(Convenience Translation into English from the Original Previously Issued in Portuguese)

Iochpe-Maxion S.A. and Subsidiaries

Individual and Consolidated Financial Statements for the Years Ended December 31, 2013 and 2012 and Independent Auditors' Report

Deloitte Touche Tohmatsu Auditores Independentes

Deloitte.

Deloitte Touche Tohmatsu
Rua Alexandre Dumas, 1.981
04717-906 - São Paulo - SP
Brasil

Telefone: (11) 5186-1000
Fac-símile: (11) 5181-2911
www.deloitte.com.br

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
Iochpe-Maxion S.A.
Cruzeiro - SP

We have audited the accompanying individual and consolidated financial statements of Iochpe--Maxion S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the balance sheet as of December 31, 2013, and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with accounting practices adopted in Brazil and the consolidated financial statements in accordance with International Financial Reporting Standards - IFRSs, issued by the International Accounting Standards Board - IASB, and in accordance with accounting practices adopted in Brazil, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the individual financial statements

In our opinion, the individual financial statements present fairly, in all material respects, the financial position of Iochpe-Maxion S.A. as of December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Iochpe-Maxion S.A. as of December 31, 2013, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRSs issued by the IASB and accounting practices adopted in Brazil.

Emphases of matter

Measurement of investments in subsidiaries and joint ventures

As described in note 4 to the financial statements, the individual financial statements have been prepared in accordance with accounting practices adopted in Brazil. In the case of the Company, these practices differ from IFRSs applicable to the separate financial statements only with respect to the valuation of investments in subsidiaries and joint ventures by the equity method of accounting, while for IFRSs purposes these investments would be measured at cost or fair value. Our opinion is not qualified with respect to this matter.

Restatement of the corresponding amounts

We draw attention to note 34 to the financial statements, which states that, as a result of the Company's adoption in 2013 of Brazilian technical pronouncement CPC 19(R2)/IFRS 11 - Joint Arrangements, the corresponding amount for the year ended December 31, 2012, presented for purposes of comparison, has been adjusted and is being restated as provided for by technical pronouncements CPC 23/IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors and CPC 26(R1)/IAS 1 - Presentation of Financial Statements. Our opinion is not qualified with respect to this matter.

Other matters

Statements of value added

We have also audited the individual and consolidated statements of value added ("DVA"), for the year ended December 31, 2013, prepared under the responsibility of the Company's Management, the presentation of which is required by the Brazilian Corporate Law for publicly-traded companies and as supplemental information for IFRSs, which do not require a presentation of a DVA. These statements were subject to the same auditing procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

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Audit of amounts corresponding to the consolidated balance sheet as of January 1, 2012

The amounts corresponding to the consolidated balance sheet as of January 1, 2012, presented for purposes of comparison, restated as a result of the matters described in note 34 to the financial statements, were audited by other independent auditors and their report thereon, dated February 26, 2014, was issued without modification.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, February 26, 2014

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

André Rafael de Oliveira
Engagement Partner

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1) COMPANY OVERVIEW

Iochpe-Maxion is a global company, the world leader in the production of automotive wheels, a leading producer of automotive structural components in the Americas, and also the leader in the production of railway equipment in Brazil.

We have 32 manufacturing plants located in 14 countries and approximately 18,000 employees, which enables us to serve our customers around the world according to their on time delivery needs, quality standards and competitiveness requirements.

Our Company holds a high level of technical knowledge, and permanently seeks to provide innovative solutions in the areas in which it operates, using global macro-trends to guide the development of new products and technologies, whether independently or in cooperation with strategic partners.

Our organization is structured through three divisions: Maxion Wheels, Maxion Structural Components and AmstedMaxion.

At Maxion Wheels, we produce and sell a wide range of steel wheels for light and commercial vehicles and agricultural machinery and aluminum wheels for light vehicles.

At Maxion Structural Components, we produce siderails, crossmembers and full frames for commercial vehicles and structural components for light vehicles.

At AmstedMaxion (a jointly-controlled subsidiary), we produce freight cars, railway wheels and castings as well as industrial castings.

2) HIGHLIGHTS

- Consolidated net operating revenues of R$ 1,510.6 million in 4Q13 and R$ 6,126.5 million in 2013, an increase of 9.1% compared to 4Q12 and 16.3% compared to 2012;
- EBITDA of R$ 147.0 million in 4Q13 and R$ 663.4 million in 2013, an increase of 27.8% compared to 4Q12 and 49.9% compared to 2012;
- Net income of R$ 69.0 million (earnings per share of R$ 0.7291) in 4Q13 and R$ 170.3 million in 2013 (earnings per share of R$ R$ 1.8003), up by 92.0% when compared to a net income of R$ 35.9 million (earnings per share of R$ 0.3799) in 4Q12 and by 154.7% when compared to a net income of R$ 66.9 million (earnings per share of R$ 0.7070) in 2012. Net income in 4Q13 was favorably impacted by R$59.0 million, due to non-recurring gains from the reversal of IETU (*Impuesto Empresarial a Tasa Única*) and the recording of ISR (*Impuesto sobe la Renda*) credits, both due to the Tax Reform that occurred in Mexico at the end of 2013;
- Equity income in 2013, and consequently, net income, was favorably affected by a non-recurring gain regarding the sale of a property (R$31.1 million) by our jointly-controlled subsidiary AmstedMaxion in 2Q13;
- Net bank indebtedness of R$ 2,111.3 million at the end of 2013 (R$ 2,240.2 million at the end of 2012). This indebtedness represents 3.2x the EBITDA of the last 12 months (5.1x at the end of 2012);

- In accordance with CVM (local SEC) Resolution 694 of November 23, 2012, which approved Technical Pronouncement CPC 19 (R2), jointly-controlled businesses should be recognized as an investment and accounted for using the equity income method. Consequently, our shareholdings in AmstedMaxion, Maxion Montich and Remon are no longer proportionally consolidated and are recorded by the equity income method; The amounts and percentages regarding 2012 presented in this report were adjusted to reflect the changes imposed by the above mentioned resolution.

3) MARKET

Production of vehicles and agricultural machinery in regions where the Company's highest percentage of consolidated revenues are concentrated, presented the following behavior in the periods indicated (in units):

PRODUCTION	BRAZIL[1]			NAFTA[2]			EUROPE[2]		
Segment	**4Q13**	**4Q12**	**Var.**	**4Q13**	**4Q12**	**Var.**	**4Q13**	**4Q12**	**Var.**
Light Vehicles	797,728	862,510	*-7.5%*	4,028,345	3,816,733	*5.5%*	3,409,134	3,235,885	*5.4%*
Commercial Vehicles	48,867	44,993	*8.6%*	112,536	103,667	*8.6%*	124,099	102,236	*21.4%*
Total Vehicles	**846,595**	**907,503**	***-6.7%***	**4,140,881**	**3,920,400**	***5.6%***	**3,533,233**	**3,338,121**	***5.8%***
Agricultural Machinery	24,627	20,247	*21.6%*	N/A	N/A		N/A	N/A	
Segment	**2013**	**2012**	**Var.**	**2013**	**2012**	**Var.**	**2013**	**2012**	**Var.**
Light Vehicles	3,485,180	3,232,925	*7.8%*	16,184,210	15,434,340	*4.9%*	13,662,300	13,627,231	*0.3%*
Commercial Vehicles	227,200	169,583	*34.0%*	449,183	464,266	*-3.2%*	404,966	401,151	*1.0%*
Total Vehicles	**3,712,380**	**3,402,508**	***9.1%***	**16,633,393**	**15,898,606**	***4.6%***	**14,067,266**	**14,028,382**	***0.3%***
Agricultural Machinery	100,451	83,605	*20.1%*	N/A	N/A		N/A	N/A	

(1) Source: ANFAVEA
(2) Source: IHS Automotive (Light Vehicle) and LMC Automotive (Commercial Vehicles)
Europe: considers Western Europe + Central Europe + Turkey

According to AmstedMaxion's estimates, the Brazilian railway equipment market presented the following behavior in the periods indicated:

Segment	4Q13	4Q12	Var.	2013	2012	Var.
Railway Freight Cars (unit)	450	659	*-31.7%*	2,282	2,903	*-21.4%*
Railway Wheels (unit)*	13,868	14,434	*-3.9%*	62,784	59,129	*6.2%*
Castings (tonnes)*	673	524	*28.4%*	2,746	3,638	*-24.5%*

*** It does not include wheels and castings used to assemble new railroad freight cars.**

4) OPERATING AND FINANCIAL PERFORMANCE

Consolidated

I.S - R$ thousand	4Q13	4Q12	Var.	2013	2012	Var.
Net Operating Revenue	1,510,575	1,384,582	9.1%	6,126,493	5,269,424	16.3%
Cost of Goods Sold	(1,311,566)	(1,244,429)	5.4%	(5,267,393)	(4,712,796)	11.8%
Gross Profit	**199,009**	**140,153**	42.0%	**859,100**	**556,628**	54.3%
	13.2%	***10.1%***		***14.0%***	***10.6%***	
Operating Expenses	(99,395)	(65,673)	51.3%	(391,776)	(252,727)	55.0%
Equity Income	(9,329)	(13,710)	32.0%	(13,765)	(33,121)	58.4%
Operating Income (EBIT)	**90,285**	**60,770**	48.6%	**453,559**	**270,780**	67.5%
	6.0%	***4.4%***		***7.4%***	***5.1%***	
Financial Results	(60,743)	(46,924)	29.4%	(212,924)	(135,134)	57.6%
Income Taxes	51,706	33,594	53.9%	(29,335)	(29,940)	-2.0%
Minority Shareholders	(12,270)	(11,514)	6.6%	(40,971)	(38,842)	5.5%
Net Income	**68,978**	**35,926**	***92.0%***	**170,329**	**66,864**	***154.7%***
	4.6%	***2.6%***		***2.8%***	***1.3%***	
EBITDA	**147,048**	**115,017**	***27.8%***	**663,436**	**442,731**	***49.9%***
	9.7%	***8.3%***		***10.8%***	***8.4%***	
Equity Income	9,329	13,710		13,765	33,121	
Adjusted EBITDA w/o Equity Income	**156,377**	**128,728**	***21.5%***	**677,202**	**475,852**	***42.3%***
	10.4%	***9.3%***		***11.1%***	***9.0%***	

4.1) Net operating revenues

Consolidated net operating revenues amounted to R$ 1,510.6 million in 4Q13, an increase of 9.1% over 4Q12.

The main factors that contributed positively to this result in 4Q13 were (i) the increase in commercial vehicles production in Brazil, (ii) the growth in production of vehicles in NAFTA, and (iii) the growth in production of vehicles in Europe. On the other hand, the drop in production of light vehicles in Brazil adversely influenced revenues.

In 2013, consolidated net operating revenues were R$ 6,126.5 million, an increase of 16.3% against 2012.

In regard to 2013, the key factors that contributed to this result were (i) the growth in vehicle production in Brazil; and (ii) the growth in production of light vehicles in the NAFTA region. On the other hand, the drop in production of commercial vehicles in the NAFTA region was an adverse influence, particularly in 1H13.

Domestic sales reached R$ 523.0 million in 4Q13 and accounted for 34.6% of consolidated net operating revenues, an increase of 3.3% over the same period in the prior year. International sales reached R$ 987.5 million (US$ 435.3 million), accounting for 65.4% of consolidated net operating revenues, an increase of 12.4% in Reais and 1.9% in US$ compared to 4Q12.

In 2013, domestic sales totaled R$ 2,364.2 million, or 38.6% of consolidated net operating revenues, an increase of 24.6% against 2012. International sales totaled R$ 3,762.3 million (US$ 1,746.4 million), accounting for 61.4% of consolidated net operating revenues, an increase of 11.6% in Reais and 1.5% in Dollars against the prior year.

The following table shows the performance of consolidated net operating revenues by origin and by product type in the periods indicated.

Net Operating Revenue		North America		South America		Europe		Asia + Others		Total	
		R$ Thous.	*Part.*	R$ Thous.	*Part.*	R$ Thous.	*Part.*	R$ Thous.	*Part.*	R$ Thous.	*Part.*
Light Vehicles (steel)	4Q13	175,771	*11.6%*	97,403	*6.4%*	182,839	*12.1%*	10,288	*0.7%*	466,301	*30.9%*
	4Q12	177,349	*12.8%*	117,063	*8.5%*	170,214	*12.3%*	9,938	*0.7%*	474,564	*34.3%*
	Var.	-0.9%		-16.8%		7.4%		3.5%		-1.7%	
Light Vehicles (aluminum)	4Q13	48,996	*3.2%*	37,094	*2.5%*	200,126	*13.2%*	56,420	*3.7%*	342,636	*22.7%*
	4Q12	37,344	*2.7%*	48,811	*3.5%*	149,868	*10.8%*	72,695	*5.3%*	308,718	*22.3%*
	Var.	31.2%		-24.0%		33.5%		-22.4%		11.0%	
Commercial Vehicles (steel)	4Q13	61,815	*4.1%*	144,316	*9.6%*	141,763	*9.4%*	21,639	*1.4%*	369,533	*24.5%*
	4Q12	30,890	*2.2%*	107,039	*7.7%*	113,046	*8.2%*	26,943	*1.9%*	277,918	*20.1%*
	Var.	100.1%		34.8%		25.4%		-19.7%		33.0%	
Maxion Wheels	**4Q13**	**286,582**	***19.0%***	**278,813**	***18.5%***	**524,728**	***34.7%***	**88,347**	***5.8%***	**1,178,470**	***78.0%***
	4Q12	**245,583**	***17.7%***	**272,913**	***19.7%***	**433,128**	***31.3%***	**109,576**	***7.9%***	**1,061,200**	***76.6%***
	Var.	**16.7%**		**2.2%**		**21.1%**		**-19.4%**		**11.1%**	
Light Vehicles	4Q13	-	*0.0%*	59,465	*3.9%*	-	*0.0%*	-	*0.0%*	59,465	*3.9%*
	4Q12	-	*0.0%*	57,625	*4.2%*	-	*0.0%*	-	*0.0%*	57,625	*4.2%*
	Var.			3.2%						3.2%	
Commercial Vehicles	4Q13	87,889	*5.8%*	184,752	*12.2%*	-	*0.0%*	-	*0.0%*	272,640	*18.0%*
	4Q12	89,997	*6.5%*	175,761	*12.7%*	-	*0.0%*	-	*0.0%*	265,757	*19.2%*
	Var.	-2.3%		5.1%						2.6%	
Maxion Structural Components	**4Q13**	**87,889**	***5.8%***	**244,217**	***16.2%***	**-**	***0.0%***	**-**	***0.0%***	**332,105**	***22.0%***
	4Q12	**89,997**	***6.5%***	**233,386**	***16.9%***	**-**	***0.0%***	**-**	***0.0%***	**323,382**	***23.4%***
	Var.	**-2.3%**		**4.6%**						**2.7%**	
Iochpe-Maxion (Consolidated)	**4Q13**	**374,471**	***24.8%***	**523,030**	***34.6%***	**524,728**	***34.7%***	**88,347**	***5.8%***	**1,510,575**	***100.0%***
	4Q12	**335,580**	***24.2%***	**506,299**	***36.6%***	**433,128**	***31.3%***	**109,576**	***7.9%***	**1,384,582**	***100.0%***
	Var.	**11.6%**		**3.3%**		**21.1%**		**-19.4%**		**9.1%**	

Net Operating Revenue		North America		South America		Europe		Asia + Others		Total	
		R$ Thous.	*Part.*	R$ Thous.	*Part.*	R$ Thous.	*Part.*	R$ Thous.	*Part.*	R$ Thous.	*Part.*
Light Vehicles (steel)	2013	742,587	*12.1%*	455,758	*7.4%*	649,168	*10.6%*	38,713	*0.6%*	1,886,226	*30.8%*
	2012	708,646	*13.4%*	446,497	*8.5%*	589,666	*11.2%*	33,324	*0.6%*	1,778,134	*33.7%*
	Var.	4.8%		2.1%		10.1%		16.2%		6.1%	
Light Vehicles (aluminum)	2013	174,535	*2.8%*	191,112	*3.1%*	724,777	*11.8%*	257,257	*4.2%*	1,347,681	*22.0%*
	2012	125,925	*2.4%*	161,522	*3.1%*	555,917	*10.5%*	267,767	*5.1%*	1,111,131	*21.1%*
	Var.	38.6%		18.3%		30.4%		-3.9%		21.3%	
Commercial Vehicles (steel)	2013	163,599	*2.7%*	658,874	*10.8%*	518,581	*8.5%*	107,745	*1.8%*	1,448,798	*23.6%*
	2012	133,751	*2.5%*	421,870	*8.0%*	449,266	*8.5%*	112,757	*2.1%*	1,117,644	*21.2%*
	Var.	22.3%		56.2%		15.4%		-4.4%		29.6%	
Maxion Wheels	**2013**	**1,080,721**	***17.6%***	**1,305,743**	***21.3%***	**1,892,525**	***30.9%***	**403,716**	***6.6%***	**4,682,706**	***76.4%***
	2012	**968,322**	***18.4%***	**1,029,889**	***19.5%***	**1,594,849**	***30.3%***	**413,848**	***7.9%***	**4,006,908**	***76.0%***
	Var.	**11.6%**		**26.8%**		**18.7%**		**-2.4%**		**16.9%**	
Light Vehicles	2013	-	*0.0%*	227,290	*3.7%*	-	*0.0%*	-	*0.0%*	227,290	*3.7%*
	2012	-	*0.0%*	198,242	*3.8%*	-	*0.0%*	-	*0.0%*	198,242	*3.8%*
	Var.			14.7%						14.7%	
Commercial Vehicles	2013	385,337	*6.3%*	831,160	*13.6%*	-	*0.0%*	-	*0.0%*	1,216,497	*19.9%*
	2012	395,512	*7.5%*	668,762	*12.7%*	-	*0.0%*	-	*0.0%*	1,064,274	*20.2%*
	Var.	-2.6%		24.3%						14.3%	
Maxion Structural Components	**2013**	**385,337**	***6.3%***	**1,058,450**	***17.3%***	**-**	***0.0%***	**-**	***0.0%***	**1,443,787**	***23.6%***
	2012	**395,512**	***7.5%***	**867,004**	***16.5%***	**-**	***0.0%***	**-**	***0.0%***	**1,262,516**	***24.0%***
	Var.	**-2.6%**		**22.1%**						**14.4%**	
Iochpe-Maxion (Consolidated)	**2013**	**1,466,058**	***23.9%***	**2,364,193**	***38.6%***	**1,892,525**	***30.9%***	**403,716**	***6.6%***	**6,126,493**	***100.0%***
	2012	**1,363,834**	***25.9%***	**1,896,893**	***36.0%***	**1,594,849**	***30.3%***	**413,848**	***7.9%***	**5,269,424**	***100.0%***
	Var.	**7.5%**		**24.6%**		**18.7%**		**-2.4%**		**16.3%**	

4.2) Cost of Goods Sold (COGS)

Cost of Goods Sold (COGS) reached R$ 1,311.6 million in 4Q13, up by 5.4% against the same period of the prior year. Its share of consolidated net operating revenues fell from 89.9% in 4Q12 to 86.8% in 4Q13.

In 2013, COGS totaled R$ 5,267.4 million, an increase of 11.8% against the prior year. Its share of consolidated net operating revenues decreased by 3.4 percentage points, to 86.0% in 2013 against 89.4% in 2012, which helped to improve our operating margin.

COGS was favored due to the change in how certain freight expenses were allocated in 2013, from COGS to Operating Expenses, related to the operations acquired from Hayes Lemmerz, in order to comply with the accounting practices adopted by the parent company. Additionally, the relationship between COGS and consolidated net operating revenues was positively impacted in 2013 by a better utilization of the installed capacity, especially in Brazil.

4.3) Gross Profit

Gross profit stood at R$ 199.0 million in 4Q13, representing a gross margin of 13.2%, an increase of 42.0% over 4Q12, when gross profit was R$ 140.2 million, with a gross margin of 10.1%.

In 2013, gross profit amounted to R$ 859.1 million, with gross margin of 14.0%, an increase of 54.3% against 2012, when gross profit was R$ 556.6 million and gross margin reached 10.6%.

4.4) Net Operating Expenses

Net operating expenses totaled R$ 99.4 million in 4Q13, an increase of 51.3% over the same period in the prior year. Its share of consolidated net operating revenues increased from 4.7% in 4Q12 to 6.6% in 4Q13.

In 20013, net operating expenses totaled R$ 391.8 million, an increase of 55.0% against 2012. Its share of consolidated net operating revenues rose from 4.8% in 2012 to 6.4% in 2013.

The negative variation in this relationship is mostly related to (i) salary increases related to collective bargaining incurred in 2013; and (ii) the change in how certain freight expenses were allocated in 2013, from COGS to Operating Expenses (selling expenses), relative to the operations acquired from Hayes Lemmerz.

4.5) Equity Income

In accordance with CPC 19 (R2) / IFRS 11, the results from the jointly-controlled subsidiaries AmstedMaxion, Maxion Montich and Remon (a company that is part of the modular consortium in the MAN plant in Brazil) are now consolidated under the equity income method.

Negative equity income totaled R$ 9.3 million in 4Q13, 32.0% lower than the negative amount of R$ 13.7 million in 4Q12.

In 2013, negative equity income totaled R$ 13.8 million, 58.4% lower than the negative amount of R$ 33.1 million in the prior year.

The improvement observed in equity income in 2013 was particularly due to the increase in the production of railway freight cars in 4Q13 and the non-recurring gain from the sale of a property (R$31.1 million) in 2Q13 by AmstedMaxion.

The following table shows the values corresponding to Iochpe-Maxion's shareholding in the main lines of the income statements of these jointly-controlled subsidiaries which are consolidated by the equity income method.

I.S - R$ thousand	4Q13 Amsted Maxion	4Q13 Maxion Montich	4Q13 Remon	4Q13 Total	4Q12 Amsted Maxion	4Q12 Maxion Montich	4Q12 Remon	4Q12 Total	Var.
Net Operating Revenue	89,077	19,158	237	108,472	66,629	15,229	210	82,068	32.2%
Cost of Goods Sold	(79,164)	(17,606)	(125)	(96,896)	(70,693)	(14,098)	(110)	(84,901)	14.1%
Gross Profit	**9,912**	**1,551**	**112**	**11,576**	**(4,064)**	**1,131**	**100**	**(2,833)**	**508.7%**
Operating Expenses	(14,618)	(1,581)	(73)	(16,272)	(10,701)	(1,256)	(55)	(12,012)	35.5%
Financial Results	(5,561)	(359)	0	(5,920)	(5,827)	(349)	(0)	(6,177)	-4.2%
Income Taxes	1,073	220	(6)	1,287	7,320	(3)	(5)	7,312	-82.4%
Net (Loss) Income	**(9,193)**	**(169)**	**33**	**(9,329)**	**(13,272)**	**(478)**	**40**	**(13,710)**	**32.0%**
EBITDA	**(3,139)**	**742**	**41**	**(2,357)**	**(13,188)**	**607**	**47**	**(12,534)**	**81.2%**

I.S - R$ thousand	2013 Amsted Maxion	2013 Maxion Montich	2013 Remon	2013 Total	2012 Amsted Maxion	2012 Maxion Montich	2012 Remon	2012 Total	Var.
Net Operating Revenue	293,158	77,577	1,004	371,739	377,758	50,569	762	429,089	-13.4%
Cost of Goods Sold	(293,053)	(69,249)	(555)	(362,857)	(360,308)	(48,524)	(581)	(409,413)	-11.4%
Gross Profit	**105**	**8,328**	**449**	**8,882**	**17,450**	**2,045**	**181**	**19,676**	**-54.9%**
Operating Expenses	4,181	(5,679)	(285)	(1,784)	(40,613)	(4,183)	(270)	(45,066)	-96.0%
Financial Results	(21,777)	(1,599)	(1)	(23,377)	(24,245)	(1,247)	1	(25,492)	-8.3%
Income Taxes	2,787	(250)	(25)	2,513	16,716	1,064	(19)	17,761	-85.9%
Net (Loss) Income	**(14,704)**	**800**	**138**	**(13,765)**	**(30,693)**	**(2,321)**	**(107)**	**(33,121)**	**58.4%**
EBITDA	**10,927**	**5,668**	**170**	**16,765**	**(16,617)**	**420**	**(83)**	**(16,280)**	**203.0%**

4.6) Earnings before Interest and Tax (EBIT)

EBIT totaled R$ 90.3 million in 4Q13, an increase of 48.6% over the same period in the prior year. Its share in consolidated net operating revenues increased from 4.4% in 4Q12 to 6.0% in 4Q13.

In 2013, EBIT was R$453.6 million, an increase of 67.5% against the prior year. Its share of consolidated net operating revenues increased from 5.1% in 2012 to 7.4% in 2013.

4.7) EBITDA

EBITDA was R$ 147.0 million in 4Q13, an increase of 27.8% compared to the same period in the prior year. Its share in consolidated net operating revenues increased from 8.3% in 4Q12 to 9.7% in 4Q13.

In 2013, EBITDA totaled R$ 663.4 million, up by 49.9% against the previous year. Its share of consolidated net operating revenues increased from 8.4% in 2012 to 10.8% in 2013.

The following table shows EBITDA evolution in the indicated periods.

EBITDA Reconciliation - R$ Thousand	4Q13	4Q12	Var.	2013	2012	Var.
Net Income	68,978	35,926	*92.0%*	170,329	66,864	*154.7%*
Minority Shareholders	12,270	11,514	*6.6%*	40,971	38,842	*5.5%*
Income Taxes	(51,706)	(33,594)	*53.9%*	29,335	29,940	*-2.0%*
Financial Results	60,743	46,924	*29.4%*	212,924	135,134	*57.6%*
Depreciation / Amortization	56,763	54,248	*4.6%*	209,878	171,951	*22.1%*
EBITDA	**147,048**	**115,017**	***27.8%***	**663,436**	**442,731**	***49.9%***
Equity Income	9,329	13,710		13,765	33,121	
Adjusted EBITDA w/o Equity Income	**156,377**	**128,728**	***21.5%***	**677,202**	**475,852**	***42.3%***

Adjusted EBITDA excluding Equity Income was R$ 156.4 million in 4Q13, up by 21.5% compared to the same period in the prior year. As a percentage of consolidated net operating revenues, it increased from 9.3% in 4Q12 to 10.4% in 4Q13.
In 2013, adjusted EBITDA excluding Equity Income was R$ 677.2 million, an increase of 42.3% compared to the prior year. As a percentage of consolidated net operating revenues, it increased from 9.0% in 2012 to 11.1% in 2013.
In 2013, adjusted EBITDA excluding the non-recurring gains relative to the sale of a property (R$31.1 million) in 2Q13 by the jointly-controlled subsidiary AmstedMaxion was R$ 632.4 million. As a percentage of consolidated net operating revenues, it increased from 8.4% in 2012 to 10.3% in 2013.

4.8) Financial Result

The financial result in 4Q13 was negative by R$ 60.7 million, an increase of 29.4% compared to 4Q12.

In 2013, the financial result was negative by R$212.9 million, up by 57.6% against 2012.

This variation in 4Q13 is mostly related to: (i) an increase of R$ 9.7 million in interest expense on financing instruments, (ii) an increase of R$ 5.2 million of inflation adjustments of provisions for risks and (iii) an increase of R$ 1.7 million in revenues from financial investments. Compared to 2013, this variation was particularly due to: (i) an increase of R$ 38.5 million in interest expense on financing instruments, (ii) an increase of R$ 5.8 million of inflation adjustments of provisions for risks and (iii) the recording in 2012 of revenues of R$ 22 million regarding a financial adjustment relative to a positive outcome of a tax proceedings (IPI tax).

4.9) Net Income

Net income reached R$ 69.0 million (earnings per share of R$ 0.7291) in 4Q13, up by 92.0% compared to 4Q12.

Net income in 4Q13 was favorably impacted by R$59.0 million due to a non-recurring gains from the reversal of the IETU (*Impuesto Empresarial a Tasa Unica)* tax provision and recording of ISR (*Impuesto sobre la Renta)* tax credits, which are linked to the Tax Reform that occurred in Mexico at the end of 2013. Among other measures, the Reform ruled the end of IETU tax. Until then, the Mexican legislation provided for the calculation of two federal taxes, ISR and IETU, and for payment of the one with the greatest amount. The extinction of the IETU enabled the subsidiaries of Iochpe-Maxion S.A. located in Mexico and that used to provision the IETU to reverse this provision in

4Q13, as well as to record ISR credits, which generated this non-recurring gain of R$59.0 million.

