TUPY - Global reference in castings

A free translation of the original in Portuguese

1Q15 Highlights

Record margins despite of sales volume drop.

Conference Call

Date: 05/14/2015

English/Portuguese

10:00 AM (EST) / **11:00** AM (BRT)

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- **Sales volume:** 128 thousand tons – 18% lower than 1Q14, due to the performance of all product applications in the domestic market, and off-road in foreign markets.
- **Revenues:** R$788 million – 2% decrease compared to same quarter in 2014.
- **Gross Profit:** R$148 million – 18.8% margin over revenues – 0.3 p.p. higher than 1Q14.
- **Adjusted EBITDA:** R$137 million – 3% increase compared to 1Q14 and equivalent to 17.4% of revenues in 1Q15, best margin for the 1Q since 2010.
- **Net income:** R$61 million – 7.7% over revenues, best margin since 3Q11.
- **Investments:** R$41 million, 26% decrease compared to 1Q14.

SUMMARY OF RESULTS

Consolidated (R$ Thousands)

SUMMARY	1Q15	1Q14	% Δ
Revenues	**788,077**	**805,039**	**-2.1%**
Cost of goods sold	(639,823)	(656,088)	-2.5%
Gross profit	**148,254**	**148,951**	**-0.5%**
% over revenues	*18.8%*	*18.5%*	
Operating expenses	(56,680)	(55,159)	2.8%
Other net operating expenses	(18,313)	(26,514)	-30.9%
Income before financial result	**73,261**	**67,278**	**8.9%**
% over revenues	*9.3%*	*8.4%*	
Net financial result	27,995	(16,594)	
Net income before income taxes	**101,256**	**50,684**	**99.8%**
% over revenues	*12.8%*	*6.3%*	
Income tax and social contribution	(40,669)	(20,584)	97.6%
Net income	**60,587**	**30,100**	**101.3%**
% over revenues	*7.7%*	*3.7%*	
EBITDA (according to CVM 527/12 inst.)	**135,411**	**121,898**	**11.1%**
% over revenues	*17.2%*	*15.1%*	
Adjusted EBITDA	**136,825**	**133,423**	**2.5%**
% over revenues	*17.4%*	*16.6%*	
Average exchange rate (R$/US$)	**2.916**	**2.340**	**24.6%**

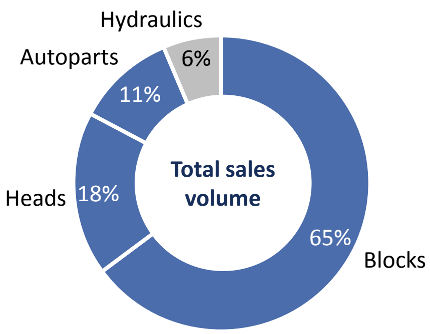
SALES VOLUME

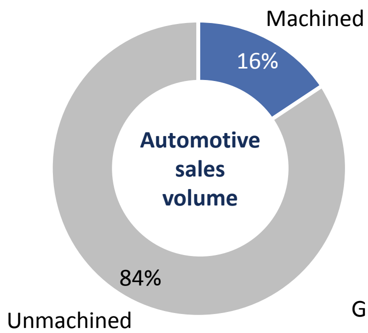
Consolidated (Tonnes)

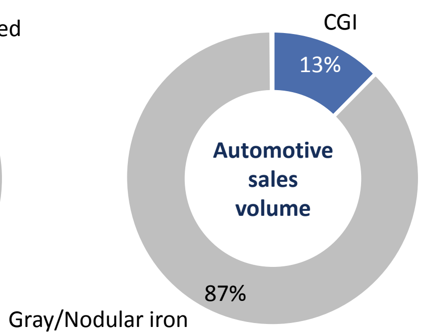
	1Q15	1Q14	% Δ
Domestic market	**34,113**	**47,010**	**-27.4%**
Automotive	29,234	40,268	-27.4%
Hydraulics	4,879	6,742	-27.6%
Foreign market	**94,097**	**109,061**	**-13.7%**
Automotive	90,769	104,666	-13.3%
Hydraulics	3,328	4,395	-24.3%
Total sales volume	**128,210**	**156,071**	**-17.9%**

During 1Q15, sales volume decreased 17.9% compared to 1Q14 due to the 27.4% retraction in sales to the domestic market in the period, reflecting the decline in sales and production of vehicles in all segments in Brazil. In the foreign markets, the positive highlight is the increase in sales to passenger cars and light commercial vehicles, as result of the launching of a new product for light pick-up trucks, SUVs and sedans, delivered to North America. However, the volume increase for those applications were offset by the negative performance of the global off-road market, specially agricultural and mining machinery, resulting in a 13.7% sales volume decrease to foreign markets versus 1Q14.

The automotive product portfolio was composed by approximately 16% of machined products (vs. 14% in 1Q14), and 84% of unmachined products (vs. 86% in 1Q14). The distribution by alloy points to 13% of sales volume in CGI (Compacted Graphite Iron) (vs. 10% in 1Q14), and 87% in other alloys (vs. 90% in 1Q14).







