

Eternit



Conference Call – Earning Results 1Q14 – 05/09/2014

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.”

Eternit Group

The largest and most diversified roof coverings industry in Brazil

					
Activity	Manufacture of fiber cement and construction solutions and commercialization of metallic fittings		Chrysotile Mining	Manufacture of concrete tiles	Commercialization of bathroom chinaware
Industrial Units	4	1	1	6	1
Market Share – 2013	Leader in fiber cement – 31% of Market Share		The world's 3 rd largest – 15% of Market Share	Leader in concrete tiles – 30% of Market Share	5 th largest of Brazil in sanitary ware
Annual Capacity	1 million tons / fiber cement		300 thousand tons	10 million m ²	1.5 million pieces
Capacity Used – 1Q14	Fiber cement – around 80%		100%	Around 60%	Production testing

Highlights of 1Q14 (when compared to 1Q13)

- Economic Figures registered growth of:
 - ✓ GDP Brazil¹: 2.0%
 - ✓ GDP for construction sector ¹: 1.1%
 - ✓ ABRAMAT²: 0.9%
 - ✓ Eternit²: 10.5%
- Growth on sales volume in the segments below:
 - ✓ Chrysotile mineral : 24.4%
 - ✓ Fiber cement : 6.2%
 - ✓ Concrete tiles : 5.4%
- Consolidated Net Revenue amounted to R\$ 243.7 million, increase of 15.3%;
- EBTIDA grew 9.1% and amounted R\$ 42.4 million;
- Net Income reached R\$ 23.5 million, an increase of 9.4%;
- Investments amounted R\$ 29.2 million, rising 64.3%.

¹ Projected growth for Brazil GDP and construction GDP in 2014.

² Growth in the 1Q14vs1Q13 corrected for inflation in accordance with the IGP-M indicator.

Eternit



Operational Performance

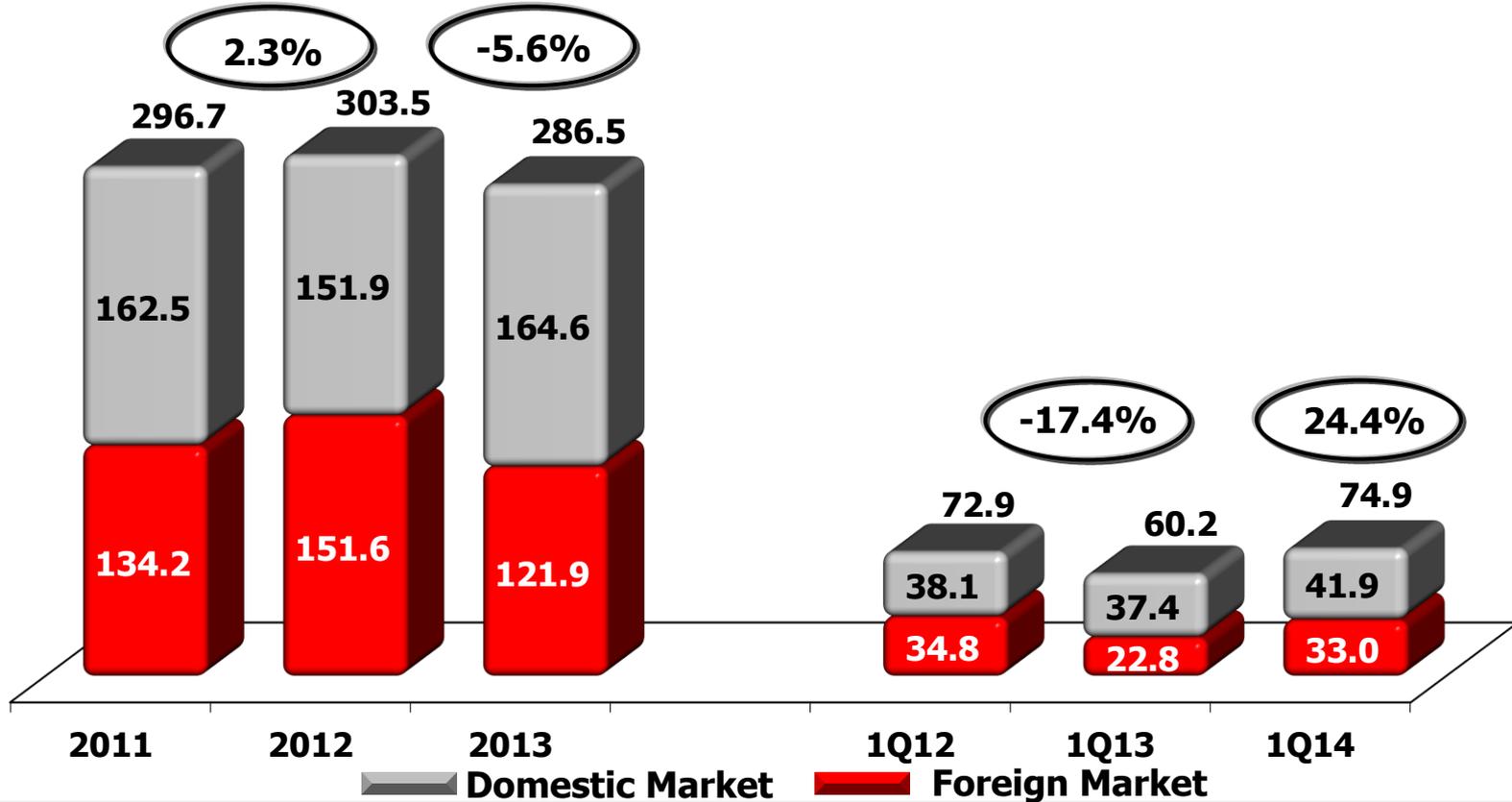
Sales of Chrysotile Mineral (thous. tons)

