

(A free translation of the original in Portuguese)

**Indústrias Romi S.A.
Quarterly information (ITR) at
September 30, 2016
and report on review of
quarterly information**



Report on Review of Quarterly Information

To the Board of Directors and Shareholders
Indústrias Romi S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Indústrias Romi S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2016, comprising the balance sheet at that date and the statements of income and comprehensive income for the quarter and nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.



Indústrias Romi S.A.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the nine-month period ended September 30, 2016. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Campinas, October 25, 2016

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PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

A handwritten signature in blue ink, appearing to read "Marcos Roberto Sponchiado".

Marcos Roberto Sponchiado
Contador CRC 1SP175536/O-5

INDÚSTRIAS ROMI S.A.
BALANCE SHEET

(In thousands of reais unless otherwise stated)

	Parent Company		Consolidated			Parent Company		Consolidated	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015		September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
ASSETS					LIABILITIES AND EQUITY				
CURRENT					CURRENT				
Cash and cash equivalents	100,824	102,580	139,721	144,581	Borrowings	64,141	41,857	68,062	45,825
Trade accounts receivable	68,808	56,010	104,848	122,126	FINAME manufacturer financing	70,501	82,785	70,501	82,785
Onlending of FINAME manufacturer financing	106,754	120,908	106,754	120,908	Trade accounts payable	30,869	20,330	37,241	28,400
Inventories	189,750	192,596	271,858	267,786	Payroll and related taxes	26,287	17,656	30,686	20,834
Related parties	34,516	33,022	-	-	Taxes payable	1,574	2,144	2,408	6,354
Taxes recoverable	20,063	19,196	24,104	22,923	FINAME manufacturer financing	8,466	11,614	52,939	37,851
Other receivables	14,379	21,695	18,998	23,208	Dividends and interes on capital	-	1,487	-	1,487
					Profit sharing	158	527	158	527
	535,094	546,007	666,283	701,532	Other payables	6,489	6,346	17,809	23,499
					Provision for net capital deficiency - subsidiary	-	4	-	-
NON-CURRENT					Related parties	590	634	-	-
Trade accounts receivable	10,628	8,941	10,628	8,941		209,075	185,384	279,804	247,562
Onlending of FINAME manufacturer financing	76,802	99,541	76,802	99,541	NON-CURRENT				
Related parties	375	798	-	-	Borrowings	123,942	152,227	138,623	170,817
Taxes recoverable	919	1,203	919	1,203	FINAME manufacturer financing	71,167	92,124	71,167	92,124
Deferred income tax and social contribution	52,544	48,738	55,643	48,738	Taxes payable	539	539	539	545
Judicial deposits	2,690	2,627	2,690	2,627	Provision for tax, labor and divil risks	814	1,459	814	1,459
Other receivables	7,302	5,577	7,558	5,959	Other payables	3	29	284	505
	151,260	167,425	154,240	167,009	Deferred income tax and social contribution	-	-	27,596	32,711
						196,465	246,378	239,023	298,161
Investment in subsidiary and associated companies	131,391	172,667	-	-	TOTAL LIABILITIES	405,540	431,762	518,827	545,723
Property, plant and equipment	198,917	199,931	261,523	277,809	EQUITY				
Investment properties	13,697	15,978	18,008	17,000	Capital	492,025	492,025	492,025	492,025
Intangible assets	897	473	46,004	55,368	Treasury shares	-	(5,078)	-	(5,078)
	496,162	556,474	479,775	517,186	Profit reserve	129,938	140,721	129,938	140,721
					Accumulated deficit	(19,463)	-	(19,463)	-
					Cumulative translation adjustments	23,216	43,051	23,216	43,051
						625,716	670,719	625,716	670,719
TOTAL ASSETS	1,031,256	1,102,481	1,146,058	1,218,718	NON CONTROLLING INTEREST	-	-	1,515	2,276
					TOTAL EQUITY	625,716	670,719	627,231	672,995
					TOTAL LIABILITIES AND EQUITY	1,031,256	1,102,481	1,146,058	1,218,718

The accompanying notes are an integral part of these Interim financial statements

INDÚSTRIAS ROMI S.A.
STATEMENT OF INCOME
QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30

All amounts in thousands of reais unless otherwise stated

			Parent Company	
	Current quarter	Accumulated for	Current quarter	Accumulated for
	07/01/2016 to	current year	07/01/2016 to	current year
	09/30/2016	01/01/2016 to	09/30/2016	01/01/2016 to
		09/30/2016		09/30/2016
Net operating revenue	124,957	332,462	104,100	309,845
Cost of sales and services	(103,937)	(270,223)	(80,003)	(243,122)
Gross profit	21,020	62,239	24,097	66,723
Operation income (expenses)				
Selling	(12,729)	(32,994)	(11,314)	(36,077)
General and administrative	(8,412)	(24,667)	(8,697)	(29,062)
Research and development	(4,562)	(13,210)	(4,444)	(14,262)
Management profit sharing and fees	(1,341)	(3,831)	(1,133)	(3,897)
Equity income	(2,233)	(11,327)	(3,371)	(12,789)
Other operating income, net	737	1,912	(740)	33
	(28,540)	(84,117)	(29,699)	(96,054)
Operating loss	(7,520)	(21,878)	(5,602)	(29,331)
Financial income (expenses)				
Financial income	4,793	13,584	3,378	12,937
Financial expenses	(3,773)	(11,549)	(4,141)	(15,662)
Foreign exchange gains, net	699	(3,426)	7,301	13,993
	1,719	(1,391)	6,538	11,268
Profit (loss) before taxation	(5,801)	(23,269)	936	(18,063)
Income tax and social contribution	1,162	3,806	(1,414)	2,039
Loss for the period	(4,639)	(19,463)	(478)	(16,024)
Basic and diluted loss per share (R\$)	(0.07)	(0.31)	(0.01)	(0.23)

The accompanying notes are an integral part of these Interim financial statements

INDÚSTRIAS ROMI S.A.

STATEMENT OF INCOME

QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30

All amounts in thousands of reais unless otherwise stated

	Consolidated			
	Current quarter 07/01/2016 to 09/30/2016	Accumulated for current year 01/01/2016 to 09/30/2016	Current quarter 07/01/2015 to 09/30/2015	Accumulated for current year 01/01/2015 to 09/30/2015
Net operating revenue	153,312	433,185	154,248	394,189
Cost of sales and services	(122,586)	(341,085)	(119,839)	(306,988)
Gross profit	30,726	92,100	34,409	87,201
Operation income (expenses)				
Selling	(19,313)	(52,264)	(18,279)	(51,642)
General and administrative	(14,198)	(48,147)	(15,829)	(49,515)
Research and development	(4,562)	(13,210)	(4,444)	(14,262)
Management profit sharing and fees	(1,364)	(3,903)	(1,157)	(3,973)
Other operating income, net	754	1,875	(1,036)	(1,417)
	(38,683)	(115,649)	(40,745)	(120,809)
Operating loss	(7,957)	(23,549)	(6,336)	(33,608)
Financial income (expenses)				
Financial income	5,711	15,833	3,722	14,734
Financial expenses	(4,871)	(14,210)	(4,376)	(16,236)
Foreign exchange gains, net	703	(3,793)	7,273	13,849
	1,543	(2,170)	6,619	12,347
Profit (loss) before taxation	(6,414)	(25,719)	283	(21,261)
Income tax and social contribution	1,833	6,427	(696)	5,460
Loss for the period	(4,581)	(19,292)	(413)	(15,801)
Attributable to:				
Controlling Interests	(4,639)	(19,463)	(478)	(16,024)
Non-controlling interests	58	171	65	223

The accompanying notes are an integral part of these Interim financial statements

INDÚSTRIAS ROMI S.A.

**STATEMENTS OF COMPREHENSIVE INCOME
QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30**

All amounts in thousands of reais unless otherwise stated

	Accumulated for		Parent Company Accumulated for	
	Current quarter 07/01/2016 to 09/30/2016	current year 01/01/2016 to 09/30/2016	Current quarter 07/01/2015 to 09/30/2015	current year 01/01/2015 to 09/30/2015
Loss for the quarter	(4,639)	(19,463)	(478)	(16,024)
Foreign currency translation effects	2,893	(19,835)	28,733	33,585
Comprehensive profit (loss) for the period	<u>(1,746)</u>	<u>(39,298)</u>	<u>28,255</u>	<u>17,561</u>

The accompanying notes are an integral part of these Interim financial statements

INDÚSTRIAS ROMI S.A.**STATEMENTS OF COMPREHENSIVE INCOME
QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30**

All amounts in thousands of reais unless otherwise stated

		Accumulated for		Consolidated Accumulated for
	Current quarter 07/01/2016 to 09/30/2016	current year 01/01/2016 to 09/30/2016	Current quarter 07/01/2015 to 09/30/2015	current year 01/01/2015 to 09/30/2015
Loss for the quarter	(4,581)	(19,292)	(413)	(15,801)
Foreign currency translation effects	2,893	(19,835)	28,733	33,585
Comprehensive profit (loss) for the period	<u>(1,688)</u>	<u>(39,127)</u>	<u>28,320</u>	<u>17,784</u>
Attributable to:				
Controlling Interests	(1,746)	(39,298)	28,255	17,561
Non-controlling interest	58	171	65	223
	<u>(1,688)</u>	<u>(39,127)</u>	<u>28,320</u>	<u>17,784</u>

The accompanying notes are an integral part of these Interim financial statements

INDÚSTRIAS ROMI S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

All amounts in thousands of reais unless otherwise stated

	Attributable to the controlling interests									
				Profit reserve				Reitaned earnings		Non-
	Capital	Capital reserve	Treasury share	Reitaned earnings	Legal reserve	Total	Comprehensive Income	(accumulated deficit)	Total	Controlling Interests
										Total
At January 1, 2015	489,973	2,052	(10,349)	104,859	41,442	146,301	14,560	-	642,537	1,624
Profit (loss) for the period	-	-	-	-	-	-	-	(16,024)	(16,024)	223
Foreign currency translation effects	-	-	-	-	-	-	33,585	-	33,585	-
Total comprehensive income for the period	-	-	-	-	-	-	33,585	(16,024)	17,561	223
Purchase of treasury shares	-	-	(3,914)	-	-	-	-	-	(3,914)	-
Cancellation of Shares treasury	-	-	10,349	(10,349)	-	(10,349)	-	-	-	-
Capital increase	2,052	(2,052)	-	-	-	-	-	-	-	-
Proposed dividends	-	-	-	-	-	-	-	-	-	(325)
Total contributions by and distributions to controlling interests	2,052	(2,052)	6,435	(10,349)	-	(10,349)	-	-	(3,914)	(325)
At September 30, 2016	492,025	-	(3,914)	94,510	41,442	135,952	48,145	(16,024)	656,184	1,522
At January 1, 2016	492,025	-	(5,078)	98,966	41,755	140,721	43,051	-	670,719	2,276
Profit (loss) for the period	-	-	-	-	-	-	-	(19,463)	(19,463)	171
Foreign currency translation effects	-	-	-	-	-	-	(19,835)	-	(19,835)	-
Total comprehensive income for the period	-	-	-	-	-	-	(19,835)	(19,463)	(39,298)	171
Purchase of treasury shares	-	-	(5,705)	-	-	-	-	-	(5,705)	-
Cancellation of Shares treasury	-	-	10,783	(10,783)	-	(10,783)	-	-	-	-
Proposed dividends	-	-	-	-	-	-	-	-	-	(932)
Total contributions by and distributions to controlling interests	-	-	5,078	(10,783)	-	(10,783)	-	-	(5,705)	(932)
At September 30, 2016	492,025	-	-	88,183	41,755	129,938	23,216	(19,463)	625,716	1,515

The accompanying notes are an integral part of these Interim financial statements

