RELEASE

3Q13

Release republished on 03/28/2014 due to the restatement of the Quarterly Information for the 3nd quarter of 2013

FORJAS TAURUS S.A.
Revenue grows 45% and Adjusted EBITDA 18% in 3Q13

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 3nd quarter of 2013 (3Q13) and for the first half of 2013 (9M13), 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$ 115,35 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 2Q13, 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 Quarterly Information ("ITRs") ended at June 30, 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$ 10.1 million in the 3Q13 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, 03-31-13, 06-30-13, in addition to the financial statements standardized ("DFP") to the year ended at 12-31-12, all restated on the date hereof, 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 the financial statements is basically: (i) non-recurrent; and (ii) minimized for not representing significant outflows in the Company's cash flow, also the additional provisions may be reversed as the installments related to sale of TMFL operations are paid and if the contingencies do not materialize.

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

HIGHLIGHTS FOR THE 9 MONTHS OF 2013 (9M13)

- ✓ **Fundamentals related to demand were maintained, with consolidated net revenue of R$ 651.3 million, up 29% compared to** 9M12, due to significant increase in exports;
- ✓ **Exports were up 47.3% totaling R$ 450.2 million in 9M13,** representing 69.1% of net revenue due to favorable foreign exchange rate and continuous demand;
- ✓ **Increase in the share of sales to the foreign market of net revenue:** sales to the North American market represented 64% in 9M13 (55% in 9M12), while sales to other countries represented 5% (6% in 9M12), with exports totaling 69% (61% in 9M12) of net revenue;
- ✓ **Net revenue in the domestic market totaled R$201.1 million, up 1%** compared to 31% in 9M13 (39% in 9M12);
- ✓ **Net revenue from the weapons segment reached R$ 503.3 million in 9M13,** up 37.7%, accounting for 77.3% of total net revenue (72.4% in 9M12); and approximately 86% resulted from revenue from export;
- ✓ **Gross profit from the weapons segment amounted to R$ 164.9 million in 9M13,** up 11.7% compared to 9M12, with gross margin of 32.8% (compared to 40.4% in 9M12), due to (i) increase in costs in excess of the

increase in revenue; (ii) increased quality level requirement, with lower acceptance of non-compliant products, especially of revolvers and long guns, which will result within short term in future productivity and margin increase;

✓ **Heritage's revenue in the USA was up 77% in US dollars in 9M13,** with excellent performance since acquisition in May 2012;

✓ **Revenue from distribution of DiamondBack products,** since the exclusive global agreement entered into in January 2013, has continuously increased, being 16% higher in 9M13 the budget revenue in US dollar;

✓ **Net revenue from the helmets segment of R$ 97.3 million, was up 2.5%, with gross profit of R$ 36.8 million and** margin of 37.9% in 9M13 (compared to 42.2% in 9M12);

✓ **Consolidated adjusted EBITDA of R$ 112.6 million**, with margin of 17.3% in 9M13, was down 5.1% compared to 9M12;

✓ **Financial ratios (covenants*)***, net debt to **consolidated adjusted EBITDA** (for the last 12 months), were agreed again in debenture holders' meetings (1st and 2nd issues) as well as with banks from which the loans and financings were taken out, until the effect of TMFL is no longer computed in the calculation base (last 12 months);

Sept/18/13: Disclosure of the report on the **annual review of assessment of risk** related to issue of debentures in 2010 and 2011 of Taurus, prepared by **Fitch Ratings**, **maintaining the same prior rating**, as under: (i) **National Long Term Rating:** "A-(bra)"; (ii) **National Long Term Rating** "A-(bra)" of **1st issue debentures**, in the amount of BRL100 million, with final maturity in April 2014 (last installment of R$ 15 million); (iii) **National Long Term Rating** "A-(bra)"of **2nd issue debentures**, in the amount of BRL50 million, maturing in 2016; and (iv) **Corporate Rating Prospect**: stable.

✓ **Project for Working Capital Optimization continues generating results:** (i) 37% decrease in inventories of finished products at Sep/30/13 (compared to Dec/31/12) and 22% decrease in total inventories, which may be further improved; (ii) improvement in average payment term of accounts payable and inventory; and (iii) 0.2% decrease in taxes recoverable;

1. **Focus on Quality Project:** Indicators of non-compliance in production lines in 9M13 presented continuous improvement in the inspections of products in Brazil and the USA;
2. **Project for Production Decommissioning and Rendering of Forging Services to Third Parties:** started in April/13;
3. **Project for industrial consolidation in the São Leopoldo plant:** transfer of Steelinject from Caxias do Sul (RS) concluded in July 2013 and the migration of Rossi long guns production scheduled for up to June/14 already using lean manufacturing layout; and
4. **Products Marketing Project for the USA:** presentation in the Dallas Fair from October 29 to November 1, 2013 and in the Convention of Representatives and Distributors held during the event (i) of the new WHITE BOX project; (ii) repositioning of products; (iii) new marketing campaigns with shooting champions, such as Jessie Duff (Female Shooting Championships) and Alex Larche (Junior Shooting Championships) for the Taurus team.

HIGHLIGHTS FOR THE 3RD QUARTER OF 2013 (3Q13)

✓ **Consolidated net revenue of R$ 218,7 million is up 44.8% in 3Q13 compared to 3Q12 and up 7.3% compared to 2Q13** due to: (i) increase in exports; (ii) favorable foreign exchange rate; and (iii) significant increase in the domestic market;

✓ **Breakdown of net revenue for 3Q13:** 64% to EUA and Canada; 5% - other countries; and 31% - domestic market;

- ✓ **Net revenue from export of R$ 145.7 million, up 51%,** representing 66.6% of total revenue in 3Q13 (compared to 63.9% in 3Q12);

- ✓ **Net revenue in the domestic market of R$ 73 million in 3Q13, up 33.7%** compared to 3Q12**,** representing 33.4% of total revenue (36.1% in 3Q12);

- ✓ **Revenue from the weapons segment reached R$ 170.0 million in 3Q13, up 44.5% that of 3Q12 and up 12% that of 2Q13**, maintaining the share of approximately 78% of net revenue in 3Q13/3Q12;

- ✓ **Revenue from helmets totaled R$ 33.8 million in 3Q12, up 14.3% compared to 3Q12 and up 0.5% compared to 2Q13,** representing 15.4% of net revenue in 3Q13 and 16.5% in 2Q13 (compared to 19.6% in 3Q12);

- ✓ **Gross profit from helmets of R$ 13.0 million in 3Q13, up 3.4% compared to 3Q12**, with gross margin of 38.6% compared to 42.7% in 3Q12, 40.1% in 2Q13 and an improvement related to 34.5% margin in 1Q13;

