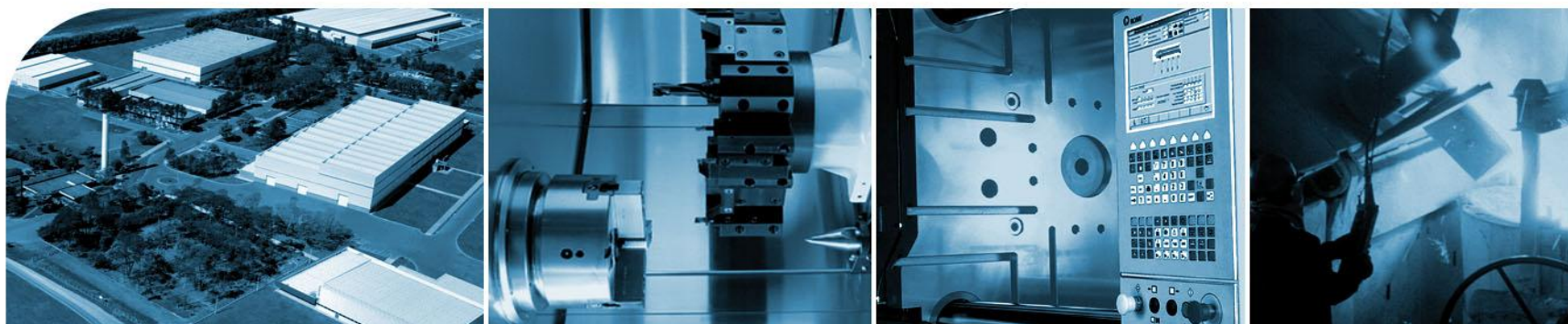




**ROMI**®

A TRADITION OF INNOVATION



**Indústrias Romi S.A.**

**March, 2014**



*The forward-looking statements are subject to risks and uncertainties. Such forward-looking statements are based on the management's beliefs and assumptions on information currently available to the Company. The reservations as to forward-looking statements also apply to information on possible or presumed operating results, as well as any statements preceded, followed or including words such as "believes", "may", "will", "expects", "intends", "plans", "estimates" or similar expressions.*

*Forward-looking statements are not performance guarantees; they involve risks, uncertainties and assumptions because they refer to future events and, therefore, depend on circumstances which may or may not occur. Future results may differ materially from those expressed or suggested by forward looking statements. Many of the factors which will determine these results and figures are beyond Romi's control or prediction capacity.*



## 1930

- The company is found under the innovating spirit of Mr. Américo Emílio Romi



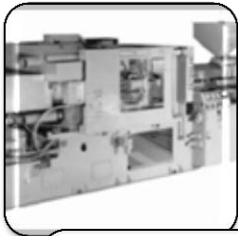
## 1942

- Produced the 1,000<sup>th</sup> lathe
- Inaugurated a new plant with 15K m<sup>2</sup> of built area



## 1956

- Launch of the “Romi-Isetta”, the first Brazilian car



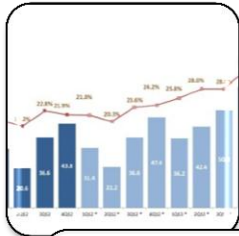
## 1972

- Initial Public Offering – IPO
- Start up of Plastic Injection Molding Machines production



## 2007

- Follow on – more than 50% of the company’s shares on free float



## 2013

- Focus on cash generation
- Gradual recovery in operating margins



# Company's Highlights



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R\$ 667.4 million of **Net Operating Revenues** in 2013

**11 highly productive units** with over 170,000m<sup>2</sup> floor space (9 in Brazil and 2 in Germany)

**Production capacity** of 3,450 machines per year and 50,000 tons of rough and machined cast iron parts

More than 150,000 machines produced and sold in more than **60 different countries**

New products and technologies **continuous development** (4% of net revenues on average destined to R&D)

**Supplier** for most industrial segments

Looking forward for **international expansion** (acquired B+W, German high-end machine tools manufacturer in 2012)





## Cast Iron Parts Units

Production of parts from  
Cast Iron



### Casting

Casting made in high-production  
automated molding line for  
parts up to 200 kilos  
and in manual and semiautomatic  
lines for smaller lots and  
parts up to 5 tons



### Heavy Casting

Casting made in manual molding line  
for parts from 5 to 35 tons

## Supplier Units to the Machine Assembly Units



### Medium and Heavy Machining

Internal machining of metal parts that will be part of  
heads, turrets, tool changers, spindles,  
ball injection units, etc.



### General Machining



### Electronic Division

Assembly of the machines'  
computer numerical control systems



### Paneling and Kettling

Manufacture of machines' metal shelter (paneling)  
And of basis for plastic injection molding machines

