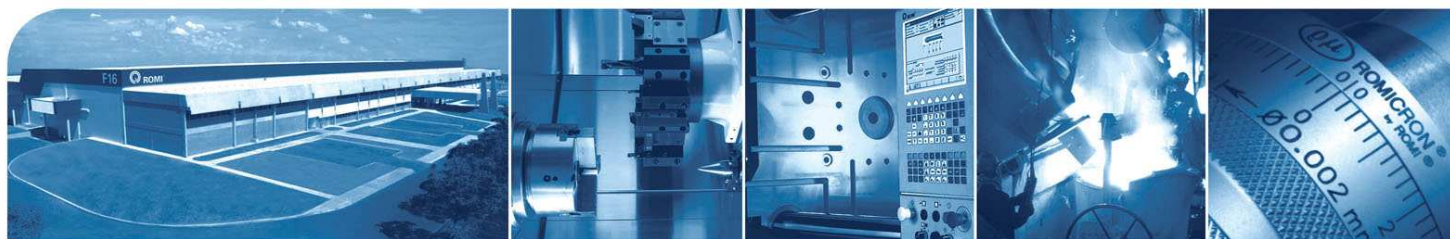


**ROMI**<sup>®</sup>

A TRADITION OF INNOVATION



Santa Bárbara d'Oeste, SP, August 2 2007 – Indústrias Romi S.A. (Bovespa: ROMI3), a domestic market leader in Machine Tools and Plastic Injection Molding Machines announces its results for the second quarter 2007 (2Q07) ending June 30, 2007. Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis and monetary values are expressed in Reais.

**2Q07**

## Romi reports 43% EBITDA<sup>1</sup> growth to R\$ 33,8 million in 2Q07

**Share Price (06/30/07)**

ROMI3 - R\$ 17,97/share

**Market Capitalization**R\$ 1,412 million  
US\$: 733 million**Total Shares**Common: 78,557,547  
Total: 78,557,547**Free Float:** 54,7%**Contact:**Sergio Roberto Novo  
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[dri@romi.com.br](mailto:dri@romi.com.br)Luiz Cassiano R. Rosolen  
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[gri@romi.com.br](mailto:gri@romi.com.br)**Website:**[www.romi.com.br](http://www.romi.com.br)

Índice de Ações com Tag Along Diferenciado

FIRB – Financial Investor  
Relations BrasilMário R. Mariante  
IR Consultant  
[mario.mariante@firb.com](mailto:mario.mariante@firb.com)**Highlights**

- **A 46.5% increase in operating income (EBIT<sup>2</sup>) compared with 2Q06**, reflecting the increase in sales volume and continuous control over operating expenses.
- **Net revenue of Plastic Injection Molding Machines were up by 23.7% compared with 2Q06**, due to the consolidation of new products in the market and stronger demand in the plastics market.
- **Consolidation in the increase of sales of Rough and Machined Cast Iron parts and improvement of margins** as a result of acquiring new customers and expanding manufacturing capacity.
- **Funding of R\$ 242 million through a public offering of newly issued shares** for executing the Company's expansion plans and consolidation of its sectors.
- **Acquisition of the heavy and ultra-heavy machine tools refurbishment division from CNC Service** to meet the demand arising from the growth strategy of heavy industry and infrastructure-related sectors in Brazil.

ROMI - Consolidated	Quarter			Accumulated		
	In Thousand Reais					
	2Q06	2Q07	% Chg.	1Q06	1Q07	% Chg.
<b>Sales Volume</b>						
Machine Tools (units)	494	549	11.1	853	1,070	25.4
Plastic Injection Molding Machines (units)	77	97	26.0	142	153	7.7
Rough and Machined Cast Iron Parts (tons)	4,246	5,338	25.7	7,122	9,878	38.7
<b>Net Operating Revenue</b>	<b>136,925</b>	<b>153,233</b>	<b>11.9</b>	<b>240,101</b>	<b>278,644</b>	<b>16.1</b>
Gross Profit	56,674	67,561	19.2	97,036	119,057	22.7
Gross margin (%)	41.4%	44.1%		40.4%	42.7%	
<b>Operating Income (EBIT)</b>	<b>20,848</b>	<b>30,538</b>	<b>46.5</b>	<b>32,609</b>	<b>51,134</b>	<b>56.8</b>
Operating margin (%)	15.2%	19.9%		13.6%	18.4%	
<b>Net Income</b>	<b>20,215</b>	<b>22,061</b>	<b>9.1</b>	<b>30,582</b>	<b>40,216</b>	<b>31.5</b>
Net margin (%)	14.8%	14.4%		12.7%	14.4%	
<b>EBITDA</b>	<b>23,638</b>	<b>33,802</b>	<b>43.0</b>	<b>38,436</b>	<b>57,742</b>	<b>50.2</b>
EBITDA margin (%)	17.3%	22.1%		16.0%	20.7%	
Total Assets	937,200	1,216,973	(23.0)	937,200	1,216,973	(23.0)
Shareholder's Equity	359,456	611,491	(41.2)	359,456	611,491	(41.2)
Investments	7,660	6,506	(15.1)	13,880	12,480	(10.1)

1 – EBITDA = Operating income before financial result + depreciation and amortization, adjusted for the expenses related to the Public Offering of Shares

2 – EBIT = Operating income, adjusted for the expenses related to the Public Offering of Shares



## CORPORATE PROFILE

Romi is a leading company among the Brazilian manufacturers of Machine Tools and Plastic Injection Molding Machines. It also commands an important share in the market for Rough and Machined Cast Iron Parts. The Company's principal customer segments are automotive and auto parts, capital goods and consumer goods in general.

The Company has nine industrial units, of which two are dedicated to machining and three to the final assembly of industrial machinery. Romi also operates a foundry, an industrial unit for ultra precision boring systems, one for the manufacture of sheet metal parts and also a division for the assembly of electronic control panels. Romi has an installed production capacity of 21,000 tons/year in industrial machines and about 40,000 tons in castings, both areas of which are in a phase of gradually fulfilling capacity following recent investments in expansion.

