

(A free translation of the original in Portuguese)

**Indústrias Romi S.A.  
Quarterly information (ITR) at  
September 30, 2015  
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. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2015, comprising the balance sheet at that date and the statements of income and comprehensive income for the quarter and nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-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 and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) 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 interim information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and 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.




Indústrias Romi S.A.

**Other matters**

**Statements of value added**

We have also reviewed the parent company and consolidated statements of value added for the nine-month period ended September 30, 2015. 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 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, October 27, 2015

  
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

	Parent Company		Consolidated			Parent Company		Consolidated	
	September 30, 2015	December 31, 2015	September 30, 2015	December 31, 2015		September 30, 2015	December 31, 2015	September 30, 2015	December 31, 2015
ASSETS					LIABILITIES AND EQUITY				
CURRENT					CURRENT				
Cash and cash equivalents	70.237	106.170	96.569	145.580	Borrowings	34.743	100.716	54.270	104.916
Trade accounts receivable	60.440	62.731	108.709	105.923	FINAME manufacturer financing	91.013	133.024	91.013	133.024
Onlending of FINAME manufacturer financing	129.109	173.575	129.109	173.575	Trade accounts payable	26.047	20.758	39.406	30.992
Inventories	199.908	209.832	324.603	262.035	Payroll and related taxes	24.596	16.429	30.921	19.291
Related parties	35.846	27.400	-	492	Borrowings	1.824	3.957	6.607	6.610
Taxes recoverable	18.147	15.640	23.179	17.892	FINAME manufacturer financing	12.061	11.418	68.790	40.928
Other receivables	12.749	18.406	16.499	21.028	Dividends and interes on capital	2	1.719	2	1.719
	526.436	613.754	698.668	726.525	Profit sharing	295	575	295	575
					Other payables	9.010	6.953	19.350	14.243
NON-CURRENT					Provision for net capital deficiency - subsidiary	2	25.356	-	-
Trade accounts receivable	7.564	8.700	7.564	8.700	Related parties	689	595	-	1.081
Onlending of FINAME manufacturer financing	109.948	132.239	109.948	132.239		200.282	321.500	310.654	353.379
Related parties	13.457	44.442	-	-					
Taxes recoverable	1.356	1.682	1.356	1.682	NON-CURRENT				
Deferred income tax and social contribution	49.115	47.076	54.905	47.128	Borrowings	143.791	129.718	159.324	143.405
Judicial deposits	1.814	1.471	1.814	1.471	FINAME manufacturer financing	98.630	117.053	98.630	117.053
Other receivables	20.191	23.878	21.102	24.481	Borrowings	1.133	1.133	1.133	1.133
					Provision for tax, labor and divil risks	1.416	4.099	1.416	4.099
Investment in subsidiary and associated companies	152.359	111.808	-	2.329	Other payables	-	-	479	350
Property, plant and equipment	202.638	214.171	283.615	278.400	Deferred income tax and social contribution	-	-	34.533	25.416
Investment properties	15.978	14.211	26.025	19.875		244.970	252.003	295.515	291.456
Intangible assets	580	2.608	58.878	46.166					
	575.000	602.286	565.207	562.471	TOTAL LIABILITIES	445.252	573.503	606.169	644.835
					EQUITY				
					Capital	492.025	489.973	492.025	489.973
					Capital reserve	-	2.052	-	2.052
					Treasury shares	(3.914)	(10.349)	(3.914)	(10.349)
					Profit reserve	135.952	146.301	135.952	146.301
					Accumulated deficit	(16.024)	-	(16.024)	-
					Other comprehensive income	48.145	14.560	48.145	14.560
						656.184	642.537	656.184	642.537
					NON CONTROLLING INTEREST	-	-	1.522	1.624
						-	-	1.522	1.624
					TOTAL EQUITY	656.184	642.537	657.706	644.161
TOTAL ASSETS	1.101.436	1.216.040	1.263.875	1.288.996	TOTAL LIABILITIES AND EQUITY	1.101.436	1.216.040	1.263.875	1.288.996

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

**INDÚSTRIAS ROMI S.A.**
**STATEMENT OF INCOME**
**QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30**

In thousands of reais unless otherwise stated

	Parent Company			
	Current quarter 07/01/2015 to 09/30/2015	Accumulated for current period ending 01/01/2015 to 09/30/2015	Same quarter for prior period ended 07/01/2014 to 09/30/2015	Accumulated for prior period ended 01/01/2014 to 09/30/2015
<b>Operations</b>				
Net Operating revenue	104.100	309.845	124.351	371.676
Cost of sales and services	(80.003)	(243.122)	(97.968)	(276.840)
<b>Gross profit</b>	<u>24.097</u>	<u>66.723</u>	<u>26.383</u>	<u>94.836</u>
<b>Operation income (expenses)</b>				
Selling	(11.314)	(36.077)	(14.011)	(41.518)
General and administrative	(8.697)	(29.062)	(8.691)	(29.177)
Research and development	(4.444)	(14.262)	(4.837)	(14.999)
Management profit sharing and fees	(1.133)	(3.897)	(1.476)	(4.511)
Other operating income, net	(3.371)	(12.789)	1.010	(2.253)
	<u>(740)</u>	<u>33</u>	<u>1.338</u>	<u>1.251</u>
	<u>(29.699)</u>	<u>(96.054)</u>	<u>(26.667)</u>	<u>(91.207)</u>
<b>Operating profit (loss)</b>	<u>(5.602)</u>	<u>(29.331)</u>	<u>(284)</u>	<u>3.629</u>
<b>Financial income (expenses)</b>				
Financial income	3.378	12.937	4.058	10.801
Financial expenses	(4.141)	(15.662)	(4.361)	(10.735)
Foreign exchange gains, net	7.301	13.993	2.289	(413)
	<u>6.538</u>	<u>11.268</u>	<u>1.986</u>	<u>(347)</u>
<b>Profit (loss) before taxation</b>	<u>936</u>	<u>(18.063)</u>	<u>1.702</u>	<u>3.282</u>
<b>Income tax and social contribution</b>	<u>(1.414)</u>	<u>2.039</u>	<u>(2.017)</u>	<u>(1.538)</u>
<b>Profit (loss) for the quarter</b>	<u><u>(478)</u></u>	<u><u>(16.024)</u></u>	<u><u>(315)</u></u>	<u><u>1.744</u></u>
Basic and diluted earnings (loss) per share (R\$)	<u><u>(0,01)</u></u>	<u><u>(0,23)</u></u>	<u><u>(0,00)</u></u>	<u><u>0,02</u></u>

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

**INDÚSTRIAS ROMI S.A.****STATEMENT OF INCOME****QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30**

In thousands of reais unless otherwise stated

				<b>Consolidated</b>
	<b>Current quarter</b>	<b>Accumulated</b>	<b>Same quarter</b>	<b>Accumulated</b>
	<b>07/01/2015 to</b>	<b>for current</b>	<b>for prior</b>	<b>for prior</b>
	<b>09/30/2015</b>	<b>period ending</b>	<b>period ended</b>	<b>period ended</b>
		<b>01/01/2015 to</b>	<b>07/01/2014 to</b>	<b>01/01/2014 to</b>
		<b>09/30/2015</b>	<b>09/30/2015</b>	<b>09/30/2015</b>
<b>Operations</b>				
Net Operating revenue	154.248	394.189	165.516	459.822
Cost of sales and services	(119.839)	(306.988)	(127.517)	(338.407)
<b>Gross profit</b>	<b>34.409</b>	<b>87.201</b>	<b>37.999</b>	<b>121.415</b>
<b>Operation income (expenses)</b>				
Selling	(18.279)	(51.642)	(18.506)	(54.190)
General and administrative	(15.829)	(49.515)	(15.248)	(48.015)
Research and development	(4.444)	(14.262)	(4.837)	(14.999)
Management profit sharing and fees	(1.157)	(3.973)	(1.507)	(4.608)
Other operating income, net	(1.036)	(1.417)	1.141	4.486
	(40.745)	(120.809)	(38.957)	(117.326)
<b>Operating profit (loss)</b>	<b>(6.336)</b>	<b>(33.608)</b>	<b>(958)</b>	<b>4.089</b>
<b>Financial income (expenses)</b>				
Financial income	3.722	14.734	2.677	12.849
Financial expenses	(4.376)	(16.236)	(2.641)	(12.221)
Foreign exchange gains, net	7.273	13.849	2.295	(412)
	6.619	12.347	2.331	216
<b>Profit (loss) before taxation</b>	<b>283</b>	<b>(21.261)</b>	<b>1.373</b>	<b>4.305</b>
<b>Income tax and social contribution</b>	<b>(696)</b>	<b>5.460</b>	<b>(1.603)</b>	<b>(2.209)</b>
	<b>(413)</b>	<b>(15.801)</b>	<b>(230)</b>	<b>2.096</b>
<b>Attributable to:</b>				
Controlling interests	(478)	(16.024)	(315)	1.744
Non-controlling interests	65	223	85	352
	<b>(413)</b>	<b>(15.801)</b>	<b>(230)</b>	<b>2.096</b>
Basic and diluted earnings (loss) per share (R\$)	(0,01)	(0,23)	(0,00)	0,03

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

**INDÚSTRIAS ROMI S.A.****STATEMENTS OF COMPREHENSIVE INCOME  
QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30**

(In thousand or reais unless otherwise stated)

	<b>Parent Company</b>			
	<b>Current quarter 07/01/2015 to 09/30/2015</b>	<b>Accumulated for current period ending 01/01/2015 to 09/30/2015</b>	<b>Same quarter for prior period ended 07/01/2014 to 09/30/2015</b>	<b>Accumulated for prior period ended 01/01/2014 to 09/30/2015</b>
<b>Profit (loss) for the quarter</b>	(478)	(16.024)	(315)	1.744
Foreign currency translation effects	28.733	33.585	1.112	(3.000)
<b>Comprehensive income (loss) for the quarter</b>	<u>28.255</u>	<u>17.561</u>	<u>797</u>	<u>(1.256)</u>

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**INDÚSTRIAS ROMI S.A.**

**STATEMENTS OF COMPREHENSIVE INCOME**  
**QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30**  
(In thousand or reais unless otherwise stated)

	Current quarter 07/01/2015 to 09/30/2015	Accumulated for current period ending 01/01/2015 to 09/30/2015	Same quarter for prior period ended 07/01/2014 to 09/30/2015	Consolidated Accumulated for prior period ended 01/01/2014 to 09/30/2015
<b>Profit (loss) for the quarter</b>	(413)	(15.801)	(230)	2.096
Foreign currency translation effects	28.733	33.585	1.112	(3.000)
<b>Comprehensive income (loss) for the quarter</b>	<u>28.320</u>	<u>17.784</u>	<u>882</u>	<u>(904)</u>
<b>Attributable to:</b>				
Controlling interests	28.255	17.561	797	(1.256)
Non-controlling interests	<u>65</u>	<u>223</u>	<u>85</u>	<u>352</u>
	<u>28.320</u>	<u>17.784</u>	<u>882</u>	<u>(904)</u>

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INDÚSTRIAS ROMI S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

(In thousand or reais unless otherwise stated)

	Attributable to owners of the parent										
	Earnings reserve					Other		Controlling interests	Non-controlling interests	Total	
	Capital	Capital Reserve	Treasury share	Reitaned earnings	Legal Reserve	Total	Comprehensive income				Retained Earnings
At January 1st, 2014	489.973	2.052	-	99.704	41.080	140.784	15.426	-	648.235	1.688	649.923
Profit (loss) for the period	-	-	-	-	-	-	-	1.744	1.744	352	2.096
Foreign currency translation effects	-	-	-	-	-	-	(3.000)	-	(3.000)		(3.000)
Total comprehensive income for the period	-	-	-	-	-	-	(3.000)	1.744	(1.256)	352	(904)
Purchase of treasury shares	-	-	(3.277)	-	-	-	-	-	(3.277)	-	(3.277)
Proposed dividends	-	-	-	-	-	-	-	-	-	(499)	(499)
At September 30st, 2014	489.973	2.052	(3.277)	99.704	41.080	140.784	12.426	1.744	643.702	1.541	645.243
At January 1st, 2015	489.973	2.052	(10.349)	104.859	41.442	146.301	14.560	-	642.537	1.624	644.161
Profit (loss) for the period	-	-	-	-	-	-	-	(16.024)	(16.024)	223	(15.801)
Foreign currency translation effects	-	-	-	-	-	-	33.585	-	33.585	-	33.585
Total comprehensive income for the period	-	-	-	-	-	-	33.585	(16.024)	17.561	223	17.784
Purchase of treasury shares	-	-	(3.914)	-	-	-	-	-	-	3.914	(3.914)
Cancellation of shares treasury	-	-	10.349	(10.349)	-	(10.349)	-	-	-	-	-
Capital increase	2.052	(2.052)	-	-	-	-	-	-	-	-	-
Proposed dividends	-	-	-	-	-	-	-	-	-	(325)	(325)
Total de contribuições dos acionistas e distribuições aos acionistas	2.052	(2.052)	6.435	(10.349)	-	(10.349)	-	-	3.914	(325)	(4.239)
At September 30st, 2015	492.025	-	(3.914)	94.510	41.442	135.952	48.145	(16.024)	656.184	1.522	657.706

