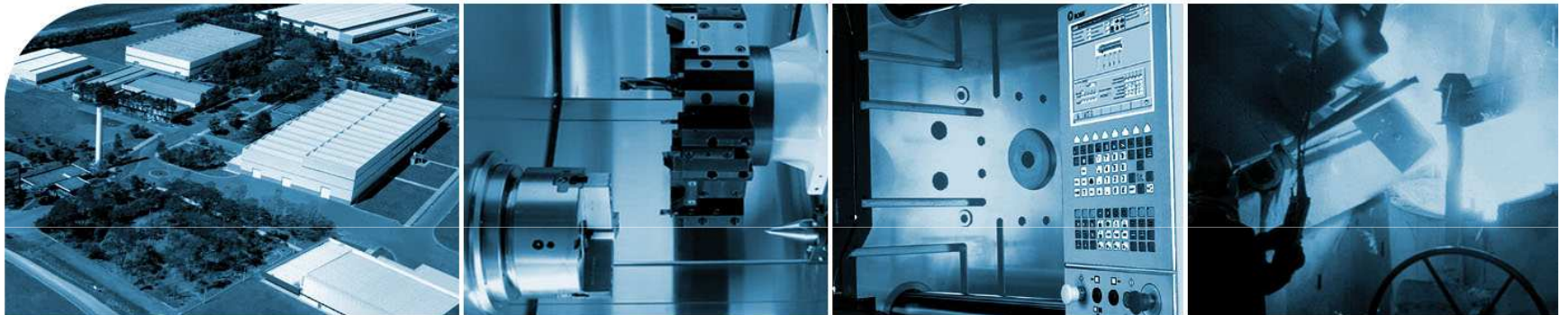




**ROMI**®

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## Earnings Release 2Q10

July 28, 2010

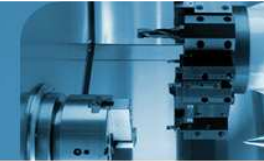


# Important Note

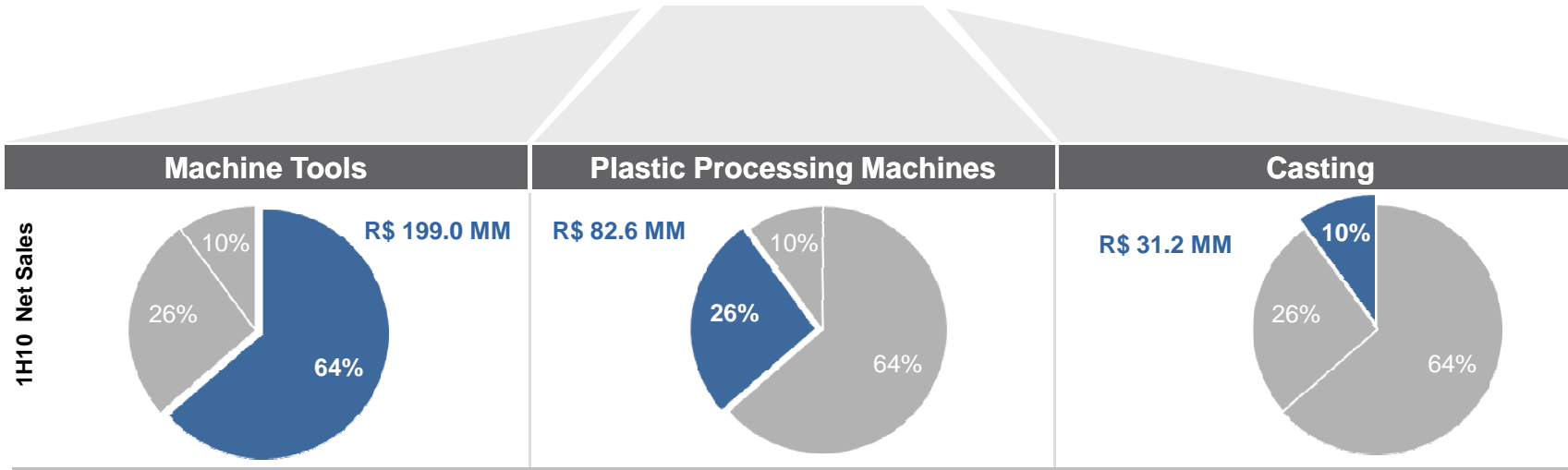


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*This release contains forward-looking statements subject to risks and uncertainties. Such forward-looking statements are based on the management's beliefs and assumptions on information currently available to the Company. The reservations as to forward-looking 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.*

