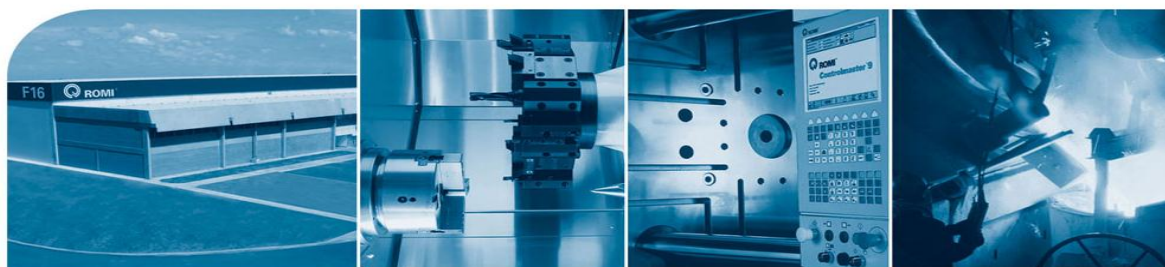




ROMI®

A TRADITION OF INNOVATION



July 26, 2011

2Q11 Earnings Release

July 27, 2011

Share Price (06/30/2011)
ROMI3 – R\$ 6,90/share

Market Capitalization (06/30/2011)
R\$ 516 million
US\$ 330 million

Number of shares (06/30/2011)
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

Investor Relations Contact:

Luiz Cassiano R. Rosolen
Investor Relations Officer
Telephone: +55 (19) 3455-9004
dri@romi.com

Website:

www.romi.com



Santa Bárbara d'Oeste, SP, Brazil, July 26, 2011 – Indústrias Romi S.A. (Bovespa: ROMI3), a domestic market leader in Machine Tools and Plastic Processing Machines and an important producer of Rough and Machined Cast Iron Parts, announces its results for the second quarter of 2011 (2Q11). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with International Financial Reporting Standards (IFRS), and monetary values are expressed in thousands of Reais.

Net Operating Revenues rise 3.1% in relation to 2Q10 and are up 24.5% over 1Q11

Highlights

- Net Operating Revenues rise to R\$ 172.8 million in 2Q11, an amount that is 3.1% higher than that posted in 2Q10 and 24.5% above 1Q11;
- Net Revenues at the Machine Tools and Rough and Machine Cast Iron Parts business units rise 14.7% and 30.3%, respectively, in relation to 2Q10;
- In 1H11, revenues from foreign market sales were US\$ 20.3 million, higher than the US\$ 14.6 million accomplished in 1H10;
- EBITDA margin, adjusted with non-recurring items, in the quarter, was 9.0%, higher than the margin achieved in the first quarter (6.9%) specially due to the increase in the volume of machine tools sold;
- Order backlog remains steady, to the tune of R\$ 188.2 million in 2Q11, with growth of 5.18% over 1Q11;
- Order backlog at the Rough and Machine Cast Iron Parts business unit rises by 34.8% in the first half of 2011 (1H11) as compared with 1H10, primarily due to start-up of activities in the wind power segment.

ROMI - Consolidated	Quarter					Accumulated		
	2Q10	1Q11	2Q11	Chg. % 2Q/2Q	Chg. % 2Q/1Q	1H10	1H11	Chg. % 1H/1H
In Thousand Reais								
Sales Volume								
Machine Tools (units)	538	441	572	6.3	29.7	1,064	1,013	(4.8)
Plastic Machines (units)	119	101	129	8.4	27.7	201	230	14.4
Rough and Machined Cast Iron Parts (tons)	3,016	3,240	3,850	27.7	18.8	5,449	7,090	30.1
Net Operating Revenue	167,632	138,742	172,780	3.1	24.5	312,764	311,522	(0.4)
Gross margin (%)	35.6%	31.3%	29.5%			35.7%	30.3%	
Operating Income (EBIT)	17,740	2,582	2,700	(84.8)	4.6	31,671	5,282	(83.3)
Operating margin (%)	10.6%	1.9%	1.6%			10.1%	1.7%	
Net Income	15,223	7,897	4,980	(67.3)	(36.9)	25,786	12,877	(50.1)
Net margin (%)	9.1%	5.7%	2.9%			8.2%	4.1%	
EBITDA	23,711	9,573	10,114	(57.3)	5.7	42,278	19,687	(53.4)
EBITDA margin (%)	14.1%	6.9%	5.9%			13.5%	6.3%	
Investments	8,106	3,882	5,714	(29.5)	47.2	12,908	9,596	(25.7)

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



Corporate Profile

Romi is the leading Brazilian manufacturer of Machine Tools and Plastic Processing Machines. It also has an important share of the Rough and 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 operate two foundries, three units for the machining of components, one unit for the manufacture of sheet metal components and a plant for the assembly of electronic control panels. The Company has an annual installed capacity for the production of approximately 3,900 industrial machines and about 40,000 tons in castings.

