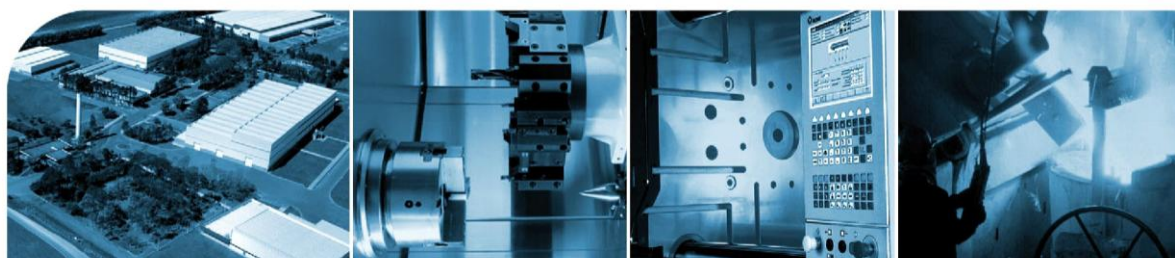




ROMI®

TRADIÇÃO EM INOVAR



April 26, 2016 1Q16 Earnings Release

March 31, 2016

Share price

ROMI3 - R\$1.55 / share

Market capitalization

R\$106.6 million

US\$30.0 million

Number of shares

Common: 68,757,647

Total: 68,757,647

Free Float = 47.6%

Investor Relations Contact

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April 27, 2016

Earnings Conference Call in English

Time: 12:00 noon. (São Paulo)

4:00 p.m. (London)

11:00 a.m. (Nova York)

Dial-in numbers:

USA +1 (786) 924-6977

Brazil +55 (11) 3193-1001

Other + 1 (888) 700-0802

Access code: Romi



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Diferenciado **ITAG**

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Ações com Governança
Corporativa Diferenciada **IGC**

Santa Bárbara d'Oeste, SP, April 26, 2016 – Indústrias Romi S.A. ("Romi" or "Company") (BM&FBovespa: ROMI3), 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 first quarter of 2016 ("1Q16"). 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

Order entry in 1Q16 grew 27.2% as compared with 1Q15, with emphasis on the Romi machines and Cast Iron Parts

- Net operating revenues increased by 7.3% in 1Q16 compared with 1Q15, due to the higher revenues of the Raw and Machined Cast Iron Parts unit and of the German subsidiary B+W.
- EBITDA in 1Q16 was negative by R\$3.6 million, mainly due to the decrease in demand for Romi machines in the domestic market and B+W performance.
- In 1Q16, compared with 1Q15, Romi's Raw and Machined Cast Iron Parts Unit posted improvements of 13.2 and 12.4 percentage points in terms of gross margin and EBITDA, respectively.
- Order entry in 1Q16, compared with 1Q15, was 27.2% higher than in 1Q15, due to the increase in orders for Romi machines in the foreign market and cast iron parts for the wind power segment.

R\$'000	Quarter				
	1Q15	4Q15	1Q16	Var. 1Q16/4Q15	Var. 1Q16/1Q15
Revenues Volume					
Machines (units)	244	131	123	-6.1%	-49.6%
Burkhardt + Weber (units)	1	11	3	-72.7%	200.0%
Raw and Machined Cast Iron Parts (tons)	3,632	4,109	4,240	3.2%	16.7%
Net Operating Revenue	120,969	212,443	129,810	-38.9%	7.3%
Gross margin (%)	22.0%	23.9%	20.2%		
Operating Income (EBIT)	(9,538)	31,566	(12,571)	-139.8%	31.8%
Operating margin (%)	-7.9%	14.9%	-9.7%		
Net Income	(1,692)	23,146	(9,909)	-142.8%	485.6%
Net margin (%)	-1.4%	10.9%	-7.6%		
EBITDA	(1,119)	39,926	(3,629)	-109.1%	224.4%
EBITDA margin (%)	-0.9%	18.8%	-2.8%		
Investments	4,211	5,448	2,425	-55.5%	-42.4%

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

* The EBITDA and net income for 4Q15 has a positive impact due the sale of non-strategic real estate properties, in the amounts of R\$21.9 million and R\$21.0 million, respectively.

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, 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