2013 x 2012

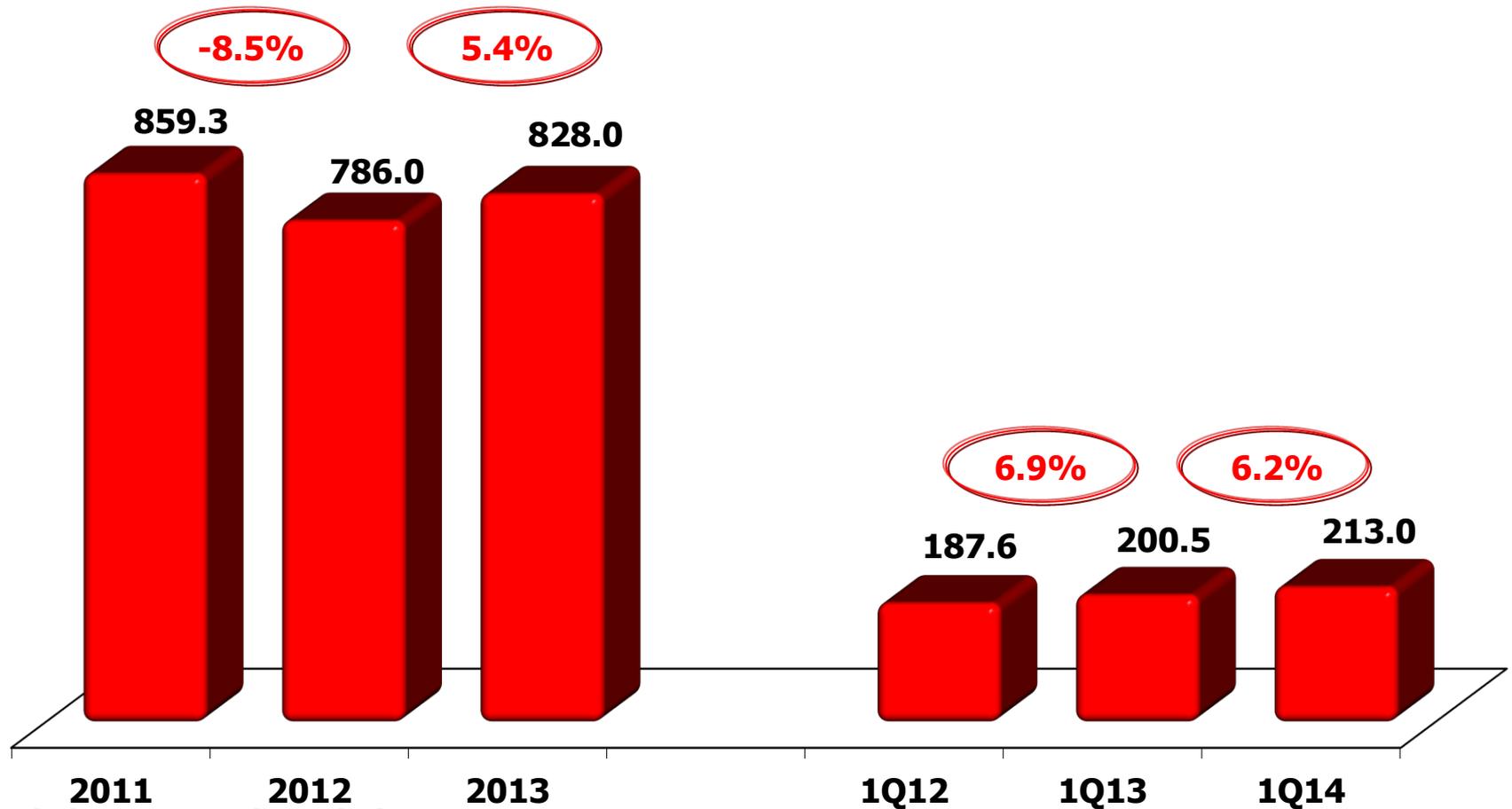
- Domestic Market – increase of 8.4%
- Foreign Market – reduction of 19.6%

