



ROMI®

A TRADITION OF INNOVATION



3Q15 Earnings Release

October 28, 2015



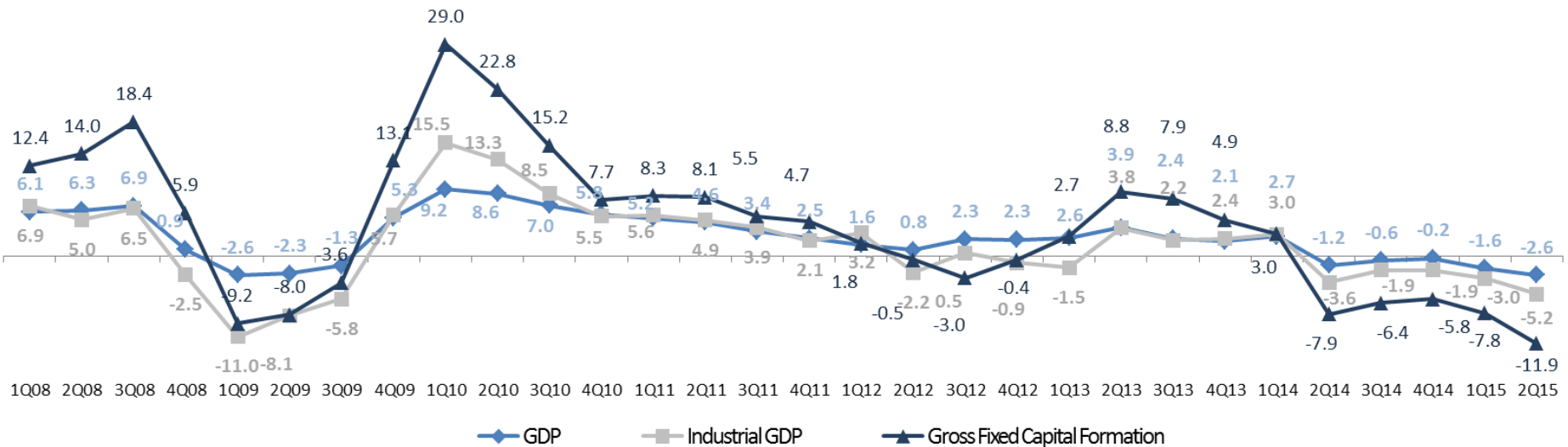
This release contains forward-looking statements subject to risks and uncertainties, Such forward-looking statements are based on the management's beliefs and assumptions on information currently available to the Company, The reservations as to forward-looking statements also apply to information on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



- The **Net Operating Revenue** of the Raw and Machined Cast Iron Parts Business Unit **rose 46.6%** in 3Q15 compared with 3Q14 and the **EBITDA margin reached 8.4%**.
- Net operating revenue fell by 6.8% in 3Q15 compared to 3Q14, due to a decrease in industry demand in the Brazilian market.
- The **EBITDA in 3Q15 was positive by R\$2.5 million**, despite of the impact of R\$5.0 million of expenses incurred on the optimization of the organizational structure in 3Q15.
- In 3Q15, compared to 3Q14, the **Raw and Machined Cast Iron Parts Business Unit improved by 5.8% and 3.8% in gross margins and EBITDA**, respectively.
- The **order entry in 3Q15** compared to 3Q14 **grew 5.8%**, mainly for the Raw and Machined Cast Iron Parts Business Unit.
- The **order backlog** as at September 30, 2015, compared to June 30, 2015, posted **growth of 14.0%** due to the increase in the order entry of the Raw and Machined Cast Iron Parts Business Unit.

Economic Indexes

Conjunctural Indicators

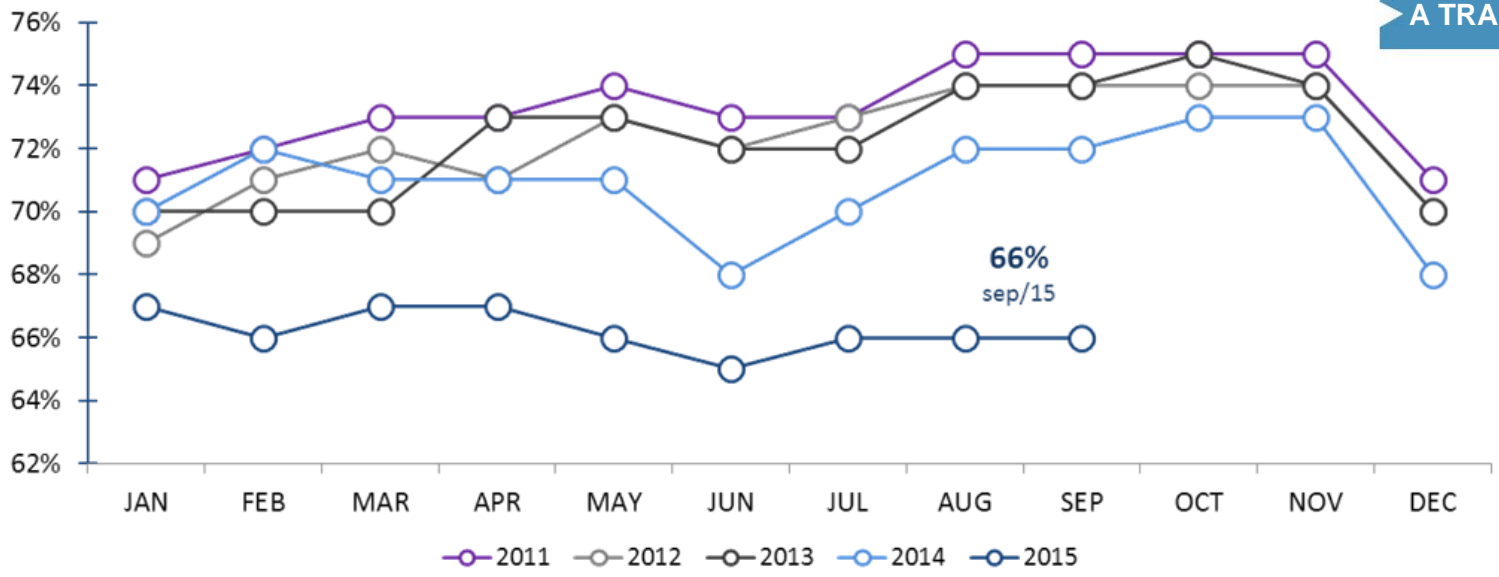


Source: IBGE (quarter this year vs, quarter last year)

