



**ROMI**®

A TRADITION OF INNOVATION



June 13, 2007

Industrials' Morning

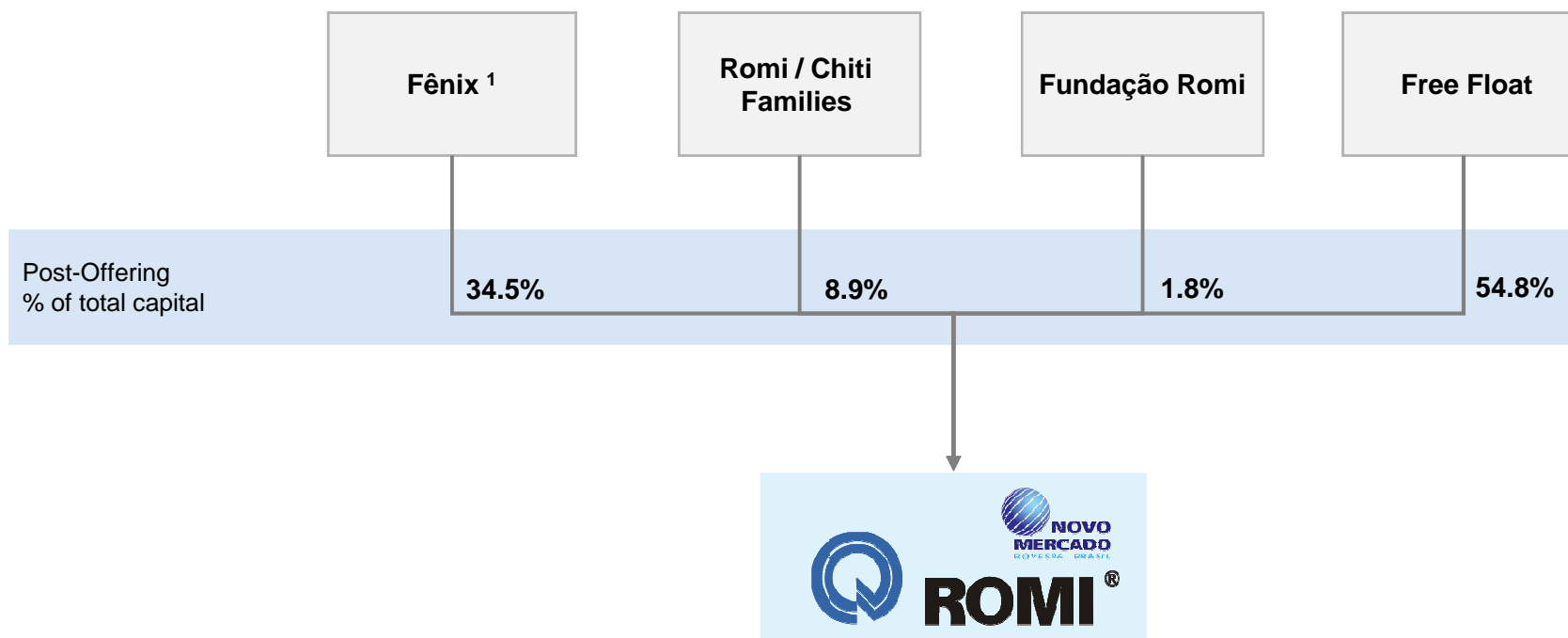
Banco Santander

# SHAREHOLDER STRUCTURE



Romi is listed in the Novo Mercado, complying with the highest standards of corporate governance

## Shareholder Structure (voting shares only)



Note:

1 Fênix is a holding company controlled by the Romi / Chiti Families

# WHAT WE DO



Romi comprises three business units

## Machine tools

- ▶ Machines that make parts used by several manufacturing segments
- ▶ “Machine that makes machines”



## Plastic Injection Molding Machines

- ▶ Machines that make complex plastic parts



## Casting and Machined Casting

- ▶ Cast iron parts used in many products / machines



### Percent of 2006 Revenues

67%

16%

17%

### Correlated to

Industrial GDP

Consumption

Industrial GDP

# MACHINE TOOLS



**CNC Lathes**



**Machining Centers**



**Turning Centers**



Some products manufactured by a Machine Tools:



# PLASTIC INJECTION MOLDING MACHINES



Electrical plastic injection molding machine



Hydraulic plastic injection molding machine



**Some products manufactured by a Plastic Injection Molding Machines:**



# FUNDIDOS E USINADOS



51 kg  
112 lb



45 kg  
100 lb



52 kg  
114 lb



26 kg  
57 lb



30 kg  
67 lb



19 kg  
42 lb



325 kg  
716 lb



375 kg  
826 lb





# COMPANY OVERVIEW



Throughout its 76 years of history, Romi has built and sold more than 143,000 machines, of which approximately 27,000 were exported

## Romi

- ▶ 9 plants, totaling more than 140,000 m<sup>2</sup>
- ▶ 30 direct sales office throughout Brazil
- ▶ Presence in more than 50 countries. Sales to 37 countries in 2006
- ▶ Approximately 4,200 active costumers
- ▶ Approximately 2,500 professionals



