Individual and Consolidated Interim Financial Information

Eternit S.A.

Nine months period ended September 30, 2013
with Independent Auditor's Review Report

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Information from company / Paid-up capital

Number of shares (Thousands)	Current Quarter 09/30/2013
Paid-in Capital	
Common	89,500
Preferred	-
Total	**89,500**
Trasury shares	
Common	29
Preferred	-
Total	**29**

INTERIM FINANCIAL STATEMENTS (ITR) - 09/30/2013 **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	05/10/2013	Common		0,06400
Board of directors meeting	08/07/2013	Dividends	08/28/2013	Common		0,13600
Board of directors meeting	08/07/2013	Interest on capital	08/28/2013	Common		0,06400
Board of directors meeting	10/23/2013	Dividends	11/13/2013	Common		0,13500
Board of directors meeting	10/23/2013	Interest on capital	11/13/2013	Common		0,06500

Individual FSs / Balance Sheet Asset

(Thousands of reais)

Account Code	Account Description	Current Quarter 09/30/2013	Previous financial year 12/31/2012
1	Total Assets	699,395	653,693
1.01	Current Assets	246,628	250,801
1.01.01	Cash and Cash Equivalents	4,865	3,852
1.01.02	Short-term investments	10,173	48,612
1.01.03	Accounts receivable	85,918	79,158
1.01.03.01	Clients	85,918	79,158
1.01.04	Inventories	97,417	81,925
1.01.06	Taxes Recoverable	11,476	11,167
1.01.06.01	Taxes Current and Recoverable	11,476	11,167
1.01.07	Prepaid expenses	525	178
1.01.08	Other Current assets	36,254	25,909
1.01.08.03	Other	36,254	25,909
1.01.08.03.01	Related parties	31,056	21,648
1.01.08.03.02	Other	5,198	4,261
1.02	Non-current asset	452,767	402,892
1.02.01	Long-term assets	60,557	55,402
1.02.01.03	Accounts receivable	489	440
1.02.01.03.02	Other Accounts Receivable	489	440
1.02.01.06	Deferred Taxes	21,828	19,994
1.02.01.06.01	Deferred Income Tax And Social Contribution	21,828	19,994
1.02.01.08	Credits with Related Parties	7,557	7,214
1.02.01.08.02	Credits with Subsidiaries	7,557	7,214
1.02.01.09	Other noncurrent assets	30,683	27,754
1.02.01.09.03	Recoverable taxes	21,952	21,114
1.02.01.09.04	Escrow deposits and tax incentives	8,731	6,640
1.02.02	Investments	246,073	221,916
1.02.02.01	Shareholdings	246,073	221,916
1.02.02.01.02	Shareholding in Subsidiaries	246,073	221,916
1.02.02.01.04	Other Shareholdings	-	-
1.02.03	Fixed	144,213	123,060
1.02.03.01	Non-current in Operation	107,041	110,341
1.02.03.01.01	Non-current in Operation	112,183	115,678
1.02.03.01.02	Provision for Loss with Non-current	(5,142)	(5,337)
1.02.03.03	Non-current in progress	37,172	12,719
1.02.04	Intangible	1,924	2,514
1.02.04.01	Intangible	1,924	2,514
1.02.04.01.01	Granting Agreement	-	-
1.02.04.01.02	Software	1,913	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 09/30/2013	Previous financial year 12/31/2012
2	Total Liabilities	699,395	653,693
2.01	Current liabilities	97,773	91,450
2.01.01	Labor and Social Obligations	17,489	17,310
2.01.01.01	Social obligations	2,382	5,931
2.01.01.02	Labor Obligations	15,107	11,379
2.01.02	Trade accounts payable	29,732	30,417
2.01.02.01	National Trade accounts payable	18,579	22,361
2.01.02.02	Foreign Trade accounts payable	11,153	8,056
2.01.03	Tax obligations	13,025	11,801
2.01.03.01	Federal Taxes Obligations	5,882	5,469
2.01.03.01.01	Payable income tax and social contribution	79	-
2.01.03.01.02	Other Federal Taxes	5,803	5,469
2.01.03.02	State tax obligations	7,143	6,332
2.01.04	Loans and financing	7,102	1,519
2.01.04.01	Loans and financing	7,102	1,519
2.01.05	Other Obligations	28,780	28,758
2.01.05.01	Liabilities with Related Parties	7,087	8,281
2.01.05.02	Other	21,693	20,477
2.01.05.02.01	Payable Dividends and Interest on Capital	17,836	18,133
2.01.05.02.04	Other accounts payable	3,857	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	98,803	82,723
2.02.01	Loans and financing	14,912	7,266
2.02.01.01	Loans and financing	14,912	7,266
2.02.01.01.01	In national currency	14,912	-
2.02.02	Other Obligations	38,660	34,537
2.02.02.01	Liabilities with Related Parties	28,549	27,252
2.02.02.02	Other	10,111	7,285
2.02.02.02.03	Taxes, fees and contributions payable	10,111	7,285
2.02.04	Provisions	45,231	40,920
2.02.04.01	Labor and Civil Social Security Tax Provisions	45,231	40,920
2.02.04.01.02	Labor and Social Security Provisions	19,841	17,214
2.02.04.01.04	Civil Provisions	5,880	5,443
2.02.04.01.05	Provision for future benefits to former employees	19,510	18,263
2.03	Net Property	502,819	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)	(174)
2.03.05	Accumulated Profits/Losses	23,299	-

Individual FSs / Income Statement

(Thousands of reais)

Account Code	Account Description	Current Quarter 07/01/2013 to 09/30/2013	Accumulated of Current financial year 01/01/2013 to 09/30/2013	Same Quarter of Previous financial year 07/01/2012 to 09/30/2012	Accumulated of Previous financial year 01/01/2012 to 09/30/2012
3.01	Revenue from Sale of Goods and/or Services	134,366	374,316	119,604	338,577
3.02	Cost of Goods and/or Services Sold	(98,679)	(273,453)	(87,522)	(240,812)
3.03	Gross Profit	35,687	100,863	32,082	97,765
3.04	Operational Expenses/Revenues	(6,788)	(22,700)	(5,845)	(16,583)
3.04.01	Sale expenses	(14,529)	(43,030)	(14,195)	(40,722)
3.04.02	General and administrative expenses	(16,052)	(43,167)	(14,364)	(41,548)
3.04.04	Other Operational Incomes	3,992	5,362	959	2,617
3.04.05	Other Operational Expenses	(4,560)	(8,278)	(1,695)	(4,985)
3.04.06	Result of equity equivalence	24,361	66,413	23,450	68,055
3.05	Result Before Financial Result and Taxes	28,899	78,163	26,237	81,182
3.06	Financial Results	(1,046)	(2,471)	785	2,844
3.06.01	Financial income	5,189	10,496	2,747	9,573
3.06.02	Financial expenses	(6,235)	(12,967)	(1,962)	(6,729)
3.07	Result Before Income Taxes	27,853	75,692	27,022	84,026
3.08	Income Tax and Social Contribution on Profit	517	1,290	79	(5)
3.08.01	Current	(544)	(544)	(76)	2,086
3.08.02	Deferred	1,061	1,834	155	(2,091)
3.09	Net result from continued operations	28,370	76,982	27,101	84,021
3.11	Profit/Loss for the Period	28,370	76,982	27,101	84,021
3.99.01.01	ON	0.32	0.86	0.30	0.94
3.99.02.01	ON	0.32	0.86	0.30	0.94

Individual FSs / Income Statement per Nature

(Thousands of reais)

Account Code	Account Description	Current Quarter 07/01/2013 to 09/30/2013	Accumulated of Current financial year 01/01/2013 to 09/30/2013	Same Quarter of Previous financial year 07/01/2012 to 09/30/2012	Accumulated of Previous financial year 01/01/2012 to 09/30/2012
4.01	Net Income for the Period	28,370	76,982	27,101	84,021
4.02	Other Comprehensive Results	-	-	-	-
4.03	Comprehensive Result for the Period	28,370	76,982	27,101	84,021

Individual FSs / Cash Flow

(Thousands of reais)

Account Code	Account Description	Accumulated of Current financial year 01/01/2013 to 09/30/2013	financial year 01/01/2012 to 09/30/2012
6.01	Net Cash Operational Activities	53,488	62,500
6.01.01	Cash Generated by Operations	23,768	28,091
6.01.01.01	Income before income and social contribution taxes	75,692	84,026
6.01.01.02	Result of equity equivalence	(66,413)	(68,055)
6.01.01.03	Depreciation, amortization and exhaustion	8,211	8,897
6.01.01.04	Result on discharge of fixed assets	(65)	(47)
6.01.01.05	Provision for credits of doubtful payment	284	324
6.01.01.06	Provision for risks	3,064	2,129
6.01.01.07	Provisions sundry	2,118	427
6.01.01.08	Financial charges, monetary variation and exchange rate	1,526	1,293
6.01.01.09	Incomes from financial investments	(1,814)	(1,489)
6.01.01.10	Net changes in prepaid expenses	1,165	808
6.01.01.11	Performance of anticipated revenues	-	(222)
6.01.02	Variations in assets e liabilities	29,720	34,409
6.01.02.01	Accounts receivable from clients	(7,220)	(4,268)
6.01.02.02	Receivables from Related parties	519	61
6.01.02.03	Dividends received	56,213	52,808
6.01.02.04	Inventories	(16,289)	(13,752)
6.01.02.05	Taxes recoverable	(1,136)	(5,645)
6.01.02.07	Legal deposits	(2,091)	(1,240)
6.01.02.08	Other assets	(2,470)	(1,903)
6.01.02.09	Trade accounts payable	(583)	1,495
6.01.02.10	Tax obligations payable	2,688	4,714
6.01.02.11	Labor and Social Obligations	179	2,657
6.01.02.13	Other liabilities	1,394	1,449
6.01.02.14	Interest paid	(231)	(174)
6.01.02.15	Paid income tax and social contribution	(59)	(718)
6.01.02.16	Payables to Related parties	(1,194)	(1,075)
6.02	Net Cash Investing Activities	(13,379)	(11,026)
6.02.01	Acquisition of fixed and intangible assets	(29,063)	(7,793)
6.02.03	Cash receipt from the sales of property, plant and equipment	354	123
6.02.07	Temporary investments	-	7,430
6.02.08	Loan to related company to receive	(404)	(6,226)
6.02.09	Investment Acquisition/Capital increase	(24,519)	(4,560)
6.02.10	Short-term investments	(87,183)	-
6.02.11	Redemption of short-term investments	127,436	-
6.03	Net Cash from Financing Activities	(39,096)	(50,244)
6.03.01	Capture of financings - third parties	13,283	4,679
6.03.02	Loan to related company	(229)	(249)
6.03.05	Amortization of financing	(268)	(2,662)
6.03.06	Payments dividends and interest on equity	(51,882)	(52,012)
6.05	Increase (Decrease) in Cash and Cash Equivalents	1,013	1,230
6.05.01	Initial Balance of Cash and Cash Equivalents	3,852	21,352
6.05.02	Final Balance of Cash and Cash Equivalents	4,865	22,582

Individual FSs / Changes in Equity - 09/30/2013

(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	-	-	-	(53,683)	-	(53,683)
5.04.06	Dividends	-	-	-	(36,415)	-	(36,415)
5.04.07	Interest on equity	-	-	-	(17,268)	-	(17,268)
5.05	Total Comprehensive Result	-	-	-	76,982	-	76,982
5.05.01	Net Income for the Period	-	-	-	76,982	-	76,982
5.06	Internal Changes of Equity	-	-	-	-	-	-
5.06.01	Transfer to reserves	-	-	-	-	-	-
5.07	Final Balances	334,251	19,214	126,055	23,299	-	502,819

Individual FSs / Changes in Equity - 09/30/2012

(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	-	-	-	(53,682)	-	(53,682)
5.04.06	Dividends	-	-	-	(35,347)	-	(35,347)
5.04.07	Interest on equity	-	-	-	(18,335)	-	(18,335)
5.05	Total Comprehensive Result	-	-	-	84,021	-	84,021
5.05.01	Net Income for the Period	-	-	-	84,021	-	84,021
5.06	Internal Changes of Equity	-	-	(3)	-	-	(3)
5.06.01	Transfer to reserves	-	-	(3)	-	-	(3)
5.07	Final Balances	334,251	18,573	85,266	30,339	-	468,429

Individual FSs / Added Value

(Thousands of reais)

Account Code	Account Description	Accumulated of Current financial year 01/01/2013 to 09/30/2013	Accumulated of Previous financial year 01/01/2012 to 09/30/2012
7.01	Revenues	507,774	460,844
7.01.01	Sales of goods, products and services	507,746	461,200
7.01.02	Other revenues	318	123
7.01.04	Provision / Reversal of creds. Doubtful Settlement	(290)	(479)
7.02	Inputs Purchased From Third Parties	(349,313)	(325,159)
7.02.01	Costs Prods., Mercs. and servs. Sold	(257,860)	(251,749)
7.02.02	Materials, energy and services from third parties and others	(83,838)	(67,590)
7.02.03	Loss / Recovery of asset values	(4,922)	(5,070)
7.02.04	Other	(2,693)	(750)
7.03	Gross Added Value	158,461	135,685
7.04	Retentions	(8,211)	(8,897)
7.04.01	Depreciation, amortization and exhaustion	(8,211)	(8,897)
7.05	Net added value produced	150,250	126,788
7.06	Added value received in transfer	78,832	80,034
7.06.01	Result of equity equivalence	66,413	68,055
7.06.02	Financial income	10,496	9,573
7.06.03	Other	1,923	2,406
7.07	Total Added Value To Distribute	229,082	206,822
7.08	Distribution Of Value Added	229,082	206,822
7.08.01	Personal	71,820	64,230
7.08.01.01	Direct compensation	44,473	40,719
7.08.01.02	Benefits	22,769	19,621
7.08.01.03	F.G.T.S.	4,578	3,890
7.08.02	Taxes, fees and contributions	60,980	47,145
7.08.02.01	Federal	43,772	36,759
7.08.02.02	State	16,179	9,623
7.08.02.03	Municipal	1,029	763
7.08.03	Remuneration of capital from third parties	19,300	11,426
7.08.03.01	Interest	12,967	6,729
7.08.03.02	Rentals	6,333	4,697
7.08.04	Remuneration of own capital	76,982	84,021
7.08.04.01	Interest on equity	17,268	18,335
7.08.04.02	Dividends	36,415	35,347
7.08.04.03	Retained Profit/Loss for the Period	23,299	30,339

Consolidated FSs / Balance Sheet Asset

(Thousands of reais)

Account Code	Account Description	Current Quarter 09/30/2013	Previous financial year 12/31/2012
1	Total Assets	836,293	810,120
1.01	Current Assets	404,972	426,031
1.01.01	Cash and Cash Equivalents	8,273	16,656
1.01.02	Short-term investments	31,062	78,930
1.01.03	Accounts receivable	179,914	177,982
1.01.03.01	Clients	179,914	177,982
1.01.04	Inventories	156,474	127,560
1.01.06	Taxes Recoverable	15,073	13,881
1.01.06.01	Taxes Current and Recoverable	15,073	13,881
1.01.07	Prepaid expenses	996	462
1.01.08	Other Current assets	13,180	10,560
1.01.08.03	Other	13,180	10,560
1.01.08.03.02	Other	13,180	10,560
1.02	Non-current asset	431,321	384,089
1.02.01	Long-term assets	99,310	92,563
1.02.01.03	Accounts receivable	3,211	3,162
1.02.01.03.02	Other Accounts Receivable	3,211	3,162
1.02.01.06	Deferred Taxes	55,950	51,820
1.02.01.06.01	Defferred Income Tax And Social Contribution	55,950	51,820
1.02.01.09	Other noncurrent assets	40,149	37,581
1.02.01.09.03	Taxes Recoverable	24,874	24,534
1.02.01.09.04	Escrow deposits and tax incentives	15,275	13,047
1.02.02	Investments	33,752	13,029
1.02.02.01	Shareholdings	33,752	13,029
1.02.02.01.01	Shareholding in Subsidiaries	33,752	13,029
1.02.03	Fixed	272,473	252,457
1.02.03.01	Non-current in Operation	232,282	236,381
1.02.03.01.01	Non-current in Operation	237,576	241,869
1.02.03.01.02	Provision for Loss with Non-current	(5,294)	(5,488)
1.02.03.03	Non-current in progress	40,191	16,076
1.02.04	Intangible	25,786	26,040
1.02.04.01	Intangible	5,791	6,045
1.02.04.01.02	Software	4,351	4,814
1.02.04.01.03	Other intangible assets	1,440	1,231
1.02.04.02	Goodwill	19,995	19,995

Consolidated FSs / Balance Sheet Liability

(Thousands of reais)

Account Code	Account Description	Current Quarter 09/30/2013	Previous financial year 12/31/2012
2	Total Liabilities	836,293	810,120
2.01	Current liabilities	197,426	208,094
2.01.01	Labor and Social Obligations	34,874	34,938
2.01.01.01	Social obligations	3,711	7,735
2.01.01.02	Labor Obligations	31,163	27,203
2.01.02	Trade accounts payable	50,334	48,968
2.01.02.01	National Trade accounts payable	38,909	40,476
2.01.02.02	Foreign Trade accounts payable	11,425	8,492
2.01.03	Tax obligations	36,521	36,932
2.01.03.01	Federal Taxes Obligations	25,889	27,827
2.01.03.01.01	Payable income tax and social contribution	15,196	17,504
2.01.03.01.02	Other Federal Taxes	10,693	10,323
2.01.03.02	State tax obligations	10,632	9,105
2.01.04	Loans and financing	40,717	55,839
2.01.04.01	Loans and financing	40,717	55,839
2.01.05	Other Obligations	31,727	28,491
2.01.05.02	Other	31,727	28,491
2.01.05.02.01	Payable Dividends and Interest on Capital	17,836	18,133
2.01.05.02.04	Other accounts payable	13,891	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	136,032	122,492
2.02.01	Loans and financing	27,497	24,107
2.02.01.01	Loans and financing	27,497	24,107
2.02.02	Other Obligations	21,165	17,250
2.02.02.02	Other	21,165	17,250
2.02.02.02.03	Taxes, fees and contributions payable	11,985	8,139
2.02.02.02.04	Reassembling of the mine	8,643	8,201
2.02.02.02.05	Other accounts payable	537	910
2.02.04	Provisions	87,370	81,135
2.02.04.01	Labor and Civil Social Security Tax Provisions	87,370	81,135
2.02.04.01.02	Labor and Social Security Provisions	28,405	26,321
2.02.04.01.04	Civil Provisions	27,192	24,795
2.02.04.01.05	Provision for future benefits to former employees	31,773	30,019
2.03	Consolidated Equity	502,835	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	23,299	-
2.03.09	Participation of non-controlling shareholders	16	14

Consolidated FSs / Income Statement

(Thousands of reais)

