



# Eternit

Conference Call – Earning Results 2Q15 – 08/07/2015

“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.”

- Economic figures registered variations of:
  - ✓ GDP Brazil<sup>1</sup>: -1.8%
  - ✓ GDP for construction sector<sup>1</sup>: -3.3%
  - ✓ ABRAMAT<sup>2</sup>: -7.0%
  - ✓ Eternit<sup>3</sup>: 2.9%
- Variation on sales volume in the segments below:
  - ✓ Chrysotile mineral: -5.3%
  - ✓ Fiber-cement: -1.8%
  - ✓ Concrete tiles: -27.0%
- Consolidated Net Revenue reached R\$236.4 million, growth of 7.2%;
- Adjusted EBTIDA increased 15.5%, reaching R\$43.3 million;
- Net income totaled R\$16.8 million, decreasing 7.4%.

<sup>1</sup> Projected growth for Brazil GDP and construction GDP in 2015. (Source: BACEN)

<sup>2</sup> Projection for domestic construction material sales in 2015, adjusted for inflation.

<sup>3</sup> Growth of the consolidated gross revenue in 1H15 vs 1H14 corrected for inflation in accordance with the IGP-M index.



# Eternit

Operational Performance

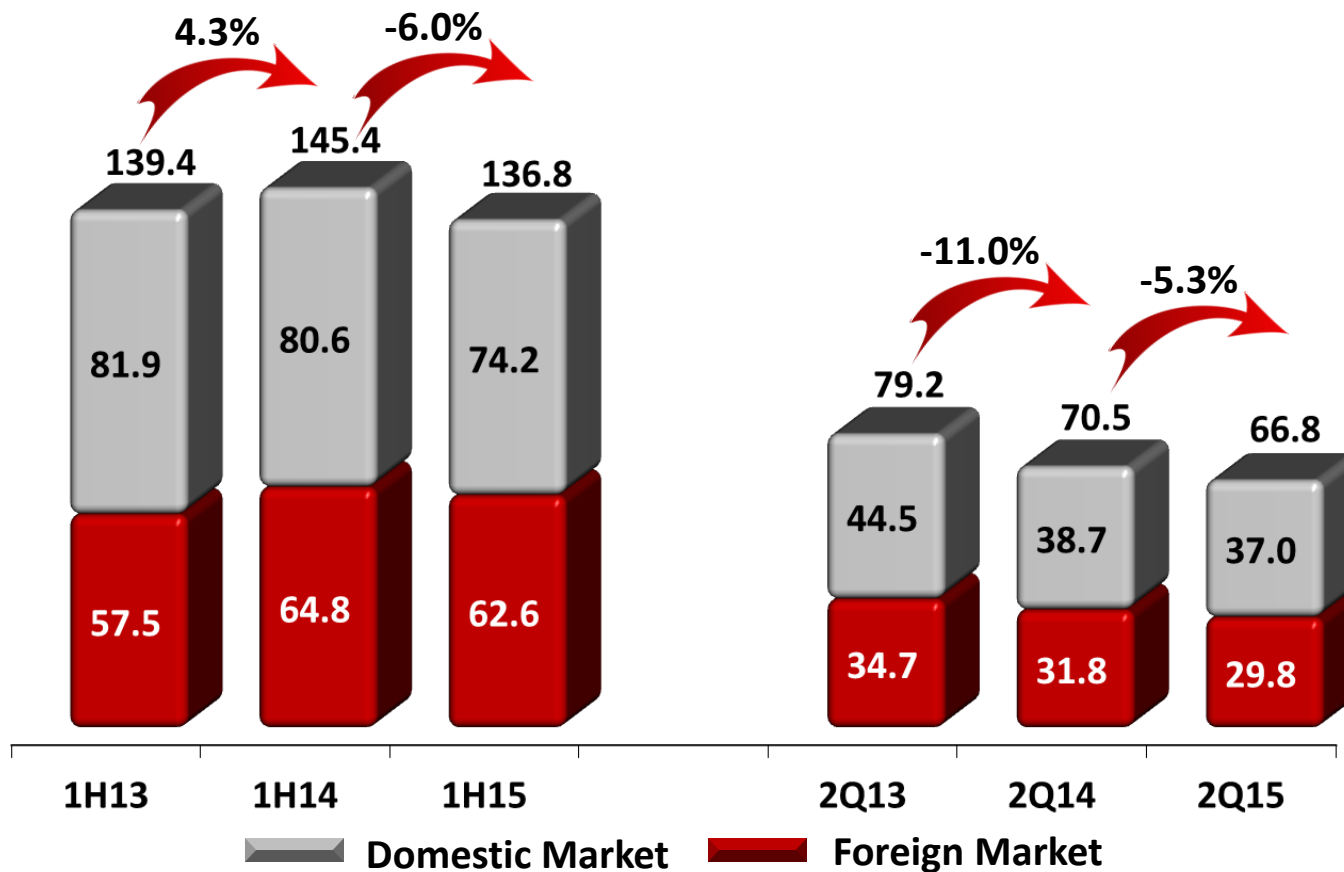
## Sales of Chrysotile Mineral (thousand tons)

