Individual and Consolidated Interim Financial Information

Eternit S.A.

Quarter ended March 31, 2013
with Independent Auditor's Review Report

Contents

INTERIM FINANCIAL STATEMENTS (ITR) - 03/31/2013 **ETERNIT SA**

Information from company / Paid-up capital

Number of shares (Thousands)	Current Quarter 03/31/2013
Paid-in Capital	
Common	89,500
Preferred	0
Total	**89,500**
Trasury shares	
Common	29
Preferred	0
Total	**29**

INTERIM FINANCIAL STATEMENTS (ITR) - 03/31/2013 **ETERNIT SA**

Information from company / Paid-up capital

Dividends aproved and/or paid during and after quarter

Event	Approval	Profit	Date of payment	Type of share	Class of share	Amount per share
Board of directors meeting	04/17/2013	Dividends	05/10/2013	Common		0,13600
Board of directors meeting	04/17/2013	Interest on capital	05/10/2012	Common		0,06400

Individual FSs / Balance Sheet Asset

(Thousands of reais)

Account Code	Account Description	Current Quarter 03/31/2013	Previous financial year 12/31/2012
1	Total Assets	662,773	653,693
1.01	Current Assets	250,745	250,801
1.01.01	Cash and Cash Equivalents	2,494	35,725
1.01.02	Short-term investments	36,604	16,739
1.01.03	Accounts receivable	77,362	79,158
1.01.03.01	Clients	77,362	79,158
1.01.04	Inventory	95,221	81,925
1.01.06	Recoverable Taxes	11,091	11,167
1.01.07	Prepaid expenses	925	178
1.01.08	Other Current assets	27,048	25,909
1.01.08.03	Other	27,048	25,909
1.01.08.03.01	Related parties	22,314	21,648
1.01.08.03.02	Other	4,734	4,261
1.02	Non-current asset	412,028	402,892
1.02.01	Long-term assets	55,258	55,402
1.02.01.03	Accounts receivable	485	440
1.02.01.03.02	Other Accounts Receivable	485	440
1.02.01.06	Deferred Taxes	19,368	19,994
1.02.01.06.01	Differed Income Tax And Social Contribution	19,368	19,994
1.02.01.08	Credits with Related Parties	7,313	7,214
1.02.01.08.02	Credits with Subsidiaries	7,313	7,214
1.02.01.09	Other noncurrent assets	28,092	27,754
1.02.01.09.03	Recoverable taxes	21,143	21,114
1.02.01.09.04	Escrow deposits and tax incentives	6,949	6,640
1.02.02	Investments	226,841	221,916
1.02.02.01	Shareholdings	226,841	221,916
1.02.02.01.02	Shareholding in Subsidiaries	226,841	221,916
1.02.03	Fixed	127,623	123,06
1.02.03.01	Non-current in Operation	108,266	110,341
1.02.03.01.01	Non-current in Operation	113,603	115,678
1.02.03.01.02	Provision for Loss with Non-current	(5,337)	(5,337)
1.02.03.03	Non-current in progress	19,357	12,719
1.02.04	Intangible	2,306	2,514
1.02.04.01	Intangible	2,306	2,514
1.02.04.01.02	Software	2,295	2,503
1.02.04.01.03	Other intangible assets	11	11

Individual FSs / Balance Sheet Liability

(Thousands of reais)

Account Code	Account Description	Current Quarter 03/31/2013	Previous financial year 12/31/2012
2	Total Liabilities	662,773	653,693
2.01	Current liabilities	90,587	91,450
2.01.01	Labor and Social Obligations	15,938	17,310
2.01.01.01	Social obligations	5,819	5,931
2.01.01.02	Labor Obligations	10,119	11,379
2.01.02	Trade accounts payable	32,686	30,417
2.01.02.01	National Trade accounts payable	18,709	22,361
2.01.02.02	Foreign Trade accounts payable	13,977	8,056
2.01.03	Tax obligations	11,389	10,712
2.01.03.01	Federal Taxes Obligations	4,592	5,469
2.01.03.01.02	Other Federal Taxes	4,592	5,469
2.01.03.02	State tax obligations	6,120	6,332
2.01.04	Loans and financing	1,496	1,519
2.01.04.01	Loans and financing	1,496	1,519
2.01.05	Other Obligations	28,110	28,758
2.01.05.01	Liabilities with Related Parties	8,321	8,281
2.01.05.02	Other	19,789	20,477
2.01.05.02.01	Payable Dividends and INTEREST ON CAPITAL	17,790	18,133
2.01.05.02.04	Other accounts payable	1,999	2,344
2.01.06	Provisions	1,645	1,645
2.01.06.01	Labor and Civil Social Security Tax Provisions	1,645	1,645
2.01.06.01.05	Provision for future benefits to former employees	1,645	1,645
2.02	Noncurrent liabilities	89,087	82,723
2.02.01	Loans and financing	11,739	7,266
2.02.01.01	Loans and financing	11,739	7,266
2.02.01.01.01	In national currency	11,739	7,266
2.02.02	Other Obligations	35,799	34,537
2.02.02.01	Liabilities with Related Parties	27,626	27,252
2.02.02.01.01	Debts with Affiliates	27,626	27,252
2.02.02.02	Other	8,173	7,285
2.02.02.02.03	Taxes, fees and contributions payable	8,173	7,285
2.02.04	Provisions	41,549	40,920
2.02.04.01	Labor and Civil Social Security Tax Provisions	41,549	40,920
2.02.04.01.02	Labor and Social Security Provisions	17,422	17,214
2.02.04.01.04	Civil Provisions	5,449	5,443
2.02.04.01.05	Provision for future benefits to former employees	18,678	18,263
2.03	Net Property	483,099	479,520
2.03.01	Capital Stock Held	334,251	334,251
2.03.02	Capital Reserves	19,388	19,388
2.03.02.01	Goodwill on the issue of shares	23	23
2.03.02.07	Grants for investment	19,365	19,365
2.03.04	Profit reserves	125,881	125,881
2.03.04.01	Legal reserve	25,517	25,513
2.03.04.02	Statutory Reserve	21,877	21,873
2.03.04.05	Retained Profits Reserve	78,295	78,303
2.03.04.07	Reserve for Tax Incentive	366	366
2.03.04.09	Treasury shares	(174,00)	(174,00)
2.03.05	Accumulated Profits/Losses	3,579	-

Individual FSs / Income Statement

(Thousands of reais)

Account Code	Account Description	Accumulated of Current financial year 01/01/2013 to 03/31/2013	Accumulated of Previous financial year 01/01/2012 to 03/31/2012
3.01	Revenue from Sale of Goods and/or Services	118,753	112,774
3.02	Cost of Goods and/or Services Sold	(86,096)	(78,047)
3.03	Gross Income	32,657	34,727
3.04	Operational Expenses/Revenues	(10,486)	(4,309)
3.04.01	Sale expenses	(13,993)	(13,030)
3.04.02	General and administrative expenses	(13,358)	(13,357)
3.04.04	Other Operational Incomes	921	1,147
3.04.05	Other Operational Expenses	(2,094)	(1,672)
3.04.06	Result of equity equivalence	18,038	22,603
3.05	Result Before Financial Result and Taxes	22,171	30,418
3.06	Financial Results	(72)	1,472
3.06.01	Financial income	2,963	3,926
3.06.02	Financial expenses	(3,035)	(2,454)
3.07	Result Before Income Taxes	22,099	31,890
3.08	Income Tax and Social Contribution on Profit	(626)	(1,983)
3.08.01	Current	-	201
3.08.02	Deferred	(626)	(2,184)
3.09	Net result from continued operations	21,473	29,907
3.11	Profit/Loss for the Period	21,473	29,907
3.99.01.01	PN	0,24	0,33
3.99.02.01	ON	0,24	0,33

Individual FSs / Income Statement per Nature

(Thousands of reais)

Account Code	Account Description	Accumulated of Current financial year 01/01/2013 to 03/31/2013	Accumulated of Previous financial year 01/01/2012 to 03/31/2012
4.01	Net Income for the Period	21,473	29,907
4.03	Comprehensive Result for the Period	21,473	29,907

Individual FSs / Cash Flow

(Thousands of reais)

Account Code	Account Description	Accumulated of Current financial year 01/01/2013 to 03/31/2013	Accumulated of Previous financial year 01/01/2012 to 03/31/2012
6.01	Net Cash Operational Activities	9,531	9,769
6.01.01	Cash Generated by Operations	7,246	11,703
6.01.01.01	Net Income for the Period	22,099	31,890
6.01.01.02	Result of equity equivalence	(18,038)	(22,603)
6.01.01.03	Depreciation, amortization and exhaustion	2,774	3,042
6.01.01.04	Result on discharge of fixed assets	(26)	59
6.01.01.05	Provision for credits of doubtful payment	101	49
6.01.01.06	Provision for risks	214	452
6.01.01.07	Miscellaneous Provisions	329	154
6.01.01.08	Financial charges, monetary variation and exchange rat	215	454
6.01.01.09	Incomes from temporary investments	(771)	(595)
6.01.01.10	Realization of anticipated expenses	349	(633)
6.01.01.11	Performance of anticipated revenues	-	(566)
6.01.02	Variations in assets e liabilities	2,285	(1,934)
6.01.02.01	Accounts receivable from clients	1,699	1,601
6.01.02.02	Receivables from Related parties	204	232
6.01.02.03	Dividends received	15,818	9,240
6.01.02.04	Inventory	(13,296)	(11,720)
6.01.02.05	Taxes recoverable	188	(1,208)
6.01.02.07	Legal deposits	(309)	(77)
6.01.02.08	Other assets	(1,601)	(1,218)
6.01.02.09	Trade accounts payable	2,351	2,437
6.01.02.10	Tax obligations payable	(832)	2,561
6.01.02.11	Labor and Social Obligations	(1,372)	(259)
6.01.02.13	Other liabilities	(406)	(386)
6.01.02.14	Interest paid	(183)	(24)
6.01.02.15	Paid income tax and social contribution	(16)	(646)
6.01.02.16	Payables to Related parties	40	(2,467)
6.02	Net Cash Investing Activities	1,776	(80)
6.02.01	Acquisition of fixed and intangible assets	(7,408)	(1,136)
6.02.03	Rcvd. sale of fixed and intangible assets	304	(33)
6.02.07	Temporary investments	-	2,340
6.02.08	Loan to related company to receive	(116)	(1,251)
6.02.09	Investment Acquisition	(3,785)	-
6.02.10	Short-term investments	(29,235)	-
6.02.11	Redemption of short-term investments	42,016	-
6.03	Net Cash from Financing Activities	(12,665)	(19,944)
6.03.01	Capture of financings - third parties	4,739	79
6.03.02	Loan to related company	(66)	(92)
6.03.05	Amortization of financing	(20)	(2,524)
6.03.06	Payment of dividends and INTEREST ON CAPITAL	(17,318)	(17,407)
6.05	Increase (Decrease) in Cash and Cash Equivalents	(1,358)	(10,255)
6.05.01	Initial Balance and Cash and Cash Equivalents	3,852	21,352
6.05.02	Final Balance of Cash and Cash Equivalents	2,494	11,097

Individual FSs / Changes in Equity - 03/31/2013

(Thousands of reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profits or Losses	Other Comprehensive Results	Net Property
5.01	Initial Balance	334,251	19,214	126,055	-	-	479,520
5.03	Initial Adjusted Balance	334,251	19,214	126,055	-	-	479,520
5.04	Transactions with Capital from the Partners	-	-	-	(17,894)	-	(17,894)
5.04.06	Dividends	-	-	-	(12,168)	-	(12,168)
5.04.07	Interest on equity	-	-	-	(5,726)	-	(5,726)
5.05	Total Comprehensive Result	-	-	-	21,473	-	21,473
5.05.01	Net Income for the Period	-	-	-	21,473	-	21,473
5.06	Internal Changes of Equity	-	-	-	-	-	-
5.06.01	Transfer to reserves	-	-	-	-	-	-
5.07	Final Balances	334,251	19,214	126,055	3,579	-	483,099

Individual FSs / Changes in Equity - 03/31/2012

(Thousands of reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profits or Losses	Other Comprehensive Results	Net Property
5.01	Initial Balance	334,251	18,573	85,269	-	-	438,093
5.03	Initial Adjusted Balance	334,251	18,573	85,269	-	-	438,093
5.04	Transactions with Capital from the Partners	-	-	-	(17,894)	-	(17,894)
5.04.06	Dividends	-	-	-	(11,989)	-	(11,989)
5.04.07	Interest on equity	-	-	-	(5,905)	-	(5,905)
5.05	Total Comprehensive Result	-	-	-	29,907	-	29,907
5.05.01	Net Income for the Period	-	-	-	29,907	-	29,907
5.07	Final Balances	334,251	18,573	85,269	12,013	-	450,106

Individual FSs / Added Value

(Thousands of reais)

Account Code	Account Description	Accumulated of Current financial year 01/01/2013 to 03/31/2013	Accumulated of Previous financial year 01/01/2012 to 03/31/2012
7.01	Revenues	160,880	152,757
7.01.01	Sales of goods, products and services	160,700	152,844
7.01.02	Other revenues	281	33
7.01.04	Provision / Reversal of creds. Doubtful Settlement	(101)	(120)
7.02	Inputs Purchased From Third Parties	(116,122)	(101,818)
7.02.01	Costs Prods., Mercs. and servs. Sold	(105,736)	(70,181)
7.02.02	Materials, energy and services from third parties and others	(8,862)	(29,747)
7.02.03	Loss / Recovery of asset values	(1,514)	(1,582)
7.02.04	Other	(10,0)	(308)
7.03	Gross Added Value	44,758	50,939
7.04	Retentions	(2,774)	(3,042)
7.04.01	Depreciation, amortization and exhaustion	(2,774)	(3,042)
7.05	Net added value produced	41,984	47,897
7.06	Added value received in transfer	22,141	27,467
7.06.01	Result of equity equivalence	18,038	22,603
7.06.02	Financial income	2,963	3,926
7.06.03	Other	1,140	938
7.07	Total Added Value To Distribute	64,125	75,364
7.08	Distribution Of Value Added	64,125	75,364
7.08.01	Personal	19,213	21,677
7.08.01.01	Direct compensation	11,892	13,430
7.08.01.02	Benefits	6,303	6,836
7.08.01.03	F.G.T.S.	1,018	1,411
7.08.02	Taxes, fees and contributions	18,426	19,822
7.08.02.01	Federal	13,528	15,538
7.08.02.02	State	4,661	4,035
7.08.02.03	Municipal	237	249
7.08.03	Remuneration of capital from third parties	5,013	3,958
7.08.03.01	Interest	3,036	2,455
7.08.03.02	Rentals	1,977	1,503
7.08.04	Remuneration of own capital	21,473	29,907
7.08.04.01	Interest on equity	5,726	5,905
7.08.04.02	Dividends	12,168	11,989
7.08.04.03	Retained Profit/Loss for the Period	3,579	12,013

Consolidated FSs / Balance Sheet Asset

(Thousands of reais)

Account Code	**Account Description**	**Current Quarter 03/31/2013**	**Previous financial year 12/31/2012**
1	Total Assets	786,142	810,120
1.01	Current Assets	394,465	426,031
1.01.01	Cash and Cash Equivalents	5,069	16,656
1.01.02	temporary investments	54,959	78,930
1.01.03	Accounts receivable	158,881	177,982
1.01.03.01	Clients	158,881	177,982
1.01.04	Inventory	149,791	127,560
1.01.06	Recoverable Taxes	13,781	13,881
1.01.06.01	Current and Recoverable Taxes	13,781	13,881
1.01.07	Prepaid expenses	1,112	462
1.01.08	Other Current assets	10,872	10,560
1.01.08.03	Other	10,872	10,560
1.01.08.03.02	Other	10,872	10,560
1.02	Non-current asset	391,677	384,089
1.02.01	Long-term assets	92,330	92,563
1.02.01.03	Accounts receivable	3,206	3,162
1.02.01.03.02	Other Accounts Receivable	3,206	3,162
1.02.01.06	Deferred Taxes	51,424	51,820
1.02.01.06.01	Differed Income Tax And Social Contribution	51,424	51,820
1.02.01.09	Other noncurrent assets	37,700	37,581
1.02.01.09.03	Taxes Recoverable	24,311	24,534
1.02.01.09.04	Escrow deposits and tax incentives	13,389	13,047
1.02.02	Investments	15,995	13,029
1.02.02.01	Shareholdings	15,995	13,029
1.02.02.01.01	Shareholding in Affiliates	-	13,029
1.02.02.01.04	Other Shareholdings	15,995	-
1.02.03	Fixed	257,687	252,457
1.02.03.01	Non-current in Operation	232,806	236,381
1.02.03.01.01	Non-current in Operation	238,294	241,869
1.02.03.01.02	Provision for Loss with Non-current	-5,488	-5,488
1.02.03.03	Non-current in progress	24,881	16,076
1.02.04	Intangible	25,665	26,040
1.02.04.01	Intangible	25,665	6,045
1.02.04.01.02	Software	4,441	4,814
1.02.04.01.03	Other intangible assets	21,224	1,231
1.02.04.02	Goodwill	-	19,995

Consolidated FSs / Balance Sheet Liability

(Thousands of reais)

Account Code	Account Description	Current Quarter 03/31/2013	Previous financial year 12/31/2012
2	Total Liabilities	786,142	810,12
2.01	Current liabilities	174,554	208,094
2.01.01	Labor and Social Obligations	28,141	34,938
2.01.01.01	Social obligations	7,192	7,735
2.01.01.02	Labor Obligations	20,949	27,203
2.01.02	Trade accounts payable	53,109	48,968
2.01.02.01	National Trade accounts payable	38,879	40,476
2.01.02.02	Foreign Trade accounts payable	14,230	8,492
2.01.03	Tax obligations	23,900	36,932
2.01.03.01	Federal Taxes Obligations	14,293	27,827
2.01.03.01.01	Payable income tax and social contribution	5,141	17,504
2.01.03.01.02	Other Federal Taxes	9,152	10,323
2.01.03.02	State tax obligations	9,607	9,105
2.01.04	Loans and financing	37,485	55,839
2.01.04.01	Loans and financing	37,485	55,839
2.01.05	Other Obligations	28,666	28,491
2.01.05.02	Other	28,666	28,491
2.01.05.02.01	Payable Dividends and INTEREST ON CAPITAL	17,790	18,133
2.01.05.02.04	Other accounts payable	10,876	10,358
2.01.06	Provisions	3,253	2,926
2.01.06.01	Labor and Civil Social Security Tax Provisions	3,253	2,926
2.01.06.01.05	Provision for future benefits to former employees	3,253	2,926
2.02	Noncurrent liabilities	128,474	122,492
2.02.01	Loans and financing	27,640	24,107
2.02.01.01	Loans and financing	27,640	24,107
2.02.01.01.01	In national currency	27,640	24,107
2.02.02	Other Obligations	18,577	17,250
2.02.02.02	Other	18,577	17,250
2.02.02.02.03	Taxes, fees and contributions payable	9,682	8,139
2.02.02.02.04	Reassembling of the mine	8,345	8,201
2.02.02.02.05	Other accounts payable	550	910
2.02.03	Deferred Taxes	-	-
2.02.03.01	Differed Income Tax And Social Contribution	-	-
2.02.04	Provisions	82,257	81,135
2.02.04.01	Labor and Civil Social Security Tax Provisions	82,257	81,135
2.02.04.01.02	Labor and Social Security Provisions	26,377	26,321
2.02.04.01.04	Civil Provisions	25,454	24,795
2.02.04.01.05	Provision for future benefits to former employees	30,426	30,019
2.03	Consolidated Equity	483,114	479,534
2.03.01	Capital Stock Held	334,251	334,251
2.03.02	Capital Reserves	19,388	19,388
2.03.02.01	Goodwill on the issue of shares	23	23
2.03.02.07	Grants for investment	19,365	19,365
2.03.04	Profit reserves	125,881	125,881
2.03.04.01	Legal reserve	25,517	25,513
2.03.04.02	Statutory Reserve	21,877	21,873
2.03.04.05	Retained Profits Reserve	78,295	78,303
2.03.04.07	Reserve for Tax Incentive	366	366
2.03.04.09	Treasury shares	(174)	(174)
2.03.05	Accumulated Profits/Losses	3,579	-
2.03.09	Participation of non-controlling shareholders	15	14

Consolidated FSs / Income Statement

(Thousands of reais)

Account Code	Account Description	Current Quarter 01/01/2013 to 03/31/2013	Accumulated of Current financial year 01/01/2013 to 03/31/2013	Same Quarter of Previous financial year 01/01/2012 to 03/31/2012	Accumulated of Previous financial year 01/01/2012 to 03/31/2012
3.01	Revenue from Sale of Goods and/or Services	211,263	211,263	210,244	210,244
3.02	Cost of Goods and/or Services Sold	(126,707)	(126,707)	(116,236)	(116,236)
3.03	Gross Income	84,556	84,556	94,008	94,008
3.04	Operational Expenses/Revenues	(54,591)	(54,591)	(53,918)	(53,918)
3.04.01	Sale expenses	(26,666)	(26,666)	(25,507)	(25,507)
3.04.02	General and administrative expenses	(25,724)	(25,724)	(27,008)	(27,008)
3.04.04	Other Operational Incomes	1,960	1,960	1,963	1,963
3.04.05	Other Operational Expenses	(3,342)	(3,342)	(3,366)	(3,366)
3.04.06	Result of equity equivalence	(819)	(819)	-	-
3.05	Result Before Financial Result and Taxes	29,965	29,965	40,090	40,090
3.06	Financial Results	(210)	(210)	2,416	2,416
3.06.01	Financial income	8,617	8,617	11,293	11,293
3.06.02	Financial expenses	(8,827)	(8,827)	(8,877)	(8,877)
3.07	Result Before Income Taxes	29,755	29,755	42,506	42,506
3.08	Income Tax and Social Contribution on Profit	(8,281)	(8,281)	(12,599)	(12,599)
3.08.01	Current	(7,885)	(7,885)	(10,753)	(10,753)
3.08.02	Deferred	(396)	(396)	(1,846)	(1,846)
3.09	Net result from continued operations	21,474	21,474	29,907	29,907
3.11	Profit/Loss Consolidated for the Period	21,474	21,474	29,907	29,907
3.11.01	Assigned to Partners of the Parent Company	21,473	21,473	29,907	29,907
3.11.02	Assigned to Non-Controlling Partners	1	1	-	-
3.99.01.01	ON	0,24000	0,24000	0,33000	0,33000
3.99.02.01	ON	0,24000	0,24000	0,33000	0,33000