## Machine Assembly Units

Assembly of sets and machines



### Assembly of Plastic Processing Machines



### Assembly of Machine Tools



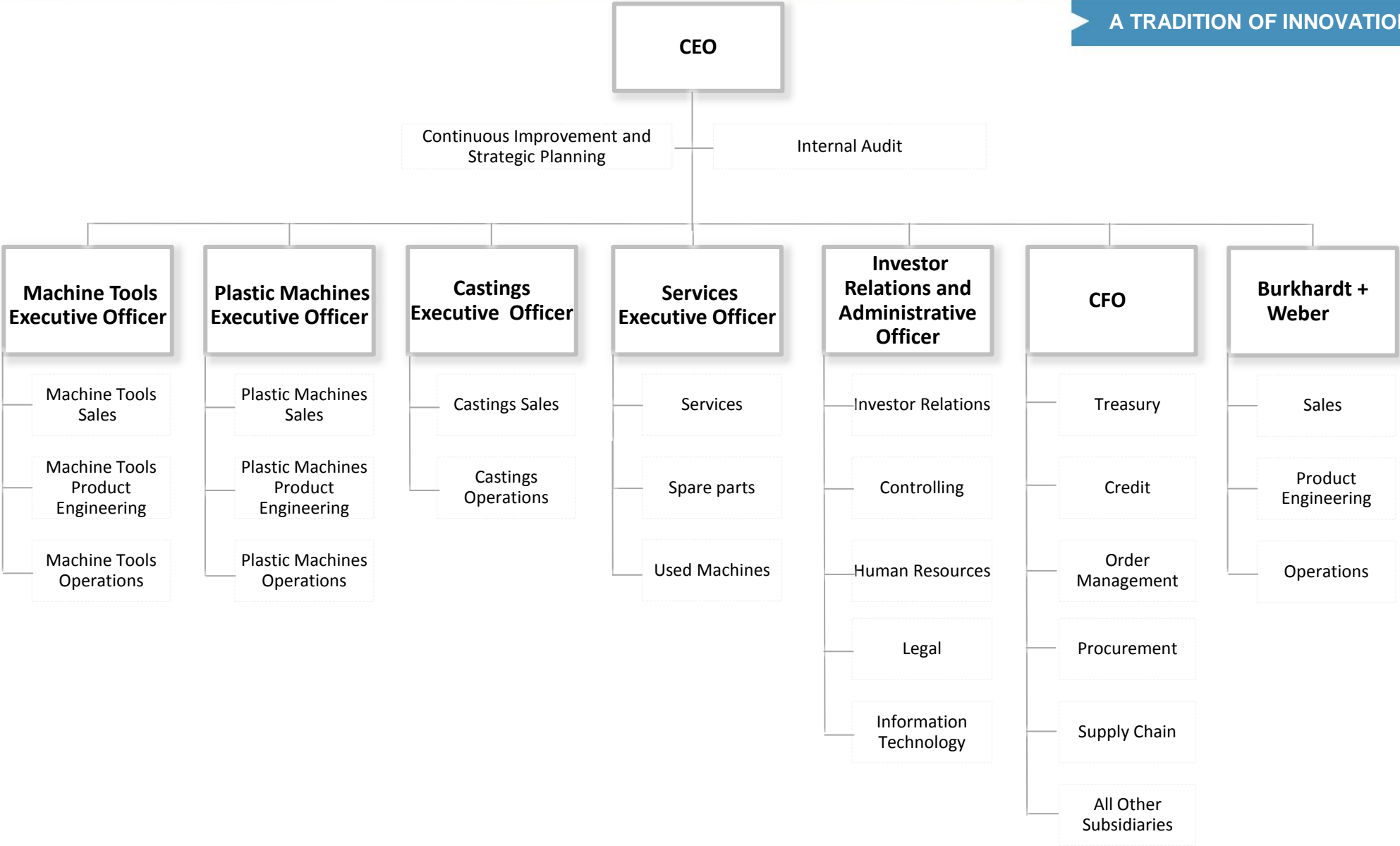
### Assembly of Heavy Machine Tools

# Organizational Structure

(Since March 2012)



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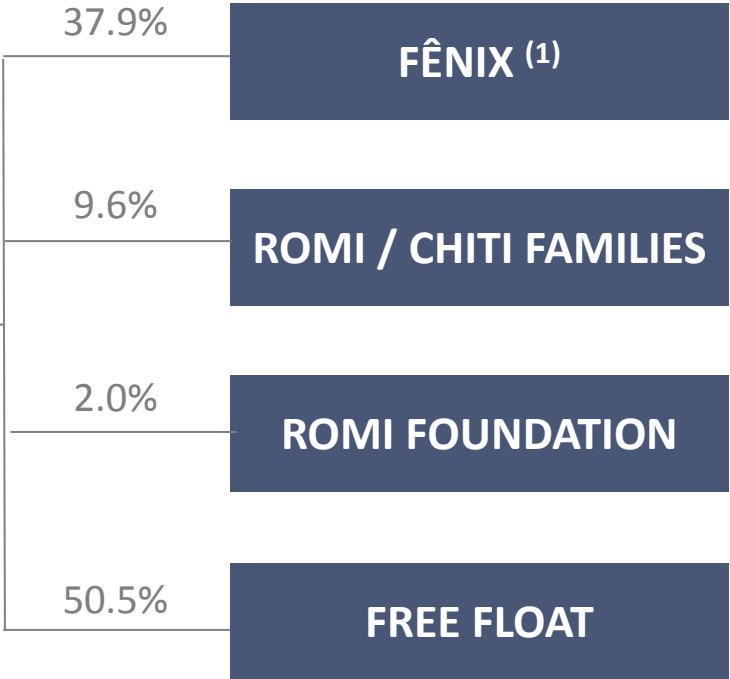


- **Novo Mercado** – Joining the Novo Mercado in March 2007 positioned Romi in Bovespa’s highest level of Corporate Governance
- **Tag along** - 100%
- **Board of Directors** – One year term, 11 members, being 6 indicated by shareholders and 5 independent
- **Diffuse Capital** - free float of 50.5%
- **Full IFRS report** – One of the first Brazilian Companies to report on International Financial Reporting Standards since 12/31/2007
- **CPC’s** - early adoption – One of the first Companies to early adopt the statements issued by the Comitê de Pronunciamentos Contábeis - CPC

