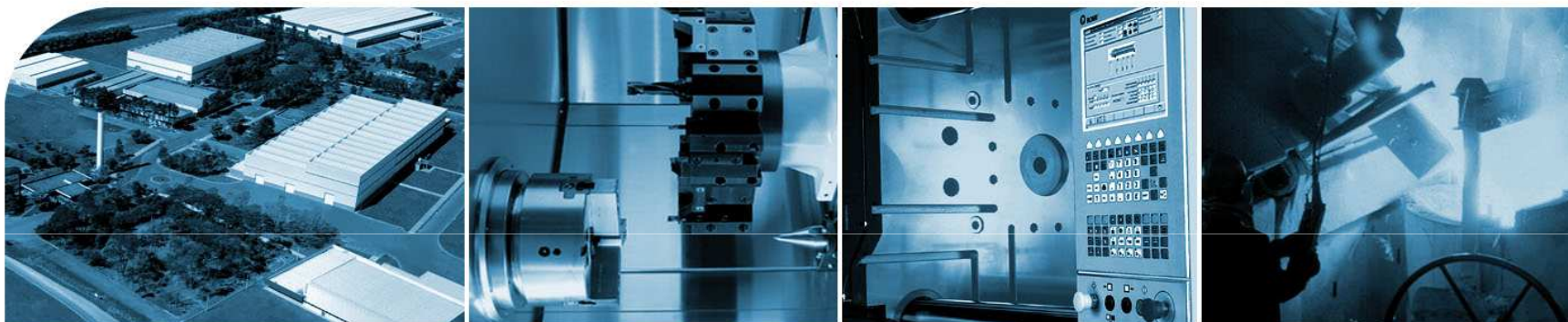




**ROMI**®

A TRADITION OF INNOVATION



## 4Q10 Earnings Release

February 9, 2011



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

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

Índice de  
Sustentabilidade  
Empresarial **ISE**  
2011

# Important Note



A TRADITION OF INNOVATION

*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** reaches R\$ 191.2 million in 4Q10, a growth of 10.2% over 4Q09 and of 12.8% as compared with 3Q10;
- All the Company's business units posted **growth in Net Operating Revenue** as compared to 4Q09, especially the Rough and Machined Cast Iron Parts unit, which had a 34.6% increase in net revenue in the period;
- The gross margin, thanks to the **dilution of fixed costs** due to the Company's increased revenue and productivity, improved from 31.0% in 4Q09 to 34.4% in 4Q10;
- The **EBITDA margin** in 4Q10 was 14.7%, 15 bps higher than in 4Q09, reflecting the Company's ability to generate operating cash. In the 12M10 x 12M09 comparison, the EBITDA margin grew 89 bps;
- **Solid order entry in 12M10**, totaling R\$ 691.2 million in the year, evidencing the recovery of the economic activity level in the industrial sectors, a 16.6% growth over 12M09.

