



Eternit

**Conference Call – Earning Results
2Q16 – 08/12/2016**

Disclaimer

“Forward looking statements included in this presentation regarding the Company’s business, operating and financial results and Company’s growth are only predictions and were based on management's expectations regarding future performance. These expectations are highly dependent on market conditions, Brazilian economic scenario, industry performance and international markets, and are therefore subject to change.”

Highlights of 2Q16 (when compared to 2Q15)

- The sector of construction materials and the Company registered retraction of:
 - ✓ ABRAMAT: 14.3%
 - ✓ Eternit¹: 13.3%
- Reduction on sales volume in the segments below:
 - ✓ Chrysotile mineral: 28.7%
 - ✓ Fiber-cement: 3.0%
 - ✓ Concrete tiles: 9.0%
- Consolidated Net Revenue reached R\$203.7 million, decline of 13.8%
- Adjusted EBTIDA decreased 75.6%, reaching R\$10.6 million
- Net loss totaled R\$9.0 million
- Reduction of 12.6% in the consolidated net debt in comparison to 4Q15

¹ Growth of the consolidated gross revenue in 1H16vs1H15 corrected for inflation in accordance with the IGP-M index.



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Operational Performance

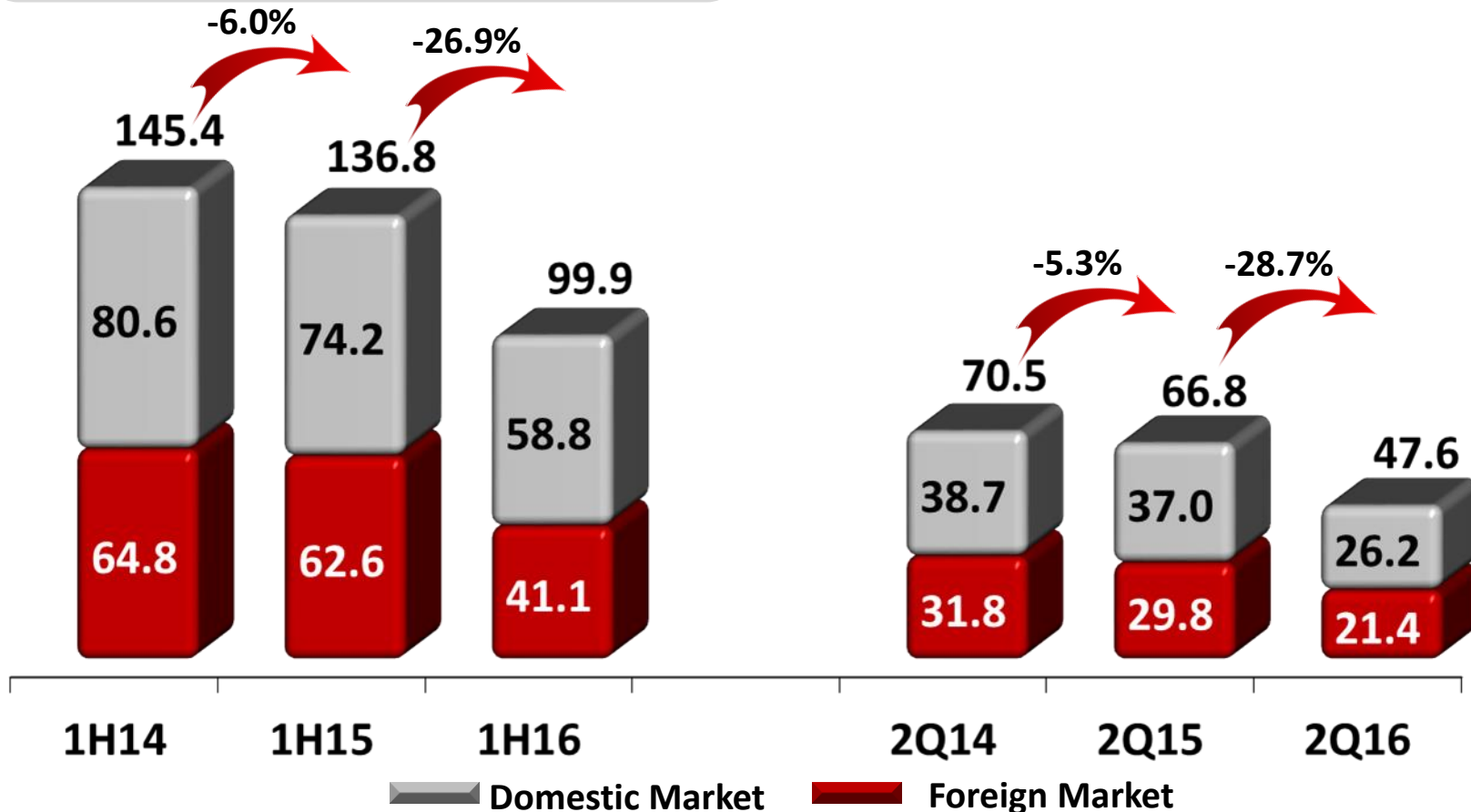
Sales of Chrysotile Mineral (thousand tons)

