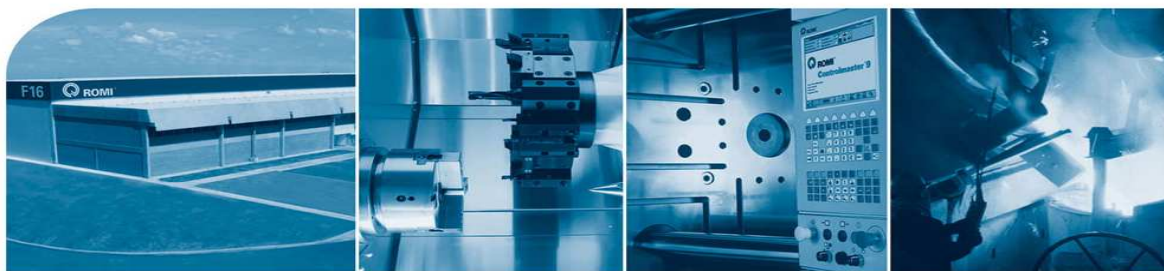




ROMI®

A TRADITION OF INNOVATION



February 9 2010

4Q09 Earnings Release

Share price (12/30/09)
ROMI3 – R\$ 11.73/share

Market Capitalization (12/31/09)
R\$ 877 million
US\$ 504 million

Number of shares (12/31/09)
Common: 74,757,547
Total: 74,757,547

Free Float = 52.56%

February 10 2010

Earnings Conference Call

Time: 10:30 a.m. (Brazil)
Telephone:
(55 11) 4688-6361
Access code: romi

Earnings Conference Call in English

Time: 12:30 p.m. (Brazil)
2:30 p.m. (London)
9:30 a.m. (NY)
Tel.: USA – 1 888 700 0802
Brazil – 55 11 4688 6361
Others – 1 786 924 6977
Access code: romi

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Santa Bárbara d'Oeste, SP, February 9 2010 – Indústrias Romi S.A. (Bovespa: ROMI3), a domestic market leader in Machine Tools and Plastic Processing Machines and an important producer of Rough and Machined Cast Iron Parts announces its results for the fourth quarter 2009 (4Q09). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis according to IFRS standards and monetary values are expressed in Reais

New Orders reach R\$ 246.7 million in 4Q09, an increase of 365% over 4Q08, and 38% more than 3Q09, equaling historical levels

Highlights

- **Growth in new orders for Plastic Processing Machines was 727.4% in 4Q09 compared with 4Q08 and 54.9% in relation to 3Q09**, due to improving demand from the consumption sector in the domestic economy and the policy for financing capital goods;
- **Order Book saw a 40.6% improvement in relation to 3Q09 to R\$ 198.9 million**, clear signs of a recovery in activity at the business units;
- **Net Operating Revenue reported a 42.3% increase in relation to 3Q09** as a result of the improvement in sales of Machine Tools and Plastic Processing Machines;
- **Romi has become a part of BM&F Bovespa's Corporate Sustainability Index - ISE**, the first company in the machinery and equipment sector to join this select group of sustainable companies.

ROMI - Consolidated	Quarter			Accumulated		
In Thousand Reais	4Q08	4Q09	% Chg.	12M08	12M09	% Chg.
Sales Volume						
Machine Tools (units)	465	524	12.7	2,330	1,454	(37.6)
Plastic Machines (units)	70	120	71.4	362	309	(14.6)
Rough and Machined Cast Iron Parts (tons)	4,393	2,352	(46.5)	21,436	8,276	(61.4)
Net Operating Revenue	166,169	173,584	4.5	696,124	475,434	(31.7)
Gross margin (%)	36.9%	31.0%		40.2%	31.0%	
Operating Income (EBIT)	10,727	17,614	64.2	107,140	9,181	(91.4)
Operating margin (%)	6.5%	10.1%		15.4%	1.9%	
Net Income	17,825	17,081	(4.2)	113,834	12,808	(88.7)
Net margin (%)	10.7%	9.8%		16.4%	2.7%	
EBITDA	15,191	22,912	50.8	122,315	29,131	(76.2)
EBITDA margin (%)	9.1%	13.2%		17.6%	6.1%	
Investments	53,186	7,081		123,333	51,796	

EBITDA = earnings before financial results, income taxes, depreciation and amortization.

(*) To facilitate better understanding of the accumulated result for 12M08, EBIT, EBITDA and Net Income were adjusted in order to exclude the gain originated from the acquisition of the Sandretto subsidiaries, impacting these items by R\$ 19,316, R\$ 19,316 and R\$ 12,773, respectively.

Corporate Profile

Romi is a leading company among the Brazilian manufacturers 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.

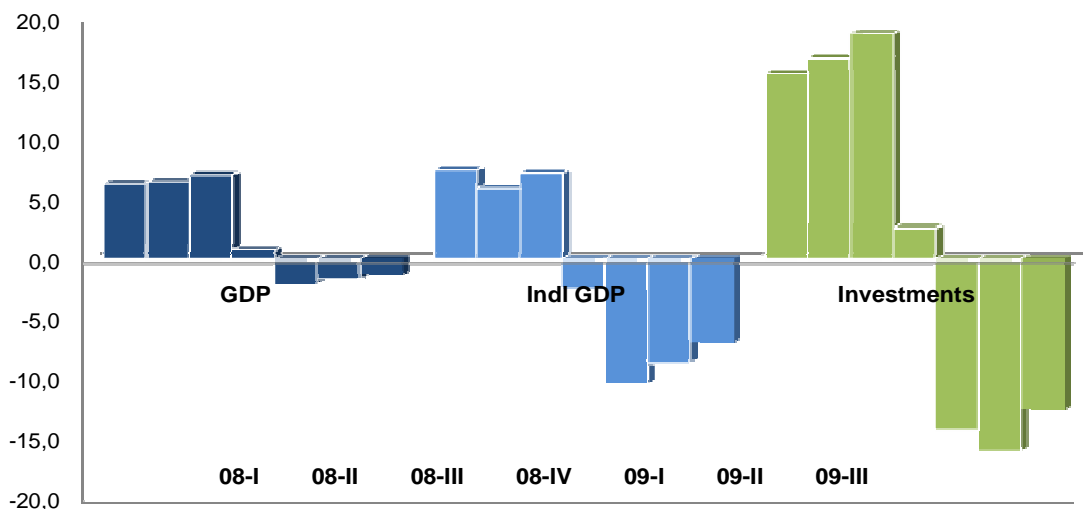
The Company has eleven industrial units of which four are dedicated to the final assembly of industrial machinery. Romi also operates two foundries, three units for the machining of components, one unit for the manufacture of sheet metal components and a plant for the assembly of electronic control panels. The Company has an annual installed capacity for the production of approximately 3,900 industrial machines and about 50,000 tons in castings.

