



INSTITUCIONAL PRESENTATION
3T14

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COMPANY



**DEFENSE &
SECURITY**



**METALLURGY
& PLASTICS**



RESULTS



GUIDANCE



STRATEGIES

**PROTECTING
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FORJAS TAURUS S.A.

- ✓ LARGEST MANUFACTURER OF REVOLVERS
- ✓ LEADING NATIONAL HELMETS' PRODUCTION
- ✓ BRAZILIAN COMPANY WITH METAL INJECTION MOLDING TECHNOLOGY

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FACILITIES



Forjas Taurus S.A. Porto Alegre – RS

Handguns
1,300 Employees



Polimetal São Leopoldo – RS

Forgery, Machining and M.I.M.
1,100 Employees



Forjas Taurus S.A. - Branch 5 São Leopoldo – RS

Long Guns
200 Employees



Taurus Holdings Inc. Miami – Florida

Firearms and M.I.M.
300 Employees



Taurus Blind. Nordeste Simões Filho – BA

Helmets
150 Employees



Taurus Blind. / Helmets Mandirituba – PR

Helmets, Bulletproof Vests and Plastics
600 Employees

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TIMELINE

1991 – Champion's assets
1997 – Rossi – Revolver
(use of the brand, technology and
productive processes)
1999 – Pollymer and titanium guns

1980 – Beretta operational aquisition
1982 – IPO
1983 – Taurus Internacional
1985 – Taurus Ferramentas
1986 – Induma
1988 – Taurus Holdings

1970 – Control to foreign investors
1977 – Management buyout

1939 – Forjas Taurus

00's

90's

80's

70's

30's

2000 – Taurus Capacetes
2004 – Famastil
2004 – Taurus Máquinas-Ferramenta
2006 – Taurus Helmets
2006 – “The Judge” – Revolver
2008 – Rossi – Long Guns
2010 – Taurus Blindagens Nordeste
2011 – Admission to Level 2 of BM&FBOVESPA (Corporate Gov.)
- Aquisition of SteelInject
- Segregation of business industries into guns and metallurgy and plastics
- Election of new IRO
2012 – Heritage Manufacturing Inc. Acquisition
- Divestment of Taurus Máquinas-Ferramenta
- Relocation of the long gun and M.I.M. sites to São Leopoldo/RS
2013 – Diamondback – Global Distribution
- Lean Manufaturing
- Relocation of Steelinject to São Leopoldo/RS
- Repactuation of Taurus Máquinas-Ferramenta divestment
2014 – New Shareholder: Companhia Brasileira de Cartuchos (CBC)
- Helmets for Cyclists

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2014 – CORPORATE EVENTS

- **Restatement of the Financial Statements (“FS”) and subsequent measures by management;**
 - ✓ Restatement of Quarterly Information (ITR) for 2Q12, 3Q12 and FS for 2012;
 - ✓ Restatement of Quarterly Information (ITR) for 1Q13, 2Q13, 3Q13; and
 - ✓ Presentation of FS for 2013;
 - ✓ Proposal of civil liability proceeding by management to be voted in the Special Meeting of November 25, 2014 at 11a.m.;



2014 – CORPORATE EVENTS

- **Capital Increase, Disposal/Purchase of Significant Ownership Interest and Controlling Interest;**
 - ✓ Capital increase through private subscription of R\$ 67 million;
 - ✓ Change in shareholding structure due to the dilution resulting from capital increase and significant disposals and purchases in the period;
 - ✓ Approval of capital increase on August 20, 2014;
 - ✓ Change in controlling interest, with a new controlling shareholder operating in the same Defense and Security industry; namely Companhia Brasileira de Cartuchos (“CBC”), which started to hold 52% of voting capital;



2014 – CORPORATE EVENTS

- **Debentures: Liquidation of the 1st issue, waiver of early maturity of 2nd and 3rd issues of nonconvertible debentures;**
 - ✓ Liquidation of 1st issue in April/14;
 - ✓ 3rd issue of nonconvertible debentures in the amount of R\$ 100 million, in June 2014; and
 - ✓ Obtaining of waiver of early maturity of 2nd and 3rd issues, for noncompliance with financial ratios (covenants) and change in controlling interest, respectively, in September/14.



2014 – CORPORATE EVENTS

- **CADE – Concentration Act related to TAURUS and CBC;**
 - ✓ Communication by CBC of its intention of purchasing Taurus shares on BM&FBOVESPA in May 2014;
 - ✓ Filing of Concentration Act to be judged, owing to the acquisition of a company in the same industry, with horizontal overlap in relation to only two products manufactured by both companies and irrelevant in terms of billing of Taurus and CBC; namely bulletproof vests and 12 caliber rifles;
 - ✓ Suspension of CBC's rights by CADE until the Concentration Act is judged, with the possibility of using the shareholding position as of the communication date (1.7% of common shares after capital increase);



2014 – CORPORATE EVENTS

- **Election of the Board of Directors and Appointment of the Statutory Committees;**
 - ✓ Resignation of Board Member on April 25, 2014;
 - ✓ Election of Board of Directors through multiple vote process due to the resignation and increase from 7 to 9 board members on June 27, 2014;
 - ✓ Appointment of the new statutory committee members in July 2014;



2014 – CORPORATE EVENTS

- **Cancellation of Treasury Shares and Reverse Split of Shares;**
 - ✓ Cancellation of treasury shares was approved by the Board of Directors in September 2014;
 - ✓ Convening of the Special Meeting for November 25, 2014 was approved in order to: (i) decide about the Company's reverse share split in the proportion of 11 to 1; and (ii) amend Article 5 of its articles of incorporation in order to update capital composition due to the cancellation of treasury shares and the possible reverse share split.



CORPORATE GOVERNANCE

TAG ALONG
100%
(ON and PN)

DIVIDENDS
35%
(Semiannual)

MINIMUM OF 40%
INDEPENDENT
BOARD MEMBERS

VOTING RIGHTS TO
PREFERRED SHARES
(In Relevant Topics)

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COMPANY

BOARD AND COMMITTEES

Jorio Dauster
Magalhães e Silva

*Chairman
(Independent)*

Ruy Lopes Filho

*Vice – Chairman
(Independent)*

56%
of Independent
Members

André
Ricardo Balbi
Cerviño

Durval José
Soledade
Santos

Fernando
José Soares
Estima

João Verner
Juenemann

Luis
Fernando
Costa Estima

Luiz Felix de
Freitas

Manuel
Jeremias
Leite Caldas

Independent

Independent

Resigned on Nov. 21st

Independent

Audit and Risks
Committee

*João Verner Juenemann
Ruy Lopes Filho
Eduardo Feldmann Costa (CFO)*

Compensational and
Personnel Development

*Manuel Jeremias Leite Caldas
Ruy Lopes Filho
Carla Pretto de Marchi (RH)*

Management and Corporate
Governance Committee

*Jorio Dauster Magalhães e Silva
Durval José Soledade Santos
Dóris Beatriz França Wilhelm (DRI)*

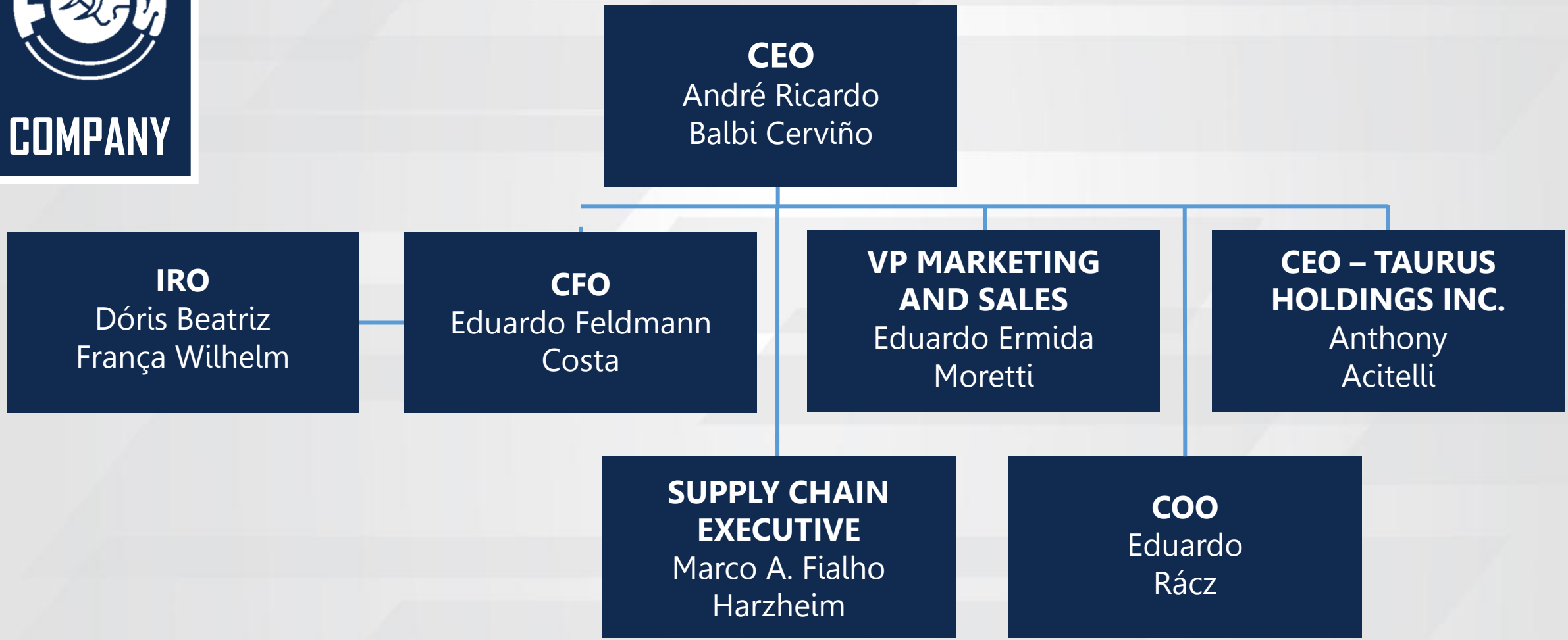
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STATUTORY AND EXECUTIVE BOARD OF DIRECTORS





