TUPY

TUPY3
NOVO
MERCADO
BM&FBOVESPA



4th Quarter 2014

Results

Rio de Janeiro, February 27, 2015

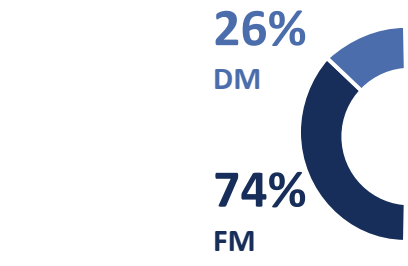
SMLL INDX IBRA ITAG IGCT IGC IGC-NM

HIGHLIGHTS

1 Sales volume	▪ **129.2 thousand tonnes in 4Q14**, 16% lower than 5Q13
2 Revenues	▪ **R$746.1 mm in 4Q14,** 4% lower than registered in 4Q13, **25%** from **domestic sales** and **75%** from **sales to foreign markets**
3 Gross profit	▪ **R$152.9 mm in 4Q14** –20.5% margin, 3.5p.p. higher than 4Q13
4 Adjusted EBITDA	▪ **R$140.1 mm in 4Q14** –18.8% margin, 4.1p.p. lower than 4Q13
5 Net income	▪ **R$9.6 mm in 4Q14** – 1.3% margin
6 Investments	▪ **R$218.4 mm in 2014**

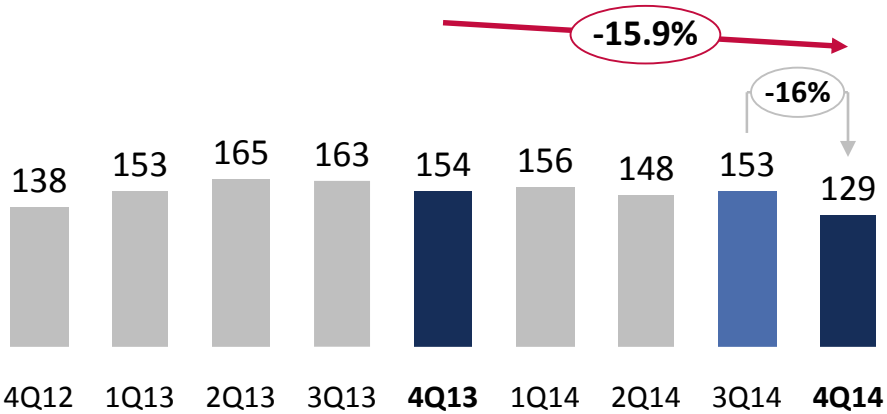
SALES VOLUME

Sales volume [kton]



-26.6%

-11.3%

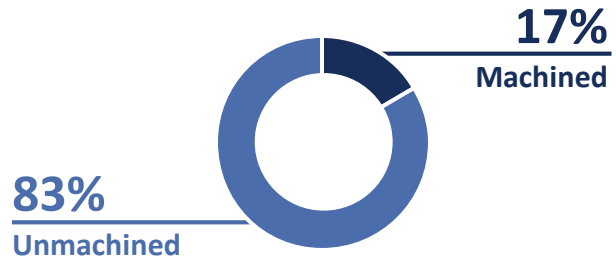




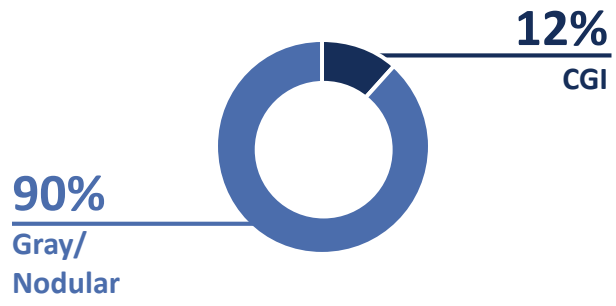
Segmentation [% volume]



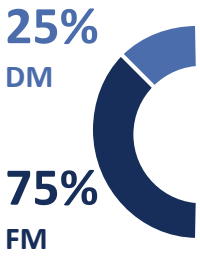
Machining [% automotive volume]



Iron alloys [% automotive volume]

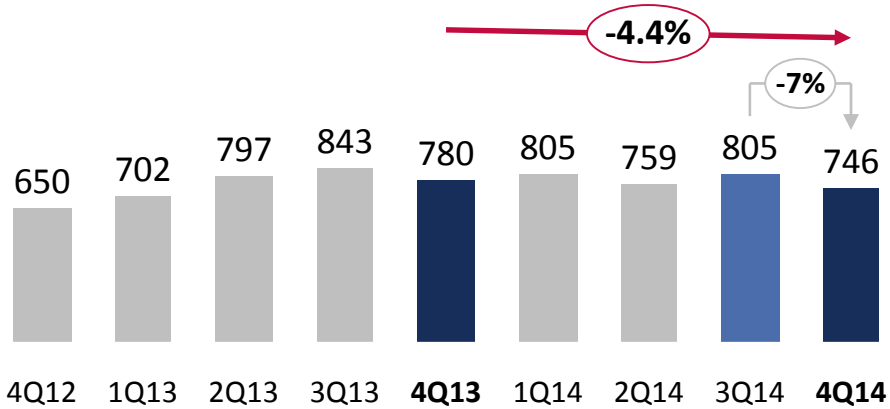


Revenues [M BRL]



