RELEASE

3Q14

Porto Alegre, November 13, 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 results for the **3rd quarter of 2014 (3Q14) and the nine-month period of 2014)(9M14)**.

HIGHLIGHTS FOR THE 9 MONTHS OF 2014 (9M14)

The first nine months of 2014 were marked by certain corporate events which we deem important to allow better understanding of the market and the Company's current scenario. These events as well as the information that was provided to the market are described below on a grouped basis and in further details, with the related corporate documents, in item 3 herein:

I. Restatement of the Financial Statements ("FS") and subsequent measures by management;

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

II. Capital Increase, Disposal/Purchase of Significant Ownership Interest and Controlling Interest;

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

III. Debentures: Liquidation of the 1st issue, waiver of early maturity of 2nd and 3rd issues of nonconvertible debentures;

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

IV. CADE – Concentration Act related to TAURUS and CBC;

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

V. Election of the Board of Directors and Appointment of the Statutory Committees;

- ✓ Resignation of Board Member on April 25, 2014;

✓ Election of Board of Directors through multiple vote process due to the resignation and increase from 7 to 9 board members on June 27, 2014;

✓ Appointment of the new statutory committee members in July 2014;

VI. Cancelation of Treasury Shares and Reverse Split of Shares

✓ Cancelation of treasury shares was approved by the Board of Directors in September 2014;

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

In summary, Company management and the conduction of its operations were impacted in the 9M14 by events mainly related to the following:

Corporate Aspects: these significantly involved Company management, for instance, in the election of a new Board of Directors, several special meetings held in the period, generation and publication of corporate documents, preparation of several Significant News Releases, Communications to the Market and to Shareholders. In addition, there was natural demand for clarifications by inspection and regulatory agencies, such as CVM, BM&FBOVESPA and CADE, due to filing of the concentration act that is pending judgment; and

II. Operating Aspects: the need of replacing people in the operating area and to increase quality and certain market and unproductivity issues due to noncompliances, reduced the volumes produced which, even with the gradual and consistent recovery in the volume of weapon sales / man day in the 3Q14 and to date, have not yet reached an adequate level to meet increasing demand in the period, thus generating a sales backlog, especially for revolvers, of which the performance is below management's expectations, despite the various measures that have been taken in several areas.

In view of the perceived regularization in sales volume in the North American market, Company management estimates that the results from the operating actions implemented will arise within medium and long term, and recovery will start being felt at the end of 2014, however more consistently and continuously from 2015 onwards.

We comment below the main aspects about performance in the period under analysis.

Economic and Financial Highlights for 9M14

✓ **Consolidated net revenue of R$ 424.6 million in 9M14** was down 34.8% compared to 9M13, mainly due to the sharp decrease in exports to the USA (decrease of R$ 216.6 million), although **exports to other countries increased R$ 11.4 million,** up 37.5% in relation to the same prior year period;

✓ **Reasons for decrease in revenue from exports to the USA:** (i) general decrease in the demand for weapons by approximately 17.6%, in accordance with the National Instant Criminal Background Check System ("NICS"), of FBI statistics about consultations of criminal records, which allows measuring the intention for buying weapons ; (ii) large inventories held by retailers, which then purchased fewer weapons to reduce inventories and generate cash; (iii) competitors with aggressive weapon price discount policies; (iv) 6% increase in price of Company products at the end of last year, thus resulting in loss of market share; and (v) no important product launches to offset the loss and attract consumers to our brands;

✓ **Weak performance of one of the major players in the weapons market in the USA;** namely Sturm, Ruger & CO Inc., which posted in the 3Q14 43% decrease in revenue, 61% decrease in EBITDA and 76% decrease in profit (compared to 3Q13), thus reducing operating margins, with estimated 44% decrease in sales through independent distributors to retailers in the USA in the period;

✓ **Slowdown in the weapons market in the USA** after excellent demand in 2013, evidencing that the decrease in demand is cyclical and not a structural issue, which may recover at any time, and started giving signs of recovery in October/14, through the demand indicator (NICS), which was 5% up compared to October/13;

✓ **Exports of weapons to other countries was up 38.4%, doubling the percentage thereof of net revenue**, but which was not sufficient to offset the decrease in the North American market, highlighting sales to certain customers, particularly of pistols: Argentina, Chile, Singapore, Lebanon, Pakistan and El Salvador;

✓ **Exports to new countries:** Australia, Egypt, Djibouti and Honduras;

✓ **Total exports were down 45.6% to R$ 245 million in 9M14,** accounting for 58% of net revenue (69% in 9M13), due to the decrease in demand in the Company's main market (USA), even with exchange rate decrease of 8.1% in 9M14 compared to the same prior year period;

✓ **Consequently, there was decrease in the percentage of sales to the USA in relation to net revenue** from 64% in 9M13 to 48% in 9M14, while the percentage of revenue from exports to other countries doubled, to 10% (5% in 9M13), and that of revenue from sales in the domestic market increased from 31% in 9M13 to 42% in 9M14;

✓ **Revenue from weapon sales in the domestic market was up 8.3%,** the highlight being the increase in sales to the North region (+105.1%), South (+50.3%) and Mid-West region (+32.5%) in the public and private security areas;

✓ **The increase in weapon sales in Brazil** did not offset the 6.1% decrease in sales of helmets and of 43.6% in sales of other products, explained by the winding up of the forging to third parties business in November 2013, which resulted in 10.7% decrease in total net revenue from sales in the domestic market in 9M14 compared to same prior year period;

✓ **Operating expenses (general, selling and administrative expenses)** were down 12.2% in 9M14 compared to 9M13, due to the decrease in selling and administrative expenses;

✓ **Other net operating expenses** increased basically due to the provision for contingencies reclassified from possible to probable, the main proceeding being that of Hunter Douglas ("HD"), involving subsidiary TMFL as defendant, involving estimated probable cash outflow of R$ 35 million, in case of an agreement (excluded as nonrecurring expense in the calculation of EBITDA, among others);

✓ **Adjusted EBITDA** was negative of R$ 7.9 million in 9M14, significantly affected by the decrease in revenue, however it would be positive of **R$ 42 million**, if the various nonrecurring expenses in the period were not considered, such as: Labor indemnities, consulting, legal advisory, unproductivity and scrap;

✓ **Several measures are being taken** to increase production and sales, which are already showing signs of recovery in 3Q14 with new orders for 4Q14; in the areas of production (review of processes); implementation of *Sales & Operational Planning ("S&OP*"); *Supply Chain* (outsourcing of supply chain stages) – purchase of raw materials and logistic; ERP reimplementation; and improvements in internal controls and IT systems; among others;

✓ **Financial ratios (covenants*)*, net debt to consolidated adjusted EBITDA (for the last 12 months),** were agreed again in debenture holders' meetings (1st, 2nd and 3rd issues) as well as with banks from which the loans and financings were taken out, due to the restatement of the financial statements and the change in controlling interest, resulting from the capital contribution.

✓ **Total assets aggregated R$ 1,024.5 million** and equity totaled R$ 96.6 million at Sep/30/ 14; and

✓ **CAPEX in investments amounted to R$ 12.6 million in 9M14** focusing on modernization of industrial premises, down 39.2% compared to same prior year period;

HIGHLIGHTS FOR THE 3RD QUARTER OF 2014 (3Q14)

✓ **Consolidated net revenue of R$ 123.6 million was down 7.1% compared to 2Q14** due to: (i) 9.4% decrease in exports due to 19.9% decrease in exports to the USA, despite the 44.4% increase in exports to other countries;

(ii) gradual increase in production volume compared to 2Q14; and (iii) proportionally lower decrease of 4.2% in the domestic market;