INDÚSTRIAS ROMI S.A.
STATEMENT OF CASH FLOWS
QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30

All amounts in thousands of reais unless otherwise stated

	Parent Company		Consolidated	
	2016	2015	2016	2015
<u>Cash flows from operating activities</u>				
Loss before taxation	(23,269)	(18,063)	(25,719)	(21,261)
Adjustments from:				
(Revenue), finance expenses and exchange rate	11,629	(8,377)	7,576	12,334
Depreciation and amortization	20,685	20,040	26,132	26,085
Allowance for doubtful accounts and for other receivables	(1,008)	(130)	(2,272)	(224)
Provision for inventory losses	(1,161)	7,570	(4,803)	7,680
Cost of property, plant and quipment and disposals of intangible assets	(841)	304	(444)	2,935
Equity in subsidiaries, net of dividends received	11,327	12,789	-	-
Provision for contingent liabilities	(1,563)	(2,332)	(95)	936
Changes in operating assets and liabilities				
Trade accounts receivables	(16,215)	19,485	15,125	14,502
Related parties (assets and liabilities)	(965)	(9,879)	-	2,329
Onlending of FINAME manufacturer financing	38,623	62,025	38,623	62,025
Inventory	4,007	2,354	732	(70,247)
Taxes recoverable	(609)	895	(7,802)	(5,259)
Judicial Deposits	(68)	(1,514)	(68)	(4,782)
Other receivables	10,482	14,850	7,502	13,906
Suppliers	11,287	2,421	9,589	5,546
Payroll and related taxes	8,892	10,137	10,113	13,600
Taxes payable	(570)	(5,209)	(2,107)	7,633
Advances from customers	(3,148)	643	15,088	27,862
Other payables	(15)	160	(7,539)	2,257
Cash provided by operations	67,500	108,169	79,631	97,857
Income tax and social contribution paid	-	-	(533)	(650)
Net cash provided by operating activities	67,500	108,169	79,098	97,207
<u>Cash flow investment activities</u>				
Purchases of property, plant and equipment	(20,864)	(9,739)	(22,231)	(11,387)
Intangibles increase	(59)	-	(76)	-
Disposals of property, plant and equipment	1,567	1,188	1,566	1,189
Dividends received	12,542	4,378	-	-
Capital increase	(50)	(10,311)	-	-
Net cash used by investment activities	(6,864)	(14,484)	(20,741)	(10,198)
<u>Cash flow from financing activities</u>				
Interest on capital and dividends paid	(1,483)	(1,717)	(2,415)	(2,043)
Purchase of treasury shares	(5,705)	(3,914)	(5,705)	(3,914)
New borrowing	18,799	39,337	31,075	72,871
Payment of the financing	(25,822)	(93,356)	(36,471)	(122,814)
Interest paid	(9,536)	(9,534)	(10,916)	(10,372)
New FINAME - manufacturer financing	33,891	59,090	33,891	59,090
Payment of FINAME - manufacturer financing	(67,245)	(112,276)	(67,245)	(112,276)
Interest paid - FINAME manufacturer financing	(5,291)	(7,248)	(5,291)	(7,248)
Net cash used in financing activities	(62,392)	(129,618)	(63,077)	(126,706)
Decrease in cash and cash equivalents	(1,756)	(35,933)	(4,720)	(39,697)
Cash and cash equivalentes at the beginning of the period	102,580	106,170	144,581	145,580
Foreign exchange losses of cash equivalents of foreign subsidiaries	-	-	(140)	(9,314)
Cash and cash equivalents at the end of the period	100,824	70,237	139,721	96,569
<u>Transactions not affecting cash</u>				
Capital increase in subsidiary through capitalization of assets	2,382			

INDÚSTRIAS ROMI S.A.
**STATEMENT OF VALUE ADDED
QUARTERS AND NINE MONTHS ENDED SEPTEMBER 30**

All amounts in thousands of reais unless otherwise stated

	Parent Company		Consolidated	
	2016	2015	2016	2015
Revenues				
Sales of products and services	379,976	364,865	480,944	448,925
Allowance for doubtful accounts and for the other receivables	774	(1,365)	774	(1,366)
	<u>380,750</u>	<u>363,500</u>	<u>481,718</u>	<u>447,559</u>
Inputs acquired from third parties				
Materials used	(171,342)	(153,043)	(199,286)	(194,999)
Others costs of products and services	(30,371)	(13,524)	(38,141)	(27,776)
Electricity, third party services and other expenses	(22,949)	(22,287)	(27,888)	(26,418)
	<u>(224,662)</u>	<u>(188,854)</u>	<u>(265,315)</u>	<u>(249,193)</u>
Gross value added	156,088	174,646	216,403	198,366
Depreciation and amortization	(20,685)	(20,041)	(26,132)	(26,085)
Net value added generated by the Company	<u>135,403</u>	<u>154,605</u>	<u>190,271</u>	<u>172,281</u>
Value added received through transfers				
Equity in the earnings of subsidiaries	(11,327)	(12,798)	-	-
Financial income and net foreign exchange gains	(1,391)	11,268	(2,170)	12,347
	<u>(12,718)</u>	<u>11,268</u>	<u>(2,170)</u>	<u>12,347</u>
Total value added to distribute	<u>122,685</u>	<u>153,075</u>	<u>188,101</u>	<u>184,628</u>
Distribution of value added				
Employees				
Payroll and related charges	87,915	96,095	149,714	136,792
Sales commission	3,363	3,478	3,363	3,478
Management profit sharing and fees	3,830	3,897	3,900	3,971
Pensions plans	451	2,395	451	2,395
Taxes				
Federal	30,832	34,107	31,718	34,158
State	348	5,986	348	5,986
Municipal	1,357	1,048	1,357	1,048
Interests	11,549	15,662	14,210	6,393
Rentals	2,503	6,431	2,503	6,431
Non-controlling interests	-	-	(171)	-
Losses for the period	<u>(19,463)</u>	<u>(16,024)</u>	<u>(19,292)</u>	<u>(16,024)</u>
Value added distributed	<u>122,685</u>	<u>153,075</u>	<u>188,101</u>	<u>184,628</u>

The accompanying notes are an integral part of these Interim financial statements

Indústrias Romi S.A.

Notes to the quarterly information (ITR)

at September 30, 2016

All amounts in thousands of reais unless otherwise stated

1 General information

Indústrias Romi S.A. (the "Parent company" and/or "Company") and its subsidiaries (together referred to as the "Company" and/or as "Consolidated"), has been listed on the "New Market" of the São Paulo Stock Exchange ("Bovespa") since March 23, 2007, and is based in Santa Barbara D'Oeste, São Paulo. The Company is engaged in the assembly and sale of capital goods in general, including machine tools, plastic injection molding machines, industrial equipment and accessories, tools, castings and parts, as well as providing systems analysis and developing data processing software related to the production, sale, and use of machine tools and plastic injectors; the manufacture and sale of raw cast parts and machined cast parts; export and import; representation on its own account or on behalf of third parties; and the provision of related services. It also holds investments in other companies, and manages its own and/or third party assets.

The Company's industrial facilities consist of 11 plants in three units located in the city of Santa Bárbara D'Oeste, in the State of São Paulo, and one located in the city of Reutlingen, Germany. The latter is a large tooling machine manufacturer. The Company also holds investments in subsidiaries in Brazil and abroad.

This quarterly information was approved by the Company's Board of Directors and authorized for issue on October 25, 2016.

2 Basis of preparation and accounting policies

The financial information for the quarter ended September 30, 2016 of the Company has been prepared in accordance with CVM Resolution 673, of October 20, 2011, which approves accounting standard CPC 21 (R1) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The accounting policies adopted by the Company in the preparation of the parent company and consolidated quarterly financial information are the same as those used in the preparation of the financial statements for the year ended December 31, 2015 and, therefore, both should be read together, except for the accounting policies related to segment reporting, as described in Note 17 to this quarterly information.

The parent company and consolidated quarterly financial information has been prepared in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee ("CPC"), as well as according to the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and contains all material information specific to the quarterly information, which is consistent with that used by management.

As there is no difference between the consolidated equity and consolidated profit attributable to the owners of the Company, disclosed in the consolidated quarterly information prepared in accordance with IFRS and accounting practices adopted in Brazil, and the Company's equity and profit disclosed in the parent company financial information prepared in accordance with accounting practices adopted in Brazil, the Company elected to present this parent company and consolidated quarterly information in a single set.

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2016

All amounts in thousands of reais unless otherwise stated

The purpose of the statement of value added is to disclose the wealth created by the Company and its distribution during a certain period, and is presented by the Company, as required by the Brazilian Corporate Law, as an integral part of its parent company quarterly information, and as supplementary information to the consolidated quarterly information, since this statement is not required by IFRS.

(a) Notes included in the financial statements as at December 31, 2015 not included in this quarterly information

The quarterly information is presented in accordance with accounting standard CPC 21 and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB). The preparation of this quarterly information involves judgment by the Company's management on the relevance and changes that should be disclosed in the notes. Accordingly, this quarterly information includes selected notes and does not comprise all notes presented in the year ended December 31, 2015. As permitted by Circular Letter 03/2011 of the Brazilian Securities Commission (CVM), the following notes are not presented:

- Basis of preparation and accounting policies (Note 2);
- Pension plan (Note 17);
- Insurance (Note 18);
- Financial instruments and operating risks (Note 19);
- Net operating revenue (Note 22);
- Expenses by nature (Note 23);
- Finance income (costs) (Note 24); and
- Other operating income, net (Note 25).

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2016

All amounts in thousands of reais unless otherwise stated

3 Cash and cash equivalents

	Parent company		Consolidated	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
Cash and banks	2,790	1,529	17,924	26,267
Bank Deposit Certificates ("CDBs") (a)	18,191	65,655	34,972	81,164
Short-term investments backed by debentures (a)	78,181	32,025	80,181	33,775
Short-term investments in foreign currency - US\$ (Time deposit)	1,509	2,413	6,485	2,413
Other	153	958	159	962
Total	<u>100,824</u>	<u>102,580</u>	<u>139,721</u>	<u>144,581</u>

- (a) These investments are substantially pegged to the Interbank Deposit Certificate ("CDI") interest rate.

4 Trade accounts receivable

	Parent company		Consolidated	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
Current				
Domestic customers	66,821	55,271	66,821	73,085
Foreign customers	4,627	3,414	44,792	57,105
Allowance for doubtful accounts	<u>(2,640)</u>	<u>(2,675)</u>	<u>(6,765)</u>	<u>(8,064)</u>
	<u>68,808</u>	<u>56,010</u>	<u>104,848</u>	<u>122,126</u>
Non-current				
Domestic customers	9,586	8,967	9,586	8,967
Foreign customers	1,356	353	1,356	353
Allowance for doubtful accounts	<u>(314)</u>	<u>(379)</u>	<u>(314)</u>	<u>(379)</u>
	<u>10,628</u>	<u>8,941</u>	<u>10,628</u>	<u>8,941</u>

The Company's maximum exposure to credit risk is the balance of trade accounts receivable. The balance of current trade accounts receivable as at September 30, 2016 and December 31, 2015, Parent company and Consolidated, is distributed as follows:

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	Parent company		Consolidated	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
Not yet due	60,743	43,486	86,613	98,007
Past due:				
1 to 30 days	3,542	5,112	7,350	7,833
31 to 60 days	819	774	4,046	3,712
61 to 90 days	305	627	629	1,807
91 to 180 days	656	1,435	1,603	2,934
181 to 360 days	1,250	3,325	2,649	7,352
Over 360 days	4,133	3,926	8,723	8,545
	10,705	15,199	25,000	32,183
Total	71,448	58,685	111,613	130,190
Allowance for doubtful accounts	(2,640)	(2,675)	(6,765)	(8,064)
Total – current	68,808	56,010	104,848	122,126

The balance of non-current trade accounts receivable as at September 30, 2016, Parent company and Consolidated, is distributed as follows:

	Parent company and Consolidated
Not yet due:	
2017 (3 months)	3,664
2018	6,251
2019	713
Total - non-current	10,628

The changes in the allowance for doubtful accounts, Parent company and Consolidated, are as follows:

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	<u>Parent company</u>	<u>Consolidated</u>
As at December 31, 2015	3,054	8,443
Allowance recognized (reversed) in the period	63	(311)
Receivables written off	(163)	(884)
Foreign exchange rate variations	-	(169)
As at September 30, 2016	<u>2,954</u>	<u>7,079</u>

5 Receivables - onward lending of FINAME manufacturer financing

	<u>Parent company and Consolidated</u>	
	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Current		
FINAME not yet due	79,630	95,640
FINAME awaiting release (a)	370	399
FINAME past due (b)	<u>38,749</u>	<u>37,230</u>
	118,749	133,269
Allowance for doubtful accounts	<u>(11,995)</u>	<u>(12,361)</u>
	<u>106,754</u>	<u>120,908</u>
Non-current		
FINAME not yet due	76,751	99,916
FINAME awaiting release (a)	<u>1,480</u>	<u>1,596</u>
	78,231	101,512
Allowance for doubtful accounts	<u>(1,429)</u>	<u>(1,971)</u>
	<u>76,802</u>	<u>99,541</u>
Total	<u>183,556</u>	<u>220,449</u>

The item "Receivables - onward lending of FINAME manufacturing financing" refers to sales to customers financed by funds from the National Bank for Economic and Social Development ("BNDES") (Note 13).

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FINAME manufacturer line PSI is a line specifically linked to sales transactions, used by Romi with terms of up to 48 months, with grace periods between three and six months and fixed costs between 2.5% and 9.5% per year, in accordance with the terms defined by the BNDES at the time of the transaction. The Line PSI (Investment Support Program) was one of the measures adopted by the federal government to foster investment and consumption, started in June 2009, finances capital goods, investments and technology and was in effect through December 2015.

The financing terms are also based on the customer's characteristics. Funds are released by the BNDES by identifying the customer and the sale, as well as checking that the customer has fulfilled the terms of Circular 195 of July 28, 2006 issued by BNDES, through a financial agent, with the formalization of a financing agreement in the name of the Company and consent of the customer to be financed. The amounts, periods and charges of the transaction are fully reflected in the amounts to be received by the Company from the bank mediating the agreement to which the Company is the debtor. The Company retains title to the financed equipment until the final settlement of the obligation by the customer.

The difference between onward lending of FINAME manufacturers' financing receivables and payables include:

- (a) FINAME transactions awaiting release: refers to FINAME manufacturer financing transactions that meet the specified terms and have been approved by all parties involved. The preparation of documentation, the issue of the sales invoice, and the delivery of the equipment to the customer have all taken place. The crediting of the related funds to the Company's account by the agent bank is pending at the end of the reporting period, in view of the normal operating terms of the agent.
- (b) FINAME past due: refers to amounts receivable not settled by customers by their due dates. The Company records provisions for possible losses on the realization of these balances, at the amount of the difference between the expected value of the sale of the collateral (machinery) recovered through the guarantee and the value of the receivables from the customers. In instances in which the machine guaranteed cannot be located, a full loss provision is made for balance of the receivable.