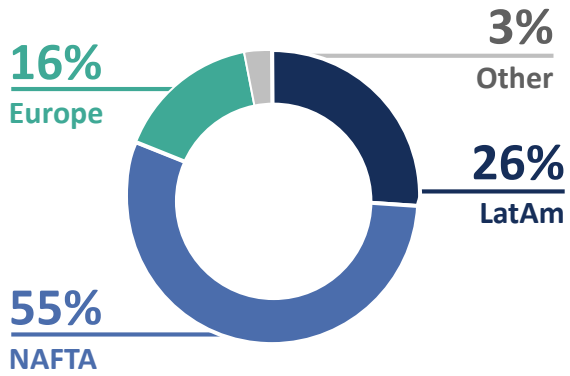
-20.1%

2.3%

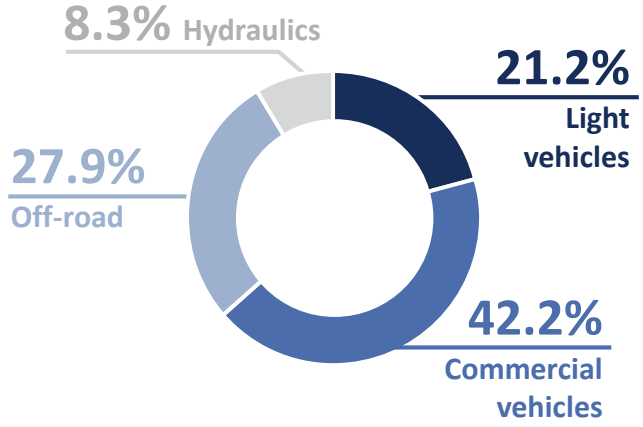




Origin [% revenues]

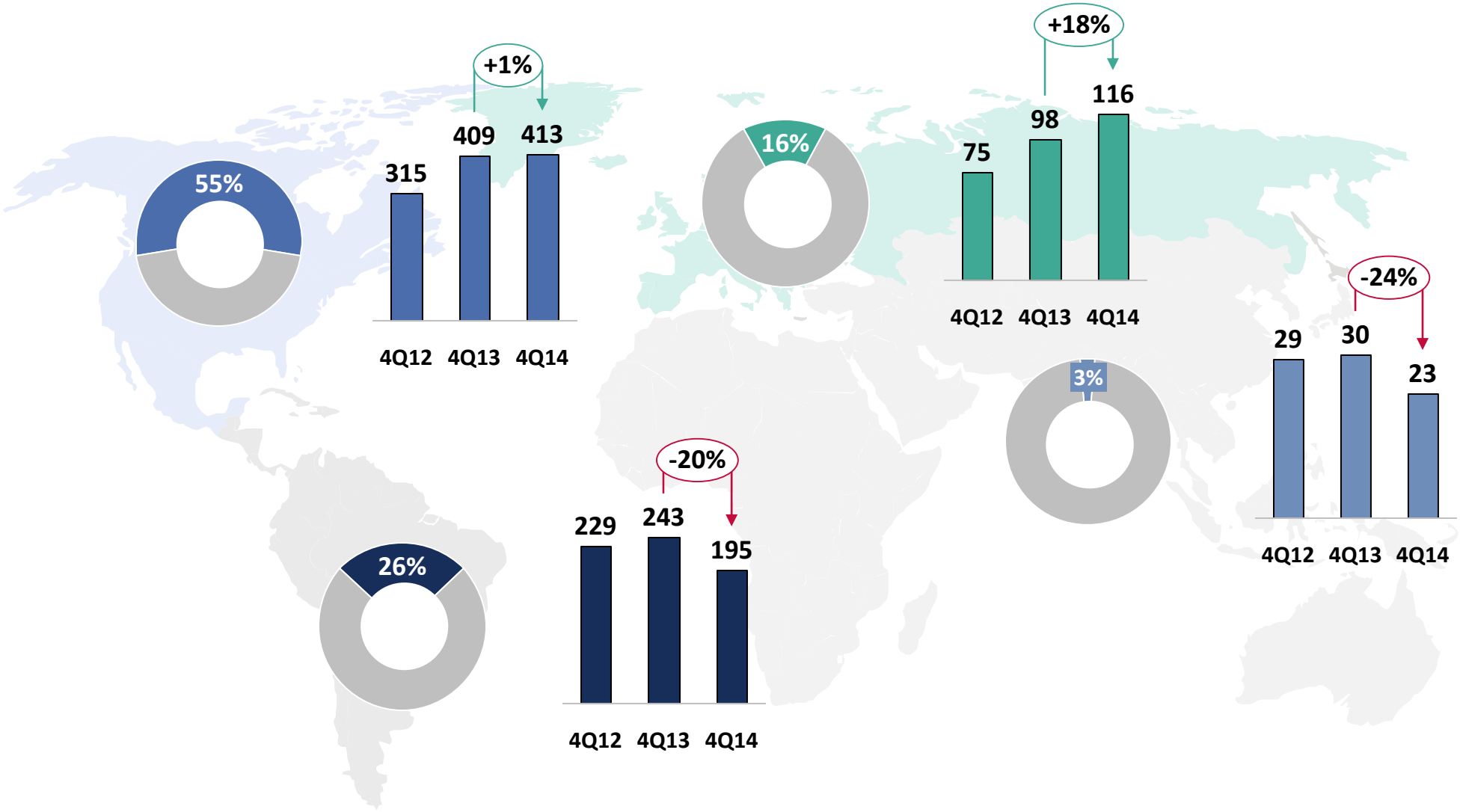


Application [% revenues]



