



ROMI®

A TRADITION OF INNOVATION



Earnings Release

October 29, 2009

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.



Livaldo Aguiar dos Santos

CEO – Chief Executive Officer

- Appointed Chief Executive Officer of Romi in August 2007



Sergio Roberto Novo

CFO – Chief Financial Officer

- Appointed Chief Finance Officer of Romi in 2005



Luiz Cassiano R. Rosolen

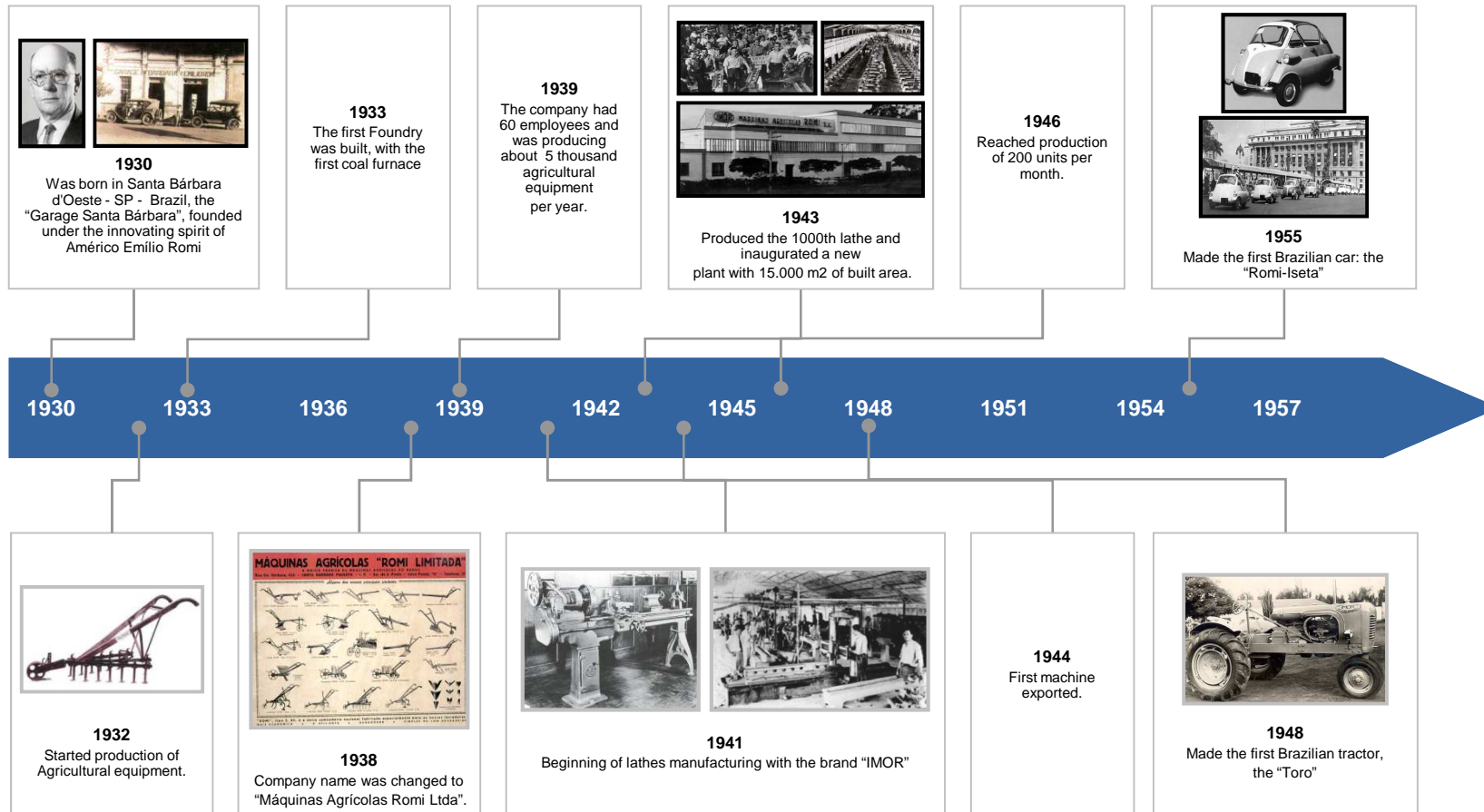
Executive Director

- Executive Director of Romi since 2008, joined the Company in 2006

History – 30's to 50's



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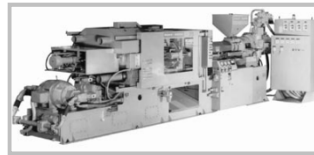
History – 60's to 80's



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1960
First Heavy duty Lathe: "TP-100"



