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A TRADITION OF INNOVATION



2Q14 Earnings Release

July 30, 2014



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.

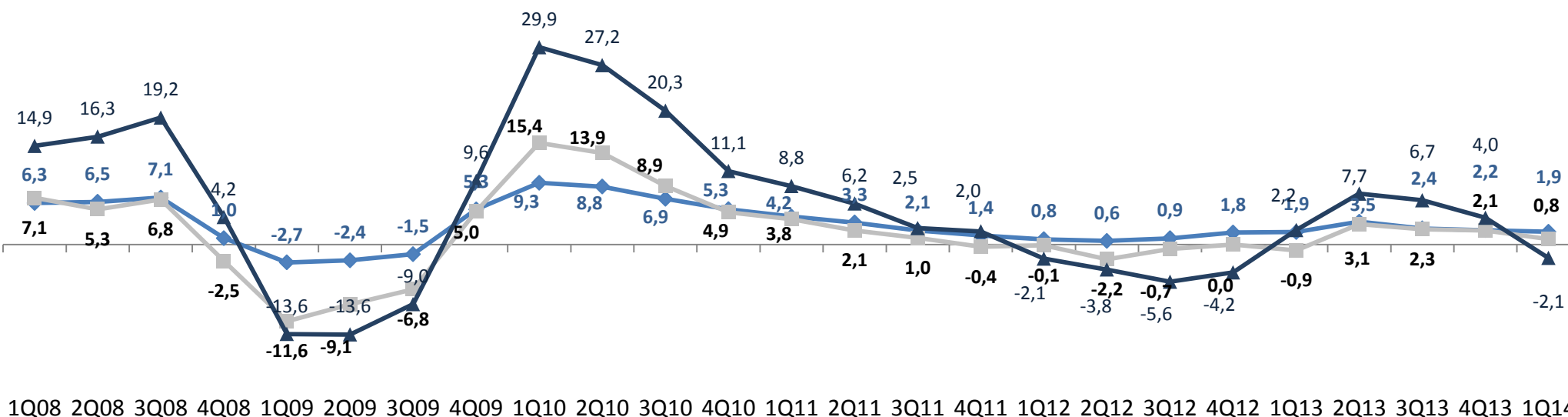


- **Net operating revenue** of R\$ 143.6 million for 2Q14, representing a fall of 5.2% in relation to 2Q13. In the first half of 2014, net operating revenue reached R\$ 294.3 million, 0.9% over the revenue obtained in the same period of 2013;
- **Gross margin** reached 27.7% for 2Q14, steady as compared with 2Q13. For 1H14 gross margin was 28.3%, 1.4 percentage points over the margin for 1H13;
- **EBITDA** margin for 2Q14 was 7.0%, 0.7 pp down from 2Q13. For 1H14, the margin was 2.1 pp up from 1H13;
- For 2Q14 loss came in at R\$ 0.7 million, due to the **slowdown of the country's industrial activity** in the period, which resulted in a revenue for the quarter below the historical average;
- The volume of **order entry** was R\$ 168.4 million for the quarter, 34.3% down from 2Q13. For 1H14, the amount was 16.3% down from 1H13, reaching R\$ 342.7 million;
- The **order backlog** remains solid, totaling R\$ 320.0 million as at June 30, 2014.

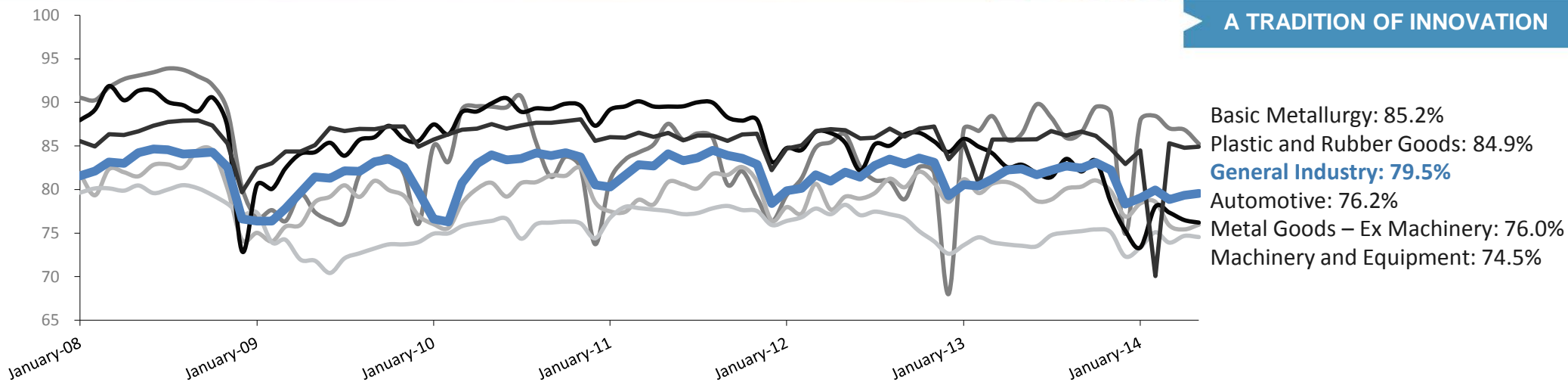
Economic Indexes – Conjunctural Indicators