## OWNERSHIP STRUCTURE



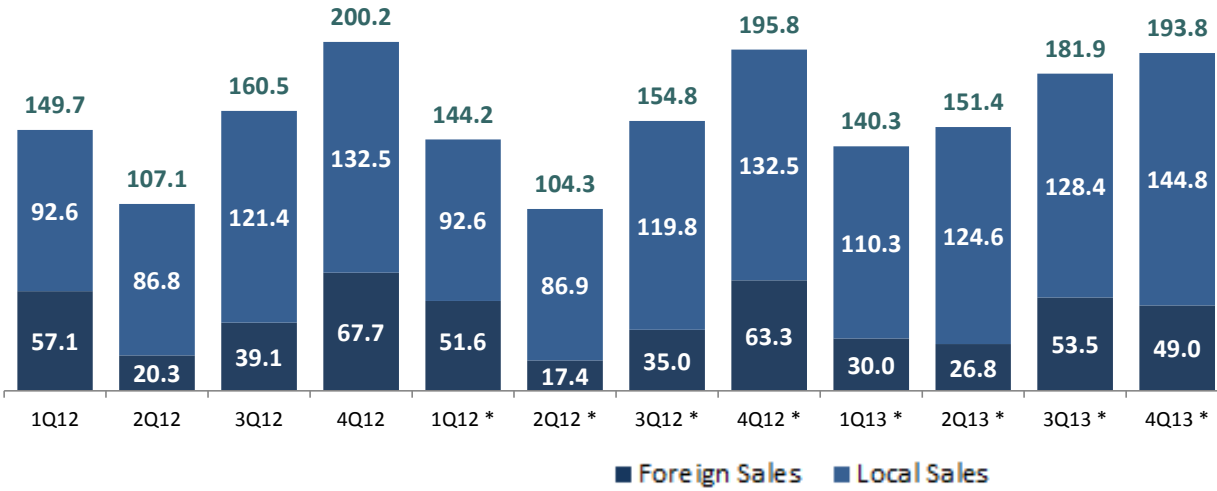
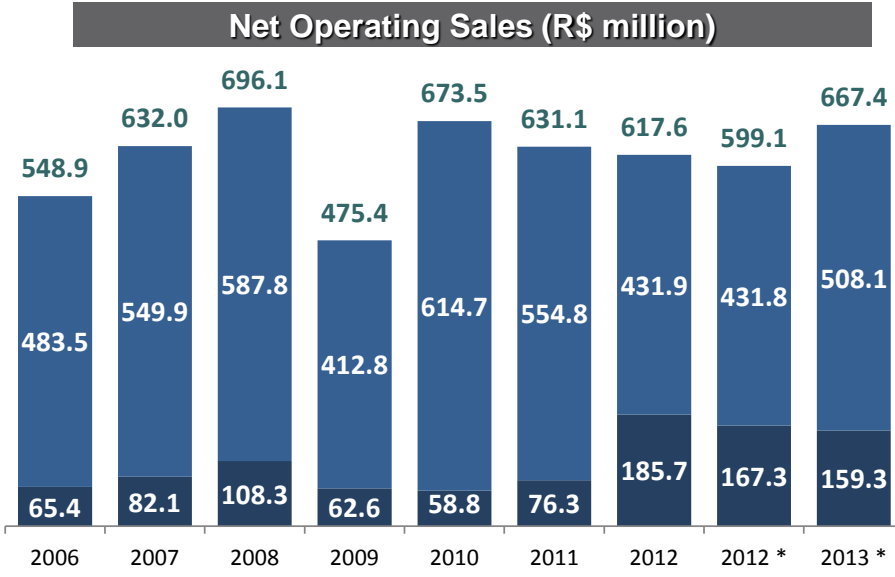
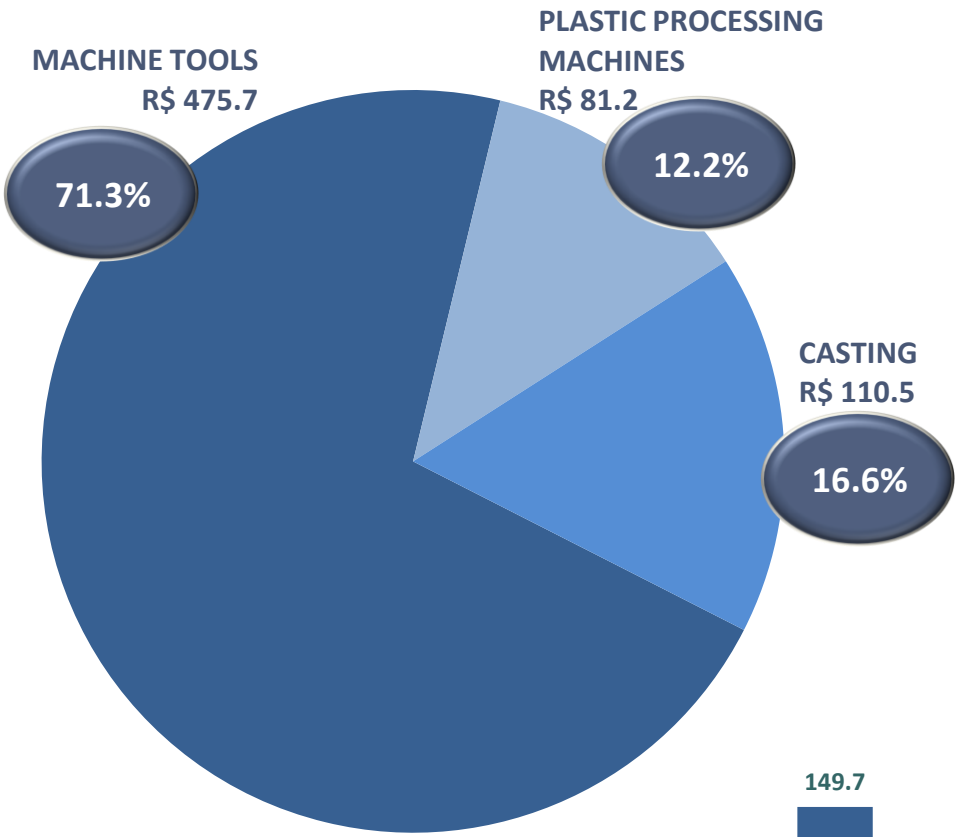
**ROMI**



<sup>(1)</sup> Fênix Empreendimentos S.A. is a holding company controlled by Romi and Chiti families.