The Machine Tools Business Unit, which accounted for about 63% of the Company's second quarter revenue, comprises lines for Conventional Lathes, CNC Lathes (computerized numerical control), Machining Centers and Romicron<sup>®</sup> Ultra Precision boring systems. The Rough and Machined Cast Iron Parts and Plastic Injection Molding Machines business units represented approximately 18% and 19%, respectively of the Company's second quarter revenue.

### Current Brazilian Economy Status

In 2Q07, the Brazilian economy performance maintained the same favorable trend in relation to the preceding quarter, with both the Central Bank of Brazil and also several economic analysts revising annual GDP growth rates upwards to 4.5% against 4% for earlier forecasts.

The basic interest rate maintained its decreasing trend, currently standing at 11.5% per year and expected to reach 10.5% by December 2007. The Company considers these two factors as critical to the performance of the Brazilian industrial segment in 2007.

The Brazilian Real continued to strengthen against the US Dollar in the second quarter, reporting an appreciation of 6.1%, and accumulating 9.9% in the first half of the year. In the specific case of Romi, foreign exchange rate appreciation brings with it additional challenges with respect to price competitiveness: a substantial part of the Company's sales consist of industrial machinery, a sector where overseas competition has a major influence on pricing in the domestic market.

The Company has successfully achieved gains in productivity resulting from several scale of production and streamlining policies over costs and operational expenses. However, over the medium term horizon, such gains may not accrue at the same pace as the local currency appreciation present trend in exchange rates continue. In this event, the Company's margins could experience some pressure.

The Company's main competitive advantages in the domestic market – products with state-of-art technology, own nationwide distribution chain, permanent technical assistance, the availability of attractive financing to our customers – have been conducive to Romi meeting its planned performance for 2007 sales growth without sacrificing margins.

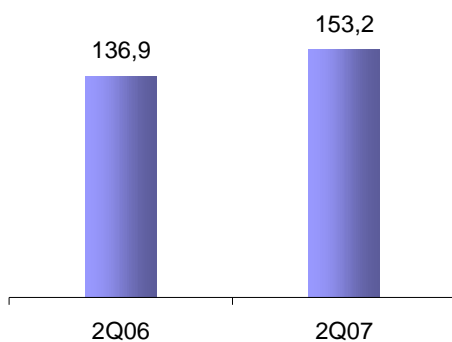
### Operating Revenues

Romi 2Q07 consolidated net operating revenues increased by 11.9% to R\$ 153,2 million, compared to the same period 2006 (R\$ 136,9 million). This good performance mainly reflects positive overall results from company operations, benefiting from a continued favorable macroeconomic scenario as well as the gradual increase in actual production capacity of the Machine Tool and Rough and Machined Cast Iron Parts units. For the accumulated six-month period, net operating revenues amounted to R\$ 278,6 million, an increase of 16.1% in relation to the same period 2006 (R\$ 240,1 million).

In 2Q07, **domestic market** net revenues reached R\$135,9 million, an increase of 13.0% compared with the same period in 2006 (R\$120,2 million).

## OPERATING PERFORMANCE

Net Revenue (R\$ million)



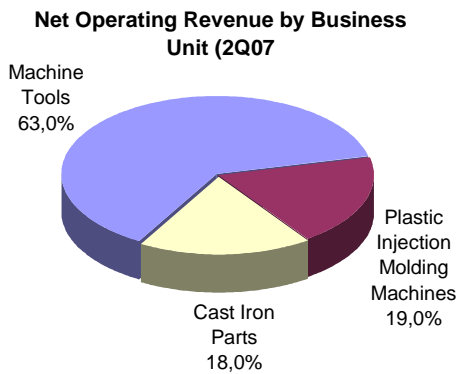


## PERFORMANCE OF THE BUSINESS UNITS

Foreign market sales are considered strategic by the Company, both to maintain already consolidated sales channels for gauging the level of Romi's technology in the worldwide context and also to transfer benefits of this internationally competitive know-how to domestic customers. The Machine Tools Business Unit accounts for most of our exports, with 68.6% of the total in the first half of 2007. The Rough and Machined Cast Iron Parts Business Unit was responsible for almost all the remaining exports – 31.2% in the first half 2007.

In the first half 2007, the Company's exports accounted for 14.3% of Net Operating Revenues compared with 12.0% in the same period 2006, an increase in value of 37.7% in Brazilian reais. Meanwhile, exports in US Dollars in the first half 2007 were US\$ 19,6 million, 47.4% higher than the US Dollar amount for the same period 2006, what evidences the influence of the foreign exchange on the decrease in the Company's export inflows in Brazilian reais.

Romi has continuously managed to diversify export markets and export product mix with the goal to increase margins for these sales. The USA remains the largest market for the Company's products, followed by Europe and South America.



### Net Operating Revenue (R\$ thousands)

	2Q06	2Q07	% Chg.	1H06	1H07	% Chg.
Machine Tools	89,684	96,335	7.4	159,561	180,311	13.0
Plastic Injection Molding Machines	23,221	28,726	23.7	40,156	45,953	14.4
Rough and Machined Cast Iron Parts	24,020	28,172	17.3	40,384	52,380	29.7
<b>Total</b>	<b>136,925</b>	<b>153,233</b>	<b>11.9</b>	<b>240,101</b>	<b>278,644</b>	<b>16.1</b>

**Note: See income statements per business unit in annex I**

### Machine Tools

In 2Q07, the Machine Tools Business Unit's sales totaled 549 units, a growth of 11.1% compared with the same period 2006. In the 1<sup>st</sup> half 2007, sales of this same unit amounted to 1,070 units against 853 for the equivalent period 2006, an increase of 25.4%.

Demand for machine tools in 1H07 was mainly from the automotive and job shop sectors.

Net operating revenue in 2Q07 was R\$ 96,3 million, against R\$ 89,7 million in the same period in 2006, an increase of 7.4%. This unit reported less significant performance in the second quarter, reflecting the declining US Dollar, which increases the foreign competition in the domestic market. For the accumulated six month period, net operating revenue accounted for R\$ 180,3 million, an increase of 13%, when compared with 1H06.