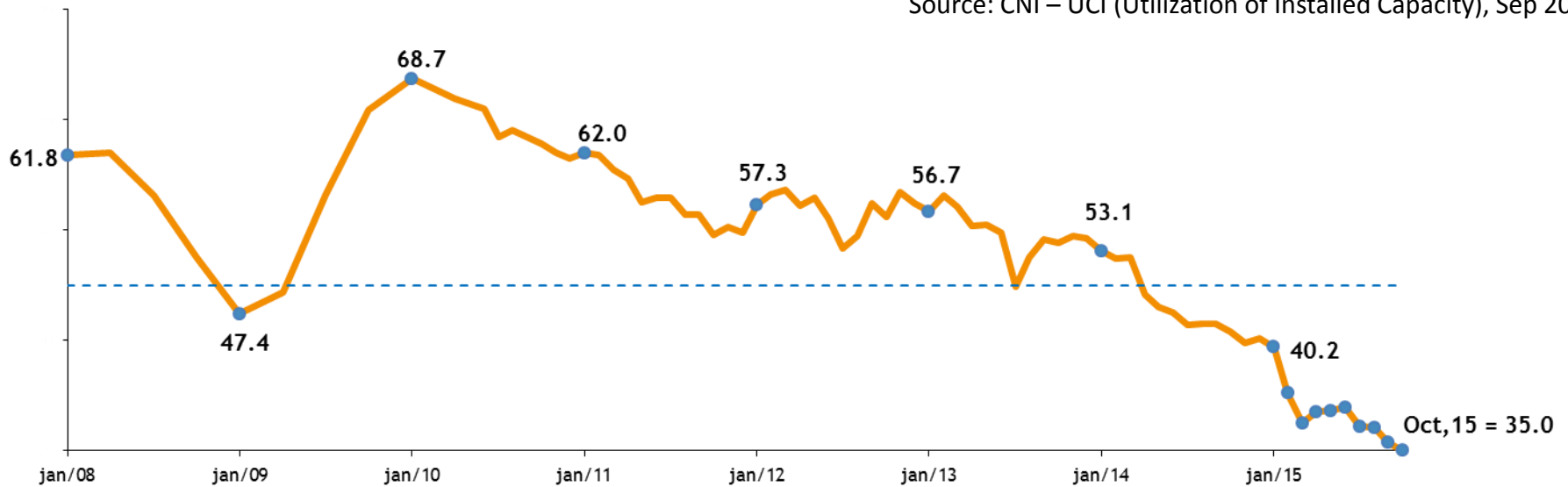
Economic Indexes – Conjunctural Indicators



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Source: CNI – UCI (Utilization of Installed Capacity), Sep 2015



Source: CNI – ICEI (Industrial Executive Confidence Index), Oct, 2015



Machine Tools



| | 9M15 | 2014 |
|-------------------------|------|------|
| Job Shops | 15% | 22% |
| Machines and Equipments | 14% | 15% |
| Technical Schools | 12% | 16% |
| Automotive | 10% | 7% |
| Tooling | 4% | 6% |
| Agricultural Equipment | 4% | 5% |
| Others | 41% | 29% |

Plastic Machines



| | 9M15 | 2014 |
|-------------|------|------|
| Packaging | 29% | 41% |
| Job Shops | 17% | 10% |
| Automotive | 14% | 14% |
| Real Estate | 6% | 3% |
| Furniture | 5% | 11% |
| Others | 29% | 21% |

Raw and Machined Cast Iron Parts



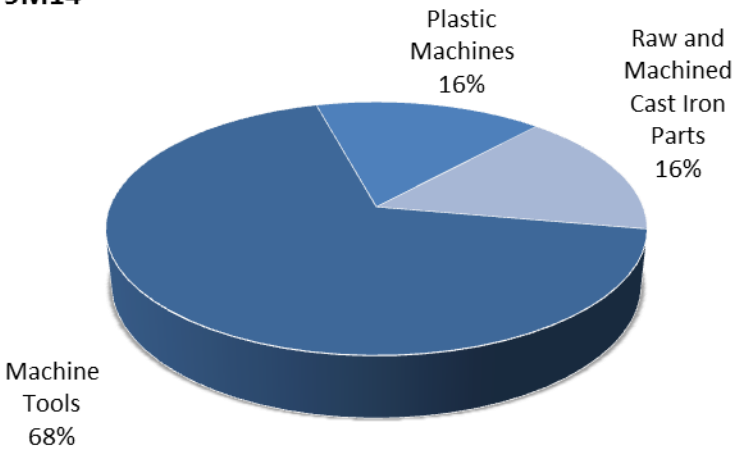
| | 9M15 | 2014 |
|---------------------|------|------|
| Wind Power | 51% | 24% |
| Automotive - Trucks | 40% | 45% |
| Agriculture | 5% | 25% |
| Others | 4% | 6% |

