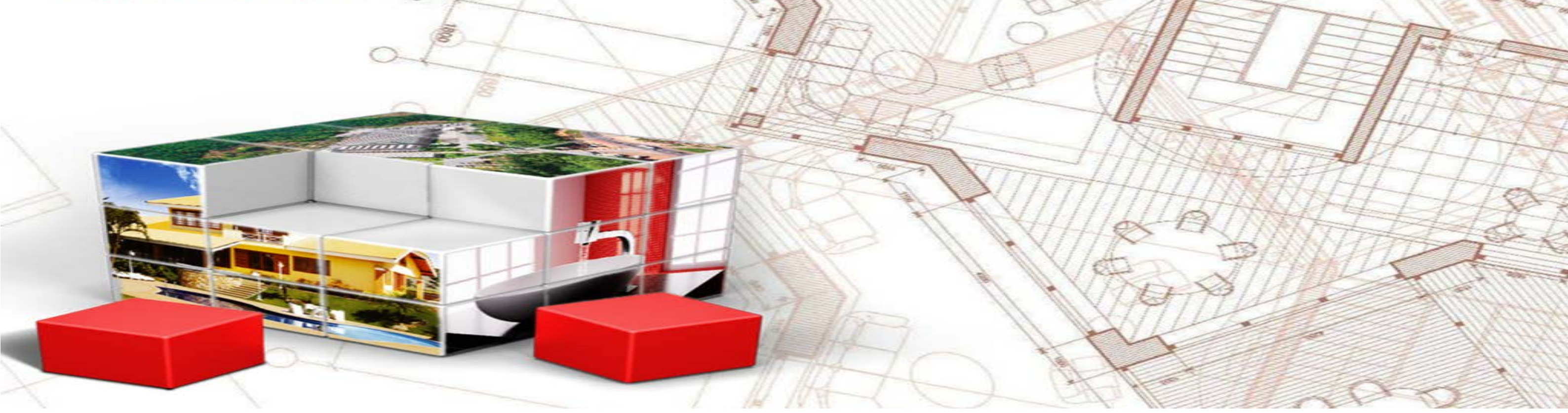
Eternit



Eternit maintains a strong focus on its Investment Plan and ends 2013 with a dividend yield of 10%

São Paulo, March 17, 2014 – Eternit S.A. (BM&FBOVESPA: ETER3; OTC: ETNTY), which was founded 74 years ago and is Brazil's leading manufacturer of roofing tiles and a manufacturer of bathroom chinaware and metal fittings and construction solutions, announces its results for the fourth quarter of 2013 (4Q13) and for fiscal year 2013 (2013). Except where stated otherwise, the operational and financial information of the Company is presented on a consolidated basis in Brazilian real, in accordance with Brazilian Corporation Law and International Financial Reporting Standards (IFRS). All comparisons in this press release are in relation to the fourth quarter of 2012 (4Q12) and to fiscal year 2012 (2012), except where stated otherwise.

4Q13

Stock Price (02/28/14) ETER3

R$/share	8.30
US$/share	3.56

Shareholder Base (02/28/14)

Total Shares	89,500,000
Free-Float	85.0%

Market Capitalization (02/28/14)

R$ 742.9 million
US$ 318.4 million

Shareholder Payments (2013)

R$ 0.80 per share
Dividend yield: 9.9%

Indicators (Dec/13)

Book Value (R$/share)	5.66
Price/Book Value	1.55
Price/Earnings	7.65

Corporate Video

Watch our corporate video using this QR Code.

IR Contacts

Investor Relations Team:
+55 (11) 3038-3818
+55 (11) 3194-3881
+55 (11) 3194-3872
ri@eternit.com.br

For more information go to:
www.eternit.com.br/ir

@Eternit_RI

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Growth in the construction materials industry in the fourth quarter and whole of 2013 fell short of the initial expectations formulated for both periods. Eternit's performance in the fourth quarter exceeded the industry average, with its chrysotile mining business operating at full capacity, its fiber-cement operations at approximately 80% capacity and its concrete roofing tile business at around 60% capacity.

Chrysotile asbestos sales volume in 4Q13 amounted to 74,700 tons, decreasing 9.5% from 4Q12, which is explained by the failure to ship a portion of the volume sold in exports markets in December due to the complexity of the logistics involved. In the same period, fiber-cement sales volume amounted to 217,000 tons, virtually stable from the year-ago period, while concrete roofing tile sales volume contracted 2.2% due to weaker demand in the high-end roofing segment.

Consolidated net sales in the quarter amounted to R$ 253.2 million, virtually stable in relation to 4Q12, supported by the effective sales policy and the appreciation in the U.S. dollar against the Brazilian real, which offset the reduction in sales volume.

EBITDA in 4Q13 amounted to R$ 42.3 million, 21.0% lower than in 4Q12, due to lower sales volume of chrysotile and concrete roofing tiles, coupled with the increase in cost of products sold, which outpaced the growth in consolidated net sales. As a result, net income decreased by 12.8% from 4Q12 to R$ 25.3 million in the period.

Investments continued under the Expansion and Diversification Plan and amounted to R$ 93.6 million in 2013, 34.9% more than in 2012, which was allocated primarily to the construction of the bathroom chinaware plant in the state of Ceará, the installation of a research, development and production unit for construction material inputs in the state of Amazonas and the maintenance and modernization of the Group's industrial facilities.

Eternit continues to be one of Brazil's corporations with the highest returns for its shareholders. In 2013, its dividend yield was 9.9%, with shareholder payments in the period amounting to R$ 71.6 million.

Main Indicators

Consolidated - R$ `000	4th Quarter			Accum. 12 Months		
	2013	2012	% Chg.	2013	2012	% Chg.
Gross revenues	**318,147**	**317,050**	**0.3**	**1,219,671**	**1,159,627**	**5.2**
Net revenues	**253,167**	**255,260**	**(0.8)**	**957,301**	**906,317**	**5.6**
Gross profit	95,047	113,003	(15.9)	381,424	396,714	(3.9)
Gross margin	*38%*	*44%*	*- 6 p.p.*	*40%*	*44%*	*- 4 p.p.*
Operating income (EBIT) [1]	**33,173**	**45,107**	**(26.5)**	**143,247**	**155,553**	**(7.9)**
Net income	**25,275**	**28,983**	**(12.8)**	**102,256**	**113,004**	**(9.5)**
Net margin	*10%*	*11%*	*- 1 p.p.*	*11%*	*12%*	*- 1 p.p.*
EPS (R$/share)	0.28	0.32	(12.8)	1.14	1.26	(9.5)
Investments	23,350	25,292	(7.7)	93,574	69,354	34.9
EBITDA [2]	**42,326**	**53,596**	**(21.0)**	**178,036**	**184,326**	**(3.4)**
EBITDA Margin	*17%*	*21%*	*- 4 p.p.*	*19%*	*20%*	*- 1 p.p.*

[1] Before financial results.

