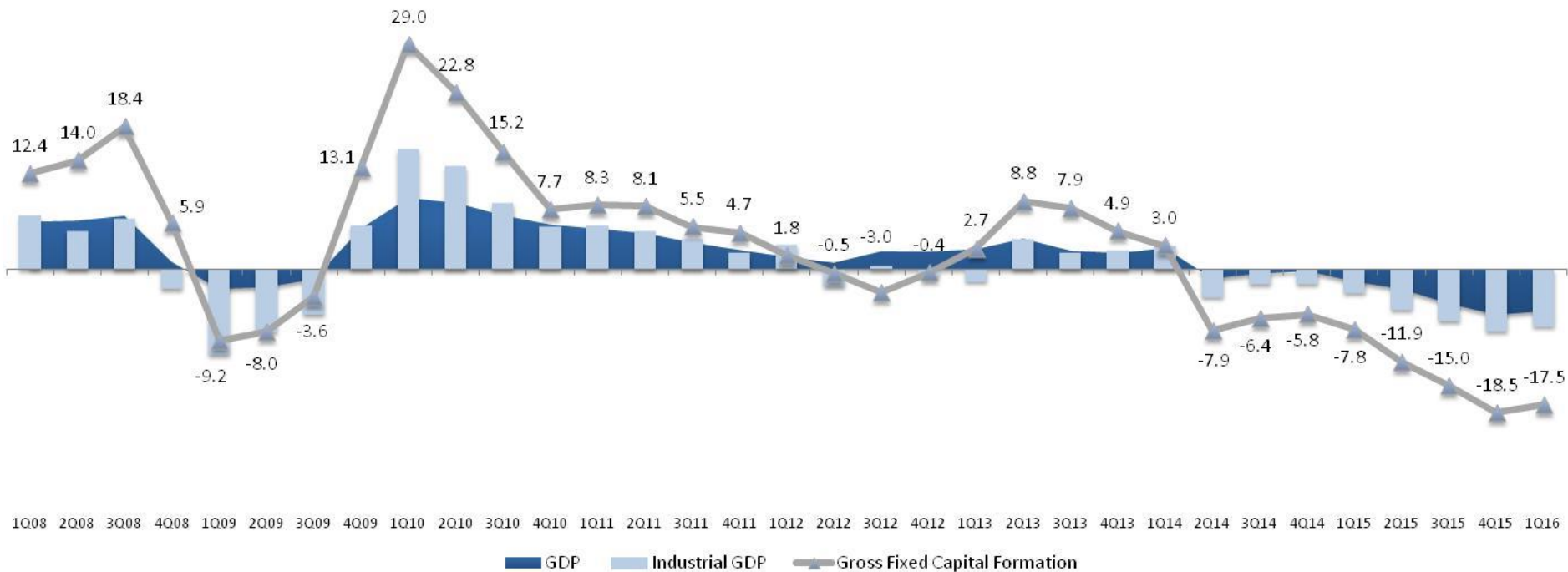


2Q16 Earnings Release

July 27, 2016

This release contains forward-looking statements subject to risks and uncertainties, Such forward-looking statements are based on the management’s beliefs and assumptions on information currently available to the Company, The reservations as to forward-looking statements also apply to information on possible or presumed operating results, as well as any statements preceded, followed or including words such as “believes”, “may”, “will”, “expects”, “intends”, “plans”, “estimates” or similar expressions, Forward-looking statements are not performance guarantees; they involve risks, uncertainties and assumptions because they refer to future events and, therefore, depend on circumstances which may or may not occur, Future results may differ materially from those expressed or suggested by forward-looking statements, Many of the factors which will determine these results and figures are beyond Romi’s control or prediction capacity.

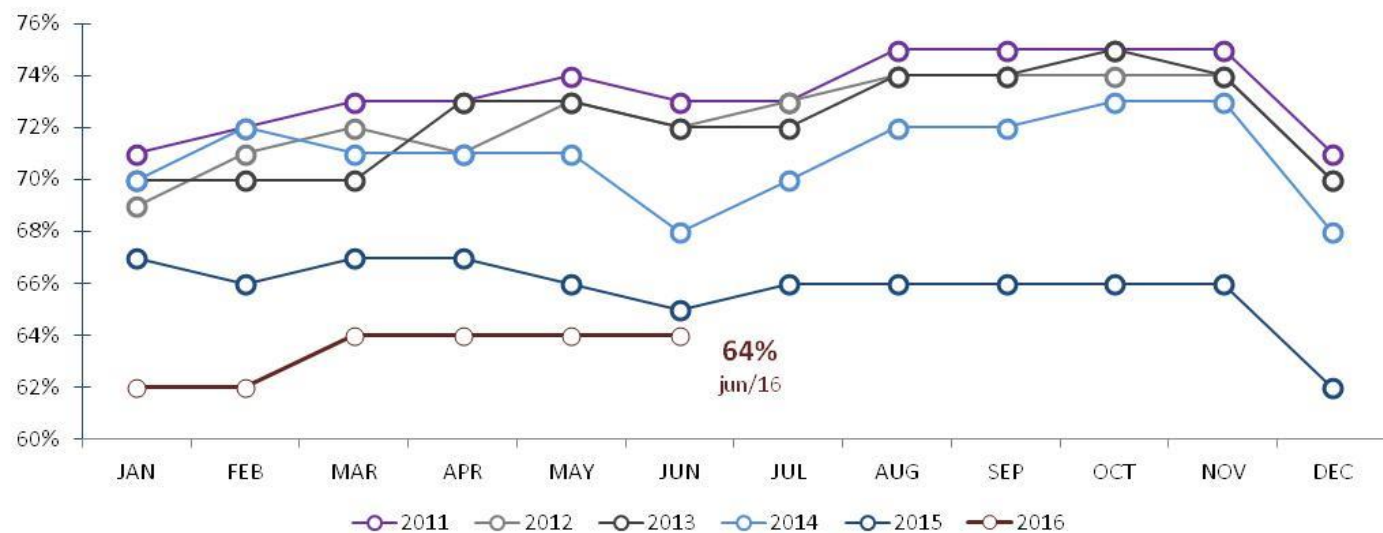
- Due to important projects won by B+W and by the Raw and Machined Cast Iron Parts Unit, **order entry** in 2Q16 was **75.1% higher** than in 2Q15;
- **Net operating revenues increased by 26.1%** in 2Q16 compared with 2Q15, due to the higher revenues of the Raw and Machined Cast Iron Parts unit and of the German subsidiary B+W.
- **EBITDA** in 2Q16 was **positive by R\$5.7 million**, mainly due to the performance of B+W and Raw and Machined Cast Iron Parts.
- In 2Q16, compared with 2Q15, Romi's Raw and Machined Cast Iron Parts Unit posted **improvements of 14.3 and 13.5** percentage points in terms of **gross margin** and **EBITDA**, respectively.
- The Company's **net debt** at the end of 2Q16 was **R\$66.8**, a **decrease of 7.3%** in 2016;
- **Order entry** of the Romi Machinery Unit in 2Q16 posted stability in the domestic market when compared with 2Q15, and the **growth** was represented by exports;



