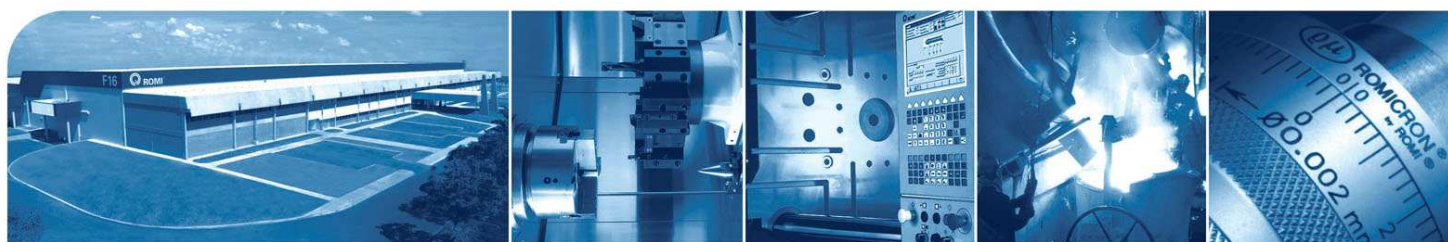


**ROMI**[®]

A TRADITION OF INNOVATION



Santa Bárbara d'Oeste, SP, July 23 2008 – Indústrias Romi S.A. (Bovespa: ROMI3), a domestic market leader in Machine Tools and Plastic Processing Machines, announces its results for the second quarter 2008 (2Q08). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis and monetary values are expressed in Reais and according to IFRS standards.

2Q08

Net Operating Revenue reaches R\$ 177.3 million in 2Q08 and grows 15.7% compared with 2Q07

Share Price (06/30/08)

ROMI3 - R\$ 16.50/share

Market CapitalizationR\$ 1,296 million
US\$ 814 million**Total Shares**Common: 78,557,547
Total: 78,557,547**Free Float:** 54.7%**Contact:**Sergio Roberto Novo
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Phone: 55 (19) 3455-9913
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Investor Relations
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Índice de Ações com Tag Along Diferenciado

FIRB – Financial Investor
Relations Brasil
www.firb.com**Highlights**

- **Increase in Net Operating Revenue of 15.7% in 2Q08 compared with 2Q07**, due to growth in industrial activity in Brazil.
- **Growth in sales volume at every Business Unit**, with the increase of 18.4% in the Machine Tools unit being the most notable.
- **Exports in US dollars increase 40.4% in 2Q08 compared with 2Q07**, an indication of the Company's competitiveness in the overseas market.
- **Growth of 24.5% in orders entry for Machine Tools unit in 2Q08 against 2Q07**, showing a solid economic activity.
- **Investment in fixed assets amounted to R\$ 31.2 million in 1H08**, a growth of 150% compared with 1H07, as plans for expanding capacity and modernizing the manufacturing installations are being implemented.

ROMI - Consolidated In Thousand Reais	Quarter			Accumulated		
	2Q07	2Q08	% Chg.	1H07	1H08	% Chg.
Sales Volume						
Machine Tools (units)	549	650	18.4	1,070	1,168	9.2
Plastic Machines (units)	97	104	7.2	153	185	20.9
Rough and Machined Cast Iron Parts (tons)	5,338	5,669	6.2	9,912	11,243	13.4
Net Operating Revenue	153,233	177,263	15.7	278,644	330,119	18.5
Gross margin (%)	44.4%	41.5%		43.1%	40.8%	
Operating Income (EBIT)	31,306	33,164	5.9	52,886	58,004	9.7
Operating margin (%)	20.4%	18.7%		19.0%	17.6%	
Net Income	35,791	32,743	(8.5)	54,593	58,679	7.5
Net margin (%)	23.4%	18.5%		19.6%	17.8%	
EBITDA	34,197	36,680	7.3	58,394	65,006	11.3
EBITDA margin (%)	22.3%	20.7%		21.0%	19.7%	
Investments	6,506	22,921		12,480	31,220	

EBITDA = earnings before financial result, taxes, depreciation and amortization.

As from December 31, 2007, the Company has been reporting its Financial Statements in accordance with IFRS standards. In the table above, the figures for 2007, previously published according to BRGAAP standards, have been adjusted to IFRS accounting principles for comparison purposes.



CORPORATE PROFILE

Romi is a leading company among the Brazilian manufacturers of Machine Tools and Plastic Processing Machines. It also is an important player in the Rough and Machined Castings market. The Company's main customer segments are automotive and auto parts, capital goods and consumer goods in general.

The Company has nine industrial units, of which three are dedicated to the final assembly of industrial machinery. Romi also operates a foundry, an industrial unit for high-precision tooling systems, two units for the machining of its own components, one unit for the manufacture of sheet metal and a division for the assembly of electronic control panels. The Company has an installed production capacity for approximately 3,640 machines/year and about 40,000 tons/year in castings.

