São Paulo, Brazil, March, 2nd 2015 - Metalfrio Solutions S.A. (FRIO3) (“Metalfrio”), one of the world’s largest manufacturers of plug–in commercial refrigeration equipment, announces its results for the fourth quarter of 2014 (“4Q14”). Financial and operational information given is in accord with international accounting standards (IFRS), in Reais (R$). Comparisons are with the fourth quarter of 2013 (“4Q13”) or as indicated.

Highlights (4Q and full year 2014 vs 2013)

- 4Q14 net revenue up 3.6% to R$211.0 million; full year revenues up 8.4% to R$881.4 million
- EBITDA in 4Q14 of R$6.2 million up 3x compared to same period last year (4Q13: R$1.6 million); full year EBITDA up 57.7% to R$43.9 million (full year 2013: R$27.8 million)
- Strong operating cash flow of R$70.3 million in the quarter driven by disciplined working capital performance; full year 2014 operating cash flow of R$54.5 million (FY2013: R$49.1 million), excluding hedge operation, the operating cash flow generation full year 2014 was R$88.7 million vs R$46.2 million in 2013.
- Good progress towards balance sheet ambitions, with net debt to EBITDA ratio at 6.6x at year end compared to 9x at the end of 2013 (Net debt at R$289.5 million vs FY2013: R$250.6 million), despite significant adverse currency impact on debt

President & CEO Petros Diamantides said:

“Metalfrio delivered top-line growth in a seasonally weaker quarter concluding a second consecutive year of record sales demonstrating our evolving competencies in commercially-relevant innovation, competitiveness and lifetime cost optimization that demonstrably generate incremental value for our stakeholders, in particular our customers.

In the Americas, we achieved our seventh successive quarter of sales growth and despite the effect of the Tres Lagoas production loss in 3Q, the operational improvements and overhead cost control have contributed to the improved operational performance for the year. Despite the challenging market conditions in Europe, by staying close to our customers, we remain well placed for the eventual market recovery.

Whilst our focus on cash generation has yielded gains in cash-cycle days and continued CAPEX discipline, the negative impact of volatility across our operating currencies remains challenging. Nevertheless, we continue to deliver significant underlying improvements, as evidenced by our progress in EBITDA performance during the year.

Through prioritising our customers and delivering working capital and efficiency gains throughout our business, we are strengthening our market position for the future, whilst continuing to strengthen our capital structure. Looking into 2015, we are confident that our strategic priorities will ensure we remain on track to deliver our medium term objectives.”

(Reais million)	4Q14	4Q13	% Var	FY14	FY13	% Var
Revenues	**211.0**	**203.6**	3.6	**881.4**	**813.1**	8.4
Gross Profit	**22.5**	**24.8**	(9.4)	**105.6**	**105.9**	(0.3)
Op. Profit	**(0.3)**	**(8.3)**	96.5	**17.8**	**0.1**	n/m
EBITDA	**6.2**	**1.6**	284.8	**43.9**	**27.8**	57.7

Performance by region

Revenue (Reais million)	4Q14	4Q13	% Var	FY14	FY13	% Var
Americas	**163.4**	**134.6**	**21.4**	**590.8**	**471.1**	**25.4**
Europe	**47.6**	**69.0**	**(31.0)**	**290.6**	**342.0**	**(15.0)**

Americas

The return of Tres Lagoas to usual production levels, together with ongoing success in expanding our customer base, led to a 21.4% increase in 4Q14 revenues and a 25.4% increase for the full year.

Both key geographies contributed equally to the strong result, with Brazil achieving 20% growth in revenues for 4Q14 (+22.5% for the full year) and Mexico growing revenues 27.1% in the quarter (full year +40.4%). Our focus on optimised product mix and innovation propositions continues to drive value, with average price per unit (our measure of sales mix optimisation) rising 6.2% in the quarter, and 12% in the full year. In addition, our strong Life Cycle service offering continues to drive revenue diversification as customers increasingly are attracted to its compelling offering.

