Quarterly Information (ITR)

Forjas Taurus S.A.

March 31, 2013

Contents

Individual financial statements / Balance sheet – Assets

(In thousands of reais)

Account Code	Account description	Current quarter 03/31/2013	Prior quarter 12/31/2012
1	Total assets	840,804	830,323
1.01	Current assets	327,034	347,943
1.01.01	Cash and cash equivalents	66,690	101,560
1.01.01.01	Cash and banks	2,705	4,680
1.01.01.02	Short-term investments	63,985	96,880
1.01.03	Accounts receivable	62,930	57,803
1.01.03.01	Trade accounts receivable	62,930	57,803
1.01.04	Inventories	113,389	103,951
1.01.06	Taxes recoverable	29,587	29,567
1.01.06.01	Taxes recoverable - current	29,587	29,567
1.01.07	Prepaid expenses	1,908	2,368
1.01.08	Other current assets	52,530	52,694
1.01.08.03	Other	52,530	52,694
1.01.08.03.01	Financial instruments	31,034	32,925
1.01.08.03.03	Other receivables	21,496	19,769
1.02	Non-current assets	513,770	482,380
1.02.01	Long-term receivables	130,231	118,655
1.02.01.08	Receivable from related parties	126,506	114,580
1.02.01.08.04	Receivables from other related parties	126,506	114,580
1.02.01.09	Other non-current assets	3,725	4,075
1.02.01.09.03	Taxes recoverable	1,234	1,645
1.02.01.09.04	Others	2,491	2,430
1.02.02	Investments	315,332	296,559
1.02.02.01	Equity investments	315,332	296,559
1.02.02.01.02	Investments in subsidiaries	315,142	296,369
1.02.02.01.04	Other investments	190	190
1.02.03	Property, plant and equipment	63,523	62,334
1.02.03.01	Property and equipment in operation	55,064	54,980
1.02.03.03	Construction in progress	8,459	7,354
1.02.04	Intangible assets	4,684	4,832
1.02.04.01	Intangible assets	4,684	4,832

Individual financial statements / Balance sheet – Liabilities and equity

(In thousands of reais)

Account code	Account description	Current quarter 03/31/2013	Prior quarter 12/31/2012
2	Total liabilities and equity	840,804	830,323
2.01	Current liabilities	520,970	501,569
2.01.01	Social and labor obligations	15,102	16,506
2.01.01.01	Social security obligations	3,078	3,200
2.01.01.02	Labor obligations	12,024	13,306
2.01.02	Suppliers	43,175	40,742
2.01.02.01	Suppliers – domestic	40,876	38,787
2.01.02.02	Suppliers – foreign	2,299	1,955
2.01.03	Tax obligations	2,113	7,065
2.01.03.01	Federal tax obligations	2,086	2,202
2.01.03.01.01	Income and social contribution tax payable	2,086	2,202
2.01.03.02	State tax obligations	21	4,856
2.01.03.03	Municipal tax obligations	6	7
2.01.04	Loans and financing	404,913	388,811
2.01.04.01	Loans and financing	308,987	294,113
2.01.04.01.01	Local currency	129,381	114,281
2.01.04.01.02	Foreign currency	179,606	179,832
2.01.04.02	Debentures	95,926	94,698
2.01.05	Other payables	52,198	44,976
2.01.05.02	Other	52,198	44,976
2.01.05.02.01	Dividends and interest on equity payable	7,039	7,040
2.01.05.02.05	Foreign exchange payable	5,088	5,128
2.01.05.02.06	Derivative financial instruments	600	6,576
2.01.05.02.07	Other payables	39,471	26,232
2.01.06	Provisions	3,469	3,469
2.01.06.01	Tax, social security, labor and civil provisions	3,469	3,469
2.01.06.01.02	Social security and labor provisions	3,469	3,469
2.02	Non-current liabilities	109,968	126,974
2.02.01	Loans and financing	71,405	88,970
2.02.01.01	Loans and financing	71,405	88,970
2.02.01.01.01	Local currency	41,179	58,153
2.02.01.01.02	Foreign currency	30,226	30,817
2.02.02	Other payables	34,199	35,268
2.02.02.02	Other	34,199	35,268
2.02.02.02.04	Uncovered liabilities provision	29,007	29,456
2.02.02.02.05	Other payables	5,192	5,812
2.02.03	Deferred taxes	3,976	2,348
2.02.03.01	Deferred income and social contribution taxes	3,976	2,348
2.02.04	Provisions	388	388
2.02.04.01	Tax, Social security, labor and civil provisions	388	388
2.02.04.01.01	Tax Provisions	388	388
2.03	Equity	209,866	201,780
2.03.01	Realized capital	257,797	257,797
2.03.02	Capital reserves	-73,891	-73,891
2.03.02.05	Treasury stock	-32,895	-32,895
2.03.02.09	Capital transactions	-40,996	-40,996
2.03.04	Income reserves	321	321

Individual financial statements / Balance sheet – Liabilities and equity

(In thousands of reais)

Account code	Account description	Current quarter 03/31/2013	Prior quarter 12/31/2012
2.03.04.08	Proposed additions dividends	321	321
2.03.05	Accumulated profit/loss	-10,937	-20,604
2.03.06	Equity valuation adjustments	38,266	37,773
2.03.07	Accumulated translation adjustments	-1,690	384

Individual financial statements / Income statement

(In thousands of reais)

Account code	Account description	YTD 01/01/2013 to 03/31/2013	Prior-year accrued 01/01/2012 to 03/31/2012
3.01	Revenue from sale of products and/or services	77,979	73,978
3.02	Cost of goods sold and/or services rendered	-63,720	-60,101
3.03	Gross profit	14,259	13,877
3.04	Operating income/expenses	6,475	1,199
3.04.01	Selling expenses	-6,030	-7,134
3.04.02	General and administrative	-7,859	-7,968
3.04.04	Other operating revenues	46	498
3.04.05	Other operating expenses	-745	-1,338
3.04.06	Equity pickup	21,063	17,141
3.05	Income before financial income and taxes	20,734	15,076
3.06	Financial income, net	-10,410	-1,480
3.06.01	Financial income	10,742	44,416
3.06.02	Financial expenses	-21,152	-45,896
3.07	Income before income taxes	10,324	13,596
3.08	Income and social contribution taxes	-1,130	-1,455
3.08.02	Deferred	-1,130	-1,455
3.09	Net income from continued operations	9,194	12,141
3.11	Income/loss for the period	9,194	12,141
3.99	Earnings per share – (Reais/Share)		
3.99.01	Basic earnings per share		
3.99.01.01	ON	0.06502	0.08586
3.99.01.02	PN	0.06502	0.08586
3.99.02	Diluted earnings per share		
3.99.02.01	ON	0.06502	0.8586
3.99.02.02	PN	0.06502	0.08586

Individual financial statements / Statement of comprehensive income

(In thousands of reais)

Account code	Account description	YTD 01/01/2013 to 03/31/2013	Prior year - accrued 01/01/2012 to 03/31/2012
4.01	Net income for the period	9,194	12,141
4.02	Other comprehensive income	-1,108	-3,134
4.02.01	Translation adjustments for the period	-2,074	-3,134
4.02.03	Adjustments from financial instruments	966	0
4.03	Comprehensive income for the period	8,086	9,007

Individual financial statements / Cash flow statement – Indirect method

(In thousands of reais)

Account code	Account description	YTD 01/01/2013 to 03/31/2013	Prior year - Accrued 01/01/2012 to03/ 31/2012
6.01	Net cash from operating activities	-14,878	-1,817
6.01.01	Cash from operations	-4,947	9,426
6.01.01.01	Income before income and social contribution taxes Social	10,324	13,596
6.01.01.02	Depreciation and amortization	2,985	2,880
6.01.01.03	Cost of permanent assets disposed of	0	502
6.01.01.05	Equity pickup	-21,063	-17,141
6.01.01.06	Provision for derivative financial instruments	-1,104	288
6.01.01.08	Change in investment in subsidiaries	204	40
6.01.01.09	Allowance for doubtful accounts	-15	-42
6.01.01.10	Provision for interest on loans and financing	3,362	9,265
6.01.01.12	Provision for contingencies	360	38
6.01.02	Changes in assets and liabilities	9,931	-11,243
6.01.02.01	Decrease in customers	-5,112	46,048
6.01.02.02	(Increase) in inventories	-9,438	-6,079
6.01.02.03	(Decrease) in other accounts receivable	-1,288	-12,947
6.01.02.04	Decrease (increase) in suppliers	1,812	10,354
6.01.02.05	(Decrease) accounts payable and provisions	4,095	-48,619
6.02	Net cash used in investing activities	16,040	-11,285
6.02.01	Receivables from related companies	-11,926	-8,787
6.02.02	Other long-term receivables	350	422
6.02.03	In investments	-438	-565
6.02.04	In property, plant and equipment	-3,985	-2,355
6.02.05	In intangible assets	-41	0
6.03	Net cash from financing activities	-3,952	58,674
6.03.01	Payment of interest on equity and dividends	0	-279
6.03.02	Loans raised	7,440	105,014
6.03.03	Loans repayment	-2,797	-43,080
6.03.04	Payment of interest on loas	-8,595	-2,981
6.05	Increase (decrease) in cash and cash equivalents	-34,870	45,572
6.05.01	Opening balance of cash and cash equivalents	101,560	71,320
6.05.02	Closing balance of cash and cash equivalents	66,690	116,892

Individual financial statements / Statement of changes in equity – 01/01/2013 to 03/31/2013

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury stock	Income reserves	Retained earnings / Accumulated losses	Other comprehensive income losses	Equity
5.01	Opening balances	257,797	-73,891	321	-20,604	38,157	201,780
5.03	Adjusted opening balances	257,797	-73,891	321	-20,604	38,157	201,780
5.05	Total comprehensive income	0	0	0	9,667	-1,581	8,086
5.05.01	Net income for the period	0	0	0	9,194	0	9,194
5.05.02	Other comprehensive income	0	0	0	473	-1,581	-1,108
5.05.02.01	Adjustments of financial instruments	0	0	0	0	966	966
5.05.02.04	Translation adjustments for the period	0	0	0	0	-2,074	-2,074
5.05.02.06	Realization of equity valuation adjustments	0	0	0	473	-473	0
5.07	Closing balances	257,797	-73,891	321	-10,937	36,576	209,866

Individual financial statements / Statement of changes in equity – 01/01/2012 to 03/31/2013

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury stock	Income reserves	Retained earnings / Accumulated losses	Other comprehensive income losses	Equity
5.01	Opening balances	257,797	-73,891	107,765	0	33,664	325,335
5.03	Adjusted opening balances	257,797	-73,891	107,765	0	33,664	325,335
5.05	Total comprehensive income	0	0	0	15,672	-6,665	9,007
5.05.01	Net income for the period	0	0	0	12,141	0	12,141
5.05.02	Other comprehensive income	0	0	0	3,531	-6,665	-3,134
5.05.02.04	Translation adjustments for the period	0	0	0	0	-3,134	-3,134
5.05.02.06	Realization of equity valuation adjustments	0	0	0	3,531	-3,531	0
5.06	Internal changes in equity	0	0	15,672	-15,672	0	0
5.06.01	Setting up of reserves	0	0	15,672	-15,672	0	0
5.07	Closing balances	257,797	-73,891	123,437	0	26,999	334,342

Individual financial statements / Statements of value added

(In thousands of reais)

Account code	Account description	YTD 01/01/2013 to 03/31/2013	Prior year accrued 01/01/2012 to 03/31/2012
7.01	Revenues	87,638	91,219
7.01.01	Sales of goods, products and services	85,156	90,763
7.01.02	Other revenues	2,497	498
7.01.04	Set up /reversal of allowance for doubtful accounts	-15	-42
7.02	Input products acquired from third parties	51,746	-62,801
7.02.01	Cost of products, goods and services sold	35,987	-38,162
7.02.02	Materials, energy, third-party services and others	-15,759	-24,639
7.03	Gross value added	35,892	28,418
7.04	Retentions	-2,985	-2,880
7.04.01	Depreciation, amortization and exhaustion	-2,985	-2,880
7.05	Net value added produced by the entity	32,907	25,538
7.06	Value added received in transfer	31,805	61,557
7.06.01	Equity results	21,063	17,141
7.06.02	Financial income	10,742	44,416
7.07	Total value added to be distributed	64,712	87,095
7.08	Distribution of value added	64,712	87,095
7.08.01	Personnel	24,068	21,088
7.08.01.01	Direct remuneration	18,780	16,447
7.08.01.02	Benefits	3,870	3,123
7.08.01.03	FGTS	1,418	1,518
7.08.02	Taxes, charges and contributions	7,574	-656
7.08.02.01	Federal	5,890	-412
7.08.02.02	State	1,525	-366
7.08.02.03	Municipal	159	122
7.08.03	Remuneration of third-party capital	23,876	54,522
7.08.03.01	Interest	21,098	45,891
7.08.03.02	Rents	1,453	1,429
7.08.03.03	Other	1,325	7,202
7.08.04	Interest on own capital	9,194	12,141
7.08.04.03	Income/loss for the period	9,194	12,141

Consolidated financial statements / Balance sheet - Assets

(In thousands of reais)

Account code	Account description	YTD 03/31/2013	Prior year 12/31/2012
1	Total assets	1,150,868	1,114,304
1.01	Current assets	743,698	702,275
1.01.01	Cash and cash equivalents	247,338	180,781
1.01.01.01	Cash and banks	131,118	28,944
1.01.01.02	Financial investments	116,220	151,837
1.01.03	Trade accounts receivable	161,607	148,847
1.01.03.01	Trade accounts receivable	161,607	148,847
1.01.04	Inventories	227,702	261,527
1.01.06	Taxes recoverable	37,547	39,428
1.01.06.01	Taxes recoverable - current	37,547	39,428
1.01.07	Prepaid expenses	7,869	9,086
1.01.08	Other current assets	61,635	62,606
1.01.08.03	Other	61,635	62,606
1.01.08.03.01	Derivative financial instruments	31,466	33,513
1.01.08.03.02	Other accounts receivable	30,169	29,093
1.02	Non-current assets	407,170	412,029
1.02.01	Long-term receivables	50,758	56,470
1.02.01.06	Deferred taxes	39,149	44,049
1.02.01.06.01	Deferred income and social contribution taxes	39,149	44,049
1.02.01.09	Other non-current assets	11,609	12,421
1.02.01.09.03	Taxes recoverable	4,044	4,925
1.02.01.09.04	Others	7,565	7,496
1.02.02	Investments	15,966	15,893
1.02.02.01	Equity investments	15,966	15,893
1.02.02.01.01	Investments in affiliates	15,616	15,543
1.02.02.01.04	Other investments	350	350
1.02.03	Property, plant and equipment	280,838	278,485
1.02.03.01	Property, plant and equipment in use	264,364	253,932
1.02.03.03	Construction in progress	16,474	24,553
1.02.04	Intangible assets	59,608	61,181
1.02.04.01	Intangible assets	59,608	61,181

Consolidated financial statements / Balance sheet – Liabilities and equity

(In thousands of reais)

Account code	Account description	Current quarter 03/31/2013	Prior year 12/31/2012
2	Total liabilities	1,150,868	1,114,304
2.01	Current liabilities	693,799	638,513
2.01.01	Social and labor obligations	24,783	27,263
2.01.01.01	Social security obligations	6,467	6,513
2.01.01.02	Labor obligations	18,316	20,750
2.01.02	Suppliers	32,272	34,958
2.01.02.01	Suppliers - domestic	22,964	22,349
2.01.02.02	Suppliers - foreign	9,308	12,609
2.01.03	Tax obligations	29,871	24,631
2.01.03.01	Federal tax obligations	25,636	15,482
2.01.03.01.01	Income and social contribution tax payable	23,037	12,088
2.01.03.01.02	Other taxes	2,599	3,394
2.01.03.02	State tax obligations	4,217	9,119
2.01.03.03	Municipal tax obligations	18	30
2.01.04	Loans and financing	437,403	417,253
2.01.04.01	Loans and financing	341,477	322,555
2.01.04.01.01	Local currency	157,158	138,787
2.01.04.01.02	Foreign currency	184,319	183,768
2.01.04.02	Debentures	95,926	94,698
2.01.05	Other liabilities	164,239	129,052
2.01.05.02	Others	164,239	129,052
2.01.05.02.01	Dividends and interest on equity payable	7,039	7,040
2.01.05.02.04	Derivative financial instruments	1,635	7,750
2.01.05.02.05	Foreign exchange payable	5,088	5,128
2.01.05.02.06	Advance on real estate credits	26,555	28,711
2.01.05.02.07	Other accounts payable	5,118	10,100
2.01.05.02.08	Advance on receivables	60,345	26,375
2.01.05.02.09	Other liabilities	58,459	43,948
2.01.06	Provisions	5,231	5,356
2.01.06.01	Tax, social security, labor and civil provisions	4,600	4,507
2.01.06.01.02	Social security and labor provisions	4,600	4,507
2.01.06.02	Other provisions	631	849
2.01.06.02.01	Provision for guarantees	631	849
2.02	Non-current liabilities	247,203	274,011
2.02.01	Loans and financing	228,835	255,485
2.02.01.01	Loans and financing	228,835	255,485
2.02.01.01.01	Local currency	109,114	133,826
2.02.01.01.02	Foreign currency	119,721	121,659
2.02.02	Other liabilities	9,175	10,098
2.02.02.02	Others	9,175	10,098
2.02.02.02.04	Taxes payable	3,950	4,276
2.02.02.02.05	Other liabilities	5,225	5,882
2.02.03	Deferred taxes	6,567	5,777
2.02.03.01	Deferred income and social contribution taxes	6,567	5,777

Consolidated financial statements / Balance sheet – Liabilities and equity

(In thousands of reais)

Account code	Account description	Current quarter 03/31/2013	Prior year 12/31/2012
2.02.04	Provisions	2,626	2,651
2.02.04.01	Tax, social security, labor and civil provisions	2,626	2,651
2.02.04.01.01	Tax provisions	2,446	2,469
2.02.04.01.02	Social security and labor provisions	180	182
2.03	Consolidated equity	209,866	201,780
2.03.01	Realized capital	257,797	257,797
2.03.02	Capital reserves	-73,891	-73,891
2.03.02.05	Treasury stock	-32,895	-32,895
2.03.02.09	Capital transactions	-40,996	-40,996
2.03.04	Income reserves	321	321
2.03.04.06	Special reserve for undistributed dividends	321	321
2.03.05	Accumulated profit/loss	-10,937	-20,604
2.03.06	Equity valuation adjustments	38,266	37,773
2.03.07	Accumulated translation adjustments	-1,690	384

Consolidated financial statements / Income statement

(In thousands of reais)

Account code	Account description	YTD 01/01/2013 to 03/31/2013	Prior year Accrued 01/01/2012 to 03/31/2012
3.01	Revenue from sale of products and/or services	228,695	178,364
3.02	Cost of goods sold and/or services rendered	-150,281	-112,215
3.03	Gross profit	77,951	66,149
3.04	Operating income/expenses	-40,918	-35,783
3.04.01	Selling expenses	-22,208	-21,368
3.04.02	General and administrative	-16,866	-14,008
3.04.04	Other operating revenues	1,513	1,395
3.04.05	Other operating expenses	-3,430	-2,251
3.04.06	Equity results	73	449
3.05	Income before financial income and taxes	37,033	30,366
3.06	Financial income, net	-13,026	-1,936
3.06.01	Financial income	13,841	46,589
3.06.02	Financial expenses	-26,867	-48,525
3.07	Income before income taxes	24,007	28,430
3.08	Income and social contribution taxes	-14,813	-11,123
3.08.01	Current	-9,615	-6,712
3.08.02	Deferred	-5198	-4,411
3.09	Net income from continued operations	9,194	17,307
3.10	Loss from discontinued operations	0	-5,166
3.11	Consolidated income/loss for the period	9,194	12,141
3.11.01	Attributed to shareholders of parent company	9,194	12,141
3.99	Earnings per share – (Reais/Share)		
3.99.01	Basic earnings per share		
3.99.01.01	ON	0.06502	0.08586
3.99.01.02	PN	0.06502	0.08586
3.99.02	Diluted earnings per share		
3.99.02.01	ON	0.06502	0.08586
3.99.02.02	PN	0.06502	0.08586

Consolidated financial statements / Statement of comprehensive income

(In thousands of reais)