- ✓ **Decrease in consumers' default**, from +0.72% in August/13, to -0.34% in September/13 and -1.17% in October/13 (compared to the same 2012 month);

- ✓ **Good evolution of the ratio** between motorcycle number plate licensing and sale of Taurus helmets, for each motorcycle sold, being of 1.7 helmets in 3Q13, compared to 1.64 in 2Q13 and 1.68 in 1Q13;

- ✓ **Adjusted EBITDA totals R$ 35.6 million with margin of 16.3% in 3Q13,** down 6.3% compared to 3Q12 and up 18.2% compared to 2Q13, due to the increase in gross profit compared to prior quarter, despite the increase in operating expenses due to the additional provisions; increase in expenses with consulting for the renegotiation; in addition to administrative expenses with evaluations and hires for the new organizational structure; and

- ✓ **Consolidated net income in 3Q13 of R$ 1.1 million** (compared to R$ 11.4 million in 3Q12), equal to net income from continuing operations, an improvement in relation to loss of R$ 20.4 million in 2Q13. In 2013, there was impact on net income (loss) from discontinued operations. The result is due to the decrease in gross profit and the increase in operating expenses compared to 3Q12, for which net income amounted to R$ 8.6 million.

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	3Q13	2Q13	3Q12	9M13	9M12	9M13/9M12	3Q13/3Q12	3Q13/2Q13
Net revenue	**218.7**	**203.9**	**151.1**	**651.3**	**504.8**	**29.0%**	**44.8%**	**7.3%**
Domestic market	73.0	71.9	54.6	201.1	199.1	1.0%	33.7%	1.4%
Foreign market	145.7	132.0	96.5	450.2	305.7	47.3%	51.0%	10.4%
COGS	150.9	143.4	81.3	445.0	295.0	50.8%	85.6%	5.2%
Gross Profit	67.8	60.5	69.8	206.2	209.8	-1.7%	-2.8%	12.0%
Gross Margin - %	**31.0%**	**29.7%**	**46.2%**	**31.7%**	**41.6%**	**-9.9 p.p.**	**-15.2 p.p.**	**1.3 p.p.**
Operating Expenses	-44.8	-52.2	-39.1	-137.9	-111.3	23.9%	14.4%	-14.2%
Operating Profit (EBIT) (1)	23.0	8.3	30.6	68.4	98.5	-30.6%	-24.9%	176.9%
Net Financial Income	-21.4	-19.0	-10.8	-53.4	-30.7	73.9%	97.4%	12.5%
Depreciation and amortization (2)	8.5	9.6	0.3	26.2	15.8	66.0%	2375.6%	-11.3%
Net Income - Continuing Operations	1.1	-20.4	11.4	-10.1	40.8	-124.7%	-90.1%	-105.5%
Net Income Margin - Cont. Operations	**0.5%**	**-10.0%**	**7.5%**	**-1.5%**	**8.1%**	**-9.6 p.p.**	**-7.0 p.p.**	**10.5 p.p.**
Net Income - Descontinuing Operations	0.0	0.0	-2.8	0.0	-135.0	-100.0%	-100.0%	#DIV/0!
Net Income - Consolidated	1.1	-20.4	8.6	-10.1	-94.2	-89.3%	-86.9%	-105.5%
Net Income Margin - Consolidated	**0.5%**	**-10.0%**	**5.7%**	**-1.5%**	**-18.7%**	**17.1 p.p.**	**-5.2 p.p.**	**10.5 p.p.**
Adjusted EBITDA (3)	35.6	30.1	37.9	112.6	118.7	-5.1%	-6.3%	18.2%
Adjusted EBITDA Margin - %	**16.3%**	**14.8%**	**25.1%**	**17.3%**	**23.5%**	**-6.2 p.p.**	**-8.9 p.p.**	**1.5 p.p.**
Total Assets	1,261.7	1,266.9	1,147.7	1,261.7	1,147.7	9.9%	9.9%	-0.4%
Equity	206.9	204.8	229.7	206.9	229.7	-9.9%	-9.9%	1.0%
Investiments (CAPEX)	3.5	6.3	10.5	20.7	63.0	-67.2%	-66.7%	-45.2%

(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

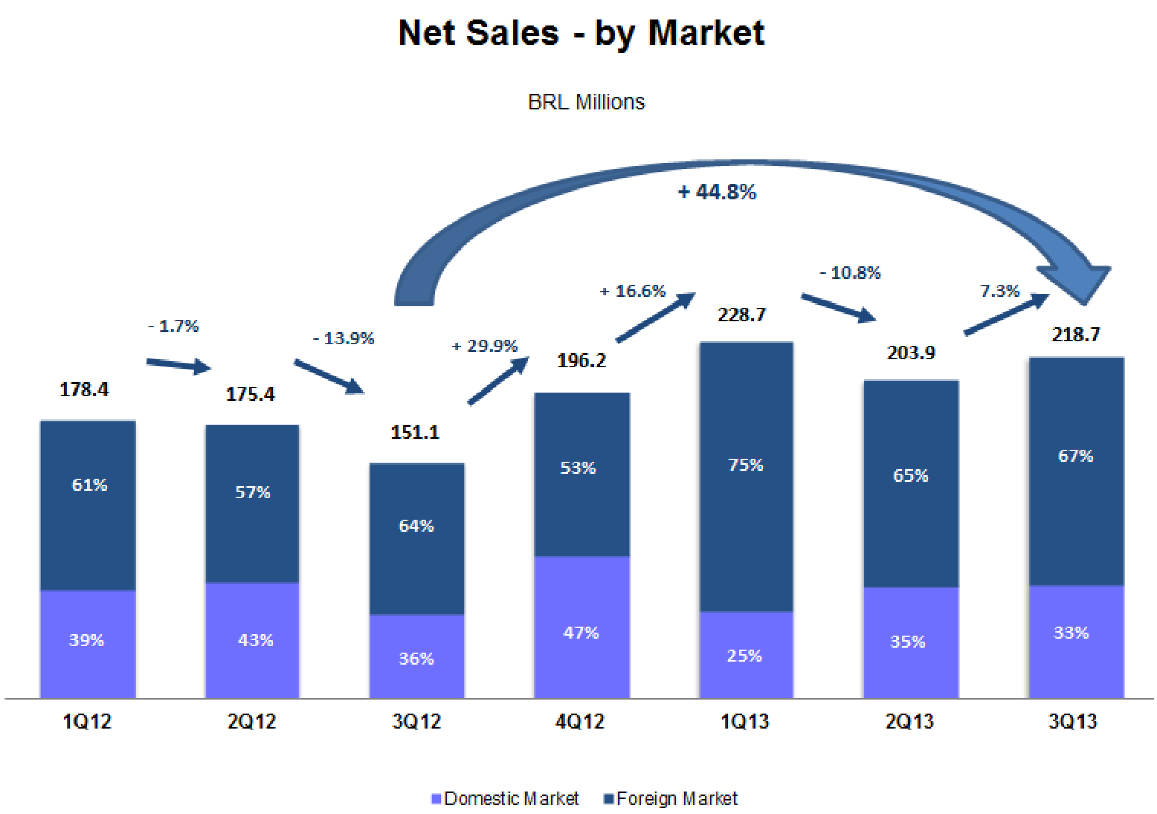
Total consolidated net revenue for 2Q13 totaled R$ 218.7 million, up 44.8% compared to R$ 151.1 million in 3Q12. This performance in the quarter is mainly due the 51.0% increase in exports, which accounted for 66.6% of total consolidated net revenue in 3Q13 compared to 63.9% in 3Q12. The domestic market revenue amounting to R$73 million is also starting to show signs of increase in demand, increasing 33.7% in 3Q13, representing share of total revenue of 33.4% in 3Q13, lower than the 36.1% in 3Q12.