1H15 x 1H14

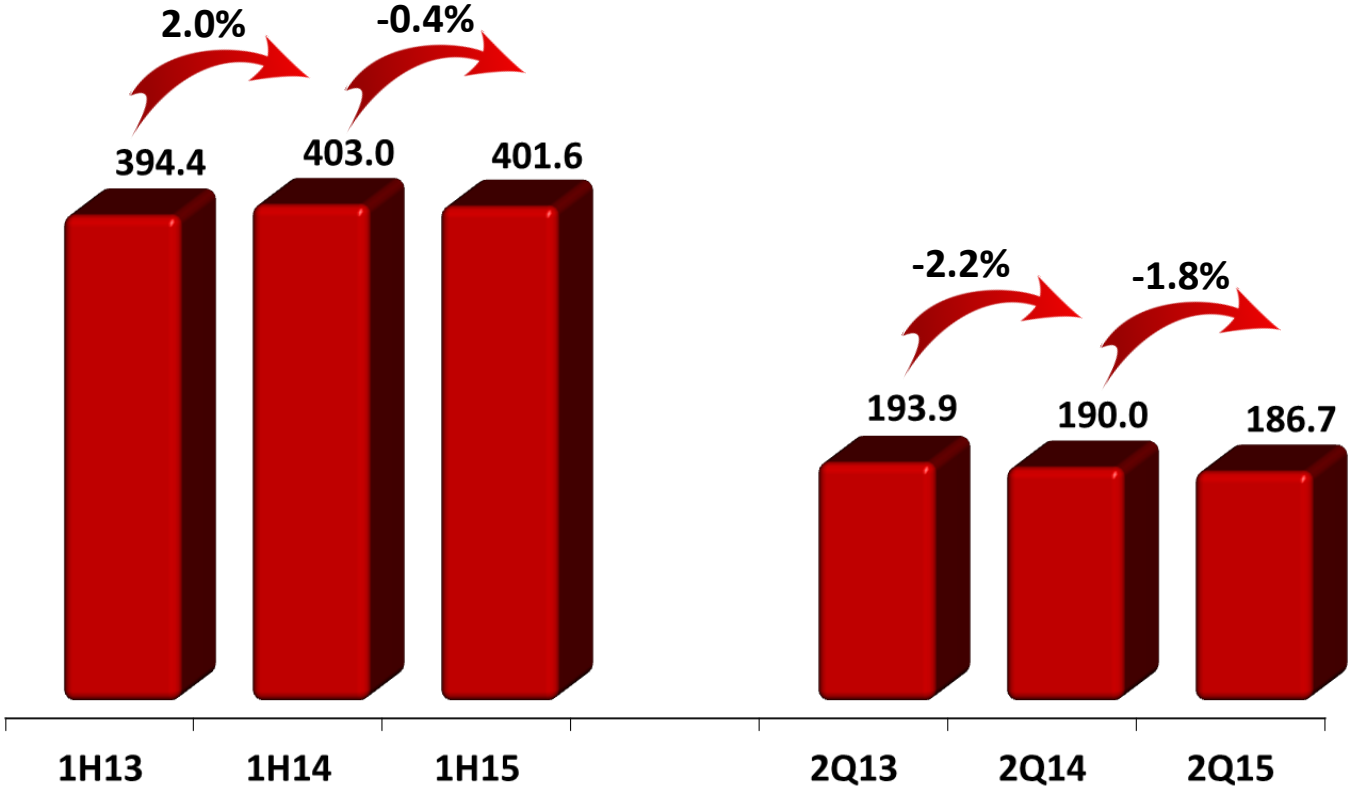
- Domestic Market – down by 7.9%
- Foreign Market – decline of 3.4%