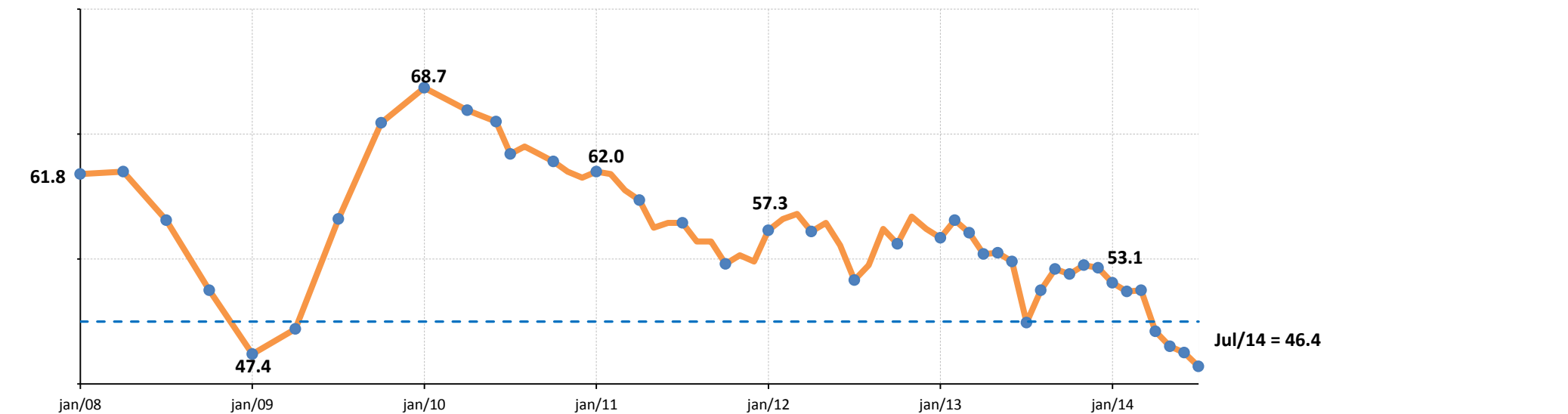
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Source: IBGE (quarter this year vs. quarter last year) —◆— GDP —■— Industrial GDP —▲— Gross Fixed Capital Formation



Source: Fiesp -INA Activity Level Indicator - NUCI (Level of Utilization of Installed Capacity), May 2014



Source: CNI – ICEI (Industrial Executive Confidence Index), July 2014



Machine Tools



Net Operating Revenues Distribution

	1H14	2013
Job Shops	24%	19%
Machines and Equipments	20%	16%
Automotive	9%	12%
Technical Schools	8%	9%
Tooling	6%	5%
Agricultural Equipment	5%	8%
Others	28%	31%

Plastic Machines



Net Operating Revenues Distribution

	1H14	2013
Packaging	52%	26%
Automotive	16%	15%
Furniture	10%	10%
Real Estate	5%	8%
Job Shops	4%	8%
Others	13%	33%

Raw and Machined Cast Iron Parts



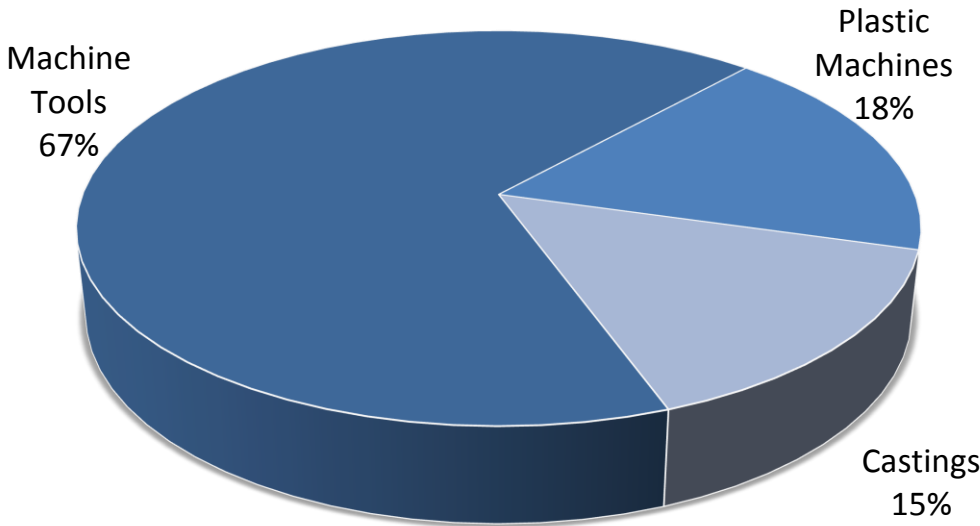
Net Operating Revenues Distribution

	1H14	2013
Automotive - Trucks	44%	39%
Agriculture	35%	23%
Wind Power	17%	33%
Others	4%	5%

