(A free translation of the original in Portuguese)

TUPY. Worldwide reference in castings

TUPY

3Q13 Highlights

Conference Call and Webcast

Date: 11/14/2013

Portuguese/English

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- **Sales volume:** 163,0 thousand tonnes – 4.1% higher than verified at 3Q12.
- **Revenues:** 843.3 million – growth of 13.1% over the same quarter in 2012, driven by commercial vehicles in the domestic and foreign market.
- **Gross profit:** R$ 181.0 million – margin of 21.5% over Revenues -, amount 41.7% greater than 3Q12.
- **Net income:** R$ 39.7 million – 4.7% of Revenues –, corresponding to an increase of 42.6% over the 3Q12.
- **Adjusted EBITDA:** R$ 159.3 million – increase of 49.1% over 3Q12 and equivalent to 18.9% of the revenues of 3Q13, the quarter with the highest EBITDA margin since 3Q10.
- **Investments PP&E and intangible assets:** R$ 51.8 million – increase of 28.9% in comparison with 3Q12.
- On October 17, 2013, we celebrated the listing in the **Novo Mercado** segment of the BM&FBovespa and on November 05, 2013, we announced the closing of a **public primary offering of stocks**, raising R$ 516.7 million in net resources for the Company.

Joinville, November 14, 2013: Tupy S.A. (BM&FBovespa - TUPY3), a world reference company in foundry and the largest global manufacturer of iron blocks and cylinder heads for engines and the largest domestic manufacturer of iron pipe fittings, releases its results for the quarter ended Sepetember 30, 2013. The financial and operational information was prepared in accordance with the International Financial Reporting Standards (IFRS) and the accounting practices adopted in Brazil, and was compared with the same period of 2012, unless otherwise stated.

SUMMARY OF RESULTS

	Consolidated (R$ thousands)					
RESULTS SUMMARY	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Revenues	**843,337**	**745,617**	**13.1%**	**2,342,538**	**2,020,642**	**15.9%**
Domestic Market	289,731	256,862	12.8%	802,825	765,486	4.9%
Foreign Market	553,606	488,755	13.3%	1,539,713	1,255,156	22.7%
Cost of Goods Sold and Operational Expenses	(721,424)	(669,359)	7.8%	(2,075,138)	(1,818,527)	14.1%
Other Net Operational Expenses	(19,508)	(21,712)	-10.2%	(56,736)	(36,926)	53.6%
Income Before Financial Results	**102,405**	**54,546**	**87.7%**	**210,664**	**165,189**	**27.5%**
% over Revenues	12.1%	7.3%		9.0%	8.2%	
Net Financial Result	(31,358)	(13,875)	126.0%	(108,586)	(60,977)	78.1%
Net Income Before Income Taxes	**71,047**	**40,671**	**74.7%**	**102,078**	**104,212**	**-2.0%**
% over Revenues	8.4%	5.5%		4.4%	5.2%	
Income Tax and Social Contribution	(31,307)	(12,810)	144.4%	(31,903)	(40,454)	-21.1%
Net Income	**39,740**	**27,861**	**42.6%**	**70,175**	**63,758**	**10.1%**
% over Revenues	4.7%	3.7%		3.0%	3.2%	
EBITDA (accordingly to CVM 527/12 Instruction methodology)	**155,680**	**97,403**	**59.8%**	**361,508**	**266,092**	**35.9%**
% over Revenues	18.5%	13.1%		15.4%	13.2%	
Adjusted EBITDA	**159,351**	**106,898**	**49.1%**	**375,134**	**287,298**	**30.6%**
% over Revenues	18.9%	14.3%		16.0%	14.2%	

SALES VOLUME

	Consolidated (Ton)					
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Total Sales Volume	**163,027**	**156,609**	**4.1%**	**481,089**	**426,035**	**12.9%**
Domestic market	56,710	55,009	3.1%	164,182	162,428	1.1%
Share %	34.8%	35.1%		34.1%	38.1%	
Foreign market	106,317	101,600	4.6%	316,907	263,607	20.2%
Share %	65.2%	64.9%		65.9%	61.9%	

The sales volume showed an increase of 4.1% compared with that recorded in 3Q12. This growth was driven by a variation of 4.6% in sales to the foreign market and, to a lesser degree, by the increase of 3.1% in sales to the domestic market.

It is worth noting that, unlike the last two quarters, the comparison of the sales volume for the foreign market represents only organic growth, and no longer the influence of the acquisition of the Mexican operations, since already in 3Q12 the results of the acquisitions were already incorporated in their entirety.

