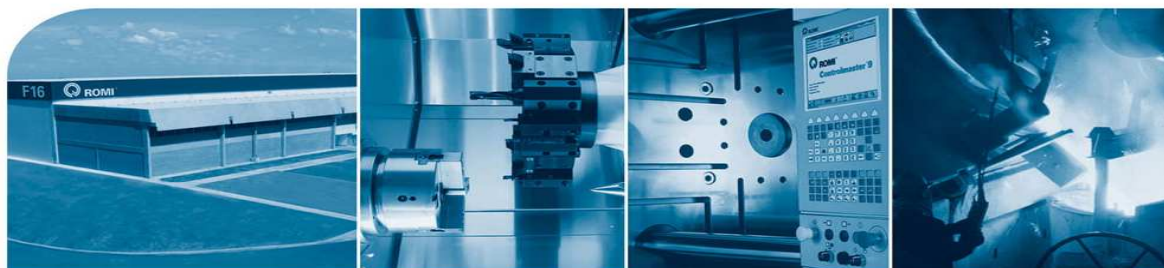




ROMI®

A TRADITION OF INNOVATION



April 26, 2011

1Q11 Earnings Release

April 27, 2011

Share Price (03/31/2011)
ROMI3 – R\$ 11.25/share

Market Capitalization (03/31/2011)
R\$ 841 million
US\$ 516 million

Number of shares (03/31/2011)
Common: 74,757,547
Total: 74,757,547

Free Float = 52.56%

Earnings Conference Call

Hour: 10:30 a.m. (Brazil)
Telephone for connection:
+55 (11) 4688-6361
Password for participants: romi

Earnings Conference Call in English

Hour: 12:00 p.m. (São Paulo)
4:00 p.m. (London)
11:00 a.m. (New York)
Tel.: USA +1 (888) 700 0802
Brazil +55 (11) 4688 6361
Others +1 (786) 924 6977
Access code: romi

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Santa Bárbara d'Oeste, SP, April 26, 2011 – Indústrias Romi S.A. (Bovespa: ROMI3), domestic market leader in Machine Tools and Plastic Processing Machines and important producer of Rough and Machined Cast Iron Parts, announces its results for the first quarter of 2011 (1Q11). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with IFRS standards, and monetary values are expressed in thousands of Reais.

Order Entry increased 23.4% comparing to 4Q10 and 13.1% comparing to 1Q10

Highlights

- Net Operating Revenue reaches R\$ 138.7 million on 1Q11, 4.4% lower than the value reached on 1Q10;
- Comparing to 1Q10, the Rough and Machined Cast Iron Parts' Net Operating Revenue posted growth of 35.8% and the Plastic Machines', 21.5%;
- Due to reduction of the net operating revenue and to a lower dilution of the fixed costs, specially registered at the Machine Tools unit, the gross margin was 31.3% on 1Q11 vs. 36.0% on 1Q10;
- EBITDA margin on 1Q11 was 6.9% due mainly to retraction of Net Operating Revenue and machine prices discount increase;
- Solid Order Entry on 1Q11 totaling R\$ 178.9 million, allowing the recomposition of the order backlog, which represented R\$ 180.5 million at the end of 1Q11.

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

ROMI - Consolidated	Quarter				
	1Q10	4Q10	1Q11	% Chg.	% Chg.
In Thousand Reais					
Sales Volume				1Q/1Q	1Q/4Q
Machine Tools (units)	526	706	441	(16.2)	(37.5)
Plastic Machines (units)	83	111	101	21.7	(9.0)
Rough and Machined Cast Iron Parts (tons)	2,432	2,635	3,240	33.2	23.0
Net Operating Revenue	145,132	191,213	138,742	(4.4)	(27.4)
Gross margin (%)	36.0%	34.4%	31.3%		
Operating Income (EBIT)	13,931	21,504	2,582	(81.5)	(88.0)
Operating margin (%)	9.6%	11.2%	1.9%		
Net Income	10,563	17,662	7,897	(25.2)	(55.3)
Net margin (%)	7.3%	9.2%	5.7%		
EBITDA	18,567	28,146	9,573	(48.4)	(66.0)
EBITDA margin (%)	12.8%	14.7%	6.9%		
Investments	4,802	12,141	3,882	(19.2)	(68.0)



ROMI®

A TRADITION OF INNOVATION

Corporate Profile

Romi is the leading Brazilian manufacturer of Machine Tools and Plastic Processing Machines, and an important producer in the Machined Cast Iron Parts market. The Company's main customer segments are automotive (light and heavy), agricultural machinery, capital goods, consumer goods, tooling, hydraulic equipment, among many others.

The Company has eleven industrial units, four of which are dedicated to the final assembly of industrial machinery. Romi also operates two foundries, three units for the machining of components, one unit for the manufacture of sheet metal components, and one plant for the assembly of electronic control panels. The installed capacity for production of industrial machines and castings is of, respectively, approximately 3,900 machines and 40,000 tons per year.