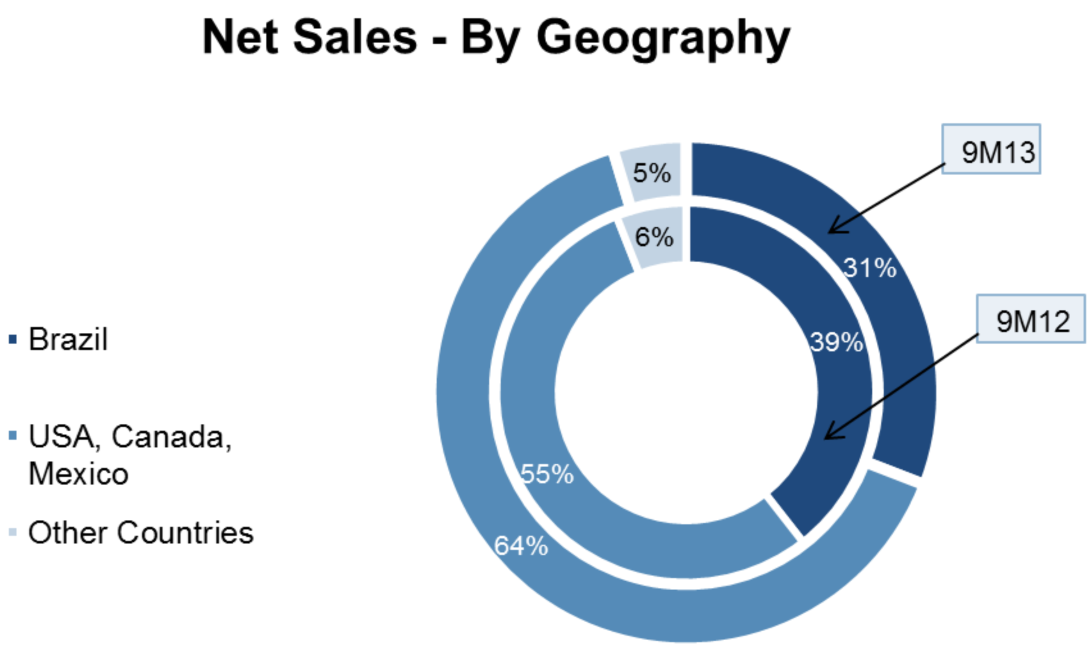
In 9M13, net revenue reached R$ 651.3 million, up 29%, of which breakdown shows share of the North American market of approximately 69% (61% in 9M12), share of domestic market of 31% (39% in 9M12), and of 5% for other countries (6% in 9M12).

Consumption in the American market continues favorable, being up 18% in accumulated terms for the 9M13 compared to the same prior year period, in accordance with National Instant Criminal Background System - NICS of FBI, which measures the intention of retail purchase of weapons and defense products.

The strategy of acquisitions and commercial partnering agreements has been successful, thus allowing the offer of products of several marks administered by us, namely: Taurus, Rossi, Heritage and DiamondBack in the North American market.

We illustrate below the Company's net revenue by market, in millions of Brazilian reais, for the quarters under analysis, clearly showing increasing revenue every quarter, except for 1Q13, which was atypical due to the exceptionally high demand:





1.3 - Segment information

The table below sets out consolidated financial highlights by segment:

RESULTS BY BUSINESS SEGMENT
Consolidated amount in millions of reais

Comparative Nine months - Year over Year

	Net Revenue					Gross Income			Gross Margin			Income before taxes		
	9M13	Part. %	9M12	Part. %	Var.	9M13	9M12	Var.	9M13	9M12	Var.p.p	9M13	9M12	Var.
Firearms	503.3	77.3%	365.5	72.4%	37.7%	164.9	147.7	11.7%	32.8%	40.4%	-7.6	19.1	25.8	-26%
Helmets	97.3	14.9%	94.9	18.8%	2.5%	36.8	40.1	-8.1%	37.9%	42.2%	-4.4	22.5	28.2	-20%
Others	50.7	7.8%	44.4	8.8%	14.2%	4.5	22.0	-79.7%	8.8%	49.6%	-40.8	(26.7)	13.9	NS
Total	651.3	100.0%	504.8	100.0%	29.0%	206.2	209.8	-1.7%	31.7%	41.6%	-9.9	14.9	67.8	-78%

Comparative Quarter - Year over Year

	Net Revenue					Gross Income			Gross Margin			Income before taxes		
	3Q13	Part. %	3Q12	Part. %	Var.	3Q13	3Q12	Var.	3Q13	3Q12	Var.p.p	3Q13	3Q12	Var.
Firearms	170.0	77.8%	117.7	77.9%	44.5%	56.4	58.2	-3.0%	33.2%	49.4%	-16.2	5.0	15.9	-69%
Helmets	33.8	15.4%	29.6	19.6%	14.3%	13.0	12.6	3.4%	38.6%	42.7%	-4.1	7.1	8.6	-17%
Others	14.9	6.8%	3.8	2.5%	NS	(1.7)	(1.0)	68.2%	-11.5%	-26.4%	14.9	(10.5)	(4.6)	126%
Total	218.7	100.0%	151.1	100.0%	44.8%	67.8	69.8	-2.8%	31.0%	46.2%	-15.2	1.6	19.8	-92%

Comparative Quarter - Current Quarter x Previous Quarter

	Net Revenue					Gross Income			Gross Margin			Income before taxes		
	3Q13	Part. %	2Q13	Part. %	Var.	3Q13	2Q13	Var.	3Q13	2Q13	Var.p.p	3Q13	2Q13	Var.
Firearms	170.0	77.8%	151.8	74.5%	12.0%	56.4	44.8	26.1%	33.2%	29.5%	3.7	5.0	(6.4)	NS
Helmets	33.8	15.4%	33.6	16.5%	0.5%	13.0	13.5	-3.3%	38.6%	40.1%	-1.5	7.1	9.5	-25%
Others	14.9	6.8%	18.5	9.1%	-19.6%	(1.7)	2.3	NS	-11.5%	12.3%	-23.8	(10.5)	(13.8)	-24%
Total	218.7	100.0%	203.9	100.0%	7.3%	67.8	60.5	12.0%	31.0%	29.7%	1.3	1.6	(10.7)	-115%

(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) Other-segments of bullet-proof vests, M.I.M. and plastic products.

