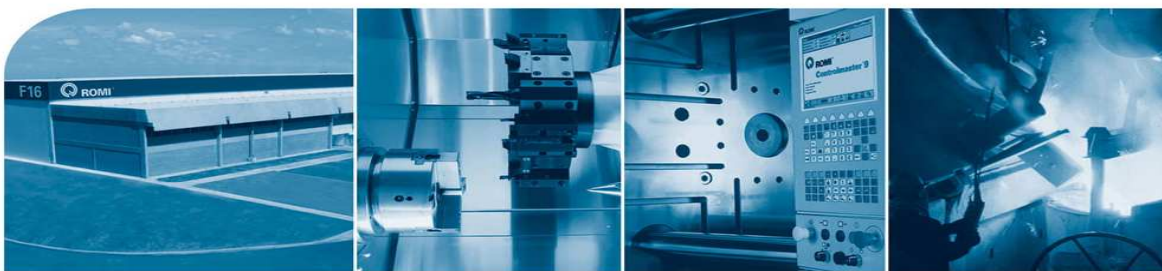




ROMI®

A TRADITION OF INNOVATION



October 26, 2010

3Q10 Earnings Release

October 27, 2010

Meeting with Analysts – Apimec SP (Transmitted via web)

Time: 4:00 p.m. (Brazil)

Where: Blue Tree Towers Faria Lima
Av. Brigadeiro Faria Lima, 3989

Confirmation of attendance:

Telephone: (11) 3107-1571

E-mail: apimecsp@apimecsp.com.br

Share price (09/30/2010)

ROMI3 – R\$ 12.89/share

Market Capitalization (09/30/2010)

R\$ 964 million

US\$ 569 million

Number of shares (09/30/2010)

Common: 74,757,547

Total: 74,757,547

Free Float = 52.56%

Earnings Conference Call in English

Hour: 12:00 p.m. (Brazil)

3:00 p.m. (London)

10:00 a.m. (New York)

Tel.: USA – 1 888 700 0802

Brazil – 55 11 4688 6361

Others – 1 786 924 6977

Access code: romi

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Website:

www.romi.com



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Santa Bárbara d'Oeste, SP, October 26, 2010 – Indústrias Romi S.A. (Bovespa: ROMI3), a domestic market leader in Machine Tools and Plastic Processing Machines and an import producer of Rough and Machined Cast Iron Parts, announces its results for the third quarter of 2010 (3Q10). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with IFRS standards, and monetary values are expressed in thousands of Reais.

Romi's EBITDA margin is 18% in 3Q10, or R\$ 30.5 million, a growth of 28.7% over 2Q10 and of 242.8% as compared to 3Q09.

Highlights

- **EBITDA margin in 3Q10 reaches 18%, presenting a growth of 3.9 p.p. over 2Q10 and 10.7 p.p. as compared to 3Q09**, reflecting the Company's ability of generating operating cash;
- **Net Operating Revenue reaches R\$ 169.6 million in 3Q10, an increase of 39% over 3Q09;**
- **Growth in Net Operating Revenue of all Business units as compared to 3Q09, the result of the resumption of the industrial activity.** The Rough and Machined Cast Iron Parts unit has gradually posted positive and increasing results, with a growth of 60%;
- **Solid order backlog in 2010, of R\$ 213.3 million at the end of 3Q10**, evidencing the recovery of the economic activity level in the industrial sectors.

ROMI - Consolidated	Quarter			Accumulated		
In Thousand Reais	3Q09	3Q10	% Chg.	9M09	9M10	% Chg.
Sales Volume						
Machine Tools (units)	365	556	52.3	930	1,620	74.2
Plastic Machines (units)	103	112	8.7	189	314	66.1
Rough and Machined Cast Iron Parts (tons)	2,147	3,403	58.5	5,924	8,852	49.4
Net Operating Revenue	122,005	169,552	39.0	301,850	482,316	59.8
Gross margin (%)	30.3%	38.5%		31.0%	36.7%	
Operating Income (EBIT)	3,503	23,726	577.3	(8,433)	55,397	756.9
Operating margin (%)	2.9%	14.0%		-2.8%	11.5%	
Net Income	3,060	25,302	726.9	(4,273)	51,088	1,295.6
Net margin (%)	2.5%	14.9%		-1.4%	10.6%	
EBITDA	8,903	30,518	242.8	6,219	72,796	1,070.5
EBITDA margin (%)	7.3%	18.0%		2.1%	15.1%	
Investments	5,397	8,204		44,715	21,112	

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



Corporate Profile

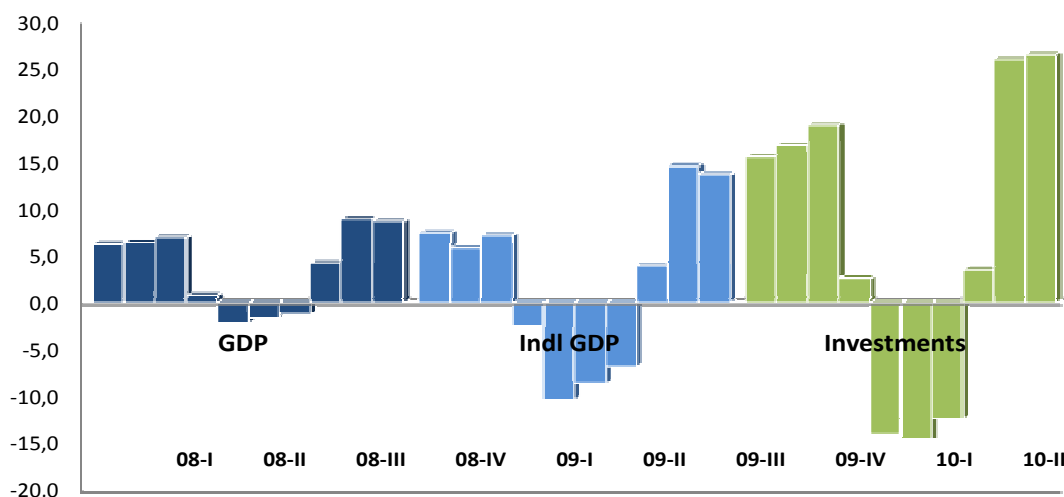
Romi is the leading Brazilian manufacturer of Machine Tools and Plastic Processing Machines. It also has an important share of the Rough and Machined Cast Iron Parts market. The Company's main customer segments are automotive (light and heavy), agricultural machinery, capital goods, consumer goods, tooling, 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 operates 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 of approximately 3,900 industrial machines and about 50,000 tons in castings.

