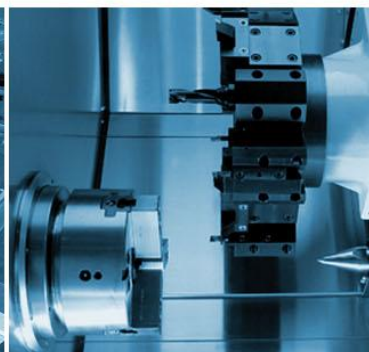




**ROMI**®

A TRADITION OF INNOVATION



# 4Q14 Earnings Release

February 11, 2015

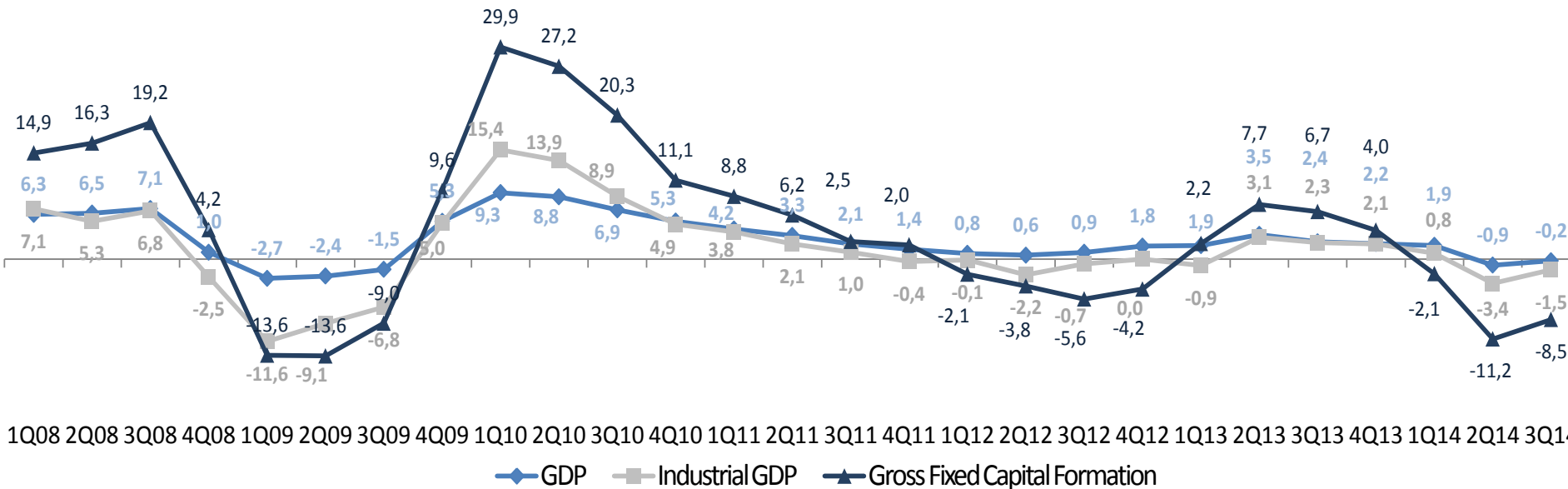


*This release contains forward-looking statements subject to risks and uncertainties. Such forward-looking statements are based on the management's beliefs and assumptions on information currently available to the Company. The reservations as to forward-looking statements also apply to information on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



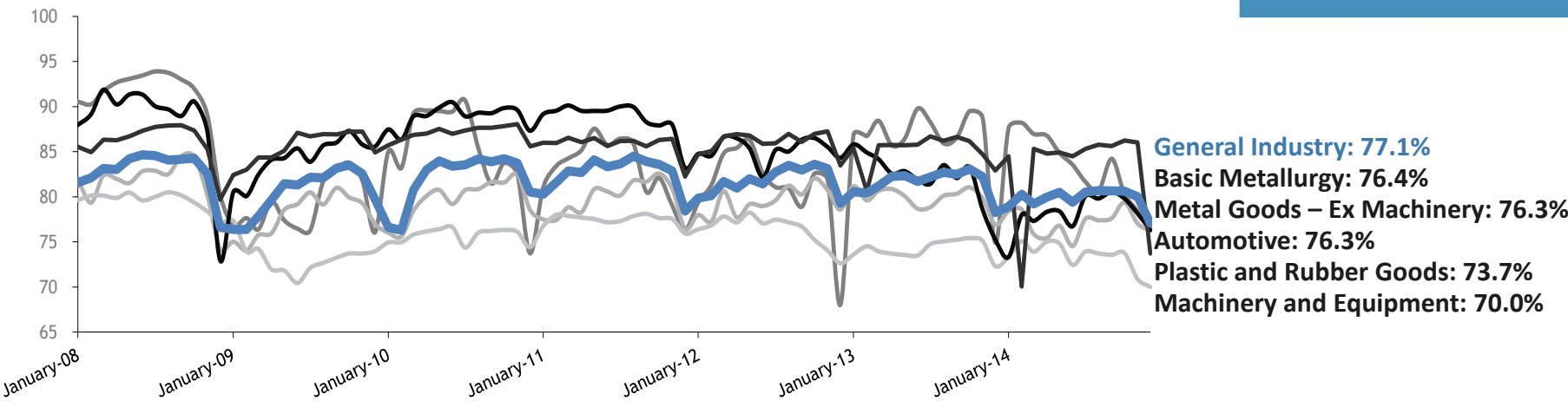
- With an adverse macroeconomic scenario, Romi reported a **net profit** of R\$7.7 million in 2014, with EBITDA margin of 7,7%.
- Net operating revenue fell by 2.6% in 4Q14 and 2.8% in 2014 over the equivalent periods in 2013 due to the **lower demand in the Brazilian market**.
- **Net debt in 4Q14 decreased by 9.4%** (R\$10.6 million), as a result of the continuous operational efficiency improvement, evidencing that the strategy of making the operation more flexible has positively impacted the working capital.
- The volume **of order entry** was R\$199.2 million in 4Q14, 10.2% up from 4Q13, mainly due to the growth of the wind power market demand in the Castings Business Unit. B+W accounted for R\$ 44.6 million of the order entry in the quarter.
- In 2014, **R\$ 32.5 million were invested**, mainly on machinery and equipment to optimize the operational structure and the efficiency and to improve working capital.
- **Revenue from foreign market** in 2014 represented 31% of consolidated net operating revenue, up 13.8% in US dollars comparing to 2013, which represented 26%, showing the first positive results arising from the reorganization of subsidiaries abroad.
- Romi's **Share Buyback Program** was completed on December 12, 2014.