1972
Beginning of production of
Plastic Injection Molding Machines
Initial Public Offering – IPO



1976
Made the first CNC lathe: "ECN-40"



1987
First CNC milling machine: "Interact 4"

1960

1963

1966

1969

1972

1975

1978

1981

1984

1987



1968
First Universal milling machine: "U-30"



1973
Searching for innovation, developed the first
Brazilian NC lathe, the "DCE-480 CN"



1980
Introduced the "Galaxy PPL", first full automatic
cnc lathe.

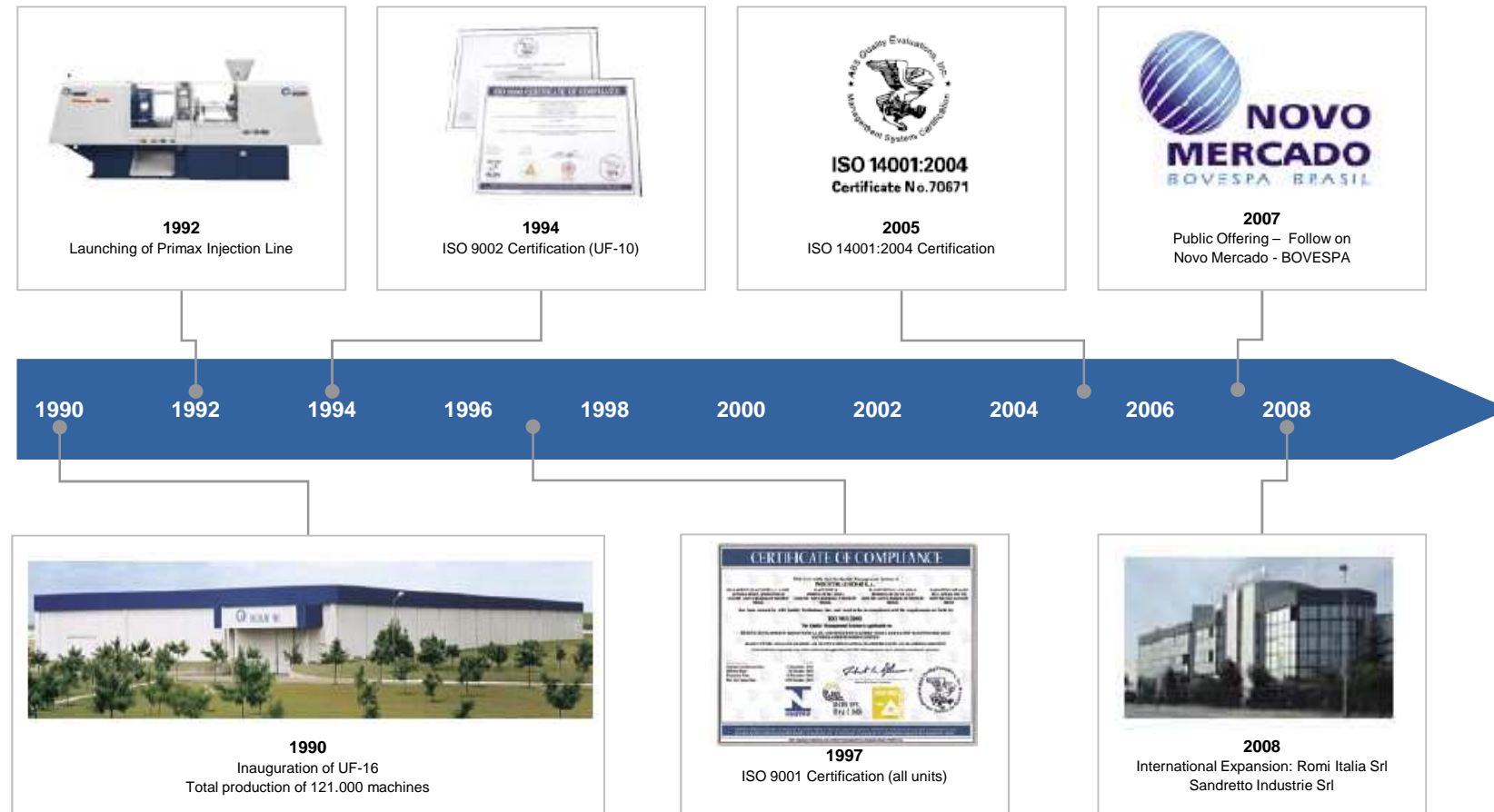


1987
Celebrated 100.000 machines produced

History – 90's to 00's



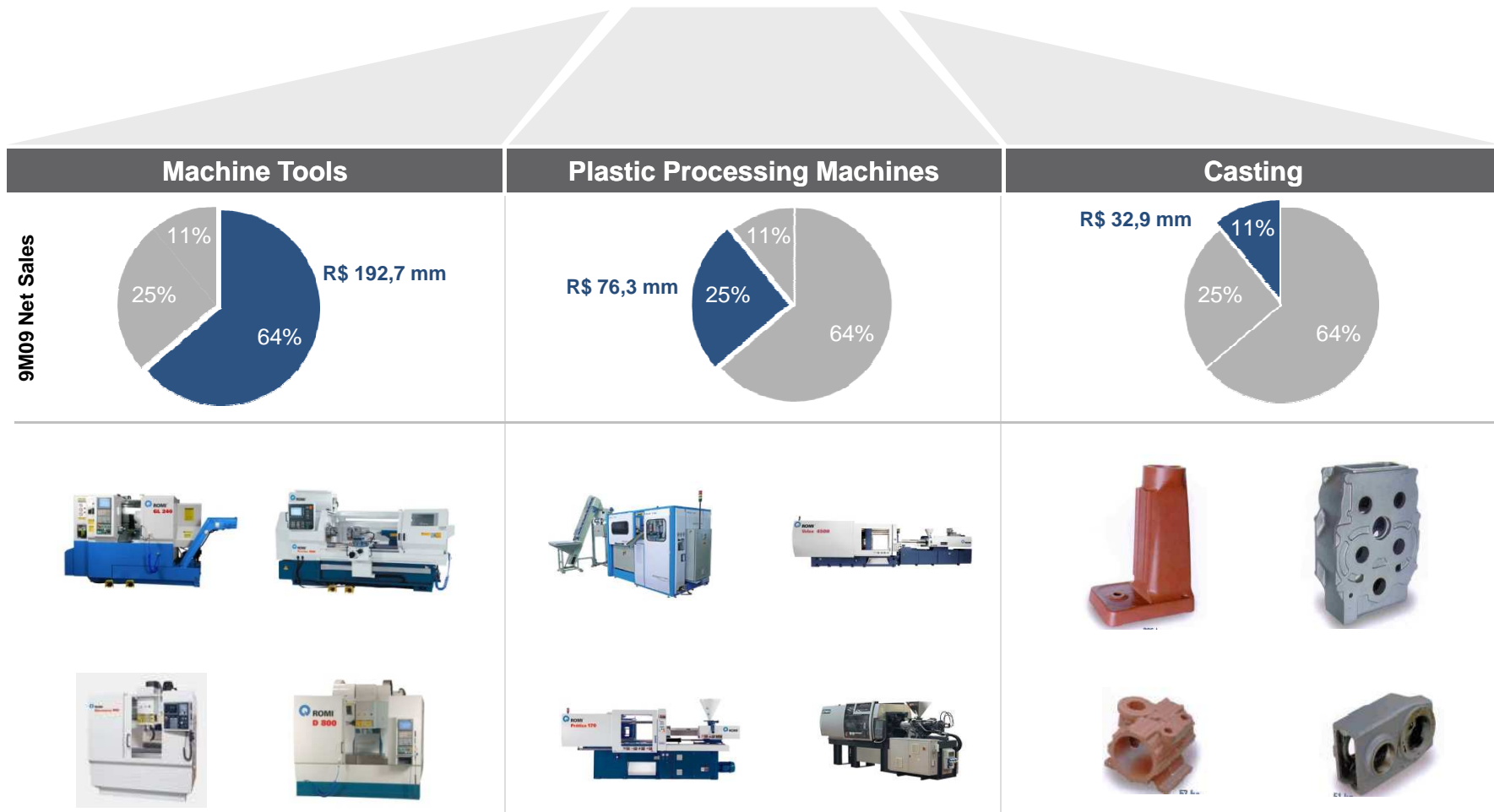
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Product Line



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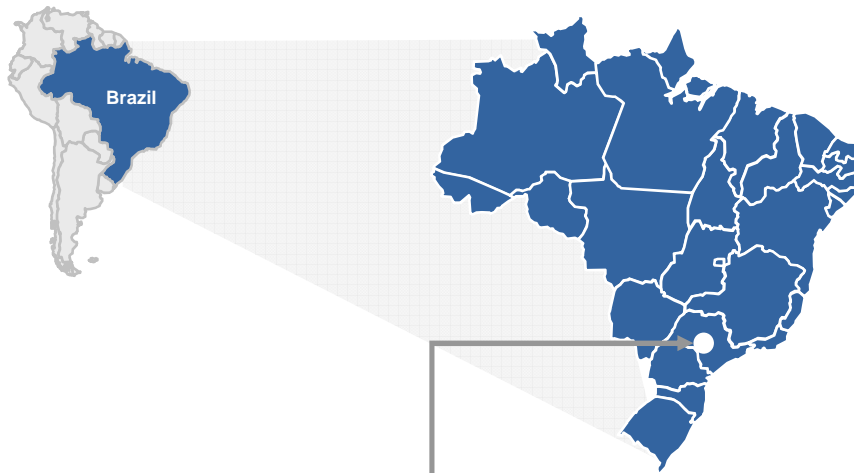
Manufacturing Facilities