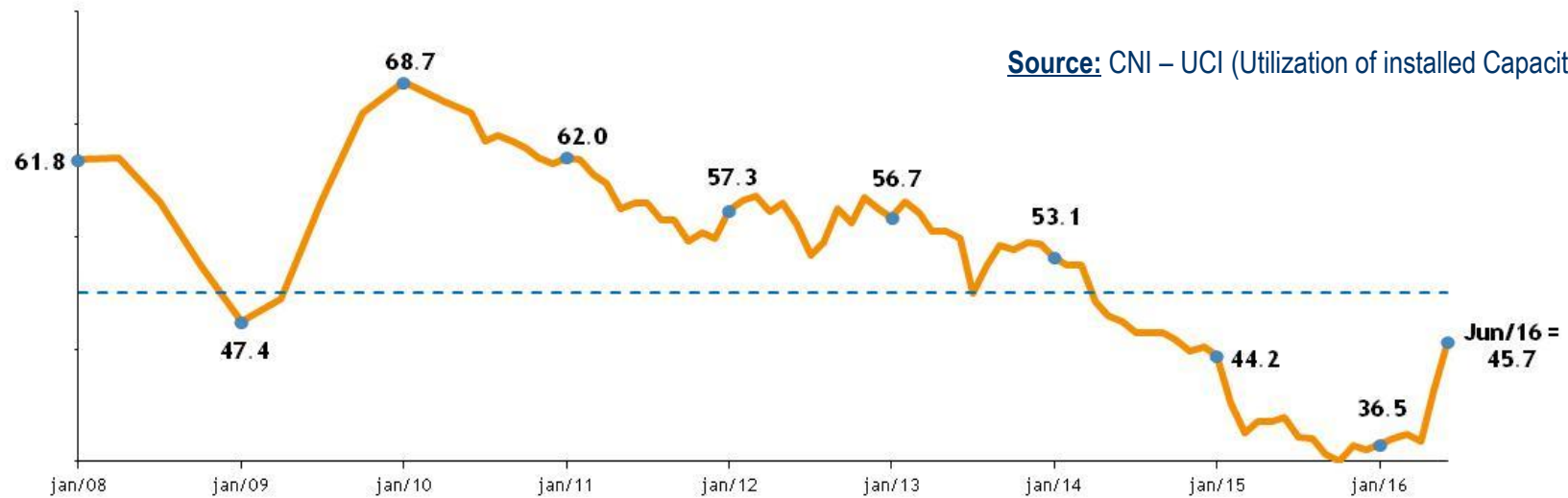
Source: IBGE (second quarter this year vs, the same quarter last year)



Conjunctural Indicators – PIB and FBKF



Source: CNI – UCI (Utilization of installed Capacity), June 2016



Source: CNI – ICEI (Industrial Executive Confidence Index), June 2016

Economic Indexes - Conjunctural

Romi Machines



	1Q16	2015
Automotive	19%	16%
Machines and Equipments	10%	9%
Job Shops	20%	18%
Tolling	6%	1%
Technical Schools	7%	7%
Packing	13%	13%
Others	24%	36%

B+W Machines



	1Q16	2015
Machines and Equipments	74%	36%
Motors and Systems	26%	19%
Automotive	0%	25%
Others	0%	21%

