

Eternit S.A.

Notes to individual and consolidated interim financial information
March 31, 2015
(In thousands of reais, unless otherwise stated)

**Individual and Consolidated Interim
Financial Information**

Eternit S.A.

Quarter ended March 31, 2015
with Independent Auditor's Review Report

Contents

Information from Company

Paid-up Capital	2
Dividends and Interest on Capital.....	3

Financial Statements – Parent Company

Balance Sheet Asset	4
Balance Sheet Liability	5
Income Statement	6
Income Statement per Nature	7
Cash Flow Statement.....	8
Equity Mutations Statement	
DMPL - 01/01/2015 to 03/31/2015	9
DMPL - 01/01/2014 to 03/31/2014	10
Value-Added Statement	11

Financial Statements – Consolidated

Balance Sheet Asset	12
Balance Sheet Liability	13
Income Statement	14
Income Statement per Nature	15
Cash Flow Statement.....	16
Equity Mutations Statement	
DMPL - 01/01/2015 to 03/31/2015	17
DMPL - 01/01/2014 to 03/31/2014	18
Value-Added Statement	19
Management Report	20
Explanatory Notes	31
Other information that the Company considers relevant.....	85
Auditor's Report	86
Supervisory Board Report	89
Board of Auditor's Report	90

INTERIM FINANCIAL STATEMENTS (ITR) - 03/31/2015

ETERNIT SA

Information from company / Paid-up capital

Number of shares (Thousands)	Current Quarter 03/31/2015
Paid-in Capital	
Common	179,000
Preferred	0
Total	179,000
Trasury shares	
Common	59
Preferred	0
Total	59

INTERIM FINANCIAL STATEMENTS (ITR) - 03/31/2015**ETERNIT SA****Information from company / Paid-up capital****Dividends aproved and/or paid during and after
quarter**

Event	Approval	Profit	Date of payment	Type of share	Class of share	Amount per share
Board of directors meeting	05/13/2015	Dividends	06/03/2015	Common		0,06300
Board of directors meeting	05/13/2015	Interest on capital	06/03/2015	Common		0,03700

Individual FSs / Balance Sheet Asset

(Thousands of reais)

Account Code	Account Description	Current financial year 03/31/2015	Current financial year 12/31/2014
1	Total Assets	714,010	695,094
1.01	Current Assets	207,116	200,914
1.01.01	Cash and Cash Equivalents	4,083	5,711
1.01.02	Temporary investments	11,021	15,726
1.01.02.02	Financial Investments Valued at Amortized Cost	11,021	15,726
1.01.02.02.01	Securities held until maturity	11,021	15,726
1.01.03	Accounts receivable	83,982	71,327
1.01.03.01	Clients	83,982	71,327
1.01.04	Inventory	62,869	69,395
1.01.06	Recoverable Taxes	6,028	6,035
1.01.06.01	Current and Recoverable Taxes	6,028	6,035
1.01.07	Prepaid expenses	1,794	397
1.01.08	Other Current assets	37,339	32,323
1.01.08.01	Non-Current Assets for Sale	553	553
1.01.08.03	Other	36,786	31,770
1.01.08.03.01	Related parties	33,178	27,196
1.01.08.03.02	Other	3,608	4,574
1.02	Non-current asset	506,894	494,180
1.02.01	Long-term assets	102,969	86,004
1.02.01.03	Accounts receivable	339	339
1.02.01.03.02	Other Accounts Receivable	339	339
1.02.01.06	Deferred Taxes	24,809	24,750
1.02.01.06.01	Differed Income Tax And Social Contribution	24,809	24,750
1.02.01.08	Credits with Related Parties	45,671	29,297
1.02.01.08.02	Credits with Subsidiaries	45,671	29,297
1.02.01.09	Other noncurrent assets	32,150	31,618
1.02.01.09.03	Recoverable taxes	23,403	22,915
1.02.01.09.04	Escrow deposits and tax incentives	8,747	8,703
1.02.02	Investments	249,040	256,080
1.02.02.01	Shareholdings	249,040	256,080
1.02.02.01.02	Shareholding in Subsidiaries	249,040	256,080
1.02.03	Fixed	148,760	145,659
1.02.03.01	Non-current in Operation	117,149	116,679
1.02.03.01.01	Non-current in Operation	122,294	121,824
1.02.03.01.02	Provision for Loss with Non-current	(5,145)	(5,145)
1.02.03.03	Non-current in progress	31,611	28,980
1.02.04	Intangible	6,125	6,437
1.02.04.01	Intangible	6,125	6,437
1.02.04.01.02	Software	4,372	4,726
1.02.04.01.03	Other intangible assets	1,753	1,711