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Romi has 9 production units located in Santa Bárbara d'Oeste in Brazil and 2 units in the region of Turin, Italy

Brazil



Sta Bárbara d'Oeste, State of São Paulo

- **Machining and Components**
 - 4 production units
- **Assembly**
 - 3 production units
- **Casting**
 - 2 casting units



Italy



Region of Turin

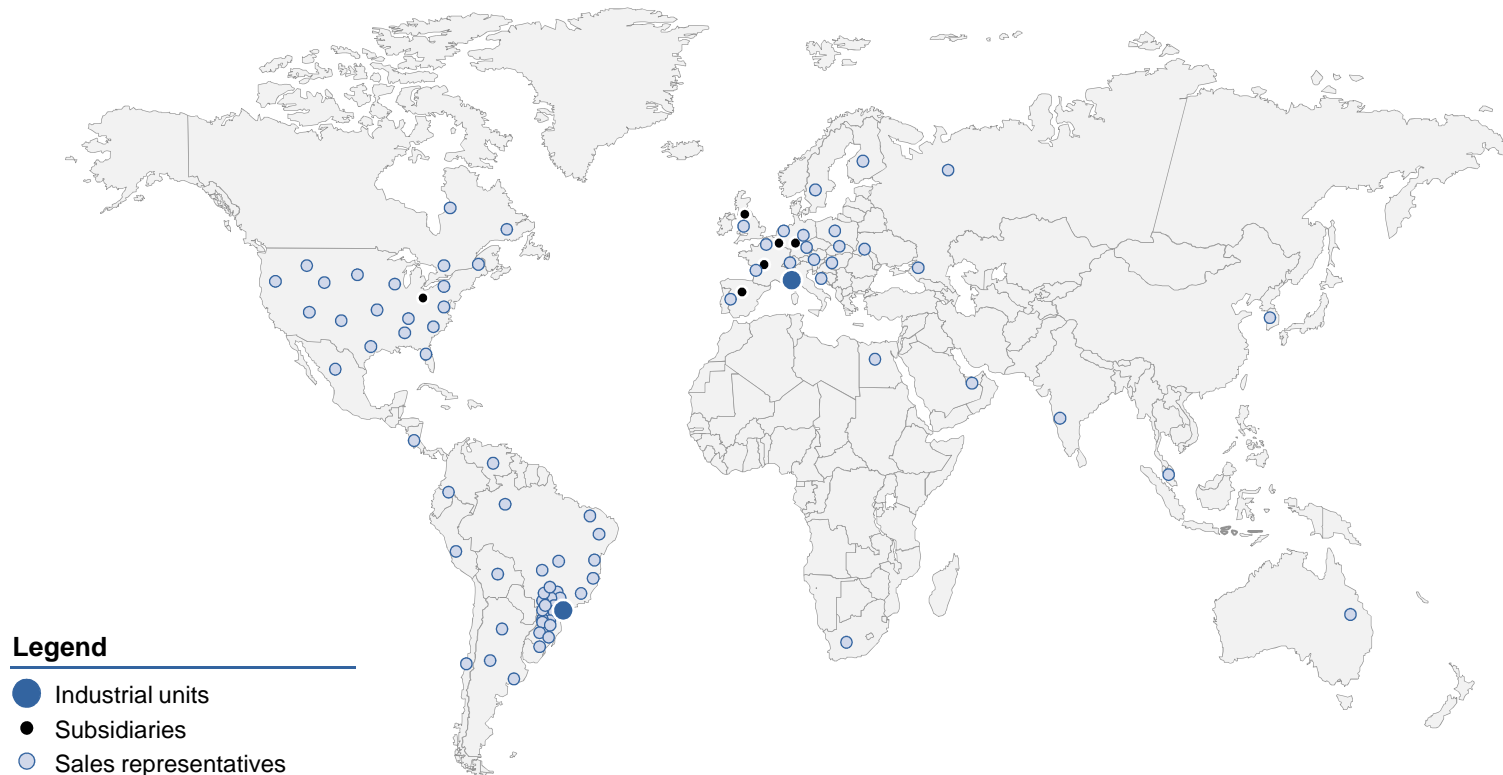
- **Plastic Injection Machines facility**
 - 2 production unit
(Assembly and machining)



Diversified Portfolio of Clients



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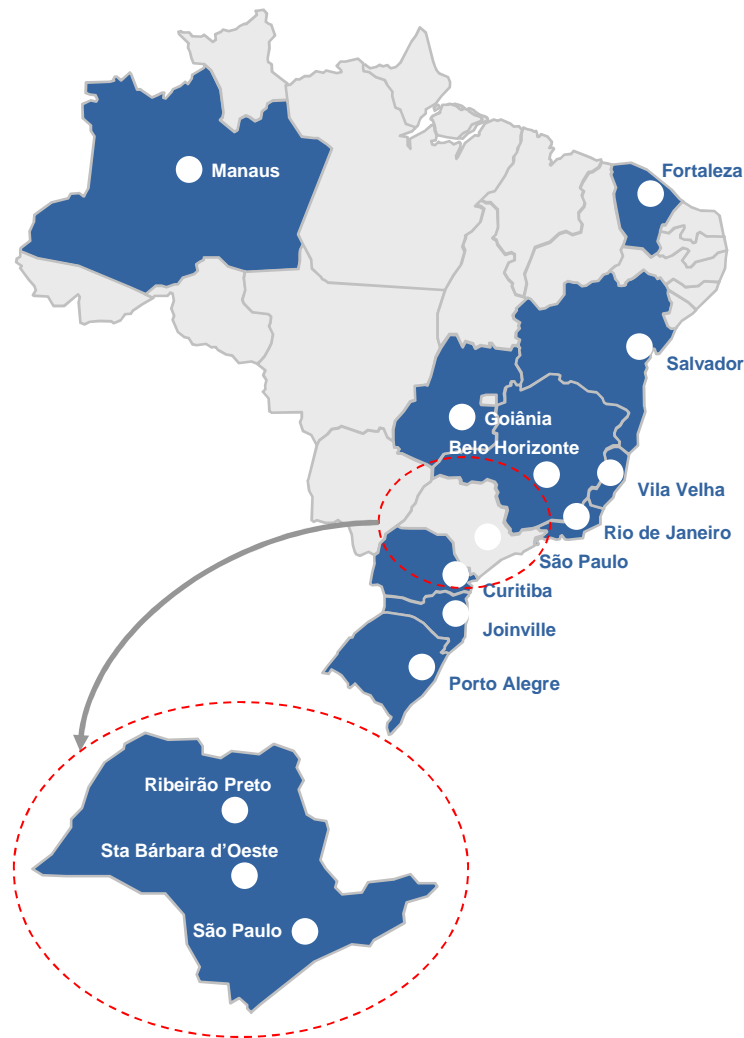


- Romi has a diversified portfolio of clients in terms of industry and geographic location
- More than 149.000 Romi machines were sold for customers in more than 60 countries

Extensive Pre and Post-Sales Support



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Romi's sales and services in Brazil

- Romi sales and service network in Brazil is comprised of more than 30 direct sales and service points, including branches in all main industrial areas in 12 Brazilian states
- Romi has approx. 5,000 active customers in Brazil
- More than 149,000 machines were installed since 1941

Sales and service network is managed by Romi Sales Division, in São Paulo city.





