



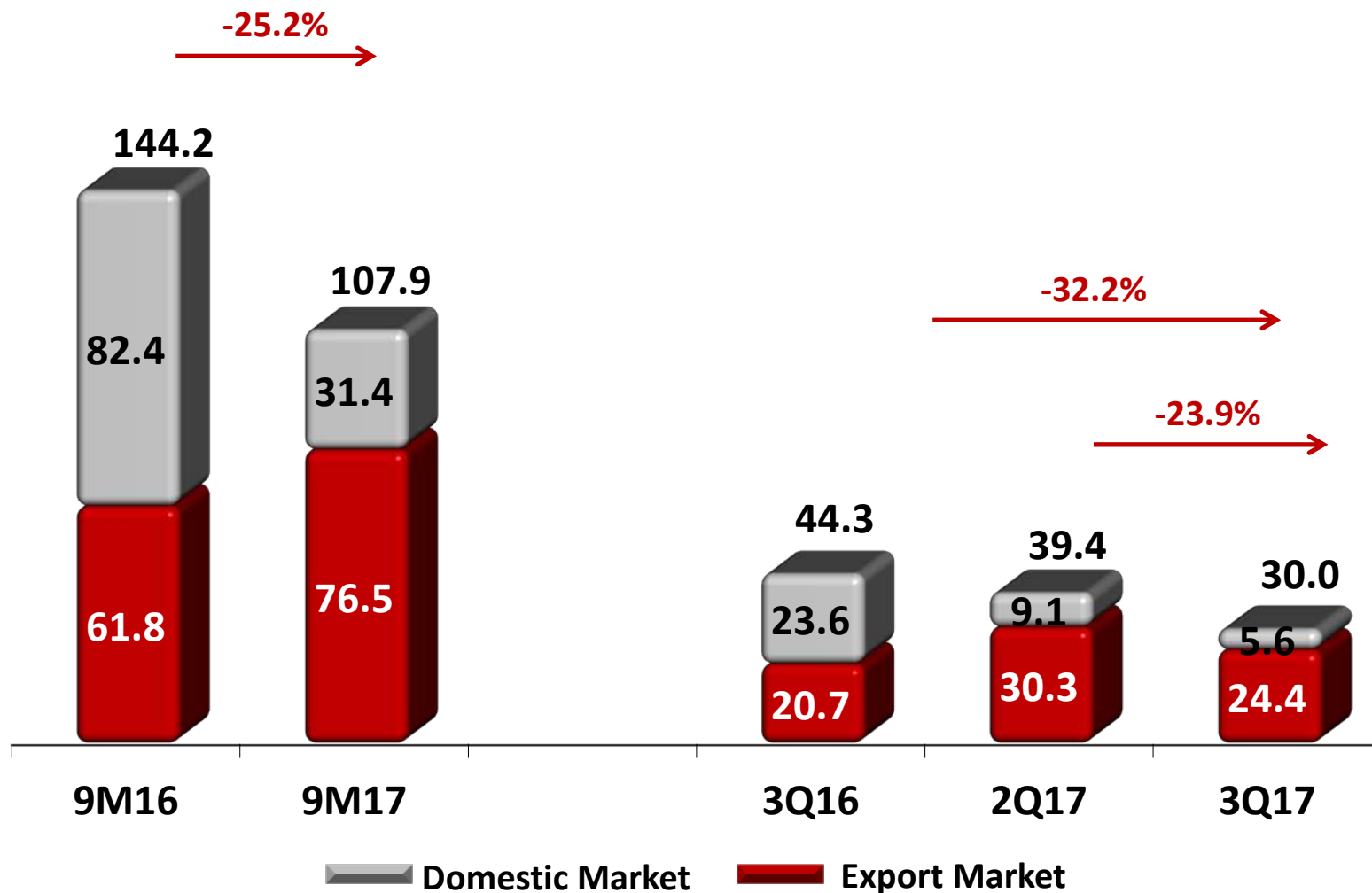
Conference Call 3Q17 Earning Results

November 10, 2017

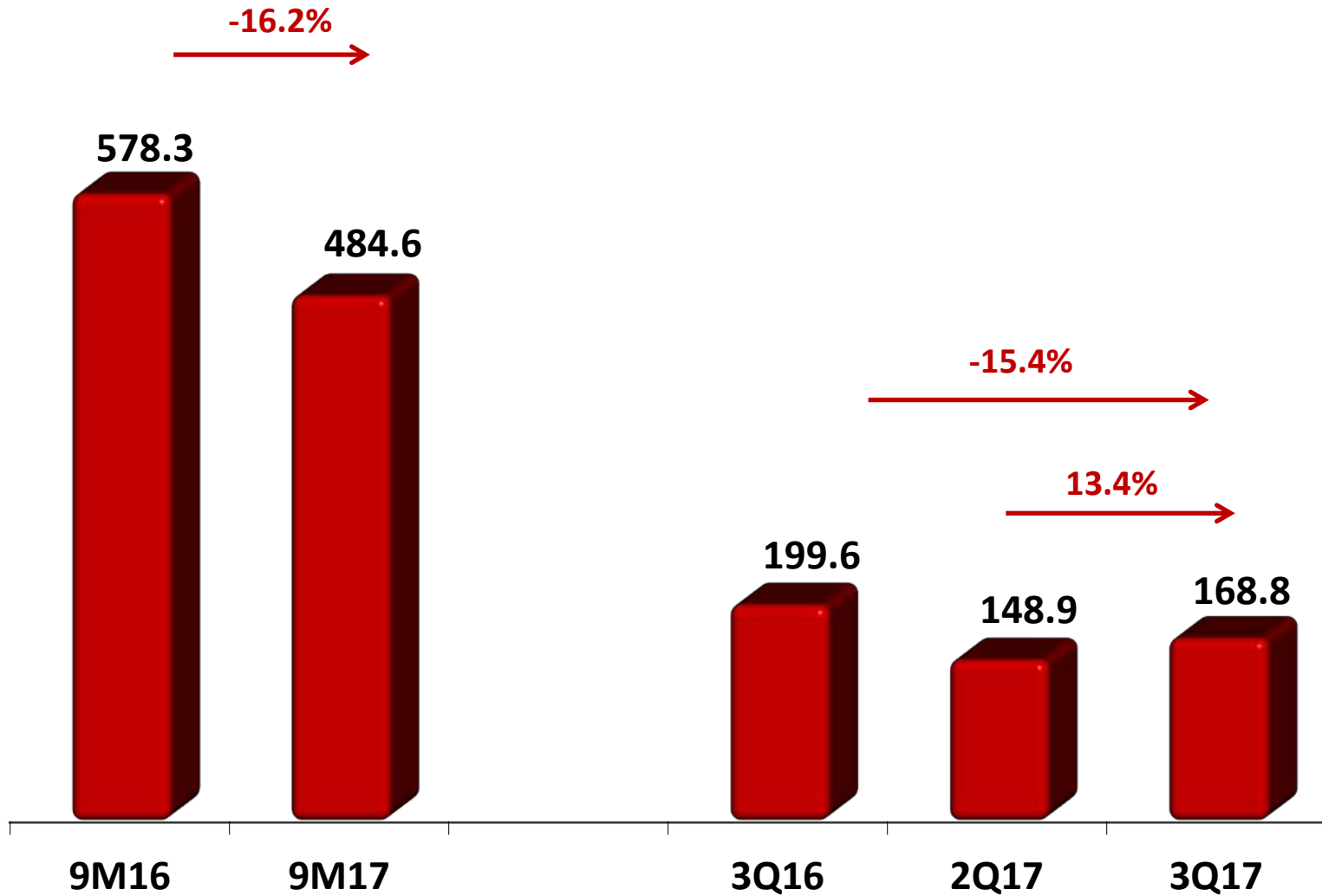
“Forward looking statements included in this presentation regarding the Company’s business, operating and financial results and Company’s growth are only predictions and were based on management's expectations regarding future performance. These expectations are highly dependent on market conditions,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