- ✓ **Breakdown of net revenue in 3Q14:** 46% - domestic market; 40% - US market; and 14% - other countries;
- ✓ **Net revenue from exports of R$ 66.2 million,** or 54% of total net revenue in 3Q14 (compared to 67% in 3Q13);
- ✓ **Net revenue from the domestic market accounted for 46% of total net revenue, or R$57.4 million in 3Q14** (33% in 3Q13);
- ✓ **Revenue from the weapons segment amounted to R$ 86.2 million in 3Q14, compared to 94.1 million in 2Q14**, maintaining the percentage of around 70% of net revenue in 3Q14;
- ✓ **Revenue from helmets amounted to R$ 28.3 million in 3Q14, compared to R$ 30.3 million in 2Q14 and R$ 33.8 million in 3Q13,** maintaining the percentage of approximately 23% of net revenue in 2014, compared to 15% in 3Q13;
- ✓ **Consolidated gross profit of R$ 18.3 million** with decrease in gross margin, even with the decrease of R$ 1.6 million in cost of goods sold, not sufficient to offset the decrease of R$ 9.4 million in net revenue compared to 2Q14;
- ✓ **Gross profit from helmets amounted to R$ 7.7 million in 3Q14,** with gross margin of 27.3% compared to 32.7% in 2Q14, significantly lower than the 38.6% margin in 3Q13, when the market situation was much better;
- ✓ **Market share of helmets** was stable in relation to prior quarter, of around 45.6% in September/14, and lower than 46.7% in December 2013 due to the decrease in sales volume;
- ✓ **The ratio between motorcycle number plates and helmet sales**, for each motorcycle sold is on average of 1.5 helmets, only as a parameter to estimate the potential market;
- ✓ **Operating expenses (general, selling and administrative)** decreased 4.1% in 3Q14 compared to 3Q13 and increased 12.3% compared to 2Q14, due to the expenses with the special independent committee, sundry consulting and legal advisory services for the corporate events occurred, in addition to legal opinions about the adventitious civil liability proceeding of officers, a discussion that arouse with the restatement of the financial statements for 2012 and 2013 on March 28, 2014;
- ✓ **Consequently, considering the negative corporate aspects and of production and sales,** there was no positive cash generation from operations due to extraordinary costs and expenses;
- ✓ **In addition, under an updated lawyers' assessment** of legal proceedings, that of Hunter Douglas against subsidiary TMFL as defendant was considered probable, thus generating an additional provision in 3Q14 of around R$ 35 million, amount that is being negotiated in an agreement, not yet concluded;
- ✓ **Due to this probable agreement with Hunter Douglas and the weak operating performance,** the Board of Directors meeting of October 30, 2014 recommended a new capital contribution to the Company by shareholders;
- ✓ **Operating performance** was still affected by the aforementioned sales and production factors and the additional provision for contingencies, thus resulting in loss for the period;
- ✓ **Significant improvement** (i) in the weapons/man/year productivity index both for pistols and revolvers; (ii) in quality reflected in products compliance; and (iii) in production levels; all measured in Sep/14 and compared to Jun/14;
- ✓ **Seasonal increase in demand in the domestic market in 4Q14 and clear recovery in sales to the US,** with significant orders to be delivered as from the beginning of 2015; and
- ✓ **CAPEX increase by 25.7%,** destined to investments in modernization of industrial premises, of R$ 4.4 million in 3Q14 compared to R$ 5.1 million in 2Q14 and above R$ 3.5 million in 3Q13.

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

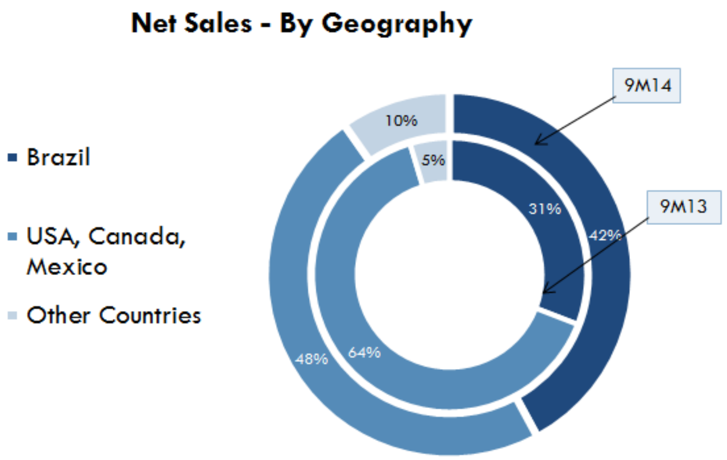
(1) Depreciation and amortization: these amounts include total depreciation and amortization based on cash flow for ITR

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

1.2 – Consolidated net revenue

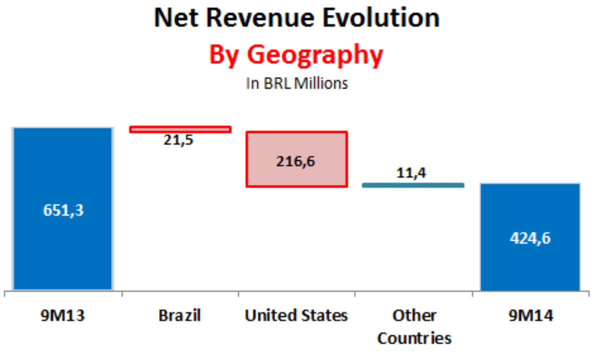
Total consolidated net revenue for 3Q14 amounted to R$ 123.6 million, down 7.1% compared to R$ 132.9 million in 2Q14, and R$ 218.7 million in 3Q13 (down 43.5%). This performance in the quarter is mainly explained by the 9.4% decrease in exports and 4,2% decrease in the domestic market.

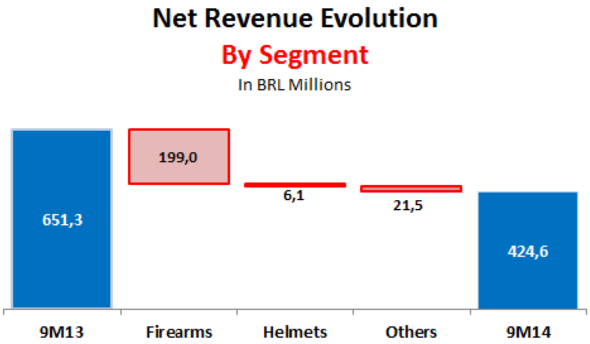
With this significant change between markets, the percentage of revenue in 3Q14 was of 46% - domestic market (33% in 3Q13), 40% - exports to US (62% in 3Q13) and 14% - exports to other countries (5% in 3Q14). We set out below the accumulated percentages through to September 2013 and 2014:



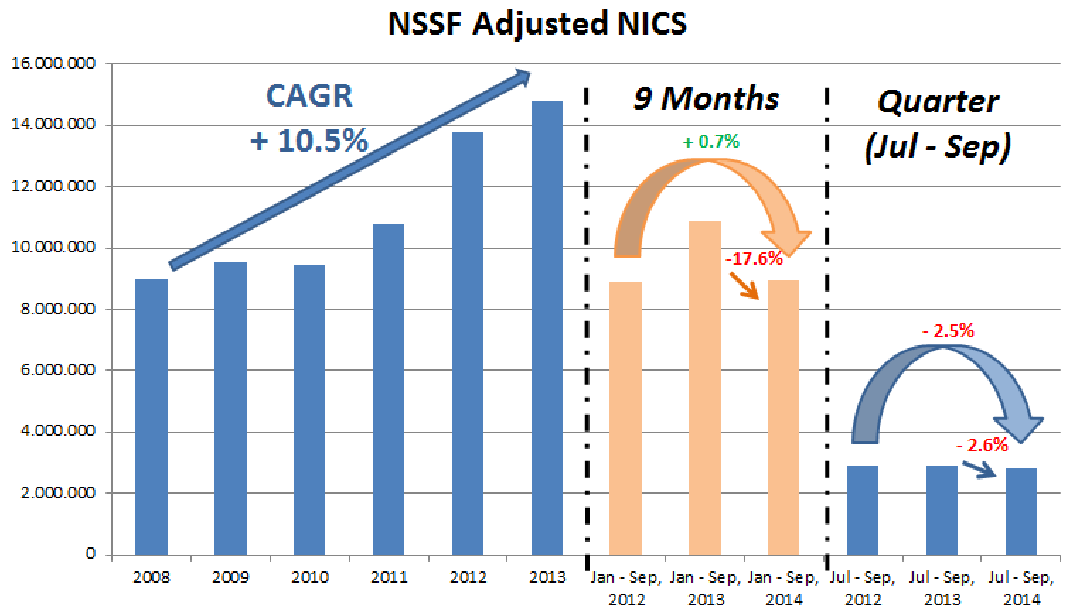
In the 9M14, net revenue of R$ 424.6 million comprised 48% of exports to USA (64% in 9M13, 42% - domestic market (31% in 9M13) and exports to other countries doubled from 5% to 10%, with exports to new countries and increase in demand in markets already supplied by the Company.

The difference between R$ 226.7 million to R$ 651.3 million in 9M13, is evidenced in the graphs below on evolution of consolidated net revenue by geographic area and by segment, basically originating in weapon exports to the US. In analyzing weapon exports to other countries, there was significant increase from 63.7% in 3Q14 compared to 3Q13, 43.5% compared to 2Q14 and 38.4% in 9M14 compared to 9M13.



