

**ROMI**

WWW.ROMI.COM



July 25, 2017 2Q17 Earnings Release

June 30, 2017**Share Price**

ROMI3 - R\$3.78 per share (on 07/24/2017)

Market capitalization

R\$237.6 million

US\$75.5 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

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July 26, 2017**Earnings Conference Call**

Time: 10:30 am

Dial-in numbers:

+55 (11) 3193-1001 or (11) 2820-4001

Access code: Romi

Earnings Conference Call in English

Time: 12:00 pm (São Paulo)

4:00 pm (London)

11:00 am (New York)

Dial-in numbers:

USA +1 (786) 924-6977

Brazil +55 (11) 3193-1001

Other + 1 (888) 700-0802

Access code: Romi



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IGC

Santa Bárbara d'Oeste, SP, July 25, 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 second quarter of 2017 ("2Q17"). 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 are still improving and EBITDA reaches 12.1% in 2Q17

- The Romi Machines Business Unit, in 2Q17, reached a positive EBITDA margin of 9.3%, an improvement of 14.1 percentage points compared with 2Q16, as a result of the operating adjustments, reduction of costs and expenses and mix of products;
- The B+W Machines Business Unit posted, in the first half of 2017, an increase in gross and operating margins of 5.8 and 12.9 percentage points, respectively, when compared with the same period of 2016, due to a better production volume and revenue;
- In 2Q17, compared with the same period of 2016, the Raw and Machined Cast Iron Parts Business Unit reported a growth of 23% in operating revenues, and improvement of 8.2 percentage points in EBITDA margin.
- The Company's net debt decreased R\$31.3 million during the first half of 2017 and reached R\$46.1 million at June, 30th 2017.

R\$'000	Quarter					Accumulated		
	2Q16	1Q17	2Q17	Chg. 2Q17/1Q17	Chg. 2Q17/2Q16	1H16	1H17	Chg. 2017/2016
Revenues Volume								
Machines (units)	172	162	141	-13.0%	-18.0%	342	303	-11.4%
Burkhardt + Weber (units)	3	6	6	0.0%	100.0%	6	12	100.0%
Raw and Machined Cast Iron Parts (tons)	5,145	5,784	6,267	8.4%	21.8%	9,385	12,051	28.4%
Net Operating Revenue	150,063	146,525	163,775	11.8%	9.1%	279,873	310,300	10.9%
Gross margin (%)	23.4%	24.7%	28.9%			21.9%	26.9%	-
Operating Income (EBIT)	(3,018)	3,316	12,301	271.0%	-507.6%	(15,589)	15,618	-200.2%
Operating margin (%)	-2.0%	2.3%	7.5%			-5.6%	5.0%	-
Net Income	(4,800)	2,064	11,916	477.3%	-348.3%	(14,709)	13,980	-195.0%
Net margin (%)	-3.2%	1.4%	7.3%			-5.3%	4.5%	-
EBITDA	5,658	10,829	19,865	83.4%	251.1%	2,029	30,695	1412.8%
EBITDA margin (%)	3.8%	7.4%	12.1%			0.7%	9.9%	-
Investments	5,910	4,008	4,864	21.4%	-17.7%	8,335	8,872	6.4%

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.

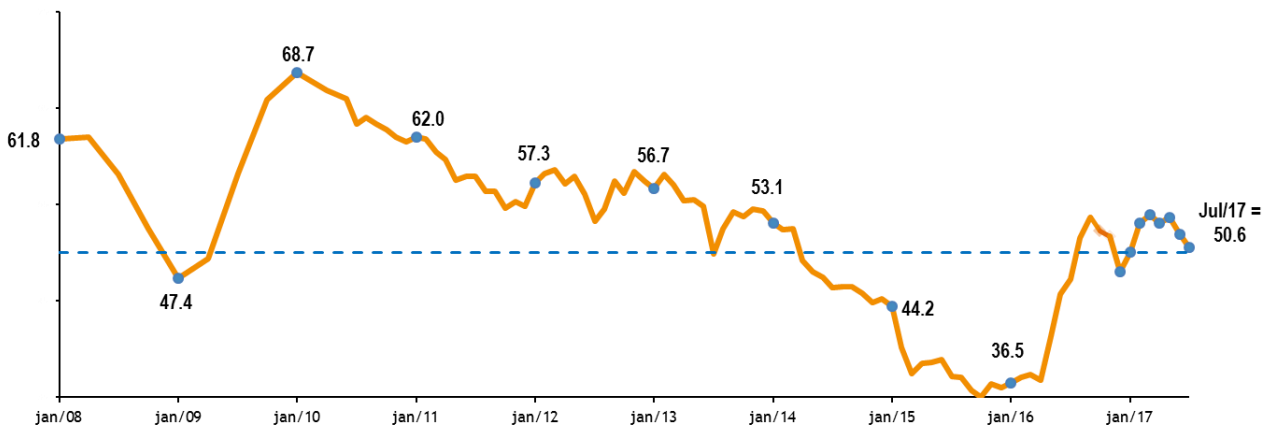
The Company has eleven manufacturing units, four of which for final assembly of industrial machinery, two foundries, three units for machining of mechanical components, one unit for manufacture of steel sheet components, and one unit for assembly of electronic panels. Of these, nine are located in Brazil 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 moderate 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 July 2017, the Industrial Entrepreneur Confidence Index (ICEI) reached 50.6, after reaching its lowest level at the beginning of 2016, of 36.5 points, as shown below.