The machines seized as part of the implementation process are recorded at their carrying amount, not exceeding their fair value, under the category of "Other receivables", pending a final court decision, following which they are repossessed and transferred to inventory. As at September 30, 2016, the balance of repossessed machinery, included under in the line item "Other receivables", Parent company and Consolidated, amounted to R\$ 4,575 (R\$ 14,572 as at December 31, 2015) in current assets and R\$ 6,713 (R\$ 5,260 as at December 31, 2015) in non-current assets.

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As at September 30, 2016 and December 31, 2015, the balances of "Receivables - onward lending of FINAME manufacturer financing", Parent company and Consolidated, were as follows:

	Parent company and Consolidated	
	September 30, 2016	December 31, 2015
Not yet due	80,000	96,039
Past due:		
1 to 30 days	2,182	3,108
31 to 60 days	1,428	1,626
61 to 90 days	1,510	1,614
91 to 180 days	3,370	4,452
181 to 360 days	5,570	6,227
Over 360 days	24,689	20,203
	<u>38,749</u>	<u>37,230</u>
Total – current	<u>118,749</u>	<u>133,269</u>

The expected realization of the non-current receivables relating to the onward lending of FINAME manufacturer financing, Parent company and Consolidated, is as follows:

	Parent company and Consolidated
Not yet due:	
2017 (3 months)	15,963
2018	40,932
2019	17,300
2020 and thereafter	<u>4,036</u>
Total - non-current	<u>78,231</u>

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The changes in the allowance for doubtful accounts, Parent company and Consolidated, are as follows:

	Parent company and Consolidated
	September 30, 2016
Opening balance	14,332
Allowance written of during the period	(908)
Closing balance	<u>13,424</u>

6 Inventory

	Parent company		Consolidated	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
Finished products	38,006	47,858	71,491	77,683
Used machines	30,613	31,159	30,613	31,159
Work in progress	61,696	52,988	89,531	77,681
Raw materials and components	58,516	59,461	79,304	79,566
Imports in transit	919	1,130	919	1,697
Total	<u>189,750</u>	<u>192,596</u>	<u>271,858</u>	<u>267,786</u>

The inventory balances, Parent Company and Consolidated, as at September 30, 2016 are net of the amounts of R\$ 57,475 and R\$60,438, respectively (R\$ 58,636 Parent Company and R\$ 65,241 Consolidated respectively as at December 31, 2015) corresponding to the provision for slow-moving inventory with a remote probability of being realized through sale or use.

The changes in the provision to bring inventories to their net realizable value, Parent Company and Consolidated, are as follows:

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	<u>Parent company</u>	<u>Consolidated</u>
As at December 31, 2015	58,636	65,241
Inventory sold or written off	(28,097)	(28,172)
Provision recorded	11,839	12,330
Foreign exchange rate variations	-	(4,058)
Transfer of provisions resulting from machines repossessed during the period	15,097	15,097
	<u>57,475</u>	<u>60,438</u>
As at September 30, 2016	<u>57,475</u>	<u>60,438</u>

The changes in the provision for inventory losses by class of inventory are as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>September 30, 2016</u>	<u>December 31, 2015</u>	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Finished products	3,792	3,057	6,755	9,662
Used machines	26,260	28,885	26,260	28,885
Work in progress	5,734	6,465	5,734	6,465
Raw materials and components	<u>21,689</u>	<u>20,229</u>	<u>21,689</u>	<u>20,229</u>
Total	<u>57,475</u>	<u>58,636</u>	<u>60,438</u>	<u>65,241</u>

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7

Investments in subsidiaries and associates

The following list shows the investments of the Company in its subsidiaries:

	Subsidiary	Country	Main activity
1.	Romi Itália S.r.l. ("Romi Italy")	Italy	Sale of machine tools, spare parts and technical assistance.
1.1	Romi Machines UK Ltd. (indirect subsidiary – 100% interest)	United Kingdom	Sale of machinery for plastics and machine tools, spare parts and technical assistance.
1.2	Romi France SAS (indirect subsidiary – 100% interest)	France	Sale of machinery for plastics and machine tools, spare parts and technical assistance.
1.3	Romi Máquinas España S.A. (indirect subsidiary – 100% interest)	Spain	Sale of machinery for plastics and machine tools, spare parts and technical assistance.
2.	Romi Europa GmbH ("Romi Europe")	Germany	Distribution of machine tools, spare parts and technical assistance.
2.1	Burkhardt + Weber Fertigungssysteme GmbH ("B+W") (indirect subsidiary – 100% interest)	Germany	Production and sale of large tooling machines with high technology, precision and productivity, as well as machinery for specialized applications.
2.1.1	Riello Sistemi (Riello Shanghai) Trade Co., Ltd (indirect associate – 30% interest)	China	Company sold on August 26, 2015.
2.1.2	Burkhardt + Weber / Romi (Shanghai) Co., Ltd (indirect subsidiary – 100% interest)	China	Sale of machine tools produced by B+W and provision of services (spare parts and technical assistance).
2.1.3	Burkhardt + Weber LLC	United States of America	Sale of machine tools produced by B+W and provision of services (spare parts and technical assistance).
3.	Rominor Comércio, Empreendimentos e Participações S.A. ("Rominor")	Brazil	Real estate activity, including purchases and sales, lease of company-owned properties, exploration of real estate rights, intermediation of real estate businesses, and provisions of sureties and guarantees.
4.	Romi Machine Tools, Ltd. ("Romi Machine Tools")	United States of America	Sales of machine tools, spare parts, technical assistance and cast and machined products in North America.
5.	Romi Empreendimentos Imobiliários S.A. (formerly named INTEROCEAN).	Brazil	Interest in real estate developments.
6.	Romi A.L. S.A. ("Romi A.L.")	Uruguay	Sales representation for operations in the foreign market.
7.	Irsa Maquinas Mexico S. de R. L. de C.V. (formerly named Sandretto México).	Mexico	Sales of machinery for plastics and machine tools, spare parts and technical assistance.

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at September 30, 2016

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	September 30, 2016							
	Romi Italy and subsidiaries (1)	Romi Europe and subsidiaries (2)	Rominor (3)	Romi Machine Tools (4)	Romi Empreendimentos (5)	Romi A.L. (6)	IRSA Máq Mexico (7)	Total
Investments:								
Number of shares held	(a)	(a)	6,191,156	3,000,000	78	13,028,000	1,188,000	
Ownership interest	100.0%	100.0%	93.1%	100.0%	100.0%	100.0%	100.0%	
Current assets	39,509	88,161	18,996	13,206	2,437	5,575	3,448	
Non-current assets	6,456	100,165	2,988	358	-	-	-	
Current liabilities	27,538	60,558	123	11,119	12	-	2,324	
Non-current liabilities	9,979	36,740	-	-	-	-	-	
Equity	8,448	91,028	21,861	2,445	2,425	5,575	1,124	
Changes in investments:								
Investment balance as at December 31, 2015	14,458	114,883	30,567	5,280	(4)	6,253	1,226	172,663
Foreign exchange variations on foreign investments	(2,721)	(15,172)	-	(619)	-	(1,080)	(243)	(19,835)
Capital increase (b)	-	-	-	-	2,432	-	-	2,432
Dividends proposed and paid (c)	-	-	(12,542)	-	-	-	-	(12,542)
Share of profits (losses) of subsidiaries	(3,289)	(8,683)	2,321	(2,216)	(3)	402	141	(11,327)
Equivalent value - closing balance	8,448	91,028	20,346	2,445	2,425	5,575	1,124	131,391
Investments in subsidiaries	8,448	91,028	20,346	2,445	2,425	5,575	1,124	131,391

(a) The subsidiaries' capital is not divided into quotas or shares in their articles of organization.

(b) At the Board of Directors meeting held on June 14, 2016, a capital increase of the subsidiary Romi Empreendimentos Imobiliários S.A. by R\$ 2,432 was approved. The capital increase was made through capitalization of assets, appraised at book value at R\$ 2,382, and through R\$ 50 contributed in cash.

(c) Payment of dividends by the subsidiary ROMINOR, approved on the following dates: (i) by the Annual General Meeting on January 19, 2016, in the amount of R\$ 11,821, related to 2015, and (ii) by the Board of Directors at the meeting held on July 27, 2016, in the amount of R\$ 1,655, related to the second half of 2016. From such payment, the Company received R\$ 11,002 and R\$1,540.

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8 Related party transactions

The balances and transactions with related parties as at September 30, 2016 and December 31, 2015 are as follows:

(i) Balance sheet accounts

	Receivables (current and non-current)		Loan receivables (non-current)		Dividends receivable (current and non-current)		Total receivables		Payables (current)	
	September 30 2016	December 31 2015	September 30 2016	December 31 2015	September 30 2016	December 31 2015	September 30 2016	December 31 2015	September 30 2016	December 31 2015
Direct subsidiaries										
Romi Europe	3,771	4,567	-	-	-	-	3,771	4,567	62	-
Romi Italy	3,504	584	363	700	-	-	3,867	1,284	-	-
Romi Machine Tools	11,234	11,675	-	-	-	-	11,234	11,675	-	-
Romi Empreendimentos	-	-	11	10	-	-	11	10	-	-
Romi A.L.	-	-	-	-	-	-	-	-	504	594
Irsa Máquinas México	1,522	2,458	-	-	-	-	1,522	2,458	-	-
Rominor	4	4	-	-	-	1,549	4	1,553	24	22
Indirect subsidiaries										
B+ W - Burkhardt + Weber	390	-	-	-	-	-	390	-	-	18
Romi France S.A.S.	3,316	3,339	-	-	-	-	3,316	3,339	-	-
Romi Máquinas España S.A.	976	-	-	-	-	-	976	-	-	-
Romi Machines UK	9,800	8,934	-	-	-	-	9,800	8,934	-	-
Total	34,517	31,561	374	710	-	1,549	34,891	33,820	590	634

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(ii) Transactions

The main balances and transactions with the aforementioned related parties refer to trading transactions between the Company and its subsidiaries.

In the Consolidated financial information, receivables and payables refer to trading transactions between B+W and its associate Riello Shangai (sold on August 26, 2015).

Loan agreements have predetermined maturities, are payable in the short and long terms and bear semi-annual LIBOR plus interest of 1% per annum and foreign exchange variations. The loan agreements between the Company and its subsidiaries are generally intended to increase working capital so as to provide financial support to these subsidiaries.

The subsidiary Rominor is the guarantor of some of the FINAME manufacturing financing transactions involving the Company, and the financing is collateralized by promissory notes and sureties (Note 13). The Company has property lease agreements with its subsidiary Rominor, involving four properties, which are used by the sales branch operations in Brazil. These rentals were priced according to market practices.

The Company entered into trading transactions with certain subsidiaries for the supply and purchase of equipment, parts and pieces, and does not have material transactions with related parties other than of this nature. Decisions regarding transactions between the Company and its subsidiaries are made by management. Trade notes mature in the short term.

The Company provides administrative services, mainly accounting and legal services, to the Parent company Fênix Empreendimentos S.A. The revenue accumulated until September 2016 was R\$ 144 (2015 – R\$ 176).

The Company makes donations to Romi Foundation at amounts set in the agreement approved by the State Prosecutor Office. Donations in 2016 totaled R\$ 634 (2015 – R\$ 777).

During 2014, the Company adopted the Policy for Transactions with Related Parties (available at www.romi.com) the main purpose of which is to ensure transparency and compliance with market practices in these transactions.

Management compensation for the periods ended September 30, 2016 and 2015 was as follows:

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	September 30, 2016	September 30, 2015
Fees and charges	3,563	3,610
Profit sharing	-	-
Private pension plan	158	186
Healthcare plan	110	101
Parent company	3,831	3,897
Fees and charges of subsidiaries	72	76
Consolidated	3,903	3,973

The amounts shown above comply with the limits established by the Board of Directors and approved at the Annual General Meeting of Shareholders held on March 22, 2016.

9 Investment property

During the period ended December 31, 2012, Management decided, based on the completion of the property register review and regularization, as well as the perspectives of short and medium term expansion of operations, to classify certain property as "Investment Property" for future rental income and capital appreciation. The amounts classified as investment property are R\$ 13,697 (R\$ 15,978 – as at December 31, 2015) in the Parent company and R\$ 18,008 (R\$ 17,000 – as at December 31, 2015) in the Consolidated.

The investment property is stated at historical cost, and for fair value disclosure purposes the Company contracted an independent expert, who applied a methodology accepted by the Brazilian Institute of Engineering Appraisals as well as recent transactions with similar property and assessed the fair value less cost to sell of this property at R\$ 50,245 in the Parent company and R\$ 138,804 in the Consolidated.

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10 Property, plant and equipment

Changes in property, plant and equipment in the Parent company and Consolidated quarterly information are as follows:

	Parent company	Consolidated
Net book amount as at December 31, 2015	199,931	277,809
Additions	20,864	22,231
Disposals	(829)	(862)
Transfers, net	(711)	(1,618)
Depreciation	(20,338)	(25,087)
Foreign exchange rate variations	-	(10,950)
Net book amount as at September 30, 2016	198,917	261,523
As at September 30, 2016		
Total cost	507,299	610,139
Accumulated depreciation	(308,382)	(348,616)
Net book amount	198,917	261,523

Due to the financing agreements with the BNDES for investments in property, plant and equipment, the Company pledged as collateral machinery and equipment amounting to R\$170,277 as at September 30, 2016 (R\$170,079 as at December 31, 2015). These items refer to land, buildings, facilities, machinery and equipment.