Account Code	Account Description	Current Quarter 07/01/2013 to 09/30/2013	Accumulated of Current financial year 01/01/2013 to 09/30/2013	Same Quarter of Previous financial year 07/01/2012 to 09/31/2012	Accumulated of Previous financial year 01/01/2012 to 09/30/2012
3.01	Revenue from Sale of Goods and/or Services	251,371	704,134	229,788	651,057
3.02	Cost of Goods and/or Services Sold	(148,468)	(417,757)	(132,033)	(367,346)
3.03	Gross Profit	102,903	286,377	97,755	283,711
3.04	Operational Expenses/Revenues	(61,560)	(176,302)	(59,725)	(173,265)
3.04.01	Sale expenses	(28,533)	(84,741)	(30,425)	(83,283)
3.04.02	General and administrative expenses	(30,848)	(84,866)	(29,539)	(87,079)
3.04.04	Other Operational Incomes	5,973	9,580	2,140	5,847
3.04.05	Other Operational Expenses	(6,099)	(12,480)	(1,735)	(8,584)
3.04.06	Result of equity equivalence	(2,053)	(3,795)	(166)	(166)
3.05	Result Before Financial Result and Taxes	41,343	110,075	38,030	110,446
3.06	Financial Results	(798)	(2,567)	494	5,256
3.06.01	Financial income	14,731	33,918	7,712	32,897
3.06.02	Financial expenses	(15,529)	(36,485)	(7,218)	(27,641)
3.07	Result Before Income Taxes	40,545	107,508	38,524	115,702
3.08	Income Tax and Social Contribution on Profit	(12,176)	(30,526)	(11,422)	(31,680)
3.08.01	Current	(14,097)	(34,656)	(11,960)	(32,554)
3.08.02	Deferred	1,921	4,130	538	874
3.09	Net result from continued operations	28,369	76,982	27,102	84,022
3.11	Profit/Loss Consolidated for the Period	28,369	76,982	27,102	84,022
3.11.01	Assigned to Partners of the Parent Company	28,368	76,981	27,102	84,021
3.11.02	Assigned to Non-Controlling Partners	1	1	0	1
3.99.01.01	ON	0.32	0.86	0.30	0.94
3.99.02.01	ON	0.32	0.86	0.30	0.94

Consolidated FSs /Income Statement per Nature

(Thousands of reais)

Account Code	Account Description	Current Quarter 07/01/2013 to 09/30/2013	Accumulated of Current financial year 01/01/2013 to 09/30/2013	Same Quarter of Previous financial year 07/01/2012 to 09/30/2012	Accumulated of Previous financial year 01/01/2012 to 09/30/2012
4.01	Net Profit Consolidated for the Period	28,369	76,982	27,102	84,022
4.03	Consolidated Comprehensive Income for the Period	28,369	76,982	27,102	84,022
4.03.01	Assigned to Partners of the Parent Company	28,370	76,981	27,102	84,021
4.03.02	Assigned to Non-Controlling Partners	(1)	1	-	1

Consolidated FSs / Cash Flow

(Thousands of reais)

Account Code	Account Description	Accumulated of Current financial year 01/01/203 to 09/30/2013	Accumulated of Previous financial year 01/01/2012 to 09/30/2012
6.01	Net Cash Operational Activities	73,754	69,713
6.01.01	Cash Generated by Operations	143,759	139,609
6.01.01.01	Income before income and social contribution	107,508	115,702
6.01.01.02	Depreciation, amortization and exhaustion	25,636	20,284
6.01.01.03	Result on discharge of fixed assets	(106)	384
6.01.01.04	Provision for credits of doubtful payment	623	966
6.01.01.05	Provision for risks	4,481	3,266
6.01.01.06	Reversal (provision) for sundry losses	3,676	1,153
6.01.01.07	Financial charges, monetary and exchange variation	(198)	(1,827)
6.01.01.08	Incomes from financial investments	(3,303)	(1,489)
6.01.01.10	Performance of anticipated expenses	1,647	1,226
6.01.01.11	Performance of anticipated revenues	-	(222)
6.01.01.12	Result of equity equivalence	3,795	166
6.01.02	Variations in assets e liabilities	(70,005)	(69,896)
6.01.02.01	Accounts receivable from Clients	(2,948)	(14,936)
6.01.02.02	Inventories	(29,809)	(26,343)
6.01.02.03	Taxes recoverable	(2,030)	(7,899)
6.01.02.05	Legal deposits	(2,228)	(2,691)
6.01.02.06	Other assets	(4,822)	(3,094)
6.01.02.07	Trade accounts payable	1,502	(405)
6.01.02.08	Tax obligations payable	3,763	2,995
6.01.02.09	Labor and Social Obligations	(64)	5,194
6.01.02.11	Other liabilities	3,040	3,336
6.01.02.12	Interest paid	(360)	(310)
6.01.02.13	Paid income tax and social contribution	(36,049)	(25,743)
6.02	Net Cash Investing Activities	(18,637)	(36,444)
6.02.01	Acquisition of fixed and intangible assets	(45,704)	(39,502)
6.02.02	Cash receipt from the sales of property, plant and equipment	415	188
6.02.04	Temporary investments	-	7,430
6.02.09	Investment Acquisition/Capital increase	(24,519)	(4,560)
6.02.10	Short-term investments	(213,451)	-
6.02.11	Redemption of short-term investments	264,622	-
6.03	Net Cash from Financing Activities	(63,500)	14,031
6.03.01	Capture of financings - third parties	124,267	187,975
6.03.05	Amortization of financing	(135,885)	(121,932)
6.03.06	Payments dividends and interest on equity	(51,882)	(52,012)
6.05	Increase (Decrease) in Cash and Cash Equivalents	(8,383)	47,300
6.05.01	Initial Balance of Cash and Cash Equivalents	16,656	42,333
6.05.02	Final Balance of Cash and Cash Equivalents	8,273	89,633

Consolidated FSs / Changes in Equity - 09/30/2013

(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	-	-	479,520	14	479,534
5.03	Initial Adjusted Balance	334,251	19,214	126,055	-	-	479,520	14	479,534
5.04	Transactions with Capital from the Partners	-	-	-	(53,683)	-	(53,683)	-	(53,683)
5.04.06	Dividends	-	-	-	(36,415)	-	(36,415)	-	(36,415)
5.04.07	Interest on equity	-	-	-	(17,268)	-	(17,268)	-	(17,268)
5.05	Total Comprehensive Result	-	-	-	76,982	-	76,982	2	76,984
5.05.01	Net Income for the Period	-	-	-	76,982	-	76,982	2	76,984
5.06	Internal Changes of Equity	-	-	-	-	-	-	-	-
5.06.01	Transfer to reserves	-	-	-	-	-	-	-	-
5.07	Final Balances	334,251	19,214	126,055	23,299	-	502,819	16	502,835

Consolidated FSs / Changes in Equity - 09/30/2012

(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	-	-	-	(53,682)	-	(53,682)	-	(53,682)
5.04.01	Capital Increase	-	-	-	-	-	-	-	-
5.04.02	Expenses on the issue of shares	-	-	-	-	-	-	-	-
5.04.03	Recognized Options Granted	-	-	-	-	-	-	-	-
5.04.04	Treasury Shares Acquired	-	-	-	-	-	-	-	-
5.04.05	Treasury Shares Sold	-	-	-	-	-	-	-	-
5.04.06	Dividends	-	-	-	(35,347)	-	(35,347)	-	(35,347)
5.04.07	Interest on equity	-	-	-	(18,335)	-	(18,335)	-	(18,335)
5.05	Total Comprehensive Result	-	-	-	84,021	-	84,021	-	84,021
5.05.01	Net Income for the Period	-	-	-	84,021	-	84,021	-	84,021
5.06	Internal Changes of Equity	-	-	(3)	-	-	(3)	1	(2)
5.06.01	Transfer to reserves	-	-	(3)	-	-	(3)	1	(2)
5.07	Final Balances	334,251	18,573	85,266	30,339	-	468,429	14	468,443

Consolidated FSs / Added Value

(Thousands of reais)

Account Code	**Account Description**	**Accumulated of Current financial year 01/01/2013 to 09/30/2013**	**Accumulated of Previous financial year 01/01/2012 to 09/30/2012**
7.01	Revenues	935,488	843,203
7.01.01	Sales of goods, products and services	901,524	842,577
7.01.02	Other revenues	34,549	1,731
7.01.04	Provision / Reversal of creds. Doubtful Settlement	(585)	(1,105)
7.02	Inputs Purchased From Third Parties	(548,099)	(489,481)
7.02.01	Costs Prods., Mercs. and servs. Sold	(403,216)	(398,802)
7.02.02	Materials, energy and services from third parties and oth	(136,435)	(82,569)
7.02.03	Loss / Recovery of asset values	(4,922)	(5,069)
7.02.04	Other	(3,526)	(3,041)
7.03	Gross Added Value	387,389	353,722
7.04	Retentions	(25,636)	(20,284)
7.04.01	Depreciation, amortization and exhaustion	(25,636)	(20,284)
7.05	Net added value produced	361,753	333,438
7.06	Added value received in transfer	31,572	41,454
7.06.01	Result of equity equivalence	(3,795)	166
7.06.02	Financial income	33,918	40,040
7.06.03	Other	1,449	1,248
7.07	Total Added Value To Distribute	393,325	374,892
7.08	Distribution Of Value Added	393,325	374,892
7.08.01	Personal	138,423	117,634
7.08.01.01	Direct compensation	88,373	73,523
7.08.01.02	Benefits	42,430	37,338
7.08.01.03	F.G.T.S.	7,620	6,773
7.08.02	Taxes, fees and contributions	126,824	115,571
7.08.02.01	Federal	90,266	83,977
7.08.02.02	State	34,986	30,578
7.08.02.03	Municipal	1,572	1,016
7.08.03	Remuneration of capital from third parties	51,096	57,666
7.08.03.01	Interest	36,484	30,152
7.08.03.02	Rentals	14,612	27,420
7.08.03.03	Other	0	94
7.08.04	Remuneration of own capital	76,982	84,021
7.08.04.01	Interest on equity	17,268	18,335
7.08.04.02	Dividends	36,415	35,347
7.08.04.03	Retained Profit/Loss for the Period	23,299	30,339

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.

Eternit S.A.

Balance sheets
September 30, 2013 and December 31, 2012
(In thousands of reais)

	Note	Company		Consolidated	
		09/30/2013	12/31/2012	09/30/2013	12/31/2012
Assets					
Current assets					
Cash and cash equivalents	4	**4,865**	3,852	**8,273**	16,656
Short-term investments	5	**10,173**	48,612	**31,062**	78,930
Trade accounts receivable	6	**85,918**	79,158	**179,914**	177,982
Inventories	7	**97,417**	81,925	**156,474**	127,560
Taxes recoverable	8	**11,476**	11,167	**15,073**	13,881
Related parties	10	**31,056**	21,648	**-**	-
Other current assets		**5,723**	4,439	**14,176**	11,022
Total current assets		**246,628**	250,801	**404,972**	426,031
Noncurrent assets					
Judicial deposits		**8,731**	6,640	**15,275**	13,047
Taxes recoverable	8	**21,952**	21,114	**24,874**	24,534
Deferred income and social contribution taxes	20.b	**21,828**	19,994	**55,950**	51,820
Transactions with related parties	10	**7,557**	7,214	**-**	-
Investments	9	**246,073**	221,916	**33,752**	13,029
Property, plant and equipment	11	**144,213**	123,060	**272,473**	252,457
Intangible assets	12	**1,924**	2,514	**25,786**	26,040
Other noncurrent assets		**489**	440	**3,211**	3,162
Total noncurrent assets		**452,767**	402,892	**431,321**	384,089
Total assets		**699,395**	653,693	**836,293**	810,120

	Note	Company		Consolidated	
		09/30/2013	**12/31/2012**	**09/30/2013**	**12/31/2012**
Liabilities and equity					
Current liabilities					
Trade accounts payable	13	**29,732**	30,417	**50,334**	48,968
Transaction with related parties	10	**7,087**	8,281	**-**	-
Loans and financing	14	**7,102**	1,519	**40,717**	55,839
Provisions and social charges	15	**17,489**	17,310	**34,874**	34,938
Dividends and Interest on equity payable	18.e	**17,836**	18,133	**17,836**	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	**13,025**	11,801	**36,521**	36,932
Other current liabilities		**3,857**	2,344	**13,891**	10,358
Total current liabilities		**97,773**	91,450	**197,426**	208,094
Non-current liabilities					
Provision for future benefits to former employees	17.b	**19,510**	18,263	**31,773**	30,019
Loans and financing	14	**14,912**	7,266	**27,497**	24,107
Transactions with related parties	10	**28,549**	27,252	**-**	-
Provision for tax, civil, and labor risks	21	**25,721**	22,657	**55,597**	51,116
Taxes, charges and contributions payable	16	**10,111**	7,285	**11,985**	8,139
Environmental restoration of degraded mining areas	30	**-**	-	**8,643**	8,201
Other noncurrent liabilities		**-**	-	**537**	910
Total noncurrent liabilities		**98,803**	82,723	**136,032**	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 shares		**(174)**	(174)	**(174)**	(174)
Income reserves		**126,055**	126,055	**126,055**	126,055
Retained earnings		**23,299**	-	**23,299**	-
Net equity attributable to non-minority shareholders		**502,819**	479,520	**502,819**	479,520
Minority shareholders		**-**	-	**16**	14
Total equity		**502,819**	479,520	**502,835**	479,534
Total liabilities and equity		**699,395**	653,693	**836,293**	810,120

See accompanying notes.

Eternit S.A.

Income statements

Three and nine-month periods ended September 30, 2013 and 2012

(In thousands of reais -R$, except earnings per share)

	Note	Company				Consolidated			
		3Q13	3Q12	09/30/2013	09/30/2012	3Q13	3Q12	09/30/2013	09/30/2012
Net operating revenue	23	**134,366**	119,604	**374,316**	338,577	**251,371**	229,788	**704,134**	651,057
Cost of goods sold	24	**(98,679)**	(87,522)	**(273,453)**	(240,812)	**(148,468)**	(132,033)	**(417,757)**	(367,346)
Gross profit		**35,687**	32,082	**100,863**	97,765	**102,903**	97,755	**286,377**	283,711
Operating income (expenses)									
Selling expenses	24	**(14,529)**	(14,195)	**(43,030)**	(40,722)	**(28,533)**	(30,425)	**(84,741)**	(83,283)
General and administrative expenses	24	**(11,172)**	(7,977)	**(34,296)**	(31,885)	**(25,576)**	(22,271)	**(74,026)**	(75,052)
Management compensation	24	**(4,880)**	(6,387)	**(8,871)**	(9,663)	**(5,272)**	(7,268)	**(10,840)**	(12,027)
Other operating income (expenses), net	25	**(568)**	(736)	**(2,916)**	(2,368)	**(126)**	405	**(2,900)**	(2,737)
Equity pickup	9	**24,361**	23,450	**66,413**	68,055	**(2,053)**	(166)	**(3,795)**	(166)
Total operating income (expenses)		**(6,788)**	(5,845)	**(22,700)**	(16,583)	**(61,560)**	(59,725)	**(176,302)**	(173,265)
Financial expenses	26	**(6,235)**	(1,962)	**(12,967)**	(6,729)	**(15,529)**	(7,218)	**(36,485)**	(27,641)
Financial income	26	**5,189**	2,747	**10,496**	9,573	**14,731**	7,712	**33,918**	32,897
Financial income (expenses), net		**(1,046)**	785	**(2,471)**	2,844	**(798)**	494	**(2,567)**	5,256
Income before income and social contribution taxes		**27,853**	27,022	**75,692**	84,026	**40,545**	38,524	**107,508**	115,702
Income and social contribution taxes									
Current	20	**(544)**	(76)	**(544)**	2,086	**(14,097)**	(11,960)	**(34,656)**	(32,554)
Deferred	20	**1,061**	155	**1,834**	(2,091)	**1,921**	538	**4,130**	874
Net income for the period		**28,370**	27,101	**76,982**	84,021	**28,369**	27,102	**76,982**	84,022
Attributable to:									
Controlling interests		**28,370**	27,101	**76,982**	84,021	**28,370**	27,102	**76,981**	84,021
Noncontrolling interests		**-**	-	**-**	-	**(1)**	-	**1**	1
Net income for the period		**28,370**	27,101	**76,982**	84,021	**28,369**	27,102	**76,982**	84,022
Diluted earnings per share earnings per shares -Basic and diluted R$	18	**0.32**	0.30	**0.86**	0.94	**0.32**	0.30	**0.86**	0.94

See accompanying notes.

Eternit S.A.

Statements of comprehensive income
Three and nine-month periods ended September 30, 2013 and 2012
(In thousands of reais)

	Company				Consolidated			
	3Q13	**3Q12**	**09/30/2013**	**09/30/2012**	**3Q13**	**3Q12**	**09/30/2013**	**09/30/2012**
Net income for the period	**28,370**	27,101	**76,982**	84,021	**28,369**	27,102	**76,982**	84,022
Other comprehensive income	**-**	-	**-**	-	**-**	-	**-**	-
Comprehensive income for the period	**28,370**	27,101	**76,982**	84,021	**28,369**	27,102	**76,982**	84,022
Attributed to non-minority shareholders	**28,370**	27,101	**76,982**	84,021	**28,370**	27,102	**76,981**	84,021
Attributed to minority shareholders					**(1)**	**-**	**1**	1

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Eternit S.A.

Statements of changes in equity
Nine-month periods ended September 30, 2013 and 2012

			Capital reserve			Income reserves							
	Note	Capital	Investment grant	Premium on acquisition of shares	Treasury shares	Statutory	Legal	Retained profits	Retained earnings	Other comprehensiv e income	Total Company	Noncontrolling interests	Total equity
Balances 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		-	-	-	-	-	-	-	84,021	-	84,021	-	84,021
Set up of reserves		-	-	-	-	-	-	(3)	-	-	(3)	1	(2)
Allocation of net income:													
Interest on Equity (IOE) - R$0.205 per outstanding shares	18	-	-	-	-	-	-	-	(18,335)	-	(18,335)	-	(18,335)
Dividends – R$0.395 per outstanding shares	18	-	-	-	-	-	-	-	(35,347)	-	(35,347)	-	(35,347)
Balances at September 30, 2012		**334,251**	**18,724**	**23**	**(174)**	**16,223**	**19,863**	**49,180**	**30,339**	**-**	**468,429**	**14**	**468,443**
Balances 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		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**76,982**	**-**	**76,982**	**2**	**76,984**
Setting up of reserves	18	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**-**	**-**
Allocation of net income:													
Interest on equity - R$0.193 per outstanding share	18	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(17,268)**	**-**	**(17,268)**	**-**	**(17,268)**
Dividends – R$0.407 per outstanding share	18	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(36,415)**	**-**	**(36,415)**	**-**	**(36,415)**
Balances at September 30, 2013		**334,251**	**19,365**	**23**	**(174)**	**21,873**	**25,513**	**78,669**	**23,299**		**502,819**	**16**	**502,835**

See accompanying notes.

Eternit S.A.