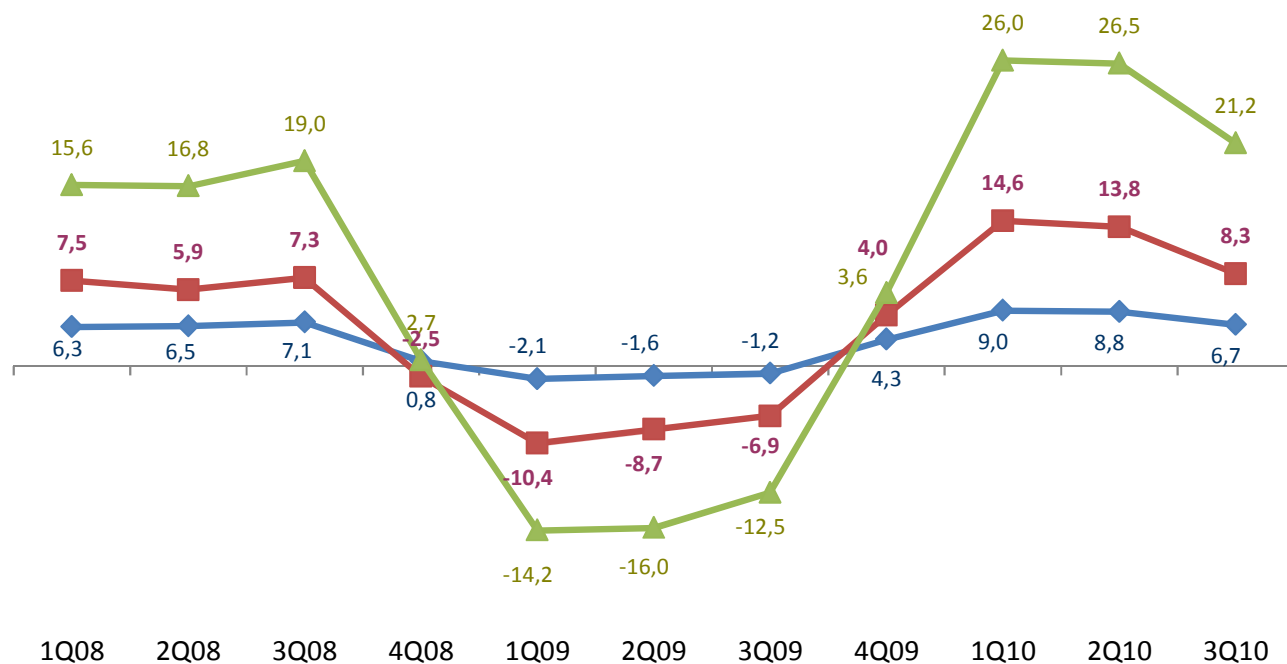
# Economic Indexes



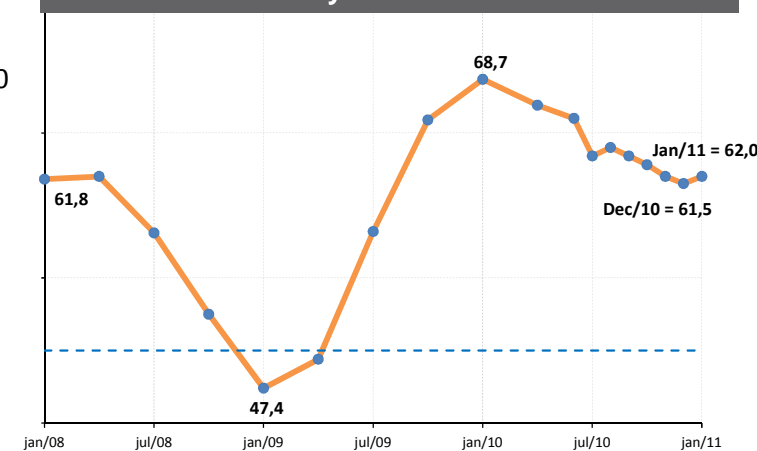
**ROMI®**

A TRADITION OF INNOVATION

— GDP — Industrial GDP — Gross Fixed Capital Formation

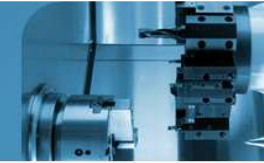


ICEI – Industry Confidence Indicator

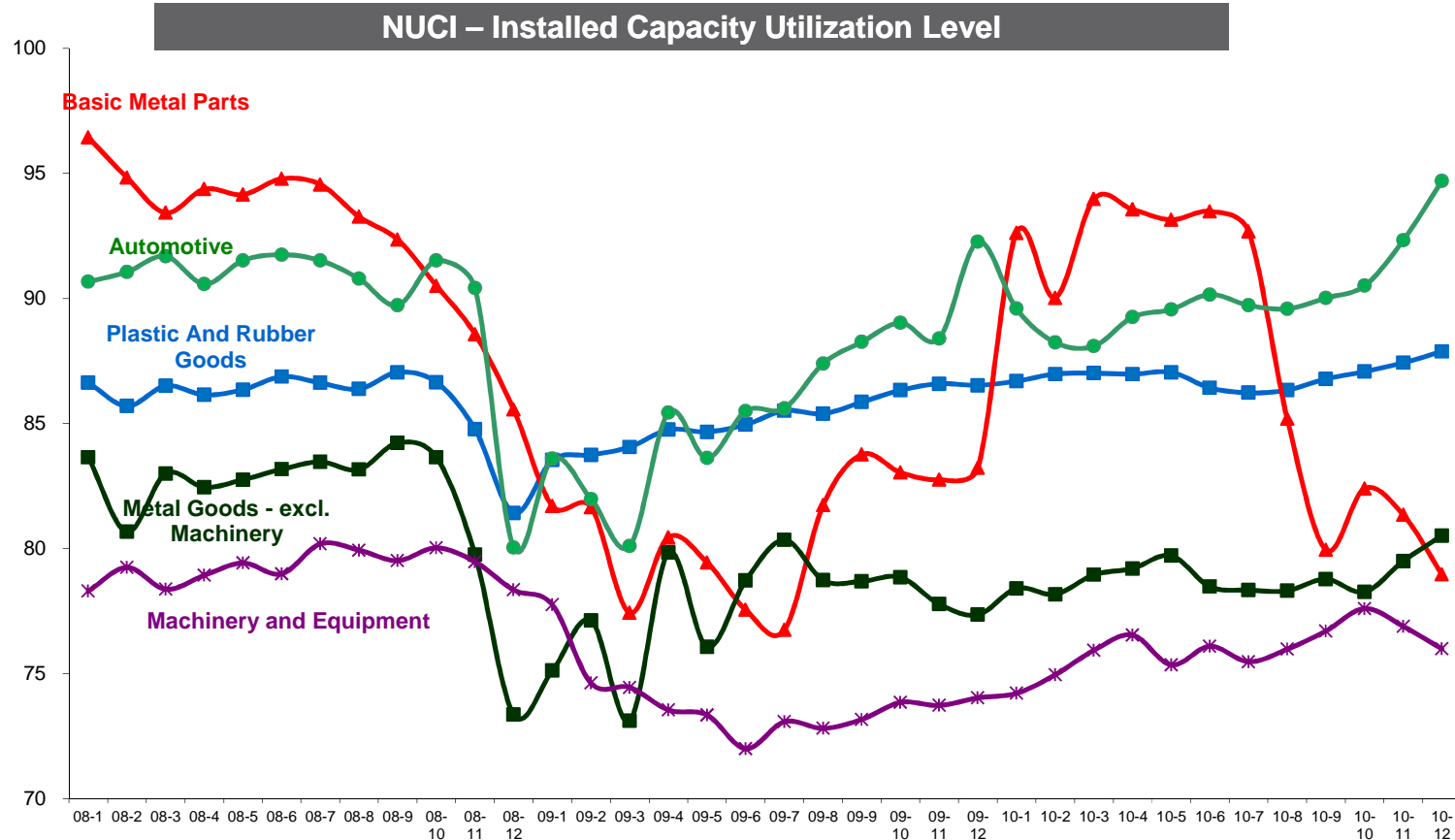


Source: CNI (National Industry Confederation)

