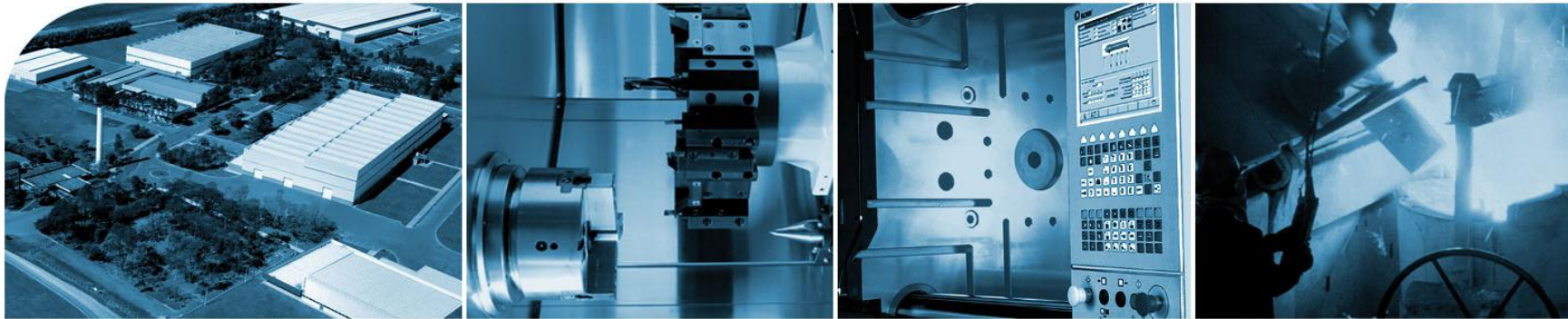




**ROMI**®

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## 3Q14 Earnings Release

October 22, 2014



Índice de  
Ações com Tag Along  
Diferenciado **ITAG**

Índice de  
Ações com Governança  
Corporativa Diferenciada **IGC**

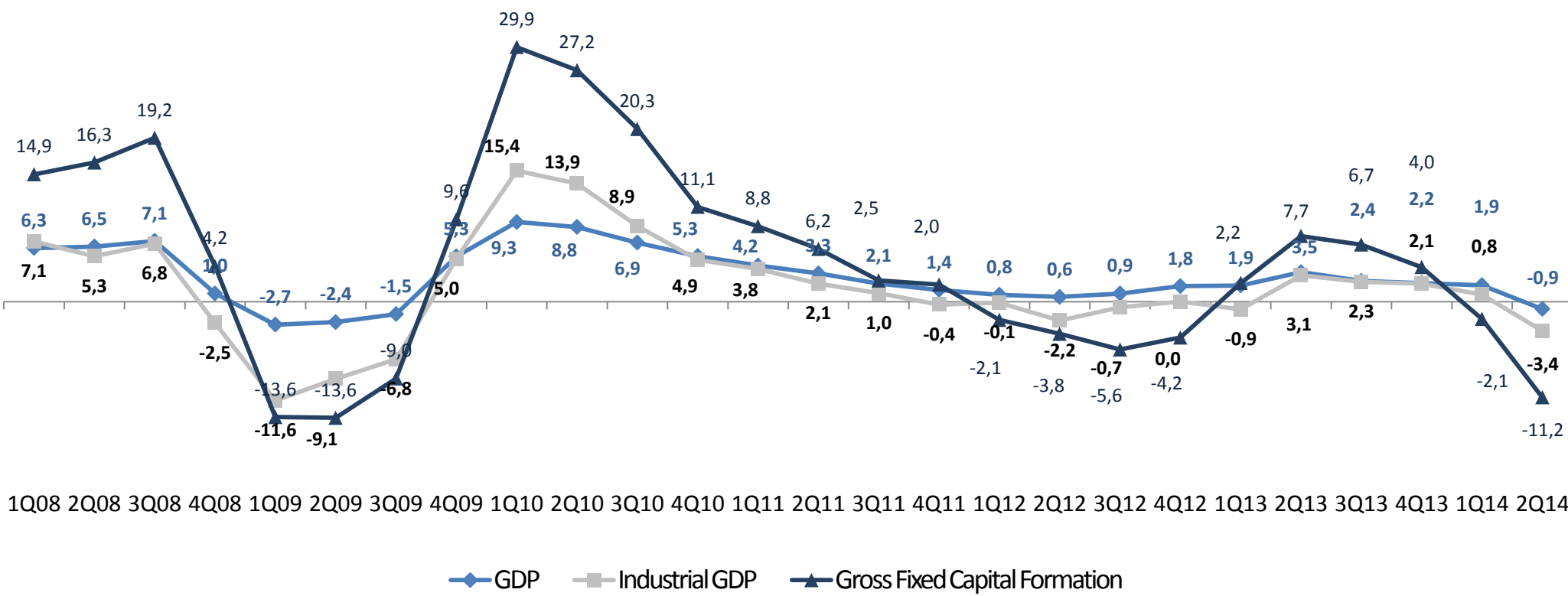


*This release contains forward-looking statements subject to risks and uncertainties. Such forward-looking statements are based on the management's beliefs and assumptions on information currently available to the Company. The reservations as to forward-looking statements also apply to information on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



- Continuous investments in equipment have been made in order to optimize the operational structure, **increasing the competitiveness** of Romi which, even facing an adverse macroeconomic scenario, reports a profit of R\$ 2.1 million in 9M14.
- **Net operating revenue** reached in 3Q14 R\$165.5 million, 9% lower than 3Q13.
- In 3Q14 **gross margin** was 23% due to the mix of products and expenses related to optimization of the operational structure.
- **EBITDA margin** was 4.6% in 3Q14, 530 basis points down from 3Q13.
- The volume of **order entry** was R\$150.2 million in the quarter, 27.1% down from 3Q13.
- The **order backlog** totaled R\$274.3 million as at September 30, 2014.
- A **Share Repurchase Program** started on July 29, 2014, with the possibility of repurchasing up to three million shares.

