Portobello

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Company Data / Capital Breakdown

Number of Shares (thousand)	Current Quarter 9/30/2015
Paid-in capital	
Common	158,488
Preferred	0
Total	158,488
Treasury	
Common	0
Preferred	0
Total	0

Individual Financial Statements - Balance Sheet - Assets (reais thousand)

Account Code	Account Description	Current Quarter 9/30/2015	Previous Year 12/31/2014
1	Total Assets	1,280,195	1,179,847
1.01	Current Assets	439,350	493,268
1.01.01	Cash and Cash Equivalents	46,228	87,803
1.01.03	Accounts Receivable	201,799	179,292
1.01.03.01	Trade accounts receivable	201,799	179,292
1.01.04	Inventories	159,252	191,600
1.01.06	Recoverable Taxes	11,975	15,017
1.01.06.01	Current Taxes Recoverable	11,975	15,017
1.01.07	Prepaid Expenses	3,380	1,535
1.01.08	Other Current Assets	16,716	18,021
1.01.08.03	Other	16,716	18,021
1.01.08.03.01	Dividends receivable	0	9,472
1.01.08.03.02	Advances to suppliers	4,963	3,157
1.01.08.03.03	Other	11,753	5,392
1.02	Non-current Assets	840,845	686,579
1.02.01	Long Term Assets	327,831	281,813
1.02.01.08	Related party Credits	181,396	150,318
1.02.01.08.02	Receivables from subsidiaries	87,037	61,425
1.02.01.08.04	Other related party credits	94,359	88,893
1.02.01.09	Other non-current assets	146,435	131,495
1.02.01.09.03	Judicial Deposits	57,692	46,564
1.02.01.09.04	Receivables - Eletrobrás	48,621	48,621
1.02.01.09.05	Recoverable Taxes	12,561	15,330
1.02.01.09.06	Tax assets	21,988	15,386
1.02.01.09.07	Actuarial assets	5,075	5,075
1.02.01.09.08	Others	498	519
1.02.02	Investments	59,008	678
1.02.02.01	Equity interest	59,008	678
1.02.02.01.02	Interest in subsidiaries	58,810	480
1.02.02.01.04	Other equity interest	198	198
1.02.03	Property, plant and equipment	436,004	387,451
1.02.04	Intangible assets	18,002	16,637

Individual Financial Statements / Balance Sheet - Liabilities

(Thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2015	Previous Year 12/31/2014
2	Total Liabilities	1,280,195	1,179,847
2.01	Current Liabilities	541,296	451,419
2.01.01	Social and labor obligations	31,407	22,266
2.01.02	Suppliers	130,081	149,582
2.01.03	Tax liabilities	22,535	24,209
2.01.03.01	Federal Tax Liabilities	22,535	24,209
2.01.03.01.01	Income and social contribution tax payable	2,170	7,451
2.01.03.01.02	Current liabilities	8,827	8,300
2.01.03.01.03	Taxes, rates and contributions	11,538	8,458
2.01.04	Loans and Financing	308,988	172,722
2.01.04.01	Loans and Financing	308,988	172,722
2.01.05	Other liabilities	20,979	58,739
2.01.05.02	Other	20,979	58,739
2.01.05.02.04	Advances from clients	13,323	12,275
2.01.05.02.05	Dividends Payable	378	16,876
2.01.05.02.06	Accounts payable - Investments	397	21,466
2.01.05.02.07	Other	6,881	8,122
2.01.06	Provisions	27,306	23,901
2.01.06.02	Other Provisions	27,306	23,901
2.01.06.02.04	Provisions for contingencies	21,574	17,925
2.01.06.02.05	Provision for profit sharing	5,732	5,976
2.02	Non-current liabilities	516,297	491,158
2.02.01	Loans and Financing	267,878	273,645
2.02.01.01	Loans and Financing	267,878	273,645
2.02.02	Other liabilities	117,804	109,467
2.02.02.02	Other	117,804	109,467
2.02.02.02.03	Suppliers	44,099	33,287
2.02.02.02.04	Installment payment of tax liabilities	73,705	75,887
2.02.02.02.05	Other	0	293
2.02.03	Deferred Taxes	19,495	30,184
2.02.03.01	Deferred Income and Social Contribution Taxes	19,495	30,184
2.02.04	Provisions	111,120	77,862
2.02.04.02	Other Provisions	111,120	77,862
2.02.04.02.04	Provision for loss in investments	83,113	58,559
2.02.04.02.05	Provision for Contingencies	15,568	9,738
2.02.04.02.06	Provision for long-term incentive	12,439	9,565
2.03	Shareholders' Equity	222,602	237,270
2.03.01	Realized Capital	99,565	76,565
2.03.04	Profit Reserves	98,551	143,749
2.03.04.01	Legal reserve	12,481	12,481
2.03.04.05	Profit Retention Reserve	86,070	66,201
2.03.04.08	Additional Dividend Proposed	0	22,198
2.03.04.10	Profit reserves to be allocated	0	42,869
2.03.05	Retained Earnings/Losses	35,276	0
2.03.08	Other Comprehensive Income	-10,790	16,956

Individual Financial Statements - Statement of Income

(Thousands of Reais)

Account Code	Account Description	Current Quarter 7/1/2015 to 9/30/2015	Accrued Value of the Current Year 1/1/2015 to 9/30/2015	Same Quarter of the Previous Year 7/1/2014 to 9/30/2014	Accrued Value of the Previous Year 1/1/2014 to 9/30/2014
3.01	Income from sales of goods and/or services	255,454	713,503	234,295	643,490
3.02	Cost of goods and/or services sold	-164,346	-470,184	-160,491	-438,079
3.03	Gross income	91,108	243,319	73,804	205,411
3.04	Operating expenses/income	-38,301	-125,715	-29,051	-112,615
3.04.01	Sales Expenses	-43,143	-115,982	-34,562	-100,052
3.04.02	General and Administrative Expenses	-7,001	-22,231	-6,723	-19,713
3.04.04	Other Operating Income	18,070	27,230	12,068	8,549
3.04.04.01	Other Operating Income	413	5,626	819	2,496
3.04.04.02	Other net gains (losses)	17,657	21,604	11,249	6,053
3.04.05	Other Operating Expenses	-4,878	-15,175	-5,301	-16,233
3.04.05.01	Other Operating Expenses	-4,878	-15,175	-5,301	-16,233
3.04.06	Equity income (loss)	-1,349	443	5,467	14,834
3.05	Income (loss) before financial income and taxes	52,807	117,604	44,753	92,796
3.06	Financial income (loss)	-33,305	-63,430	-17,545	-30,189
3.06.01	Financial income	22,294	42,916	4,180	15,157
3.06.01.01	Financial income	22,294	42,916	4,180	15,157
3.06.02	Financial expenses	-55,599	-106,346	-21,725	-45,346
3.06.02.01	Financial expenses	-16,906	-50,844	-15,986	-41,130
3.06.02.02	Net Exchange Variance	-38,693	-55,502	-5,739	-4,216
3.07	Income (loss) before income tax	19,502	54,174	27,208	62,607
3.08	Income and social contribution taxes	-4,199	-13,857	-7,155	-15,411
3.08.01	Current	-13,254	-24,546	-7,398	-15,265
3.08.02	Deferred assets	9,055	10,689	243	-146
3.09	Net income (loss) of continued operations	15,303	40,317	20,053	47,196
3.11	Income/loss for the period	15,303	40,317	20,053	47,196
3.99	Earnings per share - (Reais / Shares)				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.09656	0.25438	0.12653	0.29779

Individual Financial Statements - Statement of Income

(Thousands of Reais)

Account Code	Account Description	Current Quarter 7/1/2015 to 9/30/2015	Accrued value of the Current year 1/1/2015 to 9/30/2015	Same Quarter of Previous Year 7/1/2014 to 9/30/2014	Accrued value of the Previous Year 1/1/2014 to 9/30/2014
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	0.09656	0.25438	0.12653	0.29779

Individual Financial Statements - Comprehensive Statement of Income

(Thousands of Reais)

Account Code	Account Description	Current Quarter 7/1/2015 to 9/30/2015	Accrued value of the Current year 1/1/2015 to 9/30/2015	Same Quarter of Previous Year 7/1/2014 to 9/30/2014	Accrued value of the Previous Year 1/1/2014 to 9/30/2014
4.01	Net Income for the Period	15,303	40,317	20,053	47,196
4.02	Other Comprehensive Income	-17,748	-26,847	-5,060	-2,209
4.02.02	Exchange variation of foreign subsidiary	-17,748	-26,847	-5,060	-2,209
4.03	Comprehensive Income for the Period	-2,445	13,470	14,993	44,987

Individual Financial Statements / Statement of Cash Flows - Indirect Method

(Thousands of Reais)

Account Code	Account Description	Accrued Value of the Current Year 1/1/2015 to 9/30/2015	Accrued Value of the Previous Year 1/1/2014 to 9/30/2014
6.01	Net cash from operational activities	66,941	11,854
6.01.01	Cash generated in operations	136,615	91,062
6.01.01.01	Profit or loss for the year before taxes	54,174	62,607
6.01.01.02	Depreciation and Amortization	22,496	18,673
6.01.01.03	Equity in net income of subsidiaries	-443	-14,834
6.01.01.04	Unrealized exchange variance	36,687	1,996
6.01.01.05	Provision for Inventory at Market Value	1,649	-1,284
6.01.01.06	Allowance for Doubtful Accounts	115	-231
6.01.01.07	Provision for Contingencies	5,538	2,568
6.01.01.08	Provision for labor obligations	-9,515	-9,473
6.01.01.09	Reserve for long-term incentive and profit-sharing	2,630	988
6.01.01.10	Other Provisions	184	-265
6.01.01.12	Restatement of Eletrobrás compulsory loans	0	-5,066
6.01.01.13	Adjustments to tax assets	-6,602	-1,082
6.01.01.14	Restatements of credits with other related parties	-5,466	7,276
6.01.01.15	Finance charges on tax installments	4,999	5,971
6.01.01.16	Decomposition of discount of provisions for contingencies	3,941	2,396
6.01.01.18	Accrued interest on loans	28,282	20,479
6.01.01.19	Negative goodwill on receivables received from related parties	0	2,032
6.01.01.20	Other	-2,054	-1,689
6.01.02	Changes in Assets and Liabilities	-26,891	-54,258
6.01.02.01	(Increase)/Decrease in Accounts Receivable	-22,641	-29,770
6.01.02.02	Increase /(Decrease) in Advances from clients	1,048	-5,860
6.01.02.04	(Increase)/Decrease in inventories	16,738	-5,017
6.01.02.05	(Increase)/Decrease in other assets	5,811	-5,156
6.01.02.06	(Increase)/Decrease in legal deposits	-11,128	-21,390
6.01.02.07	(Increase) Decrease in receivables from related parties	0	-2,032
6.01.02.08	(Increase)/Decrease in recoverable taxes	-8,185	-114
6.01.02.09	Increase/(decrease) in accounts payable	-8,843	-10,209
6.01.02.10	Increase/(Decrease) in accounts payable	-1,806	6,188
6.01.02.11	(Increase) Decrease advance to suppliers	-6,654	-14,854
6.01.02.12	Increase/(Decrease) in installment payments	10,487	32,343
6.01.02.13	Increase /(Decrease) in Tax and labor liabilities	-1,718	1,613
6.01.03	Other	-42,783	-24,950
6.01.03.01	Interest Paid	-24,205	-19,628
6.01.03.02	Income and social contribution taxes paid	-18,578	-5,322
6.02	Net cash used in investment activities	-129,203	-63,254
6.02.01	Acquisition of property, plant and equipment	-89,104	-71,958
6.02.02	Acquisition of intangible assets	-4,698	-1,189
6.02.03	Dividends Received	9,472	9,395
6.02.04	Dividends received	-440	-48
6.02.05	Loans (granted to) repaid by related parties	-45,779	0
6.02.06	Paid-up capital in subsidiaries	1,346	546

Account Code	Account Description	Accrued Value of the Current Year 1/1/2015 to 9/30/2015	Accrued Value of the Previous Year 1/1/2014 to 9/30/2014
6.03	Net Cash from Financing Activities	20,687	70,934
6.03.01	Funding loans and financing	200,261	167,451
6.03.02	Payment of loans and financing	-134,938	-66,646
6.03.03	Dividends Paid	-44,636	-29,871
6.05	Increase (Decrease) in Cash and Cash Equivalents	-41,575	19,534
6.05.01	Opening Balance of Cash and Cash Equivalents	87,803	55,389
6.05.02	Closing Balance of Cash and Cash Equivalents	46,228	74,923

Individual Financial Statements - Statements of Changes in Shareholders' Equity - 1/1/2015 to 9/30/2015

(Thousands of Reais)

Account Code	Account Description	Paid-in share capital	Capital Reserves, Options Awarded and Treasury Stock	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	76,565	0	143,749	0	16,956	237,270
5.03	Adjusted Opening Balances	76,565	0	143,749	0	16,956	237,270
5.04	Capital Transactions with Partners	0	0	0	-5,940	0	-5,940
5.04.07	Interest on Shareholders' Equity	0	0	0	-5,940	0	-5,940
5.05	Total Comprehensive Income	0	0	0	41,216	-27,746	13,470
5.05.01	Net income for the period	0	0	0	40,317	0	40,317
5.05.02	Other Comprehensive Income	0	0	0	899	-27,746	-26,847
5.05.02.06	Realization of revaluation reserve	0	0	0	899	-899	0
5.05.02.07	Exchange variation of foreign subsidiary	0	0	0	0	-26,847	-26,847
5.06	Internal changes in shareholders' equity	23,000	0	-45,198	0	0	-22,198
5.06.04	Capital increase	23,000	0	-23,000	0	0	0
5.06.05	Approval of Additional Dividends	0	0	-22,198	0	0	-22,198
5.07	Closing Balances	99,565	0	98,551	35,276	-10,790	222,602

Individual Financial Statements - Statements of Changes in Shareholders' Equity - 1/1/2014 to 9/30/2014

(Thousands of Reais)

Account Code	Account Description	Paid-in share capital	Capital Reserves, Options Awarded and Treasury Stock	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders' Equity
5.01	Opening Balances	46,065	-2,545	115,651	0	32,678	191,849
5.03	Adjusted Opening Balances	46,065	-2,545	115,651	0	32,678	191,849
5.04	Capital Transactions with Partners	0	2,545	-2,545	-6,447	0	-6,447
5.04.07	Interest on Shareholders' Equity	0	0	0	-6,447	0	-6,447
5.04.08	Treasury Stock Cancelled	0	2,545	-2,545	0	0	0
5.05	Total Comprehensive Income	0	0	0	48,375	-3,388	44,987
5.05.01	Net income for the period	0	0	0	47,196	0	47,196
5.05.02	Other Comprehensive Income	0	0	0	1,179	-3,388	-2,209
5.05.02.06	Realization of the Revaluation Reserve	0	0	0	1,179	-1,179	0
5.05.02.07	Exchange variance of Overseas Subsidiary	0	0	0	0	-2,209	-2,209
5.06	Internal Changes in Shareholders' Equity	30,500	0	-39,097	0	0	-8,597
5.06.04	Capital increase	30,500	0	-30,500	0	0	0
5.06.05	Approval of Additional Dividends	0	0	-8,597	0	0	-8,597
5.07	Closing Balances	76,565	0	74,009	41,928	29,290	221,792

Individual Financial Statements - Statements of Added Value - (Reais Thousand)

Account Code	Account Description	Accrued Value of the Current Year 1/1/2015 to 9/30/2015	Accrued Value of the Prior Year 1/1/2014 to 9/30/2014
7.01	Income	935,084	843,088
7.01.01	Sale of merchandise, products and services	884,215	805,667
7.01.02	Other income	9,768	6,798
7.01.03	Income from construction of own assets	40,986	30,854
7.01.04	Allowance for /reversal of allowance for doubtful accounts	115	-231
7.02	Inputs acquired from third parties	-488,442	-446,929
7.02.01	Cost of products, merchandise and services sold	-348,961	-325,839
7.02.02	Materials, Energy, Third-party services and other	-139,462	-121,000
7.02.03	Loss/recovery of asset values	-19	-90
7.03	Gross Added Value	446,642	396,159
7.04	Retentions	-22,496	-18,671
7.04.01	Depreciation, Amortization and Depletion	-22,496	-18,671
7.05	Net Added Value Produced	424,146	377,488
7.06	Added value received as transfer	122,788	55,583
7.06.01	Equity income (loss)	443	14,834
7.06.02	Financial income	122,345	40,749
7.07	Total added value payable	546,934	433,071
7.08	Distribution of Added Value	546,934	433,071
7.08.01	Personnel	137,700	122,149
7.08.01.01	Direct Remuneration	117,997	105,071
7.08.01.02	Benefits	12,546	10,389
7.08.01.03	Severance Pay Fund (FGTS)	7,157	6,689
7.08.02	Taxes, rates and contributions	198,798	191,409
7.08.02.01	Federal	103,677	101,105
7.08.02.02	State	94,794	90,031
7.08.02.03	Taxes, rates and contributions	327	273
7.08.03	Interest Expenses	170,119	72,317
7.08.03.01	Interest	164,172	64,885
7.08.03.02	Rents	5,947	7,432
7.08.04	Remuneration of own capital	40,317	47,196
7.08.04.03	Retained earnings / Loss for the period	40,317	47,196

Consolidated Financial Statements / Balance Sheet - Assets - (reais thousand)

Account Code	Account Description	Current Quarter 9/30/2015	Previous Year 12/31/2014
1	Total Assets	1,240,964	1,132,348
1.01	Current Assets	531,22	497,839
1.01.01	Cash and Cash Equivalents	51,174	92,383
1.01.03	Accounts Receivable	240,664	187,918
1.01.03.01	Trade accounts receivable	240,664	187,918
1.01.04	Inventories	197,433	192,292
1.01.06	Recoverable Taxes	18,975	15,648
1.01.06.01	Current Taxes Recoverable	18,975	15,648
1.01.06.01.01	Income and social contribution tax recoverable	452	452
1.01.06.01.02	Other Current Taxes Recoverable	18,523	15,196
1.01.07	Prepaid Expenses	4,313	1,535
1.01.08	Other Current Assets	18,661	8,063
1.01.08.03	Other	18,661	8,063
1.01.08.03.01	Advances to Suppliers	4,801	1,788
1.01.08.03.02	Other	13,86	6,275
1.02	Non-current assets	709,744	634,509
1.02.01	Long term assets	240,814	220,405
1.02.01.08	Related party credits	94,359	88,893
1.02.01.08.04	Other related party credits	94,359	88,893
1.02.01.09	Other non-current assets	146,455	131,512
1.02.01.09.03	Judicial Deposits	57,711	46,581
1.02.01.09.04	Receivables - Eletrobrás	48,621	48,621
1.02.01.09.05	Recoverable Taxes	12,561	15,33
1.02.01.09.06	Tax assets	21,988	15,386
1.02.01.09.07	Actuarial assets	5,075	5,075
1.02.01.09.08	Other	499	519
1.02.02	Investments	198	198
1.02.02.01	Equity interest	198	198
1.02.02.01.04	Other equity interest	198	198
1.02.03	Property, plant and equipment	443,287	392,585
1.02.04	Intangible assets	25,445	21,321

Consolidated Financial Statements / Balance Sheet - Liabilities

(Thousands of Reais)