REVENUES

Revenues had a growth of 13.1% in comparison with the same quarter of the previous year. The contribution of the foreign market presented a slightly higher increase – 13.3% - in comparison with that of the domestic market – 12.8%.

	Consolidated (R$ thousands)					
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Revenues	**843,337**	**745,617**	**13.1%**	**2,342,538**	**2,020,642**	**15.9%**
Domestic Market	289,731	256,862	12.8%	802,825	765,486	4.9%
Share %	34.4%	34.4%		34.3%	37.9%	
Foreign Market	553,606	488,755	13.3%	1,539,713	1,255,156	22.7%
Share %	65.6%	65.6%		65.7%	62.1%	

During the reference period, 92.1% of the Revenues of the Company came from sales to the automotive segment, a percentage very close to that found in 3Q12, that is, 91.6%. Worth mentioning in 3Q13 are the revenues coming from the application of Tupy products in commercial vehicles, which increased participation in the portfolio from 38.2% in 3Q12 to 44.5% in 3Q13. Business from the Hydraulics segment (pipe fittings, steel shots and iron bars) represented 7.9% of the Revenues in this quarter, compared to 8.4% in 3Q12.

	Consolidated (%)			
REVENUES BY APPLICATION	3Q 2013	3Q 2012	9M 2013	9M 2012
Consolidated				
Automotive	**92.1%**	**91.6%**	**92.0%**	**91.2%**
Light Vehicles	22.9%	27.1%	23.4%	28.7%
Commercial Vehicles	44.5%	38.2%	43.6%	38.4%
Construction, Agricultural & Mining	24.7%	26.3%	25.0%	24.1%
Hydraulics	**7.9%**	**8.4%**	**8.0%**	**8.8%**

In some cases, the same Tupy product is applied in passenger Cars and in commercial Vehicles, or in Commercial and Construction, Agricultural and Mining machines, it being therefore unfeasible to measure the application of these precisely. In this way, assumptions of division between applications are adopted, considered to be our best inference.

DOMESTIC MARKET

Light vehicles (11.5% of 3Q13 revenues)

According to data from ANFAVEA, licensing of domestic and imported light vehicles in 3Q13 suffered a reduction of 9.9% compared with 3Q12.

Foreign and domestic light vehicles licensing (units)

	3Q13	3Q12	Variation
Passenger vehicles	715,319	822,686	-13.1%
Light commercial vehicles	216,403	211,712	2.2%
Light vehicles	**931,722**	**1,034,398**	**-9.9%**

Source: ANFAVEA

Among the main factors behind the drop in licensing is based on the comparison established with 3Q12, favored because it was for sales of vehicles with a reduction in the IPI rate. This tax came to be progressively raised beginning in JAN/13. In addition, in 3Q13, the licensing suffered with the reduction of the credit for acquisition of vehicles and the drop in consumer confidence levels.

In contrast with the performance of licensing, the production of light vehicles grew by 5.1%.

Light vehicles production (units)

	3Q13	3Q12	Variation
Passenger vehicles	740,610	708,023	4.6%
Light commercial vehicles	180,243	167,746	7.4%
Light vehicles	**920,853**	**875,769**	**5.1%**

Source: ANFAVEA

The mismatch between production and sales was essentially provoked by an increase in 68.1% in exports of light vehicles, due to the impulse driven by the depreciation of the exchange rate in the reference period.

Light vehicle exports (units)

	3Q13	3Q12	Variation
Passenger vehicles	121,381	73,043	66.2%
Light commercial vehicles	30,886	17,533	76.2%
Light vehicles	**152,267**	**90,576**	**68.1%**

Source: ANFAVEA

This movement, however, was insufficient to cover the increase of stocks of light vehicles – which reached 40 days of sales – a level considerable higher than that observed in 3Q12.

Light vehicles inventories (thousands of units)

	3Q13	3Q12	Variation
Dealers	305.7	226.8	34.8%
Manufacurers	115.0	86.6	32.8%
	420.7	**313.4**	**34.3%**

Source: ANFAVEA

Light vehicles inventories (days of sales)

	3Q13	3Q12
Dealers	29	24
Manufacurers	11	9
	40	**33**

Source: ANFAVEA

In this context, the sales coming from the application of Tupy products in passenger cars in the domestic market represented 11.5% of the Revenues of the Company in 3Q13. In comparison with 3Q12, a reduction of 11.2% was observed in the revenue coming from this type of application.

Tupy Revenues by Market and Application	Consolidated (R$ thousands)					
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Domestic market						
Light Vehicles	97,165	109,374	-11.2%	273,981	317,184	-13.6%

The negative variation of the products for passenger cars in the domestic market is explained mainly by the market share loss, in 2013, of a client of the Company, as well as by the phase-out of a certain product, which has occurred gradually since 2012.