The Machine Tools Business Unit, which accounted for 61.6% of the Company's revenue in 1Q11, comprises lines for Conventional Lathes, CNC Lathes, and Machining Centers for Vertical and Horizontal Heavy and Extra-Heavy Lathes. The Rough and Machined Cast Iron Parts unit and the Plastic Processing Machines unit, the latter comprising plastic injection and blow molding machines, contributed 13.1% and 25.3%, respectively, to the revenue for the period.

Current Economic Scenario

The first quarter of 2011, in Brazil, was also marked by a concern in relation to the behavior of the inflation and, in order to retain it, the Government has been adopting a traditional monetary politic of gradually increasing the SELIC index which can reflect on the economic activity and consequently on the investments in machines in the country.

On February 25, 2011, the National Bank for the Economic and Social Development (BNDES) temporarily stopped conceding financing through PSI (Investment Support Program) as result of strong interest shown by companies to enjoy the potential final of the attractive interest rate period for the acquisition of national machines and equipment, estimated to end on March 31, 2011.

As a reminder, PSI was launched in July, 2009, as part of the Governmental anti-cyclical measures to minimize the effects of the international financial crisis on the Brazilian economy. The Program offered financings with prefixed interest rate of 4.5% per year, increased to 5.5% on subsequent prorogations of the Program. Since March 3, 2011, BNDES announced an additional extension of the Program until December 31, 2011, with interest rate for acquisition of capital goods of 6.5% per year for companies with sales up to R\$ 90 million and of 8.7% for companies with sales over R\$ 90 million.

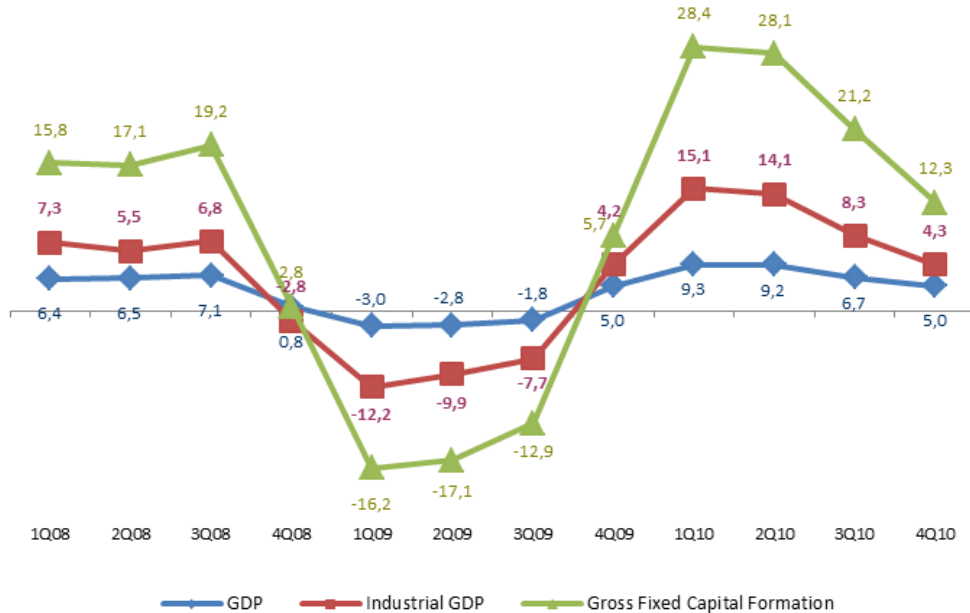
For the upcoming quarters of 2011, Romi maintains optimistic perspectives, since companies in general already hold a small overcapacity in relation to the past two years, finding there opportunities to increase their productive capacity. Besides that, the search for more productivity, reflect of the gradual increase of manpower cost, may also bring good opportunities of machine sales in medium term. Events such as the Soccer World Cup and the Olympic Games, which will be held by Brazil in 2014 and 2016, respectively, will demand massive investments on behalf of the Brazilian companies. PAC (Brazilian Development Acceleration Program) will also be responsible to encourage investments, bringing good perspectives in the long term.

According to a new projection announced by BNDES in February, 2011, the investments consolidated forecasted for the next four years (2011 to 2014) result in an amount of R\$ 3.3 trillion, which shall be invested in the enlargement of industries, expansion of business units, expansion of highways, construction of transport logistic infrastructure, ports, stadiums and hydroelectric and wind power plants, and many others.

