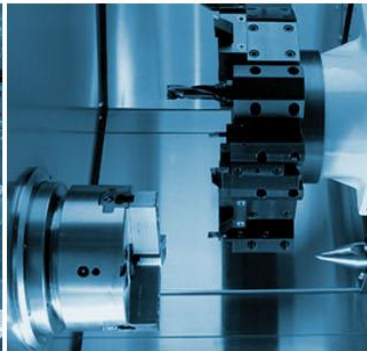




ROMI®

A TRADITION OF INNOVATION



1Q16 Earnings Release

April 27, 2016



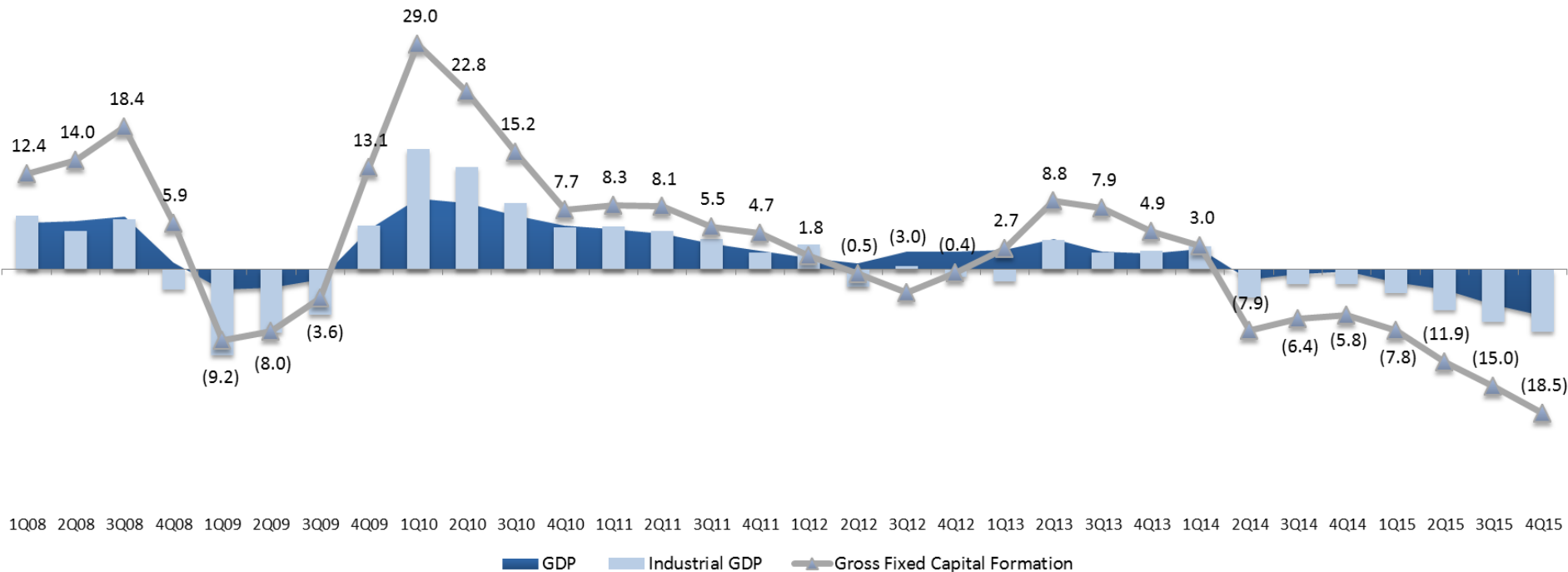
This release contains forward-looking statements subject to risks and uncertainties, Such forward-looking statements are based on the management's beliefs and assumptions on information currently available to the Company, The reservations as to forward-looking statements also apply to information on possible or presumed operating results, as well as any statements preceded, followed or including words such as "believes", "may", "will", "expects", "intends", "plans", "estimates" or similar expressions, Forward-looking statements are not performance guarantees; they involve risks, uncertainties and assumptions because they refer to future events and, therefore, depend on circumstances which may or may not occur, Future results may differ materially from those expressed or suggested by forward-looking statements, Many of the factors which will determine these results and figures are beyond Romi's control or prediction capacity.



- **Order entry** in 1Q16 **grew 27.2%** as compared with 1Q15, with emphasis on the Romi machines and Cast Iron Parts;
- **Net operating revenues increased by 7.3%** in 1Q16 compared with 1Q15, due to the higher revenues of the Raw and Machined Cast Iron Parts unit and of the German subsidiary B+W;
- **EBITDA** in 1Q16 **was negative by R\$3.6 million**, mainly due to the **decrease in demand** for Romi machines in the domestic market and B+W performance;
- In 1Q16, compared with 1Q15, Romi's Raw and Machined Cast Iron Parts Unit posted **improvements of 13.2 and 12.4** percentage points in terms of gross margin and EBITDA, respectively;