# Economic Indexes – Conjunctural Indicators

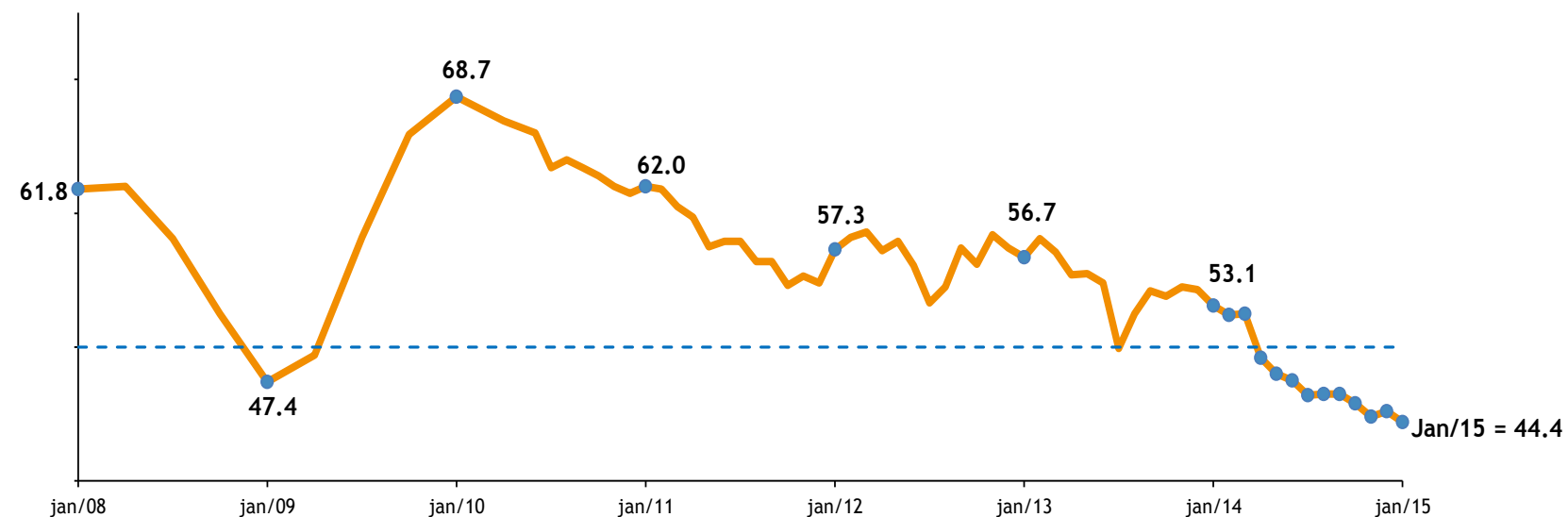


Source: IBGE (quarter this year vs. quarter last year)

# Economic Indexes – Conjunctural Indicators



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



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



## Machine Tools



	2014	2013
Job Shops	22%	19%
Machines and Equipments	15%	16%
Technical Schools	16%	9%
Automotive	7%	12%
Tooling	6%	5%
Agricultural Equipment	5%	8%
Others	29%	31%

## Plastic Machines



	2014	2013
Packaging	41%	26%
Automotive	14%	15%
Job Shops	10%	8%
Furniture	11%	10%
Real Estate	3%	8%
Others	21%	33%

## Raw and Machined Cast Iron Parts



	2014	2013
Automotive - Trucks	45%	39%
Agriculture	25%	23%
Wind Power	24%	33%
Others	6%	5%