11 Intangible assets

Changes in intangible assets in the Parent company and Consolidated quarterly information are as follows:

	Parent company	Consolidated
Net book amount as at December 31, 2015	473	55,368
Additions	59	76
Disposals	-	(362)
Amortization	(347)	(1,045)
Transfers, net	712	712
Foreign exchange rate variations	-	(8,745)
Net book amount as at September 30, 2016	897	46,004
Total cost	11,936	72,874
Accumulated amortization	(11,039)	(26,870)
Net book amount	897	46,004

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12 Borrowings

Changes in borrowings in the Parent company and Consolidated quarterly information are as follows:

	Parent company	Consolidat ed		
	Local currency	Local currency	Foreign currency	Total
Borrowing balance at				
December 31, 2015	194,084	194,084	22,558	216,642
New borrowing	18,799	18,799	12,276	31,075
Repayment of principal	(25,822)	(25,822)	(10,649)	(36,471)
Payment of interest	(9,536)	(9,536)	(1,380)	(10,916)
Exchange and monetary variations (principal and interest)	1,174	1,174	(4,203)	(3,029)
Interest at the end of the period	<u>9,384</u>	<u>9,384</u>	<u>-</u>	<u>9,384</u>
Borrowing balance at				
September 30, 2016	<u>188,083</u>	<u>188,083</u>	<u>18,602</u>	<u>206,685</u>
Current	64,141	64,141	3,921	68,062
Non-current	<u>123,942</u>	<u>123,942</u>	<u>14,681</u>	<u>138,623</u>
	<u>188,083</u>	<u>188,083</u>	<u>18,602</u>	<u>206,685</u>

The maturities of financing recorded in non-current liabilities as at September 30, 2016 in the Parent company and Consolidated quarterly information were as follows:

	Parent company	Consolidated
2017 (3 months)	45,593	45,593
2018	51,902	53,082
2019	10,714	11,967
2020 and thereafter	<u>15,733</u>	<u>27,981</u>
Total	<u>123,942</u>	<u>138,623</u>

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13 FINAME manufacturer financing

	Parent company and Consolidated	
	September	December
	30,	31,
	2016	2015
Current		
FINAME manufacturer financing	70,501	82,785
Non-current		
FINAME manufacturer financing	71,167	92,124
Total	141,668	174,909

The agreements related to FINAME Manufacturer Financing are guaranteed by promissory notes and sureties, and the main guarantor is the subsidiary Rominor. The balances are directly related to the balances of "Receivables - onward lending of FINAME manufacturer financing" (Note 5), considering that the loans are directly linked to sales to specific customers. The contractual terms related to the amounts, charges and periods financed under the program are fully passed on to the financed customers, and the monthly payments by the customers are fully used for the repayment of the related financing agreements. The Company, therefore, acts as an agent for the financing, but remains as the main debtor in these transactions.

The balances of the line item "FINAME manufacturer financing" and, consequently, of the line items "Receivables - onward lending of FINAME manufacturer financing" as at September 30, 2016 and December 31, 2015, were adjusted for inflation through the end of the reporting period. The difference of R\$41,888 between these line items as at September 30, 2016 (R\$45,540 as at December 31, 2015) refers to past-due trade notes, renegotiations in progress, and FINAME transactions not yet disbursed by the agent bank. Management understands that there are no risks to the realization of these receivables, in addition to the amount of the allowance for doubtful accounts already recorded, since the amounts are collateralized by the financed machinery.

The non-current maturities of the FINAME manufacturer financing as at September 30, 2016, Parent company and Consolidated, are as follows:

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	Parent company and Consolidated
2017 (3 months)	14,040
2018	37,735
2019	15,895
2020 and thereafter	3,497
Total	<u>71,167</u>

14 Provision for tax, labor and civil risks

The management of the Company and its subsidiaries, based on the opinion of legal counsel, classified the lawsuits according to the risk of loss, as follows:

	Parent company		Consolidated	
	September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
Tax	50,798	49,220	50,798	49,220
Civil	2,108	1,970	2,271	2,160
Labor	4,662	4,923	4,662	4,923
(-) Judicial deposits	(49,984)	(48,516)	(49,984)	(48,516)
Total	<u>7,584</u>	<u>7,597</u>	<u>7,747</u>	<u>7,787</u>
Current liabilities	6,770	6,138	6,933	6,328
Non-current liabilities	<u>814</u>	<u>1,459</u>	<u>814</u>	<u>1,459</u>
	<u>7,584</u>	<u>7,597</u>	<u>7,747</u>	<u>7,787</u>

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2016

All amounts in thousands of reais unless otherwise stated

The management of the Company and its subsidiaries, based on the opinion of its legal counsel, classified the tax, civil and labor lawsuits, involving risks of loss classified by management as possible, for which no provision was recognized as follow:

	September 30, 2016	December 31, 2015
Tax		
Offsetting of IRPJ - 2002 and 2003	1,267	1,267
Civil		
Losses and damages	4,385	4,192
Labor	875	2,444
Total	6,527	7,903

For lawsuits classified as probable losses, Management recognized a provision for losses. The changes in the provision in the period ended September 30, 2016 are as follow:

	December 31, 2015	Additions	Utilizations/ reversals	Inflation adjustment	September 30, 2016
Tax	49,220	1,870	(345)	53	50,798
Civil	1,970	161	(166)	143	2,108
Labor	4,923	3,543	(4,061)	257	4,662
(-) Judicial deposits	(48,516)	(1,468)	-	-	(49,984)
	7,597	4,106	(4,572)	453	7,584

	December 31, 2015	Additions	Utilizations/ reversals	Inflation/ exchange adjustment	September 30, 2016
Tax	49,220	1,870	(345)	53	50,798
Civil	2,160	161	(166)	116	2,271
Labor	4,923	3,543	(4,061)	257	4,662
(-) Judicial deposits	(48,516)	(1,468)	-	-	(49,984)
	7,787	4,106	(4,572)	426	7,747

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2016

All amounts in thousands of reais unless otherwise stated

As at September 30, 2016, the main lawsuits, which were classified by management as probable losses based on the opinion of legal counsel and, therefore, included in the provision for risks, are as follow:

(a) Tax lawsuits

Refer to the provisions for:

- (i) Social Integration Program ("PIS") and Social Contributions on Revenues ("COFINS") related to State Value Added Tax ("ICMS") on sales, which amounted to R\$ 8,916 (R\$ 8,654 as at December 31, 2015) and R\$ 41,068 (R\$ 39,862 as at December 31, 2015), respectively.
- (ii) The other tax lawsuits total R\$ 814 (R\$ 704 as at December 31, 2015).

(b) Civil lawsuits

These refer to civil lawsuits in which the Company is the defendant related mainly to the following claims: (i) revision/rescission of contracts; (ii) indemnities; and (iii) annulment of protest of notes with losses and damages, among others.

(c) Labor lawsuits

The Company has recorded a provision for contingencies for labor lawsuits in which it is the defendant, the main types of claim of which are as follow: (i) additional overtime due to reduction of the lunch break; (ii) health hazard premium/hazardous duty premium; (iii) stability prior to retirement; (iv) indemnities for occupational accident/disease; and (v) jointly liability of outsourced companies, among others.

The tax, civil and labor lawsuits assessed as representing possible losses involve matters similar to those above. The Company's management believes that the outcomes of ongoing lawsuits will not result in disbursements higher than those recognized in the provision. The amounts involved do not qualify as legal obligations.

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2016

All amounts in thousands of reais unless otherwise stated

(d) Judicial deposits

The Company has judicial deposits amounting to R\$ 49,163 (R\$ 49,100 as at December 31, 2015), of which R\$ 46,473 (R\$ 46,473 as at December 31, 2015) refers to PIS and COFINS levied on ICMS on sales, as mentioned in item (a), and (i) the other deposits are of a different nature and are classified in non-current assets.

15 Income tax and social contribution

Income tax is calculated at the rate of 15% on the taxable profits plus a 10% surcharge on taxable profit exceeding R\$240, and social contribution is calculated at the rate of 9% on taxable profits. The subsidiaries Rominor and Romi Empreendimentos pay income tax and social contribution on a presumed profit basis.

The table below shows a reconciliation of the tax effect on the Parent company's profit (loss) before income tax and social contribution by applying the prevailing tax rates as at September 30, 2016 and 2015:

	Parent company		Consolidated	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Loss before income tax and social contribution	(23,269)	(18,063)	(25,719)	(21,261)
Standard rates (income tax and social contribution)	34%	34%	34%	34%
Income tax and social contribution income at standard rates	7,911	6,141	8,744	7,229
Reconciliation with the effective rate:				
Share of the profits (losses) of subsidiaries	(3,851)	(4,348)	-	-
Tax losses for which no deferred income tax was recognized	-	-	(2,550)	(2,561)
Other additions (deductions), net (a)	(254)	246	233	792
Current and deferred income tax and social contribution income	3,806	2,039	6,427	5,460

- (a) The amounts in the Consolidated quarterly information refer basically to the differences in the calculation of income tax and social contribution between the actual taxable profit and presumed profit basis, due to the fact that the subsidiary Rominor is a taxpayer on a presumed profit basis during the

Indústrias Romi S.A.

Notes to the quarterly information (ITR)

at September 30, 2016

All amounts in thousands of reais unless otherwise stated

reporting periods, and due to the non-recognition of deferred taxes on the tax losses of foreign subsidiaries.

The changes in deferred tax assets and liabilities, Parent company and Consolidated, for the period ended September 30, 2016 were as follows:

	Asset		Liability
	Parent company	Consolidated	Consolidated
As at December 31, 2015	48,738	48,738	32,711
Changes in the period:			
Additions	6,401	9,851	-
Realization	(2,595)	(2,595)	(490)
Foreign exchange rate variations	-	(351)	(4,625)
As at September 30, 2016	52,544	55,643	27,596

16 Equity

Share capital

As at September 30, 2016, the Company's subscribed and paid-up capital amounting to 492,025 (R\$ 492,025 as at December 31, 2015) was represented by 62,857,647 (68,757,647 as at December 31, 2015) book-entry, registered common shares, without par value, all with the same rights and benefits.

Legal reserve

As required by Article 193 of Law 6,404/76, the balance of the line item "Legal reserve" is equivalent to 5% of the profit for the year, limited to 20% of the share capital.

Share buyback

A – Program approved on April 28, 2015

At the meeting held on April 28, 2015, the Company's Board of Directors approved the Program to buy back the Company's common shares ("Program"), to be held in treasury for subsequent cancellation or sale, without capital reduction, in accordance with its bylaws, CVM Instructions 10/80 and 268/97 and other legal provisions in force.

The Company's goal with the Program was to maximize value for its shareholders through the investment of part of its financial resources available within the total amount of the earnings and capital reserves. Under the Program, which was completed on January 19, 2016, 3,100,000 Company common shares were acquired for the total price of R\$ 5,599,851.41, with an average price per share of R\$1.81.

At the Extraordinary General Meeting held on April 5, 2016, the Board of Directors approved the cancelation of 3,100,000 common shares, purchased and held in treasury, without capital reduction. After the cancelation, the Company's total common shares amount to 65,657,647.

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2016

All amounts in thousands of reais unless otherwise stated

A – Program approved on April 6, 2016

At the meeting held on April 6, 2016, the Company's Board of Directors approved the Program to buy back the Company's common shares ("Program"), to be held in treasury for subsequent cancellation or sale, without capital reduction, in accordance with its bylaws, CVM Instructions 10/80 and 268/97 and other legal provisions in force.

The Company's goal with the Program was to maximize value for its shareholders through the investment of part of its available financial resources within the total amount of the earnings and capital reserve. Under the Program, which was completed on April 29, 2016, 2,800,000 Company common shares were acquired for the total price of R\$ 5,182,979.19, with an average price per share of R\$1.85.

At the Extraordinary General Meeting held on August 2, 2016, the Board of Directors approved the cancelation of 2,800,000 common shares, purchased and held in treasury, without capital reduction. After the cancelation, the Company's total common shares amount to 62,857,647.

Loss per share

Basic losses per share are calculated by dividing the loss attributable to the shareholders of the Company by the weighted average number of outstanding common shares during the year, excluding common shares purchased by the Company and held as treasury shares.

	September 30, 2016	September 30, 2015
Loss for the period attributable to the controlling shareholders	(19,463)	(16,024)
Weighted average number of shares outstanding in the period (in thousands)	66,119	69,582
Basic and diluted losses per share	<u>(0,29)</u>	<u>(0,23)</u>
Shares as at December 31, 2015	68,757,647	
Shares canceled on April 5, 2016	(3,100,000)	
Shares canceled on August 2, 2016	<u>(2,800,000)</u>	
	(5,900,000)	
Shares as at September 30, 2016	<u>62,857,647</u>	

Indústrias Romi S.A.

