Eternit maintains investment plan and announces installation of 13th unit in the city of Manaus

São Paulo, May 6, 2013 – Eternit S.A. (BM&FBOVESPA: ETER3; OTC: ETNTY), active in the Brazilian market for 73 years, the market leader in the national roof covering segment, with activities in the bathroom chinaware, metallic fittings segments and a manufacturer of components for construction systems, today announces its results for the 1st quarter of 2013. The Company's operational and financial information, except where otherwise stated, is presented based on the consolidated figures, and in Brazilian Reais, in accordance with Brazilian Corporation Law and International Financial Reporting Standards - IFRS. All comparisons made in this press release refer to the 1st quarter of 2012 (1Q12), except where otherwise specified.

1Q13

Quotation (04/30/13)
ETER3

R$/share	9.60
US$/share	4.80

Shareholding base as at (04/30/13)

Total Shares	89,500,000
Free Float	84.4%

Market Capitalization (04/30/13)

R$ 859 million
US$ 429 million

Shareholder Remiuneration (2013)

R$ 0.400 per share
Dividend yield: 4.9%

Indicators - (Mar/13)

VPS (R$/share)	5.40
Quote./VPS	1.65
P/E	7.62

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Demand for construction material was low in the first quarter of 2013, according to figures from the Brazilian Construction Materials Industry Association (ABRAMAT). Despite this timid performance by the sector, the Company operated at full capacity in its chrysotile mining operation, and maintained production at the level of demand for fiber cement and concrete tiles.

Sales volume of chrysotile mineral saw a reduction of 17.4% in 1Q13, when compared to 1Q12, due to a reduction in the volume shipped to the export market, as a consequence of temporary logistics problems restricting access to Brazilian ports, which incidentally also impacted other segments of the national economy. Over the same period, fiber cement sales volume amounted to 200,500 tons, 6.9% higher than in 1Q12, while the volume of concrete tiles dropped by 13.4% due to the slowdown in this segment.

In 1Q13, consolidated net revenue totaled R$ 211.3 million, practically unchanged compared to 1Q12 (up by 0.5%), due principally to a satisfactory sales policy, and exchange-rate valuation which compensated for the reduction in the sales volumes of concrete tiles and chrysotile mineral.

EBITDA totaled R$ 38.8 million, 16.0% less than in 1Q12, as a result of a proportional increase in the cost of goods sold and lower export volume, due to the bottlenecks at the ports. Consequently, net income in 1Q13 was 28.2% less than in 1Q12, amounting to R$ 21.5 million.

In 1Q13, investments totaled R$ 17.8 million, 264.2% more than in 1Q12, principally allocated to construction of the bathroom chinaware plant in the state of Ceará. In line with its Structured Plan for Expansion and Diversification, on April 15, 2013 Eternit announced the setting up of unit, over the short and medium term, for research, development and production of inputs and construction materials in the city of Manaus, with planned investment of approximately R$ 40 million.

Main Indicators

Consolidated - R$ `000	1st Quarter 2013	1st Quarter 2012	% Chg.
Gross Revenues	**276,300**	**272,607**	**1.4**
Net Revenues	**211,263**	**210,244**	**0.5**
Gross Profit	84,556	94,008	(10.1)
Gross Margin	*40%*	*45%*	*- 5 p.p.*
Operating Income (EBIT) [1]	**29,965**	**40,090**	**(25.3)**
Net Income	**21,474**	**29,907**	**(28.2)**
Net Margin	*10%*	*14%*	*- 4 p.p.*
EPS (R$/share)	0.24	0.33	(28.2)
Investments	17,775	4,881	264.2
EBITDA [2]	**38,822**	**46,233**	**(16.0)**
EBITDA Margin	*18%*	*22%*	*- 4 p.p.*