- ✓ Adjust of its operations to the reduced production and inventory levels to meet market demand
- ✓ Export volumes of chysotile mineral increased 17.9% in comparison to 3Q16
- ✓ Increase of 13.4% and 20.5% in fiber-cement tiles and concrete roofing tiles, respectively, from 2Q17
- ✓ Recurring and adjusted EBITDA increased 33.7% compared to 2Q17
- ✓ Focus on free cash flow generation: reduction of 36% in net debt from 2Q17

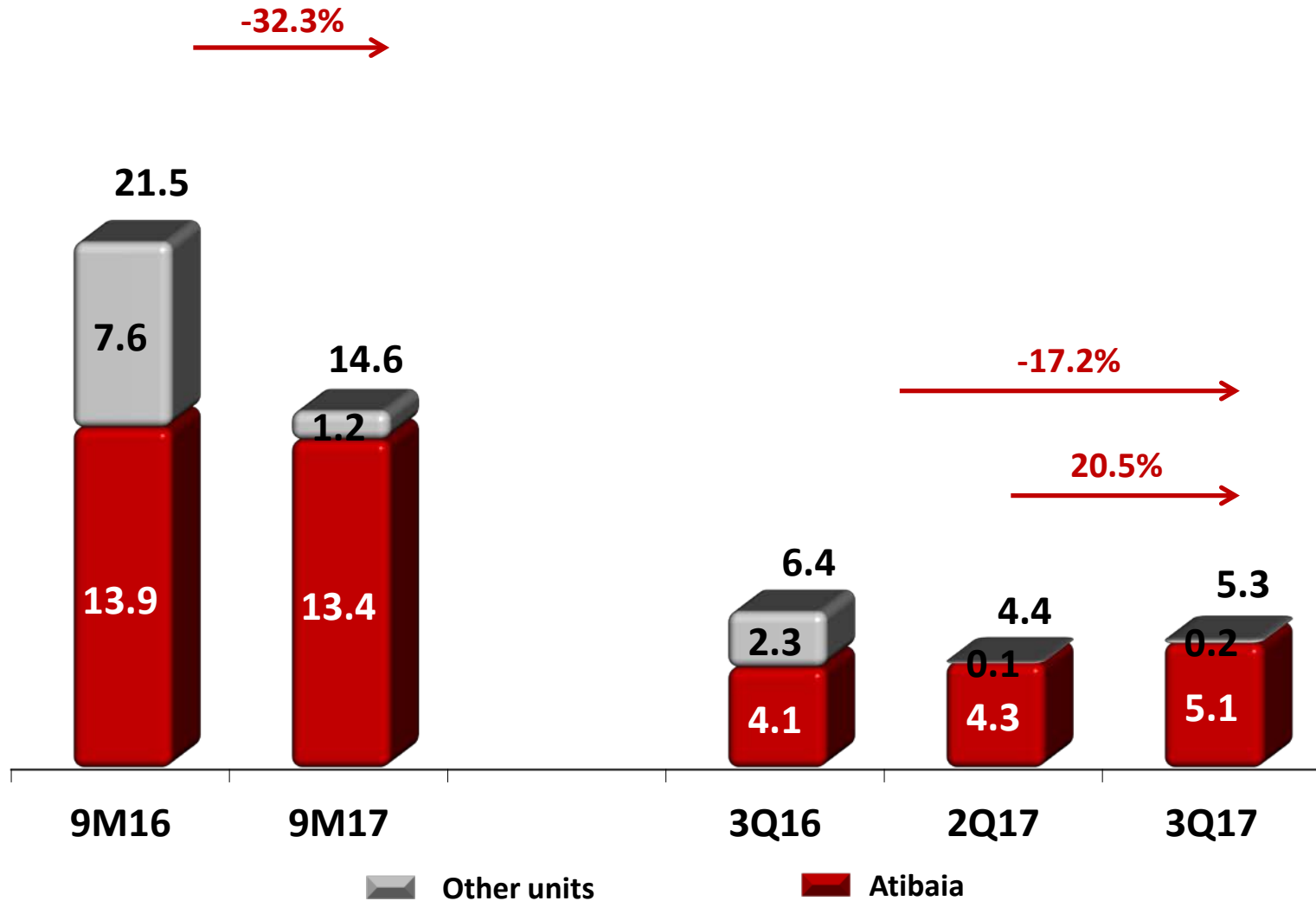
Sales of Chrysotile Mineral ('000 tons)