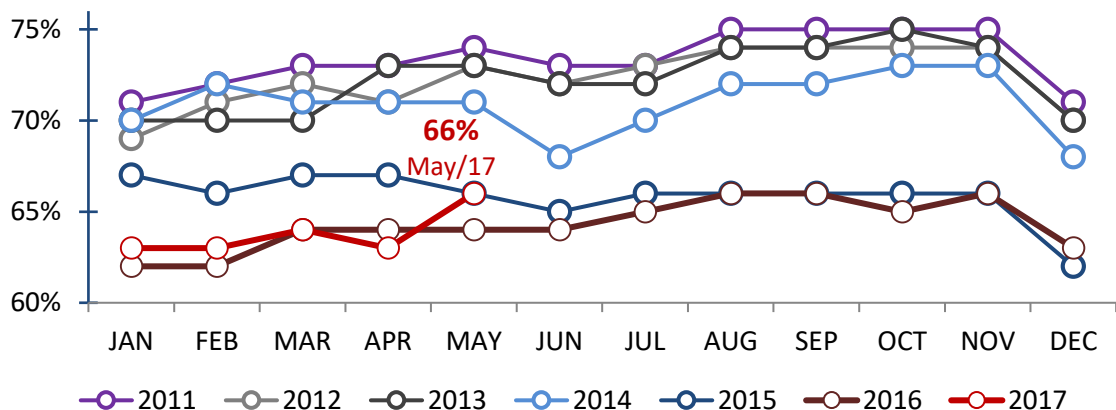
Industrial Entrepreneur Confidence Index – ICEI



Source: CNI - UCI, July 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, which recorded the lowest percentage of the monthly series (beginning in January 2011), portraying the still challenging time faced by the Brazilian economy.

Average installed capacity utilization



Source: CNI - ICEI, May 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.

On the other hand, the appreciation of the Brazilian Real (R\$) against the US Dollar (US\$) increased the competitiveness of the imported equipment, parts and components when compared with those produced in Brazil. Such scenario also impacts the export margins and the competitiveness of Romi products, which have as main competitors the imported equipment.

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 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 already be noticed in the Company's profitability levels in this first half of 2017.

Market

The Company's main competitive advantages in the market – products with cutting-edge technology, the company's own nationwide distribution network, ongoing 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)	2Q16	1Q17	2Q17	Chg. 2Q17/1Q17	Chg. 2Q17/2Q16	1H16	1H17	Chg. 1H17/1H16
Gross Values, sales taxes included								
Romi Machines	65,471	67,773	71,820	6.0%	9.7%	124,427	139,593	12.2%
Burkhardt+Weber Machines	98,630	9,711	43,083	343.7%	-56.3%	107,588	52,793	-50.9%
Rough and Machined Cast Iron Parts	69,251	63,647	52,339	-17.8%	-24.4%	121,686	115,986	-4.7%
Total	233,352	141,131	167,242	18.5%	-28.3%	353,701	308,373	-12.8%

The volume of order entries of Romi Machines Business Unit in 2Q17 was 9.7% higher than in 2Q16, 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 2Q17 was 56.3% lower than in 2Q16, due to the placement of two large orders, one in China and another in the Middle East, which caused a great concentration in that period. However, the number of projects currently in progress and the order entries in the first half 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 2Q17, order entries 17.8% and 24.4% below 1Q17 and 2Q16, respectively. Such decrease is due to a lower volume of large size 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 six 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)	2Q16	1Q17	2Q17	Chg. 2Q17/1Q17	Chg. 2Q17/2Q16
Gross Values, sales taxes included					
Romi Machines	77,706	64,304	77,353	20.3%	-0.5%
Burkhardt+Weber Machines	129,325	109,251	131,029	19.9%	1.3%
Rough and Machined Cast Iron Parts	110,363	74,808	58,406	-21.9%	-47.1%
Total *	317,394	248,363	266,787	7.4%	-15.9%

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

As at June 30, 2017, the order backlog totaled R\$266.8 million, 7.4% higher than the backlog at the end of 1Q17 and 15.9% lower than in 2Q16. The decrease in the backlog at the end of 2Q17, when compared with 2Q16, is mainly due to the Raw and Machined Cast Iron Parts unit, 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 2Q17 reached R\$163.8 million, 11.8% and 9.1% higher than in 1Q17 and 2Q16, respectively. This increase is mainly due to the higher revenue of the Raw and Machined Cast Iron Parts Unit, which posted a growth of 23.0% in 2Q17 when compared with 2Q16.

By Business Unit

Net Operating Revenue (R\$ 000)	Quarter					Accumulated		
	2Q16	1Q17	2Q17	Chg. 2Q17/1Q17	Chg. 2Q17/2Q16	1H16	1H17	Chg. 1H17/1H16
Romi Machines	64,259	59,313	65,112	9.8%	1.3%	131,832	124,425	-5.6%
Burkhardt+Weber Machines	33,494	29,869	34,335	15.0%	2.5%	55,221	64,204	16.3%
Raw and Machined Cast Iron Parts	52,310	57,343	64,328	12.2%	23.0%	92,820	121,671	31.1%
Total	150,063	146,525	163,775	11.8%	9.1%	279,873	310,300	10.9%

Romi Machines

The net operating revenue of this Business Unit reached R\$65.1 million in 2Q17, virtually steady in relation to 2Q16, showing that the domestic scenario still presents a low level of investments. The foreign market revenues continue showing soundness, and posted growth of nearly 4.0%, in Dollars, in the first half of 2017, when compared with the same period of 2016.