REVENUES

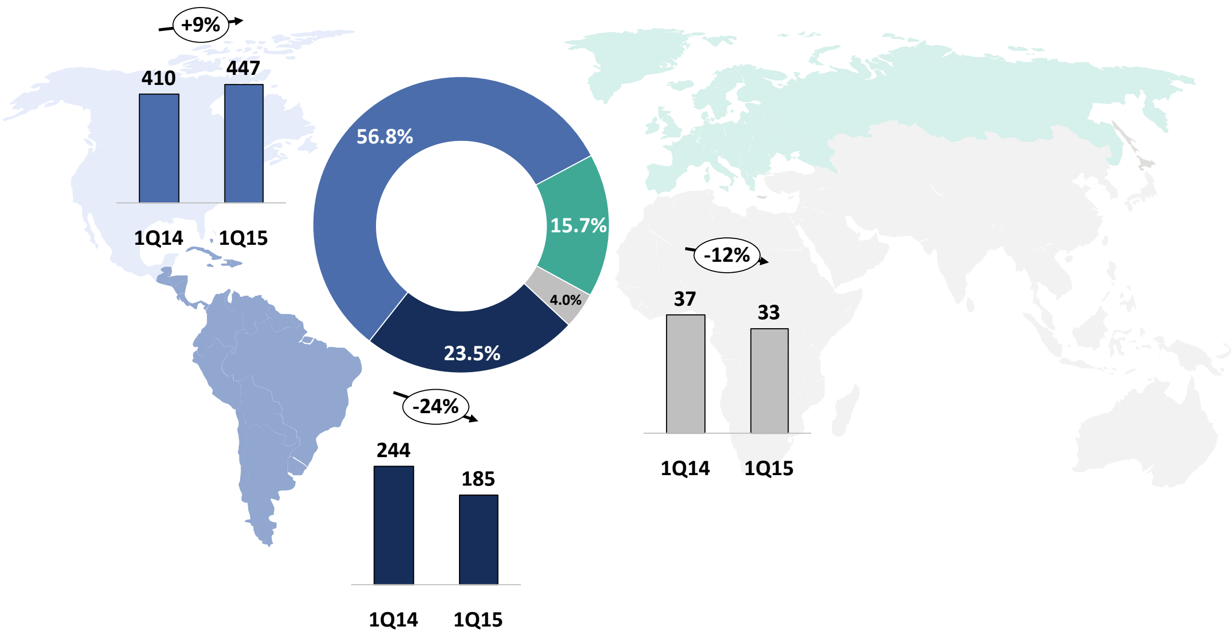
Revenues presented a 2.1% decrease in comparison with 1Q14. As result of the sales volumes performance, revenues from the domestic market dropped 24.1%, being partially offset by a 6.9% growth in the foreign market revenues, which were positively affected by a 24.6% depreciation in the average foreign exchange rate in 1Q15 (2.916 R$/US$), versus 1Q14 (2.340 R$/US$), and by the return of the Reintegra tax benefit.

Consolidated (R$ Thousands)

	1Q15	1Q14	% Δ
Revenues by market	**788,077**	**805,039**	**-2.1%**
Domestic market	177,810	234,250	-24.1%
% Share	22.6%	29.1%	
Foreign market	610,267	570,789	6.9%
% Share	77.4%	70.9%	
Revenues by segment			
Automotive	739,636	746,813	-1.0%
% Share	93.9%	92.8%	
Hydraulics	48,441	58,226	-16.8%
% Share	6.1%	7.2%	

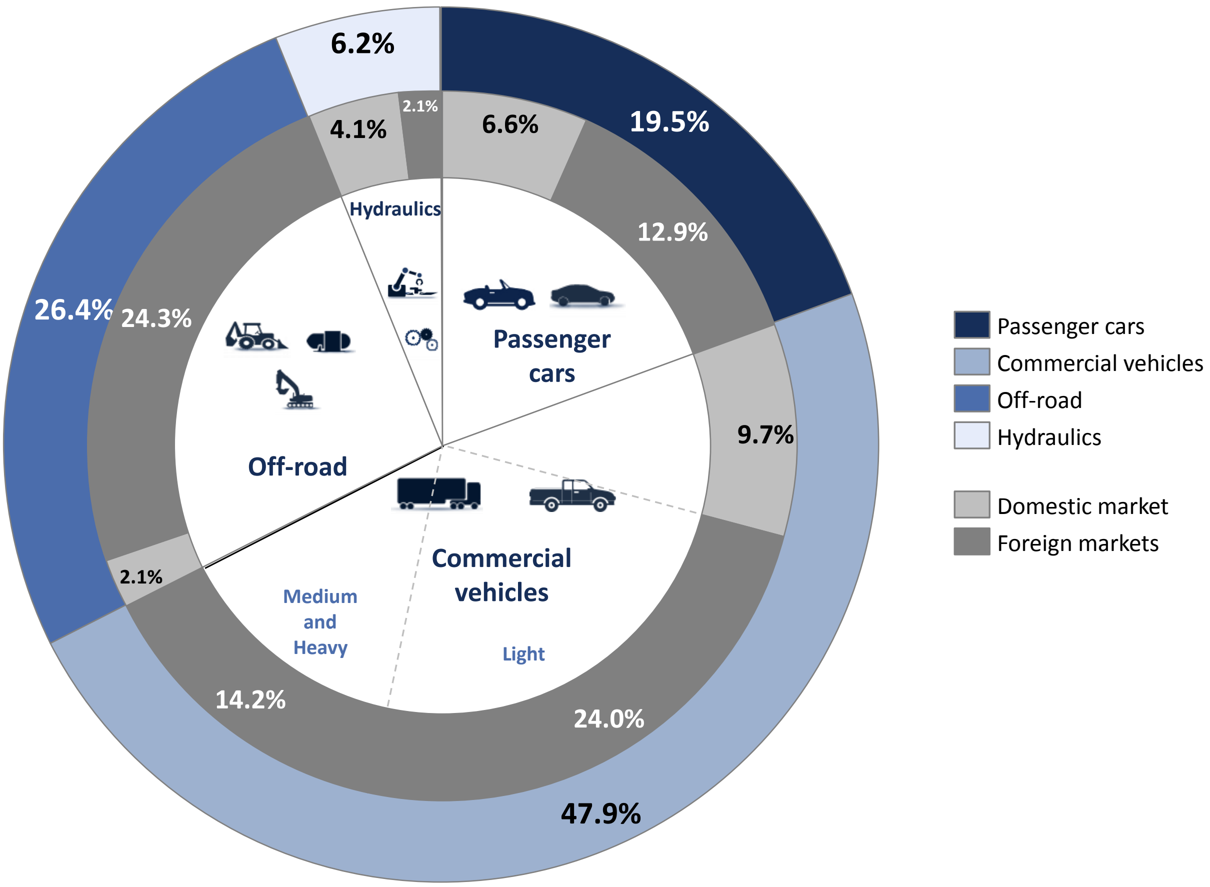
Revenues by market and performance in the period

During 1Q15, North America was responsible for 56.8% of Tupy's revenues. In turn, South and Central America represented 23.5%, Europe accounted for 15.7% and the remaining 4.0% came from Asia, Africa and Oceania.



