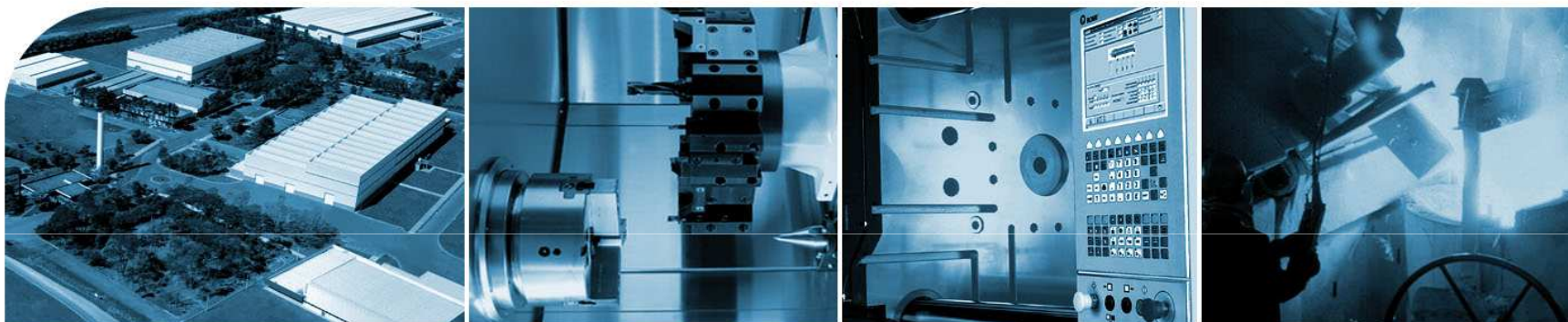




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## Earnings Release 3Q10

October 27, 2010



## Important Note



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*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.*

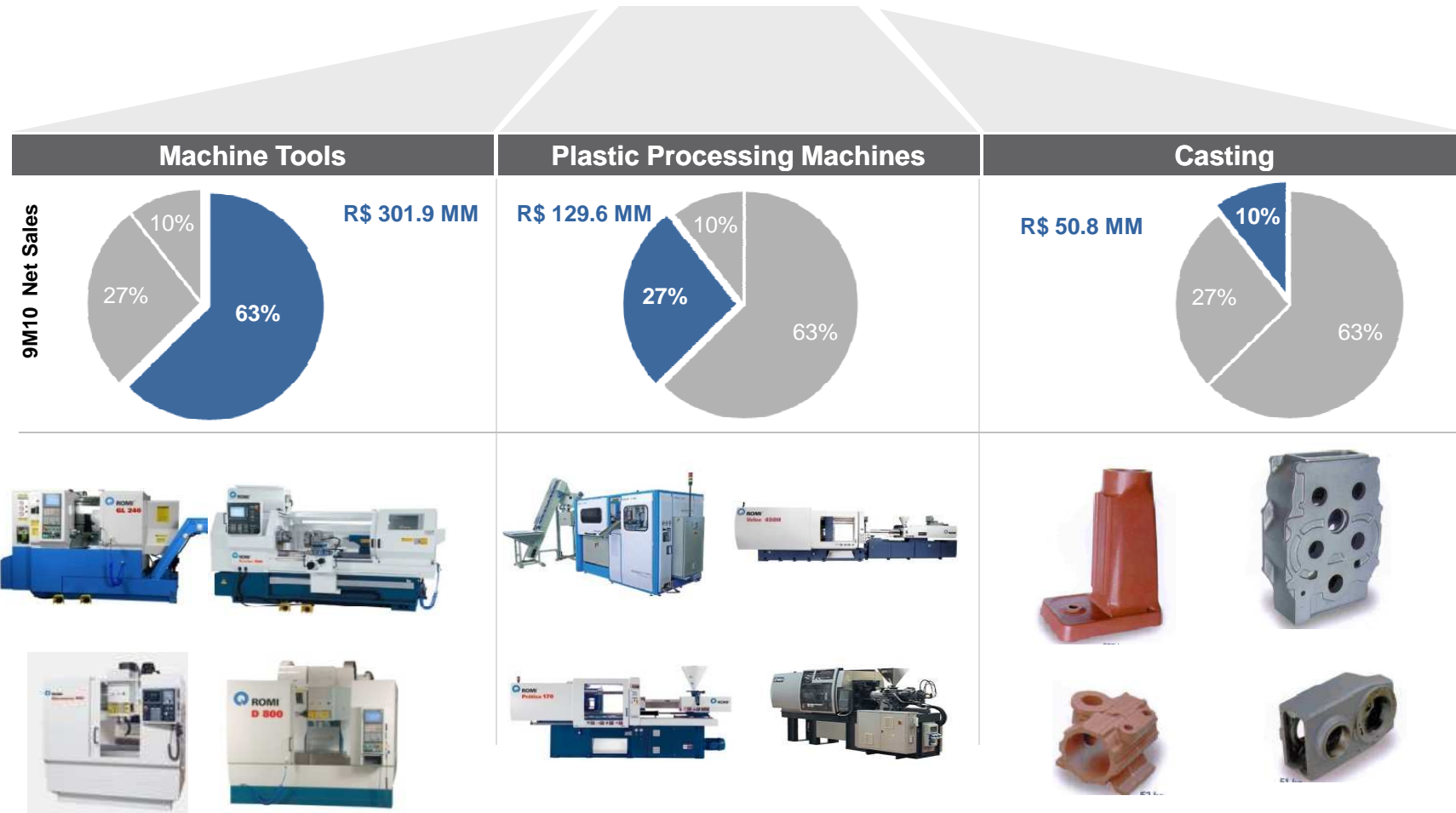


- Romi's EBITDA margin is 18% in 3Q10, or R\$ 30.5 million, a growth of 28.7% over 2Q10 and of 242.8% as compared to 3Q09;
- EBITDA margin in 3Q10 reaches 18%, presenting a growth of 3.9 p.p. over 2Q10 and 10.7 p.p. as compared to 3Q09;
- Net Operating Revenue reaches R\$ 169.6 million in 3Q10, an increase of 39% over 3Q09;
- Growth in Net Operating Revenue of all Business units as compared to 3Q09, the result of the resumption of the industrial activity;
- Solid order backlog in 2010, of R\$ 213.3 million at the end of 3Q10.

