



ROMI®

A TRADITION OF INNOVATION



Earnings Release 1Q08

April, 24 2008



This release contains forward-looking statements subject to risks and uncertainties.

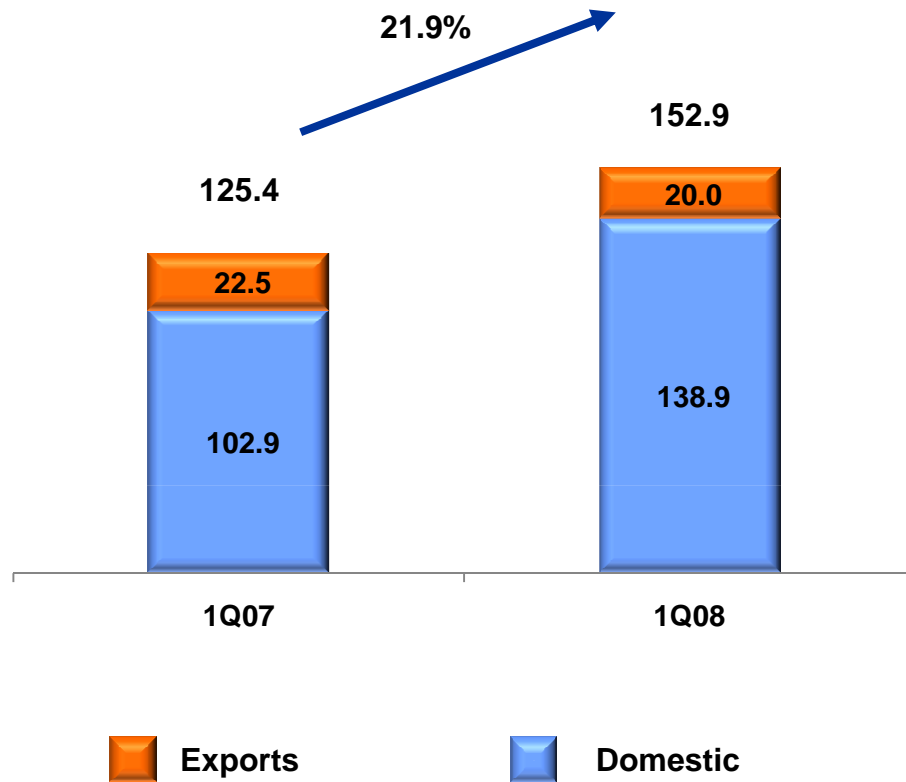
Such forward-looking statements are based on the management's beliefs and assumptions on information currently available to the Company. The reservations as to forward-looking statements also apply to information on possible or presumed operating results, as well as any statements preceded, followed 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.