- **Leading Position in the Brazilian Market**

- **Romi is the undisputable leader in the Brazilian market for machine tools and plastic injection molding machines**

- **State-of-the-Art Technology and High Quality Products**

- **Romi is constantly developing new equipment and technology and improving its existing product portfolio**

- **Extensive Pre and Post-Sales Support**

- **Long term relationship with clients and broad network for technical assistance**

- **Solid Brand and Recognition**

- **Well-known and highly respected brand in the Brazilian market**

- **Diversified Portfolio of Clients**

- **Broad client base in Brazil and in other 60 countries**

- **Focus on Continuous Growth and Superior Returns**

- **Long history of growth and profitability even in adverse economic conditions**

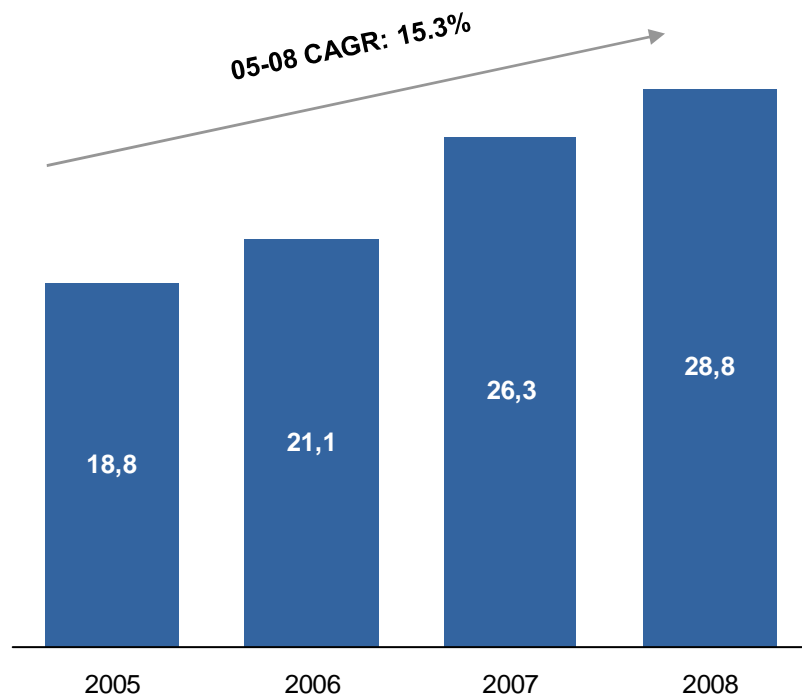
Focus on Technology and HQ Products



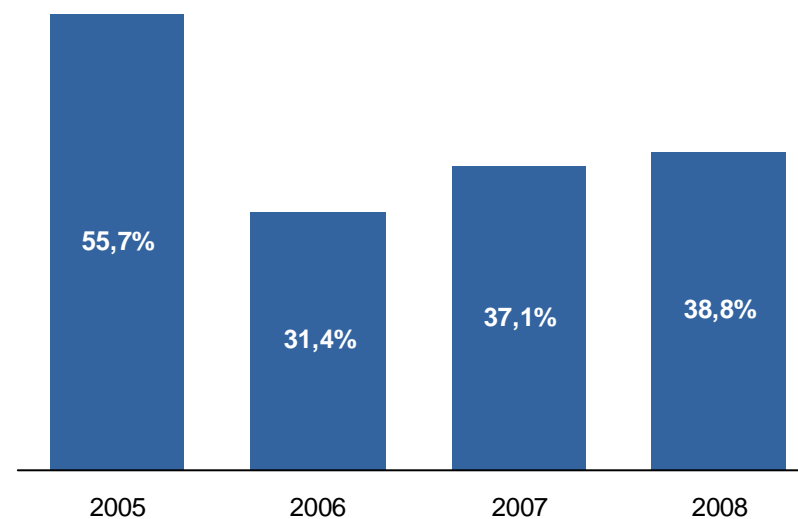
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Romi has 190 engineers and highly qualified technicians

R&D Expenses (R\$ MM)