# Net Sales per Business Unit

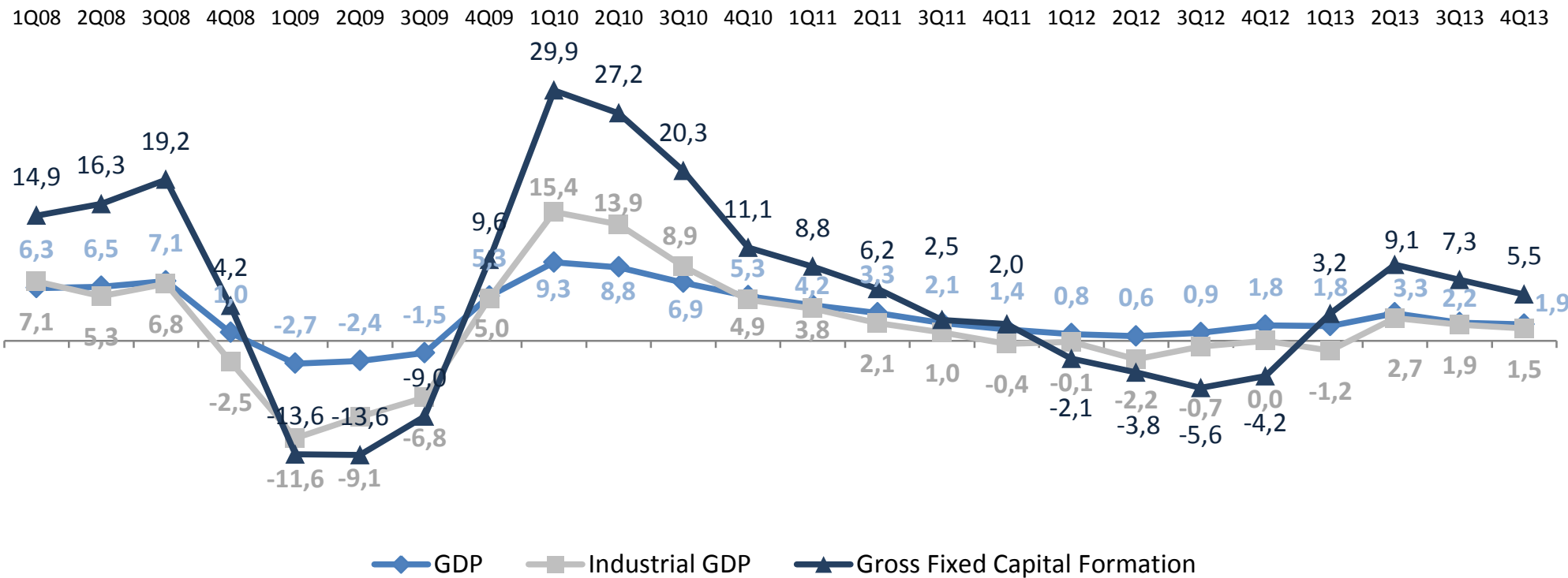
## 2013 – Continued Operations



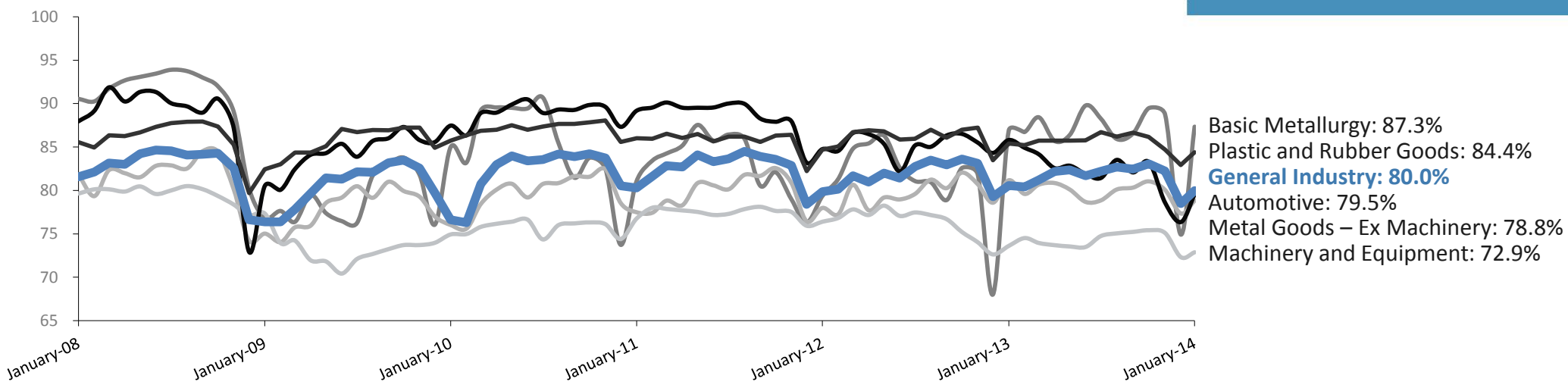
Since 1Q12 B+W's revenues became part of the revenues of the foreign market

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

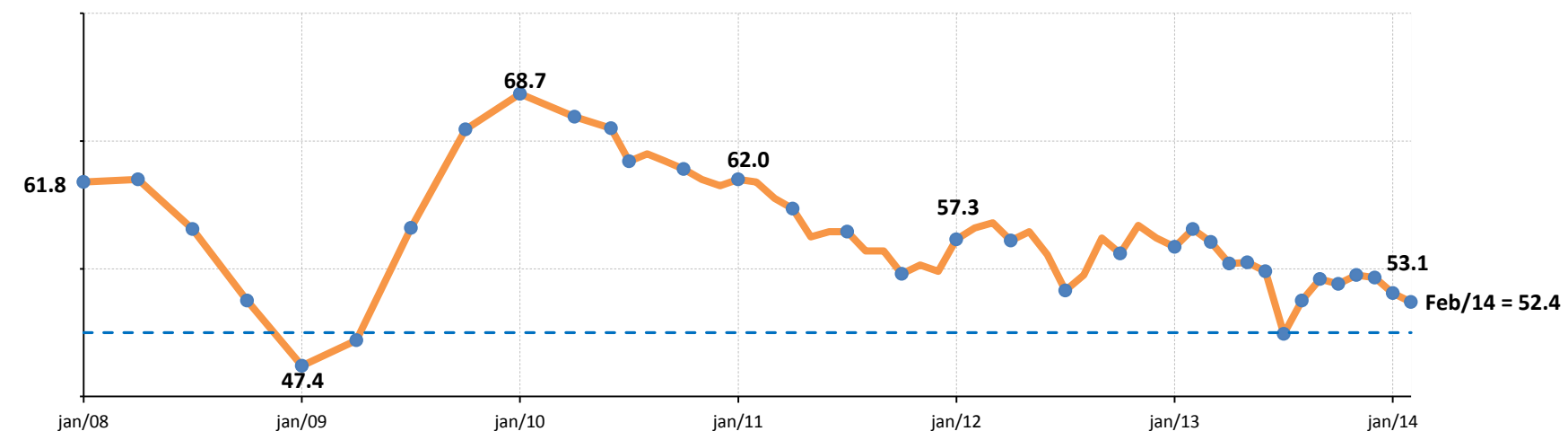




Source: IBGE (quarter this year vs. quarter last year)



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



Source: CNI - ICEI (Business Confidence Index)

# Order Entry and Backlog



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<b>Order Book (R\$ 000)</b> Gross Values, sales taxes included	4Q12	3Q13	4Q13	Chg % 4Q13/4Q12	Chg % 4Q13/3Q13
Machine Tools	210,390	254,591	238,522	13.4%	-6.3%
Plastic Machines	33,249	49,219	41,345	24.3%	-16.0%
Rough and Machined Cast Iron Parts	24,180	35,505	29,556	22.2%	-16.8%
<b>Total</b>	<b>267,820</b>	<b>339,315</b>	<b>309,423</b>	<b>15.5%</b>	<b>-8.8%</b>

<b>Order Entry (R\$ 000)</b> Gross Values, sales taxes included	4Q12	3Q13	4Q13	Chg % 4Q13/4Q12	Chg % 4Q13/3Q13	2012	2013	Chg % 2013/2012
Machine Tools	155.800	144.518	119.676	-23,2%	-17,2%	508.934	522.041	2,6%
Plastic Machines	32.148	25.686	35.170	9,4%	36,9%	97.087	131.803	35,8%
Rough and Machined Cast Iron Parts	16.272	35.949	25.940	59,4%	-27,8%	106.254	142.455	34,1%
<b>Total</b>	<b>204.220</b>	<b>206.154</b>	<b>180.786</b>	<b>-11,5%</b>	<b>-12,3%</b>	<b>712.275</b>	<b>796.299</b>	<b>11,8%</b>

Machine Tools		
	2013	2012
Job Shops	19%	25%
Machines and Equipments	16%	11%
Automotive	12%	13%
Technical Schools	9%	11%
Agricultural Equipment	8%	5%
Tooling	5%	5%
Others	31%	30%

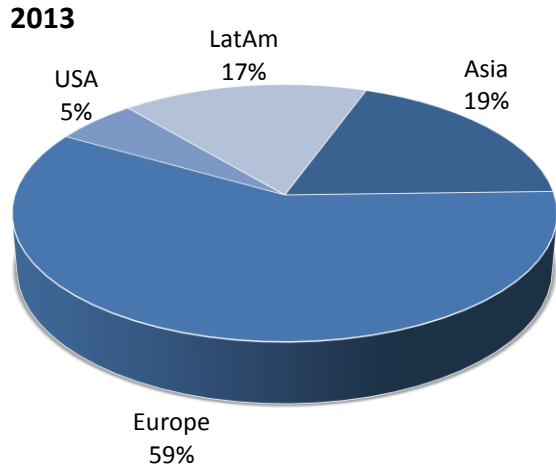
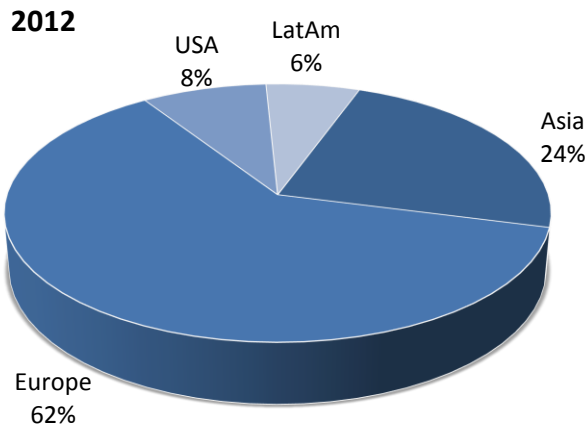
Plastic Machines		
	2013	2012
Packaging	26%	24%
Automotive	15%	8%
Furniture	10%	5%
Home Appliances	8%	9%
Job Shops	8%	13%
Others	33%	41%

