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TUPY. Referência mundial em fundição.



TUPY

TUPY S.A.

Quarterly Information

March 2013

Management report

Quarterly Information (ITR)

Notes

Report on review of quarterly information

(A free translation of the original in Portuguese)

TUPY. Referência mundial em fundição.



1Q2013 Highlights

TUPY

Conference call and Webcast

Date: 5/20/2013

Portuguese

14h (Brasília)

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- **Physical volume of sales:** 153 thousand metric tons - an increase of 37.9% compared to 1Q12.
- **Revenue:** R$ 701.8 million - 32.8% higher than in 1Q12.
- **Profit before finance result:** R$ 45.6 million - a decrease of 26.0% compared to the first quarter of 2012, and corresponding to 6.5% of revenue for 1Q13.
- **Finance result, net**: Finance costs of R$ 26.8 million, compared to finance income amounting to R$ 3.8 million in 1Q12.
- **Profit:** R$ 19.8 million - a decrease of 52.8% compared to 1Q12, corresponding to 2.8% of revenue for 1Q13.
- **Adjusted EBITDA:** R$ 96.4 million - 13.7%% over revenue, representing an increase of 33.8% compared to the same period of the previous year.

Joinville, May 15, 2013: Tupy S.A. (BM&F Bovespa - TUPY3), a world reference company in foundry and the largest global manufacturer of blocks and cylinder heads and the largest domestic manufacturer of iron connections, releases its results for the quarter ended March 31, 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.

PERFORMANCE HIGHLIGHTS

	Consolidated (thousands of R$)		
SUMMARY OF RESULTS	**1Q 2013**	**1Q 2012**	**Variation**
Revenue	**701,751**	**528,405**	**32.8%**
Domestic market	235,518	251,647	-6.4%
Foreign market	466,233	276,758	68.5%
Cost of sales and operating expenses	(639,654)	(477,074)	34.1%
Other operating income (expenses), net	(16,469)	10,357	-259.0%
Profit before finance result	**45,628**	**61,688**	**-26.0%**
% over revenue	6.5%	11.7%	
Finance result, net	(26,820)	3,755	-814.2%
Profit before tax effects	**18,808**	**65,443**	**-71.3%**
% over revenue	2.7%	12.4%	
Income tax and social contribution	1,035	(23,395)	-104.4%
Profit for the period	**19,843**	**42,048**	**-52.8%**
% over revenue	2.8%	8.0%	

COMMENTS ON COMPANY PERFORMANCE

The first quarter of 2013, the year in which Tupy celebrates its seventy-fifth anniversary, was marked, in addition to economic results, by the introduction of several initiatives to improve corporate governance. Best practices in several fields were adopted through improvements to the Company's bylaws, among which we highlight the following:

a. Conversion of all preferred shares issued by the Company into common shares, at a ratio of 1:1
b. Split of each share in two shares, intended to increase liquidity
c. Qualification of two of the seven members of the Board of Directors as independent
d. Granting of tag along rights of 100% in the event of a change in the Company's controlling shareholder
e. Implementation of an obligation for any stockholders acquiring more than 30% of the Company's capital to carry out a public offering for the acquisition of the shares of the other stockholders
f. Enrollment in the Market Arbitration Chamber.

These changes aim to reflect the commitment of the Company to the principles of transparency and fairness, as well as preparations for a possible future listing in segments with more demanding corporate governance requirements.

With regard to the performance highlights presented above, we point out the significant impact of acquisitions carried out in Mexico on April 16, 2012, especially on the comparability with the prior year. The results will be analyzed in more detail, under different aspects, but we anticipate the following highlights, which are key to understanding the variations in the Company's profitability in the reference period:

a. Interest of R$ 25.4 million, arising from new bank borrowing, in addition to the decrease in income from financial investments - R$ 6.4 million in 1Q13, against R$ 36.3 million in 1Q12 - were crucial to the calculation of the net finance result of 1Q13 (cost) of R$ 26.8 million, against the finance income of R$ 3.8 million for the same period of the previous year.

b. In 1Q13, the amortization of intangible assets from the acquisition of companies in Mexico, amounting to R$ 12.4 million, compared to revenue of R$ 13.7 million in 1Q12, mainly arising from the reversal of the provision for losses on tax credits. Consequently, the result of the account "Other operating income (expenses), net" was an expense of R$ 16.5 million in 1Q13, against income of R$ 10.4 million in the same period of 2012.

These factors contributed to a profit of R$ 19.8 million in 1Q13, which represented a decrease of 52.8% compared to 1Q12. Excluding the effect of the amortization of the intangible assets generated by the acquisition of the Mexican companies, net of Mexican tax at 30%, the profit would be R$ 28.5 million, a decrease of 32.1% compared to 1Q12.

DOMESTIC MARKET

In 1Q13, the Brazilian government continued to implement various tax and monetary initiatives, with the purpose of mitigating the adverse economic scenario. However, despite the granting of tax incentives and a decrease in the interest rate to stimulate consumption and investment, and the positive impact of foreign exchange devaluations on exports, economic growth continued to be influenced by the complex international environment.

The industrial segment did not present sound signs of recovery during the reporting period, as indicated by the behavior of the Economic Activity Index of the Brazilian Central Bank (IBC-Br), which fell by 0.5% in February, after an increase of 1.4% in January. The variations observed in the manufacturing activity, according to the Monthly Industrial Physical Production Research of the Brazilian Institute of Geography and Statistics (IBGE) (PIM-PF), decreased by 2.5% in February, after increasing by 2.6% in January.

Light vehicles

Despite the challenges posed by the macroeconomic scenario and the seasonality which is typical for the period, the performance of the domestic market for passenger vehicles and light commercial vehicles in 1Q13 may be considered good, in large part due to the response in face of the continuity of the lower rate of Excise Tax (IPI) and the position of the government to gradually recompose the rate up to July.

According to data from the National Association of Automotive Vehicle Manufacturers (ANFAVEA), the amount of sales in January 2013 made this the best January ever. In the following month, however, when the inventory of vehicles eligible for Excise Tax (IPI) discounts had significantly reduced, the number of licensing operations was the worst recorded in February for the last four years, due to the effects of the purchases carried out in advance in previous months, and the increase in prices. In March 2013, the number of licensing operations was lower by 5.4% than in the same period of 2012, even though the daily average increased by 3.9% on the same period.

Despite these fluctuations, the sales of light vehicles totaled 788.5 thousand units in the quarter, a growth of 2.1% on the first quarter of the previous year. This performance was driven in particular by sales of vehicles with engines of up to 2 liters produced in Brazil, which were the main target of the IPI reduction.

Production levels, compared to those of 1Q12, increased 10.5% and drove an increase in inventory levels, from 35 days of sales in March/2012 to 39 days of sales in March/2013.

Heavy vehicles

The growth in the production of trucks during 1Q13 was mainly due to the introduction to the Brazilian market, at the beginning of 2012, of the new stage of the Program for the Control of Air Pollution by Automotive Vehicles (Proconve P7), a piece of legislation similar to EURO 5. Proconve P7 is based on more efficient engines, which use fuel with a lower amount of sulfur (Diesel S-50).

Accordingly, due to the higher costs estimated to be required to produce trucks compatible with this new standard, in the last quarters of 2011, the number of vehicles with Proconve P5 (EURO 3) technology in inventory increased and investments in these vehicles were anticipated, which also occurred in 1Q12. Accordingly, 2012 began with a high level of inventory of EURO 3 compliant trucks, and the factories saw reduced production and extensive use of vacation shutdown.

Notwithstanding the effect of the change from Proconve 5 to Proconve 7 on production, inventory and sales, other phenomena, such as uncertainty regarding the availability of the new fuel, droughts, a reduction in the agricultural harvest in the South Region of Brazil and the economic slowdown, contributed to prolong for a period longer than the one initially established the consumption term of the inventory recorded at the end of 2011.

After successfully overcoming the adversities of 2012, the Company expected the production of commercial vehicles to recover, even restoring normal levels of production, inventory and sales. In

fact, according to data from ANFAVEA, the domestic production of trucks and buses in 1Q13 (53.5 thousand units) showed an increase of 42.1% on 1Q12.

However, the sales in 1Q13 (42 thousand units) declined by 8.9%, in the same comparison basis, in spite of the advantageous financing conditions, including an interest rate of 3% p.a. of the Investment Sustainability Program (PSI-BNDES). In the first quarter of 2012, sales increased due to the existence of inventory of cheaper EURO 3 compliant vehicles, which would not be renewed after they were depleted, and would later be replaced by EURO 5 trucks, with a higher acquisition cost.

The agricultural machinery segment obtained benefits due to the strong performance of corn and soy harvests, which were affected by the decrease of the harvests in the United States of America. Moreover, the extension of the lower FINAME interest rate of 3% per annum during the first half of 2013 was also an important factor. According to ANFAVEA, domestic production of agricultural machinery in 1Q13 grew by 3.8% in relation to 1Q12, while sales increased by 29.6% compared to the same period of the previous year.

Industrial products

Domestic sales of flexible iron connections stagnated in 0.7% in 1Q13 compared to 1Q12, mainly due to a slowdown in investment in the industry, the decrease of ventures in the construction segment and a reduction in inventory throughout the dealership network.

Given the performance of the Brazilian economy, which was below expectations, the modest growth of 1.2% in sales of cast shapes in 1Q13, compared to 1Q12, can be seen as natural, especially given that these products are used mainly by the machinery and equipment industry.

This is also valid regarding the economic activity, involving the decrease of 11.2% in the sale of grit, arising also from the increase of domestic supply - the new competitor's plant - and the advance of the technology replacing the traditional technology, which uses grit for cutting marble and granite.

FOREIGN MARKET

The level of economic activity in North America, which is the Company's main export market, showed some recovery in 1Q13. The economy of the United States of America has been recovering since 2012.

The sound performance of the industrial and civil construction sectors, as indicated by the increase of 3.1 percentage points in industrial production measured by the Federal Reserve and of 35% of the Housing Starts index, both in relation to 1Q12, stimulated the interest of investors, resulting in a historical high for the S&P500 index at the end of March.

According to the publication Automotive News, in 1Q13 the sale and production of light vehicles in the United States of America increased by 6.4% and 3.6% respectively, compared to 1Q12, boosted by easier credit availability and reduced interest rates. Sales of medium and heavy commercial vehicles, on the other hand, decreased by 7.5% in 1Q13 compared to the same period of 2012, despite the reduction of 1.4% in diesel prices.

European markets, on the contrary, were affected by prevailing uncertainty, the weak performance of national economies and a widespread increase in unemployment rates. The situation caused by the results of the Italian elections and the insolvency crisis in Cyprus, which resulted in the bankruptcy of the second largest bank in the country, were major factors contributing to the prevailing uncertainty.

According to data from the European Automobile Manufacturers' Association (ACEA), in 1Q13 sales of vehicles in Europe decreased by 9.7% for light vehicles and 16% for medium/heavy vehicles compared to 1Q12.

It should be emphasized that, for all segments, markets and geographical regions, production is the most relevant variable to determine the demand for the Company's products and, consequently, for an analysis of the current results of Tupy.

Industrial products

The economic crisis in Europe, especially in the Italian market relevant for the export of this class of products, together with the import restrictions applied by Argentina, led to a reduction of 9.1% in the volume of connection sales. However, the effect of this decrease on revenue was largely offset by foreign exchange devaluations.

Physical exports of cast iron shapes decreased by 28.4% because of the European crisis effects on demand, and also because of aggressive competition in that region, as well as due to defaults by some customers in the North American market. Again, the devaluation of the Brazilian Real softened the effects of the decrease in sales volume over revenue.

PHYSICAL VOLUME OF SALES

The physical volume of sales increased by 37.9%, compared to the amount calculated in 1Q12. This increase was mainly due to the incorporation of the sales of the operations acquired in Mexico.