# Net Sales per Business Unit



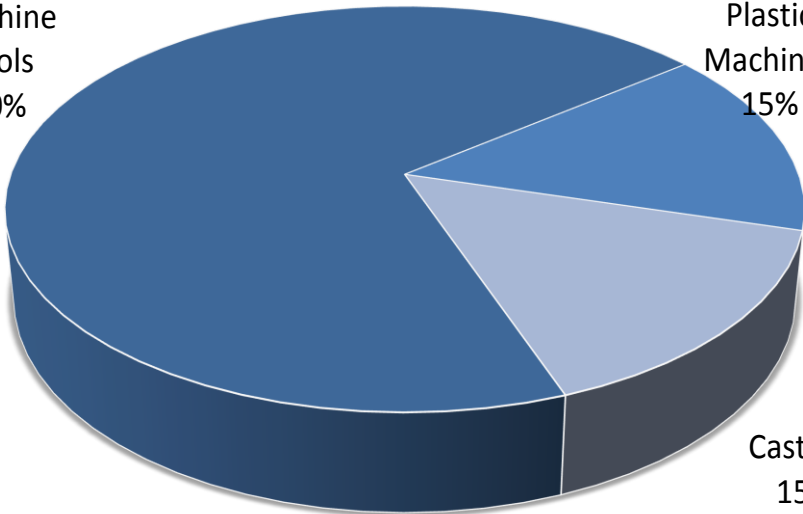
A TRADITION OF INNOVATION

2014

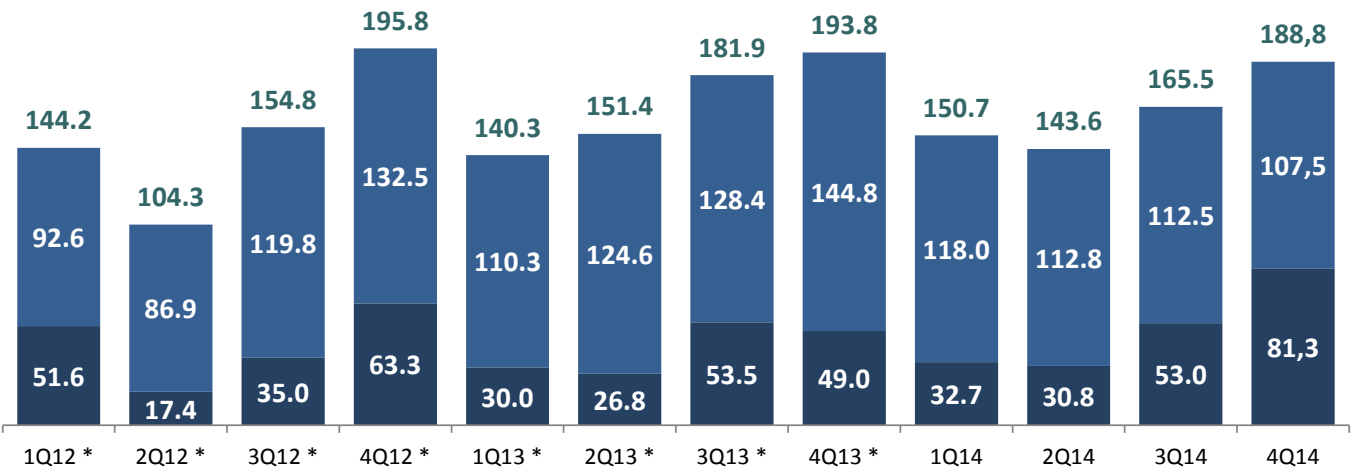
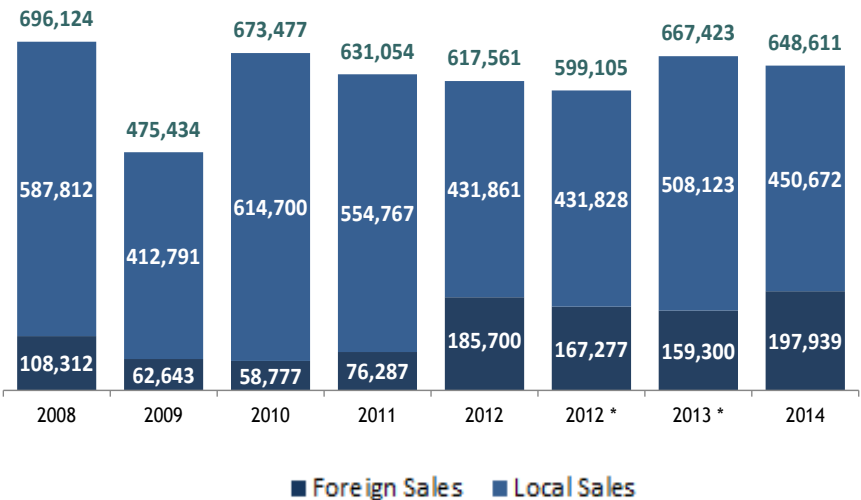
Machine  
Tools  
70%

Plastic  
Machines  
15%

Castings  
15%

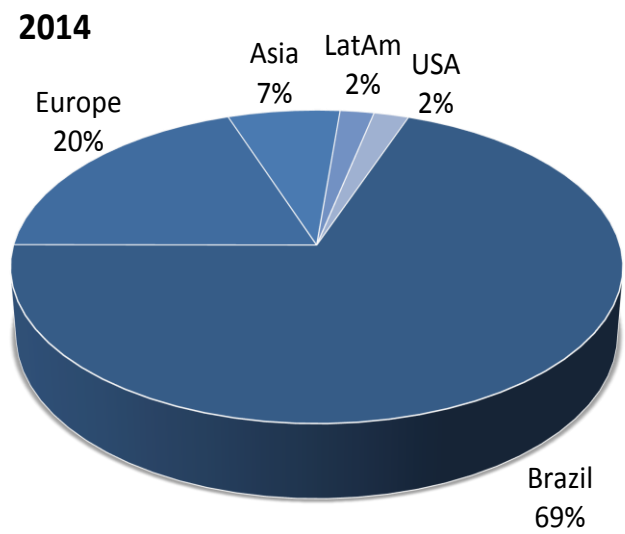
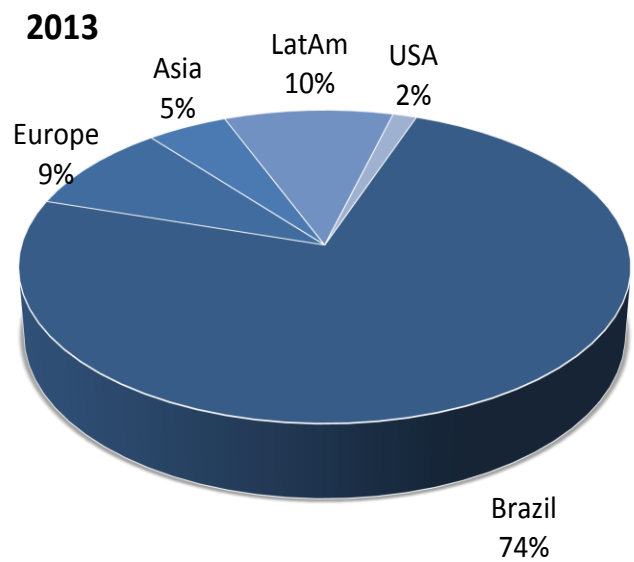


Net Operating Sales (R\$ million)

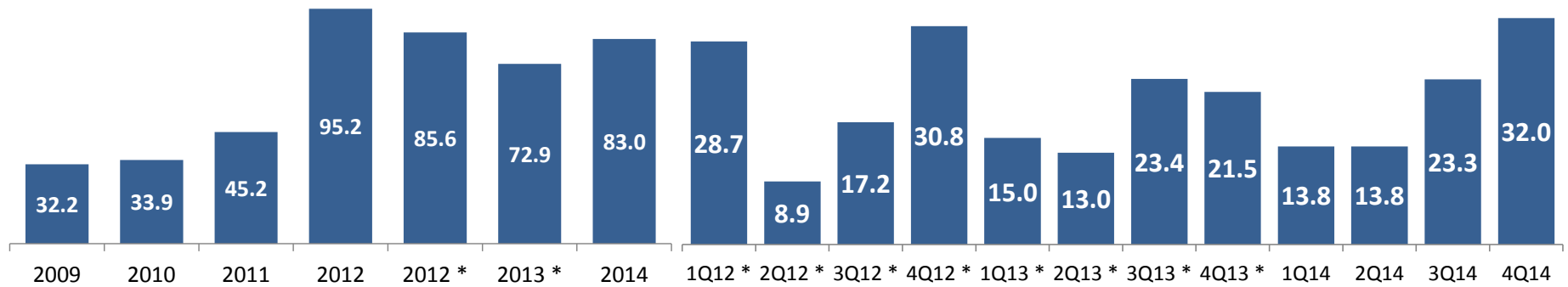


\* Amounts relating to continued operations, excluding revenues from the subsidiary Romi Italia, which are presented as discontinued operations.





