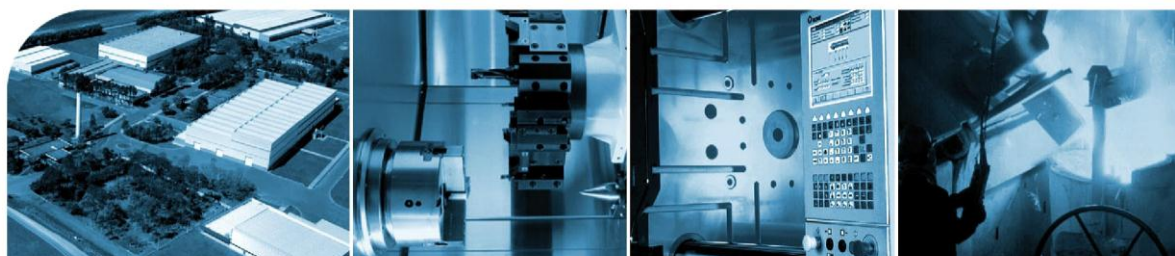




ROMI®

TRADIÇÃO EM INOVAR



July 29, 2014 2Q14 Earnings Release

June 30, 2014

Share Price

ROMI3 – R\$ 4.49/share

Market Capitalization

R\$ 322.2 million

US\$ 146.3 million

Number of Shares

Common: 71,757,647

Total: 71,757,647

Free Float = 50.8%

Investor Relations Contact

Fabio B. Taiar

Investor Relations Officer

Phone: (19) 3455-9418

dri@romi.com

Juliana Mendes Calil

I.R. Coordinator

Phone: (19) 3455-9514

jcalil@romi.com

July 30, 2014

Earnings Conference Call

Time: 10:00 a.m. (Brazil)

Dial-in numbers:

+55 (11) 3193 1001 or (11) 2820 4001

Access code: Romi

Earnings Conference Call in English

Time: 12:00 noon (São Paulo)

4:00 p.m. (London)

11:00 a.m. (NY)

Dial-in numbers:

US +1 (786) 924 6977

Brazil +55 (11) 3193 1001

Other + 1 (888) 700 0802

Access code: Romi



Santa Bárbara d'Oeste, SP, July 29, 2014 – Indústrias Romi S.A. (BM&FBovespa: ROMI3), domestic market leader in the Machine Tools and Plastic Processing Machines markets, as well as an important producer of Raw and Machined Cast Iron Parts, announces its results for the second quarter of 2014 (2Q14). 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 amounts are expressed in thousands of Reais.

HIGHLIGHTS

With net revenue of R\$ 143.6 million, Romi reaches EBITDA of R\$ 10.1 million, with a margin of 7.0% for 2Q14

- Net operating revenue of R\$ 143.6 million for 2Q14, representing a fall of 5.2% in relation to 2Q13. In the first half of 2014, net operating revenue reached R\$ 294.3 million, 0.9% over the revenue obtained in the same period of 2013;
- Gross margin reached 27.7% for 2Q14, steady as compared with 2Q13. For 1H14 gross margin was 28.3%, 1.4 percentage points over the margin for 1H13;
- EBITDA margin for 2Q14 was 7.0%, 0.7 pp down from 2Q13. For 1H14, the margin was 1.9 pp up from 1H13;
- For 2Q14 loss came in at R\$ 0.7 million, due to the slowdown of the country's industrial activity in the period, which resulted in a revenue for the quarter below the historical average;
- The volume of order entry was R\$ 168.4 million for the quarter, 34.3% down from 2Q13. For 1H14, the amount was 16.3% down from 1H13, reaching R\$ 342.7 million;
- The order backlog remains solid, totaling R\$ 320.0 million as at June 30, 2014.

	Quarter					Accumulated		
R\$'000	1Q13 ⁽¹⁾	1Q14	2Q14	Chg. %	Chg. %	1H13	1H14	Chg. %
Sales Volume				2Q/2Q	2Q/1Q			14/13
Machine Tools (units)	304	245	281	(7.6)	14.7	704	526	(25.3)
Plastic Machines (units)	61	53	38	(37.7)	(28.3)	105	91	(13.3)
Raw and Machined Cast Iron Parts (tons)	4,436	3,564	3,571	(19.5)	0.2	8,034	7,135	(11.2)
Net Operating Revenue	151,406	150,730	143,576	(5.2)	(4.7)	291,721	294,306	0.9
Gross margin (%)	28.0%	29.0%	27.7%			26.9%	28.3%	-
Operating Income (EBIT)	3,389	3,736	1,311	(61.3)	(64.9)	(1,276)	5,047	(495.6)
Operating margin (%)	2.2%	2.5%	0.9%			-0.4%	1.7%	-
Continued Operations Net Income	5,135	3,046	(722)	(114.1)	(123.7)	(411)	2,325	(666.1)
Discontinued Operations Net Income	-	-	-	-	-	(11,305)	-	(100.0)
Net Income	5,135	3,046	(722)	(114.1)	(123.7)	(11,716)	2,325	(119.8)
Continued Operations Net margin (%)	3.4%	2.0%	-0.5%			-0.1%	0.8%	-
EBITDA	11,725	12,610	10,104	(13.8)	(19.9)	16,288	22,715	39.5
EBITDA margin (%)	7.7%	8.4%	7.0%			5.6%	7.7%	-
Investments	11,651	8,451	7,493	(35.7)	(11.3)	11,415	15,944	39.7

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

- ⁽¹⁾ The results obtained by Romi Italy, the Company's Italian subsidiary, which is in liquidation, is being presented as "discontinued operations net income" in the periods respectively identified above.

CORPORATE PROFILE

Indústrias Romi S.A., founded in 1930, is the leader in the Brazilian industrial machinery and equipment market, and an important manufacturer of raw and machined cast iron parts. The Company is listed on BM&FBovespa's "New Market", which is reserved for companies with a higher level of corporate governance. Romi manufactures machine tools (Conventional Lathes, CNC (Computerized Numerical Control) Lathes, Lathing Centers, Machining Centers, Vertical and Horizontal Heavy and Extra-Heavy Lathes and Drilling Mills), plastic injection and blow molding machines, and nodular or vermicular gray cast iron parts, which may be supplied in raw or machined form. The Company's products and services are sold around the world and used by various industrial segments, such as the automotive (light and heavy), agricultural machinery, capital goods, consumer goods, tools, hydraulic equipment and wind energy industries, among many others.

The Company has 11 manufacturing units, four of which are dedicated to the final assembly of industrial machinery. Romi also operates two foundries, three units for component machining, one unit for the manufacture of steel sheet components, and a plant for the assembly of electronic control panels. Of these, nine are located in Brazil and two in Germany. The Company has installed capacity for the production of approximately 3,450 industrial machines and 50,000 tons of castings per year.

The Machine Tools business unit accounted for 67.2% of the Company's revenue for the first six months of 2014. The Plastic Processing Machines and Raw and Machined Cast Iron Parts business units contributed 17.8% and 15.0%, respectively, of the revenue for the period.