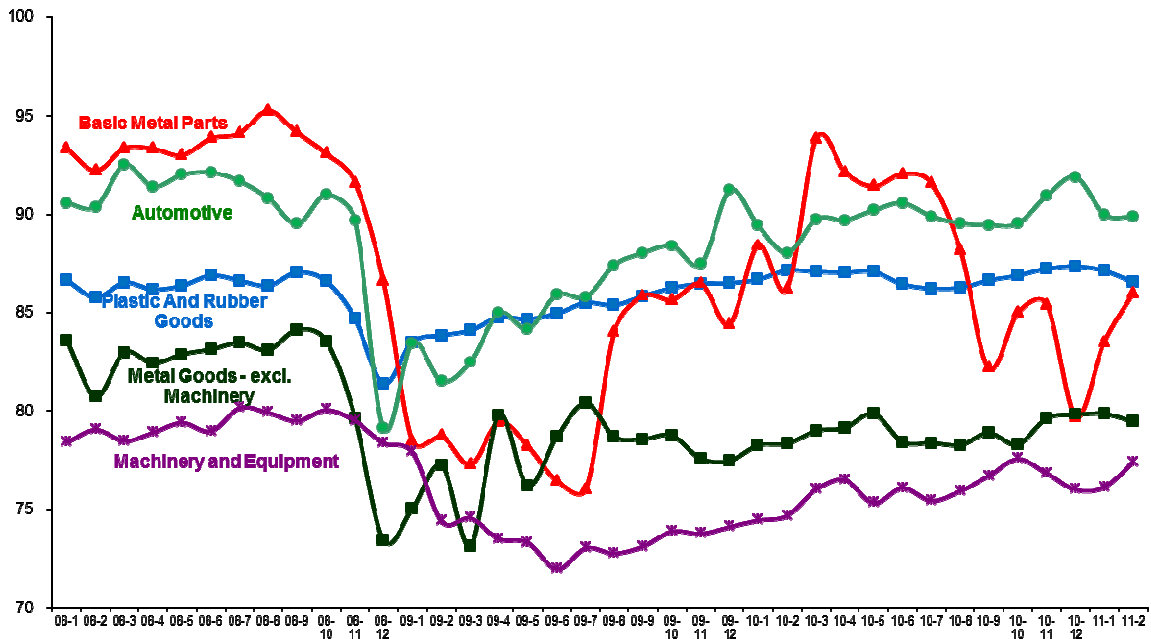
In the machine and equipment market, historically the first months of the year normally have moderate activities, nevertheless, in the beginning of 2011, the enlargement in growth rates are lower than the expected because in the same period of 2010, the incentives conceded by the Government during the financial crisis were still in force.



The economy data of the fourth quarter of 2010 (in relation to the same period of 2009), disclosed by IBGE, point to an increase of the Industrial GDP of 4.3%. The Gross Fixed Capital Formation increased 12.3%, representing an investment rate (relation between GFCF and GDP) of 18%.



We analyzed the index for Gross Fixed Capital Formation (GFCF), an important driver for the Company Growth, in addition to the installed capacity level of usage (ICLU), calculated by FIESP, in accordance with the following chart. The principal sectors that demand our products have underwent an important increase in installed capacity utilization since January 2009, with some of them already presenting higher levels than in the pre-crisis period.



Source: Fiesp



Market

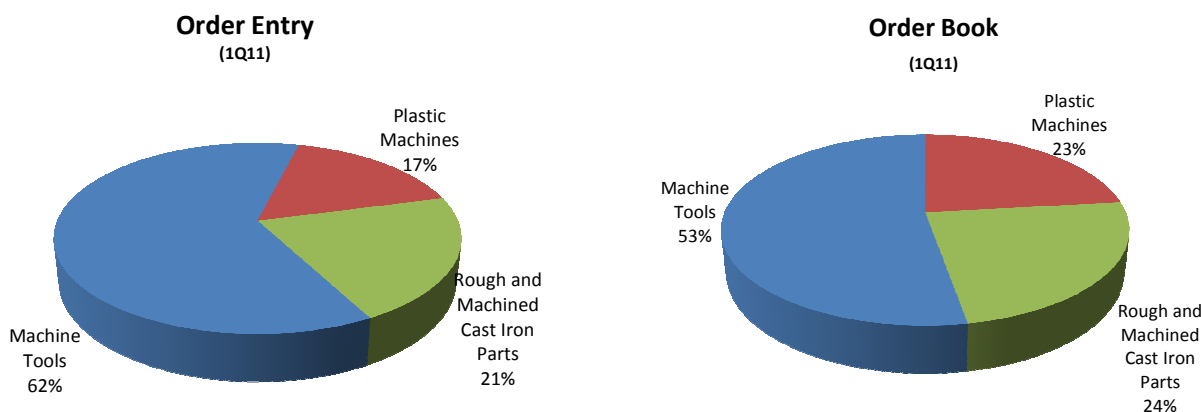
The Company's main advantages in the domestic market – cutting-edge technology products, an own distribution network in the country, ongoing technical assistance, availability of long-term financing programs in local currency with attractive interest rates, and short product delivery times – are all recognized by customers, giving the ROMI[®] brand name a traditional and prestigious reputation.

New Orders (gross values, including sales taxes)

Order Entry (R\$ thousand)	1Q10	2Q10	3Q10	4Q10	1Q11	Chg 1Q/10	Chg 1Q/4Q
Machine Tools	94,084	132,784	111,777	99,194	110,370	17.3%	11.3%
Plastic Machines	42,138	53,187	43,865	32,127	30,418	-27.8%	-5.3%
Rough and Machined Cast Iron Parts	21,968	22,065	24,276	13,729	38,149	73.7%	177.9%
Total	158,190	208,036	179,918	145,050	178,937	13.1%	23.4%

In 1Q11 we achieved an entry order volume 13.1% higher than the amount obtained on the 1Q10 and 23.4% higher than the 4Q10. We highlight the performance of the Rough and Machined Cast Iron Parts, whose amount in order entry grew 177.9% comparing to 4Q10, pulled specially by the wind power sector, which is gradually replacing orders.

