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Company information / Composition of capital

Number of shares (Units)	Quarterly ended 09/30/2014
Paid-in capital	
Common	807,176,538
Preferred	-
Total	807,176,538
Treasury stock	
Common	553,794
Preferred	-
Total	553,794

Company information / Cash dividends

Event	Approval	Earning	First payment	Type of share	Class of share	Earnings per share (Reais / Share)
Board of Directors' Meeting	03/25/2014	Interest on equity	08/13/2014	Common		0.07100
Board of Directors' Meeting	06/24/2014	Interest on equity	08/13/2014	Common		0.06000
Board of Directors' Meeting	07/22/2014	Dividends	08/13/2014	Common		0.15539
Board of Directors' Meeting	09/23/2014	Interest on equity	03/11/2015	Common		0.06100

Individual financial statements / Balance sheet - Assets

(In thousands of reais)

Account code	Account description	Current quarter 09/30/2014	Prior year 12/31/2013
1	Total assets	4,862,636	4,668,281
1.01	Current assets	967,571	943,803
1.01.01	Cash and cash equivalents	870,185	870,906
1.01.01.01	Cash and banks	27	28
1.01.01.02	Short-term investments	870,158	870,878
1.01.02	Short-term investments	56,110	-
1.01.06	Taxes recoverable	6,949	10,573
1.01.06.01	Current taxes recoverable	6,949	10,573
1.01.08	Other current assets	34,327	62,324
1.01.08.03	Other	34,327	62,324
1.01.08.03.01	Dividends	1,375	2,824
1.01.08.03.02	Interest on equity	32,952	59,500
1.02	Noncurrent assets	3,895,065	3,724,478
1.02.01	Long-term receivables	3,862	5,498
1.02.01.06	Deferred taxes	452	2,977
1.02.01.06.01	Deferred income and contribution taxes	452	2,977
1.02.01.08	Recoverable to related parties	-	1,193
1.02.01.08.02	Recoverable to subsidiaries	-	1,193
1.02.01.09	Other noncurrent assets	3,410	1,328
1.02.01.09.03	Judicial deposits	3,410	1,328
1.02.02	Investments	3,886,460	3,714,150
1.02.02.01	Equity interest	3,886,460	3,714,150
1.02.02.01.02	Investments in subsidiaries	3,886,460	3,714,150
1.02.03	Property, plant and equipment	4,743	4,830
1.02.03.01	Property, plant and equipment in use	4,743	4,830

Individual financial statements / Balance sheet
Liabilities and equity

(In thousands of reais)

Account code	Account description	Current quarter 09/30/2014	Prior year 12/31/2013
2	Total liabilities	4,862,636	4,668,281
2.01	Current liabilities	65,025	99,987
2.01.01	Labor and social charges	3,954	3,561
2.01.01.01	Social obligations	3,954	3,561
2.01.03	Tax obligations	8,725	7,914
2.01.03.01	Federal tax obligations	8,725	7,914
2.01.03.01.01	Income and social contribution taxes payable	56	16
2.01.03.01.02	Other taxes payables	8,669	7,898
2.01.05	Other payables	52,346	88,512
2.01.05.02	Other	52,346	88,512
2.01.05.02.01	Dividends and interest on equity capital payable	51,660	87,305
2.01.05.02.04	Other	686	1,207
2.02	Noncurrent liabilities	3,891	10,522
2.02.02	Other liabilities	42	-
2.02.02.01	Related parties liabilities	42	-
2.02.02.01.02	Debit with subsidiaries	42	-
2.02.04	Provisions	3,849	10,522
2.03	Equity	4,793,720	4,557,772
2.03.01	Paid-in capital	3,533,973	2,718,440
2.03.02	Capital reserves	(59,472)	(57,724)
2.03.02.04	Options granted	1,615	1,325
2.03.02.07	Premium on capital transaction	(61,087)	(59,049)
2.03.03	Revaluation reserve	3,673	3,712
2.03.04	Income reserve	191,326	1,169,077
2.03.04.01	Legal reserve	-	74,972
2.03.04.02	Statutory reserve	199,892	940,453
2.03.04.08	Additional proposed dividends	-	163,174
2.03.04.09	Treasury stock	(8,566)	(9,522)
2.03.05	Retained earnings/accumulated losses	432,210	-
2.03.06	Equity valuation adjustments	561,278	593,500
2.03.06.01	Deemed cost	561,278	593,500
2.03.07	Cumulative translation adjustments	130,732	130,767

Individual financial statements / Income statement

(In thousands of reais)

Account code	Account description	Current quarter 07/01/2014 to 09/30/2014	Current period 01/01/2014 to 09/30/2014	Prior quarter 07/01/2013 to 09/30/2013	Prior period 01/01/2013 to 09/30/2013
3.04	Operating income/expenses	239,316	635,561	212,509	566,307
3.04.02	General and administrative expenses	(791)	(2,406)	(823)	(2,285)
3.04.02.01	Management fees	(463)	(1,423)	(488)	(1,429)
3.04.02.02	Other administrative expenses	(328)	(983)	(335)	(856)
3.04.04	Other operating incomes	7,000	7,000	-	-
3.04.05	Other operating expenses	(1,025)	(2,242)	(2,094)	(3,986)
3.04.06	Equity pick-up	234,132	633,209	215,426	572,578
3.05	Income before financial income (expenses) and taxes	239,316	635,561	212,509	566,307
3.06	Financial income (expenses)	22,007	59,090	15,350	39,369
3.06.01	Financial income	22,041	59,198	15,396	39,313
3.06.02	Financial expenses	(34)	(108)	(46)	56
3.07	Income before income taxes	261,323	694,651	227,859	605,676
3.08	Income and social contribution taxes	(2,754)	(3,210)	902	352
3.08.01	Current	(307)	(685)	(185)	(620)
3.08.02	Deferred	(2,447)	(2,525)	1,087	972
3.09	Net income from continuous operations	258,569	691,441	228,761	606,028
3.11	Income/ loss for the period	258,569	691,441	228,761	606,028
3.99	Earnings per share - (Reais/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0.32056	0.85723	0.28362	0.75138
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	0.32031	0.85657	0.28347	0.75101

Individual financial statements / Statement of comprehensive income

(In thousands of reais)

Account code	Account description	Current quarter 07/01/2014 to 09/30/2014	Current period 01/01/2014 to 09/30/2014	Prior quarter 07/01/2013 to 09/30/2013	Prior period 01/01/2013 to 09/30/2013
4.01	Net income for the period	258,569	691,441	228,761	606,028
4.02	Other comprehensive income	85,524	(35)	5,000	38,812
4.02.01	Cumulative translation adjustments	85,524	(35)	5,000	38,812
4.03	Comprehensive income for the period	344,093	691,406	233,761	644,840

Individual financial statements / Cash flow statements - indirect method

(In thousands of reais)

Account code	Account description	Current period 01/01/2014 to 09/30/2014	Prior period 01/01/2013 to 09/30/2013
6.01	Net cash flows from operating activities	51,106	23,593
6.01.01	Cash from operations	62,205	33,737
6.01.01.01	Income before taxes	694,651	605,676
6.01.01.02	Depreciation, amortization and depletion	88	88
6.01.01.03	Equity pickup	(633,209)	(572,578)
6.01.01.04	Expenses plan options purchase shares	675	551
6.01.02	Changes in assets and liabilities	(12,358)	(11,635)
6.01.02.01	Increase (decrease) in accounts receivable	(4,409)	(10,717)
6.01.02.02	Increase (decrease) in accounts payable	(7,304)	(229)
6.01.02.03	Income and social contribution taxes paid	(645)	(689)
6.01.03	Other	1,259	1,491
6.02	Net cash flows from investing activities	412,777	661,386
6.02.02	Dividends and interest on equity capital received	468,887	400,142
6.02.03	Long-term financial investments	(56,110)	261,244
6.03	Net cash from financing activities	(464,604)	(390,014)
6.03.01	Dividends/interest on equity capital paid	(465,560)	(390,731)
6.03.03	Treasury shares	956	717
6.05	Increase/(decrease) in cash and cash equivalents	(721)	294,965
6.05.01	Opening cash and cash equivalents balance	870,906	561,214
6.05.02	Closing cash and cash equivalents balance	870,185	856,179

Individual financial statements / Statement of changes in equity - 01/01/2014 to 09/30/2014

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, Options granted and Treasury stock	Income reserves	Retained earnings/ accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	2,718,440	(54,012)	1,005,903	163,174	724,267	4,557,772
5.03	Adjusted opening balances	2,718,440	(54,012)	1,005,903	163,174	724,267	4,557,772
5.04	Capital transactions with shareholders	815,533	(1,748)	(814,577)	(292,099)	-	(292,891)
5.04.01	Increase of capital	815,533	-	(815,533)	-	-	-
5.04.03	Recognized options granted	-	290	-	(117)	-	173
5.04.05	Sold treasury shares	-	661	956	-	-	1,617
5.04.06	Dividends	-	-	-	(125,334)	-	(125,334)
5.04.07	Interest on equity capital	-	-	-	(166,648)	-	(166,648)
5.04.08	Premium on capital transaction	-	(2,699)	-	-	-	(2,699)
5.05	Total comprehensive income	-	-	-	723,663	(32,257)	691,406
5.05.01	Net income for the period	-	-	-	691,441	-	691,441
5.05.02	Other comprehensive income	-	-	-	32,222	(32,257)	(35)
5.05.02.04	Translation adjustments in the period	-	-	-	-	(35)	(35)
5.05.02.06	Realization of deemed cost	-	-	-	32,222	(32,222)	-
5.06	Internal changes in equity	-	(39)	-	(162,528)	-	(162,567)
5.06.02	Realization of revaluation reserve	-	(39)	-	39	-	-
5.06.04	Dividends paid	-	-	-	(163,174)	-	(163,174)
5.06.05	Dividends prescribed	-	-	-	607	-	607
5.07	Closing balances	3,533,973	(55,799)	191,326	432,210	692,010	4,793,720

Individual financial statements / Statement of changes in equity - 01/01/2013 to 09/30/2013

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, Options granted and Treasury stock	Income reserves	Retained earnings/ accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	2,718,440	(49,535)	559,989	127,803	703,652	4,060,349
5.03	Adjusted opening balances	2,718,440	(49,535)	559,989	127,803	703,652	4,060,349
5.04	Capital transactions with shareholders	-	(4,600)	519	(246,114)	-	(250,195)
5.04.03	Recognized options granted	-	371	-	47	-	418
5.04.05	Sold treasury shares	-	198	519	-	-	717
5.05.06	Dividends	-	-	-	(114,778)	-	(114,778)
5.04.07	Interest on equity capital	-	-	-	(131,383)	-	(131,383)
5.04.08	Premium on capital transaction	-	(5,169)	-	-	-	(5,169)
5.05	Total comprehensive income	-	-	-	655,743	(10,903)	644,840
5.05.01	Net income for the period	-	-	-	606,028	-	606,028
5.05.02	Other comprehensive income	-	-	-	49,715	(10,903)	38,812
5.05.02.04	Translation adjustments in the period	-	-	-	-	38,812	38,812
5.05.02.06	Realization of deemed cost	-	-	-	49,715	(49,715)	-
5.06	Internal changes in equity	-	(60)	-	(127,222)	-	(127,282)
5.06.02	Realization of revaluation reserve	-	(60)	-	60	-	-
5.06.04	Dividends paid	-	-	-	(127,803)	-	(127,803)
5.06.05	Dividends prescribed	-	-	-	521	-	521
5.07	Closing balances	2,718,440	(54,195)	560,508	410,210	692,749	4,327,712

Individual financial statements / Statement of value added

(In thousands of reais)

Account code	Account description	Current period 01/01/2014 to 09/30/2014	Prior period 01/01/2013 to 09/30/2013
7.02	Inputs purchased from third-parties	5,725	(2,664)
7.02.02	Materials, electricity, third party services and other	(292)	(179)
7.02.03	Loss/recovery of amounts receivable	6,017	(2,485)
7.03	Gross value added	5,725	(2,664)
7.04	Withholdings	(88)	(88)
7.04.01	Depreciation, amortization and depletion	(88)	(88)
7.05	Net value added produced	5,637	(2,752)
7.06	Value added received in transfer	692,406	611,891
7.06.01	Equity pick-up	633,208	572,578
7.06.02	Financial income	59,198	39,313
7.07	Total value added to be distributed	698,043	609,139
7.08	Distribution of value added	698,043	609,139
7.08.01	Personnel	2,959	3,090
7.08.01.01	Direct compensation	2,846	2,969
7.08.01.02	Benefits	53	67
7.08.01.03	Unemployment Compensation Fund (FGTS)	60	54
7.08.02	Taxes, charges and contributions	3,542	151
7.08.02.01	Federal	3,542	151
7.08.03	Third-party capital remuneration	100	(130)
7.08.03.01	Interest	100	(130)
7.08.04	Equity remuneration	691,442	606,028
7.08.04.01	Interest on equity capital	166,648	131,383
7.08.04.02	Dividends	125,334	114,778
7.08.04.03	Retained profit/loss for the period	399,460	359,867

Consolidated financial statements / Balance Sheet - Assets

(In thousand of reais)

Account code	Account description	Current quarter 09/30/2014	Prior year 12/31/2013
1	Total assets	10,902,810	10,141,293
1.01	Current assets	7,285,224	6,851,787
1.01.01	Cash and cash equivalents	3,223,617	3,373,799
1.01.01.01	Cash and banks	256,312	248,149
1.01.01.02	Short-term investments	2,967,305	3,125,650
1.01.02	Short-term investments	228,431	-
1.01.03	Trade accounts receivable	1,747,503	1,658,806
1.01.03.01	Clients	1,747,503	1,658,806
1.01.04	Inventories	1,672,573	1,445,927
1.01.06	Taxes recoverable	149,674	166,384
1.01.06.01	Current taxes recoverable	149,674	166,384
1.01.08	Other current assets	263,426	206,871
1.01.08.03	Other	263,426	206,871
1.02	Noncurrent assets	3,617,586	3,289,506
1.02.01	Long-term receivables	127,245	123,866
1.02.01.01	Short-term investments at fair value	907	2,230
1.02.01.01.01	Trading securities	907	2,230
1.02.01.06	Deferred taxes	59,208	60,376
1.02.01.06.01	Deferred income and social contribution taxes	59,208	60,376
1.02.01.09	Other noncurrent assets	67,130	61,260
1.02.01.09.03	Judicial deposits	43,932	35,260
1.02.01.09.04	Taxes recoverable	18,937	16,793
1.02.01.09.05	Other	4,261	9,207
1.02.02	Investments	8,222	7,264
1.02.02.01	Equity interests	1,002	44
1.02.02.02	Investment properties	7,220	7,220
1.02.03	Property, plant and equipment	2,794,224	2,614,556
1.02.03.01	Property, plant and equipment in use	2,794,224	2,614,556
1.02.04	Intangible assets	687,895	543,820
1.02.04.01	Intangible assets	77,440	40,772
1.02.04.01.02	Other	77,440	40,772
1.02.04.02	Goodwill	610,455	503,048

Consolidated financial statements / Balance Sheet - Liabilities and equity

(In thousand of reais)

