RELEASE

3Q12

Release republished on 03/28/2014 due to the restatement of the Quarterly Information for the 3rd quarter of 2012

Porto Alegre, March 28, 2014 - Forjas Taurus S.A. (**BM&FBOVESPA:** FJTA3, FJTA4), a company in the segments of (i) ***Defense and Security*** – as the largest weapon manufacturer in Latin America and one of the largest in the world; and of (ii) ***Metallurgy and Plastics*** – as market leader in the production of helmets for motorcyclists, and in the production of bulletproof vests, antiriot shields, plastic containers and forged and molded parts (M.I.M – Metal Injection Molding), informs hereby the voluntary restatement of result for the 3rd quarter of 2012 (3Q12), and of the first nine months of 2012 (9M12) as established by **CPC 23 – Accounting Practices, Changes in Accounting Estimates and Correction of Errors** (equivalent to IAS 8).

Due to the amendment of the Purchase and Sale Contract ("Contract") in connection with disposal of operations of Taurus Máquinas-Ferramenta Ltda. ("TMFL"), occurred on September 12, 2013, the asset sale amount was decreased from R$ 115 million to R$ 57.52 million, resulting in a loss of R$57.83 million. Company management, in a review of all contracts and correspondence related to this operation, concluded that the events that lead to decrease in value was already present on the sale of the asset, whose original contract was signed on June 21, 2012.

As a result, decided to restate the quarterly results related to 3Q12, thus eliminating the following: (i) the independent auditor's qualified conclusion on the financial position; and (ii) the independent auditor's adverse conclusion on the result and cash flows for the restated periods.

Considering the changes made for purposes of voluntary restatement of the financial information, a new process for approval of the Company's Quartely Information ("ITRs") at September 30, 2012 was conducted by management and, in accordance with **CPC 24 – Subsequent Events**, the impacts from subsequent events were also considered, occurred between the period of the ITR and approval for the restatement thereof.

A consolidated net loss of R$ 94.2 million in the 9M12 was performed after ITR's restatement, as shown in Section 1.9 of this report.

In view of the above, beyond this ITR, were restated the Quartely Information ("ITR") closed in 06-30-12, 03-31-13, 06-30-13, 09-30-13, in addition to the financial statements standardized ("DFP") to the year ended at 12-31-12, all restated at this date, for the comments on performance in management's discussion and analysis of results (MD&A) to reflect the new financial situation and the financial and economic result after restatement of the financial statements, as detailed in Note 3 of each restated period.

The impact from restatement of financial statements is basically: (i) nonrecurring; and (ii) minimized by not representing significant outflows in the Company's cash flow, being reversible in relation to the additional provisions, as the installments from the sale of TMFL operations are paid or as the contingenciesdon't occur in fact.

The Company's operating and financial information was consolidated in accordance with International Financial Reporting Standards – IFRS and the amounts are expressed in millions of Brazilian reais, except where otherwise stated.

HIGHLIGHTS FOR THE 9 MONTHS OF 2012 (9M12)

- ***Jan/Sept/12:*** Compliance with the strategic triad defined for the year.

  - **Growth through acquisitions:** purchase of Steelinject (M.I.M – Metal Injection Molding technology in Brazil - molding of parts and components for several industries) for R$ 14 million, with management of operations as from January/12; and acquisition of Heritage Manufacturing Inc – USA (Opa Locka, Florida) in Jun/12, in the segment of revolvers and transfer of the plant to TIMI – Taurus International Manufacturing Inc. in Hialeah, Florida, as from Sept/12;

  - **Extension of debt payment term and reduction of financial costs:** Raising of international revolving credit line facility of US$ 75 million by Taurus Holdings - USA, with payment term of 5 years and at very competitive cost; credit lines get from BNDES in the value of R$32 million that are under analysis for Research and Development projects; and

- **Decision about relocation and concentration of the industrial premises within up to 2 years:** The Board of Directors approved transfer of the plant of Steelinject in Caxias do Sul and of production of long Rossi guns to Taurus plant in São Leopoldo in own premises with area of more than 200 thousand sq.m, in order to increase synergy, quality and productivity and to reduce costs;

- ***Jun/12*: Conclusion of disposal of the machine tools division, with sale of** operations of Taurus Máquinas-Ferramenta Ltda. to Renill Participações Ltda. for R$ 115 million, renegotiated to R$ 57.52 million on September 12, 2013, with retroactive write down of asset value (see Section 1.9 from this release);

- ***Jul/12:* Launching of new products in the biggest Public Security Fair in Latin America and the market held in Brazil (INTERSEG) -** Carbine model CT 556, Submachine gun SMT 40 and new pistol models, in addition to a grenade launcher;

- ***Aug/12:* Hiring of new Marketing Executive Officer of TIMI – Taurus International Manufacturing Inc.,** JULI BRAYTON (former-Smith&Wesson) and launching of a new Marketing Campaign in the EUA denominated "CARRY ON", involving the captain of the TAURUS'shooting team Jessie Harrison-Duff (http://www.taurususa.com), besides other marketing initiatives in the US market;

- ***Sept/12:* Hiring of new Commercial Director of TIMI,** SCOTT ROTHENBERG (former-Freedom Group), with experience of more than 14 years in the market of defense and security products distribution and resale in the USA;

- ***Oct/12:* Taurus ranks as follows in the mechanical industry and metallurgy segments according to Época Negócios magazine:**

  ✓ 1st place in Corporate Governance;

  ✓ 3rd place in Future Vision; and

  ✓ 5th place in Social and Environmental responsibility;

- ***Jan/Oct/12:* Taurus was the share that appreciated the most on BM&FBOVESPA, namely by 133%** in relation to Dec/11, with increase in liquidity and performance of FJTA4 shares (preferred shares), with increase in financial volume of 130% on average terms, and increase in the number of trades of 13% compared to Dec/11, reaching market value of R$ 462 million at Oct/31/12;
- ***Oct/11/12:*** Disclosure of the report on the annual review of assessment of risk related to issue of debentures in 2010 and 2011 of Taurus, prepared by Fitch Ratings, maintaining the same prior rating, as under:
  National
  Long term rating: A-(bra)
  1st Debenture issue: A-(bra)
  2nd Debenture issue: A-(bra)
  Prospect
  National Long Term Rating: Stable

- ***Nov/12:* Taurus ranks among the 6 finalists for the IBGC Award for Biggest Corporate Governance Evolution of Listed Companies** (analysis for the period 2010-2012)**,** among 372 companies listed with BM&FBovespa;

- ***Nov/21/12:* payment of interim dividends** in the total amount of **R$ 9 million,** on the basis of **R$ 0.07 per common and preferred share**, to be paid to Company shareholders of record on **Aug/16/12**. Due to the restatement of the financial statements for 2012, the payment of dividends started to be calculated against reserves, since no consolidated profit was posted in the year for this, to be approved in the next Ordinary Shareholders' Meeting to be held by the end of April/14.