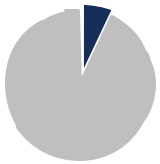
REVENUES DIVERSIFICATION

By region

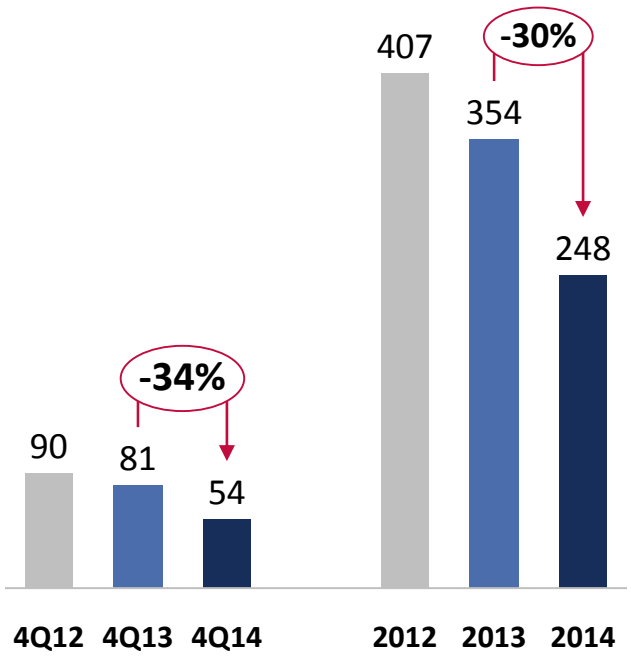


AUTOMOTIVE DOMESTIC MARKET

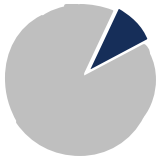
Light vehicles



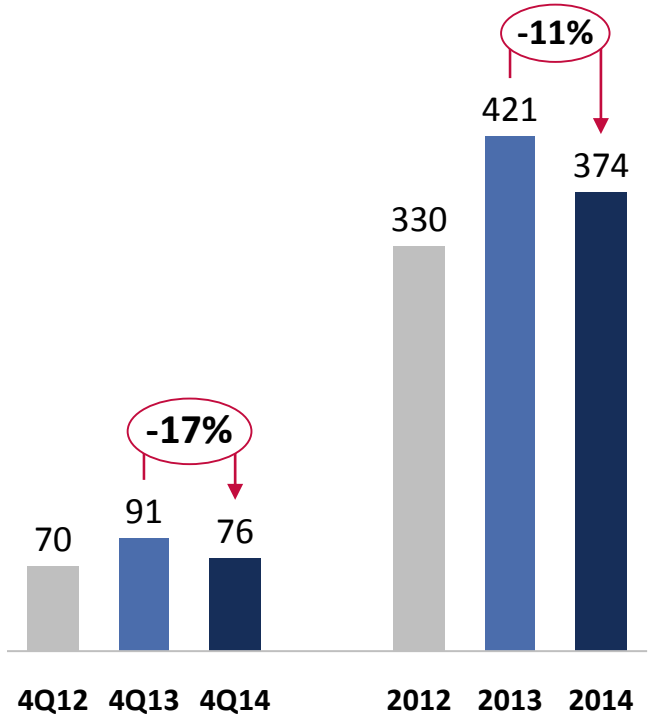
7.2%
of revenues



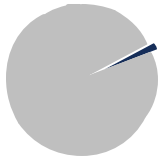
Commercial vehicles