FISCAL COUNCIL

Amoreti Franco
Gibbon

Alternate: Edgar Panceri

Juliano Puchalski
Teixeira

*Alternate: Carlos Eduardo
Bandeira de Mello Francesconi*

Marcelo de Deus
Saweryn

Alternate: Lisiane Miguel Wilke

Mauro César
Medeiros de Mello

Alternate: Roberto Hesketh

Reinaldo
Fujimoto

*Alternate: José Airton Veras
Carvalho*

PERMANENTLY
INSTALLED

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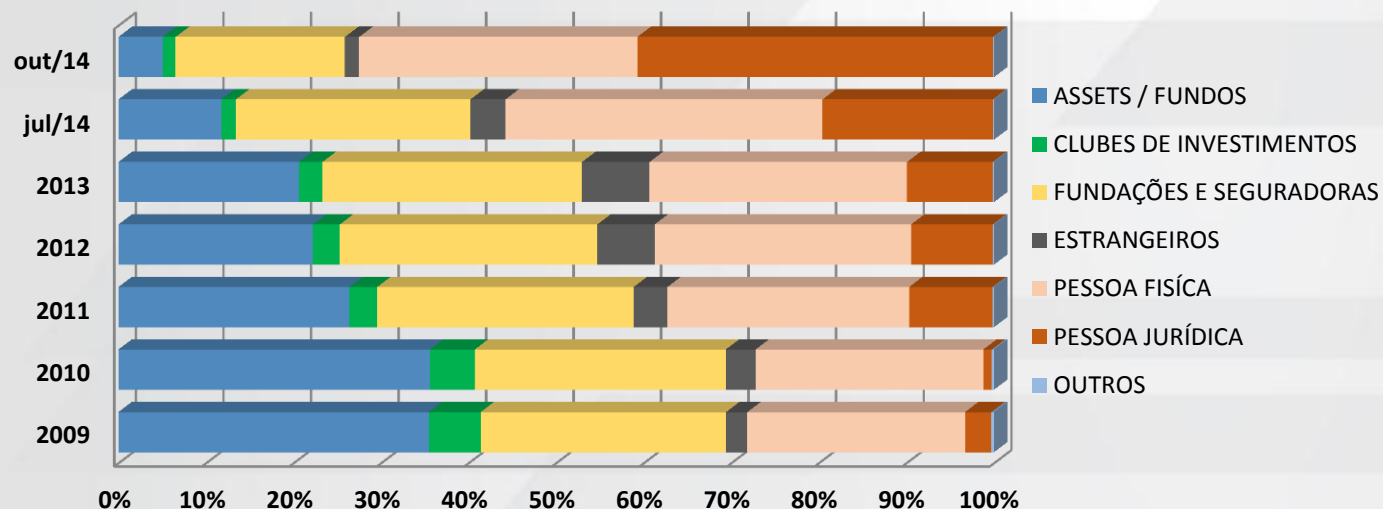


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SHAREHOLDERS

SHAREHOLDERS	Before Capital Increase Jul/2014			After Capital Increase Oct/2014		
	TOTAL	ON	PN	TOTAL	ON	PN
CBC	6,0%	15,6%	0,9%	27,9%	52,5%	0,9%
ESTIMAPAR	12,8%	37,3%	0,1%	12,1%	23,2%	0,0%
PREVI	26,8%	15,3%	32,7%	19,4%	7,3%	32,7%
FIGI	3,5%	10,1%	0,0%	2,5%	4,8%	0,0%
OUTHERS	50,9%	21,7%	66,3%	38,1%	12,2%	66,4%



Capital Stock

Before Capital Increase Jul/2014	After Capital Increase Oct/2014
ON = 44,310,333 (34.4%)	ON = 92,832,547 (52.3%)
PN = 84,666,177 (65.6%)	PN = 84,751,880 (47.7%)
TOTAL = 128,976,510	TOTAL = 177,584,427

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SOCIAL COMMITMENT

- Kids of the Future
- Library
- Digital Space
- Sign Language Course
- Educational Benefits
- Impulsor News





COMPANY



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IMPACT FACTORS

SEASONALITY

- Trade Fairs
- Hunting Season

ECONOMICS

- Currency
- Macroeconomics

DEMAND

- Innovation
- Quality
- Actions

COSTS

- Labour
- Raw Material

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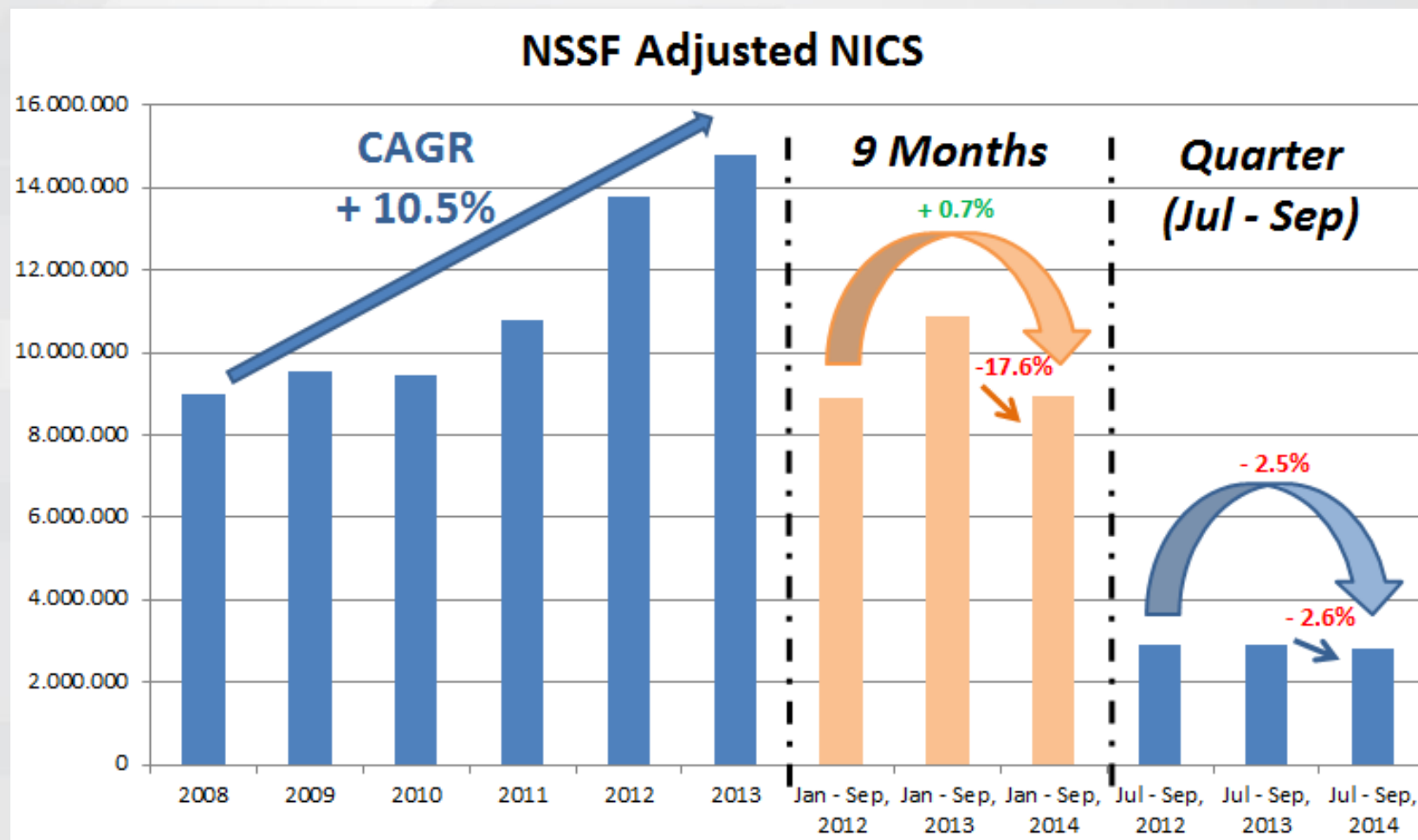


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NICS – NATIONAL INSTANT CRIMINAL BACKGROUND CHECK SYSTEM



Fonte: NSSF

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PEERS



RUGER



Smith & Wesson



Remington



FN HERSTAL



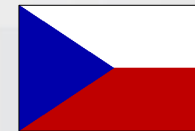
SIGSAUER



HECKLER & KOCH



HS
Produkt



ČESKÁ ZBROJOVKA

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**DEFENSE &
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PRODUCT GENERATIONS



4th Generation

- Long Guns (restricted use)



3rd Generation

- Long Guns



2nd Generation

- Pistols



1st Generation

- Revolvers

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DEFENSE &
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MARKETING & SALES



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**DEFENSE &
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AWARDS

2013

MANUFACTURER OF THE YEAR

TAURUS INTERNATIONAL MFG, INC.



2012

**FIELD & STREAM BEST OF THE BEST
AWARD**

TAURUS TRACKER 992

2011

NRA: HANDGUN OF THE YEAR

PT 740 SLIM



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DEFENSE &
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BRAZILIAN MARKET



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**DEFENSE &
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PUBLIC SECURITY

Police Force

Federal Police - 15,182 actives (i)

Civil Police – 117,501 actives (i)

Military Police – 113,295 actives (i)

Military Forces

Military Forces – 275,403 actives (i)



PRIVATE SECURITY

Active Vigilants – 660,513 (ii)



(i) *Public Security 2012 Report (data from 2011)*

(ii) *General Coordination of Private Security Control 2012*

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ACTIVE VIGILANTS



Fonte: SEVESP

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MARKET SHARE

90% OF HANDGUNS MARKET
SHARE IN BRAZIL

PEERS: CBC AND IMBEL 10% OF
MARKET SHARE



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FOREIGN MARKET

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CARRY ON MOVEMENT

Taurus International Manufacturing initiative to encourage the concealed carry guns and the shooting sports.

Jessie Harrison Duff

Taurus' team leader



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CARRY ON MOVEMENT



White Box

Taurus offers to its customers a new concept in packaging, providing greater security and perceived quality.

Alex Larche

Considered a breakthrough in shooting sports, Alex Larch is the new member of Taurus team lead by Jessie Duff



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CARRY ON MOVEMENT

Taurus cares about its consumers: new Customer Service extended to all american territory.