Account code	Account description	YTD 01/01/2013 to 03/31/2013	Prior year accrued 01/01/2012 to 03/31/2012
4.01	Consolidated net income for the period	9,194	12,141
4.02	Other comprehensive income	-1,108	-3,134
4.02.01	Cumulative translation adjustment for the period	-2,074	-3,134
4.02.02	Adjustments of financial instruments	966	0
4.03	Consolidated comprehensive income for the period	8,086	9,007
4.03.01	Attributed to shareholders of parent company	8,086	9,007

Consolidated financial statements / Cash flow statement – Indirect method

(In thousands of reais)

Account code	Account description	YTD 01/01/2013 to 03/31/2013	Prior year Accrued 01/01/2012 to 03/31/2012
6.01	Net cash from operating activities	89,919	-3,511
6.01.01	Cash from operations	38,347	31,152
6.01.01.01	Income before income and social contribution taxes Social	24,007	23,264
6.01.01.02	Depreciation and amortization	8,083	7,555
6.01.01.03	Cost of permanent assets disposed of	1,145	318
6.01.01.05	Equity pickup	-73	-449
6.01.01.07	Provision for interest on loans and financing	4,288	8,256
6.01.01.08	Provision for derivative financial instruments	-964	224
6.01.01.09	Non-controlling shareholders	0	100
6.01.01.11	Swap on financial operations	0	-10,531
6.01.01.12	Allowance for doubtful accounts	1,045	1,153
6.01.01.13	Provision for interest on real estate credit	0	1,224
6.01.01.14	Provision for contingencies	816	38
6.01.02	Changes in assets and liabilities	53,610	-26,255
6.01.02.01	(Increase) decrease in customers	-13,805	2,610
6.01.02.02	(Increase) decrease in inventories	33,825	13,867
6.01.02.03	Decrease (increase) in other accounts receivable	532	-5,871
6.01.02.04	Decrease (increase) in suppliers	-3,307	-8,335
6.01.02.05	Increase (decrease) in accounts payable and provisions	36,365	-28,526
6.01.03	Other	-2,038	-8,408
6.01.03.01	Profits and dividends received from subsidiaries	262	589
6.01.03.02	Payment of income and social contribution taxes	-2,300	-4,120
6.01.03.03	Assets and liabilities held for sale	0	-4,877
6.02	Net cash used in investing activities	-10,964	-20,748
6.02.01	Receivables from related companies	0	219
6.02.02	Other receivables	109	322
6.02.03	In investments	0	-60
6.02.04	In property, plant and equipment	-10,799	-16,159
6.02.05	In intangible assets	-56	-5,070
6.03	Net cash from financing activities	-12,398	48,013
6.03.02	Payment of interest on equity and dividends	0	-279
6.03.03	Borrowings	9,945	109,017
6.03.04	Loan repayments	-8,824	-52,142
6.03.05	Payment of interest on loas	-10,114	-5,419
6.03.09	Real estate credits	-2,155	-1,710
6.03.10	Payables to related companies	0	-219
6.03.11	Interest paid by real estate credits	-923	-1,235
6.03.12	Other	-327	0
6.05	Increase (decrease) in cash and cash equivalents	66,557	23,754
6.05.01	Opening balance of cash and cash equivalents	180,781	162,226
6.05.02	Closing balance of cash and cash equivalents	247,338	185,980

Consolidated financial statements / Statement of changes in equity – 01/01/2013 to 03/31/2013

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, Granted options and Treasury stock	Income Reserves	Retained earnings / Accumulated Losses	Other comprehensive income	Equity	Non-controlling Interest	Consolidated equity
5.01	Opening balances	257,797	-73,891	321	-20,604	38,157	201,780	0	201,708
5.03	Adjusted opening balances	257,797	-73,891	321	-20,604	38,157	201,708	0	201,708
5.05	Total comprehensive income	0	0	0	9,667	-1,581	8,086	0	8,086
5.05.01	Net income for the period	0	0	0	9,194	0	9,194	0	9,194
5.05.02	Other comprehensive income	0	0	0	473	-1,581	-1,108	0	-1,108
5.05.02.01	Adjustments of financial instruments	0	0	0	0	966	966	0	966
5.05.02.04	Translation adjustments for the period	0	0	0	0	-2,074	-2,074	0	-2,074
5.05.02.06	Realization of equity valuation adjustment	0	0	0	473	-473	0	0	0
5.07	Closing balances	257,797	-73,891	321	-10,937	36,576	209,866	0	209,866

Consolidated financial statements / Statement of changes in equity – 01/01/2012 to 03/31/2013

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, Granted options and Treasury stock	Income reserves	Retained earnings / Accumulated losses	Other comprehensive income	Equity	Non-controlling interest	Consolidated Equity
5.01	Opening balances	257,797	-73,891	107,765	0	33,664	325,335	-100	325,235
5.03	Adjusted opening balances	257,797	-73,891	107,765	0	33,664	325,335	-100	325,235
5.04	Capital transactions with shareholders	0	0	0	0	0	0	100	100
5.04.08	Non-controlling shareholders	0	0	0	0	0	0	100	100
5.05	Total comprehensive income	0	0	0	15,672	-6,665	9,007	0	9,007
5.05.01	Net income for the period	0	0	0	12,141	0	12,141	0	12,141
5.05.02	Other comprehensive income	0	0	0	3,531	-6,665	-3,134	0	-3,134
5.05.02.04	Translation adjustments for the period	0	0	0	0	-3,134	-3,134	0	-3,134
5.05.02.06	Realization of equity valuation adjustments	0	0	0	3,531	-3,531	0	0	0
5.06	Internal changes in equity	0	0	15,672	-15,672	0	0	0	0
5.06.01	Setting up of reserves	0	0	15,672	-15,672	0	0	0	0
5.07	Closing balances	257,797	-73,891	123,437	0	26,999	334,342	0	334,342

Consolidated financial statements / Statements of value added

(In thousands of reais)

Account code	Account description	YTD 01/01/2013 to 03/31/2013	Prior year accrued 01/01/2012 to 03/31/2012
7.01	Revenues	264,315	226,416
7.01.01	Sales of goods, products and services	263,776	226,174
7.01.02	Other income	1,584	1,395
7.01.04	Set up /reversal of allowance for doubtful accounts	-1,045	-1,153
7.02	Input products acquired from third parties	-168,338	-117,928
7.02.01	Cost of products, goods and services sold	-101,570	-63,188
7.02.02	Materials, energy, third-party services and others	-66,768	-54,740
7.03	Gross value added	95,977	108,488
7.04	Retentions	-8,083	-7,555
7.04.01	Depreciation, amortization and exhaustion	-8,083	-7,555
7.05	Net value added produced by the entity	87,894	100,933
7.06	Value added received in transfer	13,914	41,872
7.06.01	Equity results	73	449
7.06.02	Financial income	13,841	46,589
7.06.03	Other	0	-5,166
7.07	Total value added to be distributed	101,808	142,805
7.08	Distribution of value added	101,808	142,805
7.08.01	Personnel	50,232	38,535
7.08.01.01	Direct remuneration	41,593	30,816
7.08.01.02	Benefits	6,362	3,913
7.08.01.03	FGTS	2,277	3,806
7.08.02	Taxes, charges and contributions	9,255	34,155
7.08.02.01	Federal	6,380	27,020
7.08.02.02	State	2,557	6,949
7.08.02.03	Municipal	318	186
7.08.03	Remuneration of third-party capital	33,127	57,974
7.08.03.01	Interest	26,375	48,525
7.08.03.02	Rents	3,117	137
7.08.03.03	Other	3,635	9,312
7.08.04	Interest on own capital	9,194	12,141
7.08.04.03	Income/loss for the period	9,194	12,141

1. Operations

Forjas Taurus S.A. ("Company") is a Brazilian stock corporation, with its registered office in Porto Alegre (RS), and its activities include the manufacture and sale of revolvers, military and civilian pistols, ammunition and investing in other companies. The subsidiary companies produce and sell civilian pistols, glasses, metal parts to order, bullet proof jackets, motorbike helmets, injected plastic products, tools for civil construction, mechanical, gardening and similar products, the purchase, sale and rental of own and third party real estate.

At March 31, 2013, the Company and its subsidiaries operated with seven industrial plants, four of which are located in the state of Rio Grande do Sul, one in the state of Paraná, one in the state of Bahia and one located in the United States of America.

Sales made by the Company and its subsidiaries are directed mainly to private customers in the foreign market, particularly those located in North America, and also public bodies in the domestic market, mainly the state, civil and military police. Sales made by the Company and its subsidiaries are not subject to restrictions and there is no significant concentration that implies dependence on government bodies or any other single client. Given the specific characteristics of the weapons and ammunitions market, the Company and its subsidiaries are supervised and follow the rules issued by the national and foreign security bodies for part of their operations.

The Company's shares, ON (FJTA3) and PN (FJTA4), have been listed on Bovespa since March 1982.

2. Consolidation basis

		Interest	
	Country	**03-31-2013**	**12-31-2012**
Taurus Blindagens Ltda.*	Brazil	**100.00%**	100.00%
Taurus Blindagens Nordeste Ltda.*	Brazil	**100.00%**	100.00%
Taurus Holdings, Inc.	United States	**100.00%**	100.00%
Taurus Security Ltda.	Brazil	**100.00%**	100.00%
Taurus Máquinas-Ferramenta Ltda.	Brazil	**100.00%**	100.00%
Taurus Investimentos Imobiliários Ltda.*	Brazil	**100.00%**	100.00%
Famastil Taurus Ferramentas S.A.**	Brazil	**35.00%**	35.00%
Taurus Helmets Indústria Plástica Ltda.	Brazil	**100.00%**	100.00%
Polimetal Metalurgia e Plásticos Ltda.	Brazil	**100.00%**	100.00%
Steelinject – Injeção de Aços Ltda.*	Brazil	**100.00%**	100.00%

(*) The investments reported represent the percentage interest held by the investing Company directly or indirectly in the capital of the subsidiary companies.
(**) Not consolidated.

3. Basis for preparation

a) Declaration of conformity (relating to IFRS and CPC standards)

These financial statements include the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil (BR GAAP) and the individual financial statements of the Company prepared in accordance with BR GAAP.

The Company's individual financial statements were prepared in accordance with BR GAAP and, in the case of the Company, these practices differ from IFRS applicable to separate financial statements, since the investments held in subsidiaries and associated companies are valued using the equity method in BR GAAP, whilst for purposes of IFRS they are valued at cost or fair value.

b) Basis of measurement

The individual and consolidated financial statements were prepared on a historical cost basis, except for the following material items recognized in the balance sheets: derivative financial instruments stated at fair value and financial instruments stated at fair value through profit or loss.

c) Functional and reporting currency

The individual and consolidated financial statements are presented in Brazilian Reais, which is the functional currency of the Company and its subsidiaries located in Brazil. The functional currency of the subsidiary Taurus Holdings, Inc., located in the United States, is the US dollar.

d) Use of estimates and judgments

Preparation of individual and consolidated financial statements in accordance with IFRS and Brazilian FASB (CPC) pronouncements requires Management to make judgments, estimates and assumptions that affect the application of accounting practices and the amounts reported for assets, liabilities, income and expenses. The actual results could differ from these estimates.

Estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information on key judgments referring to the accounting policies adopted that affect the amounts recognized in the individual and consolidated financial statements and information on uncertainties, assumptions and estimates has been included in the following notes: 13 – Deferred tax assets and liabilities, 20 – Contingencies and 21 – Financial instruments.

3. Preparation basis (Continued)

a) Restatement of financial statements

On June 21, 2012 Forjas Taurus S/A completed the sale of the operations of Taurus Máquinas-Ferramenta Ltda. (“TMFL”) to Renill Participações Ltda. (“RPL”) in the amount of R$115,350 as per the Share Purchase and Sale Agreement and Other Covenants (“Agreement”) signed between the parties.

As mentioned in Note 8, the parties renegotiated the selling price and payment terms, adjusting the total amount of the Agreement for sale of TMFL operations to R$57,520.

The accounting effect of the renegotiation resulted in a reduction in the selling value from R$115,350 to R$57,520, corresponding to a loss of R$57,830.

The Company revisited all agreements and correspondence related to the sale and concluded, in line with the position expressed by the external auditors, that the events that led to the reduction of the original selling value were already present on June 20, 2012 and, as such, the loss should have been recognized on such date.

Given this, the Company decided, voluntarily, to retroactively adjust all effects in the financial statements, as set out in CPC 23 – Accounting Policies, Changes in Accounting Estimates and Correction of Errors (equivalent to IAS 8), as follows:

	Consolidated					
	At March 31, 2013					
	Assets		Liabilities and equity			
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity	Net income for the year
Balance originally disclosed	**767,323**	**536,586**	**521,497**	**410,739**	**371,673**	**11,881**
Write-off of accounts receivable (a)	-	(57,830)	-	-	(57,830)	-
Supplementary provision for losses (b)	(4,916)	(57,699)	-	-	(62,615)	(1,871)
Provision for inventory losses (c)	(10,389)	-	-	-	(10,389)	(823)
Allowance for doubtful accounts (c)	(8,320)	-	-	-	(8,320)	-
Provision for impairment of PP&E (c)	-	-	2,723	-	(9,137)	540
Provision for tax and civil contingencies (c)	-	(13,522)	-	6,414	(13,522)	-
Adjustments – transactions with subsidiaries	-	-	(371)		371	371
Deferred taxes	-	(365)	-	-	(365)	(904)
Transfer to current assets/liabilities (d)	-	-	169,950	(169,950)	-	-
Restated balance	**743,698**	**407,170**	**693,799**	**274,203**	**209,866**	**9,194**

3. **Base de preparação**—Continuação

e) Restatement of financial statements (Continued)

	Company At March 31, 2013					
	Assets		Liabilities and equity			
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity	Net income (loss) for the year
Balance originally disclosed	**330,361**	**640,253**	**367,260**	**231,681**	**371,673**	**11,881**
Equity pickup	-	(127,556)	-	-	(127,556)	(1,911)
Provision for capital deficiency	-	-	-	28,759	(28,759)	448
Provision for tax and civil contingencies (c)	-	-	1,146	2,463	(3,609)	237
Provision for inventory losses (c)	(2,254)	-	-	-	(2,254)	(1,832)
Adjustments – transactions with subsidiaries	(1,073)	1,073	(371)	-	371	371
Transfer to current liabilities (d)	-	-	152,935	(152,935)	-	-
Restated balance	**327,034**	**513,770**	**520,970**	**109,968**	**209,866**	**9,194**

(a) Write-off of accounts receivable generated by the sale of the machinery operations, as a result of renegotiation, resulting in a reduction of the selling value, as mentioned in Note 8..

(b) In addition to write-off of accounts receivable generated by the sale of the machinery operations, as mentioned in item (a) above, management recorded a supplementary provision for losses regarding the balance 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 CPC 24, which addresses subsequent events occurring between the financial statements date and the date of approval for restatements, such allowance was also recognized as of June 30, 2012.

(c) Because of the adjustments for restatement purposes, management undertook a new approval process for its financial statements. As part of this process and in accordance with CPC 24, the impacts of subsequent events occurring between the financial statements date and approval for their restatement were also considered. These events evidence conditions existing at the time the statements were adjusted for restatement purposes.

(d) Considering the record of losses, as indicated above, certain financial ratios (covenants) of loan and debenture agreements were not met, and the long-term portion was reclassified to current liabilities.

3. **Basis of preparation** (Continued)

e) Restatement of financial statements (Continued)

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.

The statements of comprehensive income, statements of changes in equity, cash flow statements and statements of value added were adjusted to reflect the effects indicated.

Authorization to complete the preparation and restatement of interim financial statements occurred at the board meeting of March 24, 2014.

4. Significant accounting practices

The calculation policies and method adopted in this quarterly information are the same as those adopted for preparation of the financial statements for the year ended December 31, 2012, described in Note 4 therein.

5. Measurement of fair value

Several of the Company's policies and disclosures require that fair values be measured, for both financial and nonfinancial assets and liabilities. The fair values have been determined for measurement and/or disclosure purposes based on the methods described below. When applicable, additional information on the assumptions adopted for measuring the fair values is disclosed in the specific note to that asset or liability.

(i) *Trade accounts receivable and other receivables*

The fair value of accounts receivable and other receivables is estimated as the present value of future cash flows, discounted using the market interest rate on the reporting date.

(ii) *Derivatives*

The fair value of future foreign exchange contracts is based on the listed market price, when available. If a listed market price is not available, the fair value is estimated discounting the difference between the contractual forward price and the current forward price for the remaining period of the contract using a risk free interest rate (based on public securities). The fair value of interest rate swap contracts is based on brokers' quotations. These quotations are tested for reasonableness by means of discounted estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument calculated at the measurement date. The fair values reflect the credit risk of the instrument and include adjustments to consider the credit risk of the Company and counterparties when appropriate.

(iii) *Non-derivative financial liabilities*

The fair value, which is determined for disclosure purposes, is calculated based on the present value of the principal and future cash flows, discounted using the market interest rate determined at the reporting date of the financial statements. For liability components of convertible debt instruments, the market interest rate is determined by reference to similar liabilities that do not have conversion options. For finance leases, the interest rate is determined by reference to similar leasing contracts.

6. Financial risk management

The Company is exposed to the following risks arising from the use of financial instruments: credit risk, liquidity risk, market risk and operational risk.

This note presents information on the Company's exposure to each of the aforementioned risks, the objectives of the Company, its policies and processes for measuring and managing risk, and management of the Company's capital. Additional quantitative disclosures, including sensitivity analyses, are disclosed in Note 21.

(i) Risk management structure

The risk management policies are established to identify and analyze the risks faced by the Company, to define appropriate risk limits and controls and to monitor risks and adherence to limits. The risk management systems and policies are revised frequently to reflect any changes in market conditions and the Company's activities. The Company, through its rules, training and management procedures, aims at developing a disciplined and constructive control environment, where all employees understand their roles and obligations.

Management accompanies compliance with the Company's risk management procedures and policies and revises the adequacy of the risk management structure in relation to the risks faced by the Company.

6. Financial risk management (Continued)

(ii) Credit risks

Credit risk is the risk of financial losses for the Company in the event a customer or counterparty to a financial instrument fails to comply with its contractual obligations, and refers mainly to trade accounts receivable and investment securities. In relation to financial institutions, the Company and its subsidiaries only carry out operations with financial institutions considered by management as involving low risk.

(iii) Trade accounts receivable and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each client. The Company and its subsidiaries adopt the practice to analyze the financial situation of its counterparties, and also define credit limits and permanently accompany outstanding balances. The Company's sales income is not concentrated with a single client, and there is no concentration of credit risk.

The Company established a credit policy where the credit worthiness of every new client is analyzed individually before the Company's standard payment and delivery terms and conditions are offered. This analysis includes external evaluations, when available, and in some cases references from banking institutions. Purchase limits are established for each client, which represent the maximum amount available without prior approval being required, with these limits revised quarterly. Clients that fail to comply with the credit limit established can only operate with the Company based on advance payments. For public bodies Company management individually evaluates the ability to pay and the bid requirements for making the sales. The Company does not have customers that individually represent more than 5% of sales.

For purposes of monitoring credit risk from customers, the customers are grouped based on their credit characteristics, including whether they are individuals or corporate entities, retailers or public entities, their geographical location, industry and the existence of any prior financial difficulties.

6. **Financial risk management** (Continued)

(iii) Trade accounts receivable and other receivables (Continued)

The Company establishes a provision for impairment losses which represents its estimate of losses incurred from trade accounts receivable, other receivables and investments.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will face difficulties in fulfilling its obligations associated with its financial liabilities which are liquidated with cash payments or with other financial assets. The Company's approach for liquidity management is to guarantee, as far as possible, that it always has sufficient liquidity to fulfill its obligations that fall due, under normal and stress conditions, without causing unacceptable losses or risks that would adversely affect the Company's reputation.

Typically, the Company ensures that it has sufficient cash to meet its expected operating expenses for approximately 60 days, including fulfilling financial obligations; this does not include the potential impact from extreme circumstances that cannot be reasonably forecast, such as natural disasters. In addition, the Company has approved credit lines, but not yet contracted, from the largest banks that operate in Brazil, for approximately R$ 750 million, at market rates and terms.

Additionally, Subsidiary Taurus Holdings, Inc. has a credit line of USD 75 million and, at March 31, 2013, it had used USD 36.2 million.

6. **Financial risk management** (Continued)

(v) Market risk

Market risk is the risk that variation in market prices, such as foreign exchange rates and interest rates, will affect the Company's results. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters, and at the same time optimize return.

The Company uses derivative financial instruments and also fulfills its financial obligations to manage market risks. All of these operations are undertaken within the guidelines established by Management.