Cash flow statements
Nine-month periods ended September 30, 2013 and 2012
(In thousands of reais)

	Note	Company 09/30/2013	Company 09/30/2012	Consolidated 09/30/2013	Consolidated 09/30/2012
Cash flows from operating activities					
Income before income and social contribution taxes		**75,692**	84,026	**107,508**	115,702
Adjustments to reconcile pre-tax income with net cash provided by (used in) operating activities:					
Equity pickup	9	**(66,413)**	(68,055)	**3,795**	166
Depreciation and amortization	11/12	**8,211**	8,897	**25,636**	20,284
Income from disposal of permanent assets	25	**(65)**	(47)	**(106)**	384
Provision for impairment of accounts receivables	6	**284**	324	**623**	966
Provision for tax, civil, and labor risks	21	**3,064**	2,129	4,481	3,266
Reversal of (provision for) sundry losses		**2,118**	427	**3,676**	1,153
Financial charges, monetary and foreign exchange variation		**1,526**	1,293	**(198)**	(1,827)
Short-term investment yield		**(1,814)**	(1,489)	**(3,303)**	(1,489)
Net changes in prepaid expenses		**1,165**	586	**1,647**	1,004
		23,768	28,091	**143,759**	139,609
(Increase) decrease in operating assets:					
Trade accounts receivable	6	**(7,220)**	(4,268)	**(2,948)**	(14,936)
Related parties – accounts receivable		**519**	61	**-**	-
Inventories	7	**(16,289)**	(13,752)	**(29,809)**	(26,343)
Taxes recoverable	8	**(1,136)**	(5,645)	**(2,030)**	(7,899)
Judicial deposits		**(2,091)**	(1,240)	**(2,228)**	(2,691)
Dividends received	9	**56,213**	52,808	**-**	-
Other assets		**(2,470)**	(1,903)	**(4,822)**	(3,094)
Increase (decrease) in operating liabilities					
Trade accounts payable	13	**(583)**	1,495	**1,502**	(405)
Related parties – accounts payable	10	**(1,194)**	(1,075)	**-**	-
Taxes, charges and contributions payable	16	**2,688**	4,714	**3,763**	2,995
Provisions and social charges		**179**	2,657	**(64)**	5,194
Other liabilities		**1,394**	1,449	**3,040**	3,336
Interest paid		**(231)**	(174)	**(360)**	(310)
Income and social contribution taxes paid		**(59)**	(718)	**(36,049)**	(25,743)
Net cash provided by (used in) operating activities		**53,488**	62,500	**73,754**	69,713
Cash flows from investing activities					
Loan from related party receivable	10	**(404)**	(6,226)	**-**	-
Cash receipt from the sales of property, plant and equipment	25	**354**	123	**415**	188
Additions to property, plant and equipment and intangible assets	11/12	**(29,063)**	(7,793)	**(45,704)**	(39,502)
Capital increase in subsidiaries	9	**(24,519)**	(4,560)	**(24,519)**	(4,560)
Temporary investments		**-**	7,430	**-**	7,430
Short-term investments		**(87,183)**	-	**(213,451)**	-
Redemption of short-term investments		**127,436**	-	**264,622**	-
Net cash used in investing activities		**(13,379)**	(11,026)	**(18,637)**	(36,444)
Cash flows from financing activities					
Loans and financing raised	14	**13,283**	4,679	**124,267**	187,975
Amortization of loans and financing	14	**(268)**	(2,662)	**(135,885)**	(121,932)
Loan with related party	10	**(229)**	(249)	**-**	-
Payments dividends and interest on equity		**(51,882)**	(52,012)	**(51,882)**	(52,012)
Net cash provided by (used in) financing activities		**(39,096)**	(50,244)	**(63,500)**	14,031
(Decrease) increase in cash and cash equivalents		**1,013**	1,230	**(8,383)**	47,300
(Increase (decrease) in cash and cash equivalents					
At beginning of period	4	**3,852**	21,352	**16,656**	42,333
At end of period	4	**4,865**	22,582	**8,273**	89,633
(Decrease) increase in cash and cash equivalents		**1,013**	1,230	**(8,383)**	**47,300**

See accompanying notes.

Eternit S.A.

Statements of value added
Nine-month periods ended September 30, 2013 and 2012
(In thousands of reais)

	Note	Company		Consolidated	
		09/30/2013	09/30/2012	09/30/2013	09/30/2012
Revenues					
Sales of goods, products and services	23	**507,746**	461,200	**901,524**	842,577
Other income		**318**	123	**34,549**	1,731
Provision for accounts receivable impairment losses of accounts receivable		**(290)**	(479)	**(585)**	(1,105)
Total		**507,774**	460,844	**935,488**	843,203
Inputs product from third parties					
Cost of products, goods and services sold		**(257,860)**	(251,749)	**(403,216)**	(398,802)
Materials, energy, third-party services and other expenses		**(83,838)**	(67,590)	**(136,435)**	(82,569)
Loss/recovery of assets		**(4,922)**	(5,070)	**(4,922)**	(5,069)
Other discounts, rebates and donations		**(2,693)**	(750)	**(3,526)**	(3,041)
		(349,313)	(325,159)	**(548,099)**	(489,481)
Gross value added		**158,461**	135,685	**387,389**	353,722
Depreciation, amortization and depletion	11/12	**(8,211)**	(8,897)	**(25,636)**	(20,284)
Net value added produced by the Company		**150,250**	126,788	**361,753**	333,438
Value added received in transfer					
Equity pickup	9	**66,413**	68,055	**(3,795)**	166
Financial income	26	**10,496**	9,573	**33,918**	40,040
Other		**1,923**	2,406	**1,449**	1,248
		78,832	80,034	**31,572**	41,454
Total value added to be distributed		**229,082**	206,822	**393,325**	374,892
Distribution of value added		**229,082**	206,822	**393,325**	374,892
Personnel:					
Direct compensation		**44,473**	40,719	**88,373**	73,523
Benefits		**22,769**	19,621	**42,430**	37,338
Government Severance Fund (FGTS)		**4,578**	3,890	**7,620**	6,773
		71,820	64,230	**138,423**	117,634
Taxes, charges and contributions					
Federal		**43,772**	36,759	**90,266**	83,977
State		**16,179**	9,623	**34,986**	30,578
Municipal		**1,029**	763	**1,572**	1,016
		60,980	47,145	**126,824**	115,571
Remuneration of third-party capital					
Interest income		**12,967**	6,729	**36,484**	30,152
Rent		**6,333**	4,697	**14,612**	27,514
		19,300	11,426	**51,096**	57,666
Equity remuneration:					
Dividends	18	**36,415**	35,347	**36,415**	35,347
Interest on equity	18	**17,268**	18,335	**17,268**	18,335
Retained profits	18	**23,299**	30,339	**23,299**	30,339
		76,982	84,021	**76,982**	84,021

See accompanying notes.

1. Operations

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

The Company and its subsidiaries (“Group”) is primarily engaged in 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 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 single 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 subsidiary, Eternit da Amazônia Ltda, located in the city of Manaus in Amazonas State, has the main business activity of performing input development research for the construction industry.

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 by the Company's Supervisory Board and Board of Directors on November 6, 2013, for disclosure on November 7, 2013.

The Company's interim financial information, contained in the Quarterly Financial Information Form (ITR) for the quarter ended September 30, 2013, comprises:

- The consolidated interim financial information prepared in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR).

- The Company´s individual interim financial information prepared in accordance with CPC 21 (R1) - Interim Financial Reporting and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR).

2. Summary of significant accounting practices (Continued)

2.1 Statement of compliance and basis for preparation (Continued)

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

The interim financial information was prepared based on historic cost, except for certain financial instruments measured at fair value, as described in the following accounting practices. 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.

Basis on consolidation 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 earn benefits from its activities.

The company management based on shareholder statutes and agreements, controls the companies listed in Note 1 and therefore fully consolidated these entities except for Companhia Sulamericana de Cerâmica S.A. (CSC) which is considered based on the parameters described in prior paragraph as an unconsolidated jointly-controlled subsidiary given that its income is considered in the consolidated interim financial information based on the equity method as provided for in CPC 19 (R2) (IFRS 11).

2. Summary of significant accounting practices (Continued)

2.2. Basis of consolidation and investments in subsidiaries (Continued)

Noncontrolling interests of wholly-consolidated companies are carried in the consolidated income statements and in the statements of changes in equity.

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

The main consolidation adjustments include the following eliminations:

- Asset and liability balances as well as revenues and expenses between the parent company and subsidiaries in such a way that the consolidated financial information represents the effective balances receivables and payable to third parties.

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

The fiscal year of subsidiaries included in the consolidation is the same of the Company and the accounting practices were consistently applied to those used by the Company and are consistent with those used in prior year. All intercompany balances and transactions were fully eliminated upon consolidation. Transactions between the parent and the subsidiaries are carried out according to the conditions established by and between the parties.

Profit and Loss of subsidiaries acquired or disposed of 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 fully eliminated from the consolidated interim financial information.

2. Summary of significant accounting practices (Continued)

2.3. Reclassification for comparison purposes

In order to improve the information presented in the financial statements and to ensure better comparison between balances, the Company made the following reclassifications in the balances at December 31, 2012, the balance in trade accounts payable under noncurrent liabilities, amounting to R$8,281 - Company, was reclassified to Related parties in current liabilities. Certain amounts were reclassified to improve the information presented in the cash flow statements and statements of value added. The amounts reclassified were not material

2.4. Standards and interpretations and amendments to standards

a) Standards, amendments and interpretations of existing standards with first time adoption 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. The IFRS 10 replaces the consolidation requirements of SIC-12 Consolidation of Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. Adoption of this IFRS had no significant effect on the reported amounts for the quarter and prior year.

- IFRS 11 Joint Arrangements

IFRS 11 provides for a more realistic approach to joint arrangements, focusing on their rights and obligations, rather than on their legal business form. The standard addresses inconsistencies in the treatment to joint arrangements, and requires application of a single method to address jointly-controlled entities, through equity pickup. IFRS 13 superseded IAS 31 - Interests in Joint Ventures and SIC-13 - Jointly-Controlled Entities - Non-Monetary Contributions by Ventures. Significant effects arising from the adoption of IFRS 11 will be the end of proportional consolidation, a fact which will not impact the Company´s consolidated. Adoption of this IFRS had no significant effect on the reported amounts for the quarter and prior year.

2. Summary of significant accounting practices (Continued)

2.4. Standards and interpretations and amendments to standards (Continued)

a) Standards, amendments and interpretations of existing standards with first time adoption from January 1, 2013 (Continued)

- IFRS 12 Disclosures of Interest in Other Entities

  IFRS 12 is a new comprehensive standard on requirements to disclose all types of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. Adoption of this IFRS had no significant effect on the reported amounts for the quarter and prior year.

- IFRS 13 – Fair Value Measurement

  IFRS 13 replaces and consolidates all guidelines and requirements related to fair value measurement contained in the other IFRS pronouncements into a single pronouncement. It also defines fair value and provides guidance as 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 had no significant effect on the reported amounts for the current quarter and prior year.

- Amendments to IAS 1 - Presentation of Financial Statements

  IAS 1 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 had no significant effect on the reported amounts for the current quarter and prior year.

- Amendments to IAS 16 - Property, Plant and Equipment

  This improvement clarifies that the main spare parts and servicing equipment that meet the property, plant and equipment definition do not represent inventories. Adoption of this IAS had no significant effect on the reported amounts for the current quarter and prior year.

2. Summary of significant accounting practices (Continued)

2.4. Standards and interpretations and amendments to standards (Continued)

a) Standards, amendments and interpretations of existing standards with first time adoption from January 1, 2013 (Continued)

- Amendments to IAS 19 - Employee Benefits

  Elimination of the corridor approach, with actuarial gains or losses 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 over the year.

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

  As a result of the latest IFRS 10 and IFRS 12, the remaining of IAS 27 is limited to accounting of subsidiaries, joint-controlled entities, and associates in the separate financial statements. Adoption of this IFRS had no significant effect on the reported amounts for the current quarter and prior year.

- IAS 28 – Investments in Associates and Joint Ventures (Amended in 2011)

  As a result of the latest IFRS 10 and IFRS 12, the remaining of IAS 28 is limited to accounting of subsidiaries, joint-controlled entities, and associates in the separate financial statements. Adoption of this IFRS had no significant effect on the reported amounts for the current quarter and prior year.

2. Summary of significant accounting practices (Continued)

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

- IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

  These amendments explain the meaning of "currently have a legally enforceable right of set-off". The amendments also explain the adoption of the offset criteria of IAS 32 for the settlement systems (such as the clearing house systems), which apply gross mechanisms of settlement that are not simultaneous. These amendments shall not have an impact on the Company's financial position, performance or disclosures.

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

- IFRS 9 - Financial Instruments - Classification and Measurement

  IFRS 9 completes the first part of project to replace "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 the entity manages its financial instruments and the contractual cash flow characteristic of its financial assets. IFRS 9 further requires adoption of only one method to determine impairment of assets.

The Group intends to adopt standards IAS 32 and IFRS 9 when they become effective, disclosing and recognizing the impacts on 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 Brazilian Financial Accounting Standards Board - FASB ("CPC") has not yet issued the related pronouncements and amendments to standards IAS 32 and IFRS 9. As a consequence of the commitment from the Brazilian FASB (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 issued by the Brazilian FASB (CPC) and approved by the CVM until the date of their mandatory application.

(In thousands of reais - R$, except when otherwise stated)

2. Summary of significant accounting practices (Continued)

There are no other standards and interpretations issued but not yet adopted that may, in the opinion of management, significantly impact the Group's disclosed net income or equity.

3. Significant accounting judgments and sources of uncertainties in estimates

When applying Group's accounting practices, management must make judgments and prepare estimates related to the book values of assets and liabilities not easily obtained from other sources. The estimates and respective assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

Accounting estimates and assumptions are periodically evaluated and are based on historical experience among other factors, including expected future events considered reasonable in the circumstances. Such estimates and assumptions may differ from actual results, and 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 values 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 impairment of goodwill, it is necessary to estimate the value in use of cash-generating units to which the goodwill has been allocated. Calculation of value in use requires management to estimate expected future cash flows from cash-generating units and an appropriate discount rate for calculating the present value.
No evidence of goodwill impairment was identified.

	Consolidated	
Subsidiary	**09/30/13**	**12/31/12**
Sama	**16,559**	16,559
Tégula	**3,436**	3,436
	19,995	19,995

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

3.2. Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of property, plant and equipment items annually.

3.3. Income and social contribution taxes and other 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 historical profit and projected future taxable profit, based on a technical feasibility study.

3.4. Provision for tax, civil, and labor risks

The Group is party to various legal and administrative proceedings, as described in Note 21. Provisions are recorded for all litigation contingencies that represent probable and reliably estimated losses. Assessment of the probability of loss includes analysis of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the evaluation of legal advisors. Group management believes that these provisions for risks are correctly presented in the interim financial information.

3.5. Provision for future benefits to former employees

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

3.6. Provision for environmental restoration of degraded mining areas

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 its environmental programs and resorts to external specialists, when required.

(In thousands of reais - R$, except when otherwise stated)

4. Cash and cash equivalents

	Company		Consolidated	
	09/30/13	**12/31/12**	**09/30/13**	**12/31/12**
Cash and banks	**4,865**	1,801	**6,227**	3,585
Investment in bank deposit certificates (repurchase agreements)	**-**	2,051	**2,046**	13,071
Total	**4,865**	3,852	**8,273**	16,656

At September 30, 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	
	09/30/13	**12/31/12**	**09/30/13**	**12/31/12**
Investment funds (i)	**10,173**	31,873	**31,062**	62,191
Temporary Investment funds (ii)	**-**	16,739	**-**	16,739
Total	**10,173**	48,612	**31,062**	78,930

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

(i) The investments are immediately redeemable as there is no grace period for the redemption of the shares. Shares 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 - R$, except when otherwise stated)

6. TRADE ACCOUNTS RECEIVABLE

	Company		Consolidated	
	09/30/2013	12/31/2012	09/30/2013	12/31/2012
Trade accounts receivable	**89,849**	82,728	**134,261**	124,241
Trade accounts receivable from foreign customers	**-**	-	**54,053**	61,228
(-) Present value adjustment	**(504)**	(328)	**(1,362)**	(969)
Provision for impairment of accounts receivables	**(3,427)**	(3,242)	**(7,038)**	(6,518)
Total	**85,918**	79,158	**179,914**	177,982

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

Aging of trade accounts receivable

	Company		Consolidated	
	09/30/2013	12/31/2012	09/30/2013	12/31/2012
Falling due	**81,207**	75,208	**163,919**	162,284
Overdue:				
Within 30 days	**937**	3,569	**6,810**	13,094
From 30 to 60 days	**25**	225	**549**	1,480
Above 60 days	**3,749**	156	**8,636**	1,124
	85,918	79,158	**179,914**	177,982

Changes in provision for impairment of accounts receivables

	Company		Consolidated	
	09/30/2013	12/31/2012	09/30/2013	12/31/2012
Opening balance	**(3,242)**	(2,832)	**(6,518)**	(6,470)
Addition	**(357)**	(572)	**(727)**	(1,546)
Reversal	**73**	6	**104**	581
Write-off	**99**	156	**103**	917
Total	**(3,427)**	(3,242)	**(7,038)**	(6,518)

(In thousands of reais - R$, except when otherwise stated)

7. Inventories

	Company		Consolidated	
	09/30/13	**12/31/12**	**09/30/13**	**12/31/12**
Finished products	**45,055**	35,082	**80,751**	59,957
Semi-finished products	**-**	-	**1,901**	2,757
Resale	**13,651**	20,862	**18,412**	26,005
Raw materials	**34,742**	22,117	**35,643**	21,110
Ancillary materials	**4,766**	3,864	**21,597**	18,666
(-) Provision for losses (*)	**(797)**	-	**(1,830)**	(935)
	97,417	81,925	**156,474**	127,560

(*) The matching entry for the provision for losses is recorded in the heading "Cost of sales" in the income statement.

Changes in provision for inventory losses	**Company**	**Consolidated**
Balance at January 1, 2012	-	(739)
(+) Supplemental provision for the year	-	(196)
Balance at December 31, 2012	-	(935)
(+) Supplemental provision for the period	(797)	(895)
Balance at September 30, 2013	**(797)**	**(1,830)**

(In thousands of reais - R$, except when otherwise stated)

8. Taxes recoverable

	Company		Consolidated	
	09/30/13	**12/31/12**	**09/30/13**	**12/31/12**
Current:				
State Value-Added Tax (ICMS)	**958**	1,067	**1,898**	1,946
Withholding Income Tax (IRRF)	**764**	284	**958**	518
Corporate Income Tax (IRPJ)	**3,459**	4,862	**3,986**	5,650
Social Contribution Tax on Net Profit (CSLL)	**1,506**	1,415	**1,624**	1,602
IRRF on interest on equity	**3,011**	2,169	**3,011**	2,169
FOMENTAR fund - ICMS (*)	**1,011**	729	**1,011**	729
Contribution Tax on Gross Revenue for Social Security Financing (COFINS) and other	**767**	641	**2,585**	1,267
	11,476	11,167	**15,073**	13,881
Noncurrent:				
ICMS	**1,116**	840	**4,038**	4,260
IRRF	**13,258**	13,004	**13,258**	13,004
IRPJ	**7,578**	7,206	**7,578**	7,206
Other	**-**	64	**-**	64
	21,952	21,114	**24,874**	24,534

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

9. Investments

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

Subsidiaries	**Company (%) Interest and voting capital held**	
	09/30/13	**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**
Eternit da Amazônia (iii)	**99.99**	**-**

(i) Joint ventures;
(ii) Indirect subsidiary;
(iii) Venture in pre-operating phase.

(In thousands of reais - R$, except when otherwise stated)

9. **Investments** (Continued)

Summary of main information about subsidiaries and joint venture is as follows:

Subsidiary	Location	Business activity
Sama	Minaçu/GO	Mining and processing of chrysotile asbestos ore
Engedis	Minaçu/GO	No business activity.
Precon	Anápolis/GO	Manufacturing and sale of fiber cement products and devices.
Prel	São Paulo/SP	Holds interest in manufacturing and commercial companies, among others.
Wagner	São Paulo/SP	No economic activity.
Wagner da Amazônia	São Paulo/SP	No business activity.
Tégula	Atibaia/SP	Manufacturing and sale of concrete roof tiles and accessories.
Companhia Sul Americana de Cerâmica	Porto de Caucaia/CE	The joint venture Companhia Sulamericana de Cerâmica, located in the city of Caucaia, Ceará stated, is primarily engaged in the import, manufacturing, sale, export and distribution of sanitary wares and related accessories in general.
Eternit da Amazônia	Manaus/AM	Research and development and inputs for construction materials. The Company did not start up until the quarter ended September 30, 2013.