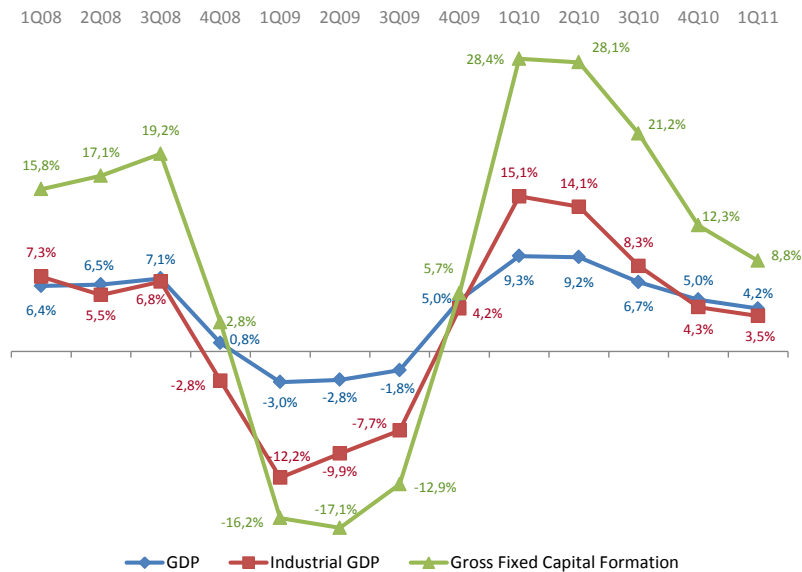
The Machine Tools Business Unit, which accounted for 63.8% of the Company's 2Q11 revenue, comprises lines for Conventional Lathes, CNC (computerized numerical control) Lathes, Machining Centers and Vertical and Horizontal Heavy and Extra-Heavy Lathes. The Rough and Machined Cast Iron Parts and Plastic Processing Machines business units, the latter comprising plastic injection and blow molding machines, contributed 13.4% and 22.8%, respectively, of the revenue in the quarter.

Current Economic Scenario

The concern about the behavior of inflation has been the primary factor in the Brazilian economy in the first half of 2011, resulting in a gradual rise in the Selic rate, which has impacts on the level of economic activity and thus on the level of investments in the country;

The capital goods industry, more specifically the machinery industry, has a marked cyclical characteristic since it is correlated with the level of investments of other industries.

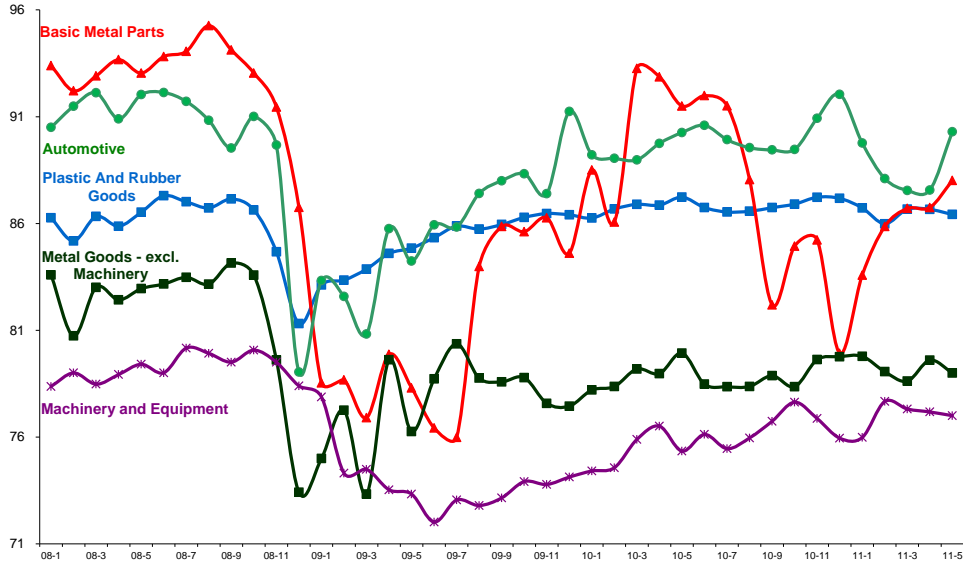
Economic statistics for 1Q11, as disclosed by the Brazilian Statistics Bureau (IBGE) in June 2011, show a 3.5% rise in industrial GDP, below the 4.2% posted in 1Q10. Gross Fixed Capital Formation (FBKF) rose by 8.8%, well below the 28.4% achieved in 1Q10.



Source: IBGE (quarter this year x quarter last year)



The following graph prepared by the São Paulo State Federation of Industries (Fiesp) shows the FBKF in juxtaposition with the level of utilization of installed capacity (NUCI). The principal sectors to which we sell our products increased their utilization of installed capacity in recent years, and have remained stable since the beginning of 2011.



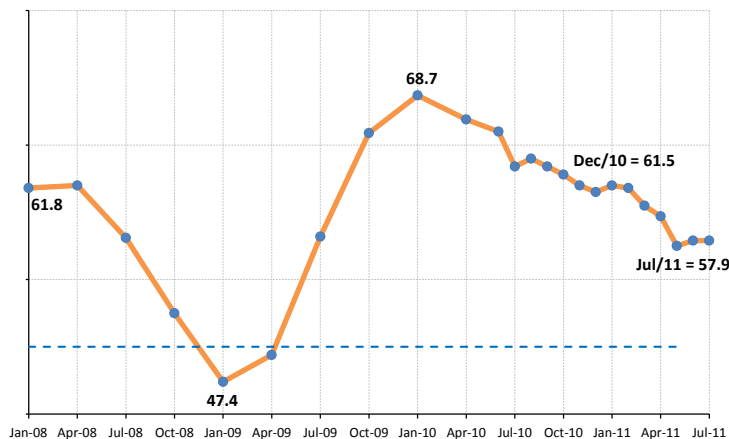
Source: Fiesp -INA Activity Level Indicator - NUCI (Level of Utilization of Installed Capacity)

Specifically in the second quarter of 2011 the Brazilian economy experienced a period of rising interest rates and appreciation of the local currency.