2Q15 x 2Q14

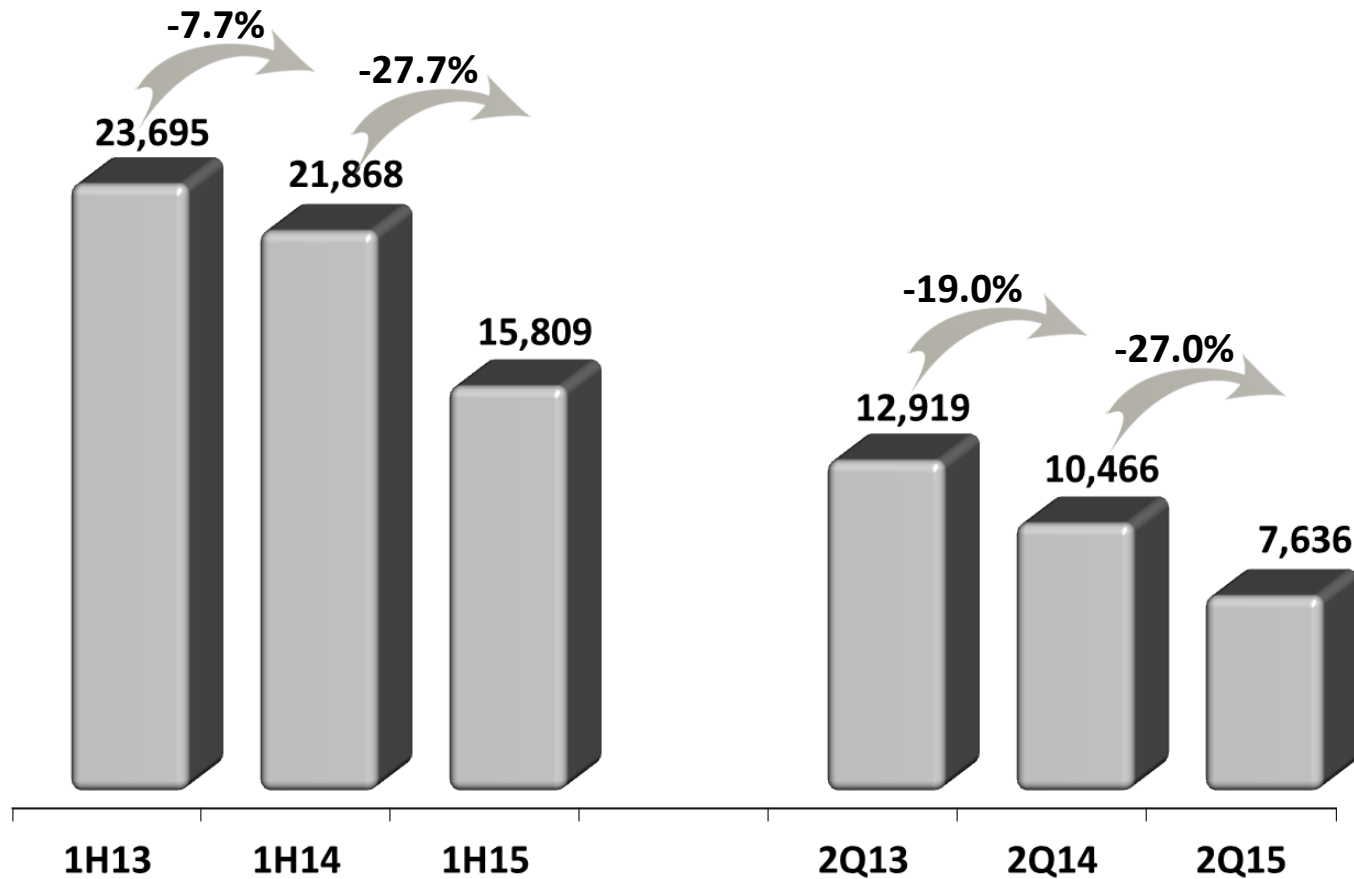
- Domestic Market – drop of 4.5%
- Foreign Market – decrease of 6.3%