(vi) Foreign currency risk

The Company is subject to foreign currency risk from sales, purchases and loans denominated in a currency different from the respective functional currencies of the Company's entities, which in the majority of cases is the Real (R$), but also the US dollar (USD). The main currency in which these transactions are denominated is the Real (R$).

In general, the Company aims to protect its expected exposure to foreign currencies in relation to sales forecast for the next six months. The Company uses future market contracts to obtain protection against exchange risk, the majority of which mature in less than one year from the date of the financial statements. When necessary, the future market contracts are renewed when they mature.

In relation to other monetary assets and liabilities denominated in foreign currencies, the Company aims to ensure that its net exposure is maintained at an acceptable level, buying and selling foreign currency at spot interest rates, when necessary, to deal with short term instabilities.

6. **Financial risk management** (Continued)

(vii) Interest rate risk

The Company adopts a policy to guarantee that approximately 30% of its exposure to changes in interest rates for loans is based on a fixed rate.

(viii) Operating risk

Operational risk is the risk of direct or indirect losses arising from a variety of causes related to proceedings, personnel, technology and infrastructure and external factors, except credit, market and liquidity risks, as those due to legal and regulatory requirements and generally accepted standards for business conduct. Operational risks arise from all of the Company's operations.

The Company's objective is to administer operational risk to avoid financial losses occurring and damage to its reputation, and to ensure efficient costs and to avoid control procedures that restrict initiative and creativity.

Top management is assigned the responsibility to develop and implement controls to deal with operational risks within each business unit. This responsibility is supported by the Company's general standards developed to administer operational risks in the following areas: Requirements for adequate segregation of duties, including independent authorization of operations; requirements to reconcile and monitor operations; Compliance with regulatory and legal requirements; Documentation of controls and procedures; Requirements for the periodic evaluation of operational risks faced and adequate controls and procedures to deal with the risks identified; Requirements to report operating losses and the corrective actions proposed; development of contingency plans; professional training and development; ethical and commercial standards; mitigating risks, including insurance when effective.

Compliance with the Company's rules is supported by a program involving the periodic analyses of the responsibilities of internal audit. The results of the internal audit analyses are discussed with management from the related business unit, and a summary is sent to the Company's top management.

6. **Financial risk management** (Continued)

(ix) Capital management

Management's policy is to maintain a solid capital base to maintain investor, creditor and market confidence and ensure the future development of the business. Management monitors the returns on capital, which the Company defines as results from operating activities divided by total equity, excluding non redeemable preferred shares and non-controlling interests. Management also monitors the level of dividends for the common and preferred shareholders.

The Company's consolidated liabilities in relation to adjusted capital at the end of the period are presented below:

	03-31-2013 (restated)	**12-31-2012 (restated)**
Total liabilities	**941,002**	912,524
Less: Cash and cash equivalents	**(247,338)**	(180,781)
Net debt (A)	**693,664**	731,473
Total equity (B)	**209,866**	201,780
Net debt to equity ratio at March 31, 2013 and December 31, 2012 (A/B)	**3.31**	3.63

There were no changes in the Company's approach to managing capital during the period. Neither the Company nor its subsidiaries or associated companies are subject to capital requirements imposed externally. The entity manages its capital requirements in an aggregated manner.

7. Operating segments

The Company has four reportable segments, as described below, which are its strategic business units. The strategic business units offer different products and services and are administered separately, since they require different technologies and marketing strategies. For each one of the strategic business units, management analyzes the internal reports at least every quarter. The following summary describes the operations of each one of the Company's reportable segments:

7. **Operating segments** (Continued)

Weapons – the weapons production process, since it refers mainly to a metallurgical industry, is based on the following basic stages: forging (based on flat sheets), machining (based on flat steel sheets and milling, drilling, lathes, broaching machines, etc.), MIM – *Metal Injection Molding*, assembly (manual), finishing (basically polishing), surface thermal treatment and final assembly (necessary adjustments); these operations are undertaken by Forjas Taurus S.A. and Taurus Holdings, Inc. and its subsidiaries.

Helmets – the helmet production process is based on the following stages: Injection (based on ABS – *Acrylonitrile Butadigne Styrene*), painting and finishing (based on injected parts, using manual and automated painting processes), sewing (based on cloth, sponge and polycarbonate sheets, using cutting and sewing machines) and final assembly; these operations are undertaken by Taurus Blindagens Ltda., Taurus Blindagens Nordeste Ltda. and Taurus Helmets Industria Plástica Ltda.

Machinery – this refers to developing, manufacturing and selling operating machinery and related components; these operations used to be undertaken by Taurus Máquinas-Ferramenta Ltda. and its subsidiary SM Metalurgia Ltda. These operations were disposed of in June 2012 through sale of SM Metalurgia Ltda.

Others – the result of the forging segment (Polimetal Metalurgia e Plásticos Ltda.); bulletproof jackets and plastic products (Taurus Blindagens Ltda.). These also include other operations such as the manufacture and sale of glasses, anti-riot shields and providing services. None of these operating segments reached any of the quantitative limits for determining reportable segments at March 31, 2013 and 2012.

Information on the results of each reportable segment is included below. Performance is evaluated based on the profit of the segment before income tax and social contribution, as included in the internal management reports which are analyzed by Company management. The segment's profit is used to evaluate performance, since Management understands that this information is more relevant in evaluating the results of certain segments in relation to other entities that operate in these industries. The pricing of transactions between segments is determined based on market terms.

7. Operating segments (Continued)

The reconciliation of income, profits and losses, assets, liabilities and other material items for reportable segments is presented below:

	Weapons		Helmets		Machinery (discontinued)		Others		Total	
	03-31-2013	03-31-2012	03-31-2013	03-31-2012	03-31-2013	03-31-2012	03-31-2013	03-31-2012	03-31-2013	03-31-2012
External income	**181,419**	131,100	**29,888**	31,987	**-**	6,784	**17,388**	15,277	**228,695**	185,148
Inter-segment income	**-**	-	**-**	42	**-**	703	**1,574**	22,114	**1,574**	22,859
Cost of sales	**(117,669)**	(87,288)	**(19,589)**	(18,268)	**-**	(7,773)	**(13,486)**	(6,659)	**(150,744)**	(119,988)
Gross profit (loss)	**63,750**	43,812	**10,299**	13,761	**-**	(286)	**5,476**	30,732	**79,525**	88,019
Selling expenses	**(15,863)**	(15,888)	**(4,481)**	(4,538)	**(193)**	(775)	**(1,109)**	(919)	**(21,646)**	(22,120)
General and administrative expenses	**(14,512)**	(11,709)	**(574)**	(803)	**(138)**	(1,064)	**(527)**	(533)	**(15,751)**	(14,109)
Depreciation and amortization	**(1,259)**	(1,059)	**(50)**	(57)	**-**	-	**(368)**	(375)	**(1,677)**	(1,491)
Other operating income (expenses), net	**(628)**	(601)	**801**	295	**(968)**	(644)	**(1,122)**	(45)	**(1,917)**	(995)
Equity results	**-**	-	**-**	-	**-**	-	**73**	449	**73**	449
	(32,262)	(29,257)	**(4,304)**	(5,103)	**(1,299)**	(2,483)	**(3,053)**	(1,423)	**(40,918)**	(38,266)
Operating profit (loss)	**31,448**	14,555	**5,995**	8,658	**(1,299)**	(2,769)	**2,423**	29,309	**38,607**	49,753
Financial income	**10,747**	44,099	**1,396**	1,539	**1,145**	322	**553**	951	**13,841**	46,911
Financial expenses	**(21,662)**	(45,919)	**(1,509)**	(670)	**(1,628)**	(2,182)	**(2,068)**	(1,936)	**(26,867)**	(50,707)
Financial income (expenses), net	**(10,915)**	(1,820)	**(113)**	869	**(483)**	(1,860)	**(1,515)**	(985)	**(13,026)**	(3,796)
Profit (loss) per reportable segment before income and social contribution taxes	**20,573**	12,735	**5,882**	9,527	**(1,782)**	(4,629)	**908**	28,324	**25,581**	45,957
Elimination of inter-segment income	**-**	-	**-**	(42)	**-**	(703)	**(1,574)**	(22,114)	**(1,574)**	(22,859)
Income before income and social contribution taxes	**20,573**	12,735	**5,882**	9,485	**(1,782)**	(5,332)	**(666)**	6,210	**24,007**	23,098
Income and social contribution taxes	**(13,491)**	(7,747)	**(1,347)**	(2,354)	**(68)**	166	**93**	(1,022)	**(14,813)**	(10,957)
Net income for the year	**7,082**	4,988	**4,535**	7,131	**(1,850)**	(5,166)	**(573)**	5,188	**9,194**	12,141
Assets of reportable segments	**729,096**	566,554	**166,724**	137,724	**32,273**	132,894	**222,775**	289,755	**1,150,868**	1,126,927
Liabilities of reportable segments	**727,791**	628,637	**70,543**	33,081	**70,046**	72,536	**72,622**	58,331	**941,002**	792,585

7. **Operating segments** (Continued)

	03-31-2012
Revenue	
Total income from reportable segments	185,148
Elimination of discontinued operations	(6,784)
Consolidated income	178,364

Geographic segments

For purposes of presenting information for geographic segments, segment income is based on the geographic location of client.

	Weapons	
	03-31-2013	**03-31-2012**
Domestic market		
Southeast	**3,488**	9,492
South	**4,112**	5,956
Northeast	**2,064**	4,618
North	**1,142**	393
Mid-West	**2,249**	1,922
	13,055	22,381
Foreign market		
United States	**160,089**	102,415
Argentina	**197**	237
Peru	**325**	623
Colombia	**1,982**	-
Pakistan	**550**	583
Haiti	**4,070**	-
Chile	**24**	3,528
Dominican Republic	**1,092**	-
Other countries	**35**	1,333
	168,364	108,719
	181,419	131,100

7. **Operating segments** (Continued)

	Helmets	
	03-31-2013	**03-31-2012**
Domestic market		
Southeast	**8,527**	9,071
South	**1,737**	1,976
Northeast	**8,710**	9,141
North	**5,717**	6,736
Mid-West	**5,029**	4,953
	29,720	31,877
Foreign market		
Paraguay	**168**	130
	168	130
	29,888	32,007

	Machinery (discontinued)	
	03-31-2013	**03-31-2012**
Domestic market		
Southeast	**-**	6,570
South	**-**	203
	-	6,773
Foreign market		
United States	**-**	11
	-	11
	-	6,784

The sales made by the Company's other segments are concentrated on the domestic market and are spread throughout Brazil.

Sales made by the Company and its subsidiaries are not subject to restrictions and there is no significant concentration that implies dependence on government bodies or any other single client.

There is no significant non-cash items, excepting depreciation and amortization, to be reported in the information per segment.

8. Assets and liabilities held for sale and discontinued operations

In September 2011, management decided to dispose of subsidiary Taurus Máquinas-Ferramenta Ltda. As from said date, the investment in subsidiary Taurus Máquinas was recognized by the equity method and reclassified to assets held for sale in the individual financial statements. The assets and liabilities related to this subsidiary were reclassified in the consolidated financial statements as "held for sale". Its results started to be separately disclosed in a specific line in the income statement. Provision for impairment of assets was recorded for assets of which the book value was in excess of fair value, less expenses to sell. The table below sets out the balance of transactions classified as discontinued operations until the disposal of the machinery activities by the Group.

	03-31-2012
Loss for the period from discontinued operations	
Revenues	10,347
Expenses	(15,513)
Loss for the period from discontinued operations	(5,166)

<u>Sale of TMFL – Taurus Máquinas-Ferramenta Ltda.</u>

On June 21, 2012, Forjas Taurus S.A. concluded the sale of the operational activities of Taurus Máquinas-Ferramenta Ltda. ("TMFL") to Renill Participações Ltda. ("RPL"), as per the Agreement for Purchase and Sale of Units of Interest and Other Covenants ("Agreement") executed by and between the parties.

The selling company was Taurus Máquinas-Ferramenta Ltda. ("TMFL"), with the consent of Wotan Máquinas Ltda. and Taurus Investimentos Imobiliários Ltda. ("TIIL"), through set up of a company denominated SM Metalurgia Ltda. ("SML"), whose subscribed capital of R$115,350 represents the final selling amount, paid with properties, machinery and inventories.

With payment of the debt, of the capitalization and payment in kind by Wotan Máquinas Ltda. and Taurus Investimentos Imobiliários Ltda., Taurus Máquinas-Ferramenta Ltda. now holds the totality of the units of interest of SM Metalurgia Ltda., and Renill Participações Ltda. has the commitment to sell and the commitment to purchase the totality of the units of interest for R$115,350.

Renegotiation

On August 12, 2013, Renill Participações Ltda.("RPL") requested renegotiation of the conditions of the Agreement for Purchase and Sale of Units of Interest and Other Covenants, referring to the sale of the subsidiary SM Metalurgia Ltda. ("SML").

8. **Assets and liabilities held for sale and discontinued operations** (Continued)

<u>Sale of TMFL – Taurus Máquinas-Ferramenta Ltda.</u>

Renegotiation (Continued)

On September 12, 2013, the Company disclosed a material news release stating that it concluded the review of the Agreement conditions for sale of the subsidiary SML, executing an amendment thereto after analyzing the original terms.

The Parties renegotiated the selling price and payment conditions, adjusting the total Agreement amount to R$57,520, payable as follows:

(a) 1st installment of R$1,960, restated based on the TJLP plus interest of 1.8% p.a., payable by RPL, through SML, with supply of parts in the provision of guarantee services related to machinery manufactured by TMFL, as well as supply of parts and components for all Taurus Group companies;

(b) 2 installments of R$2,055 each, restated based on the TJLP plus interest of 1.8% p.a., the first of which maturing on 06/30/2014 and the second on 12/30/2014; and

(c) the remaining balance, payable in 14 half-yearly installments of R$3,675 each, maturing as from 06/30/2015, restated based on the TJLP plus interest of 1.8% p.a.

The monetary restatement based on the TJLP plus interest of 1.8% p.a. is applicable as from the date of the Agreement for Purchase and Sale of Units of Interest and Other Covenants, executed in June 2012.

Accounting effects of the renegotiation of SML's Agreement for Purchase and Sale of Units of Interest and Other Covenants

(i) The accounting effect of the renegotiation was in a reduction in the selling price from R$115,350 to R$57,520, corresponding to a loss of R$57,830. Although the renegotiation was formalized in 2013, the Company revisited all agreements and correspondence relating to the sale and concluded that the event that led to the reduction of the original selling price was already present in June, date of origin of the operation, and, as such, a loss was recognized on such date, giving rise to this financial statements restatement.

8. Assets and liabilities held for sale and discontinued operations (Continued)

<u>Sale of TMFL – Taurus Máquinas-Ferramenta Ltda.(Continued)</u>

Accounting effects of the renegotiation of SML's Agreement for Purchase and Sale of Units of Interest and Other Covenants (Continued)

(ii) The Company recorded a supplementary provision for losses as of March 31, 2013 of R$62,615, considering that: i) In its understanding, the credit conditions have been impaired; ii) the operation guarantees have not been fully formalized; iii) the buyer is a limited liability company and there is no updated information to assess its current financial conditions. The Company decided to record such provision in June 2012, as commented in Note 3.e.

At March 31, 2013, the balance receivable for sale of the operations of Taurus Máquinas-Ferramenta Ltda. was recorded as follows:

	06-30-2013 (restated)
Selling price	**115,350**
Contractual monetary restatement	**5,095**
Balance originally presented	**120,445**
Price adjustment	**(57,830)**
Supplementary provision for losses	**(62,615)**
Total	**-**

9. Cash and cash equivalents

	Consolidated		Company	
	03-31-2013	12-31-2012	03-31-2013	12-31-2012
Cash balance	**590**	2,070	**535**	2,013
Cash deposits	**130,528**	26,874	**2,170**	2,667
Financial investments	**116,220**	151,837	**63,985**	96,880
Cash and cash equivalents	**247,338**	180,781	**66,690**	101,560

Short-term investments are remunerated at rates that vary between 98% and 103% of CDI at March 31, 2013 (98% and 103% of CDI at December 31, 2012) and are made with first-tier banks.

10. Trade accounts receivable

	Consolidated		Company	
	03-31-2013 (restated)	12-31-2012 (restated)	03-31-2013	12-31-2012
Domestic customers	**84,412**	80,844	**28,213**	27,695
Customers – domestic related parties (Note 22)	**-**	-	**2,648**	3,216
Foreign customers	**97,507**	87,396	**12,157**	16,255
Customers – foreign related parties (Note 22)	**-**	-	**22,670**	13,379
	181,919	168,240	**65,688**	60,545
Allowance for doubtful accounts-domestic	**(14,756)**	(14,794)	**(2,752)**	(2,736)
Allowance for doubtful accounts-foreign	**(5,556)**	(4,599)	**(6)**	(6)
	(20,312)	(19,393)	**(2,758)**	(2,742)
Total	**161,607**	148,847	**62,930**	57,803

The Company's exposure to credit and currency risks and impairment losses related to trade accounts receivable and other receivables, is disclosed in Note 21.

Changes in the allowance for doubtful accounts:

	Consolidated (restated)	Company
Balance at December 31, 2012	(19,393)	(2,742)
Additions	(1,045)	(15)
Reversal of the allowance for doubtful accounts	126	(1)
Balances at March 31, 2013	**(20,312)**	**(2,758)**

11. Inventories

	Consolidated		Company	
		(restated)		(restated)
	03-31-2013	12-31-2012	03-31-2013	12-31-2012
Finished goods	**121,663**	156,197	**55,042**	51,108
Work in progress	**62,621**	56,054	**36,167**	31,424
Raw materials	**43,745**	48,257	**16,489**	14,503
Ancillary and maintenance materials	**10,854**	9,793	**7,945**	7,338
Provision for inventory losses	**(11,181)**	(8,774)	**(2,254)**	(422)
	227,702	**261,527**	**113,389**	**103,951**

Changes in the provision for inventory losses are as follows:

	Consolidated (restated)	Company (restated)
Balance at December 31, 2012	**(8,774)**	(422)
Additions	**(2,829)**	(2,254)
Reversal	**422**	422
Balance at March 31, 2013	**(11,181)**	(2,254)

12. Taxes recoverable

	Consolidated		Company	
	03-31-2013	12-31-2012	03-31-2013	12-31-2012
ICMS	**8,599**	7,904	**2,164**	2,068
IPI	**2,778**	7,748	**1,658**	6,273
PIS	**4,066**	3,359	**3,364**	2,719
COFINS	**17,482**	15,621	**15,654**	12,683
Income and social contribution taxes	**8,666**	9,721	**7,981**	7,469
Total	**41,591**	44,353	**30,821**	31,212
Current liabilities	**37,547**	39,428	**29,587**	29,567
Non-current liabilities	**4,044**	4,925	**1,234**	1,645

State VAT (ICMS)

The balance consists of credits calculated from trade operations and purchases of fixed asset items generated at the Company's and its subsidiaries' production and commercial units.

PIS and COFINS

The balance consists of credits originated in non-cumulative PIS and COFINS levy, calculated mainly on the purchases of fixed asset items, which are offset in successive monthly installments, in accordance with legislation. The balance also comprises PIS and COFINS credits arising from the Reintegra tax incentive – Law No. 12546/2011.

Federal VAT (IPI)

The balance refers mainly to amounts originating in trade operations.

12. **Taxes recoverable** (Continued)

<u>Income and social contribution taxes</u>

These refer to withholding tax on short-term investments and prepayments of income and social contribution taxes realizable through offset against federal taxes and contributions payable.

13. Deferred tax assets and liabilities

The recorded recoverable amount refers to deferred income tax asset and liability that the entity has the right to offset and intends to do on a net basis.