[2] Operating income before interests, taxes, depreciation and amortization

General and Industry Scenario

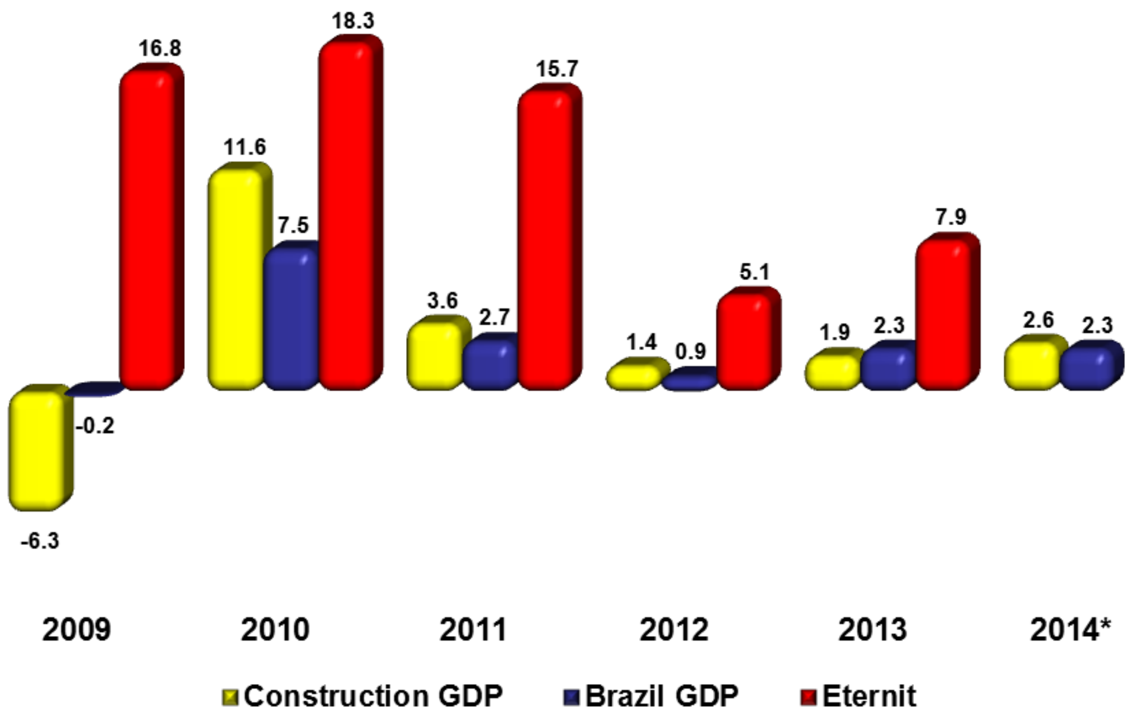
The risks to the financial stability of the world economy remain high, despite the low probability of extreme events occurring in international financial markets. The Monetary Policy Committee (Copom) of the Central Bank of Brazil believes that the external environment remains complex with the global economy currently marked by uncertainty, and has maintained unchanged its forecast for world GDP growth, despite the signs of slow growth in mature economies at levels below potential.

In Brazil, after a period of strong growth and expansion, the economy contracted in the last two quarters of 2013, with growth in household spending and deceleration in investment. The Central Bank believes that spending will continue to grow, though at a more moderate rate, with overall economic growth in 2014 relatively unchanged in relation to 2013. In this scenario, Brazil GDP grew 2.3% in 2013, while the country's construction GDP grew 1.9%.

According to the Brazilian Construction Materials Industry Association (ABRAMAT), sales of construction material in 2013 grew by 3.0% from the prior year, below the forecast of 4.0% for the period, mainly due to the lower-than-expected result in December.

For 2014, ABRAMAT forecasts growth of 4.5% in relation to 2013. However, achieving this forecast will depend on expanding government incentives for the construction industry, stability in the levels of employment, income and credit availability, acceleration in infrastructure projects and a more robust recovery in the housing industry.

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



(*) – Forecast.
Source: Central Bank of Brazil, projected growth for Brazil GDP and construction GDP in 2014.
Growth in Eternit's consolidated gross revenue compares fiscal year 2013 with fiscal year 2012, deflated by the IGP-M index.

The continuation of federal government programs (e.g., My Home, My Life housing program and the PAC economic stimulus package) and the ongoing investments in the mega-sporting events and complementary projects bode well for the coming years and should benefit the construction industry in which Eternit operates. These projects and the incentives provided by both state-owned and private-sector banks for the acquisition of construction materials should encourage new job growth and greater income distribution, with positive repercussions on demand for the products in our portfolio.

Operational and Financial Aspects

Demand for construction materials registered weak growth in fourth quarter of 2013, especially in December, according to the Brazilian Construction Materials Industry Association (ABRAMAT), while the Company significantly outperformed the industry average.

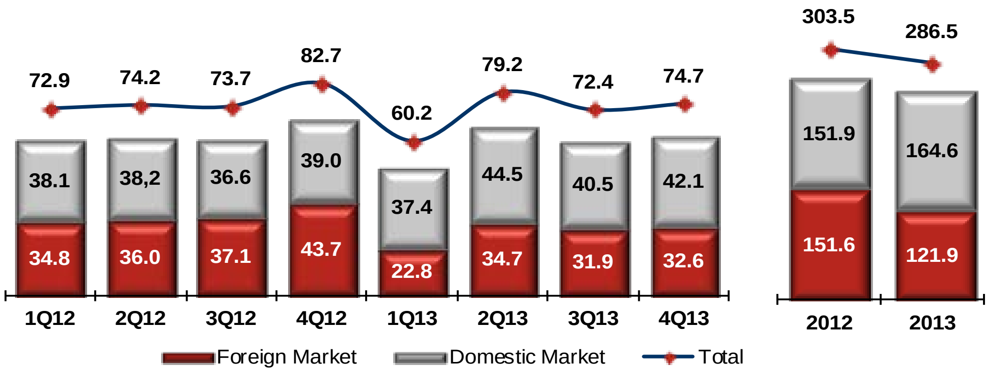
Demand for chrysotile asbestos remained stable during the fourth quarter of 2013, which led the Company to maintain its strategy of operating at full capacity in its mining operations. In its line of finished products, production accompanied demand, with capacity utilization rates of approximately 80% in the fiber-cement operation and approximately 60% in the concrete roofing tile operation.

Sales

Chrysotile Asbestos

Chrysotile asbestos sales volume in 4Q13 amounted to 74,700 tons, decreasing 9.5% from the year-ago period, which is explained by the failure to ship a portion of the volume sold in exports markets in December due to the complexity of the logistics. In line with its strategy to supply the domestic market, given the higher profitability, domestic sales grew by 8.1% in the period.

Sales of Chrysotile Asbestos (thous. Tons.)*



(*) Chrysotile sales volume includes intercompany sales, which accounted for 34.5% of domestic sales volume in 4Q13.

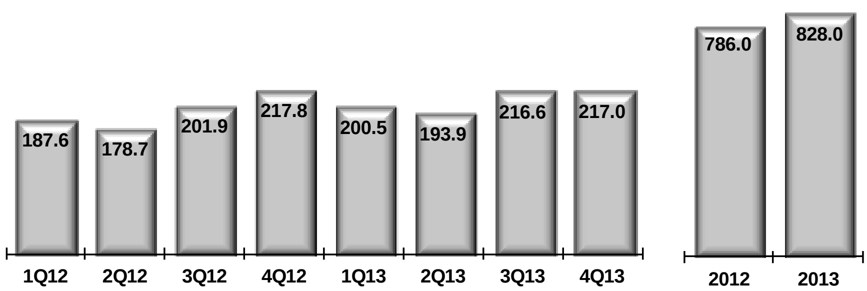
In 2013, sales of the mineral amounted to 286,500 tons, decreasing 5.6% from 2012. The highlight was the domestic market, where sales volume grew by 8.4%, which is explained by the higher competitiveness of locally produced chrysotile compared to imports, which offset the contraction of 19.6% in the export market, due to the shipments not made in the period mentioned above.

The Company accounted for 100% of sales in the Brazilian market in 2013, due to its strategy of prioritizing the domestic market and exporting its surplus. With annual production capacity of 300,000 tons, the subsidiary SAMA maintained its share in the world chrysotile market of 15%.