The Machine Tools Business Unit, which accounted for 60.7% of the Company's revenue in 3Q10, comprises lines for Conventional Lathes, CNC Lathes, and Machining Centers for Vertical and Horizontal Heavy and Extra-Heavy Lathes. The Rough and Machined Cast Iron Parts unit and the Plastic Processing Machines unit, the latter comprising plastic injection and blow molding machines, contributed 11.6% and 27.7%, respectively, to the revenue for the period.

Current Economic Scenario

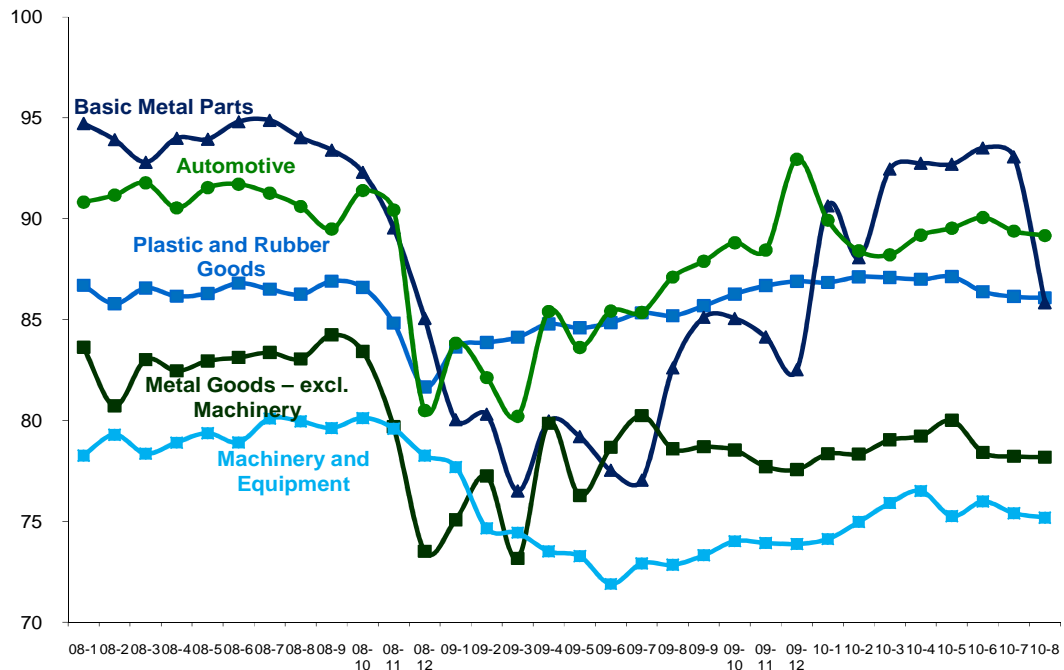
The capital goods industry, given its cyclical characteristics and the fact that it is correlated with the level of investments of other industries, is normally the first to suffer the effects of drops in demand and the slowest to return to normal levels. Even so, as we have already described in previous reports, the Company has been experiencing a solid recovery in its business since the second half of 2009, mainly due to the following aspects: (i) reduction in interest rate for fixed capital investments, as carried out by the Brazilian Economic and Social Development Bank (BNDES) in July 2009 and extended through March 2011, (ii) improvement in the industry confidence level, and (iii) replenishing of inventories in the economy.



Source: IBGE (quarter x previous year quarter)

Economic data for the second quarter of 2010 (as compared to the second quarter of 2009), disclosed by the Brazilian Statistics Bureau (IBGE) in September 2010, indicates a 13.8% growth of Industrial GDP. Gross Fixed Capital Formation (GFCF) posted a strong growth of 26.5%, resulting from the growth of internal production of machinery and equipment. Such indicators are similar to the ones from the first quarter of 2010.

The following graph prepared by the São Paulo State Federation of Industries (Fiesp) demonstrates the installed capacity utilization factor (ICUF). The principal sectors to which we sell our products underwent an important increase in installed capacity utilization, as from the second half of 2009 we can see an improvement in these indicators and in some cases at historical levels of utilization.



Source: Fiesp

Industrial GDP and Gross Fixed Capital Formation are important drivers of our Company's growth.