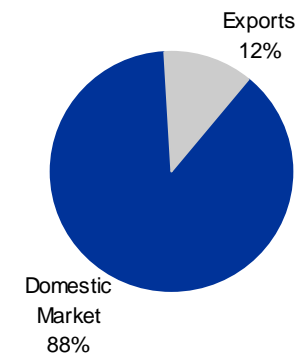
## Geographic Presence



### Legend

- Industrial plants
- Subsidiaries
- Sales agents and representative offices

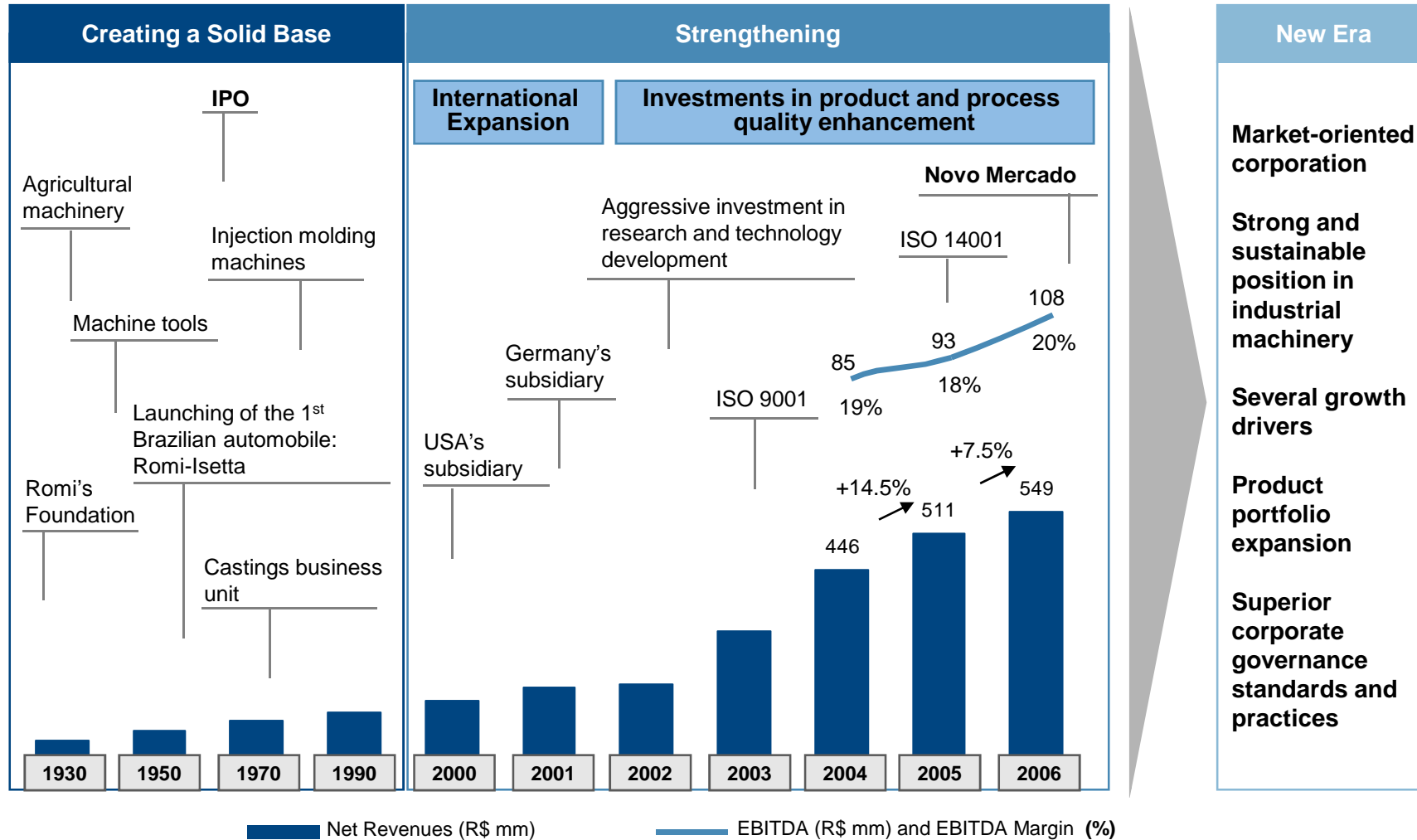
### Net Revenues Breakdown - 2006



# TRACK RECORD OF GROWTH AND PROFITABILITY



Romi presented consistent growth and profitability throughout several economic cycles, and is now ...