Castings		
	2013	2012
Automotive - Trucks	39%	41%
Wind Power	33%	26%
Agriculture	23%	20%
Others	5%	13%

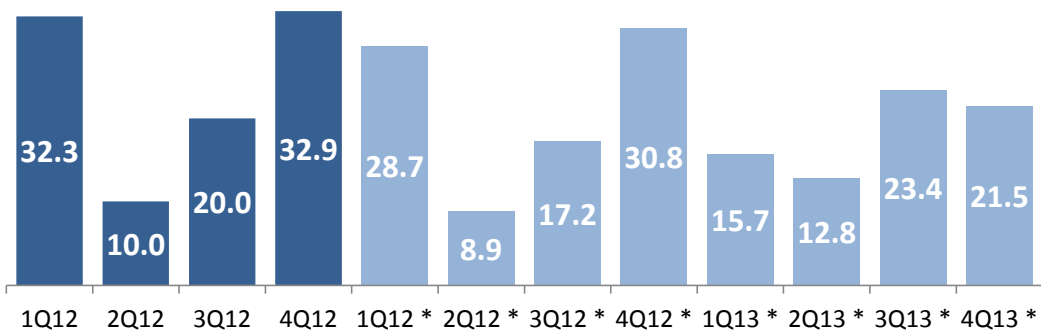
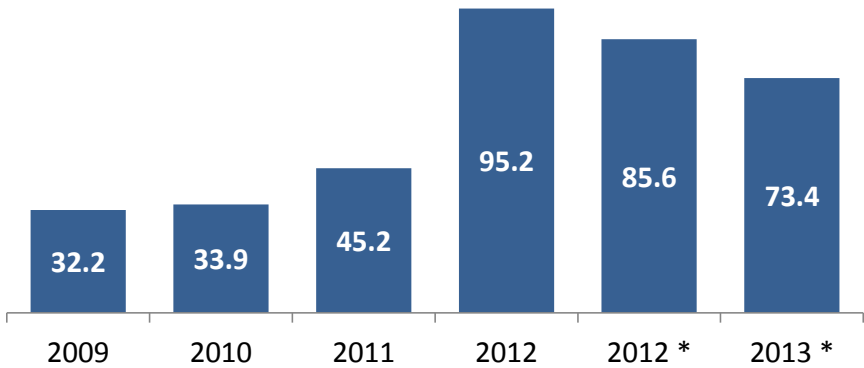
\* Note: Gross values, include sales taxes, and consider the order intake of B + W from the first quarter of 2012



## Sales Destination



## Foreign Sales – US\$ million

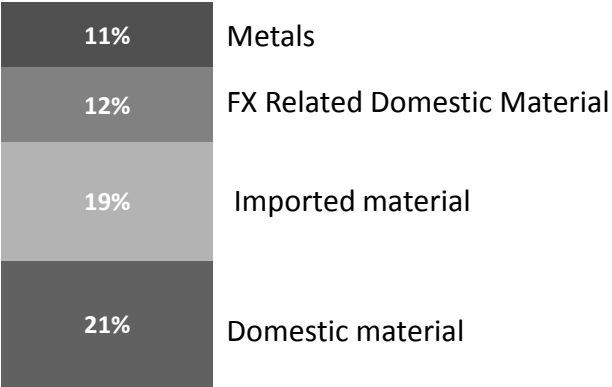
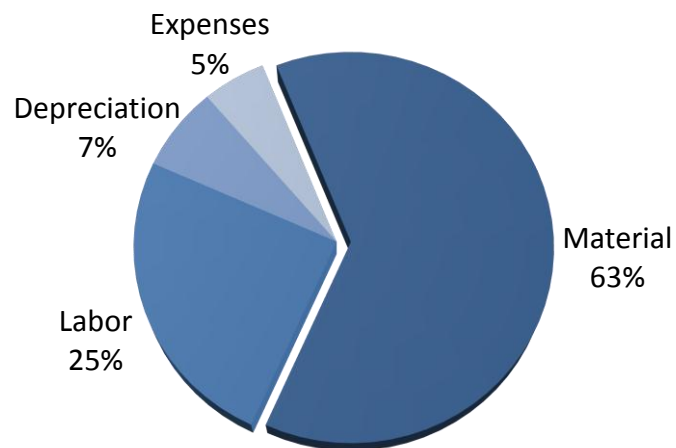


# Cost of Goods Sold

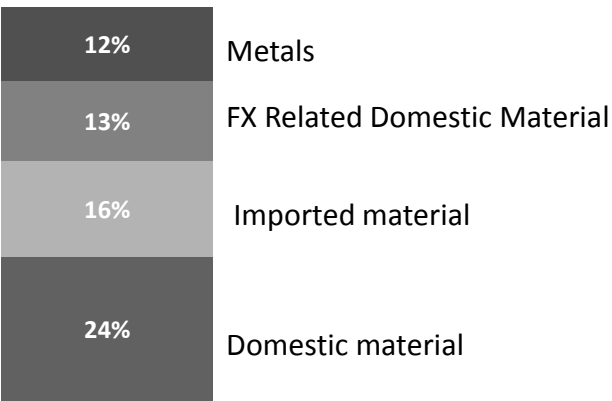
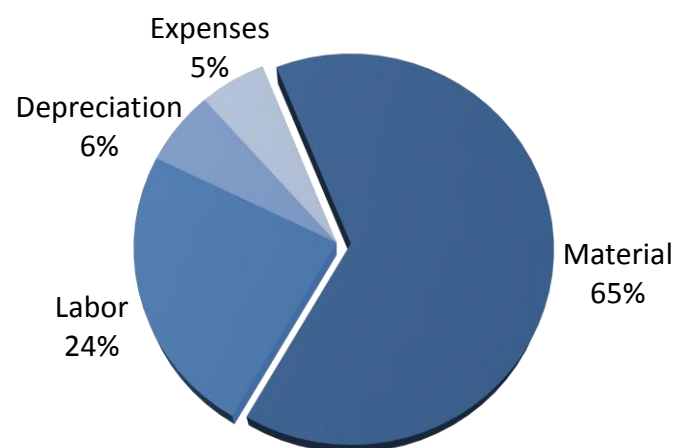


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2012



2013







- ✓ Cash generation

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- ✓ Improve operating margins (operational efficiency / price recovery)