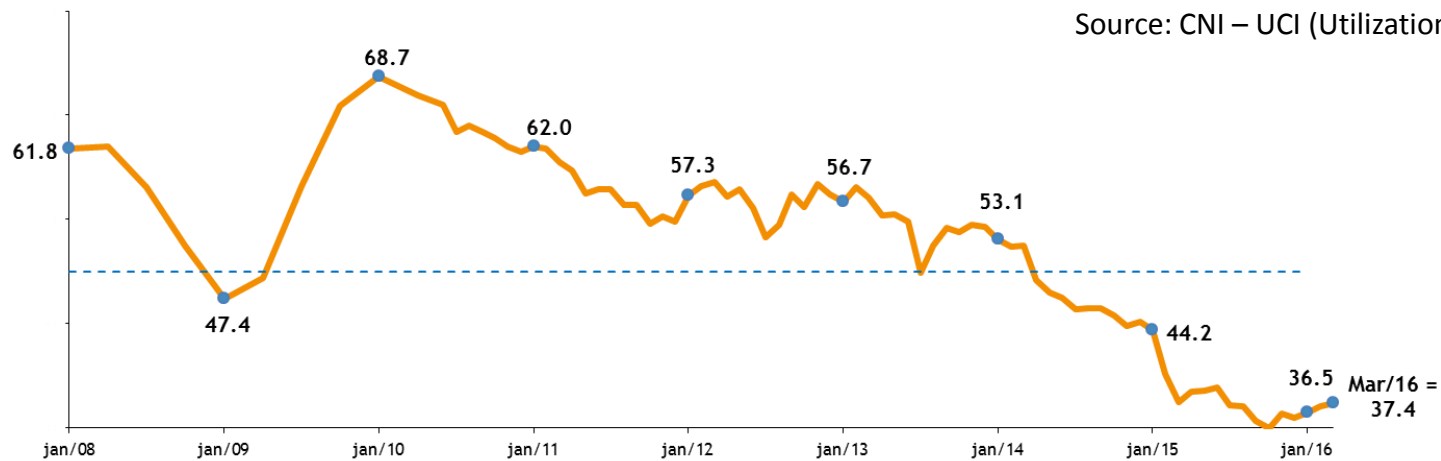
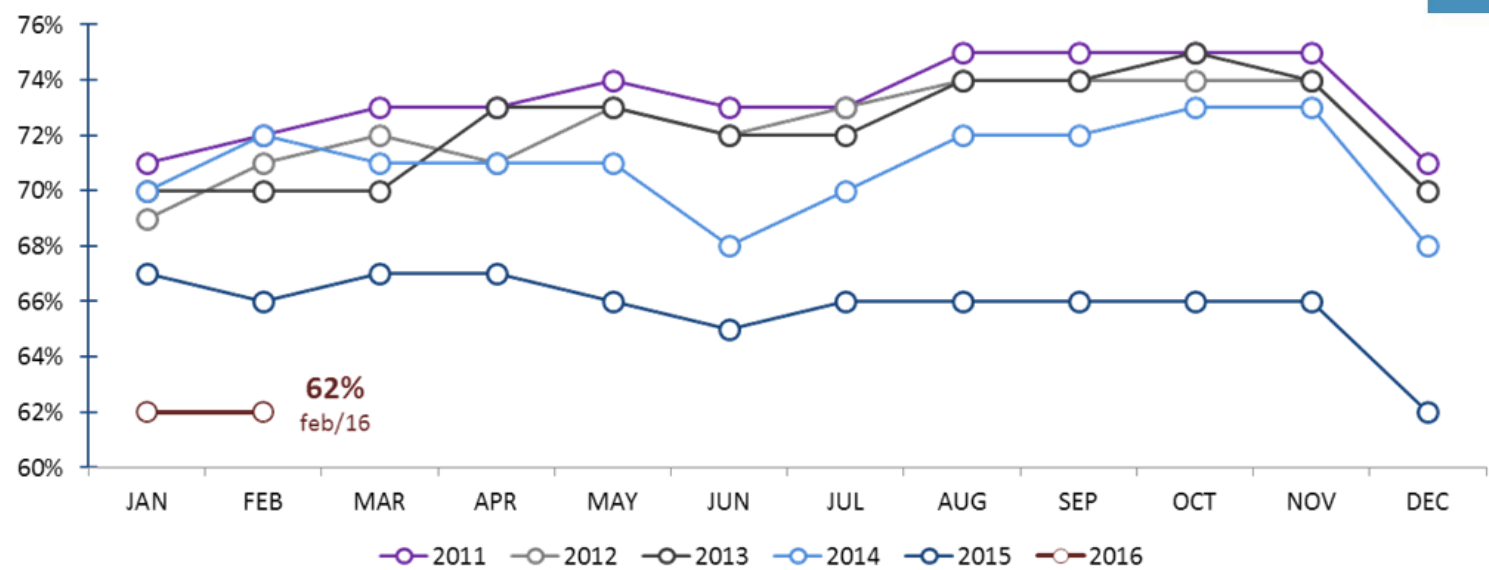
Economic Indexes

Conjunctural Indicators



Source: IBGE (quarter this year vs, quarter last year)

Economic Indexes – Conjunctural Indicators



Source: CNI – UCI (Utilization of Installed Capacity), Feb 2016

Source: CNI – ICEI (Industrial Executive Confidence Index), Mar, 2016



Romi Machines



	1Q16	2015
Automotive	32%	16%
Machines and Equipments	13%	9%
Job Shops	15%	18%
Technical Schools	7%	7%
Tooling	4%	1%
Packing	6%	13%
Others	23%	36%

B+W Machines



	1Q16	2015
Machines and Equipments	75%	36%
Motors and Systems	25%	19%
Automotive	0%	25%
Others	0%	21%

