

(A free translation of the original in Portuguese)

Indústrias Romi S.A.
Quarterly information (ITR) at
June 30, 2013
and report on review of
quarterly information



Report on Review of Quarterly Information

To the Board of Directors and Shareholders
Indústrias Romi S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Indústrias Romi S.A., included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2013, comprising the balance sheet as at that date and the statements of income and comprehensive income for the quarter and six-month periods then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.



Indústrias Romi S.A.

Conclusion on the consolidated interim information

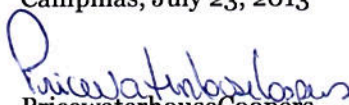
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the six-month period ended June 30, 2013. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under International Financial Reporting Standards (IFRS), which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Campinas, July 23, 2013


PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5


Marcos Roberto Sponchiado
Contador CRC 1SP175536/O-5

Indústrias Romi S.A.

Balance sheet

In thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Company		Consolidated			Company		Consolidated	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012		June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
ASSETS					LIABILITIES AND EQUITY				
CURRENT					CURRENT				
Cash and cash equivalents	63,041	45,110	88,194	84,232	Borrowings	71,083	67,605	73,491	70,192
Trade accounts receivable	79,411	95,844	98,595	121,658	FINAME manufacturer financing	252,334	285,440	252,334	285,440
Onlending of FINAME manufacturer financing	280,497	317,633	280,497	317,633	Trade accounts payable	40,600	30,565	47,971	40,443
Inventories	223,254	233,435	282,403	279,095	Payroll and related taxes	22,855	16,975	27,782	20,399
Related parties	14,217	9,779	611	456	Taxes payable	5,310	9,573	5,790	11,253
Taxes recoverable	10,519	8,942	11,453	10,316	Advances from costumers	12,651	10,844	46,588	41,353
Other receivables	26,065	26,721	28,897	28,139	Dividends and interes on capital	374	70	407	112
	697,004	737,464	790,650	841,529	Profit sharing	-	322	-	322
					Other payables	10,355	9,411	14,688	15,981
NON-CURRENT					Provision for net capital deficiency - subsidiary	6,260	4,890	-	-
Trade accounts receivable	10,907	13,842	10,907	13,842	Related parties	367	435	579	590
Onlending of FINAME manufacturer financing	241,796	312,805	241,796	312,805	Other payables - Discontinuing operations	-	-	9,466	3,872
Related parties	36,057	31,076	-	-		422,189	436,130	479,096	489,957
Taxes recoverable	518	874	518	874					
Deferred income tax and social contribution	54,138	52,004	54,138	52,004	NON-CURRENT				
Judicial deposits	1,754	1,697	1,754	1,697	Borrowings	124,284	142,790	136,716	152,490
Other receivables	35,044	27,681	36,030	28,628	FINAME manufacturer financing	226,785	302,279	226,785	302,279
Assets from discontinuing operations	-	-	32,590	34,133	Taxes payable	1,780	3,461	1,780	3,461
					Provision for tax, labor and divil risks	7,573	6,520	7,573	6,520
Investment in subsidiary and associated companies	96,151	105,601	2,080	1,944	Other payables	1,052	615	377	299
Property, plant and equipment	218,660	223,907	270,935	265,508	Deferred income tax and social contribution	-	-	23,433	22,284
Investment properties	14,202	14,202	16,103	16,103		361,474	455,665	396,664	487,333
Intangible assets	5,267	6,169	45,923	45,493					
	714,494	789,858	712,774	773,031	TOTAL LIABILITIES	783,663	891,795	873,887	977,290
					EQUITY				
					Capital	489,973	489,973	489,973	489,973
					Capital reserve	2,052	2,052	2,052	2,052
					Treasury shares	-	(17,850)	-	(17,850)
					Profit reserve	139,741	157,591	139,741	157,591
					Accumulated deficit	(11,961)	-	(11,961)	-
					Other comprehensive income (loss)	8,030	3,761	8,030	3,761
						627,835	635,527	627,835	635,527
					NON CONTROLLING INTERESTS	-	-	1,702	1,743
					TOTAL EQUITY	627,835	635,527	629,537	637,270
TOTAL ASSETS	1,411,498	1,527,322	1,503,424	1,614,560	TOTAL LIABILITIES AND EQUITY	1,411,498	1,527,322	1,503,424	1,614,560

The accompanying notes are an integral part of these Interim financial statements.

Indústrias Romi S.A.

Statement of Income Quarters and Semesters ended June 30 In thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Company			
	Current quarter 04/01/2013 to 06/30/2013	Accumulated for current year ending 01/01/2013 to 06/30/2013	Same quarter for prior year ended 04/01/2012 to 06/30/2012	Accumulated for prior year ended 01/01/2012 to 06/30/2012
Operations				
Net Operating revenue	130,965	247,147	93,209	195,361
Cost of sales and services	(96,745)	(184,284)	(75,835)	(158,170)
Gross profit	<u>34,220</u>	<u>62,863</u>	<u>17,374</u>	<u>37,191</u>
Operation income (expenses)				
Selling	(14,942)	(27,126)	(15,430)	(29,679)
General and administrative	(10,588)	25,240	(21,205)	(37,867)
Research and development	(4,820)	(9,371)	(5,606)	(11,249)
Management profit sharing and fees	(1,515)	(2,981)	(1,687)	(3,774)
Equity in the earnings of subsidiaries	786	14	(2,892)	9,236
Other operating income, net	(121)	59	(495)	(479)
	<u>(31,200)</u>	<u>(64,645)</u>	<u>(47,315)</u>	<u>(73,812)</u>
Operating profit (loss)	<u>3,020</u>	<u>(1,782)</u>	<u>(29,941)</u>	<u>(36,621)</u>
Financial income (expenses)				
Financial income	3,476	6,036	9,159	13,197
Financial expenses	(4,470)	(9,334)	(6,638)	(11,281)
Foreign exchange gains, net	<u>3,179</u>	<u>2,289</u>	<u>1,093</u>	<u>1,208</u>
	<u>2,185</u>	<u>(1,009)</u>	<u>3,614</u>	<u>3,124</u>
Loss before taxation	<u>5,205</u>	<u>(2,791)</u>	<u>(26,327)</u>	<u>(33,497)</u>
Income tax and social contribution				
Current	(212)	(212)	-	-
Deferred	<u>18</u>	<u>2,346</u>	<u>8,011</u>	<u>14,507</u>
Profit (loss) for the period				
Profit (loss) for continued operations	5,011	(657)	(18,316)	(18,990)
Profit (loss) for discontinued operations	<u>(8,918)</u>	<u>(11,304)</u>	<u>(3,653)</u>	<u>(6,590)</u>
	<u>(3,907)</u>	<u>(11,961)</u>	<u>(21,969)</u>	<u>(25,580)</u>

The accompanying notes are an integral part of these Interim financial statements.

Indústrias Romi S.A.

Statement of Income Quarters and Semesters ended June 30 In thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Consolidated			
	Current quarter 04/01/2013 to 06/30/2013	Accumulated for current year ending 01/01/2013 to 06/30/2013	Same quarter for prior year ended 04/01/2012 to 06/30/2012	Accumulated for prior year ended 01/01/2012 to 06/30/2012
Operations				
Net Operating revenue	151,406	291,721	104,250	248,447
Cost of sales and services	(109,013)	(213,156)	(83,056)	(195,855)
Gross profit	42,393	78,565	21,194	52,592
Operation income (expenses)				
Selling	(17,987)	(34,099)	(18,206)	(35,549)
General and administrative	(14,496)	(33,345)	(25,404)	(45,810)
Research and development	(4,853)	(9,428)	(6,139)	(11,783)
Management profit sharing and fees	(1,548)	(3,046)	(1,722)	(3,843)
Other operating income, net	(120)	77	222	8,362
	(39,004)	(79,841)	(51,249)	(88,623)
Operating profit (loss)	3,389	(1,276)	(30,055)	(36,031)
Financial income (expenses)				
Financial income	3,793	7,669	9,446	14,137
Financial expenses	(4,722)	(10,865)	(6,736)	(11,559)
Foreign exchange gains, net	3,180	2,286	1,117	1,254
	2,251	(910)	3,827	3,832
Profit (loss) before taxation	5,640	(2,186)	(26,228)	(32,199)
Income tax and social contribution				
Current	(523)	(835)	(330)	(903)
Deferred	18	2,610	8,399	14,453
Profit (loss) for the period				
Profit (loss) for continued operations	5,135	(411)	(18,159)	(18,649)
Profit (loss) for discontinued operations	(8,917)	(11,304)	(3,651)	(6,590)
	(3,783)	(11,715)	(21,810)	(25,239)
Attributable to:				
Controlling interests	(3,907)	(11,961)	(21,969)	(25,580)
Non-controlling interests	124	246	159	341
	(3,783)	(11,715)	(21,810)	(25,239)
Basic and diluted earnings (loss) for the continuing operations per share (R\$)	0,07	(0,01)	(0,25)	(0,26)
Basic and diluted earnings (loss) per share (R\$)	(0,05)	(0,16)	(0,30)	(0,35)

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Indústrias Romi S.A.

Statement of Comprehensive Income Quarters and Semesters ended June 30 In thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Company			
	Current quarter 04/01/2013 to 06/30/2013	Accumulated for current year ending 01/01/2013 to 06/30/2013	Same quarter for prior year ended 04/01/2012 to 06/30/2012	Accumulated for prior year ended 01/01/2012 to 06/30/2012
Profit (loss) for the quarter	(3,907)	(11,961)	(21,969)	(25,580)
Foreign currency translation effects	<u>7,661</u>	<u>4,269</u>	<u>4,662</u>	<u>5,154</u>
Comprehensive income (loss) for the quarter	<u><u>3,754</u></u>	<u><u>(7,692)</u></u>	<u><u>(17,307)</u></u>	<u><u>(20,426)</u></u>

The accompanying notes are an integral part of these Interim financial statements.

Indústrias Romi S.A.

Statement of Comprehensive Income Quarters and Semesters ended June 30 In thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Consolidated			
	Current quarter 04/01/2013 to 06/30/2013	Accumulated for current year ending 01/01/2013 to 06/30/2013	Same quarter for prior year ended 04/01/2012 to 06/30/2012	Accumulated for prior year ended 01/01/2012 to 06/30/2012
Profit (loss) for the quarter	(3,782)	(11,715)	(21,810)	(25,239)
Foreign currency translation effects	7,661	4,269	4,662	5,154
Comprehensive income (loss) for the quarter	<u>3,879</u>	<u>(7,446)</u>	<u>(17,148)</u>	<u>(20,085)</u>
Attributable to:				
Controlling interests	3,754	(7,692)	(17,307)	(20,426)
Non-controlling interests	<u>125</u>	<u>246</u>	<u>159</u>	<u>341</u>
	<u>3,879</u>	<u>(7,446)</u>	<u>(17,148)</u>	<u>(20,085)</u>

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Indústrias Romi S.A.

Statement of changes in shareholders' equity In thousands of reais

(A free translation of the original in Portuguese)

	Attributable to the controlling interests									
	Capital	Capital Reserve	Treasury share	Earnings reserve		Other comprehensive income (loss)	Retained earnings (accumulated deficit)	Controlling interest	Non-controlling interests	Total
				Retained earnings	Legal reserve					
At January 1st, 2012	489,973	2,052	(4,599)	154,586	41,012	195,598	(5,248)	677,776	1,968	679,744
Profit (loss) for the quarter							(25,580)	(25,580)	341	(25,239)
Foreign currency translation effects							5,154	5,154		5,154
Total comprehensive income for the quarter							5,154	(20,426)	341	(20,085)
Purchase of treasury shares		□□	(9,710)					(9,710)		(9,710)
Proposed dividends (R\$1,68 per share)									(541)	(541)
At June 30th, 2012	<u>489,973</u>	<u>2,052</u>	<u>(14,309)</u>	<u>154,586</u>	<u>41,012</u>	<u>195,598</u>	<u>(94)</u>	<u>647,640</u>	<u>1,768</u>	<u>649,408</u>
At January 1st, 2013	489,973	2,052	(17,850)	116,579	41,012	157,591	3,761	635,527	1,743	637,270
Profit (loss) for the quarter							(11,961)	(11,961)	246	(11,715)
Foreign currency translation effects							4,269	4,269		4,269
Total comprehensive income for the quarter							4,269	(7,692)	246	(7,446)
Cancellation of shares in treasury			17,850	(17,850)		(17,850)				
Proposed dividends by subsidiary									(287)	(287)
At June 30th, 2013	<u>489,973</u>	<u>2,052</u>		<u>98,729</u>	<u>41,012</u>	<u>139,741</u>	<u>8,030</u>	<u>627,835</u>	<u>1,702</u>	<u>629,537</u>

The accompanying notes are an integral part of these Interim financial statements.

Indústrias Romi S.A.

Statement of value added Semesters ended June 30 In thousands of reais

(A free translation of the original in Portuguese)

	Company		Consolidated	
	2013	2012	2013	2012
Revenue				
Sales and products and services	299,600	236,438	347,250	298,891
Allowance for doubtful accounts and for other receivables	(6,316)	(13,217)	(7,231)	(13,411)
Other operating income, net		16		8,133
	<u>293,284</u>	<u>223,237</u>	<u>340,019</u>	<u>293,613</u>
Inputs purchased from third parties				
Material used	(125,967)	(78,327)	(136,564)	(107,955)
Other costs of products and services	(10,365)	(9,476)	(11,951)	(10,751)
Electricity, third-party services and other expenses	(18,080)	(13,282)	(28,021)	(23,083)
	<u>(154,412)</u>	<u>(101,085)</u>	<u>(176,536)</u>	<u>(141,789)</u>
Gross added value	138,872	122,152	163,483	151,824
Depreciation and amortization	(15,413)	(15,564)	(18,250)	(17,988)
Net value added generated by the Company	<u>123,459</u>	<u>106,588</u>	<u>145,233</u>	<u>133,836</u>
Value added received in transfer				
Equity in the earnings of subsidiaries	(11,290)	2,646		-
Financial income and net foreign exchange gains	8,314	14,405	9,978	15,471
Total value added do distribute	<u>120,483</u>	<u>123,639</u>	<u>155,211</u>	<u>149,307</u>
Distribution of value added				
Employees				
Payroll and related charges	65,468	85,426	97,966	109,838
Sales comissions	1,235	3,540	1,235	3,540
Management profit sharing and fees	2,981	2,713	3,046	2,782
Pensions plans	951	886	951	886
Taxes				
Federal	38,355	36,970	38,753	38,145
State	10,461	5,488	10,461	5,488
Municipal	898	733	898	733
Interest	9,334	11,281	11,101	11,293
Rentals	2,761	2,182	2,761	2,182
Accumulated profit (loss) for the period - Continued Operations	(657)	(18,990)	(657)	(18,990)
Accumulated profit (loss) for the period - Discontinued Operations	(11,304)	(6,590)	(11,304)	(6,590)
Value added distributed	<u>120,483</u>	<u>123,639</u>	<u>155,211</u>	<u>149,307</u>

The accompanying notes are an integral part of these Interim financial statements

Indústrias Romi S.A.