In relation to Plastic Machines, we observed a reduction in order entry due to the natural seasonality of this unit, as this segment is strongly related to consumption. Notwithstanding, the order entry volume for Plastic Machines was impacted by the increase of domestic market competition, mainly as a consequence of the appreciation of the Brazilian currency, which allows that foreign machines, specially the Chinese ones, to enter the market with attractive prices.



Order Backlog (gross values, including sales taxes at the end of each period)

Order Book (R\$ thousand)	1Q10	2Q10	3Q10	4Q10	1Q11	Chg 1Q/10	Chg 1Q/4Q
Machine Tools	107,763	128,434	124,310	82,656	95,269	-11.6%	15.3%
Plastic Machines	80,528	77,228	66,470	47,564	41,876	-48.0%	-12.0%
Rough and Machined Cast Iron Parts	21,066	19,779	22,543	21,457	43,313	105.6%	101.9%
Total	209,357	225,441	213,323	151,677	180,458	-13.8%	19.0%

The increase in the industry confidence level and the better utilization of installed capacity by the industrial sectors reflected positively in the Company's order backlog, resulting in an increase of 19.0% in relation to 4Q10, the immediate preceding quarter.

Note: The order book values do not include parts, services and resale business.



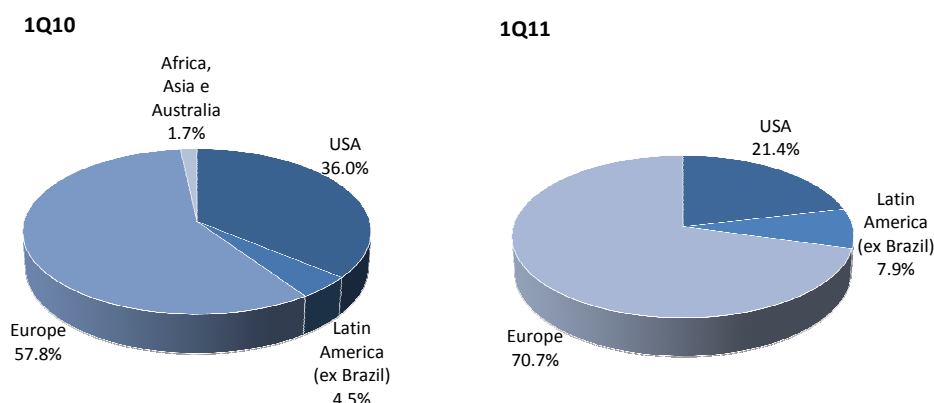
Operating Performance

Net Operating Revenue

The Net Operating Revenue posted by the Company in 1Q11 reached R\$ 138.7 million, representing a decrease of 4.4% over 1Q10 and 27.4% over 4Q10.

It is important to mention that historically the first quarter has shown a lower level of investment capitalization for the acquisition of machinery compared to the other quarters of the year. We also highlight that 1Q10 was an uncommon first quarter, considering that it was positively influenced by the PSI expected termination in December 2009, which contributed for a fairly solid order book in the end of 4Q09 (of R\$ 198.9 million) and, consequently, impacting positively on revenue for 1Q10.

In 1Q11, revenues from foreign market reached R\$ 16.7 million, 49.4% over 1Q10. In Dollars, sales in 1Q11 reached US\$ 10.0 million, representing growth of 61.3% over 1Q10.



This quarter Europe accounted for 70.7% of our revenues in the foreign market. In relation to the same period of last year, United States decreased their participation on Romi's sales portfolio, reaching 21.4%. Latin America's share was 7.9%. The increase of revenue in the foreign market is due mainly to the gradual increase of sales of Romi Italy in this quarter.

Net Operating Revenue (R\$ thousand)

Romi - Consolidated	Quarter				
	1Q10	4Q10	1Q11	Chg 1Q/1Q	Chg 1Q/4Q
Net Operating Revenue					
Machine Tools	102,880	125,188	85,489	-16.9%	-31.7%
Plastic Machines	28,861	49,825	35,062	21.5%	-29.6%
Rough and Machined Cast Iron Parts	13,391	16,200	18,191	35.8%	12.3%
Total	145,132	191,213	138,742	-4.4%	-27.4%

Note: See income statement by Business Unit in Appendix I.

Machine Tools

The net operating revenue of this unit reached R\$ 85.5 million in 1Q11, 16.9% lower than 1Q10. The net operating revenue of the Machine Tools Unit was mostly impacted by the upcoming end of PSI in December of 2009, what caused an uncommon positive impact to the revenue in 1Q10.



In the domestic market, the major customers of this Business Unit were from the machining services, machinery and equipment, automotive, tooling, energy and agricultural machines.