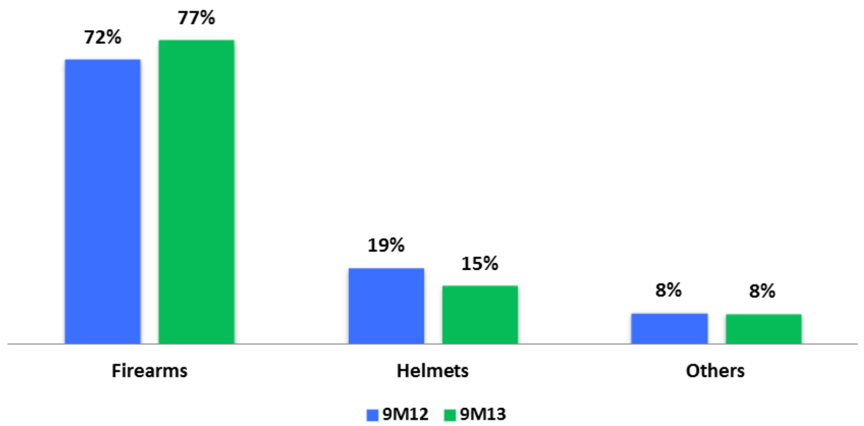
I. Defense and Security Segment (Weapons)

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 Company's main segment - Defense & Security – accounted for 77.3% of total consolidated net revenue in 9M13. Weapon sales in 9M13 totaled R$ 503.3 million, up 37.7% compared to 9M12 (R$ 365.5 million, equivalent to 72.4% of total consolidated net revenue). Gross profit amounted to R$ 164.9 million in 9M13, 11.7% up compared to 9M12, with margin of 32.6%, due to the increase in export sales and increase in costs proportionally in excess of that in revenue.

Pretax income was down 18%, totaling R$ 21 million in 9M13 (R$ 25.8 million in 9M12).

Net Sales - by Segment



In 3Q13 the share of weapons of total revenue was up 44.5%, reaching 77.8% (77.9% in 3Q12), however with decrease in gross profit of 3.0%.

Gross margin was of 33.2% in 3Q13, down 16.2 percentage points, due to the following: (i) continuous increase in exports of which the margins differ from those in the domestic market; (ii) increase in labor cost due to agreed collective salary raise of metallurgic workers of 9.5% in July/13; and (iii) unproductivity due to increased rejection of non-compliant products.

II. Metallurgy and Plastics Segment

This segment accounted for 22.7% of net revenue in 9M13 (27.6% in 9M12), 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 represented 14.9% of net revenue, totaling R$ 97.3 million in 9M13, up 2.5% compared to 9M12. Gross profit amounted to R$ 36.8 million with margin of 37.9% in 9M13 (R$ 40.1 million and 42% in 9M12).

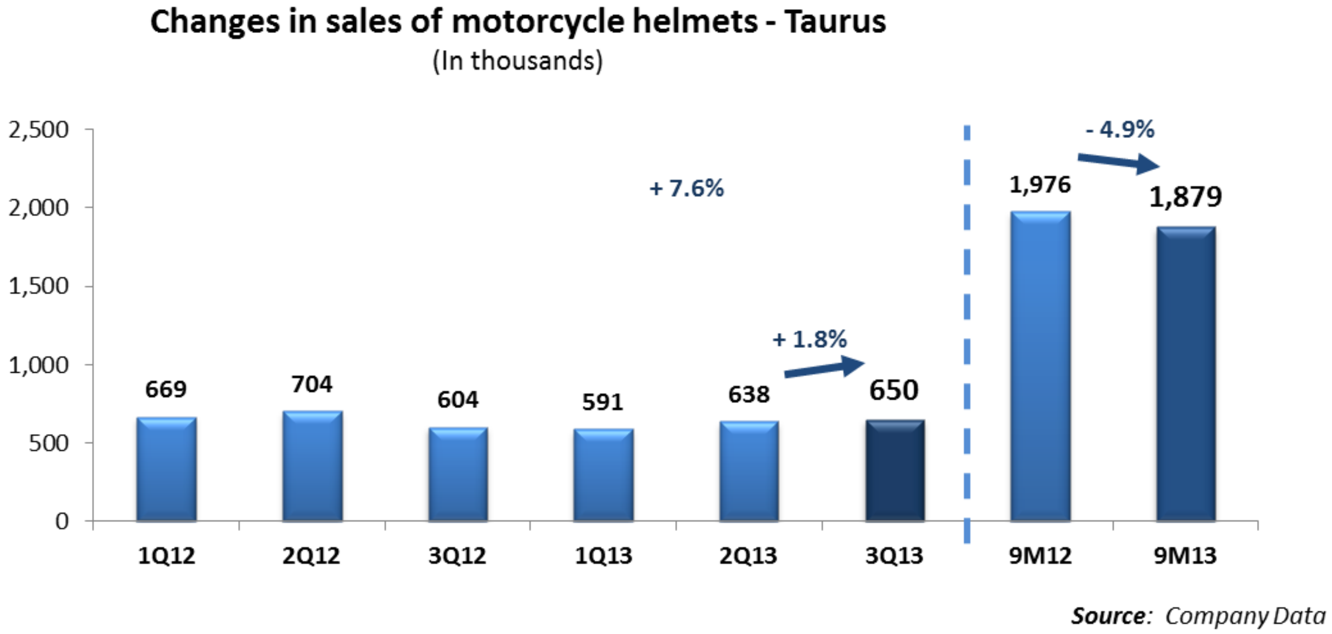
There was 4.9% decrease in the Company's physical sales of motorcycle helmets in 9M13, however proportionally lower than the 9.1% decrease in the motorcycle market, which has been facing problems owing to restriction to credit to class C, D and E consumers, who represent the main consumers of our products. However, there was important increase by 7.6% in sales volume in 3Q13 compared to 3Q12 and 1.8% compared to 2Q13, with a total of 650 thousand helmets sold, while motorcycle sales in the market decreased 3.4% and 3.8% respectively, which is a quite positive sign in terms of market penetration, reaching market share of more than 58%.

