



**ROMI**®

A TRADITION OF INNOVATION



**Earning Release 4Q07 and 2007YE**

**February 14, 2008**



*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.*



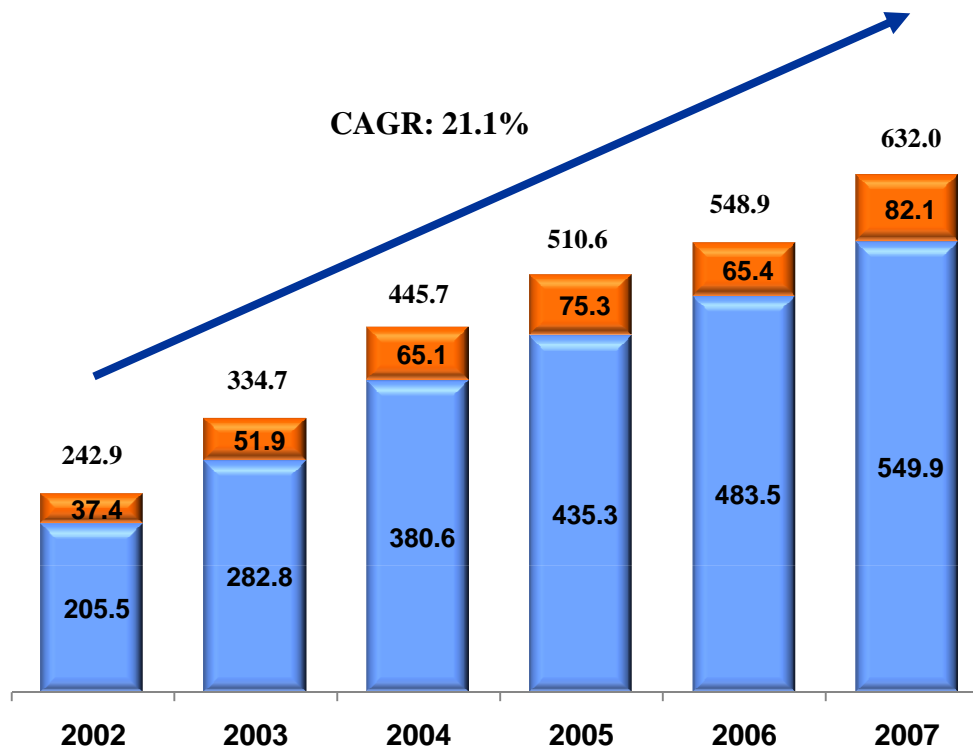
- ☐ **Revenue reaches R\$ 188.8 million in 4Q07, an improvement of 21.3% over 4Q06**
- ☐ **A 16.9% improvement in net income in 4Q07 against 4Q06**
- ☐ **4Q07 growth of 31.0% in net operating revenue from the Plastic Injection Molding Machines unit compared with 4Q06**
- ☐ **Significant increase in 4Q07 in relation to 4Q06 of sales volume in all business units**
- ☐ **Announcement of an investment plan for two new plants, being one a foundry and the other a machining plant for cast iron parts**

# Net Operating Revenue



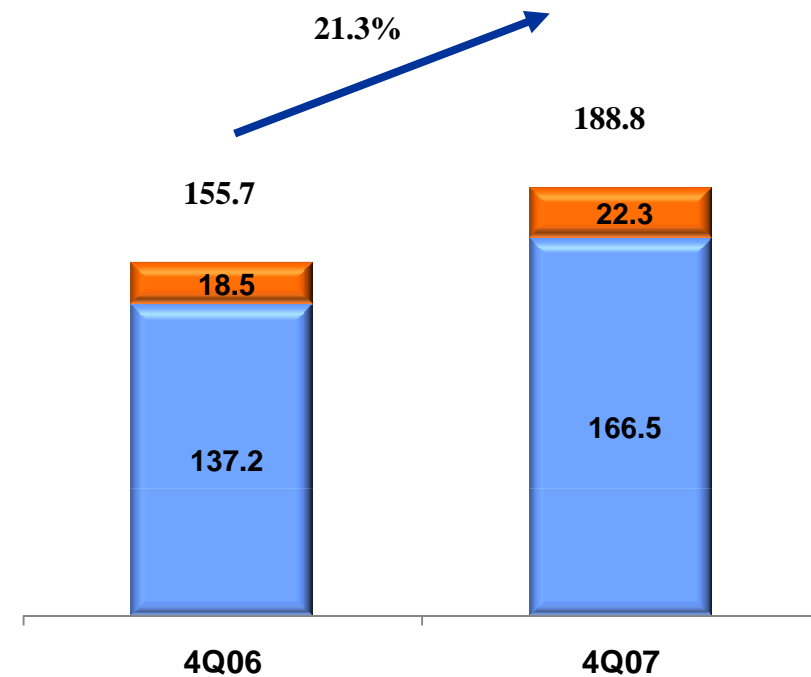
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Net Operating Revenue (Consolidated) – Year – R\$mm