Plastic Processing Machines

In 1Q11, the net revenue of the Plastic Processing Machines Business Unit totaled a net revenue of R\$ 35.1 million, representing a significant growth of 21.5% over 1Q10, due, mainly, to sales increase in Europe.

The industries that presented the highest demand for products of this Business Unit were packaging, automotive, service, industrial, and furniture.

Rough and Machined Cast Iron Parts

In 1Q11, the sales of this unit totaled 3,240 tons, a 33.2% rise over the 2,432 tons sold in 1Q10, which evidences the power of some of the segments that demand our products, such as automotive, agricultural machines, capital goods and wind power.

The participation of this Business Unit in the total sales of the Company has been increasing at each quarter, coming from 9.2% in 1Q10 to 13.1% in 1Q11. Considering that this participation was 18.4% in 2008, we understand that there is still room for this Unit to increase sales, mainly due to current available installed capacity. On this scenario, our strategy is to reach over the year stronger net operating revenue, when the supply of heavier parts for the wind power segment increases.

Operating Costs and Expenses

In order to maintain the market share, with dollar exchange rate at R\$ 1.67 (average rate of 1Q11), we are reinforcing our pricing policy, as well as the sales of services and resale parts. As a consequence, the average price has been reduced gradually quarter by quarter. We expect an increase of machine demand by the market, which would result in maximization of our installed capacity level, and as result of a gradual recovery of our margins.

Romi - Consolidated	Quarter				
Gross Margin (%)	1Q10	4Q10	1Q11	Chg bps 1Q/1Q	Chg bps 1Q/4Q
Machine Tools	41.2	41.9	36.3	-490	-560
Plastic Machines	31.6	27.9	34.9	330	700
Rough and Machined Cast Iron Parts	5.4	-4.2	1.0	-440	520
Total	36.0	34.4	31.3	-470	-310

Romi - Consolidated	Quarter				
EBIT Margin (%)	1Q10	4Q10	1Q11	Chg bps 1Q/1Q	Chg bps 1Q/4Q
Machine Tools	16.1	19.0	5.7	-1,040	-1,330
Plastic Machines	-5.6	0.7	-1.2	440	-190
Rough and Machined Cast Iron Parts	-7.6	-15.8	-10.3	-270	550
Total	9.6	11.2	1.9	-770	-930

Machine Tools

The gross margin of this Business Unit reached 36.3% in 1Q11, a 490 bps decrease over 1Q10. This scenario is due mainly to the decrease of number of machines delivered in this period and due to the increase of discounts offered to maintain the competitiveness of our products, necessary due to the appreciation of the Real.

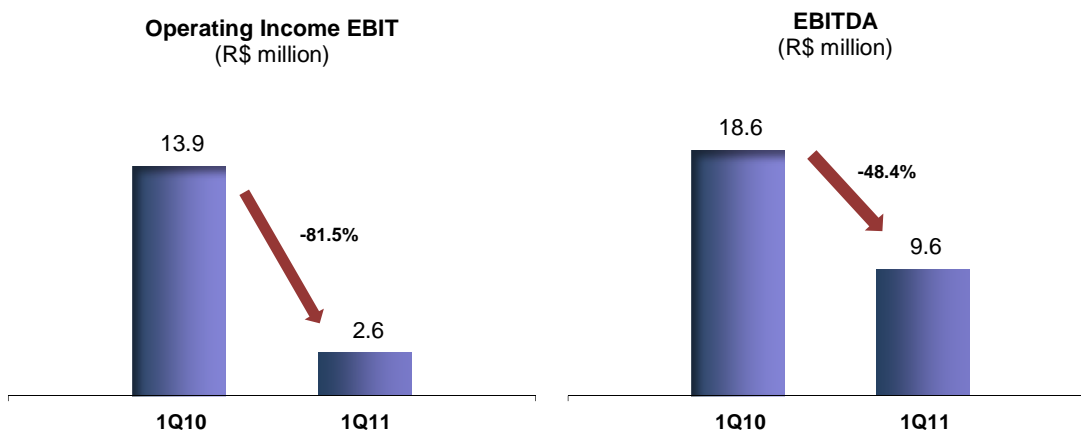


Plastic Processing Machines

The gross margin in 1Q11 reached 34.9%, recovering 330 bps as compared to 1Q10, as a result of the product mix we dealt in the quarter.

Rough and Machined Cast Iron Parts

As a result of the recent past high level of investments in the capacity increasing in this business unit, depreciation expenses upsurge negatively its results. So, even though it has showed a significant improvement in its net sales, its performance still is near the breakeven point.



EBITDA and EBITDA Margin

In 1Q11, our operating cash flow as measured by EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) was R\$ 9.6 million, representing an EBITDA margin of 6.9%. These indicators presented the following evolution:

Reconciliation of Net Income to EBITDA	Quarter				
	1Q10	2Q10	3Q10	4Q10	1Q11
R\$ thousand					
Net Income	10,563	15,223	25,302	17,662	7,897
Net Financial Income	3,076	(11)	(8,568)	1,256	(2,729)
Income tax and social contributions	292	2,528	6,992	2,586	(2,586)
Depreciation and amortization	4,636	5,971	6,792	6,642	6,991
EBITDA	18,567	23,711	30,518	28,146	9,573
EBITDA Margin	12.8%	14.1%	18.0%	14.7%	6.9%

The impacts on EBITDA are those mentioned in the section "Operating Costs and Expenses".

