Consolidated net revenue up 15% and EBITDA of R$ 42 million in 1Q14

São Paulo, May 8, 2014 – Eternit S.A. (BM&FBOVESPA: ETER3; OTC: ETNTY), which was founded 74 years ago and is Brazil's leading manufacturer of roofing tiles and a manufacturer of bathroom chinaware and metal fittings and construction solutions, announces its results for the first quarter of 2014 (1Q14). Except where stated otherwise, the operational and financial information of the Company is presented on a consolidated basis in Brazilian real, in accordance with Brazilian Corporation Law and International Financial Reporting Standards (IFRS). All the comparisons in this press release are in relation to the first quarter of 2013 (1Q13), except where stated otherwise.

1Q14

Stock Price (04/30/14) ETER3

R$/share	8.69
US$/share	3.89

Shareholder Base (04/30/14)

Total Shares	89,500,000
Free Float	98.7%

Market Capitalization (04/30/14)

R$ 778 million
US$ 348 million

Shareholder Payments (2014)

R$ 0.40 per share
Dividend yield: 4.6%

Indicators - (Mar/14)

Book Value (R$/share)	5.72
Price/Book Value	1.46
Price/Earnings	7.16

Conference Call/Webcast

May 9, 2014

Time: 11:00 a.m. (Brasília) – 10:00 a.m. (New York) and 3:00 p.m. (London)

Dial-in:
Participants in Brazil: **(+55 11) 3193-1001** or **2820-4001**
Participants in other countries: **(+1 786) 786 924-6977**
Password: **Eternit**

Webconference:
www.eternit.com.br/ir

IR Contacts

Investor Relations Team:
ri@eternit.com.br
For more information visit:
www.eternit.com.br/ir

@Eternit_RI

The construction materials industry ended 1Q14 with growth well below the forecast made by the Brazilian Construction Materials Industry Association (ABRAMAT) for the period. Eternit ended the period outperforming the industry, with its chrysotile mining operations functioning at full capacity, while its fiber-cement and concrete tile operations functioning at approximately 80% and 60% capacity, respectively.

In 1Q14, chrysotile asbestos sales reached 74,900 tons, increasing 24.4% from 1Q13 due to the higher demand for fiber-cement roofing in the domestic market and the regular flow of exports in the last quarters. During the same period, fiber-cement sales, including construction solutions, totaled 213,000 tons, increasing 6.2% from 1Q13, while concrete tiles grew 5.4% due to higher demand in this market and to Tégula's strategy of selling its products through construction material stores as well.

In 1Q14, consolidated net revenue amounted to R$ 243.7 million, up 15.3% from 1Q13, due to an appropriate sales policy and the higher sales across its portfolio.

In 1Q14, EBITDA reached R$ 42.4 million, up 9.1% from 1Q13, primarily due to the higher sales volume of chrysotile asbestos, fiber-cement and concrete tiles, an appropriate sales policy and higher exchange variation, which partially offset the increase in the cost of goods sold, which was higher than consolidated net revenue, and the increase in operating expenses. As a result, net income increased 9.4% from 1Q13 to R$ 23.5 million in 1Q14.

In line with the Expansion and Diversification Plan, investments in 1Q14 totaled R$ 29.2 million, 64.3% more than in 1Q13, and mainly went towards the installation of a research, development and production unit for construction material inputs in the state of Amazonas and the maintenance and modernization of the Group's industrial facilities.

Eternit continues to be one of the publicly held corporations in Brazil delivering the highest returns to shareholders. In 2014, its dividend yield was 4.6% and earnings distributed to shareholders totaled R$ 35.8 million.

Main Indicators

Consolidated - R$ `000	1st Quarter		
	2014	2013	% Chg.
Gross revenues	**310,688**	**276,300**	**12.4**
Net revenues	**243,692**	**211,263**	**15.3**
Gross profit	90,751	84,556	7.3
Gross margin	*37%*	*40%*	*- 3 p.p.*
Operating income (EBIT) [1]	**33,194**	**29,965**	**10.8**
Net income	**23,490**	**21,474**	**9.4**
Net margin	*10%*	*10%*	-
EPS (R$/share)	0.26	0.24	9.4
Investments	29,203	17,775	64.3
EBITDA [2]	**42,371**	**38,822**	**9.1**
EBITDA Margin	*17%*	*18%*	*- 1 p.p.*

[1] *Before financial results.*
[2] *Operating income before interests, taxes, depreciation and amortization*