# Brazilian Industry Capacity



A TRADITION OF INNOVATION



Source: São Paulo State Industries Federation (FIESP) – INA (Activity Level Indicator) – NUCI (Installed Capacity Utilization Level)

# Machine Tools



A TRADITION OF INNOVATION

## METAL CHIPING

### TURNING

### MILLING

#### ENGINE LATHES

#### CNC LATHES

#### TURNING CENTERS

#### MACHINING CENTERS

#### LIGHTWEIGHT

#### HEAVYWEIGHT



#### EXAMPLES OF PARTS PRODUCED IN OUR MACHINES



#### OUR CLIENTS BUSINESS SECTORS

MACHINING AND TOOLING SHOPS, PARTS MAKER FOR THE AUTOMOTIVE, AVIATION, OIL/ENERGY/SUGAR AND ALCOHOL INDUSTRIES, CAPITAL GOODS AND OTHER

#### Net Operating Revenues Distribution

	2009	2010
Job Shops	25%	28%
Capital Goods	13%	16%
Automotive	12%	11%
Technical Schools	3%	8%
Oil & Gas	10%	5%
Agricultural Equipment	5%	3%
Others	32%	29%



# Plastic Processing Machines



A TRADITION OF INNOVATION

## PLASTIC PROCESSING MACHINES

### INJECTION MOLDING

### BLOW MOLDING

#### INJECTION MOLDING MACHINES

#### PLASTIC BLOW MOLDING MACHINES

#### PET BLOW MOLDING MACHINES



#### EXAMPLES OF PARTS PRODUCED IN OUR MACHINES



#### OUR CLIENTS BUSINESS SECTORS

SERVICE PROVIDERS, PACKAGING MANUFACTURERS FOR THE FOOD, CLEANING AND CHEMICAL SECTORS, AMONG HOUSEWARES, FURNITURE, HI-TECH PARTS FOR THE AUTOMOTIVE AND CAPITAL GOODS, CONSTRUCTION SECTORS AND OTHERS

#### Net Operating Revenues Distribution

	2009	2010
Packaging	26%	39%
Automotive	17%	18%
Job Shops	13%	11%
White Line	14%	11%
Others	30%	21%

# Casting



## FOUNDRY

### ROUGH CASTINGS

PARTS PRODUCED OF GRAY, NODULAR  
AND VERMICULAR IRON CAST



### MACHINED CASTINGS

CNC MACHINING CASTS



### EXAMPLES OF PARTS PRODUCED



### OUR CLIENTS BUSINESS SECTORS

PARTS FOR AUTOMOTIVE INDUSTRIES (CARS AND COMMERCIAL), ENERGY, AGRICULTURE AND CAPITAL GOODS, AMONG OTHERS

### Net Operating Revenues Distribution

	2009	2010
Automotive - Trucks	58%	70%
Agriculture	14%	17%
Capital Goods	4%	8%
Electricity Generation	23%	3%
Automotive - Cars	1%	2%



# Net Sales per Business Unit 2010



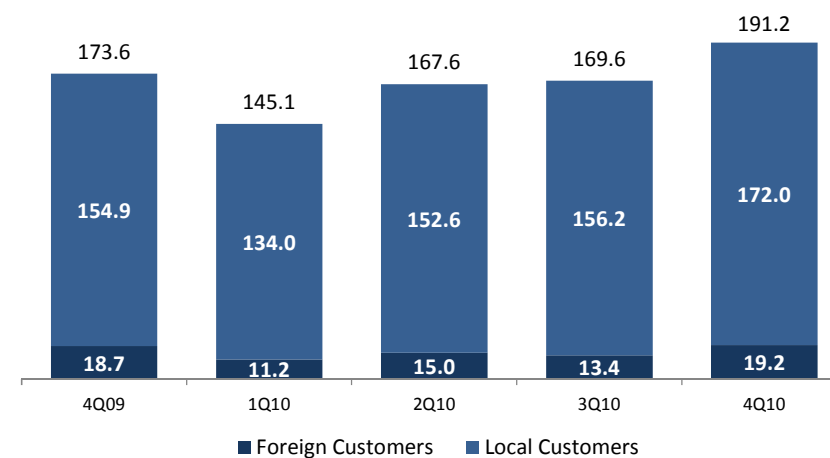
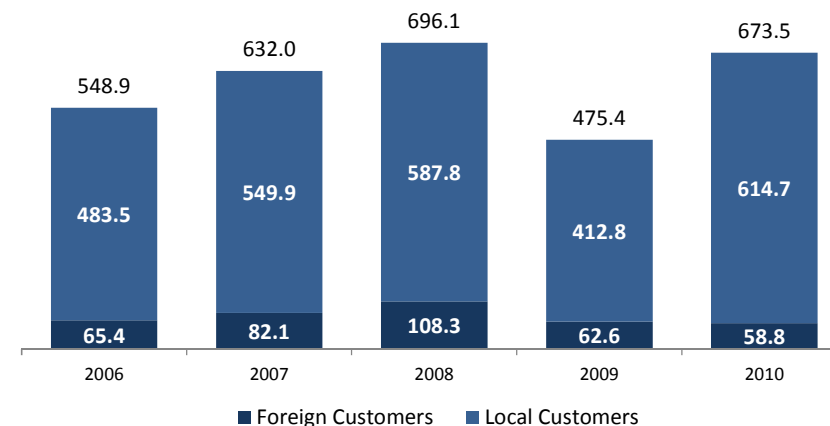
**MACHINE TOOLS**  
**R\$ 427.1 million**