1H16 x 1H15

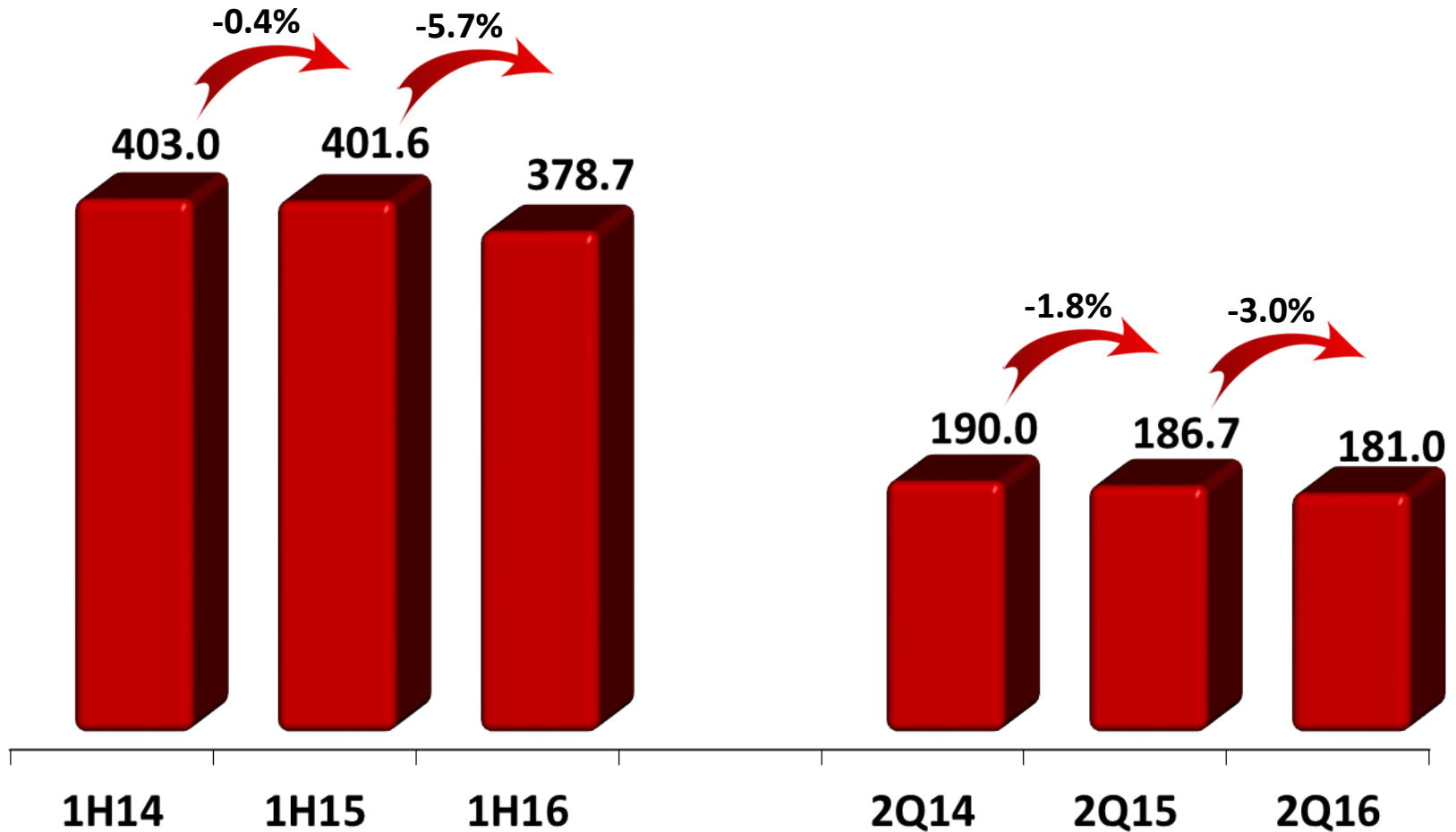
- Domestic Market – reduction of 20.8%
- Foreign Market – retraction of 34.3%