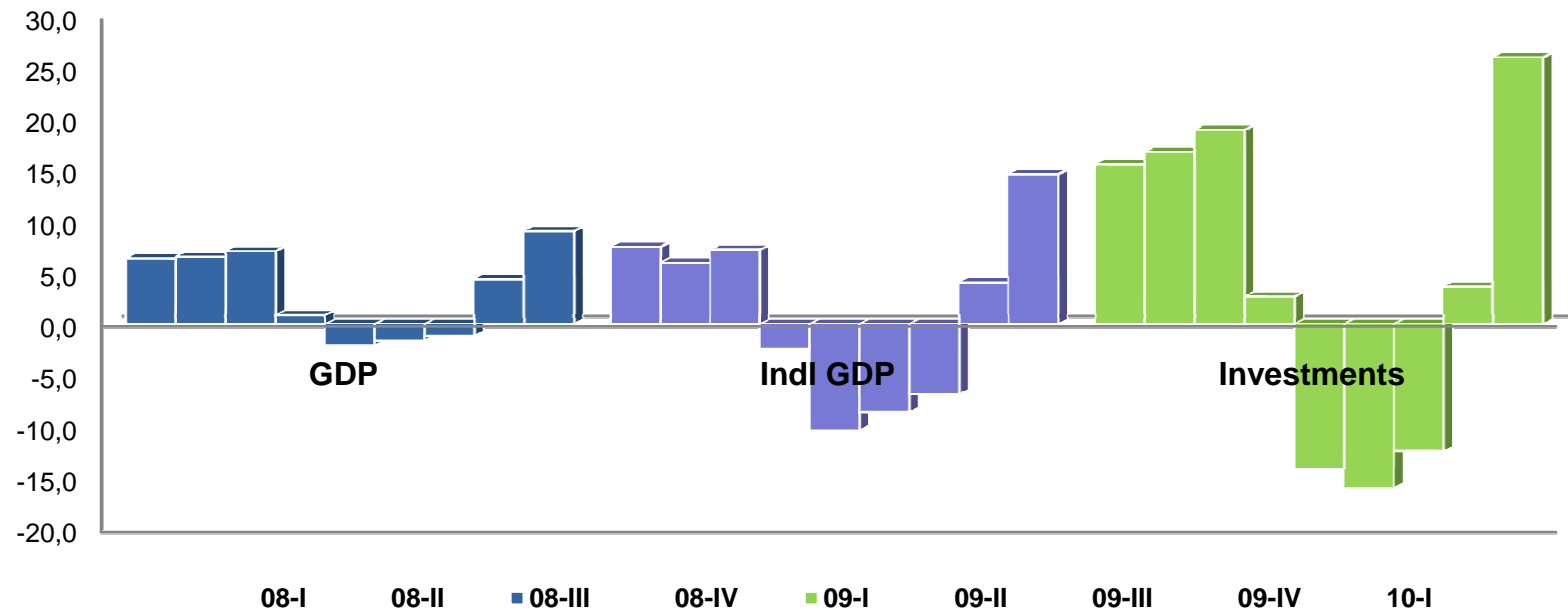


- In 2Q10 new orders grow 81.3% as compared to 2Q09 and reach R\$ 208 million. In relation to 1Q10 growth was 31.5%;
- Net operating revenue reaches R\$ 167.6 million in 2Q10, an increase of 61.1% over 2Q09 and of 15.5% over 1Q10;
- Orders backlog remains steady, to the tune of R\$ 225.4 million in 2Q10, with growth of 7.7% over 1Q10 and 133.4% in relation to 2Q09;
- EBITDA stands at R\$ 23.7 million in 2Q10, with margin of 14.1% and growth of 27.7% over 1Q10;
- Strong growth in revenue from Plastic Processing Machines;
- Romi reaches the mark of 150,000 machines produced in its manufacturing units.





## GDP – Industrial GDP – Gross Fixed Capital Formation



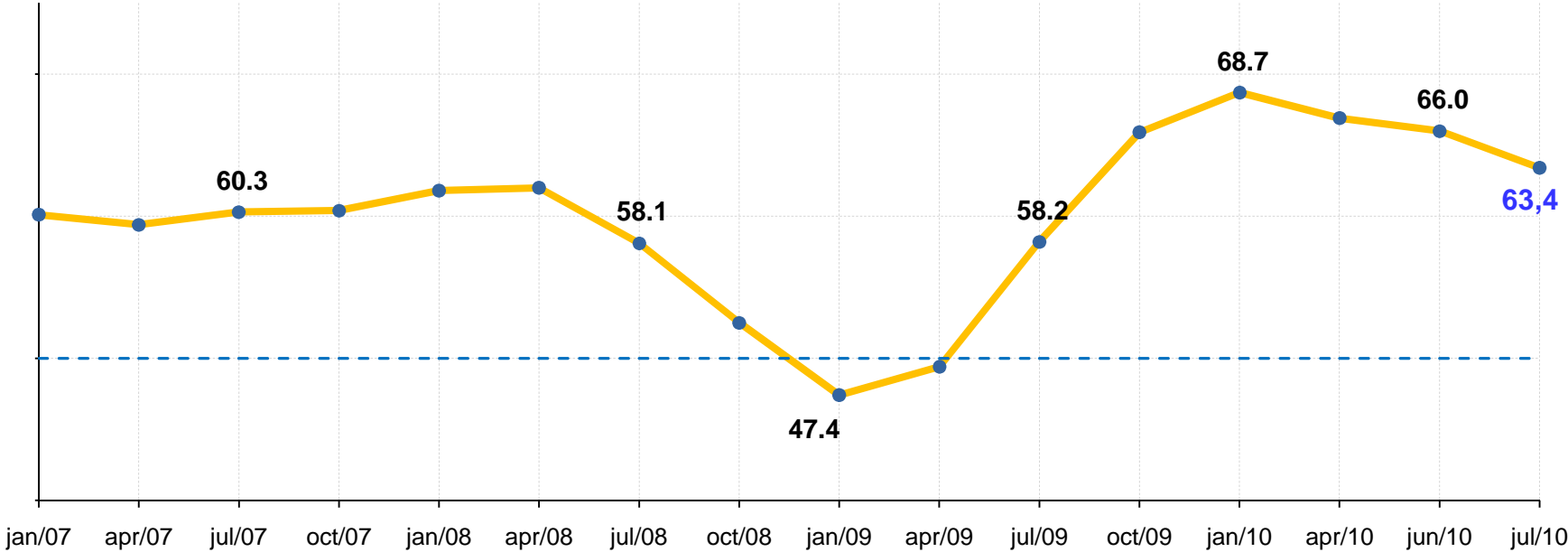
Source: IBGE (QxQ)