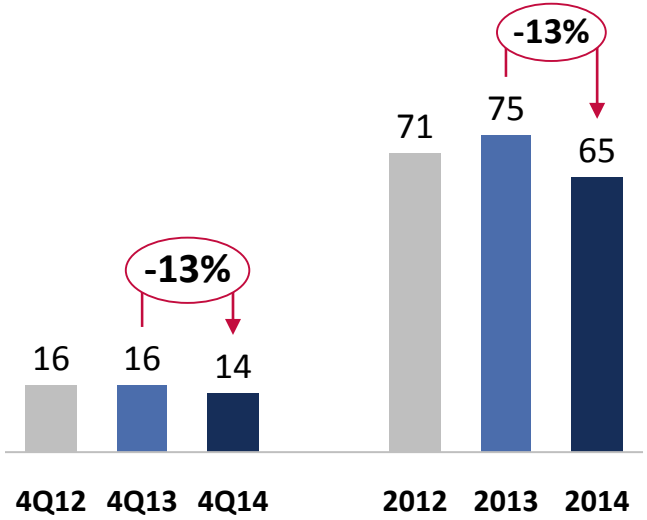
10.2%
of revenues



Off-road



1.8%
of revenues

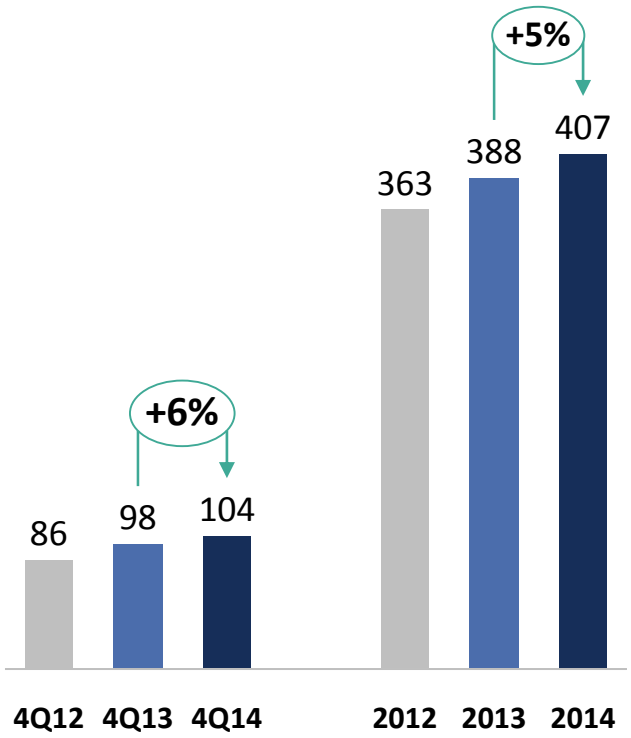


AUTOMOTIVE FOREIGN MARKETS

Light vehicles



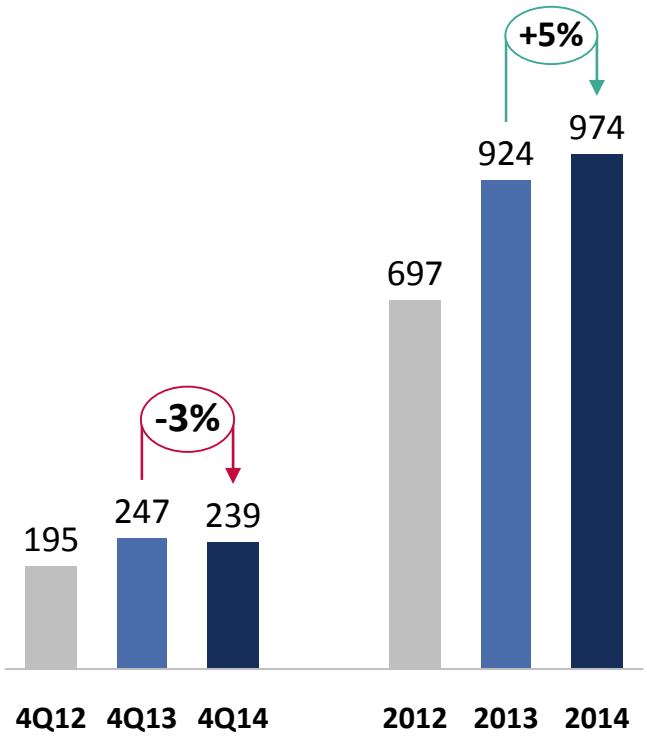
14.0%
of revenues



Commercial vehicles



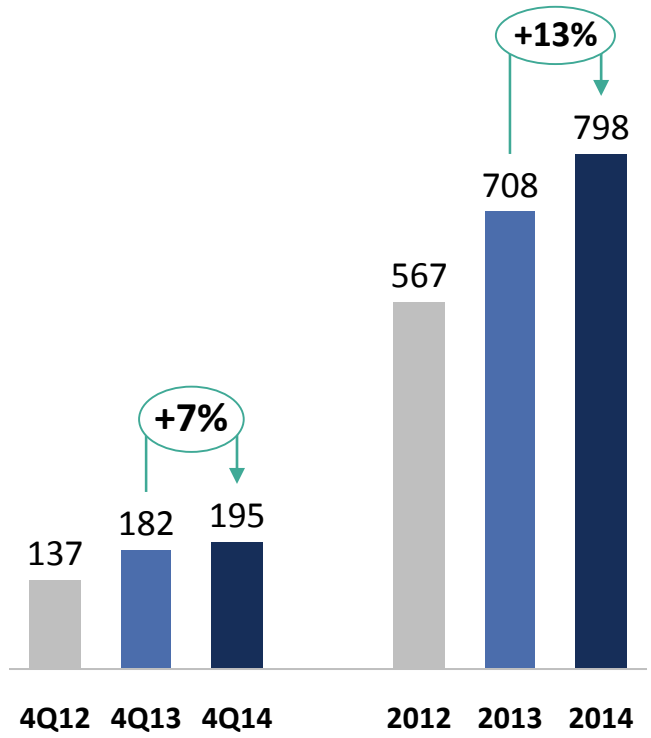
32.0%
of revenues



Off-road



26.1%
of revenues