The Machine Tools Business Unit, which accounted for about 64.8% of the Company's 2Q08 sales revenue, comprises lines for Conventional Lathes, CNC Lathes (computerized numerical control), Machining Centers and Romicon[®] High Precision Tooling. The Rough and Machined Castings and Plastic Processing Machines business units, the latter comprised of plastic injection and blow molding machines, contributed with 18.4% and 16.8%, respectively, to sales revenue for the period.

CONJUNTURA

Economic Environment

The economic outlook for 2008 points to a Brazilian GDP growth of approximately 4.8%. The current scenario indicates strong inflationary pressure, leading the Central Bank to employ the instruments for managing monetary policy, principally through increases in the basic interest rate.

The performance of the Company's businesses is largely driven by growth in GDP and consumption, both of which are subject to deceleration under a more restrictive monetary policy regime.

On the currency policy front, the Real continued to appreciate against the US dollar in the second quarter (an appreciation of 9.0%), increasing 10.1% in value in the first half of the year. This posted additional challenges to the Company due to its exposure to imports competition.

Iron ore-based raw materials showed a strong upward surge in prices in the first half of the year, pressuring the Company's industrial cost base, particularly in the case of the Rough and Machined Castings unit. Company's management is alert to this phenomenon and is gradually passing on these cost increases to sale prices.

MARKET

Market

The Company's main customer segments remained active in 2Q08. Romi's principal competitive advantages in the domestic market – advanced technology products, a nationwide direct distribution network, round the clock service and technical assistance, offering of attractive buyer's credit conditions and short product delivery times – allowed the Company to report sales growth in line with its expectations.

New Orders (gross values including sales taxes)

Order Entry (R\$ thousands)	2Q07	2Q08	% Chg.
Machine Tools	135,733	168,928	24.5
Plastic Machines	50,516	49,726	(1,6)
Rough and Machined Cast Iron Parts	33,675	31,727	(5,8)
Total	219,928	237,094	13.8

New orders in 2Q08 posted a growth of 13.8% compared with 2Q07.





Order Entry (R\$ thousands)	1H07	1H08	% Chg.
Machine Tools	243,182	301,55	24.0
Plastic Machines	82,578	84,10	1.8
Rough and Machined Cast Iron Parts	74,440	73,49	(1.3)
Total	400,200	459,14	14.7

As with the 1Q08, the Machine Tools unit recorded strongest growth, reflecting the good performance in the domestic economy, mainly due to the industrial and services sectors.

The Company considers this performance as normal given the current state of industrial activity and the Real/US Dollar exchange rate.

Order Entry (R\$ thousands)	1Q08	2Q08	% Chg.
Machine Tools	132,625	168,928	27.4
Plastic Machines	34,370	49,726	44.7
Rough and Machined Cast Iron Parts	41,765	31,727	(24.0)
Total	208,760	250,381	19.9

New orders showed a 19.9% quarter on quarter increase, the highlight being growth in the Machine Tools and Plastic Machines, reflecting the good income of new orders during the International Machinery Show held in May in Sao Paulo. The reduction in the order book for rough and machined castings was due to sales price renegotiations that took place during the quarter, leading some customers to delay the placement of new orders. The Company considers such behavior as normal under these circumstances.

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

Order Book (R\$ thousands)	2Q07	2Q08	% Chg.
Machine Tools	115,159	145,757	26.6
Plastic Machines	47,490	48,770	2.7
Rough and Machined Cast Iron Parts	39,828	26,558	(33.3)
Total	202,477	221,085	9.2

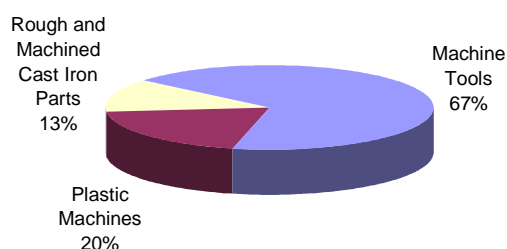
The order book at the end of 2Q08 reported an increase of 9.2% against the same period in 2007 when the Company had already considered such performance as exceeding its forecasts. Worthy of note was the growth in the Machine Tools unit, an indication of Romi's success in leveraging market opportunities.

Order Book (R\$ thousands)	1Q08	2Q08	Var.%
Machine Tools	108,954	145,757	33.8
Plastic Machines	37,460	48,770	30.2
Rough and Machined Cast Iron Parts	44,664	26,558	(40.5)
Total	191,078	221,085	15.7

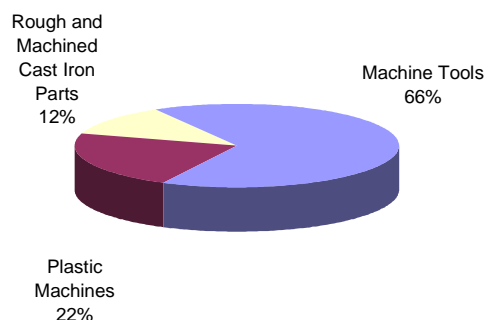
The value of new orders during the quarter was 15.7% up on the preceding quarter, and in line with normal seasonal fluctuations of the business. The fall in the value of new orders at the Rough and Machined Castings unit reflects comments already made under the New Orders heading.