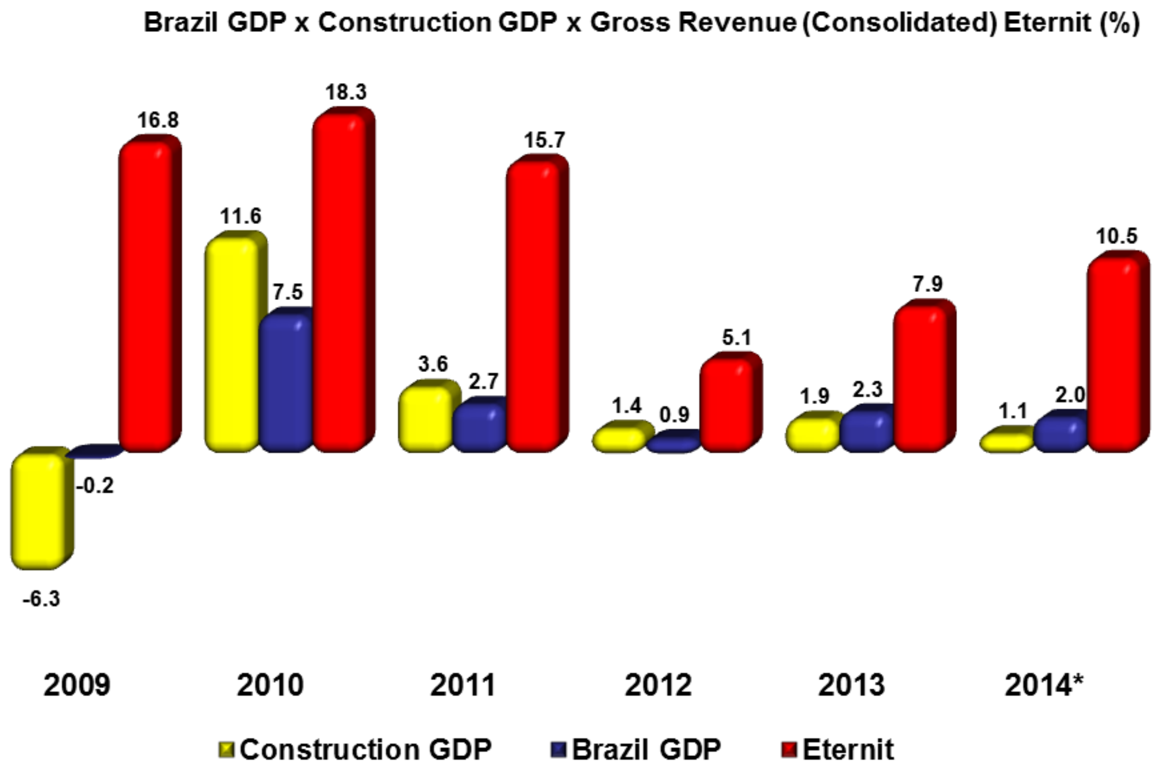
General and Industry Scenario

On the external front, the Central Bank of Brazil (BACEN) considers that the risks to global financial stability remained high despite the low probability of extreme events occurring in global financial markets. In general terms, the global economic outlook remained unchanged despite evidence pointing to low growth rates in a few mature economies, belying their growth potential.

In the domestic scenario, BACEN is of the opinion that household consumption should continue to grow due to incentives such as income growth and moderate credit expansion, in addition to other factors such as favorable financial conditions that create attractive opportunities for investments. In this regard, BACEN highlights that the central scenario contemplates a relatively stable pace of economic activity in 2014 compared to 2013, with Gross Domestic Product (GDP) growth estimated at 2.0% for the economy and 1.1% for the construction industry in 2014.

According to the Brazilian Construction Materials Industry Association (ABRAMAT), sales of construction materials in 1Q14 grew 0.9% from the previous year, well below the estimated growth of 4.5% for 2014, mainly due to the sales performance in March 2014, which was 3.9% lower than in March 2013.

Whether this forecast will materialize by the end of this year will depend on continued stimulus measures from government to the construction industry, maintenance of employment and income levels, growth in credit supply for the acquisition, construction and renovation of properties, and the acceleration of infrastructure works, such as ports and airports.



(*) – Forecast.
Source: Central Bank of Brazil, projected GDP growth of Brazil and the construction industry in 2014.
Growth in Eternit's consolidated gross revenue compares January-March 2014 with the same period in 2013, deflated by the IGP-M index.

Operational and Financial Aspects

According to ABRAMAT, demand for construction materials registered weak growth in 1Q14, especially in March. The Company, however, strongly outperformed its industry.

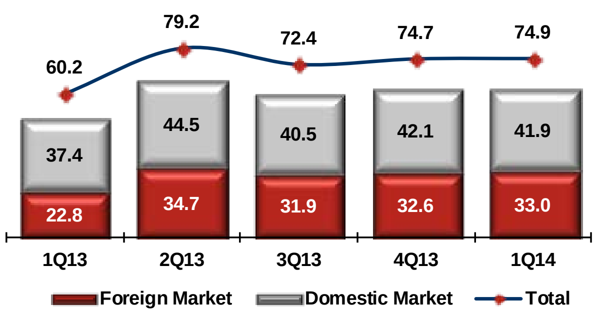
Demand for chrysotile asbestos remained stable during the quarter, which led the Company to maintain its strategy of operating its mining segment at full capacity. In its line of finished products, production accompanied demand, with capacity utilization rates of approximately 80% in the fiber-cement operation and 60% in the concrete roofing tile operation.

Sales

Chrysotile Asbestos

Chrysotile asbestos sales volume in 1Q14 reached 74,900 tons, increasing 24.4% from 1Q13. In line with its strategy of supplying to the domestic market, which is more profitable, domestic sales grew 12.0% in the period, primarily due to the increase in demand for fiber-cement roofing. Exports grew 44.8%, mainly due to the regular export flows in the last quarters.

Sales of Chrysotile Mineral (thous. Tons.)*

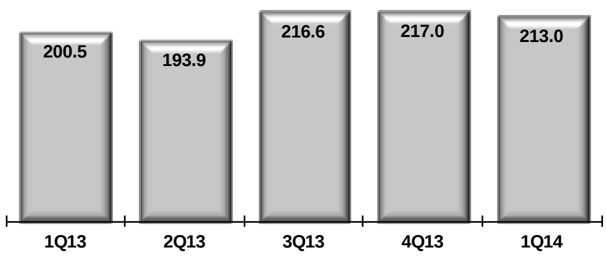


(*) Chrysotile sales volume includes intercompany sales, which accounted for 37.5% of domestic sales volume in 1Q14.

Fiber-cement

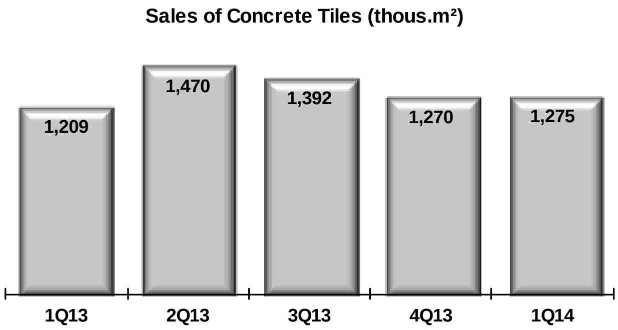
In 1Q14, sales of fiber-cement, including construction solutions, totaled 213,000 tons, increasing 6.2% from 1Q13, mainly due to their competitive advantages in the roofing segment.

Sales of Fiber-Cement (thous. Tons.)



Concrete Tiles

In 1Q14, concrete tile sales totaled 1,275,000 square meters, an increase of 5.4% from 1Q13, due to higher demand in this market and to Tégula's strategy of selling its products through construction material stores as well.



Other Products

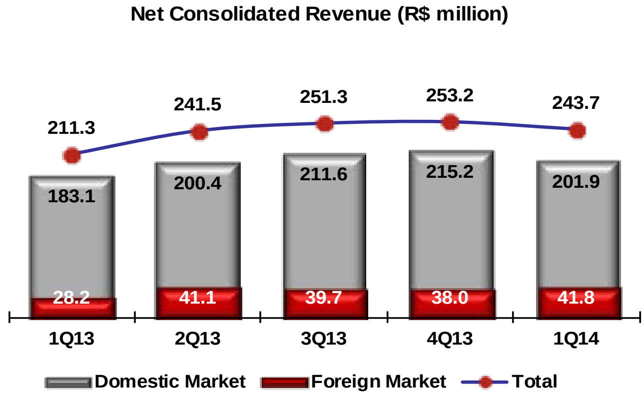
These include the manufacture and sale of polyethylene water tanks, metal roofing tiles, metal fittings and roofing accessories, among others. Bathroom chinaware products have been gaining prominence in Eternit Group's portfolio. Its joint subsidiary, Companhia Sulamericana de Cerâmica (CSC), is getting ready to start production in the state of Ceará, where it already enjoys a prominent position in the bathroom chinaware segment, having overtaken even traditional players.