# Product Line

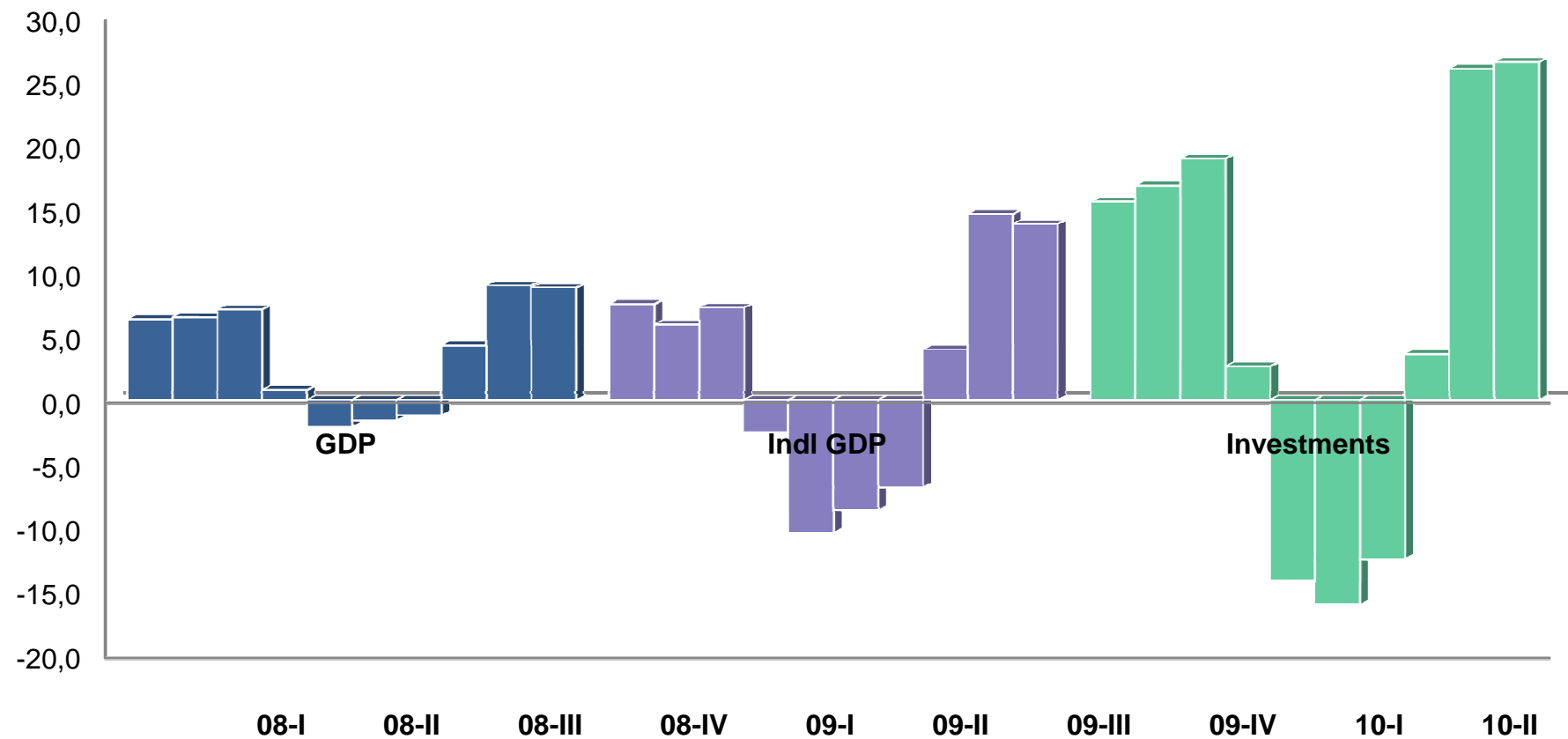


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## GDP – Industrial GDP – Gross Fixed Capital Formation