Exports

Net Operating Revenue (Consolidated) – Quarter – R\$mm

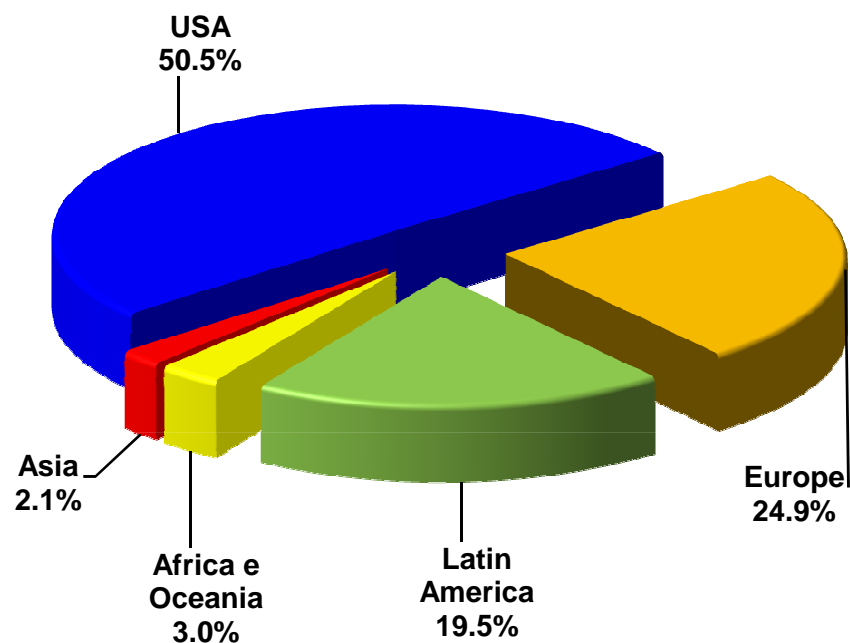


Domestic Sales



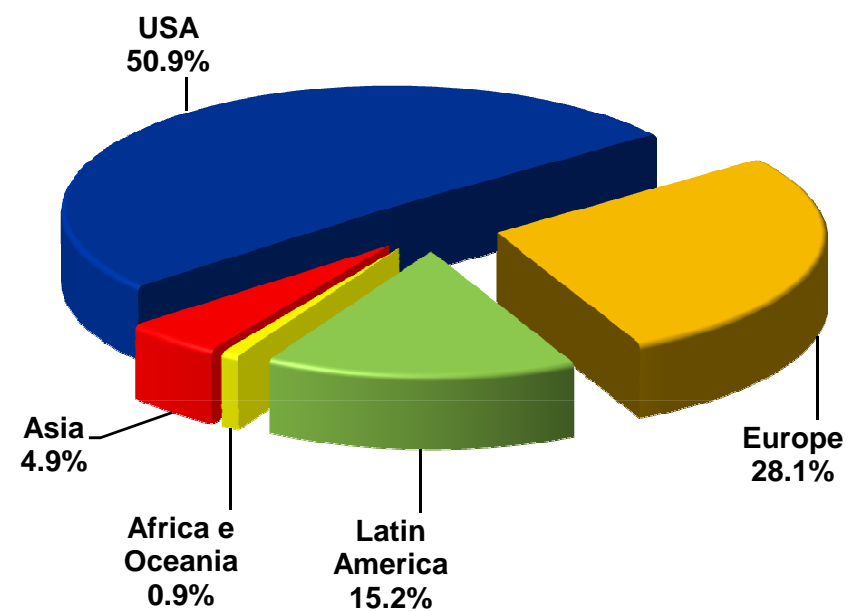
## Exports 2006

US\$ 30.2 Milhões



## Exports 2007

US\$ 42.8 Milhões



42%



## Machine Tools



## Plastic Injection Molding Machines



## Rough and Machine Castings Iron Parts



Sector	%
Job Shops	40%
Automotive	14%
Capital Goods	11%
Tooling	5%
Hidraulic	4%
Oil	3%
Others	23%

Sector	%
Automotive	20%
Job Shops	15%
Packaging	15%
Home Appliances	11%
Real Estate	9%
Home Utilities	9%
Others	27%

Sector	%
Automotive (Trucks)	42%
Automotive (Cars)	18%
Electricity Generation	17%
Agriculture	12%
Capital Goods	10%
Land Mov. Equipments	1%

# Consolidated Margins



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R\$m	4Q07	3Q07	4Q06	QoQ	YoY	2007*	2006	YoY
Gross Profit	78.4	72.6	71.6	8.8%	9.5%	270.0	236.5	14.2
Gross Margin	41.5%	44.1%	46.0%	(2.6 p.p.)	(5.5 p.p.)	42.7%	43.1%	(0.4 p.p.)
EBITDA	35.6	39.7	34.4	(10.3%)	3.5%	133.0	108.2	22.9
EBITDA Margin	18.8%	24.1%	22.1%	(5.3 p.p.)	(3.3 p.p.)	21.0%	19.7%	1.3 p.p.