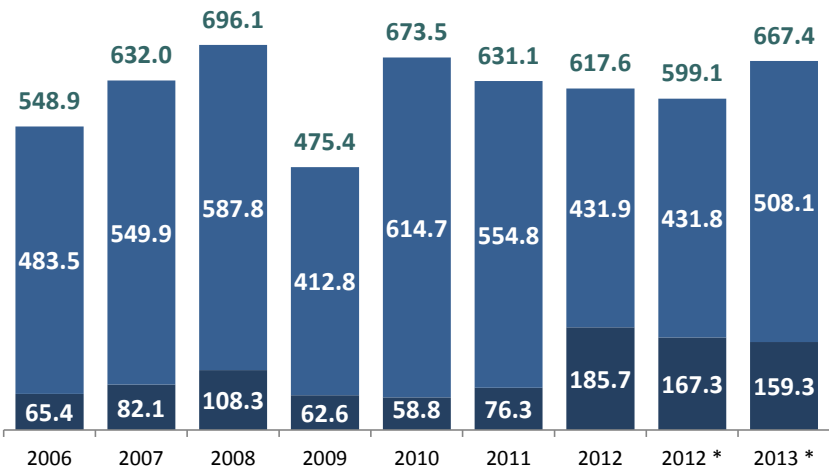
Net Sales per Business Unit



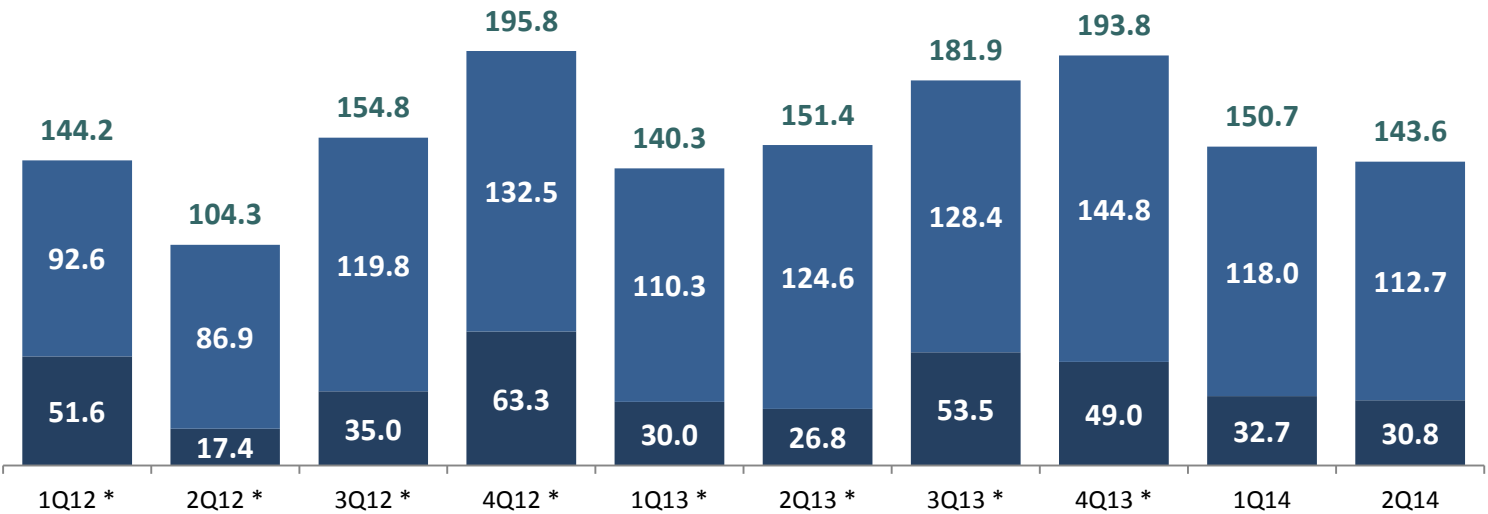
1H14



Net Operating Sales (R\$ million)



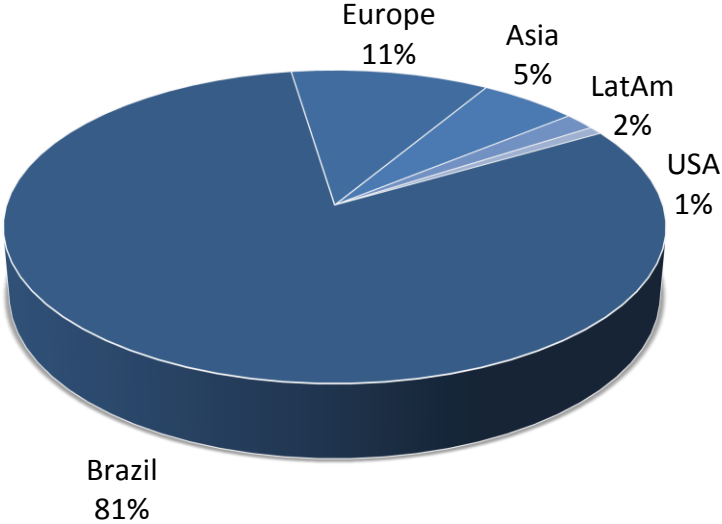
Foreign Sales Local Sales



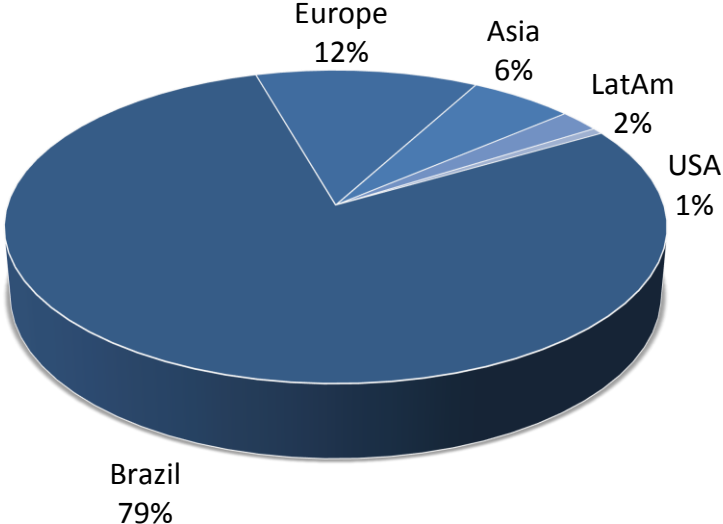
* Amounts relating to continued operations, excluding the revenue from the subsidiary Romi Italia, which are presented as discontinued operations.



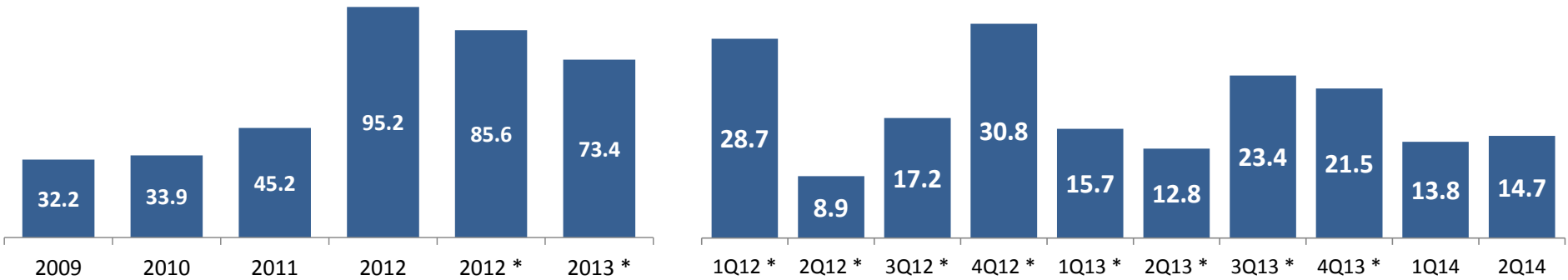
1H13



1H14



Foreign Sales – US\$ million



* Amounts relating to continued operations, excluding the revenue from the subsidiary Romi Italia, which are presented as discontinued operations.