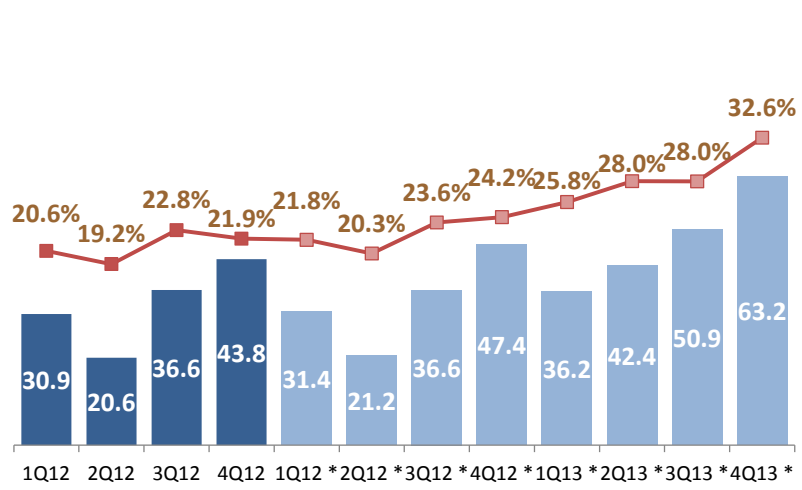
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- ✓ Reduction in production lead-time

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- ✓ Decrease Romi's exposure to credit risk

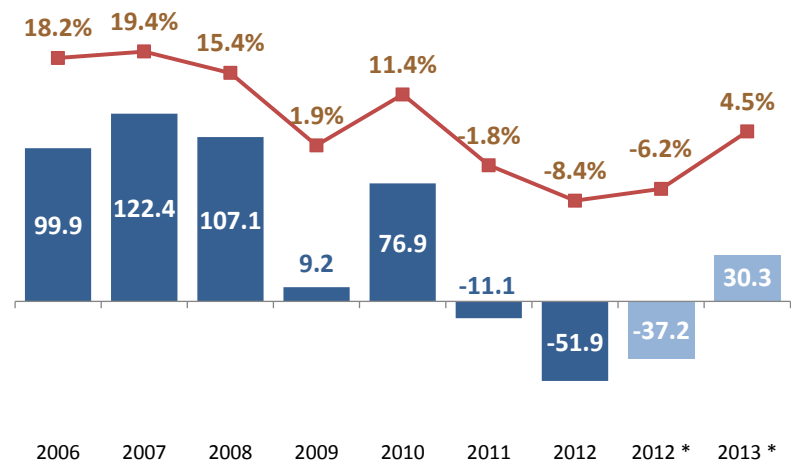
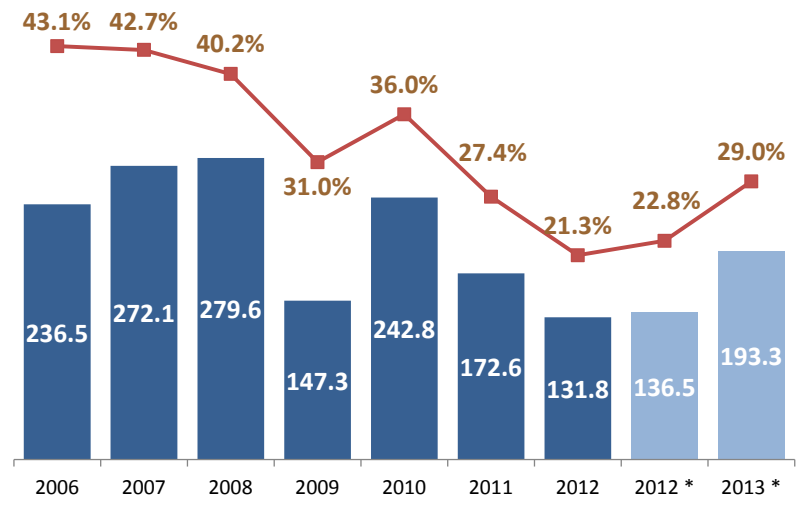
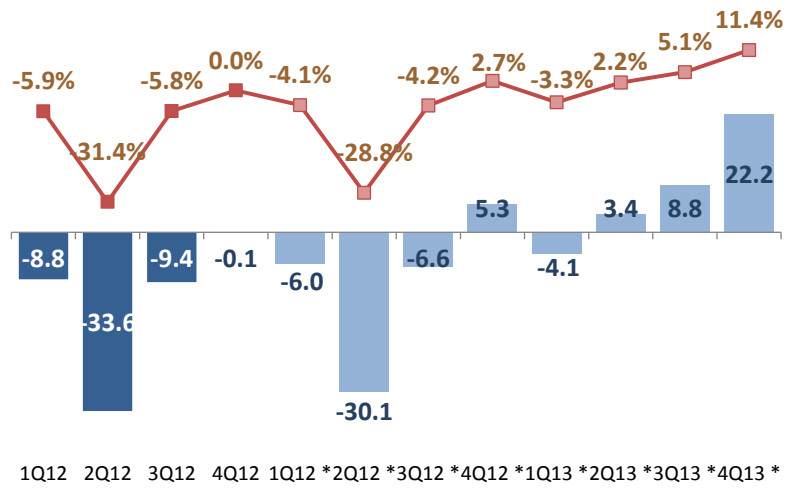
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- ✓ Romi Italia



Gross Profit (R\$ million) and Gross Margin



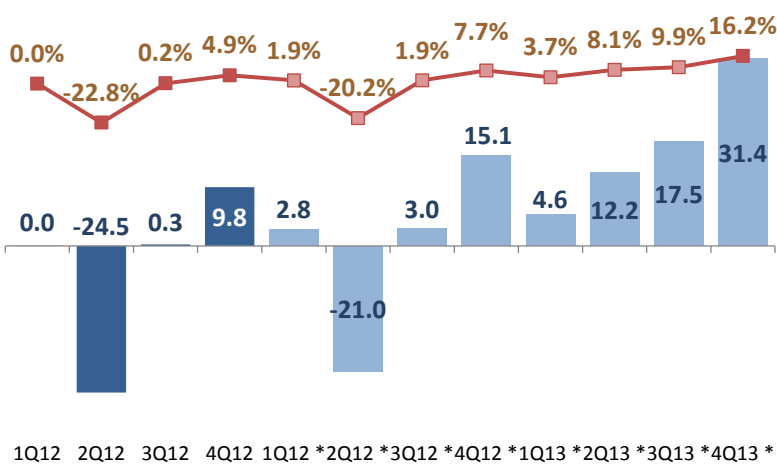
Operating Profit (R\$ million) and Operating Margin