EXTENDED
CUSTOMER SERVICE HOURS
Monday thru Friday
8 AM - 10 PM



TOLL FREE: 1 (800) 327-3776

CARRY ON

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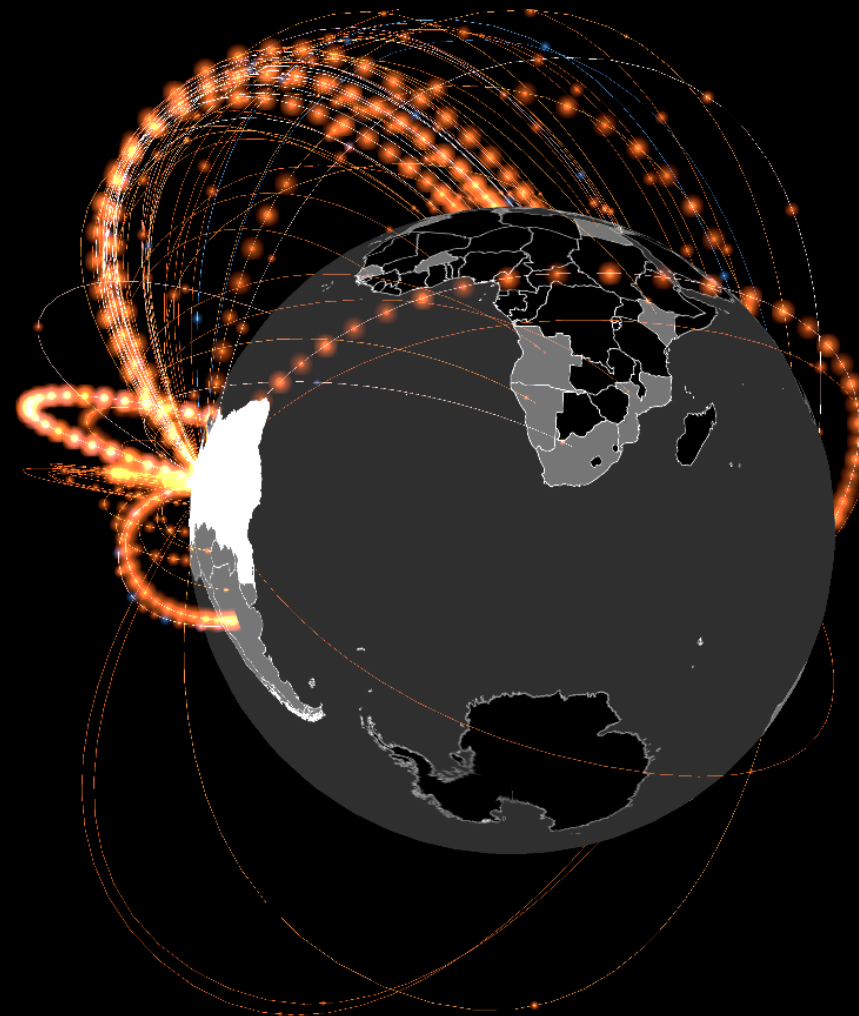
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DEFENSE &
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EXPORTS TO OTHER COUNTRIES (ex-USA)

EXPORTS FOR
MORE THAN
70 COUNTRIES



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IMPACT FACTORS

Motorcycles Sales

- ⚙️ Car substitution for motorcycle
- ⚙️ Mobility and traffic saving
- ⚙️ Delivery Services
- ⚙️ Motocab

Credit

- ⚙️ Defaults' growth
- ⚙️ Restricted credit concession
- ⚙️ % of down payments' value
- ⚙️ Number of installments
- ⚙️ Motorcycle maintenance X Helmet acquisition
- ⚙️ Inexistence of financing for used low cilinder motocyycles

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CLIENTS



Trade Representatives



Fleet Owners



Wholesale



Magazines



Retail



Governments

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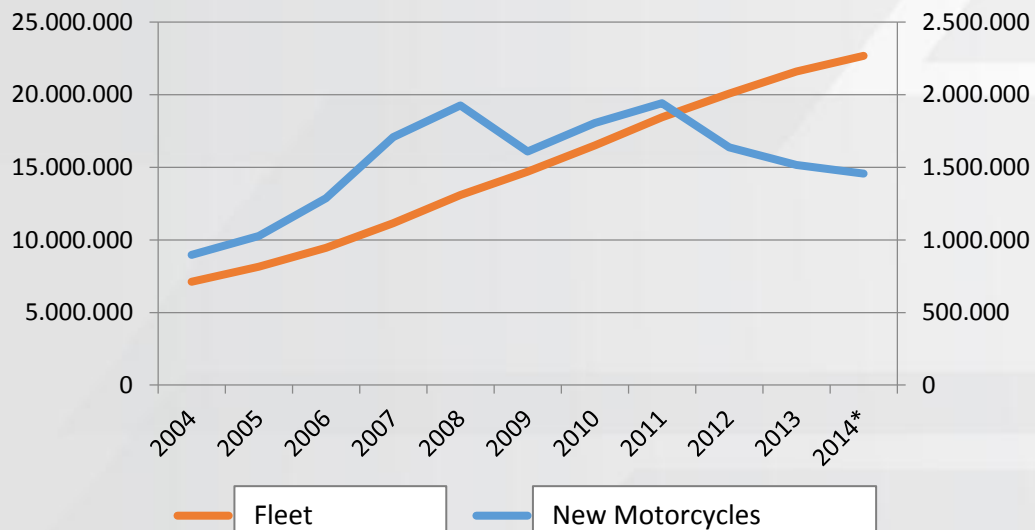
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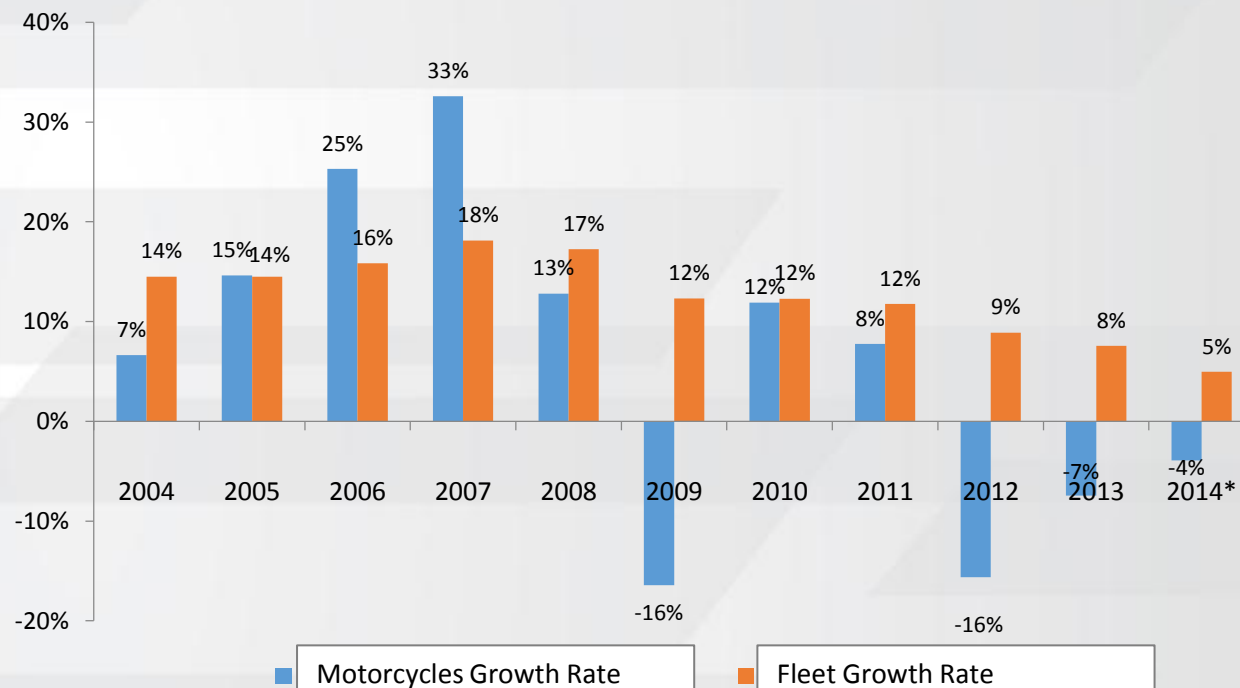
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MOTORCYCLES (Fleet x New Motorcycles)

**Motorcycles
Fleet x New Motorcycles**



**Growth Rates
New Motorcycles x Fleet**



*2014 new motorcycles LTM until Oct/14

Source: Denatran e FENABRAVE

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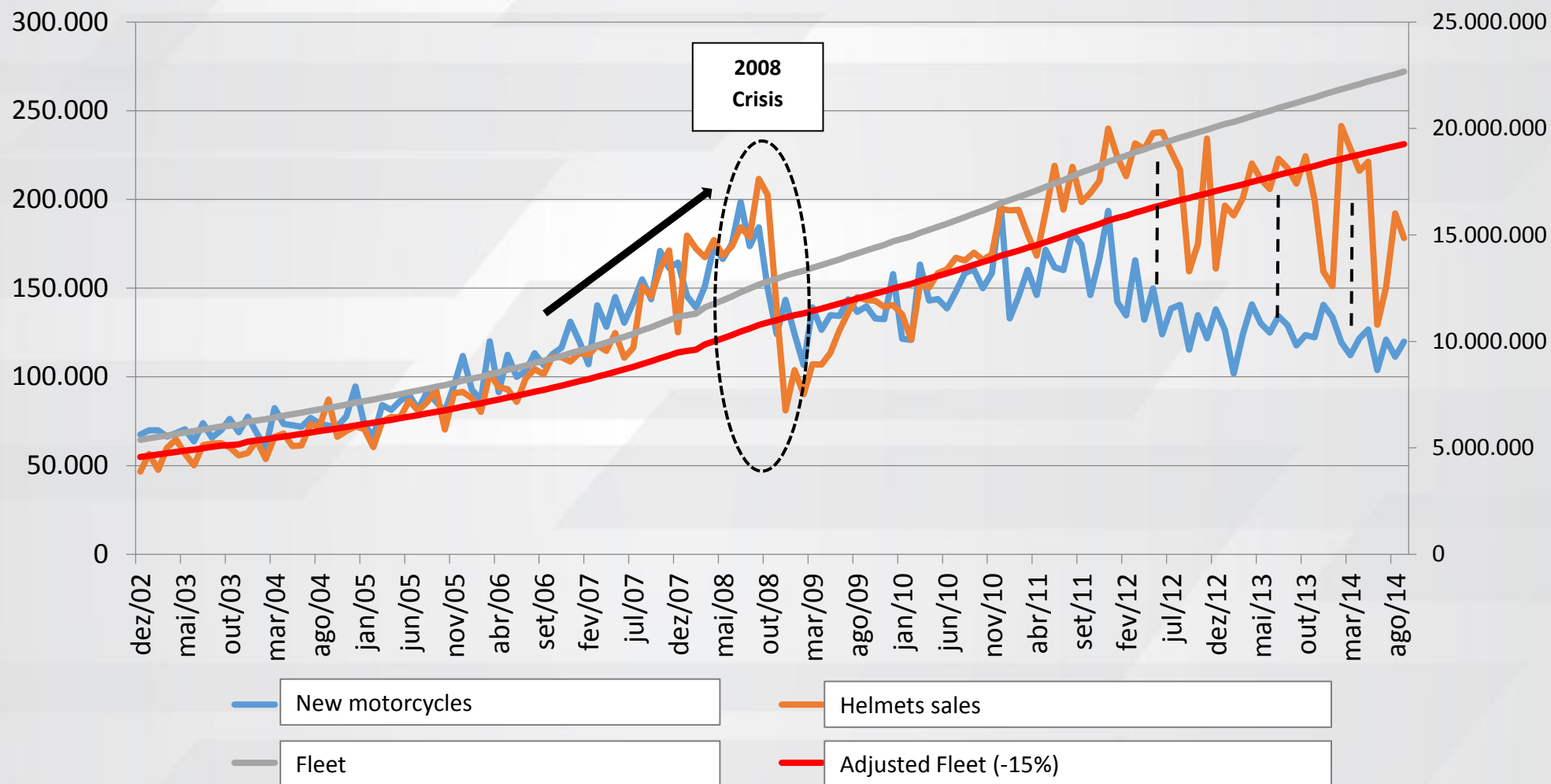