Account Code	Account Description	Current Quarter 9/30/2015	Previous Year 12/31/2014
2	Total Liabilities	1,240,964	1,132,348
2.01	Current Liabilities	582,396	460,243
2.01.01	Social and labor obligations	37,815	24,501
2.01.02	Suppliers	151,292	150,373
2.01.03	Tax liabilities	25,874	26,067
2.01.03.01	Federal Tax Liabilities	25,874	26,067
2.01.03.01.01	Income and social contribution tax payable	3,228	8,272
2.01.03.01.02	Installment payment of tax liabilities	8,889	8,358
2.01.03.01.03	Taxes, rates and contributions	13,757	9,437
2.01.04	Loans and Financing	308,988	172,722
2.01.04.01	Loans and Financing	308,988	172,722
2.01.05	Other liabilities	29,698	62,302
2.01.05.02	Other	29,698	62,302
2.01.05.02.04	Advances from clients	19,823	15,608
2.01.05.02.05	Dividends payable	396	16,895
2.01.05.02.06	Accounts payable - Investments	397	21,466
2.01.05.02.07	Other	9,082	8,333
2.01.06	Provisions	28,729	24,278
2.01.06.02	Other Provisions	28,729	24,278
2.01.06.02.04	Provision for Contingencies	21,619	17,966
2.01.06.02.05	Provision for profit sharing	7,110	6,312
2.02	Noncurrent Liabilities	435,940	434,825
2.02.01	Loans and Financing	268,948	274,646
2.02.01.01	Loans and Financing	268,948	274,646
2.02.02	Other liabilities	118,304	109,982
2.02.02.02	Other	118,304	109,982
2.02.02.02.03	Trade accounts payable	44,099	33,287
2.02.02.02.04	Installment payment of tax liabilities	74,205	76,402
2.02.02.02.05	Other	0	293
2.02.03	Deferred Taxes	19,495	30,184
2.02.03.01	Deferred Income and Social Contribution Taxes	19,495	30,184
2.02.04	Provisions	29,193	20,013
2.02.04.02	Other Provisions	29,193	20,013
2.02.04.02.04	Provisions for contingencies	15,621	9,764
2.02.04.02.05	Provision for Long-term Incentive	13,572	10,249
2.03	Consolidated shareholders' equity	222,628	237,280
2.03.01	Realized Capital	99,565	76,565
2.03.04	Profit Reserves	98,551	143,749
2.03.04.01	Legal reserve	12,481	12,481
2.03.04.05	Profit Retention Reserve	86,070	66,201
2.03.04.08	Additional Dividend Proposed	0	22,198
2.03.04.10	Profit reserves to be allocated	0	42,869
2.03.05	Retained Earnings/Losses	35,276	0
2.03.08	Other Comprehensive Income	-10,790	16,956
2.03.09	Interest of non-controlling shareholders	26	10

Consolidated Financial Statements - Statement of Income

(Thousands of Reais)

Account Code	Account Description	Current Quarter 7/1/2015 to 9/30/2015	Accrued Value of the Current Year 1/1/2015 to 9/30/2015	Same Quarter of the Previous Year 7/1/2014 to	Accrued Value of the Previous Year 1/1/2014 to 9/30/2014
3.01	Income from sales of goods and/or services	300,249	800,913	251,486	691,070
3.02	Cost of goods and/or services sold	-189,508	-500,548	-159,998	-436,511
3.03	Gross income	110,741	300,365	91,488	254,559
3.04	Operating expenses/income	-54,033	-172,843	-44,131	-154,237
3.04.01	Sales Expenses	-57,059	-151,483	-42,028	-120,748
3.04.02	General and Administrative Expenses	-8,708	-25,511	-8,153	-23,934
3.04.04	Other Operating Income	18,070	27,235	11,754	7,762
3.04.04.01	Other Operating Income	413	5,631	505	1,709
3.04.04.02	Other net gains (losses)	17,657	21,604	11,249	6,053
3.04.05	Other Operating Expenses	-6,336	-23,084	-5,704	-17,317
3.04.05.01	Other Operating Expenses	-6,336	-23,084	-5,704	-17,317
3.05	Income (loss) before financial income and taxes	56,708	127,522	47,357	100,322
3.06	Financial income (loss)	-33,599	-63,719	-17,362	-30,131
3.06.01	Financial income	22,368	43,430	4,738	15,929
3.06.01.01	Financial income	22,368	43,430	4,738	15,929
3.06.02	Financial Expenses	-55,967	-107,149	-22,100	-46,060
3.06.02.01	Financial Expenses	-17,328	-51,701	-16,361	-41,844
3.06.02.02	Net Exchange Variance	-38,639	-55,448	-5,739	-4,216
3.07	Income (loss) before income tax	23,109	63,803	29,995	70,191
3.08	Income and social contribution taxes	-7,800	-23,429	-9,919	-22,921
3.08.01	Current	-16,855	-34,118	-10,162	-22,775
3.08.02	Deferred assets	9,055	10,689	243	-146
3.09	Net income (loss) of continued operations	15,309	40,374	20,076	47,270
3.10	Net income (loss) of discontinued operations	0	-41	-18	-59
3.10.01	Net income (loss) of discontinued operations	0	-41	-18	-59
3.11	Income/loss for the period	15,309	40,333	20,058	47,211
3.11.01	Attributed to the Parent company's partners	15,303	40,317	20,053	47,196
3.11.02	Attributed to non-controlling partners	6	16	5	15

Account Code	Account Description	Current Quarter 7/1/2015 to 9/30/2015	Accrued Value of the Current Year 1/1/2015 to 9/30/2015	Same Quarter of the Previous Year 7/1/2014 to 9/30/2014	Accrued Value of the Previous Year 1/1/2014 to 9/30/2014
3.99	Earnings per share - (Reais / Shares)				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	0.09656	0.25438	0.12653	0.29779
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	0.09656	0.25438	0.12653	0.29779

Consolidated Financial Statements - Comprehensive Statement of Income

(Thousands of Reais)

Account Code	Account Description	Current Quarter 7/1/2015 to 9/30/2015	Accrued Value of the Current Year 1/1/2015 to 9/30/2015	Same Quarter of the Previous Year 7/1/2014 to 9/30/2014	Accrued Value of the Previous Year 1/1/2014 to 9/30/2014
4.01	Consolidated Net Income for the Period	15,309	40,333	20,058	47,211
4.02	Other Comprehensive Income	-17,748	-26,847	-5,060	-2,209
4.02.02	Exchange variation of foreign subsidiary	-17,748	-26,847	-5,060	-2,209
4.03	Consolidated Comprehensive Income for the Period	-2,439	13,486	14,998	45,002
4.03.01	Attributed to the Parent company's partners	-2,445	13,470	14,993	44,987
4.03.02	Attributed to non-controlling partners	6	16	5	15

Consolidated Financial Statements / Statement of Cash Flows - Indirect Method

(Thousands of Reais)

Account Code	Account Description	Accrued Value of the Current Year 1/1/2015 to 9/30/2015	Accrued Value of the Previous Year 1/1/2014 to 9/30/2014
6.01	Net cash from operational activities	37,516	29,114
6.01.01	Cash generated in operations	142,783	113,230
6.01.01.01	Profit or loss for the year before taxes	63,762	70,132
6.01.01.02	Depreciation and Amortization	23,197	18,866
6.01.01.04	Unrealized exchange variation	36,798	2,007
6.01.01.05	Provision for Inventory at Market Value	-801	-1,284
6.01.01.06	Allowance for Doubtful Accounts	115	-237
6.01.01.07	Provision for Contingencies	6,033	2,568
6.01.01.08	Provision for labor obligations	-12,267	-10,115
6.01.01.09	Provision for profit sharing	4,121	1,171
6.01.01.10	Other Provisions	-914	-241
6.01.01.12	Restatement of Eletrobrás compulsory loans	0	-5,066
6.01.01.13	Adjustments to tax assets	-6,602	-1,082
6.01.01.14	Restatements of credits with other related parties	-5,466	7,276
6.01.01.15	Finance charges on tax installments	5,033	6,011
6.01.01.16	Decomposition of discount of provisions for contingencies	3,477	2,402
6.01.01.18	Accrued interest on loans	28,282	20,479
6.01.01.19	Negative goodwill on receivables received from related parties	0	2,032
6.01.01.20	Other	-1,985	-1,689
6.01.02	Changes in Assets and Liabilities	-53,517	-57,850
6.01.02.01	(Increase)/Decrease in Accounts Receivable	-52,880	-32,525
6.01.02.02	Increase /(Decrease) in Advances from clients	4,215	-5,040
6.01.02.04	(Increase)/Decrease in inventories	-4,340	-5,224
6.01.02.06	(Increase)/Decrease in legal deposits	-11,130	-21,483
6.01.02.07	(Increase) Decrease in receivables from related parties	0	-2,032
6.01.02.08	(Increase)/Decrease in recoverable taxes	-558	-5,245
6.01.02.09	(Increase) Decrease advance to suppliers	-10,343	155
6.01.02.10	Increase/(Decrease) in installment payments	11,577	-7,269
6.01.02.11	Increase /(Decrease) in Tax and labor liabilities	-3,013	6,074
6.01.02.12	Increase (decrease) in financing	-6,699	-15,231
6.01.02.13	Increase/(decrease) in tax and labor obligations	18,284	28,401
6.01.02.14	Increase/(decrease) in other accounts payable	1,370	1,569
6.01.03	Other	-51,750	-26,266
6.01.03.01	Interest Paid	-24,205	-19,628
6.01.03.02	Income and social contribution taxes paid	-27,545	-6,638
6.02	Net cash used in investment activities	-99,411	-79,077
6.02.01	Acquisition of property, plant and equipment	-91,914	-77,968
6.02.02	Acquisition of intangible assets	-7,497	-1,109
6.03	Net Cash from Financing Activities	20,686	70,922
6.03.01	Funding loans and financing	200,261	167,454
6.03.02	Payment of loans and financing	-134,938	-66,646
6.03.03	Dividends Paid	-44,637	-29,886
6.05	Increase (Decrease) in Cash and Cash Equivalents	-41,209	20,959
6.05.01	Opening Balance of Cash and Cash Equivalents	92,383	57,677
6.5.2	Closing Balance of Cash and Cash Equivalents	51,174	78,636

Consolidated Financial Statements - Statements of Changes in Shareholders’ Equity - 1/1/2015 to 9/30/2015

(Thousands of Reais)

Account Code	Account Description	Paid-in share capital	Capital Reserves, Options Awarded and Treasury Stock	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders’ Equity	Minority interests	Consolidated Shareholders’ Equity
5.01	Opening Balances	76,565	0	143,749	0	16,956	237,270	10	237,280
5.03	Adjusted Opening Balances	76,565	0	143,749	0	16,956	237,270	10	237,280
5.04	Capital Transactions with Partners	0	0	0	-5,940	0	-5,940	0	-5,940
5.04.07	Interest on Shareholders’ Equity	0	0	0	-5,940	0	-5,940	0	-5,940
5.05	Total Comprehensive Income	0	0	0	41,216	-27,746	13,470	16	13,486
5.05.01	Net income for the period	0	0	0	40,317	0	40,317	16	40,333
5.05.02	Other Comprehensive Income	0	0	0	899	-27,746	-26,847	0	-26,847
5.05.02.06	Realization of revaluation reserve	0	0	0	899	-899	0	0	0
5.05.02.07	Exchange variation of foreign subsidiary	0	0	0	0	-26,847	-26,847	0	-26,847
5.06	Internal Changes in Shareholders' Equity	23,000	0	-45,198	0	0	-22,198	0	-22,198
5.06.04	Capital increase	23,000	0	-23,000	0	0	0	0	0
5.06.05	Approval of Additional Dividends	0	0	-22,198	0	0	-22,198	0	-22,198
5.07	Closing Balances	99,565	0	98,551	35,276	-10,790	222,602	26	222,628

Consolidated Financial Statements - Statements of Changes in Shareholders' Equity - 1/1/2014 to 9/30/2014
(Thousands of Reais)

Account Code	Account Description	Paid-in share capital	Capital Reserves, Options Awarded and Treasury Stock	Profit Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Shareholders' Equity	Minority interests	Consolidated Shareholders' Equity
5.01	Opening Balances	46,065	-2,545	115,651	0	32,678	191,849	8	191,857
5.03	Adjusted Opening Balances	46,065	-2,545	115,651	0	32,678	191,849	8	191,857
5.04	Capital Transactions with Partners	0	2,545	-2,545	-6,447	0	-6,447	0	-6,447
5.04.07	Interest on Shareholders' Equity	0	0	0	-6,447	0	-6,447	0	-6,447
5.04.08	Treasury Stock Cancelled	0	2,545	-2,545	0	0	0	0	0
5.05	Total Comprehensive Income	0	0	0	48,375	-3,388	44,987	15	45,002
5.05.01	Net income for the period	0	0	0	47,196	0	47,196	15	47,211
5.05.02	Other Comprehensive Income	0	0	0	1,179	-3,388	-2,209	0	-2,209
5.05.02.06	Realization of the Revaluation Reserve	0	0	0	1,179	-1,179	0	0	0
5.05.02.07	Exchange variance of Overseas Subsidiary	0	0	0	0	-2,209	-2,209	0	-2,209
5.06	Internal Changes in Shareholders' Equity	30,500	0	-39,097	0	0	-8,597	0	-8,597
5.06.04	Capital increase	30,500	0	-30,500	0	0	0	0	0
5.06.05	Approval of Additional Dividends	0	0	-8,597	0	0	-8,597	0	-8,597
5.07	Closing Balances	76,565	0	74,009	41,928	29,290	221,792	23	221,815

Consolidated Financial Statements - Statements of Added Value - (Reais Thousand)

Account Code	Account Description	Accrued Value of the Current Year 1/1/2015 to 9/30/2015	Accrued Value of the Prior Year 1/1/2014 to 9/30/2014
7.01	Income	1,036,319	891,434
7.01.01	Sale of merchandise, products and services	989,526	861,440
7.01.02	Other income	5,692	-623
7.01.03	Income from construction of own assets	40,986	30,854
7.01.04	Allowance for /reversal of allowance for doubtful accounts	115	-237
7.02	Inputs acquired from third parties	-531,269	-457,304
7.02.01	Cost of products, merchandise and services sold	-365,562	-324,172
7.02.02	Materials, Energy, Third-party services and other	-165,646	-132,983
7.02.03	Loss/recovery of asset values	-20	-90
7.02.04	Other	-41	-59
7.02.04.01	Income from discontinued operations	-41	-59
7.03	Gross Added Value	505,050	434,130
7.04	Retentions	-23,197	-18,863
7.04.01	Depreciation, Amortization and Depletion	-23,197	-18,863
7.05	Net Added Value Produced	481,853	415,267
7.06	Added value received as transfer	122,914	41,521
7.06.02	Financial income	122,914	41,521
7.07	Total added value payable	604,767	456,788
7.08	Distribution of Added Value	604,767	456,788
7.08.01	Personnel	162,237	130,307
7.08.01.01	Direct Remuneration	139,495	112,167
7.08.01.02	Benefits	13,899	10,795
7.08.01.03	Severance Pay Fund (FGTS)	8,843	7,345
7.08.02	Taxes, rates and contributions	225,446	205,597
7.08.02.01	Federal	126,848	115,150
7.08.02.02	State	98,186	90,115
7.08.02.03	Municipal	412	332
7.08.03	Third-party capital remuneration	176,751	73,673
7.08.03.01	Interest	165,029	65,601
7.08.03.02	Rents	11,722	8,072
7.08.04	Remuneration of own capital	40,333	47,211
7.08.04.03	Retained earnings / Loss for the period	40,317	47,196
7.08.04.04	Interest of non-controlling shareholders in retained earnings	16	15

COMMENT ON THE CONSOLIDATED PERFORMANCE IN 3Q15

Portobello S.A. (BM&FBovespa: PTBL3 NM) hereby presents its results for the quarter ended on September 30, 2015. The financial information presented in this document derives from the consolidated quarterly financial information of Portobello S.A., prepared in accordance with the standards of the Accounting Pronouncements Committee (CPC) and International Financial Reporting Standards (IFRS).

About Portobello

Portobello is currently Brazil's largest ceramic tiles company, **grossing R$ 1 billion** in the first nine months of 2015. Its sales of nearly 18 million m² (first nine months of 2015) are made to the domestic market through its network of Portobello Shops, general retailers and engineering channels, in addition to clients in five continents.

HIGHLIGHTS

- Net Revenue of R$ 300 million in the quarter, 19% higher than the same period of 2014; YTD growth of 16%;
- Gross Profit of R$ 111 million in 3Q15, 21% more than the same period of 2014, with a gross margin of 37%;
- EBITDA of R$ 48 million, 13% higher than the same quarter of 2014 and a margin of 16%;
- Portobello Shop chain with 138 stores, including 131 franchises and 7 own stores;
- Net Income of R$ 15 million, down 24% over the same quarter of 2014;
- Plant in north-east Brazil opened on September 10, 2015.

MANAGEMENT COMMENTS

In the third quarter Portobello maintained its strong sales performance and margin, despite the worsening of Brazil's economy.

In view of this domestic economic slowdown and consequent undermining of consumer confidence, Management has been implementing additional actions to the initial planning consisting of reining in costs and expenses and pursuing the optimization of its multichannel distribution and product mix.

Exports have risen substantially due to more favorable conditions overseas caused by devaluation of the Brazilian currency and the competitiveness and flexibility of Portobello's product range.

The Company has accordingly made consistent earnings and achieved an EBITDA 14% greater than in the first nine months of 2014.

We opened the new plant in Alagoas this quarter. With a total investment of around R$ 200 million, including Capex, pre-operating expenses and working capital, this plant will be the engine of the new Pointer brand and is already contributing to the Company's consolidated earnings. This brand has been created for a specific public, with an exclusive portfolio primarily focusing on the north and north-east of Brazil, which will enable the Company to operate in a new segment with substantial potential for growth.

Portobello Shop, in turn, is moving forward with its plans to open more stores. The chain currently consists of 138 franchises, and 7 owned stores.

In thousands of Reais, unless otherwise indicated

Management remains confident in its strategy in its business and management model and its competitive edges, but believes that the situation will continue to be challenging, due to the intensification of the political crisis and economic slowdown. However, the Company will maintain compensatory actions to mitigate the macroeconomic effects.

ECONOMIC AND FINANCIAL PERFORMANCE

Consolidated net income	3Q13	3Q14	3Q15	▲%	9M13	9M14	9M15	▲%
Gross revenue	279,433	321,667	378,492	18%	765,476	881,920	1,012,467	15%
Net revenue	220,945	251,486	300,249	19%	604,301	691,070	800,913	16%
Gross profit	81,379	91,488	110,741	21%	213,883	254,559	300,365	18%
Gross margin	36.8%	36.4%	36.9%	0.5 p.p	35.4%	36.8%	37.5%	0.7 p.p
Operating expenses	(46,464)	(55,380)	(71,690)	29%	(123,340)	(160,290)	(194,447)	21%
Sales	(33,914)	(42,028)	(57,059)	36%	(92,018)	(120,748)	(151,483)	25%
General and administrative	(7,478)	(8,153)	(8,708)	7%	(21,397)	(23,934)	(25,511)	7%
Other income (expenses)	(5,072)	(5,199)	(5,923)	14%	(9,925)	(15,608)	(17,453)	12%
EBIT	34,915	36,108	39,051	8%	90,543	94,269	105,918	12%
EBIT Margin	15.8%	14.4%	13.0%	-1.4 p.p	15.0%	13.6%	13.2%	-0.4 p.p
Financial income	(5,717)	(6.113)	(15.942)	161%	(17.834)	(24.078)	(42.115)	75%
Income tax	(7.318)	(9.919)	(7.800)	-21%	(21.478)	(22.921)	(23.429)	2%
Net income	21.865	20.058	15.309	-24%	51.189	47.211	40.333	-15%
Net margin	9,9%	8,0%	5,1%	-2,9 p.p.	8,5%	6,8%	5,0%	-1,8 p.p.
EBITDA	39.959	42.317	47.980	13%	102.784	113.135	129.115	14%
EBITDA Margin	*18,1%*	*16,8%*	*16,0%*	-0,8 p.p.	*17,0%*	*16,4%*	*16,1%*	-0,3 p.p.

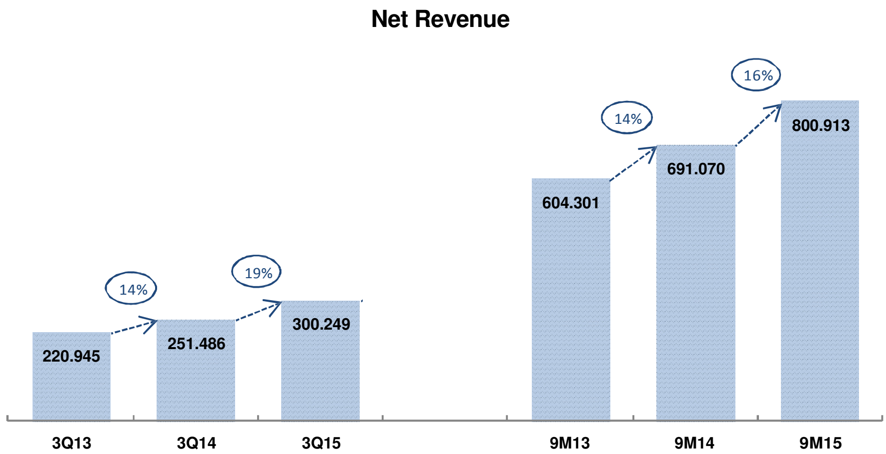
Net Revenue

Portobello's consolidated net revenue was R$ 300 million in 3Q15, 19% more than the R$ 251 million recorded in the same period of 2014; its YTD figure is R$ 801 million, 16% more than in 9M14. The main factors that drove this improved performance were the higher physical volume of sales, especially exports, and maintenance of the special commercial strategy, with specific sales campaigns.