Order Entry (R\$ 000) Gross Values, sales taxes included	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Chg 2Q14/2Q13	Chg 2Q14/1Q14
Machine Tools	84.479	173.368	144.518	119.676	119.538	117.411	-32,3%	-1,8%
Plastic Machines	25.462	45.484	25.686	35.170	18.337	24.100	-47,0%	31,4%
Rough and Machined Cast Iron Parts	43.071	37.495	35.949	25.940	36.447	26.899	-28,3%	-26,2%
Total	153.012	256.347	206.154	180.786	174.321	168.410	-34,3%	-3,4%

Order Entry (R\$ 000) Gross Values, sales taxes included	1S13	1S14	Chg 2014/2013
Machine Tools	257.847	236.948	-8,1%
Plastic Machines	70.946	42.437	-40,2%
Rough and Machined Cast Iron Parts	80.565	63.346	-21,4%
Total	409.358	342.731	-16,3%

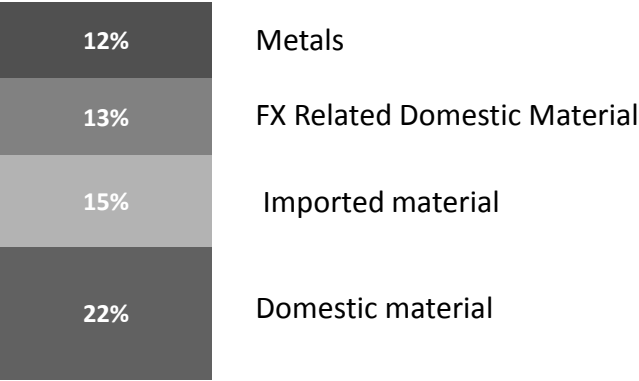
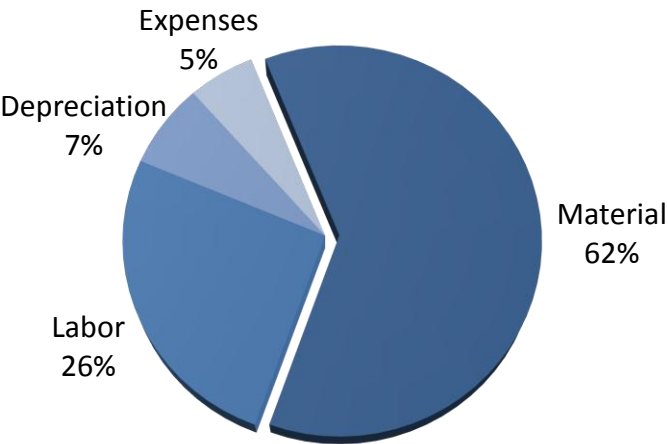
Order Book (R\$ 000) Gross Values, sales taxes included	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Chg 2Q14/2Q13	Chg 2Q14/1Q14
Machine Tools	176.377	246.312	254.591	238.522	227.486	248.174	0,8%	9,1%
Plastic Machines	31.209	45.969	49.219	41.345	38.233	35.819	-22,1%	-6,3%
Rough and Machined Cast Iron Parts	37.026	37.846	35.505	29.556	38.388	35.979	-4,9%	-6,3%
Total	244.612	330.127	339.315	309.423	304.107	319.971	-3,1%	5,2%

Cost of Goods Sold

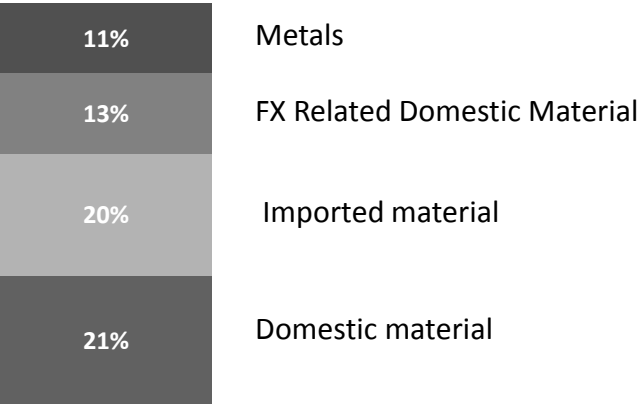
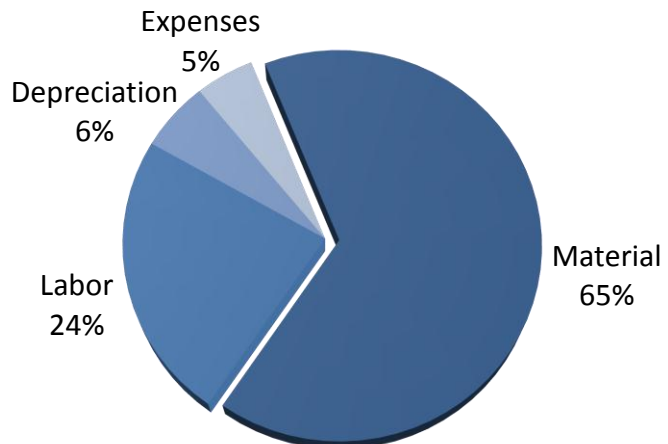