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

New Order (Distribution) - 2Q08



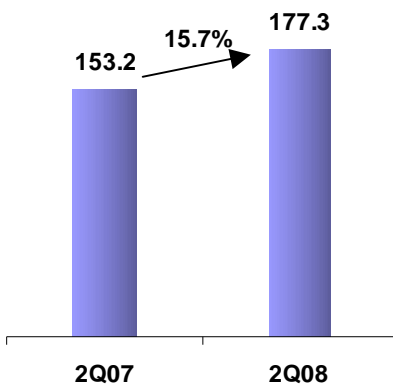
Order Book (Distribution) - 2Q08





OPERATING PERFORMANCE

Net Revenue (R\$ million)



Net Operating Revenue

Consolidated Net Operating Revenue in 2Q08 reached R\$ 177.3 million, 15.7% higher than in the second quarter of 2007. This growth was basically due to the good overall performance of the Company's operations and the continued favorable scenario for industrial activity in Brazil. On the basis of the accumulated period for the first six months of the year, the Net Operating Revenue of R\$ 330.1 million exceeded by 18.5% the net operating revenue recorded in the first half of 2007 in line with Company estimates.

In 2Q08, export revenue reached R\$ 20.4 million, an increase of 17.7% compared to 2Q07 (R\$ 17.4 million). Despite the appreciation of the Real against the US Dollar, the Company's permanent monitoring of the overseas markets was instrumental in 2Q08 exports, which recorded a total of US\$ 12.5 million. This is equivalent to a growth of 40.4% in relation to the US\$ 8.9 million exported in 2Q07. In 2Q08, overseas sales represented 11.5% of Net Operating Revenue, in line with 11.3% in 2Q07.

During 2Q08, the USA continued to be the largest importer of the Company's products, accounting for 42.5% of total company exports (59% in 2Q07), followed by Europe, with 28.7% (26% in 2Q07) and Latin America, with 24.6% (15% in 2Q07), the highlight being Argentina accounting for 14.7%; Asia, with 3.7% (0.2% in 2Q07) and Africa, with 0.5%.

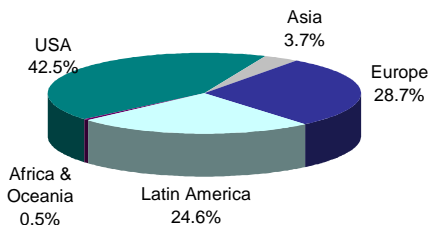
In 1H08, company exports accounted for 12.2% (US\$ 24.0 million) against 14.3% (US\$ 19.6 million) of total net revenue in 1H07. In the first half, the USA absorbed 47.8% (52.3% in 1H07) of the total; Europe, 29.0% (27.6% in 1H07); Latin America, 20.7% (10.1% in 1H07); Asia, 2.2% (9.3% in 2Q07), and Africa and the Pacific Region, 0.3% (0.7% in 1H07).

Net Operating Revenue (R\$ thousands)

Romi - Consolidated	Quarter			Accumulated		
	2Q07	2Q08	% Chg.	1H07	1H08	% Chg.
Net Operating Revenue (R\$ `000)						
Machine Tools	96,335	114,911	19.3	180,311	211,644	17.4
Plastic Machines	28,726	29,802	3.7	45,953	56,476	22.9
Rough and Machined Cast Iron Parts	28,172	32,550	15.5	52,380	61,999	18.4
Total	153,233	177,263	15.7	278,644	330,119	18.5

Note: See income statements per Business Unit in Annex I

Exports Destination (2Q08)



Machine Tools

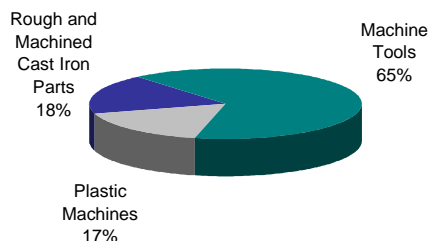
The Machine Tools Business Unit reported the best sales performance in 2Q08. Physical sales amounted to 650 units, a growth of 18.4% compared with the same period in 2007 (549 units). In 1H08, sales totaled 1,168 units against 1,070 units in 1H07, an increase of 9.2%.

The unit's net revenue in 2Q08 reached R\$ 114.9 million against R\$ 96.3 million in 2Q07, representing a growth of 19.3%, a reflection of the favorable conditions in the Brazilian economy and the competitiveness of the Company's products. For the accumulated first half period, net revenue was R\$ 211.6 million, a growth of 17.4% over 1H07.

Romi's major customers in 2Q08 continued to be in the machining services, machinery and equipment, automotive, mold and die sectors.



Net Operating Revenue by Business Unit (2Q08)



Plastic Processing Machines

In 2Q08, the physical sales of the Plastic Processing Machines Business Unit totaled 104 machines, an increase of 7.2% as compared with the same period in 2007 (97 machines). In 1H08 sales reached 185 machines, against 153 in 1H07, a 20.9% improvement.

Net revenue from this unit in 2Q08 was R\$ 29.8 million against R\$ 28.7 million in 2Q07, a growth of 3.7%. This performance was below management forecasts, attributed to a temporary capacity bottleneck, which is expected to be eliminated during the course of the second half of 2008. Net revenue was R\$ 56.5 million for the accumulated first half period, 22.9% up on 1H07 (R\$ 46 million).