Domestic net revenue, which accounted for 85% of the total, rose by 13% over 3Q14 and 12% in 9M15, with the retail and engineering channels performing well. Driven by a better exchange rate, Portobello's net overseas revenue rose by 79% over 3Q14 and 55% over 9M14.

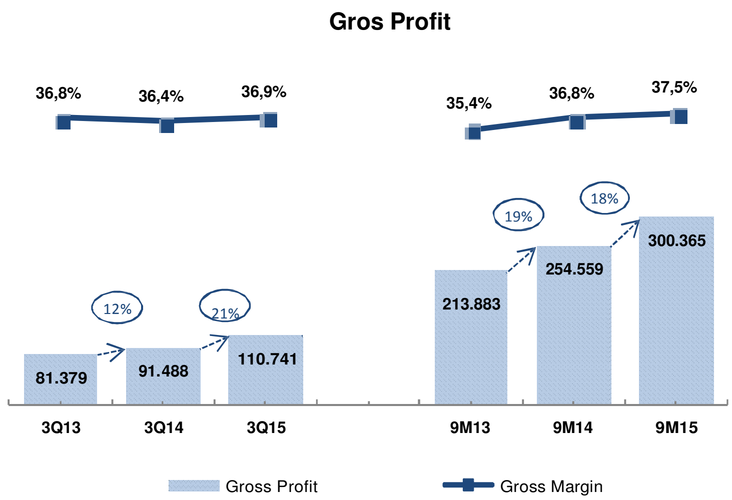
Net revenue	3T13	3Q14	3Q15	▲%	9M13	9M14	9M15	▲%
Domestic Market	198,816	227,007	256,332	13%	550,604	622,510	694,447	12%
Overseas Market	22,129	24,479	43,917	79%	53,697	68,560	106,466	55%
Total	220,945	251,486	300,249	19%	604,301	691,070	800,913	16%

In thousands of Reais, unless otherwise indicated



Gross Profit

Gross profit amounted to R$ 111 million in the quarter ended September 30, 2015, accumulating R$ 300 million in 9M15, presenting growth of 21% and 18% respectively over the same period the previous year. The gross margin rose by 0.5 percent. This result is also due to cost optimization initiatives to create productivity and production gains to adjust the product mix.



Operating Income

Sales expenses amounted to R$ 57 million in 3Q15 and R$ 151 million in 9M15, 36% and 25% greater than in the same period the previous year, primarily due to distribution and logistics projects, with the opening of distribution centers and expansion of its Portobello Shop franchising network. CIF (Cost, Insurance and Freight) costs, which account for 2% of consolidated net revenue, generated commercial freight expenses of approximately R$ 13 million, or 9% of the total sales expenses in the period.

Administrative expenses amounted to R$ 9 million in 3Q15 and R$ 25 million in 9M15, remaining at 3% of net revenue.

Operating expenses	3Q13	3Q14	3Q15	▲%	%RL	9M13	9M14	9M15	▲%	%RL
Sales	(33,914)	(42,028)	(57,059)	36%	19%	(92,018)	(120,748)	(151,483)	25%	19%
General and administrative	(7,478)	(8,153)	(8,708)	7%	3%	(21,397)	(23,934)	(25,511)	7%	3%
Other income (expenses)	(5,072)	(5,199)	(5,923)	14%	2%	(9,925)	(15,608)	(17,453)	12%	2%
Total	(46,464)	(55,380)	(71,690)	29%	24%	(123,340)	(160,290)	(194,447)	21%	24%

In thousands of Reais, unless otherwise indicated

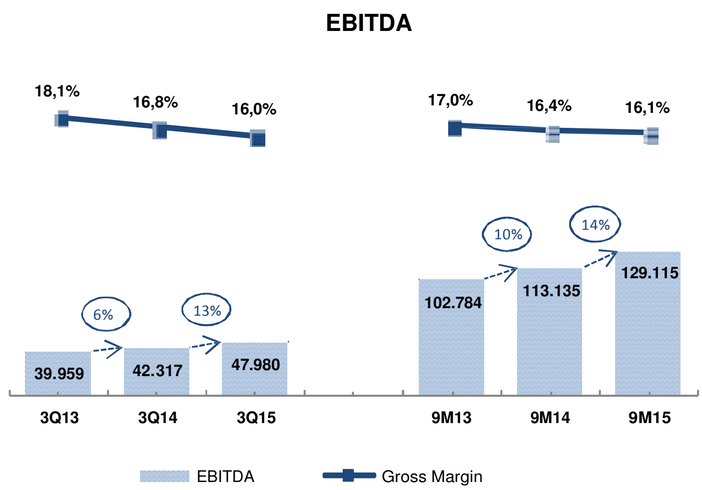
Other net operating expenses of R$ 6 million in the quarter and R$ 17 million in 9M15 primarily consist of profit-sharing and preoperating expenses of the north-east plant.

EBITDA

The Company closed the third quarter with a cash generation, as measured by EBITDA, of R$ 48 million, an increase of 13% over the same period of 2014 and a margin of 16%. The YTD figure in 9M15 is R$ 129 million, a company record for this period.

If the preoperational expenses of the new plant in the north-east were disregarded, the EBITDA would be R$ 136 million in 9M15, an increase of 17% over the same period of 2014.

EBITDA	3Q13	3Q14	3Q15	▲%	%RL	9M13	9M14	9M15	▲%	%RL
Net income	21,861	20,053	15,303	-24%	5%	51,178	47,196	40,317	-15%	5%
(+) Financial income	5,717	6,113	15,942	161%	5%	17,834	24,078	42,115	75%	5%
(+) Depreciation and amortization	5,044	6,209	8,929	44%	3%	12,241	18,866	23,197	23%	3%
(+) income and social contribution taxes	7,318	9,919	7,800	-21%	3%	21,478	22,921	23,429	2%	3%
(+) Other	19	23	6	-74%	0%	53	74	57	-23%	0%
EBITDA	39,959	42,317	47,980	13%	16%	102,784	113,135	129,115	14%	16%
(+) Pre-Op. Alagoas Plant	-	1,267	789	-38%	0%	-	3,533	7,099	101%	1%
Adjusted EBITDA	39,959	43,584	48,769	12%	16%	102,784	116,668	136,214	17%	17%



Net Income

The net income was R$ 15 million, down by 24% over the third quarter of 2014, primarily due to the huge impact of exchange variance on the foreign currency portion of the debt. The YTD net income was R$ 40 million, down by 15% on 9M14.

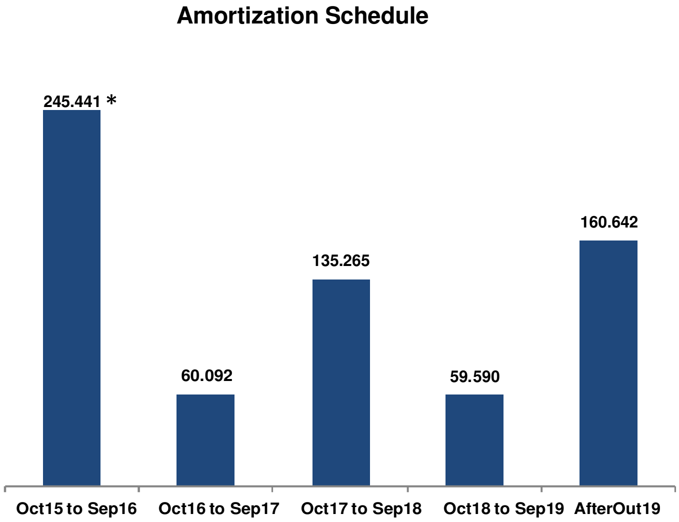
INDEBTEDNESS / CAPITAL STRUCTURE

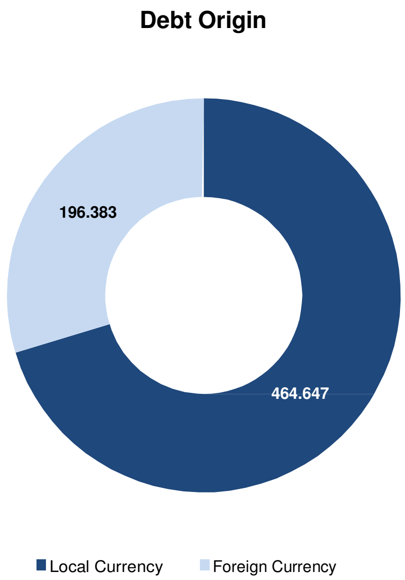
In nominal terms, the Company's net debt was R$ 515 million at the end of September 2015, equal to 2.68x the EBITDA in the past twelve months and 2.32 the shareholders' equity. This increase of R$ 176 million in the debt compared with 2014 is primarily related to the investment in expansions, mainly in the north-east plant. The gross debt stood at R$ 661 million, with approximately 38% maturing in the short term and 52% in the long term. The short-term debt accounts for 48% of total debt, as the contractual covenants mentioned in the subsequent Statement of Financial Position were not achieved.

In thousands of Reais, unless otherwise indicated

Debt	Sep-13	Sep-14	Sep-15	▲R$
Bank	339,307	397,248	577,936	180,688
Tax	120,844	107,476	83,094	(24,382)
(=) Total debt	460,151	504,724	661,030	156,306
(+) Cash and cash equivalents	(120,444)	(78,636)	(51,174)	27,462
(+) Related-party credits	(92,995)	(87,264)	(94,359)	(7,095)
(=) Total net debt	246,712	338,824	515,497	176,673
EBITDA (last 12 months)	138,127	166,476	192,061	25,585
(=) Net debt / EBITDA	1.79	2.04	2.68	-
(=) Net debt / SE	1.44	1.53	2.32	-

The gross bank debt as of September 30, 2015 stands at R$ 577 million, compared with R$ 397 million as of September 30, 2014.



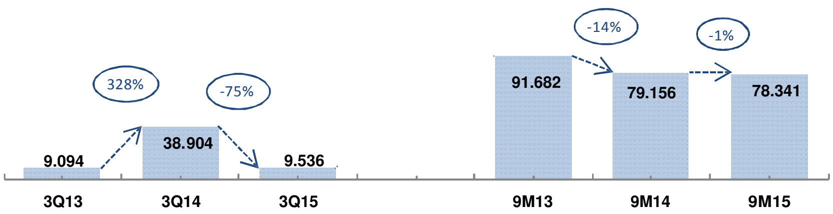


** We relied on the adjusted liabilities presented in the Statement of Financial Position below.*

INVESTMENTS

R$ 10 million was invested in fixed assets in 3Q15 and R$ 78 million in the first nine months of 2015. R$ 60 million of this YTD amount was spent under the expansion program with the construction of the north-east plant.

Capital Expenditure



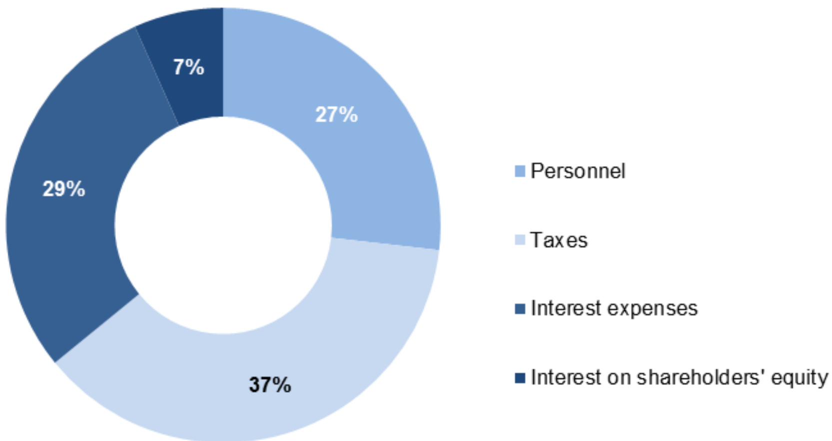
In order to sustain its growth projects, the Company has been investing in a new logistics market by creating distribution centers in strategic locations, and now has one in the state of Pernambuco, three in the state of São Paulo (Rio Claro, Itapecerica and Jundiaí) and one in the state of Rio de Janeiro, which came into operation in July 2015. New distribution centers do not require a capital disbursement, rather an increase in commercial expenses, as they are created in partnership with logistical operators.

REMUNERATION TO SHAREHOLDERS

On August 05, 2015 the Company's Board of Directors resolved and approved the payment in FY 2015 of R$ 5,940 as interest on shareholders' equity, which started on September 21, 2015 and amounted to R$ 0.037484 per common share. The total amount paid out constitutes a yield (dividend per share divided by closing share price) of 1.62%.

Added value:

The added value amounted to R$ 229 in 3Q15 and R$ 604 in the first nine months of 2015. 37% of the total added value was used to pay taxes and contributions, 27% for staff salaries and 36% for shareholder and third party compensation.



PERFORMANCE OF PTBL3 SHARES

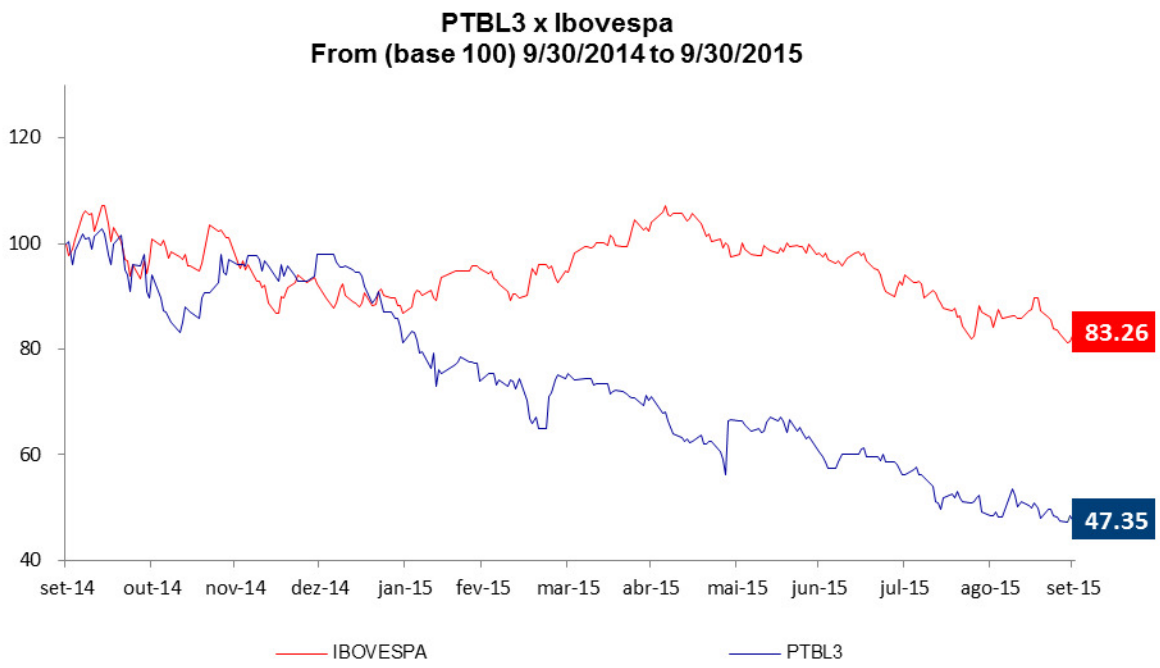
The common shares issued by Portobello, traded on BM&FBovespa under the code PTBL3, closed the last auction of September 2015 at R$ 2.32, resulting in a devaluation of 52% in the last twelve months, while Ibovespa dropped 16%.

The average financial volume traded in the last twelve was R$ 5.6 million, down by 60% compared with the R$ 14 million in the same period of 2014.

At the end of 3Q15, Portobello had a market value equal to R$ 368 million (R$ 761 million as of December 31, 2014).

Repurchase OPA

On May 28, 2015 the Company submitted a waiver application to the CVM to (i) maintenance of Treasury stock in an amount greater than 10% of the free float and (ii) repurchase of shares at a price higher than market value in order to make a voluntary public share acquisition offering ("Repurchase OPA"). The Repurchase OPA was made to efficiently invest the cash resources in order to maximize the creation of value for shareholders by allocating the company's capital, as it believed its shares were undervalued, not reflecting their actual value. However, on October 19, 2015, before the CVM pronouncement, the Company published a Company Announcement, which because of adverse market conditions decided to no longer make the voluntary public share acquisition offering for its own shares.



PROSPECTS

- The Company believes that the economic slowdown will persist in 4Q15, leading management to maintain cost-cutting and cost-optimization plans in order to re-adapt its structure to achieve the planned result;
- The Company also foresees challenges to keep its costs in check in 2015, due to the increase in the exchange rate and inflation;
- In line with sector indicators, the real estate sector is expected to contract, which will primarily impact sales through our engineering channel. We have also noticed negative signals in the construction materials retail sector, which could affect the Company's earnings. Management has been implementing actions through commercial policies and managing the product channel mix to counter these effects;
- Portobello Shop is maintaining its expansion plans, and expects to achieve the milestone of 150 stores by the end of FY 2015;
- The Company believes that in early 2016 the plant in Alagoas and its Pointer brand will make a substantial contribution to consolidated earnings.

INDEPENDENT AUDIT

Portobello's policy in relation to its independent auditors regarding services provided not related to the independent audit of the financial statements is underpinned by principles that uphold professional independence. These principles state that the auditor should not check their own work, carry out managerial activities or serve as an attorney for their client. In the third quarter of 2015 the Company did not engage independent auditors for other services not related to the independent audit.

COMPOSITION OF MANAGEMENT

Board of Directors

Name	Position
Cesar Bastos Gomes	Chairman
Cesar Gomes Júnior	Deputy Chairman
Cláudio Ávila da Silva	Director (Vice President)
Nilton Torres de Bastos Filho	Director
Maurício Levi	Independent Director
Plínio Villares Musetti	Independent Director
Glauco José Côrte	Independent Director
Mário José Gonzaga Petrelli	Independent Director
Geraldo Luciano Mattos Júnior	Independent Director

Executive Board

Name	Position
Cesar Gomes Júnior	Chief Executive Officer
Cláudio Ávila da Silva	Vice President
John Shojiro Suzuki	CFO and Investor Relations Director
Mauro do Valle Pereira	Corporate Officer

TELECONFERENCE WITH WEBCAST

A teleconference in Portuguese will take place on Wednesday, November 11, 2015 to present the earnings figures for 3Q15.
Time: 9h30 (Brasília time).

Connection Details
Tel: +55 11 3193-1001
Password: PORTOBELLO
Supporting material: www.portobello.com.br/ri

For those unable to attend the teleconferences live we will provide a full audio recording, which can be directly accessed on the company site (www.portobello.com.br/ri).