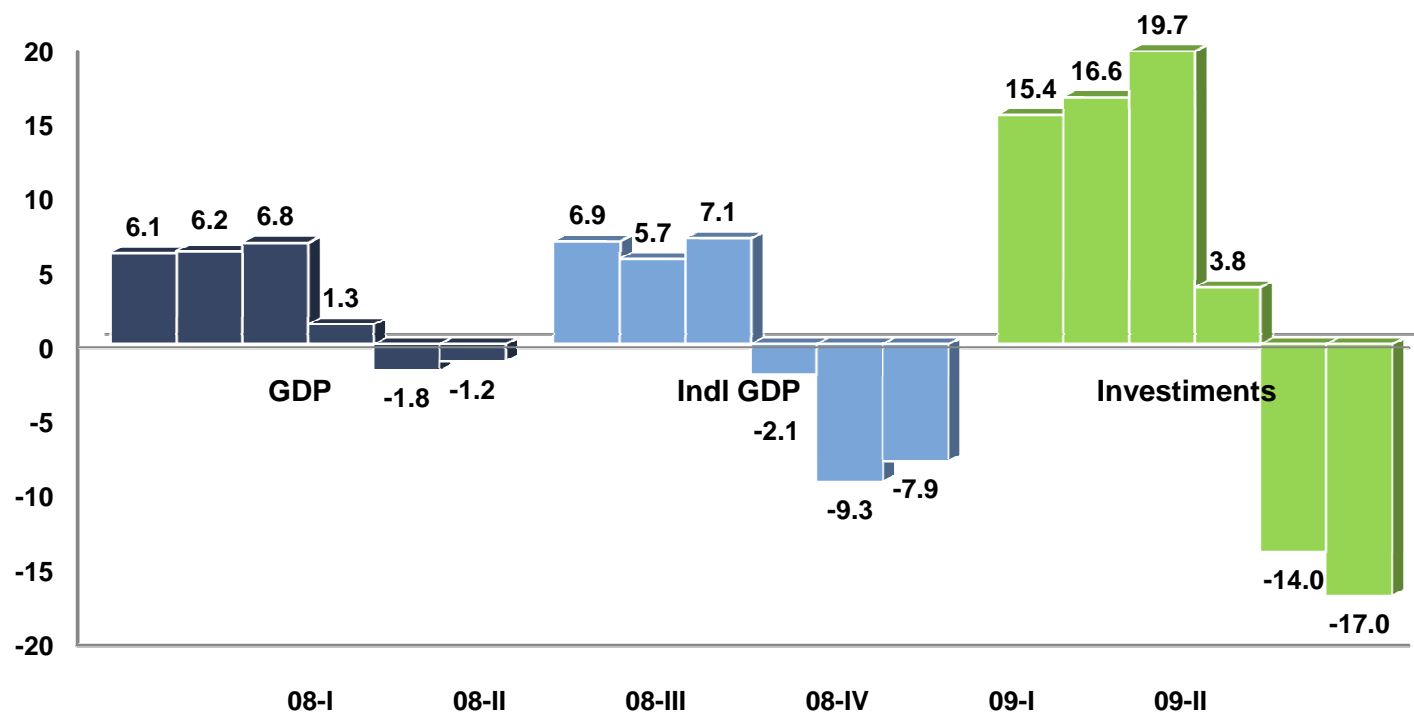


Revenues from New Products (% of net revenues) ⁽¹⁾



(1) Considers sales of products launched until three years before the considered sales period.

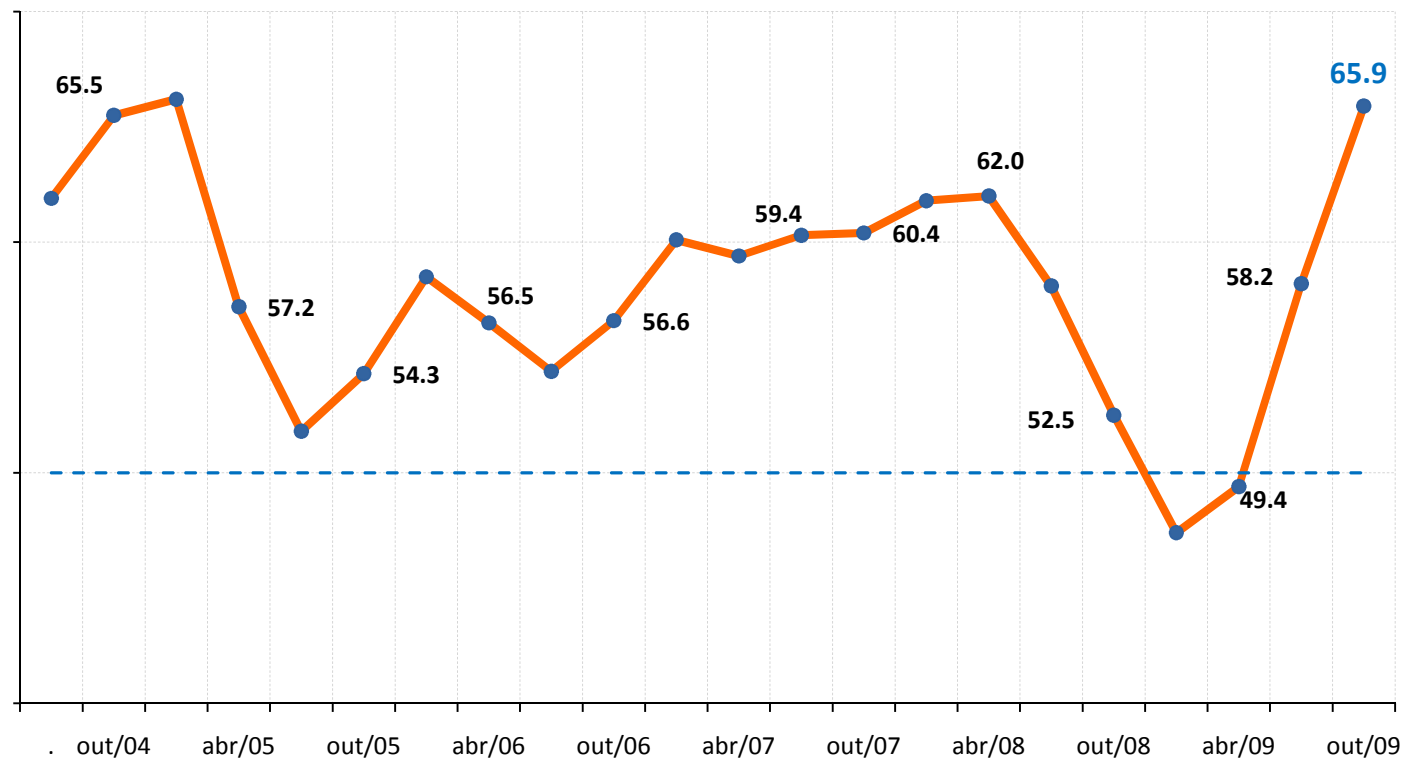
GDP – Industrial GDP – Gross Fixed Capital Formation



Source: IBGE (quarter x quarter last year)



ICEI – Industry Confidence Indicator



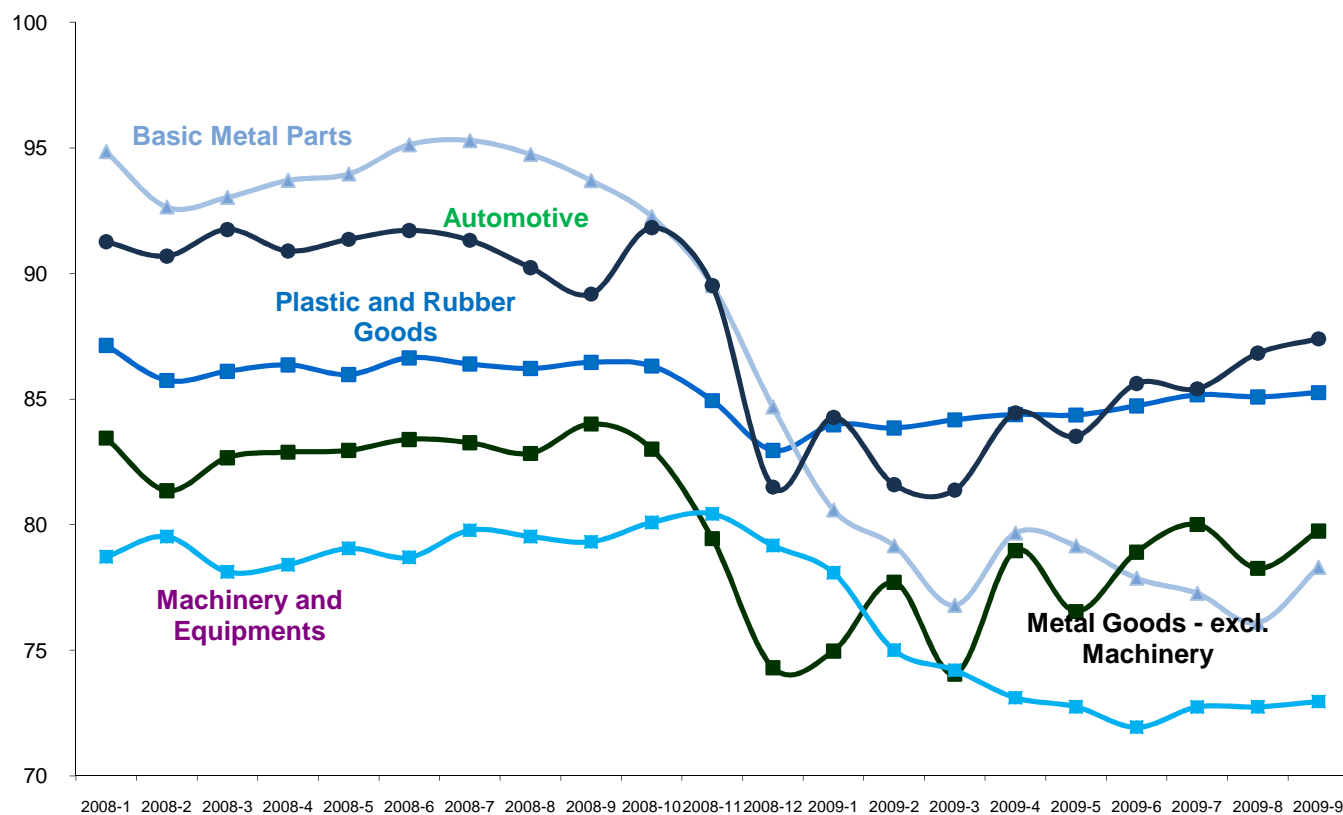
Source: CNI - ICEI – Industry Confidence Indicator