# Industry Confidence Indicator



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ICEI – Industry Confidence Indicator

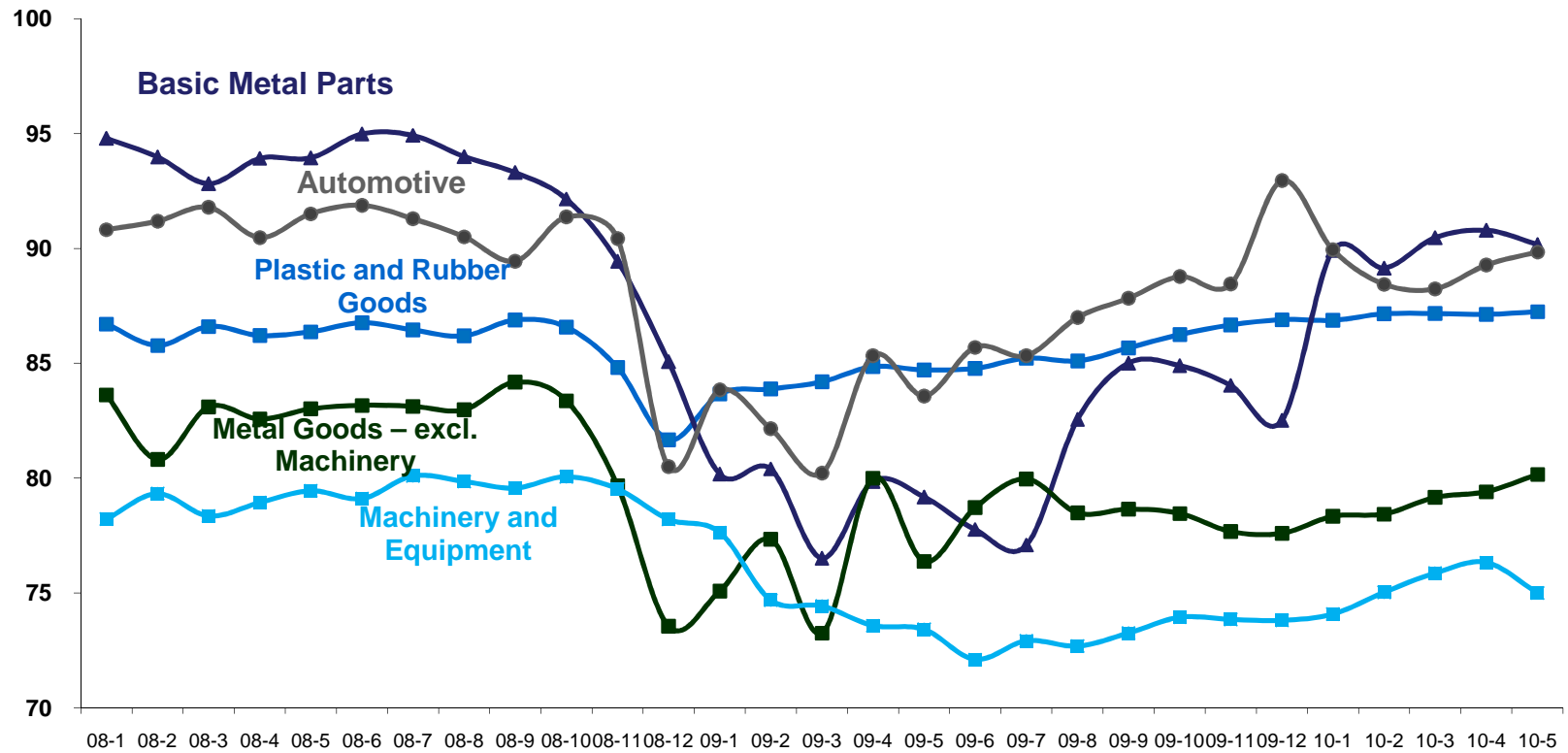


Source: CNI

# Capacity Utilization - Brazilian Industry



## 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. 1H10	21%	10%	15%	10%	6%	4%	6%	28%
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 %	
	1H10	2009
Packaging	28%	26%
Job Shops	13%	13%
Automotive	25%	17%
Home Appliances	12%	3%
Home Utilities	4%	11%
Others	18%	30%