Account code	Account description	Current quarter 09/30/2014	Prior year 12/31/2013
2	Total liabilities	10,902,810	10,141,293
2.01	Current liabilities	2,840,667	2,578,048
2.01.01	Labor and social charges	271,371	152.739
2.01.01.01	Social obligations	271,371	152.739
2.01.02	Trade accounts payable	512,394	420,250
2.01.03	Tax obligations	120,509	139,570
2.01.03.01	Federal tax obligations	120,509	139,570
2.01.03.01.01	Income and social contribution taxes payable	65,230	83,771
2.01.03.01.02	Other	55,279	55,799
2.01.04	Loans and financing	918,380	912,796
2.01.04.01	Loans and financing	918,380	912,796
2.01.05	Other payables	1,018,013	952,693
2.01.05.02	Other	1,018,013	952,693
2.01.05.02.01	Dividends and interest on equity capital payable	81,661	87,723
2.01.05.02.04	Advance from clients	520,966	459,130
2.01.05.02.05	Profit sharing	64,432	98,005
2.01.05.02.06	Other	350,954	307,835
2.02	Noncurrent liabilities	3,185,051	2,920,978
2.02.01	Loans and financing	2,554,109	2,296,208
2.02.01.01	Loans and financing	2,554,109	2,296,208
2.02.02	Other payables	107,150	95,031
2.02.02.02	Other	107,150	95,031
2.02.02.02.03	Tax obligations	30,735	30,199
2.02.02.02.04	Other	76,415	64,832
2.02.03	Deferred taxes	278,955	294,405
2.02.03.01	Deferred income and social contribution taxes	278,955	294,405
2.02.04	Provisions	244,837	235,334
2.03	Consolidated equity	4,877,092	4,642,267
2.03.01	Paid-in capital	3,533,973	2,718,440
2.03.02	Capital reserves	(59,472)	(57,724)
2.03.02.04	Options granted	1,615	1,325
2.03.02.07	Premium on capital transaction	(61,087)	(59,049)
2.03.03	Revaluation reserve	3,673	3,712
2.03.04	Income reserves	191,326	1,169,077
2.03.04.01	Legal reserve	-	74,972
2.03.04.02	Statutory reserve	199,892	940,453
2.03.04.08	Additional proposed dividends	-	163,174
2.03.04.09	Treasury stock	(8,566)	(9,522)
2.03.05	Retained earnings/accumulated losses	432,210	-
2.03.06	Equity valuation adjustments	561,278	593,500
2.03.06.01	Deemed cost	561,278	593,500
2.03.07	Cumulative translation adjustments	130,732	130,767
2.03.09	Noncontrolling interest	83,372	84,495

Consolidated financial statements / Income Statement

(In thousand of reais)

Account code	Account description	Current quarter 07/01/2014 to 09/30/2014	Current period 01/01/2014 to 09/30/2014	Prior quarter 07/01/2013 to 09/30/2013	Prior period 01/01/2013 to 09/30/2013
3.01	Revenue from sale of products and/or services	2,055,972	5,661,062	1,758,381	4,935,597
3.02	Cost of goods sold and/or services rendered	(1,417,439)	(3,874,783)	(1,159,168)	(3,314,784)
3.03	Gross profit	638,533	1,786,279	599,213	1,620,813
3.04	Operating income/expenses	(351,435)	(1,007,104)	(328,036)	(893,938)
3.04.01	Selling expenses	(205,555)	(593,516)	(186,360)	(517,701)
3.04.02	General and administrative expenses	(97,548)	(282,669)	(85,576)	(238,550)
3.04.02.01	Management fees	(4,916)	(14,664)	(4,559)	(13,322)
3.04.02.02	Other administrative expenses	(92,632)	(268,005)	(81,017)	(225,228)
3.04.04	Other operating income	2,072	5,657	2,382	12,941
3.04.05	Other operating expenses	(50,404)	(136,576)	(58,482)	(150,628)
3.05	Income before financial results and taxes	287,098	779,175	271,177	726,875
3.06	Financial results	41,583	102,411	26,548	48,716
3.06.01	Financial income	208,182	503,266	156,197	424,870
3.06.02	Financial expenses	(166,599)	(400,855)	(129,649)	(376,154)
3.07	Income before income taxes	328,681	881,586	297,725	775,591
3.08	Income and social contribution taxes	(66,085)	(183,564)	(67,507)	(167,540)
3.08.01	Current	(77,674)	(201,431)	(92,342)	(203,198)
3.08.02	Deferred	11,589	17,867	24,835	35,658
3.09	Net income from continuous operations	262,596	698,022	230,218	608,051
3.11	Consolidated Income/ loss for the period	262,596	698,022	230,218	608,051
3.11.01	Attributed to shareholders of parent company	258,569	691,441	228,761	606,028
3.11.02	Attributed to non-controlling shareholders	4,027	6,581	1,457	2,023
3.99	Earnings per share - (Reais/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common shares	0.32056	0.85723	0.28362	0.75138
3.99.02	Diluted earnings per share				
3.99.02.01	Common shares	0.32031	0.85657	0.28347	0.75101

Consolidated financial statements / Statement of comprehensive income

(In thousand of reais)

Account code	Account description	Current quarter 07/01/2014 to 09/30/2014	Current period 01/01/2014 to 09/30/2014	Prior quarter 07/01/2013 to 09/30/2013	Prior period 01/01/2013 to 09/30/2013
4.01	Consolidated net income for the period	262,596	698,022	230,218	608,051
4.02	Other comprehensive income	85,761	(147)	4,680	38,894
4.02.01	Adjustment of conversion period	85,761	(147)	4,680	38,894
4.03	Consolidated comprehensive income for the period	348,357	697,875	234,898	646,945
4.03.01	Attributed to shareholders of parent company	344,093	691,406	233,761	644,840
4.03.02	Attributed to noncontrolling shareholders	4,264	6,469	1,137	2,105

Consolidated financial statements / Cash flow statement - Indirect method

(In thousand of reais)

Account code	Account description	Current period 01/01/2014 to 09/30/2014	Prior period 01/01/2013 to 09/30/2013
6.01	Net cash from operating activities	891,999	853,254
6.01.01	Cash from operations	1,322,940	1,210,396
6.01.01.01	Income before taxes	881,586	775,591
6.01.01.02	Depreciation, amortization and depletion	182,667	161,504
6.01.01.04	Employee profit sharing	114,978	102,179
6.01.01.05	Expenses plan options purchase shares	675	551
6.01.01.06	Provision (Reversal) for credit risk	4,784	1,593
6.01.01.07	Provision (Reversal) for tax, civil and labor liabilities	9,503	38,755
6.01.01.08	Provision (Reversal) for inventory losses	5,184	3,049
6.01.01.09	Provision (Reversal) for product warranty	12,998	9,248
6.01.01.10	Low of noncurrent assets	1,862	10,463
6.01.01.11	Accrued interest on loans and financing	108,703	107,463
6.01.02	Changes in assets and liabilities	(444,952)	(380,019)
6.01.02.01	Increase (decrease) in accounts receivable	(122,894)	(123,528)
6.01.02.02	Increase (decrease) in accounts payable	249,930	216,998
6.01.02.03	Increase (decrease) in inventories	(205,126)	(164,417)
6.01.02.04	Income and social contribution taxes paid	(218,669)	(192,547)
6.01.02.05	Employee profit sharing paid	(148,193)	(116,525)
6.01.03	Other	14,011	22,877
6.02	Net cash from investing activities	(679,315)	82,813
6.02.01	Property, plant and equipment	(290,635)	(186,951)
6.02.02	Intangible assets	(35,926)	(20,877)
6.02.03	Cost of permanent asset	4,641	1,985
6.02.04	Cumulative translation adjustments	(35)	38,894
6.02.05	Short-term investments	(227,108)	261,199
6.02.06	Premium on capital transaction	(2,699)	(5,169)
6.02.07	Acquisition of subsidiary	(136,528)	-
6.02.08	Acquisition of noncontrolling	(5,947)	(6,268)
6.02.09	Cash acquired from subsidiary	14,922	-
6.03	Net cash from financing activities	(362,866)	(300,487)
6.03.01	Loans and financing obtained	792,881	1,230,166
6.03.02	Payment of loans and financing	(590,725)	(1,019,081)
6.03.03	Interest paid on loans and financing	(129,286)	(120,230)
6.03.04	Treasury shares	956	717
6.03.05	Dividends/interest on equity capital paid	(436,692)	(392,059)
6.05	Increase (decrease) in cash and cash equivalents	(150,182)	635,580
6.05.01	Opening cash and cash equivalents balance	3,373,799	2,302,256
6.05.02	Closing cash and cash equivalents balance	3,223,617	2,937,836

Consolidated financial statements / Statement of changes in equity - 01/01/2014 to 09/30/2014

(In thousand of reais)

Account code	Account description	Paid-in capital	Capital reserves, Options granted and Treasury stock	Income reserves	Retained earnings/ accumulated losses	Other comprehensive income	Equity	Non-controlling interest	Consolidated equity
5.01	Opening balances	2,718,440	(54,012)	1,005,903	163,174	724,267	4,557,772	84,495	4,642,267
5.03	Adjusted opening balances	2,718,440	(54,012)	1,005,903	163,174	724,267	4,557,772	84,495	4,642,267
5.04	Capital transactions with shareholders	815,533	(1,748)	(814,577)	(292,099)	-	(292,891)	(7,592)	(300,483)
5.04.01	Increase of capital	815,533	-	(815,533)	-	-	-	-	-
5.04.03	Recognized options granted	-	290	-	(117)	-	173	-	173
5.04.05	Sold treasury shares	-	661	956	-	-	1,617	-	1,617
5.04.06	Dividends	-	-	-	(125,334)	-	(125,334)	-	(125,334)
5.04.07	Interest on equity	-	-	-	(166,648)	-	(166,648)	(1,865)	(168,513)
5.04.08	Goodwill on capital transaction	-	(2,699)	-	-	-	(2,699)	-	(2,699)
5.04.09	Other	-	-	-	-	-	-	(5,727)	(5,727)
5.05	Total comprehensive income	-	-	-	723,663	(32,257)	691,406	6,469	697,875
5.05.01	Net income for the period	-	-	-	691,441	-	691,441	6,581	698,022
5.05.02	Other comprehensive income	-	-	-	32,222	(32,257)	(35)	(112)	(147)
5.05.02.04	Adjustment of translation for the period	-	-	-	-	(35)	(35)	(112)	(147)
5.05.02.06	Realization at deemed cost	-	-	-	32,222	(32,222)	-	-	-
5.06	Internal changes in equity	-	(39)	-	(162,528)	-	(162,567)	-	(162,567)
5.06.02	Realization of revaluation reserve	-	(39)	-	39	-	-	-	-
5.06.04	Dividends paid	-	-	-	(163,174)	-	(163,174)	-	(163,174)
5.06.05	Dividends prescribed	-	-	-	607	-	607	-	607
5.07	Closing balances	3,533,973	(55,799)	191,326	432,210	692,010	4,793,720	83,372	4,877,092

Consolidated financial statements / Statement of changes in equity - 01/01/2013 to 09/30/2013

(In thousand of reais)

Account code	Account description	Paid-in capital	Capital reserves, Options granted and Treasury stock	Income reserves	Retained earnings/ accumulated losses	Other comprehensive income	Equity	Non-controlling interest	Consolidated equity
5.01	Opening balances	2,718,440	(49,535)	559,989	127,803	703,652	4,060,349	91,277	4,151,626
5.03	Adjustment opening balances	2,718,440	(49,535)	559,989	127,803	703,652	4,060,349	91,277	4,151,626
5.04	Capital transactions with shareholders	-	(4,600)	519	(246,114)	-	(250,195)	(10,804)	(260,999)
5.04.03	Recognized options granted	-	371	-	47	-	418	-	418
5.04.05	Sold treasury shares	-	198	519	-	-	717	-	717
5.04.06	Dividends	-	-	-	(114,778)	-	(144,778)	(544)	(115,322)
5.04.07	Interest on equity	-	-	-	(131,383)	-	(131,383)	(609)	(131,992)
5.04.08	Goodwill on capital transaction	-	(5,169)	-	-	-	(5,169)	-	(5,169)
5.04.09	Other	-	-	-	-	-	-	(9,651)	(9,651)
5.05	Total comprehensive income	-	-	-	655,743	(10,903)	644,840	2,105	646,945
5.05.01	Net income for the period	-	-	-	606,028	-	606,028	2.023	608,051
5.05.02	Other comprehensive income	-	-	-	49,715	(10,903)	38,812	82	38,894
5.05.02.04	Adjustments of Translation for the period	-	-	-	-	38,812	38,812	82	38,894
5.05.02.06	Realization of deemed cost	-	-	-	49,715	(49,715)	-	-	-
5.06	Internal changes in equity	-	(60)	-	(127,222)	-	(127,282)	-	(127,282)
5.06.02	Realization of revaluation reserve	-	(60)	-	60	-	-	-	-
5.06.04	Dividends paid	-	-	-	(127,803)	-	(127,803)	-	(127,803)
5.06.05	Dividends prescribed	-	-	-	521	-	521	-	521
5.07	Closing balances	2,718,440	(54,195)	560,508	410,210	692,749	4,327,712	82,578	4,410,290

Consolidated financial statements / Statement of value added

(In thousand of reais)

Account code	Account description	Current period 01/01/2014 to 09/30/2014	Prior period 01/01/2013 to 09/30/2013
7.01	Revenues	6,515,196	5,741,637
7.01.01	Sales of goods, products and services	6,518,526	5,738,906
7.01.02	Other revenues	3,565	5,755
7.01.04	Set up/Reversal of allowance for doubtful accounts	(6,895)	(3,024)
7.02	Inputs purchased from third parties	(3,540,153)	(3,092,389)
7.02.02	Materials, electricity, third party services and other	(3,531,359)	(3,062,324)
7.02.03	Loss/recovery of amounts receivable	(8,794)	(30,065)
7.03	Gross value added	2,975,043	2,649,248
7.04	Withholdings	(182,667)	(161,504)
7.04.01	Depreciation, amortization and depletion	(182,667)	(161,504)
7.05	Net value added produced	2,792,376	2,487,744
7.06	Value added received in transfer	503,266	424,870
7.06.02	Financial income	503,266	424,870
7.07	Total value added to be distributed	3,295,642	2,912,614
7.08	Distribution of value added	3,295,642	2,912,614
7.08.01	Personnel	1,299,984	1,074,643
7.08.01.01	Direct compensation	1,120,068	922,599
7.08.01.02	Benefits	123,846	101,969
7.08.01.03	Unemployment Compensation Fund (FGTS)	56,070	50,075
7.08.02	Taxes, charges and contributions	870,685	831,008
7.08.02.01	Federal	781,414	747,665
7.08.02.02	State	81,496	77,948
7.08.02.03	Municipal	7,775	5,395
7.08.03	Remuneration of third-party's capital	426,950	398,912
7.08.03.01	Interest	398,842	374,251
7.08.03.02	Rental	28,108	24,661
7.08.04	Equity capital remuneration	698,023	608,051
7.08.04.01	Interest on equity capital	166,648	131,383
7.08.04.02	Dividends	125,334	114,778
7.08.04.03	Retained profit/loss for the period	399,459	359,867
7.08.04.04	Noncontrolling interest in retained profits	6,582	2,023

Highlights

- Net operating revenues in the third quarter of 2014 reached R$ 2,056.0 million, for 16.9% growth over the 3Q13 and 12.9% growth over the 2Q14;
- EBITDA reached R$ 350.7 million and EBITDA margin reached 17.1%. In relation to the same quarter last year EBITDA grew by 7.3%, while compared to the previous quarter there was growth of 12.6%;
- Net Income totaled R$ 258.6 million, with net margin of 12.6% and growth of 13.0% over the 3Q13 and 13.4% over the 2Q14;
- Investments in fixed assets totaled R$ 290.6 million in the first nine months of 2014, being 68% in Brazilian units and 32% in expansion projects abroad;
- WEGE3 was selected to the Dow Jones Sustainability Emerging Markets Index (DJSI-EM) portfolio, from September 22, 2014 onwards.