### Plastic Injection Molding Machines

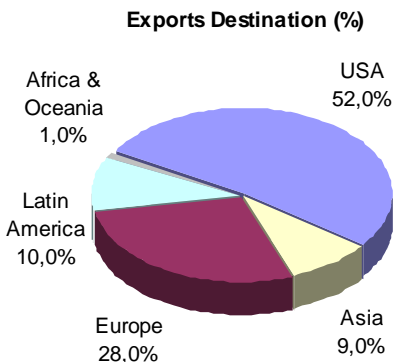
The Plastic Injection Molding Machines Business Unit reported a strong sales performance in 2Q07. During the period, this unit was responsible for the sale of 97 units, 26% more in volume terms than 2Q06 (77 units), amounting to 153 units in the 1<sup>st</sup> half of this year, against 142 units in the same period 2006. Customers industrial sectors which demanded more strongly for Plastic Injection Molding Machine this semester were: automotive, job shops, home appliances and electrical-electronics.

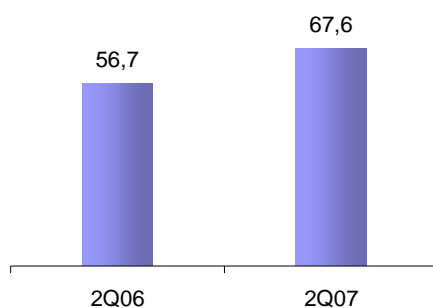
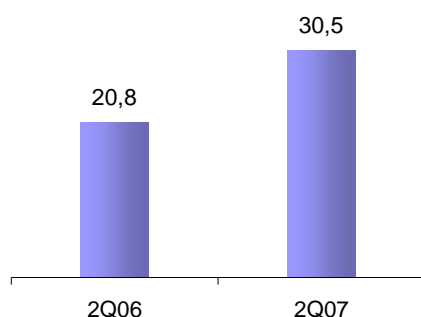
Net operating revenues for this business unit were R\$ 28,7 million in 2Q07, totaling R\$ 46 million in the semester, an increase of 23.7% and 14.4%, when compared to the same periods in 2006.

### Rough and Machined Cast Iron Parts

In 2Q07, the Rough and Machined Cast Iron Parts Business Unit reported strong sales performance of 5.3 thousand tons, an increase of 25.7% over the same period 2006. First half sales were 9.9 thousand tons, 38.7% more than for the same period 2006. The increase on sales volume reflects investments undertaken in 2005 for expanding the production capacity of this unit at beginning of 2006. Customer segments reporting the most significant growth in 2007 were companies related to agriculture and wind power generation.

This favorable performance is reflected in the business units' net revenue that reached R\$ 28,2 million in 2Q07 and R\$ 52,4 million in the first half of 2007, an increase of 17.2% and 31.6%, when compared to the same periods of 2006.



**Gross Profit (R\$ Million)****Operating Profit (R\$ Million)****Operating Costs and Expenses**

Gross and operating margins were significantly up on the second quarter of 2006, having a positive impact on the accumulated period for the year as well. Factors driving this improvement in margins were the reduction in cost of materials due to the direct and indirect participation of imported components in the cost of industrial machines, higher production volume and higher sales at all the business units and strong control over operating expenses in line with the Company's budget.

**Gross Margin (%)**

	2Q06	2Q07	1H06	1H07
Machine Tools	47,1	45,9	46,1	45,2
Plastic Injection Molding Machines	32,8	44,2	30,8	43,3
Rough and Machined Cast Iron Parts	28,3	37,9	27,6	33,6
Total	41,4	44,1	40,4	42,7

**Machine Tools**

2Q07 Gross margins at this unit, dipped slightly in relation to 2Q06 from 47.1% to 45.9%. For 1H07, gross margins were also lower than 1H06 from 46.1 to 45.2%. The modest squeeze on gross margins is largely due to the increase in discounting and promotions during the period, a reflection of prices of competing imports set against a background of a devaluated US Dollar. However, thanks to strict control over operating expenses, it should be noted that the operating margin performance was better when compared with 1Q06 and 1H06.

**Plastic Injection Molding Machines**

This division reported a significant improvement in gross margin, increasing from 32.8% in 2Q06 to 44.2% in 2Q07, closing the 1H07 with a margin of 43.3%, an impressive gain of 12.5 percentage points over 1H06. This performance reflects the increase on sales volume combined with strong cost control and the recovery of margins in the "Prática" line launched, with promotional prices, in early 2006. The business unit's operating margin performed in a similarly positive manner.

**Rough and Machined Cast Iron Parts**

This unit registered a gross margin of 37.9% in 2Q07 against 28.3% in the same period 2006, an impressive performance. As a result, the accumulated percentage for the semester rose from 27.6% in 1H06 to 33.6% in 1H07, as a result of higher sales volume following the expansion of the unit in 2006 combined with the continuous strategy of manufacturing more complex and higher value-added parts.

**Operating Margin (%)**

	2Q06	2Q07	1H06	1H07
Machine Tools	18.0	18.8	16.2	18.2
Plastic Injection Molding Machines	4.9	20.0	2.5	17.5
Rough and Machined Cast Iron Parts	14.7	23.7	14.3	19.5
Total	15.2	19.9	13.6	18.4

**EBITDA and EBITDA Margin**

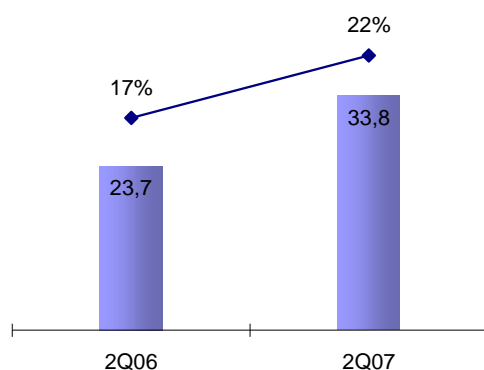
The Company has segregated the Public Offering of Shares expenses from the EBITDA statement in order to allow a fairer comparative analysis of the Company's operating margins. Romi understands that such expenses are non-recurring and should not be used in the calculation of operating performance.

Disregarding the Public Offering Shares expenses, EBITDA reached R\$ 33,8 million in the 2Q07, an increase of 43.% compared to 2Q06, as a result EBITDA margin reached 22.1% this quarter.. For the accumulated six-month period 2007, EBITDA was R\$ 57,7 million, an EBITDA margin of 20.7%, what represents an increase of 50.2% on the value reported for the 1H06.