Fiber-cement

Sales volume of fiber-cement, including construction solutions, amounted to 217,000 tons in 4Q13, virtually unchanged from the volume registered in 4Q12.

Sales of Fiber-cement (thous. Tons.)

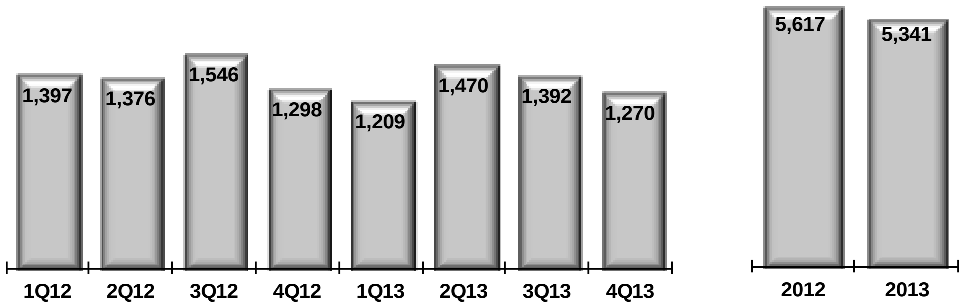


In 2013, sales reached 828,000 tons, increasing 5.4% from 2012, which is basically explained by the competitive advantages of these products in the roofing segment.

With annual production capacity of 1 million tons, Eternit maintained its leadership in Brazil's fiber-cement market in 2013, with market share of 31%.

Concrete Roofing Tiles

In 4Q13, concrete roofing tile sales volume amounted to 1,270,000 square meters, contracting 2.2% from 4Q12, reflecting the weaker demand in the high-end roofing segment.



In 2013, sales volume amounted to 5,341,000 square meters, down 4.9% from 2012, due to the factors explained above. Tégula has a portfolio of more than 33 product lines, with concrete roofing tiles accounting for the greatest number.

With annual production capacity of 10 million square meters, Tégula maintained its leadership in Brazil's concrete roofing tile market in 2013, with market share of 30%.

Other Products

Bathroom chinaware products are an increasingly important part of the portfolio of Eternit. Its joint venture, Companhia Sulamericana de Cerâmica (CSC) is preparing to start its production operations in the state of Ceará. Eternit has already achieved a prominent position in this market, outperforming even traditional players. Other products sold, although on a smaller scale, include metal bathroom and kitchen fittings, lavatory seats, metal roofing tiles, etc.

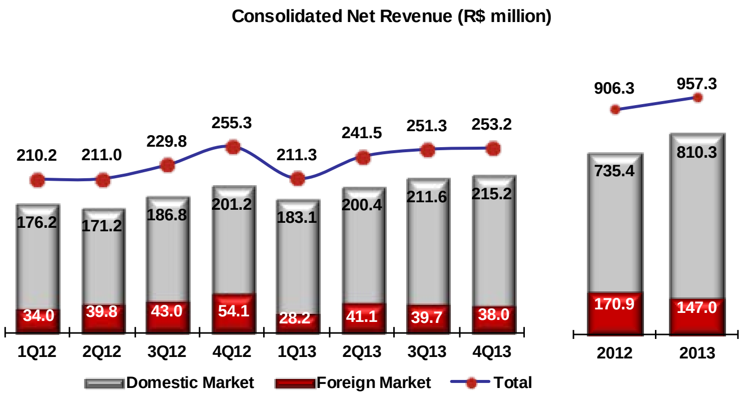
Consolidated Net Revenue

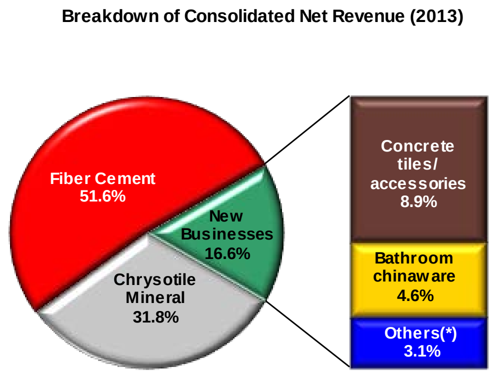
Consolidated Net Revenue in 4Q13 amounted to R$ 253.2 million, virtually stable in relation to 4Q12. Sales in the domestic market, which include finished products and chrysotile asbestos, amounted to R$ 215.2 million, increasing 6.9% in the period, reflecting the effective sales policy and the higher sales volume of chrysotile asbestos and bathroom chinaware products[1]. Net revenue from export sales contracted 29.7% from 4Q12 to R$ 38.0 million, which is explained by the lower sales volume in the period, which was partially neutralized by the appreciation in the U.S. dollar against the Brazilian real.

Revenue performance by product line in the comparison of 4Q13 with 4Q12 showed a reduction of 6.4% in chrysotile asbestos, an increase of 1.1% in fiber-cement and an increase of 0.4% in concrete roofing tiles and accessories, which registered revenue of R$ 79.2 million, R$ 135.5 million and R$ 20.7 million, respectively, due to the factors described above.

Sales of the other products line (metal roofing tiles, polythene water tanks, bathroom chinaware, lavatory seats, metal bathroom fittings, water pipe filters and construction solutions) amounted to R$ 17.8 million in 4Q13, increasing 11.5% from 4Q12. The highlight in this line was bathroom chinaware products, which accounted for 4.2% of consolidated net revenue, which is explained by the efficient logistics and the strength of the brand, which represent key advantages of Eternit for diversifying its portfolio.

[1] With the start of the industrial operations of Companhia Sulamericana de Cerâmica (CSC), Eternit's inventory of bathroom chinaware and lavatory seats was transferred to CSC for R$ 9.2 million in 4Q13. This amount was not eliminated from consolidated net revenue since the shareholders exercise joint control, in accordance with CPC 36 and IFRS 10 on consolidated financial statements and with CPC 19 and IFRS 11 on joint arrangements.





(*) Other: metal roofing tiles, polythene water tanks, lavatory seats and metal bathroom fittings, water pipe filters and construction solutions.

In 2013, consolidated net revenue amounted to R$ 957.3 million, increasing 5.6% from 2012. This good performance was driven by sales in the domestic market of R$ 810.3 million, or 10.2% higher than in 2012, reflecting the stronger demand for construction materials and the effective sales policy. Export sales amounted to R$ 147.0 million, decreasing 14.0% from 2012, which is explained by the lower sales volume, especially the chrysotile volume not shipped in the period, which was offset by the 10.3% appreciation in the U.S. dollar against the Brazilian real (based on the average PTAX rate in the periods).

Cost of Mining, Production and Products Sold

The consolidated cost of products sold amounted to R$ 158.1 million in 4Q13, increasing 11.2% from 4Q12, due to the higher mining costs in the period. Since the increase in consolidated cost of products sold outpaced the increase in net consolidated revenue in 4Q13, gross margin narrowed by 6 percentage points to 38%.

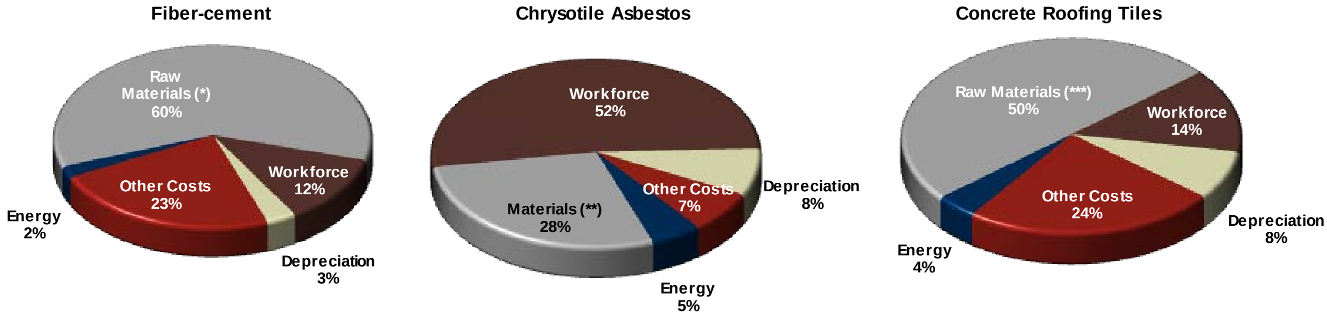
The main variations in the mining and production costs are shown below:

Chrysotile mining: increase of 7% due to increased rock handling (strip ratio), which increases the amount of electricity consumed to dry the mineral.