Market

The Company's principal advantages in the domestic market – cutting-edge technology products, an own distribution network in the country, 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 values, including sales taxes)

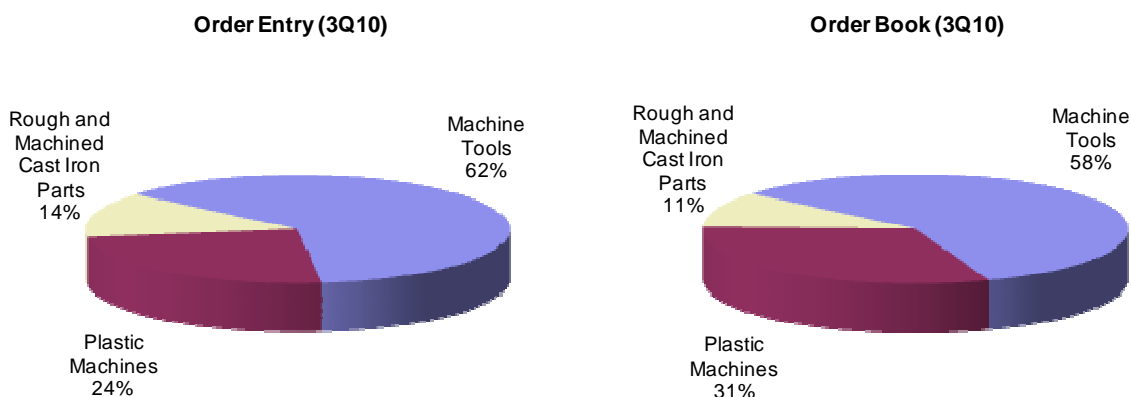
Order Entry (R\$ thousands)	1Q10	2Q10	3Q10	%Chg. 3Q/2Q	3Q09	3Q10	% Chg.
Machine Tools	94,084	132,784	111,777	(15.8)	115,371	111,777	(3.1)
Plastic Machines	42,138	53,187	43,865	(17.5)	45,892	43,865	(4.4)
Rough and Machined Cast Iron Parts	21,968	22,065	24,276	10.0	17,290	24,276	40.4
Total	158,190	208,036	179,918	(13.5)	178,553	179,918	0.8

Order Entry (R\$ thousands)	4Q09	1Q10	% Chg.
Machine Tools	223,375	338,645	51.6
Plastic Machines	92,492	139,190	50.5
Rough and Machined Cast Iron Parts	30,243	68,309	125.9
Total	346,110	546,144	57.8



In 3Q10 new orders post a solid value as compared to the same period in 2009, in which sales had been leveraged by the effect of the reduction in interest rates for fixed capital investments conducted by BNDES in July 2009. In relation to 2Q10 new orders decreased 13.5%, sazonalidade considered normal, arising from the International Mechanics Fair in May, reflecting on business for the second quarter of 2010.

In the Rough and Machined Cast Iron Parts unit, as had already occurred in the previous quarter, the recovery of the sectors related to agricultural machinery and trucks resulted in a slight growth in new orders; in percentage terms, the variation was 10% (3Q10 x 2Q10) and a growth of 40.4% as compared to 2Q09.



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

Order Book (R\$ thousands)	3Q09	3Q10	% Chg.
Machine Tools	93,894	124,310	32.4
Plastic Machines	39,780	66,470	67.1
Rough and Machined Cast Iron Parts	7,738	22,543	191.3
Total	141,412	213,323	50.9

The domestic economy has recovered more consistently as from the third quarter of 2009 with the acceleration of the industrial activity, allied with the improvement in the industry confidence level and the replenishing of inventories; therefore, the increase of 50.9% in the 3Q10 x 3Q09 comparison reflects the Company's capacity to capture the opportunities along these periods, associated with our competitive advantages.

Order Book (R\$ thousands)	1Q10	2Q10	3Q10	%Chg. 3Q/2Q
Machine Tools	107,763	128,434	124,310	(3.2)
Plastic Machines	80,528	77,228	66,470	(13.9)
Rough and Machined Cast Iron Parts	21,066	19,779	22,543	14.0
Total	209,357	225,441	213,323	(5.4)

In the comparison with the immediately preceding quarter, the values show a seasonality that is normal for the Machine Tools and Plastic Processing Machines business. The increase in values of the Rough and Machined Cast Iron Parts unit reflects what was commented in the topic New Orders.

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



Operating Performance

Net Operating Revenue

The Net Operating Revenue posted by the Company in 3Q10 reached R\$ 169.6 million, a growth of 39.0% over 3Q09 (R\$ 122 million).

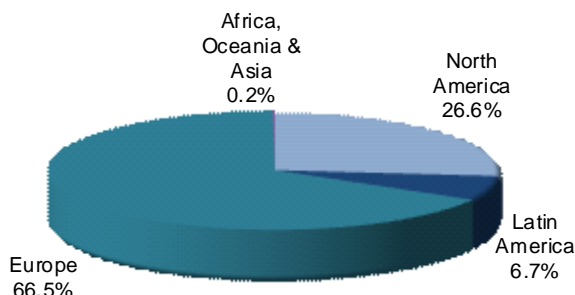
The revenue growth in 2010 is basically due to the good general performance of its operations and the positive performance of the industrial activity in Brazil.

In YTD terms, Net Operating Revenue for the first nine months of 2010, of R\$ 482.3 million, exceeded by 59.8% Net Operating Revenue for the same period of 2009, an increase within the Company's expectations.

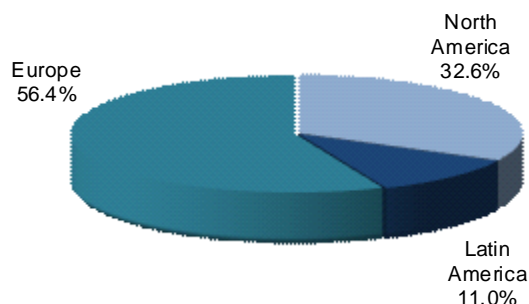
In 3Q10, foreign market revenue amounted to R\$ 13.4 million, an increase of 4.7% over 3Q09 (R\$ 12.8 million). In dollar terms, sales in 3Q10 totaled US\$ 7.8 million, an increase of 9.8% as compared to the US\$ 7.1 million posted in 3Q09, the relatively low amounts still evidence the economic difficulties faced by the world economy, associated with the appreciation of the Real against the Dollar. The Company's foreign market revenue accounted for 7.9% of Net Operating Revenue as compared to the 10.5% achieved in 3Q10.