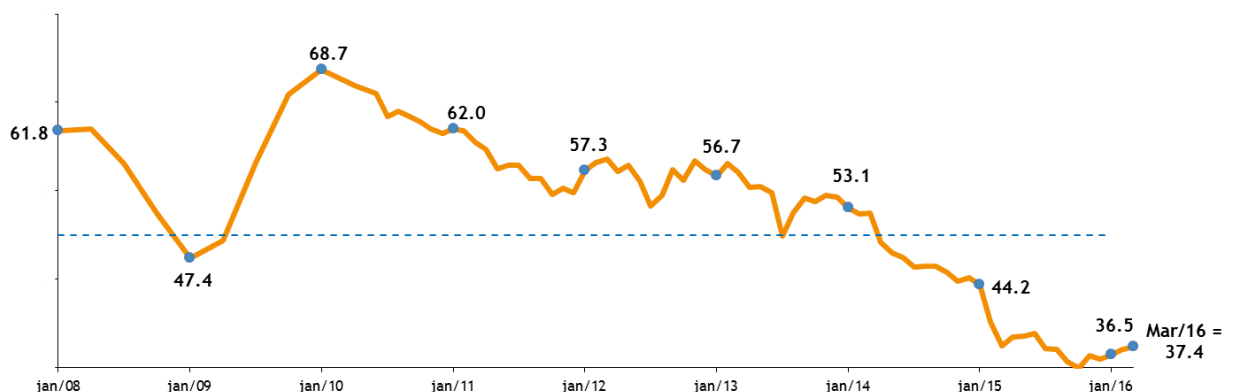
Romi, founded in 1930, is the leader in the Brazilian industrial machinery and equipment market, and an important manufacturer of raw and machined cast iron parts. The Company is listed on BM&FBovespa's "New Market", which is reserved for companies with a higher level of corporate governance. Romi manufactures 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 for the production of approximately 3,500 industrial machines and 50,000 tons of castings per year.

The Romi Machines Business Unit accounted for 52.1% of the Company's revenue for 1Q16. The Burkhardt + Weber and Raw and Machined Cast Iron Parts Business Units contributed 16.7% and 31.2%, respectively.

CURRENT ECONOMIC SCENARIO

With the poor economic activity due to the uncertainties surrounding the market since 2014, the first quarter of 2016 continued to show a slowdown of the economic activity and, mainly, of the Brazilian industry. In March 2016, the ICEI (Industrial Entrepreneur Confidence Index) continues at its lowest level since the 2008 crisis, as shown below:

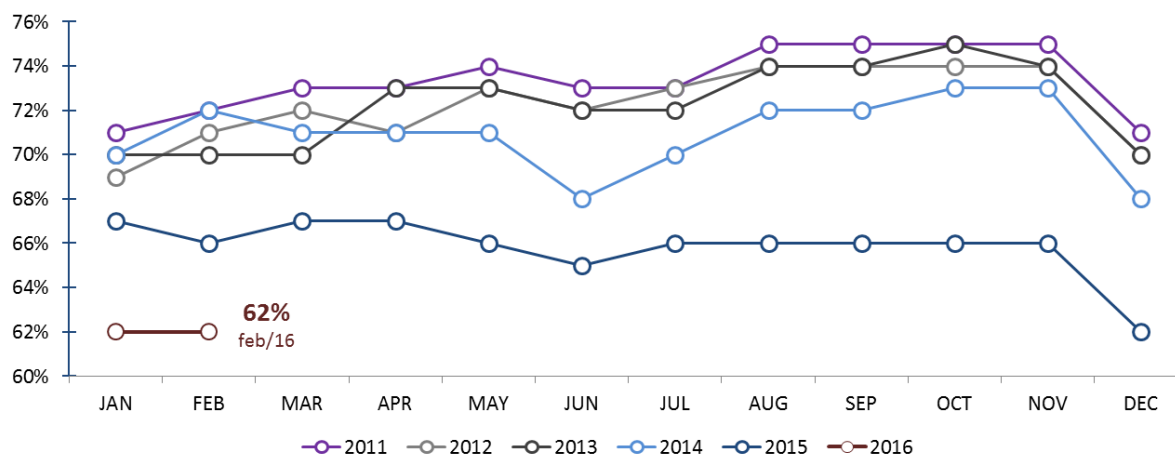


Source: CNI – ICEI (Industrial Executive Confidence Index), Mar, 2016

In 1Q16, the automotive industry produced 27.3% less than in 1Q15, based on data from the Brazilian Association of Automotive Vehicle Manufacturers (ANFAVEA). The production of trucks and agricultural and highway machinery was down 35.2% and 52.2%, respectively, compared with the quarter of the prior year.

The index of Installed Capacity Utilization – UCI for Brazilian industry in general, as released by the National Industrial Confederation – CNI, continued at quite low levels throughout the entire year 2015 and continued low at the beginning of 2016, when it reached the lowest percentage already recorded for the first quarter of the monthly series (beginning in January 2011), demonstrating the challenging time now faced by the Brazilian economy.

Average Installed Capacity Utilization (UCI)



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

This high uncertainty scenario discourages business expansion and impacts negatively the country's investment levels.

On the other hand, the recent 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. The domestic industry as a whole, in light of the Brazilian Real's depreciation, has the chance to become more competitive in Brazil and abroad. However, the uncertain scenario impairs and delays any potential plans for parts that are currently imported.

The choice of attempting to achieve gradual and sustainable growth in foreign markets continues being an important factor for geographic diversification and increasing global presence of the Romi brand name and products. In 1Q16 the number of new customers reached was higher in comparison with the same period of the prior year, showing the consolidation of the Romi brand in the foreign market. Romi Machines order entry grew 12.8% in 1Q16 in relation to the figure posted in 1Q15, due the increase of sales for the foreign market.

Our German subsidiary B+W, which has a presence in China and felt the effects of the cooling off of the economy in that nation and, in recent years, has been making efforts to expand its activities, such as in the United States, for example. In 1Q16, the share contributed by Romi's foreign sales to consolidated net operating revenues was 35%, up 14 percentage points in relation to the figure posted in 1Q15.