Net Sales per Business Unit

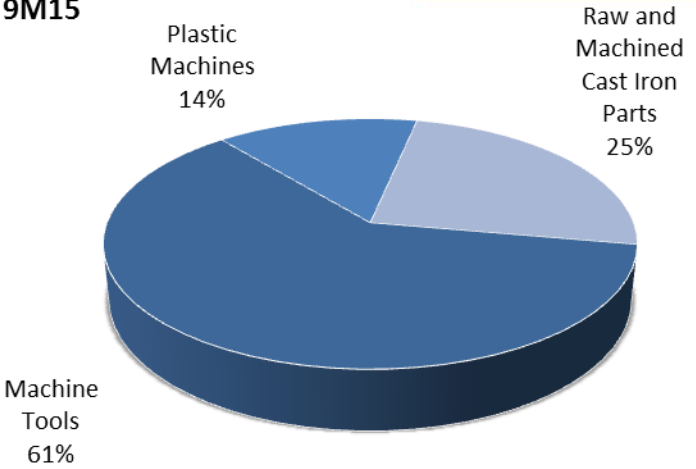


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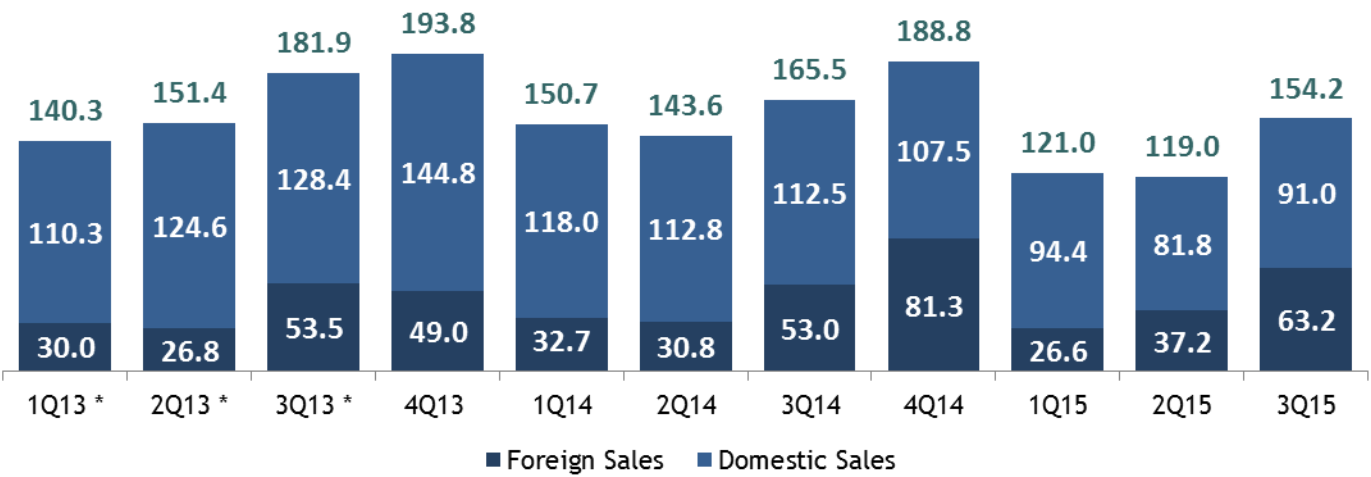
9M14



9M15



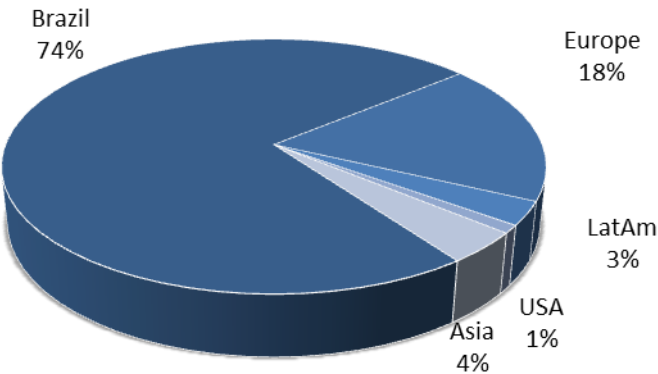
Net Operating Sales (R\$ million)



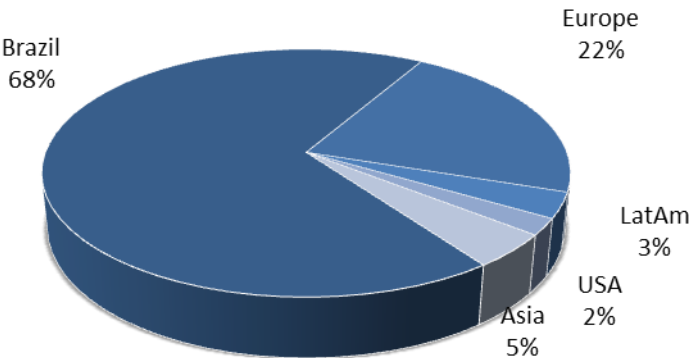
* Amounts relating to continued operations, excluding revenues from the subsidiary Romi Italia, which are presented as discontinued operations,



