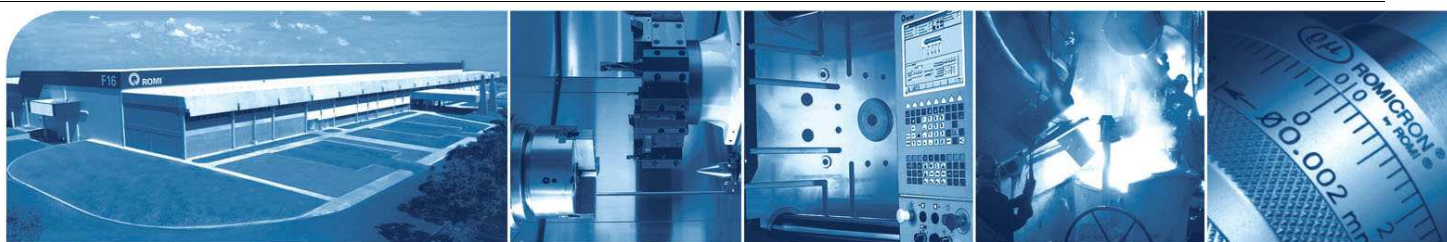


**ROMI**[®]

TRADIÇÃO EM INOVAR



Santa Bárbara d'Oeste, SP, October 31 2007 – Indústrias Romi S.A. (Bovespa: ROMI3, ROMI4), a domestic market leader in Machine Tools and Plastic Injection Molding Machines announces its results for the third quarter and the nine months ending September 30, 2007 (3Q07 and 9M07). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis and monetary values are expressed in Reais.

3Q07

Net income increases 48% in 3Q07 and reaches R\$ 36.2 million

Highlights

Share Price (09/28/07)

ROMI3: R\$ 21.13

Market Capitalization

R\$ 1.660 million
US\$ 903 million

Total Shares

Common: 78,557,547
Total: 78,557,547

Free Float: 54.7%

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- **Solid evolution in EBITDA Margin**, which reached 24.1% in 3Q07 against 23.1% in 3Q06 due to rigorous control over operating costs and expenses, dilution of fixed costs and the positive impact of imported items on the cost of goods sold.
- **Net Operating Revenue of Rough and Machined Cast Iron Parts reported significant growth** of 22.6% in 3Q07 compared with the same period in 2006, the result of greater utilization of the plant's capacity - expanded in early 2006.
- **Consistently improving operating margin at the Plastic Injection Molding Machine Unit**, which reached 16.3% in 9M07 against 5.9% in 9M06, reflecting the consolidation of the new products in the market and the reduction in the cost of imported components and raw material.
- **New orders recorded a substantial increase** of 57.1% in 3Q07 against 3Q06, demand being driven by growth in Brazilian GDP.

ROMI - Consolidated In Thousand Reais	Quarter			Accumulated		
	3Q06	3Q07	% Chg.	9M06	9M07	% Chg.
Sales Volume						
Machine Tools (units)	543	599	10.3	1,396	1,669	19.6
Plastic Injection Molding Machines (units)	82	113	37.8	224	266	18.8
Rough and Machined Cast Iron Parts (tons)	4,156	5,467	31.5	11,277	15,379	36.4
Net Operating Revenue	153,159	164,514	7.4	393,260	443,158	12.7
Gross margin (%)	44.4%	44.1%		42.0%	43.2%	
Operating Income (EBIT)	32,538	35,968	10.5	65,147	87,102	33.7
Operating margin (%)	21.2%	21.9%		16.6%	19.7%	
Net Income	24,500	36,209	47.8	55,082	76,425	38.7
Net margin (%)	16.0%	22.0%		14.0%	17.2%	
EBITDA	35,398	39,671	12.1	73,834	97,413	31.9
EBITDA margin (%)	23.1%	24.1%		18.8%	22.0%	
Investments	15,741	7,307	(53.6)	29,621	19,787	(33.2)



1 - EBITDA = Operating income before financial result + depreciation and amortization adjusted for Public Offering of Shares overheads



Índice de Ações com Tag Along Diferenciado

2 - EBIT = Operating income, adjusted for Public Offering of Shares overheads

FIRB – Financial Investor
Relations Brasil
www.firb.com

CORPORATE PROFILE

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

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

The Machine Tools Business Unit, which accounted for about 66% of the Company's third quarter revenue, comprises lines for Conventional Lathes, CNC Lathes (computerized numerical control), Machining Centers and Romicon[®] High Precision Machine Tools. The Rough and Machined Cast Iron Parts and Plastic Injection Molding Machines business units represented approximately 18% and 16%, respectively of the Company's third quarter revenue.

CURRENT ECONOMIC SCENARIO

Current Economic Scenario

The Brazilian macroeconomic scenario remained stable in the principal variables in the third quarter of 2007 in relation to the preceding quarters. The exception to this panorama was the interruption to successive cuts in the basic interest rate by the Brazilian Central Bank, which at its most recent Monetary Policy Committee (COPOM) meeting decided to keep the annual rate at 11.25%. Notwithstanding, several economic analysts estimate that annual GDP growth will continue at between 4.5% and 5.0%. The decision of COPOM to keep interest rates unchanged has not directly impacted Romi's operations. Furthermore, Management believes that the impact of the decision on our customers is unlikely to be significant since the majority of them are small and middle-sized companies with limited access to credit. The US Dollar exchange rate continues on a downward trajectory, the Real having posted an accumulated appreciation of 14% up to September 30, 2007.