Comment on Performance

In thousands of Reais, unless otherwise indicated

Statement of Financial Position

Assets	30-Sep-15	31-Dec-14	Liabilities	30-Sep-15 *Adjusted**	30-Sep-15	31-Dec-14
Current	**531,220**	**497,839**	**Current**	**516,844**	**582,396**	**460,243**
Cash and banks	51,174	92,383	Loans and Financing	243,436	308,988	172,722
Accounts Receivable	240,664	187,918	Trade payables	151,292	151,292	150,373
Inventory	197,433	192,292	Taxes and social contributions	25,874	25,874	26,067
Recoverable Taxes	18,975	15,648	Social and labor obligations	37,815	37,815	24,501
Other	22,974	9,598	Customer Advances	19,823	19,823	15,608
			Provisions	28,729	28,729	24,278
			Other	9,875	9,875	46,694
Noncurrent	**709,744**	**634,509**	**Noncurrent**	**501,492**	**435,940**	**434,825**
Noncurrent Assets	**240,814**	**220,405**	Trade payables	44,099	44,099	33,287
Judicial Deposits	57,711	46,581	Loans and Financing	334,500	268,948	274,646
Recoverable Taxes	12,561	15,330	Deferred IR and CS	19,495	19,495	30,184
Tax Asset	21,988	15,386	Financing of Taxes	74,205	74,205	76,402
Related-party Credits	94,359	88,893	Provisions	29,193	29,193	20,013
Eletrobrás Receivables	48,621	48,621	Other	-	-	293
Other noncurrent assets	5,574	5,594				
			Shareholders' Equity	**222,628**	**222,628**	**237,280**
Investment	**198**	**198**		99,565	99,565	76,565
Property, plant and equipment	**443,287**	**392,585**	Profit Reserves	98,551	98,551	143,749
Intangible assets	**25,445**	**21,321**	Other Comprehensive Income	(10,790)	(10,790)	16,956
			Retained Earnings	35,276	35,276	-
			Minority interest	26	26	10
Total Assets	**1,240,964**	**1,132,348**	**Total Liabilities**	**1,240,964**	**1,240,964**	**1,132,348**

** As of September 30, 2015 covenants had not been performed in one of the loan agreements and the Company has already applied for a waiver from the creditor, which has given its preliminary approval, where formalization of this waiver is being awaited. This obligation has accordingly been classified in non-current in the adjusted liabilities, as we have assumed the waiver has been obtained.*

Cash flow

R$ thousand	3Q15	3Q14	Change %
Net Cash provided by Operating Activities	**37,516**	**29,114**	**29**
Cash Provided by Operating Activities	89,266	55,380	61
Other	(51,750)	(26,266)	97
Interest Paid	(24,205)	(19,628)	23
Income and social contribution taxes paid	(27,545)	(6,638)	315
Net Cash provided by Investing Activities	**(99,411)**	**(79,077)**	**26**
Acquisition of property, plant and equipment	(91,914)	(77,968)	18
Acquisition of intangible assets	(7,497)	(1,109)	576
Net Cash provided by Financing Activities	**20,686**	**70,922**	**(71)**
Obtainment of loans and financings	200,261	167,454	20
Payment of loans and financings	(134,938)	(66,646)	102
Dividends paid	(44,637)	(29,886)	49
Increase (Decrease) in Cash and Cash Equivalents	**(41,209)**	**20,959**	**(297)**
Opening Balance of Cash and Cash Equivalents	**92,383**	**57,677**	**60**
Closing Balance of Cash and Cash Equivalents	**51,174**	**78,636**	**(35)**

See the Investor Relations site: www.portobello.com.br/ri

1 Operations

Portobello S.A., here in also referred to as “Company” or “Parent Company”, is a publicly-traded corporation whose shares are traded on the segment Novo Mercado of Bolsa de Valores, Mercadorias e Futuros (BM&FBOVESPA S.A.), under the code PTBL3. The Company is controlled by a group of shareholders, formalized by agreement entered into on April 15, 2011 and amended on December 9, 2014, and as of September 30, 2015 hold 53.99% of the company’s shares. The remaining 46.01% of shares are held by several shareholders.

The Company, with head office in Tijucas, Santa Catarina, was incorporated in 1977 engaged in the manufacture and sale of ceramic and porcelain products in general, such as floor tiles, technical porcelain and enameled tiles, decorated and special pieces, mosaic tiles, products for indoor walls, outdoor façades, as well as the provision of supplementary services in the sector of civil construction materials in Brazil and abroad.

In addition, the Company holds shareholding interest in subsidiaries: (i) Portobello América, which was established for the purpose of selling Portobello products in the North-American market and is classified as a discontinued operation, as explained in Note 35; (ii) Mineração Portobello, which is responsible for providing part of raw material used for ceramic coating production; (iii) PBTech, which is responsible for managing own Portobello Shop stores and, currently, manages seven stores; (iv) Portobello Shop, administrator of Portobello Shop and Empório Portobello store franchise chain, chain of 138 franchised stores specialized in porcelain floor tiles (porcellanato) and ceramic coatings; and (v) Companhia Brasileira de Cerâmica responsible for the operations in northeast region.

2 Presentation of interim financial statements

The individual quarterly information has been prepared in accordance with the accounting practices adopted in Brazil (BRGAAP) and the consolidated quarterly information has been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and the accounting practices adopted in Brazil (BRGAAP).

Said quarterly information was prepared according to the rules of the Brazilian Securities and Exchange Commission (CVM) applicable to the elaboration of the Quarterly Information (ITR), using the historic cost as a base value, except for the evaluation at fair value of certain financial instruments, when required by applicable rules.

The preparation of the quarterly information requires Company management to use estimates to record certain transactions affecting the assets, liabilities, revenue and expenses.

The content and values of certain explanatory notes presented in the financial statements for the year ending December 31, 2014, which did not require significant updates, have not been repeated on the notes selected for the quarterly information as of September 30, 2015. These financial statements should therefore be read together.

Accounting practices and calculation methods adopted in the preparation of quarterly information as of September 30, 2015, as well as the main judgments and uncertainties in the estimates used in applying accounting practices are the same as those used in the preparation of the financial statements for the year ended December 31, 2014.

a) New standards, and changes or interpretation of IFRS issued by IASB

Pronouncements applicable to the Company from January 1, 2016

- Review of IAS 16 and IAS 38 - Clarification on accepted depreciation and amortization methods: The purpose of this change is to include information on the concept of expected future reduction in sales price and clarify depreciation method based on income generated by an activity. The Company understands that said review will not impact its financial statements as it only includes clarifications.

- IFRS 11 Review - Accounting for Acquisitions of Interests in Joint Operations: This change requires the acquirer of an interest in joint operation that forms a business, as defined in IFRS 3, to apply IFRS 3 principles as well as of other pronouncements, except those that conflict with IFRS 11. The Company will evaluate effects deriving from application of said review in case of possible acquisition of joint operations.

Pronouncements applicable to the Company from January 01, 2017

- IFRS 15 — Revenue from Contracts with Customers This pronouncement establishes principles for an entity to recognize income from transfer of products or services in the amount that reflects what the entity expects to receive in exchange for delivered product or rendered service. This rule also establishes five steps for income recognition. In addition, it provides instructions on disclosure of information to users about the nature, quantity, timeliness and uncertainty of income and cash flow deriving from contracts of the entity with clients. The Company is evaluating the possible effects from the implementation of the aforementioned pronouncement.

b) EmpresasNet (ENET) system

Note that in the table "Statement of Changes in Shareholders' Equity" of the CVM's "EmpresasNet - ENET" System, the equity appraisal adjustment has been recorded under "Other Comprehensive Income" despite the fact it does not relate to this item, as there was no other more suitable option for presenting this transaction in the CVM's standard statement.

c) Approval of quarterly information

The quarterly information previously mentioned was approved by the Board of Directors in a meeting held on November 05, 2015.

3 Financial risk management

3.1 Financial risk factors

The activities of the Company and its subsidiaries expose it to various financial risks: market, risk and liquidity risk. The global risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the consolidated financial performance.

The management of risk is conducted by the Treasury and Financial Executive Board, under the policies approved by the Board of Directors. The Treasury and the Finance Division identify, evaluate and protect the Company and its subsidiaries against possible financial risks, in cooperation with the operating units. The Board of Directors establishes principles, for global risk management and for specific areas such as exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and cash surplus investment.

a) Market risk

i) Foreign exchange risk

The Company operates globally and is exposed to foreign exchange risk resulting from exposures to some currencies, mainly US dollar and Euro. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities and net investments in transactions abroad.

In thousands of Reais, unless otherwise indicated

Shown below are the asset and liability balances exposed to exchange rate variations:

	In reais			
	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Accounts receivable	54,026	34,118	56,281	34,118
Current account	606	19,475	606	19,475
Credit with subsidiaries	81,341	54,383	-	-
Assets exposed	135,973	107,976	56,887	53,593
Provision for devaluation of investments	(81,017)	(54,128)	-	-
Accounts payable, net of advances	(32,923)	(46,721)	(32,961)	(46,721)
Loans and financing	(196,383)	(136,441)	(196,383)	(136,441)
(-) Swap	93,052	39,160	93,052	39,160
Liabilities exposed	(217,271)	(198,130)	(136,292)	(144,002)
Net exposure	(81,298)	(90,154)	(79,405)	(90,409)

	In Euros				In Dollars			
	Parent Company		Consolidated		Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Accounts receivable	263	293	263	293	9,431	9,387	9,431	9,387
Current account	-	-	-	-	152	7,332	152	7,332
Credit with subsidiaries	-	-	-	-	20,474	20,474	-	-
Provision for devaluation of investments	-	-	-	-	(20,392)	(20,378)	-	-
Accounts payable, net of advances	(1,591)	(6,193)	(1,591)	(6,193)	(6,619)	(1,010)	(6,619)	(1,010)
Loans and financing	-	-	-	-	(49,430)	(51,659)	(49,430)	(51,659)
(-) Swap	-	-	-	-	23,422	15,026	23,422	15,026
	(1,328)	(5,900)	(1,328)	(5,900)	(22,962)	(20,828)	(23,044)	(20,924)

The strategy adopted to mitigate exchange rate exposure in the Company's assets and liabilities has been to maintain a liability exchange rate exposure at an approximate amount to that of one year of exports.

ii) Cash flow or fair value risk associated to the interest rate

The interest rate risk arises from long-term loans and financing and is associated to floating-rate loans that exposed the Company and its subsidiaries to interest rate and cash flow risks. While loans issued at fixed rates expose the entities to fair value risk associated to interest rate.

With basis on several different scenarios, the Company manages the cash flow risk associated with the interest rate by using an interest rate swap transaction which receives variable interest rates and pays fixed interest rates and has the economic effect of converting the floating rate of loans into fixed rates. The fixed rates, which are the result of that swap transaction, are lower than those that would be available if the Company had taken the loans directly at fixed rates. By means of interest rate swap transactions, the Company agrees with other parties to exchange, at specified intervals, the difference between the fixed contractual rates and the amounts of interest at floating rates, calculated by using reference (notional) values agreed upon by the parties.

The Company and its subsidiaries continuously monitor market interest rates in order to assess the possible need to contract new operations to protect against the risk of volatility in these rates.

Regarding interest earning bank deposits, they are mostly made in investment funds as described in Note 4.

b) Credit risk

The Company and its subsidiaries maintain strict controls over credit granting to their clients and adjust the limits whenever a material change in risk is detected.

c) Liquidity risk

It is the risk of the Company and its subsidiaries not having sufficient net funds to honor its financial commitments due to a time or volume mismatch between foreseen receipts and payments.

To manage cash liquidity in domestic and foreign currency, future disbursements and cash inflows assumptions are established and daily monitored by the Treasury and Financial Executive Board.

As of September 30, 2015 the Company's current liabilities exceeded its current assets by R$ 101,946 and its consolidated current assets by R$ 51,176 (the net working capital was positive at December 31, 2014). Management's plans to turn the situation around primarily consist of restructuring its debt in order to lengthen its debt profile, lowering borrowing costs and implementing measures to balance its operations and finances, in order to improve profit margins.

The table below analyzes the non-derivative financial liabilities of the Company and its subsidiaries, by ranges of maturity, corresponding to the remaining period in the balance sheet up to the contractual date of maturity. Amounts disclosed in the table are contracted undiscounted cash flows.

In thousands of Reais, unless otherwise indicated

	Parent Company							
	September 30, 2015				December 31, 2014			
	* Loans and financing	Financial lease	Supplier and investment acts.	Financing of Taxes	* Loans and financing	Financial lease	Supplier	Financing of Taxes
Less than one year	308,983	687	130,392	1,989	172,586	476	157,715	8,300
Between one and two years	159,933	1,305	44,099	18,236	199,094	-	33,287	17,182
Between two and five years	73,009		-	27,354	58,704	-	-	25,773
Over five years	44,148		-	34,953	23,931	-	-	32,932
	586.073	1.992	174.491	82.532	454.315	476	191.002	84.187

*The variance in the loan total presented in this table is due to the Prodec AVP (Adjustment to present value); see note 20 h.

	Consolidated							
	September 30, 2015				December 31, 2014			
	* Loans and financing	Financial lease	Supplier and investment acts.	Financing of Taxes	* Loans and financing	Financial lease	Supplier	Financing of Taxes
Less than one year	308,983	687	151,603	2,005	172,586	476	158,506	8,358
Between one and two years	159,933	1,305	44,099	18,360	199,094	-	33,287	17,298
Between two and five years	74,079	-	-	27,540	59,705	-	-	25,947
Over five years	44,148	-	-	35,189	23,931	-	-	33,157
	587,143	1,992	195,702	83,094	455,316	476	191,793	84,760

*The variance in the loan total presented in this table is due to the Prodec AVP (Adjustment to present value); see note 20 h.

d) Sensitivity analysis

i) Sensitivity analysis of variations in the interest rates

In the quarter Income from short-term investments and financial expenses arising from the Company's loans and financing are impacted by changes in interest rates, such as TJLP and CDI.

On September 30, 2015 Management considered CDI rate at 14.13% and TJLP of 7% as the probable scenario. The probable rate was then adjusted at 25% and 50%, as parameter for possible and remote scenarios, respectively.

The scenarios below were estimated for the period of 1 year:

In thousands of Reais, unless otherwise indicated

	Consolidated in Reais							
	September 30, 2015	Risk	Probable		Possible (25%)		Remote (50%)	
Operation			%	R$	%	R$	%	R$
Investments (yielding 98.84% of CDI)	46,670	Write-off of CDI	14.13%	6,518	10.60%	4,888	7.07%	3,259
	46,670			6,518		4,888		3,259
Operation								
Working capital loans	(41,571)	Increase in CDI	14.13%	(5,874)	17.66%	(7,343)	21.20%	(8,811)
Loans - Export credit note	(189,275)	Increase in CDI	14.13%	(26,745)	17.66%	(33,431)	21.20%	(40,117)
Loans - Trade 4131 Swap	(70,209)	Increase in CDI	14.13%	(9,921)	17.66%	(12,401)	21.20%	(14,881)
BNDES loans	(6,318)	Increase in TJLP	7.00%	(442)	8.75%	(553)	10.50%	(663)
Financing	(83,094)	Increase in Selic	14.25%	(11,841)	17.81%	(14,801)	21.38%	(17,761)
	(390,467)			(54,823)		(68,529)		(82,233)

ii) Sensitivity analysis of variations in the exchange rates

The Company has assets and liabilities linked to foreign currency in the balance sheet as of September 30, 2015 and adopted, for sensitivity analysis purposes, the future market rate in effect during the preparation of these interim financial statements as the probable scenario. The probable rate was then adjusted at 25% and 50%, as parameter for possible and remote scenarios, respectively.

Accordingly, the schedule below simulates the effects of currency fluctuations on income (loss):

	Consolidated in Reais						
	September 30, 2015	Probable		Possible (25%)		Remote (50%)	
		Rate USD	Gain (Loss)	Rate USD	Gain (Loss)	Rate USD	Gain (Loss)
Accounts receivable	56,281	4.060	1,234	5.075	14,070	6.090	28,141
Current account	606	4.060	13	5.075	152	6.090	303
Accounts payable, net of advances	(32,961)	4.060	(723)	5.075	(8,240)	6.090	(16,481)
Loans and financing	(196,383)	4.060	(4,305)	5.075	(49,096)	6.090	(98,191)
(-) Swap	93,052 -	4.060	2,040	5.075	23,263	6.090	46,526
Net exposure	(79,405)	4.060	(1,741)	5.075	(19,851)	6.090	(39,702)

3.2 Capital management

The Management's objectives in managing its capital are to safeguard its business continuity capacity to offer return to shareholders, besides offering the best cash management maintaining an optimal capital structure to reduce this cost.

In thousands of Reais, unless otherwise indicated

The capital is monitored based on the ratio of consolidated financial leverage. This index corresponds to net debt divided by total capital. Net debt, in turn, corresponds to total loans and installment payment of tax liabilities less the amount of cash and cash equivalents, receivables with other related credits with related parties and securities. Total capital is calculated by adding the shareholders' equity, as demonstrated in the consolidated balance sheet, to net debt.

The financial leverage ratios on September 30, 2015 can be summarized as follows:

	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Loans and financing	576,866	446,367	577,936	447,368
Financing of Taxes	82,532	84,187	83,094	84,760
Less: Cash and cash equivalents	(46,228)	(87,803)	(51,174)	(92,383)
Credits with other related parties	(94,359)	(88,893)	(94,359)	(88,893)
Net debt	518,811	353,858	515,497	350,852
Total shareholders’ equity	222,602	237,270	222,628	237,280
Total capital	741,413	591,128	738,125	588,132
Financial leverage index (%)	70	60	70	60

Additionally, the Company had a credit facility approved by the Banco do Nordeste do Brasil S/A in the amount of R$ 147,784, the purpose of which is to invest in the new manufacturing unit in the city of Marechal Deodoro, state of Alagoas. In August 2014, the first release occurred, where the Company raised the amount of R$ 29,221, and in January 2015 the second installment was released of R$ 45,765, and in September 2015 the third installment was released of R$ 14,700, with a balance available of R$ 58,097.

In thousands of Reais, unless otherwise indicated

3.3 Financial instruments by category

The table below classifies financial instruments by category at each of the reporting dates:

	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Assets, loans and receivables				
Cash and cash equivalents	46,228	87,803	51,174	92,383
Trade receivables	201,799	179,292	240,664	187,918
	248,027	267,095	291,838	280,301
Liabilities, other financial liabilities				
Trade payables	130,081	149,582	151,292	150,373
Investment accounts payable	397	21,466	397	21,466
Loans and financing	576,866	446,367	577,936	447,368
Financing of Taxes	82,532	84,187	83,094	84,760
	789,876	701,602	812,719	703,967

4 Cash and cash equivalents

	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Current account	1,536	22,329	3,947	24,097
Short-term investments	44,692	65,474	47,227	68,286
	46,228	87,803	51,174	92,383

The short-term investments designated as cash equivalents denote interests in investment funds. The average yield of the fund in September 2015 was equal to 98.84% of the CDI rate (Interbank Deposit Certificate) and the amount can be redeemed at any time, without penalty.

As of September 30, 2015, R$ 605 (R$ 19,475 as of December 31, 2014) of the amount of R$ 1,536 available in current accounts consisted of the overseas current account at Citibank New York, used to pay for investments in imported equipment for the north-east plant.

5 Financial instruments

The tradable derivatives are classified as current assets or liabilities. The total fair value of a hedge derivative is classified as a noncurrent asset or long-term liability if the remaining time for maturity of the hedged item exceeds 12 months, or as a current asset or current liability if the remaining time for maturity of the hedged item is less than 12 months.

The Company has Swap operations, which aim to protect the future payments of loans and financing in the modalities below from U.S. dollar fluctuations and interest rates. These operations are classified as non-current liabilities, as shown below:

In thousands of Reais, unless otherwise indicated

In December 2012, the Company entered into a transaction under the rules of Law No. 4131 (exporting trading companies) in the amount of R$ 50,000 at the cost of 9.8% per year as a fixed rate, but using the swap for CDI+1.60 per annum and 60 months for payment and a 24-month grace period. Amortization is semi-annual.

In November 2014, the Company entered into an Exportation Credit operation (NCE) for the amount of US$ 15,000, equal to R$ 37,600 million at the cost of 1.65% per annum + LIBOR-03 + foreign exchange fluctuation, per annum, with a CDI Swap at the rate of 109% a year and payment deadline of 36 months with a 11-month grace period. Amortization is quarterly.

In July 2015 the Company entered into a transaction under the rules of Law No. 4131 (exporting trading companies) in the amount of R$ 20,000 at the cost of 2.97% p.a. plus exchange variance, but using the swap for CDI+1.60 per annum and 12 months for payment and a 4-month grace period. Amortization is quarterly.

In September 2015 the Company entered into a transaction under the rules of Law No. 4131 (exporting trading companies) in the amount of R$ 7,200 million at the cost of 2.97% p.a. plus exchange variance, but using the swap for 111% of the CDI rate and 12 months for payment and a 4-month grace period. Amortization is quarterly.

The restated amount of this interest rate swap transaction was entered as a net amount, under "Other" in the current assets, as the amount of R$ 7,700, and the installment recognized in the income (loss) for the quarter ended September 30, 2015 totals a gain of R$ 16,800 (net gain of R$ 744 as of December 31, 2014).
The Company does not carry out speculative financial transactions with derivatives or any other risk instrument.