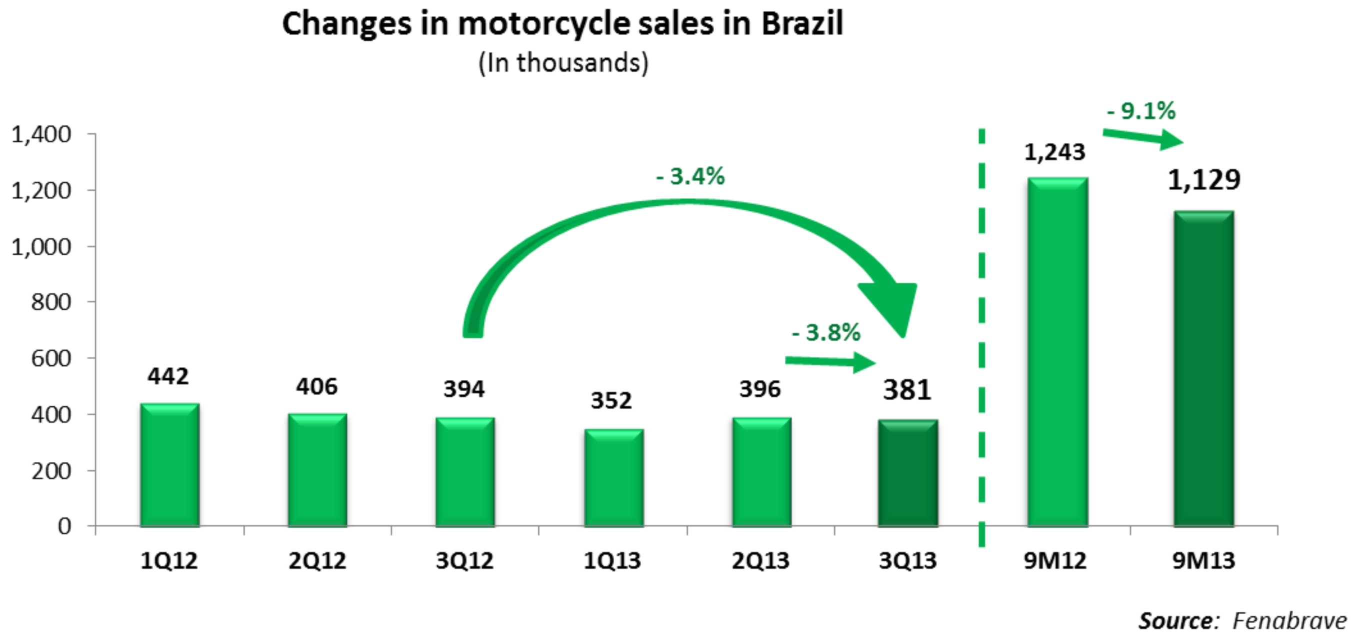
In 3Q13 there was revenue increase by 14.3% compared to 3Q12 and up 0.7% compared to 2Q13, reaching R$ 33.8 million. Gross margin in relation to net revenue was also stable, namely 38.6% in 3Q13 compared to 40.1% in 2Q13, but lower than the margin of 42.7% in 3Q12, when the motorcycle sales market was more kindled due to higher consumer credit offer, lower interest rates and more favorable general consumption conditions, such as possibility of financing with lower down payments.

We started to import more sophisticated helmet lines with Taurus and Italian CABEG marks also to reach the premium market and expand the portfolio, which may contribute to better margins within medium and long term, the effect being now still incipient.

Gross profit of R$ 13 million in 3Q13 was up 3.4% compared to 3Q12 but down 3.3% compared to 2Q13 (R$13.5 million). Pretax income in 3Q13 of R$ 7.1 million was lower than R$ 8.6 million in 3Q13 and R$ 9.5 million in 2Q13.

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 from other products totaled R$ 50.7 million (including residual balances of TMFL), representing 7.8% of net revenue in 9M13, up 14.2% compared to R$ 44.4 million and 8.8% of revenue in 9M12.

The variety of products in this sub-segment (bulletproof vests, anti-riot shields, plastic containers and the M.I.M. areas) impairs comparison, since sales volumes frequently vary depending on the orders. In addition, in 2012, the discontinued operation of Taurus Máquinas-Ferramenta Ltda. was not yet present.

1.4 – Gross profit and gross margin

Consolidated gross profit totaled R$ 206.2 million in 9M13, down 1.7% compared to R$ 209.8 million in 9M12, with gross margin of 31.7% (compared to 41.6% in 9M12).

In the 3Q13, gross profit reached R$ 67.8 million with gross margin of 31.0%, a significant improvement in relation to 2Q13, up 12% compared to R$ 60.5 million and margin of 29.7% of net revenue, although 2.8% lower than that for 3Q12. This is due to the following: (i) remaining unproductivity of certain noncompliant products; (ii) the "focus on production with quality" program, has resulted in gradual improvements, thus not yet reaching the intended production level; (iii) increase in inventories in process; (iv) dismissals and decommissioning of forging for third parties; and (v) payment of collective salary raise difference for metallurgic workers.

1.5 - Operating Expenses

Operating expenses totaled R$ 137.9 million due to 21% increase in selling, general and administrative expenses, 77% increase in other net operating expenses, being 24% higher than operating expenses of R$ 111.3 million in 9M12, representing 21.2% of net revenue in 9M13 (22% in 9M12).

Operating expenses of R$ 44.8 million in 3Q13 were up 14% compared to R$ 39.1 million in 3Q12 due to non-recurrent expenses with technical consulting, lawyers' fees and specialized consulting for the changes in top management structure that took place in 2013, representing 20.5% of net revenue for the quarter, an improvement in relation to 25.9% in 3Q12.

1.5.1. Selling, general and administrative expenses

Selling, general and administrative totaled R$ 42.4 million in 3Q13, up 12.8% compared to R$ 37.6 million in 3Q12, however, down 14.2% those for 2Q13.

Selling, general and administrative expenses totaled R$ 131.4 million in 9M13, 21.2% higher than the R$108.5 million in 9M12, due to the 20% increase in selling expenses; 23% increase in general and administrative expenses due to non-recurrent expenses related to consulting, law firms for the analysis of the request for renegotiation of TMFL disposal.

There was also increase in expenses with dismissal and severance pay due to substitutions of professionals occurred at the plants, due to transfer of Steelinject and the gradual decommissioning of forging for third parties in the period.