- ## Evolution of the Company's fundamentals in 9M12:

✓ **Consolidated net revenue of R$ 504.8 million represents increase of 13.8%,** due to increase in exports, with average foreign exchange variation 17.6% higher than that for 9M12;

✓ **27.8% increase in exports in 9M12 with operations in more than 70 countries** with sales efforts for new markets such as: Ukraine, Greece, Saint Kitts and Grenadines, Poland and Serbia;

✓ **Helmet sales were up 12.3% and net revenue of R$ 94.9 million was up 9.3% in 9M12,** while motorcycle sales were down 13.3% compared to 9M11;

✓ **Gross profit of R$ 209.8 million was up 11.8%** with gross margin of 41.6% of net revenue;

✓ **EBIT of R$ 98.5 million was up 36%** with margin of 19.5% of net revenue;

✓ **Adjusted EBITDA of R$ 118.7 million was up 15.7%** with margin of 23.5% of revenue of 9M12, (23.1% in 9M11);

✓ **Net positive result from continuing operations of R$ 40.8 million** in 9M12 and margin of 8.1%, 27.7% down compared to net income of R$ 56.4 million and margin of 12.7% in 9M11;

✓ **Net negative result from discontinued operations (operations of TMFL) of R$ 135 million** in 9M12, in excess of loss of R$ 33 million in 9M11;

✓ Consolidated loss in 9M12 (after restatement) of R$ 94.2 million and negative margin of 18.7% compared to net income of R$ 23.4 million and margin of 5.3% in 9M11; due to the negative result of discontinued operation of R$ 127.1 million in 2Q12, by recognizing losses, when there was recording of write down for the difference of sales value of the asset TMFL after the renegotiation in September 2013, in addition to setting up of additional provisions by understanding that there has been (i) deterioration of credit conditions, ii) failure on completing the full formalization of the guarantees of operation, iii) due to the fact the buyer being a ltd company, with no information available for better evaluation of its current financial economic situation; and iv) awaiting response on the bankruptcy filing of the holding oh the group that bought the asset;

✓ **Equity at 09/30/12** of R$ 229.7 million was down 28.9% compared to 09/30/11, due to incorporation of generated loss, against retained earnings, thus reducing the balance of reserves; and

✓ **CAPEX investments totaled R$63 million in 9M12** compared to R$38.9 million in 9M11, with realization of 70% of budget for 2012, including R$33 million in acquisitions.

HIGHLIGHTS FOR THE 3RD QUARTER OF 2012 (3Q12)

✓ **Consolidated net revenue** of R$ 151.1 million was up 7.9% due to the significant increase of 46.4% in exports, which more than offset the decrease in the domestic market;

✓ **Average exchange rate appreciation 24%** higher due to Brazilian real appreciation in 3Q12 compared to 3Q11;

✓ **The market share in the helmets segment was up** from 54% in June/12 to 55% in September/12, following internal estimates**;**

✓ **Gross profit of R$ 69.8 million was up 5.3%** with gross margin of 46.2% of net revenue, a quite positive evolution since 1Q12 (37.1%) and prior quarter (42.1% in 2Q12);

✓ **Operating expenses were stable,** with lower percentage of net revenue for 3Q12, of approximately 25.9% compared to 27.9% in 3Q11;

✓ **EBIT of R$ 30.6 million was up 12,9%** with margin of 20.3% of net revenue;

✓ **Adjusted EBITDA of R$ 37.9 million was down 14.7%**, with margin of 25.1% of revenue for 3Q12, lower than the 28.1% margin of 3Q11 and 25.4% of 2Q12, but well above the 20.3% of 1Q12;

✓ **Net positive result from continuing operations of R$ 11.4 million** in 3Q12 and margin of 7.5%, 69.7% down compared to net income of R$ 37.5 million and margin of 26.8% in 3Q11; and

✓ **Consolidated net income (after restatement) of R$ 8.6 million** and margin of 5.7% in 3Q12, down 47.9% compared to net income of R$ 16.5 million and margin of 11.8% in 3Q11, but with significant improvement compared to loss of R$ 114.9 million in 2Q12, when the impact from losses from the sale of TMFL and additional provisions operations was fully reflected.

FORJAS TAURUS ANNOUNCES THE RESULTS FOR THE 3rd QUARTER OF 2012 (3Q12)

1– Economic and Financial Performance

1.1 - Main Economic and Financial Indicators

Consolidated amounts in millions of Brazilian reais, except where otherwise indicated

						Variation %		
Ratios	**3Q12**	**2Q12**	**3Q11**	**9M12**	**9M11**	**9M12/9M11**	**3Q12/3Q11**	**3Q12/2Q12**
Net revenue	**151,1**	**175,4**	**140,0**	**504,8**	**443,7**	**13,8%**	**7,9%**	**-13,9%**
Domestic market	54,6	74,8	74,1	199,1	204,6	-2,7%	-26,3%	-27,0%
Foreign market	96,5	100,6	65,9	305,7	239,1	27,8%	46,4%	-4,1%
COGS	81,3	101,5	73,7	295,0	256,1	15,2%	10,2%	-19,9%
Gross Profit	69,8	73,9	66,2	209,8	187,6	11,8%	5,3%	-5,6%
Gross Margin - %	**46,2%**	**42,1%**	**47,3%**	**41,6%**	**42,3%**	**-0,7 p.p.**	**-1,1 p.p.**	**4,1 p.p.**
Operating Expenses	-39,1	-36,4	-39,1	-111,3	-115,1	-3,4%	0,0%	7,6%
Operating Profit (EBIT) (1)	30,6	37,5	27,1	98,5	72,4	36,0%	12,9%	-18,3%
Net Financial Income	-10,8	-18,0	-27,9	-30,7	-39,1	-21,3%	-61,2%	-39,7%
Depreciation and amortization (2)	0,3	7,9	5,1	15,8	20,1	-21,7%	-93,3%	-95,6%
Net Income - Continuing Operations	11,4	12,1	37,5	40,8	56,4	-27,7%	-69,7%	-6,2%
Net Income Margin - Cont. Operations	**7,5%**	**6,9%**	**26,8%**	**8,1%**	**12,7%**	**-4,6 p.p.**	**-19,3 p.p.**	**0,6 p.p.**
Net Income - Descontinuing Operations	-2,8	-127,1	-21,0	-135,0	-33,0	309,5%	-86,8%	-97,8%
Net Income - Consolidated	8,6	-114,9	16,5	-94,2	23,4	-502,3%	-47,9%	-107,5%
Net Income Margin - Consolidated	**5,7%**	**-65,5%**	**11,8%**	**-18,7%**	**5,3%**	**-23,9 p.p.**	**-6,1 p.p.**	**71,2 p.p.**
Adjusted EBITDA (3)	37,9	44,5	39,3	118,7	102,6	15,7%	-3,4%	-14,7%
Adjusted EBITDA Margin - %	**25,1%**	**25,4%**	**28,1%**	**23,5%**	**23,1%**	**0,4 p.p.**	**-2,9 p.p.**	**-0,2 p.p.**
Total Assets	1.147,7	1.059,8	1.108,0	1.147,7	1.108,0	3,6%	3,6%	8,3%
Equity	229,7	228,9	323,0	229,7	323,0	-28,9%	-28,9%	0,3%
Investiments (CAPEX)	10,5	31,3	11,8	63,0	38,9	61,8%	-11,4%	-66,6%

(1) For EBIT calculation purposes, equity pickup result was not considered, contained in operating expenses of the ITR form.