Commercial Vehicles (14.4% of 3Q13 revenues)

Brazilian sales of commercial vehicles, according to data from ANFAVEA, had an increase of 30.6% in 3Q13 over 3Q12.

Commercial vehicles licensing (units)

	3Q13	3Q12	Variation
Trucks			
Semi-light	1,574	1,438	9.5%
Light	8,660	7,614	13.7%
Medium	3,691	2,797	32.0%
Semi-heavy	12,764	10,041	27.1%
Heavy	14,407	9,023	59.7%
Total trucks	**41,096**	**30,913**	**32.9%**
Buses	8,503	7,073	20.2%
Comercial vehicles	**49,599**	**37,986**	**30.6%**

Source: ANFAVEA

With regard to the production of commercial vehicles, it increased by 38.2% over 3Q12, with emphasis on the expansion in all the sub-segments of trucks.

Commercial vehicles production (units)

	3Q13	3Q12	Variation
Trucks			
Semi-light	969	591	64.0%
Light	9,830	7,528	30.6%
Medium	3,466	2,078	66.8%
Semi-heavy	20,862	14,149	47.4%
Heavy	18,747	12,049	55.6%
Total trucks	**53,874**	**36,395**	**48.0%**
Buses	10,071	9,862	2.1%
Comercial vehicles	**63,945**	**46,257**	**38.2%**

Source: ANFAVEA

Among the main factors which justify these variations, we find:

a. The reduced basis for comparison, since throughout 2012, production and sales of trucks decreased significantly. This drop was in response to opposite movements, observed in 2011, of a substantial advance in demand and its corresponding production, due to the introduction of the Proconve P7 (EURO 5);
b. The deceleration of the Brazilian economy and the agricultural harvest loss in 2011/12;
c. The impulse provided to the production and sales by the record grain harvest in the 2012/13 period, that is, 187 million tonnes, according to number from CONAB;
d. The maintenance, during all of 3Q13, of subsidies of the Investment Support Program (PSI-BNDES), in the form of a fixed interest rate at 3% p.a. for acquisition of trucks. Until AUG/12, the rate of the PSI-BNDES was at 5.5% p.a., when it was reduced to 2.5% p.a.;
e. Governmental purchases of trucks, under the scope of PAC 2, and of buses for the Caminhos da Escola Program.

Tupy's revenues coming from the application of its products in commercial vehicles in the domestic market represented 14.4% of the Revenues of the Company in 3Q13. Still in the comparison with 3Q12, a growth of 48.9% was observed in revenues coming from this type of application.

Tupy Revenues by Market and Application			**Consolidated (R$ thousands)**			
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Domestic market						
Commercial Vehicles	121,813	81,792	48.9%	326,056	255,621	27.6%

With regard to Tupy's business profile in this application, it is worth highlighting that:

a. Tupy products are applied in all the sub-segments indicated by ANFAVEA, but with more accentuated share in the categories of medium-sized, semi-heavy, and heavy trucks, which presented more growth than the market average;
b. The addition of new machined products to the portfolio, in a ramp-up stage in 2013.
c. Impact of non-recurring revenues related to contracts.

Construction, Agricultural and Mining (2.4% of 3Q13 revenues)

In the same way as the case of commercial vehicles, based on the unfavorable comparison represented by the 2012 year – a circumstance motivated especially by the agricultural harvest loss of 2011/12 – it influenced the comparison of the performance between 3Q13 and 3Q12. This is because the domestic market for agricultural machines in 2013 was strongly favored by the record harvest of 2012/13 and by the maintenance of the PSI-BNDES program. Computing these effects, the sales of agricultural machines grew by 17.8% in 3Q13 over the identical period in 2012.

Agricultural machinery licensing (units)

	3Q13	3Q12	Variation
Wheeled tractors	18,307	15,785	16.0%
Crowler tractors	266	302	-11.9%
Motorized planters	456	424	7.5%
Harvesters	1,723	1,301	32.4%
Backhoes	1,975	1,483	33.2%
	22,727	**19,295**	**17.8%**

Source: ANFAVEA

With regard to the production of these machines, it grew by 27.4% as shown below:

Agricultural machinery production (units)

	3Q13	3Q12	Variation
Wheeled tractors	21,670	16,997	27.5%
Crowler tractors	581	819	-29.1%
Motorized planters	428	508	-15.7%
Harvesters	2,313	1,358	70.3%
Backhoes	2,515	1,901	32.3%
	27,507	**21,583**	**27.4%**

Source: ANFAVEA

Revenues coming from the application of its products in Construction, Agricultural and Mining machines in the domestic market represented 2.4% of Tupy's Revenue in 3Q13 and presented an increase of 8.7% in comparison with 3Q12.