Capacity Utilization - Brazilian Industry



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Capacity Utilization of some industrial sectors



Source: Fiesp – INA (Indicador de Nível de Atividade) – NUCI (Nível de Utilização da Capacidade Instalada)

Machine Tools – Sales main sectors



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	Job Shops	Automotive	Capital Goods	Education	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. 9M09	20%	12%	10%	4%	10%	5%	9%	30%
MF Net Rev. 2008	21%	17%	14%	2%	7%	6%	4%	24%



High



Moderate



Low

Plastic Machines and Castings – Sales main sectors



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Plastic Machines



SECTOR	ROL %	
	9M09	2008
Packaging	30%	21%
Job Shops	12%	15%
Automotive	17%	22%
Real Estate	6%	8%
Home Utilities	7%	9%
Others	28%	25%

Castings



SECTOR	ROL %	
	9M09	2008
Automotive (Trucks)	57%	38%
Electricity Generation	27%	15%
Agriculture	11%	14%
Automotive (Cars)	1%	24%
Capital Goods	4%	9%



Order Entry (R\$ thousands)	3Q08	3Q09	% Chg.
Machine Tools	136,795	115,371	(15.7)
Plastic Machines	31,811	45,892	44.3
Rough and Machined Cast Iron Parts	41,425	17,290	(58.3)
Total	210,031	178,553	(15.0)

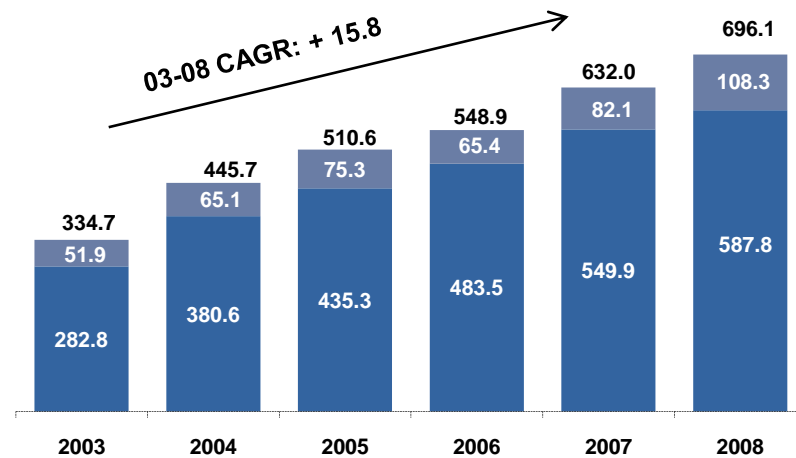
Order Entry (R\$ thousands)	1Q09	2Q09	3Q09	% Chg.
Machine Tools	34,040	73,964	115,371	56.0
Plastic Machines	15,159	31,441	45,892	46.0
Rough and Machined Cast Iron Parts	3,621	9,332	17,290	85.3
Total	52,820	114,737	178,553	55.6

Continuous Growth and Profitability

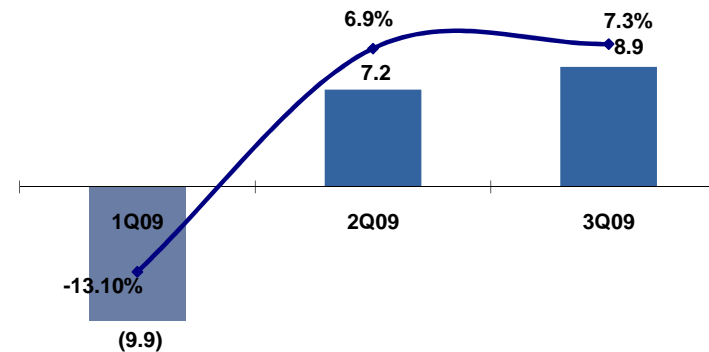
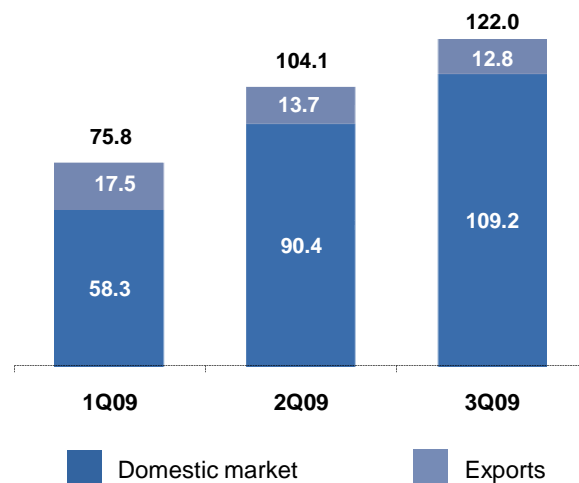
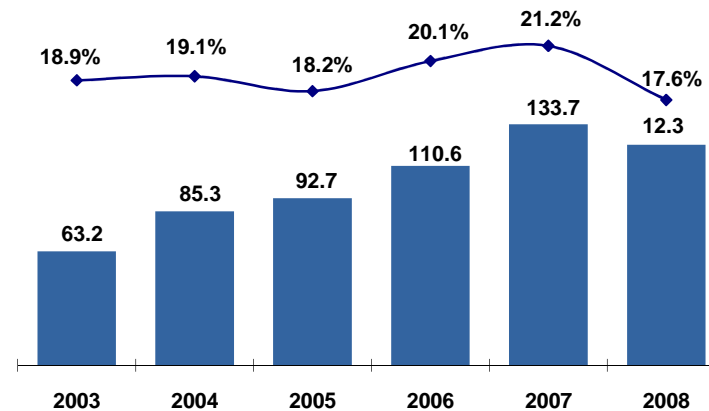