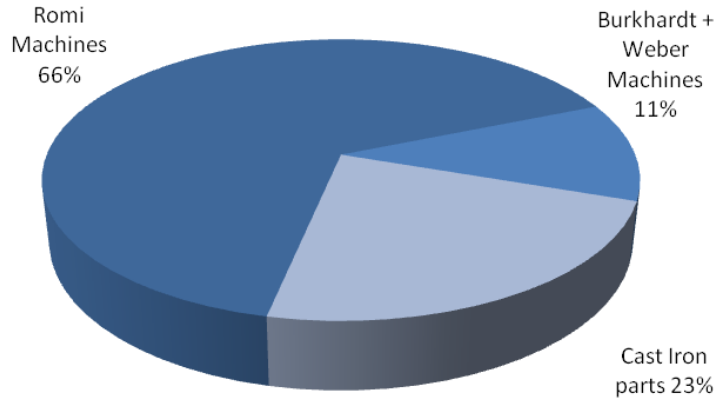
Raw and Machined Cast Iron Parts



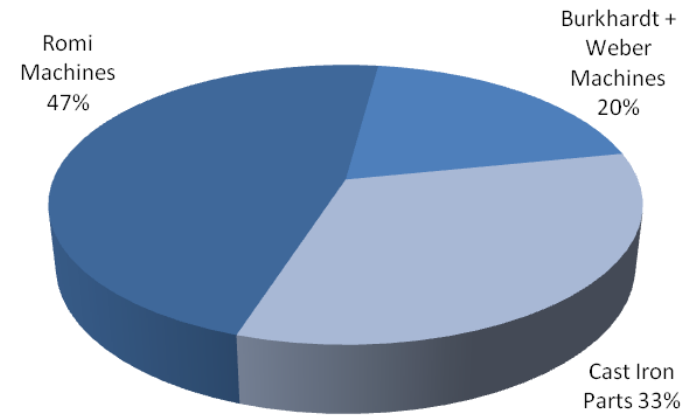
	1Q16	2015
Wind Power	71%	57%
Automotive	13%	27%
Agriculture	11%	12%
Others	5%	4%

Business units

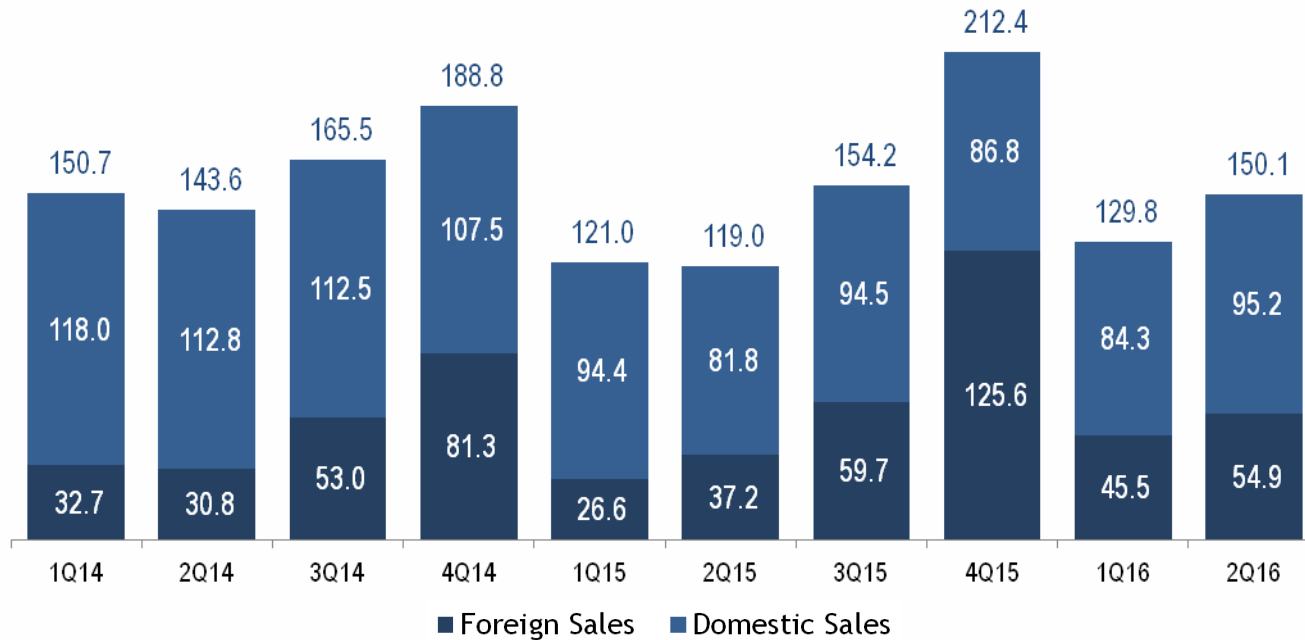
1H15



1H16

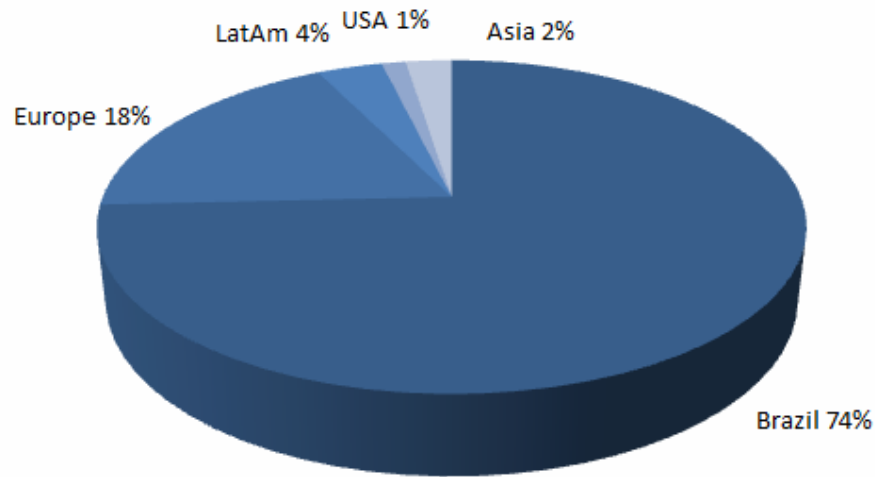


Net Operating Sales (R\$ million)