Notes to the quarterly information (ITR)

at September 30, 2016

All amounts in thousands of reais unless otherwise stated

17 Segment reporting - Consolidated

To manage its business, the Company is organized into three business units, on which the Company's segmented reporting is based. In order to reflect the Company's recent organizational changes and the reports that are currently used by the Board of Directors, Company's chief operating decision-maker, the segment reporting is now prepared considering three reportable segments, namely: Romi Machinery, Burkhardt+Weber Machinery and Cast and Machined Products (previously the segments were: machine tools; plastic injection machines; and cast and machined products.) The information for the period ended September 30, 2015 was prepared and is being presented on a comparative basis with the period ended September 30, 2016, according to the Company's new segments:

	September 30, 2016				
	Romi Machinery	Burkhardt + Weber	Cast and machined products	Eliminations between segments	Consolidated
Net operating revenue	195,783	81,811	155,591		433,185
Cost of sales and services	(130,111)	(70,794)	(140,180)		(341,085)
Transfers remitted	1,934	-	9,532	(11,466)	-
Transfers received	(9,532)	-	(1,934)	11,466	-
Gross profit	58,074	11,017	23,009	-	92,100
Operating (expenses) income:					
Selling	(41,001)	(8,019)	(3,244)		(52,264)
General and administrative	(23,227)	(14,128)	(10,792)		(48,147)
Research and development	(13,210)	-	-		(13,210)
Management fees	(2,227)	-	(1,676)		(3,903)
Other operating income, net	1,875	-	-		1,875
Operating loss (profit) before finance income (costs)	(19,715)	(11,131)	7,297	-	(23,549)
Inventory	193,303	47,181	31,374		271,858
Depreciation and amortization	11,244	4,943	9,944		26,132
Property, plant and equipment, net	103,789	54,970	102,764		261,523
Intangible assets	897	45,107	-		46,004
	<u>Europe</u>	<u>Latin America</u>	<u>North America</u>	<u>Africa and Asia</u>	<u>Total</u>
Net operating revenue per geographical region	94,507	298,088	11,036	29,554	433,185

Indústrias Romi S.A.

Notes to the quarterly information (ITR)

at September 30, 2016

All amounts in thousands of reais unless otherwise stated

	September 30, 2015				
	Romi Machinery	Burkhardt + Weber	Cast and machined products	Eliminati ons between segments	Consolidated
Net operating revenue	231,278	66,516	96,395		394,189
Cost of sales and services	(145,467)	(60,431)	(101,090)		(306,988)
Transfers remitted	4	-	9,948	(9,952)	-
Transfers received	(9,948)	-	(4)	9,952	-
Gross profit	75,867	6,085	5,249	-	87,201
Operating (expenses) income:					
Selling	(43,225)	(5,847)	(2,570)		(51,642)
General and administrative	(28,224)	(14,097)	(7,194)		(49,515)
Research and development	(14,262)	-	-		(14,262)
Management fees	(3,008)	-	(965)		(3,973)
Other operating expenses, net	(1,417)	-	-		(1,417)
Operating loss before finance income (costs)	(14,269)	(13,859)	(5,480)	-	(33,608)
Inventory	228,776	74,853	20,974		324,603
Depreciation and amortization	12,910	5,108	8,067		26,085
Property, plant and equipment, net	114,280	69,600	99,735		283,615
Intangible assets	580	58,298	-		58,878

	Europe	Latin America	North America	Africa and Asia	Total
Net operating revenue per geographical region	85,318	282,839	8,547	17,485	394,189

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2016

All amounts in thousands of reais unless otherwise stated

18 Future commitments

On June 15, 2014, the Company and Centrais Elétricas Cachoeira Dourada S.A. - CDSA, belonging to Endesa, decided to amend the agreement for the supply of electricity entered into on May 1, 2007, in order to contract the volume of electricity according to the current needs of the Company. As a result, the supply of electricity has been extended for another four years, up to December 31, 2018, and reflects the following commitments that will be adjusted annually by the General Market Price Index ("IGP-M").

Year of supply	Amount
2016 (3 months)	1,008
2017	9,698
2018	7,607
Total	18,313

The Company's management believes that this agreement is compatible with the electricity requirements for the contracted period.

*

*

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October 25, 2016 3Q16 Earnings Release

September 30, 2016

Share price

ROMI3 - R\$2.92 per share

Market capitalization

R\$183.5 million

US\$56.6 million

Number of shares

Common: 62,857,647

Total: 62,857,647

Free Float = 45.7%

Investor Relations Contact

Fábio B. Taiar

Investor Relations Officer
Telephone: (19) 3455-9418
dri@romi.com

October 26, 2016

Meeting with APIMEC analysts -SP

Time: 5:00 pm (São Paulo)

Place: Blue Tree Faria Lima

Av. Brig. Faria Lima, 3.989

Transmitted by webcast,
with access link at www.romi.com

Earnings Conference Call in English

Time: 11:00 a.m. (São Paulo)

13:00 p.m. (London)

9:00 a.m. (New York)

Dial-in numbers:

USA +1 (786) 924-6977

Brazil +55 (11) 3193-1001

Other + 1 (888) 700-0802

Access code: Romi

Santa Bárbara d'Oeste, SP, October 25, 2016 – Indústrias Romi S.A. ("Romi" or "Company") (BM&FBovespa: domestic market leader in the Machine Tools and Plastic Processing Machines markets, as well as an important producer of Raw and Machined Cast Iron Parts, announces its results for the third quarter of 2016 ("3Q16"). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with International Financial Reporting Standards (IFRS).

Highlights

Revenues of Raw and Machined Cast Iron Parts grew 53.3% in 3Q16 over 3Q15

- EBITDA in 3Q16 was positive by R\$0.6 million, mainly due to the performance of the Raw and Machined Cast Iron Parts Business Unit.
- In 3Q16, compared with 3Q15, the Raw and Machined Cast Iron Parts Business Unit posted improvements of 3.0 and 1.9 percentage points in terms of gross margin and EBITDA, respectively.
- The Company's net debt at the end of 3Q16 was R\$67.0 million, a decrease of 7.1% in the first nine months of 2016.
- The order entry of the German subsidiary B+W in 9M16 compared with 9M15 grew by 282.2%.
- The order entry of the Romi Machines Business Unit in 9M16, when compared with 9M15, posted a 7.0% increase.

R\$'000	Quarter					Accumulated		
	3Q15	2Q16	3Q16	Chg. 3Q16/2Q16	Chg. 3Q16/3Q15	9M15	9M16	Chg. 2015/2014
Revenues Volume								
Machines (units)	164	172	192	11.6%	17.1%	578	534	-7.6%
Burkhardt + Weber (units)	6	3	4	33.3%	-33.3%	10	10	0.0%
Raw and Machined Cast Iron Parts (tons)	4,956	5,145	5,845	13.6%	17.9%	12,649	15,229	20.4%
Net Operating Revenue	154,248	150,063	153,312	2.2%	-0.6%	394,189	433,185	9.9%
Gross margin (%)	22.3%	23.4%	20.0%			22.1%	21.3%	-
Operating Income (EBIT)	(6,336)	(3,018)	(7,957)	163.7%	25.6%	(33,608)	(23,549)	-29.9%
Operating margin (%)	-4.1%	-2.0%	-5.2%			-8.5%	-5.4%	-
Net Income	(413)	(4,800)	(4,581)	-4.6%	1009.2%	(15,801)	(19,292)	22.1%
Net margin (%)	-0.3%	-3.2%	-3.0%			-4.0%	-4.5%	-
EBITDA	2,546	5,659	556	-90.2%	-78.2%	(7,523)	2,586	-134.4%
EBITDA margin (%)	1.7%	3.8%	0.4%			-1.9%	0.6%	-
Investments	4,135	5,910	13,896	135.1%	236.1%	11,483	22,231	93.6%

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

To manage its business, the Company is organized into three business units, on which the Company's segment reporting is based. In order to reflect the Company's recent organizational changes, segment reporting now considers the following three reportable segments: Romi Machinery, Burkhardt+Weber Machinery and Raw and Machined Cast Iron Parts (formerly the segments were: machine tools, plastic injectors and cast and machined products).

Corporate Profile



Romi, founded in 1930, is the leader in the Brazilian industrial machinery and equipment market, and an important manufacturer of raw and machined cast iron parts.

The Company is listed on BM&FBovespa's "New Market", which is reserved for companies with a higher level of corporate governance. Romi manufactures machine tools (Conventional Lathes, CNC (Computerized Numerical Control) Lathes, Lathing Centers, Machining Centers, Vertical and Horizontal Heavy and Extra-Heavy Lathes and Drilling Mills), Plastic Injection or Blow Molding Machines, and ductile or CDI gray cast iron parts, which may be supplied in raw or machined form. The Company's products and services are sold around the world and used by various industrial segments, such as the automotive (light and heavy), agricultural machinery, capital goods, consumer goods, tools, hydraulic equipment and wind power industries, among many others.

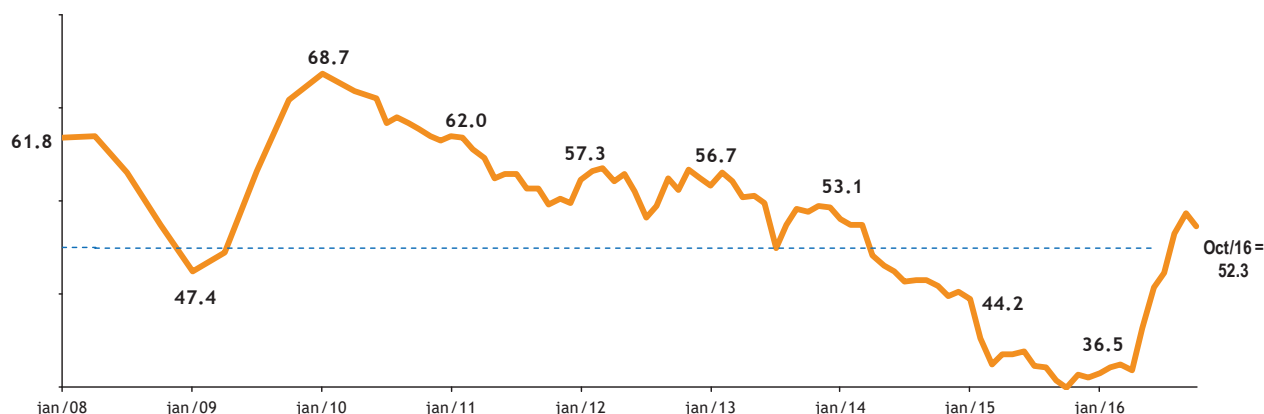
The Company has eleven manufacturing units, four of which are dedicated to the final assembly of industrial machinery, two foundries, three units for component machining, one unit for the manufacture of steel sheet components, and one plant for the assembly of electronic control panels. Of these, nine are located in Brazil and two in Germany. The Company has installed capacity to produce approximately 3,500 industrial machines and 50,000 tons of castings per year.

Current Economic Scenario

The first nine months of 2016 continue showing poor economic activity due to the uncertainty surrounding the market since 2014. The impeachment process concluded this quarter, as well as the intentions of reforms and the new monetary policy are beginning to show some signs of a possible recovery of the Brazilian economy, which can be seen in the confidence indexes below. However, this possible recovery could not yet be felt on Romi's new business volume, which is still being impacted by the scenario of uncertainties regarding the country's future.

In October 2016, the Industrial Entrepreneur Confidence Index – ICEI reached 52.3, returning to the level similar to that at the end of 2014, as shown below:

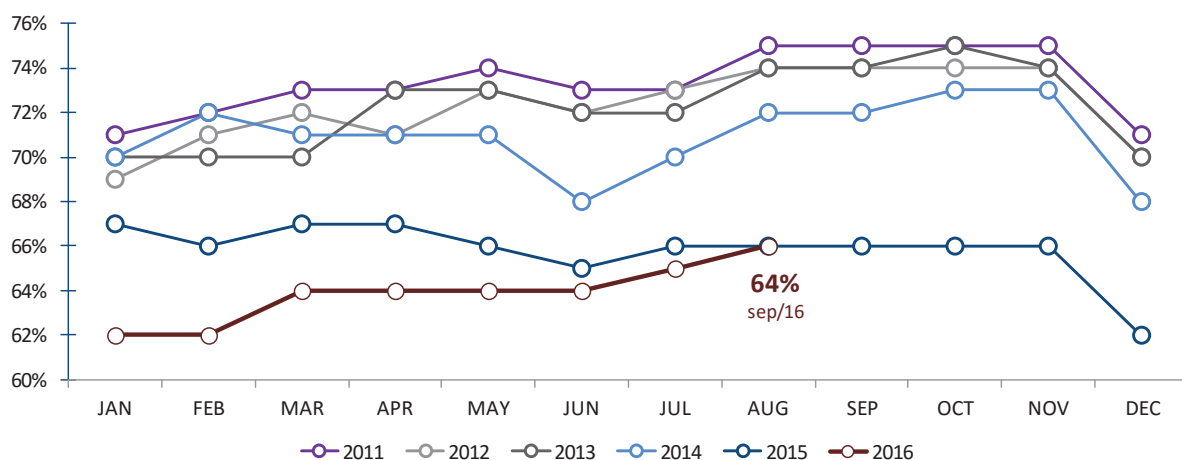
Industrial Entrepreneur Confidence Index – ICEI



Source: CNI – UCI, October 2016.

The index of Installed Capacity Utilization – UCI for Brazilian industry in general, as released by the National Industrial Confederation – CNI, in spite of the slight improvement in the third quarter of 2016, continues at quite low levels, reaching percentages similar to those for 2015, which recorded the lowest percentage of the monthly series (beginning in January 2011), demonstrating the challenging time faced by the Brazilian economy.

Average installed capacity utilization



Source: CNI – ICEI, September 2016.

This scenario, with a high level of uncertainty and volatility, discourages business expansion and impacts negatively the country's investment levels.

Although there have been some improvements in the indexes shown above, in real terms little has been noted as regards investment levels in Brazil, which continue very low. This scenario impacts Romi machinery order volume, which in the domestic market remains stable, not yet showing real signs of recovery.