In Brazil revenue growth was driven by:

- The return to normal production at our Tres Lagoas plant
- The continued success of our commercial strategy across both volume gains and revenue per unit optimisation, with average price per unit up 5.4% in the quarter, and 12.1% in the full year
- Further penetration of our Life Cycle service within our customer base, which resulted in 10.1% growth in services business during the quarter and 16.8% in the full year, continuing the momentum delivered by this important growth platform

In Mexico we delivered further expansion of our customer base demonstrating our ability to translate customer requirements into innovative and competitive products that deliver superior performance at the point-of-sale. In addition, our strategy of focusing on driving value through innovative offerings, resulted in an improved sales mix with average price per unit rising 23.5% in the quarter, and 7.3% for the full year.

Europe

During the seasonally weak fourth quarter, we experienced a continuation of the adverse trading conditions seen in previous periods, with continuing volatility in the Middle East, Ukraine and Russia. As a result, sales in the quarter fell 31% compared to 4Q13, leading to a 15% decline in full year sales. However, our commitment to innovate in a difficult market enabled us to partly offset volume declines with improved average revenue per unit, up 15.1% in the quarter and 1.1% for the full year.

Financial overview

Consolidated Net Revenue was up by 3.6% to R$211.0 million, compared to 4Q13, with growth in Americas (+21.4%) offsetting the revenue decline in Europe (-31%). Revenues for the full year increased 8.4%, driven by the Americas, up 25.4%, offsetting Europe which declined 15%.

Gross Profit decreased 9.4% to R$22.5 million in 4Q14, driven by the impact of negative operating leverage in Europe. Full year 2014 gross profit of R$105.6 million was largely unchanged compared to prior year, with gross margin down 104 bps with the effect of negative operating leverage in Europe and the production loss in Brazil partly compensated by ongoing operational improvements.

SG&A expenses were significantly reduced by 18.1% in 4Q14 versus the comparable last year period. As a percentage of revenues in 4Q14, SG&A expenses were at 15.8% representing a 419 basis points improvement compared to 4Q13.

On a full year basis, SG&A reduced 6.6%, representing 13.9% of revenues in 2014 compared to 16.2% in 2013. This reflects our disciplined focus on efficiencies in an inflationary environment, through reducing costs and further optimising Brazil freight and warranty costs.

Operating profit of negative R$0.3 million, improved compared to negative R$8.3 million in 4Q13. This was driven by negative operating leverage in Europe, partly compensated by strong performance in the Americas and improved SG&A.

On a full year basis, operating profit increased significantly to R$17.8 million from broadly break-even in the prior year period, mainly due to SG&A improvements.

EBITDA for the quarter increased from R$1.6 million to R$6.2 million, with margin improving by 214 bps vs 4Q13 to 2.9%.

On a full year basis EBITDA improved by 57.7%, with margin expansion of 156 bps.

Net Finance items stood at negative R$38.5 million in 4Q14 compared to an expense of R$8.8 million in 4Q13. This deterioration was mainly due to the Brazilian and Russian currency devaluation. As a result, the company recorded a loss of R$27.2 million in 4Q14 compared to a loss of R$13.7 million in 4Q13. For full year 2014, a net loss of R$66.1 million was recorded, versus a net loss of R$18.8 million in 2013, impacted by a hedging losses of R$34.2 million and the effect of currency devaluation R$33.7 million

Net debt at the end of 2014 was R$289.5 mn compared to R$ 250.6 mn at the end of 2013. In line with our commitment to strengthen the capital structure, net debt to EBITDA improved from 9x to 6.6x. On a neutral currency basis with December/13 net debt would be R$196.8 million. Our debt maturity profile continues to improve, with long term debt as a percentage of total debt now at 44.0%, compared to 37.8% at the end of 2013.

Outlook

Metalfrio remains cautious in 2015 with regards to the external factors impacting its established Europe operations. However, we expect to maintain the positive momentum in our Americas operations, as well as making further progress in the new markets that we service from Europe and in particular, Asia and Africa.

We will continue to prioritise customer value-creation, ensuring that we provide innovative, market-leading solutions that help our customers meet future challenges. Metalfrio has built strong and unique positions in its key markets, and will focus on its superior after sales services offer which it believes could be a key differentiator in the value chain proposition for customers, further complimenting the Company's well-invested, and well located, global production hubs. We continue to expect further market share gains from our existing geographies, whilst also pursuing international commercial expansion into new and exciting high growth markets with low Metalfrio presence, such as Asia and Africa.