Fiber-cement: reduction of 3% due to the better prices of raw materials (especially limestone) and electricity and the lower costs with maintaining the industrial facilities.

Concrete roofing tiles: reduction of 4% due to the development of new raw materials suppliers (gray cement) and the capture of efficiency gains in production processes that reduced the costs with energy, labor and depreciation.

Breakdown of Cost of Mining and Production (4Q13)



(*) Raw materials: cement (46%), chrysotile asbestos (40%) and other (14%).
(**) Materials: fuel, explosives, packaging and other.
(***) Raw materials: cement (53%), sand (29%) and other (18%).

In 2013, consolidated cost of products sold amounted to R$ 575.9 million, increasing 13.0% from 2012, due to the higher mining and production costs. As a result, gross margin stood at 40%, contracting by 4 percentage points from 2012.

Operating Expenses

Total operating expenses in 4Q13 increased 12.0% from the prior-year period, mainly due to the following variations:

Selling expenses: increase of 6.7% due to the expenses with the advertising campaign "Eternit, the brand of the Owl" in the print and digital media at the national level and in key urban centers in electronic, digital and "out of home" media (subway).

General and administrative expenses: decrease of 11.2% due to the lower provisioning for the employee profit sharing program, which was neutralized by the expenses with the installation of the research and development center in Manaus, Amazonas.

Other operating (expenses) revenues, net: the variation in this line was due to the gains from PIS and COFINS tax credits from prior periods.

In R$ '000	4th Quarter			Accum.12 Months		
	2013	2012	Chg. %	2013	2012	Chg. %
Selling expenses	(31,992)	(29,980)	6.7	(116,734)	(113,263)	3.1
General and administrative expenses	(28,483)	(32,065)	(11.2)	(113,349)	(119,144)	(4.9)
Other operating revenues (expenses), net	1,029	(5,486)	-	(1,871)	(8,223)	(77.2)
Total operating expenses	**(59,446)**	**(67,531)**	**(12.0)**	**(231,954)**	**(240,630)**	**(3.6)**

In 2013, operating expenses amounted to R$ 232.0 million, down 3.6% from 2012, due to the reasons explained above.

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

Net financial income (Expense)

Eternit recorded net financial income of R$ 1.6 million in 4Q13, compared to the expense of R$ 3.0 million in 4Q12, which is explained by the higher gains from exchange variation.

In R$ '000	4th Quarter			Accum.12 Months		
	2013	2012	Chg. %	2013	2012	Chg. %
Financial expenses	(12,068)	(9,116)	32.4	(48,553)	(36,757)	32.1
Financial income	13,617	6,109	122.9	47,535	39,006	21.9
Net financial result	**1,549**	**(3,007)**	**-**	**(1,018)**	**2,249**	**-**

In 2013, the net financial expense amounted to R$ 1.0 million, compared to net financial income of R$ 2.2 million in 2012, with the main variations described below:

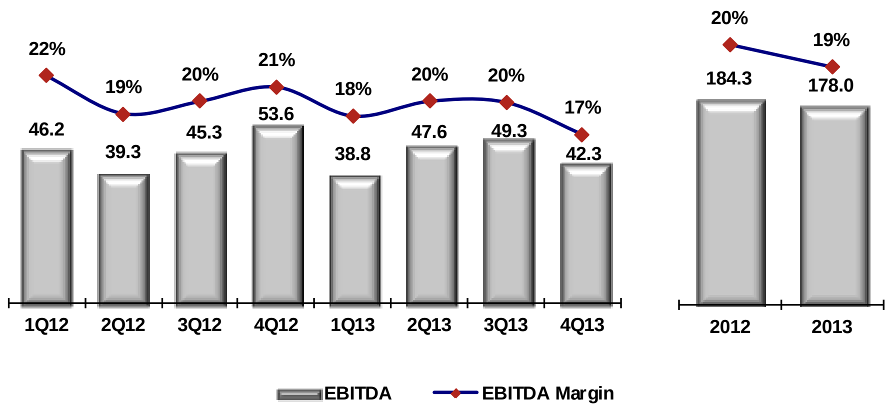
Financial expenses: increase of 32.1% due to higher expenses with exchange variation, the adjustment to present value of suppliers and monetary restatement on the provisions for contingencies.

Financial income: increase of 21.9% driven by higher exchange variation gains and the adjustment to present value of the client portfolio, which partially neutralized the gains on financial investments due to the reduction in the cash position.

EBITDA

Consolidated EBITDA (earnings before interest, tax, depreciation and amortizations) amounted to R$ 42.3 million in 4Q13, decreasing 21.0% from 4Q12, mainly due to lower sales volume of chrysotile and concrete roofing tiles, coupled with the increase in cost of products sold outpacing the growth in consolidated net revenue. As a result, EBITDA margin in 4Q13 was 17%, contracting by 4 percentage points from 4Q12.

EBITDA (R$ million) and EBITDA margin (%)



In 2013, EBITDA amounted to R$ 178.0 million, decreasing 3.4% from 2012, with EBITDA margin of 19%, down 1 percentage point from 2012, due to the factors described above.

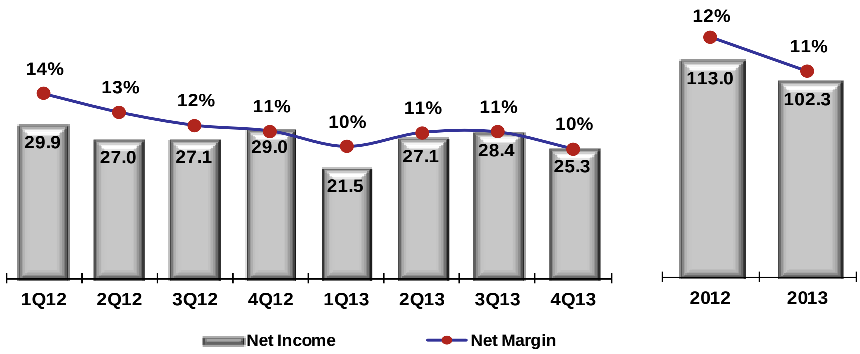
Reconciliation of consolidated EBITDA - (R$'000)	4th Quarter			Accum. 12 Months		
	2013	2012	% Chg.	2013	2012	% Chg.
Net income	**25,275**	**28,983**	**(12.8)**	**102,256**	**113,004**	**(9.5)**
Income tax and social contributions	9,447	13,117	(28.0)	39,973	44,798	(10.8)
Net financial Income	(1,549)	3,007	-	1,018	(2,249)	-
Depreciation and amortization	9,153	8,489	7.8	34,789	28,773	20.9
EBITDA	**42,326**	**53,596**	**(21.0)**	**178,036**	**184,326**	**(3.4)**

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

Net Income

Eternit reported net income of R$ 25.3 million in 4Q13, decreasing 12.8% from 4Q12. Net margin decreased by 1 percentage point to end the period at 10%, due to the factors described in the section EBITDA.