Foreign Sales – US\$ million



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





<b>Order Entry (R\$ 000)</b> Gross Values, sales taxes included	<b>4Q13</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>Chg</b> 4Q14/4Q13	<b>Chg</b> 4Q14/3Q14
Machine Tools	119,676	119,538	117,411	95,697	114,601	-4.2%	19.8%
Plastic Machines	35,170	18,337	24,100	20,178	27,974	-20.5%	38.6%
Rough and Machined Cast Iron Parts	25,940	36,447	26,899	34,371	56,664	118.4%	64.9%
<b>Total</b>	<b>180,786</b>	<b>174,321</b>	<b>168,410</b>	<b>150,245</b>	<b>199,239</b>	<b>10.2%</b>	<b>32.6%</b>

<b>Order Entry (R\$ 000)</b> Gross Values, sales taxes included	<b>2013</b>	<b>2014</b>	<b>Var</b> 2013/2011
Machine Tools	522,041	447,246	-14.3%
Plastic Machines	131,803	90,589	-31.3%
Rough and Machined Cast Iron Parts	142,455	154,382	8.4%
<b>Total</b>	<b>796,299</b>	<b>692,216</b>	<b>-13.1%</b>

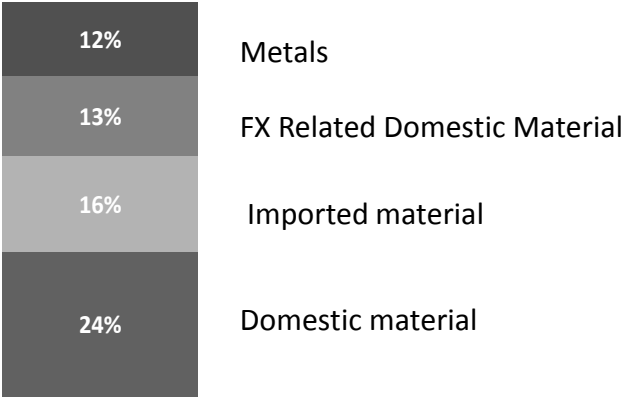
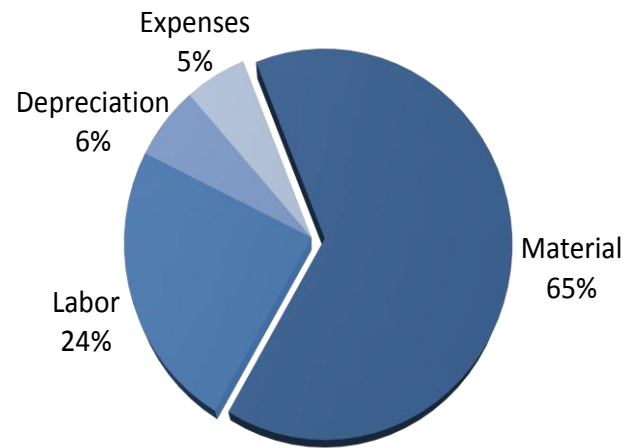
<b>Order Book (R\$ 000)</b> Gross Values, sales taxes included	<b>4Q13</b>	<b>1Q14</b>	<b>2Q14</b>	<b>3Q14</b>	<b>4Q14</b>	<b>Chg</b> 4Q14/4Q13	<b>Chg</b> 4Q14/3Q14
Machine Tools	238,522	227,486	248,174	215,695	189,247	-20.7%	-12.3%
Plastic Machines	41,345	38,233	35,819	24,254	35,351	-14.5%	45.8%
Rough and Machined Cast Iron Parts	29,556	38,388	35,979	34,403	55,959	89.3%	62.7%
<b>Total</b>	<b>309,423</b>	<b>304,107</b>	<b>319,971</b>	<b>274,351</b>	<b>280,557</b>	<b>-9.3%</b>	<b>2.3%</b>

# Cost of Goods Sold

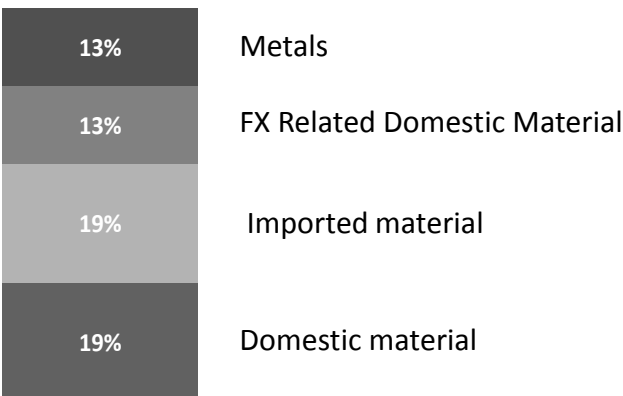
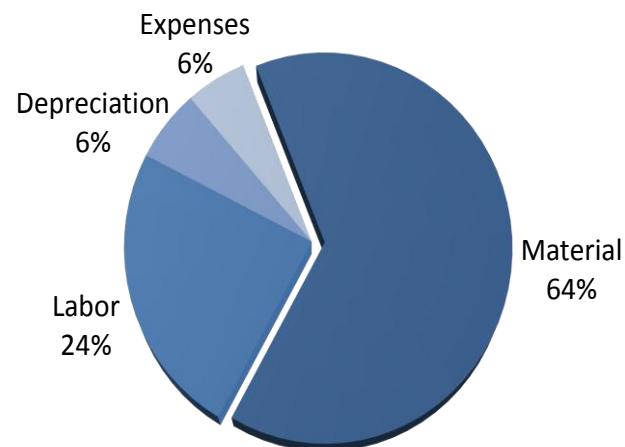