Investment breakdown:

	Company						
	Precon	**Prel**	**Sama**	**CSC**	**Tégula**	**Wagner**	**Total**
Investments	**18,608**	**9,924**	**89,925**	**33,752**	**73,261**	**4,044**	**229,514**
Goodwill	**-**	**-**	**16,559**	**-**	**-**	**-**	**16,559**
Balance at September 30, 2013	**18,608**	**9,924**	**106,484**	**33,752**	**73,261**	**4,044**	**246,073**

(In thousands of reais - R$, 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
Incorporation of jointly-controlled subsidiary	**-**	**-**	**-**	13,560	-	-	13,560
Capital contribution	-	-	-	-	17,000	-	17,000
December 31, 2012	17,578	7,821	107,183	13,029	72,246	4,059	221,916
Dividends	**(5,385)**	**-**	**(57,153)**	**-**	**-**	**-**	**(62,538)**
Interest on equity	**(659)**	**-**	**(3,578)**	**-**	**-**	**-**	**(4,237)**
Equity pickup	**7,074**	**2,136**	**60,039**	**(3,796)**	**1,022**	**(15)**	**66,460**
Supplementary monetary restatement - IFRS	**-**	**(33)**	**(7)**	**-**	**(7)**	**-**	**(47)**
Capital contribution	**-**	**-**	**-**	**24,519**	**-**	**-**	**24,519**
September 30, 2013	**18,608**	**9,924**	**106,484**	**33,752**	**73,261**	**4,044**	**246,073**

The balance of investments in the consolidated interim financial information at September 30, 2013, amounting to R$33,752 (R$13,029 at December 31, 2012), refers to the investment in the jointly-controlled company CSC.

The balances of subsidiaries at September 30, 2013 is as follows:

	Precon	Prel	Sama	CSC	Tégula	Wagner
Assets	**38,678**	**10,096**	**256,113**	**93,105**	**104,197**	**5,616**
Liabilities	**20,068**	**170**	**160,401**	**36,851**	**30,930**	**1,565**
Equity	**18,610**	**9,926**	**95,712**	**56,254**	**73,267**	**4,051**
Operating revenue, net	**48,582**	**-**	**286,522**	**-**	**64,434**	**-**
Net income (loss) for the period	**7,074**	**2,103**	**60,726**	**(6,326)**	**1,015**	**(15)**

(In thousands of reais - R$, except when otherwise stated)

10. Related parties

a) Company balances and related parties

	Company	
	09/30/13	**12/31/12**
Balances:		
Current assets		
Accounts receivable:		
Precon (i) and (ii)	**876**	1,376
Sama (ii)	**326**	132
Tégula (i) and e (ii)	**74**	269
Wagner (ii)	**-**	18
	1,276	1,795
Dividends and interest on equity receivable:		
Sama	**23,131**	15,396
Prel	**-**	702
Precon	**5,943**	3,038
Tégula	**706**	706
Wagner	**-**	11
	29,780	19,853
	31,056	21,648
Noncurrent assets (loan - Tégula) (iii)	**7,557**	7,214
Current liabilities		
Trade accounts payable (i)		
Sama	**6,978**	8,174
Other accounts payable		
Prel	**83**	83
Sama	**26**	23
Tégula	**-**	1
	7,087	8,281
Noncurrent liabilities (iii)		
Loan		
Sama	**28,549**	27,252
Total	**28,549**	27,252

(i) There are purchases and sales between related parties, therefore the balances refer to supply 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 reimbursement of expenses with no predetermined maturity.

(iii) These refer to intercompany loans subject to Tax on Financial Transactions (IOF), IRRF and variation of 100% of the CDI rate, for repayment within 24 months from the loan agreement execution date, term which may be extended for further 24 months.

(In thousands of reais - R$, except when otherwise stated)

10. Related parties (Continued)

a) Company balances and related parties (Continued)

	Company	
	09/30/13	**09/30/12**
Transactions:		
Sales:		
Precon	**8,201**	8,640
Tégula	**272**	153
Total	**8,473**	8,793
Purchases:		
Sama	**53,551**	56,733
Discounts obtained - Sama	**-**	122
Administrative expenses - Prel	**750**	465
Total	**54,301**	57,320
Interest on loan:		
Expense - Sama	**1,525**	1,673
Total	**1,525**	1,673
Income:		
Interest on loan - Tégula	**404**	726
Interest on Equity (IOE):		
Sama	**3,579**	3,903
Precon	**658**	479
Tégula	**-**	2,008
Total	**4,641**	7,116

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

At September 30, 2013, and December 31, 2012, there were no outstanding guarantees with related parties and no provisions for impairment of accounts receivable from related parties.

(In thousands of reais - R$, except when otherwise stated)

10. Related parties (Continued)

b) Key management personnel compensation

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

	Company		Consolidated	
	09/30/2013	09/30/2012	09/30/2013	09/30/2012
Salaries, fees and benefits	**3,384**	2,836	**4,013**	3,639
Social charges	**1,026**	1,412	**1,238**	1,875
Profit sharing	**4,261**	5,140	**5,264**	6,121
Post-employment benefits	**200**	275	**325**	392
Total	**8,871**	9,663	**10,840**	12,027

The Group's Board of Directors approved an incentive plan for the purchase of Company shares by the Executive Board. The Group grants additional bonus, as profit sharing, to officers that invest up to 100% of their net profit sharing for the purchase of Company shares. This supplemental 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 10% may only be sold upon officer's dismissal/retirement. Share purchase and sale guidelines in CVM Rule No. 358/02 must also be met by the Executive Board.

At the quarter ended September 30, 2013, the Executive Board held 1,372,655 shares - ETER3 (1,369,755 shares - ETER3 at December 31, 2012).

(In thousands of reais - R$, unless otherwise stated)

11. Property, plant and equipment

PP&E

	Company									
	Land	**Buildings and improvements**	**Machinery and equipment**	**Tooling and molds**	**Facilities**	**Vehicles**	**Furniture and fixtures**	**IT equipment**	**Construction in progress**	**Total**
Cost										
Balances 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)	-
Balances at December 31, 2012	701	32,165	94,939	12,877	77,109	3,578	5,109	3,372	12,717	242,567
Additions	-	-	-	-	-	-	-	-	29,036	29,036
Write-offs	-	-	(379)	-	(272)	(791)	(36)	(90)	-	(1,568)
Transfers	-	173	3,299	9	369	-	324	407	(4,581)	-
Balances at September 30, 2013	701	32,338	97,859	12,886	77,206	2,787	5,397	3,689	37,172	270,035
Annual average depreciation rates	-	4%	8,6%	15%	10%	20%	10%	20%	-	-
Accumulated depreciation										
Balances 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
Balances at December 31, 2012	-	(18,631)	(44,152)	(8,651)	(40,643)	(2,531)	(2,310)	(2,589)	-	(119,507)
Additions	-	(538)	(1,296)	(832)	(4,141)	(220)	(332)	(235)	-	(7,594)
Write-offs	-	-	358	-	72	734	26	89	-	1,279
Balances at September 30, 2013	-	(19,169)	(45,090)	(9,483)	(44,712)	(2,017)	(2,616)	(2,735)	-	(125,822)
Net book 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
At September 30, 2013	701	13,169	52,769	3,403	32,494	770	2,781	954	37,172	144,213

(In thousands of reais - R$, unless otherwise stated)

11. Property and equipment (Continued)

	Consolidated													
	Land	Buildings and improvements	Machinery and equipment	Excavator equipment	Tooling and molds	Facilities	Vehicles	Off-road vehicles	Furniture and Fixtures	IT equipment	Renovation mining areas	Mineral resources	Construction in progress	Total
Cost														
Balances 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)	-
Balances 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	-	278	3,043	-	51	112	129	-	820	94	-	-	40,261	44,788
Write-offs	-	-	(760)	-	(215)	(272)	(851)	-	(430)	(222)	-	-	-	(2,750)
Transfers	-	173	6,953	1,812	263	4,722	239	259	953	766	-	-	(16,140)	-
Balances at September 30, 2013	4,084	81,036	190,728	26,422	26,578	212,960	24,568	4,539	16,709	8,152	5,778	13,387	40,191	655,132
Annual average depreciation rates	-	4%	8,6%	28,4%	15%	10%	20%	25%	10%	20%	2,9%	5,3%	-	-
Accumulated depreciation														
Balances 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	-	-	-	-	-	-	-	-	-
Balances 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	-	(1,309)	(3,119)	(3,118)	(2,009)	(8,195)	(4,323)	(139)	(1,121)	(487)	(124)	(522)	-	(24,466)
Write-offs	-	-	740	-	209	72	794	-	415	214	-	-	-	2,444
Transfers	-	-	31	-	-	-	-	-	(31)	-	-	-	-	-
Balances at September 30, 2013	-	(47,535)	(103,886)	(18,152)	(19,335)	(155,616)	(15,390)	(3,995)	(8,287)	(6,113)	(949)	(3,401)	-	(382,659)
Net book 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
At September 30, 2013	4,084	33,501	86,842	8,270	7,243	57,344	9,178	544	8,422	2,039	4,829	9,986	40,191	272,473

Due to legal proceedings, subsidiary Sama gave in warranty PP&E items (machinery and equipment) in the net book value of R$1,272.

(In thousands of reais - R$, unless 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)
Transfer	436	(436)	-
Balance at December 31, 2012	7,185	11	7,196
Additions	27	-	27
Balance at September 30, 2013	7,212	11	7,223
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	(617)	-	(617)
Balance at September 30, 2013	(5,299)	-	(5,299)
Net book value			
Balance at January 1, 2012	2,842	11	2,853
Balance at December 31, 2012	2,503	11	2,514
Balance at September 30, 2013	1,913	11	1,924

(In thousands of reais - R$, unless 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	134	-	210	572	-	916
Write-offs	(1)	-	-	-	-	(1)
Transfers	572	-	-	(572)	-	-
Balance at September 30, 2013	13,848	19,995	1,366	-	75	35,284
Useful life (in years)	5					
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	(1,170)	-	-	-	-	(1,170)
Write-offs	1	-	-	-	-	1
Balance at September 30, 2013	(9,497)	-	-	-	(1)	(9,498)
Net book 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 September 30, 2013	4,351	19,995	1,366	-	74	25,786

(In thousands of reais - R$, unless otherwise stated)

13. Trade accounts payable

	Company		Consolidated	
	09/30/13	**12/31/12**	**09/30/13**	**12/31/12**
Domestic market	**18,793**	22,473	**39,184**	40,615
Foreign market	**11,153**	8,056	**11,425**	8,492
(-) Present value adjustment (domestic/foreign market)	**(214)**	(112)	**(275)**	(139)
Total	**29,732**	30,417	**50,334**	48,968

14. Loans and financing

	Company		Consolidated	
	09/30/13	**12/31/12**	**09/30/13**	**12/31/12**
Current:				
Loans and financing (a), (d) (e) and (f)	**7,102**	1,519	**14,984**	9,091
Advance on Export Contracts - ACE (b)	**-**	-	**25,733**	26,319
Advances on Exchange Contracts - ACC (c)	**-**	-	**-**	20,429
	7,102	1,519	**40,717**	55,839
Noncurrent:				
Loans and financing (a), (d) (e) and (f)	**14,912**	7,266	**27,497**	24,107
Total	**22,014**	8,785	**68,214**	79,946
Noncurrent repayment schedule:				
2014	**7,603**	7,202	**9,317**	13,756
2015	**6,853**	37	**12,809**	5,471
2016	**213**	22	**3,855**	3,513
2017	**243**	5	**1,516**	1,367
Total	**14,912**	7,266	**27,497**	24,107

(a) The financing taken out from BNDES/Finame for the purchase of vehicles (trucks) at average interest rate of 6.171% and 4.430% p.a. plus Long-Term Interest Rate (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$2.2803 and restated by the current exchange rate of R$2.23 at September 30, 2013. The average PRIME lending rate is of 3.25% p.a. and, owing to the characteristics of the transaction; such advances mature within 360 days. The Company is guarantor of part of the ACE operations of subsidiary SAMA, the value of which at September 30, 2013, was R$25,733.

(c) Avances on Exchange Contracts (ACC) which were taken out to increase working capital of subsidiary SAMA, 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$2.23 at September 30, 2013 maturing within 24 months, with monthly amortization and payment of annual interest. At September 30, 2013, all obligations specified in the agreement were met.

(e) The Company raised Finimp 6 financing for the acquisition of machinery and equipment for operating activities at an interest rate of 2.936% p.a., referring to the PTAX US Dollar rate of 1.9902 and restated at the current rate of R$2.23 at September 30, 2013 maturing within 36 months, with monthly amortization and payment of annual interest. At September 30, 2013, all obligations specified in the agreement were met.

(In thousands of reais - R$, unless otherwise stated)

14. Loans and financing (Continued)

(f) The Company took out FINAME 13 to 22 financing for acquisition of machinery and equipment for operating activities at an interest rate of 3% p.a., maturing within 48 months, with monthly amortization and payment of annual interest. At September 30, 2013, all obligations specified in the agreement were met.

15. Provisions and social charges

	Company		Consolidated	
	09/30/13	**12/31/12**	**09/30/13**	**12/31/12**
13th monthly salary	**3,865**	-	**7,135**	-
Vacation pay	**6,447**	6,699	**12,478**	12,291
Employees' profit sharing (a)	**4,795**	4,680	**11,003**	14,388
Unemployment Compensation Fund (FGTS)	**445**	537	**697**	995
Social Security Tax (INSS)	**1,843**	1,832	**3,281**	3,227
Salaries	**93**	-	**94**	-
Private pension plan (b)	-	3,557	**178**	3,985
Union dues	**1**	5	**8**	52
Total	**17,489**	17,310	**34,874**	34,938

(a) Employees' profit sharing

The Group grants employees' profit sharing which is calculated in accordance with the agreement entered into by Group companies with the Labor Union. Profit sharing expenses are as follows:

	Employees' profit sharing	
	09/30/13	**09/30/12**
Company	**5,715**	5,511
Consolidated	**11,766**	11,145

(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 - R$, unless otherwise stated)

16. Taxes, charges and contributions payable

	Company		Consolidated	
Current:	09/30/13	12/31/12	09/30/13	12/31/12
Income taxes				
Corporate Income Tax (IRPJ)	**-**	-	**11,990**	14,101
Social Contribution Tax on Net Profit (CSLL)	**79**	-	**3,206**	3,402
Other taxes				
State VAT (ICMS)	**7,143**	6,332	**10,632**	9,105
Federal VAT (IPI)	**2,306**	2,138	**2,672**	2,367
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	**1,894**	1,970	**3,747**	3,835
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	**382**	358	**785**	764
Withholding Income Tax (IRRF)	**1,054**	908	**1,505**	1,722
Financial Compensation for Exploration of Mineral Resources (CFEM)	**-**	-	**1,541**	1,358
Other	**167**	95	**443**	278
Total	**13,025**	11,801	**36,521**	36,932
Noncurrent:				
ICMS (*)	**10,111**	7,285	**11,985**	8,139

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

17. Provision for future benefits to former employees

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

At September 30, 2013, the Group presented a provision for actuarial liability referring to this plan in the amount of R$21,155 and R$35,026 - Company and consolidated respectively.

At September 30, 2013, the plan had 310 participants in the Company, and 527 in the Consolidated.

(In thousands of reais - R$, unless otherwise stated)

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

a) Main actuarial assumptions used to determine benefit 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	
	09/30/13	12/31/12	09/30/13	12/31/12
Balance at beginning of period	**19,908**	21,137	**32,945**	29,273
Expense incurred in the period	**(1,449)**	(2,499)	**(2,655)**	(3,933)
Provision supplementation, interest and service cost for the period	**2,696**	1,270	**4,736**	7,605
Book balance at end of period	**21,155**	19,908	**35,026**	32,945
Current	**1,645**	1,645	**3,253**	2,926
Noncurrent	**19,510**	18,263	**31,773**	30,019
Total	**21,155**	19,908	**35,026**	32,945

(In thousands of reais - R$, unless otherwise stated)

18. Equity

a) Capital

The Company is authorized to increase its capital up to the limit of R$1,000,000, by resolution of the Board of Directors.

At September 30, 2013, Company capital fully subscribed and paid up, amounting to R$334,251, was divided into 89,500,000 common voting shares, with no par value and with voting rights during the Annual General Meeting deliberations, held as follows:

	09/30/13		12/31/12	
Shareholding structure	**Shareholders**	**Shares**	**Shareholders**	**Shares**
Individuals	**7,717**	**54,706,013**	6,745	54,404,983
Legal entities	**95**	**1,594,807**	91	1,752,168
Foreign individuals	**148**	**11,484,740**	131	9,732,774
Clubs, funds and foundations	**148**	**21,685,074**	177	23,580,709
Subtotal	**8,108**	**89,470,634**	7,144	89,470,634
Treasury shares	**-**	**29,366**	-	29,366
Total	**8,108**	**89,500,000**	7,144	89,500,000

b) Treasury shares

At September 30, 2013, the market value of treasury shares was R$280 (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

	09/30/13	**09/30/12**
Effect of dilution:		
Net income for the year attributable to noncontrolling interests	**76,982**	84,021
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$	**0.86**	0.94

There is no dilutive effect that should be considered in the prior calculation.

(In thousands of reais - R$, unless otherwise stated)

18. **Equity** (Continued)

d) Dividends

Shareholders are entitled to a mandatory minimum 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 reserves shall be fully distributed to shareholders.

The Company's Articles of Incorporation allows dividend distribution based on annual, bi-annual or interim balance sheets.

Dividends proposed for the quarter ended September 30, 2013 were as follows:

Dividends **Event**	**Beginning of payment**	**Total amount**	**Value per Share – R$**
BDM (*) held on April 17, 2013	05/10/13	12,168	0.136
BDM (*) held on August 7, 2013	08/28/13	12,168	0.136
BSM (*) held on October 23, 2013	11/13/13	12,079	0.135
Total		36,415	

(*) BDM - Board of Directors' Meeting.

e) Interest on Equity (IOE)

The Board of Directors may also decide on payment of interest on equity, on the terms of ruling legislation. Proposed interest on equity for the quarter ended September 30, 2013 was as follows:

Event	**Beginning of payment**	**Total amount**	**Value per share – R$**
BDM (*) held on April 17, 2013	05/10/13	5,726	0.064
BDM (*) held on August 7, 2013	08/28/13	5,726	0.064
BDM (*) held on October 23, 2013	11/13/13	5,816	0.065
Total		17,268	

(*) BDM - Board of Directors' Meeting.

Dividends and Interest on Equity (IOE) payable

Dividends and interest on equity payable at September 30, 2013 was as follows:

	Company and Consolidated	
	09/30/2013	**12/31/2012**
Interest on Equity (IOE)	**4,943**	5,206
Dividends	**12,079**	12,162
Prior years' proceeds	**814**	765
Total	**17,836**	18,133

18. **Equity** (Continued)

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 grants

- **Tégula**

a) *Investment grant - 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 Goiás State.

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$674. The benefit is treated as an investment grant because the Company benefits through reduction, refund or exemption from taxes due for the purpose of expanding its activities. Moreover, the goal of PRODUZIR program is to attract investments for integration, expansion, modernization and consolidation in the manufacturing segment of Goiás State.