# Economic Indexes – Conjunctural Indicators



1Q08 2Q08 3Q08 4Q08 1Q09 2Q09 3Q09 4Q09 1Q10 2Q10 3Q10 4Q10 1Q11 2Q11 3Q11 4Q11 1Q12 2Q12 3Q12 4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14

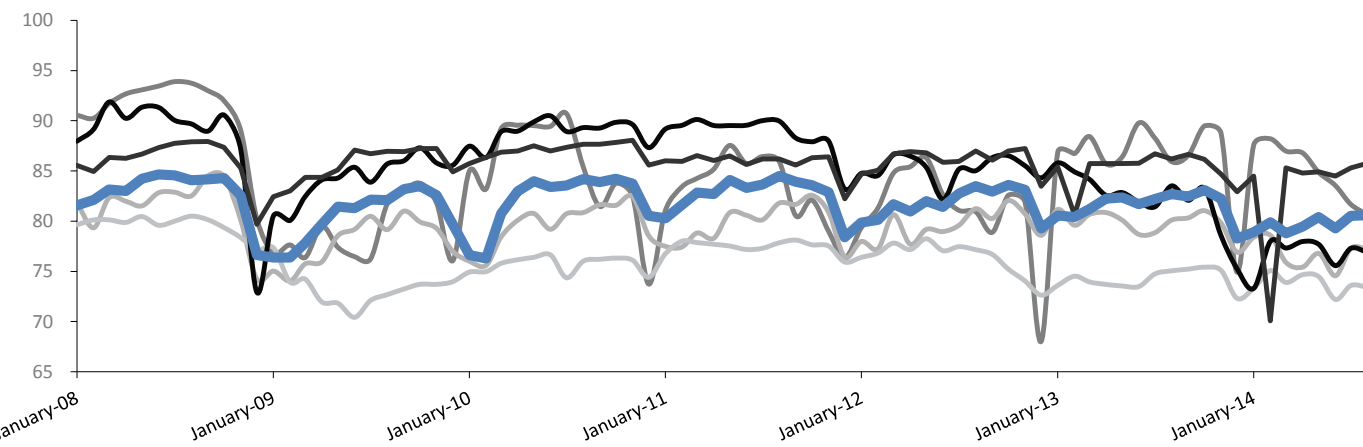
◆ GDP    ■ Industrial GDP    ▲ Gross Fixed Capital Formation

Source: IBGE (quarter this year vs. quarter last year)

# Economic Indexes – Conjunctural Indicators

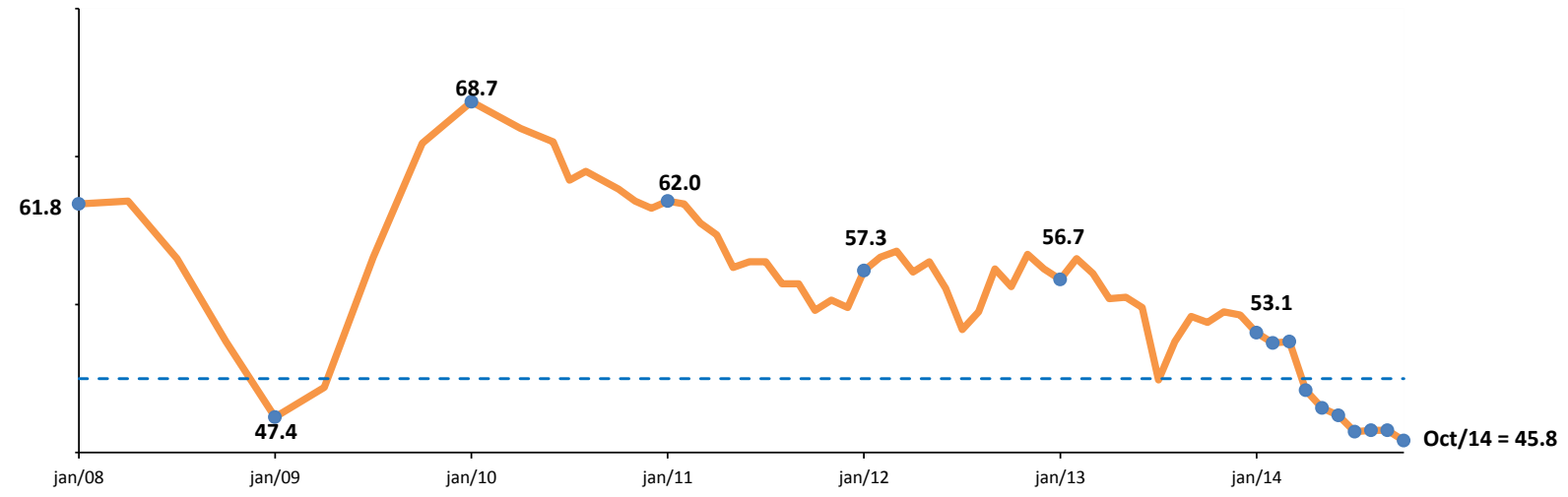


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**Plastic and Rubber Goods: 85.8%**  
**Basic Metallurgy: 80.6%**  
**General Industry: 80.6%**  
**Metal Goods – Ex Machinery: 77.2%**  
**Automotive: 76.9%**  
**Machinery and Equipment: 73.4%**

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



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



## Machine Tools



## Plastic Machines



## Raw and Machined Cast Iron Parts



Net Operating Revenues Distribution

	9M14	2013
Job Shops	23%	19%
Machines and Equipments	16%	16%
Technical Schools	11%	9%
Automotive	8%	12%
Tooling	6%	5%
Agricultural Equipment	5%	8%
Others	31%	31%

Net Operating Revenues Distribution

	9M14	2013
Packaging	43%	26%
Automotive	15%	15%
Job Shops	11%	8%
Furniture	9%	10%
Real Estate	4%	8%
Others	18%	33%

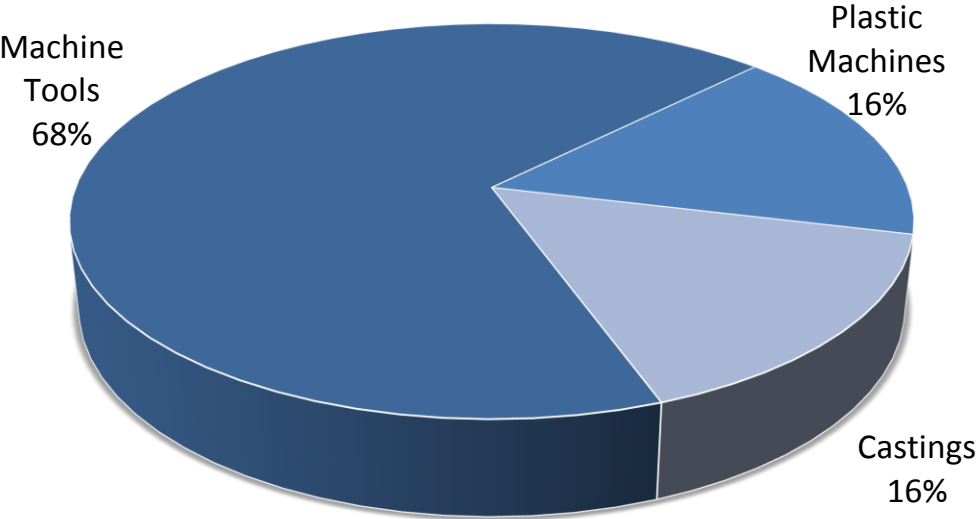
Net Operating Revenues Distribution

	9M14	2013
Automotive - Trucks	47%	39%
Agriculture	31%	23%
Wind Power	19%	33%
Others	3%	5%