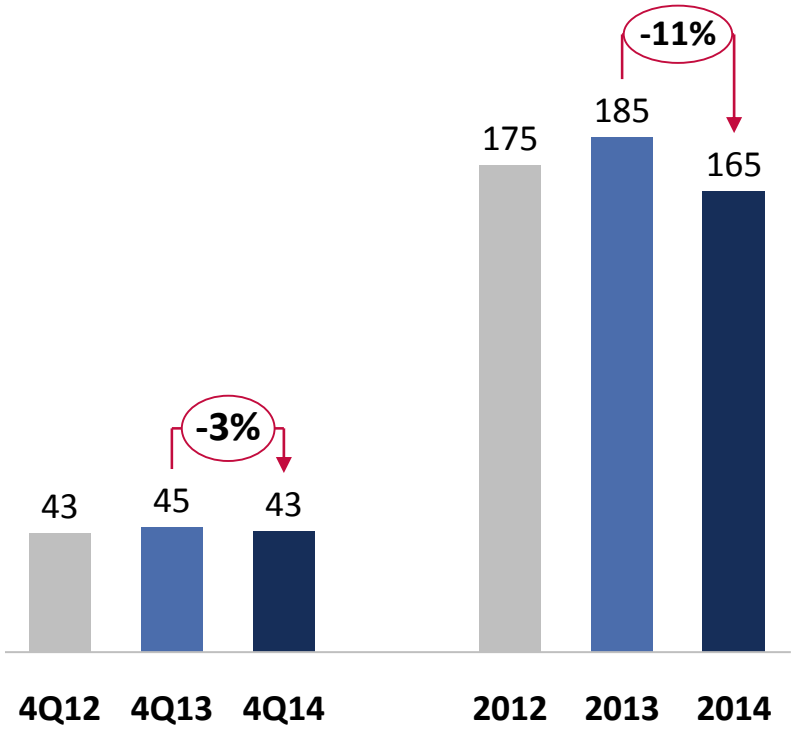


Domestic and foreign markets

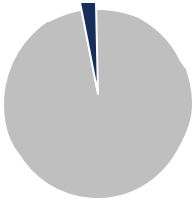
Domestic market



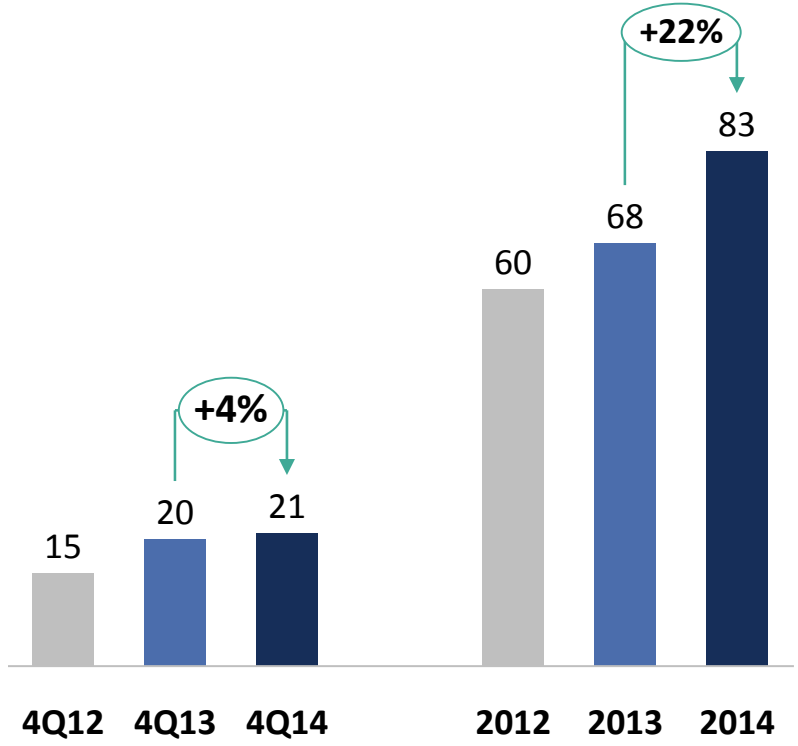
5.8%
of revenues



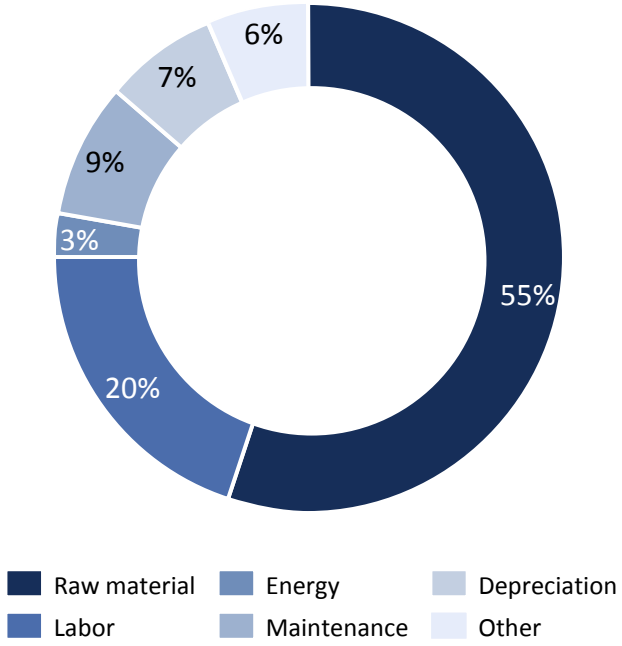
Foreign markets



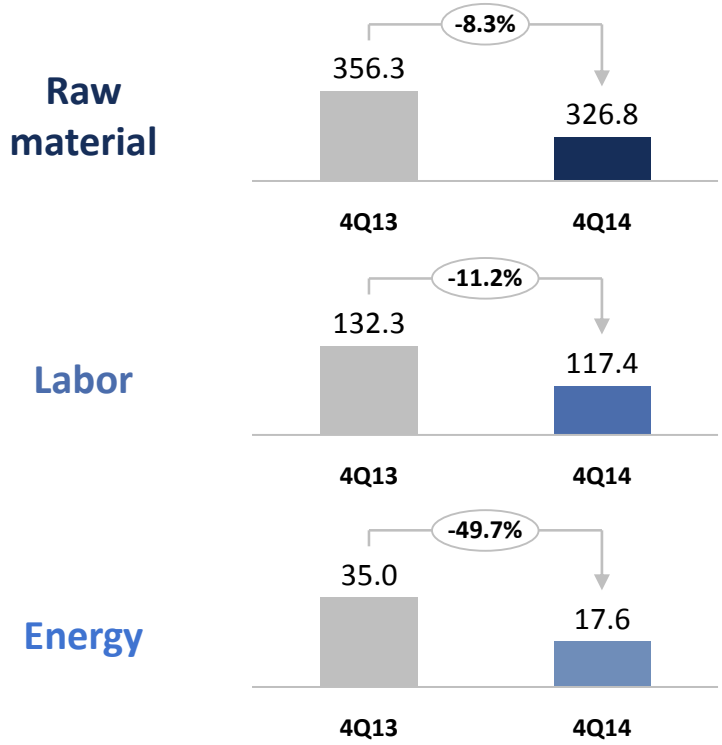
2.9%
of revenues



COGS by nature 3Q14 [%]