Consolidated (R$ Thousands)

REVENUES BY MARKET AND APPLICATION	1Q15	1Q14	% Δ
Revenues	**788,077**	**805,039**	**-2.1%**
Domestic market	**177,810**	**234,250**	**-24.1%**
Automotive	**145,784**	**194,357**	**-25.0%**
Passenger cars	51,899	76,246	-31.9%
Commercial vehicles	76,790	101,238	-24.1%
Off-road	17,095	16,873	1.3%
Hydraulics	**32,026**	**39,893**	**-19.7%**
Foreign market	**610,267**	**570,789**	**6.9%**
Automotive	**593,852**	**552,456**	**7.5%**
Passenger cars	101,945	78,923	29.2%
Light commercial vehicles	188,809	165,144	14.3%
Medium and heavy commercial vehicles	111,975	103,538	8.1%
Off-road	191,123	204,851	-6.7%
Hydraulics	**16,415**	**18,333**	**-10.5%**

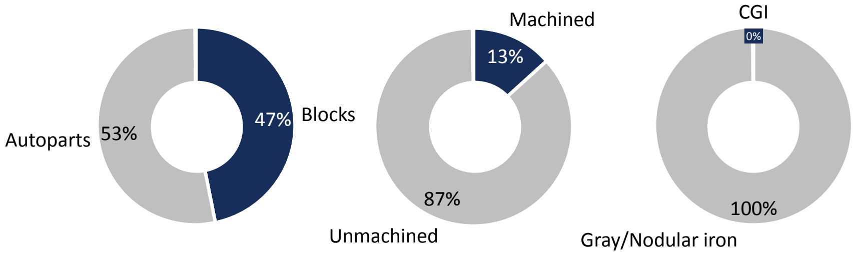


In some cases, the same product is used in passenger and commercial vehicles, or off-road; therefore, it is not possible to measure their application precisely. Thus, we adopt assumptions of division between applications, considering our best inference.

DOMESTIC MARKET (DM)

Passenger cars

Δ % Revenues	% Revenues	% Revenues DM
31.9%	6.6%	29.2%

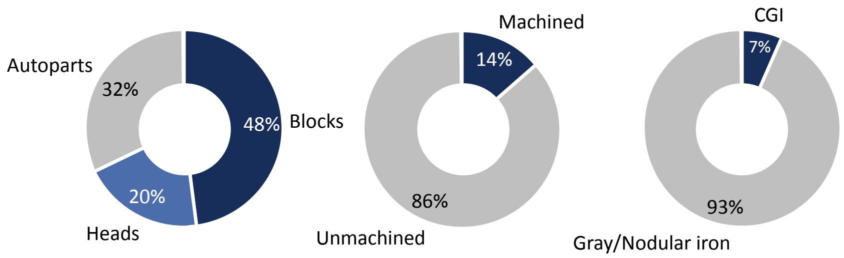


The constraints imposed on household income, due to less favorable macroeconomic conditions, the reduced credit availability, the increase in purchasing price for new vehicles, caused, amongst other reasons, by the increase in the IPI tax rate, lead to a decrease in sales of light vehicles in the quarter. As result, the OEMs kept in place the inventory adjustment initiatives that were implemented since 2014, leading to a decreased production of light vehicles (attachment I).

As a consequence of the negative scenario for light vehicles production and the loss of market share by some of the Company's clients, revenues from the sales of Tupy's automotive products for this application fell 31.9% in the quarter. In addition to market factors, passenger car applications suffered an impact from the phase-out of certain projects due to the migration to aluminum (25% of the revenues decrease in the quarter), in line with the Company's expectations.

Commercial vehicles

Δ % Revenues	% Revenues	% Revenues DM
24.1%	9.7%	43.2%

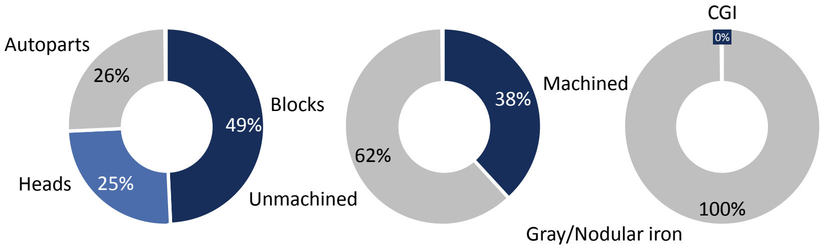


The worsening of industry confidence indices, the less favorable perspectives for the demanding sectors (construction and agribusiness), and the more restrictive credit conditions under FINAME contributed to the retraction of commercial vehicles sales in the quarter. As result, the OEMs kept in place the inventory adjustment initiatives that were implemented since 2014, leading to a decreased production of commercial vehicles (attachment II).

Due to lower demand and the high comparative basis in 1Q14, revenues from automotive products sales with commercial vehicle applications in the domestic market fell 24.1% in 1Q15

Off-road

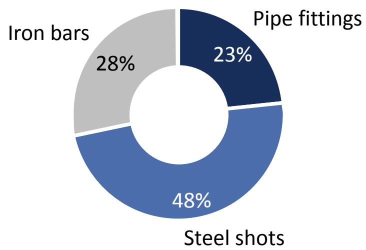
Δ % Revenues	% Revenues	% Revenues DM
1.3%	2.1%	9.6%



Following the performance of national economic activity and the global reduction of commodities' prices, sales and production of agricultural machinery in Brazil fell in 1Q15 (see attachment IV). In turn, Tupy was benefited by a gain of market share by one of the Company's clients and by spot sales of railroad material, resulting in a 1.3% increase in revenues from the sales of automotive products for off-road applications in comparison to 1Q14.

Hydraulics

Δ % Revenues	% Revenues	% Revenues DM
19.7%	4.1%	18.0%

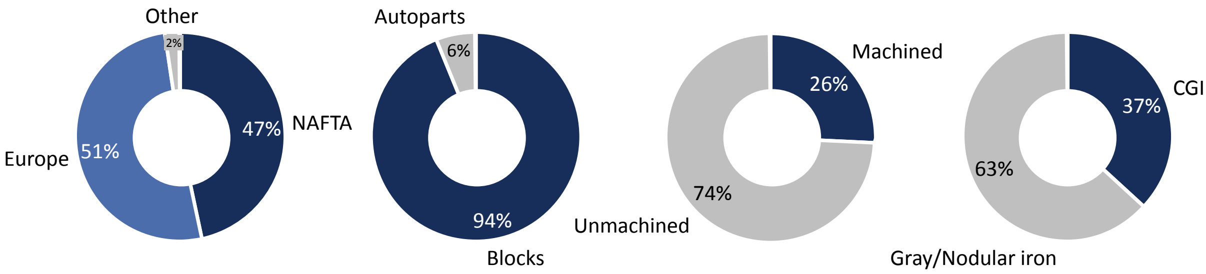


Still reflecting the national macroeconomic situation, coupled with the reduction in investments in fixed assets and sales of civil construction materials, revenues from the sales of pipe fittings, steel shots and iron bars in the domestic market fell 19.7% in 1Q15 versus the same period in 2014.