## Sales of Fiber-Cement (thousand tons)



## Sales of Concrete Tiles (thousand pieces)





# Eternit

**Economic and Financial Information**



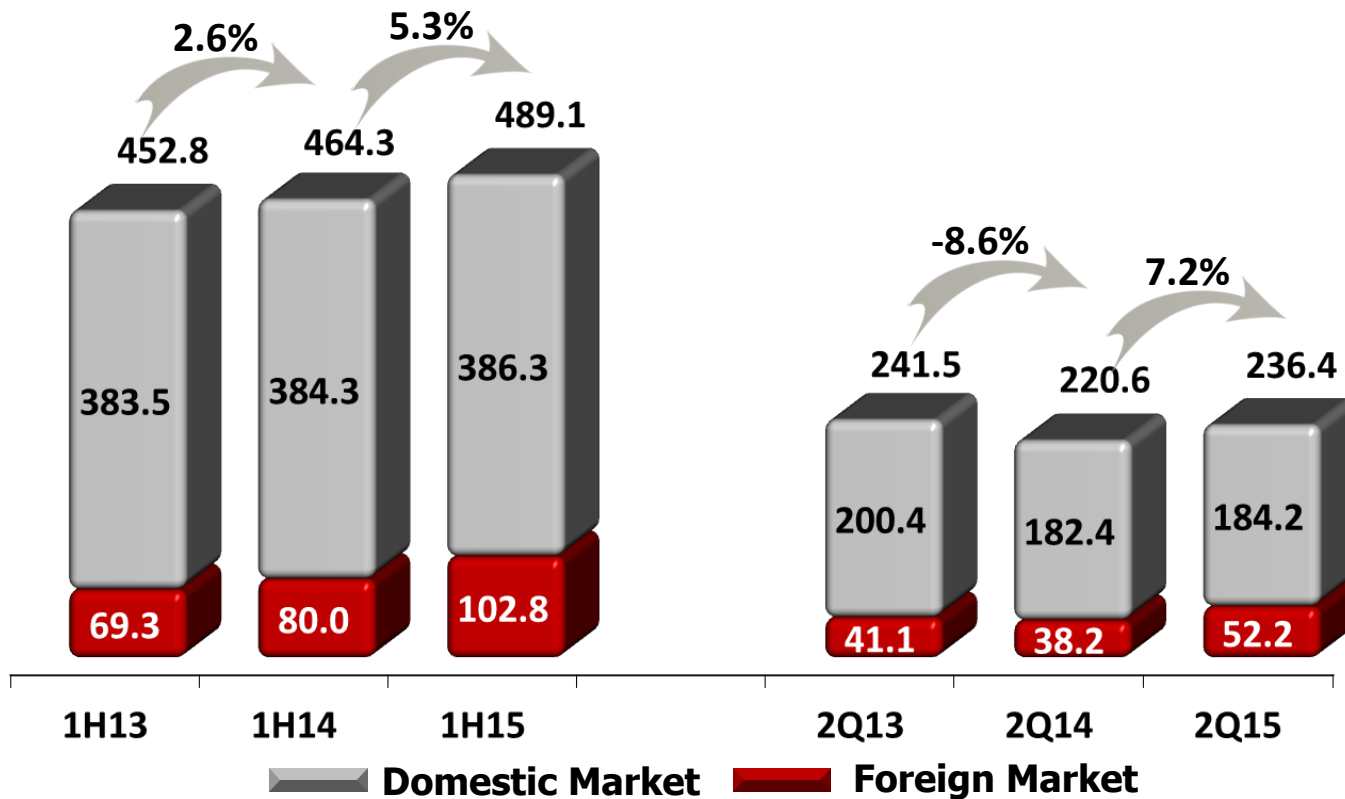
## Consolidated Net Revenue (R\$ million)

### 1H15 x 1H14

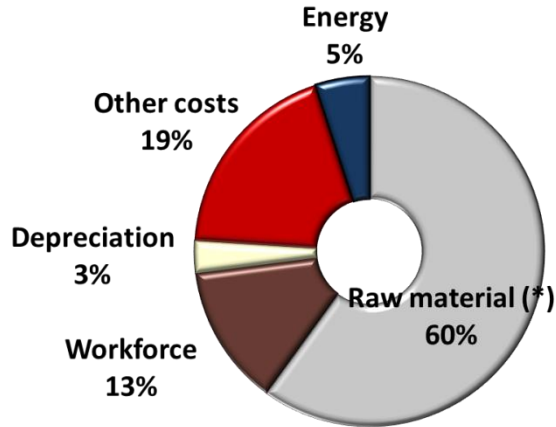
- **Domestic Market** – up to 0.5%
- **Foreign Market** – increase of 28.6%

### 2Q15 x 2Q14

- **Domestic Market** – advance of 1.0%
- **Foreign Market** – growth of 36.8%

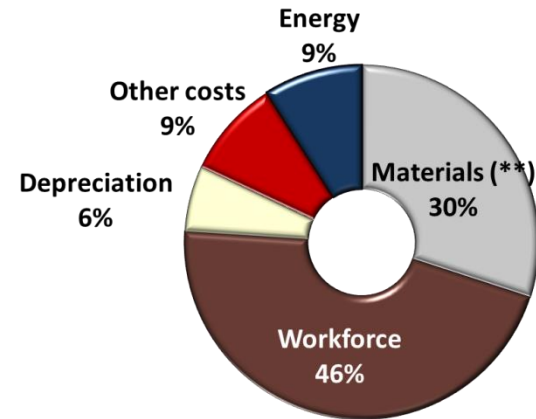


## Fiber-cement



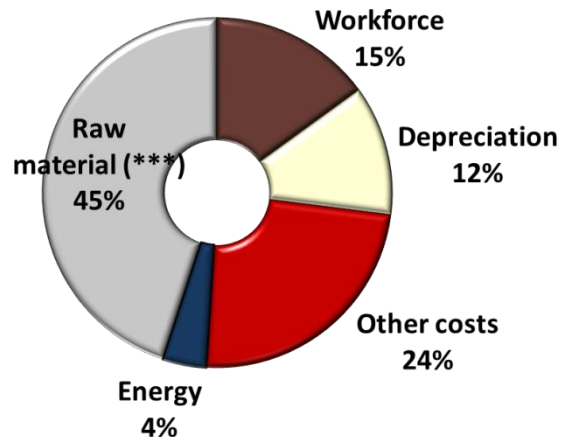
(\*) Cement (44%), Chrysotile Mineral (42%) and the others (14%)