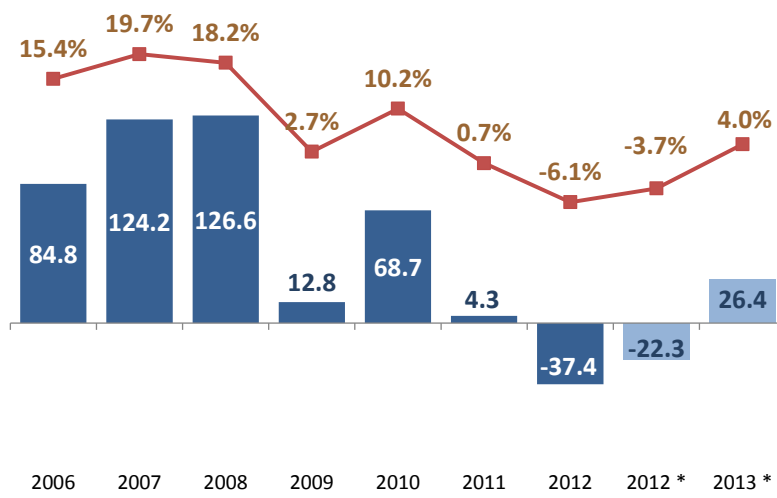
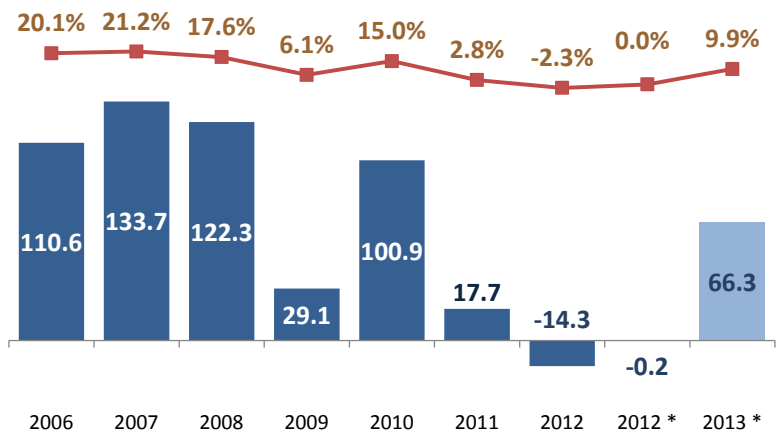
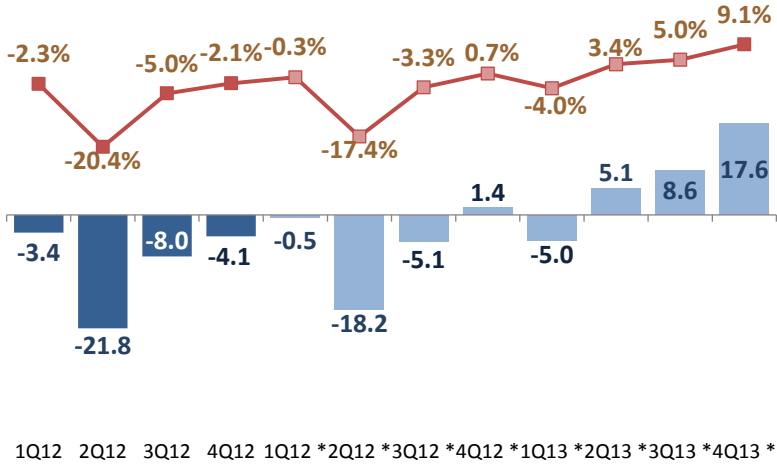
\* Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia, which are presented as discontinued operations



EBITDA (R\$ million) and EBITDA Margin



Net Income (R\$ million) and Net Margin



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

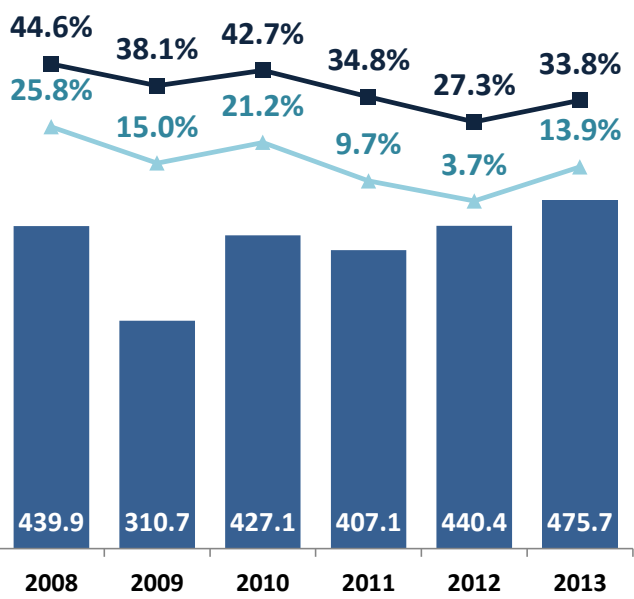
# Business Units' Results



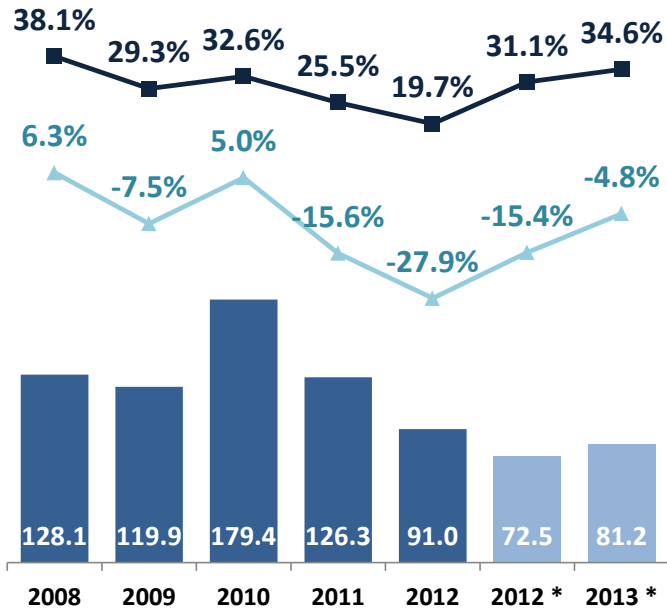
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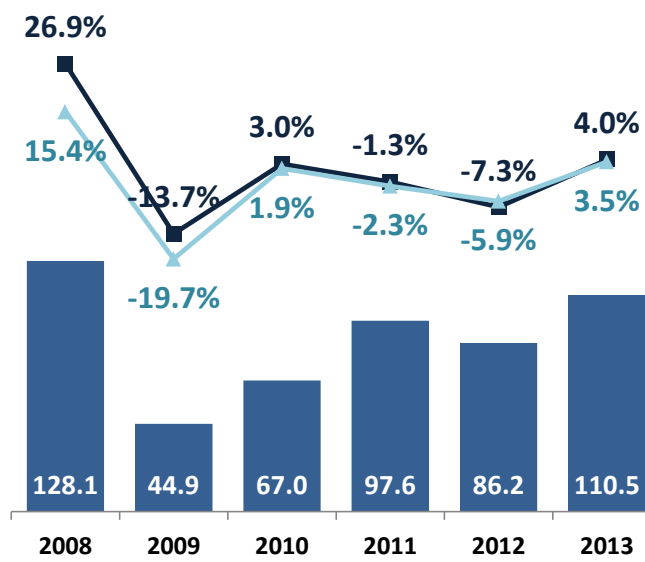
Machine Tools