As Romi is engaged in a segment that starts the chain of production (capital goods), the rise in interest rates has cooled off demand for our products, to the extent that industries faced with a scenario of stability in terms of demand, have reduced their investments in increasing installed capacity and modernizing their manufacturing plants.

The exchange rate effect, besides making imported machinery more competitive, directly affects the businesses of our customers, which in general are small- and medium-sized companies that have been forced to compete with imported manufactured products, and made it difficult for them to readjust their prices, losing margins and discouraging investments.

The Industrial Executives' Confidence Index (ICEI) disclosed by the Brazilian Confederation of Industry (CNI) remained virtually stable, closing out a trajectory on the downswing that began in 2010.



Source: CNI - ICEI (Industrial Executives' Confidence Index)



Market

The Company's principal competitive advantages in the domestic market – cutting-edge technology products, an own nationwide distribution network, ongoing technical assistance, availability of attractive customer credit packages in local currency, and short product delivery times – are all recognized by customers, giving the ROMI[®] brand name a traditional and prestigious reputation.

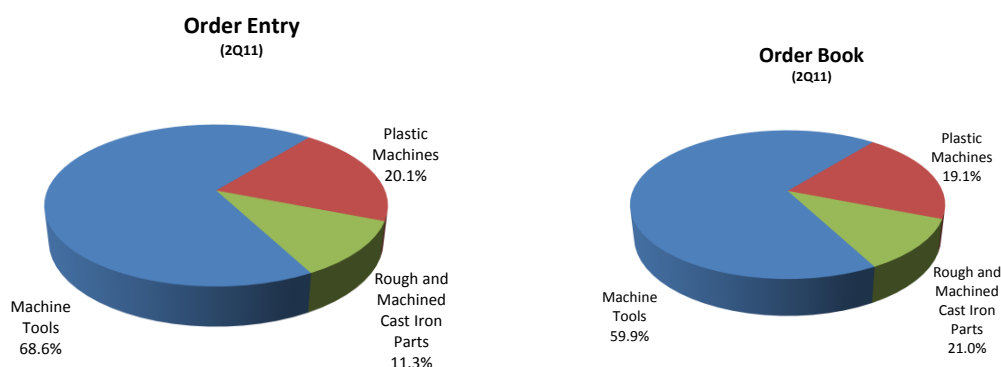
New Orders (gross amounts, including taxes)

Order Entry (R\$ thousand)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	1H10	1H11	Change 2Q11/1Q11	Change 2Q11/2Q10	Change 1H11/1H10
Machine Tools	94,084	132,784	111,777	99,194	110,370	129,179	226,868	239,549	17.0%	-2.7%	5.6%
Plastic Machines	42,138	53,187	43,865	32,127	30,418	37,846	95,325	68,264	24.4%	-28.8%	-28.4%
Rough and Machined Cast Iron F	21,968	22,065	24,276	13,729	38,149	21,186	44,033	59,335	-44.5%	-4.0%	34.8%
Total	158,190	208,036	179,918	145,050	178,937	188,211	366,226	367,148	5.2%	-9.5%	0.3%

In 2Q11 we posted a volume of new orders that was 5.2% higher than the amount in 1Q11 and 9.5% lower than in 2Q10. In the first half of 2011, however, the amount of new orders placed, R\$ 367.1 million, was 0.3% over the first half of 2010.

Compared with 2Q10, the Plastic Processing Machine segment dropped in terms of the volume of new orders placed, due to the stiffening competition in the domestic market owing to the appreciation of the Brazilian currency, which allowed foreign machines to reach our market at more attractive prices.

On the other hand, the Rough and Machined Cast Iron Parts business unit was positively influenced in 1Q11 by the automotive and wind power industries, which placed orders for deliveries on a 12 (twelve) month horizon. Accordingly, in 1H11, this segment posted a volume of new orders that was 34.8% higher than the amount obtained in 1H10.



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

Order Book (R\$ thousand)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	Change 2Q11/1Q11	Change 2Q11/2Q10
Machine Tools	107,763	128,434	124,310	82,656	95,269	103,986	9.2%	-19.0%
Plastic Machines	80,528	77,228	66,470	47,564	41,876	33,139	-20.9%	-57.1%
Rough and Machined Cast Iron F	21,066	19,779	22,543	21,457	43,313	36,530	-15.7%	84.7%
Total	209,357	225,441	213,323	151,677	180,458	173,655	-3.8%	-23.0%

Note: The order backlog figures do not include parts, services and resale business.

The comparison of the order backlog with the same period last year reflects the effects of the current economic activity dynamics.

Operating Performance

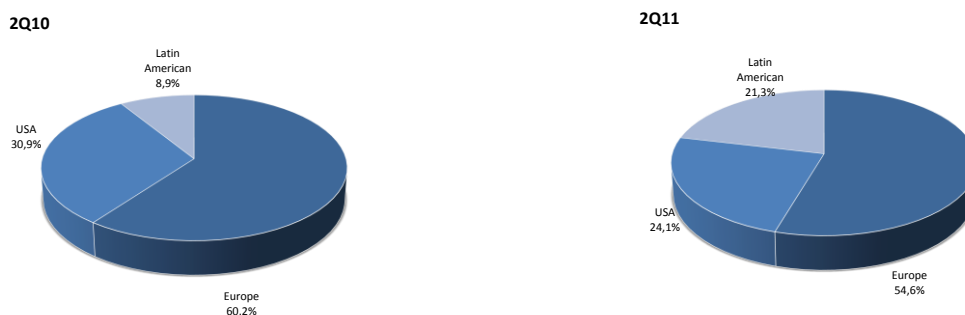
Net Operating Revenues

The Net Operating Revenues posted by the Company in 2Q11 reached R\$ 172.8 million, up 3.1% over the same period last year and 24.5% higher than the figure obtained in 1Q11.