On the international front, the economy was impacted in August by the crisis in the US real estate sector. This event translated into considerable instability in world capital markets, Brazil being no exception - however as yet, with no significant impacts on other economic activities. To the present moment, Management has not detected any elements, which might adversely affect our operations in the light of the crisis or the potential this might have for depressing economic activity.

MARKET

Market

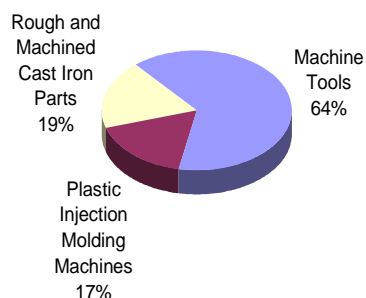
The quarter proved to be a favorable one, the Company successfully maximizing opportunities for new business what resulted in an expressive increase in new orders income. Management believes this performance to be a reflection not only of intensified domestic demand but also customer recognition of the excellence of the Company's products and services.

New Orders (gross values including taxes)

Order Entry (R\$ thousands)	3Q06	3Q07	% Chg.
Machine Tools	70,893	117,360	65.5
Plastic Injection Molding Machines	14,094	31,912	126.4
Rough and Machined Cast Iron Parts	31,654	33,994	7.4
Total	116,641	183,266	57.1

Order Entry (R\$ thousands)	9M06	9M07	% Chg.
Machine Tools	263,665	360,509	36.7
Plastic Injection Molding Machines	67,384	114,525	70.0
Rough and Machined Cast Iron Parts	94,074	108,434	15.3
Total	425,123	583,468	37.2

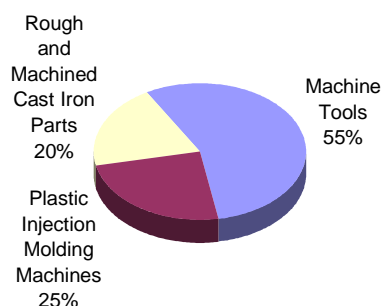


**New Order (Distribution) - 9M07**

In 3Q07, new orders reported a significant year on year acceleration of 57.1%. For the first nine months of 2007, there was a growth of 37.2% compared with the same period in 2006.

Order Entry (R\$ thousands)	2Q07	3Q07	% Chg.
Machine Tools	135,733	117,360	(13.5)
Plastic Injection Molding Machines	50,516	31,912	(36.8)
Rough and Machined Cast Iron Parts	33,675	33,994	0.9
Total	219,924	183,266	(16.7)

Orders in relation to 2Q07 reported a decline of 16.7%, a variation considered normal principally following on from the International Machine Tools and Integrated Manufacturing Systems (Feimafe) and the International Plastics Industry (BrasilPlast) trade fairs held in May 2007, both events resulting in a significant second quarter spike in new business.

Order Book (gross values including taxes)**Order Book (Distribution) - 3Q07**

Order Book (R\$ thousands)	2Q07	3Q07	% Chg.
Machine Tools	115,159	106,208	(7.8)
Plastic Injection Molding Machines	47,490	47,248	(0.5)
Rough and Machined Cast Iron Parts	39,828	38,173	(4.2)
Total	202,477	191,629	(5.4)

At the end of 3Q07, Romi's order book reported a decline of 5.4% compared to the end of 2Q07, this change seen as in line with the normal seasonal variation in the Company's business.

Order Book (R\$ thousands)	3Q06	3Q07	% Chg.
Machine Tools	77,166	106,208	37.6
Plastic Injection Molding Machines	22,128	47,248	113.5
Rough and Machined Cast Iron Parts	24,203	38,173	57.7
Total	123,497	191,629	55.2

Compared with the outstanding position in 3Q06, the order book at the end of 3Q07 recorded a sharp rise of 55.2%. Business was particularly strong at the plastic injection molding machine unit where orders were up by 113.5%.

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

OPERATING PERFORMANCE**Net Operating Revenue**

Third quarter net operating revenue was R\$ 164.5 million, an increase of 7.4% relative to the same period in 2006, driven by the positive macroeconomic scenario and the gradual improvement in utilization of additional capacity following the conclusion of the Company's recent investments. Quarter over quarter also reported a 7.4% improvement. For the accumulated nine-month period, net operating revenue was R\$ 443.2 million, 12.7% more than in 9M06.

The Company continues to pursue its policy of marking a presence in the overseas market despite the difficulties arising from the appreciation in the Real during the nine-month period. As of September 30, 2007, Romi had exported US\$ 30.1 million against US\$ 21.6 million in the same period of 2006, an increase of 39.3%. In Reais, growth was 27.3%, a reflection of a stronger Real. Exports for 2007 accounted for 13.5% of the Company's Net Operating Revenue against 11.9% in 2006.

The Rough and Machined Cast Iron Parts unit accounted for 31.2% of the accumulated exports for 2007, against 37.5% for the same period in 2006. The Machine Tools unit was responsible for the remaining sales to international markets. The USA continues to be the leading importer of our products, representing slightly more than half of our exports, followed by Europe and South America.