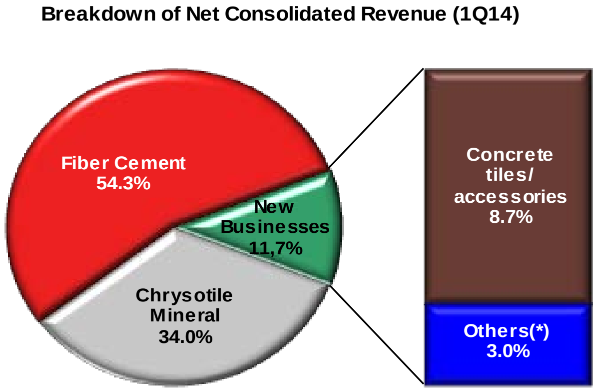
Consolidated Net Revenue

Consolidated net revenue in 1Q14 reached R$ 243.7 million, up 15.3% from the same period in 2013. Domestic sales, which include both finished products and chrysotile asbestos, totaled R$ 201.9 million, up 10.2%, thanks to an appropriate sales policy and increased sales of chrysotile asbestos, fiber-cement and concrete tiles. Net revenue from exports increased 48.7% from 1Q13, totaling R$ 41.8 million, mainly due to higher sales volume and the 18.4% appreciation of the U.S. dollar against the Brazilian real (comparison of the average PTAX rate in the period).

Between 1Q13 and 1Q14, the chrysotile asbestos, fiber-cement and concrete roofing tiles and accessories product lines individually recorded revenue growth of 37.7%, 14.9% and 11.0%, respectively, with revenues of R$ 82.8 million, R$ 132.3 million and R$ 21.2 million, respectively, as a result of the factors described above. Revenue from the other products line totaled R$ 7.4 million in 1Q14, 56.0% lower than in 1Q13.

Sales of bathroom chinaware and lavatory seats are not consolidated since the shareholders (Eternit and Colceramica, a Colombian multinational) exercise joint control, in accordance with CPC 36 and IFRS 10 on consolidated financial statements, and with CPC 19 and IFRS 11 on joint arrangements[1].





(*) Other: metal bathroom fittings, metal roofing tiles, polyethylene water tanks, water pipe filters, synthetic marble and construction solutions.

[1] The consolidated net revenue of CSC, a joint controlled company, was of R$ 8,800 thousand in March 31, 2014.

Cost of Mining, Production and Products Sold

The consolidated cost of products sold totaled R$ 152.9 million in 1Q14, up 20.7% from 1Q13 due to the increase in mining and production costs. Since the increase in the consolidated cost of products sold outpaced the increase in net consolidated revenue in 1Q14, gross margin narrowed by 3 percentage points to 37%.

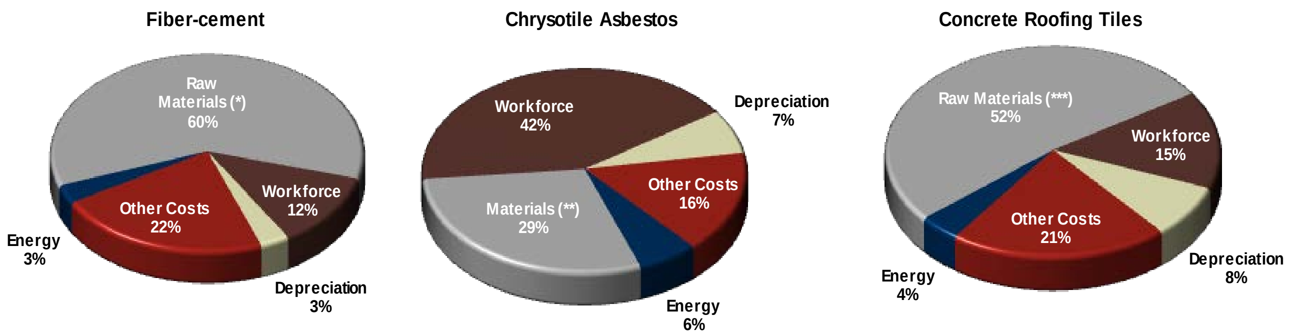
The main variations in mining and production costs are shown below:

Chrysotile mining: 13% increase due to higher labor costs (wage increase), consumption of materials (especially fuel and packaging), as well as maintenance and depreciation of new equipment and trucks in the extraction area.

Fiber-cement: 4% increase due to the higher price of raw materials (especially chrysotile asbestos, cement and pulp), packaging and higher expenses with the maintenance of industrial facilities.

Concrete roofing tiles: 1% increase due to higher prices of raw materials (white cement) and inputs (packaging and fuel).

Breakdown of Cost of Mining and Production (1Q14)



(*) Raw materials: cement (47%), chrysotile asbestos (44%) and other (9%).
(**) Materials: fuel, explosives, packaging and other.
(***) Raw materials: cement (55%), sand (29%) and other (16%).

Operating Expenses

Total operating expenses in 1Q14 increased 6.2% from the prior-year period, mainly due to the following variations:

Selling expenses: increase of 6.6% due to the higher expenses with commissions as a result of higher sales volume, with export documentation and clearances, and royalties due to higher revenues from the subsidiary SAMA.

General and administrative expenses: increase of 10.9% due to higher expenses with the installation of the research and development unit in Manaus, Amazonas, and with defending the use of chrysotile mineral.
Other operating (expenses) revenues: the decrease in this line was due to the social security credits offset during the period.

In R$ '000	1st Quarter		
	2014	2013	Chg. %
Selling expenses	(28,435)	(26,666)	6.6
General and administrative expenses	(28,517)	(25,724)	10.9
Other operating revenues (expenses), net	(148)	(1,382)	(89.3)
Total operating expenses	**(57,100)**	**(53,772)**	**6.2**

Equity income: this line refers to the expenses with building the bathroom chinaware plant in the state of Ceará, which is a joint venture between the Eternit Group and Colceramica, a company belonging to the Colombian multinational group Organizações Corona.