Considering the figures in the first half of 2011, our Net Operating Revenues reached R\$ 311.5 million, an amount similar to the one posted in the same period of 2010.

In 2Q11, revenues from foreign market sales were R\$ 16.3 million, up 8.9% over the amount obtained in 2Q10 (R\$ 15.0 million). Measured in United States dollars, revenues from foreign market sales in 2Q11 reached US\$ 10.3 million, representing an increase of 22.3% in relation to 2Q10 (US\$ 8.4 million).

In 1H11, revenues from foreign market sales represented 10.6% (US\$ 20.3 million) of our Net Operating Revenues, compared with 7.7% (US\$ 14.6 million) in 1H10. Overall for the half, Europe accounted for 62.8% (59.2% in 1H10), the US represented 22.7% (33.1% in 1H10) and Latin America 14.5% (7.0% in 1H10), the latter's share in the portfolio increasing in relation to 1H10.



In the second quarter of this year, Europe represented 54.6% of our revenues from foreign market sales. In relation to the same period last year, the United States saw its share in the Romi sales portfolio drop to 24.1%, while Latin America rose to 21.3%. The increase in revenues from abroad arose mainly due to the gradual recovery, although still a weak one, in the world economy.

Net Operating Revenues (R\$ thousands)

Romi - Consolidated	Quarter			Accumulated		
	2Q10	2Q11	Chg % 2Q/2Q	1H10	1H11	Chg % 1H/1H
Net Operating Revenue						
Machine Tools	96,084	110,236	14.7%	198,964	195,725	-1.6%
Plastic Machines	53,729	39,327	-26.8%	82,590	74,389	-9.9%
Rough and Machined Cast Iron Parts	17,819	23,216	30.3%	31,210	41,407	32.7%
Total	167,632	172,780	3.1%	312,764	311,522	-0.4%

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

Machine Tools

The net operating revenues of this unit reached R\$ 110.2 million in 2Q11, a rise of 14.7% when compared to 2Q10.

In terms of physical sales at the Machine Tools Unit, a total of 572 units were sold in 2Q11, which represents 6.3% growth in relation to 2Q10 (538 units) and 29.7% in comparison with 1Q11 (441 units).

In the domestic market, the principal customers of this Business Unit were the segment that provides milling services, the machinery and equipment industry, and the automotive, tool, energy and petroleum industries.

Plastic Processing Machines

In 2Q11, the net revenues of the Plastic Processing Machines Business Unit totaled R\$ 39.3 million, representing a decrease of 26.8% in relation to 2Q10, primarily resulting from the need to promote discounts in order to maintain market share in light of the competition from imported machines.

Physical sales of the Plastic Processing Machines Business Unit in 2Q11 totaled 129 units, rising 8.4% over 2Q10 (119 units), while in comparison with the immediately previous quarter (101 units) there was a rise of 27.7%.

The industries that posted the greatest demand for the products of this Business Unit were packaging, services, automotive, white line and furniture.

Rough and Machined Cast Iron Parts

In 2Q11, the net operating revenues of this unit resulted from sales of 3,850 tons, growth of 27.7% over the 3,016 tons billed in 2Q10, thanks especially to segments demanding our products where production is on the upswing, such as commercial automotive, trucks, agricultural machinery, capital goods and wind power.

The share of this Business Unit in the Company's total sales has been increasing every quarter, reaching 13.4% in 2Q11. There are good prospects for even more growth in this unit, mainly in the wind power segment, since the demand for generators of this type should increase in Brazil in the years ahead, since it is still quite an incipient industry.

It is important to highlight that the heavy casting manufacturing unit that was built in recent years especially to manufacture parts weighing more than 5 tons with a high level of technology, besides meeting the needs of the wind power segment, has also been meeting the internal demand at Romi itself, producing large-sized parts for machine tools.

Operating Costs and Expenses

Romi has a well integrated productive infrastructure in which we are responsible for the production of various items that make up our machines. This means that our portion of fixed costs is high, since Romi depends on specialized people in several segments, besides the fact that we buy and assemble parts featuring a wide variety of production and delivery terms. This feature is quite important for the business, not only because we dominate the production of strategic items, but also because we need to maintain reasonable inventory levels in order to guarantee agility and swiftness in the delivery of our machines, which is one of our main differentials in relation to competitors, especially foreign ones.

When we achieve greater stability in the demand for capital goods, we will manage to maintain an optimal level of assets. However, the instability of the present business scenario increases the challenge of balancing production and inventory needs.