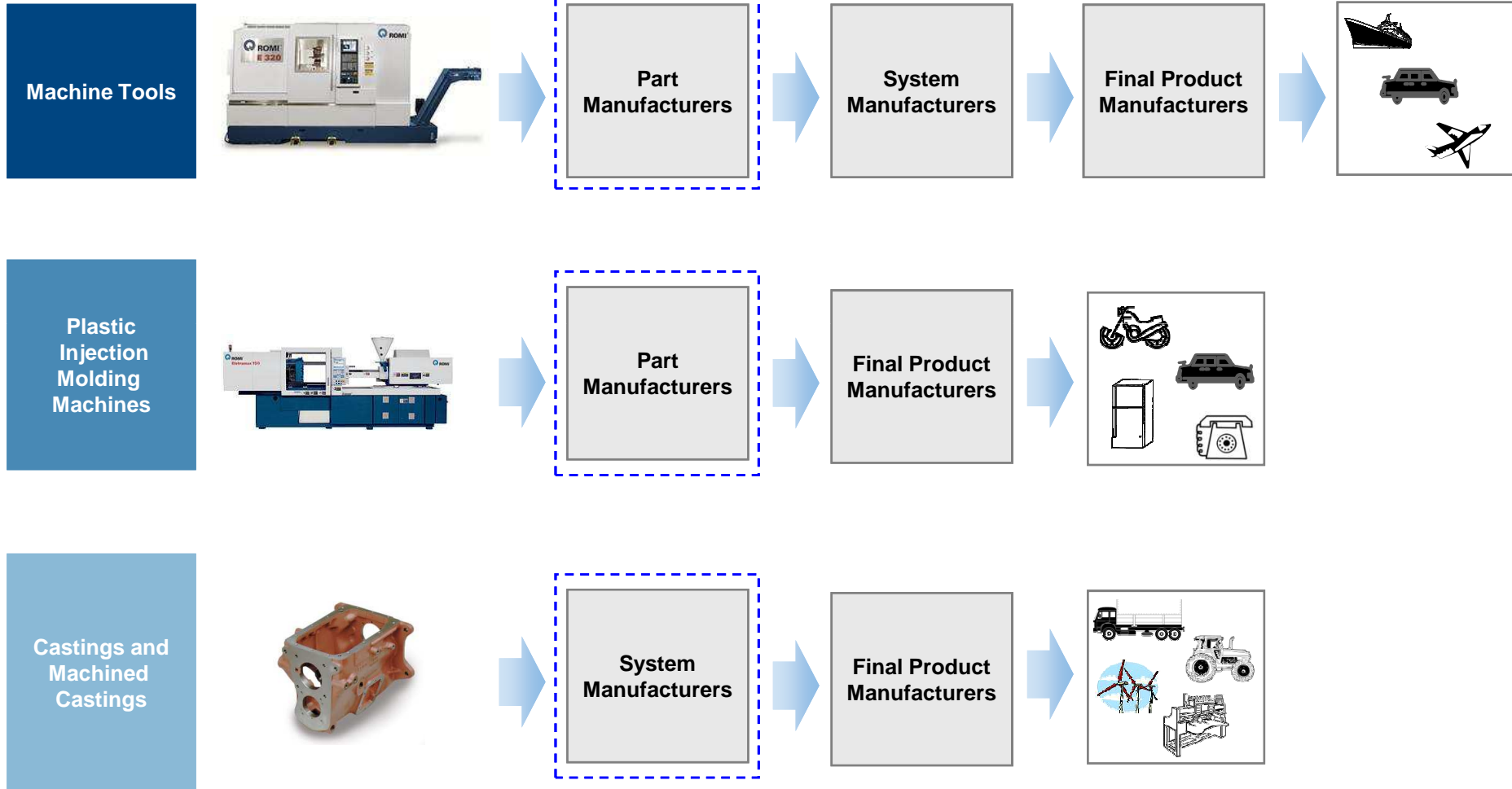



... taking itself to the next level

# OUR CUSTOMERS



The majority of our machine's customers are small, family owned businesses

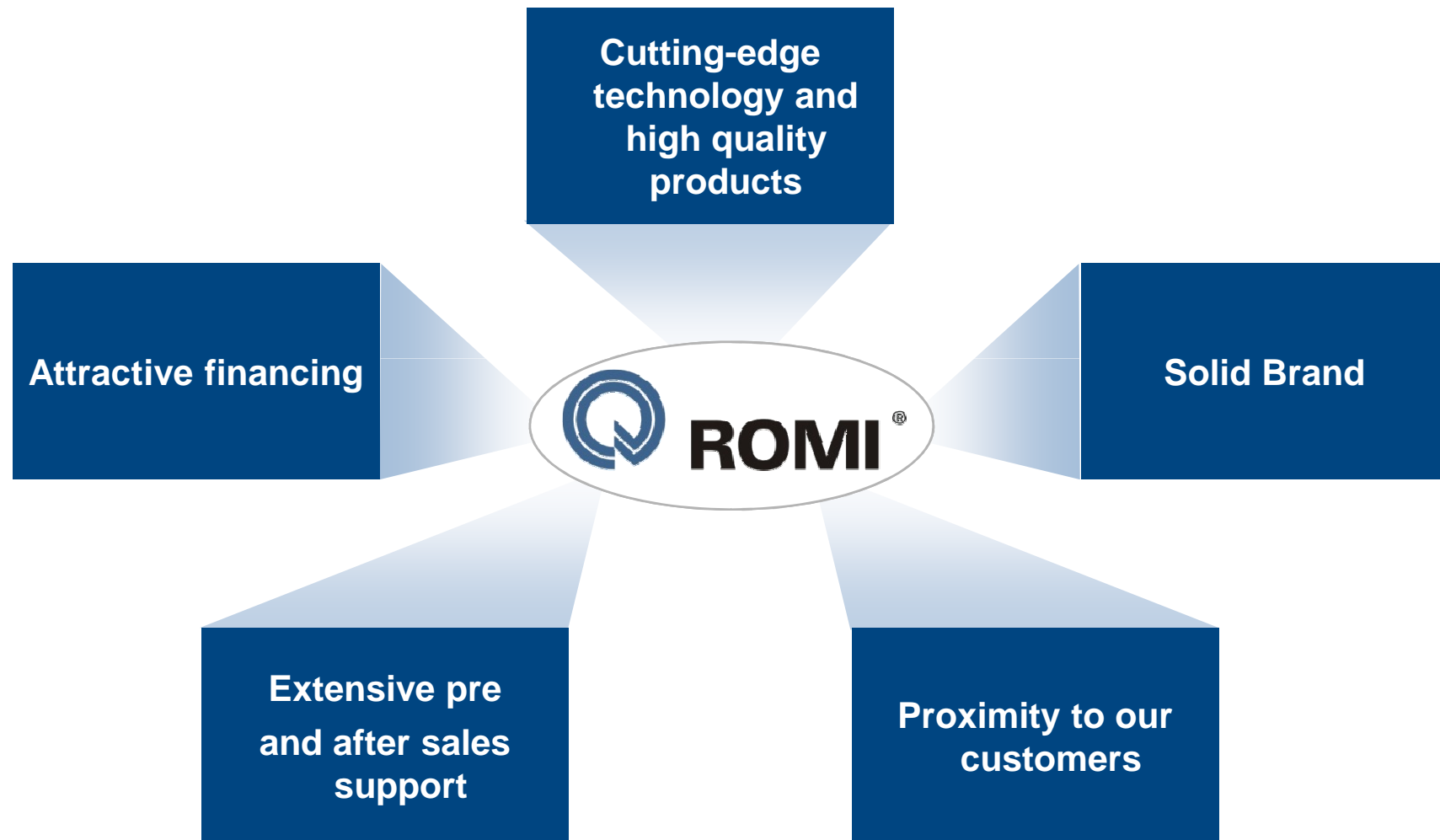


 Romi's customers

## STATE-OF-THE-ART PRODUCTS



Romi's machines are key to our customers' production processes, some times being the principal machine they utilize...

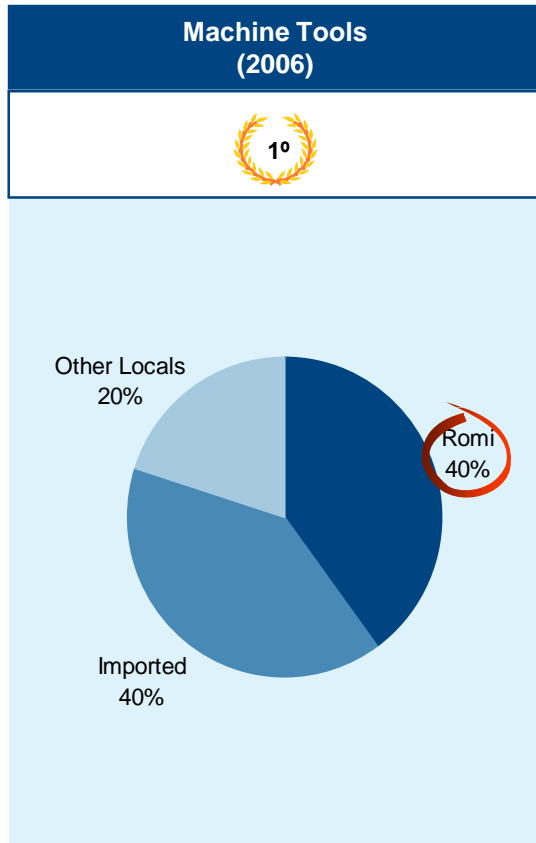


... as a result, performance, quality and reliability of its product directly affects their product lines

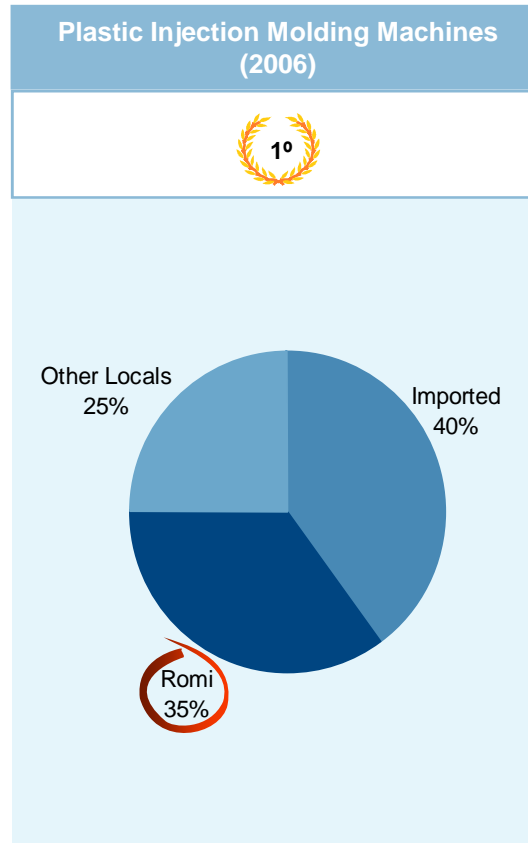
# MARKET LEADERSHIP



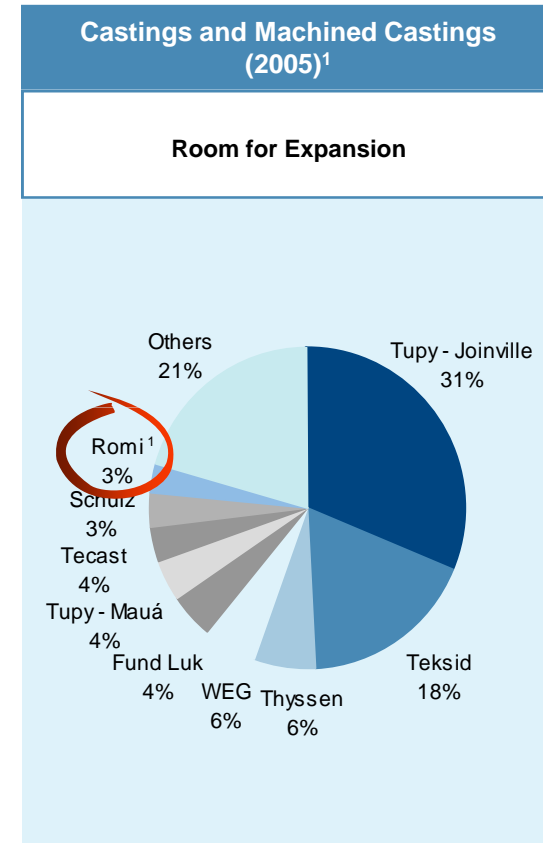
Leadership in machine tools and plastic injection molding machines with strong growth potential in castings



Source: Company Reports



Source: Company Reports



Source: Guia Abifa de Fundação

Notes:

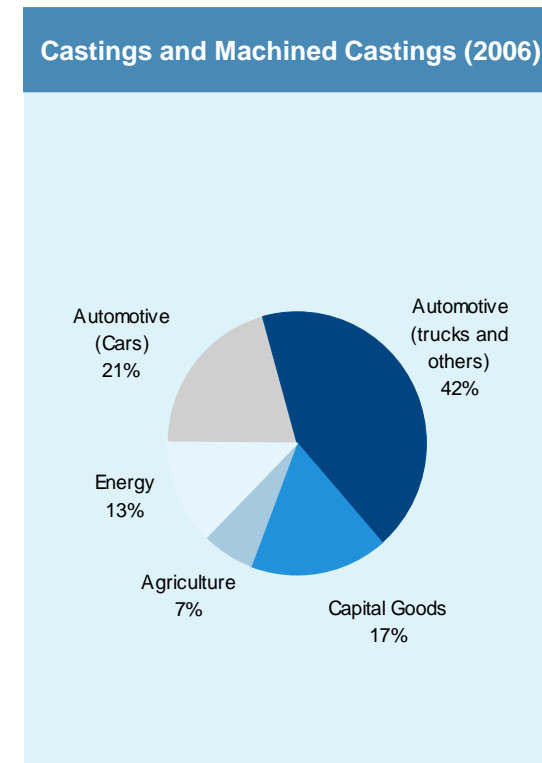
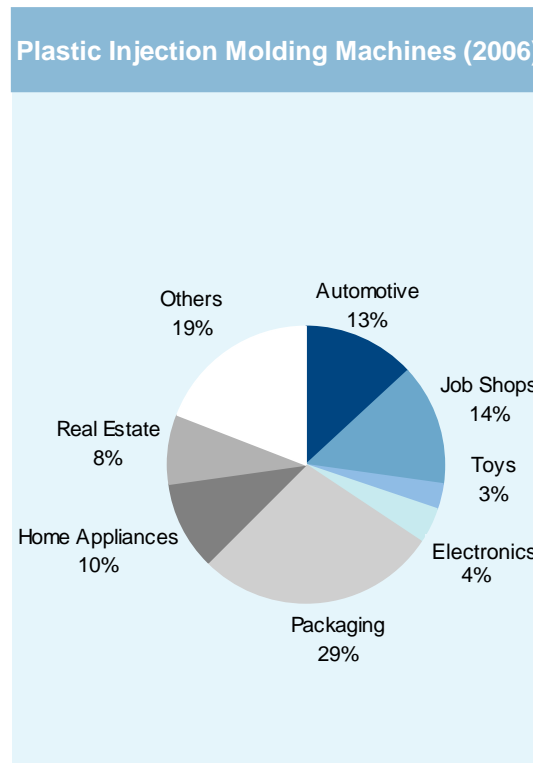
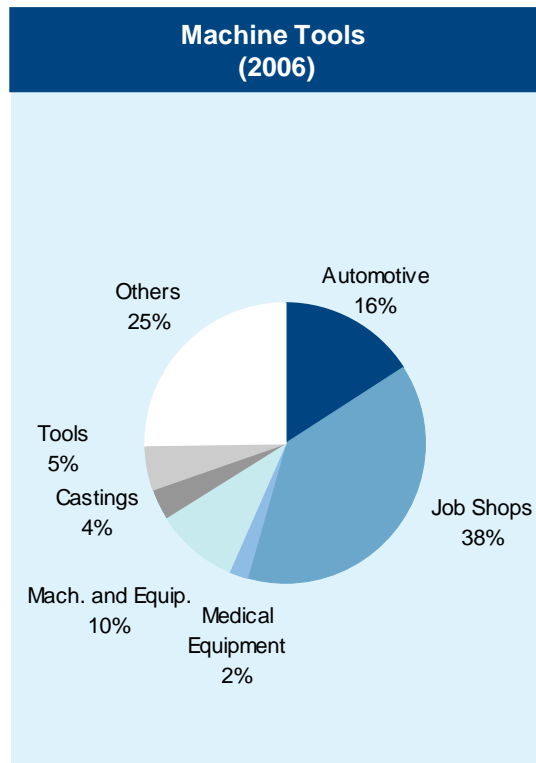
1 Calculated based on the installed capacity of castings

**Romi: strong competitive position**

# SOLID AND DIVERSIFIED CUSTOMER BASE



Romi is exposed to different sectors of the Brazilian economy



**Percent of 2006 Revenues**

**67%**

**16%**

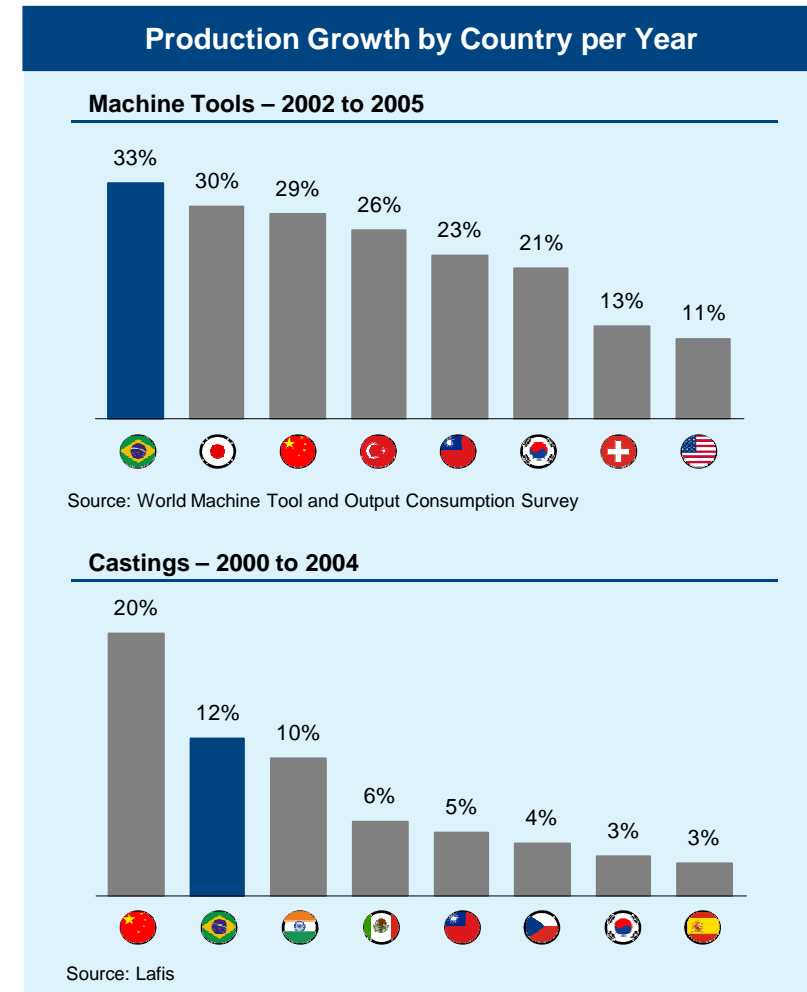
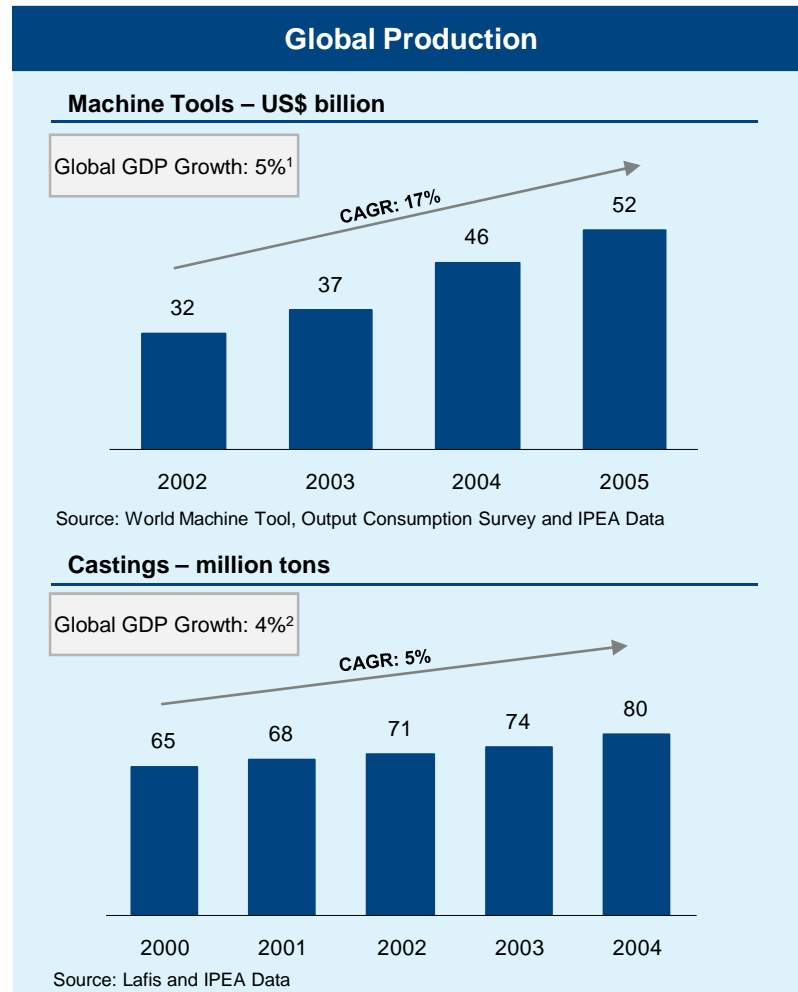
**17%**