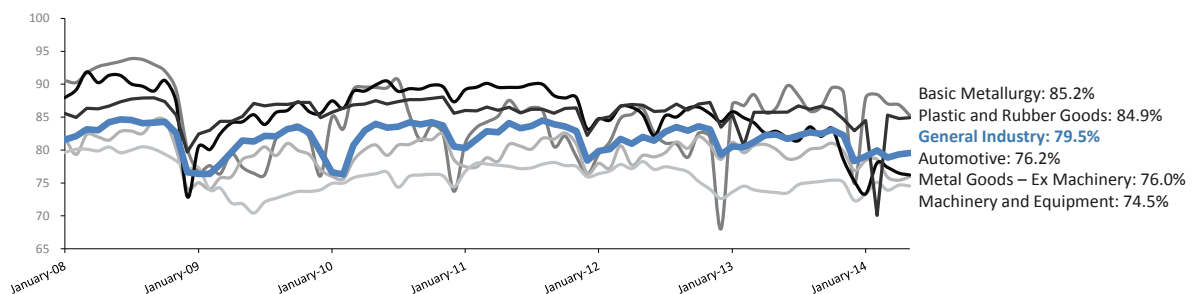
CURRENT ECONOMIC SCENARIO

Marked by the poor economic activity due to the uncertainty surrounding the market since the beginning of the year, the second quarter of 2014 brought moderate results to the industrial sector. This scenario is a consequence of the growing economic and political uncertainties that result in volatility and disincentive to investments.

The Brazilian industrial activity posted a slowdown for the third consecutive month in June 2014, obtaining the worst result since July last year. This scenario is a result of the persistent worsening of the domestic demand.

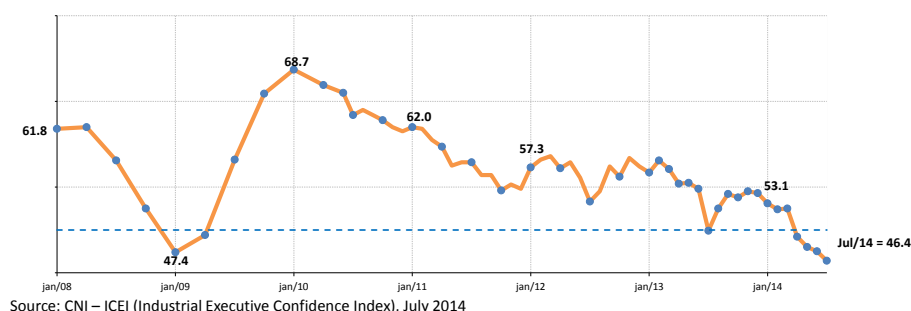
The category of capital goods is the most affected in these cases, with reduced production and low executive confidence levels.

The level of installed capacity utilization (NUCI) of industry in general in São Paulo state, measured by the São Paulo State Federation of Industries (FIESP), continues showing stability in 2014 in comparison with 2013, and investments in 2014 will have greater focus on increasing productivity and not on expanding installed capacity:



Source: Fiesp - INA Activity Level Indicator - NUCI (Level of Utilization of Installed Capacity), May 2014

The graph below shows the Industrial Executive Confidence Index (ICEI), released by the National Confederation of Industry (CNI), which reached 46.4 points in July 2014, lower than the level reached in the peak of the financial crisis in 2008. The index remained below 50 points for the fourth consecutive month, showing lack of confidence in the business community during the second quarter of 2014:



Numbers below 50.0 points represent lack of confidence, according to the CNI.

Directly responsible for nearly 20% of Brazilian industrial GDP, and indirectly for an additional considerably portion, the automotive industry should produce in 2014 less than in 2013, according to data of the National Association of Automotive Vehicle Manufacturers (Anfavea). The entity also pointed out that production fell in the first half of 2014 in relation to the same period of 2013, by 16.8% in light vehicles, 18.8% in trucks, 11.1% in buses, and 16.5% in agricultural machinery. These segments are significant for Romi's operations, both for the Machines and the Raw and Machined Cast Iron Parts Business Units.

As regards the machines segment, data from the ABIMAQ (Brazilian Machinery and Equipment Industry Association) show that the apparent consumption (sum of sales of domestic and imported machinery and equipment) of machinery and equipment in Brazil fell 11% in the first five months of 2014 in comparison with the same period of the prior year. Excluding the foreign exchange effect, the fall is of 18%. The revenue of the Brazilian machinery and equipment industry was R\$ 28.6 billion from January to May 2014, 13.6% down from the same period of 2013.

The Dollar, whose average rate in Reais is 13.0% in 1H14 in relation to 1H13, is also an important factor for the local industry's competitiveness. In addition to stimulating exports, it makes imported products, the main competitors of Romi's products in the Brazilian market, less attractive. It should be noted, however, that the impact of this variation in the second quarter in relation to the first quarter, is the opposite. The average dollar rate in the second quarter was 5.7% lower than the average dollar rate in the first quarter of 2014.

Aware of the difficulties faced by the Brazilian industry, the Federal government launched, on June 18, 2014, an incentive measures package, which includes the extension of the PSI Program and the return of the Reintegra Program, among others. These are positive measures, although they do not yet have immediate effects.

One of the most important measures for Romi is that it extends the PSI – The Investment Sustaining Program, which offers credit line from the National Bank of Economic and Social Development (BNDES) for purchase of capital goods (machinery, equipment, trucks and buses used in production), until the end of 2015, with very attractive rates, currently between 4.5% and 6.0% per year, depending on the size of the contracting company.

Despite the challenging scenario, due to the operational optimizations made in the last years, which lowered operating costs and expenses, Romi managed to achieve EBITDA of R\$ 10.1 million in the second quarter of 2014, representing an EBITDA margin of 7.0%. These amounts represent a consistent performance of the Company, demonstrating that the budget planning, considering a moderate growth scenario for 2014 and targeting to increase profitability and cash generation, have been adequate. This process is part of an ongoing method of assessing the demand and the results of the Company, whose main goal is to adapt in an agile way, Romi's structure the market Romi. Within this process, timely actions will be taken when necessary.



MARKET

Romi's main competitive advantages in the domestic market – products with cutting-edge technology, the company's 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.

Order Entry (R\$ 000) Gross Values, sales taxes included	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Chg 2Q14/2Q13	Chg 2Q14/1Q14
Machine Tools	84,479	173,368	144,518	119,676	119,538	117,411	-32.3%	-1.8%
Plastic Machines	25,462	45,484	25,686	35,170	18,337	24,100	-47.0%	31.4%
Rough and Machined Cast Iron Parts	43,071	37,495	35,949	25,940	36,447	26,899	-28.3%	-26.2%
Total	153,012	256,347	206,154	180,786	174,321	168,410	-34.3%	-3.4%

Order Entry (R\$ 000) Gross Values, sales taxes included	1S13	1S14	Chg 2014/2013
Machine Tools	257,847	236,948	-8.1%
Plastic Machines	70,946	42,437	-40.2%
Rough and Machined Cast Iron Parts	80,565	63,346	-21.4%
Total	409,358	342,731	-16.3%

Romi has worked on more assertively on meeting the demand of its customers. More than offering quality products, the Company has sought to develop and provide products that meet the needs of its customers, fostering the competitiveness of the Brazilian industry.