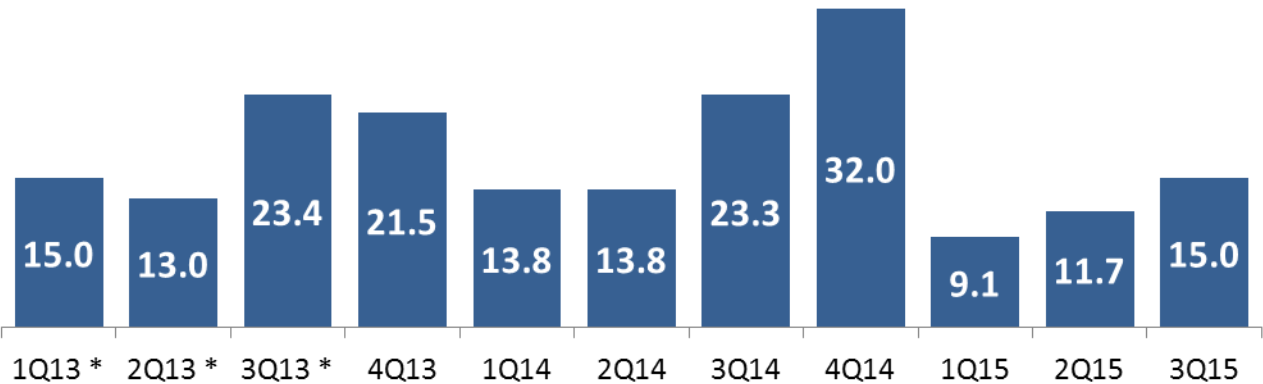
9M14



9M15



Foreign Sales (US\$ million)



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



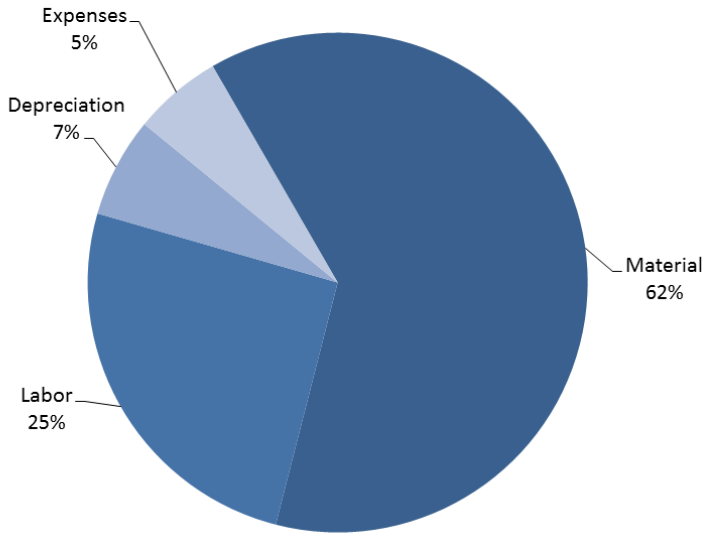
| Order Entry (R\$ 000) Gross Values, sales taxes included | 3Q14 | 4Q14 | 1Q15 | 2Q15 | 3Q15 | Chg 3Q15/2Q15 | Chg 3Q15/3Q14 |
|--------------------------------------------------------------------|----------------|----------------|---------------|----------------|----------------|------------------|------------------|
| Machine Tools | 95,697 | 114,601 | 47,636 | 60,219 | 61,430 | 2.0% | -35.8% |
| Plastic Machines | 20,178 | 27,974 | 14,163 | 7,260 | 20,307 | 179.7% | 0.6% |
| Rough and Machined Cast Iron Parts | 34,371 | 56,664 | 32,802 | 65,797 | 77,263 | 17.4% | 124.8% |
| Total | 150,245 | 199,239 | 94,602 | 133,276 | 159,000 | 19.3% | 5.8% |

| Order Entry (R\$ 000) Gross Values, sales taxes included | 2014 YTD | 2015 YTD | Chg. 2015/2014 |
|--------------------------------------------------------------------|----------------|----------------|-------------------|
| Machine Tools | 332,645 | 169,285 | -49.1% |
| Plastic Machines | 62,614 | 41,730 | -33.4% |
| Rough and Machined Cast Iron Parts | 97,717 | 175,862 | 80.0% |
| Total | 492,977 | 386,878 | -21.5% |

| Order Book (R\$ 000) Gross Values, sales taxes included | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 | 3Q15 | Chg 3Q15/2Q15 | Chg 3Q15/3Q14 |
|-------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| Machine Tools | 248,174 | 215,695 | 189,247 | 173,580 | 185,745 | 186,644 | 0.5% | -13.5% |
| Plastic Machines | 35,819 | 24,254 | 35,351 | 30,009 | 13,397 | 25,586 | 91.0% | 5.5% |
| Rough and Machined Cast Iron Parts | 35,979 | 34,403 | 55,959 | 56,953 | 90,526 | 118,133 | 30.5% | 243.4% |
| Total * | 319,971 | 274,351 | 280,557 | 260,541 | 289,668 | 330,362 | 14.0% | 20.4% |

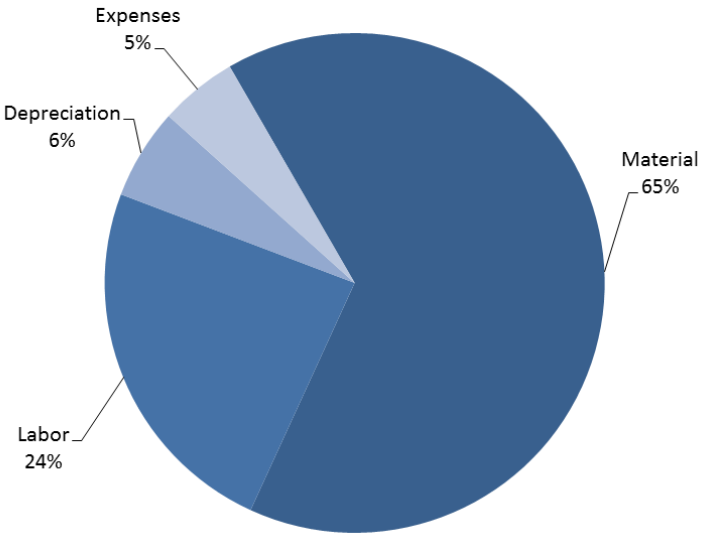


9M15



| | |
|-----|------------------------------|
| 18% | Domestic material |
| 12% | FX Related Domestic Material |
| 14% | Metals |
| 19% | Imported Material |