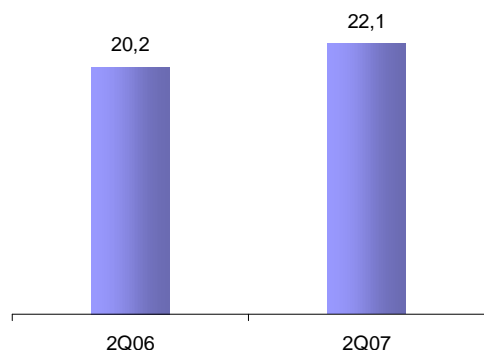




EBITDA and EBITDA Margin (R\$ Million)



Net Income (R\$ Milion)



Reconciliation of Net Income to EBITDA R\$ millions	Quarter			Accumulated		
	2Q06	2Q07	% Chg.	1H06	1H07	% Chg.
<b>Net Income</b>	<b>20,215</b>	<b>22,061</b>	<b>9.1</b>	<b>30,582</b>	<b>40,216</b>	<b>31.5</b>
Net Financial Income	(1,914)	(7,317)		(4,502)	(12,552)	
Income tax and social contributions	2,467	2,631		6,722	10,416	
Depreciation and amortization	2,870	3,482		5,634	6,690	
<b>EBITDA</b>	<b>23,638</b>	<b>20,857</b>	<b>(11.8)</b>	<b>38,436</b>	<b>44,797</b>	<b>16.6</b>
Public Offering Expenses	-	12,945	-	-	12,945	-
<b>Adjusted EBITDA</b>	<b>23,638</b>	<b>33,802</b>	<b>43.0</b>	<b>38,436</b>	<b>57,742</b>	<b>50.2</b>
<b>Adjusted EBITDA Margin</b>	<b>17.3%</b>	<b>22.1%</b>		<b>16.0%</b>	<b>20.7%</b>	

### Net Income

A combination of various positive factors (operating and economic-financial) for the period directly impacted Romi's bottom line earnings. The Company reported a net income of R\$ 22,1 million in 2Q07 and R\$ 40,2 million in the first half of 2007, (including the effects of the Public Offering of Shares on results), a growth of 9.1% and 31.5% respectively, compared with the same period for the fiscal year 2006.

### Distribution of Results

On July 18 2007, the Company paid out interest on shareholders' equity, to be incorporated as an integral part of mandatory minimum dividends, for the amount of R\$ 12,962 thousand (R\$ 11,408 thousand, net of tax), representing a gross value of R\$ 0,165 per share, in accordance with the minutes of the Meeting of the Board of Directors of May 30 2007, which approved the payment of interest on shareholders' equity, accordingly credited on June 29 2007.

### Acquisitions

**Acquisition of assets of CNC Service Ltda** – In line with its growth strategy, on May 18 2007, the Company signed an Agreement for the Acquisition of Assets and Assignment of Contracts worth R\$ 6,6 million with CNC Service Ltda., located in Santa Bárbara d'Oeste-SP. CNC Services Ltda. is a national leader in heavy and ultra-heavy machine tool refurbishment and technical assistance.

For Romi, this acquisition represents the expansion of its activities in the manufacture and sale of heavy-duty machine tools in addition to the new refurbishment business for this line of equipment. Depending on market conditions and the economic environment, the Company estimates that within about three years, the manufacture and sale of heavy duty machine tools could be generating net annual revenues of R\$ 50 million and the heavy duty machine tools repair and retrofit business, a further annual net revenues of R\$ 15 million. Customers to be served are directly or indirectly connected to the steel, power generation, sugar and ethanol, pulp and paper, shipbuilding, oil and mining sectors, among others.

### Capital Expenditures

The Company's budgeted capital expenditures for the year are running to plan. In 2Q07, Romi invested R\$ 6,5 million and a total of R\$ 12,5 million for 2S07. In 2Q07, the principal investment was the acquisition of machines for modernizing and expanding the machining of heavy parts used at the machine tool and plastic injection molding machine assembly units.

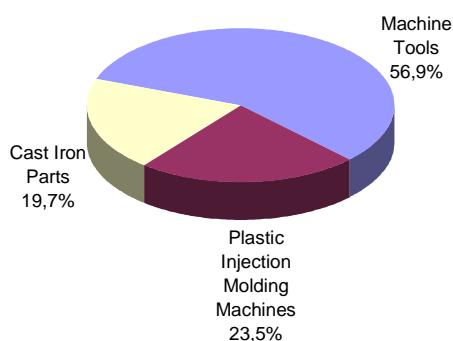
### Order Book (gross values with taxes)

Order Book (R\$ thousands)	1Q07	2Q07	% Chg.
Machine Tools	82,943	115,159	38.8
Plastic Injection Molding Machines	28,099	47,490	69.0
Rough and Machined Cast Iron Parts	41,496	39,828	(4.0)
<b>Total</b>	<b>152,538</b>	<b>202,477</b>	<b>32.7</b>



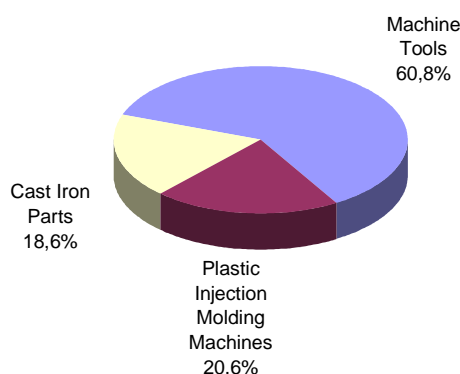


The Company's order book in 2Q07 reported an increase of 32.7% compared with the preceding quarter, largely due to machine sales arising from the International Machine Tools and Integrated Manufacturing Systems (Feimafe) and the International Plastics Industry (BrasilPlast) trade fairs held in May. These are the most important trade fairs in the sector and where Romi traditionally reports sales much above its monthly average.

**Order Book (Distribution) - 2Q07**

Order Book (R\$ thousands)	2Q06	2Q07	% Chg.
Machine Tools	127,926	115,159	(10.0)
Plastic Injection Molding Machines	35,293	47,490	34.6
Rough and Machined Cast Iron Parts	21,186	39,828	88.0
<b>Total</b>	<b>184,405</b>	<b>202,477</b>	<b>9.8</b>

The 2Q07 order book recorded an increase of 9.8% compared with 2Q06. This result was also above Company's expectations, based on the target of maintaining a portfolio equivalent to approximately 60 days average sales. The Rough and Machined Cast Iron Parts Business Unit contributed most to this performance, mainly as a reflection of the gradual absorption of the additional installed capacity started up in the beginning of 2006.