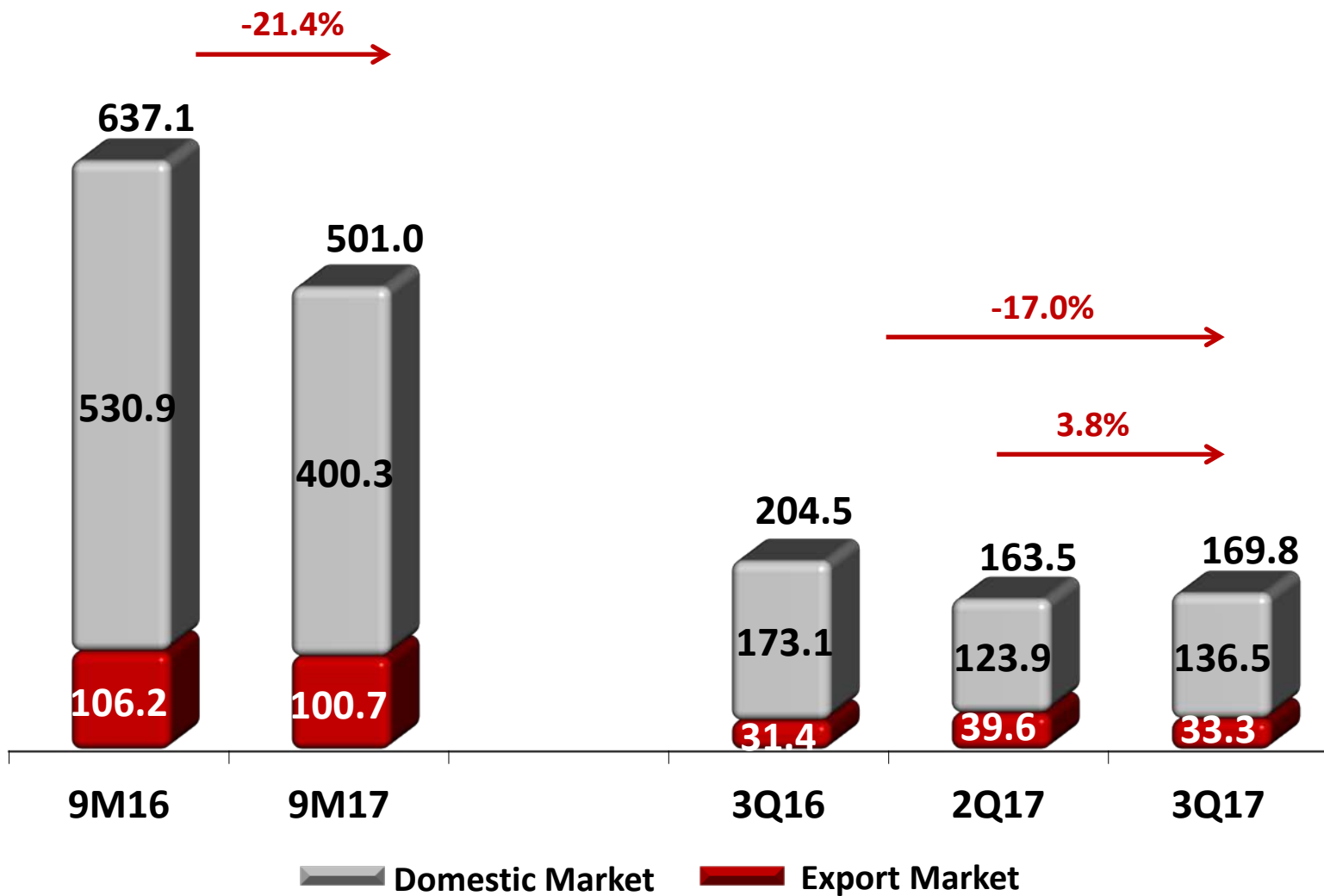
Sales of Fiber-Cement tiles ('000 tons)