Statement of cash flow Semesters ended June 30 In thousands of reais

(A free translation of the original in Portuguese)

	Company		Consolidated	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit (loss) before taxation from Continued Operations	(2,791)	(33,497)	(2,186)	(32,199)
Profit (loss) before taxation from Discontinued Operations	(11,304)	(6,590)	(11,304)	(6,590)
Adjustments from:				
Financial income and expenses and foreign exchange variations	365	153	2,408	(863)
Depreciation and amortization	15,413	15,564	17,564	17,125
Allowence for doubtful accounts and for other receivables	7,693	13,411	7,693	13,411
Cost of property, plant and equipment disposals	417	238	541	238
Equity in subsidiaries and provision for net capital deficiency, net of dividends received	11,290	(2,646)		
Provision for inventory losses	4,365	6,509	5,158	6,509
Provision for tax, labor and civil risks	1,824	4,270	1,824	4,270
Negative goodwill on the acquisition of foreign subsidiary				(8,094)
Changes in operating assets and liabilities				
Trade accounts receivable	23,876	23,800	33,995	18,749
Related parties	(6,728)	(2,797)		(304)
Onlending of FINAME manufacturer financing	99,608	93,366	99,608	93,366
Inventory	11,910	(25,304)	(390)	(22,438)
Taxes recoverable	(1,009)	923	(421)	3,513
Judicial deposits	(57)	(2,226)	(57)	(2,226)
Other receivables	(315)	(3,330)	3,759	(6,799)
Trade accounts payable	9,367	(6,528)	6,439	(5,600)
Related parties	(126)	(19)		
Payroll and related taxes	5,109	3,524	6,543	6,536
Taxes payable	(4,856)	(3,426)	(7,608)	(6,812)
Advances from customers	1,807	715	5,288	3,883
Other payables	1,056	3,422	(5,388)	3,023
Changes in operating assets and liabilities from Discontinued Operations			8,743	(429)
Cash provided by operations	166,914	86,793	172,209	78,269
Income tax and social contribution paid	(1,300)	(596)	(1,886)	(596)
Net cash provided by operating activities	165,614	78,936	170,323	77,673
Cash flows from investing activities				
Purchases of property, plant and equipment	(9,722)	(2,534)	(20,663)	(3,031)
Received dividends	3,848	7,261		
Acquisition of foreign subsidiary				(46,830)
Caixa advindo da aquisição de subsidiária no exterior				5,939
Capital increase in foreign sibisdiary	(55)	(2,336)		
Net cash provided by (used in) investing activities	(5,929)	2,391	(20,663)	(43,922)

The accompanying notes are an integral part of these Interim financial statements

Indústrias Romi S.A.

Statement of cash flow Semesters ended June 30 In thousands of reais

(A free translation of the original in Portuguese)

	Company		Consolidated	
	2013	2012	2013	2012
Cash flows from financing activities				
Interest on capital and dividends paid	304	(11)	(291)	(552)
Purchase of treasury shares		(9,710)		(9,710)
New borrowings	10,053	59,873	11,589	61,434
Payment of other financing	(24,473)	(17,228)	(26,978)	(18,621)
Interest paid	(7,443)	(7,444)	(7,550)	(7,509)
New FINAME manufacturer financing	45,357	90,314	45,357	90,314
Payment of FINAME manufacturer financing	(150,652)	(157,879)	(150,652)	(157,879)
Interest paid - FINAME manufacturer financing	(14,842)	(22,608)	(14,842)	(22,608)
Net cash used in financing activities	(141,696)	(64,693)	(143,367)	(65,131)
Increase (decrease) in cash and cash equivalents	17,989	16,634	6,293	(31,380)
Cash and cash equivalents from Continued and Discontinued Operations - beginning of the period	45,110	83,467	82,320	162,813
Foreign exchanges profits (losses) of cash equivalents of foreign subsidiaries	(58)		(1,925)	(1,242)
Cash and cash equivalents from Continued and Discontinued Operations - end of the period	63,041	100,101	86,688	130,191
Increase (decrease) in cash and cash equivalents from discontinued operations			1,506	1,362
Cash and cash equivalents from Continued Operations - end of the period			88,194	131,553

The accompanying notes are an integral part of these Interim financial statements.

(A free translation of the original in Portuguese)

Indústrias Romi S.A.

Notes to the interim financial statements for the quarter ended June 30, 2013

All amounts in thousands of reais unless otherwise stated

1. General information

Indústrias Romi S.A. (the "Parent company" and/or "Company") and its subsidiaries (together referred to as the "Company" and/or as "Consolidated"), has been listed on the "New Market" of the São Paulo Stock Exchange ("Bovespa") since March 23, 2007, and is based in Santa Barbara D'Oeste, São Paulo. The company is engaged in the assembly and sale of capital goods in general, including machine tools, plastic injection molding machines, industrial equipment and accessories, tools, castings and parts, as well as providing systems analysis and developing data processing software related to the production, sale, and use of machine tools and plastic injectors; the manufacture and sale of raw cast parts and machined cast parts; export and import, and representation on its own account or on account of third parties, and the provision of related services. It also holds investments in other companies, and manages its own and/or third party assets.

The Company's industrial facilities consist of eleven plants in three units located in the city of Santa Bárbara D'Oeste, in the State of São Paulo, and one located in the city of Reutlingen, Germany. The last one is a high-precision tooling machine manufacturer, which was acquired by the Company on January 31, 2012. The Company also holds investments in subsidiaries in Brazil and abroad.

On April 23, 2013, the Company's Board of Directors approved the opening of the process for the voluntary liquidation of the subsidiary based in Italy, Romi Italia S.r.l. ("Romi Italy"). Due to the changes occurred since the date of approval, which are described in Note 19 of this report, the operations of Romi Italy are being disclosed as Discontinued Operations. The consolidated balance sheet as at December 31, 2012 and the consolidated statements of income, comprehensive income, cash flows and value added for the quarter ended June 30, 2012, presented for comparison purposes, are being restated due to the reclassification of the balances related to Romi Italy's operations, as mentioned in Note 19.

This quarterly information was approved by the Company's Board of Directors and authorized for issue on July 23, 2013.

2. Basis of preparation and accounting policies

The financial information for the quarter ended June 30, 2013 of the Company and its subsidiaries has been prepared in accordance with CVM Resolution 673, of October 20, 2011, which approves accounting standard CPC 21 (R1) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The accounting policies adopted by the Company in the preparation of the parent company and consolidated quarterly financial information are the same as those used in the preparation of the financial statements for the year ended December 31, 2012 and, therefore, both should be read together.

The parent company financial information presents the measurement of investments in subsidiaries by the equity method of accounting, pursuant to prevailing Brazilian legislation. Accordingly, this parent company financial information is not considered as being in accordance with the International Financial Reporting Standards ("IFRS"), which require the measurement of such investments in the separate financial statements of the parent at their fair value or at cost.

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Notes to the interim financial statements for the quarter ended June 30, 2013

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As there is no difference between the consolidated equity and consolidated profit attributable to the owners of the Company, disclosed in the consolidated quarterly information prepared in accordance with IFRS and accounting practices adopted in Brazil, and the Company's equity and profit disclosed in the parent company financial information prepared in accordance with accounting practices adopted in Brazil, the Company elected to present this parent company and consolidated quarterly information in a single set.

The purpose of the statement of value added is to disclose the wealth created by the Company and its distribution during a certain period, and is presented by the Company, as required by the Brazilian Corporate Law, as an integral part of its parent company quarterly information, and as supplementary information to the consolidated quarterly information, since this statement is not required by IFRS.

(a) Standards, interpretations and amendments to existing standards effective as at June 30, 2013 and that did not have a material impact on the Company's quarterly information

The interpretations and amendments to existing standards were issued and were effective as at June 30, 2013. However, they did not have a material impact on the Company's quarterly information.

IFRS:

Standard	Subject
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 27	Separate Financial Statements
IAS 28	Investments in Associates and Jointly Controlled Entities

CPC/CVM:

Standard	Subject
Instruction 527	Addresses the voluntary disclosure of non-accounting information - EBITDA or EBIT

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Notes to the interim financial statements for the quarter ended June 30, 2013

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(b) Notes included in the financial statements as at December 31, 2012 not included in this quarterly information

The quarterly information is presented in accordance with accounting standard CPC 21 and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB). The preparation of this quarterly information involves judgment by the Company's management on the relevance and changes that should be disclosed in the notes. Accordingly, this quarterly information includes selected notes and does not comprise all notes presented in the year ended December 31, 2012. As permitted by Circular Letter 03/2011 of the Brazilian Securities Commission (CVM), the following notes are not presented:

- Summary of significant accounting policies (Note 2);
- Business combinations (Note 3);
- Investment property (Note 10);
- Pension plan (Note 18);
- Insurance (Note 19);
- Financial instruments and operating risks (Note 20);
- Net operating revenue (Note 23);
- Expenses by nature (Note 24);
- Finance income (costs) (Note 25); and
- Other operating income, net (Note 26).

(c) Significant accounting assumptions - discontinued operations

The Company's management approved the discontinuance of the activities of the subsidiary based in Italy, Romi Italia S.r.l. ("Romi Italy"), which was also the decision of that company's governance bodies.

Therefore, the assets of Romi Italy were classified as assets from discontinued operations in non-current assets. These assets are stated at the lower of the carrying amount and the fair value less costs to sell.

The Company's management considers that the discontinuance of the activities of Romi Italy satisfies the criteria for its classification as assets from discontinued operations for the following reasons:

- The assets are available for immediate sale, they can be sold to a potential buyer in their current state;
- The Company's management has a plan to sell these assets and started preliminary negotiations;
- The Company's management expects that the negotiations will be finalized, and the sale of all assets completed, in 2014.

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3. Cash and cash equivalents

	Parent company		Consolidated	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Cash	3,297	2,715	9,956	22,508
Bank Deposit Certificates ("CDBs") (a)	56,019	34,381	71,627	45,781
Short-term investments backed by debentures (a)	3,302	6,378	6,188	14,307
Short-term investments in foreign currency	-	1,389	-	1,389
Other	423	247	423	247
Total cash and cash equivalents	<u>63,041</u>	<u>45,110</u>	<u>88,194</u>	<u>84,232</u>

- (a) These investments are substantially pegged to the Interbank Deposit Certificate (CDI) interest rate.

4. Trade accounts receivable

	Parent company		Consolidated	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Current:				
Domestic customers	77,444	92,373	77,444	92,985
Foreign customers	4,247	5,153	28,227	34,741
Allowance for doubtful accounts	(2,280)	(1,682)	(6,899)	(6,068)
	<u>79,411</u>	<u>95,844</u>	<u>98,595</u>	<u>121,658</u>
Non-current:				
Domestic customers	10,668	13,243	10,668	13,243
Foreign customers	1,159	1,789	1,159	1,789
Allowance for doubtful accounts	(920)	(1,190)	(920)	(1,190)
	<u>10,907</u>	<u>13,842</u>	<u>10,907</u>	<u>13,842</u>

The Company's maximum exposure to credit risk is the balance of trade accounts receivable.

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The parent company and consolidated balances of trade accounts receivable as at June 30, 2013 and December 31, 2012, are as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	June 30 2013	December 31 2012	June 30 2013	December 31 2012
Not yet due	64,653	88,327	83,139	113,111
Past due:				
1 to 30 days	12,003	3,213	11,688	3,207
31 to 60 days	750	850	1,109	1,874
61 to 90 days	264	376	539	427
91 to 180 days	1,031	2,190	1,731	2,434
181 to 360 days	893	951	1,300	958
Over 360 days	2,097	1,619	6,908	5,715
	<u>17,038</u>	<u>9,199</u>	<u>23,275</u>	<u>14,615</u>
Total	81,691	97,526	106,414	127,726
Allowance for doubtful accounts	(2,280)	(1,682)	(7,819)	(6,068)
Total - current	<u>79,411</u>	<u>95,844</u>	<u>98,595</u>	<u>121,658</u>

The balance of non-current trade accounts receivable as at June 30, 2013, parent company and consolidated, is distributed as follows:

	<u>Parent company and consolidated</u>
Receivables:	
2014	5,345
2015	4,692
2016	852
2017	18
Total - non-current	<u>10,907</u>

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The changes in the allowance for doubtful accounts, parent company and consolidated, are as follows:

	<u>Parent company</u>	<u>Consolidated</u>
As at December 31, 2012	2,872	7,258
Additional allowance recorded	357	357
Receivables written off	(29)	(31)
Foreign exchange rate variations	-	235
	<u> </u>	<u> </u>
As at June 30, 2013	<u>3,200</u>	<u>7,819</u>

5. Receivables - onward lending of Finame manufacturer financing

	<u>Parent company and consolidated</u>	
	<u>June 30 2013</u>	<u>December 31 2012</u>
Current:		
FINAME not yet due	257,078	287,228
FINAME awaiting release (a)	1,632	2,557
FINAME past due (b)	<u>33,474</u>	<u>39,791</u>
	292,184	329,576
Allowance for doubtful accounts	<u>(11,687)</u>	<u>(11,943)</u>
	<u>280,497</u>	<u>317,633</u>
Non-current:		
FINAME not yet due	239,984	306,751
FINAME awaiting release (a)	<u>6,527</u>	<u>10,229</u>
	246,511	316,980
Allowance for doubtful accounts	<u>(4,715)</u>	<u>(4,175)</u>
	<u>241,796</u>	<u>312,805</u>
Total	<u>522,293</u>	<u>630,438</u>

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The item "Receivables - onward lending of FINAME manufacturing financing" refers to sales to customers financed by funds from the National Bank for Economic and Social Development ("BNDES") (Note 13).

FINAME manufacturer financing refers to funds specifically linked to sales transactions, with terms of up to 45 months, with the option of a grace period of up to 6 months and interest of between 2.5% and 6.5% per year, prefixed or increased by the Long-term Interest Rate ("TJLP"), in accordance with the terms defined by the BNDES at the time of the transaction. As part of the measures adopted by the federal government to foster investment and consumption, the Investment Support Program ("PSI") line of the National Bank for Economic and Social Development (BNDES) that finances capital goods, investments and technology, was extended to December 31, 2013. Up to June 30, 2013 the fixed interest rate is 3.0% per year and 3.5% from that date to December 31, 2013.

The financing terms are also based on the customer's characteristics. Funds are released by the BNDES by identifying the customer and the sale, as well as checking that the customer has fulfilled the terms of Circular 195 of July 28, 2006 issued by the BNDES, through a financial agent, with the formalization of a financing agreement in the name of the Company and consent of the customer to be financed. The amounts, periods and charges of the transaction are fully reflected in the amounts to be received by the Company from the bank mediating the agreement to which the Company is the debtor. The Company retains title to the financed equipment until the final settlement of the obligation by the customer.

Receivables - onward lending of FINAME manufacturer financing include:

- (a) FINAME transactions awaiting release: refers to FINAME manufacturer financing transactions which meet the specified terms and have been approved by all parties involved. The preparation of documentation, the issue of the sales invoice, and the delivery of the equipment to the customer have all taken place. The crediting of the related funds to the Company's account by the agent bank is pending at the end of the reporting period, in view of the normal operating terms of the agent.
- (b) FINAME past due: refers to amounts receivable not settled by customers by their due dates. The Company records provisions for possible losses on the realization of these balances, at the amount of the difference between the expected value of the sale of the collateral (machinery) recovered through the guarantee and the value of the receivable from the customer. In instances in which the machine guaranteed cannot be located, a full loss provision is made for balance of the receivable.