Variation of main cost inputs nature [%]

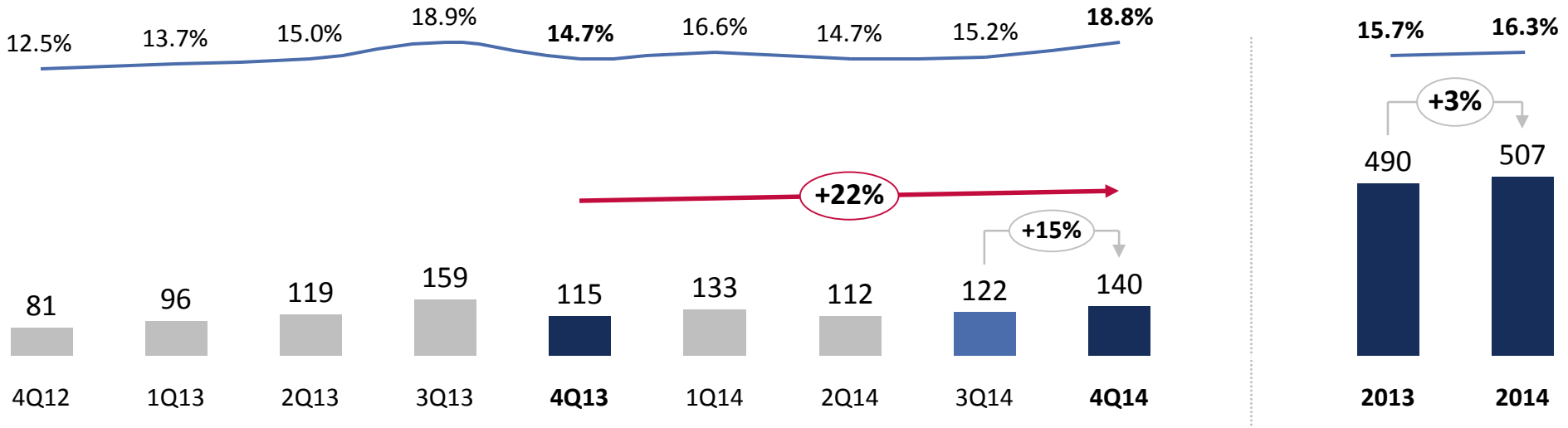


	4Q13		4Q14
COGS	647.7 M BRL	-8%	593.2 M BRL
Gross margin	17.0 %	+3.5pp	20.5 %
Operating expenses	56.3 M BRL	+1%	56.9 M BRL

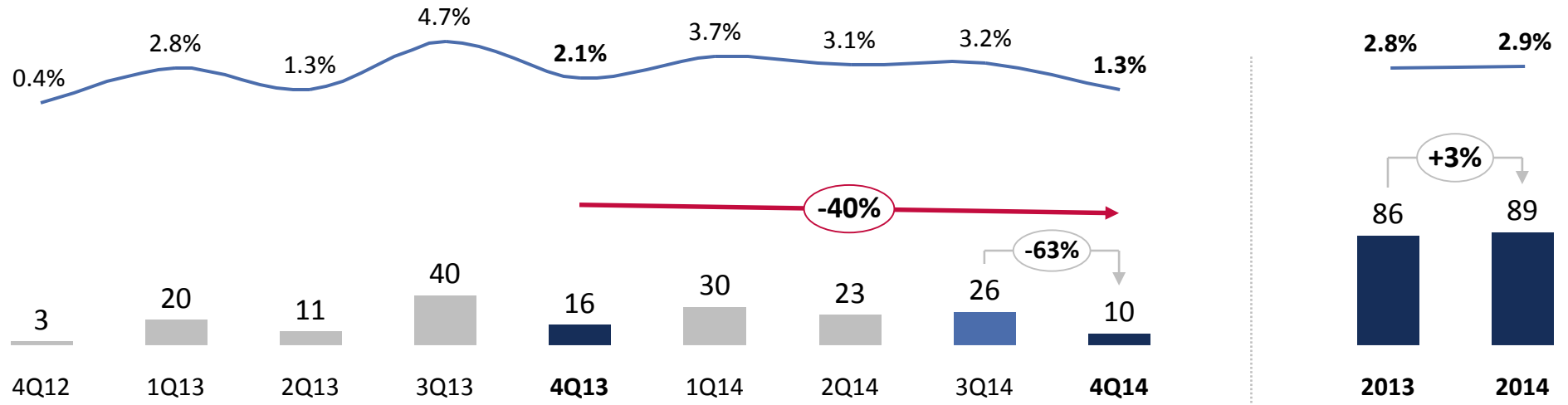
ADJUSTED EBITDA AND NET INCOME

Change
period vs. period

Adjusted EBITDA [M BRL] e EBITDA margin [%]



Net income [M BRL] e net margin [%]



Acquisition of mexican units

Technical aspects (CPC 01)

Goodwill

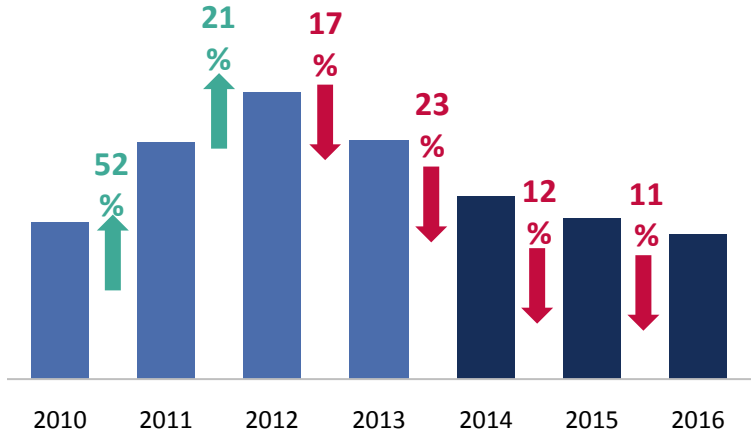
- *Impairment* results from **consolidated analysis of the entire acquired Company** ✓