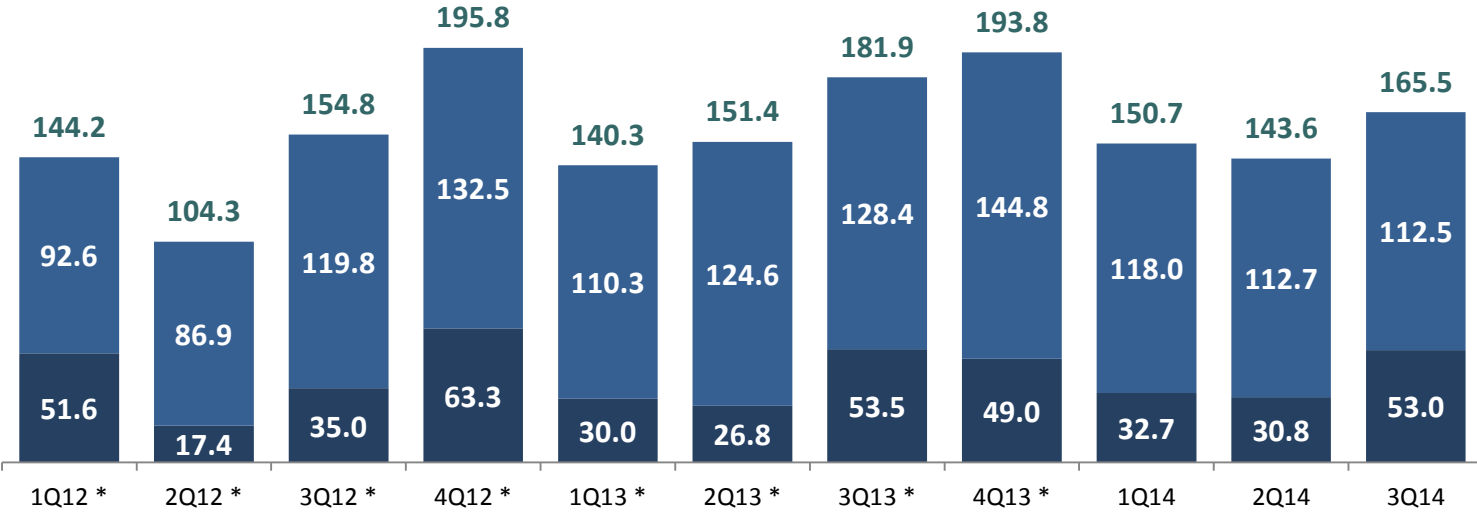
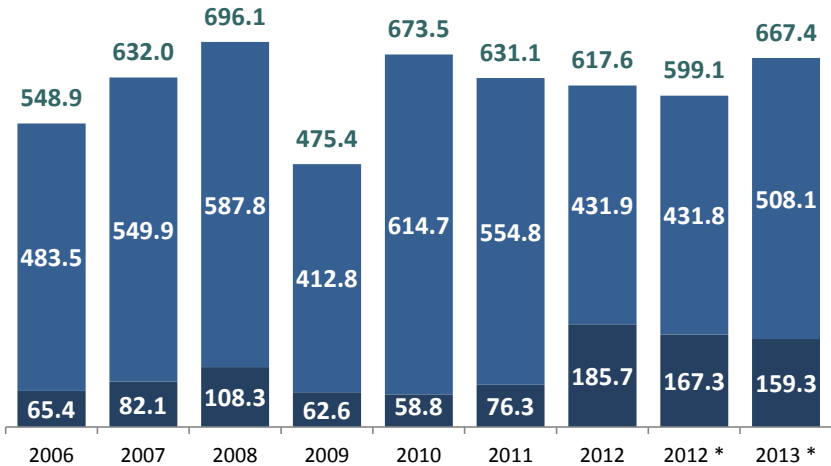
# Net Sales per Business Unit



9M14



Net Operating Sales (R\$ million)

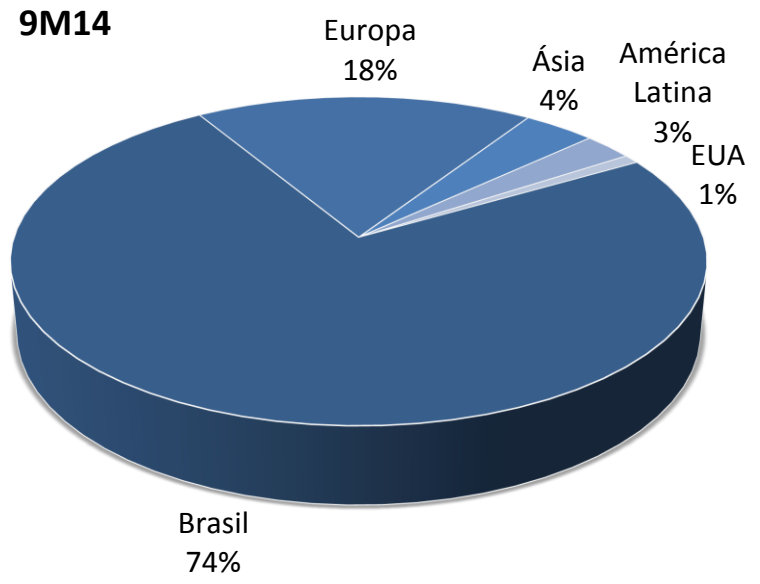
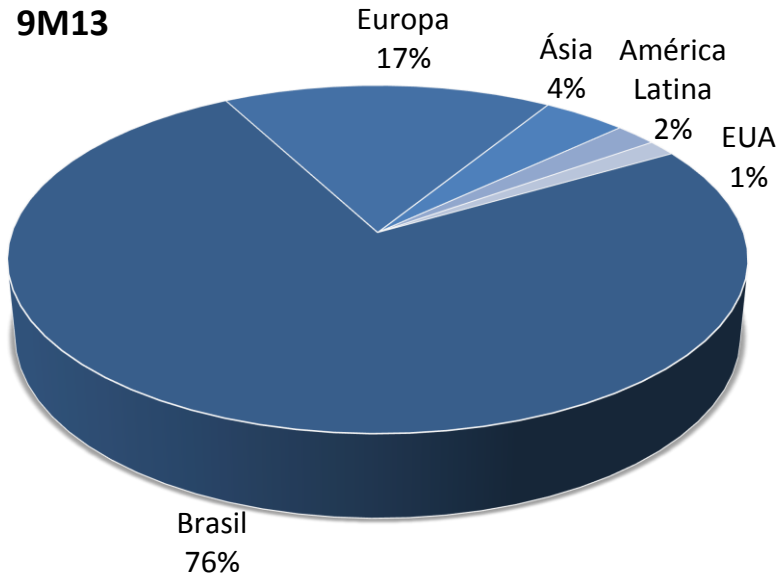


\* Amounts relating to continued operations, excluding revenues from the subsidiary Romi Italia, which are presented as discontinued operations.