6 Trade accounts receivable

	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Third-party accounts receivable:				
Domestic customers	147,407	144,640	184,017	153,266
Overseas customers	54,026	34,118	56,281	34,118
	201,433	178,758	240,298	187,384
Accounts receivable from related parties:				
Entities related to management	1,371	1,634	1,371	1,634
	1,371	1,634	1,371	1,634
Impairment of trade accounts receivable:				
Allowance for doubtful accounts	(911)	(1,026)	(911)	(1,026)
Recomposition of nominal value to present value	(94)	(74)	(94)	(74)
	(1,005)	(1,100)	(1,005)	(1,100)
	201,799	179,292	240,664	187,918

In thousands of Reais, unless otherwise indicated

Changes in the provision for allowance for doubtful accounts from accounts receivable are as follow:

	Parent Company	Consolidated
December 31, 2014	1,026	1,026
Provision for (reversal of) impairment of accounts receivable	(115)	(115)
September 30, 2015	911	911

Management understands that allowance for doubtful accounts is sufficient to cover probable losses in the settlement of accounts receivable considering the situation of each client and respective guarantees offered. Its amount represents the estimate of risk of non-realization of overdue receivables under the analysis of the manager in charge.
The formation and write-off of the allowance to accounts receivable are recorded in income (loss) as business expenses.

a) Breakdown of accounts receivable by maturity age with provisioned and not provisioned classification

	Parent Company							
	September 30, 2015	Outstanding trade notes not provisioned for	Overdue trade notes not provisioned for	Allowance for doubtful accounts	December 31, 2014	Outstanding trade notes not provisioned for	Overdue trade notes not provisioned for	Allowance for doubtful accounts
Not yet due	198,123	198,123	-	-	169,411	169,411	-	-
30 days overdue	2,678	-	2,562	116	7,796	-	7,785	11
31 to 90 days overdue	576	-	491	85	1,899	-	1,777	122
Past due 91 to 360 days	392	-	157	235	761	-	348	413
More than 360 days overdue	1,035	-	560	475	525	-	45	480
	202,804	198,123	3,770	911	180,392	169,411	9,955	1,026

	Consolidated							
	September 30, 2015	Outstanding trade notes not provisioned for	Overdue trade notes not provisioned for	Allowance for doubtful accounts	December 31, 2014	Outstanding trade notes not provisioned for	Overdue trade notes not provisioned for	Allowance for doubtful accounts
Not yet due	232,737	232,737	-	-	177,675	177,675	-	-
30 days overdue	3,892	-	3,776	116	7,979	-	7,968	11
31 to 90 days overdue	582	-	497	85	2,145	-	2,023	122
Past due 91 to 360 days	396	-	161	235	692	-	279	413
More than 360 days overdue	4,062	-	3,587	475	527	-	47	480
	241,669	232,737	8,021	911	189,018	177,675	10,317	1,026

The Company's receivables constitute a guarantee of some of the loans and financings obtained, as described in Note 20. Its sum is calculated based on a percentage of the residual balance of the debt. On September 30, 2015, the total amount of accounts receivable pledged as collateral was R$ 70,821 (R$ 79,126 on December 31, 2014).

In thousands of Reais, unless otherwise indicated

7 Inventories

	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Finished goods	131,879	158,259	159,218	158,951
Work in progress	5,290	5,407	5,685	5,407
Raw materials and consumables	16,375	16,150	29,272	16,150
Provision for valuation of inventory at realizable value	(5,026)	(6,675)	(7,476)	(6,675)
Imports in transit	10,734	18,459	10,734	18,459
	159,252	191,600	197,433	192,292

8 Advances to suppliers

	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Domestic customers	4,775	3,136	4,613	1,767
Overseas customers	188	21	188	21
	4,963	3,157	4,801	1,788

9 Recoverable taxes

	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Current				
ICMS (a)	10,622	13,828	14,412	13,828
IPI	1,234	1,023	1,727	1,023
IRPJ/CSLL	-	-	452	452
PIS/COFINS	-	-	2,062	-
Other	119	166	322	345
	11,975	15,017	18,975	15,648
Non-current *				
ICMS	3,924	4,07	3,924	4,07
PIS/COFINS	8,637	11,26	8,637	11,26
	12,561	15,33	12,561	15,33

* Taxes recoverable from acquisition of fixed assets.

a) Presumed credit from imported products

Since 2012, the Company uses the Pro-employment benefit (TTD - Different Tax Treatment), which reduces the ICMS - Tax on Goods and Services (expected credit) charged for goods imported through the ports of Santa Catarina State.

Conservatively, Portobello understood that the ICMS expected credit would not apply for resale of imported products when they were sent to companies not paying the ICMS tax, particularly to construction companies and real estate developers.

In 2014, the Company hired a consulting company to perform a review on the ICMS tax, and some possibility was identified to use this credit, including for emergency purposes. Thus, as of September 30, 2015, from the amount of R$ 10,622 entered as current assets, R$ 7,275 are connected with recognition of the abovementioned ICMS tax credits, net of amounts already used.

10 Credits with other related parties

Between 2001 and 2003 the Company acquired from its related party Refinadora Catarinense S.A. ("Refinadora") tax credits against the National Treasury achieved under a Writ of Mandamus claiming the right to reimbursement of IPI Credit Premiums. The Company used such credited for the settlement of federal taxes. As provided for in the contract between the parties, in the event these credits are not validated by the National Treasury, “Refinadora” should refund the Company.

The Federal Supreme Court made a pronouncement in mid-2009 defining the nullifying milestone of this incentive on October 4, 1990, abolishing the pretensions of use of this credit. Given this fact the Company adhered to the payment scheduling provided for in Law 11941/09, then including the debt resulting from the use of the credit acquired from “Refinadora”.

It is emphasized that “Refinadora” had already entered into a contract with the Company guaranteeing the reimbursement of the amounts used. The aforesaid guarantee was provided with credits also originated on the ‘IPI premium credit’ tax benefit, of calculation period prior to October 04, 1990, running in the Federal Courts of the Federal District, with award calculation decision handed down and favorable to Refinadora.

At the time of adhesion to the payment scheduling of Law 11,941/09, the Company and “Refinadora” signed an instrument confirming such credits as a guarantee, and as suitable to cover all the tax debts payable in installments. On September 30, 2015, these credits that also originate in proceeding 87.00.00967-9, represent R$ 94,359 (R$ 88,893 on December 31, 2014) and are restated by the SELIC rate, according to the contract.

It should be mentioned that the pledged credits have already become court-ordered debt payment. In fact, the Company received 3 installments out of a total of 10 annual installments, as provided for in the contract. Receipts occurred in August 2011, March 2013, and April 2014, in the amounts of R$ 8,505, R$ 9,824 and R$ 9,995, respectively.

Refinadora Catarinense S/A was a parent company in the past and currently has shareholders in common, and remains financially liable for the performance of the obligation.

11 Judicial deposits

The Company and its subsidiaries are parties involved in labor, civil and labor lawsuits (see Note 24) and are discussing these issues in both the administrative and judicial scopes and, when applicable, said lawsuits are backed by judicial deposits. These are recorded at the original value restated by the indices relating to the basic remuneration of the savings account, TR (reference rate) + 0.5%.

In thousands of Reais, unless otherwise indicated

The judicial deposits are presented according to the nature of the corresponding actions:

	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Civil (a)	44,100	33,289	44,118	33,307
Labor	9,483	9,347	9,483	9,347
Tax	4,109	3,928	4,110	3,927
	57,692	46,564	57,711	46,581

a) Following the unilateral untimely decision by the supplier SC Gás to suspend the discount from the monthly amount of gas contracted, a benefit established as a loyalty plan, the Company filed suit, claiming the continuation of this benefit, obtaining an injunction so that the discounted amounts are placed in a court deposit. For this reason, balance of civil judicial deposit is approximately R$ 44 million.

12 Receivables - Eletrobrás

The Company filed a lawsuit against Centrais Elétricas Brasileira S/A - Eletrobrás aiming at the reimbursement of the compulsory loan paid through the electricity bills between the years 1977 and 1993, based on Law 4156/62.

On December 16, 2005 this lawsuit was considered to have grounds and in February 2006 the Company organized the execution action. On this occasion, Eletrobrás and the Federal Government challenged the proceeding, recognizing as an uncontroversial part the amount of R$ 6,286 (amounts on March 1, 2008), represented (i) by means of a bank deposit in the amount of R$ 4,964, on April 1, 2008 and (ii) by the transfer of 61,209 class "B" nominative preference shares of Eletrobrás that were sold on August 13, 2008 for R$ 1,597.

The Federal Courts determined that the accounting unit should determine the remaining amount due to the Company. The accounting unit then determined the amount of R$ 12,064 on February 1, 2006. The Company recognized the amount calculated by the court expert investigation and keeps these amounts updated by the INPC (National Consumer Price Index) plus 12% p.a. as of September 30, 2010, the remaining balance was R$ 15,613 before the restatement.

Having submitted the calculation to review, the accounting unit of the Federal Courts presented new amounts, determining as 'net court award' the amount of R$ 24,749. In September 2010 the Company recognized the difference between the amounts calculated previously and the current calculation of the accounting unit of the federal courts in the amount of R$ 9,136, recorded under the heading "Other operating income".

As of August 1, 2014, the office of the accountant of the Federal Justice sentenced Eletrobrás to pay an amount assessed by the experts of R$ 35,395, but with a base date of August 2013. Once it was settled through arbitration, Portobello filed a bill of review against the decision rendered in those case records, requesting that the calculations should be corrected and that criteria to be adopted should be adopted to quantify the amount of the sentence, in view of differences between the parties. Based on this situation, the Company conservatively decided to temporarily interrupt the restatement of the asset, until a new decision is made regarding the value and criteria used in such process.

In thousands of Reais, unless otherwise indicated

The amount presented as of September 30, 2015 is equal to R$ 48,621. The amount calculated by the experts is valid for August 2013, while the amount restated by the Company is restated up to July 2014, as mentioned earlier.

13 Income and social contribution taxes

a) Income and social contribution taxes on net income

Recoverable and payable deferred income and social contribution is broken down as follows:

	Current Assets				Current Liabilities			
	Parent Company		Consolidated		Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Income tax	-	-	406	406	(1,580)	(5,490)	(2,347)	(6,103)
Social contribution	-	-	46	46	(590)	(1,961)	(881)	(2,169)
	-	-	452	452	(2,170)	(7,451)	(3,228)	(8,272)

Taxes are presented net, in assets or liabilities, in case there is a legal right to offset current tax assets and liabilities.

b) Deferred income and social contribution taxes

Deferred income and social contribution taxes are calculated over the corresponding temporary differences between the calculation bases of taxes on assets and liabilities and the book values stated in the interim financial statements. The rates of these taxes, currently specified for determining these deferred credits, are 25% for income tax and 9% for social contributions.
Deferred tax assets are recognized to the extent it is probable that the future taxable income will be able to be used to offset temporary differences, based on projected future earnings relying on internal assumptions and future economic scenarios, which are therefore subject to change.

In thousands of Reais, unless otherwise indicated

The amounts of deferred income tax and social contribution for the parent company and consolidated are as follow:

	September 30, 2015	December 31, 2014
Assets	18,468	17,133
Temporary differences	18,468	17,133
Portobello pensions	(1,725)	(1,725)
Provision for adjustment to market value	1,465	2,209
Provision for contingencies	9,146	8,470
Provision for PIS and COFINS with reduced ICMS base	2,995	494
Provision for profit-sharing and Long-term Incentive	6,179	5,284
Other temporary asset differences	408	2,401
Liabilities	(37,963)	(47,317)
Temporary differences	(37,963)	(47,317)
Realization of the revaluation reserve	(19,863)	(20,326)
Eletrobrás Receivables	(16,531)	(16,531)
Contingent asset - IPI credit premium - stage II	(7,476)	(5,231)
Adjustment to present value	(3,682)	(2,803)
Depreciation adjustment (to useful life of assets)	(5,036)	(4,742)
Exchange variance on cash basis	14,625	2,316
Deferred income and social contribution liabilities, net	(19,495)	(30,184)

The net changes in income tax and social contribution at September 30, 2015 were as follows:

	Parent Company and Consolidated
December 31, 2014	(30,184)
Temporary differences assets	1,335
Temporary differences liabilities	8,891
Revaluation reserve	463
September 30, 2015	(19,495)

In thousands of Reais, unless otherwise indicated

The changes in deferred income tax and social contribution assets and liability balances in the period, not considering the offsetting of balances for the parent company and consolidated is as follow:

	3rd quarter		Accumulated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Deferred tax asset debited (Credited) to net income				
Provision for adjustment to market value	(408)	168	(744)	492
Provision for contingencies	(100)	650	676	1,378
Provision for PIS and COFINS with reduced ICMS base	996		2,501	-
Provision for profit-sharing and Long-term Incentive	(17)	(56)	895	336
Other temporary asset differences	643	30	(1,993)	619
	1,114	792	1,335	2,825
Realization of the revaluation reserve	155	134	463	401
Eletrobrás Receivables	-	(193)	-	(1,723)
Contingent asset - IPI credit premium - stage II	(246)	(132)	(2,245)	(367)
Adjustment to present value	(164)	(222)	(879)	(583)
Depreciation adjustment (to useful life of assets)	(105)	(92)	(294)	(183)
Exchange variance on cash basis	8,301	(44)	12,309	(516)
	7,941	(549)	9,354	(2,971)
	9,055	243	10,689	(146)

c) Income and social contribution taxes, income (loss)

Income and social contribution tax expenses are as follow:

Changes in 3rd quarter 2015 and 2014:

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Net income before tax	19,502	27,208	23,109	29,995
Tax calculated based on local tax rates	(6,631)	(9,251)	(7,857)	(10,198)
Equity income of subsidiaries	(458)	1,859	-	-
Expenses nondeductible for tax purposes	2,489	214	2,489	214
Depreciation of revalued assets	(148)	(134)	(148)	(134)
Tax credits on tax losses and temporary differences	(8,506)	(86)	(11,339)	(44)
Current income tax for the year	(13,254)	(7,398)	(16,855)	(10,162)
Recording of deferred income and social contribution taxes	9,055	243	9,055	243
Income tax and social contribution expenses	(4,199)	(7,155)	(7,800)	(9,919)
Effective rate	21.5%	26.3%	33.8%	33.1%

In thousands of Reais, unless otherwise indicated

Accumulated changes in 2015 and 2014:

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Net income before tax	54,174	62,607	63,803	70,191
Tax calculated based on local tax rates	(18,419)	(21,286)	(21,693)	(23,864)
Equity income of subsidiaries	151	5,044	-	-
Expenses nondeductible for tax purposes	3,365	577	3,365	545
Depreciation of revalued assets	(333)	(402)	(333)	(402)
Tax credits on tax losses and temporary differences	(9,310)	802	(15,457)	946
Current income tax for the year	(24,546)	(15,265)	(34,118)	(22,775)
Recording of deferred income and social contribution taxes	10,689	(146)	10,689	(146)
Income tax and social contribution expenses	(13,857)	(15,411)	(23,429)	(22,921)
Effective rate	25.6%	24.6%	36.7%	32.7%

14 Tax assets

The Company has a lawsuit claiming the recognition of tax benefits entitled 'IPI premium credit', in different calculation periods. Proceeding no. 1987.0000.645-9 referring to the period from April 01, 1981 to April 30, 1985, already having a decision in favor of the Company, is in the award calculation stage with the amounts already determined by the accounting unit of the federal courts. The Company expects to realize this asset in the medium term. Accordingly, in November 2009 the Company recognized the uncontroversial amount that restated up to September 30, 2015 is R$ 16,837 (R$ 15,386 on December 31, 2014).

Case 1984.00.020114-0, filed by Portobello S/A against the National Treasury, defends the Company's right to receive the IPI credit premium tax incentive, introduced by Law 491/69 (1) for the period December 07, 1979 to March 31, 1981, in the form previously received, in this case, revoking the effects of Ordinances 960/79, 78/81 and 89/81. This tax incentive was applied to the sale of manufactured and exported products.

In recent months, the procedural status of this case has changed significantly. After a final and unappealable decision was delivered more than 10 years ago, the settlement and enforcement of the decision commenced, for which an expert report was prepared by a legal expert. The parties were notified of the amount calculated to state whether or not they accepted the expert calculation. The Company agreed with the calculations presented. The government, represented by the Prosecutions Department of the Ministry of Finance, did not state its position, thereby leading to tacit acceptance and preclusion. The case has therefore been sent the judge for sentencing and can no longer be contested. The Company recognized the amount calculated by the legal expert of R$ 4,983 for the date June 30, 2015. As the company believes that victory in this case is a foregone conclusion, it recorded the tax asset on June 30, 2015, which restated up to September 30, 2015 stands at R$ 5,151.

15 Contingent assets

The contingent assets refer to lawsuit 1998.34.00.029022-4 and also involve the recognition of tax benefits entitled 'IPI premium credit'. Consequently, proceeding No. 1998.34.00.029022- 4 was settled by a judgment made final and unappealable in March 2015. Souza Cescon Barrieu & Flesch law firm, which was asked to assess the value of the lawsuit credits stated, estimated the Company's right against the Brazilian Federal Government as R$ 112,736, based on February 2012. These amounts are not recorded as they do not meet the recognition criteria established by CPC 25 - Provisions, Contingent

In thousands of Reais, unless otherwise indicated

Liabilities and Contingent Assets.

16 Investments

a) Equity in income of subsidiaries and associated companies

The Company is the parent of five businesses and investments are recorded in non-current assets under the heading “Equity in the income of subsidiaries and associated companies” and in liabilities as “Provision for loss on investments”.

	Shareholders' equity	Net income For year	Percentage interest	December 31, 2014	Exchange variance	Capital Payment	Equity income	AFAC	September 30, 2015
Provision for devaluation of investments									
Portobello América Inc. (a)	(81,017)	(41)	100%	(54,130)	(26,847)	-	(41)	-	(81,018)
PBTech Ltda.	(1,963)	2,115	99.94%	(4,076)	-	-	2,114	-	(1,962)
Mineração Portobello Ltda.	(133)	152	99.76%	(287)	-	-	154	-	(133)
				(58,493)	(26,847)	-	2,227	-	(83,113)
Investments - Interests in subsidiaries									
Portobello Shop S.A.	15,944	15,479	99.90%	480	-	-	15,464	-	15,944
Companhia Brasileira de Cerâmica S/A	41,674	(17,600)	98.00%	(66)	-	440	(17,248)	59,740	42,866
				414	-	440	(1,784)	59,740	58,810
Total investment in subsidiaries				(58,079)	(26,847)	440	443	59,740	(24,303)

(a) On September 30, 2015 the Company presents provision for loss on investments of the subsidiary Portobello América Inc. in non-current liabilities. Management’s intention is to capitalize the subsidiary’s debt.

In thousands of Reais, unless otherwise indicated

The subsidiaries are closely-held companies, where the parent company's stake in the assets, liabilities and income for the year is as follows:

	Country of incorporation	Percentage interest	Assets	Liabilities	Revenue	Net income
December 31, 2014						
Portobello América Inc.	USA	100.00%	281	54,409	-	(90)
PBTech Ltda.	Brazil	99.94%	6,147	10,224	12,381	2,661
Portobello Shop S/A	Brazil	99.90%	17,300	16,820	65,004	18,382
Mineração Portobello Ltda.	Brazil	99.76%	1,408	1,694	3,856	560
Companhia Brasileira de Cerâmica S/A	Brazil	98.00%	162	230	-	(117)
September 30, 2015						
Portobello América Inc.	USA	100.00%	361	81,378	-	(41)
PBTech Ltda.	Brazil	99.94%	13,816	15,779	31,559	2,115
Portobello Shop S/A	Brazil	99.90%	25,046	9,102	49,267	15,464
Mineração Portobello Ltda.	Brazil	99.76%	1,505	1,638	4,071	152
Companhia Brasileira de Cerâmica S/A	Brazil	98.00%	65,615	22,749	35,663	(17,247)

17 Property, plant and equipment

a) Breakdown

		Parent Company				Consolidated	
		September 30, 2015			December 31, 2014	September 30, 2015	December 31, 2014
	Average annual depreciation rate	Cost	Accumulated depreciation	Net amount	Net amount	Net amount	Net amount
Land		12,141	-	12,141	12,141	13,062	13,062
Buildings, Civil Works and Improvements	3%	163,819	(26,589)	137,230	100,944	136,479	100,844
Machinery and equipment	15%	461,133	(252,525)	208,608	135,008	208,608	135,008
Furniture and fixtures	10%	8,832	(7,946)	886	1,018	906	1,041
Computers	20%	16,341	(13,591)	2,750	1,861	2,777	1,891
Other PPE in progress	20%	208	(176)	32	41	5,414	1,973
Property, plant and equipment in progress (a)		74,357	-	74,357	136,438	76,041	138,766
		736,831	(300,827)	436,004	387,451	443,287	392,585

In 2010, upon the initial adoption of international CPC standards 37 and IFRS 1, as well as the adoption of CPC 43 and ICPC 10, the Company adopted the option to use the fixed asset revaluation made in 2006 as deemed cost, understanding that the same represented substantially the fair value at the date of transition (see note 29e)).