Tupy Revenues by Market and Application	**Consolidated (R$ thousands)**					
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Domestic market						
Construction, Agricultural & Mining	19,874	18,279	8.7%	63,100	60,176	4.9%

The growth of the revenue of the Company in this application considers the negative impact of the sales volume for the railroad segment, which is included in the same classification.

Hydraulics (6.0% of 3Q13 revenues)

Revenues from the application of the Company's products in the hydraulics segment in the domestic market represented 6.0% of the Revenues of 3Q13, having grown 7.3% over the identical period in 2012.

Tupy Revenues by Market and Application	Consolidated (R$ thousands)					
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Domestic market						
Hydraulics	50,879	47,417	7.3%	139,688	132,504	5.4%

The main factors which explain this variation are as follows:

a. The sales of pipe fittings were positively affected by the efforts of marketing together with the vendors and distributors and by the movement of anticipation of purchases related to the adjustments of costs in September/13.
b. The sales of steel shots were benefited by sales to the marble and granite exporting segments, benefitted by the exchange rate devaluation.

FOREIGN MARKET

The devaluation of 11.3% in the average exchange rate in 3Q13 (2.29 R$/US$), versus 3Q12 (2.03 r$/US$) favored the revenue from overseas sales for all applications.

Passenger cars (11.3% of 3Q13 revenues)

According to data from the publication *Automotive News*, in 3Q13, sales of passenger vehicles in the United States advanced 6.7% in comparison with sales observed in 3Q12.

Vehicle sales (units)

	3Q13	3Q12	Variation
Passenger vehicles	1,975,301	1,850,641	6.7%

Source: Automotive News

In parallel, and according to data from the same publication, the production of passenger vehicles experienced growth of 1.7% in comparison of the reference period with 3Q12.

Vehicle production (units)

	3Q13	3Q12	Variation
Passenger vehicles	1,057,808	1,039,818	1.7%

Source: Automotive News

The main factor which explains these variations are found in the recovery, albeit moderate, of the American economy. An improvement in the consumer confidence indicators, a reduction in the unemployment rate, and a drop in the cost of loans for purchase of new vehicles gave backing to the mentioned recovery, even though its consolidation requires greater stability of these and other economic indicators.

On the European continent, according to data from ACEA, the sales of passenger vehicles presented a modest growth of 2.6% in 3Q13 in comparison with 3Q12.

Vehicle sales (units)

	3Q13	3Q12	Variation
Passenger vehicles	2,902,154	2,827,496	2.6%

Source: ACEA

Although discreet, the recovery of the market for light vehicles in Europe reflects the recent evolution of the economy, the reduction in the interest rate for the consumer, and although marginally, the unemployment rate, promoting some improvement in the consumer confidence indicators.

Thus, the revenue coming from the application of its products in passenger cars in the foreign market represented 11.3% of Tupy's revenue in 3Q13. In comparison with 3Q12, a growth of 2.9% was observed in the revenue coming from this type of application.

Tupy Revenues by Market and Application	Consolidated (R$ thousands)					
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Foreign market						
Light Vehicles	95,715	92,975	2.9%	273,490	263,533	3.8%

In addition to the pertinent issues of economic performance in North America and Europe, it is worth emphasizing the support, for the result above, from application of Tupy products aimed at the premium segment.

Commercial Vehicles (30.1% of 3Q13 revenues)

The sales of commercial vehicles in the United States grew by 10.9%, according to data from the American publication *Automotive News*.

Vehicle sales (units)

	3Q13	3Q12	Variation
Light commercial – Class 1-3	1,977,071	1,777,479	11.2%
Medium commercial – Class 4-6	35,339	30,753	14.9%
Heavy commercial – Class 7-8	58,811	58,965	-0.3%
Veículos comerciais	**2,071,221**	**1,867,197**	**10.9%**

Source: Automotive News

The production of commercial vehicles, also according to *Automotive News*, increased by 15.7%.

Vehicle production (units)

	3Q13	3Q12	Variation
Light commercial – Class 1-3	1,622,757	1,401,979	15.7%

Source: Automotive News

This variation arose from the increase in demand for railway freight, demonstrated by the consecutive advances of the Truck Tonnage index from ATA, as well as the age of the American fleet of commercial vehicles, which is above its historical average. It is worth noting, however, the concentration of the progress of sales in medium-sized vehicles, with the sales of heavy vehicles presenting stability.