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



In 2013, net income amounted to R$ 102.3 million, with net margin of 11%, compared to R$ 113.0 million and 12% in 2012, respectively.

Indebtedness

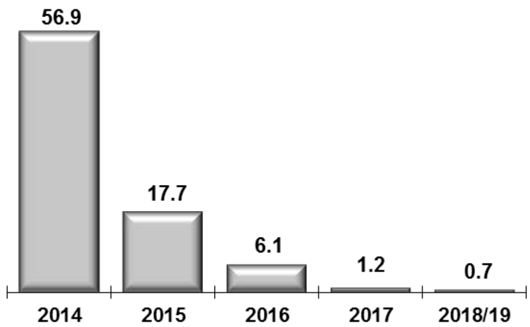
The Company ended 4Q13 with positive net debt of R$ 33.7 million. In 2013, the gross debt of Eternit and its subsidiaries amounted to R$ 82.7 million, which is basically explained by: (i) the Advances on Export Contracts (ACEs) for working capital (due in 2014); and (ii) the financing lines contracted for the acquisition of trucks, machinery and equipment for its operations under the programs FINIMP (import financing) and FINAME (long-term financing for the acquisition and production of new machinery and equipment).

Cash, cash equivalents and short-term financial applications amounted to R$ 49.0 million, with financial investments remunerated at an average rate corresponding to 103% of the variation in the interbank overnight rate (CDI).

DEBT	Parent Company		Consolidated	
	12/31/13	12/31/12	12/31/13	12/31/12
Short- term gross debt	8,944	1,519	56,881	55,839
Long-term gross debt	14,368	7,266	25,799	24,107
Cash and cash equivalents	(9,516)	(3,852)	(13,295)	(16,656)
Short-term investments (same cash equivalents)	(9,897)	(48,612)	(35,661)	(78,930)
Net debt	**3,899**	**(43,679)**	**33,724**	**(15,640)**
EBITDA	36,347	35,818	178,036	184,326
Net debt / EBITDA x	**0.11**	**(1.22)**	**0.19**	**(0.08)**
Net debt / Equity	**0.8%**	**-**	**6.7%**	**-**

Origin of debt (%)

Repayment Schedule (R$ '000)



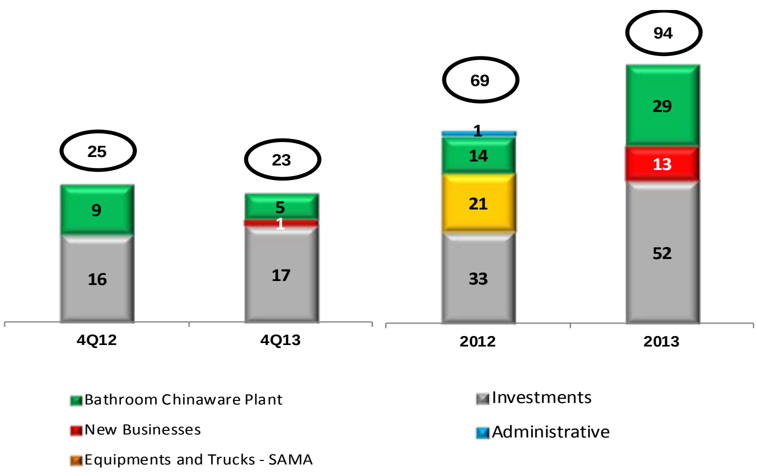
Note that the Company does not contract leveraged operations involving derivative instruments of any type that could be interpreted as speculative positions.

Investments

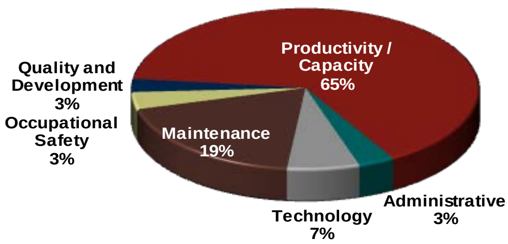
The investments made by Eternit and its subsidiaries in 4Q13 amounted to R$ 23.4 million, which is 7.7% less than in the same quarter of 2012. Investments in the period were allocated mainly to the construction of the new bathroom chinaware plant in the state of Ceará through a capital injection made into Companhia Sulamericana de Cerâmica (CSC) and to initiatives to maintain and modernize the Group's industrial facilities.

In 2013, investments amounted to R$ 93.6 million, increasing 34.9% from the prior-year period, and were allocated as follows: (i) R$ 29.2 million to the construction of the bathroom chinaware plant; (ii) R$ 12.7 million to the construction of the research, development and production unity for construction material inputs; and (iii) R$ 51.7 million to maintain and modernize the industrial facilities.

Consolidated Investments (R$´000)



Investments Distribution (2013)



In line with its Structured Expansion and Diversification Plan, the Company's investment in 2013 continued to focus on productivity, on installing its first bathroom chinaware plant at the multiproduct unit under construction at the Port of Pecém in the state of Ceará and on building the unit for the research, development and production of inputs for construction materials in Manaus, Amazonas.

For 2014, investment is expected to amount to approximately R$ 109.9 million, with R$ 57.5 million allocated to maintaining and modernizing the industrial facilities, R$ 40.0 million to building the research, development and production unit for construction material inputs in Manaus, Amazonas, and R$ 12.4 million for the bathroom chinaware plant at the Port of Pecém in the state of Ceará.

Capital Markets

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

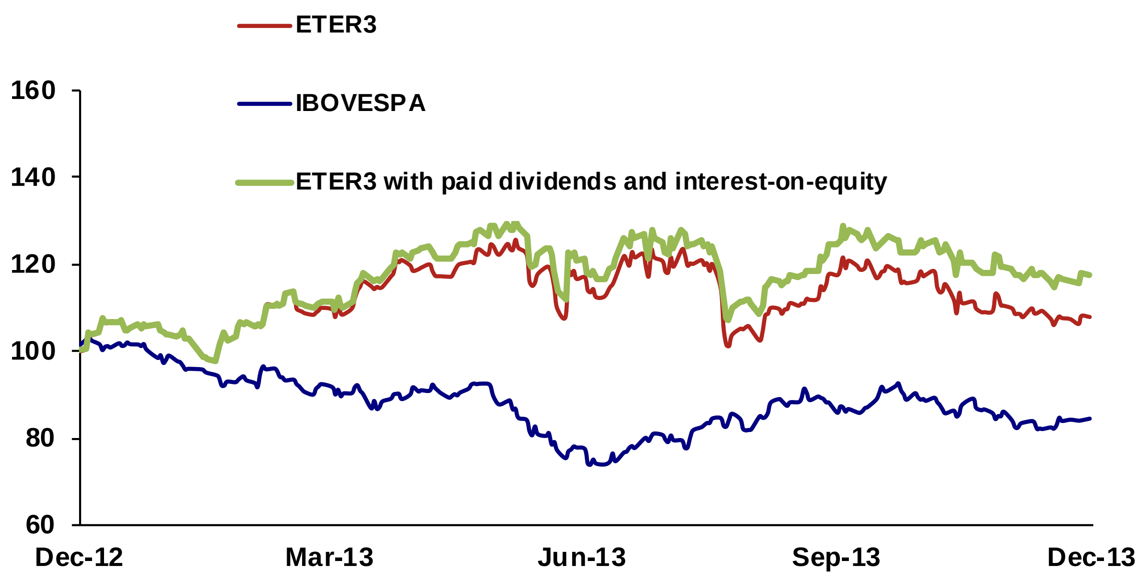
In 4Q13, Eternit's shareholder base showed a high concentration of individual investors, which accounted for 60.9%, while foreign investors accounted for 12.8% and institutional investors, investment clubs, investment funds and foundations accounted for 26.3%.