(2) Depreciation and amortization: these amounts include total depreciation and amortization based on cash flow for ITR

(3) Adjusted EBITDA: Earnings before interest, tax, depreciation and amortization and net earnings from non-recurring operations.

The computing process was developed acording the CVM nº 527 instruction of October 04, 2012.

1.2 – Consolidated Net Revenue

3Q12

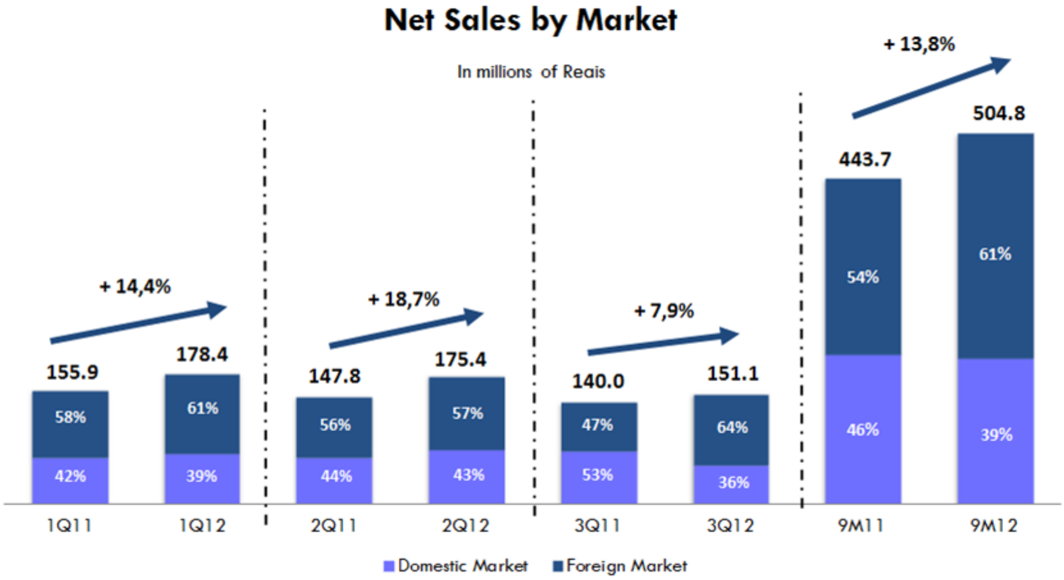
Total consolidated net revenue for 3Q12 amounted to R$151.1 million, up 7.9% in relation to R$140 million in 3Q11. This increase is mainly due to the 46.4% increase in sales in the foreign market totaling R$ 96.5 million, corresponding to 64% of consolidated net revenue, as compared to 47% in 3Q11. The North American market alone (United States, Canada and Mexico) represented 52.7% of total net revenue and 83.5% of exports, due to the increase in consumption in the USA and the effect from acquisition of the new Heritage products mark, which has been quite positive.

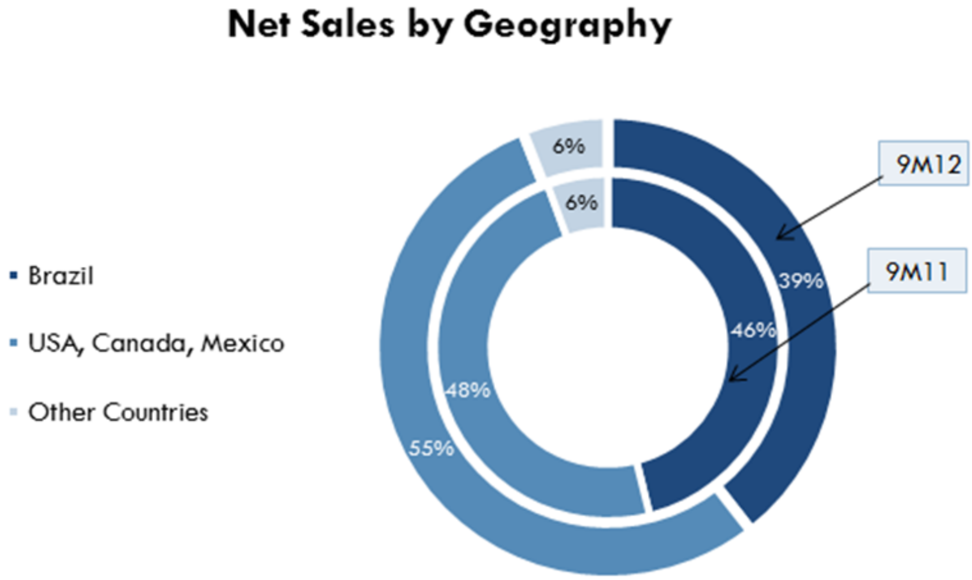
9M12

Consolidated net revenue for 9M12 reached R$ 504.8 million, up 13.8% compared to 9M11, due to the 27.8% increase in exports, which corresponded to 61% of total revenue, while sales to the North American market alone represented 55% of revenue and those of the other countries (more than 70) represented 6%.

The effort for expansion of sales to other countries not belonging to the North American market has been successful, with the expansion of the customer base and increased participation in international bidding processes mainly related to public security.

The trend of increase in revenue every quarter in relation to the same prior year period was maintained, with 13.8% increase in 9M12 and 7.9% increase in 3Q12. We illustrate below the Company's sales in the quarters under analysis, by market and geographic region, in millions of reais:





1.3 - Segment Information

The table below sets out consolidated highlights by business segment in the 9 first months of 2012, compared with the same 2011 period, however, we point out that discontinued operations were eliminated (TMFL – Taurus Máquinas-Ferramenta Ltda.) as well as intersegment revenues, according to the table in Note 7 of the quarterly information - ITR for 3Q12:

RESULTS BY BUSINESS SEGMENT
Consolidated amount in millions of reais

Comparative Nine months - Year over Year

	Net Revenue					Gross Income			Gross Margin			Income before taxes		
	9M12	**Part. %**	**9M11**	**Part. %**	**Var.**	**9M12**	**9M11**	**Var.**	**9M12**	**9M11**	**Var.p.p**	**9M12**	**9M11**	**Var.**
Firearms	365,5	72,4%	320,4	72,2%	14,1%	147,7	143,9	2,6%	40,4%	44,9%	-4,5	25,8	6,2	NS
Helmets	94,9	18,8%	86,8	19,6%	9,3%	40,1	37,9	5,6%	42,2%	43,7%	-1,5	28,2	28,7	-2%
Others	44,4	8,8%	36,5	8,2%	21,7%	22,0	5,7	NS	49,6%	15,7%	33,8	13,9	(1,5)	NS
Total	**504,8**	**100,0%**	**443,7**	**100,0%**	13,8%	**209,8**	**187,6**	11,8%	**41,6%**	**42,3%**	**-0,7**	**67,8**	**33,4**	103%