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Net Revenues (R\$ MM)



EBITDA and EBITDA Margin (R\$ MM)

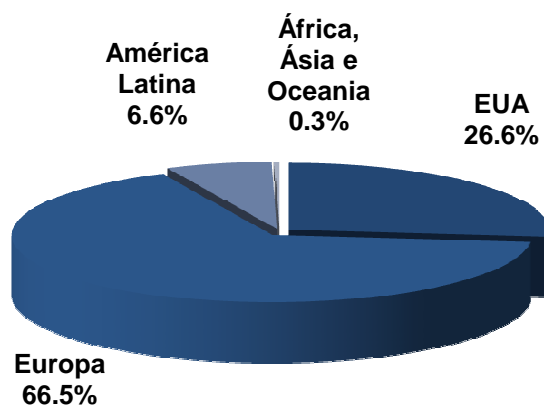


Foreign Markets

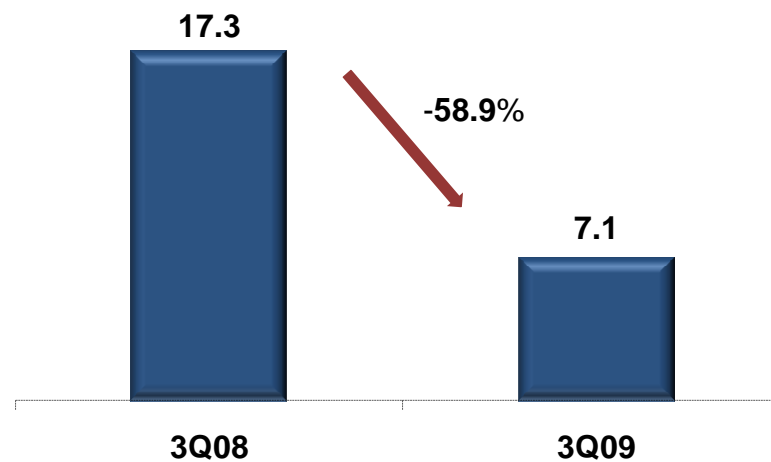


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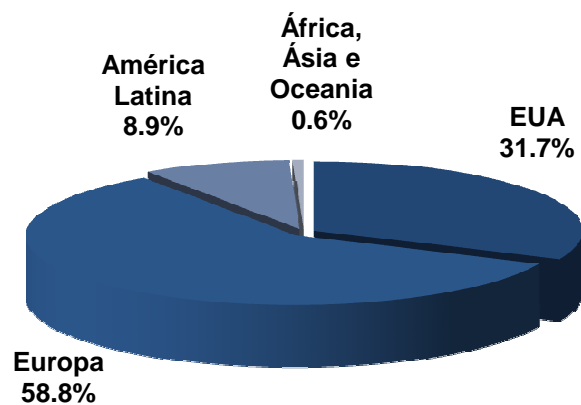
Foreign Markets – 3Q09