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

**INDÚSTRIAS ROMI S.A.**
**STATEMENT OF CASH FLOW**
**NINE MONTHS ENDED SEPTEMBER 30**

In thousand of reais

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b><u>Cash flows from operating activities</u></b>				
Profit (loss) before taxation	(18.063)	3.281	(21.261)	4.305
Adjustments from:				
(Revenue), finance expenses and exchange rate	(8.377)	2.853	12.334	854
Depreciation and amortization	20.040	21.502	26.085	26.192
Allowance for doubtful accounts and for other receivables	(130)	(1.165)	(224)	(1.165)
Provision for inventory losses	7.570	1.690	7.680	1.586
Cost of property, plant and equipment and intangible disposals	304	857	2.935	1.327
Equity in subsidiaries, net of dividends received	12.789	3.262	-	-
Provision for contingent liabilities	(2.332)	2.602	936	(5.167)
Changes in operating assets and liabilities				
Trade accounts receivable	19.485	31.479	14.502	25.970
Related parties	(9.879)	(4.974)	2.329	93
Onlending of FINAME manufacturer financing	62.025	112.161	62.025	112.161
Inventory	2.354	(13.193)	(70.247)	(26.502)
Taxes recoverable	895	(2.911)	(5.259)	(3.367)
Judicial deposits	(1.514)	(3.697)	(4.782)	82
Other receivables	14.850	(5.084)	13.906	(3.945)
Suppliers	2.421	(11.974)	5.546	(4.162)
Related parties	-	(405)	-	-
Payroll and related taxes	10.137	7.261	13.600	8.739
Taxes payable	(5.209)	(3.864)	7.633	(4.007)
Advances from customers	643	(5.239)	27.862	215
Other payables	160	287	2.257	5.324
Cash provided by operations	108.169	134.729	97.857	138.533
Income tax and social contribution paid	-	(7.578)	(650)	(9.071)
<b>Net cash provided by operating activities</b>	<b>108.169</b>	<b>127.151</b>	<b>97.207</b>	<b>129.462</b>
<b><u>Cash flows from investing activities</u></b>				
Purchases of property, plant and equipment	(9.739)	(20.655)	(11.387)	(25.949)
Intangible increase	-	(91)	-	(91)
Disposals of property, plant and equipment	1.188	232	1.189	2.232
Dividends received	4.378	6.688	-	-
Capital increase	(10.311)	-	-	-
<b>Net cash used in investing activities</b>	<b>(14.484)</b>	<b>(13.826)</b>	<b>(10.198)</b>	<b>(23.808)</b>
<b><u>Cash flows from financing activities</u></b>				
Interest on capital and dividends paid	(1.717)	(369)	(2.043)	(1.237)
Purchase of treasury shares	(3.914)	(3.277)	(3.914)	(3.277)
New borrowings	39.337	56.104	72.871	59.050
Payment of other financing	(93.356)	(45.380)	(122.814)	(48.280)
Interest paid	(9.534)	(8.467)	(10.372)	(8.574)
New FINAME - manufacturer financing	59.090	74.202	59.090	74.202
Payment of FINAME manufacturer financing	(112.276)	(172.616)	(112.276)	(172.616)
Interest paid - FINAME manufacturer financing	(7.248)	(12.138)	(7.248)	(12.138)
<b>Net cash used in financing activities</b>	<b>(129.618)</b>	<b>(111.941)</b>	<b>(126.706)</b>	<b>(112.870)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(35.933)</b>	<b>1.384</b>	<b>(39.697)</b>	<b>(7.216)</b>
<b>Cash and cash equivalents - at the beginning of the period</b>	<b>106.170</b>	<b>63.834</b>	<b>145.580</b>	<b>107.232</b>
<b>Foreign exchanges losses of cash equivalents of foreign subsidiaries</b>	<b>-</b>	<b>-</b>	<b>(9.314)</b>	<b>(1.197)</b>
<b>Cash and cash equivalents - at the end of the period</b>	<b>70.237</b>	<b>65.218</b>	<b>96.569</b>	<b>98.819</b>

The accompanying notes are integral part of these Interim financial statements

**INDÚSTRIAS ROMI S.A.****STATEMENT OF VALUE ADDED  
NINE MONTHS ENDED SEPTEMBER, 30**  
In thousand of reais

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Revenue</b>				
Sales of products and services	364.865	449.968	448.925	541.154
Allowance for doubtful accounts and for other receivables	(1.365)	(1.007)	(1.366)	(1.006)
	<u>363.500</u>	<u>448.961</u>	<u>447.559</u>	<u>540.148</u>
<b>Inputs acquired from third parties</b>				
Material used	(153.043)	(204.130)	(194.999)	(245.180)
Other costs of products and services	(13.524)	(14.106)	(27.776)	(23.330)
Electricity, third party services and other expenses	(22.287)	(28.249)	(26.418)	(34.306)
	<u>(188.854)</u>	<u>(246.485)</u>	<u>(249.193)</u>	<u>(302.816)</u>
<b>Gross value added</b>	174.646	202.476	198.366	237.332
Depreciation and amortization	(20.041)	(21.504)	(26.085)	(26.192)
<b>Net value added generated by the Company</b>	<u>154.605</u>	<u>180.972</u>	<u>172.281</u>	<u>211.140</u>
<b>Value added received through transfers</b>				
Equity in the earnings of subsidiaries	(12.798)	(2.253)	-	-
Financial income and net foreign exchange gains	11.268	10.388	12.347	10.388
	<u>153.075</u>	<u>189.107</u>	<u>184.628</u>	<u>221.528</u>
<b>Total value added to distribute</b>	<u>153.075</u>	<u>189.107</u>	<u>184.628</u>	<u>221.528</u>
<b>Distribution of value added</b>				
Employees				
Payroll and related charges	96.095	98.946	136.792	130.649
Sales commission	3.478	2.344	3.478	2.344
Management profit sharing and fees	3.897	4.512	3.971	4.546
Pension plans	2.395	1.759	2.395	1.759
Taxes				
Federal	34.107	53.434	34.158	54.118
State	5.986	11.171	5.986	11.171
Municipal	1.048	998	1.048	998
Interests	15.662	10.734	6.393	10.734
Rentals	6.431	3.465	6.431	3.465
<b>Profit (loss) for the period</b>	<u>(16.024)</u>	<u>1.744</u>	<u>(16.024)</u>	<u>1.744</u>
<b>Value added distributed</b>	<u>153.075</u>	<u>189.107</u>	<u>184.628</u>	<u>221.528</u>

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

# **Indústrias Romi S.A.**

## **Notes to the quarterly information (ITR) at September 30, 2015**

**All amounts in thousands of reais unless otherwise stated**

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### **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; 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 11 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. The Company also holds investments in subsidiaries in Brazil and abroad.

This quarterly information was approved by the Company's Board of Directors and authorized for issue on October 27, 2015.

### **2 Basis of preparation and accounting policies**

The financial information for the quarter ended September 30, 2015 of the Company 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, 2014 and, therefore, both should be read together.

The parent company and consolidated financial information has been prepared in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee ("CPC"), as well as according to the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

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.

## **Indústrias Romi S.A.**

### **Notes to the quarterly information (ITR) at September 30, 2015**

**All amounts in thousands of reais unless otherwise stated**

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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) Notes included in the financial statements as at December 31, 2014 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, 2014. 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 9);
- 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).

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

All amounts in thousands of reais unless otherwise stated

#### 3 Cash and cash equivalents

	Parent company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Cash and banks	2,918	1,538	8,666	18,515
Bank Deposit Certificates ("CDBs") (a)	65,632	54,391	78,794	72,103
Short-term investments backed by debentures (a)	-	49,218	1,750	49,218
Short-term investments in foreign currency - US\$ (Time deposit)	-	398	5,663	3,036
Other	1,687	625	1,696	2,708
Total	<u>70,237</u>	<u>106,170</u>	<u>96,569</u>	<u>145,580</u>

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

#### 4 Trade accounts receivable

	Parent company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Current				
Domestic customers	58,953	59,549	58,953	59,549
Foreign customers	4,573	5,945	59,368	54,073
Allowance for doubtful accounts	(3,086)	(2,763)	(9,612)	(7,699)
	<u>60,440</u>	<u>62,731</u>	<u>108,709</u>	<u>105,923</u>
Non-current				
Domestic customers	7,469	8,241	7,469	8,241
Foreign customers	480	827	480	827
Allowance for doubtful accounts	(385)	(368)	(385)	(368)
	<u>7,564</u>	<u>8,700</u>	<u>7,564</u>	<u>8,700</u>

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

All amounts in thousands of reais unless otherwise stated

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

The balance of current trade accounts receivable as at September 30, 2015 and December 31, 2014, Parent company and Consolidated, is distributed as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Not yet due	47,728	47,933	90,870	85,671
Past due:				
1 to 30 days	4,732	9,733	5,826	12,706
31 to 60 days	1,693	1,788	4,481	3,771
61 to 90 days	668	471	762	574
91 to 180 days	2,962	700	3,370	1,095
181 to 360 days	1,611	1,637	2,412	1,897
Over 360 days	<u>4,132</u>	<u>3,232</u>	<u>10,600</u>	<u>7,908</u>
	15,798	17,561	27,451	27,951
Total	<u>63,526</u>	<u>65,494</u>	<u>118,321</u>	<u>113,622</u>
Allowance for doubtful accounts	<u>(3,086)</u>	<u>(2,763)</u>	<u>(9,612)</u>	<u>(7,699)</u>
Total - current	<u>60,440</u>	<u>62,731</u>	<u>108,709</u>	<u>105,923</u>

The balance of non-current trade accounts receivable as at September 30, 2015, Parent company and Consolidated, is distributed as follows:

	<u>Parent company and Consolidated</u>
Not yet due:	
2016 (3 months)	2,481
2017	3,984
2018	1,009
2019	<u>91</u>
Total - non-current	<u>7,564</u>

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

All amounts in thousands of reais unless otherwise stated

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, 2014	3,131	8,067
Additional allowance recorded	1,145	1,302
Receivables written off	(805)	(1,057)
Foreign exchange rate variations	-	1,685
As at September 30, 2015	<u>3,471</u>	<u>9,997</u>

## 5 Receivables - onward lending of FINAME manufacturer financing

	<u>Parent company and Consolidated</u>	
	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Current		
FINAME not yet due	104,570	148,137
FINAME awaiting release (a)	820	1,347
FINAME past due (b)	<u>36,618</u>	<u>37,308</u>
	142,008	186,792
Allowance for doubtful accounts	<u>(12,899)</u>	<u>(13,217)</u>
	<u>129,109</u>	<u>173,575</u>
Non-current		
FINAME not yet due	108,277	128,614
FINAME awaiting release (a)	<u>3,282</u>	<u>5,387</u>
	111,559	134,001
Allowance for doubtful accounts	<u>(1,611)</u>	<u>(1,762)</u>
	<u>109,948</u>	<u>132,239</u>
Total	<u>239,057</u>	<u>305,814</u>

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).



## **Indústrias Romi S.A.**

### **Notes to the quarterly information (ITR) at September 30, 2015**

**All amounts in thousands of reais unless otherwise stated**

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FINAME manufacturer financing refers to funds specifically linked to sales transactions, with terms of up to 48 months, with the option of a grace period of up to six months and interest of between 2.5% and 9.5% per year, 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 BNDES that finances capital goods, investments and technology, was changed and starting January 1, 2015 it is effective with interest rates of 7.0% to 9.5% per year, depending on the size of the buying company.

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.

The difference between onward lending of FINAME manufacturer financing receivables and payables include:

- (a) FINAME transactions awaiting release: refers to FINAME manufacturer financing transactions that 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 inventories. As at September 30, 2015, the balance of repossessed machinery, included under the caption "Other receivables", Parent company and Consolidated, amounted to R\$ 5,301 (R\$ 11,919 as at December 31, 2014) in current assets and R\$ 19,154 (R\$ 27,251 as at December 31, 2014) in non-current assets.