Key Figures

	Q3 2014	Q2 2014	%	Q3 2013	%	09M14	09M13	%
Net Operating Revenue	2.055.972	1.821.547	12,9%	1.758.381	16,9%	5.661.062	4.935.597	14,7%
Domestic Market	994.061	900.348	10,4%	872.363	14,0%	2.789.855	2.518.652	10,8%
External Markets	1.061.912	921.198	15,3%	886.018	19,9%	2.871.207	2.416.945	18,8%
External Markets in US$	466.737	413.147	13,0%	387.197	20,5%	1.255.562	1.139.444	10,2%
Gross Operating Profit	638.533	577.325	10,6%	599.213	6,6%	1.786.279	1.620.813	10,2%
Gross Margin	31,1%	31,7%		34,1%		31,6%	32,8%	
Net Income	258.569	227.985	13,4%	228.761	13,0%	691.441	606.028	14,1%
Net Margin	12,6%	12,5%		13,0%		12,2%	12,3%	
EBITDA	350.699	311.500	12,6%	326.934	7,3%	961.842	888.379	8,3%
EBITDA Margin	17,1%	17,1%		18,6%		17,0%	18,0%	
EPS (adjusted for splits)	0,32056	0,28265	13,4%	0,28362	13,0%	0,85723	0,75138	14,1%

Figures in R$ Thousand

Economic Activity and Industrial Production

The recovery of the global economic activity is occurring at a slow and gradual pace and with increasingly clear differences between the different countries and regions. The analysis of purchasing manager indexes (PMI) shows that US industrial activity continued to expand in the quarter, with PMI indexes consistently above 50. In Europe the situation is less clear, with Germany seeming to have lost its momentum at the end of the quarter and the other countries in slow recovery. The recovery is also quite distinct in several major emerging markets. In China the industrial activity remained above 50 throughout the quarter. Although there are still risks to the continuity of this process, it is expected that the recovery of a global growth to continue at a gradual pace in the coming quarters.

	September 2014	August 2014	July 2014
Manufacturing ISM *Report on Business* ® (USA)	56,6	59,0	57,1
Markit/BME Germany Manufacturing PMI®	49,9	51,4	52,4
HSBC China Manufacturing PMI™	50,2	50,2	51,7

In Brazil, however, the situation is less positive. The disclosure of 2014 second quarter GDP figures showed yet another negative result (the second consecutive) and the expectations are of very low growth for the year. Despite having shown some recovery in July and August, industrial production continued in decline, both in the comparison of the figures accumulated in 2014 until August with the same period of previous year (-3.1%), as in comparison with the last 12 months (-1.8%). According to the Brazilian Central Bank Focus survey, the financial market's expectations are of contraction of 2.14% of industrial production in 2014.

Industrial Indicators According to Categories of Use in Brazil

Categories of Use	Change (%)			
	Aug 14 / Jul 14*	Aug 14 / Aug 13	Acummulated	
			On Year	12 months
Capital Goods	0,0	-13,4	-8,8	-2,4
Intermediary Goods	1,1	-3,3	-2,6	-2,0
Consumer Goods	-0,8	-6,7	-2,5	-1,4
Durable Goods	-3,0	-17,9	-10,3	-6,6
Semi-durable and non-durable	-0,8	-3,1	0,0	0,3
General Industry	0,7	-5,4	-3,1	-1,8

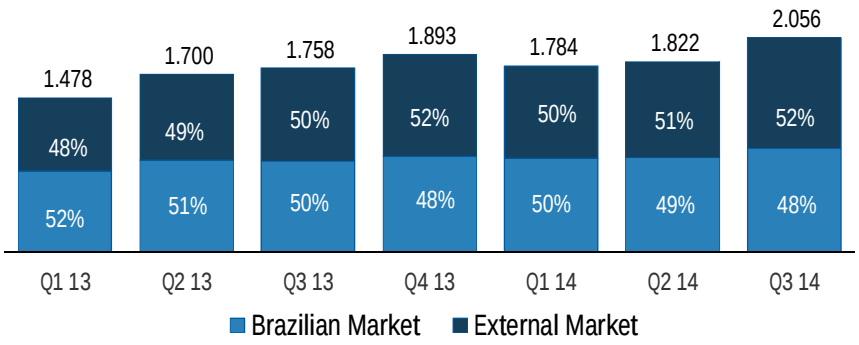
Source: IBGE, Research Office, Industry Coordination
(*) Series with seasonal adjustments

In the table above, which shows the aggregate performance and by major economic categories, it is possible to observe a slight improvement in the month over month comparison, indicating that the worst momentum was overcome. In any case, the declines are widespread, with the exception of semi-durable and non-durable, which were able to maintain production levels similar to those of 2013. The capital goods category, which includes most of our product line and those of our customers, showed negative performance both in the accumulated 2014 and in the last 12 months comparisons.

Net Operating Revenue

Net Operating Revenues totaled R$ 2,056.0 million in the third quarter of 2014 (3Q14), surpassing the R$ 2 billion in quarterly net revenue mark for the first time. Growth was of 16.9% over the third quarter of 2013 (3Q13) and of 12.9% over the second quarter of 2014 (2Q14). Adjusting net revenues for transactions occurred in the period, organic growth was of 13.2% over 3Q13.

Net Operating Revenue per Market (R$ million)



Without major changes in the general conditions of the various markets, revenue performance in the third quarter continued to follow the same trends seen in the first half of 2014, with continued growth recovery in external markets and good performance in products related energy infrastructure in Brazilian market. In short cycle products we noticed activity recovery, although the reasons seem to be more related to more favorable seasonality and to the end of the World Cup and the end of its negative consequences on business. In reality, we did not noticed any fundamental improvements in the markets or in demand for industrial and commercial products in the Brazilian market.

Net Operating Revenue in 3Q14 breakdowns as follows:

- Brazilian Market: R$ 994.1 million, representing 48% of Net Operating Revenue, with 14% growth over 3Q13 and 10.4% growth over 2Q14;

- External Markets: R$ 1,061.9 million, equivalent 52% of Net Operating Revenue, surpassing the R$ 1 billion mark for the first time. The comparison in Brazilian Reais shows growth of 19.9% over the same period last year and of 15.3% over the previous quarter. Considering the average US dollar for the quarter, comparison shows growth of 20.5% compared to 3Q13 and growth of 13.0% over the 2Q14. Organic growth (excluding the transaction) in the external market was 12.4% over 3Q13.

Evolution of Net Revenues according to Geographic Market (R$ Million)

	Q3 2014	Q2 2014	Change	Q3 2013	Change
Net Operating Revenues	2.056,0	1.821,5	12,9%	1.758,4	16,9%
- Brazilian Market	994,1	900,3	10,4%	872,4	14,0%
- External Markets	1.061,9	921,2	15,3%	886,0	19,9%
- External Markets in US$	466,7	413,1	13,0%	387,2	*20,5%*

External Market – Distribution of Net Revenues according Geographic Market

	Q3 2014	Q2 2014	Change	Q3 2013	Change
North America	38,1%	38,0%	0,1 pp	35,4%	2,7 pp
South and Central America	14,2%	15,2%	-1 pp	17,5%	-3,3 pp
Europe	22,1%	27,4%	-5,3 pp	25,1%	-3 pp
Africa	14,0%	10,5%	3,5 pp	12,5%	1,5 pp
Australasia	11,6%	8,9%	2,7 pp	9,5%	2,1 pp

Distribution of Net Revenues per Business Area

	Q3 2014	Q2 2014	%	Q3 2013	%
Electro-electronic Industrial Equipments	58,5%	61,7%	-3,2 pp	59,8%	-1,3 pp
Domestic Market	22,5%	24,1%	-1,6 pp	23,1%	-0,7 pp
External Market	36,0%	37,5%	-1,5 pp	36,7%	-0,7 pp
Energy Generation , Transmission and Distribution	24,2%	25,3%	-1,1 pp	23,0%	1,2 pp
Domestic Market	14,0%	15,1%	-1,1 pp	13,0%	1 pp
External Market	10,2%	10,2%	0 pp	10,0%	0,2 pp
Electric Motors for Domestic Use	11,5%	7,0%	4,5 pp	10,5%	1 pp
Domestic Market	6,6%	4,8%	1,8 pp	7,6%	-1 pp
External Market	4,9%	2,2%	2,7 pp	2,9%	2 pp
Paints and Varnishes	5,8%	6,1%	-0,3 pp	6,6%	-0,8 pp
Domestic Market	5,2%	5,4%	-0,2 pp	5,9%	-0,6 pp
External Market	0,5%	0,6%	-0,1 pp	0,8%	-0,2 pp

Business Areas

In the **Industrial Electro-Electronic Equipment** area the performance in domestic market was marked by a clear recovery in inventories and industrial activity recovery after the sharp fall in the period before World Cup. This movement was particularly noticeable in the short-cycle products, whose typical application are in serial machine tools and with limited customization. In the larger products, related process industries and infrastructure investment projects, the market remains with low activity and with a few sparse capacity expansion investments.

Conditions in external market are more stable, both because of the more diverse geographic profile as because our competitive position. Our position has been increasingly aggressive, with continued expansion into new products and applications, and with new positions in relevant markets. In some markets we are favored by macroeconomic moment, such as is the case in North America in general and the USA in particular. But even when these conditions are not present, we have been able to find attractive opportunities, as such as the in China. We expect this performance to continue improving gradually, following the activity recovery and normalization of global economic conditions.

In the **Energy Generation, Transmission and Distribution (GTD)** business area the environment remains favorable and the outlook positive. As we have observed for some time, there is a slow trend to eliminate global excess production capacity and of gradual improvement in demand, with positive impacts on product prices and business profitability. The demand for alternative sources of power generation in Brazil is continuing to grow, responding to the strategic imperative of reduction exposure to the generation of large hydroelectric plants and, thus, to rainfall conditions. We keep noticing growing demand for wind generation and increased viability of sources such as small hydro, biomass and even solar energy. Based on the backlog we have been building, prospects are of continuation of this consistent expansion into the coming quarters.

In the **Motors for Domestic Use** area we observed a similar movement of restocking that we have described for the domestic market of industrial products. Also in this case we have the favorable seasonal impact, with distributors and manufactures preparing for the naturally stronger demand of year end. There was not, however, fundamental change in market conditions, which remains at slower than in the recent past. On the other hand, the consolidation of revenue from WEG Yatong, acquired in the first half of 2014, reflected favorable on revenue growth.

Finally, in the **Paints and Varnishes** business area, we continued to note the effects of lower activity in durable consumer goods and industrial production in Brazil, although this effect is partially offset by the markets diversification.

Cost of Goods Sold

Cost of Goods Sold (COGS) totaled R$ 1,417.4 million in 3Q14, 22.3% above 3Q13 and 13.9% above 2Q14. Gross margin reached 31.1%, with a reduction of 3.0 percentage points over 3Q13 and reduction of 0.6 percentage points over 2Q14.

Despite the positive impacts of the reduction of payroll taxes and of the continuous efforts in innovation on product and process engineering, productivity gains were not enough to offset the negative impacts on gross margin resulting from: (I) difficulty on realign sales prices at the necessary speed, especially under unfavorable domestic market conditions; and (II) changes in the mix of products sold.

Average London Metal Exchange (LME) spot copper prices fell by 1.1% in 3Q14 compared to the average of 3Q13 and rose by 3.0% compared to the average of 2Q14. Steel prices in the international markets rose by 4.6% over 3Q13 and rose by 1.3% over 2Q14. These prices variations are denominated in US dollar.

Selling, General and Administrative Expenses

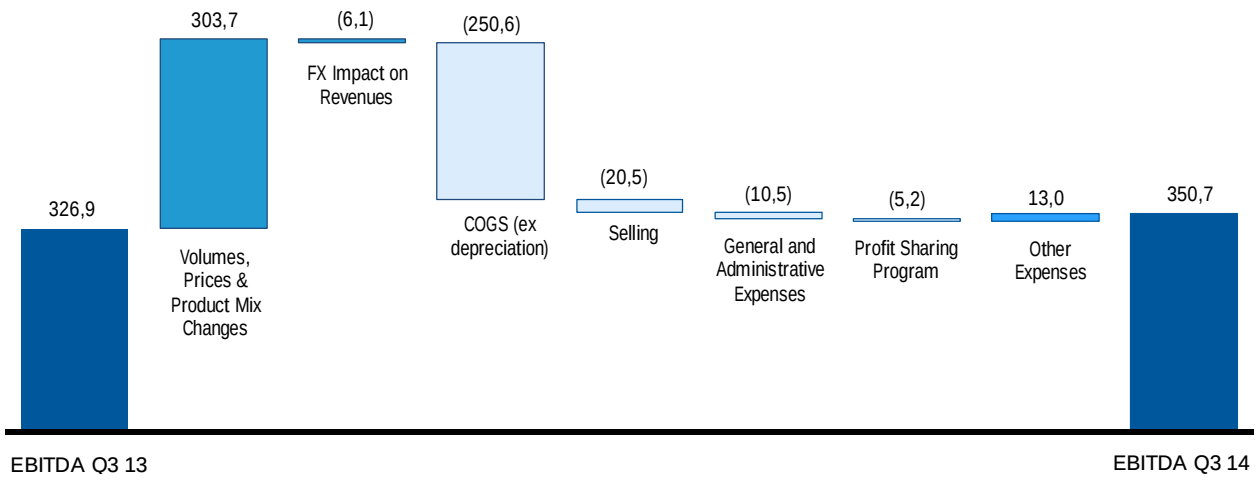
Consolidated selling, general and administrative expenses (SG&A) totaled R$ 303,1 million in 3Q14, 11.4% growth over the 3Q13 and 5.3% growth over the previous quarter. As a percentage of Net Operating Revenue, operating expenses represented 14.7% in the 3Q14, 0.7 percentage points lower than 15.5% of the 3Q13 and 1.1 percentage points lower than 15.8% of the 2Q14, showing the best dilution of expenses with the fastest growth of Net Operating Revenue.

EBITDA and EBTIDA Margin

In this 3Q14, EBITDA (according to the Instruction CVM 527/2012) totaled R$ 350.7 million, 7.3% growth over the 3Q13 and 12.6% growth over 2Q14. EBITDA margin reached 17.1%, 1.5 percentage points lower than 3Q13 and unchanged compared to 2Q14.