Net Income

The net income for the first quarter was R\$ 7.9 million, as a result of the operational previously discussed.

Earnings Distribution

As decided by the Board of Directors at the meeting held on March 15, 2011, on April 20, 2011 payment was made of interest on capital attributable to the mandatory minimum dividend for 2011, in the gross amount of approximately R\$ 8.9 million, representing R\$ 0.12 per share.



Investments

Investments in 1Q11 totaled R\$ 3.9 million, basically earmarked for maintenance, productivity and modernization of plants and information technology.

Financial Position

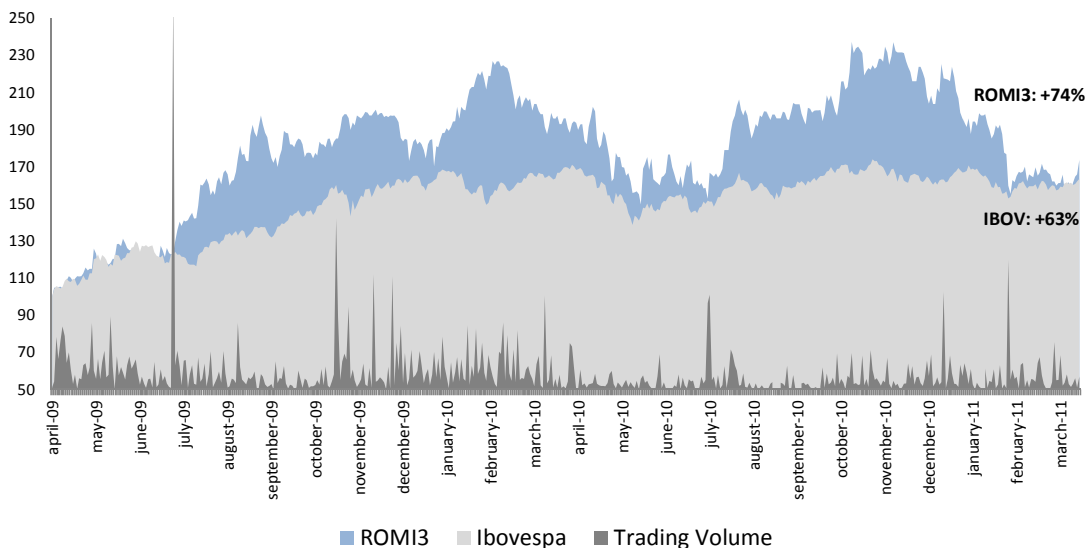
Investments, including those backed up by debentures, are made with prime financial institutions and their yield is substantially linked to the Interbank Certificate of Deposit (“CDI”) or time deposit (TD), when abroad. The consolidated position of the Company’s cash and cash equivalents at March 31, 2011 was R\$ 196 million, of which R\$ 1.4 million in foreign currency and remaining balance in local currency. Comparing to past quarters, the breakdown between local and foreign currency changed dramatically due to the fact that the cash and cash equivalents invested abroad for future acquisitions was renationalized and is now available on Brazilian currency.

The loans taken out by the Company are basically intended for investments in expansion and modernization of plants, and financing of exports and imports. At March 31, 2011, local currency financing was R\$ 232.5 million and foreign currency financing amounted to R\$ 436 thousand, totaling R\$ 233 million.

At March 31, 2011, the Company had not entered into any derivative transactions.

Capital Market

Share Performance ROMI3 vs. Ibovespa
From 04/01/2009 to 03/31/2011



Source: BMF&Bovespa (São Paulo Stock, Commodities and Futures Exchange)

At the end of 1Q11, the Company’s common shares (ROMI3) were quoted at R\$ 11.25 and were down by 22.4% in the quarter (1Q11 x 4Q10) and down by 10.0% as compared to the end of 1Q10. The Bovespa index was down by 1.0% over 4Q10, and down by 2.5% as compared to the end of 1Q10.

The Company’s market capitalization at March 31, 2011 was R\$ 841 million and the average daily trading volume in 1Q11 was R\$ 688 thousand.

Statements contained in this release related to the Company’s business prospects, projections for operating and financial results, and references to the Company’s growth potential are mere forecasts and were based on Management’s expectations regarding its future performance. These expectations are highly dependent upon market behavior and the economic situation of Brazil, the industry and the international markets. Therefore, they are subject to changes.