2Q16 x 2Q15

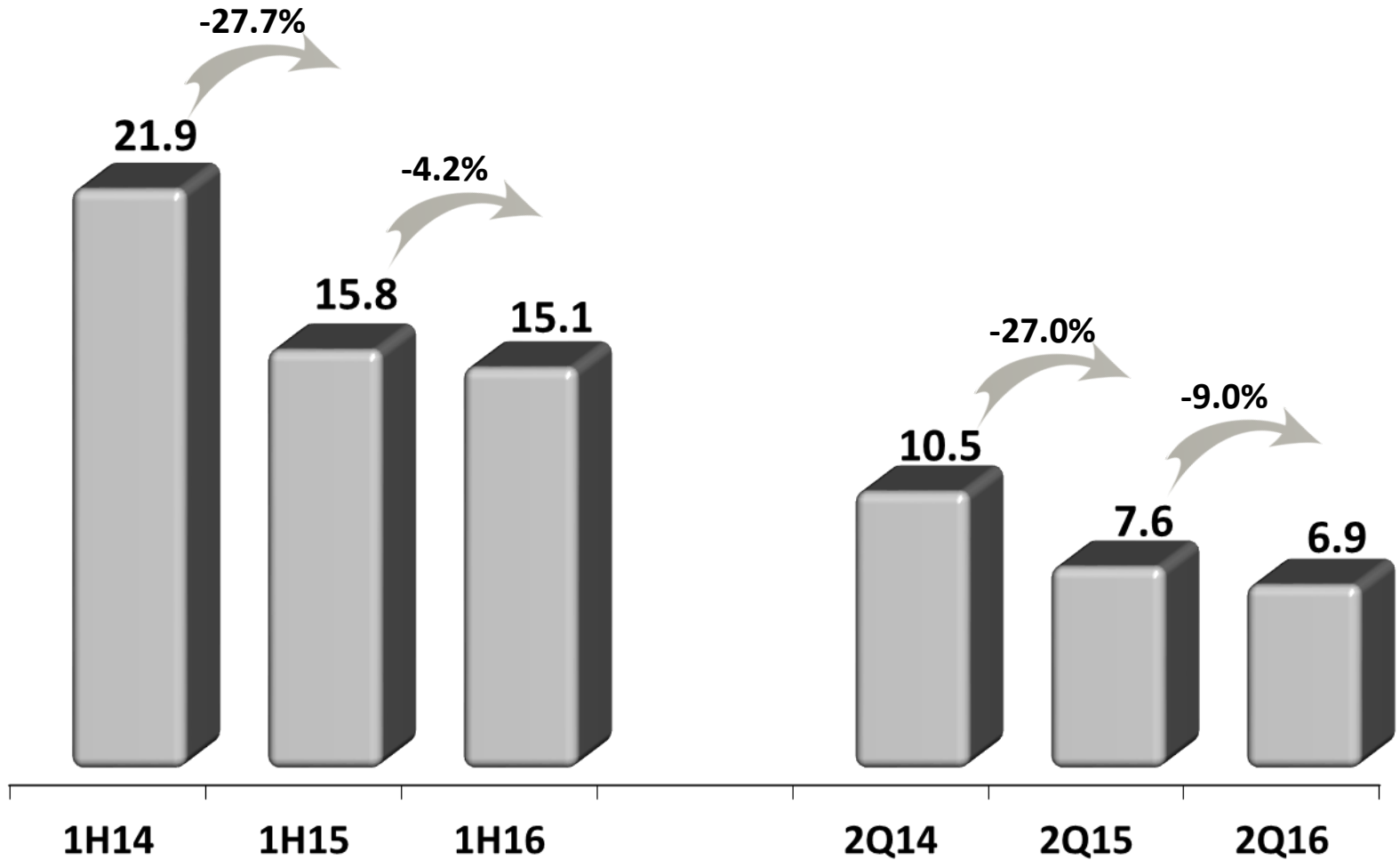
- Domestic Market – reduction of 29.1%
- Foreign Market – retraction of 28.2%



Sales of Fiber-Cement (thousand tons)



Sales of Concrete Tiles (million pieces)





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Economic and Financial Information

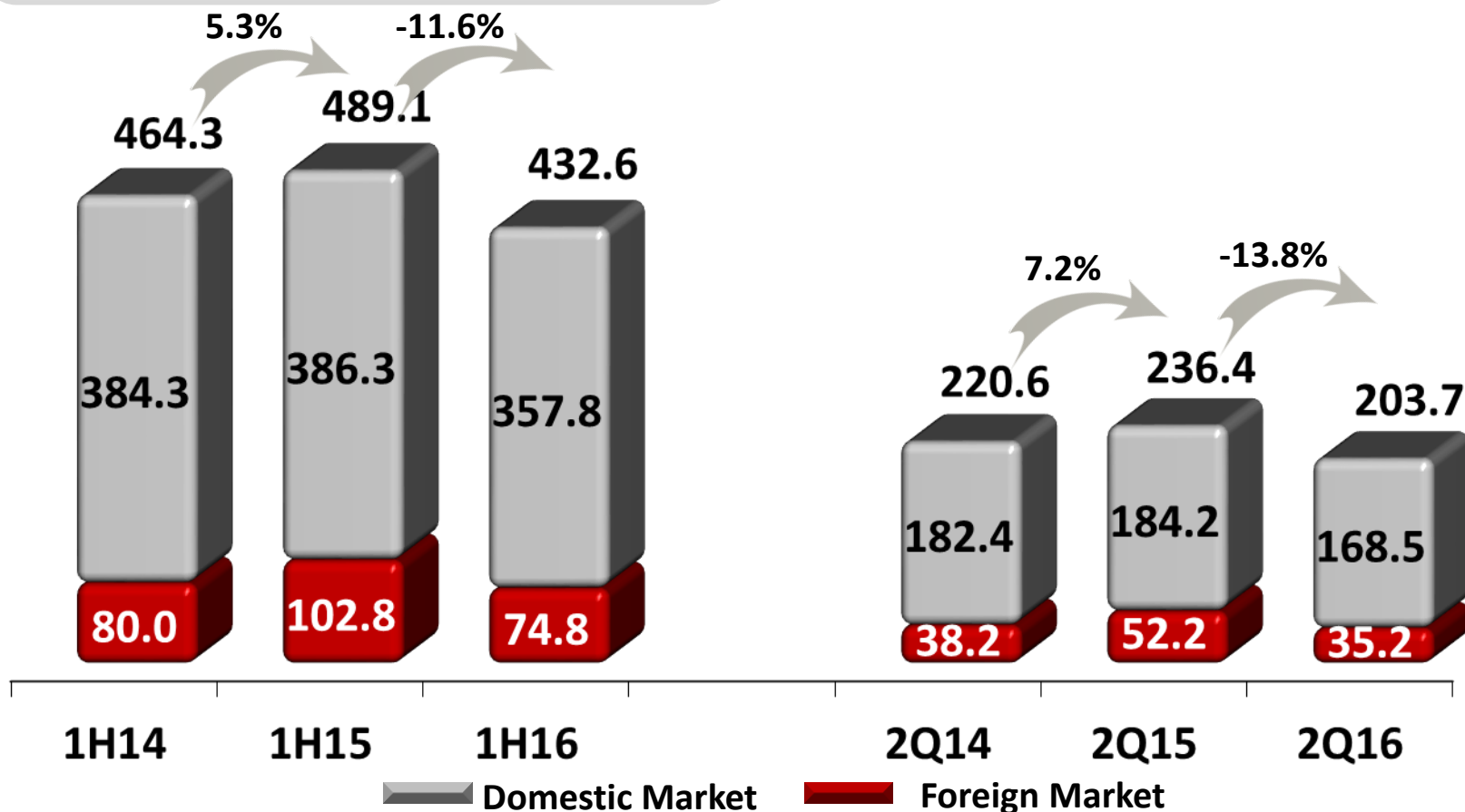
Consolidated Net Revenue (R\$ million)