## Castings



SECTOR	ROL %	
	1H10	2009
Automotive (Trucks)	70%	58%
Electricity Generation	4%	23%
Agriculture	17%	14%
Automotive (Cars)	3%	1%
Capital Goods	6%	4%

# Order Entry



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Order Entry (R\$ thousands)	1Q10	2Q10	% Chg.	2Q09	2Q10	% Chg.
Machine Tools	94,084	132,784	41.1	73,964	132,784	79.5
Plastic Machines	42,138	53,187	26.2	31,441	53,187	69.2
Rough and Machined Cast Iron Parts	21,968	22,065	0.4	9,332	22,065	136.4
<b>Total</b>	<b>158,190</b>	<b>208,036</b>	<b>31.5</b>	<b>114,737</b>	<b>208,036</b>	<b>81.3</b>

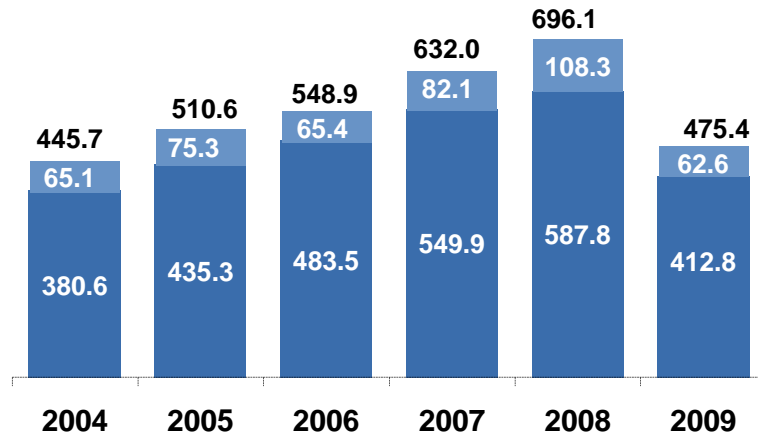
Order Entry (R\$ thousands)	1H09	1H10	% Chg.
Machine Tools	108,004	226,868	110.1
Plastic Machines	46,600	95,325	104.6
Rough and Machined Cast Iron Parts	12,953	44,033	239.9
<b>Total</b>	<b>167,557</b>	<b>366,226</b>	<b>118.6</b>

# Continuous Growth and Profitability

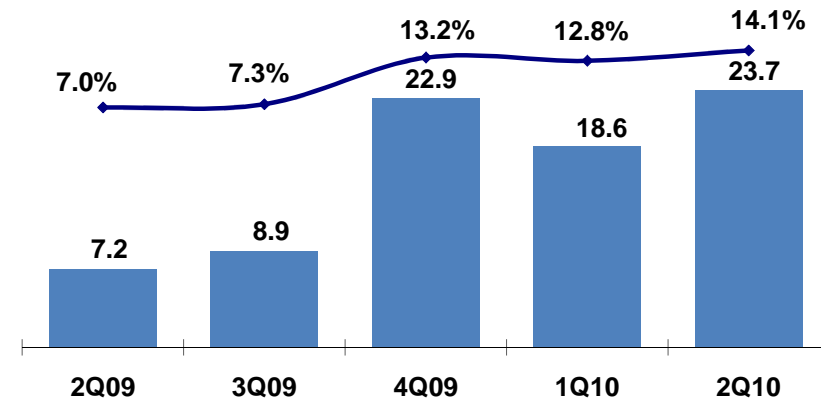
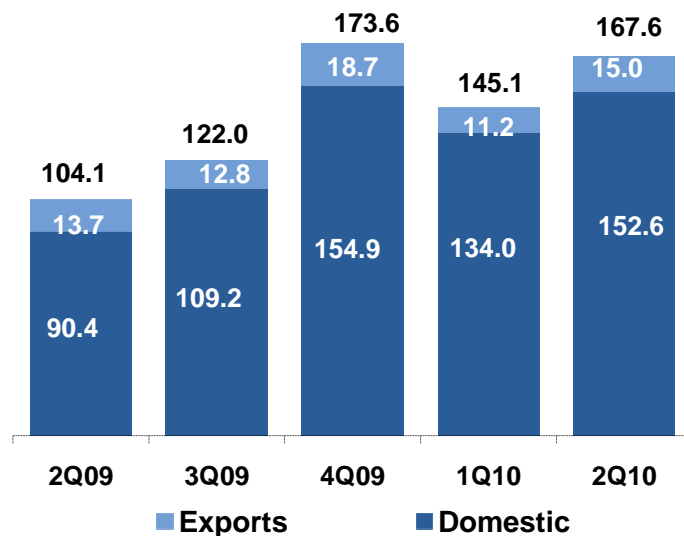
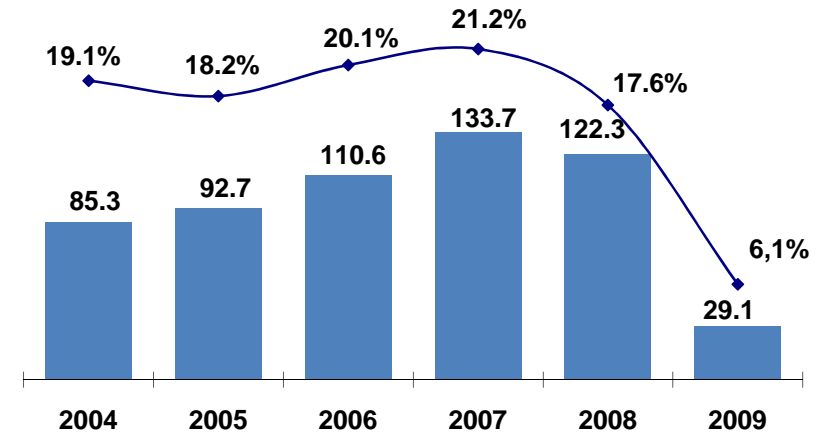