Consolidated FSs /Income Statement per Nature

(Thousands of reais)

Account Code	**Account Description**	**Accumulated of Current financial year 01/01/2013 to 03/31/2013**	**Accumulated of Previous financial year 01/01/2012 to 03/31/2012**
4.01	Net Profit Consolidated for the Period	21,474	29,907
4.03	Consolidated Comprehensive Income for the Period	21,474	29,907
4.03.01	Assigned to Partners of the Parent Company	21,473	29,907
4.03.02	Assigned to Non-Controlling Partners	1	-

Consolidated FSs / Cash Flow

(Thousands of reais)

Account Code	Account Description	Accumulated of Current financial year 01/01/203 to 03/31/2013	Accumulated of Previous financial year 01/01/2012 to 03/31/2013
6.01	Net Cash Operational Activities	11,945	15,762
6.01.01	Cash Generated by Operations	39,538	48,587
6.01.01.01	Net Income for the Period	29,755	42,506
6.01.01.02	Result of equity equivalence	(819)	-
6.01.01.03	Depreciation, amortization and exhaustion	8,857	6,143
6.01.01.04	Result on discharge of fixed assets	(41)	283
6.01.01.05	Provision for credits of doubtful payment	226	385
6.01.01.06	Provision for risks	715	541
6.01.01.07	Miscellaneous Provisions	844	454
6.01.01.08	Financial charges, monetary and exchange variation	(763)	(86)
6.01.01.09	Incomes from temporary investments	(1,238)	-595
6.01.01.10	Performance of Prepaid expenses	505	-551
6.01.01.11	Performance of anticipated revenues	(141)	(493)
6.01.02	Variations in assets e liabilities	(27,593)	-32.825
6.01.02.01	Accounts receivable from Customers	18,823	(1,965)
6.01.02.04	Inventory	(22,231)	(18,869)
6.01.02.05	Taxes recoverable	465	(1,386)
6.01.02.07	Legal deposits	-342	(1,228)
6.01.02.08	Other assets	(1,498)	(3,361)
6.01.02.09	Trade accounts payable	4,226	3,449
6.01.02.10	Taxes payable	16	1,924
6.01.02.11	Provision for staff, salaries and social fees	(6,797)	(1,976)
6.01.02.13	Other liabilities	51	418
6.01.02.14	Interest paid	(227)	(24)
6.01.02.15	Paid income tax and social contribution	(20,079)	(9,807)
6.02	Net Cash Investing Activities	7,753	(2,574)
6.02.01	Acquisition of fixed and intangible assets	(13,990)	(4,881)
6.02.03	Receipt of sale of fixed and intangible assets	319	(33)
6.02.04	Temporary investments	-	2,340
6.02.09	Investment Acquisition	(3,785)	-
6.02.10	Short-term investments	(69,963)	-
6.02.11	Redemption of short-term investments	95,172	-
6.03	Net Cash from Financing Activities	(31,285)	(20,773)
6.03.01	Capture of financings - third parties	34,083	41,751
6.03.05	Amortization of financing	(48,050)	(45,117)
6.03.06	Payment of dividends and INTEREST ON CAPITAL	(17,318)	(17,407)
6.05	Increase (Decrease) in Cash and Cash Equivalents	(11,587)	(7,585)
6.05.01	Initial Balance and Cash and Cash Equivalents	16,656	42,333
6.05.02	Final Balance of Cash and Cash Equivalents	5,069	34,748

Consolidated FSs / Changes in Equity - 03/31/2013

(Thousands of reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profits or Losses	Other Comprehensive Results	Net Property	Participation of non-controller	Consolidated Equity
5.01	Initial Balance	334,251	19,214	126,055	-	-	479,52	14	479,534
5.03	Initial Adjusted Balance	334,251	19,214	126,055	-	-	479,52	14	479,534
5.04	Transactions with Capital from the Partners	-	-	-	(17,894)	-	(17,894)	-	(17,894)
5.04.06	Dividends	-	-	-	(12,168)	-	(12,168)	-	(12,168)
5.04.07	Interest on equity	-	-	-	(5,726)	-	(5,726)	-	(5,726)
5.05	Total Comprehensive Result	-	-	-	21,473	-	21,473	1	21,474
5.05.01	Net Income for the Period	-	-	-	21,473	-	21,473	1	21,474
5.06	Internal Changes of Equity	-	-	-	-	-	-	-	-
5.06.01	Transfer to reserves	-	-	-	-	-	-	-	-
5.07	Final Balances	334,251	19,214	126,055	3,579	-	483,099	15	483,114

Consolidated FSs / Changes in Equity - 03/31/2012

(Thousands of reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Accumulated Profits or Losses	Other Comprehensive Results	Net Property	Participation of non-controller	Consolidated Equity
5.01	Initial Balance	334,251	18,573	85,269	-	-	438,093	13	438,106
5.03	Initial Adjusted Balance	334,251	18,573	85,269	-	-	438,093	13	438,106
5.04	Transactions with Capital from the Partners	-	-	-	(17,894)	-	(17,894)	-	(17,894)
5.04.06	Dividends	-	-	-	(11,989)	-	(11,989)	-	(11,989)
5.04.07	Interest on equity	-	-	-	(5,905)	-	(5,905)	-	(5,905)
5.05	Total Comprehensive Result	-	-	-	29,907	-	29,907	-	29,907
5.05.01	Net Income for the Period	-	-	-	29,907	-	29,907	-	29,907
5.07	Final Balances	334,251	18,573	85,269	12,013	-	450,106	13	450,119

Consolidated FSs / Added Value

(Thousands of reais)

Account Code	Account Description	Accumulated of Current financial year 01/01/2013 to 02/31/2013	Accumulated of Previous financial year 01/01/2012 to 03/31/2012
7.01	Revenues	287,776	272,406
7.01.01	Sales of goods, products and services	276,300	272,607
7.01.02	Other revenues	11,702	700
7.01.03	Revenue refs. to Construction of Owned Assets	0	-901
7.01.04	Provision / Reversal of creds. Doubtful Settlement	-226	0
7.02	Inputs Purchased From Third Parties	(171,224)	(143,349)
7.02.01	Costs Prods., Mercs. and servs. Sold	(146,045)	(109,769)
7.02.02	Materials, energy and services from third parties and othe	(23,380)	(31,534)
7.02.03	Loss / Recovery of asset values	(1,514)	(1,582)
7.02.04	Other	-285	-464
7.03	Gross Added Value	116,552	129,057
7.04	Retentions	(8,857)	(6,143)
7.04.01	Depreciation, amortization and exhaustion	(8,857)	(6,143)
7.05	Net added value produced	107,695	122,914
7.06	Added value received in transfer	8,776	11,979
7.06.01	Result of equity equivalence	-819	-
7.06.02	Financial income	8,617	11,293
7.06.03	Other	978	686
7.07	Total Added Value To Distribute	116,471	134,893
7.08	Distribution Of Value Added	116,471	134,893
7.08.01	Personal	40,683	41,517
7.08.01.01	Direct compensation	26,146	27,103
7.08.01.02	Benefits	12,524	12,186
7.08.01.03	F.G.T.S.	2,013	2,228
7.08.02	Taxes, fees and contributions	40,847	44,534
7.08.02.01	Federal	28,910	32,778
7.08.02.02	State	11,508	11,415
7.08.02.03	Municipal	429	341
7.08.03	Remuneration of capital from third parties	13,468	18,935
7.08.03.01	Interest	8,827	9,250
7.08.03.02	Rentals	4,641	9,685
7.08.03.03	Other	-	-
7.08.04	Remuneration of own capital	21,473	29,907
7.08.04.01	Interest on equity	5,726	5,905
7.08.04.02	Dividends	12,168	11,989
7.08.04.03	Retained Profit/Loss for the Period	3,579	12,013

Eternit S.A.

Balance sheets
March 31, 2013 and December 31, 2012
(In thousands of reais)

		Company		Consolidated	
	Note	**03/31/2013**	**12/31/2012**	**03/31/2013**	**12/31/2012**
Assets					
Current assets					
Cash and cash equivalents	4	**2,494**	3,852	**5,069**	16,656
Short-term investments	5	**36,604**	48,612	**54,959**	78,930
Trade accounts receivable	6	**77,362**	79,158	**158,881**	177,982
Inventories	7	**95,221**	81,925	**149,791**	127,560
Taxes recoverable	8	**11,091**	11,167	**13,781**	13,881
Related parties	10	**22,314**	21,648	**-**	-
Other current assets		**5,659**	4,439	**11,984**	11,022
Total current assets		**250,745**	250,801	**394,465**	426,031
Noncurrent assets					
Judicial deposits		**6,949**	6,640	**13,389**	13,047
Taxes recoverable	8	**21,143**	21,114	**24,311**	24,534
Deferred income and social contribution taxes	20.b	**19,368**	19,994	**51,424**	51,820
Related parties	10	**7,313**	7,214	**-**	-
Investments	9	**226,841**	221,916	**15,995**	13,029
Property, plant and equipment	11	**127,623**	123,060	**257,687**	252,457
Intangible assets	12	**2,306**	2,514	**25,665**	26,040
Other noncurrent assets		**485**	440	**3,206**	3,162
Total noncurrent assets		**412,028**	402,892	**391,677**	384,089
Total assets		**662,773**	653,693	**786,142**	810,120

	Note	Company 03/31/2013	Company 12/31/2012	Consolidated 03/31/2013	Consolidated 12/31/2012
Liabilities and equity					
Current liabilities					
Trade accounts payable	13	**32,686**	30,417	**53,109**	48,968
Related parties	10	**8,321**	8,281	**-**	-
Loans and financing	14	**1,496**	1,519	**37,485**	55,839
Provisions and social charges	15	**15,938**	17,310	**28,141**	34,938
Dividends and interest on equity payable	18.e	**17,790**	18,133	**17,790**	18,133
Provision for future benefits to former employees	17.b	**1,645**	1,645	**3,253**	2,926
Taxes, charges and contributions payable	16	**10,712**	11,801	**23,900**	36,932
Other current liabilities		**1,999**	2,344	**10,876**	10,358
Total current liabilities		**90,587**	91,450	**174,554**	208,094
Noncurrent liabilities					
Provision for future benefits to former employees	17.b	**18,678**	18,263	**30,426**	30,019
Loans and financing	14	**11,739**	7,266	**27,640**	24,107
Related parties	10	**27,626**	27,252	**-**	-
Provision for civil, tax and labor contingencies	21	**22,871**	22,657	**51,831**	51,116
Taxes, charges and contributions payable	16	**8,173**	7,285	**9,682**	8,139
Environmental restoration of degraded mining areas	30	**-**	-	**8,345**	8,201
Other noncurrent liabilities		**-**	-	**550**	910
Total noncurrent liabilities		**89,087**	82,723	**128,474**	122,492
Equity					
Capital	18.a	**334,251**	334,251	**334,251**	334,251
Capital reserve		**19,388**	19,388	**19,388**	19,388
Treasury stock		**(174)**	(174)	**(174)**	(174)
Income reserve		**126,055**	126,055	**126,055**	126,055
Retained earnings		**3,579**	-	**3,579**	-
Net equity attributable to non-minority shareholders		**483,099**	479,520	**483,099**	479,520
Minority shareholders		**-**	-	**15**	14
Total equity		**483,099**	479,520	**483,114**	479,534
Total liabilities and equity		**662,773**	653,693	**786,142**	810,120

See accompanying notes.

Eternit S.A.

Income statements
Quarters ended March 31, 2013 and 2012
(In thousands of reais (R$) except net earnings per share)

		Company		Consolidated	
	Note	**03/31/2013**	**12/31/2012**	**03/31/2013**	**12/31/2012**
Net operating revenue	23	**118,753**	112,774	**211,263**	210,244
Cost of goods sold	24	**(86,096)**	(78,047)	**(126,707)**	(116,236)
Gross profit		**32,657**	34,727	**84,556**	94,008
Operating revenue (expenses)					
Selling expenses	24	**(13,993)**	(13,030)	**(26,666)**	(25,507)
General and administrative expenses	24	**(11,338)**	(11,395)	**(22,808)**	(24,279)
Management compensation		**(2,020)**	(1,962)	**(2,916)**	(2,729)
Other operating revenue (expenses), net	25	**(1,173)**	(525)	**(1,382)**	(1,403)
Equity pickup	9	**18,038**	22,603	**(819)**	-
Total operating revenue (expenses)		**(10,486)**	(4,309)	**(54,591)**	(53,918)
Financial expenses	26	**(3,035)**	(2,454)	**(8,827)**	(8,877)
Financial income	26	**2,963**	3,926	**8,617**	11,293
Financial result, net		**(72)**	1,472	**(210)**	2,416
Income before income and social contribution taxes		**22,099**	31,890	**29,755**	42,506
Income and social contribution taxes					
Current	20	**-**	201	**(7,885)**	(10,753)
Deferred	20	**(626)**	(2,184)	**(396)**	(1,846)
Net income for the period		**21,473**	29,907	**21,474**	29,907
Attributable to:					
Non-minority shareholders		**21,473**	29,907	**21,473**	29,907
Minority shareholders		**-**	-	1	-
Net income for the period		**21,473**	29,907	**21,474**	29,907
Basic and diluted earnings per share – R$	20	**0.24**	0.33	**0.24**	0.33

See accompanying notes.

Eternit S.A.

Statements of comprehensive income
Quarters ended March 31, 2013 and 2012
(In thousands of reais)

	Company		Consolidated	
	03/31/2013	**12/31/2012**	**03/31/2013**	**12/31/2012**
Net income for the period	**21,473**	29,907	**21,474**	29,907
Other comprehensive income	**-**	-	**-**	-
Comprehensive income for the period	**21,473**	29,907	**21,474**	29,907
Attributed to non-minority shareholders	**-**	-	**21,473**	29,907
Attributed to minority shareholders	**-**	-	**1**	-

See accompanying notes.

Eternit S.A.

Statements of changes in equity
Quarters ended March 31, 2013 and 2012

			Capital reserve			Income reserve							
	Note	Capital	Subsidies for investment	Goodwill in the acquisition of shares	Treasury shares	Statutory	Legal	Income retention	Retained earnings	Other comprehensive income	Total Company	Minority shareholders	Total equity
Balance at January 1, 2012		334,251	18,724	23	(174)	16,223	19,863	49,183	-	-	438,093	13	438,106
												-	-
Net income for the period		-	-	-	-	-	-	-	29,907	-	29,907	-	29,907
Setting up of reserves		-	-	-	-	-	-	-	-	-	-	-	-
Allocation of net income:													
Interest on equity -		-								-			
R$0.066 per outstanding share	18		-	-	-	-	-	-	(5,905)		(5,905)	-	(5,905)
Dividends – R$ 0.134 per outstanding share	18	-	-	-	-	-	-	-	(11,989)	-	(11,989)	-	(11,989)
Balance at March 31, 2012		**334,251**	**18,724**	**23**	**(174)**	**16,223**	**19,863**	**49,183**	**12,013**	**-**	**450,106**	**13**	**450,119**
Balance at January 1, 2013		334,251	19,365	23	(174)	21,873	25,513	78,669	-	-	479,520	14	479,534
Net income for the period		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**21,473**	**-**	**21,473**	**1**	**21,474**
Setting up of reserves	18	**-**	**-**		**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**
Allocation of net income:													**-**
Interest on equity – R$0.064 per outstanding share	18	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,726)**	**-**	**(5,726)**	**-**	**(5,726)**
Dividends – R$ 0.136 per outstanding share	18	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(12,168)**	**-**	**(12,168)**	**0**	**(12,168)**
Balance at March 31, 2013		**334,251**	**19,365**	**23**	**(174)**	**21,873**	**25,513**	**78,669**	**3,579**	**-**	**483,099**	**15**	**483,114**

See accompanying notes.

Eternit S.A.

Cash flow statements
Quarters ended March 31, 2013 and 2012
(In thousands of reais)

	Note	Company		Consolidated	
		03/31/2013	12/31/2012	03/31/2013	12/31/2012
Cash flows from operating activities					
Income before income and social contribution taxes		**22,099**	31,890	**29,755**	42,506
Adjustments to reconcile pre-tax income with net cash provided by operating activities:					
Equity pickup	9	**(18,038)**	(22,603)	**819**	-
Depreciation and amortization	11/12	**2,774**	3,042	**8,857**	6,143
Gain (loss) from disposal of permanent assets		**(26)**	59	**(41)**	283
Provision for impairment of accounts receivable	6	**101**	49	**226**	385
Provision for civil, tax and labor contingencies	21	**214**	452	**715**	541
Reversal (provision) for sundry losses		**329**	154	**844**	454
Financial charges, monetary and foreign exchange variation		**215**	454	**(763)**	(86)
Short-term investment yield		**(771)**	(595)	**(1,238)**	(595)
Net changes in prepaid expenses		**349**	(1,199)	**364**	(1,044)
		7,246	11,703	**39,538**	48,587
(Increase) decrease in operating assets:					
Trade accounts receivable	6	**1,699**	1,601	**18,823**	(1,965)
Related parties – accounts receivable		**204**	232	**-**	-
Inventories	7	**(13,296)**	(11,720)	**(22,231)**	(18,869)
Taxes recoverable	8	**188**	(1,208)	**465**	(1,386)
Judicial deposits		**(309)**	(77)	**(342)**	(1,228)
Dividends received	9	**15,818**	9,240	**-**	-
Other assets		**(1,601)**	(1,218)	**(1,498)**	(3,361)
Increase (decrease) in operating liabilities					
Trade accounts payable	13	**2,351**	2,437	**4,226**	3,449
Related parties – accounts payable	10	**40**	(2,467)	**-**	-
Taxes, charges and contributions payable	16	**(832)**	2,561	**16**	1,924
Provisions and social charges		**(1,372)**	(259)	**(6,797)**	(1,976)
Other liabilities		**(406)**	(386)	**51**	418
Interest paid		**(183)**	(24)	**(227)**	(24)
Income and social contribution taxes paid		**(16)**	(646)	**(20,079)**	(9,807)
Cash generated from operating activities		**9,531**	9,769	**11,945**	15,762
Cash flow from investing activities					
Loan from related party receivable	10	**(116)**	(1,251)	**-**	-
Cash receipt from the sale of property, plant and equipment		**304**	(33)	**319**	(33)
Additions to property, plant and equipment and intangible assets	11/12	**(7,408)**	(1,136)	**(13,990)**	(4,881)
Capital increase in subsidiaries	9	**(3,785)**	-	**(3,785)**	-
Temporary investments		**-**	2,340	**-**	2,340
Short-term investments		**(29,235)**	-	**(69,963)**	-
Redemption of short-term investments		**42,016**	-	**95,172**	-
Net cash used in investing activities		**1,776**	(80)	**7,753**	(2,574)
Cash flows from financing activities					
Loans and financing raised	14	**4,739**	79	**34,083**	41,751
Amortization of loans and financing	14	**(20)**	(2,524)	**(48,050)**	(45,117)
Loan with related party	10	**(66)**	(92)	**-**	-
Payment of dividends and interest on equity	18	**(17,318)**	(17,407)	**(17,318)**	(17,407)
Net cash used in financing activities		**(12,665)**	(19,944)	**(31,285)**	(20,773)
(Decrease) in cash and cash equivalents		**(1,358)**	(10,255)	**(11,587)**	(7,585)
Decrease) in cash and cash equivalents					
At beginning of period	4	**3,852**	21,352	**16,656**	42,333
At end of period	4	**2,494**	11,097	**5,069**	34,748
(Decrease) in cash and cash equivalents		**(1,358)**	(10,255)	**(11,587)**	(7,585)

See accompanying notes.

Eternit S.A.

Statements of value added
Quarters ended March 31, 2013 and 2012
(In thousands of reais)

		Company		Consolidated	
	Note	03/31/2013	12/31/2012	03/31/2013	12/31/2012
Revenues					
Sales of goods, products and services	23	**160,700**	152,844	**276,300**	272,607
Other income		**281**	33	**11,702**	700
Provision for accounts receivable		**-**		**-**	
impairment losses		**(101)**	(120)	**(226)**	(901)
Total		**160,880**	152,757	**287,776**	272,406
Inputs products acquired from third parties					
Cost of goods, products and services sold		**(105,736)**	(70,181)	**(146,045)**	(109,769)
Materials, energy, third-party services and others		**(8,862)**	(29,747)	**(23,380)**	(31,534)
Loss/recovery of asset values		**(1,514)**	(1,582)	**(1,514)**	(1,582)
Other donations		**(10)**	(308)	**(285)**	(464)
		(116,122)	(101,818)	**(171,224)**	(143,349)
Gross value added		**44,758**	50,939	**116,552**	129,057
Depreciation, amortization and depletion	11/12	**(2,774)**	(3,042)	**(8,857)**	(6,143)
Net value added produced by the entity		**41,984**	47,897	**107,695**	122,914
Value added received in transfer					
Equity pickup	9	**18,038**	22,603	**(819)**	-
Financial income	26	**2,963**	3,926	**8,617**	11,293
Other		**1,140**	938	**978**	686
		22,141	27,467	**8,776**	11,979
Total value added to be distributed		**64,125**	75,364	**116,471**	134,893
Distribution of value added		**64,125**	75,364	**116,471**	134,893
Personnel:					
Direct remuneration		**11,892**	13,430	**26,146**	27,103
Benefits		**6,303**	6,836	**12,524**	12,186
FGTS		**1,018**	1,411	**2,013**	2,228
		19,213	21,677	**40,683**	41,517
Taxes, charges and contributions					
Federal		**13,528**	15,538	**28,910**	32,778
State		**4,661**	4,035	**11,508**	11,415
Municipal		**237**	249	**429**	341
		18,426	19,822	**40,847**	44,534
Remuneration of third-party capital:					
Interest		**3,036**	2,455	**8,827**	9,250
Rent		**1,977**	1,503	**4,641**	9,685
		5,013	3,958	**13,468**	18,935
Equity remuneration:					
Dividends	18	**12,168**	11,989	**12,168**	11,989
Interest on equity	18	**5,726**	5,905	**5,726**	5,905
Retained earnings	18	**3,579**	12,013	**3,579**	12,013
		21,473	29,907	**21,473**	29,907

See accompanying notes.

1. Operations

Eternit S.A. (“Company” or “Eternit”), a company set up in Brazil on January 30, 1940 and headquartered at Rua Dr. Fernandes Coelho, 85 - 8º andar, in the city of São Paulo, São Paulo state, is a publicly- traded company, with no controlling shareholder, registered in the special stock market segment of São Paulo State Stock Exchange - - BM&FBOVESPA, denominated New Market, under ticker ETER3. Its shareholders are individuals, legal entities, investment clubs, investment funds and foundations (see Note 18).