	Q3 2014	Q2 2014	%	Q3 2013	%
Net Operating Revenues	2.056,0	1.821,5	12,9%	1.758,4	16,9%
Consolidated Net Income for the Period	262,6	228,1	15,1%	230,2	14,1%
Net Margin	12,8%	12,5%		13,1%	
(+) Income taxes & Contributions	66,1	55,5	19,1%	67,5	-2,1%
(+/-) Financial income (expenses)	-41,6	-32,3	28,5%	-26,5	56,6%
(+) Depreciation & Amortization	63,6	60,3	5,5%	55,8	14,1%
EBITDA	350,7	311,5	12,6%	326,9	7,3%
EBITDA Margin	17,1%	17,1%		18,6%	

Figures in R$ Million



Figures in R$ Million

Net Financial Results

In this quarter, net financial result was positive in R$ 41.6 million (positive result of R$ 26.5 million in 3Q13 and positive of R$ 32.3 million in 2Q14). Financial revenues totaled R$ 208.2 million in 3Q14 (R$ 156.2 million in 3Q13 and R$ 142.2 million in 2Q14). Financial expenses totaled R$ 166.6 million (R$ 129.6 million in 3Q13 and R$ 109.9 million in 2Q14). Net financial result growth of 56.6% over the previous year is a result of increase in interest rates obtained on financial instruments in Brazilian market and reduced exchange rate exposure in debt compared to 2013.

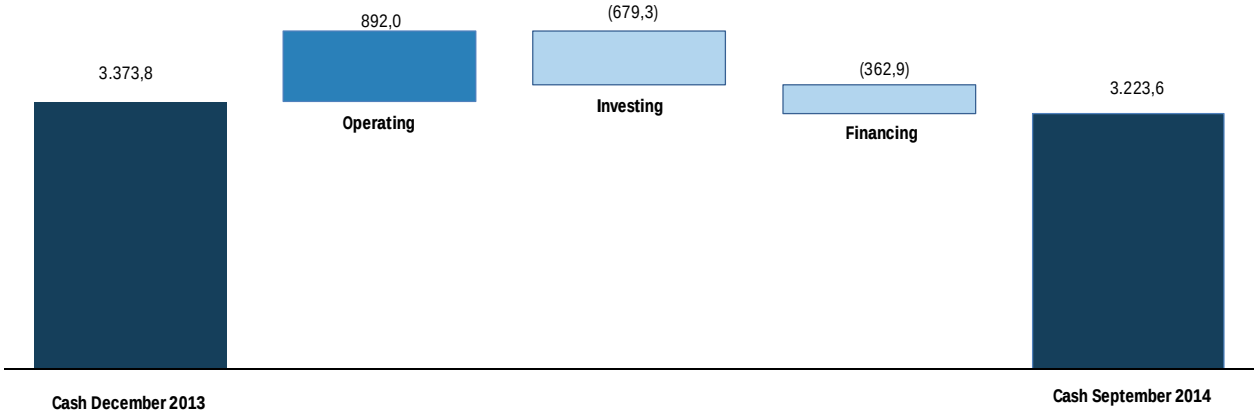
Income TAX

Income Tax and Social Contribution on Net Profit provision in 3Q14 reached R$ 77.7 million (R$ 92.3 million in 3Q13 and R$ 53.1 million in 2Q14). Additionally, R$ 11.6 million were recorded as "Deferred Income Tax / social contribution" debt (credit of R$ 24.8 million in 3Q13 and debt of R$ 2.4 million in 2Q14).

Net Income

As a result of aforementioned impacts, net income for 3Q14 was R$ 258.6 million, an increase of 13.0% over 3Q13 and 13.4% over the previous quarter. The net margin of the quarter was 12.6%, 0.4 percentage points lower than 3Q13 and 0.1 percentage points higher than 2Q14.

Cash Flow



Figures in R$ Million

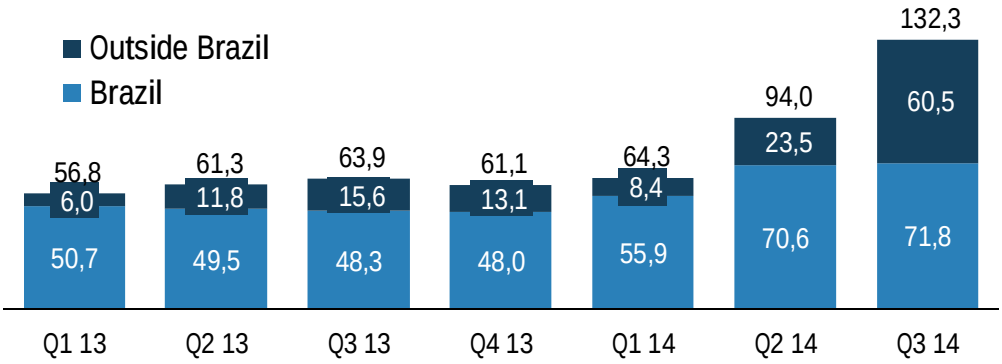
At the end of 3Q14, cash flow from operating activities totaled R$ 892.0 million, an increase of 5% over the same period of 2013. The expansion was due to the increase in cash generated from operations, partially offset by increased working capital needs, and especially the higher consumption of cash with payments of income tax and profit sharing.

The acceleration of investments in expansion and modernization of productive capacity program, especially with the new unit projects in China and Mexico, as well as acquisitions of WEG Balingen, in Germany, CMM and Sinya Group, in China, led to the consumption of R$ 679.3 million in investments activities in the first nine months of 2014, reversing the cash flow situation observed in 2013.

Financing activities consumed R$ 362.9 million until the end of 3Q14. In this period were made new debt issue of R$ 792.9 million and amortization of R$ 590.7 million, resulting in net increase of R$ 202.2 million, still below the R$ 211.1 million in net increase in the same period of 2013.

Investments

Investments in fixed assets for capacity expansion and modernization totaled R$ 290.6 million in the first nine months of 2014, being 68% of it destined to the industrial plants and other installations in Brazil and the remaining amount to production units and other subsidiaries abroad. The consolidation of acquisitions made during 2014 added R$ 58.4 million in additional fixed assets.



Figures in R$ Million

Our industrial production capacity expansion and modernization program for 2014 has two highlights, implementation of new industrial plants in China and Mexico. In both cases, we are undertaking expansion and verticalization of the production capacity of industrial electric motors. Investments in these industrial plants progress at normal speed, with acceleration of disbursements after the early stages of planning and obtaining building licenses.

In markets that less dynamic, investments are being adjusted, coordinating the execution pace to effective demand and avoiding building up production capacity that is not immediately put to use. Thus, we expect that we should not reach R$ 592 million investments originally forecasted for 2014.

Debt and Cash Position

On September 30, 2014 cash, cash equivalents and financial investments totaled R$ 3,453.0 million, almost entirely in fixed income instruments linked to the CDI, invested in Brazilian currency in first-tier banks. Gross financial debt totaled R$ 3,472.5 million, being 26% in short-term and 74% in long-term.

	September 2014		December 2013		September 2013	
Cash & Financial instruments	**3.452.955**		**3.376.029**		**2.939.913**	
- Current	3.452.048		3.373.799		2.937.836	
- Long Term	907		2.230		2.077	
Debt	**3.472.489**	**100%**	**3.209.004**	**100%**	**2.888.158**	**100%**
- Current	918.380	26%	912.796	28%	1.114.526	39%
- In Brazilian Reais	573.337	17%	462.336	14%	689.217	24%
- In other currencies	345.043	10%	450.460	14%	425.309	15%
- Long Term	2.554.109	74%	2.296.208	72%	1.773.632	61%
- In Brazilian Reais	1.914.286	55%	2.048.766	64%	1.527.412	53%
- In other currencies	639.823	18%	247.442	8%	246.220	9%
Net Cash (Debt)	**(19.534)**		**167.025**		**51.755**	

Figures in R$ Thousand

At the end of the 3Q14 WEG had net debt of R$ 19.5 million (net cash of R$ 51.8 million in September 30, 2013). Over the quarter we raised new funding on attractive terms of maturities and fees.

The characteristics of the debt are:

- The total duration debt is 20.4 months and the long-term portion is 26.1 months. Duration portion denominated in Brazilian Reais is 18.0 months and for the portion in foreign currencies is 26.6 months.
- The weighted average cost of fixed-rate denominated in Brazilian Reais is approximately 6.2% per year. Floating rate contracts are indexed mainly by the Brazilian long-term interest rate (TJLP).

Dividends and interest on stockholder`s equity

As of August 13, 2014, payments declared during the first half of 2014 were made to shareholders, as below:

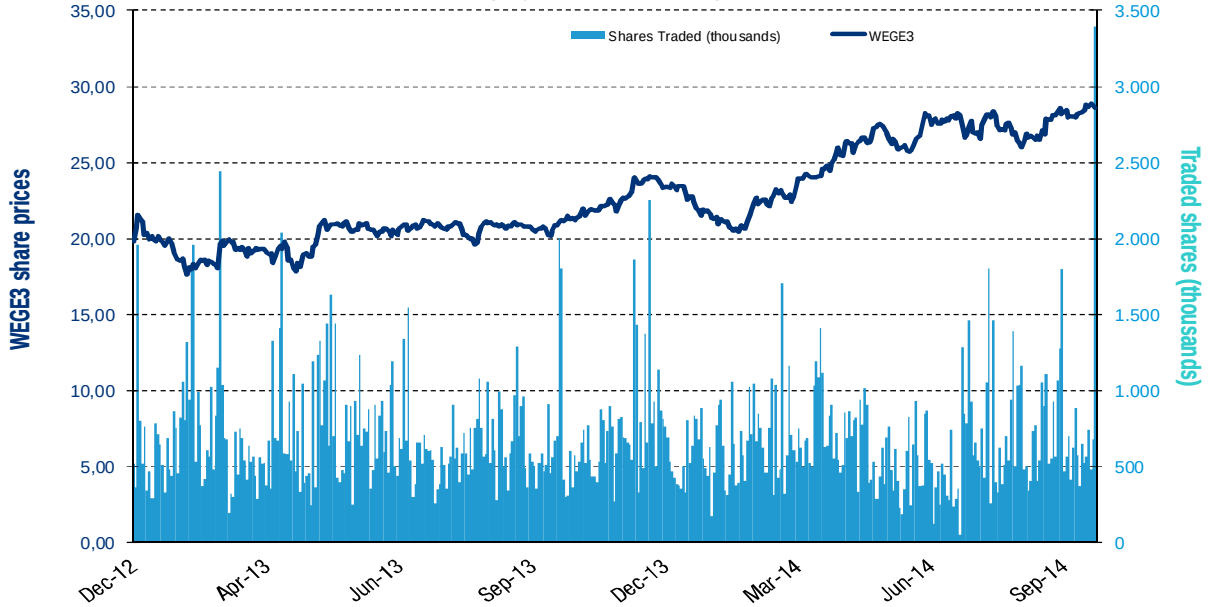
- On March 25, as interest on stockholders' equity (JCP), to shareholders on said date, in the gross amount of R$ 51.8 million;
- On June 24, as interest on stockholders' equity (JCP), to shareholders on said date, in the gross amount of R$ 56.9 million;
- On July 22, as dividends referring to profit recorded in the first half of 2014, in the total amount of R$ 125.3 million.
- In addition, on September 23, the Board of Directors approved interest on stockholders' equity (JCP), to shareholders of recorded on said date, in the gross amount of R$ 57.9 million. This JCP will be paid from March 11, 2015 onwards.

Event	Board Meeting Date	Payment Date	Gross amount per share
Interest on Stockholders' Equity	23/09/2014	11/03/2015	0,071764706
Dividends	22/07/2014	13/08/2014	0,155386949
Interest on Stockholders' Equity	24/06/2014	13/08/2014	0,070588235
Interest on Stockholders' Equity	25/03/2014	13/08/2014	0,083529412
Total			**0,381269302**

Our policy is to declare interest on stockholders equity quarterly and declare dividends based on profit earned each semester, thus, we reported six different earnings each year, which is paid semiannually.

WEGE3 Share Performance

The common shares issued by **WEG**, traded under the code WEGE3 at BM&F Bovespa, ended the last trading session on September 2014 quoted at R$ 28.57, with nominal gain of 19.2% in the year and gain of 21.9% considering the dividends and interest on stockholders equity declared in the period.



The average daily traded volume in 3Q14 was R$ 21.1 million (R$ 13.5 million in 3Q13). Throughout the quarter 176,040 stock trades were carried out (139,999 stock trades in 3Q13), involving 49.4 million shares and moving R$ 1,370.1 million (R$ 878.9 million in 3Q13).

Efacec Energy Service Aquisition

On September 09, WEG S.A. announced the acquisition of Efacec Energy Service Ltda. (“Efacec Service”), a company that provides maintenance services for power transformers, electric motors, generators, circuit breakers and field engineering services in various energy industrial segments.

Efacec Service has over 20 years of experience in providing services in transformers and mid-sized rotating machines, occupying an area of 6,500 square meters in Jaboatão dos Guararapes, Pernambuco, in the metropolitan region of Recife. With 100 employees, the company predominantly operates in the Brazilian Northeast. In 2013, Efacec Service net revenues reached approximately R$ 16 million.

The transaction is subject to approval from Brazilian anti-trust authorities.

WEG Selected for Dow Jones Sustainability Indices

On September 11, WEG S.A. has been selected as component of the Dow Jones Sustainability Indices (DJSI). WEGE3 shares were included, from September 22, 2014 onwards, in the Dow Jones Sustainability Emerging Markets Index (DJSI-EM) portfolio.

DJSI, developed by Dow Jones and the RobecoSAM Group, was the first global index to assess corporate sustainability considering the economic, environmental and social development aspects. In 2014, DJSI considered a universe of 3,395 companies worldwide, including the 800 largest companies in Emerging Markets, among which 86 components with more sustainable practices were selected.

WEG S.A.

Notes to financial statements

At September 30, 2014
(In thousands of reais, except when indicated otherwise).

1. Company information

WEG S.A. (the "Company") is a publicly traded company with main place of business at Avenida Prefeito Waldemar Grubba, nº 3.300, in Jaraguá do Sul - SC, Brazil, holding company member of the WEG Group, and its business purpose is the manufacture and marketing of capital goods, such as, electric motors, generators and transformers; control and protection of electric circuits and industrial automation; electric traction solutions (land and sea); solutions for the generation of renewable and distributed energy, exploring all opportunities in small hydroelectric plants and thermal biomass, wind and solar energy sources; no-breaks and alternators for groups of generators; electric substations; industrial electrical and electronic equipment systems; and industrial paint & varnish. The operations are performed through manufacturing facilities located in Brazil, Argentina, Mexico, United Stated, Portugal, Austria, South Africa, India, and China.

The Company has shares traded on BM&F Bovespa under the code "WEGE3" and has been listed since June 2007 in the special segment of corporate governance called New Market.

The Company has American Depositary Receipts (ADR) - Level 1 that are traded on over-the-counter (OTC) market, in the United States under the symbol WEGZY.

2. Accounting policies

The quarterly information have been prepared in accordance with the rules of the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR), using the historical cost basis of value, except for the measurement at fair value of certain financial instruments, when required by the standards.

Authorization to complete the preparation of these quarterly information was granted at the executive board meeting on October 10, 2014.

The accounting policies, basis of consolidation and methods of calculation adopted in the preparation of quarterly information, as well as major uncertainties in the estimates and judgments used in applying the accounting policies are the same practiced in preparing the financial statements for the year ended December 31, 2013.