**Net Operating Revenue (R\$ thousand)**

Romi - Consolidated	Quarter			Accumulated		
	3Q06	3Q07	% Chg.	9M06	9M07	% Chg.
Net Operating Revenue (R\$ '000)						
Machine Tools	105,563	109,085	3.3	265,124	289,396	9.2
Plastic Injection Molding Machines	23,588	25,999	10.2	63,744	71,952	12.9
Rough and Machined Cast Iron Parts	24,008	29,430	22.6	64,392	81,810	27.0
Total	153,159	164,514	7.4	393,260	443,158	12.7

Note: See income statements per business unit in annex I

Machine Tools

In 3Q07, the Machine Tools Business Unit's sales totaled 599 units, a growth of 10.3% compared with the same period of 2006. In the 9M07, sales of this same unit amounted to 1,669 units against 1,396 for the equivalent period in 2006, an increase of 19.9%.

Net operating revenue from the Machine Tools Unit reported growth of 3.3% in 3Q07, compared with the same period in 2006. This result – a little below Management's forecast – was partially impacted by the Real appreciation, the Company adopting a more aggressive discount policy in order to hold onto market share. Results were also influenced by sporadic shortages of imported components from some major international suppliers early on in the quarter. The Company believes that the supply of these imported items has already been regularized and that the impact on production flows will be overcome by the end of the fourth quarter of 2007.

On the domestic market, the main machine tool customer sectors supplied by Romi were the automotive, job shops and capital goods. These sectors were also the main drivers of Romi's sales in the first nine months of 2007. The aeronautical, oil and tooling industries also contributed to company revenue recorded for the year to date.

Plastic Injection Molding Machines

In 3Q07, sales from the Plastic Injection Molding Machine Unit totaled 113 units, an increase of 37.8% compared to the same period 2006. Sales in the 9M07 period were 266 units against 224 sold in the same period in 2006. Strongest demand in the third quarter 2007 came from the packaging, job shops and construction businesses. In addition, in the first nine months, the automotive, home appliances and consumer electronics sectors also played a key role in contributing to sales.

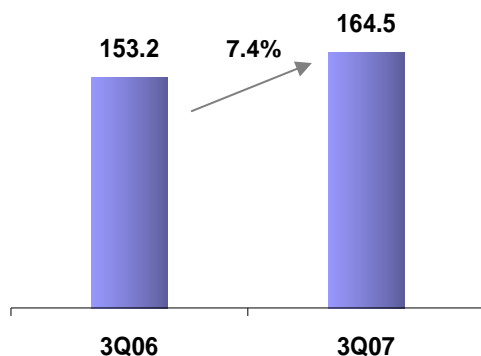
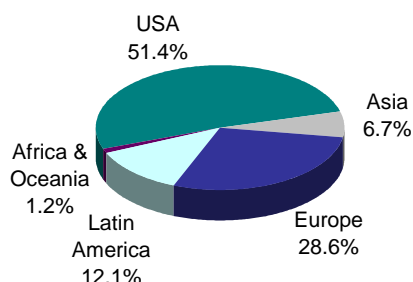
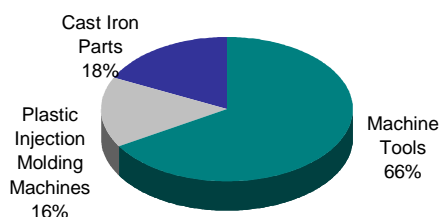
This unit net revenue amounted to R\$ 26 million, a growth of 10.2% compared with the same period in 2006. For the accumulated nine-month period, sales revenue reported R\$ 72 million, an increase of 12.9% against the first nine months of 2006.

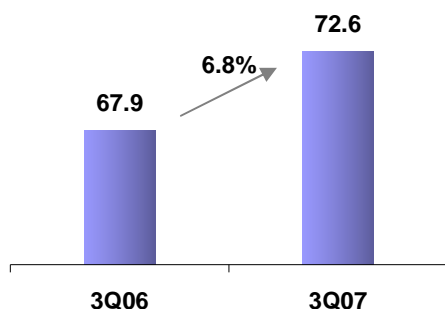
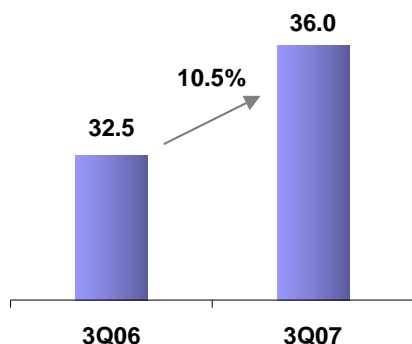
The Plastic Injection Molding Machine Unit's good performance is mainly due to the consolidation of the Prática line in the market. This line consists of simpler and more compact products with an excellent cost-benefit ratio, developed to meet the needs of plastic transformation customers with reduced purchasing power, a market in which Romi had not previously been active. Romi has also been able to offer other advantages that influenced this result – namely, attractive finance and comprehensive technical assistance.

Rough and Machined Cast Iron Parts

The Rough and Machined Cast Iron Parts Unit posted the most outstanding growth to Net Operating Revenue in 3Q07. This Business Unit sales amounted to R\$ 29.4 million, a year on year increase of 22.6%, mainly due to the improved level of capacity utilization, following the expansion in 2006. For the accumulated nine-month period, the unit's net operating revenue totaled R\$ 81.8 million, a 27% expansion compared with 9M06.

Sales volume reached 5,467 tons in 3Q07 and 15,379 tons in the first nine months of 2007, a year on year growth of 31.5% and 36.4%, respectively. The truck, automotive, wind power generation equipment and the agricultural machinery sectors were the main contributors to demand for the Company's sales.