1.5.2. Other operating income (expenses)

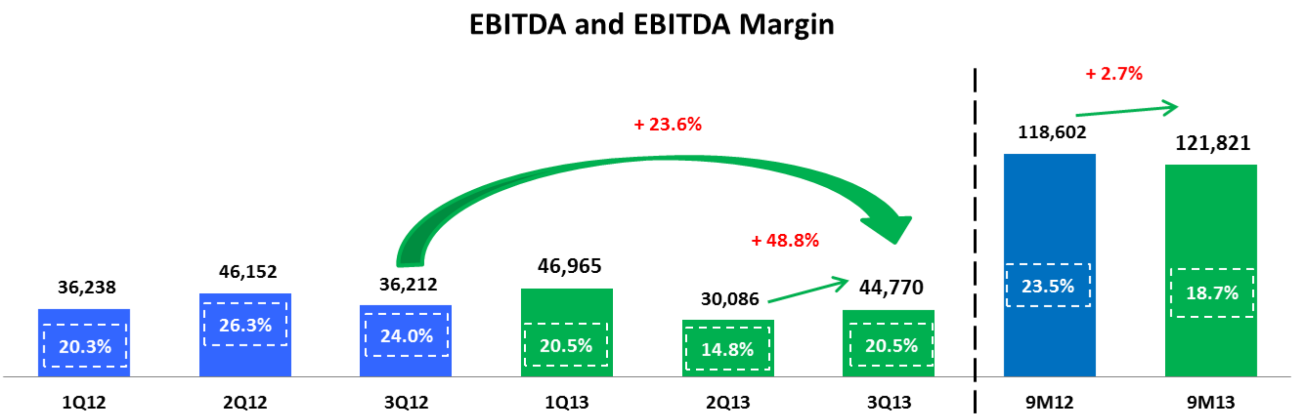
The result of this account was a net expense of R$ 2.4 million in 3Q13 , compared to R$ 1.7 million in 3Q12.

We highlight that the provisions and write-down of the asset value represent non-recurrent expenses and may be largely reversed if not used, thus not necessarily representing cash outflow.

1.6 – Adjusted EBITDA and adjusted EBITDA Margin

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization and without non-recurrent revenues and expenses), totaled R$ 35.6 million, with margin of 16.3%, compared to R$ 37.9 million in 3Q12 and margin of 25.1%, up 18.2% compared to adjusted EBITDA of R$ 30.1 million and margin of 14.8% of 2Q13, due to the increase in gross profit by 12% and decrease in operating expenses of 14.2% compared to 2Q13.

Consolidated cash generation in 9M13 totaled R$ 112.6 million, down 5.1% compared to 9M12, with margin of 17.3% in 9M13 (R$ 118.7 million and adjusted EBITDA margin of 23.5% in 9M12), mostly due to the 23.9% increase in operating expenses and 1.7% decrease in gross profit.



The table below sets out the calculation methodology for get the EBITDA and it's reconciliation, in accordance with CVM Rule No. 527/12:

CONSOLIDATED EBITDA
In thousands of BRL

PERIOD	9M12	9M13
= NET PROFIT	(94,218)	(10,077)
(+) IR/CSLL	27,016	25,009
(+) Net Financial Expenses	104,952	134,863
(-) Net Interest Income	(74,226)	(81,444)
(+) Depreciation/Amortization	23,242	26,195
= EBITDA CVM Reg. 527/12	(13,234)	94,546
(+) Income from Discontinued Operations [1]	131,903	-
(+) Loss of Taurus Máquinas-Ferramenta Ltda. [2]	-	18,059
= ADJUSTED EBITDA	118,669	112,605

[1] Resultado Líquido das Operações Descontinuadas devidamente descontado dos efeitos de depreciação e amortização, impostos, resultado financeiro líquido, conforme critério de cálculo do EBITDA.

[2] Prejuízo da Taurus Máquinas Ferramenta Ltda. referente ao 1T13, período este que a operação deixou de ser descontinuada.

1.7 – Financial income (expenses)

Net financial expenses in 3Q13 totaled R$ 21.4 million compared to expense of R$ 10.8 million in 3Q12. Net financial expenses in 9M13 totaled R$ 53.4 million, higher than the expense of R$ 30.7 million in 9M12, mainly due to the following: (i) increase in financial charges on loans and financing due to the increase in the basic interest rate; (ii) the effect from net foreign exchange variation, due to appreciation of US dollar to several currencies and exposure of part of the debt denominated in US dollar without exchange hedge, partially offset; and (iii) net exchange gain related to swap on financial operations.

Approximately 45% of the Company's exposure in loans and financing is related to the US dollar and largely to hedge operations. Also, approximately 70% of net revenue results from exports with positive foreign exchange variation.

1.8 – Net income (loss)

Consolidated net income from continuing operations amounted to R$ 10.1 million in 9M13, representing net margin of 1.5% explained by the increase in costs above revenue growth and increase in operating expenses. This result was influenced by the loss of R$ 20.4 million in 2Q13, not fully offset by net income of R$ 1.1 million in 3Q13 and R$ 9.2 million in 1Q13, which had an exceptional result, atypical for period, due to extraordinary factors that contributed to a greater demand earlier in the year.

The loss of R$94.2 million in 9M12 was impacted by the net loss of U.S. $ 135 million from discontinued operations of TMFL. This result was affected by the performance for 2Q12, which generated a net loss of R$ 127.1 million when retroactively recorded the value reduction of TMFL's asset sale along with additional provisions transactions.

1.9 – Restatement of Quarterly Information

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

						Company
						At September 30, 2013
		Assets	Liabilities and equity			Net income
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity	(loss) for the year
Balance originally disclosed	**352,540**	**581,467**	**500,727**	**141,470**	**291,810**	**(84,282)**
Equity pickup	-	(53,029)	-	-	(53,029)	72,616
Provision for capital deficiency	-	-	-	19,118	(19,118)	10,089
Provision for tax and civil risks (c)	-	-	424	2,709	(3,133)	713
Provision for inventory losses (c)	(9,759)	-	-	-	(9,759)	(9,337)
Adjustments – transactions with subsidiaries	(2,147)	2,147	(124)	-	124	124
Restated balance	**340,634**	**530,585**	**501,027**	**163,297**	**206,895**	**(10,077)**

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 financial statements;

b) In addition to write down of accounts receivable for the sale of the machinery activities, as mentioned in (a) above, management recorded supplementary provision for losses on the balance receivable from Renil Participações, due to the deterioration of the credit conditions,

difficulties in fully realizing the guarantees and lack of updated information about the debtor's financial condition. In accordance with CPC24 on subsequent events occurred between the period of the financial statements and approval for the restatement thereof, this provision was also recorded at June 30, 2012.

(a) 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.

(b) 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.