This quarter, revenue in Europe, which continues to be our main buying market, accounted for 56.4% of our foreign market revenue (66.5% in 3Q09). The United States accounted for 32.6% (26.6% in 3Q09), as a result of the resumption of sales of rough parts to customers in the North American market. Latin America accounted for 11.0% (6.7% in 3Q09); there were no sales to other continents this quarter (0.2% in 3Q09).

Exports Destination (3Q09)



Exports Destination (3Q10)



In the nine months of 2010, exports accounted for 8.2% (US\$ 22.4 million) of Net Operating Revenue, as compared to 14.6% (US\$ 21.5 million) in the same period of 2009. In YTD terms, Europe accounted for 66.6% (58.8% in 9M09), the United States accounted for 24.5% (31.7% in 9M09), Latin America 8.4% (8.9% in 9M09), and other countries 0.5% (0.6% in 9M09).

Net Operating Revenue (R\$ thousand)

Romi - Consolidated	Quarter			Accumulated		
	3Q09	3Q10	% Chg.	9M09	9M10	% Chg.
Net Operating Revenue (R\$ `000)						
Machine Tools	77,698	102,952	32.5	192,662	301,916	56.7
Plastic Machines	32,057	46,998	46.6	76,323	129,588	69.8
Rough and Machined Cast Iron Parts	12,250	19,602	60.0	32,865	50,812	54.6
Total	122,005	169,552	39.0	301,850	482,316	59.8



Romi - Consolidated	Quarter							
Net Operating Revenue (R\$ '000)	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	% Chg.
Machine Tools	50,330	64,634	77,698	118,010	102,880	96,084	102,952	7.1
Plastic Machines	15,407	28,859	32,057	43,536	28,861	53,729	46,998	(12.5)
Rough and Machined Cast Iron Parts	10,032	10,583	12,250	12,038	13,391	17,819	19,602	10.0
Total	75,769	104,076	122,005	173,584	145,132	167,632	169,552	1.1

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

Machine Tools

Net operating revenue of this unit reached R\$ 102.9 million in 3Q10, an increase of 32.5% when compared to 3Q09.

Sales volume at the Machine Tools Business Unit in 3Q10 totaled 556 units, a growth of 52.3% against 3Q09 (365 units), while in comparison with the immediately preceding period (538 units) there was an increase of 3.3%. As commented in previous reports, the variation in revenue and volume in 2010 is affected by the product mix; on one hand, there has been a greater share of heavy machines in our portfolio and, on the other hand, the delivery of conventional lathes and CNC light lathes to the technical school segment has been significant.

In the domestic market the major customers of this Business Unit were from the machining services, automotive, machinery and equipment, technical school, tooling, oil, hydraulic, and agricultural and casting machines.

Plastic Processing Machines

In 3Q10, sales volume at the Plastic Processing Machines totaled 112 units, up 8.7% over 3Q09 (103 units).

The net operating revenue of this unit reached R\$ 47.0 million in 3Q10, a growth of 46.6% over 3Q09, in relation to 2Q10 there was a decrease of 12.5%. Result within the Company's expectations and business seasonality.

The industries that presented the highest demand for products of this Business Unit were packaging, automotive, service, real estate, home appliances, and furniture.

Rough and Machined Cast Iron Parts

In 3Q10, sales of this Business Unit totaled 3,403 units, a rise of 58.5% over the 2,147 tons sold in 3Q09, which evidences the recovery of some of the segments that demand our products.

The sales volume still below historical levels is the result of the economic slump over the course of 2009, mainly in heavy and extra-heavy parts, many of them for export to developed markets. This unit had an 11.6% share in the Company's total revenue in 3Q10 (10.0% in 3Q09).

Demand during the period came principally from the commercial vehicles (trucks), agricultural machinery, and capital goods segments.

Operating Costs and Expenses

The gross margin achieved in 3Q10 shows an improvement of 8.2 p.p. against 3Q09 and a gradual recovery over the quarterly periods, due to the increase in productivity of the manufacturing units, with a significant rise in production volume.

The operating margin in 3Q10 recovered 11.1 p.p. as compared to 3Q09.

The main factors that boosted the improvement of margins were the dilution of fixed costs in view of a greater volume of production and sales, as well as a strict control over operating expenses.



Romi - Consolidated	Quarter				Accumulated	
Gross Margin (%)	3Q09	1Q10	2Q10	3Q10	9M09	9M10
Machine Tools	40.4%	41.2%	42.7%	45.0%	38.7%	43.0%
Plastic Machines	25.6%	31.6%	34.4%	36.2%	32.4%	34.4%
Rough and Machined Cast Iron Parts	-21.3%	5.4%	0.6%	9.5%	-17.6%	5.3%
Total	30.3%	36.0%	35.6%	38.5%	31.0%	36.7%

Romi - Consolidated	Quarter				Accumulated	
Operating Margin (%)	3Q09	1Q10	2Q10	3Q10	9M09	9M10
Machine Tools	13.4%	16.1%	16.8%	19.5%	6.2%	17.5%
Plastic Machines	-8.6%	-5.6%	6.2%	8.2%	-12.3%	4.3%
Rough and Machined Cast Iron Parts	-33.9%	-7.6%	-9.8%	-1.2%	-33.1%	-5.9%
Total	2.9%	9.6%	10.6%	14.0%	-2.8%	11.5%

Machine Tools

The gross margin of this Business Unit reached 45.0% in 3Q10, a rise of 2.3 p.p. over 2Q10, due to the increase in production volume, generating greater efficiency. Compared with 3Q09 there was a growth of 4.6 p.p.