## Chrysotile Mineral



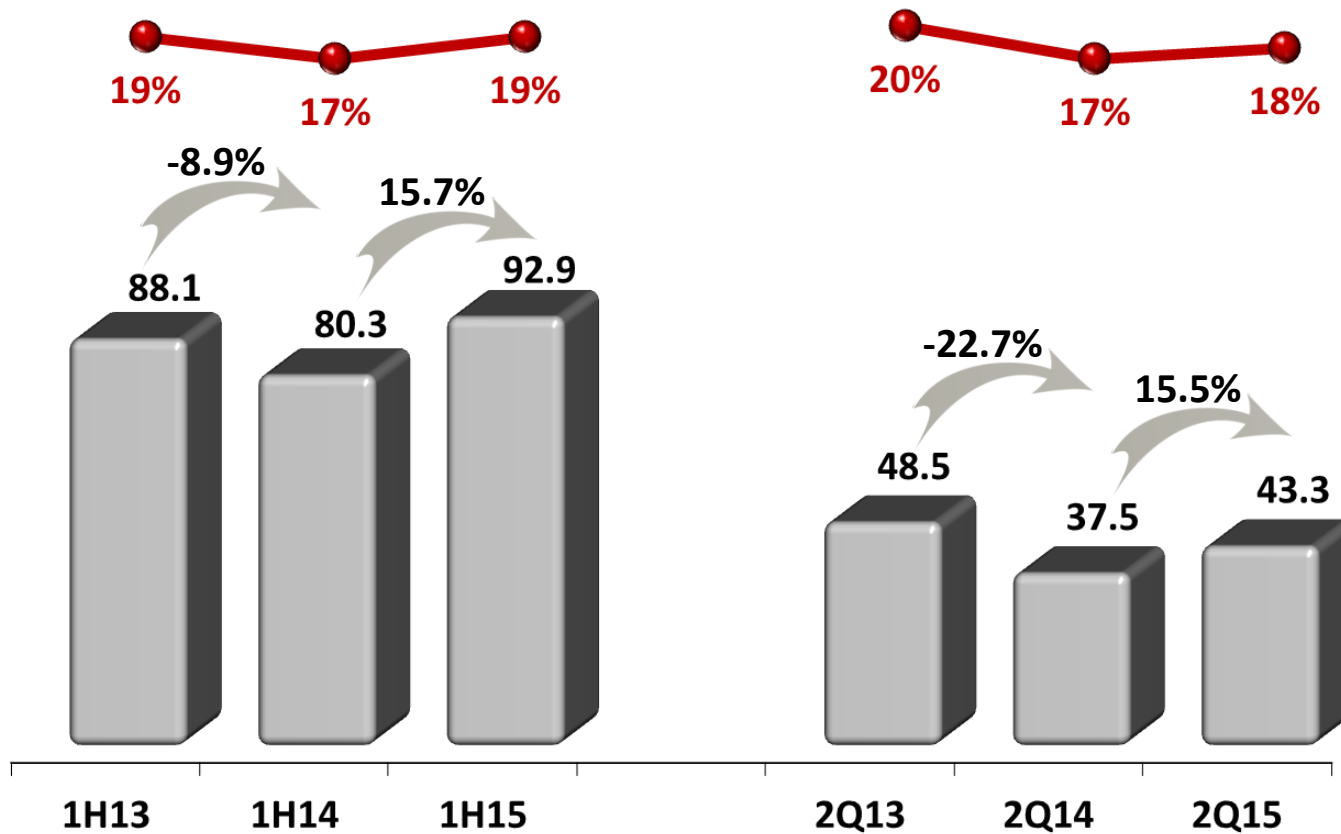
(\*\*) Fuel, explosives, packaging, among the others