Deferred tax assets and liabilities were calculated as follows:

		Consolidated (restated)
	03-31-2013	**12-31-2012**
On temporary asset differences and income and social contribution tax losses		
Provision for sales commissions	**1,085**	1,061
Adjustment to present value	**162**	311
Provision for labor claims	**844**	874
Provision for losses on insurance claims	**782**	782
Allowance for doubtful accounts	**3,012**	2,152
Provision for product warranty	**287**	361
Derivative financial instruments	**585**	2,965
Income and social contribution tax losses	**42,665**	42,735
Inventories – unrealized profits	**3,860**	8,816
Other items	**1,650**	137
	54,932	60,194
On temporary liability differences		
Equity valuation adjustment	**(2,800)**	(2,918)
Depreciation base difference	**(6,676)**	(6,757)
Financial charges	**(961)**	(915)
Derivative financial instruments	**(11,913)**	(11,332)
	(22,350)	(21,922)
Total asset (liability) balance, net	**32,582**	38,272
Classified in noncurrent assets	**39,149**	44,409
Classified in noncurrent liabilities	**(6,567)**	(5,777)

13. Deferred tax assets and liabilities (Continued)

	03-31-2013	Company (restated) 12-31-2012
On temporary asset differences and income and social contribution tax losses		
Provision for sales commissions	**813**	790
Adjustment to present value	**822**	804
Provision for labor claims	**602**	603
Provision for losses on insurance claims	**782**	782
Allowance for doubtful accounts	**459**	459
Derivative financial instruments	**204**	2,544
Income and social contribution tax losses	**7,000**	7,000
Other items	**138**	137
	10,820	13,119
On temporary liability differences		
Equity valuation adjustment	**(1,665)**	(1,743)
Depreciation base difference	**(1,640)**	(1,640)
Financial charges	**(940)**	(890)
Derivative financial instruments	**(10,551)**	(11,194)
	(14,796)	(15,467)
Total liabilities, net	**(3,976)**	(2,348)
Classified in noncurrent liabilities	**(3,976)**	(2,348)

Changes in deferred taxes:

	Consolidated (restated)	Company
Opening balance of deferred taxes	38,272	(2,348)
Posted to P&L (Note 27)	(5,198)	(1,130)
Posted to equity (Note 21.iv)	(498)	(498)
Effect from exchange variation	6	-
Closing balance of deferred taxes	32,582	(3,976)

As part of the corporate restructuring occurred on July 4, 2011, for using the market economic and strategic benefits for new segments, Company management considered existence of accumulated income and social contribution tax losses recorded by subsidiary Polimetal Metalurgia e Plásticos Ltda. for recording deferred tax asset. The recording was made when it became probable that there will be sufficient taxable income in the future to offset such losses. The evaluation of existence of future taxable income was based on the operating activity to be performed by the subsidiary in the new "Polimetal" segment, which started to account for a significant portion of the Group's operations.

The subsidiary posted income and social contribution tax losses in 2011. The studies of future results evidence that there will be future taxable income for use of such credits, consequently, the Company recorded deferred assets on said amounts.

The projections indicate that the balance of tax credits recorded in 2012 by Forjas Taurus S.A. and the subsidiary Polimetal Metalurgia e Plásticos Ltda. will be absorbed by taxable income estimated for the next 10 years, as set out below:

Year	Consolidated	Company
2013	4,147	1,452
2014	7,004	4,079
2015	4,576	1,469
2016	3,301	-
From 2017 to 2022	23,637	-
Total	42,665	7,000

13. Deferred tax assets and liabilities (Continued)

Income and social contribution tax losses on which no deferred taxes are recorded total R$ 225,625 (R$ 215,835 at December 31, 2012) for the consolidated, and R$ 26,773 (R$ 13,989 at December 31, 2012) for the Company.

The main balances of income and social contribution taxes refer to subsidiary Taurus Máquinas-Ferramenta Ltda. The tax credits arising from income and social contribution tax losses not recognized by this subsidiary totaled R$ 69,227 (R$ 68,553 at December 31, 2012). Income and social contribution taxes on the balance of income and social contribution tax losses will be recognized as there is evidence that realization thereof is probable in the foreseeable future.

14. Advance on real estate credits

On August 11, 2008, subsidiary Taurus Investimentos Imobiliários Ltda. agreed several contracts with CIBRASEC – Companhia Brasileira de Securitização, aimed at promoting the securitization of real estate receivables, arising from hire contracts agreed for a period of 7 (seven) years with the Company and its subsidiaries, for the amount of approximately R$ 51,000, net of R$ 2,272 related to the commission for structuring the operation.

To represent the real estate credits arising from the aforementioned hire contracts, the Company issued Real Estate Credit Notes – CCI, and assigned them, onerously, to CIBRASEC – Companhia Brasileira de Securitização, which used them as the basis for issuing two series of Certificates of Real Estate Receivables – CRI. These certificates have fixed monthly maturity and term, given that the first maturity date is September 15, 2008 and the last July 15, 2015. At March 31, 2013, the total restated balance is R$ 26,555 (28,711 at December 31, 2012), and is entirely classified under current liabilities, because of the restatement adjustments proceeded, note 3e, covenants were not met.

15. Investments

	Taurus Blindagens Ltda.	Taurus Blindagens Nordeste Ltda.	Taurus Holdings, Inc.	Taurus Security Ltda. (1)	Taurus Investimentos Imobiliários Ltda.(1)	Polimetal Metalurgia e Plásticos Ltda.	Famastil Taurus Ferramentas S.A. (2)	03-31-2013 (restated)	12-31-2012 (restated)
									Company
Current assets	61,774	20,589	304,534	60	6,190	43,852	-		
Non-current assets	74,060	17,958	60,279	241	64,871	267,923	-		
Current liabilities	14,080	7,132	117,337	3	36,252	42,205	-		
Non-current liabilities	29,659	12,727	95,553	547	69,621	86,206	-		
Capital (Continued)	80,209	9,400	614	100	39,917	210,000	-		
Equity	92,095	18,688	151,923	(249)	(34,812)	183,365	-		
Net revenue	18,076	7,208	160,615	-	2,755	28,041	-		
Net income for the year	5,303	1,483	12,034	-	313	3,110	-		
Number of shares/units of interest	648	1	302,505	100,000	30,752,186	209,999,999	-		
Direct ownership interest (%)	0,01%	0,1%	100%	100%	75,33%	100%	-		
Opening balances	1	17	132,564	-	-	161,572	2,215	**296,369**	321,852
Capital payment (4)	**-**	**-**	**-**	**-**	**438**	**-**	**-**	**438**	73,414
Equity pickup – discontinued operations (3)	**-**	**1**	**18,148**	**-**	**216**	**2,698**	**-**	**21,063**	25,787
Equity pickup – discontinued operations (3)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	(134,991)
Equity pickup for the previous period	**-**	**-**	**-**	**-**	**-**				(2)
Loss on Investments	**-**	**-**	**-**	**-**	**(204)**	**-**	**-**	**(204)**	(450)
Exchange variation on investments	**-**	**-**	**(2,074)**	**-**	**-**	**-**	**-**	**(2,074)**	11,527
Dividends received	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	(29,975)
Reclassified to capital deficiency	**-**	**-**	**-**	**-**	**(450)**	**-**	**-**	**(450)**	29,207
Closing balances (3)	**1**	**18**	**148,638**	**-**	**-**	**164,270**	**2,215**	**315,142**	296,369

(1) Capital deficiency of the subsidiary Taurus Security Ltda in the amount of R$ 249 and of the subsidiary Taurus Investimentos Imobiliários Ltda in the amount of R$ 28.759 are recorded in “Other accounts payable” in current liabilities.

(2) On December 20, 2011, the investment in subsidiary Famastil Taurus Ferramentas S.A. was transferred to subsidiary Polimetal Metalurgia e Plásticos Ltda. as part of the corporate restructuring occurred in 2011. The amount of R$ 2.215 in the column of investments refers to goodwill on the investment in Famastil Taurus Ferramentas S.A. which remains with Forjas Taurus S.A.

(3) For purposes of determining the investment amounts, equity and net income of each investee is adjusted by unrealized profits in transactions among the companies.

(4) Capital increase in subsidiary Taurus Investimentos Imobiliários Ltda. amounting to R$ 438 was realized with cash.

15. Investments (Continued)

	Consolidated
	Famastil Taurus Ferramentas S.A.
Current assets	69,463
Non-current assets	27,641
Current liabilities	36,912
Non-current liabilities	21,973
Capital	20,000
Equity	38,219
Net revenue	8,432
Net income for the year	209
Number of shares/units of interest	7,000,000
Direct ownership interest (%)	35%
Opening balances (1)	15,543
Equity pickup	**73**
Closing balances (1)	**15,616**

(1) Includes goodwill paid on the acquisition of investment of R$ 2,215.

16. Property, plant and equipment

								Consolidated
	Land, buildings and premises	Machinery and equipment	Casts and tooling	Furniture and computers	Vehicles	Construction in progress	Advances to suppliers	Total
Cost or deemed cost								
Balance at December 31, 2012	108,297	184,560	44,194	23,499	3,964	25,753	7,288	397,555
Additions	5,685	1,559	52	161	-	9,888	(6,546)	10,799
Disposals	-	(296)	(96)	(63)	-	(21)	(2)	(478)
Transfers of assets under construction	3,034	2,976	1,160	157	-	(7,327)	-	-
Effect from exchange variation	(479)	(321)	-	(50)	(2)	-	-	(852)
Balances at March 31, 2013	**116,537**	**188,478**	**45,310**	**23,704**	**3,962**	**28,293**	**740**	**407,024**
Depreciation								
Balance at December 31, 2012	11,281	70,442	22,700	12,677	1,970	-	-	119,070
Depreciation in the year	817	4,264	1,724	781	193	-	-	7,779
Disposals	-	(230)	(96)	(63)	-	-	-	(389)
Effect from exchange variation	(73)	(160)	-	(40)	(1)	-	-	(274)
Balances at March 31, 2013	**12,025**	**74,316**	**24,328**	**13,355**	**2,162**	**-**	**-**	**126,186**
Book value								
December 31, 2012	97,016	114,118	21,494	10,822	1,994	25,753	7,288	278,485
At March 31, 2013	**104,512**	**114,162**	**20,982**	**10,349**	**1,800**	**28,293**	**740**	**280,838**

16. Fixed assets (Continued)

	Land, buildings and premises	Machinery and equipment	Casts and tooling	Furniture and computers	Vehicles	Construction in progress	Advances to suppliers	Total
								Company
Cost or deemed cost								
Balance at December 31, 2012	2,426	58,825	22,070	7,267	2,499	6,980	374	100,441
Additions	-	44	22	69	-	4,045	(195)	3,985
Disposals	-	(45)	-	-	-	-	-	(45)
Transfers of assets under construction	176	1,496	933	140	-	(2,745)	-	-
Balances at March 31, 2013	**2,602**	**60,320**	**23,025**	**7,476**	**2,499**	**8,280**	**179**	**104,381**
Depreciation								
Balance at December 31, 2012	459	22,313	10,468	3,749	1,118	-	-	38,107
Depreciation in the period	63	1,400	940	273	120	-	-	2,796
Disposals	-	(45)	-	-	-	-	-	(45)
Balances at March 31, 2013	**522**	**23,668**	**11,408**	**4,022**	**1,238**	**-**	**-**	**40,858**
Book value								
December 31, 2012	1,967	36,512	11,602	3,518	1,381	6,980	374	62,334
At March 31, 2013	**2,080**	**36,652**	**11,617**	**3,454**	**1,261**	**8,280**	**179**	**63,523**

Construction in progress

The balance of assets under construction of R$ 8,280 – Company and R$ 32,114 – Consolidated at March 31, 2013 (R$ 6,980 and R$ 39,275 at December 31, 2012, respectively) refers to machinery and equipment still in the phase of being implemented and construction in progress. These assets are expected to become operational in 2013.

16. Fixed assets (Continued)

Guarantee

Loans raised by the Company from financial institutions are guaranteed by its assets. Although a significant portion of fixed assets is used to guarantee loans and financings, historically the Company has settled its liabilities within the established contractual terms thus it was never necessary to enforce such guarantees. At March 31, 2013, the Company has R$ 58,770 in guarantees (R$ 62,709 at December 31, 2012).

17. Intangible assets

						Consolidated
	Goodwill	**Brands and patents**	**Development of products**	**Systems implementation**	**Other intangible assets**	**Total**
Cost						
Balance at December 31, 2012	48,682	3,981	11,697	2,946	737	68,043
Acquisitions	-	-	-	55	-	55
Transfers from other groups	-	-	-	-	-	-
Write-offs	-	-	(1,056)	-	-	(1,056)
Effect from exchange variation	(233)	-	(36)	-	-	(269)
Balances at March 31, 2013	**48,449**	**3,981**	**10,605**	**3,001**	**737**	**66,773**
Amortization						
Balance at December 31, 2012	-	91	4,984	1,700	87	6,862
Amortization for the period	-	23	152	107	21	303
Balances at March 31, 2013	**-**	**114**	**5,136**	**1,807**	**108**	**7,165**
Book value						
December 31, 2012	48,682	3,890	6,713	1,246	650	61,181
At March 31, 2013	**48,449**	**3,867**	**5,469**	**1,194**	**629**	**59,608**

				Company
	Brands and patents	**Development of products**	**Systems implementat ion**	**Total**
Cost				
Balance at December 31, 2012	238	9,010	814	10,062
Additions	-	-	41	41
Transfers from other groups	-	-	-	-
Balances at March 31, 2013	**238**	**9,010**	**855**	**10,103**
Amortization				
Balance at December 31, 2012	-	4,984	246	5,230
Amortization for the period	-	152	37	189
Balances at March 31, 2013	**-**	**5,136**	**283**	**5,419**
Book value				
December 31, 2012	238	4,026	568	4,832
At March 31, 2013	**238**	**3,874**	**572**	**4,684**

17. Intangible assets (Continued)

Goodwill is allocated to the Group's operational divisions, as follows:

Cash generating unit	03-31-2013	12-31-2012
Forjas Taurus S.A.	**21,194**	21,194
Taurus Holdings, Inc.	**18,716**	18,949
Taurus Blindagens Ltda.	**6,823**	6,823
Taurus Helmets Indústria Plástica Ltda.	**1,045**	1,045
Famastil Taurus Ferramentas S.A.	**544**	544
Polimetal Metalurgia e Plásticos Ltda.	**127**	127
Total	**48,449**	48,682

The impairment testing of the aforementioned CGUs is performed annually based on the fair value less selling expenses, which is estimated based on discounted cash flows. Management estimates quarterly if there are changes in assumptions that could indicate the need of setting up a provision for impairment. At March 31, 2013, no such indication was identified. The assumptions adopted by the Company are disclosed in the financial statements for the year ended December 31, 2012.

18. Loans and financing

	Consolidated		Company	
	03-31-2013	12-31-2012	03-31-2013	12-31-2012
Current liabilities				
Guaranteed bank loans				
Working capital	**129,576**	113,887	**124,122**	108,477
Discount of receivables	**752**	1,556	**-**	-
FINAME	**5,359**	6,091	**2,953**	3,497
FINEP	**10,350**	10,350	**2,305**	2,307
FNE	**1,464**	1,423	**-**	-
BNDES Revitaliza	**-**	578	**-**	-
BNDES Progeren	**9,656**	4,902	**-**	-
Working capital USD	**161,459**	165,573	**160,178**	164,286
Financing for acquisition of fixed assets	**334**	361	**334**	361
Investment in USD	**573**	575	**-**	-
FINIMP	**21,954**	17,259	**19,095**	15,185
	341,477	322,555	**308,987**	294,113
Non-current liabilities				
Guaranteed bank loans				
Working capital	**36,250**	52,501	**36,250**	52,501
FINAME	**7,457**	6,731	**3,587**	3,736
FINEP	**33,369**	35,932	**1,341**	1,916
FNE	**8,055**	8,405	**-**	-
BNDES Revitaliza	**-**	2,276	**-**	-
BNDES Progeren	**23,982**	27,981	**-**	-
Working capital USD	**105,093**	106,428	**30,227**	30,653
Financing for acquisition of fixed assets	**-**	164	**-**	164
Investment in USD	**14,273**	14,634	**-**	-
FINIMP	**356**	433	**-**	-
	228,835	255,485	**71,405**	88,970
	570,312	578,040	**380,392**	383,083

18. Loans and financing (Continued)

The terms and conditions for loans outstanding were as follows:

				Consolidated			
				03-31-2013		12-31-2012	
	Currency	Nominal interest rate	Year of maturity	Face value	Book value	Face value	Book value
Guaranteed bank loans							
Working capital	R$	CDI + 1.26 to 4.10% p.a.	2017	164,800	**160,372**	169,010	166,389
Discount of receivables	R$	13.26 to 16.80% p.a.	2013	-	**752**	-	1,556
FINAME	R$	TJLP + 1.00 to 7.00% p.a.	2014	16,507	**1,692**	18,323	2,783
FINAME	R$	2.50 to 5.50% p.a.	2021	17,217	**11,123**	14,927	10,039
FINEP	R$	TJLP + 0.16 to 2.00% p.a.	2014	11,645	**3,646**	11,645	4,223
FINEP	R$	4.00 to 5.25% p.a.	2020	56,337	**40,073**	56,337	42,058
BNDES Revitaliza	R$	9% p.a.	2017	-	**-**	2,845	2,854
BNDES Progeren	R$	TJLP + 4.00 p.a.	2015	31,977	**33,638**	31,977	32,883
FNE	R$	9.50% p.a.	2019	9,806	**9,519**	9,806	9,828
Working capital	USD	*Libor* + 0.79 to 4.80% p.a.	2017	60,000	**133,649**	60,000	135,553
Working capital	USD	3.32 to 9.87% p.a.	2016	68,849	**138,356**	68,849	136,448
Financing for acquisition of fixed	USD	*Libor* + 1.25 to 3.0% p.a.	2014	824	**334**	824	525
Investments	USD	5.33% p.a.	2017	6,035	**11,397**	6,035	11,672
Investments	USD	*Libor* + 2.25% p.a.	2017	1,500	**3,450**	1,500	3,537
FINIMP	USD	*Libor* + 1.10 to 2.7% p.a.	2016	10,947	**22,311**	8,571	17,692
Total liabilities subject to interest					**570,312**		578,040

				Company			
				03-31-2013		2012	
	Currency	Nominal interest rate	Year of maturity	Face value	Book value	Face value	Book value
Guaranteed bank loans							
Working capital	R$	CDI + 1.80 to 3.91%	2017	167,010	**160,372**	167,010	160.978
FINAME	R$	TJLP + 2.25 to 7.00%	2014	8,629	**563**	8,629	1.050
FINAME	R$	2.50 to 5.50% p.a.	2021	10,401	**5,977**	10,401	6.183
FINEP	R$	TJLP + 0.16 to 2.0%	2014	11,645	**3,646**	11,645	4.223
Working capital	USD	*Libor* + 0.79 to 4.80%	2017	30,000	**60,684**	30,000	62.035
Working capital	USD	3.40 to 3.91% p.a.	2016	63,849	**129,721**	63,849	132.904
Financing for acquisition of fixed	USD	*Libor* + 1.25 to 3.0% p.a.	2014	824	**334**	824	525
FINIMP	USD	*Libor* + 1.10 to 2.7% p.a.	2014	7,354	**19,095**	7,354	15.185
Total liabilities subject to interest					**380,392**		383,083

18. Loans and financing (Continued)

Maturity dates of non-current liabilities:

	Consolidated (restated)		Company	
Year of maturity	03-31-2013	12-31-2012	03-31-2013	12-31-2012
2014	**52,780**	76,710	**31,473**	47,614
2015	**38,311**	40,304	**13,172**	14,588
2016	**26,226**	25,894	**13,054**	13,020
2017	**93,838**	94,745	**12,963**	13,013
2018 onwards	**17,680**	17,832	**743**	735
	228,835	255,485	**71,405**	88,970

The loans and financing are guaranteed by promissory notes, chattel mortgages for machinery and equipment and real estate mortgages. The sureties granted by the parent company and the sureties granted by the Company to its subsidiaries are reported in Note 22 – Related parties.

The loan and financing contracts agreed between the Company and its subsidiaries include covenants that limit certain corporate alterations, as under: change in direct or indirect controlling interest in the Company, reduction of capital of the Company and/or its subsidiary, distribution of dividends, payment of interest on equity or any other payments to shareholders of the Company and/or its controlling company in case of delay to fulfill any obligation, reduction of Company capital. In addition to these points, they require maintenance of certain financial ratios: indebtedness (net financial debt/EBITDA) lower than 3.5; interest coverage index (EBITDA/net financial expenses) equal to or higher than 2.75. If such restrictions are not met, creditors may claim accelerate maturity. All the above ratios are calculated quarterly based on the last twelve months. At March 31, 2013, those rates had not been complied, for that reason it was reclassified to current liabilities in the amount of R$ 100,170.

19. Debentures

The Company agreed a private instrument for the public registration of the 1st and 2nd issue of debentures, non convertible into shares on June 08, 2010 and September 06, 2011, for the total nominal value of R$ 103,000 and R$ 50,000, respectively.

The issue was made in a single series, corresponding to 10,300 debentures for the 1st issue and 200 debentures for the 2nd issue, distributed on the secondary market through the National Debenture system, with restrictions on the placing allocated exclusively to qualified investors.