FOREIGN MARKETS (FM)

Passenger cars

Δ % Revenues	% Revenues	% Revenues FM
29.2%	12.9%	16.7%

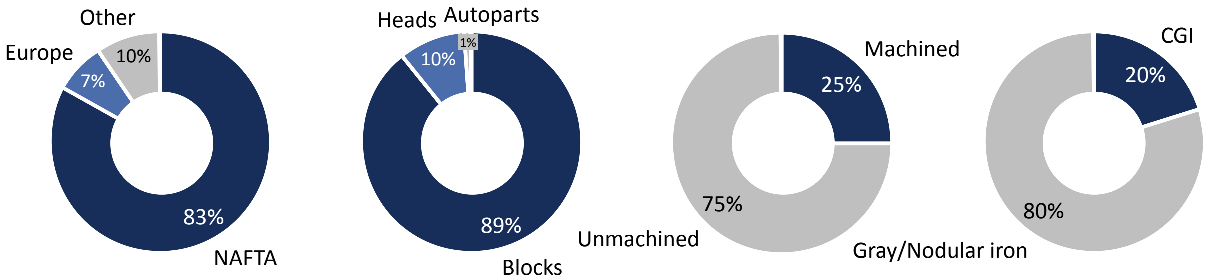


The recovery of the American economy, decline in unemployment rate and increase in household income allowed for improvement in consumer confidence indices, resulting in maintenance of high levels of demand for passenger cars in the region. In addition, the slow recovery of consumption indices in Europe provided a positive performance for passenger car sales in the continent (attachment III).

In face of the above mentioned conditions, revenues from the sales of automotive products with passenger car applications in foreign markets grew by 29.2% in 1Q15. The good performance of sales of products made of CGI contributed to the result of this product application.

Light commercial vehicles

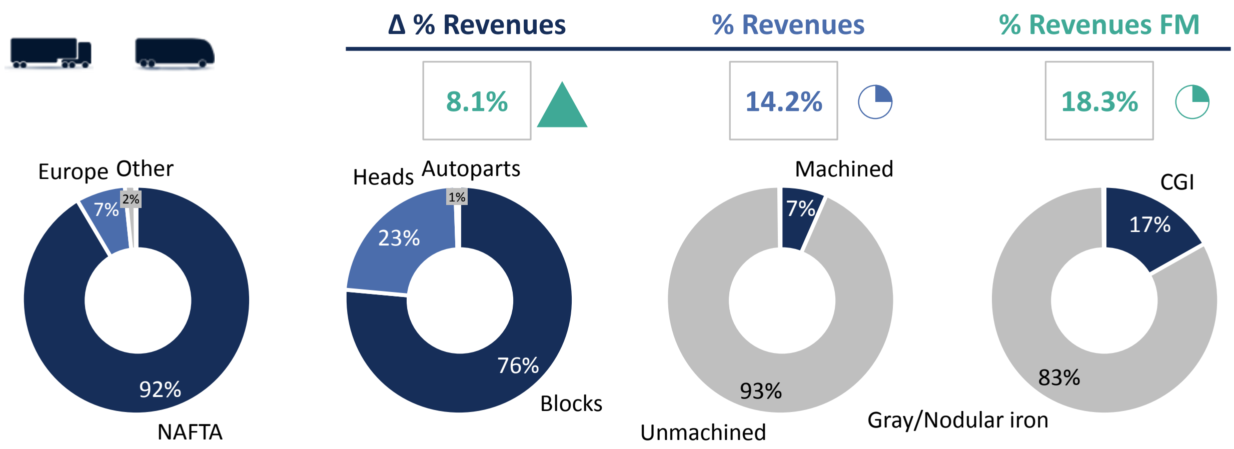
Δ % Revenues	% Revenues	% Revenues FM
14.3%	23.0%	30.9%



The positive performance of housing starts index related to the recovery of the American economy, in addition to the decline in fuel prices provided for the maintenance of high levels of production and sales of light commercial vehicles in the region (attachment III)

As result, Tupy's revenues from sales of automotive products for light commercial vehicles in foreign markets grew by 14.3% in 1Q15. The product portfolio for this application was benefited by the launching of a new block made of CGI applied to SUVs and light pick-up trucks, as well as sedans (this last application is classified in our revenues as passenger cars), delivered to North America.

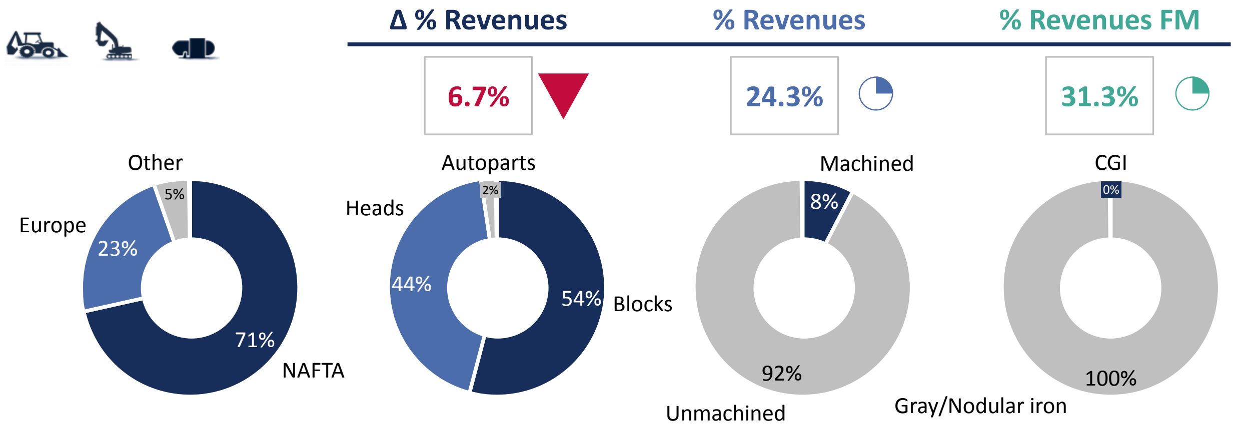
Medium and heavy commercial vehicles



The strong the demand for consumer and capital goods freight stimulated sales and production of medium and heavy commercial vehicles in North America, to a greater extent for class 8 trucks (heady duty – class with low share of Tupy's products), and to a lesser extent for other classes (attachment III).