Sales of Concrete tiles (million pieces)



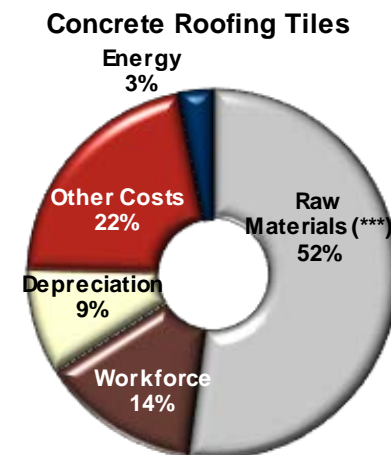
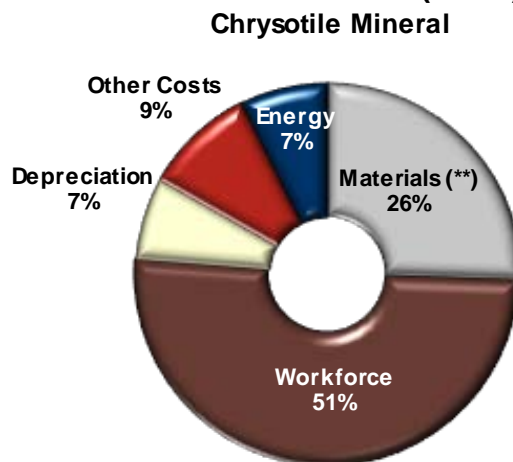
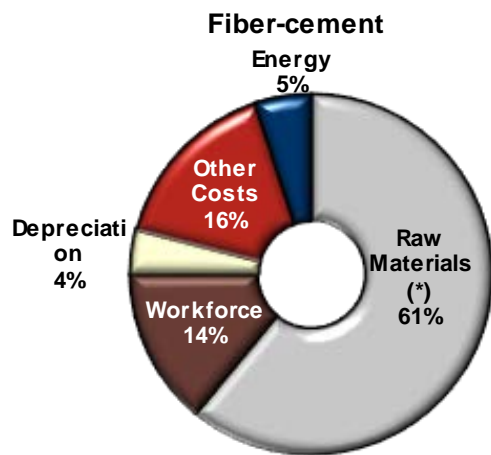
Consolidated Net Revenue (R\$ million)