A TRADITION OF INNOVATION

2013

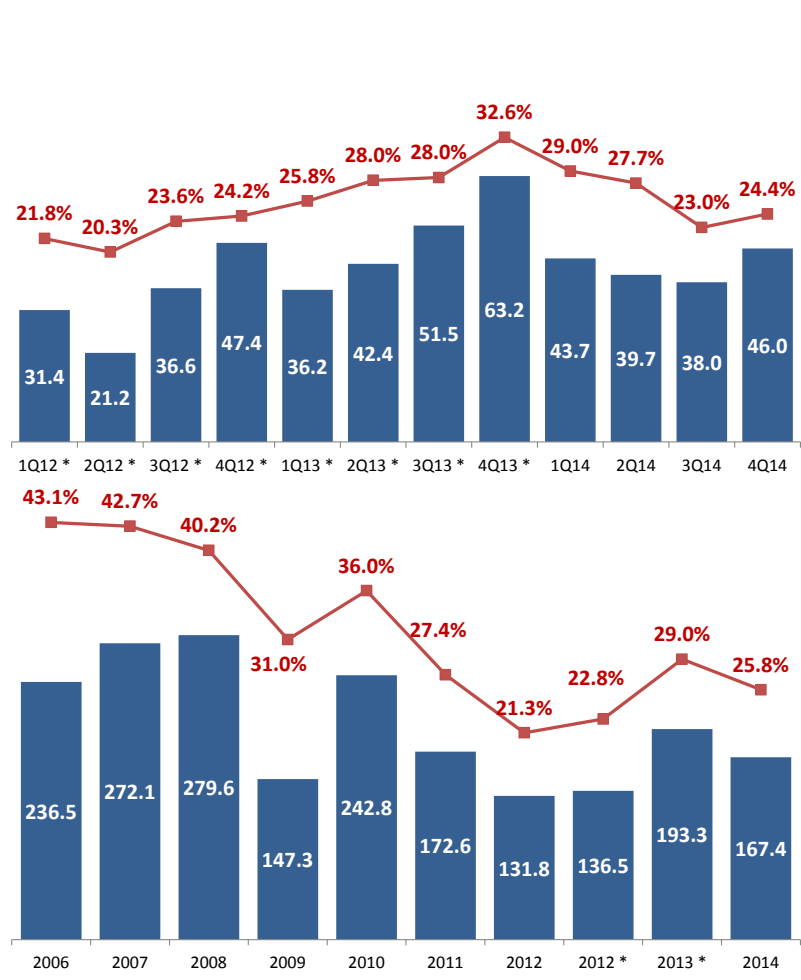


2014

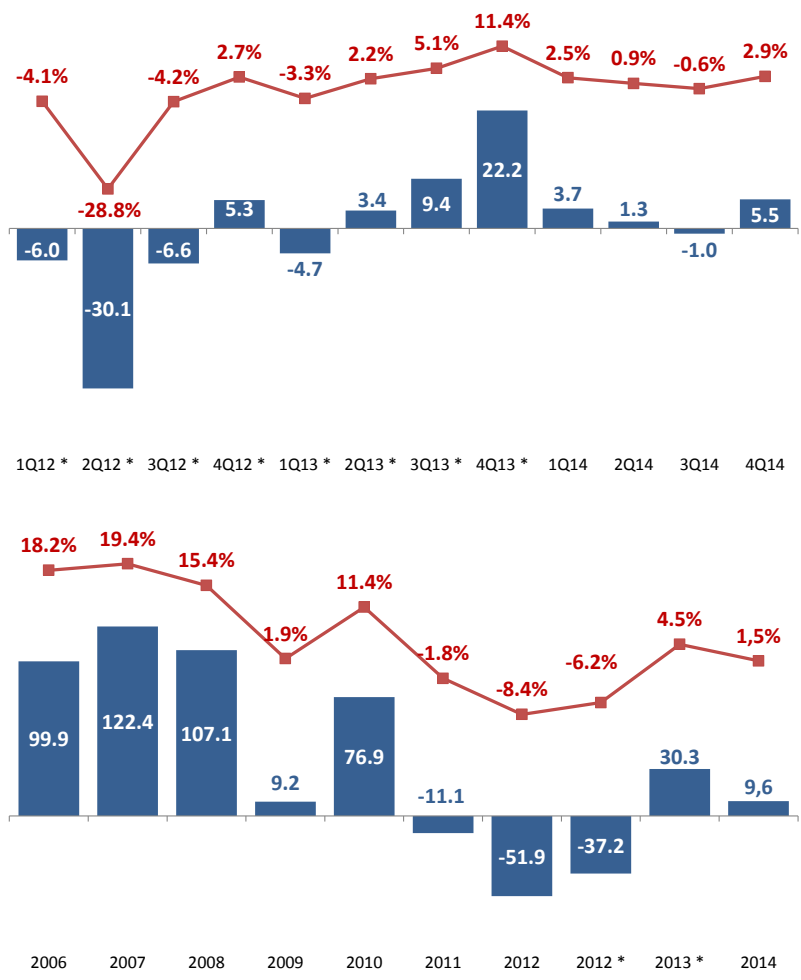




Gross Profit (R\$ million) and Gross Margin



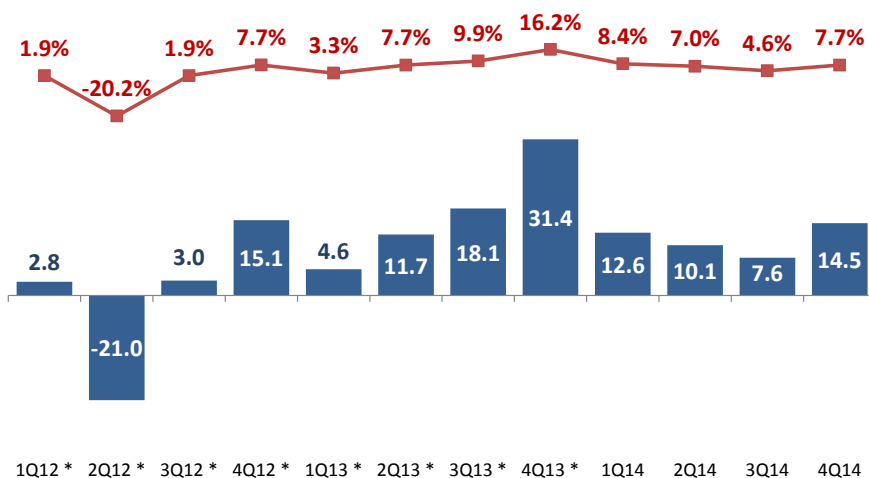
Operating Profit (R\$ million) and Operating Margin