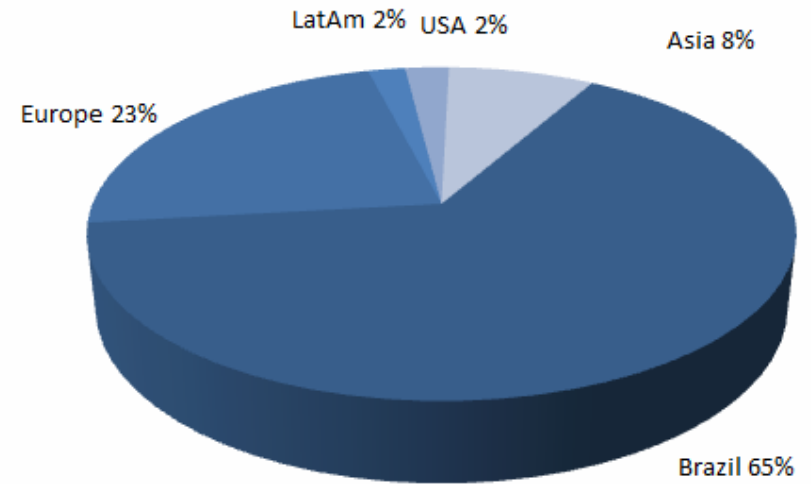


Net Sales per Business Unit

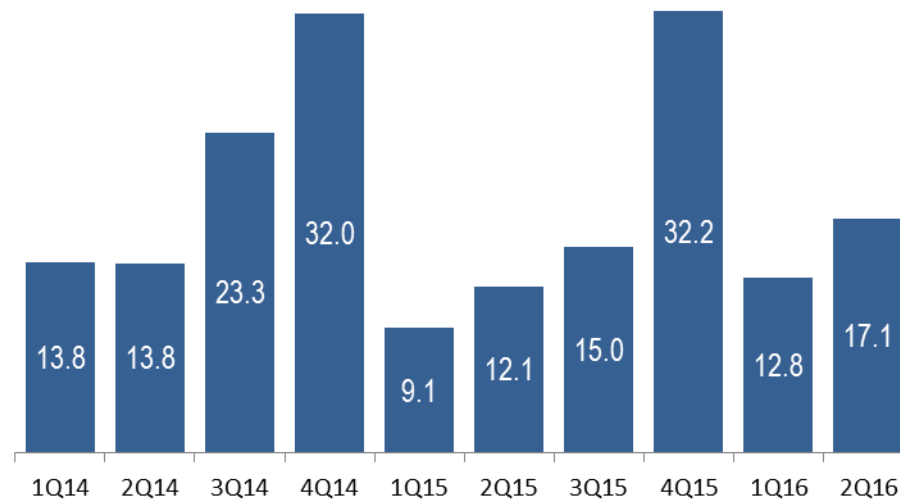
1H15



1H16



Foreign Sales (US\$ million)



Sales Distribution

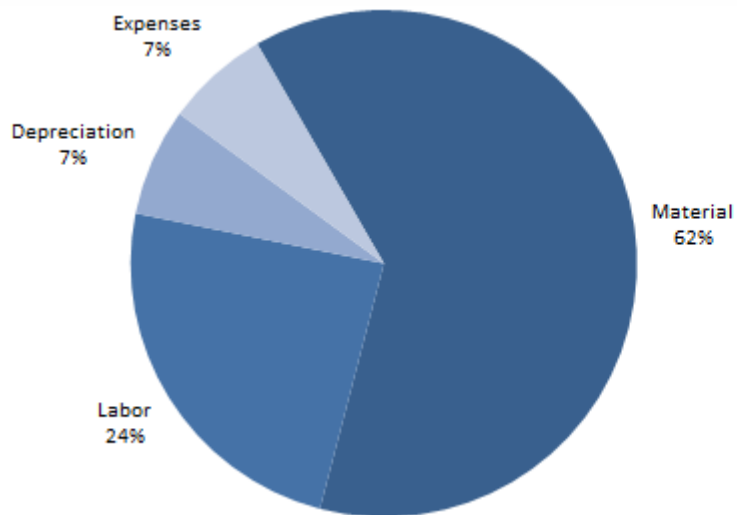
Order Entry (R\$ 000) Gross Values, sales taxes included	2Q15	1Q16	2Q16	Chg. 2Q16/1Q16	Chg. 2Q16/2Q15	1H15	1H16	Chg. 2016/2015
Romi Machines	55,936	58,956	65,471	11.0%	17.0%	108,183	124,427	15.0%
Burkhardt+Weber Machines	11,543	8,958	98,630	1001.0%	754.5%	21,095	107,588	410.0%
Rough and Machined Cast Iron Parts	65,797	52,435	69,251	32.1%	5.2%	98,599	121,686	23.4%
Total	133,276	120,349	233,351	93.9%	75.1%	227,878	353,700	55.2%

Order Book (R\$ 000) Gross Values, sales taxes included	2Q15	1Q16	2Q16	Chg. 1Q16/4Q15	Chg. 1Q16/1Q15
Romi Machines	70,633	75,862	77,706	2.4%	10.0%
Burkhardt+Weber Machines	128,509	57,062	129,325	126.6%	0.6%
Rough and Machined Cast Iron Parts	90,526	103,277	110,363	6.9%	21.9%
Total *	289,668	236,201	317,394	34.4%	9.6%