Over the course of 2015, the depreciation of the Brazilian real (R\$) against the US Dollar (US\$) increased the competitiveness of local manufacturers of machinery and equipment compared with imported equipment. On the other hand, in 2016, especially since June, the Real (R\$) posted appreciation and high volatility, which aligned with the scenario of uncertainties, may impair the decision on potential plans for domestic production of parts currently imported. Such scenario may impact export margins and the competitiveness of Romi products, which have as main competitors imported equipment, as well as in segments of the Brazilian industry that also compete with imported parts.

With this scenario of uncertainties and high volatility, Romi continues to take actions to streamline its structure and the planning and manufacturing process, and respond quickly to the volatility of demand. Reducing production leadtimes, optimizing indirect structures, contract reduction projects, and investments in automation are a few examples of these actions.

The Company is aware of the enormous short-term challenges and opportunities, but confident that the actions mentioned above allow keeping inventories at regular normal levels and default level under control, as well as generating positive operating cash flow. We are committed to maintaining appropriate debt and cash levels, allowing that in a year of recession, efforts can be focused on capturing opportunities, aimed at sustainability and the recovery of medium- and long-term profitability.

Market

Romi's main competitive advantages in the domestic market – products with cutting-edge technology, the company's own nationwide distribution network, ongoing technical assistance, availability of attractive customer credit packages in local currency, and short product delivery times – are all recognized by customers, giving the ROMI® brand name a traditional and prestigious reputation.

Order Entry (R\$ 000) Gross Values, sales taxes included	3Q15	2Q16	3Q16	Chg. 3Q16/2Q16	Chg. 3Q16/3Q15	9M15	9M16	Chg. 2016/2015
Romi Machines	66,483	65,471	62,516	-4.5%	-6.0%	174,666	186,943	7.0%
Burkhardt+Weber Machines	15,254	98,630	31,333	-68.2%	105.4%	36,349	138,922	282.2%
Rough and Machined Cast Iron Parts	77,263	69,251	39,636	-42.8%	-48.7%	175,862	161,322	-8.3%
Total	159,000	233,351	133,485	-42.8%	-16.0%	386,878	487,185	25.9%

The volume of orders placed in 3Q16 was 16.0% lower than in 3Q15, due to the lower volume of order entry of the Raw and Machined Cast Iron Parts. This variation is considered normal since it derives mainly from large raw and machined cast iron parts, where orders sent by the customers include supply for a longer period and, therefore, are concentrated in certain quarters.

In the Romi Machinery segment, although Brazil has posted decrease in investment levels in 2016, the order entry remained steady, showing that the actions to consolidate the brand and its products have generated positive results.

Order Book (R\$ 000)	3Q15	2Q16	3Q16	Chg. 3Q16/2Q16	Chg. 3Q16/3Q15
Gross Values, sales taxes included					
Romi Machines	71,493	77,706	68,180	-12.3%	-4.6%
Burkhardt+Weber Machines	140,736	129,325	130,143	0.6%	-7.5%
Rough and Machined Cast Iron Parts	118,133	110,363	82,310	-25.4%	-30.3%
Total *	330,362	317,394	280,633	-11.6%	-15.1%

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

As at September 30, 2016, the order backlog totaled R\$280.6 million, 11.6% lower than the portfolio at the end of 2Q16 and 15.1% lower than in 3Q15.

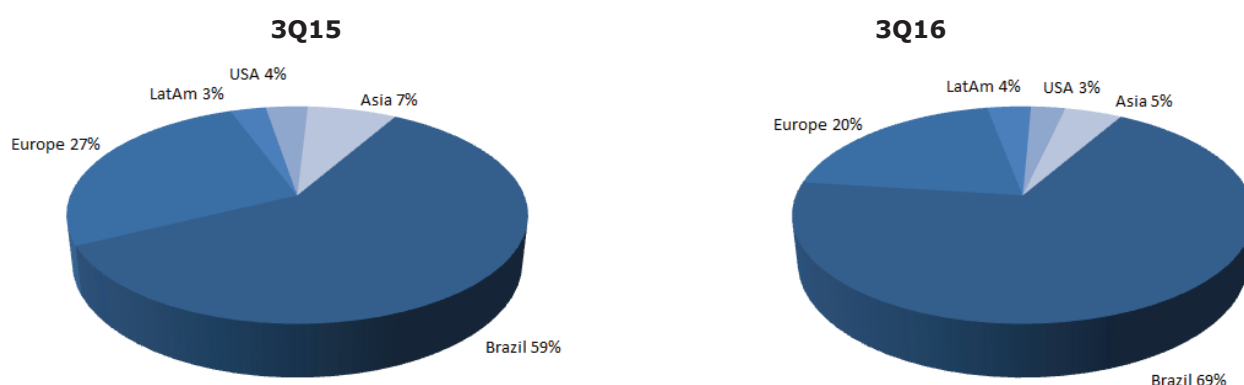
Operating Performance

NET OPERATING REVENUES

Net operating revenues posted by the Company in 3Q16 reached R\$153.3 million, up 2.2% over 2Q16, due to the higher revenues of the Raw and Machined Cast Iron Parts Business Unit, which posted a 20.0% revenue grow in the same period.

Net Operating Revenue (R\$ 000)	Quarter					Accumulated		
	3Q15	2Q16	3Q16	Chg. 3Q16/2Q16	Chg. 3Q16/3Q15	9M15	9M16	Chg. 2016/2015
Romi Machines	74,102	64,259	63,951	-0.5%	-13.7%	231,278	195,783	-15.3%
Burkhardt + Weber Machines	39,212	33,494	26,590	-20.6%	-32.2%	66,516	81,811	23.0%
Raw and Machined Cast Iron Parts	40,934	52,310	62,771	20.0%	53.3%	96,395	155,591	61.4%
Total	154,248	150,063	153,312	2.2%	-0.6%	394,189	433,185	9.9%

The domestic market accounted for 69% of Romi's consolidated revenue in 3T16. Considering the revenue obtained in the foreign market, which takes into account sales by Romi's subsidiaries abroad (Germany, United States, Italy, United Kingdom, France, Mexico and Spain), the breakdown of Romi's total revenue, by geographical region, was:



Below we show the revenues obtained in the foreign market, in Brazilian Reais (R\$) and US Dollars (US\$):

Foreign Sales	Quarter					Accumulated		
	3Q15	2Q16	3Q16	Chg. 3Q16/2Q16	Chg. 3Q16/3Q15	9M15	9M16	Chg. 2016/2015
Net Sales (R\$ million)	59.7	54.9	48.0	-12.5%	-19.5%	123.4	148.4	20.2%
Net Sales (US\$ million)	15.0	17.1	14.8	-13.5%	-1.5%	35.8	44.7	24.7%

Romi Machinery

The net operating revenues of this Business Unit reached R\$64.0 million in 3Q16, a decrease of 13.7% compared with 3Q15 and 0.5% in relation to 2Q16, showing that the domestic scenario is still presenting low investment level.

Burkhardt+Weber Machinery

In 3Q16 the revenues of the German subsidiary B+W posted a decrease of R\$12.6 million (32.2%) compared with 3Q15. The produced machines have differentiated features since they are large, with high and personalized technology, and do not have a defined seasonality.

Moreover, the slowdown of the Chinese economy, large consumer market of the Burkhardt+Weber machinery, occurred in 2015 impacted the order entry of this subsidiary in 2016.

Raw and Machined Cast Iron Parts

In 3Q16, the net operating revenues of this Business Unit were R\$62.8 million, which represents an increase of 53.3% compared with 3Q15 and 20.0 over 2Q16, due to the large raw and machined cast iron parts.

OPERATING COSTS AND EXPENSES

The grow margin obtained in 3Q16, of 20.0%, was 2.3 percentage points lower than in 3Q15. Both the B+W machinery and the Raw and Machined Cast Iron Parts segments posted increases (2.0 and 3.0 p.p., respectively) when comparing the same period.

	Quarter					Accumulated		
	3Q15	2Q16	3Q16	Chg. p.p. 3Q16/2Q16	Chg. p.p. 3Q16/3Q15	9M15	9M16	Chg. pp 16/15
Gross Margin								
Romi Machines	33.5%	30.1%	27.5%	(2.6)	(6.0)	32.8%	29.7%	(3.1)
Burkhardt + Weber Machines	11.8%	21.0%	13.8%	(7.3)	2.0	9.1%	13.5%	4.3
Raw and Machined Cast Iron Parts	12.1%	16.7%	15.1%	(1.6)	3.0	5.4%	14.8%	9.3
Total	22.3%	23.4%	20.0%	(3.4)	(2.3)	-	-	-

	Quarter					Accumulated		
	3Q15	2Q16	3Q16	Chg. p.p. 3Q16/2Q16	Chg. p.p. 3Q16/3Q15	9M15	9M16	Chg. pp 16/15
EBIT Margin								
Romi Machines	-5.4%	-10.6%	-12.8%	(2.2)	(7.4)	-6.2%	-10.1%	(3.9)
Burkhardt + Weber Machines	-8.0%	0.8%	-11.0%	(11.8)	(3.0)	-20.8%	-13.6%	7.2
Raw and Machined Cast Iron Parts	1.9%	6.8%	5.1%	(1.7)	3.1	-5.7%	4.7%	10.4
Total	-4.1%	-2.0%	-5.2%	(3.2)	(1.1)	-	-	-

Romi Machinery

The gross margin of this Business Unit was 27.5% in 3Q16, a decrease of 6.0% percentage points when compared with 3Q15, for the following reasons: (i) the 13.7% decrease in net operating revenues; (ii) the mix of products, with a larger share of the semi-new machines in 3Q16; and (iii) the appreciation of the Real, which impacted negatively the export margins.

The operating margin (EBIT margin) of this Business Unit in 3Q16 was negative (12.8%), 7.4 percentage points lower than in 3Q15.

Burkhardt+Weber Machinery

The operating margin of this Business Unit in 3Q16 was negative (11.0%), 3.0 percentage points lower than in 3Q15, due to the decreased revenues.

Raw and Machined Cast Iron Parts

The gross margin of this Business Unit in 3Q16 was 15.1%, an improvement of 3.0 percentage points compared with 3Q15, due to the increase in revenues, which was positively impacted by the higher demand of the large raw and machined cast iron parts segment. Such increase in revenues, allied with an improvement of the gross margin, allowed the operating margin in 3T16 to reach 5.1%, 3.2 percentage points over 3Q15.

EBITDA AND EBITDA MARGIN

In 3Q16, the operating cash generation as measured by EBITDA was positive (R\$0.6 million), representing an EBITDA margin of 0.4% in the quarter, as shown in the table below:

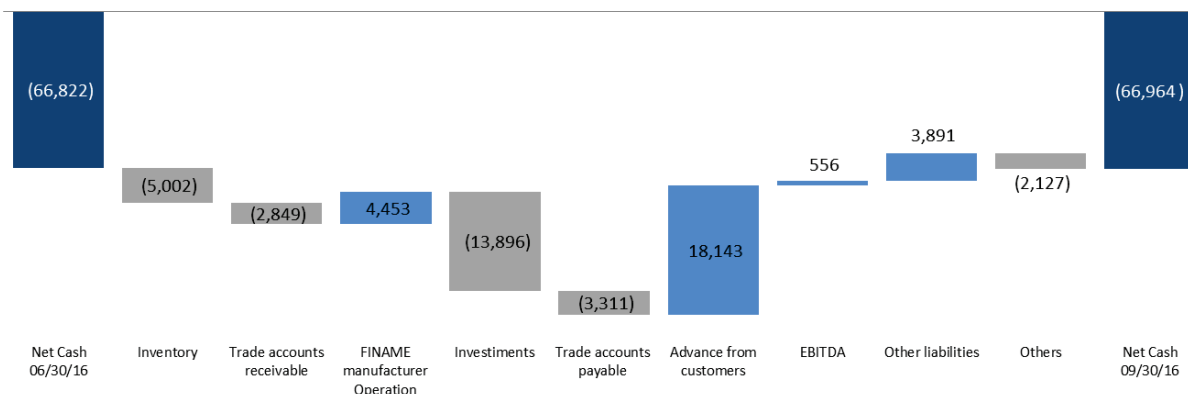
Reconciliation of Net Income to EBITDA (R\$ 000)	Quarter					Accumulated		
	3Q15	2Q16	3Q16	Chg. 3Q16/2Q16	Chg. 3Q16/3Q15	9M15	9M16	Chg. 16/15
Net Income	(413)	(4,800)	(4,581)	-4.6%	1009.2%	(15,801)	(19,292)	22.1%
Income tax and social contributions	696	(606)	(1,833)	202.5%	-363.4%	(5,460)	(6,427)	17.7%
Net Financial Income	(6,619)	2,387	(1,543)	-164.6%	-76.7%	(12,347)	2,170	-117.6%
Depreciation and amortization	8,882	8,677	8,513	-1.9%	-4.2%	26,085	26,132	0.2%
EBITDA	2,546	5,658	556	-90.2%	-78.2%	(7,523)	2,585	-134.4%
EBITDA Margin	1.7%	3.8%	0.4%	-	0.90 -	-1.9%	0.6%	-131.3%
Total Net Operating Revenue	154,248	150,063	153,312	2.2%	-0.6%	394,189	433,185	9.9%

NET INCOME

Loss for 3Q16 was R\$4.6 million.

Changes in Cash and Cash Equivalents

The main changes in the net debt position during 3Q16 are described below in R\$'000:



The balances of Finame Manufacturer Financing are used to calculate the Company's net debt.

Advances from customers

The increase in the volume of advances from customers is mainly due to the advances received relating to the orders of the German subsidiary B+W in the second and third quarters of this year, as commented along this report.