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Net Revenues (R\$ MM)



EBITDA and EBITDA Margin (R\$ MM)

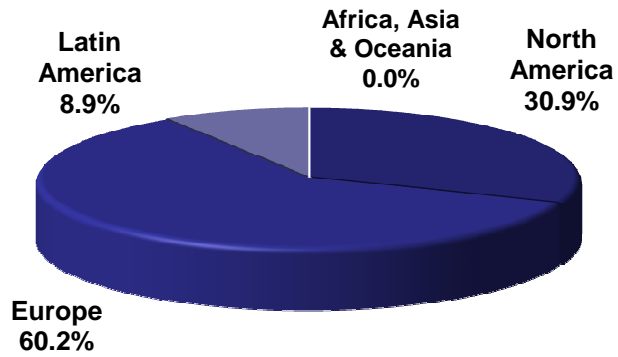


# Foreign Markets

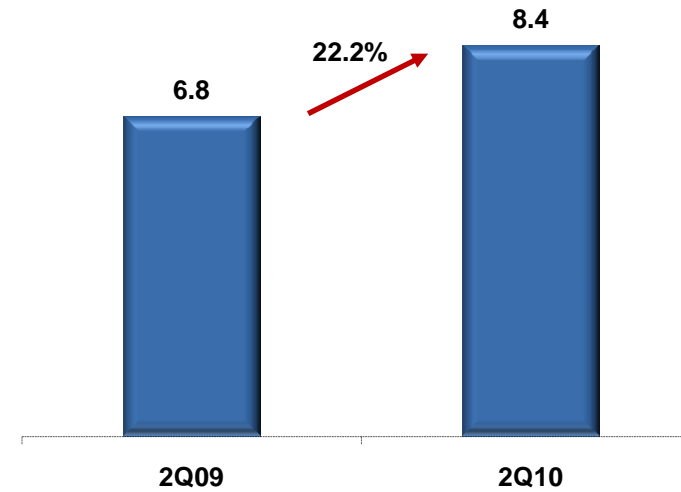


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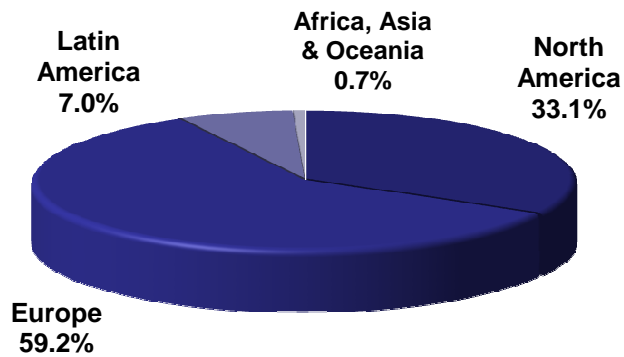
### Foreign Markets – 2Q10