## Concrete Tiles

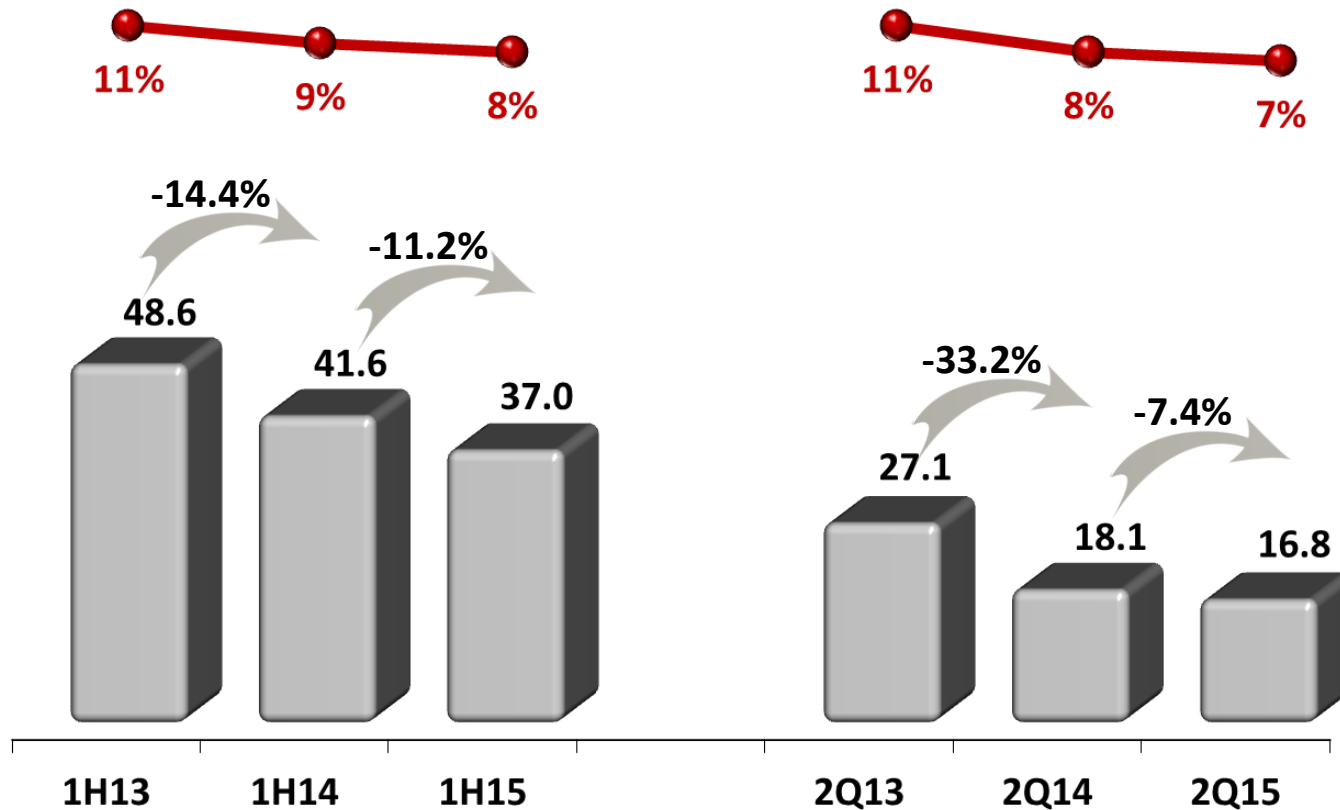


(\*\*\*) Cement (55%), sand (29%) and the others (16%)

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



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

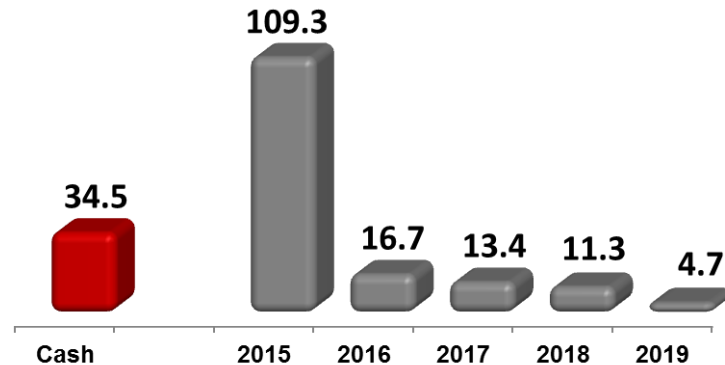


Debt	06/30/13	06/30/14	06/30/15
Short-term gross debt	55.6	55.8	109.3
Long-term gross debt	34.4	48.2	46.1
Cash and cash equivalents	(6.6)	(5.0)	(13.3)
Short-term investments (same cash equivalents)	(49.5)	(44.4)	(21.2)
<b>Net debt</b>	<b>33.9</b>	<b>54.6</b>	<b>120.9</b>
EBITDA (last 12 months)	185.3	169.3	168.5
<b>Net debt / EBITDA x</b>	<b>0.18</b>	<b>0.32</b>	<b>0.72</b>
EBITDA (last 12 months)	187.5	176.4	191.7
<b>Net debt / EBITDA x</b>	<b>0.18</b>	<b>0.31</b>	<b>0.63</b>
<b>Net debt / Equity</b>	<b>6.9%</b>	<b>10.7%</b>	<b>23.4%</b>