**Romi: Diversified Risk**

# SECTOR ATTRACTIVENESS: SECTOR'S FAVORABLE OUTLOOK



Global production of machine tools and castings are presenting solid growth rates ...



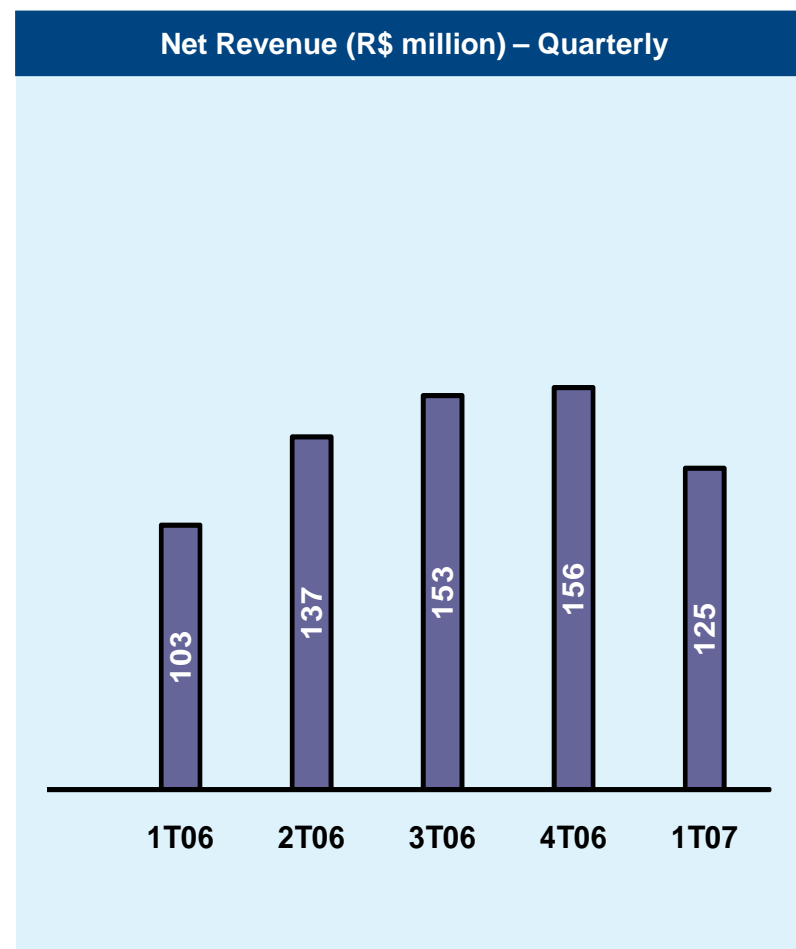
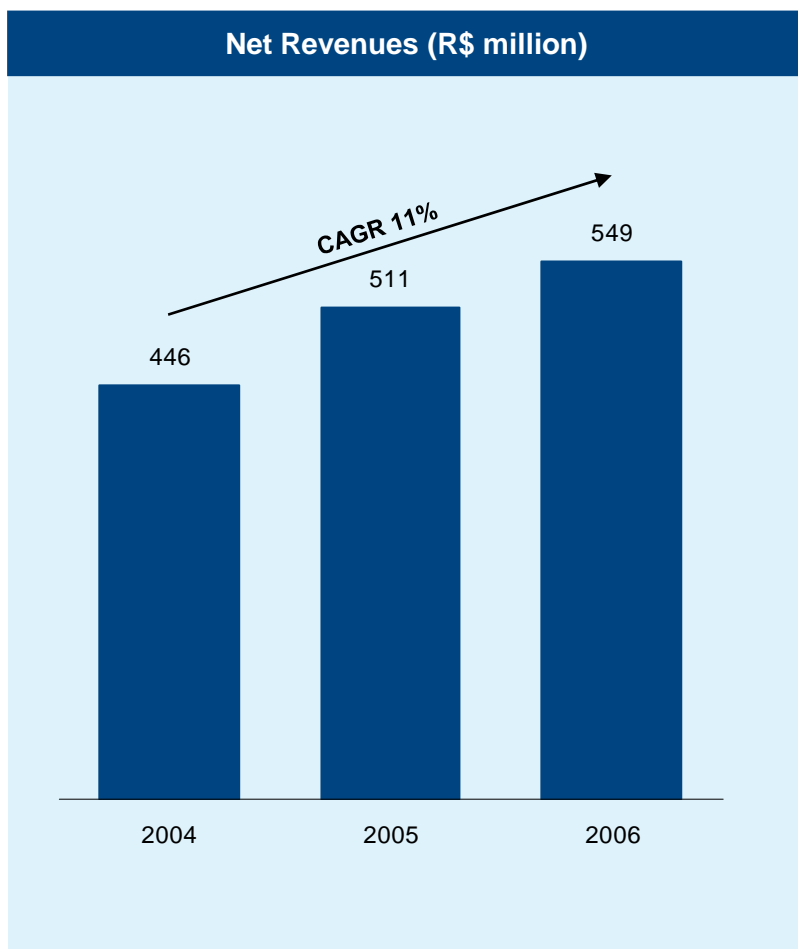
Notes:  
 1 CAGR: 2002 - 2005  
 2 CAGR: 2000 - 2004

... and Brazil is posting one of the highest rates in both segments

# NET REVENUES



Consistent revenue growth ...