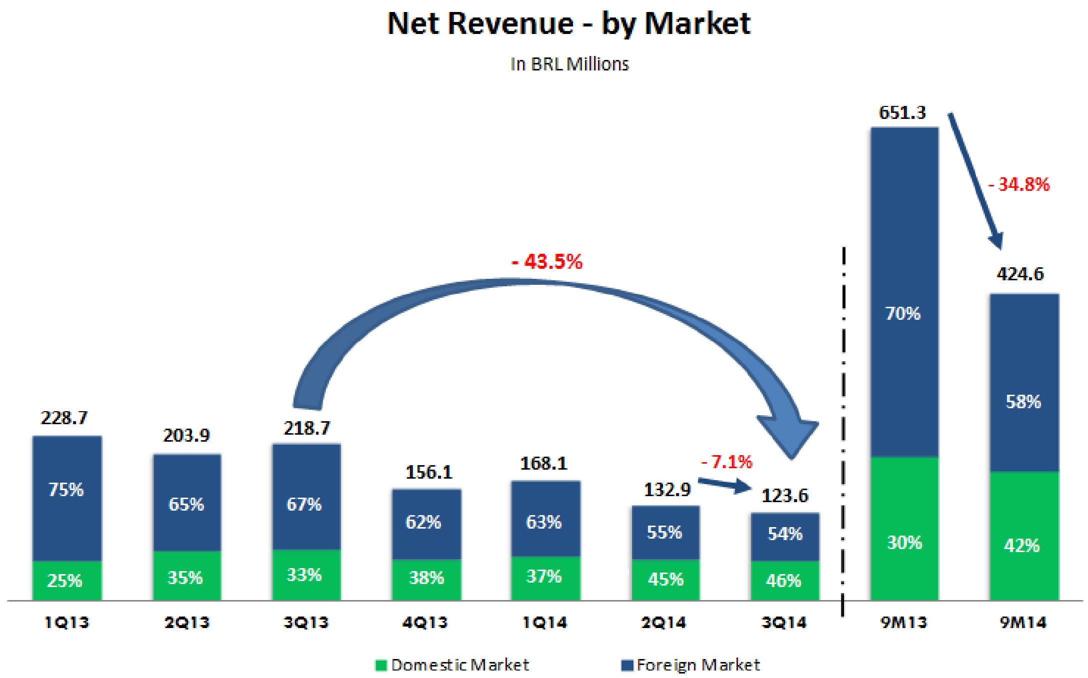


Consumption in the US market that was increasing on average 10.5% every year from 2008 to 2013, according to the *National Instant Criminal Background System* – NICBS of FBI, which measures the intention of purchasing weapons and defense products in the retail market, gives still unfavorable signs, with a 17.6% decrease in 9M14 compared to 9M13, however there was a 0.7% increase compared to 9M12. The decrease of 2.6% in 3Q14 compared to 3Q13 was quite similar to the 2.5% decrease compared to 3Q12, i.e. there are signs of a proportionally lower decrease in the recent period, returning to levels similar to those of 2012, since the exception was the atypical year of 2013, when consumption was extremely high.



Source: NSSF

We illustrate below the Company’s net revenue, by market, in millions of reais, for the quarters under analysis, evidencing the aforementioned comments:



1.3 - Segment information

The table below sets out consolidated financial highlights by segment:

Comparative Nine months - Year over Year

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

Comparative Quarter - Year over Year

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

Comparative Quarter - Current Quarter x Previous Quarter

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

(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 (until 2013),MIM, containers, anti-riot shields, motorcycle trucks, boilermaking, bulletproof vests and plastic products.

I. Defense and Security Segment (Weapons)

The Company's main segment; namely of Defense and Security, accounted for 71.7% of consolidated net revenue in 9M14. Weapon sales in 9M14 totaled R$ 304.3 million, 39.5% down compared to 9M13 (R$ 503.3 million, or 77.3% of total consolidated net revenue), explained by the slowdown in the weapons market in the US, to which exports were down 51.8%.

This segment includes hand guns (revolvers and pistols), long guns (rifles and carbines) for hunting and sports shooting and guns for military and police use (pistols, carbines, submachine guns, rifles and grenade launchers). The strategy of acquisitions and commercial partnerships for the last two years allowed managing several weapon makes: in the domestic market we use Taurus, Rossi and Gamo (only as products distributor); in the international market we use Taurus, Rossi, Heritage and DiamondBack, the latter being exclusively distributed globally by Taurus.

In 9M14, weapon sales were as follows: 65.9% to USA, 20.5% to Brazil and 13.6% to other countries, compared to 82.6%, 11.4% and 6.0% respectively in 3Q13.

Only in exports to the USA there was decrease of R$ 215.3 million, although exports to other countries increased 38.4%, or an increase of R$ 11.5 million, aggregating R$ 41.5 million in 9M14.

There was also recovery in sales in the domestic market, being up 8.3%, totaling R$ 62.4 million in 9M14, compared to R$ 57.6 million in 9M13, particularly in the North, South and Mid-West regions.

In the 3Q14, weapon sales totaled R$ 86.2 million, distributed as follows: 55.6% to the USA, 24.6% to Brazil and 19.8% to other countries, compared to 79.4%, 14.5% and 6.1%, respectively in 3Q13.

Gross margin was of 16.6% in 9M14, compared to 32.8% in 9M13, due to the following: (i) decrease in sales volume to the USA; (ii) increase in labor cost after a long negotiation of collective salary raise of metallurgic workers, of around 7.5%, paid in September, October and November, depending on the plants' location in Rio Grande do Sul, however with retroactive effect to May/14; and (iii) still certain unproductivity, for being a gradual recovery process, with minimum noncompliance level.

II. Metallurgy and Plastics Segment

This segment accounted for 28.3% of net revenue in 9M14 (22.7% in 9M13), including the operations of Polimetal in the São Leopoldo unit (in the Rio Grande do Sul state) of 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, anti-riot shields and plastic containers (in the Paraná state).

(i) Helmets for motorcyclists

Sales of motorcyclist helmets accounted for 21.5% of net revenue, totaling R$ 91.2 million in 9M14, down 6.3% compared to 9M13. Gross profit amounted to R$ 29.3 million with gross margin of 32.1% in 9M14 (R$ 36.8 million and 37.9% in 9M13).

There was 9% decrease in physical sales of motorcyclist helmets in 9M14, higher than the 5.3% decrease in sales of motorcycles in Brazil. There was also 7.6% decrease in 3Q14 compared to 3Q13, being stable in relation to 2Q14, owing to restriction to credit to class C, D and E consumers, who represent the main consumers of our products.

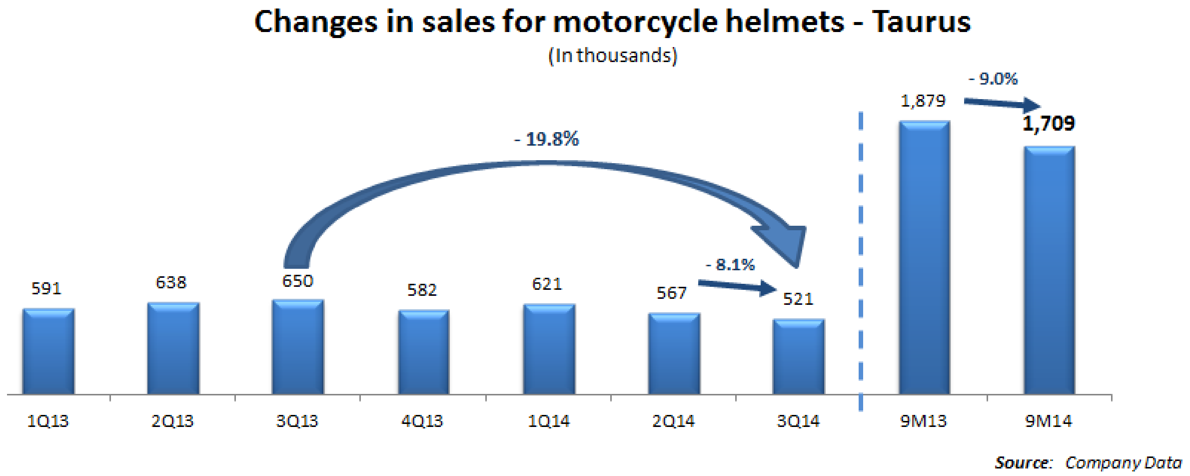
There was 8.1% decrease in sales volume in 3Q14 compared to 2Q14 and 19.8% decrease compared to 3Q13, with a total of 521 thousand helmets sold, while motorcycle sales decreased 7.6% in the market compared to 3Q13, being stable in relation to 2Q14.

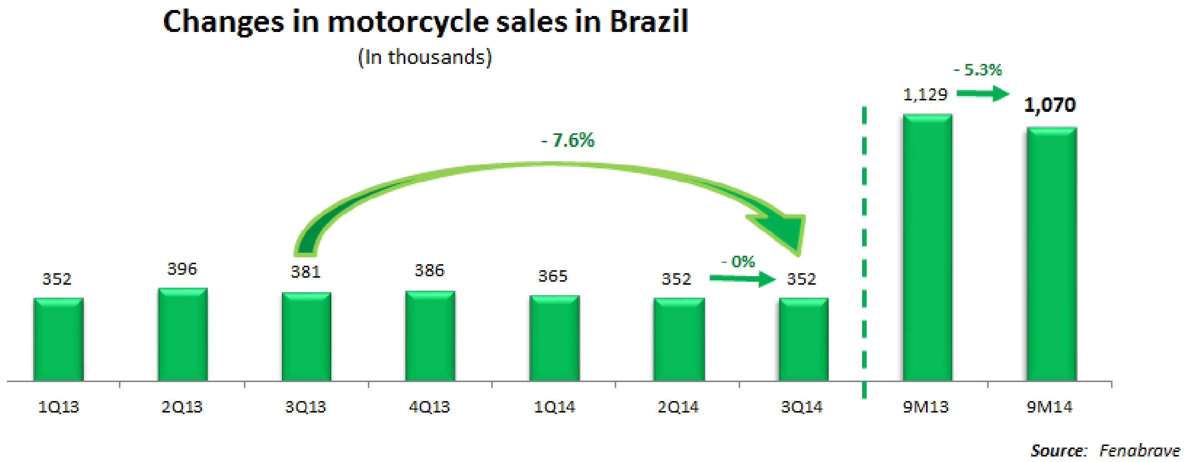
Gross profit from helmets was lower, with gross margin of 27.3% in 3Q14 compared to 38.6% in 3Q13, lower than the 32.7% for 2Q14, when motorcycle sales were kindled due to abundant offer of credit to consumers at lower interest rates with more favorable general consumption conditions, such as financing with lower down payments.