Intangibles

- *Impairment* results from analysis of **future prospects for each specific client** ✗

Mining markets

Mining Capex [largest Companies][1)]

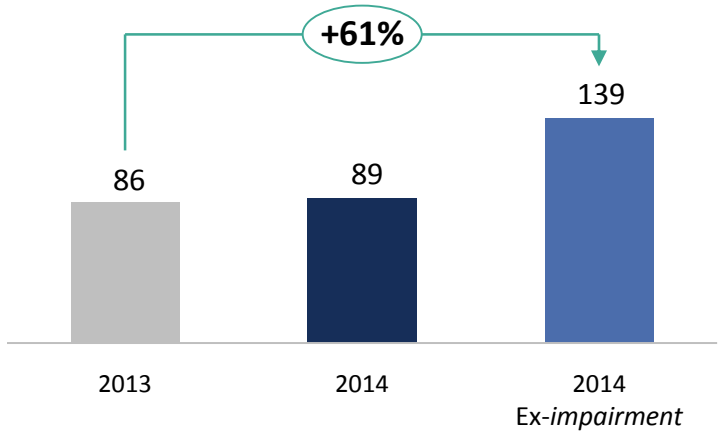


Effect on intangibles

-R$71 mi
in intangibles

Annual amortization
US$25 mi
US$21.1mi

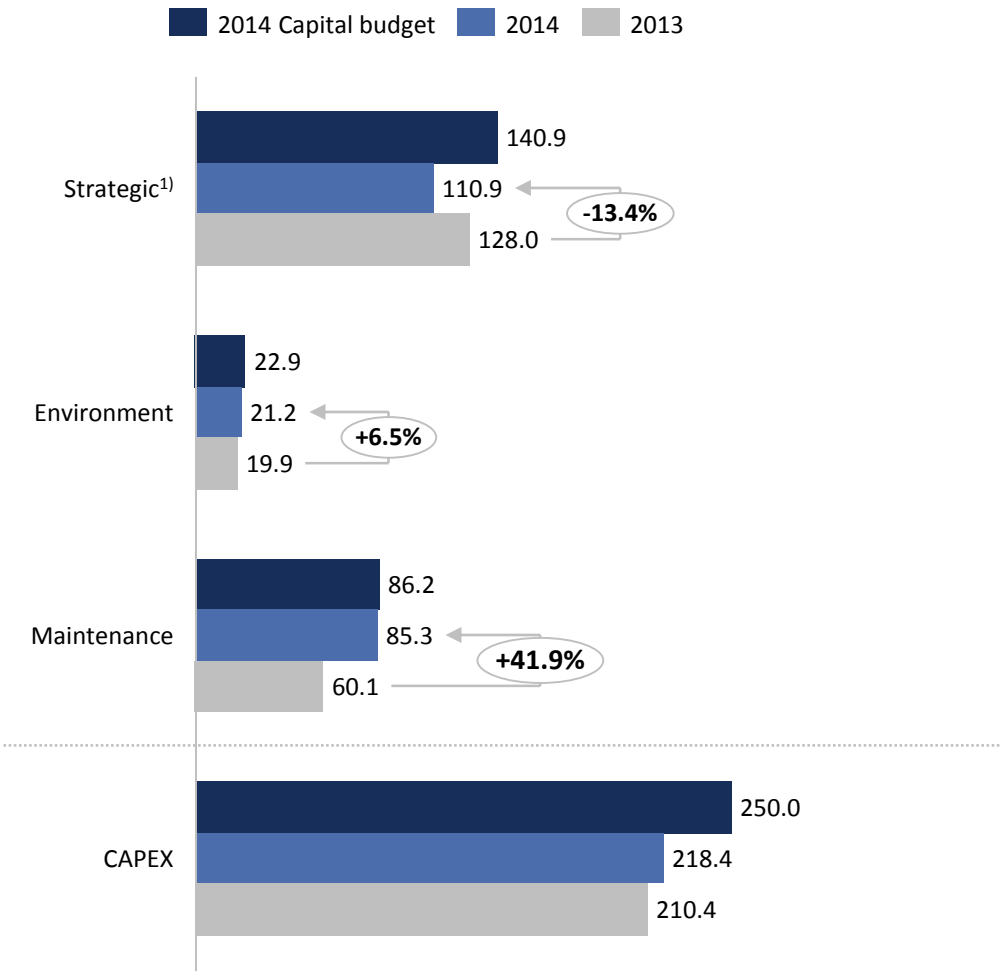
Net income [M BRL]