In spite of this, in 2Q14 the Company obtained an order entry volume 34.1% below the amount obtained in 2Q13 and 3.0% lower than in 1Q13, in view of the scenario presented in the section "Current Economic Scenario" of this report. Excluding B+W's, order entry in 2Q14 was 32.4% down from 2Q13, showing that B+W's operations remain stable.

In the first half of 2014, B+W's order entry reached R\$ 35.7 million, 4.1% over the same period of 2013.

Occurred between 20 and 24 May 2014, in São Paulo, the International Mechanical Fair, the main event in the Brazilian metal-mechanical sector, held biennially. At the event, Romi reinforced its commitment to providing innovative solutions for customers to be more productive, through the exhibition of updated machine tools and machinery for plastics processing. Incoming orders for machinery came below the levels achieved in the past editions of the event, indicating the low business confidence in making investments.

The Machine Tools Business Unit posted, for 2Q14, performance 31.9% lower than in 2Q13, reflecting the instability and volatility of the Brazilian economic situation, which weighs down on demand for investments.

The Plastic Processing Machines Business Unit, whose consumer markets are those with the greatest relation with consumption, had a fall of 47% in its orders entry in the second quarter in comparison with the same period of 2013. In spite of the improvement of 31.4% in the comparison of the second quarter with the first quarter, the comparison of the first half of 2014 with the first half of 2013 shows a fall of 40.2%.

The Raw and Machined Cast Iron Parts Business Unit's demand was 28.3% down in the second quarter of 2014 in relation to the same period of 2013, impacted by the diminishing production volume of the commercial automotive and agricultural sectors, the two main segments served by this business. Given the challenging conditions of the market, the wind energy segment should not have in 2014 the same share it had in 2013. Its share in the unit's revenue decreased from 33% in 2013 to 17% in the first half of 2014.

Order Book (R\$ 000) Gross Values, sales taxes included	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	Chg 2Q14/2Q13	Chg 2Q14/1Q14
Machine Tools	176,377	246,312	254,591	238,522	227,486	248,174	0.8%	9.1%
Plastic Machines	31,209	45,969	49,219	41,345	38,233	35,819	-22.1%	-6.3%
Rough and Machined Cast Iron Parts	37,026	37,846	35,505	29,556	38,388	35,979	-4.9%	-6.3%
Total	244,612	330,127	339,315	309,423	304,107	319,971	-3.1%	5.2%

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

As at June 30, 2014, the order backlog totaled R\$ 320.0 million, 5.2% greater than the backlog at the end of the first quarter of 2014 and 3.1% lower than the volume observed at the end of the second quarter of 2013, pointing towards consistency for the coming quarters, in spite of the uncertainties.

OPERATING PERFORMANCE

NET OPERATING REVENUE

The Company's net operating revenue for 2Q14 reached R\$ 143.6 million, 5.2% down from 2Q13, especially due to the decreased revenue of the Raw and Machined Cast Iron Parts Business Unit.

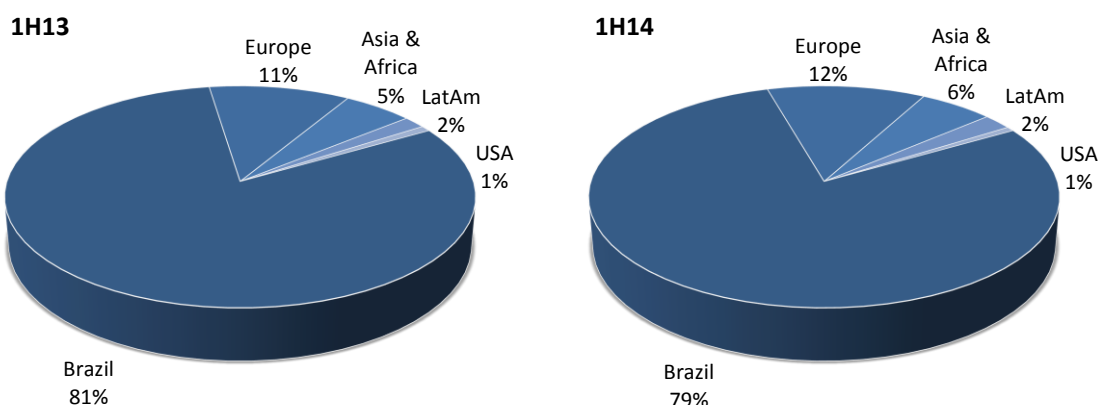
In the first half of 2014, net operating revenue was R\$ 294.3 million, 0.9% up from the first half of 2013.

Net Operating Revenue (R\$ 000) ⁽²⁾	Quarter					Accumulated		
	2Q13	1Q14	2Q14	Chg 2Q/2Q	Chg 2Q/1Q	1H13	1H14	Chg 14/13
Machine Tools ⁽³⁾	99.425	101.298	96.569	-2,9%	-4,7%	198.296	197.867	-0,2%
Plastic Machines	23.311	27.829	24.464	4,9%	-12,1%	40.760	52.293	28,3%
Raw and Machined Cast Iron Parts	28.670	21.603	22.543	-21,4%	4,4%	52.665	44.146	-16,2%
Total	151.406	150.730	143.576	-5,2%	-4,7%	291.721	294.306	0,9%

⁽²⁾ The income statements by business unit and B+W's financial statements are presented in the appendices to this report.

⁽³⁾ R\$ 16.4 million of the Machines Tools revenue for 2Q14 are attributed to B+W.

The domestic market accounted for 78.9% of Romi's revenue for 1H14. Considering the revenue obtained in the foreign market, which takes into account sales by Romi's subsidiaries abroad (Mexico, US, UK, France, Germany, Spain and B+W), the breakdown of Romi's total revenue, by geographical region, was:



Below, we show the revenue obtained in the foreign market, in Reais and Dollars:

Foreign Sales	Quarter					Accumulated		
	2Q13	1Q14	2Q14	Chg % 2Q/2Q	Chg % 2Q/1Q	1H13	1H14	Chg 14/13
Net Sales (R\$ million)	26.8	32.7	30.8	15.0%	-5.7%	56.8	63.6	11.9%
Net Sales (US\$ million)	13.0	13.8	13.8	6.8%	-0.1%	28.7	27.7	-3.4%

The Company has increasingly invested in its operations outside Brazil since it believes in the consuming potential of its machinery, which offer quality, performance and highly competitive prices.

Machine Tools

This unit's net operating revenue reached R\$ 96.6 million for 2Q14, of which R\$ 16.4 million refers to the consolidation of B+W's net operating revenue. This consolidated amount

represented a 2.9% decrease compared with the same period of 2013. Considering only Romi's machine tools, the decrease was 1.5%.