The operating margin for the third quarter of 2010 recovered 2.7 p.p. in relation to 3Q09 and 6.1 p.p. when compared to 2Q10. Since Romi's operating expenses are more fixed than variable, the increase in revenue explains the fluctuations in operating margin.

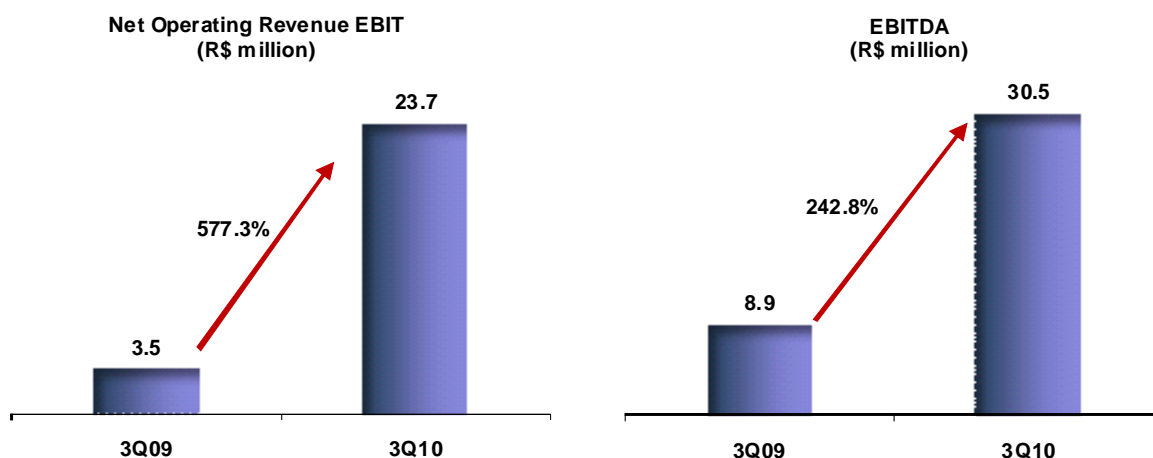
Plastic Processing Machines

The gross margin in 3Q10 reached 36.2%, recovering 1.8 p.p. in relation to 2Q10, in comparison with 3Q09 there was a decrease of 10.6 p.p. The greater production volume contributed to the positive gross margin impact.

The same positive performance was noted in the recovery of operating margin of this unit, with a margin of 8.2%, representing an impact of 2.0 p.p. as compared to the immediately preceding quarter and of 16.8 p.p. as compared to 3Q09.

Rough and Machined Cast Iron Parts

This unit is still being more intensively impacted by low production volume, posting negative margins in 2009. In 2010 the installed capacity utilization, as a result of operating adjustments made by the Company, has shown a gradual improvement in its margins, with gross margin of 9.5% and negative operating margin of 1.2%, although, in comparison with 2Q10, the recovery was 8.6 p.p.





EBITDA and EBITDA Margin

In 3Q10, our operating cash flow as measured by EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) was R\$ 30.5 million, representing an EBITDA margin of 18.0% (7.3% in 3Q09). This indicator evidences the Company's ability to generate operating cash, as follows: 12.8% in 1Q10, 14.1% in 2Q10 and 18.0% in 3Q10. In YTD terms, the margin in the nine months of 2010 was 15.1% (2.1% in 9M09).

Reconciliation of Net Income to EBITDA	Quarter					
	3Q09	3Q10	% Chg.	9M09	9M10	% Chg.
R\$ thousands						
Net Income	3,060	25,302	726.9	(4,273)	51,088	1,295.6
Net Financial Income	502	(8,568)	(1,806.8)	(2,417)	(5,503)	127.7
Income tax and social contributions	(59)	6,992	11,950.8	(1,743)	9,812	(662.9)
Depreciation and amortization	5,400	6,792	25.8	14,652	17,399	18.7
EBITDA	8,903	30,518	242.8	6,219	72,796	1,070.5
EBITDA Margin	7.3%	18.0%		2.1%	15.1%	

Net Income

Net income was R\$ 25.3 million in 3Q10, a result that represents a significant improvement over that posted in 3Q09 (3.1 million) and 66.4% higher than the R\$ 15.2 million posted in 2Q10.

The net income for 3Q10 was positively impacted by the recognition of tax credits of approximately R\$ 5.8 million (net of income tax and social contribution). The gross amount was R\$8.8 million, of which R\$8.7 million recognized under financial income and R\$ 0.1 million under other operating revenues. These tax credits refer to social security taxes in a tax lawsuit in which the Company is the plaintiff, with outcome favorable to the Company.

Earnings Distribution

As decided by the Board of Directors at the meeting held on September 14, 2010, on October 18, 2010 payment was made of interest on capital attributable to the mandatory minimum dividend for 2010, in the gross amount of approximately R\$ 9,0 million, representing R\$ 0.12 per share.

Investments

In 3Q10 investments totaled R\$ 8.2 million, an increase of 51.9% over the amounts invested in 3Q09 (R\$ 5.4 million). In 2010, funds have basically been earmarked for the maintenance of plants and implementation of software.

Financial Position

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), when abroad. The consolidated position of the Company's cash and cash equivalents at September 30, 2010 was R\$ 252 million, of which 162 in foreign currency and 90 in local currency.