### Origin of debt

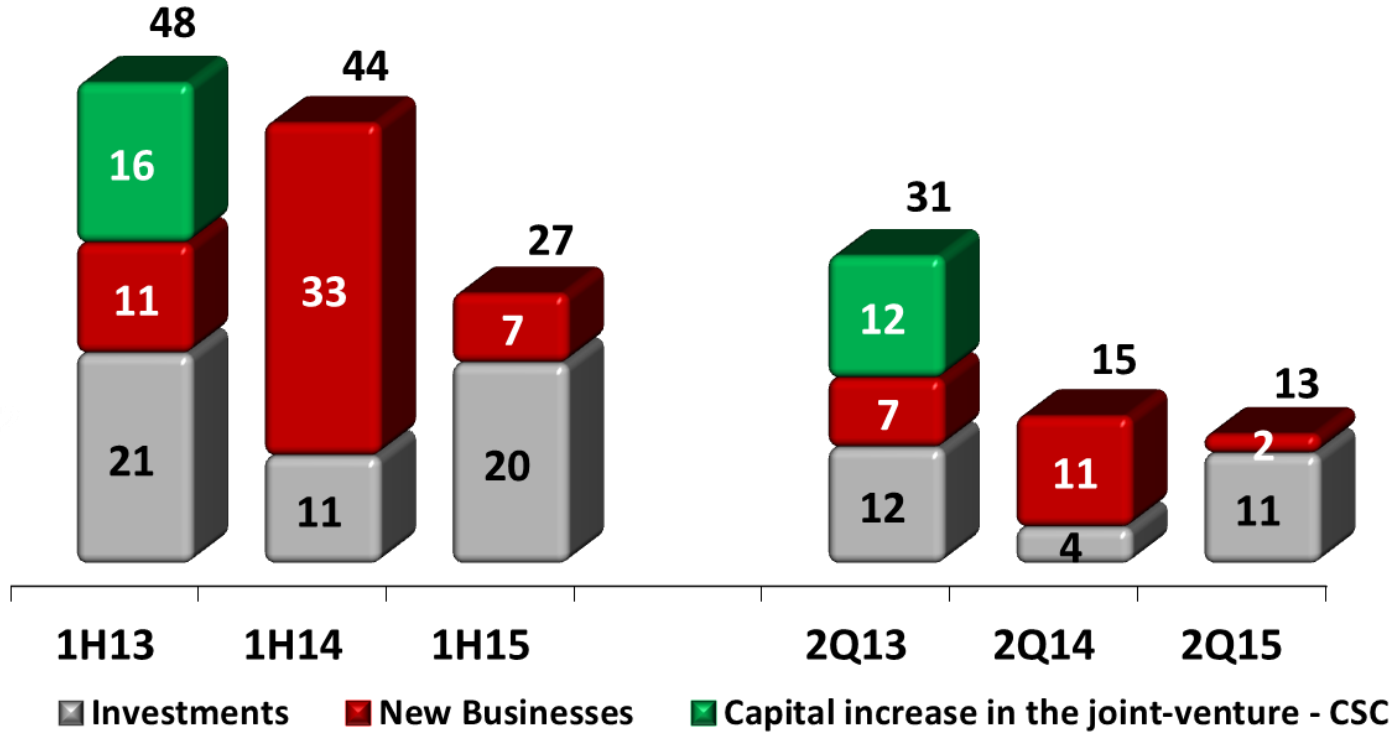


### Repayment Schedule



\* Debt related to ACE and ACC, which corresponds to 62% of foreign currency debt, is naturally hedged by accounts receivable in foreign currency resulting from chrysotile exports.

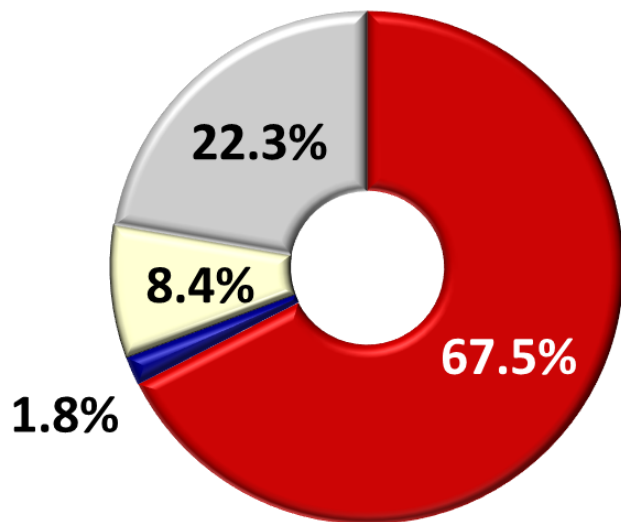
## Capital Expenditures (R\$ million)





# Eternit

Capital Markets



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

**FREE-FLOAT**

**84.5%**

\*Independent directors in accordance with BM&FBOVESPA Novo Mercado Regulations

### Highlights

Geração L. Par. F. I. A.	13.80%
Luiz Barsi Filho	13.75%
Victor Adler	7.04%
Directors	1.24%
Stocks in Treasury	0.03%

### Board of Directors

#### Member since

Luis Terepins* - President	2011
Lírio Albino Parisotto*	2004
Marcelo Munhoz Auricchio*	2011
Leonardo Deeke Boguszewski*	2014
Marcelo Gasparino da Silva*	2014
Luiz Barsi Filho*	2015
Raphael Manhães Martins*	2015