1Q14 x 1Q13

- Domestic Market - increase of 12.0%
- Foreign Market – increase of 44.8%

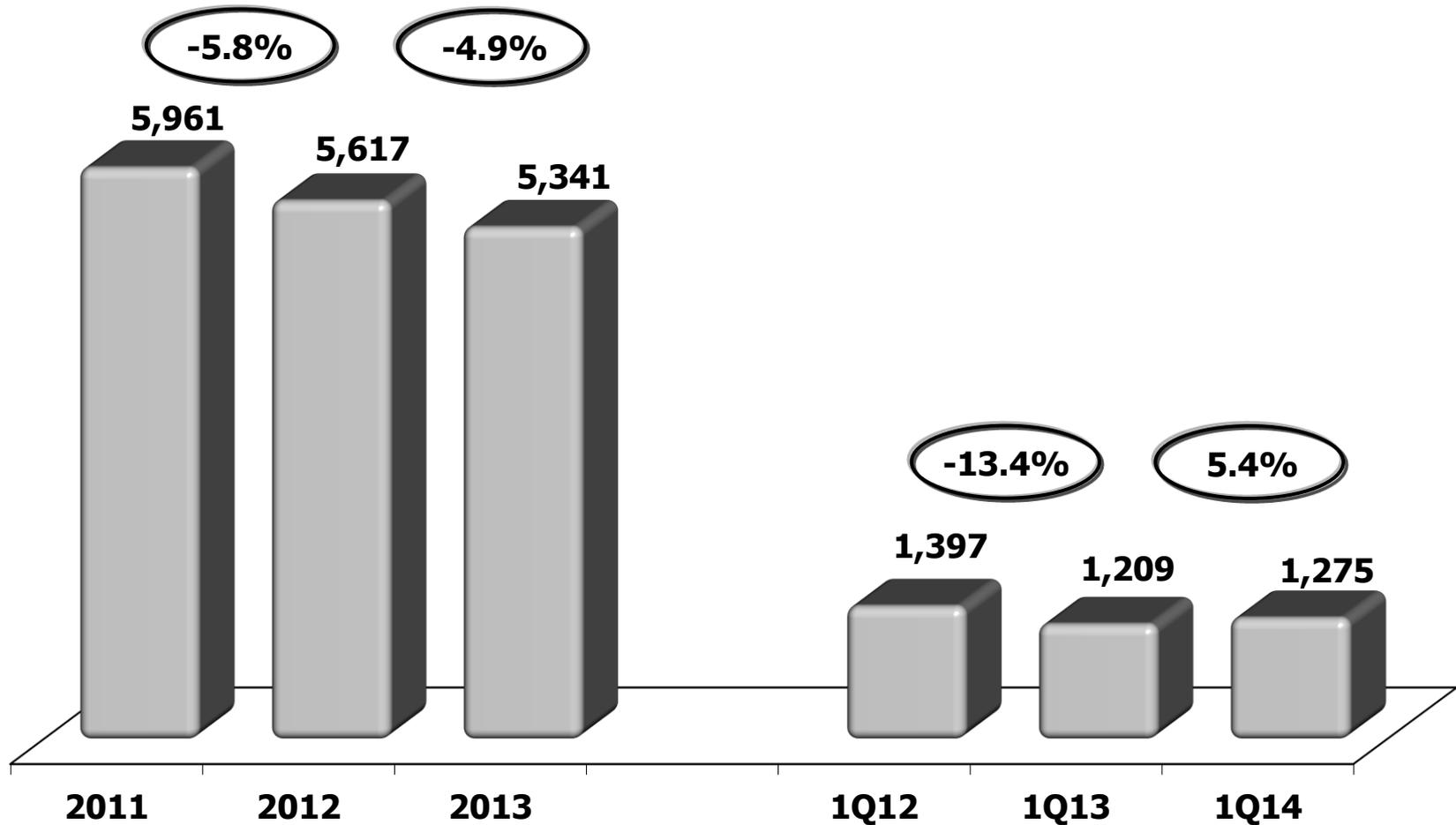


Sales of Fiber Cement* (thous. tons)



* Includes construction solutions

Sales of Concrete Tiles (thous. square meters)