Net Income	32.5	36.2	27.8	(11.4%)	16.9%	109.0	82.9	31.4
Net Margin	17.2%	22.0%	17.9%	(4.1 p.p.)	(0.7 p.p.)	17.2%	15.1%	2.1 p.p.

(\*) For year 2007, EBITDA was adjusted by Public Offering Shares occurred on April 2007.



# Business Units

## Net Revenue and Sales Volume



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	4Q07	3Q07	4Q06	QoQ	YoY
<b>Machine Tools</b>					
R\$ mm	<b>127.4</b>	<b>109.1</b>	<b>104.3</b>	<b>16.8%</b>	<b>22.1%</b>
Units Sold	<b>753</b>	<b>599</b>	<b>545</b>	<b>25.7%</b>	<b>38.2%</b>
<b>Plastic Injection Molding Machine</b>					
R\$ mm	<b>32.3</b>	<b>26.0</b>	<b>24.6</b>	<b>24.2%</b>	<b>31.3%</b>
Units Sold	<b>115</b>	<b>113</b>	<b>85</b>	<b>1.8%</b>	<b>35.3%</b>
<b>Rough and Machined Cast.</b>					
R\$ mm	<b>29.2</b>	<b>29.4</b>	<b>26.7</b>	<b>(0.1)%</b>	<b>9.4%</b>
Tons Sold	<b>5,405</b>	<b>5,467</b>	<b>4,848</b>	<b>(1.1)%</b>	<b>11.5%</b>

2007	2006	YoY
<b>416.8</b>	<b>369.5</b>	<b>12.8%</b>
<b>2,422</b>	<b>1,941</b>	<b>24.8%</b>
<b>104.2</b>	<b>88.4</b>	<b>17.9%</b>
<b>381</b>	<b>309</b>	<b>23.3%</b>
<b>110.9</b>	<b>91.1</b>	<b>21.7%</b>
<b>20,784</b>	<b>16,126</b>	<b>28.9%</b>