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Motorcycles (new motorcycles and fleet) x Helmets (Taurus sales)



Source: Fenabrave

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HELMETS MARKET IN NUMBERS

45.6%

BRAZILIAN MOTORCYCLE
HELMETS MARKET SHARE

4.8

MILLIONS UNITS/YEAR
POTENTIAL MARKET

1.5

HELMETS PER
MOTORCYCLE IN
BRAZIL

6

YEARS: HELMET'S LIFE TIME
ESTIMATED BY THE MARKET

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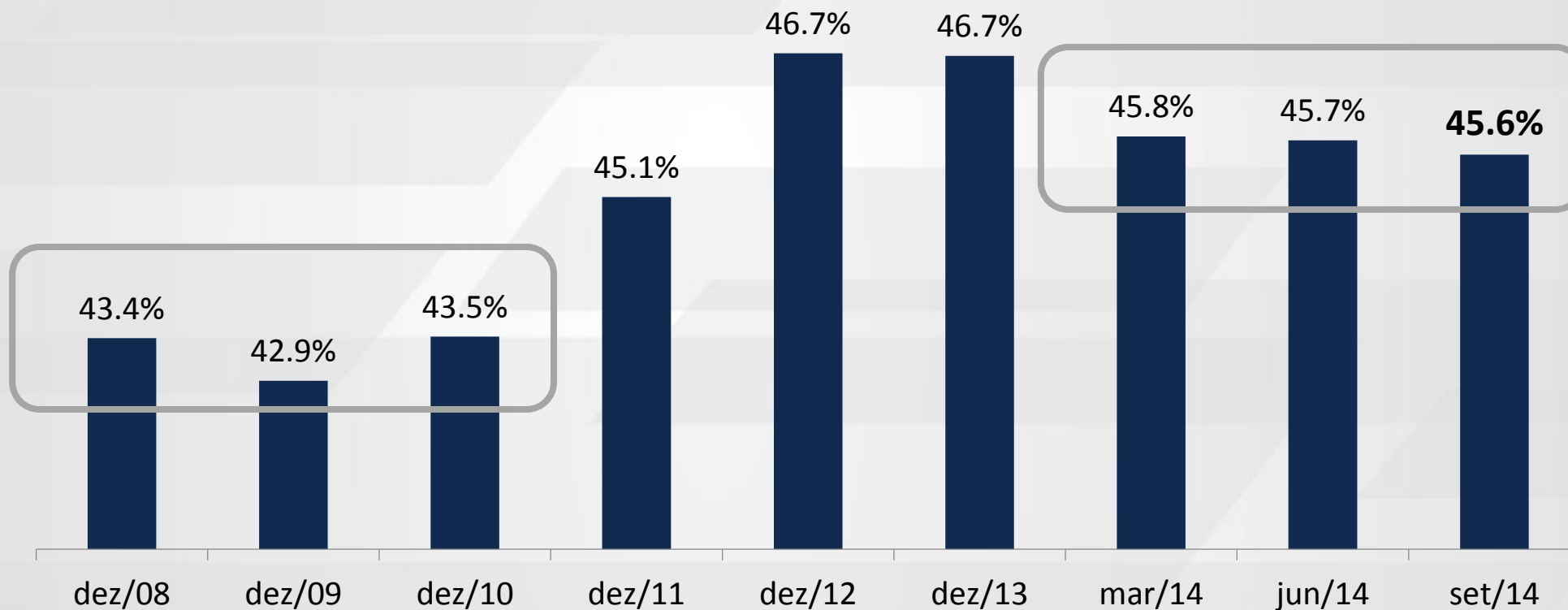


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Market Share Evolution - TAURUS HELMETS



Source: Taurus

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PEERS

Nome	Logo	País	Nome	Logo	País	Nome	Logo	País
AGV		Itália	HELD		Alemanha	NAU		Portugal
AIROH		Itália	HELT		Brasil	NOLAN		Itália
ARAI		Japão	HJC		EUA	NORISK		Brasil
ASTONE		França	ICON		EUA	ONE		EUA
BELL		EUA	KRAFT		Brasil	PEELS		Brasil
BIEFFE		Brasil	LAZER		Bélgica	PRO TORK		Brasil
CRAFT		Alemanha	LS2		Espanha	SHARK		França
EBF		Brasil	MARUSHIN		Itália	SHOEI		Japão
FLY		Brasil	MHR		China	STARPLAST		Brasil
FOX		EUA	MIXS		Brasil	TAURUS		Brasil

Market Share Brazil



46%



44%

OUTROS

10%

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NEW!



Redesign the helmet
sales success:

SAN MARINO,

the model is **smaller,**
lighter,

with **better aerodynamics,**
maintaining **the large peripheral vision.**

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NEW!

TAURUS HELMETS FOR CYCLING



Urban Mobility



Environmental Consciousness

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NEW!

"Brazilian leader in helmets manufacturing, Taurus expands its portfolio with the launch of new features for motorcycles medium and high displacement. By now, the brand offers a complete TOP line of helmets developed in partnership with Italian company Caberg "

- MOTO.com.br



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COMPETITIVE ADVANTAGES

Quality

- Raw material from recognized suppliers
- Compliance with brazilian quality standard (NBR 7471/2001)
- Adaptation to european standards
- Production scale

Design

- Updated and innovative design
- Artwork with excellent finishing

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ENVIRONMENTAL CONSCIOUSNESS

Safety traffic
campaign



Recycling
events and
adaptation to
Environmental
Institute of
Paraná

Participation
in associations
like APAE,
ABAI and
others

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CONTAINERS PLASTICS

A NEW
CONSCIOUSNESS
IN COLLECTION



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CONTAINERS PLASTICS - CLIENTS



Trade Representatives



Contractors



Resale



Residential
Condominiums



Industries



Prefectures

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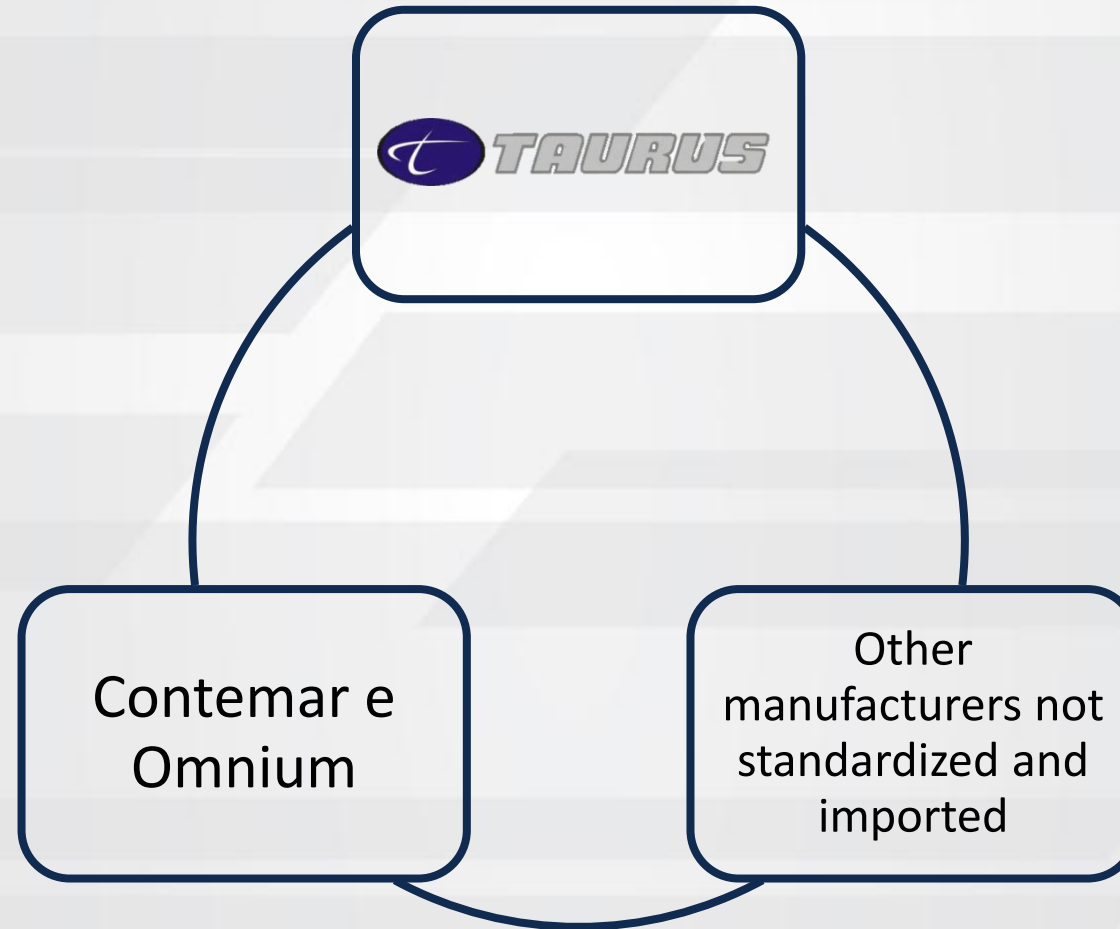


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CONTAINERS PLASTICS – PEERS



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BULLETPROOF VESTS

TO PROTECT YOUR LIFE,
COUNT ON TAURUS
BULLETPROOF VESTS



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M.I.M. – METAL INJECTION MOLDING