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR)

at September 30, 2015

All amounts in thousands of reais unless otherwise stated

As at September 30, 2015 and December 31, 2014, the balances of "Receivables - onward lending of FINAME manufacturer financing", Parent company and Consolidated, were as follows:

	<b>Parent company and Consolidated</b>	
	<b>September</b>	<b>December</b>
	<b>30,</b>	<b>31,</b>
	<b>2015</b>	<b>2014</b>
Not yet due	105,391	149,484
Past due:		
1 to 30 days	2,576	4,216
31 to 60 days	1,982	1,990
61 to 90 days	1,922	1,883
91 to 180 days	4,651	4,944
181 to 360 days	6,523	7,940
Over 360 days	18,963	16,335
	<u>36,721</u>	<u>37,308</u>
Total - current	<u>142,008</u>	<u>186,792</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:

	<b>Parent company and Consolidated</b>
Not yet due:	
2016 (3 months)	19,958
2017	58,811
2018	26,064
2019 and thereafter	<u>6,726</u>
Total - non-current	<u>111,559</u>

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

All amounts in thousands of reais unless otherwise stated

The changes in the allowance for doubtful accounts, Parent company and Consolidated, are as follows:

	<b>Parent company and Consolidated September 30, 2015</b>
Opening balance	14,979
Allowance recorded (or written off) during the period, net	(469)
Closing balance	<u>14,510</u>

## 6 Inventories

	<b>Parent company</b>		<b>Consolidated</b>	
	<b>September 30, 2015</b>	<b>December 31, 2014</b>	<b>September 30, 2015</b>	<b>December 31, 2014</b>
Finished products	41,154	38,349	89,449	65,832
Used machines	29,534	28,881	29,534	28,881
Work in progress	60,659	64,350	120,411	78,229
Raw materials and components	67,092	77,427	83,740	88,268
Imports in transit	<u>1,469</u>	<u>825</u>	<u>1,469</u>	<u>825</u>
Total	<u>199,908</u>	<u>209,832</u>	<u>324,603</u>	<u>262,035</u>

The inventories balances, Parent company and Consolidated, as at September 30, 2015 are net of the amounts of R\$ 59,015 and R\$59,347, respectively (R\$ 51,445 Parent company and R\$ 51,668 Consolidated respectively as at December 31, 2014) corresponding to the provision for slow-moving inventories with a remote probability of being realized through sale or use. The amount of R\$ 4,021 (Parent company and Consolidated), related to the provision for losses on machinery to be repossessed for the year ended December 31, 2014 was reclassified to other receivables, in non-current assets.

The changes in the provision to bring inventories to their net realizable value, Parent company and Consolidated, are as follows:

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

All amounts in thousands of reais unless otherwise stated

	<u>Parent company</u>	<u>Consolidated</u>
As at December 31, 2014	51,445	51,668
Inventories sold or written off	(33,633)	(33,606)
Provision recorded	24,295	24,377
Transfer of provision resulting from machines repossessed during the period	<u>16,908</u>	<u>16,908</u>
As at September 30, 2015	<u><u>59,015</u></u>	<u><u>59,347</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>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Finished products	7,101	3,885	7,433	4,107
Used machines	27,350	19,981	27,350	19,981
Work in progress	7,842	9,285	7,842	9,286
Raw materials and components	<u>16,722</u>	<u>18,294</u>	<u>16,722</u>	<u>18,294</u>
Total	<u><u>59,015</u></u>	<u><u>51,445</u></u>	<u><u>59,347</u></u>	<u><u>51,668</u></u>

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

All amounts in thousands of reais unless otherwise stated

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#### Investments in subsidiaries and associates

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

	<b>Subsidiary</b>	<b>Country</b>	<b>Main activity</b>
1.	Romi Itália S.r.l. ("Romi Italy")	Italy	Sale of machine tools, spare parts and technical assistance.
1.1	Romi Machines UK Ltd.	United Kingdom	Sale of machinery for plastics and machine tools, spare parts and technical assistance
1.2	Romi France SAS	France	Sale of machinery for plastics and machine tools, spare parts and technical assistance
1.3	Romi Máquinas España S.A.	Spain	Sale of machinery for plastics and machine tools, spare parts and technical assistance
2.	Romi Europa GmbH ("Romi Europe")	Germany	Distribution of machine tools, spare parts and technical assistance
2.1	Burkhardt + Weber Fertigungssysteme GmbH ("B+W")	Germany	Production and sale of large scale tooling machines with high technology, precision and productivity, as well as machinery for specialized applications
2.1.1	Riello Sistemi (Riello Shangai) Trade Co.,Ltd	China	Company sold on August 26, 2015.
2.1.2	Burkhardt + Weber / Romi (Shangai) Co., Ltd	China	Sale of machine tools produced by B+W and provision of services (spare parts and technical assistance).
2.1.3	Burkhardt + Weber LLC	United States of America	Sale of machine tools produced by B+W and provision of services (spare parts and technical assistance).
3.	Rominor Comércio, Empreendimentos e Participações S.A. ("Rominor")	Brazil	Ventures and investments in general
4.	Romi Machine Tools, Ltd. ("Romi Machine Tools")	United States of America	Sale of machine tools, spare parts, technical assistance and cast and machined products in North America
5.	Romi Empreendimentos Imobiliários S.A.	Brazil	Interest in real estate developments (formerly named INTEROCEAN).
6.	Romi A.L. S.A. ("Romi A.L.") -	Uruguay	Sales representation for operations in the foreign market
7.	Irsa Maquinas Mexico S. de R. L. de C.V.	Mexico	Sale of machinery for plastics and machine tools, spare parts and technical assistance

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR)

at September 30, 2015

All amounts in thousands of reais unless otherwise stated

	September 30, 2015							
	Romi Italy and subsidiaries	Romi Europe and subsidiaries	Rominor	Romi Machine Tools	Romi Empreendimentos	Romi A.L.	IRSA Máq México	Total
<b>Investments:</b>								
<b>Number of shares held</b>	(a)	(a)	6.191.156	3.000.000	78	13.028.000	1.188.000	
<b>Ownership interest</b>	100,0%	100,0%	93,1%	100,0%	100,0%	100,0%	100,0%	
Current assets	51.525	120.179	16.705	20.103	9	6.416	3.319	
Non-current assets	16.256	128.280	5.494	550	-	-	1	
Current liabilities	43.231	99.570	237	13.747	11	42	2.158	
Non-current liabilities	12.266	43.696	-	-	-	-	-	
Equity (net capital deficiency) of subsidiary	12.284	105.193	21.962	6.906	(2)	6.374	1.162	
<b>Changes in investments:</b>								
<b>Investment balance as at December 31, 2014</b>	(13.525)	85.633	21.825	(11.831)	1	4.011	338	86.452
Foreign exchange variations on foreign investments	2.722	28.849	-	(378)	-	2.064	328	33.585
Capital increase (c)	26.610	1.572	-	20.539	-	-	766	49.487
Dividends proposed and paid (b)	-	-	(4.378)	-	-	-	-	(4.378)
Share of profits (losses) of subsidiaries	(3.523)	(10.861)	2.993	(1.424)	(3)	299	(270)	(12.789)
<b>Equivalent value - closing balance</b>	<b>12.284</b>	<b>105.193</b>	<b>20.440</b>	<b>6.906</b>	<b>(2)</b>	<b>6.374</b>	<b>1.162</b>	<b>152.357</b>
<b>Investments in subsidiaries</b>	<b>12.284</b>	<b>105.193</b>	<b>20.440</b>	<b>6.906</b>	<b>-</b>	<b>6.374</b>	<b>1.162</b>	<b>152.359</b>
<b>Provision for net capital deficiency of subsidiary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>(2)</b>

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

(b) Payment of dividends by the subsidiary ROMINOR, approved on the following dates: (i) by the Annual General Meeting on March 16, 2015, in the amount of R\$ 2,428, related to 2014, and (ii) by the Board of Directors at the meeting held on July 29, 2015, in the amount of R\$ 2,276, related to the first half of 2015. From such payment, the Company received R\$ 2,260 and R\$ 2,118.

(c) The Board of Directors' Meeting held on June 9, 2015 approved the capital increases in subsidiaries Romi Europe, Romi Machine Tools, IRSA Máquinas México and Romi Itália S.r.l. in the amounts of R\$ 1,572 thousand, R\$ 20,539 thousand, R\$766 and R\$ 26,610 thousand, respectively. The capital increases were made through capitalization of loans and currency remittances as follows: (i) Romi Europe: Loan - R\$ 1,454 (equivalent to EUR 418) and currency remittances of R\$ 118 (equivalent to EUR 32); (ii) Romi Machine Tools: Loan - R\$ 10,972 (equivalent to EUR 3,560) and currency remittances of R\$ 9,567 (equivalent to EUR 3,140); (iii) IRSA Máquinas México: Loan - R\$ 140 (equivalent to MXN 384) and currency remittances of R\$ 626 (equivalent to MXN 3,138); and (vi) Romi Itália S.r.l.: Loan - R\$ 26,610.

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR)

at September 30, 2015

All amounts in thousands of reais unless otherwise stated

## 8 Related party transactions

The balances and transactions with related parties as at September 30, 2015 and December 31, 2014 are as follows:

### (i) Balances

	Receivables (current and non-current)		Loan receivables (non-current)		Total receivables		Payables (current)	
	September 30 2015	December 31 2014	September 30 2015	December 31 2014	September 30 2015	December 31 2014	September 30 2015	December 31 2014
Direct subsidiaries								
Romi Europe	5.370	2.994	-	1.350	5.370	4.344	-	-
Romi Italy	1.157	-	13.326	34.801	14.483	34.801	-	-
Romi Machine Tools	12.651	12.121	-	8.281	12.651	20.402	-	-
	-	-	11	10	11	10	-	-
Romi A.L.	-	-	-	-	-	-	657	410
Irsa Máquinas Mexico	2.355	1.189	-	-	2.355	1.189	-	-
Rominor	3	3	-	-	3	3	32	122
Indirect subsidiaries								
B+ W - Burkhardt+ Weber	-	-	-	-	-	-	-	63
Romi France S.A.S.	1.469	276	-	-	1.469	276	-	-
Romi Máquinas España S.A.	460	173	-	-	460	173	-	-
Romi Machines UK	12.501	10.644	-	-	12.501	10.644	-	-
Total	35.966	27.400	13.337	44.442	49.303	71.842	689	595

## **Indústrias Romi S.A.**

### **Notes to the quarterly information (ITR) at September 30, 2015**

**All amounts in thousands of reais unless otherwise stated**

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#### **(ii) Transactions**

The main balances and transactions with the aforementioned related parties refer to trading transactions between the Company and its subsidiaries.

In the Consolidated financial statements, receivables and payables refer to trading transactions between B+W and its associate Riello Shangai (sold on August 26, 2015).

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 four buildings rented to its subsidiary Rominor, which are used by the sales branch operations in Brazil. These rentals were priced according to market practices.

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 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.

The Company provides administrative services, mainly accounting and legal services, to the Parent company Fênix Empreendimentos S.A. The revenue accumulated until September 2015 was R\$ 153 (2014 – R\$ 146).

The Company makes donations to Romi Foundation at amounts set in the agreement approved by the State Prosecutor Office. Donations in 2015 totaled R\$ 542 (2014 – R\$ 525).

During 2014, the Company adopted the Policy for Transactions with Related Parties (available at [www.romi.com](http://www.romi.com)) the main purpose of which is to ensure transparency and compliance with market practices in these transactions.

Management compensation for the periods ended September 30, 2015 and 2014 was as follows:



## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

All amounts in thousands of reais unless otherwise stated

	<b>September 30, 2015</b>	<b>September 30, 2014</b>
Fees and charges	3,610	4,150
Profit sharing	-	65
Private pension plan	186	218
Healthcare plan	101	78
Parent company	<u>3,897</u>	<u>4,511</u>
Fees and charges of subsidiaries	<u>76</u>	<u>97</u>
Consolidated	<u>3,973</u>	<u>4,608</u>

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 17, 2015.

## 9 Investment property

During the period ended September 30, 2015 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 classify certain property as "Investment Property" for future rental income and capital appreciation. The amounts classified as investment property are R\$ 15,978 (R\$ 14,211 – as at December 31, 2014) in the Parent company and R\$ 26,025 (R\$ 19,875 – as at December 31, 2014) in the Consolidated.

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 of this property at R\$ 121,112 in the Parent company and R\$ 173,431 in the Consolidated.

As established in Brazilian Securities Commission ("CVM") Instruction 358/02 and related amendments, through its wholly-owned subsidiary Romi Empreendimentos Imobiliários S.A. ("Romi Empreendimentos"), the Company entered into an agreement for Promotion of Real Estate Development ("Agreement") with CEMARA Negócios Imobiliários Ltda. ("CEMARA"), in order to set the conditions to implement a real estate development ("Development") in its properties with registers No. 40.741 and 26.751, with total area of 341,681m<sup>2</sup>, located in Santa Bárbara d'Oeste, SP, in line with the Significant Event Notice published by the Company on February 18, 2014.

On October 5, 2015, the Company entered into an agreement of Promise of Sale and Purchase of property for sale of a property owned by it located in Italy, as mentioned in Note 19.

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

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, 2014	214,171	278,400
Additions	9,739	11,387
Disposals	(477)	(3,108)
Transfers to investment property, net	(1,767)	(4,227)
Depreciation	(19,028)	(23,328)
Foreign exchange rate variations	-	24,491
	<u>202,638</u>	<u>283,615</u>
Net book amount as at September 30, 2015	<u>202,638</u>	<u>283,615</u>
As at September 30, 2015		
Total cost	485,762	601,698
Accumulated depreciation	<u>(283,124)</u>	<u>(318,083)</u>
Net book amount	<u>202,638</u>	<u>283,615</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 September 30, 2015 (R\$55,463 as at December 31, 2014). These items refer to land, facilities, machinery and equipment.