Comparative Quarter - Year over Year

	Net Revenue					Gross Income			Gross Margin			Income before taxes		
	3Q12	**Part. %**	**3Q11**	**Part. %**	**Var.**	**3Q12**	**3Q11**	**Var.**	**3Q12**	**3Q11**	**Var.p.p**	**3Q12**	**3Q11**	**Var.**
Firearms	117,7	77,9%	96,6	69,0%	21,7%	58,2	49,5	17,6%	49,4%	51,2%	-1,7	15,9	(12,4)	NS
Helmets	29,6	19,6%	30,4	21,7%	-2,9%	12,6	14,6	-13,6%	42,7%	48,0%	-5,3	8,6	11,9	-28%
Others	3,8	2,5%	12,9	9,2%	-70,2%	(1,0)	2,2	NS	-26,4%	17,0%	-43,4	(4,6)	(0,3)	NS
Total	**151,1**	**100,0%**	**140,0**	**100,0%**	7,9%	**69,8**	**66,2**	5,3%	**46,2%**	**47,3%**	**-1,1**	**19,8**	**(0,8)**	NS

Comparative Quarter - Current Quarter x Previous Quarter

	Net Revenue					Gross Income			Gross Margin			Income before taxes		
	3Q12	**Part. %**	**2Q12**	**Part. %**	**Var.**	**3Q12**	**2Q12**	**Var.**	**3Q12**	**2Q12**	**Var.p.p**	**3Q12**	**2Q12**	**Var.**
Firearms	117,7	77,9%	116,7	66,6%	0,8%	58,2	45,7	27,2%	49,4%	39,2%	10,3	15,9	(2,9)	NS
Helmets	29,6	19,6%	33,4	19,0%	-11,4%	12,6	13,7	-8,2%	42,7%	41,2%	1,5	8,6	10,1	-16%
Others	3,8	2,5%	25,3	14,4%	-84,8%	(1,0)	14,4	-107,0%	-26,4%	57,0%	-83,4	(4,6)	12,3	NS
Total	**151,1**	**100,0%**	**175,4**	**100,0%**	-13,9%	**69,8**	**73,9**	-5,6%	**46,2%**	**42,1%**	**4,1**	**19,8**	**19,6**	1%

(i) Weapons – operations conducted by Forjas Taurus S.A. (Porto Alegre – RS) and Taurus Holdings, Inc. (Hialeah – Florida, USA);

(ii) Helmets for motorcyclists – operations conducted by Taurus Blindagens Ltda., Taurus Helmets Indústria Plástica Ltda. and Taurus Blindagens Nordeste Ltda. in Mandirituba (PR) and Simões Filho (BA);

(iii) Other –forging and M.I.M. segments (São Leopoldo- RS);and bulletproof vests and plastic products (Mandirituba-PR).

I. Defense and Security Segment

Weapons

The Defense and Security segment in 9M12 represented 72,4% of total consolidated net revenue, reaching R$ 365.5 million, up 14,1% as compared to 9M11 (R$ 320.4 million, equivalent to 72,2% of total consolidated net revenue). Gross profit amount for the 9M12 was up 2.6% and gross margin of 40.4% was lower than that for the same prior year period of 44.9%. The decrease is due to the technical halt of 20 days in February, which did not take place in 1H11, thus resulting in lower production volume and increased average products cost. When compared to the first quarters of 2012, there was margin increase; namely by 33.4% in 1Q12, 39.2% in 2Q12 and 49.4% in 3Q12.

II. Metallurgy and Plastics Segment

(1) Helmets for motorcyclists

Sales of helmets for motorcyclists represented 18.8% (R$ 94.9 million) of total consolidated net revenue of 9M12, up 9.3% compared to 9M11 (R$ 86.8 million and representing 19.6% of total consolidated net revenue).

Despite the 13.3% decrease in motorcycle sales in the market in 9M12, mainly due to the increase in consumers' default, thus leading to increased restrictions to consumer credit, Taurus succeeded in growing in volume and in terms of revenue, however with a slight decrease in gross margin from 43.7% in 9M11 to 42.2% in 9M12.

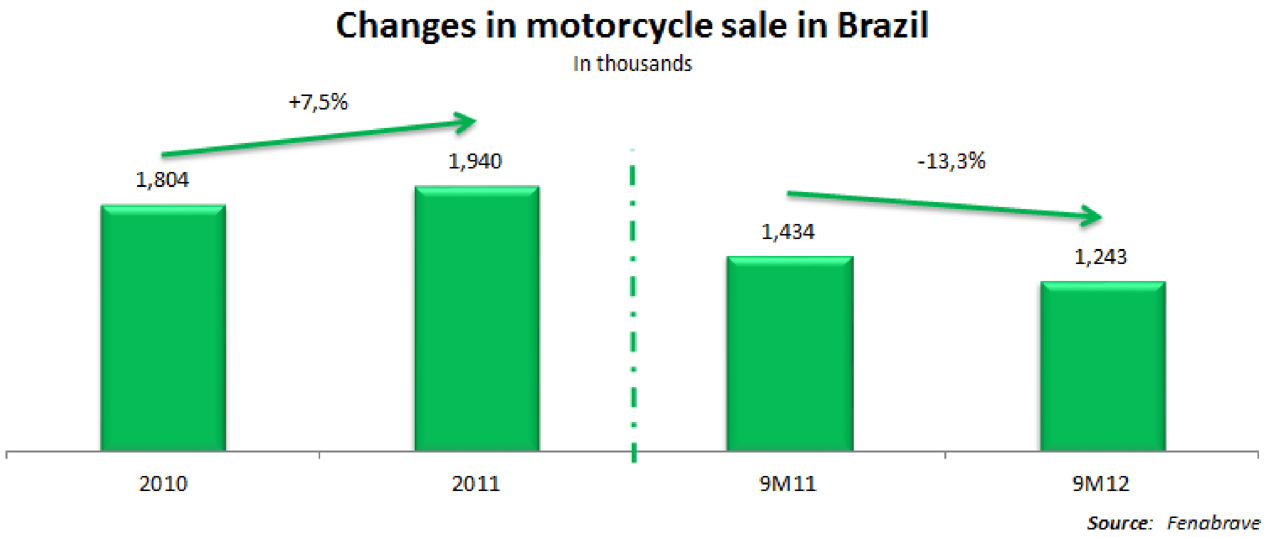
However, with the increase in revenue there was market share gain, in relation to competitors, from 54% at the end of June to 55% at the end of September 2012.

There was sale of 1,976 thousand helmets in 9M12, up 12.3% compared to 9M11. Taurus helmets have differentiated modern design, are made of quality materials, are specific for each type of use and are acquired from first tier suppliers, thus ensuring the necessary technical attributes. Our products are fully compliant with Brazilian standards (NBR 7471/2001) and jugular belts and visors meet European standards.