In 2013, net income totaled R$170.3 million (earnings per share of R$ 1.8003), up by 154.7% against 2012 (earnings per share of R$ 0.7070).

5) CAPITAL EXPENDITURES

Capital expenditures in new product development and plant upgrades totaled R$ 89.1 million in 4Q13 and R$ 251.9 million in 2013 (R$ 48.1 million in 4Q12 and R$ 246.3 million in 2012).

6) LIQUIDITY AND INDEBTEDNESS

Consolidated cash and cash equivalents at the end of 4Q13 was R$ 662.2 million, of which 37.2% in Brazilian Reais and 62.8% in other currencies.

Financial investments accounted for 49.7% of that amount, being entirely recorded under current assets.

Consolidated gross bank debt reached R$ 2,773.5 million at the end of 4Q13, of which R$ 712.3 million (25.7%) was recorded under current liabilities and R$ 2,061.2 million (74.3%) in long term liabilities.

The main indicators of the consolidated gross bank indebtedness at the end of 4Q13 were: (i) instruments in Reais indexed to the CDI (Brazilian interbank rate), which accounted for 45.4% of the consolidated gross debt, followed by (ii) instruments in U.S. Dollars (US$ + average of 4.8% per year) with 26.9%, (iii) instruments with fixed interest in Reais (7.0% per year) with 12.9% and (iv) in Euros (Euro +3.5% per year) with 8.4%.

Consolidated net bank indebtedness totaled R$ 2,111.3 million at the end of 4Q13, a decrease of 5.8% compared to R$ 2,240.2 million at the end of 4Q12.

Net bank indebtedness at the end of 4Q13 represented 3.2x the EBITDA for the last 12 months, while at the end of 4Q12 represented 5.1x.

7) SHAREHOLDERS' EQUITY

Shareholders’ equity totaled R$ 1,445.2 million (equity book value of R$ 15.23 per share) at the end of 2013, 32.5% higher than the shareholders’ equity at the end of 2012 (R$ 1,090.9 million and an equity book value of R$ 11.50 per share).

The equity valuation adjustment at the end of 2013 showed an increase of R$ 188.0 million, when compared to the end of 2012, mainly due to: (i) exchange rate variation on foreign investments (net positive adjustment of R$ 217.8 million), and (ii) the depreciation of the cost attributed to fixed assets (negative adjustment of R$ 28.2 million).

Shareholders’ equity attributed to company owners was R$ 1,221 million (equity value of R$ 12.87 per share) in the end of 2013, 33.7% above the shareholders’ equity

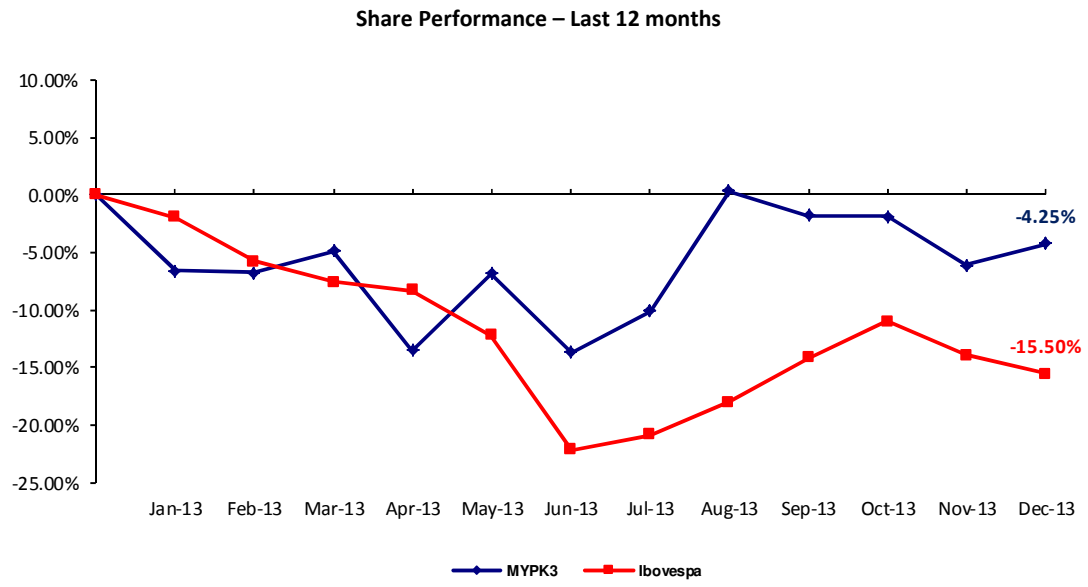
attributed to company owners one year earlier (R$ 913.0 million and equity value of R$9.62 per share).

8) DIVIDENDS

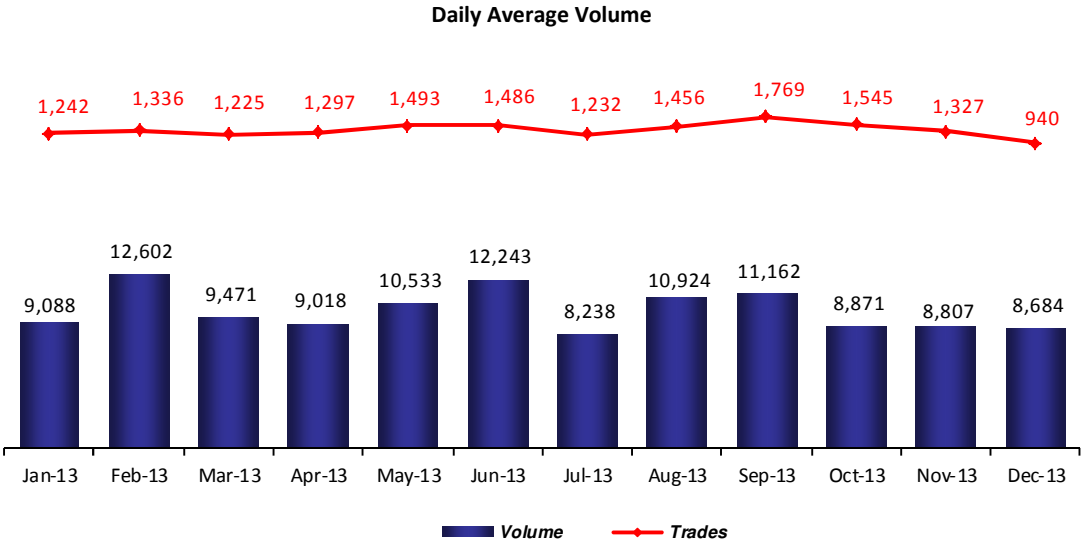
Iochpe-Maxion by-laws provides for distribution of 37% of net income (after any accumulated losses from previous periods) as the mandatory dividend. Considering (i) the net income of R$ 170.3 in 2013, (ii) the adoption of deemed cost to property, plant and equipment and its depreciation, which increased net income by R$28.2 million, and that (iii) the Company already recorded in 2013 the gross amount or R$ 50.7 million as interest on shareholders' equity, which resulted in R$ 45.0 million net of income tax to be paid on the same date as the balance remaining from dividends, the amount to be distributed to shareholders regarding 2013 should total R$79.1 million (R$ 28.9 million in the prior year) or R$ 0.83606151 per share (R$ 0.30516511 in the prior year).

9) CAPITAL MARKETS

Iochpe-Maxion's common shares (Bovespa: MYPK3) closed the 4Q13 at R$ 26.15, down by 2.50% in the quarter and 4.25% in 2013. At the end of the 4Q13 Iochpe-Maxion's market capitalization was R$ 2,480.7 million (R$ 2,590.7 million at the end of 4Q12).



Iochpe-Maxion's shares recorded a daily average trading volume on the São Paulo Stock Exchange of R$ 8.8 million in 4Q13 (R$ 10.9 million in 4Q12) and an average daily quantity of transactions of 1,288 (1,580 transactions in 4Q12). In 2013, daily average trading volume on the São Paulo Stock Exchange was R$ 9.9 million (R$15.2 million in 2012) and an average daily quantity of 1,367 transactions (1,765 transactions in 2012).



10) ARBITRATION CLAUSE

The Company is bound to arbitration at the Arbitration Chamber of Novo Mercado, as provided for in the Arbitration Clause included in its By-laws.

11) CVM INSTRUCTION No. 381

In accordance with CVM Instruction No. 381, we inform that during 2013, Iochpe-Maxion, its subsidiaries and its jointly-controlled business incurred the following services provided by the independent auditor:

Audit fees – R$ 4.0 million: audit fees include the audit of individual financial statements (Accounting practices adopted in Brazil) and consolidated (IFRS), the review of Company's quarterly information (ITR) and the audit of financial statements of subsidiaries and jointly-controlled business in Brazil and abroad.

Audit-related fees – R$ 1.8 million: the fees related to the audit include: (i) the issuing of "comfort" associated with the offering of Company´s Debentures CVM 400 and CVM 476 (R$ 0,4 million), (ii) work of tax "compliance" for the Company and for the subsidiaries in Brazil and abroad (R$ 0.8 million), (iii) diagnosis of internal controls and accounting practices over financial reporting (R$ 0.3 million) and (iv) other services (R$ 0.2 million).

Iochpe-Maxion, its subsidiaries and its jointly-controlled business in discussion with its independent auditors concluded that these services have not affected their independence and objectivity, due to the defined scope and procedures performed. Iochpe-Maxion's policy meets the regulations that define the restrictions applicable to the independent auditors' services.

In our relationship with the Independent Auditor, we evaluate conflicts of interest with non-audit work based on the following: the auditor should not (a) audit its own work, (b) carry out management functions and (c) promote our interests.

12) MANAGEMENT'S STATEMENT

Pursuant to article 25 of CVM Instruction No 480/09, of December 7, 2009, Management declares that they have discussed, reviewed and agreed with the independent auditors' report and the individual and consolidated financial statements as of December 31, 2013.

The Company's financial statements presented herein are in accordance with the criteria of the Brazilian corporate law, based on the audited financial statements prepared in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards - IFRS.

EBITDA should not be considered as an alternative to net income (loss), as an indicator of the Company's operating performance or as an alternative to cash flow as an indicator of liquidity.

The Company's management believes that EBITDA is a useful measure to assess its operating performance and enables comparison with other companies.

The Company calculates EBITDA according to CVM Instruction 527 of October 04, 2012. Thus, EBITDA represents net income (loss) before financial income, income and social contribution taxes, and depreciation and amortization.

Cruzeiro, February 26, 2014.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

IOCHPE-MAXION S.A. AND SUBSIDIARIES

BALANCE SHEETS AS OF DECEMBER 31, 2013 AND 2012 AND JANUARY 1, 2012
(In thousands of Brazilian reais - R$)

		Parent (BR GAAP)		Consolidated (BR GAAP and IFRS)		
ASSETS	Note	12/31/2013	12/31/2012	12/31/2013	12/31/2012 (Restated)	01/01/2012 (Restated)
CURRENT ASSETS						
Cash and cash equivalents	6	178,801	218,429	662,230	501,361	263,280
Short-term investments		-	-	-	-	45,837
Trade receivables	7	227,126	233,361	747,813	704,641	289,271
Inventories	8	180,733	189,653	639,060	634,530	306,434
Recoverable taxes	9	41,190	32,854	116,509	103,967	48,274
Prepaid expenses		1,616	15,887	22,000	31,410	6,412
Other receivables		11,052	9,191	31,332	16,844	18,425
Total current assets		640,518	699,375	2,218,944	1,992,753	977,933
NONCURRENT ASSETS						
Related parties	11	48	7,922	-	-	-
Recoverable taxes	9	12,905	9,697	19,396	24,821	10,655
Deferred income tax and social contribution	10	-	-	85,744	45,810	5,235
Escrow deposits		8,856	10,604	23,225	21,694	7,067
Guarantee deposits		-	-	21,621	38,827	-
Other receivables		3,431	2,139	4,476	3,740	3,875
Investments	12	1,864,943	253,459	19,397	35,595	73,766
Property, plant and equipment	13	825,705	807,949	2,616,897	2,413,258	952,204
Intangible assets	14	2,087	2,298	1,026,005	898,694	27,438
Total noncurrent assets		2,717,975	1,094,068	3,816,761	3,482,439	1,080,240
TOTAL ASSETS		3,358,493	1,793,443	6,035,705	5,475,192	2,058,173

		Parent (BR GAAP)		Consolidated (BR GAAP and IFRS)		
LIABILITIES AND EQUITY	Note	12/31/2013	12/31/2012	12/31/2013	12/31/2012 (Restated)	01/01/2012 (Restated)
CURRENT LIABILITIES						
Borrowings, financing and debentures	15	118,660	238,712	712,303	652,419	326,979
Trade payables	16	97,155	95,483	630,470	571,118	182,912
Taxes payable	17	12,036	17,904	81,486	92,218	16,247
Payroll and related taxes	18	72,421	54,737	184,306	125,019	79,867
Advances from customers		14,565	10,649	15,923	11,408	16,405
Dividends and interest on capital		74,053	25,738	76,145	25,738	82,671
Related parties	11	4,331	3,633	-	-	-
Financial instruments payable		-	-	-	-	104
Other payables		15,651	23,838	133,518	138,105	37,934
Total current liabilities		408,872	470,694	1,834,151	1,616,025	743,119
NONCURRENT LIABILITIES						
Borrowings, financing and debentures	15	1,610,137	291,998	2,061,181	2,089,119	287,329
Provision for tax, civil and labor risks	19	15,200	11,221	48,108	72,778	6,024
Deferred income tax and social contribution	10	97,634	94,360	240,637	192,902	85,124
Pension plan and post-employment benefit liabilities	20	-	-	382,954	357,558	-
Other payables		5,569	12,132	23,514	55,900	17,957
Total noncurrent liabilities		1,728,540	409,711	2,756,394	2,768,257	396,434
EQUITY						
Issued capital	21.a	700,000	650,000	700,000	650,000	500,000
Stock options		2,814	2,920	2,814	2,920	2,554
Capital reserves		269	149	269	149	-
Earnings reserves		207,812	138,417	207,812	138,417	239,274
Treasury shares		(5,941)	(6,556)	(5,941)	(6,556)	(5,282)
Valuation adjustment to equity		316,127	128,108	316,127	128,108	177,901
Proposed additional dividends		-	-	-	-	4,173
Equity attributable to Company owners		1,221,081	913,038	1,221,081	913,038	918,620
Noncontrolling interests in subsidiaries' equity		-	-	224,079	177,872	-
Total equity		1,221,081	913,038	1,445,160	1,090,910	918,620
TOTAL LIABILITIES AND EQUITY		3,358,493	1,793,443	6,035,705	5,475,192	2,058,173

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(In thousands of Brazilian reais - R$, except earnings per share)

	Note	Parent (BR GAAP)		Consolidated (BR GAAP and IFRS)	
		2013	2012	2013	2012 (Restated)
NET SALES REVENUE	25	1,950,502	1,624,444	6,126,493	5,269,424
COST OF SALES AND SERVICES	26	(1,587,571)	(1,405,998)	(5,267,393)	(4,712,796)
GROSS PROFIT		362,931	218,446	859,100	556,628
OPERATING INCOME (EXPENSES)					
Selling expenses	26	(45,979)	(39,047)	(129,117)	(66,583)
General and administrative expenses	26	(71,968)	(58,697)	(270,645)	(190,478)
Management fees	11	(10,972)	(6,660)	(10,972)	(6,660)
Share of profit of subsidiaries	12	73,079	(25,146)	(13,765)	(33,121)
Other operating income, net		5,253	3,848	18,958	10,994
PROFIT BEFORE FINANCE INCOME AND COSTS		312,344	92,744	453,559	270,780
Finance income	23	15,803	43,100	24,709	47,299
Finance costs	23	(157,744)	(41,754)	(226,145)	(174,293)
Foreign exchange gains (losses), net	24	(1,460)	5,040	(11,488)	(8,140)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		168,943	99,130	240,635	135,646
INCOME TAX AND SOCIAL CONTRIBUTION					
Current	10.b	-	(10,069)	(81,347)	(72,318)
Deferred	10.b	1,386	(22,197)	52,012	42,378
PROFIT FOR THE YEAR		170,329	66,864	211,300	105,706
ATTRIBUTABLE TO					
Company owners		170,329	66,864	170,329	66,864
Noncontrolling interests		-	-	40,971	38,842
EARNINGS PER SHARE					
BASIC - R$	30	1.80037	0.70697		
DILUTED - R$	30	1.68976	0.70402		

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(In thousands of Brazilian reais - R$)

	Note	Parent (BR GAAP) 2013	Parent (BR GAAP) 2012	Consolidated (BR GAAP and IFRS) 2013	Consolidated (BR GAAP and IFRS) 2012
PROFIT FOR THE YEAR		170,329	66,864	211,300	105,706
OTHER COMPREHENSIVE INCOME					
Items that will be subsequently reclassified to profit or loss:					
Gains on measurement of financial instruments, net		-	69	-	69
Exchange gains (losses) on translating financial statements of foreign subsidiaries	12	232,544	(34,165)	269,149	(34,165)
Fair value of cash flow hedge, net of taxes	27	(975)	-	(975)	-
Item that will not be subsequently reclassified to profit or loss-					
Effect of changes in actuarial assumptions, net of taxes	20	(14,827)	-	(14,827)	-
Other comprehensive income (loss)		216,742	(34,096)	253,347	(34,096)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		387,071	32,768	464,647	71,610
Attributable to:					
Company owners		387,071	32,768	387,071	32,768
Noncontrolling interests		-	-	77,576	38,842
		387,071	32,768	464,647	71,610

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(In thousands of Brazilian reais - R$)

				Capital reserves	Earnings reserve				Valuation adjustments to equity					
	Note	Share capital	Recognized stock options granted	Premium on sale of treasury shares	Legal reserve	Bylaws reserve for investment and working capital	Treasury shares	Additional proposed dividends	Deemed cost of property, plant and equipment	Other comprehensive income	Retained earnings	Equity attributable to Company owners	Noncontrolling interests in subsidiaries' equity	Total equity
BALANCES AT DECEMBER 31, 2011		500,000	2,554	-	46,187	193,087	(5,282)	4,173	166,227	11,674	-	918,620	-	918,620
Profit for the year		-	-	-	-	-	-	-	-	-	66,864	66,864	38,842	105,706
Other comprehensive income		-	-	-	-	-	-	-	-	(34,096)	-	(34,096)	-	(34,096)
Total comprehensive income		-	-	-	-	-	-	-	-	(34,096)	66,864	32,768	38,842	71,610
Capital increase with capitalization of bylaws reserve	21.a	150,000	-	-	-	(150,000)	-	-	-	-	-	-	-	-
Noncontrolling interests in acquisition of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	139,030	139,030
Buyback of shares to be held in treasury		-	-	-	-	-	(1,915)	-	-	-	-	(1,915)	-	(1,915)
Sale of treasury shares due to exercise of stock options		-	-	149	-	-	641	-	-	-	-	790	-	790
Grant of stock options	21.d and 20	-	563	-	-	-	-	-	-	-	-	563	-	563
Exercise of stock options	21.d	-	(197)	-	-	-	-	-	-	-	-	(197)	-	(197)
Realization of deemed cost, net of taxes		-	-	-	-	-	-	-	(11,141)	-	11,141	-	-	-
Derecognition of deemed cost, net of taxes		-	-	-	-	-	-	-	(4,556)	-	-	(4,556)	-	(4,556)
Payment of additional dividends proposed in 2011		-	-	-	-	-	-	(4,173)	-	-	-	(4,173)	-	(4,173)
Allocation of profit for the year:				-										
Legal reserve	21.c	-	-	-	3,900	-	-	-	-	-	(3,900)	-	-	-
Bylaws reserve for investment and working capital	21.c	-	-	-	-	45,243	-	-	-	-	(45,243)	-	-	-
Interest on capital	21.c	-	-	-	-	-	-	-	-	-	(12,659)	(12,659)	-	(12,659)
Interest on capital	21.c	-	-	-		-	-	-	-	-	(12,713)	(12,713)	-	(12,713)
Mandatory minimum dividends supplementing interest on capital	21.c	-	-	-		-	-	-	-	-	(3,490)	(3,490)	-	(3,490)
BALANCES AT DECEMBER 31, 2012		650,000	2,920	149	50,087	88,330	(6,556)	-	150,530	(22,422)	-	913,038	177,872	1,090,910
Profit for the year		-	-	-	-	-	-	-	-	-	170,329	170,329	40,971	211,300
Other comprehensive income		-	-	-	-	-	-	-	-	216,742	-	216,742	36,605	253,347
Total comprehensive income		-	-	-	-	-	-	-	-	216,742	170,329	387,071	77,576	464,647
Capital increase with capitalization of bylaws reserve	21.a	50,000	-	-	-	(50,000)	-	-	-	-	-	-	-	-
Sale of treasury shares due to exercise of stock options		-	-	120	-	-	615	-	-	-	-	735	-	735
Exercise of stock options	21.d	-	(106)	-	-	-	-	-	-	-	-	(106)	-	(106)
Realization of deemed cost, net of taxes		-	-	-	-	-	-	-	(28,165)	-	28,165	-	-	-
Derecognition of deemed cost, net of taxes		-	-	-	-	-	-	-	(558)	-	-	(558)	-	(558)
Dividends paid to subsidiaries' noncontrolling shareholders		-	-	-	-	-	-	-	-	-	-	-	(31,369)	(31,369)
Allocation of profit for the year:				-										-
Legal reserve	21.c	-	-	-	9,925	-	-	-	-	-	(9,925)	-	-	-
Bylaws reserve for investment and working capital	21.c	-	-	-	-	109,470	-	-	-	-	(109,470)	-	-	-
Interest on capital	21.c	-	-	-	-	-	-	-	-	-	(50,687)	(50,687)	-	(50,687)
Mandatory minimum dividends supplementing interest on capital	21.c	-	-	-	-	-	-	-	-	-	(28,412)	(28,412)	-	(28,412)
BALANCES AT DECEMBER 31, 2013		700,000	2,814	269	60,012	147,800	(5,941)	-	121,807	194,320	-	1,221,081	224,079	1,445,160

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(In thousands of Brazilian reais - R$)

	Note	Parent (BR GAAP)		Consolidated (BR GAAP and IFRS)	
		2013	2012	2013	2012 (Restated)
CASH FLOW FROM OPERATING ACTIVITIES					
Profit for the year		170,329	66,864	211,300	105,706
Adjustments to reconcile profit for the year to net cash generated by operating activities:					
Depreciation and amortization	13 and 14	48,054	44,623	212,339	173,189
Deferred income tax and social contribution	10	(1,386)	22,197	(52,012)	(42,378)
Residual value of property, plant and equipment written off	13	24,706	8,127	40,299	9,786
Share of profit of subsidiaries	12	(73,079)	25,146	13,765	33,121
Provision for tax, civil and labor risks, net of reversals	17	8,425	6,863	12,753	10,657
Interest, inflation adjustments and exchange differences		118,206	36,215	172,364	165,551
Allowance for (reversal of) doubtful accounts		(1,104)	143	1,616	2,259
Allowance for inventory losses		252	3,261	1,720	3,394
Decrease (increase) in assets:					
Trade receivables		7,393	14,129	(44,734)	(21,354)
Inventories		8,668	397	(6,250)	(52,165)
Other receivables and other assets		1,322	(14,100)	2,740	(82,192)
Increase (decrease) in liabilities:					
Trade payables		1,672	3,950	59,352	3,143
Pension plan and post-employment benefit actuarial liabilities		-	-	(23,129)	(17,490)
Payment of interests on borrowings and financing		(26,901)	(24,093)	(120,690)	(76,806)
Payment of interest on debentures		(58,094)	-	(58,094)	-
Other payables and other liabilities		19,747	(28,533)	125,015	(91,819)
Payment of income tax and social contribution		(19,270)	(10,069)	(51,896)	(54,194)
Net cash generated by operating activities		228,940	155,120	496,458	68,408
CASH FLOW FROM INVESTING ACTIVITIES					
Capital increase in subsidiaries	12	(1,320,526)	(35,240)	-	-
Acquisition of investments, net of cash		-	-	-	(1,089,712)
Purchase of property, plant and equipment	13	(85,956)	(65,929)	(247,978)	(247,397)
Purchase of intangible assets	14	(1,223)	(1,246)	(1,223)	(1,387)
Redemption of short-term investments		-	45,837	-	45,837
Net cash used in investing activities		(1,407,705)	(56,578)	(249,201)	(1,292,659)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from debentures		1,560,000	-	1,560,000	-
Borrowings and financing		165,968	288,100	407,770	2,269,917
Prepayments of borrowings and financing - principal		(238,012)	(327,176)	(1,730,640)	(729,510)
Prepayment of debentures - principal		(323,081)	-	(323,081)	-
Payment of proposed and additional dividends	21	(25,738)	(86,844)	(25,738)	(86,499)
Dividends paid to noncontrolling interests		-	-	(31,369)	-
Buyback of shares to be held in treasury		-	(1,915)	-	(1,915)
Dividends received from subsidiaries		-	1,081	-	-
Net cash generated by (used in) financing activities		1,139,137	(126,754)	(143,058)	1,451,993
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(39,628)	(28,212)	104,199	227,742
EXCHANGE DIFFERENCES ON TRANSLATING CASH AND CASH EQUIVALENTS OF FOREIGN SUBSIDIARIES		-	-	56,670	10,341
Cash and cash equivalents at the beginning of the year		218,429	246,641	501,361	263,279
Cash and cash equivalents at the end of the year		178,801	218,429	662,230	501,362
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(39,628)	(28,212)	160,869	238,083

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

IOCHPE-MAXION S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(In thousands of Brazilian reais - R$)

	Note	Parent (BR GAAP) 2013	Parent (BR GAAP) 2012	Consolidated (BR GAAP and IFRS) 2013	Consolidated (BR GAAP and IFRS) 2012 (Restated)
REVENUES					
Sale of goods and products	25	2,443,878	2,013,806	6,619,869	5,658,785
Allowance for doubtful accounts		1,104	(143)	(1,616)	(2,259)
Other income		7,831	7,387	24,367	24,709
		2,452,813	2,021,050	6,642,620	5,681,235
INPUTS ACQUIRED FROM THIRD PARTIES (INCLUDE ICMS AND IPI)					
Raw materials		(1,157,289)	(1,160,192)	(3,737,989)	(3,384,025)
Materials, electric power, outside services and other items		(181,584)	(169,957)	(961,293)	(619,224)
		(1,338,873)	(1,330,149)	(4,699,282)	(4,003,249)
GROSS VALUE ADDED		1,113,940	690,901	1,943,338	1,677,986
RETENTIONS					
Depreciation and amortization	13	(48,054)	(44,623)	(212,339)	(173,189)
WEALTH CREATED BY THE COMPANY AND ITS SUBSIDIARIES		1,065,886	646,278	1,730,999	1,504,797
WEALTH RECEIVED IN TRANSFER					
Share of profit of subsidiaries	12	73,079	(25,146)	(13,765)	(33,121)
Finance income	23	15,803	43,100	24,709	47,299
Exchange differences	24	(1,460)	5,040	(11,488)	(8,140)
		87,422	22,994	(544)	6,038
TOTAL WEALTH FOR DISTRIBUTION		1,153,308	669,272	1,730,455	1,510,835
WEALTH DISTRIBUTED					
Personnel:					
Payroll and related taxes		253,498	289,724	646,132	726,741
Employees' profit sharing		48,327	29,530	78,315	62,289
Taxes:					
Federal		223,071	126,560	253,791	311,765
State		268,795	102,636	268,795	111,364
Municipal		125	141	125	218
Lenders and lessors:					
Interest/fees	23	157,744	41,754	226,145	174,293
Rentals		3,254	922	17,687	7,318
Shareholders:					
Additional and proposed dividends	21.c	28,412	3,490	28,412	3,490
Interest on capital	21.c	50,687	25,372	50,687	25,372
Retained earnings		119,395	49,143	119,395	49,143
Noncontrolling interests in retained earnings		-	-	40,971	38,842
		1,153,308	669,272	1,730,455	1,510,835

The accompanying notes are an integral part of these financial statements.

