

Indústrias Romi S.A.

Quarterly Information (ITR) at

September 30, 2017

and reporting on review of quarterly information

A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB

Independent auditor's review report on quarterly financial information

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Indústrias Romi S.A. as at September 30, 2017, comprising the statement of financial position as at September 30, 2017 and the related statements of profit or loss and of comprehensive income for the three and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-month period then ended, including explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) – Interim Financial Reporting, issued by the Brazilian Financial Accounting Standards Board (CPC), and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this financial information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial 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 auditing standards 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 individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly financial information referred to above was not fairly prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of quarterly information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission.



Other matters

Statements of value added

We have also reviewed the individual and consolidated statement of value added (SVA) for the nine-month period ended September 30, 2017, whose preparation is the responsibility of the Company management and whose presentation in the interim financial information is required by rules issued by CVM applicable to the preparation of Quarterly Financial Information (ITR), and considered as supplementary information by IFRS, which do not require SVA presentation. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall accompanying interim financial information.

Audit and review of corresponding figures

The individual and consolidated statements of financial position at December 31, 2016, the individual and consolidated statements of profit or loss and of comprehensive income for the three and nine-month period ended September 30, 2016, and the statements of changes in equity, of cash flows and of value added for the nine-month period ended September 30, 2016, were audited and reviewed, respectively, by another independent auditor, who issued an unmodified audit opinion dated February 7, 2017, and a review report on quarterly information dated October 24, 2016, with an unmodified conclusion.

Campinas, October 24, 2017

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Luís Alexandre Marini
Accountant CRC-1SP182975/O-5



INDÚSTRIAS ROMI S.A.

BALANCE SHEET

In thousands of reais unless otherwise stated

		Company		Consolidated				Company		Consolidated	
	Note	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016		Note	September de 2017	December 31, 2016	September de 2017	December 31, 2016
ASSETS						LIABILITIES AND EQUITY					
CURRENT						CURRENT					
Cash and cash equivalents	3	90.107	60.671	128.420	101.510	Borrowings	12	105.069	96.221	108.208	99.435
Financial Investments	3	16.592	20.831	16.592	20.831	FINAME manufacturer financing	13	54.261	67.177	54.261	67.177
Trade accounts receivable	4	74.639	60.227	117.583	94.216	Trade accounts payable		28.686	28.165	34.387	34.482
Onlending of FINAME manufacturer financing	5	82.231	102.356	82.231	102.356	Payroll and related taxes		25.087	15.548	32.330	19.013
Inventories	6	165.832	182.215	263.327	264.587	Taxes payable		1.084	1.172	2.578	2.596
Related parties	8	41.831	36.566	-	-	Advances from customers		12.616	8.318	72.368	53.787
Taxes recoverable		8.693	21.980	12.471	24.402	Dividends and interes on capital		1.003	158	1.003	158
		10.558	12.852	13.007	14.472	Other payables		5.541	5.713	15.070	14.241
		490.483	497.698	633.631	622.374	Related parties	8	939	758	-	-
						Provision for net capital deficiency - subsidiary	7	85	-	-	-
								234.371	223.230	320.205	290.889
NON-CURRENT						NON-CURRENT					
Trade accounts receivable	4	10.962	11.996	10.962	11.996	Borrowings	12	40.925	87.761	53.057	100.338
Onlending of FINAME manufacturer financing	5	63.797	67.323	63.797	67.323	FINAME manufacturer financing	13	54.277	62.953	54.277	62.953
Taxes recoverable		645	777	645	777	Taxes payable		539	539	539	539
Deferred income tax and social contribution	15	53.624	56.232	55.109	58.053	Provision for tax, labor and divil risks	14	36	713	784	1.920
Judicial deposits	14	2.102	2.115	2.102	2.115	Other payables		8	-	113	96
Other receivables		10.861	8.806	11.134	9.065	Deferred income tax and social contribution	15	-	-	27.635	25.853
		141.991	147.249	143.749	149.329			95.785	151.966	136.405	191.699
Investment in subsidiary and associated companies	7	125.925	122.505	-	-	TOTAL LIABILITIES		330.156	375.196	456.610	482.588
Property, plant and equipment	10	186.916	193.721	246.709	252.033	EQUITY					
Investment properties	9	13.500	13.227	18.602	17.538	Capital	16	492.025	492.025	492.025	492.025
Intangible assets	11	1.198	758	45.271	42.846	Profit reserve	16	90.243	90.243	90.243	90.243
		469.530	477.460	454.331	461.746	Profit for the period	16	22.847	-	22.847	-
						Cumulative translation adjustments	16	24.742	17.694	24.742	17.694
TOTAL ASSETS		960.013	975.158	1.087.962	1.084.120			629.857	599.962	629.857	599.962
						NON CONTROLLING INTEREST		-	-	1.495	1.570
						TOTAL EQUITY		629.857	599.962	631.352	601.532
						TOTAL LIABILITIES AND EQUITY		960.013	975.158	1.087.962	1.084.120

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

INDÚSTRIAS ROMI S.A.
**STATEMENT OF INCOME
FOR THE PERIOD OF THREE AND NINE MONTHS ENDED SEPTEMBER**

In thousands of reais unless otherwise stated

		Current quarter	Accumulated	Current quarter	Company
		07/01/2017 to	for current year	07/01/2016 to	Accumulated
	Note	09/30/2017	01/01/2017 to	09/30/2016	for current year
			09/30/2017		01/01/2016 to
					09/30/2016
Operations					
Net Operating revenue		119.151	348.954	124.957	332.462
Cost of sales and services		(84.996)	(255.050)	(103.937)	(270.223)
Gross profit		34.155	93.904	21.020	62.239
Operation income (expenses)					
Selling		(10.483)	(28.674)	(12.729)	(32.994)
General and administrative		(5.952)	(20.500)	(8.412)	(24.667)
Research and development		(4.112)	(12.586)	(4.562)	(13.210)
Management profit sharing and fees	8	(1.660)	(4.838)	(1.341)	(3.831)
Equity in subsidiaries	7	903	729	(2.233)	(11.327)
Other operating income, net		717	1.194	737	1.912
		(20.587)	(64.675)	(28.540)	(84.117)
Operating profit (loss)		13.568	29.229	(7.520)	(21.878)
Financial income (expenses)					
Financial income		3.281	11.142	4.793	13.584
Financial expenses		(3.412)	(10.449)	(3.773)	(11.549)
Foreign exchange gains, net		(845)	1.539	699	(3.426)
		(976)	2.232	1.719	(1.391)
Profit (loss) before taxation		12.592	31.461	(5.801)	(23.269)
Income tax and social contribution		(3.509)	(8.614)	1.162	3.806
Profit (loss) for the period		9.083	22.847	(4.639)	(19.463)
Basic and diluted earnings (loss) per share (R\$)	16	0,14	0,36	(0,07)	(0,31)

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INDÚSTRIAS ROMI S.A.

**STATEMENT OF INCOME
FOR THE PERIOD OF THREE AND NINE MONTHS ENDED SEPTEMBER**

In thousands of reais unless otherwise stated

		Current quarter	Accumulated	Current quarter	Consolidated
		07/01/2017 to	for current year	07/01/2016 to	for current year
	Note	09/30/2017	01/01/2017 to 09/30/2017	09/30/2016	01/01/2016 to 09/30/2016
Operations					
Net Operating revenue		168.018	478.318	153.312	433.185
Cost of sales and services		(119.448)	(346.130)	(122.586)	(341.085)
Gross profit		48.570	132.188	30.726	92.100
Operation income (expenses)					
Selling		(16.935)	(49.146)	(19.313)	(52.264)
General and administrative		(12.175)	(38.604)	(14.198)	(48.147)
Research and development		(4.112)	(12.586)	(4.562)	(13.210)
Management profit sharing and fees	8	(1.683)	(4.911)	(1.364)	(3.903)
Other operating income, net		710	3.052	754	1.875
		(34.195)	(102.195)	(38.683)	(115.649)
Operating profit (loss)		14.375	29.993	(7.957)	(23.549)
Financial income (expenses)					
Financial income		4.098	12.827	5.711	15.833
Financial expenses		(4.220)	(11.925)	(4.871)	(14.210)
Foreign exchange gains, net		(836)	1.560	703	(3.793)
		(958)	2.462	1.543	(2.170)
		13.417	32.455	(6.414)	(25.719)
Income tax and social contribution		(4.295)	(9.352)	1.833	6.427
Profit (loss) for the period		9.122	23.103	(4.581)	(19.292)
Attributable to:					
Controlling interests		9.083	22.847	(4.639)	(19.463)
Non-controlling interests		39	256	58	171
		9.122	23.103	(4.581)	(19.292)

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

INDÚSTRIAS ROMI S.A.

**STATEMENT OF INCOME
FOR THE PERIOD OF THREE AND NINE MONTHS ENDED SEPTEMBER**

In thousands of reais unless otherwise stated

	Company		Company	
	Current quarter	Accumulated	Current quarter	Accumulated
	07/01/2017 to	for current year	07/01/2016 to	for current year
	09/30/2017	01/01/2017 to 09/30/2017	09/30/2016	01/01/2016 to 09/30/2016
Profit (loss) for the period	<u>9.083</u>	<u>22.847</u>	<u>(4.639)</u>	<u>(19.463)</u>
Foreign currency translation effects	<u>8.600</u>	<u>7.048</u>	<u>2.893</u>	<u>(19.835)</u>
Comprehensive profit (loss) for the period	<u><u>17.683</u></u>	<u><u>29.895</u></u>	<u><u>(1.746)</u></u>	<u><u>(39.298)</u></u>

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INDÚSTRIAS ROMI S.A.**STATEMENT OF INCOME
FOR THE PERIOD OF THREE AND NINE MONTHS ENDED SEPTEMBER**

In thousands of reais unless otherwise stated

	Current quarter	Accumulated	Current quarter	Consolidated Accumulated
	07/01/2017 to	for current year	07/01/2016 to	for current year
	09/30/2017	01/01/2017 to 09/30/2017	09/30/2016	01/01/2016 to 09/30/2016
Profit (loss) for the period	9.122	23.103	(4.581)	(19.292)
Foreign currency translation effects	8.600	7.048	2.893	(19.835)
Comprehensive profit (loss) for the period	<u>17.722</u>	<u>30.151</u>	<u>(1.688)</u>	<u>(39.127)</u>
Attributable to:				
Controlling interests	17.683	29.895	(1.746)	(39.298)
Non-controlling interests	39	256	58	171
	<u>17.722</u>	<u>30.151</u>	<u>(1.688)</u>	<u>(39.127)</u>

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INDÚSTRIAS ROMI S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE PERIOD OF NINE MONTHS ENDED SEPTEMBER

In thousands of reais otherwise stated

	Attributable to the controlling interests									
	Capital	Treasury shares	Profit reserve		Total	Other Comprehensive income	Profit (loss) for the period	Total	Non-controlling interests	Total
			Retained earning	Legal reserve						
At January 1, 2016	492.025	(5.078)	98.966	41.755	140.721	43.051	-	670.719	2.276	672.995
Profit (loss) for the period	-	-	-	-	-	-	(19.463)	(19.463)	171	(19.292)
Foreign currency translation effects	-	-	-	-	-	(19.835)	-	(19.835)	-	(19.835)
Total comprehensive income for the period	-	-	-	-	-	(19.835)	(19.463)	(39.298)	171	(39.127)
Purchase of treasury shares	-	(5.705)	-	-	-	-	-	(5.705)	-	(5.705)
Cancellation of treasury shares	-	10.783	(10.783)	-	(10.783)	-	-	-	-	-
Proposed dividends	-	-	-	-	-	-	-	-	(932)	(932)
Total contributions by and distributions to controlling interests	-	5.078	(10.783)	-	(10.783)	-	-	(5.705)	(932)	(6.637)
At September 30, 2016	492.025	-	88.183	41.755	129.938	23.216	(19.463)	625.716	1.515	627.231
At January 1, 2017	492.025	-	48.488	41.755	90.243	17.694	-	599.962	1.570	601.532
Profit for the period	-	-	-	-	-	-	22.847	22.847	256	23.103
Foreign currency translation effects	-	-	-	-	-	7.047	-	7.047	-	7.047
Total comprehensive income for the period	-	-	-	-	-	7.047	22.847	29.894	256	30.150
Proposed dividends	-	-	-	-	-	-	-	-	(331)	(331)
Total contributions by and distributions to controlling interests	-	-	-	-	-	-	-	-	(331)	(331)
At September 30, 2017	492.025	-	48.488	41.755	90.243	24.741	22.847	629.856	1.495	631.351

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INDÚSTRIAS ROMI S.A.