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

All amounts in thousands of reais unless otherwise stated

#### 11 Intangible assets

Changes in intangible assets in the Parent company and Consolidated quarterly information are as follows:

	Parent company	Consolidated
Net book amount as at December 31, 2014	2,608	46,166
Additions	-	-
Disposals	(1,015)	(1,015)
Amortization	(1,013)	(2,75 7)
Foreign exchange rate variations	-	16,484
Net book amount as at September 30, 2015	<u>580</u>	<u>58,878</u>
As at September 30, 2015		
Total cost	9,795	83,392
Accumulated amortization	<u>(9,215)</u>	<u>(24,514)</u>
Net book amount	<u>580</u>	<u>58,878</u>

#### 12 Borrowings

Changes in borrowings in the Parent company and Consolidated quarterly information are as follows:

	Parent company		Consolidated	
	Local currency	Local currency	Foreign currency	Total
Borrowing balance at				
December 31, 2014	230,434	230,434	17,887	248,321
New borrowing	39,338	39,338	33,533	72,871
Repayment of principal	(92,356)	(92,356)	(29,458)	(122,814)
Payment of interest	(9,534)	(9,534)	(838)	(10,372)
Exchange and monetary variations (principal and interest)	2,037	2,037	13,936	15,973
Interest at the end of the period	<u>9,615</u>	<u>9,615</u>	-	<u>9,615</u>
Borrowing balance at				
September 30, 2015	<u>178,534</u>	<u>178,534</u>	<u>35,060</u>	<u>213,594</u>
Current	34,743	34,743	19,527	54,270
Non-current	<u>143,791</u>	<u>143,791</u>	<u>15,533</u>	<u>159,324</u>
	<u>178,534</u>	<u>178,534</u>	<u>35,060</u>	<u>213,594</u>

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

All amounts in thousands of reais unless otherwise stated

The maturities of financing recorded in non-current liabilities as at September 30, 2015 in the Parent company and Consolidated quarterly information were as follows:

	<u>Parent company</u>	<u>Consolidated</u>
2016 (3 months)	14,381	14,381
2017	77,684	78,065
2018	36,575	38,098
2019	7,803	9,326
2020 and thereafter	<u>7,348</u>	<u>19,454</u>
Total	<u>143,791</u>	<u>159,324</u>

### 13 FINAME manufacturer financing

	<u>Parent company and Consolidated</u>	
	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Current		
FINAME manufacturer financing	91,013	133,024
Non-current		
FINAME manufacturer financing	<u>98,630</u>	<u>117,053</u>
Total	<u>189,643</u>	<u>250,077</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 "Receivables - 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 as the main debtor in these transactions.

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

All amounts in thousands of reais unless otherwise stated

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The balances of the line item 'FINAME manufacturer financing' and, consequently, of the line items "Receivables - onward lending of FINAME manufacturer financing" as at September 30, 2015 and December 31, 2014, were adjusted for inflation through the end of the reporting period. The difference of R\$49,414 between these line items as at September 30, 2015 (R\$55,737 as at December 31, 2014) 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, in addition to the amount of the allowance for doubtful accounts already recorded, since the amounts are collateralized by the financed machinery.

The non-current maturities of the FINAME manufacturer financing as at September 30, 2015, Parent company and Consolidated, are as follows:

	Parent company and Consolidated
2016 (3 months)	16,622
2017	52,157
2018	24,876
2019	4,659
2020 and thereafter	316
Total	98,630

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

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 legal counsel, classified the lawsuits according to the risk of loss, as follows:

	Parent company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Tax	47,875	49,139	47,875	49,139
Civil	1,882	1,140	2,049	1,381
Labor	4,875	2,905	4,890	3,002
( - ) Judicial deposits	(46,459)	(45,288)	(46,459)	(45,288)
Total	8,173	7,896	8,355	8,234
Current liabilities	6,757	3,797	6,939	4,135
Non-current liabilities	1,416	4,099	1,416	4,099
	8,173	7,896	8,355	8,234

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:

	September 30, 2015	December 31, 2014
Tax		
ICMS on the activation of machinery	-	166
Social security contributions - Cooperatives	-	2,357
Offsetting of IRPJ - 2002 and 2003	1,267	1,267
Civil		
Losses and damages	4,069	3,545
Labor	2,460	1,611
Total	7,796	8,946

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

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 September 30, 2015 are as follow:

	<b>Parent company</b>				
	<b>December 31, 2014</b>	<b>Additions</b>	<b>Utilizations/ reversals</b>	<b>Inflation adjustment</b>	<b>September 30, 2015</b>
Tax	49,139	1,648	(3,268)	356	47,875
Civil	1,140	1,258	(612)	96	1,882
Labor	2,905	2,612	(908)	266	4,875
( - ) Judicial deposits	(45,288)	(1,171)	-	-	(46,459)
	<u>7,896</u>	<u>4,347</u>	<u>(4,788)</u>	<u>718</u>	<u>8,173</u>
	<b>Consolidated</b>				
	<b>December 31, 2014</b>	<b>Additions</b>	<b>Utilizations/ reversals</b>	<b>Inflation adjustment</b>	<b>September 30, 2015</b>
Tax	49,139	1,648	(3,268)	356	47,875
Civil	1,381	1,258	(715)	96	2,020
Labor	3,002	2,699	(1,048)	266	4,919
( - ) Judicial deposits	(45,288)	(1,171)	-	-	(46,459)
	<u>8,234</u>	<u>4,434</u>	<u>(5,031)</u>	<u>718</u>	<u>8,355</u>

As at September 30, 2015, 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 follow:

#### (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\$ 8,324 (R\$ 8,040 as at December 31, 2014) and R\$ 38,354 (R\$ 37,032 as at December 31, 2014), respectively.
- (ii) The other tax lawsuits total R\$ 1,197 (R\$ 4,067 as at December 31, 2014).

#### (b) Civil lawsuits

These refer 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 quarterly information (ITR) at September 30, 2015

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 outcomes 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\$ 48,491 (R\$ 46,759 as at December 31, 2014), of which R\$ 46,677 (R\$ 45,228 as at December 31, 2014) 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 the taxable profits plus a 10% surcharge on taxable profit 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 September 30, 2015 and 2014:

	Parent company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Profit (loss) before income tax and social contribution	(18,062)	3,282	(21,260)	4,305
Standard rates (income tax and social contribution)	34%	34%	34%	34%
Income tax and social contribution income (expense) at standard rates	6,141	(1,116)	7,228	(1,464)
Reconciliation with the effective rate:				
Share of the profits (losses) of subsidiaries and provision for the net capital deficiency of subsidiary	(4,348)	(767)	-	-
Tax losses for which no deferred income tax was recognized	-	-	(2,561)	(1,236)
Interest on capital	-	110	-	110
Management profit sharing	-	(21)	-	(21)
Other additions (deductions), net (a)	245	256	792	402
Current and deferred income tax and social contribution income (expense)	2,038	(1,538)	5,459	(2,209)



## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

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 period ended September 30, 2015 were as follows:

	<u>Asset</u>		<u>Liability</u>
	<u>Parent company</u>	<u>Consolidated</u>	<u>Consolidated</u>
As at December 31, 2014	47,076	47,128	25,416
Changes in the period:			
Additions	2,039	4,605	-
Realization	-	-	(433)
Foreign exchange rate variations	-	3,172	9,550
As at September 30, 2015	<u>49,115</u>	<u>54,905</u>	<u>34,533</u>

## 16 Equity

### Share capital

As at September 30, 2015, the Company's subscribed and paid-up capital amounting to 492,025 (R\$ 489,973 as at December 31, 2014) was represented by 68,757,647 (71,757,647 as at December 31, 2014) book-entry, registered common shares, without par value, all with the same rights and benefits.

### 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.

### Treasury shares

At the Extraordinary General Meeting held on March 17, 2015, the Board of Directors approved the cancelation of 3,000,000 shares that were held in treasury, without capital reduction.

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

All amounts in thousands of reais unless otherwise stated

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#### Common shares issued

Shares as at December 31, 2014	71,757,647
Shares canceled on March 17, 2015	<u>(3,000,000)</u>
Shares as at September 30, 2015	<u><u>68,757,647</u></u>

#### Earnings (losses) per share

Basic earnings (losses) per share are calculated by dividing the profit (loss) attributable to 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.

	<b>September 30, 2015</b>	<b>September 30, 2014</b>
Profit (loss) for the period attributable to the controlling shareholders	(16,024)	1,744
Weighted average number of shares outstanding (in thousands)	<u>69,582</u>	<u>71,758</u>
Basic and diluted earnings (losses) per share	<u><u>(0.23)</u></u>	<u><u>0.02</u></u>

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

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR)

at September 30, 2015

All amounts in thousands of reais unless otherwise stated

#### 17 Segment reporting - Consolidated

To manage its business, the Company is organized into three business units, on which the Company's segmented reporting is based. The segments are: machine tools, plastic injectors and cast and machined products. The segment reporting for the periods ended September 30, 2015 and 2014 is as follows:

	September 30, 2015				
	Machine tools	Plastic injection machines	Cast and machined products	Eliminations between segments	Consolidated
Net operating revenue	241.267	56.526	96.395		394.189
Cost of sales and services	(171.074)	(34.733)	(101.181)		(306.988)
Transfers remitted	4.122	-	9.948	(14.069)	-
Transfers received	(6.914)	(7.151)	(4)	14.069	-
Gross profit	67.401	14.642	5.158	-	87.201
Operating (expenses) income:					
Selling expenses	(35.954)	(13.118)	(2.570)		(51.642)
General and administrative	(35.101)	(7.220)	(7.194)		(49.515)
Research and development	(10.407)	(3.855)	-		(14.262)
Management fees	(2.422)	(586)	(965)		(3.973)
Other operating income, net	(1.416)	-	-		(1.416)
Operating loss before finance income (costs)	(17.899)	(10.137)	(5.571)	-	(33.607)
Inventories	248.348	55.281	20.974		324.603
Depreciation and amortization	16.117	1.900	8.067		26.085
Property, plant and equipment, net	170.638	13.242	99.735		283.615
Intangible assets	58.878	-	-		58.878
	<b>Europe</b>	<b>North America</b>	<b>Latin America</b>	<b>Africa and Asia</b>	<b>Total</b>
Net operating revenue per geographical region	85.318	8.547	282.839	17.485	394.189

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR)

at September 30, 2015

All amounts in thousands of reais unless otherwise stated

	September 30, 2014				
	Machine tools	Plastic injection machines	Cast and machined products	Eliminations between segments	Consolidated
Net operating revenue	313.167	74.607	72.048		459.822
Cost of sales and services	(206.074)	(42.015)	(90.318)		(338.407)
Transfers remitted	4.519	-	17.190	(21.709)	-
Transfers received	(14.291)	(7.397)	(21)	21.709	-
Gross profit	97.321	25.195	(1.101)	-	121.415
Operating (expenses) income:					
Selling expenses	(38.193)	(13.053)	(2.944)		(54.190)
General and administrative	(34.264)	(8.544)	(5.207)		(48.015)
Research and development	(10.604)	(4.395)	-		(14.999)
Management fees	(3.019)	(780)	(809)		(4.608)
Other operating income, net	4.304	182	-		4.486
Operating profit (loss) before finance income (costs)	15.545	(1.395)	(10.061)	-	4.089
Inventories	230.163	46.225	22.595		298.983
Depreciation and amortization	15.272	1.828	9.092		26.192
Property, plant and equipment, net	159.639	15.157	101.548		276.344
Intangible assets	44.692	772	-		45.464
	Europe	North America	Latin America	Africa and Asia	Total
Net operating revenue per geographical region	82.701	3.931	355.433	17.757	459.822

## Indústrias Romi S.A.

### Notes to the quarterly information (ITR) at September 30, 2015

All amounts in thousands of reais unless otherwise stated

#### 18 Future commitments

On June 15, 2014, the Company and Centrais Elétricas Cachoeira Dourada S.A. - CDSA, belonging to Endesa, decided to amend the agreement for the supply of electricity entered into on May 1, 2007, in order to contract the volume of electricity according to the current needs of the Company. As a result, the supply of electricity has been extended for another four years, up to December 31, 2018, and reflects the following commitments that will be adjusted annually by the General Market Price Index ("IGP-M").

Year of supply	Amount
2015 (3 months)	2,219
2016	9,152
2017	9,698
2018	7,607
Total	28,676

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

#### 19 Events after the reporting period

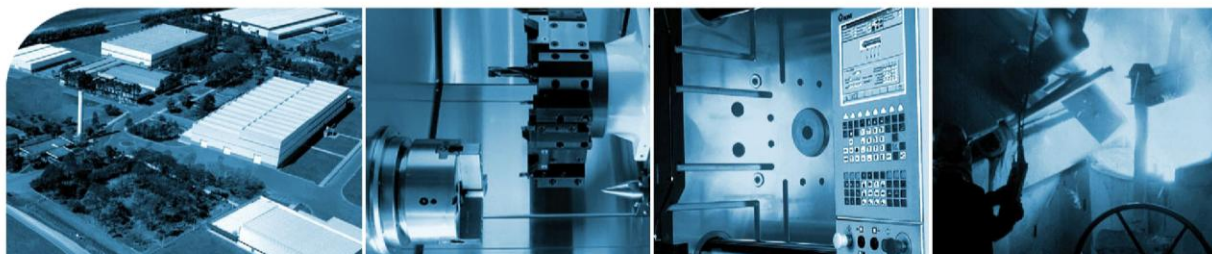
As established in Brazilian Securities Commission ("CVM") Instruction 358/02 and related amendments, in line with the Significant Event Notice published by the Company on August 18, 2014, the Company informed its shareholders and the market in general that it entered into an Agreement of Promise of Sale and Purchase of Property with the Italian company Barbero Pietro S.p.A., whose object is the sale of a property (land with building) owned by Romi Italy, with total area of 16,073m<sup>2</sup>, located at Via Primo Levi, nº 4, Comune di Grugliasco (TO), Italy, for € 3,875,000.00, to be taken to the registry office for its formalization. The Company estimates to complete the registry office process and to receive the transaction amount within approximately 90 days and that there will be no loss on the transaction to be recognized.