Raw and Machined Cast Iron Parts

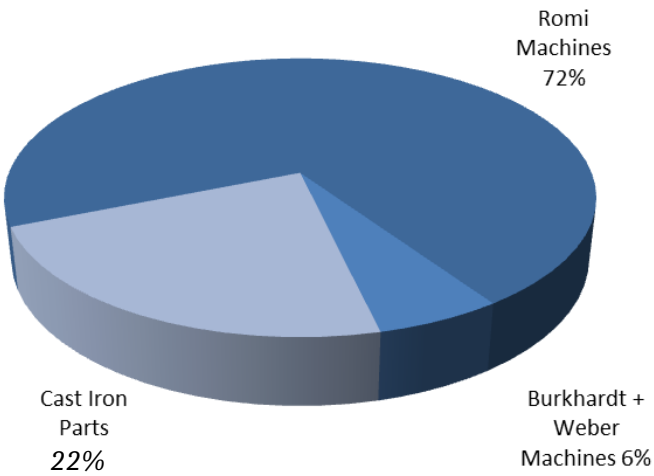


	1Q16	2015
Wind Power	69%	57%
Automotive	20%	27%
Agriculture	8%	12%
Others	3%	4%

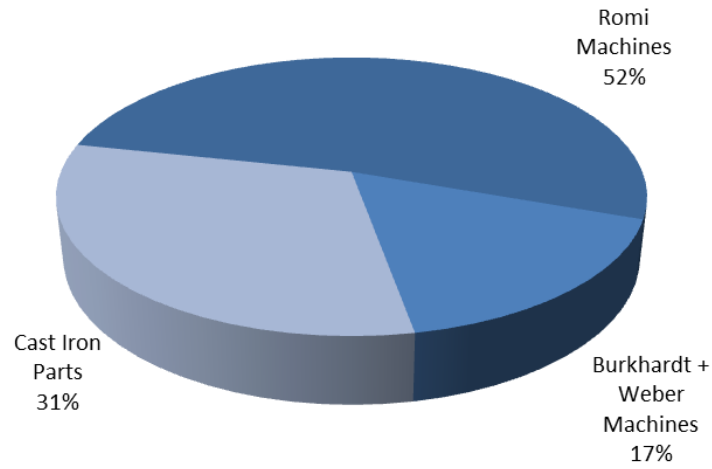
Net Sales per Business Unit



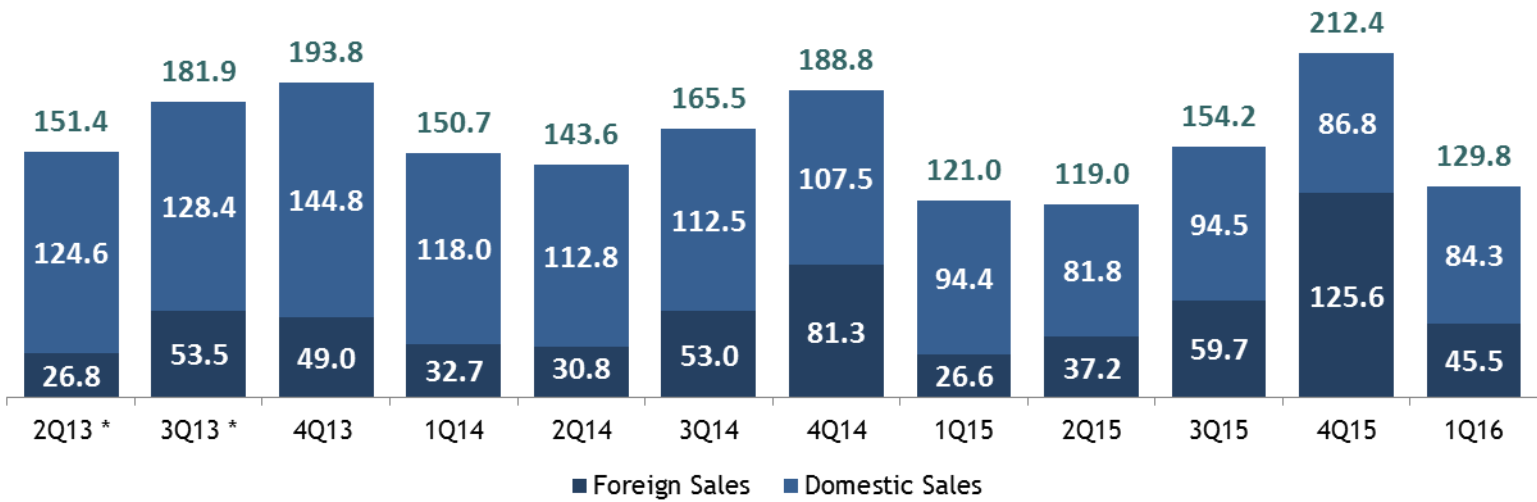
1Q15



1Q16



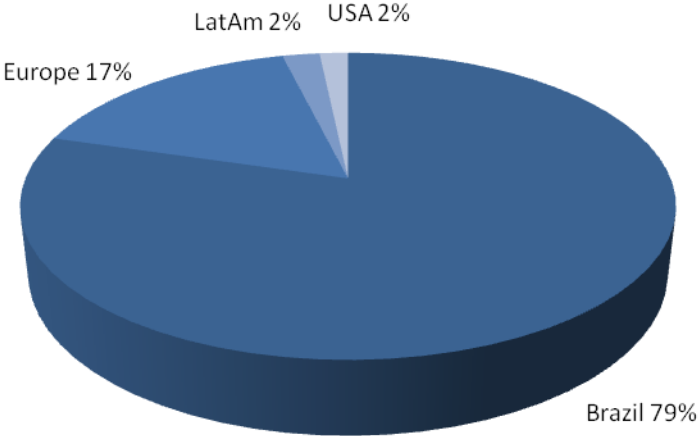
Net Operating Sales (R\$ million)