STATEMENT OF CASH FLOW

FOR THE PERIOD OF NINE MONTHS ENDED SEPTEMBER

In thousand of reais unless otherwise stated

	Company		Consolidated	
	2017	2016	2017	2016
Cash flows operating activities				
Profit (loss) before taxation	31.461	(23.269)	32.455	(25.719)
Adjustments from:				
(Revenue), finance expenses and exchange rate	4.334	11.629	5.771	7.576
Depreciation and amortization	17.892	20.685	22.579	26.132
Allowance for doubtful accounts and for other receivables	3.536	(1.008)	(1.682)	(2.272)
Provision for inventory losses	(4.450)	(1.161)	(4.471)	(4.803)
Cost of property, plant and equipment and disposals of intangible assets	(2.137)	(841)	(4.014)	(444)
Equity in subsidiaries, net of dividends received	(729)	11.327	-	-
Provision for contingent liabilities	(162)	(1.563)	(688)	(95)
Changes in operationg assets and liabilities				
Financial investments	4.239	(18.645)	4.239	(18.645)
Trade accounts receivable	(10.025)	(16.215)	(13.762)	15.125
Related parties (assets and liabilities)	(5.081)	(965)	-	-
Onlending of FINAME manufacturer financing	23.449	38.623	23.449	38.623
Inventories	20.833	4.007	5.732	732
Taxes recovables	7.421	(609)	15.007	(7.802)
Judicial deposits	(2.245)	(68)	(2.245)	(68)
Others credits	6.271	10.482	5.428	7.502
Trade accounts payable	457	11.287	(159)	9.589
Payroll and related taxes	10.583	8.892	14.361	10.113
Taxes payable	766	(570)	(6.013)	(2.107)
Advances from costumers	4.298	(3.148)	18.581	15.088
Others payable	512	(15)	1.521	(7.539)
Cash provided by operations	111.223	48.855	116.089	60.986
Income tax and social contribution paid	(854)	-	(1.575)	(533)
Cash provided by operating activities	110.369	48.855	114.514	60.453
Cash flow investments activities				
Purchase of property, plant and equipment	(12.033)	(20.864)	(13.338)	(22.231)
Intangible increase	(649)	(59)	(707)	(76)
Disposal of property, plant and equipment	3.019	1.567	5.370	1.566
Dividends received	4.442	12.542	-	-
Capital increase	-	(50)	-	-
Net cash provided (used) by investments activities	(5.221)	(6.864)	(8.675)	(20.741)
Cash flow from financing activities				
Interests on capital and dividends paid	-	(1.483)	(331)	(2.415)
Purchase of treasury shares	-	(5.705)	-	(5.705)
New borrowing	9.597	18.799	9.597	31.075
Finance payment	(48.558)	(25.822)	(48.882)	(36.471)
Interests paid	(8.711)	(9.536)	(10.266)	(10.916)
New FINAME - manufacturer financing	31.893	33.891	31.893	33.891
Payment of FINAME - manufacturer financing	(54.263)	(67.245)	(54.263)	(67.245)
Interest paid FINAME - manufacturer financing	(5.670)	(5.291)	(5.670)	(5.291)
Net cash used in financinf activities	(75.712)	(62.392)	(77.922)	(63.077)
Increase (decrease) in cash and cash equivalents	29.436	(20.401)	27.917	(23.365)
Cash and cash equivalents at the beggining of the period	60.671	99.967	101.510	141.968
Foreign exchanges losses of cash equivalents of foreign subsidiaries	-	-	(1.007)	(140)
Cash and cash equivalents at the end of the period	90.107	79.566	128.420	118.463

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

INDÚSTRIAS ROMI S.A.
STATEMENT OF VALUE ADDED
PERIOD OF NINE MONTHS ENDED SEPTEMBER 30
(Valores expressos em milhares de reais - R\$)

	Company		Consolidated	
	2017	2016	2017	2016
Revenues				
Sales of products and services	404.179	238.397	533.590	310.991
Allowance for doubtful accounts and for the other receivables	(1.364)	570	(1.364)	570
	<u>402.815</u>	<u>238.967</u>	<u>532.226</u>	<u>311.561</u>
Inputs acquired from third parties				
Materials used	(205.625)	(107.960)	(256.864)	(131.946)
Others costs of products and services	(14.898)	(13.089)	(25.439)	(19.923)
Electricity, third party services and other expenses	(21.772)	(14.724)	(27.942)	(18.566)
	<u>(242.295)</u>	<u>(135.773)</u>	<u>(310.245)</u>	<u>(170.435)</u>
Gross value added	160.520	103.194	221.981	141.126
Depreciation and amortization	(17.892)	(13.828)	(22.579)	(17.619)
Net value added generated by the Company	<u>142.628</u>	<u>89.366</u>	<u>199.402</u>	<u>123.507</u>
Value added received through transfers				
Equity in the earnings of subsidiaries	729	(9.093)	-	-
Finance income (loss) and net foreign exchange gains	12.680	(3.111)	14.387	(3.714)
	<u>156.037</u>	<u>77.162</u>	<u>213.789</u>	<u>119.793</u>
Total value added to distribute	<u>156.037</u>	<u>77.162</u>	<u>213.789</u>	<u>119.793</u>
Distribution of value added				
Employees				
Payroll and related changes	80.868	57.850	135.254	98.600
Sales commission	3.146	2.097	3.146	2.097
Management profit sharing and fees	4.838	1.327	4.908	1.350
Pensions plans	518	229	518	229
Taxes				
Federal	30.804	20.557	31.635	20.852
State	17	348	17	348
Municipal	625	480	712	480
Interests	10.449	7.776	12.827	9.339
Rentals	1.925	1.322	1.925	1.322
Non-controlling interests	-	-	(256)	(114)
Profit (loss) for the period	<u>22.847</u>	<u>(14.824)</u>	<u>23.103</u>	<u>(14.710)</u>
Value added distributed	<u>156.037</u>	<u>77.162</u>	<u>213.789</u>	<u>119.793</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, 2017

In thousands of reais, unless otherwise stated

1 General information

Indústrias Romi S.A. (Company) and its subsidiaries (together referred to as Consolidated), listed on the "New Market" of the São Paulo Stock Exchange (BM&FBOVESPA) since March 23, 2007, and headquartered in Santa Bárbara d' Oeste, São Paulo, are engaged in the manufacture 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 system 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; the export, import and representation on its own account or on behalf of third parties; and the provision of related services. It also holds interest in other companies as partner, shareholder or member in other civil or business entities, business ventures of any nature, in Brazil or abroad, as well as the management of 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 high precision 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 24, 2017.

2 Basis of preparation and accounting policies

The Company's financial information for the quarter ended September 30, 2017 has been prepared in accordance with CVM Ruling No. 673, dated October 20, 2011, which approved accounting standard CPC 21 (R1) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The accounting practices adopted by the Company in the preparation of the 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, 2016 and, therefore, should be read in conjunction with those financial statements.

The Company and consolidated quarterly financial information has been prepared in accordance with the accounting practices adopted in Brazil, including the pronouncements issued by Brazil's FASB (CPC), as well as in accordance with 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.

The Company management has reassessed its criteria for classification of financial Instruments that are pledged as collateral for borrowing transactions and concluded that the best presentation of these assets would be as financial investments and no longer as cash and cash equivalents. Therefore, the amounts that meet the aforementioned criteria have been classified as financial

Indústrias Romi S.A.

Notes to the quarterly information (ITR)

at September 30, 2017

In thousands of reais, unless otherwise stated

investments in the quarterly financial information and the comparative periods have been reclassified for a better comparability between them.

As there is no difference between the consolidated equity and consolidated profit and loss (P&L) attributable to Company shareholders, disclosed in the consolidated quarterly information prepared in accordance with IFRS and accounting practices adopted in Brazil, and the Company's equity and P&L disclosed in its individual quarterly financial information prepared in accordance with accounting practices adopted in Brazil, the Company elected to present Company and consolidated quarterly information in a single set of statements.

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 Brazilian Corporation Law, as an integral part of its individual quarterly information, and as supplementary information to the consolidated financial statements. That statement is not provided for, or required by IFRS.

- (a) Notes included in the financial statements as at December 31, 2016, not included in this quarterly information

The quarterly information is presented in accordance with accounting pronouncements 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 management on the materiality and changes that should be disclosed in the accompanying notes. Accordingly, this quarterly information includes selected notes and does not comprise all notes presented for the year ended December 31, 2016. As permitted by Circular Letter 03/2011 of the Brazilian Securities and Exchange Commission (CVM), the following notes are not presented:

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

Indústrias Romi S.A.

Notes to the quarterly information (ITR)
at September 30, 2017

In thousands of reais, unless otherwise stated

3 Cash and cash equivalents and financial investments

	Company		Consolidated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Cash and banks	2,771	3,474	19,656	19,594
Bank deposit certificates ("CDBs") (a)	8,802	25,854	26,303	43,431
Short-term investments backed by debentures (a)	34,826	21,435	34,826	23,491
Investment funds DI and fixed income	43,643	7,913	43,643	7,913
Short-term investments in foreign currency - US\$ (Time deposit)	-	1,955	3,924	7,025
Other	65	40	68	56
Total cash and cash equivalents	<u>90,107</u>	<u>60,671</u>	<u>128,420</u>	<u>101,510</u>
Bank deposit certificates ("CDBs") (b)	16,592	17,841	16,592	17,841
Short-term investments backed by debentures (b)	-	2,990	-	2,990
Total assets held for trading	<u>16,592</u>	<u>20,831</u>	<u>16,592</u>	<u>20,831</u>

- (a) These investments are substantially pegged to the Interbank Deposit Certificate ("CDI") rate.
 (b) These investments are substantially pegged to the Interbank Deposit Certificate ("CDI") rate and are pledged as guarantee of commitments assumed.

Indústrias Romi S.A.

Notes to the quarterly information (ITR)
at September 30, 2017

In thousands of reais, unless otherwise stated

4 Trade notes receivable

	Company		Consolidated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Current				
Domestic customers (Brazil)	66,702	59,169	68,101	59,170
Foreign customers	8,044	3,601	52,639	40,473
Allowance for doubtful accounts	(107)	(2,543)	(3,157)	(5,427)
	<u>74,639</u>	<u>60,227</u>	<u>117,583</u>	<u>94,216</u>
Noncurrent				
Domestic customers (Brazil)	8,554	10,959	8,554	10,959
Foreign customers	2,413	1,268	2,413	1,268
Allowance for doubtful accounts	(5)	(231)	(5)	(231)
	<u>10,962</u>	<u>11,996</u>	<u>10,962</u>	<u>11,996</u>

The Company's maximum exposure to credit risk is the balance of trade notes receivable.
The balance of current trade notes receivable as at September 30, 2017 and December 31, 2016, Company and consolidated, is distributed as follows:

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2017

In thousands of reais, unless otherwise stated

	Company		Consolidated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Falling due	61,298	50,792	97,248	75,096
Past due:				
1 to 30 days	6,859	6,742	8,938	12,609
31 to 60 days	768	378	1,733	1,796
61 to 90 days	515	76	2,579	793
91 to 180 days	461	469	1,424	965
181 to 360 days	1,197	677	1,139	2,013
Over 360 days	3,643	3,636	7,679	6,371
	13,443	11,978	23,492	24,547
Total	74,741	62,770	120,740	99,643
Allowance for doubtful accounts	(102)	(2,543)	(3,157)	(5,427)
Total - current	74,639	60,227	117,583	94,216

The balance of noncurrent trade accounts receivable as at September 30, 2017, Company and consolidated, is distributed as follows:

	Company and Consolidated
Falling due:	
2018 (3 months)	3,450
2019	6,364
2020	1,153
Allowance for doubtful accounts	(5)
Total - Noncurrent	10,962

Indústrias Romi S.A.