For the 1st issue, the unit nominal value will be paid in 7 twice-annual installments, with a grace period of 12 months, beginning on April 15, 2011. For the 2nd issue, the unit nominal value will be paid in 13 quarterly installments, with a grace period of 2 years, beginning on August 23, 2013. Interest is charged on the amount, calculated based on the compound capitalization system, equivalent to the accumulated variation in the average daily rates for DI – Interbank deposits, plus interest as detailed below:

					03-31-2013 (restated)
	Index	Current	Transaction costs incurred	Transaction costs appropriated	Transaction costs to appropriate
Debentures					
1st issue	DI rate + 4.1%	**45,998**	**1,424**	**1,132**	**292**
2nd issue	DI rate + 2.8%	**49,928**	**818**	**308**	**510**
		95,926	**2,242**	**1,440**	**802**

					12-31-2012
	Index	Current	Transactio n costs incurred	Transaction costs appropriate d	Transaction costs to appropriate
Debentures					
1st issue	DI rate + 4.1%	44,762	1,060	1,065	95
2nd issue	DI rate + 2.8%	49,936	809	271	538
		94,698	1,969	1,336	633

Effective interest rate of the 1st and 2nd issues are of 12.52% and 9.98%, respectively. Measurement of the effective rate was based on contractual index rate in force on the reporting date. The debentures are guaranteed by the subsidiaries Forjas Taurus S.A. in Brazil, constituted in the form of bonds granted jointly.

19. Debentures (Continued)

The instrument provides for accelerated maturity of all obligations subject matter of the deed in certain circumstances, which include: change in the direct or indirect control of the Company, capital reduction in the Company and/or its parent company, dividend distribution, payment of interest on equity or other payments made to shareholders by the Company and/or its parent in the event of delays with any of its obligations, decrease in the Company's capital and/or that of Polimetal [(1)], making by the Company or by the guarantors of any type of sale or transfer of assets that has an impact equal to or higher than 15% of the Company's consolidated assets or equal to or higher than 20% of consolidated gross revenue of the Company [(2)], undertaking, by the Company or its subsidiaries, of financing, advance or loan operations, in the position of creditors, with any of its direct or indirect controlling companies, except for the exclusive purpose of refinancing obligations agreed prior to the issuing of the debentures, the granting, by the Company or its subsidiaries, of bonds or any type of guarantee for the financial operations of direct or indirect controlling companies for amounts in excess of those existing at the date of issuing the debentures, maintaining minimum financial ratios (net debt/EBITDA) equal to or less than 3.25 times (1st and 2nd issues) and EBITDA/net financial expenses equal to or higher than 2.75 times, (1st issue), where: net debt is equal to total debts (including sureties and guarantees) less cash, EBITDA is equal to profit before taxes, interest, depreciation and amortization in the previous 12 months and net financial expenses refer to total financial income less financial expenses for the previous 12 months, adjusted for non-recurring items.

[(1)] The occurrence of such events may be approved by the titleholders of at least 2/3rd of the outstanding debentures, without the obligations maturing in advance.

[(2)] The occurrence of such events may be approved by the titleholders of at least 75% of the outstanding debentures, without the obligations maturing in advance.

Management from the Company and its subsidiaries monitor these indices on a systematic and constant basis, to ensure that the terms are met. At March, 31st, 2013 the clauses 7.1(i), (b) and (c) from the 1st issue, and clauses 6.1 (i) (a) and 6.2 (i) (a) from 2nd issue, the non-submission of the consolidated financial statements and, consequently, the non-submission of financial ratios, have not been fulfilled. For that, Company obtained the consent of its creditors not to exercise their rights to require prepayment. However given the adverse factors related to the renegotiation of the sale of the Taurus Máquinas-Ferramenta Ltda. (note 8), the Company didn't met the minimum financial ratios, transferring to current liabilities the amount of R$ 52,767 as a result of noncompliance with these indexes.

20. Tax, social security, labor and civil provisions

The Company, based on the opinion of its legal advisors and the analysis of judicial proceedings pending judgment, set up a provision for contingencies for an amount considered sufficient to cover estimated losses on proceedings pending judgment involving probable unfavorable outcome. The amounts of the provision are recorded in the group of other accounts payable. Breakdown of contingencies is as under:

				Consolidated (restated)
			03-31-2013	12-31-2012
	Provision	**Judicial Deposit (2)**	**Net**	**Net**
Labor	**4,780**	**2,634**	**2,146**	2,223
Tax				
Federal	**-**	**423**	**(423)**	(423)
State	**2,446**	**821**	**1,625**	1,646
	7,226	**3,878**	**3,348**	3,446

				Company (restated)
			03-31-2013	12-31-2012
	Provision (1)	**Judicial deposit (2)**	**Net**	**Net**
Labor	**3,469**	**1,336**	**1,359**	2,201
Tax				
Federal	**-**	**423**	**(423)**	(423)
State	**388**	**724**	**(336)**	(338)
	3,857	**2,483**	**600**	1,440

(1) Recorded in other liabilities in noncurrent liabilities.
(2) Recorded in other accounts receivable under noncurrent assets

20. Tax, social security, labor and civil provisions (Continued)

Changes in provisions are as follows:

			Consolidated (restated)
	Civil and labor	Tax	Total
Balance at December 31, 2012	4,689	2,469	7,158
Provisions made in the period	95	-	95
Provisions used in the period	(4)	(23)	(27)
Balances at March 31, 2013	**4,780**	**2,446**	**7,226**

			Company (restated)
	Civil and labor	Tax	Total
Balance at December 31, 2012	3,469	388	3,857
Provisions made in the period	-	-	-
Provisions used in the period	-	-	-
Balances at March 31, 2013	**3,469**	**388**	**3,857**

The Company and its subsidiaries are a party to other proceedings, the risk of which is considered possible or remote by their legal counsel, amounting to approximately R$ 11,095 for the Company and R$ 44,687 for the consolidated (R$ 10,915 and R$ 44,287, respectively at December 31, 2012) for which no provision was set up considering that the accounting practices adopted in Brazil do not require their recording. The main individual claim is that filed by Hunter Douglas NV against Wotan Máquinas Ltda. seeking the collection set forth in the intercompany loan agreement to finance exports executed by both companies in 2001. Subsidiary Taurus Máquinas-Ferramenta Ltda. is the defendant, in connection with the eventual rental of the industrial complex from Wotan Máquinas Ltda. in 2004. The claim is estimated at R$ 20 million, and the risk of loss is rated as possible by the Company lawyers.
The Company filed several proceedings for the recognition of several tax credits, of which the amounts will be recognized based on the realization thereof.

21. Financial instruments

i) Derivatives

The Company and its subsidiaries Taurus Blindagens Ltda., Taurus Helmets Indústria Plástica Ltda. and Taurus Máquinas-Ferramenta Ltda., undertake operations with derivative financial instruments. The management of these instruments is made through operating strategies and internal controls aiming to ensure their liquidity, profitability and security. Financial instruments are contracted for hedging purposes through periodical analyses of exposure to risk that management intends to cover (foreign exchange rate, interest rate etc.). Control policy consists of permanently monitoring the contractual conditions *versus* current market conditions.

21. Financial instruments (Continued)

i) Derivatives (Continued)

We summarize below our positions with derivative instruments:

	Consolidated		Company	
	03-31-2013	12-31-2012	03-31-2013	12-31-2012
Derivative financial instruments assets	**31,466**	33,513	**31,034**	32,925
Derivative financial instruments liabilities	**(1,635)**	(7,750)	**(600)**	(6,576)
	29,831	25,763	**30,434**	26,349

All of the operations involving financial instruments are recognized in the Company's financial statements, as presented in the table below, which details the derivatives outstanding, organized by maturity date, counterparty, notional value and fair values:

			Consolidated			
			03-31-2013		12-31-2012	
Instrument	Counterparty	Contract currency with respect to notional value	Notional – in thousands	Fair value	Notional – in thousands	Fair value
Swap Fixed x Libor						
Taurus Holdings, Inc.	TD Bank	US dollars - USD	5,659	**(1,035)**	5,711	(1,174)
Swap Fixed x CDI						
Forjas Taurus S.A.	Banco Itaú BBA	Reais – BRL	37,356	**1,437**	37,356	1,917
Taurus Blindagens Ltda.	Banco Itaú BBA	Reais – BRL	9,652	**298**	9,652	405
Taurus Helmets Ltda.	Banco Itaú BBA	Reais – BRL	4,355	**134**	4,355	183
***Swap Interest + E.V.* USD x CDI + R$**						
Forjas Taurus S.A.	Banco Itaú BBA	Reais – BRL	100,000	**29,597**	100,000	31,008
Forjas Taurus S.A.	Banco Citibank	Reais – BRL	30,391	**(600)**	15,000	(150)
Non-deliverable forward (exports)						
Forjas Taurus S.A.	Bes Investimentos	US dollars - USD	-	**-**	16,000	(3,350)
Forjas Taurus S.A.	Banco Itaú BBA	US dollars - USD	-	**-**	4,700	(3,076)
				29,831		25,763

21. Financial instruments (Continued)

i) Derivatives (Continued)

The fair value does not represent the obligation for immediate disbursement or receiving of cash, given that this effect will only occur on the contractual dates or maturity dates of each operation, when the results are determined, depending on the case and the market conditions on these dates. It should be noted that all of the contracts outstanding at March 31, 2013 refer to operations on the over the counter market, registered with the CETIP, without any type of guarantee margin or accelerated maturity clause forced by Mark to Market (MtM) variations.

We set out below descriptions of each of the derivatives in force and the hedging instruments.

Non-deliverable forward (exports)

In accordance with the Company's export policies, derivative financial instruments were taken out to hedge a percentage of export revenue highly susceptive to variations in exchange rate to the US dollar.

Swap Libor + E.V. USD x CDI + R$

The Company has conventional swap positions *Libor* 6m x CDI for the purpose of fixing the flow for debt payments tied to a post fixed rate, to a post fixed rate on the domestic market.

Swap Fixed x CDI

The Company has conventional fixed rate swap positions related to the Certificates of Real Estate credits - CRI (Note 14) aimed at linking the interest rate exposure to a post fixed rate on the domestic market.

21. Financial instruments (Continued)

i) Derivatives (Continued)

Swap Interest + E.V. USD x CDI + R$

The Company has conventional swap positions for Interbank Deposits (DI) *versus* US dollar, for the purpose of linking the debt in Reais, tied to the DI, to a debt fixed in dollars. Within this context, the Company has conventional swap positions in dollars *versus* DI, for the purpose of linking the debt in dollars to a debt in Reais tied to the DI. These swaps are tied to debts with respect to values, terms and cash flows.

ii) Risks

a) *Credit risk*

Exposure to credit risk

The carrying values of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date for the financial statements was as follows:

	Consolidated (restated)	
	Book value	
	03-31-2013	**12-31-2012**
Trade accounts receivable	**181,919**	168,240
Other loans and receivables	**34,133**	27,950
Cash and cash equivalents	**247,338**	180,781
Foreign exchange forward and interest rate swap contracts used for asset hedging	**31,466**	33,513
Total	**494,856**	410,484

	Company (restated)	
	Book value	
	03-31-2013	**12-31-2012**
Trade accounts receivable	**65,688**	60,545
Other loans and receivables	**20,544**	18,889
Cash and cash equivalents	**66,690**	101,560
Foreign exchange forward and interest rate swap contracts used for asset hedging	**31,034**	32,925
Total	**183,956**	213,919

21. Financial instruments (Continued)

ii) Risks (Continued)

a) *Credit risk* (Continued)

Exposure to credit risk

The maximum exposure to credit risk for trade accounts receivable at the reporting date by geographic region is as follows:

		Consolidated		Company
		Book value		Book value
	03-31-2013 (restated)	12-31-2012	03-31-2013 (restated)	12-31-2012
Domestic-trade accounts receivable	**84,412**	80,844	**30,861**	30,911
United States – trade accounts receivable	**84,234**	69,765	**22,670**	13,379
Others	**13,273**	17,631	**12,157**	16,255
Total	**181,919**	168,240	**65,688**	60,545

The maximum exposure to credit risk for loans and receivables at the reporting date by type of counterparty was as follows:

		Consolidated		Company
		Book value		Book value
	03-31-2013 (restated)	12-31-2012	03-31-2013 (restated)	12-31-2012
Customers – public bodies	**22,171**	26,924	**19,994**	19,919
Customers - distributors	**24,017**	99,058	**42,578**	21,117
End customers	**135,731**	42,258	**3,116**	19,509
Total	**181,919**	168,240	**65,688**	60,545

Impairment losses

The maturity of loans and receivables granted at the financial statements reporting date was:

				Consolidated
	Gross	Gross	*Impairment*	*Impairment*
	03-31-2013 (restated)	12-31-2012	03-31-2013 (restated)	12-31-2012 (restated)
Falling due	**143,282**	140,422	**-**	-
Overdue for 0-30 days	**13,276**	1,142	**-**	-
Overdue between 31-360 days(1)	**9,160**	4,546	**(4,063)**	(410)
Overdue for more than one year	**16,201**	22,130	**(16,249)**	(18,983)
Total	**181,919**	168,240	**(20,312)**	(19,393)

(1) *A significant portion of overdue amounts refers to sales to public bodies with average payment delay of up to 90 days, considered usual by Company management for public sector customers.*

21. Financial instruments (Continued)

ii) Risks (Continued)

a) *Credit risk* (Continued)

Impairment losses (Continued)

				Company
	Gross	Gross	Impairment	Impairment
	03-31-2013 (restated)	12-31-2012	03-31-2013	12-31-2012
Falling due	**55,089**	49,591	**-**	-
Overdue for 0-30 days	**3,061**	4,644	**-**	-
Overdue between 31-360 days[1]	**4,373**	3,294	**(413)**	(410)
Overdue for more than one year	**3,165**	3,016	**(2,345)**	(2,332)
Total	**65,688**	60,545	**(2,758)**	(2,742)

(1) *A significant portion of overdue amounts refers to sales to public bodies with average payment delay of up to 90 days, considered usual by Company management for public sector customers.*

Based on historic default rates, the Company believes that no provision for impairment losses is necessary in relation to trade accounts receivable not overdue or overdue by up to 30 days; a significant part of the balance, which includes the amount due by the Company's most important clients, refers to clients that have a good history of payment with the Company.

The balance of notes receivable refers to the sale of operating activities of subsidiary SM Metalurgia Ltda., as described in Note 8, observing that the guarantees are disclosed in this note. Management periodically monitors the counterparty credit risk.

The other amounts receivable refer to sundry receivables maturing within up to one year and with low credit risk.

b) *Liquidity risk*

Presented below are the contractual maturities of financial liabilities, including payments of estimated interest, excluding the impact of currency negotiation agreements at the net position. The position assumes short term values due to contracts with covenants not met.

21. Financial instruments (Continued)

ii) Risks (Continued)

b) *Liquidity risk* (Continued)

	Consolidated 03-31-2013 (restated)					
	Book value	**Contractual cash flow**	**Up to 1 year**	**1-2 Years**	**2-5 Years**	**Over 5 years**
Non-derivative financial liabilities						
Trade accounts payable	**32,272**	**32,272**	**32,272**	**-**	**-**	**-**
Guaranteed bank loans	**570,312**	**595,777**	**340,743**	**54,966**	**199,636**	**432**
Debt securities issued	**95,926**	**95,926**	**95,926**	**-**	**-**	**-**
Certificates of real estate receivables	**26,555**	**26,555**	**26,555**	**-**	**-**	**-**
Foreign exchange payable	**5,088**	**5,088**	**5,088**	**-**	**-**	**-**
Advance on receivables	**60,345**	**60,345**	**60,345**			
Derivative financial instruments						
Derivative instruments (assets)	**(31,466)**	**(31,466)**	**(31,466)**	**-**	**-**	**-**
Derivative instruments (liabilities)	**1,635**	**1,635**	**1,635**	**-**	**-**	**-**
	760,667	**786,132**	**531,098**	**54,966**	**199,636**	**432**

	Consolidated 12-31-2012 (restated)					
	Book value	**Contractual cash flows**	**Up to 1 year**	**1-2 years**	**2-5 years**	**Over 5 yeas**
Non-derivative financial liabilities						
Trade accounts payable	34,958	34,958	34,958	-	-	-
Guaranteed bank loans	578,040	629,667	330,373	88,471	210,369	455
Debt securities issued	94,698	99,459	99,459	-	-	-
Certificates of real estate receivables	28,711	35,690	35,690	-	-	-
Foreign exchange payable	5,128	5,188	5,188	-	-	-
Advance on receivables	26,375	26,375	26,375			
Derivative financial instruments						
Derivative instruments (assets)	(33,513)	(33,513)	(33,513)	-	-	-
Derivative instruments (liabilities)	7,750	7,750	7,750	-	-	-
	742,147	805,574	506,279	88,471	210,369	455

	Company 03-31-2013 (restated)					
	Book value	**Cash flow**	**Up to 1 year**	**1-2 years**	**2-5 years**	**Over 5 years**
Non-derivative financial liabilities						
Trade accounts payable	**43,175**	**43,175**	**43,175**	**-**	**-**	**-**
Guaranteed bank loans	**380,392**	**388,690**	**309,007**	**32,877**	**46,547**	**259**
Debt securities issued	**95,926**	**95,926**	**95,926**	**-**	**-**	**-**
Foreign exchange payable	**5,088**	**5,088**	**5,088**	**-**	**-**	**-**
Derivative financial instruments						
Derivative instruments (assets)	**(31,034)**	**(31,034)**	**(31,034)**	**-**	**-**	**-**
Derivative instruments (liabilities)	**600**	**600**	**600**	**-**	**-**	**-**
	494,147	**502,445**	**422,762**	**32,877**	**46,547**	**259**

21. Financial instruments (Continued)

ii) Risks (Continued)

b) *Liquidity risk* (Continued)

	Company 12-31-2012 (restated)					
	Book value	Contractual cash flow	Up to 1 year	1-2 years	2-5 years	Over 5 Years
Non-derivative financial liabilities						
Trade accounts payable	40,742	40,742	40,742	-	-	-
Guaranteed bank loans	383,083	408,347	302,514	56,086	49,476	271
Debt securities issued	94,698	99,459	99,459	-	-	-
Foreign exchange payable	5,128	-	-	-	-	-
Derivative financial instruments						
Derivative instruments (assets)	(32,925)	(32,925)	(32,925)	-	-	-
Derivative instruments (liabilities)	6,576	6,576	6,576	-	-	-
	497,302	522,199	416,366	56,086	49,476	271

Management does not anticipate that cash flows, included in the maturity analyses, will occur at significantly earlier dates or for significantly different amounts.

21. Financial instruments (Continued)

ii) Risks (Continued)

c) *Foreign currency risk*

The Company's exposure to foreign exchange risk was as follows (in nominal values):

	Consolidated	
	USD thousands	
	03-31-2013	12-31-2012
Trade accounts receivable	**48,420**	42,768
Foreign exchange payable	**(2,527)**	(2,509)
Guaranteed bank loans	**(150,978)**	(149,463)
Foreign suppliers	**(19,683)**	(6,170)
Advance on receivables	**(15,061)**	-
Net balance sheet exposure	**(139,829)**	(115,374)

The exposure to consolidated foreign exchange risk includes the guaranteed bank loans from Taurus Holdings, Inc. for the amount of USD 45,819 at March 31, 2013 (USD 45,153 at December 31, 2012).

	Company	
	USD thousands	
	03-31-2013 (restated)	12-31-2012
Trade accounts receivable	**30,914**	7,954
Accounts receivable from foreign related parties	**11,257**	6,547
Foreign exchange payable	**(2,527)**	(2,509)
Guaranteed bank loans	**(104,197)**	(103,082)
Foreign suppliers	**(1,142)**	(957)
Net balance sheet exposure	**(65,695)**	(92,047)

The following exchange rates were used during the period ended March 31, 2013 and year 2012:

	Average rate		Spot rate	
	03-31-2013	12-31-2012	03-31-2013	12-31-2012
R$/USD	**1.9977**	1.9588	**2.0138**	2.0435

21. Financial instruments (Continued)

ii) <u>Risks</u> (Continued)

c) *Foreign exchange risk* (Continued)

Sensitivity analysis

The devaluation of the Real to the US dollar, at March 31, 2013 decreased equity and net income as reported below. This analysis is based on the expected exchange rate of year end, which is of R$ 2.00 (probable scenario), based on the Focus report of April 5, 2013, issued by the Central Bank of Brazil. The analysis considered that all the other variables, particularly interest rates, would remain constant.