1H16 x 1H15

- Domestic Market – reduction of 7.4%
- Foreign Market – down by 27.2%

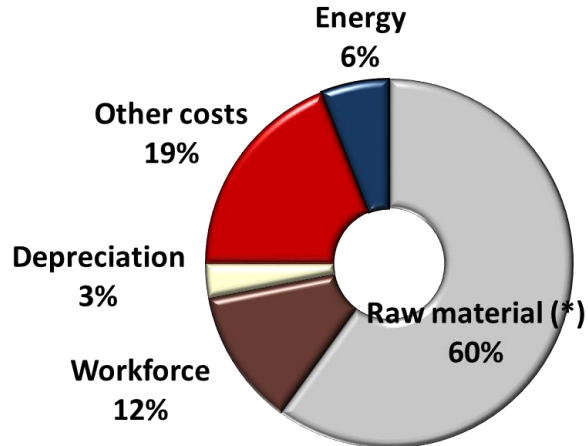
2Q16 x 2Q15

- Domestic Market – reduction of 8.5%
- Foreign Market – down by 32.6%



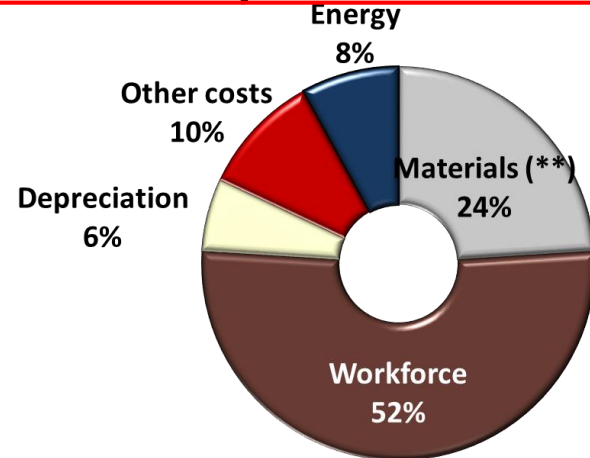
COGS Breakdown – 2Q16

Fiber-cement



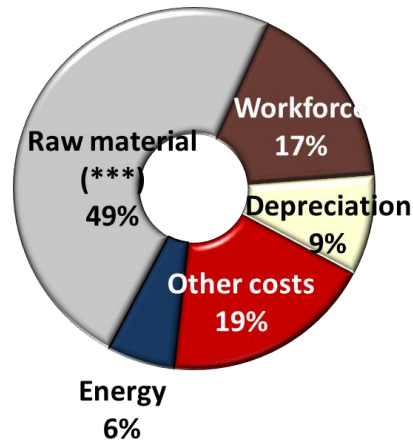
(*) Cement (39%), Chrysotile Mineral (40%) and the others (21%)

Chrysotile Mineral



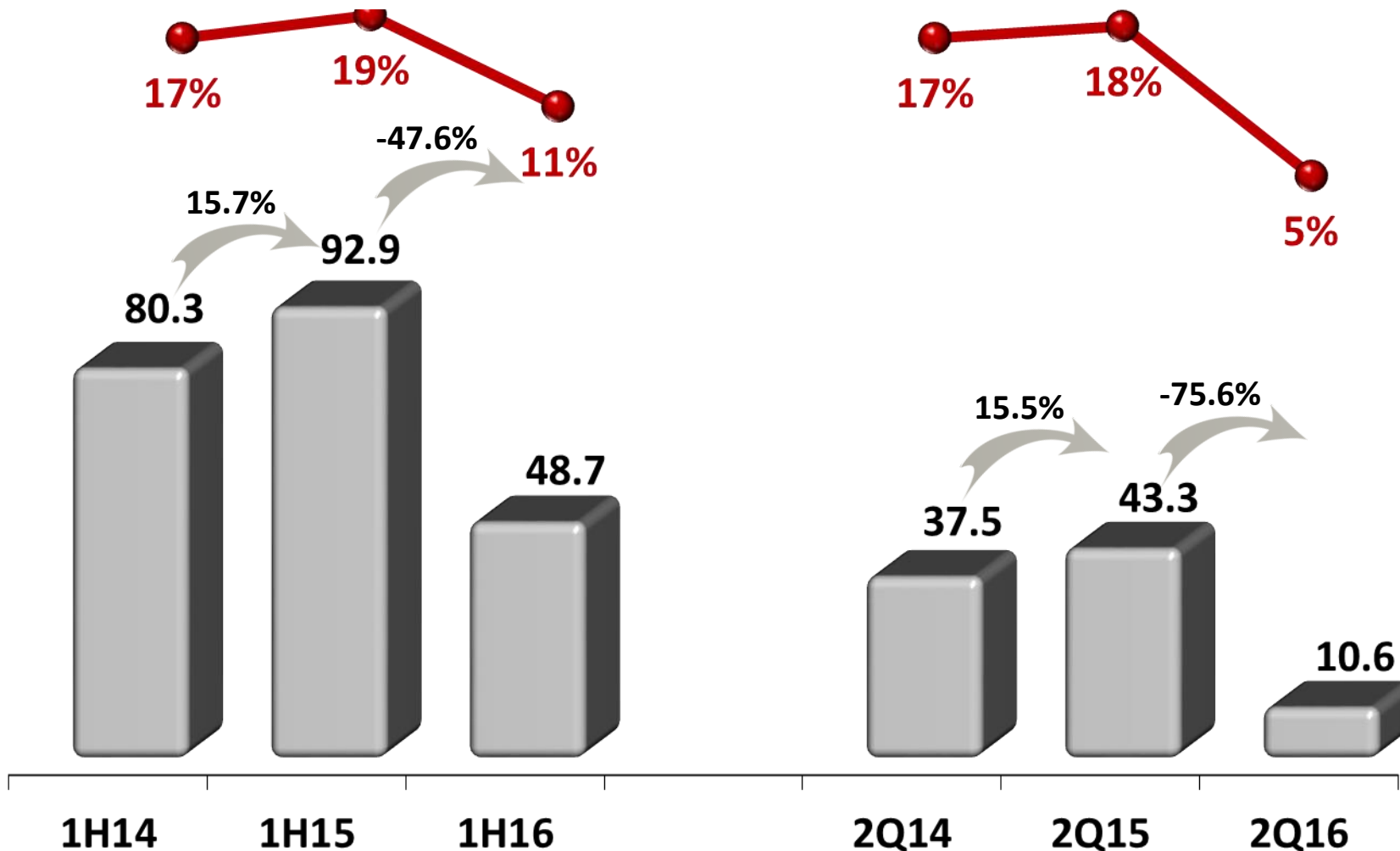
(**) Fuel, explosives, packaging, among the others