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

General scenario and market

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

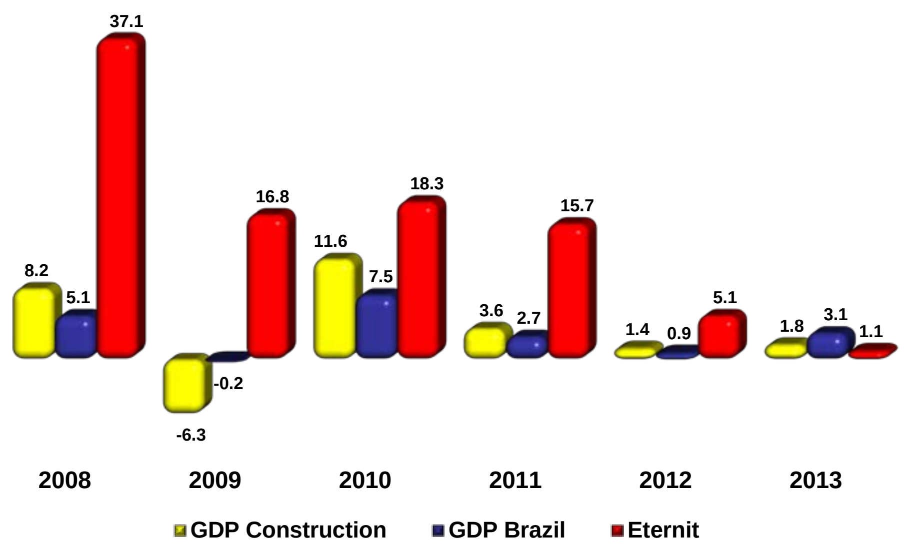
Moreover, continuing on the topic of the international economic environment, in general terms the prospects for only moderate global economic activity remain unchanged. In the mature economies all the evidence points to growth rates that are low and well short of potential, despite the pickup in the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

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

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

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

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



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

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

Operational and Financial Aspects

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

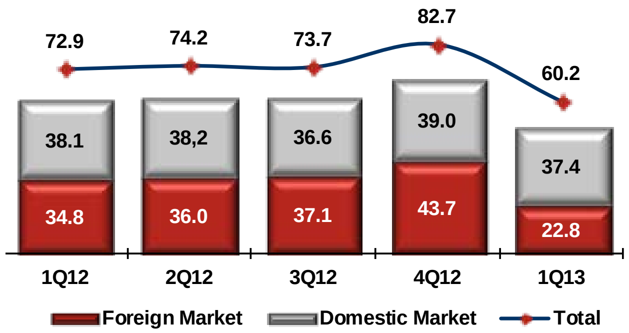
The current annual production capacity levels of the companies in the Eternit Group are around 300,000 tons at the mining company, 1 million tons of fiber cement production and 10 million square meters of concrete tiles.

Sales

Chrysotile Mineral

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

Sales of Chrysotile Mineral (thous. Tons.)*

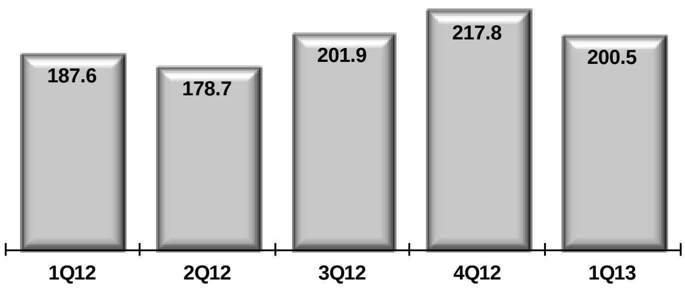


(*) The chrysotile mineral sales volumes shown include inter-company sales, which represented 36.2% of total sales volume to the domestic market in 1Q13.

Fiber cement products

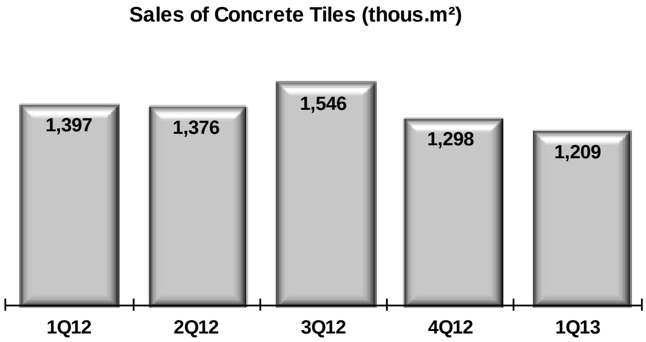
Fiber cement sales volume, including components for construction systems, amounted to 200,500 tons in 1Q13, up 6.9% compared to 1Q12, due to the high level of competitiveness of these products in the roofing segment.