Eternit's stock (ETER3) ended 2013 quoted at R$ 8.74, which represents a gain of 7.9% from the end of 2012. In the same period, the benchmark Bovespa Index closed at 51,507 points, representing a loss of 15.5%. On December 31, 2013, Eternit's market capitalization stood at R$ 782.2 million.

Capital Markets

ETERNIT (ETER3)	4Q12	1Q13	2Q13	3Q13	4Q13
Closing Price (R$/Share) - Without dividends	8.10	8.91	9.45	9.52	8.74
Average Volume Traded (Shares)	146,497	95,939	139,741	85,218	64,923
Average Volume Traded (R$)	1,273,847	818,932	1,326,183	774,671	598,194
ETER3 - Quarterly Profitability (%)	-	10.0	6.1	0.7	-8.2
ETER3 - 12 Months Profitability (%)	-	-3.6	-14.0	-2.9	7.9
IBOVESPA - Quarterly Profitability (%)	-	-7.5	-15.8	10.3	-1.6
IBOVESPA - 12 Months Profitability (%)	-	-12.6	-12.7	-11.6	-15.5
Market Capitalization (R$ Million)	725.0	797.4	845.8	852.0	782.2

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



Source: Economática

Dividends and Interest on Equity

Eternit continues to be one of Brazil's corporations with the highest returns for its shareholders. In 2013, Eternit's dividend yield[2] was 9.9%, with shareholder payments in the period amounting to R$ 71.6 million.

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

Dividends Distribution (2012 to 2014)				
2012				
12/07/11 (*)	BDM	03/28/12	5,905	0.066
03/07/12 (*)	BDM	03/28/12	11,989	0.134
04/25/12	BDM	05/17/12	5,905	0.066
04/25/12	BDM	05/17/12	11,989	0.134
08/08/12	BDM	08/29/12	6,710	0.075
08/08/12	BDM	08/29/12	11,184	0.125
10/24/12	BDM	11/14/12	5,726	0.064
10/24/12	BDM	11/14/12	12,168	0.136
Total		**-**	**71,576**	**0.800**
Closing Price		**-**	-	**8.90**
Dividend Yield		-	-	**9.0%**
2013				
12/12/12 (*)	BDM	03/26/13	5,726	0.064
03/06/13 (*)	BDM	03/26/13	12,168	0.136
04/17/13	BDM	05/10/13	5,726	0.064
04/17/13	BDM	05/10/13	12,168	0.136
08/07/13	BDM	08/28/13	5,726	0.064
08/07/13	BDM	08/28/13	12,168	0.136
10/23/13	BDM	11/13/13	5,816	0.065
10/23/13	BDM	11/13/13	12,079	0.135
Total		**-**	**71,577**	**0.800**
Closing Price		**-**	-	**8.10**
Dividend Yield		-	-	**9.9%**
2014				
11/12/13 (*)	BDM	04/02/14	5,458	0.061
03/06/13 (*)	BDM	04/02/14	12,436	0.139
Total			**17,894**	**0.200**
Closing Price		**-**	-	**8.74**
Dividend Yield		-	-	**2.3%**

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

Social, Environmental and Corporate Responsibility

Open Doors Program

To contribute to a better understanding by society of the extraction and processing of chrysotile mineral, the manufacturing of fiber-cement products in a sustainable manner and the health and safety practices adopted, in November 2004, Eternit created its Open Doors Program. The program promotes visits by the public to the group's five fiber-cement units located in Anápolis, GO, Colombo, PR, Goiânia, GO, Rio de Janeiro, RJ, and Simões Filho, BA, as well as to the mining company SAMA located in Minaçu in the northern region of the state of Goiás. Since its introduction, the program, which is considered one of the largest in the market, has already received over 62,000 visitors.

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

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

Legal issues involving asbestos

The Company clarifies that the mining, processing, use, sale and transport of chrysotile asbestos and products containing the mineral are regulated by Federal Law 9055/95, Decree 2,350/97 and the Regulatory Rules of the Ministry of Labor and Employment.

State Law 10,813/2001 in the state of São Paulo and State Law 2210/2001 in the state of Mato Grosso do Sul, which prohibited the importation, extraction, processing, sale and installation of products or materials containing any sort of asbestos, in any form, were both, through Direct Actions of Unconstitutionality (ADI) No. 2656 and No. 2396, adjudicated and declared unconstitutional by the Federal Supreme Court (STF), based on the fact that they violated the jurisdiction of the federal government.

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

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

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

Public Interest Civil Actions

1) On Aug. 9, 2013, the Labor Prosecution Office (MPT) of the State of São Paulo filed a New Public Interest Civil Action (case no. 0002106-72.2013.5.02.0009) against the Company involving the same facts and subject-matters of the Public Interest Civil Action filed in 2004 (see action below, item 2). The action was distributed to the 9th Labor Court of São Paulo. Although the facts and purpose of the former and current actions are identical, this current action includes certain distinct claims, which includes the payment by the company of R$ 1 billion for collective personal injury to be deposited in the Workers' Support Fund (FAT).

   In parallel, on Oct. 4, 2013, the Brazilian Association of People Exposed to Asbestos (ABREA) also filed a Public Interest Civil Action (case no. 0002715-55.2013.5.02.0009) that was distributed to the Labor Court of São Paulo, given that it deals with the same facts claimed in the actions cited above.

   The Company filed at the STF a complaint under no. 16637 to discuss the jurisdiction for adjudicating the actions. **On Dec. 13, 2013, the judge-rapporteur of the Federal Supreme Court (STF) suspended, as provisional remedy, the two public interest civil actions against Eternit cited above and that are pending before the Labor Court of São Paulo, and also ordered the suspension of the effects of the decisions already entered into the records up to the final ruling on Complaint no. 16637 by the STF.**

2) It is important to clarify that, in 2004, a Public Interest Civil Action had already been filed by the Prosecution Office of the State of São Paulo (case no. 000.04.043.728-0) that addressed the same facts as in the action cited above regarding the Osasco unit, which was closed in 1993.

   The Court of Appeals of the State of São Paulo, through its judges, ruled against the action, given their opinion that Eternit had rigorously complied with all legislation regarding workplace safety and health determined by Federal Law 9055/95, Decree No. 2,350/97 and the Regulatory Rules of the Ministry of Labor and Employment. **In September 2013, a final ruling was made in favor of the Company.**

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

New Brand Campaign – Eternit, the brand of the Owl

In the second half of 2013, Eternit launched a new communication campaign that marked the return to the media of its official mascot the Owl. The concept of the campaign aims to highlight the brand and Eternit's product lines (roofing, bathroom chinaware and fittings and construction solutions) and to strengthen the company's relationship with construction material resellers and end consumers.

The corporate focus of the first phase of the campaign aims to support the brand and make it a reference in the construction industry in segments other than roofing, while also helping to differentiate its fiber-cement line in a market that is considered a commodity.

The campaign entitled “Eternit a marca da Coruja” [Eternit, the brand of the owl] is being communicated in the print, electronic (television and radio), and out-of-home (metro cars) media and on various promotional materials at points of sale.

Check out the new Eternit site, which is now more complete and has many new features and tools, at www.eternit.com.br.

Stay tuned to see the owl in the media and watch the campaign video (in Portuguese) by clicking here.

Eternit
a marca da coruja

"Going to build? Going to remodel? Go with Eternit."