Romi - Consolidated	Quarter			Accumulated		
	2Q10	2Q11	Chg bps 2Q/2Q	1H10	1H11	Chg bps 1H/1H
Gross Margin (%)						
Machine Tools	42.7	38.4	-430	41.9	37.5	-440
Plastic Machines	34.4	23.3	-1100	33.4	28.8	-460
Rough and Machined Cast Iron Parts	0.6	-2.8	-340	2.7	-1.1	-380
Total	35.6	29.5	-610	35.7	30.3	-550

Romi - Consolidated	Quarter			Accumulated		
	2Q10	2Q11	Chg bps 2Q/2Q	1H10	1H11	Chg bps 1H/1H
EBIT Margin (%)						
Machine Tools	16.8	11.8	-500	16.4	9.1	-730
Plastic Machines	6.2	-18.0	-2420	2.1	-10.1	-1220
Rough and Machined Cast Iron Parts	-9.8	-13.8	-390	-8.9	-12.3	-340
Total	10.6	1.6	900	10.1	1.7	-840

Machine Tools

The gross margin of this Business Unit was 38.4% in 2Q11, a drop of 430 basis points in relation to 2Q10. As mentioned before, this scenario came about mainly due to the increased discounts required to maintain the competitiveness of our products in light of the appreciation of the Real.

Plastic Processing Machines

At this Business Unit, the gross margin in 2Q11 reached 23.3%, a drop of 1100 basis points compared to 2Q10, primarily due to the restructuring carried out at Romi Italy, which had an impact of R\$ 2.9 million on the gross margin and a total of R\$ 5.5 million on the operating margin. Also impacting the margin were the reinforcement in price discounts granted in order to maintain the competitiveness of our products due to the appreciation of the Real.

Rough and Machined Cast Iron Parts

The high levels of investments made in the expansion of this Business Unit have impacted its results negatively due to the high volume of depreciation. Moreover, price pressure due to competition with imported products have also impaired this unit's results. Accordingly, even achieving a significant improvement in net revenues, the performance of this unit was close to the breakeven point.

EBITDA and EBITDA Margin

In 2Q11, operating cash flow generated, as measured by EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), was R\$ 10.1 million, representing an EBITDA margin of 5.9%. These indicators presented the following performance:

Reconciliation of Net Income to EBITDA	Quarter			Accumulated		
	2Q10	2Q11	Chg % 2Q/2Q	1H10	1H11	Chg % 1H/1H
R\$ thousand						
Net Income	15,223	4,980	-67.3%	25,786	12,877	-50.1%
Net Financial Income	(11)	(3,330)	30172.7%	3,065	(6,059)	-297.7%
Income tax and social contributions	2,528	1,050	-58.5%	2,820	(1,536)	-154.5%
Depreciation and amortization	5,971	7,414	24.2%	10,607	14,405	35.8%
EBITDA	23,711	10,114	-57.3%	42,278	19,687	-53.4%
EBITDA Margin	14.1%	5.9%		13.5%	6.3%	

All the impacts mentioned in the section on "Operating Costs and Expenses" also impacted Romi's EBITDA in the second quarter of 2011. The restructuring that took place at our Italian subsidiary, which was begun to make our employee roster there more adequate in order to optimize the resources available, was responsible for an impact of R\$ 5.5 million, which if adjusted would give us an EBITDA margin of 9.0%. This restructuring should have an additional impact of roughly another R\$ 0.5 million in 3Q11. By reducing production in Italy and maximizing it in Brazil, besides reinforcing our presence in the European market for machine tools through direct sales made by our subsidiaries, are no longer through dealers, is at the heart of our strategy to enhance our performance in Europe.

Profit for the Quarter

Our profit for the second quarter of 2011 was R\$ 5.0 million, resulting from the operating effects previously mentioned.

Profit Sharing

As decided by the Romi Board of Directors at a meeting held on June 7, 2011, on July 22, 2011 payments were made related to interest on capital attributable to the mandatory minimum dividend for 2011 in the gross amount of approximately R\$ 8.2 million, representing R\$ 0.11 per share.

Investments

The investments made in 2Q11, totaling R\$ 5.7 million, were basically intended for maintenance, productivity and modernization of our industrial plant, as well as for information technology.



Financial Position

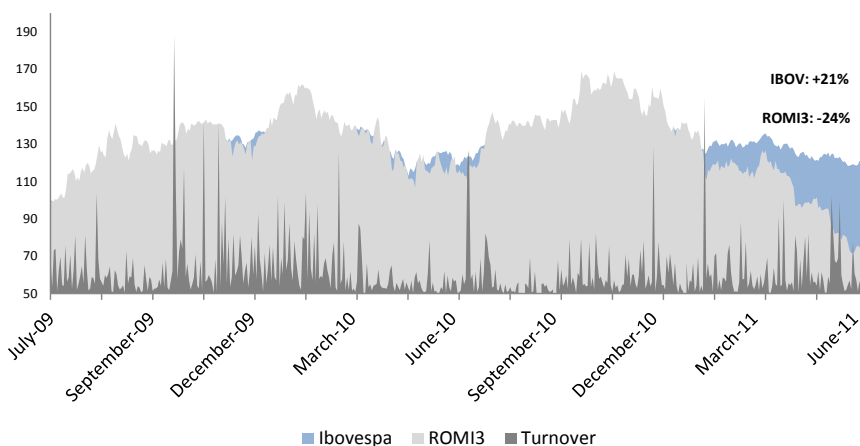
Financial investments, including those backed up by debentures, are made with prime financial institutions and their yield is substantially linked to the Interbank Certificate of Deposit (“CDI”) or time deposit (TD) rate, the latter in the case of foreign deposits. The consolidated position of cash and cash equivalents as at June 30, 2011 was R\$ 166.7 million, of which R\$ 1.4 was in foreign currency and the rest in Brazilian currency. In relation to the previous quarters, the change in this distribution is significant, since the money that was invested overseas for future acquisitions was repatriated during the first quarter of 2011 and since then is included in our cash and cash equivalents in local currency.