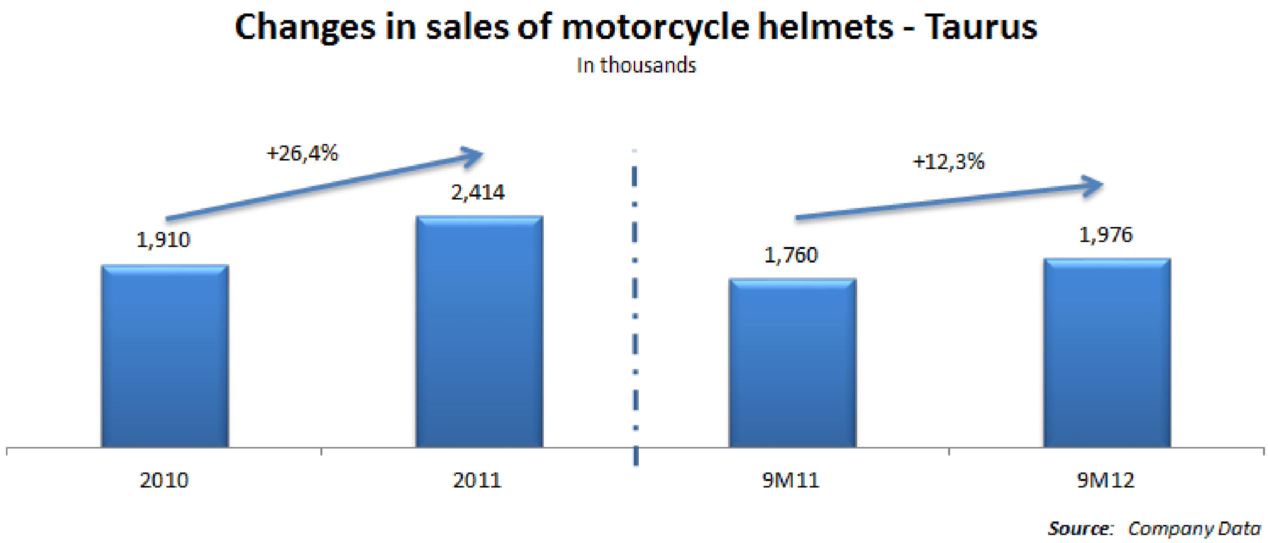
Finishing of our products represents another differential, which thus stand out on the shelves of our customers, with modern design following market trends.

In analyzing the result for 3Q12, it is already possible to feel the effect from the slowdown in the motorcycle market, compared to 3Q11, with 2.9% decrease in net revenue and decrease in gross margin and the result.

We illustrate below evolution of motorcycle sales and helmet for motorcyclists sales in Brazil by Taurus on an annual basis in 2010 and 2011 and for 9M11 and 9M12.



OBS: *data referring to motorcycle sales in Brazil was presented based on ABRACICLO (Brazilian Association of Manufacturers of Motorcycles, Mopeds, Scooters, Bicycles and similar products) data that represented motorcycle sales to dealers. In order to more representatively illustrate motorcycle sales in Brazil, we decided to use Fenabrave (National Federation of Motor Vehicle Distribution) data that contains data on motorcycle number plate licensing in Brazil.*



(2) Other products

Consolidated net revenue from other products totaled R$44.4 million in 9M12, a percentage of 8.8% of total consolidated net revenue, up 21.7% compared to 9M11 (R$ 36.5 million). This increase is due to the significant increase in sales of bullet proof vests, plastic containers and motorcycle traveling boxes, mainly in the 2nd quarter, which offset the decrease in forged products for third parties. Other products include M.I.M. molded products (used as components of weapons and by third parties), particularly for the automotive, oil and gas and agricultural sectors. We have worked with an integrated engineering concept to analyze customers' needs in order to be able to develop differentiated parts, thus reducing concentration in the production of parts that are commodities in the market.

1.4 – Consolidated gross profit and gross margin

3Q12

Consolidated gross profit increased 5.3%, reaching R$ 69.8 million in 3Q12 with gross margin of 46.2% (R$ 66.2 million in 3Q11 and gross margin of 47.3%). Consolidated gross profit was mainly affected by: (1) 17.6% increase in gross profit of the weapons segment, due to the change in products mix; (2) reversal of R$ 400 thousand in the provision for profit sharing of executives linked to production since the Company did not post profit; (3) these offset the 13.6% decrease in the helmets segment, due to the decrease in motorcycle sales in the period mainly due to increased restrictions to consumer credit.

9M12

Consolidated gross profit increased 11.8%, reaching R$ 209.8 million in 9M12 despite the slight decrease of 0.7 percentage points in gross margin of 41.6% (R$ 187.6 million in 9M11 and gross margin of 42.3%). The performance is due to the following: (1) 2.6% increase in gross profit for the weapons segment; (2) reversal of R$ 1,100 thousand in the provision for profit sharing of executives linked to production, since the Company did not post profit; (3) 5.6% increase in gross profit in the helmets segment; and (4) significant increase in gross profit of other products, highlighting the increase in sales of bullet proof vests, glasses for motorcyclists and plastic containers, with quite satisfactory margins.

1.5 – Earnings before interest and taxes - EBIT

3Q12

Consolidated EBIT was up 12.9% in the 3Q12, totaling R$ 30.6 million, with operating margin of 20.3% (R$ 27.1 million and operating margin of 19.4% in 3Q11). EBIT was affected mainly by the 5.3% increase in gross profit and stable operating expenses in 3Q12 and 3Q11.

9M12

EBIT was up 36% in 9M12, totaling R$ 98.5 million, with operating margin of 19,5% (R$ 72.4 million and operating margin of 16.3% in 9M11). EBIT resulted from the 11.8% increase in gross profit and the 3.4% decrease in total operating expenses in 9M12 as compared to 9M11.

1.6 – Adjusted EBITDA and adjusted EBITDA margin

CONSOLIDATED EBITDA
In thousands of BRL

PERIOD	9M11	9M12
= NET PROFIT	23.400	(94.218)
(+) IR/CSLL	(22.991)	27.016
(+) Net Financial Expenses	76.341	104.952
(-) Net Interest Income	(37.290)	(74.226)
(+) Depreciation/Amortization	20.145	23.242
= EBITDA CVM Reg. 527/12	59.605	(13.234)
(+) Income from Discontinued Operations (1)	32.961	131.903
(+) Non-recurring Expenses	9.999	-
= ADJUSTED EBITDA	102.565	118.669

(1) *Net rresult of discontinued operations, properly discounted the depreciation and amortization, taxes and net financial result effects, as a criterion for calculating EBITDA.*

3Q12

Adjusted consolidated cash generation (adjusted EBITDA) in 3Q12 amounted to R$37.9 million, with adjusted EBITDA margin of 25.1% (R$39.3 million and adjusted EBITDA margin of 28.1% in 3Q11).

9M12

Adjusted consolidated cash generation in 9M12 was up 15.7% as compared to that of 9M11, totaling R$ 118.7 million with adjusted EBITDA margin of 23.5% higher than that for the same prior year period (R$ 102.6 million and adjusted EBITDA margin of 23.1% in 9M11). Depreciation and amortization composing adjusted EBITDA calculation were used without considering discontinued operations and non-recurrent revenues (expenses), reason why they differ from depreciation and amortization presented in the consolidated cash flow, however, they already include the acquisitions of Steelinject and Heritage, of which the fixed assets started to compose our assets and shareholdings, in addition to the investments in operating improvements, with the acquisition of new machinery and equipment.