# Business Units - Margins

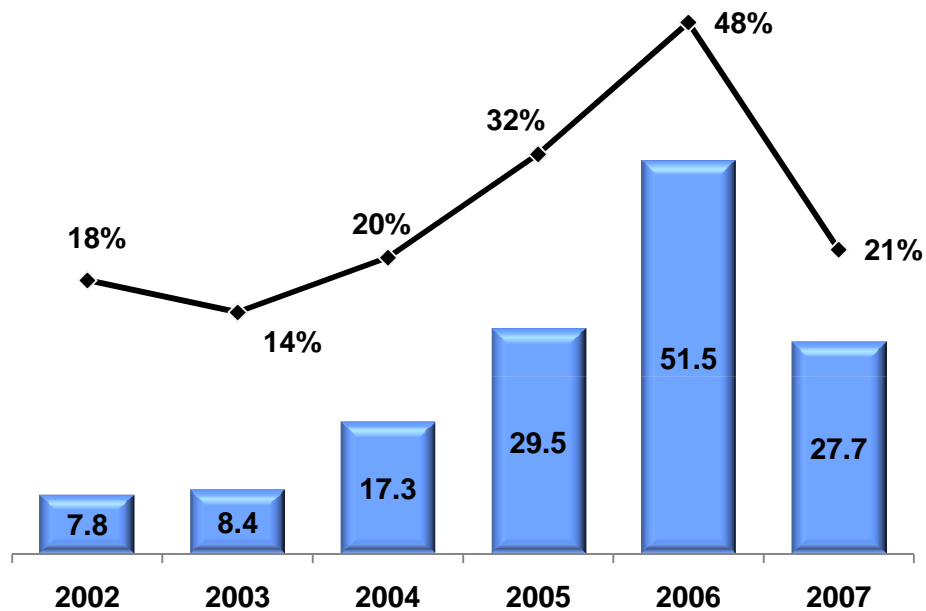


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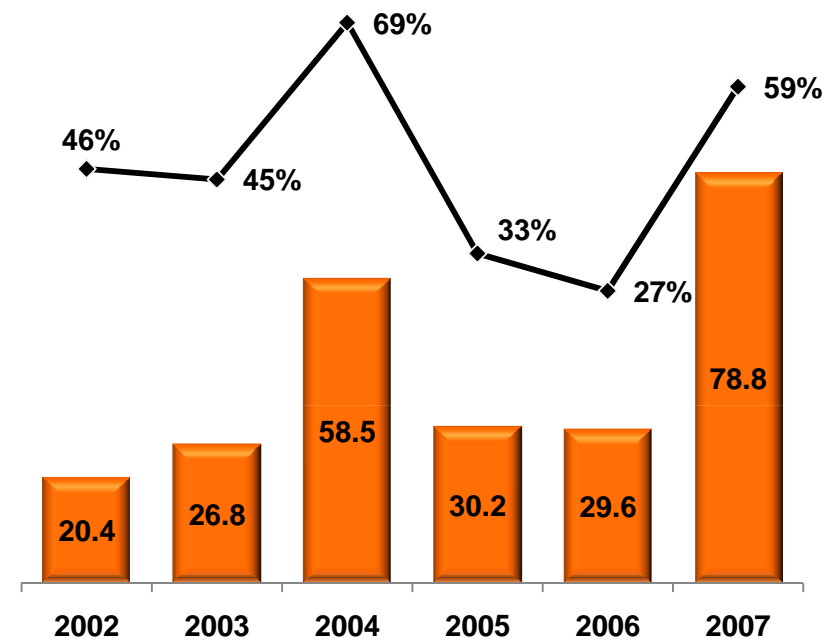
	4Q07	3Q07	4Q06	QoQ	YoY	2007	2006	YoY
<b>Machine Tools</b>								
Gross Margin	45.9%	46.7%	49.4%	(0.8 p.p.)	(3.5 p.p.)	45.8%	47.4%	(1.6 p.p.)
EBIT Margin	21.9%	22.5%	23.8%	(0.6 p.p.)	(1.9 p.p.)	20.5%	20.1%	0.4 p.p.
<b>Plastic Injection Molding Mach.</b>								
Gross Margin	35.4%	38.4%	37.4%	(3.0 p.p.)	(2.0 p.p.)	39.6%	34.0%	5.6 p.p.
EBIT Margin	12.3%	14.3%	11.1%	(2.0 p.p.)	1.2 p.p.	15.1%	7.3%	7.8 p.p.
<b>Rough and Machined Cast.</b>								
Gross Margin	29.1%	39.5%	40.5%	(10.4 p.p.)	(11.4 p.p.)	34.0%	34.3%	(0.3 p.p.)
EBIT Margin	15.2%	26.3%	27.0%	(11.1 p.p.)	(18.8 p.p.)	20.2%	20.9%	(0.8 p.p.)