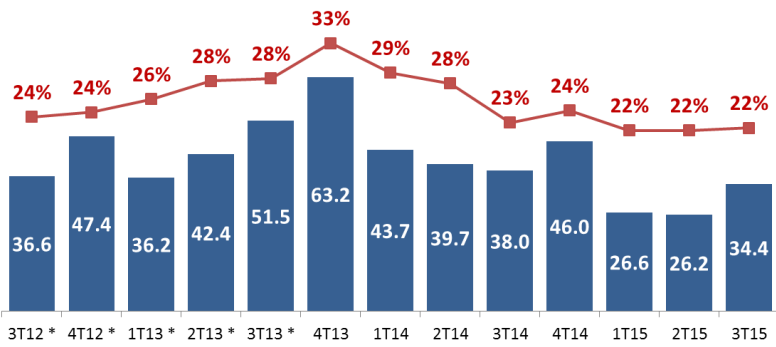
9M14



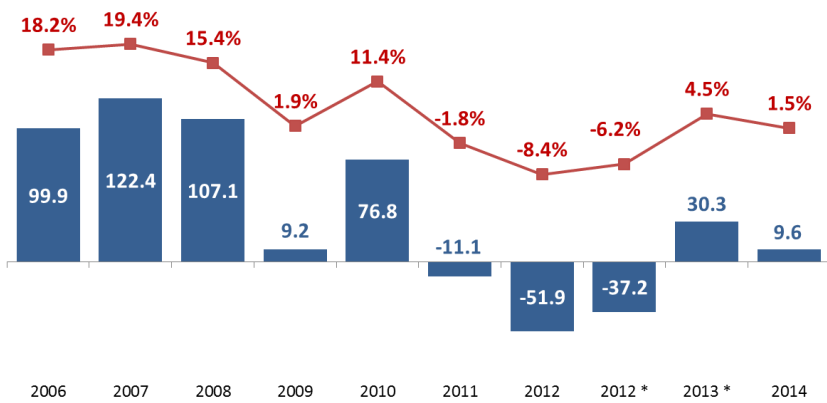
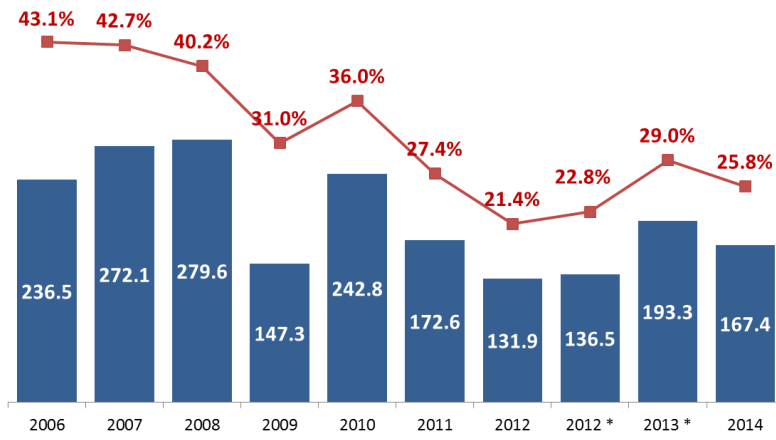
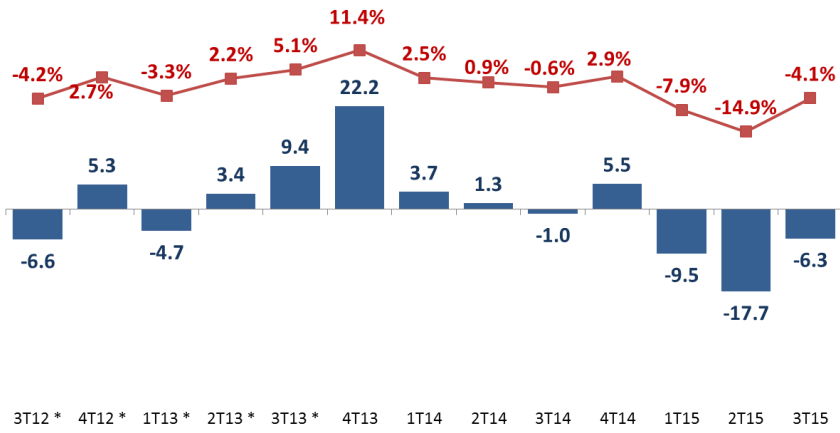
| | |
|-----|------------------------------|
| 20% | Domestic material |
| 13% | FX Related Domestic Material |
| 12% | Metals |
| 20% | Imported Material |



Gross Profit (R\$ million) and Gross Margin



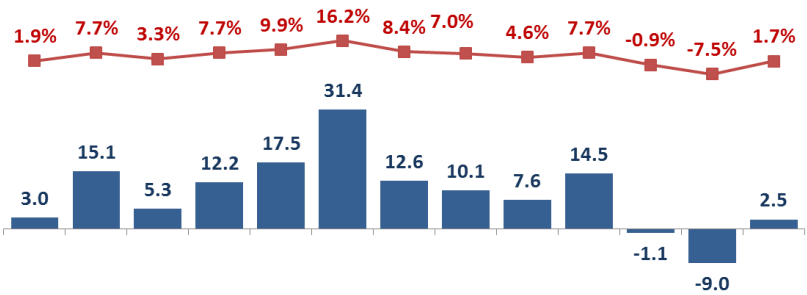
Operating Profit (R\$ million) and Operating Margin