Individual FSs / Balance Sheet Liability

(Thousands of reais)

Account Code	Account Description	Current financial year 03/31/2015	Current financial year 12/31/2014
2	Total Liabilities	714,010	695,094
2.01	Current liabilities	91,730	81,668
2.01.01	Labor and Social Obligations	15,200	12,738
2.01.01.01	Social obligations	2,658	2,514
2.01.01.02	Labor Obligations	12,542	10,224
2.01.02	Trade accounts payable	24,122	22,858
2.01.02.01	National Trade accounts payable	21,486	20,528
2.01.02.02	Foreign Trade accounts payable	2,636	2,330
2.01.03	Tax obligations	15,146	11,866
2.01.03.01	Federal Taxes Obligations	7,078	5,704
2.01.03.01.01	Payable income tax and social contribution	-	-
2.01.03.01.02	Other Federal Taxes	7,078	5,704
2.01.03.02	State tax obligations	8,068	6,162
2.01.04	Loans and financing	3,734	3,066
2.01.04.01	Loans and financing	3,734	3,066
2.01.05	Other Obligations	31,017	28,629
2.01.05.01	Liabilities with Related Parties	9,384	7,672
2.01.05.02	Other	21,633	20,957
2.01.05.02.01	Payable dividends and interest on capital	17,603	17,897
2.01.05.02.04	Other accounts payable	4,030	3,060
2.01.06	Provisions	2,511	2,511
2.01.06.01	Labor and Civil Social Security Tax Provisions	2,511	2,511
2.01.06.01.05	Provision for future benefits to former employees	2,511	2,511
2.02	Noncurrent liabilities	105,227	98,635
2.02.01	Loans and financing	5,964	5,129
2.02.01.01	Loans and financing	5,964	5,129
2.02.01.01.01	In national currency	5,964	5,129
2.02.02	Other Obligations	46,966	39,550
2.02.02.01	Liabilities with Related Parties	37,866	31,763
2.02.02.02	Other	9,100	7,787
2.02.02.02.03	Taxes, fees and contributions payable	9,100	7,787
2.02.04	Provisions	52,297	53,956
2.02.04.01	Labor and Civil Social Security Tax Provisions	52,297	53,956
2.02.04.01.02	Labor and Social Security Provisions	18,072	20,258
2.02.04.01.04	Civil Provisions	6,140	5,968
2.02.04.01.05	Provision for future benefits to former employees	28,085	27,730
2.03	Net Property	517,053	514,791
2.03.01	Capital Stock Held	334,251	334,251
2.03.02	Capital Reserves	19,460	19,460
2.03.02.01	Goodwill on the issue of shares	23	23
2.03.02.07	Grants for investment	19,437	19,437
2.03.04	Profit reserves	168,571	168,571
2.03.04.01	Legal reserve	34,891	34,891
2.03.04.02	Statutory Reserve	31,251	31,251
2.03.04.05	Retained Profits Reserve	102,603	102,603
2.03.04.09	Treasury shares	(174)	(174)
2.03.05	Accumulated Profits/Losses	2,262	-
2.03.08	Other Comprehensive Results	(7,491)	(7,491)

Individual FSs / Income Statement

(Thousands of reais)

Account Code	Account Description	Accumulated of Current	Accumulated of Current
		financial year 01/01/2015 to 03/31/2015	financial year 01/01/2014 to 03/31/2014
3.01	Revenue from Sale of Goods and/or Services	131,925	122,334
3.02	Cost of Goods and/or Services Sold	(99,247)	(91,585)
3.03	Gross Income	32,678	30,749
3.04	Operational Expenses/Revenues	(10,897)	(8,082)
3.04.01	Sale expenses	(14,247)	(13,970)
3.04.02	General and administrative expenses	(12,541)	(12,885)
3.04.04	Other Operational Incomes	2,284	1,301
3.04.05	Other Operational Expenses	(1,659)	(1,479)
3.04.06	Result of equity equivalence	15,266	18,951
3.05	Result Before Financial Result and Taxes	21,781	22,667
3.06	Financial Results	(1,684)	1,702
3.06.01	Financial income	2,475	6,883
3.06.02	Financial expenses	(4,159)	(5,181)
3.07	Result Before Income Taxes	20,097	24,369
3.08	Income Tax and Social Contribution on Profit	59	(879)
3.08.02	Deferred	59	(879)
3.09	Net result from continued operations	20,156	23,490
3.11	Profit/Loss for the Period	20,156	23,490
3.99.01.01	PN	0.11	0.26
3.99.02.01	ON	0.11	0.26