The business purpose of the Company and its subsidiaries (“Group”) is the production and sale of fiber cement, cement, concrete, plaster and plastic products, as well as other construction materials and related accessories.

The Group is composed as follows:

- The Company has four plants in the Bahia, Goiás, Paraná and Rio de Janeiro states.
- Subsidiary Sama S.A. Minerações Associadas (“Sama”), a privately held corporation, located in Goiás state, is the only chrysotile mining company in Brazil, with the business purpose of chrysotile ore mining and processing, which is sold in Brazil and abroad.
- Subsidiary Tégula Soluções para Telhados Ltda. (“Tégula”) has six plants in the Bahia, Goiás, Rio Grande do Sul, Santa Catarina and São Paulo states. Its main business purpose is the manufacture and sale of concrete roofing and roofing accessories.
- Subsidiary Precon Goiás Industrial Ltda. (“Precon”) has a plant in Anápolis in Goiás state with the business purpose of production and sale of fiber cement products.
- Subsidiary Prel Empreendimentos e Participações Ltda. (“Prel”), located in São Paulo in the São Paulo state, has as business purpose the participation in industrial and commercial companies.
- Subsidiary Engedis Distribuição Ltda. (“Engedis”), located in Minaçu in Goiás state, does not have any economic activity.
- Subsidiaries Wagner Ltda. (“Wagner”) and Wagner da Amazônia Ltda. (“Wagner da Amazônia”), located in São Paulo- São Paulo State do not have any economic activity.

1. **Operations** (Continued)

- Jointly-controlled subsidiary Companhia Sulamericana de Cerâmica S.A., located in the city of Caucaia in the Ceará state, with the business purpose of import, production, sale, export and distribution of sanitary wares and related accessories in general.

The main products manufactured and/or sold by the Group are described in Note 27.

2. Summary of significant accounting practices

2.1 Statement of compliance and basis for preparation

The presentation of the interim financial information was approved and authorized on May 3, 2013 by Company's management for publication on May 6, 2013.

The Company's interim financial information contained in the quarterly financial information ITR, for the three-month period ended March 31, 2013, includes:

- The consolidated interim financial information prepared in accordance with CPC 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting issued by the International Accounting Standard Board – IASB and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission –CVM applicable to ITR preparation.

- The individual interim financial information of the Company prepared in accordance with CPC 21 – Interim Financial Reporting and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission –CVM applicable to ITR preparation.

The individual interim financial information presents investments in subsidiaries, jointly-controlled subsidiaries and affiliates by the equity method, in accordance with Brazilian current legislation. Therefore the Company's individual financial information is not considered to be in accordance with the IFRS, which require the evaluation of these investments in separate financial statements of the parent company at fair value or cost of acquisition.

2. Summary of significant accounting practices (Continued)

2.1 Statement of compliance and basis for preparation (Continued)

The interim financial information was prepared based on historic cost, except for certain financial instruments measured by their fair value, as described in the accounting practices below. Historic cost is generally based on fair value of consideration paid in exchange for the assets.

The main accounting practices applied in the preparation of this consolidated interim financial information are disclosed in Note 2 to the Company's annual financial statements for the year ended December 31, 2012, disclosed on March 15, 2013. These practices were consistently applied in the presented prior year.

2.2 Consolidation basis and investments in subsidiaries

Consolidated interim financial information includes interim financial information of the Company and its subsidiaries. Control is obtained when the Company has the power to control the financial and operational policies and appoint or dissolve the greater majority of the board of directors of an entity in order to derive benefits from its activities.

The Company's management, based on shareholder statutes and agreements, controls the companies listed in Note 1 and, therefore, fully consolidated these entities, with the exception of Companhia Sulamericana de Cerâmica S.A. - (CSC), which is considered based on the parameters described in the prior paragraph as a jointly-controlled subsidiary not consolidated, given that its income is considered in the consolidated interim financial information based on the equity method as provided for in CPC 19R2 (IFRS 11).

The holdings of minority shareholders of fully consolidated companies are carried in the consolidated statements of income and in the statements of changes in equity.

In the Company's individual financial information, the interim financial information of the subsidiaries is recognized by the equity method.

2. Summary of significant accounting practices (Continued)

2.2 Consolidation basis and investments in subsidiaries (Continued)

The main consolidation adjustments include the following eliminations:

- Asset and liability balance as well as revenue and expense amounts between the parent company and subsidiaries so that the consolidated interim financial information represents the effective balances of accounts payable and receivable with third parties.

- Participation in capital and net income (loss) for the period of the subsidiaries.

The financial year of the subsidiaries in the consolidated financial information is the same as that of the parent company and the parent company's accounting policies were applied uniformly and are consistent with those used in the prior year. All transactions and balances between the companies were eliminated from the consolidated financial information. Transactions between the Company and subsidiaries are realized under conditions established between the parties.

Income (loss) of subsidiaries acquired or disposed off during the year are included in the consolidated income statements as from the effective date of acquisition up to the effective date of disposal, as applicable.

When necessary, the interim financial information of subsidiaries is adjusted to meet the accounting practices established by the Group. All transactions, balances, revenues and expenses between the companies of the Group are totally eliminated from the consolidated interim financial information.

2.3 Reclassification for comparability purposes

In order to improve the information presented in the financial statements and to ensure better comparability between balances, the Company made the following reclassifications in the balances at December 31, 2012: i) the balance in trade accounts payable in noncurrent liabilities, in the amount of R$8,281 - Company, was reclassified to related parties in current liabilities.

2. Summary of significant accounting practices (Continued)

2.4 Standards, amendments and interpretation of standards

a) Standards, amendments and interpretation of existing standards with first time adoption as from January 1, 2013

- IFRS 10 - Consolidated Financial Statements

The Company adopted IFRS 10, which establishes principles for presentation and preparation of consolidated financial statements when an entity controls one or more entities. IFRS 10 replaced the consolidation requirements of SIC-12 Consolidation of Special Purpose Entities and of IAS 27 Consolidated and Separate Financial Statements. Adoption of this IFRS did not have any significant effect on the reported amounts for the current quarter and prior year.

- IFRS 11 – Joint Arrangements

IFRS 11 provides a more realistic reflection of joint arrangements, focusing on rights and obligations of the arrangement instead on its legal form. The standard addresses inconsistencies in the treatment of a joint arrangement, requiring a sole method to treat jointly controlled entities, through the equity pickup method. IFRS 11 replaced IAS 31 Joint Ventures and SIC-13 Jointly Controlled Entities - Non-monetary Contributions by Shareholders. The main effects resulting from adoption of IFRS 11 will be the end of proportional consolidation, fact which will not affect the Company's consolidated information. Adoption of this IFRS did not have any significant effect on the reported amounts for the current quarter and prior year.

- IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 is a new comprehensive standard about the disclosure requirements of all the forms of interests in other entities, including subsidiaries, joint ventures, associates and unconsolidated structured entities. Adoption of this IFRS did not have any significant effect on the reported amounts for the current quarter and prior year.

2. Summary of significant accounting practices (Continued)

2.4 Standards, amendments and interpretation of standards (Continued)

- IFRS 13 – Fair Value Measurement

  It substitutes and consolidates all guidelines and requirements related to fair value measurement contained in the other IFRS pronouncements into a sole pronouncement. IFRS 13 defines fair value and provides guidance as to how to determine fair value and the disclosure requirements related to fair value measurement. However, it does not introduce any new requirement or change in relation to items that should be measured at fair value, which remain in the original pronouncements. Adoption of this IFRS did not have any significant effect on the reported amounts for the current quarter and prior year.

- Changes in IAS 1 - Presentation of Financial Statements

  It introduces the requirement that items recorded in other comprehensive income be segregated and totalized between items that are and those that are not subsequently reclassified to profit and loss. Adoption of this IFRS did not have any significant effect on the reported amounts for the current quarter and prior year.

- Changes in IAS 16 – Property, Plant and Equipment

  This improvement explains that the major spare parts and equipment to render services that meet the definition of property, plant and equipment do not form part of inventories. Adoption of this IFRS did not have any significant effect on the reported amounts for the current quarter and prior year.

- Changes in IAS 19 – Employee Benefits

  Elimination of the corridor approach, with actuarial gains or losses being recognized as other comprehensive income for pension plans and the result for other long term benefits, when incurred, among other changes. The impact of application of the referred to standard will be presented upon revaluation of the actuarial liability during the year.

2. Summary of significant accounting practices (Continued)

2.4 Standards, amendments and interpretation of standards (Continued)

- IAS 27 – Individual and Consolidated Financial Statements (Revised in 2011)

    As a consequence of the recent IFRS 10 and IFRS 12, what remains in IAS 27 is limited to accounting for of subsidiaries, jointly controlled entities and associates in separate financial statements. Adoption of this IFRS did not have any significant effect on the reported amounts for the current quarter and prior year.

- IAS 28 – (Revised in 2011) Investments in Associates and Jointly Controlled Entities.

    As a consequence of the recent IFRS 10 and IFRS 12, what remains in IAS 28 is limited to accounting for of subsidiaries, jointly controlled entities and associates in separate financial statements. Adoption of this IFRS did not have any significant effect on the reported amounts for the current quarter and prior year.

2.5 Standards, amendments and interpretation of existing standards with first time adoption as from January 1, 2014.

- IAS 32 – Offsetting of Financial Assets and Financial Liabilities – Revisions of IAS 32

    These amendments clarify the meaning of "currently has a legally enforceable right to set off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems), which apply gross settlement mechanisms that are not simultaneous. These amendments should not have an impact on the Company's financial position, performance or disclosures.

2. Summary of significant accounting practices (Continued)

2.6 Standards, amendments and interpretation of existing standards with first time adoption as from January 1, 2015.

- IFRS 9 - Financial Instruments: Classification and Measurement closed the first part of a project to substitute “IAS 39 – Financial Instruments: Recognition and Measurement”. This new standard uses a simple approach to determine whether a financial asset is measured at amortized cost or fair value, based on the manner in which an entity manages its financial instruments (its business model) and the contractual cash flow characteristic of financial assets. IFRS 9 further requires adoption of only one method to determine impairment losses of assets.

The Group intends to adopt such standards when they become effective, disclosing and recognizing the impacts in the financial statements that may take place upon application of such new adoptions.

Considering the current operations of the Group and its subsidiaries, management does not expect that these new standards, interpretations and amendments will have a significant effect on the financial statements as from the adoption thereof.

The Committee of Accounting Pronouncements (CPC) has not yet edited the related pronouncements and amendments related to the aforementioned new and revised IFRS. As a consequence of the commitment of CPC and CVM to keep an updated set of standards issued based on the amendments made by IASB, it is expected that these pronouncements and amendments will be edited by CPC and approved by CVM until the date of their mandatory application.

There are no other standards and interpretations issued but not yet adopted, further to those mentioned above, which may, in the opinion of management, have a significant impact on the income or equity disclosed by the Group.

(In thousands of reais except when otherwise stated)

3. Significant accounting judgment and sources of uncertainties in estimates

In the application of the Group's significant accounting practices, management has to make judgments and estimates about book value of assets and liabilities when this is not easily obtainable from other sources. Estimates and assumptions are based on historic experience and other relevant factors. Actual results may differ from these estimates.

Accounting estimates and assumptions are periodically evaluated and are based on historic experience among other factors, including expectation relating to future events considered reasonable in the circumstances. Such estimates and assumptions may differ from actual results, also the effects from reviews of accounting estimates are recognized in the period of the review.

The main assumptions about future and other sources of uncertainties in estimates at the end of each reporting period that may lead to significant adjustments in the book value of assets and liabilities in the next period are set out below:

3.1. Goodwill recoverability considering expected future profitability

In order to determine whether there is goodwill impairment, it is necessary to estimate the value in use of cash generating units to which goodwill was allocated. Calculation of value in use requires that management estimate expected future cash flows from the cash generating units and the adequate discount rate for calculation of present value.

No evidence of goodwill impairment was identified.

	Consolidated	
Subsidiary:	**03/31/13**	**12/31/12**
Sama	**16,559**	16,559
Tégula	**3,436**	3,436
	19,995	19,995

3.2. Useful lives of property, plant and equipment items

The Group reviews the estimated useful lives of property, plant and equipment items on an annual basis at the end of each year.

3. Significant accounting judgment and sources of uncertainties in estimates (Continued)

3.3. Income and social contribution taxes

The Group recognizes deferred assets and liabilities based on differences between the book value presented in the financial statements and the tax base of assets and liabilities using tax rates in force. Group management periodically reviews deferred tax assets in terms of possibility of recovery, considering generated historic profit and projected future taxable profit, based on a technical feasibility study.

3.4. Provision for civil, tax and labor contingencies

The Group is party to several judicial and administrative proceedings, as described in Note 21. Provisions are set up for all contingencies related to judicial proceedings involving probable losses estimated with reasonable certainty. The assessment of the chances of loss includes evaluation of available evidence, hierarchy of laws, available case law, latest court decisions and their relevance in the legal system, as well as the opinion of legal counsel. Group management believes that these provisions for contingencies are correctly presented in the interim financial information.

3.5. Provision for future benefits to former employees

The current value of the provision for future benefits to former employees depends on a series of factors that are determined based on actuarial calculation, which restates a series of assumptions such as, for instance, discount rate and inflation rate, among others, which are disclosed in Note 17. Change in these estimates may affect the results presented.

3.6.Environmental restoration of degraded mining areas

The subsidiary, Sama, in accordance with the Recovery of Degraded Area Program (PRAD), recorded a provision for possible environmental liabilities, based on best estimates of clean up and repair costs. The subsidiary has a specialist environmental team to manage all the phases of the environmental program and resorts to external specialists, when required.

(In thousands of reais except when otherwise stated)

4. Cash and cash equivalents

	Company		Consolidated	
	03/31/13	**12/31/12**	**03/31/13**	**12/31/12**
Cash and banks	**2,494**	1,801	**3,666**	3,585
Investment in bank deposit certificates	**-**	2,051	**1,403**	13,071
Total	**2,494**	3,852	**5,069**	16,656

At March 31, 2013, investment funds yield is on average of 103% of the Interbank Deposit Certificate - CDI (103% at December 31, 2012), basically including in its portfolio repurchase agreements. The balances are readily redeemable, in order to meet short-term cash commitments, and subject to an insignificant risk of change in value.

5. Short-term investments

	Company		Consolidated	
	03/31/13	**12/31/12**	**03/31/13**	**12/31/12**
Investment funds (i)	**36,604**	31,873	**54,959**	62,191
Temporary investment funds (ii)	**-**	16,739	**-**	16,739
Total	**36,604**	48,612	**54,959**	78,930

Investment funds mainly include fixed income investments and repurchase agreements remunerated at average rate of 103% of CDI (103% at December 31, 2012).

(i) The investments are immediately redeemable as there is no grace period for the redemption of the units. The units can be redeemed with earnings, as required by the Company.

(ii) The investments are intended to finance investment in property, plant and equipment or for future investments to be made by the Company. The amount is defined in accordance with the Company investment plan.

(In thousands of reais except when otherwise stated)

6. Trade accounts receivable

	Company		Consolidated	
	03/31/13	12/31/12	03/31/13	12/31/12
Trade accounts receivable	**81,029**	82,728	**123,599**	124,241
Trade accounts receivable from foreign customers	**-**	-	**43,047**	61,228
(-) Present value adjustment	**(324)**	(328)	**(1,021)**	(969)
Provision for impairment of accounts receivable	**(3,343)**	(3,242)	**(6,744)**	(6,518)
Total	**77,362**	79,158	**158,881**	177,982

Expenses related to the provision for impairment of accounts receivable are recorded in "selling expenses”.

Aging of trade accounts receivable

	Company		Consolidated	
	03/31/2013	12/31/2012	03/31/2013	12/31/2012
Not due	**73,475**	75,208	**148,017**	162,284
Overdue:				
Up to 30 days	**3,692**	3,569	**8,797**	13,094
From 30 to 60 days	**127**	225	**1,073**	1,480
Overdue for more than 60 days	**68**	156	**994**	1,124
	77,362	79,158	**158,881**	177,982

Changes in the provision for impairment of accounts receivable

	Company		Consolidated	
	03/31/2013	12/31/2012	03/31/2013	12/31/2012
Opening balance	**(3,242)**	(2,832)	**(6,518)**	(6,470)
Additions	**(182)**	(572)	**(307)**	(1,546)
Reversal	**-**	6	**-**	581
Write-off	**81**	156	**81**	917
Total	**(3,343)**	(3,242)	**(6,744)**	(6,518)

(In thousands of reais except when otherwise stated)

7. Inventories

	Company		Consolidated	
	03/31/2013	**12/31/2012**	**03/31/2013**	**12/31/2012**
Finished goods	**36,223**	35,082	**68,034**	59,957
Semi-finished goods	**-**	-	**1,804**	2,757
Resale	**18,555**	20,862	**23,361**	26,005
Raw material	**36,529**	22,117	**36,704**	21,110
Support materials	**3,914**	3,864	**20,823**	18,666
(-) Provision for losses *	**-**	-	**(935)**	(935)
	95,221	81,925	**149,791**	127,560

(*) The matching entry for the provision for losses is recorded in the heading “cost of goods sold” in the income statement.

Changes in the provision for losses	**Consolidated**
Balance at January 1, 2012	(739)
(+) supplementation of provision for the year	(196)
Balance at December 31, 2012	(935)
(+) supplementation of provision for the period	-
Balance at March 31, 2013	**(935)**

(In thousands of reais except when otherwise stated)

8. Taxes recoverable

	Company		Consolidated	
	03/31/2013	**12/31/2012**	**03/31/2013**	**12/31/2012**
Current:				
State Value-Added Tax (ICMS)	**923**	1,067	**1,807**	1,946
Withholding Income Tax - IRRF	**1,252**	284	**1,394**	518
Corporate Income Tax – IRPJ	**4,679**	4,862	**5,147**	5,650
Social contribution tax on net profit (CSLL)	**516**	1,415	**680**	1,602
Withholding Income Tax on interest on equity	**-**	2,169	**-**	2,169
FOMENTAR fund – ICMS (*)	**817**	729	**817**	729
Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS) and others	**2,904**	641	**3,936**	1,267
	11,091	11,167	**13,781**	13,881
Noncurrent:				
State Value-Added Tax (ICMS)	**585**	840	**3,753**	4,260
Withholding Income Tax - IRRF	**13,081**	13,004	**13,081**	13,004
Corporate Income Tax – IRPJ	**7,477**	7,206	**7,477**	7,206
Others	**-**	64	**-**	64
	21,143	21,114	**24,311**	24,534

(*) Development and Industrialization of the State of Goiás Fund - FOMENTAR, intended to increase the implementation and expansion of activities that promote the industrial development of the State of Goiás.

9. Investments

Subsidiaries and jointly-controlled subsidiary of the Company are as follows:

	Company	
Subsidiaries	**Ownership held by the Company -%**	
	03/31/13	**12/31//12**
Precon	**99.99**	**99.99**
Prel	**99.99**	**99.99**
Sama	**99.99**	**99.99**
Tégula	**99.99**	**99.99**
Wagner	**99.85**	**99.85**
Companhia Sulamericana de Cerâmica S.A. (“CSC”) (i)	**60.00**	**60.00**
Engedis (ii)	**99.94**	**99.94**

(i) Jointly controlled subsidiary
(ii) Indirect subsidiary

(In thousands of reais except when otherwise stated)

9. **Investments** (Continued)

Summary of main information about subsidiaries and jointly controlled subsidiary:

Subsidiary	Location	Main activity
Sama	Minaçu/GO	Mining and processing of chrysotile asbestos ore
Engedis	Minaçu/GO	No economic activity
Precon	Anápolis/GO	Production and sale of fiber cement products and devices
Prel	São Paulo/SP	Participation in industrial and commercial companies, among others.
Wagner	São Paulo/SP	No economic activity
Wagner da Amazônia	São Paulo/SP	No economic activity
Tégula	Atibaia/SP	Production and sale of concrete roof tiles and accessories
Companhia Sul Americana de Cerâmica	Porto de Caucaia/CE	The main business purpose of jointly controlled subsidiary Companhia Sulamericana de Cerâmica, located in the city of Caucaia, State of Ceará, is import, production, sale, export, distribution of sanitary wares and related accessories in general.

Investments are comprised as follows:

	Company						
	Precon	**Prel**	**Sama**	**CSC**	**Tégula**	**Wagner**	**Total**
Investments	**17,578**	**8,572**	**91,567**	**15,995**	**72,539**	**4,031**	**210,282**
Goodwill	**-**	**-**	**16,559**	**-**	**-**	**-**	**16,559**
Balance at March 31, 2013	**17,578**	**8,572**	**108,126**	**15,995**	**72,539**	**4,031**	**226,841**

(In thousands of reais except when otherwise stated)

9. **Investments** (Continued)

	Precon	Prel	Sama	CSC	Tégula	Wagner	Total
At January 1, 2012	15,694	7,866	102,116	-	53,752	4,059	183,487
Dividends	(7,927)	(1,896)	(62,958)	-	-	(104)	(72,885)
Interest on equity	(640)	-	(5,158)	-	(2,839)	-	(8,637)
Equity pickup	10,451	1,851	73,183	(531)	4,333	104	89,391
Organization of jointly controlled subsidiary	-	-	-	13,560	-	-	13,560
Capital increase	-	-	-	-	17,000	-	17,000
At December 31, 2012	17,578	7,821	107,183	13,029	72,246	4,059	221,916
Dividends	**(2,026)**	**-**	**(13,469)**	**-**	**-**	**-**	**(15,495)**
Interest on equity	**(220)**	**-**	**(1,184)**	**-**	**-**	**-**	**(1,404)**
Equity pickup	**2,246**	**751**	**15,596**	**(819)**	**293**	**(28)**	**18,038**
Organization of jointly controlled subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital increase	**-**	**-**	**-**	**3,785**	**-**	**-**	**3,785**
Balance at March 31, 2013	**17,578**	**8,572**	**108,126**	**15,995**	**72,539**	**4,031**	**226,841**

The balance of investments in the consolidated interim financial information at March 31, 2012, amounting to R$15,995, refers to investment in the jointly controlled CSC.