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 have allowed reducing inventories to regular normal levels and control default, 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	1Q15	4Q15	1Q16	Chg. 1Q16/4Q15	Chg. 1Q16/1Q15
Romi Machines	52,247	68,467	58,956	-13.9%	12.8%
Burkhardt+Weber Machines	9,552	11,061	8,958	-19.0%	-6.2%
Rough and Machined Cast Iron Parts	32,802	21,022	52,435	149.4%	59.9%
Total	94,602	100,551	120,349	19.7%	27.2%

The volume of orders placed in 1Q16 was 27.2% higher than in 1Q15, due the increase of orders placed with Romi Machines for foreign market and our Raw and Machined Cast Iron Parts Business Unit, propelled by greater demand by the wind power industry.

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

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

As at March 31, 2016, the order backlog totaled R\$236.2 million, an amount that is 9.3% lower than the backlog at the end of 1Q15 and 3.0% down in relation to 4Q15, resulting from the drop in the volume of orders for machines in the domestic market. Our German subsidiary B+W, which has a presence in China, has felt the effects of the cooling off of the economy in that nation and, in recent years, has been making efforts to expand its activities, such as in the United States, for example.

OPERATING PERFORMANCE

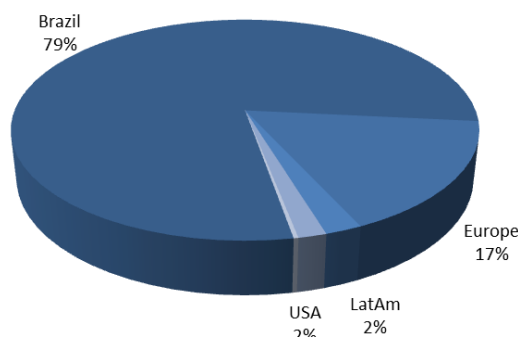
NET OPERATING REVENUES

Net operating revenues posted by the Company in 1Q16 reached R\$129.8 million, an increase of 7.3% compared to 1Q15, due to the higher revenues by our German subsidiary B+W in 1Q16 and the 48.5% growth in revenues posted by the Raw and Machine Cast Iron Parts Business Unit in the same period.

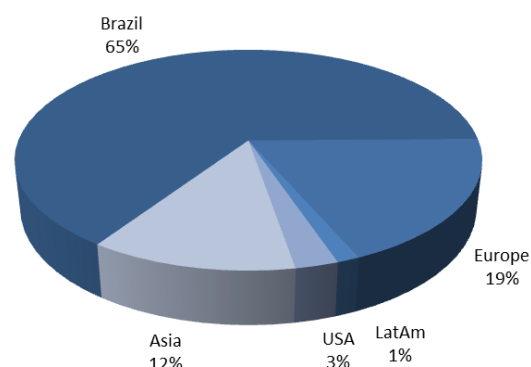
	Quarter				
Net Operating Revenue (R\$ 000)	1Q15	4Q15	1Q16	Chg. 1T16/4T15	Chg. 1T16/1T15
Romi Machines	86,573	76,091	67,574	-11.2%	-21.9%
Burkhardt + Weber Machines	7,125	96,831	21,727	-77.6%	204.9%
Raw and Machined Cast Iron Parts	27,271	39,521	40,510	2.5%	48.5%
Total	120,969	212,443	129,810	-38.9%	7.3%

The domestic market accounted for 65% of Romi's revenue in 1Q16. 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:

1Q15



1Q16



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

Foreign Sales	Quarter				
	1Q15	4Q15	1Q16	Chg. 1Q16/4Q15	Chg. 1Q16/1Q15
Net Sales (R\$ million)	26.6	125.6	45.5	-63.8%	71.2%
Net Sales (US\$ million)	9.1	32.2	12.8	-60.3%	40.5%

Romi Machines

This Business Unit's net operating revenues reached R\$67.6 million in 1Q16, a decrease of 21.9% if compared with 1Q15 and 11.2% in relation to 4Q15, showing the scenario of uncertainties of the Brazilian economy.

Burkhardt + Weber Machines

In 1Q16 the net operating revenues of the German subsidiary B+W posted growth of 14.6 million compared with 1Q15. The produced machinery have differentiated features since they are large, with high and personalized technology, and do not have a defined seasonality.

Raw and Machined Cast Iron Parts

In 1Q16, net operating revenues of this Business Unit were R\$40.5 million, which represents an increase of 48.5% compared to 1Q15. This increase was due to the recovery of the wind power segment, even though the commercial vehicles (trucks) and agricultural segments have posted a decline in the demand for raw and machined cast iron parts.

OPERATING COSTS AND EXPENSES

The gross margin obtained in 1Q16, of 20.2%, was 1.8 points below the number for 1Q15, due the composition of the net operating revenue. The Raw and Machined Cast Iron Parts business, due the normal characteristics of the activity, has a lower gross margin when compared with the machine business, increased expressively its participation.