**CASTING**  
**R\$ 67.0 million**

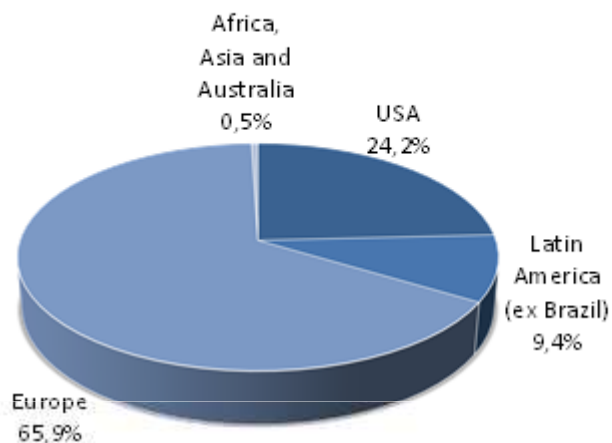
**PLASTIC PROCESSING  
MACHINES**  
**R\$ 179.4 million**

## Net Operating Sales (R\$ million)

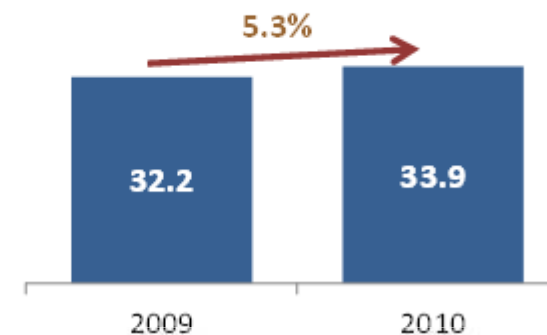




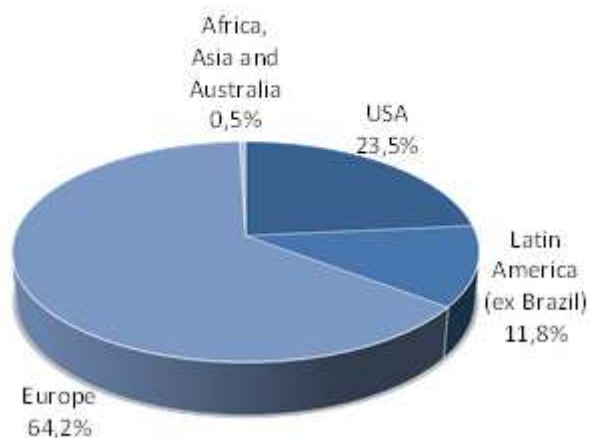
2010 Foreign Sales Destination



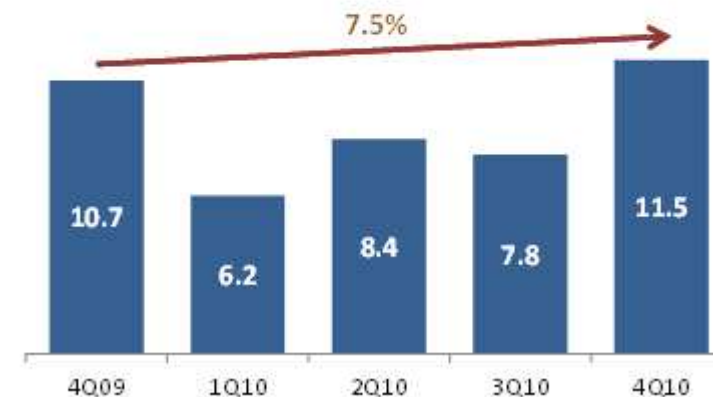
Year Foreign Sales – US\$ million



4T10 Foreign Sales Destination



Quarter Foreign Sales – US\$ million



# Order Entry

R\$ thousand



A TRADITION OF INNOVATION

	4T09	1T10	2T10	3T10	4T10	Var.% 4T/4T	Var.% 4T/3T
Machine Tools	158.061	94.084	132.784	111.777	99.194	-37,2	-11,3
Plastic Machines	71.065	42.138	53.187	43.865	32.127	-54,8	-26,8
Rough and Machined Cast Iron Parts	17.585	21.968	22.065	24.276	13.729	-21,9	-43,4
<b>Total</b>	246.711	158.190	208.036	179.918	145.050	-41,2	-19,4

	12M09	12M10	Var.%
Machine Tools	381.436	437.838	14,8
Plastic Machines	163.557	171.316	4,7
Rough and Machined Cast Iron Parts	47.828	82.039	71,5
<b>Total</b>	592.821	691.193	16,6