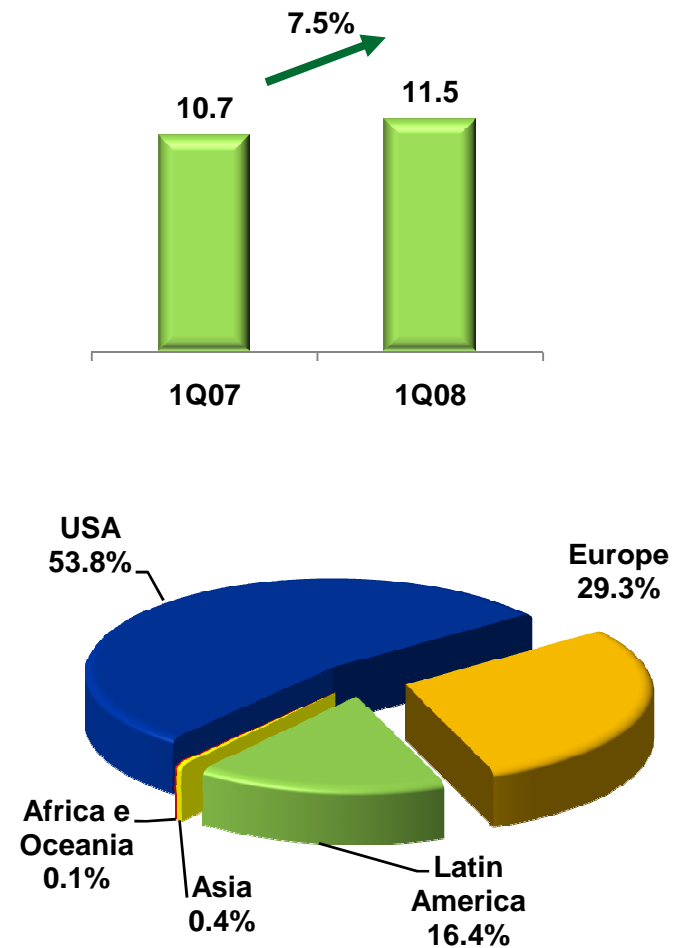
- ✓ **Net income reaches R\$ 25.9 million in 1Q08, a growth of 37.9% in relation to 1Q07**
- ✓ **A 21.9% improvement in net operating revenue in 1Q08 against 1Q07**
- ✓ **1Q08 growth of 54.8% in net operating revenue from the Plastic Machines unit compared with 1Q07**
- ✓ **Strong increase of sales volumes in Rough and Machined Cast Iron parts in relation to 1Q07**
- ✓ **Orders entry recorded year-on-year growth of 15.8% overall for the Company**
- ✓ **Keeping its tradition of innovation, the Company starts this quarter to report its Financial Statements in IFRS standards**



Net Revenue



Exports - KUSD





Machine Tools



Plastic Machines



Castings



Sector	%
Job Shops	35%
Capital Goods	15%
Automotive	12%
Education	6%
Tooling	5%
Hidraulic	4%
Others	23%

Sector	%
Automotive	21%
Packaging	18%
Real Estate	14%
Job Shops	14%
Home Utilities	13%
Furniture	6%
Outros	14%

Sector	%
Automotive (Trucks)	38%
Automotive (Cars)	17%
Electricity Generation	21%
Agriculture	15%
Capital Goods	8%
Land Mov. Equipments	1%

Consolidated Margins



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R\$ mm	1Q08	4Q07	1Q07	QoQ	YoY
Gross Profit	61.1	78.4	52.0	-22.0%	17.5%
Gross Margin	40.0%	41.5%	41.5%	-1.5 p.p.	-1.5 p.p.
EBITDA	28.3	35.6	24.2	-20.5%	16.9%
EBITDA Margin	18.5%	18.8%	19.3%	-0.3 p.p.	-0.8 p.p.
Net Income	25.9	32.5	18.8	-20.3%	37.8%
Net Margin	17.0%	17.2%	15.0%	-0.2 p.p.	2.0 p.p.

Business Units

Net Revenue and Sales Volume



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	1Q08	4Q07	1Q07	QoQ	YoY
Machine Tools					
R\$ mm	96.7	127.4	83.9	-24.1%	15.2%
Units Sold	518	753	521	-31.2%	-0.6%
Plastic Machines					
R\$ mm	26.7	32.3	17.2	-17.3%	54.8%
Units Sold	81	115	56	-29.6%	44.6%
Rough and Machined Cast.					
R\$ mm	29.4	29.2	24.2	0.7%	21.6%
Tons Sold	5,575	5,405	4,540	3.1%	22.8%

Business Units Margins



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	1Q08	4Q07	1Q07	QoQ	YoY
Machine Tools					
Gross Margin	46.8%	45.9%	45.1%	0.9 p.p.	1.7 p.p.
EBIT Margin	20.8%	21.9%	18.8%	-1.1 p.p.	2.0 p.p.
Plastic Machines					
Gross Margin	35.6%	35.4%	41.8%	0.2 p.p.	-6.2 p.p.
EBIT Margin	10.3%	12.3%	13.4%	-2.0 p.p.	-3.1 p.p.
Rough and Machined Cast.					
Gross Margin	21.7%	29.1%	28.7%	-7.4 p.p.	-7.0 p.p.
EBIT Margin	6.6%	15.2%	14.6%	-8.6 p.p.	-8.0 p.p.