The machines seized as part of the implementation process are recorded at their book value, not exceeding their market value, under the category of "Other receivables", pending a final court decision, following which they are repossessed and transferred to inventory. As at June 30, 2013, the balance of repossessed machinery, included under the caption "Other receivables" in the parent and consolidated quarterly information amounted to R\$ 19,842 (R\$ 22,031 as at December 31, 2012) in current assets and R\$ 34,132 (R\$ 22,777 as at December 31, 2012) in non-current assets.

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As at June 30, 2013 and December 31, 2012, the balances of "Receivables - onward lending of FINAME manufacturer financing" in the parent and consolidated quarterly information were as follows:

	June 30 2013	December 31 2012
Not yet due	258,710	289,785
Past due:		
1 to 30 days	5,368	6,224
31 to 60 days	2,079	3,160
61 to 90 days	2,025	2,726
91 to 180 days	5,079	7,518
181 to 360 days	5,724	8,920
Over 360 days	13,199	11,243
	<u>33,474</u>	<u>39,791</u>
Total - current	<u>292,184</u>	<u>329,576</u>

The expected realization of the non-current receivables relating to the onward lending of FINAME manufacturer financing, parent company and consolidated is as follows:

	Parent company and consolidated
Non-current:	
2014 (6 months)	90,869
2015	107,625
2016	39,059
2017	8,562
2018 and thereafter	<u>396</u>
Total - non-current	<u>246,511</u>

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The changes in the allowance for doubtful accounts, parent company and consolidated, are as follows:

	Parent company and consolidated	
	June 30 2013	December 31 2012
Opening balance	16,118	13,169
Additional allowance recorded	284	2,949
Closing balance	<u>16,402</u>	<u>16,118</u>

6. Inventories

	Parent company		consolidated	
	June 30 2013	December 31 2012	June 30 2013	December 31 2012
Finished products	48,339	64,738	64,562	78,190
Used machines	21,708	21,078	21,708	21,078
Work in process	72,343	76,932	110,234	99,612
Raw materials and components	79,419	69,833	84,454	79,361
Imports in transit	1,445	854	1,445	854
Total	<u>223,254</u>	<u>233,435</u>	<u>282,403</u>	<u>279,095</u>

The inventory balances, parent company and consolidated, as at June 30, 2013 are net of the amounts of R\$51,109 and R\$ 73,886 respectively (R\$46,282 and R\$50,851 respectively as at December 31, 2012) corresponding to the provision for slow-moving inventory with remote probability of being realized through sale or use.

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The changes in the provision to bring inventory to its net realizable value, parent company and consolidated, are as follows:

	<u>Parent company</u>	<u>Consolidated</u>
As at December 31, 2012	46,282	50,851
Inventory sold or written off	(12,440)	(12,440)
Provision recorded or transfer of provision resulting from machines repossessed during the period	<u>17,267</u>	<u>18,347</u>
As at June 30, 2013	<u><u>51,109</u></u>	<u><u>56,758</u></u>

The changes in the provision for inventory losses by class of inventory are as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>June 30, 2013</u>	<u>December 31, 2012</u>	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Finished products	2,851	2,610	7,174	6,646
Used machines	22,144	21,682	22,144	21,682
Work in process,				
Raw materials and components	<u>26,114</u>	<u>21,990</u>	<u>27,440</u>	<u>22,523</u>
Total	<u><u>51,109</u></u>	<u><u>46,282</u></u>	<u><u>56,758</u></u>	<u><u>50,851</u></u>

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7. Investments in subsidiaries and associates

The following list shows the investments of the Company in its subsidiaries:

Subsidiary	Country	Main activity
Rominor Comércio, Empreendimentos e Participações S.A. ("Rominor")	Brazil	Ventures and investments in general
Romi Machine Tools, Ltd. ("Romi Machine Tools")	United States of America	Distribution of machine tools and cast and machined products in North America
Interocean Comércio Importadora e Exportadora S.A. ("Interocean")	Brazil	Trading company, not operating during the periods presented
Romi A.L. S.A. ("Romi A.L.") - formerly Favel S.A.	Uruguay	Sales representation for operations in the foreign market
Romi Europa GmbH ("Romi Europe")	Germany	Distribution of machine tools, spare parts and technical assistance.
Sandretto Mexico - S. de RL. de CV	Mexico	Sale of machinery, machine tools, machinery for plastics, casts and machined products in that marketplace
Sandretto UK Ltd.	United Kingdom	Distribution of machinery for plastics, spare parts and technical assistance.
Sandretto Industries S.A.S.	France	Distribution of machinery for plastics and machine tools, spare parts and technical assistance.
Metalmecanica Plast B. V.	The Netherlands	Distribution of machinery for plastics and machine tools, spare parts and technical assistance.
Italprensas Sandretto S.A.	Spain	Distribution of machinery for plastics and machine tools, spare parts and technical assistance.
Subsidiaries of Romi Europe:		
-Burkhardt + Weber Fertigungssysteme GmbH ("B+W") (i) Associate B+W:	Germany	Production and sale of large scale tooling machines with high technology, precision and productivity, as well as machinery for specialized applications.
-Riello Sistemi (Riello Shanghai) Trade Co.,Ltd Subsidiary of B+W:	China	Agent for sale and post-sale and direct technical assistance services in machine tools produced by B+W.
- Burkhardt + Weber / Romi (Shanghai) Co., Ltda. (ii)	China	Agent for sale and post-sale and direct technical assistance services in machine tools produced by B+W.
Romi Itália S.r.l. ("Romi Italy") (iii)	Italy	In process of liquidation, as mentioned in Note 19

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- (i)** The Company, on January 31, 2012, through its wholly-owned subsidiary Romi Europe GMBH (“Romi Europe”) acquired all of the shares in Burkhardt + Weber Fertigungssysteme GmbH (“B+W”) for € 20,500 thousand, equivalent to R\$ 46,830 (the "consideration transferred"), entirely paid on the acquisition date.

The B+W acquisition is in line with the Company's strategic plan of expanding its portfolio of products with higher technology content and globally expanding its operational and market bases. B+W produces and sells large scale tooling machines, with a high level of technology, precision and productivity, as well as machinery for specialized applications.

- (ii)** This subsidiary was established with a capital of € 220 thousand, and up to June 30, 2013 € 80 thousand had already been paid up.
- (iii)** On April 23, 2013, the Company's management approved the beginning of the voluntary liquidation of the subsidiary Romi Itália S.r.l., as described in note 19.

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	Romi Itália and subsidiaries	Romi Europe and subsidiaries	Rominor	Romi Mac. Tools	Interocean	Romi A.L.	Sandretto Mexico	Total Continuing Operation	Total Discontinuing Operation
Investments:									
Number of shares held	(a)	(a)	6.191.156	3.000	78	13.028	1.188.000		
Ownership interest	100,00%	100,00%	93,07%	100,00%	100,00%	100,00%	100,00%		
Current assets	30.322	63.391	18.918	7.608	15	2.988	81		
Non-current assets	15.005	83.060	5.771	248	-	-	2		
Current liabilities	15.450	49.130	202	7.131	10	20	93		
Non-current liabilities	28.035	28.763	-	6.985	-	2	-		
Equity (net capital deficiency) of subsidiaries	1.842	68.558	24.487	(6.260)	5	2.966	(10)		
Changes in investments:									
Opening balance as at Deceber 31, 2012	12.891	66.718	23.413	(4.890)	8	2.546	25	89.138	11.573
Foreign exchange variations on foreign investments	359	4.176	-	(491)	-	224	1	3.815	454
Capital increase	-	-	-	-	-	-	49	49	-
Dividends proposed and paid (b)	-	-	(3.848)	-	-	-	-	(3.848)	-
Shares of profits (losses) of subsidiaries	(11.408)	(2.336)	3.225	(879)	(3)	196	(85)	14	(11.304)
Equivalent value - closing balance	<u>1.842</u>	<u>68.558</u>	<u>22.790</u>	<u>(6.260)</u>	<u>5</u>	<u>2.966</u>	<u>(10)</u>	<u>89.168</u>	<u>723</u>
Investments in subsidiaries	<u>1.842</u>	<u>68.558</u>	<u>22.790</u>	<u>-</u>	<u>5</u>	<u>2.966</u>	<u>(10)</u>	<u>95.428</u>	<u>723</u>
Provision for net capital deficiency of subsidiary				<u>(6.260)</u>				<u>(6.260)</u>	
Investments in associates									
30% interest in Riello Sistemi (Shanngai) Trade Co., Ltd acquired though a business combination								<u>2.080</u>	
Total investments in associates - consolidated								<u><u>2.080</u></u>	

(a) The subsidiaries' capital is not divided into quotas or shares in their articles of organization.

(b) On March 11, 2013, the subsidiary Rominor approved the payment of dividends for 2012 and the Company received the amount of R\$ 3, 848

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8. Related party transactions

The balances and transactions with related parties as at June 30, 2013 and December 31, 2012 are as follows:

(i) Balances

Parent company	Receivables		Loan receivable		Total receivable		Payables	
	June	December	June	December	June	December	June	December
	30,	31,	30,	31,	30,	31,	30,	31,
	2013	2012	2013	2012	2013	2012	2013	2012
Balances								
Direct subsidiaries:								
Romi Europe	156	873	743	696	899	1,569	21	-
Rominor	-	-	-	-	-	-	-	102
Romi Machine Tools	7,741	4,688	6,985	6,378	14,726	11,066	67	62
Interocean	-	-	10	10	10	10	-	-
Sandretto Mexico	89	-	-	-	89	10	170	-
Romi A.L.	-	-	-	-	-	-	109	271
Sandretto Industries S.A.S.	1,276	147	-	-	1,276	147	-	-
Italprensas Sandretto S.A.	-	25	-	-	-	-	-	-
Sandretto UK Ltd.	2,720	667	-	-	2,720	667	-	-
Total continuing operations	11,982	6,400	7,738	7,084	19,720	13,469	367	435
Total discontinuing operations	2,235	3,379	28,319	23,992	30,554	27,371	-	-
Total	14,217	9,779	36,057	31,076	50,274	40,840	367	435

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(ii) Transactions

	Sales revenue		Operating expenses		Financial income (expenses)	
	June 30 2013	June 30 2012	June 30 2013	June 30 2012	June 30 2013	June 30 2012
Transactions						
Direct subsidiaries:						
Romi Europe	176	548	179	545	(53)	7
Rominor	-	-	666	558	-	-
Romi Italy	3,497	1,634	-	-	(2,030)	122
Romi M. Tools	3,788	6,825	-	-	(607)	53
Romi A.L.	-	-	149	244	-	-
Total	<u>7,461</u>	<u>9,007</u>	<u>994</u>	<u>1,347</u>	<u>(2,689)</u>	<u>182</u>

In the consolidated quarterly information, receivables and payables refer to trading transactions between B+W and its associate Riello Shangai.

Loans receivable have predetermined maturities, are payable in the short and long terms and bear semi-annual LIBOR plus interest of 1% per annum and foreign exchange variations. The loan agreements between the Company and its subsidiaries are generally intended to increase working capital so as to provide financial support to these subsidiaries.

The subsidiary Rominor is the guarantor of some of the FINAME manufacturing financing transactions involving the Company, and the financing is collateralized by promissory notes and sureties (Note 13). The Company has seven buildings rented to its subsidiary Rominor, which are used by the sales branch operations in Brazil.

The Company entered into trading transactions with certain subsidiaries for the supply and purchase of equipment, parts and pieces, and does not have material transactions with related parties with other than of this nature. Decisions regarding transactions between the Company and its subsidiaries are made by management. Trade notes mature in the short term.

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Management compensation for the six-month periods ended June 30, 2013 and 2012 was as follows:

Short-term benefits	June 30 2013	June 30 2012
Fees and charges	2,727	3,496
Private pension plan	215	231
Healthcare plan	39	47
Parent company	2,981	3,774
Fees and charges of subsidiaries	65	69
Consolidated	3,046	3,843

The amounts shown above comply with the limits established by the Board of Directors and approved at the Annual General Meeting of Shareholders held on March 12, 2013.

9. Investment property

During the first quarter of 2012 Management decided, based on the completion of the property register review and regularization, as well as the perspectives of short and medium-term expansion of operations, to reclassify certain property, totaling R\$ 14,202 in the parent company and R\$ 16,103 in the consolidated quarterly information, previously recorded as Property, Plant and Equipment to Investment Property for future rental income and capital appreciation.

The investment property is stated at historical cost, and for fair value disclosure purposes the Company contracted an independent expert, who applied a methodology accepted by the "Brazilian Institute of Engineering Appraisals" as well as recent transactions with similar property and assessed the fair value less cost to sell this property at R\$ 117,681 in the Parent Company and R\$ 141,700 Consolidated.

Indústrias Romi S.A.

Notes to the interim financial statements for the quarter ended June 30, 2013 All amounts in thousands of reais unless otherwise stated

10. Property, plant and equipment

Changes in property, plant and equipment in the parent company and consolidated quarterly information are as follows:

	<u>Parent company</u>	<u>Consolidated</u>
Net book amount as at December 31, 2012	223,907	265,508
Changes in the period:		
Additions	9,722	20,663
Disposals	(458)	(541)
Depreciation	(14,511)	(15,226)
Foreign exchange rate variations		531
	<u>218,660</u>	<u>270,935</u>
Net book amount as at June 30, 2013		
As at June 30, 2013		
Total cost	443,555	517,550
Accumulated depreciation	<u>(224,895)</u>	<u>(246,615)</u>
Net book amount	<u>218,660</u>	<u>270,935</u>

Due to the financing agreements with the BNDES for investments in property, plant and equipment, the Company pledged as collateral machinery and equipment amounting to R\$55,463 as at June 30, 2013 (R\$55,463 as at December 31, 2012). These items refer to land, facilities, machinery and equipment.

11. Intangible assets

Changes in intangible assets in the parent company and consolidated quarterly information are as follows:

	<u>Parent company</u>	<u>Consolidated</u>
Net book amount as at December 31, 2012	6,169	45,493
Changes in the period:		
Amortization	(902)	(2,192)
Foreign exchange rate variations	-	2,622
	<u>5,267</u>	<u>45,923</u>
Net book amount as at June 30, 2013		
As at June 30, 2013		
Total cost	11,050	51,784
Accumulated amortization	<u>(5,783)</u>	<u>(5,861)</u>
Net book amount	<u>5,267</u>	<u>45,923</u>

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Notes to the interim financial statements for the quarter ended June 30, 2013 All amounts in thousands of reais unless otherwise stated

12. Borrowing

Changes in borrowing in the parent company and consolidated quarterly information are as follows:

	Parent company	Consolidated		
	Local currency	Local currency	Foreign currency	Total
Borrowing balance as at December 31, 2012	210,395	210,395	12,287	222,682
New borrowing	10,053	10,053	1,536	11,589
Repayment of principal	(24,917)	(24,917)	(2,061)	(26,978)
Payment of interest	(7,443)	(7,443)	(107)	(7,550)
Exchange and monetary variations (principal and interest)	401	401	2,580	2,981
Interest for the period	<u>6,878</u>	<u>6,878</u>	<u>9</u>	<u>6,887</u>
Borrowing balance as at June 30, 2013	<u>195,367</u>	<u>195,367</u>	<u>14,244</u>	<u>209,611</u>
Current	71,083	71,083	2,408	73,491
Non-current	<u>124,284</u>	<u>124,284</u>	<u>10,559</u>	<u>134,843</u>
	<u>195,367</u>	<u>195,367</u>	<u>12,967</u>	<u>208,334</u>

The maturities of financing recorded in non-current liabilities as at June 30, 2013 in the parent company and consolidated quarterly information were as follows:

	Parent company	Consolidated
2014 (6 months)	18,748	17,531
2015	77,608	78,550
2016	14,894	15,836
2017	12,076	13,018
2018 and thereafter	<u>958</u>	<u>9,908</u>
Total	<u>124,284</u>	<u>134,843</u>

Indústrias Romi S.A.