Inventories

The variation in inventories was caused mainly by the increase in production in progress of the German subsidiary Burkhardt+Weber. The operation model of this unit generally concentrates revenues in the last quarter of the year and, therefore, such seasonal increase of production in progress is normal.

Investments

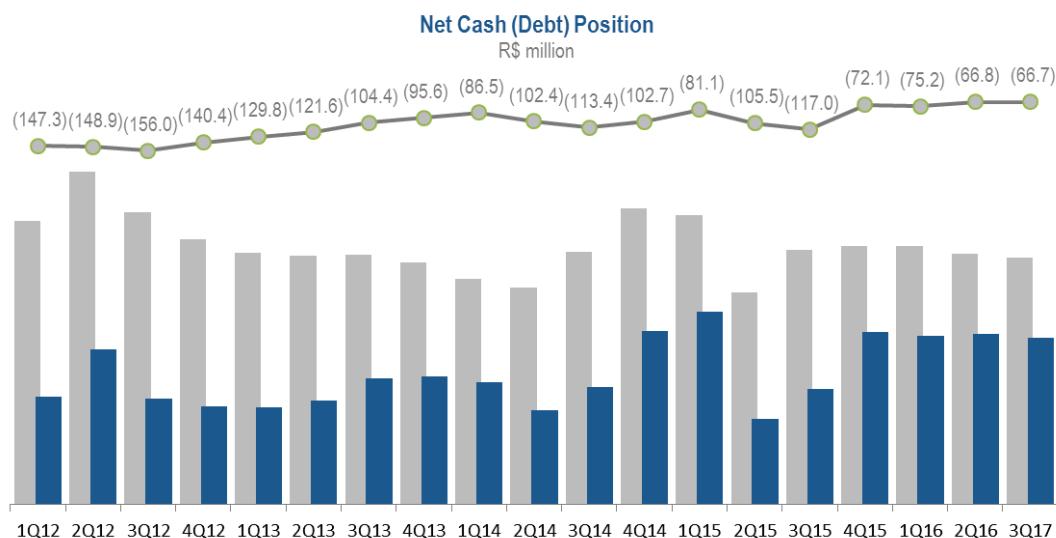
Investments in 3Q16 totaled R\$13.9 million, with a highlight on the purchase of an automatic molding machine for the Raw and machines Cast Iron Parts Business Unit, in the approximate amount of R\$10 million, already paid. This equipment will allow to automate the current process, making it more competitive, and to increase the capacity and quality in delivery of medium raw and machined cast iron parts. The installation will occur in 2017, with beginning of production estimated for 2018.

Financial Position

Short-term investments, including those backed by debentures, are made with financial institutions with low credit risk and their yield is substantially indexed to the interbank deposit rate ("CDI"). The consolidated position of cash and cash equivalents as at September 30, 2016 was R\$ 139.7 million.

The Company's borrowings are used mainly in investments in the modernization of the industrial facilities, research and development of new products and financing of exports and

imports. As at September 30, 2016, the amount of financing in local currency was R\$188.1 million, and in foreign currency, R\$18.6 million, totaling R\$206.7 million.



The balances of Finame Manufacturer Financing are used to calculate the Company's net debt.

As at September 30, 2016, the Company did not have any derivative transactions.

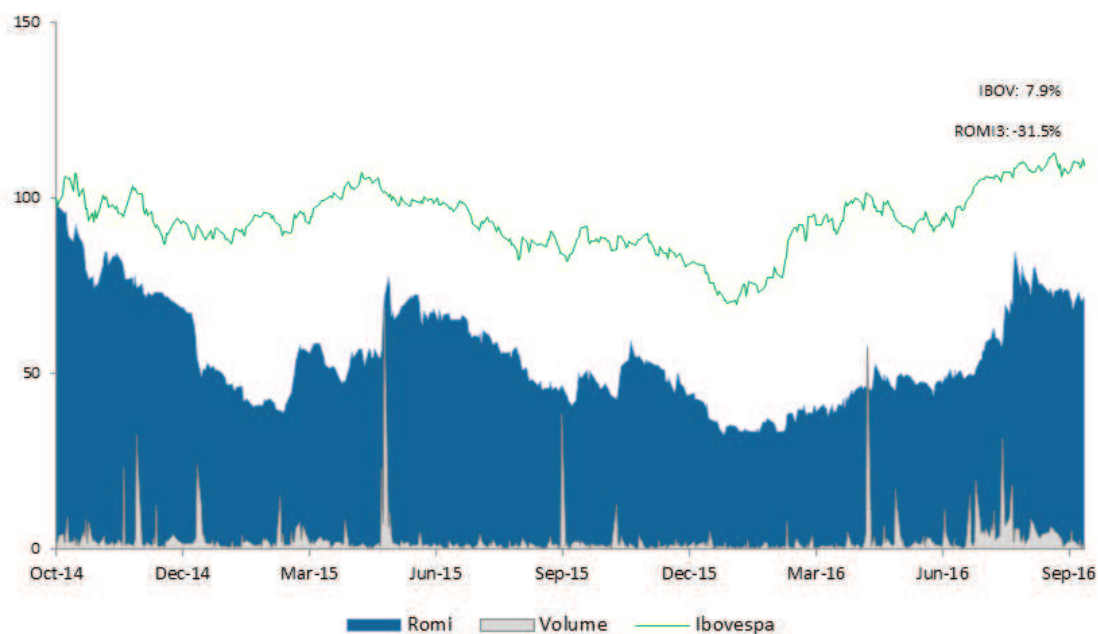
Share Repurchase Program

On April 6, 2016, the Board of Directors approved the Common Shares Acquisition Program, with share acquisition transactions to be carried out between April 7, 2016 and April 7, 2017. The number of common shares acquired was 2,800,000 shares, representing 9.07% of the Company's free float. With the Program, the Company intends to generate shareholder value by utilizing efficiently its capital structure.

On April 29, 2016, the Company completed the acquisition of 2.8 million shares of its own issue, for a total price of R\$5.2 million, at an average price per share of R\$1.85.

At the meeting held on August 2, 2016, the shareholders approved the cancellation of 2.8 million shares acquired under this program, without capital reduction. After the cancellation, the Company's total common shares are 62,857,647.

Capital Markets



Source: BM&FBovespa

At the end of 3Q16, Romi's common shares (ROMI3) were traded at R\$2.92, posting appreciation of 40.4% in the quarter and 69.8% in the twelve-month period. The BM&FBovespa Index posted appreciation of 13.3% in the quarter and 29.5% in the last twelve months.

The Company's market capitalization as at September 30, 2016 was R\$183.5 million. The average daily trading volume in 3Q16 was R\$541,300.

Consolidated Balance Sheet

(R\$ 000)

ASSETS	09/30/15	12/31/15	06/30/16	09/30/16	LIABILITIES AND SHAREHOLDER'S EQUITY	09/30/15	12/31/15	06/30/16	09/30/16
CURRENT	698,668	701,532	664,157	666,283	CURRENT	310,654	247,562	241,212	279,804
Cash and Cash equivalents	96,569	144,581	143,205	139,721	Loans and financing	54,270	45,825	45,254	68,062
Trade accounts receivable	108,709	122,126	102,122	104,848	FINAME manufacturer financing	91,013	82,785	72,919	70,501
Onlending of FINAME manufacturer financing	129,109	120,908	111,077	106,754	Trade accounts payable	39,406	28,400	40,552	37,241
Inventories	324,603	267,786	266,856	271,858	Payroll and related taxes	30,921	20,834	27,579	30,686
Recoverable taxes	23,179	22,923	20,856	24,104	Taxes payable	6,607	6,354	3,379	2,408
Other receivables	16,499	23,208	20,041	18,998	Advances from customers	68,790	37,851	34,796	52,939
					Interest on capital, dividends and participations	2	1,487	-	-
					Other payables	19,645	24,026	16,733	17,967
NONCURRENT	565,207	517,186	476,150	479,775	NON CURRENT	295,515	298,161	270,062	239,023
Long-Term Assets	196,689	167,009	158,547	154,240	Long-term liabilities				-
Trade accounts receivable	7,564	8,941	10,505	10,628	Loans and financing	159,324	170,817	164,773	138,623
Onlending of FINAME manufacturer financing	109,948	99,541	84,759	76,802	FINAME manufacturer financing	98,630	92,124	76,576	71,167
Recoverable taxes	1,356	1,203	1,066	919	Deferred income and social contribution taxes	34,533	32,711	26,944	27,596
Deferred income and social contribution taxes	54,905	48,738	53,469	55,643	Taxes payable	1,133	545	539	539
Escrow Deposits	1,814	2,627	2,668	2,690	Reserve for contingencies	1,416	1,459	911	814
Other receivables	21,102	5,959	6,080	7,558	Other payables	479	505	319	284
Investments					SHAREHOLDER'S EQUITY	656,184	670,719	627,462	625,716
Property, Plant and Equipment	283,615	277,809	255,876	261,523	Capital	492,025	492,025	492,025	492,025
Investment Property	26,025	17,000	17,101	18,008	Capital reserve	-	-	-	-
Intangible assets	58,878	55,368	44,626	46,004	Retained earnings	135,952	140,721	135,121	129,938
					Loss for the period	(16,024)	-	(14,824)	(19,463)
					Treasury shares	(3,914)	(5,078)	(5,183)	-
					Cumulative translation adjustments	48,145	43,051	20,323	23,216
					NON CONTROLLING INTERESTS	1,522	2,276	1,571	1,515
					TOTAL SHAREHOLDER'S EQUITY	657,706	672,995	629,033	627,231
TOTAL ASSETS	1,263,875	1,218,718	1,140,307	1,146,058	TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,263,875	1,218,718	1,140,307	1,146,058

Consolidated Income Statement

(R\$ thousand)

	3Q15	2Q16	3Q16	Chg. 3Q16/2Q16	Chg. 3Q16/3Q15	9M15	9M16	Chg. 2016/2015
Net Operating Revenue	154,248	150,063	153,312	2.2%	-0.6%	394,189	433,185	9.9%
Cost of Goods Sold	(119,839)	(114,917)	(122,586)	6.7%	2.3%	(306,988)	(341,085)	11.1%
Gross Profit	34,409	35,146	30,726	-12.6%	-10.7%	87,201	92,100	5.6%
<i>Gross Margin %</i>	<i>22.3%</i>	<i>23.4%</i>	<i>20.0%</i>			<i>22.1%</i>	<i>21.3%</i>	
Operating Expenses	(40,745)	(38,165)	(38,683)	1.4%	-5.1%	(120,809)	(115,649)	-4.3%
Selling expenses	(18,279)	(17,973)	(19,313)	7.5%	5.7%	(51,642)	(52,264)	1.2%
Research and development expenses	(4,444)	(4,514)	(4,562)	1.1%	2.7%	(14,262)	(13,210)	-7.4%
General and administrative expenses	(15,829)	(14,787)	(14,198)	-4.0%	-10.3%	(49,515)	(48,147)	-2.8%
Management profit sharing and compensation	(1,157)	(1,353)	(1,364)	0.8%	17.9%	(3,973)	(3,903)	-1.8%
Other operating income, net	(1,036)	462	754	63.2%	-172.8%	(1,417)	1,875	-232.3%
Operating Income before Financial Results	(6,336)	(3,019)	(7,957)	163.6%	25.6%	(33,608)	(23,549)	-29.9%
<i>Operating Margin %</i>	<i>-4.1%</i>	<i>-2.0%</i>	<i>-5.2%</i>			<i>-8.5%</i>	<i>-5.4%</i>	
Financial Results, Net	6,619	(2,387)	1,543	-164.6%	-76.7%	12,347	(2,170)	-117.6%
Financial income	3,722	5,930	5,711	-3.7%	53.4%	14,734	15,833	7.5%
Financial expenses	(4,376)	(5,598)	(4,871)	-13.0%	11.3%	(16,236)	(14,210)	-12.5%
Exchange gain (loss), net	7,273	(2,719)	703	-125.9%	-90.3%	13,849	(3,793)	-127.4%
Operations Operating Income	283	(5,406)	(6,414)	18.6%	-2366.4%	(21,261)	(25,719)	21.0%
Income tax and social contribution	(696)	606	1,833	202.5%	-363.4%	5,460	6,427	17.7%
Net income	(413)	(4,800)	(4,581)	-4.6%	1009.2%	(15,801)	(19,292)	22.1%
<i>Net Margin %</i>	<i>-0.3%</i>	<i>-3.2%</i>	<i>-3.0%</i>			<i>-4.0%</i>	<i>-4.5%</i>	
Net profit concerning:								
Controlling interests	(478)	(4,858)	(4,639)	-4.5%	870.5%	(16,025)	(19,463)	21.5%
Non controlling interests	65	58	58	0.0%	-10.8%	223	171	-23.3%
EBITDA	2,546	5,658	556	-90.2%	-78.2%	(7,522)	2,585	-134.4%
Loss for the period	(413)	(4,800)	(4,581)	-4.6%	1009.2%	(15,802)	(19,292)	22.1%
Income tax and social contribution	696	(606)	(1,833)	202.5%	-363.4%	(5,460)	(6,427)	17.7%
Financial income, net	(6,619)	2,387	(1,543)	-164.6%	-76.7%	(12,347)	2,170	-117.6%
Depreciation and amortization	8,882	8,677	8,513	-1.9%	-4.2%	26,085	26,132	0.2%
<i>EBITDA Margin %</i>	<i>1.7%</i>	<i>3.8%</i>	<i>0.4%</i>			<i>-1.9%</i>	<i>0.6%</i>	
Nº of shares in capital stock (th)	68,758	65,658	62,858	-4.3%	-8.6%	68,758	62,858	-8.6%
Loss per share - R\$	(0.01)	(0.07)	(0.07)	-0.3%	961.6%	(0.22)	(0.30)	34.3%