Financial Statements

Consolidated Balance Sheet

IFRS (R\$ thousand)

ASSETS	03/31/2010	12/31/2010	03/31/2011
CURRENT	951,245	976,708	961,952
Cash and Cash equivalents	237,192	246,935	196,149
Trade accounts receivable	69,734	87,364	76,064
Onlending of FINAME manufacturer financing	350,825	350,935	348,842
Inventories	263,973	263,460	307,200
Recoverable taxes	16,199	14,090	18,348
Other receivables	13,322	13,924	15,349
NONCURRENT	826,337	884,484	873,060
Long-Term Assets	536,126	588,116	579,379
Trade accounts receivable	4,775	14,544	11,618
Onlending of FINAME manufacturer financing	475,825	500,103	491,878
Recoverable taxes	11,924	9,943	8,626
Deferred income and social contribution taxes	17,730	19,996	23,288
Escrow Deposits	19,542	24,466	25,870
Other receivables	6,330	19,064	18,099
Investments			
Property, Plant and Equipment, net	281,141	289,018	286,605
Intangible assets	7,053	7,350	7,076
Goodwill	2,017	-	-
TOTAL ASSETS	1,777,582	1,861,192	1,835,012

**Consolidated Balance Sheet**

IFRS (R\$ thousand)

LIABILITIES AND SHAREHOLDER'S EQUITY	03/31/2010	12/31/2010	03/31/2011
CURRENT	415,909	450,169	435,967
Loans and financing	23,171	24,927	27,914
FINAME manufacturer financing	292,497	303,579	302,781
Trade accounts payable	41,715	48,323	47,920
Payroll and related taxes	25,211	36,422	28,928
Taxes payable	6,676	11,305	2,810
Advances from customers	7,245	7,579	10,329
Interest on capital, dividends and participations	9,385	12,192	9,340
Other payables	10,009	5,842	5,945
NON CURRENT	677,976	709,006	697,215
Long-term liabilities			
Loans and financing	220,172	212,615	205,028
FINAME manufacturer financing	417,913	454,304	448,297
Deferred income and social contribution taxes on negative goodwill	8,753	7,325	7,438
Taxes payable	3,806	4,721	4,721
Other payables	5,333	3,612	3,872
Reserve for contingencies	21,999	26,429	27,859
SHAREHOLDER'S EQUITY	682,138	700,042	700,227
Capital	489,973	489,973	489,973
Capital reserve	2,052	2,052	2,052
Retained earnings	196,372	225,656	224,370
Other accumulated comprehensive income	(6,259)	(17,639)	(16,168)
NON CONTROLLING INTERESTS	1,559	1,975	1,603
TOTAL SHAREHOLDER'S EQUITY	683,697	702,017	701,830
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,777,582	1,861,192	1,835,012


Consolidated Income Statement

IFRS (R\$ thousand)

	1Q10	4Q10	1Q11	Chg % 1Q/1Q	Chg % 1Q/4Q
Net Operating Revenue	145,132	191,213	138,742	(4.4)	(27.4)
Cost of Goods Sold	(92,936)	(125,499)	(95,297)	2.5	(24.1)
Gross Profit	52,196	65,714	43,445	(16.8)	(33.9)
<i>Gross Margin %</i>	<i>36.0%</i>	<i>34.4%</i>	<i>31.3%</i>		
Operating Income	(38,265)	(44,210)	(40,863)	6.8	(7.6)
Selling expenses	(13,242)	(16,814)	(15,797)	19.3	(6.0)
General and administrative expenses	(16,549)	(18,264)	(15,565)	(5.9)	(14.8)
Management profit sharing and compensation	(1,988)	(2,385)	(2,171)	9.2	(9.0)
Research and development expenses	(5,779)	(7,048)	(6,846)	18.5	(2.9)
Tax expenses	(768)	(253)	(536)	(30.2)	111.9
Other operating income, net	61	554	52	(14.8)	(90.6)
Operating Income before Financial Results	13,931	21,504	2,582	(81.5)	(88.0)
<i>Operating Margin %</i>	<i>9.6%</i>	<i>11.2%</i>	<i>1.9%</i>		
Financial Income	(3,076)	(1,256)	2,729	(188.7)	(317.3)
Financial income	6,423	3,569	5,557	(13.5)	55.7
Financial expenses	(3,793)	(5,173)	(3,717)	(2.0)	(28.1)
Exchange gain (loss), net	(5,706)	348	889	(115.6)	155.5
Operating Income	10,855	20,248	5,311	(51.1)	(73.8)
Income tax and social contribution	(292)	(2,586)	2,586	(985.6)	(200.0)
Net income	10,563	17,662	7,897	(25.2)	(55.3)
<i>Net Margin %</i>	<i>7.3%</i>	<i>9.2%</i>	<i>5.7%</i>		
Net profit concerning:					
Controlling interests	10,353	17,460	7,685	(25.8)	(56.0)
Non controlling interests	210	202	212	1.0	5.0
EBITDA	18,567	28,146	9,573	(48.4)	(66.0)
Net income	10,563	17,662	7,897	(25.2)	(55.3)
Income tax and social contribution	(292)	(2,586)	2,586	(985.6)	(200.0)
Financial income	(3,076)	(1,256)	2,729	(188.7)	(317.3)
Depreciation	4,636	6,642	6,991	50.8	5.3
<i>EBITDA Margin %</i>	<i>12.8%</i>	<i>14.7%</i>	<i>6.9%</i>		
Nº of shares in capital stock (th)	74,758	74,758	74,758		
Net income per share - R\$	0.14	0.24	0.11	(25.2)	(55.3)