3. Estimates and assumptions

The financial statements included the use of estimates that considered past and current event experiences, assumptions related to future events and other objective and subjective factors. Significant items subject to these estimates and assumptions include:
a) credit risk analysis for the determination of the allowance for doubtful accounts;
b) review of the economic useful life of fixed assets and their recovery in operations;
c) impairment of intangible assets;
d) fair value measurement of financial instruments;
e) commitments with employees benefit plans;
f) transactions with stock option plan;
g) deferred income tax assets on income and social contribution tax losses, and
h) Provisions, for contingencies;

The settlement of transactions involving these estimates may result in amounts different from those recorded in the quarterly information statements due to the misstatements inherent to the estimate process. Estimates and assumptions are periodically reviewed.

4. Cash and cash equivalents

	COMPANY		CONSOLIDATED	
	09/30/14	12/31/13	09/30/14	12/31/13
a) Cash and banks	**27**	**28**	**256,312**	**248,149**
b) Short-term investments	**870,158**	**870,878**	**2,967,305**	**3,125,650**
In local currency	**870,158**	**870,878**	**2,910,239**	**3,027,945**
Bank Deposit Certificate (CDB), Repurchase operations and Investment funds	870,158	870,878	2,910,239	3,027,945
In foreign currency	**-**	**-**	**42,863**	**96,036**
Certificates of Deposits Abroad,	-	-	26,197	67,997
Other investments abroad	-	-	16,666	28,039
SWAP	**-**	**-**	**12,937**	**553**
NDF - Non Deliverable Forwards	**-**	**-**	**1,266**	**1,116**
TOTAL	**870,185**	**870,906**	**3,223,617**	**3,373,799**

Investments in Brazil:
Are remunerated at the rates of 100% to 103.5% of the CDI (100% to 103.5% of CDI at December 31, 2013).

Investments abroad:

			CONSOLIDATED	
	Interest	**Values in coin of origin**	**09/30/14**	**12/31/13**
Euro	0.08% to 0.30% p.a	EUR 2,338	6,929	25,002
Dollar	0.07% to 0.30% p.a.	US$ 7,919	19,268	42,995
Other currencies	2.3% to 20.5% p.a.	Others	16,666	28,039
TOTAL			**42,863**	**96,036**

5. Investments

	COMPANY		CONSOLIDATED	
	09/30/14	12/31/13	09/30/14	12/31/13
Bank Deposit Certificate (CDB) and Repurchase Operations	56,110	-	228,431	**-**
Others	-	-	907	2,230
TOTAL	**56,110**	**-**	**229,338**	**2,230**
Current assets	56,110	-	228,431	-
Noncurrent assets	**-**	**-**	907	2,230

The Company has investments in total amount of R$ 228,431, which are remunerated at the rates of 100% to 103.5% of the CDI. These investments are not recognized as cash and cash equivalent once they do not have cash and cash equivalent characteristics.

6. Trade accounts receivable

	CONSOLIDATED	
	09/30/14	**12/31/13**
a) Breakdown of balances		
Domestic Market	905,046	833,903
External Market	880,011	856,826
SUBTOTAL	**1,785,057**	**1,690,729**
Present value adjustment	(4,797)	(3,950)
Allowance for losses on trade receivables	(32,757)	(27,973)
TOTAL	**1,747,503**	**1,658,806**
b) Losses on trade accounts receivable for the period	**1,551**	**2,345**
c) Maturity of trade notes		
Not yet due	1,573,836	1,470,047
Due: Up to 30 days	87,259	104,446
Over 30 days	123,962	116,236
TOTAL	**1,785,057**	**1,690,729**

The breakdown of provision with losses on trade accounts receivable is as follows:

Balance at 01/01/2013	**(18,190)**
Losses written-off	2,345
Setting up of provisions	(14,068)
Reversal of provisions	1,940
Balance at 12/31/2013	**(27,973)**
Losses written-off	1,551
Setting up of provisions	(6,335)
Reversal of Provisions	-
Balance at 09/30/2014	**(32,757)**

7. Inventories

	CONSOLIDATED	
	09/30/14	**12/31/13**
Finished products	301,417	271,911
Products in process	349,922	260,049
Raw materials and others	286,353	248,487
Imports in transit	40,276	63,501
Provision for slow moving	(11,242)	(11,012)
Total inventories - domestic market	**966,726**	**832,936**
Finished products	485,856	427,344
Products in process	109,527	93,497
Raw materials and others	137,813	114,545
Provision for slow moving	(27,349)	(22,395)
Total inventories - external market	**705,847**	**612,991**
OVERALL TOTAL	**1,672,573**	**1,445,927**

The breakdown of provision for slow moving is as follows:

Balance at 01/01/2013	**(27,013)**
Reversal of provision	6,915
Recognition of a provision	(13,309)
Balance at 12/31/2013	**(33,407)**
Reversal of provision	314
Recognition of a provision	(5,498)
Balance at 09/30/2014	**(38,591)**

Inventories are insured and their coverage is determined considering the values and level of risk involved. Recognition and reversal of provision of loss for slow moving are recorded in cost of goods sold.

8. Taxes recoverable

	COMPANY		CONSOLIDATED	
	09/30/14	**12/31/13**	**09/30/14**	**12/31/13**
State VAT (ICMS) on capital expenditures	-	-	29,402	25,989
Value Added Tax (IVA) from foreign subsidiaries	-	-	60,444	67,222
PIS/COFINS on capital expenditures	-	-	2,466	2,585
ICMS	-	-	26,198	22,991
IPI	-	-	18,886	13,368
IRPJ/CSLL recoverable	6,949	10,573	14,241	21,552
PIS/COFINS	-	-	14,508	7,335
REINTEGRA	-	-	772	17,882
Other	-	-	1,694	4,253
TOTAL	**6,949**	**10,573**	**168,611**	**183,177**
Short-term	6,949	10,573	149,674	166,384
Long-term	-	-	18,937	16,793

Credits will be realized by the Company and its subsidiaries through regular tax collection, also including tax credits subject to refund and/or offset.

9. Related parties

Business transactions of purchase and sale of products, raw materials and contracting of services as well as financial transactions of loans, raising of funds among Group companies and management fees are as follows:

	COMPANY		CONSOLIDATED	
	09/30/14	**12/31/13**	**09/30/14**	**12/31/13**
Balance Sheet				
Noncurrent assets	**-**	**1,193**	**-**	**-**
Management of financial resources				
WEG Equipamentos Elétricos S.A.	-	1,193	-	-
Current liabilities	**-**	**-**	**3,486**	**2,206**
Agreements with administrators	-	-	3,486	2,206
Noncurrent liabilities	**42**	**-**	**-**	**-**
Management of financial resources				
WEG Equipamentos Elétricos S.A.	42	-	-	-

	COMPANY		CONSOLIDATED	
INCOME STATEMENT	**09/30/14**	**09/30/13**	**09/30/14**	**09/30/13**
Management compensation:				
a) Fixed (fees)	**1,423**	**1,429**	**14,664**	**13,322**
Board of Directors	724	762	1,449	1,525
Executive Board	699	667	13,215	11,797
b) Variable (profit sharing)	**1,259**	**1,502**	**10,710**	**11,196**
Board of Directors	641	801	1,282	1,602
Executive Board	618	701	9,428	9,594

Additional information:

a) Business transactions
The transactions of purchase and sale of inputs and products are made under the same conditions with unrelated third parties;

b) Management of financial resources
The financial and commercial operations between Group companies are recorded, in compliance with the requirements of the Group's bylaws;
The credit/debit contracts entered into with Administrators are recorded subject to interest between 95% and 100% of the CDI variation;

c) Services provision and other covenants
WEG Equipamentos Elétricos S.A. entered into an agreement for "Guarantees and Other Covenants" with Hidráulica Industrial S.A. Ind. e Com - HISA, for WEG to be guarantor in loan operations and provide guarantee to customers (Performance Bond, guarantee insurance, etc.);

d) Securities and guarantees
WEG S.A. granted guarantees and sureties to foreign subsidiaries, in the amount of US$ 187.2 million (US$ 196.9 million at December 31, 2013);

e) Management compensation
Board of Directors members were paid the amount of R$ 1,449 (R$ 1,525 at September 30, 2013) and the executive officers were paid the amount of R$ 13,215 (R$ 11,797 at September 30, 2013), for their services, aggregating the total of R$ 14,664 (R$ 13,322 at September 30, 2013).

Was planned the participation of 0% to 2.5% of net income to be paid to management from that achieved minimum operating performance targets. The provision is recognized in profit and loss, in the amount of R$ 10,710 (R$ 11,196 at September 30, 2013), under other operating expenses. The Board members receive additional corporate benefits, such as: health and dental insurance, life insurance, supplementary pension benefits, among others.

10. Deferred taxes

Deferred income tax and social contribution tax credits and debts were determined in accordance with each country's ruling standards.

a) Breakdown:

	COMPANY		CONSOLIDATED	
	09/30/14	**12/31/13**	**09/30/14**	**12/31/13**
Income tax losses	-	267	31,132	35,917
Social contribution tax losses	102	172	8,489	7,947
Temporary differences:				
Provision for contingencies	-	-	43,208	40,206
Taxes questioned in court	1,309	3,576	26,089	27,038
Losses on trade receivables	-	-	5,632	5,275
Losses on low movement inventories	-	-	8,617	9,887
Labor severance pay and for contract termination	-	-	11,058	12,656
Freight and sales commissions	-	-	9,596	8,858
Accounts payable (electric energy, technical assist and others)	-	-	42,071	22,915
Employee profit sharing	-	-	19,238	10,759
Other	611	561	15,697	15,005
Adjustment of transition tax regime	(52)	(52)	(160,928)	(133,428)
Accelerated depreciation incentive - Law n° 11.196/05	-	-	(6,249)	(5,522)
Deemed cost of PP&E	(1,518)	(1,547)	(273,397)	(291,542)
TOTAL	**452**	**2,977**	**(219,747)**	**(234,029)**
Noncurrent assets	**452**	**2,977**	**59,208**	**60,376**
Noncurrent liabilities	**-**	**-**	**(278,955)**	**(294,405)**

b) Estimated realization term

Management estimates that deferred assets arising from temporary differences will be realized in proportion to realization of contingencies, losses and projected obligations.
In relation to deferred tax credits calculated on income and social contribution tax losses, management estimates that they will be realized within the next 5 years, with a view to projecting future profits.
That estimate is based on the projection of discounted cash flow assumptions calculated periodically according to the prospects of each business.

11. Investments

11.1. Investments in subsidiaries

	Country	Shareholder equity	P&L	Investments in Capital (%)				Equity		Book Value	
				09/30/14		12/31/13		09/30/14	09/30/13	09/30/14	12/31/13
				Direct	Indirect	Direct	Indirect				
WEG Equipamentos Elétricos S.A. (*)	Brazil	3,259,904	564,293	100.00	-	100.00	-	571,909	491,120	3,259,903	3,122,002
RF Reflorestadora Ltda.		168,907	3,208	100.00	-	100.00	-	3,208	5,027	168,907	167,488
WEG Tintas Ltda.		111,191	18,675	99.91	0.09	99.91	0.09	18,658	18,309	111,088	98,702
WEG Amazônia S.A.		43,266	4,146	0.02	99.98	0.02	99.98	-	-	6	6
WEG Administradora de Bens Ltda.		24,831	1,572	4.41	95.59	5.00	95.00	23	612	1,096	1,656
WEG Logística Ltda.		94,434	10,604	-	100.00	-	100.00	-	-	-	-
WEG Linhares Equips Elétricos S.A.		158,700	24,964	-	100.00	0.01	99.99	-	-	1	1
WEG Drives & Controls Automação Ltda.		365,223	51,912	89.20	10.80	99.99	0.01	36,752	53,360	325,778	305,583
WEG Partner Aerogeradores S.A.		9	-	-	99.90	-	99.90	-	-	-	-
WEG-Cestari Redut. Motorredut. S.A.		39,073	3,258	-	50.00	-	50.01	-	-	-	-
WEG Automação Critical Power Ltda.		38,881	2,186	0.03	99.97	0.05	99.95	-	-	10	20
Hidráulica Indl. S.A. Ind. e Com.		41,935	(2,896)	-	62.32	-	62.32	-	-	-	-
Agro Trafo Adm. de Bens S.A.		7,060	63	91.75	8.25	91.75	8.25	58	1,877	6,477	6,420
Injetel Ind. Com. Comp. Plásticos Ltda.		4,130	101	-	100.00	-	100.00	-	-	-	-
Ind. de Tintas e Vernizes Paumar S.A.		75,920	(63)	-	100.00	0.01	99.99	-	-	-	-
WEG-Jelec Oil and Gas Sol. Aut. Ltda.		10	-	-	100.00	-	100.00	-	-	-	-
Zest Electric Motors (Pty) Ltd.	South Africa	169,315	19,311	-	100.00	-	96.62	-	-	-	-
Zest Energy (Pty) Ltd.		630	1,546	-	76.09	-	70.00	-	-	-	-
Shaw Controls (Pty) Ltd.		4,621	(953)	-	100.00	-	89.47	-	-	-	-
WEG Transf. África (Pty) Ltd.		3,791	(468)	-	100.00	-	100.00	-	-	-	-
Electric/Instrumentations Eng.Cont.(Pty)		22,508	215	-	86.67	-	86.67	-	-	-	-
WEG Germany GmbH.	Germany	46,008	(3,310)	-	100.00	-	100.00	-	-	-	-
Watt Drive GmbH.		4,120	266	-	100.00	-	100.00	-	-	-	-
Wurttembergische Elektromotoren GmbH		5,848	(818)	-	100.00	-	-	-	-	-	-
WEG Equipamientos Electricos S.A.	Argentina	64,931	19,312	10.44	89.56	10.44	89.55	2,017	1,379	6,822	5,970
Pulverlux S.A.		1,457	681	-	100.00	-	100.00	-	-	-	-
EPRIS Argentina S.R.L.		58	(9)	-	100.00	-	100.00	-	-	-	-
WEG Austrália Pty Ltd.	Australia	24,568	(4,602)	-	100.00	-	100.00	-	-	-	-
Watt Drive Antriebstechnik GmbH	Austria	5,419	(3,448)	-	100.00	-	100.00	-	-	-	-
WEG International Trading GmbH		155	-	-	100.00	-	100.00	-	-	-	-
WEG Benelux S.A.	Belgium	37,924	1,478	-	100.00	0.01	99.99	-	-	-	-
WEG Chile S.A.	Chile	26,524	2,155	8.00	92.00	8.00	92.00	152	434	2,147	2,156
WEG Nantong CO. Ltd.	China	99,283	16,226	-	100.00	-	100.00	-	-	-	-
Changzhou Machine Master Co., Ltd.		16,624	148	-	100.00	-	-	-	-	-	-
Changzhou Master Machinery		(543)	(71)	-	100.00	-	-	-	-	-	-
Changzhou Sinya Electromotor Co., Ltd.		11,628	5,506	-	100.00	-	-	-	-	-	-
Changzhou Yatong Jiewei Elect., Ltd.		32,847	(1,629)	-	100.00	-	-	-	-	-	-
Wuxi Ecovi Technologies Co., Ltd.		(4,805)	(1,389)	-	100.00	-	-	-	-	-	-
Jiangsu Shiya Elect. Technolog. Co., Ltd		10,763	-	-	100.00	-	-	-	-	-	-
The First Drive Technologies Co., Ltd.		10,020	-	-	100.00	-	-	-	-	-	-
WEG (Jiangsu) Electric Equip. Co. Ltd.		26,919	(98)	-	100.00	-	-	-	-	-	-
Watt Euro-Drive PTE Ltd.	Singapore	16,891	1,338	-	100.00	-	100.00	-	-	-	-
WEG Singapore Pte. Ltd.		2,462	467	-	100.00	-	100.00	-	-	-	-