Notes to the interim financial statements for the quarter ended June 30, 2013 All amounts in thousands of reais unless otherwise stated

13. FINAME manufacturer financing

	Parent company and consolidated	
	June 30 2013	December 31 2012
Current:		
FINAME manufacturer financing	252,334	285,440
Non-current:		
FINAME manufacturer financing	226,785	302,279
	<u>479,119</u>	<u>587,719</u>

The agreements related to FINAME Manufacturer Financing are guaranteed by promissory notes and sureties, and the main guarantor is the subsidiary Rominor. The balances are directly related to the balances of the receivables from the onward lending of FINAME Manufacturer Financing (Note 5), considering that the loans are directly linked to sales to specific customers. The contractual terms related to the amounts, charges and periods financed under the program are fully passed on to the financed customers, and the monthly payments by the customers are fully used for the repayment of the related financing agreements. The Company, therefore, acts as an agent for the financing, but remains the main debtor in these transactions.

The balances of the line item 'FINAME manufacturer financing' and, consequently, of the line items 'Receivables - onward lending of FINAME manufacturer financing' as at June 30, 2013 and December 31, 2012, were adjusted for inflation through the end of the reporting period. The difference of R\$43,174 between these line items as at June 30, 2013 (R\$42,719 as at December 31, 2012) refers to past-due trade notes, renegotiations in progress, and FINAME transactions not yet disbursed by the agent bank. Management understands that there are no risks to the realization of these receivables since the amounts are collateralized by the financed machinery.

The non-current maturities of the FINAME manufacturer financing as at June 30, 2013, parent company and consolidated, are as follows:

	Parent company and consolidated
2014 (6 months)	87,204
2015	99,684
2016	33,263
2017	6,408
2018 and thereafter	226
Total	<u>226,785</u>

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Notes to the interim financial statements for the quarter ended June 30, 2013 All amounts in thousands of reais unless otherwise stated

14. Provision for tax, labor and civil risks

The management of the Company and its subsidiaries, based on the opinion of its legal counsel, classified the lawsuits according to the risk of loss, as follows:

	Parent company and consolidated	
	June 30 2013	December 31 2012
Tax	44,873	40,802
Civil	2,337	1,152
Labor	2,557	1,582
Judicial deposits (d)	(37,560)	(35,111)
Total	12,207	8,425
Current liabilities	4,634	1,905
Non-current liabilities	7,573	6,520
	12,207	8,425

The management of the Company and its subsidiaries, based on the opinion of its legal counsel, classified the tax, civil and labor lawsuits, involving risks of loss classified by management as possible, for which no provision was recognized as follows:

	Parent company and consolidated	
	June 30 2013	December 31 2012
Tax		
ICMS on the activation of machinery	156	150
Social security contribution - Cooperatives	1,917	1,766
Offsetting of IRPJ - 2002 and 2003	1,267	1,267
Civil		
Losses and damages	8,320	5,796
Labor	1,228	1,988
Total	12,888	10,967

Indústrias Romi S.A.

Notes to the interim financial statements for the quarter ended June 30, 2013 All amounts in thousands of reais unless otherwise stated

For lawsuits classified as probable losses, Management recognized a provision for losses. The changes in the provision in the period ended June 30, 2013 are as follows:

	Parent company and consolidated				
	December 31, 2012	Additions	Utilizations/ reversals	Inflation adjustment	June 30, 2013
Tax	40,802	3,865	(1)	207	44,873
Civil	1,152	1,109	-	76	2,337
Labor	1,582	1,354	(456)	77	2,557
(-) Judicial deposits	(35,111)	(2,449)	-	-	(37,560)
	<u>8,425</u>	<u>3,879</u>	<u>(457)</u>	<u>360</u>	<u>12,207</u>

Based on management's and its legal counsel's assessment, the subsidiaries are not parties to any ongoing lawsuits or exposed to material contingent risks.

As at June 30, 2013, the main lawsuits, which were classified by management as probable losses based on the opinion of legal counsel and, therefore, included in the provision for risks, are as follows:

(a) Tax lawsuits

Refer to the provisions for:

- (i) Social Integration Program ("PIS") and Social Contributions on Revenues ("COFINS") related to State Value-Added Tax ("ICMS") on sales, which amounted to R\$ 6,700 (R\$ 6,280 as at December 31, 2012) and R\$ 30,860 (R\$ 28,926 as at December 31, 2012), respectively.
- (ii) National Institute of Social Security ("INSS") contributions on services provided by cooperatives, amounting to R\$ 2,423 (R\$ 2,271 as at December 31, 2012).
- (iii) During 2012, the Company was assessed by the tax authorities, who disallowed part of the offsetting during the period from June to September 2010, related to social security contribution unduly paid on the directors' fees and independent contractors' fees in the period from October 1989 to July 1994. The authorities alleged that the calculations for the period between the payment date judged undue to the credit offsetting date was performed in disagreement with the requirements of the court and the law. Although the Company's management has presented a defense at the lower administrative court, grounded on the expectation of probable losses, it decided to accrue the amount of R\$4,082 (R\$ 2,537 as at December 31, 2012), based on the best estimates of the outcome of these assessments.
- (iv) The other lawsuits total R\$ 808 (R\$ 788 as at December 31, 2012).

(b) Civil lawsuits

These refer mainly to civil lawsuits in which the Company is the defendant related mainly to the following claims: (i) revision/rescission of contracts; (ii) indemnities; and (iii) annulment of protest of notes with losses and damages, among others.

Indústrias Romi S.A.

Notes to the interim financial statements for the quarter ended June 30, 2013

All amounts in thousands of reais unless otherwise stated

(c) Labor lawsuits

The Company has recorded a provision for contingencies for labor lawsuits in which it is the defendant, for which main types of claim are as follows: (i) additional overtime due to reduction of the lunch break; (ii) health hazard premium/hazardous duty premium; (iii) stability prior to retirement; (iv) indemnities for occupational accident/disease; and (v) jointly liability of outsourced companies, among others.

The tax, civil and labor lawsuits assessed as possible losses involve matters similar to those above. The Company's management believes that the outcome of ongoing lawsuits will not result in disbursements higher than those recognized in the provision. The amounts involved do not qualify as legal obligations.

(d) Judicial deposits

The Company has judicial deposits amounting to R\$ 39,314 (R\$ 36,808 as at December 31, 2012), of which R\$ 37,560 (R\$ 35,111 as at December 31, 2012) refers to PIS and COFINS levied on ICMS on sales, as mentioned in item (a) (i) and the other deposits are of different nature and classified in non-current assets.

15. Income tax and social contribution

Income tax is calculated at the rate of 15% on taxable profits plus a 10% surcharge on taxable profits exceeding R\$240, and social contribution is calculated at the rate of 9% on taxable profits. The subsidiary Rominor pays income tax and social contribution on a presumed profit basis.

The table below shows a reconciliation of the tax effect on the parent company's profit (loss) before income tax and social contribution by applying the prevailing tax rates as at June 30, 2013 and 2012:

	Parent company		Consolidated	
	June 30 2013	June 30 2012	June 30 2013	June 30 2012
Loss before income tax and social contribution - discontinued operations	(2,780)	(33,497)	(2,186)	(32,199)
Standard rates (income tax and social contribution)	34%	34%	34%	34%
Income tax and social contribution at standard rates	945	11,389	743	10,948
Reconciliation with the effective rate:				
Shares of the profits (losses) of subsidiaries and provision for the net capital deficiencies of subsidiaries	14	9,236	-	-
Negative goodwill on acquisitions of foreign investments	-	-	-	2,751
Research and development	2,175	-	2,175	-
Other additions (deductions), net (a)	<u>2,134</u>	<u>(6,118)</u>	<u>(1,143)</u>	<u>(149)</u>
Current and deferred income tax and social contribution benefits	<u>2,175</u>	<u>14,507</u>	<u>1,775</u>	<u>13,550</u>

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Notes to the interim financial statements for the quarter ended June 30, 2013

All amounts in thousands of reais unless otherwise stated

- (a) The amounts in the consolidated quarterly information refer basically to the differences in the calculation of income tax and social contribution between the actual taxable profit and presumed profit basis, due to the fact that the subsidiary Rominor is a taxpayer on a presumed profit basis during the reporting periods, and due to the non-recognition of deferred taxes on the tax losses of foreign subsidiaries.

The changes in deferred tax assets and liabilities, parent company and consolidated, for the six-month period ended June 30, 2013 were as follows:

	<u>Asset</u>		<u>Liability</u>	
	<u>Parent company</u>	<u>Consolidated</u>	<u>Parent company</u>	<u>Consolidated</u>
As at December 31, 2012	52,004	52,004	-	22,284
Changes in the period:				
Additions	2,346	2,610	-	-
Additions through acquisition of investment				1,224
Realization	(212)	(476)	-	(2,758)
Foreign exchange rate variations				2,683
As at June 30, 2013	<u>54,138</u>	<u>54,138</u>	<u>-</u>	<u>23,433</u>

16. Equity

Share capital

As at June 30, 2013 and December 31, 2012, the Company's subscribed and paid-up capital amounting to 489,973 is represented by 71,757,647 (74,757,547 as at December 31, 2012) book-entry, registered common shares, without par value, all with the same rights and benefits.

Changes in the number of shares

	<u>June 30, 2012</u>
Shares as at December 31, 2012	74,757,547
Treasury shares canceled (i)	<u>(2,999,900)</u>
Total shares	<u>71,757,647</u>

- (i) On March 12, 2013 the Extraordinary General Meeting approved the cancelation of 2,999,900 common shares issued by the Company, amounting to R\$ 17,850, held in treasury, without capital reduction, acquired during the share repurchase program ended on August 16, 2012.

Legal reserve

As required by Article 193 of Law 6,404/76, the balance of the line item "Legal reserve" is equivalent to 5% of profit for the year, limited to 20% of the share capital.

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Notes to the interim financial statements for the quarter ended June 30, 2013

All amounts in thousands of reais unless otherwise stated

Loss per share

Basic losses per share are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of outstanding common shares during the year, excluding common shares purchased by the Company and held as treasury shares.

	June 30 2013	June 30 2012
Loss for the period attributable to the controlling shareholders - continuing operations	(657)	(18,649)
Loss for the period attributable to the controlling shareholders - discontinued operations	(11,304)	(6,590)
Weighted average number of shares outstanding (in thousands)	<u>72,918</u>	<u>73,969</u>
Basic and diluted losses per share (parent company and consolidated) - continuing operations	<u>(0.01)</u>	<u>(0.25)</u>
Basic and diluted losses per share (parent company and consolidated) - discontinued operations	<u>(0.16)</u>	<u>(0.09)</u>

Basic and diluted losses per share are the same, since the Company does not have any instruments diluting the losses per share.

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Notes to the interim financial statements

for the quarter ended June 30, 2013

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17. Segment reporting – consolidated

To manage its business, the Company is organized into three business units, on which the Company's segment reporting is based. The main segments are: machine tools, plastic injectors and cast and machined products. The segment reporting for the six-month periods ended June 30, 2013 and 2012 is as follows:

					June 30, 2013
	<u>Machine tools</u>	<u>Plastic injection machines</u>	<u>Cast and machined products</u>	<u>Eliminations between segments</u>	<u>Consolidated</u>
Net operating revenue	198,296	40,760	52,665	-	291,721
Cost of sales and services	(132,869)	(23,713)	(56,575)	-	(213,156)
Transfers remitted	5,702	-	8,540	14,242	-
Transfers received	(6,849)	(3,869)	(3,524)	(14,242)	-
Gross profit	64,280	13,179	1,106	-	78,565
Operating income (expenses):					
Selling expenses	(23,721)	(8,524)	(1,854)	-	(34,099)
General and administrative	(23,237)	(5,192)	(3,722)	-	(32,151)
Research and development	(6,486)	(2,942)	-	-	(9,428)
Management fees	(2,132)	(453)	(461)	-	(3,046)
Tax expenses	(821)	(193)	(180)	-	(1,194)
Other operating income (expenses), net	<u>76</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>77</u>
Operating profit (loss) from continuing operations before financial income (expenses)	<u>7,959</u>	<u>(4,125)</u>	<u>(5,111)</u>	<u>-</u>	<u>(1,276)</u>
Operating loss from discontinued operations before financial income (expenses)	<u>-</u>	<u>(4,498)</u>	<u>-</u>	<u>-</u>	<u>(4,498)</u>
Inventory (*)	220,482	46,094	15,827		282,403
Depreciation and amortization (*)	10,570	657	6,337		17,564
Property, plant and equipment, net (*)	172,014	5,430	93,491		270,935
Intangible assets (*)	41,562	4,361	-		45,923

(*) Amounts related to the Continuing Operation

Indústrias Romi S.A.

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for the quarter ended June 30, 2013

All amounts in thousands of reais unless otherwise stated

					June 30, 2012
	<u>Machine tools</u>	<u>Plastic injection machines</u>	<u>Cast and machined products</u>	<u>Eliminations between segments</u>	<u>Consolidated</u>
Net operating revenue	178,396	30,355	39,696		248,447
Cost of sales and services	(125,014)	(16,296)	(54,545)		(195,855)
Transfers remitted	7,196		11,493	(18,689)	
Transfers received	<u>(9,372)</u>	<u>(5,402)</u>	<u>(3,915)</u>	<u>18,689</u>	
Gross profit	51,206	8,657	(7,271)		52,592
Operating income (expenses)					
Selling expenses	(24,602)	(9,254)	(1,693)		(35,549)
General and administrative	(35,999)	(7,056)	(2,755)		(45,810)
Research and development	(8,676)	(3,107)			(11,783)
Management fees	(3,064)	(504)	(275)		(3,843)
Other operating income (expenses), net	<u>7,643</u>	<u>719</u>			<u>8,362</u>
Operating loss from continuing operations before financial income (expenses)	<u>(13,492)</u>	<u>(10,545)</u>	<u>(11,994)</u>		<u>(36,031)</u>
Operating loss from discontinued operations before financial income (expenses)		<u>(6,398)</u>			<u>(6,398)</u>
Inventory (*)	267,098	72,890	19,129		359,117
Depreciation and amortization (*)	11,114	1,156	5,492		17,762
Property, plant and equipment, net (*)	160,945	4,640	106,606		272,191
Intangible assets (*)	44,193	3,248			47,441

(*) Amounts related to the Continuing Operation

Indústrias Romi S.A.

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All amounts in thousands of reais unless otherwise stated

Net operating revenue per geographical region for the same period is as follows:

	<u>Europe</u>	<u>North America</u>	<u>Latin America</u>	<u>Africa and Asia</u>	<u>Total</u>
June 30, 2013	32,725	2,890	240,202	15,904	<u>291,721</u>
June 30, 2012	46,617	16,630	183,866	1,334	<u>248,447</u>

18. Future commitments

On January 26, 2012, the Company and Centrais Elétricas Cachoeira Dourada S.A., - belonging to Endesa, decided to amend the contact for the supply of electricity entered into on May 1, 2007, in order to adjust the volume of electricity originally contracted to the current needs of the Company. As a result, the supply of electricity has been extended for another year, up to December 31, 2014, and reflects the following commitments which will be adjusted annually by the General Market Price Index ("IGP-M").