In contract, in Europe, according to ACEA data, the growth of the sales of commercial vehicles by 2.4% was driven mainly by the advance of the volume of heavy vehicles.

Vehicle sales (units)

	3T13	3T12	Variação
Light commercial	333,842	327,248	2.0%
Medium commercial	28,007	27,566	1.6%
Heavy commercial	52,926	50,104	5.6%
Commercial vehicles	**414,775**	**404,918**	**2.4%**

Source: ACEA

In this context, the revenues coming from the application of its products in commercial vehicles in the foreign market represented 30.1% of Tupy's Revenues in 3Q13. In comparison with 3Q12, we observe an increase of 25.2% in the revenues coming from this type of application.

Tupy Revenues by Market and Application	Consolidated (R$ thousands)					
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Foreign market						
Commercial Vehicles	253,960	202,763	25.2%	694,587	520,460	33.5%

The significant evolution of the foreign revenues coming from applications in commercial vehicles is mainly explained by:

a. The accentuated evolution of the pick-up market in the US;
b. The Ramp-up in manufacturing of new products, one of them made of Compacted Graphite Iron (CGI).

Construction, Agricultural and Mining (22.3% of 3Q13 revenues)

The unit sales in the segment of agricultural machines, in turn, presented growth of 11.1%, according to data from the Association of Equipment Manufacturers, AEM. It is worth noting, however, the drop in 4WD tractors and self-prop combines.

Agricultural machinery sales (units)

	3Q13	3Q12	Variation
2WD farm tractors - <40HP	25,221	21,851	15.4%
2WD farm tractors - 40<100HP	14,072	12,549	12.1%
2WD farm tractors - 100+HP	8,251	7,325	12.6%
4WD farm tractors	1,472	1,697	-13.3%
Self-prop combines	3,109	3,483	-10.7%
	52,125	**46,905**	**11.1%**

Source: AEM

In respect to the highlights above, the performance of the sectors with the highest sales rate of agricultural machines was quite positive, originated from the perspective of a 22% increase in the crops of 2012/13, when, in said period, there was a verified reduction in the crops. The prospective view we hereby mention is based on data from the United States Department of Agriculture.

The productive chain of mining machines, in 3Q13, suffered from a sales reduction, although the production of minerals has not been reduced globally. On the other hand, the industrial machine market benefited from the implementation of the infrastructure necessary for the extraction of shale gas.

As to the construction machine sector, it benefited from the growth of the North-American real-estate market, shown by the increase of 20.0% in the *housing stats* indicator, comparing July and August 2013, with the same months in 2012.

In this context, the revenues originated from the use of its products in Construction, Agricultural & Mining machines in the foreign market represented 22.3% of Tupy's Revenues in 3Q13. Comparing with 3Q12, we have confirmed an increase of 5.6%.

Tupy Revenues by Market and Application	**Consolidated (R$ thousands)**					
	3Q 2013	**3Q 2012**	**Variation**	**9M 2013**	**9M 2012**	**Variation**
Foreign market						
Construction, Agricultural & Mining	188,197	178,161	5.6%	523,323	425,752	22.9%

In spite of the benefit proportioned by the currency devaluation in the term, the revenues of the application in Construction, Agricultural & Mining machines in the foreign market grew relatively modestly. This was due to the adjustment of stocks of two product families from a client of agricultural machines, and the pre-buy, up to the first semester of 2013, motivated by the change in emission regulations in the United States. The revenues were also impacted by non-recurring revenues related to contracts.

Hydraulics (1.9% of the 3Q13 revenues)

The revenues from the application of the products of the Company in the Hydraulics segment in the foreign market represented 1.9% of the Revenues of 3Q13, and corresponded to a growth of 5.9% compared to what we observed in the same quarter in 2012.

Tupy Revenues by Market and Application	**Consolidated (R$ thousands)**					
	3Q 2013	**3Q 2012**	**Variation**	**9M 2013**	**9M 2012**	**Variation**
Foreign market						
Hydraulics	15,735	14,856	5.9%	48,312	45,412	6.4%

The growth of foreign revenues from the Hydraulics segment was due, especially, to the devaluation of the currency rate. However, it took place in a different ways in the markets: Sales drop to Latin America, partially compensated by the evolution of sales to the United Stated, due to the financial recovery of an important trading partner in said Country.

COST OF GOODS SOLD AND OPERATIONAL EXPENSES

3Q13 Cost of goods sold have increased in 7.2%, whereas operational expenses increased in 14.7% when compared to the same term in 2012. Therein, the gross rate of 21.5%, 4.3 percentage points above the same indicator in 3Q12, record the highest gross rate for the company since 3Q10.