Burkhardt+Weber Machines

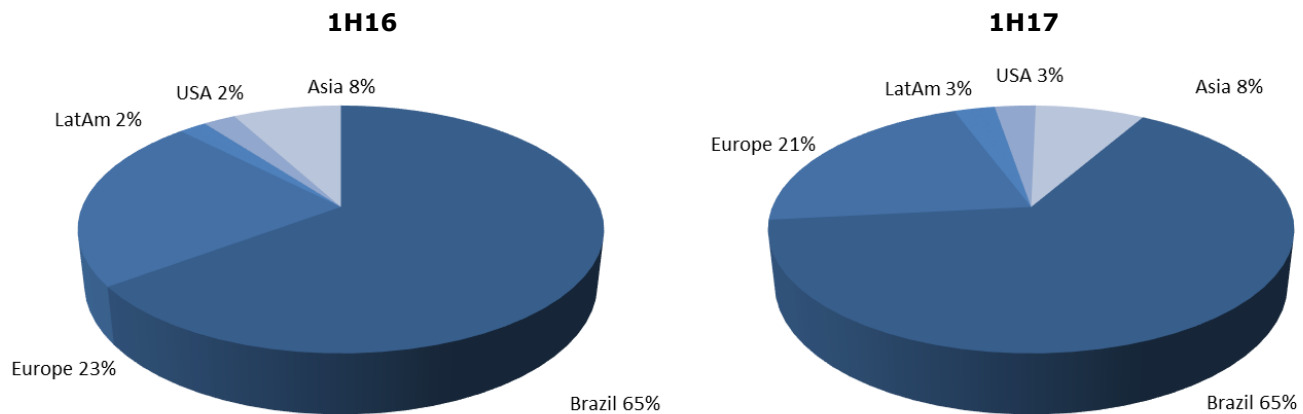
The revenue of the German subsidiary B+W posted growth of 2.5% in 2Q17, in Reais, when compared with 2Q16. In this same period of comparison, however, in Euro, such increase was of 9.5%, showing that the revenue has been reflecting the solid orders backlog for the year 2017.

Raw and Machined Cast Iron Parts

In 2Q17, the net operating revenue of this Business Unit was R\$64.3 million, an increase of 23.0% compared with 2Q16, mostly due to the increase in orders of raw and machined cast iron parts for the commercial automotive and agriculture segments.

By Geographic Region

The domestic market accounted for 65% of Romi's consolidated revenue in 1H17, very similar to 1S16 (65%). Considering the revenue obtained in the foreign market, which considers the sales made by Romi's subsidiaries abroad (Germany, Asia, United States, Italy, United Kingdom, France, Mexico and Spain), the distribution of Romi's total revenue, by geographic region, was as follows:



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

Foreign sales	Quarter					Accumulated		
	2Q16	1Q17	2Q17	Chg. 2Q17/1Q17	Chg. 2Q17/2Q16	1H16	1H17	Chg. 1H17/1H16
Net sales (R\$ million):	54.9	52.1	58.0	11.3%	5.7%	100.4	110.2	9.8%
Net sales (US\$ million):	17.1	16.5	17.5	6.6%	2.5%	29.9	34.0	13.8%

OPERATING COSTS AND EXPENSES

The gross margin obtained in 2Q17, of 28.9%, posted an increase of 5.5 percentage points in relation to 2Q16, as well as the operating margin (EBIT), which in 2Q17 posted a growth of 9.5 percentage points when compared with 2Q16, as a result of the operating improvement of the Romi Machines and Raw and Machine Cast Iron Parts Business Units.

	Quarter					Accumulated		
	2Q16	1Q17	2Q17	Chg. p.p. 2Q17/1Q17	Chg. p.p. 2Q17/2Q16	1H16	1H17	Chg. pp 2017/2016
Gross Margin								
Romi Machines	30.1%	36.6%	36.6%	(0.0)	6.5	30.7%	36.6%	5.9
Burkhardt+Weber Machines	21.0%	21.4%	17.0%	(4.4)	(4.0)	13.3%	19.1%	5.7
Raw and Machined Cast Iron Parts	16.7%	14.2%	27.5%	13.3	10.8	14.6%	21.2%	6.7
Total	23.4%	24.7%	28.9%	4.2	5.5	21.9%	26.9%	5.0

	Quarter					Accumulated		
	2Q16	1Q17	2Q17	Chg. p.p. 2Q17/1Q17	Chg. p.p. 2Q17/2Q16	1H16	1H17	Chg. pp 2017/2016
EBIT Margin								
Romi Machines	-10.6%	2.1%	4.5%	2.4	15.1	-8.7%	3.4%	12.1
Burkhardt+Weber Machines	0.8%	-0.2%	-3.6%	(3.4)	(4.4)	-14.9%	-2.0%	12.8
Raw and Machined Cast Iron Parts	6.8%	3.7%	16.5%	12.8	9.7	4.4%	10.5%	6.0
Total	-2.0%	2.3%	7.5%	5.2	9.5	-5.6%	5.0%	10.6

Romi Machines

The gross and operating margins of this Business Unit, in 2Q17, posted increase of 6.5 and 15.1 percentage points when compared with 2Q16, due to operating adjustments made in 2Q16 and improvement in the mix of products. On the other hand, the appreciation of the Brazilian currency (Real) in 2017 impacted the export margins in 2Q17.

Burkhardt+Weber Machines

In this Business Unit, the gross margin in 2Q17 was 17.0%, a decrease of 4.0 percentage points when compared with 2Q16, due to the mix of products billed.

Raw and Machined Cast Iron Parts

The gross margin of this Business Unit in 2Q17 was 27.5%, an increase of 10.8 percentage points in relation to 2Q16, due to the larger volume of revenue and production and the operating adjustments focused on efficiency improvement.

EBITDA AND EBITDA MARGIN

In 2Q17, the operating cash generation as measured by EBITDA was R\$19.9 million, representing an EBITDA margin of 12.1% in the quarter, as shown in the table below:

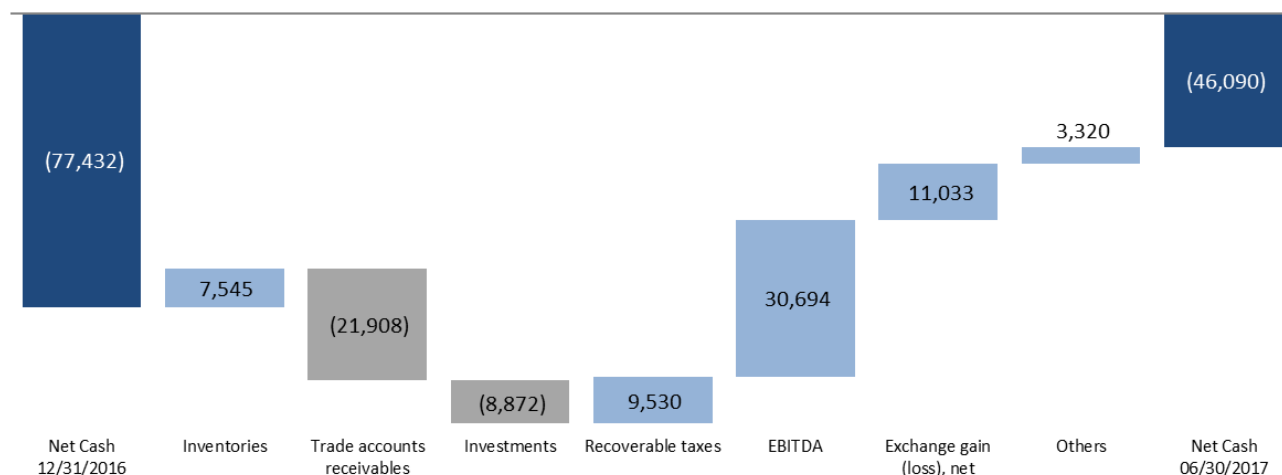
Reconciliation of Net Income to EBITDA (R\$ 000)	Quarter					Accumulated		
	2Q16	1Q17	2Q17	Chg. 2Q17/1Q17	Chg. 2Q17/2Q16	1H16	1H17	Chg. 1H17/1H16
Net Income	(4,800)	2,064	11,916	477.3%	-348.3%	(14,709)	13,981	-195.1%
Income tax and social contributions	(606)	735	4,322	488.0%	-813.2%	(4,594)	5,057	-210.1%
Net Financial Income	2,387	517	(3,937)	-861.5%	-264.9%	3,713	(3,420)	-192.1%
Depreciation and amortization	8,677	7,513	7,564	0.7%	-12.8%	17,619	15,077	-14.4%
EBITDA	5,658	10,829	19,865	83.4%	251.1%	2,029	30,695	1412.8%
EBITDA Margin	3.8%	7.4%	12.1%	0.64	2.22	0.7%	9.9%	12.64
Total Net Operating Revenue	150,063	146,525	163,775	11.8%	9.1%	279,873	310,300	10.9%

PROFIT FOR THE PERIOD

Profit was R\$11.9 million in 2Q17.

Evolution of Net Cash (debt) Position

The main changes in the net debt position during 2Q17 are described below in R\$'000:



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

Inventories

The net variation in inventories amounting to R\$7,545 thousands was impacted by the decrease of the inventory levels in the units Romi Machines and Machined Cast Iron Parts Unit, due to projects and actions focusing in operational deleveraging and therefore cash generation.

Trade accounts receivable

The increase in the balance of trade accounts receivable was directly impacted by the increase in sales volume of the Raw and Machined Cast Iron Parts Unit.

Investments

The investments for the first half of 2017 totaled R\$8.9 million, approximately R\$4 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.

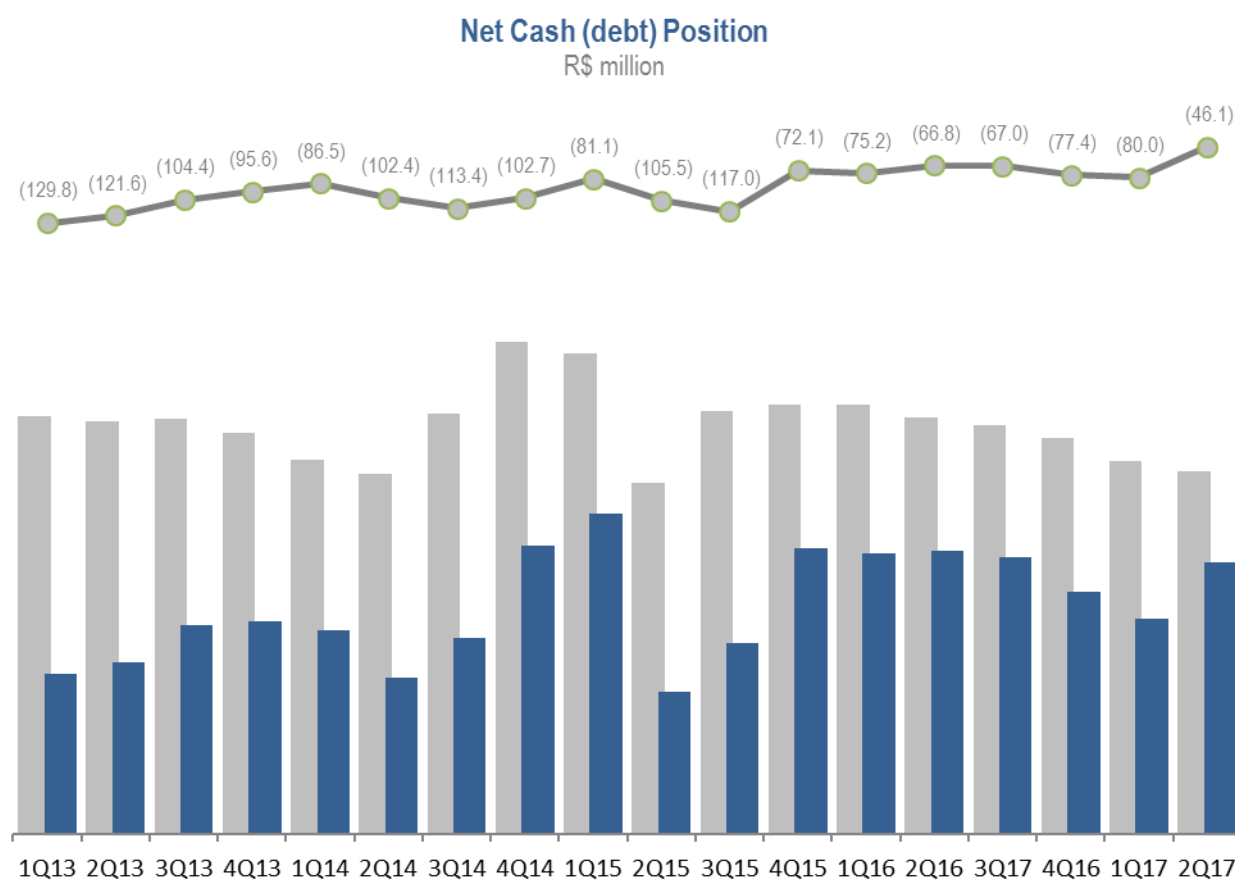
Recoverable taxes and contributions

The utilization of the negative balance of IR/CSLL, ICMS and COFINS assured a cash gain of approximately R\$9.5 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 June 30, 2017 was R\$46.1 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 June 30, 2017, the amount of financing in local currency was R\$169.2 million and in foreign currency, R\$14.1 million, totaling R\$183.4 million.