Consolidated Cash Flow Statement

(R\$ thousand)

	3Q15	2Q16	3Q16	9M15	9M16
Cash from operating activities					
Net Income	282	(5,407)	(6,415)	(21,261)	(25,719)
Financial expenses and exchange gain	21,193	1,424	2,718	13,259	7,576
Depreciation and amortization	8,882	8,677	8,513	26,070	26,132
Allowance for doubtful accounts and other receivables	(966)	(174)	(3,073)	(224)	(2,272)
Proceeds from sale of fixed assets and intangibles	3,459	183	(358)	2,951	(444)
Provision for inventory realization	4,382	(3,485)	(1,627)	7,680	(4,803)
Reserve for contingencies	407	174	(253)	936	(95)
Change on operating assets and liabilities			-		
Trade accounts receivable	(30,117)	(853)	1,860	14,502	15,125
Related Parties	1,180	-	-	2,329	-
Onlending of Finame manufacturer financing	17,050	15,770	12,142	69,180	38,623
Inventories	(34,704)	6,517	(3,375)	(70,247)	732
Recoverable taxes, net	1,977	(960)	(5,275)	(5,259)	(7,802)
Escrow deposits	(3,303)	64	(61)	(4,782)	(68)
Other receivables	8,110	2,318	1,525	13,906	7,502
Trade accounts payable	(2,276)	5,390	(3,427)	5,546	9,589
Payroll and related taxes	4,773	3,031	3,526	13,600	10,113
Taxes payable	5,397	(3,538)	1,345	7,633	(2,107)
Advances from customers	18,146	6,045	18,143	27,862	15,088
Other payables	3,589	(4,673)	906	2,257	(7,539)
Cash provided by (used in) operating activities	27,461	30,503	26,814	105,938	79,631
Income tax and social contribution paid	(168)	(73)	169	(650)	(533)
Net Cash provided by (used in) operating activities	27,293	30,430	26,983	105,288	79,098
Purchase of fixed assets	(4,039)	(5,910)	(13,896)	(11,387)	(22,231)
Sales of fixed assets	297	130	772	1,188	1,566
Increase in intangible assets	-	87	(76)	-	(76)
Net cash Used in Investing Activities	(3,742)	(5,693)	(13,200)	(10,199)	(20,741)
Interest on capital paid	(157)	(1,487)	(109)	(2,043)	(2,415)
Share Repurchase	(3,914)	(5,183)	-	(3,914)	(5,705)
New loans and financing	62,578	14,185	1,898	43,383	31,075
Payments of loans and financing	(33,442)	(17,042)	(6,117)	(94,251)	(36,471)
Interests paid (including Finame manufacturer financing)	(5,528)	(5,677)	(5,018)	(17,620)	(16,207)
New loans in Finame manufacturer	20,399	13,726	13,147	51,935	33,891
Payment of Finame manufacturer financing	(33,758)	(21,896)	(21,074)	(112,276)	(67,245)
Net Cash provided by (used in) Financing Activities	6,178	(23,374)	(17,273)	(134,786)	(63,077)
Increase (decrease) in cash and cash equivalents	29,729	1,363	(3,490)	(39,697)	(4,720)
Exchange variation changes on cash and cash equivalents abroad	(5,119)	144	6	(9,314)	(140)
Cash and cash equivalents - beginning of period	71,959	141,698	143,205	145,580	144,581
Cash and cash equivalents - end of period	96,569	143,205	139,721	96,569	139,721

Appendix I – Income Statement by Business Unit

Income Statement by Business Units - 3Q16

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron	Total
Net Operating Revenue	63,951	26,590	62,771	153,312
Cost of Sales and Services	(42,799)	(22,926)	(56,861)	(122,586)
Business Units Transfers	258	-	3,830	4,088
Business Units Transfers	(3,830)	-	(258)	(4,088)
Gross Profit	17,580	3,664	9,482	30,726
<i>Gross Margin %</i>	<i>27.5%</i>	<i>13.8%</i>	<i>15.1%</i>	<i>20.0%</i>
Operating Expenses	(25,782)	(6,593)	(6,308)	(38,683)
Selling	(15,293)	(2,788)	(1,232)	(19,313)
General and Administrative	(6,011)	(3,805)	(4,382)	(14,198)
Research and Development	(4,562)	-	-	(4,562)
Management profit sharing	(670)	-	(694)	(1,364)
Other operating revenue	754	-	-	754
Operating Income before Financial Results	(8,202)	(2,929)	3,174	(7,957)
<i>Operating Margin %</i>	<i>-12.8%</i>	<i>-11.0%</i>	<i>5.1%</i>	<i>-5.2%</i>
Depreciation and amortization	3,703	1,490	3,320	8,513
EBITDA	(4,499)	(1,439)	6,494	556
<i>EBITDA Margin %</i>	<i>-7.0%</i>	<i>-5.4%</i>	<i>10.3%</i>	<i>0.4%</i>

Income Statement by Business Units - 3Q15

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron	Total
Net Operating Revenue	74,102	39,212	40,934	154,248
Cost of Sales and Services	(47,599)	(34,574)	(37,667)	(119,840)
Business Units Transfers	1	-	1,685	1,685
Business Units Transfers	(1,685)	-	-	(1,685)
Gross Profit	24,819	4,638	4,952	34,408
<i>Gross Margin %</i>	<i>33.5%</i>	<i>11.8%</i>	<i>12.1%</i>	<i>22.3%</i>
Operating Expenses	(28,811)	(7,767)	(4,168)	(40,746)
Selling	(14,420)	(3,252)	(607)	(18,279)
General and Administrative	(8,169)	(4,515)	(3,145)	(15,829)
Research and Development	(4,444)	-	-	(4,444)
Management profit sharing	(741)	-	(416)	(1,157)
Other operating revenue	(1,037)	-	-	(1,037)
Operating Income before Financial Results	(3,992)	(3,129)	784	(6,337)
<i>Operating Margin %</i>	<i>-5.4%</i>	<i>-8.0%</i>	<i>1.9%</i>	<i>-4.1%</i>
Depreciation and amortization	4,342	1,882	2,659	8,883
EBITDA	350	(1,247)	3,443	2,546
<i>EBITDA Margin %</i>	<i>0.5%</i>	<i>-3.2%</i>	<i>8.4%</i>	<i>1.7%</i>

Income Statement by Business Units - 9M16

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	195,783	81,811	155,591	433,185
Cost of Sales and Services	(130,111)	(70,794)	(140,180)	(341,085)
Business Units Transfers	1,934	-	9,532	11,466
Business Units Transfers	(9,532)	-	(1,934)	(11,466)
Gross Profit	58,074	11,017	23,009	92,100
<i>Gross Margin %</i>	<i>29.7%</i>	<i>13.5%</i>	<i>14.8%</i>	<i>21.3%</i>
Operating Expenses	(77,789)	(22,148)	(15,712)	(115,649)
Selling	(41,001)	(8,019)	(3,244)	(52,264)
General and Administrative	(23,227)	(14,128)	(10,792)	(48,147)
Research and Development	(13,210)	-	-	(13,210)
Management profit sharing	(2,227)	-	(1,676)	(3,903)
Other operating revenue	1,875	-	-	1,875
Operating Income before Financial Results	(19,715)	(11,131)	7,297	(23,549)
<i>Operating Margin %</i>	<i>-10.1%</i>	<i>-13.6%</i>	<i>4.7%</i>	<i>-5.4%</i>
Depreciation and amortization	11,244	4,943	9,944	26,132
EBITDA	(8,471)	(6,187)	17,241	2,583
<i>EBITDA Margin %</i>	<i>-4.3%</i>	<i>-7.6%</i>	<i>11.1%</i>	<i>0.6%</i>

Income Statement by Business Units - 9M15

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	231,278	66,516	96,395	394,189
Cost of Sales and Services	(145,467)	(60,431)	(101,090)	(306,989)
Business Units Transfers	4	-	9,948	9,952
Business Units Transfers	(9,948)	-	(4)	(9,952)
Gross Profit	75,867	6,084	5,249	87,199
<i>Gross Margin %</i>	<i>32.8%</i>	<i>9.1%</i>	<i>5.4%</i>	<i>22.1%</i>
Operating Expenses	(88,719)	(19,944)	(10,729)	(119,392)
Selling	(43,225)	(5,847)	(2,570)	(51,642)
General and Administrative	(28,224)	(14,097)	(7,194)	(49,515)
Research and Development	(14,262)	-	-	(14,262)
Management profit sharing	(3,008)	-	(965)	(3,973)
Other operating revenue	-	-	-	-
Operating Income before Financial Results	(12,852)	(13,860)	(5,480)	(32,192)
<i>Operating Margin %</i>	<i>-5.6%</i>	<i>-20.8%</i>	<i>-5.7%</i>	<i>-8.2%</i>
Depreciation and amortization	12,911	5,108	8,067	26,086
EBITDA	60	(8,752)	2,587	(6,106)
<i>EBITDA Margin %</i>	<i>0.0%</i>	<i>-13.2%</i>	<i>2.7%</i>	<i>-1.5%</i>

Appendix II – Financial Statements of B+W

Balance Sheet B+W

	(€ 000)			
ASSETS	09/30/15	12/31/15	06/30/16	09/30/16
CURRENT	25,439	18,687	18,430	22,744
Cash and Cash equivalents	-	2,807	2,049	2,949
Trade accounts receivable	6,060	7,263	5,949	6,286
Inventories	16,885	8,288	9,468	11,836
Recoverable taxes	2,120	182	668	1,321
Related Parties	3	4	95	124
Other receivables	370	141	201	229
NONCURRENT	28,852	28,687	27,926	27,484
Long-Term Assets	-	-	-	-
Other receivables	-	-	-	-
Investments				
Property, Plant and Equipment, net	15,701	15,742	15,347	15,071
Investment in Subsidiaries and Associate Companies	-	24	46	46
Intangible assets	13,151	12,922	12,533	12,367
TOTAL ASSETS	54,290	47,374	46,356	50,228

	(€ 000)			
LIABILITIES AND SHAREHOLDER'S EQUITY	09/30/15	12/31/15	06/30/16	09/30/16
CURRENT	21,085	11,341	11,060	15,767
Loans and financing	3,085	958	-	-
Trade accounts payable	1,964	1,205	1,229	1,183
Payroll and related taxes	1,197	492	950	960
Taxes payable	817	409	165	71
Advances from customers	12,435	6,048	7,132	11,970
Other payables	1,586	2,146	1,582	1,476
Related Parties	-	82	0	107
NON CURRENT	8,635	8,459	9,122	8,932
Long-term liabilities				
Loans and financing	3,504	3,418	4,171	4,025
Deferred income and social contribution taxes	5,131	5,041	4,952	4,907
SHAREHOLDER'S EQUITY	24,571	27,574	26,174	25,529
Capital	7,025	7,025	7,025	7,025
Capital reserve	505	505	505	505
Accumulated deficit	17,041	20,044	18,644	17,999
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	54,290	47,374	46,356	50,228

B+W Income Statement

	(€ 000)				
	3Q15	2Q16	3Q16	9M15	9M16
Net Operating Revenue	9,176	8,531	7,345	17,237	20,928
Cost of Goods Sold	(8,097)	(6,725)	(6,332)	(15,799)	(18,028)
Gross Profit	1,079	1,806	1,013	1,438	2,900
<i>Gross Margin %</i>	<i>11.8%</i>	<i>21.2%</i>	<i>13.8%</i>	<i>8.3%</i>	<i>13.9%</i>
Operating Expenses	(1,933)	(1,712)	(1,820)	(5,595)	(5,566)
Selling expenses	(776)	(604)	(769)	(1,547)	(2,038)
General and administrative expenses	(1,157)	(1,108)	(1,051)	(4,048)	(3,528)
Operating Income before Financial Results	(854)	94	(807)	(4,157)	(2,666)
<i>Operating Margin %</i>	<i>-9.3%</i>	<i>1.1%</i>	<i>-11.0%</i>	<i>-24.1%</i>	<i>-12.7%</i>
Financial Results, Net	(72)	(80)	(100)	(258)	(210)
Operations Operating Income	(926)	14	(907)	(4,415)	(2,876)
Income tax and social contribution	267	(4)	262	1,276	831
Net income	(659)	10	(645)	(3,139)	(2,045)
<i>Net Margin %</i>	<i>-7.2%</i>	<i>0.1%</i>	<i>-8.8%</i>	<i>-18.2%</i>	<i>-9.8%</i>
EBITDA	(268)	618	(287)	(2,379)	(1,093)
Net income / loss for the period	(659)	10	(645)	(3,139)	(2,045)
Income tax and social contribution	(267)	4	(262)	(1,276)	(831)
Financial income, net	72	80	100	258	210
Depreciation and amortization	586	524	520	1,778	1,573
<i>EBITDA Margin %</i>	<i>-2.9%</i>	<i>7.2%</i>	<i>-3.9%</i>	<i>-13.8%</i>	<i>-5.2%</i>

Statements contained in this release related to the Company's business outlook, projections of operating and financial results, and references to the Company's growth potential are mere forecasts and have been based on Management's expectations regarding its future performance. These expectations are highly dependent upon market behavior, economic conditions in Brazil, the industry and international markets, therefore being subject to changes.