As result of the market behavior, Tupy's revenues from sales of automotive products applied to medium and heavy commercial vehicles in foreign markets grew by 8.1% in 1Q15.

Off-road



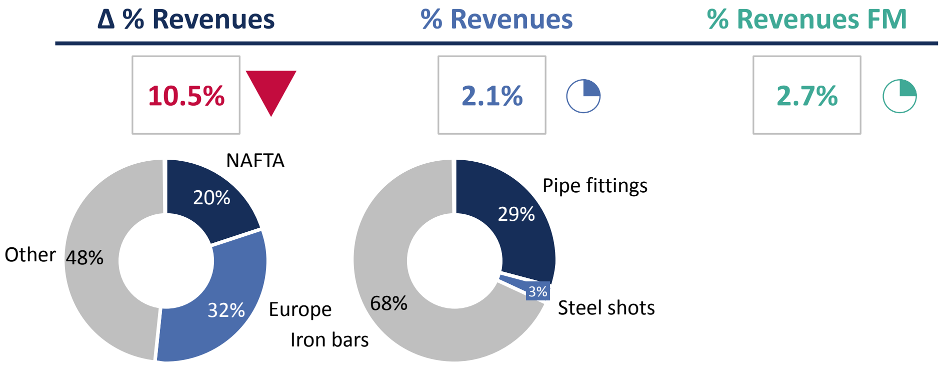
The Company's off-road product portfolio is applied to sectors as diverse as agriculture, construction, mining, as well as power generation, maritime engines, amongst others, the drivers for demand are spread throughout the global market. The main sectors with the application of Tupy's products behaved in 1Q15 as follows:

- As a result of declining commodities prices, the global agricultural machinery market showed a decline in the quarter, factor which was worsened by the recently renewed fleet (attachment IV);
- The demand for the construction sector in North America has had positive performance, both for residential and non-residential construction. Similar behavior can be found in Europe and China;

- Still pressured by the decline in global iron ore prices, mining companies have been reducing their investments in fixed assets, therefore causing a retraction in the demand for mining machinery, leading to inventory adjustments by the OEMs.

Due to the performance of target markets and as consequence of the 2014 equipment pre-buy, due to the change in emissions legislation, Tupy saw a 6.7% decrease in revenues from sales of off-road products against 1Q14, in line with the Company's expectations.

Hydraulics



With the deceleration of Gas For All program in Bolivia, as well as other spot demands, the revenues from the utilization of our products in the hydraulics segment in foreign markets fell by 10.5% versus 1Q14.

COST OF GOODS SOLD AND OPERATING EXPENSES

The cost of goods sold (COGS) in 1Q15 added up to R$639.8 million, 2.5% lower than 1Q14. Consequently, the quarter registered a gross margin of 18.8%, a 0.3 percentage point increase in comparison with 1Q14. Operating expenses reached R$56.7 million, 2.8% higher than 1Q14.

Consolidated (R$ Thousands)

	1Q15	1Q14	% Δ
Revenues	**788,077**	**805,039**	**-2.1%**
Cost of goods sold	**(639,823)**	**(656,088)**	**-2.5%**
Raw material	(320,073)	(365,404)	-12.4%
Labor	(139,130)	(129,980)	7.0%
Energy	(45,157)	(38,623)	16.9%
Maintenance materials	(54,132)	(49,988)	8.3%
Profit sharing program	(9,206)	(9,652)	-4.6%
Depreciation	(44,355)	(38,853)	14.2%
Others	(27,770)	(23,588)	17.7%
Gross profit	**148,254**	**148,951**	**-0.5%**
% over revenues	*18.8%*	*18.5%*	
Operating expenses	**(56,680)**	**(55,159)**	**2.8%**

The 2.5% COGS reduction was due mainly to the decrease in sales volume, with direct impact on the variable cost structure, mainly raw materials.

On the other hand, the COGS improvement was not higher due to:

- Depreciation of the Brazilian Real and Mexican Peso versus the US Dollar, with effect on the import of inputs and the translation of the costs of our Mexican units;
- Raw material inflation;
- Salary increase due to collective bargaining and one-off staff termination expenses;
- Increase in energy costs related to generation and distribution, as well as lower sales of excess energy capacity in the sport market;
- Increase in health insurance costs;
- Non cash expenses growth related to depreciation, from a larger fixed asset base.

Operating expenses remained in a level similar to 1Q14.

OTHER NET OPERATING EXPENSES

Net operating expenses were R$18.3 million in 1Q15, 30.9% reduction compared to 1Q14.

Consolidated (R$ Thousands)

	1Q15	1Q14	% Δ
Other net operating expenses	(18,313)	(26,514)	-30.9%

The improvement is due to the sales of third party tools, provided by foreign exchange rate depreciation.

NET FINANCIAL RESULT

Net financial result of 1Q15 was a net revenue of R$28.0 million, versus R$16.6 expense in 1Q14.

Consolidated (R$ Thousands)

	1Q15	1Q14	% Δ
Financial expenses	(38,453)	(25,117)	53.1%
Financial income	33,374	17,250	93.5%
Net exchange variation	33,074	(8,727)	
Net financial result	**27,995**	**(16,594)**	

The positive result is due to the increase in financial income, due to the internalization of resources and its remuneration at competitive interest rates, and the improvement in net exchange variation due to the monetization of exchange rate variations on the Company's cash.

NET INCOME BEFORE TAXES AND NET INCOME

Due to the aforementioned factors, the net income before taxes in 1Q15 was R$101.3 million, 99.8% increase over 1Q14.

Consolidated (R$ Thousands)

	1Q15	1Q14	% Δ
Net income before income taxes	**101,256**	**50,684**	**99.8%**
Tax effects before foreign exchange impacts	(34,403)	(16,372)	110.1%
Tax rates before foreign exchange effects	*-34%*	*-32%*	
Net income before foreign exchange effects on tax base	**66,853**	**34,312**	**94.8%**
Foreign exchange effects on tax base	(6,266)	(4,212)	48.8%
Net income	**60,587**	**30,100**	**101.3%**
% over Revenues	*7.7%*	*3.7%*	

The company recorded R$34.4 million in expenses with income tax and social contribution before foreign exchange variation on the tax base in 1Q15, a 34% effective tax rate.

The deferred income tax of the Mexican plants is calculated in Mexican pesos. In the translation into the functional currency (U.S. dollar), a decrease of R$6.3 million was recorded due to the 3.4% depreciation of the Mexican Peso against the U.S. Dollar (going from MXN 14.735/US$ in dec/2014 to MXN 15.243/US$ in mar/2015).