	Quarter				
Gross Margin	1Q15	4Q15	1Q16	Var. p.p. 1Q16/4Q15	Var. p.p. 1Q16/1Q15
Romi Machines	32.7%	21.9%	31.3%	9.4	(1.5)
Burkhardt + Weber Machines	-18.8%	29.1%	1.4%	(27.7)	20.2
Raw and Machined Cast Iron Parts	-1.4%	15.1%	11.8%	(3.3)	13.2
Total	22.0%	23.9%	20.2%	(3.7)	(1.8)

	Quarter				
EBIT Margin	1Q15	4Q15	1Q16	Var. p.p. 1Q16/4Q15	Var. p.p. 1Q16/1Q15
Romi Machines	-0.1%	9.5%	-7.0%	(16.5)	(6.9)
Burkhardt + Weber Machines	-84.0%	22.9%	-38.9%	(61.8)	45.1
Raw and Machined Cast Iron Parts	-12.8%	5.6%	1.4%	(4.1)	14.2
Total	-7.9%	14.9%	-9.7%	(24.5)	(1.8)

Romi Machines

The gross margin of this Business Unit was 31.3% in 1Q16, a decrease of 1.5% compared with 1Q15, due to the lower level of the net operating revenues. The measures taken by Romi for optimization of our structures and the recent devaluation of the Brazilian currency, which made our machine tool products more competitive, contributed to maintenance of the gross margin in a scenario of lower net operating revenues in the domestic market.

This Business Unit's operating margin in 1Q16 was negative (7.0%), 6.9 percentage points down from 1Q15 due to the lower revenues.

Burkhardt + Weber Machines

This Business Unit's gross margin in 1Q16 reached 1.4%, 20.2 percentage point higher than in 1Q15, due to the increase in sales in the 1Q16.

Raw and Machined Cast Iron Parts

This Business Unit's gross margin for 1Q16 was 11.8 percentage points, an improvement of 13.2 percentage points compared with 1Q15, due to the increase in the volume of revenues, which was positively impacted by higher demand in the wind power segment. This revenue increase, allied with an improvement of the gross margin, allowed the 1Q16 EBIT to reach R\$0.6 million (1.4% EBIT margin), 14.2 p.p. higher than 1Q15.

EBITDA AND EBITDA MARGIN

In 1Q16, the operating cash generation as measured by EBITDA was R\$3.6 million, representing a negative EBITDA margin of 2.8% for the quarter, as shown in the table below:

Reconciliation of Net Income to EBITDA			Quarter		
(R\$ '000)	1Q15	4Q15	1Q16	Chg. p.p. 1Q16/4Q15	Chg. p.p. 1Q16/1Q15
Net Income	(1,692)	23,146	(9,909)	-142.8%	485.6%
Income tax and social contributions	(1,236)	6,969	(3,988)	-157.2%	222.7%
Net Financial Income	(6,610)	1,451	1,326	-8.6%	-120.1%
Depreciation and amortization	8,419	8,360	8,942	7.0%	6.2%
EBITDA	(1,119)	39,926	(3,629)	-109.1%	224.4%
EBITDA Margin	-0.9%	18.8%	-2.8%	-114.9%	202.3%
Total Net Operating Revenue	120,969	212,443	129,810	-38.9%	7.3%

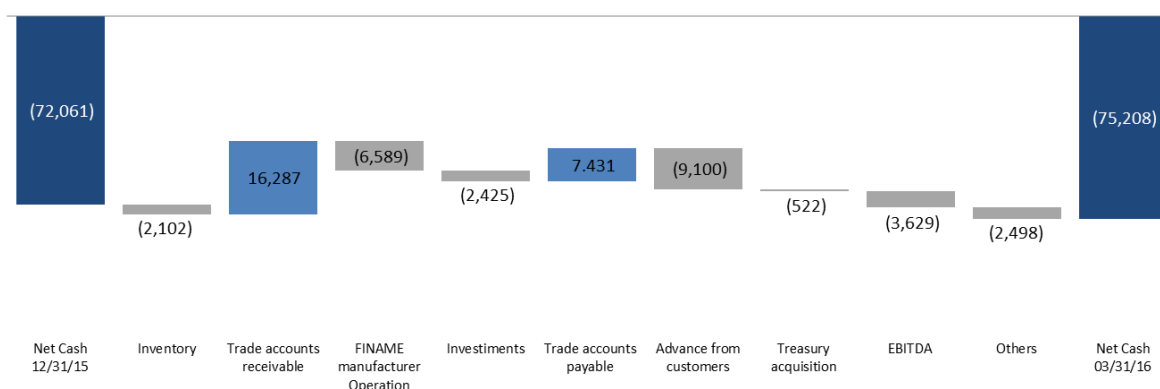
All factors and effects mentioned in the "Operating Expenses and Costs" section affected the EBITDA for 1Q16.

NET INCOME

Loss for 1Q16 was R\$9.9 million.

CHANGES IN CASH AND CASH EQUIVALENTS

The main changes in the net debt position during 1Q16 are described below in R\$'000:



Trade accountings receivables

The decrease of the trade accounts receivables was due to the collection, in January 2016, of the remaining balance of non-strategic property disposal in the amount of R\$ 14.4 million.