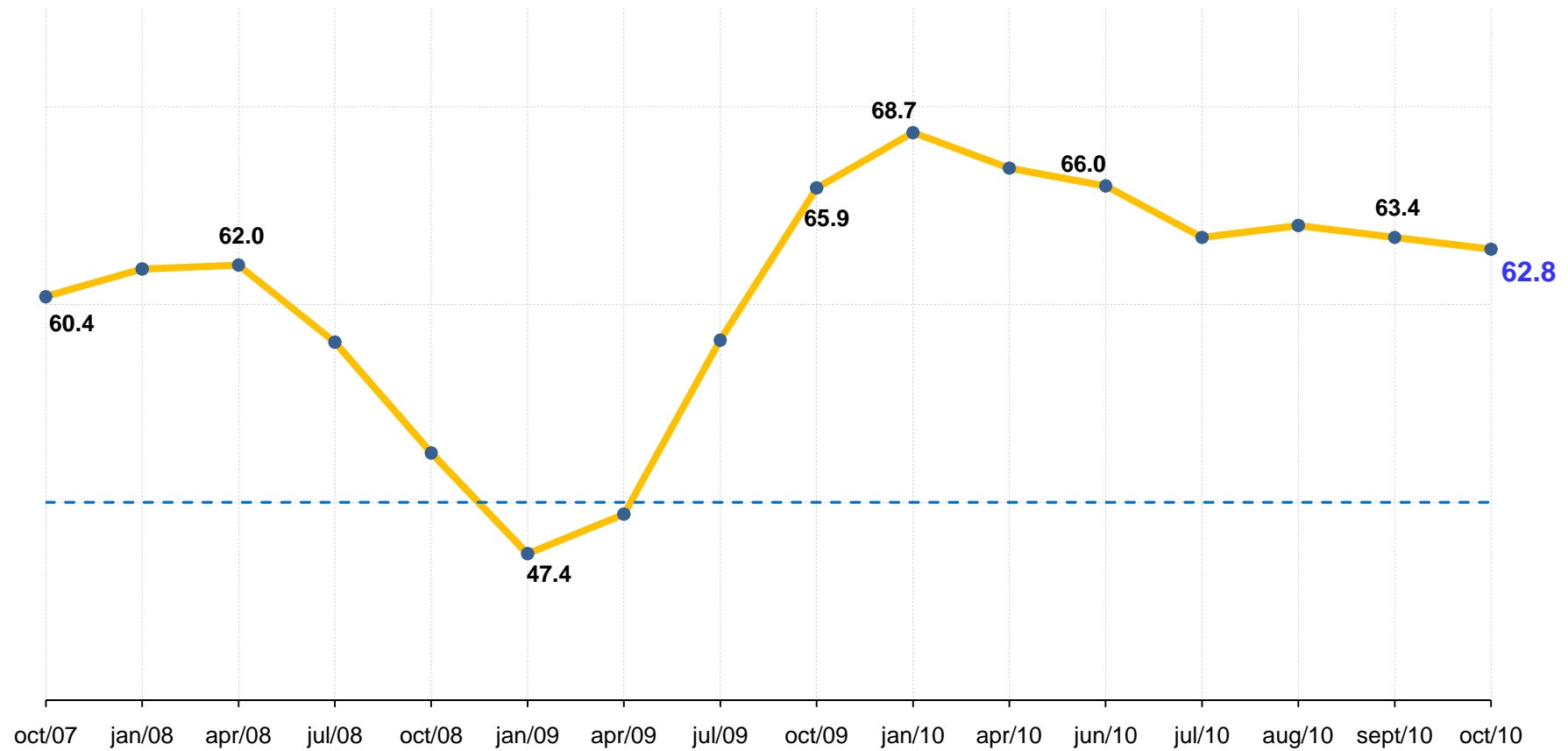
Source: IBGE (QxQ)

# Industry Confidence Indicator



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## ICEI – Industry Confidence Indicator



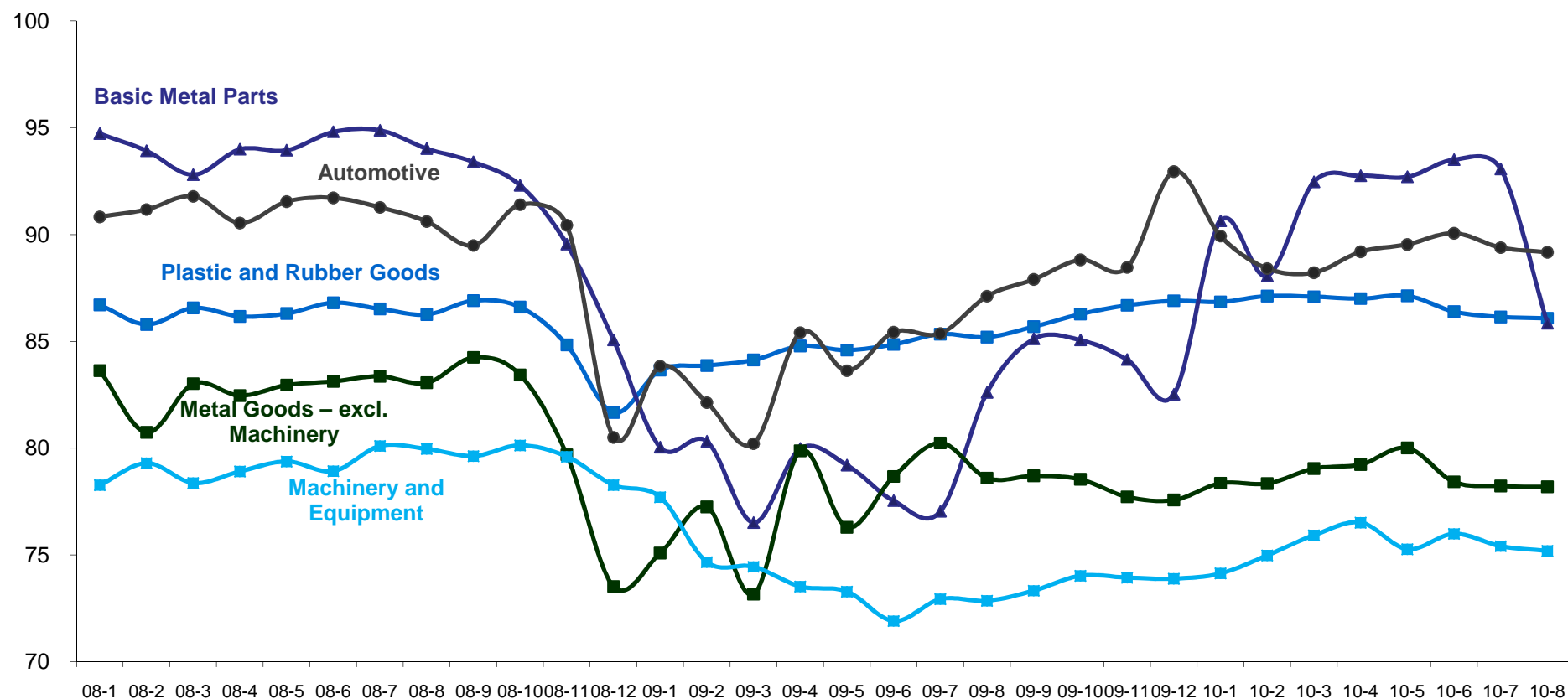
Source: CNI

# Capacity Utilization - Brazilian Industry



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## Capacity Utilization of some industrial sectors