Concrete Tiles



(***) Cement (52%), sand (31%) and the others (17%)

Adjusted EBITDA* (R\$ million) and Adjusted EBITDA Margin (%)

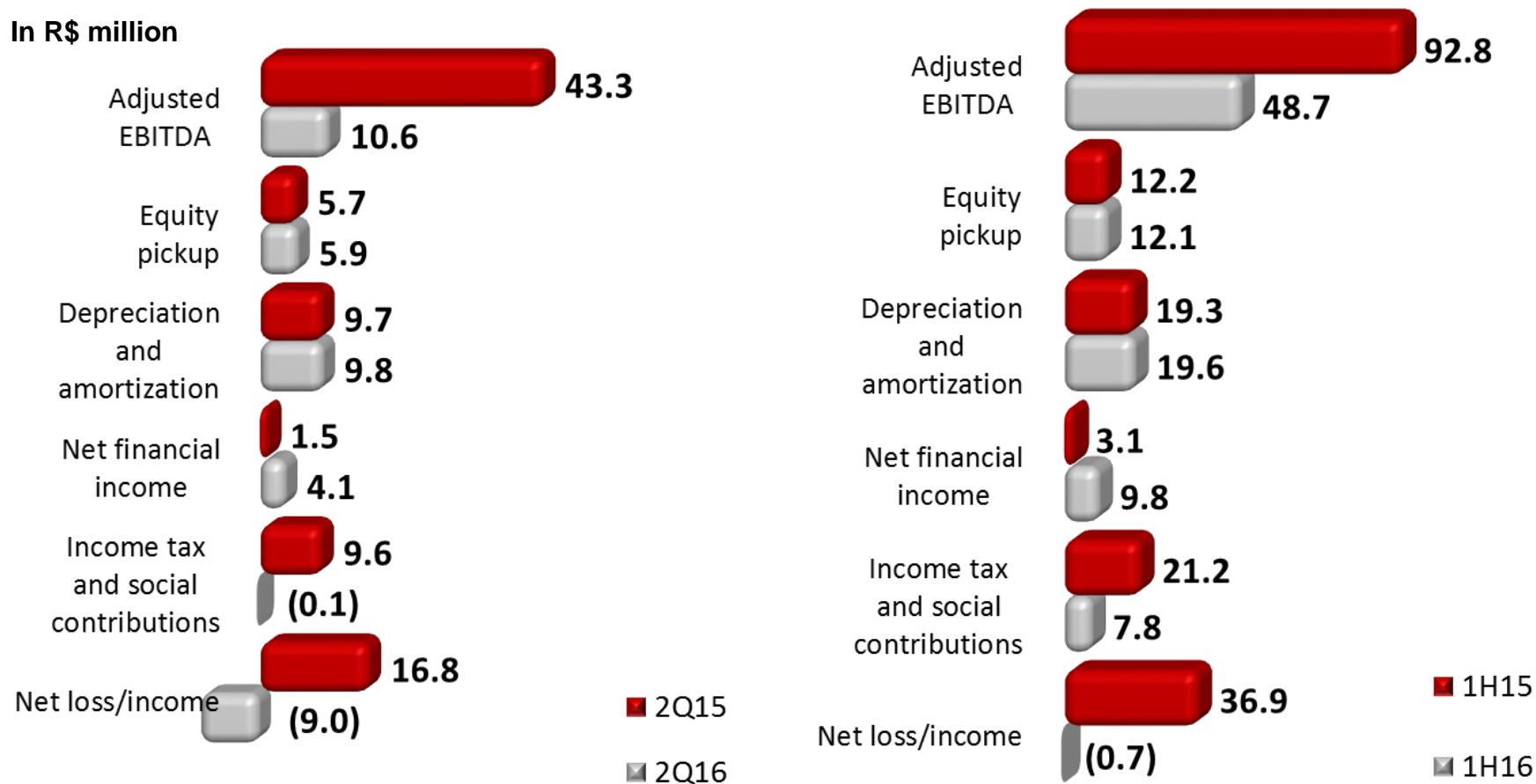


*Adjusted EBITDA is an indicator used by the Company's Management to analyze the operational and economic performance of its consolidated business, excluding equity pickup due to the fact that CSC is a joint venture and its information is not consolidated.