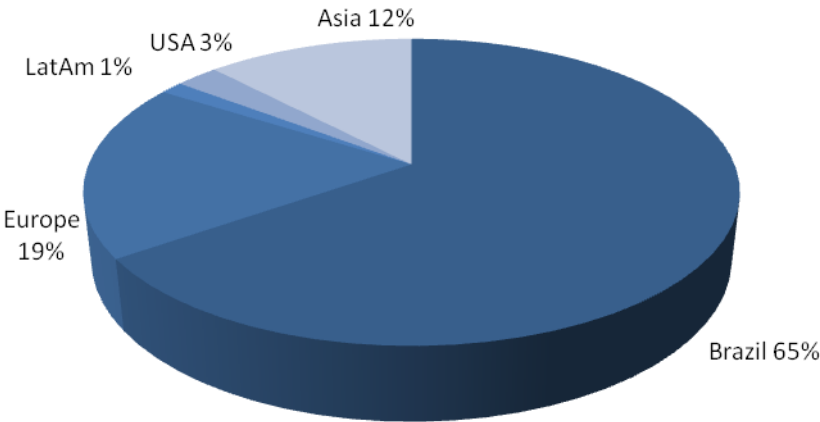
* Amounts relating to continued operations, excluding revenues from the subsidiary Romi Italia, which are presented as discontinued operations,



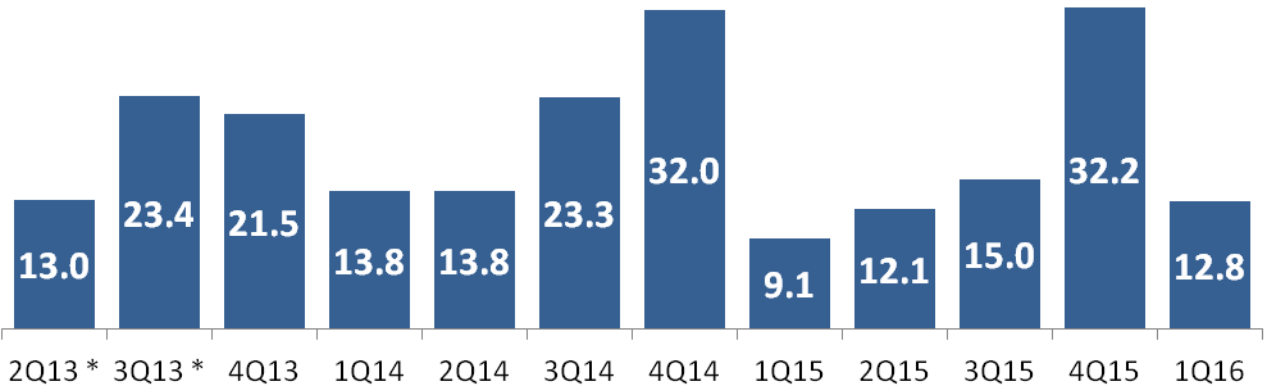
1Q15



1Q16



Foreign Sales (US\$ million)



* Amounts relating to continued operations, excluding the revenue from the subsidiary Romi Italia, which are presented as discontinued operations,



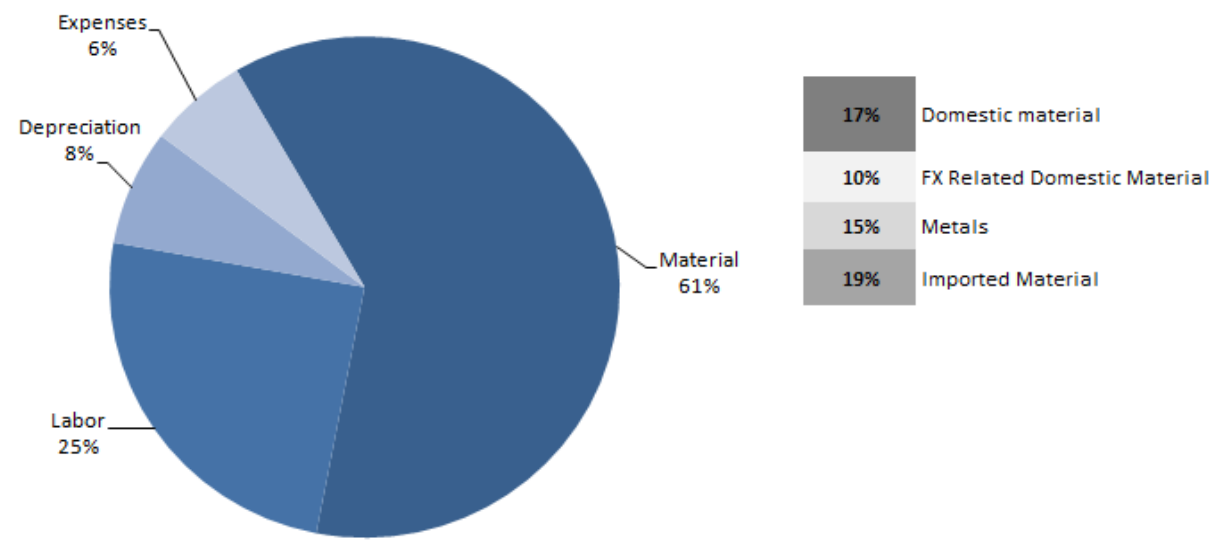
Order Entry (R\$ 000) Gross Values, sales taxes included	1Q15	4Q15	1Q16	Chg. 1Q16/4Q15	Chg. 1Q16/1Q15
Romi Machines	52,247	68,467	58,956	-13.9%	12.8%
Burkhardt+Weber Machines	9,552	11,061	8,958	-19.0%	-6.2%
Rough and Machined Cast Iron Parts	32,802	21,022	52,435	149.4%	59.9%
Total	94,602	100,551	120,349	19.7%	27.2%

Order Book (R\$ 000) Gross Values, sales taxes included	1Q15	4Q15	1Q16	Chg. 1Q16/4Q15	Chg. 1Q16/1Q15
Romi Machines	83,967	72,647	75,862	4.4%	-9.7%
Burkhardt+Weber Machines	119,621	75,673	57,062	-24.6%	-52.3%
Rough and Machined Cast Iron Parts	56,953	95,221	103,277	8.5%	81.3%
Total *	260,541	243,540	236,201	-3.0%	-9.3%