In 1H14, this business unit's revenue was R\$ 197.9 million, 0.2% down from 1H13. Considering only Romi's machine tools, the decrease was 1.8%. B+W's revenue for 1H14 was R\$ 40.8 million, 6.6% greater than for 1H13. It is important to highlight that, for consolidation purposes, we did not consider R\$ 4.1 million of this amount, which represent sales of equipment manufactured by B+W for Romi plant in Brazil.

Upon observing B+W's order backlog for 2014, it can be noted that, as in 2013, there will be a greater concentration of revenue in the second half of the year, especially in the fourth quarter.

In the second quarter of 2014, 281 new machines were sold, 7.6% down from the same period of the prior year (304 units). In the first six months of 2014, 526 new machines were sold, 25.3% down from the same period of the prior year (704 units). This scenario is a consequence of the industrial situation in Brazil, showing that large infrastructure projects, which demand larger machinery, present a better performance than the small and medium-sized industries, whose production has remained stable or diminished in relation to 2013.

In the first half of 2014, the most recurring segments among those served by this business unit included services, machinery and equipment, automotive (light and heavy), education, tooling and agricultural machinery.

Plastic Processing Machines

In 2Q14, the Plastic Processing Machines Business Unit's net operating revenue totaled R\$ 24.5 million, 4.9% up from 2Q13. In 1H14, this business unit's revenue reached R\$ 52.3 million, 28.3% up from 1H13.

In the second quarter of 2014, 38 new machines were sold, 37.7% down from the same period of 2013 (61 machines). Despite this significant decline, revenue was 4.9% greater, due to the mix of products invoiced, with larger machinery. In the first six months of 2014, 91 new machines were sold, 13.3% down from the same period of 2013 (105 machines).

The segments with the greatest demand for this unit's products in the first three months of 2014 were: packaging, automotive, furniture and real estate.

Raw and Machined Cast Iron Parts

In 2Q14, this business unit's net operating revenue was R\$ 22.5 million, representing a 21.4% drop in relation to the same period of 2013, due to a decline in the pace of production in the commercial automotive (trucks) and wind energy sectors, commented upon in the "Current Economic Scenario" section. On the other hand, in relation to 1Q14, this business unit's revenue, whose distribution is linear in the four quarters of the year, was 4.4% greater than in 1Q41, indicating that the wind energy segment begins to resume its orders.

In 2Q14, 3,571 tons of raw and machined cast iron parts were sold, 19.5% down from 2Q13 (4,436 tons). In 1H14, 7,135 tons of raw and machined cast iron parts were sold, 11.2% down from 1H13 (8,034 tons).

OPERATING COSTS AND EXPENSES

The gross margin of 27.7% obtained in 2Q14 was 32 basis points lower than that obtained in 2Q13, and 130 bps down from that obtained for the immediately preceding quarter. Disregarding B+W in this scenario, gross margin would have been 28.5%.

In 1H14, the gross margin was 28.3%, 140 bps up from 1H13.

The gradual recovery of prices, associated with operating efficiency measures, and the constant initiatives to contain costs, have been the main factors responsible for the consistent results achieved by the Company.



	Quarter					Accumulated		
Gross Margin	2Q13	1Q14	2Q14	Chg bps 2Q/2Q	Chg bps 2Q/1Q	1H13	1H14	Chg bps 14/13
Machine Tools	33.8%	34.2%	33.3%	(50)	(91)	32.4%	33.8%	140
Plastic Machines	32.2%	37.3%	37.0%	487	(27)	32.3%	37.2%	490
Raw and Machined Cast Iron Parts	4.5%	-6.4%	-6.5%	(1,103)	(12)	2.1%	-6.5%	(860)
Total	28.0%	29.0%	27.7%	(32)	(130)	26.9%	28.3%	140

	Quarter					Acumulado		
EBIT Margin	2Q13	1Q14	2Q14	Chg bps 2Q/2Q	Chg bps 2Q/1Q	1H13	1H14	Chg bps 14/13
Machine Tools	7.5%	6.7%	5.7%	(180)	(100)	4.0%	6.2%	220
Plastic Machines	-8.5%	4.0%	0.3%	880	(370)	-10.1%	2.3%	1,240
Raw and Machined Cast Iron Parts	-7.2%	-19.1%	-18.8%	(1,160)	30	-9.7%	-19.0%	(930)
Total	2.2%	2.5%	0.9%	(130)	(160)	-0.4%	1.7%	210

Meanwhile, operating margin came in at 0.9% for 2Q14, 130 bps down from 2Q13 and 160 bps down from the immediately preceding quarter. Disregarding B+W in this scenario, operating margin would have been 2.9%.

In 1H14, the operating margin was 1.7%, 210 bps up from 1H13.

The level of utilization of operational assets, still low, has a negative effect on faster recovery of Romi's margins. Furthermore, as Romi's operating expenses have more fixed than variable characteristics, in spite of the strict control of costs and expenses established at the Company, the decrease in the invoiced volume has negative impact on margins.

Machine Tools

This business unit's gross margin was 33.3% for 2Q14, presenting a slight worsening of 50 bps in relation to 2Q13 and of 91 bps in relation to 1Q14. In 2Q14, the unit's gross margin was 33.8%, 140 bps up from 1Q13.

The operating margin for this business unit, in the second quarter of 2014, was 5.7%, 180 bps down from 2Q13 and 100 bps down from 1Q14, due to lower revenue reported by the unit in the quarter, which impairs the dilution of costs and expenses. In 1H14, this business unit's operating margin was 6.2%, 220 bps up from 1H13.

Initiatives geared towards flexibilization and consequent agility of Romi's production have been continuously conducted. The purpose of these initiatives is to allow that situations of volatility of revenue, as the one that occurred in the quarter, cause an increasingly reduced impact on the business unit's results.

Plastic Processing Machines

In this business unit, the gross margin reached 37.0% for 1Q14, representing 487 bps improvement in relation to 2Q13 and 27 bps worsening in relation to the immediately preceding quarter. In 1H14, the unit's gross margin was 37.2%, 490 bps up from 1H13.

Meanwhile, the business unit achieved an operating margin of 0.3%, 880 bps up from 2Q13 and 370 down from 1Q14, as a result of the volume invoiced in the quarter. In 1H14, this business unit's operating margin was 2.3%, 1,240 bps up from 1H13, due to the gradual recovery of the product prices in the period and the increase in the volume invoiced.

Raw and Machined Cast Iron Parts

This business unit's gross margin was negative by 6.5% for 2Q14, presenting a fall of 1,103 bps in relation to 2Q13 and of 12 bps in relation to 1Q14. In 2Q14, the unit's gross margin was negative by 6.5%.

As commented upon previously, the drop in revenue, or low utilization of installed capacity, which prevents a greater dilution of fixed costs and expenses in the period, along with inflationary pressures on the business unit's costs, had negative impacts on the results obtained for the first half of 2014.