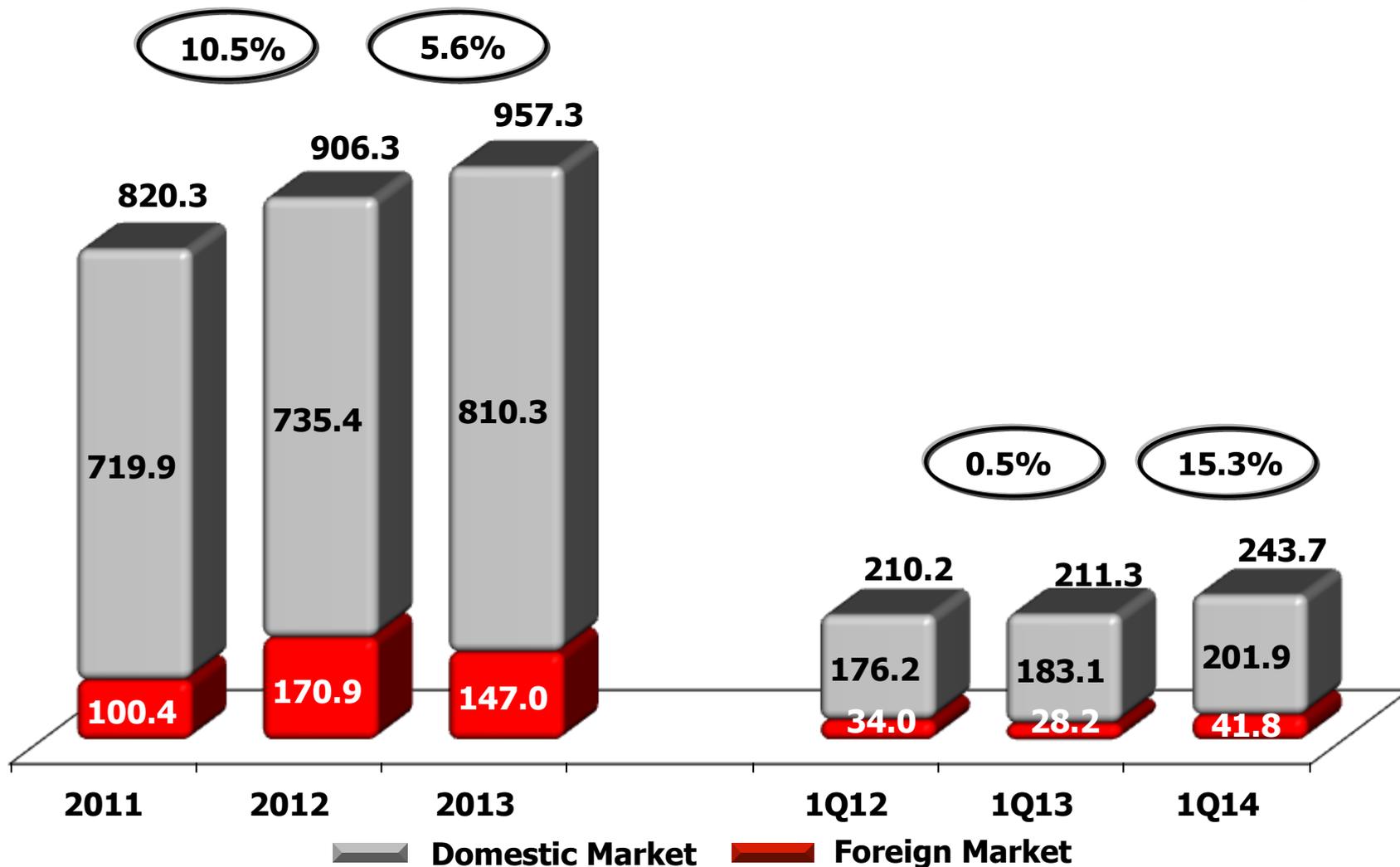


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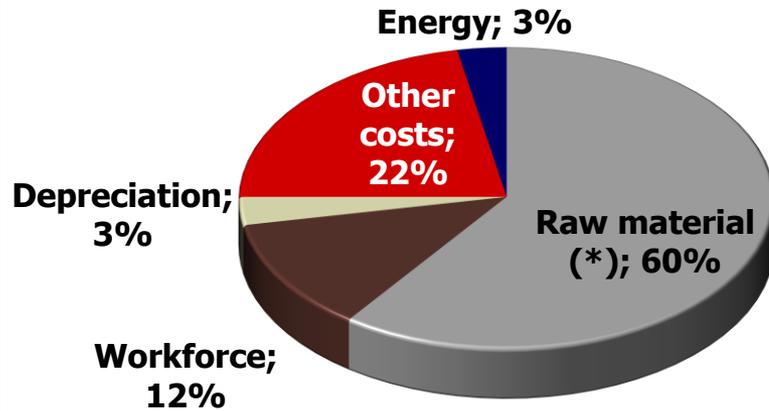
Economic and Financial Information

Consolidated Net Revenue (R\$ million)



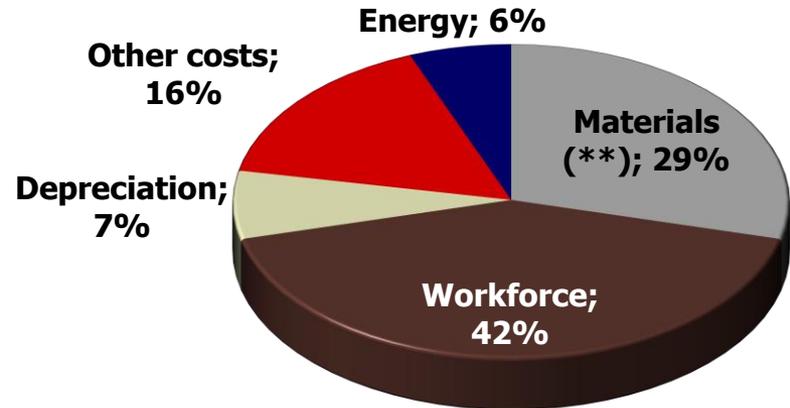
COGS Breakdown – 1Q14

Fiber Cement



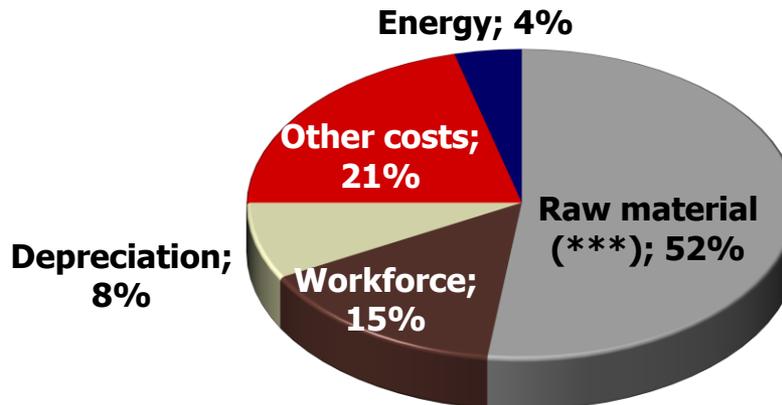
(*) Cement (47%), Chrysotile Mineral (44%) and the others (9%)