We set out below the balances of subsidiaries at March 31, 2013:

	Precon	Prel	Sama	CSC	Tégula	Wagner
Assets	**33,399**	**8,706**	**240,888**	**37,096**	**100,698**	**5,580**
Liabilities	**15,820**	**133**	**145,169**	**10,438**	**28,153**	**1,543**
Equity	**17,579**	**8,573**	**95,719**	**26,658**	**72,545**	**4,037**
Net operating revenue	**16,083**	**-**	**81,143**	**-**	**19,260**	**-**
Net income (loss) for the period	**2,246**	**751**	**14,651**	**(1,365)**	**293**	**(28)**

(In thousands of reais except when otherwise stated)

10. Related parties

a) Company balances and transactions with related parties

	Company	
	03/31/13	**12/31/12**
Balances:		
Current assets		
Trade accounts receivable		
Precon (i) and (ii)	**1,153**	1,376
Sama (ii)	**127**	132
Tégula (i) and (ii)	**311**	269
Wagner (ii)	**-**	18
	1,591	1,795
Dividends and interest on equity receivable:		
Sama	**17,805**	15,396
Prel	**-**	702
Precon	**2,212**	3,038
Tégula	**706**	706
Wagner	**-**	11
	20,723	19,853
	22,314	21,648
Noncurrent assets (loans- Tégula): (iii)	**7,313**	7,214
Current liabilities		
Trade accounts payable (i)		
Sama	**8,215**	8,174
Other accounts payable		
Prel	**83**	83
Sama	**23**	23
Tégula	**-**	1
	8,321	8,281
Noncurrent liabilities		
Loan		
Sama	**27,626**	27,252
Total	**27,626**	27,252

(i) There are purchases and sales between related parties, therefore the balances refer to supplies of raw materials (chrysotile) and finished products, which were eliminated in the consolidated interim financial information of the Company, according to CPC 26.

(ii) These basically refer to refund of expenses with no predetermined maturity.

(In thousands of reais except when otherwise stated)

10. Related parties (Continued)

a) Company balances and transactions with related parties (Continued)

(iii) These refer to intercompany loans subject to Tax on Financial Operations – IOF and Withholding Income Tax - IRRF levy, and bear interest of 100% of CDI, for repayment within 24 months as from loan agreement execution date, term which may be extended for further 24 months.

	Company	
	03/31/13	**03/31/12**
Transactions:		
Sales:		
Precon	**2,850**	3,615
Tégula	**99**	20
Total	**2,949**	3,635
Purchases:		
Precon	**-**	19
Sama	**18,291**	18,708
Discounts obtained - Sama	**122**	122
Administrative expenses - Prel	**250**	233
Total	**18,663**	19,082
Interest on loan:		
Expense – Sama	**440**	625
Total	**440**	625
Revenues:		
Interest on loan – Tégula	**116**	251
Interest on equity:		
Sama	**1,185**	1,324
Precon	**219**	167
Tégula	**-**	761
Total	**1,520**	2,503

Purchases and sale transactions between related parties are realized under conditions established between the parties.

At March 31, 2013 and December 31, 2012 there were no outstanding guarantees with related parties and no provisions reducing the balance of accounts receivable from related parties.

(In thousands of reais except when otherwise stated)

10. Related parties (Continued)

b) Remuneration of key management personnel

The Group paid its officers short-term benefits, salaries and variable remuneration as follows:

Company	Board of Directors	Consultative Council	Statutory Officers	Total
Salaries	193	79	739	1,011
Benefits	-	-	5	5
Other (ii)	39	16	263	317
Variable remuneration	-	-	4,728	4,728
Post employment benefits	-	-	162	162
Total	**232**	**95**	**5,897**	**6,224**

Consolidated	Board of Directors	Consultative Council	Statutory Officers	Total
Salaries	193	79	994	1,266
Benefits	-	-	24	24
Other (ii)	39	16	338	393
Variable remuneration- Profit sharing – PLRE	-	-	5,731	5,731
Post employment benefits	-	-	258	258
Total	**232**	**95**	**7,345**	**7,672**

The Group's Board of Directors approved a plan for the purchase of Company shares by its officers. The Group grants additional bonus to officers that invest up to 100% of their profit sharing net amount for the purchase of Company shares. This bonus is proportional to the net amount of profit sharing that is so invested and must be fully used to acquire Company shares. The plan establishes specific share purchase and sale rules, such as minimum term of three years after share purchase for purposes of share sale, limited to 30% after the third year, 30% after the fourth year, 30% after the fifth year, and the remaining 10% may only be sold upon officer's dismissal/retirement. Share purchase and sale guidelines in CVM Rule No. 358/02 must also be followed by officers.

In the quarter ended March 31, 2013, officers acquired 1,550,955 shares - ETER3 (1,369,755 shares - ETER3 at December 31, 2012).

(In thousands of reais except when otherwise stated)

11. Property, plant and equipment

Property, plant and equipment

	Company									
	Land	Buildings and improvements	Machinery and equipment	Tools and molds	Facilities	Vehicles	Furniture and fixtures	IT equipment	Construction in progress	Total
Cost										
Balance at January 1, 2012	701	31,805	89,797	12,772	76,780	3,498	3,950	3,223	6,726	229,252
Additions	-	-	437	-	-	-	-	-	13,241	13,678
Write-offs	-	-	(14)	-	(35)	(270)	(14)	(30)	-	(363)
Transfers	-	360	4,719	105	364	350	1,173	179	(7,250)	-
Balance at December 31, 2012	701	32,165	94,939	12,877	77,109	3,578	5,109	3,372	12,717	242,567
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,407**	**7,407**
Write-offs	**-**	**(1)**	**(166)**	**-**	**(269)**	**(552)**	**(20)**	**(74)**	**-**	**(1,082)**
Transfers	**-**	**-**	**693**	**-**	**38**	**-**	**36**	**-**	**(767)**	**-**
Balance at March 31, 2013	**701**	**32,164**	**95,466**	**12,877**	**76,878**	**3,026**	**5,125**	**3,298**	**19,357**	**248,892**
Average depreciation rates	-	4%	8,6%	15%	10%	20%	10%	20%	-	
Accumulated depreciation										
Balance at January 1, 2012	-	(17,928)	(42,380)	(7,574)	(34,815)	(2,391)	(1,985)	(2,306)	-	(109,379)
Additions	-	(703)	(1,786)	(1,077)	(5,863)	(341)	(336)	(304)	-	(10,410)
Write-offs	-	-	14	-	35	201	11	21	-	282
Balance at December 31, 2012	-	(18,631)	(44,152)	(8,651)	(40,643)	(2, 531)	(2,310)	(2,589)	-	(119,507)
Additions	**-**	**(179)**	**(448)**	**(270)**	**(1,398)**	**(86)**	**(108)**	**(77)**	**-**	**(2,566)**
Write-offs	**-**	**-**	**145**	**-**	**71**	**496**	**19**	**73**	**-**	**804**
Balance at March 31, 2013	**-**	**(18,810)**	**(44,455)**	**(8,921)**	**(41,970)**	**(2, 121)**	**(2,399)**	**(2,593)**	**-**	**(121,269)**
Residual value										
At January 1, 2012	701	13,877	47,417	5,198	41,965	1,107	1,965	917	6,726	119,873
At December 31, 2012	701	13,534	50,787	4,226	36,466	1,047	2,799	783	12,717	123,060
Balance at March 31, 2013	**701**	**13,354**	**51,011**	**3,956**	**34,908**	**905**	**2,726**	**705**	**19,357**	**127,623**

(In thousands of reais except when otherwise stated)

11. Property, plant and equipment (Continued)

	Consolidated													
	Land	Buildings and improvements	Machinery and equipment	Excavation equipment	Tools and molds	Facilities	Vehicles	Vehicles Off road vehicles	Furniture and fixtures	IT equipment	Environment restoration of degraded mining area	Mineral resources	Construction in progress	Total
Cost														
Balance at January 1, 2012	4,084	78,077	171,193	16,360	25,597	203,317	13,086	4,105	12,554	7,045	1,847	13,387	9,406	560,058
Additions	-	860	3,282	-	565	551	479	-	757	165	-	-	47,708	54,367
Write-offs	-	(9)	(512)	-	(32)	(109)	(363)	(47)	(147)	(112)	-	-	-	(1,331)
Transfers	-	1,657	7,529	8,250	349	4,639	11,849	222	2,202	416	3,931	-	(41,044)	-
Balance at December 31, 2012	4,084	80,585	181,492	24,610	26,479	208,398	25,051	4,280	15,366	7,514	5,778	13,387	16,070	613,094
Additions	**-**	**46**	**453**	**-**	**18**	**77**	**-**	**-**	**315**	**30**	**-**	**-**	**13,044**	**13,983**
Write-offs	**-**	**(1)**	**(171)**	**-**	**(8)**	**(269)**	**(553)**	**-**	**(27)**	**(76)**	**-**	**-**	**-**	**(1,105)**
Transfers	**-**	**-**	**1,301**	**977**	**-**	**1,389**	**-**	**259**	**267**	**45**	**-**	**-**	**(4,238)**	**-**
Balance at March 31, 2013	**4,084**	**80,630**	**183,075**	**25,587**	**26,489**	**209,595**	**24,498**	**4,539**	**15,921**	**7,513**	**5,778**	**13,387**	**24,876**	**625,972**
Average depreciation rates	-	4%	8,6%	28,4%	15%	10%	20%	25%	10%	20%	2,9%	5,3%	-	
Accumulated depreciation														
Balance at January 1, 2012	-	(44,466)	(97,460)	(13,276)	(15,120)	(137,155)	(8,809)	(3,820)	(6,343)	(5,326)	(211)	(2,183)	-	(334,169)
Additions	-	(1,629)	(4,343)	(1,758)	(2,585)	(10,445)	(3,346)	(83)	(1,316)	(615)	(614)	(696)	-	(27,430)
Write-offs	-	9	265	-	30	107	294	47	109	101	-	-	-	962
Transfers	-	(140)	-	-	140	-	-	-	-	-	-	-	-	-
Balance at December 31, 2012	-	(46,226)	(101,538)	(15,034)	(17,535)	(147,493)	(11,861)	(3,856)	(7,550)	(5,840)	(825)	(2,879)	-	(360,637)
Additions		**(427)**	**(1,340)**	**(1,070)**	**(661)**	**(2,732)**	**(1,468)**	**(43)**	**(363)**	**(156)**	**(41)**	**(174)**	**-**	**(8,475)**
Write-offs	**-**	**-**	**149**	**-**	**8**	**71**	**497**	**-**	**27**	**75**	**-**	**-**	**-**	**827**
Transfers	**-**	**-**	**28**	**-**	**-**	**-**	**-**	**-**	**(28)**	**-**	**-**	**-**	**-**	**-**
Balance at March 31, 2013	**-**	**(46,653)**	**(102,701)**	**(16,104)**	**(18,188)**	**(150,154)**	**(12,832)**	**(3,899)**	**(7,914)**	**(5,921)**	**(866)**	**(3,053)**	**-**	**(368,285)**
Residual value														
At January 1, 2012	4,084	33,611	73,733	3,084	10,477	66,162	4,277	285	6,211	1,719	1,636	11,204	9,406	225,889
At December 31, 2012	4,084	34,359	79,954	9,576	8,944	60,905	13,190	424	7,816	1,674	4,953	10,508	16,070	252,457
Balance at March 31, 2013	**4,084**	**33,977**	**80,374**	**9,483**	**8,301**	**59,441**	**11,666**	**640**	**8,007**	**1,592**	**4,912**	**10,334**	**24,876**	**257,687**

Subsidiary Sama provided fixed assets with residual value of R$1,314 as guarantee in connection with certain judicial proceedings.

(In thousands of reais except when otherwise stated)

12. Intangible assets

Company	Software	Other	Total
Cost			
Balance at January 1, 2012	6,770	11	6,781
Additions	-	436	436
Write-offs	(21)	-	(21)
Transfers	436	(436)	436
Balance at December 31, 2012	7,185	11	7,196
Balance at March 31, 2013	**7,185**	**11**	**7,196**
Useful life (in years)	5	-	-
Amortization			
Balance at January 1, 2012	(3,928)	-	(3,928)
Additions	(774)	-	(774)
Write-offs	20	-	20
Balance at December 31, 2012	(4,682)	-	(4,682)
Additions	**(208)**	**-**	**(208)**
Balance at March 31, 2013	**(4,890)**	**-**	**(4,890)**
Residual value			
Balance at January 1, 2012	2,842	11	2,853
Balance at December 31, 2012	2,503	11	2,514
Balance at March 31, 2013	**2,295**	**11**	**2,306**

(In thousands of reais except when otherwise stated)

12. Intangible assets (Continued)

Consolidated	Software	Goodwill	Trademarks and patents	Intangible assets in progress	Other	Total
Cost						
Balance at January 1, 2012	11,722	19,995	1,156	-	90	32,963
Additions	200	-	-	1,227	-	1,427
Write-offs	(21)	-	-	-	-	(21)
Transfers	1,242	-	-	(1,227)	(15)	-
Balance at December 31, 2012	13,143	19,995	1,156	-	75	34,369
Additions	**6**	**-**	**-**	**1**	**-**	**7**
Transfers	**1**	**-**	**-**	**(1)**	**-**	**-**
Balance at March 31, 2013	**13,150**	**19,995**	**1,156**	**-**	**75**	**34,376**
Useful life (in years)						
Amortization						
Balance at January 1, 2012	(7,006)	-	-	-	(1)	(7,007)
Additions	(1,343)	-	-	-	-	(1,343)
Write-offs	21	-	-	-	-	21
Balance at December 31, 2012	(8,328)	-	-	-	(1)	(8,329)
Additions	**(382)**	**-**	**-**	**-**	**-**	**(382)**
Balance at March 31, 2013	**(8,710)**	**-**	**-**	**-**	**(1)**	**(8,711)**
Residual value						
Balance at January 1, 2012	4,716	19,995	1,156	-	89	25,956
Balance at December 31, 2012	4,815	19,995	1,156	-	74	26,040
Balance at March 31, 2013	**4,440**	**19,995**	**1,156**	**-**	**74**	**25,665**

(In thousands of reais except when otherwise stated)

13. Trade accounts payable

	Company		Consolidated	
	03/31/13	**12/31/12**	**03/31/13**	**12/31/12**
Domestic market	**18,903**	22,473	**39,103**	40,615
Foreign market	**13,977**	8,056	**14,230**	8,492
(-) Present value adjustment (internal/ external market)	**(194)**	(112)	**(224)**	(139)
Total	**32,686**	30,417	**53,109**	48,968

14. Loans and financing

	Company		Consolidated	
	03/31/13	**12/31/12**	**03/31/13**	**12/31/12**
Current:				
Loans and financing (a) and (d)	**1,496**	1,519	**9,134**	9,091
ACE (b)	**-**	-	**28,351**	26,319
ACC (c)	**-**	-	**-**	20,429
	1,496	1,519	**37,485**	55,839
Noncurrent:				
Loans and financing (a) and (d)	**11,739**	7,266	**27,640**	24,107
Total	**13,235**	8,785	**65,125**	79,946
Non-current repayment schedule:				
2014	**8,579**	7,202	**15,055**	13,756
2015	**3,098**	37	**9,482**	5,471
2016	**39**	22	**2,296**	3,513
2017	**23**	5	**807**	1,367
Total	**11,739**	7,266	**27,640**	24,107

(a) At March 31, 2013, financing raised from BNDES/Finame for the purchase of vehicles (trucks) at average interest rate of 6.171% and 4.430% p.a. plus TJLP was fully repaid.

(b) Advance on Export Contracts – ACE – These are funds to increase working capital of subsidiary Sama, raised in US dollars at average exchange rate of R$2.0143 and restated by the current exchange rate of R$2.0138 at March 31, 2013. The average PRIME lending rate is of 3.25% p.a. and, owing to the characteristics of the transaction; such advances mature within up to 360 days. The Company is guarantor of part of the ACE operations, the value of which at March 31, 2013 was R$28,351.

(c) At March 31, 2013, advances on foreign exchange contracts – ACC, which were obtained to increase working capital of subsidiary SAMA and maturing within 360 days, were settled with exports for the period.

(d) The Company raised Finimp 5 financing for the acquisition of machinery and equipment for operating activities at an interest rate of 2.94% p.a., referring to the PTAX US Dollar rate of 2.0464 and restated at the current rate of R$2.0138 at March 31, 2013, maturing within 24 months, with monthly amortization and payment of annual interest. At March 31, 2013, all obligations specified in the agreement were met.

(In thousands of reais except when otherwise stated)

15. Provisions and social charges

	Company		Consolidated	
	03/31/13	**12/31/12**	**03/31/13**	**12/31/12**
13^{th} monthly salary	**1,264**	-	**2,341**	-
Vacation	**6,420**	6,699	**11,632**	12,291
Profit sharing (a)	**2,434**	4,680	**6,533**	14,388
Unemployment Compensation Fund (FGTS)	**431**	537	**703**	995
INSS – Social security contribution tax	**1,811**	1,832	**3,078**	3,227
Private pension plan (b)	**3,558**	3,557	**3,749**	3,985
Syndicate contribution	**20**	5	**105**	52
Total	**15,938**	17,310	**28,141**	34,938

(a) Profit sharing

The Group grants profit sharing to its employees, which is calculated in accordance with the agreement entered into by Group companies with the Labor Union. Recorded profit sharing amounts are as follows:

	Profit sharing	
	03/31/13	**12/31/12**
Company	**1,905**	1,856
Consolidated	**3,784**	3,582

(b) Private pension plan

The Group offers a private pension plan to its employees, administered by a financial institution authorized to operate by the Central Bank of Brazil, independently from the Group. It is a pension plan deductible for income tax purposes (PGBL) for defined contributions. See details about this plan in Note 22.

(In thousands of reais except when otherwise stated)

16. Taxes, charges and contributions payable

	Company		Consolidated	
Current:	**03/31/13**	**12/31/12**	**03/31/13**	**12/31/12**
Income taxes				
Corporate Income Tax (IRPJ)	**-**	-	**3,966**	14,101
Social contribution tax on net profit (CSLL)	**-**	-	**1,175**	3,402
Other				
State Value Added Tax - ICMS	**6,120**	6,332	**9,607**	9,105
Industrialized Products Tax - IPI	**2,235**	2,138	**2,505**	2,367
Social Contribution Tax on Gross Revenue for Social Security Funds Tax	**978**	1,970	**2,847**	3,835
Social Integration Program Tax	**222**	358	**628**	764
Withholding Income Tax - IRRF	**1,042**	908	**1,462**	1,722
CFEM	**-**	-	**1,415**	1,358
Other	**115**	95	**295**	278
Total	**10,712**	11,801	**23,900**	36,932
Noncurrent:				
ICMS	**8,173**	7,285	**9,682**	8,139

(*) ICMS deriving from the PRODUZIR and DESENVOLVE tax incentive programs related to the Company, and the FOMENTAR tax incentive program related to subsidiary Precon, as well as FUNDOPEM E PRODUZIR for the subsidiary Tégula.

17. Provision for future benefits to former employees

The Group, based on an actuarial report prepared by a specialized independent company, records a provision for future health benefits (health care and laboratory exams) to former employees. The assumptions adopted are reviewed and the calculations are made on an annual basis.

At March 31, 2013, the Group presented a provision for actuarial liability referring to this plan in the amount of R$20,323 -Company and R$33,679 – Consolidated, respectively.

At March 31, 2013, the plan had 310 participants – Company and 527 – Consolidated.

(In thousands of reais except when otherwise stated)

17. Provision for future benefits to former employees (Continued)

a) Main actuarial assumptions used to determine benefits present value

	12/31/12
Actual actuarial annual interest rate	**3.5%**
Actual annual medical cost increase rate	**1.0%**
Annual projected inflation rate	**5.2%**
General mortality table	**GAM83**

b) Reconciliation of liabilities

	Company		Consolidated	
	03/31/13	**12/31/12**	**03/31/13**	**12/31/12**
Book balance at beginning of period	**19,908**	21,137	**32,945**	29,273
Expenses incurred in the period	**(483)**	(2,499)	**(885)**	(3,933)
Provision supplementation, interest and service cost for the period	**898**	1,270	**1,619**	7,605
Book balance at end of period	**20,323**	19,908	**33,679**	32,945
Current	**1,645**	1,645	**3,253**	2,926
Noncurrent	**18,678**	18,263	**30,426**	30,019
Total	**20,323**	19,908	**33,679**	32,945

(In thousands of reais except when otherwise stated)

18. Equity

a) Capital

At March 31, 2013, Company capital amounting to R$334,251 was divided into 89,500,000 common voting shares, with no par value and with voting rights during the general meeting deliberations, held as follows:

	03/31/13		12/31/12	
Shareholding structure	**Shareholders**	**Shares**	**Shareholders**	**Shares**
Individuals	**6,944**	**55,144,611**	6,745	54,404,983
Legal entities	**86**	**1,756,942**	91	1,752,168
Foreign individuals	**119**	**10,049,266**	131	9,732,774
Clubs, funds and foundations	**166**	**22,519,815**	177	23,580,709
Subtotal	**7,315**	**89,470,634**	7,144	89,470,634
Treasury shares		**29,366**		29,366
Total	**7,315**	**89,500,000**	7,144	89,500,000

b) Treasury shares

At March 31, 2013, the market value of treasury shares was R$262 (R$288 at December 31, 2012).

c) Earnings per share

In accordance with Standard IAS 33 (equivalent to Accounting Pronouncement CPC 41 – Earnings per Share) the following table reconciles net income to the amounts used to calculate basic and diluted earnings per share.

Company

	03/31/13	03/31/12
Effect of dilution		
Net income for the year attributable to non-minority shareholders	**21,473**	29,907
Weighted average number of outstanding common shares, deducting average number of common shares in treasury	**89,470**	89,470
Basic and diluted earnings per share - R$	**0.24**	0.33

No dilutive effect should be considered in the prior calculation.

(In thousands of reais except when otherwise stated)

18. **Equity** (Continued)

d) Dividends

Shareholders are assured of minimum mandatory dividend of 25% of net income for each year, after deducting profit allocation to legal reserve of 5% and to statutory reserve of 5%, as prescribed by Brazilian Corporation Law. In addition, remaining profit of profit reserves shall be fully distributed to shareholders.

The Company's charter allows dividend distribution based on annual, twice-annual or interim balance sheets.

Dividends proposed for the quarter ended March 31, 2013 were as follows:

Dividends

Event	Beginning of payment	Total value	Value per share – R$
BDM (*) of April 17, 2013	05/10/13	12,168	0.136

(*) BDM – Board of Directors Meeting.

(In thousands of reais except when otherwise stated)

18. **Equity** (Continued)

e) Interest on equity

The Board of Directors may also decide about payment of interest on equity, on the terms of ruling legislation. Proposed interest on equity for the quarter ended March 31, 2013 was as follows:

Event	Beginning of payment	Total value	Value per share – R$
BDM (*) of April 17, 2013	05/10/13	5,726	0.064

(*) BDM – Board of Directors Meeting.