1. GENERAL INFORMATION

a) General provisions

Iochpe-Maxion S.A. ("Company") is a publicly-held company, with registered head office at Rua Dr. Othon Barcellos, 83, Cruzeiro, State of São Paulo, registered with Bolsa de Valores, Mercadorias e Futuros de São Paulo - BM&FBOVESPA S.A. (São Paulo stock exchange) under ticker symbol MYPK3.

The Company's and its subsidiaries' operations are carried out in 32 units located in Brazil and abroad, focused on the automotive segment, and divided into the wheels and structural component segments, as follows:

i. Automotive segment - wheels

- Manufacture and sale of heavy steel wheel through units located in:
  - Cruzeiro and Guarulhos - Brazil.
  - Nantong - China.
  - Akron - United States of America.
  - Konigswinter - Germany.
  - Manisa - Turkey.
  - Pune - India.
  - San Luis Potosi - Mexico.
- Manufacture and sale of light steel and aluminum wheels for automobiles, pick-up trucks, SUVs, and light and medium-sized commercial vehicles through the plants located in:
  - Limeira, Santo André and Guarulhos - Brazil.
  - San Luis Potosi, Tlalnepantla and Chihuahua - Mexico.
  - Konigswinter - Germany.
  - Ostrava - Czech Republic.
  - Manisa - Turkey.

– Pune - India.

– Bangkok - Thailand.

– Johannesburg - South Africa.

– Sedalia - United States of America.

– Manresa - Spain.

– Dello - Italy.

Light and heavy wheels are also sold in the units located in Northville, United States of America, and Amsterdam, The Netherlands.

Additionally, the Company, through its joint venture Remon Resende Montadora Ltda. ("Remon"), provides tire and wheel fitting and balancing services in the Resende unit, State of Rio de Janeiro.

ii. Automotive segment - structural components

- Manufacturing and sale of heavy structural components (complete frames, sidebars and crossbars) and metal stampings for commercial vehicles through the following units:

  – Cruzeiro, Sete Lagoas, Resende and Juiz de Fora - Brazil.

  – Córdoba - Argentina.

  – Castaños - Mexico.

  – Canelones - Uruguay.

- Manufacture and sale of lightweight structural components (metal stampings for passenger vehicles, brake levers, pedal sets, structural parts for automobiles and other automotive components) through the units located in Cruzeiro and Contagem - Brazil, and Córdoba - Argentina.

Additionally, the Company, through joint arrangement Amsted-Maxion Fundição e Equipamentos Ferroviários S.A. ("AmstedMaxion"), with units located in Cruzeiro and Hortolândia, State of São Paulo, manufactures and sells industrial castings, railway equipment, wheels and freight cars.

b) Corporate restructurings

i. On September 27, 2012, the indirect subsidiary Hayes Lemmerz Aluminio S. de R.L. de C.V., located in Chihuahua, Mexico, changed its name to Maxion Wheels de Mexico S. de R.L. de C.V.

ii. On October 1, 2012, the indirect subsidiary Hayes Lemmerz Indústria de Rodas Ltda., located in Santo André, State of São Paulo, merged the also indirect subsidiary Borlem S.A. Empreendimentos Industriais, located in Guarulhos, State of São Paulo, thus generating greater synergy and, as a result, reducing operating and finance costs by optimizing the existing administrative structures.

iii. On October 5, 2012, the indirect subsidiary Maxion Wheels de Mexico S. de R.L. de C.V., located in Chihuahua, Mexico, was acquired by the subsidiary Iochpe Sistemas Automotivos de México S.A. de C.V. from the subsidiary HLI European Holdings ETVE, S.a.r.l., through a business combination between related parties, with the aim of streamlining the corporate structure, generating greater synergy and, as a result, reducing operating and finance costs.

iv. On October 17, 2012, the indirect subsidiary Hayes Lemmerz Inci Jant Sanayie, A.S. opened a new aluminum wheel plant in Manisa, Turkey.

v. On October 26, 2012, the subsidiary Maxion Hong Kong Limited, a dormant company as previously disclosed, was definitely wound up.

vi. On December 1, 2012, the indirect subsidiary Iochpe-Maxion Austria GmbH and the indirect subsidiary Iochpe Holdings Austria GmbH were incorporated, where the Company began to consolidate its foreign investments, except those in China, The Netherlands and Argentina.

vii. On December 14, 2012, the indirect subsidiary Ingenieria Y Maquinaria de Guadalupe S.A. de CV. (“Inmagusa”), located in Castaños, Mexico, entered into a business combination with related parties and became a direct subsidiary of Iochpe Sistemas Automotivos de México S.A. de C.V., which was previously a direct subsidiary of Maxion Fumagalli de México de C.V.

viii. On December 17, 2012, the subsidiaries Iochpe Sistemas Automotivos de México S.A. de C.V. and Iochpe Holdings, LLC became subsidiaries of Iochpe Holdings Austria GmbH. Under this new structure, these companies became indirect subsidiaries of the Company on December 31, 2012.

ix. On January 1, 2013, the indirect subsidiary Maxion Wheels de Mexico S. de R.L. de C.V. merged the indirect subsidiaries Maxion Fumagalli de México de C.V., located in San Luis Potosi, Mexico, and Iochpe Sistemas Automotivos - S. de R.L. de C.V., located in Tlalnepantla, Mexico, thus generating greater synergy and, as a result, reducing operating and finance costs by optimizing the administrative structures.

x. On January 1, 2013, the indirect subsidiary Maxion Componentes Estruturales, located in Castaños, Mexico, merged the indirect subsidiary Ingenieria Y Maquinaria de Guadalupe S.A. de C.V., retaining the corporate name Ingenieria Y Maquinaria de Guadalupe S.A. de C.V., to streamline the shareholding structure in Mexico.

xi. On February 28, 2013, the indirect subsidiary Maxion Fumagalli Japan KK was wound up.

xii. On September 19, 2013, the indirect subsidiary Hayes Lemmerz Finance LLC - Luxembourg S.C.A. changed its corporate name to Maxion Luxembourg Holdings S.a.r.l.

xiii. On September 30, 2013, the indirect subsidiary Hayes Lemmerz Finance LLC was wound up.

xiv. On September 30, 2013, Iochpe Holdings Austria GmbH acquired a 5.1% stake in Hayes Lemmerz Immobilien GmbH & Co.KG owned by indirect subsidiary HLI Netherlands Holdings, Inc.

xv. On October 18, 2013, HLI Delaware Holdings LLC merged the subsidiaries HLI Realty, Inc., Hayes Lemmerz International - Howell, Inc., and Hayes Lemmerz International - Laredo, Inc.

xvi. On October 18, 2013, HLI Delaware Holdings LLC merged HLI Suspension Holding Company LLC.

xvii. On October 31, 2013, HLI Operating Company, Inc. merged HLI Netherlands Holdings, Inc.

xviii. On October 31, 2013 HLI Operating Company, Inc. acquired the shares of the companies Hayes Lemmerz International - Commercial Higway, Inc., Hayes Lemmerz International - Sedalia, LLC, Hayes Lemmerz International Import, LLC, and Hayes Lemmerz International - Georgia, LLC.

2. ACQUISITION OF SUBSIDIARIES (BUSINESS COMBINATIONS)

Grupo Galaz S.A. de C.V.

On January 23, 2012, the Company acquired, through its indirect subsidiary Maxion Fumagalli de México S. de R.L. de C.V., 100% of Grupo Galaz S.A. de C.V. (“Grupo Galaz”) and its subsidiaries, a Mexican maker of steel sidebars for commercial vehicles.

On the same date, the corporate name of Grupo Galaz was changed to “Maxion Inmagusa S.A. de C.V.” (“Maxion Inmagusa”), as decided at a Shareholders’ Meeting.

The purpose of the acquisition of Maxion Inmagusa’s control was to increase the Company’s structural components division presence in the Mexican and North American markets (NAFTA).

The operations of Maxion Inmagusa for the 11-month period ended December 31, 2012 contributed with a net revenue of R$395,511 and a profit for the year of R$47,638. Had this acquisition taken place on January 1, 2012, Management estimated that net revenue for the year ended December 31, 2012 would be R$418,884 and profit for the year would be R$55,772. To estimate these amounts, Management took into account that the fair value adjustments, determined on the acquisition date, would be the same if the acquisition had taken place on January 1, 2012.

The consideration transferred and the recognized fair values of the assets acquired and liabilities assumed on the acquisition date are as follows:

Consideration transferred	
Cash	201,972

Identifiable assets acquired and liabilities assumed, measured at fair values	
Cash and cash equivalents	37,002
Trade and other receivables	76,381
Inventories	47,220
Property, plant and equipment	124,864
Trade and other payables	(238,163)
Deferred income tax liabilities	(10,782)
Contingent liabilities	(1,491)
Noncontrolling interests	(6)
Total identifiable assets, net	35,025

Goodwill

Goodwill recognized as arising on the acquisition is as follows:

Consideration transferred	201,972
Total identifiable assets, net	(35,025)
Preliminarily determined goodwill	166,947

In January 2013, Management, based on the provisions of technical pronouncement CPC 15(R1)/IFRS 3 - Business Combinations, which allow the use of adjustments resulting from additional information obtained during the "measurement period", of up to one year, revised the Purchase Price Allocation - PPA of this subsidiary and allocated an additional net amount of R$29,605, related to the revision of the provisions for the subsidiary's current and deferred income tax.

As a result, final goodwill is R$196,552, as follows:

	R$
Consideration transferred	201,972
Total identifiable assets, net	(35,025)
Preliminarily determined goodwill	166,947
Additional allocation related to the provision for income tax	29,605
Final goodwill	196,552

In addition to the net assets identified, the Company recognized a contingent tax liability, measured at its fair value, related to the risk arising from the use of tax loss carryforwards by Grupo Galaz's companies in the original amount of R$35,560, as a balance item to an escrow deposit in the same amount. As of December 31, 2013, the adjusted amount of this escrow deposit is R$21,621 (R$38,827 as of December 31, 2012). For further information, refer to note 19.

The determined goodwill was attributed to the future earnings, which will be obtained mainly as a result of the synergy between the quality and technical talent of the workforce from both the Company and Maxion Inmagusa, and the expected synergy from the integration of operations undertaken by the Company's several structural component business units.

As goodwill was generated in a foreign subsidiary, such goodwill is not deductible for tax purposes when calculating the Company's income tax and social contribution in Brazil.

In the consolidated balance sheet, goodwill is recognized in line item "Intangible assets" and is subject to an annual impairment test, as required by the accounting practices adopted in Brazil and International Financial Reporting Standards - IFRSs.

Hayes Lemmerz International, Inc.

On February 1, 2012, the Company acquired, through its direct subsidiary Iochpe Holdings LLC, 100% of the shares of Hayes Lemmerz International, Inc. ("Hayes Lemmerz") and its subsidiaries. Hayes Lemmerz is a manufacturer of steel and aluminum automotive wheels for light vehicles and steel wheels for commercial vehicles.

On February 24, 2012, Hayes Lemmerz changed its corporate name to Maxion Wheels ("Maxion Wheels"), under an Action by Unanimous Written Consent of the Sole Stockholder.

The acquisition of control of Maxion Wheels will allow the Company to increase its global presence through 17 plants located in the United States of America, Mexico, Brazil, Germany, Czech Republic, Turkey, Spain, Italy, South Africa, India and Thailand.

The operations of Maxion Wheels for the 11-month period ended December 31, 2012 contributed with a net revenue of R$2,845,825 and a profit for the year of R$78,296. Had this acquisition taken place on January 1, 2012, Management estimated that net revenue for the year ended December 31, 2012 would be R$3,069,640 and profit for the year would be R$76,667. To estimate these amounts, Management took into account that the fair value adjustments, determined on the acquisition date, would be the same if the acquisition had taken place on January 1, 2012.

The consideration transferred and the recognized fair values of the assets acquired and liabilities assumed on the acquisition date are as follows:

Consideration transferred	
Cash	1,120,488
Identifiable assets acquired and liabilities assumed, measured at fair values	
Cash and cash equivalents	195,730
Trade and other receivables	445,439
Inventories	227,895
Deferred income tax assets	14,862
Property, plant and equipment	1,039,034
Intangible assets	112,463
Trade and other payables	(655,049)
Borrowings and financing	(261,846)
Pension plan and post-employment benefit actuarial liabilities	(226,319)
Deferred income tax liabilities	(69,313)
Contingent liabilities	(17,195)
Noncontrolling interests	(148,132)
Total identifiable assets, net	657,569

Goodwill

Goodwill preliminarily recognized as arising on the acquisition is as follows:

Consideration transferred	1,120,488
Total identifiable assets, net	(657,569)
Preliminarily determined goodwill	462,919

Management, based on the provisions of technical pronouncement CPC 15(R1)/IFRS 3, which allow that adjustments resulting from additional information obtained during the "measurement period" of up to one year, reviewed the PPA of said subsidiary and allocated the net additional amount of R$14,608, related to: (i) the fair values of property, plant and equipment, net of depreciation for the period March-December 2012, amounting to R$17,025 (allocated to the fourth quarter of 2012); and (ii) other adjustments to identifiable assets and liabilities amounting to R$2,417 (allocated to the first quarter of 2013).

As a result, final goodwill is R$448,311, as follows:

	R$
Consideration transferred	1,120,488
Total identifiable assets, net	(657,569)
Preliminarily determined goodwill	462,919
(-) Additional allocation of fair values to property, plant and equipment	(17,025)
(+) Additional adjustments to identifiable assets and liabilities	2,417
Final goodwill	448,311

The determined goodwill was attributed to the future earnings, which will be obtained mainly as a result of the synergy between the quality and technical talent of the workforce from both the Company and Maxion Wheels, and the expected synergy from the integration of operations undertaken by the Company's several wheels business units.

As goodwill was generated in a foreign subsidiary, such goodwill is not deductible for tax purposes when calculating the Company's income tax and social contribution in Brazil.

In the consolidated balance sheet, goodwill is recognized in line item "Intangible assets" and is subject to an annual impairment test, as required by the accounting practices adopted in Brazil and IFRSs.

Preexisting relationships

The Company did not have any type of preexisting relationships with both Grupo Galaz and Hayes Lemmerz.

Acquisition costs

Acquisition-related costs incurred on the due diligence process and outside attorneys totaled R$1,276 and were recognized as administrative expenses in the statement of income.

Fair value measurement criteria on acquisition date

The assets acquired and assumed liabilities have been measured at fair values using generally accepted market techniques, except for inventories, property, plant and equipment items, and certain intangible assets, which were measured using market-specific techniques. The other components were measured under the discounted cash flow method. In the case of trade and other receivables, as the collection deadlines of the gross amounts did not exceed 60 days, there was no significant difference between the gross amounts and the recognized fair values.

3. GROUP COMPANIES

The consolidation incorporates the financial statements of the Company and the direct and indirect subsidiaries below. Under the new joint venture consolidation rules, effective beginning January 1, 2013, technical pronouncement CPC 19(R2) - Joint Arrangements, joint ventures are no longer proportionately consolidated and the financial information for the year ended December 31, 2012 has been restated to allow its comparability with the current year's financial reporting, as described in note 34.

	Country	Direct interest - %		Indirect interest - %	
		12/31/13	12/31/12	12/31/13	12/31/12
Maxion Componentes Estruturais Ltda.	Brazil	99.99	99.99	0.01	0.01
Maxion (Nantong) Wheels, Co., Ltd.	China	100.00	100.00	-	-
Cooperatie Maxion Europe U.A. (3)	The Netherlands	99.99	99.99	0.01	0.01
Newbridge Strategic Partners (2)	Cayman	100.00	100.00	-	-
Iochpe-Maxion Austria GmbH	Austria	100.00	100.00	-	-
Iochpe Holdings Austria GmbH	Austria	-	-	100.00	100.00
Iochpe Sistemas Automotivos de México S.A. de C.V.	Mexico	-	-	100.00	100.00
Ingenieria Y Maquinaria de Guadalupe S.A. de C.V. (4)	Mexico	-	-	100.00	100.00
Servicios Corporativos Inmagusa S.A. de C.V. (4)	Mexico	-	-	100.00	100.00
Representationes Inmagusa S.A. de C.V. (4)	Mexico	-	-	100.00	100.00
Maxion Wheels de Mexico S. de R.L. de C.V. (5)	Mexico	-	-	100.00	100.00
Servicios Maxion Fumagalli de México C.V. (5)	Mexico	-	-	100.00	100.00
Servicios Maxion Wheels Chihuahua S. de R.L. de C.V. (5)	Mexico	-	-	100.00	100.00
Servicios Maxion Fumagalli S.A. de C.V. (5)	Mexico	-	-	100.00	100.00
Iochpe Holdings, LLC	USA	-	-	100.00	100.00
Maxion Fumagalli Automotive U.S.A., Inc.	USA	-	-	100.00	100.00
Maxion Wheels (1)	USA	-	-	100.00	100.00
HLI Operating Company, Inc. (1)	USA	-	-	100.00	100.00
HLI Delaware Holdings, LLC (1)	USA	-	-	100.00	100.00
Hayes Lemmerz International - Commercial Higway, Inc. (1)	USA	-	-	100.00	100.00
Hayes Lemmerz International - Sedalia, LLC (1)	USA	-	-	100.00	100.00
Hayes Lemmerz International - Import, LLC (1)	USA	-	-	100.00	100.00
Hayes Lemmerz International - Georgia, LLC (1)	USA	-	-	100.00	100.00
Hayes Lemmerz Japan KK (1)	Japan	-	-	100.00	100.00
Hayes Lemmerz Luxemburg Holdings S.a.r.l. (1)	Luxembourg	-	-	100.00	100.00
Maxion Luxembourg Holdings S.a.r.l. (1)	Luxembourg	-	-	100.00	100.00
HLI European Holdings ETVE, S.a.r.l. (1)	Luxembourg	-	-	100.00	100.00
Hayes Lemmerz Czech s.r.o. (1)	Czech Republic	-	-	100.00	100.00
Hayes Lemmerz Germany Holding GmbH (1)	Spain	-	-	100.00	100.00
Hayes Lemmerz Manresa, S.L. (1)	Spain	-	-	100.00	100.00
Hayes Lemmerz Barcelona, S.L. (1)	Spain	-	-	100.00	100.00
Hayes Lemmerz Italy Holding, S.r.l. (1)	Italy	-	-	100.00	100.00
Hayes Lemmerz S.r.l. (1)	Italy	-	-	100.00	100.00
Siam Lemmerz Co., Ltd. (1)	Thailand	-	-	70.00	70.00
Automotive Overseas Investments (Proprietary) Limited (1)	South Africa	-	-	100.00	100.00
Hayes Lemmerz South Africa (Proprietary) Limited (1)	South Africa	-	-	100.00	100.00
Hayes Lemmerz Holdings GmbH (1)	Germany	-	-	100.00	100.00
Hayes Lemmerz Konigswinter GmbH (1)	Germany	-	-	100.00	100.00
Hayes Lemmerz Immobilien GmbH & Co. KG (1)	Germany	-	-	100.00	100.00
Kalyani Hayes Lemmerz Limited (1)	India	-	-	85.00	85.00
Hayes Lemmerz Werke GmbH (1)	Germany	-	-	100.00	100.00
Hayes Lemmerz Indústria de Rodas S.A. (1)	Brazil	-	-	100.00	100.00
Hayes Lemmerz Inci Jant Sanayi, A.S. (1)	Turkey	-	-	60.00	60.00
Hayes Lemmerz Jantas Jant Sanayi ve Ticaret A.S. (1)	Turkey	-	-	60.00	60.00

(1) Refer to the financial statements subconsolidated by subsidiary Iochpe-Maxion Austria GmbH (Iochpe Holdings, LLC - USA as of December 31, 2012). Companies acquired on February 1, 2012, as described in note 2.

(2) Refer to the dormant subsidiary.

(3) Refer to the company established in 2010, with the indirect interest of Maxion Componentes Estruturais Ltda.

(4) Refer to the financial statements subconsolidated by subsidiary Iochpe Sistemas Automotivos de México S.A. de C.V. Companies acquired on January 23, 2012, as described in note 2.

(5) Refer to the financial statements subconsolidated by subsidiary Iochpe Sistemas Automotivos de México S.A. de C.V.

Joint ventures

The investments in joint ventures AmstedMaxion (50% stake), Maxion Montich S.A. (“Maxion Montich”) (50% stake) and Remon (33.33% direct stake and 33.33% indirect stake) are accounted for under the equity method of accounting and their financial information is not consolidated into the consolidated financial statements because control is shared, in accordance with accounting practices adopted in Brazil and IFRSs effective beginning January 1, 2013, technical pronouncement CPC 19(R2)/IFRS 11.

Shared control in joint ventures is assessed based on the provisions of the shareholders’ agreements, which require the unanimous consent of the parties for business decision-making.

As referred to in note 12.c), the accounting reporting on joint venture Remon is carried using the equity method of accounting, always taking into account a one-month gap.

The nature of the joint ventures' operations is as follows:

- AmstedMaxion
  - Engaged in the production and sale of industrial castings, equipment, railroad wheels, and rail freight cars in Hortolândia and Cruzeiro, Brazil.
- Maxion Montich
  - Engaged in the manufacturing and sale of heavy structural components (complete frames, sidebars and crossbars) and metal stampings for commercial vehicles in Córdoba, Argentina, Sete Lagoas, Brazil, and Canelones, Uruguay.
- Remon
  - Engaged in wheel and tire assembly and balancing in its unit located in Resende, Brazil.

The main asset, liability and profit or loss groups of these companies are as follows:

	Amsted-Maxion		Maxion Montich		Remon	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Balance sheets:						
Current assets	310,430	251,355	36,854	38,363	1,051	709
Noncurrent assets	320,377	384,834	55,008	63,260	110	115
Total assets	630,807	636,189	91,862	101,623	1,161	824
Current liabilities:	423,810	400,341	41,793	43,946	457	534
Noncurrent liabilities	199,695	199,139	15,674	19,573	82	83
Equity	7,302	36,709	34,395	38,104	622	207
Total liabilities and equity	630,807	636,189	91,862	101,623	1,161	824
Statements of income:						
Net sales revenue	586,316	755,516	155,154	101,138	3,012	2,286
Cost of sales	(586,107)	(720,617)	(138,498)	(97,049)	(1,665)	(1,742)
Gross profit	209	34,899	16,656	4,089	1,347	544
Operating expenses, net	(124,272)	(129,716)	(14,540)	(10,859)	(858)	(809)
Gain on sale of property	89,081	-	-	-	-	-
Income tax and social contribution	5,575	33,431	(500)	2,128	(75)	(56)
Profit (loss) for the year	(29,407)	(61,386)	1,616	4,642	414	(321)

The joint venture AmstedMaxion has a five-year lease agreement, dated June 14, 2013, of the property where the plant of its Hortolândia unit is located.

As of December 31, 2013, the estimated future obligation is limited to the amounts described in the table below, which do not include possible amounts incurred in renovations:

	R$ (000)
2014	15,384
2015	15,384
2016	15,384
2017	15,384
2018	15,384
Total	76,920

4. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Statement of compliance

The Company's financial statements comprise:

- The consolidated financial statements prepared in accordance with accounting practices adopted in Brazil and IFRSs, issued by the International Accounting Standards Board - IASB, identified as Consolidated (IFRS & BR GAAP).

- The Parent's individual financial statements prepared in accordance with accounting practices adopted in Brazil, identified as Parent (BR GAAP).

The accounting practices adopted in Brazil comprise the Brazilian Corporate Law and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM).

The individual financial statements present the valuation of investments in subsidiaries and joint ventures under the equity method, pursuant to prevailing Brazilian Corporate Law. Accordingly, these individual financial statements are not considered as being in conformity with IFRSs, which require the valuation of these investments in the Company at cost or fair value; however, equity in subsidiaries is prescribed by Brazilian Corporate Law, in the Company's individual financial statements.

b) Measurement basis

The individual and consolidated financial statements have been prepared based on the historical cost, except for certain property, plant and equipment items measured at deemed cost and, when applicable, financial instruments measured at their fair values. The historical cost is generally based on the fair value of the consideration paid in exchange for an asset.

c) Functional and reporting currency

Items in the financial statements of the Company and each of the subsidiaries included in the consolidated financial statements are measured based on the functional currency of each of these companies, which corresponds to the currency of the main economic environment where they operate.

In the consolidated financial statements, income and expenses, and balance sheet balances of each Group company are translated into Brazilian reais, which is the Company's functional and reporting currency.

d) Use of estimates and judgments

In applying the accounting policies described in note 5, Management makes judgments and estimates regarding the reported assets and liabilities' carrying amounts, which are not easily obtained from other sources. Estimates and related assumptions are based both on past experience and other factors deemed relevant. Actual results may differ from those estimates.

Estimates and assumptions are reviewed on an ongoing basis. The effects from the revisions to accounting estimates are recognized in profit or loss for the current year.

Below are the main areas of judgments and accounting estimates:

d.1) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the Cash-Generating Units - CGUs to which goodwill has been allocated. The calculation of the value in use requires Management to estimate expected future cash flows generated by the CGU and an adequate discount rate to calculate the present value.

d.2) Useful lives of property, plant and equipment

As described in note 5.j.3), the Company reviews the remaining useful lives of property, plant and equipment items at the end of each fiscal year. For further details on the useful lives of assets, see note 13.

d.3) Other areas that involved estimates and judgments are as follows:

- Note 2 - Fair value measurement of assets acquired and liabilities assumed in business combinations.
- Note 7 - Allowance for doubtful accounts.
- Note 8 - Allowance for inventory losses.
- Note 10 - Deferred income tax and social contribution.

- Note 19 - Provision for tax, civil and labor risks.
- Note 20 - Post-employment benefits.
- Note 22 - Stock option plan.
- Note 27 - Risk management and financial instruments.

5. SIGNIFICANT ACCOUNTING PRACTICES

The accounting practices described below have been consistently applied to all reporting periods presented in these individual and consolidated financial statements.

a) Consolidation of financial statements

a.1) Definition of subsidiaries

Subsidiaries are all entities whose financial and operating policies are controlled and conducted by the Company and in which generally the parent owns more than half of the equity interests. In the applicable cases, the existence and effect of potential voting rights that are currently exercisable or convertible are taken into consideration when assessing whether or not the Company controls another entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and cease to be consolidated, when applicable, when control is no longer exercised.

a.2) Consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, for the same reporting period and consistent with the Company's accounting practices.

The main consolidation criteria include:

- Elimination of intergroup assets and liabilities between consolidated companies.
- Elimination of the Parent's interests in the equity of its direct and indirect subsidiaries.
- Elimination of intergroup revenue and expenses and unrealized profits derived from intragroup transactions. Unrealized losses are eliminated in the same way, but only when there is no indication of impairment of the underlying assets.

The profit or loss of subsidiaries acquired or disposed of during the year are included in the consolidated statements of income and comprehensive income from the actual acquisition date up to the actual disposal date, as applicable.

The consolidated financial statements are presented in Brazilian reais (R$), which is the Company's functional currency.

a.3) Translation of the financial statements of foreign subsidiaries

The Company reviews the accounting practices of the foreign subsidiaries and, should there be any differences with accounting practices adopted in Brazil, adjustments are made to equity and profit or loss for the year before calculating the share of profits (losses) of subsidiaries.

In preparing the consolidated financial statements, the statements of income, comprehensive income, cash flows and value added and all other movements in assets and liabilities are translated into Brazilian reais (R$) at the average exchange rate, which is considered a rate close to the exchange rate prevailing on the date of the underlying transactions. The balance sheet is translated into Brazilian reais (R$) at the exchange rates prevailing at the end of the reporting period.

Gains or losses resulting from the translation of the financial statements of foreign subsidiaries into the Company's reporting currency are recognized as other comprehensive income.

a.4) Joint ventures

Pursuant to the amendment to technical pronouncement CPC 19(R2)/IFRS 11, beginning January 1, 2013 joint ventures are accounted for under the equity method in the individual and consolidated financial statements. Previously, these arrangements were proportionately consolidated.

b) Business combinations

b.1) Consolidated financial statements

In the consolidated financial statements, business acquisitions are accounted for using the acquisition method. The valuable consideration transferred in a business combination is measured at fair value, which is calculated by adding the fair values of the transferred assets and the liabilities incurred on the date of acquisition to the former owners of the acquiree and the equity issued by the Company in exchange for the control of the acquiree. Acquisition costs are recognized in profit or loss when incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except for deferred tax assets or liabilities and the assets and liabilities related to employee benefit arrangements, which are recognized and measured in accordance with technical pronouncements CPC 32/IAS 12 - Income Taxes and CPC 33/IAS 19 - Employee Benefits, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred and of the amount of any noncontrolling interest in the acquiree, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair values of such contingent consideration classified as measurement period adjustments are retrospectively adjusted, with corresponding adjustments to goodwill. Measurement period adjustments refer to adjustments resulting from new information obtained over the "measurement period" (which cannot exceed one year after the acquisition date) about facts and circumstances that existed as of the acquisition date.