Metalfrio continues to apply a strong level of financial discipline with regards to capital allocation and working capital improvements, as well as higher sales with improved margins to generate increased cash flow. Whilst currency volatility will continue to impact reported net debt levels in the near term, Metalfrio is confident that its strategic plans will achieve further improvements during 2015, moving towards delivering a net debt to EBITDA ratio of below 3x in the medium term.

Consolidated Income Statement (R$ million) – 4th Quarter

	4Q14	% Net Sales	4Q13	% Net Sales	Chg. 4Q14 vs 4Q13
GROSS REVENUES					
Sales of products in domestic market	213,8	80,9%	183,5	73,0%	16,5%
Sales of products in foreign market	31,0	11,7%	51,8	20,6%	-40,2%
Services	19,6	7,4%	16,1	6,4%	21,7%
	264,4	100,0%	251,5	100,0%	5,1%
SALES DEDUCTIONS					
Sales Taxes	(47,4)	-17,9%	(41,6)	-16,6%	13,9%
Returns and discounts	(6,0)	-2,3%	(6,3)	-2,5%	-4,1%
NET REVENUES	211,0	100,0%	203,6	100,0%	3,6%
Cost of good and services rendered	(188,5)	-89,4%	(178,8)	-87,8%	5,4%
GROSS PROFIT	22,5	10,6%	24,8	12,2%	-9,4%
OPERATING INCOMES (EXPENSES)					
Selling expenses	(20,6)	-9,7%	(22,7)	-11,2%	-9,6%
Administrative and general expenses	(11,7)	-5,6%	(13,3)	-6,5%	-11,5%
Management remuneration	(1,1)	-0,5%	(4,7)	-2,3%	-77,6%
Other operating income	10,6	5,0%	7,7	3,8%	38,3%
RESULTS BEFORE NET FINANCIAL	(0,3)	-0,1%	(8,3)	-4,1%	-96,5%
NET FINANCIAL RESULT	(38,5)	-18,3%	(8,8)	-4,3%	340,1%
Financial expenses	(48,3)	-22,9%	(5,1)	-2,5%	853,0%
Financial income	9,8	4,6%	(3,7)	-1,8%	-364,5%
RESULTS BEFORE TAXES	(38,8)	-18,4%	(17,0)	-8,4%	128,1%
INCOME AND SOCIAL CONTRIBUTION TAXES					
Current	0,2	0,1%	(0,6)	-0,3%	-135,8%
Deferred	11,4	5,4%	3,4	1,7%	230,6%
NET RESULT FOR THE PERIOD	(27,2)	-12,9%	(14,2)	-7,0%	92,4%

Consolidated Income Statement (R$ million) – FY Basis

	2014	% Net Sales	2013	% Net Sales	Chg. 2014 vs 2013
GROSS REVENUES					
Sales of products in domestic market	825,3	75,8%	726,9	72,7%	13,5%
Sales of products in foreign market	193,9	17,8%	222,6	22,3%	-12,9%
Services	69,5	6,4%	50,1	5,0%	38,9%
	1.088,6	100,0%	999,5	100,0%	8,9%
SALES DEDUCTIONS					
Sales Taxes	(182,7)	-16,8%	(167,8)	-16,8%	8,8%
Returns and discounts	(24,6)	-2,3%	(18,6)	-1,9%	32,1%
NET REVENUES	881,4	100,0%	813,1	100,0%	8,4%
Cost of good and services rendered	(775,9)	-88,0%	(707,3)	-87,0%	9,7%
GROSS PROFIT	105,6	12,0%	105,9	13,0%	-0,3%
OPERATING INCOMES (EXPENSES)					
Selling expenses	(76,5)	-8,7%	(85,2)	-10,5%	-10,1%
Administrative and general expenses	(42,8)	-4,9%	(38,7)	-4,8%	10,7%
Management remuneration	(3,5)	-0,4%	(7,8)	-1,0%	-54,9%
Other operating income	35,1	4,0%	25,8	3,2%	36,0%
RESULTS BEFORE NET FINANCIAL	17,8	2,0%	0,0	0,0%	40284,9%
NET FINANCIAL RESULT	(109,3)	-12,4%	(30,3)	-3,7%	261,0%
Financial expenses	(171,2)	-19,4%	(119,6)	-14,7%	43,2%
Financial income	62,0	7,0%	89,3	11,0%	-30,6%
RESULTS BEFORE TAXES	(91,5)	-10,4%	(30,2)	-3,7%	202,8%
INCOME AND SOCIAL CONTRIBUTION TAXES					
Current	(3,9)	-0,4%	(4,2)	-0,5%	-7,2%
Deferred	29,3	3,3%	15,6	1,9%	87,5%
NET RESULT FOR THE PERIOD	(66,1)	-7,5%	(18,8)	-2,3%	251,6%