Source: Fiesp

# Machine Tools – Sales main sectors



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	Job Shops	Automotive	Capital Goods	Technical Schools	Tooling	Agricultural Equipment	Oil & Gas	Others
CNC Lathes – Flat Bed	●	■	■	▲		▲		
Heavy CNC Lathes	■		●			▲	■	
Machining Center	●	●	■	▲	■	■	■	
CNC Lathes Combination	■		●	▲	■	▲	●	
CNC Lathes Slant	●	●	●	●		■	▲	
Conventional Lathes	▲						●	
MF Net Rev. 9M10	23%	11%	16%	8%	6%	4%	5%	27%
MF Net Rev. 2009	16%	12%	13%	3%	9%	5%	10%	32%

● High

■ Moderate

▲ Low



# Plastic Machines and Castings – Sales main sectors



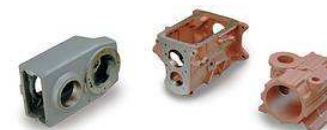
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## Plastic Machines



SECTOR	ROL %	
	9M10	2009
Packaging	26%	26%
Automotive	24%	17%
Job Shops	12%	13%
Home Appliances	10%	3%
Home Utilities	6%	11%
Others	22%	30%

## Castings



SECTOR	ROL %	
	9M10	2009
Automotive (Trucks)	70%	58%
Electricity Generation	3%	23%
Agriculture	18%	14%
Automotive (Cars)	2%	1%
Capital Goods	7%	4%

# Order Entry



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Order Entry (R\$ thousands)	1Q10	2Q10	3Q10	%Chg. 3Q/2Q	3Q09	3Q10	% Chg.
Machine Tools	94,084	132,784	111,777	(15.8)	115,371	111,777	(3.1)
Plastic Machines	42,138	53,187	43,865	(17.5)	45,892	43,865	(4.4)
Rough and Machined Cast Iron Parts	21,968	22,065	24,276	10.0	17,290	24,276	40.4
<b>Total</b>	<b>158,190</b>	<b>208,036</b>	<b>179,918</b>	<b>(13.5)</b>	<b>178,553</b>	<b>179,918</b>	<b>0.8</b>

Order Entry (R\$ thousands)	9M09	9M10	% Chg.
Machine Tools	223,375	338,645	51.6
Plastic Machines	92,492	139,190	50.5
Rough and Machined Cast Iron Parts	30,243	68,309	125.9
<b>Total</b>	<b>346,110</b>	<b>546,144</b>	<b>57.8</b>

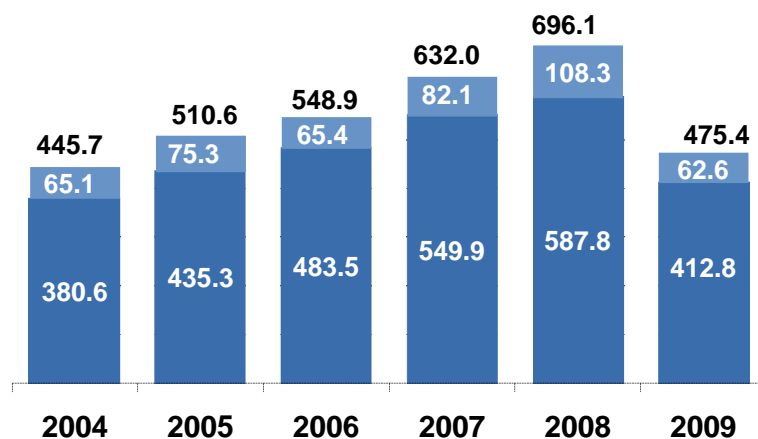
**Note: Gross values, including sales taxes**

# Continuous Growth and Profitability

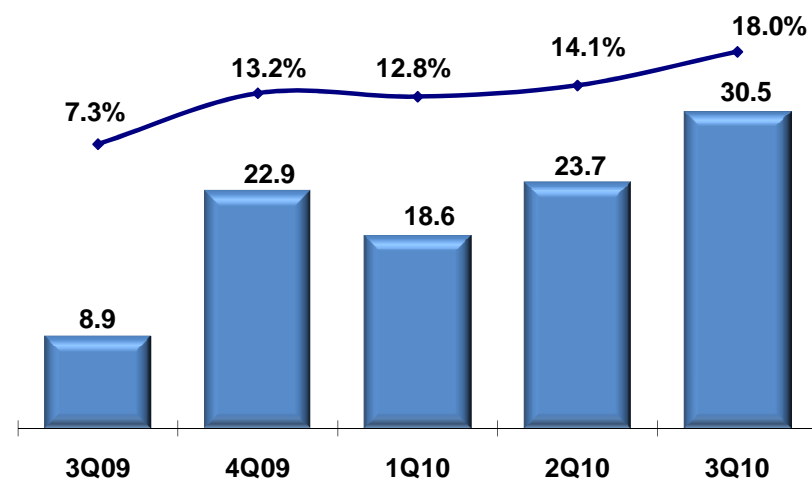
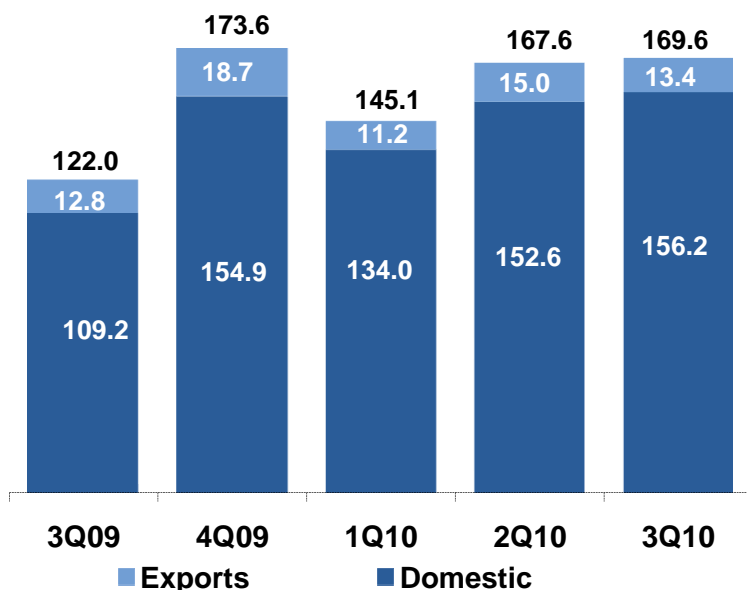
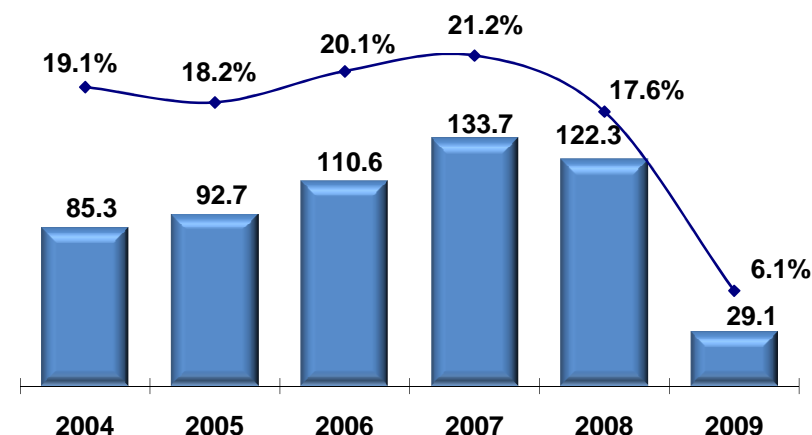