The Machine Tools Business Unit, which accounted for about 68.0% of the Company's 4Q09 revenue, comprises lines for Conventional Lathes, CNC Lathes (computerized numerical control), Machining Centers and Vertical and Horizontal Heavy and Extra-Heavy Lathes. The Rough and Machined Castings and Plastic Processing Machines business units, the latter comprising plastic injection and blow molding machines, contributed 6.9% and 25.1%, respectively of the revenue in the quarter.

Current Economic Scenario

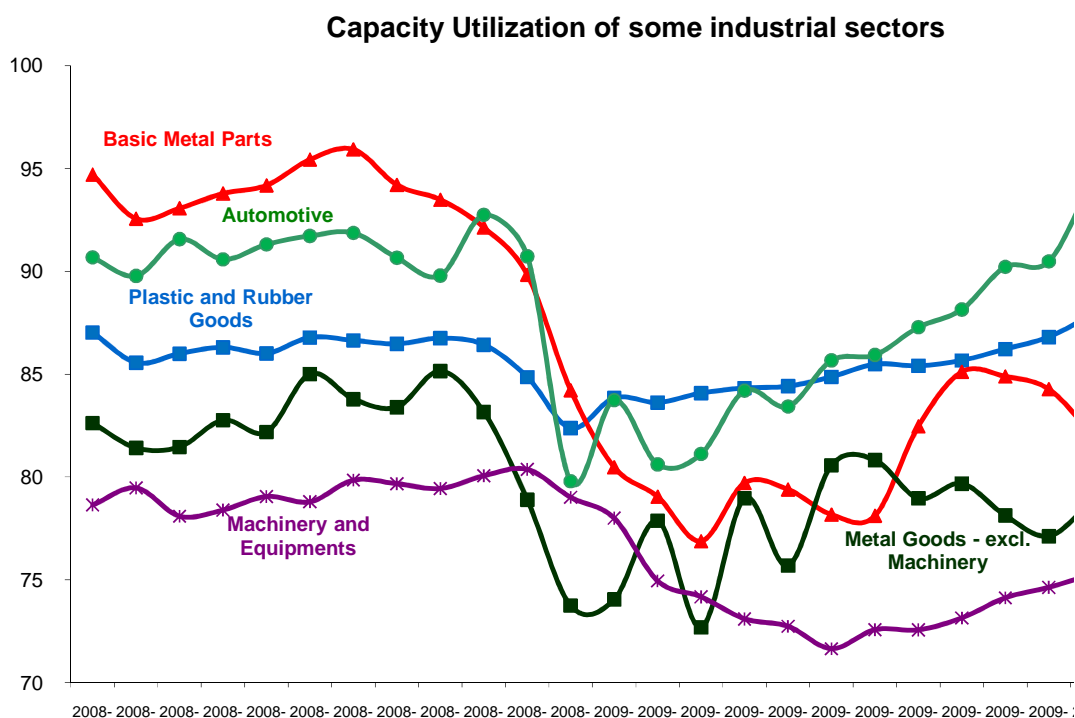
In the first half of 2009, the capital goods sector suffered from the uncertainties of the outlook for domestic business and the strong decrease in overseas demand arising from the recent international financial crisis. The Company has been absorbing these impacts since the final months of 2008, demand for machines and cast iron parts were much below the same period last year. However, Romi began to see some recovery in business activity for its products in the second half of 2009, notably in the fourth quarter, mainly because of (i) a reduction in interest rates for investments in fixed capital on loans from the Brazilian Economic and Social Development Bank - BNDES in July 2009, and extended through to June 2010 (ii) an improvement in industrial confidence levels and (iii) the replenishment in inventory throughout the economy as a whole.

The crisis impacted domestic industry more strongly than the services and commercial sectors. Economic data published for the third quarter 2009 by the Federal Government Statistics Office – IBGE in December 2009, together with revised data previously announced, still point to a slump in the industrial GDP of 6.9% and in Gross Capital Formation (FVKF) of 12.5% (3Q09 x 3Q08), as shown in the following graph. The FBKF indicator shows investment in domestic industrial capacity at its worst level in 2009, underscoring prospects for a gradual recovery in growth from the second half onwards.



Source: IBGE (Quarters)

The following graph prepared by Fiesp (Federation of Industries of the State of São Paulo), shows the FBKF in juxtaposition with the level of installed utilized capacity (NUCI). The principal sectors to which we sell our products have experienced a critical reduction in utilization of installed capacity in the past few months, although we are already seeing stability in these indicators and a tendency towards a strong recovery in some sectors, principally the automotive sector.



Source: Fiesp - INA Indicador de Nível de Atividade - NUCI (Nível de Utilização da Capacidade Instalada)

The industrial GDP and Gross Capital Formation are important Company growth drivers.

Market

The Company's principal competitive advantages in the domestic market - advanced technology products, a nationwide proprietary distribution network, permanent technical assistance, availability of attractive customer credit packages in local currency, and short product delivery times – are all recognized by the customer base, giving the ROMI® brand name a traditional and prestigious reputation. In addition, the Company's financial soundness has also become an even more important factor in customer purchasing decisions, in a business environment of world economic instability and principally, tight credit.