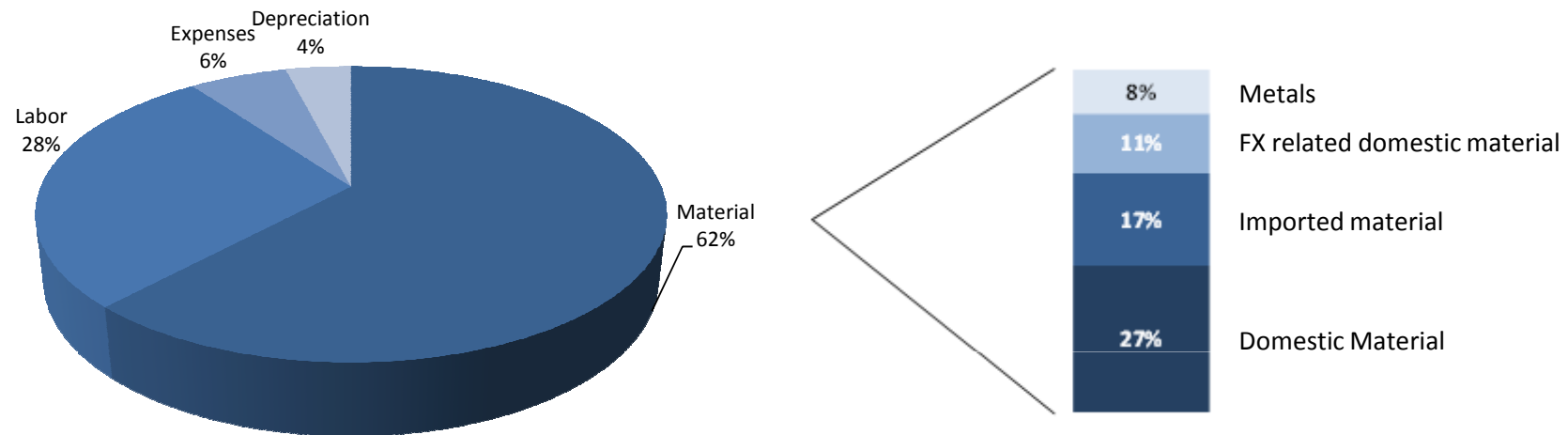
Note: Gross values, including sales taxes