19. Government grants (Continued)

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

Law No. 11916/03, of 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 Rio Grande do Sul State.

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) withib 66 months.

In 2013, the value of the benefit totaled R$82. The benefit is treated as an investment grant because the Company benefits through reduction, refund or exemption from taxes due for the purpose of expanding its activities. Moreover, the goal of FUNDOPEM/RS program is to attract investments for integration, expansion, modernization and consolidation in the manufacturing segment of Rio Grande do Sul State.

19. Government grants (Continued)

- **Precon**

a) *Investment grant - Agência de Fomento Goiás 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 Goiás State. 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 the amount of R$7,417 up to 12/31/2015.

In 2013, the value of the benefit totaled R$1,030. The benefit is treated as an investment grant because the Company benefits through reduction, refund or exemption from taxes due for the purpose of expanding its activities. Moreover, the goal of FOMENTAR program is to attract investments for integration, expansion, modernization and consolidation in the manufacturing segment of Goiás State.

- **Eternit**

a) *Investment grant - Superintendence for the Northeast Development (SUDENE)*

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.

(In thousands of reais - R$, unless otherwise stated)

19. **Government grants** (Continued)

a) Investment grant - Superintendence for the Northeast Development (SUDENE) - Continued

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

20. Income and social contribution taxes

a) Reconciliation of income and social contribution tax expense with statutory amounts

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

	Company		Consolidated	
	09/30/13	**09/30/12**	**09/30/13**	**09/30/12**
Income before income and social contribution taxes	**75,692**	84,026	**107,508**	115,702
Statutory rate	**34%**	34%	**34%**	34%
Income and social contribution taxes at statutory rates	**(25,735)**	(28,569)	**(36,553)**	(39,339)
Effect of income and social contribution taxes on permanent differences:				
Equity pickup	**22,581**	23,149	**(1,290)**	56
Interest on Equity (IOE)	**4,430**	6,234	**5,871**	6,234
Bonuses to management	**-**	(302)	**-**	(370)
Donations and gifts	**(84)**	(195)	**(595)**	(1,043)
Nondeductible taxes and fines	**(17)**	(20)	**(57)**	(82)
Tax incentive	**-**	-	**(167)**	(78)
Other (additions) exclusions of temporary differences	**115**	(302)	**2,265**	2,942
Income and social contribution taxes in P&L	**1,290**	(5)	**(30,526)**	(31,680)
Effective rate	**1.7%**	0%	**28.4%**	27.4%

(In thousands of reais - R$, unless 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	
	09/30/13	**12/31/12**	**09/30/13**	**12/31/12**
Income and social contribution tax losses	**4,708**	4,883	**14,379**	13,848
Future benefits to former employees	**5,802**	5,378	**10,518**	9,534
Provision for tax, civil, and labor risks	**7,888**	7,703	**15,576**	17,379
Unrealized profits in inventories	**-**	-	**2,983**	2,626
Provision for losses on receivables	**-**	-	**930**	856
Provision for employees' profit sharing	**1,630**	1,591	**3,063**	3,819
Provision for property, plant and equipment	**1,748**	1,815	**1,748**	1,815
Goods awaiting shipment	**-**	-	**1,493**	-
Other provisions	**52**	(1,376)	**5,260**	1,943
Total	**21,828**	19,994	**55,950**	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
	09/30/13	**09/30/13**
2013	**470**	**1,374**
2014	**914**	**2,388**
2015	**939**	**3,006**
2016	**924**	**3,078**
2017 to 2022	**1,461**	**4,533**
Total	**4,708**	**14,379**

(In thousands of reais - R$, unless otherwise stated)

20. Income and social contribution taxes (Continued)

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

Estimated 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 September 30, 2013, subsidiary Tégula had accumulated income tax loss of R$56,989 and social contribution tax loss of R$59,813, for which deferred taxes were not recorded up to September 30, 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
	09/30/13	09/30/13
2013	2,008	5,171
2014	2,427	7,406
2015	2,259	4,591
2016	2,573	6,656
2017 to 2022	7,853	17,747
Total	17,120	41,571

Estimated realization of the balance of deferred taxes calculated on temporary differences, at September 30, 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 - R$, unless otherwise stated)

20. Income and social contribution taxes (Continued)

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

Estimated 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, nondeductible expenses and various 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 tax, civil, and labor risks

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

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

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

	Company		Consolidated	
	09/30/13	**12/31/12**	**09/30/13**	**12/31/12**
Labor claims (i)	**19,841**	17,214	**28,405**	26,321
Tax proceedings (ii)	**5,880**	5,443	**27,192**	24,795
Provision for labor, tax and civil risks	**25,721**	22,657	**55,597**	51,116

(In thousands of reais - R$, unless otherwise stated)

21. **Provisions for tax, civil and labor risks** (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 premium, (iii) health and risk exposure premiums (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 risks are as follows:

	Company		
	Provisions for labor claims	Provision for tax proceedings	Provision for tax and labor risks
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	2,776	1,048	3,824
Reversals	(149)	(611)	(760)
Balance at September 30, 2013	**19,841**	**5,880**	**25,721**

	Consolidated		
	Provisions for labor claims	Provision for tax proceedings	Provision for tax and labor risks
Balance at January 1, 2012	**24,933**	**21,912**	**46,845**
Additions	3,384	4,000	7,384
Reversals	(1,996)	(1,117)	(3,113)
Balance at December 31, 2012	**26,321**	**24,795**	**51,116**
Additions	2,776	3,008	5,784
Reversals	(692)	(611)	(1,303)
Balance at September 30, 2013	**28,405**	**27,192**	**55,597**

21. Provisions for tax, civil and labor risks (Continued)

iii) Proceedings whose probability of loss is assessed as possible:

At September 30, 2013, there were the following proceedings against the Group posing possible probability of loss as assessed by legal counsel:

i. Civil class actions on environmental and health matters brought by state and federal prosecutors of the state of Bahia, in Vitória da Conquista judicial district, and a public class action in Poções judicial district with the same objective as that of the civil class action mentioned above.

ii. Consumer civil class 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 Rio de Janeiro State was deemed unfounded while that for Pernambuco was upheld Both are pending appeal. For the civil class action in Rio de Janeiro, the State Court suspended the proceeding due to its understanding that under the constitution it should be assessed after a Federal Supreme Court decision.

iii. Managerial Wrongdoing suit in which were discussed issues related to Financial Compensation for Exploration of Mineral Resources (CFEM), as well as an annulment action and a tax collection claim of the same nature.

iv. Civil and public class action, both related to the sale by Goiás State of an area of land where the residential facilities of subsidiary Sama are located.

v. On August 9, 2013, the São Paulo Labor Prosecution Office filed a new civil class action (proceeding No. 0002106-72.2013.5.02.0009) against the Company, discussing the work environmental conditions in the Osasco's plant, whose activities were discontinued in 1993. This action has different claims, among which is the Company's sentence to pay R$1 billion as collective pain and suffering damages. The Labor Judge partially accepted 1 of the 6 motions for injunctive relief to impose costing of health care plan to certain former employees. Concomitantly, on October 4, 2013, the Brazilian Association of Workers Exposed to Asbestos (ABREA) also filed a Civil Class Action (proceeding No. 0002715-55.2013.5.02.0009) filed by facility, as it addresses events referring to Osasco's plant, and which shall be judged as a whole. None of the 8 motions for injunctive relief filed by ABREA was accepted. Both defenses will be presented in due time.

21. Provisions for tax, civil and labor risks (Continued)

iii) Proceedings whose probability of loss is assessed possible: (Continued)

It is worth clarifying that in 2004, a Civil Class Action had already been filed by the São Paulo Labor Prosecution Office (proceeding No. 000.04.043.728-0), which addressed the same events of the aforementioned action, for which the indemnification claim for illnesses of former employees of Osasco's plant, whose activities were terminated in 1993, was denied.

The Associate Justices of the 32nd Chamber of Private Law of São Paulo High Court of Justice (STJ) found that the Company strictly complies with the legislation concerning employees' safety and health, as set forth by Federal Law No. 9055/95, Decree No. 2350/97 and Regulatory Standards of the Ministry of Labor and Employment. Accordingly, the indemnification claim for illnesses of former employees of Osasco's plant was denied, thus chasing away the understanding by the Prosecution Office that Eternit had acted with fault or negligence. In September 2013, the High Court of Justice decision became unappealable on the groundless of the Civil Class Action filed by São Paulo Prosecution Office (proceeding No. 000.04.043.728-0).

In addition, at September 30, 2013, there were other labor, civil, tax and administrative proceedings against the Group, for which legal advisors assessed the probability of loss as possible, amounting to R$8,102 consolidated (R$8,102 at December 31, 2012), therefore no provision was set up for these proceedings.

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

iv) Proceeding 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 States) which restricted the use of asbestos, which are being contested through direct actions of unconstitutionality (ADIs) before the Federal Supreme Court of Brazil (STF). 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 law passed by Mato Grosso State against asbestos has not yet been sanctioned.

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

iv) Proceeding related to the use of the raw material “chrysotile” asbestos (Continued)

Through injunction, the law in Rio de Janeiro State is suspended. Regarding Law No. 12684/2007 of São Paulo State, the Company states that on June 4, 2008, the plenary session of the Federal Supreme Court of Brazil (STF) 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. The law prevailing in Rio Grande do Sul State, in its turn, was challenged in two suits, as follows: (i) suit deemed founded at state level by way of a final unappealable decision whereby the sale of asbestos-based products was authorized under Law No. 9055/95; (ii) suit deemed unfounded at federal level, since that court accepted the claim that the law is unconstitutional, in a decision not yet final, awaiting an appeal to be lodged against it.

On October 31, 2012, the STF began the judgment of merit of direct action of unconstitutionality (ADI) No. 3357, against Rio Grande do Sul State Law No. 11643/2001, which prohibits manufacturing and sale of asbestos products in that State, as well as of ADI No. 3937, against São Paulo State Law No. 12684/2007, 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 opinion for the constitutionality of state laws of São Paulo and Rio Grande do Sul States, while the eminent Justice Marco Aurelio rendered his opinion for the unconstitutionality of the state laws. After the opinion 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 STF 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 - R$, unless 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.

At the quarters ended September 30, 2013 and 2012, the Company and its participants made contributions providing funding for the cost of benefit plans, as follows:

	Company		Consolidated	
	09/30/13	**09/30/12**	**09/30/13**	**09/30/12**
Contributions made in the nine-month period	**2,212**	2,245	**2,834**	2,782

23. Operating revenue, net

	Company		Consolidated	
	09/30/13		**09/30/12**	**09/30/13**
Gross sales revenue	**507,746**	461,200	**901,524**	842,577
Unconditional discounts and rebates	**(2,615)**	(2,551)	**(2,732)**	(2,596)
Sales taxes	**(130,815)**	(120,072)	**(194,658)**	(188,924)
Operating revenue, net	**374,316**	338,577	**704,134**	651,057

(In thousands of reais - R$, unless otherwise stated)

24. Information on the nature of expenses

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

	Company		**Consolidated**	
	09/30/2013	**09/30/2012**	**09/30/2013**	**09/30/2012**
Cost of products and goods sold	**(273,453)**	(240,812)	**(417,757)**	(367,346)
Selling expenses	**(43,030)**	(40,722)	**(84,741)**	(83,283)
General and administrative expenses and management compensation	**(43,167)**	(41,548)	**(84,866)**	(87,079)
	(359,650)	(323,082)	**(587,364)**	(537,708)
Raw material used	**(192,004)**	(166,143)	**(286,657)**	(252,048)
(-) Present value adjustment	**1,613**	86	**1,906**	113
Personnel and charges	**(79,660)**	(64,736)	**(123,232)**	(104,957)
Materials, electricity and services	**(27,414)**	(26,537)	**(38,067)**	(36,320)
Variable selling expenses	**(9,981)**	(9,659)	**(30,556)**	(27,998)
Depreciation and amortization	**(8,211)**	(8,102)	**(25,636)**	(13,348)
Third-party services	**(14,521)**	(9,092)	**(33,010)**	(34,885)
Sales commissions	**(8,261)**	(6,854)	**(14,705)**	(13,760)
Trade association dues	**(1,159)**	(1,350)	**(1,312)**	(1,418)
Advertising and publicity	**(4,735)**	(5,961)	**(6,170)**	(7,170)
Taxes and fees	**(1,310)**	(2,072)	**(1,863)**	(1,938)
Other	**(14,007)**	(22,662)	**(28,062)**	(43,979)
	(359,650)	(323,082)	**(587,364)**	(537,708)

(In thousands of reais - R$, unless otherwise stated)

25. Other operating income (expenses), net

	Company		Consolidated	
	09/30/2013	09/30/2012	09/30/2013	09/30/2012
Other operating income:				
PP&E disposal	**354**	123	**415**	177
Occasional revenues	**4,889**	1,853	**6,787**	2,878
Unclaimed dividends and interest on equity	**119**	-	**119**	5
Other sales	**-**	-	**-**	543
Rent	**-**	-	**2,259**	1,604
Bahia's "DESENVOLVE" Program (a)	**-**	641	**-**	640
	5,362	2,617	**9,580**	5,847
Other operating expenses:				
Provision for tax, civil, and labor risks	**(2,171)**	(782)	**(2,171)**	(782)
Provision for future benefits to former employees	**(2,689)**	(1,380)	**(4,730)**	(2,827)
Taxes on other sales	**(356)**	(119)	**(877)**	(581)
Quality control	**(500)**	(392)	**(623)**	(575)
Replace of defective products	**(335)**	(146)	**(335)**	(146)
Expenses arising from labor and civil proceedings	**(710)**	(862)	**(1,032)**	(1,066)
Cost of property, plant and equipment disposal	**(289)**	(88)	**(309)**	(343)
Other	**(1,228)**	(1,216)	**(2,403)**	(2,264)
	(8,278)	(4,985)	**(12,480)**	(8,584)
Total	**(2,916)**	(2,368)	**(2,900)**	(2,737)

(a) The Program for Industrial Development and Economic Integration of the Bahia State - DESENVOLVE intends to provide 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.

(In thousands of reais - R$, unless otherwise stated)

26. Financial income and expenses

	Company		Consolidated	
	09/30/2013	09/30/2012	09/30/2013	09/30/2012
Financial income:				
Short-term investment yield - including Bank Deposit Certificates (CDB)	**1,835**	3,098	**3,474**	6,085
Discounts obtained	**59**	173	**172**	242
Interest income	**4,723**	2,734	**7,231**	3,342
Monetary gains	**502**	569	**528**	561
Exchange gains	**3,376**	604	**22,412**	18,495
Desenvolve Bahia Program	**-**	2,141	**-**	2,141
Other financial income	**1**	254	**101**	2,031
	10,496	9,573	**33,918**	32,897
Financial expenses:				
Interest on financing	**(571)**	(277)	**(910)**	(1,590)
interest on loan	**(1,525)**	(1,673)	**-**	-
Interest expenses	**(1,684)**	(596)	**(4,245)**	(1,937)
Banking expenses	**(726)**	(429)	**(926)**	(690)
Discounts granted	**(784)**	(717)	**(1,715)**	(342)
Tax on Financial Transactions (IOF)	**(233)**	(198)	**(400)**	(423)
PIS and COFINS - Interest on Equity (IOE)	**(390)**	(593)	**(390)**	(593)
Exchange losses	**(5,373)**	(830)	**(23,913)**	(17,919)
Monetary losses	**(1,470)**	(1,347)	**(3,510)**	(3,279)
Other	**(211)**	(69)	**(476)**	(868)
	(12,967)	(6,729)	**(36,485)**	(27,641)
Financial income (expenses), net	**(2,471)**	2,844	**(2,567)**	5,256

27. Segment reporting

The Company proceeded with the segmentation of its operating structure, taking into consideration the financial information presented internally and used for assessing the business and decision making made by senior management and based on the requisites established by CPC 22 (IFRS 8).

Based on available information of its segments, products and regions, senior management monitors the operating results of the business units separately to make decisions about the allocation of funds and to assess performance.

(In thousands of reais - R$, unless otherwise stated)

27. Segment reporting (Continued)

The operating segments defined by senior management are as follows:

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 manufacturing and sale of roof tiles, water tanks and supplementary parts.

- Chrysotile: includes chrysotile ore mining and sale.

- Concrete roof tiles: includes manufacturing and sale of concrete roof tiles.

- Other: include manufacturing 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 profit/loss of reportable segments

		Consolidated			
		Net revenue		Gross profit	
		09/30/2013	09/30/2012	09/30/2013	09/30/2012
Fiber cement	Southeast	**72,592**	70,597	**19,326**	20,433
	South	**92,140**	80,646	**24,815**	23,386
	Midwest	**130,157**	117,611	**39,042**	35,301
	North and Northeast	**63,787**	57,145	**17,128**	16,540
		358,676	325,999	**100,311**	95,660
Chrysotile	Domestic market	**116,268**	92,938	**83,199**	55,287
	Foreign market	**109,006**	116,836	**66,826**	95,401
		225,274	209,774	**150,025**	150,688
Concrete roof tiles	Domestic market	**55,376**	57,798	**20,553**	22,946
Other	Domestic market	**64,808**	57,486	**15,488**	14,417
Net revenue		**704,134**	651,057		
Gross profit				**286,377**	283,711

(In thousands of reais - R$, unless otherwise stated)

27. **Segment reporting** (Continued)

a) Revenues and profit/loss of reportable segments (Continued)

Expenses and revenues	**09/30/13**	**09/30/12**
Fiber cement		
Selling expenses:		
Southeast	**(8,062)**	(8,210)
South	**(10,232)**	(9,379)
Midwest	**(14,454)**	(13,678)
North and Northeast	**(7,084)**	(6,640)
Total	**(39,832)**	(37,907)
General and administrative expenses and financial income (expenses)		
Southeast	**(7,811)**	(7,089)
South	**(9,914)**	(8,098)
Midwest	**(14,004)**	(11,809)
North and Northeast	**(6,863)**	(5,733)
Total	**(38,592)**	(32,729)
Other income/expenses:		
Southeast	**(286)**	(390)
South	**(363)**	(446)
Midwest	**(513)**	(651)
North and Northeast	**(251)**	(316)
Total	**(1,413)**	(1,803)
Chrysotile		
Selling expenses:		
Domestic market	**(14,120)**	(13,020)
Foreign market	**(13,569)**	(16,367)
Total	**(27,689)**	(29,387)
General and administrative expenses and financial income (expenses)		
Domestic market	**(15,755)**	(14,195)
Foreign market	**(15,139)**	(17,844)
Total	**(30,894)**	(32,039)
Other expenses:		
Domestic market	**(1,510)**	(781)
Foreign market	**(1,451)**	(981)
Total	**(2,961)**	(1,762)
Concrete roof tiles		
Selling expenses	**(10,023)**	(9,300)
General and administrative expenses and financial income (expenses)	**(10,974)**	(11,277)
Other income	**1,728**	980
Total	**(19,269)**	(19,597)
Other		
Selling expenses	**(7,197)**	(6,689)
General and administrative expenses and financial income (expenses)	**(6,973)**	(5,778)
Other income/expenses	**(4,049)**	(318)
Total	**(18,219)**	(12,785)
Total expenses	**(178,869)**	(168,009)
Income before taxes	**107,508**	115,702

(In thousands of reais - R$, unless otherwise stated)

27. Segment reporting (Continued)

a) Revenues and profit/loss of reportable segments (Continued)

Sales between related parties

The chrysotile sold to the fiber cement and synthetic fiber segments amounted to R$61,248 in the period ended September 30, 2013 (R$63,942 at September 30, 2012).

b) Assets and liabilities of reportable segments

		Consolidated			
		Assets		Liabilities	
		09/30/13	12/31/12	**09/30/13**	12/31/12
Fiber cement	Southeast	**236,126**	229,543	**41,699**	39,849
	South	**61,225**	51,727	**51,145**	45,911
	Midwest	**74,160**	64,816	**63,431**	54,212
	North and Northeast	**28,454**	26,058	**31,870**	27,243
		399,965	372,144	**188,145**	167,215
Chrysotile		**255,894**	272,495	**84,149**	110,676
Concrete roof tiles		**103,985**	98,921	**30,926**	26,955
Other products		**61,271**	52,843	**30,238**	25,740
Other balance sheet accounts		**15,178**	13,717	**-**	-
		836,293	810,120	**333,458**	330,586

c) Other reportable segment information

		Consolidated	
		Depreciation, amortization and depletion	
		09/30/13	**09/30/12**
Fiber cement	Southeast	**1,809**	1,821
	South	**2,894**	3,011
	Midwest	**1,655**	1,510
	North and Northeast	**1,285**	1,687
		7,643	8,029
Chrysotile		**13,165**	6,818
Concrete roof tiles		**3,403**	3,963
Other		**1,425**	1,475
Total		**25,636**	20,284

(In thousands of reais - R$, unless otherwise stated)

27. Segment reporting (Continued)

c) Other reportable segment information (Continued)

Consolidated		Additions to PP&E and intangible assets	
		09/30/13	**09/30/12**
Fiber cement	Southeast	**5,662**	3,247
	South	**7,404**	1,067
	Midwest	**9,235**	3,401
	North and Northeast	**3,841**	984
		26,142	8,699
Chrysotile		**10,402**	25,313
Concrete roof tiles		**4,947**	4,386
Other		**4,213**	1,104
Total		**45,704**	39,502

28. Insurance coverage

The Company maintains insurance coverage at amounts deemed sufficient to cover any losses arising from claims, considering the nature of its activities, the risks involved in its operations, and guidance from its insurance advisors. Insurance taken out by the Group at September 30, 2013, against insurance risks is stated as follows:

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

29. Financial instruments

29.1 Financial instruments

a) Identification and valuation of financial instruments

The Group operates with various financial instruments, particularly short-term investments, trade notes 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 book values approximate fair values.