The Company started to import a more sophisticated line of helmets with the Taurus mark and the Italian CABERG mark, in addition to another line with the TAURUS mark to also operate in the premium market and expand the products portfolio, thus contributing to future increase in margins. Helmets with the San Marino mark were redesigned and re-launched, with successful sales.

Gross profit amounted to R$ 7.7 million in 3Q14, R$13 million in 3Q13 and R$ 9.9 million in 2Q14.

We illustrate below evolution of motorcycle sales and helmet for motorcyclists sales in Brazil by Taurus:





(ii) Other products from the Metallurgy and Plastics segment

Consolidated net revenue of other products totaled R$ 29.2 million, accounting for 6.9% of net revenue in 9M14, down 42.4% compared to R$ 50.7 million, which represented 7.8% of revenue in 9M13. The variety of products in this sub-segment (bulletproof vests, antiriot shields, plastic containers and the forging and metallurgy areas (M.I.M.) for third parties impairs comparison, since sales volumes frequently vary depending on the orders.

1.4 – Gross profit and gross margin

Consolidated gross profit totaled R$ 90.1 million in 9M14, down 56.3% compared to R$ 206.2 million in 9M13, with gross margin of 21.2% (compared to 31.7% in 9M13).

The factors that most influenced were: (i) decrease in volume and price of exports to the USA, leading to revenue decrease by 34.8%, which was not offset by the 24.8% decrease in cost of goods sold; (ii) unproductivity related to certain products owing to noncompliance thereof, thus generating decrease in the quantity produced; (ii) consequent increase in unit production cost; (iii) 4.8% decrease in inventories and of 34.7% in work in progress compared to the balance at December 31, 2013, for domestic market demand and of other countries; (iv) dismissals and outsourcing process; (v) prepayment of 6% salary raise in August/14, retroactive to May/14 at the weapons plant of Porto Alegre and to July/14 at the São Leopoldo plant, with the difference of 7.5% payable in November/14 and of 7.2% in October, respectively, in addition to 8% salary raise in September/14 at the Paraná units; and (vi) write-off of weapon components scrap at Polimetal.

In the 3Q14, gross profit totaled R$ 18.3 million with gross margin of 14.8%, lower than 19.6% for 2Q14 and 31% for 3Q13, mainly due to the margin in the USA, affected by the decrease in observable prices, in order to increase sales, reduce product inventories and preserve the commercial relationships with distributors, given the high competition.

1.5 - Operating Expenses

In 9M14, operating expenses totaled R$ 164.9 million, up 19.6% compared to 9M13, an increase of R$ 27 million, basically due to the increase in other operating expenses (see details in item 1.5.2.).

In 3Q14, operating expenses amounted to R$ 86.2 million, compared to R$ 37.5 million in 2Q14, an increase of R$ 41.4 million compared to operating expenses of R$ 44.8 million in 3Q13, due to other nonrecurring operating expenses related to tax, social security, labor and civil provisions for the period.

1.5.1. Selling, general and administrative expenses

Selling, general and administrative expenses totaled R$ 115.4 million in 9M14, down 12.2% compared to R$ 131.4 million in 9M13, due to the 14.9% decrease in selling expenses and of 8.5% in administrative expenses.

Selling, general and administrative expenses totaled R$ 40.7 million in 3Q14, down 4.1% compared to R$ 42.4 million in 3Q13, due to the 11.7% decrease in selling expenses; and a 6.4% increase in general and administrative expenses, due to nonrecurring expenses related to consulting and law firms due to the corporate aspects explained heretofore.

1.5.2. Other operating income (expenses)

Net operating expenses for 9M14 amounted to R$ 48.1 million, compared to R$ 6.4 million in 9M13, due to the increase in provisions for contingencies occurred at September 30, 2014 owing to the reclassification of certain proceedings from probable to possible losses.

In 3Q14 there were also other net operating expenses of R$ 45.1 million, compared to R$ 2.4 million in 3Q13, a difference of R$ 42.7 million in the period, which represents nonrecurring expenses.

This difference is explained by additional provisions for contingencies, as described in Note 20 to the ITR form, based on the updated assessment of risk of loss by the outside legal advisors as of September 30, 2014. The main proceeding assessed as involving probable loss was that of Hunter Douglas NV ("HD"), against Wotan Máquinas Ltda., related to collection originating in the loan agreement financing exports entered into in 2001. Subsidiary Taurus Máquinas-Ferramenta Ltda. ("TMFL") is defendant in the case due to the rent of industrial premises to Wotan Máquinas Ltda. in 2004, requiring set up of provision in the amount of R$ 35.54 million in 3Q14. The Company has already communicated this risk to the market in 4Q13 upon not prevailing in the lower court decision that was handed down.

We highlight that the provisions represent non-recurring expenses and may be largely reversed if not used, thus not necessarily representing cash outflow. This case will probably be resolved through an agreement with HD, within the limit of the provisioned amount, which shall entail cash outflow, reason why the Company's management recommended a new capital contribution in the Board Meeting of October 30, 2014, for an amount compatible with that estimated to result from the negotiation in progress.

The Company filed several proceedings for the recognition of several tax credits, of which the amounts will be recognized based on the realization thereof. In addition, owing to the in-court reorganization of SML applied for in July 2014, the Company took the necessary legal measures to qualify as unsecured creditor.

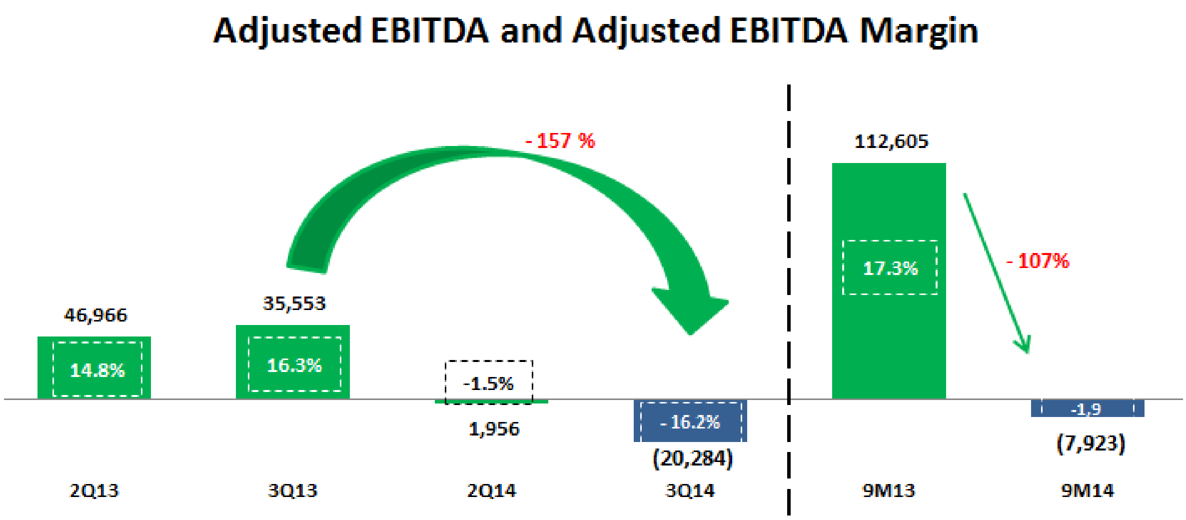
1.6 – Adjusted EBITDA and adjusted EBITDA Margin

Adjusted consolidated cash generation in 9M14 was negative of 7.9 million, with negative margin of 1.9% of net revenue, compared to adjusted EBITDA of R$ 112.6 million in 9M13 and adjusted EBITDA margin of 17.3%.

The difference of R$ 120.5 million in cumulative EBITDA for 9M14 compared to 9M13 is due to revenue decrease of 34.8% (-R$ 226.7 million) and in production and sales volume, thus resulting in decrease in gross margins of weapons and helmets, with 56.3% decrease in gross profit, or a decrease of R$ 116.1 million, as well as due to the increase in operating expenses, eliminating those that are nonrecurring.

Adjusted EBITDA for 3Q14 was negative of R$ 20.3 million, with negative margin of 16.2%, compared to adjusted EBITDA of R$ 35.6 million in 3Q13 and margin of 16.3%, due to the 43.5% decrease in revenue and in sales volume and the 73% decrease in gross profit.

The graph below sets out the changes in each period.



In thousands of reais

The table below sets out the calculation methodology for adjusted EBITDA, in accordance with CVM Rule No. 527/12:

CONSOLIDATED EBITDA
In thousands of BRL

PERIOD	9M13	9M14
= NET PROFIT (LOSS)	(10,077)	(124,768)
(+) IR/CSLL	25,009	(6,559)
(+) Net Financial Expenses	134,863	159,301
(-) Net Interest Income	(81,444)	(102,725)
(+) Depreciation/Amortization	26,195	24,911
= EBITDA CVM Reg. 527/12	94,546	(49,840)
(+) Loss of Taurus Máquinas-Ferramenta Ltda. (1)	18,059	41,917
= ADJUSTED EBITDA	112,605	(7,923)

(1) Company management considers the result of subsidiary Taurus Máquinas-Ferramenta Ltda. as nonrecurring considering the disposal of its operations.

1.7 – Financial income (expenses)

In 9M14, net financial expenses amounted to R$56.6 million, up 5.9% compared to R$53.4 million in 9M13.