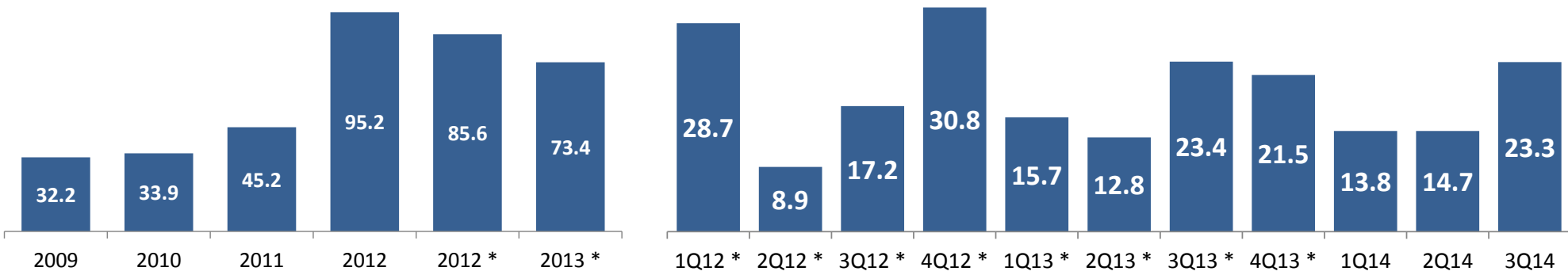
# Sales Distribution



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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 and Backlog



<b>Order Entry (R\$ 000)</b> Gross Values, sales taxes included	1Q13	2Q13	3Q13	1Q14	2Q14	3Q14	Chg 3Q14/3Q13	Chg 3Q14/2Q14
Machine Tools	84.479	173.368	144.518	119.538	117.411	95.697	-33,8%	-18,5%
Plastic Machines	25.462	45.484	25.686	18.337	24.100	20.178	-21,4%	-16,3%
Rough and Machined Cast Iron Parts	43.071	37.495	35.949	36.447	26.899	34.371	-4,4%	27,8%
<b>Total</b>	<b>153.012</b>	<b>256.347</b>	<b>206.154</b>	<b>174.321</b>	<b>168.410</b>	<b>150.245</b>	<b>-27,1%</b>	<b>-10,8%</b>

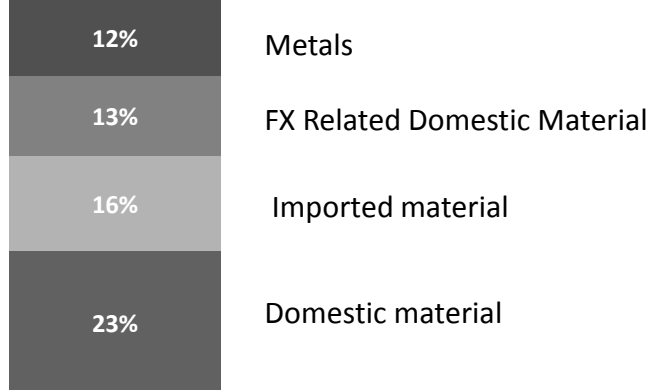
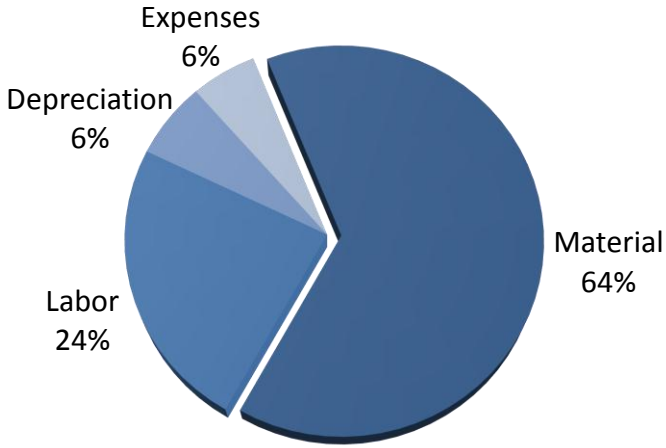
<b>Order Entry (R\$ 000)</b> Gross Values, sales taxes included	9M13	9M14	Chg 2014/2013
Machine Tools	402.365	332.645	-17,3%
Plastic Machines	96.632	62.614	-35,2%
Rough and Machined Cast Iron Parts	116.515	97.717	-16,1%
<b>Total</b>	<b>615.512</b>	<b>492.977</b>	<b>-19,9%</b>

<b>Order Book (R\$ 000)</b> Gross Values, sales taxes included	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	Chg 3Q14/3Q13	Chg 3Q14/2Q14
Machine Tools	176.377	246.312	254.591	238.522	227.486	248.174	215.695	-15,3%	-13,1%
Plastic Machines	31.209	45.969	49.219	41.345	38.233	35.819	24.254	-50,7%	-32,3%
Rough and Machined Cast Iron Parts	37.026	37.846	35.505	29.556	38.388	35.979	34.403	-3,1%	-4,4%
<b>Total</b>	<b>244.612</b>	<b>330.127</b>	<b>339.315</b>	<b>309.423</b>	<b>304.107</b>	<b>319.971</b>	<b>274.351</b>	<b>-19,1%</b>	<b>-14,3%</b>

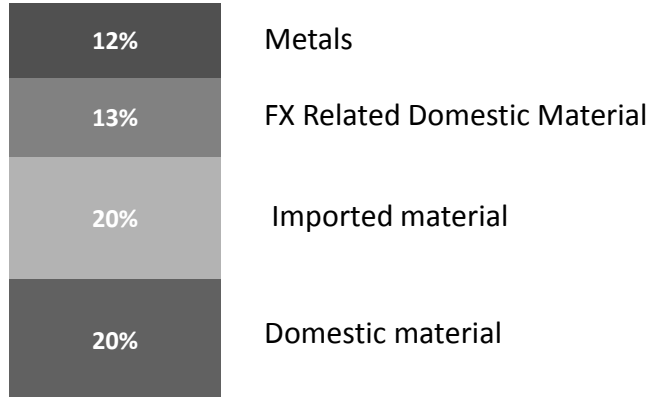
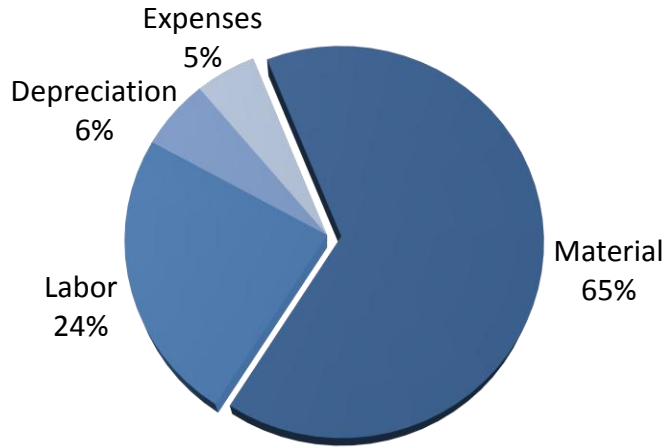
# Cost of Goods Sold