New Orders (gross values including sales tax)

Order Entry (R\$ thousands)	4Q08	4Q09	% Chg.
Machine Tools	40,852	158,061	286.9
Plastic Machines	8,589	71,065	727.4
Rough and Machined Cast Iron Parts	3,625	17,585	385.1
Total	53,066	246,711	364.9

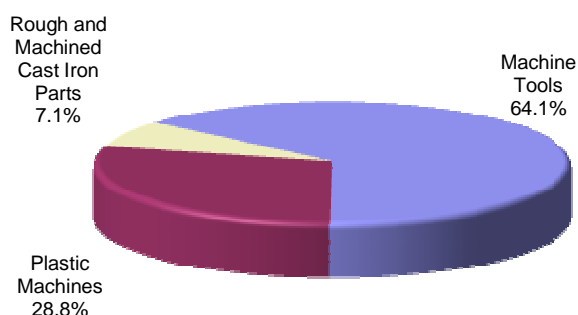
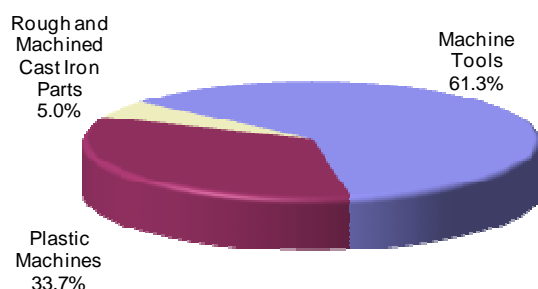
During 4Q09, the impacts of higher demand for our products was apparent, mainly in plastic processing machines – reporting growth of 727.4%. The main reasons for the increase on demand was the gradual recovery in the Industrial Sector, new interest rates applied for the credit lines for capital goods acquisitions and the Company's successful strategy in diversifying its product portfolio (heavy lathes and new blow-molding machine lines), reporting a year-on-year increase of 364.9%.

Order Entry (R\$ thousands)	12M08	12M09	Var. %
Machine Tools	479,200	381,436	(20.4)
Plastic Machines	124,496	163,557	31.4
Rough and Machined Cast Iron Parts	118,542	47,828	(59.7)
Total	722,238	592,821	(17.9)

The consistent flow of new orders in the final quarter of 2009 moderated the impacts on the Company's business up to 3Q09 arising from the uncertainties surrounding future demand, resulting on retraction in investments on the part of our customers. On a 12M09 x 12M08 comparative basis, the decline in new order inflow was 17.9%.

Order Entry (R\$ thousands)	1Q09	2Q09	3Q09	4Q09	% Chg.
Machine Tools	34,040	73,964	115,371	158,061	37.0
Plastic Machines	15,159	31,441	45,892	71,065	54.9
Rough and Machined Cast Iron Parts	3,621	9,332	17,290	17,585	1.7
Total	52,820	114,737	178,553	246,711	38.2

In relation to the immediately preceding quarter, new orders in 4Q09 reported an increase of 38.2%, reflecting the gradual and sustained recovery in the Industrial Sector. The principal factor behind this improvement in orders to the machinery business units was credit lines granted by the National Economic and Social and Development Bank - BNDES for capital goods acquisitions. This proved to be particularly an attractive fixed annual rate of interest at 4.5%. The Plastic Processing Machines unit turned in a better performance on the back of greater demand in the consumption sector.

Order Entry (4Q09)

Order Book (4Q09)

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

Order Book (R\$ thousands)	4Q08	4Q09	% Chg.
Machine Tools	100,108	121,817	21.7
Plastic Machines	23,695	67,103	183.2
Rough and Machined Cast Iron Parts	17,402	9,952	(42.8)
Total	141,205	198,872	40.8

The factors already mentioned such as the improvement in confidence in the industrial sector, inventory replenishment and principally, the reduction of interest rates on financing for capital goods reflected positively in our order book with an increase of 40.8% against the same period for the preceding year. Results are stronger at the Plastic Processing Machine unit due to the direct exposure of this unit to domestic consumption, most notably in sales to the packaging sector. However, weak sales at the Rough and Machined Cast Iron Parts unit persist due to certain customers that had traditionally adopted a policy of anticipating orders, now choosing to place their orders for immediate use only.

Order Book (R\$ thousands)	1Q09	2Q09	3Q09	4Q09	% Chg.
Machine Tools	60,154	65,358	93,894	121,817	29.7
Plastic Machines	23,098	26,711	39,780	67,103	68.7
Rough and Machined Cast Iron Parts	8,636	4,510	7,738	9,952	28.6
Total	91,888	96,579	141,412	198,872	40.6

On a 4Q09 x 3Q09 comparative basis, there was a consistent rebuilding of inventory at all business units.

Note: Order book values do not include parts, services and resale business.

Operating Performance

Net Operating Revenue

In 4Q09, the Company reported a Consolidated Net Operating Revenue of R\$ 173.6 million, a growth of 42.3% over 3Q09 and 4.5% greater than 4Q08 (R\$ 166.2 million)

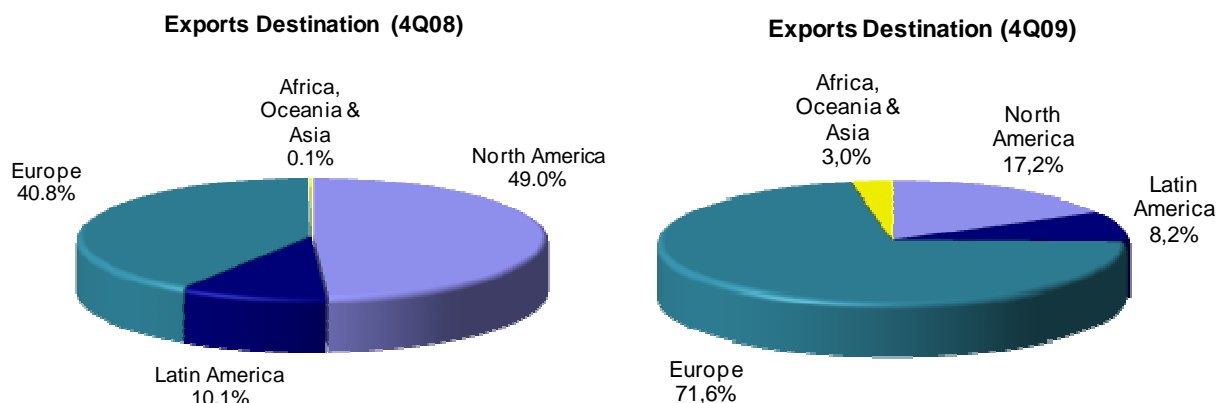
In the accumulated twelve month period in 2009, Net Operating Revenue posted a reduction of 31.7% compared with the same period in 2008, reaching R\$ 475.4 million, this decline largely reflecting weaker Brazilian industrial activity since the last quarter in 2008.