Net financial expenses in 9M14 are mainly due to the following: (i) 2.6% increase in financial charges due to the increase in the basic interest rate; (ii) net exchange loss, however down 40.4% compared to prior year, since the dollar rate was up 9.91% at Sep/30/14 compared to Sep/30/13, due to the net result from asset and liability positions; and (iii) net exchange loss on swap operations (net gain in 9M13).

In 3Q14, net financial expenses amounted to R$ 30.3 million compared to R$ 21.4 million in 3Q13 and R$ 16.4 million in 2Q14, with an exchange rate increase of 11.3% at Sep/30/14 compared to Jun/30/ 14.

Approximately 54% of the Company´s exposure in loans and financing is related to the US dollar and largely to hedge operations. Also approximately 60% of net revenue results from exports with exchange gain.

1.8 – Net income (loss)

Net loss for 9M14 amounted to R$ 124.8 million representing negative net margin of 29.4%, due to (i) the decrease in revenue resulting from the decrease in sales volume and price of products; (ii) the decrease in costs proportionally lower than the decrease in revenue; (iii) due to the sharp decrease in gross profit and margins; and (iv) the increase in provisions for contingencies in other operating expenses.

This result was affected by loss of R$ 94.6 million in 3Q14, when the provision for contingencies related to HD was posted and due to loss of R$ 25.6 million for 2Q14, in both cases also due to the aforementioned operating problems.

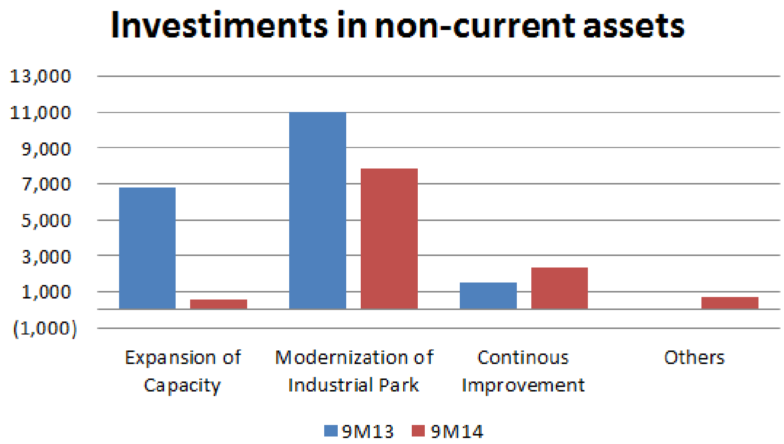
1.9 – Consolidated investments – *CAPEX – Capital Expenditures*

In 9M14, CAPEX totaled R$ 12.6 million compared to R$ 20.7 million, down 39.2% compared to 9M13, basically in modernization of industrial premises. Depreciation and amortization totaled R$ 24.9 million in 9M14, compared to R$ 26.2 million in 9M13.

Consolidated investments in 3Q14 totaled R$ 4.45 million, up 27.4% compared to 3Q13 and down 12.4% compared to 2Q14, with depreciation and amortization of R$ 8.6 million and R$ 8.5 million, respectively.

The Company´s capital budget of R$ 55 million proposed by management in 2014 was approved by the ordinary and special meetings of April 30, 2014, with realization of 23% thereof in 9M14, with potential carry-over to 2015, due to the reduction in expenses as a result of the performance for the period.

The graph below shows investments in PP&E in 9M14 and 9M13:



1.10 – Financial position

Cash and cash equivalents and short-term investments totaled R$ 210.2 million at Sep/30 /14, down 27% compared to R$ 286.1 million at Jun/30/14 and down 25% compared to R$ 281.1 million at Dec/31/13. Short-term investments earn from 98% to 103% of CDI at Sep/30/14, and are made with first tier banks.

Consolidated Gross indebtedness of Taurus totaled R$ 718.5 million at Sep/30/14, down 17% compared to R$ 861.4 million at Sep/30 /13 and down 12% compared to Dec/31/13, under a policy to reduce excess cash in order to settle liabilities subject to higher interest rates.

Consolidated working capital was also reduced, to R$260 million at Sep/30/14, down 11% compared to Dec/31/13.

In 9M14, there was capital increase through private subscription on BM&FBOVESPA, totaling R$ 67 million (see details in **Item 3 – CORPORATE EVENTS IN 9M14** of this report, sub item: **II. Capital increase, Disposal/Acquisition of Relevant Interest and Controlling Interest**), with the following cash inflow schedule:

- **06/30/14:** R$ 21.5million, of the capital increase after the end of the period for exercising right of first refusal;
- **07/11/14:** R$ 38.5 million, after the first apportionment of remaining shares;
- **07/21/14:** R$ 7 million, after 2nd apportionment of remaining shares;

In this period, there was also realization of 3rd issue of nonconvertible debentures in the amount of R$ 100 million, of which the cash inflow also took place at Jun/30/14 (see details in **Item 3 – CORPORATE EVENTS IN 9M14** herein, sub item: **III. Debentures: Liquidation of 1st Issue, waiver of early maturity of 2nd and 3rd Issues of nonconvertible debentures**).

The funds are mainly destined to: (i) reduce working capital needs; (ii) investments to modernize industrial premises; and (iii) finance exports.

The balance of short-term loans and financing totaled R$ 240.9 million at Sep/30/14, down 14% compared to Jun/30/14 and down 38% compared to Dec/31/13, accounting for 47% of the debt.

The balance of long-term loans and financing totaled R$ 265.8 million at Sep/30/14, down 14.8% compared to Jun/30/14 and down 3% compared to Dec/31/13, accounting for 53% of the debt**.**

Breakdown of debt by currency is 50% in foreign currency and 50% in domestic currency, being partially covered by hedge operations.

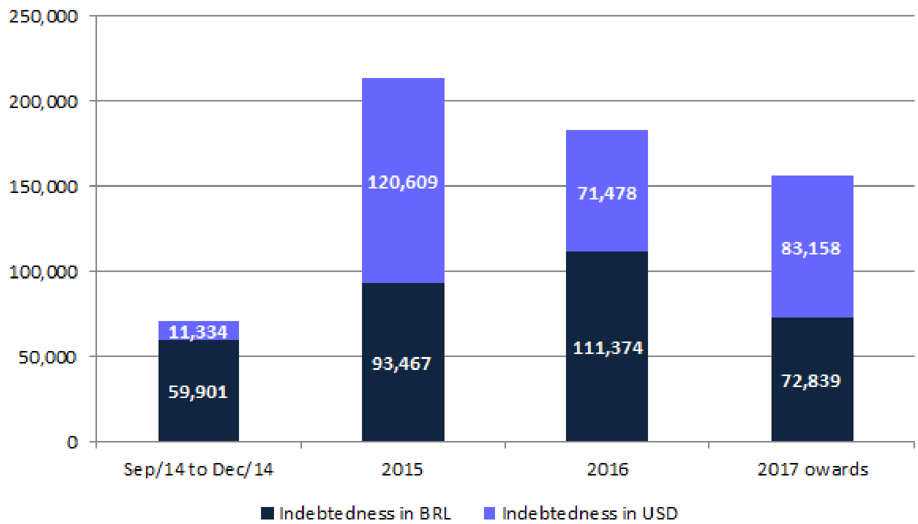
Net indebtedness at Sep/30/14 totaled R$ 508.2 million, down 3% compared to net debt of R$ 522.5 million at Jun/30/14 and down 6% compared to R$ 538.1 million at Dec/31/13. The decrease in the Company´s net indebtedness is mainly due to the inflow of new funds from the capital increase.

Debentures totaled R$ 133.2 million at Sep/30/14, adding the 2nd and 3rd issues. From 2010 to 2014, Taurus issued three debenture series of R$ 103 million, R$ 50 million and R$ 100 million, respectively:

- The 1st issue, in April 2010 bearing DI + 4.1%, was liquidated in April 2014 (balance of R$ 15.7 million);
- The 2nd issue, in August 2011 bearing DI + 2.8%, still has 9 remaining quarterly installments, started in August 2013 and the balance of R$ 31.2 million at Sep/30/14; and
- The 3rd issue in June 25, 2014 bearing DI + 3.25% and market covenants, measured annually. The total period is of three years, with grace period of two years, in connection with the process of extending debt payment term, with balance of R$ 102.0 million at Sep/30/14.

Information on the debenture holders' meetings held in the period and their waiver of early maturity (waivers obtained for noncompliance with covenants and change in controlling interest due to capital increase) are detailed in **Item 3**, **sub item III** herein.

The graph below sets out the consolidated debt maturity schedule.