Notes to the quarterly information (ITR)
at September 30, 2017

In thousands of reais, unless otherwise stated

Changes in allowance for doubtful accounts, Company and consolidated, are as follows:

	Company	Consolidated
Balance at December 31, 2016	2,774	5,658
Receivables recognized for the period	352	330
Receivables written off	(3,014)	(3,120)
Foreign exchange difference	-	294
Balance at September 30, 2017	112	3,162

5 Receivables - onward lending of FINAME manufacturer financing

	Company and Consolidated	
	September 30, 2017	December 31, 2016
Current		
FINAME falling due	57,254	74,828
FINAME awaiting release (a)	2,083	339
FINAME past due (b)	36,413	39,622
	95,750	114,789
Allowance for doubtful accounts	(13,519)	(12,433)
	82,231	102,356
Noncurrent		
FINAME falling due	56,300	67,073
FINAME awaiting release (a)	8,331	1,357
	64,631	68,430
Allowance for doubtful accounts	(834)	(1,107)
	63,797	67,323
Total	146,028	169,679

Indústrias Romi S.A.

Notes to the quarterly information (ITR)

at September 30, 2017

In thousands of reais, unless otherwise stated

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

The FINAME *manufacturer* credit line refers to financing specifically linked to sales transactions, with terms of up to 48 months, with grace periods of up to three months and estimated cost of 13.1% per year, in accordance with the terms defined by the BNDES at the time of the financing.

The financing terms are also based on a customer's characteristics. Funds are released by the BNDES on identification of a customer and sale, as well as checking that a customer has fulfilled the terms of Circular 195 dated 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 *manufacturer* 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 on 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 enactment of covenant regarding reservation of title over the machinery sold (security interest) and the value of the receivables from defaulting customers. In instances in which the security interest cannot be located, a full loss provision is set up for balance of the receivable.

The machinery seized as part of the execution process are recorded at its carrying amount, not exceeding its fair value, under the category of "Other receivables", pending a final and unappealable court decision, after which it is repossessed and transferred to inventories. As at September 30, 2017, the balance of repossessed machinery, included under in the line item of "Other receivables", Company and consolidated, amounted to R\$ 2,494 (R\$ 4.015 as at December 31, 2016) in current assets and R\$ 10.409 (R\$ 8,246 as at December 31, 2016) in noncurrent assets.

Indústrias Romi S.A.

Notes to the quarterly information (ITR)

at September 30, 2017

In thousands of reais, unless otherwise stated

As at September 30, 2017 and December 31, 2016, the balances of "Receivables - onward lending of FINAME manufacturer financing", Company and consolidated, were as follows:

	Company and Consolidated	
	September 30, 2017	December 31, 2016
Falling due	59,337	75,167
Past due:		
1 to 30 days	1,882	2,070
31 to 60 days	1,186	1,292
61 to 90 days	969	1,346
91 to 180 days	2,889	3,633
181 to 360 days	4,209	5,295
Over 360 days	25,278	25,986
	<u>36,413</u>	<u>39,622</u>
Total - current	<u>95,750</u>	<u>114,789</u>

The expected realization of noncurrent receivables relating to the onward lending of FINAME manufacturer financing, Company and consolidated, is as follows:

	Company and Consolidated
Falling due:	
2018 (3 months)	11,367
2019	30,700
2020	16,300
2021 onwards	<u>6,264</u>
Total - Noncurrent	<u>64,631</u>

Indústrias Romi S.A.

Notes to the quarterly information (ITR)
at September 30, 2017

In thousands of reais, unless otherwise stated

Changes in allowance for doubtful accounts, Company and consolidated, are as follows:

	Company and Consolidated
Balance at December 31, 2016	13,540
Allowance recognized (or written off) for the period	813
Balance at September 30, 2017	14,353

6 Inventory

	Company		Consolidated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Finished products	32,940	38,077	65,463	70,462
Used machinery	17,806	22,939	17,806	22,939
Work in progress	58,061	62,146	106,287	94,964
Raw materials and components	54,280	57,487	71,026	74,656
Imports in transit	2,745	1,566	2,745	1,566
Total	165,832	182,215	263,327	264,587

The inventory balances, Company and Consolidated, as at September 30, 2017 are net of R\$ 38,645 and R\$42,044 (R\$ 43,095 Company and R\$ 46,515 Consolidated as at December 31, 2016), respectively, corresponding to the provision for slow-moving inventories and inventories posing a remote probability of being realized through sale or use.

Changes in provision to bring inventories to their net realizable value, Company and consolidated, are as follows:

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2017

In thousands of reais, unless otherwise stated

	<u>Company</u>	<u>Consolidated</u>
Balance at January 1, 2017	43,095	46,515
Inventory sold or written off	(20,922)	(20,982)
Provision set up	7,976	9,304
Foreign exchange difference	-	(1,288)
Transfer of provision resulting from machinery repossessed during the period	<u>8,496</u>	<u>8,496</u>
Balance at September 30, 2017	<u><u>38,645</u></u>	<u><u>42,044</u></u>

Changes in provision for inventory losses by class of inventory are as follows:

	<u>Company</u>		<u>Consolidated</u>	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Finished products	3,657	2,894	7,056	6,314
Used machines	15,898	19,565	15,898	19,565
Work in progress	4,791	5,602	4,791	5,602
Raw materials and components	<u>14,299</u>	<u>15,034</u>	<u>14,299</u>	<u>15,034</u>
Total	<u><u>38,645</u></u>	<u><u>43,095</u></u>	<u><u>42,044</u></u>	<u><u>46,515</u></u>

Indústrias Romi S.A.

Notes to the quarterly information (ITR)
at September 30, 2017

In thousands of reais, unless otherwise stated

7 Investments in subsidiaries and affiliates

Company investments in its subsidiaries are as follows:

	Subsidiary	Country	Main activity
1.	Romi Itália S.r.l. ("Romi Italy")	Italy	Sale of machine tools, spare parts and technical support.
1.1	Romi Machines UK Ltd. (indirect subsidiary – 100% interest)	United Kingdom	Sale of machinery for plastics and machine tools, spare parts and technical support.
1.2	Romi France SAS (indirect subsidiary – 100% interest)	France	Sale of machinery for plastics and machine tools, spare parts and technical support.
1.3	Romi Máquinas España S.A. (indirect subsidiary – 100% interest)	Spain	Sale of machinery for plastics and machine tools, spare parts and technical support.
2.	Romi Europa GmbH ("Romi Europe")	Germany	Distribution of machine tools, spare parts and technical support.
2.1	Burkhardt + Weber Fertigungssysteme GmbH ("B+W") (indirect subsidiary – 100% interest)	Germany	Production and sale of large tooling machinery with high technology, precision and productivity, as well as machinery for specialized applications.
2.1.1	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 support).
2.1.2	Burkhardt + Weber LLC	United States of America	Sale of machine tools produced by B+W and provision of services (spare parts and technical support).
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	Sale of machine tools, spare parts, technical support and cast and machined products in North America.
5.	Rominor Empreendimentos Imobiliários S.A. (formerly named Romi Empreendimentos).	Brazil	Interest in real estate ventures.
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 Mexico).	Mexico	Sales of machinery for plastics and machine tools, spare parts and technical support.

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2017

In thousands of reais, unless otherwise stated

	September 30, 2017							
	Romi Italy and subsidiaries(1)	Romi Europe and subsidiaries (2)	Rominor (3)	Romi Machine Tools (4)	Romi Empreend. (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	39,303	106,666	21,323	13,451	2,407	5,974	4,228	
Noncurrent assets	6,161	98,033	522	169	-	-	-	
Current liabilities	28,765	78,228	268	13,705	-	1	3,610	
Noncurrent liabilities	10,800	35,525	-	-	-	-	-	
Equity (equity deficit)	5,899	90,946	21,577	(85)	2,407	5,973	618	
Changes in investment:								
Investment balance as at December 31,	5,566	85,025	21,093	1,530	2,423	5,747	1,121	122,505
Foreign exchange variations on foreign investments	171	7,117	-	(43)	-	(162)	(35)	7,048
Dividends proposed and paid (b)	-	-	(4,442)	-	-	-	-	(4,442)
Share of profit (loss) of subsidiaries	162	(1,196)	3,431	(1,572)	(16)	388	(468)	729
Equivalent value - closing balance	5,899	90,946	20,082	(85)	2,407	5,973	618	125,840
Investment in subsidiaries	5,899	90,946	20,082	-	2,407	5,973	618	125,925
Provision for equity deficit - subsidiaries	-	-	-	(85)	-	-	-	(85)

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

(b) Payment of dividends by the subsidiary ROMINOR, approved by the Board of Directors at the meetings held on February 15, 2017 and July 25, 2017, in the amounts of R\$ 1,643 and R\$ 3,130, related to 2016 and the first half of 2017, respectively. From such payment, the Company received R\$ 1,528 and R\$ 2,914, respectively.

Indústrias Romi S.A.

Notes to the quarterly information (ITR)

at September 30, 2017

In thousands of reais, unless otherwise stated

8 Related party transactions and balances

The balances and transactions with related parties as at September 30, 2017 and December 31, 2016 are as follows:

(i) Statement of financial position accounts – Company

	Receivables		Payables	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Direct subsidiaries				
Romi Europe	5,402	4,553	178	168
Romi Italy	4,957	2,273	135	-
Romi Machine Tools	13,361	12,326	-	-
Romi A.L.	-	-	626	566
Irsa Máquinas Mexico	2,893	2,663	-	-
Rominor	4	3	-	24
Indirect subsidiaries				
B+W - Burkhardt+Weber	284	337	-	-
Romi France S.A.S.	5,264	2,986	-	-
Romi Máquinas España S.A.	2,341	1,578	-	-
Romi Machines UK	7,325	9,847	-	-
Total	<u>41,831</u>	<u>36,566</u>	<u>939</u>	<u>758</u>

(ii) Transactions

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

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). Until 2016 the Company had property lease agreements with its subsidiary Rominor. 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, but does not have material transactions with related parties other than

Indústrias Romi S.A.

Notes to the quarterly information (ITR)
at September 30, 2017

In thousands of reais, unless otherwise stated

those described above. 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 its parent company Fênix Empreendimentos S.A. The accumulated revenue through September 2017 was R\$ 116 (2016 – R\$ 144).

The Company makes donations to Romi Foundation at amounts set in the agreement approved by the State Prosecutor's Office. The accumulated donations through June 2017 were R\$ 638 (2016 – R\$ 600).

As from 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, 2017 and 2016 was as follows:

	September 30, 2017	September 30, 2016
Fees and charges	3,706	3,563
Profit sharing	845	-
Private pension plan	153	158
Healthcare plan	134	110
Parent company	4,838	3,831
Fees and charges of subsidiaries	73	72
Consolidated	4,911	3,903

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 14, 2017.

Indústrias Romi S.A.

Notes to the quarterly information (ITR)

at September 30, 2017

In thousands of reais, unless otherwise stated

9 Investment property

During the year 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\$ 13,500 (R\$ 13,227 – as at December 31, 2016) at the Company and R\$ 18,602 (R\$ 17,538 – as at December 31, 2016) in the consolidated financial statements.

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 which also uses market evidence related to transaction prices for similar property and assessed the fair value less cost to sell of that property at R\$ 51,357 for the Company and R\$ 147,194 for the consolidated financial statements.

On June 13, 2017, through its subsidiary ROMINOR Comércio, Empreendimentos e Participações S.A. ("Rominor"), in which the Company holds 93.07% of the shares, the Company entered into an agreement for purchase and sale of property with third parties, involving the sale of the property (land and buildings) owned by Rominor, with a total area of 1,540m², located at Rua Brasília Iberê, 2.195, district of Rebouças, city of Curitiba (PR), for R\$ 2,350. Until the date of this report, R\$ 950 has been received and the remaining amount is classified under the line item of trade notes receivable in current assets. The proceeds from the sale were classified in the line item of other operating income, with an impact of R\$ 1,888 on operating income (expenses) and 1,821 on profit (loss) for the period.