Consolidated (metric tons)

	1Q 2013	1Q 2012	Variation
Total sales	**152,747**	**110,754**	**37.9%**
Domestic market	50,101	53,768	-6.8%
Share %	32.8%	48.5%	
Foreign market	102,646	56,986	80.1%
Share %	67.2%	51.5%	

For the same reason, sales in the foreign market grew 80.1%, increasing the share in total sales to 67.2%, in 1Q13, against 51.5% in 1Q12. The physical volume of sales in the domestic market showed a decline of 6.8%, mainly attributed to the decrease in exports of automotive customers located in Brazil and the temporary interruption of the operations of a specific customer, required due to the expansion of their plant.

REVENUE

Operating revenue increased by 32.8% in 1Q13 in relation to 1Q12.

	Consolidated (thousands of R$)		
	1Q 2013	1Q 2012	Variation
Revenue	**701,751**	**528,405**	**32.8%**
Domestic market	235,518	251,647	-6.4%
Share %	33.6%	47.6%	
Foreign market	466,233	276,758	68.5%
Share %	66.4%	52.4%	

Domestic market revenue decreased by 6.4%, reflecting not only the behavior of the physical volume of sales, but also the weight in the mix of variations of specific items, while the foreign market increased by 68.5%, considering Tupy's sales in Mexico.51.2% of revenue in 1Q13 came from the United States of America and Mexico, compared to 30.1% in 1Q12.

Other important drivers of the positive variation in revenue for the period included:

a. Influence of the sales of Mexican units on the growth of the foreign market.
b. Devaluation of 9.5% in the exchange rate in 1Q13 (2.014 R$/US$) against 1Q12 (1.822 R$/US$), which caused a positive impact on the revenue from foreign sales.

COST OF SALES AND OPERATING EXPENSES

The cost of sales and operating expenses in 1Q13 showed an increase of 34.1%, compared to the same period of the prior year.

	Consolidated (thousands of R$)		
	1Q 2013	1Q 2012	Variation
Cost of sales and operating expenses	(639,654)	(477,074)	34.1%

This variation was mainly due to:

a. The merger of the costs and operating expenses of the Mexican units
b. The increase in costs arising from the reduction in productivity and capacity of dilution of fixed expenditure due to the decrease in the level of activity of Brazilian plants.

OTHER OPERATING EXPENSES, NET

The result of the account "Other operating income (expenses), net" was an expense of R$ 16.5 million in 1Q13, compared to income of R$ 10.4 million in the same period of 2012. In 1Q13, this variation was mainly due to the amortization of intangible assets generated from the acquisition of companies in Mexico, amounting to R$ 12.4 million, compared to revenue of R$ 13.7 million in 1Q12, mainly arising from the reversal of the provision for losses on tax credits.

	Consolidated (thousands of R$)		
	1Q 2013	1Q 2012	Variation
Other operating expenses, net	(16,469)	10,357	-259.0%

PROFIT BEFORE FINANCE RESULT

In 1Q13, the profit before finance result was R$ 45.6 million, 6.5% over revenue, compared to R$ 61.7 million in 1Q12, corresponding to 11.7% over the revenue for the same quarter of the prior year.

	Consolidated (thousands of R$)		
	1Q 2013	1Q 2012	Variation
Revenue	**701,751**	**528,405**	**32.8%**
Cost of sales and operating expenses	(639,654)	(477,074)	34.1%
Other operating income (expenses), net	(16,469)	10,357	-259.0%
Profit before finance result	**45,628**	**61,688**	**-26.0%**
% over revenue	6.5%	11.7%	

FINANCE RESULT, NET

The decrease in income from financial investments was crucial to the net finance result (costs of R$ 26.8 million) in 1Q13, compared to the finance income of R$ 3.8 million obtained in the same period of the previous year.

	Consolidated (thousands of R$)	
	1Q 2013	1Q 2012
Finance costs	(28,524)	(30,494)
Finance income	6,425	36,338
Monetary and foreign exchange variations, net	(4,721)	(2,089)
	(26,820)	**3,755**

PROFIT BEFORE TAX EFFECTS AND PROFIT FOR THE PERIOD

The profit before tax effects for 1Q13 totaled R$ 18.8 million, against R$ 65.4 million in the same period of 2012, representing a decrease of 71.3%. The main variations are commented on above.

The profit for 1Q13 totaled R$ 19.8 million, against R$ 42.0 million in 1Q12. The variations recorded in the "Income tax and social contribution" account were due to the recording of deferred tax credits, arising from differences between the tax and corporate legislation in the Mexican subsidiaries.

	Consolidated (thousands of R$)		
	1Q 2013	1Q 2012	Variation
Profit before tax effects	**18,808**	**65,443**	**-71.3%**
Income tax and social contribution	1,035	(23,395)	-104.4%
Profit for the period	**19,843**	**42,048**	**-52.8%**
% over revenue	2.8%	8.0%	

It should be noted that the impact of the exchange rate variation on net assets in foreign currency, pertaining to the companies acquired in Mexico, did not have any effects on the statement of income, considering that, in compliance with IFRS, they were directly recorded in equity and disclosed in the statement of comprehensive income. According to this statement, the Company's result in 1Q13 was R$ 5.7 million.

	Consolidated (thousands of R$)		
	1Q 2013	1Q 2012	Variation
Profit for the period	**19,843**	**42,048**	**-52.8%**
(=) Exchange variations of investees located abroad	(14,157)	-	0.0%
Comprehensive income for the period	**5,686**	**42,048**	**-86.5%**
% over revenue	0.8%	8.0%	

ADJUSTED EBITDA

Adjusted EBITDA in 1Q13 was R$ 96.4 million (13.7% over revenue), an increase of 33.8% in relation to the amount of R$ 72.0 million in the same period of the previous year (13.6% over revenue).

In addition to the contributions of cost and revenue variations, mentioned above in the comments on results, EBITDA was also affected by the changes in the level of depreciation and amortization expenses, especially those related to the increase in the Company's property, plant and equipment due to the acquisition of the Mexican companies.

Adjusted EBITDA: corresponds to earnings plus net finance result, income tax and social contribution, depreciation and amortization, adjusted by the addition of other operating expenses or a reduction of other operating income, net. Adjusted EBITDA is not a financial performance measure according to the Accounting Practices Adopted in Brazil, and should not be considered separately, or as an alternative to profit, as an operating performance index, or as an alternative to operating cash flow or liquidity. There is no standard definition of Adjusted EBITDA, and Tupy's definition of Adjusted EBITDA may not be comparable with those of other companies.

	Consolidated (thousands of R$)		
RECONCILIATION OF PROFIT AND EBITDA	**1Q 2013**	**1Q 2012**	**Variation**
Profit for the period	**19,843**	**42,048**	**-52.8%**
(+) Finance result, net	26,820	(3,755)	-814.2%
(+) Income tax and social contribution	(1,035)	23,395	-104.4%
(+) Depreciation and amortization	47,175	21,173	122.8%
EBITDA (according to the methodology of CVM Instruction 527/12)	**92,803**	**82,861**	**12.0%**
EBITDA margin	13.2%	15.7%	
(+) Other operating expenses, net (*)	3,565	(10,834)	-132.9%
Adjusted EBITDA	**96,368**	**72,027**	**33.8%**
Adjusted EBITDA margin	13.7%	13.6%	

(*) The balance of other operating expenses, net is presented excluding amortization and depreciation expenses.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT

In 1Q13, the total investment amount of R$ 24.5 million was down 56.4% compared to 1Q12. The decrease as due to the completion of the first stage of the new unit of blocks and cylinder heads in Joinville, whose implementation required significant investment in 1Q12, as well as to the the conservative practices applied to the management of cash flow.

The Company also applied amounts in the maintenance and modernization of its industrial facilities and information technology, as well as improvements to the environmental area (exhaust systems).

	Consolidated (thousands of R$)		
	1Q 2013	**1Q 2012**	**Variation**
Expansion	2,891	39,396	-92.7%
Maintenance and modernization of the operating capacity	17,738	11,826	50.0%
Environment	3,118	2,834	10.0%
Interest and financial charges	744	2,145	-65.3%
	24,491	**56,201**	**-56.4%**

BANK INDEBTEDNESS

Gross bank indebtedness in 1Q13 amounted to R$ 1,945.2 million. 53.1% of this indebtedness is denominated in Brazilian Reais and 46.9% in foreign currencies, while 27.7% are current liabilities and 72.3% are long-term liabilities. Net bank indebtedness in 1Q13 amounted to R$ 1,240.2 million.

	Consolidated (thousands of R$)	
INDEBTEDNESS	**Mar/13**	**Dec/12**
Bank debt - short term	537,904	530,993
Bank debt - long term	1,405,990	1,296,668
Derivative financial instruments	1,297	13,034
Total debt	**1,945,191**	**1,840,695**
Cash and cash equivalents	677,768	660,437
Derivative financial instruments	6,519	-
Financial investments	20,731	20,437
Net indebtedness	**1,240,173**	**1,159,821**

CASH FLOW

The Company closed 1Q13 with a cash and cash equivalents balance of R$ 677.8 million. The disbursement of funds for the acquisition of the companies in Mexico was significant to the substantial decrease in the cash balance compared to 1Q12.

	Consolidated (thousands of R$)		
SUMMARY OF CASH FLOW	**1Q 2013**	**1Q 2012**	**Variation**
Cash and cash equivalents at the end of the quarter	**677,768**	**1,460,185**	**-53.6%**
Cash provided by (used in) operating activities	(61,212)	37,885	-261.6%
Cash used in investment activities	(24,491)	(50,396)	-51.4%
Cash provided by financing activities	119,893	56,598	111.8%
Effect of exchange rate differences on cash for the quarter	(16,859)	(4,987)	238.1%
Increase in cash and cash equivalents	**17,331**	**39,100**	**-55.7%**

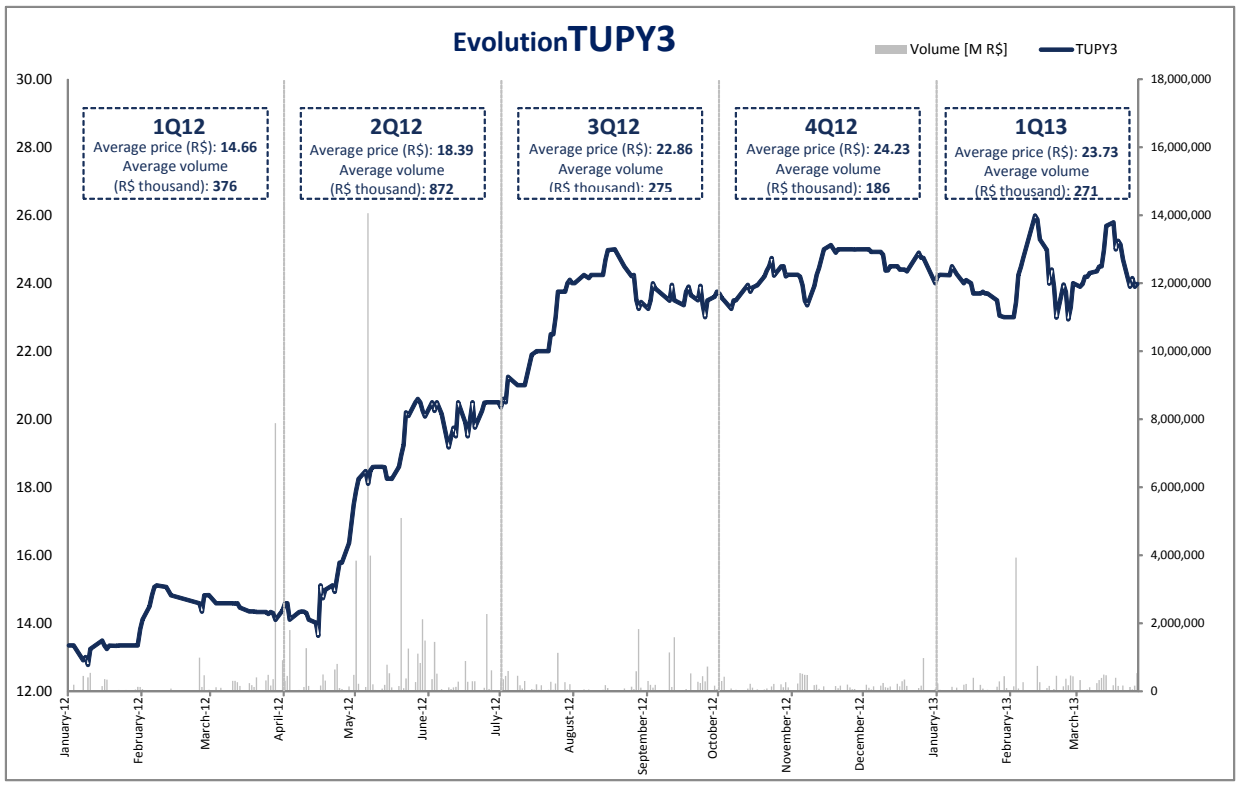
CAPITAL MARKETS

The trading volume and the highest and lowest prices of the securities traded on the stock exchange or on over-the-counter markets of the common shares (TUPY3) are presented below. The Company's stockholders approved, at the General Meeting held on February 8, 2013, the conversion of all of the preferred shares issued by the Company (TUPY4) into registered book-entry common shares with no par value (TUPY3), with the result that each preferred share was converted into one common share.