Reconciliation of Adjusted EBITDA* X Net Loss/Income

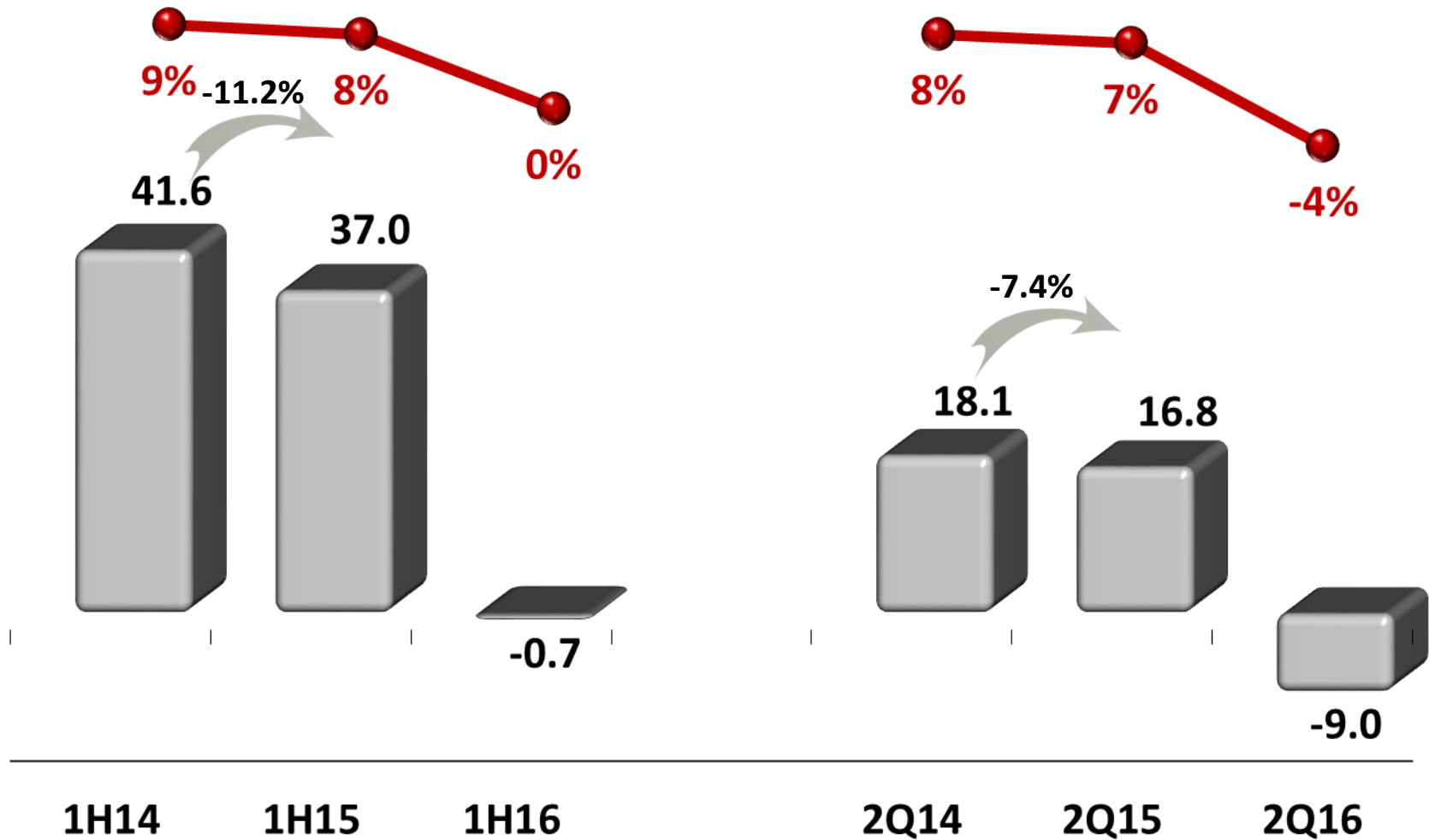
(R\$ million)

In R\$ million



*Adjusted EBITDA is an indicator used by the Company's Management to analyze the operational and economic performance of its consolidated business, excluding equity pickup due to the fact that CSC is a joint venture and its information is not consolidated.

Net Loss/Income (R\$ million) and Net Margin (%)



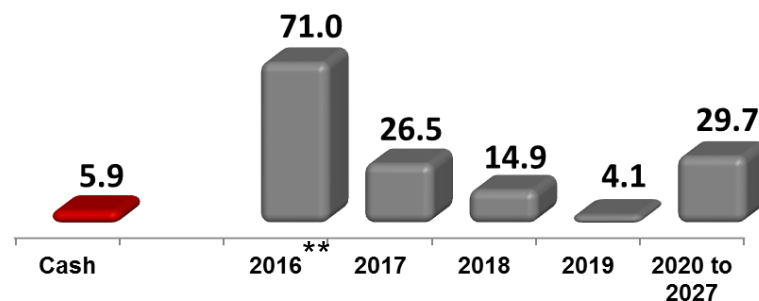
Debt (R\$ million)