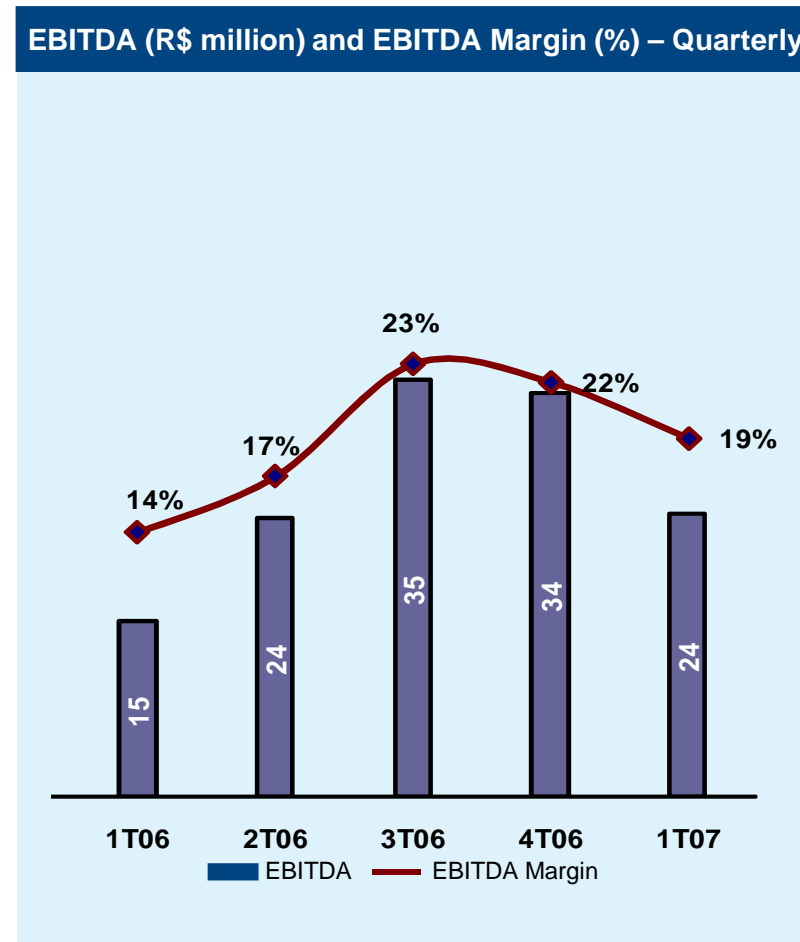
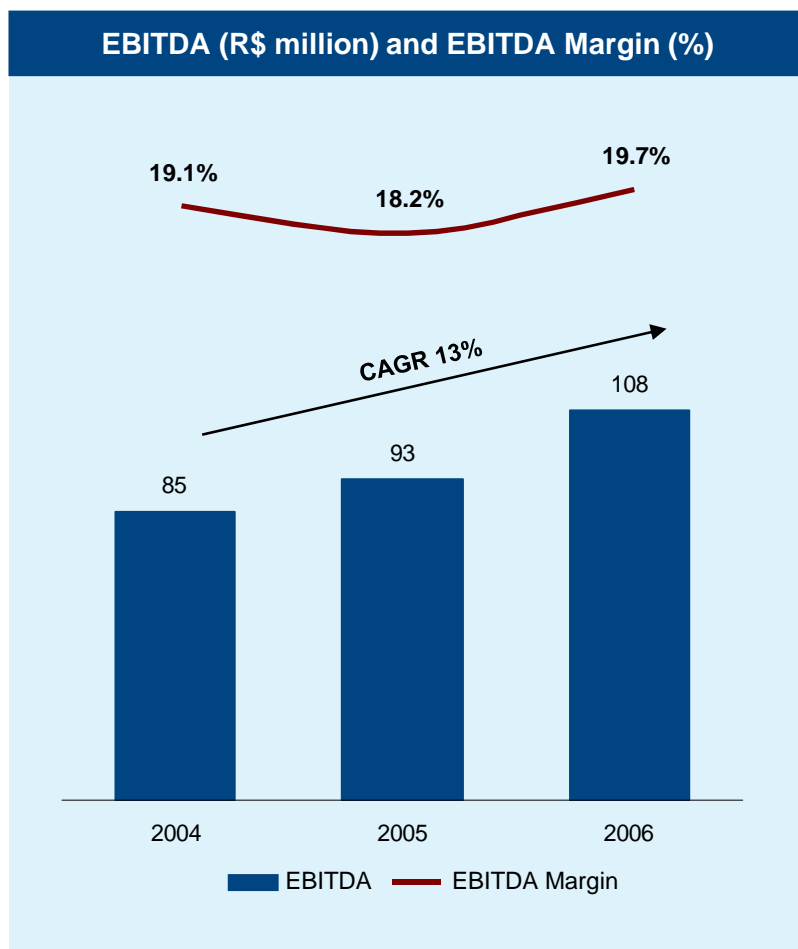




# EBITDA



... and high operational efficiency ...