The loans taken out by the Company are basically intended for investments in the expansion of our manufacturing plant, modernization efforts and financing for exports and imports. As at June 30, 2011, the amount of financing in local currency was R\$ 230.3 million and in foreign currency R\$ 192 thousand, totaling R\$ 230.5 million.

As at June 30, 2011, the Company has not entered into any derivative transactions.

Stock Market

Share Performance ROMI3 vs. Ibovespa
From 07/01/2009 to 06/30/2011



Source: BMF&Bovespa

At the end of 2Q11, the Company’s common shares (ROMI3) were quoted at R\$ 6.90, down 38.7% for the quarter (2Q11 x 1Q11) and 38.6% in relation to the end of 2Q10. The Bovespa (São Paulo Stock Exchange) index was down 9.0% as compared with 1Q11 and up 2.4% over the end of 2Q10.

The Company’s market capitalization as at June 30, 2011 was R\$ 516 million and the average daily trading volume during 2Q11 was R\$ 765 thousand.

Guidance Review

Due to the results presented and to the expectations for the upcoming semester, the Company is reviewing its guidance for 2011 as shown below:

Indicators	2011	2011 Revised – July/2011
Net Operating Revenue Growth	10% to 20%	-5% to 0%
EBITDA Margin	12% to 18%	6% to 8%
CAPEX	R\$ 35 Million	R\$ 20 Million

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



Financial Statements

Consolidated Balance Sheet

(R\$ thousand)

ASSETS	06/30/2010	12/31/2010	06/30/2011
CURRENT	948,212	976,708	946,457
Cash and Cash equivalents	234,892	246,935	166,756
Trade accounts receivable	68,564	87,364	77,615
Onlending of FINAME manufacturer financing	353,514	350,935	348,571
Inventories	263,542	263,460	317,994
Recoverable taxes	11,544	14,090	15,054
Other receivables	16,156	13,924	20,467
NONCURRENT	840,569	884,484	884,696
Long-Term Assets	550,190	588,116	593,221
Trade accounts receivable	5,442	14,544	12,303
Onlending of FINAME manufacturer financing	483,322	500,103	503,044
Recoverable taxes	14,604	9,943	7,289
Deferred income and social contribution taxes	18,304	19,996	25,411
Escrow Deposits	21,365	24,466	27,471
Other receivables	7,153	19,064	17,703
Investments			
Property, Plant and Equipment, net	281,490	289,018	284,951
Intangible assets	8,889	7,350	6,524
TOTAL ASSETS	1,788,781	1,861,192	1,831,153

Consolidated Balance Sheet

(R\$ thousand)

LIABILITIES AND SHAREHOLDER'S EQUITY	06/30/2010	12/31/2010	06/30/2011
CURRENT	423,098	450,169	439,592
Loans and financing	23,153	24,927	31,323
FINAME manufacturer financing	289,935	303,579	302,694
Trade accounts payable	40,205	48,323	42,662
Payroll and related taxes	32,148	36,422	31,738
Taxes payable	9,294	11,305	7,397
Advances from customers	9,643	7,579	10,263
Interest on capital, dividends and participations	9,118	12,192	8,092
Other payables	9,602	5,842	5,423
NON CURRENT	675,606	709,006	693,767
Long-term liabilities			
Loans and financing	217,638	212,615	199,030
FINAME manufacturer financing	416,900	454,304	448,508
Deferred income and social contribution taxes on negative goodwill	8,704	7,325	7,218
Taxes payable	4,082	4,721	5,061
Other payables	4,506	3,612	3,910
Reserve for contingencies	23,776	26,429	30,040
SHAREHOLDER'S EQUITY	688,319	700,042	695,991
Capital	505,764	489,973	489,973
Capital reserve	2,209	2,052	2,052
Retained earnings	186,478	225,656	211,916
Other accumulated comprehensive income	(6,132)	(17,639)	(7,950)
NON CONTROLLING INTERESTS	1,758	1,975	1,803
TOTAL SHAREHOLDER'S EQUITY	690,077	702,017	697,794
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,788,781	1,861,192	1,831,153


Consolidated Income Statement

(R\$ thousand)