Dividends and interest on equity payable

Dividends and interest on equity payable at March 31, 2013 are as under:

	Company and consolidated	
	03/31/2013	**12/31/2012**
Interest on equity	**4,867**	5,206
Dividends	**12,168**	12,162
Other – prior years	**755**	765
Total	**17,790**	18,133

f) Retained earnings

In the quarters, the Company does not allocate profits, but only makes advances on dividends and interest on equity. Profit allocation takes place at year end.

19. Government subsidies

- **Tégula**

a) Investment subsidy- Goiás Industrial Development Program - Produzir

State Decree No. 5265, dated July 31, 2000, created the Goiás Industrial Development Program - PRODUZIR, to promote the economic development of that state granting taxpayers ICMS incentives through a reduction of ICMS payable.

On May 21, 2007, Tégula Soluções para Telhados Ltda., formerly known as Lafarge Roofing Brasil Ltda., claimed the right to reduce the ICMS, as it had a branch located in the State of Goiás.

The benefit was granted as from 12/28/2007, by the Finance Department of the State of Goiás, through Special Tax Regime Agreement 223/07, when a 73% reduction in ICMS was recognized for Tégula Soluções Para Telhados on sales of goods produced by the unit established in the municipality of Anápolis/ GO, limited to R$6,875 with term to enjoy the benefit up to 12/31/2020.

In 2013, the value of the benefit totaled R$182. The benefit is treated as a subsidy for investment because the company benefits through reduction, refund or exemption from taxes due for the purpose of expanding its activities. Moreover, the goal of the PRODUZIR program is to attract investment for integration, expansion, modernization and consolidation in the industrial segment of the Goiás state.

19. Government subsidies (Continued)

b) Investment subsidy- Fundo Operação for companies in Rio Grande do Sul – FUNDOPEM/RS

Law No. 11916/03, dated 2000, created the "*Fundo Operação*" for companies in the state of Rio Grande do Sul - FUNDOPEM/RS to promote economic development in that state. It grants ICMS taxpayer incentives in reducing the value of the ICMS payable.

On May 27, 2008, Tégula Soluções para Telhados Ltda., formerly known as Lafarge Roofing Brasil Ltda., claimed the right to reduce the ICMS, as it had a branch located in the State of Rio Grande do Sul.

The benefit was granted as from 11/21/2008, by the State of Rio Grande do Sul Department of Development through Agreement No. 016/2008, allowing Tégula Soluções para Telhados Ltda. to enjoy the tax benefit to reduce ICMS calculated on sales of goods produced in the unit established in the municipality of Frederico Westphalen/RS, limited to the monthly amount of 79,614.52 UFIR (R$33) and a 66 month term.

In the quarter ended March 31, 2013, the value of the benefit totaled R$40. The benefit is treated as a subsidy for investment because the company benefits through reduction, refund or exemption from taxes due for the purpose of expanding its activities. Moreover, FUNDOPEM/RS's goal is to attract investment for integration, expansion, modernization and consolidation in the industrial segment of the Rio Grande do Sul state.

19. Government subsidies (Continued)

c) Invest Subsidy - Agência de Fomento Goias S/A company in the state of Goiás - FOMENTAR. - **Precon**

On January 26, 1990, Precon Goiás Industrial Ltda. claimed a benefit to reduce ICMS as it had a branch in the State of Goiás. The claim was granted by the State Finance Department of Goiás state through Special Tax Regime Agreement 227/07, when a 73% reduction in ICMS was recognized for Precon Goiás Industrial Ltda. on sales of goods produced by the unit established in the municipality of Anápolis/ GO, limited to R$7,417 up to 12/31/2015.

The benefit is treated as a subsidy for investment because the company benefits through reduction, refund or exemption from taxes due for the purpose of expanding its activities. Moreover, FOMENTAR's goal is to attract investment for integration, expansion, modernization and consolidation in the industrial segment of the Goiás state.

d) Investment subsidy - SUDENE - **Eternit**

The Brazilian tax regulations allow corporate owners of enterprises located in areas of the SUDENE, whose activities classify as part of the priority economic sector, by act of the Executive Branch, to claim reduction of income tax under these procedures, meeting the obligations and conditions set out in attachment II.

Decree No. 64214 of March 18, 1969, which regulates the provisions of Law No. 4239 of July 27, 1963, No. 4869, dated December 1965 and No. 5508 dated October 11, 1968, relates to administrative and financial incentives granted by SUDENE. The Certificate for Income Tax Reduction grants the right to a 75% reduction in income tax and non-refundable surtaxes based on Profit from Tax Incentive Operations ("*lucro da exploração*") in favor of Eternit S.A., based on Provisional Executive Order No. 2199-14, dated August 24, 2001, reworded under article 32 of Law No. 11196/2008, as amended by Decree No. 6674 of December 3, 2008 and also in accordance with the Tax Incentive Regulations, approved by Administrative Rule No. 2091-A of December 28, 2007.

(In thousands of reais except when otherwise stated)

19. Government subsidies (Continued)

d) Investment subsidy – SUDENE (Continued)

In March 2011, Eternit S.A. obtained, through Certificate of Income Tax Reduction No. 0018/2011, the right to reduction of corporate income tax (IRPJ) and non-refundable surtaxes calculated on profit from tax incentive operations ("*lucro de exploração*") for being located in an area within SUDENE's jurisdiction.

20. Income and social contribution taxes

a) Reconciliation of income and social contribution tax expenses with the nominal amounts

Reconciliation of Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) at effective and nominal rates is as follows:

	Company		Consolidated	
	03/31/13	**03/31/12**	**03/31/13**	**03/31/12**
Income before income and social contribution taxes	**22,099**	31,890	**29,755**	42,506
Nominal rate	**34%**	34%	**34%**	34%
Income and social contribution taxes, at nominal rates	**(7,514)**	(10,843)	**(10,117)**	(14,452)
IRPJ and CSLL effect on permanent differences:				
Equity pickup	**6,133**	7,685	**-**	-
Interest on equity	**1,469**	2,008	**1,947**	2,008
Donations and giveaways	**(20)**	(91)	**(148)**	(192)
Nondeductible taxes and fines	**(4)**	(5)	**(18)**	(51)
Tax incentive	**-**	-	**62**	-
Other exclusions (additions) on temporary differences	**(695)**	(737)	**(7)**	88
Income and social contribution taxes posted to the income statement	**(626)**	(1,983)	**(8,281)**	(12,599)
Effective rate	**2.8%**	6.2%	**27.8%**	**29.6%**

(In thousands of reais except when otherwise stated)

20. Income and social contribution taxes (Continued)

b) Breakdown of deferred income and social contribution taxes

Deferred income and social contribution taxes presented in noncurrent assets refer to income and social contribution taxes on temporary differences in the determination of taxable income, income and social contribution tax losses, as follows:

	Company		Consolidated	
	03/31/13	**12/31/12**	**03/31/13**	**12/31/12**
Income and social contribution tax losses	**4,883**	4,883	**14,554**	13,848
Future benefits to former employees	**5,519**	5,378	**10,060**	9,534
Provision for civil, tax and labor contingencies	**6,931**	7,703	**15,127**	17,379
Unrealized profits on inventories	**-**	-	**2,139**	2,626
Provision for losses on receivables	**-**	-	**-**	856
Provision for profit sharing	**828**	1,591	**1,575**	3,819
Provision for loss on property, plant and equipment	**1,815**	1,815	**1,815**	1,815
Other provisions	**(608)**	(1,376)	**6,154**	1,943
Total	**19,368**	19,994	**51,424**	51,820

Expected realization of tax credits

i. *Income and social contribution tax losses*

Based on projected future taxable income of the Company and its subsidiary Tégula, expected recovery of the balance of deferred income and social contribution taxes calculated on income and social contribution tax losses and posted to noncurrent assets is as follows:

	Company	Consolidated
	03/31/13	**03/31/13**
2013	**730**	**1,910**
2014	**621**	**2,710**
2015	**509**	**3,049**
2016	**508**	**2,993**
2017 to 2022	**2,515**	**3,892**
Total	**4,883**	**14,554**

(In thousands of reais except when otherwise stated)

20. Income and social contribution taxes (Continued)

b) Breakdown of deferred income and social contribution taxes (Continued)

Expected realization of tax credits (Continued)

i. *Income and social contribution tax losses* (Continued)

Recorded deferred tax assets are limited to the offset amount supported by projections of taxable income, discounted to present value, made by the Company and its subsidiary Tégula within the next ten years, further considering that offset of income and social contribution tax losses is limited to 30% of annual net income, determined in accordance with ruling Brazilian legislation, however, these may be carried indefinitely for offset against future taxable income.

At March 31, 2013, subsidiary Tégula had accumulated income tax loss of R$59,855 and social contribution tax loss of R$59,813, for which deferred taxes were not recorded up to March 31, 2013 since there were no projections of future taxable income confirming realization thereof.

ii. *Temporary differences*

The balance in noncurrent assets related to deferred income and social contribution taxes calculated on temporary differences will be realized as follows:

	Company	Consolidated
	03/31/13	03/31/13
2013	2,864	4,435
2014	2,191	5,180
2015	1,669	4,248
2016	2,519	6,314
2017 to 2022	5,242	16,693
Total	14,485	36,870

Estimated realization of the balance of deferred taxes calculated on temporary differences, at March 31, 2013, may vary since many of them depend on judicial rulings that are beyond the Group's possible control and it is not possible to predict when a definitive ruling will be rendered.

(In thousands of reais except when otherwise stated)

20. Income and social contribution taxes (Continued)

b) Breakdown of deferred income and social contribution taxes (Continued)

Expected realization of tax credits (Continued)

II. *Temporary differences* (Continued)

The projections of future taxable income include various estimates regarding the performance of Brazilian and international economies, exchange rate fluctuations, sales volume, sales prices and tax rates, among others, that can vary in relation to actual data and amounts.

As the result of income and social contribution taxes depends not only on taxable income, but also on the existence of non-taxable income, non-deductible expenses and several other variables, there is no significant correlation between net income of the Group and the result of income and social contribution taxes.

21. Provision for civil, tax and labor contingencies

The Group is party to several civil, labor and tax proceedings that are pending judgment at different court levels.

The provision for contingencies was set up for proceedings assessed as involving probable loss, based on the analysis of the individual proceedings by the Group's legal counsel.

The Company's management believes that the provision for contingencies is sufficient to cover any losses from judicial proceedings, as shown below:

	Company		Consolidated	
	03/31/13	**12/31/12**	**03/31/13**	**12/31/12**
Labor proceedings (i)	**17,422**	17,214	**26,377**	26,321
Tax proceedings (ii)	**5,449**	5,443	**25,454**	24,795
Provision for tax and labor contingencies	**22,871**	22,657	**51,831**	51,116

(In thousands of reais except when otherwise stated)

21. Provision for civil, tax and labor contingencies (Continued)

i) Main labor proceedings include:

a) Damages including pain and suffering and labor claims brought by former employees claiming (i) overtime (ii) night shift pay, (iii) hazardous working bonus (iv) severance pay among others.

ii) Tax proceedings include:

a) Difference in ICMS amounts paid and
b) Difference in rates paid for INSS

Changes in the provision for civil, tax and labor contingencies are as follows:

	Company		
	Labor provision	Tax provision	Provision for tax and labor contingencies
Balance at January 1, 2012	**13,997**	**6,088**	**20,085**
Additions	3,217	683	3,900
Reversals	-	(1,328)	(1,328)
Balance at December 31, 2012	**17,214**	**5,443**	**22,657**
Additions	349	150	499
Reversals	(141)	(144)	(285)
Balance at March 31, 2013	**17,422**	**5,449**	**22,871**

	Consolidated		
	Labor provision	Tax provision	Provision for tax and labor contingencies
Balance at January 1, 2012	**21,912**	**24,933**	**46,845**
Additions	4,000	3,384	7,384
Reversals	(1,117)	(1,996)	(3,113)
Balance at December 31, 2012	**26,321**	**24,795**	**51,116**
Additions	350	803	1,153
Reversals	(294)	(144)	(438)
Balance at March 31, 2013	**26,377**	**25,454**	**51,831**

21. Provision for civil, tax and labor contingencies (Continued)

At March 31, 2013, there were the following proceedings posing a possible likelihood of loss as assessed by legal counsel:

a) public civil lawsuits against the Group over environmental and health matters brought by state and federal prosecutors of the state of Bahia, in Vitória da Conquista judicial district and a class action in Poções judicial district with the same objective as that of the public civil action mentioned above.
b) civil consumer action in the State of Rio de Janeiro and another in the State of Pernambuco, in order to prohibit the sale of products containing chrysotile mineral in those states. The action concerning the state of Rio de Janeiro was dismissed while that for Pernambuco was upheld. Both are pending appeal.
c) Managerial Wrongdoing suit in which issues related to Financial Compensation for Exploration of Mineral Resources (CFEM) were discussed as well as an annulment action and a tax lien of the same nature.
d) Public civil and class action, both related to the sale by the state of Goiás of an area of land where the residential facilities of the subsidiary Sama are located.

In addition, at March 31, 2013, there were other labor, civil and administrative claims against the Group for which legal counsel assessed the likelihood of loss as possible, amounting to R$8,102 (R$8,102 at December 31, 2011), therefore no provision was set up for these proceedings.

Alternatively, whenever required, the Group makes judicial deposits that are not linked to the provision for contingencies, under a specific heading in noncurrent assets.

21. Provision for civil, tax and labor contingencies (Continued)

e) Claims related to the use of the raw material “chrysotile” asbestos

Four state laws have been enacted (Rio de Janeiro, Rio Grande do Sul, São Paulo and Pernambuco) which restricted the use of asbestos, which are being contested through direct actions of unconstitutionality (ADIs) before the Supreme Court. Article 2 of Federal Law No. 9055/1995 is also being contested also through ADIs. These ADIs against the proposed state laws are awaiting decision on merit. It is important to stress that the laws passed by the states of Mato Grosso and Roraima against asbestos have not yet been sanctioned.

Through injunctions, the laws in the states of Rio de Janeiro and Rio Grande do Sul have been suspended. Regarding Law No. 12684/2007 in the State of São Paulo, the Company states that on June 4, 2008, the plenary session of the Supreme Court overturned the injunction granted on December 20, 2007, against said law. It is important to stress that a decision on the merits of this action is still pending, therefore the ban has not yet become definitive.

On October 31, 2012, judgment of merit of direct action of unconstitutionality (ADI) No. 3357, against Rio Grande do Sul State Law No. 11643/2001, which prohibits production and sale of asbestos products in that State, as well as of ADI No. 3937, against São Paulo State Law No. 12684, of July 26, 2007, which prohibits the use in the State of São Paulo of products, materials or devices containing any type of asbestos.

The eminent Justice Ayres Britto, chief justice of the STF, began the trial pronouncing his vote for the constitutionality of state laws of São Paulo and Rio Grande do Sul States, while the eminent Justice Marco Aurelio rendered his vote for the unconstitutionality of the state laws. After the vote of Justice Marco Aurelio, the STF chief justice suspended the session.

We clarify that beginning of judgment of merit of the ADIs took place after exhaustive discussion of a scientific nature in Brazilian society, through a public hearing held by the Supreme Court on August 24 and 31, 2012, led by Justice Marco Aurélio and attended by Justices Ricardo Lewandowski and Rosa Weber.

The public hearing was conducted to evaluate the use of "chrysotile" asbestos from a medical and scientific standpoint given its importance to Brazil.

The matter is pending and there is no estimate as to when STF will conclude judgment thereof.

(In thousands of reais except when otherwise stated)

22. Private pension plan

The Group has a private pension plan with a duly authorized private pension entity. The plan's main purpose is of supplementing pension benefits granted by government to employees and executives. The plan is for defined contributions and deductible for income tax purposes (PGBL) and offered to all employees and officers. Contributions are made by the Group and participants, following predetermined progressive contribution percentages.

In the quarters ended March 31, 2013 and 2012, the Company and its participants made contributions providing funding for the cost of benefit plans, as follows:

	Company		Consolidated	
	03/31/13	**03/31/12**	**03/31/13**	**03/31/12**
Contributions made in the quarter ended:	**886**	891	**1,187**	1,125

23. Net operating revenue

	Company		Consolidated	
	03/31/13		**03/31/12**	**03/31/13**
Gross revenue from sales	**160,700**	152,844	**276,300**	272,607
Unconditional discounts and rebates	**(870)**	(854)	**(897)**	(870)
Taxes on sales	**(41,077)**	(39,216)	**(64,140)**	(61,493)
Net operating revenue	**118,753**	112,774	**211,263**	210,244

(In thousands of reais except when otherwise stated)

24. Information about the nature of expenses

The Group presented the income statement using a classification of expenses based on the nature thereof. Information on the nature of these expenses recognized in the income statement is as follows:

	Company		Consolidated	
	03/31/2013	**03/31/2012**	**03/31/2013**	**03/31/2012**
Cost of products and goods sold	**(86,096)**	(78,047)	**(126,707)**	(116,236)
Selling expenses	**(13,993)**	(13,030)	**(26,666)**	(25,507)
Administrative and technical expenses	**(11,338)**	(13,357)	**(22,808)**	(27,008)
	(111,427)	(104,434)	**(176,181)**	(168,751)
Raw material used	**(60,890)**	(52,044)	**(88,530)**	(70,403)
(-) Present value adjustment	**469**	159	**523**	203
Expenses with personnel and social charges	**(24,859)**	(25,209)	**(40,093)**	(39,918)
Materials, electrical energy and services	**(7,291)**	(9,843)	**(9,971)**	(24,195)
Variable sales expenses	**(3,486)**	(1,003)	**(9,795)**	(2,602)
Depreciation and amortization	**(2,619)**	(3,042)	**(4,927)**	(6,143)
Third-party services	**(3,368)**	(2,941)	**(8,138)**	(7,401)
Sales commissions	**(2,760)**	(2,176)	**(4,951)**	(4,085)
Trade association dues	**(355)**	(406)	**(387)**	(946)
Advertising and publicity	**(2,136)**	(1,796)	**(2,527)**	(2,101)
Taxes and charges	**(554)**	(7)	**(309)**	(167)
Other	**(3,578)**	(6,126)	**(7,076)**	(10,993)
	(111,427)	(104,434)	**(176,181)**	(168,751)

(In thousands of reais except when otherwise stated)

25. Other operating revenue/expenses, net

	Company		Consolidated	
	03/31/13	**03/31/12**	**03/31/13**	**03/31/12**
Other operating revenue:				
Fixed asset disposals	**304**	33	**319**	35
Windfall revenues	**296**	473	**570**	904
Unclaimed dividends and interest on equity	**60**	-	**60**	-
Other sales	**-**	-	**-**	25
Rentals	**-**	-	**460**	-
Bahia's "DESENVOLVE" Program (a)	**261**	641	**261**	641
Other	**-**	-	**290**	358
	921	1,147	**1,960**	1,963
Other operating expenses:				
Provision for civil, tax and labor contingencies	**-**	(452)	**-**	(1,206)
Provision for future benefits to former employees	**(899)**	(720)	**(1,619)**	(1,203)
Taxes on other sales	**(7)**	(5)	**(167)**	(149)
Quality control	**(160)**	(104)	**(202)**	(226)
Replacement of defective products	**-**	(21)	**-**	(21)
Expenses arising from labor and civil proceedings	**(116)**	(182)	**(124)**	(333)
Cost of fixed asset disposals	**(279)**	(26)	**(280)**	(26)
Other	**(633)**	(162)	**(950)**	(202)
	(2,094)	(1,672)	**(3,342)**	(3,366)
Total	**(1,173)**	(525)	**(1,382)**	(1,403)

(a) The Program for Industrial Development and Economic Integration of the Bahia State - DESENVOLVE aims at providing incentives to industrial and agribusiness activities in the region as well as integration of the productive chains that are essential to the economic and social development and the generation of jobs and income in the state.

26. Financial income (expenses)

	Company		Consolidated	
	03/31/13	**03/31/12**	**03/31/13**	**03/31/12**
Financial income:				
Short-term investment yield – including bank deposit certificates	**792**	1,301	**1,292**	1,866
Discounts obtained	**23**	114	**39**	122
Interest receivable	**1,418**	980	**2,262**	1,565
Positive monetary variation	**208**	224	**213**	225
Foreign exchange gains	**520**	487	**4,809**	6,594
Other financial income	**2**	820	**2**	921
	2,963	3,926	**8,617**	11,293

(In thousands of reais except when otherwise stated)

Financial expenses:				
Interest on financing	**(125)**	(110)	**(270)**	(353)
Interest on intercompany loans	**(440)**	(625)	**-**	-
Interest payable	**(438)**	(209)	**(1.631)**	(678)
Banking expenses	**(204)**	(140)	**(252)**	(230)
Discounts granted	**(404)**	(320)	**(650)**	(1.069)
IOF	**(76)**	(61)	**(113)**	(139)
PIS and COFINS – Interest on equity	**(130)**	(210)	**(130)**	(210)
Foreign exchange losses	**(660)**	(267)	**(4.799)**	(5.387)
Other	**(558)**	(512)	**(982)**	(811)
	(3,035)	(2,454)	**(8,827)**	(8,877)
Financial result, net	**(72)**	1.472	**(210)**	2.416

27. Segment reporting

The Company performed the segmentation of its operational structure taking into consideration internal financial information and used in the valuation of the business and senior management decision making under the requirements of CPC22 (IFRS8).

Based on the information available for its segments, products and regions, senior management separately monitored the results of business unit operations to make decision on the allocation of funds and to assess performance.

(In thousands of reais except when otherwise stated)

27. Segment reporting (Continued)

Operating segments defined by senior management are as under:

Company and Consolidated	
Description	**Geographic area**
Fiber cement	Southeast, South, Midwest, North and Northeast
Chrysotile	Domestic and foreign markets
Concrete roof tiles	Domestic market
Other	Domestic market

- Fiber cement: includes production and sale of roof tiles, water tanks and supplementary parts.
- Chrysotile: includes chrysotile ore mining and sale.
- Concrete roof tiles: includes production and sale of concrete roof tiles.
- Other: include production and sale of components for construction systems, polyethylene water tanks, synthetic marble and resale of sanitary wares, sanitary seats, filters for water pipes, solar water heaters, metallic roof tiles and metal fittings.

a) Revenues and results from reportable segments

		Consolidated			
		Net revenue		Gross profit	
		03/31/13	**03/31/12**	**03/31/13**	**03/31/12**
Fiber cement	Southeast	**24,447**	24,271	**6,664**	7,492
	South	**30,083**	27,348	**8,295**	8,441
	Midwest	**41,881**	37,513	**12,779**	11,715
	North and Northeast	**18,799**	19,221	**5,166**	5,933
		115,210	108,353	**32,904**	33,581
Chrysotile	Domestic market	**31,996**	30,764	**21,993**	24,592
	Foreign market	**28,119**	34,081	**19,329**	22,944
		60,115	64,845	**41,322**	47,536
Concrete roof tiles	Domestic market	**16,549**	18,670	**5,670**	8,216
Other (*)	Domestic market	**19,389**	18,376	**4,660**	4,675
Net revenue		**211,263**	210,244		
Gross profit				**84,556**	94,008

(*) Components for construction systems, metallic roof tiles, polyethylene water tanks, sanitary wares, filters and synthetic marble.