29. Financial instruments (Continued)

29.1 Financial instruments (Continued)

a) Identification and assessment 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 interim financial information date, with changes recognized in P&L. 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 effective interest rate method. This group includes Advances on Exchange Contracts (ACC) and Advances on Export Contracts (ACE).

iii) *Financial assets available for sale*
When applicable these include 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 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 and recognized in P&L for the period upon realization thereof. The effects of impairment losses, interest calculated using the effective interest rate method and foreign gains or losses on monetary assets are posted directly to P&L 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 interim financial 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 September 30, 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 could be exchanged in a current transaction between knowledgeable and willing parties.

(In thousands of reais - R$, unless otherwise stated)

29. Financial instruments (Continued)

29.1 Financial instruments (Continued)

b) Fair value (Continued)

The Group uses the following hierarchy to determine and disclose the fair value of financial assets and liabilities through valuation techniques:

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) Trade accounts payable, loans and financing and related parties have no difference between book value and amortized cost.

	Company			
	09/30/13		12/31/12	
	Book value	Fair value	Book value	Fair value
Financial assets:				
Cash and cash equivalents	**4,865**	**4,865**	3,852	3,852
Short-term investments	**10,173**	**10,173**	48,612	48,612
Total	**15,038**	**15,038**	52,464	52,464

(In thousands of reais - R$, unless otherwise stated)

29. Financial instruments (Continued)

29.1 Financial instruments (Continued)

b) Fair value (Continued)

Company	09/30/13		12/31/12	
	Book value	Amortized cost	Book value	Amortized cost
Financial liabilities:				
Carried at amortized cost:				
Loans and financing	**22,014**	**22,014**	8,785	8,785
Total	**22,014**	**22,014**	8,785	8,785

Consolidated	09/30/13		12/31/12	
	Book value	Fair value / amortized cost	Book value	Fair value / amortized cost
Financial assets:				
Cash and cash equivalents	**8,273**	**8,273**	16,656	16,656
Short-term investments	**31,062**	**31,062**	78,930	78,930
Eletrobrás shares	**1,389**	**1,389**	1,389	1,389
Total	**40,724**	**40,724**	96,975	96,975
Financial liabilities:				
Carried at amortized cost:				
Loans and financing	**68,214**	**68,214**	79,946	79,946
Total	**68,214**	**68,214**	79,946	79,946

Assets and liabilities measured at fair value	Company			
	09/30/13	Level 1	Level 2	Level 3
Cash and cash equivalents	**4,865**	**4,865**	**-**	**-**
Short-term investments	**10,173**	**10,173**	**-**	-
Loans and financing	**(22,014)**	**(22,014)**	**-**	**-**

Assets and liabilities measured at fair value	Consolidated			
	09/30/13	Level 1	Level 2	Level 3
Cash and cash equivalents	**8,273**	**8,273**	**-**	**-**
Short-term investments	**31,062**	**31,062**	**-**	-
Advances on Export Contracts (ACE)	**(25,733)**	**(25,733)**	**-**	**-**
Loans and financing	**(42,481)**	**(42,481)**	**-**	**-**

In the quarter ended September 30, 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 - R$, unless 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. Therefore, the Group is exposed to market, credit and liquidity risk.

Market risk is the risk that the fair value of future cash flows of a given financial instrument fluctuates due to variation in market prices. Market risk includes two types of risk in the Group's case: a) currency risk and b) interest rate risk.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will be affected by changes in exchange rates. The Company's exposure to risk of variations in exchange rates, mainly refers to its operating activities particularly related to the contracting of Advances on Export Contracts (ACE) and Advances on Exchange Contracts (ACC), in US Dollars (Note 14 (a and b)).

At September 30, 2013 the main groups of accounts linked to foreign currency and mainly indexed to the US Dollar, related to Sama subsidiary are as follows:

	Consolidated		Quotation at 09/30/13
	09/30/13	**12/31/12**	**(US$1.00 = R$1.00)**
Trade accounts receivable in foreign market	**54,053**	61,228	2.23
Trade accounts payable in foreign market	**(11,425)**	(8,492)	2.23
Advances on Export Contracts (ACE)	**(25,733)**	(26,319)	2.23
Advances on Exchange Contracts (ACC)	**-**	(20,429)	2.23
Financing (USD)	**(23,607)**	(8,125)	2.23
Financing (EUR)	**(1,005)**	(313)	3.02
Other	**-**	(140)	2.23
Total exchange exposure	**(7,717)**	(2,590)	

(In thousands of reais - R$, unless otherwise stated)

29. **Financial instruments** (Continued)

29.2 **Financial risk management** (Continued)

a) Currency risk (Continued)

a1) *Sensitivity analysis*

In order to measure the economic impact of exchange variations on the Group's financial instruments, two scenarios were considered in relation to the exchange rate at September 30, 2013. As provided for by CVM Rule No. 475/08, the Group conducted a sensitivity analysis using the probable scenario; Scenario I considering 25% increase and Scenario II considering 50% increase. See table below:

Balances (foreign currency) consolidated	Risk	USD rate (*)	Status at 09/30/2013	Rate depreciation Scenario I (-50%)	Rate depreciation Scenario II (-25%)	Rate appreciation Scenario III (+25%)	Rate appreciation Scenario IV (+50%)
USD				1.12	1.67	2.79	3.35
Trade accounts receivable in foreign market	USD	2.23	54,053	27,026	40,540	67,566	81,079
Trade accounts payable foreign market	USD	2.23	(11,425)	(5,713)	(8,569)	(14,281)	(17,138)
Advances on Export Contracts (ACE)	USD	2.23	(25,733)	(12,866)	(19,300)	(32,166)	(38,599)
Financing	USD	2.23	(23,607)	(11,803)	(17,705)	(29,509)	(35,410)
EUR				1.51	2.26	3.77	4.53
Financing	EUR	3.02	(1,005)	(502)	(754)	(1,256)	(1,507)
		Potential gain (loss)	**(7,757)**	**(3.858)**	**(5,788)**	**(9,646)**	**(11,575)**

(*) US Dollar and Euro rates taken from the Central Bank of Brazil (BACEN) website on September 30, 2013.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument may vary due to changes in market interest rates.

Group management adopts the policy of determining its exposure to floating interest rates of assets and liabilities. Short-term investments are restated 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.

(In thousands of reais - R$, unless otherwise stated)

29. Financial instruments (Continued)

29.2 Financial risk management (Continued)

b) Interest rate risk (Continued)

The exposure to interest rate related to assets and liabilities is as follows:

	Company		Consolidated	
	09/30/13	**12/31/12**	**09/30/13**	**12/31/12**
Assets:				
Short-term investments (Cash equivalents)	**-**	2,051	**2,046**	13,071
Short-term investments	**10,173**	48,612	**31,062**	78,930
Liabilities:				
Advances on Export Contracts (ACE)	**-**	-	**(25,733)**	(26,319)
Advances on Exchange Contracts (ACC)	**-**	-	**-**	(20,429)
Loans and financing	**(22,014)**	(8,785)	**(42,481)**	(33,198)
Total interest rate exposure	**(11,841)**	41,878	**(35,106)**	12,055

Group management believes that there is low risk of large fluctuations in the 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**	**Status at 09/30/2013**	**Probable scenario**	**Scenario I (-50%)**	**Scenario II (-25%)**	**Scenario III (+25%)**	**Scenario IV (+50%)**
CDI			**7.57%**	**3.79%**	**5.68%**	**9.46%**	**11.36%**
Short-term investments (Cash equivalents)	CDI	2,046	2,201	2,124	2,162	2,240	2.278
Short-term investments	CDI	31,062	33,413	32,239	32,826	34,000	34,591

(In thousands of reais - R$, unless otherwise stated)

29. **Financial instruments** (Continued)

29.2 **Financial risk management** (Continued)

b) Interest rate risk (Continued)

Loans and financing (Consolidated)	Interest rate	Status at 09/30/13	Rate depreciation		Rate appreciation	
			Scenario I	Scenario II	Scenario III	Scenario IV
			(-50%)	(-25%)	(+25%)	(+50%)
USD	**Average rate 3.29%**		**1.65%**	**2.47%**	**4.12%**	**4.94%**
Finimp 2	4.40%	(1,200)	(1,649)	(1,874)	(2,323)	(2,548)
Finimp 3	3.48%	(5,054)	(7,445)	(8,641)	(11,033)	(12,229)
Finimp 4	2.84%	(2,628)	(4,152)	(4,914)	(6,438)	(7,200)
Finimp 5	2.94%	(5,182)	(8,081)	(9,531)	(12,430)	(13,879)
Finimp 6	2.94%	(6,643)	(10,369)	(12,233)	(15,959)	(17,822)
Finimp Itaú Tégula	3.25%	(2,900)	(4,369)	(5,104)	(6,573)	(7,308)
EUR						
Finimp BB Tégula	3.25%	(229)	(345)	(403)	(520)	(578)
Finimp Bradesco Tégula	3.25%	(776)	(1,168)	(1,365)	(1,758)	(1,954)
		(24,612)	**(37,578)**	**(44,065)**	**(57,034)**	**(63,518)**

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 September 30, 2013 (1.5% at December 31, 2012).

(In thousands of reais - R$, unless otherwise stated)

29. Financial instruments (Continued)

29.2 Financial risk management (Continued)

Demand deposits and short-term investments

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

d) Liquidity risk

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

Cash flow and liquidity control of the Group is monitored daily by the financial area so as to ensure cash generation from operating activities and preliminary fund raising, when needed, are sufficient to cover its scheduled commitments, thereby not exposing the Group to liquidity risk.

e) Capital management

The main objective of the Group's capital management is to ensure maintenance of a strong credit rating and a capital ratio free from risks in order to support business and maximize shareholder value.

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 period ended September 30, 2013, there were no changes in the Company's objectives, policies or capital structure processes. The Group includes within its net debt structure loans, financing less cash and cash equivalents.

	Company		Consolidated	
	Leverage		Leverage	
	09/30/13	**12/31/12**	**09/30/13**	**12/31/12**
Loans and financing	**22,014**	8,785	**68,214**	79,946
(-) Cash and cash equivalents	**(4,865)**	(3,852)	**(8,273)**	(16,656)
Net debt	**17,149**	4,933	**59,941**	63,290
Equity	**502,819**	479,520	**502,835**	479,520
Net debt and equity	**519,968**	484,453	**562,776**	542,810

(In thousands of reais - R$, unless 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 implements 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:

	09/30/13	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	09/30/13	12/31/12
2042	**3,247**	3,082
2043	**2,787**	2,645
2044	**1,445**	1,371
2045 to 2049	**1,164**	1,103
Total	**8,643**	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 in the quarter ended September 30, 2013 was R$442 (R$219 September 30, 2012), calculated based on the current production of chrysotile.

Mineral resources (not reviewed)

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

Description	09/30/13	12/31/12
Mineral resources	**8,231,888 t**	8,462,643 t
Production in the period	**230,756 t**	304,568 t
Mine estimated useful life	**29 years**	30 years

31. Subsequent events

On October 23, 2013, the Board of Directors approved a repurchase program of the Company's outstanding shares comprising up to 2,000,000 shares, which represent 2.64% of total outstanding shares. Acquisitions may be performed up to October 23, 2014.

General Scenario and Markets

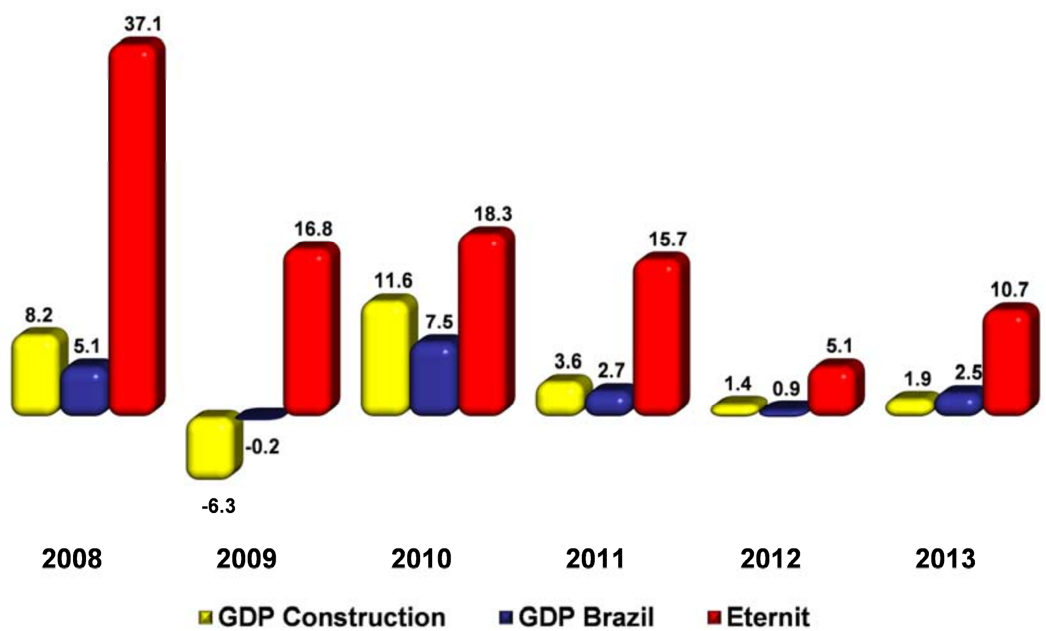
On the international front, since 2012, risks to global financial stability have remained high, there being a low probability of extreme events occurring in international financial markets. Despite the evidence indicating growth rates in mature economies that are low and well short of potential, the Committee of Brazilian Central Bank (BACEN) is of the opinion that the international scenario will remain complex and has not changed its outlook for the global economy 2013.

On the domestic front, the Brazilian economy continues to expand, with the rate of economic activity having increased since the start of 2013, with a recovery in exports and increased levels of investment. In this regard, BACEN expects consumption to continue to grow, but at a more modest rate, projecting GDP growth at 2.5% for 2013, and a GDP of 1.9% for the construction sector (0.8 p.p. higher than its previous estimate for this sector).

According to the Brazilian Construction Materials Industry Association (ABRAMAT), sales of construction material in 9M13 increased by 4.3% compared to the same period a year earlier, higher than the forecast of 4.0% for 2013, which was revised downward (-0.5 p.p.) in July. The result for the month of September was the sixth positive result in the comparison series with the same months last year, after the negative figures seen in February and March of 2013.

Expectations for the coming months are for these results to continue positive in relation to 2012, but the realization of these expectations will depend on the government continuing its stimulus measures in the construction sector, family incomes and employment levels, as well as the availability of credit in the marketplace.

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



Source: BACEN - Projected GDP growth in 2013 for Brazil and the construction.
Eternit's growth in terms of consolidated gross revenue is arrived at by comparing the period from January to September 2013 with the same period in 2012, corrected for inflation in accordance with the IGP-M indicator.

The continuance of the government programs such as Minha Casa Minha Vida (my house, my life), the Program for Accelerated Growth (PAC), as well as investments in mega-sporting events – the 2014 World Cup and the 2016 Olympic Games – and the additional works required by them, all indicate good prospects over the next few years, and are beneficial to the construction sector of which Eternit is a part, in addition to the generation of jobs, the distribution of income as a result of these building works, and stimulus measures offered by public and private-sector commercial banks for the purchase of construction material, which have a positive impact on demand for products in our portfolio.

Operational and Financial Aspects

Demand for construction materials saw a modest increase in the third quarter of 2013, according to the Brazilian Construction Materials Industry Association (ABRAMAT), while the Company significantly outperformed the rest of its sector.

Demand for chrysotile asbestos remained stable during the third quarter of 2013, which led the Company to maintain its strategy of operating at full capacity in its mining operations. In its line of finished products, production accompanied demand, with a capacity utilization rate of approximately 90% in the fiber-cement operation and approximately 60% in terms of concrete tile production.

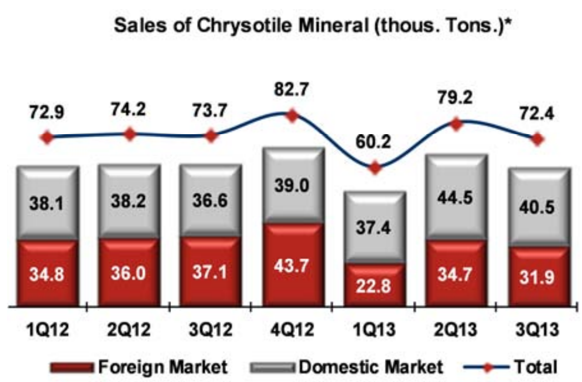
Current annual production capacity is approximately 300,000 tons in the chrysotile mining operation, 1 million tons in the fiber-cement operation and 10 million square meters in terms of concrete tile production.

Sales

Chrysotile Asbestos

Chrysotile asbestos sales in 3Q13 amounted to a total of 72,400 tons, compared to 73,700 tons in 3Q12, practically unchanged comparing the two quarters. Of particular note was the domestic market, with growth in demand of 10.6% due to the competitiveness of the national mineral front of the imported, besides the increase in demand for roofing materials, which compensated for the downturn of 14.2% in export markets. The Company has a strategy of prioritising supplies to the domestic market, while exporting its surplus.