## 9M13

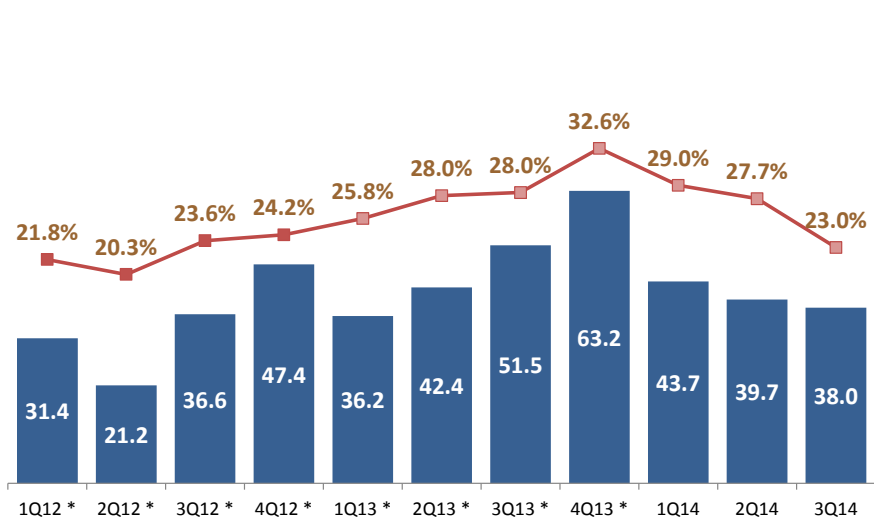


## 9M14

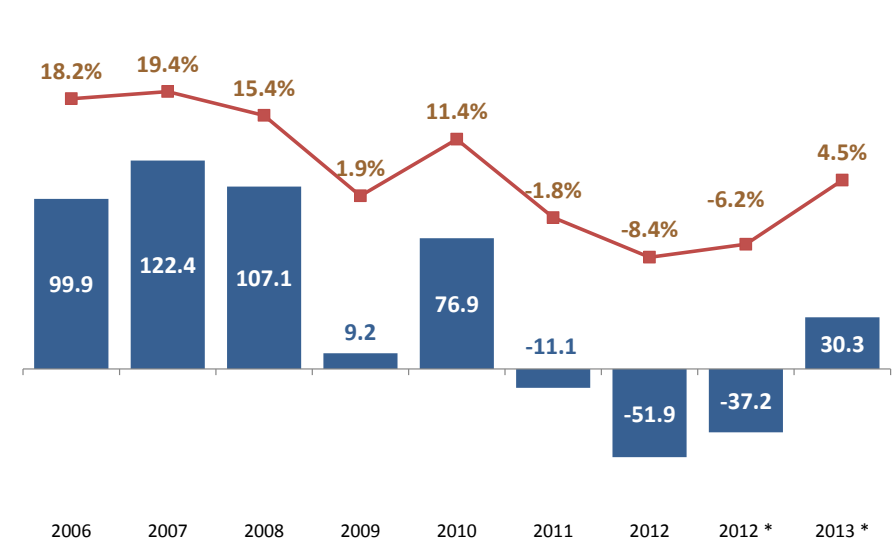
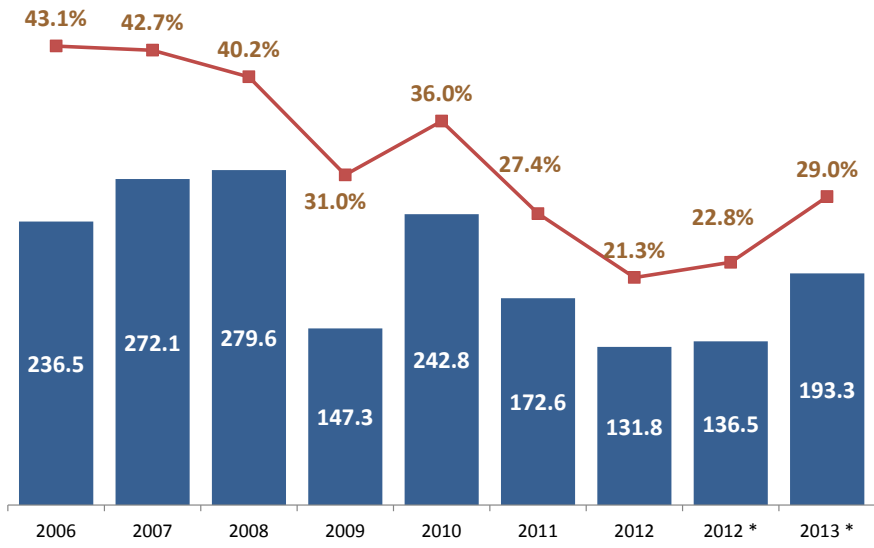
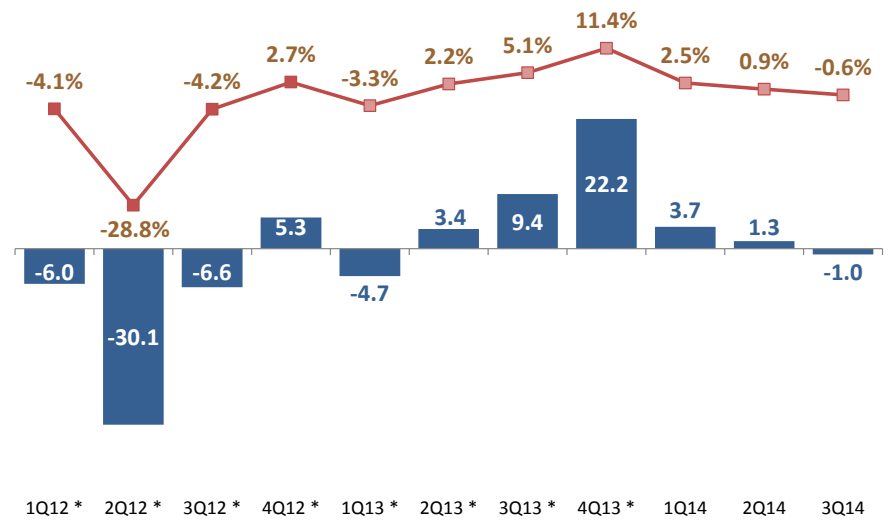