In thousands of Reais, unless otherwise indicated

As provided for in Technical Interpretation ICPC 10 of the Committee of Accounting Pronouncements, approved by Deliberation CVM no. 619/09 and effective as of 01/01/09, the Company reviewed and altered the economic useful life of its fixed assets in 2008, based on the Technical Report issued by the Company's engineers, and since then, periodically conducts reviews of rates, and the last change was in 2013.

b) Changes in the Property, Plant and Equipment

	Parent Company										
	Dec 31, 2013	Additions	Transfers	Depreciation	Write-offs	December 31, 2014	Additions	Transfers	Depreciation	Write-offs	September 30, 2015
Land	12,141	-	-	-	-	12,141	-	-	-	-	12,141
Buildings and improvements	99,961	-	4,815	(3,832)	-	100,944	-	39,913	(3,627)	-	137,23
Machinery and equipment	139,409	971	10,656	(16,028)	-	135,008	315	88,379	(14,775)	(319)	208,608
Furniture and fixtures	960	298	-	(240)	-	1,018	9	-	(141)	-	886
Computers	1,702	779	-	(620)	-	1,861	1,5	-	(611)	-	2,75
Other PPE in progress	15	36	-	(10)	-	41	-	-	(9)	-	32
Property, plant and equipment in progress	10,236	141,673	(15,471)	-	-	136,438	66,211	(128,292)	-	-	74,357
	264,424	143,757	-	(20,73)	-	387,451	68,035	-	(19,163)	(319)	436,004

	Consolidated										
	December 31, 2013	Additions	Transfers	Depreciation	Write-offs	December 31, 2014	Additions	Transfers	Depreciation	Write-offs	September 30, 2015
Land	12,518	544	-	-	-	13,062	-	-	-	-	13,062
Buildings and improvements	100,075	-	4,815	(4,046)	-	100,844	-	39,913	(4,278)	-	136,479
Machinery and equipment	139,409	971	10,656	(16,028)	-	135,008	315	88,379	(14,775)	(319)	208,608
Furniture and fixtures	1,045	364	-	(262)	(106)	1,041	9	-	(144)	-	906
Computers	1,747	782	-	(633)	(5)	1,891	1,504	-	(618)	-	2,777
Other PPE in progress	540	270	1,173	(10)		1,973	200	3,25	(9)	-	5,414
Property, plant and equipment in progress	10,238	145,172	(16,644)	-	-	138,766	68,817	(131,542)	-	-	76,041
	265,572	148,103	-	(20,979)	(111)	392,585	70,845	-	(19,824)	(319)	443,287

In thousands of Reais, unless otherwise indicated

The sums of depreciation were recorded as cost of products sold, business expenses and administrative expenses as follows:

	Parent Company		Consolidated	
	Accumulated			
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Cost of goods sold	13,841	13,761	13,841	13,762
Commercial expense	1,263	1,250	1,916	1,386
Administrative expense	661	491	669	509
Other	3,398	-	3,398	-
	19,163	15,502	19,824	15,657

18 Intangible assets

a) Breakdown

		Parent Company				Consolidated	
		September 30, 2015			December 31, 2014	September 30, 2015	December 31, 2014
	Average annual amortization rate	Cost	Accumulated amortization	Net amount	Net amount	Net amount	Net amount
Software	20%	14,160	(12,378)	1,782	139	1,782	139
Mine exploration right	20%	2,015	(1,158)	857	50	1,261	494
Patents and trademarks	-	150	-	150	150	150	150
Goodwill	-	-	-	-	-	7,039	4,240
Software under development	-	4,684	-	4,684	2,803	4,684	2,803
Management system (a)	21%	18,887	(8,358)	10,529 -	13,495	10,529	13,495
		39,896	(21,894)	18,002	16,637	25,445	21,321

(a) Expenses incurred on acquiring and implementing business management systems, represented primarily by the Oracle, WMS, Demantra and Inventory Optimization systems and by the developments carried out in the value chain management process.

In thousands of Reais, unless otherwise indicated

b) Change in intangible assets

	Parent Company						
	December 31, 2013	Additions	Amortization	December 31, 2014	Additions	Amortization	September 30, 2015
Software	208	-	(69)	139	1,802	(159)	1,782
Mine exploration right	250	-	(200)	50	1,015	(208)	857
Patents and trademarks	150	-	-	150	-	-	150
Software under development	-	2,803	-	2,803	1,881	-	4,684
Management system	17,450	-	(3,955)	13,495	-	(2,966)	10,529
	18,058	2,803	(4,224)	16,637	4,698	(3,333)	18,002

	Consolidated							
	December 31, 2013	Additions	Amortization	Write-offs	December 31, 2014	Additions	Amortization	September 30, 2015
Software	208	-	(69)	-	139	1,802	(159)	1,782
Mine exploration right	746	-	(252)	-	494	1,015	(248)	1,261
Patents and trademarks	150	-	-	-	150	-	-	150
Goodwill	190	4,130	-	(80)	4,240	2,799	-	7,039
Software under development	-	2,803	-	-	2,803	1,881	-	4,684
Management system	17,450	-	(3,955)	-	13,495	-	(2,966)	10,529
	18,744	6,933	(4,276)	(80)	21,321	7,497	(3,373)	25,445

The amounts of amortization were recorded as cost of products sold, business expenses and administrative expenses as follows:

	Parent Company		Consolidated	
	Accumulated			
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Cost of goods sold	153	387	193	425
Commercial expense	2,111	2,112	2,111	2,112
Administrative expense	1,069	670	1,069	669
	3,333	3,169	3,373	3,206

c) Projection for the amortization of intangible assets - Consolidated:

	2015	2016	2017	2018	2019	Total
Software	100	400	400	370	512	1,782
Mine exploration right	196	449	449	167	-	1,261
Management system	1,114	3,949	3,673	1,793	-	10,529
	1,410	4,798	4,522	2,330	512	13,572

In thousands of Reais, unless otherwise indicated

The brands and patents, goodwill and software items under development in the total amount of R$ 11,873 did not undergo amortization due to their undefined useful life. However, they are subject to impairment, as described in main accounting policies disclosed in financial statements for the end of the year.

19 Suppliers

	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Domestic customers	103,121	104,210	124,332	105,001
Overseas customers	27,271	45,529	27,271	45,529
Decomposition of nominal value to present value	(311)	(157)	(311)	(157)
Current	130,081	149,582	151,292	150,373
Domestic market (a)	44,099	33,287	44,099	33,287
Non-current	44,099	33,287	44,099	33,287
	174,180	182,869	195,391	183,660

(a) Provision for payment to gas supplier as a result of the matter mentioned in note 11

In thousands of Reais, unless otherwise indicated

20 Loans and financing

	Currency	Maturities	Charges		Parent Company		Consolidated	
					September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Current								
Working Capital **(a)**	R$	Oct/2016	13.81%	p.a.[1]	40,033	3,447	40,033	3,447
Financial lease (b)	R$	May/2018	11.48%	p.a.	687	476	687	476
Banco do Nordeste S.A (c)	R$	Jun/2025	3.00%	p.a.	9,008	1,468	9,008	1,468
Exim Pré-embarque TJ 462	R$	Aug/2015	-	p.a.[1]	-	30,103	-	30,103
BNDES (d)	R$	Mar/2016	9.93%	p.a.[1]	6,318	15,582	6,318	15,582
Law 4131 (e) - (note 5)	R$	Dec/2017	15.73%	p.a.	15,403	14,589	15,403	14,589
Law 4131 (e) - (note 5)	USD	Aug/2016	15.72%	p.a.[1]	33,377	-	33,377	-
NCE (f)	R$	Jan/2018	15.07%	p.a.[1]	65,382	47,237	65,382	47,237
Prepayment (g)	USD	May/2018	4.78%	p.a.+VC	4,982	3,338	4,982	3,338
PRODEC (h)	R$	Sep/2019	4.00%	p.a.[1]	11,124	7,486	11,124	7,486
FINEP (i)	R$	May/2021	6.48%	p.a.[1]	6,244	5,215	6,244	5,215
DEG (j)	USD	Oct/2021	5.33%	p.a.+VC	73,250	524	73,250	524
FINAME (k)	R$	Aug/2023	3.00%	p.a.[1]	204	174	204	174
ACC (l)	USD	Dec/2015	1.51%	p.a.+VC	12,297	37,306	12,297	37,306
NCE (f) - (note 5)	USD	Nov/2017	15.40%	p.a.	26,568	5,777	26,568	5,777
FINIMP(m)	USD	Dec/2015	2.16%	p.a.+VC	4,111	-	4,111	-
Total current			12.32%	p.a.[1]	308,988	172,722	308,988	172,722
Total local currency					154,403	125,777	154,403	125,777
Total foreign currency					154,585	46,945	154,585	46,945
Non-current								
Working Capital **(a)**	R$	Oct/2016	13.81%	p.a.[1]	1,538	-	2,608	1,001
Financial lease (b)	R$	May/2018	11.48%	p.a.	1,305	-	1,305	-
Banco do Nordeste S.A (c)	R$	Jun/2025	3.00%	p.a.	78,694	27,760	78,694	27,760
BNDES (d)	R$	Mar/2016	9.93%	p.a.[1]	-	2,083	-	2,083
Law 4131 (e) - (note 5)	R$	Dec/2017	15.73%	p.a.	21,429	28,571	21,429	28,571
NCE (f)	R$	Jan/2018	15.07%	p.a.[1]	64,218	61,017	64,218	61,017
Prepayment (g)	USD	May/2018	4.78%	p.a.+VC	8,691	8,301	8,691	8,301
PRODEC (h)	R$	Sep/2019	4.00%	p.a.[1]	34,243	34,738	34,243	34,738
FINEP (i)	R$	May/2021	6.48%	p.a.[1]	21,895	26,794	21,895	26,794
DEG (j)	USD	Oct/2021	5.33%	p.a.+VC	-	47,812	-	47,812
FINAME (k)	R$	Aug/2023	3.00%	p.a.[1]	2,758	3,186	2,758	3,186
NCE (f) - (note 5)	USD	Nov/2017	15.40%	p.a.	33,107	33,383	33,107	33,383
Total noncurrent			8.03%	p.a.[1]	267,878	273,645	268,948	274,646
Total local currency					226,080	184,149	227,150	185,150
Total foreign currency					41,798	89,496	41,798	89,496
Grand Total			9.81%	p.a.[1]	576,866	446,367	577,936	447,368
Total local currency					380,483	309,926	381,553	310,927
Total foreign currency					196,383	136,441	196,383	136,441

[1] Weighted average rate

VC - Exchange variance

Notes to the financial statements

In thousands of Reais, unless otherwise indicated

Note	Contract	Date: Disbursement	Date: Maturity	Funding (R$ k)	Term (months)	Amortization	Grace period (months)	Guarantees
(a)	Working Capital	Feb-15	Feb-16	R$ 20,000	12	Bullet	Bullet	Clean operation
		Sep-15	Oct-16	R$ 20,000	13	Monthly		Receivables of Portobello SA at 20% of debit balance of contract
(b)	Financial lease	May-15	May-18	R$ 2,192	36	Monthly		Machinery and equipment
	Banco do Nordeste	Aug-14	Jun-25	R$ 89,687	133	Monthly	24	Mortgage on property and machinery and equipment
(c)	*Contract entered into in 06/2013, R$ 147,700. The Bank released the 1st financing portion on 08/2014 in the amount of R$ 29,221 and the 2nd on 01/2015 for R$ 45,765, the 3rd was released in 09/2015 for R$ 14,700*							
(d)	BNDES (Progeren)	Jan-13	Jan-16	R$ 20,000	36	Monthly	13	Clean operation
		Mar-13	Mar-16	R$ 10,000	36	Monthly	13	Receivables of Portobello SA at 50% of debit balance of contract
(e)	4131 Trade	Dec-12	Dec-17	R$ 50,000	60	semi-annual	24	Receivables of Portobello SA at 50% of debit balance of contract
		Jul-15	Jun-16	USD 6,396	12	Quarterly	6	Clean operation
		Sep-15	Aug-16	USD 2,000	12	Quarterly	6	
(f)	Export Credit (NCE)	Jan-13	Dec-17	R$ 20,000	60	semi-annual	24	Receivables of Portobello SA at 50% of debit balance of contract
		Apr-13	Apr-16	R$ 30,000	36	semi-annual	12	Receivables of Portobello SA at 20% of debit balance of contract
		Mar-14	Jan-17	R$ 15,000	35	Monthly	12	Receivables of Portobello SA at 50% of debit balance of contract
		Mar-14	Jan-17	R$ 13,300	35	Monthly	12	
		Apr-14	Mar-17	R$ 15,000	36	Monthly	12	
		May-14	Apr-17	R$ 15,000	35	Monthly	8	
		Sep-14	Sep-17	R$ 10,000	36	Quarterly	3	Clean operation
		Nov-14	Nov-17	USD 15,000	36	Quarterly	12	Receivables of Portobello SA at 15% of debit balance of contract
		Feb-15	Jan-18	R$ 50,000	36	Quarterly	9	
(g)	Prepayment	Jun-13	May-18	USD 5,000	60	Quarterly	15	Commercial pledge
	PRODEC				48	Bullet	Bullet	-
(h)	*(Development Program of Empresa Catarinense) - Special Arrangement of Santa Catarina obtained in July 2009. The balance is subject to the adjustment to present value, where the rate used for calculation purposes is the average of the working capital (12.58% per annum). The amount deferred is 60% of the balance of tax generated in the month exceeding R$ 761 (average tax paid in 2007 and 2008), with a 48-month grace period, term of 120 months and monetary restatement of 4% per annum and variance of*							
(i)	Finep	Jul-10	Sep-18	R$ 30,103	99	Monthly	24	Bank Guarantee
		All 5 financing portions have been released by the Bank, as follows: 1 - R$ 5,000 in 07/2010, 2 - R$ 5,100 in 08/2010, 3 - R$ 3,146 in 09/2010, 4 - R$ 5,572 in 12/2012 and 5th - R$ 11,282 in 08/2013.						
		Jul-14	May-21	R$ 12,627	84	Monthly	24	Bank Guarantee
		Contract entered into in 07/2014, for R$ 57,300, with Bank releasing 1st financing portion of R$ 12,627 the same month.						
	DEG	May-14	Oct-21	USD 18,000	90	semi-annual	23	Machinery and equipment and commercial papers
(j)	*This contract has covenants which were not performed, meaning the entire amount has been recognized under current liabilities. The Company is waiting for a position from said financial institution about the waiver, but it had not been issued by September 30, 2015.*							
(k)	Finame	May-13	May-23	R$ 39	120	Monthly	25	Machinery and equipment
		May-13	Apr-23	R$ 601	120	Monthly	24	
		Jul-13	Jul-23	R$ 107	120	Monthly	25	
		Jul-13	Aug-23	R$ 1,890	120	Monthly	26	
		Jan-14	Jun-23	R$ 577	114	Monthly	18	
(l)	ACC	Dec-14	Dec-15	USD 6,550	12	Bullet	Bullet	Clean operation
(m)	Finimp	Jun-15	Dec-15	USD 1,028	6	Bullet	Bullet	Clean operation

As security for the other loans the company submitted mortgages, equipment, receivables of the parent company (note 6**Erro! Fonte de referência não encontrada.**) and subsidiary (note 41) and an endorsement of the parent companies and subsidiary in addition to an inventory of finished goods worth R$ 11,016.

The long-term loans have the following payment schedule:

	Parent Company		Consolidated	
Maturing October 01	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
2016	39,987	108,351	41,057	109,352
2017	115,160	85,030	115,160	85,030
2018	38,413	29,432	38,413	29,432
2019 to 2025	74,318	50,832	74,318	50,832
	267,878	273,645	268,948	274,646

In thousands of Reais, unless otherwise indicated

The carrying amounts and the fair values of loans presented in the following currencies:

	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Reais	380,483	309,926	381,553	310,927
US Dollars	196,383	136,441	196,383	136,441
	576,866	446,367	577,936	447,368

Current loans' fair values do not present significant differences in relation to their book values, as book values are recorded at amortized cost and adjusted on a pro rata basis.

Financial lease obligations with the parent company and consolidated are as follows:

Financial lease	September 30, 2015	December 31, 2014
Gross obligations (minimum payments)		
Less than one year	856	856
Total	856	856
Future financing charges	1,136	(380)
Present value of the Obligations	2,166	476
Present value of the Obligations		
Less than one year	687	476
Between one and five years	1,305	-
Total	1,992	476

21 Installment payment of tax liabilities

Tax liabilities	Financing application		Parent Company		Consolidated	
	Date	Outstanding instalments	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
LAW 11941/09 (a)	Nov/09	115	82,532	84,187	83,094	84,760

In thousands of Reais, unless otherwise indicated

The payment schedule for these commitments is as follows:

	Parent Company		Consolidated	
Maturity	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
2015	1,989	8,300	2,005	8,358
2016 to 2023 (*)	72,944	68,728	73,440	69,192
2024	7,599	7,159	7,649	7,210
	82,532	84,187	83,094	84,760
Current	8,827	8,300	8,889	8,358
Non-current	73,705	75,887	74,205	76,402

(*) From 2016 to 2023, the annual installments will be R$ 9,118 and R$ 8,591 for the Parent Company and R$ 9,180 and R$ 8,649 for Consolidated.

a) Law 11941/09 (REFIS - Fiscal Recovery Program)

In May 2011 and June 2011, the Company concluded the process of consolidation of installments established by Law 11941/09, which began with the participation in the Tax Recovery Program in November 2009.

Between such participation and the Consolidation, the Company made the payment of minimum installment of R$ 395 as allowed by law. During this period, more precisely in the consolidation, decisions were made that reflected a positive economic adjustment of R$ 3,013, including R$ 3,613 with impact on other operating income and R$ 600 in financial expense. The main reflection occurred in virtue of the non- confirmation of migration of non-deferred debts in the installments of PM 470 to the installments of Law 11941/09 (see Note 22).

After consolidation, the Company undertakes to pay the monthly installments of R$ 734 with no delays exceeding three months, as well as withdrew from lawsuits and waive any claim of rights upon which such suits are based, under penalty of immediate termination of the installment, and consequent loss of the benefits introduced by Law 11941/09. These waivers of lawsuits against assessments do not affect the continuation of the ongoing processes in Court, referred to in Note 14 and 15.

22 Tax debts - Law 12249/10 (PM 470 and PM 472)

In November 2009, the Company enrolled in the installment program established by Provisional Measure 470 (regarding the improper use of IPI premium credits) with the Federal Revenue Service (SRF) and the General Attorney's Office of the National Treasury (PGFN) In this participation, aside from the installments, there is a reduction of burdens and the Company can utilize tax credits arising from tax losses until 2008, for payment of debts.

Upon being enacted in June 2010 as Law 12249/10, this Provisional Measure authorized the use of tax credits deriving from tax losses existing at December 31, 2009. The Company used this benefit and recorded R$ 3,252 in the second quarter of 2010, considering the financing settled.

The National Treasury Attorney General's Office (PGFN) partially rejected the request in June 2010, claiming the need to withdraw from lawsuits challenging the credit, and exposed that the “undue use” had not been addressed. The Company has expressed its position in order to request the withdrawal/waiver only of lawsuits that challenged the tax assessments received from the SRF.