Demand for this unit's products came mainly from the automotive, services, packaging, home appliance and construction sectors.

Rough and Machined Castings

In 2Q08, this unit posted sales of 5,669 tons, equivalent to an increase of 6.2% over the same period of 2007. For the accumulated six-month period, sales totaled 11,243 tons, 13.4% better than 1H07.

This performance reflects an improvement in net revenue of 15.5% in 2Q08, reaching the value of R\$ 32.6 million (R\$ 28.2 million in 2Q07). The partial passing on of cost increases in raw materials to sale prices also contributed to enhanced net revenue. First half revenue from the unit amounted to R\$ 62.0 million, a growth of 18.4% in relation to the R\$ 52.4 million in 2H07.

Main demand during the period came from the truck, automotive, energy generation equipment, agricultural machines and capital goods sectors.

Operating Costs and Expenses

Second quarter gross margin declined 2.9 percentage points (pp) compared with 2Q07. Management attributes this performance to:

- the appreciation of the Real, the Company maintaining a policy of discounts to defend its domestic market share against imports;
- higher export volume on which margins are thinner due to the currency exchange rate;
- a significant rise in prices of some metallic raw materials affecting the rough and machined castings division.

It is worth pointing out that while, on the one hand, the exchange rate acted as a ceiling on prices to the customer, on the other, it resulted in a partial reduction in the costs of components used in the Company's products, mainly the imported ones, but also others acquired in the domestic market.

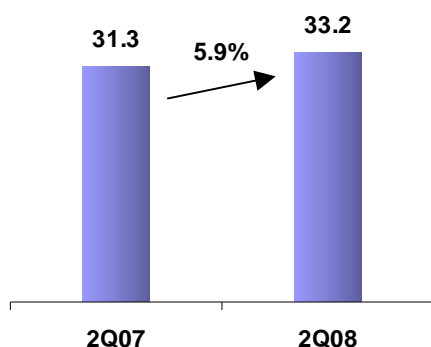


Romi - Consolidated	Quarter		Accumulated	
Gross Margin (%)	2Q07	2Q08	1H07	1H08
Machine Tools	46.4%	45.2%	45.8%	45.9%
Plastic Machines	44.2%	35.7%	43.3%	35.7%
Rough and Machined Cast Iron Parts	37.9%	33.9%	33.6%	28.1%
Total	44.4%	41.5%	43.1%	40.8%

Romi - Consolidated	Quarter		Accumulated	
Operating Margin (%)	2Q07	2Q08	1H07	1H08
Machine Tools	19.6%	19.9%	19.2%	20.3%
Plastic Machines	20.0%	11.8%	17.5%	11.1%
Rough and Machined Cast Iron Parts	23.7%	20.9%	19.5%	14.1%
Total	20.4%	18.7%	19.0%	17.6%

The operating margin in 2Q08 recorded a reduction of 1.7 pp over 2Q07, closing the quarter at 18.7%. This reduction stems from factors already mentioned above as well as an allowance for management's profit sharing expenses amounting to R\$ 1.2 million, which are now being provisioned on a monthly basis in contrast when an allowance was made in December alone and an increase in expenses for the Provision for Doubtful Accounts of R\$ 1.3 million, which impacted the margin by 1.4 pp, which if ignored, would increase operating margin to 20.1%.

Operating Profit (R\$ million)



Machine Tools

This Business Unit's gross margin was 45.2% in 2Q08, indicating slight decrease in relation to the 46.4% registered in 2Q07. The quarter's operating margin saw stability compared with the same period in 2007.

Plastic Processing Machines

The Plastic Processing Machines Unit posted a reduction in its margins. Gross margin was down by 8.5 pp and operating margin by 8.2 pp (2Q08 x 2Q07).

The squeeze on gross margin was largely due to the maintenance of an aggressive pricing policy in an effort to defend the Company's market share. Weaker margins also reflect physical sales volume below planned due to some temporary bottlenecks impacting production capacity, as has already been mentioned above.

Rough and Machined Castings

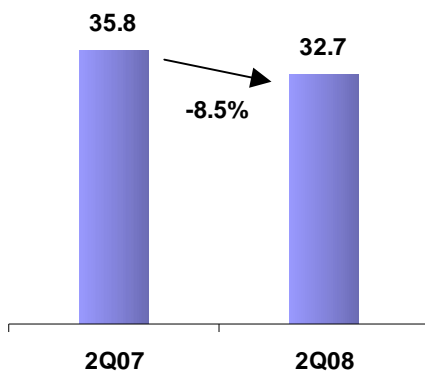
The Rough and Machined Castings Unit reported a reduction of 4.0 pp compared with 2Q07. Operating margin also slipped by 2.8 pp (2Q08 x 2Q07). The main reasons for reduction in margins were an increase in acquisition costs of metallic-based raw materials and a proportionally higher growth in the output of rough castings, for which margins are thinner than for fully machined items. We should highlight that on a quarter on quarter analysis there was a significant advance in 2008 gross margins, principally due to a partial pass-through of increased raw material costs to the end customers.