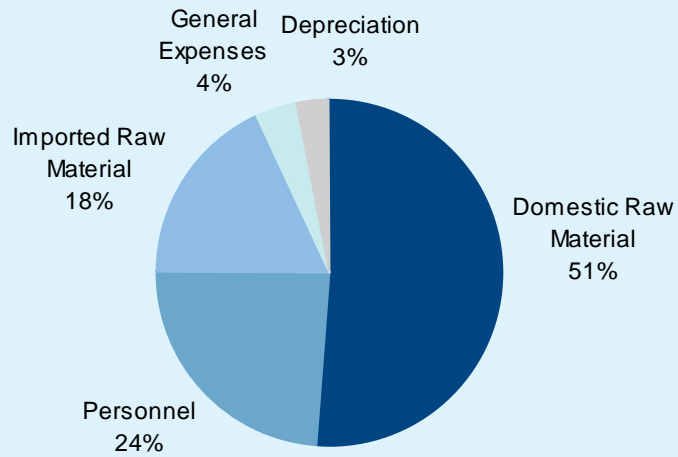
... with increased profitability

# COSTS AND EXPENSES



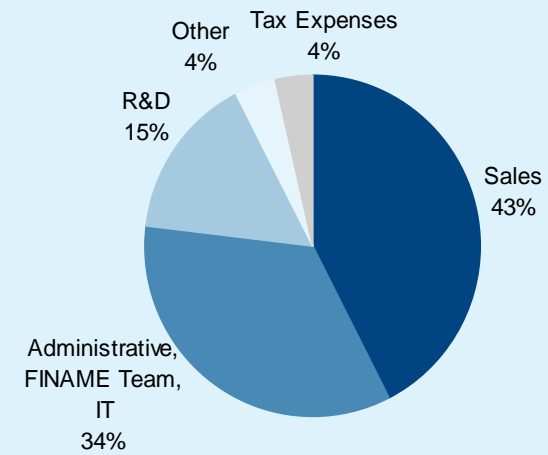
Room for additional efficiency gains

### Costs Breakdown (2006)



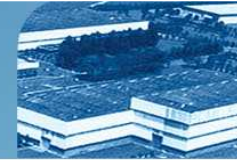
57% of Net Revenues

### Operating Expenses Breakdown (2006)

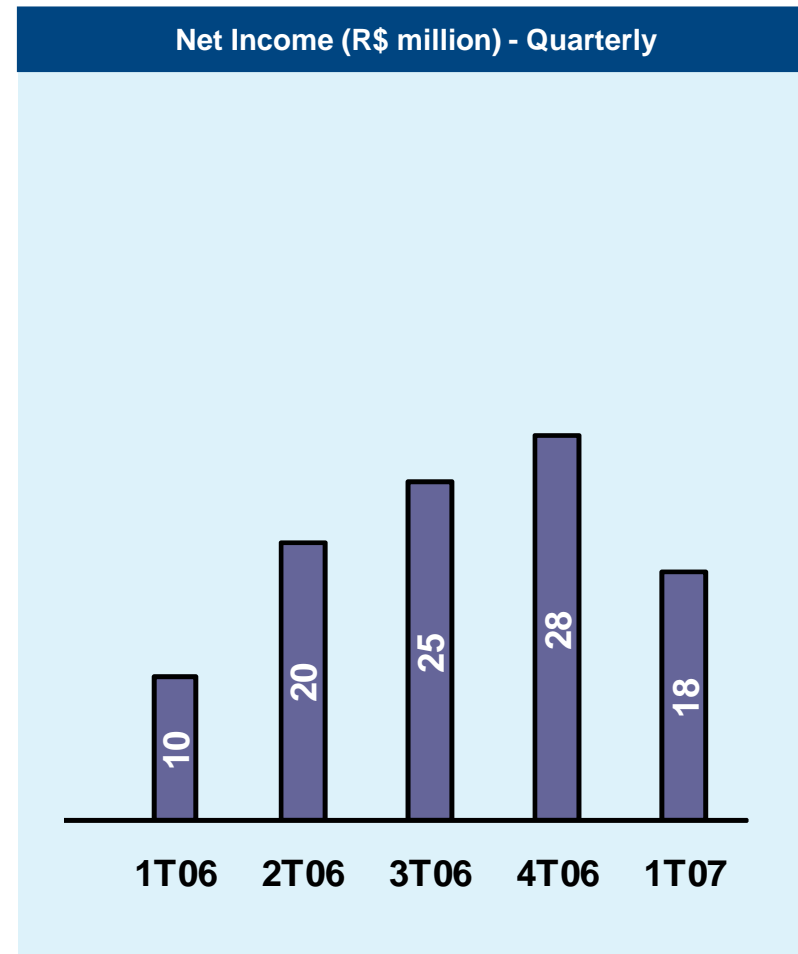
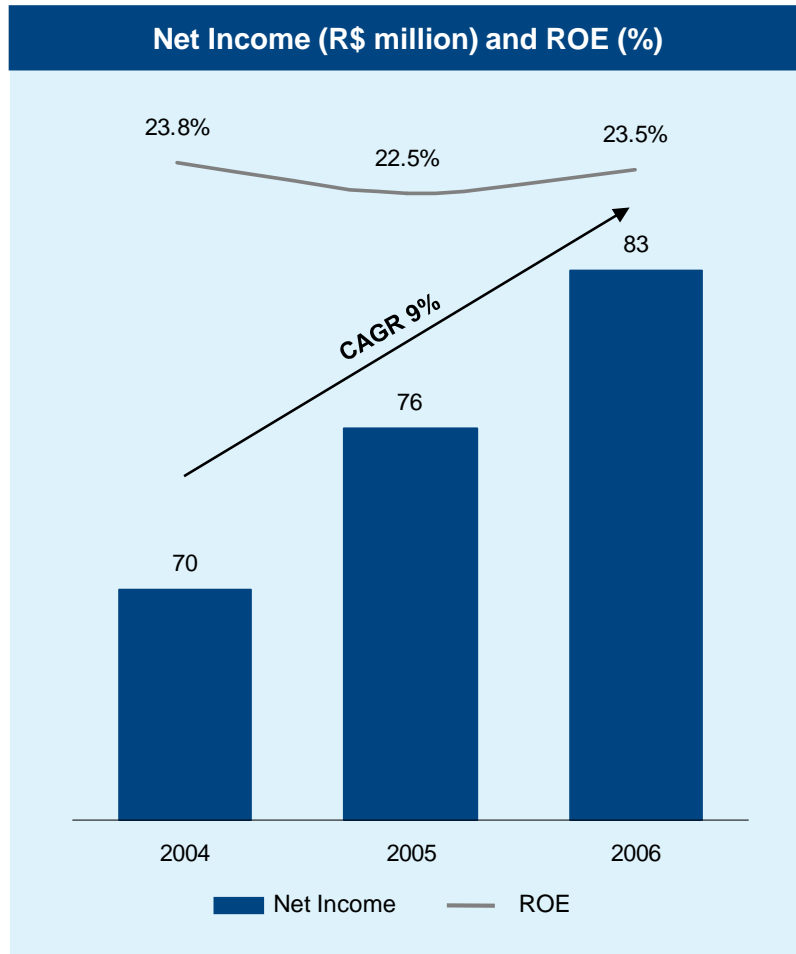


25% of Net Revenues

# NET INCOME AND DIVIDENDS



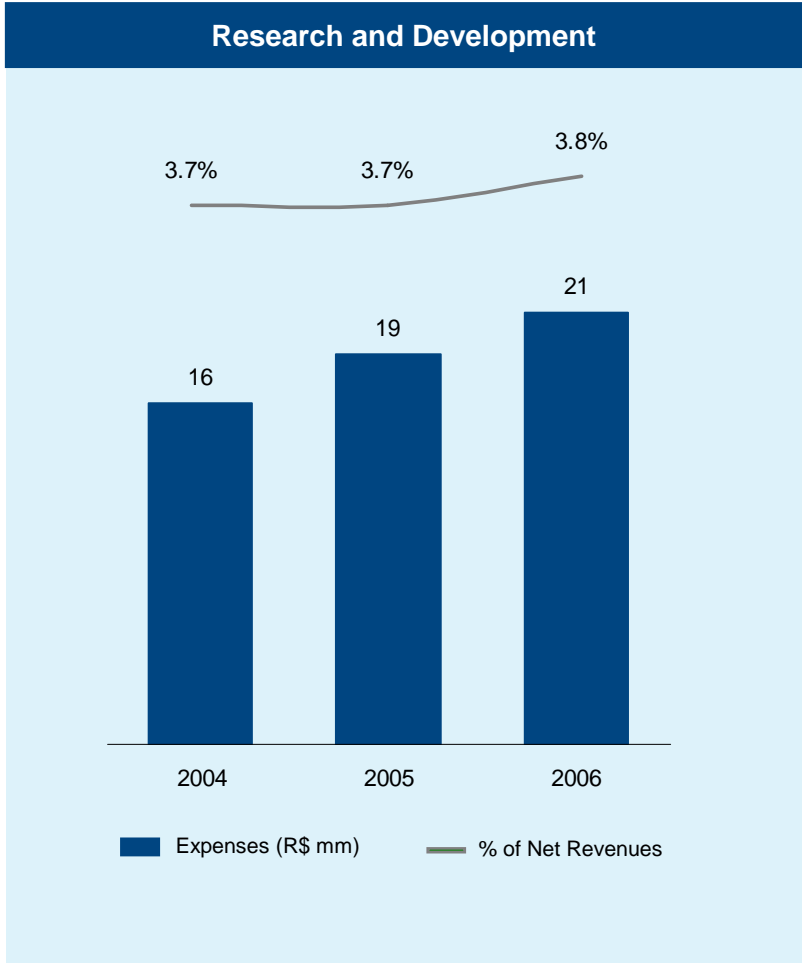
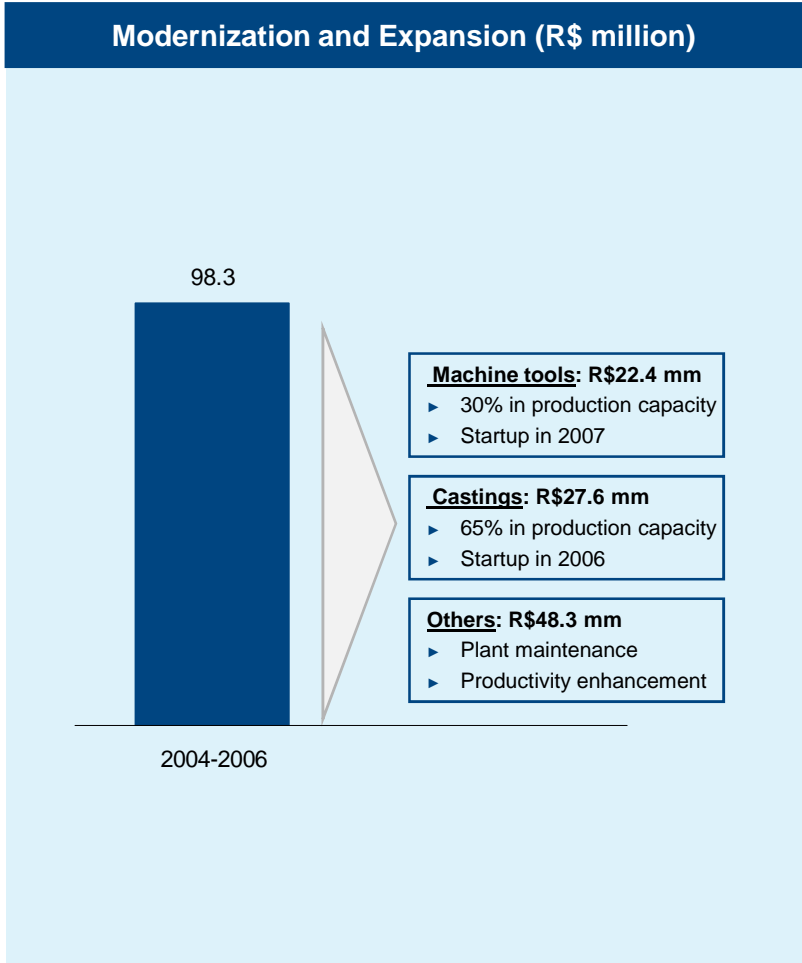
High profitability and attractive return rates



# INVESTMENTS IN TECHNOLOGY



Significant investments in research and development and in modernization of installed capacity ...