\* \* \*



**ROMI**®

TRADIÇÃO EM INOVAR



## October 27, 2015 3Q15 Earnings Release

### September 30, 2015

#### Share price

ROMI3 - R\$1.72/share

#### Market capitalization

R\$118.2 million

US\$29.8 million

#### Number of shares

Common: 68,757,647

Total: 68,757,647

**Free Float = 47.6%**

### Investor Relations Contact

#### Fabio B. Taiar

Investor Relations Officer

Phone: (19) 3455-9418

dri@romi.com

### October 28, 2015

#### Meeting with APIMEC Analysts-SP

Time: 5:00 p.m. (Brazil)

Place: Blue Tree Faria Lima

Av. Brig. Faria Lima, 3.989

Transmitted by webcast,  
access link at [www.romi.com](http://www.romi.com)

#### Earnings Conference Call in English

Time: 11:00 a.m. (São Paulo)

13:00 p.m. (London)

9:00 a.m. (New York)

Dial-in numbers:

USA +1 (786) 924-6977

Brazil +55 (11) 3193-1001

Other + 1 (888) 700-0802

Access code: Romi



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Ações com Tag Along  
Diferenciado **ITAG**

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

Santa Bárbara d'Oeste, SP, October 27, 2015 – Indústrias Romi S.A. ("Romi" or "Company") (BM&FBovespa: ROMI3), domestic market leader in the Machine Tools and Plastic Processing Machines markets, as well as an important producer of Raw and Machined Cast Iron Parts, announces its results for the third quarter of 2015 ("3 Q15"). 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).

## HIGHLIGHTS

The Net Operating Revenue of the Raw and Machined Cast Iron Parts Business Unit rose 46.6% in 3Q15 compared with 3Q14 and the EBITDA margin reached 8.4%

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

R\$'000	Quarter					Accumulated		
	3Q14	2Q15	3Q15	Chg. %	Chg. %	YTD 2014	YTD 2015	Chg. %
Sales Volume				3Q15/2Q15	3Q15/3Q14			15/14
Machine Tools (units)	325	146	133	-8.9%	-59.1%	877	500	-43.0%
Plastic Machines (units)	37	28	14	-50.0%	-62.2%	132	86	-34.8%
Raw and Machined Cast Iron Parts (tons)	4,167	4,060	4,956	22.1%	18.9%	11,469	12,823	11.8%
<b>Net Operating Revenue</b>	<b>165,516</b>	<b>118,972</b>	<b>154,248</b>	<b>29.7%</b>	<b>-6.8%</b>	<b>459,822</b>	<b>394,189</b>	<b>-14.3%</b>
Gross margin (%)	23.0%	22.0%	22.3%			26.4%	22.1%	
<b>Operating Income (EBIT)</b>	<b>(957)</b>	<b>(17,735)</b>	<b>(6,336)</b>	<b>-64.3%</b>	<b>562.1%</b>	<b>4,090</b>	<b>(33,608)</b>	<b>-921.7%</b>
Operating margin (%)	-0.6%	-14.9%	-4.1%			0.9%	-8.5%	
<b>Net Income</b>	<b>(229)</b>	<b>(13,697)</b>	<b>(413)</b>	<b>-97.0%</b>	<b>80.3%</b>	<b>2,096</b>	<b>(15,801)</b>	<b>-853.8%</b>
Net Income	(229)	(13,697)	(413)	-97.0%	80.3%	2,096	(15,802)	-853.9%
Net margin (%)	-0.1%	-11.5%	-0.3%			0.5%	-4.0%	
<b>EBITDA</b>	<b>7,567</b>	<b>(8,951)</b>	<b>2,546</b>	<b>-128.4%</b>	<b>-66.4%</b>	<b>30,282</b>	<b>(7,523)</b>	<b>-124.8%</b>
EBITDA margin (%)	4.6%	-7.5%	1.7%			6.6%	-1.9%	
<b>Investments</b>	<b>10,096</b>	<b>3,137</b>	<b>4,135</b>	<b>31.8%</b>	<b>-59.0%</b>	<b>26,040</b>	<b>11,483</b>	<b>-55.9%</b>

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



## CORPORATE PROFILE

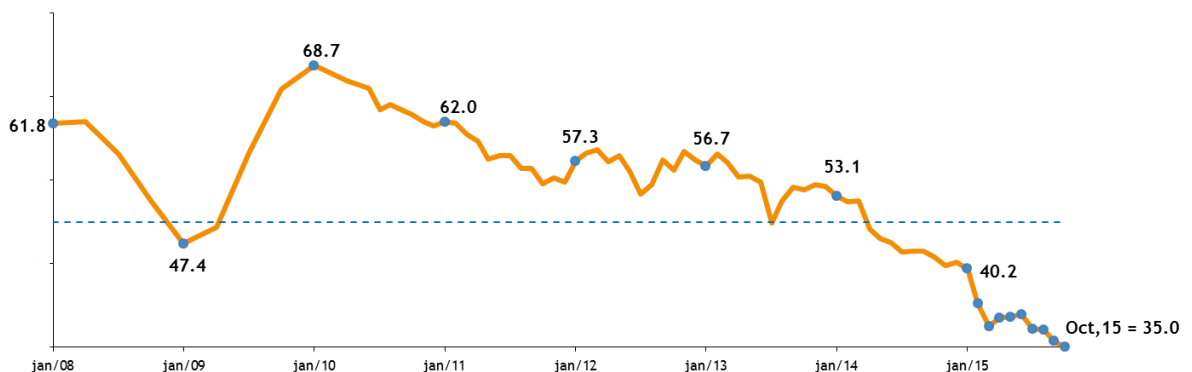
Romi, founded in 1930, is the leader in the Brazilian industrial machinery and equipment market, and an important manufacturer of raw and machined cast iron parts. The Company is listed on BM&FBovespa's "New Market", which is reserved for companies with a higher level of corporate governance. Romi manufactures machine tools (Conventional Lathes, CNC (Computerized Numerical Control) Lathes, Lathing Centers, Machining Centers, Vertical and Horizontal Heavy and Extra-Heavy Lathes and Drilling Mills), plastic injection or blow molding machines, and ductile or CDI gray cast iron parts, which may be supplied in raw or machined form. The Company's products and services are sold around the world and used by various industrial segments, such as the automotive (light and heavy), agricultural machinery, capital goods, consumer goods, tools, hydraulic equipment and wind power industries, among many others.

The Company has eleven manufacturing units, four of which are dedicated to the final assembly of industrial machinery, two foundries, three units for component machining, one unit for the manufacture of steel sheet components, and one plant for the assembly of electronic control panels. Of these, nine are located in Brazil and two in Germany. The Company has installed capacity for the production of approximately 3,500 industrial machines and 50,000 tons of castings per year.

The Machine Tools Business Unit accounted for 61.2% of the Company's revenue for the first nine months of 2015. The Plastic Processing Machines and Raw and Machined Cast Iron Parts Business Units contributed 14.3% and 24.5%, respectively.

## CURRENT ECONOMIC SCENARIO

With the poor economic activity due to the uncertainties surrounding the market since 2014, the first nine months of 2015 continue to show a strong slowdown of the economic activity and, mainly, of the Brazilian industry. In October 2015, the ICEI (Industrial Entrepreneur Confidence Index) reached its lowest level since the 2008 crisis, as shown below:



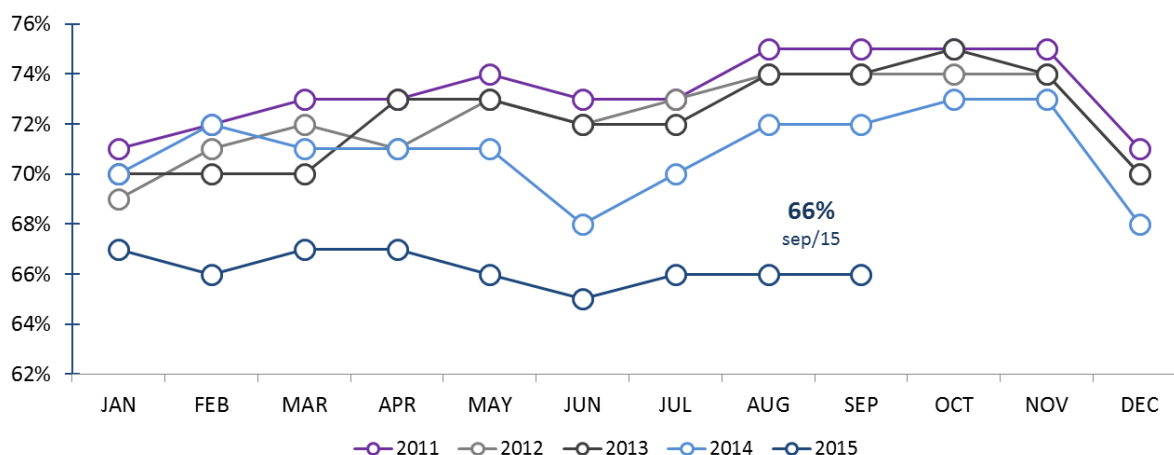
During the first nine months of 2015, the automotive industry produced 20.1% less than in the same period of 2014, based on data from the Brazilian Association of Automotive Vehicle Manufacturers (Anfavea). The production of trucks and agricultural machinery decreased 47.2% and 29.1%, respectively, in the same comparison period.

The installed capacity utilization (UCI) of the national industry in general, prepared by the National Federation of Industries (CNI), reached its lowest point for monthly series (starting January 2011), showing the challenging moment undergone by the Brazilian economy.



### Average utilization of the installed capacity

Percentage (%)



This high uncertainty scenario discourages business expansion and impacts negatively the country's investment levels. This fact reflected on the Machine Tools and Plastic Processing Machines order entry, which fell by 49.1% and 33.4%, respectively, in the first nine months of 2015 compared with the same period of the previous year.

On the other hand, the recent depreciation of the Brazilian real (R\$) against the US dollar (US\$) increased the competitiveness of local manufacturers of machinery and equipment compared with imported equipment. The domestic industry as a whole, in light of the Brazilian real depreciation, has the chance to become more competitive in Brazil and abroad. However, the uncertainty scenario impairs and delays any potential plans for the currently imported parts.

With this scenario of uncertainties and high volatility, Romi continues to take actions to streamline its structure and the planning and manufacturing process, and respond quickly to demand's volatility. Reducing production leadtime, optimizing indirect structures, the contract reduction projects, and the investments in automation are a few examples of these actions.

The Company is aware of the enormous short-term challenges and opportunities, but confident that the actions mentioned above have allowed reducing inventories to regular normal levels and control default and also with an positive operational cashflow. Romi is committed to maintaining appropriate debt and cash levels, allowing that in a year of recession, efforts can be focused on capturing opportunities, aimed at sustainability and the recovery of medium- and long-term profitability.

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

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

The order entry volume in 3Q15 was 5.8% higher than in 3Q14, impacted by the increase in the Raw and Machined Cast Iron Parts order entry. A significant part of such unit's order entry was derived from the wind power segment.

Against this backdrop, in 3Q15 the Machine Tools Business Unit posted a 35.8% performance drop compared to 3Q14, reflecting the instability and volatility of the Brazilian economic situation, which weighs down on demand for investments.

The Raw and Machined Cast Iron Parts Business Unit's demand was 124.8% up in 3Q15 compared to 3Q14, and 17.4% up compared to 2Q15, driven by the demand in the wind power segment, one of the main segments supplied by this Business Unit.

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

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

As at September 30, 2015, the order backlog totaled R\$330.4 million, 20.4% up from 3Q14 and 14.0% up from 2Q15, due to the increase of orders in the demand for raw and machined cast iron parts for the wind power segment.

## OPERATING PERFORMANCE

### NET OPERATING REVENUE

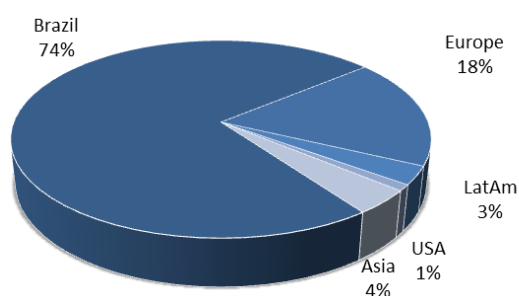
The Company's net operating revenue in 3Q15 reached R\$154.2 million, 6.8% down from 3Q14, especially due to the decreased revenue of the Raw and Machined Cast Iron Parts Business Unit. The Raw and Machined Cast Iron Parts Business Unit, on the other hand, obtained a revenue growth of 46.7% in the period, partially offsetting the reduction in the machinery segment.