The use of recurring tax credits as partial compensation for tax expenses generated a cash outflow of R$19.5 related to tax payments in the quarter.

The net income arising from the previously mentioned effects amounted to a profit of R$60.6 million, 101.3% higher than that recorded in 1Q14, best net income recorded by the Company since 3Q11, and representing a margin of 7.7% over revenues.

ADJUSTED EBITDA

The combination of the aforementioned factors resulted in an adjusted EBITDA of R$136,8 million in 1Q15, equivalent to a 2.5% increase when compared to 1Q14 and a 17.4% margin over revenues, 0.8 percentage point higher than 1Q14. This is the best EBITDA margin for a first quarter since 2010.

Consolidated (R$ Thousands)

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA	1Q15	1Q14	% Δ
Net income	**60,587**	**30,100**	**101.3%**
(+) Net financial result	(27,995)	16,594	
(+) Income tax and social contribution	40,669	20,584	97.6%
(+) Depreciation and amortization	62,150	54,620	13.8%
EBITDA (according to CVM 527/12)	**135,411**	**121,898**	**11.1%**
% over revenues	*17.2%*	*15.1%*	
(+) Other net operating expenses*	1,414	11,525	-87.7%
Adjusted EBITDA	**136,825**	**133,423**	**2.5%**
% over revenues	*17.4%*	*16.6%*	

(*) Other net operating expenses are presented net of amortization and depreciation expenses.

INVESTMENTS IN PP&E AND INTANGIBLE ASSETS

Total investments in PP&E and intangible assets in 1Q15 reached R$41.2 million. The main investments during the quarter were the transfer of a machining line and the installation of a paint line in Mexico, as well as the automation of the finishing lines, and the continuity of the ERP implementation project.

Consolidated (R$ Thousands)

	1Q15	1Q14	% Δ
PP&E			
Strategic investments	15,842	28,677	-44.8%
Maintenance and modernization of operating capacity	16,446	12,224	34.5%
Environment	4,725	7,950	-40.6%
Interest and financial expenses	252	488	-48.4%
Intangible assets			
Software	3,969	6,327	-37.3%
TOTAL	**41,234**	**55,666**	**-25.9%**

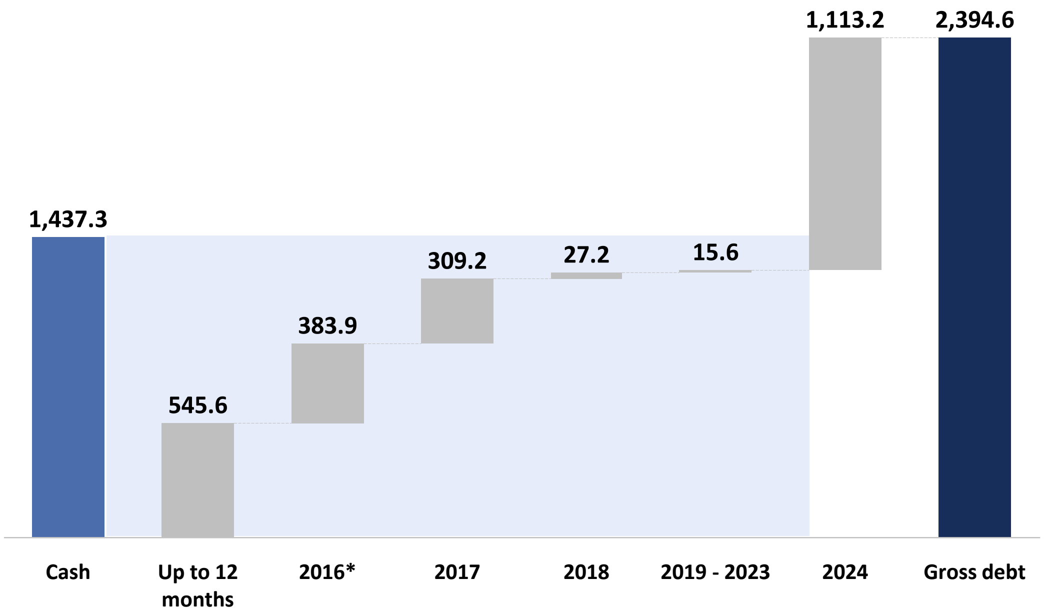
INDEBTEDNESS

The Company ended 1Q15 with a net debt of R$957.2 million, which results in an index of 1.87x net debt/adjusted EBITDA. Regarding the currency breakdown, 34% of the debt is BRL denominated and 66% is in foreign currencies. In terms of maturity, 23% is short-term debt and 77% long-term debt.

Consolidated (R$ Thousands)

INDEBTEDNESS	1Q15	4Q14	3Q14
Debt – short term	545,583	428,559	408,469
Debt – long term	1,849,003	1,706,082	1,661,095
Gross debt	**2,394,586**	**2,134,641**	**2,069,564**
Cash and cash equivalents	1,426,722	1,336,916	1,335,555
Financial investments	10,614	10,365	10,146
Net debt	**957,250**	**787,360**	**723,863**
Gross debt/LTM adjusted EBITDA	4.69x	4.21x	4.29x
Net debt/LTM adjusted EBITDA	**1.87x**	**1.55x**	**1.50x**

The current indebtedness profile is as follows:



All amounts in R$ million. (*) Does not include short term debt.

WORKING CAPITAL

Consolidated (R$ Thousands)

	1Q15	4Q14	3Q14
Accounts receivable	542,258	423,815	379,664
Inventories	472,808	379,221	277,766
Accounts payable	317,790	256,057	248,879
Days Sales Outstanding [days]	64	50	44
Days Inventories Outstanding [days]	68	54	40
Days Payable Outstanding [days]	44	36	36
Cash conversion cycle [days]	**88**	**68**	**48**

The increase in accounts receivable is due mainly to the foreign exchange rate variation, with impact on the receivables from foreign markets, as well as increase in the share of revenues from those markets, which have a longer receivable cycle than domestic market revenues. The growth in inventories is part of the ERP system implementation process, which as mentioned in previous quarters, demands higher than usual levels of inventories, which should be concluded in 2015, as announced by the Company in an Notice to the Market, dated May 4, 2015.