(In thousands of reais except when otherwise stated)

27. **Segment reporting** (Continued)

a) Revenues and results from reportable segments (Continued)

Expenses and revenues	03/31/13	03/31/12
Fiber cement		
Selling expenses:		
Southeast	**(2,785)**	(2,737)
South	**(3,428)**	(3,085)
Midwest	**(4,757)**	(4,231)
Northeast and North	**(2,143)**	(2,168)
Total	**(13,113)**	(12,221)
General, administrative expenses and financial result:		
Southeast	**(2,440)**	(2,338)
South	**(3,003)**	(2,635)
Midwest	**(4,167)**	(3,614)
Northeast and North	**(1,875)**	(1,851)
Total	**(11,486)**	(10,438)
Other revenues and expenses:		
Southeast	**(126)**	(82)
South	**(155)**	(92)
Midwest	**(216)**	(126)
Northeast and North	**(96)**	(65)
Total	**(593)**	(365)
Chrysotile		
Selling expenses:		
Domestic market	**(4,465)**	(4,087)
Foreign market	**(3,925)**	(4,527)
Total	**(8,390)**	(8,614)
General, administrative expenses and financial result:		
Domestic market	**(5,274)**	(4,177)
Foreign market	**(4,635)**	(4,627)
Total	**(9,909)**	(8,804)
Other expenses:		
Domestic market	**(486)**	(678)
Foreign market	**(427)**	(751)
Total	**(913)**	(1,429)
Concrete roof tiles		
Selling expenses	**(2,976)**	(2,599)
General, administrative expenses and financial result	**(2,623)**	(3,579)
Other revenues	**224**	452
Total	**(5,375)**	(5,726)
Other		
Selling expenses	**(2,187)**	(2,073)
General, administrative expenses and financial result	**(1,916)**	(1,770)
Other revenues	**(919)**	(62)
Total	**(5,022)**	(3,905)
Other expenses	**(54,801)**	(51,502)
Pre-tax income	**29,755**	42,506

(In thousands of reais except when otherwise stated)

27. Segment reporting (Continued)

a) Revenues and results from reportable segments (Continued)

Sales between related parties

Sales by the chrysotile segment to the fiber cement segment amounted to R$18,291 up to March 31, 2013 (R$18,708 at March 31, 2012).

b) Assets and liabilities of reportable segments

		Consolidated			
		Assets		**Liabilities**	
		03/31/13	12/31/12	**03/31/13**	12/31/12
Fiber cement	Southeast	**230,891**	229,543	**39,398**	39,849
	South	**56,787**	51,727	**48,913**	45,911
	Midwest	**63,150**	64,816	**54,430**	54,212
	North and Northeast	**25,792**	26,058	**28,080**	27,243
		376,620	372,144	**170,821**	167,215
Chrysotile		**240,662**	272,495	**77,704**	110,676
Concrete roof tiles		**100,481**	98,921	**28,149**	26,955
Other products (*):		**54,648**	52,843	**26,354**	25,740
Other balance sheet accounts		**13,731**	13,717	**-**	-
		786,142	810,120	**303,028**	330,586

(*) Components for construction systems, metallic roof tiles, polyethylene water tanks, sanitary wares, filters and synthetic marble.

c) Other information about reportable segments

		Consolidated	
		Depreciation, amortization and depletion	
		03/31/13	**03/31/12**
Fiber cement	Southeast	**718**	608
	South	**1,160**	1,053
	Midwest	**194**	493
	North and Northeast	**513**	578
		2,585	2,732
Chrysotile		**4,361**	1,739
Concrete roof tiles		**1,444**	1,183
Other		**467**	489
Total		**8,857**	6,143

(In thousands of reais except when otherwise stated)

27. **Segment reporting** (Continued)

c) Other information about reportable segments (Continued)

		Consolidated	
		Additions to PPE and intangible assets	
		03/31/13	**03/31/12**
Fiber cement	Southeast	**1,074**	618
	South	**2,371**	86
	Midwest	**1,928**	617
	North and Northeast	**1,187**	79
		6,560	1,400
Chrysotile		**3,302**	1,857
Concrete roof tiles		**3,110**	1,469
Other		**1,018**	155
Total		**13,990**	4,881

28. Insurance coverage

The Company has insurance coverage at an amount considered sufficient by management to cover any losses, considering the nature of its activities, risks involved in its operations and guidance from its insurance advisors. Insurance taken out by the Group at March 31, 2013 is as follows:

Type	Insured items	Insurance coverage
Engineering and operational risks, general civil liability and loss of profits	Buildings, installations, equipment and other	R$267,987

29. Financial instruments

29.1 Financial instruments

a) Identification and valuation of financial instruments

The Group operates with several financial instruments, particularly short-term investments, trade accounts receivable, trade accounts payable and loans.

The amounts recorded in current assets and current liabilities are readily redeemable or mature within short term, mostly in periods of less than three months. Considering the term and characteristics of these instruments, which are systematically renegotiated, the carrying amounts approximate their fair values.

29. Financial instruments (Continued)

29.1 Financial instruments (Continued)

a) Identification and valuation of financial instruments (Continued)

Management of these financial instruments is carried out through policies, definition of strategies and establishment of control systems, properly monitored by Group management in order to maximize business profitability for shareholders, as well as establish proper balance between equity and debt.

Financial assets were classified as follows:

i) *Financial assets measured at fair value through profit or loss*
These are financial assets held for trading, when they are acquired for this purpose, especially in the short term, and are measured at fair value at the balance sheet date, with changes recognized in income. This group includes cash and cash equivalents, trade accounts receivable and other accounts receivable.

II. *Financial assets held to maturity*
These comprise investments in certain financial assets classified at the moment they are taken out, to be held to maturity, which are measured at amortized cost using the method of effective interest rate. This group includes Advances on Foreign Exchange Contracts - ACC and Advances on Export Contracts – ACE.

iii. *Financial assets available for sale*
Non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables; (b) investments held to maturity; or (c) financial assets at fair value fair through profit or loss.

Short-term investments are comprised of investment funds that are classified as available for sale. After initial recognition these are measured at fair value with unrealized gains and losses recognized under the “available for sale reserve” in other comprehensive income, transferred to income statements upon realization thereof. The effects of impairment losses, interest calculated using the effective interest rate method and foreign exchange gains or losses on monetary assets are posted directly to the income statement for the year.

29. Financial instruments (Continued)

29.1 Financial instruments (Continued)

a) Identification and valuation of financial instruments (Continued)

iv. *Loans and receivables*

This classification includes nonderivative financial assets with fixed or determinable receipts, which are not quoted in an active market.

They are recorded in current assets, excepting those maturing within more than 12 months after the date of the quarterly information, which are classified as noncurrent assets.

Financial liabilities were classified as follows:

i) *Financial liabilities measured at fair value through profit or loss*

These are classified at fair value through profit or loss when held for trading or designated at fair value through profit or loss.

ii) *Other financial liabilities*

These are measured at amortized cost using the effective interest rate method. At March 31, 2013, in the case of the Group, these comprise loans and financing (Note 14) and balances payable to foreign and domestic suppliers (Note 13).

b) Fair value

The book value of the Group's financial assets and financial liabilities may vary. Fair value represents the amount for which the asset/liability may be exchanged in a current transaction between well informed and willing parties.

(In thousands of reais except when otherwise stated)

29. Financial instruments (Continued)

29.1 Financial instruments (Continued)

b) Fair value (Continued)

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets and financial liabilities by the valuation technique:

Level 1: measurement is made with calculations based on assets / liabilities quoted in the market, without adjustment.

Level 2: measurement is made with techniques where data with significant effect on the fair value is quoted in markets, directly or indirectly.

Level 3: measurement is made with techniques where data with significant effect on the fair value is not quoted in markets, directly or indirectly.

The Company adopted the following assumptions for calculation based on the hierarchy:

(i) Cash equivalents, trade accounts receivable, trade accounts payable and other short-term obligations have no difference between book value and fair value ("market value").

(ii) Suppliers, loans and financing and related parties have no difference between book value and amortized cost.

	Company			
	03/31/13		12/31/12	
	Book value	Fair value	Book value	Fair value
Financial assets:				
Cash and cash equivalents	**2,494**	**2,494**	3,852	3,852
Short-term investments	**36,604**	**36,604**	48,612	48,612
Total	**39,098**	**39,098**	52,464	52,464

(In thousands of reais except when otherwise stated)

29. Financial instruments (Continued)

29.1 Financial instruments (Continued)

b) Fair value (Continued)

Company	**03/31/13**		**12/31/12**	
	Book value	**Amortized cost**	**Book value**	**Amortized cost**
Financial liabilities:				
Carried at amortized cost:				
Loans and financing	**13,235**	**13,235**	8,785	8,785
Total	**13,235**	**13,235**	8,785	8,785

Consolidated	**03/31/13**		**12/31/12**	
	Book value	**Fair value /amortized cost**	**Book value**	**Fair value /amortized cost**
Financial assets:				
Cash and cash equivalents	**5,069**	**5,069**	16,656	16,656
Short-term investments	**54,959**	**54,959**	78,930	78,930
Eletrobras shares	**1,389**	**1,389**	1,389	1,389
Total	**61,417**	**61,417**	96,975	96,975
Financial liabilities:				
Carried at amortized cost:				
Loans and financing	**65,125**	**65,125**	79,946	79,946
Total	**65,125**	**65,125**	79,946	79,946

Assets and liabilities stated at fair value	**Company**			
	03/31/13	**Level 1**	**Level 2**	**Level 3**
Assets:				
Cash and cash equivalents	**2,494**	**2,494**	**-**	**-**
Short-term investments	**36,604**	**36,604**	**-**	**-**
Loans and financing	**(13,235)**	**(13,235)**	**-**	**-**

Assets and liabilities stated at fair value	**Consolidated**			
	03/31/13	**Level 1**	**Level 2**	**Level 3**
Assets:				
Cash and cash equivalents	**5,069**	**5,069**	**-**	**-**
Short-term investments	**54,959**	**54,959**	**-**	**-**
ACE	**(28,351)**	**(28,351)**	**-**	**-**
Loans and financing	**(36,774)**	**(36,774)**	**-**	**-**

In the quarter ended March 31, 2013, there was no transfer between Level I and Level II valuations of fair value or transfer between Level III and Level II.

(In thousands of reais except when otherwise stated)

29. **Financial instruments** (Continued)

29.2 Financial risk management

The Group's main financial liabilities, other than derivatives, refer to loans, trade accounts payable and payables to related parties. The main purpose of these financial liabilities is to raise funds for the Group's operations. The Group also has trade accounts receivable, demand deposits and short-term investments that result directly from its operations. Thus the Group is exposed to market risk, credit risk and liquidity risk.

Market risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to variation in market prices. Thus the Group is exposed to two types of market risk: a) Foreign exchange risk and b) Interest rate risk

a) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments fluctuates due to variations in foreign exchange rates. The Company's exposure to risk of changes in foreign exchange rates relates primarily to its operating activities, especially related to advances on foreign exchange contracts – ACC and advances on export contracts – ACE, denominated in US dollars. (Note 14 (a and b)).

At March 31, 2013, the main groups of accounts linked to foreign currencies, mainly indexed to the U.S. dollar, and related to subsidiary Sama, are as follows:

	Consolidated		Quotation at 03/31/13
	03/31/13	**12/31/12**	**(US$1.00 = R$1.00)**
Foreign customers	**43,047**	61,228	2.0138
Foreign suppliers	**(14,230)**	(8,492)	2.0138
ACE	**(28,351)**	(26,319)	2.0138
ACC	**-**	(20,429)	2.0138
Other	**-**	(140)	2.0138
Total foreign exchange exposure	**466**	5,848	

(In thousands of reais except when otherwise stated)

29. Financial instruments (Continued)

29.2 Financial risks management (Continued)

a) Foreign exchange risk (Continued)

a1) *Sensitivity analysis*

In order to measure the economic impact of exchange variation on the Group's financial instruments, two scenarios were considered in relation to the exchange rate at March 31, 2013. As provided for by CVM Ruling No. 475/08, the Group conducted a sensitivity analysis using the probable scenario, and Scenario I considering 25% increase and Scenario II considering 50% increase. See table below.

				Rate depreciation		Rate appreciation	
Balances (foreign currency) - Consolidated	**Risk**	**USD rate (*)**	**Position at 03.31.2013**	**Scenario I (-50%)**	**Scenario II (-25%)**	**Scenario III (+25%)**	**Scenario IV (+50%)**
USD				1.01%	1.52%	2.52%	3.02%
Foreign customers	Var. in US$	2.0138	43,047	21,524	32,285	53,809	64,571
Foreign suppliers	Var. in US$	2.0138	(14,230)	(7,115)	(10,673)	(17,788)	(21,345)
ACE	Var. in US$	2.0138	(28,351)	(14,176)	(21,263)	(35,439)	(42,527)
		Total	**466**	**233**	**349**	**582**	**699**

(*) US Dollar rates taken from Central Bank of Brazil (BACEN) website on the last working day of 2013.

b) Interest rate risk

Interest risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to variation in market interest rates.

The Group's management adopts the policy of determining its exposure to floating interest rates of assets and liabilities. Short-term investments are adjusted by the CDI and loans and financing are subject to Long-term Interest Rate - TJLP, CDI and fixed rates, as contractually agreed with financial institutions.
The Group's exposure to interest rate related to assets and liabilities is as follows:

(In thousands of reais except when otherwise stated)

29. Financial instruments (Continued)

29.2 Financial risk management (Continued)

b) Interest rate risk (Continued)

	Company		Consolidated	
	03/31/13	**12/31/12**	**03/31/13**	**12/31/12**
Assets:				
Short-term investments (Cash equivalents)	**-**	2,051	**1,403**	13,071
Short-term investments	**36,604**	48,612	**54,959**	78,930
Liabilities:				
ACE	**-**	-	**(28,351)**	(26,319)
ACC	**-**	-	**-**	(20,429)
Loans and financing	**(13,235)**	(8,785)	**(36,774)**	(33,198)
Total interest rate exposure	**23,369**	41,878	**(8,763)**	12,055

The Group's management believes that there is low risk of large fluctuations in CDI and TJLP in the next 12 months, taking into account the stability allowed by the current monetary policy adopted by the Federal Government, as well as the history of increases in the base interest rate in Brazilian economy in recent years. Thus, it has not taken out derivatives to provide hedge against this risk.

The table below sets out the net economic impact of increases in the interest rate curve used in the Group's financial instruments by 25% (Scenario I) and 50% (Scenario II), in addition to the probable scenario, which corresponds to maintenance of current interest rate.

			Financial income projections – One year				
				Risk reduction		Risk increase	
Short-term investments – Consolidated	**Index**	**Position at 03.31.2013**	**Probable scenario**	**Scenario I (-50%)**	**Scenario II (-25%)**	**Scenario III (+25%)**	**Scenario IV (+50%)**
CDI			**7.74%**	**3.87%**	**5.81%**	**9.68%**	**11.61%**
Short-term investments (Cash equivalents)	CDI	1,403	1,512	1,457	1,485	1,539	1.566
Short-term investments	CDI	54.959	59,213	57,086	58,152	60,279	61,340

(In thousands of reais except when otherwise stated)

29. **Financial instruments** (Continued)

29.2 **Financial risk management** (Continued)

b) Interest rate risk (Continued)

Loans and financing – Consolidated	Interest rate	Position at 03.31.2013	Rate depreciation Scenario I (-50%)	Rate depreciation Scenario II (-25%)	Rate appreciation Scenario III (+25%)	Rate appreciation Scenario IV (+50%)
USD	**Average rate 3.42%**		**-1.71%**	**-2.56%**	**4.27%**	**5.12%**
Finimp 2	4.40%	(1,083)	(663)	(453)	(2,134)	(2,344)
Finimp 3	3.48%	(4,561)	(2,322)	(1,203)	(10,157)	(11,271)
Finimp 4	2.84%	(2,332)	(930)	(228)	(5,858)	(6,540)
Finimp 5	2.94%	(4,595)	(1,929)	(596)	(11,260)	(12,593)
		(12,571)	**(5,844)**	**(2,480)**	**(29,409)**	**(32,748)**

c) Credit risk

Trade accounts receivable

Customer credit risk is managed by the Group on a daily basis, also such risk is mitigated by the fact that sales are made to a large number of customers and also managed through a strict credit rating process. The result from this credit risk management process is reflected in the "Provision for impairment of accounts receivable", as shown in Note 6.

No Group's customer represents more than 5% of the balance of total trade accounts receivable at March 31, 2013 (1.5% at December 31, 2011).

Demand deposits and short-term investments

The Group is also subject to credit risk related to financial instruments taken out for business management purposes. The Group's management considers that there is low risk of non-settlement of transactions in financial institutions in Brazil.

(In thousands of reais except when otherwise stated)

29. Financial instruments (Continued)

29.2 Financial risk management (Continued)

d) Liquidity risk

Liquidity risk refers to any circumstance in which the Group does not have sufficient funds to settle its commitments due to different currencies and liquidity terms of its rights and obligations.

The Company's liquidity and cash flow is monitored on a daily basis by its management in order to ensure that the generation of operating cash and early raising of funds, where necessary, are sufficient to maintain its schedule of commitments, not generating liquidity risks to the Group.

e) Capital management

The main objective of the Group's capital management is to ensure that it maintains a strong credit rating and a problem-free capital structure in order to support its business and maximize value for shareholders.

Management may adjust capital of the Group in accordance with its strategy, seeking the best capital structure and adjusting it to current economic conditions. For the quarter ended March 31, 2013, there was no change in capital structure objectives, policies or processes. The Group includes within its net debt structure loans, financing less cash and cash equivalents.

	Company		Consolidated	
	Leverage		Leverage	
	03/31/13	12/31/12	03/31/13	12/31/12
Loans and financing	**13,235**	8,785	**65,125**	79,946
(-) Cash and cash equivalents	**(2,494)**	(3,852)	**(5,069)**	(16,656)
Net debt	**10,741**	4,933	**60,056**	63,290
Equity	**483,099**	479,520	**483,114**	479,534
Net debt and equity	**472,358**	474,587	**423,058**	416,244

(In thousands of reais except when otherwise stated)

30. Environment and mineral resources

Environment

The mining industry in Brazil is subject to governmental controls to avoid potential risks to the environment, resulting from mineral extraction.

Decree No. 97632/89 requires mining projects, detailing environmental restoration programs and the impact on the environment. Subsidiary Sama follows the Plan for Restoration of Degraded Areas - PRAD, which was approved and includes the schedule for "restoration of degraded mining areas", after mineral resources depletion.

Following the PRAD plan, Sama is able to extract and process chrysotile ore. According to the initial project, the extraction and processing of chrysotile ore will end in the year 2042, when the project for dismantlement, indemnification and restoration of degraded areas will be implemented.

Subsidiary Sama records expected environment restoration cash outlays, at fair value, using the following criteria:

	03/31/13	12/31/12
Discount rate	**7.25% p.a.**	7.54% p.a.
Long-term inflation rate	**4.5% p.a.**	5.2% p.a.

Present value of expected cash outlays	03/31/13	12/31/12
2042	**3,136**	3,082
2043	**2,691**	2,645
2044	**1,395**	1,371
2045 to 2049	**1,123**	1,103
Total	**8,345**	8,201

Under the PRAD plan, environmental restoration in degraded mining sites will occur between 2042 and 2049.

The total expense recognized with environmental restoration of degraded mining sites during the quarter ended March 31, 2013 was R$145 (R$71 at 03/31/2102), calculated based on the current production of chrysotile.

Mineral resources (unaudited)

Details on mineral resources of the Group (chrysotile asbestos), which are mined and processed by the subsidiary Sama, are as follows:

Description	03/31/13	12/31/12
Mineral resources	**8,392,311 t**	8,462,643 t
Production in the period	**70,332 t**	304,568 t
Mine estimated useful life	**29 years**	30 years

31. Subsequent events

On April 15, 2013, the Company's Board of Directors approved beginning of the project for implementation of a unit for research, development and production of inputs for construction materials in the city of Manaus, Amazonas state. Eternit Group's 13th unit will be implemented within short to medium term, with estimated investments of approximately R$ 40 million, which will be provided basically using third-party funds.

The General Shareholders' Meeting held on April 17, 2013, as provided for by article 27 of the Company's charter, approved organization of a Supervisory Board for temporary term of office until the next General Shareholders' Meeting.

The Special Shareholders' Meeting held on April 29, 2013 approved amendment to article 3 of the Company's charter, in order to include in its business purposes the activities of import, export and supplementation of logistic activities with warehousing, inventory management, distribution, managerial and administrative support services, in order to better reflect diversification of the Company's businesses.

General scenario and market

Since 2012, the world's financial stability has remained at considerable risk, principally due to the process of de-leveraging the main economic blocks and the exposure of international banks to sovereign debt from countries with fiscal imbalances. In this context, despite believing it unlikely that extreme events will occur in international financial markets, the Brazilian Central Bank Committee (BACEN) is emphasizing that the international financial environment remains complex.

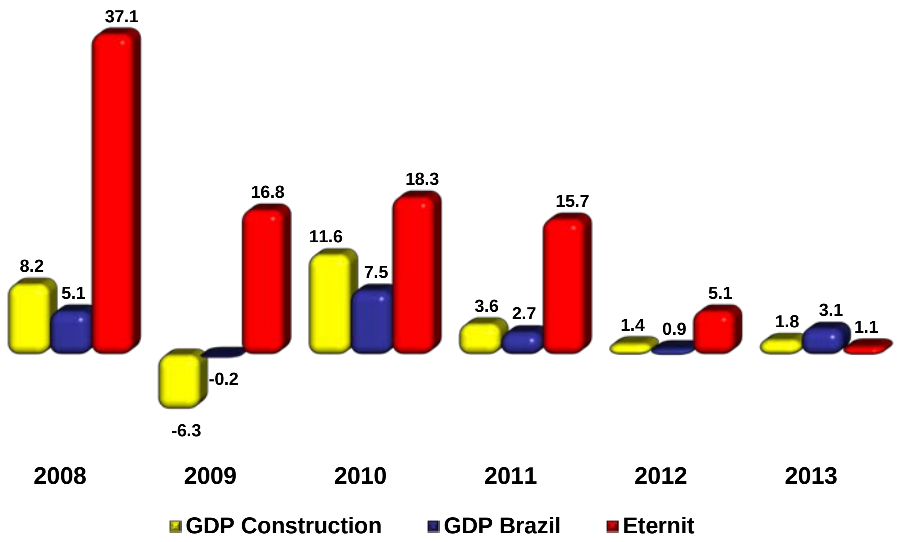
Moreover, continuing on the topic of the international economic environment, in general terms the prospects for only moderate global economic activity remain unchanged. In the mature economies all the evidence points to growth rates that are low and well short of potential, despite the pickup in the rhythm of economic activity in the major emerging economies. Against this background scenario, according to the figures in its Inflation Report published in March 2013, Brazilian Central Bank (BACEN) is forecasting GDP growth of 3.1% and 1.8% for the building sector in 2013.