EBITDA AND EBITDA MARGIN

In 2Q14, the operating cash generation as measured by EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) was R\$ 10.1 million, representing an EBITDA margin of 7.0% for the period, as shown in the table below:

Reconciliation of Net Income to EBITDA	Quarter					Accumulated		
(R\$ 000)	2Q13	1Q14	2Q14	Chg 2Q/2Q	Chg 2Q/1Q	1H13	1H14	Chg 14/13
Net Income	5,135	3,046	(722)	-114.1%	-123.7%	(411)	2,325	-666.1%
Income tax and social contributions	505	240	366	-27.5%	52.5%	(1,775)	606	-134.1%
Net Financial Income	(2,251)	449	1,667	-174.1%	271.3%	910	2,116	132.5%
Depreciation and amortization	8,336	8,875	8,793	5.5%	-0.9%	17,564	17,668	0.6%
EBITDA	11,725	12,610	10,104	-13.8%	-19.9%	16,288	22,716	39.5%
EBITDA Margin	7.7%	8.4%	7.0%			5.6%	7.7%	

All the factors and effects mentioned in the "Operating Expenses and Costs" section also affected Romi's EBITDA in the period.

RESULT

The result was negative by R\$ 0.7 million for 2Q14 and positive by R\$ 2.3 million for 1H14.

CHANGES IN CASH AND CASH EQUIVALENTS

The main changes occurred in the net debt position during 2Q14 are described below in R\$ 000:



Inventories

The variation in the volume of inventories in the period is mainly due to two factors: (i) increase in the volume of machines to be sold during the Machinery Trade Fair, the country's most important event of the machinery sector, and (ii) the concentration of B+W's revenue in the second half of the year.

In the case of Romi Brazil, the increase amounted to R\$ 8.6 million, especially of work in progress, between March 31 and June 30, 2014. It is important to note, however, that the operational changes conducted in the last years also aimed at a greater flexibility in offering of machinery and, therefore, this inventory will be used in the next periods to produce the machines included in the backlog.

In the case of B+W's inventories, the increase amounted to R\$ 8.4 million between March 31 and June 30, 2014, due to the increase in production for delivery in the second half of this year.

The Company expects that during the second half of 2014 the inventory levels will return to the 2013 levels.

Financing

The payments in the quarter, in the amount of R\$ 14.0 million, refer mainly to expansion projects carried out in 2008 and 2009.

During the quarter the Company announced the contracting of financing from FINEP to make investments in innovation and technology, with the purchase of equipment and development of new machining processes, in the amount of R\$ 17.6 million. Of these, R\$ 5.1 million were added to the Company's cash during the second quarter of 2014.

Investments

Investments totaled R\$ 7.5 million for 2Q14, which were partly used for maintenance, productivity and modernization of the industrial facilities within the investment plan for the year 2014.

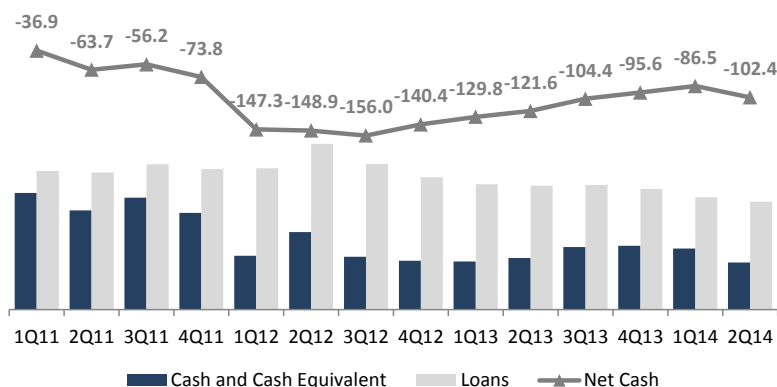
FINANCIAL POSITION

Short-term investments, including those backed by debentures, are made with financial institutions with low credit risk and their yield is substantially pegged to the interbank deposit rate ("CDI"). The consolidated position of cash and cash equivalents as at June 30, 2014 was R\$ 79.1 million.

The Company's borrowings are used mainly in investments to expand plant capacity and upgrading, and financing exports and imports. As at June 30, 2014, the amount of financing in local currency was R\$ 165.3 million, and in foreign currency, R\$ 16.2 million, totaling the amount of R\$ 181.5 million.

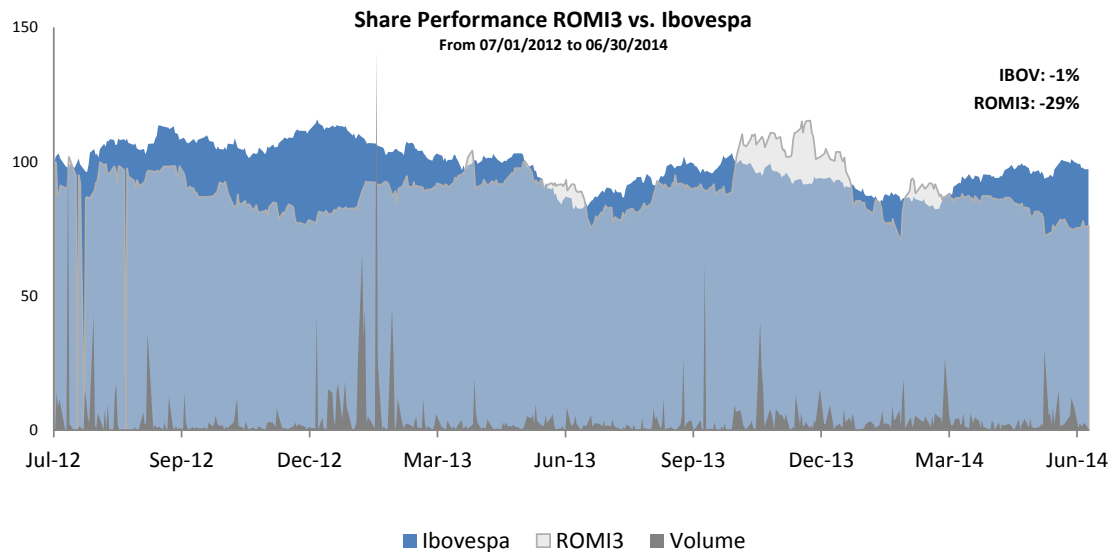
The Company's net debt in the second quarter of 2014 increased due to the contracting of financing from FINEP for innovation projects, in the amount of R\$ 17.6 million.

Net Cash (Debt) Position



As at June 30, 2014, the Company did not have any derivative transactions.

CAPITAL MARKETS



Source: BMF&Bovespa

At the end of the second quarter of 2014, Romi's common shares (ROMI3) were traded at R\$ 4.49, posting depreciation of 12.0% for the quarter (2Q14 vs. 1Q14), and of 16.9% for the 12-month period. The BM&FBovespa Index posted an appreciation of 5.5% in the quarter and of 12.6% since July 1, 2013.

The Company's market capitalization as at June 30, 2014 was R\$ 322.2 million. The average daily trading volume for 2Q14 was R\$ 293 thousand, and for the 12-month period through June, R\$ 323 thousand.