CASH FLOW

Consolidated (R$ Thousands)

CASH FLOW SUMMARY	1Q15	1Q14	% Δ
Cash and cash equivalents at the end of the period	**1,426,722**	**1,119,921**	**27.4%**
Cash flow from operating activities	39,208	86,449	-54.6%
Cash flow from investment activities	(39,393)	(57,153)	-31.1%
Cash flow from financing activities	(548)	(15,753)	-96.5%
Effect of exchange variation on cash	90,539	(17,068)	
Increase (decrease) in cash	**89,806**	**-3,525**	

The Company generated R$39.2 million of cash from operations in 1Q15, versus R$86.4 million in 1Q14. The retraction is due to the cash application related to inventory buildup, related to the implementation of the new ERP system, as previously mentioned.

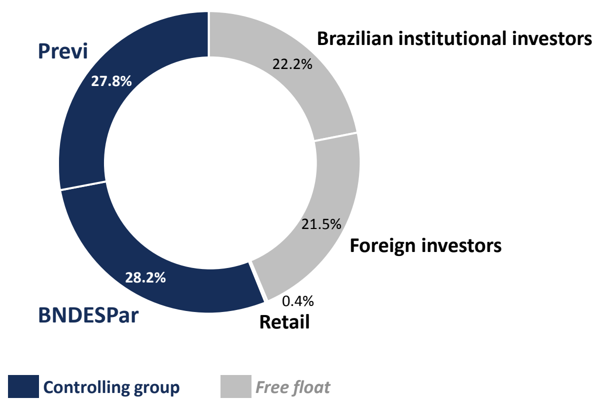
As for the investment activities, R$39.4 million were applied in additions to PP&E and intangible assets.

As for the financing activities, during 1Q15 R$0.5 million were applied due to the maintenance of gross debt levels.

The combination of these factors, in addition the foreign exchange effects on the Company's cash, resulted in an R$89.8 million increase in cash and cash equivalents in the period, reaching R$1,426.7 million, 27.4% higher than the end of 1Q14.

SHAREHOLDER STRUCTURE

The shareholding structure at March 31, 2015 is distributed as follows:



Our Company is subject to the rules of the Market Arbitration Panel of the Novo Mercado, pursuant to article 60 of our Bylaws.

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Attachment I – Light vehicles production and sales in Brazil

(Units)

	1Q15	1Q14	% Δ
Production			
Passenger cars	533,655	633,570	-15.8%
Light commercial	99,611	105,424	-5.5%
Light vehicles	**633,266**	**738,994**	**-14.3%**
Sales			
Passenger cars	546,064	649,553	-15.9%
Light commercial	103,799	125,818	-17.5%
Light vehicles	**649,863**	**775,371**	**-16.2%**
Exports			
Passenger cars	61,635	58,601	5.2%
Light commercial	12,120	10,279	17.9%
Light vehicles	**73,755**	**68,880**	**7.1%**

Source: ANFAVEA.

Attachment II – Commercial vehicles production and sales in Brazil

(Units)

	1Q15	1Q14	% Δ
Production			
Trucks			
Semi-light	305	642	-52.5%
Light	5,240	8,644	-39.4%
Medium	1,289	2,950	-56.3%
Semi-heavy	8,359	14,325	-41.6%
Heavy	6,503	16,233	-59.9%
Total trucks	**21,696**	**42,794**	**-49.3%**
Buses			
Commercial vehicles	8,137	9,881	-17.7%
Sales	**29,833**	**52,675**	**-43.4%**
Trucks			
Semi-light			
Light			
Medium	971	1,056	-8.0%
Semi-heavy	5,481	5,912	-7.3%
Heavy	1,946	2,408	-19.2%
Total trucks	6,492	10,027	-35.3%
Buses	4,418	11,053	-60.0%
Commercial vehicles	**19,308**	**30,456**	**-36.6%**

Source: ANFAVEA.

Attachment III – Production and sales of light and commercial vehicles in foreign markets

(Units)

	1Q15	1Q14	% Δ
North America			
Production/factory shipments			
Passenger cars	1,835,315	1,827,357	0.4%
Light commercial vehicles – Class 1-3	2,558,038	2,554,340	0.1%
Light Duty - Class 4-5	12,673	10,450	21.3%
Medium Duty - Class 6-7	30,840	32,024	-3.7%
Heavy Duty - Class 8	79,000	74,107	6.6%
United States			
Sales			
Passenger cars	1,837,907	1,840,747	-0.2%
Light commercial vehicles – Class 1-3	2,117,039	1,903,274	11.2%
Light Duty - Class 4-5	19,550	15,220	28.4%
Medium Duty - Class 6-7	25,760	24,730	4.2%
Heavy Duty - Class 8	60,373	44,547	35.5%
Europa			
Licenciamentos			
Passenger cars	3,637,635	3,353,553	8.5%

Source: Automotive News; Bloomberg; ACEA

Attachment IV – Production and sales of agricultural machinery in global markets

(Units)

	1Q15	1Q14	% Δ
Production			
Americas			
Brazil	15,475	19,873	-22.1%
Sales			
Americas			
Brazil	11,872	14,894	-20.3%
United States and Canada	42,976	46,069	-6.7%
Europe			
Germany	8,814	9,510	-7.3%
France	5,706	6,579	-13.3%
Italy	6,170	6,857	-10.0%
United Kingdom	2,630	3,240	-18.8%
Russia*	5,431	6,973	-22.1%
Asia			
India	38,604	55,374	-30.3%

Sources: ANFAVEA; AEM; AEA; FEDERUNACOMA; Bloomberg. (*) Only January and February 2014/5 figures.

Attachment V – Income statement

[BRL thousands]	1Q15	1Q14	% Change
Sales volume [kton]	**128,210**	**156,071**	**-18%**
Domestic market	34,113	47,010	-27%
Foreign market	94,097	109,061	-14%
Revenues	**788,077**	**805,039**	**-2%**
Domestic market	177,810	234,250	-24%
Foreign market	610,267	570,789	7%
COGS	**(639,823)**	**(656,088)**	**-2%**
Gross profit	**148,254**	**148,951**	**0%**
% over Revenues	*18,8%*	*18,5%*	*0.3 p.p.*
Sales expenses	(29,877)	(31,000)	-4%
Administrative expenses	(24,486)	(21,691)	13%
Management compensation	(2,317)	(2,468)	-6%
Other net operating expenses	(18,313)	(26,514)	-31%
Net income before financial results and income taxes	**73,261**	**67,278**	**9%**
% over Revenues	*9,3%*	*8,4%*	*0.9 p.p.*
Financial expenses	(35,716)	(25,117)	42%
Financial revenues	29,155	17,250	69%
Net exchange variation	34,556	(8,727)	-496%
Net income before income taxes	**101,256**	**50,684**	**100%**
% over Revenues	*12,8%*	*6,3%*	*6.6 p.p.*
Income tax and social contribution	(40,669)	(20,584)	98%
Net income	**60,587**	**30,100**	**101%**
% over Revenues	*7,7%*	*3,7%*	*3.9 p.p.*