Gross Profit (R\$ million) and Gross Margin



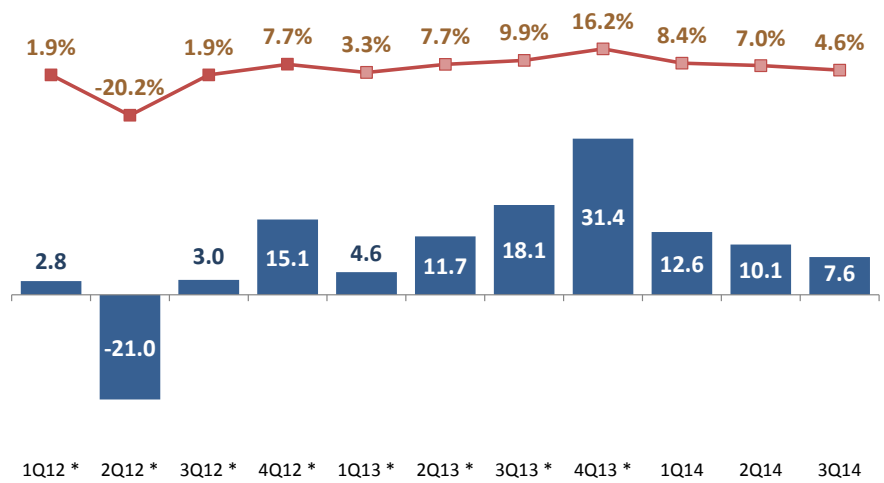
Operating Profit (R\$ million) and Operating Margin



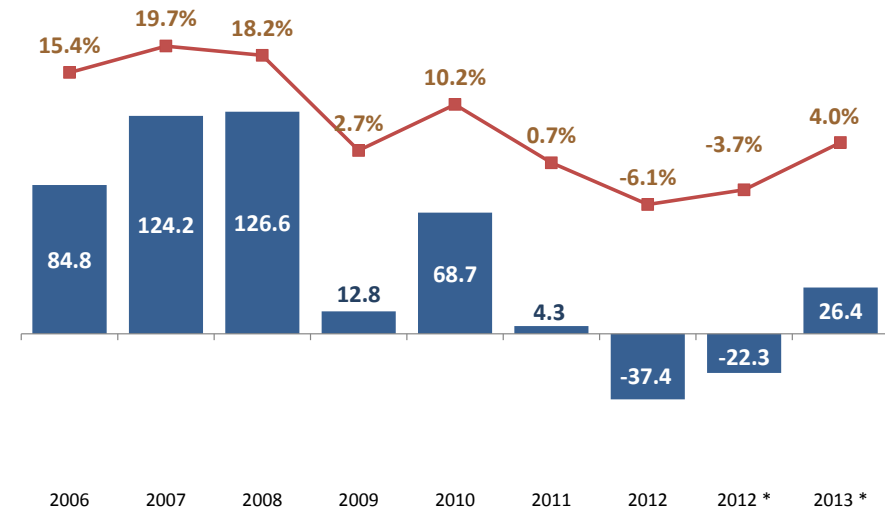
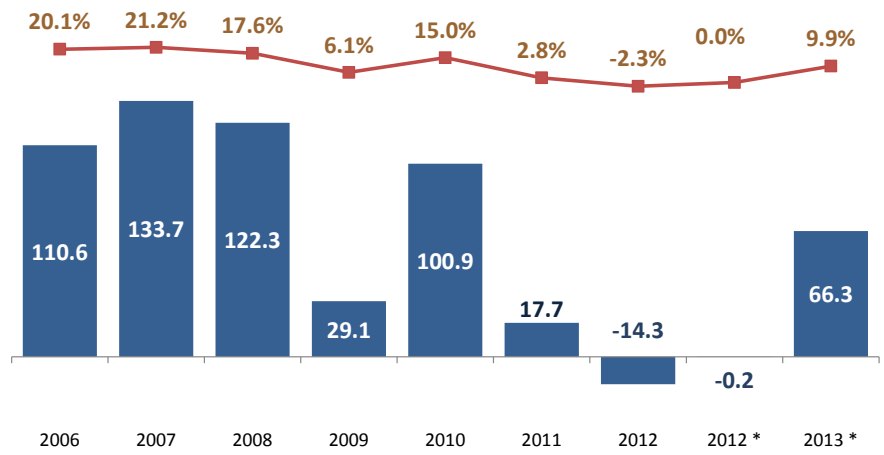
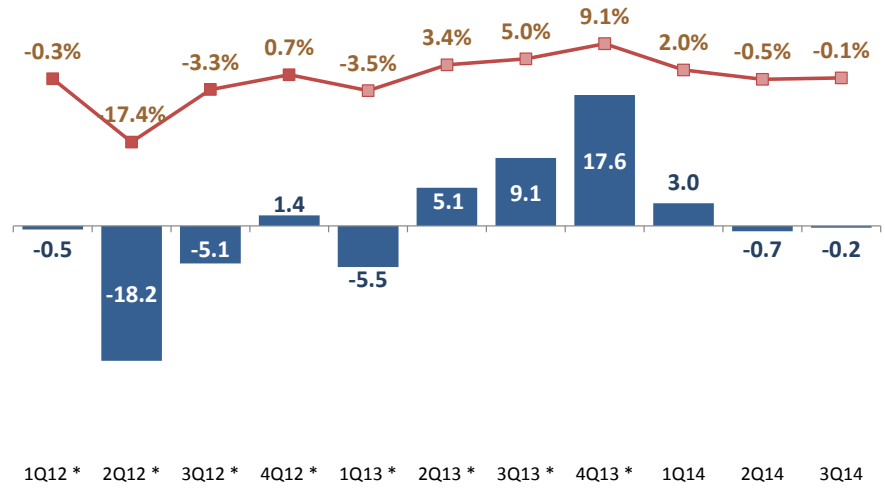
\* Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia



EBITDA (R\$ million) and EBITDA Margin



Net Income (R\$ million) and Net Margin



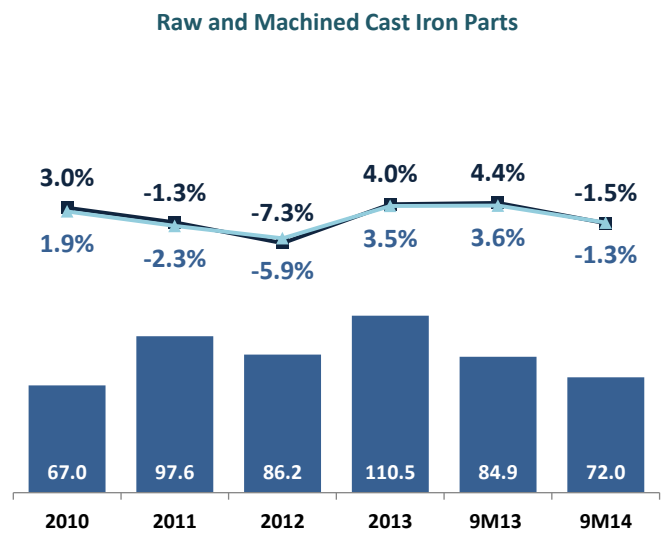
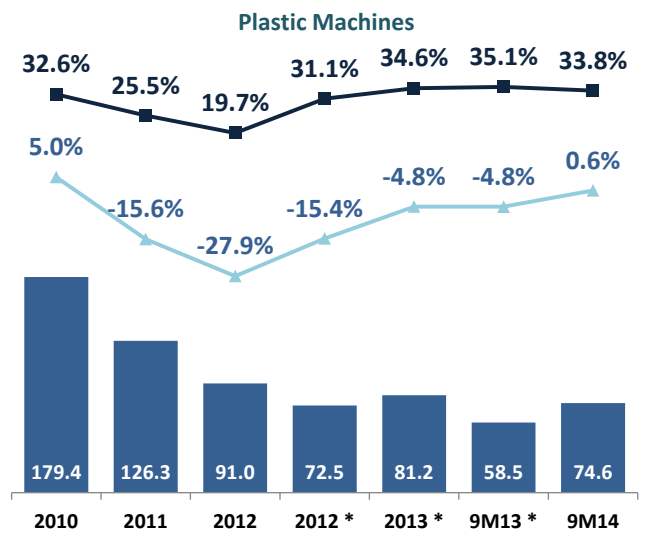
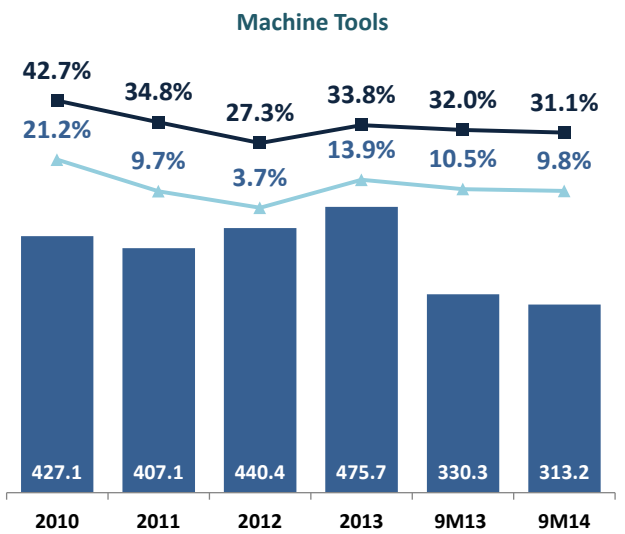
\* Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

# Business Units' Results



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Sales	Quarter							Accumulated	
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	9M13	9M14
Machine Tools (units)	400	304	387	443	245	281	325	1.091	851
Plastic Machines (units)	44	61	49	60	53	38	37	154	128
Rough and Machined Cast Iron Parts (ton.)	3.598	4.436	4.991	4.475	3.564	3.571	4.167	13.025	11.302



■ Net Revenues  
 ■ Gross Margin  
 ▲ EBITDA Margin

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

# Cash Position



**Cash and Cash Equivalent – R\$ million – 09/30/2014**

	Amount
Bank Deposit Certificate (CDB)	73,3
Financial Investment with Bonds	5,2
Banks	20,4
<b>Total</b>	<b>98,8</b>

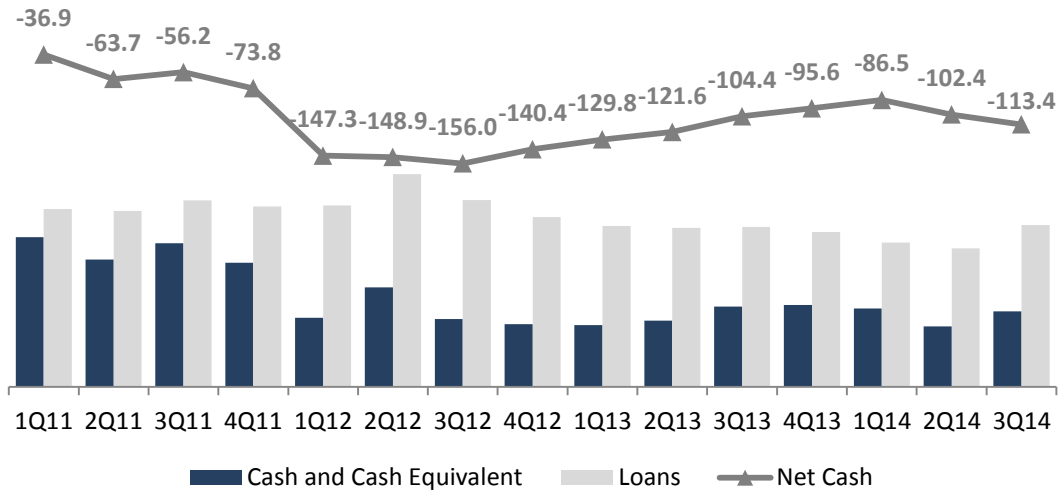
**Net Debt = 113,4**

**Loans\* – R\$ million – 09/30/2014**

	Amount
2014 (3 months)	11,0
2015	103,1
2016	31,9
2017	40,9
2018	17,5
2019 and afterwards	7,8
<b>Total</b>	<b>212,2</b>