Contingent liabilities acquired in a business combination are initially measured at fair value on acquisition date. At the end of each year, these contingent liabilities are measured at the higher of the amount that would be recognized pursuant to technical pronouncement CPC 25/IAS 37 - Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognized, less the recognized accumulated amortization.

If the initial accounting for a business combination is incomplete by the end of the reporting year in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period or additional assets and liabilities are recognized to reflect new information obtained about facts and circumstances that existed on the acquisition date and, if known, would have affected the amounts recognized on that date.

b.2.) Individual financial statements

The Company applies to its individual financial statements the criteria set out in technical interpretation ICPC 09 - Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements, and Application of the Equity Method of Accounting, which requires that any amount exceeding the acquisition cost over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities on the acquisition date be recognized as goodwill. Goodwill is stated as an investment.

c) General revenue recognition principles and criteria

Assets, liabilities, income and expenses are recognized on the accrual basis.

Revenue is measured at fair value of the consideration received or receivable, less any estimated returns, trade discounts and/or rebates granted to the buyer and other similar deductions. It is recognized in the statement of income for the year, less deductions, including taxes on sales.

c.1) Revenue from product sales

It is recognized when: (i) the risks and rewards inherent to the products and goods sold are transferred to the buyers; (ii) the payment of amounts owed to the Company is probable; and (iii) there is no longer any involvement of the Management with the products. More specifically, revenue from product sales is recognized when the products are delivered and legal ownership is transferred.

c.2) Service revenue

Service revenue is recognized based on the percentage of completion of the services, usually based on the time, materials contracted and direct expenses incurred.

c.3) Interest income

Interest income is recognized when it is probable that the economic benefits will flow to the Company and its subsidiaries and the amount of income can be measured reliably. Interest income is recognized under the straight-line method on a time basis, using the effective interest rate on the outstanding principal, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c.4) Rental revenue

Revenue from operating leases is recognized on a straight-line basis over the lease period.

d) Foreign currency-denominated transactions

These are translated into the functional currencies of the Company and its subsidiaries at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting periods are retranslated into the functional currency at the rates prevailing at that date. Foreign exchange gains or losses on monetary items is the difference between the amortized cost of the functional currency at the beginning of the year, adjusted by interest rates and actual payments during the year, and the amortized cost in foreign currency at the exchange rate prevailing at the end of the reporting period. Foreign currency-denominated nonmonetary assets and liabilities that are measured at fair value are retranslated into the functional currency at the exchange rate prevailing at the date their fair values were determined.

e) Financial instruments

Classification

Financial assets held by the Company and its subsidiaries are classified into the following categories when applicable: (i) financial assets at fair value through profit or loss; (ii) held--to-maturity financial assets and available-for-sale financial assets; and (iii) loans and receivables. The classification depends on the purpose for which the financial assets have been obtained or contracted.

Financial assets

(i) Financial assets calculated at fair value through profit or loss

As of December 31, 2013 and 2012, the Company and its subsidiaries did not have financial instruments classified in this category.

(ii) Held-to-maturity financial assets and available-for-sale financial assets

As of December 31, 2013 and 2012, the Company and its subsidiaries did not have financial instruments classified in these categories.

(iii) Loans and receivables

Include nonderivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recorded in current assets, except for maturities greater than 12 months after the end of each year, which are classified as noncurrent assets. As of December 31, 2013 and 2012, in the case of the Company and its subsidiaries, comprise cash and cash equivalents, short-term investments (note 6), trade accounts receivable (note 7) and receivables from related parties (note 11).

Financial liabilities at fair value through profit or loss

Financial liabilities are classified at fair value through profit or loss when they are either held for trading or designated at fair value through profit or loss.

As of December 31, 2013, refer to the derivative embedded in the convertible debentures, as shown in note 15.d).

Financial liabilities carried at amortized cost

Measured at amortized cost using the effective interest method. As of December 31, 2013 and 2012, they comprise bank borrowings and financing (note 15), trade payables (note 16), and due to related parties (note 11), which are presented at their original amounts plus interest, inflation adjustments, and exchange differences incurred through the end of each fiscal year.

Effective interest method

It is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Measurement

Regular-way purchases or sales of financial assets are recognized on a trade date basis, i.e., the date on which the Company and its subsidiaries agree to buy or sell the asset. Financial assets at fair value through profit or loss are initially recognized at fair value, and transaction costs are recorded in the statement of income. Loans and receivables are carried at amortized cost.

Gains or losses resulting from changes in fair value of financial assets at fair value through profit or loss are recognized in the statement of income in “Finance income” or “Finance costs”, respectively, when earned or incurred.

Offset of financial instruments

Financial assets and financial liabilities are offset and the net amount is recorded in the balance sheet when there is a legally enforceable right to set off recognized amounts and intention to either settle them on a net basis, or to recognize the asset and settle the liability simultaneously.

Derivatives

As of December 31, 2013, the Company and its subsidiaries did not have any outstanding derivatives nor operated with such instruments during the year then ended.

Cash flow hedges (hedge accounting)

When a derivative or a nonderivative financial instrument is designated as a hedging instrument intended to hedge against fluctuations in cash flows attributable to specific risk associated with an asset or a liability recognized or a transaction forecasted as highly probable, and which may affect profit or loss, the effective portion of changes in the fair value of derivatives is recognized in other comprehensive income and presented in the valuation adjustments reserve in equity. The amount recognized in other comprehensive income is reclassified to profit or loss in the same period the hedged cash flows affect profit or loss, in the same line item in the statement of income as a hedged item. Any ineffective portion of the derivative change in fair value is immediately recognized in profit or loss.

f) Cash and cash equivalents

Comprise cash, banks and highly liquid short-term investments maturing within up to 90 days from investment date, immediately convertible into a known amount of cash and subject to an insignificant risk of change in value, which are carried at cost plus income earned through the end of each reporting period, which does not exceed their fair or realizable values.

g) Trade receivables and allowance for doubtful accounts

Recorded and maintained in the balance sheet at their original amounts, less the allowance for doubtful accounts, which is recognized considering the criteria described in note 7.

h) Inventories

Stated at average acquisition or production cost, adjusted to their realizable fair value and probable losses, when applicable. The average cost includes all costs incurred on purchase, production and processing costs, and costs incurred in bringing the inventories to their present location and condition. In the case of finished product and work in process inventories, cost includes a proportional share of manufacturing overheads based on normal production capacity.

The net realizable fair value is the estimated sales price in the normal course of business less estimated completion costs and selling expenses.

The amounts are disclosed in note 8.

i) Investments

i.1) Investments in subsidiaries: accounting policy applicable only to the individual financial statements.

Investments are accounted for under the equity method.

i.2) Interests in joint ventures

The Company discloses its interests in joint ventures in its individual and consolidated financial statements by the equity method of accounting, pursuant to technical pronouncement CPC 19(R2)/IAS 11.

j) Property, plant and equipment

j.1) Recognition and measurement

Property, plant and equipment are stated at acquisition or construction cost, plus interest capitalized during the construction period, in the case of qualifying assets, less accumulated depreciation and allowance for impairment losses on discontinued assets without expectation of reuse or realization.

When applicable, property, plant and equipment include all expenses allocable to the assets during their construction and/or preoperating testing phase.

Any gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

j.2) Subsequent costs

The cost of replacement of an item of property, plant and equipment is recognized at the carrying amount of the item when it is probable that the economic benefits arising from the item will flow to the Company and its subsidiaries and its cost can be reliably measured. Maintenance costs are recognized in profit or loss as incurred.

j.3) Depreciation

Calculated on the depreciable amount, which is the purchase cost of an asset or another cost value after deducting its residual value.

Depreciation is recognized in profit or loss on a straight-line basis, based on the estimated useful lives of each part of an item of property, plant and equipment, as this method is more representative of the time pattern in which economic benefits from the asset are consumed. Land is not depreciated.

The useful lives are disclosed in note 13.

The depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, and possible adjustments are subsequently recognized as changes in accounting estimates.

k) Intangible assets

k.1) Separately acquired intangible assets, including those acquired through business combinations

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, when applicable. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less impairment losses, when applicable.

They comprise: (i) trademarks; (ii) property use rights; (iii) software licenses, including implementation costs; (iv) portfolio of customers purchased from third parties; and (v) goodwill on acquisition of subsidiaries (consolidated). Assets with finite useful lives are amortized over the terms described in note 14. Assets without finite useful lives, mainly consisting of goodwill paid on the acquisition of subsidiaries, beginning January 1, 2009, started to be annually tested for impairment and/or when any impairment loss is present.

Software, plus the related implementation costs, and ERP systems licenses purchased are also capitalized and amortized at the rates also described in note 14, and software maintenance costs are recognized as expenses when incurred.

Separately acquired trademarks and patents are stated at their historical cost. Trademarks and patents acquired in a business combination are carried at fair value at the acquisition date as they have a finite useful life and are stated at cost less accumulated amortization. Amortization is calculated under the straight-line method at the annual rates described in note 14.

k.2) Product research and development expenses

These costs are expensed when incurred.

l) Impairment testing

l.1) Assets (other than goodwill)

The Company and its subsidiaries analyze on an annual basis whether there is evidence that the carrying amount of an asset might be impaired. If there is any evidence of impairment, the recoverable value of the asset is estimated. The recoverable value of an asset is the highest of: (i) its fair value less costs to sell; and (ii) its value in use. The value in use is equivalent to pretax discounted cash flows arising from the continuing use of the asset. When the residual value of the asset exceeds its recoverable amount, an impairment loss is recognized.

For impairment purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs).

l.2) Goodwill on subsidiaries

For impairment testing purposes, Management defined that CGUs correspond to each business segment to which goodwill was allocated and are annually tested for impairment or more frequently when there are indications that the CGU may be impaired. If the recoverable amount of a CGU is less than its carrying amount, impairment losses are firstly allocated to write down the carrying amount of any goodwill allocated to CGU and subsequently to the other assets of the CGU, prorated to the carrying amount of each of its assets. An impairment loss on goodwill is not reversed in a subsequent period.

l.3) Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at the end of each fiscal year to determine whether there is any objective evidence that it is impaired.

m) Post-employment benefits

m.1) Defined contribution plan

Payments to defined contribution plans are recognized as expenses when the services they entitle to are provided. In the case of the Company, the defined contribution plan consists of an open plan with fixed contributions and no actuarial risk or a legal or constructive obligation to pay additional amounts. For further details see note 20.

m.2) Defined benefit plans

For these plans, the cost of the benefits is determined under the projected unit credit method, based on the actuarial valuation undertaken at the end of each reporting period. Past service cost is recognized immediately to the extent that the benefits are already vested or are otherwise amortized on a straight-line basis over the average period until the benefits become vested.

Pension obligations recognized in the balance sheet represent the present value of the liability from defined benefits, adjusted by unrecognized actuarial gains and losses and unrecognized cost of past services less the fair value of plan assets. The assets arising from this calculation are limited to the amount of unrecognized actuarial losses and past service costs, plus the present value of refunds available and deductions from future plan contributions. In the case of the Company, the consolidated financial statements disclose defined-benefit plans sponsored by the indirect subsidiary Maxion Wheels, as shown in note 18.

n) Employee benefits

n.1) Profit sharing

The Company and its subsidiaries recognize a profit sharing liability and expense, which is contingent on the attainment of operating goals and specific objectives set and approved at the beginning of each year. The Company and its subsidiaries recognize an accrual for profit sharing when it is contractually obliged or when there is a past practice that created a constructive obligation.

The provisions are measured on an undiscounted basis and incurred as expenses as the related service is provided.

The liability is recognized at the expected value to be paid in the cash bonus plan or short-term profit sharing, if the Company and its subsidiaries have a legal or constructive obligation to pay this amount due to a past service provided by the employee and the obligation may be reliably estimated.

n.2) Share-based payment

For plan participants in the Brazilian companies, the fair value of stock options granted set on the grant date is recognized on a straight-line basis as expenses in profit or loss for the year over the vesting period, based on the Company's estimates on which options granted will become eventually vested, with a corresponding increase in equity. At the end of each year, the Company reviews its estimates of the number of equity instruments to be vested, and the impact of the review with respect to original estimates, if any, is recognized in profit or loss for the year, so that accumulated expenses reflect the reviewed estimates, including the corresponding adjustment to equity in line item "Recognized options granted" that recorded the benefit to employees, pursuant to the criteria set forth in technical pronouncement CPC 10(R1)/IFRS 02 - Share-based Payment.

o) Provisions

Provisions are recognized when the Company and its subsidiaries have a legal or constructive obligation as a result of past events and it is probable that an outflow of funds will be required to settle the obligation and its present value can be reliably estimated. Provisions are quantified at the present value of the expected disbursement to settle the obligation using the appropriate discount rate, according to related risks.

It is adjusted up to the end of each fiscal year for the probable loss amount, according to the nature of each contingency and based on the opinion of the Company and its subsidiaries' legal counsel. The bases for and nature of the provisions for tax, civil, and labor contingencies are described in note 17.

p) Taxation

p.1) Current taxes

The provision for income tax and social contribution is based on the taxable profit. Taxable profit differs from profit as reported in the statement of income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The provision for income tax and social contribution is calculated individually by the Company and its subsidiaries based on the tax rates in effect at the end of each reporting period, except for foreign subsidiaries, which must comply with the tax rates prevailing in each country where they are located (see table below); the income tax and social contribution of the Company and its subsidiaries located in Brazil are calculated at a 15% tax rate, plus a 10% surtax on taxable profit exceeding R$240 (annual basis) for income tax, and social contribution is calculated at 9% on taxable profit, taking into account the offset of tax loss carryforwards, limited to 30% of the annual taxable profit.

Current income tax and social contribution expenses are calculated using the tax laws enacted or substantially enacted by the end of each reporting period, pursuant to Brazilian tax regulations. Management periodically measures the positions assumed in the income tax returns regarding situations in which applicable tax regulations are subject to possibly different interpretations and, when appropriate, recognizes provisions based on the amounts it expects to pay to tax authorities.

p.2) Deferred taxes

Deferred income tax and social contribution ("deferred taxes") are recognized on temporary differences between the balances of assets and liabilities recognized in the financial statements and the related tax bases adopted to calculate taxable profit, including tax loss carryforwards, when applicable. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, only when it is probable that the Company and its subsidiaries will generate future taxable profit in a sufficient amount so that these deductible temporary differences can be utilized.

The recovery of deferred tax assets is reviewed at the end of each reporting period and, when it is no longer probable that future taxable profit will be available to allow the recovery of all or part of the asset, these are adjusted for the expected recoverable amount.

Deferred tax assets and liabilities are measured using the tax rates applicable for the period in which the liability is expected to be settled or the asset is expected to be realized, based on the tax rates set forth in the tax law prevailing at the end of each reporting period, or when a new legislation has been substantially enacted. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company and its subsidiaries expect, at the end of each year, to recover or settle the carrying amount of these assets and liabilities.

Deferred tax assets and liabilities are offset only when the current tax asset can be offset against the current tax liability and when they are related to taxes managed by the same tax authority and the Company and its subsidiaries intend to settle the net amount of their current tax assets and liabilities.

p.3) Current and deferred taxes

Current and deferred income tax are recognized as expenses or income in profit or loss for the year, except when related to items recognized directly in other comprehensive income or in equity, when taxes are also recognized directly in other comprehensive income or in equity, or when arising on the initial recognition of a business combination. In the case of a business combination, the tax effect is considered in accounting for the business combination, when applicable.

p.4) Income tax rates of foreign subsidiaries

Country	Tax rate - %
Mexico	30.0
United States of America	35.0
Argentina	35.0
China	25.0
Luxembourg	28.8
Germany	31.6
Spain	30.0
Italy	31.4
Czech Republic	19.0
Thailand	23.0
Turkey	20.0
India	33.2
South Africa	28.0
Japan	40.9
Austria	25.0

q) Earnings per share

Basic earnings per share are calculated by means of the profit for the year attributable to Company owners and noncontrolling interests and the weighted average number of common shares outstanding in the related year. Diluted earnings per share are calculated by means of the average number of shares outstanding, adjusted by instruments potentially convertible into shares, with dilutive effect in the reporting periods, as prescribed by CPC 41/IAS 33 - Earnings per Share.

r) Statement of value added (DVA)

The purpose of this statement is to disclose the wealth created by the Company and its distribution during a certain reporting period and is presented by the Company, as required by the Brazilian Corporate Law, as an integral part of its individual financial statements and as supplemental information to the consolidated interim information, since this statement is not required by IFRSs.

The DVA has been prepared using information obtained from the same accounting records used to prepare the financial statements and in accordance with the provisions of technical pronouncement CPC 09 - Statement of Value Added.

s) New standards and interpretations issued and not yet adopted

The Company and its subsidiaries did not adopt the following new and revised IFRSs already issued but not yet effective:

IFRS 9 - Financial Instruments

Classification and Measurement (CPCs 38, 39 and 40) - introduces new requirements for the classification and measurement of financial assets and financial liabilities. IFRS 9 uses a simple approach to determine whether a financial asset is stated at amortized cost or fair value, based on how an entity manages its financial instruments (its business model) and contractual cash flows underlying the financial assets. IFRS 9 also requires the adoption of only one method to determine asset impairment losses and the recognition of the changes in the fair value of a financial liability attributable to changes in the credit risk of such liability as "Other comprehensive income", when certain criteria are met. This standard is effective for reporting periods beginning on or after January 1, 2018.

Amendments to IAS 32 - Financial Instruments - Disclosure (CPC 39)

Provide guidance on the offset of financial assets and financial liabilities; this amendment is effective for reporting periods beginning on or after January 1, 2014.

Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities

Define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements, and also include disclosure requirements. This standard is effective for reporting periods beginning on or after January 1, 2014.

IAS 36 - Impairment of Assets (CPC 01)

Adds guidance on the disclosure of the recoverable amounts of nonfinancial assets; this amendment is effective for reporting periods beginning on or after January 1, 2014.

IAS 36 - Impairment of Assets

Provides guidance that clarifies that there is no need to discontinue hedge accounting if the derivative instrument is renewed, when certain criteria are met. This amendment is effective for reporting periods beginning on or after January 1, 2014.

IFRIC 21 - Levies

Provides guidance about when to recognize a liability related to a levy imposed by the Government and is effective for reporting periods beginning on or after January 1, 2014.

The Company's Management believes that the application of certain standards above, to be adopted in its financial statements on their effective dates, could impact previously reported amounts. However, it is not possible to provide a reasonable estimate of this effect until a detailed review is made for the time of their adoption.

6. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Cash and banks:				
In Brazil	28,604	9,419	44,592	9,419
Abroad	-	-	288,342	212,374
	28,604	9,419	332,934	221,793
Short-term investments:				
In Brazil	150,197	209,010	202,044	209,010
Abroad	-	-	127,252	70,558
	150,197	209,010	329,296	279,568
	178,801	218,429	662,230	501,361

The short-term investments held by the Company and its subsidiaries in Brazil as of December 31, 2013 are represented by Bank Deposit Certificates (CDBs), distributed among several low risk financial institutions, as rated by rating agencies, and have average yield of 101.4% of the Interbank Deposit Rate (CDI) (102.2% at December 31, 2012), classified as cash and cash equivalents because they mature within 90 days and are considered guaranteed redemption financial assets, subject to an immaterial risk of change in value.

In consolidated, the highly liquid short-term investments abroad as of December 31, 2013 are divided into: (a) R$37,638, denominated in Mexican pesos, with average yield of 4.1% per year (R$37,283 at December 31, 2012, yielding an average rate of 3.1% per year); and (b) R$89,614, denominated in U.S. dollars, with average yield of 0.2% per year (R$33,275 at December 31, 2012, yielding an average rate of 0.3% per year). They are also classified as cash and cash equivalents because they can be redeemed within up to 90 days or are considered as immediately redeemable secured financial assets, subject to an insignificant risk of change in value.

7. TRADE RECEIVABLES

a) Breakdown

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
In Brazil	194,287	199,465	268,588	257,339
Abroad	6,281	11,687	476,994	451,297
Related parties (note 11)	27,279	24,088	7,788	-
Allowance for doubtful accounts	(721)	(1,879)	(5,557)	(3,995)
	227,126	233,361	747,813	704,641

b) Movement in the allowance for doubtful accounts

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Opening balance	(1,879)	(1,736)	(3,995)	(1,736)
Amounts recovered in the year	54	-	54	-
Amounts written off in the year as uncollectible	2,912	250	4,597	1,100
Allowance increase	(1,808)	(393)	(5,910)	(3,204)
Exchange differences	-	-	(303)	(155)
Closing balance	(721)	(1,879)	(5,557)	(3,995)

c) Aging list

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Current	183,964	208,063	678,759	633,153
Past due:				
1 to 30 days	24,762	17,253	52,016	53,689
31 to 60 days	9,680	1,722	3,112	7,450
61 to 90 days	1,882	2,855	5,899	4,867
91 to 180 days	3,023	1,534	5,646	4,219
Above 181 days	4,536	3,813	7,938	5,258
	227,847	235,240	753,370	708,636

The Company and its subsidiaries have the policy of analyzing the breakdown of past-due notes adopting the criterion of recognizing an allowance for all receivables more than 90 days past due, without evidence of negotiation, and from customers in composition with creditors or bankrupt.

8. INVENTORIES

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Finished products	55,669	55,921	217,081	228,307
Work in process and semi-finished goods	26,041	54,744	122,443	119,887
Raw materials	75,143	58,878	192,441	195,366
Auxiliary and packaging materials	14,145	9,897	102,334	83,983
Advances to suppliers	13,560	11,338	20,519	18,760
Imports in transit	2,287	4,735	2,291	4,556
Allowance for losses	(6,112)	(5,860)	(18,049)	(16,329)
	180,733	189,653	639,060	634,530

Movement in the allowance for losses

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Opening balance	(5,860)	(2,599)	(16,329)	(7,520)
Reversals	430	160	3,334	1,201
Allowance increase	(682)	(3,421)	(3,515)	(9,338)
Exchange differences	-	-	(1,539)	(672)
Closing balance	(6,112)	(5,860)	(18,049)	(16,329)

9. RECOVERABLE TAXES

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
State VAT (ICMS)	9,612	10,271	13,372	14,140
Federal VAT (IPI)	10,173	13,387	10,173	13,416
Social Security Funding Tax on Revenue (COFINS)	1,133	912	1,133	1,150
Social Integration Program Tax on Revenue (PIS)	354	1,445	5,770	8,097
Income tax and social contribution	28,315	12,786	29,964	14,701
Other	4,508	3,750	4,936	3,790
Value Added Tax - VAT - foreign subsidiaries:				
Mexico	-	-	45,202	45,004
Turkey	-	-	10,979	10,738
Italy	-	-	6,400	4,817
Czech Republic	-	-	735	3,451
Other countries	-	-	7,241	9,480
	54,095	42,551	135,905	128,784
Current assets	41,190	32,854	116,509	103,967
Noncurrent assets	12,905	9,697	19,396	24,821

10. INCOME TAX AND SOCIAL CONTRIBUTION

a) Deferred

The origin of deferred income tax and social contribution recognized in noncurrent assets and noncurrent liabilities is as follows:

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Temporary differences:				
Provision for tax risks	8,016	7,190	8,648	7,847
Provision for labor/civil risks	3,603	1,718	7,371	8,789
Allowance for doubtful accounts	245	639	1,890	1,358
Accrued profit sharing	6,137	2,860	20,315	4,839
Provision for inventory losses	3,201	1,992	3,653	5,555
Other	7,601	11,135	7,679	15,604
Subtotal	28,803	25,534	49,556	43,992
Income tax loss carryforwards (**)	5,507	-	65,799	34,043
Social contribution tax loss carryforwards (**)	1,661	-	13,576	12,562
Subtotal	7,168	-	79,375	46,605
Total assets	35,971	25,534	128,931	90,597
Noncurrent liabilities:				
Property, plant and equipment useful life depreciation difference	39,106	28,995	167,305	118,616
Intangibles useful life amortization difference	-	-	22,020	12,791
Deemed cost - property, plant and equipment - CPC 27	59,727	64,572	59,727	64,572
Capitalized financial costs - CPC 08 - Equity Transaction Costs and Premiums	7,233	5,532	7,233	5,532
Amortization of goodwill on investments (*)	27,539	20,795	27,539	20,795
Other	-	-	-	15,383
Total liabilities	133,605	119,894	283,824	237,689
Offsets against assets	(35,971)	(25,534)	(43,187)	(44,787)
Deferred tax assets, net	-	-	85,744	45,810
Deferred tax liabilities, net	97,634	94,360	240,637	192,902

(*) Due to the cancelation of the amortization of goodwill on the acquisition of subsidiaries, in accordance with the changes in accounting practices adopted in Brazil enacted by Law 11638/07 and Law 11941/09, beginning January 1, 2009 the Company started to utilize the goodwill tax benefit arising on the acquisition of former subsidiary Meritor Comércio e Indústria de Sistemas Automotivos Ltda. amounting to R$119,018, under the Transitional Tax Regime (RTT), whose effect was previously offset at a 1/72 ratio per month, with a monthly amortization amount of R$1,653, which has been resulting in a tax impact of R$562/month. Therefore, as required by the accounting practices adopted in Brazil, the difference between the base of the utilized tax benefit and accounting amortization is being considered as temporary difference for deferred income tax and social contribution purposes, and its impact is recorded in noncurrent liabilities.

Parent

(**) The final and unappealable decision of July 6, 2007 on Lawsuit No. 94.0034458-9 was published on July 31, 2007, and authorized the Company to offset the tax loss carryforwards for the base period 1989, related to inflation adjustment expenses disclosed in the balance sheet, corresponding to the understated inflation of January and February 1989 ("Verão" Plan), and the financial credit corresponding to the amount overpaid in 1989 and 1990, which were duly ratified by the Federal Revenue Service (RFB) in the third quarter of 2013, for a total of R$7,976, leaving a remaining balance for offset of R$7,168 as of December 31, 2013.

Consolidated

	12/31/2013	12/31/2012
Iochpe-Maxion S.A. (**)	7,168	-
Maxion Wheels de Mexico S. de R.L. de C.V. (a)	28,046	-
Maxion Wheels - Brazil (b)	44,161	46,605
Subtotal	79,375	46,605

(a) Until 2013 there were two federal taxes in Mexico, the "Impuesto sobre la Renta - ISR", levied at a 30% rate, and the "Impuesto Empresarial a Tasa Única - IETU", whose tax basis was the operating cash flows, levied at a 17% rate. As a rule, Mexican companies were required to calculate both taxes and pay the highest tax, and to project profits and cash flows to determine which tax would be paid in the coming years. This calculation is used as basis to define the deferred IETU or ISR.

In 2013, the Mexican indirect subsidiaries calculated and paid the IETU and, consequently, recognized the deferred IETU on temporary differences. However, the enactment of the new Mexican tax law, effective beginning 2014, which revokes the IETU, allowed the indirect subsidiary Maxion Wheels de Mexico S. de R.L. de C.V. to recognize deferred ISR arising on the completed merger, as disclosed in note 1.b), (ix).

Also as a result of the revocation of the IETU, the Mexican indirect subsidiaries reversed the deferred IETU on temporary differences and recognized the deferred ISR on the indirect subsidiaries Maxion Wheels de Mexico S. de R.L. de C.V. and Ingenieria Y Maquinaria de Guadalupe S.A. de C.V.

As of December 31, 2013, the accumulated balance of deferred ISR credits was R$28,046.

(b) As explained in note 1.b.ii), on October 1, 2012, the indirect subsidiary Hayes Lemmerz Indústria de Rodas Ltda., located in Santo André, State of São Paulo, merged the also indirect subsidiary Borlem S.A. Empreendimentos Industriais, located in Guarulhos, State of São Paulo, thus generating greater synergy and, as a result, reducing operating and finance costs by optimizing the existing administrative structures. As a result, Management fully recognized the tax credits not recognized in prior years, amounting to R$47,341, based on the probable realization prospects.