See below balance changes at Sep/30/14 compared to Jun/30/14, Dec/31/13 and Sep/30/13, with the main accounts related to the Company´s financial position, as well as the main ratios related to the covenants, impaired in the comparison due to negative annual adjusted EBITDA in the period:

In millions BRL

	09/30/2014	06/30/2014	12/31/2013	09/30/2013	Var. Sep/14 x Jun/14	Var. Sep/14 x Dec/13	Var. Sep/14 x Sep/13
Short term indebtedness	240.9	280.5	388.5	367.3	-14%	-38%	-34%
Long term indebtedness	265.8	288.4	273.2	302.8	-8%	-3%	-12%
Exchange Serves	52.8	65.5	0.0	0.0	-19%	-	-
Debentures	133.2	133.3	57.6	77.1	0%	131%	73%
Antecipation Mortages	11.5	14.3	19.6	22.1	-20%	-41%	-48%
Advance on Receivables	29.9	39.3	116.0	124.6	-24%	-74%	-76%
Derivatives	-15.7	-12.8	-35.6	-32.5	23%	-56%	-52%
Gross Indetbetedness	**718.5**	**808.6**	**819.2**	**861.4**	-11%	-12%	-17%
(-) Cash available and financial investments	210.2	286.1	281.1	327.8	-27%	-25%	-36%
Net Indebtedness	**508.2**	**522.5**	**538.1**	**533.6**	-3%	-6%	-5%
Adjusted EBITDA	-20.5	35.3	100.0	124.2	-158%	-121%	-117%
Net Indebtedness/Adjusted EBITDA	**-24.78x**	**14.79x**	**5.38x**	**4.30x**			
Adjusted EBITDA/Financial Expenses Net	**-0.27x**	**0.52x**	**1.36x**	**1.85x**			

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2. Capital market

Performance of shares of Forjas Taurus S.A. -BM&FBOVESPA

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. As shown in **Item 3 – CORPORATE EVENTS IN 9M14** herein, several corporate events led to amendments to certain articles of the Company's articles of incorporation, as well as changes in shareholding structure due to capital increase, which led to change in controlling interest, as under:

Shareholders	Before capital increase Basis: Jul/2014			After capital increase: Basis: Oct/2014		
	Total	**ON**	PN	Total	**ON**	PN
CBC	6.0%	**15.6%**	0.9%	27.9%	**52.5%**	0.9%
ESTIMAPAR	12.8%	**37.3%**	0.1%	12.1%	**23.2%**	0.0%
PREVI	26.8%	**15.3%**	32.7%	19.4%	**7.3%**	32.7%
FIGI	3.5%	**10.1%**	0.0%	2.5%	**4.8%**	0.0%
OTHER	50.9%	**21.7%**	66.3%	38.1%	**12.2%**	66.4%

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 2014 and 2013, of which the price was significantly affected by the various corporate events that were thoroughly divulged in the media, thus not living up to the expectations of Company management and the Market:

	3Q14 (Jul/14 to Sep/14)		2Q14 (Apr/14 to Jun/14)		2013 (Jan/13 to Dec/13)		3Q14 x 2Q14	3Q14 x 2013
1. Stock Price								
ON - FJTA3*	R$	0.85	R$	1.32	R$	2.66	-36%	-68%
PN - FJTA4*	R$	0.49	R$	0.92	R$	2.28	-47%	-79%
IBOVESPA*		54,116		53,168		51,507	2%	5%
*** last quotation**								
2. Market Cap - in thousands of BRL								
ON - FJTA3	R$	78,908	R$	62,222	R$	125,386	27%	-37%
PN - FJTA4	R$	41,528	R$	86,733	R$	214,947	-52%	-81%
TOTAL	R$	120,436	R$	148,955	R$	340,333	-19%	-65%
3. Liquidity Indicators								
ON - FJTA3								
Trades*		12		13		9	-8%	22%
Financial Volume*		14,699		441,846		29,640	-97%	-50%
Shares traded*		15,574		256,916		10,067	-94%	55%
*** period average**								
PN - FJTA4								
Trades*		199		168		233	18%	-14%
Financial Volume*		423,197		360,750		540,736	17%	-22%
Shares traded*		660,840		299,809		220,992	120%	199%
*** period average**								

The Company's capital, after approval of capital increase in the Special Meeting of Aug/28/14 and before the next Special Meeting of Nov/25/14 comprises the following shares:

Common shares: 95,659,753 = **50.6%** of total capital

Preferred shares: 94,360,781 = **49.4%** of total capital

Total issued shares: 190,020,534 = **100.0%** of total capital

The Special Meeting of Nov/25/14 to be held at 9a.m. at the Company's head office will decide, through voting, the following management's proposal:

1. Reverse split of common and preferred shares on a 11:1 basis;
2. Cancelling of 2,827,206 common and 9,608,901 preferred shares issued by the Company and held in treasury, without reducing the amount of capital, as approved in the Board of Directors' Meeting held on Aug/12/14; and
3. New wording of article 5 of the Company's articles of incorporation considering the reverse split of shares and cancellation of treasury shares, with Company capital amounting to R$ 324,876,395.25, divided into the following registered book entry shares with no nominal value:

Common shares: 8,439,322 = **52.3%** of total capital

Preferred shares: 7,704,716 = **47.7%** of total capital

Total issued shares: 16,144,038 = **100.0%** of total capital

3 – CORPORATE EVENTS IN 9M14

I. Restatement of the Financial Statements ("FS") and subsequent measures by management:

Mar/28/14 – Board of Directors Meeting: The Board of Directors approved the FS (voluntarily restated) of 2012/13 (normal presentation), recommended approval of the FS in the Ordinary and Special meeting of Apr/30/14 and set up the Independent Special Committee ("CEI"), to recommend to the Board of Directors applicable measures after restatement of the FS;

Mar/28/14 – MATERIAL NEWS RELEASE: disclosure and voluntary restatement of the Quarterly Information ("ITR") of 2012 (2Q12 and 3Q12) and 2013 (1Q13, 2Q13 and 3Q13) and FS of 2012 and presentation of FS for 2013. With the restatement of the FS, the related review and audit reports were reissued, no longer containing qualification or adverse opinion;

Apr/10/14 – COMMUNICATION TO THE MARKET: setting up of the Special Independent Committee ("CEI") with 3 independent members, with the appointment of José Estevam de Almeida Prado as Coordinator, Iran Siqueira Lima and Luíz Spínola in the Board of Directors Meeting of Apr/9/14, establishing a term of 90 days for preparation of the CEI report;

Apr/30/14 – Ordinary and Special Meeting: the present shareholders decided by majority voting to remove from the meeting agenda the items referring to Company management accounts for 2013 and 2012, to be discussed in a new General Meeting to be held within up to 90 (ninety) days from the present date; and approved by majority voting, with abstention of those that were legally impeded, the financial statements, the independent auditor's report on the financial statements, the Supervisory Board Report and other documents referring to the year ended December 31, 2013;

May/05/14 – CONVENING NOTICE AND VOTING MANUAL: for the Special Meeting of Jun/27/14 to analyze the recommendations of the Special Independent Committee (CEI) and approve management's accounts in the FS of 2012 and 2013;

Jun/11/14 – COMMUNICATION TO THE MARKET: that the Board of Directors evaluated the conclusions in CEI's report on Jun/10/14, recommended by unanimous voting to the Special Meeting of Jun/27/14 the approval of the proposal of filing by the Company of a civil liability proceeding, based on article 159 of Law No. 6404/76;

Jun/12/14 – COMMUNICATION TO THE MARKET: representation of management's proposal to the Special Meeting of Jun/27/14 to CVM, in order to include CEI's report;

Jun/16/14 – Board of Directors Meeting: giving continuity to the analysis of the recommendations in CEI report started on Jun/10/14, the Board of Directors decided to (i) authorize the Executive Board to hire specialized legal advisors to recommend applicable measures *(a) due to the acts of the person mentioned in letter h) item 178 of CEI report; and (b) due to the noncompliance with the obligations related to the involved independent audits;* (ii) recommend to the Special Meeting of Jun/27/14, (*a) to approve filing of the civil liability proceeding by the Company, based on article 159 of Law No. 6404/76 against the persons listed in letters a) to g) Item 178 of CEI report; (b) not to approve management's accounts for 2012, listed in item 178 of CEI report; and (c) to approve management's accounts for 2013, as per the conclusion in CEI report.*

Jun/27/14 – Special Meeting: the shareholders decided to approve the suggestions of the Board of Directors to suspend filing of the proceeding based on article 159 of Law No. 6404/76 against the persons listed in letters a) to g) Item 178 of CEI report, authorizing the Executive Board to retain legal advisors to analyze CEI report and to decide on whether to recommend or not the civil liability proceeding, as well as to suspend the analysis of management's accounts for 2012/13, until presentation of the report from the legal advisors;

Aug/14/14 – COMMUNICATION TO THE MARKET: suspension of filing of civil liability proceeding against former management members and hiring of legal advisors (i) Rosman, Penalva, Souza Leão e Franco Advogados to evaluate the recommendation of the suspended liability proceeding for items 6.1, 6.2, 6.3 and letter (H) item 178 of CEI report of the minutes of the Special Meeting of Jun/27/14; and (ii) Souto Correa, Cesa, Lummertz & Amaral Advogados to evaluate the applicable measures against the independent auditors involved, with deadline for preparation of the report until Sep/15/14;

Sep/23/14 – Board of Directors Meeting: it approved convening the Special Meeting for Nov/25/14 at 11 a.m. (i) to examine, discuss and vote the Company's management accounts for the years ended Dec/31/12; (ii) and Dec/31/13; (iii) to decide about adventitious filing of the civil liability proceeding, on the terms of article 159 of Law No. 6404/76, against the current and former management members and the Company's supervisory board members, based on CEI report and the legal report of Rosman, Penalva, Souza Leão, Franco e Advogados; and (iv) if filing of the referred to civil liability proceeding is approved against the current members of the Company's board of directors and, on the terms of articles 159, paragraph 2 and 141, paragraph 3 of Law No. 6404/1976, to elect new Board of Directors members;

Sep/24/14 – CONVENING NOTICE AND MANAGEMENT'S PROPOSAL: for the Special Meeting of Nov/25/14, which will carry a voting in connection with the same matter proposed by the Board of Directors meeting of Sep/23/14, containing in Attachment C of the Voting Manual (the Management's Proposal) and the legal report from Rosman, Penalva, Souza Leão, Franco e Advogados.