Attachment VI – Balance Sheet

[BRL thousands]	1Q15	4Q14	% Change
Assets	**5,453,550**	**4,962,930**	**10%**
Cash and cash equivalents	1,426,722	1,336,916	7%
Derivatives	-	-	n.a.
Accounts receivables	542,258	423,815	28%
Inventories	472,808	379,221	25%
Third-party tools	127,082	121,849	4%
Recoverable income tax and social contribution assets	86,011	81,356	6%
Other recoverable tax assets	72,048	56,916	27%
Assets held for sale	-	-	n.a.
Notes and other receivables	22,478	35,007	-36%
Current assets	**2,749,407**	**2,435,080**	**13%**
Financial investments	10,614	10,365	2%
Other recoverable tax assets	123,774	124,651	-1%
Deferred income tax and social contribution	-	-	n.a.
Eletrobrás credits	102,170	99,327	3%
Legal deposits and other	40,872	39,914	2%
Equity investments	5,211	4,526	15%
Investment properties	6,544	6,544	0%
PP&E	1,826,983	1,728,694	6%
Intangible assets	587,975	513,829	14%
Long-term assets	**2,704,143**	**2,527,850**	**7%**
Liabilities	**3,246,087**	**2,930,556**	**11%**
Accounts payables	317,790	256,057	24%
Loans	543,198	425,420	28%
Derivatives	2,385	3,139	-24%
Debentures	-	-	n.a.
Financing of taxes and social security charges	-	-	n.a.
Income tax and social contributions payable	9,004	14,441	-38%
Other taxes payable	31,741	39,314	-19%
Payroll, related charges and profit sharing program	113,795	116,610	-2%
Unearned revenues	117,766	95,949	23%
Related parties	-	-	n.a.
Dividends and interest on shareholders's equity	139	139	0%
Provision for tax, civil, social security and labor contingencies	10,594	10,025	6%
Notes and others payable	78,311	55,535	41%
Current liabilites	**1,224,723**	**1,016,629**	**20%**
Loans	1,849,003	1,706,082	8%
Derivatives	-	-	n.a.
Debentures	-	-	n.a.
Financing of taxes and social security charges	-	-	n.a.
Provision for tax, civil, social security and labor contingencies	79,784	75,662	5%
Deferred income tax and social contribution	55,975	99,060	-43%
Retirement benefit obligations	26,426	21,367	24%
Other long-term liabilities	10,176	11,756	-13%
Long-term liabilites	**2,021,364**	**1,913,927**	**6%**
Equity	**2,207,463**	**2,032,374**	**9%**
Paid in capital	1,060,301	1,060,301	0%
Expenses with issue of shares	(6,541)	(6,541)	0%
Stock option plan	1,196	1,196	0%
Equity valuation adjustments	484,448	373,176	30%
Profit reserves	604,242	604,242	0%

Attachment VII – Cash Flow Statement

[BRL thousands]	1Q15	1Q14	% Change
Cash flow from operating activities	**39,208**	**86,449**	**-55%**
Net income before income taxes	**101,256**	**50,684**	**100%**
D&A and impairment	62,150	54,620	14%
Disposal of property, plant and equipment	75	15	400%
Interest and exchange variations	(110)	32,856	-100%
Provision for impairment of trade receivables	960	85	1029%
Provision for inventory losses	(1,498)	(222)	575%
Provision for tax, civil, social security and labor contingencies	8,877	6,728	32%
Adhesion to REFIS	-	-	n.a.
Stock option plan	-	-	n.a.
Provision for a portion of IPI credit premium	1,620	3,263	-50%
Variation of Eletrobrás credit fair value	(2,755)	(2,678)	3%
Changes in operating assets and liabilities			
Trade receivables	(54,235)	(69,485)	n.a.
Inventories	(74,152)	(16,360)	353%
Third-party tools	9,537	(5,317)	-279%
Other taxes recoverable	(17,941)	4,537	n.a.
Notes and others receivable	12,579	1,412	n.a.
Legal deposits and other	(958)	(787)	n.a.
Trade payables	43,310	45,156	-4%
Other taxes payable	(12,139)	(2,081)	n.a.
Payroll, related charges and profit sharing program	(6,782)	(790)	758%
Advances from clients	12,232	7,185	70%
Notes and other payable	17,850	(2,433)	n.a.
Retirement benefit obligations	9,635	590	1533%
Other long term liabilities	(5,766)	(1,924)	200%
Interest paid	(45,080)	(18,605)	142%
Income tax and social contribution paid	(19,457)	-	n.a.
Cash flow from investing activities	**(39,393)**	**(57,153)**	**-31%**
Investment increase	-	-	n.a.
Acquisition of mexican subsidiaries - net of acquired cash	-	-	n.a.
Capital increase of mexican subsidiaries	-	-	n.a.
Purchase of property, plant and equipment, and intagible increase	(43,133)	(57,153)	-25%
Sale of other investments	-	-	n.a.
Disposal of property, plant and equipment	3,740	-	n.a.
Investments financed by clients	-	-	n.a.
Cash flow from financing activities	**(548)**	**(15,753)**	**-97%**
Loan paydown	(19,054)	(20,031)	-5%
Debentures paydown	-	-	n.a.
Amortization of tax financing	-	(163)	-100%
New loans	18,506	5,369	245%
Subsidiaries and affiliates	-	-	n.a.
Collection of a portion of Eletrobrás credits	-	-	n.a.
Increase in capital, net of share issue expenses	-	-	n.a.
Dividends and interest on shareholder's equity paid	-	(928)	-100%
Long term financial investments	-	-	n.a.
Effect of exchange rate changes on cash and cash equivalents	90,539	(17,068)	n.a.
Increase (decrease) of cash and cash equivalents	**89,806**	**(3,525)**	**n.a.**
Cash and cash equivalents at the beginning of the period	**1,336,916**	**1,123,446**	**19%**
Cash and cash equivalents at the end of the period	**1,426,722**	**1,119,921**	**27%**