	Consolidated		Company	
	Equity	**Gain (loss) for the year**	**Equity**	**Gain (loss) for the year**
March 31, 2013				
R$/USD (forecast rate 2.00)	**1,722**	**1,722**	**907**	**907**
R$/USD (25% - forecast rate 2.50)	**(60,662)**	**(60,662)**	**(31,941)**	**(31,941)**
R$/USD (50% - forecast rate 3.00)	**(123,046)**	**(123,046)**	**(64,788)**	**(64,788)**

d) *Interest rate risk*

<u>Sensitivity analysis of the fair value for fixed rate instruments</u>

The Company did not register any financial asset or liability with fixed interest rate at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect P&L.

21. Financial instruments (Continued)

ii) Risks (Continued)

d) *Interest rate risk* (Continued)

Sensitivity analysis of cash flows for variable rate instruments

The balances of instruments exposed to interest rate variation are as follows:

	Consolidated	
	Book value	
	03-31-2013	12-31-2012
Fixed rate instruments		
Financial liabilities	**130,027**	133,281
Variable rate instruments		
Financial assets	**147,686**	185,350
Financial liabilities	**568,453**	579,871

	Company	
	Book value	
	03-31-2013	12-31-2012
Fixed rate instruments		
Financial liabilities	**25,272**	21,917
Variable rate instruments		
Financial assets	**95,019**	129,805
Financial liabilities	**456,735**	467,566

A variation of 10 percentage points in interest rates, on the reporting date of the financial statements, would increase (reduce) equity and net income for the year on the balance for interest not liquidated, by the amounts presented below. The analysis considers that all variables, particularly foreign currency, would remain stable. The analysis was made considering the same base for March 31, 2013 and December 31, 2012.

21. Financial instruments (Continued)

ii) Risks (Continued)

d) *Interest rate risk* (Continued)

Sensitivity analysis of cash flows for variable rate instruments (Continued)

	Consolidated	
	Equity and net income for the year	
	03-31-2013	**12-31-2012**
Change in interest rate on financing	**(2,380)**	(2.418)
Change in interest rate on short-term investments	**407**	523

	Company	
	Equity and net income for the year	
	03-31-2013	**12-31-2012**
Change in interest rate on financing	**(1,709)**	(1.380)
Change in interest rate on short-term investments	**224**	334

iii) Fair value versus carrying values

The fair values of financial assets and liabilities, together with the carrying values reported in the balance sheets, are as follows:

	Consolidated			
	03-31-2013		12-31-2012	
	Book value	**Fair value**	**Book value**	**Faie value**
Assets stated at fair value				
Forward exchange contracts and interest rate swap contracts used for hedge operations	**31,466**	**31,466**	33,513	33,513
Assets stated at amortized cost				
Cash and cash equivalents	**247,338**	**247,338**	180,781	180,781
Trade accounts receivable	**161,607**	**161,607**	148,847	148,847
	408,945	**408,945**	329,628	329,628
Liabilities stated at fair value				
Forward exchange contracts and interest rate swap contracts used for hedge operations	**1,635**	**1,635**	7,750	7,750
Liabilities stated at amortized cost				
Guaranteed bank loans	**570,312**	**570,312**	578,040	562,443
Issue of debt securities	**95,926**	**95,926**	94,698	96,195
Foreign exchange payable	**5,088**	**5,088**	5,128	5,018
Suppliers and other accounts payable	**62,602**	**62,602**	61,333	61,333
Advance on real estate credits	**26,555**	**26,555**	28,711	29,823
	760,483	**760,483**	767,910	754,812

21. Financial instruments (Continued)

iii) Fair value versus carrying values

				Company
	03-31-2013		12-31-2012	
	Book value	Fair value	Book value	Fair Value
Assets stated at fair value				
Forward exchange contracts and interest rate swap contracts used for hedge operations	**31,034**	**31,034**	32,925	32,925
Assets stated at amortized cost				
Cash and cash equivalents	**66,690**	**66,690**	101,560	101,560
Trade accounts receivable and other receivables	**62,930**	**62,930**	57,803	57,803
	129,620	**129,620**	159,363	159,363
Liabilities stated at fair value				
Forward exchange contracts and interest rate swap contracts used for hedge operations	**600**	**600**	6,576	6,576
Liabilities stated at amortized cost				
Guaranteed bank loans	**380,392**	**380,392**	383,083	382,531
Issue of debt securities	**95,926**	**95,926**	94,698	96,195
Foreign exchange payable	**5,088**	**5,088**	5,128	5,018
Suppliers and other accounts payable	**43,175**	**43,175**	40,742	40,742
	524,581	**524,581**	523,651	524,486

The fair value, which is determined for disclosure purposes, is calculated based on the present value of the principal and future cash flows, discounted using the market interest rate determined at the reporting date of the financial statements. The interest rates used to discount the estimated cash flows, when applicable, are based on forecast rates for the interbank certificates of deposits (CDI) at the financial statement reporting date. A significant portion of loans is contracted at variable rates. Observable rate in recent operations are similar to the contractual rates.

The effects from gains and losses related to derivative financial instruments, not classified as *hedge* accounting, are disclosed in the note on financial income (expense), in a specific line. The Company did not post gains or losses with non-derivative instruments since they are measured at amortized cost.

21. Financial instruments (Continued)

iii) Fair value versus carrying values

In accordance with the hierarchical classification criteria for determining fair value, where: level 1 corresponds to quoted prices (unadjusted) on active markets for identical assets and liabilities, level 2 corresponds to inputs, except quoted prices included in level 1, that are observable for the asset or liability, directly (prices) or indirectly (derived from prices) and level 3 refers to assumptions, for the asset or liability, that are not based on observable market data (inputs non observable), the Company classified in its accounting registers the fair value of its financial instruments as being level 2.

22. Related parties

	Outstanding balances of subsidiaries with the Company (restated)					Effect from result of operations of subsidiaries with the Company (restated)	
	Current assets (customers)	Noncurrent assets (receivables from related parties)	Total assets	Current liabilities (*)	Total liabilities	Revenue	Expenses
December 31, 2012							
Taurus Blindagens Ltda.	-	-	-	2,594	2,594	-	2,124
Taurus Holdings,Inc. (Note 10)	13,379	-	13,379	699	699	244,809	3,997
Taurus Security Ltda.	-	547	547	-	-	-	-
Taurus Investimentos Imobiliários Ltda.(**)	-	5,811	5,811	-	-	-	4,694
Taurus Máquinas-Ferramenta Ltda.		114,033	114,033	-	-	-	-
Polimetal Metalurgia e Plásticos Ltda. (Note 10)	3,216	-	3,216	24,156	24,156	7,921	103,726
	16,595	120,391	136,986	27,449	27,449	252,730	114,541
March 31, 2013							
Taurus Blindagens Ltda.	-	-	-	5	5	-	4
Taurus Holdings,Inc. (Note 10)	22,670	-	22,670	286	286	58,388	526
Taurus Security Ltda.	-	547	547	-	-	-	-
Taurus Investimentos Imobiliários Ltda. (**)	-	5,811	5,811	-	-	-	1,208
Taurus Máquinas-Ferramenta Ltda.	-	125,959	125,959	-	-	-	-
Polimetal Metalurgia e Plásticos Ltda. (Note 10)	2,648	-	2,648	30,271	30,271	1,189	20,316
	25,318	**132,317**	**157,635**	**30,562**	**30,562**	**59,577**	**22,054**

(*) Recorded as accounts payable
(**) Disposal of fixed assets by the Company to subsidiary – recorded as Other accounts receivable.

The operations involving the Company and subsidiary Taurus Holding, Inc. refer to weapon sales to be traded by the subsidiary in the US market.

The operations involving the Company and subsidiary Polimetal Metalurgia e Plásticos Ltda. refer to products in process since the subsidiary performs a part of the production process of the weapons segment.

22. Transactions with related parties (Continued)

The transactions with related parties are carried out under the price and terms agreed by the parties as well as usual market conditions, according to management's evaluation.

Subsidiary Taurus Máquinas-Ferramentas Ltda. has intercompany loan payable to the controlling company Forjas Taurus S.A. in the amount of R$ 125,959 at March 31, 2013 (R$ 114,033 at December 31, 2012). Subsidiary Taurus Security Ltda. has intercompany loan payable to the controlling company Forjas Taurus S.A. in the amount of R$ 547 at March 31, 2013 and December 31, 2012.

Management fees

At March 31, 2012, remuneration paid to key management personnel amounted to R$ 5,312 (R$ 5,576 at March 31, 2012), and includes salaries, fees and benefits.

Remuneration of key management personnel includes:

	Consolidated		Company	
	03-31-2013	**03-31-2012**	**03-31-2013**	**03-31-2012**
Remuneration and benefits of statutory directors and board members	**1,886**	2,400	**1,886**	2,400
Remuneration of key personnel	**3,426**	3,176	**1,634**	1,734
Total	**5,312**	5,576	**3,520**	4,134

The Company does not have remuneration benefit policies for key management personnel characterized as: post-employment benefits, benefits from rescission of employment contract, share based remuneration or other long-term benefits.

22. Transactions with related parties (Continued)

Operations of directors and key management personnel

The directors and key management personnel directly control 44.18% of the Company's voting capital.

Some of the key management personnel hold units of interest in other entities, resulting in them having control or significant influence over the financial or operating policies of these companies. There were no transactions between the Company and these parties in the years ended December 31, 2012 and 2011, excepting salaries.

Sureties between related parties

The loans and financing are guaranteed by promissory notes, chattel mortgages for machinery and equipment and real estate mortgages. The sureties granted by the Company to its subsidiaries are presented below:

	03-31-2013	12-31-2012
Taurus Máquinas-Ferramenta Ltda.	**5,454**	5,410
Taurus Holdings, Inc.	**90,993**	92,271
	96,447	97,681

23. Equity (Company)

a) Capital

Capital at March 31, 2013 amounted to R$ 257,797 (R$ 257,797 at December 31, 2012).

Preferred shares

Preferred shares are non-voting shares and are not entitled to differentiated dividends but have preference in the return of capital.

Authorized shares (in thousands of shares)

	03-31-2013	03-31-2012
Common shares	**51,851**	51,851
Preferred shares	**103,702**	103,702
	155,553	155,553

Shares issued and fully paid up

	Common		Preferred	
	Number in thousands	R$ 000	Number in thousands	R$ 000
December 31, 2012				
ON - R$ 3.25 - PN - R$ 2.90*	47,138	153,199	94,275	273,398
At March 31, 2013				
ON - R$ 3.07 - PN - R$ 2.99*	47,138	144,714	94,275	281,882

* Quotation for last transaction of shares on the date stated, multiplied by total shares existing on this date.

b) Treasury stock

Treasury shares refer to repurchased capital. The amount of remuneration paid includes directly attributable costs, net of any tax effects. When treasury shares are sold or subsequently re-issued, the amount received is recognized as an increase in equity, and the resulting excess or deficit are transferred to/from retained earnings.

c) Reserves

Legal reserve

This is registered at the rate of 5% of net income for each year, determined in accordance with the terms of article 193 of Law No. 6404/76, until its balance reaches the limit of 20% of the amount of capital. This reserve was used to absorb the loss incurred with the adjustments mentioned in note 3.e.

Statutory reserve and profit retention

Reserve for investments – constituted to cover investments to be made in subsequent years, based on the capital budget. This reserve was used to absorb the loss incurred with the adjustments mentioned in note 3.e.

Equity valuation adjustments

The reserve for equity valuation adjustments includes adjustments from adopting deemed cost for fixed assets at the transition date to IFRS. The amounts registered in equity valuation adjustments are reclassified partially or fully to profit or loss for the year, when the assets to which they refer are sold.

Accumulated translation adjustments

Cumulative translation adjustments include all of the foreign currency differences arising from translation of the financial statements of foreign operations.

***23. Equity (Company)** (Continued)*

d) <u>Earnings per share</u>

Basic earnings per share were calculated based on profit for the period attributable to controlling and non-controlling shareholders of the Company up to March 31, 2013, and the respective average number of common outstanding shares in this period, compared to the period ended March 31, 2012, as presented below:

	03-31-2013 (restated)	03-31-2012
Net income for the period from continuing operations	**9,194**	17,307
Loss from discontinued operations	**-**	(5,166)
Net income attributable to Company shareholders	**9,194**	12,141
Basic and diluted earnings per share – in R$	**0.0650**	0.0858
Basic and diluted earnings per share –from continuing operations-R$	**0.0650**	0.1224

At March 31, 2013, the Company's basic and diluted earnings per share have the same amount since there are no financial instruments convertible into shares and its common shares are not entitled to differentiated participation in profits.

24. Operating income

	Consolidated		Company	
	03-31-2013	**03-31-2012**	**03-31-2013 (restated)**	**03-31-2012**
Product sales	**258,891**	207,629	**85,281**	84,383
Rendering of services	**5**	1,922	**5**	12
Total gross revenue	**258,896**	209,551	**85,286**	84,395
Sales taxes	**(28,938)**	(28,856)	**(4,530)**	(10,273)
Returns and rebates	**(1,263)**	(2,331)	**(2,777)**	(144)
Total net operating revenue	**228,695**	178,364	**77,979**	73,978

25. Financial income (expenses)

	Consolidated		Company	
	03-31-2013 (restated)	03-31-2012	03-31-2013	03-31-2012
Financial expenses				
Interest	**(13,548)**	(12,109)	**(9,695)**	(10,415)
Capitalized interest on fixed assets	**149**	34	**149**	63
Foreign exchange losses	**(3,622)**	(21,060)	**(3,382)**	(21,021)
Tax on Financial Transactions (IOF)	**(402)**	(52)	**(54)**	(5)
Swap on financial operations	**(8,054)**	(13,557)	**(7,897)**	(13,557)
Other expenses	**(1,390)**	(1,781)	**(273)**	(961)
	(26,867)	(48,525)	**(21,152)**	(45,896)
Financial income				
Interest	**2,582**	3,303	**1,576**	1,646
Foreign exchange losses	**5,764**	29,626	**5,566**	29,459
Swap on financial operations	**3,625**	13,286	**3,515**	13,154
Other income	**1,870**	374	**85**	157
	13,841	46,589	**10,742**	44,416
Financial income (expenses), net	**(13,026)**	(1,936)	**(10,410)**	(1,480)

26. Income and social contribution tax expenses

Reconciliation of expenses, calculated by applying combined nominal tax rates, as well as income and social contribution tax expenses in P&L, is as follows:

	Consolidated		Company	
	03-31-2013 (restated)	03-31-2012	03-31-2013 (restated)	03-31-2012
Income before income and social contribution taxes	**24,007**	28,430	**10,324**	13,596
Combined tax rate	**34%**	34%	**34%**	34%
Income and social contribution taxes:				
At combined tax rate	**(8,163)**	(9,666)	**(3,510)**	(4,623)
Permanent additions				
Non-deductible expenses	**(24)**	(53)	**(24)**	(45)
Permanent exclusions:				
Tax exempt income – equity pickup	**-**	-	**7,161**	5,913
Other – Law No. 11196/05	**39**	33	**-**	-
Tax losses not recognized in assets	**(5,524)**	(3,014)	**(4,346)**	(3,014)
Other items	**(1,141)**	1,577	**(411)**	314
Income and social contribution taxes in the P&L for the year	**(14,813)**	(11,123)	**(1,130)**	(1,455)
Income and social contribution taxes in the P&L for the year:				
Current	**(9,615)**	(6,712)	**-**	-
Deferred	**(5,198)**	(4,411)	**(1,130)**	(1,455)
	(14,813)	(11,123)	**(1,130)**	(1,455)
Effective rate	**61.70%**	39.12%	**10.95%**	10.70%

27. Insurance coverage

The Company adopts the policy to take out insurance coverage for assets subject to risks for amounts considered sufficient by Company management to cover adventitious damages, considering the nature of its activities. Insurance coverage is determined by Company management for an amount considered sufficient to cover adventitious damages.

At March 31, 2013, the Company's insurance coverage was as follows:

	03-31-2013	
	Consolidated	**Company**
Material damages	204.637	83.225
Civil liability	38.653	8.000
Loss of profits	5.874	-

28. Expenses by nature

The Company elected to present the consolidated income statement by function. As required by IFRS, the Company sets out below a detailed consolidated income statement by nature:

	Consolidated		**Company**	
	03-31-2013 (restated)	**03-31-2012**	**03-31-2013 (restated)**	**03-31-2012**
Expenses by function				
Cost of products sold	**(150,744)**	(112,215)	**(63,720)**	(60,101)
Selling expenses	**(22,208)**	(21,368)	**(6,030)**	(7,134)
General and administrative	**(16,866)**	(14,008)	**(7,859)**	(7,968)
Other operating expenses	**(3,430)**	(2,251)	**(745)**	(1,338)
	(193,248)	(149,842)	**(78,354)**	(76,541)
Expenses by nature				
Depreciation and amortization	**(7,925)**	(9,253)	**(2,835)**	(3,276)
Personnel expenses	**(24,513)**	(18,319)	**(28,072)**	(28,311)
Raw material and use and consumption materials	**(131,748)**	(89,287)	**(35,420)**	(25,103)
Freight	**(4,563)**	(4,512)	**(2,019)**	(1,611)
Commissions	**(7,122)**	(8,164)	**(1,325)**	(2,935)
Third-parties services	**(3,218)**	(2,928)	**(1,655)**	(1,638)
Advertising and publicity	**(3,541)**	(3,995)	**(585)**	(421)
Other expenses	**(10,618)**	(13,384)	**(6,443)**	(13,246)
	(193,248)	(149,842)	**(78,354)**	(76,541)

29. Business combination

a) Acquisition of Heritage Manufacturing, Inc.

On May 2, 2012, the subsidiary Taurus Holdings, Inc. acquired for USD10 million the controlling interest in Heritage Manufacturing, Inc., based in Opa Locka, Florida, company engaged in manufacturing of Single Action revolvers. With this transaction the Company intended to supplement its portfolio of products in the US market. The consideration was fully paid in cash, without assuming any liability in connection with the transaction, also there is no contingent consideration.

Due to the acquisition there was initial recording of goodwill of R$ 16,056. At December 31, 2012, the work of the experts hired to determine the fair value of assets acquired and liabilities assumed in the acquisition, including the calculation and the final allocation of goodwill, had not been finalized. The Company has up to one year (the measurement period) to adjust the provisional amounts recognized initially at acquisition date, retrospectively as information required to measure the fair value of assets and liabilities is obtained, as provided for in CPC 15 and IFRS 3. In management's view, the amount will be substantially allocated to intangible assets.

We set out below a summary computation of goodwill, considering Heritage's balance sheet at May 2, 2012.

Cash	492
Fixed assets	1.398
Other assets	4.468
Liabilities	(1.864)
Total identifiable assets, net	4.494
(-) Amount of consideration	(20.550)
Goodwill paid	16.056
Consideration paid	20.550
Cash acquired from subsidiary	(492)
Cash paid for the controlling interest	20.058

The costs related to the acquisition were recognized in P&L under Administrative expenses.

RELEASE

1Q13

Release republished on 03/28/2014 due to the restatement of the Quarterly Information for the 1st quarter of 2013

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 1st quarter of 2013 (1Q13), 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 2012 and 2013, including 1Q13, 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 (ITR)at March 31, 2013 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 profit of R$ 9.2 million in the 1Q13 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 09-30-12, 06-30-12, 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 1ST QUARTER OF 2013 (1Q13)

- ✓ **Consolidated net revenue** of R$ 228.7 million was up 28.2% compared to 1Q12 and up 16.6% compared to 4Q12 due to the increase in exports;
- ✓ **Net revenue from the foreign market amounted to R$ 172.5 million**, up 58.9% compared to 1Q12 and up 64.5% compared to 4Q12;
- ✓ **Revenue from the weapons segment reached R$181.4 million in 1Q13,** up 38.4%, accounting for 79.3% of net revenue;
- ✓ **Gross profit totaled R$ 78.0 million,** up 17.8% compared to 1Q12 and up 36.9% compared to 4Q12, with margin of 34.1%, mainly due to gross profit from the defense and security segment, which totaled R$ 63.8 million, up 45.5% compared to 1Q12, with gross margin of 35.1%, higher than the 33.4% margin for 1Q12;
- ✓ **Adjusted EBITDA of 47 million,** with margin of 20.5%, was up 29.6% compared to 1Q12;

- ✓ **Consolidated net income** totaled R$ 9.2 million with margin of 4.0%, a recovery in relation to loss from continuing operations of R$ 23.0 million in 4Q12, but lower than net income of R$ 12.1 million in 1Q12 (already deducting loss of R$ 5.2 million from discontinued operations of TMFL);
- ✓ **Dividends of R$ 0.129357657 per share** against income reserve for 2012, and the remaining R$ 0.059 per share were credited as from May 26, 2013, to be approved in the next Ordinary Shareholders' Meeting of April 30, 2014 due to the restatement of the balance sheet for 2012, which generated loss for the period; and
- ✓ **Improvement in net debt to EBITDA ratio of** 3.41x at Mar/31/13 compared to 4.04x at Dec/31/12.