	<b>Quarter</b>					<b>Accumulated</b>		
<b>Net Operating Revenue (R\$ 000) <sup>(1)</sup></b>	<b>3Q14</b>	<b>2Q15</b>	<b>3Q15</b>	<b>Chg 3Q15/2Q15</b>	<b>Chg 3Q15/3Q14</b>	<b>YTD 2014</b>	<b>YTD 2015</b>	<b>Chg 15/14</b>
Machine Tools	115,300	70,431	101,285	43.8%	-12.2%	313,167	241,267	-23.0%
Plastic Machines	22,314	20,351	12,029	-40.9%	-46.1%	74,607	56,526	-24.2%
Raw and Machined Cast Iron Parts	27,902	28,190	40,934	45.2%	46.7%	72,048	96,395	33.8%
<b>Total</b>	<b>165,516</b>	<b>118,972</b>	<b>154,248</b>	<b>29.7%</b>	<b>-6.8%</b>	<b>459,822</b>	<b>394,189</b>	<b>-14.3%</b>

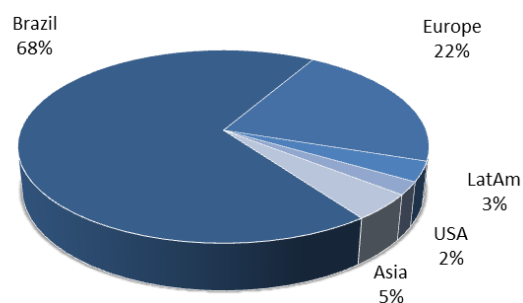
<sup>(1)</sup> The income statements by Business Unit and B+W's financial statements are presented in the appendices to this release.

The domestic market accounted for 68% of Romi's revenue in 9M15. Considering the revenue obtained in the foreign market, which takes into account sales by Romi's subsidiaries abroad (Germany, United States, Italy, United Kingdom, France, Mexico and Spain), the breakdown of Romi's total revenue, by geographical region, was:

9M14



9M15



Below we show the revenue obtained in the foreign market, in reais (R\$) and US dollars (US\$):

Foreign Sales						Accumulated		
	3Q14	2Q15	3Q15	Chg 3Q15/2Q15	Chg 3Q15/3Q14	YTD 2014	YTD 2015	2015/2014
Net Sales (R\$ million)	53.0	37.2	59.7	60.3%	12.5%	116.6	123.4	5.9%
Net Sales (US\$ million)	23.3	11.7	15.0	28.3%	-35.6%	51.0	35.8	-29.8%

## Machine Tools

This Business Unit's net operating revenue reached R\$101.3 million in 3Q15, of which R\$39.2 million refers to the consolidation of the net operating revenue of the German subsidiary B+W. This consolidated amount represented a 12.2% decrease when compared to the same period of 2014. When we exclude the impacts of the German subsidiary B+W from this comparison, this Business Unit's net operating revenue was R\$62.1 in 3Q15, a 22.7% decrease compared to 3Q14, as a result of the scenario of uncertainties that the country has been facing for some quarters.

In 3Q15 the revenue of the German subsidiary B+W posted a decrease of 11.8% compared to 3Q14.

## Plastic Processing Machines

In 3Q15, this Business Unit's net revenue totaled R\$12.0 million, a decline of 46.1% compared to 3Q14 and of 40.9% compared to 2Q15.

The segments with a higher demand for this Business Unit's products in 3Q15 were: packaging, services and automotive.

## Raw and Machined Cast Iron Parts

In 3Q15, this Business Unit's net operating revenue was R\$40.9 million, a 46.7% increase compared to 3Q14. This increase was due to the recovery of the wind power segment, even though the commercial vehicles (trucks) and agricultural segments have posted a decline in the demand for raw and machined cast iron parts.

## OPERATING COSTS AND EXPENSES

The gross margin in 3Q15, of 22.3%, was 0.7 percentage points lower than in 3Q14, impacted by the significant decline in revenue of machine tools and plastic processing machines and the expenses related to structure optimization, which impacted by R\$3.0 million (R\$ 2.7 million in 3Q14) and R\$5.0 million (R\$ 4.5 million in 3Q14) the gross profit and EBITDA.

The Raw and Machined Cast Iron Parts Business Unit posted in 3Q15, when compared to 3Q14, a 5.8 percentage point improvement of the gross margin mainly driven by the higher volume of revenue for the current quarter.

Furthermore, the level of utilization of operational assets, still low, contributes negatively to a faster recovery of operating margins, since the operating expenses have more fixed than variable characteristics, in spite of the Company's strict control over costs and expenses.

Quarter					
Gross Margin	3Q14	2Q15	3Q15	Chg bps 3Q15/2Q15	Chg bps 3Q15/3Q14
Machine Tools	26.5%	28.3%	26.5%	(1.8)	0.0
Plastic Machines	25.8%	27.4%	21.7%	(5.7)	(4.1)
Raw and Machined Cast Iron Parts	6.3%	2.4%	12.1%	9.7	5.8
<b>Total</b>	<b>23.0%</b>	<b>22.0%</b>	<b>22.3%</b>	<b>0.3</b>	<b>(0.7)</b>

Quarter					
EBIT Margin	3Q14	2Q15	3Q15	Chg bps 3Q15/2Q15	Chg bps 3Q15/3Q14
Machine Tools	2.9%	-16.4%	-2.1%	14.3	(5.0)
Plastic Machines	-11.5%	-16.8%	-41.5%	(24.7)	(30.0)
Raw and Machined Cast Iron Parts	-6.1%	-9.9%	1.9%	11.8	8.0
<b>Total</b>	<b>-0.6%</b>	<b>-14.9%</b>	<b>-4.1%</b>	<b>10.8</b>	<b>(3.5)</b>

### Machine Tools

This Business Unit's gross margin was 26.5% in 3Q15, same margin posted in 3Q14, even with a revenue 12.2% lower. The ongoing actions to streamline structures and the recent depreciation of the Brazilian currency, which made Romi equipment to be more competitive, contributed to maintaining the gross margin in this scenario of lower volume of net operating revenue.

This Business Unit's operating margin in 3Q15 was negative by 2.1%, 5.0 percentage points below 3Q14, due to a decline in the sales revenue by 12.2%, since the operating expenses have more fixed than variable characteristics, in spite of the Company's strict control over costs and expenses, with adverse impacts on margins.

### Plastic Processing Machines

This Business Unit's gross margin in 3Q15 reached 21.7%, a 4.1 percentage point decline compared to 3Q14, due to the decrease in revenues.

The Business Unit's operating margin in 3Q15 was negative by 41.5%, 30.0 percentage points below 3Q14, directly impacted by the decrease in net operating revenue.

### Raw and Machined Cast Iron Parts

This Business Unit's gross margin for 3Q15 improved by 5.8 percentage points compared to 3Q14 and 9.7 percentage points compared to 2Q15, due to the increase in the revenue volume, which was positively impacted by the higher demand of the wind power segment.

As commented above, the recovery of the wind power segment contributed to the increase in the volume manufactured and consequently a higher dilution of fixed costs and expenses.

## EBITDA AND EBITDA MARGIN

In 3Q15, the operating cash generation as measured by EBITDA was R\$2.5 million, representing a negative EBITDA margin of 1.7% for the quarter, as shown in the table below:

Reconciliation of Net Income to EBITDA (R\$ '000)	Quarter					Accumulated		
	3Q14	2Q15	3Q15	Chg 3Q15/2Q15	Chg 3Q15/3Q14	YTD 2014	YTD 2015	Chg 2015/2014
<b>Net Income</b>	(229)	(13,697)	(413)	-97.0%	80.3%	2,096	(15,802)	-853.9%
Income tax and social contributions	1,603	(4,920)	696	-114.1%	-56.6%	2,209	(5,460)	-347.2%
Net Financial Income	(2,331)	882	(6,619)	-850.5%	184.0%	(215)	(12,347)	5642.8%
Depreciation and amortization	8,524	8,784	8,882	1.1%	4.2%	26,192	26,085	-0.4%
<b>EBITDA</b>	7,567	(8,951)	2,546	-128.4%	-66.4%	30,282	(7,523)	-124.8%
<b>EBITDA Margin</b>	4.6%	-7.5%	1.7%			6.6%	-1.9%	
<b>Total Net Operating Revenue</b>	<b>165,516</b>	<b>118,972</b>	<b>154,248</b>			<b>459,822</b>	<b>394,189</b>	

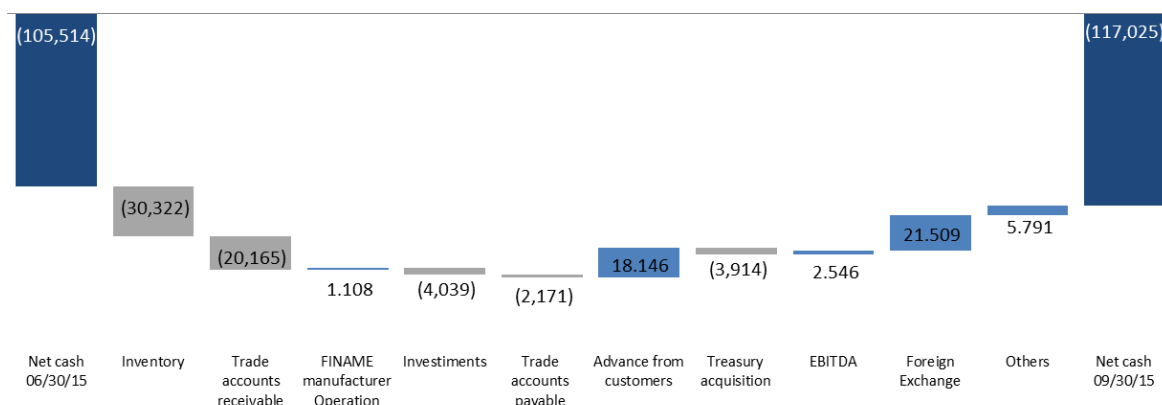
All factors and effects mentioned in the "Operating Expenses and Costs" section affected the EBITDA for 3Q15.

## LOSS FOR THE QUARTER

Loss for 3Q15 was R\$0.4 million.

## CHANGES IN CASH AND CASH EQUIVALENTS

The main changes in the net debt position during 3Q15 are described below in R\$'000:



## Inventories

The increase in inventories at the end of 3Q15 was mainly due to the currency depreciation occurred mainly in the third quarter of the year.

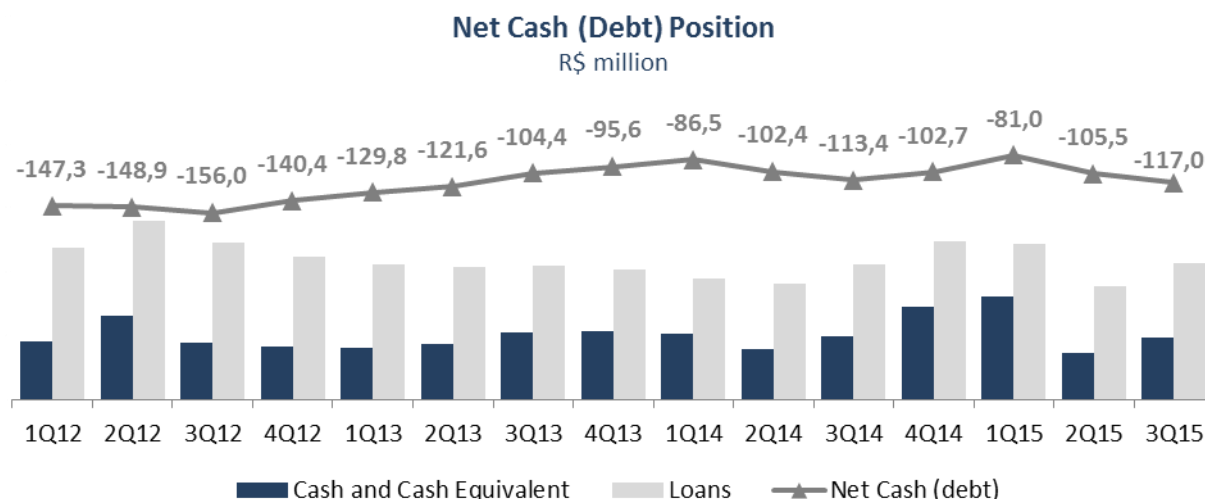
## Investments

Investments in 3Q15 totaled R\$4.1 million, which were partly used for maintenance, productivity, flexibility and competitiveness of the industrial facilities within the investment plan for 2015.

## FINANCIAL POSITION

Short-term investments, including those backed by debentures, are made with financial institutions with low credit risk and their yield is substantially indexed to the interbank deposit rate ("CDI"). The consolidated position of cash and cash equivalents as at September 30, 2015 was R\$96.6 million.

The Company's borrowings are used mainly in investments in the modernization of the industrial facilities, research and development of new products and financing of exports and imports. As at September 30, 2015, the amount of financing in local currency was R\$178.5 million, and in foreign currency, R\$35.0 million, totaling R\$213.6 million.