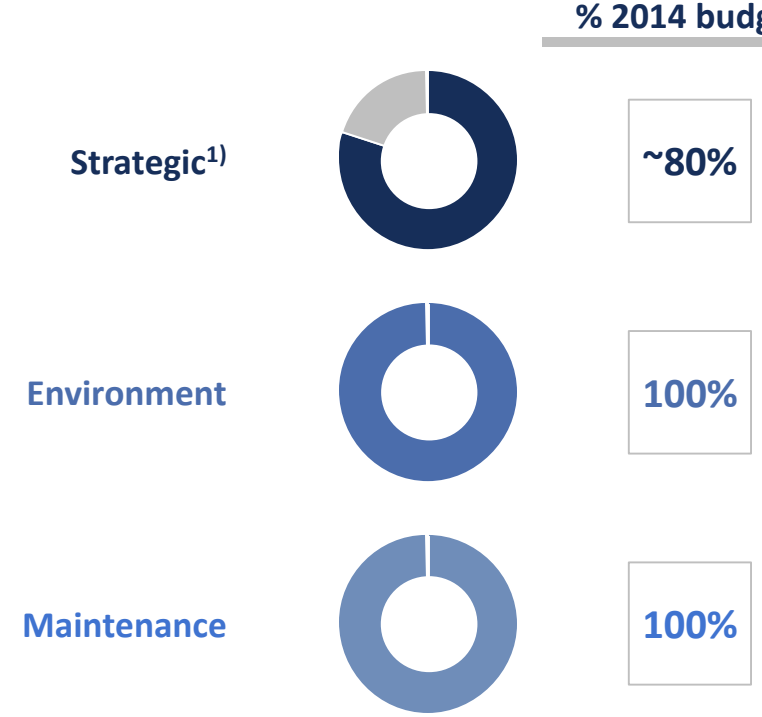
1) Source: Jefferies

INVESTMENTS

Investments 2013 vs. 2014 [M BRL]



Investment monitoring



Highlights

- Automation
- CGI
- Sand regeneration
- ERP implementation

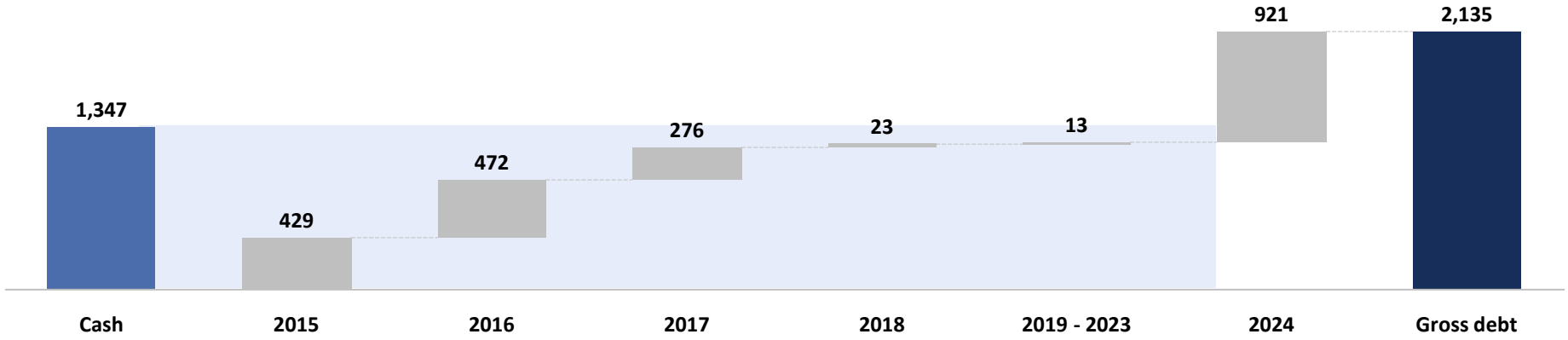
› In 2014, we reached the end of our investment cycle and measures are being taken in order to improve proftitability

1) Includes intangibles

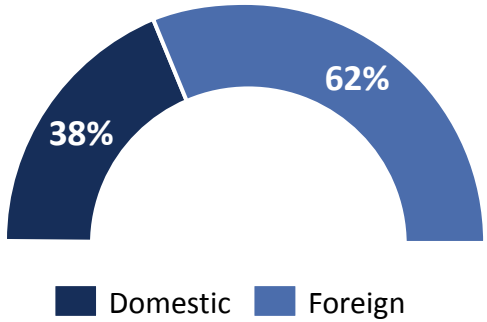
DEBT STRUCTURE
December/14

Debt [M BRL]

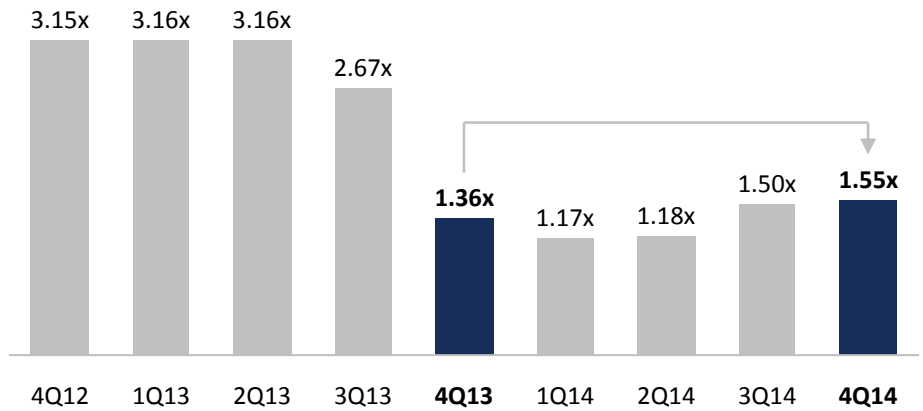
Cash position: 9 years of amortizations



Debt by currency [% total]



Net debt/adjusted EBITDA LTM



1) A ampliação do endividamento bruto se dá em função do descasamento entre a entrada dos recursos do Bond e a liquidação das linhas de PPE

TUPY

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