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	**1Q13**	**4Q12**	**1Q12**	**1Q13/1Q12**	**1Q13/4Q12**
Net revenue	**228.7**	**196.2**	**178.4**	**28.2%**	**16.6%**
Domestic market	56.2	91.3	69.8	-19.5%	-38.5%
Foreign market	172.5	104.9	108.6	58.9%	64.5%
COGS	150.7	139.2	112.2	34.3%	8.3%
Gross Profit	78.0	57.0	66.1	17.8%	36.9%
Gross Margin - %	**34.1%**	**29.0%**	**37.1%**	**-3.0 p.p.**	**5.0 p.p.**
Operating Expenses	-40.9	-71.3	-35.8	14.4%	-42.6%
Operating Profit (EBIT) (1)	37.0	-14.4	30.4	22.0%	-358.0%
Net Financial Income	-13.0	-13.8	-1.9	572.8%	-5.8%
Depreciation and amortization (2)	8.1	15.5	7.6	7.0%	-47.7%
Net Income - Continuing Operations	9.2	-23.0	17.3	-46.9%	-140.0%
Net Income Margin - Cont. Operations	**4.0%**	**-11.7%**	**9.7%**	**-5.7 p.p.**	**15.7 p.p.**
Net Income - Descontinuing Operations	0.0	0.0	-5.2	-100.0%	#DIV/0!
Net Income - Consolidated	9.2	-23.0	12.1	-24.3%	-140.0%
Net Income Margin - Consolidated	**4.0%**	**-11.7%**	**6.8%**	**-2.8 p.p.**	**15.7 p.p.**
Adjusted EBITDA (3)	47.0	11.6	36.2	29.6%	305.3%
Adjusted EBITDA Margin - %	**20.5%**	**5.9%**	**20.3%**	**0.2 p.p.**	**14.6 p.p.**
Total Assets	1,150.9	1,114.3	1,126.9	2.1%	3.3%
Equity	209.9	201.8	334.3	-37.2%	4.0%
Investiments (CAPEX)	10.9	27.2	21.2	-48.9%	-60.2%

(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.

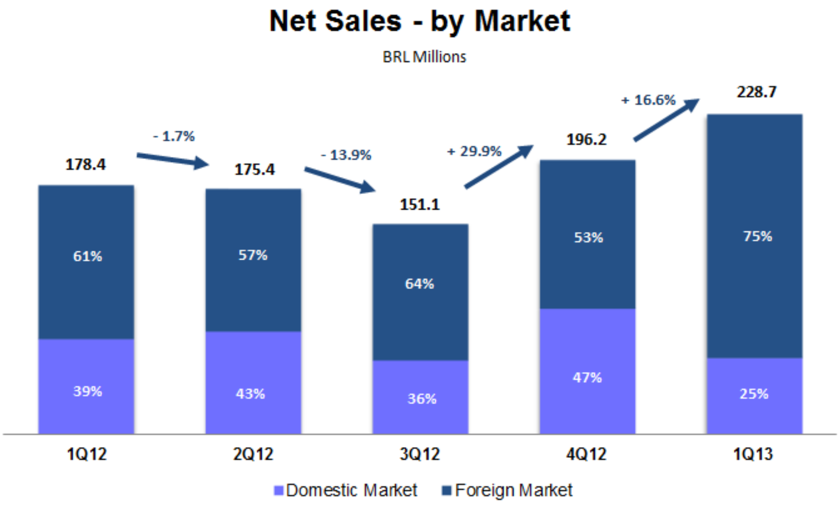
1.2 – Consolidated net revenue

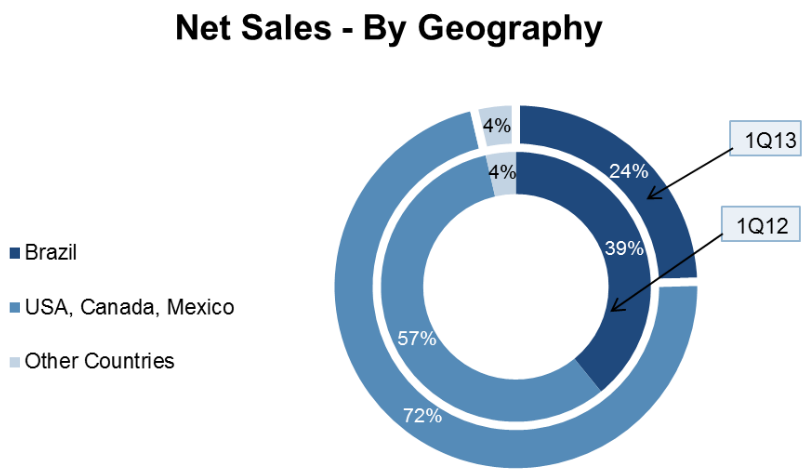
Total consolidated net revenue for 1Q13 totaled R$ 228.7 million, up 28.2% compared to R$ 178.4 million in 1Q12 and up 16.6% compared to R$ 196.2 million in 4Q12. This increase is mainly due to 58.9% increase in exports, which accounted for 75.4% of total consolidated net revenue in 1Q13 compared to 60.9% in 1Q12.

The North American market alone accounted for 72% of total net revenue in 1Q13 compared to 57% in 1Q12.

Consumption in the North American market continued presenting good performance, due to the 23 measures restricting use of special guns for civilians announced by President Barack Obama in his inauguration at the beginning of January 2013. Although the possible restrictions were not approved by the US Congress, recent events, i.e. the bomb scares in Boston, once again spread fear and uncertainties among the population, leading to maintenance in the level of demand for weapons and ammunitions.

We illustrate below the Company's net revenue, by market, in millions of Brazilian reais, of the quarters under analysis:





1.3 - Segment information

I. Defense and Security Segment

(i) Weapons

This segment includes handguns (revolvers and pistols for military and civil use), long guns (rifles and carbines) and submachine guns. The table below sets out consolidated financial highlights by segment:

RESULTS BY BUSINESS SEGMENT
Consolidated amount in millions of reais

Comparative Quarter - Year over Year

	Net Revenue					Gross Income			Gross Margin			Income before taxes		
	1Q13	**Part. %**	**1Q12**	**Part. %**	**Var.**	**1Q13**	**1Q12**	**Var.**	**1Q13**	**1Q12**	**Var.p.p**	**1Q13**	**1Q12**	**Var.**
Firearms	181.4	79.3%	131.1	73.5%	38.4%	63.8	43.8	45.5%	35.1%	33.4%	1.7	20.6	12.7	62%
Helmets	29.9	13.1%	32.0	17.9%	-6.6%	10.3	13.7	-24.9%	34.5%	42.9%	-8.4	5.9	9.5	-38%
Others	17.4	7.6%	15.3	8.6%	13.8%	3.9	8.6	-54.7%	22.4%	56.4%	-34.0	(2.4)	6.2	NS
Total	**228.7**	**100.0%**	**178.4**	**100.0%**	28.2%	**78.0**	**66.1**	17.8%	**34.1%**	**37.1%**	**-3.0**	**24.0**	**28.4**	-16%

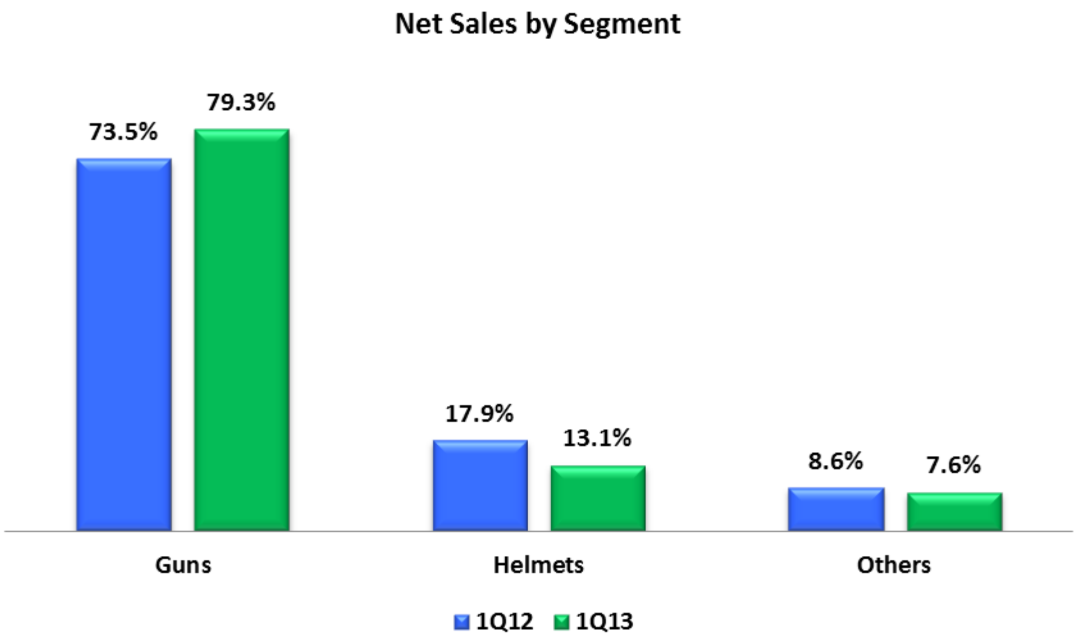
Comparative Quarter - Current Quarter x Previous Quarter

	Net Revenue					Gross Income			Gross Margin			Income before taxes		
	1Q13	**Part. %**	**4Q12**	**Part. %**	**Var.**	**1Q13**	**4Q12**	**Var.**	**1Q13**	**4Q12**	**Var.p.p**	**1Q13**	**4Q12**	**Var.**
Firearms	181.4	79.3%	151.0	77.0%	20.2%	63.8	51.2	24.4%	35.1%	33.9%	1.2	20.6	1.1	NS
Helmets	29.9	13.1%	26.6	13.6%	12.3%	10.3	7.4	38.3%	34.5%	28.0%	6.5	5.9	3.0	99%
Others	17.4	7.6%	18.6	9.5%	-6.3%	3.9	(1.7)	NS	22.4%	-9.3%	31.8	(2.4)	(32.3)	-92%
Total	**228.7**	**100.0%**	**196.2**	**100.0%**	16.6%	**78.0**	**57.0**	36.8%	**34.1%**	**29.0%**	**5.0**	**24.0**	**(28.2)**	NS

(i) *Weapons – operations conducted by Forjas Taurus S.A. and Taurus Holdings, Inc. (USA);*

(ii) *Helmets for motorcyclists – operations conducted by Taurus Blindagens Ltda., Taurus Helmets Indústria Plástica Ltda. and Taurus Blindagens Nordeste Ltda.;*

(iii) *Others- segments of forging, boiler making, bulletproof vests and plastic products.*



The Company's main segment is that of Defense & Security, accounting for 79.3% of consolidated net revenue. Weapon sales in 1Q13 totaled R$181.4 million, up 38.4% compared to 1Q12 (R$ 131.1 million, equivalent to 73.5% of total consolidated net revenue). Gross profit amounted to R$ 63.8 million, up 45.5%, with gross margin of 35.1% due to the increase in export sales, contributing to pretax income of R$ 20.6 million in 1Q13, up 62% compared to 1Q12.

The performance of the weapons segment is mainly due to the following: (i) change in the products mix; (ii) reduction of inventories due to high demand in the North American market and in other countries; (iii) margin recovery due to the increase in sales volume; (vi) lower pressure from cost of raw materials; and (v) quarter with weak seasonal demand in the domestic public security market.

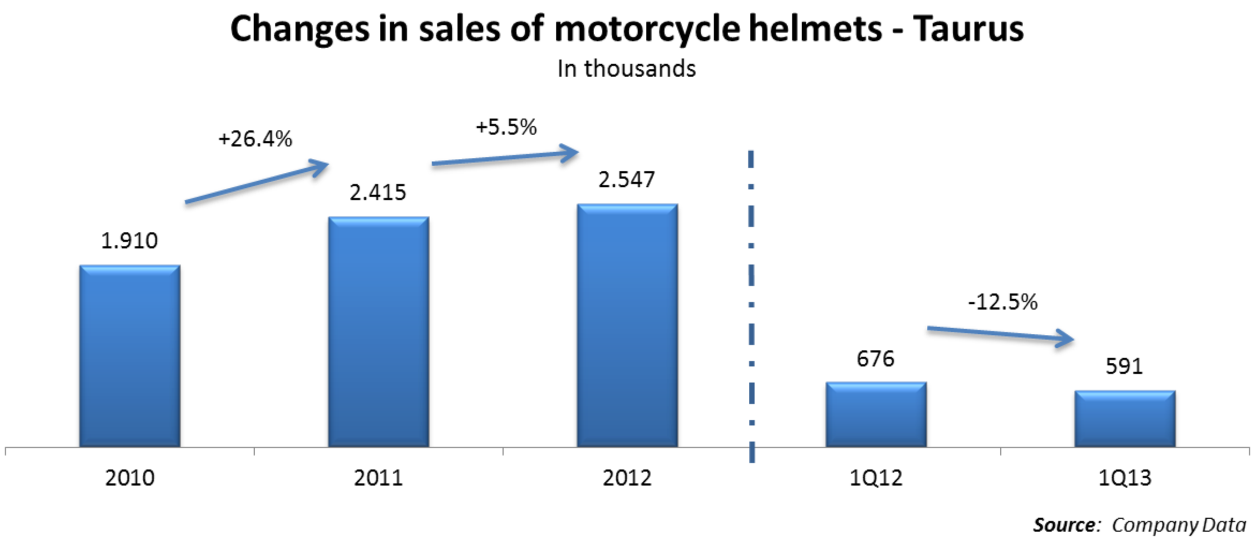
II. Metallurgy and Plastics Segment

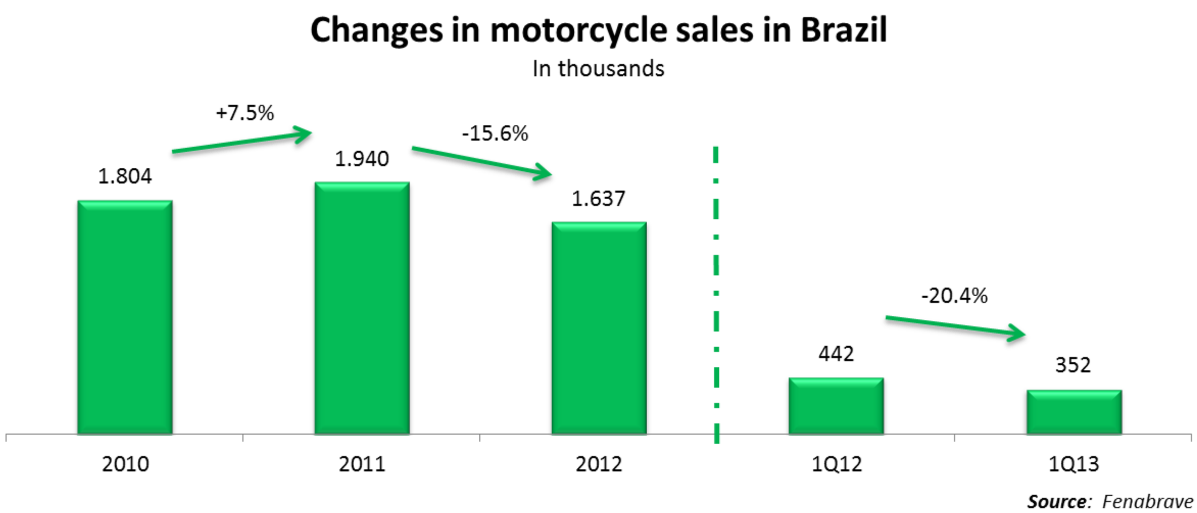
This segment accounts for 20.7% of net revenue, including the operations of Polimetal in the São Leopoldo unit (in the Rio Grande do Sul state) of forging and M.I.M.- Metal Injection Molding, as well as the activities of the helmet for motorcyclists plants (in the Paraná and Bahia states) and production of bulletproof vests and plastic containers (in the Paraná state).

(ii) Helmets for motorcyclists

Motorcyclist helmet sales represented 13.1% of net revenue, totaling R$ 29.9 million in 1Q13, down 6.6% in 1Q12 (R$ 32 million and 17.9% of net revenue), due to the 20.4% decrease in motorcycle sales in the Brazilian market in 1Q13 compared to 1Q12.

There was 12.5% decrease in motorcycle helmet sales, significantly lower than the decrease in the motorcycle sales due to promotional sales campaigns with dealers and retailers thus assuring market share of approximately 58% . We illustrate below evolution of motorcycle sales and helmet for motorcyclists sales in Brazil by Taurus in 1Q11 and 1Q12.





(iii) Other products from the Metallurgy and Plastics segment

Consolidated net revenue from other products totaled R$ 17.4 million, representing 7.6% of net revenue in 1Q13, up 13.8% compared to R$15.3 million and 8.6% of net revenue in 1Q12, with decrease in gross profit and gross margin due to change in the products mix, since the segment includes bulletproof vests, anti-riot shields, plastic containers and the metallurgy and forging for third parties areas, the latter has presented decrease in sales and lower performance compared to prior year.

1.4 – Gross profit and gross margin

Consolidated gross profit increased 17.8%, having reached R$ 78.0 million in 1Q13 (compared to R$ 66.1 million in 1Q12), with gross margin of 34.1% (compared to 37.1% in 1Q12). Gross profit and gross margin were mainly affected by the following factors: (i) increase in the volume of exported weapons sold in the USA and in other countries; (ii) reduction of inventories in the USA and Brazil; (iii) impact from foreign exchange variation; and (iv) alignment of costs and industrial labor to production level.

Compared to 4Q12, gross profit increased 36.9%, with recovery of 5 percentage points in relation to the 29.0% margin.

1.5 – Earnings before interest and taxes - EBIT

Consolidated operating profit, measured by EBIT (earnings before interest and taxes) in 1Q13, was up 22.0% compared to 1Q12, with a significant recovery in relation R$ -14.4 million in 4Q12, totaling R$ 37.0 million in the 1Q13 compared to R$ 30.4 million in 1Q12, with operating margin of 16.2%, similar to the operating margin of 17% in 1Q12 and reversing the negative margin of 7.3% in 4Q12. EBIT in 1Q13 compared to the prior quarter was mainly affected by the 36.9% increase in gross profit and 42.6% decrease in operating expenses.

1.6 – Adjusted EBITDA and Adjusted EBITDA margin

Consolidated cash generation amounted to R$ 47 million in 1Q13, up 29.6% compared to R$ 36.2 million in 1Q12, measured by EBITDA adjusted as defined by CVM Rule No. 527/12.

Adjusted EBITDA margin was of 20.5% in 1Q13 (20.3% in 1Q12), a significant improvement related to 5.9% margin in 4Q12.

The EBITDA concept defined in CVM Rule No. 527/12, a measure commonly used to represent the Company’s capacity to generate cash from its operations which brought the methodology for calculation the possibility of adjustments for non-recurrent results for purposes of comparison with prior years.
Among other purposes, EBITDA is used as indicator of Company commitments related to loans, financing and debentures. The table below sets out the calculation methodology, in accordance with CVM Rule No. 527/12 and the reconciliation with the adopted adjusted EBITDA:

CONSOLIDATED EBITDA
In thousands of BRL

PERIOD	1Q12	1Q13
= NET PROFIT	12.141	9.194
(+) IR/CSLL	11.123	14.813
(+) Net Financial Expenses	48.525	26.867
(-) Net Interest Income	(46.589)	(13.841)
(+) Depreciation/Amortization	7.555	8.082
= EBITDA CVM Reg. 527/12	32.755	45.115
(+) Income from Discontinued Operations [1]	3.483	-
(+) Loss of Taurus Máquinas-Ferramenta Ltda. [2]	-	1.850
= ADJUSTED EBITDA	36.238	46.965

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

[2] *Loss of Taurus Máquinas Ferramenta Ltda.refered to 1Q13, when operation ceased to be discontinued.*

1.7 – Financial income (expenses)

Net financial expenses in 1Q13 totaled R$ 13 million, lower than net financial expenses of R$ 13.8 million in 4Q12, but higher than that in 1Q12 of R$ 1.9 million. This decrease in net financial expenses is mainly due to better foreign exchange result, which generated financial income proportionally higher than the increase in financial expenses.