II. Capital Increase, Disposal/Purchase of Significant Ownership Interest and Controlling Interest

Apr/10/14 – Board of Directors Meeting: the majority of the Board of Directors members (4 out of 7) decided for **not convening a Special Meeting** to address the matters proposed by the shareholder and Chairman Luis Fernando Costa Estima ("LFCE"), holder of 16.05% of the Company's shares, not recommending (i)capital increase on the proposed terms; (ii) nor the reduction of Board of Directors remuneration under the proposed conditions; supported by the Executive Board, which was not against capitalization, but which suggested a detailed economic evaluation study by an independent specialized company, to determine the correct issue price, following the best market price to avoid any imbalance in the market;

Apr/11/14 – CONVENING NOTICE: Special meeting convened by shareholder LFCE based on article 123, sole paragraph, "c", of Law No. 6404/76, to (i) examine, discuss and vote a proposal to increase Company capital, through private subscription, of up to R$200.91 million, through issue of up to 48,528,020 common ("ON") and 97,056,038 preferred shares ("PN"), all book-entry shares with unit price of R$1.38; and (ii) carry a voting in connection with the proposed reduction of compensation of the Company's board of directors' members;

Apr/14/14 – MATERIAL NEWS RELEASE: about the request in the Board of Directors' meeting of Apr/10/14 by shareholder and chairman LFCE, holding 16.05% of capital, together with Estimapar Investimentos e Participações Ltda. ("Estimapar"); about convening of the Special Meeting of Apr/11/14; about the justification of capital increase of 3 board members enclosed with the shareholder's proposal of a Special Meeting; and about the intended sale of 1,200 thousand common shares of LFCE in the coming 35 days on BM&FBOVESPA;

Apr/29/14 – Special Meeting: it decided to (i) approve capital increase through private subscription, in the amount of R$ 201 million; through issue of up to 48,528,020 common and 97,056,038 preferred registered book-entry shares with no par value, with issue price of R$1.38 per share, with minimum partial subscription of R$ 50 million; (ii) authorize the Company's executive board to prepare all the documents and adopt all the necessary measures to increase capital; and (iii) approve reduction of the Company's board of directors compensation, which started to be of R$5 thousand per month each;

Apr/29/14 – MATERIAL NEWS RELEASE: it informed that the Special Meeting of said date approved capital increase proposed by shareholder LFCE, together with Estimapar;

May/05/14- MESSAGE TO SHAREHOLDERS: it provides details about the capital increase approved by the Special Meeting of Apr/29/14;

May/06/14 – COMMUNICATION TO THE MARKET: shareholder LFCE communicated to the Company the disposal in up to 10 days of 3,800 thousand common shares ("ON") on BM&FBOVESPA, representing 8.58% of common shares issued by the Company, held by him (with no treasury shares);

May/28/14: beginning of the 30 day-period of right of first refusal (shares became subscription ex-rights on the date), which could be freely assigned on the terms of article 171, paragraph 6, of Law No. 6404/76;

May/29/14 – COMMUNICATION TO THE MARKET: shareholder LFCE communicated to the Company within 5 days, on the terms of article 11, paragraph 4, of CVM Ruling No. 358/02, the following operations on BM&FBovespa, with Company shares held by him: (i) he disposed on May/23/14, of 100 thousand common shares, for R$ 1.70 each; (ii) rented on May/26/14, 421,215 common shares; (iii) rented on May/27/14, 500 thousand common shares; (iv) disposed on May/27/14, 3,700 thousand shares for R$ 1.85 per share; (v) acquired on May/27/14, 300 thousand common shares for R$ 1.83 each; (vi) converted common shares of individual LFCE, into capital stock of legal entity Estimapar Investimentos e Participações Ltda. ("Estimapar"), CNPJ/MF nº 08.899.708/0001-38, in which he holds 99.99% ownership interest, as per the amendment to its articles of organization filed on Apr/15/14 with the Commercial Registry; (vii) after the aforesaid transactions, LFCE started to hold 15.54% of common shares and 0.06% of preferred shares, while Estimapar started to hold 38.03% of common shares of the Company (always without computing treasury shares);

Jun/03/14 – COMMUNICATION TO THE MARKET: in which shareholder LFCE communicated to the Company the intention of acquiring in the next 5 days, on BM&FBOVESPA, up to 750 thousand common shares issued by the Company, together with the related subscription rights, of up to 750 thousand common shares, in connection with the capital contribution process, including right to subscribe to remaining shares, as provided for in the communication to the Company's shareholders published on May/05/14;

Jun/27/14: end of the term for exercising right of first refusal;

Jul/03/14- MESSAGE TO SHAREHOLDERS: about capital increase, end of the right of first refusal on Jun/27/14, subscribed amounts, beginning of the 1st apportionment of remaining shares and proportion of rights;

Jul/08/14 – COMMUNICATION TO THE MARKET: shareholder GRANDPRIX INVESTIMENTOS communicated that it disposed of significant preferred shareholdings ("PN"), which then were lower than 5% of preferred capital stock, in accordance with article 12 of CVM Ruling No. 358/02;

Jul/11/14- MESSAGE TO SHAREHOLDERS: end of the 1st apportionment of remaining shares of capital contribution and beginning of the 2nd period for the apportionment of remaining shares until Jul/18/14;

Jul/14/14 – MATERIAL NEWS RELEASE: acquisition of significant shareholding of CBC after the end of the 1st apportionment of remaining shares. In the letter sent to the Company, CBC informed that it "*still intends to participate in the Company's management and to subscribe to new shares not subscribed in the second apportionment of remaining shares in connection with the approved Company capital increase process*";

Jul/21/14- MESSAGE TO SHAREHOLDERS: end of the 2nd apportionment of remaining shares in connection with the capital increase process and presentation of the updated shareholding position considering future approval thereof. This communication was restated on Jul/23/14 in order to include information about the possibility of review of subscriptions for having been partial;

Jul/21/14 – MATERIAL NEWS RELEASE: acquisition of significant shareholding of CBC after the end of the 2nd apportionment of remaining shares. Before approval of capital increase, Taurus informed that, considering the shares previously held, the shares subscribed upon exercising right of first refusal and in the 1st and 2nd apportionment of remaining shares, CBC started to hold 52.51% of common shares, 0.93% of preferred shares and 27.90% of total shares (not considering treasury shares), thus holding the majority of the Company's voting capital;

Jul/31/14- MESSAGE TO SHAREHOLDERS: about the end of the period for review of share subscriptions and the updated shareholding position considering future approval of capital increase. After the two apportionments of remaining shares and the review of share subscriptions, 48,522,214 common and 85,703 preferred shares were subscribed. Subscribed shares totaled R$ 67,078,925.46, in excess of the minimum limit of R$ 50 million for the capital increase;

Aug/04/14 – BOARD OF DIRECTOR'S MEETING, CONVENING NOTICE AND MANAGEMENT'S PROPOSAL: Board of Directors members unanimously approved convening of a special meeting, with a notice and proposal disclosed on the same day, to be held on Aug/20/14, in order to decide about: (i) approval of capital increase; and (ii) amendment, due to the referred to capital increase, to article 5 of the articles of incorporation;

Aug/20/14 – Special Meeting: total amount of R$ 67,078,925.46 of subscribed shares, in excess of the minimum limit of R$ 50 million established for the capital increase, was approved by majority voting of present shareholders, together with Company capital increase that had been approved in the Special Meeting of Apr/29/14, with the consequent issue of 48,522,214 common and 85,703 preferred shares, all registered book-entry with no par value. In addition to the approval, amendment to article 5 of the articles of incorporation of the Company was also decided in order to reflect the new shareholding structure.

Aug/22/14 – REFERENCE FORM: the Company timely restated the Reference Form ("FRE") to keep the market apprised of approval of capital increase and its new shareholding structure due to this operation;

Sep/08/14 – COMMUNICATION TO THE MARKET: shareholder PREVI communicated to the Company, according to Article 12 of CVM Ruling No. 358/02, that due to the capital increase approved by the Special Meeting of Aug/20/14, that it held 7.3% of common and 32.71% of preferred shares and 19.43% of total capital (without treasury shares);

Oct/30/14 – Board of Directors Meeting: due to the developments of the judicial proceeding filed by Hunter Douglas NV against subsidiary TMFL and another party, the Board of Directors approved the recommendation of increasing Company capital, owing to the negotiations that are in progress to reach an agreement, for an amount aligned with that which comes to be agreed to settle the proceeding.