In thousands of Reais, unless otherwise indicated

However, the PGFN in Santa Catarina understood that such withdrawal/waiver should be extended to the declaratory actions aimed at recognizing the IPI Premium Credit, referred to in Notes 14 and 15. The Company's Legal Department is taking appropriate measures against the decision of the PGFN for the purpose of removing the demand of withdrawal/waiver of the aforementioned declaratory actions as the proof of “undue use”, manifestly recognized by the Federal Revenue Service of Brazil in the reporting unit. This procedure deliberated by Company Management is supported by an opinion issued by the office of Demarest Almeida, which argues that, for the debts included in the installments of Law 12249/10, withdrawal from the aforementioned declaratory actions is not enforceable, unlike the provisions of Law 11941/09. Thus, it argues that it’s practically certain to reverse this situation by pursuing the various judicial instances to remove the grounds for rejection based on merit. As clarification, injunction filed to claim court homologation for payment in installments was rejected in the lower court. TRF of the 4th region partially approved the appeal. The Company maintains the proceeding of reversing remaining court dispute in the Higher Court of Justice.

In the remote chance the PGFN's decision is upheld by the highest court, the impact on the Company's net income would be a loss of R$ 20,270 as of September 30, 2015, considering the derecognition of the debt, the inexistence of benefits and maintaining the debits as a contingent liability, where any tax liability will be settled by the credits deriving from case 1998.34.00.029022-4, as mentioned in note 15.

23 Taxes, rates and contributions

As of September 30, 2015, taxes, rates, and contributions recorded in current liabilities were classified as follows:

	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Withholding Income Tax	1,336	1,747	1,638	1,997
ICMS	7,756	6,176	8,921	6,166
PIS/COFINS	2,125	169	2,660	739
Other	321	366	538	535
	11,538	8,458	13,757	9,437

24 Provision for contingencies

The Company and its subsidiaries are parties in lawsuits involving tax, civil and labor claims, and tax administrative proceedings. Supported by the opinion of its legal advisors, Company Management believes that the balance of reserves is sufficient to cover the spending required to settle the obligations.

In thousands of Reais, unless otherwise indicated

The opening balance of the reserves can be presented as follows:

Amount provisioned for	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Civil	7,584	6,321	7,682	6,388
Labor claims	20,016	17,322	20,016	17,322
Tax	9,542	4,020	9,542	4,020
	37,142	27,663	37,240	27,730
Current	21,574	17,925	21,619	17,966
Noncurrent	15,568	9,738	15,621	9,764

Contingencies classified in current assets derive from court analysis and their realization is expected in less than 12 months.

The provisions are measured at the estimate of the expenditures that shall be necessary to settle the obligation. And the civil and labor-related lawsuits are assessed individually by the Company's legal advisors, who classify them according to the expectations of success of the suits.
Statement of changes in provisions:

	Parent Company			Total
	Civil	Labor claims	Tax	
December 31, 2014	6,321	17,322	4,020	27,663
Debited (credited) to income statement:	1,428	3,302	5,522	10,252
Additional provisions	756	1,094	7,169	9,019
Reversals due to nonuse	(36)	(127)	(2,060)	(2,223)
Monetary restatement (note 34)	708	2,335	413	3,456
Reversals due to realization	(165)	(608)	-	(773)
September 30, 2015	7,584	20,016	9,542	37,142

	Consolidated			Total
	Civil	Labor claims	Tax	
December 31, 2014	6,388	17,322	4,020	27,730
Debited (credited) to income statement:	1,637	3,302	5,522	10,461
Additional provisions	846	1,094	7,169	9,109
Reversals due to nonuse	(36)	(127)	(2,060)	(2,223)
Monetary restatement (note 34)	827	2,335	413	3,575
Reversals due to realization	(343)	(608)	-	(951)
September 30, 2015	7,682	20,016	9,542	37,240

Comments on civil, labor and tax lawsuits:

Civil

The Company and its subsidiaries are defendants in 211 lawsuits (185 lawsuits on December 31, 2014), in the scope of the Common Courts and Special Civil Courts. Most of the lawsuits are filed by clients and are aimed at compensation for alleged moral and material damages. Judicial deposits were made when applicable (Note 11).

Labor claims

The Company and its subsidiary Portobello Shop S.A. are defendants in 378 labor complaints (378 complaints on December 31, 2014), filed by former employees and third parties. Claims refer mainly to health hazard premium, matter that has already been decided in the TRT (regional labor court) of the 12th Region in favor of the Company. Other claims refer to the payment of severance pay, additional pay, overtime, salary equalization and compensation for moral and material damages arising from occupational accidents/diseases. Provisions are reviewed by company Management in accordance with the Company's legal consultants. Some lawsuits are supported by judicial deposits (Note 11).
Also part of the provisions for labor-related suits are tax notification on social security contributions payable by the Company on the remunerations paid to the insured persons, contribution to the financing of benefits on the grounds of working incapacity, and contributions earmarked for third parties (INCRA and SEBRAE), plus late-payment interest and penalty.

Change to the criteria for correcting labor debits

In a decision published August 07, 2015, the Superior Labor Court (TST) changed the index for restating labor debits, replacing the Reference Rate (TR) by the Broad Consumer Prices Index-IPCA-E, backdating its effectiveness to June 30, 2009.

The change in the criteria will impact the balance of labor provisions by approximately R$ 6.5 million.

However, in a decision delivered by Justice Dias Tófoli in Claim 22012, the Supreme Federal Court - STF issued an injunction staying the effects of the TST's decision.

The Company will not, therefore, increase labor provisions until a final decision has been published by the STF.

Tax

a) INSS on Cooperatives

These are lawsuits filed by the Company (injunction) against the National Institute of Social Security, which demanded the payment of social security contributions set forth in Article 22 (IV) of Law 8212/91 as amended by Law 9879/99.

The Company asserts that in the exercise of its activities, it engages cooperatives in various work areas, which provide specialized services, thus subjecting it to the payment of the contribution, but it is understood that there is no constitutional provision for such collection, since this goes against the principles of legality, equality and protection for cooperatives, based on this it seeks preliminary injunction in order that its right not to be subject to the payment of social security contributions be declared, as well as making compensation of amounts unduly paid for such purposes. The balance of the provision as of September 30, 2015 is R$ 601 (R$ 2,567 as of December 31, 2014).

In the case records of Extraordinary Appeal 595,838 the Supreme Federal Court declared article 22 (IV) of Law 8212/91 was unconstitutional. The Federal Regional Court of Region 3, in a retraction decision in the case records of Civil Appeal 2002.61.00.009723-6, and the Federal Regional Court of Region 4, in a retraction decision in the case records of Civil Appeal 2002.72.00004159-5, followed the STF ruling, in order to accept the Appeals, thereby confirming the unconstitutionality of article 22 (IV) of Law 8212/91.

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On March 27, 2015 the appeal decision was made final and unappealable in Civil Appeal 2002.72.00004159-5, with the case returning to the original court and pending release of the permit to receive the judicial deposits. Civil Appeal 2002.61.00.009723-6 is pending certification of the final and unappealable decision.

b) Exclusion of ICMS rate excluded from calculation basis of PIS and COFINS

The Company filed a petition for a writ of mandamus with aims to change the calculation base for the PIS (Social Integration Program) and the COFINS (Social Security Financing Contribution) taxes upon the exclusion of the ICMS tax. The Federal Courts of Santa Catarina State rendered a merit judgment in favor of excluding the ICMS from the calculation base, and the amount as of September 30, 2015 is R$ 8,809.

The balance of provisions for tax contingencies are adjusted by the variation in the SELIC rate in the period.

25 Lawsuits with possible loss

It is understood that in addition to the amounts recognized in its financial accounting, classified as probable losses, there are other civil and labor-related lawsuits, which have been classified as possible losses according to the assessment of risks arising from these lawsuits, the Company, based on its legal advisors, estimates the amounts of contingent liabilities shown as follow:

	Parent Company		Consolidated	
	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Civil	14,491	2,109	14,527	2,353
Labor claims	12,476	11,840	12,476	11,840
	26,967	13,949	27,003	14,193

a) Administrative Proceeding no. 10983.721445/2014-78

On December 08, 2014, Portobello S/A was notified about Tax Assessment Notices that formed tax credits for the IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) taxes (as well as monetary penalties and interest), for the calendar years from 2009 to 2013. As claimed by the Tax Authorities, Portobello would have allegedly committed the following infractions: (a) in 2009, it would have allegedly: (a.1) improperly excluded taxable income from tax benefits; (a.2) deducted unnecessary expenses related to principal amounts of tax debits (IPI, PIS, and COFINS taxes) involved in the income (loss) for the prior years; (a.3) excluded non-deductible amounts concerning principal amounts of IRPJ and CSLL taxes; (a.4) improperly excluded amounts related to principal amounts contained in temporary additions and that had been involved in the income (loss) for the prior years; and (a.5) less non-deductible expenses related to ex-officio fine; (b) in the years of 2010, 2011, and 2012, it would have allegedly: (b.1) tax losses and negative CSLL bases offset with amounts higher than those assessed; and (b.2) failed to pay IRPJ and CSLL amounts assessed through a monthly estimate, resulting in a fine being assessed in an isolated manner; and (c) in 2013, would have allegedly offset negative CSLL bases with amounts higher than those determined. On January 06, 2015, Portobello submitted an Objection against said entries, challenging all the infractions assigned to it, so ever since then (January

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06, 2015) it is waiting for a decision on said Opposition, which, according to the Company's legal advisors, is most likely to be granted, causing the Notice of Infraction to be canceled; in view of that, the Company deems that the possibility of loss is remote and has chosen not to enter the amount of R$ 73 million as potential liabilities.

26 Accounts payable - Investments

The Company has a balance of R$ 397 (R$ 21,466 as of December 31, 2014) under current liabilities, which is connected with the investments being made for the construction of a manufacturing plant in Alagoas. This balance was classified under suppliers, but due to its nature was reassigned to a specific account.

27 Employee benefits

27.1 Private pension plan

The Company and its subsidiaries, since 1997, have sponsored a benefit plan called Portobello Prev, administered by BB Previdência - Banco do Brasil Pension Fund, and has 38 participants. The plan has a defined contribution characteristic, but offers minimal retirement benefit for length of service or age.

The defined-benefit obligation is calculated annually by independent actuaries by the projected unit of credit method. The present value of the defined benefit obligation is determined by discounting future estimated cash disbursements using interest rates in line with market yields, which are denominated in the currency in which benefits are paid and have maturity terms close to those of the respective pension plan obligation. When the calculation produces a benefit for the Company, the asset to be recognized is limited to the total of any past service costs not recognized and the present value of economic benefits available in the form of future reimbursements under the plan or decrease to the plan's future contributions. The actuarial asset is worth R$ 5,075 and the main actuarial assumptions made were the following:

	Parent Company
	September 30, 2015 and 2014
Economic hypotheses	
Discount rate	6% p.a. (real)
Expected rate of return on assets	6% p.a. (real)
Future salary increases	2% p.a. (real) up to 47 years
Increase in social security benefits and limits	2% p.a. (real) from 48 years
Inflation	Disregarded
Capacity factor	
Salaries	100%
Benefits	100%
Demographic hypotheses	
Mortality table	AT 83
Mortality table of disabled people	Exp. IAPC
Disability rate table	Hunter with Álvaro Vindas

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27.2 Employee benefit expenses

a) Expenses incurred in the 3Q15 and 3Q14:

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Compensation	29,547	27,499	36,692	29,678
Benefits				
Pension plans	294	258	322	272
Government Severance Indemnity Fund for Employees (FGTS)	2,401	2,254	3,054	2,502
Other	4,429	3,485	5,047	3,634
Total	36,671	33,496	45,115	36,086

b) Expenses incurred in the 1H15 and 1H14:

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Compensation	87,392	78,920	103,843	84,773
Benefits				
Pension plans	832	727	809	774
Government Severance Indemnity Fund for Employees (FGTS)	7,157	6,577	8,841	7,233
Other	11,716	9,482	13,092	9,841
Total	107,097	95,706	126,585	102,621

28 Long-term incentive

Given the prospects of creating value for business, on May 10, 2012 the Company's Board of Directors created and approved the long-term incentive (ILP). This consists of a merit program which aims to attract, retain and recognize the performance of the Company's professionals, to align the executives' interest with the shareholders' interests and to encourage them to stay at the company.

Directors and managers with above-average performance ratings are eligible for the LTI, pursuant to the Company's internal policies on performance assessment, and by signing a contract of adhesion become participants in the program.

The adhesion contract defines the number of securities that each participant will receive. The securities are figuratively called "reference shares" and are not traded in the OTC market. The "appreciation" of the securities is calculated annually by the performance of EBITDA[1] and the ratio between EBITDA and net debt[2].

Payment will be made in three annual installments (2015, 2016, 2017 for the 2012 plan) with two-year deferment at the beginning of the period (2013 and 2014). Settlement will be completed after five years of initial recognition (2017) and the Company will make the payment at an amount proportional to amounts calculated using the plan's metrics.

The first group of participants joined in the year 2012; three of these have requested payment of the 2015 installment, and the others have postponed receipt till 2016.

The present value of the obligation on September 30, 2015 is R$ 12,439 at the parent company and R$ 13,572 at the consolidated (R$ 9,565 at the parent company and R$ 10,249 at the consolidated on December 31, 2014).

[1]income before interest and net financial expenses, taxes, depreciation and amortization
[2] loans and financing plus installment payment of tax liabilities with discount of cash and cash equivalents, as well as securities.

29 Shareholders' equity

a) Capital

As of September 30, 2015 the Company has a subscribed and paid-in capital of R$ 99,565 (R$ 76,565 on December 31, 2014) comprising 158,488,517 common nominative shares with no par value.

Each common share carries one vote at the General Meetings, according to the rights and privileges established by law and the statutes for the respective kind.

The Company is authorized to increase the share capital up to 1,000,000,000 (one billion) new common shares, nominative and without par value, totaling a capital stock represented by 1,158,488,517 shares, and the issuance of preferred shares or certificates of participation.

On September 30, 2015 there were 72,769,371 outstanding shares, equivalent to 45.91% of total shares issued (72,819,371 on December 31, 2014, equivalent to 45.95% of the total). The balance of outstanding shares is comprised of all securities available for trading on the market, excluding those held by controlling shareholders, members of the Board of Directors and Company Officers.

On May 28, 2015 the Company submitted a waiver application to the CVM to (i) maintenance of Treasury stock in an amount greater than 10% of the free float and (ii) repurchase of shares at a price higher than market value in order to make a voluntary public share acquisition offering (“Repurchase OPA”).The Repurchase OPA was made to efficiently invest the cash resources in order to maximize the creation of value for shareholders by allocating the company's capital, as it believed its shares were undervalued, not reflecting their actual value.

However, on October 19, 2015, before the CVM pronouncement, the Company published a Company Announcement, which because of adverse market conditions decided to no longer make the voluntary public share acquisition offering for its own shares.

b) Legal reserve

The legal reserve is set up annually by the allocation of 5% of net income for the year, and may not exceed 20% of the Company's capital. The purpose of the legal reserve is to guarantee that the capital stock is paid up and it is used solely to offset accumulated losses and increase capital. As of September 30, 2015, the balance of legal reserve amounts to R$ 12,481 (the same as of December 31, 2014), as provided for by article 193 of the Corporation Law.

c) Profit retention reserve

The amount of R$ 86,070 refers to the business growth project established in the Company’s investment plan, approved in the Annual Shareholders' Meeting on April 30, 2014, and in accordance with according to capital budget proposal, in conformity with Article 196 of the Brazilian Corporate Law.

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d) Profit reserves to be allocated

At the General Meeting held April 30, 2015, in Shareholders' Meeting, the Company's management proposed and approved the allotment of reserves in accordance with Article 199 of Law no. 6,404/76 (Brazilian Corporate Law).

e) Equity evaluation adjustment - Deemed cost

In 2010, upon the initial adoption of international CPC standards 37 and IFRS 1, as well as the adoption of CPC 43 and ICPC 10, the Company adopted the option to use the fixed asset revaluation made in 2006 as deemed cost, understanding that the same represented substantially the fair value at the date of transition.

It was formed as a result of the revaluation of land, buildings and improvements, supported by an appraisal report prepared by an independent appraisal company, which determined the values of re-appraised assets, as well as established the new period of remaining useful life, which became the new base for depreciation to the net book value of such assets.

It is being realized according to the depreciation of re-appraised buildings and improvements recorded against retained earnings. The same effect of realization of the asset appraisal adjustment is reflected in P/L for the period, by the depreciation of the re-appraised assets.

The balance of the adjustment to company assets, net of deferred taxes, amounts to R$ 38,558 on September 30, 2015 (R$ 39,457 on December 31, 2014), the expense of depreciation of the re-appraisal, in the quarter ended September 30, 2015, was R$ 300 (R$ 393 on September 30, 2014), and the balance of deferred income tax and social contributions adjustments to equity evaluation recorded in non- current liabilities is R$ 19,863 (R$ 20,326 on December 31, 2014), see Note 13(b).).

30 Income

The reconciliation of gross income to net income, presented in the statement of income for the quarter ended September 30, 2015, is as follows.

a) Income incurred in the 3H15 and 3H14

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Gross sales revenue	324,091	302,330	378,492	321,667
Deductions from gross revenue	(68,637)	(68,035)	(78,243)	(70,181)
Sales taxes	(61,122)	(59,902)	(68,870)	(62,010)
Returns	(7,515)	(8,133)	(9,373)	(8,171)
Net sales revenue	255,454	234,295	300,249	251,486
Domestic customers	216,447	212,018	256,332	227,007
Overseas customers	39,007	22,277	43,917	24,479

b) Income incurred in the 3H15 and 3H14

	Parent Company		Consolidated	

	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Gross sales revenue	907,556	828,450	1,012,467	881,920
Deductions from gross revenue	(194,053)	(184,960)	(211,554)	(190,850)
Sales taxes	(170,712)	(162,177)	(185,272)	(167,972)
Returns	(23,341)	(22,783)	(26,282)	(22,878)
Net sales revenue	713,503	643,490	800,913	691,070
Domestic customers	613,716	581,173	694,447	622,510
Overseas customers	99,787	62,317	106,466	68,560

31 Expenses per type

The cost of goods sold, selling expenses and administrative expenses for the quarter ended September 30, 2015 are as follow:

a) Expenses incurred in the 3Q15 and 3Q14:

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Changes in inventory of finished goods and goods in progress (a)	16,291	(536)	11,893	(536)
Direct production costs (raw materials and consumables)	76,636	79,619	92,145	78,592
General production expenses (including maintenance)	10,660	10,099	12,284	10,099
Cost of goods resold	29,392	41,780	34,509	42,300
Expense on transportation of goods sold	1,657	1,317	1,811	1,317
Salaries, charges and employee benefits	41,164	37,928	50,837	40,993
Labor and outsourced services	7,422	9,234	10,123	11,036
Amortization and depreciation	6,396	6,055	6,738	6,119
Rental and operating lease expenses	2,062	2,440	5,164	2,781
Sales commission	6,473	5,230	7,496	5,320
Advertising and marketing expenses	3,612	2,520	6,645	4,681
Other commercial expenses	11,880	5,585	14,494	6,904
Other administrative expenses	845	505	1,136	573
Total	214,490	201,776	255,275	210,179

(a) The change in the inventory of finished goods and goods in progress is the difference between the cost of the product produced and the cost of the good sold, which can be negative due to the write-off of CPV for products produced in prior periods included in the inventory.

b) Expenses incurred in the 3H15 and 3H14

In thousands of Reais, unless otherwise indicated

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Changes in inventory of finished goods and goods in progress (a)	7,517	(37,133)	(9,092)	(37,133)
Direct production costs (raw materials and consumables)	229,585	231,747	252,480	228,817
General production expenses (including maintenance)	33,507	29,664	35,746	29,664
Cost of goods resold	107,004	128,124	117,209	129,446
Expense on transportation of goods sold	4,452	3,059	4,606	3,059
Salaries, charges and employee benefits	120,465	108,415	143,120	116,687
Labor and outsourced services	22,191	22,908	27,160	28,660
Amortization and depreciation	19,100	18,311	19,801	18,505
Rental and operating lease expenses	5,947	7,423	11,722	8,063
Sales commission	17,974	15,764	19,683	15,958
Advertising and marketing expenses	7,611	6,862	14,741	13,298
Other commercial expenses	29,242	19,896	36,135	23,233
Other administrative expenses	3,802	2,804	4,231	2,936
Total	608,397	557,844	677,542	581,193

(a) The change in the inventory of finished goods and goods in progress is the difference between the cost of the product produced and the cost of the good sold, which can be negative due to the write-off of CPV for products produced in prior periods included in the inventory.