As at September 30, 2015, the Company did not have any derivative transactions.

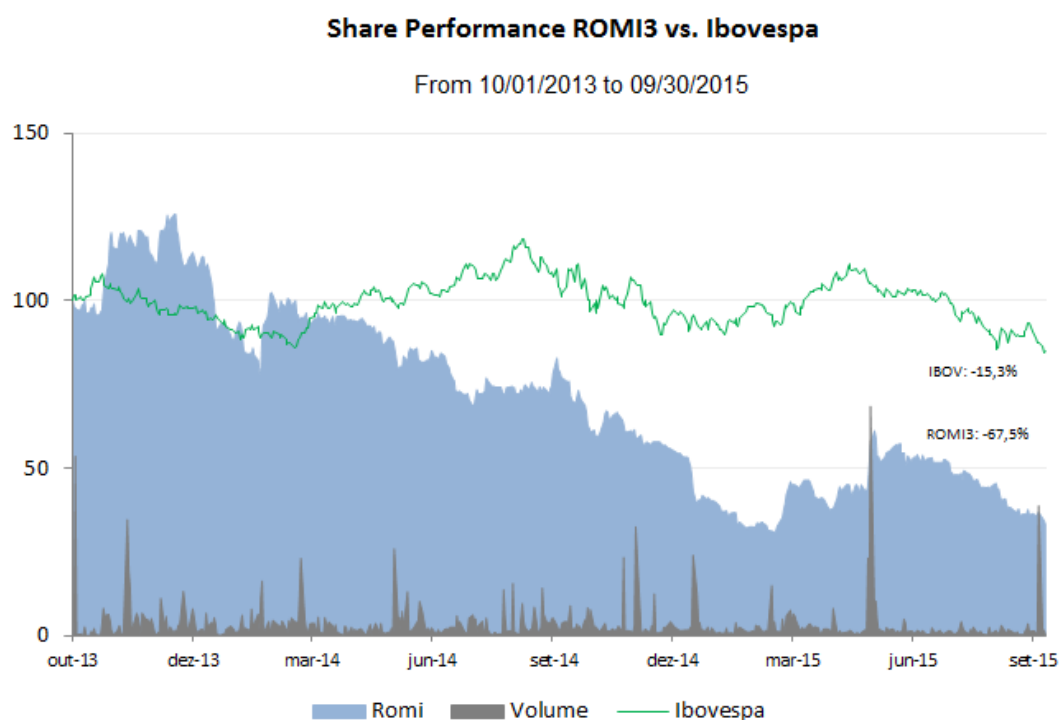
## SHARE REPURCHASE PROGRAM

The Board of Directors approved on the meeting held on April 28, 2015, a repurchase program of its shares. According to the program, the share repurchase will begin on April 28, 2015 ending on April 27, 2016. Up to 3,100,000 shares can be repurchased under the Program, representing 8.92% of the Company's free float.

With the Program, the Company intends to generate shareholder value by utilizing efficiently its capital structure.

Until September 30, 2015, 2,103,400 shares had been purchased for R\$3,914, representing an average purchase price of R\$1.86 per share. These shares purchased impacted the calculation of earnings per share for the period.

## CAPITAL MARKETS



Source: BM&FBovespa

At the end of 3Q15, Romi's common shares (ROMI3) were traded at R\$1.72, posting depreciation of 37.4% in the quarter and of 59.6% in the twelve-month period. The BM&FBovespa Index posted depreciation of 15.1% in the quarter and of 16.7% in the last twelve months.

The Company's market capitalization as at September 30, 2015 was R\$118 million. The average daily trading volume in 3Q15 was R\$180,000.

# FINANCIAL STATEMENTS

## Consolidated Balance Sheet

(R\$ 000)

ASSETS		12/31/14	06/30/15	09/30/15	LIABILITIES AND SHAREHOLDER'S EQUITY		12/31/14	06/30/15	09/30/15
<b>CURRENT</b>		<b>726,525</b>	<b>637,348</b>	<b>698,668</b>	<b>CURRENT</b>		<b>353,379</b>	<b>290,638</b>	<b>310,654</b>
Cash and Cash equivalents		145,580	71,959	96,569	Loans and financing		104,916	48,029	54,270
Trade accounts receivable		105,923	88,338	108,709	FINAME manufacturer financing		133,024	103,075	91,013
Onlending of FINAME manufacturer financing		173,575	139,663	129,109	Trade accounts payable		30,992	41,577	39,406
Inventories		262,035	294,281	324,603	Payroll and related taxes		19,291	26,923	30,921
Recoverable taxes		17,892	22,970	23,179	Taxes payable		6,610	5,089	6,607
Related Parties		492	664	-	Advances from customers		40,928	50,644	68,790
Other receivables		21,028	19,473	16,499	Interest on capital, dividends and participations		2,294	2	2
					Other payables		14,243	14,071	19,645
<b>NONCURRENT</b>		<b>562,471</b>	<b>550,975</b>	<b>565,207</b>	Related Parties		1,081	1,228	-
<b>Long-Term Assets</b>		<b>215,701</b>	<b>206,530</b>	<b>196,689</b>					
Trade accounts receivable		8,700	7,770	7,564	<b>NON CURRENT</b>		<b>291,456</b>	<b>264,227</b>	<b>295,515</b>
Onlending of FINAME manufacturer financing		132,239	116,001	109,948	<b>Long-term liabilities</b>				
Recoverable taxes		1,682	1,357	1,356	Loans and financing		143,405	129,444	159,324
Deferred income and social contribution taxes		47,128	54,067	54,905	FINAME manufacturer financing		117,053	102,067	98,630
Escrow Deposits		1,471	1,621	1,814	Deferred income and social contribution taxes		25,416	27,103	34,533
Other receivables		24,481	25,714	21,102	Taxes payable		1,133	1,133	1,133
					Reserve for contingencies		4,099	4,110	1,416
<b>Investments</b>					Other payables		350	370	479
Property, Plant and Equipment, net		278,400	270,823	283,615					
Investment in Subsidiaries and Associate Companies		2,329	1,180	-	<b>SHAREHOLDER'S EQUITY</b>		<b>642,537</b>	<b>631,844</b>	<b>656,184</b>
Investment Property		19,875	24,566	26,025	Capital		489,973	492,025	492,025
Intangible assets		46,166	47,876	58,878	Capital reserve		2,052	-	-
					Retained earnings		146,301	135,952	135,952
<b>TOTAL ASSETS</b>		<b>1,288,996</b>	<b>1,188,323</b>	<b>1,263,875</b>	Income (loss) for the period		-	(15,545)	(16,024)
					Income (loss) for the period for discontinued operations		(10,349)	-	(3,914)
					Treasury shares		14,560	19,412	48,145
					<b>NON CONTROLLING INTERESTS</b>		<b>1,624</b>	<b>1,614</b>	<b>1,522</b>
					<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>644,161</b>	<b>633,458</b>	<b>657,706</b>
					<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>1,288,996</b>	<b>1,188,323</b>	<b>1,263,875</b>



## Consolidated Income Statement

(R\$ thousand)

	3Q14	2Q15	3Q15	Var. 3Q15/2Q15	Var. 3Q15/3Q14	YTD 2014	YTD 2015	Chg 15/14
<b>Net Operating Revenue</b>	<b>165,516</b>	<b>118,972</b>	<b>154,248</b>	<b>29.7%</b>	<b>-6.8%</b>	<b>459,822</b>	<b>394,189</b>	<b>-14.3%</b>
Cost of Goods Sold	(127,517)	(92,798)	(119,839)	29.1%	-6.0%	(338,407)	(306,988)	-9.3%
<b>Gross Profit</b>	<b>37,999</b>	<b>26,174</b>	<b>34,409</b>	<b>31.5%</b>	<b>-9.4%</b>	<b>121,415</b>	<b>87,201</b>	<b>-28.2%</b>
<i>Gross Margin %</i>	<i>23.0%</i>	<i>22.0%</i>	<i>22.3%</i>	<i>106.1%</i>	<i>138.8%</i>	<i>26.4%</i>	<i>22.1%</i>	
<b>Operating Expenses</b>	<b>(38,956)</b>	<b>(43,909)</b>	<b>(40,745)</b>	<b>-7.2%</b>	<b>4.6%</b>	<b>(117,325)</b>	<b>(120,809)</b>	<b>3.0%</b>
Selling expenses	(18,506)	(19,113)	(18,279)	-4.4%	-1.2%	(54,190)	(51,642)	-4.7%
Research and development expenses	(4,837)	(4,985)	(4,444)	-10.9%	-8.1%	(14,999)	(14,262)	-4.9%
General and administrative expenses	(15,248)	(17,705)	(15,829)	-10.6%	3.8%	(48,015)	(49,515)	3.1%
Management profit sharing and compensation	(1,507)	(1,178)	(1,157)	-1.8%	-23.2%	(4,608)	(3,973)	-13.8%
Other operating income, net	1,142	(928)	(1,036)	11.6%	-190.7%	4,487	(1,417)	-131.6%
<b>Operating Income before Financial Results</b>	<b>(957)</b>	<b>(17,735)</b>	<b>(6,336)</b>	<b>-64.3%</b>	<b>562.1%</b>	<b>4,090</b>	<b>(33,608)</b>	<b>-921.6%</b>
<i>Operating Margin %</i>	<i>-0.6%</i>	<i>-14.9%</i>	<i>-4.1%</i>	<i>-216.8%</i>	<i>-8256.2%</i>	<i>0.9%</i>	<i>-8.5%</i>	
<b>Financial Results, Net</b>	<b>2,331</b>	<b>(882)</b>	<b>6,619</b>	<b>-850.5%</b>	<b>184.0%</b>	<b>215</b>	<b>12,347</b>	<b>5642.8%</b>
Financial income	2,677	4,875	3,722	-23.7%	39.0%	11,261	14,734	30.8%
Financial expenses	(2,641)	(5,467)	(4,376)	-20.0%	65.7%	(10,634)	(16,236)	52.7%
Exchange gain (loss), net	2,295	(290)	7,273	-2607.9%	216.9%	(412)	13,849	-3461.4%
<b>Operations Operating Income</b>	<b>1,374</b>	<b>(18,617)</b>	<b>283</b>	<b>-101.5%</b>	<b>-79.4%</b>	<b>4,305</b>	<b>(21,261)</b>	<b>-593.8%</b>
Income tax and social contribution	(1,603)	4,920	(696)	-114.1%	-56.6%	(2,209)	5,460	-347.2%
<b>Net income</b>	<b>(229)</b>	<b>(13,697)</b>	<b>(413)</b>	<b>-97.0%</b>	<b>80.3%</b>	<b>2,096</b>	<b>(15,801)</b>	<b>-853.7%</b>
<i>Net Margin %</i>	<i>-0.1%</i>	<i>-11.5%</i>	<i>-0.3%</i>	<i>-327.1%</i>	<i>-1180.3%</i>	<i>0.5%</i>	<i>-4.0%</i>	
<b>Net profit concerning:</b>								
Controlling interests	(315)	(13,774)	(478)	-96.5%	51.7%	1,743	(16,024)	-1019.2%
Non controlling interests	85	77	65	-15.6%	-23.5%	352	223	-36.6%
<b>EBITDA</b>	<b>7,567</b>	<b>(8,951)</b>	<b>2,546</b>	<b>-128.4%</b>	<b>-66.4%</b>	<b>30,281</b>	<b>(7,522)</b>	<b>-124.8%</b>
Net income / loss for the period	(229)	(13,697)	(413)	-97.0%	80.3%	2,096	(15,801)	-854.0%
Income tax and social contribution	1,603	(4,920)	696	-114.1%	-56.6%	2,209	(5,460)	-347.2%
Financial income, net	(2,331)	882	(6,619)	-850.5%	184.0%	(215)	(12,347)	5642.8%
Depreciation	8,524	8,784	8,882	1.1%	4.2%	26,192	26,085	-0.4%
<i>EBITDA Margin %</i>	<i>4.6%</i>	<i>-7.5%</i>	<i>1.7%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>6.6%</i>	<i>-1.9%</i>	
Nº of shares in capital stock (th)	71,758	68,758	68,758	0.0%	-4.2%	71,758	68,758	-4.2%
Net income per share - R\$	(0.00)	(0.20)	(0.01)	-97.0%	88.2%	0.03	(0.23)	-886.6%

## Consolidated Cash Flow Statement

(R\$ thousand)