Consolidated Balance Sheet (R$ million)

ASSETS	2014	2013
CURRENT ASSETS		
Cash and cash equivalents	239,5	243,2
Marketable securities	175,3	229,6
Trade accounts receivable	108,8	143,7
Inventories	178,6	186,9
Recoverable taxes	26,3	25,7
Accounts receivable on derivatives	-	2,0
Other accounts receivable	7,3	9,4
Total current assets	735,9	840,3
NON-CURRENT		
Long-term receivables:		
Deferred taxes	64,3	23,8
Recoverable taxes	4,8	4,7
Property, plant and equipment	184,3	198,1
Intangible assets	147,4	143,3
Total non-current	400,8	370,0
TOTAL	1.136,7	1.210,3

LIABILITIES, NON-CONTROLLING INTEREST AND SHAREHOLDERS' EQUITY	2014	2013
CURRENT LIABILITIES		
Accounts payable to suppliers	174,5	156,8
Loans and financing	394,7	449,7
Tax payable	7,9	8,0
Payroll and related charges	19,5	20,5
Other provisions	23,3	15,9
Related parties	3,1	1,5
Other accounts payable	13,0	9,1
Total current liabilities	636,0	661,5
NON-CURRENT		
Loans and financing	309,6	273,7
Provision for contingencies	4,3	1,1
Other accounts payable	6,1	5,5
Total non-current liabilities	320,1	280,3
SHAREHOLDERS' EQUITY		
Capital	240,0	240,0
Capital reserve	2,6	2,6
Profit reserve	0,9	32,6
Treasury shares	(3,9)	(3,9)
Equity valuation adjustments	(14,5)	21,6
Goodwill on equity transactions	(44,5)	(44,5)
Accumulated profits (losses)	(25,0)	-
Controlling Shareholders	155,8	248,4
Non-controlling interest	24,9	20,1
Total Shareholders' equity	180,6	268,5
TOTAL	1.136,7	1.210,3

Consolidated Cash Flow (R$ million) – FY Basis

	2014	2013
OPERATING CASH FLOW		
Net Result	(66,1)	(18,8)
Reconciliation of net result and operating cash flow		
Depreciation and amortization	26,0	23,5
Contingency provisions	3,2	0,4
Sundry provisions	7,4	(0,5)
Derivatives Gain & Loss Provisions	2,0	(1,7)
Stock option plan	0,1	0,4
FX variation	29,6	68,9
Interest on loans	24,8	24,1
Residual value of fixed assets written off or sold	3,4	0,6
Income tax and social contribution	(29,3)	(15,6)
	1,2	81,3
(Increase) reduction of assets:		
Current:		
Receivables from clients	32,8	(8,7)
Inventory	8,2	(65,8)
Recoverable taxes	(0,6)	(13,6)
Other receivables	2,0	0,2
Non-current:		
Recoverable taxes	(0,1)	(0,7)
	42,3	(88,6)
Increase (reduction) of liabilities:		
Current:		
Suppliers	6,0	54,2
Taxes payable	(0,2)	(1,7)
Payroll charges	(1,0)	2,2
Payables with related parties	1,6	1,4
Other payables	3,9	(0,9)
Non-current:		
Other payables	0,6	1,3
	11,0	56,5
Net cash generated (consumed) by operating activities	54,5	49,1
INVESTMENT CASH FLOW		
Addition to fixed assets	(21,3)	(17,2)
Addition to intangible assets	(8,3)	(9,6)
Bonds and securities	54,3	(28,2)
FX variation on Net Investment	(35,0)	3,3
Net cash generated (consumed) by investing activities	(10,3)	(51,7)
FINANCING CASH FLOW		
Draw down of loans	172,7	293,9
Payment of loans	(245,5)	(210,3)
Payment of interest	(28,1)	(20,3)
Net cash generated (consumed) by financing activities	(100,9)	63,3
FX VARIATION ON CASH AND CASH EQUIVALENTS	53,0	6,2
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(3,6)	67,0
CASH AND EQUIVALENTS		
Final balance	239,5	243,2
Initial balance	243,2	176,2
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(3,6)	67,0