Debt	06/30/15	12/31/15	06/30/16
Short-term gross debt	109.3	90.3	80.7
Long-term gross debt	46.1	76.9	65.5
Availabilities *	(34.5)	(5.6)	(5.9)
Net debt	120.9	144.9	140.3
EBITDA (last 12 months)	168.5	131.5	87.4
Net debt / EBITDA x	0.72	1.10	1.61
EBITDA (last 12 months)	191.7	159.2	115.0
Net debt / EBITDA x	0.63	0.91	1.22
Net debt / Equity	23.4%	29.0%	28.1%

Origin of debt



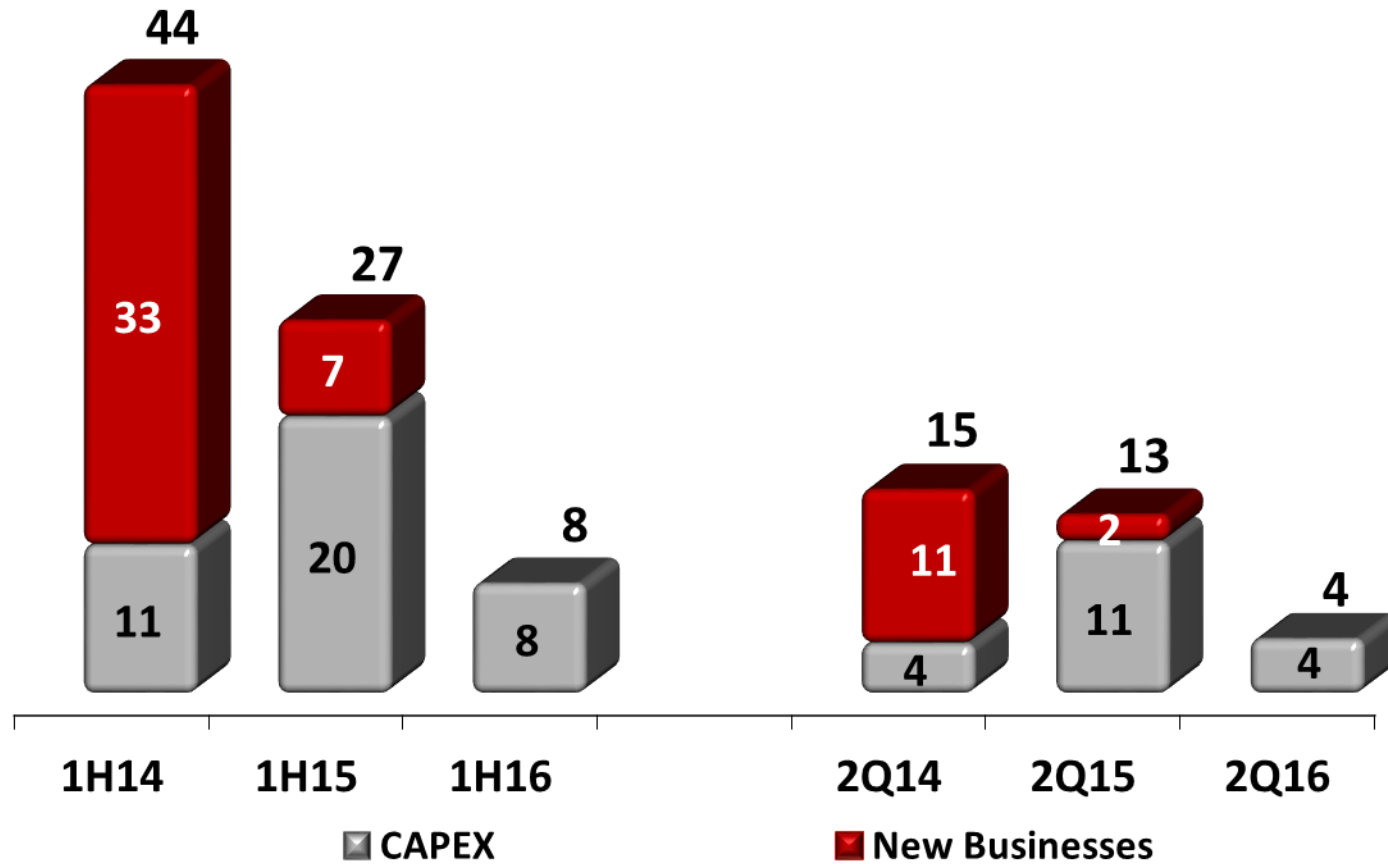
Repayment Schedule



* Availabilities = Cash and cash equivalents + short-term investments

** 70.6% of the amortization schedule set for the year 2016 are linked to accounts receivable from export.

Capital Expenditures (R\$ million)

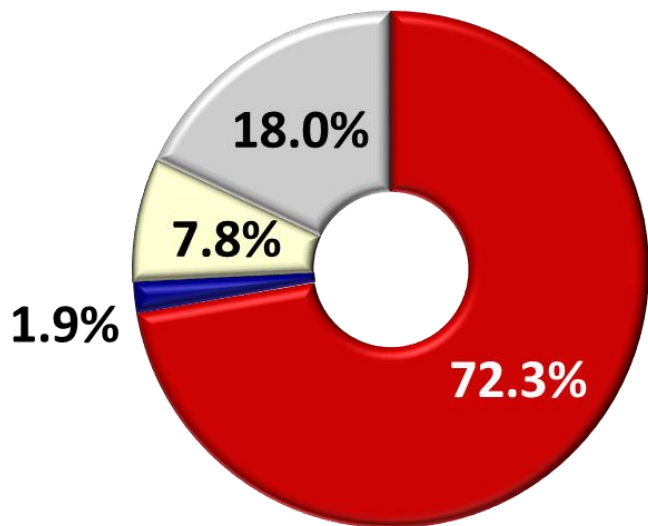




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Capital Markets

Shareholding Structure – Jul/16



- Individual Investors
- Corporations
- Investors Abroad
- Clubs, Funds and Foundations