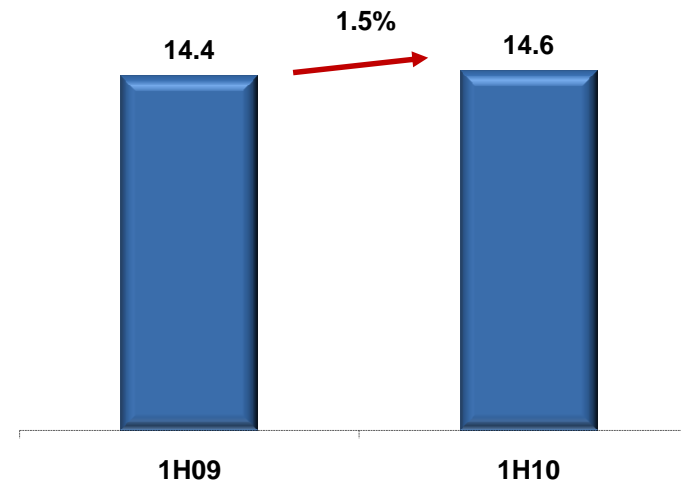
### Foreign Markets – US\$ MM – 2Q10



### Foreign Markets – 1H10



### Foreign Markets – US\$ MM – 1H10

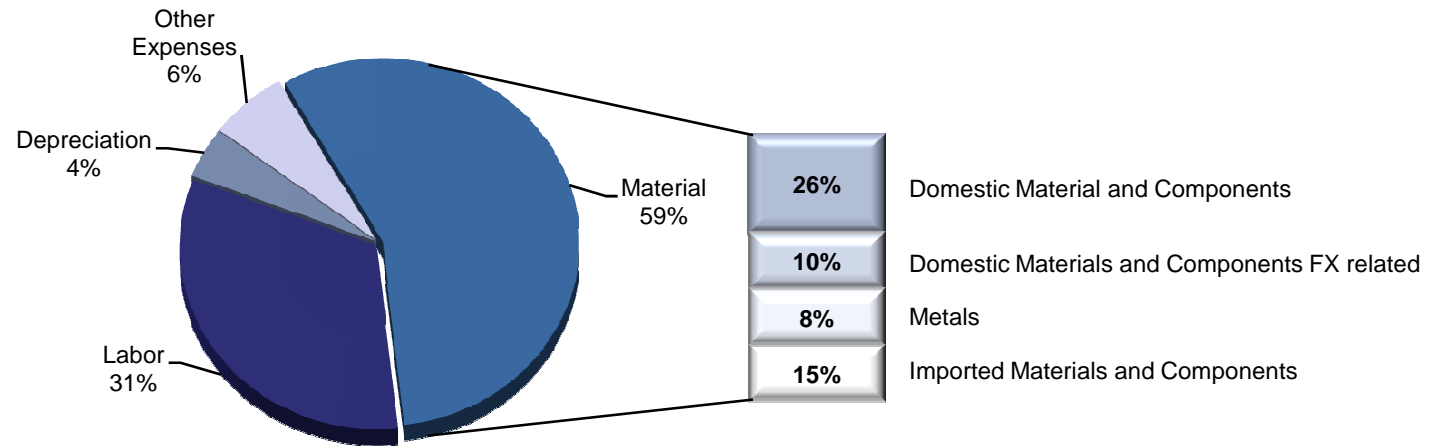


# Cost of Goods Sold

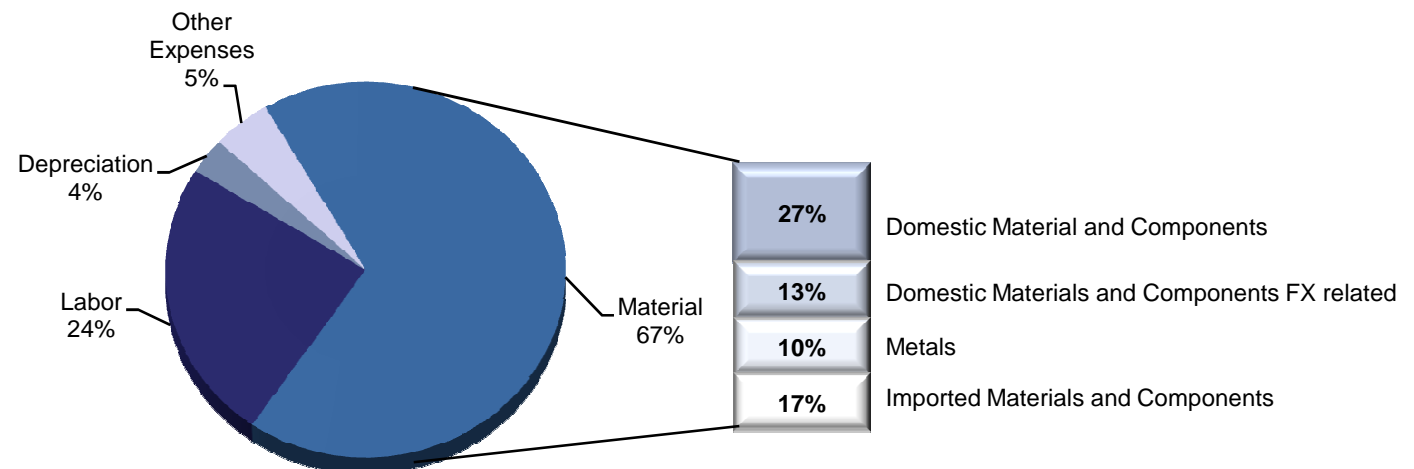


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**Cost Structure – Consolidated – 1H09**