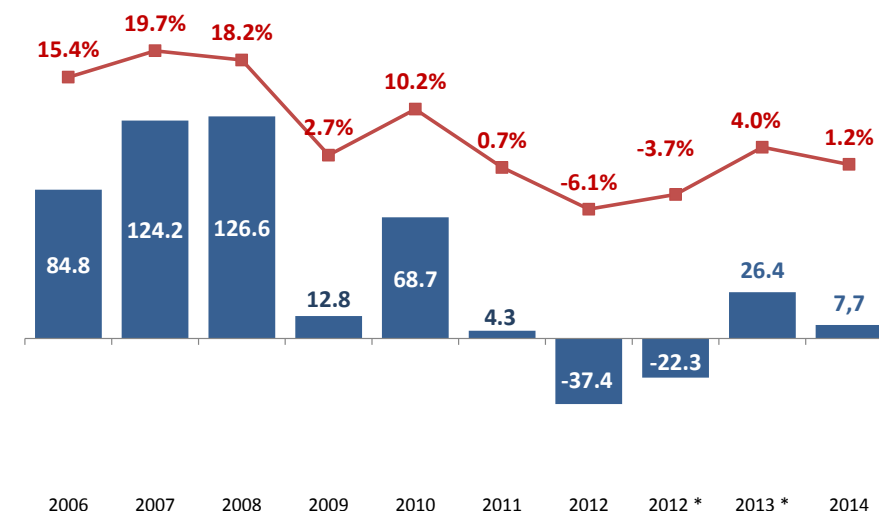
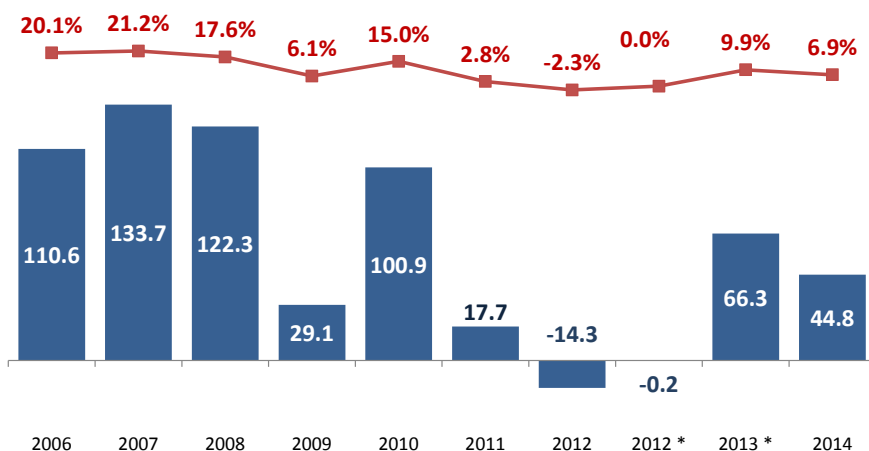
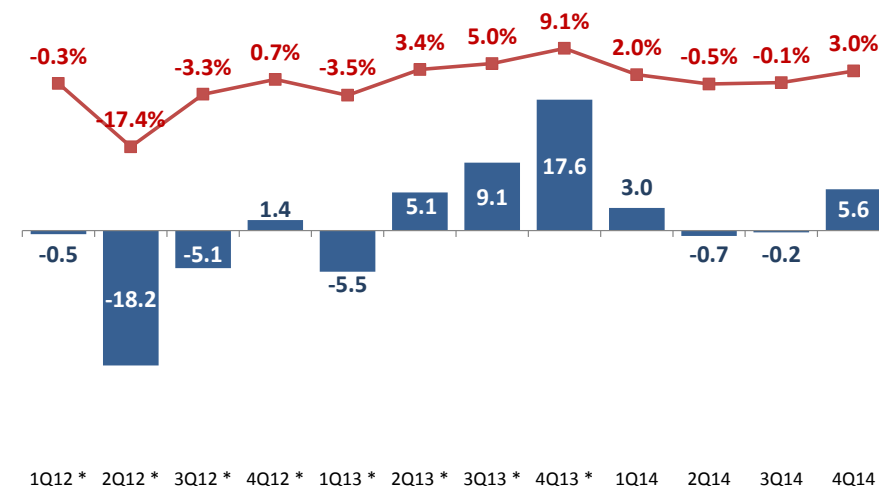
\* Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia



EBITDA (R\$ million) and EBITDA Margin

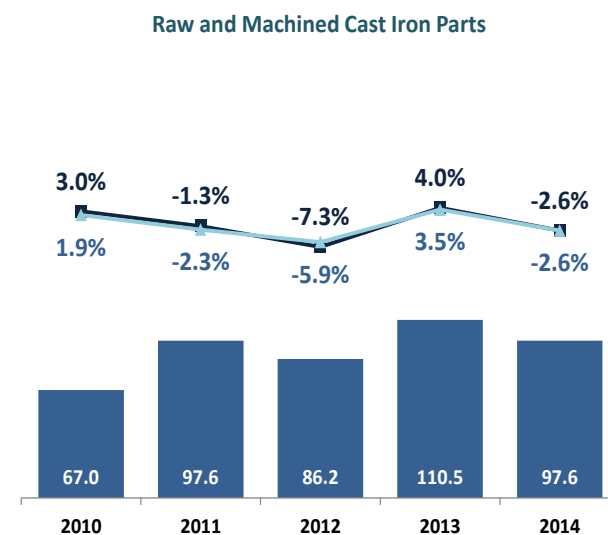
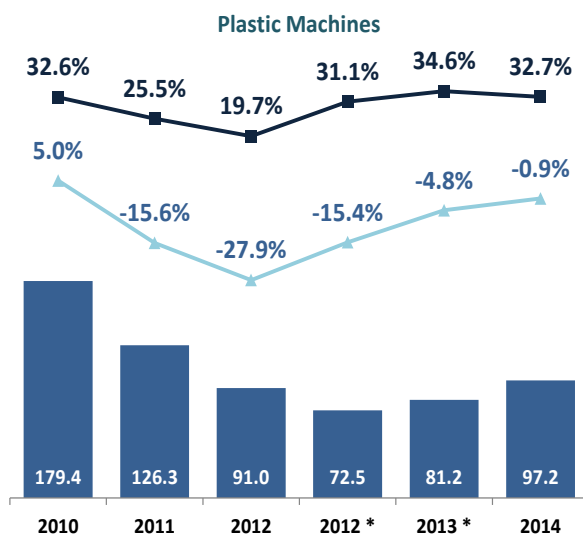
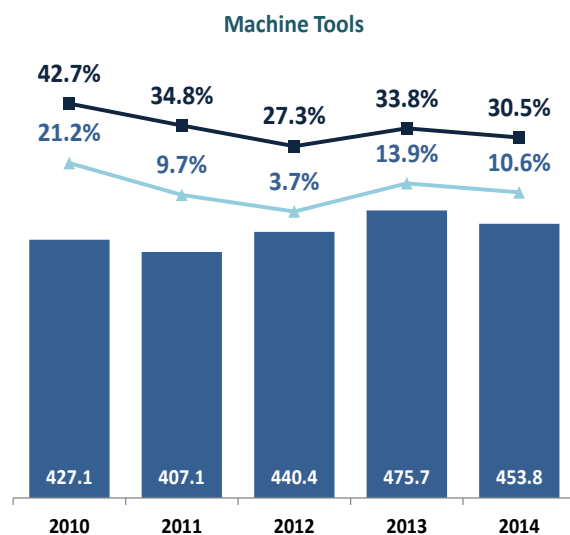