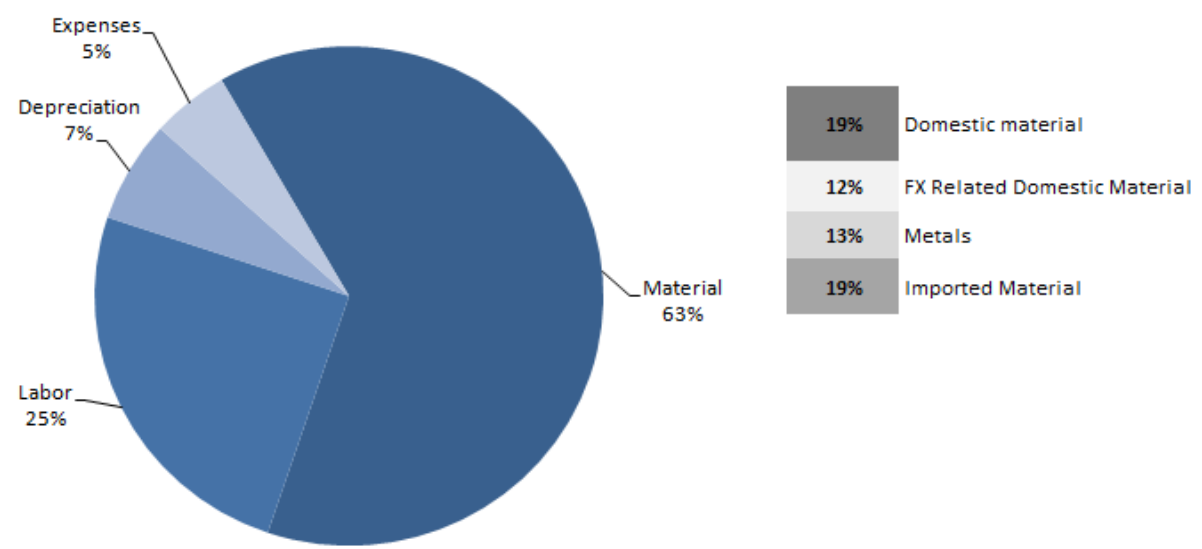
Cost of Goods Sold



1Q16

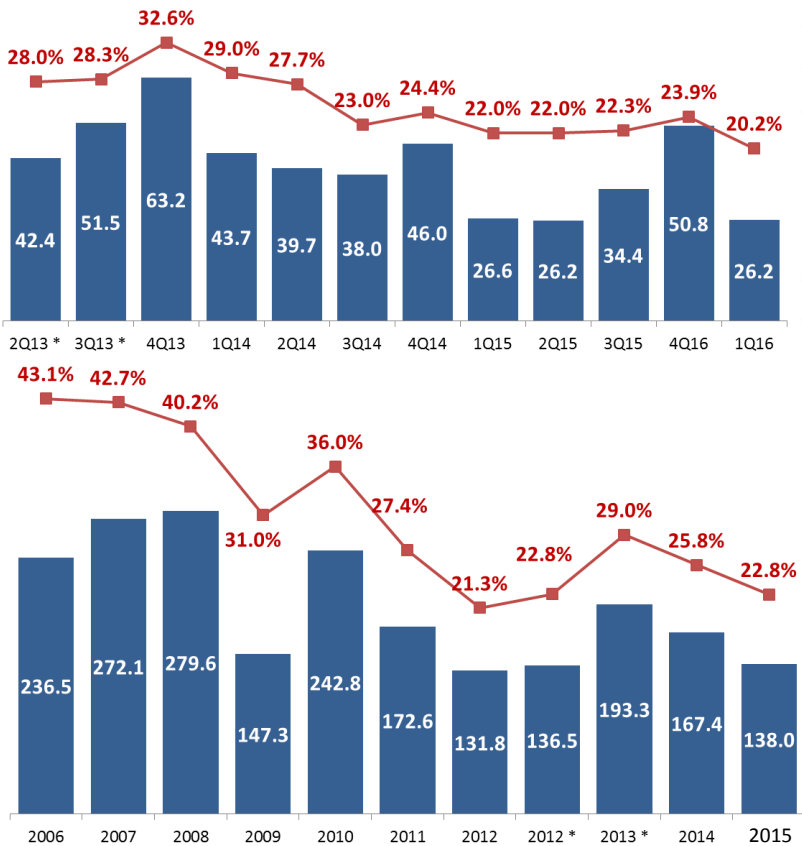


1Q15

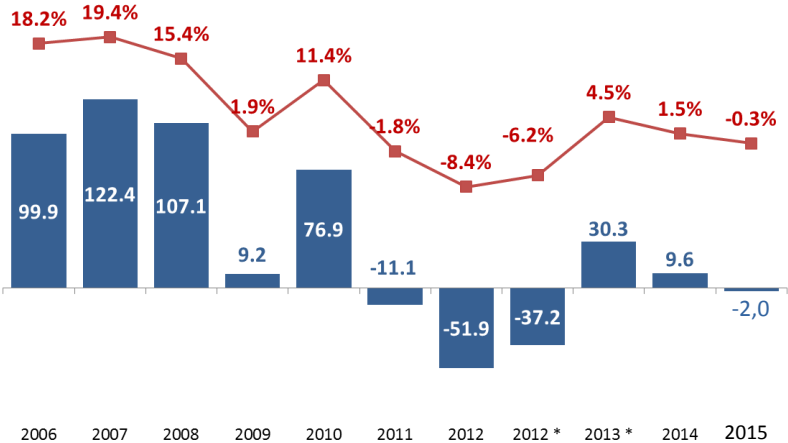
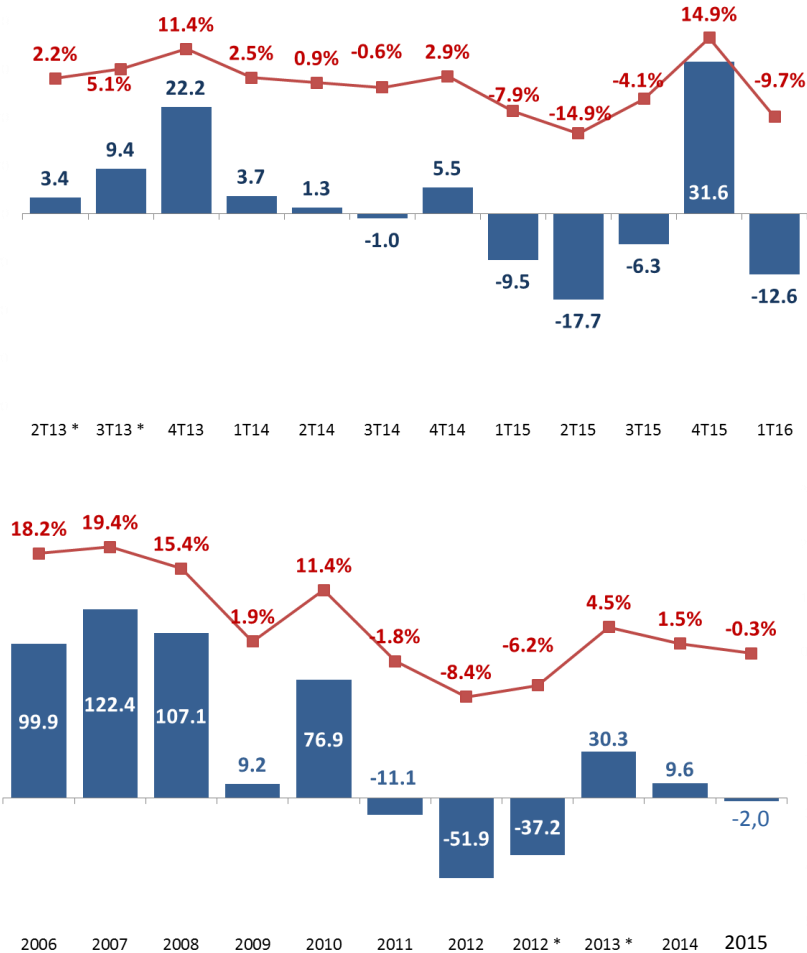




Gross Profit (R\$ million) and Gross Margin