<u>Year of supply</u>	<u>Amount</u>
2013 (6 months)	5,567
2014	<u>9,706</u>
Total	<u>15,273</u>

The Company's management believes that this agreement is compatible with the electricity requirements for the contracted period.

19. Discontinued operation – Romi Italy

On April 23, 2013, the Company's Board of Directors approved the opening of the process for the voluntary liquidation of the subsidiary based in Italy, Romi Italia S.r.l. ("Romi Italy"), which was also the decision of that company's governance bodies.

Romi Italy acquired the set of assets of Sandretto Industrie S.r.l on July 24, 2008, comprising two plants in the cities of Grugliasco and Pont Canavese, both in the region of Turin, in Italy, a set of intangible assets (technology, designs, trademarks, patents, technical and commercial information) and the entire capital of the four wholly-owned subsidiaries of Sandretto, located in the United Kingdom, The Netherlands, Spain and France. This operation was in line with Romi's strategy of expanding its portfolio of products and expanding its operational and market bases.

The accompanying notes are an integral part of these Interim financial statements

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All amounts in thousands of reais unless otherwise stated

The Company, through a Notice to the Market on March 16, 2012, informed about the beginning of negotiations with the trade unions and Italian local management, aimed at adjusting Romi Italy's structure to the market situation, which has been adverse since its acquisition in 2008. After exhausting all attempts to carry out such plan, with the worsening of Romi Italy's economic situation, according to the information presented below, the Company's management concluded that the discontinuance of the local operations was the solution that would better meet the Company's interests and the purpose of shareholder value generation, aligned to its current strategic plan.

The Company will look after the compliance with the Italian legislation during the liquidation process. With this aim, qualified local consultants have been hired to advise the Company and Romi Italy in the liquidation process. The liquidation will be managed by liquidators appointed at Romi Italy's general meeting of shareholders held on April 23, 2013.

The Company estimates that the liquidation process will take approximately one year and that all liabilities known at the base date of this report are recorded in the financial statements shown below.

The main accounts of the balance sheet as at June 30, 2013 and December 31, 2012 and of the statement of income for the six-month periods ended June 30, 2013 and 2012 are as follows:

	June 30 2013	December 31 2012		June 30 2013	December 31 2012
Assets			Liabilities and equity		
Current			Trade payables	427	1,073
Trade accounts receivable	2,285	3,910	Payroll and related taxes	695	1,382
Inventories	21,288	22,591	Related parties	5,990	6,381
Related parties	5,399	5,599	Other payables	<u>8,338</u>	<u>1,391</u>
Other receivables	<u>1,350</u>	<u>248</u>		15,450	10,227
	30,322	32,348			
Non-current			Non-current		
Other receivables	70	35	Deferred income tax and social contribution	6	26
Investments in subsidiaries	7,338	5,805	Related parties	<u>28,029</u>	<u>23,711</u>
Property, plant and equipment, net	<u>7,597</u>	<u>7,349</u>		28,035	23,737
	15,005	13,189	Total liabilities	<u>43,485</u>	<u>33,964</u>
			Equity	<u>1,842</u>	<u>11,573</u>
Total assets	<u>45,327</u>	<u>45,537</u>	Total liabilities and equity	<u>45,327</u>	<u>45,537</u>

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for the quarter ended June 30, 2013

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Below we present the reconciliation of the balance sheets of Romi Italy and the balances presented in non-current assets and current liabilities, in line items Assets from Discontinued Operations and Payables - Discontinued Operations, respectively:

	June 30 2013	December 31 2012		June 30 2013	December 31 2012
Total assets	45,327	45,537	Total liabilities	43,485	33,964
(-) Eliminations			(-) Eliminations		
Related parties	(5,399)	(5,599)	Related parties	(34,019)	(30,092)
Investments in subsidiaries	(7,338)	(5,805)			
			Payables - discontinued operations		
Assets from discontinued operations	32,590	34,133		9,466	3,872
	Current quarter	Accumulated current year	Same quarter prior year	Accumulated prior year	
	04/01/2013 to 06/30/2013	01/01/ to 06/30/2013	04/01/2012 to 06/30/2012	01/01/2012 to 06/30/2012	
Net operating revenue	507	1,939	2,877	8,401	
Cost of sales and services	(1,450)	(4,177)	(3,506)	(9,534)	
Gross loss	(943)	(2,238)	(629)	(1,133)	
Operating expenses	(7,860)	(8,853)	(2,922)	(5,265)	
Operating loss	(8,803)	(11,091)	(3,551)	(6,398)	
Financial expenses	(115)	(213)	(102)	(192)	
Loss for the period	(8,918)	(11,304)	(3,653)	(6,590)	

20. Events after the reporting period

On July 23, 2013, the management of Rominor, Company's subsidiary, approved the proposal for declaration of interim dividend in the amount of R\$ 3,544, from the profits for the period ended June 30, 2013, in the proportion of R\$ 0.5725 per share, to be paid to the shareholders on August 15, 2013, with no interest or inflation adjustment.

* * *

(A free translation of the original in Portuguese)

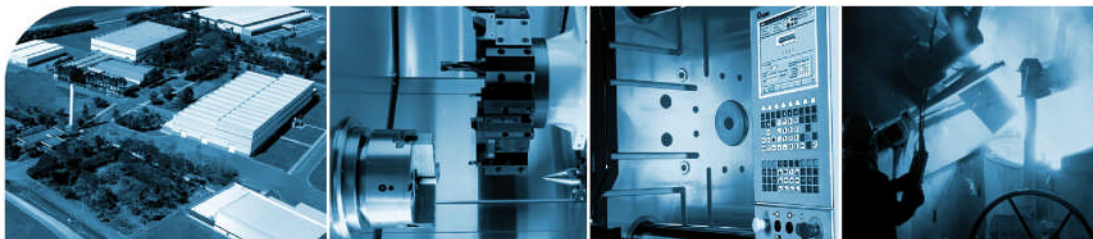
Indústrias Romi S.A.

2Q13 Earnings Release



ROMI®

TRADIÇÃO EM INOVAR



July 23, 2013 2Q13 Earnings Release

June 30, 2013

Share Price

ROMI3 – R\$ 5.26/share

Market Capitalization

R\$ 377.4 million

US\$ 170.4 million

Number of shares

Common: 71,757,647

Total: 71,757,647

Free Float = 50.5%

Investor Relations Contact

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IR Coordinator

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July 24, 2013

Earnings Conference Call

Time: 10:30 a.m. (Brazil)

Dial-in number:

+55 (11) 4688-6341

Access code: Romi

Earnings Conference Call in English

Time: 12:00 noon (São Paulo)

4:00 p.m. (London)

11:00 a.m. (NY)

Dial-in numbers:

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Santa Bárbara d'Oeste, SP, July 23, 2013 – Indústrias Romi S.A. (BM&FBovespa: ROMI3), domestic market leader in Machine Tools and Plastic Processing Machines, as well as an important producer of Raw and Machined Cast Iron Parts, announces its results for the second quarter of 2013 (2Q13). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with International Financial Reporting Standards (IFRS), and monetary amounts are expressed in thousands of Reais.

HIGHLIGHTS

Starting this quarter, we will report the results obtained by Romi Italia, Romi's Italian subsidiary, whose voluntary liquidation began on April 23, 2013, as discontinued operations, segregated from other operations of the Company. In 2Q13, income from discontinued operations considers accounts payable arising from the liquidation process know so far. Thus, the operating and financial information presented in this report, except where otherwise stated, do not consider Romi Italia.

Continued operations EBITDA of R\$ 11.7 million in the second quarter of 2013 confirms the best quarterly result since the end of 2011

- Continued operations net operating revenue reached R\$ 151.4 million in the quarter and R\$ 291.7 million in the six-month period, 45.2% and 17.4% higher than the equivalent periods in 2012;
- Continued operations gross margin of 28.0% in the quarter maintains the recovery observed over the past quarters;
- For the fourth consecutive quarter continued operations EBITDA was positive, reaching R \$ 11.7 million in 2Q13, reflecting the continuous improvement of operational efficiency and gradual price adjustment;
- Continued operations profit of R\$ 5.1 million in the quarter, turning the negative results obtained in the last periods;
- Through the six-month period, Company's net debt decreased R\$ 16.3 million;
- In 2Q13, order entry was up 19.2% from 2Q12 and up 67.5% from 1Q13, reaching R\$ 256.3 million in the quarter, notably in the Plastic Processing Machines business unit;
- Order backlog totaled R\$ 330.1 million as at June 30, 2013, a solid order book for the next quarters.

R\$'000	Quarter					Accumulated		
	2Q12	1Q13	2Q13	Chg % 2Q/2Q	Chg % 2T/1T	1H12	1H13	Chg % 13/12
Sales Volume								
Machine Tools (units)	311	399	304	(2.3)	(23.8)	568	703	23.8
Plastic Machines (units)	43	50	61	41.9	22.0	87	111	27.6
Raw and Machined Cast Iron Parts (tons)	3,092	3,598	4,436	43.5	23.3	6,607	8,034	21.6
Continued Operations Net Operating Revenue	104,250	140,315	151,406	45.2	7.9	248,447	291,721	17.4
Gross margin (%)	20.3%	25.8%	28.0%			21.2%	26.9%	
Continued Operations Operating Income (EBIT)	(30,055)	(4,665)	3,389	(111.3)	(172.6)	(36,031)	(1,276)	(96.5)
Operating margin (%)	-28.8%	-3.3%	2.2%			-14.5%	-0.4%	
Continued Operations Net Income	(18,159)	(5,546)	5,135	(128.3)	(192.6)	(18,649)	(411)	(97.8)
Discontinued Operations Net Income	(3,651)	(2,387)	(8,917)	144.2	273.6	(6,590)	(11,304)	71.5
Net Income	(21,810)	(7,933)	(3,782)	(82.7)	(52.3)	(25,239)	(11,715)	(53.6)
Continued Operations Net margin (%)	-17.4%	-4.0%	3.4%			-7.5%	-0.1%	
Continued Operations EBITDA	(21,026)	4,563	11,725	(155.8)	157.0	(18,269)	16,288	(189.2)
Continued Operations EBITDA margin (%)	-20.2%	3.3%	7.7%			-7.4%	5.6%	
Investments	903	11,651	7,633	745.3	(34.5)	2,368	19,284	714.4

EBITDA = earnings before interest, taxes, depreciation and amortization.

CORPORATE PROFILE

Indústrias Romi S.A., founded in 1930, is the market leader in the Brazilian industrial machinery and equipment industry and an important manufacturer of raw and machined cast iron parts. The Company is listed on the "New Market" of the São Paulo Stock Exchange (BM&FBovespa), which is reserved for companies with the highest corporate governance levels. Romi manufactures machine tools (Conventional Lathes, CNC - Computer Numerical Control Lathes, Turning Centers, Machining Centers, Vertical and Horizontal Heavy and Extra-Heavy Lathes and Drilling Mills), plastic injection and blow molding machines and nodular or vermicular gray iron cast parts, which can be supplied raw and machined. The Company's products and services are sold worldwide and used by various industrial segments, such as the automotive (light and heavy), agricultural machinery, capital goods, consumer goods, tools, hydraulic equipment and wind energy industries, among many others.

The Company has eleven manufacturing units, four of which are dedicated to the final assembly of industrial machinery, three units for component machining, one unit for the manufacture of steel sheet components, and a plant for the assembly of electronic control panels. The Company has installed capacity for the production of approximately 3,450 industrial machines and 50,000 tons of castings per year.

The Machine Tools business unit accounted for 65.7% of the Company's revenue for the first half of 2013. The Plastic Processing Machines and Raw and Machined Cast Iron Parts business units contributed 15.4% and 18.9%, respectively, to the revenue for the period.

CURRENT ECONOMIC SCENARIO

The second quarter of 2013 was marked by changes in the world economic situation.

This is mainly due to the signs of reversion in the American monetary policy and the decreased growth in China. Combined, these factors generate a wave of aversion to the inherent risk of developing countries, group in which Brazil is included, and makes foreign funding difficult, causing the devaluation of the local currency.

If, on one hand, the more devaluated real generates additional pressure on inflation, on the other hand there is an incentive to exports. Moreover, the current exchange rate makes Romi machines more competitive in the domestic market since its main competitors are imported equipment. However, these effects will only be felt if the currency's current rate is maintained.

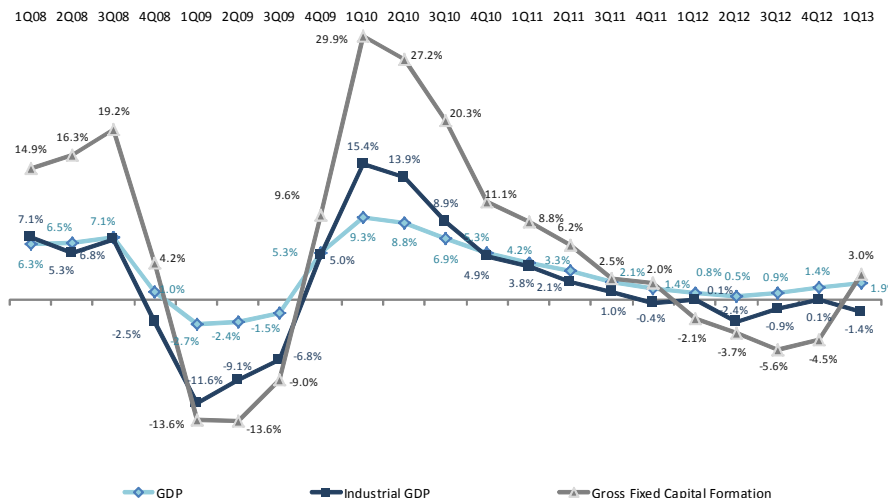
According to the National Association of Automotive Vehicle Manufacturers (Anfavea), in the first half of 2013, in relation to the first half of 2012, total production of automotive vehicles grew 18.1%, with light vehicles contributing with a 16.4% increase, while trucks grew 52.5%, and buses, 36.1%. Meanwhile agricultural machinery production grew 15.8% over the same period.

Domestic sales of agricultural machinery and trucks are being driven by favorable conditions in agriculture and attractive interest rates of 3% per year in this first half, offered under the Investment Sustaining Program (PSI) of the National Bank for Economic and Social Development (BNDES).

The Machine Tools and Raw & Machined Cast Iron Parts have directly benefited from the growth of agricultural and trucks sectors since they are suppliers of installed capacity, in the case of machinery, and of inputs, in the case of cast iron parts.

The quarterly economic data, published by the IBGE (Brazilian Institute of Geography and Statistics) in June 2013, in comparison with the same period of last year, show a deceleration of the Industrial GDP, with a 1.4% slowdown. The Gross Fixed Capital Formation (FBKF), in the same comparison, increased 3.0%, showing a good result, but this growth was determined by two specific reasons: a weak base (2.1% drop in 2T12 in relation to 2Q11) and the recovery of the transportation sector (agricultural and trucks).