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2017

In thousands of reais, unless otherwise stated

10 Property, plant and equipment

Changes in property, plant and equipment, Company and consolidated, are as follows:

	Company	Consolidated
Net book amount at December 31, 2016	193,721	252,033
Additions	12,033	13,338
Disposals	(882)	(919)
Transfers, net	(273)	(1,324)
Depreciation	(17,683)	(21,812)
Foreign exchange difference	-	5,393
Net book amount at September 30, 2017	186,916	246,709
At September 30, 2017		
Total cost	508,846	614,899
Accumulated depreciation	(321,930)	(368,190)
Net book amount	186,916	246,709

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\$164,839 as at September 30, 2017 (R\$168,228 as at December 31, 2016). These items refer to land, buildings, facilities, machinery and equipment.

11 Intangible assets

Changes in intangible assets, Company and consolidated, are as follows:

	Company	Consolidated
Net book amount as at December 31, 2016	758	42,846
Additions	649	707
Disposals	-	(177)
Amortization	(209)	(767)
Foreign exchange difference	-	2,662
Net book amount as at September 30, 2017	1,198	45,271
Total cost	9,263	65,986
Accumulated amortization	(8,065)	(20,715)
Net book amount	1,198	45,271

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2017

In thousands of reais, unless otherwise stated

12 Borrowings

Changes in borrowings, Company and consolidated, are as follows:

	Company			Consolidated
	Local currency	Local currency	Foreign currency	Total
Borrowing balance at				
December 31, 2016	183,982	183,982	15,791	199,773
New borrowing	9,597	9,597	-	9,597
Repayment of principal	(48,558)	(48,558)	(324)	(48,882)
Payment of interest	(8,711)	(8,711)	(1,555)	(10,266)
Exchange and monetary difference (principal and interest)	1,447	1,447	1,359	2,806
Interest at the end of the period	8,237	8,237	-	8,237
Borrowing balance at				
September 30, 2017	<u>145,994</u>	<u>145,994</u>	<u>15,271</u>	<u>161,265</u>
Current	105,069	105,069	3,139	108,208
Noncurrent	<u>40,925</u>	<u>40,925</u>	<u>12,132</u>	<u>53,057</u>
	<u>145,994</u>	<u>145,994</u>	<u>15,271</u>	<u>161,265</u>

The maturities of financing recorded in noncurrent liabilities as at September 30, 2017, in the Company and consolidated, are as follows:

	Company	Consolidated
2018 (3 months)	6,531	6,531
2019	12,720	13,659
2020	8,356	19,549
2021	6,289	6,289
2022 onwards	<u>7,029</u>	<u>7,029</u>
Total	<u>40,925</u>	<u>53,057</u>

Indústrias Romi S.A.

Notes to the quarterly information (ITR)
at September 30, 2017

In thousands of reais, unless otherwise stated

13 FINAME manufacturer financing

	Company and Consolidated	
	September 30, 2017	December 31, 2016
Current		
FINAME manufacturer financing	54,261	67,177
Noncurrent		
FINAME manufacturer financing	54,277	62,953
Total	108,538	130,130

The agreements related to FINAME Manufacturer Financing are guaranteed by promissory notes and sureties, and the main guarantor is subsidiary Rominor. 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 onlent in full to the financed customers and amounts received on a monthly basis under the heading Amounts receivable – onlending FINAME Manufacturer Financing 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 item "Receivables - onward lending of FINAME manufacturer financing" as at September 30, 2017 and December 31, 2016, were adjusted for inflation up to the end of the reporting period. The difference of R\$37,490 between these line items as at September 30, 2017 (R\$39,549 as at December 31, 2016) refers to past-due trade notes, renegotiations in progress, and FINAME transactions not yet released 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 noncurrent maturities of the FINAME manufacturer financing as at September 30, 2017, Company and consolidated, were as follows:

Indústrias Romi S.A.

Notes to the quarterly information (ITR)

at September 30, 2017

In thousands of reais, unless otherwise stated

	Company and Consolidated
Falling due:	
2018 (3 months)	9,900
2019	26,751
2020	13,554
2021	4,072
Total - noncurrent	54,277

14 Provision for tax, labor and civil contingencies

Company management, based on the opinion of legal counsel, classified the legal proceedings in accordance with the likelihood of loss, as follows:

	Company		Consolidated	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Tax	52,859	51,278	53,607	51,965
Civil	1,931	2,177	1,931	2,380
Labor	3,160	4,204	3,160	4,513
(-) Judicial deposits / other receivables	(52,823)	(50,565)	(52,823)	(50,565)
Total	5,127	7,094	5,875	8,293
Current liabilities	5,091	6,381	5,091	6,373
Noncurrent liabilities	36	713	784	1,920
	5,127	7,094	5,875	8,293

For legal proceedings classified as probable losses, Management recognized a provision for losses. Changes in the provision for the period September 30, 2017 are as follows:

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2017

In thousands of reais, unless otherwise stated

	December 31, 2016	Additions	Utilizations/ reversals	Monetary restatement	September 30, 2017
Tax	51,278	2,258	(696)	19	52,859
Civil	2,177	13	(103)	(156)	1,931
Labor	4,204	1,008	(2,619)	567	3,160
(-) Judicial deposits / other receivables	(50,565)	(2,258)	-	-	(52,823)
Total Company	<u>7,094</u>	<u>1,021</u>	<u>(3,418)</u>	<u>430</u>	<u>5,127</u>
Proceedings at subsidiaries	<u>1,199</u>	<u>-</u>	<u>(526)</u>	<u>75</u>	<u>748</u>
Total Consolidated	<u>8,293</u>	<u>1,021</u>	<u>(3,944)</u>	<u>505</u>	<u>5,875</u>

As at September 30, 2017, the main legal proceedings which were classified by management as probable losses, based on the opinion of its legal counsel and, therefore, included in the provision for contingencies, are as follows:

(a) Tax proceedings

Refer to the provisions for:

- (i) Social Contribution Tax on Gross Revenue for Social Integration Program (PIS) and Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS) related to State VAT (ICMS) on sales, which amounted to R\$ 9,422 (R\$ 9,020 as at December 31, 2016) and R\$ 43,401 (R\$ 39,532 as at December 31, 2016), respectively.

On October 24, 2006, the Company filed a common civil action challenging the constitutionality of the inclusion of ICMS on sales in the PIS and COFINS tax base. On March 15, 2017, when judging the Extraordinary Appeal No. 574.706/PR, regarding the general repercussion effect, the Supreme Federal Court (STF), by majority of votes, decided that the ICMS is not to be included in the PIS and COFINS tax bases since it is intended to the State and, therefore, is not included in the concept of revenue. However, a similar matter is under discussion in Declaratory Action of Constitutionality (ADC) No. 18, which is pending a decision, and it can, at the discretion of the Supreme Federal Court, change the understanding considered in Extraordinary Appeal No. 574.706/PR or be considered impaired due to such understanding. As the matter is pending a final and unappealable decision of Extraordinary Appeal No. 574.706/PR, the Company is not yet able to recognize the impacts of such suit on its financial statements. As at September 30, 2017, the amount recognized in the financial statements as payables

Indústrias Romi S.A.

Notes to the quarterly information (ITR)

at September 30, 2017

In thousands of reais, unless otherwise stated

for tax risks, in noncurrent liabilities, was R\$ 52,823, and the Company made judicial deposits for such suit that, as at that date, amounted to R\$ 46,473. When the matter is definitively resolved, the Company will calculate the monetary restatement of these amounts, which are stated at their historical amounts and will be recognized in profit and loss (P&L) for the year when the statements are published. As the Company elected to make judicial deposits for this suit, in the event the final decision is unfavorable, the monetary restatement of the aforementioned amounts will have no impact on the profit for the period.

At the end of the reporting period, management's best estimate of the restated amount of the judicial deposits was approximately R\$ 80 million.

- (ii) The other tax proceedings total R\$ 36 (R\$ 713 as at December 31, 2016). The favorable outcome obtained in the lawsuit in which the Company is the plaintiff and the Federal Government is the defendant, which claims for the right to monetarily restate the statement of financial position for the calendar year 1989 according to the inflation for January and February of that year and to dismiss the inflation indexes of the legislation then in force (Summer Plan). On September 6, 2017, the Company filed a request with the Federal Revenue Office for utilization of the respective credit and is awaiting the analysis and approval from such body, considering that the credit may be offset against federal taxes in future years. The Company estimates, based on preliminary calculations, that such credit, monetarily restated by the monetary restatement indexes acknowledged by the courts, corresponds to approximately R\$ 44 million, before any taxes levied thereon, the impact of which on profit for the period is estimated at approximately R\$ 30 million.

- (b) Civil proceedings

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

- (c) Labor claims

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

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

- (d) Judicial deposits

Indústrias Romi S.A.

Notes to the quarterly information (ITR)

at September 30, 2017

In thousands of reais, unless otherwise stated

The Company has judicial deposits amounting to R\$ 48,575 (R\$ 48,588 as at December 31, 2016), of which R\$ 46,473 (R\$ 46,473 as at December 31, 2016) refers to PIS and COFINS levied on ICMS on sales, as mentioned in item (a) (i) and the other deposits are of a different nature and are classified in noncurrent assets.

15 Income and social contribution taxes

Income tax is calculated at the rate of 15% on the taxable profits plus a 10% surtax on taxable profit exceeding R\$240 for the year, and social contribution tax is calculated at the rate of 9% on taxable profits. The subsidiaries Rominor and Romi Empreendimentos pay income and social contribution taxes based on a percentage of gross revenue.

The reconciliation of the tax effect on the Company's profit (loss) before income and social contribution taxes through application of the prevailing tax rates as at September 30, 2017 and 2016 is as follows:

	Company		Consolidated	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Income (loss) before income and social contribution taxes	31,461	(23,269)	32,455	(25,719)
Statutory rates (income and social contribution taxes)	34%	34%	34%	34%
Income and social contribution tax expenses at statutory rates	(10,697)	7,911	(11,035)	8,744
Reconciliation to the effective rate:				
Equity pickup	248	(3,851)	-	-
Unrecorded deferred income and social contribution taxes at subsidiaries	-	-	(916)	(2,550)
Research and development	1,930	-	1,930	-
Management profit sharing	287	-	287	-
Other additions (deductions), net (a)	(382)	(254)	382	233
Current and deferred income and social contribution tax income (expense)	(8,614)	3,806	(9,352)	6,427

- (a) The amounts in the Consolidated financial statements refer basically to the differences in the calculation of income and social contribution taxes between taxable profit based on accounting records

Indústrias Romi S.A.

Notes to the quarterly information (ITR)

at September 30, 2017

In thousands of reais, unless otherwise stated

< *lucro real* > and profit computed as a percentage of the Company's gross revenue < *lucro presumido* >, due to the fact that the subsidiaries Rominor and Rominor Empreendimentos opted to calculate tax based on *lucro presumido* during the periods presented, and due to the non-recognition of deferred income taxes on the tax losses at foreign subsidiaries, with the exception of BW.

Changes in deferred tax assets and liabilities, Company and consolidated, for the period ended September 30, 2017 were as follows:

	Asset		Liability
	Company	Consolidated	Consolidated
As at December 31, 2016	56,232	58,053	25,853
Changes in the period:			
Realization	(2,608)	(2,645)	(507)
Foreign exchange difference	-	(299)	2,289
As at September 30, 2017	53,624	55,109	27,635

16 Equity

Capital

As at September 30, 2017, the Company's subscribed and paid-up capital amounting to 492,025 (R\$ 492,025 as at December 31, 2016) comprised 62,857,647 (62,857,647 as at December 31, 2016) book-entry, registered common shares, without par value, all with the same rights and benefits.

Legal reserve

As required by Article 193 of Law No. 6404/76, 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.

Earnings (losses) per share

Basic earnings (losses) per share are calculated by dividing the profit (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, if any.

Indústrias Romi S.A.

Notes to the quarterly information (ITR) at September 30, 2017

In thousands of reais, unless otherwise stated

	September 30, 2017	September 30, 2016
Profit (loss) for the period attributable to the controlling shareholders	22,847	(19,463)
Weighted average number of shares outstanding in the period (in thousands)	62,858	62,858
Basic and diluted earnings (loss) per share	0.36	(0.31)

Basic and diluted earnings (losses) per share are the same, since the Company does not have any instruments diluting the earnings (losses) per share.