Net Revenue (R\$ million)**Exports Destination (9M07)****Net Operating Revenue by Business Unit (3Q07)**

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

Gross margin in the third quarter 2007 was similar to 3Q06, at 44.1% against 44.4%. The operating margin for the third quarter 2007 was 21.9%, slightly up from 21.2% recorded by the Company in the third quarter of 2006.

Accumulated gross margin in 2007 was 1.2 percentage points higher than for the same period in 2006. The key factors for the improved margin were reduction in the cost of imported components as a result of the stronger Real and savings resulting from the rigid model employed by the Company for the management of operating costs and expenses..

Operating margin for 2007, before Public Offering of Shares expenses, also registered a significant improvement of 3.1 percentage points. In addition to these factors, a higher volume of Net Operating Revenue permitted an additional dilution in fixed operating expenses. The Company's ongoing efforts to improve productivity and reduce costs – including the development of new supplier relationships both domestically and internationally – also contributed to an improvement in this result.

Romi - Consolidated	Quarter		Accumulated	
	3Q06	3Q07	9M06	9M07
Gross Margin (%)				
Machine Tools	47.6	46.7	46.7	45.8
Plastic Injection Molding Machines	35.9	38.4	32.7	41.5
Rough and Machined Cast Iron Parts	38.5	39.5	31.7	35.7
Total	44.4	44.1	42.0	43.2

Machine Tools

The gross margin for this Business Unit was 46.7% in 3Q07, a slightly decrease in relation to the 47.6% of 3Q06.. For the accumulated nine-month period, the gross margin was also slightly below the accumulated amount for the same period in 2006, at 45.8% against 46.7%. As commented above, this reduction reflects the adoption of a more aggressive policy designed to secure the Company's market share. The reduction in gross margin was offset by the better dilution of fixed operating expenses, which resulted in a similar 3Q07 on 3Q06 operating margin and an improvement of a 1.1 percentage point in the nine-months period accumulated operating margin for 2007.

Plastic Injection Molding Machines

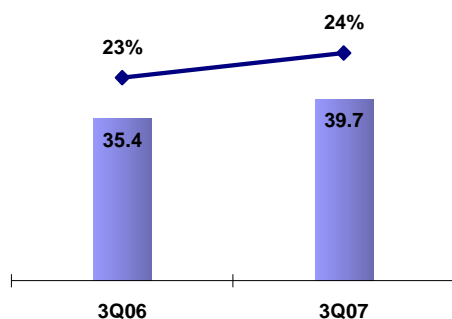
The Plastic Injection Molding Machines Unit registered a significant increase in its gross margin from 35.9% in 3Q06 to 38.4% in 3Q07, and from 32.7% in 9M06 to 41.5% in 9M07. The operating margin also produced a significant improvement in operating margin as shown in the chart below. This recovery in margins stems principally from an increase in sales volume and the consolidation and recovery in margins on the Prática line of products launched in early 2006.

Rough and Machined Cast Iron Parts

In 3Q07, the Rough and Machined Cast Iron Parts Unit posted a gross margin of 39.5%, indicating a positive trend over the margin of 38.5% in 3Q06. The operating margin for this unit also improved significantly both for the accumulated period for the year as well as the quarter, illustrated in the chart below. This result reflects increased production capacity utilization as a result of the expansion concluded in 2006 and gradually fulfilled during the course of 2006 and 2007, which allowed dilution of fixed costs and expenses.

Romi - Consolidated	Quarter		Accumulated	
	3Q06	3Q07	9M06	9M07
Operating Margin (%)				
Machine Tools	22.5	22.5	18.7	19.8
Plastic Injection Molding Machines	11.6	14.3	5.9	16.3
Rough and Machined Cast Iron Parts	25.2	26.3	18.4	21.9
Total	21.2	21.9	16.6	19.7

EBITDA and EBITDA Margin

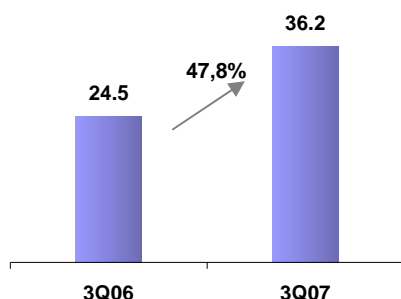
EBITDA and EBITDA Margin (R\$ Million)


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

EBITDA posted a positive trend, both in the quarter and also in the nine month period. Third quarter 2007 EBITDA margin was 24,1%, an increase from 23,1% recorded in 3Q06. The EBITDA margin for the 9M07 was 22,0%, and above the 18,8% reported in the same period 2006. EBITDA value of R\$ 97.4 million for the nine-month period ending September 30, 2007, disregarding Public Offering expenses, represents an increase of 31,9% compared to 9M06.