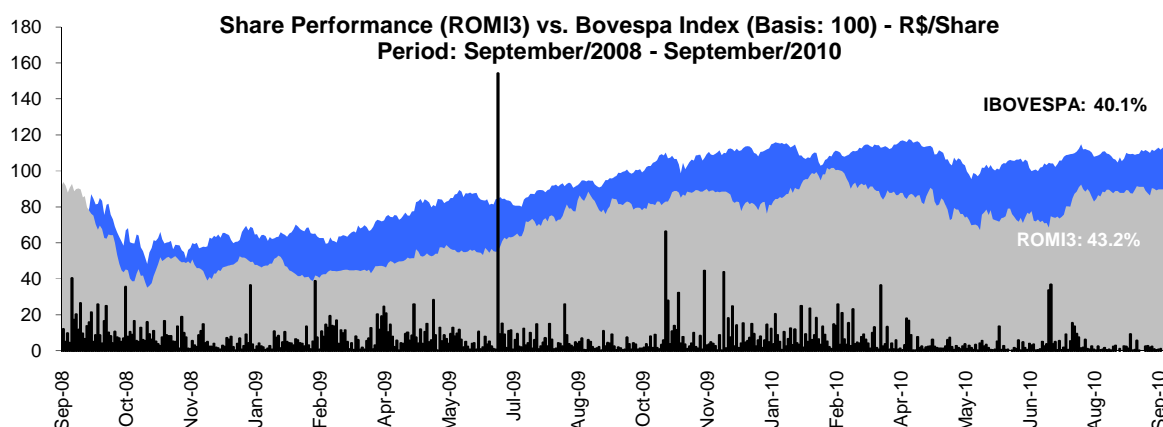
The loans taken out by the Company are basically intended for investments in expansion and modernization of plants, and financing of exports and imports. At September 30, 2010, local currency financing was R\$ 240 million and foreign currency financing amounted to R\$ 2 million, totaling R\$ 242 million.

At September 30, 2010, the Company has not entered into any derivative transactions.

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Capital Market



Source: BMF&Bovespa (São Paulo Stock, Commodities and Futures Exchange)

At the end of 3Q10, the Company's common shares (ROMI3) were quoted at R\$ 12.89 and were up by 14.2% in the quarter (3Q10 x 2Q10) and up by 12.3% as compared to the end of 3Q09, respectively. The Bovespa index in the same period posted gain of 13.9% and 12.9% respectively.

The Company's market capitalization at September 30, 2010 was R\$ 964 million and the average daily trading volume in 3Q10 was R\$ 526 thousand.

IFRS

As already disclosed, as from December 31, 2007, the Company has reported its financial statements in accordance with International Financial Reporting Standards (IFRS). Below we show the impacts of the differences between IFRS and Generally Accepted Accounting Principles in Brazil (BRGAAP) at September 30, 2010.

Amounts in R\$ thousand		09/30/10
Shareholders' equity under BRGAAP		696,699
Adjustments under IFRS:		
Amortization of intangible asset arising on acquisition of JAC Indústria Metalúrgica Ltda. recorded for IFRS purposes ("JAC")	(758)	
Deferred taxes relating to amortization of the intangible asset above	258	
Other differences	(116)	
Controlling interests		696,083
Non-controlling interests		1,968
Shareholders' equity under IFRS		698,051
Net income (loss) for the period under BRGAAP		51,369
Adjustments under IFRS:		
Amortization of intangible asset arising on acquisition of JAC Indústria Metalúrgica Ltda. recorded for IFRS purposes ("JAC")	(426)	
Deferred taxes relating to amortization of the intangible asset above	145	
Net income (loss) under IFRS		51,088

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





Financial Statements

Consolidated Balance Sheet

IFRS (R\$ thousand)

ASSETS	09/30/09	12/31/09	09/30/10
CURRENT	778,620	914,546	980,942
Cash and Cash equivalents	77,914	225,913	252,195
Marketable securities	-	-	-
Trade accounts receivable	43,779	75,935	70,171
Trade accounts receivable - Finame Manufacturer	360,716	342,155	359,970
Inventories	273,981	243,651	272,055
Recoverable taxes	14,882	15,937	8,590
Other assets	7,348	10,955	17,961
NON CURRENT	777,492	825,036	864,254
Long-Term Assets	490,193	537,452	571,968
Trade accounts receivable	3,321	4,468	6,810
Trade accounts receivable - Finame Manufacturer	429,760	477,737	493,553
Recoverable taxes	17,071	14,126	15,204
Deferred income taxes	16,792	16,166	20,585
Escrow Deposits	16,658	17,999	22,888
Other assets	6,591	6,956	12,928
Investments			
Property, Plant and Equipment	280,934	281,361	284,059
Other investments	4,348	4,206	6,210
Goodwill	2,017	2,017	2,017
TOTAL ASSETS	1,556,112	1,739,582	1,845,196



Consolidated Balance Sheet

IFRS (R\$ thousand)