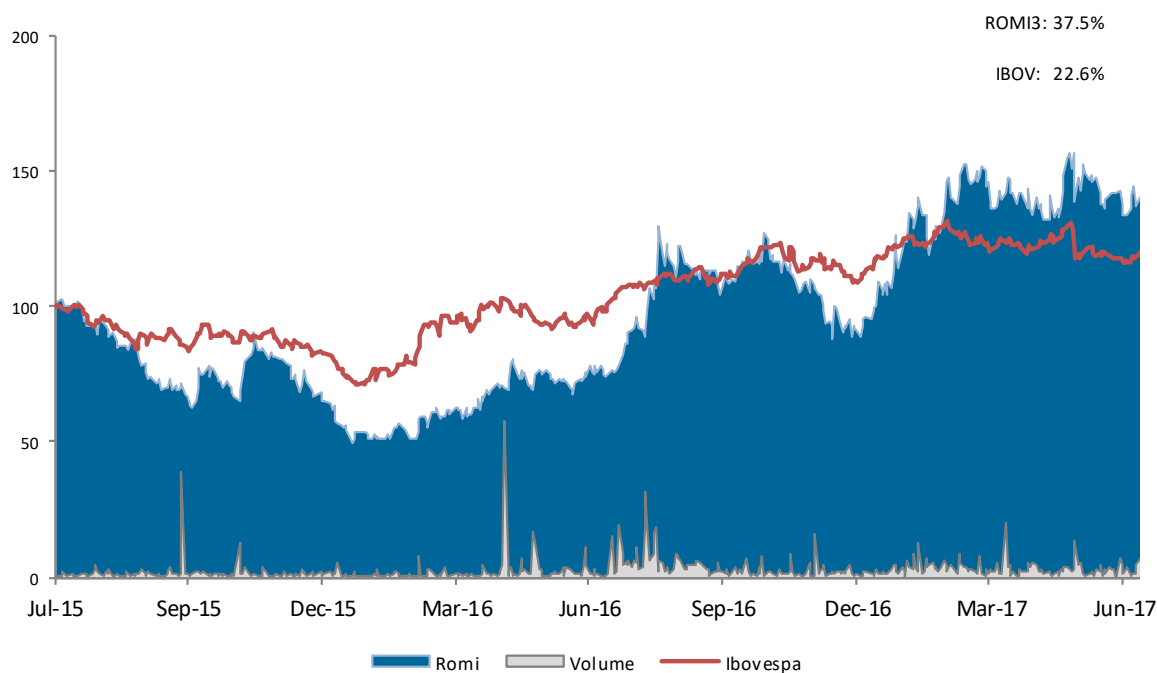
The balances of "FINAME Manufacturer Financing" are not used to calculate the Company's net debt.

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

Capital Market

Share Performance ROMI3 vs. Ibovespa

From 07/01/2015 to 07/24/2017



Source: BM&FBovespa

At July 24, 2017, Romi's common shares (ROMI3) were traded at R\$3.78, posting appreciation of 42.6% since December 31, 2016 and 37.5% since June 30, 2016. Ibovespa posted appreciation of 9.2% and 22.6% in the same period.

The Company's market capitalization at July 24, 2017 was R\$237.6 million. The average daily trading volume in 2Q17 was R\$ 298.6 thousands.

Consolidated Balance Sheet

(R\$ 000)

ASSETS		12/31/16	03/31/17	06/30/17	LIABILITIES AND SHAREHOLDER'S EQUITY		12/31/16	03/31/17	06/30/17
CURRENT	CURRENT	622,374	605,824	630,895	CURRENT	CURRENT	290,889	274,847	293,934
Cash and Cash equivalents		101,510	87,214	122,566	Loans and financing		99,435	94,952	94,443
Financial investments		20,831	21,365	14,697	FINAME manufacturer financing		67,177	62,025	57,386
Trade accounts receivable		94,216	113,469	117,128	Trade accounts payable		34,482	26,828	35,284
Onlending of FINAME manufacturer financing		102,356	95,668	88,619	Payroll and related taxes		19,013	21,765	27,305
Inventories		264,587	250,036	257,042	Taxes payables		2,596	1,759	2,461
Recoverable taxes		24,402	21,879	14,872	Advances from customers		53,787	53,665	59,673
Other receivables		14,472	16,193	15,971	Other payables		14,399	13,853	17,382
NON CURRENT	NON CURRENT	461,746	446,403	459,096	NON CURRENT	NON CURRENT	191,699	175,449	172,429
Trade accounts receivable		11,996	11,466	10,992	Loans and financing		100,338	93,621	88,910
Onlending of FINAME manufacturer financing		67,323	58,447	61,727	FINAME manufacturer financing		62,953	54,406	53,509
Recoverable taxes		777	671	584	Deferred income and social contribution taxes		25,853	25,331	28,042
Deferred income and social contribution taxes		58,053	57,040	56,257	Taxes payable		539	539	539
Escrow Deposits		2,115	2,087	2,082	Reserve for contingencies		1,920	1,439	1,310
Other receivables		9,065	9,462	12,793	Other payables		96	113	119
Investments		252,033	246,344	250,008	SHAREHOLDER'S EQUITY	SHAREHOLDER'S EQUITY	599,962	600,425	621,955
Property, Plant and Equipment		17,538	18,588	18,329	Capital		492,025	492,025	492,025
Investment Property		42,846	42,298	46,324	Capital reserve		-	-	-
					Retained earnings		90,243	90,243	90,243
					Profit for the period		-	2,015	13,764
					Cumulative translation adjustments		17,694	16,142	25,923
TOTAL ASSETS	TOTAL ASSETS	1,084,120	1,052,227	1,089,991	NON CONTROLLING INTERESTS	NON CONTROLLING INTERESTS	1,570	1,506	1,673
					TOTAL SHAREHOLDER'S EQUITY	TOTAL SHAREHOLDER'S EQUITY	601,532	601,931	623,628
					TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,084,120	1,052,227	1,089,991