Reconciliation of Net Income to EBITDA	Quarter			Accumulated		
R\$ thousands	3Q06	3Q07	% Chg.	9M06	9M07	% Chg.
Net Income	24,500	36,209	47.8	55,082	76,425	38.7
Net Financial Income	(2,701)	(6,876)	154.6	(7,203)	(19,401)	169.3
Income tax and social contributions	10,679	6,610	(38.1)	17,401	17,026	(2.2)
Depreciation and amortization	2,920	3,710	27.1	8,554	10,400	21.6
EBITDA	35,398	39,653	12.0	73,834	84,450	14.4
Public Offering Expenses	-	18		-	12,963	
Adjusted EBITDA	35,398	39,671	12.1	73,834	97,413	31.9
Adjusted EBITDA Margin	23.1%	24.1%		18.8%	22.0%	

Net Income

Net Income (R\$ million)


The Company's net income for the third quarter 2007 of R\$ 36.2 million was substantially higher than R\$ 24.5 million for 3Q06, a positive increase of 47.8%. Two main reasons explain this result: (i) the generation of a higher volume of interest income from increased financial investments derived from the funds raised via the Public Offering and still not allocated to new capital expenditures, and (ii) the average reduction in income and social contribution taxes for the quarter, due to the deductibility of the second portion of the distribution of interest on equity for the fiscal year 2007, an event which did not occur in the same period in 2006. The Company's accumulated net income for the first nine months of 2007 was R\$ 76.4 million, a 38.7% increase over the same period for 2006. This reflects the effectiveness of the policies for managing the Company's performance, both with respect to operational and financial aspects as well as tax planning and distribution of results.

Distribution of Results

On October 18, 2007, the Company effected the payment of interest on equity to its shareholders in the amount of R\$ 14,140 thousand (R\$ 12,432 net of tax), representing a gross value of R\$ 0.18 per share. This followed a Board of Directors resolution at a meeting held on September 05, 2007, which approved the payment of interest on equity which was credited to the Company's shareholders on September 28 2007.

At a meeting held on October 30, 2007, the Board of Directors, approved the payment, as mandated in law, of Interest on Equity Capital to the Company's shareholders, for the gross amount of R\$ 15,711,509.40 (R\$0,20 per share), as of the record date of October 31, 2007. The corresponding values will be credited on November 30, 2007 with payout on December 18, 2007.

Capital Expenditures

Company investment in fixed assets up to the end of September 2007 was R\$ 19.8 million, largely in projects for increasing the area for the assembly of heavy machinery (R\$ 6.2 million), castings and machined parts (R\$ 3.5 million), machining equipment for the new line in heavy machines (R\$ 3.4 million) and the acquisition of additional land (R\$ 2.4 million) related to the project for centralizing operations for the industrial complex located on the SP 304 Highway, km 141.5.

At a meeting held on October 30, 2007, the Board of Directors approved the capital investments plan for the installation of a new foundry and a new unit for machining cast iron parts. The purpose of these new industrial units is to allow the Company to organically increase its manufacturing capacity and grow its business in the market of rough and

CAPITAL EXPENDITURES



machined castings both in Brazil as well as overseas, mainly in sectors related to industrial machinery, agricultural machinery, medium to heavy vehicles, energy generation equipment, oil, mining and shipbuilding sectors, among others.

The Company estimates investments in fixed assets of about R\$ 110 million in the foundry and R\$ 120 million in the machined castings unit. These investments are to be funded by the company cash flow and new finance to be raised in financial institutions. The project is to be implemented in stages between 2008 and 2011. The location is still to be decided and conditional on studies still in progress. Planned annual production capacity at each unit is 40,000 tons. Considering that the Company presently has a capacity for manufacturing cast iron parts of 40,000 tons per year, after completion of the new foundry project the new capacity will be 80,000 tons per year.

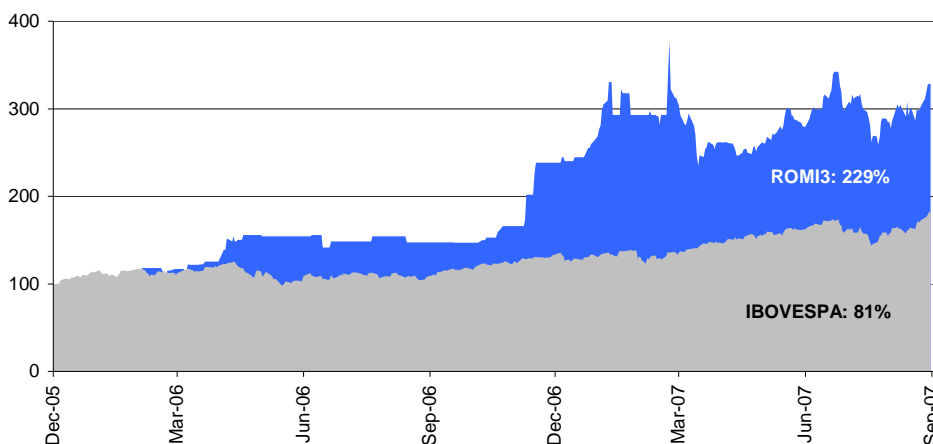
CAPITAL MARKETS

Capital Markets

The price of the Company's common shares (ROMI3) on the Bovespa exchange reached R\$ 21.13 at the end of 3Q07, an appreciation of 17.6% in the quarter and more than 11.2% reported for the Bovespa stock index (Ibovespa) in the same period. For the accumulated 12-month period ending on September 30, 2007, the price of ROMI3 rallied strongly, appreciating 123.5%, and well above the increase of 65.9% in the Ibovespa.

The Company has hired Banco UBS Pactual S.A. as market maker in its common shares traded on the Bolsa de Valores de São Paulo S.A. – BOVESPA and pursuant to CVM Instruction 384/2003, the objective being to enhance liquidity and improve the price formation of the shares. UBS Pactual initiated its market making services on October 25 2007.

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



Source: Economática



CORPORATE GOVERNANCE

Election of new CEO

As a result of a continuing series of measures to improve the Company's corporate governance practices, among them the adoption of the listing of its common shares on Bovespa's Novo Mercado on March 23 2007, the Board of Directors, at a meeting held on August 16, 2007, elected Livaldo Aguiar dos Santos to the position of Chief Executive Officer and President of the Company, a post that had been held on a cumulative basis by Américo Emílio Romi Neto, who will remain as Chairman of the Board of Directors.