1.7 – Financial income (expenses)

Consolidated net financial expense at 09/30/12 amounted to R$ 30.7 million, down 21.3% compared to net financial expense of R$ 39.1 million at 09/30/11. There was a relative increase in financial income of 99% (totaling R$ 74.2 million) higher than the increase in financial expense of 37% (amounting to R$ 104.9 million) in 9M12, mainly due to swap operations (swap of debt denominated in USD to debt in Brazilian reais) of which the net result was of R$ 13 million, which offset the net negative foreign exchange variation of R$ 12.8 million.

There also was an increase proportionally higher in net interest expenses due to the increase in interest rate in the period.

1.8 – Net income (loss)

3Q12

Consolidated net result from continuing operations in 3Q12 after restatement of the ITR amounted to R$11.4 million positive with net margin of 7.5%, compared to net positive result of 37.5 million and margin of 26.8% in 3Q11. Net positive result for 2Q12 of R$12.1 million with margin of 6.9% was quite close.

Comparison with 3Q11 is impaired due to recognition of tax loss of Polimetal upon corporate reorganization occurred in July 2011, which generated positive deferred income tax of R$ 40.3 million, which was fully recorded once, which did not take place in 3Q12. The amounts were recognized in deferred tax assets and liabilities in Note 13 (b), also tax credits will be absorbed until 2021.

The consolidated net income (after discontinued operations) of R$ 8.6 million in 3Q12 and margin of 5.7%, compared to net income of R$ 16.5 million in 3Q11 and margin of 11.8%, benefitted by non-recurrent deferred income tax, which impairs comparison.

9M12

Consolidated net income from continuing operations in 9M12 reached R$ 40.8 million with net margin of 8.1%, compared to R$ 56.4 million and net margin of 12.7% in 9M11. Net income was down 27.7% compared to the same prior year period, mainly due to the following: (a) 13.8% increase in net revenue; (b) 11.8% increase in gross profit; (c) 3.4% decrease in net operating expenses; (d) 15.7% increase EBITDA.

Considering the results of discontinued operations, with the restatement, there was loss of R$ 135 million in 9M12 and R$ 33 million in 9M11, considering all impacts from restatements.

Therefore, final consolidated result (after discontinued operations) was loss of R$ 94.2 million with negative margin of 18.7% in 9M12, compared to net income of R$ 23.4 million with margin of 5.3% in 9M11. For purposes of comparison, we should take into consideration the following aspects: (i) positive deferred income tax from corporate reorganization in July/11 of R$ 34.6 million that did not occur in 9M12; and (ii) negative impact from discontinued operations of R$ 135 million in 9M12, compared to negative impact of R$33 million in 9M11.

We set out below all the accounting entries of TMFL that were restated in the financial statements in 9M12.

1.9 – Restatement of Consolidated Quartely Reviews

On June 21, 2012, Forjas Taurus S.A. concluded the sale of the operating activities of Taurus Máquinas-Ferramenta Ltda. (“TMFL”) to Renill Participações Ltda. (“RPL”), in the amount of R$115.35 million, according to the Contract for Purchase and Sale of Units of Interest and Other Covenants (“Contract”) entered into by the parties.

As mentioned in ITR’s Note 8, the Parties renegotiated the sales price and payment conditions, adjusting the overall value of the Contract related to disposal of subsidiary TMFL to R$ 57.52 million.

The accounting effect from the renegotiation entailed reduction of the sale value, resulting in loss of R$57.83 million.

The Company revisited all contracts and correspondence related to the sale of TMFL operations, reaching the same conclusion as that of its independent auditor, i.e. that the events that led to the reduction of the original sales value were already present at June 30, 2012, reason why the loss should have been recognized as of that date.

In view of this, the Company decided to voluntarily correct all the effects determined on a retroactive basis in the financial statements as established by CPC 23 – Accounting Practices, Changes in Accounting Estimates and Correction of Errors (equivalent to IAS 8), as under:

						Consolidated
						At September 30, 2012
	Assets		Liabilities and equity			
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity	Income (loss) for
Balance originally disclosed	**759,805**	**516,319**	**435,396**	**485,671**	**355,057**	**31,187**
Write-off of accounts receivable (a)	-	(57,830)	-	-	(57,830)	(57,830)
Supplementary provision for losses (b)	(2,601)	(56,824)	-	-	(59,425)	(59,425)
Provision for inventory losses (c)	(4,385)	-	-	-	(4,385)	(4,385)
Allowance for doubtful accounts (c)	(6,746)	-	-	-	(6,746)	(6,746)
Transfer to current liabilities (d)	-	-	227,854	(227,854)	-	-
Statutory profit sharing (e)	-	-	(2,981)	-	2,981	2,981
Restated balance	**746,073**	**401,665**	**660,269**	**257,817**	**229,652**	**(94,218)**

The accounting entries in the restatement refers substancially to subsidiary TMFL and went through the Consolidated Income Statement as “Result from Discontinued Operations”:

a) Write down of accounts receivable for sale of the machinery activity, as a result of the renegotiation that led to the reduction of sales price, as mentioned in Note 8.

b) In addition to recording of write down of accounts receivable for the sale of the machinery activities, as mentioned in (a) above, management recorded a provision for losses for the balance still receivable from Renill Participações, due to impairment of the credit conditions, difficulties in fully implementing the guarantees and lack of updated information on the debtor’s financial conditions. in accordance with CPC24 that provides for subsequent events occurred between the period of the financial statements and the approval for their restatement. Such allowance was also recognized as of June 30, 2012.

c) Due to the changes made for restatement purposes, management performed a new process for approval of its financial statements. As part of this process, and in accordance with CPC 24, the impacts from subsequent events occurred between the period of the financial statements and approval for their restatement were also considered. Those events that evidenced conditions that already existed on the date of the related financial statements were adjusted for restatements purposes; and

d) Due to the recording of losses, as mentioned above, certain financial ratios (covenants) of loan agreements and debentures were not met, and the long-term portions were reclassified to current liabilities.

e) Reversal of statutory provision due to the change of profit to loss for the period.

The above provisions and losses were substantially determined by the subsidiary Taurus Máquinas-Ferramenta Ltda., which has no capacity to recover tax credits from income and social contribution tax taxes on that date. As such, deferred income and social contribution tax losses were not recorded for these provisions and losses.

Deferred income and social contribution tax losses were not recorded for these provisions and losses.

The cash flow statements and statements of value added were adjusted to reflect the effects indicated.