Chrysotile Mineral



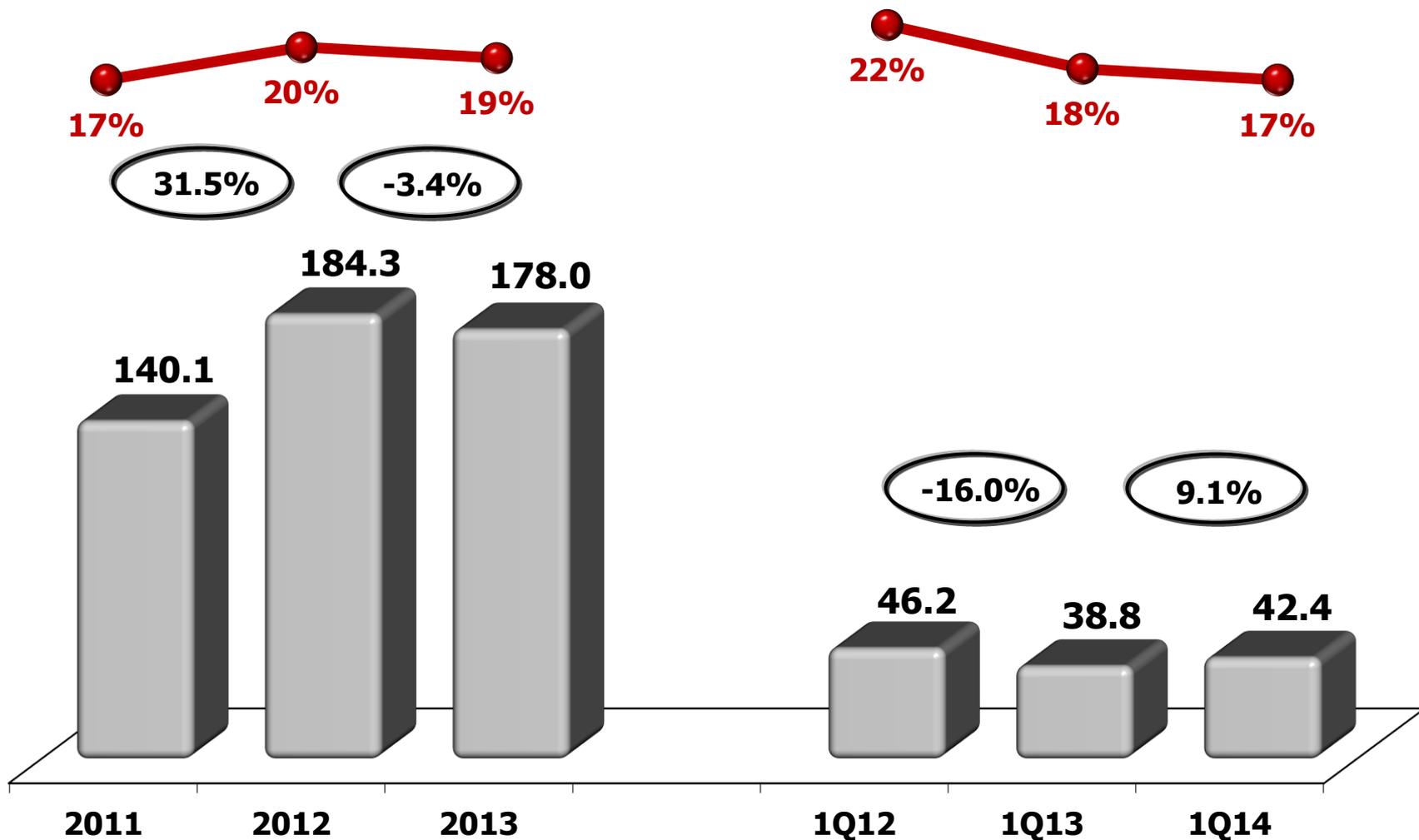
(**) Fuel, explosives, packaging, among the others

Concrete Tiles

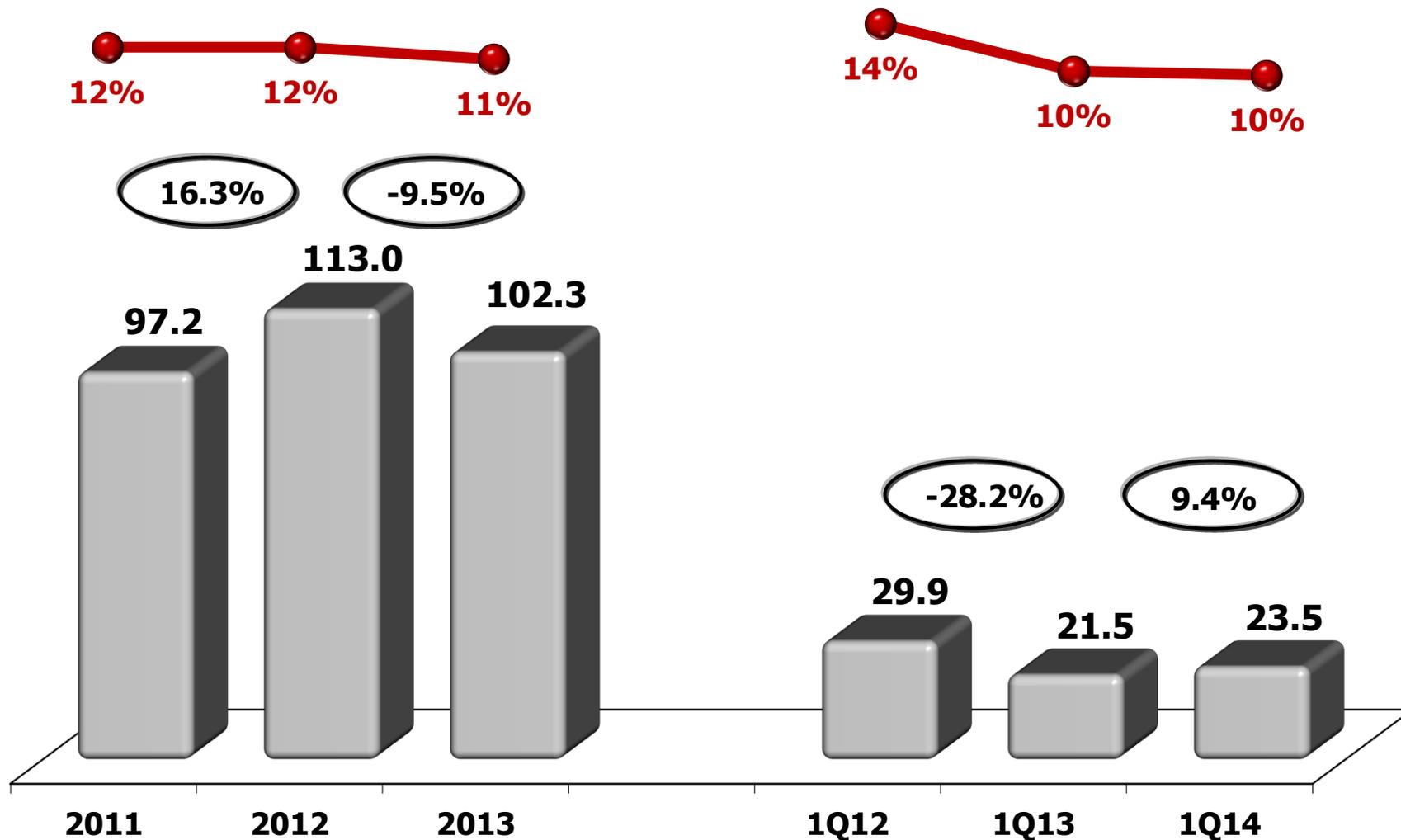


(***) Cement (55%), sand (29%) and the others (16%)