M.I.M. IS TECHNOLOGY ON TAURUS' PRODUCTS



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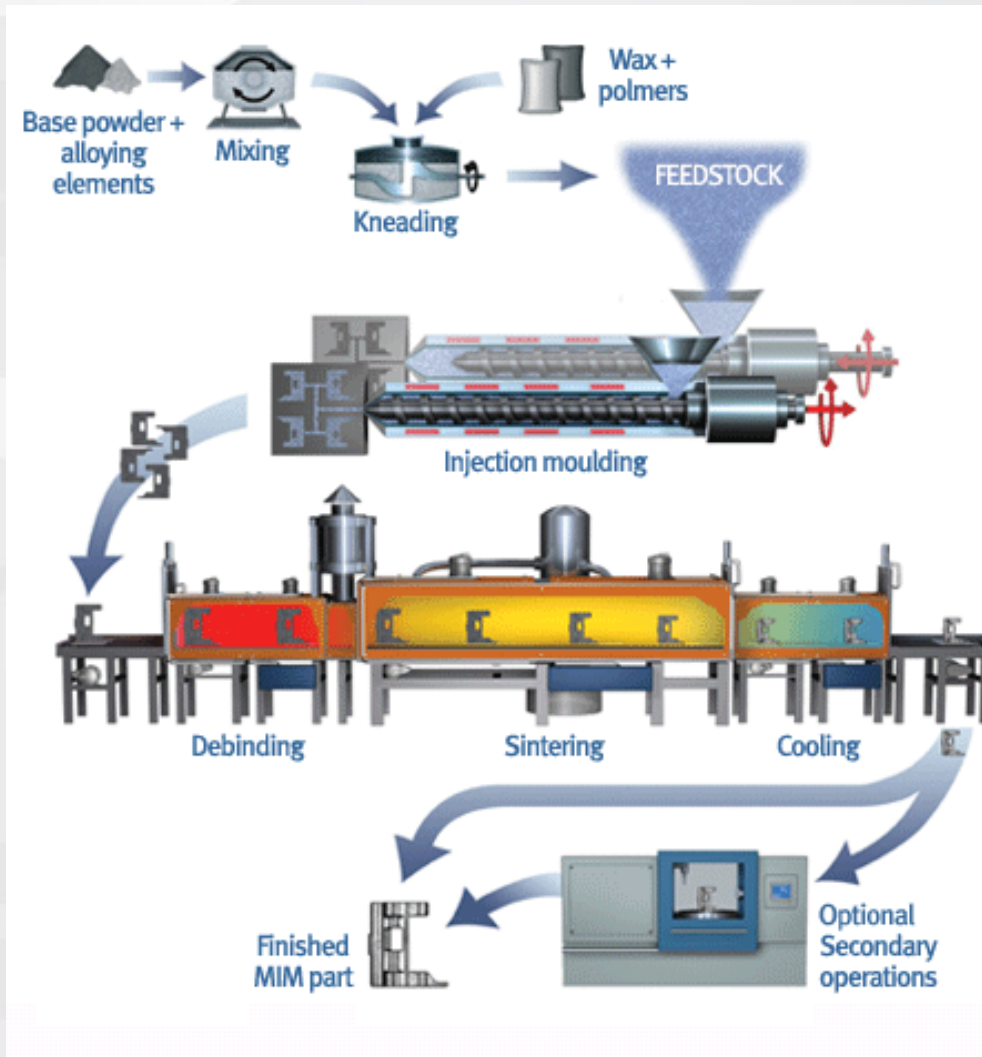


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M.I.M. – PROCESS



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TAURUS 75
YEARS

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M.I.M. – CLIENTS

DEFENSE & SECURITY



OTHERS



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FAMASTIL

TAURUS TOOLS PREMIUM LINE.
QUALITY AND INNOVATION

PARTICIPATION OF 35% IN
ASSOCIATED

Famastil®



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RESULTS

ECONOMIC AND FINANCIAL INDICATORS

Ratios	3Q14	2Q14	3Q13	9M14	9M13	Variation %		
						9M14/9M13	3Q14/3Q13	3Q14/2Q14
Net revenue	123,6	132,9	218,7	424,6	651,3	-34,8%	-43,5%	-7,1%
Domestic market	57,4	59,9	73,0	179,6	201,1	-10,7%	-21,4%	-4,2%
Foreign market	66,2	73,1	145,7	245,0	450,2	-45,6%	-54,6%	-9,4%
COGS	105,2	106,8	150,9	334,5	445,0	-24,8%	-30,3%	-1,5%
Gross Profit	18,3	26,1	67,8	90,1	206,2	-56,3%	-73,0%	-29,8%
Gross Margin - %	14,8%	19,6%	31,0%	21,2%	31,7%	-10,4 p.p.	-16,2 p.p.	-4,8 p.p.
Operating Expenses	-86,2	-37,5	-44,8	-164,9	-137,9	19,6%	92,5%	129,5%
Operating Profit (EBIT)	-67,8	-11,4	23,0	-74,8	68,4	-209,4%	-394,9%	493,0%
EBIT Margin - %	-54,9%	-8,6%	10,5%	-17,6%	10,5%	-28,1 p.p.	-65,4 p.p.	-46,3 p.p.
Net Financial Income	-30,3	-16,4	-21,4	-56,6	-53,4	5,9%	41,5%	84,2%
Depreciation and amortization ⁽¹⁾	8,6	8,2	8,5	24,9	26,2	-4,9%	1,5%	5,5%
Net Income - Continuing Operations	-94,6	-25,6	1,1	-124,8	-10,1	1138,1%	-8518,0%	269,5%
Net Income Margin - Cont. Operations	-76,6%	-19,3%	0,5%	-29,4%	-1,5%	-27,8 p.p.	-77,1 p.p.	-57,3 p.p.
Net Income - Consolidated	-94,6	-25,6	1,1	-124,8	-10,1	1138,1%	-8518,0%	269,5%
Net Income Margin - Consolidated	-76,6%	-19,3%	0,5%	-29,4%	-1,5%	-27,8 p.p.	-77,1 p.p.	-57,3 p.p.
Adjusted EBITDA ⁽²⁾	-20,3	-2,0	35,6	-7,9	112,6	-107,0%	-157,1%	937,0%
Adjusted EBITDA Margin - %	-16,4%	-1,5%	16,3%	-1,9%	17,3%	-19,2 p.p.	-32,7 p.p.	-14,9 p.p.
Total Assets	1.024,5	1.091,1	1.261,7	1.024,5	1.261,7	-18,8%	-18,8%	-6,1%
Equity	96,6	104,1	206,9	96,6	206,9	-53,3%	-53,3%	-7,2%
Investments (CAPEX)	4,4	5,1	3,5	12,6	20,7	-39,2%	27,4%	-12,4%

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

(2) Adjusted EBITDA: Earnings before interest, tax, depreciation and amortization and net earnings from non-recurring operations. The computing process was developed according the CVM nº 527 instruction of October 04, 2012.

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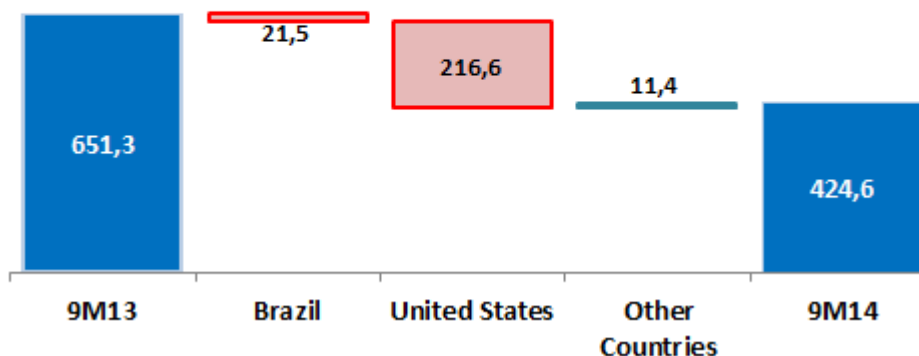
RESULTS

NET REVENUE - EVOLUTION

Net Revenue Evolution

By Geography

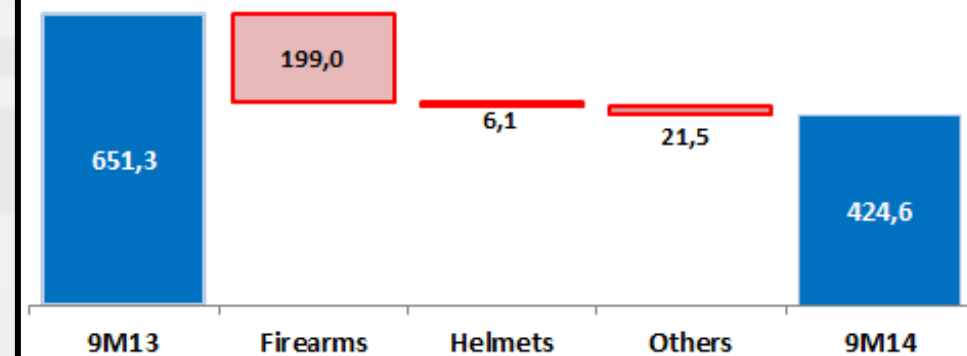
In BRL Millions



Net Revenue Evolution

By Segment

In BRL Millions



PROTECTING
PEOPLE.