Sales of Fiber Cement (thous. Tons.)



Concrete tiles

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



Other Products

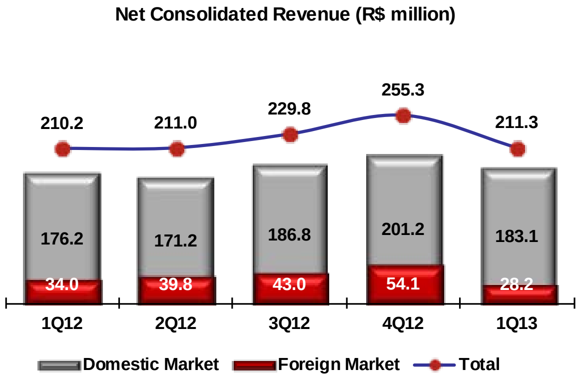
Bathroom chinaware is becoming more important in the Company's portfolio, with preparations continuing for the operation of the plant in the state of Ceará. In only four years in the bathroom chinaware segment, Eternit has achieved a prominent position, already overtaking some traditional players in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

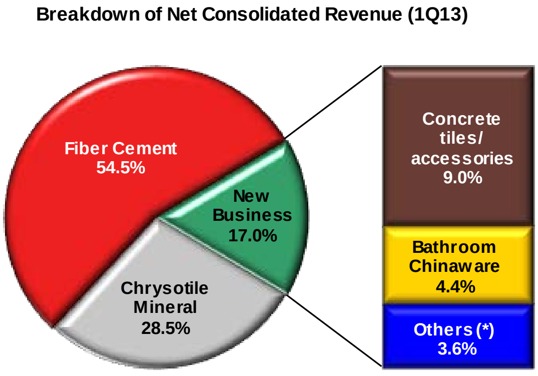
Other products sold, although on a smaller scale, include metal bathroom fittings and lavatory seats, metallic tiles, among others.

Consolidated Net Revenue

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

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





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

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

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

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

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

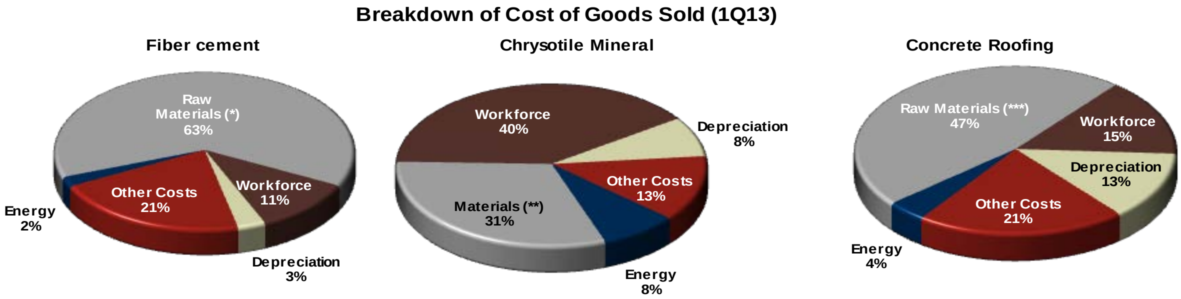
The consolidated cost of goods sold (COGS) amounted to a total of R$ 126.7 million in 1Q13, up 9.0% compared to 1Q12, as a function of the rise in extraction and production costs. As a result of the fact that the rise in the consolidated cost of goods sold was higher than the increase in consolidated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

The variations in extraction and production costs are shown below:

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

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

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



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

Operational Expenses

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

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

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

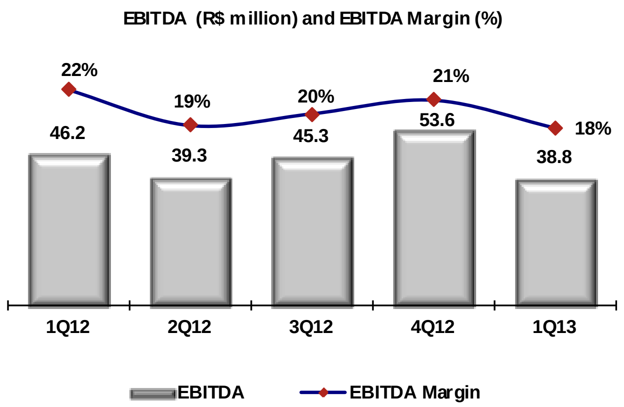
The net financial result amounted to a negative figure of R$ 210 thousand in the first quarter of 2013, compared to the positive figure in 1Q12, of R$ 2.4 million, mainly as a consequence of the reduction in financial revenues as a result of: (i) gains in financial applications due to the reduction in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

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

EBITDA

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

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



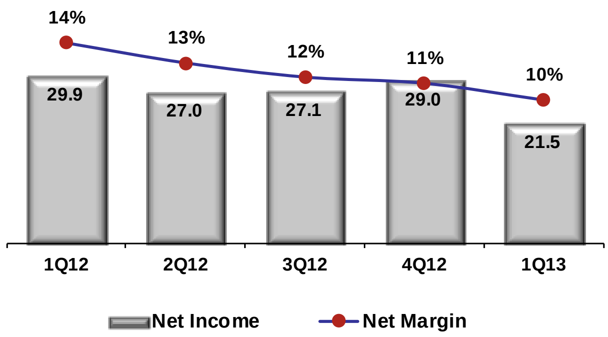
Reconciliation of Consolidated EBITDA - (R$'000)	1st Quarter		
	2013	2012	% Chg.
Net income	**21,474**	**29,907**	**(28.2)**
Income tax and social contributions	8,281	12,599	(34.3)
Net Financial Income	210	(2,416)	(108.7)
Depreciation and amortization	8,857	6,143	44.2
EBITDA	**38,822**	**46,233**	**(16.0)**

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

Net income

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

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



Indebtedness

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

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

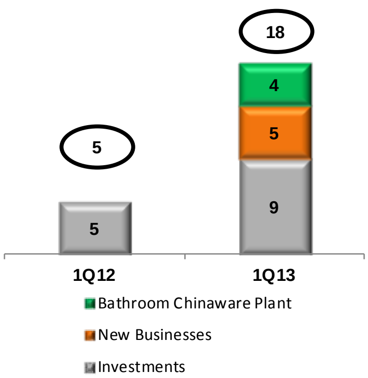
DEBT	Parent Company		Consolidated	
	03/31/13	12/31/12	03/31/13	12/31/12
Gross debt	13,235	8,785	65,125	79,946
Cash and cash equivalents	(2,494)	(3,852)	(5,069)	(16,656)
Short-term investments (same cash equivalents)	(36,604)	(48,612)	(54,959)	(78,930)
Net Debt	**(25,863)**	**(43,679)**	**5,097**	**(15,640)**

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

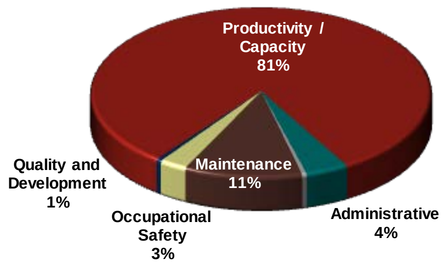
Investments

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

Consolidated Investments (R$´000)



Investments Distribution (1Q13)