Advances from customers

The decrease in the volume of advances from customers is due to the lower number of orders placed with the subsidiary B+W, in comparison with the prior quarter.

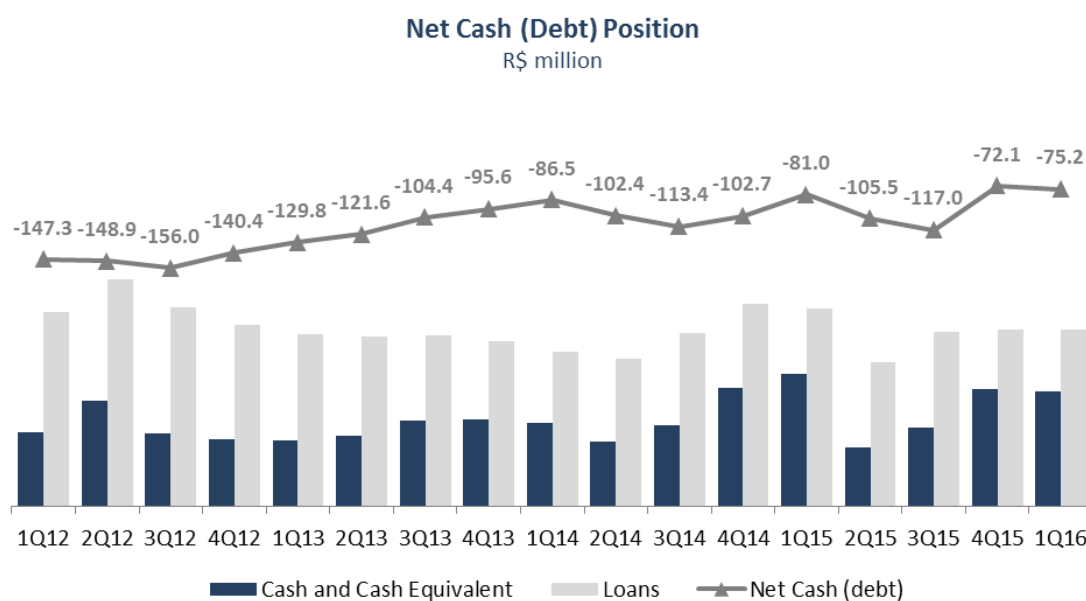
Investments

Investments in 1Q16 totaled R\$2.4 million, which were partly used for maintenance, productivity, flexibility and competitiveness of the industrial facilities within the investment plan for 2016.

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 March 31, 2016 was R\$141.7 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 March 31, 2016, the amount of financing in local currency was R\$189.0 million and in foreign currency, R\$27.9 million, totaling R\$216.9 million.



As at March 31, 2016, the Company did not have any derivative transactions.

SHARE REPURCHASE PROGRAM

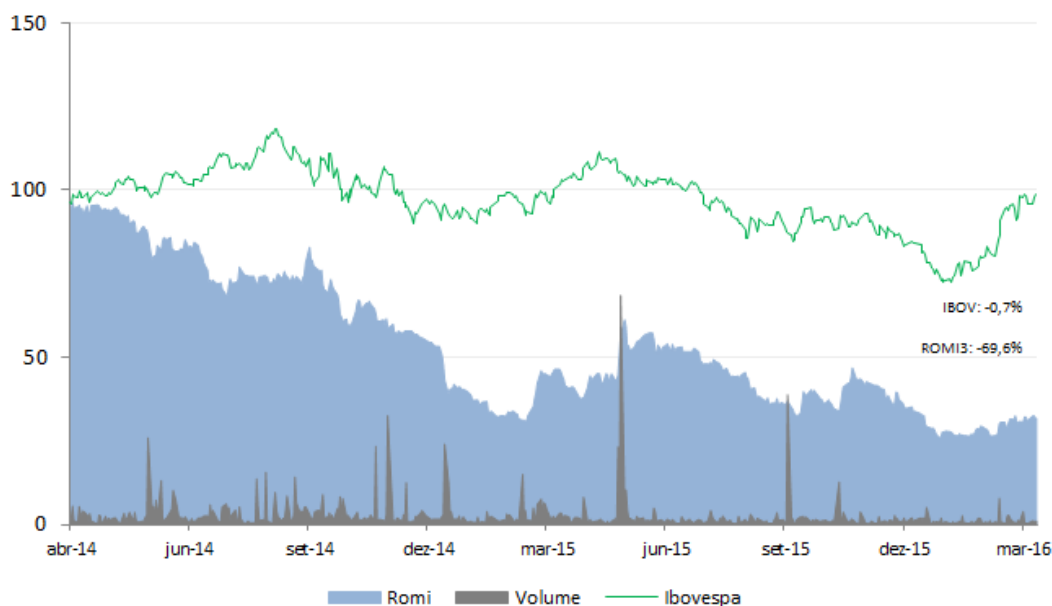
At a meeting held on April 28, 2015, the Board of Directors approved a program for repurchase of shares. According to the program, the share repurchase will begin on April 28, 2015 ending on April 27, 2016. Up to 3,100,000 shares can be repurchased under the Program, representing 8.92% of the Company's free float. The program was completed on January 19, 2016 for the total price of R\$5,599,851.41, and on April 5, 2016 approval was given for the cancelation of 3,100,000 shares, without capital reduction.