EBITDA and EBITDA Margin

In 2Q08, operating cash generation as measured by the EBITDA (Earnings before Financial Results, Taxes, Depreciation and Amortization) reached R\$ 36.7 million, representing a year on year increase of 7.3%. EBITDA margin of 22.3% for 2Q07 dropped to 20.7% in 2Q08. The principal factors involved were an allowance for management's profit sharing expenses amounting to R\$ 1.2 million and an increase in expenses for the Provision for Doubtful Accounts of R\$ 1.3 million, which impacted the margin by 1.4 pp.



Reconciliation of Net Income to EBITDA	Quarter			Accumulated		
	2Q07	2Q08	% Chg.	1H07	1H08	% Chg.
R\$ thousands						
Net Income	35,791	32,743	(8.5)	54,593	58,679	7.5
Net Financial Income	(7,317)	(8,217)	12.3	(12,525)	(15,187)	21.3
Income tax and social contributions	2,832	8,638	205.0	10,818	14,512	34.1
Depreciation and amortization	2,891	3,516	21.6	5,508	7,002	27.1
EBITDA	34,197	36,680	7.3	58,394	65,006	11.3
EBITDA Margin	22.3%	20.7%	-	21.0%	19.7%	-

Net Income (R\$ million)**Net Income**

Romi reported a net income of R\$ 32.7 million in 2Q08, 8.5% less than in 2Q07, basically reflecting the accounting impact of the non-consideration of expenses related to the 2Q07 Public Share Offering in accordance with IFRS accounting principles. First half earnings were 7.5% higher compared with the same period in 2007. In addition, the change in the booking of the management profit sharing expenses from an annual once only provision allocated in December (as in previous years) to monthly provisioning, reduced net profit by R\$ 2.5 million in 1H08.

Distribution of Results

In accordance with the Board of Director's resolution at the meeting held in June 10 2008, payment of Interest on Equity was made on July 18 2008, to be incorporated in the mandatory minimum dividend for 2008. Pay-out amounted to R\$ 10 million, equivalent to a gross value of R\$ 0.1268 per share.

Capital Expenditures

The Company invested the amount of R\$ 22.9 million in fixed assets during 2Q08, 253% higher than the same period last year. For the accumulated period in the first half-year, capital expenditures were R\$ 31.2 million, a growth of 150% against 1H07 (R\$ 12.5 million). These values match the Company plan and were largely dedicated to the Paradiso project.

The decision to install two new plants in Santa Bárbara d'Oeste (SP), where the Company already has nine industrial units, was announced to the market on May 14 2008. Investments will amount to R\$ 230 million, to be spent on a new foundry and a machined castings unit. The new plants are expected to eventually create 700 direct jobs. The new investment project will be implemented in stages with production scheduled to begin in 1Q09 and conclusion in 2011. While the original announcement for this investment was made on October 30 2007, the final decision on the best site for the new installations was only made in the quarter under review pending the completion of feasibility studies. The investment was approved within the scope of Santa Bárbara d'Oeste Development Incentive Program - PID. The program is designed to encourage the installation and expansion of companies situated in the municipality through the provision of tax breaks. Romi was the first company to adhere to the Program.

Acquisitions

At the Extraordinary Shareholders' Meeting of June 30 2008, approval was given to the Company's indirect wholly owned subsidiary, Romi Italia S.r.l., to acquire a series of assets from Sandretto Industrie S.r.l. under the terms of the Preliminary Agreement signed on May 24 2008. These assets comprise land, buildings, installations, machinery, equipment, tooling, vehicles, furniture, computers, software, technology, designs, brand names, patents, technical and commercial data. The Agreement also involved the acquisition of the total capital stock of Sandretto's four wholly owned subsidiaries in the United Kingdom, the Netherlands, Spain and France for € 5,500,000.00 (five million five hundred thousand euros), as well as the operating inventory of raw materials, work in progress and finished products, for € 2,400,000.00 (two million, four hundred thousand euros). In addition,

CAPITAL EXPENDITURES



approval was given for the hiring of Sandretto's existing 286 employees and the injection of € 8,000,000.00 (eight million euros) in the operation over a period of two years as from the date of conclusion of the transaction, expected within the next few weeks.

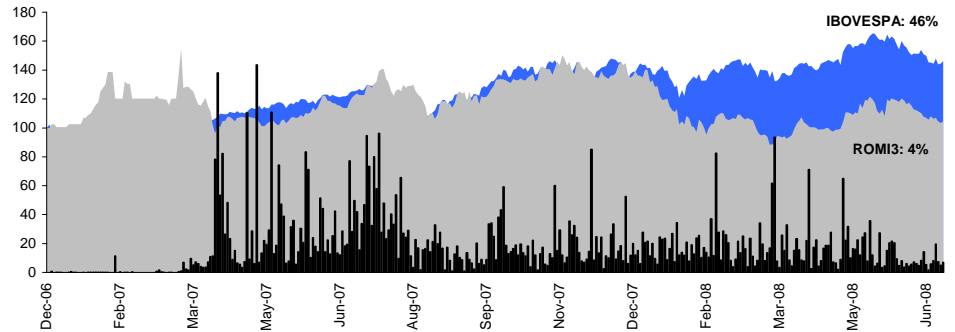
CAPITAL MARKETS

Capital Markets

At the end of 2Q08, the Company's common shares (ROMI3) were priced at R\$ 16.50, a positive variation of 9.8% in the quarter. During the same period, the Bovespa Stock Index increased by 6.6%.