Consolidated Income Statement

(R\$ thousand)

	2Q16	1Q17	2Q17	Chg. 2Q17/1Q17	Chg. 2Q17/2Q16	1H16	1H17	Chg. 2017/2016
Net Operating Revenue	150,063	146,525	163,775	11.8%	9.1%	279,873	310,300	10.9%
Cost of Goods Sold	(114,917)	(110,281)	(116,401)	5.5%	1.3%	(218,499)	(226,682)	3.7%
Gross Profit	35,146	36,244	47,374	30.7%	34.8%	61,374	83,618	36.2%
<i>Gross Margin %</i>	<i>23.4%</i>	<i>24.7%</i>	<i>28.9%</i>	<i>4.2%</i>	<i>5.5%</i>	<i>21.9%</i>	<i>26.9%</i>	
Operating Expenses	(38,165)	(32,928)	(35,073)	6.5%	-8.1%	(76,964)	(68,001)	-11.6%
Selling expenses	(17,973)	(14,659)	(17,552)	19.7%	-2.3%	(32,951)	(32,211)	-2.2%
Research and development expenses	(4,514)	(4,052)	(4,422)	9.1%	-2.0%	(8,648)	(8,474)	-2.0%
General and administrative expenses	(14,787)	(12,906)	(13,523)	4.8%	-8.5%	(33,949)	(26,429)	-22.2%
Management profit sharing and compensation	(1,353)	(1,453)	(1,775)	22.2%	31.2%	(2,539)	(3,228)	27.1%
Other operating income, net	462	142	2,199	1448.6%	376.0%	1,123	2,341	108.5%
Operating Income before Financial Results	(3,019)	3,316	12,301	271.0%	-507.5%	(15,590)	15,617	-200.2%
<i>Operating Margin %</i>	<i>-2.0%</i>	<i>2.3%</i>	<i>7.5%</i>	<i>5.2%</i>	<i>9.5%</i>	<i>-5.6%</i>	<i>5.0%</i>	
Financial Results, Net	(2,387)	(517)	3,937	-861.5%	-264.9%	(3,713)	3,420	-192.1%
Financial income	5,930	4,285	4,444	3.7%	-25.1%	10,122	8,729	-13.8%
Financial expenses	(5,598)	(4,067)	(3,638)	-10.5%	-35.0%	(9,339)	(7,705)	-17.5%
Exchange gain (loss), net	(2,719)	(735)	3,131	-526.0%	-215.2%	(4,496)	2,396	-153.3%
Operations Operating Income	(5,406)	2,799	16,238	480.1%	-400.4%	(19,303)	19,038	-198.6%
Income tax and social contribution	606	(735)	(4,322)	488.0%	-813.2%	4,594	(5,057)	-210.1%
Net income	(4,800)	2,064	11,916	477.3%	-348.3%	(14,709)	13,981	-195.1%
<i>Net Margin %</i>	<i>-3.2%</i>	<i>1.4%</i>	<i>7.3%</i>	<i>5.9%</i>	<i>10.5%</i>	<i>-5.3%</i>	<i>4.5%</i>	
Net profit concerning:								
Controlling interests	(4,858)	2,015	11,748	483.0%	-341.8%	(14,823)	13,761	-192.8%
Non controlling interests	58	49	168	242.9%	189.7%	114	215	88.6%
EBITDA	5,658	10,829	19,865	83.4%	251.1%	2,029	30,694	1412.8%
Profit (loss) for the period	(4,800)	2,064	11,916	477.3%	-348.3%	(14,709)	13,980	-195.0%
Income tax and social contribution	(606)	735	4,322	488.0%	-813.2%	(4,594)	5,057	-210.1%
Financial income, net	2,387	517	(3,937)	-861.5%	-264.9%	3,713	(3,420)	-192.1%
Depreciation and amortization	8,677	7,513	7,564	0.7%	-12.8%	17,619	15,077	-14.4%
<i>EBITDA Margin %</i>	<i>3.8%</i>	<i>7.4%</i>	<i>12.1%</i>	<i>4.7%</i>	<i>8.4%</i>	<i>0.7%</i>	<i>9.9%</i>	
Nº of shares in capital stock (th)	65,658	62,858	62,858	0.0%	-4.3%	62,858	62,858	0.0%
Profit (loss) per share - R\$	(0.07)	0.03	0.19	483.0%	-352.6%	(0.61)	0.22	-136.2%

Consolidated Cash Flow Statement

(R\$ thousand)