(*) Order book values doesn't include spare parts and services

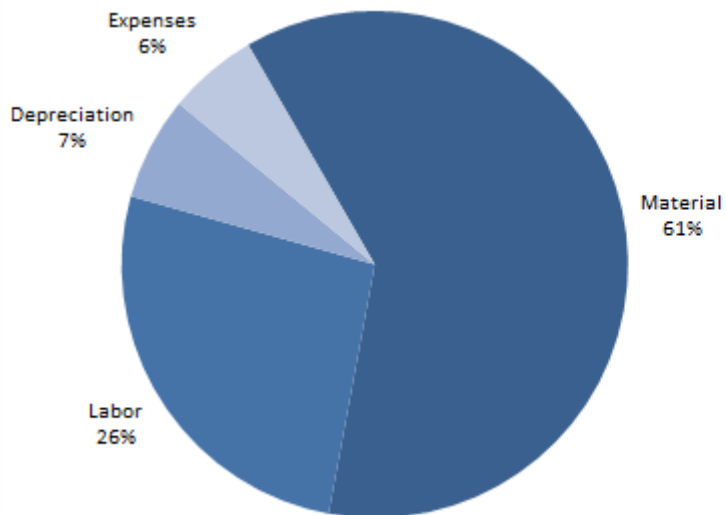
Order Entry Backlog

1H16



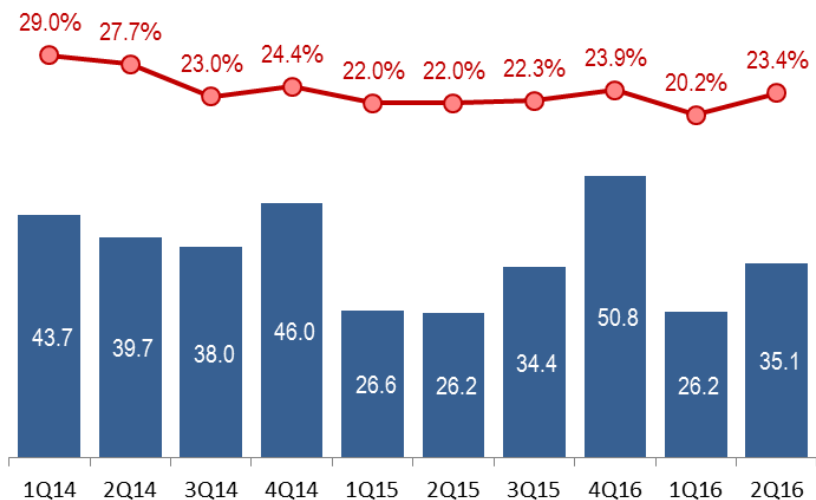
17%	Domestic material
11%	FX Related Domestic Material
16%	Metals
19%	Imported Material

1H15

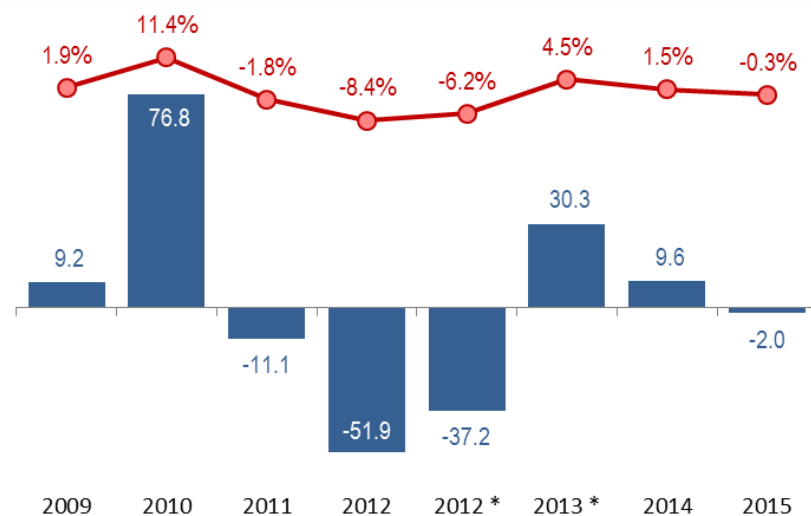
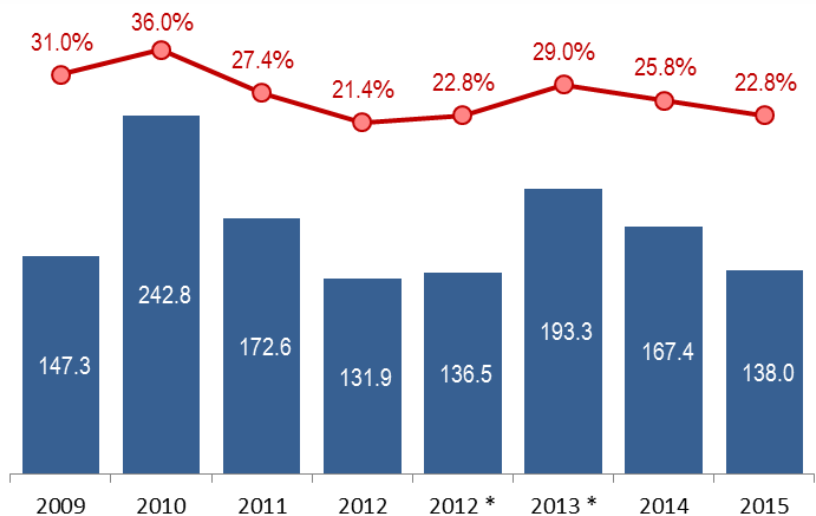
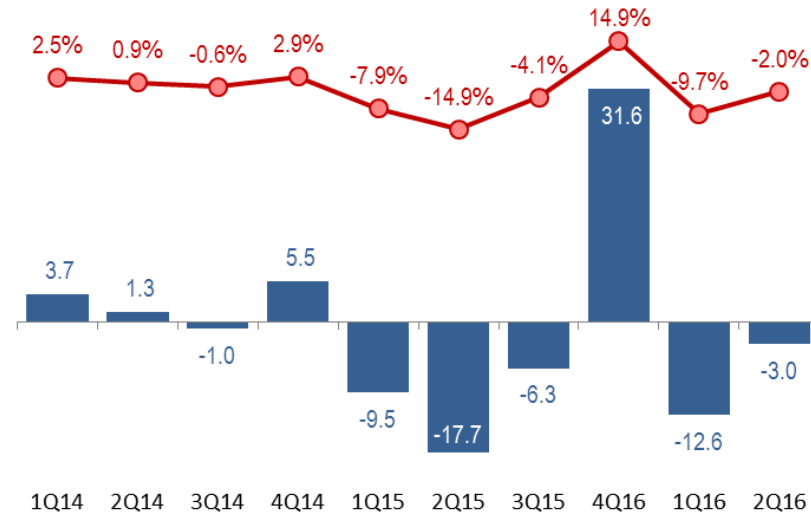