FREE-FLOAT

74.4%

* Shareholders with a stake higher than 5%

** 100% of the Board of Director are considered independent in accordance with BM&FBOVESPA Novo Mercado Regulations

Main shareholders *	Share
Luiz Barsi Filho	13.75%
Geração L. Par. F. I. A.	12.12%
Victor Adler and controlled companies	10.46%
Executive Board	0.96%
Stock in treasury	0.03%

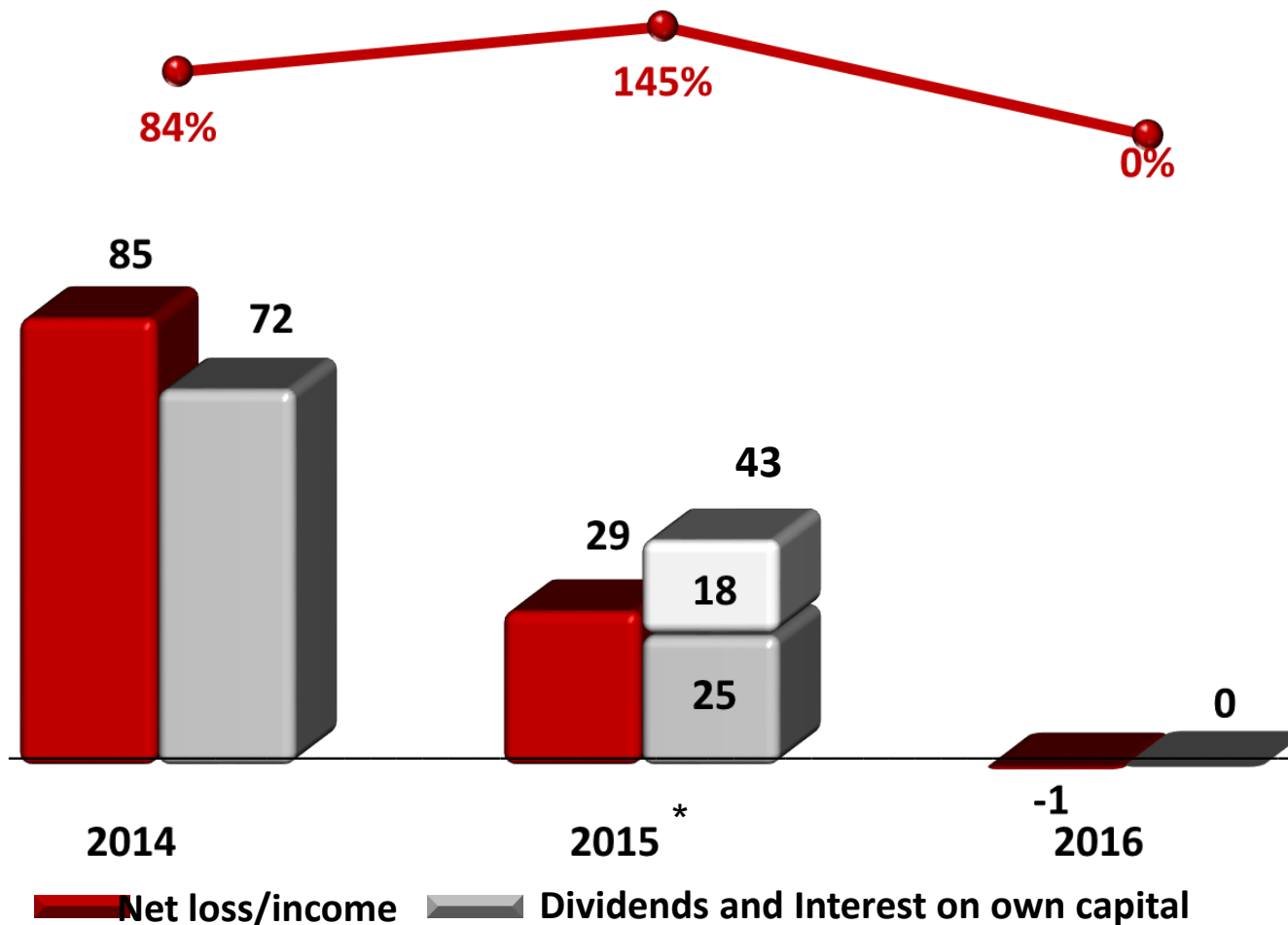
Board of Directors **	Member since
Luis Terepins – President	2011
Marcelo Munhoz Auricchio	2011
Marcelo Gasparino da Silva	2014
Luiz Barsi Filho	2015
Raphael Manhães Martins	2015
Manoel Arlindo Zaroni Torres	2016
Marcelo Amaral Moraes	2016

Board of Auditors	Member since
André Eduardo Dantas	2013
Luciano Luiz Barsi	2015
Pedro Paulo de Souza	2015

Advisory Board	Member since
Luiz Barsi Filho	2016
Victor Adler	2016
Leonardo Deeke Boguszewski	2016

Policy of Remuneration (R\$ million)

Pay Out



*The amount of distributed earnings includes distribution based on retained earnings from previous years

Further Information

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