In 4Q09, foreign markets revenue reached R\$ 18.7 million, down 50.4% compared with 4Q08 (R\$ 37.7 million). In US dollar terms, sales in 4Q09 reached US\$ 10.7 million, representing a reduction of 35.1% compared with US\$

16.5 million of 4Q08, again a reflection of the difficulties of the world economy. The Company's foreign markets revenue accounted for 10.8% of Net Operating Revenue compared with 22.7% in 4Q08.

Europe is now our principal foreign markets accounting for 71.6% of total overseas revenue in 4Q09 (40.8% in 4Q08), followed by the United States with 17.2% (49.0% in 4Q08), Latin America with 8.2% (10.1% in 4Q08) and other continents with 3.0% (0.1% in 4Q08).

In 2009, foreign markets revenue represented 13.2% (US\$ 32.2 million) compared with 15.6% (US\$ 57.8 million) for the same period for 2008. For the accumulated period Europe accounted for 62.7% (43.3% in 12M08), the USA, 27.3% (41.9% in 12M08), Latin America, 8.7% (13.7% in 12M08) and other countries, 1.3% (1.1% in 12M08).



Net Operating Revenue (R\$ thousand)

Romi - Consolidated	Quarter			Accumulated		
Net Operating Revenue (R\$ `000)	4Q08	4Q09	Var%	9M08	9M09	% Chg.
Machine Tools	102,624	118,010	15.0	439,924	310,672	(29.4)
Plastic Machines	34,010	43,536	28.0	128,074	119,859	(6.4)
Rough and Machined Cast Iron Parts	29,535	12,038	(59.2)	128,126	44,903	(65.0)
Total	166,169	173,584	4.5	696,124	475,434	(31.7)

Romi - Consolidated	Quarter				
Net Operating Revenue (R\$ `000)	1Q09	2Q09	3Q09	4Q09	% Chg.
Machine Tools	50,330	64,634	77,698	118,010	51.9
Plastic Machines	15,407	28,859	32,057	43,536	35.8
Rough and Machined Cast Iron Parts	10,032	10,583	12,250	12,038	(1.7)
Total	75,769	104,076	122,005	173,584	42.3

Note.: See income statements per Business Unit in Annex I.

Machine Tools

The Business Unit reported a consistent recovery during 2009 with net operating revenue registering R\$ 118.0 million, a significant increase of 51.9% in relation to 3Q09. Compared with the same period for the preceding year, the Company posted an increase of 15.0%.

Volume sales at the Machine Tools Business Unit in 4Q09 totaled 524 units, recording strong growth of 43.6% compared with 3Q09 (365 units) and in comparison with the same period in 2008 (465 units), an increase of 12.7%. For the year 2009 as a whole, sales amounted to 1,454 units, a drop of 37.6% relative to the 2,330 units sold in the same period in 2009.

The principal drivers behind the recovery in sales at this unit continue to be the consolidation of the Heavy and Extra Heavy Machine Unit, better prospects for use of productive capacity in the domestic Industrial Sector and principally the reduction in BNDES interest rates for financing capital goods.

The Business Unit's principal domestic customers continue to be machining services, the automotive production chain, the machinery and equipment industry, oil, hydraulic equipment, tooling and technical schools.

Plastic Processing Machines

In 4Q09, volume sales at the Plastic Processing Machine Unit amounted to 120 units, an increase of 16.5% in relation to 3Q09 (103 units). Comparatively with 4Q08, there was an important increase of 71.4% (70 units). For the year as a whole, sales totaled 309 units against 362 units in 2008, a decline of 14.6%.

Net operating revenue generated from this unit amounted to R\$ 43.5 million in 4Q09, accounting for growth of 35.8% against 3Q09. In relation to 4Q08, growth was 28.0%. As already mentioned above, improving demand from the consumption sector – notably in the packaging sector – was symptomatic of the Company's successful strategy of investing in the blow molding line of machines.

The sectors where demand was greatest for the Unit's products were packaging, automotive, services, real estate and home appliances.

Rough and Machine Cast Iron Parts

In 4Q09, sales from this unit amounted to 2,352 tons, an increase of 9.5% over 2,147 tons sold in 3Q09. Compared with the same period in the preceding year, the Unit registered a decline of 46.5%. For the year overall, sales were 8,276 tons, a drop of 61.4% over 12M08.

The share of this business unit as a percentage of the Company's total revenue in 4Q09 was 6.9% (17.8% in 4Q08).

The low production volume due to the economic downturn during the year reflects the decline in the share of sales revenue from this business unit as a percentage of the Company's total revenue.

Demand during the period came principally from the commercial automotive segments (trucks), equipment for energy generation, agricultural machinery and capital goods.

Operating Costs and Expenses

The gross margin reported in 4Q09 already shows a slight improvement of 0.7 pp. in relation to 3Q09 although when comparing results with 4Q08, there was still a deterioration of 5.9 pp. The principal factors behind the variation in gross sales volumes are the decrease in volumes between comparative periods in the Rough and Machine Cast Iron Parts unit and the Company's more aggressive pricing policy.

The operating margin in 4Q09 posted a recovery of 7.2 pp. in relation to 3Q09 and 3.6 pp. compared with 4Q08, ending the quarter at 10.1%. This recovery in margin reflects in large part the increase in revenue volume during the quarter under review, in the machines business units.

Romi - Consolidated	Quarter					Accumulated	
Gross Margin (%)	4Q08	1Q09	2Q09	3Q09	4Q09	12M08	12M09
Machine Tools	41.3%	42.5%	33.7%	40.4%	37.1%	44.6%	38.1%
Plastic Machines	40.1%	39.4%	36.2%	25.6%	23.8%	38.1%	29.3%
Rough and Machined Cast Iron Parts	18.1%	(21.6%)	(9.5%)	(21.3%)	(3.2%)	26.9%	(13.7%)
Total	36.9%	33.4%	30.0%	30.3%	31.0%	40.2%	31.0%

Romi - Consolidated	Quarter					Accumulated	
Operating Margin (%)	4Q08	1Q09	2Q09	3Q09	4Q09	12M08	12M09
Machine Tools	11.1%	(10.3%)	10.3%	13.4%	17.6%	18.9%	10.5%
Plastic Machines	(4.2%)	(36.1%)	(3.8%)	(8.6%)	(2.9%)	10.5%	(8.9%)
Rough and Machined Cast Iron Parts	2.6%	(40.0%)	(25.8%)	(33.9%)	(16.0%)	12.4%	(28.6%)
Total	6.5%	(19.5%)	2.7%	2.9%	10.1%	18.2%	1.9%

(*) To facilitate the understanding of the accumulated result for 12M08, EBIT was adjusted in order to exclude the gain originated from the acquisition of the Sandretto subsidiaries, the impact amounting to a positive R\$ 19,316.