On April 6, 2016, the Board of Directors approved the Common Shares Acquisition Program, with share acquisition operations to be carried out between April 7, 2016 and April 7, 2017. The number of common shares to be acquired is 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.

CAPITAL MARKETS

Share Performance ROMI3 vs. Ibovespa

From: 04/01/2014 to 03/31/2016



Source: BM&FBovespa

At the end of 1Q16, Romi's common shares (ROMI3) were traded at R\$1.55, posting depreciation of 10.4% in the quarter and 36.2% in the twelve-month period. The BM&FBovespa Index posted appreciation of 15.5% in the quarter and depreciation of 2.1% in the last twelve months.

The Company's market capitalization as at March 31, 2016 was R\$106.6 million. The average daily trading volume in 1Q16 was R\$135,000.

FINANCIAL STATEMENTS

Consolidated Balance Sheet

(R\$ 000)

ASSETS		03/31/15	12/31/15	03/31/16	LIABILITIES AND SHAREHOLDER'S EQUITY		03/31/15	12/31/15	03/31/16
CURRENT		732,373	701,532	675,509	CURRENT		365,762	247,562	242,746
Cash and cash equivalents		161,979	144,581	141,698	Loans and financing		105,412	45,825	51,819
Trade accounts receivable		96,413	122,126	106,029	FINAME manufacturer financing		119,421	82,785	76,020
Onlending of FINAME manufacturer financing		155,755	120,908	116,600	Trade accounts payable		42,592	28,400	35,831
Inventories		279,213	267,786	269,888	Payroll and related taxes		22,812	20,834	24,374
Recoverable taxes		19,936	22,923	20,514	Taxes payable		6,158	6,354	3,515
Related Parties		712	-	-	Advances from customers		56,913	37,851	28,751
Other receivables		18,365	23,208	20,780	Interest on capital, dividends and participations		297	1,487	1,487
					Other payables		11,003	24,026	20,949
NONCURRENT		564,900	517,186	501,600	Related Parties		1,154	-	-
Long-Term Assets		214,814	167,009	165,011	NON CURRENT		285,549	298,161	279,671
Trade accounts receivable		7,639	8,941	8,751	Long-term liabilities				
Onlending of FINAME manufacturer financing		127,255	99,541	93,113	Loans and financing		137,617	170,817	165,087
Recoverable taxes		2,596	1,203	982	FINAME manufacturer financing		115,401	92,124	81,564
Deferred income and social contribution taxes		48,818	48,738	52,935	Deferred income and social contribution taxes		26,989	32,711	31,025
Escrow Deposits		2,566	2,627	2,698	Taxes payable		1,133	545	539
Other receivables		25,940	5,959	6,532	Reserve for contingencies		4,035	1,459	1,006
					Other payables		374	505	450
Investments					SHAREHOLDER'S EQUITY		644,424	670,719	653,179
Property, Plant and Equipment, net		279,367	277,809	267,735	Capital		492,025	492,025	492,025
Investment in Subsidiaries and Associate Companies		2,487	-	-	Capital reserve		-	-	-
Investment Property		20,164	17,000	17,000	Retained earnings		135,952	140,721	140,721
Intangible assets		48,068	55,368	51,854	Income (loss) for the period		(1,773)	-	(9,965)
					Income (loss) for the period for discontinued operations		-	(5,078)	(5,600)
					Treasury shares		18,220	43,051	35,998
					NON CONTROLLING INTERESTS		1,538	2,276	1,513
					TOTAL SHAREHOLDER'S EQUITY		645,962	672,995	654,692
TOTAL ASSETS		1,297,273	1,218,718	1,177,109	TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		1,297,273	1,218,718	1,177,109

Consolidated Income Statement

(R\$ thousand)