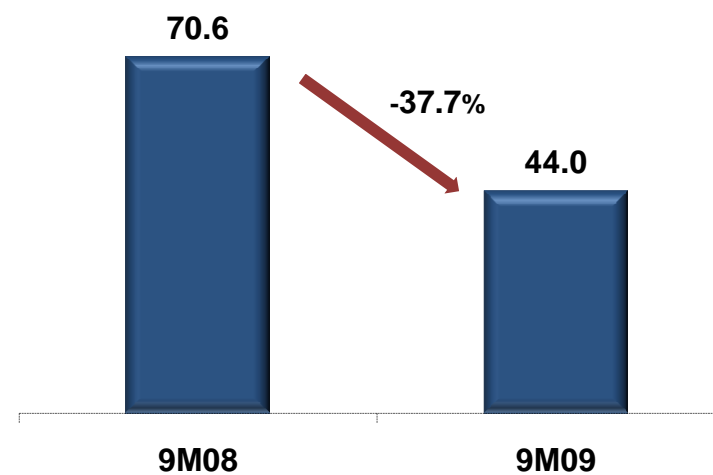
Foreign Markets – US\$MM



Foreign Markets – 9M09



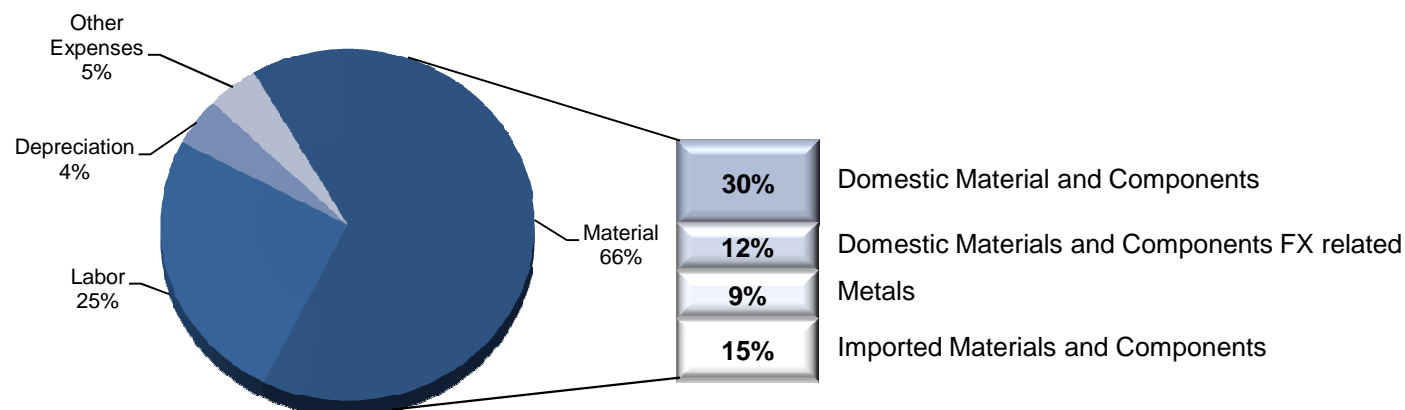
Foreign Markets – US\$MM – 9M09



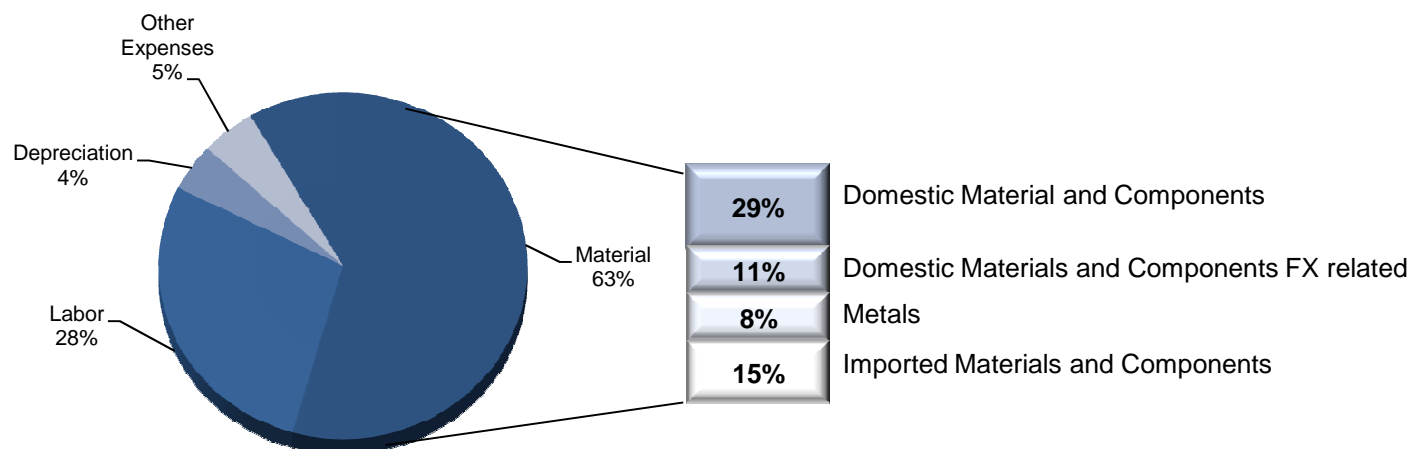
Cost of Good Solds



Estrutura do Custo – Consolidado – 3Q09



Estrutura do Custo – Consolidado – 9M09



Consolidated Margins



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R\$ MM	3Q09	2Q09	3Q08*	QoQ	YoY	9M09	9M08*	YoY
Gross Profit	37.0	31.2	83.5	18.6%	-55.7%	93.5	218.2	-57.2%
Gross Margin	30.3%	30.0%	41.8%	0.3 p.p.	-11.5 p.p.	31.0%	41.2%	-10.2 p.p.
Adjusted EBITDA	8.9	7.2	42.1	23.6%	-78.9%	6.2	107.1	-94.2%
EBITDA Margin	7.3%	6.9%	21.1%	0.4 p.p.	-13.8 p.p.	2.1%	20.2%	-18.1 p.p.
Net Income	3.1	0.5	37.3	520.0%	-91.7%	-4.3	96.0	-104.5%
Net Margin	2.5%	0.5%	18.7%	2.0 p.p.	-16.2 p.p.	-1.4%	18.1%	-19.5 p.p.

(*) EBITDA and Net Income were adjusted in order to exclude the gain originated from the acquisition of Sandretto's Subsidiaries, impacting these items by R\$ 19,316 and R\$ 12,773 respectively.

Business Units

Net Revenue and Sales Volume



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R\$ MM	3Q09	2Q09	3Q08	QoQ	YoY	9M09	9M08	YoY
Machine Tools								
R\$ mm	77.7	64.6	125.7	20.3%	-38.2%	192.7	337.3	-42.9%
Units Sold	365	319	697	14.4%	-47.6%	930	1,865	-50.1%
Plastic Machines								
R\$ mm	32.1	28.9	37.6	11.1%	-14.6%	76.3	94,1	-18.9%
Units Sold	103	61	107	68.9%	-3.7%	189	292	-35.3%
Rough and Machined Cast								
R\$ mm	12.3	10.6	36.6	16.0%	-66.4%	32.9	98.6	-66.6%
Tons Sold	2,147	1,952	5,800	10.0%	-63.0%	5,924	17,043	-65.2%

Business Units Margins



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R\$ MM	3Q09	2Q09	3Q08*	QoQ	YoY	9M09	9M08*	YoY
Machine Tools								
Gross Margin	40.4%	33.7%	45.1%	6.7 p.p.	-4.7 p.p.	38.7%	45.6%	-6.9 p.p.
EBIT Margin	13.4%	10.3%	22.8%	3.1 p.p.	-9.4 p.p.	6.2%	21.2%	0.4 p.p.
Plastic Machines								
Gross Margin	25.6%	36.2%	40.1%	-10.6 p.p.	-14.5 p.p.	32.4%	37.4%	-4.1 p.p.
EBIT Margin	-8.6%	-3.8%	9.2%	-4.8 p.p.	-17.8 p.p.	-12.3%	10.3%	-22.6 p.p.
Rough and Machined Cast								
Gross Margin	-21.3%	-9.5%	32.0%	-11-8 p.p.	-53.3 p.p.	-17.6%	29.6%	-6.1 p.p.
EBIT Margin	-33.9%	-25.8%	17.3%	-8.1 p.p.	-51.2 p.p.	-33.1%	15.3%	-6.6 p.p.

(*) Plastic Machines EBIT was adjusted in order to exclude the gain originated from the acquisition of Sandretto's Subsidiaries, impacting this item by R\$ 19,316.

Cash Position



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Cash and Cash Equivalent – R\$ MM

	<u>Amount</u>
Bank Certificate of Deposit (CDB)	48.9
Financial Investments with debentures	17.7
Others	1.5
Banks	<u>9.8</u>
Total	<u>77.9</u>

Net Debt = 27.2

Loan – R\$ MM

Loans as of 09/30/2009: 105.1

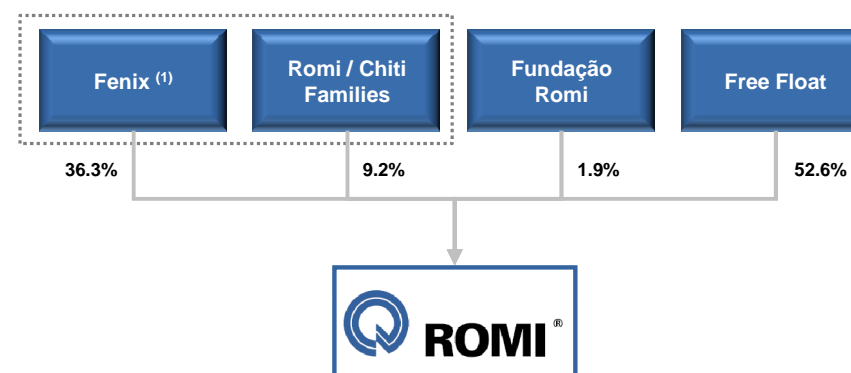
The maturities of financing recorded as follow:

<u>Year</u>	<u>Amount</u>
2009	27.1
2010	5.8
2011	18.8
2012	19.4
2013	18.4
After 2013	<u>15.6</u>
Total	<u>105.1</u>



- **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, 7 members, being 4 indicated by shareholders and 3 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.

Ownership Structure



(1) Chiti, Romi families.





Key Indicators	2009	2010
Grow – Net Operating Revenue	-30% a -45%	20% a 30%
EBITDA Margin	0% a 5%	6% a 12%
CAPEX	R\$ 50 Million	R\$ 45 Million

Assumptions	2010
GDP	4.5%
Dolar x Real (Average)	1.60
Interest Rate – SELIC (Average)	9.5%



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