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

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

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

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

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

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

Capital Markets

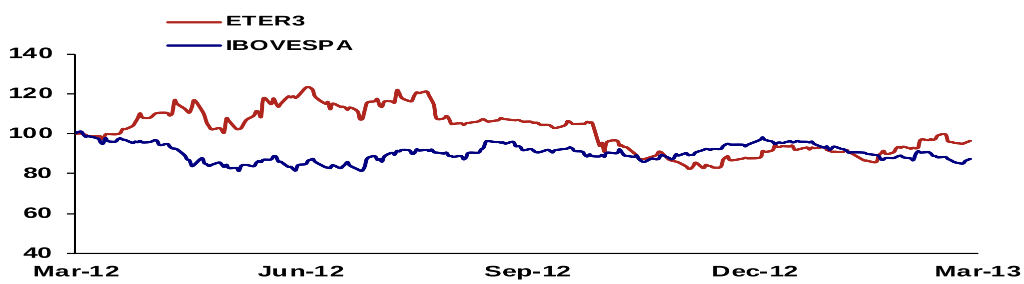
Eternit's shares have been listed on the stock exchange since 1948, and since 2006 have been traded on the Novo Mercado, BM&FBOVESPA's highest level of corporate governance, under the ticker code ETER3. The Company also has had an ADR Level 1 program (American Depositary Receipts), since May 2010, allowing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

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

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

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

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



Source: Economática

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

Dividends and interest-on-equity

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

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

Dividends Distribution (2011 to 2013)				
Approval Date	Type	Payment Start Date	Total Value R$ 000	Value per Share (R$)
	2011			
12/08/10 (*)	BDM	03/25/11	5,637	0.063
03/02/11 (*)	BDM	03/25/11	21,204	0.237
04/27/11	BDM	05/20/11	5,905	0.066
04/27/11	BDM	05/20/11	9,305	0.104
08/03/11	BDM	08/24/11	5,905	0.066
08/03/11	BDM	08/24/11	11,989	0.134
10/26/11	BDM	11/18/11	5,905	0.066
10/26/11	BDM	11/18/11	14,673	0.164
Total		**-**	**80,523**	**0.900**
Closing Price		**-**	-	**12.00**
Dividend Yield		-	-	**7.5%**
	2012			
12/07/11 (*)	BDM	03/28/12	5,905	0.066
03/07/12 (*)	BDM	03/28/12	11,989	0.134
04/25/12	BDM	05/17/12	5,905	0.066
04/25/12	BDM	05/17/12	11,989	0.134
08/08/12	BDM	08/29/12	6,710	0.075
08/08/12	BDM	08/29/12	11,184	0.125
10/24/12	BDM	11/14/12	5,726	0.064
10/24/12	BDM	11/14/12	12,168	0.136
Total		**-**	**71,576**	**0.800**
Closing Price		**-**	-	**8.90**
Dividend Yield		-	-	**9.0%**
	2013			
12/12/12 (*)	BDM	03/26/13	5,726	0.064
03/06/13 (*)	BDM	03/26/13	12,168	0.136
04/17/13	BDM	05/10/13	5,726	0.064
04/17/13	BDM	05/10/13	12,168	0.136
Total		**-**	**35,788**	**0.400**
Closing Price		**-**	-	**8.10**
Dividend Yield		-	-	**4.9%**

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

Definition:

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

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

Socio-environmental and Corporate Responsibility

Open Doors Program

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

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

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

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

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

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

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

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

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

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

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

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

Research related to the use of asbestos

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

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

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

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

New Developments

Board of Directors, Board of Auditors and Advisory Board

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

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

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

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

Company Bylaw Reforms

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

Outlook

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Welcome to the next 70 years!

Invitation

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

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

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

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

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

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

Eternit

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ETERNIT S.A.

Balance Sheet

Corporate Law (R$ '000)