Indústrias Romi S.A.

Notes to the quarterly information (ITR)
at September 30, 2017
In thousands of reais, unless otherwise stated

17 Segment reporting - consolidated

To manage its business, the Company is organized into three business units, and the net revenue by geographic region, the business units on which the Company reports is primary information by segment are: Romi Machinery, Burkhardt+Weber Machinery and Cast and Machined Products and the geographic regions on which the Company reports its net revenue are: Europe, North America, Latin America and Asia. The segment reporting for the quarters and nine-month periods ended September 30, 2017 and 2016 is as follows:

	September 30, 2017				
	Romi Machinery	Burkhardt + Weber Machinery	Cast and machined products	Eliminations between segments	Consolidated
Net operating revenue	196,509	105,978	175,831		478,318
Cost of sales and services	(119,842)	(84,330)	(141,957)		(346,130)
Transfers remitted	4,274	-	10,750	(15,025)	-
Transfers received	(10,750)	-	(4,274)	15,025	-
Gross profit	70,190	21,648	40,350	-	132,188
Operating expenses:					
Selling expenses	(35,261)	(9,212)	(4,673)		(49,146)
General and administrative expense	(14,639)	(12,444)	(11,521)		(38,604)
Research and development	(12,586)	-	-		(12,586)
Management fees	(2,074)	-	(2,837)		(4,911)
Other operating income, net	3,052	-	-		3,052
Operating profit (loss) before finance income (costs)	8,682	(8)	21,319	-	29,993
Inventory	177,507	63,292	22,528		263,327
Depreciation and amortization	9,372	4,273	8,934		22,579
Property, plant and equipment, net	131,918	14,360	100,431		246,709
Intangible assets	1,198	44,073	-		45,271
	Europe	Latin America	North America	Africa and Asia	Total
Net operating revenue per geographical region	83,887	314,810	18,299	61,322	478,318

Indústrias Romi S.A.

Notes to the quarterly information (ITR)
at September 30, 2017
In thousands of reais, unless otherwise stated

	September 30, 2017				
	Romi Machinery	Burkhardt + Weber Machinery	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 expenses	(41,001)	(8,019)	(3,244)		(52,264)
General and administrative expenses	(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 (expenses), net	1,875	-	-		1,875
Operating profit (loss) before finance income (costs)	(19,716)	(11,130)	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
	Europe	Latin America	North America	Africa and Asia	Total
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, 2017

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 electric energy entered into on May 1, 2007, which intended to contract a volume of electric energy according to the Company's needs. As a result, the supply of electric energy has been extended for further four years, up to December 31, 2018, and has reflected the following commitments that will be adjusted annually by the General Market Price Index (IGP-M).

Year of supply	Amount
2017 (3 months)	2,425
2018	7,607
Total	10,032

The Company management believes that this agreement is compatible with the electric energy requirements for the contracted period.

* * *

**ROMI**

WWW.ROMI.COM



October 24, 2017 3Q17 Earnings Release

September 30, 2017

Share Price

ROMI3 - R\$7.49 per share (on 10/23/2017)

Marked capitalization

R\$470.8 million

US\$147.1 million

Number of shares

Common: 62,857,647

Total: 62,857,647

Free Float = 45.6%**Investor Relations Contact****Fábio B. Taiar**

Investor Relations Officer

Telephone: (19) 3455-9418

dri@romi.com

October 25, 2017

Meeting with Analysts of APIMEC - SP

Time: 5:00 pm (São Paulo)

Location: Blue Tree Faria Lima

Av. Brig. Faria Lima, 3.989

Broadcast though the web,
with access link at www.romi.com**Earnings Conference Call in English**

Time: 11:00 am (São Paulo)

1:00 pm (London)

9:00 am (New York)

Dial-in numbers:

USA +1 (786) 924-6977

Brazil +55 (11) 3193-1001

Other + 1 (888) 700-0802

Access code: Romi



Índice de
Ações com Tag Along
Diferenciado

ITAG

Índice de
Ações com Governança
Corporativa Diferenciada

IGC

Santa Bárbara d'Oeste, SP, October 24, 2017 – 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 third quarter of 2017 ("3Q17"). 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

Operating margins continue improving and EBITDA reached 13.0% in 3Q17

- Romi Machines Business Unit, in 3Q17, reached an EBITDA margin of 10.2%, an improvement of 17.2 percentage points compared with 3Q16, as a result of the operating adjustments, reduction of costs and expenses and mix of products;
- B+W Machines Business Unit posted, in 9M17, an increase in gross and EBITDA margins of 7.0 and 11.6 percentage points, respectively, when compared with the same period of 2016, due to a growth production volume and net operating revenue;
- In 3Q17, compared with the same period of 2016, the Raw and Machined Cast Iron Parts Business Unit reported a growth of 11.3 percentage points in EBITDA margin, as a result of the improvements in the operational efficiency of this business unit.
- The Company's net debt decreased R\$ 61.2 million during 2017 and reached R\$ 16.2 million at September 30, 2017.

The order entries in 3Q17, when compared with 3Q16, reported a growth of 15.5%, with highlight to the Romi Machines and B + W Machines Business Units.

R\$'000	Quarter					Accumulated		
	3Q16	2Q17	3Q17	Chg.	Chg.	9M16	9M17	Chg.
Revenues Volume				3Q17/2Q17	3Q17/3Q16			9M17/9M16
Machines (units)	192	141	195	38.3%	1.6%	534	498	-6.7%
Burkhardt + Weber (units)	4	6	5	-16.7%	25.0%	10	17	70.0%
Raw and Machined Cast Iron Parts (tons)	5,845	6,267	5,773	-7.9%	-1.2%	15,229	17,824	17.0%
Net Operating Revenue	153,312	163,775	168,018	2.6%	9.6%	433,185	478,318	10.4%
Gross margin (%)	20.0%	28.9%	28.9%			21.3%	27.6%	-
Operating Income (EBIT)	(7,957)	12,301	14,375	16.9%	-280.7%	(23,549)	29,993	-227.4%
Operating margin (%)	-5.2%	7.5%	8.6%			-5.4%	6.3%	-
Net Income	(4,581)	11,916	9,122	-23.4%	-299.1%	(19,292)	23,103	-219.8%
Net margin (%)	-3.0%	7.3%	5.4%			-4.5%	4.8%	-
EBITDA	556	19,865	21,877	10.1%	3834.7%	2,587	52,571	1932.1%
EBITDA margin (%)	0.4%	12.1%	13.0%			0.6%	11.0%	-
Investments	13,896	4,864	5,115	5.2%	-63.2%	22,231	13,987	-37.1%

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

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.

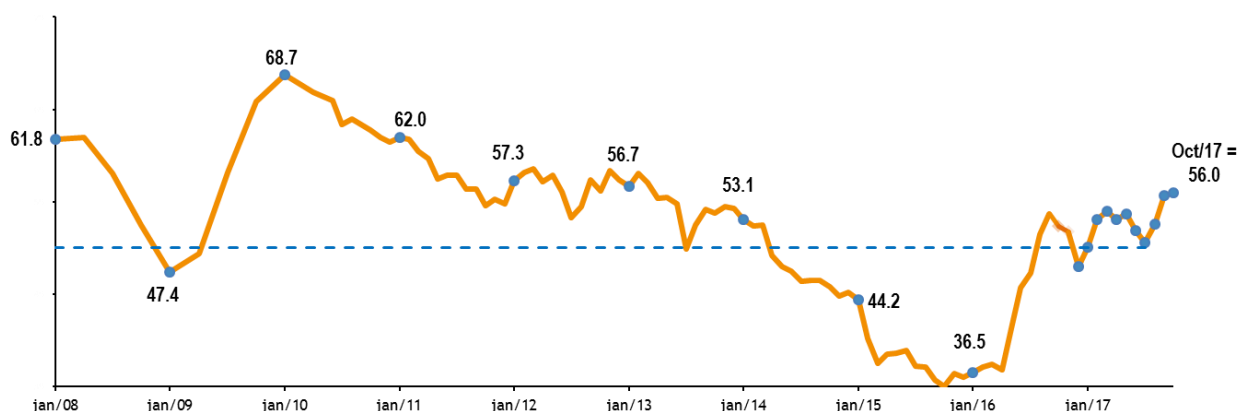
The Company has eleven manufacturing units, four of which for final assembly of industrial machinery, two foundries, three units for machining of mechanical components, one unit for manufacture of steel sheet components, and one unit for assembly of electronic panels. Of these, nine are located in Brazil 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 year 2017 is still showing a poor economic activity and high volatility, although some macroeconomic data point to a possible recovery of the Brazilian economy, such as the evolution of confidence indexes when compared with January 2017 and the improvement of the installed capacity utilization, presented below. These improvements in the macroeconomic data have not yet materialized in the volume of order entries of the Romi Machines Business Unit, although an important evolution is seen in the Raw and Machined Cast Iron Parts Business Unit, in the commercial automotive and agriculture segments.

In October 2017, the Industrial Entrepreneur Confidence Index (ICEI) reached 56.0, after reaching its lowest level at the beginning of 2016, of 36.5 points, as shown below.

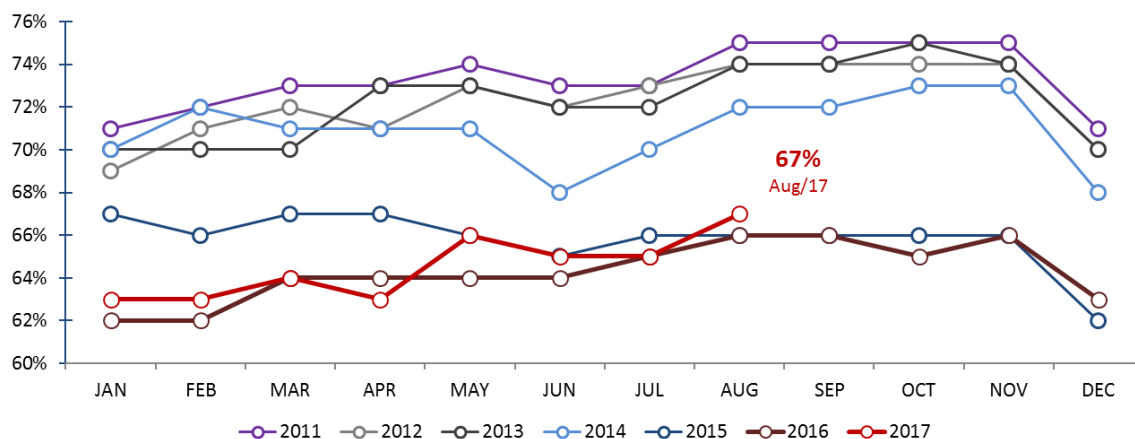
Industrial Entrepreneur Confidence Index – ICEI



Source: CNI – UCI, October 2017.

The Installed Capacity Utilization – UCI index of the Brazilian industry in general, as released by the National Confederation of Industry – CNI, continues at quite low levels, reaching a percentage slightly higher than that for the same period of 2016 and 2015, which recorded the lowest percentage of the monthly series (beginning in January 2011), portraying the still challenging time faced by the Brazilian economy, although there was a slight improvement during the year.

Average installed capacity utilization



Source: CNI – ICEI, August 2017.

This scenario, still with a high level of uncertainty and volatility, discourages business expansion and impacts negatively the country's investment levels. However, the perspective of controlled inflation and a more competitive interest rate may create a more favorable environment for investments, even in a slow manner.

With this scenario of uncertainties and high volatility, Romi continues to take actions to streamline its structure and make its planning and manufacturing process more agile and flexible in order to respond quickly to demand volatility. In 2015 and 2016, we made several optimizations, mainly in indirect structures, reinforced the focus on cost and expense reduction projects, and invested in automation and productivity, aimed at increasing the profitability in 2017, even in a scenario of poor economic activity. The impacts of these actions can be noticed in the Company's profitability levels, which presented an improvement during the three quarters of 2017, when compared with the same periods of 2016.