Mr. Livaldo dos Santos is 54, a graduate in mechanical engineering from the State University of Campinas - UNICAMP (SP), and has a postgraduate degree in Business Management from GE Corporate University, Crotonville (NY), USA. His professional experience includes 15 years in management posts in engineering, capital goods and logistics companies.

AWARDS

Awards

The Brazilian Institute for Corporate Governance (IBGC) elected the Company in first place in the "Improvement in Corporate Governance" category in 2007, Romi receiving the prestigious award on October 30, 2007 at an event held at the Hyatt Hotel in São Paulo.

The Getúlio Vargas Foundation's Brazilian Economy Institute (IBRE) through the medium of its *Conjuntura Econômica* magazine, awarded another important accolade to the Company, ranking it as one of the five largest companies in the Brazilian machinery and equipment sector. It was also classified as one of the twenty highlighted companies, which have most moved up the ranking of the 500 largest companies listed by the magazine.

For the fourth consecutive time, the *Plásticos em Revista* magazine awarded the Company with the PPR/2007 prize - Top Injection Machinery Equipment category, following a spontaneous vote by the magazine's readership, a further confirmation of Romi's excellence in the quality of its products.

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

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

Corporate Law (R\$ thousands)

ASSETS	2Q07	3Q07
CURRENT	722,747	747,216
Cash and Cash equivalents	6,494	6,900
Marketable securities	277,938	278,334
Trade accounts receivable	47,051	53,548
Trade accounts receivable - Finame Manufacturer	189,484	201,690
Inventories	182,562	191,596
Recoverable taxes	11,899	11,728
Other assets	7,319	3,420
NON CURRENT	494,226	536,048
Long-Term Assets	333,102	373,772
Trade accounts receivable	1,333	1,305
Trade accounts receivable - Finame Manufacturer	317,923	356,723
Recoverable taxes	12,996	12,892
Other assets	850	2,852
Investments		
Goodwill	9	-
Property, Plant and Equipment	161,115	162,276
TOTAL ASSETS	1,216,973	1,283,264

**Consolidated Balance Sheet**

Corporate Law (R\$ thousands)

LIABILITIES AND SHAREHOLDER'S EQUITY	2Q07	3Q07
CURRENT	272,905	296,140
Loans	25,354	30,394
Loans - Finame Manufacturer	166,746	175,385
Trade accounts payable	23,055	21,674
Payroll and related charges	25,397	32,133
Taxes payable	5,849	10,918
Advances from customers	8,925	7,124
Interest on capital, dividends and participations	13,504	14,664
Other liabilities	4,075	3,848
NON CURRENT	326,696	347,524
Long-term liabilities		
Loans	41,986	34,523
Loans - Finame Manufacturer	275,485	303,060
Deferred income taxes and social contribution on revaluation reserves	6,987	6,780
Taxes payable	596	1,531
Provision for contingencies	1,642	1,630
Negative goodwill on subsidiaries	4,199	4,199
MINORITY INTERESTS	1,682	1,842
SHAREHOLDER'S EQUITY	611,491	633,559
Capital	502,936	502,936
Capital reserves	2,052	2,052
Revaluation reserves	29,625	29,223
Profit reserves/retained earnings	76,878	99,348
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,216,973	1,283,264



Income Statement

Corporate Law

R\$ THOUSANDS	3Q06	3Q07	% Chg.	9M06	9M07	% Chg.
Gross Operating Revenue	184,123	199,046	8.1	477,147	533,875	11.9
Taxes on sales	(30,964)	(34,532)	11.5	(83,887)	(90,717)	8.1
Net Operating Revenue	153,159	164,514	7.4	393,260	443,158	12.7
Cost of sales and services	(85,219)	(91,933)	7.9	(228,284)	(251,520)	10.2
Gross Profit	67,940	72,581	6.8	164,976	191,638	16.2
	<i>Gross Margin %</i>	<i>44.4%</i>	<i>44.1%</i>	<i>42.0%</i>	<i>43.2%</i>	
Operating Expenses	(35,402)	(36,613)	3.4	(99,829)	(104,536)	4.7
Selling	(15,319)	(15,006)	(2.0)	(43,028)	(42,317)	(1.7)
General and administrative	(13,015)	(13,258)	1.9	(37,418)	(37,720)	0.8
Research and development	(5,693)	(7,091)	24.6	(15,751)	(19,308)	22.6
Taxation	(1,375)	(1,258)	(8.5)	(3,632)	(5,191)	42.9
Operating Income before Public Offering Expenses	32,538	35,968	10.5	65,147	87,102	33.7
	<i>Operating Margin I %</i>	<i>21.2%</i>	<i>21.9%</i>	<i>16.6%</i>	<i>19.7%</i>	
Public Offering Expenses	-	(18)	-	-	(12,963)	-
Operating Income before Financial Results	32,538	35,950	10.5	65,147	74,139	13.8
	<i>Operating Margin II %</i>	<i>21.2%</i>	<i>21.9%</i>	<i>16.6%</i>	<i>16.7%</i>	
Financial Results	2,701	6,876	154.6	7,203	19,401	169.3
Financial income	3,261	7,812	139.6	9,417	21,153	124.6
Financial expenses	(652)	(1,130)	73.3	(1,902)	(3,554)	86.9
FX changes, net	92	194	110.9	(312)	1,802	(677.6)
Operating Income	35,239	42,826	21.5	72,350	93,540	29.3
Non-operating result	25	153	512.0	303	291	(4.0)
Income before income tax and social contribution	35,264	42,979	21.9	72,653	93,831	29.1
Income tax and social contribution	(10,679)	(6,610)	(38.1)	(17,401)	(17,026)	(2.2)
Net Income before Participations	24,585	36,369	47.9	55,252	76,805	39.0
Management profit sharing	-	-	-	-	-	-
Minority interests	(85)	(160)	88.2	(170)	(380)	123.5
Net income	24,500	36,209	47.8	55,082	76,425	38.7
	<i>Net Margin %</i>	<i>16.0%</i>	<i>22.0%</i>	<i>14.0%</i>	<i>17.2%</i>	
EBITDA	35,398	39,671	12.1	73,834	97,413	31.9
Net income	24,500	36,209	-	55,082	76,425	-
Income tax and social contribution	10,679	6,610	-	17,401	17,026	-
Financial results	(2,701)	(6,876)	-	(7,203)	(19,401)	-
Depreciation	2,920	3,710	-	8,554	10,400	-
Public Offering Expenses	-	18	-	-	12,963	-
	<i>EBITDA Margin %</i>	<i>23.1%</i>	<i>24.1%</i>	<i>18.8%</i>	<i>22.0%</i>	
Nº of shares in capital stock (th)	62,362 (*)	78,558		62,362 (*)	78,558	-
Net income per share - R\$	0.39 (*)	0.46		0.88 (*)	0.97	-
Book value per share - R\$	6.52 (*)	8.06		6.52 (*)	8.06	-