18%	Domestic material
12%	FX Related Domestic Material
13%	Metals
18%	Imported Material

Gross Profit (R\$ million) and Gross Margin

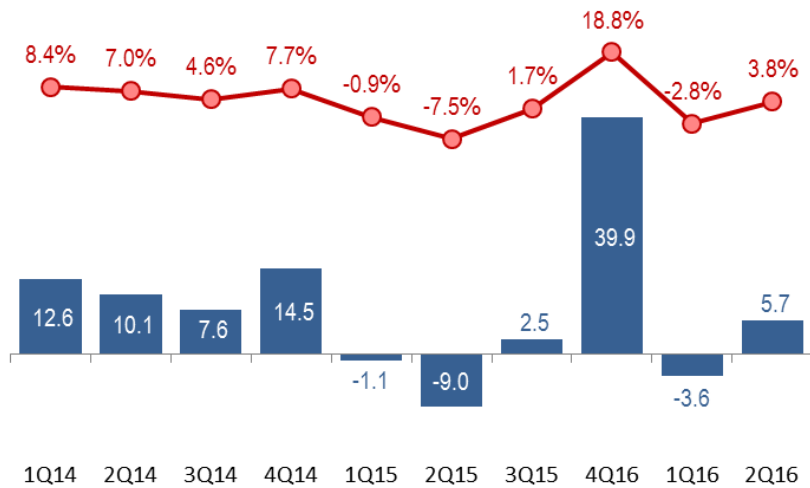


Operating Profit (loss) (R\$ million) and Operating Margin

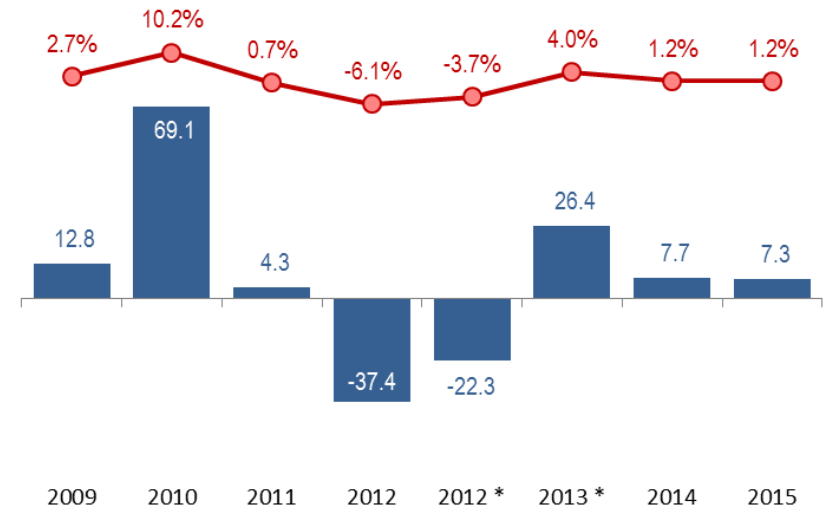
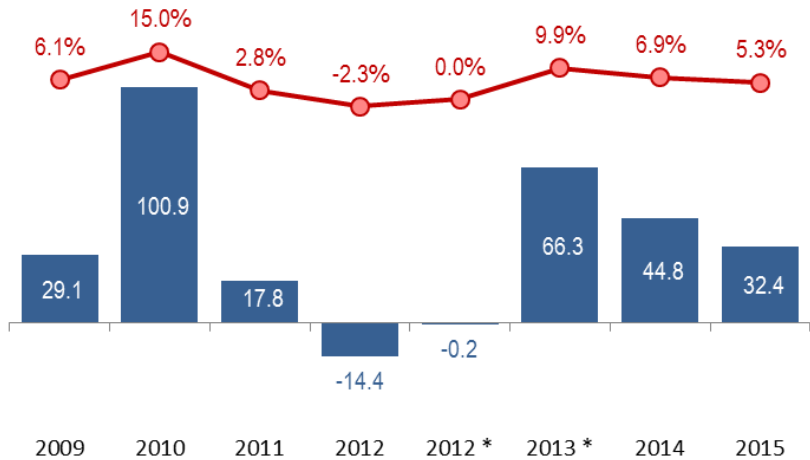
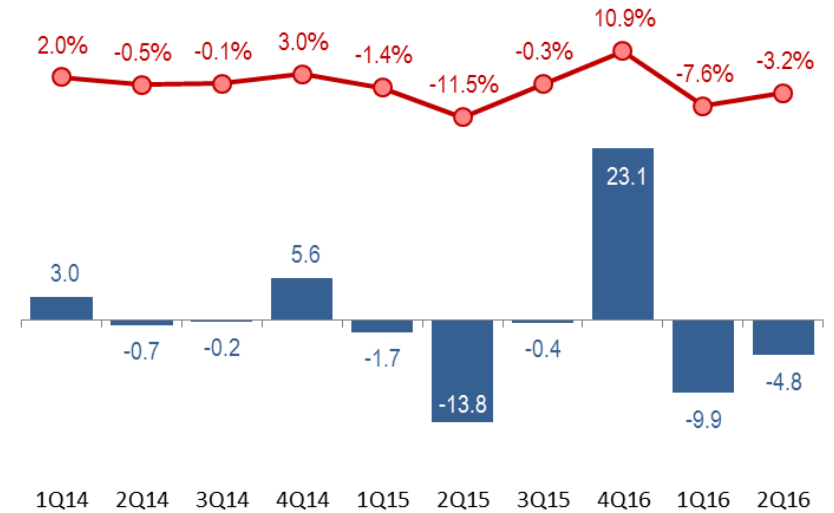