Extension of debt payment term and reduction of financial cost are ongoing strategic Company directives which, together with a new Project for Working Capital Optimization that has been conducted by management since the end of 2012, have already been generating results. This operation is also part of the strategy of sustainably strengthening the Company's internationalization process and to increase access to the global capital market.

1.8 – Net income (loss)

Consolidated net income in 1Q13 amounted to R$9.2 million, down 24.3% compared to 1Q12, however an improvement compared to loss of R$23 million in 4Q12.

The variation in the result in the comparison between the years is mainly due to the following: (a) increase in revenue from the defense and security segment as well as from the other metallurgy and plastics segments, except from helmets; (b) increase in gross profit; (c) foreign exchange variation; (d) increase in operating expenses; and (e) no impact from the result of discontinued operations from Taurus Máquinas-Ferramenta Ltda. in 1Q13 compared to loss from discontinued operations of R$ 5.2 million in 1Q12.

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 from R$115.35 million to R$57.52 million thus 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:

In thousand of reais.

	Consolidated					
	At March 31, 2013					
	Assets		Liabilities and equity			
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity	Net income for the year
Balance originally disclosed	**767,323**	**536,586**	**521,497**	**410,739**	**371,673**	**11,881**
Write-off of accounts receivable (a)	-	(57,830)	-	-	(57,830)	-
Supplementary provision for losses (b)	(4,916)	(57,699)	-	-	(62,615)	(1,871)
Provision for inventory losses (c)	(10,389)	-	-	-	(10,389)	(823)
Allowance for doubtful accounts (c)	(8,320)	-	-	-	(8,320)	-
Provision for impairment of PP&E (c)	-	-	2,723	-	(9,137)	540
Provision for tax and civil contingencies (c)	-	(13,522)	-	6,414	(13,522)	-
Adjustments – transactions with subsidiaries	-	-	(371)		371	371
Deferred taxes	-	(365)	-	-	(365)	(904)
Transfer to current assets/liabilities (d)	-	-	169,950	(169,950)	-	-
Restated balance	**743,698**	**407,170**	**693,799**	**274,203**	**209,866**	**9,194**

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

(a) Write down of accounts receivable owing to the sale of the machinery activity as a result from the renegotiation that led to reduction in the sale amount, as described in Note 8 to the Quartely Informations.

(b) In addition to recording of write down of accounts receivable for the sale of the machinery activities, as mentioned in ITR’s Note 8, management recorded at 06/30/2012 a provision for losses for the balance still receivable from Renill Participações, in accordance with CPC24 that provides for subsequent events occurred between the period of the financial statements and the approval for their restatement.

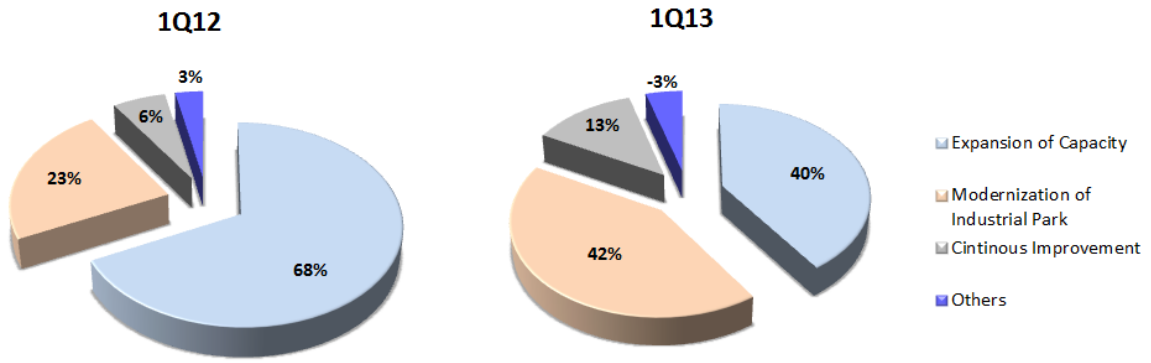
(c) Due to the changes made for restatement purposes, management performed a new process for approval of its financial statements. As part of this process, and in accordance with CPC 24, the impacts from subsequent events occurred between the period of the financial statements and approval for their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

(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.

1.10 – Consolidated investments

Consolidated investments in fixed assets at 1Q13 sum R$10.9 million (R$21.2 million in 1Q12). Depreciation and amortization totaled R$8.1 million in the quarter, against R$7.6 million in 1Q12.

The Company Capital Budget of R$39.7 million proposed by management for 2013 was approved at the Annual and Extraordinary General Meeting – AGM/EGM on April 26, 2013. There was no possible opportunities for acquisitions contemplated in these values.
The graphics below illustrate the investments in fixed assets at 1Q13 and at 1Q12, with the following distribution:



1.11 – Financial position

Cash and short-term investments totaled R$ 247.3 million at Mar/31/13, up 37% compared to R$180.8 million at Dec/31/12 and up 33% compared to R$ 186.3 million at Mar/31/12. Short-term investments earn interest at rates varying from 98% to 103% of CDI at Mar/31/13, and are made with first tier financial institutions.

Taurus' consolidated gross indebtedness totaled R$ 728.4 million at Mar/31/13, down 3% more if compared to R$ 707.2 million at Dec/31/12. The funds are destined mainly to finance: (i) working capital; (ii) investments for modernization of industrial premises; and (iii) exports.

Long-term loans and financing totaled R$228.8 million at Mar/31/12, down 20% compared to Mar/31/12 and down 10% compared to Dec/31/12.

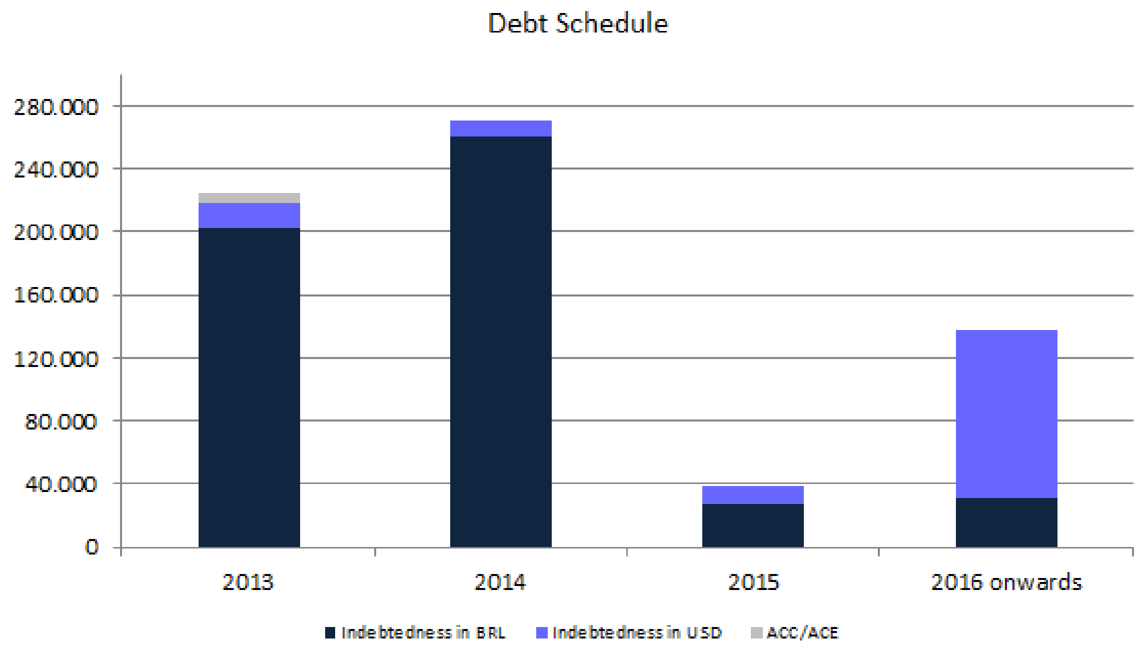
Despite higher pressure of short-term debt to carry out operations, net debt at Mar/31/13 totaled R$ 481.1 million, down 9% compared to net debt of R$ 526.4 million at Dec/31/12.

Management permanently seeks to extend debt payment terms and reduce financial costs, together with the Capital Optimization Program also aimed at developing the Company's cash management culture. The actions for working capital optimization resulted in 8% increase in the balance of trade accounts receivable; 7.7% decrease in trade accounts payable; 12.9% reduction in inventories; and 6.2% decrease in taxes recoverable, resulting in 36.8% increase in cash and cash equivalents at Mar/31/13 compared to Dec/31/12.

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 in 2013, both in local currency and US dollar are part of the Company's structural working capital, with lines renewed on a routine basis. They also include two installments of 1st issue debentures and the 1st installment of 2nd issue debentures that matured in 2013. The 1st issue debentures have final maturity in April 2014 and 2nd issue debentures in 2016.

Maturity of consolidated debt – In thousands of reais



We set out below the changes at Mar/31/13 compared to Dec/31/12 and Mar/31/12 and the main accounts related to the Company's financial position, as well as the main related indicators:

In millions BRL

	12/31/2013	09/30/2013	12/31/2012	Var. Dec/13 x Sep/13	Var. Dec/13 x Dec/12
Short term indebtedness	388,5	367,3	322,6	6%	20%
Long term indebtedness	273,2	302,8	255,5	-10%	7%
Exchange Serves	0,0	0,0	5,1	-	-
Debentures	57,6	77,1	94,7	-25%	-39%
Antecipation Mortages	19,6	22,1	28,7	-11%	-32%
Advance on Receivables	116,0	124,6	26,4	-7%	340%
Derivatives	-35,6	-32,5	-25,8	10%	38%
Gross Indetbetedness	819,2	861,4	707,2	-5%	16%
(-) Cash available and financial investments	281,1	327,8	180,8	-14%	56%
Net Indebtedness	538,1	533,6	526,4	1%	2%
Adjusted EBITDA	100,0	124,2	130,3	-19%	-23%
Net Indebtedness/Adjusted EBITDA	5,38x	4,30x	4,04x		
Adjusted EBITDA/Financial Expenses Net	1,36x	1,85x	2,92x		

2 – Capital market

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

The Company has been listed at Level 2 of BM&FBovespa since Jul/07/11 and as a listed company for more than 30 years. The Company's articles of incorporation have been fully amended and consolidated addressing adoption of differentiated corporate governance practices provided for this corporate governance level and the Ordinary and Extraordinary Meeting of 04/26/13 approved amendment to article 56 of the articles of incorporation in order to include the updating occurred in Level 2 related regulations, referring to the Arbitration Chamber.

The Company's capital comprises the following number of shares at Mar/31/13:

Common shares: 47,137,539 representing **33.3%** of capital

Preferred shares: 94,275,078 representing **66.7%** of capital

Total issued shares: 141,412,617 representing **100%** of capital

The table below shows 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 Taurus shares on BM&FBovespa in 2013 and 2012:

	Jan/13 to Mar/13	Jan/12 to Dec/12	Var.
Share FJTA3 - 47,137,539 shares			
Stock Price - BRL share	3.07	3.25	**-5.5%**
Trades - Amount* (average)	6,174	10,931	**-43.5%**
Trades - Volum BRL* (average)	18,692	26,004	**-28.1%**
Share FJTA4 - 94,275,078 shares			
Stock Price - BRL share	2.99	2.90	**3.1%**
Trades - Amount* (average)	205,295	274,407	**-25.2%**
Trades - Volum BRL* (average)	621,399	639,017	**-2.8%**
Market Value FTSA - BRL thousands			
141,412,617 shares	426,595	426,595	**0.0%**
Ibovespa			
	56,352	60,952	**-7.5%**

Source: BM&FBovespa

3- Subsequent Events

3.1. Election of Board of Directors, Committees and Statutory Executive Board Members

The Ordinary and Extraordinary Shareholders' Meeting held on April 26, 2013 elected the members of Forjas Taurus Board of Directors. The elected members are Luis Fernando Costa Estima, Danilo Angst, Fernando José Soares Estima, Ruy Lopes Filho, Manuel Jeremias Leite Caldas, Carlos Augusto Leite Junqueira de Siqueira and Marcos Tadeu de Siqueira.

The Vice-Chairman of the Board of Directors, Danilo Angst, as well as Board members Ruy Lopes Filho, Manuel Jeremias Leite Caldas and Marcos Tadeu de Siqueira assumed the position of Independent Board

Members of the Company, and Carlos Augusto Leite Junqueira de Siqueira will be the Company's Outside Board Member.

The elected effective Supervisory Board members of the Company are: Mauro César Medeiros de Mello, Reinaldo Fujimoto, Amoreti Franco Gibbon, Marcelo de Deus Saweryn and Juliano Puchalski Teixeira. The alternate members are: Oscar Claudino Galli, José Ivo dos Santos Loss, Edgar Panceri, Lisiane Miguel Wilke and Carlos Eduardo Bandeira de Mello Francesconi, respectively.

The meeting also examined, discussed and voted the accounts of officers, the complete annual financial statements for the year ended December 31, 2012 and also the proposed allocation of net income for the year ended December 31, 2012 and the approval of dividends and interest on equity. In addition, the proposed capital budget for 2013 was examined, discussed and voted.

In the Board of Directors Meeting of May 2, 2013, the board member Luis Fernando Costa Estima assumed the position of Chairman and member Danilo Angst assumed the position of Vice-Chairman. In addition, there was election of statutory executive board members, as follows: (i) Dennis Braz Gonçalves, CEO; (ii) Jorge Py Velloso, International Relations and Strategic Projects Vice CEO and (iii) Dóris Beatriz França Wilhelm, Investor Relations Executive Officer.

The following employees and officers were appointed to compose the Company's Committees: (i) the Company's Audit and Risks Committee: Mr. Danilo Angst Ruy Lopes Filho and Mr. Edair Deconto, the first of which being the coordinator of this Committee; (ii) the Company's Remuneration and People Development Committee: Mr. Manuel Jeremias Leite Caldas, Mr. Fernando José Soares Estima and Mrs. Carla Pretto De Marchi, the first of which being the coordinator of this Committee and (iv) the Company's Management and Corporate Governance Committee: Mr. Marcos Tadeu de Siqueira, Mr. Fernando José Soares Estima and Mr. Carlos Augusto Leite Junqueira de Siqueira, the first of which being the coordinator of this Committee.

4 – Guidance 2013

Company had provided growth projections for 2013 based on perspectives to the two main business segments of Defense & Security and Metallurgy & Plastics as by the original presentation of 1Q13. According on the ITRs restatements, we are comparing the original projected, the 2012 restatement as comparation and the 2013 projections review to market knowledge:

In BRL Millions	Restatement 2012	Guidance 2013 (Original)	Guidance 2013 (Reviewed)	Realized 2013	Variation Guidance/Realized
Net Revenue	> R$ 701.0	R$ 785.0	R$ 850.0	R$ 807.3	-5.0%
Adjusted EBITDA	> R$ 130.3	R$ 170.0	R$ 151.0	R$ 100.0	-33.8%
CAPEX	R$ 90.2	R$ 39.7	R$ 39.7	R$ 28.2	-29.0%

Capital budget (CAPEX) of R$ 39.7 million approved by the General Shareholders' Meeting for 2013, with realization of 27.3% of this amount in 1Q13.

A free translation from Portuguese into English of independent auditor's review report on individual interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and on consolidated interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil, International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board – IASB and specific CVM rules.

Independent Auditor's Review Report on Quarterly Information

Shareholders, Board of Directors and Officers of
Forjas Taurus S.A.
Porto Alegre - RS

Introduction

We have reviewed the individual and consolidated interim financial information of Forjas Taurus S.A. (Company), contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2013, which comprises the balance sheet as at March 31, 2013 and the related income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the three-month period then ended, including accompanying notes.

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

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

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

Conclusion on the consolidated interim financial information

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

Emphasis of matter

On October 15, 2013, we issued a qualified review report on financial position, on account of: (i) unrecognized loss on accounts receivable in the amount of R$57,830 thousand; (ii) non-preparation of an analysis on the capacity of realization of receivables in the amount of R$62,613 thousand, or verification whether receivables were recorded at present value; and (iii) non-reclassification to current liabilities of loans and debentures whose financial ratios were not met, in the amount of R$169,952 thousand. As described in Note 3(e), the Quarterly Information (ITR) for the quarter ended March 31, 2013 was changed and is being restated to reflect the corrections of the abovementioned accounting distortions. Consequently, the qualifications contained in our report previously issued are no longer necessary and, therefore, we are reissuing on this date our new conclusion herein, which does not include any qualification or any other kind of modification.

Other matters

Statements of value added

We also reviewed the individual and consolidated statement of value added (SVA), for the three-month period ended March 31, 2013, prepared under the responsibility of Company management, whose presentation in the interim financial information is required according to the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to preparation of Quarterly Information (ITR) and considered supplementary information under IFRS, which do not require SVA presentation. These restated statements were submitted to the same review procedures previously described and, based on our review, we are not aware of any fact that would make us believe that they were not prepared, in all material respects, in accordance with the overall individual and consolidated interim financial information.

Porto Alegre, March 25, 2014.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6/F/RS

Luis Carlos de Souza
Accountant CRC-1SC021585/O-4

Representation of Supervisory Board

The Supervisory Board of Forjas Taurus S.A., in compliance with legal and statutory requirements, reviewed the information for the first quarter of 2013, redone by management, the sight of justified reasons, properly presented in its report and in the notes that accompany and these are integral. Based on this review and further considering the Report on Review of Interim Financial Information, unqualified by the independent auditors, Ernst & Young Auditores Independentes S.S., dated March 25, 2014, and on information and explanations received from the directors of the Company, the Supervisory Board opines that these documents are able to be released.

Porto Alegre, March 28, 2014

Mauro César Medeiros de Mello

Amoreti Franco Gibbon

Juliano Puchalski Teixeira

Marcelo de Deus Saweryn

Reinaldo Fujimoto

Reports and Representations / Representation of Executive Board on the Financial Statements

REPRESENTATION LETTER OF FORJAS TAURUS S.A. OFFICERS ON THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER OF 2013

Mr. André Balbi Cerviño, Mr. Eduardo Ermida Moretti, Mr. Eduardo Feldmann Costa and Mrs. Dóris Beatriz França Wilhelm, Officers of Forjas Taurus S.A., a company headquartered at Avenida do Forte, nº 511, Vila Ipiranga, Porto Alegre, Rio Grande do Sul (RS) state, enrolled with Brazilian IRS Registry of Legal Entities under No. 92.781.335/0001-02, for the purpose of items V and VI of article 25 of Brazilian Securities and Exchange Commission (CVM) Ruling No. 480, of December 7, 2009, do hereby represent that they have reviewed, discussed and agreed with the Financial Statements of Forjas Taurus S.A. and consolidated companies for the period from January 1, 2013 to March 31, 2013.

Porto Alegre, March 24, 2014.

André Ricardo Balbi Cerviño
Chief Executive Officer

Eduardo Ermida Moretti
Sales and Marketing Vice President Officer

Eduardo Feldmann Costa
Administrative and Finance Vice President Officer

Doris Beatriz França Wilhelm
Investor Relations Officer

Reports and Representations / Representation of Executive Board on Independent Auditor's Report

REPRESENTATION LETTER OF FORJAS TAURUS S.A. OFFICERS ON INDEPENDENT AUDITOR'S SPECIAL REVIEW REPORT

Mr. André Balbi Cerviño, Mr. Eduardo Ermida Moretti, Mr. Eduardo Feldmann Costa and Mrs. Dóris Beatriz França Wilhelm, Officers of Forjas Taurus S.A., a company headquartered at Avenida do Forte, nº 511, Vila Ipiranga, Porto Alegre, Rio Grande do Sul (RS) state, enrolled with Brazilian IRS Registry of Legal Entities under No. 92.781.335/0001-02, for the purpose of items V and VI of article 25 of Brazilian Securities and Exchange Commission (CVM) Ruling No. 480, of December 7, 2009, do hereby represent that they have reviewed, discussed and agreed with the opinions expressed by Ernst & Young Terco Auditores Independentes S.S., issued on March 25, 2014, in the Independent Auditor's Special Review Report on the Financial Statements for the period from January 1, 2013 to March 31, 2013..

Porto Alegre, March 25, 2014.

André Ricardo Balbi Cerviño
Chief Executive Officer

Eduardo Ermida Moretti
Sales and Marketing Vice President Officer

Eduardo Feldmann Costa
Administrative and Finance Vice President Officer

Doris Beatriz França Wilhelm
Investor Relations Officer