**Consolidated Cash Flow Statement**

(R\$ thousand)

	1Q10	4Q10	1Q11
Cash from operating activities			
Net Income	10,563	17,662	7,897
Current and deferred income and social contribution taxes	292	2,586	(2,586)
Depreciation and amortization	4,636	6,642	6,991
Allowance for doubtful accounts and other receivables	1,832	6,273	246
Proceeds from sale of fixed assets	55	(53)	5
Financial expenses and exchange gain	5,386	510	563
Provision for inventory losses	691	(4,046)	(3,216)
Reserve for contingencies	1,676	2,255	1,956
Change on operating assets			
Trade accounts receivable	8,411	(23,946)	16,215
Onlending of FINAME manufacturer financing	6,837	12,071	23,637
Inventories	(22,301)	11,579	(39,361)
Recoverable taxes, net	161	(266)	(2,747)
Escrow deposits	(1,543)	(1,578)	(1,404)
Other receivables	(2,168)	(5,840)	240
Change on operating liabilities			
Trade accounts payable	7,489	4,534	(965)
Payroll and related taxes	2,916	(3,499)	(8,322)
Taxes payable	(3,976)	2,667	(7,576)
Advances from customers	(328)	(3,377)	2,738
Other payables	(3,610)	1,097	(1,805)
Cash provided by (used in) operating activities	17,019	25,271	(7,494)
Income tax and social contribution paid	(904)	(10,860)	(1,764)
Net Cash provided by (used in) operating activities	16,115	14,411	(9,258)
Purchase of fixed assets	(4,229)	(8,969)	(2,604)
Proceeds from sale of fixed assets	-	1,326	-
Increase in intangible assets	(129)	(405)	-
Net cash used in investing activities	(4,358)	(8,048)	(2,604)
Interest on capital paid	(8,667)	(8,065)	(9,865)
New loans and financing	17,443	386	857
Payments of loans and financing	(7,210)	(4,435)	(5,451)
Interests paid (including FINAME manufacturer financing)	(17,919)	(17,641)	(17,011)
New loans in FINAME manufacturer	89,496	97,072	73,827
Payment of FINAME manufacturer financing	(68,573)	(79,053)	(80,703)
Net Cash provided by (used in) financing activities	4,570	(11,736)	(38,346)
Increase (decrease) in cash and cash equivalents	16,327	(5,373)	(50,208)
Exchange variation changes on cash and cash equivalents abroad	(5,048)	113	(578)
Cash and cash equivalents - beginning of period	225,913	252,195	246,935
Cash and cash equivalents - end of period	237,192	246,935	196,149



Appendix I

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	85,489	35,062	18,191	138,742
Cost of Sales and Services	(54,326)	(18,026)	(22,945)	(95,297)
Business Units Transfers	5,364	-	7,215	12,579
Business Units Transfers	(5,493)	(4,811)	(2,275)	(12,579)
Gross Profit	31,034	12,225	186	43,445
<i>Gross Margin %</i>	<i>36.3%</i>	<i>34.9%</i>	<i>1.0%</i>	<i>31.3%</i>
Operating Expenses	(26,166)	(12,632)	(2,065)	(40,863)
Selling	(9,282)	(5,890)	(625)	(15,797)
General and Administrative	(10,137)	(4,231)	(1,197)	(15,565)
Management profit sharing	(1,526)	(447)	(198)	(2,171)
Research and Development	(4,915)	(1,931)	-	(6,846)
Tax expenses	(348)	(143)	(45)	(536)
Other operating revenue	42	10	-	52
Operating Income before Financial Results	4,868	(407)	(1,879)	2,582
<i>Operating Margin %</i>	<i>5.7%</i>	<i>-1.2%</i>	<i>-10.3%</i>	<i>1.9%</i>

Income Statement by Business Units - 1Q10

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	102,880	28,861	13,391	145,132
Cost of Sales and Services	(58,288)	(14,393)	(20,255)	(92,936)
Business Units Transfers	3,999	-	9,423	13,422
Business Units Transfers	(6,238)	(5,354)	(1,830)	(13,422)
Gross Profit	42,353	9,114	729	52,196
<i>Gross Margin %</i>	<i>41.2%</i>	<i>31.6%</i>	<i>5.4%</i>	<i>36.0%</i>
Operating Expenses	(25,802)	(10,722)	(1,741)	(38,265)
Selling	(9,070)	(3,532)	(640)	(13,242)
General and Administrative	(10,577)	(5,067)	(905)	(16,549)
Management profit sharing	(1,517)	(327)	(144)	(1,988)
Research and Development	(4,151)	(1,628)	-	(5,779)
Tax expenses	(550)	(166)	(52)	(768)
Other operating revenue	63	(2)	-	61
Operating Income before Financial Results	16,551	(1,608)	(1,012)	13,931
<i>Operating Margin %</i>	<i>16.1%</i>	<i>-5.6%</i>	<i>-7.6%</i>	<i>9.6%</i>