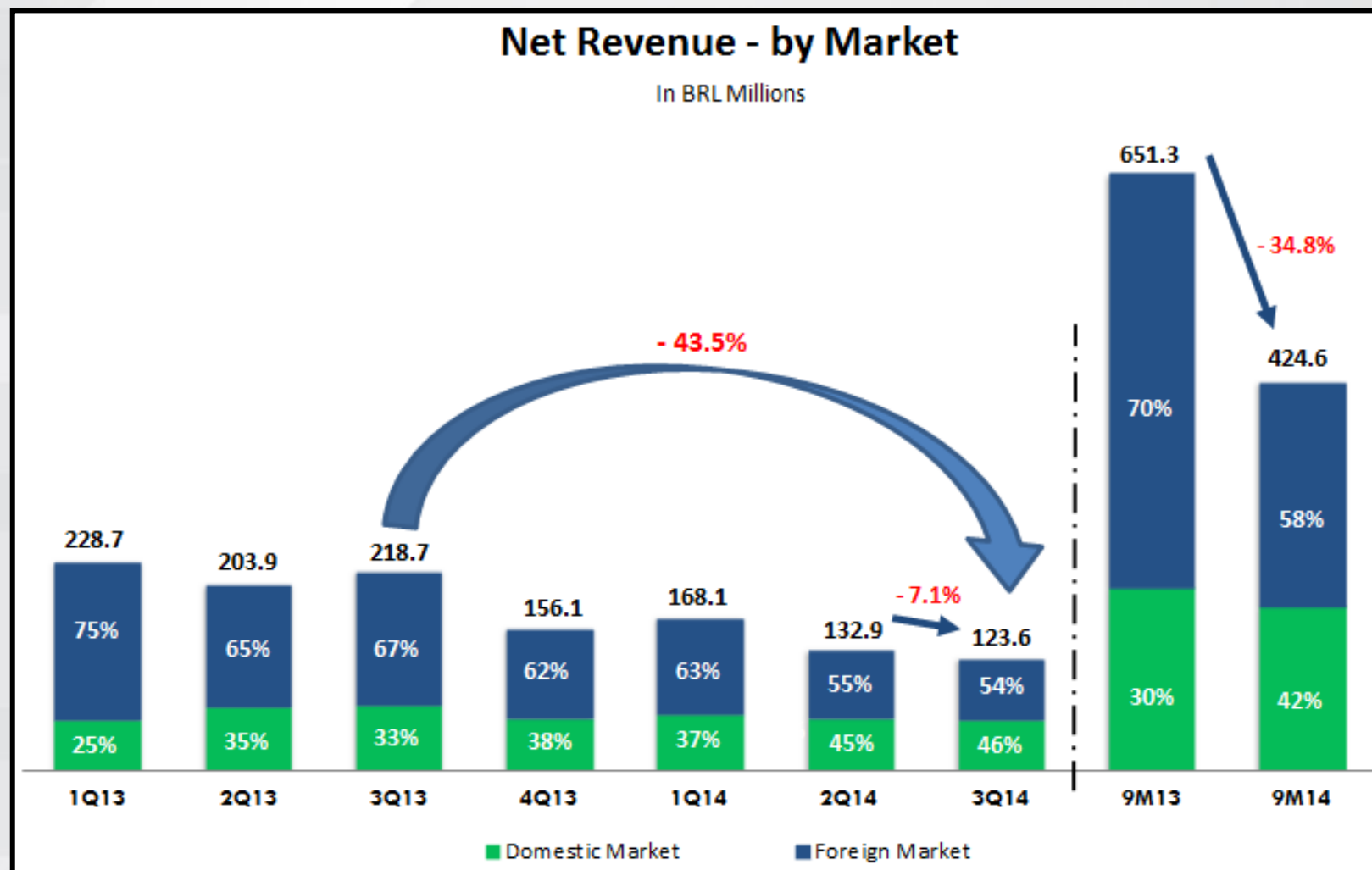


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RESULTS

NET REVENUE - BY MARKET



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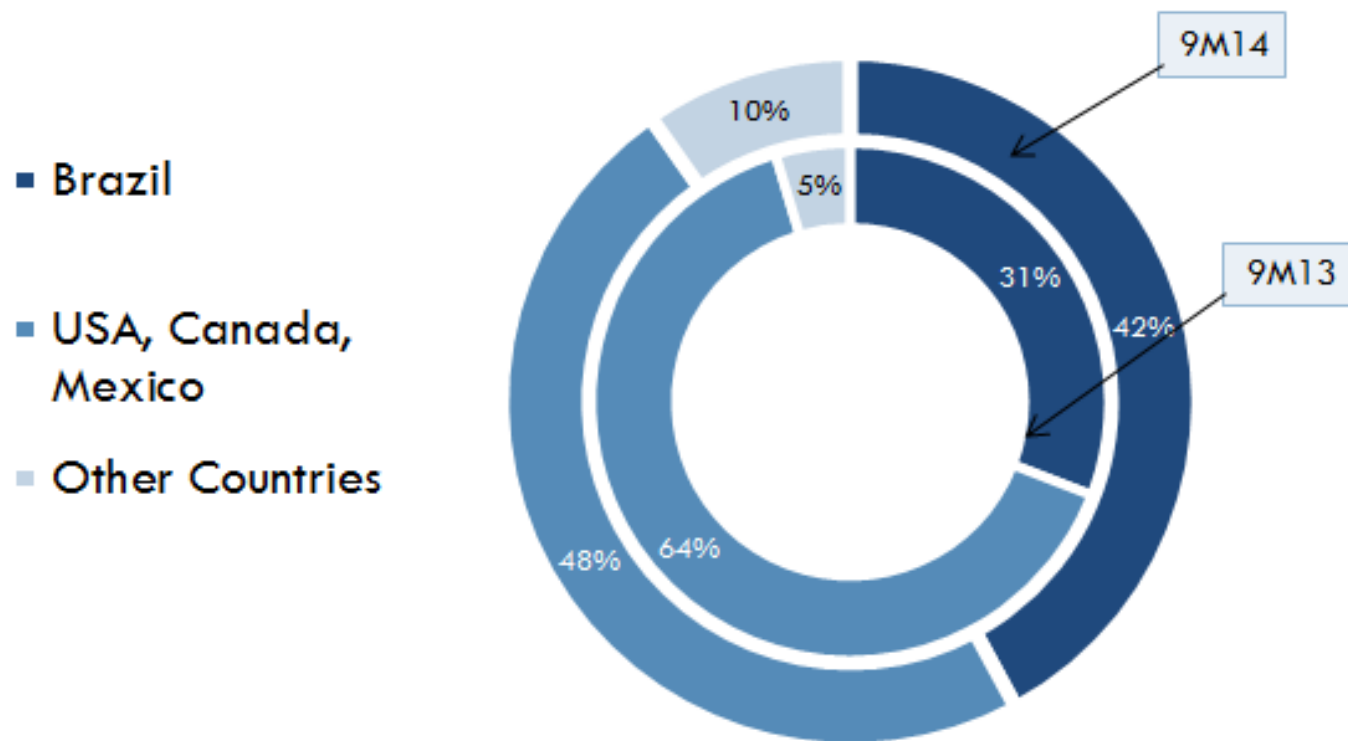
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RESULTS

NET REVENUE - BY GEOGRAPHY

Net Sales - By Geography



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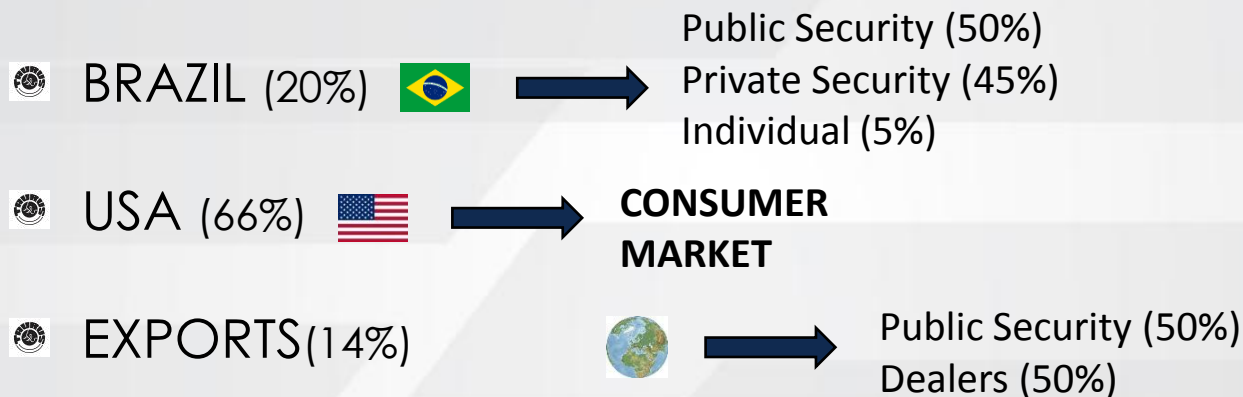
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RESULTS

NET REVENUE – BY SEGMENT

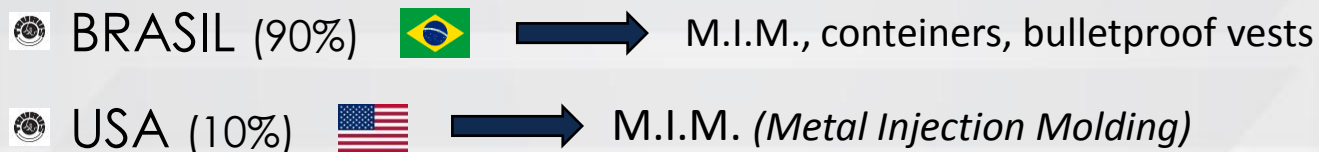
FIREARMS (72%)



CAPACETES (21%)



OUTROS (7%)





RESULTS

RESULTS BT BUSINESS SEGMENT

Comparative Nine months - Year over Year

	Net Revenue					Gross Income			Gross Margin			Income before taxes		
	9M14	Part. %	9M13	Part. %	Var.	9M14	9M13	Var.	9M14	9M13	Var.p.p	9M14	9M13	Var.
Firearms	304.3	71.7%	503.3	77.3%	-39.5%	50.6	164.9	-69.3%	16.6%	32.8%	-16.1	(109.7)	19.1	NS
Helmets	91.2	21.5%	97.3	14.9%	-6.3%	29.3	36.8	-20.6%	32.1%	37.9%	-5.8	18.2	22.5	-19%
Others	29.2	6.9%	50.7	7.8%	-42.4%	10.3	4.5	NS	35.2%	8.8%	26.4	(39.8)	(26.7)	49%
Total	424.6	100.0%	651.3	100.0%	-34.8%	90.1	206.2	-56.3%	21.2%	31.7%	-10.4	(131.3)	14.9	NS

Comparative Quarter - Year over Year

	Net Revenue					Gross Income			Gross Margin			Income before taxes		
	3Q14	Part. %	3Q13	Part. %	Var.	3Q14	3Q13	Var.	3Q14	3Q13	Var.p.p	3Q14	3Q13	Var.
Firearms	86.2	69.7%	170.0	77.8%	-49.3%	5.6	56.4	-90.0%	6.5%	33.2%	-26.6	(65.6)	5.0	NS
Helmets	28.3	22.9%	33.8	15.4%	-16.3%	7.7	13.0	-40.8%	27.3%	38.6%	-11.3	4.4	7.1	-38%
Others	9.1	7.4%	14.9	6.8%	-38.5%	5.0	(1.7)	NS	54.2%	-11.5%	65.7	(36.9)	(10.5)	NS
Total	123.6	100.0%	218.7	100.0%	-43.5%	18.3	67.8	-73.0%	14.8%	31.0%	-16.2	(98.1)	1.6	NS

Comparative Quarter - Current Quarter x Previous Quarter

	Net Revenue					Gross Income			Gross Margin			Income before taxes		
	3Q14	Part. %	2Q14	Part. %	Var.	3Q14	2Q14	Var.	3Q14	2Q14	Var.p.p	3Q14	2Q14	Var.
Firearms	86.2	69.7%	94.1	70.8%	-8.4%	5.6	14.8	-61.8%	6.5%	15.7%	-9.2	(65.6)	(31.7)	107%
Helmets	28.3	22.9%	30.3	22.8%	-6.8%	7.7	9.9	-22.1%	27.3%	32.7%	-5.4	4.4	6.6	-33%
Others	9.1	7.4%	8.6	6.4%	6.7%	5.0	1.4	NS	54.2%	16.4%	37.9	(36.9)	(2.7)	NS
Total	123.6	100.0%	132.9	100.0%	-7.1%	18.3	26.1	-29.8%	14.8%	19.6%	-4.8	(98.1)	(27.9)	NS