WEG Colômbia Ltda.	Colombia	12,419	(133)	1.00	99.00	1.00	99.00	(5)	(8)	127	131
WEG Middle East Fze.	Arab Emirates	(2,658)	336	-	100.00	-	100.00	-	-	-	-
WEG Ibéria S.L.	Spain	1,007,826	80,076	-	100.00	-	100.00	-	-	-	-
WEG Ibéria Industrial S.L.		50,524	474	-	100.00	-	100.00	-	-	-	-
WEG Electric Corp.	USA	162,515	11,138	0.79	99.21	0.79	99.21	103	125	1,276	1,116
Electric Machinery Holding Company		28,500	343	-	100.00	-	100.00	-	-	-	-
WEG Service CO.		6,242	4,485	-	100.00	-	100.00	-	-	-	-
WEG France SAS	France	13,171	321	-	100.00	-	100.00	-	-	-	-
Zest Eletric Ghana Ltd.	Ghana	(2,021)	(1,161)	-	100.00	-	100.00	-	-	-	-
E & I Electrical Ghana Ltd.		(130)	(167)	-	90.00	-	90.00	-	-	-	-
WEG Industries (Índia) Private Ltd.	India	123,130	1,830	-	100.00	-	99.99	-	-	-	-
WEG Electric (Índia) Private Ltd		797	130	5.00	95.00	4.99	94.99	7	(20)	40	32
WEG Electric Motors (UK) Ltd.	England	15,837	839	-	100.00	-	100.00	-	-	-	-
WEG Itália S.R.L.	Italy	13,248	995	0.07	99.93	0.07	99.93	1	1	9	9
WEG Electric Motors Japan CO. Ltd.	Japan	1,761	363	-	100.00	-	100.00	-	-	-	-
Watt Euro-Drive SDN BHD	Malaysia	3,540	209	-	100.00	-	100.00	-	-	-	-
WEG México S.A. de C.V.	Mexico	154,064	16,926	-	100.00	0.01	99.99	-	-	1	1
WEG Transform. México S.A. de C.V.		44,868	2,160	-	60.00	-	60.00	-	-	-	-
Voltran S.A. de C.V.		67,116	12,995	-	60.00	-	60.00	-	-	-	-
WEG Peru S.A.	Peru	1,595	12	0.05	99.95	0.05	99.95	(1)	-	1	1
WEG Euro Ind. Electrica S.A.	Portugal	48,249	6,395	5.74	94.26	5.74	94.26	327	362	2,771	2,856
WEG Electric CIS	Russia	4,855	391	-	100.00	-	100.00	-	-	-	-
WEG Scandinavia AB.	Sweden	4,100	(380)	-	100.00	-	100.00	-	-	-	-
WEG Indústrias Venezuela C.A.	Venezuela	7,576	(3,632)	-	100.00	-	99.99	-	-	-	-
E & I Zambia Ltd.	Zambia	(45)	(1,009)	-	50.00	-	50.00	-	-	-	-
ENI Eletrical Tanzania (Pty) Limited	Tanzania	821	673	-	100.00	-	-	-	-	-	-
ENI Eletrical Moçambique (Pty) Limited	Mozambique	(7)	(1)	-	66.67	-	-	-	-	-	-
TOTAL								**633,209**	**572,578**	**3,886,460**	**3,714,150**

(*)Equity pickup adjusted by unearned income in transaction with related parties.

11.2. Acquisitions 2014

(i) Zest Electric Motors (Pty) Ltd.
In January 2014, the subsidiary WEG Equipamentos Elétricos S.A., acquired 3.38% of Zest Electric Motors (Pty) Ltd. The goodwill, in the amount of R$ 2,699, was initially measured as transferred payment exceeding amount in relation to acquired net assets and recognized in equity as capital transaction.

(ii) Württembergische Elektromotoren GmbH.
In February 2014, the subsidiary WEG Equipamentos Elétricos S.A., acquired the company Württembergische Elektromotoren GmbH, manufacturer of electric motors and gearmotors in Germany. The goodwill, in the amount of R$ 6,265, was initially measured as transferred payment exceeding amount in relation to acquired net assets.

(iii) Changzhou Sinya Electromotor Co., Ltd. – SINYA Group
In June 2014, after approval from Chinese regulators, the subsidiary WEG Equipamentos Elétricos S.A., acquired the company Changzhou Sinya Electricmotor Co., Ltd., a manufacturer of electric motors for washing machines and clothes dryers in China. The goodwill in the amount of R$ 60,211, was initially measured as the excess of the consideration transferred over the net assets acquired.

(iv) Changzhou Master Machinery Co., Ltd e Changzhou Machine Master Co., Ltd
In June 2014, after approval from Chinese regulators, the subsidiary WEG Equipamentos Elétricos S.A., acquired the companies Changzhou Master Machinery Co., Ltd and Changzhou Machine Master Co., Ltd., manufacturers of components in China. The goodwill in the amount of R$ 43,763, was initially measured as the excess of the consideration transferred compared to the net assets acquired.

(v) Efatec Energy Service Ltda.
In September 2014, the Company announced the signing of an agreement for the acquisition of Efatec Energy Service Ltda., company engaged in the maintenance of power transformers, motors, power generators, breakers and in field engineering services to various industrial segments of energy. This acquirement does not integrate the quarterly information on September 30, 2014, once it is still in approval from Brazilian regulators.

12. Property, plant and equipment

The Company capitalized, until September 2014, borrowing costs in the amount of R$ 159 (R$ 592 at December 31, 2013) regarding ongoing constructions. The costs are capitalized until the moment of transfer of construction in progress to property, plant and equipment in use.

		COMPANY		CONSOLIDATED	
		09/30/14	12/31/13	09/30/14	12/31/13
Land		1,440	1,440	348,852	337,735
Construction and facilities		5,639	5,639	926,649	878,537
Equipment		-	-	3,071,792	2,831,826
Furniture and fixtures		-	-	100,869	95,235
Hardware		-	-	87,829	84,030
Construction in progress		-	-	96,283	84,418
Reforesting		-	-	52,664	51,571
Other		-	-	105,368	39,246
Subtotal		**7,079**	**7,079**	**4,790,306**	**4,402,598**
Accumulated deprec,/depletion	**Annual depreciation rate (%)**	**(2,336)**	**(2,249)**	**(1,996,082)**	**(1,788,042)**
Construction and facilities	02 to 03	(2,336)	(2,249)	(242,353)	(217,469)
Equipment	05 to 20	-	-	(1,608,506)	(1,434,703)
Furniture and fixtures	07 to 10	-	-	(52,428)	(49,010)
Hardware	20 to 50	-	-	(61,670)	(58,802)
Reforesting	-	-	-	(13,354)	(11,033)
Other	-	-	-	(17,771)	(17,025)
TOTAL Net PP&E		**4,743**	**4,830**	**2,794,224**	**2,614,556**

a) Summary of changes in property, plant and equipment - consolidated:

PP&E Classification	12/31/13	Transfer between classes	Acquis.	Write-offs	Deprec. and depletion	Exchange effect	09/30/14
Land	337,735	11,358	62	(860)	-	557	348,852
Construction and facilities	661,068	27,742	11,079	(914)	(17,300)	2,621	684,296
Equipment	1,397,123	17,561	185,487	(3,673)	(140,299)	7,087	1,463,286
Furniture and fixtures	46,225	377	6,899	(113)	(4,803)	(144)	48,441
Hardware	25,228	439	7,405	(118)	(6,955)	160	26,159
Construction in progress	84,418	(57,431)	69,877	(64)	-	(517)	96,283
Reforesting	40,538	-	1,093	-	(2,321)	-	39,310
Other	22,221	(46)	67,093	(761)	(2,888)	1,978	87,597
TOTAL	**2,614,556**	-	**348,995**	**(6,503)**	**(174,566)**	**11,742**	**2,794,224**

b) Amounts offered in guarantee – PP&E items were provided as collateral for loans, financing, labor claims and tax suits in the amount of R$ 23,118 (R$ 23,118 at December 31, 2013).

13. Intangible assets – consolidated

	Amortization/ Years	Cost	Accumulated Amortization	09/30/14	12/31/13
Software license	5	88,696	(61,723)	26,973	23,733
Right to use property	50 - 99	53,923	(17,051)	36,872	7,840
Other	5	182,506	(168,911)	13,595	9,199
Subtotal		**325,125**	**(247,685)**	**77,440**	**40,772**
Goodwill - Acquisition of subsidiaries	-	631,808	(21,353)	610,455	503,048
TOTAL		**956,933**	**(269,038)**	**687,895**	**543,820**

a) Summary of changes in intangible assets:

	12/31/13	Additions	Amortization	Exchange effect	09/30/14
Software license	23,733	7,702	(4,591)	129	26,973
Right to use property	7,840	26,923	(135)	2,244	36,872
Other	9,199	7,862	(3,375)	(91)	13,595
Subtotal	**40,772**	**42,487**	**(8,101)**	**2,282**	**77,440**
Goodwill - Acquisition of subsidiaries	503,048	109,195	-	(1,788)	610,455
TOTAL	**543,820**	**151,682**	**(8,101)**	**494**	**687,895**

b) Schedule of amortization of intangible assets (except goodwill):

	09/30/14	12/31/13
2014	4,045	9,232
2015	13,422	7,098
2016	12,466	6,148
2017	10,968	4,265
2018	9,673	7,566
After 2019	26,866	6,463
TOTAL	**77,440**	**40,772**

14. Loans and financing

Direct loans from BNDES and FINEP are guaranteed by the parent company, WEG S.A. Finame operations are guaranteed by collateral signature and statutory lien.
All covenant clauses related to indicators of capitalization, current liquidity and the relation between net debt/Ebitda, included in the BNDES are being met.

		CONSOLIDATED	
Type	**Annual charges in 09/30/14**	**09/30/14**	**12/31/13**
In Brazil			
SHORT TERM		**616,232**	**533,972**
In reais, fixed rate			
Working capital	3.5% to 8.0 %p.a.	460,848	151,534
Property, plant and equipment	2.5% to 8.7 %p.a.	1,896	6,667
In reais, floating rate			
Working capital	TJLP (+) 1.4% to 3.0% p.a.	90,537	284,099
Working capital	UFIR (+) 1.0% to 4.0% p.a.	17,249	18,124
In US Dollars			
Working capital	Exchange rate variation US$ (+) 1.4% p.a.	3,805	23,082
Working capital	Exchange rate variation US$ (+) Libor (+) 3.3% p.a.	-	7,401
Prepayment of Export	Exchange rate variation US$ (+) Libor (+) 1.1% p.a.	37,483	33,519
Non deliverable forward (NDF)	Exchange rate variation US$	-	6,867
Others			
SWAP	-	1,606	1,936
Others	Sundry	2,808	743
LONG TERM		**2,292,439**	**2,187,968**
In reais, fixed rate			
Working Capital	3.5% to 8.0 %p.a.	1,434,847	1,580,130
Property, plant and equipment	2.5% to 8.7 %p.a.	36,619	16,921
In reais, floating rate			
Working Capital	TJLP (+) 1.4% to 3.0% p.a.	396,712	409,477
Working Capital	UFIR (+) 1.0% to 4.0% p.a.	38,266	36,178
In US Dollars			
Working Capital	Exchange rate variation US$ dollar (+) 1.4% p.a.	91	37,149
Working Capital	Exchange rate variation US$ dollar (+) Libor (+) 3.3% p.a	-	35,139
Prepayment of Export	Exchange rate variation US$ dollar (+) Libor (+) 1.5% p.a	378,062	66,914
Other			
Others	Sundry	7,842	6,060

ABROAD			
SHORT TERM		**302,148**	**378,824**
In US Dollars			
Working Capital	LIBOR (+) 0.4% to 4.0% p.a.	91,887	122,693
Non Deliverable Forwards (NDF)	Exchange rate variation	40	-
In Euros			
Working Capital	Euribor (+) 0.8% to 2.0% p.a.	6,024	156,691
In pesos (Mexico)			
Working Capital	3.5% p.a.	75,219	36,548
In Renminbi (China)			
Working Capital	5.2% to 7.2 p.a.	94,993	1,311
Other currencies			
Working Capital	Local currencies	33,985	61,581
LONG TERM		**261,670**	**108,240**
In US Dollars			
Working Capital	LIBOR (+) 0.8% to 1.5% p.a.	100,490	91,369
In Euros			
Working Capital	EURIBOR (+) 1.3% to 1.5% p.a.	150,863	11,853
Other currencies			
Working Capital	Local currencies	10,317	5,018
TOTAL SHORT TERM		**918,380**	**912,796**
TOTAL LONG TERM		**2,554,109**	**2,296,208**

Maturity of long-term financing and loans:

	09/30/14	**12/31/13**
2015	357,912	745,968
2016	1,382,285	1,305,799
2017	256,895	67,502
2018	131,845	127,064
2019	387,386	29,989
2020 after	37,786	19,886
TOTAL	**2,554,109**	**2,296,208**

15. Provision for contingencies

The Company and its subsidiaries are parties to administrative and judicial proceedings of labor, civil and tax nature arising from the normal activities of their businesses. The respective provisions were set up for proceedings the likelihood of loss of which was rated as “probable” based on the estimate of value at risk determined by the Company’s legal counselors. The Company's management estimates that the provision for contingencies set up is sufficient to cover any losses from the proceedings in progress.

a) Balance of provision for contingencies

		COMPANY		CONSOLIDATED	
		09/30/14	12/31/13	09/30/14	12/31/13
(i) Tax:		**3,849**	**10,522**	**91,335**	**93,248**
- IRPJ e CSLL	(a.1)	-	-	16,785	16,096
- INSS	(a.2)	3,373	3,046	38,985	39,926
- PIS e COFINS	(a.3)	-	-	20,248	19,444
- IRRF	(a.4)	476	7,476	476	7,811
- Other		-	-	14,841	9,971
(ii) Labor		**-**	**-**	**83,620**	**79,189**
(iii) Civil		**-**	**-**	**67,353**	**60,161**
(iv) Other		**-**	**-**	**2,529**	**2,736**
TOTAL		**3,849**	**10,522**	**244,837**	**235,334**
(v) Restricted judicial deposits		**3,410**	**1,328**	**40,451**	**32,458**
- Tax		3,410	1,328	28,024	23,363
- Other		-	-	12,427	9,095

b) Changes in the provision for contingencies for the period - consolidated

	12/31/13	Additions	Interest	Write-offs	Reversals	09/30/14
a) Tax	93,248	11,060	2,835	(3,549)	(12,259)	91,335
b) Labor	79,189	6,904	6,508	(3,362)	(5,619)	83,620
c) Civil	60,161	11,619	1,707	(4,390)	(1,744)	67,353
d) Other	2,736	1,405	-	(188)	(1,424)	2,529
TOTAL	**235,334**	**30,988**	**11,050**	**(11,489)**	**(21,046)**	**244,837**

c) The provisions recorded basically refer to:

(i) Tax contingencies

(a.1) The Company and the subsidiaries maintains a provision of 16.24% for the proceeding referring to IPC difference (51.82%) of January 1989 “Plano Verão” (Summer Plan). The decision is favorable to the limit of the index of 35.58%.