	2Q10	2Q11	Chg.% 2Q/2Q	1H10	1H11	Chg.% 1H/1H
Net Operating Revenue	167,632	172,780	3.1	312,764	311,522	(0.4)
Cost of Goods Sold	(108,035)	(121,876)	12.8	(200,971)	(217,173)	8.1
Gross Profit	59,597	50,904	(14.6)	111,793	94,349	(15.6)
<i>Gross Margin %</i>	35.6%	29.5%		35.7%	30.3%	
Operating Income	(41,857)	(48,204)	15.2	(80,122)	(89,067)	11.2
Selling expenses	(16,651)	(19,846)	19.2	(29,893)	(35,643)	19.2
General and administrative expenses	(18,210)	(18,561)	1.9	(34,759)	(34,126)	(1.8)
Management profit sharing and compensation	(2,648)	(2,302)	(13.1)	(4,636)	(4,473)	(3.5)
Research and development expenses	(5,641)	(7,102)	25.9	(11,420)	(13,948)	22.1
Tax expenses	(215)	(353)	64.2	(983)	(889)	(9.6)
Other operating income, net	1,508	40	(102.7)	1,569	12	(99.2)
Operating Income before Financial Results	17,740	2,700	(84.8)	31,671	5,282	(83.3)
<i>Operating Margin %</i>	10.6%	1.6%		10.1%	1.7%	
Financial Income	11	3,330	30,172.7	(3,065)	6,059	(297.7)
Financial income	3,674	6,839	86.1	10,097	12,396	22.8
Financial expenses	(3,908)	(4,068)	4.1	(7,701)	(7,785)	1.1
Exchange gain (loss), net	245	559	128.2	(5,461)	1,448	(126.5)
Operating Income	17,751	6,030	(66.0)	28,606	11,341	(60.4)
Income tax and social contribution	(2,528)	(1,050)	(58.5)	(2,820)	1,536	(154.5)
Net income	15,223	4,980	(67.3)	25,786	12,877	(50.1)
<i>Net Margin %</i>	9.1%	2.9%		8.2%	4.1%	
Net profit concerning:						
Controlling interests	15,024	4,779	(68.2)	25,377	12,464	(50.9)
Non controlling interests	199	201	1.0	409	413	1.0
EBITDA	23,711	10,114	(57.3)	42,278	19,687	(53.4)
Net income	15,223	4,980	(67.3)	25,786	12,877	(50.1)
Income tax and social contribution	(2,528)	(1,050)	(58.5)	(2,820)	1,536	(154.5)
Financial income	11	3,330	30,172.7	(3,065)	6,059	(297.7)
Depreciation	5,971	7,414	24.2	10,607	14,405	35.8
<i>EBITDA Margin %</i>	14.1%	5.9%		13.5%	6.3%	
Nº of shares in capital stock (th)	74,758	74,758	-	74,758	74,758	-
Net income per share - R\$	0.20	0.07	(67.3)	0.34	0.17	(50.1)



Consolidated Cash Flow Statement

(R\$ thousand)

	2Q10	1Q11	2Q11	1H10	1H11
Cash from operating activities					
Net Income	15,223	7,897	4,980	25,786	12,877
Current and deferred income and social contribution taxes	2,528	(2,586)	1,050	2,820	(1,536)
Depreciation and amortization	5,971	6,991	7,414	10,607	14,405
Allowance for doubtful accounts and other receivables	1,651	2,893	6,943	3,483	9,836
Proceeds from sale of fixed assets	(1,576)	5	78	(1,521)	83
Financial expenses and exchange gain	(1,600)	563	1,145	3,786	1,708
Provision for inventory losses	(564)	4,192	2,732	127	6,924
Reserve for contingencies	1,777	1,956	2,212	3,453	4,168
Change on operating assets					
Trade accounts receivable	2,342	16,215	482	10,753	16,697
Onlending of FINAME manufacturer financing	3,909	20,990	(2,191)	10,746	18,799
Inventories	1,092	(46,769)	(14,210)	(21,209)	(60,979)
Recoverable taxes, net	1,411	(2,747)	4,538	1,572	1,791
Escrow deposits	(1,823)	(1,404)	(1,601)	(3,366)	(3,005)
Other receivables	(3,715)	240	(8,799)	(5,883)	(8,559)
Change on operating liabilities					
Trade accounts payable	(1,814)	(965)	(3,811)	5,675	(4,776)
Payroll and related taxes	6,907	(8,322)	3,020	9,823	(5,302)
Taxes payable	1,324	(7,576)	22	(2,652)	(7,554)
Advances from customers	2,406	2,738	(58)	2,078	2,680
Other payables	236	(1,805)	(75)	(3,374)	(1,880)
Cash provided by (used in) operating activities	35,685	(7,494)	3,871	52,704	(3,623)
Income tax and social contribution paid	-	(1,764)	(472)	(904)	(2,236)
Net Cash provided by (used in) operating activities	35,685	(9,258)	3,399	51,800	(5,859)
Purchase of fixed assets	(6,821)	(2,604)	(6,032)	(11,050)	(8,636)
Proceeds from sale of fixed assets	1,492	-	240	1,492	240
Increase in intangible assets	(729)	(22)	(28)	(858)	(50)
Net cash used in investing activities	(6,058)	(2,626)	(5,820)	(10,416)	(8,446)
Interest on capital paid	(10,889)	(9,865)	(8,142)	(19,556)	(18,007)
New loans and financing	2,569	857	3,344	20,012	4,201
Payments of loans and financing	(5,347)	(5,451)	(5,459)	(12,557)	(10,910)
Interests paid (including FINAME manufacturer financing)	(17,682)	(17,011)	(16,742)	(35,601)	(33,753)
New loans in FINAME manufacturer	67,382	73,827	80,140	156,878	153,967
Payment of FINAME manufacturer financing	(70,759)	(80,703)	(80,854)	(139,332)	(161,557)
Net Cash provided by (used in) financing activities	(34,726)	(38,346)	(27,713)	(30,156)	(66,059)
Increase (decrease) in cash and cash equivalents	(5,099)	(50,230)	(30,134)	11,228	(80,364)
Exchange variation changes on cash and cash equivalents abroad	2,799	(556)	741	(2,249)	185
Cash and cash equivalents - beginning of period	237,192	246,935	196,149	225,913	246,935
Cash and cash equivalents - end of period	234,892	196,149	166,756	234,892	166,756