	Consolidated (R$ thousands)					
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Cost of Goods Sold	**(662,369)**	**(617,871)**	**7.2%**	**(1,906,362)**	**(1,661,179)**	**14.8%**
Materials	(367,822)	(355,793)	3.4%	(1,097,278)	(937,655)	17.0%
Labour	(152,885)	(140,621)	8.7%	(406,090)	(372,042)	9.2%
Electricity	(35,476)	(28,801)	23.2%	(95,675)	(101,819)	-6.0%
Depreciation	(36,691)	(30,211)	21.4%	(105,668)	(78,837)	34.0%
Others	(69,495)	(62,445)	11.3%	(201,651)	(170,826)	18.0%
Operational Expenses	**(59,055)**	**(51,488)**	**14.7%**	**(168,776)**	**(157,348)**	**7.3%**

We justify the aggregated growth under analysis by, mainly, the following factors:

- Increase of variable costs originated from the sales volume growth;
- Effect of the currency devaluation on inputs prices, priced in dollars, and imported by the Brazilian and Mexican units;
- Inflation of the average price of scrap metal, reflecting, especially, in the scarcer availability of the material in the Brazilian market, in view of this input's exportation, caused by the devaluation of the Real;

On the other hand, the following counterbalance the effects above in part:

- Improve of productivity in the 3Q13 in comparison to 3Q12; and,
- Lower average cost of other inputs, reflecting the implementation of other strategies and practices of negotiation and purchase of productive inputs.

OTHER NET OPERATIONAL EXPENSES

The result of the account Other Net Operational Revenues (Expenses) recorded expenses in the amount of R$ 19.5 million in 3Q13, a reduction of 10.2% regarding the expenses of R$ 21.7 million in 3Q12.

	Consolidated (R$ thousands)					
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Other Net Operational Expenses	(19,508)	(21,712)	-10.2%	(56,736)	(36,926)	53.6%

The positive variation is due, primarily, to the incidence, in 3Q12, of extraordinary expenses resulting from cut-off settlements in the amount of R$ 5.0 million. Such expenses did not take place in 3Q13. Partially absorbing the aforementioned positive variation, the expense with amortization of the intangible assets in the quarter in question was of R$14.3 million, against R$11.8 million in 3Q12. This is due to the fact that the expenses from the amortization of said assets, recorded in dollars in the Mexican subsidiaries, has also oscillated toward the same way as of the North-American dollar at the end of each quarter.

INCOME BEFORE FINANCIAL RESULTS

Reflecting on the effects we previously mentioned, the Profit before the Financial Result of 3Q13 was of R$102.4 million, 12.1% on the Revenues, against R$ 54.4 million verified in 3Q12, thus reflecting a growth of 87.7%

	Consolidated (R$ thousands)					
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Revenues	**843,337**	**745,617**	**13.1%**	**2,342,538**	**2,020,642**	**15.9%**
Cost of Goods Sold and Operational expenses	(721,424)	(669,359)	7.8%	(2,075,138)	(1,818,527)	14.1%
Other Net Operational Expenses	(19,508)	(21,712)	-10.2%	(56,736)	(36,926)	53.6%
Income Before Financial Results	**102,405**	**54,546**	**87.7%**	**210,664**	**165,189**	**27.5%**
% over Revenues	12.1%	7.3%		9.0%	8.2%	

NET FINANCIAL RESULTS

In regards to the stable behavior of both the financial revenues and the financial expenses, when compared to their equivalents in the same quarter of the previous year, the currency variation on the net duties in foreign currency deserves a highlight, since they generated the expenses of R$14.3 million, against revenue of R$2.6 million in 3Q12. Such circumstance was determining to the negative Net Financial Result of R$31.4 million, 126.0% higher than what we observed in 3Q12.

	Consolidated (R$ thousands)					
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Financial Expenses	(28,434)	(28,665)	**-0.8%**	(88,766)	(86,931)	**2.1%**
Financial Revenues	11,401	12,177	-6.4%	32,637	58,882	-44.6%
Net Monetary and Remeasurement Gains or Losses	(14,325)	2,613	-	(52,457)	(32,928)	59.3%
Net Financial Results	**(31,358)**	**(13,875)**	**126.0%**	**(108,586)**	**(60,977)**	**78.1%**

NET INCOME BEFORE TAXES, AND NET INCOME

The net income before taxes of 3Q13 came to R$ 71.0 million, compared to R$ 40.6 million in the same term of 2012.