### Board of Auditors

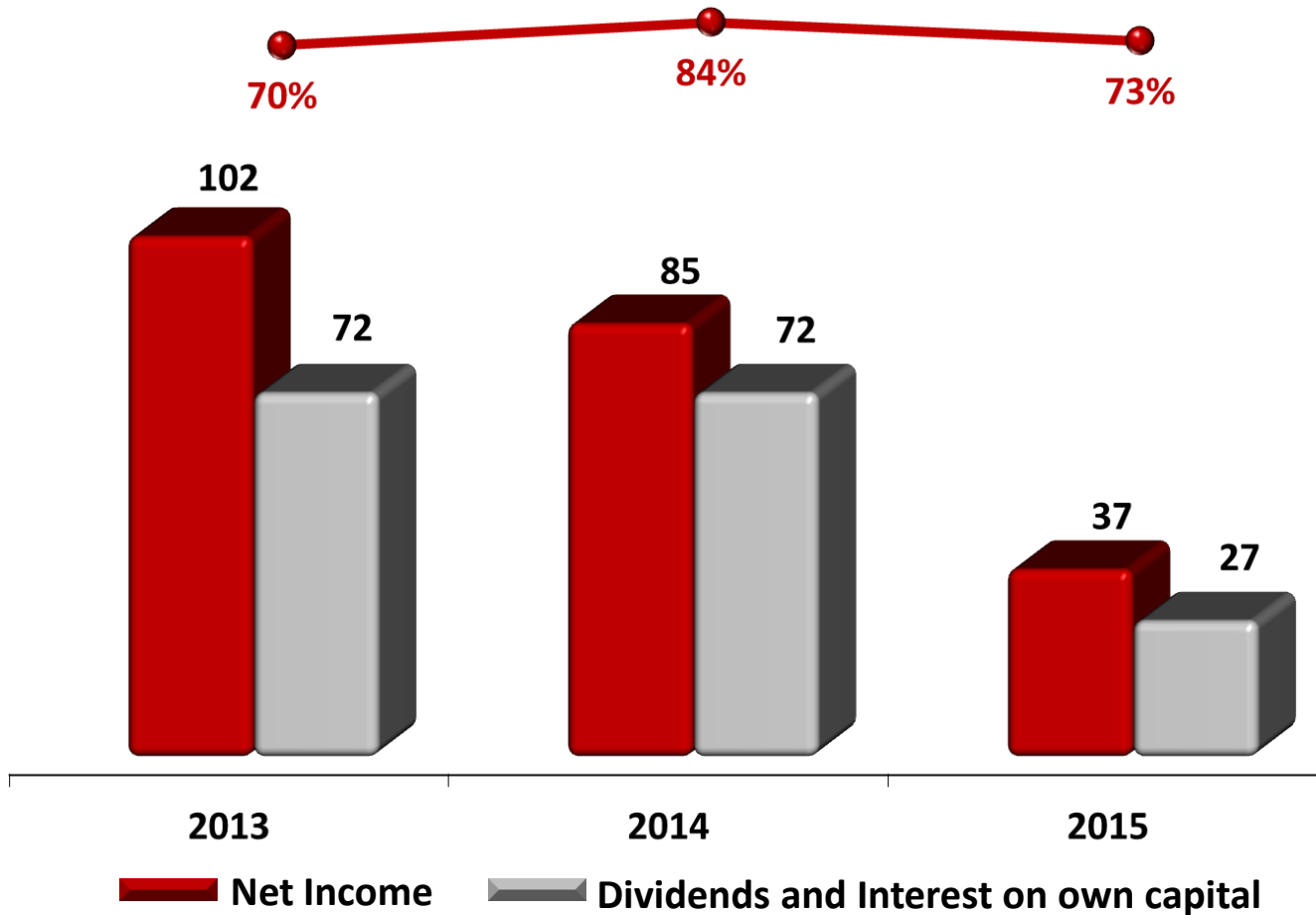
#### Member since

André Eduardo Dantas	2013
Paulo Henrique Z. Funchal	2013
Benedito Carlos Dias da Silva	2015
Luciano Luiz Barsi	2015
Robert Juenemann	2015



## Policy of Remuneration Net Income x Distributed Earnings (R\$ million)

Pay Out





# 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>



# Eternit

Recognitions

### Human Resources

- **Eternit**
  - Most Admired HR Personnel in Brazil 2015;
  - IDHO (Organizational Human Development Indicator) 2015 Award.
- **SAMA**
  - Great Place To Work Latin America 2015;
  - Great Place To Work Midwest 2015;
  - Most Admired HR Personnel in Brazil 2015;
  - IDHO 2015 Award (10 Best Companies in IDHO).

### Sustainability

- **SAMA**
  - 17<sup>th</sup> Brazilian Mining and Metallurgical Industry Excellence Awards 2015.



**Nelson Pazikas**

*nelson.pazikas@eternit.com.br*

**Rodrigo Lopes da Luz**

*rodrigo.luz@eternit.com.br*

**Paula D. A. Barhum Macedo**

*paula.barhum@eternit.com.br*

**Thiago Scheider**

*thiago.scheider@eternit.com.br*

Phone: (55-11) 3194-3881

(55-11) 3194-3872

**[www.eternit.com.br/ir](http://www.eternit.com.br/ir)**

**[www.blogdaeternit.com.br](http://www.blogdaeternit.com.br)**



**@Eternit\_RI**

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Dr. Fernandes Coelho Street, 85 – 8th floor

Pinheiros – São Paulo / SP

05423-040



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