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Net Revenues (R\$ MM)



EBITDA and EBITDA Margin (R\$ MM)

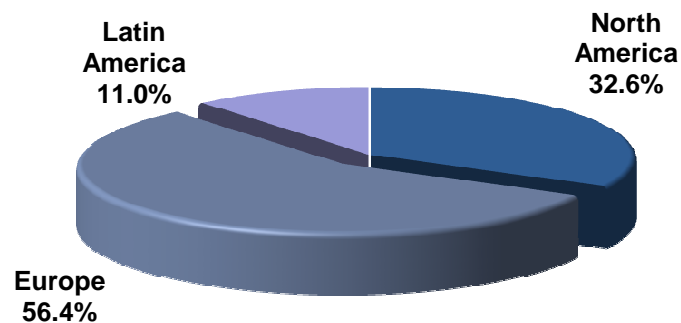


# Foreign Markets

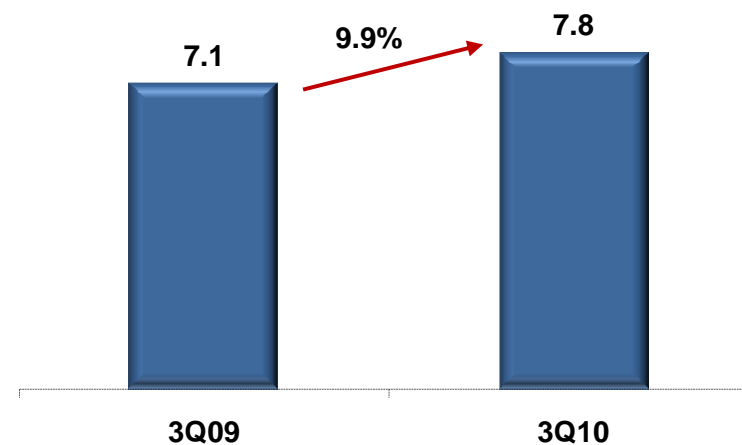


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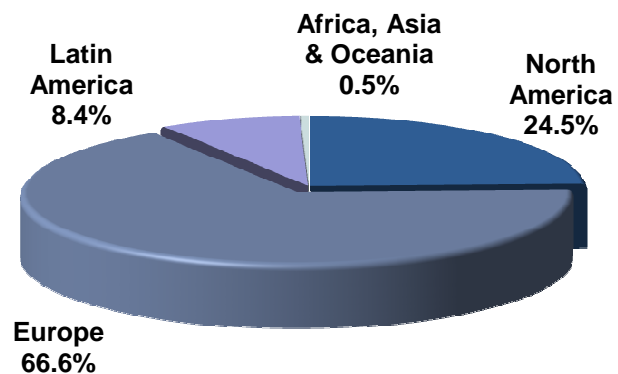
Foreign Markets – 3Q10