III. Debentures: Liquidation of the 1st issue, waiver of early maturity of 2nd and 3rd issue of nonconvertible debentures;

Apr/15/14: liquidation of the balance of R$ 15.7 million, related to **1st debenture issue**, at the rate of DI + 4.1%;

Jun/03/14 – General Debenture Holders' Meeting: the General Debenture Holders' Meeting ("AGDEB") decided for waiving early maturity of **2nd issue**, due to the noncompliance with financial ratios (covenants), of which the rate is DI + 2.8%, issued in 2011, with 9 remaining quarterly installments, started in August 2013 (balance of R$ 31.2 million at Sep/30/14);

Jun/12/14 – Board of Directors Meeting: the Board of Directors approved by unanimous voting and without any restrictions or abstentions, the **3rd debenture issue** of R$100 million, represented by 10 thousand unsecured debentures not convertible into shares;

Jun/12/14 – MATERIAL NEWS RELEASE: communication of debenture issue;

Jun/25/14: 3rd issue at the rate of DI + 3.25% and financial market covenants measured annually**.** Term of 3 years, with grace period of 2 years, as part of the debt payment term extension process (balance of R$ 103.7 million at Sep/30/14);

Sep/30/14 – General Debenture Holders' Meeting: approved by unanimous voting and without remarks the waiver of early maturity of the **2nd issue** due to noncompliance with financial ratios (covenants) and of the **3rd issue** due to the change in controlling interest of Issuer as a consequence of the capital increase approved by the Special Meeting of Aug/20/14.

IV. CADE – Concentration Act related to TAURUS and CBC

May/12/14: communication from Companhia Brasileira de Cartuchos ("CBC") to CADE about its intention of acquiring on BM&FBOVESPA common shares of TAURUS, filing Concentration Act No. 08700.003843/2014-96 with CADE;

Jun/23/14 – MATERIAL NEWS RELEASE: informed that Official Letter No. 2457/14 was received from Cade communicating to the Company the dismissal of the application for exercising the rights of common shares of Taurus held by CBC, in excess of the position held on 05/12/14, for purposes of voting in the Special Meeting of Jun/27/14; allowing exercise of rights of 2.5% common shares and 0.2% of preferred shares, positions held before the communication of May/12/14; repealing the need of application for preliminary injunction required by shareholder PREVI on Jun/16/14; restriction that is valid until the Concentration Act of TAURUS and CBC is judged by CADE;

Sep/04/14: Official Letter No. 3992/14 from Cade requesting additional information to the Company about the concentration act under analysis referring to acquisition of Taurus shares by CBC, which was fulfilled within the defined deadline of 09/24/14;

Oct/24/14: the public version of the Company's reply to Cade Official Letter No. 3992/14 was made available on CADE's site;

Nov/13/14: the Company continues waiting for judgment of the Concentration Act of TAURUS and CBC, in order to be able to analyze the potential synergy gains and value added with the recent changes in shareholdings.

V. Election of the Board of Directors and Appointment of the Statutory Committees

Apr/28/14 – MATERIAL NEWS RELEASE: informing about: 1. Letter of resignation of Board Member Fernando José Soares Estima dated Apr/25/14; 2. Correspondence from shareholder LFCE, holding 16.05% interest together with Estimar, also due to the resignation a new election of board members shall be made in the Special Meeting of Apr/29/14, strictly following article 141, paragraph 30 of Law No. 6404/76; 3. List with the names of applicants; 4. Understanding by the Company, supported by legal advisors, that election of new Board members may not take place in the Special Meeting of Apr/29/14 or in the Ordinary and Special Meeting of Apr/30/14, since the matter was not included in the agenda; 5. A Board of Directors meeting was convened by shareholder and chairman LFCE, to analyze a new application for convening a Special Meeting on May/13/14 (an impossible date owing to the required legal terms), warning that he will do so should it not take place in 8 days, based on article 123 sole paragraph, letter "c", of Law No. 6404/76;

Apr/28/14 – MATERIAL NEWS RELEASE: formal consultation to CVM to obtain understanding about the possibility of electing Board members in the Special Meeting of Apr/29/14 and in the Ordinary and Special Meeting convened for Apr/30/14, obtaining reply through CVM/SEP/GEA-4 Official Letter No 108/14, that there shall be no inclusion in the agenda of election of Board members, following the procedures provided for by article 124 of Law No. 6404/76;

May/05/14 – CONVENING NOTICE AND MANAGEMENT'S PROPOSAL: The Board of Directors' Meeting of May/02/14 approved by majority voting convening of the Special Meeting on Jun/27/14, with 2 groups of meeting agenda items: I - Items proposed by the Board of Directors by majority voting (i) get to know CEI recommendations; and (ii) examine, discuss and carry a voting in order to approve management's accounts for 2012 and 2013; and II – Items proposed by shareholder LFCE on Apr/25/14, on the terms of article 123 sole paragraph, letter "c", of Law No. 6404/76: (i) amendment to article 20 and 29 of the articles of incorporation changing from 7 to 9 Board members; and (ii) elect Board of Directors members;

May/06/14 – COMMUNICATION TO THE MARKET: receipt of correspondence on May/05/14, from shareholder LFCE holding 16.05% interest in the Company together with Estimapar Investimentos e Participações Ltda. ("ESTIMAPAR"), considering abusive the convening of a Special Meeting more than 60 days after the request made on Apr/25/14, based on article 123 of Law No. 6404/76, which proposed a Special Meeting for May/ 21/14, with the same agenda. The Company clarified that the request of shareholder was met, by convening of the Special Meeting on Jun/27/14;

May/07/14 – CONVENING NOTICE: publication of the notice convening a Special Meeting on May/21/14 by shareholder LFCE, on the terms of article 123, sole paragraph, letter "c", of Law No. 6404/76 with the following agenda: (i) amendment to article 20 and 29 of the articles of incorporation changing from 7 to 9 Board members; and (ii) elect Board of Directors members;

May/09/14 – COMMUNICATION TO THE MARKET: clarifications to BMF&FBOVESPA Official Letter GAE/1.707 of May/ 08/14, about the request of presentation of management's proposal, informing that the amendment to the Company's articles of incorporation (change from 7 to 9 Board members) and the election of Board members, item II of the Notice of May/05/14, took place in response to the request of shareholder LFCE, with registration of management's proposal with the list of applicants to the board of directors, received from said shareholder;

May/09/14 – COMMUNICATION TO THE MARKET: clarification to BMF&FBOVESPA Official Letter GAE/1708 of May08/14 about which board members indicated by shareholder LFCE in the proposal are independent;

May/16/14- MESSAGE TO SHAREHOLDERS: about the request of adoption of multiple vote process for the Special Meeting of May/21/14, of shareholder with 12.45% of common shares, with indication of applicants and from shareholder with 14.38% of common shares, without indication of applicants;

May/21/14 – Special Meeting: non-realization of the Special Meeting proposed by shareholder LFCE and Estimapar (holding company in which he holds 99.99% interest), holders of 16.05% interest in the Company, due to CVM's decision that convening thereof was irregular, due to the direct and inseparable relation with the matters proposed on the terms of article 124, paragraph 5, item II of Law No. 6404/76, in addition to the injunction received on this date, suspending realization of the meeting;

May/21/14 – MATERIAL NEWS RELEASE: non-realization of the Special Meeting of May/21/14, due to CVM/SEP/GEA-4 Official Letter No. 150 dated May/20/14 received with unanimous CVM decision referring to the Special Meeting proposed by shareholder LFCE, acknowledging irregular convening thereof, infringing article 123, sole paragraph, letter "c", of Law No. 6404/76;

Jun/23/14- MESSAGE TO SHAREHOLDERS: about adoption of multiple vote process for the Special Meeting of Jun/27/14, of shareholder with 15.3% of common shares, without identification of applicants;

Jun/27/14 – Special Meeting: Election of Board of Directors members through multiple vote process and amendment to the articles of incorporation increasing the number of members from 7 to 9 and reducing compensation of Board members;

Jul/17/14 – Board of Directors Meeting: to inaugurate the Board elected in the Special Meeting of Jun/27/14, with 9 members, election of Board Chairman and Vice Chairman and indication of the members of the 3 Statutory Committees;

Jul/18/14 – COMMUNICATION TO THE MARKET: about the inauguration of the Board elected in the Special Meeting of Jun/27/14, with 9 members, election of Board Chairman and Vice Chairman and indication of the members of the 3 Statutory Committees.

Cancelation of Treasury Shares and Reverse Split of Shares

Aug/12/14 – Board of Directors Meeting: the Board of Directors approved cancellation of treasury shares, being 2,827,206 common and 9,608,901 preferred shares, with no par value, without capital reduction, with ex-treasury shares remaining with BM&FBOVESPA on Aug/13/14;

Sep/23/14 – Board of Directors Meeting: the Board of Directors decided to convene a Special Meeting on Nov/25/14, at 9 a.m. at the Company's head office, with the following agenda: (i) reverse split of common and preferred shares on the basis of 11:1; (ii) amendment to wording of article 5 of the articles of incorporation, in order to adjust the quantity of shares due to the reverse split of shares and the cancellation of treasury shares, without capital reduction; (iii) amendment to article 1 and 20 of the articles of incorporation to (a) include the wording of the new regulation about listing of Issuers and Admission to Securities Trading of BM&FBOVESPA; and (b) lack of requirement of board members being shareholders, by operation of enactment of Law No. 12431/2011; and (iv) Consolidation of the Articles of Incorporation;

Sep/24/14 – CONVENING NOTICE: for the Special Meeting of Nov/25/14 at 9 a.m., with the agenda indicated in the Board of Directors meeting of Sep/23/14.