LIABILITIES AND SHAREHOLDER'S EQUITY	09/30/09	12/31/09	09/30/10
CURRENT	398,293	406,125	445,483
Loans	27,074	25,538	23,587
Trade accounts payable	290,197	284,390	297,999
Liabilities - Finame Manufacturer	27,670	32,926	42,022
Payroll and related charges	27,411	22,402	39,763
Taxes payable	5,104	10,259	15,619
Advances from customers	7,541	7,584	10,964
Interest on capital, dividends and participations	1,134	10,406	10,042
Other liabilities	12,162	12,620	5,487
NON CURRENT	479,955	648,920	701,662
Long-term liabilities			
Loans	78,045	207,123	218,155
Liabilities - Finame Manufacturer	367,811	405,967	441,474
Deferred income taxes on negative goodwill	8,850	8,930	8,656
Taxes payable	3,578	3,642	4,389
Other liabilities	2,909	2,935	4,532
Provision for contingencies	18,762	20,323	24,456
SHAREHOLDER'S EQUITY	675,852	682,540	696,083
Capital	505,764	505,764	505,764
Capital reserves	2,209	2,209	2,209
Profit reserves	171,894	179,041	152,129
Income for the period	-	-	50,469
Other accumulated comprehensive income	(4,015)	(4,474)	(14,488)
NON CONTROLLING INTERESTS	2,012	1,997	1,968
TOTAL SHAREHOLDER'S EQUITY	677,864	684,537	698,051
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,556,112	1,739,582	1,845,196



Consolidated Statement of Income

IFRS (R\$ thousand)

R\$ Thousand	3Q09	3Q10	% Chg.	9M09	9M10	% Chg.
Net Operating Revenue	122,005	169,552	39.0	301,850	482,316	59.8
Cost of sales and services	(85,005)	(104,306)	22.7	(208,345)	(305,277)	46.5
Gross Profit	37,000	65,246	76.3	93,505	177,039	89.3
<i>Gross Margin %</i>	<i>30.3%</i>	<i>38.5%</i>		<i>31.0%</i>	<i>36.7%</i>	
Operating Expenses	(33,497)	(41,520)	24.0	(101,938)	(121,642)	19.3
Selling	(13,554)	(15,980)	17.9	(40,866)	(45,873)	12.3
General and administrative	(12,939)	(16,145)	24.8	(42,841)	(50,904)	18.8
Management profit sharing	(1,981)	(2,788)	40.7	(5,689)	(7,424)	30.5
Research and development	(4,992)	(6,370)	27.6	(16,738)	(17,790)	6.3
Taxation	(229)	(593)	159.0	(1,294)	(1,576)	21.8
Other operating revenue	198	356	79.8	5,490	1,925	(64.9)
Operating Income before Financial Results	3,503	23,726	577.3	(8,433)	55,397	756.9
<i>Operating Margin %</i>	<i>2.9%</i>	<i>14.0%</i>		<i>(2.8%)</i>	<i>11.5%</i>	
Financial Results	(502)	8,568	(1,806.8)	2,417	5,503	127.7
Financial income	3,009	12,384	311.6	11,687	22,481	92.4
Financial expenses	(1,847)	(3,646)	97.4	(4,020)	(11,347)	182.3
FX changes, net	(1,664)	(170)	89.8	(5,250)	(5,631)	7.3
Operating Income	3,001	32,294	976.1	(6,016)	60,900	1,112.3
Income tax and social contribution	59	(6,992)	(11,950.8)	1,743	(9,812)	(662.9)
Net income	3,060	25,302	726.9	(4,273)	51,088	1,295.6
<i>Net Margin %</i>	<i>2.5%</i>	<i>14.9%</i>		<i>(1.4%)</i>	<i>10.6%</i>	
Management profit sharing	-	-				
Minority interests	2,848	25,092	781.0	(4,983)	50,469	1,112.8
	212	210	0.9	710	619	(12.8)
EBITDA	8,903	30,518	242.8	6,219	72,796	1,070.5
Net income	3,060	25,302		(4,273)	51,088	
Income tax and social contribution	(59)	6,992		(1,743)	9,812	
Financial results	502	(8,568)		(2,417)	(5,503)	
Depreciation	5,400	6,792		14,652	17,399	
<i>EBITDA Margin %</i>	<i>7.3%</i>	<i>18.0%</i>		<i>2.1%</i>	<i>15.1%</i>	
Nº of shares in capital stock (th)	74,758	74,758		74,758	74,758	
Net income per share - R\$	0.04	0.34		(0.06)	0.68	
Book value per share - R\$	9.04	9.31		9.04	9.31	



Consolidated Statement of Cash Flows IFRS (R\$ thousand)

R\$ thousands	3Q09	3Q10	9M09	9M10
Cash from operating activities				
Net Income	3,060	25,302	(4,273)	51,088
Income tax - current and deferred	(59)	6,992	(1,743)	9,812
Depreciation and amortization	5,400	6,792	14,652	17,399
Provision for doubtful accounts	126	2,936	2,498	6,419
Gain on sale of fixed assets	216	48	(3,918)	(1,473)
Financial expenses and FX changes	2,723	(8,164)	(1,162)	(4,378)
Provision for inventory devaluation	3,145	703	7,798	830
Provision for contingencies	1,746	1,297	3,633	4,750
Change on operating assets				
Purchase of trading securities	5,239	-	53,721	-
Trade accounts receivable	5,148	(1,691)	30,625	9,062
Trade accounts receivable - Finame Manufacturer	(12,640)	(4,630)	49,418	6,116
Inventories	9,219	(10,507)	2,682	(31,716)
Recoverable taxes, net	1,448	(126)	144	1,446
Escrow deposits	(1,143)	(1,523)	(2,855)	(4,889)
Other current and long term assets	0,226	(2,438)	(0,932)	(8,321)
Change on operating liabilities				
Trade accounts payable	6,901	3,387	(2,508)	9,062
Payroll and related charges	1,264	7,106	(7,195)	16,929
Taxes payable	(0,298)	(2,743)	1,261	(5,395)
Advances from customers	1,522	1,342	(6,513)	3,420
Other current and long term liabilities	(2,943)	(2,719)	(11,179)	(6,093)
Cash provided by (used in) operating activities	30,300	21,364	124,154	74,068
Income taxes paid	-	(692)	(1,786)	(1,596)
Net Cash provided by (used in) operating activities	30,300	20,672	122,368	72,472
Acquisitions of fixed assets	(7,500)	(9,220)	(47,288)	(20,270)
Sale of assets	315	645	3,861	2,137
Intangible	-	(48)	567	(906)
Cash flow used in investment operations	(7,185)	(8,623)	(42,860)	(19,039)
Interest on capital	(16)	(5,811)	(12,892)	(25,367)
New loans and financing	1,221	5,645	27,796	25,657
Payments of loans	(8,537)	(4,399)	(19,816)	(16,956)
Interests paid	(8,988)	(18,496)	(48,639)	(54,097)
New loans - Finame Manufacturer	44,541	109,121	124,597	265,999
Payments of loans Finame Manufacturer	(69,217)	(74,030)	(200,303)	(213,362)
Repurchase of shares	-	-	(10,194)	-
Cash flow from financial activities	(40,996)	12,030	(139,451)	(18,126)
Net Cash Flow	(17,881)	24,079	(59,943)	35,307
Exchange rate of cash and cash equivalents of foreign investments	1,119	(6,776)	2,633	(9,025)
Cash and cash equivalents - beginning of period	94,676	234,892	135,224	225,913
Cash and cash equivalents - end of period	77,914	252,195	77,914	252,195