# Cost of Goods Sold

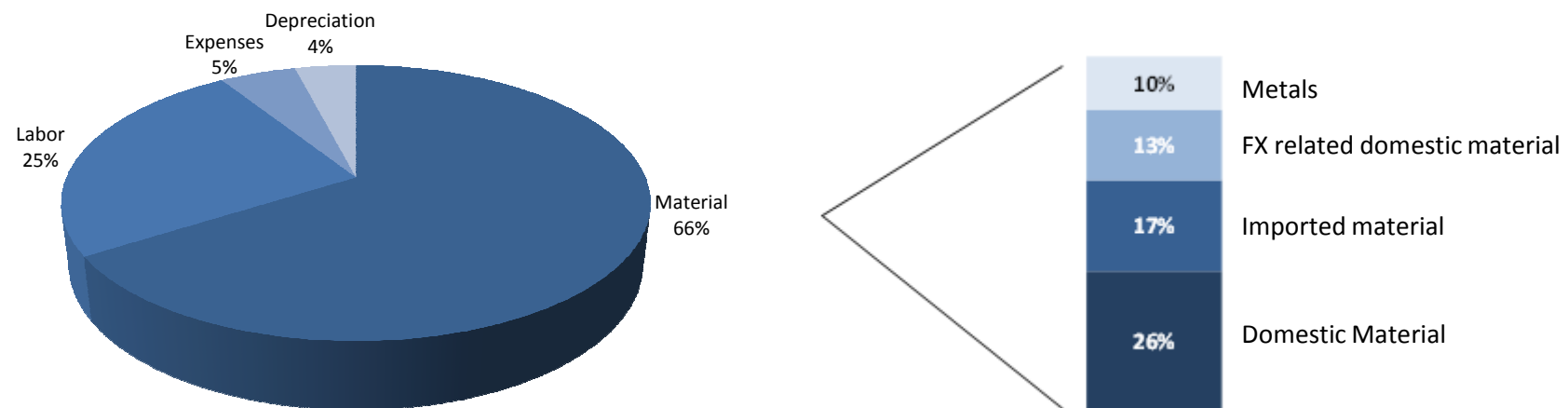


A TRADITION OF INNOVATION

2009



2010

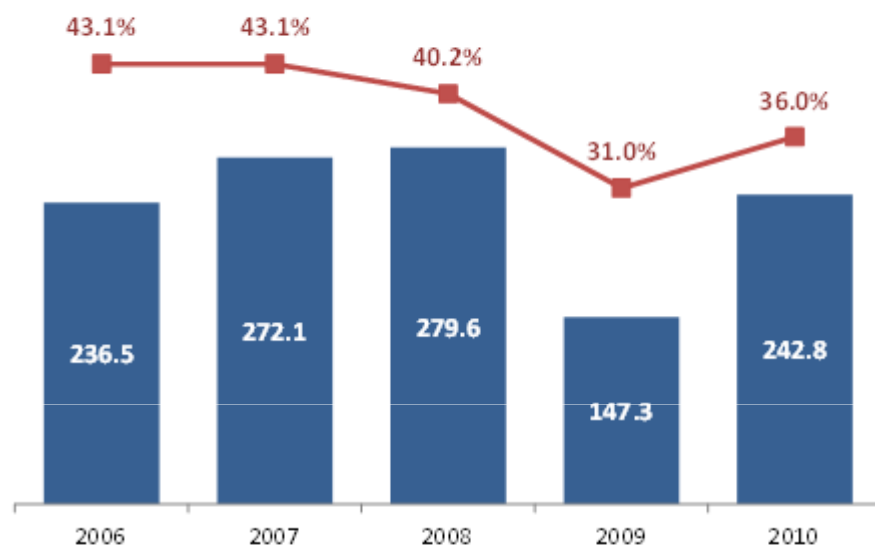


# Continuous Profitability

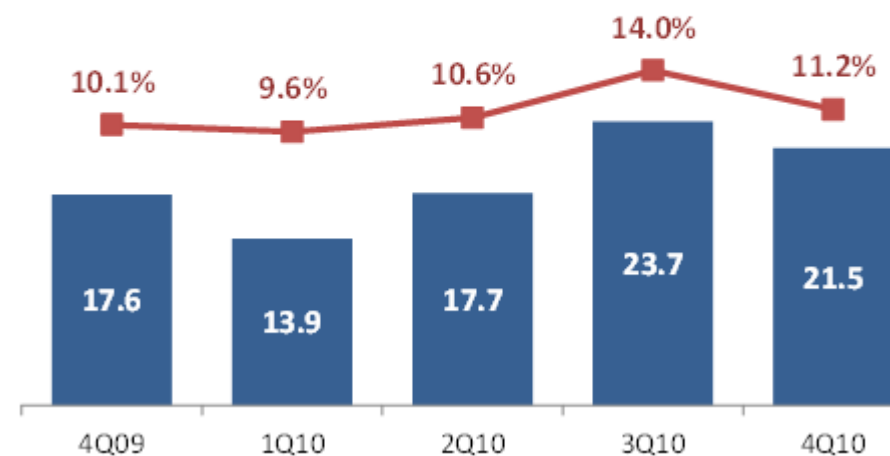
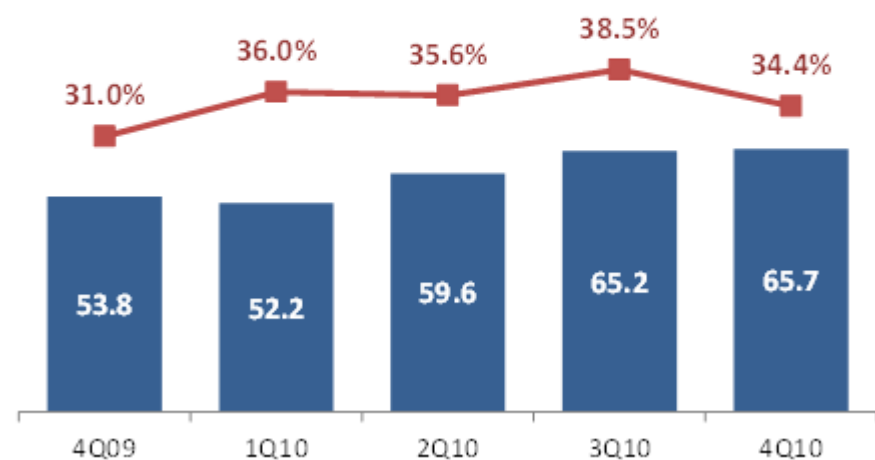
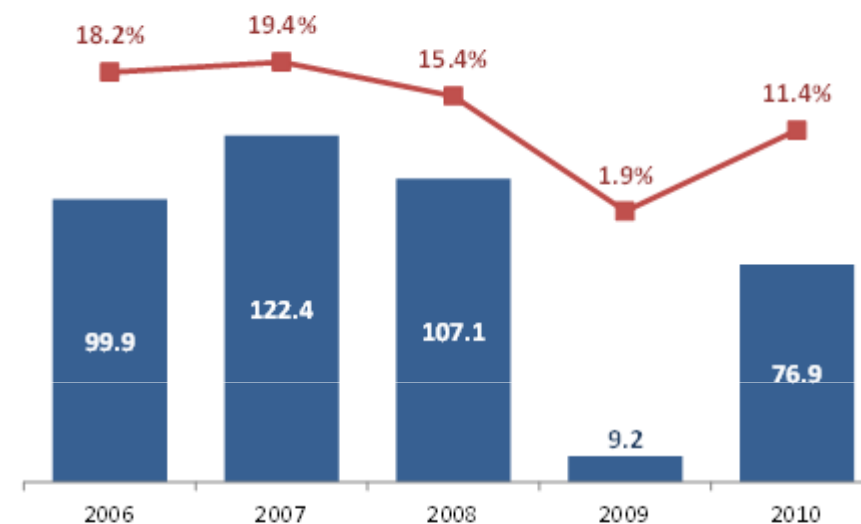