**New Orders (gross values. with taxes)****New Order (Distribution) - 1H07**

Order Entry (R\$ thousands)	2Q06	2Q07	% Chg.
Machine Tools	99,775	135,733	36.0
Plastic Injection Molding Machines	29,641	50,516	70.4
Rough and Machined Cast Iron Parts	26,262	33,675	28.2
<b>Total</b>	<b>155,678</b>	<b>219,924</b>	<b>41.3</b>

New orders for the periods ending in 2Q07 and 1H07 reported a significant increase of 41.3% and 29.7% respectively, when compared with the same periods in 2006, due mainly to the improvement of the industrial sector activity.

New Order (R\$ thousands)	1H06	1H07	% Chg.
Machine Tools	192,799	243,182	26.1
Plastic Injection Molding Machines	53,277	82,578	55.0
Rough and Machined Cast Iron Parts	62,420	74,440	19.3
<b>Total</b>	<b>308,496</b>	<b>400,200</b>	<b>29.7</b>

New Order (R\$ thousands)	1Q07	2Q07	% Chg.
Machine Tools	107,449	135,733	26,3
Plastic Injection Molding Machines	32,062	50,516	57,6
Rough and Machined Cast Iron Parts	40,765	33,675	(17,4)
<b>Total</b>	<b>180,276</b>	<b>219,924</b>	<b>22,0</b>

New orders reported by the Company during 2Q07 posted an increase of 22.0% compared with 1Q07, mainly due to the result of the trade fairs already mentioned.

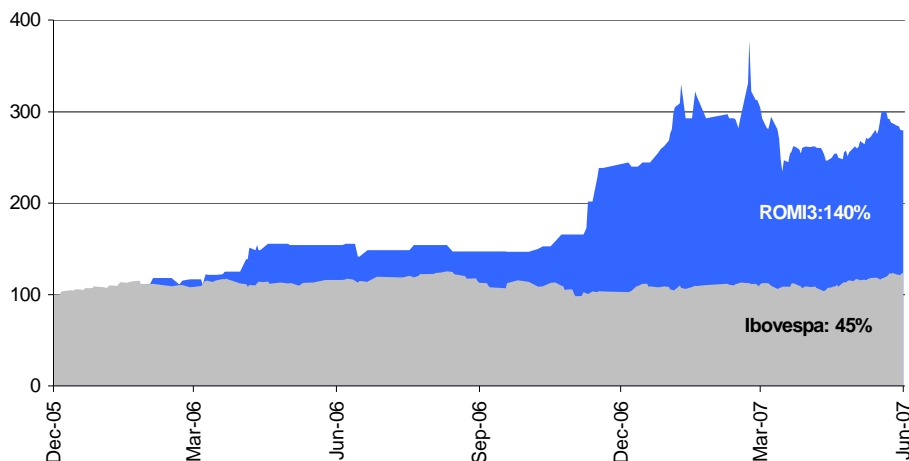
**Note: The amount reported above does not include spare parts, technical assistance and re-sales of machine.**

**CAPITAL MARKETS****Capital Markets**

Romi (ROMI3) ordinary shares are listed in the Novo Mercado segment of the São Paulo Stock Exchange (Bovespa). The closing unit price as of June 30, 2007 was R\$ 17,97, a decline of 4.5% for 2Q07 and an increase of 81% for the rolling 12 month period. Compared with the Bovespa Stock Index ended 2Q07 posting an appreciation of 18% and 59% respectively.



**Share Performance (ROMI3) vs. Bovespa Index (Basis: 100) - R\$/Share  
Period: December/2005 - June/2007**



Source: *Econômica*

## CAPITAL MARKETS

### Increase in Capital Stock through a Public Offering of Shares

#### Increase in Capital Stock through a Public Offering of Shares

Pursuant to resolutions of the Board of Directors in the meetings of April 11 2007 and April 25 2007, the Company's capital stock was increased by R\$ 180,000,000.00 million and R\$ 62,935,785.00 respectively, from R\$ 260,000,000.00 to R\$ 502,935,785.00 through the issue for public subscription of 16,195,719 new common shares, which were fully paid in to the capital stock on April 17 2007 and April 25 2007, respectively. Following these increases, as of June 30 2007, the Company's capital stock is represented by 78,557,547 common nominative and book entry shares without par value.

The Company raised R\$ 230 million net through the recent Public Offering of Shares and intends to use these funds for two main projects:

- 1) Expansion of production capacity at the Rough and Machined Cast Iron Parts Business Unit, through the increase in existing capacity as well as eventually through acquisitions, as a result leveraging important business synergies and the growing domestic and overseas demand for rough and machined cast iron parts and;
- 2) Broadening of the Company's machinery and equipment portfolio of products, accordingly serving customers that operate in sectors expected to benefit from the growth and modernization of the Brazilian industry. This also may be achieved through the expansion of existing manufacturing facilities or through eventual acquisitions.

Forward-looking statements contained in this release with respect to the Company's business, forecasts for operating and financial results, and references to potential growth prospects, merely represent forecasts and were based on Management's estimates with respect to future performance. These estimates are highly dependent on market conditions, the economic situation of Brazil, of the industry and the international markets, and for this reason, are subject to change.