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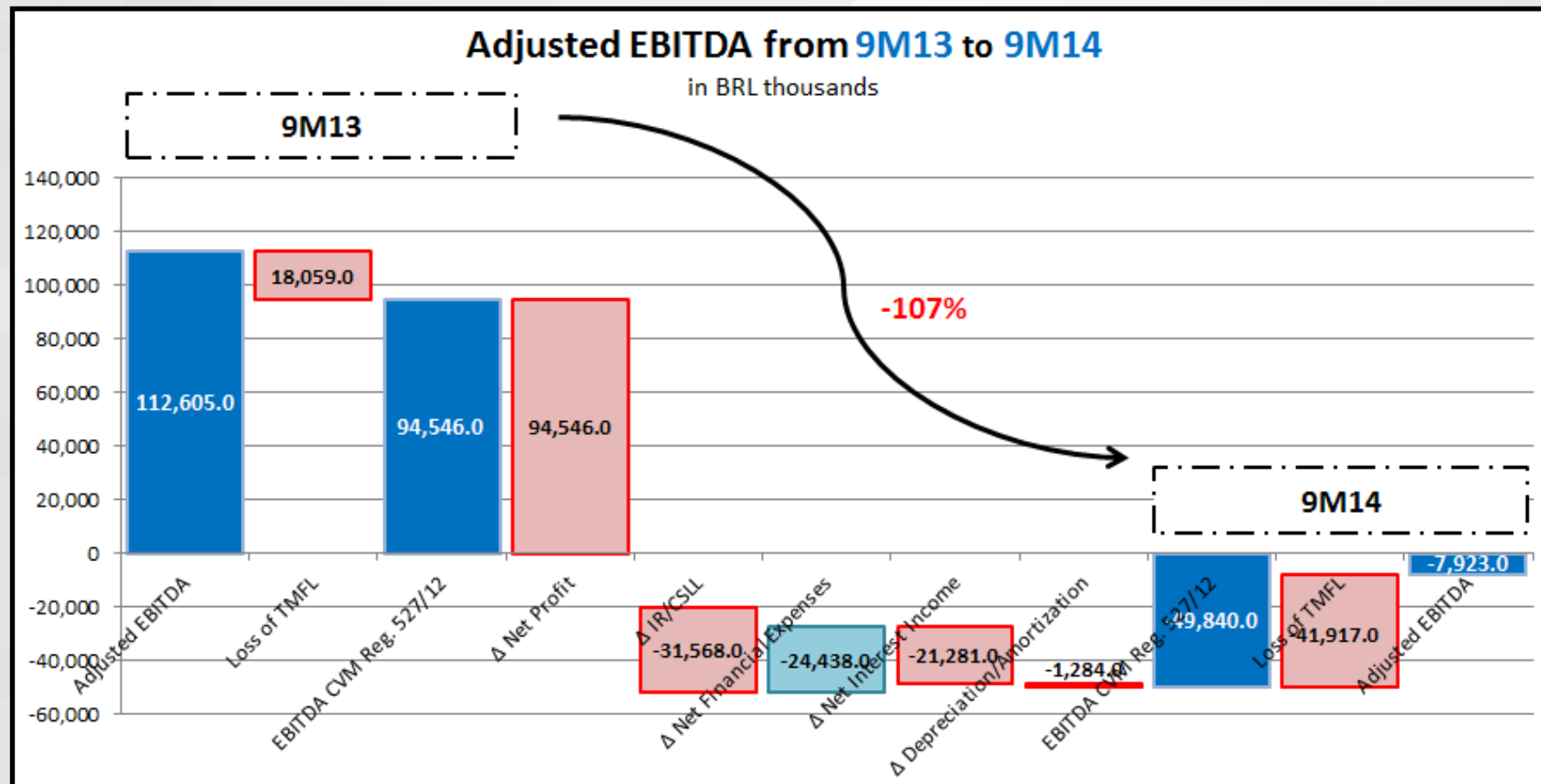


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RESULTS

ADJUSTED EBITDA



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RESULTS

RATIOS

WORKING CAPITAL

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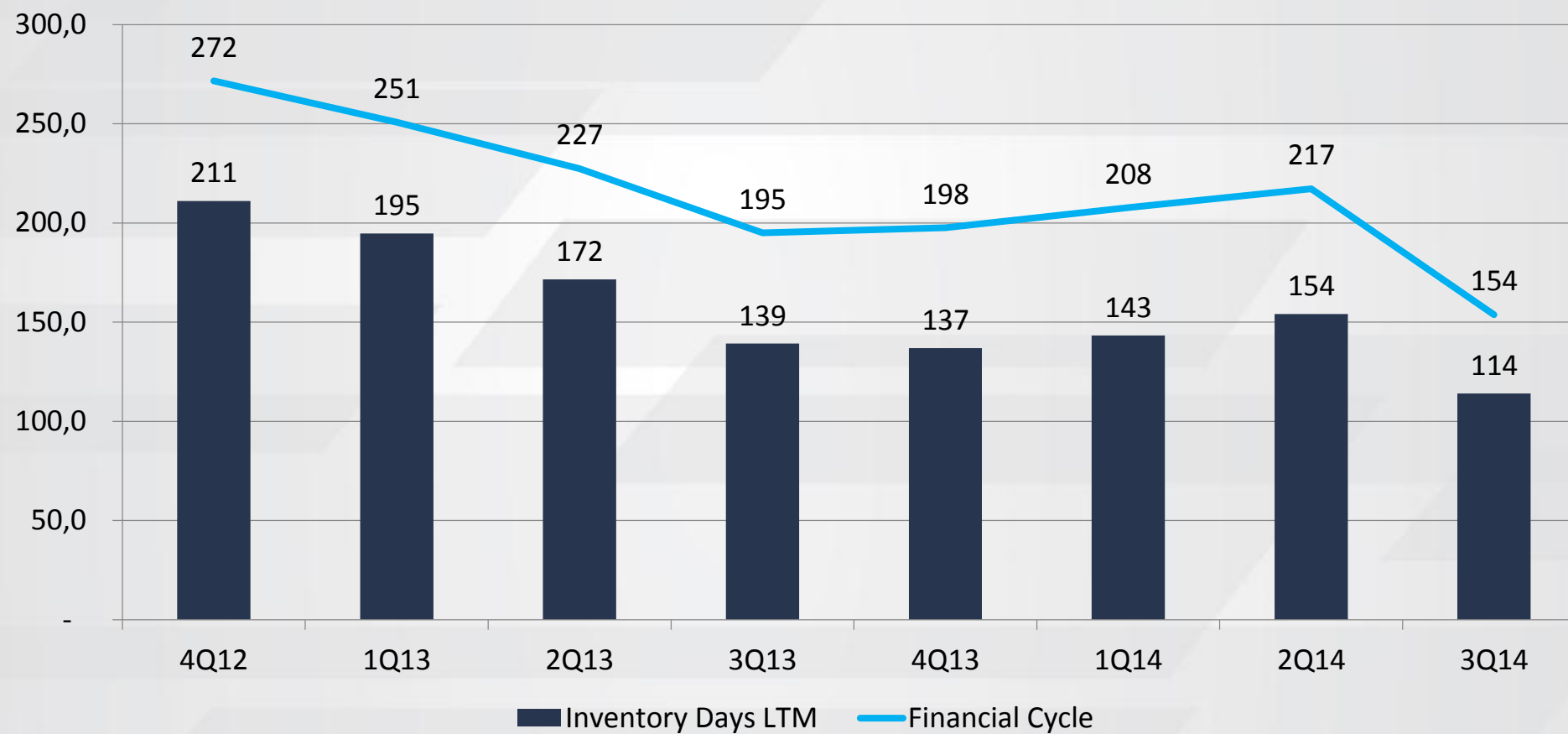


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RESULTS

INVENTORY DAYS x FINANCIAL CYCLE



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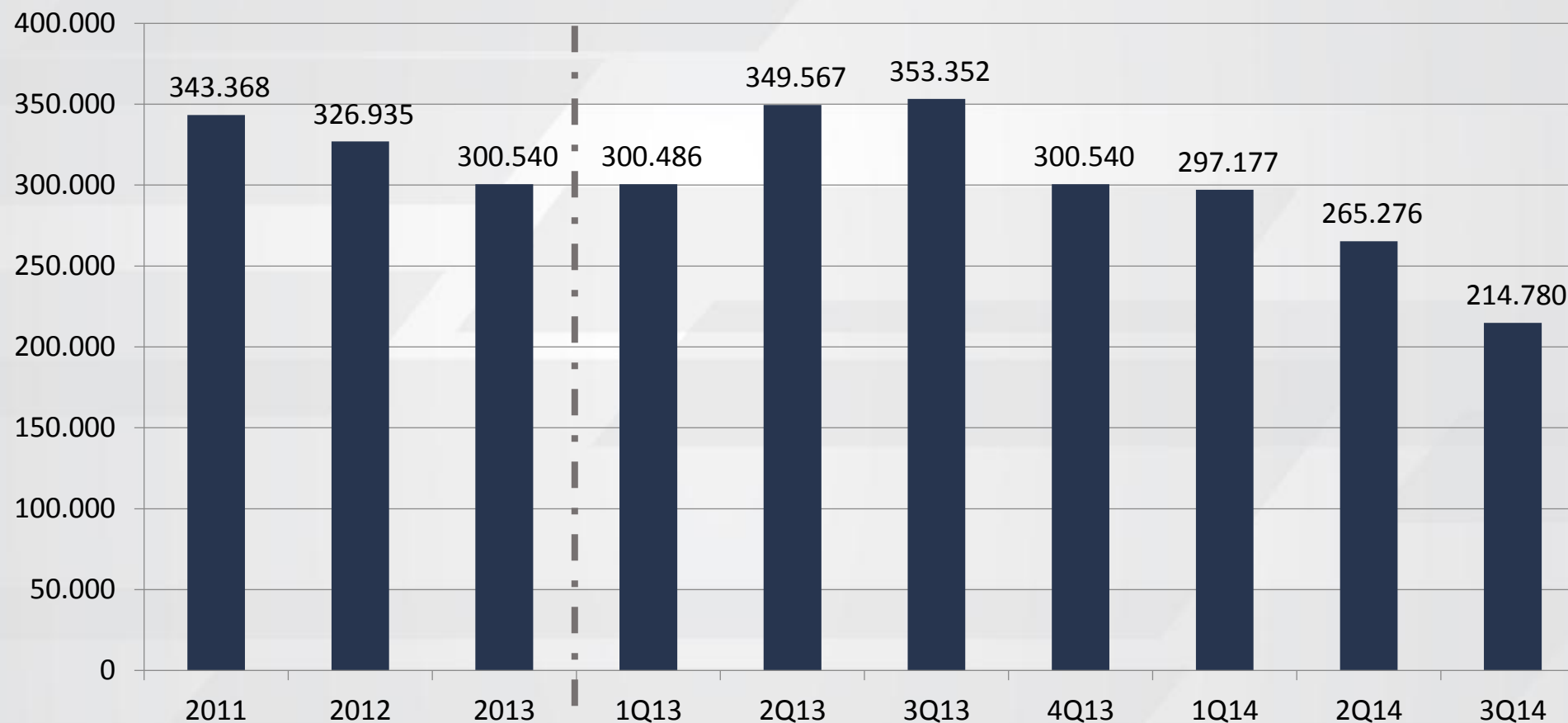