A TRADITION OF INNOVATION

Gross Profit (R\$ million) and Gross Margin



EBIT (R\$ million) e EBIT Margin



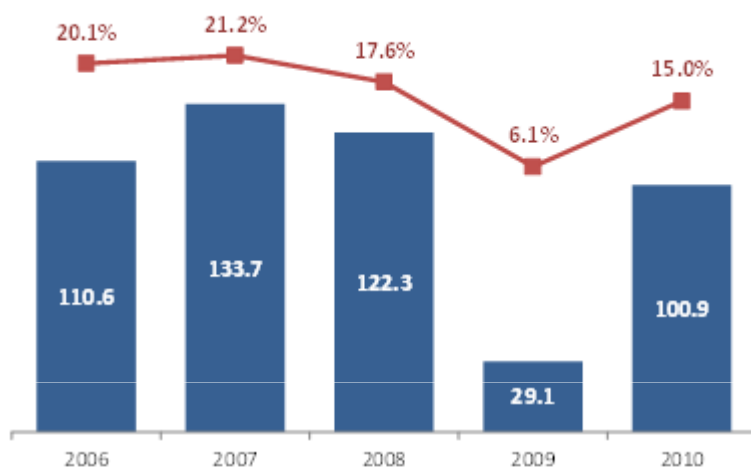


# Continuous Profitability

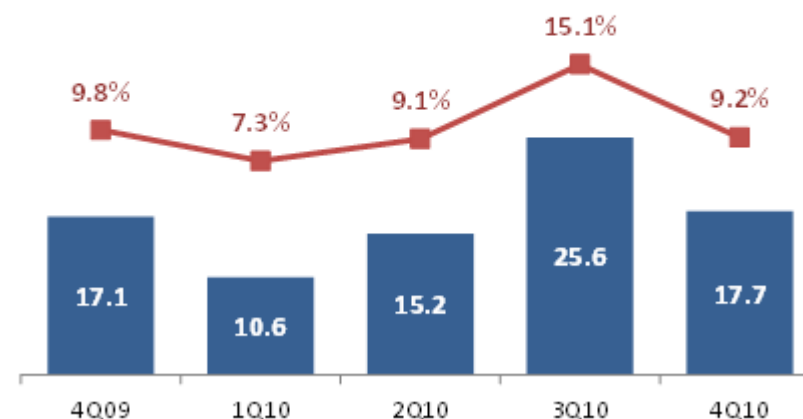
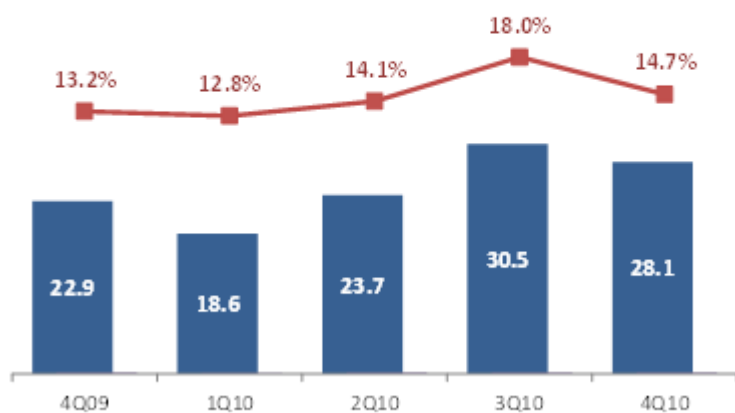
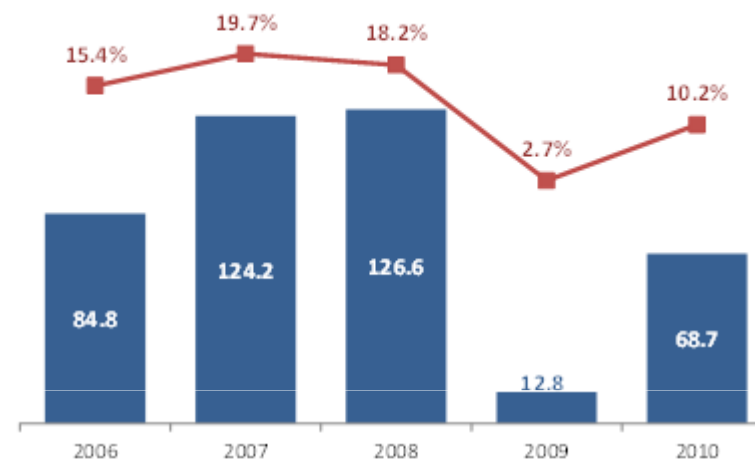


A TRADITION OF INNOVATION

**EBITDA (R\$ million) and EBITDA Margin**



**Net Profit (R\$ million) and Net Margin**



# Business Units' Results



A TRADITION OF INNOVATION

	Quarter					Year	
	4Q09	1Q10	2Q10	3Q10	4Q10	12M09	12M10
<b>Machine Tools</b>							
Units Sold	524	526	538	556	706	1,454	2,326
Net Operating Revenues (R\$ thousand)	118,010	102,880	96,084	102,952	125,188	310,672	427,104
Gross Profit (%)	37.1%	41.2%	42.7%	45.0%	41.9%	38.1%	42.7%
EBIT Margin (%)	17.3%	16.1%	16.8%	19.5%	19.0%	10.6%	17.9%
<b>Plastic Machines</b>							
Units Sold	120	83	119	112	111	309	425
Net Operating Revenues (R\$ thousand)	43,536	28,861	53,729	46,998	49,825	119,859	179,413
Gross Profit (%)	23.8%	31.6%	34.4%	36.2%	27.9%	29.3%	32.6%
EBIT Margin (%)	-2.0%	-5.6%	6.2%	8.2%	0.7%	-9.2%	3.3%
<b>Rough and Machined Cast</b>							
Units Sold	2,352	2,432	3,016	3,403	2,635	8,276	11,486
Net Operating Revenues (R\$ thousand)	12,038	13,391	17,819	19,602	16,200	44,903	67,012
Gross Profit (%)	-3.2%	5.4%	0.6%	9.5%	-4.2%	-13.7%	3.0%
EBIT Margin (%)	-16.0%	-7.6%	-9.8%	-1.2%	-15.8%	-28.6%	-8.3%

# Cash Position



A TRADITION OF INNOVATION

## Cash and Cash Equivalent – R\$ million – 12/31/2010

	Amount
Bank Deposit Certificate (CDB)	52.1
Financial Investments with Bonds	27.8
Time Deposit - Abroad	157.1
Banks	9.9
<b>Total</b>	<b>246.9</b>

**Net Cash = 9.3**

## Loans\* – R\$ million – 12/31/2010

	Amount
2011	24.9
2012	110.0
2013	32.6
2014	24.7
2015 and afterwards	45.4
<b>Total</b>	<b>237.6</b>