Machine Tools

The gross margin from this Business Unit reported 37.1% in 4Q09, a reduction of 3.3 pp. and 4.2 pp. in relation to 3Q09 and 4Q08 respectively, mainly due to the adoption of a more aggressive pricing strategy.

The operating margin for this quarter under review posted a recovery of 4.2 pp. compared with 3Q09 and 6.5 pp. against 4Q08. The main reason for the better margins was improved sales volume, despite a more aggressive pricing strategy.

Plastic Processing Machines

Gross margin for this unit in 4Q09 reached 23.8%, a reduction of 1.8 pp. and 16.3 pp. in relation to 3Q09 and 4Q08 respectively. Despite a higher sales volume, the operating margin in the quarter largely reflects a more aggressive pricing policy.

Rough and Machine Cast Iron Parts

This unit was particularly hard hit by low production volume, posting negative margins in 2009. Certain operating adjustments implemented by the Company have resulted in a gradual improvement in gross and operating margins.

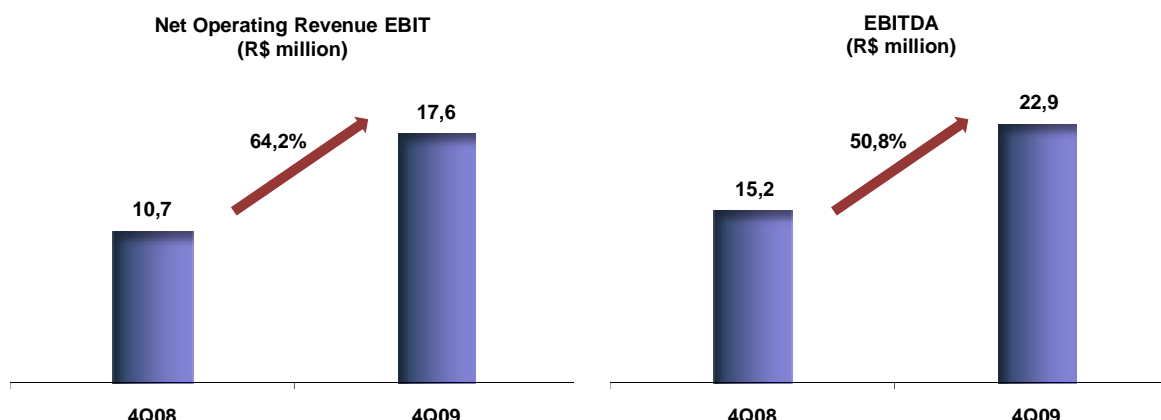
EBITDA and EBITDA Margin

In 4Q09, operating cash generation as measured by EBITDA (Earnings before Financial Results, Income Taxes, Depreciation and Amortization) was R\$ 22.9 million, equivalent to an EBITDA margin of 13.2%. This reflected the combination of better sales in 4Q09 and the effects of the operating adjustments introduced by the Company in the preceding quarters.

Reconciliation of Net Income to EBITDA	Quarter			Accumulated		
R\$ thousands	4Q08	4Q09	% Chg.	12M08	12M09	% Chg.
Net Income	17,825	17,081	(4.2)	126,607	12,808	(89.9)
Net Financial Income	(10,177)	(2,938)	(71.1)	(35,303)	(5,355)	(84.8)
Income tax and social contributions	3,079	3,471	12.7	35,152	1,728	(95.1)
Depreciation and amortization	4,464	5,298	18.7	15,175	19,950	31.5
EBITDA	15,191	22,912	50.8	141,631	29,131	(79.4)
Gain from acquisition of Sandretto subsidiaries	-	-		(19,316)	-	
Adjusted EBITDA	15,191	22,912	50.8	122,315	29,131	(76.2)
EBITDA Margin	9.1%	13.2%		17.6%	6.1%	

Net Result

The Company posted net income of R\$ 17.1 million in 4Q09, 4.2% less than 4Q08. This quarterly result turned to profit the accumulated negative loss for the first nine months of 2009. Romi closed the fiscal year 2009 with a net income of R\$ 12.8 million.



Distribution of Result

In accordance with the Board of Director's resolution at a meeting held on December 8 2009, interest on equity was paid on January 19 2010 and attributed to the minimum mandatory dividend for 2009 and accumulated profits for preceding fiscal periods. Payout amounted to R\$ 9.7 million, representing a gross value of R\$ 0.13 per share.

Investments

Capital expenditures in fixed assets for 4Q09 amounted to R\$ 7.1 million, 86.7% less than was invested in 4Q08 (R\$ 53.2 million). For the year overall, values amounted to R\$ 51.8 million, a fall of 58.0% compared with 12M08 (R\$ 123.3 million). Resources were allocated to conclusion of work on the Company's current investment projects, namely Paradiso (specifically, completion of the heavy machine tool unit expansion) and Vulcano (implementation and the unveiling of a new foundry).

Investments in technology, research and development in 2009 were R\$ 22.7 million, representing 4.8% of consolidated net operating revenue (4.1% in 2008), indicative that despite the economic crisis, the Company maintained its focus on innovation and the development of new products.

Net operating revenue from gross products in 2009 was R\$ 299 million, which represented on average 62.7% of consolidated net operating revenue.