Net Income (R\$ million) and Net Margin



# Business Units' Results

Sales	Quarter								Accumulated	
	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	3Q14	2013	2014
Machine Tools (units)	399	304	367	443	245	281	325	387	1,513	1,238
Plastic Machines (units)	50	61	49	60	53	38	37	42	220	170
Rough and Machined Cast Iron Parts (ton.)	3,598	4,436	4,991	4,475	3,564	3,571	4,167	3,378	17,500	14,680



■ Net Revenues  
 ■ Gross Margin  
 ▲ EBITDA Margin



## Cash and Cash Equivalent – R\$ million – 12/31/2014

	Amount
Bank Deposit Certificate (CDB)	72.1
Financial Investment with Bonds	49.2
Banks	24.3
<b>Total</b>	<b>145.6</b>

**Net Debt = 102.7**

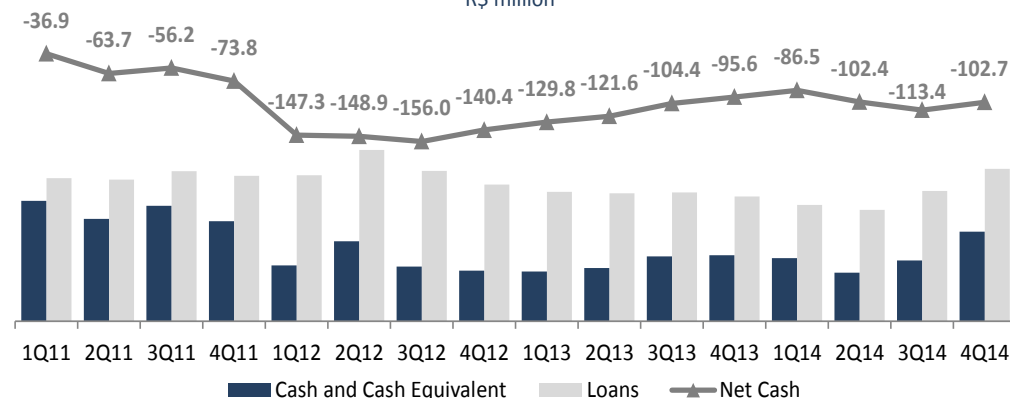
## Loans\* – R\$ million – 12/31/2014

	Amount
2015 (12 months)	104.9
2016	38.9
2017	74.4
2018	10.3
2019	14.8
2020 and afterwards	5.0
<b>Total</b>	<b>248.3</b>