According to the Brazilian Construction Materials Industry (ABRAMAT), sales of construction materials in the first quarter of 2013 were up by 1.7% compared to the same period the previous year, falling well short of the forecast of 4.5% for 2013. This scenario was principally due to sales levels in January and February, which compared to the same period the previous year, showed a growth rate of almost zero.

In order to stimulate sales of construction materials, with a view to helping activity recover in the sector, the National Association of Construction Material Merchants (ANAMACO) has encouraged public and private-sector banks to create credit lines for the purchase of construction materials by private individuals at reduced interest rates and with longer credit terms.

Whether expectations are met for this year will depend on the maintaining of policies to stimulate consumption on the part of families, levels of employment and income, incentives that reduce the tax burden on items in the sector, and increased sales of materials as part of infrastructure programs, such as highway, railway, port and airport concessions, expected for this year.

GDP Brazil x GDP Construction x Gross Revenue (Consolidated) Eternit (%)



Source: BACEN – estimated growth of GDP Brazil and GDP construction for the year 2013.
The growth in the consolidated gross revenue of Eternit is arrived at by comparing the accumulated period from January to March 2013, with the same accumulated period in 2012, deflated by the IGP-M index

Continuing works under government programs such as *Minha Casa Minha Vida* (my house, my life), expansion to infrastructure works, as mentioned above, as well as a higher rate of investment in mega-sporting events – the 2014 World Cup and the 2016 Olympic Games – and the complementary works required by them, all indicate good prospects for the coming years, and particularly favorable to the construction sector, of which Eternit is a part, in addition to the creation of jobs, the distribution of income as a result of these works, and the stimulus measures being offered by public and private-sector commercial banks for the purchase of construction materials, which should have a positive impact on growth in demand for products in our portfolio.

Operational and Financial Aspects

Global demand for chrysotile mineral remained stable during the first quarter of 2013, which led Eternit to maintain its strategy of operating at full capacity in its mining operation. In its line of finished products, production accompanied demand, with a capacity utilization rate of approximately 80% for fiber cement production and 50% for concrete tiles.

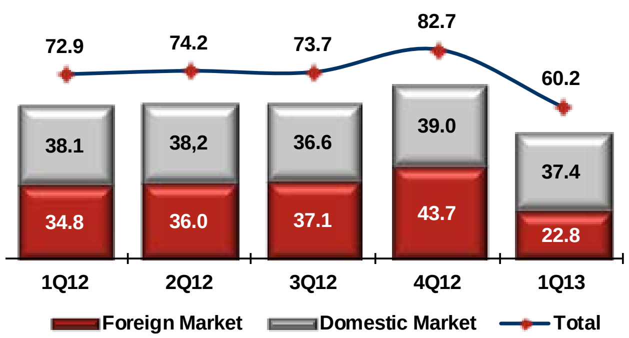
The current annual production capacity levels of the companies in the Eternit Group are around 300,000 tons at the mining company, 1 million tons of fiber cement production and 10 million square meters of concrete tiles.

Sales

Chrysotile Mineral

Chrysotile mineral sales volume in 1Q13 amounted to 60,200 tons, down 17.4% compared to the first quarter of 2012, as a consequence of temporary logistics problems associated with access to Brazil's ports, which had an impact on chrysotile mineral exports in 1Q13, which were down 34.6% compared to 1Q12. Sales to the domestic market totaled 37,400 tons, practically unchanged (retraction of 1.7%) compared to the same period the previous year.

Sales of Chrysotile Mineral (thous. Tons.)*

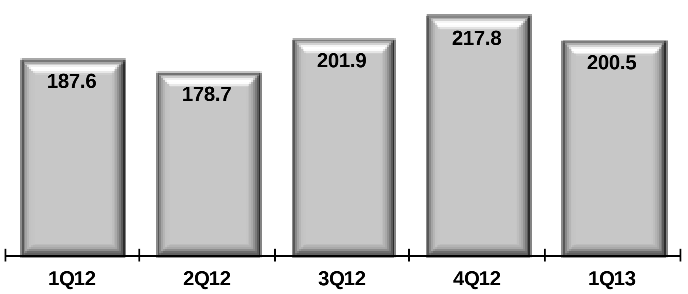


(*) The chrysotile mineral sales volumes shown include inter-company sales, which represented 36.2% of total sales volume to the domestic market in 1Q13.

Fiber cement products

Fiber cement sales volume, including components for construction systems, amounted to 200,500 tons in 1Q13, up 6.9% compared to 1Q12, due to the high level of competitiveness of these products in the roofing segment.

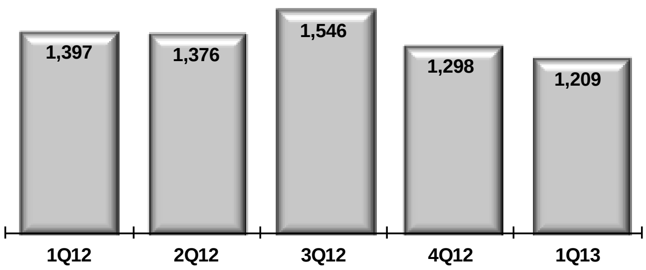
Sales of Fiber Cement (thous. Tons.)



Concrete tiles

In 1Q13, concrete tiles sales totaled 1,209 thousand square meters, down 13.4% compared to the same period in 2012, as a consequence of the sharp drop in demand in this segment, which seasonally occurred in every first quarter. Tégula has a portfolio of over 33 product lines, the majority of which are concrete tiles.

Sales of Concrete Tiles (thous.m²)



Other Products

Bathroom chinaware is becoming more important in the Company's portfolio, with preparations continuing for the operation of the plant in the state of Ceará. In only four years in the bathroom chinaware segment, Eternit has achieved a prominent position, already overtaking some traditional players in this market.

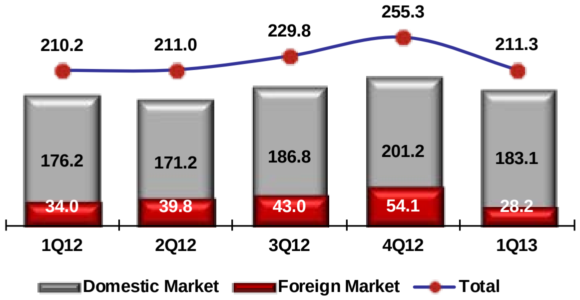
Other products sold, although on a smaller scale, include metal bathroom fittings and lavatory seats, metallic tiles, among others.

Consolidated Net Revenue

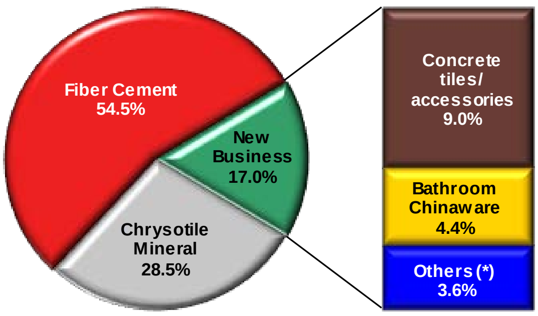
Eternit reported consolidated net revenue in 1Q13 of R$ 211.3 million, practically unchanged (up 0.5%) compared to the same period in 2012, basically as a consequence of a satisfactory sales policy and positive exchange rate variation, which compensated for the reduction in the sales volumes of concrete tiles and chrysotile mineral.

Revenues from the domestic market, comprising finished products and chrysotile mineral, amounted to R$ 183.1 million in 1Q13, up 4.0%, due to the higher sales volume of fiber cement tiles. On the export front, net sales were down 17.5% compared to 1Q12, due to the volume of chrysotile mineral that remained unshipped.

Net Consolidated Revenue (R$ million)



Breakdown of Net Consolidated Revenue (1Q13)



(*) Others: metallic tiles, polyethylene water tanks, lavatory seats, metal bathroom fittings, synthetic marble and components for construction systems

Comparing 1Q13 with 1Q12, performance by product line showed a drop of 7.3% in sales revenue from chrysotile mineral, which amounted to a total of R$ 60.1 million, basically due to the export volume that remained, unshipped as a result of the logistics problems at Brazil's ports. Taking the same comparison period, revenue from the sale of fiber cement products increased by 6.3%, totaling R$ 115.2 million in 1Q13, as a result of higher sales volume in this market.

Revenue from the sale of concrete tiles and roofing accessories from Tégula amounted to R$ 19.1 million in 1Q13, down 12.1%, as a consequence of the retraction in demand in this segment.

Sales revenue from the line of other products (metallic tiles, polyethylene water tanks, bathroom chinaware, lavatory seats, metal bathroom fittings, synthetic marble and components for construction systems) totaled R$ 16.9 million in 1Q13, 9.8% up on 1Q12. Of particular note was bathroom chinaware sales of which were responsible for 4.4% of consolidated net revenue, this being the result of efficient logistics and the strength of the brand name - both differentials of Eternit in the diversification of its portfolio.

Costs of Extraction and Production and Cost of Goods Sold (COGS)

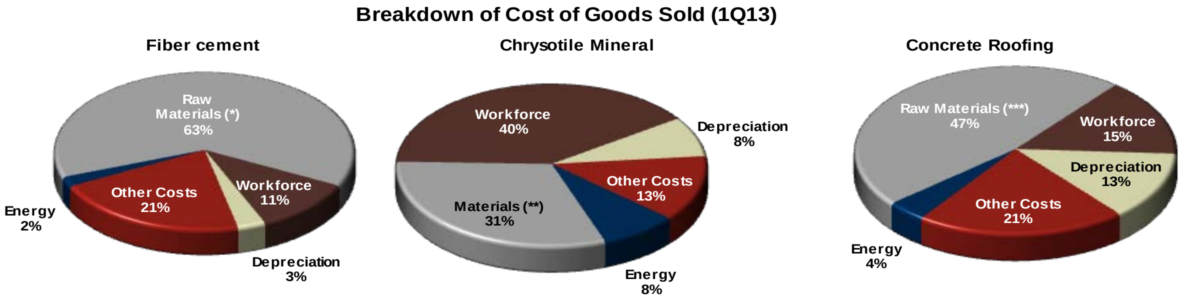
The consolidated cost of goods sold (COGS) amounted to a total of R$ 126.7 million in 1Q13, up 9.0% compared to 1Q12, as a function of the rise in extraction and production costs. As a result of the fact that the rise in the consolidated cost of goods sold was higher than the increase in consolidated net revenue, gross margin narrowed by 5 percentage points to 40% in 1Q13, compared to the same quarter in 2012.

The variations in extraction and production costs are shown below:

Chrysotile Mineral: increase of 25%, basically due to the higher cost of consumption of materials (inputs), maintenance and depreciation of trucks, machinery and equipment.

Fiber cement: increase of 6% due to the increase in the price of raw materials (principally cement and reinforcement fiber), packaging, electricity, and the higher cost of maintenance or the industrial park.

Concrete tiles: increase of 6%, due to the rise in the price of raw materials (principally cement and varnish) and higher depreciation costs as a consequence of the modernization of the industrial park.



(*) Raw materials: cement (47%), chrysotile mineral (41%) and others (12%).
(**) Materials: yield, explosives, packaging, among other items.
(***) Raw materials: cement (58%), sand (30%) and others (12%).

Operational Expenses

Operational expenses in 1Q13 were practically unchanged (reduction of 0.3%) compared to the same period a year earlier. Of particular note were: (i) sales expenses which were up 4.5% as a result of higher commission costs, participation at Latin America's most important construction materials trade fair (FEICON), and (ii) general and administrative expenses which were down 4.8%, due to the lower costs of defending the Company's activities.

In R$ '000	1st Quarter		
	2013	2012	Chg. %
Selling expenses	(26,666)	(25,507)	4.5
General and administrative expenses	(25,724)	(27,008)	(4.8)
Other operating revenues (expenses)	(1,382)	(1,403)	(1.5)
Total operating expenses	**(53,772)**	**(53,918)**	**(0.3)**

The negative equity income result was due to the construction expense of the new bathroom chinaware plant in the state of Ceará, a joint-venture between the Eternit Group and the Colombian multinational Organizações Corona.

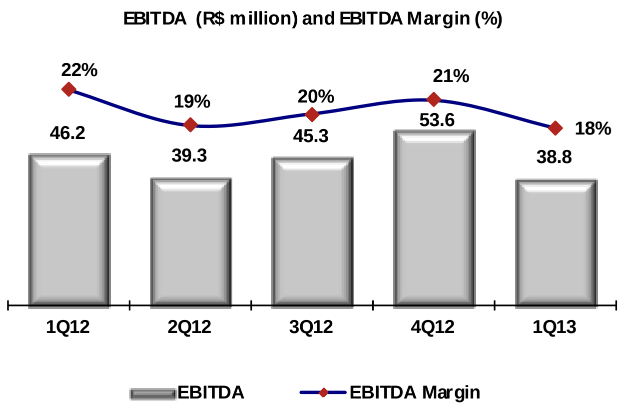
The net financial result amounted to a negative figure of R$ 210 thousand in the first quarter of 2013, compared to the positive figure in 1Q12, of R$ 2.4 million, mainly as a consequence of the reduction in financial revenues as a result of: (i) gains in financial applications due to the reduction in the level of cash and equivalents and financial applications, and (ii) lower gains from exchange rate variation on exports by the mining company SAMA.

In R$ '000	1st Quarter		
	2013	2012	Chg. %
Financial expenses	(8,827)	(8,877)	(0.6)
Financial income	8,617	11,293	(23.7)
Net financial result	**(210)**	**2,416**	**(108.7)**

EBITDA

Consolidated EBITDA (earnings before interest, tax, depreciation and amortization) totaled R$ 38.8 million in 1Q13, 16.0% lower than that reported in 1Q12, principally as a function of the increase in the cost of goods sold and the volume of exports that remained unshipped, as commented on earlier.

EBITDA margin narrowed by 4 percentage points, compared to 1Q12, ending 1Q13 at 18%.



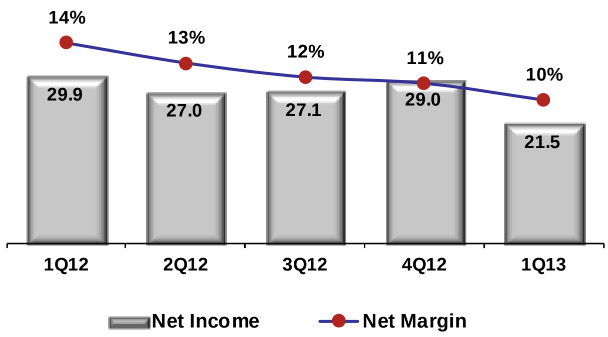
Reconciliation of Consolidated EBITDA - (R$'000)	1st Quarter		
	2013	2012	% Chg.
Net income	**21,474**	**29,907**	**(28.2)**
Income tax and social contributions	8,281	12,599	(34.3)
Net Financial Income	210	(2,416)	(108.7)
Depreciation and amortization	8,857	6,143	44.2
EBITDA	**38,822**	**46,233**	**(16.0)**

The calculation of EBITDA is in line with CVM Instruction No. 527 of October 4, 2012.

Net income

Eternit reported net income of R$ 21.5 million in 1Q13, down 28.2% compared to 1Q12, largely as a function of the lower net financial result and the operational aspects commented on above. Consequently, net margin narrowed by 4 percentage points, ending the first quarter of 2013 at 10%.

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



Indebtedness

The Company ended 1Q13 with a positive net debt of R$ 5.1 million. As at the end of March 2013 the gross debt of Eternit and its subsidiaries totaled R$ 65.1 million, basically as (i) a function of advances on export contracts (ACE), raised in US dollars at an average exchange rate of R$ 2.0143 and corrected to the current rate of R$ 2.0138, as at March 31, 2013 at an average funding cost of 3.25% a year (PRIME rate) and (ii) financing of the machinery and equipment of subsidiary SAMA for its operations financed through FINIMP (import financing) raised in US dollars at an average exchange rate of R$ 2.0464 and corrected by the current rate of R$ 2.0138 as at March 31, 2013, with interest added of 2.94% a year.

Cash, cash equivalents and short-term financial applications totaled R$ 60.0 million, with financial applications being remunerated at an average rate of 103% of the variation in the CDI rate (Interbank Deposit Certificate).

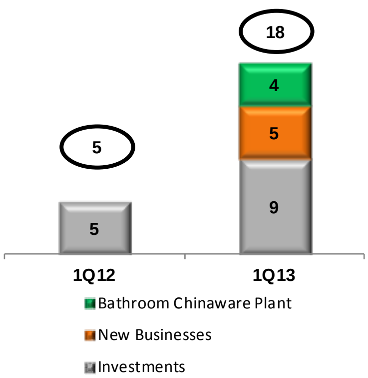
DEBT	Parent Company		Consolidated	
	03/31/13	12/31/12	03/31/13	12/31/12
Gross debt	13,235	8,785	65,125	79,946
Cash and cash equivalents	(2,494)	(3,852)	(5,069)	(16,656)
Short-term investments (same cash equivalents)	(36,604)	(48,612)	(54,959)	(78,930)
Net Debt	**(25,863)**	**(43,679)**	**5,097**	**(15,640)**

It is necessary to point out that the Company does not engage in leveraged derivative operations of any type that could be construed as speculative positions.

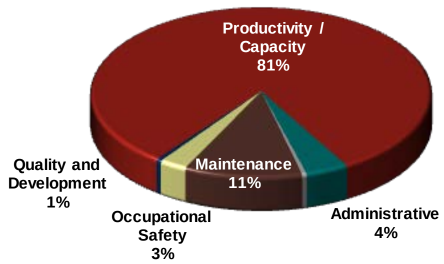
Investments

Investments by Eternit and its subsidiaries in 1Q13, amounted to a total of R$ 17.8 million, in the most part allocated to the construction of the bathroom chinaware plant, through capital injected into Companhia Sulamericana de Cerâmica (CSC) in the state of Ceará, updating to the Group's industrial park and new businesses. In the same period the previous year, the amount invested totaled R$ 4.8 million.

Consolidated Investments (R$´000)



Investments Distribution (1Q13)



In proceeding with its Structured Plan for Expansion and Diversification, the Company's investments continue to be focused on production and the construction of its first bathroom chinaware plant, at the multi-product unit under construction in the port of Pecém, in the state of Ceará. Works are scheduled for completion in December 2013, with an investment budget of approximately R$ 100 million in assets, for which Companhia Sulamericana de Cerâmica will raise approximately 60% in funding from public-sector banks, with around 40% coming from its own resources, in proportion to the joint-venture shareholding: 60% Eternit Group and 40% Organizações Corona.

The investment planned for 2013 is approximately R$ 94 million, being R$ 46.4 million for maintenance and updating of the industrial park; R$ 16 million in capital injections for the bathroom chinaware plant and R$ 31.6 million for new businesses.

It should be pointed out that the funds from the public-sector banks that will be spent on the bathroom chinaware plant have not been computed in the Capex forecast for 2013, because of its joint-venture status.

Setting up of unit for research, development and production of inputs and construction materials – 13th unit of the Eternit Group

At an extraordinary meeting on April 15, 2013, the Board of Directors approved the project to set up a unit for research, development and production of inputs and construction materials, in the city of Manaus, state of Amazonas, in line with the Structured Plan for Expansion and Diversification of the Eternit Group’s business activities.

The setting up of the 13th unit of the Eternit Group will be over the short to medium term, with planned investment of approximately R$ 40 million, for which the Company will use third-party funding on a preferential basis.

Capital Markets

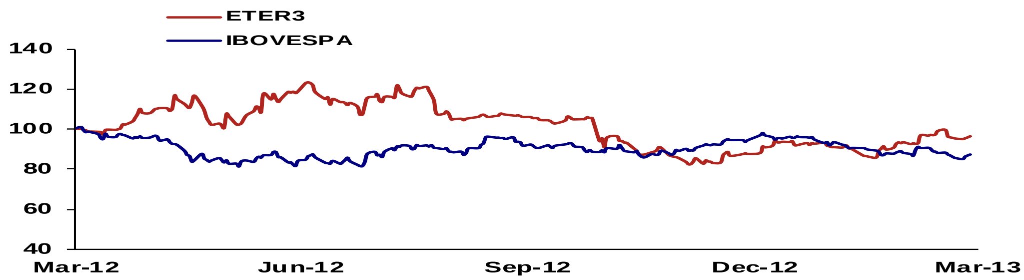
Eternit's shares have been listed on the stock exchange since 1948, and since 2006 have been traded on the Novo Mercado, BM&FBOVESPA's highest level of corporate governance, under the ticker code ETER3. The Company also has had an ADR Level 1 program (American Depositary Receipts), since May 2010, allowing its shares to be traded on the secondary, or over-the-counter market, in the United States, under the ticker code ETNTY.

The price quotation of R$ 8.91 for the shares of Eternit (ETER3) at the end of March 2013 showed depreciation of 3.6% compared to the end of March 2012. Over the same period, the Bovespa Index depreciated by 12.6%, ending the month at 56,352 points. As at March 31, 2013 Eternit's market capitalization amounted to R$ 797.4 million.

Taking into account share price appreciation and dividends paid, the shares appreciated by 4.8% from March 2012, to March 2013.