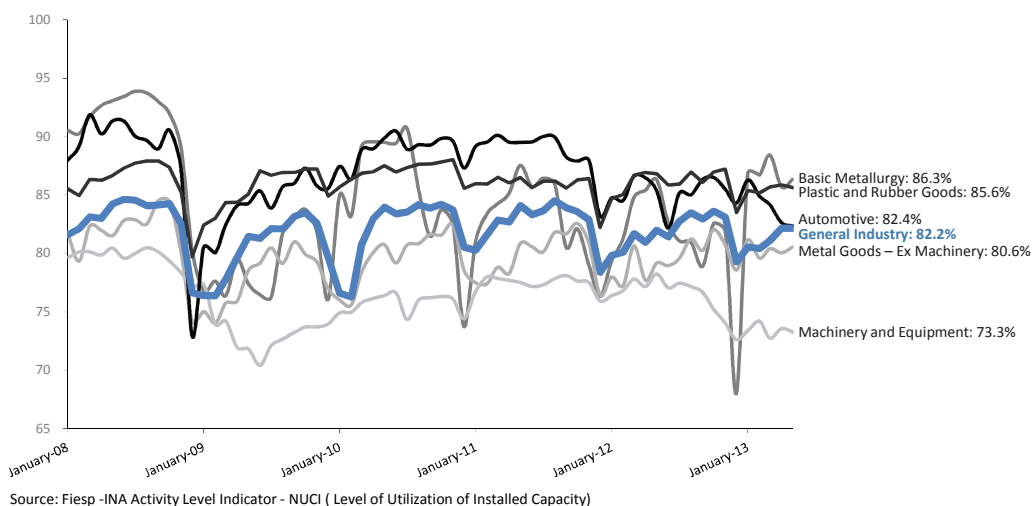




Source: IBGE

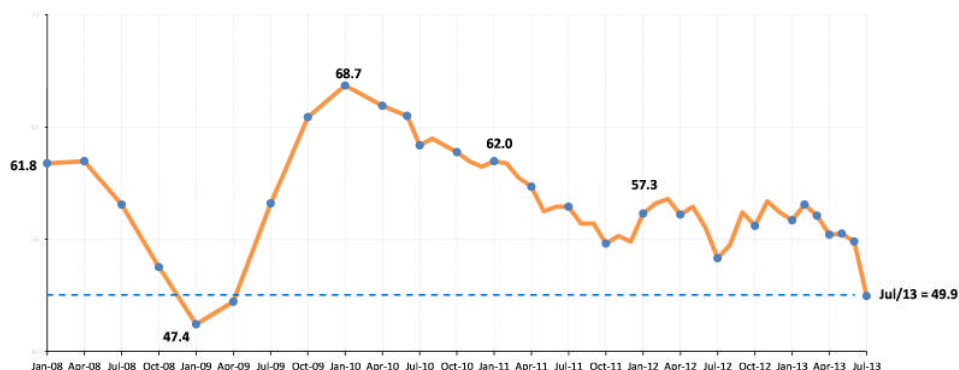
The level of utilization of the installed capacity (NUCI) of the industry in general, prepared by the Federation of Industries of the State of São Paulo (FIESP), presented stability in the May data in relation to April, both of 2013. The institution highlights that, among the sectors analyzed, which are also the main sectors that demand Romi products, "there is no homogeneity of growth, nor homogeneity of fall. There is an oscillation, except for one or more sector".

The machinery and equipment industry, base of the industry expansion and in which Romi is inserted, presented a level of utilization of 73.3%.



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

The Industrial Entrepreneur Confidence Index (ICEI), released by the National Confederation of Industry (CNI), has dropped since March 2013. The ICEI dropped 4.9 points, to 49.9 points in July, almost on the dividing line between trust and distrust. This is the lowest industrial entrepreneur confidence level since April 2009.



Source: CNI - ICEI (Business Confidence Index)

Beginning the second half of 2013, the industry in general is expected to show a recovery trajectory with interruptions, signaling difficulties in keeping a more robust growth pace.

Even with this challenging scenario, in the second quarter of 2013 Romi had an increase in order entry of 19.2% in relation to the same period in 2012, which will be addressed below.

MARKET

Romi's main competitive advantages in the domestic market – products with cutting-edge technology, the company's own nationwide distribution network, ongoing technical assistance, availability of attractive customer credit packages in local currency, and short product delivery times – are all recognized by customers, giving the ROMI® brand name a traditional and prestigious reputation.

Order Entry (R\$ 000) Gross Values, sales taxes included	1Q12	2Q12	1Q13	2Q13	Chg % 2Q13/2Q12	Chg % 2Q13/1Q13
Machine Tools	81,999	164,605	84,479	173,368	5.3%	105.2%
Plastic Machines	25,312	9,975	25,462	45,484	356.0%	78.6%
Rough and Machined Cast Iron Parts	28,250	40,555	43,071	37,495	-7.5%	-12.9%
Total	135,561	215,135	153,012	256,347	19.2%	67.5%

Order Entry (R\$ 000) Gross Values, sales taxes included	1H12	1H13	Chg % 2013/2012
Machine Tools	246,604	257,847	4.6%
Plastic Machines	35,287	70,946	101.1%
Rough and Machined Cast Iron Parts	68,805	80,565	17.1%
Total	350,696	409,358	16.7%

In 2Q13 the Company had a volume of order entry 19.2% higher than that obtained in 2Q12 and 67.5% than that obtained in 1Q13, taking into account B+W's order entry in the period. Excluding B+W, order entry in 2Q13 was up 26.3% from 2Q12, and up 45.7% from 1Q13.

It is natural that there is a growth of order entry in the second quarter in relation to the first quarter since the two major Brazilian fairs of the machinery industry (Feiplastic and Feimafe) are held in the second quarter, heating the market.

The Plastic Processing Machines business unit has benefitted from the devaluation of the real against the dollar since it faces fierce competition of imported products. Thus, the price list of Romi products could be slightly adjusted, which is a very positive factor for the future recovery of margins.

It's important to highlight that a customer of the Plastic Processing Machines business unit canceled an order in the amount of R\$ 19.4 million during 2Q12. This cancellation strongly decreased order entry unit at that time, causing the growth of its order entry in 2Q13 compared to 2Q12, to reach 356.0%. If reconsider this request, the growth in new orders Plastic Machines in 2Q13 compared to 2Q12 would have been 50.5%.

The Raw and Machined Cast Iron Parts segment continues being directly benefited from resumed demand for trucks in Brazil. It is also important to take into account the seasonal variation of this business unit's order entry, since the energy generation (wind) sector has the characteristic of making purchase orders at the beginning of the year, reaching more than 12 months of supply. Thus, this unit's order entry decreased 12.9% in relation to 1Q13.

Order Book (R\$ 000)	2Q12	3Q12	4Q12	1Q13	2Q13	Chg % 2Q13/2Q12	Chg % 2Q13/1Q13
Gross Values, sales taxes included							
Machine Tools	241,495	219,392	210,390	176,377	246,312	2.0%	39.7%
Plastic Machines	24,819	27,540	33,249	31,209	45,969	85.2%	47.3%
Rough and Machined Cast Iron Parts	31,021	35,168	24,180	37,026	37,846	22.0%	2.2%
Total	297,335	282,100	267,820	244,612	330,127	11.0%	35.0%

Note: The order backlog figures do not include parts, services and resales.

As at June 30, 2013, the order backlog totaled R\$ 330.1 million, up 35.0% from the end of 2Q12. Of the Machine Tools order backlog presented, R\$ 93.6 million refers to B+W's order backlog. This shows a strengthening of the portfolio as a whole, reflecting the reliability of the customer base in Romi's products and equipment.

OPERATING PERFORMANCE

NET OPERATING REVENUE

The Company's Net Operating Revenue reached R\$ 151.4 million in 2Q13, 45.2% higher than in the same period of 2012 and 7.9% higher than in 1Q13, immediately preceding quarter. In the half-year period, the amount obtained was 17.4% higher than that obtained in the same period of 2012, driven mainly by the Raw and Machined Cast Iron Parts, whose revenue grew 32.7% in the period.

Romi - Continued Operations	Quarter					Acumulado		
Net Operating Revenue (R\$ 000)	2Q12	1Q13	2Q13	Chg % 2Q/2Q	Chg % 2Q/1Q	1H12	1H13	Chg % 13/12
Máquinas-Ferramenta	73,245	98,871	99,425	35.7%	0.6%	178,396	198,296	11.2%
Máquinas para Plásticos	12,619	17,449	23,311	84.7%	33.6%	30,355	40,760	34.3%
Fundidos e Usinados	18,386	23,995	28,670	55.9%	19.5%	39,696	52,665	32.7%
Total	104,250	140,315	151,406	45.2%	7.9%	248,447	291,721	17.4%

Note: See income statement by business unit in the Appendix.

Excluding the figures attributed to B+W, the Company's Net Operating Revenue for 2Q13 would have been R\$ 133.4 million, 11.1% higher than in 1Q13 and 36.3% higher than in 2Q12.

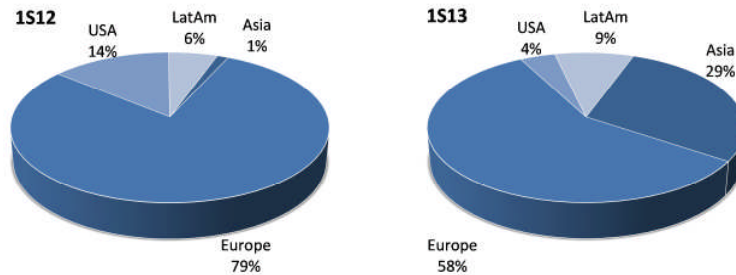
In the first half of 2013, under the same criterion, the Company's Net Operating Revenue would have reached R\$ 253.4 million, up 20.7% from the equivalent period in 2012.

In the domestic market, net revenue in 1H13 was up 30.9% from the first half of 2012, thanks especially to the performance of raw and machined cast iron parts units.

Revenue in the foreign market, in Reais and US dollars, is described in the table below:

Foreign Sales	Quarter					Accumulated		
with B+W	1Q12	4Q12	1Q13	Chg % 1Q/1Q	Chg % 1Q/4Q	1H12	1H13	Chg % 13/12
Net Sales (R\$ 000)	17.4	30.0	26.8	53.9%	-10.6%	69.0	56.8	-17.7%
Net Sales (US\$ 000)	8.9	15.7	12.8	44.7%	-18.2%	37.0	28.6	-22.8%

This revenue was distributed geographically as shown in the chart below:



It is worth pointing out the lack of seasonal partner of B+W's revenue, which totaled R\$ 44.1 million in 1H12 and R\$ 38.3 million in 1H13, which does not imply difficulties in the business, since the company continues to use its total capacity with order backlog of R\$ 93.6 million.

Machine Tools

This unit's net operating revenue reached R\$ 99.4 million in 2Q13, of which R\$ 18.0 million referring to the consolidation of B+W's net operating revenue. This consolidated amount represented an increase of 35.7% in comparison with the same period of last year, and 0.6% compared to the immediately preceding quarter.

Excluding B+W on this comparison, this business unit's net operating revenue was up 21.8% from 2Q12, and up 3.6% from 1Q13.

In the first half of 2013, this business unit's main customers were from the machinery and equipment, teaching, automobile, agricultural machines and machining service industries.

In this period, this unit's net operating revenue was R\$ 198.3 million, which represents an increase of 11.2% as compared with the same period in 2012. 703 new machines were sold in this period, 23.8% more than in the equivalent period in 2012.

Plastic Processing Machines

In 2Q13, the Plastic Processing Machines business unit's net revenue totaled R\$ 23.3 million, representing an increase of 84.7% in relation to 2Q12, and 33.6% compared to the immediately preceding quarter.

The Plastic Processing Machines business unit's physical sales totaled 61 units in 2Q13, up 41.9% in relation to 2Q12 (43 units), and up 22.0% in relation to the immediately preceding period (50 units).

The sectors with the greatest demand for this business unit's products in the domestic market in the first half of 2013 were packaging, automotive, furniture, services and home appliances.

In this period, this unit's net operating revenue was R\$ 40.8 million, which represented an increase of 34.3% as compared to the same period in 2012. 111 new machines were sold in this period, 27.6% higher than that obtained in the equivalent period in 2012.

Raw and Machined Cast Iron Parts

In 2Q13, this unit's physical sales totaled 4,436 tons, up 43.5% from the 3,092 tons sold in 2Q12, due especially to increased demand in the commercial automotive sector (trucks), as well as the wind energy sector.

The segments with the greatest demand for this unit's products in the first half of 2013 were: commercial automotive (trucks), wind energy and agricultural machinery.

In this period, this unit's net operating revenue was R\$ 52.7 million, which represented an increase of 32.7% as compared to the same period in 2012. 8,034 tons of raw and machined cast iron parts were sold in this period, 21.6% higher than that obtained in the equivalent period in 2012.

OPERATING COSTS AND EXPENSES

Gross margin was 28.0% in 2Q13, 770 bps greater than in 2Q12, and up 220 bps from 1Q13. Disregarding B+W, gross margin would have been 29.0%, 680 bps greater than in 2Q12 and 170 bps greater than in 1Q13, using the same criterion.

The moderate price recovery commented on in recent earnings results, boosted by the dollar appreciation, which makes Romi product more competitive, and the increase in the volume billed, which dilutes fixed costs and operating expenses, have contributed to this scenario. On the other hand, as approximately 30% of the Company's cost are linked to foreign exchange (among imported materials and domestic materials sensitive to exchange rate), there was a light pressure on Romi's cost structure, gradually passed through the final product price.

Operating margin was 2.2% in 2Q13, 3100 bps greater than in 2Q12, and up 560 bps from 1Q13. Disregarding B+W, operating margin would have been 2.7%, 2860 bps greater than in 2Q12 and 510 bps greater than in 1Q13, using the same criterion.

This improvement is due, in relation to the second quarter of 2012, to the structural reorganization underwent by the Company in 2012 since in the 2Q12 result there were impacts of approximately R\$ 5.7 million related to indemnities, of which R\$ 3.1 million recorded in cost and R\$ 2.6 in operating expenses. In relation to the first quarter of 2013, this growth is attributable to the increase in the volume billed in the period, which dilutes the expenses.

In relation to both the second quarter of 2012 and the first quarter of 2013, there is a significant reduction in the expense on Allowance for Doubtful Accounts, from R\$ 8.8 million in 2Q12 and R\$ 5.4 in 1Q13 million to R\$ 0.9 million in 2Q13, due to improvements on default level at the Company's order book.

Romi - Continued Operations	Quarter					Accumulated		
Gross Margin (%)	2Q12	1Q13	2Q13	Chg bps 2Q/2Q	Chg bps 2Q/1Q	1H12	1H13	Chg bps 1H/1H
Machine Tools	29.5%	31.0%	33.8%	430	280	28.7%	32.4%	370
Plastic Machines	26.4%	32.5%	32.2%	570	(40)	28.5%	32.3%	380
Raw and Machined Cast Iron Parts	-20.5%	-0.8%	4.5%	2,500	530	-18.3%	2.1%	2,040
Total	20.3%	25.8%	28.0%	770	220	21.2%	26.9%	580

Romi - Continued Operations	Quarter					Accumulated		
EBIT Margin (%)	2Q12	1Q13	2Q13	Chg bps 2Q/2Q	Chg bps 2Q/1Q	1H12	1H13	Chg bps 1H/1H
Machine Tools	-24.2%	0.5%	7.5%	3,240	690	-7.6%	4.0%	1,160
Plastic Machines	-45.7%	-12.3%	-8.5%	3,810	390	34.7%	-10.1%	(4,480)
Raw and Machined Cast Iron Parts	-31.8%	-12.7%	-7.2%	2,490	550	-30.2%	-9.7%	2,050
Total	-28.8%	-3.3%	2.2%	3,100	560	-14.5%	-0.4%	1,410

In the first half of 2013, the Company's gross margin was 26.9% or 580 bps above the amount reached in the first half of 2012. The operating margin obtained by the Company in this period, however, was a negative 0.4%, situation that, even negative, is 1410 bps above the amount obtained in the equivalent period of the prior year.