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RESULTS

NECESSIDADE DE INVESTIMENTO EM GIRO



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RESULTS

INDICADORES

DEBT

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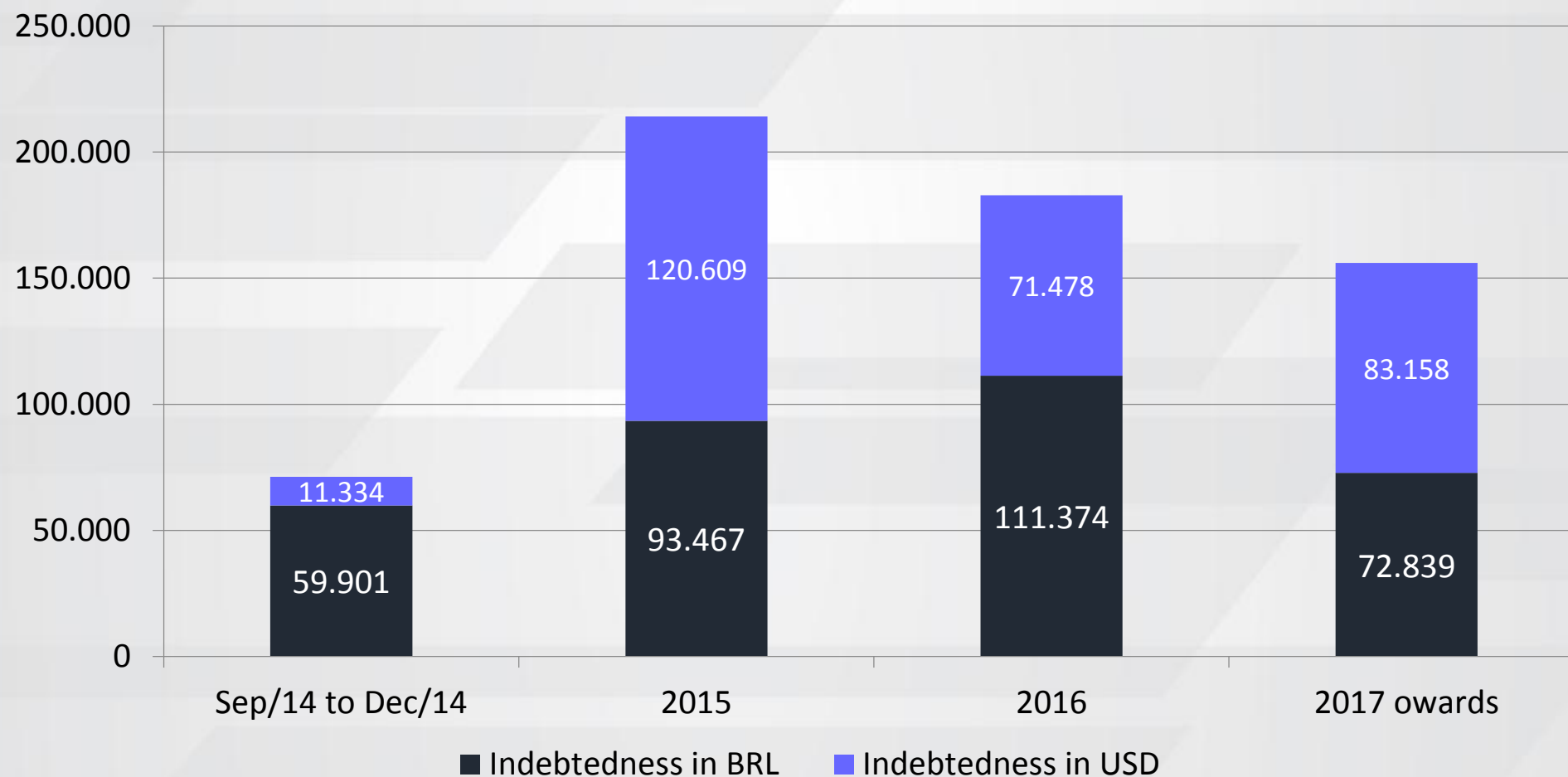


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RESULTS

MATURITY OF DEBT



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RESULTS

FINANCIAL POSITION

	<u>09/30/2014</u>	<u>06/30/2014</u>	<u>12/31/2013</u>	<u>09/30/2013</u>	<u>Var. Sep/14 x Jun/14</u>	<u>Var. Sep/14 x Dec/13</u>	<u>Var. Sep/14 x Sep/13</u>
Short term indebtedness	240,9	280,5	388,5	367,3	-14%	-38%	-34%
Long term indebtedness	265,8	288,4	273,2	302,8	-8%	-3%	-12%
Exchange Serves	52,8	65,5	0,0	0,0	-19%	-	-
Debentures	133,2	133,3	57,6	77,1	0%	131%	73%
Anticipation Mortgages	11,5	14,3	19,6	22,1	-20%	-41%	-48%
Advance on Receivables	29,9	39,3	116,0	124,6	-24%	-74%	-76%
Derivatives	-15,7	-12,8	-35,6	-32,5	23%	-56%	-52%
Gross Indetbetedness	718,5	808,6	819,2	861,4	-11%	-12%	-17%
(-) Cash available and financial investments	210,2	286,1	281,1	327,8	-27%	-25%	-36%
Net Indebtedness	508,2	522,5	538,1	533,6	-3%	-6%	-5%
Adjusted EBITDA	-20,5	35,3	100,0	124,2	-158%	-121%	-117%
Net Indebtedness/Adjusted EBITDA	-24,78x	14,79x	5,38x	4,30x			
Adjusted EBITDA/Financial Expenses Net	-0,27x	0,52x	1,36x	1,85x			

In BRL Millions

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RESULTS

INDICADORES

INVESTIMENTS

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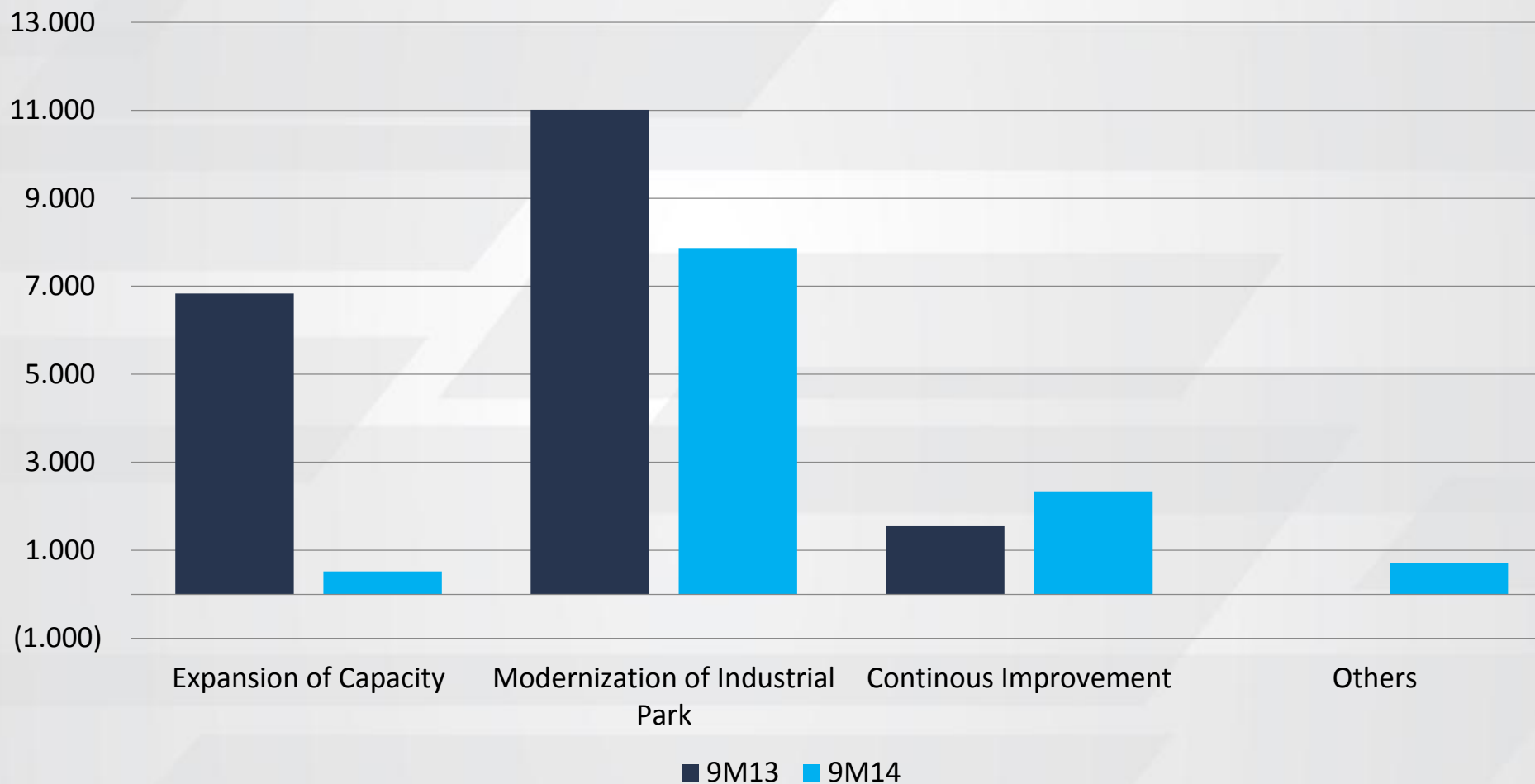


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RESULTS

INVESTMENTS IN NON-CURRENT ASSETS



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RESULTS

CAPITAL EXPENDITURES FOR 2014

CAPEX	BRL Thousands	US\$ Thousands	Part %
P&D	10,837	4,516	20%
Modernization	28,939	12,058	52%
IT	10,854	4,522	20%
Branch 5 Transfer	4,553	1,897	8%
Total	55,182	22,993	100%

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COMPANY



**DEFENSE &
SECURITY**



**METALLURGY
& PLASTICS**



RESULTS



GUIDANCE

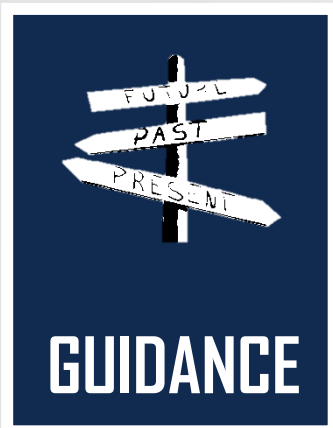


STRATEGIES

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GUIDANCE 2014

- The Management chose to not provide Net Revenue and EBITDA for 2014;
- CAPEX: the capital expenditures for 2014 approved in AGM is BRL 55,2 millions, **23%** have been done until 9M14.



COMPANY



**DEFENSE &
SECURITY**



**METALLURGY
& PLASTICS**



RESULTS



GUIDANCE



STRATEGIES

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STRATEGIES

REESTRUCTURING ACTIONS IN PROGRESS

- ☼ Stop selling forged to other companies: completed in November/2013;
- ☼ Transfer the long guns production to Polimetal (São Leopoldo) in Lean concept;
- ☼ Reduce the number of models (SKUs);



STRATEGIES

REESTRUCTURING ACTIONS IN PROGRESS

- ⚙️ Reimplementation the Management of Manufacturing System;
- ⚙️ Reduced costs and resources used in production;
- ⚙️ Structuring the Supply Chain department;
- ⚙️ Review of the entire logistics chain (use of new modes and reducing inventories).



STRATEGIES

MAIN ACTIONS FOR 2014

- Update and introduce new modules on ERP system, improving internal controls and management reports;
- Integrate the operations between Brazil and the USA;
- Expand M.I.M. markets to other markets, promoting profitability increase of the segment;

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STRATEGIES

MAIN ACTIONS FOR 2014

- Reduce dependence on the american market by increasing the volume of exports to other countries;
- Expand supply the armed forces, taking advantage of our condition of Strategic Defense Company;
- Preparing the Company to provide services of products maintenance.

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