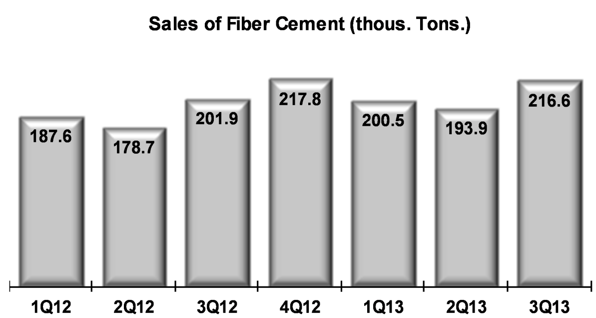
In the first nine months of 2013, sales amounted to 211,800 tons, down 4.1% compared to 9M12. Taking the same comparison period, exports fell by 17.2%, partially compensated for sales to the domestic market, which increased by 8.4%, as a consequence of the aspects commented on above.



(*) Chrysotile sales volume includes inter-company sales, which represented 38.6% of sales volume to the domestic market in 3Q13.

Fiber-cement

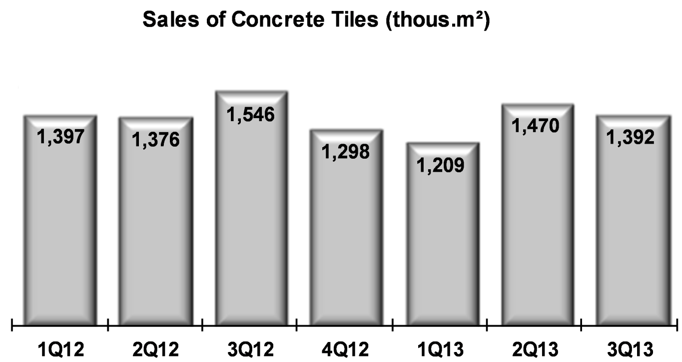
Fiber-cement sales volume, including components for construction systems, amounted to 216,600 tons in 3Q13, up 7.2% compared to the volume reported in 3Q12, due to the increase in demand for roofing materials as a function of natural aspects (tropical storms), principally in the south and southeast of the Country. In 9M13, sales came to a total of 611,000 tons, up 7.5% compared to the same period a year earlier, as mentioned earlier.



Concrete Tiles

In 3Q13, concrete tile sales amounted a total of 1,392,000 square meters, down 9.9% compared to the third quarter of 2012, as a consequence of lower demand in the top end of the roofing segment.

In 9M13 sales volume amounted to 4,071,000 square meters, down 5.7% compared to 9M12, as a function of the aspects commented on above. Tégula has a portfolio of more than 33 product lines, the majority of which are different types of concrete tiles.



Other Products

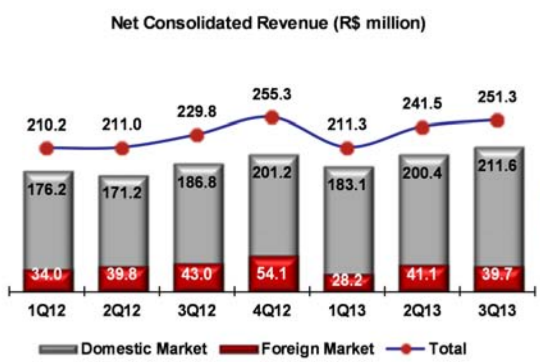
Bathroom chinaware products are playing an increasingly important part of the Company's portfolio, with preparations being made to begin operations at its plant in the state of Ceará. In only four years in the bathroom chinaware segment, Eternit has already achieved a prominent position, in some cases even outperforming traditional players in this segment.

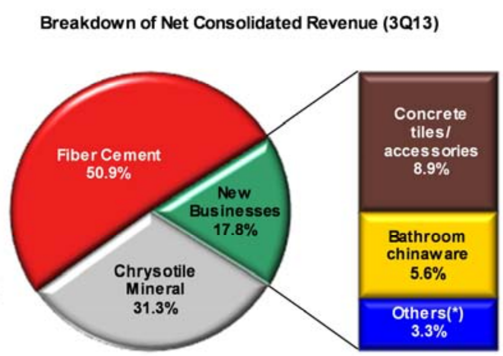
Other products sold, although on a smaller scale, include metal bathroom fittings, lavatory seats, metal tiles, among others.

Consolidated Net Revenue

Consolidated Net Revenue in 3Q13 amounted to a total of R$ 251.3 million, up 9.4% compared to the same period in 2012, due to the good performance seen in the domestic market.

Sales to the domestic market, which include finished products and chrysotile asbestos, totalled R$ 211.6 million in 3Q13, an increase of 13.3%, as a consequence of a satisfactory sales policy, and increased sales volume of fiber-cement and bathroom chinaware products[1]. In export terms, net revenue was down by 7.5% compared to 3Q12, coming to a total of R$ 39.7 million, as a consequence of a drop in volume, partially neutralised by the appreciation of the US dollar against the Brazilian real.





(*) Others: metal tiles, polythene water tanks, lavatory seats and metal bathroom fittings, water pipe filters, synthetic marble and components for construction systems.

[1] With the start-up of industrial operations at Companhia Sulamericana de Cerâmica (CSC), scheduled for the end of 2013, Eternit's sales of bathroom chinaware and lavatory seats (plants in Rio de Janeiro/RJ and Simões Filho/BA) were transferred to CSC in the amount of R$ 5.0 million in 3Q13. This figure has not been eliminated in the consolidated net revenue figure, as a function of CPC 36 and IFRS 10 as applied to the consolidated financial statements. The transfer of the other units will take place in 4Q13.

On a comparison between 3Q13 and 3Q12, performance by product line showed an increase of 7.1% in chrysotile asbestos revenue, an increase of 11.0% in fiber-cement sales and a drop of 2.8% in the sales of concrete tiles and roofing accessories, totalling R$ 78.7 million, R$ 127.9 million and R$ 22.4 million, respectively, as a function of the aspects commented on earlier.

The line of other products (metal tiles, polythene water tanks, bathroom chinaware, lavatory seats, metal bathroom fittings, water pipe filters, synthetic marble and components for construction systems) accounted for total sales of R$ 22.3 million in 3Q13, up 24.0% compared to 3Q12. The most important of these was the line of bathroom chinaware products[2], responsible for 5.6% of consolidated net revenue, the result of efficient logistics and the strength of the Company's brand name, both of which are important differentials for Eternit in the diversification of its portfolio.

In the first nine months of 2013, consolidated net revenue amounted to R$ 704.1 million, up 8.2% compared to the same period in 2012. This good performance was due to sales to the domestic market, which totalled R$ 595.1 million, up 11.4% compared to 9M12, due to the increase in demand for construction materials and a satisfactory sales policy. Export sales totalled R$ 109.0 million, down 6.7% compared to the same period a year earlier, as a result of a drop in sales volume, which was partially compensated for by an increase in prices, and the 10.2% appreciation of the US dollar against the Brazilian real (comparing the average *ptax* rates in the period).

Cost of Extraction, Production and Products Sold

The consolidated cost of products sold came to a total of R$ 148.5 million in 3Q13, up 12.4% compared to 3Q12, as a result of an increase in the cost of extraction and production. As a function of the increase in the consolidated cost of products sold being higher than the increase in net consolidated revenue in 3Q13, gross margin narrowed by 2 percentage points to 41%.

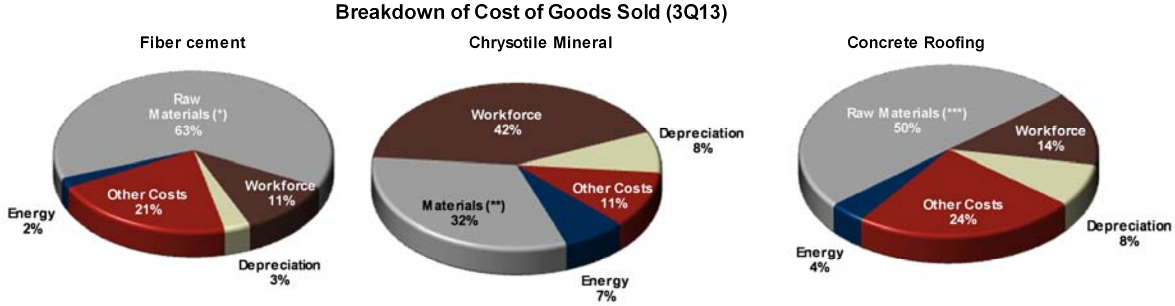
The main variations in the costs of extraction and production are shown below:

Chrysotile mining: increase of 5% as a function of depreciation of new equipment and trucks in the extraction area, and higher consumption of inputs (fuel and tires).

Fiber-cement: increase of 1% due to the rise in the price of the Company's principal raw materials (cement and chrysotile asbestos).

Concrete tiles: increase of 1% due to the rise in the price of raw materials (principally grey cement, sand and varnish).

Breakdown of Cost of Goods Sold (3Q13)



(*) Raw materials: cement (45%), chrysotile asbestos (43%) and others (12%).
(**) Materials: fuel, explosives, packaging, among others.
(***) Raw materials: cement (54%), sand (30%) and others (16%).

In the first nine months of 2013, the consolidated cost of products sold came to a total of R$ 417.8 million, up 13.7% compared to the amount recorded in 9M12, as a function of the aspects commented on above. As a consequence, gross margin saw a narrowing of 3 percentage points, ending 9M13 at 41%.

Operational expenses

[2] With the start of industrial operations of Companhia Sulamericana de Cerâmica (CSC), planned for the end of 2013, sales of Eternit's bathroom chinaware and lavatory seats (plants in Rio de Janeiro/RJ and Simões Filho/BA) were transferred to CSC in the amount of R$ 5.0 million in 3Q13. This value was not eliminated in the net consolidated revenue figure as a function of CPC 36 and IFRS 10 with respect to the consolidated financial statements. In 4Q13, the transfer will take place of the other units.

Total operating expenses in 3Q13 showed an increase of 3.1% compared to the same period a year earlier, of particular note being the main variations:

Sales expenses: down 6.2% due to the lower export volumes of chrysotile asbestos.

General and administrative expenses: up 4.4% as a result of expenditure on defending the Company's activity.

Other operational revenues (expenses): the variation seen is as a result of contingency provisions which were booked in the period, in accordance with an analysis of probability of winning or losing ongoing court cases.

Negative equity income result: refers to the expenses of setting up the bathroom chinaware plant in the state of Ceará, a joint-venture between the Eternit Group and Organizações Corona, the Colombian multi-national.

In R$ '000	3rd Quarter			Accum.9 Months		
	2013	2012	Chg. %	2013	2012	Chg. %
Selling expenses	(28,533)	(30,425)	(6.2)	(84,741)	(83,283)	1.8
General and administrative expenses	(30,848)	(29,539)	4.4	(84,866)	(87,079)	(2.5)
Other operating revenues (expenses), net	(126)	405	(131.1)	(2,900)	(2,737)	5.9
Total operating expenses	**(59,507)**	**(59,559)**	**(0.1)**	**(172,507)**	**(173,099)**	**(0.3)**
Equity Income	(2,053)	(166)	1,136.6	(3,795)	(166)	2,186.2
General Total of operating expenses	**(61,560)**	**(59,725)**	**3.1**	**(176,302)**	**(173,265)**	**1.8**

In the first nine months of 2013, operational expenses came to a total of R$ 176.3 million, increase of 1.8% compared to 9M12, principally as a function of the negative equity income result commented on above.

The net financial result amounted to a negative figure of R$ 798,000 in the third quarter of 2013, while 3Q12 showed a positive result of R$ 494,000. The variations shown between the quarters or financial expenses and revenues are basically due to variation in the exchange rate.

In R$ '000	3rd Quarter			Accum.9 Months		
	2013	2012	Chg. %	2013	2012	Chg. %
Financial expenses	(15,529)	(7,218)	115.1	(36,485)	(27,641)	32.0
Financial income	14,731	7,712	91.0	33,918	32,897	3.1
Net financial result	**(798)**	**494**	**(261.4)**	**(2,567)**	**5,256**	**(148.8)**

In 9M13, the net financial result amounted to a negative figure of R$ 2.6 million, compared to the positive figure of R$ 5.3 million reported in 9M12, of particular note being:

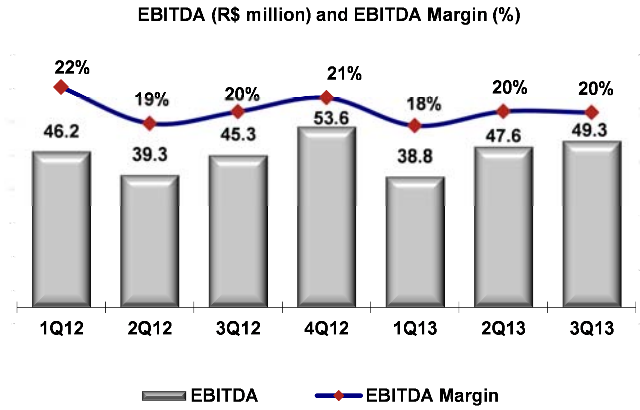
Financial expenses: positive variation of 32.0%, as a consequence of higher interest paid on the financing of machinery, trucks and equipment, as well as exchange rate variation.

Financial revenues: up 3.1% due to the variation in the exchange rate, which partially offset the yield from financial applications as a consequence of the reduction in the level of cash and cash equivalents.

EBITDA

Consolidated EBITDA (earnings before interest, tax, depreciation and amortisation) totalled R$ 49.3 million in 3Q13, up 8.9% on 3Q12. This good performance was brought about by the positive contribution in terms of gross profit, which partially neutralised the increase in operating expenses, including the expenses of setting up the bathroom chinaware plant in the state of Ceará. As a consequence, EBITDA margin remained stable at 20%.

In the first nine months of 2013, EBITDA totalled R$ 135.7 million, up 3.8%, with EBITDA margin of 19%, a narrowing of 1 percentage point compared to 9M12, as a result of the aspects commented on above.



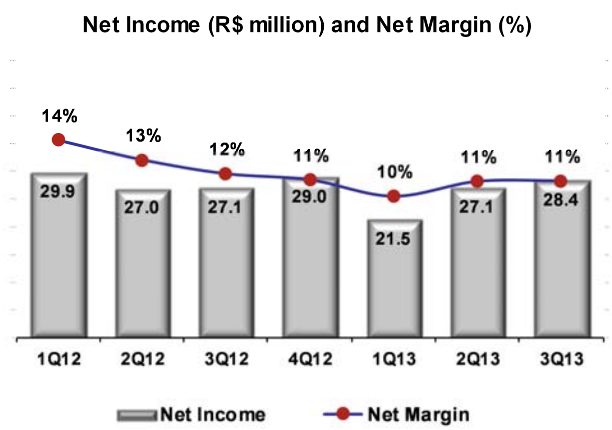
Reconciliation of Consolidated EBITDA - (R$'000)	3rd Quarter			Accum. 9 Months		
	2013	2012	% Chg.	2013	2012	% Chg.
Net income	**28,369**	**27,102**	**4.7**	**76,982**	**84,022**	**(8.4)**
Income tax and social contributions	12,176	11,422	6.6	30,526	31,680	(3.6)
Net Financial Income	798	(494)	(261.4)	2,567	(5,256)	(148.8)
Depreciation and amortization	7,951	7,225	10.0	25,636	20,284	26.4
EBITDA	**49,294**	**45,255**	**8.9**	**135,711**	**130,730**	**3.8**

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

Net earnings

Eternit reported net earnings of R$ 28.4 million in 3Q13, up 4.7% compared to 3Q12. Net margin narrowed by 1 percentage point, as a result of the aspects commented on above in the section on EBITDA, amounting to 11% in the third quarter of 2013.

In 9M13 net earnings totalled R$ 77.0 million, with a net margin of 11%, compared to R$ 84.0 million, and any net margin of 13% in 9M12.



Indebtedness

The Company ended 3Q13 with a positive net debt of R$ 28.9 million. As at the end of September 2013, the net debt of Eternit and its subsidiaries amounted to a total of R$ 68.2 million, principally as a function of: (i) Advances on Export Contracts (ACE) obtained in US dollars at an average cost of 3.25% a year (PRIME lending rate); (ii) the financing of machinery and equipment for its operations, under the FINIMP program (import financing), obtained in US dollars at an interest rate of 2.936% a year, and (iii) the financing of lorries, machinery and equipment, through BNDES/FINAME at an annual cost of 6.171%; 4.430% and 3%, respectively, corrected by the TJLP.

Cash, cash equivalents and short-term financial applications totalled R$ 39.3 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	
	09/30/13	12/31/12	09/30/13	12/31/12
Gross debt	22,014	8,785	68,214	79,946
Cash and cash equivalents	(4,865)	(3,852)	(8,273)	(16,656)
Short-term investments (same cash equivalents)	(10,173)	(48,612)	(31,062)	(78,930)
Net Debt	**6,976**	**(43,679)**	**28,879**	**(15,640)**

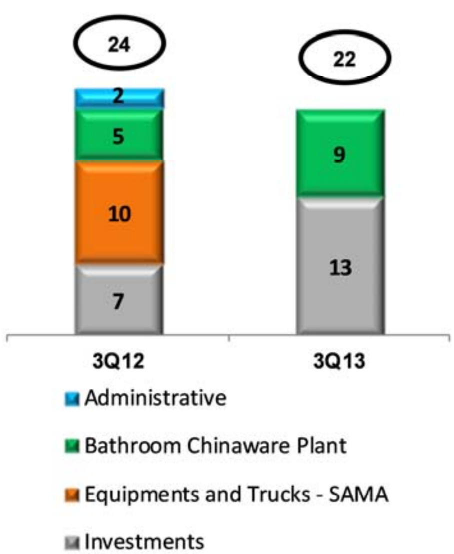
It should be emphasized that the Company does not have leveraged operations with derivatives of any type, which could be interpreted as speculative positions.

Investiments

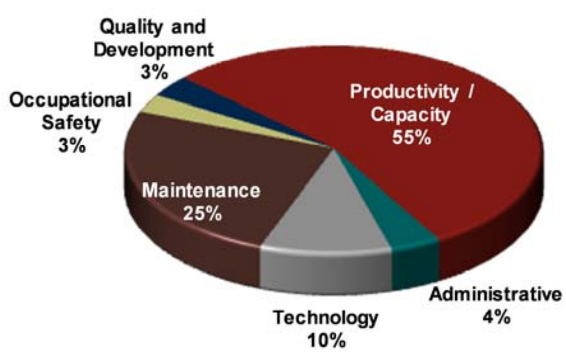
The investments of Eternit at its subsidiaries, in 3Q13, totalled R$ 22.0 million, 6.6% less than in the third quarter of 2012. Funds were allocated, in the main, to the construction of the new bathroom chinaware plant, via a capital injection into Companhia Sulamericana de Cerâmica (CSC), in the state of Ceará and updating of the Group's industrial park.

In the first nine months of 2013, investments came to a total of R$ 70.2 million, up 59.4% compared to the same period a year earlier, broken down as follows (i) R$ 24.5 million on the construction of the bathroom chinaware plant; (ii) R$ 11.5 million on the setting up of a research, development and production unit of inputs for construction materials and (iii) R$ 34.2 million on the maintenance and updating of the industrial park.