Romi's market capitalization reached R\$ 1,296 million at the end of the quarter. The average daily trading volume during 2Q08 was R\$ 2.4 million.

Share Performance (ROMI3) vs. Bovespa Index (Basis: 100) - R\$/Share
Period: December/2006 - June/2008



Source: Economática

IFRS

As from December 31 2007 and in line with the preceding quarterly report, the company is now publishing its Financial Statements in accordance with IFRS principles. We show below the impacts of the differences in accounting principles between IFRS and BRGAAP standards for 2Q07 and 2Q08.

	<u>06/30/2007</u>	<u>06/30/2008</u>
Shareholders' Equity in BRGAAP (excluding minority participations)	581,866	660,465
Adjustments in IFRS:		
Reversion of negative goodwill in the Rominar	4,199	4,199
Deferred income tax and social contribution on reversion of goodwill in the Rominar subsidiary	(1,404)	(1,404)
Shareholders' Equity in IFRS (excluding minority participations)	<u>584,661</u>	<u>663,260</u>
	<u>06/30/2007</u>	<u>06/30/2008</u>
Net Income in BRGAAP	41,216	58,679
Adjustments in IFRS:		
Transfer to shareholders' equity of the FX translation effect on investments	432	
Transfer to shareholders' equity of expenses related to the public share offering	12,945	
Net Income in IFRS	<u>54,593</u>	<u>58,679</u>

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, represent mere 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

IFRS (R\$ thousands)

ASSETS	1Q08	2Q08
CURRENT	833,752	836,398
Cash and Cash equivalents	187,435	219,012
Marketable securities	127,764	63,329
Trade accounts receivable	63,778	64,383
Trade accounts receivable - Finame Manufacturer	238,751	260,059
Inventories	197,917	211,242
Recoverable taxes	12,190	14,485
Other assets	5,917	3,888
NON CURRENT	594,816	646,929
Long-Term Assets	452,991	485,791
Trade accounts receivable	2,203	2,313
Trade accounts receivable - Finame Manufacturer	423,690	452,759
Recoverable taxes	5,439	6,331
Deferred income taxes	9,570	10,064
Escrow Deposits	8,699	10,383
Other assets	3,390	3,941
Investments		
Property, Plant and Equipment	137,486	156,799
Other investments	2,843	2,843
Goodwill	1,496	1,496
TOTAL ASSETS	1,428,568	1,483,327

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Consolidated Balance Sheet

Corporate Law (R\$ thousands)

LIABILITIES AND SHAREHOLDER'S EQUITY	1Q08	2Q08
CURRENT	329,506	357,035
Loans	26,240	18,161
Loans - Finame Manufacturer	210,425	222,734
Trade accounts payable	25,424	39,948
Payroll and related charges	24,078	31,600
Taxes payable	11,999	10,239
Advances from customers	10,410	15,246
Interest on capital, dividends and participations	12,001	13,660
Other liabilities	8,929	5,447
NON CURRENT	456,314	460,762
Loans	61,338	58,113
Loans - Finame Manufacturer	381,056	384,345
Deferred income taxes on negative goodwill	1,404	1,404
Taxes payable	2,360	2,735
Other liabilities	-	2,060
Provision for contingencies	10,156	12,105
SHAREHOLDER'S EQUITY	640,677	663,260
Capital	505,764	505,764
Capital reserves	2,209	2,209
Cumulative Translation Adjustments	(852)	(1,206)
Profit reserves/retained earnings	133,556	156,493
MINORITY INTERESTS	2,071	2,270
TOTAL SHAREHOLDER'S EQUITY AND MINORITY INTERESTS	642,748	665,530
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,428,568	1,483,327