	2Q16	1Q17	2Q17	1H16	1H17
Cash from operating activities					
Net Income	(5,407)	2,799	16,239	(19,304)	19,038
Financial expenses and exchange gain	1,424	2,478	(304)	4,858	2,174
Depreciation and amortization	8,677	7,513	7,564	17,619	15,077
Allowance for doubtful accounts and other receivables	(174)	420	97	801	517
Proceeds from sale of fixed assets and intangibles	183	(297)	(2,607)	(86)	(2,904)
Provision for inventory realization	(3,485)	(2,475)	(2,426)	(3,176)	(4,901)
Reserve for contingencies	174	(3,511)	1,279	158	(2,232)
Change on operating assets and liabilities					
Financial Investments	-	(534)	6,668	(17,005)	6,134
Trade accounts receivable	(853)	(18,130)	3,089	13,265	(15,041)
Onlending of Finame manufacturer financing	15,770	16,305	1,302	26,481	17,607
Inventories	6,517	17,028	(4,580)	4,107	12,448
Recoverable taxes, net	(960)	3,642	7,877	(2,527)	11,519
Escrow deposits	64	(578)	(803)	(7)	(1,381)
Other receivables	2,318	(1,430)	916	5,977	(514)
Trade accounts payable	5,390	(7,519)	8,119	13,016	600
Payroll and related taxes	3,031	4,641	5,223	6,587	9,864
Taxes payable	(3,538)	(1,252)	(711)	(3,452)	(1,963)
Advances from customers	6,045	(122)	6,008	(3,055)	5,886
Other payables	(4,673)	1,043	3,535	(8,445)	4,579
Cash provided by (used in) operating activities	30,503	20,021	56,485	35,812	76,507
Income tax and social contribution paid	(73)	(842)	(198)	(702)	(1,040)
Net Cash provided by (used in) operating activities	30,430	19,179	56,287	35,110	75,467
Purchase of fixed assets	(5,910)	(3,394)	(4,840)	(8,335)	(8,234)
Sales of fixed assets	130	494	3,119	794	3,613
Increase in intangible assets	87	(671)	(25)	-	(696)
Net cash Used in Investing Activities	(5,693)	(3,571)	(1,746)	(7,541)	(5,317)
Interest on capital paid	(1,487)	(113)	-	(2,306)	(114)
Share Repurchase	(5,183)	-	-	(5,705)	-
New loans and financing	14,185	1,801	3,413	29,177	5,214
Payments of loans and financing	(17,042)	(12,823)	(10,322)	(30,354)	(23,145)
Interests paid (including Finame manufacturer financing)	(5,677)	(5,020)	(5,426)	(11,189)	(10,446)
New loans in Finame manufacturer	13,726	4,759	12,842	20,744	17,601
Payment of Finame manufacturer financing	(21,896)	(18,497)	(18,836)	(46,171)	(37,333)
Net Cash provided by (used in) Financing Activities	(23,374)	(29,893)	(18,329)	(45,804)	(48,223)
Increase (decrease) in cash and cash equivalents	1,363	(14,285)	36,212	(18,235)	21,927
Exchange variation changes on cash and cash equivalents abroad	144	(11)	(860)	(146)	(871)
Cash and cash equivalents - beginning of period	141,698	101,510	87,214	141,968	101,510
Cash and cash equivalents - end of period	143,205	87,214	122,566	123,587	122,566

Appendix I – Income Statement by Business Unit

Income Statement by Business Units - 2Q17

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron	Total
Net Operating Revenue	65,112	34,335	64,328	163,775
Cost of Sales and Services	(38,992)	(28,485)	(48,924)	(116,401)
Business Units Transfers	1,571	-	3,874	5,445
Business Units Transfers	(3,874)	-	(1,571)	(5,445)
Gross Profit	23,816	5,850	17,708	47,374
<i>Gross Margin %</i>	<i>36.6%</i>	<i>17.0%</i>	<i>27.5%</i>	<i>28.9%</i>
Operating Expenses	(20,897)	(7,087)	(7,089)	(35,073)
Selling	(12,607)	(3,088)	(1,857)	(17,552)
General and Administrative	(5,313)	(3,999)	(4,211)	(13,523)
Research and Development	(4,422)	-	-	(4,422)
Management profit sharing	(754)	-	(1,021)	(1,775)
Other operating revenue	2,199	-	-	2,199
Operating Income before Financial Results	2,919	(1,236)	10,618	12,301
<i>Operating Margin %</i>	<i>4.5%</i>	<i>-3.6%</i>	<i>16.5%</i>	<i>7.5%</i>
Depreciation and amortization	3,133	1,434	2,997	7,564
EBITDA	6,052	198	13,615	19,865
<i>EBITDA Margin %</i>	<i>9.3%</i>	<i>0.6%</i>	<i>21.2%</i>	<i>12.1%</i>

Income Statement by Business Units - 2Q16

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron	Total
Net Operating Revenue	64,259	33,494	52,310	150,063
Cost of Sales and Services	(42,750)	(26,448)	(45,719)	(114,917)
Business Units Transfers	226	-	2,378	2,604
Business Units Transfers	(2,378)	-	(226)	(2,604)
Gross Profit	19,357	7,046	8,743	35,145
<i>Gross Margin %</i>	<i>30.1%</i>	<i>21.0%</i>	<i>16.7%</i>	<i>23.4%</i>
Operating Expenses	(26,167)	(6,793)	(5,204)	(38,164)
Selling	(14,399)	(2,401)	(1,173)	(17,973)
General and Administrative	(6,969)	(4,391)	(3,427)	(14,787)
Research and Development	(4,514)	-	-	(4,514)
Management profit sharing	(749)	-	(604)	(1,353)
Other operating revenue	463	-	-	463
Operating Income before Financial Results	(6,810)	253	3,539	(3,018)
<i>Operating Margin %</i>	<i>-10.6%</i>	<i>0.8%</i>	<i>6.8%</i>	<i>-2.0%</i>
Depreciation and amortization	3,750	1,646	3,280	8,677
EBITDA	(3,060)	1,900	6,819	5,659
<i>EBITDA Margin %</i>	<i>-4.8%</i>	<i>5.7%</i>	<i>13.0%</i>	<i>3.8%</i>