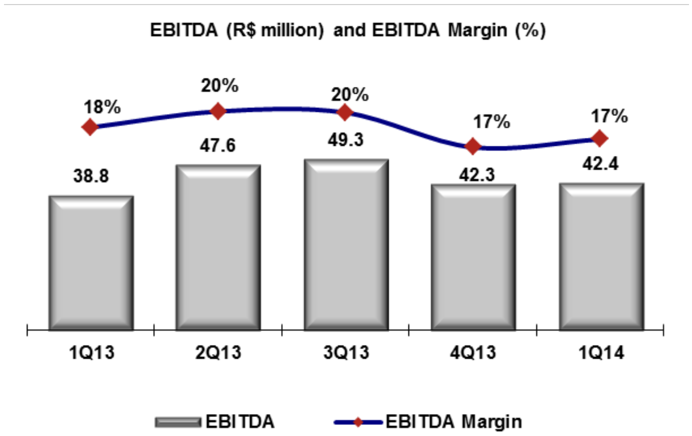
Net Financial Income (Expense)

Eternit recorded net financial income of R$ 1.8 million in 1Q14, compared to a negative result of R$ 210 thousand in 1Q13, which is explained by the higher gains from exchange variation.

In R$ '000	1st Quarter		
	2014	2013	Chg. %
Financial expenses	(13,049)	(8,827)	47.8
Financial income	14,840	8,617	72.2
Net financial result	**1,791**	**(210)**	**-**

EBITDA

Consolidated EBITDA (earnings before interest, tax, depreciation and amortization) in 1Q14 reached R$ 42.4 million, up 9.1% from 1Q13, primarily due to higher sales volumes of chrysotile asbestos, fiber-cement and concrete tiles, an appropriate sales policy and higher exchange variation, which partially offset the increase in cost of products sold, which was higher than consolidated net revenue, and the increase in operating expenses. As a result, EBITDA margin dropped 1 percentage point from 1Q13 to end 1Q14 at 17%.

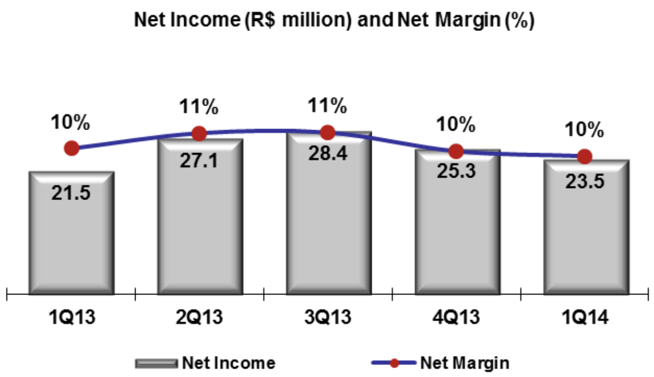


Reconciliation of consolidated EBITDA - (R$'000)	1st Quarter		
	2014	2013	% Chg.
Net income	**23,490**	**21,474**	**9.4**
Income tax and social contributions	11,495	8,281	38.8
Net financial Income	(1,791)	210	-
Depreciation and amortization	9,177	8,857	3.6
EBITDA	**42,371**	**38,822**	**9.1**

Note that EBITDA is calculated in accordance with Instruction 527 issued by the Securities and Exchange Commission of Brazil (CVM) on October 4, 2012.

Net Income

Eternit reported net income of R$ 23.5 million in 1Q14, up 9.4% from 1Q13, while net margin remained stable to close the period at 10%, due to the same factors explained in the EBITDA section.

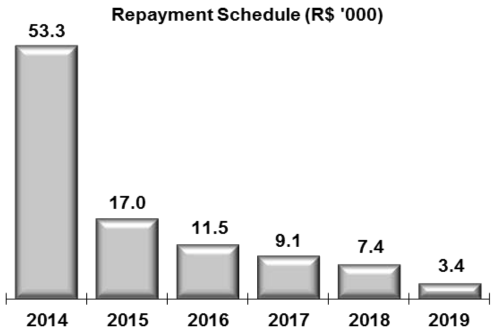


Debt

The Company ended 1Q14 with a net debt of R$ 25.7 million. In March 2014, the gross debt of Eternit and its subsidiaries totaled R$ 101.7 million, which is basically explained by: (i) the Advances on Export Contracts (ACE) for working capital (due in 2014); and (ii) the financing lines contracted for the acquisition of trucks, machinery and equipment for its operations under the programs FINIMP (import financing) and FINAME (long-term financing for the acquisition and production of new machinery and equipment).

Cash, cash equivalents and short-term financial investments totaled R$ 76.0 million, with financial investments remunerated at an average rate corresponding to 102% of the variation in the interbank overnight rate (CDI).

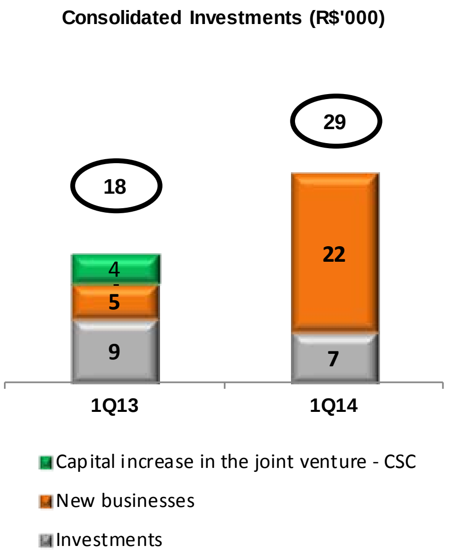
DEBT	Parent Company		Consolidated	
	03/31/14	12/31/13	03/31/14	12/31/13
Short- term gross debt	8.430	8.944	53.290	56.881
Long-term gross debt	4.605	14.368	48.392	25.799
Cash and cash equivalents	(4.441)	(9.516)	(7.900)	(13.295)
Short-term investments (same cash equivalents)	(40.514)	(9.897)	(68.080)	(35.661)
Net debt	**(31.920)**	**3.899**	**25.702**	**33.724**
EBITDA (last 12 months)	36.046	36.347	181.585	178.036
Net debt / EBITDA x	**(0,89)**	**0,11**	**0,14**	**0,19**
Net debt / Equity	**-**	**0,8%**	**5,0%**	**6,7%**

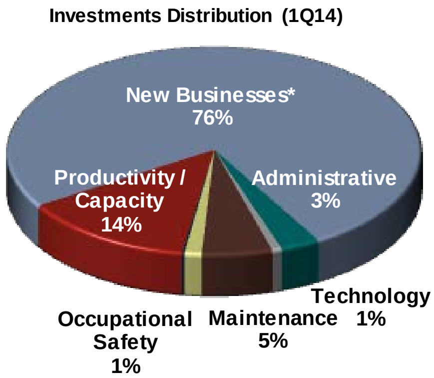


Note that the Company does not contract leveraged operations involving derivative instruments of any type that could be interpreted as speculative positions.