(c) Reversal of the provision for statutory profit sharing due to the change of profit to loss for the period.

The provisions and losses indicated above have not yet been substantially computed by subsidiary Taurus Máquinas-Ferramenta Ltda., which did not present the capacity of recovering income and social contribution taxes as of that date. Thus, for these provisions and losses no deferred income and social contribution tax asset has been recorded.

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

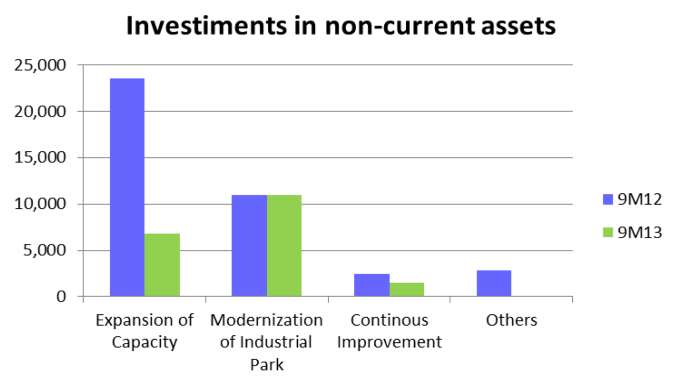
1.10 – Consolidated investments – CAPEX – Capital Expenditures

Consolidated investments in 3Q13 totaled R$ 3.5 million, compared to R$ 10.5 million in 3Q12, 66.7% lower than the year before.

In 9M13, CAPEX totaled R$ 20.7 million, compared to R$ 63 million, 67.2% lower, highlighting that in 2012 there was investment in the acquisition of SteelInject and Heritage totaling R$ 34 million, which did not occur in 2013. Depreciation and amortization totaled R$ 8.5 million in the quarter, compared to R$ 7.8 million in the same prior year period.

The Company's capital budget of R$ 39.7 million proposed by management for 2013 was approved by the Ordinary Shareholders' Meeting of April 26, 2013, of which 52.1% has already been realized until the end of 9M13.

The graphs below illustrate investments in property, plant and equipment in 9M13 and 9M12, with the following distribution:



1.11 – Financial position

Cash and short-term investments totaled R$ 327.8 million at Sep/30/13, up 75% compared to R$187.3 million at Sep/30/12 and down 3% compared to R$ 337.1 million at June /30/13. Short-term investments earn interest at rates varying from 98% to 103% of CDI at Sep/30/13, and are made with first tier financial institutions. Taurus' consolidated gross indebtedness totaled R$ 861.4 million at Sep/30/13, stable compared to R$ 862.2 million at Jun/30/13. The funds are destined mainly to finance: (i) working capital; (ii) investments for modernization of industrial premises; and (iii) exports. We highlight that this increase takes into consideration obtaining of financing lines at low cost, such as PROGEREN and FINEP to finance research and development of new products, both obtained with BNDES in the amount of R$ 32 million each, taken out in the 2Q13 and 3Q13.

The balance of long-term loans and financing totaled R$ 302.8 million at Sep/30/13, up 26% compared to the balance at Sep/30/12 and down 2% compared to Jun/30/13. Breakdown of debt by currency is of 45% in foreign currency and 55% in local currency, being partially hedged.

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 involving the administrative, commercial and industrial areas.

The balances of debentures, financing and advance on mortgage credits that had contractual covenants were classified in current liabilities (transferred from long-term to short-term portion), owing to the noncompliance with the ratios if we do not eliminate the non-recurrent effects (renegotiation of TMFL) in the result, reason why the Company convened two General Debenture Holders' Meetings, one for the 1st and the other for the 2nd issue, at least 15 days in advance, being held on 11/12/13. All the main creditors were visited or contacted in order to explain the transitory non-compliance with covenants. Debenture holders did not show interest in early settlement of the two issues, as initially proposed by the Company.

Furthermore, we consider the prepayment of receivables as debt, even without recourse, in response to the request of the debenture holders at the General Meeting of Debenture Holders held in November 12, 2013 to voting on the no early settlement of the 1st and 2nd issues.

The debenture holders' meetings held on 11/12/13 for both issues, of which the minutes were disclosed to the market on the same date, decided the following:

1. **1st issue:** (i) Non-declaration of early maturity of the debentures, on the terms of clause 6.21.(XXII), due to noncompliance with the financial ratios, and waiver of compliance by Issuer of the referred to ratios in relation to the quarter ended June 30, 2013; (ii) Waiver of compliance by Issuer with the financial ratios in clause 6.21 (XXII) of the Debenture Issue Indenture for the quarter ended September 30, 2013 and for the quarter ended December 31, 2013; (iii) Change in the manner of calculating the financial ratios until the effects from non-recurrent revenues and expenses that impacted 2013 are no longer included in the calculation of the financial ratios, as follows, net debt/EBITDA lower than or equal to 4.0x and EBITDA/net financial expenses higher than or equal to 2.0x; and (iv) payment of premium of 0.5% (point five percent) on the nominal value of the debentures, to be paid until November 19, 2013.

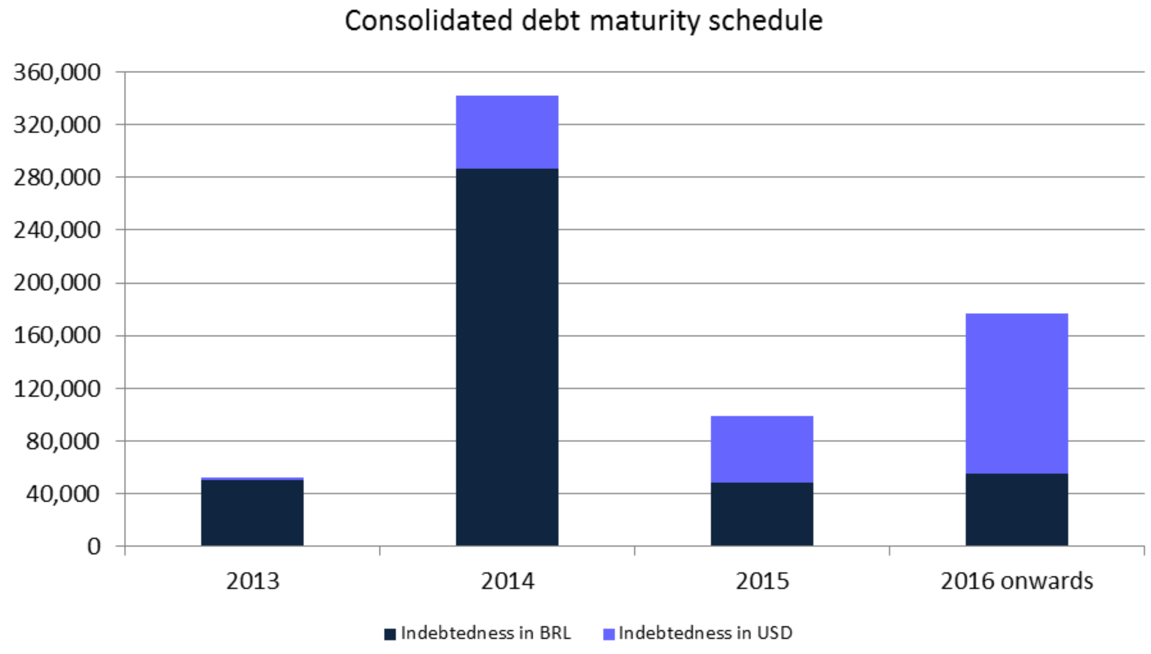
2. **2nd issue:** (i) Non-declaration of early maturity of the debentures due to noncompliance with the financial ratios of clause 5.1.1, (xix) of the debenture issue indenture for the quarter ended June 30, 2013; (ii) Approval of the proposal of Issuer of waiver of compliance with the financial ratio referring to the quarter ended September 30, 2013 and for the quarter ended December 31, 2013, considering the new calculation methodology, now approved, as well as its definitions; (iii)