	1Q15	4Q15	1Q16	Var. 1Q16/4Q15	Var. 1Q16/1Q15
Net Operating Revenue	120.969	212.443	129.810	-38,9%	7,3%
Cost of Goods Sold	(94.351)	(161.617)	(103.582)	-35,9%	9,8%
Gross Profit	26.618	50.826	26.228	-48,4%	-1,5%
<i>Gross Margin %</i>	<i>22,0%</i>	<i>23,9%</i>	<i>20,2%</i>		
Operating Expenses	(36.156)	(19.260)	(38.799)	101,4%	7,3%
Selling expenses	(14.250)	(14.388)	(14.978)	4,1%	5,1%
Research and development expenses	(4.833)	(3.973)	(4.134)	4,1%	-14,5%
General and administrative expenses	(15.981)	(22.275)	(19.162)	-14,0%	19,9%
Management profit sharing and compensation	(1.638)	(1.407)	(1.186)	-15,7%	-27,6%
Other operating income, net	546	22.783	661	-97,1%	21,1%
Operating Income before Financial Results	(9.538)	31.566	(12.571)	-139,8%	31,8%
<i>Operating Margin %</i>	<i>-7,9%</i>	<i>14,9%</i>	<i>-9,7%</i>		
Financial Results, Net	6.610	(1.451)	(1.326)	-8,6%	-120,1%
Financial income	6.137	4.478	4.192	-6,4%	-31,7%
Financial expenses	(6.393)	(4.722)	(3.741)	-20,8%	-41,5%
Exchange gain (loss), net	6.866	(1.207)	(1.777)	47,2%	-125,9%
Operations Operating Income	(2.928)	30.115	(13.897)	-146,1%	374,6%
Income tax and social contribution	1.236	(6.969)	3.988	-157,2%	222,7%
Net income	(1.692)	23.146	(9.909)	-142,8%	485,6%
<i>Net Margin %</i>	<i>-1,4%</i>	<i>10,9%</i>	<i>-7,6%</i>		
Net profit concerning:					
Controlling interests	(1.773)	22.277	(9.965)	-144,7%	462,0%
Non controlling interests	81	869	56	-93,6%	-30,9%
EBITDA	(1.119)	39.926	(3.629)	-109,1%	224,4%
Net income / loss for the period	(1.692)	23.146	(9.909)	-142,8%	485,6%
Income tax and social contribution	(1.236)	6.969	(3.988)	-157,2%	222,7%
Financial income, net	(6.610)	1.451	1.326	-8,6%	-120,1%
Depreciation	8.419	8.360	8.942	7,0%	6,2%
<i>EBITDA Margin %</i>	<i>-0,9%</i>	<i>18,8%</i>	<i>-2,8%</i>		
Nº of shares in capital stock (th)	68.758	68.758	68.758	0,0%	0,0%
Net income per share - R\$	(0,02)	0,32	(0,14)	-144,7%	488,9%

Consolidated Cash Flow Statement

(R\$ thousand)

	1Q15	4Q15	1Q16
Cash from operating activities			
Net Income	(2,928)	30,116	(13,897)
Financial expenses and exchange gain	1,519	(8,518)	3,434
Depreciation and amortization	8,419	8,375	8,942
Allowance for doubtful accounts and other receivables	294	(1,461)	975
Proceeds from sale of fixed assets and intangibles	(283)	(25,486)	(269)
Provision for inventory realization	2,484	(21,689)	309
Reserve for contingencies	(1,404)	(1,160)	(16)
Change on operating assets and liabilities			
Trade accounts receivable	17,363	16,034	14,118
Related Parties	(158)	-	-
Onlending of FINAME manufacturer financing	20,498	18,094	10,711
Inventories	(19,661)	78,598	(2,410)
Recoverable taxes, net	(5,667)	(2,544)	(1,567)
Escrow deposits	(121)	3,439	(71)
Other receivables	3,061	10,655	3,659
Trade accounts payable	10,990	(10,706)	7,626
Payroll and related taxes	4,860	(10,039)	3,556
Taxes payable	2,897	(1,957)	86
Advances from customers	15,985	(30,939)	(9,100)
Other payables	(4,768)	3,411	(3,772)
Cash provided by (used in) operating activities	53,380	54,223	22,314
Income tax and social contribution paid	(275)	(196)	(629)
Net Cash provided by (used in) operating activities	53,105	54,027	21,685
Purchase of fixed assets	(4,211)	(5,540)	(2,425)
Sales of fixed assets	-	3,903	664
Increase in intangible assets	536	(372)	(87)
Net cash Used in Investing Activities	(3,675)	(2,009)	(1,848)
Interest on capital paid	(1,886)	(114)	(819)
Share Repurchase	-	(1,164)	(522)
New loans and financing	4,824	25,609	14,992
Payments of loans and financing	(14,636)	(19,603)	(13,312)
Interests paid (including Finame manufacturer financing)	(6,144)	(4,966)	(5,512)
New loans in Finame manufacturer	28,504	12,777	7,018
Payment of Finame manufacturer financing	(41,069)	(27,548)	(24,275)
Net Cash provided by (used in) Financing Activities	(30,407)	(15,009)	(22,430)
Increase (decrease) in cash and cash equivalents	19,023	37,009	(2,593)
Exchange variation changes on cash and cash equivalents abroad	(2,624)	11,003	(290)
Cash and cash equivalents - beginning of period	145,580	96,569	144,581
Cash and cash equivalents - end of period	161,979	144,581	141,698

Appendix I –Income Statement by Business Unit Statement

Income Statement by Business Units - 1Q16

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron Parts	Total
Net Operating Revenue	67,574	21,727	40,510	129,810
Cost of Sales and Services	(44,562)	(21,420)	(37,600)	(103,582)
Business Units Transfers	1,449	-	3,324	4,773
Business Units Transfers	(3,324)	-	(1,449)	(4,773)
Gross Profit	21,137	307	4,785	26,227
<i>Gross Margin %</i>	<i>31.3%</i>	<i>1.4%</i>	<i>11.8%</i>	<i>20.2%</i>
Operating Expenses	(25,837)	(8,762)	(4,200)	(38,799)
Selling	(11,309)	(2,830)	(839)	(14,978)
General and Administrative	(10,247)	(5,932)	(2,983)	(19,162)
Research and Development	(4,134)	-	-	(4,134)
Management profit sharing	(808)	-	(378)	(1,186)
Other operating revenue	661	-	-	661
Operating Income before Financial Results	(4,700)	(8,455)	585	(12,571)
<i>Operating Margin %</i>	<i>-7.0%</i>	<i>-38.9%</i>	<i>1.4%</i>	<i>-9.7%</i>
Depreciation and amortization	3,791	1,807	3,344	8,942
EBITDA	(909)	(6,648)	3,929	(3,629)
<i>EBITDA Margin %</i>	<i>-1.3%</i>	<i>-30.6%</i>	<i>9.7%</i>	<i>-2.8%</i>