Even with the improvements in the volume sold and product price, the level of utilization of the installed capacity still low contributes adversely to a quicker recovery of Rom's margins.

Machine Tools

This business unit's gross margin was 33.8% in 2Q13, improving 430 bps in relation to 2Q12, and 280 bps in relation to 1Q13, due especially to sales increase and consequent costs and expenses dilution.

For the same reason, this business unit's operating margin was 7.5% in the second quarter of 2013, up 3170 bps from 2Q12 and up 690 bps from the immediately preceding quarter.

In the first half of 2013, the business unit's gross margin was 32.4%, up 370 bps from that reached in the first half of 2012. The operating margin obtained by the business unit in this period was 4.0%, up 1160 bps from that obtained in the equivalent period of the prior year.

Plastic Processing Machines

This business unit's gross margin was 32.2% in 2Q13, up 570 bps in relation to 2Q12, and 40 bps lower than 1Q13.

Operating margin for the second quarter of 2013, which was a negative 8.5%, improved 3730 bps in relation to 2Q12 and 390 bps in relation to the immediately preceding quarter. This scenario is directly related to the business unit's low level of activity, which impairs the dilution of operating expenses.

In relation to the second quarter of 2012 and the first quarter of 2013, in the second quarter of 2013 there is an increase in expenses due to the Company's participation in the Feiplastic, Brazilian main fair of the plastics industry.

In the first half of 2013, the business unit's gross margin was 32.3%, up 1290 bps from that reached in the first half of 2012. The operating margin obtained by the business unit in this period was a negative 10.1%, even if negative, up 3360 bps from that obtained in the equivalent period of the prior year.

Raw and Machined Cast Iron Parts

This business unit's gross margin was 4.5% in 2Q13, improving 2500 bps in relation to 2Q12 and 530 bps in relation to 1Q13. The level of utilization of the installed capacity, although still low, increased as compared with the prior quarter and remains the leading factor responsible for this result.

This business unit's operating margin, in the second quarter of 2013, although a negative 7.2%, increased 2460 bps in relation to 2Q12 and 550 bps in relation to the immediately preceding quarter.

In the first half of 2013, the business unit's gross margin was 2.1%, up 2040 bps from that obtained in the equivalent period of the prior year. The operating margin obtained by that business unit in this period was a negative 9.7%, up 2050 bps from that obtained in the first half of 2012.

The improvement in relation to 1H12 is mainly due to the increase in the volume billed, as well as the measures to improve operating efficiency.

EBITDA AND EBITDA MARGIN

In 2Q13, continued operations operating cash generation measured by EBITDA (earnings before interest, taxes, depreciation and amortization) was R\$ 11.7 million, with an EBITDA margin of 7.7% in the quarter, as shown in the table below:

Reconciliation of Net Income to EBITDA	Quarter					Accumulated		
	2Q12	1Q13	2Q13	Chg % 2Q/2Q	Chg % 2Q/1Q	1H12	1H13	Chg % 13/12
R\$ thousand								
Continued Operations Net Income	(18,159)	(5,546)	5,135	-128.3%	-192.6%	(18,649)	(411)	-97.8%
Income tax and social contributions	(8,069)	(2,280)	505	-106.3%	-122.1%	(13,550)	(1,775)	-86.9%
Net Financial Income	(3,827)	3,161	(2,251)	-41.2%	-171.2%	(3,832)	910	-123.7%
Depreciation and amortization	9,028	9,228	8,336	-7.7%	-9.7%	17,762	17,564	-1.1%
Continued Operations EBITDA	(21,027)	4,563	11,725	-155.8%	156.9%	(18,269)	16,288	-189.2%
Continued Operations EBITDA Margin	-20.2%	3.3%	7.7%			-7.4%	5.6%	

All the impacts mentioned in the "Operating Costs and Expenses" section also impacted Romi's EBITDA in the period.

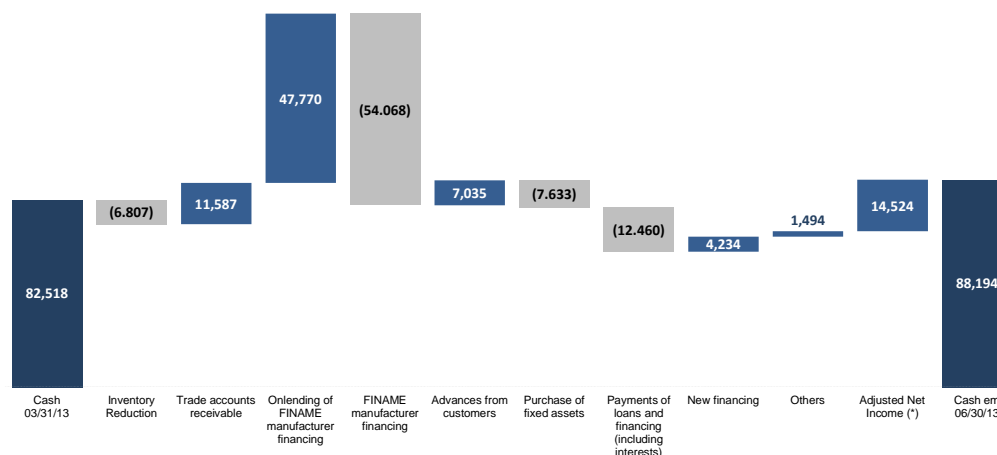
PROFIT

Continued operations net profit for 2Q13 was R\$ 5.1 million, presenting significant increases in relation to the results obtained in the last quarters. The Company had been generating losses since the third quarter of 2011.

Considering the discontinued operations, Romi reached a net loss of R\$ 3.8 million in the 2Q13 and R\$ 11.7 in 1H13.

CHANGES IN CASH AND CASH EQUIVALENTS

The main changes in cash in 2Q13 are described below:



(*) refers to profit (loss) for the year, adjusted for income statement items that did not impact cash in the period. These items are: (i) provision for income tax and social contribution; (ii) depreciation and amortization; (iii) PP&E disposal costs; and (iv) provision for contingent liabilities.

Inventories

Due to the increase of production to deliver the equipment sold specially by B+W subsidiary the second half of 2013, inventories of raw materials and goods in process increased. In comparison with 03/31/2013, inventories increased in the amount of R \$ 6.8 million.

Trade Receivables

In relation to 1Q13 the amount of trade receivables decreased R \$ 11.6 million as a result of the increase in the volume of trade receivables, and the reduce in delinquency.

Onlending of Finame Manufacturer Financing

The amount receivable referring to Finame Manufacturer Financing decreased R\$ 47.8 million in 2Q13. This decrease results mainly from greater use of Finame Buyer Financing, in which the customer obtains financing directly from the financial institution, and Romi receives the amount after the machine is delivered to the customer, without guaranteeing the financing. The conditions for Finame Buyer Financing are the same as those for Finame Manufacturer Financing, and both are regulated by the National Bank for Economic and Social Development (BNDES). This strategy's purpose is to offer customers the best existing financing conditions and gradually reduce Romi's exposure to credit risk.

Advances from Customers

The increase in advances from customers in 2Q13 is attributable to the higher volume of machines order entry in 2Q13 with consequent customer advances.

Financing

The main payments in the quarter refer specially to expansion projects carried out in 2008 and 2009, in the amount of R\$ 12.5 million.

Investments

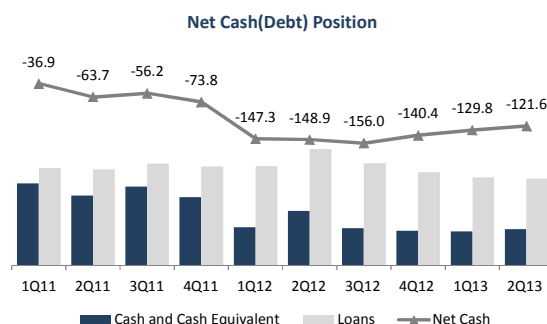
Investments in 1Q13 totaled R\$ 7.6 million, and were partially allocated to maintenance, productivity and upgrading of production facilities, within the investment plan for the year 2013. In addition, investments were made in machining equipment, including part of the Flexible Manufacturing System that is being developed by the German subsidiary B+W for delivery to Romi in early 2014.

FINANCIAL POSITION

Short-term investments, including those backed by debentures, are made with financial institutions with low credit risk and their yield is substantially pegged to the interbank deposit rate ("CDI"), or time deposit rates (TD), when made abroad. The consolidated position of cash and cash equivalents as at June 30, 2013 was R\$ 86.7 million.

Romi's borrowings are used mainly in investments to expand plant capacity and upgrading, and financing exports and imports. As at June 30, 2013, the amount of financing in local currency was R\$ 195.4 million, and in foreign currency, R\$ 13.0 million, totaling R\$ 208.3 million.

The Company's net debt decreased by R\$ 8.2 million in the second quarter of 2013 and by R\$ 18.8 million in the first half of 2013.



As at June 30, 2013, the Company did not have any derivative transactions.

BURKHARDT + WEBER

We present below an Income Statement and the main Balance Sheet accounts as at June 30, 2013 for B+W, both in condensed form:

Income Statement IFRS (€ 000)	Quarter					Accumulated		
	2Q12	1Q13	2Q13	Chg % 2T/2T	Chg % 2T/1T	1S12	1S13	Chg % 2T/2T
Net Operation Revenue	2,548	7,700	6,673	161.9%	-13.3%	18,235	14,373	-21.2%
Gross profit	(208)	1,301	1,384	-765.5%	6.4%	2,145	2,685	25.2%
	% -8.2%	16.9%	20.7%			11.8%	18.7%	
EBIT	(1,897)	(709)	(98)	-94.8%	-86.1%	2,247	(808)	-135.9%
	% -74.5%	-9.2%	-1.5%			12.3%	-5.6%	
EBITDA	(1,703)	(138)	273	-116.0%	-297.8%	2,583	135	-94.8%
	% -66.8%	-1.8%	4.1%			14.2%	0.9%	
Net Profit	(1,771)	(703)	(176)	-90.1%	-75.0%	2,141	(879)	-141.1%

Balance Sheet IFRS (€ 000)	03/31/2013	06/30/2013
Cash and Cash equivalents	2,782	65
Trade accounts receivable	4,044	4,808
Inventories	13,613	15,458
Other receivables	1,529	1,294
Property, Plant and Equipment, net	14,584	14,529
Intangible	14,252	14,109
Total Assets	50,804	50,261
Financing	3,747	4,358
Trade accounts payable	3,664	1,803
Advances from customers	10,235	11,610
Deferred tax liability	5,511	5,472
Other payables	3,854	3,438
Shareholder's Equity	23,793	23,580
Total Liabilities and Shareholder's Equity	50,804	50,261

As pointed out previously, as it manufactures large machines with a high degree of customization, there is no specific seasonal variation that determines the distribution of B+W's revenue over the four quarters of the year.

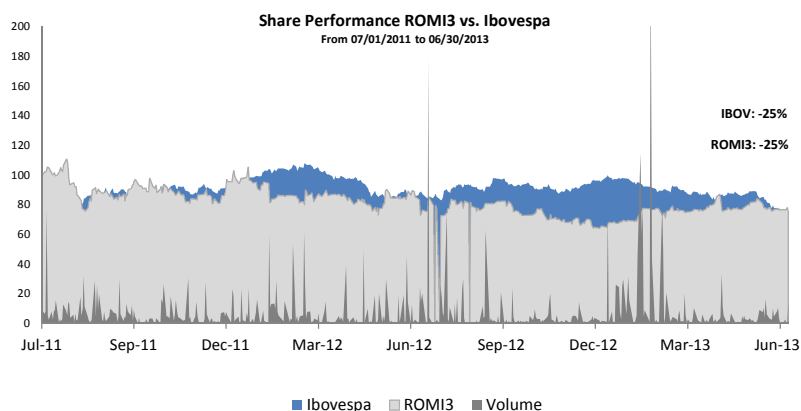
DISCONTINUED OPERATIONS (ROMI ITALIA)

As described earlier in this report and in Note No. 19 of the Quarterly Information Report of 06/30/2013, archived on the website of the Brazilian Securities Commission (CVM) and available on the Company's website on the same date, the subsidiary Romi Italia operations are being presented as discontinued operations. Below are the main groups of accounts of the Income Statement and the Balance Sheet:

Income Statement IFRS (€ 000)	Quarter					Accumulated		
	2Q12	1Q13	2Q13	Chg % 2T/2T	Chg % 2T/1T	1S12	1S13	Chg % 2T/2T
Net Operating Revenue	2,877	1,432	507	-82.4%	-64.6%	13,926	1,939	-86.1%
Gross Profit	(629)	(1,295)	(943)	49.8%	-27.2%	(1,636)	(2,238)	36.8%
	%	-21.9%	-90.4%	-186.2%		-11.7%	-115.4%	
EBIT	(3,550)	(2,288)	(8,803)	147.9%	284.8%	(9,245)	(11,091)	20.0%
	%	-123.4%	-159.7%	-1737.8%		-66.4%	-572.0%	
EBITDA	(3,433)	(2,168)	(8,680)	152.9%	300.4%	(8,910)	(10,848)	21.8%
	%	-119.3%	-151.4%	-1713.5%		-64.0%	-559.5%	
Net Profit	(3,651)	(2,387)	(8,917)	144.2%	273.6%	(9,527)	(11,304)	18.7%

Balance Sheet IFRS (€ 000)	03/31/2013	06/30/2013
Trade accounts receivable	2.632	2.285
Inventories	19.793	21.288
Related Parties	4.769	5.399
Other receivables	2.742	1.420
Investment in Associated Companies	13.473	7.338
Property, Plant and Equipment	6.932	7.597
Total Assets	50.341	45.327
Trade accounts payable	503	427
Payroll and related taxes	658	695
Current Other payables	3.328	8.338
Related Parties	5.364	5.991
Non Current Other payables	30.694	28.035
Shareholder's Equity	9.794	1.841
Total Liabilities and Shareholder's Equity	50.341	45.327

CAPITAL MARKETS



Source: BMF&Bovespa

At the end of 2Q13, Romi's common shares (ROMI3) were traded at R\$ 5.26, posting depreciation of 2.2% in the quarter (2Q13 vs. 1Q13), and depreciation of 10.8% from the end of 2Q12. The BM&FBovespa index fell 15.1% in relation to the end of 1Q13, and 13.2% in relation to the end of 2Q12.

The Company's market capitalization as at June 30, 2013 was R\$ 377.4 million and the average daily trading volume for 2Q13 was R\$ 205 thousand.

Statements contained in this release related to the Company's business prospects, projections of operating and financial results, and references to the Company's growth potential are mere forecasts and have been based on Management's expectations regarding its future performance. These expectations are highly dependent upon market behavior, economic conditions in Brazil, the industry and international markets, therefore being subject to changes.