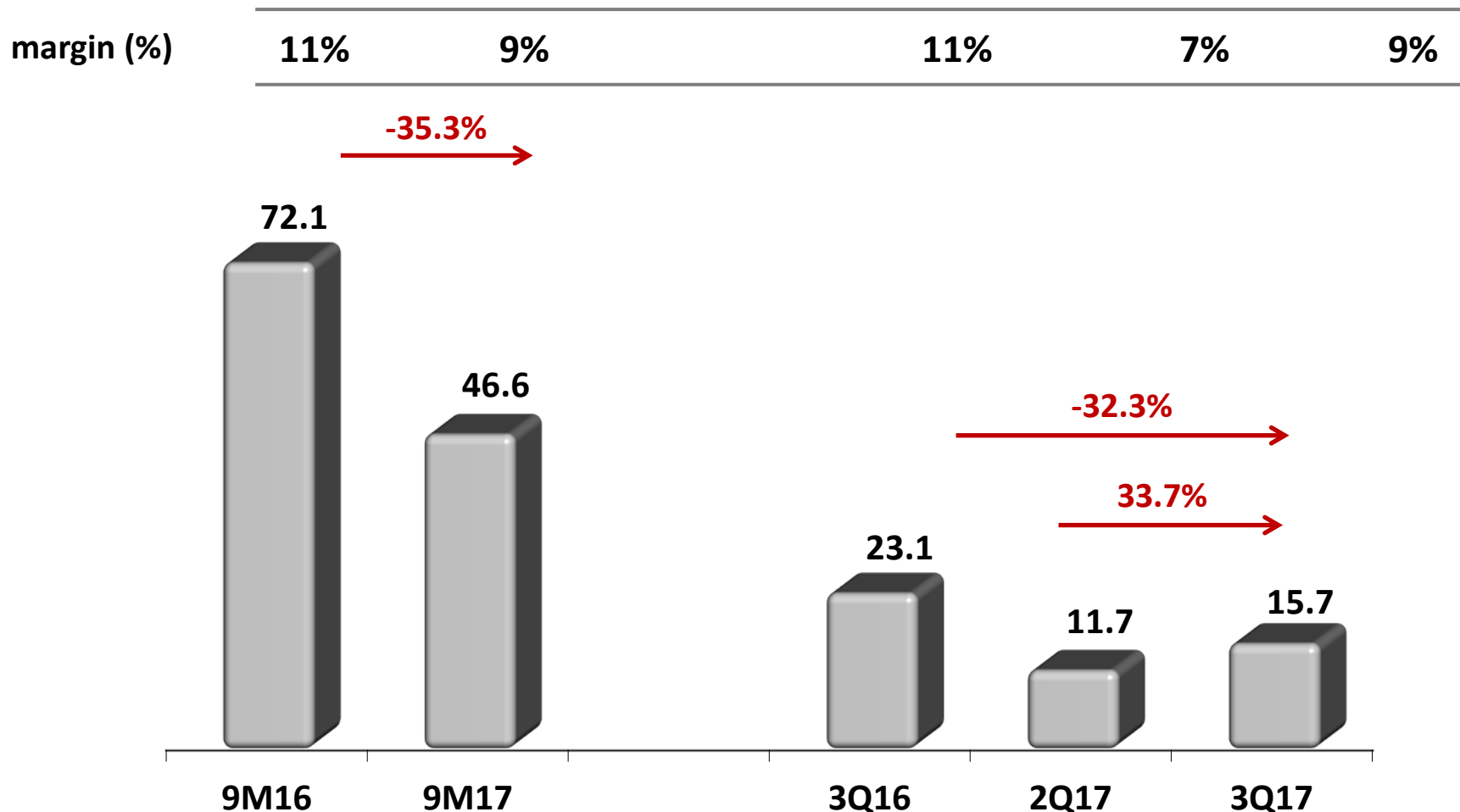
Gross Margin

Consolidated - R\$ '000	9M16	9M17	%Chg.	3Q16	%Chg. 3Q17 x 3Q16	2Q17	3Q17	%Chg. 3Q17 x 2Q17
Net Revenue	637.1	501.0	(21.4)	204.5	(17.0)	163.5	169.8	3.8
Cost of Goods Sold*	(436.2)	(366.1)	(16.1)	(145.3)	(10.8)	(121.8)	(129.6)	6.4
Gross Margin	200.9	134.9	(32.9)	59.2	(32.1)	41.7	40.2	(3.6)
Gross Margin %	32%	27%	-5p.p.	29%	-5p.p.	25%	24%	-1p.p.
Recurring Cost of Goods Sold*	(428.0)	(352.2)	(17.7)	(138.6)	(11.7)	(114.9)	(122.4)	6.6
Recurring Gross Margin	209.1	148.8	(28.8)	65.9	(28.2)	48.6	47.3	(2.6)
Recurring Gross Margin %	33%	30%	-3p.p.	32%	-4p.p.	30%	28%	-2p.p.