As of December 31, 2013, the Company also had unrecognized tax credits on tax loss carryforwards in the consolidated financial statements, arising on some of its foreign subsidiaries.

These unrecognized tax credits are broken down as follows:

	12/31/2013			12/31/2012
Country	Amount	Statute of limitations	Limit per year	Amount
Spain (i)	118,024	2021-2028	50%	89,691
Italy (i)	94,891	None	80%	77,005
South Africa (i)	48,597	None	None	40,020
Mexico (i)	-	2019-2021	None	9,106
United States of America (i)	560,101	2014-2031	(ii)	528,476
	821,613			744,298

(i) Refer to the company acquired through Hayes Lemmerz International, Inc. on February 1, 2012, which is a pure holding company. Because the realization of the tax credits on tax loss carryforwards is not certain, the Company did not recognize conservatively the deferred income tax asset on these amounts.

(ii) Depends on the State where the deferred tax credit was determined.

Based on taxable profit projections approved by Management, the Company expects to recover the tax credit arising on tax loss carryforwards recognized in consolidated as of December 31, 2013 in the following years:

2014	28,359
2015	21,896
2016	8,224
2017 and thereafter	20,896
Total tax credits arising from loss carryforwards	79,375

The Company's and its subsidiaries' Management considers that the deferred assets arising on temporary differences, amounting to R$35,971 (R$25,534 at December 31, 2012) in the parent and R$43,187 (R$44,787 at December 31, 2012) on a consolidated basis, will be realized as final decisions on the lawsuits and other events are reached.

The estimated recoverability of tax credits was based on the projected taxable income, considering several financial and business assumptions at yearend. Accordingly, the estimates may differ from the actual future taxable income due to inherent uncertainties surrounding these projections.

b) Reconciliation of the effective tax rate

The reconciliation of tax expenses calculated by applying the combined tax rate and the income tax and social contribution expense charged to profit or loss for the year is as follows:

	Parent		Consolidated	
	2013	2012	2013	2012
Income before income tax and social contribution	168,943	99,130	240,635	135,646
Combined tax rate	34%	34%	34%	34%
Income tax and social contribution expenses at the combined tax rate	(57,441)	(33,704)	(81,816)	(46,120)
Share of profit of subsidiaries	24,847	(8,550)	(4,680)	(11,261)
Nondeductible expenses	(874)	(1,021)	(14,056)	(27,969)
Interest on capital benefit	17,234	8,626	17,234	8,626
Benefit for technologic innovation projects	4,213	5,386	4,213	5,386
Unrecognized tax credit on temporary differences and tax loss carryforwards of subsidiaries	-	-	(19,702)	(3,129)
Credit confirmed by a final and unappealable court decision	7,976	-	7,976	-
Prior years' unrecognized tax credit	-	-	49,984	47,341
Other	5,431	(3,003)	11,512	(2,814)
Income tax and social contribution credit (expenses) in profit or loss	1,386	(32,266)	(29,335)	(29,940)
Current	-	(10,069)	(81,347)	(72,318)
Deferred	1,386	(22,197)	52,012	42,378
Effective tax rates	1%	-33%	-12%	-22%

11. RELATED PARTIES

a) The amounts referring to the compensation of key management personnel are as follows:

	Parent and Consolidated	
	2013	2012
Directors and statutory officers	10,972	6,660
Key Management personnel (salaries and benefits)	92,282	76,309
Agreed profit sharing (bonuses)	20,574	-
Expenses of stock options granted to the statutory officers and the key Management personnel	-	563

The overall annual compensation set for the Board of Directors, the statutory officers, and the key Management personnel for 2013, approved at the Annual Shareholders' Meeting held on April 16, 2013, was R$16,000.

During the year ended December 31, 2013, in addition to Management's compensation, the Company made contributions to the private pension plan totaling R$1,225 (R$1,184 in 2012) on behalf of the key Management personnel.

The balances of stock options and the related strike prices for the 2012, 2011 and 2010 plans granted to the statutory officers and the key Management personnel are described in detail in note 22.

b) In the normal course of business, the Company, its subsidiaries and its joint ventures conducted intragroup transactions under prices, terms, financial charges and other terms consistent with market terms, considering the absence of risks in such transactions. These transactions include, but are not limited to, shared service agreements, consulting agreement, loan agreements and provision of guarantees under the terms detailed below:

	12/31/2013							
	Assets			Liabilities		Profit or loss		
	Trade receivables	Dividends receivable	Loans	Trade payables	Loans	Sales	Purchases	Expenses
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	7,788	-	-	-	-	30,295	-	1,002
Maxion (Nantong) Wheels, Co., Ltd.	1,461	-	-	-	-	-	-	-
Maxion Fumagalli de México S. de R.L. de C.V.	1,755	-	-	-	-	15,918	-	-
Maxion Fumagalli Automotive USA, Inc.	16,275	-	-	-	-	118,406	-	137
Maxion Componentes Estruturais Ltda.	-	-	48	-	-	-	-	-
Iochpe Holdings, LLC	-	-	-	-	4,331	-	-	-
	27,279	-	48	-	4,331	164,619	-	1,139

	12/31/2012							
	Assets			Liabilities		Profit or loss		
	Trade receivables	Dividends receivable	Loans	Trade payables	Loans	Sales	Purchases	Expenses
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	-	-	-	-	-	24,806	-	4,196
Maxion (Nantong) Wheels, Co., Ltd.	-	-	-	983	-	-	659	-
Maxion Fumagalli de México S. de R.L. de C.V.	143	-	-	-	-	5,190	-	-
Maxion Fumagalli Automotive USA, Inc.	23,945	-	6,750	1	-	160,178	97	556
Maxion Montich S.A.	-	545	-	-	-	-	-	-
Maxion Componentes Estruturais Ltda.	-	-	48	-	-	-	-	-
Iochpe Holdings, LLC	-	-	579	-	3,633	-	-	-
	24,088	545	7,377	984	3,633	190,174	756	4,752

Loan agreements

The amount of R$4,331 (R$3,633 at December 31, 2012) refers to a loan agreement between the Company and Iochpe Holdings, LLC, denominated in U.S. dollars, plus interest of 6% per year, maturing on June 30, 2014.

Sales and purchase transactions

During the year ended December 31, 2013, the Company carried out wheels, frames, and scrap sales to the following companies, respectively:

- Maxion Fumagalli Automotive USA, Inc., amounting to R$118,406 (R$160,178 at December 31, 2012).

- Maxion Fumagalli de México S. de R.L. de C.V., amounting to R$15,918 (R$5,190 at December 31, 2012).

- AmstedMaxion, amounting to R$30,295 (R$24,806 at December 31, 2012).

The main agreements entered into between the Company and related parties are summarized as follows:

Shared services agreement

On February 29, 2000, AmstedMaxion and the Company entered into, to reduce costs and expenses, an agreement that governs the sharing of infrastructure and facilities located in Cruzeiro, State of São Paulo, as both units are neighbors and located in the same industrial complex. Each party bears the maintenance and administration cost of the facilities located in its own property. The agreement is effective for 25 years. The infrastructure and facilities costs, recorded in line item “General and administrative expenses”, totaled R$1,002 for the year ended December 31, 2013 (R$4,196 in 2012).

Agreements with members of the Board of Directors

Maxion Fumagalli Automotive USA, Inc. has an agreement with BMA Automotive LLC ("BMA"), a company controlled by Salomão Ioschpe, a member of the Board of Directors and shareholder of the Company. Under this agreement, BMA provides consulting services to wheels and frames divisions, to serve certain customers in the United States and Canada. The expenses related to this agreement, recorded in line item "Selling expenses", totaled R$137 for the year ended December 31, 2013 (R$556 in 2012).

Sureties and guarantees granted

The Company recorded the following amounts as sureties on transactions conducted by its subsidiaries and joint ventures basically related to the borrowings and financing disclosed in note 15:

	12/31/2013	12/31/2012
Ingenieria Y Maquinaria de Guadalupe S.A. de C.V.	469,653	408,700
Maxion Wheels	394,113	303,868
AmstedMaxion	76,274	242,262
Maxion (Nantong) Wheels, Co., Ltd.	62,130	58,611
Montich	3,442	-
Maxion Componentes Estruturais Ltda.	38	13,800
Iochpe Holdings, LLC	-	1,352,813

12. INVESTMENTS

a) Breakdown

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Equity interests in subsidiaries	1,825,313	197,572	-	-
Equity interests in joint ventures	19,072	35,491	19,072	35,491
Subtotal - investments	1,844,385	233,063	19,072	35,491
Goodwill on acquisition of equity interests	20,292	20,292	-	-
Other investments	266	104	325	104
	1,864,943	253,459	19,397	35,595

b) Changes

	12/31/2013					
	Balance at 12/31/2012	Capital increase	Exchange differences on foreign investments	Effects of changes in actuarial assumptions	Share of profit of subsidiaries	Balance at 12/31/2013
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A. (i)	16,370	-	-	-	(14,703)	1,667
Iochpe Maxion Austria GmbH (ii)	175,953	1,315,057	233,046	(14,827)	105,726	1,814,955
Maxion (Nantong) Wheels, Co., Ltd. (iv)	21,489	4,615	2,097	-	(18,463)	9,738
Cooperatie Maxion Europe U.A. (iii)	-	854	56	-	(419)	491
Maxion Montich S.A.	19,052	-	(2,655)	-	800	17,197
Remon Resende Montadora Ltda.	69	-	-	-	138	207
Maxion Componentes Estruturais Ltda.	130	-	-	-	-	130
	233,063	1,320,526	232,544	(14,827)	73,079	1,844,385

	12/31/2012							
	Balance at 01/01/2012	Transfers/ write-off	Capital increase	Exchange differences on foreign investments	Share of profit of subsidiaries	Dividends and interest on capital	Subsidiaries' equity deficit	Balance at 12/31/2012
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	47,064	-	-	-	(30,694)	-	-	16,370
Iochpe Maxion Austria GmbH	-	227,892	292	(35,412)	(16,819)	-	-	175,953
Maxion (Nantong) Wheels, Co., Ltd.	10,178	-	26,295	1,947	(16,931)	-	-	21,489
Iochpe Sistemas Automotivos de México S.A. de C.V.	153,208	(229,275)	-	36,350	39,717	-	-	-
Maxion Hong Kong Limited	2	(2)	-	-	-	-	-	-
Cooperatie Maxion Europe U.A.	(47)	-	-	105	(153)	-	95	-
Maxion Montich S.A.	24,437	-	-	(1,438)	(2,321)	(1,626)	-	19,052
Remon Resende Montadora Ltda.	176	-	-	-	(107)	-	-	69
Iochpe Holdings, LLC	23,519	1,383	8,653	(35,717)	2,162	-	-	-
Maxion Componentes Estruturais Ltda.	130	-	-	-	-	-	-	130
	258,667	(2)	35,240	(34,165)	(25,146)	(1,626)	95	233,063

(i) As of December 31, 2013, the equity of the joint venture is adjusted by the unrealized profit amounting to R$1,985 arising on the sale of part of the land owned by the Cruzeiro unit, State of São Paulo, to the Company, corresponding to a 50% stake therein.

(ii) On December 1, 2012, subsidiary Iochpe Maxion Austria GmbH was established with the capitalization of R$292, equivalent to €100,000. In December 2012, the Company's investments held in Iochpe Sistemas Automotivos de México de C.V. and Iochpe Holdings, LLC were assigned to this subsidiary in Austria. On March 28, 2013, there was a capital increase amounting to R$1,299,081, equivalent to US$645,500,000, supported by the proceeds of the 5th issue simple debentures, as described in note 15. On May 7, September 16, and October 2 and 4, 2013 other capital increases were made amounting to R$789, R$1,817, R$7,370, and R$6,000, respectively, equivalent to €300,000, €600,000, US$3,329,000, and €2,000,000, respectively.

(iii) On June 13, 2013 a capital increase was made in subsidiary Cooperative Maxion Europe U.A. amounting to R$854, equivalent to US$300,000.

(iv) On November 27, 2013 a capital increase was made in subsidiary Maxion (Nantong) Wheels, Co., Ltd. amounting to R$4,615, equivalent to US$2,000,000.

c) Information on subsidiaries and joint ventures

	12/31/2013							
	Number of shares (in thousands)	Equity interests (%)	Assets	Liabilities	Capital	Equity	Net revenue	Profit (loss) for the year
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	6,020,031	50	630,807	623,505	43,702	7,302	586,316	(29,407)
Iochpe Maxion Austria GmbH (i)	-	100	4,408,762	2,369,728	1,930,042	2,039,034	4,283,774	105,726
Maxion (Nantong) Wheels, Co., Ltd. (i)	-	100	87,289	77,551	121,358	9,738	29,552	(18,558)
Cooperatie Maxion Europe U.A.	50	100	1,011	521	1,129	490	(183)	(419)
Maxion Montich S.A.	2,813	50	91,862	57,467	2,022	34,395	155,154	1,616
Remon Resende Montadora Ltda. (ii)	30	33	1,161	539	90	622	3,012	414
Maxion Componentes Estruturais Ltda.	130	100	178	48	3,871	130	-	-

	12/31/2012							
	Number of shares (in thousands)	Equity interests (%)	Assets	Liabilities	Capital	Equity	Net revenue	Profit (loss) for the year
Amsted-Maxion Fundição e Equipamentos Ferroviários S.A.	6,020,031	50.00	636,189	599,480	43,702	36,709	755,516	(61,386)
Iochpe Maxion Austria GmbH (i)	-	100.00	3,863,220	3,509,397	242,669	175,953	256,644	(16,819)
Maxion (Nantong) Wheels, Co., Ltd. (i)	-	100.00	89,866	68,377	98,828	21,489	41,151	(16,931)
Iochpe Sistemas Automotivos de México S.A. de C.V.	781,215	100.00	-	-	-	-	653,015	39,716
Cooperatie Maxion Europe U.A.	50	99.99	6,811	6,906	135	(95)	20,084	(153)
Maxion Montich S.A.	2,813	50.00	101,623	63,519	2,340	38,104	101,138	(4,642)
Remon Resende Montadora Ltda. (ii)	30	33.33	824	617	90	207	2,286	(321)
Iochpe Holdings, LLC	5	100.00	-	-	-	-	2,884,069	2,162
Maxion Componentes Estruturais Ltda.	130	99.99	178	48	3,871	130	-	-

(i) Local legislation does not provide for the concept of number of shares or private equity units.

(ii) Based on the financial information for the 11-month period ended November 30, 2013.

d) Detailed information of material subsidiaries with noncontrolling interests

The information on the material Company subsidiaries at yearend is as follows:

Subsidiary	Core activity	Country	12/31/2013	12/31/2012
			Interest and voting capital	
Hayes Lemmerz Inci Janta Sanayi A.S.	Wheel manufacturing and sale	Turkey	60%	60%
Hayes Lemmerz Jantas Jant Sanayi ve Ticaret A.S.	Wheel manufacturing and sale	Turkey	60%	60%
Siam Lemmerz Co., Ltd.	Wheel manufacturing and sale	Thailand	70%	70%
Kalyani Hayes Lemmerz Limited	Wheel manufacturing and sale	India	85%	85%

The table below shows the summarized financial information on each of the Company's subsidiaries before the eliminations of transactions with other Company subsidiaries:

	Hayes Lemmerz Inci Janta Sanayi A.S.		Hayes Lemmerz Jantas Jant Sanayi ve Ticaret A.S.		Siam Lemmerz Co., Ltd.		Kalyani Hayes Lemmerz Limited	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Balance sheets								
Current assets	160,840	104,435	134,205	84,403	46,856	52,245	50,388	48,925
Noncurrent assets	341,120	170,911	95,644	54,865	76,455	45,541	128,833	64,927
Total assets	501,960	275,346	229,849	139,268	123,311	97,786	179,221	113,852
Current liabilities	70,454	54,454	60,829	43,397	75,714	53,157	45,103	47,533
Noncurrent liabilities	221,747	17,098	76,055	6,829	17,776	1,709	73,752	16,477
Equity	209,759	203,794	92,965	89,042	29,821	42,920	60,366	49,842
Total liabilities and equity	501,960	275,346	229,849	139,268	123,311	97,786	179,221	113,852

	Hayes Lemmerz Inci Janta Sanayi A.S.		Hayes Lemmerz Jantas Jant Sanayi ve Ticaret A.S.		Siam Lemmerz Co., Ltd.		Kalyani Hayes Lemmerz Limited	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Statements of income								
Net sales revenue	538,586	356,308	254,175	234,926	176,235	160,481	146,200	154,012
Cost of sales	(422,438)	(269,589)	(189,271)	(182,875)	(172,172)	(140,962)	(133,525)	(134,863)
Gross profit	116,148	86,719	69,904	52,051	4,063	19,519	12,675	19,149
Operating expenses, net	(19,392)	(23,463)	(14,810)	(13,640)	(7,217)	(14,459)	(6,707)	(12,190)
Income taxes	(18,923)	6,320	(13,115)	(4,719)	(1,539)	(916)	(2,408)	(1,570)
Profit (loss) for the year	77,833	69,576	36,979	33,692	(4,693)	4,144	3,560	5,389

e) Goodwill on acquisition of investment

In the parent, R$20,292 refers to goodwill arising on the acquisition of Meritor Comércio e Indústria de Sistemas Automotivos Ltda., merged with and into the Company on November 2, 2009.

13. PROPERTY, PLANT AND EQUIPMENT

a) Parent

	Average annual depreciation rate %	Parent 12/31/2013 Cost	Accumulated depreciation	Net
Buildings and improvements	5.56	207,076	(69,507)	137,569
Machinery and equipment	7.84	835,581	(386,553)	449,028
Molds	18	52,969	(31,820)	21,149
Furniture and fixtures	7.5	16,071	(8,268)	7,803
Vehicles	18.89	3,195	(1,365)	1,830
IT equipment	35	18,371	(13,337)	5,034
Other property, plant and equipment	26.25	7,363	(4,203)	3,160
Tooling	8.33	100,885	(50,666)	50,219
Land	-	24,251	-	24,251
Construction in progress (i)	-	47,570	-	47,570
Machinery spare parts	-	68,679	-	68,679
Advances to suppliers	-	9,413	-	9,413
		1,391,424	(565,719)	825,705

	Average annual depreciation rate %	Parent 12/31/2012 Cost	Accumulated depreciation	Cost
Buildings and improvements	5.56	206,049	(62,421)	143,628
Machinery and equipment	7.84	813,520	(361,676)	451,844
Molds	18	51,449	(28,046)	23,403
Furniture and fixtures	7.5	15,133	(7,526)	7,607
Vehicles	18.89	2,772	(1,294)	1,478
IT equipment	35	17,436	(12,289)	5,147
Other property, plant and equipment	26.25	7,253	(4,329)	2,924
Tooling	8.33	101,470	(45,959)	55,511
Land	-	24,251	-	24,251
Construction in progress (i)	-	24,634	-	24,634
Machinery spare parts	-	58,960	-	58,960
Advances to suppliers	-	8,562	-	8,562
		1,331,489	(523,540)	807,949

Changes in costs - parent

	12/31/2012	12/31/2013			
	Cost	Additions	Write--offs	Transfers	Cost
Buildings and improvements	206,049	49	-	978	207,076
Machinery and equipment	813,520	4,686	(5,116)	22,491	835,581
Molds	51,449	5	-	1,515	52,969
Furniture and fixtures	15,133	120	(30)	848	16,071
Vehicles	2,772	390	(680)	713	3,195
Computer equipment	17,436	93	(453)	1,295	18,371
Other property, plant and equipment	7,253	-	-	110	7,363
Tooling	101,470	1,021	(601)	(1,005)	100,885
Land	24,251	-	-	-	24,251
Construction in progress (i)	24,634	48,502	-	(25,566)	47,570
Machinery spare parts	58,960	27,877	(18,158)	-	68,679
Advances to suppliers	8,562	7,106	(4,876)	(1,379)	9,413
	1,331,489	89,849	(29,914)	-	1,391,424

	01/01/2012	12/31/2012			
	Cost	Additions	Write--offs	Transfers	Cost
Buildings and improvements	189,887	-	(18)	16,180	206,049
Machinery and equipment	744,636	4,022	(5,950)	70,812	813,520
Molds	48,482	293	(3)	2,677	51,449
Furniture and fixtures	13,973	55	(43)	1,148	15,133
Vehicles	2,600	131	(316)	357	2,772
Computer equipment	15,447	95	(382)	2,276	17,436
Other property, plant and equipment	5,953	1,248	(5)	57	7,253
Tooling	102,470	1,120	(6,523)	4,403	101,470
Land	24,176	-	-	75	24,251
Construction in progress (i)	72,384	34,843	-	(82,593)	24,634
Machinery spare parts	51,674	7,286	-	-	58,960
Advances to suppliers	9,571	16,836	(2,453)	(15,392)	8,562
	1,281,253	65,929	(15,693)	-	1,331,489

(i) At December 31, 2013, it consists of projects related to: (1) buildings, amounting to R$20,360 (R$6,591 at December 31, 2012); (2) machinery and equipment, amounting to R$16,404 (R$13,474 at December 31, 2012); and (3) other assets, amounting to R$10,806 (R$4,569 at December 31, 2012), related to the expansion of Contagem, Cruzeiro and Limeira units, respectively.

Changes in depreciation - parent

	12/31/2012	12/31/2013		
	Accumulated depreciation	Additions	Write--offs	Accumulated depreciation
Buildings and improvements	(62,421)	(7,086)	-	(69,507)
Machinery and equipment	(361,676)	(28,112)	3,235	(386,553)
Molds	(28,046)	(3,783)	9	(31,820)
Furniture and fixtures	(7,526)	(765)	23	(8,268)
Vehicles	(1,294)	(599)	528	(1,365)
IT equipment	(12,289)	(1,546)	498	(13,337)
Other property, plant and equipment	(4,329)	(425)	551	(4,203)
Tooling	(45,959)	(4,896)	189	(50,666)
	(523,540)	(47,212)	5,033	(565,719)

	01/01/2012	12/31/2012		
	Accumulated depreciation	Additions	Write--offs	Accumulated depreciation
Buildings and improvements	(56,902)	(5,521)	2	(62,421)
Machinery and equipment	(335,843)	(29,872)	4,039	(361,676)
Molds	(27,271)	(778)	3	(28,046)
Furniture and fixtures	(7,004)	(556)	34	(7,526)
Vehicles	(1,100)	(417)	223	(1,294)
IT equipment	(10,893)	(1,779)	383	(12,289)
Other property, plant and equipment	(3,777)	(552)	-	(4,329)
Tooling	(44,162)	(4,678)	2,881	(45,959)
	(486,952)	(44,153)	7,565	(523,540)

b) Consolidated

		Consolidated		
	Average annual depreciation rate %	12/31/2013		
		Cost	Accumulated depreciation	Net
Buildings and improvements	5.56	647,943	(147,251)	500,692
Machinery and equipment	7.84	2,415,483	(792,032)	1,623,451
Molds	18	62,572	(31,820)	30,752
Furniture and fixtures	7.5	18,933	(10,117)	8,816
Vehicles	18.89	4,452	(1,972)	2,480
IT equipment	35	34,449	(20,262)	14,187
Other property, plant and equipment	26.25	7,363	(4,203)	3,160
Tooling	8.33	154,076	(67,956)	86,120
Land	-	174,593	-	174,593
Construction in progress (i)	-	92,423	-	92,423
Machinery spare parts	-	70,810	-	70,810
Advances to suppliers	-	9,413	-	9,413
		3,692,510	(1,075,613)	2,616,897

	Average annual depreciation rate %	Consolidated 12/31/2012 Cost	Accumulated depreciation	Cost
Buildings and improvements	2.7	571,841	(115,460)	456,381
Machinery and equipment	6.5	2,051,388	(600,886)	1,450,502
Molds	2.5	55,994	(31,692)	24,302
Furniture and fixtures	4.1	17,599	(9,212)	8,387
Vehicles	12.6	3,686	(1,599)	2,087
IT equipment	10.9	25,409	(15,280)	10,129
Other property, plant and equipment	2.2	25,713	(4,468)	21,245
Tooling	6.2	140,792	(54,155)	86,637
Land	-	152,331	-	152,331
Construction in progress (i)	-	133,736	-	133,736
Machinery spare parts	-	58,960	-	58,960
Advances to suppliers	-	8,562	-	8,562
		3,246,011	(832,753)	2,413,258

(i) At December 31, 2013, it consists of projects related to: (1) buildings, amounting to R$27,213 (R$4,291 at December 31, 2012); (2) machinery and equipment, amounting to R$50,741 (R$123,604 at December 31, 2012); and (3) other assets, amounting to R$14,469 (R$5,841 at December 31, 2012), related to the expansion of Mexico (through the indirect subsidiary Maxion Whels), Contagem, Cruzeiro and Limeira units, respectively.

Changes in costs - consolidated

	12/31/2012	12/31/2013				
	Cost	Exchange rate changes	Additions	Write--offs	Transfers	Cost
Buildings and improvements	571,841	53,679	9,388	(19,421)	32,456	647,943
Machinery and equipment	2,051,388	159,159	103,987	(7,898)	108,847	2,415,483
Molds	55,994	1,210	5	-	5,363	62,572
Furniture and fixtures	17,599	516	155	(316)	979	18,933
Vehicles	3,686	111	781	(975)	849	4,452
IT equipment	25,409	1,840	6,293	(552)	1,459	34,449
Other property, plant and equipment	25,713	2,703	-	-	(21,053)	7,363
Tooling	140,792	5,986	9,158	(2,260)	400	154,076
Land	152,331	16,815	377	(3,982)	9,052	174,593
Construction in progress	133,736	11,493	84,197	(30)	(136,973)	92,423
Machinery spare parts	58,960	-	30,424	(18,574)	-	70,810
Advances to suppliers	8,562	-	7,106	(4,876)	(1,379)	9,413
	3,246,011	253,512	251,871	(58,884)	-	3,692,510

	01/01/2012	12/31/2012				
	Cost	Exchange rate changes	Additions	Write--offs	Transfers	Cost
Buildings and improvements	228,644	63,808	243,014	(57)	36,432	571,841
Machinery and equipment	868,488	135,609	837,714	(5,950)	215,527	2,051,388
Molds	52,405	350	294	(150)	3,095	55,994
Furniture and fixtures	14,940	(257)	2,200	(386)	1,102	17,599
Vehicles	2,796	108	741	(316)	357	3,686
IT equipment	16,437	604	5,344	(382)	3,406	25,409
Other property, plant and equipment	5,953	438	4,205	(53)	15,170	25,713
Tooling	110,598	3,495	26,159	(5,590)	6,130	140,792
Land	24,755	12,828	114,673	-	75	152,331
Construction in progress	92,554	21,693	288,297	(2,906)	(265,902)	133,736
Machinery spare parts	51,674	-	7,286	-	-	58,960
Advances to suppliers	9,571	-	16,836	(2,453)	(15,392)	8,562
	1,478,815	238,676	1,546,763	(18,243)	-	3,246,011

Changes in depreciation - consolidated

	12/31/2012	12/31/2013			
	Accumulated depreciation	Exchange rate changes	Additions	Write--offs	Accumulated depreciation
Buildings and improvements	(115,460)	(10,031)	(21,828)	68	(147,251)
Machinery and equipment	(600,886)	(43,813)	(161,508)	14,175	(792,032)
Molds	(31,692)	(533)	(1,430)	1,835	(31,820)
Furniture and fixtures	(9,213)	(387)	(812)	295	(10,117)
Vehicles	(1,598)	(174)	(772)	572	(1,972)
IT equipment	(15,280)	(827)	(4,738)	583	(20,262)
Other property, plant and equipment	(4,469)	(2)	(425)	693	(4,203)
Tooling	(54,155)	(1,837)	(12,153)	189	(67,956)
	(832,753)	(57,604)	(203,666)	18,410	(1,075,613)

	01/01/2012	12/31/2012			
	Accumulated depreciation	Exchange rate changes	Additions	Write--offs	Accumulated depreciation
Buildings and improvements	(63,215)	(8,544)	(27,446)	16,257	(82,948)
Machinery and equipment	(362,208)	(24,360)	(86,479)	133,948	(339,099)
Molds	(30,577)	(137)	-	981	(29,733)
Furniture and fixtures	(7,456)	(427)	(1,579)	635	(8,827)
Vehicles	(1,240)	(178)	(383)	374	(1,427)
IT equipment	(11,785)	(539)	(1,869)	2,548	(11,645)
Other property, plant and equipment	(3,777)	-	-	692	(3,085)
Tooling	(46,395)	(740)	(1,304)	8,597	(39,842)
	(526,653)	(34,925)	(119,060)	164,032	(516,606)

During 2013, the Company and its subsidiaries did not identify internal and external factors, or other indications that certain assets might be impaired, and, therefore, no allowance for impairment was recognized in the financial statements.