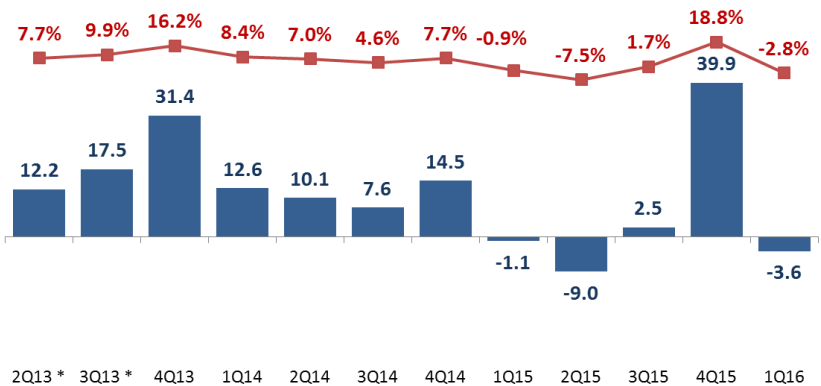
Operating Profit (loss) (R\$ million) and Operating Margin



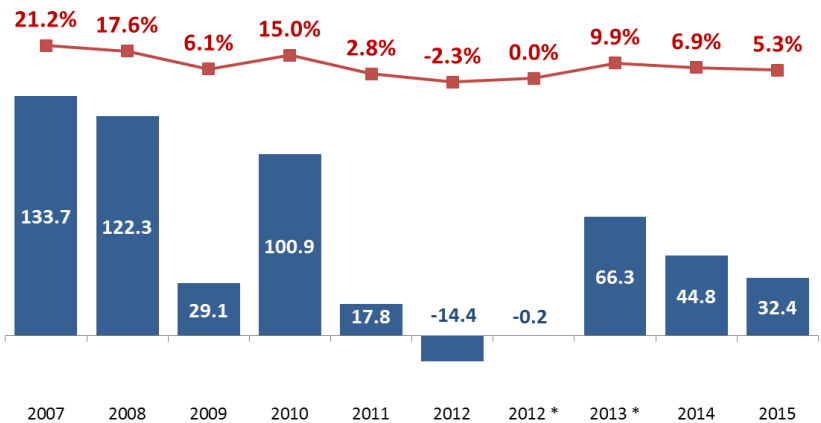
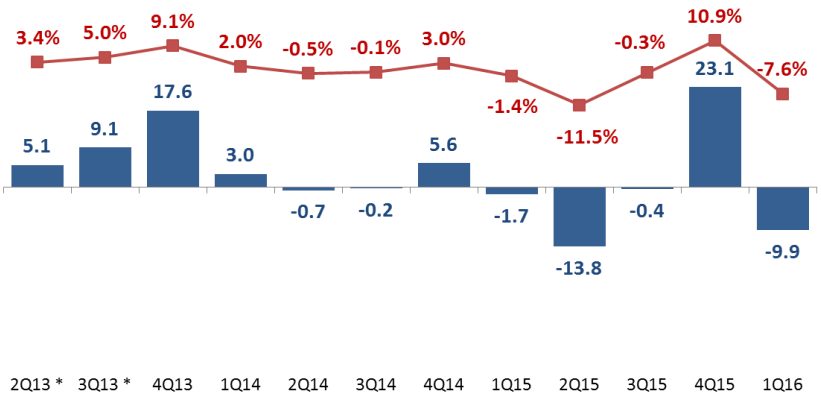
* Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia



EBITDA (R\$ million) and EBITDA Margin



Net Income (loss) (R\$ million) and Net Margin



* Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

Business Units' Results

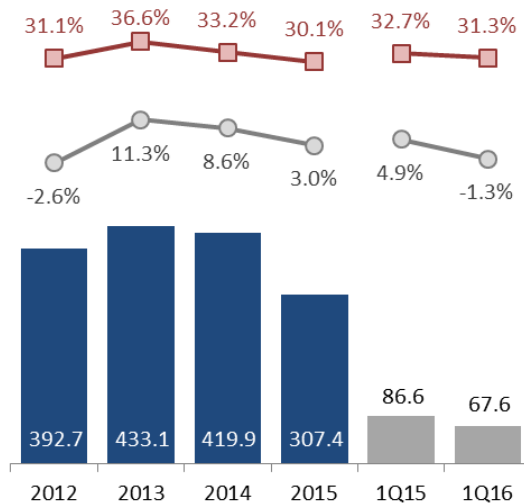


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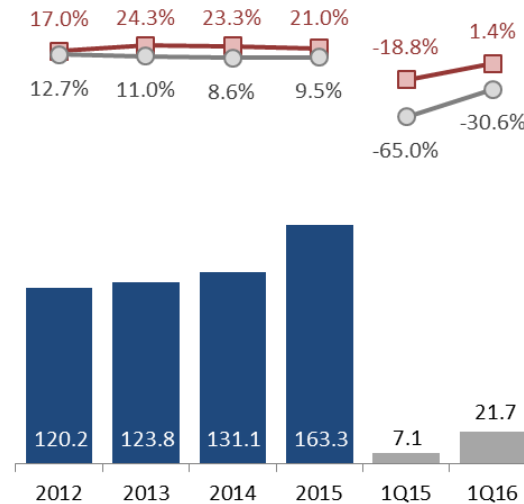
	Quarterly				
Sales	1Q15	2Q15	3Q15	4Q15	1Q16
Romi Machines (qty)	244	116	127	131	123
Burkhardt+Weber machines (qty)	1	3	6	11	3
Cast Iron Parts (ton)	3,632	4,060	4,956	4,109	4,240

(*) Does not include used machines

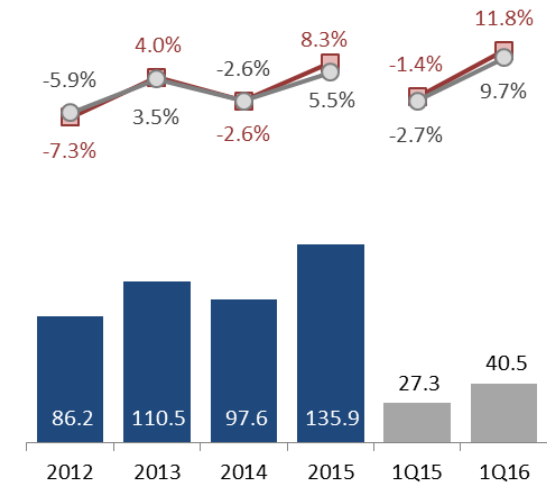
Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBITDA



Cash and Cash Equivalent – R\$ million – 03/31/2016

	Amount
Bank Deposit Certificate (CDB)	68.0
Financial Investment with Bonds	61.5
Financial Investment in foreign currency	6.4
Banks	5.8
Total	141.7

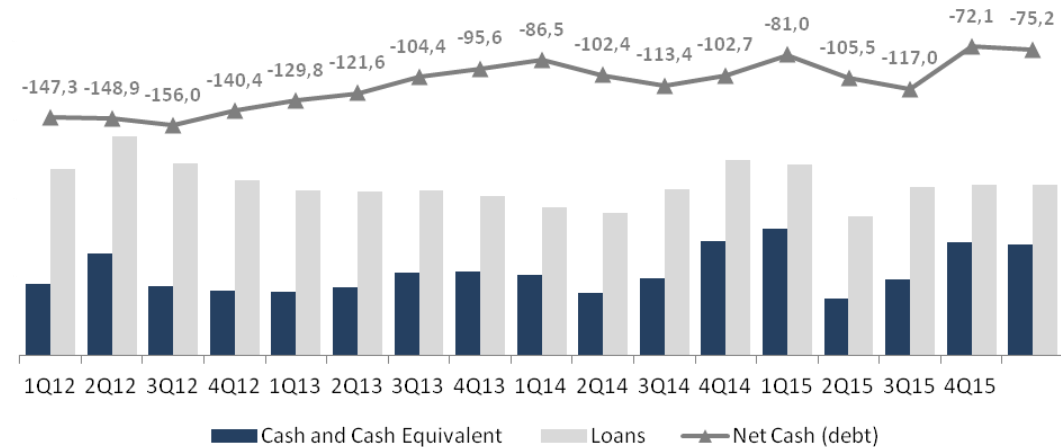
Net Debt = 75.2

Loans* – R\$ million – 03/31/2016

	Amount
2016	42.8
2017	89.5
2018	49.9
2019	10.1
2020 and afterwards	24.6
Total	216.9