Recognition

The various awards received over the last seven decades since it was founded demonstrate that the Company takes seriously what it does for its stakeholders. See the awards garnered by the Company in in the fourth quarter of 2013:

ABRASCA Award for Best Annual Report: granted by the Brazilian Association of Publicly Traded Companies (Abrasca), Eternit received the award in the category Public Companies, Group 2, which is for companies with net revenue of less than R$ 3 billion. Among the various items evaluated, the highlight was its corporate governance, which received the maximum possible score.

Quality Award 2013: the public meeting held by Eternit in São Paulo and sponsored by the Capital Market Professionals and Investors Association (Apimec) was elected by the São Paulo chapter as one of the ten best meetings that it sponsored in 2013.

Outlook

The forecast for Brazil's GDP growth in 2014 of 2.3% incorporates the expectation that the pace of economic growth will remain stable in relation to 2013, and that additional progress will be made in strengthening consumer and business confidence. The construction industry is one of the drivers of the country's economic development, which involves the actual industry, the construction materials industry and its suppliers, as well as services along the chain, which generates jobs and income for the company. The federal government has substantially expanded its investments in housing, basic sanitation and infrastructure, since investing in construction acts as an incentive in an industry that makes an important contribution to Brazil's economic development. This scenario is likely to repeat over the next few years, and in 2014, the construction industry should register GDP growth of 2.6%, as forecast by the Central Bank of Brazil.

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

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

New job creation, better income distribution, increased financing, higher investments in infrastructure and more units built under the government's My Home, My Life housing program will help resolve the housing problem, while also having a positive impact on the Company's business, given the stronger demand for the products in our portfolio targeting primarily self-build construction projects.

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

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

2014 will be marked by the inauguration of the first bathroom chinaware unit at the multiproduct unit in Ceará, which is a joint venture between the Eternit group and Colceramica, a company of the Colombian multinational Organizações Corona. The plant will have initial annual production capacity of 1.5 million units.

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

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

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

The Executive Board of **Eternit** invites you to participate in the reporting of its results for the fourth quarter of 2013.

Presentation: Nelson Pazikas, CEO and IRO; and Rodrigo Lopes da Luz, IR Manager
Date: Tuesday, March 18, 2014
Time: 11 a.m. (Brasília); 10 a.m. (New York); 2 p.m. (London)

The presentation, which is accompanied by slides, can be watched on the Internet by registering on the website **www.ccall.com.br/eternit/4Q13.htm** or on Eternit's investor relations website **www.eternit.com.br/ir**.

To participate in the presentation by telephone, please dial the following numbers: +55 (11) 4688-6361 from Brazil or +1 (786) 924-6977 from other countries. The code for participants is "Eternit"

Playback: A recording of the conference call will be available from March 18 to 24 by dialing +55 (11) 4688-6312 and entering the code 5495611#

Public Meeting for Shareholders, Investors and Analysts sponsored by APIMEC–SP (in Portuguese)
Date: March 27, 2014
Time: 8:30 a.m. – Breakfast
9:00 a.m. – Presentation
Location: Eternit Headquarters – Rua Dr. Fernandes Coelho, 85 – 6º. Andar – Pinheiros – São Paulo (SP)
RSVP: APIMEC-SP – Tel: +55 (11) 3107-1571 – E-mail: apimecsp@apimecsp.com.br

Eternit

Investor Relations

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

Eternit

ETERNIT S.A.

Balance Sheet

Corporate Law (R$ '000)

ASSETS	Parent Company		Consolidated	
	12/31/13	12/31/12	12/31/13	12/31/12
Current	**227,911**	**250,801**	**389,943**	**426,031**
Cash and cash equivalents	9,516	3,852	13,295	16,656
Short-term investments	9,897	48,612	35,661	78,930
Accounts receivable	69,774	79,158	160,389	177,982
Related parties	31,615	21,648	9,780	-
Inventories	85,833	81,925	141,944	127,560
Recoverable taxes	16,542	11,167	19,648	13,881
Other current asset	4,734	4,439	9,226	11,022
Non-current	**467,026**	**402,892**	**443,689**	**384,089**
Related parties	9,723	7,214	2,018	-
Deferred income and social contribution taxes	24,037	19,994	55,112	51,820
Recoverable taxes	22,219	21,114	25,022	24,534
Judicial deposits	8,819	6,640	15,536	13,047
Investments	247,729	221,916	36,032	13,029
Plant, property and equipment, net	149,425	123,060	279,064	252,457
Intangible assets	4,584	2,514	28,676	26,040
Other non-current asset	490	440	2,229	3,162
Total assets	**694,937**	**653,693**	**833,632**	**810,120**

LIABILITIES AND EQUITY	Parent Company		Consolidated	
	12/31/13	12/31/12	12/31/13	12/31/12
Current Liabilities	**88,826**	**91,450**	**193,082**	**208,094**
Trade accounts payable	22,444	30,417	39,293	48,968
Related parties	7,243	8,281	-	-
Loans and financing	8,944	1,519	56,881	55,839
Taxes, charges and contributions payable	12,226	11,801	34,015	36,932
Provision and social charges	12,980	17,310	28,009	34,938
Dividends and interest on equity payable	17,881	18,133	17,881	18,133
Provision for future benefits to former employees	2,174	1,645	3,861	2,926
Other current liabilities	4,934	2,344	13,142	10,358
Non-Current	**99,998**	**82,723**	**134,421**	**122,492**
Loans and financing	14,368	7,266	25,799	24,107
Related parties	29,108	27,252	-	-
Provision for future benefits to former employees	23,710	18,263	34,527	30,019
Provision for civil, tax and labor contigencies	25,115	22,657	54,659	51,116
Deferred income and social contribution taxes	7,697	7,285	9,432	8,139
Environmental restoration of degraded mining areas	-	-	9,726	8,201
Other non-current liabilities	-	-	278	910
Equity	**506,113**	**479,520**	**506,129**	**479,534**
Capital	334,251	334,251	334,251	334,251
Capital reserve	19,672	19,388	19,672	19,388
Treasury stock	(174)	(174)	(174)	(174)
Other Comprehensive Income	(3,443)	-	(3,443)	-
Income reserves	155,807	126,055	155,807	126,055
Net equity attributable to non-minority shareholders	**506,113**	**479,520**	**506,113**	**479,520**
Minority shareholders	-	-	16	14
Total Liablities and equity	**694,937**	**653,693**	**833,632**	**810,120**

ETERNIT S.A. (PARENT COMPANY)

Income Statements

Corporate Law

R$ ´000	4th Quarter			Accum. 12 Months		
	2013	2012	% Chg.	2013	2012	% Chg.
Gross revenues	**176,808**	**169,926**	**4.0**	**684,554**	**631,126**	**8.5**
Gross revenues deductions	(42,599)	(38,581)	10.4	(176,029)	(161,204)	9.2
Net revenues	**134,209**	**131,345**	**2.2**	**508,525**	**469,922**	**8.2**
Cost of products sold	(99,299)	(90,686)	9.5	(372,752)	(331,498)	12.4
Gross profit	**34,910**	**40,659**	**(14.1)**	**135,773**	**138,424**	**(1.9)**
Gross margin	***26%***	***31%***		***27%***	***29%***	
Operating revenues (expenses)	**(21,389)**	**(29,152)**	**(26.6)**	**(110,501)**	**(113,790)**	**(2.9)**
Sales	(16,067)	(13,824)	16.2	(59,097)	(54,546)	8.3
General and administrative	(11,530)	(14,854)	(22.4)	(54,697)	(56,402)	(3.0)
Other operating (expenses) revenues, net	6,209	(474)	-	3,293	(2,842)	-
Operating income before equity income (EBIT)	**13,521**	**11,507**	**17.5**	**25,272**	**24,634**	**2.6**
EBIT margin	***10%***	***9%***		***5%***	***5%***	
Equity pickup	9,854	21,337	(53.8)	76,267	89,392	(14.7)
Operating income before financial expenses (EBIT)	***23,376***	***32,844***	**(28.8)**	***101,539***	***114,026***	**(11.0)**
Net financial income	**666**	**(2,096)**	**-**	**(1,805)**	**748**	**-**
Financial expenses	(5,725)	(2,019)	183.6	(18,692)	(8,748)	113.7
Financial income	6,391	(77)	-	16,887	9,496	77.8
Income before tax and social contribution	**24,042**	**30,748**	**(21.8)**	**99,734**	**114,774**	**(13.1)**
Current	1,016	(912)	-	472	1,174	(59.8)
Deferred	214	(853)	-	2,048	(2,944)	
Net income	**25,272**	**28,983**	**(12.8)**	**102,254**	**113,004**	**(9.5)**
Net margin	***19%***	***22%***		***20%***	***24%***	
Earnings per share - R$	0.28	0.32	(12.8)	1.14	1.26	(9.5)
EBITDA	**16,385**	**13,794**	**18.8**	**36,347**	**35,818**	**1.5**
EBITDA margin	***12%***	***11%***		***7%***	***8%***	