Plastic Machines



Raw and Machined Cast Iron Parts



■ Net Revenues    ■ Gross Margin    ▲ EBITDA Margin

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

# Cash Position



## Cash and Cash Equivalent – R\$ million – 12/31/2013

	Amount
Bank Deposit Certificate (CDB)	68.7
Financial Investment with Bonds	7.9
Banks	30.6
<b>Total</b>	<b>107.2</b>

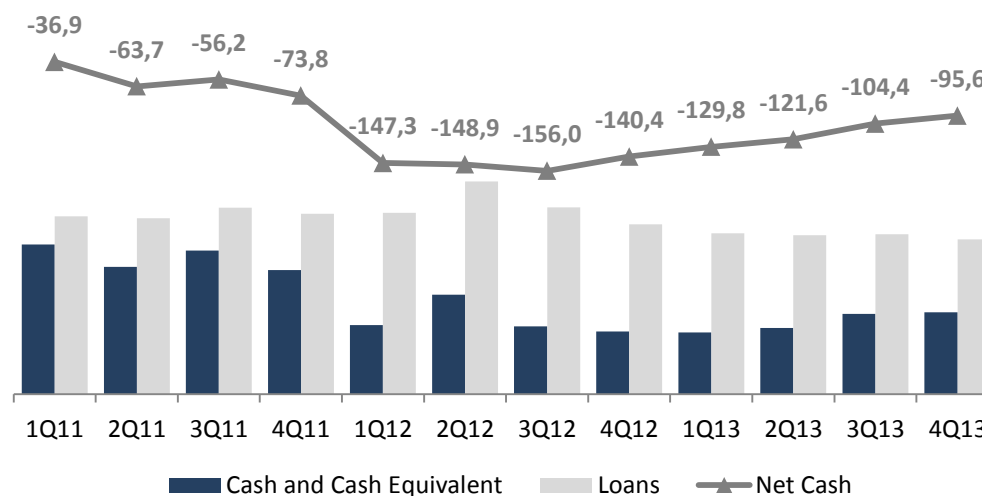
**Net Debt = 95.6**

## Loans\* – R\$ million – 12/31/2013

	Amount
2014	54.2
2015	87.4
2016	27.5
2017	15.6
2018 and afterwards	18.1
<b>Total</b>	<b>202.9</b>

(\*) without Finame Manufacturer

## Net Cash (Debt) Position







	€ 000							
	4Q12	3Q13	4Q13 *	Chg % 4T/4T	Chg % 4T/3T	2012	2013 *	Chg % 13/12
<b>Net Operating Revenue</b>	<b>19.598</b>	<b>14.964</b>	<b>12.944</b>	<b>(34,0)</b>	<b>(13,5)</b>	<b>47.863</b>	<b>42.828</b>	<b>(10,5)</b>
Cost of Goods Sold	(15.602)	(11.193)	(9.233)	(40,8)	(17,5)	(39.704)	(32.415)	(18,4)
<b>Gross Profit</b>	<b>3.997</b>	<b>3.771</b>	<b>3.711</b>	<b>(7,1)</b>	<b>(1,6)</b>	<b>8.159</b>	<b>10.413</b>	<b>27,6</b>
<i>Gross Margin %</i>	<i>20,4%</i>	<i>25,2%</i>	<i>28,7%</i>			<i>17,0%</i>	<i>24,3%</i>	
<b>Operating Expenses</b>	<b>(2.272)</b>	<b>(2.077)</b>	<b>(2.011)</b>	<b>(11,5)</b>	<b>(3,2)</b>	<b>(4.124)</b>	<b>(7.551)</b>	<b>83,1</b>
<b>Operating Income before Financial Results</b>	<b>1.725</b>	<b>1.694</b>	<b>1.701</b>	<b>(1,4)</b>	<b>0,4</b>	<b>4.034</b>	<b>2.861</b>	<b>(29,1)</b>
<i>Operating Margin %</i>	<i>8,8%</i>	<i>11,3%</i>	<i>13,1%</i>			<i>8,4%</i>	<i>6,7%</i>	
<b>Financial Results, Net</b>	<b>(45)</b>	<b>(69)</b>	<b>(76)</b>	<b>68,2</b>	<b>10,5</b>	<b>(239)</b>	<b>(295)</b>	<b>23,6</b>
Income tax and social contribution	(210)	(230)	(546)	160,0	-	12	(812)	(6.900,3)
<b>Net income</b>	<b>1.469</b>	<b>1.396</b>	<b>1.078</b>	<b>(26,6)</b>	<b>(22,7)</b>	<b>3.807</b>	<b>1.754</b>	<b>(53,9)</b>
<i>Net Margin %</i>	<i>7,5%</i>	<i>9,3%</i>	<i>8,3%</i>			<i>8,0%</i>	<i>4,1%</i>	
<b>EBITDA</b>	<b>2.448</b>	<b>2.086</b>	<b>2.246</b>	<b>(8,3)</b>	<b>7,7</b>	<b>5.687</b>	<b>4.725</b>	<b>(16,9)</b>
Net income / loss	1.469	1.396	1.078	(26,6)	(22,7)	3.807	1.754	(53,9)
Income tax and social contribution	210	230	546	160,0	-	(12)	812	(6.900,3)
<b>Financial Results, Net</b>	<b>45</b>	<b>69</b>	<b>76</b>	<b>68,2</b>	<b>10,5</b>	<b>239</b>	<b>295</b>	<b>23,6</b>
Depreciation	724	392	546	(24,6)	39,3	1.653	1.863	12,7
<i>EBITDA Margin %</i>	<i>12,5%</i>	<i>13,9%</i>	<i>17,4%</i>			<i>11,9%</i>	<i>11,0%</i>	

\* Of the amount of € 12.9 million attributed to B+W for the quarter, € 2.5 million represents sales of equipment manufactured by B+W for Romi's plant in Brazil. For consolidation purpose for both 4Q13 and full-year 2013, the results from this transaction between the group's companies was disregarded.



	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Services
Technology	Increase complexity (weight, customization)	Stability (superior quality, medium complexity)	Leadership (heavy and complex parts); Aggregate machining; Steel casting	Expand Services Portfolio (maintenance contracts, leasing, upgrade)
Geographic Expansion	Increase exposure to international markets	Stability (main focus: Brazil)	Stability (main focus: Brazil)	Consolidate Brazil, start global expansion
Operations	Increase concentration on products and processes ↓ Operational efficiency and volume	Increase concentration on products and processes ↓ Operational efficiency and cost reduction	Optimize utilization of existence capacity	Gradual creation of new structures and operations
Growth	Look for global strategic partnerships ↓ Access to technologies and markets	Look for global strategic suppliers	Organic	Organic