Market

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

Order Entry (R\$ 000)	3Q16	2Q17	3Q17	Chg. 3Q17/2Q17	Chg. 3Q17/3Q16	9M16	9M17	Chg. 9M17/9M16
Gross Values, sales taxes included								
Romi Machines	62,516	71,820	72,806	1.4%	16.5%	186,943	212,399	13.6%
Burkhardt+Weber Machines	31,333	43,083	41,090	-4.6%	31.1%	138,921	93,883	-32.4%
Rough and Machined Cast Iron Parts	39,636	52,339	40,238	-23.1%	1.5%	161,322	156,224	-3.2%
Total	133,485	167,242	154,134	-7.8%	15.5%	487,186	462,507	-5.1%

The volume of order entries of Romi Machines Business Unit in 3Q17 was 16.5% higher than in 3Q16, due to a greater presence of machines with higher added value and to the foreign market.

In the German subsidiary B+W, the order entries in 3Q17 was 31.1% higher than in 3Q16, due to technical and commercial efforts to develop solutions for the aeronautical and oil & gas segments, for example, as well as the focus on generating a greater volume of business opportunities. The number of projects currently in progress and the order entries in the first nine months of 2017 are within normal levels and allow us to maintain a good expectation of resumption of normal levels of profitability.

The Raw and Machined Cast Iron Parts Unit posted, in 3Q17, steady order entries compared with 3Q16, although 23.1% below 2Q17. Such decrease is due to a lower volume of large castings, which are reflecting the low level of infrastructure investments, mainly in the segment of alternative sources of energy generation. On the other hand, the commercial automotive and agriculture machines segments, which are important sectors serviced by this business unit, have been showing, in the first nine months of 2017, an increase in the volume of orders, which partially offsets the decrease in the segments of large size castings.

Order Book (R\$ 000)	3Q16	2Q17	3Q17	Chg. 3Q17/2Q17	Chg. 3Q17/3Q16
Gross Values, sales taxes included					
Romi Machines	68,180	77,353	90,189	16.6%	32.3%
Burkhardt+Weber Machines	130,143	131,029	141,676	8.1%	8.9%
Rough and Machined Cast Iron Parts	82,310	58,406	37,595	-35.6%	-54.3%
Total *	280,633	266,787	269,460	1.0%	-4.0%

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

As at September 30, 2017, the order backlog totaled R\$ 269.5 million, 1.0% higher than the backlog at the end of 2Q17 and 4.0% lower than in 3Q16, respectively. The decrease in the backlog at the end of 3Q17 of Raw and Machined Cast Iron Parts unit when compared with 2Q17 and 3Q17 was mainly caused by the decrease in orders of large size castings, for the reasons previously mentioned in this report.

Operating Performance

NET OPERATING REVENUE

The Company's net operating revenue in 3Q17 reached R\$168.0 million, 2.6% and 9.6% higher than in 2Q17 and 3Q16, respectively. This increase is mainly due to the higher revenue of the B + W Machines Unit, which posted a growth of 57.1% in 3Q17 when compared with 3Q16.

By Business Unit

Net Operating Revenue (R\$ 000)	Quarter					Accumulated		
	3Q16	2Q17	3Q17	Chg. 3Q17/2Q17	Chg. 3Q17/3Q16	9M16	9M17	Chg. 9M17/9M16
Romi Machines	63,951	65,112	72,084	10.7%	12.7%	195,783	196,509	-5.6%
Burkhardt+Weber Machines	26,590	34,335	41,774	21.7%	57.1%	81,811	105,978	16.3%
Raw and Machined Cast Iron Parts	62,771	64,328	54,160	-15.8%	-13.7%	155,591	175,831	31.1%
Total	153,312	163,775	168,018	2.6%	9.6%	433,185	478,318	10.9%

Romi Machines

The net operating revenue of this Business Unit reached R\$72.1 million in 3Q17, posting a growth of 12.7% when compared with the same period of 2016. The foreign market revenues, which continue showing soundness, and the product, mix, with machines of higher value added, are the main reasons for this growth.

Burkhardt+Weber Machines

The revenue of the German subsidiary B+W posted growth of 57.1% in 3Q17 when compared with 3Q16, showing that the revenue has been reflecting the solid entry of orders and orders backlog for the year 2017.

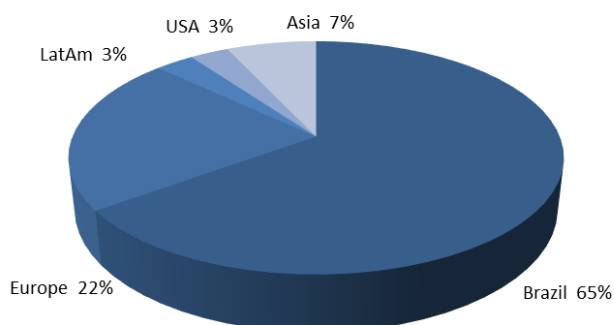
Raw and Machined Cast Iron Parts

The net operating revenue of this Business Unit was R\$54.2 million in 3Q17, a decrease of 13.7% compared with the same period of the prior year, mostly due to the decrease in orders of large raw and machined cast iron parts.

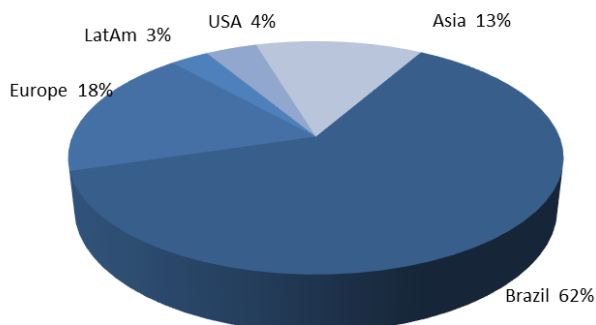
By Geographic Region

The domestic market accounted for 62% of Romi's consolidated revenue in 9M17, three percentage points lower than in 9M16. Considering the revenue obtained in the foreign market, which considers the sales made by Romi's subsidiaries abroad (Germany, China, United States, Italy, United Kingdom, France, Mexico and Spain) and the direct sales for other markets. The distribution of Romi's total revenue, by geographic region, was as follows:

9M16



9M17



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

Foreign Sales	Quarter					Accumulated		
	3Q16	2Q17	3Q17	Chg. 3Q17/2Q17	Chg. 3Q17/3Q16	9M16	9M17	
Net Sales (R\$ million)	48.0	58.0	68.2	17.5%	42.0%	148.4	178.3	20.2%
Net Sales (US\$ million)	14.8	17.5	21.5	22.7%	45.5%	44.7	55.5	24.3%

OPERATING COSTS AND EXPENSES

The gross margin obtained in 3Q17, of 28.9%, posted an increase of 8.9 percentage points in relation to 3Q16, as well as the operating margin (EBIT), which in 3Q17 posted a growth of 12.7 percentage points when compared with 3Q16, as a result of the operating improvement of all business units, due to the following main factors: (i) operating adjustments in the parent company; (ii) reduction of costs and expenses; and (iii) improved production volume in German subsidiary B + W.

Gross Margin	Quarter					Accumulated		
	3Q16	2Q17	3Q17	Chg. p.p. 3Q17/2Q17	Chg. p.p. 3Q17/3Q16	9M16	9M17	Chg. pp 2017/2016
Romi Machines	27.5%	36.6%	33.9%	(2.6)	6.5	29.7%	35.7%	6.1
Burkhardt+Weber Machines	13.8%	17.0%	22.5%	5.5	8.7	13.5%	20.4%	7.0
Raw and Machined Cast Iron Parts	15.1%	27.5%	27.1%	(0.4)	12.0	14.8%	22.9%	8.2
Total	20.0%	28.9%	28.9%	(0.0)	8.9	21.3%	27.6%	6.4

EBIT Margin	Quarter					Accumulated		
	3Q16	2Q17	3Q17	Chg. p.p. 3Q17/2Q17	Chg. p.p. 3Q17/3Q16	9M16	9M17	Chg. pp 2017/2016
Romi Machines	-5.4%	4.5%	6.0%	1.5	11.4	-10.1%	4.4%	14.5
Burkhardt+Weber Machines	-8.0%	-3.6%	3.1%	6.7	11.1	-13.6%	0.0%	13.6
Raw and Machined Cast Iron Parts	1.9%	16.5%	16.2%	(0.3)	14.3	4.7%	12.1%	7.4
Total	-4.1%	7.5%	8.6%	1.0	12.7	-5.4%	6.3%	11.7

Romi Machines

The gross and operating margins of this Business Unit in 3Q17 posted increase of 6.5 and 11.4 percentage points when compared with 3Q16, due to operating adjustments made in 2016, the improvement in the mix of products and the timely control and monitor of operating expenses. On the other hand, the appreciation of the Brazilian currency (Real) in 2017 impacted the export margins in 3Q17.

Burkhardt+Weber Machines

In this Business Unit, the gross margin in 3Q17 was 22.5%, an increase of 8.7 percentage points when compared with 3Q16. In the same period of comparison, the operating margin also reported an increase of 11.1 percentage points. These improvements in margins were mainly caused by the larger production volume during 2017, which allowed a better dilution of fixed costs and expenses.

Raw and Machined Cast Iron Parts

The gross and operating margin of this Business Unit in 3Q17 posted an increase of 12.0 and 14.3 percentage points in relation to 3Q16. The projects focused on operational efficiency and the strategy to add more value to products were the main reasons for this improvement in margins.

EBITDA AND EBITDA MARGIN

In 3Q17, the operating cash generation as measured by EBITDA, was R\$21.9 million, representing an EBITDA margin of 13.0% in the quarter, as shown in the table below:

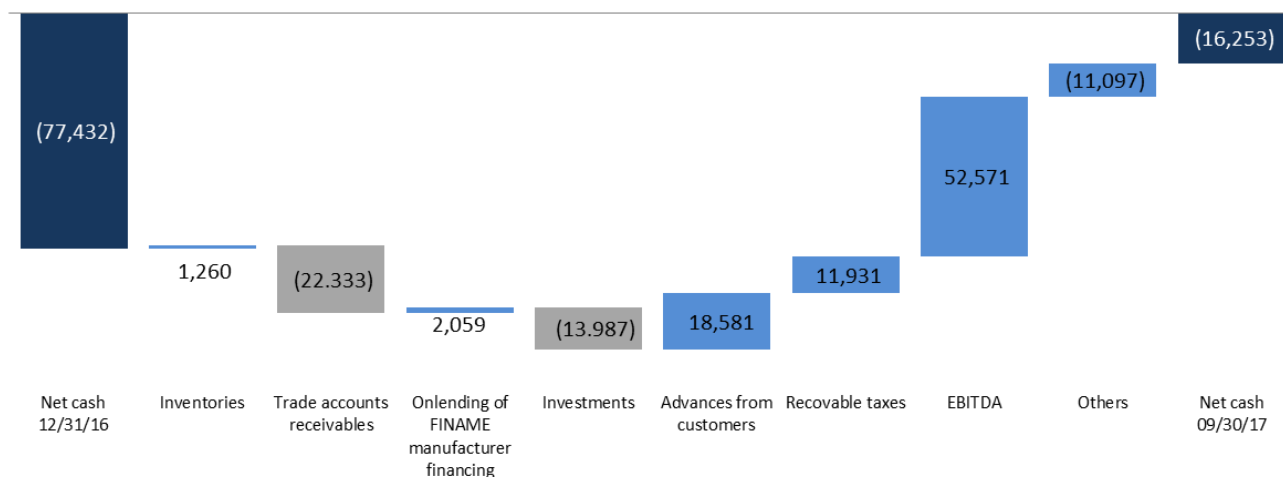
Reconciliation of Net Income to EBITDA (R\$ 000)	Quarter					Accumulated		
	3Q16	2Q17	3Q17	Chg. 3Q17/2Q17	Chg. 3Q17/3Q16	9M16	9M17	Chg. 9M17/9M16
Net Income	(4,581)	11,916	9,122	-23.4%	-299.1%	(19,289)	23,100	-219.8%
Income tax and social contributions	(1,833)	4,322	4,295	-0.6%	-334.3%	(6,427)	9,352	-245.5%
Net Financial Income	(1,543)	(3,937)	958	-124.3%	-162.1%	2,170	(2,462)	-213.5%
Depreciation and amortization	8,513	7,564	7,502	-0.8%	-11.9%	26,132	22,579	-13.6%
EBITDA	556	19,865	21,877	10.1%	3834.7%	2,585	52,571	1933.7%
EBITDA Margin	0.4%	12.1%	13.0%	0.07	34.90	0.6%	11.0%	17.42
Total Net Operating Revenue	153,312	163,775	168,018	2.6%	9.6%	433,185	478,318	10.4%

PROFIT FOR THE PERIOD

Profit was R\$ 9.1 million in 3Q17, representing a net margin of 5.4%.