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



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



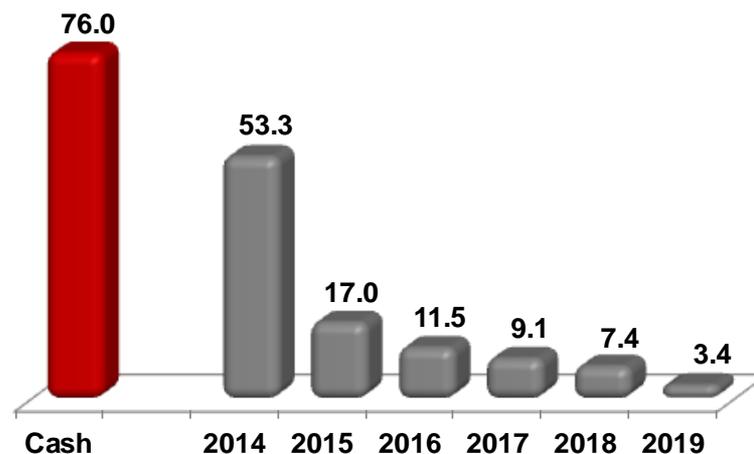
Debt (R\$ million)

Debt	03/31/13	12/31/13	03/31/14
Short-term gross debt	37,5	56,9	53,3
Long-term gross debt	27,6	25,8	48,4
Cash and cash equivalents	(5,1)	(13,3)	(7,9)
Short-term investments (same cash equivalents)	(55,0)	(35,7)	(68,1)
Net debt	5,1	33,7	25,7
EBITDA (last 12 months)	177,0	178,0	181,6
Net debt / EBITDA x	0,03	0,19	0,14
Net debt / Equity	1,1%	6,7%	5,0%

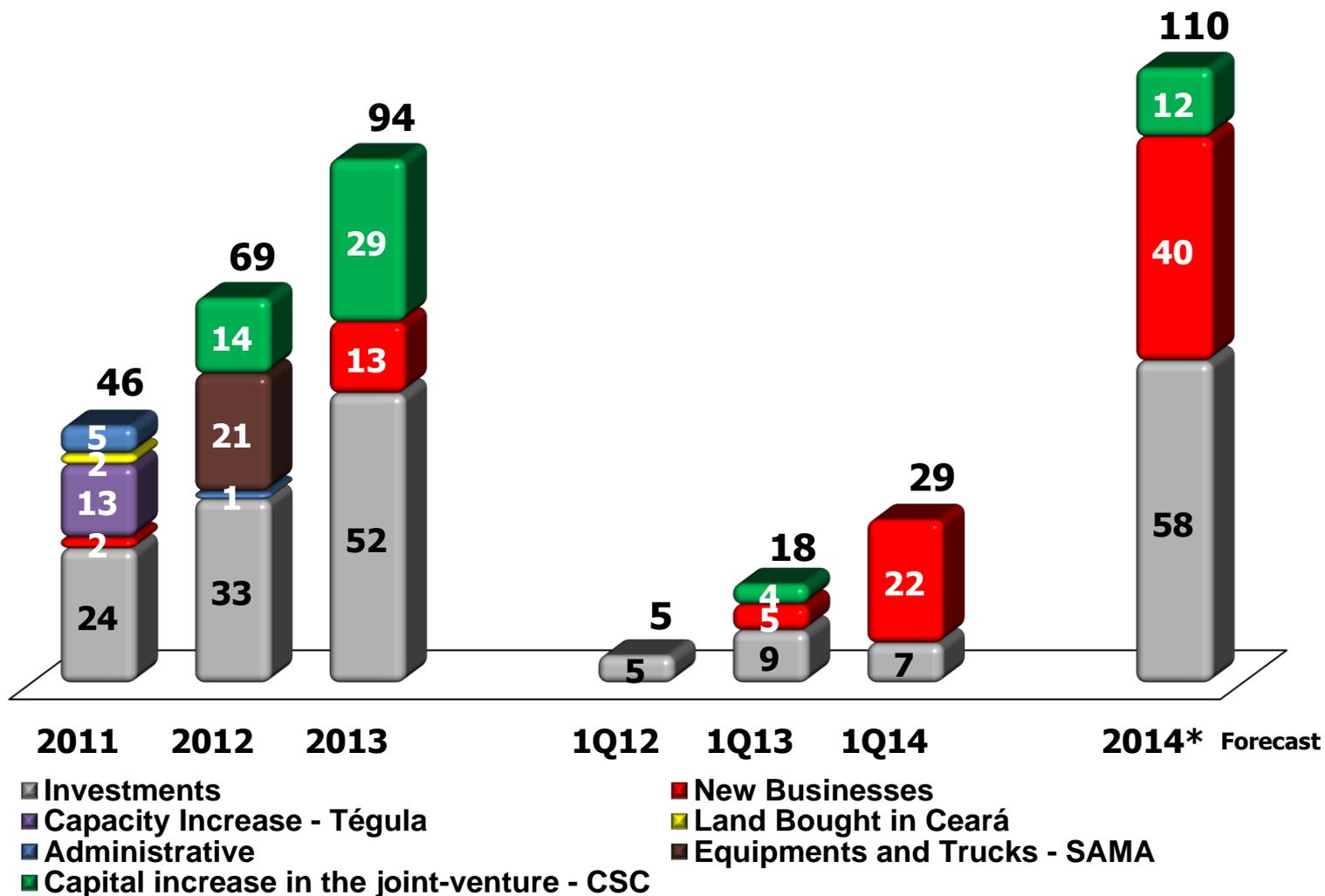
Origin of debt



Repayment Schedule



Capital Expenditures (R\$ million)