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1H13

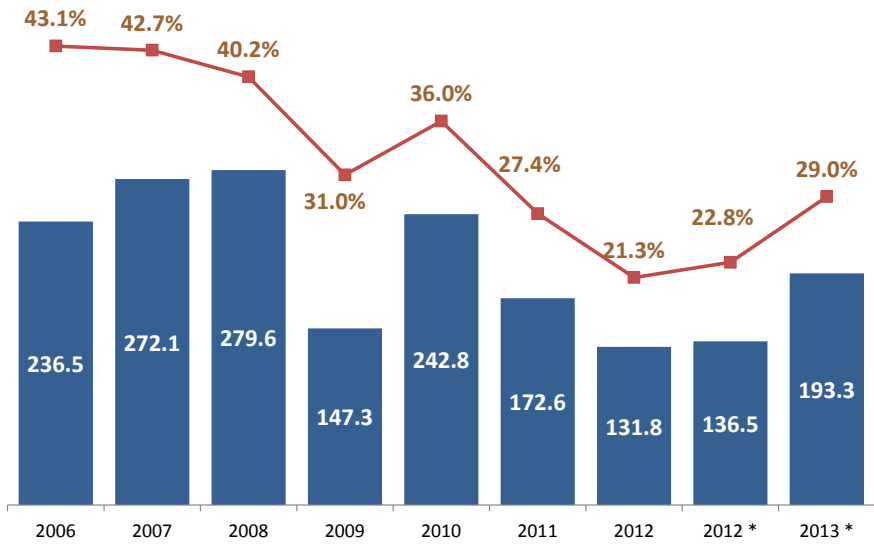
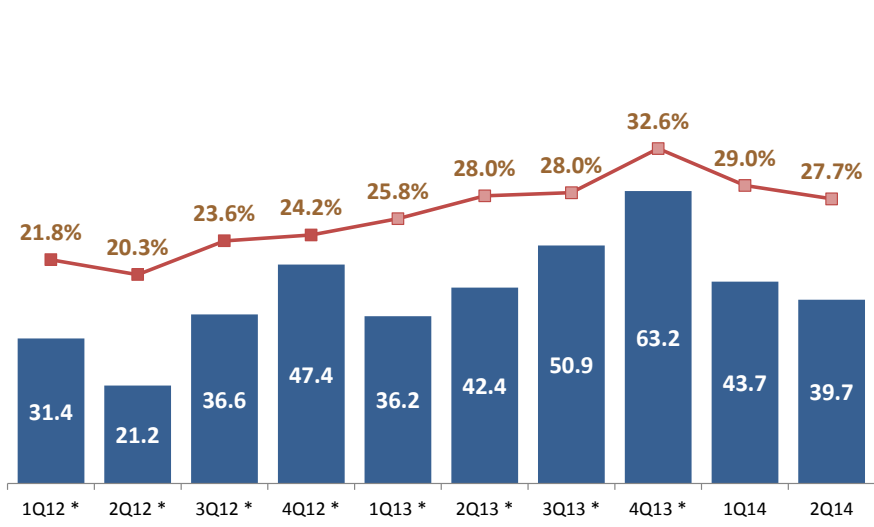


1H14

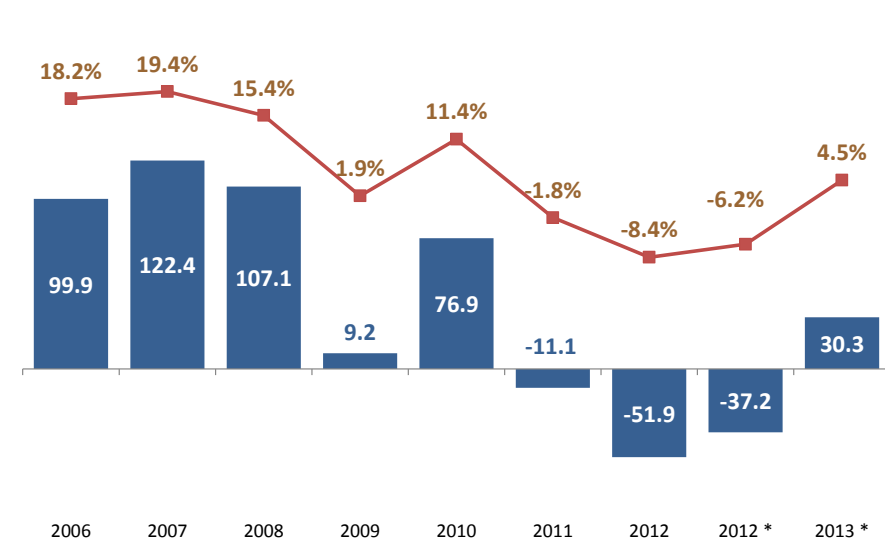
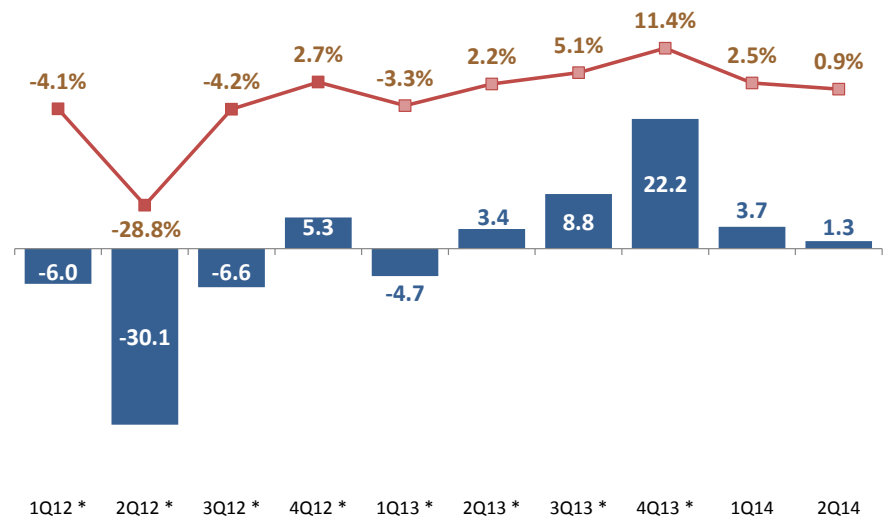




Gross Profit (R\$ million) and Gross Margin



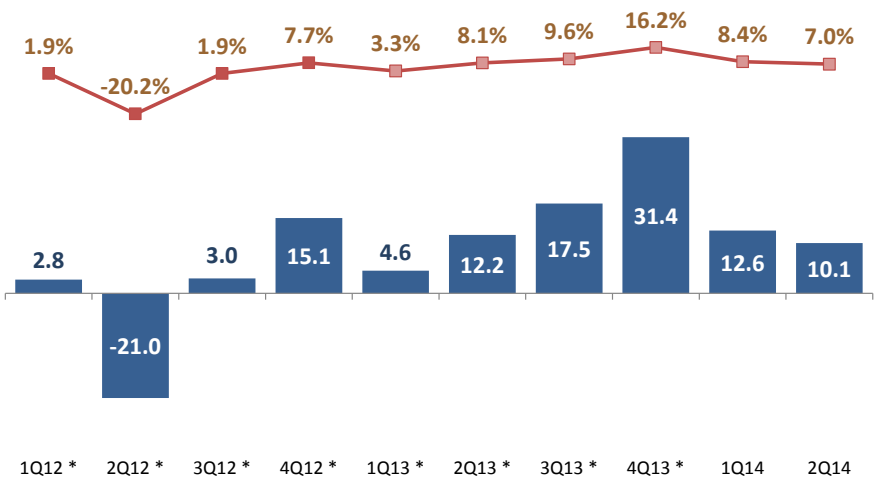
Operating Profit (R\$ million) and Operating Margin