(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

EBITDA (R\$ million) and EBTIDA Margin



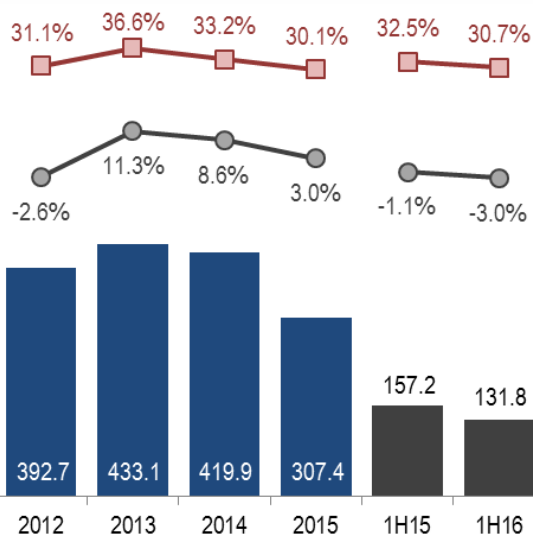
Net income (loss) (R\$ million) and Net Margin



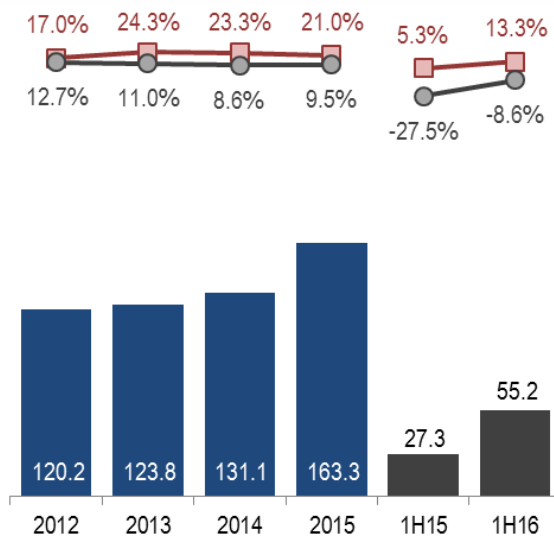
(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

Faturamento	Quarter						Accumulated	
	1T15	2T15	3T15	4T15	1T16	2T16	1S15	1S16
Máquinas (unidades)	271	143	164	199	170	172	414	342
Burkhardt+Weber (unidades)	1	3	6	11	3	3	4	6
Fundidos e Usinados (tonelas)	3,632	4,060	4,956	4,109	4,240	5,145	7,693	9,385

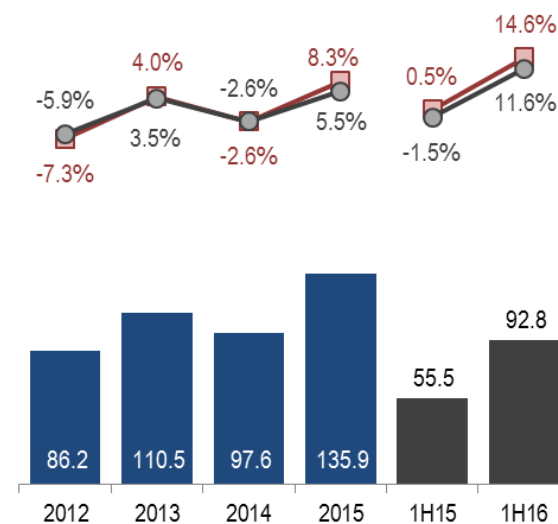
Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBITDA

Business Units' Results

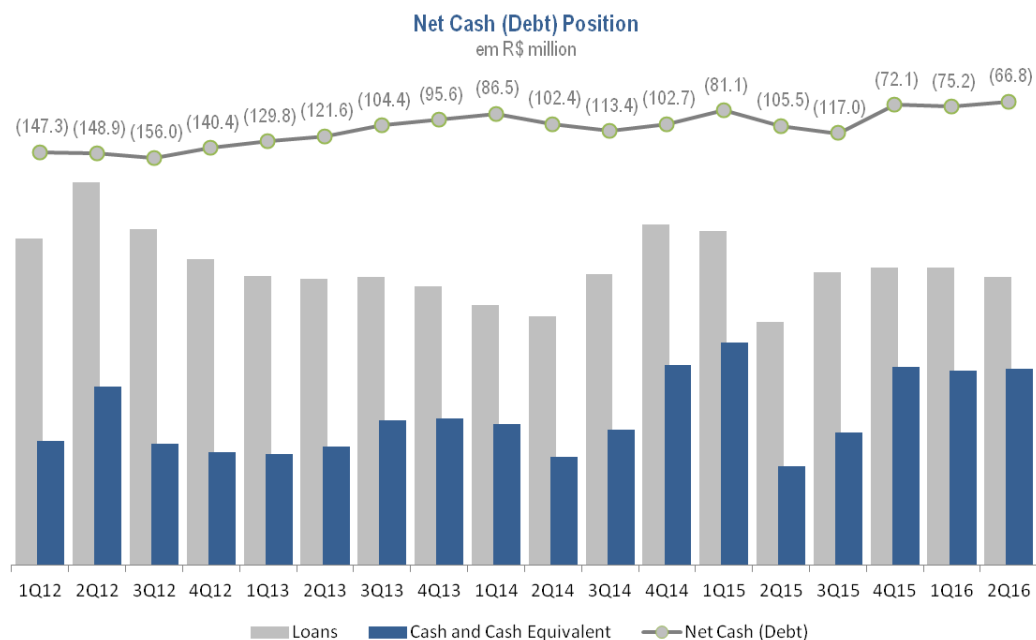
Cash and Cash Equivalent (R\$ MM) - 06/30/2016