32 Other operating income and (expenses), net

a) Expenses incurred in the 3Q15 and 3Q14

Other individual and consolidated operating income and expenses for the quarter ended September 30, 2015 are as follows:

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Other operating income				
Service revenue	304	479	304	162
Other revenue	109	340	109	343
Total	413	819	413	505
Other operating expenses				
Provision for contingencies (note 24)	1,167	(1,593)	980	(1,593)
Provision for Long-term Incentive (note 28)	(1,397)	(1,106)	(1,610)	(1,200)
Provision for profit sharing (a)	(3,658)	(991)	(4,398)	(1,269)
Preoperating expenses Alagoas Plant	(789)	(1,267)	(789)	(1,267)
Other expenses	(201)	(344)	(519)	(375)
Total	(4,878)	(5,301)	(6,336)	(5,704)
Net total	(4,465)	(4,482)	(5,923)	(5,199)

(a) Recognition of provision for employee profit sharing to be paid after end of year.

In thousands of Reais, unless otherwise indicated

b) Expenses incurred in the 3H15 and 3H14

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Other operating income				
Service revenue	354	1,274	351	476
Credit accounts receivable	-	498	-	498
Tax asset IPI credit premium (note 14)	4,983	-	4,983	-
Other revenue	289	724	297	735
Total	5,626	2,496	5,631	1,709
Other operating expenses				
Provision for contingencies (note 24)	262	(3,007)	33	(3,025)
Provision for Long-term Incentive (note 28)	(3,143)	(3,318)	(3,594)	(3,600)
Provision for profit sharing (a)	(9,486)	(5,738)	(11,513)	(6,405)
Preoperating expenses Alagoas Plant	(2,312)	(3,533)	(7,099)	(3,533)
Other expenses	(496)	(637)	(911)	(754)
Total	(15,175)	(16,233)	(23,084)	(17,317)
Net total	(9,549)	(13,737)	(17,453)	(15,608)

(a) Recognition of provision for employee profit sharing to be paid after end of year.

33 Other net gains (losses)

The net operational exchange variance recorded under other net gains (losses) denotes the effects of the exchange rate on the balances of receivables and payables. A gain of R$ 17,657 and R$ 11,249 respectively was recorded in the individual and consolidated statements in the quarters ended September 30, 2015 and 2014. In the YTD as of September 30, 2015 and 2014 it presented a gain of R$ 21,604 and R$ 6,053 respectively.

In thousands of Reais, unless otherwise indicated

34 Financial income (loss)

The individual and consolidated financial income for the quarter ended September 30, 2015 is as follows:

a) Expenses incurred in the 3Q15 and 3Q14

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Financial revenue				
Interest	1,096	858	1,128	1,415
Asset restatement	2,782	3,131	2,782	3,131
Income from Swap Transactions (a)	18,270	-	18,270	-
Other	146	191	188	192
Total	22,294	4,180	22,368	4,738
Finance expenses				
Interest	(10,493)	(8,286)	(10,537)	(8,375)
Financial charges on taxes	(1,843)	(1,934)	(1,859)	(1,963)
Breakdown of Discount for Provision for Contingencies (note 24)	(1,284)	(867)	(1,396)	(870)
Service fees and commission	(703)	(3,995)	(918)	(4,021)
Bank expenses/negative goodwill	(308)	(269)	(309)	(269)
Income from Swap Transactions (a)	(1,447)	-	(1,447)	-
Other	(828)	(635)	(862)	(863)
Total	(16,906)	(15,986)	(17,328)	(16,361)
Net exchange variance				
Loans and financing	(38,693)	(5,739)	(38,639)	(5,739)
Total	(38,693)	(5,739)	(38,639)	(5,739)
Net total	(33,305)	(17,545)	(33,599)	(17,362)

(a) Provision for income on Swaps, as detailed in note 5.

b) Expenses incurred in the 3H15 and 3H14

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Financial revenue				
Interest	6,414	3,007	6,801	3,713
Asset restatement	7,532	11,537	7,532	11,537
Income from Swap Transactions (a)	28,553	-	28,553	-
Other	417	613	544	679
Total	42,916	15,157	43,430	15,929
Finance expenses				
Interest	(28,041)	(21,847)	(28,220)	(22,156)
Financial charges on taxes	(5,094)	(6,137)	(5,135)	(6,195)
Breakdown of Discount for Provision for Contingencies (note 24)	(3,456)	(2,396)	(3,575)	(2,404)
Service fees and commission	(2,007)	(5,765)	(2,474)	(5,817)
Bank expenses/negative goodwill	(656)	(2,378)	(657)	(2,378)
Income from Swap Transactions (a)	(8,040)	-	(8,040)	-
Other	(3,550)	(2,607)	(3,600)	(2,894)
Total	(50,844)	(41,130)	(51,701)	(41,844)
Net exchange variance				
Loans and financing	(55,502)	(4,216)	(55,448)	(4,216)
Total	(55,502)	(4,216)	(55,448)	(4,216)
Net total	(63,430)	(30,189)	(63,719)	(30,131)

(a) Provision for income on Swaps, as detailed in note 5.

In thousands of Reais, unless otherwise indicated

35 Net income from discontinued operations

In August 2010, the Board of Directors approved the discontinuation of the operational activities of the subsidiary Portobello América. The asset demobilization and main assets and liabilities of this unit, for the quarter ended September 30, 2015, are cash and cash equivalents of R$ 361 (R$ 281 as of December 31, 2014), debts with related parties of R$ 81,378 (R$54,490 as of December 31, 2014), and negative shareholders' equity of R$ 81,017 (R$54,128 as of December 31, 2014).

The results of discontinued operations are presented on a consolidated basis, therefore, aside from the results of the subsidiary Portobello América, Inc., (Note 16), considers the portion of the Parent Company's operations in the discontinued operations.

36 Earnings per share

a) Basic

In accordance with the CPC 41 (Earnings per share), the basic profit per share is calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares issued in the period, excluding common shares purchased by the Company and maintained as treasury shares.

Income (loss) for the 3Q15 and 3Q14:

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Profit attributable to shareholders	-	-	-	-
Weighted average of common shares	158,489	158,489	158,489	158,489
Basic earnings per share	-	-	-	-
Net income from continued operations	-	-	-	-
Net income from discontinued operations	-	-	-	-
Weighted average of common shares	158,489	158,489	158,489	158,489
Net income from continued operations per share	-	-	-	-
Net income from discontinued operations per share	-	-	-	-

In thousands of Reais, unless otherwise indicated

Income (loss) for 3H15 and 3H14:

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Profit attributable to shareholders	-	-	-	-
Weighted average of common shares	158,489	159,009	158,489	159,009
Basic earnings per share	-	-	-	-
Net income from continued operations	-	-	-	-
Net income from discontinued operations	-	-	-	-
Weighted average of common shares	158,489	158,489	158,489	158,489
Net income from continued operations per share	-	-	-	-
Net income from discontinued operations per share	-	-	-	-

The consolidated profit attributable to shareholders does not include the non-controlling interest. The same criteria was used for net income (loss) of continued and discontinued operations.

b) Diluted

Diluted earnings per share is equal to basic, as the Company's common shares have no diluting factors.

37 Dividends

On April 30, 2015 the Annual General Meeting approved the payment of additional dividends of R$ 22,198. The total distributed in 2014 was therefore R$ 44,396, accounting for 50% of the adjusted net income for FY 2014, where the balance of R$ 38,686 thousand was paid to the shareholders on June 15, 2015.

On August 05, 2015 the Company's Board of Directors resolved and approved the advance payment in FY 2015 of R$ 5,940 as interest on shareholders' equity amounting to R$ 0.037484 per common share paid on September 21, 2015.

38 Information per business segment

Management defined the operating areas based on reports employed to make strategic decisions, reviewed by Executive Board.

The Executive Board carries out its business analysis, segmenting it from the perspective of the markets in which it operates: Domestic (Domestic market - Brazil) and Exports (Foreign market- Other countries).

The income generated by the operating segments is derived exclusively from the manufacture and sale of ceramic tiles used in the construction industry.

The Executive Board assesses the performance of the operational segments based on the measurement of operating income (income before net interest and income taxes - EBIT) and does not take into account the assets for analysis of the performance of the segments, since the Company's assets are not segregated.

In thousands of Reais, unless otherwise indicated

Information per business segment, reviewed by the Executive Board:

a) Income (loss) for the 3Q15 and 3Q14:

	September 30, 2015			September 30, 2014		
Continued operations	Brazil	Other countries	Total	Brazil	Other countries	Total
Revenue	256,332	43,917	300,249	227,007	24,479	251,486
Cost of goods sold	(161,789)	(27,719)	(189,508)	(145,752)	(14,246)	(159,998)
Gross operating profit	94,543	16,198	110,741	81,255	10,233	91,488
Net operating income (expenses)	(46,130)	(7,903)	(54,033)	(38,377)	(5,754)	(44,131)
General, administrative and sales	(56,147)	(9,620)	(65,767)	(45,180)	(5,001)	(50,181)
Other net operating income (expenses)	(5,057)	(866)	(5,923)	(4,726)	(473)	(5,199)
Other net gains (losses)	15,074	2,583	17,657	11,529	(280)	11,249
Operating income before financial income/expenses	48,413	8,295	56,708	42,878	4,479	47,357
% over ROL	19%	19%	19%	19%	18%	19%

b) Net income (loss) for the 3H15 and 3H14:

	September 30, 2015			September 30, 2014		
Continued operations	Brazil	Other countries	Total	Brazil	Other countries	Total
Revenue	694,447	106,466	800,913	622,510	68,560	691,070
Cost of goods sold	(451,826)	(48,722)	(500,548)	(390,896)	(45,615)	(436,511)
Gross operating profit	242,621	57,744	300,365	231,614	22,945	254,559
Net operating income (expenses)	(156,019)	(16,824)	(172,843)	(138,119)	(16,118)	(154,237)
General, administrative and sales	(159,766)	(17,228)	(176,994)	(129,563)	(15,119)	(144,682)
Other net operating income (expenses)	(15,754)	(1,699)	(17,453)	(13,977)	(1,631)	(15,608)
Other net gains (losses)	19,501	2,103	21,604	5,420	633	6,053
Operating income before financial income/expenses	86,602	40,920	127,522	93,495	6,827	100,322
% over ROL	12%	38%	16%	15%	10%	15%

The Company has no clients that individually represent more than 10% of net sales.

39 Commitments

a) Commitments for the acquisition of assets

Expenditures contracted on the balance sheet date but not yet incurred referring to Property, plant and equipment on September 30, 2015 totaled R$ 415.

b) Commitment with operational lease

Operational leases refer to acquisition of vehicles. Non-cancellable future minimum payments, on September 30, 2015 and December 31, 2014, amount to R$ 604 and R$ 1,168, respectively, for less than one year. For more than one year and less than five years, R$ 759 and R$ 367, respectively.

40 Insurance coverage

Current insurance coverage is considered sufficient by Management to cover possible claims. On September 30, 2015, coverage for fire, ray and explosion of any nature was R$84,000, for windstorm and smoke with impact of vehicles, R$25,000, for loss of profit, R$51,115, and for electric damage, riots and civil liabilities, R$5,600. The policy is in force from April 14, 2015 to April 13, 2016.

The Company also has Civil Liability Insurance for Management (D&O), contracted from ACE Seguros Soluções Corporativas S/A to cover losses and damages to third parties resulting from actions related to the exercise of their functions and attributions, up to the amount of R$ 10 million, with validity from August 27, 2015 to August 27, 2016.

In thousands of Reais, unless otherwise indicated

In addition, the Company contracted a policy from Fairfax Brasil to guarantee labor claim no. 0234100-60.1998.5.05.0015 totaling R$33,548, effective from June 24, 2014 to June 24, 2017.

41 Related companies and parties

Products and raw materials purchase and sale and service contracting transactions, as well as loans and fund raising financial transactions between the Parent company and subsidiaries were realized as detailed below.

Nature	Transactions with related parties	September 30, 2015	December 31, 2014
Assets			
Dividends receivable	Portobello Shop S.A.	-	9,472
Accounts receivable	Portobello América, Inc.	81,341	54,383
Accounts receivable	PBTech Com. Serv. Cer. Ltda.	5,673	5,947
Loan	PBTech Com. Serv. Cer. Ltda.	-	1,092
Trade receivables	Portobello Shop S.A.	23	3
Credits with Subsidiaries - Noncurrent		87,037	61,425
Credits with other related parties	Refinadora Catarinense S.A.	94,359	88,893
Liabilities			
Prepaid dividends	Portobello Shop S.A.	-	6,461
Other transactions			
Advances to suppliers	Mineração Portobello Ltda.	966	1,451
Accounts receivable net of advance	Solução Cerâmica Com. Ltda.	420	44
Accounts receivable net of advance	Flooring Revest. Cer. Ltda.	952	293
Rent	Gomes Part. Societárias Ltda.	(32)	-
		2,306	1,788

		3rd Quarter		Accumulated	
Nature	Transactions with related parties	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenue					
Rendering of services	Portobello Shop S.A.	-	1,497	-	4,491
Sale of goods	Solução Cerâmica Com. Ltda.	3,962	5,684	14,073	15,111
Sale of goods	Flooring Revest. Cer. Ltda.	2,986	2,391	7,500	6,676
Sale of goods	PBTech Com. Serv. Cer. Ltda.	6,022	941	14,286	2,534
Expenses					
Cost of services rendered	Portobello Shop S.A.	-	(1,184)	-	(3,703)
Purchases of goods	Mineração Portobello Ltda.	(1,352)	(1,027)	(4,080)	(2,931)
Rent	Gomes Participações Societárias Ltda.	(83)	(117)	(343)	(323)
		11,535	8,185	31,436	21,855

The subsidiary Portobello Shop is guarantor of the Company in certain financing operations (see Note 20).

In thousands of Reais, unless otherwise indicated

Related party transactions

Portobello Shop presents accounts receivable and income from services related to royalties of four franchises that are related parties. One subsidiary of the Company and two of its related companies comprise the network of franchises. Transactions:

					3rd Quarter		Accumulated	
Transactions with related parties	Nature	September 30, 2015	December 31, 2014	Nature	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	Assets			Revenue				
Solução Cerâmica Com. Ltda.	Accounts receivable	614	353	Royalties	1,513	1,430	4,047	3,465
Flooring Revest. Cer. Ltda.	Accounts receivable	316	149	Royalties	769	637	1,972	1,758
		930	502		2,282	2,067	6,019	5,223

Compensation of key management personnel

The remuneration of the key management personnel, comprising members of the Executive Board, Board of Directors, Statutory Audit Board and senior management for the quarter ended September 30, 2015 and 2014 are:

a) Expenses incurred in the 3Q15 and 3Q14

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Fixed compensation				
Salaries	2,511	2,592	3,003	3,091
Fees	1,175	1,129	1,175	1,129
Variable compensation	2,689	1,851	3,013	2,216
Short-term direct and indirect employee benefits	-			
Pension plans	222	214	222	225
Other	362	346	426	409
Severance benefits	-	30	-	117
	6,959	6,162	7,840	7,187

In thousands of Reais, unless otherwise indicated

b) Expenses incurred in the 3H15 and 3H14

	Parent Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Fixed compensation				
Salaries	7,471	7,377	8,981	8,823
Fees	3,351	3,008	3,351	3,008
Variable compensation	6,177	6,360	7,128	7,067
Short-term direct and indirect employee benefits	-			
Pension plans	644	586	662	623
Other	1,054	1,004	1,254	1,196
Severance benefits	51	256	383	453
	18,748	18,591	21,759	21,170

42 Supplementary information to the cash flow

The main transactions not involving cash and cash equivalents in the quarter as of September 30, 2015, were the following:

	Parent Company	Consolidated
Capital increase	23,000	23,000
PPE trade payables	(21,069)	(21,069)
AFAC subsidiary Companhia Brasileira de Cerâmica	13,961	-

Report on the Quarterly Information review - ITR

To the Directors, Officers and Shareholders
Portobello S.A.
Tijucas - SC

Introduction
We have reviewed the interim, individual and consolidated financial statements of the company Portobello S.A. (“Company”), contained in the Quarterly Information Form - IRT for the quarter ended September 30, 2015, consisting of the balance sheets as of September 30, 2015 and the related statements of income, the comprehensive statements of income for the three- and nine-month periods then ended, the statement of changes in shareholders’ equity and statements of cash flows for the nine-month period then ended, in addition to the notes to the financial statements.

Company Management is responsible for preparing the individual interim financial statements in accordance with CPC Technical Pronouncement 21(R1) - Interim reporting and the consolidated interim financial statements in accordance with CPC 21(R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, for presenting this information in due accordance with the standards issued by the Brazilian Securities Commission that apply to the preparation of Quarterly Information - ITR. Our responsibility is to express an opinion on the interim financial statements based on our review.

Review scope
We conducted our review in accordance with Brazilian and international standards for reviewing interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily to the management responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is significantly less than an audit to be conducted in accordance with auditing standards, and, consequently, it does not enable us to obtain assurance that we were aware of all the material matters that would have been identified in an audit. We are not therefore expressing an audit opinion.

Conclusion about the individual interim information
Our review did not detect any facts that suggest the individual interim financial statements were not prepared, in all material respects, in accordance with CPC 21 (R1) that applies to Quarterly Information - ITR, presented in accordance with the standards issued by the Brazilian Securities Commission - CVM.

Conclusion about the consolidated interim information
Based on our review we are not aware of any facts that lead us to believe the consolidated interim financial information included in the aforesaid quarterly information has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 issued by IASB applicable to the preparation of Quarterly Information - ITR, presented in a manner consistent with the requirements set forth by the Brazilian Securities Commission - CVM.

Other matters

Statements of Added Value

We have also reviewed the individual and consolidated Statements of added value (DVA) for the nine-month period ended September 30, 2015, prepared by Company management, the presentation of which in the interim information is required by the standards issued by the CVM - Brazilian Securities Commission applicable to the preparation of the Quarterly Information - ITR and is considered supplementary information to IFRS which does not require the publication of DVAs. These statements were subject to the same review procedures described above and based on our review we are not aware of any facts that lead us to believe they have not been prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Florianópolis, November 05, 2015

KPMG Auditores Independentes
CRC SC-000071/F-8

Claudio Henrique Damasceno Reis
Accountant CRC SC-024494/O-1

Opinions and Statements / Statement of the Executive Officers on the Financial Statements

Representation of the Officers about the Financial Statements and Independent

Auditors' Special Review Report

Pursuant to CVM Directive 480/09 (Article 28,I) and items V and VI of Article 25 of this Directive, the management of Portobello S.A. represents that they have:

(i) reviewed, discussed and agree with the Company's quarterly information for the quarter ended 9/30/2015;

(ii) reviewed, discussed and accept the opinions expressed in the KPMG Independent Auditors' special review report relating to the Company's Quarterly Information for the quarter ended 9/30/2015.

Members of the Executive Board

Cesar Gomes Júnior - CEO Cláudio

Ávila da Silva - Vice-President

John Shojiro Suzuki - CFO and Investor Relations Officer Mauro do

Valle Pereira - Officer

Tijucas, November 06, 2015.

Cesar Gomes Júnior

Cláudio Ávila da Silva

John Shojiro Suzuki

Mauro do Valle Pereira

Opinions and Statements / Statement of the Executive Officers on the Independent auditors' report

Pursuant to CVM Directive 480/09 (Article 28,I) and items V and VI of Article 25 of this Directive, the management of Portobello S.A. represents that they have:

(i) reviewed, discussed and agree with the Company's quarterly information for the quarter ended 9/30/2015;

(ii) reviewed, discussed and accept the opinions expressed in the KPMG Independent Auditors' special review report relating to the Company's Quarterly Information for the quarter ended 9/30/2015.

Members of the Executive Board
Cesar Gomes Júnior - CEO
Cláudio Ávila da Silva - Vice-President
John Shojiro Suzuki - CFO and Investor Relations Officer
Mauro do Valle Pereira - Officer

Tijucas, November 06, 2015.

Cesar Gomes Júnior

Cláudio Ávila da Silva

John Shojiro Suzuki

Mauro do Valle Pereira