At the same meeting, the Company's stockholders approved the split of the Company's common shares. As a result, 1 common share was split into 2 common shares, and the Company's share capital was then represented by 114,277,500 registered book-entry common shares with no par value, already considering the preferred shares converted into common shares.

TUPY3 - Common shares

	Average daily volume (R$)	Highest price (R$)	Lowest price (R$)
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
4th quarter of 2011	269,620	13.95	12.25
3rd quarter of 2011	209,277	14.65	11.80
2nd quarter of 2011	231,082	15.00	12.35



(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

BALANCE SHEET AT MARCH 31, 2013 AND DECEMBER 31, 2012

(All amounts in thousands of reais)

A S S E T S

		Parent company		Consolidated	
	Note	3/31/2013	12/31/2012	3/31/2013	12/31/2012
CURRENT ASSETS					
Cash and cash equivalents	3	479,226	439,225	677,768	660,437
Derivative financial instruments	23	6,519	-	6,519	-
Accounts receivable	4	202,232	132,237	372,639	244,687
Inventory	5	163,898	186,499	258,864	290,835
Third-party tools		37,645	34,525	65,995	58,934
Income tax and social contribution recoverable		3,401	659	18,727	12,743
Other taxes recoverable		70,939	75,316	108,542	114,493
Notes and other receivables		27,315	30,829	26,728	32,370
Total current assets		991,175	899,290	1,535,782	1,414,499
NON-CURRENT ASSETS					
Financial investments		20,731	20,437	20,731	20,437
Income tax and social contribution recoverable		50,605	50,256	50,605	50,256
Other taxes recoverable		115,171	117,249	117,028	119,097
Credits - Eletrobras		91,320	87,919	91,320	87,919
Judicial deposits and other		7,431	5,174	11,638	7,679
Investments in equity instruments		666	666	4,412	3,953
Investment properties		-	-	4,574	4,574
Investments	7	1,121,597	1,122,199	-	-
Property, plant and equipment	8	1,200,358	1,211,133	1,562,919	1,578,522
Intangible assets	9	4,789	-	499,666	514,318
Total non-current assets		2,612,668	2,615,033	2,362,893	2,386,755
Total assets		3,603,843	3,514,323	3,898,675	3,801,254

The accompanying notes are an integral part of this quarterly information.

(continued)

TUPY S.A. AND SUBSIDIARIES

BALANCE SHEET AT MARCH 31, 2013 AND DECEMBER 31, 2012
(All amounts in thousands of Reais)

L I A B I L I T I E S

		Parent company		Consolidated	
	Note	3/31/2013	12/31/2012	3/31/2013	12/31/2012
CURRENT LIABILITIES					
Trade payables		141,035	145,966	253,203	254,539
Borrowing	10	537,904	530,993	537,904	530,993
Derivative financial instruments	23	1,297	13,034	1,297	13,034
Financing of taxes and social security charges		5,034	7,491	5,034	7,491
Income tax and social contribution payables		-	-	389	-
Other taxes payable		3,150	3,312	14,069	16,659
Salaries, social security charges and profit sharing		79,006	80,889	97,786	98,322
Advances from customers		38,276	48,748	75,292	73,768
Related parties	6	1,437	1,476	-	-
Dividends and interest on capital		17,923	18,916	17,923	18,916
Provisions for tax, civil, social security and labor contingencies	11	5,688	5,457	5,688	5,457
Notes and other payables		42,014	42,671	59,319	59,140
Total current liabilities		872,764	898,953	1,067,904	1,078,319
NON-CURRENT LIABILITIES					
Borrowing	10	1,405,990	1,296,668	1,405,990	1,296,668
Provisions for tax, civil, social security and labor contingencies	11	94,172	93,925	94,631	94,291
Deferred income tax and social contribution	12	29,916	28,724	113,353	120,436
Retirement benefit obligations		-	-	15,210	14,212
Other long-term liabilities		9,460	10,198	10,046	11,473
Total non-current liabilities		1,539,538	1,429,515	1,639,230	1,537,080
EQUITY					
Share capital	13	537,051	537,051	537,051	537,051
Carrying value adjustments		171,669	189,415	171,669	189,415
Revenue reserves		459,389	459,389	459,389	459,389
Retained earnings		23,432	-	23,432	-
Total equity		1,191,541	1,185,855	1,191,541	1,185,855
Total liabilities and equity		3,603,843	3,514,323	3,898,675	3,801,254

The accompanying notes are an integral part of this quarterly information.

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENT OF INCOME
QUARTERS ENDED MARCH 31, 2013 AND 2012
(All amounts in thousands of Reais unless otherwise stated)

		Parent company		Consolidated	
	Note	3/31/2013	3/31/2012	3/31/2013	3/31/2012
REVENUE	14	466,826	523,395	701,751	528,405
Cost of products sold	15	(395,202)	(442,603)	(587,482)	(436,698)
GROSS PROFIT		71,624	80,792	114,269	91,707
Selling expenses	15	(19,307)	(22,243)	(30,406)	(26,496)
Administrative expenses	15	(13,177)	(11,926)	(20,050)	(12,528)
Management fees	6	(1,716)	(1,352)	(1,716)	(1,352)
Other operating income (expenses), net	17	(4,753)	9,693	(16,469)	10,357
Share of results of subsidiaries	7	13,555	1,365	-	-
PROFIT OR LOSS BEFORE FINANCE RESULT AND TAXES		46,226	56,329	45,628	61,688
Finance costs	16	(25,642)	(29,629)	(28,524)	(30,494)
Finance income	16	5,619	36,157	6,425	36,338
Monetary and foreign exchange variations, net	16	(2,695)	195	(4,721)	(2,089)
PROFIT BEFORE TAXATION		23,508	63,052	18,808	65,443
Income tax and social contribution	18	(3,665)	(21,004)	1,035	(23,395)
PROFIT FOR THE QUARTER		19,843	42,048	19,843	42,048
EARNINGS PER SHARE					
Basic and diluted earnings per share - R$	19	0.1736	0.7359	0.1736	0.7359

The accompanying notes are an integral part of this quarterly information.

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME
QUARTERS ENDED MARCH 31, 2013 AND 2012
(All amounts in thousands of Reais)

		Parent company		Consolidated	
	Note	3/31/2013	3/31/2012	3/31/2013	3/31/2012
PROFIT FOR THE QUARTER		19,843	42,048	19,843	42,048
Components of other comprehensive income					
Foreign exchange variations of investees located abroad	7	(14,157)	-	(14,157)	-
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER		5,686	42,048	5,686	42,048

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENT OF CASH FLOW
QUARTERS ENDED MARCH 31, 2013 AND 2012
(All amounts in thousands of Reais)

		Parent company		Consolidated	
Cash flows from operating activities:	Note	3/31/2013	3/31/2012	3/31/2013	3/31/2012
Profit for the period before income tax and social contribution		23,508	63,052	18,808	65,443
Adjustment to reconcile profit with cash provided by operating activities:					
Depreciation and amortization	8 and 9	27,709	21,144	47,175	21,173
Share of results of subsidiaries	7	(13,555)	(1,365)	-	-
Disposals of property, plant and equipment	8	415	(139)	415	(137)
Interest accrued and foreign exchange variations		24,283	27,710	38,591	28,839
Provision for impairment of trade receivables		83	(353)	218	(353)
Provision for losses on inventory		(157)	241	65	241
Provisions for tax, civil, social security and labor contingencies	11	2,653	1,532	2,653	1,528
Other long-term liabilities		1	120	(688)	120
Provision for a portion of the IPI premium credit		2,671	(2,459)	2,671	(2,459)
Provision for a portion of Eletrobras credit		(1,247)	1,372	(1,247)	1,372
Retirement benefit obligations		-	-	998	-
		66,364	110,855	109,659	115,767
Changes in operating assets and liabilities:					
Accounts receivable		(70,078)	(20,412)	(131,661)	(2,185)
Inventory		22,758	22,677	31,906	15,914
Customers' tools		(3,120)	(1,709)	(8,344)	(1,709)
Other taxes recoverable		271	(21,217)	1,836	(21,551)
Notes and other receivables		4,580	(6,511)	6,708	567
Judicial deposits and other		(2,257)	(328)	(3,958)	(328)
Trade payables		(4,931)	(14,210)	(1,336)	(14,151)
Other taxes payable		(162)	(2,395)	(2,590)	(2,569)
Salaries, social security charges and profit sharing		(1,883)	7,724	(536)	7,718
Advances from customers		(10,472)	(1,058)	1,524	(17,018)
Notes and other payables		(657)	15,675	179	13,771
Other long-term liabilities		(2,914)	(888)	(2,821)	(888)
Interest paid		(56,469)	(47,610)	(56,469)	(47,610)
Income tax and social contribution paid		(984)	(6,863)	(5,309)	(7,843)
		(126,318)	(77,125)	(170,871)	(77,882)
Cash provided by (used in) operating activities		(59,954)	33,730	(61,212)	37,885
Cash flows from investment activities:					
Purchases of property, plant and equipment	8	(17,349)	(50,544)	(24,491)	(50,544)
Cash generated on disposals of property, plant and equipment	8	-	148	-	148
Cash used in investment activities		(17,349)	(50,396)	(24,491)	(50,396)
Cash flow from financing activities:					
Payment of borrowing		(19,543)	(24,323)	(19,543)	(24,323)
Repayment of tax financing		(2,496)	(2,416)	(2,496)	(2,416)
New borrowing		142,925	85,765	142,925	85,765
Subsidiaries and associates		(39)	(45)	-	-
Interest on capital and dividends paid		(993)	(2,428)	(993)	(2,428)
Cash provided by financing activities		119,854	56,553	119,893	56,598
Effect of exchange rate differences on cash for the quarter		(2,550)	(3,855)	(16,859)	(4,987)
Increase in cash and cash equivalents		40,001	36,032	17,331	39,100
Cash and cash equivalents at the beginning of the quarter		439,225	1,408,433	660,437	1,421,085
Cash and cash equivalents at the end of the quarter		479,226	1,444,465	677,768	1,460,185

The accompanying notes are an integral part of this quarterly information.