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

**Cash Flow**

Corporate Law

R\$ thousands	3Q06	3Q07	9M06	9M07
Cash from operating activities				
Net Income	24,500	36,209	55,082	76,425
Depreciation	2,920	3,710	8,554	10,400
Provision for doubtful accounts	583	332	350	246
Loss (Gain) on sale of fixed assets	359	(301)	1,085	(464)
Interest and FX changes on, accounts receivable, accounts payable and loans	(9,593)	(13,635)	(21,063)	(34,284)
Deferred income tax and social contribution	1,247	687	(1,390)	(1,911)
Deferred Income tax and social contribution on revaluation reserve	(200)	(207)	(620)	(609)
Provision for contingencies	(2,021)	(12)	(1,768)	(2,799)
Minority Interests	70	160	143	380
Change on operating assets				
Marketable Securities Maturing in more than 90 days	-	31,110	-	(6,210)
Trade accounts receivable	(2,132)	(5,817)	26,899	(8,132)
Trade accounts receivable - Finame Manufacturer	(64,055)	(51,006)	(144,313)	(127,927)
Inventories	4,348	(9,034)	(21,526)	(21,806)
Recoverable taxes, net	(139)	(412)	(1,129)	(2,470)
Other current and long term assets	4,206	1,897	1,367	(1,002)
Change on operating liabilities				
Trade accounts payable	(1,147)	(1,001)	(746)	3,301
Payroll and related charges	6,333	6,736	8,621	6,253
Taxes payable	3,182	6,004	(743)	3,565
Advances from customers	(2,092)	(1,801)	(5,227)	2,496
Other current and long term liabilities	169	(227)	(216)	1,511
Cash provided by (used in) operating activities	(33,462)	3,392	(96,640)	(103,037)
Acquisitions	(15,741)	(7,307)	(29,621)	(19,787)
Sale of assets	45	2,737	203	3,590
Goodwill	(10)	9	(10)	9
Goodwill	-	-	-	-
Cash flow used in investment operations	(15,706)	(4,561)	(29,428)	(16,188)
Interest on capital	(11,481)	(12,981)	(15,911)	(97,768)
New loans and financing	5,702	655	5,702	42,056
Payments of loans	137	(2,725)	(14,296)	(5,735)
New loans - Finame Manufacturer	93,711	80,272	211,920	217,401
Payments of loans Finame Manufacturer	(21,470)	(32,140)	(65,567)	(87,563)
Cash flow from financial activities	66,599	33,081	121,848	68,391
Increase in capital through the issuance of new shares	-	-	-	242,936
Net Cash Flow	17,431	31,912	(4,220)	192,102
Cash and cash equivalents - beginning of period	56,547	247,112	78,198	86,922
Cash and cash equivalents - end of period	73,978	279,024	73,978	279,024



Annex I

Income Statement by Business Units - 9M07

R\$ '000	Machine Tools	Plastic Injection Molding Machines	Rough and Machined Cast Iron Parts	Total
Gross Operating Revenue	344,545	86,728	102,602	533,875
(-) Taxes on Sales	(55,149)	(14,776)	(20,792)	(90,717)
Net Operating Revenue	289,396	71,952	81,810	443,158
Cost of Sales and Services	(157,030)	(28,525)	(65,965)	(251,520)
Business Units Transfers	15,939	-	22,049	37,988
Business Units Transfers	(15,786)	(13,550)	(8,652)	(37,988)
Gross Profit	132,519	29,877	29,242	191,638
<i>Gross Margin %</i>	<i>45.8%</i>	<i>41.5%</i>	<i>35.7%</i>	<i>43.2%</i>
Operating Expenses	(75,130)	(18,117)	(11,289)	(104,536)
Selling	(29,246)	(8,622)	(4,449)	(42,317)
General and Administrative	(22,867)	(5,017)	(5,654)	(33,538)
Research and Development	(15,882)	(3,426)	-	(19,308)
Administration Fees	(3,160)	(480)	(542)	(4,182)
Taxation	(3,975)	(572)	(644)	(5,191)
Operating Income before Public Offering Expenses	57,389	11,760	17,953	87,102
<i>Operating Margin - I %</i>	<i>19.8%</i>	<i>16.3%</i>	<i>21.9%</i>	<i>19.7%</i>
Public Offering Expenses	-	-	-	(12,963)
Operating Income before Financial Results	57,389	11,760	17,953	74,139
<i>Operating Margin - II %</i>	<i>19.8%</i>	<i>16.3%</i>	<i>21.9%</i>	<i>16.7%</i>