Reconciliation of consolidated EBITDA and Adjusted EBITDA

The following table presents the historical Adjusted EBITDA which is included for comparative purposes as there are no adjustments this quarter:

Consolidated EBITDA (in mn Reais)	4Q13	1Q14	2Q14	3Q14	4Q14
Operating result	-8.3	5.6	13.7	-1.2	-0.3
Depreciation and amortization	6.0	6.7	6.4	6.4	6.5
EBITDA	**-2.3**	**12.3**	**20.1**	**5.2**	**6.2**
Stock option plan expenses (i)	0.0	0.0	0.0	0.1	0.0
Lay-offs	3.9	0.0	0.0	0.0	0.0
Adjusted EBITDA	**1.6**	**12.3**	**20.1**	**5.3**	**6.2**

Adjustments to Ebitda:

i. Stock options plan Expenses of the stock options plan are recognized in the profit and loss account during the period in which the entitlement is acquired, calculated in accordance with Accounting Statement CPC 10, approved by CVM Decision 562/08.

ii. Extraordinary one-time expenses: EBITDA is adjusted for these expenses to maintain the comparison base with the other periods.

Financial Result (R$ mn)	4Q13	4Q14	Chg. 4Q14/ 4Q13
Result with cash investments	7.7	-6.8	-14.5
Other financial income	2.5	0.1	-2.4
Interest and Other Income	**10.1**	**-6.7**	**-16.9**
Interest on loans and financing	-7.1	-5.3	+1.8
Other financial expenses	-2.5	-5.8	-3.3
Interest and Other Expenses	**-9.6**	**-11.1**	**-1.5**
Hedge operations gains	9.0	0.0	-9.0
Hedge operations losses	-9.9	-1.5	+8.4
Hedge Operations Result	**-0.9**	**-1.5**	**-0.6**
FX variation gains	-22.8	16.5	+39.3
FX variation losses	14.5	-35.7	-50.1
Net FX Variation	**-8.3**	**-19.2**	**-10.8**
Net Financial Result	**-8,8**	**-38.5**	**-29.8**

Working capital

At the end of 4Q14 working capital, less financial assets and liabilities, was R$79.7mn, which compares to R$153.7mn at the end of 4Q13. The operational cash cycle at the end of 4Q14 was 39 days, 28 days lower than at the end of 4Q13, and 40 days lower than at the end of 3Q14.

WORKING CAPITAL (R$ mn)	4Q13	1Q14	2Q14	3Q14	4Q14	Chg. 4Q14/ 4Q13	Chg. 4Q14/ 3Q14
Current assets:							
Cash and equivalents, bonds and securities	472.8	358.4	285.6	337.5	414.9	-57.9	+77.4
Accounts receivable	143.7	162.9	186.7	137.8	108.8	-34.9	-29.0
Inventory	186.9	210.6	209.3	186.7	178.6	-8.2	-8.1
Other	35.0	45.6	46.6	38.1	33.6	-1.4	-4.6
Financial assets	2.0	0.0	0.0	0.0	0.0	-2.0	+0.0
A) Total	**840.3**	**777.6**	**728.1**	**700.1**	**735.9**	**-104.5**	**+35.8**
B) Current assets (less fin. assets)	**365.5**	**419.2**	**442.5**	**362.6**	**321.0**	**-44.5**	**-41.6**
Current liabilities:							
Accounts payable	156.8	151.5	138.3	122.8	174.5	+17.6	+51.7
ST debt	449.7	352.5	405.4	350.7	394.7	-55.0	+44.0
Other	55.0	56.7	62.6	67.7	66.8	+11.8	-0.8
Financial liabilities	0.0	19.0	4.3	4.7	0.0	+0.0	-4.7
C) Total	**644.2**	**579.6**	**610.5**	**545.8**	**636.0**	**-8.2**	**+90.2**
D) Current liabilities (less fin. liab.)	**211.8**	**208.2**	**200.8**	**190.4**	**241.3**	**+29.4**	**+50.8**
Working capital (B-D)	**153.7**	**211.0**	**241.7**	**172.2**	**79.7**	**-74.0**	**-92.5**
Days of receivables	51	56	55	49	37	-14	-12
Days of inventory	94	104	88	88	85	-9	-3
Days of suppliers	79	75	58	58	83	+4	+25
Cash cycle	**67**	**85**	**84**	**79**	**39**	**-28**	**-40**
Current liquidity (A/C)	1.3x	1.3x	1.2x	1.3x	1.1x	n/m	n/m