	Amount
Bank Deposit Certificate (CDB)	63.3
Financial Investment with Bonds	59.5
Banks	20.3
Total	143.2

Net Debt = 66.8

Loans* (R\$ MM) - 06/30/2016

	Amount
2016 (6 months)	24.4
2017	93.7
2018	52.2
2019	11.8
2020 and afterwards	28.0
Total	210.0

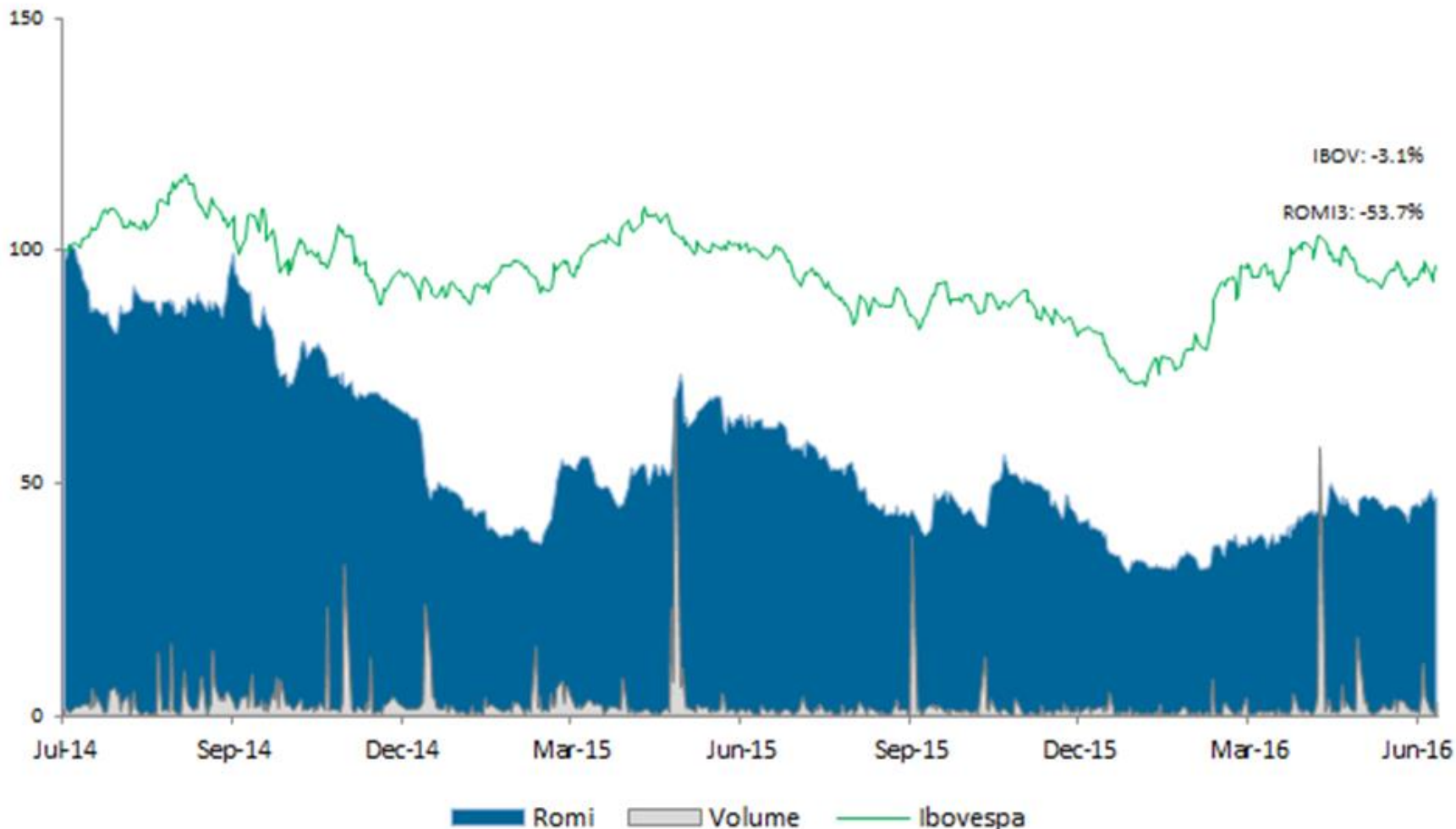


(*) Without Finame Manufacturer

Cash Position

Share Performance ROMI3 vs. Ibovespa

From 07/01/2014 to 06/30/2016



Source: BM&FBovespa

Share Performance



Fabio Barbanti Taiar

CFO

+55 (19) 3455-9418

ftaiar@romi.com

www.romi.com