Investments

The investments made by Eternit and its subsidiaries in 1Q14 amounted to R$ 29.2 million, which is 64.3% more than in the same quarter of 2013. Investments in the period were allocated mainly to the installation of a unit in the state of Amazonas for the research, development and production of construction material inputs, and to initiatives to maintain and modernize the Group's industrial facilities.





* Unit for the research, development and production of construction material inputs

Investments in 2014 are expected to be around R$ 109.9 million, with R$ 57.5 million allocated to maintain and modernize the industrial facilities, R$ 40.0 million to build a unit in Manaus, Amazonas, for the research, development and production of construction material inputs, and R$ 12.4 million for the bathroom chinaware plant in the Port of Pecém in the state of Ceará.

Capital Markets

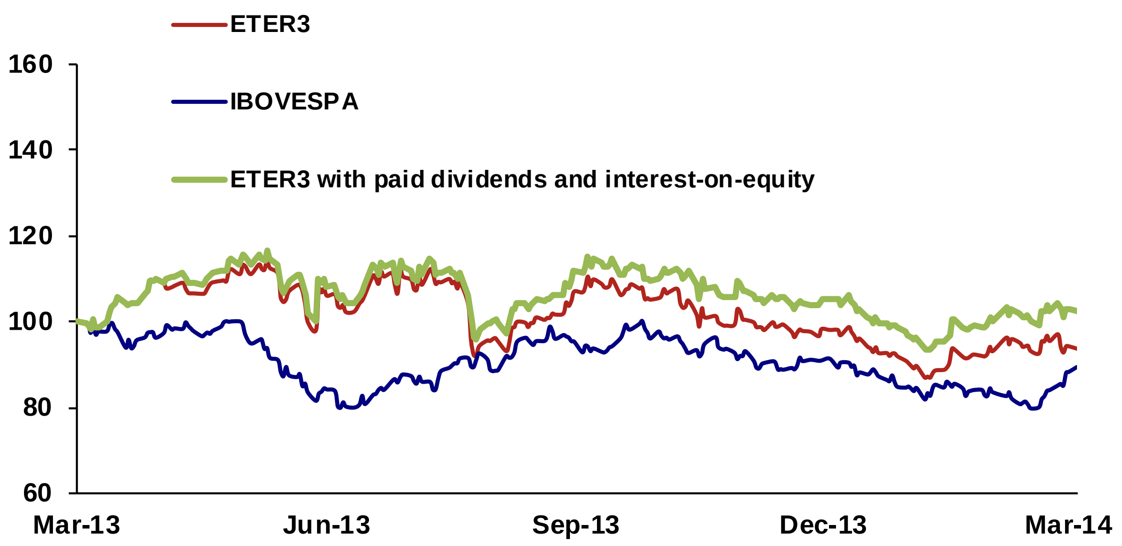
Eternit has been registered on the stock exchange since 1948, and since 2006 its stock has traded on the Novo Mercado, the listing segment of the BM&FBOVESPA - Securities, Commodities and Futures Exchange with the highest level of corporate governance, under the stock ticker ETER3. The Company has also maintained a Level I American Depositary Receipt (ADR) program since May 2010, which allows its shares to trade on the secondary or over-the-counter market in the United States, under the stock ticker ETNTY.

In 1Q14, Eternit's shareholder base maintained the high concentration of individual investors, who accounted for 60.6%, while foreign investors accounted for 11.2% and institutional investors, investment clubs, investment funds and foundations accounted for 28.2%.

Eternit's stock (ETER3) was quoted at R$ 8.35 in March 2014, which represents a loss of 6.3% from March 2013. In the same period, the benchmark Bovespa Index (IBOVESPA) lost 10.5% to close at 50,414 points. On March 31, 2014, Eternit's market capitalization stood at R$ 747.3 million.

Capital Markets					
ETERNIT (ETER3)	1Q13	2Q13	3Q13	4Q13	1Q14
Closing Price (R$/Share) - Without dividends	8.91	9.45	9.52	8.74	8.35
Average Volume Traded (Shares)	95,939	139,741	85,218	64,923	52,751
Average Volume Traded (R$)	818,932	1,326,183	774,671	598,194	437,625
ETER3 - Quarterly Profitability (%)	-	6.1	0.7	-8.2	-4.5
ETER3 - 12 Months Profitability (%)	-	-14.0	-2.9	7.9	-6.3
IBOVESPA - Quarterly Profitability (%)	-	-15.8	10.3	-1.6	-2.1
IBOVESPA - 12 Months Profitability (%)	-	-12.7	-11.6	-15.5	-10.5
Market Capitalization (R$ Million)	797.4	845.8	852.0	782.2	747.3

Performance of ETER3 Share vs. Ibovespa Index (Basis: 100) - R$/ShareCapital



Source: Economática

Dividends and Interest on Equity

Eternit continues to be one of Brazil's corporations with the highest returns for its shareholders. In 2014, Eternit's dividend yield[2] is already 4.6%, while shareholder payments totaled R$ 35.8 million.

Dividends and interest on equity have historically been paid on a quarterly basis. In view of this practice, Eternit's shareholder base has a higher percentage of individual investors.

Dividends Distribution (2012 to 2014)				
Approval Date	**Type**	**Payment Start Date**	**Total Value R$ 000**	**Value per Share (R$)**
	2012			
12/07/11 (*)	BDM	03/28/12	5,905	0.066
03/07/12 (*)	BDM	03/28/12	11,989	0.134
04/25/12	BDM	05/17/12	5,905	0.066
04/25/12	BDM	05/17/12	11,989	0.134
08/08/12	BDM	08/29/12	6,710	0.075
08/08/12	BDM	08/29/12	11,184	0.125
10/24/12	BDM	11/14/12	5,726	0.064
10/24/12	BDM	11/14/12	12,168	0.136
Total		-	**71,576**	**0.800**
Closing Price		-	-	**8.90**
Dividend Yield		-	-	**9.0%**
	2013			
12/12/12 (*)	BDM	03/26/13	5,726	0.064
03/06/13 (*)	BDM	03/26/13	12,168	0.136
04/17/13	BDM	05/10/13	5,726	0.064
04/17/13	BDM	05/10/13	12,168	0.136
08/07/13	BDM	08/28/13	5,726	0.064
08/07/13	BDM	08/28/13	12,168	0.136
10/23/13	BDM	11/13/13	5,816	0.065
10/23/13	BDM	11/13/13	12,079	0.135
Total		-	**71,577**	**0.800**
Closing Price		-	-	**8.10**
Dividend Yield		-	-	**9.9%**
	2014			
11/12/13 (*)	BDM	04/02/14	5,458	0.061
03/06/13 (*)	BDM	04/02/14	12,436	0.139
05/07/14	BDM	05/28/14	5,994	0.067
05/07/14	BDM	05/28/14	11,900	0.133
Total			**35,788**	**0.400**
Closing Price		-	-	**8.74**
Dividend Yield		-	-	**4.6%**

(*) Recording in the accounts for the preceding fiscal year.