Evolution of Net Cash (debt) Position

The main changes in the net debt position during 9M17 are described below in R\$ '000.



The balances of "FINAME Manufacturer Financing" are not used to calculate the Company's net debt.

Trade accounts receivable

The increase in the balance of trade accounts receivable was directly impacted by the growth in exports of Romi Machines and sales volume of both Raw and Machined Cast Iron Parts and Burkhardt+Weber machines units.

Investments

The investments in 9M17 totaled R\$ 14 million, approximately R\$ 5 million of this amount is intended for the installation of an automatic molding machine for the Raw and Machined Cast Iron Parts Business Unit. 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 continue occurring in 2017, with beginning of production estimated for 2018. The other investment amounts were allocated partly to the maintenance, productivity, flexibility and competitiveness of the other units of the industrial facilities, within the investment plan established for 2017.

Advances from customers

The increase in the balance of advances from customers was directly impacted by the growth of the order backlog for Romi machines and Burkhardt+Weber machines units.

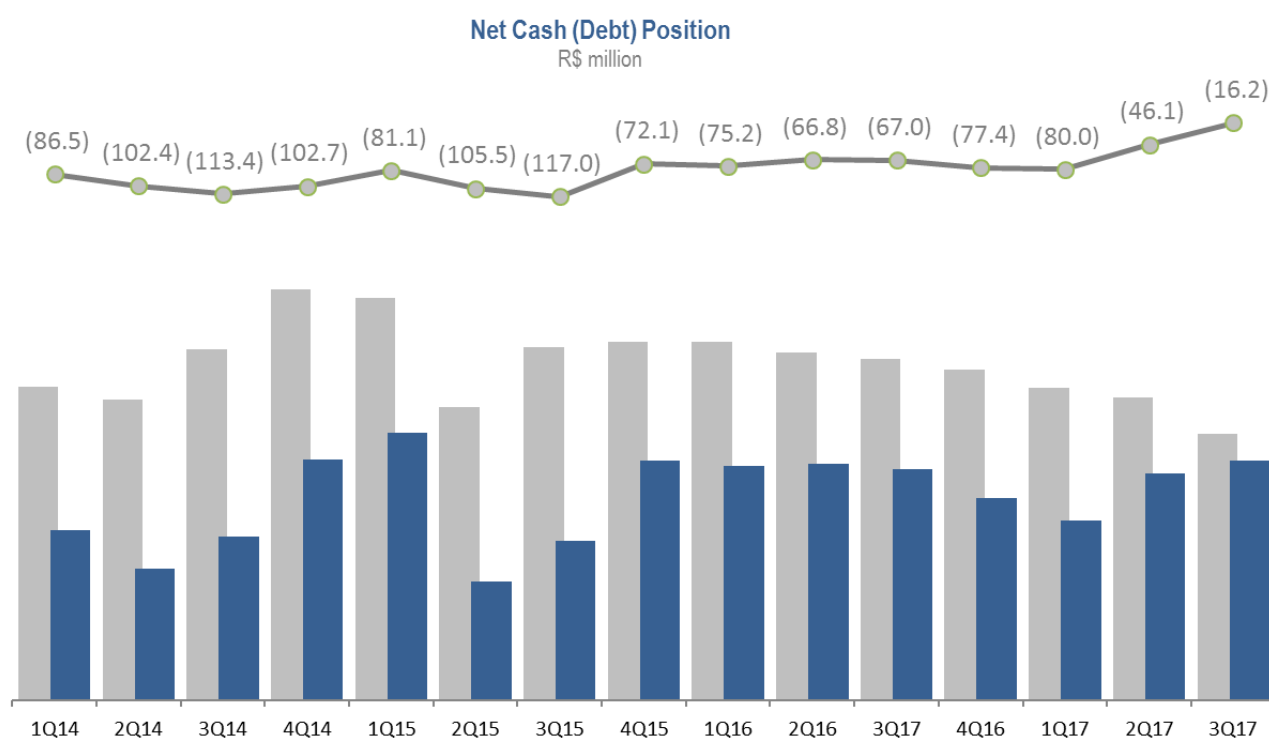
Recoverable taxes and contributions

The utilization of tax credits related to IR/CSLL, ICMS and COFINS resulted in a reduction of approximately R\$ 12 million in the period.

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 net cash (debt) position as at September 30, 2017 was R\$16.2 million.

The Company's borrowings are used basically 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, 2017, the amount of financing in local currency was R\$146.0 million and in foreign currency, R\$15.3 million, totaling R\$161.3 million.



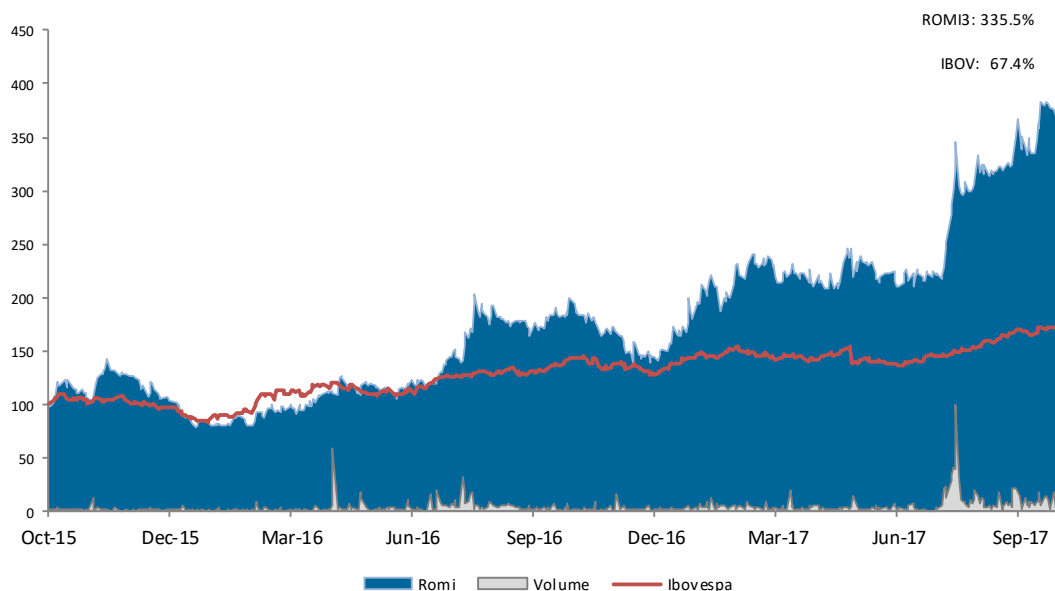
The balances of "FINAME Manufacturer Financing" are not used to calculate the Company's net debt.

As at September 30, 2017, the Company did not have any derivative transactions.

Capital Market

Share Performance ROMI3 vs. Ibovespa

From 10/01/2015 to 10/23/2017



Source: BM&FBovespa.

At October 23, 2017, the Company's common shares (ROMI3) were traded at R\$7.49, posting appreciation of 182.6% since December 31, 2016 and 335.5% since September 30, 2015. Ibovespa posted appreciation of 26.6% and 67.4% in the same period.

The Company's market capitalization at October 23, 2017 was R\$470.8 million. The average daily trading volume in 3Q17 was R\$1,139.7 thousand.

Consolidated Balance Sheet

(R\$ 000)

ASSETS		09/30/16	12/31/16	06/30/17	09/30/17
CURRENT		666,283	622,374	630,895	633,631
Cash and Cash equivalents		119,105	101,510	122,566	128,420
Financial investments		20,616	20,831	14,697	16,592
Trade accounts receivable		104,848	94,216	117,128	117,583
Onlending of FINAME manufacturer financing		106,754	102,356	88,619	82,231
Inventories		271,858	264,587	257,042	263,327
Recoverable taxes		24,104	24,402	14,872	12,471
Other receivables		18,998	14,472	15,971	13,007
NON CURRENT		479,775	461,746	459,096	454,331
Trade accounts receivable		10,628	11,996	10,992	10,962
Onlending of FINAME manufacturer financing		76,802	67,323	61,727	63,797
Recoverable taxes		919	777	584	645
Deferred income and social contribution taxes		55,643	58,053	56,257	55,109
Judicial Deposits		2,690	2,115	2,082	2,102
Other receivables		7,558	9,065	12,793	11,134
Investments					
Property, Plant and Equipment		261,523	252,033	250,008	246,709
Investment Property		18,008	17,538	18,329	18,602
Intangible assets		46,004	42,846	46,324	45,271
TOTAL ASSETS		1,146,058	1,084,120	1,089,991	1,087,962
LIABILITIES AND SHAREHOLDER'S EQUITY		09/30/16	12/31/16	06/30/17	09/30/17
CURRENT		279,804	290,889	293,934	320,205
Loans and financing		68,062	99,435	94,443	108,208
FINAME manufacturer financing		70,501	67,177	57,386	54,261
Trade accounts payable		37,241	34,482	35,284	34,387
Payroll and related taxes		30,686	19,013	27,305	32,330
Taxes payables		2,408	2,596	2,461	2,578
Advances from customers		52,939	53,787	59,673	72,368
Other payables		17,967	14,399	17,382	16,073
NON CURRENT		239,023	191,699	172,429	136,405
Loans and financing		138,623	100,338	88,910	53,057
FINAME manufacturer financing		71,167	62,953	53,509	54,277
Deferred income and social contribution taxes		27,596	25,853	28,042	27,635
Taxes payable		539	539	539	539
Reserve for contingencies		814	1,920	1,310	784
Other payables		284	96	119	113
SHAREHOLDER'S EQUITY		625,716	599,962	621,955	629,857
Capital		492,025	492,025	492,025	492,025
Retained earnings		129,938	90,243	90,243	90,243
Profit (loss) for the period		(19,463)	-	13,764	22,847
Cumulative translation adjustments		23,216	17,694	25,923	24,742
NON CONTROLLING INTERESTS		1,515	1,570	1,673	1,495
TOTAL SHAREHOLDER'S EQUITY		627,231	601,532	623,628	631,352
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		1,146,058	1,084,120	1,089,991	1,087,962

Consolidated Income Statement

(R\$ thousand)