Accounts Receivable

Accounts receivable from customers, at R$108.8mn at the end of 4Q14, reduced R$34.9mn when compared to R$143.7mn at the end of 4Q13. Receivables in terms of days decreased from 51 at the end of 4Q13 to 37 days in 4Q14.

Inventories

Inventories at R$178.6mn at end of 4Q14 were down R$8.2mn when compared to 4Q13 (R$186.9 mn). Inventory in number of days is lower at 85 at the end of 4Q14 vs 94 days at the end of 4Q13.

Accounts Payable

Supplier outstanding payables were up R$17.6mn at R$174.5mn at the end of 4Q14, vs. R$156.8mn at end 4Q13. Payables days increased to 83 compared to 79 days in 4Q13.

Investments

Fixed assets

Net property, plant and equipment at 4Q14 was R$184.3mn, R$13.8mn lower than 4Q13.

Intangible assets

The total of intangible assets at 4Q14 was R$147.4mn, increased from R$143.3mn at 4Q13.

FIXED ASSETS (R$ mn)	4Q13	1Q14	2Q14	3Q14	4Q14	Chg. 4Q14/ 4Q13	Chg. 4Q14/ 3Q14
Net PP&E	198.1	189.1	186.6	188.1	184.3	-13.8	-3.8
Intangibles	143.3	143.5	143.2	145.1	147.4	+4.0	+2.3
Total	**341.4**	**332.6**	**329.8**	**333.2**	**331.6**	**-9.8**	**-1.5**

Capitalization and liquidity

Debt

Cash (including marketable securities) at 4Q14 was R$414.9mn, compared to R$337.5mn at 3Q14. Gross debt at 4Q14 was R$704.4mn compared with R$657.1mn in 3Q14; despite the impact of non-cash items relating to the currency devaluation, net debt at 4Q14 improved to R$289.5mn compared to R$319.6mn in 3Q14.

LIQUIDITY INDICATORS (R$ mn)	4Q13	1Q14	2Q14	3Q14	4Q14	Chg. 4Q14/ 4Q13	Chg. 4Q14/ 3Q14
Cash and equivalents, bonds and securities	**472.8**	**358.4**	**285.6**	**337.5**	**414.9**	**-57.9**	**+77.4**
Short term debt (ST)	449.7	352.5	405.4	350.7	394.7	-55.0	+44.0
Long term debt (LT)	273.7	311.6	225.7	306.4	309.6	+36.0	+3.2
USD denominated debt	555.4	488.7	467.0	451.2	466.7	-88.7	+15.5
BRL denominated debt	26.6	24.9	22.5	20.4	19.0	-7.7	-1.4
Euro denominated debt	140.8	149.8	141.7	185.6	218.7	+78.0	33.1
Other Currencies	0.6	0.6	-	-	-	-0.6	-
Gross debt	**723.4**	**664.1**	**631.1**	**657.1**	**704.4**	**-19.0**	**+47.2**
Net cash / (Net debt)	**-250.6**	**-305.7**	**-345.6**	**-319.6**	**-289.5**	**-38.9**	**+30.2**
Shareholders' equity (Equity)	**268.5**	**248.4**	**256.0**	**217.4**	**180.6**	**-87.8**	**-36.8**
Cash and equiv. / ST debt	1.1x	1.0x	0.7x	1.0x	1.1x	n/m	n/m
ST debt / (ST + LT)	62.2%	53.1%	64.2%	53.4%	56.0%	n/m	n/m
Net cash (Net debt) / Equity	-0.9x	-1.2x	-1.3x	-1.5x	-1.6x	n/m	n/m
Net debt / (Net debt + Equity)	48.3%	55.2%	57.4%	59.5%	61.6%	n/m	n/m

Short-term debt at 4Q14 was down to R$394.7mn as compared to R$ 449.7mn at 4Q13 with long term debt as a percentage of total debt up from 37.8% in 4Q13 to 44.0% in 4Q14.