The amounts of property, plant and equipment items pledged as collateral in borrowings and financing are shown in note 15.

14. INTANGIBLE ASSETS - CONSOLIDATED

Changes - 2013:

	Average annual amortization rate	Amortization method	Cost/Amortization					
			Balance at 12/31/12	Additions (write-offs)	Exchange rate changes	Amortization	Adjustments - PPA (ix)	Balance at 12/31/13
Assets with finite useful lives:								
Cost:								
Software	20%	Straight-line	5,941	488	878	-	-	7,307
Land use rights (i)	2%	Straight-line	5,232	(778)	742	-	-	5,196
"Versastyle technology" (ii)	20%	Straight-line	6,328	-	1,031	-	-	7,359
Development	Sundry	Straight-line	5,710	1,513	1,188	-	-	8,411
Customer relationship (iv)	7%	Straight-line	79,176	-	11,248	-	2,343	92,767
			102,387	1,223	15,087	-	2,343	121,040
Accumulated amortization			(14,478)	-	(935)	(8,673)	-	(24,086)
Assets without finite useful lives								
Trademarks (iii)			50,066	-	7,328	-	-	57,394
Goodwill on acquisition of subsidiaries:								
Meritor Comércio e Indústria de Sistemas Automotivos Ltda. (v)			20,292	-	-	-	-	20,292
Iochpe Sistemas Automotivos de México S.A. de C.V. (vi)			1,211	-	177	-	-	1,388
Hayes Lemmerz International, Inc. (vii)			527,490	-	77,548	-	2,417	607,455
Grupo Galaz and subsidiaries (viii)			211,726	-	30,796	-	-	242,522
			810,785	-	115,849	-	2,417	929,051
			898,694	1,223	130,001	(8,673)	4,760	1,026,005

Changes - 2012:

	Average annual amortization rate	Amortization method	Balance at 01/01/12	Cost/Amortization					Balance at 12/31/12
				Acquisitions	Additions (write-off)	Exchange rate changes	Amortization	Adjustments - PPA (ix)	
Assets with finite useful lives:									
Cost:									
Software	20%	Straight-line	4,695	-	1,246	-	-	-	5,941
Land use rights (i)	2%	Straight-line	4,920	-	-	312	-	-	5,232
"Versastyle technology" (ii)	20%	Straight-line	-	4,983	-	1,345	-	-	6,328
Development	Sundry	Straight-line	-	5,400	141	169	-	-	5,710
Customer relationship (iv)	7%	Straight-line	-	64,118	-	9,540	-	5,518	79,176
			9,615	74,501	1,387	11,366	-	5,518	102,387
Accumulated amortization			(3,581)	-	-	1,977	(12,874)	-	(14,478)
Assets without finite useful lives-									
Trademarks (iii)			-	42,571	-	7,495	-	-	50,066
Goodwill on acquisition of subsidiaries:									
Meritor Comércio e Indústria de Sistemas Automotivos Ltda. (v)			20,292	-	-	-	-	-	20,292
Iochpe Sistemas Automotivos de México S.A. de C.V. (vi)			1,112	-	-	99	-	-	1,211
Hayes Lemmerz International, Inc. (vii)			-	462,919	-	81,596	-	(17,025)	527,490
Grupo Galaz and subsidiaries (viii)			-	166,947	-	15,174	-	29,605	211,726
			21,404	672,437	-	104,364	-	12,580	810,785
			27,438	746,938	1,387	117,707	(12,874)	18,098	898,694

(i) Refers to rights to use the land in which subsidiary Maxion Wheels Co., Ltd. (Nantong China) is located. Amortization is calculated through a straight-line basis over a 50-year period, as provided for in the concession agreement entered into with the City administration.

(ii) The trademark "Versastyle Technology" was an asset identified in the acquisition process of subsidiary Maxion Wheels, as mentioned in note 2, which has a remaining useful life of 4.4 years and will be fully amortized by January 31, 2017.

(iii) The trademark "Hayes Lemmerz" was an asset identified in the acquisition process of the subsidiary Maxion Wheels, as mentioned in note 2, which has an indefinite useful life. At December 31, 2013, due to the absence of indicators that the subsidiary will not generate the expected future benefits, based on Management's projections, no allowance for impairment was recognized.

(iv) The relationship with customers was identified in the acquisition process of subsidiary Maxion Wheels, as mentioned in note 2, and its remaining useful life is 13.4 years and will be fully amortized by January 31, 2026. At December 31, 2013, also due to the absence of indicators that the subsidiary will not generate the expected future benefits, based on Management's projections, no allowance for impairment was recognized.

(v) Refers to goodwill on the acquisition of Meritor Comércio e Indústria de Sistemas Automotivos Ltda., merged into the Company on November 2, 2009.

(vi) Refers to goodwill arising on the acquisition of Iochpe Sistemas Automotivos de México S.A. de C.V. (formerly Delancre S.A. de C.V.).

(vii) Refers to goodwill on the acquisition of Hayes Lemmerz International, Inc. and its subsidiaries (currently Maxion Wheels), as mentioned in note 2.

(viii) Refers to goodwill on the acquisition of Grupo Galaz (currently Inmagusa), as mentioned in note 2.

(ix) It derives from the adjustments made based on additional information obtained during the "measurement period" of up to one year, resulting from the process of PPA of subsidiaries Maxion Wheels and Grupo Galaz, pursuant to technical pronouncement CPC 15/IFRS 3.

All goodwill amounts are based on the expected future profitability and are not amortized.

a) Goodwill impairment test

The Company estimates the recoverability of the goodwill amounts based on the value in use, using the discounted cash flow method, corresponding to the CGUs, to automotive segment and the business unit to which the goodwill was allocated. The value in use is estimated based on assumptions, judgments and estimates on future cash flows and represents the Company's best estimates approved by the Board of Directors.

The balances of cash flows by year are calculated at present value, discounted based on the Weighted Average Cost of Capital - WACC rate. This rate considers several financing, debt and own capital components adopted by the Company to fund its operations. The cost of own capital was calculated based on the Capital Asset Pricing Model - CAPM.

Goodwill amounts are monitored for Management's purposes, but never above the Company's operating segments.

As of December 31, 2013, goodwill was tested for impairment, considering the annual budget for 2014, and a long-term planning through 2018, under the following most significant assumptions:

- The sales volumes were based on external sources, such as "Information Handung Services - IHS" and "J.D. Power and Associates - JDP".

- A nominal discount rate applied under the discounted cash flow approach, with Earnings Before Interest, Taxes, Depreciation and Amortization - EBITDA being the inflow of funds and capital expenditures and working capital investments as outflow of funds.

- Perpetuity rate based on the assumption that the volume sold will keep pace with the global economic growth beginning 2018.

- As of December 31, 2013, the total operating assets, which include the net goodwill amount, were considered.

The main assumptions used to calculate the value in use at December 31, 2013 of the CGUs are as follows:

CGU - Maxion Wheels - United States	
Operating assets + goodwill + intangible assets	1,593,000
Discounted cash flow	1,746,000
Perpetuity (i)	3%
WACC discount rate (ii)	11.9%
CGU - Maxion Structural Components - Mexico	
Operating assets + goodwill	260,200
Discounted cash flow	314,800
Perpetuity (i)	0.6%
WACC discount rate (ii)	10.19%

CGU - Maxion Wheels - Limeira	
Operating assets + goodwill	210,400
Discounted cash flow	401,300
Perpetuity (i)	2%
WACC discount rate (ii)	10%

(i) Growth rate of cash flows in perpetuity.

(ii) Discount rate calculated before taxes.

Management calculated the cash flow based on past performance and expected market growth. The weighted average growth rates adopted are consistent with the projections included in the segment reports. The discount rates adopted are equivalent to the rates before taxes and reflect the specific risks related to the operational segments in which each CGU is included.

15. BORROWINGS, FINANCING AND DEBENTURES

a) Parent

	Index	Annual interest rate - %	Last maturity date	Amortized transaction cost	Unamortized transaction cost	12/31/2013	12/31/2012
Local currency							
BNDES EXIM	-	6.93	December 2016	-	-	337,488	386,927
BNDES - FINAME and automatic (iv)	TJLP	4.82	March 2020	-	-	6,062	7,202
BNDES - automatic	Currency basket	4.40	December 2019	-	-	1,382	1,566
FINAME - PSI (iv)	-	5.51	June 2023	-	-	26,276	26,118
FINDES PRO-INVEST	IPCA	3.94	December 2019	-	-	31,986	32,378
FINEP	-	5.00	March 2018	-	-	3,165	3,909
Subtotal - local currency						406,359	458,100
Foreign currency							
Import US$1,950 thousand (12/31/2012 - US$2,103 thousand)	-	2.70	December 2015	-	-	4,568	4,298
ACC US$0 thousand (12/31/2012 - US$7,117 thousand)	-	2.65	May 2013	-	-	-	14,544
Foreign loan - US$25,005 thousand (12/31/2012 - US$25,009 thousand)	-	2.79	December 2014	-	-	58,577	51,105
Export prepayment US$0 thousand (12/31/2012 - US$1,303 thousand)	102% of CDI		May 2013	-	-	-	2,663
Subtotal - foreign currency						63,145	72,610
Total borrowings and financing						469,504	530,710
Debentures - ICVM 400 (i) (c)	99% of CDI		April 2018	1,134	5,610	322,286	-
Debentures - ICVM 476 (i) (d)	CDI + 3.25%		March 2022	3,210	15,665	937,007	-
Total debentures						1,259,293	-

	Index	Annual interest rate - %	Last maturity date	Amortized transaction cost	Unamortized transaction cost	12/31/2013	12/31/2012
Total borrowings, financing and debentures						1,728,797	530,710
Current liabilities						118,660	239,462
Unamortized costs						-	(750)
Total						118,660	238,712
Noncurrent liabilities						1,631,411	291,998
Unamortized costs (i)						(21,274)	-
Total						1,610,137	291,998

b) Consolidated

	Index	Annual interest rate - %	Last maturity date	Amortized transaction cost	Unamortized transaction cost	12/31/2013	12/31/2012
Local currency							
BNDES - EXIM	-	7.00	December 2016	-	-	358,853	407,309
BNDES - FINAME and automatic (iv)	TJLP	4.82	March 2020	-	-	6,062	7,204
BNDES - automatic	Currency basket	4.40	December 2019	-	-	1,382	1,566
FINAME - PSI (iv)	-	5.51	June 2023	-	-	26,276	26,118
FINDES PRO-INVEST	IPCA	3.94	December 2019	-	-	31,986	32,378
FINEP	-	5.00	March 2018	-	-	3,165	3,909
Subtotal - local currency						427,724	478,484
Foreign currency							
ACC US$0 thousand (12/31/2012 - US$7,117 thousand)	-	2.65	May 2013	-	-	-	14,544
BRIDGE loan US$0 thousand (12/31/2012 - US$662,008 thousand) (ii)	-	6.12	March 2013	-	-	-	1,352,813
Long-term loan US$200,484 thousand (12/31/2012 - US$200,000 thousand) (iii)	-	5.34	December 2019	-	-	469,653	408,700
Import US$1,950 thousand (12/31/2012 - US$15,221 thousand)	-	2.70	December 2015	-	-	4,568	4,298
Foreign loan - US$25,005 thousand (12/31/2012 - US$14,201 thousand)	-	2.79	December 2014	-	-	58,577	51,105
Export prepayment - US$0 thousand (12/31/2012 - US$1,303 thousand)	102% of CDI		May 2013	-	-	-	2,663
Working capital US$90,936 thousand (12/31/2012 - US$91,126 thousand)	-	4.20	July 2014	-	-	213,027	186,217
Working capital - yuan $160,543 thousand (12/31/2012 - yuan $181,402 thousand)	-	5.59	April 2014	-	-	62,130	58,611
Working capital - €72,609 thousand (12/31/2012 - €64,413 thousand)	-	3.51	July 2026	-	-	234,273	168,177
Working capital - rupia $380,851 thousand (12/31/2012 - rupia $414,550 thousand)	-	12.00	June 2014	-	-	14,419	15,927

	Index	Annual interest rate - %	Last maturity date	Amortized transaction cost	Unamortized transaction cost	12/31/2013	12/31/2012
Working capital - bath $417,005 thousand (12/31/2012 - bath $0 thousand)	-	3.88	January 2014	-	-	29,820	-
Subtotal - foreign currency						1,086,467	2,263,055
Total borrowings and financing						1,514,191	2,741,539
Debentures - ICVM 400 (i) (c)	99 % CDI		April 2018	1.134	5.610	322,286	-
Debentures - ICVM 476 (i) (d)	CDI + 3.25%		March 2022	3.210	15.665	937,007	-
Total debentures						1,259,293	-
Total borrowings, financing and debentures						2,773,484	2,741,539
Current liabilities						712,303	653,169
Unamortized costs						-	(750)
Total						712,303	652,419
Noncurrent liabilities						2,082,456	2,089,119
Unamortized costs (i)						(21,275)	-
Total						2,061,181	2,089,119

At December 31, 2013, the installments recorded in noncurrent liabilities mature as follows:

	Parent	Consolidated
2015	189,396	295,946
2016	302,431	387,617
2017	141,330	226,516
2018	452,085	537,271
2019 and thereafter	524,895	613,831
Total	1,610,137	2,061,181

(i) The effective interest rate of the transaction cost is the cost of the debenture transaction (CVM Instructions 400 and 476). The calculation methodology is in accordance with technical pronouncement CPC 08. The effective interest rate on the issue of CVM Instruction 400 debentures is 10.21% per year and is made up of 9.67% (99% of CDI) corresponding to the original agreement interest, plus 0.49% in transaction costs incurred. The effective interest rate on the issue of CVM Instruction 476 debentures is made up of 13.344% (CDI + 3.25% per year) corresponding to the original agreement interest, plus 0.45% in transaction costs incurred.

(ii) Nominal amount of US$645,000 thousand raised through subsidiary Iochpe Holdings, LLC with Banco Itaú BBA, Banco Votorantim and Banco do Brasil in the United States of America for the purchase of Hayes Lemmerz, originally maturing on January 28, 2013, negotiated on March 28, 2013 through the privately placed debentures (CVM Instruction 476) amounting to R$1,240,000, as described in paragraph c) below.

(iii) The nominal amount of US$200,000 thousand refers to the take-out of the BRIDGE loan raised through the indirect subsidiary Ingenieria Y Maquinaria de Guadalupe S.A. de C.V. with Banco Itaú BBA in the United States of America for the purchase of Grupo Galaz, with final maturity on December 16, 2019. As of December 31, 2013, it represents the R$469,653 balance in consolidated (R$408,700 at December 31, 2012).

The agreement is subject to restrictive covenants, according to usual market practices, which require maintaining financial ratios based on the Company's consolidated financial statements and measured on June 30 and December 31 of each year. At the end of the year ended December 31, 2013, the Company was compliant with these financial ratios.

(iv) FINAME and FINAME - PSI financing agreements are collateralized by the financed assets, in the net amount of R$26,976, parent and consolidated (R$27,221 in parent and consolidated at December 31, 2012).

(v) The foreign currency-denominated working capital loans raised by subsidiaries are guaranteed by Company sureties in the total net amount of R$434,878 (R$342,097 at December 31, 2012).

c) Fifth issue of simple debentures (CVM Instruction 476)

On March 28, 2013, the Company completed the 5th issue of simple debentures in a single series, totaling R$1,240,000, issued pursuant to CVM Instruction 476, under a firm placement commitment, intermediated by Banco Itaú BBA S.A., Banco Votorantim S.A. and BB-Banco de Investimento S.A., targeted to qualified investors.

The debentures mature on March 15, 2022 and pay interest equivalent to DI (interbank rate), plus a surcharge, described below, to be amortized semiannually on the 15th of March and September of each year, with first payment on September 15, 2013 and the last one on March 15, 2022.

The surcharge will be equivalent to:

a) 3.25% per year, based on a 252-business-day year, if the Net Debt-to-EBITDA ratio is 3.50 times or higher.

b) 3.00% per year, based on a 252-business-day year, if the Net Debt-to-EBITDA ratio is 3.00 times and lower than 3.50 times.

c) 2.75% per year, based on a 252-business-day year, if the Net Debt-to-EBITDA ratio is 2.50 times and lower than 3.00 times.

d) 2.50% per year, based on a 252-business-day year, if the Net Debt-to-EBITDA ratio is 2.00 times and lower than 2.50 times.

e) 2.25% per year, based on a 252-business-day year, if the Net Debt-to-EBITDA ratio is lower than 2.00 times.

Notwithstanding the payments arising from: (i) early redemption; (ii) accelerated amortization; and/or (iii) early maturity of obligations pursuant to the issue indenture, the par value of each debenture will be repaid in seven installments, in the following order:

I. Six installments, each corresponding to 14.29% of the par value of each debenture, due on March 15, 2016, 2017, 2018, 2019, 2020, and 2021.

II. One installment, in the amount corresponding to the outstanding balance of the par value of each debenture, due on the final maturity date, scheduled for March 15, 2022.

On May 3, 2013, the Company repaid part of these debentures, amounting to R$323,081, with the proceeds of the 6th issue debentures (CVM Instruction 400).

d) Sixth issue convertible debentures (CVM Instruction 400)

On May 2, 2013, the Company completed the 6th issue of unsecured, convertible debentures, totaling R$320,000, issued under CVM Instruction 400, under a firm placement commitment, intermediated by Banco Itaú BBA S.A. and Banco Fator S.A. Total proceeds were used to partially repay the 5th issue of simple debenture under CVM Instruction 476.

The debentures are convertible into common shares and their par value is R$1, maturing on April 1, 2018, and yield 99% of the annual variance of the DI (an interbank rate). These debentures can be converted into Company common shares at any time, at the exclusive discretion of the debentureholders, at the fixed price of R$30.303030 per unit. If not converted into shares, these debentures will be repaid on maturity and interest is paid semiannually, on the first of April and October of each year.

During the conversion period, however, if the Company issues any shares, except for issues under the existing stock option plans, the conversion price shall be the lower of: (a) the share issue price, or (b) the original conversion price. Accordingly, these embedded derivatives were separated from the host contract at the transaction inception and measured at fair value on initial recognition and, subsequently, at fair value through profit or loss.

The Company's Management identified the debenture conversion commitments as contractual components, individually consisting of a hybrid-embedded derivative. Thus, part of the debt is recognized in liabilities at amortized cost and part refers to the conversion option, also recognized in liabilities, but measured at fair value because they are convertible into a defined number of shares.

As a result, the changes in fair value through profit or loss will have an inversely proportional impact on liabilities and their impact on the effective interest rate, in the Company's finance costs, will be the same.

The fair value of the debentures conversion options was determined at December 31, 2013 using the Black & Scholes share pricing model, under the following key assumptions:

Share price at December 31, 2013	R$26.15
Conversion option price	R$30.303030
Time to vesting period (days)	1,071
Interest rate	12.3%
Volatility (per year)	44.21%

The calculation of the debenture conversion options' fair value is detailed as follows:

	Parent and consolidated 12/31/2013
Debt instrument - debentures	191,369
Embedded derivative	128,631
Subtotal	320,000
Unamortized transaction cost	(5,610)
Interest incurred	17,616
Interest paid	(9,720)
Total	322,286

16. TRADE PAYABLES

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Domestic suppliers	93,907	84,110	120,685	114,833
Foreign suppliers	3,248	10,389	509,785	456,285
Foreign related parties (note 11)	-	984	-	-
	97,155	95,483	630,470	571,118

17. TAXES PAYABLE

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
ICMS	3,286	5,255	5,690	15,494
IPI	184	216	458	216
COFINS	1,001	1,036	2,193	1,275
PIS	231	1,030	522	1,030
CSLL	3,453	2,810	3,453	2,810
Withholding income tax - IRRF	2,803	3,424	3,627	3,424
Social security contribution (INSS) on gross revenue	1,078	1,128	2,397	1,128
Value-added tax (IVA)	-	-	36,905	16,122
IETU	-	-	4,472	2,211
Taxes on income (ISR)	-	-	5,631	44,374
Other	-	3,005	16,138	4,134
	12,036	17,904	81,486	92,218

18. PAYROLL AND RELATED TAXES

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Salaries	20,402	16,719	40,848	37,136
Payroll taxes	4,096	4,160	39,117	37,290
Vacation	29,873	30,420	44,591	44,060
Profit sharing	18,050	3,438	59,750	6,533
	72,421	54,737	184,306	125,019

19. PROVISION FOR TAX, CIVIL AND LABOR RISKS

The Company and its subsidiaries are parties to lawsuits and administrative proceedings before various courts and governmental bodies, arising in the normal course of business and involving tax, labor, civil and other matters.

Management, based on information from its legal counsel, analyzed ongoing proceedings and, as regards labor lawsuits, based on past experience regarding the amounts claimed, has recognized a provision in an amount considered sufficient to cover possible losses on ongoing proceedings, as follows:

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Tax lawsuits:				
Federal	23,576	21,103	25,422	23,035
State	15	15	15	15
Municipal	-	29	-	29
Labor	2,726	1,726	9,333	17,187
Civil	9,512	3,326	12,346	8,663
Contingent tax risks (note 2)	-	-	21,621	38,827
Total	35,829	26,199	68,737	87,756
Escrow deposits	(20,629)	(14,978)	(20,629)	(14,978)
	15,200	11,221	48,108	72,778

Changes occurred during the year are as follows:

	Parent					
	Balance at 12/31/2012	Additions	Payments	Reversals	Inflation adjustments	Balance at 12/31/2013
Tax lawsuits:						
Federal	21,103	3,929	-	(2,635)	1,179	23,576
State	15	-	-	-	-	15
Municipal	29	-	-	(29)	-	-
Labor	1,726	1,626	(758)	(151)	283	2,726
Civil	3,326	5,691	-	(6)	501	9,512
Total	26,199	11,246	(758)	(2,821)	1,963	35,829
Escrow deposits	(14,978)	(4,611)	162	-	(1,202)	(20,629)
Total net	11,221	6,635	(596)	(2,821)	761	15,200

	Consolidated						
	Balance at 12/31/2012	Additions	Payments	Reversals	Inflation adjustments	Exchange rate changes	Balance at 12/31/2013
Tax lawsuits:							
Federal	23,035	16,972	(14,912)	(4,362)	4,420	269	25,422
State	15	-	-	-	-	-	15
Municipal	29	2	-	(61)	32	-	-
	-			-			
Labor	17,187	2,148	(2,637)	(10,607)	1,710	1,532	9,333
Civil	8,663	6,191	-	(3,602)	469	625	12,346
Contingent tax risks	38,827	6,074	(28,530)	-	500	4,750	21,621
Total	87,756	31,387	(46,079)	(18,632)	7,129	7,176	68,737
Escrow deposits	(14,978)	(4,611)	162	-	(1,202)	-	(20,629)
	72,778	26,776	(45,917)	(18,632)	5,927	7,176	48,108

The following is a summary of the lawsuits to which the Company and its subsidiaries are parties, broken down by type:

Tax lawsuits

	12/31/2013					
	Parent			Consolidated		
	Amount provided for	Escrow deposits	Net liabilities	Amount provided for	Escrow deposits	Net liabilities
PIS/COFINS (a)	4,801	(4,801)	-	4,801	(4,801)	-
INSS (b)	14,463	(14,463)	-	14,463	(14,463)	-
IRPJ and CSLL (c)	-	-	-	1,823	(1,014)	809
IPI (d)	3,504	-	3,504	3,504	-	3,504
Other	823	-	823	846	-	846
Total	23,591	(19,264)	4,327	25,437	(20,278)	5,159

In parent and consolidated refer to:

(a) Legal disputes challenging the payment of contributions on: (i) agents' commissions paid abroad, beginning May 2005; and (ii) freight cost of transfers between branches, beginning May 2008, totaling R$4,801 (R$4,639 at December 31, 2012).

(b) Legal disputes challenging the collection of social security tax (INSS) on 1/3 vacation premium, leaves and Occupational Accident Insurance (SAT), as well as charges on paid prior notice, amounting to R$14,463 (R$10,339 at December 31, 2012).

(c) Undue corporate income tax credits challenged by the Federal Revenue Service, amounting to R$1,823 (R$6,123 at December 31, 2012).

(d) Refers to annulment of the IPI debit relating to an administrative proceeding under the Company's responsibility, in the amount of R$3,504 (R$6,123 at December 31, 2012).

Labor claims

As of December 31, 2013, the Company was a party to 200 labor lawsuits (181 as of December 31, 2012). The main claims made in these labor lawsuits are the payment of overtime, hazardous duty and health-hazard premiums, salary equalization, severance pay and FGTS (severance pay) penalties, claiming inflation adjustment under Verão, Collor and other economic plans. None of these lawsuits is individually material. The total amount disputed is R$4,484 (R$4,302 as of December 31, 2012), for which a provision was recognized in the amount of R$2,726 (R$1,726 as of December 31, 2012) based on historic information representing the best estimate for risks assessed as probable losses.

In consolidated, the Company and its subsidiaries were parties to 495 (410 at December 31, 2012) labor lawsuits. The main claims made refer basically to the same claims made against the parent. The total amount disputed is R$11,091 (R$19,763 as of December 31, 2012), for which a provision was recognized in the amount of R$9,333 (R$17,187 as of December 31, 2012) based on historical information representing the best estimate for risks assessed as probable losses.

Civil lawsuits

At December 31, 2013, the Company was a party to civil lawsuits, of which R$9,512 (R$3,326 at December 31, 2012) were assessed by the legal counsel as probable losses.

In consolidated, R$12,346 (R$8,663 at December 31, 2012) were assessed by the legal counsel as probable losses.

Appeal escrow deposits

Represent restricted assets of the Company and its subsidiaries and are related to amounts deposited in and held by courts until the final resolution of the related lawsuits.

As of December 31, 2013 and 2012, balances are basically represented by escrow deposits related to labor and tax lawsuits. These deposits, which do not involve current obligations, were necessary to proceed with the lawsuits. Based on Management's and its legal counsel's opinion, the likelihood of loss is not considered as probable and, therefore, no provision for labor, civil and tax risks was recognized.

Contingent tax risks/guarantee deposits - acquisition of subsidiary

As mentioned in note 2, at the time of the acquisition of Grupo Galaz, the Company, as guarantee of the contingent tax risks identified during the acquisition process, made deposits of R$21,621, adjusted for inflation through December 31, 2013 (R$38,827 at December 31, 2012) to cover possible losses, which will be held until such risks are settled.

Risks classified as possible losses

The Company and its subsidiaries and joint ventures are parties to tax and civil lawsuits that are not accrued since they involve a possible risk of loss, as classified by Management and its legal counsel. As of December 31, 2013, these lawsuits involve R$77,235 (R$79,503 as of December 31, 2012).

20. PENSION PLAN AND POST-EMPLOYMENT BENEFITS

a) Supplementary pension plan - defined contribution

Parent

Since August 1, 2004, the Company sponsors an open pension plan, managed by Brasil Prev. Seguros e Previdência S.A., which provides supplementary pensions, lump-sum payment and health benefits. The pension plan is a defined contribution plan, using the funded pension scheme for the actuarial calculation of reserves. At December 31, 2013, 5,418 Company's employees (4,825 at December 31, 2012) participated in this plan. The Company's contributions totaled R$1,790 for the year ended December 31, 2013 (R$1,627 in 2012).