Income Statement by Business Units - 9M06

R\$ mil	Machine Tools	Plastic Injection Molding Machines	Rough and Machined Cast Iron Parts	Total
Gross Operating Revenue	319,059	77,535	80,553	477,147
(-) Taxes on Sales	(53,935)	(13,791)	(16,161)	(83,887)
Net Operating Revenue	265,124	63,744	64,392	393,260
Cost of Sales and Services	(136,354)	(34,859)	(57,071)	(228,284)
Business Units Transfers	9,339	-	21,431	30,770
Business Units Transfers	(14,384)	(8,047)	(8,339)	(30,770)
Gross Profit	123,725	20,838	20,413	164,976
<i>Gross Margin %</i>	<i>46.7%</i>	<i>32.7%</i>	<i>31.7%</i>	<i>42.0%</i>
Operating Expenses	(74,171)	(17,091)	(8,567)	(99,829)
Selling	(31,370)	(8,526)	(3,132)	(43,028)
General and Administrative	(24,929)	(4,112)	(4,475)	(33,516)
Research and Development	(12,427)	(3,324)	-	(15,751)
Administration Fees	(2,866)	(560)	(476)	(3,902)
Taxation	(2,579)	(569)	(484)	(3,632)
Operating Income before Financial Results	49,554	3,747	11,846	65,147
<i>Operating Margin %</i>	<i>18.7%</i>	<i>5.9%</i>	<i>18.4%</i>	<i>16.6%</i>



Income Statement by Business Units - 3Q07

R\$ '000	Machine Tools	Plastic Injection Molding Machines	Rough and Machined Cast Iron Parts	Total
Gross Operating Revenue	130,088	31,650	37,308	199,046
(-) Taxes on Sales	(21,003)	(5,651)	(7,878)	(34,532)
Net Operating Revenue	109,085	25,999	29,430	164,514
Cost of Sales and Services	(61,796)	(6,820)	(23,317)	(91,933)
Business Units Transfers	9,619	-	8,374	17,993
Business Units Transfers	(5,924)	(9,200)	(2,869)	(17,993)
Gross Profit	50,984	9,979	11,618	72,581
<i>Gross Margin %</i>	<i>46.7%</i>	<i>38.4%</i>	<i>39.5%</i>	<i>44.1%</i>
Operating Expenses	(26,472)	(6,264)	(3,877)	(36,613)
Selling	(10,504)	(3,078)	(1,424)	(15,006)
General and Administrative	(8,059)	(1,658)	(1,975)	(11,692)
Research and Development	(5,968)	(1,123)	-	(7,091)
Administration Fees	(1,105)	(212)	(249)	(1,566)
Taxation	(836)	(193)	(229)	(1,258)
Operating Income before Public Offering Expenses	24,512	3,715	7,741	35,968
<i>Operating Margin - I %</i>	<i>22.5%</i>	<i>14.3%</i>	<i>26.3%</i>	<i>21.9%</i>
Public Offering Expenses	-	-	-	(18)
Operating Income before Financial Results	24,512	3,715	7,741	35,950
<i>Operating Margin - II %</i>	<i>22.5%</i>	<i>14.3%</i>	<i>26.3%</i>	<i>21.9%</i>

Income Statement by Business Units - 3Q06

R\$ mil	Machine Tools	Plastic Injection Molding Machines	Rough and Machined Cast Iron Parts	Total
Gross Operating Revenue	126,209	28,223	29,691	184,123
(-) Taxes on Sales	(20,646)	(4,635)	(5,683)	(30,964)
Net Operating Revenue	105,563	23,588	24,008	153,159
Cost of Sales and Services	(53,809)	(12,166)	(19,244)	(85,219)
Business Units Transfers	3,555	-	7,622	11,177
Business Units Transfers	(5,096)	(2,949)	(3,132)	(11,177)
Gross Profit	50,213	8,473	9,254	67,940
<i>Gross Margin %</i>	<i>47.6%</i>	<i>35.9%</i>	<i>38.5%</i>	<i>44.4%</i>
Operating Expenses	(26,475)	(5,732)	(3,195)	(35,402)
Selling	(11,322)	(2,820)	(1,177)	(15,319)
General and Administrative	(8,741)	(1,350)	(1,664)	(11,755)
Research and Development	(4,511)	(1,182)	-	(5,693)
Administration Fees	(915)	(178)	(167)	(1,260)
Taxation	(986)	(202)	(187)	(1,375)
Operating Income before Financial Results	23,738	2,741	6,059	32,538
<i>Operating Margin %</i>	<i>22.5%</i>	<i>11.6%</i>	<i>25.2%</i>	<i>21.2%</i>