Capex (R\$ mm) / % of EBTIDA



Loan (R\$ mm) / % of EBTIDA



Note: without Finame Fabricante

# Expansion Plans



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Destination	Public Offering Proceeds	Cash Flow Generation	New Loans	Estimated Total Investment	Schedule
<b>Vulcano Project</b> Increase Capacity of castings and Machined Castings	-	70	160	230	<b>2008 - 2011</b>
<b>Paradiso Project</b> Integration of the facilities in one place, including increase on capacity	-	60	100	160	<b>2008 - 2011</b>
<b>Acquisitions</b>	230	-	-	230	<b>2007 - 2008</b>
<b>Total</b>	<b>230</b>	<b>130</b>	<b>260</b>	<b>620</b>	<b>-</b>

CAPEX Estimated Values (R\$ million)

# CAPEX – Organic Growth and Maintenance



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Destination	2008	2009	2010	2011	Total
<b>Vulcano Project</b> Increase Capacity of castings and Machined Castings	60	55	65	50	<b>230</b>
<b>Paradiso Project</b> Integration of the facilities in one place, including increase on capacity	50	40	35	35	<b>160</b>
<b>Maintenance</b>	15	20	20	25	<b>80</b>
<b>Total</b>	<b>125</b>	<b>115</b>	<b>120</b>	<b>110</b>	<b>470</b>

**Note: Not considering acquisitions**

*CAPEX Estimated Values (R\$ million)*



- Summary:

Transfer of manufacturing plants from Headquarters site to District site, parallel to the increase on capacity of the transferred units.

- Beginning: 2006
- Estimated Conclusion: 2011
- Total Investment: R\$ 210 million

- Payback: 7 years
- Capacity Increase: from 2,900 to 4,800 machines/year (Depending on product mix produced)
- Synergies: Reduction of logistic, power and maintenance expenses. Elimination of duplicated structures. Better productive flow. Reduction of in process inventory.





## New Foundry

- ▶ Capacity: 40,000 ton/year
- ▶ CAPEX: R\$ 110 million
- ▶ Payback: 6 years
- ▶ Total area: 24,000 m<sup>2</sup>
- ▶ Location: To be defined



	Phase 1 2008	Phase 2 2009	Phase 3 2010	Phase 4 2011
Area (m <sup>2</sup> )	10,500	10,500	24,000	24,000
Capacity (t/year)	10,000	20,000	30,000	40,000
Investments (R\$ mi)	35	25	35	15
Accumulated (R\$ mi)	35	60	95	110





## New Machining Unit (Casting Iron Parts)

- ▶ Capacity: 40,000 ton/year
- ▶ CAPEX: R\$ 120 million
- ▶ Payback: 5 year
- ▶ Total area: 24,000 m<sup>2</sup>
- ▶ Location: To be defined



	Phase 1 2008	Phase 2 2009	Phase 3 2010	Phase 4 2011
Area (m <sup>2</sup> )	12,000	12,000	24,000	24,000
Capacity (t/year)	10,000	20,000	30,000	40,000
Investments (R\$ mi)	25	30	30	35
Accumulated (R\$ mi)	25	55	85	120



- Transaction Date: 01/25/2008
- Transaction Amount: R\$5.5Millions
- Loans Assumed: R\$1.2Million
- FV/Ebitda Projected 2008: 4,7x
- Recognized Brand in the Brazilian Market
- New products to our portfolio
- Synergies:
  - Equivalent manufacturing process
  - Near operations
  - Costumers base
  - Finame Fabricante
  - Several same suppliers





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