(\*) without Finame Manufacturer

## Net Cash (Debt) Position

R\$ million





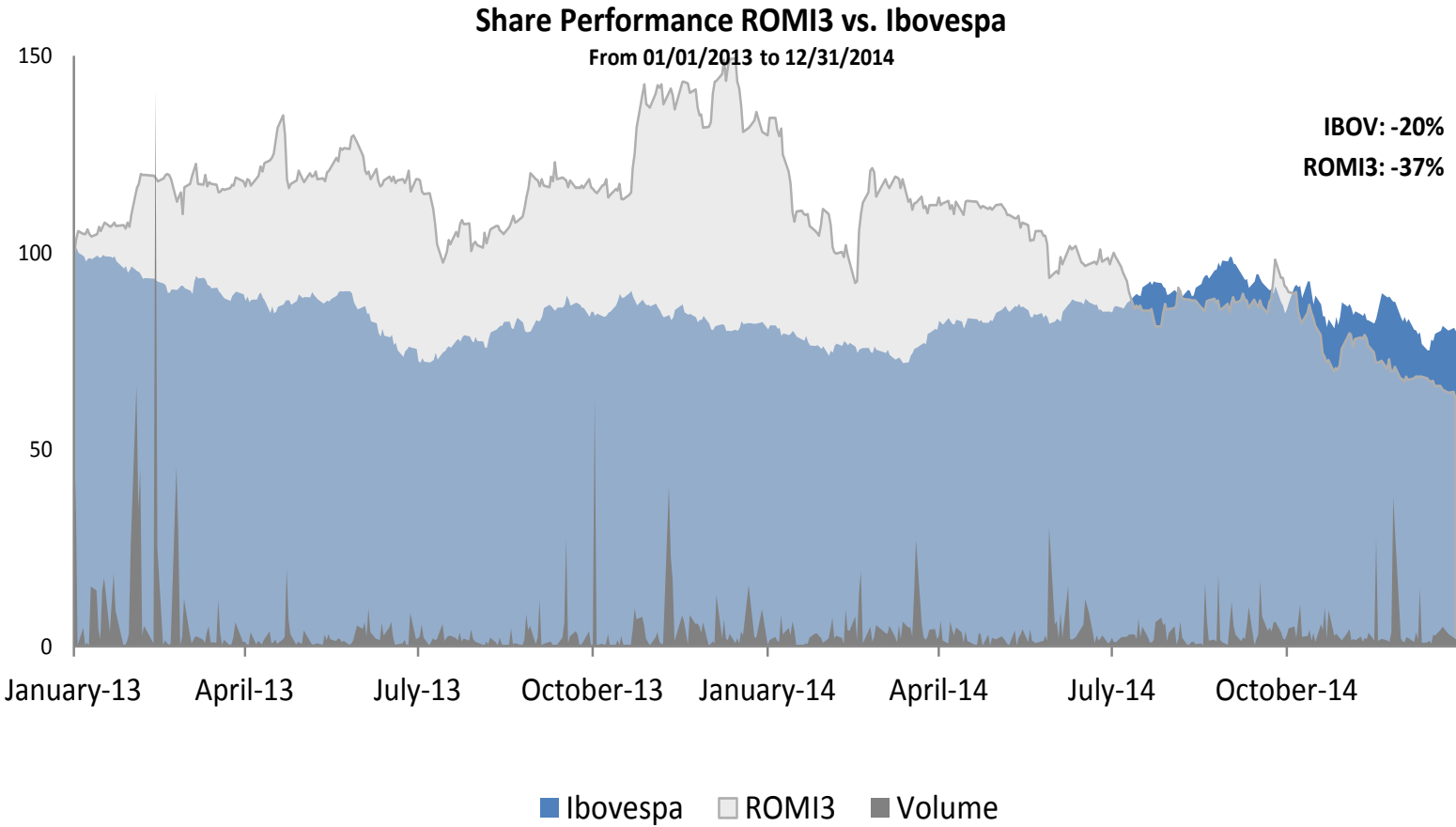
## Income Statement B+W

€ 000

	4Q13 *	3Q14	4Q14	Chg 4Q4Q	Chg 4Q/3Q	YTD 2013 *	YTD 2014 *	Chg 14/13
<b>Net Operating Revenue</b>	<b>12,863</b>	<b>11,629</b>	<b>17,207</b>	<b>33.8%</b>	<b>48.0%</b>	<b>41,882</b>	<b>41,750</b>	<b>-0.3%</b>
Cost of Goods Sold	(9,180)	(9,313)	(12,377)	34.8%	32.9%	(31,832)	(31,829)	0.0%
<b>Gross Profit</b>	<b>3,683</b>	<b>2,316</b>	<b>4,830</b>	<b>31.1%</b>	<b>108.6%</b>	<b>10,050</b>	<b>9,921</b>	<b>-1.3%</b>
<i>Gross Margin %</i>	<i>28.6%</i>	<i>19.9%</i>	<i>28.1%</i>			<i>24.0%</i>	<i>23.8%</i>	
<b>Operating Income (Expenses)</b>	<b>(2,011)</b>	<b>(1,954)</b>	<b>(2,190)</b>	<b>8.9%</b>	<b>12.1%</b>	<b>(7,589)</b>	<b>(7,953)</b>	<b>4.8%</b>
Selling expenses	(778)	(677)	(1,093)	40.5%	61.5%	(2,931)	(2,925)	-0.2%
General and administrative expenses	(1,231)	(1,277)	(1,097)	-10.9%	-14.1%	(4,658)	(5,028)	7.9%
<b>Operating Income before Financial Results</b>	<b>1,672</b>	<b>362</b>	<b>2,640</b>	<b>57.9%</b>	<b>629.6%</b>	<b>2,461</b>	<b>1,968</b>	<b>-20.0%</b>
<i>Operating Margin %</i>	<i>13.0%</i>	<i>3.1%</i>	<i>15.3%</i>			<i>5.9%</i>	<i>4.7%</i>	
<b>Financial Results, Net</b>	<b>(49)</b>	<b>(94)</b>	<b>(18)</b>	<b>-63.9%</b>	<b>-81.2%</b>	<b>(297)</b>	<b>(298)</b>	<b>0.3%</b>
<b>Operating Income</b>	<b>1,623</b>	<b>268</b>	<b>2,623</b>	<b>61.6%</b>	<b>878.5%</b>	<b>2,164</b>	<b>1,670</b>	<b>-22.8%</b>
Income tax and social contribution	(577)	240	(723)	25.2%	-401.0%	(777)	(483)	-37.9%
<b>Net income</b>	<b>1,046</b>	<b>508</b>	<b>1,900</b>	<b>81.6%</b>	<b>273.9%</b>	<b>1,387</b>	<b>1,188</b>	<b>-14.4%</b>
<i>Net Margin %</i>	<i>8.1%</i>	<i>4.4%</i>	<i>11.0%</i>			<i>3.3%</i>	<i>2.8%</i>	
<b>EBITDA</b>	<b>2,220</b>	<b>814</b>	<b>3,076</b>	<b>38.6%</b>	<b>277.9%</b>	<b>4,343</b>	<b>3,437</b>	<b>-20.9%</b>
Net income / loss	1,046	508	1,900	81.6%	273.9%	1,387	1,188	-14.4%
Income tax and social contribution	577	(240)	723	25.2%	-401.0%	777	483	-37.9%
<b>Financial Results, Net</b>	<b>49</b>	<b>94</b>	<b>18</b>	<b>-63.9%</b>	<b>-81.2%</b>	<b>297</b>	<b>298</b>	<b>0.3%</b>
Depreciation	548	452	436	-20.4%	-3.6%	1,882	1,469	-22.0%
<i>EBITDA Margin %</i>	<i>17.3%</i>	<i>7.0%</i>	<i>17.9%</i>			<i>10.4%</i>	<i>8.2%</i>	

\* R\$ 7.8 million refer to sales of equipment manufactured by B+W for Romi plant in Brazil in 4Q13 and 2013. R\$ 4.1 million impacted the revenue for 2014.



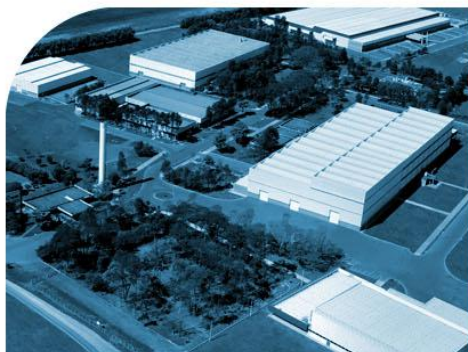


Source: *BM&FBovespa*



**ROMI**®

A TRADITION OF INNOVATION



**Fábio B. Taiar**

Investor Relations Officer

+ 55 (19) 3455-9418

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

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