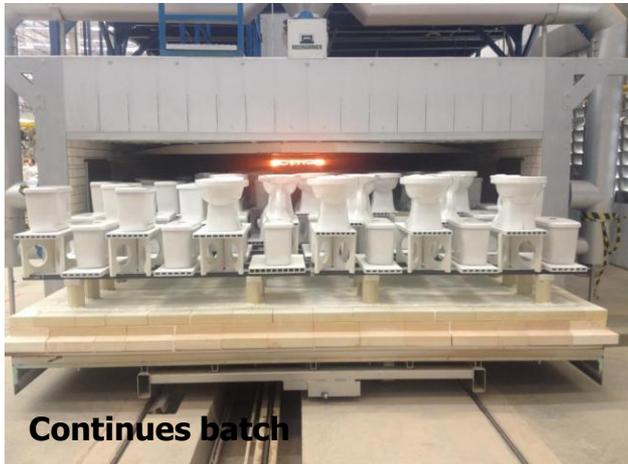
Bathroom Chinaware Plant in Caucaia (CE) - CSC



Production hangar view



Administrative office view



Continues batch



Distribution center

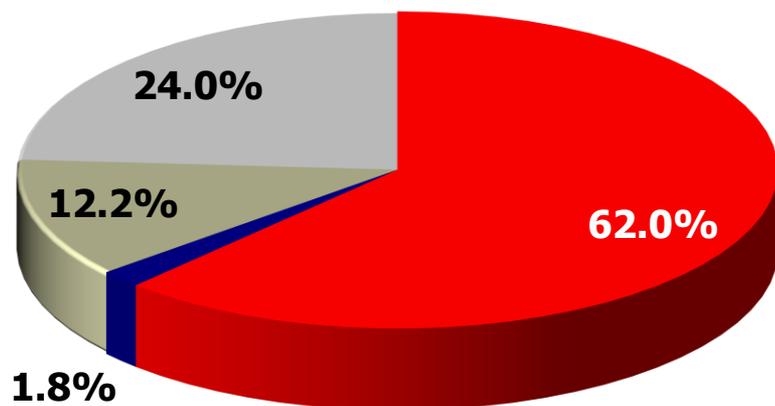
Follow the construction of the plant in Eternit's Blog: <http://blogdaeternit.com.br/>

Eternit



Capital Markets

Shareholding Structure – Apr/14



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

FREE-FLOAT

98.7%

Highlights

Geração L. Par. F. I. A.	15.25%
Luiz Barsi Filho	13.56%
Victor Adler + VIC DTVM	8.70%
Directors	1.04%
Stocks in Treasury	0.03%

Board of Directors (*)

Member since

Luis Terepins – President	2011
Lírio Albino Parisotto	2004
Marcelo Munhoz Auricchio	2011
Benedito Carlos Dias da Silva	2012
Leonardo Deeke Boguszewski	2014
Marcelo Gasparino da Silva	2014