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
(All amounts in thousands of Reais)

	Note	Share capital	Carrying value adjustments: Exchange variation of investees	Carrying value adjustments: Other	Revenue reserves: Legal reserve	Revenue reserves: Reserve for investments	Revenue reserves: Proposed additional dividends	Retained earnings	Total
AT DECEMBER 31, 2011		**398,395**	**-**	**132,203**	**37,453**	**499,598**	**28,982**	**-**	**1,096,631**
Total comprehensive income for the quarter									
Profit for the quarter		-	-	-	-	-	-	42,048	42,048
Realization of carrying value adjustments		-	-	(3,413)	-	-	-	3,413	-
Total comprehensive income for the quarter		-	-	(3,413)	-	-	-	45,461	42,048
AT MARCH 31, 2012		**398,395**	**-**	**128,790**	**37,453**	**499,598**	**28,982**	**45,461**	**1,138,679**
AT DECEMBER 31, 2012		**537,051**	**70,765**	**118,650**	**40,771**	**409,162**	**9,456**	**-**	**1,185,855**
Total comprehensive income for the quarter									
Profit for the quarter		-	-	-	-	-	-	19,843	19,843
Realization of carrying value adjustments		-	-	(3,589)	-	-	-	3,589	-
Effects from subsidiaries									
Foreign exchange variations of investees located abroad	7	-	(14,157)	-	-	-	-	-	(14,157)
Total comprehensive income for the quarter		-	(14,157)	(3,589)	-	-	-	23,432	5,686
AT MARCH 31, 2013		**537,051**	**56,608**	**115,061**	**40,771**	**409,162**	**9,456**	**23,432**	**1,191,541**

The accompanying notes are an integral part of this quarterly information.

(A free translation of the original in Portuguese)

TUPY S.A. AND SUBSIDIARIES

STATEMENT OF VALUE ADDED
QUARTERS ENDED MARCH 31, 2013 AND 2012
(All amounts in thousands of Reais)

	Note	Parent company		Consolidated	
		3/31/2013	3/31/2012	3/31/2013	3/31/2012
Origination of value added		522,597	580,465	757,494	585,526
Sale of products, net of returns and rebates	14	522,680	580,112	757,712	585,173
Provision for impairment of trade receivables		(83)	353	(218)	353
(-) Inputs acquired from third parties		339,556	370,022	506,578	367,191
Raw materials and processing material consumed		252,046	286,603	392,681	286,603
Materials, electricity, third party services and other		87,510	83,419	113,897	80,588
GROSS VALUE ADDED		183,041	210,443	250,916	218,335
Retentions:		27,709	21,144	47,175	21,173
Depreciation and amortization	8	27,709	21,144	47,175	21,173
Net value added generated by the Company		155,332	189,299	203,741	197,162
Value added received through transfer		19,174	37,522	6,425	36,338
Share of results of subsidiaries	7	13,555	1,365	-	-
Finance income	16	5,619	36,157	6,425	36,338
VALUE ADDED TO DISTRIBUTE		**174,506**	**226,821**	**210,166**	**233,500**
Distribution of value added					
Personnel		115,416	117,273	150,731	118,291
Employees		75,756	82,329	109,614	83,193
Social charges - Government Severance Indemnity Fund for Employees (FGTS)		8,563	7,816	8,563	7,816
Profit sharing		10,245	5,359	10,488	5,359
Management fees		1,716	1,352	1,716	1,352
Workplace healthcare and safety		13,822	14,347	13,822	14,347
Food		2,292	2,806	2,292	2,806
Professional education, qualification and development		666	720	669	736
Other amounts		2,356	2,544	3,567	2,682
Government		10,910	38,066	6,347	40,578
Federal taxes and contributions		8,413	37,461	3,820	39,931
State taxes and rates		1,637	(274)	1,637	(274)
Municipal taxes, rates and others		860	879	890	921
Third-party capital		28,337	29,434	33,245	32,583
Finance costs	16	25,642	29,629	28,524	30,494
Monetary and foreign exchange variations, net	16	2,695	(195)	4,721	2,089
Own capital		19,843	42,048	19,843	42,048
Retained earnings		19,843	42,048	19,843	42,048
TOTAL VALUE ADDED		**174,506**	**226,821**	**210,166**	**233,500**

The accompanying notes are an integral part of this quarterly information.

(A free translation of the original in Portuguese)

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NOTES TO THE QUARTERLY INFORMATION

(All amounts in thousands of reais unless otherwise stated)

1. GENERAL INFORMATION

Tupy S.A. (the Parent company) and its subsidiaries (together the Company or Consolidated) have an important position in the domestic and foreign iron casting markets, being the largest foundry in the world manufacturing cast iron engine blocks and cylinder heads, with a diversified customer base in the Americas, Europe and Asia. They are also engaged in the manufacture of automotive (blocks, cylinder heads and parts) and industrial (connections, abrasives and shapes) products. The Company has plants in Brazil (Joinville, State of Santa Catarina, and Mauá, State of São Paulo) and in Mexico (cities of Saltillo and Ramos Arizpe). In addition to its plants, the Parent company has investments in companies abroad, which operate as an extension of its activities in Brazil in logistics, trading and technical assistance:

Tupy S.A. is a publicly-held corporation headquartered in Joinville, state of Santa Catarina, listed in the BM&F BOVESPA S.A. - Securities, Commodities and Futures Exchange (BOVESPA: ticker TUPY3), and its main stockholders are Caixa de Previdência dos Funcionários do Banco do Brasil (PREVI) and BNDES Participações S.A. (BNDESPAR), which together hold 71.2% of the Company's share capital.

This quarterly information was approved and issued by the Company's Board of Directors on May 15, 2013.

2. PRESENTATION AND PREPARATION OF THE QUARTERLY INFORMATION

The Company presents its Parent company and Consolidated quarterly information prepared, simultaneously, in accordance with Technical Pronouncement CPC 21 – “Interim Financial Reporting” and International Accounting Standard IAS 34 – “Interim Financial Reporting” issued by the International Accounting Standards Board (IASB), and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR), and are identified as "Parent company" and "Consolidated", respectively.

In the parent company quarterly information, subsidiaries are recorded based on the equity accounting method. The same adjustments are made in the parent company and consolidated quarterly information to reach the same profit or loss and equity for the Company. In the case of Tupy S.A., the accounting practices adopted in Brazil applicable to the parent company quarterly information differ from IFRS applicable to the separate financial statements only in relation to the measurement of investments in subsidiaries based on the equity accounting method, instead of at cost or fair value in accordance with IFRS.

The quarterly information does not include all of the disclosures required in a complete set of financial statements, and should be read together with the annual financial statements for the year ended December 31, 2012. Circular Letter CVM/SNC/SEP 003 of April 28, 2011, permits entities to present selected explanatory notes in cases of redundancy or duplication in relation to the information presented in the Company's annual financial statements. Accordingly the Company discloses below a list of the explanatory notes that are not partially or completed repeated in the quarterly information at March 31, 2013:

- Financial investments
- Income tax and social contribution recoverable
- Other taxes recoverable
- Credits - Eletrobras
- Investment properties
- Property, plant and equipment
- Borrowing
- Financing of taxes and social security charges
- Salaries, social security charges and profit sharing
- Defined benefit obligations
- Insurance.

2.1. Basis of preparation, functional and presentation currency

The quarterly information has been prepared under the historical cost convention, except for certain financial instruments which are measured at their fair values, as described in the accounting policies. The historical cost is generally based on the fair value of the consideration paid for assets.

The Company's functional currency is the Brazilian Real, except for its subsidiaries located in Mexico, whose functional currency is the U.S. Dollar. The preparation and presentation currency of the parent company and consolidated quarterly information is the Brazilian Real (R$).

2.2. Use of critical accounting estimates and judgments

The preparation of parent company and consolidated quarterly information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported for assets, liabilities, revenue and expenses.

In the preparation of this quarterly information, the decisions made by the Company regarding the application of accounting policies and in relation to the main sources of uncertainty in estimates were the same as those for the annual financial statements for the year ended December 31, 2012. In the annual financial statements, these critical accounting estimates and judgments are disclosed in Note 2.2.

2.3. Significant accounting policies

The accounting policies used in the preparation of this quarterly information for the quarter ended March 31, 2013 are consistent with those used to prepare the annual financial statements

for the year ended December 31, 2012. In the annual financial statements, these policies are disclosed in Note 2.3, except for the following new policies:

Leases

The Company leases intangible assets, through operations in which it holds substantially all the risks and rewards of ownership, and which are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased item and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges, in order to achieve a constant rate on the finance balance outstanding. The corresponding obligations, net of finance charges, are included in other long-term liabilities. The interest element of the finance expenses is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The intangible assets acquired under finance leases are amortized over their respective useful lives.

Computer software

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following recognition criteria are met:

- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product and use or sell it.
- There is an ability to use or sell the software product.
- It can be demonstrated how the software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of applicable overheads. Costs also include finance costs related to the development of the software product.

Other development expenditure that does not meet these criteria is recognized as an expense as incurred. Development costs previously recognized as expenses are not recognized as an asset in a subsequent period.

a. Subsidiaries

There were no changes in investments in subsidiaries in the quarter ended March 31, 2013, in relation to those existing and disclosed in Note 2.3 (a) to the annual financial statements.

b. New standards, amendments to and interpretations of standards

The Company adopted all of the accounting pronouncements to be applied from January 1, 2013. Their impact on the quarterly information is detailed in the following table:

Standard			Date of issue	Effective date	Impact
IAS 19	CPC 33 (R1)	Employee benefits	6/16/2011	1/1/2013	None
IFRS 10	CPC 36 (R3)	Consolidated financial statements	5/12/2011	1/1/2013	None
IFRS 11	CPC 19 (R2)	Joint arrangements	5/12/2011	1/1/2013	None
IFRS 12	CPC 45	Disclosure of interests in other entities	5/12/2011	1/1/2013	The information required in the standard is included in Note 6 (d)
IFRS 13	CPC 46	Fair value measurement	5/12/2011	1/1/2013	Increase in disclosure requirements regarding fair value (Note 23)

There are no other effective IFRS or IFRIC interpretations that had a material impact on the Company. The following are the standards and interpretations already issued, but not yet effective for the current period:

Standard		Date of issue	Effective date	Estimated impact
IFRS 9	Financial instruments	11/12/2009 10/28/2010	1/1/2015	The Company is yet to assess the full impact of IFRS 9

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	Mar/13	Dec/12	Mar/13	Dec/12
Cash and banks	614	2,171	695	2,397
Financial investments in Brazil	388,905	283,891	388,905	283,891
Financial investments abroad	89,707	153,163	288,168	374,149
	479,226	**439,225**	**677,768**	**660,437**

The financial investments in Brazil are remunerated at the variation of the Interbank Deposit Certificate (CDI) rate, with an average rate equivalent to 7.14% per annum (7.03% at December 31, 2012). Abroad, the investments are denominated mostly in U.S. Dollars (US$) at the average rate of 0.50% per annum (0.58% per annum in December 2012).

The exposure to interest rate risk and the sensitivity analysis for the financial assets are disclosed in the note on financial instruments (Note 23).

4. ACCOUNTS RECEIVABLE

Trade receivables by market and aging are as follow:

	Parent company		Consolidated	
	Mar/13	Dec/12	Mar/13	Dec/12
Domestic market	123,980	64,059	123,980	64,059
Foreign market	79,792	69,703	251,877	183,696
Provision for impairment of trade receivables	(1,540)	(1,525)	(3,218)	(3,068)
	202,232	**132,237**	**372,639**	**244,687**

Accounts receivable in the domestic market are exclusively denominated in Reais, and in the foreign market primarily in U.S. Dollars.