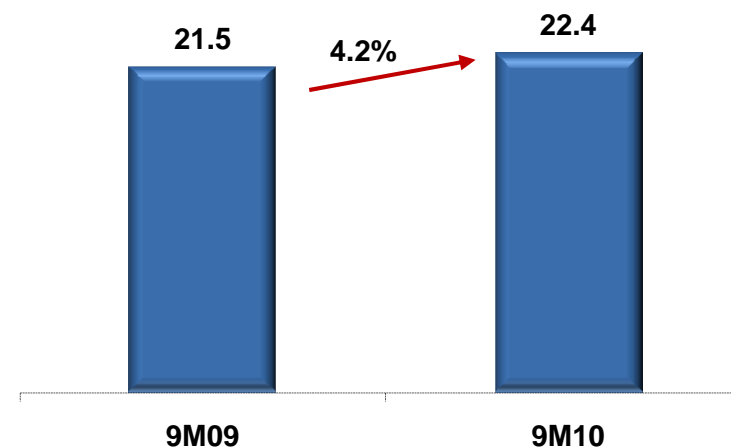
Foreign Markets – US\$ MM – 3Q10



Foreign Markets – 9M10



Foreign Markets – US\$ MM – 9M10

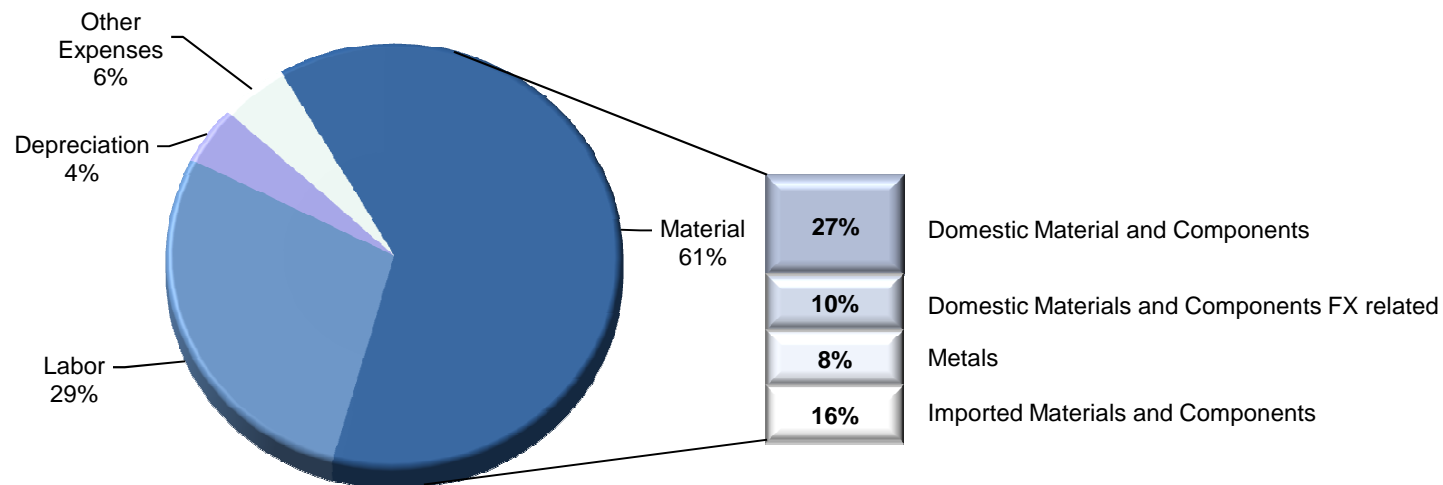


# Cost of Goods Sold

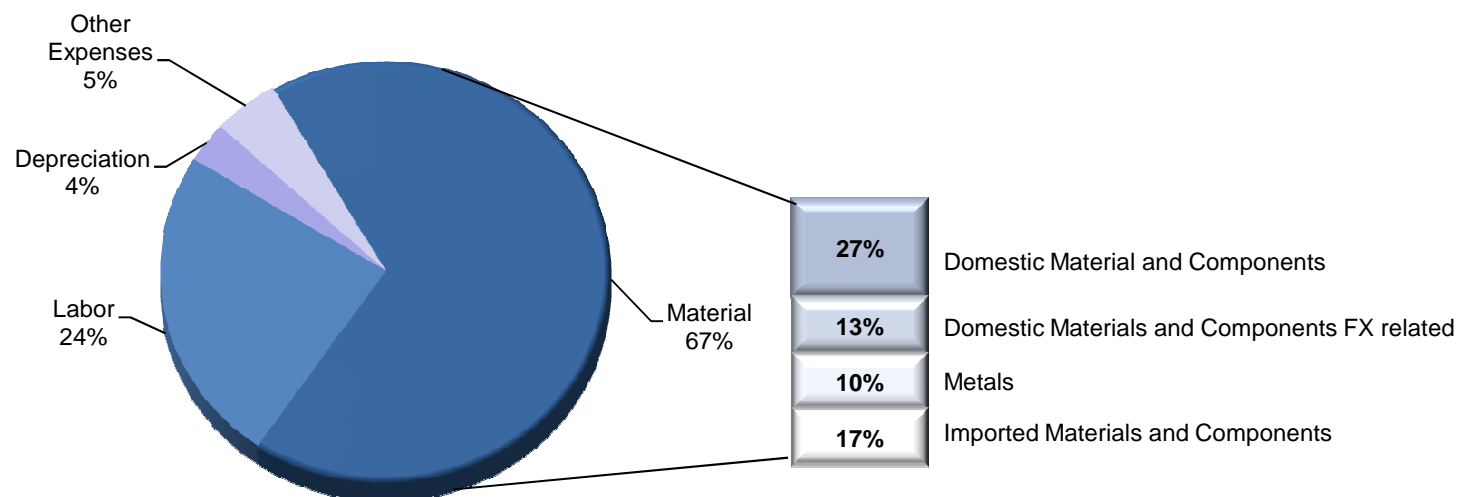


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**Cost Structure – Consolidated – 9M09**



**Cost Structure – Consolidated – 9M10**



# Consolidated Margins



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R\$ MM	3Q10	2Q10	3Q09	QoQ	YoY	9M10	9M09	YoY
Gross Profit	65.2	59.6	37.0	9.5%	76.3%	177.0	93.5	89.3%
Gross Margin	38.5%	35.6%	30.3%	2.9 p.p.	8.2 p.p.	36.7%	31.0%	5.7 p.p.
EBITDA	30.5	23.7	8.9	28.7%	242.8%	72.8	6.2	1,070.5%
EBITDA Margin	18.0%	14.1%	7.3%	3.9 p.p.	10.7 p.p.	15.1%	2.1%	13.0 p.p.
Net Income	25.3	15.2	3.1	66.2%	726.9%	51.1	-4.3	1,295.6%
Net Margin	14.9%	9.1%	2.5%	5.8 p.p.	12.4 p.p.	10.6%	-1.4%	12.0 p.p.