Appendix I

Income Statement by Business Units - 3Q10

R\$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	102,952	46,998	19,602	169,552
Cost of Sales and Services	(57,427)	(23,443)	(23,436)	(104,306)
Business Units Transfers	5,212	-	7,962	13,174
Business Units Transfers	(4,384)	(6,526)	(2,264)	(13,174)
Gross Profit	46,353	17,029	1,864	65,246
Gross Margin %	45.0%	36.2%	9.5%	38.5%
Operating Expenses	(26,232)	(13,194)	(2,094)	(41,520)
Selling	(10,251)	(5,144)	(585)	(15,980)
General and Administrative	(9,651)	(5,283)	(1,211)	(16,145)
Management profit sharing	(1,793)	(743)	(252)	(2,788)
Research and Development	(4,243)	(2,127)	-	(6,370)
Taxation	(326)	(221)	(46)	(593)
Other operating revenue	32	324	-	356
Operating Income before Financial Results	20,121	3,835	(230)	23,726
Operating Margin %	19.5%	8.2%	(1.2%)	14.0%

Income Statement by Business Units - 3Q09

R\$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	77,698	32,057	12,250	122,005
Cost of Sales and Services	(46,838)	(20,508)	(17,659)	(85,005)
Business Units Transfers	3,392	-	4,611	8,003
Business Units Transfers	(2,848)	(3,344)	(1,811)	(8,003)
Gross Profit	31,404	8,205	(2,609)	37,000
Gross Margin %	40.4%	25.6%	(21.3%)	30.3%
Operating Expenses	(20,986)	(10,972)	(1,539)	(33,497)
Selling	(9,203)	(3,799)	(552)	(13,554)
General and Administrative	(7,054)	(5,064)	(821)	(12,939)
Management profit sharing	(960)	(873)	(148)	(1,981)
Research and Development	(3,622)	(1,370)	-	(4,992)
Taxation	(114)	(97)	(18)	(229)
Other operating revenue	(33)	231	-	198
Operating Income before Financial Results	10,418	(2,767)	(4,148)	3,503
Operating Margin %	13.4%	(8.6%)	(33.9%)	2.9%

**Income Statement by Business Units - 9M10**

R\$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	301,916	129,588	50,812	482,316
Cost of Sales and Services	(168,467)	(67,495)	(69,315)	(305,277)
Business Units Transfers	14,300	-	27,610	41,910
Business Units Transfers	(18,018)	(17,482)	(6,410)	(41,910)
Gross Profit	129,731	44,611	2,697	177,039
Gross Margin %	43.0%	34.4%	5.3%	36.7%
Operating Expenses	(76,894)	(39,055)	(5,693)	(121,642)
Selling	(29,639)	(14,563)	(1,671)	(45,873)
General and Administrative	(30,411)	(17,201)	(3,292)	(50,904)
Management profit sharing	(5,026)	(1,784)	(614)	(7,424)
Research and Development	(12,465)	(5,325)	-	(17,790)
Taxation	(952)	(508)	(116)	(1,576)
Other operating revenue	1,599	326	-	1,925
Operating Income before Financial Results	52,837	5,556	(2,996)	55,397
Operating Margin %	17.5%	4.3%	(5.9%)	11.5%

Income Statement by Business Units - 9M09

R\$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	192,662	76,323	32,865	301,850
Cost of Sales and Services	(120,027)	(43,100)	(45,218)	(208,345)
Business Units Transfers	9,168	-	10,585	19,753
Business Units Transfers	(7,230)	(8,511)	(4,012)	(19,753)
Gross Profit	74,573	24,712	(5,780)	93,505
Gross Margin %	38.7%	32.4%	(17.6%)	31.0%
Operating Expenses	(62,688)	(34,137)	(5,113)	(101,938)
Selling	(26,110)	(12,384)	(2,372)	(40,866)
General and Administrative	(25,055)	(15,477)	(2,309)	(42,841)
Management profit sharing	(3,861)	(1,474)	(354)	(5,689)
Research and Development	(12,494)	(4,244)	-	(16,738)
Taxation	(828)	(388)	(78)	(1,294)
Other operating revenue	5,660	(170)	-	5,490
Operating Income before Financial Results	11,885	(9,425)	(10,893)	(8,433)
Operating Margin %	6.2%	(12.3%)	(33.1%)	(2.8%)