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

LIABILITIES AND EQUITY	Parent Company		Consolidated	
	03/31/13	12/31/12	03/31/13	12/31/12
Current Liabilities	**90,587**	**91,450**	**174,554**	**208,094**
Trade accounts payable	32,686	30,417	53,109	48,968
Related parties	8,321	8,281	-	-
Loans and financing	1,496	1,519	37,485	55,839
Taxes, charges and contributions payable	10,712	11,801	23,900	36,932
Provision and social charges	15,938	17,310	28,141	34,938
Dividends and interest on equity payable	17,790	18,133	17,790	18,133
Provision for future benefits to former employees	1,645	1,645	3,253	2,926
Other current liabilities	1,999	2,344	10,876	10,358
Non-Current	**89,087**	**82,723**	**128,474**	**122,492**
Loans and financing	11,739	7,266	27,640	24,107
Related parties	27,626	27,252	-	-
Provision for future benefits to former employees	18,678	18,263	30,426	30,019
Provision for civil, tax and labor contigencies	22,871	22,657	51,831	51,116
Deferred income and social contribution taxes	8,173	7,285	9,682	8,139
Environmental restoration of degraded mining areas	-	-	8,345	8,201
Other non-current liabilities	-	-	550	910
Equity	**483,099**	**479,520**	**483,114**	**479,534**
Capital	334,251	334,251	334,251	334,251
Capital reserve	19,388	19,388	19,388	19,388
Treasury stock	(174)	(174)	(174)	(174)
Income reserves	129,634	126,055	129,634	126,055
Net equity attributable to non-minority shareholders	**483,099**	**479,520**	**483,099**	**479,520**
Minority shareholders	-	-	15	14
Total Liablities and Equity	**662,773**	**653,693**	**786,142**	**810,120**

ETERNIT S.A. (PARENT COMPANY)

Income Statements

Corporate Law

R$ ´000	1st Quarter 2013	2012	% Chg.
Gross Revenues	**160,700**	**152,844**	**5.1**
Gross Revenues Deductions	(41,947)	(40,070)	4.7
Net Revenues	**118,753**	**112,774**	**5.3**
Cost of products sold	(86,096)	(78,047)	10.3
Gross Profit	**32,657**	**34,727**	**(6.0)**
Gross Margin	***27%***	***31%***	
Operating Revenues (Expenses)	**(28,524)**	**(26,912)**	**6.0**
Sales	(13,993)	(13,030)	7.4
General and administrative	(13,358)	(13,357)	0.0
Other operating (expenses) revenues, net	(1,173)	(525)	123.4
Operating Income before Equity Income (EBIT)	**4,133**	**7,815**	**(47.1)**
EBIT Margin	***3%***	***7%***	
Equity pickup	18,038	22,603	(20.2)
Operating Income before Financial Expenses (EBIT)	***22,171***	***30,418***	(27.1)
Net Financial Income	**(72)**	**1,472**	**-**
Financial expenses	(3,035)	(2,454)	23.7
Financial income	2,963	3,926	(24.5)
Income before tax and social contribution	**22,099**	**31,890**	**(30.7)**
Current	-	201	(100.0)
Deferred	(626)	(2,184)	(71.3)
Net Income	**21,473**	**29,907**	**(28.2)**
Net margin	***18%***	***27%***	
Earnings per Share - R$	0.24	0.33	(28.2)
EBITDA	**6,907**	**10,857**	**(36.4)**
EBITDA Margin	***6%***	***10%***	

ETERNIT S.A. (CONSOLIDATED)

Income Statements

Corporate Law

R$ ´000	1st Quarter 2013	2012	% Chg.
Gross Revenues	**276,300**	**272,607**	**1.4**
Gross Revenues Deductions	(65,037)	(62,363)	4.3
Net Revenues	**211,263**	**210,244**	**0.5**
Cost of products sold	(126,707)	(116,236)	9.0
Gross Profit	**84,556**	**94,008**	**(10.1)**
Gross Margin	***40%***	***45%***	
Operating Revenues (Expenses)	**(53,772)**	**(53,918)**	**(0.3)**
Sales	(26,666)	(25,507)	4.5
General and administrative	(25,724)	(27,008)	(4.8)
Other operating (expenses) revenues, net	(1,382)	(1,403)	(1.5)
Operating Income before Equity Income (EBIT)	**30,784**	**40,090**	**(23.2)**
EBIT Margin	***15%***	***19%***	
Equity Income	(819)	-	-
Operating Income before Financial Expenses (EBIT*)	***29,965***	***40,090***	**(25.3)**
Net Financial Income	**(210)**	**2,416**	**(108.7)**
Financial expenses	(8,827)	(8,877)	(0.6)
Financial income	8,617	11,293	(23.7)
Income before tax and social contribution	**29,755**	**42,506**	**(30.0)**
Current	(7,885)	(10,753)	(26.7)
Deferred	(396)	(1,846)	(78.5)
Net Income	**21,474**	**29,907**	**(28.2)**
Net Margin	***10%***	***14%***	
Earnings per Share - R$	0.24	0.33	(28.2)
EBITDA	**38,822**	**46,233**	**(16.0)**
EBITDA Margin	***18%***	***22%***	

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

ETERNIT S.A.