(a.2) This refers to social security contribution taxes payable. The litigation refers to social security charges levied on the private pension plan, profit sharing, education funding tax, among others.

(a.3) Refers to non-approval by the Receita Federal do Brasil of the request to offset the credit of PIS and COFINS with debts of federal taxes.

(a.4) Relates to late payment penalty levied on credit IRRF on interest on capital received, offset by debts of the same nature, whose compensation has not been approved by the RFB.

(ii) Labor contingencies

The Company and its subsidiaries are defendants in labor claims primarily involving health and risk exposure, among others. Was provisioned the amount of R$ 83,620 (R$ 79,189 at December 31, 2013).

(iii) Civil contingencies

These correspond primarily to civil lawsuits, including personal injury, aesthetic damage, occupational diseases and indemnities arising out of occupational accidents. Was provisioned the amount of R$ 67,353 (R$ 60,161 at December 31, 2013).

d) Judicial deposits

	COMPANY		CONSOLIDATED	
	09/30/14	**12/31/13**	**09/30/14**	**12/31/13**
IRPJ/CSLL "Summer Plan"	-	-	13,195	13,195
Other	3,410	1,328	27,256	19,263
TOTAL RESTRICTED JUDICIAL DEPOSITS	**3,410**	**1,328**	**40,451**	**32,458**
Non-restricted judicial deposits	-	-	3,481	2,802
TOTAL JUDICIAL DEPOSITS	**3,410**	**1,328**	**43,932**	**35,260**

The judicial deposits not associated ace contingencies are waiting authorized to withdraw from court.

e) Contingencies classified as possible losses

The Company and its subsidiaries are parties to other suits, the likelihood of loss of which are rated as "possible", for which no provision for contingencies was set up.

The estimated amount of such litigation relates to the tax proceedings totaling R$ 65,971 (R$ 85,142 at December 31, 2013). The processes classified as "possible" by legal opinions, are:

- taxation on profits computed abroad in the total estimated amount of R$ 45 million.

- not properly approved of IPI credits amounting to R$ 10.6 million.

16. Benefit plan

The Company and its subsidiaries are sponsors of WEG Social Security - Pension Plan, which seeks to supplement the retirement benefits offered by the official social security system.

The Plan managed by WEG Seguridade Social includes monthly income benefits, annual bonus, supplemental sickness benefits, supplemental disability retirement, pension due to death, supplementation of the annual bonus and death benefit. The number of participants is 22,013 participants (21,468 at September 30, 2013). The Company and its subsidiaries made contributions in the amount of R$ 19,757 (R$ 17,489 at September 30, 2013).

Based on actuarial calculations carried out by independent actuarial, aiming to define the taxable net value of the defined benefit obligation and the fair value of plan assets in accordance with the procedures established by CVM Resolution No. 695/12 – technical pronouncement CPC 33 (R1) Benefits Employee, provision was set up in the amount of R$ 5,000.

17. Equity

a) Capital

On 23 April 2014 the increase in the Company's capital of R$ 2,718,440 to R$ 3,533,973 was approved by incorporating of part the balance of Profit Retention Reserve for Investments in the amount of R$ 815,533, attributed to shareholders as a bonus, three (3) new ordinary shares for every ten (10) ordinary shares, with the subsequent issuance of 186,271,509 new nominative common registered and uncertified shares, without par value, all of which with voting rights, made up by 620,905,029 to 807,176,538 common shares, including 553,794 shares held in treasury.

b) Shareholder compensation

b.1) Interest on equity capital

The Company declared on September 23, 2014, interest on capital in the gross amount of R$ 57,887 (R$ 49,204 net of taxes) corresponding to R$ 0.072 per share, net income tax (15%), pursuant to paragraph two, article nine of Law 9,249/95, except for shareholders that are legal entities and are exempt from the taxation.

Interest on capital equity, pursuant to article 37 of the by law and article nine of Law 9,249/95, will be imputed on mandatory dividends and paid on March 11, 2015.

c) Treasury stock

The Company, based on the Board of Directors' minutes of April 26, 2011 and with the purpose of supporting its Stock Option Plan, was authorized to acquire up to 500,000 Company's common shares. Were acquired 500,000 common shares in may 2011, in the amount of R$10,055 at average cost of R$ 20.11/share.

Due to the increase of capital bonus of shares, the balance on April 23, 2014 of 448,532 treasury shares increased to 583,091, an increase of 134,559 new shares at no charge.

The shares acquired shall be held in Treasury to be used in the exercise of the purchase right of stock options by the Company's stock option plans beneficiaries or the subsequent cancellation or disposal.

Were exercised by the beneficiaries of the stock option plan the amount of 80,765 shares. The Company maintains 553,794 treasury shares in the amount of R$ 15,47, amounting to R$ 8,566.

18. Stock option plan

(i) Plan description

The Plan is managed by the Board of Directors, seeking to grant Stock Option Plans for WEG S.A.'s (Company) shares to its statutory officers or of its subsidiaries with head offices in Brazil, so as to attract, motivate and retain them, as well as aligning their interests to that of the Company and its shareholders.

Each option grants its bearer with the right to acquire 1 (one) common Company-issued share (BM&FBOVESPA: "WEGE3"), strictly according to the terms and conditions established in the Plan ("Option"). Share purchase options to be granted are limited to 2% (two percent) of the total Company's capital.

The participant must maintain the invested shares blocked during the retention period, according to the minimum levels determined by the Plan. The Plan may be extinguished, suspended or altered at any moment, through a proposal approved by the Company's Board of Directors.

(ii) Programs

The Board of Directors may approve, each semester, a Share Purchase Option Program ("Program"), which will define the participants, number of Options, exercise price, Option distribution, term and other rules specific to each Program.

The Programs of Stock Options have been updated on the date of April 24, 2014, face to 30% bonus on the number of shares considered at the exercise price of the new market values and the increase of shares to the number of stocks. The update does not present impact on the calculation performed at the beginning of the program. In order to participate in each Program, the participant must invest an amount of his/her variable compensation in each period in Company's shares.

Program	Number of shares Rights	Vesting Period	Number of Options Rights	Reais (R$)				
				Strike Price	Price corrected by IPCA	Option price	Option Difference	Amount appropriate (thousand R$)
April /11	118,372	1º	39,457	16.16	17.82	23.54	5.72	226
		2º	39,457	16.16	18.71	25.37	6.66	263
		3º	39,458	16.16	19.64	27.15	7.51	296
Subtotal			**118,372**					**785**
September /11	46,662	1º	15,554	13.42	14.91	19.29	4.38	68
		2º	15,554	13.42	15.72	20.81	5.09	79
		3º	15,554	13.42	16.57	22,31	5.74	89
Subtotal			**46,662**					**236**
March /12	97,760	1º	32,586	14.75	16.41	20.94	4.53	148
		2º	32,587	14.75	17.32	22.62	5.30	173
		3º	32,587	14.75	18.27	24.24	5.97	194
Subtotal			**97,760**					**515**
September /12	51,770	1º	17,256	13.46	14.99	19.62	4.63	82
		2º	17,257	13.46	15.81	21.02	5.21	92
		3º	17,257	13.46	16.68	22.43	5.75	102
Subtotal			**51,770**					**276**
April /13	107,344	1º	35,781	18.79	20.99	26.60	5.61	201
		2º	35,781	18.79	22.18	28.65	6.47	231
		3º	35,782	18.79	23.44	30.70	7.26	260
Subtotal			**107,344**					**692**
September /13	54,431	1º	18,143	19.20	21.51	28.82	7.31	132
		2º	18,144	19.20	22.77	31.19	8.42	153
		3º	18,144	19.20	24.10	33.46	9.36	170
Subtotal			**54,431**					**455**
March /14	110,520	1º	36,840	20.95	23.60	32.02	8.42	310
		2º	36,840	20.95	25.05	34.60	9.55	352
		3º	36,840	20.95	26.59	37.19	10.60	391
Subtotal			**110,520**					**1,053**
August /14	45,580	1º	15,193	26.23	29.61	36.56	6.96	105
		2º	15,193	26.23	31.45	39.53	8.07	123
		3º	15,194	26.23	33.42	42.54	9.12	139
Subtotal			**45,580**					**367**
Total			**632,439**					**4,379**

The weighted average of fair value was determined based on the Black-Scholes-Merton method, considering the following aspects:

Program	*Vesting Period*	Exercise price of option (R$)	Lifespan of the option – in days	Current price for corresponding share (R$)	Expected volatility in shere price (%)	Interest free of risk for the lifespan of the option (%)
April /11	1°	16.16	755	17.00	26.33	12.79
	2°		1,008	17.00	26.33	12.81
	3°		1,260	17.00	26.33	12.83
September/11	1°	13.42	756	13.89	29.88	10.90
	2°		1,008	13.89	29.88	11.05
	3°		1,259	13.89	29.88	11.22
March /12	1°	14.75	755	15.23	29.85	9.76
	2°		1,008	15.23	29.85	10.12
	3°		1,257	15.23	29.85	10.33
September /12	1°	13.46	753	15.46	24.50	8.32
	2°		1,006	15.46	24.50	8.57
	3°		1,257	15.46	24.50	8.78
April /13	1°	18.79	760	19.78	28.53	8.67
	2°		1,008	19.78	28.53	9.01
	3°		1,260	19.78	28.53	9.24
September /13	1º	19.20	756	21.35	28.25	11.29
	2º		1,007	21.35	28.25	11.69
	3º		1,258	21.35	28.25	11.81
March /14	1º	20.95	753	24.31	20.51	12.28
	2º		1,005	24.31	20.51	12.44
	3º		1,257	24.31	20.51	12.58
August /14	1º	26.23	754	26.90	20.04	11.26
	2º		1,005	26.90	20.04	11.26
	3º		1,257	26.90	20.04	11.28

Summary of the movement of shares plan:

Number of shares

Program	Balance 12/31/2013	Share bonus	Granted	Canceled	Exercised	Balance 09/30/201
April/11	69,440	16,756	-	-	(28,186)	58,010
September/11	28,358	8,506	-	-	(6,809)	30,055
March/12	75,200	19,139	-	-	(19,285)	75,054
September/12	39,824	11,946	-	-	-	51,770
April/13	82,574	24,770	-	-	-	107,34
September/13	41,870	12,561	-	-	-	54,43
March/14	-	25,504	85,016	-	-	110,520
August/14	-	-	45,580	-	-	45,580
Total	**337,266**	**119,182**	**130,596**	**-**	**(54,280)**	**532,764**

The recognition of expenses with stock option is carried out throughout the period of acquisition of "vesting rights".

In September 30, 2014, was recorded R$ 675 (R$ 551 at September 30, 2013) as other results in the financial statements for the year counterpart capital reserve in Equity.

The options exercised and canceled until September 30, 2014 were held under the rubric capital reserve in equity in the net amount of R$ 385 (R$ 180 at September, 2013) being R$ 502 for the options performed (R$ 133 at September, 2013) and R$ 117 complement to the amount accrued (reversal of R$ 47 at September 2013) recognized in retained earnings.

The accumulated amount recognized in equity on September 30, 2014 is R$ 1,615 (R$ 1,325 at December 31, 2013).

19. Net revenue

	CONSOLIDATED	
BREAKDOWN OF NET REVENUE	**09/30/14**	**09/30/13**
Gross revenue	**6,667,631**	**5,866,652**
Domestic market	3,653,155	3,309,059
External market	3,014,476	2,557,593
Deductions	**(1,006,569)**	**(931,055)**
Taxes	(857,464)	(803,308)
Returns and Rebates	(149,105)	(127,747)
Net revenue	**5,661,062**	**4,935,597**
Domestic Market	2,789,855	2,518,652
External Market	2,871,207	2,416,945

20. Construction contracts

Construction contract's revenues and costs are recognized according to the execution of each project by the method of percentage of incurred costs.

	CONSOLIDATED	
	09/30/14	**09/30/13**
Gross operational revenue recognized	201,736	229,226
Incurred costs	(153,580)	(185,956)
	09/30/14	**12/31/13**
Received prepayments	120,669	38,393

21. Operating expenses by nature and function

	CONSOLIDATED	
	09/30/14	**09/30/13**
EXPENSE BY NATURE	**(4,881,887)**	**(4,208,722)**
Depreciation, amortization and depletion	(182,667)	(161,504)
Personnel expenses	(1,281,063)	(1,097,987)
Raw materials and materials for use	(2,513,931)	(2,116,636)
Freight and insurance costs	(197,053)	(152,569)
Other expenses	(707,173)	(680,026)
EXPENSE BY FUNCTION	**(4,881,887)**	**(4,208,722)**
Cost of products and services sold	(3,874,783)	(3,314,784)
Selling expenses	(593,516)	(517,701)
General and administrative expenses	(268,005)	(225,228)
Management fees	(14,664)	(13,322)
Other operating expenses	(130,919)	(137,687)

22. Other operating revenue/expenses

The recorded values are relative to profit sharing, reversal/ (provision) for lawsuits and others, as follows:

	CONSOLIDATED	
	09/30/14	09/30/13
OTHER OPERATING REVENUE	**5,657**	**12,941**
- Other	5,657	12,941
OTHER OPERATING EXPENSES	**(136,576)**	**(150,628)**
- Profit sharing - Employees	(99,294)	(93,423)
- Profit sharing - foreign subsidiaries	(15,684)	(8,756)
- Profit sharing - executive board	(10,710)	(11,196)
- Constitution/Reversal of provision for tax proceedings	8,172	(11,509)
- Tax incentives of Rouanet Law	(3,968)	(3,516)
- Other	(15,092)	(22,228)
TOTAL NET	**(130,919)**	**(137,687)**

23. Financial income (expenses), net

	COMPANY		CONSOLIDATED	
	09/30/14	09/30/13	09/30/14	09/30/13
FINANCIAL INCOME	**59,198**	**39,313**	**503,266**	**424,870**
Short-term investment yield	69,439	48,104	221,922	159,807
Exchange variation	-	-	184,133	204,534
Present value adjustment - customers	-	-	50,040	30,095
Pis/Cofins on interest on equity	(10,544)	(9,104)	(10,621)	(9,104)
Other income	303	313	57,792	39,538
FINANCIAL EXPENSES	**(108)**	**56**	**(400,855)**	**(376,154)**
Interest on loans and financing	-	-	(129,134)	(120,230)
Exchange variation	-	-	(212,668)	(212,620)
Present value adjustment - suppliers	-	-	(16,180)	(7,813)
Other expenses	(108)	56	(42,873)	(35,491)
NET FINANCIAL INCOME	**59,090**	**39,369**	**102,411**	**48,716**

24. Provision for income and social contribution taxes

The parent company and subsidiaries in Brazil assess income and social contribution taxes according to taxable income, except for WEG Administradora de Bens Ltda. and Agro Trafo Administradora de Bens S.A., which adopt profit computed as a percentage of the Company's gross revenue. The provision for income tax was constituted at a 15% rate added of a 10% additional, and social contribution with a 9% rate. Taxes for companies abroad are constituted according to the Law of each country.