FINANCIAL STATEMENTS

Consolidated Balance Sheet

(R\$ 000)

ASSETS		06/30/13	03/31/14	06/30/14	LIABILITIES AND SHAREHOLDER'S EQUITY		06/30/13	03/31/14	06/30/14
CURRENT		790,650	761,983	732,427	CURRENT		473,780	395,693	427,544
Cash and Cash equivalents		88,194	102,779	79,115	Loans and financing		73,491	48,797	100,776
Trade accounts receivable		98,595	94,989	94,351	FINAME manufacturer financing		252,334	191,332	169,869
Onlending of FINAME manufacturer financing		280,497	225,946	206,551	Trade accounts payable		47,971	49,415	45,852
Inventories		282,404	295,389	313,134	Payroll and related taxes		27,782	25,893	30,863
Recoverable taxes		11,453	16,146	15,651	Taxes payable		5,790	6,827	3,153
Related Parties		611	682	535	Advances from customers		41,271	57,992	61,412
Other receivables		28,897	26,052	23,090	Interest on capital, dividends and participations		407	441	400
					Other payables		14,688	14,805	14,777
NONCURRENT		707,458	617,446	597,750	Related Parties		579	191	442
Long-Term Assets		377,734	275,034	257,051	Accounts Payables for Discontinued Operation		9,466	-	-
Trade accounts receivable		10,907	8,553	8,056					
Onlending of FINAME manufacturer financing		241,796	175,014	156,774	NON CURRENT		394,790	333,408	254,728
Recoverable taxes		518	2,104	2,185	Long-term liabilities				
Deferred income and social contribution taxes		54,138	51,651	52,368	Loans and financing		134,843	140,472	80,741
Escrow Deposits		1,754	1,360	1,394	FINAME manufacturer financing		226,785	157,062	138,002
Other receivables		36,030	36,352	36,274	Deferred income and social contribution taxes		23,433	24,972	24,017
Assets fo Discontinued Operation		32,591	-	-	Taxes payable		1,780	2,305	2,364
					Reserve for contingencies		7,573	7,978	8,920
Investments					Other payables		376	619	684
Property, Plant and Equipment, net		265,618	273,642	274,043					
Investment in Subsidiaries and Associate Companies		2,080	2,249	2,176	SHAREHOLDER'S EQUITY		627,835	648,777	646,182
Investment Property		16,103	19,798	19,619	Capital		489,973	489,973	489,973
Intangible assets		45,923	46,724	44,861	Capital reserve		2,052	2,052	2,052
					Retained earnings		(3,931)	140,784	140,784
TOTAL ASSETS		1,498,108	1,379,430	1,330,177	Income (loss) for the period		-	2,951	2,059
					Other accumulated comprehensive income		139,741	13,017	11,314
					NON CONTROLLING INTERESTS		1,702	1,552	1,723
					TOTAL SHAREHOLDER'S EQUITY		629,537	650,329	647,905
					TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		1,498,108	1,379,430	1,330,177



Consolidated Income Statement

(R\$ thousand)

	2Q13	1Q14	2Q14	Chg % 2Q/2Q	Chg % 2Q/1Q	1H13	1H14	Chg % 14/13
Continued Operation Net Operating Revenue	151,406	150,730	143,576	(5.2)	(4.7)	291,721	294,306	0.9
Cost of Goods Sold	(109,013)	(107,054)	(103,836)	(4.7)	(3.0)	(213,156)	(210,890)	(1.1)
Continued Operation Gross Profit	42,393	43,676	39,740	(6.3)	(9.0)	78,565	83,416	6.2
<i>Continued Operation Gross Margin %</i>	<i>28.0%</i>	<i>29.0%</i>	<i>27.7%</i>			<i>26.9%</i>	<i>28.3%</i>	
Operating Expenses	(39,004)	(39,940)	(38,429)	(1.5)	(3.8)	(79,841)	(78,369)	(1.8)
Selling expenses	(17,987)	(18,425)	(17,259)	(4.0)	(6.3)	(34,099)	(35,684)	4.6
Research and development expenses	(4,853)	(5,164)	(4,998)	3.0	(3.2)	(9,428)	(10,162)	7.8
General and administrative expenses	(14,496)	(16,182)	(16,585)	14.4	2.5	(33,345)	(32,767)	(1.7)
Management profit sharing and compensation	(1,548)	(1,629)	(1,472)	(4.9)	(9.6)	(3,046)	(3,101)	1.8
Other operating income, net	(120)	1,460	1,885	(1,670.8)	29.1	77	3,345	4,244.2
Continued Operation Operating Income before Financial Results	3,389	3,736	1,311	(61.3)	(64.9)	(1,276)	5,047	(495.6)
<i>Continued Operation Operating Margin %</i>	<i>2.2%</i>	<i>2.5%</i>	<i>0.9%</i>			<i>-0.4%</i>	<i>1.7%</i>	
Continued Operations Financial Results, Net	2,251	(449)	(1,667)	(174.1)	271.3	(910)	(2,116)	132.5
Financial income	3,793	5,712	4,459	17.6	(21.9)	7,669	10,171	32.6
Financial expenses	(4,722)	(4,986)	(4,594)	(2.7)	(7.9)	(10,865)	(9,580)	(11.8)
Exchange gain (loss), net	3,180	(1,175)	(1,532)	(148.2)	30.4	2,286	(2,707)	(218.4)
Continued Operations Operating Income	5,640	3,287	(356)	(106.3)	(110.8)	(2,186)	2,931	(234.1)
Income tax and social contribution	(505)	(240)	(366)	(27.5)	52.5	1,775	(606)	(134.1)
Income (loss) for Continued Operation	5,135	3,046	(722)	(114.1)	(123.7)	(411)	2,325	(666.0)
Income (loss) for Discontinued Operation	-	-	-	-	-	(11,305)	-	(100.0)
Net Income	5,135	3,046	(722)	(114.1)	(123.7)	(11,716)	2,325	(119.8)
<i>Continued Operation Net Margin %</i>	<i>3.4%</i>	<i>2.0%</i>	<i>-0.5%</i>			<i>-0.1%</i>	<i>0.8%</i>	
Net profit concerning:								
Controlling interests	(3,908)	2,951	(893)	(77.2)	(130.3)	(11,962)	2,058	(117.2)
Non controlling interests	125	96	171	36.8	78.1	246	267	8.5
EBITDA for Continued Operation	11,725	12,610	10,104	(13.8)	(19.9)	16,288	22,715	39.5
Net income / loss for the period	5,135	3,046	(722)	(114.1)	(123.7)	(411)	2,325	(666.0)
Income tax and social contribution	505	240	366	(27.5)	52.5	(1,775)	606	(134.1)
Financial income, net	(2,251)	449	1,667	(174.1)	271.3	910	2,116	132.5
Depreciation	8,336	8,875	8,793	5.5	(0.9)	17,564	17,668	0.6
<i>Continued Operation EBITDA Margin %</i>	<i>7.7%</i>	<i>8.4%</i>	<i>7.0%</i>			<i>5.6%</i>	<i>7.7%</i>	
Nº of shares in capital stock (th)	71,758	71,758	71,758	-	-	71,758	71,758	-
Continued Operation Net income per share - R\$	0.07	0.04	(0.01)			(0.01)	0.03	(665.99)