**Financial Statements****Consolidated Balance Sheet**

Corporate Law (R\$ thousands)

<b>ASSETS</b>	<b>1T07</b>	<b>2T07</b>
<b>CURRENT</b>	<b>484,850</b>	<b>722,747</b>
Cash and Cash equivalents	13,999	6,494
Marketable securities	59,984	277,938
Trade accounts receivable	45,289	47,051
Trade accounts receivable - Finame Manufacturer	178,334	189,484
Inventories	174,289	182,562
Recoverable taxes	8,445	11,899
Other assets	4,510	7,319
<b>NON CURRENT</b>	<b>452,350</b>	<b>494,226</b>
<b>Long-Term Assets</b>	<b>293,825</b>	<b>333,102</b>
Trade accounts receivable	834	1,333
Trade accounts receivable - Finame Manufacturer	277,635	317,923
Recoverable taxes	12,912	12,996
Other assets	2,444	850
<b>Investments</b>		
Goodwill	9	9
Property, Plant and Equipment	158,516	161,115
<b>TOTAL ASSETS</b>	<b>937,200</b>	<b>1,216,973</b>





## Consolidated Balance Sheet

Corporate Law (R\$ thousands)

LIABILITIES AND SHAREHOLDER'S EQUITY	1T07	2T07
<b>CURRENT</b>	<b>268,100</b>	<b>272,905</b>
Loans	15,813	25,354
Loans - Finame Manufacturer	158,569	166,746
Trade accounts payable	22,181	23,055
Payroll and related charges	18,956	25,397
Taxes payable	8,832	5,849
Advances from customers	7,396	8,925
Interest on capital, dividends and participations	32,857	13,504
Other liabilities	3,496	4,075
<b>NON CURRENT</b>	<b>303,904</b>	<b>326,696</b>
<b>Long-term liabilities</b>		
Loans	42,605	41,986
Loans - Finame Manufacturer	251,800	275,485
Deferred income taxes and social contribution on revaluation reserves	7,188	6,987
Taxes payable	596	596
Provision for contingencies	1,715	1,642
<b>Negative goodwill on subsidiaries</b>	<b>4,199</b>	<b>4,199</b>
<b>MINORITY INTERESTS</b>	<b>1,541</b>	<b>1,682</b>
<b>SHAREHOLDER'S EQUITY</b>	<b>359,456</b>	<b>611,491</b>
Capital	260,000	502,936
Capital reserves	2,052	2,052
Revaluation reserves	30,015	29,625
Profit reserves/retained earnings	67,389	76,878
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>937,200</b>	<b>1,216,973</b>



## Income Statements Corporate Law

R\$ THOUSANDS	2Q06	2Q07	% Chg.	1H06	1H07	Var.%
<b>Gross Operating Revenue</b>	<b>167,450</b>	<b>184,038</b>	<b>9.9</b>	<b>293,024</b>	<b>334,829</b>	<b>14.3</b>
Taxes on sales	(30,525)	(30,805)	0.9	(52,923)	(56,185)	6.2
<b>Net Operating Revenue</b>	<b>136,925</b>	<b>153,233</b>	<b>11.9</b>	<b>240,101</b>	<b>278,644</b>	<b>16.1</b>
Cost of sales and services	(80,251)	(85,672)	6.8	(143,065)	(159,587)	11.5
<b>Gross Profit</b>	<b>56,674</b>	<b>67,561</b>	<b>19.2</b>	<b>97,036</b>	<b>119,057</b>	<b>22.7</b>
<i>Gross Margin %</i>	<b>41.4%</b>	<b>44.1%</b>	-	<b>40.4%</b>	<b>42.7%</b>	-
<b>Operating Expenses</b>	<b>(35,826)</b>	<b>(37,023)</b>	<b>3.3</b>	<b>(64,427)</b>	<b>(67,923)</b>	<b>5.4</b>
Selling	(16,308)	(15,536)	(4.7)	(27,709)	(27,311)	(1.4)
General and administrative	(12,688)	(11,718)	(7.6)	(24,403)	(24,462)	0.2
Research and development	(5,625)	(7,429)	32.1	(10,058)	(12,217)	21.5
Taxation	(1,205)	(2,340)	94.2	(2,257)	(3,933)	74.3
<b>Operating Income before Public Offering Expenses</b>	<b>20,848</b>	<b>30,538</b>	<b>46.5</b>	<b>32,609</b>	<b>51,134</b>	<b>56.8</b>
<i>Operating Margin I %</i>	<b>15.2%</b>	<b>19.9%</b>	-	<b>13.6%</b>	<b>18.4%</b>	-
Public Offering Expenses	-	(12,945)	-	-	(12,945)	-
<b>Operating Income before Financial Results</b>	<b>20,848</b>	<b>17,593</b>	<b>(15.6)</b>	<b>32,609</b>	<b>38,189</b>	<b>17.1</b>
<i>Operating Margin II %</i>	<b>15.2%</b>	<b>11.5%</b>	-	<b>13.6%</b>	<b>13.7%</b>	-
<b>Financial Results</b>	<b>1,914</b>	<b>7,317</b>	<b>282.3</b>	<b>4,502</b>	<b>12,525</b>	<b>178.2</b>
Financial income	2,386	7,186	201.2	6,156	13,341	116.7
Financial expenses	(602)	(1,344)	123.3	(1,250)	(2,424)	93.9
FX changes, net	130	1,475	1,034.6	(404)	1,608	(498.0)
<b>Operating Income</b>	<b>22,762</b>	<b>24,910</b>	<b>9.4</b>	<b>37,111</b>	<b>50,714</b>	<b>36.7</b>
Non-operating result	(23)	(77)	234.8	278	138	(50.4)
<b>Income before income tax and social contribution</b>	<b>22,739</b>	<b>24,833</b>	<b>9.2</b>	<b>37,389</b>	<b>50,852</b>	<b>36.0</b>
Income tax and social contribution	(2,467)	(2,631)	6.6	(6,722)	(10,416)	55.0
<b>Net Income before Participations</b>	<b>20,272</b>	<b>22,202</b>	<b>9.5</b>	<b>30,667</b>	<b>40,436</b>	<b>31.9</b>
Management profit sharing	-	-	-	-	-	-
Minority interests	(57)	(141)	147.4	(85)	(220)	158.8
<b>Net income</b>	<b>20,215</b>	<b>22,061</b>	<b>9.1</b>	<b>30,582</b>	<b>40,216</b>	<b>31.5</b>
<i>Net Margin %</i>	<b>14.8%</b>	<b>14.4%</b>	-	<b>12.7%</b>	<b>14.4%</b>	-
<b>EBITDA</b>	<b>23,638</b>	<b>33,802</b>	<b>43.0</b>	<b>38,436</b>	<b>57,742</b>	<b>50.2</b>
Net income	20,215	22,061	-	30,582	40,216	-
Income tax and social contribution	2,467	2,631	-	6,722	10,416	-
Financial results	(1,914)	(7,317)	-	(4,502)	(12,525)	-
Depreciation	2,870	3,482	-	5,634	6,690	-
<b>EBITDA</b>	<b>23,638</b>	<b>20,857</b>	<b>(11.8)</b>	<b>38,436</b>	<b>44,797</b>	<b>50.2</b>
Public Offering Expenses	-	12,945	-	-	12,945	-
Adjusted EBITDA	23,638	33,802	43.0	-	57,742	50.2
<i>Adjusted EBITDA Margin %</i>	<b>17.3%</b>	<b>22.1%</b>	-	<b>16.0%</b>	<b>20.7%</b>	-
Nº of shares in capital stock (th)	62,362 (*)	78,558	-	62,362 (*)	78,558	-
Net income per share - R\$	0.32(*)	0.28	-	0.49 (*)	0.51	-
Book value per share - R\$	6.12 (*)	7.78	-	6.12 (*)	7.78	-