Capital Markets					
ETERNIT (ETER3)	1Q12	2Q12	3Q12	4Q12	1Q13
Closing Price (R$/Share) - Without dividends	9.24	10.99	9.80	8.10	8.91
Average Volume Traded (Shares)	157,484	169,439	117,354	146,497	95,939
Average Volume Traded (R$)	1,443,134	1,679,921	1,206,071	1,273,847	818,932
ETER3 - Quarterly Profitability (%)		18.9	-10.8	-17.3	10.0
ETER3 - 12 Months Profitability (%)		13.9	18.8	-9.0	-3.6
IBOVESPA - Quarterly Profitability (%)		-15.7	8.9	3.0	-7.5
IBOVESPA - 12 Months Profitability (%)		-12.9	11.1	7.4	-12.6
Market Capitalization (R$ Million)	827.0	983.6	877.1	725.0	797.4

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



Source: Economática

In the first quarter of 2013, Eternit's shareholding base maintained a high concentration of individual private shareholders who represented 61.6% of the total, with 27.2% consisting of companies, clubs, investment funds and foundations, and 11.2% being foreign investors. The average daily trading volume in the quarter amounted to R$ 818.9 thousand, down 43.3% compared to the figure of R$ 1.4 million in 1Q12.

Dividends and interest-on-equity

Among Brazil's listed companies, Eternit continues to produce one of the highest returns for its shareholders, being one of the few companies that reconciles growth with the distribution of dividends. In 2013, Eternit's dividend yield is already 4.9%, with the amount distributed to shareholders being R$ 35.8 million.

Distribution of dividends and interest-on-equity has traditionally taken place quarterly. As a result of this policy, private individuals account for a high percentage of Eternit's shareholding base.

Dividends Distribution (2011 to 2013)

Approval Date	Type	Payment Start Date	Total Value R$ 000	Value per Share (R$)
	2011			
12/08/10 (*)	BDM	03/25/11	5,637	0.063
03/02/11 (*)	BDM	03/25/11	21,204	0.237
04/27/11	BDM	05/20/11	5,905	0.066
04/27/11	BDM	05/20/11	9,305	0.104
08/03/11	BDM	08/24/11	5,905	0.066
08/03/11	BDM	08/24/11	11,989	0.134
10/26/11	BDM	11/18/11	5,905	0.066
10/26/11	BDM	11/18/11	14,673	0.164
Total		**-**	**80,523**	**0.900**
Closing Price		**-**	-	**12.00**
Dividend Yield		-	-	**7.5%**
	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
Total		**-**	**35,788**	**0.400**
Closing Price		**-**	-	**8.10**
Dividend Yield		-	-	**4.9%**

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

Definition:

Dividend yield: is obtained by dividing the amount distributed to shareholders (dividends + interest-on-equity) per share, distributed during the financial year (payment date base), by the closing share price at the end of the previous financial year.

Payout: is the percentage of the Company's earnings distributed to shareholders in the form of dividends and interest-on-equity.

Socio-environmental and Corporate Responsibility

Open Doors Program

In November 2004 Eternit launched its Open Doors Program, with the objective of contributing to the greater understanding by society of the extraction and processing of chrysotile mineral, the manufacturing of fiber cement products in a sustainable manner, and health and safety practices. The program consists of visits by the public to the five fiber cement units in the Group – Anápolis (GO), Colombo (PR), Goiânia (GO), Rio de Janeiro (RJ) and Simões Filho (BA) as well as the mining company SAMA, located in Minaçu, in the north of the state of Goiás. Since its introduction the program, considered to be one of the most comprehensive in the market, has received more than 56,000 visitors.

In order to schedule a visit, please check which is the unit closest to you and send a message to the e-mail address contained on Eternit's website (www.eternit.com.br/portasabertas).

Positioning with respect to the legal question of Chrysotile Mineral (chrysotile asbestos)

The Company wishes to make clear that the extraction, industrialization, use, sale and transport of chrysotile mineral and products which contain it, are all regulated by Federal Law No. 9055/95 – Decree No. 2350/97 and the Regulatory Standards of the Minister for Labor and Employment. Therefore the responsibility for legislation falls to the Federal Union, in accordance with all constitutional concepts.

In 2001, the first laws against asbestos were introduced in Brazil. Law No. 10,813 of 2001 in the state of São Paulo and Law No. 2210 in the state of Mato Grosso do Sul. Both were ruled upon by the Federal Supreme Court (STF), following allegations of being unconstitutional (ADI) No. 2656 and No. 2396, and declared unconstitutional due to the fact that they encroached on the powers of the Union.

Currently, there are four sanctioned state laws in existence (Rio de Janeiro, Rio Grande do Sul, São Paulo and Pernambuco) restricting the use of asbestos, that are currently being discussed through ADIs (direct allegation of unconstitutionality) before the Supreme Court (STF), as well as calling into question, also via ADI, Article 2 of Federal Law No. 9055 of 1995. The ADIs proposed against the state laws are awaiting judgment on merit. It is worth pointing out that the states of Mato Grosso and Roraima have approved laws against the use of asbestos, which have yet to be sanctioned.

As a result of court injunctions, the laws in the states of Rio de Janeiro and Rio Grande do Sul are suspended. With respect to São Paulo State Law No. 12.684/2007, the Company points out that on June 4, 2008 a plenary assembly of the Supreme Court revoked an injunction granted on December 20, 2007, against this law. It is important to emphasize that the merit of this action has yet to be ruled on, which renders it sub-judice, so therefore **prohibition has yet to become definitive.**

On 10/31/12 the Supreme Court began its judgment on the merits of ADI 3357 questioning State Law No. 11.643/2001 of the state of Rio Grande do Sul, which prohibits the production and sale of asbestos-based products, within the jurisdiction of that member state and ADI No. 3937 questioning State Law No. 12.684/2007, of the State of São Paulo, which prohibits the use, in the State of São Paulo, of products, materials or artifacts that contain any type of asbestos.

Minister Ayres Britto, the President of the Supreme Court, began the judgment process, voting in favor of the constitutionality of the state laws of São Paulo and Rio Grande do Sul, while Minister Marco Aurélio voted for the unconstitutionality of these laws. Following the vote by Minister Marco Aurélio, the President of the Supreme Court suspended proceedings.

The Company points out that the start of judgment on the merits of the ADIs is taking place after exhaustive debates of a scientific nature with Brazilian society, through a public audience conducted by the Supreme Court, on August 24 and 31, 2012, conducted by Minister Marco Aurélio, which also had the eminent presence of Ministers Ricardo Lewandowski and Rosa Weber.

The objective of the public hearing was to evaluate the use of chrysotile asbestos from a medical-scientific view-point, given its importance for Brazil.

This matter is currently pending, with no date as yet being set for being re-entered on the Supreme Court's agenda for the judgment's conclusion. More information on this is available on website www.stf.jus.br

Research related to the use of asbestos

The use of fiber cement products, water tanks and roofing tiles that contain chrysotile asbestos do not constitute a risk to the health of the population. **No case has ever been registered in Brazil of any inhabitant that has developed a disease as a result of living in one of the more than 25 million homes that use fiber cement roofing tiles containing asbestos.** This fact has been proven through national research, carried out by a renowned medical team with links to Brazil's main universities, the project and final report from which was approved by the National Council for Scientific and Technological Development - CNPq, available on the following website links http://www.sectec.go.gov.br/portal/ – www.crisotilabrasil.org.br – www.eternit.com.br/ir

There has been no instance of any asbestos-related disease involving respiratory dysfunction among employees joining the mining company in the last 30 years or at the fiber cement plants in the Eternit Group.

At the behest of FIESP (Industrial Federation of the State of São Paulo) the Getulio Vargas Foundation (FGV) conducted a study on the role of asbestos-based products in the construction chain. This study had the aim of ascertaining the importance of chrysotile-based products in the construction industry, both from an income and employment perspective, as well as the role they play in the competitive make-up and price formation for the sector. The full research document can be found on the following website link: (only in Portuguese) http://www.fiesp.com.br/indices-pesquisas-e-publicacoes/o-papel-dos-produtos-de-amianto-na-cadeia-da-construcao-civil-aspectos-relevantes-da-dimensao-economica-da-cadeia-dos-produtos-de-amianto/.

In view of this scenario, Eternit reaffirms its conviction that its products are safe for the population and that the sustainable management of its various units does not constitute a risk to the health of its employees. Furthermore, it believes that the Federal Supreme Court will consider the scientific and technical information in its judgment on the merit of this issue, not giving way to pressure groups favoring the banning of chrysotile asbestos based only on the European experience, where another type of asbestos was used (asbestos in the amphibole group - blue and brown asbestos) without the necessary precautions being taken, principally for jet applications.

New Developments

Board of Directors, Board of Auditors and Advisory Board

At the Annual General Meeting (AGM) held on April 17, 2013, the following were re-elected as independent members of the Board of Directors: Sergio Alexandre Melleiro, as Chairman of the Board, Lírio Albino Parisotto, Luis Terepins and Benedito Carlos Dias dos Santos, and as non-independent members: Élio Antonio Martins, Luiz Barsi Filho and Marcelo Munhoz Auricchio. Their mandate is for one year, valid until the date of the next AGM.

At the AGM, the following statutory and alternate members of the Board of Auditors were installed and elected: Edson Carvalho de Oliveira Filho and Guilherme Affonso Ferreira (alternate); Charles René Lebarbenchon and Andre Eduardo Dantas (alternate); and at the Extraordinary Genreal Meeting held on April 29, 2013, the following members were elected: Paulo Henrique Zukanovich Funchal (statutory) and Daniel Cupponi (alternate). Their mandate is for one year, valid up to the date of the next AGM, the functioning of this board not being permanent. The Board of Auditors is a body which acts in support to the Board of Directors, its main function being to monitor Eternit's financial situation.

With regard to the Advisory Board, the candidates nominated by the management, in light of the request for the installation of the Board of Auditors by one of the Company's shareholders, in the belief that the Company is being well-managed and seeking to reduce Eternit's expense burden, decided to decline the nomination to the Advisory Board. This being the case, and as approved at the AGM, the Advisory Board will remain vacant for the financial year 2013. The Advisory Board is a body that acts in support of the Board of Directors, its main responsibility being to provide an opinion on any important problems at Eternit.

The curriculum of each member is available on the following website link www.eternit.com.br/ir.

Company Bylaw Reforms

At an Extraordinary General Meeting held on April 29, 2013, reforms were approved to Eternit's bylaws, in line with the diversification of its businesses, to adjust them to the reality of the Company and the current internal regulations of the Board of Directors. The full text of the Company Bylaws is available on the following website link www.eternit.com.br/ir.

Outlook

The GDP growth estimate for 2013 is for 3.1%, and takes into account the low growth prospects for the global economy for an extended period of time, particularly in the Eurozone, and assumes a moderate rate of economic recovery in the major emerging economies, such as countries in Latin America and Asia.

For the Brazilian government, the Construction Industry is of strategic importance for economic growth and the generation of jobs and incomes across the Country. The Federal Government has significantly expanded its investment in housing, basic sanitation and infrastructure, because to invest in construction provides incentive for a sector which contributes greatly to the development of the Brazilian economy. This scenario is likely to be repeated over the next few years, and for 2013 the GDP growth forecast for the construction industry is 1.8%, according to Brazilian Central Bank (BACEN).

For the construction materials sector ABRAMAT, the Brazilian Construction Materials Industry Association, is forecasting year-on-year sales growth of 4.5% for 2013, which represents a growth rate of 1.7% for the first quarter of 2013, compared to the same period in 2012. ABRAMAT's forecast for the next few months indicates an improvement in earnings and resumed sales growth in the sector, compared to the previous year, which will depend on new government stimulus packages for the sector, the maintaining of income and employment levels, as well as the availability of credit; however it is important to emphasize that, according to ABRAMAT, if there is no positive reaction in the next two months, the growth forecast for 2013 will have to be reassessed.

According to a report from ANAMACO, the National Association of Construction Material Merchants, Brazil has approximately 57.8 million permanent homes with 77% requiring some type of remodeling or expansion. Currently, poor housing is one of the great indicators of social inequality, as well as having a negative influence on the health, education, productivity and well-being of those living in such conditions, so there is significant pent-up demand to deal with the needs of the population.

The housing deficit, estimated at 5.5 million homes, consists of families that occupy houses that are in a precarious situation, who are overburdened with rent, with an excessive density of population living in cramped conditions in a rented housing, and housing holding more than one family group with the intention of each family group subsequently obtaining their own homes. These needs, together with the various others in the sector, such as remodeling and extensions, **represent a concentration of self-managed construction projects**, because 90.2% of the housing deficit is concentrated among families earning up to 3 minimum salaries, a segment in which there is no significant presence on the part of construction firms.

Just with the generation of jobs and distribution of incomes as a consequence of the works mentioned above, the incentives for the purchase of construction materials, and the investments in infrastructure and basic sanitation commented on earlier, as well as the housing units to be built under the *Minha Casa, Minha Vida* (my house, my life) program, will all help towards solving the housing problem, which will also have a positive impact on Eternit's businesses, as there will be an increase for demand for products in our portfolio, principally for independently self-managed construction projects.

In order to meet the needs of self-managed construction projects public and private-sector commercial banks have introduced credit lines with the object of facilitating the purchase of construction material, with reduced interest rates and extended payback terms. The Company believes the availability of credit to be important in the financing of construction material purchases, seeing that fiber-cement products, due to their excellent value for money, are in strong demand from among the low-income population.

Eternit seeks to develop products and solutions focused on the needs of construction firms, which could represent a great growth opportunity for the Company. Most of Eternit's sales come from retail distribution through more than 16,000 sales outlets spread across the Country.

In line with its Program for Structured Expansion and Diversification, the Company has begun a new cycle and is preparing itself to be the most diversified construction materials manufacturing company in Brazil, with approximately 50% of its sales linked to diversification over the long term. The first phase of this program established Eternit as the largest and most diversified roofing material manufacturer in the Country, ending the first quarter of 2013 with approximately 17% of its sales coming from diversification.

The second phase of the program, which has been called "Welcome to the next 70 years", is based on the following directives: (i) organic growth, with the objective of expanding current capacity to sell more of the same; (ii) diversified organic growth, with the objective of including new products in the Company's portfolio, using third parties for production capacity or product development (iii) inorganic growth, with the objective of acquiring companies in the construction materials segment.

Despite the favorable scenario in the construction sector, the Management considers the following challenges in the sector to be of significance: competitive conditions in national industry with respect to infrastructure bottlenecks and currency appreciation; the combat of inflation, availability and training of labor; increased productivity in the construction chain; and the question of housing with respect to the cost of land, which could suffer from excessive appreciation, thus inhibiting investment.

With regard to the challenges that the Company faces, the most important of these is the legal question of chrysotile mineral, for which a ruling by the Supreme Court is awaited. Independently of any decision by the Supreme Court, demand for products without asbestos is likely to increase over the next few years and Eternit is working towards being able to offer the two alternatives to its customers and in the future to be a provider of alternative fibers. It is worth pointing out that Brazil is still a long way from having a technical solution that is economically viable for the replacement of chrysotile asbestos. Abrupt banning of this mineral would have an immediate impact on self-managed construction projects, as a result of the higher costs, and could even bring the roofing segment to a standstill due to the lack of alternative fibers available in the global market to meet Brazilian demand, and demand from other countries to which SAMA currently exports this mineral.

If it is decided by Brazilian society to maintain a chrysotile asbestos-based industry, the Company will achieve its objective of being the most diversified manufacturer of construction materials as part of a natural process.

Eternit is confident that there will be a recovery in the Brazilian economy, especially in the sector of which it is a part. Having a satisfactory capital structure, a low level of indebtedness and investments that are consistent with its Expansion and Diversification Plan, the Company is well-positioned to capitalize on the opportunities in the sector.

Welcome to the next 70 years!

Invitation

The Executive Board of **Eternit** hereby invites you to participate in its announcement of its results for the First Quarter of 2013.

Conference call with Webcast (in Portuguese - with simultaneous translation into English)
Presentation: Élio A. Martins - President and Investor Relations Director
Date: Tuesday, May 7, 2013.
Time: 11.00 a.m. Brazilian Local Time – 10.00 a.m. Eastern Standard Time (New York) – 3.00 p.m. British Standard Time (London)

The presentation, accompanied by slides, can be followed on the web, through registration on the following website link **www.ccall.com.br/eternit/1q13.htm** or on Eternit's Investor Relations website link: **www.eternit.com.br/ir**

In order to follow the presentation by telephone, please dial the following telephone numbers: **(55-11) 4688-6361** for Brazil and **(1 786) 924-6977** for other countries - Password for participants: **Eternit**

Playback: A recording of the presentation will be available from **05/07/2013** to **05/13/2013**
Telephone number: **(55-11) 4688-6312 -** Password for participants: **5897548#**

Public Meeting for Shareholders, Investors and Analysts – APIMEC – Federal District (only in Portuguese)
Presentation: Élio A. Martins - President and Investor Relations Director
Date: May 21, 2013
Time: 6.00 p.m. – Registration
6.30 p.m – Start of presentation (cocktails will be served after the presentation)
Location: Hotel Naoum - SHS Qd.05 Bloco H, Brasília – DF - CEP: 70.322-914
RSPV: APIMEC - DF - Telephone: (55-61) 3443-4003 or via e-mail: apimecsp@apimecdf.com.br

Eternit

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SHARE STATUS OF HOLDERS OF MORE THAN 5% OF SHARES OF EVERY KIND AND CLASS OF THE COMPANY, TO THE LEVEL OF NATURAL PERSON.				
Company: ETERNIT S.A.			**Position on 03/31/2013 (in units)**	
	Ordinary shares		**Total**	
Shareholder	**Qty.**	**%**	**Qty**	**%**
Geração L. Par Fundo de Investimento em Ações	13,650,000	15.25	13,650,000	15.25
Luiz Barsi Filho	12,140,000	13.56	12,140,000	13.56
Victor Adler	6,000,000	6.70	6,000,000	6.70
Treasury shares	29,366	0.03	29,366	0.03
Other	57,680,634	64.46	57,680,634	64.46
Total	**89,500,000**	**100.00**	**89,500,000**	**100.00**

SHARE STATUS OF HOLDERS OF MORE THAN 5% OF SHARES OF EVERY KIND AND CLASS OF THE COMPANY, TO THE LEVEL OF NATURAL PERSON.				
Company: ETERNIT S.A.			**Position on 03/31/2012 (in units)**	
	Ordinary shares		**Total**	
Shareholder	**Qty.**	**%**	**Qty**	**%**
Geração L. Par Fundo de Investimento em Ações	16,660,400	18.61	16,660,400	18.61
Luiz Barsi Filho	12,004,600	13.41	12,004,600	13.41
Victor Adler	6,000,000	6.70	6,000,000	6.70
Treasury shares	29,366	0.03	29,366	0.03
Other	54,805,634	61.25	54,805,634	61.25
Total	**89,500,000**	**100.00**	**89,500,000**	**100.00**

2. STATUS OF CONTROLLERS, DIRECTORS AND OUTSTANDING SHARES (not reviewed by independent auditors)

CONSOLIDATED SHAREHOLDING STATUS OF CONTROLLERS AND DIRECTORS AND OUTSTANDING SHARES						
Shareholder	**Number of common shares (in units) on 03/31/2013**	**%**	**Number of common shares (in units) Movement**		**Quantity of ordinary shares (in units) 03/31/2012**	**%**
Controller	N/A	-	N/A		N/A	-
Directors						
Board of Directors	12,929,694	14.45	5,687,955		18,617,649	20.80
Board	6,000,362	6.70	-		362	-
Directors	1,030,783	1.15	154,240		876,543	0.98
Treasury shares	29,366	0.03	-		29,366	0.03
Other shareholders	69,509,795	77.67	-466, 285		69,976,080	78.19
Total	**89,500,000**	**100.00**	-6,000,000		**89,500,000**	**100.00**
Outstanding shares	**69,509,795**	**77.67**	-466,285		**69,976,080**	**78.19**

A free translation from Portuguese into English of independent auditor's review report on individual interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and on consolidated interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil, International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board – IASB and specific CVM rules.

Independent auditor's review report

The Shareholders, Board of Directors and Officers
Eternit S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Eternit S.A. (Company) and its subsidiaries, contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2013, comprising the balance sheet at March 31, 2013 and the related income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with Accounting Pronouncement CPC 21 – Interim Financial Reporting and of the consolidated interim financial information in accordance with CPC 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in accordance with the specific rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 - Review of Interim Financial Information Performed by Independent Auditor of an Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of an Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and, consequently, did not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the quarterly financial information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 applicable to the preparation of quarterly financial information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information included in the quarterly financial information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Emphasis of matter

We draw attention to Note 21 e) of the interim financial information, which describes the uncertainty surrounding the Supreme Court (STF) judgment of the overall merit of Direct Actions of Unconstitutionality (ADIs) ADI No. 3357, against State Law No. 11643/2001, dated June 21, 2001, of the State of Rio Grande do Sul, which prohibits the manufacture and sale of all types of asbestos-based goods, within that state, and of ADI No. 3937 contesting State Law No. 12684, dated July 26, 2007, of the State of São Paulo, which prohibits the use in the State of São Paulo of products, materials or goods that contain any type of asbestos or amianthus, and of other ADIs related to amianthus. Our conclusion does not contain any qualification related to this matter.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 2013, prepared under the responsibility of the Company's management, of which presentation in the interim financial information is required by CVM rules applicable to preparation of quarterly financial information (ITR) and considered as supplementary information for IFRS purposes, which do not require SVA presentation. These statements have been subjected to the same review procedures described above and, based on our review, we are not aware of any fact that would lead us to conclude that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Amounts corresponding to the prior period

The individual and consolidated interim financial information related to the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the three-month period ended March 31, 2012, presented for purposes of comparison, was reviewed by other independent auditors, who issued an unqualified review report dated April 25, 2012.

São Paulo, May 03, 2013.

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC-2SP015199/O-6

Luiz Carlos Nannini Accountant CRC-1SP171638/O-7	Clinton L. Fernandes Accountant CRC-1SP205541/O-2

ETERNIT S. A.

C.N.P.J. nº 61.092.037/0001-81

NIRE 35.300.013.344

BOARD OF AUDITOR'S REPORT

The Board of Auditors of Eternit S. A., constituted at the request of a shareholder at the Annual General Meeting, of April 17, 2013, and therefore not of a permanent nature, through its members, elected at the same meeting, and with a change in its composition made at the Extraordinary General Meeting of April 29, 2013, and owing to the impossibility of carrying out a satisfactory examination, in a timely manner, of the interim accounting information for the quarter ending March 31, 2013, and in compliance with legal and statutory requirements, believes it to be in the general best interests to declare themselves to be in agreement with the review report on the Company issued by the independent auditors, Ernst & Young Terco Auditores Independentes, dated May 3, 2013, referring to the interim accounting information or the quarter ending March 31, 2013.

São Paulo, May 3, 2013.

Signed below by the following: Charles René Lebarbenchon – Coordinator, Paulo Henrique Zukanovich Funchal and Edson Carvalho de Oliveira Filho