Income Statement

IFRS

R\$ Thousand	2Q07	2Q08	% Chg.	1H07	1H08	% Chg.
Gross Operating Revenue	184,038	215,317	17.0	334,829	399,867	19.4
Taxes on sales	(30,805)	(38,054)	23.5	(56,185)	(69,748)	24.1
Net Operating Revenue	153,233	177,263	15.7	278,644	330,119	18.5
Cost of sales and services	(85,172)	(103,645)	21.7	(158,587)	(195,369)	23.2
Gross Profit	68,061	73,618	8.2	120,057	134,750	12.2
<i>Gross Margin %</i>	<i>44.4%</i>	<i>41.5%</i>		<i>43.1%</i>	<i>40.8%</i>	
Operating Expenses	(36,755)	(40,454)	10.1	(67,171)	(76,746)	14.3
Selling	(15,536)	(16,022)	3.1	(27,311)	(30,202)	10.6
General and administrative	(11,450)	(16,891)	47.5	(23,710)	(31,606)	33.3
Research and development	(7,429)	(7,121)	(4.1)	(12,217)	(13,745)	12.5
Taxation	(2,340)	(420)	(82.1)	(3,933)	(1,193)	(69.7)
Operating Income before Financial Results	31,306	33,164	5.9	52,886	58,004	9.7
<i>Operating Margin %</i>	<i>20.4%</i>	<i>18.7%</i>		<i>19.0%</i>	<i>17.6%</i>	
Financial Results	7,317	8,217	12.3	12,525	15,187	21.3
Financial income	7,186	9,579	33.3	13,341	17,627	32.1
Financial expenses	(1,344)	(1,396)	3.9	(2,424)	(2,850)	17.6
FX changes, net	1,475	34	(97.7)	1,608	410	(74.5)
Income before income tax and social contribution	38,623	41,381	7.1	65,411	73,191	11.9
Income tax and social contribution	(2,832)	(8,638)	205.0	(10,818)	(14,512)	34.1
Net income	35,791	32,743	(8.5)	54,593	58,679	7.5
<i>Net Margin %</i>	<i>23.4%</i>	<i>18.5%</i>		<i>19.6%</i>	<i>17.8%</i>	
Management profit sharing	35,650	32,544	(8.7)	54,373	58,280	7.2
Minority interests	141	199	41.1	220	399	81.4
EBITDA	34,197	36,680	7.3	58,394	65,006	11.3
Net income	35,791	32,743		54,593	58,679	
Income tax and social contribution	2,832	8,638		10,818	14,512	
Financial results	(7,317)	(8,217)		(12,525)	(15,187)	
Depreciation	2,891	3,516		5,508	7,002	
<i>EBITDA Margin %</i>	<i>22.3%</i>	<i>20.7%</i>		<i>21.0%</i>	<i>19.7%</i>	
Nº of shares in capital stock (th)	78,558	78,558		78,558	78,558	
Net income per share - R\$	0.46	0.42		0.69	0.75	
Book value per share - R\$	5.17	8.44		5.17	8.44	



Cash Flow
IRFS

R\$ thousands	2Q07	2Q08	1H07	1H08
Cash from operating activities				
Net Income	35,791	32,743	54,593	58,679
Depreciation	2,891	3,516	5,508	7,002
Provision for doubtful accounts	(112)	1,223	(86)	1,362
Loss (Gain) on sale of fixed assets	214	62	(163)	(825)
Interest on accounts receivable, accounts payable and loans	9,983	(1,038)	744	288
FX changes on accounts receivable, accounts payable and loans				
Deferred income tax and social contribution	(1,876)	(494)	(2,598)	(2,048)
Provision for inventory devaluation	(1,083)	(1,911)	(301)	(1,225)
Provision for contingencies	(73)	265	(2,787)	63
Change on operating assets				
Purchase of trading securities	(57,136)	64,435	(57,517)	48,183
Trade accounts receivable	(2,477)	2,010	(4,823)	6,793
Trade accounts receivable - Finame Manufacturer	(51,438)	(50,377)	(76,921)	(79,701)
Inventories	(7,190)	(11,414)	(12,471)	(26,373)
Recoverable taxes, net	(1,662)	(3,187)	(2,058)	(3,804)
Other current and long term assets	(1,215)	1,398	(2,899)	(1,422)
Change on operating liabilities				
Trade accounts payable	413	14,999	4,302	14,497
Payroll and related charges	6,441	7,522	(483)	(4,491)
Taxes payable	(2,983)	(1,385)	2,755	4,222
Advances from customers	1,529	4,836	4,297	5,544
Other current and long term liabilities	579	(1)	1,738	150
Cash provided by (used in) operating activities	(69,411)	63,293	(89,602)	26,894
Loan interest payment	-	-	(524)	(1,205)
Income tax and social contribution payment	-	-	(5,194)	(1,936)
Net Cash provided by (used in) operating activities	(69,411)	63,293	(95,320)	23,753
Acquisitions of fixed assets	(6,506)	(22,921)	(12,480)	(31,220)
Acquisitions of subsidiaries				
Sale of assets	211	1	853	1,011
Goodwill on acquisition of subsidiaries	-	(1,413)	-	(3,413)
Cash flow used in investment operations	(6,295)	(24,333)	(11,627)	(33,533)
Interest on capital	(32,315)	(8,302)	(84,787)	(12,503)
New loans and financing	11,107	(136)	43,909	14,207
Payments of loans	(1,582)	(14,543)	(3,010)	(27,407)
New loans - Finame Manufacturer	62,227	67,439	137,129	164,133
Payments of loans Finame Manufacturer	(40,409)	(51,841)	(76,292)	(98,648)
Cash flow from financial activities	(972)	(7,383)	16,949	39,782
Increase in capital through the issuance of new shares	229,991	-	229,991	-
Net Cash Flow	153,313	31,577	139,993	30,002
Cash and cash equivalents - beginning of period	57,749	187,435	71,069	189,010
Cash and cash equivalents - end of period	211,062	219,012	211,062	219,012