Income Statement by Business Units - 1H17

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron	Total
Net Operating Revenue	124,425	64,204	121,671	310,300
Cost of Sales and Services	(76,554)	(51,964)	(98,164)	(226,682)
Business Units Transfers	3,071	-	5,404	8,475
Business Units Transfers	(5,404)	-	(3,071)	(8,475)
Gross Profit	45,538	12,240	25,840	83,618
<i>Gross Margin %</i>	<i>36.6%</i>	<i>19.1%</i>	<i>21.2%</i>	<i>26.9%</i>
Operating Expenses	(41,356)	(13,539)	(13,105)	(68,000)
Selling	(23,449)	(5,585)	(3,177)	(32,211)
General and Administrative	(10,380)	(7,954)	(8,095)	(26,429)
Research and Development	(8,474)	-	-	(8,474)
Management profit sharing	(1,395)	-	(1,833)	(3,228)
Other operating revenue	2,342	-	-	2,342
Operating Income before Financial Results	4,181	(1,299)	12,735	15,618
<i>Operating Margin %</i>	<i>3.4%</i>	<i>-2.0%</i>	<i>10.5%</i>	<i>5.0%</i>
Depreciation and amortization	6,308	2,768	6,001	15,077
EBITDA	10,489	1,469	18,736	30,695
<i>EBITDA Margin %</i>	<i>8.4%</i>	<i>2.3%</i>	<i>15.4%</i>	<i>9.9%</i>

Income Statement by Business Units - 1H16

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	131,832	55,221	92,820	279,873
Cost of Sales and Services	(87,312)	(47,868)	(83,319)	(218,499)
Business Units Transfers	1,676	-	5,702	7,378
Business Units Transfers	(5,702)	-	(1,676)	(7,378)
Gross Profit	40,494	7,353	13,527	61,373
<i>Gross Margin %</i>	<i>30.7%</i>	<i>13.3%</i>	<i>14.6%</i>	<i>21.9%</i>
Operating Expenses	(52,004)	(15,556)	(9,404)	(76,964)
Selling	(25,707)	(5,232)	(2,012)	(32,951)
General and Administrative	(17,216)	(10,323)	(6,410)	(33,949)
Research and Development	(8,648)	-	-	(8,648)
Management profit sharing	(1,557)	-	(982)	(2,539)
Other operating revenue	1,123	-	-	1,123
Operating Income before Financial Results	(11,510)	(8,203)	4,123	(15,590)
<i>Operating Margin %</i>	<i>-8.7%</i>	<i>-14.9%</i>	<i>4.4%</i>	<i>-5.6%</i>
Depreciation and amortization	7,541	3,453	6,624	17,619
EBITDA	(3,969)	(4,749)	10,747	2,029
<i>EBITDA Margin %</i>	<i>-3.0%</i>	<i>-8.6%</i>	<i>11.6%</i>	<i>0.7%</i>

Appendix II – Financial Statements of B+W

Balance Sheet B+W

	(€ 000)		
ASSETS	12/31/16	03/31/17	06/30/17
CURRENT	23,072	24,567	24,892
Cash and Cash equivalents	2,897	1,683	980
Trade accounts receivable	5,863	6,431	5,562
Inventories	13,193	15,009	16,430
Recoverable taxes	745	987	1,017
Related Parties	219	181	134
Other receivables	155	275	768
NONCURRENT	27,201	26,859	26,556
Long-Term Assets	-	-	-
Other receivables	-	-	-
Investments			
Property, Plant and Equipment, net	14,911	14,717	14,569
Investment in Subsidiaries and Associate Companies	46	46	46
Intangible assets	12,244	12,096	11,941
TOTAL ASSETS	50,274	51,426	51,448

LIABILITIES AND SHAREHOLDER'S EQUITY	12/31/16	03/31/17	06/30/17
CURRENT	15,935	17,355	17,954
Loans and financing	-	-	-
Trade accounts payable	1,166	1,347	1,484
Payroll and related taxes	551	1,183	1,489
Taxes payable	157	-	76
Advances from customers	12,515	13,084	12,949
Other payables	1,447	1,588	1,708
Related Parties	98	153	248
NON CURRENT	8,521	8,338	8,154
Long-term liabilities	-	-	-
Loans and financing	3,659	3,520	3,382
Deferred income and social contribution taxes	4,862	4,817	4,772
SHAREHOLDER'S EQUITY	25,818	25,733	25,340
Capital	7,025	7,025	7,025
Capital reserve	505	505	505
Accumulated deficit	18,288	18,203	17,810
	-	-	-
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	50,274	51,426	51,448

B+W Income Statement

	(€ 000)			(€ 000)	
	2Q16	1Q17	2Q17	1H16	1H17
Net Operating Revenue	8,531	8,937	9,342	13,583	18,279
Cost of Goods Sold	(6,616)	(7,026)	(7,810)	(11,478)	(14,836)
Gross Profit	1,915	1,911	1,532	2,105	3,443
<i>Gross Margin %</i>	<i>22.4%</i>	<i>21.4%</i>	<i>16.4%</i>	<i>15.5%</i>	<i>18.8%</i>
Operating Expenses	(1,712)	(1,926)	(1,992)	(3,747)	(3,918)
Selling expenses	(604)	(747)	(857)	(1,270)	(1,604)
General and administrative expenses	(1,108)	(1,179)	(1,135)	(2,477)	(2,314)
Operating Income before Financial Results	203	(15)	(460)	(1,642)	(475)
<i>Operating Margin %</i>	<i>2.4%</i>	<i>-0.2%</i>	<i>-4.9%</i>	<i>-12.1%</i>	<i>-2.6%</i>
Financial Results, Net	(80)	(105)	(93)	(110)	(198)
Operations Operating Income	123	(120)	(553)	(1,752)	(673)
Income tax and social contribution	(4)	35	160	569	195
Net income	119	(85)	(393)	(1,183)	(478)
<i>Net Margin %</i>	<i>1.4%</i>	<i>-1.0%</i>	<i>-4.2%</i>	<i>-8.7%</i>	<i>-2.6%</i>
EBITDA	511	492	56	(1,023)	549
Net income / loss for the period	119	(85)	(393)	(1,183)	(478)
Income tax and social contribution	4	(35)	(160)	(569)	(195)
Financial income, net	80	105	93	110	198
Depreciation and amortization	308	507	516	619	1,024
<i>EBITDA Margin %</i>	<i>6.0%</i>	<i>5.5%</i>	<i>0.6%</i>	<i>-7.5%</i>	<i>3.0%</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.