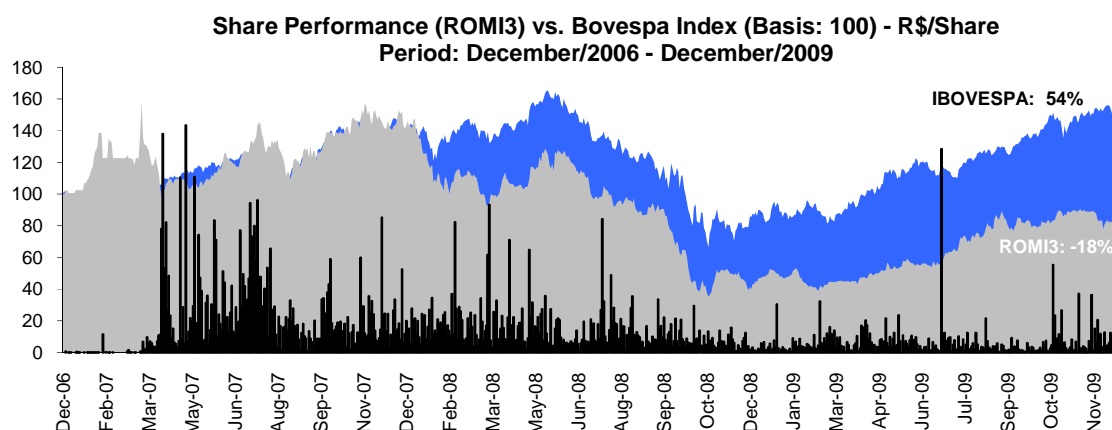
Financial Position

Financial investments including those where the underlying instruments are debentures, are contracted with first class financial institutions, returns largely being in line with the Interbank Deposit Certificate ("CDI"). The consolidated position in cash/cash equivalents as at December 31 2009 was R\$ 225.9 million.

The Company's loans are largely to fund investments for expanding the manufacturing complex, modernization, and export and import finance. On December 31 2009, the amount of local currency financing was R\$ 228.7 million, and in foreign currency, R\$ 4.0 million, a grand total of R\$ 232.7 million.

As of December 31 2009, the Company had no outstanding positions in derivatives.

Capital Markets



Source: Bovespa

At the end of 4Q09, the Company's common shares (ROMI3) were trading at R\$ 11.73, an appreciation of 54.3% relative to the end of 4Q06. In the same period, the Bovespa Stock Index reported an 82.7% appreciation.

Romi's market capitalization was R\$ 877 million as at December 31 2009. Average daily trading volume during 4Q09 was R\$ 1,249 thousand.

International Financial Reporting Standards (IFRS)

As from December 31 2007, the Company began publishing its Financial Statements in accordance with IFRS principles. We show below the impacts of the differences in accounting principles between IFRS and BRGAAP standards as at December 31 2009.

Values in R\$ thousand		12/31/09
Shareholders' Equity in BR GAAP		682,875
Adjustments in IFRS:		
Amortization of goodwill, recorded for the purposes of IFRS, arising from the acquisition of JAC Indústria Metalúrgica Ltda. ("JAC")	(332)	
Deferred taxes with respect to amortization of goodwill above	113	
Other differences	(116)	
Participation of controlling shareholders	682,540	
Participation of the non-controlling shareholders	1,997	
Shareholders' equity in IFRS		<u>684,537</u>
Net profit (loss) for the period in BR GAAP		
Adjustments in IFRS:		13,027
Amortization of goodwill, recorded for the purposes of IFRS, arising from the acquisition of JAC Indústria Metalúrgica Ltda. ("JAC")	(332)	
Deferred taxes with respect to amortization of goodwill above	113	
Net profit (loss) in IFRS		<u>12,808</u>

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AWARDS

Romi was included in BM&FBovespa's Corporate Sustainability Index - ISE 2009/2010, an indicator made up of the shares of companies reporting a high degree of commitment to the practices of corporate sustainability and governance. The machines and services sector thus makes its debut in the ISE through the medium of Romi. The ISE portfolio is currently made up of 43 companies.

For the sixth consecutive year, Romi won the PPR – Plastics in Review – Top Equipment award in the National Injection category, one of the most important accolades in the sector. With this success, the Company achieves Top Fora de Série (Top Exceptional) classification, presented to those companies which have been winners of awards on five previous occasions. Romi was also ranked in first place in the National Blow-molding category.

Carlos Chiti, who together with Américo Emílio Romi co-founded Indústrias Romi and now 95, was one of those honored in the 43rd version of the Car of the Year award organized by Autoesporte magazine on November 9 2009 in São Paulo. Director of the Company and one of the pioneers of the Brazilian automobile industry, Carlos Chiti was responsible for introducing the first Brazilian-made car - the Romi-Isetta - to Emílio Romi, convincing him that Romi was equipped to manufacture the vehicle.

On October 30 2009, Romi formalized its partnership with the São Carlos School of Engineering – EESC-USP for developing a project to integrate the postgraduate, master's and doctorate students and teaching staff of the Production Engineering course at the University with teams at Romi's Products Engineering Department. The purpose of the integration is to develop various studies involving the Romi D 800 High Performance Vertical Machining Center equipment, which produces tri-dimensional parts for multiple applications ranging from production, machining of molds and matrices to other specific applications.



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Financial Statement

Consolidated Balance Sheet IFRS (R\$ thousands)

ASSETS	4Q08	4Q09
CURRENT	885,761	914,546
Cash and Cash equivalents	135,224	225,913
Marketable securities	53,721	-
Trade accounts receivable	79,591	75,935
Trade accounts receivable - Finame Manufacturer	306,892	342,155
Inventories	285,344	243,651
Recoverable taxes	17,742	15,937
Other assets	7,247	10,955
NON CURRENT	795,163	825,036
Long-Term Assets	534,484	537,452
Trade accounts receivable	3,700	4,468
Trade accounts receivable - Finame Manufacturer	479,371	477,737
Recoverable taxes	18,245	14,126
Deferred income taxes	12,731	16,166
Escrow Deposits	13,803	17,999
Other assets	6,634	6,956
Investments		
Property, Plant and Equipment	256,340	281,361
Other investments	2,843	4,206
Goodwill	1,496	2,017
Deferred	-	-
TOTAL ASSETS	1,680,924	1,739,582



Consolidated Balance Sheet

IFRS (R\$ thousands)