Annex I

Income Statement by Business Units - 2Q08

R\$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Gross Operating Revenue	137,996	36.246,000	41.075,000	215,317
(-) Taxes on Sales	(23,085)	(6,444)	(8,525)	(38,054)
Net Operating Revenue	114,911	29,802	32,550	177,263
Cost of Sales and Services	(62,240)	(13,845)	(27,560)	(103,645)
Business Units Transfers	6,419	-	8,841	15,260
Business Units Transfers	(7,154)	(5,311)	(2,795)	(15,260)
Gross Profit	51,936	10,646	11,036	73,618
<i>Gross Margin %</i>	<i>45.2%</i>	<i>35.7%</i>	<i>33.9%</i>	<i>41.5%</i>
Operating Expenses	(29,061)	(7,144)	(4,249)	(40,454)
Selling	(10,796)	(3,862)	(1,364)	(16,022)
General and Administrative	(12,085)	(1,996)	(2,810)	(16,891)
Research and Development	(5,906)	(1,215)	-	(7,121)
Taxation	(274)	(71)	(75)	(420)
Operating Income before Financial Results	22,875	3,502	6,787	33,164
<i>Operating Margin - II %</i>	<i>19.9%</i>	<i>11.8%</i>	<i>20.9%</i>	<i>18.7%</i>

Income Statement by Business Units - 2Q07

R\$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Gross Operating Revenue	114,778	34.109,000	35,151	184,038
(-) Taxes on Sales	(18,444)	(5,382)	(6,979)	(30,805)
Net Operating Revenue	96,334	28,727	28,172	153,233
Cost of Sales and Services	(52,803)	(9,934)	(22,435)	(85,172)
Business Units Transfers	6,836	-	7,867	14,703
Business Units Transfers	(5,682)	(6,091)	(2,930)	(14,703)
Gross Profit	44,685	12,702	10,674	68,061
<i>Gross Margin %</i>	<i>46.4%</i>	<i>44.2%</i>	<i>37.9%</i>	<i>44.4%</i>
Operating Expenses	(25,804)	(6,965)	(3,986)	(36,755)
Selling	(10,558)	(3,342)	(1,636)	(15,536)
General and Administrative	(6,870)	(2,166)	(2,414)	(11,450)
Research and Development	(6,141)	(1,288)	-	(7,429)
Taxation	(2,235)	(169)	64	(2,340)
Operating Income before Financial Results	18,881	5,737	6,688	31,306
<i>Operating Margin %</i>	<i>19.6%</i>	<i>20.0%</i>	<i>23.7%</i>	<i>20.4%</i>

**Income Statement by Business Units - 1H08**

R\$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Gross Operating Revenue	253,444	68,659	77,764	399,867
(-) Taxes on Sales	(41,800)	(12,183)	(15,765)	(69,748)
Net Operating Revenue	211,644	56,476	61,999	330,119
Cost of Sales and Services	(112,631)	(26,064)	(56,674)	(195,369)
Business Units Transfers	12,322	-	17,711	30,033
Business Units Transfers	(14,141)	(10,278)	(5,614)	(30,033)
Gross Profit	97,194	20,134	17,422	134,750
<i>Gross Margin %</i>	<i>45.9%</i>	<i>35.7%</i>	<i>28.1%</i>	<i>40.8%</i>
Operating Expenses	(54,180)	(13,889)	(8,677)	(76,746)
Selling	(19,903)	(7,013)	(3,286)	(30,202)
General and Administrative	(22,079)	(4,347)	(5,180)	(31,606)
Research and Development	(11,415)	(2,330)	-	(13,745)
Taxation	(783)	(199)	(211)	(1,193)
Operating Income before Public Offering Expenses	43,014	6,245	8,745	58,004
<i>Operating Margin - II %</i>	<i>20.3%</i>	<i>11.1%</i>	<i>14.1%</i>	<i>17.6%</i>

Income Statement by Business Units - 1H07

R\$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Gross Operating Revenue	214,457	55,078	65,294	334,829
(-) Taxes on Sales	(34,147)	(9,124)	(12,914)	(56,185)
Net Operating Revenue	180,310	45,954	52,380	278,644
Cost of Sales and Services	(97,810)	(18,129)	(42,648)	(158,587)
Business Units Transfers	9,896	-	13,675	23,571
Business Units Transfers	(9,862)	(7,926)	(5,783)	(23,571)
Gross Profit	82,534	19,899	17,624	120,057
<i>Gross Margin %</i>	<i>45.8%</i>	<i>43.3%</i>	<i>33.6%</i>	<i>43.1%</i>
Operating Expenses	(47,906)	(11,854)	(7,411)	(67,171)
Selling	(18,742)	(5,544)	(3,025)	(27,311)
General and Administrative	(15,888)	(3,628)	(4,194)	(23,710)
Research and Development	(9,914)	(2,303)	-	(12,217)
Taxation	(3,362)	(379)	(192)	(3,933)
Operating Income before Financial Results	34,628	8,045	10,213	52,886
<i>Operating Margin %</i>	<i>19.2%</i>	<i>17.5%</i>	<i>19.5%</i>	<i>19.0%</i>