Maxion Wheels

Additionally, subsidiary Maxion Wheels has contribution plans with the employees' retirement savings that cover substantially all employees of the units located in the United States of America. The subsidiary's contribution totaled R$1,640 in the year ended December 31, 2013 (R$1,635 at December 31, 2012).

b) Supplementary pension plan (defined benefit) and post-employment health care plan - consolidated

	12/31/2013				12/31/2012			
	Pension	Other	VEBA	Total	Pension	Other	VEBA	Total
Fair value of plan assets	19,439	-	-	19,439	17,026	-	-	17,026
Present value of obligations	(338,974)	(19,847)	(46,383)	(405,204)	(310,308)	(18,297)	(48,431)	(377,036)
Plan deficit	(319,535)	(19,847)	(46,383)	(385,765)	(293,282)	(18,297)	(48,431)	(360,010)
Current liabilities	-	-	(2,811)	(2,811)	-	-	(2,452)	(2,452)
Noncurrent liabilities	(319,535)	(19,847)	(43,572)	(382,954)	(293,282)	(18,297)	(45,979)	(357,558)
Total	(319,535)	(19,847)	(46,383)	(385,765)	(293,282)	(18,297)	(48,431)	(360,010)

b.1) Supplementary pension plan (defined benefit)

The Company sponsors, through its indirect subsidiary Maxion Wheels, several defined benefit pension plans, and the life insurance of the employees working in the 18 units worldwide. The subsidiary sponsors pension benefits based on the funding requirements provided for in relevant international laws and regulations, and prior to the payment of benefits. It also sponsors other benefits, as these benefits are granted to the employees.

Changes in the present value of defined benefit obligations

Defined benefit obligations	12/31/2013			12/31/2012		
	Pension	Other	Total	Pension	Other	Total
Obligations assumed at the beginning of the year	(310,308)	(18,297)	(328,605)	-	-	-
Obligations assumed in the business combinations	-	-	-	(229,054)	(11,234)	(240,288)
Benefits paid by the plan	23,129	71	23,200	17,490	33	17,523
Cost of current services and interest	(16,188)	(2,786)	(18,974)	(13,477)	(1,896)	(15,373)
Effect of changes in geographical assumptions	204	1,188	1,392	-	-	-
Effect of changes in financial assumptions	(41,262)	8,617	(32,645)	-	-	-
Effect of past experience adjustment	7,511	1,277	8,788	-	-	-
Exchange rate changes arising from the translation of financial statements	(2,060)	(9,917)	(11,977)	(85,267)	(5,200)	(90,467)
Defined benefit obligations	(338,974)	(19,847)	(358,821)	(310,308)	(18,297)	(328,605)

Fair value of plan assets	12/31/2013			12/31/2012		
	Pension	Other	Total	Pension	Other	Total
Plan assets at the beginning of the year	17,026	-	17,026	13,969	-	13,969
Contributions paid to plans	22,524	71	22,595	16,726	33	16,759
Benefits paid by the plans	(23,129)	(71)	(23,200)	(17,490)	(33)	(17,523)
Expected return on plan assets	1,312	-	1,312	664	-	664
Exchange rate changes arising from the translation of financial statements	1,706	-	1,706	3,157	-	3,157
Fair value of assets at end of year	19,439	-	19,439	17,026	-	17,026

Net benefit cost	12/31/2013			12/31/2012		
	Pension	Other	Total	Pension	Other	Total
Cost of service	(3,759)	(1,177)	(4,936)	(2,013)	(768)	(2,781)
Finance cost	(12,429)	(1,609)	(14,038)	(11,464)	(1,128)	(12,592)
Expected return on plan assets	609	-	609	664	-	664
Net benefit cost	(15,579)	(2,786)	(18,365)	(12,813)	(1,896)	(14,709)

The net cost of the benefit was recognized in profit or loss for the year, in the following line items of the statement of income:

	12/31/2013			12/31/2012		
	Pension	Other	Total	Pension	Other	Total
Cost of products sold	(9,659)	(1,226)	(10,885)	(7,943)	(1,177)	(9,120)
General and administrative expenses	(5,920)	(1,560)	(7,480)	(4,870)	(719)	(5,589)
Total	(15,579)	(2,786)	(18,365)	(12,813)	(1,896)	(14,709)

The actuarial assumptions used to determine the information for the years ended December 31, 2013 and 2012 were as follows:

	12/31/2013		12/31/2012	
Weighted average of the assumptions used to calculate cost	Pension	Other benefits	Pension	Other benefits
Discount rate - United States of America	-	3.50%	-	4.25%
Discount rate - international	3.47%	8.60%	4.66%	10.00%
Salary increase rate - international	2.68%	5.00%	2.66%	5.00%
Inflation rate increase - international	2.13%	4.46%	2.11%	4.47%
Increase rate of the pension plan - international	2.04%	-	2.04%	-

The actuarial assumptions used to determine the information on the benefit obligations and the funding position are as follows:

	12/31/2013		12/31/2012	
Weighted average of the assumptions used to calculate cost	Pension	Other benefits	Pension	Other benefits
Discount rate - United States of America	-	4.50%	-	3.50%
Discount rate - international	3.74%	10.54%	3.47%	8.60%
Salary increase rate - international	2.61%	5.00%	2.68%	5.00%
Inflation rate increase - international	2.07%	4.43%	2.13%	4.46%
Increase rate of the pension plan - international	2.04%	-	2.04%	-

The discount rate for the U.S. indirect subsidiary's plans was developed using specific interest rates with 0.5% increments for each of the next 30 years, based on the price and yield data of bonds debentures issued by top-tier U.S. companies rated AA by Moody's in U.S. dollars, with maturity ranging between 12 months and 30 years.

Sensitivity analysis of post-employment benefit obligations

At December 31, 2013, changes in the discount rates used to value the pension benefit obligations produce the following impacts on the defined benefit plan obligations and on the weighted average duration of the defined benefit obligation (in years), as follows:

	Pension plan	
	12/31/2013	12/31/2012
Scenario using a 50-basis point decrease in the rate at 3.24%:		
Effect on the defined benefit obligation	351,446	364,572
Weighted average duration of the defined benefit obligation (in years)	11.3	11.2
Scenario using a 50-basis point increase in the rate at 4.24%:		
Effect on the defined benefit obligation	314,693	325,324
Weighted average duration of the defined benefit obligation (in years)	10.9	12.6

	Other plans	
	12/31/2013	12/31/2012
Scenario using a 50-basis point decrease in the rate at 10.04%:		
Effect on the defined benefit obligation	9,724	22,512
Weighted average duration of the defined benefit obligation (in years)	27.0	32.6
Scenario using a 50-basis point increase in the rate at 11.04%:		
Effect on the defined benefit obligation	7,435	16,721
Weighted average duration of the defined benefit obligation (in years)	26.40	31.7

Expected return on pension plan assets

At December 31, 2013, plan assets include:

Insurance	17,840
Fixed income	223
Total	18,063

In order to develop the expected long-term return rate assumption of the assets, the historical return and expected future return for each type of asset were taken into consideration, as well as the pension plan portfolio asset allocation purpose.

The plans use an insurance system to fund their obligations to retirees. The obligation to active employees is not funded. Under this system, the insurer will determine the amount to be contributed by the sponsor each year. The sponsor's funds are mostly invested in fixed income securities so as to ensure a minimum return level and at the same time limit volatility. The return on assets is credited to the plan based on the insurer's assets' performance and the agreement terms, and the plan benefits are paid based on these funds.

The investment policy for allocation of pension plan assets is in accordance with the local regulations in effect for the units outside the United States, and consists basically of insurance and fixed income instruments.

The asset allocation policy was developed taking into account the long-term nature of the obligations and the investment purposes of obtaining a return on assets consistent with the plan's funding requirements, thus maximizing the return on the portfolio and minimizing the impact of market fluctuations on the value of the plan assets.

Contributions to plans

The indirect subsidiary Maxion Wheels contributed to pension plans with R$22,524 in the year ended December 31, 2013 (R$16,759 at December 31, 2012).

b.2) Post-employment health care plan

The indirect subsidiary Maxion Wheels also sponsors a health care plan for a group of former employees called Voluntary Employee Benefit Association ("VEBA"). At December 31, 2013, the balance pf obligations payable under the VEBA plan amounts to R$46,383 (R$48,431 at December 31, 2012), of which R$2,811 (R$2,452 at December 31, 2012) were classified as current liabilities, in line item "Other payables", and R$43,572 (R$45,979 at December 31, 2012), in noncurrent liabilities, in line item "Obligations on pension plan and post-employment benefits", in consolidated. This liability corresponds to the balance of outstanding contributions by the subsidiary.

21. EQUITY

a) Capital

On April 26, 2013, the General Shareholders' Meeting approved a capital increase of R$50,000 without the issuance of new shares, through capitalization of the earnings reserve. As a result, paid-in capital totaled R$700,000 at December 31, 2013 (R$650,000 at December 31, 2012), represented by 94,863,372 registered common shares without par value.

In addition to the 94,863,372 common shares, the Company is authorized to increase its capital, without any amendment to its bylaws, up to a ceiling of 18,600,000 registered common shares without par value, by issuing new common shares, under a Board of Directors' decision, which will set the number of shares issued, the issue date and the payment terms.

The Company may, within the authorized capital ceiling and in accordance with the plan approved by the Shareholders' Meeting, grant stock options to its officers, employees or individuals who provide services to the Company, pursuant to article 168, paragraph 3, of Law 6404/76.

b) Bylaws reserve for investment and working capital

Aimed at ensuring investment in production assets and increase in working capital, even through the Company's debt repayment, as well as capitalization and financing of subsidiaries and joint ventures. This reserve will be set up with a minimum annual portion of 10% and maximum of 58% of profit for the year, and its amount cannot exceed, together with the legal reserve, the amount of capital.

c) Allocation of profit

Profit for the year, determined in accordance with article 191 of Law 6404/76, is allocated as follows: (i) 5% to the legal reserve, which cannot exceed 20% of capital; (ii) 37% for distribution, such as mandatory dividends; and (iii) the remaining, which is not allocated to the bylaws investment and working capital reserve or retained as provided for in the capital budget approved by the Shareholders' Meeting, is distributed as additional dividend to the shareholders.

	12/31/2013	12/31/2012
Profit for the year	170,329	66,864
Realization of the depreciation of the deemed cost, net of taxes	28,165	11,141
Undistributed total	198,494	78,005
(-) Legal reserve (5%)	(9,925)	(3,900)
Allocation of profit:		
Mandatory minimum dividends (37%)	73,443	28,862
(-) Interest on capital - April 25, 2012	-	(12,659)
(-) Interest on capital - December 19, 2012	-	(12,713)
(-) Interest on capital - December 18, 2013	(45,031)	-
(-) Proposed dividends (balance)	(28,412)	(3,490)
(-) Bylaws reserve for investment and working capital	(109,470)	(45,243)

	12/31/2013
(+) Proposed dividends	28,412
(+) Gross interest on capital	50,687
Total distributed	79,099
Total distribution (%)	39.8%

On December 18, 2013, the Board of Directors approved the payment of interest on capital ("JSCP") in the gross amount of R$50,687, equivalent to R$0.53575888 per common share, corresponding to the net amount of R$45,031, or R$0.47597541 per common share, net of a 15% withholding income tax (IRRF).

Interest on capital will be paid with the payment of dividends for 2013, in the total amount of R$79,099, during the first quarter of 2014.

d) Options granted recognized and treasury shares

- Share-based payments: refer to the results obtained with the 2012, 2011 and 2010 stock option plans, less the exercised 2011 and 2010 vested stock, in the net amount of R$106 for the year ended December 31, 2013 (R$366 at December 31, 2012).

- Treasury shares: at December 31, 2011, the Company held 253,163 treasury shares and in 2012 bought back another 67,000, totaling 320,163 common shares that will be used in the stock option plans. During 2013 and 2012 the Company granted 65,418 shares as a result of the exercise of stock options of the 2010 and 2011 plans, with a remaining balance of 254,745 common shares, amounting to R$5,941, as shares committed to the stock option plan.

- At December 31, 2013, the market value of the common shares held in treasury corresponded to a total of R$6,661 (quotation at December 30, 2013, with a value of R$26.15 per share).

22. STOCK OPTION PLAN

The Extraordinary Shareholders' Meeting held on December 1, 2009 approved the stock option plan for the Company's officers. This plan sets the individual conditions for each beneficiary.

A beneficiary should assign part of the annual bonus paid by the Company, as profit-sharing, net of income tax and other applicable charges ("profit-sharing"), related to 2009 for the 2010 plan, to 2010 for the 2011 plan and to 2011 for the 2012 plan, so as to purchase on the stock market the Company's shares ("own shares"). For this purpose, the beneficiary must elect to allocate its profit-sharing bonus in the defined percentages of 75%, 50% or 25%. The percentage elected by the beneficiary to purchase own shares will determine the number of stock options he/she will be able to exercise. If the beneficiary fails to allocate any percentage of his/her profit-sharing bonus to the purchase of own shares, he/she is not to be granted any stock options.

The profit-sharing bonus percentage committed to the purchase of own shares must be elected and, consequently, supported by the beneficiary to the Company by filing a brokerage invoice within up to five days after the deadline for purchasing own shares. The deadline for purchasing own shares starts on the day following the day on which the Company informs the strike price to beneficiaries and lasts 15 consecutive days.

After the deadline, the Board sets the number of stock options granted to each beneficiary, by applying the following formula:

$O = (B*M)/P$

Where:

O = number of stock options granted to the beneficiary.

B = amount, in reais, of the profit-sharing bonus allocated by the beneficiary to the purchase of own shares.

M = multiple on the profit-sharing bonus allocated to the purchase of own shares, set according to specifications below.

P = average price per Company share in the 20 São Paulo Stock Exchange trading sessions immediately following the deadline.

Said "M" multiple must have a fixed numerical value for each beneficiary, as follows:

a) If the beneficiary allocates 75% of his/her profit-sharing bonus to the purchase of own shares, "M" is equal to 2.0.

b) If the beneficiary allocates 50% of his/her profit-sharing bonus to the purchase of own shares, "M" is equal to 1.5.

c) If the beneficiary allocates 25% of his/her profit-sharing bonus to the purchase of own shares, "M" is equal to 1.0.

On the stock option grant date, the Company enters into the related Stock Option Agreement with the beneficiary, governing the grant terms and conditions.

The stock option strike price is equal to the average price of the Company stock in the 20 São Paulo Stock Exchange trading sessions prior to March 3, 2010 for the 2010 plan, March 12, 2011 for the 2011 plan and March 13, 2012 for the 2012 plan, immediately preceding the commencement of the own shares purchase period.

Strike Price Adjustment Index: Extended Consumer Price Index released by the Brazilian Statistics Bureau (IPCA/IBGE) to be applied to the option strike price from the plan's date to the option exercise date.

- Vesting period: the options are divided into three equal annual allotments, in terms of number of options, vesting within two, three and four years from the plan's date, respectively. After the corresponding vesting period, each annual allotment can be exercised, fully or in part, in one or several occasions, and at any time, before the final, forfeiting deadline of three years, by notifying the Company of each exercise with a ten-day prior notice. After this period, the beneficiary forfeits the right to exercise the stock options of the corresponding annual allotment, without compensation.

2010 plan

The maturities and strike prices of 2010 plan stock options outstanding as of December 31, 2013 are as follows:

		Outstanding options			Exercisable options	
Grant date	Option fair value	Outstanding options	Remaining contractual life (years)	Strike price	Exercisable options	Strike price
	R$			R$		R$
March 3 - 18, 2010	9.01	624	2	18.42	624	18.42
March 3 - 18, 2010	9.87	9,664	3	18.42	9,664	18.42
March 3 - 18, 2010	10.67	35,732	4	18.42	-	-
Total		46,020			10,288	

As of December 31, 2013, the market price was R$26.15 per share.

Significant data included in the pricing model of the stock options' fair value granted in March 2010:

- Option price of R$8.89 for two years, R$9.88 for three years and R$11.06 for four years as of December 31, 2013.
- Volatility of 2.78% estimated from the standard deviation of the daily share-closing price over the past six years.
- Expected stock option life from two to four years.
- Annual risk-free interest rate of 10.46% for three years, 11.14% for four years and 11.78% for five years.

The table below shows the simulated impacts arising from: (a) the exercise of stock options granted until December 31, 2013; and (b) the exercise of all stock options that may be granted under the Stock Option Program. Both scenarios assume that all stock options were exercisable as of December 31, 2013.

	2 years - 1/3	3 years - 1/3	4 years - 1/3
Strike price - R$	19.40	20.46	21.48
Number of shares to be purchased or issued with the exercise of options	624	9,664	35,732
Fair value of the options - R$	8.89	9.88	11.06

In relation to the 2010 plan, for the year ended December 31, 2013, 26,068 options were exercised, at the average strike price of R$18.15. There were no options whose rights prescribed or expired in the year.

2011 plan

The maturities and strike prices of 2011 plan stock options outstanding as of December 31, 2013 are as follows:

		Outstanding options			Exercisable options	
Grant date	Option fair value	Outstanding options	Remaining contractual life (years)	Strike price	Exercisable options	Strike price
	R$			R$		R$
March 14 - 28, 2011	6.05	64,613	3	24.40	64,613	24.40
March 14 - 28, 2011	7.12	68,801	4	24.40	-	-
March 14 - 28, 2011	8.14	68,801	5	24.40	-	-
Total		202,215			64,613	

As of December 31, 2013, the market price was R$26.15 per share.

Significant data included in the pricing model of the stock options' fair value granted in March 2011:

- Option price of R$4.39 for three years, R$5.97 for four years and R$7.53 for five years as of December 31, 2013.
- Volatility of 2.78% estimated from the standard deviation of the daily share-closing price over the past five years.
- Expected stock option life from two to four years.
- Annual risk-free interest rate of 11.14% for three years, 11.78% for four years and 12.27% for five years.

The table below shows the simulated impacts arising from: (a) the exercise of stock options granted until December 31, 2013; and (b) the exercise of all stock options that may be granted under the Stock Option Program. Both scenarios assume that all stock options were exercisable as of December 31, 2013.

	3 years - 1/3	4 years - 1/3	5 years - 1/3
Strike price - R$	27.36	28.73	30.17
Number of shares to be purchased or issued with the exercise of options	64,613	68,801	68,801
Fair value of the options - R$	4.39	5.97	7.53

In relation to the 2011 plan, for the year ended December 31, 2013, 4,231 options were exercised, at the average strike price of R$24.07. There were no options whose rights prescribed or expired in the year.

2012 plan

The maturities and strike prices of 2012 plan stock options outstanding as of December 31, 2013 are as follows:

		Outstanding options			Exercisable options	
Grant date	Option fair value	Outstanding options	Remaining contractual life (years)	Strike price	Exercisable options	Strike price
	R$			R$		R$
March 14 - 28, 2012	7.45	20,775	4	35.56	-	-
March 14 - 28, 2012	9.09	20,755	5	35.56	-	-
March 14 - 28, 2012	10.59	20,755	6	35.56	-	-
Total		62,285			-	

As of December 31, 2013 the market price was R$26.15 per share.

Significant data included in the pricing model of the stock options' fair value granted in March 2012:

- Option price of R$0.10 for four years, R$0.34 for five years and R$1.42 for six years as of December 31, 2013.
- Volatility of 2.78% estimated from the standard deviation of the daily share-closing price over the past six years.
- Expected stock option life from four to six years.
- Annual risk-free interest rate of 11.78% for four years, 12.27% for five years and 12.36% for six years. The table below shows the simulated impacts arising from: (a) the exercise of stock options granted until December 31, 2013; and (b) the exercise of all stock options that may be granted under the Stock Option Program. Both scenarios assume that all stock options were exercisable as of December 31, 2013.

	4 years - 1/3	5 years - 1/3	6 years - 1/3
Strike price - R$	41.33	43.39	45.56
Number of shares to be purchased or issued with the exercise of options	20,775	20,755	20,755
Fair value of the options - R$	0.01	0.34	1.42

In relation to the 2012 plan, for the year ended December 31, 2013, there were no options whose rights prescribed or expired in the year.

23. FINANCE INCOME (COSTS)

	Parent		Consolidated	
	2013	2012	2013	2012
Finance income:				
Income from short-term investments	9,014	8,548	14,964	11,450
Discounts obtained and interest receivable	780	7,694	780	7,694
Inflation adjustment of tax claims (*)	2,342	23,277	2,342	23,277
Other	3,667	3,581	6,623	4,878
Total	15,803	43,100	24,709	47,299
Finance costs:				
Interest and financial charges	(132,630)	(27,098)	(194,359)	(155,866)
Inflation adjustment of provisions for risks	(1,963)	(1,372)	(7,129)	(1,372)
Tax on financial transactions (IOF)	(5,102)	(628)	(5,143)	(628)
Amortized cost of debentures	(4,076)	-	(4,345)	-
Banking expenses	(7,333)	(8,890)	(7,674)	(8,865)
Other	(6,640)	(3,766)	(7,495)	(7,562)
Total	(157,744)	(41,754)	(226,145)	(174,293)

(*) On April 23, 2012, the Company recognized a gain from favorable final outcome in the amount of R$23,277, relating to the recovery of inflation adjustment on IPI paid on the acquisition of raw material. The credit received was recorded in line item "Recoverable taxes" in current assets.

24. EXCHANGE RATE CHANGES, NET

	Parent		Consolidated	
	2013	2012	2013	2012
Exchange gain (loss) on trade receivables	2,644	10,315	(838)	2,661
Exchange loss on borrowings and financing	(3,505)	-	(11,719)	(8,616)
Exchange gain (loss) on trade payables	(654)	(5,166)	3,822	3,425
Exchange loss on derivatives, net	-	(109)	-	(109)
Other	55	-	(2,753)	(5,501)
Total	(1,460)	5,040	(11,488)	(8,140)

25. NET SALES REVENUE

	Parent		Consolidated	
	2013	2012	2013	2012
Gross sales revenue	2,462,695	2,031,188	6,644,945	5,684,241
(-) Deductions from gross revenue:				
Sales taxes	(493,376)	(389,362)	(493,376)	(389,362)
Discounts and returns	(18,817)	(17,382)	(25,076)	(25,455)
Net sales revenue	1,950,502	1,624,444	6,126,493	5,269,424

26. EXPENSES BY NATURE

	Parent		Consolidated	
	2013	2012	2013	2012
Raw material	(942,263)	(816,561)	(3,233,161)	(2,861,423)
Salaries and benefits	(487,536)	(434,850)	(1,188,884)	(1,012,918)
Materials/maintenance	(102,593)	(86,344)	(408,828)	(345,496)
Electric power	(22,378)	(26,128)	(212,345)	(184,311)
Depreciation and amortization	(46,093)	(43,997)	(209,878)	(171,588)
Outside services	(39,827)	(33,937)	(134,967)	(123,630)
Freight	(39,148)	(36,579)	(120,743)	(107,051)
Management compensation	(10,972)	(6,660)	(10,972)	(6,660)
Transportation/communication	(13,724)	(11,570)	(38,457)	(31,289)
Other costs and expenses	(11,956)	(13,776)	(119,892)	(132,151)
Total	(1,716,490)	(1,510,402)	(5,678,127)	(4,976,517)

	Parent		Consolidated	
	2013	2012	2013	2012
Classified as:				
Cost of sales and services	(1,587,571)	(1,405,998)	(5,267,393)	(4,712,796)
Selling expenses	(45,979)	(39,047)	(129,117)	(66,583)
General and administrative expenses	(71,968)	(58,697)	(270,645)	(190,478)
Management compensation (note 11)	(10,972)	(6,660)	(10,972)	(6,660)
Total	(1,716,490)	(1,510,402)	(5,678,127)	(4,976,517)

27. RISK AND FINANCIAL INSTRUMENT MANAGEMENT

a) General considerations and policies

The Company and its subsidiaries conduct transactions involving financial instruments, including derivatives, when applicable, all of which recorded in balance sheet accounts, which are intended to meet their operating and financial needs. The Company contracts short-term investments, loans and financing, and intercompany loans, as well as derivatives.

These financial instruments are managed based on policies, strategies, and control systems, and are monitored by the Company's Board of Directors.

The policy related to entering into financial instrument contracts for hedging purposes is also approved by the Board of Directors, which is then regularly reviewed as to the risk exposure that the Management intends to hedge. Gains or losses on these transactions are consistent with the policies and strategies designed by the Company's Management. The Company and its subsidiaries do not make speculative investments in derivatives or any other risk assets.

The Company's Audit and Financial Committees oversee how Management monitors the compliance with the risk management policies and procedures and reviews the appropriateness of the risk management model for risks accepted by the Company, its subsidiaries and its joint ventures.

Classification of financial instruments - by category

		Parent					
		12/31/2013			12/31/2012		
	Note	Loans and receivables	Other financial liabilities	Fair value	Loans and receivables	Other financial liabilities	Fair value
Assets:							
Cash and cash equivalents	6	178,801	-	-	218,429	-	-
Trade receivables	7	227,126	-	-	233,361	-	-
Loans - related parties	11	48	-	-	7,377	-	-
		405,975	-	-	459,167	-	-
Liabilities:							
Borrowings and financing	15	-	469,504	-	-	530,710	-
Debentures	15	-	1,130,662	-	-	-	-
Embedded derivatives	15	-	-	128,631	-	-	-
Trade payables	16	-	97,155	-	-	95,483	-
Loans - related parties	11	4,331	-	-	3,633	-	-
		4,331	1,697,321	128,631	3,633	626,193	-

		Consolidated					
		12/31/2013			12/31/2012		
	Note	Loans and receivables	Other financial liabilities	Fair value	Loans and receivables	Other financial liabilities	Fair value
Assets:							
Cash and cash equivalents	6	662,230	-	-	501,361	-	-
Trade receivables	7	747,813	-	-	704,641	-	-
		1,410,043	-	-	1,206,002	-	-
Liabilities:							
Borrowings and financing	15	-	1,514,191	-	-	2,741,538	-
Debentures	15	-	1,130,662	-	-	-	-
Embedded derivatives	15	-	-	128,631	-	-	-
Trade payables	16	-	630,470	-	-	571,118	-
		-	3,275,323	128,631	-	3,312,656	-

b) Fair values

The Company and its subsidiaries adopt hierarchy rules to measure the fair value of its financial instruments, as set out in technical pronouncement CPC 40/IFRS 7 - Financial Instruments: Disclosure, which are used for financial instruments measured in the balance sheet, requiring the disclosure of fair value measurements at the following hierarchy level:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Other data, except for that included in Level 1, where prices are quoted (unadjusted) for similar assets or liabilities, either directly (as prices) or indirectly (that is, derived from prices) in nonactive markets, or other available data or that may be confirmed by market information for substantially all the terms of the assets and liabilities.
- Level 3 - Unavailable inputs, due to little or no market activity, that is significant for the definition of fair value of assets and liabilities (unobservable inputs).

A market is considered active if quoted prices are readily and regularly available from a stock exchange, regulatory agency, among others, and those prices represent actual market transactions that occur regularly on a purely arm's-length basis. Therefore, the fair value of the financial instruments traded in active markets is based on market values, quoted at the balance sheet dates, being included in Level 1.

The fair value of financial instruments not traded in active markets (e.g., over-the-counter derivatives) is determined using valuation techniques.

In the case of the Company and its subsidiaries, the financial instruments disclosed in balance sheets, such as bank accounts, short-term investments, trade receivables and trade payables, approximate their market values.

The fair value of convertible debentures was determined as of December 31, 2013 using the Black & Scholes pricing model and was recorded as shown in note 15.

The fair value of the debt arising from the 6th issue of the Company's debentures is calculated based on the secondary market quotations (Level 1) published by ANBIMA at the end of the reporting periods.

The comparison between the fair value and the carrying amount of debentures is as follows:

Carrying amount	Fair value
320,000	345,960

c) Derivative financial instruments

Except for the debentures previously mentioned, which have embedded derivatives, as of December 31, 2013, the Company did not have any other derivatives.

d) Hedge accounting

On July 1, 2013 the Company designated a debt instrument (nonderivative), in the notional amount of US$25,000 thousand, equivalent to R$58,565 as of December 31, 2013, and with maturity in December 2014, as a cash flow hedge, for exports deemed highly probable.

As this agreement will be settled through goods exports, the Company's Management believes that this transaction qualifies as a natural hedge and, therefore, foreign exchange differences will generate timely impacts on the statements of income, without an equivalent impact in the Company's cash flows. Thus, the exchange rate change impacts are being recorded in line item "Other comprehensive income", in equity, and they are reversed against profit or loss for the year when the related exports are carried out.

As of December 31, 2013, total unrealized exchange losses on the exports' debt instrument, recognized in "Other comprehensive income", amounted to R$975, net of taxes. It is estimated that the exports will continue from January to November 2014, when the loss (gain) will be fully reversed against export revenue.

e) Financial risk management

The Company's and its subsidiaries' operations are subject to the following risk factors:

Credit risk

Arises from the possibility that the Company and its subsidiaries incur losses as a result of default by its counterparties or financial institutions that are depositaries of funds or financial investments. To mitigate this risk, the Company and its subsidiaries adopt the procedure of analyzing the financial position of their counterparties, as well as establishing credit limits, and constantly monitoring their balances. Concerning the financial institutions, the Company and its subsidiaries only conduct transactions with financial institutions highly rated by credit rating agencies.