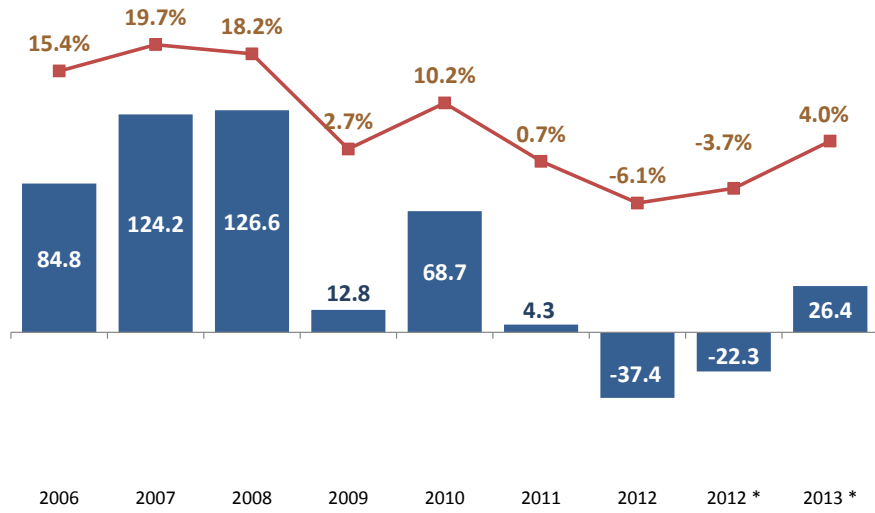
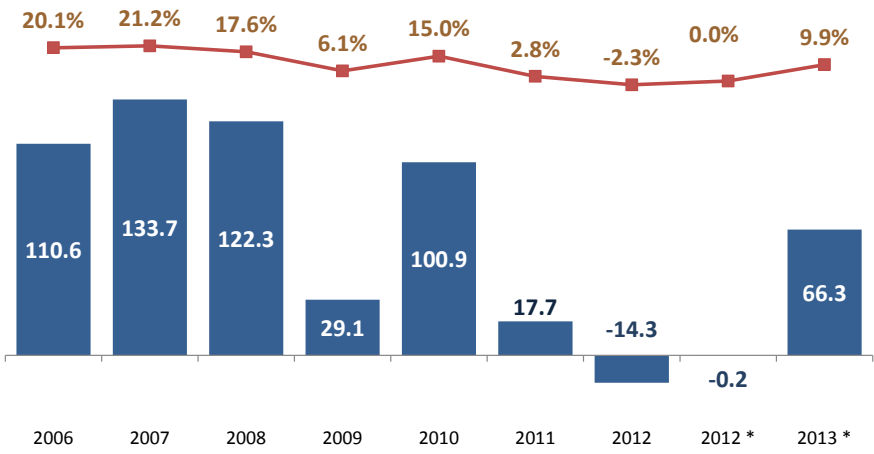
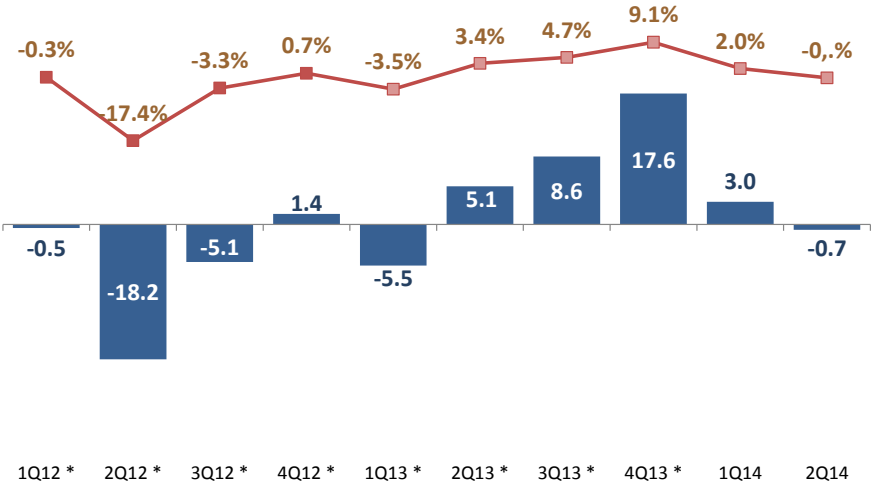
* Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia



EBITDA (R\$ million) and EBITDA Margin



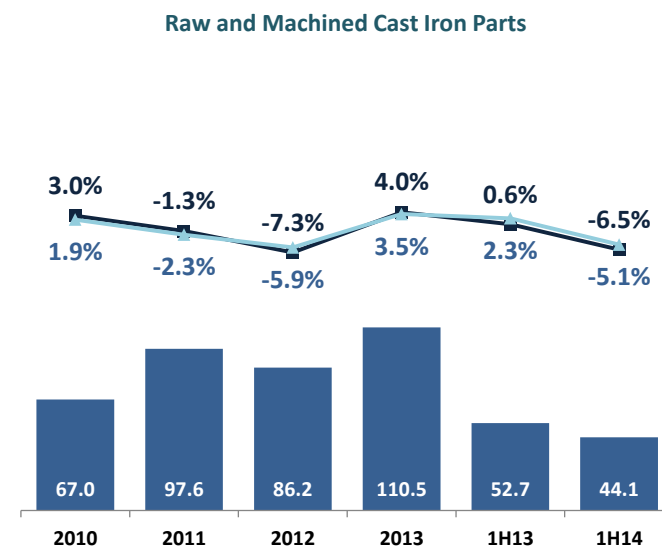
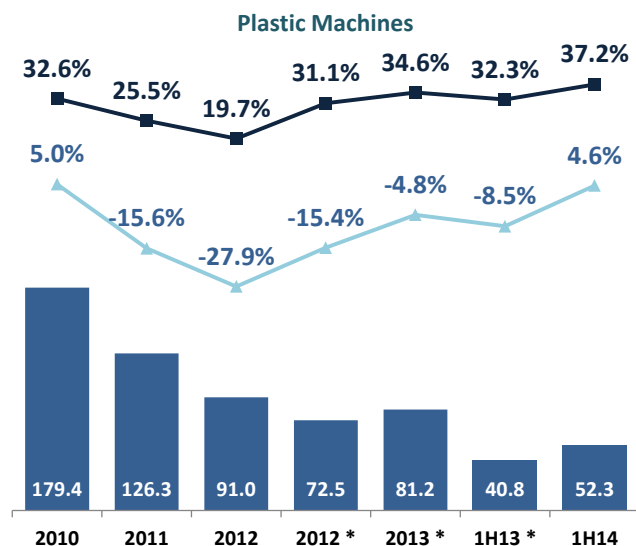
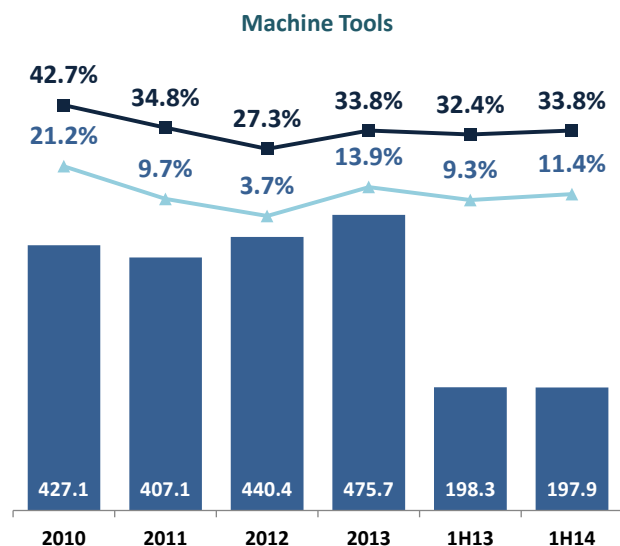
Net Income (R\$ million) and Net Margin



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

Business Units' Results

Sales	Quarter						Accumulated	
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	1H13	1H14
Machine Tools (units)	400	304	367	443	245	281	704	526
Plastic Machines (units)	44	61	49	60	53	38	105	91
Rough and Machined Cast Iron Parts (ton.)	3.598	4.436	4.991	4.475	3.564	3.571	8.034	7.135



■ Net Revenues
 ■ Gross Margin
 ▲ EBITDA Margin

Cash Position



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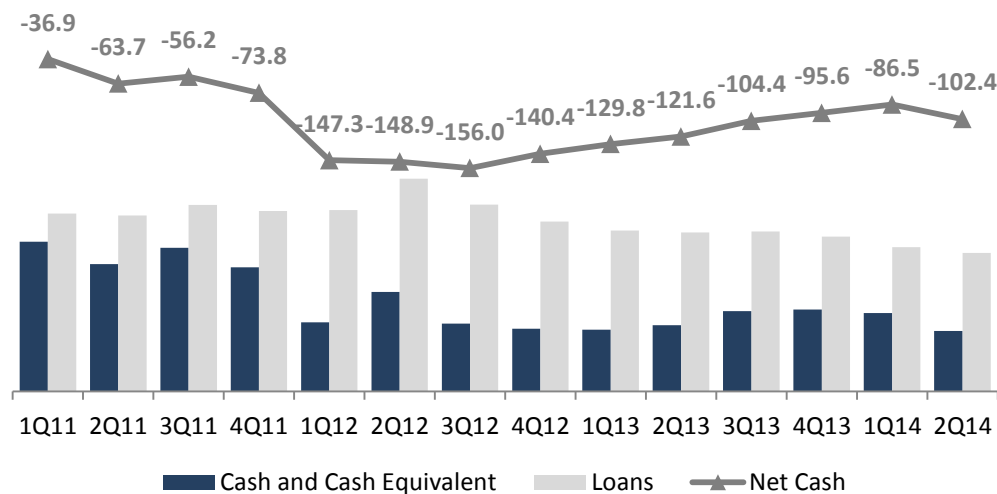
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Cash and Cash Equivalent – R\$ million – 06/30/2014	
	Amount
Bank Deposit Certificate (CDB)	48,6
Financial Investment with Bonds	7,5
Banks	23,0
Total	79,1
Net Debt =	102,4

Loans* – R\$ million – 06/30/2014	
	Amount
2014 (9 months)	24,6
2015	91,8
2016	30,2
2017	22,7
2018	5,9
2019 and afterwards	6,4
Total	181,5