The Company's accounts receivable in the foreign market include related-party amounts which are eliminated in consolidation (Note 6).

5. INVENTORY

	Parent company		Consolidated	
	Mar/13	Dec/12	Mar/13	Dec/12
Finished products	64,585	76,352	109,463	136,502
Work in progress	32,860	32,826	57,931	47,713
Raw materials	19,998	27,429	33,428	42,769
Processing materials	17,384	19,281	19,889	28,792
Maintenance and other materials	32,016	33,713	43,902	40,451
Provision for losses	(2,945)	(3,102)	(5,749)	(5,392)
	163,898	**186,499**	**258,864**	**290,835**

The costs of inventory recorded as expenses during the period in relation to the continuing operations totaled R$ 587,482 (R$ 436,698 in the same period of the previous year).

The Company pledged finished product inventory as collateral for labor and social security litigation of R$ 17,447 in the Parent company and Consolidated.

6. RELATED-PARTY TRANSACTIONS

The main transactions of the Company with related parties are summarized as follow:

a. Subsidiaries

Related-party transactions	Receivables		Payables	
Balance sheet	Mar/13	Dec/12	Mar/13	Dec/12
Tupy American Foundry Co.	10,557	4,444	-	-
Tupy Europe GmbH	4,197	6,048	-	-
Tupy Argentina S.R.L.	3,054	2,163	-	-
Tupy Mexico Saltillo, S.A. de C.V	-	-	-	176
Tupy Agroenergética Ltda.	-	-	50	61
Sociedade Técnica de Fundições Gerais S.A. - Sofunge "in liquidation"	-	-	1,387	1,415
	17,808	**12,655**	**1,437**	**1,652**

	Sales revenue		Finance costs	
Statement of income	1Q 2013	1Q 2012	1Q 2013	1Q 2012
Tupy American Foundry Co.	83,851	96,845	-	-
Tupy American Iron & Alloys Co.	27	591	-	-
Tupy Europe GmbH	28,926	29,876	-	-
Tupy Argentina S.R.L.	926	375	-	-
Sociedade Técnica de Fundições Gerais S.A. - Sofunge "in liquidation"	-	-	-	(3)
	113,730	**127,687**	**-**	**(3)**

The receivables and sales revenue of the Company to/from its subsidiaries mainly represent sales of merchandise from the automotive and industrial segments. Prices charged are in compliance with the Company's price lists, and terms range from 60 to 90 days, as established by the parties.

The intercompany payables represent loans from subsidiaries in Brazil, with no defined maturities, which bear interest equivalent to the Referential Rate (TR).

At March 31, 2013 and December 31, 2012, the Company's related parties had no overdue receivables and, therefore, the Company did not record a provision for the impairment of these receivables.

b. Main stockholders

The Company's main stockholders are PREVI - Caixa de Previdência dos Funcionários do Banco do Brasil and BNDES Participações S.A. - BNDESPAR.

The Company has borrowing agreements with the National Bank for Economic and Social Development (BNDES), the controlling stockholder of BNDES Participações S.A. - BNDESPAR, as detailed in Note 10.

c. Management compensation:

	Board of Directors		Executive Board	
	1Q 2013	1Q 2012	1Q 2013	1Q 2012
Fixed compensation	216	216	878	618
Variable compensation	-	-	622	518
	216	**216**	**1,500**	**1,136**

The overall annual compensation approved at the Extraordinary and Ordinary General Meeting was R$ 21,310 (R$ 10,311 in 2012).

Statutory management compensation is paid only at the parent company level, and therefore, no management compensation has been recorded by the subsidiaries.

The amounts recorded as variable compensation of the Executive Board are considered as a provision, according to the goals established for the period. The Company does not offer variable compensation to the Board of Directors.

Officers receive additional corporate benefits, such as company vehicles, reimbursement of vehicle-related expenses, health insurance and severance pay. At March 31, 2013, these benefits totaled R$ 21 thousand, as against R$ 11 thousand in the same period of the previous year.

The Company does not offer its officers a post-employment benefit plan or stock options.

d. Other related parties:

The Parent company sponsors the Associação Atlética Tupy (Tupy Athletic Association), a not-for-profit foundation that offers leisure activities and sports to the Company's employees. During the quarter ended March 31, 2013, the Company recognized sponsorship expenses of R$ 135 (R$ 140 at March 31, 2012).

7. INVESTMENTS

a. Breakdown of investments

Parent company	Total assets	Equity	Business combinations	Profit for the quarter	Interest in capital (%)	Equity in the results of investees (*)	Book value (*)
At March 31, 2013							
Investments in direct subsidiaries							
Tupy Mexico Saltillo, S.A. de C.V	479,456	317,468	201,448	7,369	100.00	7,369	518,916
Technocast, S.A. de C.V.	383,124	343,962	157,334	5,589	100.00	5,589	501,296
Tupy American Foundry Co.	80,466	40,546	-	1,113	100.00	1,335	38,509
Tupy American Iron & Alloys Co.	3,017	2,896	-	(18)	100.00	(61)	2,896
Tupy Europe GmbH	74,155	50,382	-	1,844	100.00	(413)	47,113
Tupy Argentina S.R.L.	3,848	702	-	(88)	100.00	(133)	702
Tupy Agroenergética Ltda.	10,214	10,181	-	(100)	100.00	(100)	10,181
Sociedade Técnica de Fundições Gerais S.A. - Sofunge "in liquidation"	2,482	1,984	-	(31)	100.00	(31)	1,984
						13,555	**1,121,597**

(*) Adjusted by unrealized profits

b. Changes in investments

Parent company

	Mar/13	Dec/12
Opening balance	**1,122,199**	**87,995**
Acquisition of companies in Mexico	-	710,298
Capital increase in the companies in Mexico	-	203,568
Advance for future capital increase - adjustment	-	26,576
Equity in the results of investees	13,555	22,997
Exchange variation of investees located abroad	(14,157)	70,765
Closing balance	**1,121,597**	**1,122,199**

8. PROPERTY, PLANT AND EQUIPMENT

a) Summary of changes in property, plant and equipment - during the quarter ended March 31, 2013, the acquisitions totaled R$ 17,349 (R$ 56,201 at March 31, 2012) in the Parent company and R$ 24,491 (R$ 56,201 at March 31, 2012) in the Consolidated, and the disposals totaled R$ 415 (R$ 9 at March 31, 2012) in the Parent company and R$ 415 (R$ 11 at March 31, 2012) in the Consolidated.

b) Depreciation - during the quarter ended March 31, 2013, depreciation totaled R$ 27,709 (R$ 21,144 at March 31, 2012) in the Parent company and R$ 34,744 (R$ 21,173 at March 31, 2012) in the Consolidated.

c) Capitalization of interest and financial charges - during the quarter ended March 31, 2013, the Company appropriated financial charges of R$ 744 (R$ 2,145 at March 31, 2012) in the Parent Company and Consolidated.

d) Amounts pledged as guarantee - the Company pledged property, plant and equipment items as guarantees for borrowing amounting to R$ 364,784 in the Parent Company and Consolidated and R$ 3,520 in the Parent Company and Consolidated as guarantees for tax litigation.

9. INTANGIBLE ASSETS

Consolidated	Software	Goodwill	Contractual customer relationships	Non-competition agreement	Total
At January 1, 2012	**-**	**-**	**-**	**-**	**-**
Acquisition of subsidiaries in Mexico		41,226	453,083	2,617	496,926
Foreign exchange variations	-	-	51,088	295	51,383
Amortization	-	-	(33,603)	(388)	(33,991)
At December 31, 2012	**-**	**41,226**	**470,568**	**2,524**	**514,318**
Acquisition of software licenses	4,789	-	-	-	4,789
Foreign exchange variations	-	-	(6,971)	(40)	(7,011)
Amortization	-	-	(12,290)	(140)	(12,430)
At March 31, 2013	**4,789**	**41,226**	**451,307**	**2,344**	**499,666**

Intangible assets relating to contractual relationships with customers and non-competition agreements arising from business combinations, have defined useful lives of 10 years and 5 years, respectively.

In the quarter ended March 31, 2013, the Parent company acquired a license for an integrated business management system (ERP), which is not being amortized due to being implemented.

10. BORROWING

			Parent company and consolidated	
	Maturity	Average cost	Mar/13	Dec/12
Local currency				
Expansion project of Tupy S.A. - BNDES	July/2018	TJLP + 2.76% p.a.	226,112	236,879
BNDES Exim - Pre-shipment of the Investment Sustainability Program (PSI)	July/2015	6.97% p.a.	654,486	654,417
(a) Export credit notes	Feb/2016	5.50% p.a.	125,384	-
Finame (PSI)	Mar/2021	6.82% p.a.	20,607	16,306
(b) Lease contracts	Dec/2016	CDI + 1.96% p.a.	5,469	-
Foreign currency				
Expansion project of Tupy S.A. - BNDES	July/2016	VC + 5.86% p.a.	47,582	35,833
Export Prepayment	Sep/2017	VC+ Libor + 3.79% p.a.	864,254	876,812
Working capital	Mar/2013	VC+ Libor + 1.90% p.a.	-	7,414
			1,943,894	**1,827,661**
Short-term portion			537,904	530,993
Long-term portion			1,405,990	1,296,668

In the quarter ended March 31, 2013, the Parent company carried out the following new funding transactions:

a. Export credit notes

In February and March 2013, the Company contracted borrowing of R$ 125,000 from Banco do Brasil and Itaú, with an average term of 3 years and amortization at the end of the contract. The funds will be used for cash reinforcement and to ensure the settlement of debts falling due beginning in 2013.

b. Leasing

In the quarter ended March 31, 2013, the Parent company acquired a license for an integrated business management system (ERP), through a finance lease with a payment term of 48 months.

11. PROVISIONS FOR TAX, CIVIL, SOCIAL SECURITY AND LABOR CONTINGENCIES

The Company is a party to ongoing litigation arising in the normal course of its business and for which provisions (in the case of probable losses) were recorded based on estimates made by its legal counsel.

The changes in the provisions for tax, civil, social security and labor contingencies in the quarter ended March 31, 2013 and the related balances are as follow:

Parent company

	Civil	Tax	Labor	Social security	Judicial deposits	Total
At January 1, 2012	**71,471**	**10,154**	**13,580**	**4,484**	**(8,650)**	**91,039**
Additions	-	-	8,315	-	(1,012)	7,303
Interest	7,484	131	-	-	-	7,615
Payments	-	-	(6,903)	-	328	(6,575)
At December 31, 2012	**78,955**	**10,285**	**14,992**	**4,484**	**(9,334)**	**99,382**
Additions	-	-	2,322	-	(403)	1,919
Interest	307	24	-	-	-	331
Payments	-	-	(1,772)	-	-	(1,772)
At March 31, 2013	**79,262**	**10,309**	**15,542**	**4,484**	**(9,737)**	**99,860**
		Pis, Cofins, ICMS and IPI	Former employee claims	INSS (SEBRAE and RAT)	Restricted judicial deposits	

Consolidated

	Civil	Tax	Labor	Social security	Judicial deposits	Total
At January 1, 2012	**71,930**	**10,197**	**13,641**	**4,484**	**(8,849)**	**91,403**
Additions	-	-	8,327	-	(1,022)	7,305
Interest	7,484	131	-	-	-	7,615
Payments	-	-	(6,903)	-	328	(6,575)
At December 31, 2012	**79,414**	**10,328**	**15,065**	**4,484**	**(9,543)**	**99,748**
Additions	-	-	2,322	-	(403)	1,919
Interest	307	24	-	-	-	331
Payments	-	-	(1,772)	-	-	(1,772)
Derecognition	-	-	-	-	93	93
At March 31, 2013	**79,721**	**10,352**	**15,615**	**4,484**	**(9,853)**	**100,319**
		Pis, Cofins, ICMS and IPI	Former employee claims	INSS (SEBRAE and RAT)	Restricted judicial deposits	

The claims classified as possible are mainly the same as those disclosed in the annual financial statements for the year ended December 31, 2012 in Note 19.

12. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION, NET

The breakdown of deferred tax assets and liabilities relating to income tax and social contribution, according to the balance sheet accounts, is as follows:

	Parent company			Consolidated		
	Mar/13	Dec/12	Variation	Mar/13	Dec/12	Variation
Deferred liabilities						
Property, plant and equipment - carrying value adjustments	59,272	61,121	(1,849)	59,272	61,121	(1,849)
Depreciation rate differences	43,843	41,028	2,815	43,843	41,028	2,815
Deferred tax on intangible assets	-	-	-	136,095	141,928	(5,833)
Subtotal	**103,115**	**102,149**	**966**	**239,210**	**244,077**	**(4,867)**
Deferred assets						
Accounts receivable	2,021	1,863	158	2,021	1,863	158
Inventory	1,002	1,055	(53)	1,002	1,055	(53)
Taxes and contributions recoverable	6,500	5,592	908	6,500	5,592	908
Third-party tools	3,794	3,405	389	3,794	3,405	389
Credits - Eletrobras	5,173	5,597	(424)	5,173	5,597	(424)
Unrealized profits in subsidiaries	-	-	-	2,736	3,052	(316)
Tax losses from prior years	-	-	-	4,046	2,454	1,592
Property, plant and equipment - tax basis (Mexico)	-	-	-	42,058	41,534	524
Other assets	7,556	7,193	363	7,556	7,193	363
Salaries, social security charges and profit sharing	5,231	6,962	(1,731)	5,231	6,962	(1,731)
Provisions for tax, civil, social security and labor contingencies	37,263	36,963	300	41,081	40,139	942
Other liabilities	4,659	4,795	(136)	4,659	4,795	(136)
Subtotal	**73,199**	**73,425**	**(226)**	**125,857**	**123,641**	**2,216**
Total deferred liabilities, net	**29,916**	**28,724**	**1,192**	**113,353**	**120,436**	**(7,083)**

The Company prepared a technical feasibility study, approved by the Board of Directors, for the deferred income tax and social contribution assets, which indicates the full recovery of these deferred

taxes. The expected future realization, based on the Company's profit projections and the expectations of the effective realization of temporary differences, is as follows:

	Parent company		Consolidated	
Year	Mar/13	Dec/12	Mar/13	Dec/12
2013	22,190	23,537	36,295	35,680
2014	6,114	6,016	9,619	9,477
2015	11,287	11,613	14,792	15,074
2016	6,114	6,016	9,619	9,477
2017	6,114	6,016	9,619	9,477
Thereafter	21,380	20,227	45,913	44,456
	73,199	**73,425**	**125,857**	**123,641**

The subsidiary Sociedade Técnica de Fundições Gerais S.A. - Sofunge (in liquidation) has income tax losses of R$ 56,189 at March 31, 2013 (R$ 56,158 at December 31, 2012) and social contribution losses of R$ 61,420 at March 31, 2013 (R$ 61,390 at December 31, 2012). At the moment, management does not envisage any form of realization, and therefore the related credits are not recorded.

13. SHARE CAPITAL

The Company's stockholders approved, at the General Meeting held on February 8, 2013, the split of the Company's common shares. As a result, 1 common share issued by the Company was split into 2 common shares, and the Company's share capital was then represented by 114,277,500 registered book-entry common shares with no par value (Split), already considering the preferred shares converted into common shares.

The new shares created by the split granted their holders the same rights as the common shares they already held.

Authorized capital is limited to R$ 1,200,000, represented by registered book-entry common shares with no par value.

Of the authorized capital at March 31, 2013 and December 31, 2012, R$ 537,051 is subscribed and paid up, represented by 114,277,500 common shares with voting rights.

14. REVENUE

The reconciliation between gross and net sales and service revenue for the quarter is as follows:

	Company		Consolidated	
	1Q 2013	1Q 2012	1Q 2013	1Q 2012
Gross revenue	529,863	589,387	773,159	594,448
Returns and rebates	(7,183)	(9,275)	(15,447)	(9,275)
Revenue net of returns and rebates	**522,680**	**580,112**	**757,712**	**585,173**
Taxes on sales and services	(55,854)	(56,717)	(55,961)	(56,768)
Revenue	**466,826**	**523,395**	**701,751**	**528,405**
Revenue				
Domestic market	235,538	251,686	235,518	251,647
Foreign market	231,288	271,709	466,233	276,758
	466,826	**523,395**	**701,751**	**528,405**

15. COSTS AND EXPENSES BY NATURE

The breakdown of costs and expenses by nature, reconciled with costs and expenses by function presented in the statement of income, is as follows:

	Parent company		Consolidated	
	1Q 2013	1Q 2012	1Q 2013	1Q 2012
Raw material and processing materials	201,115	228,953	345,774	228,503
Maintenance and consumption materials	35,957	39,339	46,378	38,488
Salaries and social charges	90,202	113,047	123,238	111,327
Profit sharing	10,245	5,359	10,488	5,359
Social security benefits	19,136	20,417	20,350	20,104
Electric power	24,613	29,669	28,530	29,004
Depreciation	27,709	21,144	34,744	21,173
Freight and commission on sales	15,607	14,804	23,933	18,710
Management fees	1,716	1,352	1,716	1,352
Other costs	3,102	4,040	4,503	3,054
	429,402	**478,124**	**639,654**	**477,074**
Cost of products sold	395,202	442,603	587,482	436,698
Selling expenses	19,307	22,243	30,406	26,496
Administrative expenses	13,177	11,926	20,050	12,528
Management fees	1,716	1,352	1,716	1,352
	429,402	**478,124**	**639,654**	**477,074**

16. FINANCE RESULT

	Parent company		Consolidated	
	1Q 2013	1Q 2012	1Q 2013	1Q 2012
Finance costs				
Interest on bank borrowing	(25,386)	(29,016)	(25,386)	(29,016)
Interest on tax financing	(65)	(131)	(65)	(132)
Other finance costs	(191)	(482)	(3,073)	(1,346)
	(25,642)	**(29,629)**	**(28,524)**	**(30,494)**
Finance income				
Interest on financial investments	3,375	31,620	3,375	31,620
Interest on Eletrobras credits	2,154	1,503	2,154	1,503
Other finance income	90	3,034	896	3,215
	5,619	**36,157**	**6,425**	**36,338**
Monetary and foreign exchange variations, net				
Foreign exchange variations, net	(2,850)	352	(4,817)	(1,933)
Monetary variations	155	(157)	96	(156)
	(2,695)	**195**	**(4,721)**	**(2,089)**
Total finance result	**(22,718)**	**6,723**	**(26,820)**	**3,755**

Finance income mainly represents income from financial investments and monetary restatements of assets that are recognized in the statement of income.

Finance costs mainly represent interest and monetary variations on bank borrowing, interest and monetary variations on financing of taxes and social security charges, bank expenses and Tax on Financial Transactions (IOF) that are recognized in the statement of income.

Gains and losses arising from foreign exchange variations on assets and liabilities in foreign currency are recorded on a net basis.

17. OTHER OPERATING INCOME (EXPENSES)

	Parent company		Consolidated	
	1Q 2013	1Q 2012	1Q 2013	1Q 2012
Constitution and restatement of provisions (Note 11)	(2,653)	(2,784)	(2,653)	(2,784)
Reversal of provisions	1,248	13,673	1,248	13,673
Depreciation of other assets	(473)	(477)	(473)	(477)
Disposals of property, plant and equipment	(415)	139	(415)	137
Amortization of intangible assets (Note 9)	-	-	(12,431)	-
Gains (losses) on the sale of unusable assets and write-off of third-party tools and other assets	(2,460)	(858)	(1,745)	(192)
	(4,753)	**9,693**	**(16,469)**	**10,357**

18. INCOME TAX AND SOCIAL CONTRIBUTION IN THE RESULTS

	Parent company		Consolidated	
	1Q 2013	1Q 2012	1Q 2013	1Q 2012
Profit before tax effects	**23,508**	**63,052**	**18,808**	**65,443**
Income tax rate	34%	34%	34%	34%
Expenses at rate	(7,993)	(21,438)	(6,395)	(22,251)
Tax effect of permanent (additions) exclusions:				
Equity in the results of investees	4,609	464	-	-
Depreciation of non-operating assets	(161)	(162)	(161)	(162)
Foreign exchange gains (losses)	-	-	4,648	-
Other permanent (additions) exclusions	(120)	132	(238)	(308)
Effects of different rate in subsidiaries	-	-	3,181	(674)
Tax effects recorded in the statement of income	**(3,665)**	**(21,004)**	**1,035**	**(23,395)**

The breakdown of the tax effects recorded in the statement of income is as follows:

	Parent company		Consolidated	
	1Q 2013	1Q 2012	1Q 2013	1Q 2012
Current income tax and social contribution	(2,473)	(17,830)	(3,945)	(18,758)
Deferred income tax and social contribution	(1,192)	(3,174)	4,980	(4,637)
Tax effects recorded in the statement of income	**(3,665)**	**(21,004)**	**1,035**	**(23,395)**

19. EARNINGS PER SHARE

The calculations of the earnings per common share (ON) and preferred share (PN) in the period are as follow:

	1Q 2013	1Q 2012
Profit attributable to the stockholders of the Company	19,843	42,048
Weighted average number of outstanding shares (*)	114,278	57,139
Basic and diluted earnings per share - R$	**0.1736**	**0.7359**

(*) As described in Note 13, in the first quarter of 2013, the Company split the number of shares, and consequently the basic and diluted earnings per share for the first quarter of 2012 considers the number of outstanding shares at that time.

20. SEGMENT REPORTING

The Company discloses information by operating segment based on the information reported to management and used in decision-making in order to allocate funds to the segments and to assess their performance, as described below:

Automotive products - Manufacture, to order, of cast and machined products, with significant technological content, such as powertrain (blocks and cylinder heads), brake, transmission, steering, axle and suspension components for worldwide manufacturers of engines, passenger vehicles,

commercial vehicles (trucks, buses, etc.), construction machines, tractors, agricultural machines and power generators.

Industrial products - Manufacture of flexible iron connections for the construction industry, iron and steel grits for the marble and granite processing industry and cast-iron shapes for general use.