LIABILITIES AND SHAREHOLDER'S EQUITY	4Q08	4Q09
CURRENT	416,388	406,125
Loans	28,503	25,538
Trade accounts payable	31,136	32,926
Liabilities - Finame Manufacturer	270,028	284,390
Payroll and related charges	33,845	22,402
Taxes payable	7,357	10,259
Advances from customers	14,082	7,584
Interest on capital, dividends and participations	16,277	10,406
Other liabilities	15,160	12,620
NON CURRENT	561,307	648,920
Long-term liabilities		
Loans	70,957	207,123
Liabilities - Finame Manufacturer	453,323	405,967
Deferred income taxes on negative goodwill	7,947	8,930
Taxes payable	3,578	2,935
Other liabilities	9,626	3,064
Provision for contingencies	15,876	20,323
SHAREHOLDER'S EQUITY	700,693	682,540
Capital	505,764	505,764
Capital reserves	2,209	2,209
Cumulative Translation Adjustments	187,071	179,041
Profit reserves/retained earnings	5,649	(4,474)
MINORITY INTERESTS	2,536	1,997
TOTAL SHAREHOLDER'S EQUITY AND MINORITY INTERESTS	703,229	684,537
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,680,924	1,739,582

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A TRADITION OF INNOVATION

Consolidated Income Statement

IFRS (R\$ thousands)

R\$ Thousand	4Q08	4Q09	% Chg.	12M08	12M09	% Chg.
Net Operating Revenue	166,169	173,584	4.5	696,124	475,434	(31.7)
Cost of sales and services	(104,834)	(119,793)	14.3	(416,550)	(328,138)	(21.2)
Gross Profit	61,335	53,791	(12.3)	279,574	147,296	(47.3)
<i>Gross Margin %</i>	<i>36.9%</i>	<i>31.0%</i>		<i>40.2%</i>	<i>31.0%</i>	
Operating Expenses	(50,608)	(36,177)	(28.5)	(153,118)	(138,115)	(9.8)
Selling	(18,596)	(14,358)	(22.8)	(65,927)	(55,224)	(16.2)
General and administrative	(20,562)	(14,276)	(34.2)	(61,592)	(57,508)	(8.7)
Management profit sharing	(3,079)	(2,551)	111.4	(14,909)	(7,849)	(43.8)
Research and development	(7,571)	(5,984)	(21.0)	(28,766)	(22,722)	(21.0)
Taxation	(1,026)	(469)	(54.3)	(2,913)	(1,763)	(39.5)
Other operating revenue	226	1,461	546.5	20,989	6,951	(66.9)
Operating Income before Financial Results	10,727	17,614	64.2	126,456	9,181	(92.7)
<i>Operating Margin %</i>	<i>6.5%</i>	<i>10.1%</i>		<i>18.2%</i>	<i>1.9%</i>	
Financial Results	10,177	2,938	(71.1)	35,303	5,355	(84.8)
Financial income	8,556	6,519	(23.8)	36,950	18,206	(50.7)
Financial expenses	(900)	(2,719)	202.1	(5,061)	(6,739)	33.2
FX changes, net	2,521	(862)	(134.2)	3,414	(6,112)	(279.0)
Operating Income	20,904	20,552	(1.7)	161,759	14,536	(91.0)
Income tax and social contribution	(3,079)	(3,471)	12.7	(35,152)	(1,728)	(95.1)
Net income	17,825	17,081	(4.2)	126,607	12,808	(89.9)
<i>Net Margin %</i>	<i>10.7%</i>	<i>9.8%</i>		<i>18.2%</i>	<i>2.7%</i>	
Management profit sharing	-	-	-	-	-	-
Minority interests	17,575	16,865	(4.0)	125,726	11,882	(90.5)
	250	216	(13.6)	881	926	5.1
EBITDA	15,191	22,912	50.8	122,315	29,131	(76.2)
Net income	17,825	17,081		126,607	12,808	
Income tax and social contribution	3,079	3,471		35,152	1,728	
Financial results	(10,177)	(2,938)		(35,303)	(5,355)	
Depreciation	4,464	5,298		15,175	19,950	
Gain from acquisition of Sandretto subsidiaries	-	-		(19,316)	-	
<i>EBITDA Margin %</i>	<i>9.1%</i>	<i>13.2%</i>		<i>17.6%</i>	<i>6.1%</i>	
Nº of shares in capital stock (th)	78,558	74,758		78,558	74,758	
Net income per share - R\$	0.23	0.23		1.61	0.17	
Book value per share - R\$	8.92	9.13		8.92	9.13	



Consolidated Cash Flow

IFRS (R\$ thousands)

R\$ thousands	4Q08	4Q09	12M08	12M09
Cash from operating activities				
Net Income	17,825	17,081	126,607	12,808
Income tax - current and deferred	3,079	3,471	35,152	1,728
Depreciation	4,464	5,298	15,175	19,950
Provision for doubtful accounts	575	1,938	1,897	4,436
Loss (Gain) on sale of fixed assets	339	(88)	(485)	(4,006)
Financial expenses and FX changes	2,334	2,618	6,462	5,865
Provision for inventory devaluation	(1,369)	(2,841)	(3,990)	4,957
Provision for contingencies	1,667	0,814	7,130	4,447
Gain from acquisition of Sandretto Subsidiaries	-	-	(19,316)	-
Change on operating assets				
Purchase of trading securities	65,557	-	57,791	53,721
Trade accounts receivable	11,632	(32,053)	3,896	(1,428)
Trade accounts receivable - Finame Manufacturer	(3,587)	(15,516)	(90,149)	33,902
Inventories	(21,253)	26,083	(72,948)	28,765
Recoverable taxes, net	(3,698)	1,416	(14,685)	1,560
Escrow deposits	(1,691)	(1,341)	(6,716)	(4,196)
Other current and long term assets	(3,556)	(6,230)	(4,206)	(7,162)
Change on operating liabilities				
Trade accounts payable	(18,542)	6,047	(5,355)	3,539
Payroll and related charges	(7,527)	(3,759)	(3,171)	(10,954)
Taxes payable	(3,304)	297	(8,984)	1,558
Advances from customers	(4,379)	163	4,249	(6,350)
Other current and long term liabilities	(3,772)	4,746	215	(6,433)
Cash provided by (used in) operating activities	34,794	8,144	28,569	136,707
Income taxes paid	(10,722)	1,657	(24,797)	(129)
Net Cash provided by (used in) operating activities	24,072	9,801	3,772	136,578
Acquisitions of fixed assets	(53,186)	(5,941)	(123,333)	(53,229)
Sale of assets	-	2,306	1,041	6,167
Intangible	1,653	-	-	567
	(970)	-	(970)	-
Acquisition of investments, net of the amount of cash acquired	(6,993)	-	(8,676)	-
Cash flow used in investment operations	(59,496)	(3,635)	(131,938)	(46,495)
Interest on capital	(4,526)	(1,009)	(30,834)	(13,901)
New loans and financing	14,502	129,471	45,659	157,267
Payments of loans	(10,727)	(1,401)	(38,134)	(21,217)
Interests paid	(979)	(2,728)	(6,953)	(8,099)
New loans - Finame Manufacturer	129,746	92,635	398,905	217,232
Payments of loans Finame Manufacturer	(62,149)	(58,430)	(218,054)	(248,567)
Interests paid - Finame Manufacturer	(16,882)	(16,356)	(62,091)	(69,190)
Repurchase of shares	(15,566)	-	(15,566)	(10,194)
Cash flow from financial activities	33,419	142,182	72,932	3,331
Net Cash Flow	(2,005)	148,348	(55,234)	93,414
Exchange rate of cash and cash equivalents of foreign investments	467	(949)	1,448	(2,725)
Cash and cash equivalents - beginning of period	136,762	78,514	189,010	135,224
Cash and cash equivalents - end of period	135,224	225,913	135,224	225,913