[2] Dividend yield: It is the result of the division of shareholder payments (dividends + interest on equity) per share distributed in the fiscal year (payment base date) divided by the stock price quoted on the last trading day of the previous fiscal year.

Social, Environmental and Corporate Responsibility

Open Doors Program

To contribute to a better understanding by society of the extraction and processing of chrysotile mineral, the manufacturing of fiber-cement products in a sustainable manner and the health and safety practices adopted, in November 2004, Eternit created its Open Doors Program. The program promotes visits by the public to the group's five fiber–cement units located in Anápolis (Goiás), Colombo (Paraná), Goiânia (Goiás), Rio de Janeiro (Rio de Janeiro), and Simões Filho (Bahia), as well as to SAMA, the mining company located in Minaçu in the north of Goiás. Since its introduction, the program, which is considered one of the largest in the market, has already received over 63,000 visitors.

To schedule a visit, please check the location of the unit closest to you and send a message to the e-mail addresses on the Eternit website (www.eternit.com.br/portasabertas).

Legal issues involving asbestos

The Company clarifies that the extraction, processing, use, sale and transport of chrysotile asbestos and products containing the mineral are regulated by Federal Law 9,055/95, Decree 2,350/97 and the Regulatory Rules of the Ministry of Labor and Employment.

State Law 10,813/2001 in the state of São Paulo and State Law 2,210/2001 in the state of Mato Grosso do Sul, which prohibited the importation, extraction, processing, sale and installation of products or materials containing any sort of asbestos, in any form, were both, through Direct Actions of Unconstitutionality (ADI) No. 2656 and No. 2396, adjudicated and declared unconstitutional by the Federal Supreme Court (STF), based on the fact that they violated the jurisdiction of the federal government.

Current State Laws 12,684/2007 in São Paulo, 3,579/2004 in Rio de Janeiro, 11,643/2001 in Rio Grande do Sul and 12,589/2007 in Pernambuco that restrict the use of asbestos in their jurisdiction are currently the subject-matter of the ADIs filed by the National Confederation of Industrial Workers (CNTI) at the Federal Supreme Court (STF).

On April 2, 2008, the National Association of Labor Court Judges (ANAMATRA) and the National Association of Labor Prosecutors (ANPT) filed ADI No. 4,066 questioning the constitutionality of Article 2 of Federal Law 9,055 of 1995.

On December 30, 2013, State Law 21,114/13 was sanctioned, whose Article 1 prohibits the importation, transportation, storage, manufacturing, sale and use of products containing asbestos in the state of Minas Gerais, providing for a period of 8 to 10 years for full compliance with said Article 1. Therefore, compliance with this provision will be required as of 2021 and 2023, respectively. Therefore, compliance with this provision will be required as of 2021 and 2023, respectively.

The Company reaffirms its belief in Brazil's legal system and expects the technical and scientific evidence to be considered during the judgment of these lawsuits.

Election of Board of Directors and Audit Board

At the Annual Shareholders' Meeting (ASM) held on April 23, 2014, the following independent members were elected to the Board of Directors: Luis Terepins as Chairman, Benedito Carlos Dias da Silva, Leonardo Deeke Boguszewski, Lírio Albino Parisotto, Marcelo Gasparino da Silva and Marcelo Munhoz Auricchio. They will hold office for one year until the next ASM.

At the ASM, Charles René Lebarbenchon, Edson Carvalho de Oliveira Filho and Paulo Henrique Zukanovich Funchal were elected members of the Audit Board, and André Eduardo Dantas, Guilherme Affonso Ferreira and Daniel Cupponi were elected alternate members. The Audit Board is not a permanent body and its members hold office for one year until the next ASM. The Audit Board is an advisory body to the Board of Directors, whose key responsibility is to supervise the financial situation of Eternit.

The résumé of each board member is available at www.eternit.com.br/ir

Outlook

The forecast for Brazil's GDP growth in 2014 of 2.0% incorporates the expectation that the pace of economic growth will remain stable in relation to 2013, and that additional progress will be made in strengthening consumer and business confidence. The construction industry is one of the drivers of the country's economic development, which involves the actual industry, the construction materials industry and its suppliers, as well as services along the chain, which generates jobs and income for the company. The federal government has substantially expanded its investments in housing, basic sanitation and infrastructure, since investing in construction acts as an incentive in an industry that makes an important contribution to Brazil's economic development. This scenario is likely to repeat over the next few years, and in 2014, the construction industry should register GDP growth of 1.1%, as forecast by the Central Bank of Brazil.

For the construction materials industry, in 2014, the Brazilian Construction Materials Industry Association (ABRAMAT) expects growth of 4.5% in relation to 2013, with this forecast incorporating a continuation of the government incentives for the construction industry and stability in income and employment levels and in credit availability.

Brazil suffers from a large housing deficit, which is estimated by the João Pinheiro Foundation at 6.9 million units, which is formed by families who live in precarious conditions and are burdened by excessively high rents and by the cohabitation of families, which represents 70% of the country's housing shortage. According to studies for the industry conducted by the U.S. consulting firm Booz Allen Hamilton, 77% of housing units produced in Brazil are built under a self-build regime, since 72% of this deficit is concentrated in households earning up to three minimum monthly wages and in which the activities of contractors is very limited.

New job creation, better income distribution, increased financing, higher investments in infrastructure and more units built under the government's My Home, My Life housing program will help resolve the housing problem, while also having a positive impact on the Company's business, given the stronger demand for the products in our portfolio targeting primarily self-build construction projects. According to ANAMACO, in addition to the aforementioned factors, the increase in mortgage finance, low default levels and higher limit of the Government Severance Indemnity Fund (FGTS) for mortgage financing should allow the industry to continue growing in 2014.

Supported by its Structured Expansion and Diversification Program, Eternit is preparing to become the most diversified construction materials manufacturer in Brazil. The first phase of this program consolidated Eternit as the country's largest and most diversified roofing products manufacturer in 2010, and its capacity to innovate and develop competitive advantages has enabled it to double its revenue. The Company is now starting a new cycle to become the most diversified manufacturer of construction materials in Brazil by capitalizing on the strength of its brand and on its broad network of over 16,000 points of sale.