The following is information on each reported segment:

Reconciliation of revenue, costs and expenses and profit

Consolidated	Automotive products		Industrial products		Total	
	1Q 2013	1Q 2012	1Q 2013	1Q 2012	1Q 2013	1Q 2012
Revenue (Note 14)	645,893	473,860	55,858	54,545	701,751	528,405
Costs and expenses except depreciation (Note 15)	(565,005)	(411,670)	(39,905)	(44,231)	(604,910)	(455,901)
Other operating expenses, net, except amortization of intangible assets (Note 17)	(3,772)	9,352	(266)	1,005	(4,038)	10,357
EBITDA (according to the methodology of CVM Instruction 527/12)	**77,116**	**71,542**	**15,687**	**11,319**	**92,803**	**82,861**
Depreciation and amortization	(44,883)	(19,119)	(2,292)	(2,054)	(47,175)	(21,173)
Profit before finance result	**32,233**	**52,423**	**13,395**	**9,265**	**45,628**	**61,688**
Finance result, net (Note 16)					(26,820)	3,755
Profit before taxation					**18,808**	**65,443**
Income tax and social contribution (Note 18)					1,035	(23,395)
Profit for the period					**19,843**	**42,048**

Information on the countries from which the Company derives revenue

The revenue derived from customers in Brazil and from customers in each foreign country, and their respective shares in the Company's total revenue for the year, re as follow:

Consolidated

Revenue	1Q 2013	%	1Q 2012	%
Brazil - head office	235,518	33.6	251,647	47.6
United States of America	217,346	31.0	104,535	19.8
Mexico	141,716	20.2	54,354	10.3
United Kingdom	40,598	5.8	45,454	8.6
Hungary	11,194	1.6	8,049	1.5
Thailand	9,338	1.3	601	0.1
Italy	9,203	1.3	16,971	3.2
South Africa	8,111	1.2	6,658	1.3
Argentina	4,563	0.7	4,570	0.9
Canada	3,989	0.6	1,545	0.3
Netherlands	3,692	0.5	3,029	0.6
Japan	3,381	0.5	13,878	2.6
China	1,962	0.3	4,537	0.9
France	1,023	0.1	2,312	0.4
Other countries	10,117	1.3	10,265	1.9
Total	**701,751**	**100.0**	**528,405**	**100.0**

Major customers accounting for over 10% of the Company's total revenue

The Company has a diversified portfolio of local and foreign customers. The automotive products segment has customers that individually account for more than 10% of consolidated revenues, as follow:

Consolidated

Revenue	1Q 2013	%	1Q 2012	%
Automotive products				
Customer A	135,359	19.3	89,230	16.9
Customer B	96,170	13.7	102,322	19.4
Other customers of automotive products	414,364	59.0	282,308	53.4
Total automotive products	**645,893**		**473,860**	
Industrial products	55,858	8.0	54,545	10.3
Total revenue	**701,751**	**100.0**	**528,405**	**100.0**

The sales in the industrial products segment are very diversified.

Reconciliation of costs and expenses by segment

Consolidated	Automotive products		Industrial products		Total	
	1Q 2013	1Q 2012	1Q 2013	1Q 2012	1Q 2013	1Q 2012
Raw material and processing materials	326,546	209,382	19,228	19,121	345,774	228,503
Maintenance and consumption materials	43,319	34,754	3,059	3,734	46,378	38,488
Salaries and social charges	115,108	100,526	8,130	10,801	123,238	111,327
Profit sharing	9,796	4,839	692	520	10,488	5,359
Social security benefits	19,008	18,154	1,342	1,950	20,350	20,104
Electric power	26,648	26,190	1,882	2,814	28,530	29,004
Depreciation	32,452	19,119	2,292	2,054	34,744	21,173
Freight and commissions on sales	18,772	13,847	5,161	4,863	23,933	18,710
Management fees	1,603	1,221	113	131	1,716	1,352
Other costs	4,205	2,757	298	297	4,503	3,054
	597,457	**430,789**	**42,197**	**46,285**	**639,654**	**477,074**

Reconciliation of assets and liabilities

Consolidated	Automotive products		Industrial products		Total	
ASSETS	**Mar/13**	**Dec/12**	**Mar/13**	**Dec/12**	**Mar/13**	**Dec/12**
Accounts receivable, net (Note 4)	337,674	215,734	34,965	28,953	372,639	244,687
Inventory (Note 5)	214,209	243,916	44,655	46,919	258,864	290,835
Third-party tools	65,126	58,875	869	59	65,995	58,934
Notes and other receivables	23,145	27,202	3,583	5,168	26,728	32,370
Property, plant and equipment (Note 8)	1,523,890	1,539,821	39,029	38,701	1,562,919	1,578,522
Intangible assets (Note 9)	499,666	514,318	-	-	499,666	514,318
Other assets not allocated					1,111,864	1,081,588
Total consolidated assets	**2,663,710**	**2,599,866**	**123,101**	**119,800**	**3,898,675**	**3,801,254**

Consolidated	Automotive products		Industrial products		Total	
LIABILITIES	**Mar/13**	**Dec/12**	**Mar/13**	**Dec/12**	**Mar/13**	**Dec/12**
Trade payables	231,297	230,176	21,906	24,363	253,203	254,539
Taxes and contributions	13,422	16,021	647	638	14,069	16,659
Salaries, social security charges and profit sharing	90,467	90,781	7,319	7,541	97,786	98,322
Advances from customers	67,670	64,114	7,622	9,654	75,292	73,768
Notes and other payables	53,426	52,617	5,893	6,523	59,319	59,140
Deferred tax on intangible assets	136,095	141,928	-	-	136,095	141,928
Other liabilities not allocated					2,071,370	1,971,043
Equity					1,191,541	1,185,855
Total consolidated liabilities and equity	**592,377**	**595,637**	**43,387**	**48,719**	**3,898,675**	**3,801,254**

Segment-specific assets and liabilities are allocated directly to each segment, and criteria relating to the applicability and origin are used for common assets and liabilities. The Company does not allocate cash and cash equivalents, recoverable and deferred taxes, judicial and other deposits, and investments in companies to the reporting segments, as they are not directly related to the operations. For the same reason, borrowing, tax financing and social charges, dividends, provisions, deferred taxes and other long-term liabilities are also not allocated to reporting segments.

21. NON-CASH TRANSACTIONS

The Company carried out investment transactions that did not affect cash, and which, therefore, were not recorded in the statement of cash flow. These transactions totaled R$ 9,611 at March 31, 2013 (R$ 2,657 at December 31, 2012).

22. FINANCIAL INSTRUMENTS BY CATEGORY

Consolidated		Parent company		Consolidated	
Balance sheet	**Note**	**Mar/13**	**Dec/12**	**Mar/13**	**Dec/12**
Loans and receivables					
Cash and cash equivalents	3	479,226	439,225	677,768	660,437
Accounts receivable	4	202,232	132,237	372,639	244,687
Notes and other financial assets		27,315	30,829	26,728	32,370
Financial assets at fair value through profit or loss					
Financial investments		20,731	20,437	20,731	20,437
Credits - Eletrobras		91,320	87,919	91,320	87,919
Investments in equity instruments		666	666	4,412	3,953
Derivative financial instruments	23	6,519	-	6,519	-
Financial liabilities at amortized cost					
Trade payables		141,035	145,966	253,203	254,539
Borrowing	10	1,943,894	1,827,661	1,943,894	1,827,661
Financing of taxes and social security charges		5,034	7,491	5,034	7,491
Dividends and interest on capital		17,923	18,916	17,923	18,916
Notes payable and other financial liabilities		42,014	42,671	59,319	59,140
Financial liabilities at fair value through profit or loss					
Derivative financial instruments	23	1,297	13,034	1,297	13,034

Consolidated	Parent company		Consolidated	
Statement of income	**1Q 2013**	**1Q 2012**	**1Q 2013**	**1Q 2012**
Interest recognized				
Loans and receivables (*)	3,292	31,973	3,157	31,973
Financial liabilities at amortized cost	(25,386)	(29,016)	(25,386)	(29,016)
Net gains and losses recognized in profit or loss				
Financial assets at fair value through profit or loss	1,920	1,907	1,920	1,907
Financial liabilities at fair value through profit or loss	(12,874)	(25,258)	(12,874)	(25,258)

(*) Includes the provision for losses on receivables (Note 5)

23. FINANCIAL RISK MANAGEMENT

23.1 Financial risk factors

The Company is exposed to financial risks arising from its operations, related to credit, liquidity, market and operating risks. This exposure is monitored by internal controls and may require the contracting of derivative financial instruments to mitigate risks.

c. Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and financial investments, as well as from credit exposure to customers, including outstanding trade receivables. Credit risk is managed on a consolidated basis.

The Company sets exposure limits for each customer to limit the credit risk of trade receivables and risks are managed according to specific credit rating criteria, which include a careful analysis of selection of customers in accordance with their payment ability, indebtedness level and balance sheet.

The Company established a provision for impairment of R$ 3,218 at March 31, 2013 (R$ 3,068 at December 31, 2012), representing 0.9% of the consolidated balance of outstanding receivables at that date (1.2% at December 31, 2012), reflecting the estimated losses related to the trade receivables.

The Company does not hold any credit guarantee to cover credit risks related to its financial assets.

d. Liquidity risk

Liquidity risk is the risk that the Company will have difficulty complying with its obligations associated with financial liabilities that are settled in cash or other financial assets. The Company's approach to managing this risk is to ensure that it has sufficient liquidity to settle its obligations without incurring losses or affecting its operations.

At March 31, 2013, the Company had cash and cash equivalents equivalent to 112.4% of its short-term bank commitments. Moreover, the Company manages its investment portfolio using criteria for concentration in financial institutions, in addition to global ratings.

The contractual maturities of financial liabilities are as follow:

Consolidated	Contractual cash flows					
FINANCIAL LIABILITIES	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years	Total flow
Borrowing	534,744	73,470	315,056	1,221,678	19,673	2,164,621
Derivative financial instruments	(5,222)	-	-	-	-	(5,222)
Trade payables and notes and other payables	312,522	-	-	-	-	312,522
Dividends payable	17,923	-	-	-	-	17,923
Financing of social security charges	5,034	-	-	-	-	5,034
	865,001	**73,470**	**315,056**	**1,221,678**	**19,673**	**2,494,878**

The Company does not expect that the cash outflows, included in its maturity analyses, will occur significantly sooner or t amounts significantly different. Moreover, the Company generates sufficient cash to cover future payment obligations.

e. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates, will affect the Company's results or the value of its financial instruments. The objective of market risk management is to keep exposure to market risks within acceptable levels, while optimizing returns.

Currency risk

The Company and its subsidiaries, except the operations in Mexico, are exposed to currency risk on sales, purchases and borrowing denominated in currencies other than the Company's functional currency, the Brazilian Real. The main currency in which these transactions are denominated is the U.S. Dollar.

Export revenue represents a foreign exchange hedge on foreign currency borrowing. However, because of concerns regarding exchange volatility and the different periods of the realization of assets and settlement of liabilities, the Company evaluates, on a monthly basis, if its exposure to foreign exchange is greater than the Parent company's export income over a three-month period and, if management considers necessary, contracts financial instruments to limit exposure to foreign exchange risk.

The Company's exposure to foreign currency risk is as follows:

Consolidated

ASSETS	Note	Mar/13	Dec/12
Cash and financial investments abroad	3	288,168	374,149
(-) Cash and financial investments abroad - Mexico		(165,254)	(190,396)
Customers in the foreign market	4	251,877	183,696
(-) Customers in the foreign market - Mexico		(116,783)	(77,664)
Derivative financial instruments - notional		392,691	449,570
		650,699	**739,355**
LIABILITIES			
Borrowing in foreign currency	10	(911,836)	(920,059)
Other amounts		(2,493)	(22,549)
		(914,329)	**(942,608)**
Net exposure impacting profit (loss)			
In thousands of R$		(263,630)	(203,253)
In thousands of US$		(130,912)	(99,463)

The Company's net liability exposure in foreign currency, the impacts of exchange variations on which are allocated to profit (loss), amounted to US$ 130,912 thousand at March 31, 2013, equivalent to approximately three months of Company's exports, as defined in the Company's foreign exchange exposure policy.

In addition, the functional currency of the Company's operations in Mexico is the U.S. Dollar, and these operations have a limited exposure to the Mexican Peso. For purposes of presentation of the Company's consolidated position, the financial assets and liabilities of subsidiaries in Mexico are not considered to reduce or increase the Company's exposure, since the exchange variation impacts of these assets and liabilities are recorded in comprehensive income (equity), not in the statement of income. The Company's policy is to hedge against impacts of exchange variations on profit (loss).

Consolidated

Net exposure impacting comprehensive income	Mar/13	Dec/12
In thousands of R$	661,430	649,020
In thousands of US$	328,449	317,602
Total net exposure		
In thousands of R$	397,800	445,767
In thousands of US$	197,537	218,139

Sensitivity analysis of foreign exchange exposure

This analysis is based on the foreign exchange rate fluctuation, pursuant to CVM Normative Instruction 475, in which the risk variable is stressed with a 25 and 50 percent fluctuation as compared to the probable scenario estimated by the Company. This analysis assumes that all other variables, especially the interest rates, will remain constant.