Income Statement by Business Units - 1Q15

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron Parts	Total
Net Operating Revenue	86,573	7,125	27,271	120,969
Cost of Sales and Services	(54,099)	(8,467)	(31,784)	(94,351)
Business Units Transfers	2	-	4,125	4,127
Business Units Transfers	(4,125)	-	(2)	(4,127)
Gross Profit	28,351	(1,342)	(390)	26,618
<i>Gross Margin %</i>	<i>32.7%</i>	<i>-18.8%</i>	<i>-1.4%</i>	<i>22.0%</i>
Operating Expenses	(28,416)	(4,645)	(3,095)	(36,156)
Selling	(12,546)	(872)	(832)	(14,250)
General and Administrative	(10,260)	(3,773)	(1,948)	(15,981)
Research and Development	(4,833)	-	-	(4,833)
Management profit sharing	(1,323)	-	(315)	(1,638)
Other operating revenue	546	-	-	546
Operating Income before Financial Results	(66)	(5,986)	(3,485)	(9,537)
<i>Operating Margin %</i>	<i>-0.1%</i>	<i>-84.0%</i>	<i>-12.8%</i>	<i>-7.9%</i>
Depreciation and amortization	4,308	1,355	2,756	8,419
EBITDA	4,243	(4,631)	(729)	(1,118)
<i>EBITDA Margin %</i>	<i>4.9%</i>	<i>-65.0%</i>	<i>-2.7%</i>	<i>-0.9%</i>

Appendix II – Financial Statements of B+W

	(€ 000)		
ASSETS	03/31/15	12/31/15	03/31/16
CURRENT	23,569	18,687	17,134
Cash and Cash equivalents	2,997	2,807	91
Trade accounts receivable	4,871	7,263	6,773
Inventories	13,755	8,288	9,108
Recoverable taxes	1,577	182	966
Related Parties	210	4	34
Other receivables	160	141	162
NONCURRENT	30,234	28,687	28,367
Investments			
Property, Plant and Equipment, net	16,182	15,742	15,639
Investment in Subsidiaries and Associate Companies	722	24	24
Intangible assets	13,330	12,922	12,704
TOTAL ASSETS	53,803	47,374	45,501

	(€ 000)		
LIABILITIES AND SHAREHOLDER'S EQUITY	03/31/15	12/31/15	03/31/16
CURRENT	18,826	11,341	9,974
Loans and financing	1,141	958	1,799
Trade accounts payable	1,674	1,205	545
Payroll and related taxes	1,040	492	800
Taxes payable	436	409	146
Advances from customers	12,887	6,048	4,817
Other payables	1,313	2,146	1,844
Related Parties	335	82	24
NON CURRENT	8,851	8,459	9,313
Long-term liabilities			
Loans and financing	3,676	3,418	4,317
Deferred income and social contribution taxes	5,176	5,041	4,996
SHAREHOLDER'S EQUITY	26,126	27,574	26,213
Capital	7,025	7,025	7,025
Capital reserve	505	505	505
Accumulated deficit	18,596	20,044	18,683
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	53,803	47,374	45,501

B+W Income Statement

	(€ 000)		
	1Q15	4Q15	1Q16
Net Operating Revenue	2,167	22,743	5,052
Cost of Goods Sold	(2,613)	(16,122)	(4,971)
Gross Profit	(446)	6,621	81
<i>Gross Margin %</i>	<i>-20.6%</i>	<i>29.1%</i>	<i>1.6%</i>
Operating Expenses	(1,453)	(1,436)	(2,034)
Selling expenses	(268)	(528)	(665)
General and administrative expenses	(1,185)	(908)	(1,369)
Operating Income before Financial Results	(1,899)	5,185	(1,953)
<i>Operating Margin %</i>	<i>-87.6%</i>	<i>22.8%</i>	<i>-38.7%</i>
Financial Results, Net	(176)	(83)	(30)
Operations Operating Income	(2,075)	5,102	(1,983)
Income tax and social contribution	600	(1,745)	573
Net income	(1,475)	3,357	(1,410)
<i>Net Margin %</i>	<i>-68.1%</i>	<i>14.8%</i>	<i>-27.9%</i>
EBITDA	(1,476)	5,697	(1,534)
Net income / loss for the period	(1,475)	3,357	(1,410)
Income tax and social contribution	(600)	1,745	(573)
Financial income, net	176	83	30
Depreciation	423	512	419
<i>EBITDA Margin %</i>	<i>-68.1%</i>	<i>25.0%</i>	<i>-30.4%</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.