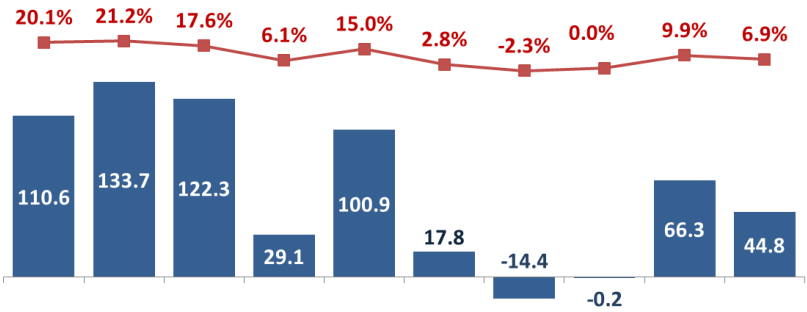
* Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia



EBITDA (R\$ million) and EBITDA Margin

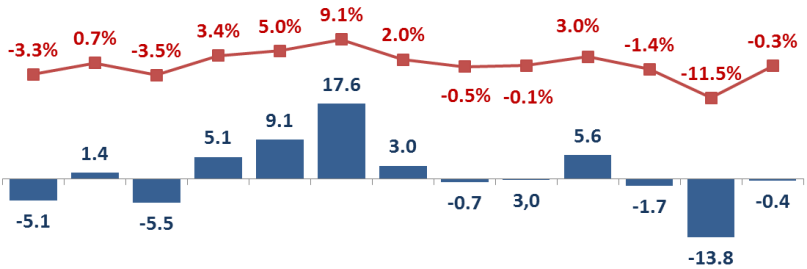


3T12 * 4T12 * 1T13 * 2T13 * 3T13 * 4T13 1T14 2T14 3T14 4T14 1T15 2T15 3T15

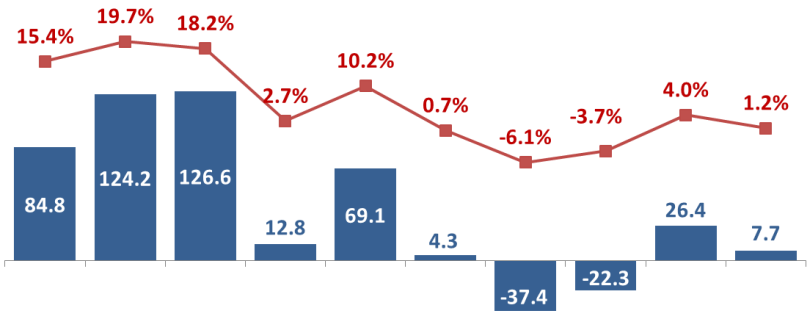


2006 2007 2008 2009 2010 2011 2012 2012 * 2013 * 2014

Net Income (R\$ million) and Net Margin



3T12 * 4T12 * 1T13 * 2T13 * 3T13 * 4T13 1T14 2T14 3T14 4T14 1T15 2T15 3T15



2006 2007 2008 2009 2010 2011 2012 2012 * 2013 * 2014

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

Business Units' Results



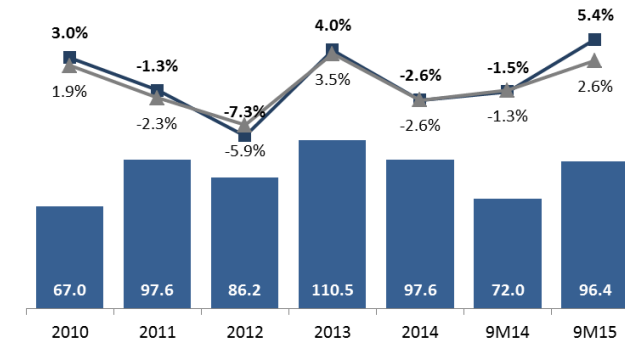
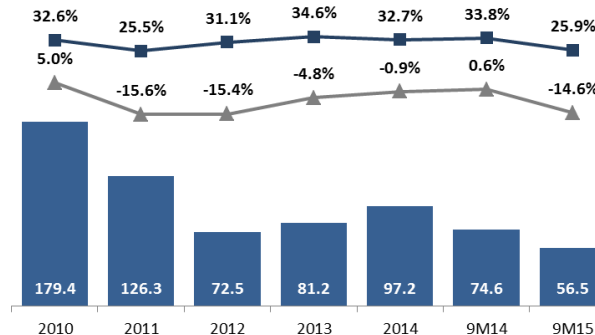
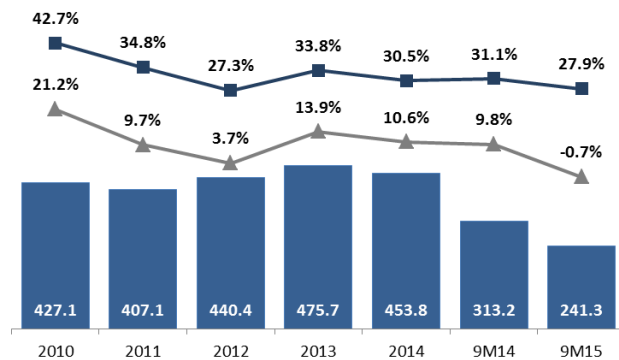
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| Sales | Quarter | | | | | | | |
|-------------------------------------------|---------|-------|-------|-------|-------|-------|-------|-------|
| | 4Q13 | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 | 3Q15 |
| Machine Tools (units) | 487 | 276 | 307 | 361 | 428 | 221 | 146 | 133 |
| Plastic Machines (units) | 62 | 54 | 42 | 43 | 45 | 44 | 28 | 14 |
| Rough and Machined Cast Iron Parts (ton.) | 4,475 | 3,731 | 3,571 | 4,167 | 3,378 | 3,807 | 4,060 | 4,956 |