FINANCIAL STATEMENTS



Consolidated Balance Sheet

(R\$ 000)

ASSETS	12/31/2012	06/30/2013
CURRENT	841,529	790,650
Cash and Cash equivalents	84,232	88,194
Trade accounts receivable	121,658	98,595
Onlending of FINAME manufacturer financing	317,633	280,497
Inventories	279,095	282,403
Recoverable taxes	10,316	11,453
Related Parties	456	611
Other receivables	28,139	28,897
NONCURRENT	773,031	712,774
Long-Term Assets	443,983	377,733
Trade accounts receivable	13,842	10,907
Onlending of FINAME manufacturer financing	312,805	241,796
Recoverable taxes	874	518
Deferred income and social contribution taxes	52,004	54,138
Escrow Deposits	1,697	1,754
Other receivables	28,628	36,030
Assets fo Discontinued Operation	34,133	32,590
Investments		
Property, Plant and Equipment, net	265,508	270,935
Investment in Subsidiaries and Associate Companies	1,944	2,080
Investment Property	16,103	16,103
Intangible assets	45,493	45,923
TOTAL ASSETS	1,614,560	1,503,424



Consolidated Balance Sheet

(R\$ 000)

LIABILITIES AND SHAREHOLDER'S EQUITY	12/31/2012	06/30/2013
CURRENT	489,957	477,223
Loans and financing	70,192	71,618
FINAME manufacturer financing	285,440	252,334
Trade accounts payable	40,443	47,971
Payroll and related taxes	20,399	27,782
Taxes payable	11,253	5,790
Advances from customers	41,353	46,588
Interest on capital, dividends and participations	112	407
Shares to be paid	322	-
Other payables	15,981	14,688
Related Parties	590	579
Accounts Payables for Discontinued Operation	3,872	9,466
NON CURRENT	487,333	396,664
Long-term liabilities		
Loans and financing	152,490	136,716
FINAME manufacturer financing	302,279	226,785
Deferred income and social contribution taxes	22,284	23,433
Taxes payable	3,461	1,780
Reserve for contingencies	6,520	7,573
Other payables	299	377
SHAREHOLDER'S EQUITY	635,527	627,835
Capital	489,973	489,973
Capital reserve	2,052	2,052
Treasury Stock	(17,850)	-
Retained earnings	157,591	139,741
Accumulated deficit	-	(11,961)
Other accumulated comprehensive income	3,761	8,030
NON CONTROLLING INTERESTS	1,743	1,702
TOTAL SHAREHOLDER'S EQUITY	637,270	629,537
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,614,560	1,503,424





Consolidated Income Statement

R\$ 000

	2012	1Q13	2Q13	Chg.% 2Q/2Q	Chg.% 2Q/1Q	1H12	1H13	Chg.% 1H/1H
Net Operating Revenue	104,250	140,315	151,406	45.2	7.9	248,447	291,721	17.4
Cost of Goods Sold	(83,056)	(104,143)	(109,013)	31.3	4.7	(195,855)	(213,156)	8.8
Gross Profit	21,194	36,172	42,393	100.0	17.2	52,592	78,565	49.4
<i>Gross Margin %</i>	<i>20.3%</i>	<i>25.8%</i>	<i>28.0%</i>			<i>21.2%</i>	<i>26.9%</i>	
Operating Income (Expenses)	(51,249)	(40,837)	(39,004)	(23.9)	(4.5)	(88,623)	(79,841)	(9.9)
Selling expenses	(18,206)	(16,112)	(17,987)	(1.2)	11.6	(35,549)	(34,099)	(4.1)
General and administrative expenses	(25,404)	(18,849)	(14,496)	(42.9)	(23.1)	(45,810)	(33,345)	(27.2)
Research and development expenses	(6,139)	(4,575)	(4,853)	(20.9)	6.1	(11,783)	(9,428)	(20.0)
Management profit sharing and compensation	(1,722)	(1,498)	(1,548)	(10.1)	3.3	(3,843)	(3,046)	(20.7)
Other operating income, net	222	197	(120)	(154.1)	(160.9)	8,362	77	(99.1)
Operating Income before Financial Results	(30,055)	(4,665)	3,389	(111.3)	(172.6)	(36,031)	(1,276)	(96.5)
<i>Continued Operation Operating Margin %</i>	<i>-28.8%</i>	<i>-3.3%</i>	<i>2.2%</i>			<i>-14.5%</i>	<i>-0.4%</i>	
Financial Income	3,827	(3,161)	2,251	(41.2)	(171.2)	3,832	(910)	(123.7)
Financial income	9,446	3,876	3,793	(59.8)	(2.1)	14,137	7,669	(45.8)
Financial expenses	(6,736)	(6,143)	(4,722)	(29.9)	(23.1)	(11,559)	(10,865)	(6.0)
Exchange gain (loss), net	1,117	(894)	3,180	184.7	(455.7)	1,254	2,286	82.3
Continued Operations Operating Income	(26,228)	(7,826)	5,640	(121.5)	(172.1)	(32,199)	(2,186)	(93.2)
Income tax and social contribution	8,069	2,280	(505)	(106.3)	(122.1)	13,550	1,775	(86.9)
Loss for the period for Continued Operation	(18,159)	(5,546)	5,135	(128.3)	(192.6)	(18,649)	(411)	(97.8)
Loss for the period for Discontinued Operation	(3,651)	(2,387)	(8,917)	144.2	273.6	(6,590)	(11,304)	71.5
Net income	(21,810)	(7,933)	(3,782)	(82.7)	(52.3)	(25,239)	(11,715)	(53.6)
<i>Continued Operation Net Margin %</i>	<i>-17.4%</i>	<i>-4.0%</i>	<i>3.4%</i>			<i>-7.5%</i>	<i>-0.1%</i>	
Net profit concerning:								
Controlling interests	(21,969)	(8,054)	(3,907)	(82.2)	(51.5)	(25,580)	(11,961)	(53.2)
Non controlling interests	159	121	125	(21.4)	3.3	341	246	(27.9)
EBITDA for Continued Operation	(21,026)	4,563	11,725	(155.8)	157.0	(18,269)	16,288	(185.2)
Loss for the period for Continued Operation	(18,159)	(5,546)	5,135	(128.3)	(192.6)	(18,649)	(411)	(97.8)
Income tax and social contribution	(8,069)	(2,280)	505	(106.3)	(122.1)	(13,550)	(1,775)	(86.9)
Financial income, net	(3,827)	3,161	(2,251)	(41.2)	(171.2)	(3,832)	910	(123.7)
Depreciation	9,029	9,228	8,336	(7.7)	(9.7)	17,762	17,564	(1.1)
<i>Continued Operation EBITDA Margin %</i>	<i>-20.2%</i>	<i>3.3%</i>	<i>7.7%</i>			<i>-7.4%</i>	<i>5.6%</i>	
Nº of shares in capital stock (th)	74,758	71,758	71,758	(4.0)	-	74,758	71,758	(4.0)
Continued Operation Net income per share - R\$	(0.24)	(0.08)	0.07	(129.5)	(192.6)	(0.25)	(0.01)	(97.7)

Cash Flow Statement

IFRS (R\$ mil)

	1H12	1H13
Cash from operating activities		
Loss for the period for Continued Operation	(32,199)	(2,186)
Loss for the period for Discontinued Operation	(6,590)	(11,304)
Financial expenses and exchange gain	(863)	2,408
Depreciation and amortization	17,125	17,564
Allowance for doubtful accounts and other receivables	13,411	7,693
Proceeds from sale of fixed assets	238	541
Provision for inventory realization	6,509	5,158
Reserve for contingencies	4,270	1,824
Negative goodwill on acquisition of foreign subsidiary	(8,094)	-
Change on operating assets		
Trade accounts receivable	18,749	33,995
Related parties	(304)	-
Onlending of FINAME manufacturer financing	93,366	99,608
Inventories	(22,438)	(390)
Recoverable taxes, net	3,513	(421)
Escrow deposits	(2,226)	(57)
Other receivables	(6,799)	3,759
Change on operating liabilities		
Trade accounts payable	(5,600)	6,439
Related parties	-	-
Payroll and related taxes	6,536	6,543
Taxes payable	(6,812)	(7,608)
Advances from customers	3,883	5,288
Other payables	3,023	(5,388)
Change in operating assets and liabilities for the Descontinued Operating	(429)	8,743
Cash provided by (used in) operating activities	78,269	172,209
Income tax and social contribution paid	(596)	(1,886)
Net Cash provided by (used in) operating activities	77,673	170,323
Purchase of fixed assets	(3,031)	(20,663)
Proceeds from sale of fixed assets	-	-
Amount paid on acquisition of foreign subsidiary	(46,830)	-
Exchange variation changes on cash and cash equivalents abroad	5,939	-
Net cash used in investing activities	(43,922)	(20,663)
Interest on capital paid	(552)	(291)
Share Repurchase	(9,710)	-
New loans and financing	61,434	11,589
Payments of loans and financing	(18,621)	(26,978)
Interests paid (including FINAME manufacturer financing)	(30,117)	(22,392)
New loans in FINAME manufacturer	90,314	45,357
Payment of FINAME manufacturer financing	(157,879)	(150,652)
Net Cash provided by (used in) financing activities	(65,131)	(143,367)
Increase (decrease) in cash and cash equivalents	(31,380)	6,293
Exchange variation changes on cash and cash equivalents abroad	(1,242)	(1,925)
Cash and cash equivalents - beginning of period	162,813	82,320
Cash and cash equivalents of Continued and Discontinued operation - end of period	130,191	86,688
Decrease in cash and cash equivalent of Discontinued operation	1,362	1,506
Cash and cash equivalents of Continued Operation - end of period	131,553	88,194

Appendix

Income Statement by Business Units - 2Q13

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	99,425	23,311	28,670	151,406
Cost of Sales and Services	(65,165)	(13,732)	(30,116)	(109,013)
Business Units Transfers	2,881	-	4,321	(7,202)
Business Units Transfers	(3,542)	(2,080)	(1,580)	7,202
Gross Profit	33,599	7,500	1,294	42,393
<i>Gross Margin %</i>	<i>33.8%</i>	<i>32.2%</i>	<i>4.5%</i>	<i>28.0%</i>
Operating Expenses	(26,171)	(9,471)	(3,360)	(39,003)
Selling	(11,844)	(5,157)	(986)	(17,986)
General and Administrative	(9,228)	(2,386)	(1,945)	(13,559)
Research and Development	(3,327)	(1,526)	-	(4,853)
Management profit sharing	(1,020)	(248)	(280)	(1,548)
Taxation	(631)	(156)	(149)	(937)
Other operating revenue	(121)	1	-	(120)
Operating Income before Financial Results	7,428	(1,972)	(2,066)	3,391
<i>Operating Margin %</i>	<i>7.5%</i>	<i>-8.5%</i>	<i>-7.2%</i>	<i>2.2%</i>
Depreciation	5,198	128	3,010	8,336
EBITDA	12,626	(1,844)	944	11,727
<i>EBITDA Margin %</i>	<i>12.7%</i>	<i>-7.9%</i>	<i>3.3%</i>	<i>7.7%</i>

Income Statement by Business Units - 2Q12

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	73,245	12,619	18,386	104,250
Cost of Sales and Services	(50,597)	(6,962)	(25,497)	(83,056)
Business Units Transfers	3,058	-	5,065	(8,123)
Business Units Transfers	(4,078)	(2,320)	(1,725)	8,123
Gross Profit	21,628	3,338	(3,771)	21,195
<i>Gross Margin %</i>	<i>29.5%</i>	<i>26.4%</i>	<i>-20.5%</i>	<i>20.3%</i>
Operating Expenses	(39,887)	(9,224)	(2,139)	(51,250)
Selling	(12,883)	(4,560)	(764)	(18,207)
General and Administrative	(19,422)	(3,494)	(1,192)	(24,108)
Research and Development	(4,610)	(1,529)	-	(6,139)
Management profit sharing	(1,455)	(176)	(91)	(1,722)
Taxation	(1,022)	(184)	(92)	(1,298)
Other operating revenue	(495)	719	-	224
Operating Income before Financial Results	(18,259)	(5,886)	(5,910)	(30,055)
<i>Operating Margin %</i>	<i>-24.9%</i>	<i>-46.6%</i>	<i>-32.1%</i>	<i>-28.8%</i>
Depreciation	5,628	589	2,812	9,029
EBITDA	(12,631)	(5,297)	(3,098)	(21,026)
<i>EBITDA Margin %</i>	<i>-17.2%</i>	<i>-42.0%</i>	<i>-16.8%</i>	<i>-20.2%</i>

Income Statement by Business Units - 1S13

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	198,296	40,760	52,665	291,721
Cost of Sales and Services	(132,869)	(23,713)	(56,575)	(213,156)
Business Units Transfers	5,702	-	8,540	(14,242)
Business Units Transfers	(6,849)	(3,869)	(3,524)	14,242
Gross Profit	64,280	13,179	1,106	78,565
<i>Gross Margin %</i>	<i>32.4%</i>	<i>32.3%</i>	<i>2.1%</i>	<i>26.9%</i>
Operating Expenses	(56,321)	(17,303)	(6,217)	(79,840)
Selling	(23,721)	(8,524)	(1,854)	(34,099)
General and Administrative	(23,237)	(5,192)	(3,722)	(32,151)
Research and Development	(6,486)	(2,942)	-	(9,428)
Management profit sharing	(2,132)	(453)	(461)	(3,046)
Taxation	(821)	(193)	(180)	(1,194)
Other operating revenue	76	1	-	77
Operating Income before Financial Results	7,959	(4,124)	(5,111)	(1,276)
<i>Operating Margin %</i>	<i>4.0%</i>	<i>-10.1%</i>	<i>-9.7%</i>	<i>-0.4%</i>
Depreciation	10,570	657	6,337	17,564
EBITDA	18,529	(3,467)	1,226	16,288
<i>EBITDA Margin %</i>	<i>9.3%</i>	<i>-8.5%</i>	<i>2.3%</i>	<i>5.6%</i>

Income Statement by Business Units - 1H12

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	178,396	30,355	39,696	248,447
Cost of Sales and Services	(125,014)	(16,296)	(54,545)	(195,855)
Business Units Transfers	7,196	-	11,493	(18,689)
Business Units Transfers	(9,372)	(5,402)	(3,915)	18,689
Gross Profit	51,206	8,657	(7,271)	52,592
<i>Gross Margin %</i>	<i>28.7%</i>	<i>28.5%</i>	<i>-18.3%</i>	<i>21.2%</i>
Operating Expenses	(64,698)	(19,202)	(4,723)	(88,622)
Selling	(24,602)	(9,254)	(1,693)	(35,549)
General and Administrative	(34,975)	(6,877)	(2,662)	(44,514)
Research and Development	(8,676)	(3,107)	-	(11,783)
Management profit sharing	(3,064)	(504)	(275)	(3,843)
Taxation	(1,024)	(179)	(93)	(1,296)
Other operating revenue	7,643	719	-	8,362
Operating Income before Financial Results	(13,492)	(10,545)	(11,994)	(36,031)
<i>Operating Margin %</i>	<i>-7.6%</i>	<i>-34.7%</i>	<i>-30.2%</i>	<i>-14.5%</i>
Depreciation	11,114	1,156	5,492	17,762
EBITDA	(2,378)	(9,389)	(6,502)	(18,269)
<i>EBITDA Margin %</i>	<i>-1.3%</i>	<i>-40.2%</i>	<i>-16.4%</i>	<i>-7.4%</i>