Consolidated Investments (R$´000)



Investments Distribution (3Q13)



In line with its Structured Plan for Expansion and Diversification, the focus of the Company's investment continues to be on productivity, on the construction of its first bathroom chinaware plant, at the multiproduct unit under construction in the Port of Pecém, in the state of Ceará and in the setting up of a unit for research, development and production of inputs for construction materials in the city of Manaus, in Amazonas.

Completion of the works on the bathroom chinaware plant is scheduled for the end of December 2013, with investment in assets of around R$ 100 million. Approximately 60% of this will be raised from public-sector banks, while the remainder will come in the form of capital injections in the proportion of 60% (Eternit) and 40% (Organizações Corona), in accordance with the joint-venture split. The construction of the plant can be followed on Eternit's blog http://blogdaeternit.com.br/

The setting up of the Eternit Group's 13th unit will be over the short and medium term, with planned investment in assets of approximately R$ 40 million, for which the Company will use funding from third parties on a preferential basis.

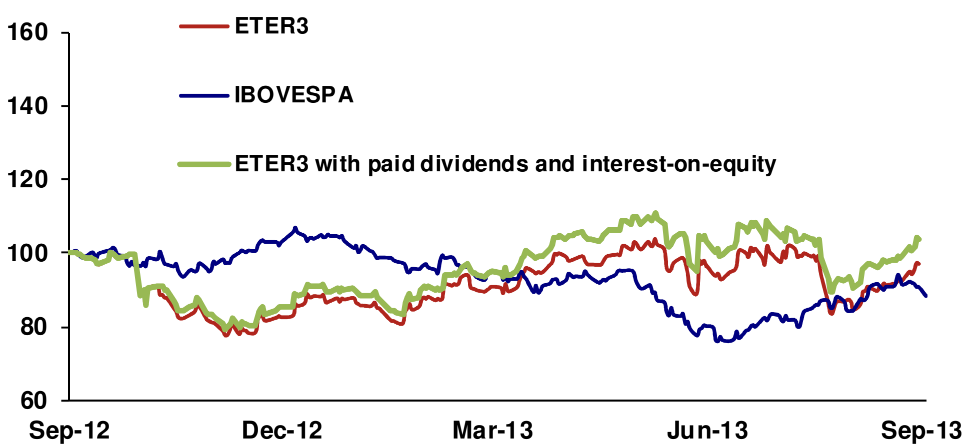
Capital Markets

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

The shares of Eternit (ETER3) were being quoted at R$ 9.52 in September 2013, showing a depreciation of 2.9% compared to September 2012. In the same period the Bovespa Index closed at 52,338 points, a depreciation of 11.6%. As at September 30, 2013, Eternit's market capitalisation amounted to R$ 852 million.

Capital Markets					
ETERNIT (ETER3)	3Q12	4Q12	1Q13	2Q13	3Q13
Closing Price (R$/Share) - Without dividends	9.80	8.10	8.91	9.45	9.52
Average Volume Traded (Shares)	117,354	146,497	95,939	139,741	85,218
Average Volume Traded (R$)	1,206,071	1,273,847	818,932	1,326,183	774,671
ETER3 - Quarterly Profitability (%)	-	-17.3	10.0	6.1	0.7
ETER3 - 12 Months Profitability (%)	-	-9.0	-3.6	-14.0	-2.9
IBOVESPA - Quarterly Profitability (%)	-	3.0	-7.5	-15.8	10.3
IBOVESPA - 12 Months Profitability (%)	-	7.4	-12.6	-12.7	-11.6
Market Capitalization (R$ Million)	877.1	725.0	797.4	845.8	852.0

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



Source: Economática

In the third quarter of 2013, Eternit's shareholding base showed a high concentration of private individual shareholders, of 61.1%, with 12.8% consisting of foreign investors and 26.1% consisting of corporate investors, investment clubs, investment funds and foundations.

Dividends and Interest-on-Equity

Eternit continues to be one of the listed companies in Brazil with the highest rate of return to its shareholders, being one of the few companies to reconcile growth with the distribution of dividends. In 2013, Eternit's dividend yield amounted to 9.9%, with a total amount distributed to shareholders of R$ 71.6 million.

Payment of dividends and interest-on-equity has traditionally always taken place on a quarterly basis. As a result of this practice, there is a large percentage of private individual shareholders in 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
08/07/13	BDM	08/28/13	5,726	0.064
08/07/13	BDM	08/28/13	12,168	0.136
10/23/13	BDM	11/13/13	5,816	0.065
10/23/13	BDM	11/13/13	12,079	0.135
Total		**-**	**71,577**	**0.800**
Closing Price		**-**	-	**8.10**
Dividend Yield		-	-	**9.9%**

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

Definition:

Dividend yield = dividend return: this is the result of dividing the amount distributed (dividends + interest-on-equity) per share, distributed during the year (payment base date), by the closing share price at the end of the previous year.

Payout = is the percentage of earnings distributed by the Company to its shareholders in the form of dividends and/or 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 asbestos, the manufacturer 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 59,000 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).

Legal question of Chrysotile Mineral (chrysotile asbestos)

The Company wishes to make clear that the extraction, industrialization, use, sale and transport of chrysotile asbestos 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 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 contested through ADIs (direct allegation of unconstitutionality) before the Supreme Court (STF), as well as being called into question, also via ADI, Article 2 of Federal Law No. 9055 of 1995. The ADIs brought against the state laws are awaiting judgment on merit. It is worth pointing out that the state of Mato Grosso has approved a law against the use of asbestos, which has yet to be sanctioned.

As a result of a court injunction, the law in the state of Rio de Janeiro is currently 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 is not definitive.** Meanwhile, the law in the state of Rio Grande do Sul has been contested in two lawsuits, being: (i) at state level being judged as having a case to answer, in a definitive decision, authorising the sale of asbestos-based products, under the terms of Law 9,055/95; and (ii) at the federal level being ruled as groundless, seeing that the charge in this case did not accept the plea of unconstitutionality of the law, which is not yet definitive.

On 10/31/12 the Supreme Court began its judgment on the merits of ADI No. 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 contesting 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.

Their eminences Minister Ayres Britto, and the President of the Supreme Court (on the date in question), began the judgment process, voting in favor of the constitutionality of the state laws of São Paulo and Rio Grande do Sul, while his eminence 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 only began 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

Public Interest Civil Lawsuits

1) On August 9, 2013, the Public Labour Ministry in the state of São Paulo issued a ruling on a New Public Interest Civil Lawsuit (lawsuit No. 0002106-72.2013.5.02.0009) against the Company, under which were disputed the working conditions in the plant at Osasco, the activities of which ceased in 1993. In this lawsuit, there are several distinct pleas, among which is a demand for the Company to make a compensation payment of R$ 1 billion for collective pain and suffering. The Labour Judge accepted in part 1 of 6 pleas for interlocutory relief with respect to the imposition of the funding of the health plan on some former employees. In parallel to this, on October 4th, 2013, the Brazilian Asbestos Exposure Victims Association – ABREA, also filed a Public Interest Civil Lawsuit (Lawsuit No. 0002715-55.2013.5.02.0009) with assignment of the case to the same judge, as it deals with facts related to the plant at Osasco, with these cases being ruled on together. None of the 8 pleas for court protection filed by ABREA were accepted. Both defences will be presented in a timely manner.

2) The Company also wishes to clarify that in 2004 a Public Interest Civil Lawsuit was ruled on by the Public Ministry of the State of São Paulo (Lawsuit No. 000.04.043.728-0), which covered the same facts as in the lawsuit cited above, the request being denied for compensation for subsequent illness of former employees from the plant at Osasco, the activities of which ceased in 1993.

The judges of the court of appeals of the 32nd Chamber of the São Paulo Justice Tribunal, expressed the opinion that the Company rigorously complied with the legislation referring to safety and health of employees, as determined by Federal Law No. 9055/95, Decree No. 2350/97 and the Regulatory Standards of the Ministry for Labour and Employment. Thus, they denied the plea for compensation for the subsequent illness of former employees of the Oscaco plant, thus differing in their belief from the opinion of the Public Ministry that Eternit was to blame through action or omission. **In September 2013**, **the ruling by the Supreme Justice Tribunal was ruled to be definitive, on the groundlessness of the Public Interest Civil Lawsuit proposed by the State Public Ministry in 2004 (lawsuit No. 000.04.043.728-0).**

The Company wishes to emphasise its belief in Brazilian justice and hopes that the technical and scientific evidence will be considered in the ongoing judgement on this case, with a refusal to succumb to pressure groups in favour of the banning of chrysotile asbestos, based purely on the unsuccessful experience in Europe.

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, 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 of the sector. The full research document can be found on the following website link: 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.

Notification of Death

It is with heartfelt regret that the Eternit Group announces the death, on October 20, 2013, of its CEO, Investor Relations Director and Member of the Company's Board of Directors, Mr. Élio A. Martins. The Company wishes to express its deep gratitude for his 38 years of dedicated service. During this period, his work has been fundamental in making Eternit one of Brazil's most important construction material companies.

He was a dedicated professional, constantly focused on contributing to the development of the Country, as well as the Company itself. Élio was widely recognised and acclaimed for his work at the head of the Presidency of the Eternit Group since January 2000, in the capital market and commercial areas, as well as at various entities, where he acted as Vice-President of SINAPROCIM – National Union of the Cement Products Industry and SINPROCIM – Union of Cement Products Industry of the State of São Paulo; Director of the IBC - Brazilian Chrysotile Institute; Member of COSEMA – Higher Environmental Council of FIESP/, the Industrial Federation of the state of São Paulo; Member of the Consultative Board of ADIAL – the Brazilian Association for Regional Sustainable Development, and Member of LIDE – The Business Leaders Club.

His loss will be profoundly felt by all the employees, shareholders, clients, suppliers and all those who have contributed to the Company's performance over the year. In addition to being an important leader, his courageousness and spirit of fairness always served as motivation for everyone, during periods of achievement, as well as at challenging moments. At this time, Eternit and its employees join together with his family and friends in mourning the loss of a great leader and human being.

Nomination of the CEO and Investor Relations Director

At a meeting of the Board of Directors held on October 23, 2013, the nomination was approved of Mr. Nelson Pazikas for the post of CEO and Investor Relations Director of the Eternit Group, under the terms of the Company Bylaws, as a consequence of the untimely death of Mr. Élio A. Martins.

Mr. Nelson Pazikas is also the Financial and Administrative Director of Eternit, a post which he has occupied since 2004, as well as being the interim CEO of Companhia Sulamericana de Cerâmica (CSC) and a member of the Board of Directors of CSC.

The new presidency will continue with the implementation of the Structured Plan for Expansion and Diversification, which consists of expanding the sales of the Eternit Group through acquisitions and the launching of new products. The plan aims to prepare the Company for the next 70 years, and make it one of the most diversified instructional material companies in the Brazilian market.

Recognitions

The various awards received over the last seven decades, since the Company's foundation, demonstrate that the Company takes what it does for its stakeholders seriously. Below is a list of the awards from one in the third quarter of 2013:

Best Companies for Shareholders in 2013 – awarded by Capital Aberto Magazine, Eternit was ranked in third place in this category, which covers companies with assets of up to R$ 2 billion. Among the evaluated items, Eternit received the maximum score in terms of Corporate Governance.

Best Companies to Work for in 2013 – Eternit and SAMA, for the second and sixth time running, respectively, were elected by Guia 2013 published by the Magazine Você S/A, as being among the best companies to work for. SAMA, for the second time running, was ranked in first place in the mining sector.

Best Companies to Work for – GPTW Brasil – SAMA was ranked in sixth place, in the category of medium and small-sized national companies, in research carried out by *Great Place to Work* in partnership with Época Magazine. This is the eighth time that SAMA has participated in these awards, being awarded a prize for the fifth year running.

ANAMACO 2013 – Eternit received awards from the National Association of Construction Material Merchants (ANAMACO) in the category of "Master" in fiber-cement roofing tiles, and was ranked in second place in the category of customer reach/large clients for fiber-cement roofing tiles (without asbestos).

Outlook

For 2013 the GDP growth forecast is for 2.5%. For the Brazilian government, the Construction Industry is of strategic importance for economic growth and the generation of jobs and incomes in the Country. The Federal Government has substantially increased its investments in housing, basic sanitation and infrastructure, because to invest in construction acts as an incentive in a sector that contributes substantially 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 sector is 1.9%, according to Brazilian Central Bank.

The construction materials sector, according to the Brazilian Construction Materials Industry Association (ABRAMAT) can be expected to grow 4.0% in sales terms for 2013, compared to the previous year, which represents growth of 4.3% in the first nine months of 2013, compared to the same period in 2012. ABRAMAT's estimate for the end of the year is for continuing positive results compared to 2012, which will depend on further stimulus by the government in the construction sector, the maintenance of existing employment levels, incomes and credit, as well as the speeding up of infrastructure works.

The National Association of Construction Material Merchants (ANAMACO) has released data that shows that Brazil has approximately 57.8 million permanent homes, and that 77% of these homes need some kind of refurbishment or expansion. Currently 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 these home dwellers, thus representing a significant level of pent-up demand to meet the needs of those living in such conditions.

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 three 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 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 has established Eternit as the largest and most diversified roofing material manufacturer in the Country, ending the third quarter of 2013 with approximately 18% 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.

The management considers the following challenges in the sector to be important: the competitive conditions of national industry with respect to infrastructure bottlenecks and appreciation in the exchange rate; the combating of inflation, the availability of qualified labour, and the raising of production in the construction chain; and also the question of housing referring to the cost of land which could suffer from excessive appreciation, thus hampering investment. It is also important to bear in mind the current situation in the Brazilian economy, with weak GDP growth, as well as the low level of job generation and income distribution.

With respect to the challenges that the Company faces, the most important of these is the legal question of chrysotile asbestos, for which a ruling by the Supreme Court is still 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 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 offering 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, as well as 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 all 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!

Conference Call/*Webcasting* (in Portuguese – simultaneous translation into English)

The Executive Board of Eternit hereby invites you to participate in its announcement of its results for the third quarter of 2013.

Presentation: Nelson Pazikas - CEO and Investor Relations Director and Rodrigo Lopes da Luz - Investor Relations Manager
Date: Friday, November 8, 2013
Time: 2 p.m. (Brasília) -11 a.m. - Eastern Standard Time (New York) - 4 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/3q13.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** if dialing from Brazil and **(1 786) 924-6977** if dialing from other countries - Password for participants: **Eternit**

Playback: A recording of the conference call will be available from **11/08/2013** to **11/14/2013** on telephone number: **(55-11) 4688-6312 -** Password: **9292831#**

Public Meeting for Shareholders, Investors and Analysts – APIMEC–SOUTH (only in Portuguese)
Presentation: Nelson Pazikas - CEO and Investor Relations Director and Rodrigo Lopes da Luz - Investor Relations Manager
Date: November 25, 2013
Time: 6.00 p.m – Registration
6.30 p.m – Start of presentation (cocktails will be served after the presentation)
Location: Hotel Embaixador – Rua Jeronimo Coelho, 354 – Centro Histórico – Porto Alegre (RS)
RSPV: APIMEC-SUL – Telephone: (55-51) 3224-3121 – E-mail: eventos@apimecsul.com.br

Public Meeting for Shareholders, Investors and Analysts – APIMEC–North East (only in Portuguese)
Presentation: Nelson Pazikas - CEO and Investor Relations Director and Rodrigo Lopes da Luz - Investor Relations Manager
Date: December 3, 2013
Time: 6.00 p.m. – Registration
6.30 p.m. – Start of presentation (cocktails will be served after the presentation)
Location : Hotel Gran Marquise – Av. Beira Mar, 3980 – Mucuripe - Fortaleza (CE)
Contact: APIMEC-NE - Telephone: (55-85) 3253-5850
E-mail: apimecne@apimecne.com.br

Investor Relations		
Rodrigo Lopes da Luz	rodrigo.luz@eternit.com.br	(55-11) 3038-3818
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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 09/30/2013 (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 09/30/2012 (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	12,085,000	13.50	12,085,000	13.50
Victor Adler	6,000,000	6.70	6,000,000	6.70
Treasury shares	29,366	0.03	29,366	0.03
Other	57,735,634	64.51	57,735,634	64.51
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 09/30/2013**	**%**	**Number of common shares (in units) Movement**		**Quantity of ordinary shares (in units) 09/30/2012**	**%**
Controller	N/A	-	N/A		N/A	-
Directors						
Board of Directors	12,874,794	14.39	-6,017,587		18,892,81	21.11
Board of Auditors	9,262	-	-		-	-
Directors	907,383	1.01	65,200		842,183	0.94
Treasury shares	29,366	0.03	-		29,366	0.03
Other shareholders	75,679,195	84.56	5,943,125		69,736,070	77.92
Total	**89,500,000**	**100.00**	-9,262		**89,500,000**	**100.00**
Outstanding shares	**75,679,195**	**84.56**	5,943,125		**69,736,070**	**77.92**

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 on interim financial information

The Shareholders, Board of Directors and Officers of
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 Financial Information Form (ITR) for the quarter ended September 30, 2013, comprising the balance sheet at September 30, 2013 and the related income statement and statement of comprehensive income for the three and nine-month periods then ended, the statement of changes in equity and cash flow statement for the nine-month period then ended, including other explanatory information.

Management is responsible for the preparation of the individual interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) - Interim Financial Reporting, and consolidated interim financial information in accordance with CPC 21 (R1) 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 prepared, in all material respects, in accordance with CPC 21 (R1) 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 fairly presented, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of the Quarterly Financial Information (ITR).

Emphasis of matter

We draw attention to Note 21 iv) to 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 manufacturing 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.

We draw attention to Note 21 e) to interim financial information, which describes Civil Class Actions (proceedings No. 0002106-72.2013.5.02.0009 and No. 0002715-55.2013.5.02.0009) filed on August 9 and October 4, 2013, respectively, by the São Paulo Labor Prosecution Office and by the Brazilian Association of Workers Exposed to Asbestos (ABREA) against the Company, that discuss the work environmental conditions at the Osasco's plant, whose activities were discontinued in 1993. The probability of loss was assessed as possible by the Company's legal advisors. Accordingly, no provision for loss was recognized in connection with those Civil Class Actions. 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 for the nine-month period ended September 30, 2013, prepared under the responsibility of Company management, the presentation of which in the interim financial information is required by the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of Quarterly Financial Information (ITR) and as supplemental information under the IFRS, whereby no statement of value added presentation is required. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, November 6, 2013.

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

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

REPORT BY THE BOARD OF AUDITORS

The Board of Auditors of Eternit S. A., in fulfilment of its legal and statutory requirements, has examined the interim, individual and consolidated accounting information of Eternit S. A., referring to the quarter ending September 30, 2013.

Based on the examinations carried out, also taking into consideration the review report from the independent auditors - Ernst & Young Terco Auditores Independentes, dated November 6, 2013, as well as the information and clarifications received during the course of the quarter, the Board of Auditors expressed the opinion that the aforesaid documents were in a condition to be presented to the Board of Directors for appreciation.

São Paulo, November 6, 2013.

Members whose signature appears below: Charles René Lebarbenchon – Coordinator, Paulo Henrique Zukanovich Funchal and Edson Carvalho de Oliveira Filho

Rodrigo Lopes da Luz – Secretary

Declaration by the Executive Board

In compliance with Article 25, paragraph 1, sub paragraphs V and VI, of CVM Instruction No. 480/2009, the Executive Board hereby declares that it has reviewed, discussed and agreed these financial statements, and agrees with the opinions expressed in the report from the Independent Auditors referring to them.

São Paulo, November 06, 2013.

The Management