Machine Tools

Plastic Machine

Rough and Machined
Cast Iron Parts



Receita Margem Bruta Margem EBITDA



Cash and Cash Equivalent – R\$ million – 09/30/2015

| | Amount |
|------------------------------------------|-------------|
| Bank Deposit Certificate (CDB) | 78.8 |
| Financial Investment with Bonds | 1.8 |
| Financial Investment in foreign currency | 5.7 |
| Banks | 10.3 |
| Total | 96.6 |

Net Debt = 105.5

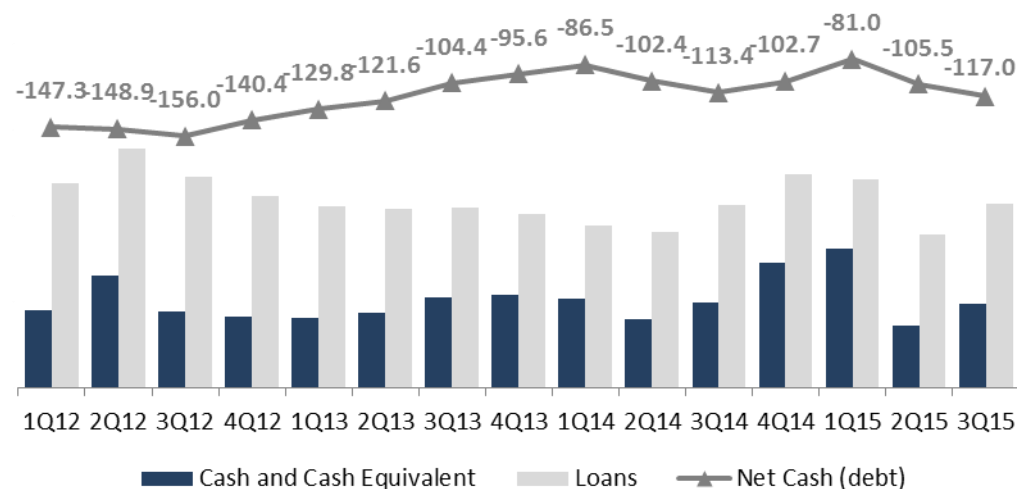
Loans* – R\$ million – 09/30/2015

| | Amount |
|---------------------|--------------|
| 2015 (3 months) | 27.1 |
| 2016 | 41.5 |
| 2017 | 78.1 |
| 2018 | 38.1 |
| 2019 and afterwards | 28.8 |
| Total | 216.6 |

(*) without Finame Manufacturer

Net Cash (Debt) Position

R\$ million





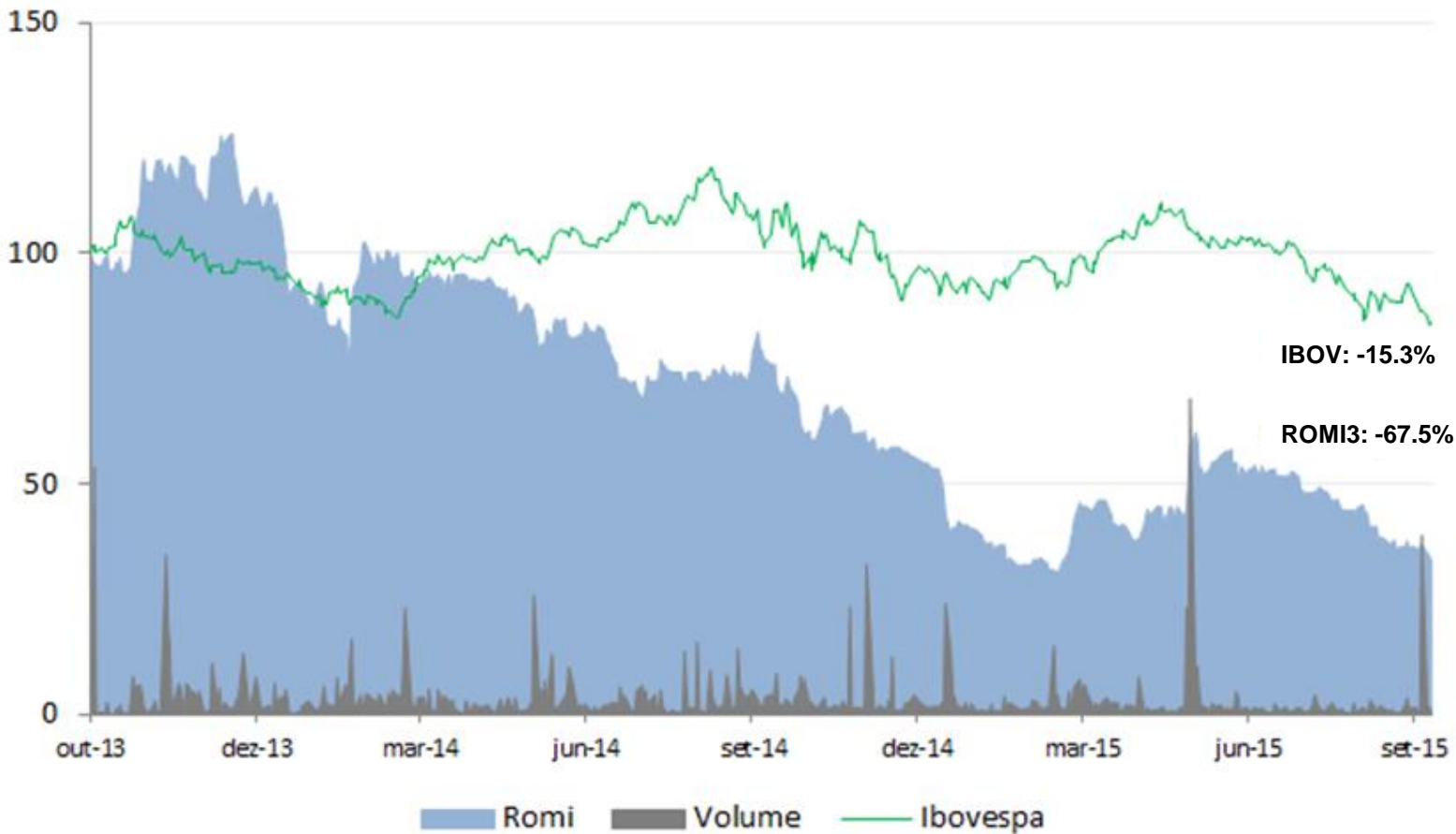
Income Statement B+W

(€ 000)