Approval of the proposal of Issuer of changing the manner of calculating financial ratios, until the effects from non-recurrent revenues and expenses that impacted 2013 are no longer included in the calculation of the financial ratios and change of their limits, as well as approve inclusion of the new financial ratio provided for in the presented proposal; (iv) Considering that the proposals presented by Issuer were approved, Issuer will pay 1% (one percent) premium on the debt balance at September 30, 2013 of the 2nd issue debentures. The payment will be made on November 19, 2013.

Waiver for loan 4131 – Itaú BBA was also granted, so that obtaining of waiver for the Company's financing agreements with mandatory covenants allows us to conclude that these loans shall return to their normal repayment schedule (long term) as from the next quarter (4Q13).

Net indebtedness at Sep/30/13 totaled R$ 533.6 million, up 2% compared to net debt of R$ 525.1 million at Jun/30/12. As a consequence of noncompliance with the covenants, 59% of debt is concentrated in the short-term portion (temporarily) in the 3Q13 compared to 35% in 3Q12.

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 the two portions of 1st issue debentures that matured in October 2013 and the last will mature in April 2014, in the amount of R$ 15 million, in addition to two quarterly installments of 2nd issue that matured in 2H13, of R$ 3.8 million each, out of a balance of R$ 50 million.



Due to the waivers obtained, the total amount of loans and financing within the short-term portion and that will return to the long-term portion in the 4Q13 totaled R$ 95.9 million considering amounts as of 09/30/13.

We set out below the changes at Sep/30/13 compared to Jun/30/13 and Sep/30/12 and the main accounts related to the Company's financial position, as well as the main related indicators:

	09/30/2012	06/30/2013	09/30/2013	Var. Sep/13 x Sep/12	Var. Sep/13 x Jun/13
					In millions BRL
Short term indebtedness	174.4	365.4	367.3	111%	1%
Long term indebtedness	371.4	309.6	302.8	-18%	-2%
Exchange Serves	50.0	0.0	0.0	-100%	-
Debentures	112.0	79.9	77.1	-31%	-3%
Antecipation Mortages	30.8	24.4	22.1	-28%	-9%
Derivatives	-20.0	-45.9	-32.5	63%	-29%
Gross Indetbetedness	718.6	733.3	736.8	3%	0%
(-) Cash available and financial investments	187.3	337.1	327.8	75%	-3%
Net Indebtedness	531.3	396.2	409.0	-23%	3%
Adjusted EBITDA	164.6	152.0	156.5	-5%	3%
Net Indebtedness/Adjusted EBITDA	3.23x	2.61x	2.61x		
Adjusted EBITDA/Financial Expenses Net	4.19x	2.80x	2.34x		

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 Sep/30/13:

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

Share value variation in 9M13 was 14.6% higher for ON and 21.5% lower for PN compared to 9M12. BM&FBOVESPA index was down 11.6% in the same period.

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 shares on BM&FBovespa in 2013 and 2012:

Share FJTA3 - 47,137,539 shares	Jan/13 to Sep/13	Jan/12 to Sep/12	Var.
Stock Price - BRL share	2.99	2.61	**14.6%**
Trades - Amount* (average)	10	11	**-10.5%**
Trades - Volum BRL* (average)	35,300	25,429	**38.8%**
Share FJTA4 - 94,275,078 shares			
Stock Price - BRL share	2.12	2.70	**-21.5%**
Trades - Amount* (average)	239	134	**79.0%**
Trades - Volum BRL* (average)	551,970	627,327	**-12.0%**
Market Value FTSA - BRL thousands			
141,412,617 shares	340,804	377,572	**-9.7%**
Ibovespa			
	52,338	59,176	**-11.6%**

Source: BM&FBovespa

3 – 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 3Q13.

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
Receita Líquida	> R$ 701.0	R$ 785.0	R$ 850.0	R$ 807.3	-5.0%
EBITDA Ajustado	> 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%

In the 3Q13 there once again are signs of operating recovery since all the impact from renegotiation of sale of TMFL was retroactively computed as of June 2012.

Since the Company's fundamentals continue positive in terms of demand and eliminating non-recurrent revenues and expenses, the estimates provided to the market were reviewed for the year ended December 31, 2013; namely:

NET REVENUE from R$ 785 million to **R$ 850 million** in 2013

NET REVENUE of R$ 701 million in 2012=Increase of **21.2% 2013/2012**

Adjusted EBITDA of R$ 170 million to **R$ 151 million** in 2013

Adjusted EBITDA of R$ 130.3 million in 2012 = Increase of **15.9% 2013/2012 restated**

Adjusted EBITDA estimated for 2013 represents margin of **17.8% in 2013.**

Capital budget (CAPEX) of R$ 39.7 million continues maintained as approved by the General Shareholders' Meeting for 2013, with realization of 52.1% of this amount in 9M13, with a certain risk of carry-over to 2014.

We once again highlight the several projects in progress and the structural changes that are changing the management model, the corporate organization and the team, seeking to recover production volume with high quality, consolidate the cash culture, pursue optimal capital structure for businesses and reduce every time more working capital need and indebtedness.

Strategic and future visions are the major directives seeking higher business profitability, with high value added of material and human resources and capital to maximize value for shareholders.

We believe that we are concluding an important cycle and that now we mainly focus on operations and on what may accelerate and improve the Company's fundamentals, making of it a global player with the ambition of being a consolidator in the industrial segment worldwide.