1.10 Consolidated Investments

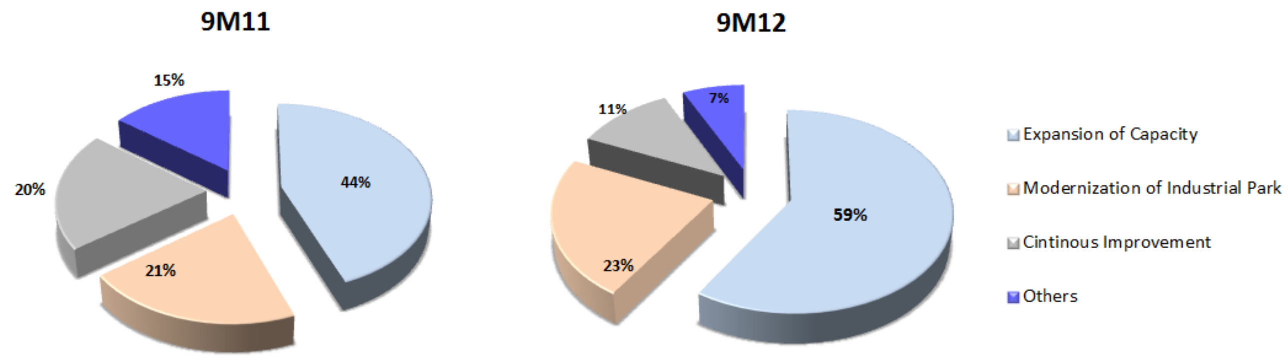
Consolidated investments (property, plant and equipment plus acquisitions) in 3Q12 totaled R$ 10.5 million (R$ 11.8 million in 3Q11). Depreciation and amortization totaled R$ 7.8 million in the quarter, compared to R$ 5.1 million in 3Q11, considering the amounts in the Company's cash flow.

In 9M12 there was investment of R$ 63 million, up 61.8% compared to R$38.9 million in 9M11, considering in this amount the acquisitions made in 9M12, previously announced, namely Steelinject in Brazil, in the amount of R$ 14 million and Heritage Manufacturing, Inc. in the USA for R$ 19 million. Depreciation and amortization totaled R$23.2 million in the quarter, compared to R$ 20.1 million in 3Q11, considering the amounts in the Company's cash flow.

Up to 09/30/12 investments made totaled R$ 63 million (including acquisitions), which represented 80.1% of the Company's Capital Budget, approved by the Board of Directors and the Ordinary Shareholders' Meeting (AGO) of April 27, 2012, with the following distribution of application of funds:

Investments in 2012	R$ million	USD million	%
R&D	11,1	6,3	14,1%
Industrial modernization	17,1	9,8	21,8%
IT	1,4	0,8	1,8%
Subtotal	29,6	16,9	37,7%
Acquisitions	49,0	28,0	62,3%
Grand Total	**78,6**	**44,9**	**100,0**

The graphs below illustrate investments in property, plant and equipment in 9M12 and 9M11, without considering acquisitions, with the following distribution:



1.11 – Financial position

The balance of cash and short-term investments totaled R$ 187.3 million at September 30, 2012, up 39% compared to R$ 134.3 million at June 30, 2012. The increase is mainly due to the Company's strategy of working with higher liquidity (short-term debt cover).

Consolidated gross indebtedness of the Taurus companies (including Taurus Máquinas-Ferramenta Ltda.) totaled at September 30, 2012, the amount of R$ 740.7 million, up 11% compared to R$ 668.9 at June 30, 2012. The funds were mainly allocated to financing: (i) working capital; and (ii) investments in industrial modernization and acquisitions.

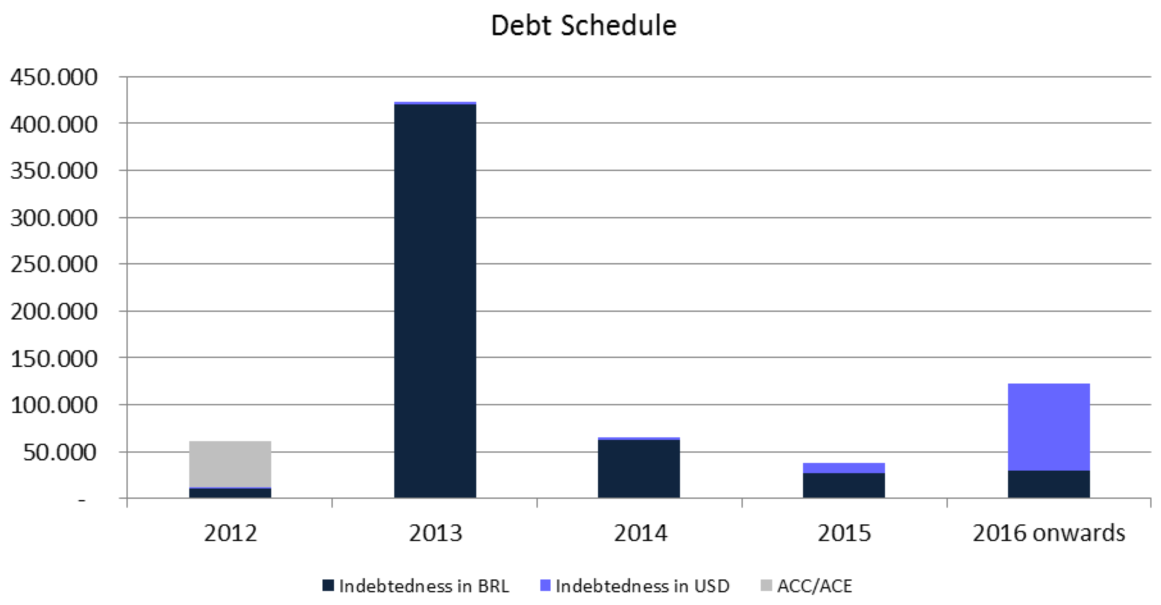
Net indebtedness amounted to R$ 553.5 million at September 30, 2012, up 4% compared to R$534.6 million at June 30, 2012, already reflecting funding in April/12 by Taurus International, Inc. – USA, of US$ 75 million, with payment term of 5 years, taken out from Wells Fargo Bank, at competitive cost, with use up to 09/30/12 of USD 30.4 million of the credit limit (Note 6(iv)).

The financial position of Taurus Máquinas-Ferramenta Ltda. was also considered, even after sale of the operations, since the financial liabilities remained with the Company. Furthermore, we consider the prepayment of receivables as debt, even without recourse, in response to the request of the debenture holders at the General Meeting of Debenture Holders held in November 12, 2013 to voting on the no early settlement of the 1st and 2nd issues.

Loans and financing maturing within short term were increased, totaling R$305 million, both in local currency and in US dollars, owing to the existence of contracts providing for covenants to be met. With the restatement for the 3Q12, calculation of financial ratios (Net Debt/EBITDA and EBITDA/Net Financial Expenses) changed, and there was noncompliance with covenants, also in October 2012 there was enactment of CVM Rule No. 527/12, defining the EBITDA calculation methodology, reason why loans and financing related to these contracts were automatically transferred to the short term portion, since EBITDA calculation per the contracts did not provide for the new methodology, which was defined later on.

The balance of debentures at 09/30/12 including 1st and 2nd issue amounted to R$ 112 million in current liabilities compared to R$ 110.1 million at 06/30/12. Since restatement resulted in noncompliance with covenants, all contracts with covenants about financial ratios to be complied with were reclassified to short term portion, reason why the following maturity schedule encumbered 2013. The final maturity for 1st issue debentures is April/14 and the 2nd issue debentures mature in 2016.