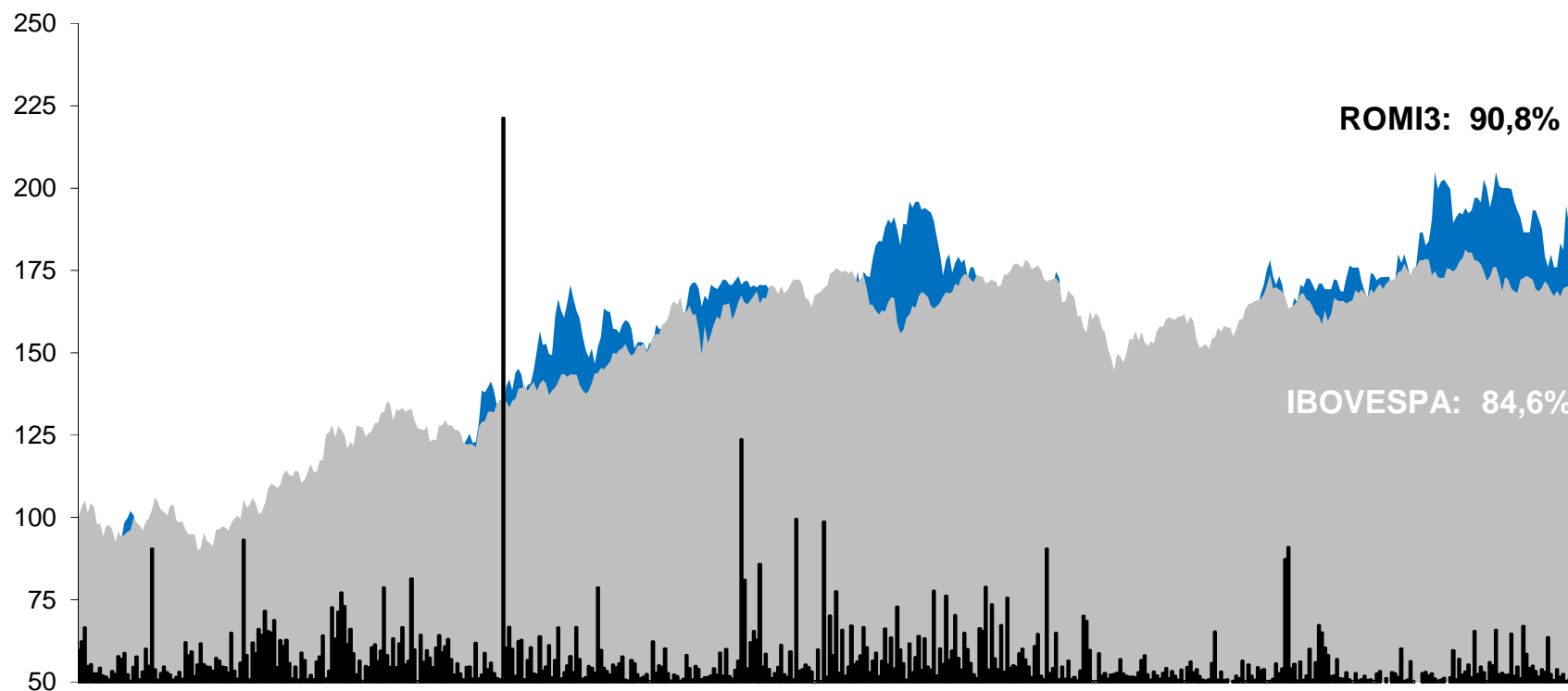
(\*) without Finame Manufacturer

# Share Performance



A TRADITION OF INNOVATION

Share Performance (ROMI3) vs. Bovespa Index (Basis: 100) - R\$/Share  
01/01/2009 to 12/31/2010

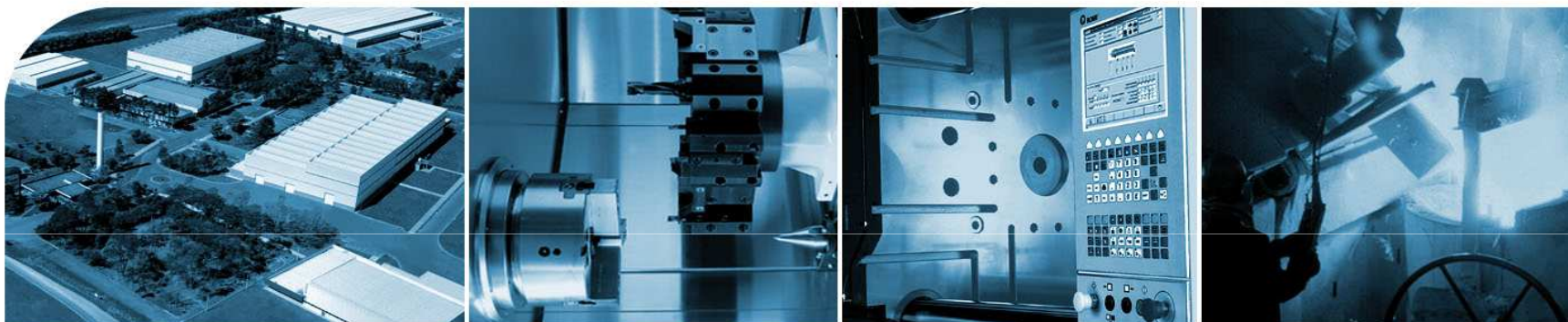


Source: BM&FBovespa



**ROMI**®

A TRADITION OF INNOVATION



**Luiz Cassiano R. Rosolen**

Investor Relations Officer

+ 55 (19) 3455-9004

[lrosolen@romi.com](mailto:lrosolen@romi.com)

[www.romi.com](http://www.romi.com)