Consolidated

ACCOUNTING FOREIGN EXCHANGE EXPOSURE - Mar/13	Risk	Disclosed	Probable scenario (I)	Scenario (II)	Scenario (III)
U.S. Dollar rate	**Appreciation of the U.S. Dollar**	**2.0138**	**2.00**	**2.50**	**3.00**
Asset position		650,699	646,240	807,800	969,360
Liability position		(914,329)	(908,063)	(1,135,079)	(1,362,095)
Net exposure (thousands of R$)		(263,630)	(261,823)	(327,279)	(392,735)
Net exposure (thousands of US$)		(130,912)	(130,912)	(130,912)	(130,912)
Potential impact (thousands of R$)		**-**	**1,807**	**(63,649)**	**(129,105)**

The simulation considered a devaluation of the Brazilian Real in relation to the U.S. Dollar compared to the probable scenario indicated by the Company.

Interest rate risk

This risk refers to the Company's exposure to changes in the interest rates on its investments and bank borrowing with a direct impact on profit or loss. To mitigate this risk, the Company seeks to diversify its borrowing and allocation of funds, as follows:

Consolidation - carrying amount

	Note	Mar/13	Dec/12
Floating-rate instruments			
Financial assets	3	409,636	304,328
Financial liabilities	10	1,095,835	1,156,938
Fixed-rate instruments			
Financial assets	3	288,168	374,149
Financial liabilities	10	848,059	670,723

Sensitivity analysis of the variations in fixed and floating interest rates

The Company has investments in Bank Deposit Certificates (CDB), linked to the Interbank Deposit Certificate (CDI) rate. The simulation considers a reduction in the CDI interest rate, in accordance with CVM Normative Instruction 475, in which the risk variable is stressed with a 25 and 50 percent fluctuation compared to the probable scenario estimated by the Company.

In addition, the Company has borrowing linked to the Long-term Interest Rate (TJLP) and the Interbank Deposit Certificate (CDI) rate, whose interest rate, if moving upwards, according to the CVM Normative Instruction 475, considering the probable scenario, would result in a potential loss of up to

R$ 5,563 per annum. Additionally, a portion of the borrowing was contracted at a fixed rate, at a weighted average cost of 6.73% p.a. If the interest rate moves upwards, according to CVM Normative Instruction, considering the probable scenario, the potential loss would be up to R$ 25,275 per annum.

Interest rate risk		Consolidated			
			Scenario		
Instruments (DM)	Risk	Disclosed	Probable scenario I	Scenario II	Scenario III
Investments	**Interest rate decrease (CDI - % p.a.)**	**7.01**	**7.01**	**5.26**	**3.51**
Financial assets		409,636	409,636	409,636	409,636
Potential impact		-	-	(6,810)	(13,851)
Borrowing	**Interest rate increase (TJLP - % p.a.)**	**5.00**	**5.00**	**6.25**	**7.50**
Financial liabilities		226,112	226,112	226,112	226,112
Potential impact		-	-	(2,692)	(5,384)
Borrowing	**Interest rate increase (CDI - % p.a.)**	**7.01**	**7.01**	**8.76**	**10.52**
Financial liabilities		5,469	5,469	5,469	5,469
Potential impact		-	-	(89)	(179)
Borrowing	**Fixed interest rate increase (% p.a.)**	**6.73**	**6.73**	**8.41**	**10.10**
Financial liabilities		800,477	800,477	800,477	800,477
Potential impact		-	-	(12,600)	(25,275)

The Company has financial investments abroad with fixed rates. However, they are affected by macroeconomic conditions and fluctuations. The simulation considers a decrease of 25% and 50%, in accordance with CVM Normative Instruction 474, thus reducing the financial investment's profitability, with a maximum potential impact of R$ 631 per annum.

Similarly, the Company is exposed to interest rate risk on its borrowings in foreign currency linked to the London Interbank Offered Rate (LIBOR). An upward movement of 25% and 50% from the probable scenario would have a potential impact of R$ 1,123 and R$ 2,236, respectively, per annum. If the Company applied an increase of 25% and 50% in interest rates over the bank liabilities in foreign currency with fixed rates, the potential loss would total up to R$ 1,376 per annum.

		Consolidated			
			Scenario		
Instruments (FM)	Risk	Disclosed	Probable scenario I	Scenario II	Scenario III
Investments	**U.S. Dollar rate decrease (fixed USD rate % p.a.)**	**0.44**	**0.44**	**0.33**	**0.22**
Financial assets		288,168	288,168	288,168	288,168
Potential impact		-	-	(316)	(631)
Borrowing	**Interest rate increase (Libor - %)**	**0.51**	**0.51**	**0.64**	**0.77**
Financial liabilities		864,254	864,254	864,254	864,254
Potential impact		-	-	(1,123)	(2,236)
Borrowing	**Fixed interest rate increase (% p.a.)**	**6.14**	**6.14**	**7.68**	**9.21**
Financial liabilities		47,582	47,582	47,582	47,582
Potential impact		-	-	(690)	(1,376)

Price risk

This risk relates to the possibility of fluctuations in the market prices of the inputs used in the manufacturing process, especially scrap, pig iron, metal alloys, coke and electricity. These price fluctuations could impact the Company's costs. The Company has a policy of monitoring these prices to pass on to customers any changes in its input prices.

f. Operating risk

This risk arises from all of the Company's operations and can cause direct or indirect losses associated with a variety of factors, such as processes, personnel, technology, infrastructure and external factors.

The Company's objective is to manage the operating risk to avoid losses and damages to its reputation, and to seek cost efficiency.

The primary responsibility for developing and implementing operating risk controls is with a centralized area of Internal Controls reporting to senior management.

g. Derivative financial instruments

The Company operates with financial instruments and monitors its financial obligations to manage market risks. All of these transactions are carried out in accordance with the guidelines established under the risk management structure.

The Company and its subsidiaries do not enter into speculative financial transactions, but they do use some derivative financial instruments to hedge certain assets and/or liabilities against fluctuations, mainly exchange rate fluctuations.

In 1Q13, the Company entered into Non Deliverable Forward purchase transactions of U.S. Dollars, whose notional value totaled US$ 195 million (R$ 392,691), traded with financial institutions and registered with the Clearing House for the Custody and Financial Settlement of Securities (CETIP), which, at March 31, 2013, had a fair receivable value of R$ 6,519 and fair payable value of R$ 1,297, with an average maturity on April 29, 2013. No guarantees were given for these derivative transactions.

23.2 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for stockholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, management can make, or may propose to the stockholders, when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

The Company's management monitors the relation between the Company's own capital (equity) and third-party capital that the Company uses to finance its operations. To mitigate liquidity risks and optimize the average cost of capital, the Company monitors the compliance with financial ratios required under its borrowing agreements.

The relation of own capital versus third-party capital, at the end of each period, is as follows:

Consolidated

	Mar/13	Dec/12
Own capital (equity)	1,191,541	1,185,855
Total payables	2,707,134	2,615,399
Cash and cash equivalents	(677,768)	(660,437)
Third-party capital	**2,029,366**	**1,954,962**
Own capital versus third-party capital ratio	0.59	0.61

23.3 Fair value

The carrying values of cash and cash equivalents and trade receivables and payables, less impairment provisions in the case of trade receivables, are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes and the recorded amount of derivative financial instruments is calculated by discounting the future contractual cash flow at the current market interest rate that is available to the Company for similar financial instruments.

At March 31, 2012, the fair value of borrowing was R$ 1,905,315 (R$ 1,867,662 at December 31, 2012).

The Company adopted CPC 40/IFRS 7 for financial instruments that are measured in the balance sheet at fair value. This standard requires the disclosure of fair value measurements according to the following hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The carrying values of the financial instruments recorded in the consolidated quarterly information are substantially similar to those that would have been obtained if traded in the market. However, since they do not have an active market, variations could occur if the Company and its subsidiaries were to decide to realize them in advance of their maturity.

The financial investments and derivative financial instruments are measured at fair value according to Level 2.

23.4 Credit quality of financial assets

The credit quality of financial assets is assessed by reference to external credit ratings (if available) or according to historical information about counterparty default rates.

	Parent company		Consolidated	
	Mar/13	Dec/12	Mar/13	Dec/12
Counterparties with external credit rating (Standard & Poor's)				
Cash and cash equivalents				
AAA	175,696	54,014	186,666	248,152
AA+	303,530	385,211	391,629	410,612
AA			2,271	
AA-			74,528	
Other	-	-	22,674	1,673
	479,226	439,225	677,768	660,437
Financial investments				
AA+	20,731	20,437	20,731	20,437
Derivative financial assets				
AAA	6,519	-	6,519	-
Credits - Eletrobras				
A-	91,986	88,585	91,986	88,585
Counterparties without external credit rating				
Accounts receivable				
Low risk	183,984	116,310	353,353	228,760
Moderate risk	16,936	14,678	17,974	14,678
High risk	1,312	1,249	1,312	1,249
	202,232	132,237	372,639	244,687
Other financial assets	27,315	30,829	30,474	35,657
Total	**828,009**	**711,313**	**1,200,117**	**1,049,803**

The risk assessment of trade receivables is as follows:

- Low risk - automotive segment customers, except those customers with a history of losses
- Moderate risk - industrial segment customers, except those customers with a history of losses
- High risk - customers with provisioned balances and historical losses

The other financial assets held by the Company are considered of high quality and do not present indications of losses.

24. EVENTS AFTER THE REPORTING PERIOD

a. Assessment notice issued by the Finance Department of the State of São Paulo

In April 2013, the Company was served an assessment notice by the Finance Department of the State of São Paulo due to alleged irregular calculation of ICMS, relating to 2002 and 2007. The assessment notice claims the payment of the ICMS allegedly due, plus fine and interest, totaling R$ 59,000.

The Company and its legal advisors consider the risk of loss as possible.

b. New borrowing and derivative financial instruments

In April 2013, the Company contracted BNDES Exim - Pre-shipment of the Investment Sustainability Program (PSI) transactions with financial institutions, totaling R$ 200,000. These funds were used to substitute short-term debts and to support the Company's cash position. The related agreements have a total maturity period of 3 years, and the principal will be amortized in a single installment at the end of each agreement.

In April 2013, the Company renewed the following operations: NDF purchases, at notional amounts of US$ 60 million and US$ 50 million, maturing on May 20 and June 7, 2013, respectively. In May 2013, the Company renewed the following operation: NDF purchase, at a notional amount of US$ 25 million, maturing on June 3, 2013.

c. Pledge of dividends and interest on capital

According to the notice to stockholders issued on April 29, 2013, the Company stated that, due to a court ruling issued in the tax execution records in progress at the São Paulo Federal Court, dividends and interest on capital that would be distributed as from April 30, 2013 must be pledged.

The court ruling relates to social security debts (of approximately R$ 13.4 million), on which the Company provides information in its reference form and, together with its legal advisors, classifies the outcome of the respective legal action as a possible loss. Consequently, the distribution of dividends and interest on capital, which was previously scheduled to begin on April 30, 2013, has been temporarily suspended, while the Company is adopting, as a matter of maximum urgency, all of the necessary measures within its grasp to cancel the aforementioned pledge.

(A free translation of the original in Portuguese)

Tupy S.A.

Quarterly Information (ITR) at March 31, 2013 and report on review of quarterly information

Report on review of quarterly information

To the Board of Directors and Stockholders
Tupy S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Tupy S.A., included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2013, comprising the balance sheet as at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

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

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

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Tupy S.A.

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the quarter ended March 31, 2013. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Florianópolis, May 15, 2013

PricewaterhouseCoopers
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Mario Miguel Tomaz Tannhauser Junior
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