	Consolidated (R$ thousands)					
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Net Income Before Income Taxes	**71,047**	**40,671**	**74.7%**	**102,078**	**104,212**	**-2.0%**
Income Tax and Social Contribution	(31,307)	(12,810)	144.4%	(31,903)	(40,454)	-21.1%
Net Income	**39,740**	**27,861**	**42.6%**	**70,175**	**63,758**	**10.1%**
% over Revenues	4.7%	3.7%		3.0%	3.2%	

The impact of the Income Tax and Social Contribution came to R$31.3 million, representing 44.1% of the Net income before taxes. The difference between this representation and the IR/CSLL rate in place (34%) is mainly explained by the recognition of a provision for the additional income tax of the Mexican units, resulting in the differential of the rates from said units, in addition to the effect of the currency ratio of Peso/Dollar on the Mexican operations rate.

Considering the effect above, the net income of the third quarter of 2013 recorded profits of R$ 39.7 million – 4.7 % of the revenues – compared to the profits of R$27.8 million during the same year in the previous year, representing an increase of 42.6% in the period in question.

	Consolidated (R$ thousands)					
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Net Income	**39,740**	**27,861**	**42.6%**	**70,175**	**63,758**	**10.1%**
(+) Exchange rate variation of foreign subsidiaries	6,538	28,853	-77.3%	90,424	64,098	41.1%
Comprehensive income	**46,278**	**56,714**	**-18.4%**	**160,599**	**127,856**	**25.6%**
% over Revenues	5.5%	7.6%		6.9%	6.3%	

ADJUSTED EBITDA

The adjusted EBITDA of 3Q13 was of R$ 159.4 million– 18.9% of Revenues – recording an increase of 49.1% before the amount during the same term in the previous year, of R$ 108.4 million (14.3% on the Revenues).

The Adjusted EBITDA margin observed in the quarter represents not only the best operational performance since 3Q10, but it also ratifies the fourth consecutive quarter of growth in such indicator.

	Consolidated (R$ thousands)					
RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
Net Income	**39,740**	**27,861**	**42.6%**	**70,175**	**63,758**	**10.1%**
(+) Net Financial Result	31,358	13,875	126.0%	108,586	60,977	78.1%
(+) Income Tax and Social Contribution	31,307	12,810	144.4%	31,903	40,454	-21.1%
(+) Depreciation and Amortization	53,275	42,857	24.3%	150,844	100,903	49.5%
EBITDA (accordingly to CVM 527/12 Instruction methodology)	**155,680**	**97,403**	**59.8%**	**361,508**	**266,092**	**35.9%**
EBITDA Margin	18.5%	13.1%		15.4%	13.2%	
(+) Other net operating revenues (expenses) (*)	3,671	9,495	-61.3%	13,626	15,990	-14.8%
(+) Amortization of inventory surplus	-	-	-	-	5,216	-100.0%
Adjusted EBITDA	**159,351**	**106,898**	**49.1%**	**375,134**	**287,298**	**30.6%**
Adjusted EBITDA Margin	18.9%	14.3%		16.0%	14.2%	

(*) Other Net Operational is represented net of expenses with amortization and depreciation.

INVESTMENTS IN PP&E AND INTANGIBLE ASSETS

In 3Q13, the total of investments reached R$ 51.8 million, 28.9% higher than what we confirmed during the same term in 2012. The increase is due to investments in automation projects, investments related to a new product, and the purchase a software (ERP).

The Company has also applied its investments in the sustainability and modernization of its industrial park, factory infrastructure, workplace safety, and improvements in the environmental area.

	Consolidated (R$ thousands)			Consolidated (R$ thousands)		
	3Q 2013	3Q 2012	Variation	9M 2013	9M 2012	Variation
PP&E						
In capacity expansion	18,124	19,960	-9.2%	36,428	86,639	-58.0%
Maintenance and modernization of operating capacity	23,489	16,450	42.8%	55,066	41,788	31.8%
Environment	1,613	2,583	-37.6%	8,919	6,550	36.2%
Interest and financial charges	605	1,165	-48.1%	2,048	4,495	-54.4%
Intangible assets						
Software	7,936	-	-	14,889	-	-
	51,767	**40,158**	**28.9%**	**117,350**	**139,472**	**-15.9%**

DEBT

In September, 2013, total debt reached the amount of R$ 1,768.2 million. In regards to the composition by currency, 43.5% are denominated in Reais, and 56.5% in foreign currencies, especially in dollar. We highlight, as well, the extensive debt's amortization schedule, from which 9.3% are short term debts and 90.7% are long term debts.

During the term, we highlight the amortization of R$ 200.0 million in the BNDES Exim Pré-Embarque (Pre-shipment) (PSI). Other variations in the total debt are due, substantially, of currency variations.