	3Q16	2Q17	3Q17	Chg. 3Q17/2Q17	Chg. 3Q17/3Q16	9M16	9M17	Chg. 2017/2016
Net Operating Revenue	153,312	163,775	168,018	11.8%	9.1%	433,185	478,318	10.4%
Cost of Goods Sold	(122,586)	(116,401)	(119,448)	5.5%	1.3%	(341,085)	(346,130)	1.5%
Gross Profit	30,726	47,374	48,570	30.7%	34.8%	61,374	132,188	115.4%
<i>Gross Margin %</i>	<i>20.0%</i>	<i>28.9%</i>	<i>28.9%</i>	<i>4.2%</i>	<i>5.5%</i>	<i>14.2%</i>	<i>27.6%</i>	
Operating Expenses	(38,683)	(35,073)	(34,195)	6.5%	-8.1%	(76,964)	(102,196)	32.8%
Selling expenses	(19,313)	(17,552)	(16,935)	19.7%	-2.3%	(52,264)	(49,146)	-6.0%
Research and development expenses	(4,562)	(4,422)	(4,112)	9.1%	-2.0%	(13,210)	(12,586)	-4.7%
General and administrative expenses	(14,198)	(13,523)	(12,175)	4.8%	-8.5%	(48,147)	(38,604)	-19.8%
Management profit sharing and compensation	(1,364)	(1,775)	(1,683)	22.2%	31.2%	(3,903)	(4,911)	25.8%
Other operating income, net	754	2,199	710	1448.6%	376.0%	1,877	3,051	62.5%
Operating Income before Financial Results	(7,957)	12,301	14,375	271.0%	-507.5%	(15,590)	29,992	-292.4%
<i>Operating Margin %</i>	<i>-5.2%</i>	<i>7.5%</i>	<i>8.6%</i>	<i>5.2%</i>	<i>9.5%</i>	<i>-3.6%</i>	<i>6.3%</i>	
Financial Results, Net	1,543	3,937	(958)	-861.5%	-264.9%	(2,170)	2,462	-213.5%
Financial income	5,711	4,444	4,098	3.7%	-25.1%	15,833	12,827	-19.0%
Financial expenses	(4,871)	(3,638)	(4,220)	-10.5%	-35.0%	(14,210)	(11,925)	-16.1%
Exchange gain (loss), net	703	3,131	(836)	-526.0%	-215.2%	(3,793)	1,560	-141.1%
Operations Operating Income	(6,414)	16,238	13,417	480.1%	-400.4%	(17,760)	32,454	-282.7%
Income tax and social contribution	1,833	(4,322)	(4,295)	488.0%	-813.2%	6,427	(9,352)	-245.5%
Net income	(4,581)	11,916	9,122	477.3%	-348.3%	(11,333)	23,102	-303.8%
<i>Net Margin %</i>	<i>-3.0%</i>	<i>7.3%</i>	<i>5.4%</i>	<i>5.9%</i>	<i>10.5%</i>	<i>-2.6%</i>	<i>4.8%</i>	
Net profit concerning:								
Controlling interests	(4,639)	11,748	9,083	483.0%	-341.8%	(19,462)	22,846	-217.4%
Non controlling interests	58	168	39	242.9%	189.7%	172	256	48.8%
EBITDA	556	19,865	21,877	83.4%	251.1%	2,585	52,571	1933.7%
Profit (loss) for the period	(4,581)	11,916	9,122	477.3%	-348.3%	(19,290)	23,102	-219.8%
Income tax and social contribution	(1,833)	4,322	4,295	488.0%	-813.2%	(6,427)	9,352	-245.5%
Financial income, net	(1,543)	(3,937)	958	-861.5%	-264.9%	2,170	(2,462)	-213.5%
Depreciation and amortization	8,513	7,564	7,502	0.7%	-12.8%	26,132	22,579	-13.6%
<i>EBITDA Margin %</i>	<i>0.4%</i>	<i>12.1%</i>	<i>13.0%</i>	<i>4.7%</i>	<i>8.4%</i>	<i>0.6%</i>	<i>11.0%</i>	
Nº of shares in capital stock (th)	62,858	62,858	62,858	0.0%	0.0%	62,858	62,858	0.0%
Profit (loss) per share - R\$	(0.07)	0.19	0.14	483.0%	-352.6%	(0.31)	0.37	-219.8%

Consolidated Cash Flow Statement

(R\$ thousand)

	3Q16	2Q17	3Q17	9M16	9M17
Cash from operating activities					
Net Income	(6,415)	16,239	13,417	(25,719)	32,455
Financial expenses and exchange gain	2,718	(304)	3,597	7,576	5,771
Depreciation and amortization	8,513	7,564	7,502	26,132	22,579
Allowance for doubtful accounts and other receivables	(3,073)	97	(2,204)	(2,272)	(1,687)
Proceeds from sale of fixed assets and intangibles	(358)	(2,607)	(1,110)	(444)	(4,014)
Provision for inventory realization	(1,627)	(2,426)	430	(4,803)	(4,471)
Reserve for contingencies	(253)	1,279	1,544	(95)	(688)
Change on operating assets and liabilities					
Financial Investments	(3,198)	6,668	(1,895)	(20,203)	4,239
Trade accounts receivable	1,860	3,089	1,284	15,125	(13,757)
Onlending of Finame manufacturer financing	12,142	1,302	5,842	38,623	23,449
Inventories	(3,375)	(4,580)	(6,716)	732	5,732
Recoverable taxes, net	(5,275)	7,877	3,488	(7,802)	15,007
Judicial deposits	(61)	(803)	(864)	(68)	(2,245)
Other receivables	1,525	916	5,942	7,502	5,428
Trade accounts payable	(3,427)	8,119	(759)	9,589	(159)
Payroll and related taxes	3,526	5,223	4,497	10,113	14,361
Taxes payable	1,345	(711)	(4,050)	(2,107)	(6,013)
Advances from customers	18,143	6,008	12,695	15,088	18,581
Other payables	906	3,535	(3,058)	(7,539)	1,521
Cash provided by (used in) operating activities	23,616	56,485	39,582	59,428	116,089
Income tax and social contribution paid	169	(198)	(535)	(533)	(1,575)
Net Cash provided by (used in) operating activities	23,785	56,287	39,047	58,895	114,514
Purchase of fixed assets	(13,896)	(4,840)	(5,104)	(22,231)	(13,338)
Sales of fixed assets	772	3,119	1,757	1,566	5,370
Increase in intangible assets	(76)	(25)	(11)	(76)	(707)
Net cash Used in Investing Activities	(13,200)	(1,746)	(3,358)	(20,741)	(8,675)
Interest on capital paid	(109)	-	(217)	(2,415)	(331)
Share Repurchase	-	-	-	(5,705)	-
New loans and financing	1,898	3,413	4,383	31,075	9,597
Payments of loans and financing	(6,117)	(10,322)	(25,737)	(36,471)	(48,882)
Interests paid (including Finame manufacturer financing)	(5,018)	(5,426)	(5,490)	(16,207)	(15,936)
New loans in Finame manufacturer	13,147	12,842	14,292	33,891	31,893
Payment of Finame manufacturer financing	(21,074)	(18,836)	(16,930)	(67,245)	(54,263)
Net Cash provided by (used in) Financing Activities	(17,273)	(18,329)	(29,699)	(63,077)	(77,922)
Increase (decrease) in cash and cash equivalents	(6,688)	36,212	5,990	(24,923)	27,917
Exchange variation changes on cash and cash equivalents abroad	6	(860)	(136)	(140)	(1,007)
Cash and cash equivalents - beginning of period	2,613	87,214	122,566	144,581	101,510
Cash and cash equivalents - end of period	(4,069)	122,566	128,420	119,518	128,420

Appendix I – Income Statement by Business Unit

Income Statement by Business Units - 3Q17

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron	Total
Net Operating Revenue	72,084	41,774	54,160	168,018
Cost of Sales and Services	(43,290)	(32,366)	(43,793)	(119,449)
Business Units Transfers	1,203	-	5,531	6,734
Business Units Transfers	(5,531)	-	(1,203)	(6,734)
Gross Profit	24,466	9,408	14,695	48,569
<i>Gross Margin %</i>	<i>33.9%</i>	<i>22.5%</i>	<i>27.1%</i>	<i>28.9%</i>
Operating Expenses	(20,154)	(8,117)	(5,926)	(34,197)
Selling	(11,813)	(3,627)	(1,496)	(16,936)
General and Administrative	(4,259)	(4,490)	(3,426)	(12,175)
Research and Development	(4,112)	-	-	(4,112)
Management profit sharing	(679)	-	(1,004)	(1,683)
Other operating revenue	709	-	-	709
Operating Income before Financial Results	4,312	1,291	8,769	14,372
<i>Operating Margin %</i>	<i>6.0%</i>	<i>3.1%</i>	<i>16.2%</i>	<i>8.6%</i>
Depreciation and amortization	3,065	1,505	2,933	7,503
EBITDA	7,377	2,796	11,702	21,875
<i>EBITDA Margin %</i>	<i>10.2%</i>	<i>6.7%</i>	<i>21.6%</i>	<i>13.0%</i>

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 - 9M17

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	196,509	105,978	175,831	478,318
Cost of Sales and Services	(119,842)	(84,330)	(141,957)	(346,130)
Business Units Transfers	4,274	-	10,750	15,025
Business Units Transfers	(10,750)	-	(4,274)	(15,025)
Gross Profit	70,190	21,648	40,350	132,188
<i>Gross Margin %</i>	<i>35.7%</i>	<i>20.4%</i>	<i>22.9%</i>	<i>27.6%</i>
Operating Expenses	(61,508)	(21,656)	(19,031)	(102,195)
Selling	(35,261)	(9,212)	(4,673)	(49,146)
General and Administrative	(14,639)	(12,444)	(11,521)	(38,604)
Research and Development	(12,586)	-	-	(12,586)
Management profit sharing	(2,074)	-	(2,837)	(4,911)
Other operating revenue	3,052	-	-	3,052
Operating Income before Financial Results	8,682	(8)	21,319	29,993
<i>Operating Margin %</i>	<i>4.4%</i>	<i>0.0%</i>	<i>12.1%</i>	<i>6.3%</i>
Depreciation and amortization	9,372	4,273	8,934	22,579
EBITDA	18,054	4,265	30,253	52,572
<i>EBITDA Margin %</i>	<i>9.2%</i>	<i>4.0%</i>	<i>17.2%</i>	<i>11.0%</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>

Appendix II – Financial Statements of Brazil

	(€ 000)		
ASSETS	12/31/16	06/30/17	09/30/17
CURRENT	23,072	24,892	27,323
Cash and Cash equivalents	2,897	980	3,003
Trade accounts receivable	5,863	5,562	6,854
Inventories	13,193	16,430	16,035
Recoverable taxes	745	1,017	930
Related Parties	219	134	113
Other receivables	155	768	387
NONCURRENT	27,201	26,556	26,187
Investments			
Property, plant and equipment	14,911	14,569	14,360
Investment in subsidiaries	46	46	46
Intangible assets	12,244	11,941	11,781
TOTAL ASSETS	50,274	51,448	53,510

LIABILITIES AND SHAREHOLDER'S EQUITY	12/31/16	06/30/17	09/30/17
CURRENT	15,935	17,954	20,124
Trade accounts payable	1,166	1,484	912
Payroll and related taxes	551	1,489	1,636
Taxes payable	157	76	94
Advances from customers	12,515	12,949	15,792
Other payables	1,447	1,708	1,582
Related Parties	98	248	107
NON CURRENT	8,521	8,154	7,971
Long-term liabilities	-	-	-
Loans and financing	3,659	3,382	3,243
Deferred income and social contribution taxes	4,862	4,772	4,728
SHAREHOLDER'S EQUITY	25,818	25,340	25,415
Capital	7,025	7,025	7,025
Capital reserve	505	505	505
Profit reserve	18,288	17,810	17,885
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	50,274	51,448	53,510

B+W Income Statement

(€ 000)

	3Q16	2Q17	3Q17	9M16	9M17
Net Operating Revenue	7,345	9,342	11,241	20,928	29,520
Cost of Goods Sold	(6,332)	(7,810)	(8,712)	(17,919)	(23,548)
Gross Profit	1,013	1,532	2,529	3,009	5,972
<i>Gross Margin %</i>	<i>13.8%</i>	<i>16.4%</i>	<i>22.5%</i>	<i>14.4%</i>	<i>20.2%</i>
Operating Expenses	(1,820)	(1,992)	(2,184)	(5,566)	(6,102)
Selling expenses	(769)	(857)	(974)	(2,038)	(2,578)
General and administrative expenses	(1,051)	(1,135)	(1,210)	(3,528)	(3,524)
Operating Income before Financial Results	(807)	(460)	345	(2,557)	(130)
<i>Operating Margin %</i>	<i>-11.0%</i>	<i>-4.9%</i>	<i>3.1%</i>	<i>-12.2%</i>	<i>-0.4%</i>
Financial Results, Net	(100)	(93)	(106)	(210)	(304)
Operations Operating Income	(907)	(553)	239	(2,767)	(434)
Income tax and social contribution	262	160	(163)	831	32
Net income	(645)	(393)	76	(1,936)	(402)
<i>Net Margin %</i>	<i>-8.8%</i>	<i>-4.2%</i>	<i>0.7%</i>	<i>-9.3%</i>	<i>-1.4%</i>
EBITDA	(287)	56	859	(1,200)	1,408
Net income / loss for the period	(645)	(393)	76	(1,936)	(402)
Income tax and social contribution	(262)	(160)	163	(831)	(32)
Financial income, net	100	93	106	210	304
Depreciation and amortization	520	516	514	1,357	1,538
<i>EBITDA Margin %</i>	<i>-3.9%</i>	<i>0.6%</i>	<i>7.6%</i>	<i>-5.7%</i>	<i>4.8%</i>

Statements contained in this release related to Romi'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, they are subject to changes.