The program has the following guidelines: (i) organic growth, with the purpose of expanding its current capacity to sell more of the same; (ii) diversified organic growth, with the objective of including new products in the Company's portfolio, drawing on the capacity of third parties or on product development; and (iii) inorganic growth, with the objective of acquiring companies in the construction materials segment.

The year 2014 will be marked by the inauguration of the first bathroom chinaware unit (with initial capacity of 1.5 million units/year) at the multiproduct unit in Ceará, which is a joint venture between the Eternit Group and Colceramica, a company of the Colombian multinational Organizações Corona. Construction of the factory has already been completed, the teams hired have been trained and the equipment is in the production testing phase. Being a greenfield project, it will be inaugurated after production reaches a certain momentum and after the progress and growth targets for the run-up phase are met.

Management believes that it is important to take into account the current scenario in the Brazilian economy, with factors such as weak GDP growth, the competitiveness of the country's manufacturing sector, which faces infrastructure bottlenecks and a weak local currency, the new challenges that will emerge in 2014 that could impact the country's investment projects, new job creation and income distribution, which include: (i) a new wave of protests on the streets of major cities, (ii) the World Cup, and (iii) the presidential and gubernatorial elections. Regardless of the challenges that lie ahead, Eternit believes in the continued growth of the Brazilian economy, especially in its industry.

With an adequate capital structure, low debt level and regular investments in its Expansion and Diversification Plan, the Company will concentrate its efforts in 2014 on consolidating the investments in Fortaleza and on the construction of the unit in Manaus to research, develop and produce construction material inputs. Depending on the evolution of the economic scenario, the Company could also focus on organic growth to increase the production capacity of its fiber-cement line and on seeking opportunities to acquire construction materials manufacturers, in line with its inorganic growth strategy.

Conference Call / Webcast (in Portuguese with simultaneous translation into English)

The Executive Board of **Eternit** invites you to participate in the disclosure of its results for the first quarter of 2014.

Presentation: Nelson Pazikas – Chief Executive and Investor Relations Officer, and Rodrigo Lopes da Luz – Chief Administrative and Financial Officer
Date: Friday, May 9, 2014
Time: 11:00 a.m. (Brasília); 10:00 a.m. (New York); 3:00 p.m. (London)

The presentation, which is accompanied by slides, can be watched on the Internet by registering at **www.ccall.com.br/eternit/1q14.htm** or on Eternit's investor relations website **www.eternit.com.br/ir**

To participate in the presentation by telephone, please dial **(55-11) 3193-1001 or 2820-4001** from Brazil and **(1 786) 786 924-6977** from other countries. The code for participants is **Eternit**

Playback: A recording of the conference call will be available from **May 9, 2014** to **May 15, 2014**
Dial-in: **(55-11) 3193-1012 or 2820-4012** - Code for participants: **1676593#**

Relações com Investidores

Rodrigo Lopes da Luz	rodrigo.luz@eternit.com.br	(55-11) 3038-3818
Paula D. A. Barhum Macedo	paula.barhum@eternit.com.br	(55-11) 3194-3881
Thiago Scheider	thiago.scheider@eternit.com.br	(55-11) 3194-3872

ETERNIT S.A.

Balance Sheet

Corporate Law (R$ '000)

ASSETS	Parent Company		Consolidated	
	03/31/14	12/31/13	03/31/14	12/31/13
Current	**256,004**	**227,911**	**416,090**	**389,943**
Cash and cash equivalents	4,441	9,516	7,900	13,295
Short-term investments	40,514	9,897	68,080	35,661
Accounts receivable	71,992	69,774	169,624	160,389
Related parties	42,420	31,615	11,324	9,780
Inventories	80,145	85,833	133,805	141,944
Recoverable taxes	9,864	16,542	13,177	19,648
Other current asset	6,628	4,734	12,180	9,226
Non-current	**455,634**	**467,026**	**458,633**	**443,689**
Related parties	9,924	9,723	2,062	2,018
Deferred income and social contribution taxes	23,158	24,037	53,019	55,112
Recoverable taxes	22,323	22,219	24,741	25,022
Judicial deposits	6,601	8,819	13,453	15,536
Investments	250,286	247,729	35,575	36,032
Plant, property and equipment, net	137,156	149,425	297,913	279,064
Intangible assets	5,847	4,584	29,789	28,676
Other non-current asset	339	490	2,081	2,229
Total assets	**711,638**	**694,937**	**874,723**	**833,632**

LIABILITIES AND EQUITY	Parent Company		Consolidated	
	03/31/14	12/31/13	03/31/14	12/31/13
Current Liabilities	**109,020**	**88,826**	**203,052**	**193,082**
Trade accounts payable	25,449	22,444	44,389	39,293
Related parties	9,157	7,243	-	-
Loans and financing	8,430	8,944	53,290	56,881
Taxes, charges and contributions payable	10,837	12,226	24,516	34,015
Provision and social charges	13,362	12,980	26,721	28,009
Dividends and interest on equity payable	34,817	17,881	34,817	17,881
Provision for future benefits to former employees	2,174	2,174	3,861	3,861
Other current liabilities	4,794	4,934	15,458	13,142
Non-Current	**90,909**	**99,998**	**159,946**	**134,421**
Loans and financing	4,605	14,368	48,392	25,799
Related parties	29,701	29,108	-	-
Provision for future benefits to former employees	23,974	23,710	34,761	34,527
Provision for civil, tax and labor contigencies	23,895	25,115	54,882	54,659
Deferred income and social contribution taxes	8,734	7,697	11,654	9,432
Environmental restoration of degraded mining areas	-	-	9,965	9,726
Other non-current liabilities	-	-	292	278
Equity	**511,709**	**506,113**	**511,725**	**506,129**
Capital	334,251	334,251	334,251	334,251
Capital reserve	19,672	19,672	19,672	19,672
Treasury stock	(174)	(174)	(174)	(174)
Other Comprehensive Income	(3,443)	(3,443)	(3,443)	(3,443)
Income reserves	161,403	155,807	161,403	155,807
Net equity attributable to non-minority shareholders	**511,709**	**506,113**	**511,709**	**506,113**
Minority shareholders	-	-	16	16
Total Liablities and equity	**711,638**	**694,937**	**874,723**	**833,632**

ETERNIT S.A. (PARENT COMPANY)