	3Q14	2Q15	3Q15	YTD 2014	YTD 2015
<b>Cash from operating activities</b>					
<b>Net Income</b>	<b>1,373</b>	<b>(18,615)</b>	<b>282</b>	<b>4,305</b>	<b>(21,261)</b>
Financial expenses and exchange gain	491	(10,378)	21,193	854	12,334
Depreciation and amortization	8,524	8,784	8,882	26,192	26,085
Allowance for doubtful accounts and other receivables	(2,481)	448	(966)	(1,165)	(224)
Proceeds from sale of fixed assets and intangibles	(387)	(241)	3,459	1,327	2,935
Provision for inventory realization	(251)	814	4,382	1,586	7,680
Reserve for contingencies	(5,167)	1,933	407	(5,167)	936
Disposal of Assets	(2,959)	-	-	-	-
<b>Change on operating assets and liabilities</b>					
Trade accounts receivable	(5,262)	27,256	(30,117)	25,970	14,502
Related Parties	(58)	1,307	1,180	93	2,329
Onlending of FINAME manufacturer financing	34,454	24,477	17,050	112,161	62,025
Inventories	25,534	(15,882)	(34,704)	(26,502)	(70,247)
Recoverable taxes, net	(1,489)	(1,569)	1,977	(3,367)	(5,259)
Escrow deposits	11	(1,358)	(3,303)	82	(4,782)
Other receivables	(8,739)	2,735	8,110	(3,945)	13,906
Trade accounts payable	(7,935)	(3,168)	(2,276)	(4,162)	5,546
Payroll and related taxes	3,704	3,967	4,773	8,739	13,600
Taxes payable	6,217	(661)	5,397	(4,007)	7,633
Advances from customers	(6,361)	(6,269)	18,146	215	27,862
Other payables	(657)	3,436	3,589	5,324	2,257
<b>Cash provided by (used in) operating activities</b>	<b>38,562</b>	<b>17,016</b>	<b>27,461</b>	<b>138,533</b>	<b>97,857</b>
Income tax and social contribution paid	(916)	(207)	(168)	(9,071)	(650)
<b>Net Cash provided by (used in) operating activities</b>	<b>37,646</b>	<b>16,809</b>	<b>27,293</b>	<b>129,462</b>	<b>97,207</b>
Purchase of fixed assets	(10,097)	(3,137)	(4,039)	(25,949)	(11,387)
Sales of fixed assets	1,971	892	297	2,232	1,189
Increase in intangible assets	-	(536)	-	(91)	-
<b>Net cash Used in Investing Activities</b>	<b>(8,126)</b>	<b>(2,781)</b>	<b>(3,742)</b>	<b>(23,808)</b>	<b>(10,198)</b>
Interest on capital paid	(267)	-	(157)	(1,237)	(2,043)
Share Repurchase	(3,277)	-	(3,914)	(3,277)	(3,914)
New loans and financing	41,247	1,957	62,578	59,050	72,871
Payments of loans and financing	(10,055)	(71,224)	(33,442)	(48,280)	(122,814)
Interests paid (including Finame manufacturer financing)	(7,197)	(5,948)	(5,528)	(20,712)	(17,620)
New loans in Finame manufacturer	20,232	10,187	20,399	74,202	59,090
Payment of Finame manufacturer financing	(52,433)	(37,449)	(33,758)	(172,616)	(112,276)
<b>Net Cash provided by (used in) Financing Activities</b>	<b>(11,750)</b>	<b>(102,477)</b>	<b>6,178</b>	<b>(112,870)</b>	<b>(126,706)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>17,770</b>	<b>(88,449)</b>	<b>29,729</b>	<b>(7,216)</b>	<b>(39,697)</b>
Exchange variation changes on cash and cash equivalents abroad	1,934	(1,571)	(5,119)	(1,197)	(9,314)
<b>Cash and cash equivalents - beginning of period</b>	<b>79,115</b>	<b>161,979</b>	<b>71,959</b>	<b>107,232</b>	<b>145,580</b>
<b>Cash and cash equivalents - end of period</b>	<b>98,819</b>	<b>71,959</b>	<b>96,569</b>	<b>98,819</b>	<b>96,569</b>

## Appendix I – Income Statement by Business Unit

### Income Statement by Business Units - 3Q15

R\$ 000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
<b>Net Operating Revenue</b>	<b>101,285</b>	<b>12,029</b>	<b>40,934</b>	<b>154,248</b>
<b>Cost of Sales and Services</b>	<b>(74,799)</b>	<b>(7,373)</b>	<b>(37,667)</b>	<b>(119,839)</b>
Business Units Transfers	1,461	-	1,685	3,145
Business Units Transfers	(1,094)	(2,051)	-	(3,145)
<b>Gross Profit</b>	<b>26,853</b>	<b>2,605</b>	<b>4,952</b>	<b>34,410</b>
<i>Gross Margin %</i>	<i>26.5%</i>	<i>21.7%</i>	<i>12.1%</i>	<i>22.3%</i>
<b>Operating Expenses</b>	<b>(28,974)</b>	<b>(7,602)</b>	<b>(4,168)</b>	<b>(40,744)</b>
Selling	(13,214)	(4,458)	(607)	(18,279)
General and Administrative	(10,784)	(1,900)	(3,145)	(15,829)
Research and Development	(3,341)	(1,103)	-	(4,444)
Management profit sharing	(600)	(141)	(416)	(1,157)
Other operating revenue	(1,035)	-	-	(1,035)
<b>Operating Income before Financial Results</b>	<b>(2,121)</b>	<b>(4,997)</b>	<b>784</b>	<b>(6,335)</b>
<i>Operating Margin %</i>	<i>-2.1%</i>	<i>-41.5%</i>	<i>1.9%</i>	<i>-4.1%</i>
Depreciation and amortization	5,562	661	2,659	8,882
<b>EBITDA</b>	<b>3,441</b>	<b>(4,336)</b>	<b>3,443</b>	<b>2,547</b>
<i>EBITDA Margin %</i>	<i>3.4%</i>	<i>-36.0%</i>	<i>8.4%</i>	<i>1.7%</i>

### Income Statement by Business Units - 3Q14

R\$ 000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
<b>Net Operating Revenue</b>	<b>115,300</b>	<b>22,314</b>	<b>27,902</b>	<b>165,516</b>
<b>Cost of Sales and Services</b>	<b>(82,400)</b>	<b>(14,175)</b>	<b>(30,942)</b>	<b>(127,517)</b>
Business Units Transfers	1,680	-	4,800	6,480
Business Units Transfers	(4,081)	(2,388)	(11)	(6,480)
<b>Gross Profit</b>	<b>30,499</b>	<b>5,751</b>	<b>1,749</b>	<b>37,999</b>
<i>Gross Margin %</i>	<i>26.5%</i>	<i>25.8%</i>	<i>6.3%</i>	<i>23.0%</i>
<b>Operating Expenses</b>	<b>(27,190)</b>	<b>(8,324)</b>	<b>(3,443)</b>	<b>(38,957)</b>
Selling	(13,287)	(4,088)	(1,131)	(18,506)
General and Administrative	(10,696)	(2,568)	(1,984)	(15,248)
Research and Development	(3,400)	(1,437)	-	(4,837)
Management profit sharing	(948)	(231)	(328)	(1,507)
Other operating revenue	1,141	-	-	1,141
<b>Operating Income before Financial Results</b>	<b>3,309</b>	<b>(2,573)</b>	<b>(1,694)</b>	<b>(958)</b>
<i>Operating Margin %</i>	<i>2.9%</i>	<i>-11.5%</i>	<i>-6.1%</i>	<i>-0.6%</i>
Depreciation and amortization	4,956	600	2,968	8,524
<b>EBITDA</b>	<b>8,265</b>	<b>(1,973)</b>	<b>1,274</b>	<b>7,566</b>
<i>EBITDA Margin %</i>	<i>7.2%</i>	<i>-8.8%</i>	<i>4.6%</i>	<i>4.6%</i>

## Income Statement by Business Units - 9M15

R\$ 000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
<b>Net Operating Revenue</b>	<b>239,326</b>	<b>56,526</b>	<b>96,287</b>	<b>392,140</b>
<b>Cost of Sales and Services</b>	<b>(169,802)</b>	<b>(34,733)</b>	<b>(101,120)</b>	<b>(305,655)</b>
Business Units Transfers	4,122	-	9,948	14,069
Business Units Transfers	(6,914)	(7,151)	(4)	(14,069)
<b>Gross Profit</b>	<b>66,732</b>	<b>14,642</b>	<b>5,111</b>	<b>86,485</b>
<i>Gross Margin %</i>	<i>27.9%</i>	<i>25.9%</i>	<i>5.3%</i>	<i>22.1%</i>
<b>Operating Expenses</b>	<b>(83,439)</b>	<b>(24,751)</b>	<b>(10,729)</b>	<b>(118,919)</b>
Selling	(35,647)	(13,099)	(2,570)	(51,316)
General and Administrative	(34,963)	(7,211)	(7,194)	(49,368)
Research and Development	(10,407)	(3,855)	-	(14,262)
Management profit sharing	(2,422)	(586)	(965)	(3,973)
Other operating revenue	-	-	-	-
<b>Operating Income before Financial Results</b>	<b>(16,707)</b>	<b>(10,109)</b>	<b>(5,618)</b>	<b>(32,434)</b>
<i>Operating Margin %</i>	<i>-7.0%</i>	<i>-17.9%</i>	<i>-5.8%</i>	<i>-8.3%</i>
Depreciation and amortization	16,102	1,900	8,067	26,070
<b>EBITDA</b>	<b>(604)</b>	<b>(8,209)</b>	<b>2,449</b>	<b>(6,364)</b>
<i>EBITDA Margin %</i>	<i>-0.3%</i>	<i>-14.5%</i>	<i>2.5%</i>	<i>-1.6%</i>

## Income Statement by Business Units - 9M14

R\$ 000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
<b>Net Operating Revenue</b>	<b>313,167</b>	<b>74,607</b>	<b>72,048</b>	<b>459,822</b>
<b>Cost of Sales and Services</b>	<b>(206,074)</b>	<b>(42,015)</b>	<b>(90,318)</b>	<b>(338,407)</b>
Business Units Transfers	4,519	-	17,190	21,709
Business Units Transfers	(14,291)	(7,397)	(21)	(21,709)
<b>Gross Profit</b>	<b>97,321</b>	<b>25,195</b>	<b>(1,101)</b>	<b>121,415</b>
<i>Gross Margin %</i>	<i>31.1%</i>	<i>33.8%</i>	<i>-1.5%</i>	<i>26.4%</i>
<b>Operating Expenses</b>	<b>(81,776)</b>	<b>(26,590)</b>	<b>(8,960)</b>	<b>(117,326)</b>
Selling	(38,193)	(13,053)	(2,944)	(54,190)
General and Administrative	(34,264)	(8,544)	(5,207)	(48,015)
Research and Development	(10,604)	(4,395)	-	(14,999)
Management profit sharing	(3,019)	(780)	(809)	(4,608)
Other operating revenue	4,304	182	-	4,486
<b>Income before Financial Results</b>	<b>15,545</b>	<b>(1,395)</b>	<b>(10,061)</b>	<b>4,089</b>
<i>Operating Margin %</i>	<i>5.0%</i>	<i>-1.9%</i>	<i>-14.0%</i>	<i>0.9%</i>
Depreciation	15,272	1,828	9,092	26,192
<b>EBITDA</b>	<b>30,817</b>	<b>433</b>	<b>(969)</b>	<b>30,281</b>
<i>EBITDA Margin %</i>	<i>9.8%</i>	<i>0.6%</i>	<i>-1.3%</i>	<i>6.6%</i>

## Appendix II – Financial Statements of B+W

### Balance Sheet B+W

ASSETS	(€ 000)		
	12/31/14	06/30/15	09/30/15
<b>CURRENT</b>	<b>20,901</b>	<b>24,237</b>	<b>25,439</b>
Cash and Cash equivalents	4,218	22	-
Trade accounts receivable	8,506	4,544	6,060
Inventories	7,397	17,045	16,885
Recoverable taxes	400	2,009	2,120
Related Parties	170	194	3
Other receivables	211	422	370
<b>NONCURRENT</b>	<b>30,521</b>	<b>29,508</b>	<b>28,852</b>
<b>Investments</b>			
Property, Plant and Equipment, net	16,296	15,855	15,701
Investment in Subsidiaries and Associate Companies	722	341	-
Intangible assets	13,503	13,312	13,151
<b>TOTAL ASSETS</b>	<b>51,422</b>	<b>53,744</b>	<b>54,290</b>

LIABILITIES AND SHAREHOLDER'S EQUITY	(€ 000)		
	12/31/14	06/30/15	09/30/15
<b>CURRENT</b>	<b>14,839</b>	<b>19,750</b>	<b>21,085</b>
Loans and financing	-	2,430	3,085
Trade accounts payable	2,257	1,913	1,964
Payroll and related taxes	610	1,334	1,197
Taxes payable	611	429	817
Advances from customers	9,098	12,071	12,435
Other payables	1,928	1,217	1,586
Related Parties	335	355	-
<b>NON CURRENT</b>	<b>8,982</b>	<b>8,765</b>	<b>8,635</b>
<b>Long-term liabilities</b>			
Loans and financing	3,762	3,590	3,504
Deferred income and social contribution taxes	5,220	5,176	5,131
<b>SHAREHOLDER'S EQUITY</b>	<b>27,602</b>	<b>25,229</b>	<b>24,571</b>
Capital	7,025	7,025	7,025
Capital reserve	505	505	505
Accumulated deficit	20,072	17,699	17,041
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>51,422</b>	<b>53,744</b>	<b>54,290</b>

## Income Statement B+W

(€ 000)

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

Statements contained in this release related to the Company's business outlook, 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.