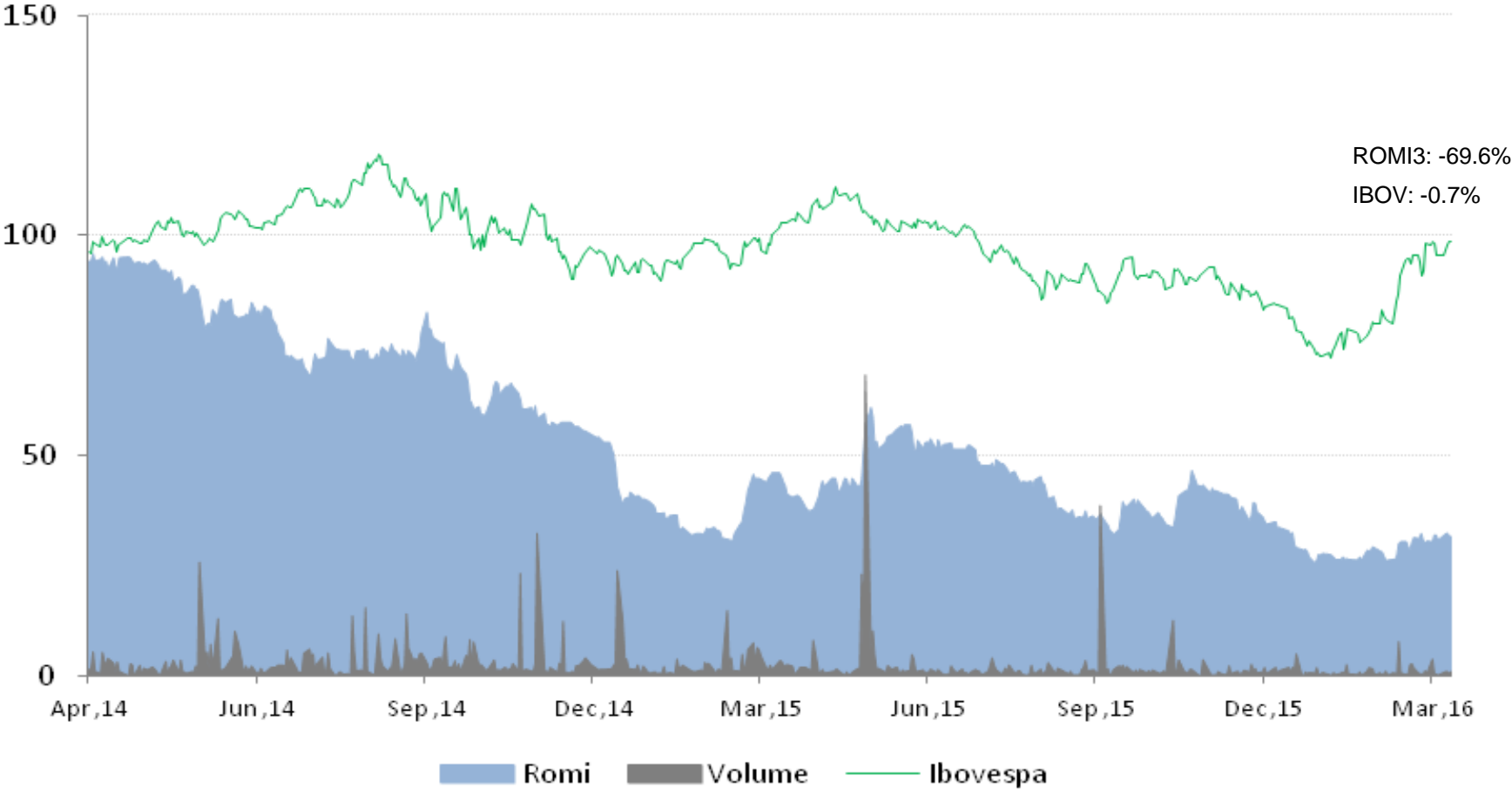
(*) without Finame Manufacturer

Net Cash (Debt) Position
R\$ million





Share Performance ROMI3 vs, Ibovespa
From 04/01/2014 to 03/31/2016

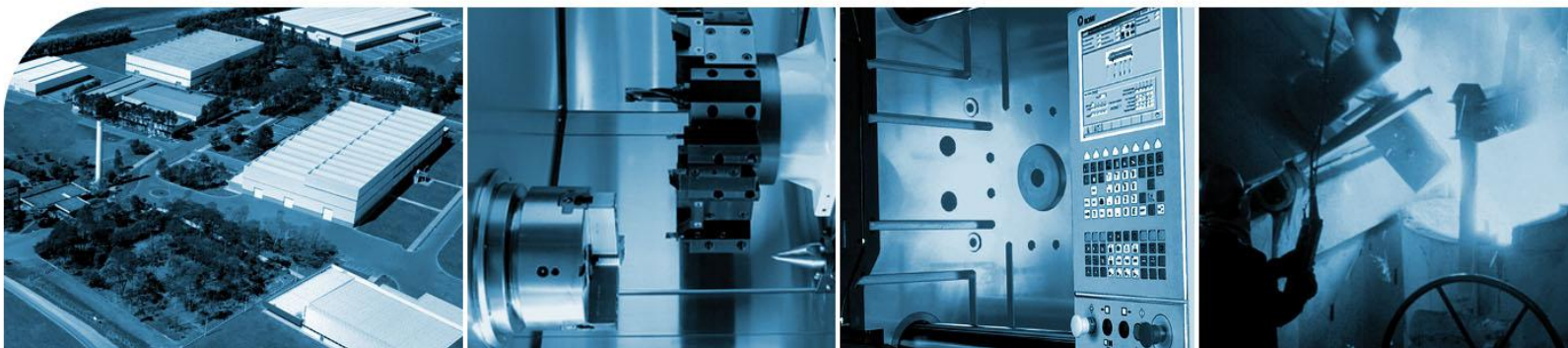


Source: *BM&FBovespa*



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