Breakdown of Cost (3Q17)



Recurring and adjusted EBITDA* (R\$ million)



*Adjusted EBITDA is an indicator used by the Company's Management to analyze the operational and financial performance of its wholly-owned businesses, excluding equity pickup, due to the fact that CSC is a joint venture and its information is not consolidated, as well as non-recurring events.

Recurring Net (Loss) Income (R\$ million)



Consolidated - R\$ '000	9M16	9M17	%Chg.	3Q16	%Chg. 3Q17 x 3Q16	2Q17	3Q17	%Chg. 3Q17 x 2Q17
Recurring and adjusted EBITDA	72.1	46.6	(35.3)	23.1	(32.3)	11.7	15.7	33.7
Non-recurring events	-	-	-	-	-	-	-	-
Restructuring	-	(18.6)	-	-	-	(11.3)	(7.4)	(34.4)
Product breakdown in the production process*	(1.8)	(4.8)	171.4	(1.8)	90.6	(1.4)	(3.4)	136.0
Expenses with unexpected halts**	(5.1)	(6.5)	27.1	(4.9)	(48.2)	(4.0)	(2.5)	(36.2)
Provisions for labor contingencies								
Equity pickup	(19.0)	(20.7)	8.9	(6.9)	(14.5)	(9.2)	(5.9)	(35.8)
EBITDA	46.1	(8.4)	-	9.5	-	(14.2)	(7.9)	(44.5)
Income tax and social contributions	(9.3)	1.8	-	(1.4)	(84.7)	4.9	(0.2)	-
Net financial income	(15.6)	(12.9)	(17.0)	(5.7)	(31.2)	(4.4)	(3.9)	(10.6)
Depreciation and amortization	(29.3)	(27.2)	(7.3)	(9.7)	(11.4)	(9.4)	(8.6)	(8.9)
Net income (loss)	(8.1)	(46.6)	478.9	(7.3)	181.4	(23.1)	(20.6)	(10.8)
Non-recurring events	-	-	-	-	-	-	-	-
Restructuring	-	18.6	-	-	-	11.3	7.4	(34.4)
Product breakdown in the production process*	1.8	4.8	171.4	1.8	90.6	1.4	3.4	136.0
Expenses with unexpected halts**	6.4	9.1	41.1	4.9	(23.7)	5.3	3.7	(29.8)
Adjust for inventories of realizable value	-	1.9	-	-	-	1.9	-	(100.0)
Provisions for labor contingencies	-	4.3	-	-	-	-	4.3	-
Effect of Income and social contributions taxes***	(2.8)	(12.5)	348.7	(2.3)	181.4	(6.1)	(6.4)	4.4
Recurring Net income (loss)	(2.6)	(20.4)	674.3	(2.9)	181.2	(9.3)	(8.2)	(11.9)

* Due to the use of new technologies.

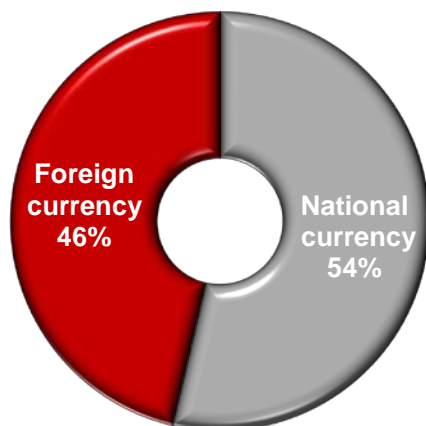
**It does not include the depreciation amount of unexpected halts.