Reconciliation of income and social contribution taxes

	COMPANY		CONSOLIDATED	
	09/30/14	09/30/13	09/30/14	09/30/13
Income before taxes on profit	694,651	605,676	881,588	775,591
Statutory rate	**34%**	**34%**	**34%**	**34%**
IRPJ and CSLL calculated at the statutory rate	(236,181)	(205,930)	(299,740)	(263,701)
Adjustment to determine effective income and social contribution taxes:				
Result from investments in subsidiaries	215,291	194,677	(1,243)	(4,563)
Rate difference on foreign results	-	-	(1,051)	5,437
Tax incentives	-	-	52,556	41,812
Interest on equity	17,906	11,207	56,904	44,877
Other adjustments	(226)	398	9,010	8,598
IRPJ and CSLL as per the income statement	**(3,210)**	**352**	**(183,564)**	**(167,540)**
Current tax	(685)	(620)	(201,431)	(203,198)
Deferred tax	(2,525)	972	17,867	35,658
Effective rate - %	**0.46%**	**-0.06%**	**20.82%**	**21.60%**

25. Insurance coverage

The corporate unit in Brazil is responsible for the management of the insurance portfolio of the WEG Group in Brazil and abroad; and continuously constitutes, jointly with the executive board, the risk policies for the WEG Group so as to protect its assets. The Company implemented the Worldwide Insurance Program - WIP, through which the local insurance policies will be replaced by worldwide policies, such as: transport risk (Export, Import and Domestic), Civil Product Liability, Civil Management's Liability (D&O), Surety Insurance, General Civil Liability, Properties and Environment Pollution, Contractual Insurance and Risk Engineering Installation and Assembly. The insurance policies are issued only by first tier multinational insurance companies which are able to cater to the WEG Group in the countries where it operates. The financial structure and sustainability of said insurance companies are continuously monitored by the Brazilian corporate unit.

Below we highlight some of the policies and the due capital.
- Operating Risks (Equity): US$36 million;
- Loss of profits: US$13 million (for the paint and vanishes companies);
- Civil liability US$25 million;
- Civil liability products: US$ 50 million;
- Transport: US$ 5 million per shipment (Export, Import and Domestic);
- Environmental pollution: US$25 million;
- Contractual Insurance: as stipulated in the contract;
- Risk Engineering Installation and Assembly: R$ 100 milion Brazil, R$ 40 million Latin America Except Cuba, and US$ 5 million United States.
- Officers Liability (D&O): US$ 30 million.

26. Financial instruments

The Company and its subsidiaries carried out an evaluation of its financial instruments, including derivatives, recorded in the financial statements presented the following values:

	BOOK VALUE		MARKET VALUE	
	09/30/14	12/31/13	09/30/14	12/31/13
Cash and cash equivalents	**3,223,617**	**3,373,799**	**3,223,617**	**3,373,799**
Cash and banks	**256,312**	**248,149**	**256,312**	**248,149**
Short-term investments:	**2,967,305**	**3,125,650**	**2,967,305**	**3,125,650**
- Local currency	2,910,239	3,027,945	2,910,239	3,027,945
- Foreign currency	42,863	96,036	42,863	96,036
- SWAP	12,937	553	12,937	553
- *Non Deliverable Forwards* - NDF	1,266	1,116	1,266	1,116
Short-term investments	**229,338**	**2,230**	**229,338**	**2,230**
Customers	**1,747,503**	**1,658,806**	**1,747,503**	**1,658,806**
Total assets	**5,200,458**	**5,034,835**	**5,200,458**	**5,034,835**
Suppliers	**512,394**	**420,250**	**512,394**	**420,250**
Loans and financing:	**3,472,489**	**3,209,004**	**3,472,489**	**3,209,004**
- Local currency	2,487,624	2,509,933	2,487,624	2,509,933
- Foreign currency	973,640	682,902	973,640	682,902
- Non Deliverable Forwards (NDF)	40	6,867	40	6,867
- SWAP	11,185	9,302	11,185	9,302
Total liabilities	**3,984,883**	**3,629,254**	**3,984,883**	**3,629,254**

The risk factors of financial instruments are relate to:

(i) Financial risks

Foreign currency risk
The Company and subsidiaries has import and export operations in various currencies, it manages and monitors its exposure to foreign currency, seeking to balance its financial assets and liabilities within the limits established by Management.

The financial exposure limit (net) can be to equivalent to 2 months of exports in foreign currency as defined by the Company's Board of Directors.

The Company had export operations totaling US$ 696.9 million (US$ 659.6 million at September 30, 2013), which acts as a natural hedge for indebtedness and other costs tied to other currencies, especially US Dollars.

Risks related to debt charges
These risks arise from the possibility that the subsidiaries may suffer losses due to fluctuations in interest rates or other debt indexes, which increase financial expenses related to loans and financings obtained in the market, or decrease financial revenues relative to financial investments from subsidiaries. The Company continuously monitors the interest rates in the market so as to evaluate the need, if any, of protection against the risk of volatility of said rates.

Derivative financial instruments
The Company and its subsidiaries have the following operations with derivative financial instruments:

a) NDF derivative financial instruments - Non Deliverable Forwards, with notional amount of:

(i) US$ 1.1 million, held by subsidiary WEG Austrália Pty Ltda, for the purpose of protecting exports from the fluctuation risks of the exchange rates;

(ii) US$ 9.5 million, held by foreign subsidiary Zest Electric Motors (Pty) Ltd., for the purpose of protecting its transactions imports of products from the risks of fluctuations in exchange rates;

b) SWAP operations, in the notional amount of:

(i) EUR 10 million, held by its subsidiary Watt Drive Antriebstechnik GmbH, with the purpose of hedging financing from fluctuation risks of Euribor;

(ii) US$ 17,1 million held by subsidiary WEG Equipamentos Elétricos S.A. to protect against Libor increase risks;

(iii) R$ 200 million, held by the subsidiary WEG Equipamentos Elétricos S.A., SWAP from fixed to floating interest rate, to hedge against decrease risk in interest rate.

(iv) US$ 100 million, held by the subsidiary WEG Equipamentos Elétricos S.A., SWAP from protect the Prepayment Export operations against the risk of fluctuation rates.

The Company's Management and that of its subsidiaries permanently monitors the derivative financial instruments contracted through its internal controls.

The sensitivity analysis statement chart must be read jointly with the other financial assets and liabilities expressed in foreign currency as at September 30, 2014, as the estimated impact of the foreign currency rate over the NDFs and on SWAPs presented below will be offset, if effective, entire or partially, with loss of value of assets and liabilities.

Management defined that the Company must use the exchange rates used to mark financial instruments to market valid as at September 30, 2014 for the likely scenario (market value). Said rates represent the best estimate of future behavior of said prices and represent the value for which the positions may have been settled on their maturity date.

The table below presents "cash and expense" effects of the results of financial instruments in real scenarios.

a) Operations of Non Deliverable Forwards - NDF:

			Market value at 09/30/14		Possible scenario 25%		Remote scenario 50%	
Risk	**Notional value (thousands)**	**Currency**	**Average price**	**R$ thousand**	**Average price**	**R$ thousand**	**Average price**	**R$ thousand**
Dollar Increase	1,100	US$/AUD	1.0263	149	1.2829	(447)	1.5395	(1,367)
Dollar Decrease	9,508	US$/ZAR	11.3958	1,115	8.5469	(4,633)	5.6979	(10,381)
Dollar Decrease	76	US$/AUD	1.1439	(11)	0.8579	(35)	0.5720	(81)
Total Dollar	**10,684**			**1,253**		**(5,115)**		**(11,829)**
Euro Increase	338	EUR/ZAR	14.3741	2	17.9676	(260)	21.5612	(519)
Euro Decrease	106	EUR/ZAR	14.3508	(17)	10,7631	(98)	7.1754	(179)
Euro Decrease	148	EUR/AUD	1.4296	(12)	1,0722	(99)	0.7148	(211)
Total Euro	**592**			**(27)**		**(457)**		**(909)**
Total				**1,226**		**(5,572)**		**(12,738)**

b) SWAP Operations:

		Market value at 09/30/14		Possible scenario 25%		Remote scenario 50%	
Risk	**Notional vallue (milion)**	**Average price**	**R$ thousand**	**Average price**	**R$ thousand**	**Average price**	**R$ thousand**
Euribor decrease	EUR 10.0	Interest of 0.72% p.a.	(9,579)	Interest of 0.54% p.a.	(10,042)	Interest of 0.36% p.a.	(10,505)
Libor decrease	US$ 17.1	Interest of 0.83% p.a.	(174)	Interest of 0.63% p.a.	(234)	Interest of 0.42% p.a.	(295)
CDI increase	R$ 200.0	Interest of 11,76% p.a.	(706)	Interest of 14,52% p.a.	(6,767)	Interest of 17,41 % p.a.	(11,596)
Dollar decrease	US$ 100.0	2,4510	12,211	1,8383	(37,963)	1,2255	(90,072)
TOTAL			**1,752**		**(55,006)**		**(112,468)**

The Company's accounting records based on the market price as at September 30, 2014 according to the fair value and accrual method. These operations had a net positive impact as at September 30, 2014 of R$ 12,340 (R$ 6,786 negative at September 30, 2013), which were recognized in net income. The Company has no margins pledged in guarantee for derivative financial instruments outstanding at September 30, 2014.

(ii) Operational risks

Credit risk

Risks arise from the possibility of the Company's subsidiaries not receiving the amounts related to sales or not receiving credit from financial institutions regarding financial investments. To mitigate the risk from sales, the Company's subsidiaries analyze the financial situation of their customers, as well as establish a credit limit and permanently assess their debtor balance. Regarding financial investments, the Company and its subsidiaries invest in low risk credit institutions.

27. Subsidies and assistance government

The Company obtained subventions in the amount of R$ 30,089 (R$ 25,565 at September 30, 2013) from tax incentives, recognized in the year:

	CONSOLIDATED	
	09/30/14	09/30/13
Total Subsidies and assistance government	**30,089**	**25,565**
a) WEG Amazônia S.A.	**894**	**213**
- ICMS incentive credit of 90.25%	190	195
- Corporate Income Tax (IRPJ) 75% reduction	704	18
b) WEG Linhares Equipamentos Elétricos S.A.	**18,748**	**15,282**
- ICMS incentive credit of 85%	18,089	13,535
- Corporate Income Tax (IRPJ) 75% reduction	515	1,728
- Reinvestment (IRPJ) 30% reduction	125	-
- Municipal investment	19	19
c) WEG Equipamentos Elétricos S.A.	**-**	**149**
- Municipal investment	-	149
d) WEG Logística Ltda.	**10,447**	**9,921**
- ICMS incentive credit of 75%	10,447	9,921

There are no contingencies tied to subsidies, and all of the conditions for obtaining government subsidies have been met.

28. Information by segment

	Brazil				Foreign		Eliminations and adjustment		Consolidated	
	Industry		Energy							
	9/30/14	9/30/13	9/30/14	9/30/13	9/30/14	9/30/13	9/30/14	9/30/13	9/30/14	9/30/13
Revenue from sale of products / services	3,419,508	3,148,616	1,257,615	1, 034,543	2,675,923	2,230,020	(1,691,984)	(1,477,582)	5,661,062	4,935,597
Earnings before income taxes	1,092,298	1,033,332	414,816	326,816	146,877	152,867	(772,405)	(737,426)	881,586	775,590
Depreciation / Amortization / Depletion	110,646	100,200	33,114	30,345	38,907	30,959	-	-	182,667	161,504
	9/30/14	12/31/13	9/30/14	12/31/13	9/30/14	12/31/13	9/30/14	12/31/13	9/30/14	12/31/13
Identifiable assets	3,132,878	3,101,374	1,416,559	1,297,686	2,583,298	2,282,020	205,758	(18,715)	7,338,493	6,662,365
Identifiable liabilities	842,316	780,033	594,218	471,689	828,917	781,749	(317,675)	(360,911)	1,947,776	1,672,560

Industry: single phase and triple phase motors with low and medium tension, drives and controls, equipment and services for industrial automation, paints and varnishes.

Energy: electricity generators for thermal and hydraulic power plants (biomass), hydraulic turbines (PCHs), transformers, substations, control panels and system integration services and solutions for renewable and distributed wind energy.

Foreign: composed by operations carried out by subsidiaries in other countries.

The adjustment and elimination column include the eliminations applicable to the Company in the context of the Consolidated Financial Statements. All operating assets and liabilities are presented as identifiable assets and liabilities.

29. Earnings per share

a) Basic

Calculation of basic earnings per share is made by dividing net income, attributed to common shareholders, by the weighted average number of common shares available during the year.

	09/30/14	09/30/13
Profit attributed to Company shareholders	691,441	606,028
Weighted average number of outstanding common shares (shares /thousand)	806,595	806,548
Basic earnings per share - R$	0.85723	0.75138

b) Diluted

Net earnings per share is calculated by dividing the net profit attributable to Company's common shareholders by the weighted average number of outstanding common shares for the year plus the weighted average number of common shares that would be issued upon the conversion of all potential diluted common shares into common shares.

	09/30/14	09/30/13
Profit attributed to Company shareholders	691,441	606,028
Weighted average of potentially diluted common shares held by shareholders(shares/thousand)	807,223	806,946
Basic and diluted earnings per share - R$	0.85657	0.75101

30. Statement of comprehensive income

The Company presents as other comprehensive income the values of accumulated translation adjustment. These values are not taxable.

The presentation of the comprehensive income results is required by CPC 26 - Financial Statement Presentation and includes the comprehensive results which correspond to revenue and expense items which are not recognized in the financial statements as required or allowed by the standards, interpretations and guidance issued by the CPC.

Quarterly Information Review Report

To the Board of Directors of
Weg S.A.
Jaraguá do Sul – SC

Introduction
We have reviewed the interim financial statements, Individual and Consolidated, of Weg S.A. ("Company") contained within the Quarterly Information for the quarter ended September 30, 2014, which comprise the balance sheet as of September 30, 2014 and the related statements of income and comprehensive income for the three and nine months period them ended and the changes in shareholders' equity and cash flows for the nine months period then ended, including the notes to the financial statements.

Management is responsible for the preparation of the individual interim financial statements in accordance with the technical pronouncement CPC 21(R1) – Interim financial statements, and the consolidated interim financial statements in accordance with the technical pronouncement CPC 21(R1) and International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of these interim financial statements in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the Quarterly Information. Our responsibility is to express a conclusion on the interim financial statements based on our review.

Scope of the review
We conducted our review in accordance with Brazilian and international standards for reviewing interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). An interim review consists principally of applying analytical and other review procedures, and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

Conclusion about the individual interim financial statements
Based on our review, we are not aware of any fact that leads us to believe that the individual interim financial statements included in the quarterly information referred to above have not been prepared, in all material respects, in accordance with CPC 21(R1) applicable to the Quarterly Information and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Conclusion about the consolidated interim financial statements
Based on our review, we are not aware of any fact that leads us to believe that the consolidated interim financial statements included in the quarterly information referred to above have not been prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34 applicable to the Quarterly Information and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other issues
Statements of value added
We have also reviewed the statements of value added, Individual and Consolidated, for the nine months period ended in September 30, 2014, prepared under the responsibility of the Company's Management, whose disclosure in the interim financial statements is required in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information and considered as supplemental information by international accounting standards (IFRS), which do not require the disclosure of the statement of value added. This statement was submitted to the same review procedures previously described and, based on our review, we are not aware of any fact that would lead us to believe that they have not been fairly stated, in all material respects, in relation to the interim financial statements, Company and Consolidated, taken as a whole.

Joinville, October 13, 2014

KPMG Auditores Independentes
CRC SC-000071/F-8

Marcelo Lima Tonini
Accountant CRC PR-045569/O-4 T – SC