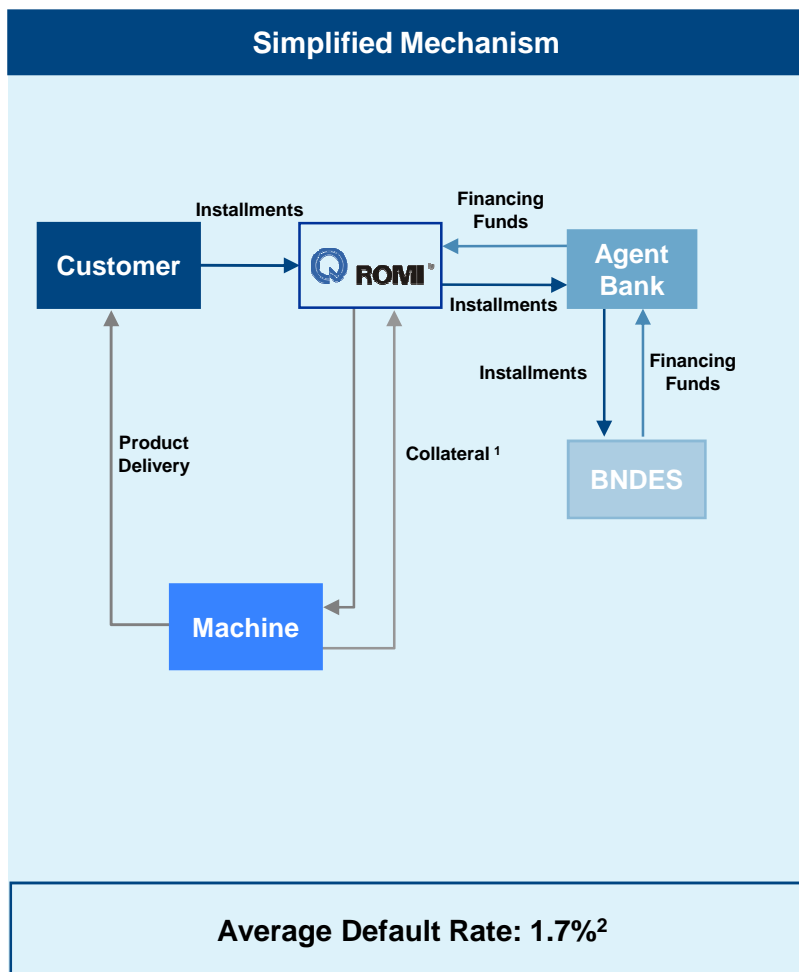


... allow Romi to capture increasing demand for capital goods

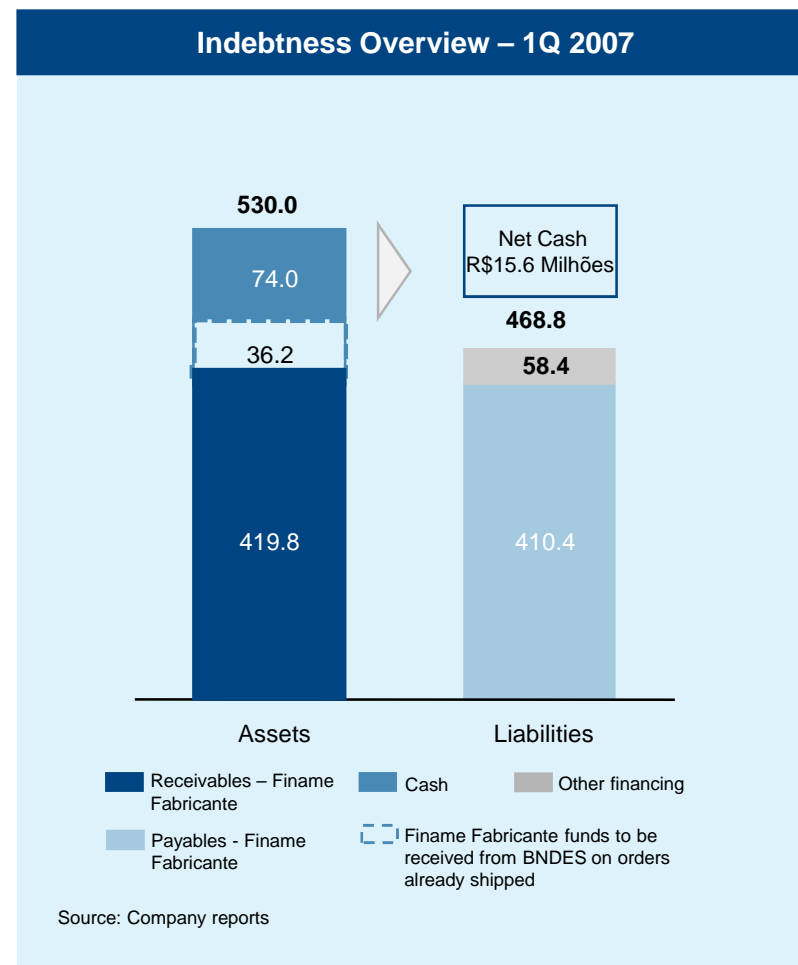
# FINAME FABRICANTE



Finame Fabricante offers Romi flexibility to satisfy its customer's needs with attractive financing ...



Note:  
 1 Collateral always are enough to recovery losses from terminated agreements  
 2 Total value of past due installments above 30 days over total amount of receivables from Finame Fabricante - 1Q 2007.



... therefore leveraging Romi's sales

# STRATEGY



Romi's strategy is to maintain its prominent position in its core sectors, pursue continuous growth opportunities while keeping track of profitability

## Broaden Product Portfolio

- ▶ Continue to invest in new product development, especially related to machine tools and plastic injection molding machines
- ▶ Enter new segments within the mechanical capital goods sector, benefiting from synergies to current businesses

## Increase Market Share

- ▶ Increase exports, leveraging on subsidiaries in the United States and Germany and sales agents around the world
- ▶ Continue to invest in the increase of the production capacity of our Casting and Machined Casting business unit, pursuing the trend of the market , where costumers would like to purchase casting iron parts already machined

## Improve Operational Efficiency

- ▶ Integrate all manufacturing units and headquarter in one site, optimizing usage of Company's infrastructure

## Pursue Acquisition Opportunities

- ▶ Act as a sector consolidator, pursuing profitable acquisitions and strategic alliances



## Presenters

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## Title

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**Américo Emílio Romi Neto**

***CEO and Chairman of the Board***

- ▶ 28 years at the Company

**Sergio Roberto Novo**

***CFO and Investor Relations Officer***

- ▶ Joined the Company in 2005

**Luiz Cassiano R. Rosolen**

***Investor Relations***

- ▶ Joined the Company in 2006