*** Effect of Income and social contributions taxes on non-recurring events, disregarding the adjustment to realizable value of inventory, which refers to the jointly-owned subsidiary – CSC.

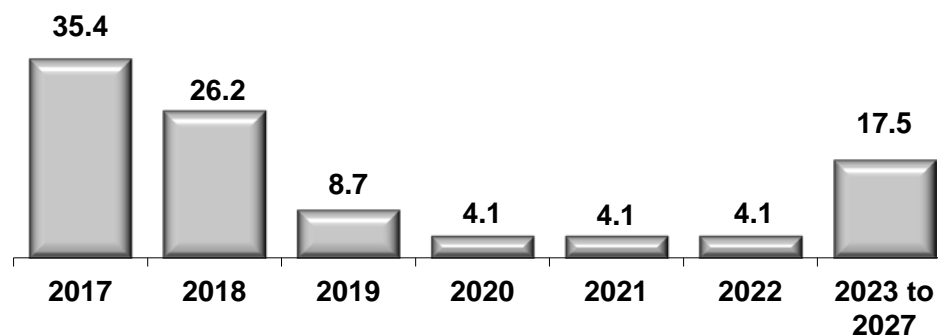
Debt (R\$ million)

DEBT - R\$ '000	09/30/17	12/31/16	% Chg.	06/30/17	% Chg.
Short-term gross debt	60.5	69.3	-12.7%	77.0	-21.5%
Long-term gross debt	36.7	55.1	-28.0%	46.5	-14.6%
Total gross debt	100.1	124.4	-19.5%	123.4	-18.9%
Cash and cash equivalents	(5.7)	(5.1)	9.9%	-4.3	31.6%
Short-term investments (same cash equivalents)	(21.0)	(2.7)	676.7%	-4.6	362.2%
Net debt	73.5	116.5	-37.0%	114.6	-35.9%
Recurring and adjusted EBITDA (last 12 months)	56.0	78.8	-28.9%	61.1	-8.3%
Net debt / Recurring and adjusted EBITDA x	1.31	1.48		1.88	
Net debt / Equity	17.8%	25.3%	-	16.9%	-

Origin of debt



Repayment Schedule



The use of Chrysotile ore in Brazil is regulated by the Federal Law 9,055/95, by Decree 2,350/97 and by regulatory standards for occupational health and safety. It is also provided in the Convention 162 of the International Labor Organization (OIT).

❖ Supreme Court Trial

- ✓ Direct Claims of Unconstitutionality (“ADI”) no. 4066 and 3937

❖ Public-Interest Civil Actions

- ✓ Simões Filho/BA
- ✓ Vitória da Conquista/BA
- ✓ Rio de Janeiro/RJ (ACP Consumerista)

❖ Replacement of asbestos in fibercement tiles



Serpentinite rock with chrysotile mineral fibers

- ❖ **Economy and Market – 2017 Projection**
 - ✓ GDP: 0.7%
 - ✓ Construction GDP: -2.1%
 - ✓ ABRAMAT index: -5.0%

- ❖ **Changes in the Company's management**
 - ✓ Adequate the operational, commercial and administrative areas
 - ✓ Redesign of the Sales area
 - ✓ Adequate pricing of the portfolio

- ❖ **Business units**
 - ✓ Fiber-cement tiles: revising its positioning in the market
 - ✓ Mining: intensify its focus on export markets
 - ✓ Concrete tiles: Architects Club – Business to Consumer sales
 - ✓ Polypropylene fibers: increase the unit's utilization by offering its product to third parties
 - ✓ Chinaware: serve new clients in the Northern and Northeastern regions
 - ✓ Expand other material construction products

- ❖ **Financial performance**
 - ✓ Improve the profitability of business units
 - ✓ Focus on the working capital and reducing its debt
 - ✓ Operate with positive margins

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