The Company manages its funds through a financial risk management policy approved by the Board of Directors. The policy establishes, among others:

a) Current Net Debt to Equity of prior quarter ratio, less than 0.75x;

b) Long-term indebtedness to total indebtedness ratio, higher than 40%;

c) Minimum consolidated cash limit of R$ 50 million in addition to the financial debt payment schedule for the following quarter.

Whilst the Net Debt to Equity ratio (a) and long term debt ratio (b) for 4Q14 were outside the limit, the company is confident that the liquidity situation of the company remains strong. Further in line with the strategic priority of the company to reduce financial leverage it believes it will bring the ratio to within the defined limits of the financial policy.

Stockholders’ equity

Stockholders’ equity at 4Q14 was R$180.6mn, which compares to R$268.5mn at 4Q13.

Investor Relations Contact

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São Paulo – SP – Brasil

Conference Call

English
Date: **March 3, 2015**
Time: 11:00 a.m. São Paulo
09:00 a.m. New York
+1 (646) 843 6054
Password: Metalfrio
Telephone for replay:
+55 (11) 2188 0400
Password: Metalfrio

Portuguese
Date: **March 3, 2015**
Time: 11:00 a.m. São Paulo
09:00 a.m. New York
+55 11 2188-0155
Password: Metalfrio
Telephone for replay:
+55 11 2188-0400
Password: Metalfrio

Other Information

Management Statement

In accordance with article 25 of Instruction 480/2009 of the CVM (Brazilian Securities Commission – Comissão de Valores Mobiliários), the Company's Management states it has discussed, revised and agreed with the Independent Auditor's Opinion and with the accounting statements relative to the business year ended December 31, 2014.

Relationship with external auditors

In accordance with Instruction 381/2003 of the CVM (Brazilian Securities Commission – Comissão de Valores Mobiliários), we report that in 2014 we did not hire our Independent Auditors for services not related to external auditing.

The Company policy for hiring independent auditing services assures there are no conflict of interests, loss of independency or objectivity for services eventually rendered by independent auditors not related to external auditing.

Commitment Clause

The Company, its shareholders, administrators and members of its Tax Board, if installed, are responsible for solving, through arbitration, any and every dispute or controversy that might arise among them, related or resulting, specially, of application, validity, effectiveness, interpretation, violation and its effects, of provisions set forth in the Business Corporation Act, the Company's Bylaws, in the rules edited by CMN, by the Central Bank of Brazil and by CVM, as well as in other rules applicable to operation of general capital markets, besides those included in the Regulation of *Novo Mercado*, Agreement for Participation in *Novo Mercado* and Arbitration Regulation.

Disclaimer

Information in this report on performance that is not directly derived from the financial statements, such as, for example, information on the market, quantities produced and sold, production capacity, and the calculation of EBITDA and adjusted EBITDA has not been revised by our external auditors.

We make forward-looking statements that are subject to risks and uncertainties. These statements are based on our Management's beliefs and assumptions and information to which the company currently has access. Forward-looking statements include information about our present intentions, beliefs or expectations, and those of the members of the company's Board of Directors, and Executive Officers. Reservations in relation to statements and information about the future also include information about possible or presumed operational results, and also statements that are preceded, followed by or include the words "believe", "may", "will", "continue", "expect", "forecast", "intend", "plan", "estimate", or similar expressions. Statements and information about the future are not guarantees of performance. They involve risks, uncertainties and suppositions because they refer to future events, and thus depend on circumstances which may or may not occur. Future results and the creation of value for stockholders may differ significantly from those expressed or suggested by forward-looking statements. Many of the factors that will determine these results and amounts are beyond Metalfrio's capacity to control or forecast.