STATEMENTS OF CASH FLOW

Corporate Law

R$ '000 - Accumulated	Parent Company		Consolidated	
	03/31/13	03/31/12	03/31/13	03/31/12
Operating Activities:				
Income before income and social contribution taxes	**22,099**	**31,890**	**29,755**	**42,506**
Adjustments to reconcile pre-tax income with net cash provided by operating activities:				
Equity pickup	(18,038)	(22,603)	819	-
Depreciation and amortization	2,774	3,042	8,857	6,143
Gain (loss) from disposal of permanent assets	(26)	59	(41)	283
Provision for impairment losses on accounts receivable	101	49	226	385
Provision for civil, tax and labor contigencies	214	452	715	541
Provision (reversal) for sundry losses	329	154	844	454
Financial charges, monetary changes and foreign exchange variation	215	454	(763)	(86)
Short-term investment yield	(771)	(595)	(1,238)	(595)
Net changes in prepaid expenses	349	(1,199)	364	(1,044)
	7,246	**11,703**	**39,538**	**48,587**
(Increase) decrease in operating assets:				
Trade accounts receivable	1,699	1,601	18,823	(1,965)
Related parties receivable	204	232	-	-
Inventories	(13,296)	(11,720)	(22,231)	(18,869)
Recoverable taxes	188	(1,208)	465	(1,386)
Judicial deposits	(309)	(77)	(342)	(1,228)
Received dividends	15,818	9,240	-	-
Other assets	(1,601)	(1,218)	(1,498)	(3,361)
Increase (decrease) in operating liabilities				
Trade accounts payable	2,351	2,437	4,226	3,449
Related parties payable	40	(2,467)	-	-
Taxes, charges and contribution payable	(832)	2,561	16	1,924
Provisions and social charges	(1,372)	(259)	(6,797)	(1,976)
Other liabilities	(406)	(386)	51	418
Interest paid	(183)	(24)	(227)	(24)
Income and social contribution taxes paid	(16)	(646)	(20,079)	(9,807)
Net cash flow from operating activities	**9,531**	**9,769**	**11,945**	**15,762**
Cash flow from investment activities				
Additions to property, plant and equipment and intangible assets	(7,408)	(1,136)	(13,990)	(4,881)
Loan from related party receivable	(116)	(1,251)	-	-
Cash receipt from the sale of property, plant & equipment	304	(33)	319	(33)
Capital increase in subsidiaries	(3,785)	-	(3,785)	-
Short-term investments	(29,235)	-	(69,963)	-
Redemptions from short-term investments	42,016	-	95,172	-
Temporary investments	-	2,340	-	2,340
Net cash flow from investment activities	**1,776**	**(80)**	**7,753**	**(2,574)**
Cash flow from financing activities				
Loans and financing raised	4,739	79	34,083	41,751
Loan with related party	(66)	(92)	-	-
Amortization of loans and financing	(20)	(2,524)	(48,050)	(45,117)
Payment of dividends and interest on equity	(17,318)	(17,407)	(17,318)	(17,407)
Net cash flow from financing activities	**(12,665)**	**(19,944)**	**(31,285)**	**(20,773)**
Increase (decrease) in cash and equivalents	**(1,358)**	**(10,255)**	**(11,587)**	**(7,585)**
Cash and equivalents:				
At the beginning of the year	3,852	21,352	16,656	42,333
At the end of the year	2,494	11,097	5,069	34,748
	(1,358)	**(10,255)**	**(11,587)**	**(7,585)**