Income Statements

Corporate Law

R$ ´000	1st Quarter		
	2014	2013	% Chg.
Gross revenues	**165,715**	**160,700**	**3.1**
Gross revenues deductions	(43,381)	(41,947)	3.4
Net revenues	**122,334**	**118,753**	**3.0**
Cost of products sold	(91,585)	(86,096)	6.4
Gross profit	**30,749**	**32,657**	**(5.8)**
Gross margin	***25%***	***27%***	
Operating revenues (expenses)	**(27,033)**	**(28,524)**	**(5.2)**
Sales	(13,970)	(13,993)	(0.2)
General and administrative	(12,885)	(13,358)	(3.5)
Other operating (expenses) revenues, net	(178)	(1,173)	(84.8)
Operating income before equity income (EBIT)	**3,716**	**4,133**	**(10.1)**
EBIT margin	***3%***	***3%***	
Equity pickup	18,951	18,038	5.1
Operating income before financial expenses (EBIT)	***22,667***	***22,171***	**2.2**
Net financial income	**1,702**	**(72)**	**-**
Financial expenses	(5,181)	(3,035)	70.7
Financial income	6,883	2,963	132.3
Income before tax and social contribution	**24,369**	**22,099**	**10.3**
Deferred	(879)	(626)	40.4
Net income	**23,490**	**21,473**	**9.4**
Net margin	***19%***	***18%***	
Earnings per share - R$	0.26	0.24	9.4
EBITDA	**6,606**	**6,907**	**(4.4)**
EBITDA margin	***5%***	***6%***	

ETERNIT S.A. (CONSOLIDATED)

Income Statements

Corporate Law

R$ ´000	1st Quarter		
	2014	2013	% Chg.
Gross revenues	**310,688**	**276,300**	**12.4**
Gross revenues deductions	(66,996)	(65,037)	3.0
Net revenues	**243,692**	**211,263**	**15.3**
Cost of products sold	(152,941)	(126,707)	20.7
Gross profit	**90,751**	**84,556**	**7.3**
Gross margin	***37%***	***40%***	
Operating revenues (expenses)	**(57,100)**	**(53,772)**	**6.2**
Sales	(28,435)	(26,666)	6.6
General and administrative	(28,517)	(25,724)	10.9
Other operating (expenses) revenues, net	(148)	(1,382)	-
Operating income before equity income (EBIT)	**33,651**	**30,784**	**9.3**
EBIT margin	***14%***	***15%***	
Equity income	(457)	(819)	(44.2)
Operating income before financial expenses (EBIT*)	***33,194***	***29,965***	**10.8**
Net financial income	**1,791**	**(210)**	**-**
Financial expenses	(13,049)	(8,827)	47.8
Financial income	14,840	8,617	72.2
Income before tax and social contribution	**34,985**	**29,755**	**17.6**
Current	(9,403)	(7,885)	19.3
Deferred	(2,092)	(396)	428.2
Net income	**23,490**	**21,474**	**9.4**
Net margin	***10%***	***10%***	
Earnings per share - R$	0.26	0.24	9.4
EBITDA	**42,371**	**38,822**	**9.1**
EBITDA margin	***17%***	***18%***	

(*) Adjusted EBIT due to the result of the joint venture Companhia Sulamerica de Cerâmica

ETERNIT S.A.

STATEMENTS OF CASH FLOW

Corporate Law

R$ '000 - Accumulated	Parent Company		Consolidated	
	03/31/14	03/31/13	03/31/14	03/31/13
Operating activities:				
Income before income and social contribution taxes	**24,369**	**22,099**	**34,985**	**29,755**
Adjustments to reconcile pre-tax income with net cash provided by operating activities:				
Equity pickup	(18,951)	(18,038)	457	819
Depreciation and amortization	2,890	2,774	9,177	8,857
Gain (loss) from disposal of permanent assets	(163)	(26)	(157)	(41)
Provision for impairment losses on accounts receivable	194	101	431	226
Provision for civil, tax and labor contigencies	520	214	1,963	715
Provision (reversal) for sundry losses	351	329	666	844
Financial charges, monetary changes and foreign exchange variation	(213)	215	(2,652)	(763)
Short-term investment yield	(553)	(771)	(1,240)	(1,238)
Net changes in prepaid expenses	408	349	182	364
	8,851	**7,246**	**43,812**	**39,538**
(Increase) decrease in operating assets:				
Trade accounts receivable	(2,414)	1,699	(9,983)	18,823
Related parties receivable	(962)	204	(1,588)	-
Inventories	5,688	(13,296)	8,361	(22,231)
Recoverable taxes	7,467	188	7,645	465
Judicial deposits	478	(309)	343	(342)
Received dividends	8,735	15,818	-	-
Other assets	(2,262)	(1,601)	(3,487)	(1,498)
Increase (decrease) in operating liabilities				
Trade accounts payable	2,920	2,351	4,998	4,226
Related parties payable	1,914	40	-	-
Taxes, charges and contribution payable	(1,046)	(832)	488	16
Provisions and social charges	382	(1,372)	(1,288)	(6,797)
Other liabilities	(195)	(406)	2,568	51
Interest paid	(115)	(183)	(381)	(227)
Income and social contribution taxes paid	-	(16)	(17,970)	(20,079)
Net cash flow from operating activities	**29,442**	**9,531**	**33,518**	**11,945**
Cash flow from investment activities				
Additions to property, plant and equipment and intangible assets	(6,415)	(7,408)	(29,204)	(13,990)
Loan from related party receivable	(201)	(116)	-	-
Cash receipt from the sale of property, plant & equipment	221	304	221	319
Capital increase in subsidiaries	(2,389)	(3,785)	-	(3,785)
Short-term investments	(39,900)	(29,235)	(90,480)	(69,963)
Redemptions from short-term investments	9,836	42,016	59,302	95,172
Net cash flow from investment activities	**(38,848)**	**1,776**	**(60,161)**	**7,753**
Cash flow from financing activities				
Loans and financing raised	4,608	4,739	68,934	34,083
Loan with related party	(105)	(66)	-	-
Amortization of loans and financing	(172)	(20)	(47,686)	(48,050)
Payment of dividends and interest on equity	-	(17,318)	-	(17,318)
Net cash flow from financing activities	**4,331**	**(12,665)**	**21,248**	**(31,285)**
Increase (decrease) in cash and equivalents	**(5,075)**	**(1,358)**	**(5,395)**	**(11,587)**
Cash and equivalents:				
At the beginning of the year	9,516	3,852	13,295	16,656
At the end of the year	4,441	2,494	7,900	5,069
	(5,075)	**(1,358)**	**(5,395)**	**(11,587)**