ETERNIT S.A. (CONSOLIDATED)

Income Statements

Corporate Law

R$ ´000	4th Quarter			Accum. 12 Months		
	2013	2012	% Chg.	2013	2012	% Chg.
Gross revenues	**318,147**	**317,050**	**0.3**	**1,219,671**	**1,159,627**	**5.2**
Gross revenues deductions	(64,980)	(61,790)	5.2	(262,370)	(253,310)	3.6
Net revenues	**253,167**	**255,260**	**(0.8)**	**957,301**	**906,317**	**5.6**
Cost of products sold	(158,120)	(142,257)	11.2	(575,877)	(509,603)	13.0
Gross profit	**95,047**	**113,003**	**(15.9)**	**381,424**	**396,714**	**(3.9)**
Gross margin	***38%***	***44%***		***40%***	***44%***	
Operating revenues (expenses)	**(59,446)**	**(67,531)**	**(12.0)**	**(231,954)**	**(240,630)**	**(3.6)**
Sales	(31,992)	(29,980)	6.7	(116,734)	(113,263)	3.1
General and administrative	(28,483)	(32,065)	(11.2)	(113,349)	(119,144)	(4.9)
Other operating (expenses) revenues, net	1,029	(5,486)	-	(1,871)	(8,223)	(77.2)
Operating income before equity income (EBIT)	**35,601**	**45,472**	**(21.7)**	**149,470**	**156,084**	**(4.2)**
EBIT margin	***14%***	***18%***		***16%***	***17%***	
Equity income	(2,428)	(365)	565.2	(6,223)	(531)	1,071.9
Operating income before financial expenses (EBIT*)	***33,173***	***45,107***	**(26.5)**	***143,247***	***155,553***	**(7.9)**
Net financial income	**1,549**	**(3,007)**	**-**	**(1,018)**	**2,249**	**-**
Financial expenses	(12,068)	(9,116)	32.4	(48,553)	(36,757)	32.1
Financial income	13,617	6,109	122.9	47,535	39,006	21.9
Income before tax and social contribution	**34,722**	**42,100**	**(17.5)**	**142,229**	**157,802**	**(9.9)**
Current	(6,833)	(11,707)	(41.6)	(41,489)	(44,261)	(6.3)
Deferred	(2,614)	(1,411)	85.3	1,516	(537)	-
Net income	**25,275**	**28,983**	**(12.8)**	**102,256**	**113,004**	**(9.5)**
Net margin	***10%***	***11%***		***11%***	***12%***	
Earnings per share - R$	0.28	0.32	(12.8)	1.14	1.26	(9.5)
EBITDA	**42,326**	**53,596**	**(21.0)**	**178,036**	**184,326**	**(3.4)**
EBITDA margin	***17%***	***21%***		***19%***	***20%***	

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

Eternit

ETERNIT S.A.

STATEMENTS OF CASH FLOW

Corporate Law

R$ '000 - Accumulated	Parent Company		Consolidated	
	12/31/13	12/31/12	12/31/13	12/31/12
Operating activities:				
Income before income and social contribution taxes	**99,734**	**114,774**	**142,229**	**157,802**
Adjustments to reconcile pre-tax income with net cash provided by operating activities:				
Equity pickup	(76,267)	(89,392)	6,223	531
Depreciation and amortization	11,075	11,184	34,789	28,773
Gain (loss) from disposal of permanent assets	(65)	(42)	(145)	181
Provision for impairment losses on accounts receivable	402	410	985	48
Provision for civil, tax and labor contigencies	2,458	2,572	3,711	4,271
Provision (reversal) for sundry losses	6,387	(2,942)	7,660	4,429
Financial charges, monetary changes and foreign exchange variation	2,397	1,650	1,069	(1,628)
Short-term investment yield	(2,220)	(3,897)	(4,495)	(6,445)
Net changes in prepaid expenses	1,609	859	2,248	1,435
	45,510	**35,176**	**194,274**	**189,397**
(Increase) decrease in operating assets:				
Trade accounts receivable	8,878	(5,227)	16,215	(17,210)
Related parties receivable	(9,800)	137	(11,798)	-
Inventories	(4,325)	(9,012)	(14,801)	(17,273)
Recoverable taxes	(7,764)	(2,597)	(7,539)	(5,623)
Judicial deposits	(2,179)	(697)	(2,489)	(2,349)
Received dividends	79,343	81,522	-	-
Other assets	(1,735)	(3,033)	559	(4,256)
Increase (decrease) in operating liabilities				
Trade accounts payable	(7,864)	10,210	(9,560)	10,187
Related parties payable	(1,038)	148	-	-
Taxes, charges and contribution payable	(1,996)	(42)	(1,563)	(1,026)
Provisions and social charges	(4,330)	2,476	(6,930)	7,077
Other liabilities	2,412	1,561	1,807	1,037
Interest paid	(452)	(135)	(621)	(271)
Income and social contribution taxes paid	(3,342)	(1,779)	(48,218)	(33,545)
Net cash flow from operating activities	**91,318**	**108,708**	**109,336**	**126,145**
Cash flow from investment activities				
Additions to property, plant and equipment and intangible assets	(39,802)	(14,114)	(64,348)	(55,794)
Loan from related party receivable	(2,509)	1,963	-	-
Cash receipt from the sale of property, plant & equipment	354	124	470	188
Capital increase in subsidiaries	(29,426)	(30,560)	(29,226)	(13,560)
Short-term investments	(115,783)	(210,303)	(292,141)	(378,191)
Redemptions from short-term investments	156,718	192,176	339,905	332,294
Net cash flow from investment activities	**(30,448)**	**(60,714)**	**(45,340)**	**(115,063)**
Cash flow from financing activities				
Loans and financing raised	15,972	7,059	182,624	199,479
Loan with related party	(327)	(317)	-	-
Amortization of loans and financing	(1,608)	(2,828)	(180,738)	(166,830)
Payment of dividends and interest on equity	(69,243)	(69,408)	(69,243)	(69,408)
Net cash flow from financing activities	**(55,206)**	**(65,494)**	**(67,357)**	**(36,759)**
Increase (decrease) in cash and equivalents	**5,664**	**(17,500)**	**(3,361)**	**(25,677)**
Cash and equivalents:				
At the beginning of the year	3,852	21,352	16,656	42,333
At the end of the year	9,516	3,852	13,295	16,656
	5,664	**(17,500)**	**(3,361)**	**(25,677)**