Appendix I

Income Statement by Business Units - 2Q11

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	110,236	39,327	23,216	172,780
Cost of Sales and Services	(65,939)	(25,855)	(30,082)	(121,876)
Business Units Transfers	5,464	-	8,992	(14,456)
Business Units Transfers	(7,388)	(4,290)	(2,778)	14,456
Gross Profit	42,373	9,182	(651)	50,904
<i>Gross Margin %</i>	<i>38.4%</i>	<i>23.3%</i>	<i>-2.8%</i>	<i>29.5%</i>
Operating Expenses	(29,383)	(16,277)	(2,545)	(48,205)
Selling	(11,195)	(7,915)	(736)	(19,846)
General and Administrative	(11,390)	(5,632)	(1,539)	(18,561)
Management profit sharing	(1,587)	(485)	(230)	(2,302)
Research and Development	(4,912)	(2,190)	-	(7,102)
Taxation	(264)	(50)	(39)	(353)
Other operating revenue	(35)	(5)	-	(40)
Operating Income before Financial Results	12,990	(7,094)	(3,196)	2,699
<i>Operating Margin %</i>	<i>11.8%</i>	<i>-18.0%</i>	<i>-13.8%</i>	<i>1.6%</i>
	4,209	1,003	2,202	7,414
EBITDA	17,199	(6,091)	(994)	10,113
<i>EBITDA Margin %</i>	<i>15.6%</i>	<i>-15.5%</i>	<i>-4.3%</i>	<i>5.9%</i>

Income Statement by Business Units - 2Q10

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	96,084	53,729	17,819	167,632
Cost of Sales and Services	(52,752)	(29,659)	(25,624)	(108,035)
Business Units Transfers	5,089	-	10,225	(15,314)
Business Units Transfers	(7,396)	(5,602)	(2,316)	15,314
Gross Profit	41,025	18,468	104	59,597
<i>Gross Margin %</i>	<i>42.7%</i>	<i>34.4%</i>	<i>0.6%</i>	<i>35.6%</i>
Operating Expenses	(24,860)	(15,139)	(1,858)	(41,857)
Selling	(10,318)	(5,887)	(446)	(16,651)
General and Administrative	(10,183)	(6,851)	(1,176)	(18,210)
Management profit sharing	(1,716)	(714)	(218)	(2,648)
Research and Development	(4,071)	(1,570)	-	(5,641)
Taxation	(76)	(121)	(18)	(215)
Other operating revenue	1,504	4	-	1,508
Operating Income before Financial Results	16,165	3,329	(1,754)	17,740
<i>Operating Margin %</i>	<i>16.8%</i>	<i>6.2%</i>	<i>-9.8%</i>	<i>10.6%</i>
	3,399	707	1,865	5,971
EBITDA	19,564	4,036	111	23,711
<i>EBITDA Margin %</i>	<i>20.4%</i>	<i>7.5%</i>	<i>0.6%</i>	<i>14.1%</i>



Income Statement by Business Units - 1H11

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	195,725	74,389	41,407	311,522
Cost of Sales and Services	(120,265)	(43,881)	(53,027)	(217,173)
Business Units Transfers	10,828	-	16,207	(27,035)
Business Units Transfers	(12,881)	(9,101)	(5,053)	27,035
Gross Profit	73,407	21,407	(465)	94,349
<i>Gross Margin %</i>	<i>37.5%</i>	<i>28.8%</i>	<i>-1.1%</i>	<i>30.3%</i>
Operating Expenses	(55,549)	(28,909)	(4,610)	(89,068)
Selling	(20,477)	(13,805)	(1,361)	(35,643)
General and Administrative	(21,527)	(9,863)	(2,736)	(34,126)
Management profit sharing	(3,113)	(932)	(428)	(4,473)
Research and Development	(9,827)	(4,121)	-	(13,948)
Taxation	(612)	(193)	(84)	(889)
Other operating revenue	7	5	-	12
Operating Income before Financial Results	17,858	(7,501)	(5,075)	5,282
<i>Operating Margin %</i>	<i>9.1%</i>	<i>-10.1%</i>	<i>-12.3%</i>	<i>1.7%</i>
	8,032	1,724	4,649	14,405
EBITDA	25,890	(5,777)	(426)	19,687
<i>EBITDA Margin %</i>	<i>13.2%</i>	<i>-7.8%</i>	<i>-1.0%</i>	<i>6.3%</i>

Income Statement by Business Units - 1H10

R\$ thousand	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	198,964	82,590	31,210	312,764
Cost of Sales and Services	(111,040)	(44,052)	(45,879)	(200,971)
Business Units Transfers	9,088	-	19,648	(28,736)
Business Units Transfers	(13,634)	(10,956)	(4,146)	28,736
Gross Profit	83,378	27,582	833	111,793
<i>Gross Margin %</i>	<i>41.9%</i>	<i>33.4%</i>	<i>2.7%</i>	<i>35.7%</i>
Operating Expenses	(50,662)	(25,861)	(3,599)	(80,122)
Selling	(19,388)	(9,419)	(1,086)	(29,893)
General and Administrative	(20,760)	(11,918)	(2,081)	(34,759)
Management profit sharing	(3,233)	(1,041)	(362)	(4,636)
Research and Development	(8,222)	(3,198)	-	(11,420)
Taxation	(626)	(287)	(70)	(983)
Other operating revenue	1,567	2	-	1,569
Operating Income before Financial Results	32,716	1,721	(2,766)	31,671
<i>Operating Margin %</i>	<i>16.4%</i>	<i>2.1%</i>	<i>-8.9%</i>	<i>10.1%</i>
	6,792	1,233	2,582	10,607
EBITDA	39,508	2,954	(184)	42,278
<i>EBITDA Margin %</i>	<i>19.9%</i>	<i>3.6%</i>	<i>-0.6%</i>	<i>13.5%</i>