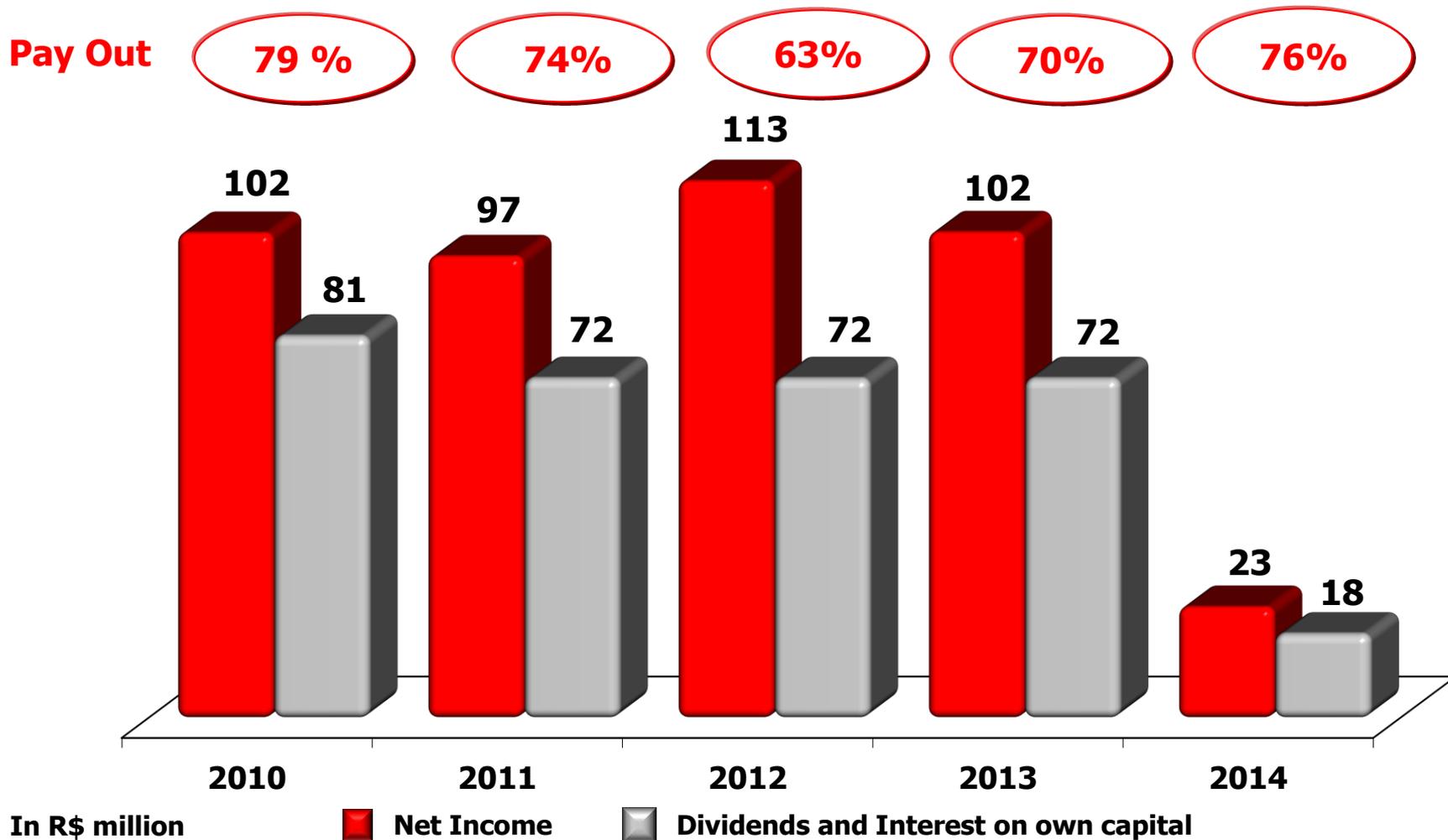
(*) 100% of the Members are independent

Board of Auditors

Member since

Charles René Lebarbenchon	2013
Edson Carvalho de Oliveira Filho	2013
Paulo Henrique Zukanovich	2013

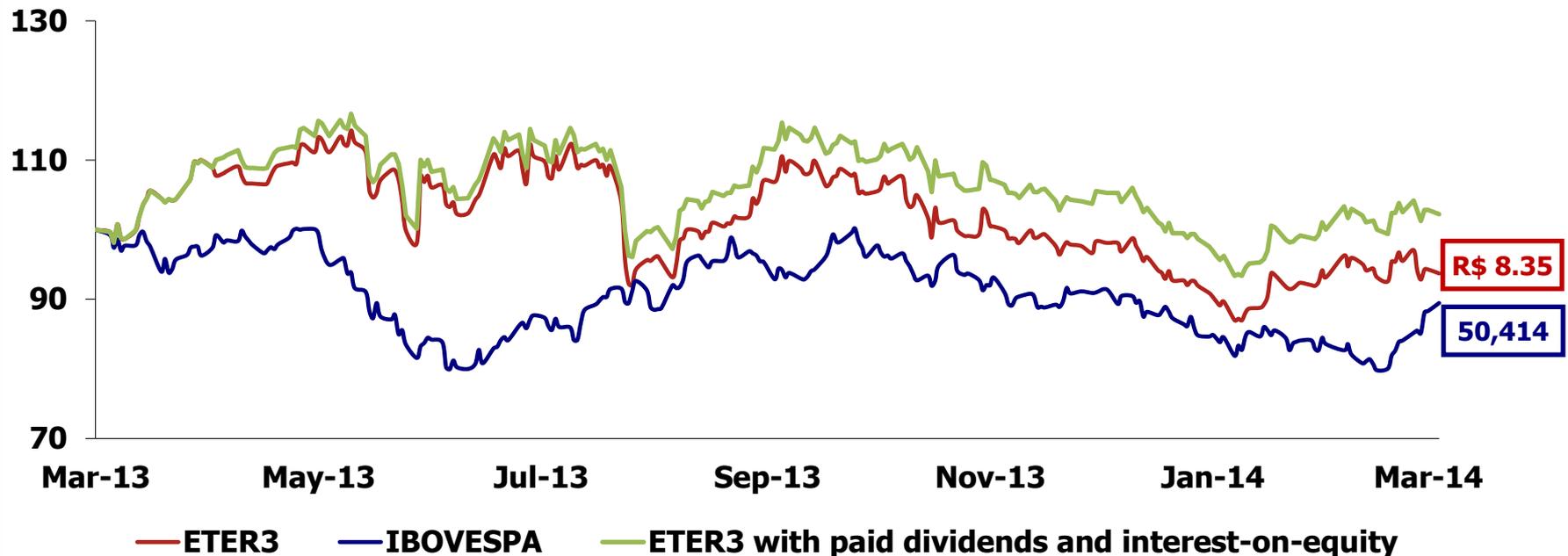
Policy of Remuneration - Net Income X Distributed Earnings



Eternit's Shares Performance

Between 03/28/2013 to 03/31/2014, Eternit's shares depreciated **6.3%** and IBOVESPA depreciated **10.5%**.

In the same period, including the payment of dividends and interest on own capital, Eternit's shares appreciated **2.2%**.





Eternit

Chrysotile – The Brazilian Mineral

Chrysotile – The Brazilian Mineral

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).

White Mineral

Bends and silky fibers without tip

High Concentration of Magnesium: $3\text{MgOSiO}_2\text{H}_2\text{O}$

Biopersistence*: 2.5 days

***Biopersistence:** Time that a inhaled particle remains in the lungs before being eliminated by the body's defense mechanisms. To cause lung damage, the fiber must have penetration and durability capacities in the alveoli.



Serpentinite rock with chrysotile mineral fibers

For further information, please visit: <http://www.eternit.com.br/ir>

Further Information

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