As to the net debts in 3Q13, they have reached R$ 1,219.6 million. This amount, when divided by the Adjusted EBITDA accumulated in the last 12 months, comes up to a ratio of Net Debt/EBITDA of 2.7.

	Consolidated (R$ thousands)			
DEBT	**Sep/13**	**Jun/13**	**Mar/13**	**Dec/12**
Short term debt	161,662	287,639	537,904	530,993
Long term debt	1,601,590	1,686,803	1,405,990	1,296,668
Derivatives	4,952	2,797	1,297	13,034
Total debt	**1,768,204**	**1,977,239**	**1,945,191**	**1,840,695**
Cash and cash equivalents	529,742	657,414	677,768	660,437
Derivatives	4,250	22,092	6,519	-
Financial investments	14,627	21,042	20,731	20,437
Net Debt	**1,219,585**	**1,276,691**	**1,240,173**	**1,159,821**

CASH FLOW

The Company recorded R$ 125.6 million of cash flow from operational activities, an increase of 118.3% in comparison to the generated flow during the same term in the previous quarter. The variation can be explained by the Net income, R$ 30,4 million higher than the quarter in reference, as well as by the adjustments in the non-cash flow expenses in the accounts of operational assets and liabilities of R$37.7 million higher than 2Q13.

In regards to the cash flow from investment activities, the movement relates to the additions to the PP&E and intangible assets, as we mentioned above.

On the other hand, the negative cash flow of R$ 211.7 million from the financing activities can be explained by the amortization of R$ 200.0 million in the BNDES Exim Pré-Embarque (Pre-shipment) (PSI), with no debts acquired.

Due to the factors we have mentioned above, the Company recorded a decrease of the availability of the cash flow in the amount of R$ 127.7 million during the term, and closed September with a cash flow balance equivalent to R$ 529.7 million.

	Consolidated (R$ thousands)					
CASH FLOW SUMMARY	**3Q 2013**	**3Q 2012**	**Variation**	**9M 2013**	**9M 2012**	**Variation**
Cash and cash equivalents at the end of the period	**529,742**	**523,386**	**1.2%**	**529,742**	**523,386**	**1.2%**
Cash from operating activities	125,618	57,542	118.3%	138,131	150,835	-8.4%
Cash flow from investment activities	(41,203)	(43,208)	-4.6%	(106,786)	(938,758)	-88.6%
Cash flow from financing activities	(211,731)	(104,223)	103.2%	(182,668)	(138,092)	32.3%
Effect of exchange rate changes on cash	(356)	(775)	-54.1%	20,628	28,316	-27.2%
Increase (decrease) of cash	**(127,672)**	**(90,664)**	**40.8%**	**(130,695)**	**(897,699)**	**-85.4%**

CAPITAL MARKETS

Below, we display the volume of the negotiations, as well as the highest and lowest quotes of the stocks negotiated in the stock market, or in the over the counter market of the ordinary shares (TUPY3).

The company’s shares oscillated between R$20.89 and R$16.10, recording a devaluation of 8.8% in the quarter.

	TUPY3 - ON		
	Average DTV (R$)	**Highest (R$)**	**Lowest (R$)**
3rd Quarter of 2013	2,165,765	20.89	16.10
2nd Quarter of 2013	160,738	24.09	18.50
1st Quarter of 2013	270,830	26.65	22.50
4th Quarter of 2012	186,206	25.75	23.15
3rd Quarter of 2012	274,769	25.00	19.95
2nd Quarter of 2012	872,440	21.23	13.64
1st Quarter of 2012	376,405	15.12	12.50

On August 23, 2013, Brasil Plural CCTVM started its activities as market maker for stocks issued by the Company with the goal of fomenting the asset’s liquidity. The contract is valid for 12 months.

On October 17, 2013, the Company celebrated its listing in the segment with the highest requirements of corporate governance in BM&FBovespa, the Novo Mercado. With the listing, TUPY S.A. became a part of three indexes: ITAG (Index of Stocks with a Differentiated Tag Along), IGC (Index of Stocks with Differentiated Corporate Governance) and IGC-NM (Index of Stocks in Differentiated Corporate Governance in the Novo Mercado).

Accordingly to article 60 of the Bylaws, the Company is bound to the decisions of the Market Arbitration Chamber.

On November 05, 2013, the Company announced the closing of the Public Primary Offering of Ordinary Stocks, which culminated in the issuance of 29,900,000 new ordinary stocks at R$ 17.50 a share, raising R$ 516,709,375 – amount already net from the offering commissions.

With the offer, the ratio of shareholders with the position lower than 5% of the Company's share capital went from 15.6% to 33.1%. There was no change in the controlling structure of the Company.

Shareholder structure after offering