(\*) Merely for comparison purposes, already considering the conversion and stock split of March 23 2007



## Cash Flow

### Corporate Law

R\$ thousands	2Q07	2Q06	1H07	1H06
<b>Cash from operating activities</b>				
<b>Net Income</b>	<b>20,215</b>	<b>22,061</b>	<b>30,582</b>	<b>40,216</b>
Depreciation	2,870	3,482	5,634	6,690
Provision for doubtful accounts	(250)	(112)	(233)	(86)
Loss (Gain) on sale of fixed assets	396	214	726	(163)
Interest and FX changes on, accounts receivable, accounts payable and loans	(10,595)	(10,639)	(11,470)	(20,649)
Deferred income tax and social contribution	(2,098)	(1,876)	(2,637)	(2,598)
Provision for contingencies	100	(73)	253	(2,787)
Minority Interests	58	141	73	220
<b>Change on operating assets</b>				
Marketable Securities Maturing in more than 90 days	-	(37,320)	-	(37,320)
Trade accounts receivable	12,497	(2,765)	29,031	(2,315)
Trade accounts receivable - Finame Manufacturer	(55,653)	(51,438)	(80,258)	(76,921)
Inventories	(14,462)	(8,273)	(25,874)	(12,772)
Recoverable taxes, net	(142)	(1,662)	(990)	(2,058)
Other current and long term assets	(2,420)	(1,215)	(2,839)	(2,899)
<b>Change on operating liabilities</b>				
Trade accounts payable	(2,060)	413	401	4,302
Payroll and related charges	9,636	6,441	2,288	(483)
Taxes payable	(2,535)	(2,983)	(3,925)	(2,439)
Advances from customers	(1,521)	1,529	(3,135)	4,297
Other current and long term liabilities	115	579	(385)	1,738
Deferred Income tax and social contribution on revaluation reserve	(220)	(201)	(420)	(402)
	-	-	-	-
<b>Cash provided by (used in) operating activities</b>	<b>(46,069)</b>	<b>(83,697)</b>	<b>(63,178)</b>	<b>(106,429)</b>
Acquisitions	(7,660)	(6,506)	(13,880)	(12,480)
Sale of assets	1	211	158	853
<b>Cash flow used in investment operations</b>	<b>7,659</b>	<b>(6,295)</b>	<b>(13,722)</b>	<b>(11,627)</b>
Interest on capital	(4,441)	(32,315)	(4,430)	(84,787)
New loans and financing	-	11,395	-	41,401
Payments of loans	(1,785)	(1,582)	(14,433)	(3,010)
New loans - Finame Manufacturer	103,182	62,227	118,20	137,129
Payments of loans Finame Manufacturer	(44,097)	(19,540)	(44,097)	(55,423)
<b>Cash flow from financial activities</b>	<b>52,859</b>	<b>20,185</b>	<b>55,249</b>	<b>35,310</b>
	-	242,936	-	242,936
<b>Net Cash Flow</b>	<b>(869)</b>	<b>173,129</b>		
	-	-	-	-
<b>Cash and cash equivalents - beginning of period</b>	<b>57,416</b>	<b>73,983</b>	<b>78,198</b>	<b>86,922</b>
<b>Cash and cash equivalents - end of period</b>	<b>56,547</b>	<b>247,112</b>	<b>56,547</b>	<b>247,112</b>



## Annex I

### Income Statement by Business Units - 1H07

R\$ mil	Machine Tools	Plastic Injection Molding Machines	Rough and Machined Cast Iron Parts	Total
<b>Gross Operating Revenue</b>	<b>214,457</b>	<b>55,078</b>	<b>65,294</b>	<b>334,829</b>
(-) Taxes on Sales	(34,146)	(9,125)	(12,914)	(56,185)
<b>Net Operating Revenue</b>	<b>180,311</b>	<b>45,953</b>	<b>52,380</b>	<b>278,644</b>
<b>Cost of Sales and Services</b>	<b>(95,234)</b>	<b>(21,705)</b>	<b>(42,648)</b>	<b>(159,587)</b>
Business Units Transfers	6,320	-	13,675	19,995
Business Units Transfers	(9,862)	(4,350)	(5,783)	(19,995)
<b>Gross Profit</b>	<b>81,535</b>	<b>19,898</b>	<b>17,624</b>	<b>119,057</b>
<i>Gross Margin %</i>	<b>45,2%</b>	<b>43,3%</b>	<b>33,6%</b>	<b>42,7%</b>
<b>Operating Expenses</b>	<b>(48,658)</b>	<b>(11,853)</b>	<b>(7,412)</b>	<b>(67,923)</b>
Selling	(18,742)	(5,544)	(3,025)	(27,311)
General and Administrative	(14,808)	(3,359)	(3,679)	(21,846)
Research and Development	(9,914)	(2,303)	-	(12,217)
Administration Fees	(2,055)	(268)	(293)	(2,616)
Taxation	(3,139)	(379)	(415)	(3,933)
<b>Operating Income before Public Offering Expenses</b>	<b>32,877</b>	<b>8,045</b>	<b>10,212</b>	<b>51,134</b>
<i>Operating Margin - I %</i>	<b>18,2%</b>	<b>17,5%</b>	<b>19,5%</b>	<b>18,4%</b>
Public Offering Expenses	-	-	-	(12,945)
<b>Operating Income before Financial Results</b>	<b>32,877</b>	<b>8,045</b>	<b>10,212</b>	<b>38,189</b>
<i>Operating Margin - II %</i>	<b>18,2%</b>	<b>17,5%</b>	<b>19,5%</b>	<b>13,7%</b>