Annex I

Income Statement by Business Units - 4Q09

R\$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	118,010	43,536	12,038	173,584
Cost of Sales and Services	(72,338)	(29,591)	(17,864)	(119,793)
Business Units Transfers	3,338	-	6,973	10,311
Business Units Transfers	(5,205)	(3,575)	(1,531)	(10,311)
Gross Profit	43,805	10,370	(384)	53,791
<i>Gross Margin %</i>	<i>37.1%</i>	<i>23.8%</i>	<i>(3.2%)</i>	<i>31.0%</i>
Operating Expenses	(22,993)	(11,639)	(1,545)	(36,177)
Selling	(9,320)	(4,515)	(523)	(14,358)
General and Administrative	(8,008)	(5,392)	876	(14,276)
Management profit sharing	(2,065)	(374)	112	(2,551)
Research and Development	(4,433)	(1,551)	-	(5,984)
Taxation	(291)	(144)	(34)	(469)
Other operating revenue	1,124	337	-	1,461
Operating Income before Financial Results	20,812	(1,269)	(1,929)	17,614
<i>Operating Margin %</i>	<i>17.6%</i>	<i>(2.9%)</i>	<i>(16.0%)</i>	<i>10.1%</i>

Income Statement by Business Units - 4Q08

R\$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	102,624	34,010	29,535	166,169
Cost of Sales and Services	(58,861)	(16,447)	(29,526)	(104,834)
Business Units Transfers	5,203	-	7,461	12,664
Business Units Transfers	(6,616)	(3,922)	(2,126)	(12,664)
Gross Profit	42,350	13,641	5,344	61,335
<i>Gross Margin %</i>	<i>41.3%</i>	<i>40.1%</i>	<i>18.1%</i>	<i>36.9%</i>
Operating Expenses	(30,947)	(15,071)	(4,590)	(50,608)
Selling	(11,778)	(4,710)	(2,108)	(18,596)
General and Administrative	(9,669)	(8,524)	(2,369)	(20,562)
Management profit sharing	(3,053)	(64)	38	(3,079)
Research and Development	(5,743)	(1,828)	-	(7,571)
Taxation	(681)	(194)	(151)	1,026
Other operating revenue	(23)	249	-	226
Operating Income before Financial Results	11,403	(1,430)	754	763,973
<i>Operating Margin %</i>	<i>11.1%</i>	<i>(4.2%)</i>	<i>2.6%</i>	<i>6.5%</i>

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Income Statement by Business Units - 12M09

R\$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	310,672	119,859	44,903	475,434
Cost of Sales and Services	(192,365)	(72,691)	(63,082)	(328,138)
Business Units Transfers	12,506	-	17,558	30,064
Business Units Transfers	(12,435)	(12,086)	(5,543)	(30,064)
Gross Profit	118,378	35,082	(6,164)	147,296
<i>Gross Margin %</i>	<i>38.1%</i>	<i>29.3%</i>	<i>(13.7%)</i>	<i>31.0%</i>
Operating Expenses	(85,681)	(45,776)	(6,658)	(138,115)
Selling	(35,430)	(16,899)	(2,895)	(55,224)
General and Administrative	(33,454)	(20,869)	(3,185)	(57,508)
Management profit sharing	(5,535)	(1,848)	(466)	(7,849)
Research and Development	(16,927)	(5,795)	-	(22,722)
Taxation	(1,119)	(532)	(112)	(1,763)
Other operating revenue	6,784	167	-	6,951
Operating Income before Financial Results	32,697	(10,694)	(12,822)	9,181
<i>Operating Margin %</i>	<i>10.5%</i>	<i>(8.9%)</i>	<i>(28.6%)</i>	<i>1.9%</i>

Income Statement by Business Units - 12M08

R\$ '000	Machine Tools	Plastic Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	439,924	128,074	128,126	696,124
Cost of Sales and Services	(238,481)	(60,056)	(118,013)	(416,550)
Business Units Transfers	23,460	-	35,046	58,506
Business Units Transfers	(28,669)	(19,163)	(10,674)	(58,506)
Gross Profit	196,234	48,855	34,485	279,574
<i>Gross Margin %</i>	<i>44.6%</i>	<i>38.1%</i>	<i>26.9%</i>	<i>40.2%</i>
Operating Expenses	(113,194)	(21,276)	(18,648)	(153,118)
Selling	(42,463)	(15,853)	(7,611)	(65,927)
General and Administrative	(35,271)	(17,685)	(8,636)	(61,592)
Management profit sharing	(11,295)	(1,696)	(1,918)	(14,909)
Research and Development	(23,190)	(5,576)	-	(28,766)
Taxation	(1,855)	(575)	(483)	(2,913)
Other operating revenue	880	20,109	-	20,989
Operating Income before Financial Results	83,040	27,579	15,837	126,456
<i>Operating Margin %</i>	<i>18.9%</i>	<i>21.5%</i>	<i>12.4%</i>	<i>18.2%</i>