# Business Units

## Net Revenue and Sales Volume



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R\$ MM	3Q10	2Q10	3Q09	QoQ	YoY
<b>Machine Tools</b>					
R\$ mm	<b>103.0</b>	<b>96.1</b>	<b>77.7</b>	<b>7.1%</b>	<b>32.5%</b>
Units Sold	<b>556</b>	<b>538</b>	<b>365</b>	<b>3.3%</b>	<b>52.3%</b>
<b>Plastic Machines</b>					
R\$ mm	<b>47.0</b>	<b>53.7</b>	<b>32.1</b>	<b>-12.5%</b>	<b>46.6%</b>
Units Sold	<b>112</b>	<b>119</b>	<b>103</b>	<b>-5.9%</b>	<b>8.7%</b>
<b>Rough and Machined Cast</b>					
R\$ mm	<b>19.6</b>	<b>17.8</b>	<b>12.3</b>	<b>10.1%</b>	<b>60.0%</b>
Tons Sold	<b>3,043</b>	<b>3,016</b>	<b>2,147</b>	<b>12.8%</b>	<b>58.5%</b>

9M10	9M09	YoY
<b>301.9</b>	<b>192.7</b>	<b>56.7%</b>
<b>1,620</b>	<b>930</b>	<b>74.2%</b>
<b>129.6</b>	<b>76.3</b>	<b>69.8%</b>
<b>314</b>	<b>189</b>	<b>66.1%</b>
<b>50.8</b>	<b>32.9</b>	<b>54.6%</b>
<b>8,852</b>	<b>5,924</b>	<b>49.4%</b>

# Business Units Margins



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R\$ MM	3Q10	2Q10	3Q09	QoQ	YoY	9M10	9M09	YoY
<b>Machine Tools</b>								
Gross Margin	45.0%	42.7%	40.4%	2.3 p.p.	4.6 p.p.	43.0%	38.7%	4.3 p.p.
EBIT Margin	19.5%	16.8%	13.4%	2.7 p.p.	6.1 p.p.	17.5%	6.2%	11.3 p.p.
<b>Plastic Machines</b>								
Gross Margin	36.2%	34.4%	25.6%	1.8 p.p.	10.6 p.p.	34.4%	32.4%	2.0 p.p.
EBIT Margin	8.2%	6.2%	-8.6%	2.0 p.p.	16.8 p.p.	4.3%	-12.3%	16.6 p.p.
<b>Rough and Machined Cast</b>								
Gross Margin	9.5%	0.6%	-21.3%	8.9 p.p.	30.8 p.p.	5.3%	-17.6%	22.9 p.p.
EBIT Margin	-1.2%	-9.8%	-33.9%	8.6 p.p.	32.7 p.p.	-5.9%	-33.1%	27.2 p.p.



# Cash Position



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## Cash and Cash Equivalent – R\$ MM – 09/30/2010

	<u>Amount</u>
Bank Certificate of Deposit (CDB)	57.5
Financial Investments with debentures	29.7
Time Deposit - Abroad	162.0
Banks	<u>3.0</u>
Total	<u>252.2</u>

Net Cash = 10.5

## Loans \* – R\$ MM – 09/30/2010

Total Loans: 241.7

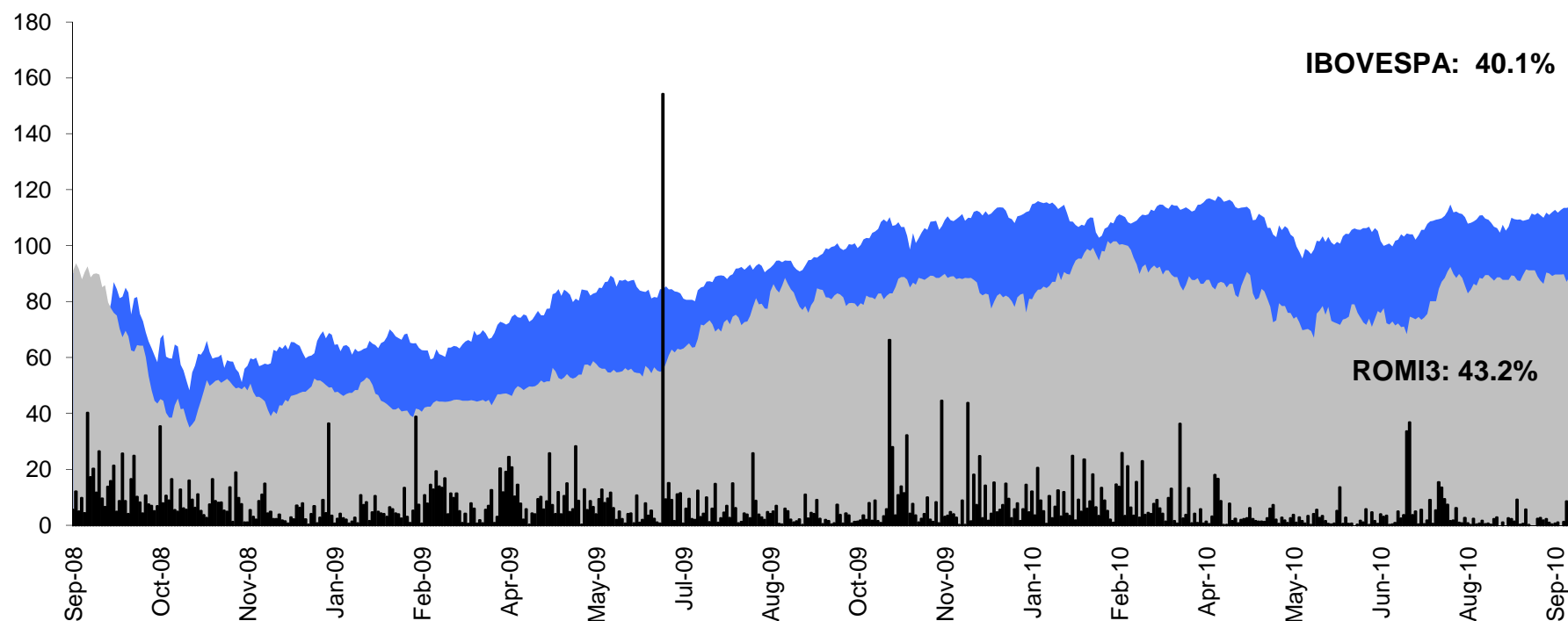
The maturities of financing recorded as follow:

<u>Year</u>	<u>Amount</u>
2010	23.6
2011	7.0
2012	109.2
2013	32.4
2014	24.5
After 2014	<u>45.0</u>
Total	<u>241.7</u>

(\*) without Finame Manufacturer



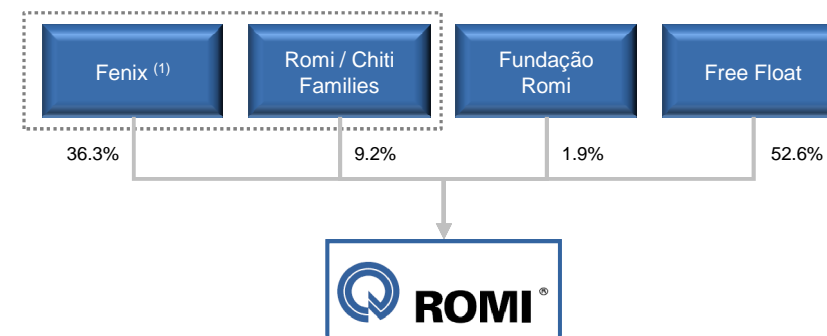
**Share Performance (ROMI3) vs. Bovespa Index (Basis: 100) - R\$/Share**  
**Period: September/2008 - September/2010**



Source: BM&F Bovespa

- **Novo Mercado** – Joining the Novo Mercado in March 2007 positioned Romi in Bovespa's highest level of Corporate Governance
- **Tag along** - 100%
- **Board of Directors** – One year term, 8 members, being 4 indicated by shareholders and 4 independent
- **Diffuse Capital** - New shares issued and sold in the April Public Offering increasing the free float to 52.6%.
- **Brazilian Institute of Corporate Governance (IBGC) Award** – Best evolution on Corporate Governance – 2007
- **Full IFRS report** – One of the first Companies to reporting on International Financial Reporting Standards since 12/31/2007.
- **CPC's - early adoption** – One of the first Companies to early adopting the statements issued by the Comitê de Pronunciamentos Contábeis - CPC.
- **ISE** – Corporate Sustainability Index – benchmark in the Brazilian market for socially and environmentally responsible investments. Romi Joined this Index in December 2009.

## Ownership Structure



(1) Chiti, Romi families.



Indicators	2010 Revised – July/2010	2011
Net Operating Revenue Growth	35% to 40%	10% to 20%
EBITDA Margin	14% to 17%	12% to 18%
CAPEX	R\$ 45 Million	R\$ 35 Million

Assumptions	2011
GDP	4.5%
Dolar x Real (Average)	1.70
Inflation	5.5%

# Sustainability Indicators



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## Released in Romi's Annual Report

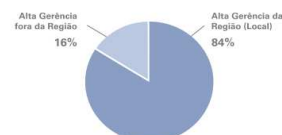


The Sustainability indicators are reported based on GRI (Global Reporting Initiative) standards, level B.



IDADE 2009 COM BASE NAS DIRETRIZES DO GRI (GLOBAL REPORTING INITIATIVE) - ANEXOS

a proporção de membros de alta gerência recrutados na comunidade local em unidades operacionais importantes.  
de alta gerência, 84% (\*) são de contratação local, uma vez que as competências requeridas para os cargos gerenciais são mais específicas.  
sua, os cargos de gerentes e diretores, que tem sob sua responsabilidade Unidades Fabris, Unidades de Serviços ou Departamentos.



do "local" a região Metropolitana de Campinas, região que a Romi está inserida

INDÚSTRIAS ROMI S.A.

INDICADORES DE SUSTENTABILIDADE 2009, COM BASE NAS DIRETRIZES DO GRI (GLOBAL REPORTING INITIATIVE)

INDICADOR	ANEXO	ÁREAS DE DESEMPENHO	ASPECTOS
EC1	Anexo 1	Econômico (Indicadores de Desempenho Econômico)	Desempenho Econômico
EC3			Desempenho Econômico
EC5	Anexo 2		Presença no Mercado
EC8	Anexo 3		Presença no Mercado
EC7	Anexo 4		Presença no Mercado
EN3		Meio Ambiente (Indicadores de Desempenho Ambiental)	Energia
EN8			Água
EN22			Emissões, Efluentes e Resíduos
LA1	Anexo 5	Social (Indicadores de Desempenho Referentes a Práticas Trabalhistas e Trabalho Decente)	Emprego
LA2	Anexo 6		Emprego
LA4			Relações entre Trabalhador e Governança
LA6			Saúde e Segurança no Trabalho
LA7			
LA9	Anexo 7		
LA10	Anexo 8		Treinamento e Educação
LA11	Anexo 9		
LA12			
LA13	Anexo 10		Diversidade e Igualdade de Oportunidades
HRS		Direitos Humanos (Indicadores de Desempenho Referentes a Direitos Humanos)	Liberdade de Associação e Negociação Coletiva
SO1	Anexo 11	Sociedade (Indicadores de Desempenho Referente a Sociedade)	Comunidade
SO3			Corrupção
SO7			Conscientização Ambiental
SO8			Conformidade
PRS		Práticas relacionadas a satisfação do cliente, incluindo resultados de pesquisas que medem essa satisfação	Rotulagem de produtos e serviços
PR6		Responsabilidade pelo Produto (Indicadores de Desempenho Referente à Responsabilidade pelo Produto)	Comunicações de Marketing

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**Livaldo Aguiar dos Santos**

CEO – Chief Executive Officer

55 19 3455-9588

[lagsantos@romi.com](mailto:lagsantos@romi.com)

[www.romi.com](http://www.romi.com)

**Luiz Cassiano R. Rosolen**

Investor Relations Officer

55 19 3455-9004

[lrosolen@romi.com](mailto:lrosolen@romi.com)

[www.romi.com](http://www.romi.com)