Consolidated Cash Flow Statement

(R\$ thousand)

	2Q13	1Q14	2Q14	1H13	1H14
Cash from operating activities					
Net Income Continued Operations	5.640	3.286	(354)	(2.186)	2.932
Net Income Discontinued Operations	(8.917)	-	-	(11.304)	-
Financial expenses and exchange gain	637	818	(455)	2.408	363
Depreciation and amortization	8.216	8.875	8.793	17.564	17.668
Allowance for doubtful accounts and other receivables	1.394	2.456	(1.140)	7.693	1.316
Proceeds from sale of fixed assets	328	-	1.837	541	1.837
Provision for inventory realization	2.647	1.551	163	5.158	1.714
Reserve for contingencies	2.306	149	942	1.824	1.091
Change on operating assets					
Trade accounts receivable	10.458	29.675	1.557	33.995	31.232
Related Parties	-	78	73	-	151
Onlending of FINAME manufacturer financing	45.845	34.534	43.173	99.608	77.707
Inventories	(6.124)	(29.241)	(22.795)	(390)	(52.036)
Recoverable taxes, net	1.875	(2.336)	2.206	(421)	(130)
Escrow deposits	1	105	(34)	(57)	71
Other receivables	4.060	2.835	1.959	3.759	4.794
Change on operating liabilities					
Trade accounts payable	(772)	6.786	(3.013)	6.439	3.773
Payroll and related taxes	4.159	1.933	4.970	6.543	6.903
Taxes payable	(2.313)	(6.359)	(5.613)	(7.608)	(11.972)
Advances from customers	9.722	3.156	3.420	5.288	6.576
Other payables	(4.081)	5.730	251	(5.388)	5.981
Change on assets and liabilities of Discontinued Operation	8.743	-	-	8.743	-
Cash provided by (used in) operating activities	83.824	64.031	35.940	172.209	99.971
Income tax and social contribution paid	(264)	(6.356)	(1.799)	(1.886)	(8.155)
Net Cash provided by (used in) operating activities	83.560	57.675	34.141	170.323	91.816
Purchase of fixed assets	(9.012)	(8.360)	(7.492)	(20.663)	(15.852)
Sales of fixed assets	-	162	99	-	261
Increase in intangible assets	-	(91)	-	-	(91)
Net cash used in investing activities	(9.012)	(8.289)	(7.393)	(20.663)	(15.682)
Interest on capital paid	-	(969)	(1)	(291)	(970)
New loans and financing	4.234	7.962	9.841	11.589	17.803
Payments of loans and financing	(8.247)	(22.827)	(15.398)	(26.978)	(38.225)
Interests paid (including FINAME manufacturer financing)	(11.339)	(6.598)	(6.917)	(22.392)	(13.515)
New loans in FINAME manufacturer	22.940	31.203	22.767	45.357	53.970
Payment of FINAME manufacturer financing	(74.431)	(60.942)	(59.241)	(150.652)	(120.183)
Net Cash provided by (used in) financing activities	(66.843)	(52.171)	(48.949)	(143.367)	(101.120)
Increase (decrease) in cash and cash equivalents	7.705	(2.785)	(22.201)	6.293	(24.986)
Exchange variation changes on cash and cash equivalents abroad	(2.029)	(1.668)	(1.463)	(1.925)	(3.131)
Cash and cash equivalents - beginning of period	81.012	107.232	102.779	82.320	107.232
Cash and cash equivalents - end of period	86.688	102.779	79.115	86.688	79.115

Appendix I – Income Statements by Business Unit

Income Statement by Business Units - 2Q14

R\$ 000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Continued Operations Net Operating Revenue	96.569	24.464	22.543	143.576
Cost of Sales and Services	(59.441)	(13.106)	(31.289)	(103.836)
Business Units Transfers	1.301	-	7.283	8.584
Business Units Transfers	(6.281)	(2.297)	(6)	(8.584)
Continued Operations Gross Profit	32.148	9.061	(1.469)	39.740
<i>Continued Operations Gross Margin %</i>	<i>33,3%</i>	<i>37,0%</i>	<i>-6,5%</i>	<i>27,7%</i>
Operating Expenses	(26.669)	(8.998)	(2.762)	(38.429)
Selling	(12.269)	(4.118)	(872)	(17.259)
General and Administrative	(11.738)	(3.196)	(1.651)	(16.585)
Research and Development	(3.572)	(1.426)	-	(4.998)
Management profit sharing	(975)	(258)	(239)	(1.472)
Other operating revenue	1.885	-	-	1.885
Continued Operations Operating Income before Financial Results	5.479	63	(4.231)	1.311
<i>Continued Operations Operating Margin %</i>	<i>5,7%</i>	<i>0,3%</i>	<i>-18,8%</i>	<i>0,9%</i>
Depreciation	5.233	564	2.996	8.793
Continued Operations EBITDA	10.712	627	(1.235)	10.104
<i>Continued Operations EBITDA Margin %</i>	<i>11,1%</i>	<i>2,6%</i>	<i>-5,5%</i>	<i>7,0%</i>

Income Statement by Business Units - 2Q13

R\$ 000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Continued Operations Net Operating Revenue	99.425	23.311	28.670	151.406
Cost of Sales and Services	(65.165)	(13.732)	(30.116)	(109.013)
Business Units Transfers	2.881	-	4.321	7.202
Business Units Transfers	(3.542)	(2.080)	(1.580)	(7.202)
Continued Operations Gross Profit	33.599	7.500	1.294	42.393
<i>Continued Operations Gross Margin %</i>	<i>33,8%</i>	<i>32,2%</i>	<i>4,5%</i>	<i>28,0%</i>
Operating Expenses	(26.171)	(9.471)	(3.360)	(39.003)
Selling	(11.844)	(5.157)	(986)	(17.986)
General and Administrative	(9.859)	(2.155)	(2.094)	(14.108)
Research and Development	(3.327)	(1.526)	-	(4.853)
Management profit sharing	(1.020)	(248)	(280)	(1.548)
Other operating revenue	(121)	1	-	(120)
Continued Operations Operating Income before Financial Results	7.428	(1.972)	(2.066)	3.391
<i>Continued Operations Operating Margin %</i>	<i>7,5%</i>	<i>-8,5%</i>	<i>-7,2%</i>	<i>2,2%</i>
Depreciation	5.198	128	3.010	8.336
Continued Operations EBITDA	12.626	(1.844)	944	11.727
<i>Continued Operations EBITDA Margin %</i>	<i>12,7%</i>	<i>-7,9%</i>	<i>3,3%</i>	<i>7,7%</i>