### Income Statement by Business Units - 1H06

R\$ mil	Machine Tools	Plastic Injection Molding Machines	Rough and Machined Cast Iron Parts	Total
<b>Gross Operating Revenue</b>	<b>192,850</b>	<b>49,312</b>	<b>50,862</b>	<b>293,024</b>
(-) Taxes on Sales	(33,289)	(9,156)	(10,478)	(52,923)
<b>Net Operating Revenue</b>	<b>159,561</b>	<b>40,156</b>	<b>40,384</b>	<b>240,101</b>
<b>Cost of Sales and Services</b>	<b>(82,545)</b>	<b>(22,693)</b>	<b>(37,827)</b>	<b>(143,065)</b>
Business Units Transfers	5,784	-	13,809	19,593
Business Units Transfers	(9,288)	(5,098)	(5,207)	(19,593)
<b>Gross Profit</b>	<b>73,512</b>	<b>12,365</b>	<b>11,159</b>	<b>97,036</b>
<i>Gross Margin %</i>	<b>46,1%</b>	<b>30,8%</b>	<b>27,6%</b>	<b>40,4%</b>
<b>Operating Expenses</b>	<b>(47,696)</b>	<b>(11,359)</b>	<b>(5,372)</b>	<b>(64,427)</b>
Selling	(20,048)	(5,706)	(1,955)	(27,709)
General and Administrative	(16,188)	(2,762)	(2,811)	(21,761)
Research and Development	(7,916)	(2,142)	-	(10,058)
Administration Fees	(1,951)	(382)	(309)	(2,642)
Taxation	(1,593)	(367)	(297)	(2,257)
<b>Operating Income before Financial Results</b>	<b>25,816</b>	<b>1,006</b>	<b>5,787</b>	<b>32,609</b>
<i>Operating Margin %</i>	<b>16,2%</b>	<b>2,5%</b>	<b>14,3%</b>	<b>13,6%</b>



### Income Statement by Business Units – 1Q07

R\$ mil	Machine Tools	Plastic Injection Molding Machines	Rough and Machined Cast Iron Parts	Total
<b>Gross Operating Revenue</b>	<b>114,778</b>	<b>34,109</b>	<b>35,151</b>	<b>184,038</b>
(-) Taxes on Sales	(18,443)	(5,383)	(6,979)	(30,805)
<b>Net Operating Revenue</b>	<b>96,335</b>	<b>28,726</b>	<b>28,172</b>	<b>153,233</b>
<b>Cost of Sales and Services</b>	<b>(49,727)</b>	<b>(13,510)</b>	<b>(22,435)</b>	<b>(85,672)</b>
Business Units Transfers	3,259	-	7,867	11,126
Business Units Transfers	(5,681)	(2,515)	(2,930)	(11,126)
<b>Gross Profit</b>	<b>44,186</b>	<b>12,701</b>	<b>10,674</b>	<b>67,561</b>
<i>Gross Margin %</i>	<i>45.9%</i>	<i>44.2%</i>	<i>37.9%</i>	<i>44.1%</i>
<b>Operating Expenses</b>	<b>(26,072)</b>	<b>(6,964)</b>	<b>(3,987)</b>	<b>(37,023)</b>
Selling	(10,558)	(3,342)	(1,636)	(15,536)
General and Administrative	(6,240)	(2,065)	(2,104)	(10,409)
Research and Development	(6,141)	(1,288)	-	(7,429)
Administration Fees	(1,121)	(100)	(88)	(1,309)
Taxation	(2,012)	(169)	(159)	(2,340)
<b>Operating Income before Public Offering Expenses</b>	<b>18,114</b>	<b>5,737</b>	<b>6,687</b>	<b>30,538</b>
<i>Operating Margin - I %</i>	<i>18.8%</i>	<i>20.0%</i>	<i>23.7%</i>	<i>19.9%</i>
Public Offering Expenses	-	-	-	(12,945)
<b>Operating Income before Financial Results</b>	<b>18,114</b>	<b>5,737</b>	<b>6,687</b>	<b>17,593</b>
<i>Operating Margin - II %</i>	<i>18.8%</i>	<i>20.0%</i>	<i>23.7%</i>	<i>11.5%</i>

### Income Statement by Business Units – 1Q06

R\$ mil	Machine Tools	Plastic Injection Molding Machines	Rough and Machined Cast Iron Parts	Total
	<b>108,637</b>	<b>28,662</b>	<b>30,151</b>	<b>167,450</b>
(-) Taxes on Sales	(18,953)	(5,441)	(6,131)	(30,525)
<b>Net Operating Revenue</b>	<b>89,684</b>	<b>23,221</b>	<b>24,020</b>	<b>136,925</b>
<b>Cost of Sales and Services</b>	<b>(45,684)</b>	<b>(12,469)</b>	<b>(22,098)</b>	<b>(80,251)</b>
Business Units Transfers	3,379	-	7,907	11,286
Business Units Transfers	(5,116)	(3,140)	(3,030)	(11,286)
<b>Gross Profit</b>	<b>42,263</b>	<b>7,612</b>	<b>6,799</b>	<b>56,674</b>
<i>Gross Margin %</i>	<i>47.1%</i>	<i>32.8%</i>	<i>28.3%</i>	<i>41.4%</i>
<b>Operating Expenses</b>	<b>(26,081)</b>	<b>(6,478)</b>	<b>(3,267)</b>	<b>(35,826)</b>
Selling	(11,593)	(3,466)	(1,249)	(16,308)
General and Administrative	(8,288)	(1,425)	(1,660)	(11,373)
Research and Development	(4,450)	(1,175)	-	(5,625)
Administration Fees	(914)	(215)	(186)	(1,315)
Taxation	(836)	(197)	(172)	(1,205)
<b>Operating Income before Financial Results</b>	<b>16,182</b>	<b>1,134</b>	<b>3,532</b>	<b>20,848</b>
<i>Operating Margin %</i>	<i>18.0%</i>	<i>4.9%</i>	<i>14.7%</i>	<i>15.2%</i>