(*) without Finame Manufacturer

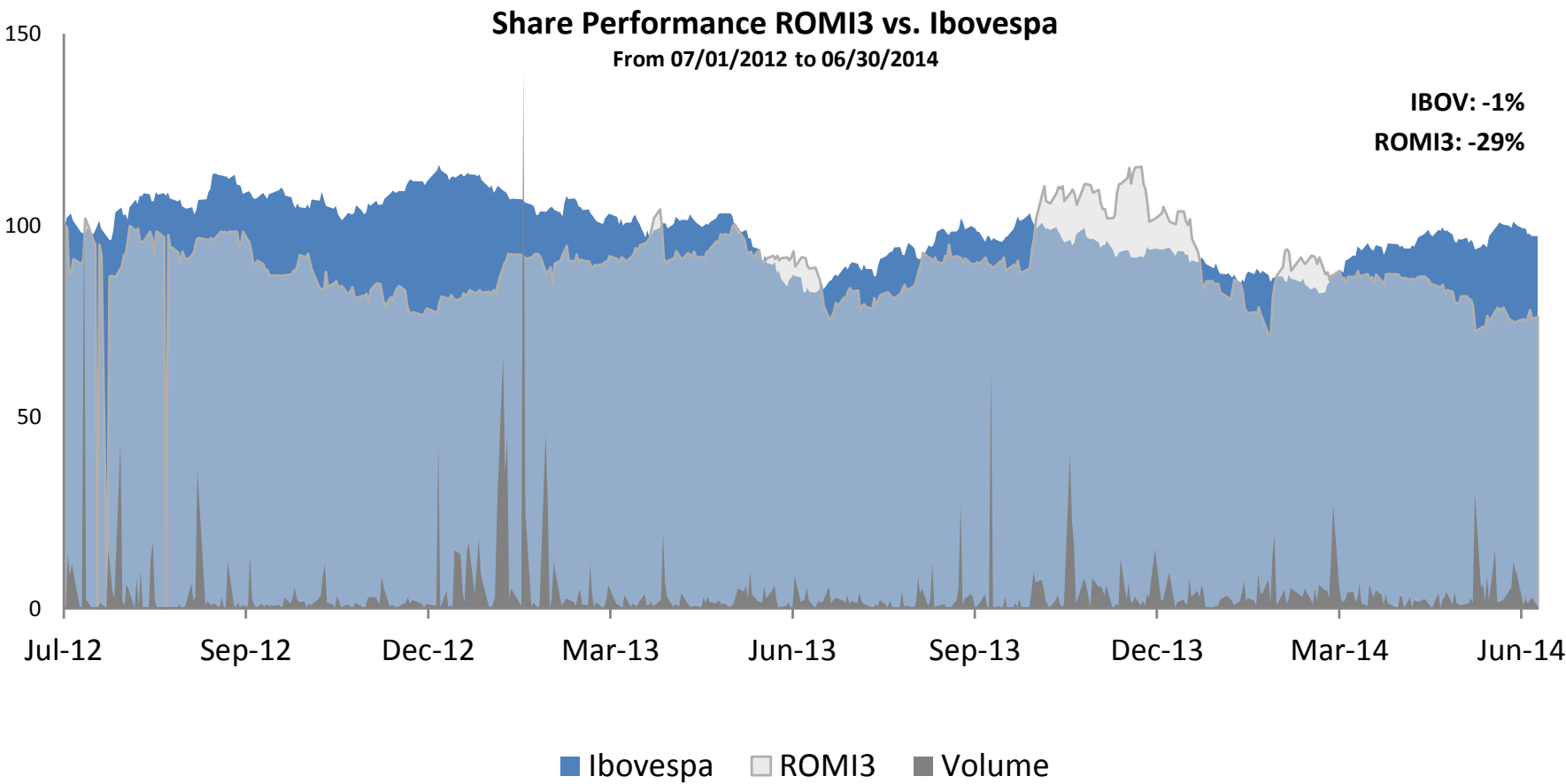
Net Cash (Debt) Position





€ 000

	1Q13	4Q13	1Q14	Chg % 1Q/1Q	Chg % 1Q/4Q	1H13	1H14	Chg % 14/13
Net Operating Revenue	6,673	7,542	5,373	(19.5)	(28.8)	14,373	12,915	(10.1)
Cost of Goods Sold	(5,289)	(5,902)	(4,237)	(19.9)	(28.2)	(11,689)	(10,140)	(13.3)
Gross Profit	1,384	1,639	1,136	(17.9)	(30.7)	2,685	2,775	3.4
<i>Gross Margin %</i>	<i>20.7%</i>	<i>21.7%</i>	<i>21.1%</i>			<i>18.7%</i>	<i>21.5%</i>	
Operating Income (Expenses)	(1,482)	(1,905)	(1,905)	28.5	(0.0)	(3,492)	(3,809)	9.1
Selling expenses	(446)	(584)	(572)	28.3	(2.0)	(1,314)	(1,156)	(12.1)
General and administrative expenses	(1,037)	(1,321)	(1,333)	28.5	0.9	(2,178)	(2,654)	21.8
Operating Income before Financial Results	(98)	(265)	(769)	681.2	189.5	(808)	(1,034)	28.0
<i>Operating Margin %</i>	<i>-1.5%</i>	<i>-3.5%</i>	<i>-14.3%</i>			<i>-5.6%</i>	<i>-8.0%</i>	
Financial Results, Net	(77)	(113)	(73)	(5.7)	(35.7)	(171)	(186)	9.2
Operating Income	(176)	(379)	(841)	379.0	122.1	(978)	(1,220)	24.7
Income tax and social contribution	(82)	-	-	(100.0)	-	18	-	(100.0)
Net income	(257)	(379)	(841)	226.9	122.1	(961)	(1,220)	27.0
<i>Net Margin %</i>	<i>-3.9%</i>	<i>-5.0%</i>	<i>-15.7%</i>			<i>-6.7%</i>	<i>-9.4%</i>	
EBITDA	273	12	(465)	(270.8)	(4,084.6)	135	(454)	(436.8)
Net income / loss	(257)	(379)	(841)	226.9	122.1	(961)	(1,220)	27.0
Income tax and social contribution	82	-	-	(100.0)	-	(18)	-	(100.0)
Financial Results, Net	77	113	73	(5.7)	(35.7)	171	186	9.2
Depreciation	371	277	303	(18.3)	9.4	942	580	(38.4)
<i>EBITDA Margin %</i>	<i>4.1%</i>	<i>0.2%</i>	<i>-8.7%</i>			<i>0.9%</i>	<i>-3.5%</i>	

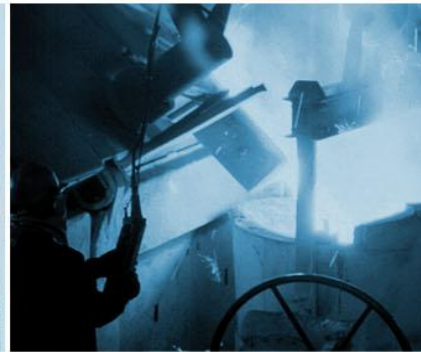


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