| | 3Q14 | 2Q15 | 3Q15 | Chg 3Q15/2Q15 | Chg 3Q15/3Q14 | YTD 2014 | YTD 2015 | Chg 2015/2014 |
|--------------------------------------------------|----------------|----------------|----------------|------------------|------------------|----------------|----------------|------------------|
| Net Operating Revenue | 11,629 | 5,894 | 9,176 | 55.7% | -21.1% | 24,543 | 17,237 | -29.8% |
| Cost of Goods Sold | (9,313) | (5,089) | (8,097) | 59.1% | -13.1% | (19,452) | (15,799) | -18.8% |
| Gross Profit | 2,316 | 805 | 1,079 | 34.1% | -53.4% | 5,091 | 1,438 | -71.8% |
| <i>Gross Margin %</i> | <i>19.9%</i> | <i>13.7%</i> | <i>11.8%</i> | | | <i>20.7%</i> | <i>8.3%</i> | |
| Operating Income (Expenses) | (1,954) | (2,210) | (1,933) | -12.5% | -1.1% | (5,763) | (5,596) | -2.9% |
| Selling expenses | (677) | (503) | (776) | 54.2% | 14.7% | (1,832) | (1,547) | -15.5% |
| General and administrative expenses | (1,277) | (1,706) | (1,157) | -32.2% | -9.4% | (3,931) | (4,048) | 3.0% |
| Operating Income before Financial Results | 362 | (1,405) | (854) | -39.2% | -335.9% | (672) | (4,157) | 518.5% |
| <i>Operating Margin %</i> | <i>3.1%</i> | <i>-23.8%</i> | <i>-9.3%</i> | | | <i>-2.7%</i> | <i>-24.1%</i> | |
| Financial Results, Net | (94) | (10) | (72) | 603.0% | -23.5% | (280) | (258) | -7.9% |
| Operating Income | 268 | (1,415) | (925) | -34.6% | -445.2% | (952) | (4,415) | 363.6% |
| Income tax and social contribution | 240 | 409 | 267 | -34.6% | 11.4% | 240 | 1,276 | 431.5% |
| Net income | 508 | (1,006) | (658) | -34.6% | -229.5% | (712) | (3,139) | 340.7% |
| <i>Net Margin %</i> | <i>4.4%</i> | <i>-17.1%</i> | <i>-7.2%</i> | | | <i>-2.9%</i> | <i>-18.2%</i> | |
| EBITDA | 814 | (853) | (377) | -55.8% | -146.3% | 360 | (2,706) | -851.1% |
| Net income / loss | 508 | (1,006) | (658) | -34.6% | -229.5% | (712) | (3,139) | 340.7% |
| Income tax and social contribution | (240) | (409) | (267) | -34.6% | 11.4% | (240) | (1,276) | 431.5% |
| Financial Results, Net | 94 | 10 | 72 | 603.0% | -23.5% | 280 | 258 | -7.9% |
| Depreciation | 452 | 552 | 477 | -13.6% | 5.4% | 1,032 | 1,451 | 40.5% |
| <i>EBITDA Margin %</i> | <i>7.0%</i> | <i>-14.5%</i> | <i>-4.1%</i> | | | <i>1.5%</i> | <i>-15.7%</i> | |



Share Performance ROMI3 vs, Ibovespa
From 07/01/2013 to 09/30/2015

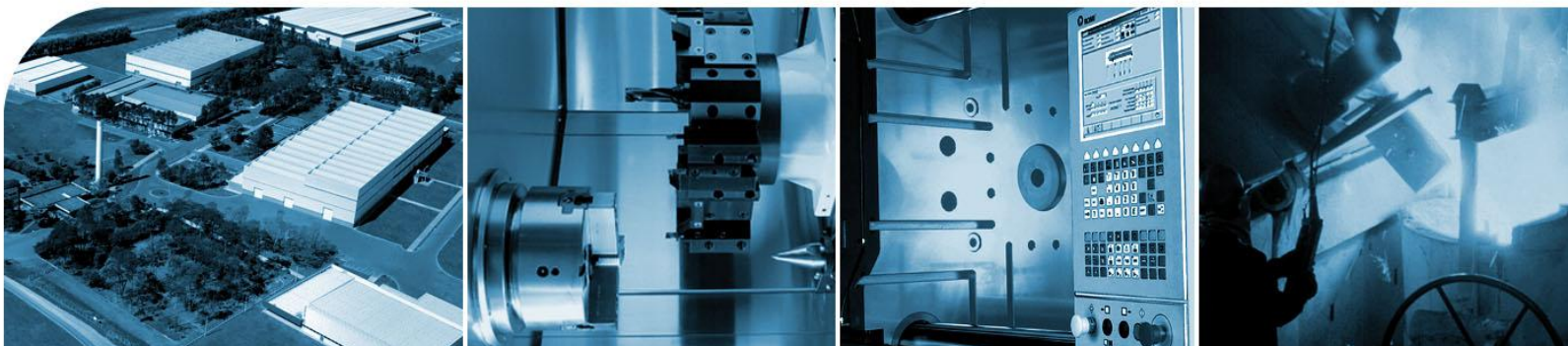


Source: BM&FBovespa



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