**Cost Structure – Consolidated – 1H10**



# Consolidated Margins



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R\$ MM	2Q10	1Q10	2Q09	QoQ	YoY	1H10	1H09	YoY
<b>Gross Profit</b>	<b>59.6</b>	<b>52.2</b>	<b>31.2</b>	<b>14.2%</b>	<b>90.9%</b>	<b>111.8</b>	<b>56.5</b>	<b>97.8%</b>
<b>Gross Margin</b>	<b>35.6%</b>	<b>36.0%</b>	<b>30.0%</b>	<b>-0.4 p.p.</b>	<b>5.6 p.p.</b>	<b>35.7%</b>	<b>31.4%</b>	<b>4.3 p.p.</b>
<b>EBITDA</b>	<b>23.7</b>	<b>18.6</b>	<b>7.2</b>	<b>27.5%</b>	<b>227.3%</b>	<b>42.3</b>	<b>-2.7</b>	<b>1,675.2%</b>
<b>EBITDA Margin</b>	<b>14.1%</b>	<b>12.8%</b>	<b>7.0%</b>	<b>1.3 p.p.</b>	<b>7.1 p.p.</b>	<b>13.5%</b>	<b>-1.5%</b>	<b>15.0 p.p.</b>
<b>Net Income</b>	<b>15.2</b>	<b>10.6</b>	<b>0.5</b>	<b>43.6%</b>	<b>2,914.5%</b>	<b>25.8</b>	<b>-7.3</b>	<b>451.6%</b>
<b>Net Margin</b>	<b>9.1%</b>	<b>7.3%</b>	<b>0.5%</b>	<b>1.8 p.p.</b>	<b>8.6 p.p.</b>	<b>8.2%</b>	<b>-4.1%</b>	<b>12.3 p.p.</b>

# Business Units

## Net Revenue and Sales Volume



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R\$ MM	2Q10	1Q10	2Q09	QoQ	YoY	1H10	1H09	YoY
<b>Machine Tools</b>								
R\$ mm	<b>96.1</b>	<b>102.9</b>	<b>64.6</b>	<b>-6.6%</b>	<b>48.8%</b>	<b>199.0</b>	<b>114.9</b>	<b>73.2%</b>
Units Sold	<b>538</b>	<b>526</b>	<b>319</b>	<b>2.3%</b>	<b>68.7%</b>	<b>1,064</b>	<b>565</b>	<b>88.3%</b>
<b>Plastic Machines</b>								
R\$ mm	<b>53.7</b>	<b>28.9</b>	<b>28.9</b>	<b>85.8%</b>	<b>85.8%</b>	<b>82.6</b>	<b>44.3</b>	<b>86.5%</b>
Units Sold	<b>119</b>	<b>83</b>	<b>61</b>	<b>43.4%</b>	<b>95.1%</b>	<b>201</b>	<b>86</b>	<b>133.7%</b>
<b>Rough and Machined Cast</b>								
R\$ mm	<b>17.8</b>	<b>13.4</b>	<b>10.6</b>	<b>32.8%</b>	<b>67.9%</b>	<b>31.2</b>	<b>20.6</b>	<b>51.5%</b>
Tons Sold	<b>3,016</b>	<b>2,423</b>	<b>1,952</b>	<b>24.5%</b>	<b>54.5%</b>	<b>5,449</b>	<b>3,778</b>	<b>44.2%</b>

# Business Units Margins



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R\$ MM	2Q10	1Q10	2Q09	QoQ	YoY	1H10	1H09	YoY
<b>Machine Tools</b>								
Gross Margin	42.7%	41.2%	33.7%	1.5 p.p.	9.0 p.p.	41.9%	37.6%	4.3 p.p.
EBIT Margin	16.8%	16.1%	10.3%	0.7 p.p.	6.5 p.p.	16.4%	1.3%	15.1 p.p.
<b>Plastic Machines</b>								
Gross Margin	34.4%	31.6%	36.2%	2.8 p.p.	-1.8 p.p.	33.4%	37.3%	-3.9 p.p.
EBIT Margin	6.2%	-5.6%	-3.8%	11.8 p.p.	10.0 p.p.	2.1%	-15.0%	17.1 p.p.
<b>Rough and Machined Cast</b>								
Gross Margin	0.6%	5.4%	-9.5%	-4.8 p.p.	10.1 p.p.	2.7%	-15.4%	18.1 p.p.
EBIT Margin	-9.8%	-7.6%	-25.8%	-2.2 p.p.	16.0 p.p.	-8.9%	-32.7%	23.8 p.p.