In relation to customers' credit lines, the Company understands that, due to the: (i) strict credit analysis; (ii) permanent monitoring of the outstanding balances; and (iii) fact that the customers are represented by large assemblers highly rated by credit rating agencies, the credit risk is controlled.

The Company's Management believes the existing allowance is sufficient to cover any default, as referred to in note 7.

Liquidity risk

Effectively managing liquidity risk implies maintaining sufficient cash and securities, funds available through committed credit facilities and the ability to settle market positions. Due to the active nature of the Company's and its subsidiaries' businesses, the treasury area is flexible in raising funds through the maintenance of committed credit lines.

Management monitors the Company's consolidated liquidity level considering the expected cash flow against unused credit lines and cash and cash equivalents. This forecast takes into consideration the Company's debt financing plans, fulfillment with internal balance sheet ratio goals and, when applicable, external regulatory or legal requirements (e.g., currency restrictions). Through its risk management policy, the Company establishes a minimum consolidated cash limit and debt management financial indicators.

Surplus cash held by the operating entities above the balance required for working capital management is maintained in the entities themselves but managed by the finance staff. The Company invests its liquidity according to its financial risk management policy, approved by the Board of Directors, in short-term investments with maturities of less than 90 days, through deposits in financial institutions.

The table below illustrates the Company's nonderivative financial liabilities, by maturity ranges, corresponding to the remaining period in the balance sheet through the contractual maturity date:

	12/31/2013					
	Parent			Consolidated		
	Less than 1 year	1 to 2 years	Over 2 years	Less than 1 year	1 to 2 years	Over 2 years
Trade payables	97,155	-	-	630,470	-	-
Borrowings, financing and debentures	118,660	189,396	1,420,741	712,303	339,650	1,721,531
	215,815	189,396	1,420,741	1,342,773	339,650	1,721,531

	12/31/2012					
	Parent			Consolidated		
	Less than 1 year	1 to 2 years	Over 2 years	Less than 1 year	1 to 2 years	Over 2 years
Trade payables	95,483	-	-	571,118	-	-
Borrowings, financing and debentures	238,712	255,642	36,356	652,419	377,106	1,712,013
	334,195	255,642	36,356	1,223,537	377,106	1,712,013

Interest rate risk

Arises from the possibility of the Company and its subsidiaries incurring gains or losses due to fluctuations in the interest rates applied to their financial assets and financial liabilities. To mitigate this risk, the Company and its subsidiaries try to diversify their borrowings into fixed and floating rates.

Foreign exchange risk

Arises from possible fluctuations in the exchange rates of the foreign currencies used by the Company and its subsidiaries to purchase inputs, sell products, and contract financial instruments. Besides payables and receivables in foreign currencies, the Company and its subsidiaries invest in foreign subsidiaries and have operating purchase and sale flows denominated in other currencies. The Company and its subsidiaries have a specific policy for entering into hedge agreements so as to reduce these risks.

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Assets:				
Trade receivables (i)	6,281	11,687	476,994	451,297
Related parties abroad	19,491	24,088	-	-
Total assets	25,772	35,775	476,994	451,297
Liabilities:				
Borrowings, financing and debentures (ii)	63,145	72,610	1,086,467	2,263,055
Trade payables (iii)	3,248	10,389	509,785	456,285
Related parties abroad	-	984	-	-
Total liabilities	66,393	83,983	1,596,252	2,719,340
Net exposure	(40,621)	(48,208)	(1,119,258)	(2,268,043)
(-) Foreign subsidiaries with local functional currency	-	-	1,061,893	2,213,067
Total exposure for sensitivity analysis purpose	(40,621)	(48,208)	(57,365)	(54,976)

(i) In consolidated, as of December 31, 2013, 63.8% (55.2% as of December 31, 2012) refer to trade receivables of foreign subsidiaries, which are denominated in U.S. dollars, euro and yuan.

(ii) In consolidated, as of December 31, 2013, 39.2% (82.5% as of December 31, 2012) refer to borrowings obtained in local currency by foreign subsidiaries abroad, as shown in note 15.

(iii) In consolidated, as of December 31, 2013, 80.9% (71.5% as of December 31, 2012) refer to trade payables of foreign subsidiaries, which are denominated in U.S. dollars, euro and yuan.

Foreign exchange risk arises from fluctuations in foreign exchange rates on foreign currency-denominated borrowings and financing, trade receivables and trade payables.

Concentration risk

The Company's and its subsidiaries' products are usually sold under purchase orders in material amounts, periodically issued by a restricted number of customers, which account for a significant volume of their sales. Currently, approximately 65% of their operating revenue concentrates in ten customers. The loss of a major customer or the decrease of the volume such customer purchases could have an adverse impact in the Company and its subsidiaries.

Steel and aluminum price fluctuation risk

A significant portion of the Company's and its subsidiaries' operations depends on their ability to purchase steel and aluminum at competitive prices. If the price of steel and aluminum increases significantly and the Company and its subsidiaries do not manage to pass on the price increase to products or reduce operating costs to offset such increase, the operating margin will be lower.

Sensitivity analysis - consolidated

Financial instruments, including, when applicable, derivatives, are exposed to changes due to fluctuations in exchange rates, interest rates (Long-term Interest Rate, or TJLP) and the CDI. The sensitivity analyses of the financial instruments to these variables were taken into consideration by the Company's Management and are shown below:

i) Selection of risks

The Company and its subsidiaries selected four market risks that could have a higher impact on the value of financial instruments held by them, as follows: (1) U.S. dollar--real exchange rate; (2) interest rates on borrowings and financing (CDI); (3) interest rates on borrowings and financing (TJLP); and (4) yield rate of short-term investments (CDI).

ii) Selection of scenarios

The tables below take into consideration three risk sensitivity-analysis scenarios for the indices on these financial assets and financial liabilities, adopted by the Company as the probable scenario. CVM Instruction 475/08 established two additional scenarios with stresses of 25% and 50% in the risk variables considered as of December 31, 2013.

The probable scenario used by the Company is the actual real versus U.S. dollar exchange rate, and TJLP, CDI and IPCA indices as of December 31, 2013.

Sensitivity analysis of exchange rate changes

In the consolidated foreign exchange exposure sensitivity analysis as of December 31, 2013, as shown in the foreign exchange exposure table of paragraph "Foreign exchange risk", the balances of trade receivables, trade payables and borrowings and financing of foreign subsidiaries were disregarded because they are denominated in the local functional currencies of each foreign subsidiary, and, therefore, the Company's Management believes that they are not exposed to foreign exchange risks.

Considering the foreign exchange exposures as of December 31, 2013, the sensitivity analysis of outstanding positions is as follows:

	Loss	
Company risk	Possible scenario	Remote scenario
U.S. dollar appreciation	14,341	28,682

The possible scenario considers a 25% depreciation of the Brazilian real against the U.S. dollar over the exchange rate as of December 31, 2013 of R$2.3426/US$1.00 (R$2.9283/US$1.00), and the remote scenario considers a 50% depreciation (R$3.5139/US$1.00).

In light of the parities considered, results would correspond to a loss of R$14,341 in the possible scenario and a loss of R$28,682 in the remote scenario.

Management did not consider the sensitivity analysis for the probable scenario because it understands that this scenario reflects the exchange rate changes already recorded in the financial statements for the year ended December 31, 2013.

Sensitivity analysis of interest rate changes - Company's exposure to interest rate increase

Borrowings and financing - TJLP and currency baskets	Scenarios		
	Probable	Possible + 25%	Remote + 50%
TJLP as of December 31, 2013	5.00%	6.25%	7.50%
Indexed financing - TJLP - R$7,444:			
Estimated finance costs	372	465	558
Effect	-	(93)	(186)

Borrowings and financing - IPCA	Scenarios		
	Probable	Possible + 25%	Remote + 50%
IPCA as of December 31, 2013	5.91%	7.39%	8.87%
Indexed financing - IPCA - R$31,986:			
Estimated finance costs	1,890	2,364	2,837
Effect	-	(473)	(947)

Debentures - CDI	Scenarios		
	Probable	Possible + 25%	Remote + 50%
CDI as of December 31, 2013	9.74%	12.18%	14.61%
Indexed debentures - 99.74% - CDI - R$1,280,568:			
Estimated finance costs	124,727	155,973	187,091
Effect	-	(31,246)	(62,364)

Sensitivity analysis of changes in short-term investments - Company's exposure to interest rate decrease

Short-term investments - CDI	Scenarios		
	Probable	Possible + 25%	Remote + 50%
CDI - R$ as of December 31, 2013	9.91%	7.43%	4.96%
Short-term investments - 101.4% - CDI - R$202,044:			
Estimated finance income	8,586	6,440	4,293
Effect	-	(2,147)	(4,293)

28. CAPITAL MANAGEMENT

It is the Management's policy to sustain a solid capital basis to ensure the confidence of investors, creditors and the market and to maintain the business' future development. The Executive Board monitors the returns on capital, defined by the Company as the operating activities' results divided by total equity. The Executive Board also supervises the level of dividends distributed to shareholders.

The Company's Management seeks to strike a balance between the highest returns possible with more appropriate financing levels and the benefits and security provided by a healthy capital position. The goal is to reach a return compatible with its cost of capital reviewed annually based on the WACC concept.

The debt-to-capital ratio at the end of the year is as follows:

	Parent		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Total borrowings, financing and debentures	1,728,797	530,710	2,773,484	2,741,539
(-) Cash and cash equivalents and short--term investments	(178,801)	(218,429)	(662,230)	(501,361)
Net debt	1,549,996	312,281	2,111,254	2,240,178
Total equity	1,221,081	913,038	1,445,160	1,090,910
Net debt-to-equity ratio	127%	34%	146%	205%

29. COMMITMENTS ASSUMED

Operating leases

The Company and its subsidiaries have property leases effective for varying periods of time between one and five years with automatic renewal clauses. These agreements are expected to be renewed.

As of December 31, 2013, based on signed lease agreements, the estimated future obligations for the next five years are restricted to the amounts in the table below and do not include possible amounts corresponding to renewals:

	Parent	Consolidated
2014	665	11,627
2015	665	5,126
2016	665	2,800
2017	665	1,655
2018	665	1,232
	3,325	22,440

In the year ended December 31, 2013, the costs on these lease agreements in consolidated were R$17,684 (R$7,517 as of December 31, 2012).

These transactions include the usual restrictive covenants, such as, but not limited to, guarantees against early termination, which were all complied with by the Company and its subsidiaries as of December 31, 2013, and thus none of the lease agreements effective on this date was qualified by the Company's Management as an onerous agreement. In addition, no contingent payment was made by the Company in the years ended December 31, 2013 and 2012.

Additionally, the Company and its subsidiaries do not have other long-term commitments with third parties.

30. EARNINGS PER SHARE

	12/31/2013	12/31/2012
Denominator:		
Weighted average number of shares	94,863	94,863
Weighted number of treasury shares	(255)	(285)
Weighted average number of outstanding shares	94,608	94,578
Numerator - basic:		
Profit for the year	170,329	66,864
Basic earnings per share - R$	1.80037	0.70697

	12/31/2013	12/31/2012
Numerator - diluted:		
Weighted average number of outstanding shares	94,608	94,578
Number of shares - with exercise of the debentures - ICVM 400	10,560	-
Weighted number of shares in stock option plans	376	396
Weighted average number of outstanding shares	105,544	94,974
Profit for the year	170,329	66,864
Interest of debentures - ICVM 400	11,718	-
Unpaid costs - ICVM 400	(3,703)	-
Adjusted profit for the year	178,344	66,864
Diluted earnings per share - R$	1.68976	0.70402

31. SUPPLEMENTAL CASH FLOW INFORMATION

In 2012, the Company acquired, through its indirect subsidiary Maxion Fumagalli de México S. de R.L. de C.V., equity interests in Grupo Galaz, and its subsidiary Iochpe Holdings, LLC acquired equity interests in Hayes Lemmerz and its subsidiaries. The amounts of the assets acquired and liabilities assumed, net of their respective cash, are stated in note 2.

32. SEGMENT REPORTING

Technical pronouncement CPC 22/IFRS 08 - Segment Reporting requires segment reporting consistently with managerial reports provided and revised by the chief operating decision--maker to assess the performance of each segment and the allocation of funds. The Company's chief operating decision-maker is the CEO.

The Company and its subsidiaries operate in a single sector (automotive), whose management structure determines that solely the sales revenues must be analyzed by the decision-maker in detail, as the products produced and sold by the Company and its subsidiaries are divided between the Maxion Wheels and Maxion Structural Components divisions.

Net revenue for the year ended December 31, 2013 is broken down as follows:

Equity interest	2013	2012
Operations in South America - Brazil	38.6%	36%
Foreign operations:		
North America	23.9%	25.9%
Europe	30.9%	30.3%
Other	6.6%	7.8%

Net sales revenues	2013	2012
Operations in South America - Brazil	2,364,193	1,896,893
Foreign operations:		
North America	1,466,058	1,363,834
Europe	1,892,525	1,594,849
Asia	403,716	413,848
	6,126,493	5,269,424

33. OTHER MATTERS

Provisional Measure 627, of November 11, 2013, and RFB Normative Instruction 1397, of September 16, 2013, changed significantly the federal tax rules. The provisions set forth in this Provisional Measure are mandatory beginning 2015 and can be early adopted beginning 2014.

In order to ensure the tax neutrality set forth in articles 15 and 16, of Law 11941, of May 27, 2009, the Company's Management will early adopt this Provisional Measure when the procedures for such adoption are provided and documented. Accordingly, the equity measured according to the provisions of Law 6404/76 will also be adopted for purposes of calculation of the limit set forth in article 9 of Law 9249/95, with respect to the tax effects relating to interest on capital.

In relation to dividends paid or payable after enactment of such Provisional Measure relating to the profit or loss in 2013, the Company's Management concluded that these dividends would not be greater than those calculated according to the accounting methods and practices in effect as of December 31, 2007, net of taxes.

The Company's Management continues to analyze other eventual effects from this Provisional Measure.

34. RESTATEMENT OF THE CORRESPONDING AMOUNTS

Based on the new consolidation rules for joint arrangements effective beginning January 1, 2013 and as set forth in technical pronouncement CPC 19(R2)/IFRS 11, joint arrangements were no longer consolidated proportionally.

In addition, according to technical pronouncement CPC 15(R1)/IFRS 3 - Business Combination, due to the additional allocation of the purchase price in the acquisition of Galaz Group in January 2013 (note 2), the consolidated balance sheet as of December 31, 2012 was restated.

Accordingly, the financial statements for the year ended December 31, 2012 and the consolidated balance sheet as of January 1, 2012 were restated for purposes of comparison with current financial statements, as follows:

BALANCE SHEET - CONSOLIDATED

ASSETS	12/31/2012		
	Originally reported	Adjustments	Restated
CURRENT ASSETS			
Cash and cash equivalents	506,500	(5,139)	501,361
Trade receivables	759,724	(55,083)	704,641
Inventories	703,903	(69,373)	634,530
Recoverable taxes	110,514	(6,547)	103,967
Prepaid expenses	31,420	(10)	31,410
Other receivables	42,812	(25,968)	16,844
Total current assets	2,154,873	(162,120)	1,992,753
NONCURRENT ASSETS			
Recoverable taxes	61,507	(36,686)	24,821
Deferred income tax and social contribution	64,717	(18,907)	45,810
Escrow deposits	26,210	(4,516)	21,694
Guarantee deposits	38,827	-	38,827
Other receivables	4,711	(975)	3,736
Investments	104	35,491	35,595
Property, plant and equipment	2,565,544	(152,282)	2,413,262
Intangible assets	869,089	29,605	898,694
Total noncurrent assets	3,630,709	(148,270)	3,482,439
TOTAL ASSETS	5,785,582	(310,390)	5,475,192

LIABILITIES AND EQUITY	12/31/2012		
	Originally reported	Adjustments	Restated
CURRENT LIABILITIES			
Borrowings and financing	813,129	(160,710)	652,419
Trade payables	598,033	(26,915)	571,118
Taxes payable	64,251	27,967	92,218
Payroll and related taxes	138,395	(13,376)	125,019
Advances from customers	13,632	(2,224)	11,408
Dividends and interest on capital	25,738	-	25,738
Other payables	155,564	(17,459)	138,105
Total current liabilities	1,808,742	(192,717)	1,616,025
NONCURRENT LIABILITIES			
Borrowings and financing	2,187,776	(98,657)	2,089,119
Provision for risks	77,572	(4,794)	72,778
Deferred income tax and social contribution	188,872	4,030	192,902
Employees' pension plan and post-employment benefits	328,605	28,953	357,558
Other payables	103,105	(47,205)	55,900
Total noncurrent liabilities	2,885,930	(117,673)	2,768,257
Total equity	1,090,910	-	1,090,910
TOTAL LIABILITIES AND EQUITY	5,785,582	(310,390)	5,475,192

CONSOLIDATED BALANCE SHEET - 01/01/2012

ASSETS	01/01/2012			
	Originally reported	Adjustments IFRS 11/ CPC 19	Reclassifications	Restated
CURRENT ASSETS				
Cash and cash equivalents	291,484	(28,204)	-	263,280
Short-term investments	45,837	-	-	45,837
Trade receivables	395,980	(106,709)	-	289,271
Inventories	382,503	(76,069)	-	306,434
Recoverable taxes	56,205	(7,931)	-	48,274
Prepaid expenses	6,412	-	-	6,412
Other receivables	21,860	(3,435)	-	18,425
Total current assets	1,200,281	(222,348)	-	977,933
NONCURRENT ASSETS				
Recoverable taxes	52,511	(41,856)	-	10,655
Deferred income tax and social contribution	70,428	(32,206)	(32,987)	5,235
Escrow deposits	31,228	(11,121)	(13,040)	7,067
Other receivables	4,045	(170)	-	3,875
Investments	104	73,662	-	73,766
Property, plant and equipment	1,106,579	(154,375)	-	952,204
Intangible assets	27,438	-	-	27,438
Total noncurrent assets	1,292,333	(166,066)	(46,027)	1,080,240
TOTAL ASSETS	2,492,614	(388,414)	(46,027)	2,058,173

LIABILITIES AND EQUITY	01/01/2012			
	Originally reported	Adjustments IFRS 11/ CPC 19	Reclassifications	Restated
CURRENT LIABILITIES				
Borrowings and financing	539,506	(212,527)	-	326,979
Trade payables	225,807	(42,895)	-	182,912
Taxes payable	19,235	(2,988)	-	16,247
Payroll and related taxes	95,619	(15,752)	-	79,867
Advances from customers	47,031	(30,626)	-	16,405
Dividends and interest on capital	82,671	-	-	82,671
Related parties	-	-	-	-
Financial instruments payable	104	-	-	104
Other payables	50,929	(12,995)	-	37,934
Total current liabilities	1,060,902	(317,783)	-	743,119

LIABILITIES AND EQUITY	01/01/2012			
	Originally reported	Adjustments IFRS 11/ CPC 19	Reclassifications	Restated
NONCURRENT LIABILITIES				
Borrowings and financing	317,188	(29,859)	-	287,329
Provision for risks	30,787	(11,723)	(13,040)	6,024
Deferred income tax and social contribution	145,429	(27,318)	(32,987)	85,124
Other payables	19,688	(1,731)	-	17,957
Total noncurrent liabilities	513,092	(70,631)	(46,027)	396,434
EQUITY				
Capital	500,000	-	-	500,000
Recognized options granted	2,554	-	-	2,554
Capital reserves	-	-	-	-
Earnings reserves	239,274	-	-	239,274
Treasury shares	(5,282)	-	-	(5,282)
Valuation adjustments to equity	167,334	-	(1,107)	166,227
Other comprehensive income	10,567	-	1,107	11,674
Proposed additional dividends	4,173	-	-	4,173
Total equity	918,620	-	-	918,620
TOTAL LIABILITIES AND EQUITY	2,492,614	(388,414)	(46,027)	2,058,173

For better comparability with the classification adopted for the years ended December 31, 2013 and 2012, some reclassifications were made in the balances as of January 1, 2012 in relation to those originally disclosed as of December 31, 2011, relating to deferred income tax and social contribution, escrow deposits, valuation adjustments to equity and other comprehensive income.

a) The deferred income tax and social contribution balances, which as of December 31, 2011 were presented individually in noncurrent assets and liabilities, were reclassified taking into consideration the offset between net assets and liabilities, considering the matters related to the nature, legal entity and tax jurisdiction to which they belong. The amount of R$32,987 was reclassified into noncurrent asset and noncurrent liability in consolidated.

b) Appeal bond escrow deposits held for payment of taxes with suspended collection. The escrow deposit balances segregated into: (i) appeal bond escrow deposits; and (ii) escrow deposits held for payment of taxes with suspended collection were reclassified into noncurrent asset and noncurrent liability as of December 31, 2011, as follows: R$13,040 in consolidated.

c) The measurement value of net financial instruments, which were restated as of December 31, 2011 in valuation adjustments to equity, was reclassified to other comprehensive income, as follows: R$1,107 in consolidated.

CONSOLIDATED STATEMENT OF INCOME

	12/31/2012		
	Originally reported	Adjustments IFRS 11/ CPC 19	Restated
NET SALES REVENUE	5,698,513	(429,089)	5,269,424
COST OF SALES AND SERVICES	(5,122,210)	409,414	(4,712,796)
GROSS PROFIT	576,303	(19,675)	556,628
OPERATING INCOME (EXPENSES)			
Selling	(92,699)	26,116	(66,583)
General and administrative	(208,350)	17,872	(190,478)
Management compensation	(6,660)	-	(6,660)
Equity in subsidiaries	-	(33,121)	(33,121)
Other operating income, net	9,916	1,078	10,994
OPERATING INCOME BEFORE FINANCE INCOME AND COSTS	278,510	(7,730)	270,780
Finance income	47,014	285	47,299
Finance costs	(199,755)	25,462	(174,293)
Exchange losses, net	(7,883)	(257)	(8,140)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	117,886	17,760	135,646
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	(71,974)	(344)	(72,318)
Deferred	59,794	(17,416)	42,378
PROFIT FOR THE YEAR	105,706	-	105,706
ATTRIBUTABLE TO			
Company's owners	66,864	-	66,864
Noncontrolling interest	38,842	-	38,842

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

There were no adjustments to the information originally disclosed in the statement of comprehensive income (loss) for the year ended December 31, 2012.

CONSOLIDATED STATEMENT OF CASH FLOWS

	12/31/2012			
	Originally reported	Adjustments IFRS 11/ CPC 19	Reclassifications (*)	Restated
CASH FLOW FROM OPERATING ACTIVITIES				
Income before income tax and social contribution	105,706	-	-	105,706
Adjusted by:				
Depreciation and amortization	181,061	(7,872)	-	173,189
Deferred income tax and social contribution	(59,794)	-	17,416	(42,378)
Residual value of fixed assets disposed of	11,557	(1,771)	-	9,786
Equity in subsidiaries	-	33,121	-	33,121
Provision for risks, net of reversals	13,457	(2,800)	-	10,657
Interest, inflation adjustments and exchange rate changes	186,256	18,991	(39,696)	165,551
Allowance for doubtful accounts	1,325	-	934	2,259
Allowance for inventory losses	3,029	-	569	3,394
Translation gains and losses	(310,814)	-	310,814	-
Decrease (increase) in assets:				
Trade receivables	30,558	(51,912)	-	(21,354)
Inventories	(46,269)	(5,896)	-	(52,165)
Other receivables	(81,194)	(998)	-	(82,192)
Increase (decrease) in liabilities:				
Trade payables	(12,686)	15,829	-	3,143
Employees' pension plan and post-employment benefits	-	-	(17,490)	(17,490)
Payment of interests on borrowings and financing	(76,806)	-	-	(76,806)
Other payables	(39,170)	28,964	(81,613)	(91,819)
Payment of income tax and social contribution	(71,974)	17,780	-	(54,194)
Net cash used in operating activities	(165,758)	43,436	190,730	68,408
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of investment, net of cash	(1,089,728)	16	-	(1,089,712)
Purchase of property, plant and equipment	(259,597)	12,200	-	(247,397)
Purchase of intangible assets	(1,387)	-	-	(1,387)
Redemption of short-term investments	45,837	-	-	45,837
Net cash used in investing activities	(1,304,875)	12,216	-	(1,292,659)
CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings and financing	2,956,160	(486,244)	(199,999)	2,269,917
Payment of borrowings and financing - principal	(1,183,244)	453,314	420	(729,510)
Purchase of shares to be held in treasury	(1,915)	-	-	(1,915)
Review of additional proposed dividends	(86,844)	345	-	(86,499)
Net cash generated by financing activities	1,684,157	(32,585)	(199,579)	1,451,993
INCREASE IN CASH AND CASH EQUIVALENTS	213,524	23,067	(8,849)	227,742

	12/31/2012			
	Originally reported	Adjustments IFRS 11/ CPC 19	Reclassifications (*)	Restated
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS OF FOREIGN SUBSIDIARIES	1,492	-	8,849	10,341
Opening balance of cash and cash equivalents	291,484	(28,205)	-	263,279
Closing balance of cash and cash equivalents	506,500	(5,138)	-	501,362
INCREASE IN CASH AND CASH EQUIVALENTS	215,016	23,067	-	238,083

(*) Reclassifications:

For a better comparison with the classification adopted for the year ended December 31, 2013, some reclassifications were made in the balances as of December 31, 2012 in relation to those originally disclosed in the consolidated statement of cash flows.

CONSOLIDATED STATEMENT OF VALUE ADDED

	12/31/2012		
	Originally reported	Adjustments IFRS 11/ CPC 19	Restated
REVENUES			
Sale of products and goods	6,153,340	(494,555)	5,658,785
Allowance for doubtful accounts	(1,325)	(934)	(2,259)
Other revenues	27,224	(2,515)	24,709
	6,179,239	(498,004)	5,681,235
INPUTS ACQUIRED FROM THIRD PARTIES (INCLUDING STATE VAT (ICMS) AND FEDERAL VAT (IPI))			
Raw materials	(3,671,740)	287,715	(3,384,025)
Materials, power, outside services and other	(764,071)	144,847	(619,224)
	(4,435,811)	432,562	(4,003,249)
GROSS VALUE ADDED	1,743,428	(65,442)	1,677,986
RETENTIONS			
Depreciation and amortization	(181,061)	7,872	(173,189)
WEALTH CREATED BY THE COMPANY AND ITS SUBSIDIARIES	1,562,367	(57,570)	1,504,797

	12/31/2012		
	Originally reported	Adjustments IFRS 11/ CPC 19	Restated
WEALTH RECEIVED IN TRANSFER			
Equity in subsidiaries	-	(33,121)	(33,121)
Finance income	87,856	(40,557)	47,299
Exchange rate changes	-	(8,140)	(8,140)
	87,856	(81,818)	6,038
TOTAL WEALTH FOR DISTRIBUTION	1,650,223	(139,388)	1,510,835
WEALTH DISTRIBUTED			
Employees:			
Payroll and related taxes	797,777	(71,036)	726,741
Profit sharing	68,488	(6,199)	62,289
Taxes:			
Federal	345,213	(33,448)	311,765
State	143,406	(32,042)	111,364
Municipal	288	(70)	218
Investors:			
Interest/rates	248,371	(74,078)	174,293
Rentals	7,517	(199)	7,318
Shareholders:			
Additional proposed dividends	3,490	-	3,490
Interest on capital	25,372	-	25,372
Retained earnings	49,143	-	49,143
Noncontrolling interests in retained earnings	(38,842)	77,684	38,842
	1,650,223	(139,388)	1,510,835

STATEMENT OF CHANGES IN EQUITY

There were no adjustments to the information originally disclosed in the statement of changes in equity for the year ended December 31, 2012.

35. APPROVAL OF FINANCIAL STATEMENTS FOR ISSUANCE

The financial statements were approved for issuance and disclosure by the Company's Board of Directors at the meeting held on February 26, 2014.

Dan Ioschpe
Chairman

Marcos S. de Oliveira
Corporate
Vice-Chairman

Oscar A.F. Becker
CFO and Investor
Relations Officer

Adriano R. Santos
Controllership Officer

Eloise Moreira
Accountant