Income Statement by Business Units - 1H14

R\$ 000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Continued Operations Net Operating Revenue	197.867	52.293	44.146	294.306
Cost of Sales and Services	(123.674)	(27.840)	(59.376)	(210.890)
Business Units Transfers	2.839	-	12.390	15.229
Business Units Transfers	(10.210)	(5.009)	(10)	(15.229)
Continued Operations Gross Profit	66.822	19.444	(2.850)	83.416
<i>Continued Operations Gross Margin %</i>	<i>33,8%</i>	<i>37,2%</i>	<i>-6,5%</i>	<i>28,3%</i>
Operating Expenses	(54.586)	(18.266)	(5.517)	(78.369)
Selling	(24.906)	(8.965)	(1.813)	(35.684)
General and Administrative	(23.568)	(5.976)	(3.223)	(32.767)
Research and Development	(7.204)	(2.958)	-	(10.162)
Management profit sharing	(2.071)	(549)	(481)	(3.101)
Other operating revenue	3.163	182	-	3.345
Continued Operations Operating Income before Financial Results	12.236	1.178	(8.367)	5.047
<i>Continued Operations Operating Margin %</i>	<i>6,2%</i>	<i>2,3%</i>	<i>-19,0%</i>	<i>1,7%</i>
Depreciation	10.316	1.228	6.124	17.668
Continued Operations EBITDA	22.552	2.406	(2.243)	22.715
<i>Continued Operations EBITDA Margin %</i>	<i>11,4%</i>	<i>4,6%</i>	<i>-5,1%</i>	<i>7,7%</i>

Income Statement by Business Units - 1H13

R\$ 000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Continued Operations Net Operating Revenue	198.296	40.760	52.665	291.721
Cost of Sales and Services	(132.869)	(23.712)	(56.575)	(213.156)
Business Units Transfers	5.702	-	8.540	14.242
Business Units Transfers	(6.849)	(3.869)	(3.524)	(14.242)
Continued Operations Gross Profit	64.280	13.179	1.106	78.565
<i>Continued Operations Gross Margin %</i>	<i>32,4%</i>	<i>32,3%</i>	<i>2,1%</i>	<i>26,9%</i>
Operating Expenses	(56.321)	(17.303)	(6.217)	(79.841)
Selling	(23.721)	(8.524)	(1.854)	(34.099)
General and Administrative	(24.058)	(5.385)	(3.902)	(33.345)
Research and Development	(6.486)	(2.942)	-	(9.428)
Management profit sharing	(2.132)	(453)	(461)	(3.046)
Other operating revenue	76	1	-	77
Continued Operations Operating Income before Financial Results	7.959	(4.124)	(5.111)	(1.276)
<i>Continued Operations Operating Margin %</i>	<i>4,0%</i>	<i>-10,1%</i>	<i>-9,7%</i>	<i>-0,4%</i>
Depreciation	10.570	657	6.337	17.564
Continued Operations EBITDA	18.529	(3.467)	1.226	16.288
<i>Continued Operations EBITDA Margin %</i>	<i>9,3%</i>	<i>-8,5%</i>	<i>2,3%</i>	<i>5,6%</i>

Appendix II – Financial Statements for B+W

Balance Sheet B+W

		(€ 000)		
ASSETS		06/30/13	03/31/14	06/30/14
CURRENT		21,623	22,255	24,043
Cash and Cash equivalents		65	4,147	3,698
Trade accounts receivable		4,808	3,063	4,270
Inventories		15,456	11,820	14,668
Related Parties		212	2,090	175
Other receivables		1,082	1,136	1,233
Investments				
Property, Plant and Equipment, net		13,807	15,185	15,468
Investment in Subsidiaries and Associate Companies		722	722	722
Intangible assets		14,109	13,859	13,699
TOTAL ASSETS		50,261	52,021	53,932
		(€ 000)		
LIABILITIES AND SHAREHOLDER'S EQUITY		06/30/13	03/31/14	06/30/14
CURRENT		16,959	17,123	19,495
Loans and financing		108	142	-
Trade accounts payable		1,803	825	948
Payroll and related taxes		1,470	1,320	1,416
Taxes payable		9	972	82
Advances from customers		11,610	11,863	15,188
Other payables		1,758	1,800	1,388
Related Parties		201	201	474
NON CURRENT		9,722	9,162	9,243
Long-term liabilities				
Loans and financing		4,250	3,808	3,933
Deferred income and social contribution taxes		5,472	5,354	5,310
SHAREHOLDER'S EQUITY		23,580	25,735	25,194
Capital		7,025	7,025	7,025
Capital reserve		505	505	505
Accumulated deficit		16,050	18,205	17,664
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		50,261	52,021	53,932

Income Statement B+W

		€ 000							
		2Q13	1Q14	2Q14	Chg % 2Q/2Q	Chg % 2Q/1Q	1H13	1H14	Chg % 14/13
Net Operating Revenue		6,673	7,542	5,373	(19.5)	(28.8)	14,373	12,915	(10.1)
Cost of Goods Sold		(5,289)	(5,902)	(4,237)	(19.9)	(28.2)	(11,689)	(10,140)	(13.3)
Gross Profit		1,384	1,639	1,136	(17.9)	(30.7)	2,685	2,775	3.4
<i>Gross Margin %</i>		<i>20.7%</i>	<i>21.7%</i>	<i>21.1%</i>			<i>18.7%</i>	<i>21.5%</i>	
Operating Income (Expenses)		(1,482)	(1,905)	(1,905)	28.5	(0.0)	(3,492)	(3,809)	9.1
Selling expenses		(446)	(584)	(572)	28.3	(2.0)	(1,314)	(1,156)	(12.1)
General and administrative expenses		(1,037)	(1,321)	(1,333)	28.5	0.9	(2,178)	(2,654)	21.8
Operating Income before Financial Results		(98)	(265)	(769)	681.2	189.5	(808)	(1,034)	28.0
<i>Operating Margin %</i>		<i>-1.5%</i>	<i>-3.5%</i>	<i>-14.3%</i>			<i>-5.6%</i>	<i>-8.0%</i>	
Financial Results, Net		(77)	(113)	(73)	(5.7)	(35.7)	(171)	(186)	9.2
Operating Income		(176)	(379)	(841)	379.0	122.1	(978)	(1,220)	24.7
Income tax and social contribution		(82)	-	-	(100.0)	-	18	-	(100.0)
Net income		(257)	(379)	(841)	226.9	122.1	(961)	(1,220)	27.0
<i>Net Margin %</i>		<i>-3.9%</i>	<i>-5.0%</i>	<i>-15.7%</i>			<i>-6.7%</i>	<i>-9.4%</i>	
EBITDA		273	12	(465)	(270.8)	(4,084.6)	135	(454)	(436.8)
Net income / loss		(257)	(379)	(841)	226.9	122.1	(961)	(1,220)	27.0
Income tax and social contribution		82	-	-	(100.0)	-	(18)	-	(100.0)
Financial Results, Net		77	113	73	(5.7)	(35.7)	171	186	9.2
Depreciation		371	277	303	(18.3)	9.4	942	580	(38.4)
<i>EBITDA Margin %</i>		<i>4.1%</i>	<i>0.2%</i>	<i>-8.7%</i>			<i>0.9%</i>	<i>-3.5%</i>	

Statements contained in this release related to the Company's business outlook, 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, economic conditions in Brazil, the industry and international markets, therefore being subject to changes.