With this new framework after restatements, the maturity schedule was temporarily concentrated in the short term:



We set out below the Company's financial position, including advance on mortgage credits –CRI and the sureties and guarantees, as well as the financial position of Taurus Máquinas-Ferramenta Ltda., which was restated and consolidated, as well as the main related financial ratios:

In millions BRL

	09/30/2012	06/30/2012	12/31/2011	Var. Sep/12 x Jun/12	Var. Sep/12 x Dec/11
Short term indebtedness	305,0	287,8	99,0	6%	208%
Long term indebtedness	240,8	186,0	232,7	29%	3%
Exchange Serves	50,0	49,8	39,6	0%	26%
Debentures	112,0	110,1	125,3	2%	-11%
Antecipation Mortages	30,8	32,6	36,1	-6%	-15%
Advance on Receivables	22,2	17,9	17,5	24%	26%
Derivatives	-20,0	-15,2	1,0	31%	-
Gross Indetbetedness	740,7	668,9	550,2	11%	35%
(-) Cash available and financial investments	187,3	134,3	162,2	39%	15%
Net Indebtedness	553,5	534,6	388,0	4%	43%
Adjusted EBITDA	155,5	155,2	130,8	0%	19%
Net Indebtedness/Adjusted EBITDA	3,56x	3,45x	2,97x		
Adjusted EBITDA/Financial Expenses Net	3,95x	2,76x	2,75x		

2 – Capital market

Performance of shares of Forjas Taurus S.A. - Bovespa

The Company's shares have been listed on Bovespa since March 1982. On July 7, 2011, the Company adhered to Level 2 of BM&FBovespa with its Articles of Incorporation fully amended and consolidated including adoption of differentiated corporate governance practices provided for Level 2.

Due to the corporate reorganization occurred in July 2011, that resulted in capital increase followed by share split and reverse split, the number of the Company's shares at December 31, 2011 became 141,412,617, comprising 47,137,539 common shares, representing 33.3% of capital and 94,275,078 preferred shares, representing the remaining 66.7%, not changing capital composition at September 30, 2012.

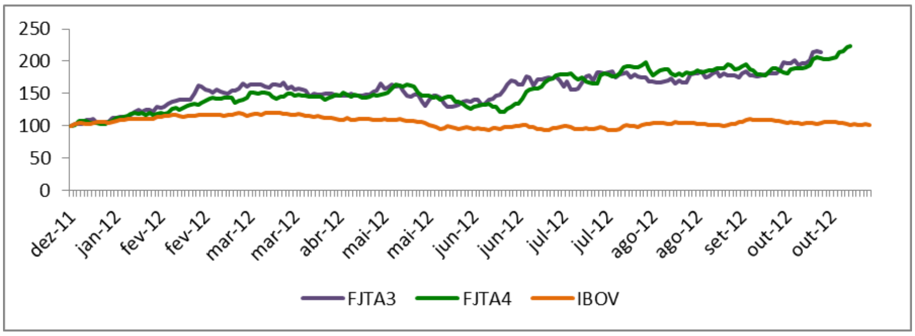
The recent evolution of the main aspects related to liquidity, such as number of trades, financial volume and quantity of traded shares, as well as the market value, based on certain information about shares on BM&FBovespa, clearly evidences the increase in liquidity and appreciation of Taurus shares along 2012. Taurus shares ranked above IBOVESPA index as shown in the table below:

	Oct/12	Dec/11	Var.
Share FJTA3 - 47,137,539 shares			
Stock Price - BRL share	3.19	1.49	114%
Trades - Amount*	4,923	30,943	-84%
Trades - Volum BRL*	14,361	45,711	-69%
Share FJTA4 - 94,275,078 shares			
Stock Price - BRL share	3.31	1.42	133%
Trades - Amount*	197,650	175,186	13%
Trades - Volum BRL*	585,905	254,924	130%
Market Value FTSA - BRL thousands			
141,412,617 shares	462,419	204,106	127%
Ibovespa			
	57,068	56,754	1%

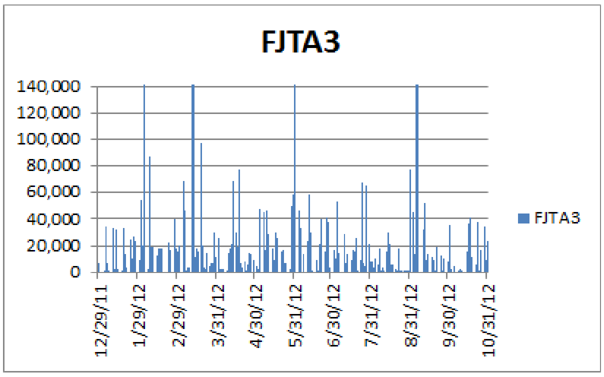
*average daily volum of the respective periods.

Source: BM&FBovespa

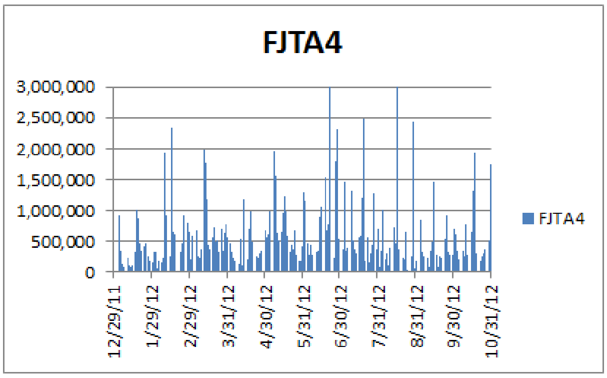
Performance of FJTA Share x IBOV



Financial Volume FJTA3



Financial Volume FJTA4



3- Subsequent Events

Dividends paid until 9M13 and subsequents referring to 2012

Due to the restatement of the financial statements for 2012, management have to propose approval in the next Ordinary Shareholders' Meeting to be held on April 30, 2014 of dividends already paid related to 2012, in the value of R$16.1 million:

Distributed dividends to be re-ratified in the Assembly of April 30, 2014

Date of Board Meeting	Dividends/Interests on net equity	Dividend per share	Date of Payment
Aug 16, 2012	BRL 9.028 millions	BRL 0.07	Nov 21, 2012
Nov 19, 2012	BRL 4.16 millions	BRL 0.03	May 26, 2013
Mar 25, 2013	BRL 3.49 millions	BRL 0.03	May 26, 2013
The year of 2012	BRL 16.7 millions	BRL 0.12	Approved on Annual Shareholders Meeting of Apr 26, 2013

Thus, total gross remuneration of shareholders related to 2012 amounted to R$ 16.7 million, which net of taxes totals R$ 16.1 million between dividends and interest on shareholders equity.

4 – *Guidance* (Estimates) 2012 Vs Actual (Restatement)

Company had provided growth projections for 2012 based on perspectives to the two main business segments of Defense & Security and Metallurgy & Plastics as by the original presentation of 2Q12.

According on the 2Q12, 3Q12 and 4Q12 restatements, we are comparing the original projected and original performed and the restated and performed to market knowledge:

In BRL Millions	Guidance 2012	Realized 2012 (Original)	Realized 2012 (Reviewed)	Variation Guidance/Realized
Net Revenue	> R$ 700.0	R$ 701,0	R$ 701,0	Nulo
Adjusted EBITDA	> R$ 150.0	R$ 152,2	R$ 130,3	-13%
CAPEX	R$ 78.6	R$ 90,2	R$ 90,2	14%