# Cash Position



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## Cash and Cash Equivalent – R\$ MM

	<u>Amount</u>
Bank Certificate of Deposit (CDB)	37.8
Financial Investments with debentures	19.0
Time Deposit - Abroad	167.2
Banks	<u>10.9</u>
Total	234.9

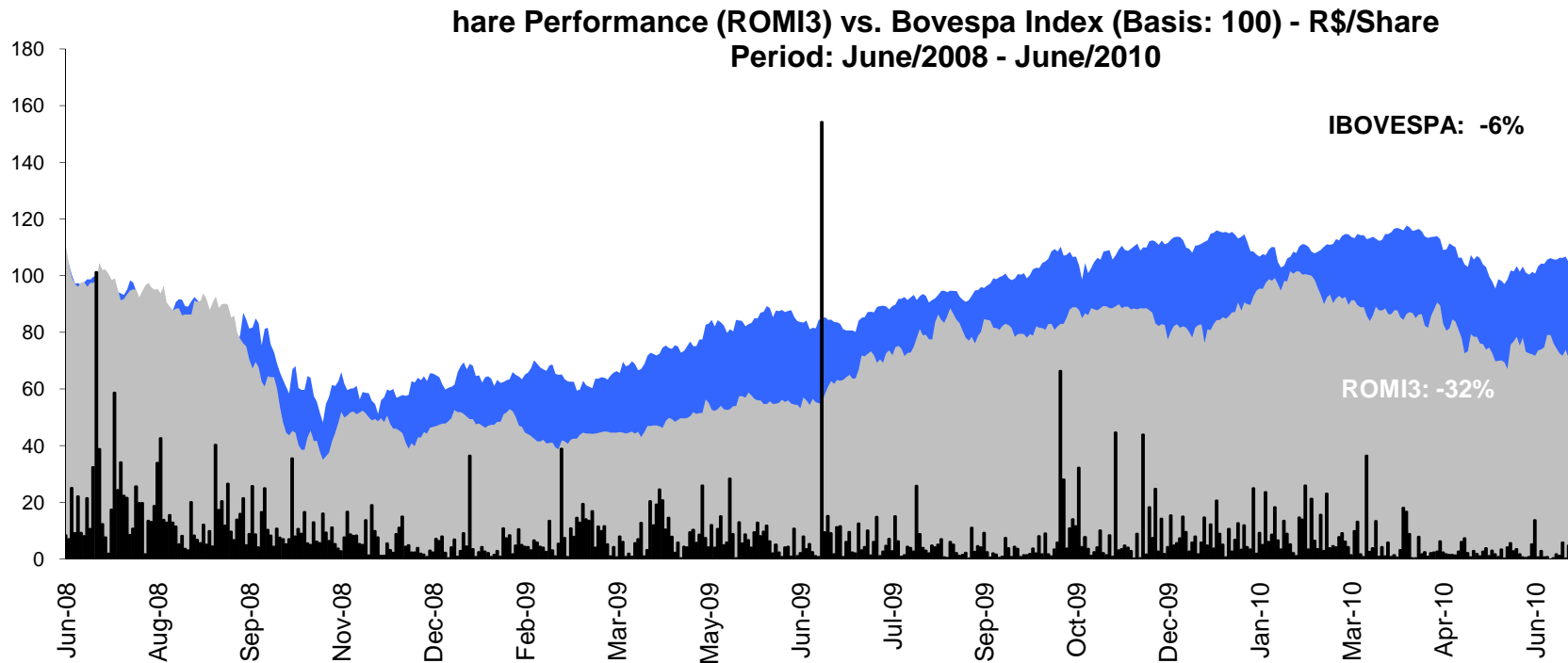
Net Debt = 5.9

## Loans – R\$ MM

Loans as of 06/30/2010: 240.8

The maturities of financing recorded as follow:

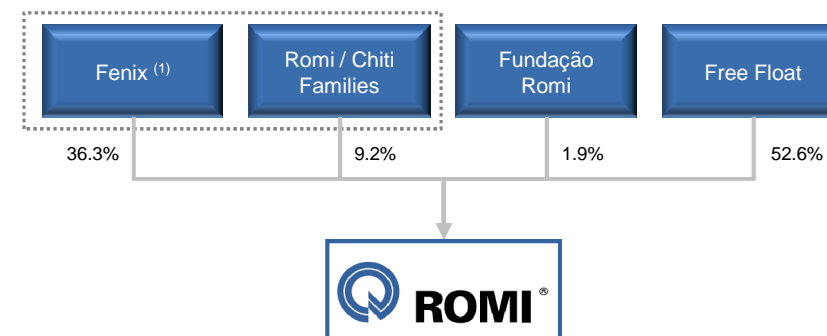
<u>Year</u>	<u>Amount</u>
2010	23.2
2011	11.8
2012	108.0
2013	31.4
2014	23.5
After 2014	<u>42.9</u>
Total	<u>240.8</u>



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 Previous – Oct/2009	2010 Revised – July/2010
Net Operating Revenue Growth	20% to 30%	35% to 40%
EBITDA Margin - 2010	6% to 12%	14% to 17%
CAPEX	R\$ 45Million	R\$ 45Million

### Assumptions

Maintenance of the actual economic environment and exchange rate stability.



**ROMI**®

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**Livaldo Aguiar dos Santos**

CEO – Chief Executive Officer

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