• **Paradiso Project:**

- Ongoing this quarter:
 - UF-19 Expansion: Heavy Machines
 - Earthwork of Romi's casting Unit
 - Conclusion of restaurant expansion
 - ETE earthwork: Environment unit
 - Earthwork of the building destined to receiving and selling parts
 - Infrastructure



• **Vulcano Project:**

- Ongoing this quarter:
 - Furnaces Ordered
 - Heavy Equipments Ordered
 - Construction of the receiving and shipping building

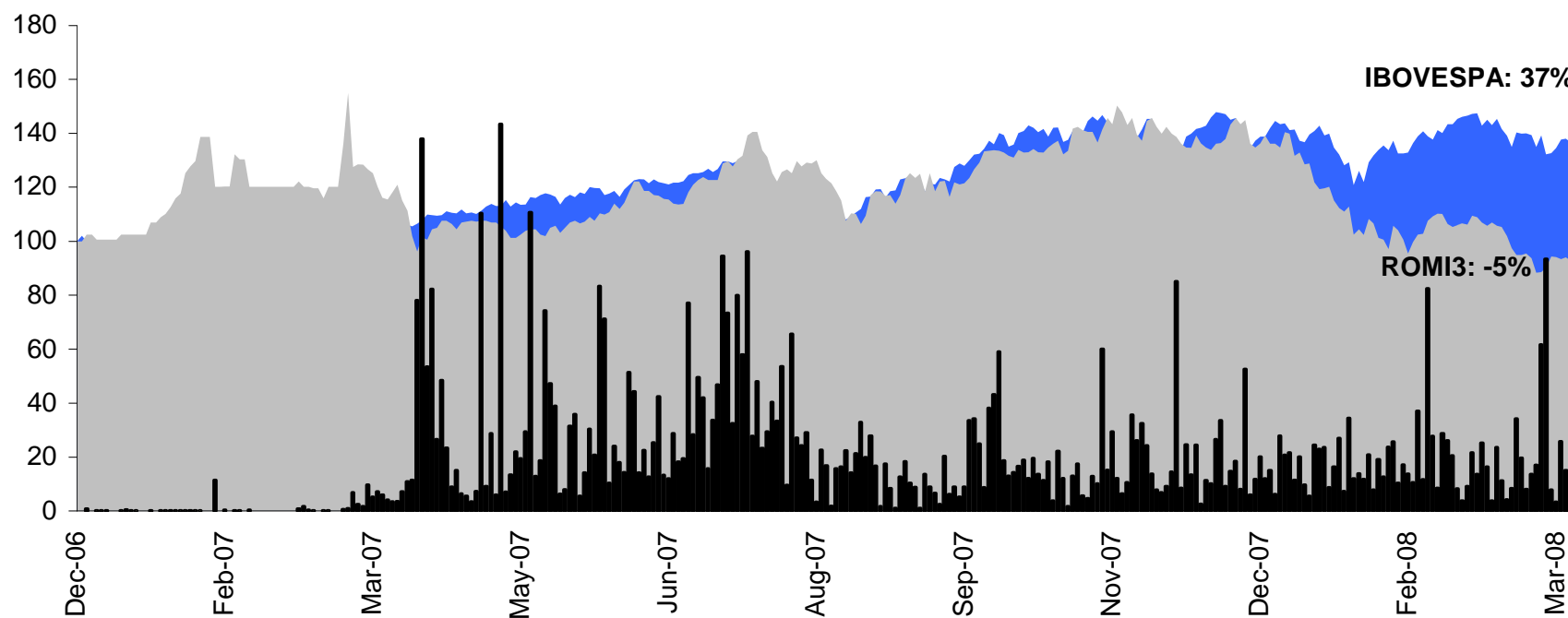
- Transaction Date: 01/25/2008
- Transaction Amount: R\$5.5Millions
- Loans Assumed: R\$1.2Million



- Orders Entries: 14 Machines (2 months)
- Gradually increase of production
- Ongoing synergies:
 - Equivalent manufacturing process
 - Merger of industrial operations
 - Costumers base
 - Finame Fabricante



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



Source: *Economática*



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