(\* ) without Finame Manufacturer

**Net Cash (Debt) Position**

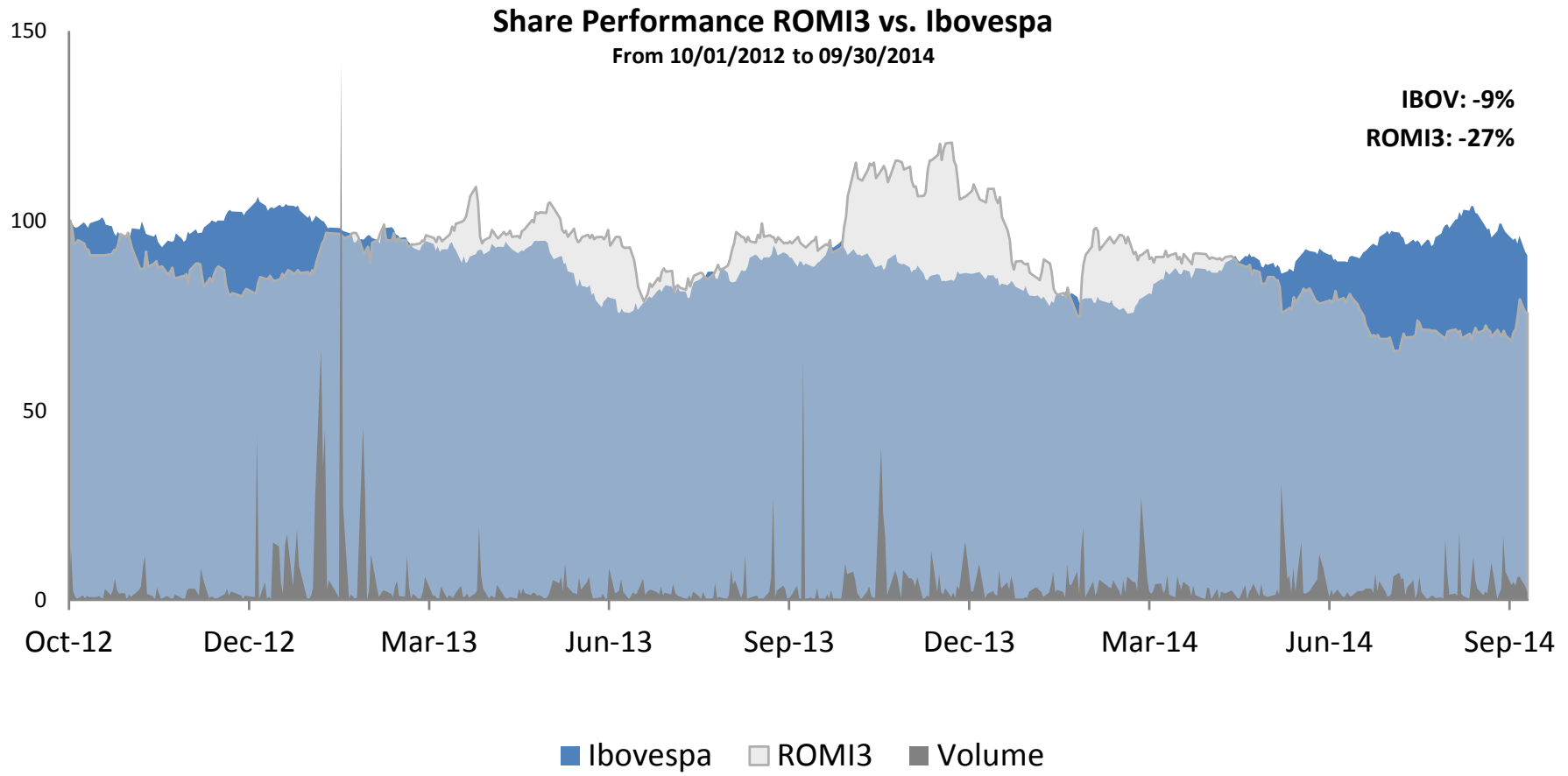




## Income Statement B+W

€ 000

	3Q13	2Q14	3Q14	Chg % 3Q/3Q	Chg % 3Q/2Q	9M13	9M14	Chg % 14/13
<b>Net Operating Revenue</b>	<b>14.964</b>	<b>5.373</b>	<b>11.629</b>	<b>(22,3)</b>	<b>116,4</b>	<b>29.338</b>	<b>24.543</b>	<b>(16,3)</b>
Cost of Goods Sold	(11.193)	(4.237)	(9.313)	(16,8)	119,8	(22.882)	(19.452)	(15,0)
<b>Gross Profit</b>	<b>3.771</b>	<b>1.136</b>	<b>2.316</b>	<b>(38,6)</b>	<b>103,9</b>	<b>6.455</b>	<b>5.091</b>	<b>(21,1)</b>
<i>Gross Margin %</i>	<i>25,2%</i>	<i>21,1%</i>	<i>19,9%</i>			<i>22,0%</i>	<i>20,7%</i>	
<b>Operating Income (Expenses)</b>	<b>(2.077)</b>	<b>(1.905)</b>	<b>(1.954)</b>	<b>(5,9)</b>	<b>2,6</b>	<b>(5.569)</b>	<b>(5.763)</b>	<b>3,5</b>
Selling expenses	(834)	(572)	(677)	(18,9)	18,3	(2.148)	(1.832)	(14,7)
General and administrative expenses	(1.243)	(1.333)	(1.277)	2,8	(4,1)	(3.421)	(3.931)	14,9
<b>Operating Income before Financial Results</b>	<b>1.694</b>	<b>(769)</b>	<b>362</b>	<b>(78,6)</b>	<b>(147,1)</b>	<b>887</b>	<b>(672)</b>	<b>(175,8)</b>
<i>Operating Margin %</i>	<i>11,3%</i>	<i>-14,3%</i>	<i>3,1%</i>			<i>3,0%</i>	<i>-2,7%</i>	
<b>Financial Results, Net</b>	<b>(78)</b>	<b>(73)</b>	<b>(94)</b>	<b>20,5</b>	<b>28,7</b>	<b>(249)</b>	<b>(280)</b>	<b>12,7</b>
<b>Operating Income</b>	<b>1.616</b>	<b>(841)</b>	<b>268</b>	<b>(83,4)</b>	<b>(131,9)</b>	<b>638</b>	<b>(952)</b>	<b>(249,3)</b>
Income tax and social contribution	(230)	-	240	(204,6)	-	(212)	240	(213,3)
<b>Net income</b>	<b>1.387</b>	<b>(841)</b>	<b>508</b>	<b>(63,4)</b>	<b>(160,4)</b>	<b>426</b>	<b>(712)</b>	<b>(267,2)</b>
<i>Net Margin %</i>	<i>9,3%</i>	<i>-15,7%</i>	<i>4,4%</i>			<i>1,5%</i>	<i>-2,9%</i>	
<b>EBITDA</b>	<b>2.086</b>	<b>(465)</b>	<b>814</b>	<b>(61,0)</b>	<b>(274,9)</b>	<b>2.221</b>	<b>360</b>	<b>(83,8)</b>
Net income / loss	1.387	(841)	508	(63,4)	(160,4)	426	(712)	(267,2)
Income tax and social contribution	230	-	(240)	(204,6)	-	212	(240)	(213,3)
Financial Results, Net	78	73	94	20,5	28,7	249	280	12,7
Depreciation	392	303	452	15,5	49,2	1.334	1.032	(22,6)
<i>EBITDA Margin %</i>	<i>13,9%</i>	<i>-8,7%</i>	<i>7,0%</i>			<i>7,6%</i>	<i>1,5%</i>	



Source: BM&FBovespa





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