Individual FSs / Income Statement per Nature

(Thousands of reais)

Account Code	Account Description	Accumulated of Current financial year 01/01/2015 to 03/31/2015	Accumulated of Current financial year 01/01/2014 to 03/31/2014
4.01	Net Income for the Period	20,156	23,490
4.03	Comprehensive Result for the Period	20,156	23,490

Individual FSs / Cash Flow

(Thousands of reais)

Account Code	Account Description	Accumulated of Current financial year 01/01/2015 to 03/31/2015	Accumulated of Current financial year 01/01/2014 to 03/31/2014
6.01	Net Cash Operational Activities	26,447	29,442
6.01.01	Cash Generated by Operations	8,773	8,852
6.01.01.01	Net Income for the Period	20,097	24,369
6.01.01.02	Result of equity equivalence	(15,266)	(18,951)
6.01.01.03	Depreciation, amortization and exhaustion	3,304	2,890
6.01.01.04	Result on discharge of fixed assets	7	(163)
6.01.01.05	Provision for credits of doubtful payment	478	194
6.01.01.06	Provision for risks	(1,171)	520
6.01.01.07	Miscellaneous Provisions	20	351
6.01.01.08	Financial charges, monetary and exchange variation	1,108	(213)
6.01.01.09	Incomes from temporary investments	(508)	(553)
6.01.01.10	Realization of anticipated expenses	704	408
6.01.02	Variations in assets e liabilities	17,674	20,590
6.01.02.01	Accounts receivable from clients	(13,133)	(2,414)
6.01.02.02	Receivables from Related parties	1,738	(962)
6.01.02.03	Dividends received	14,361	8,735
6.01.02.04	Inventory	6,861	5,688
6.01.02.05	Taxes recoverable	(249)	7,467
6.01.02.07	Legal deposits	(44)	478
6.01.02.08	Other assets	(1,129)	(2,262)
6.01.02.09	Trade accounts payable	1,264	2,920
6.01.02.10	Tax obligations payable	3,823	(1,046)
6.01.02.11	Labor and Social Obligations	2,462	382
6.01.02.13	Other liabilities	128	(195)
6.01.02.14	Interest paid	(120)	(115)
6.01.02.16	Payables to Related parties	1,712	1,914
6.02	Net Cash Investing Activities	(17,242)	(38,848)
6.02.01	Acquisition of fixed and intangible assets	(6,081)	(6,415)
6.02.03	Receipt of sale of fixed and intangible assets	-	221
6.02.08	Intercompany loans receivable	(16,374)	(201)
6.02.09	Investment Acquisition	-	(2,389)
6.02.10	Short-term investments	(25,400)	(39,900)
6.02.11	Redemption of short-term investments	30,613	9,836
6.03	Net Cash from Financing Activities	(10,833)	4,331
6.03.01	Capture of financings - third parties	1,395	4,608
6.03.02	Intercompany loans	5,213	(105)
6.03.05	Amortization of financing	(305)	(172)
6.03.06	Payment of dividends and interest on capital	(17,136)	-
6.05	Increase (Decrease) in Cash and Cash Equivalents	(1,628)	(5,075)
6.05.01	Initial Balance and Cash and Cash Equivalents	5,711	9,516
6.05.02	Final Balance of Cash and Cash Equivalents	4,083	4,441

Individual FSs / Changes in Equity - 03/31/2015

(Thousands of reais)

Account Code	Account Description	Capital Reserves, Options			Profit Reserves	Accumulated Profits or Losses	Other Comprehensive Results	Net Property
		Paid-in Capital	Treasury Shares	Granted and				
5.01	Initial Balance	334,251	19,286		168,745	-	(7,491)	514,791
5.03	Initial Adjusted Balance	334,251	19,286		168,745	-	(7,491)	514,791
5.04	Transactions with Capital from the Partners	-	-		-	(17,894)	-	(17,894)
5.04.06	Dividends	-	-		-	(11,273)	-	(11,273)
5.04.07	Interest on equity	-	-		-	(6,621)	-	(6,621)
5.05	Total Comprehensive Result	-	-		-	20,156	-	20,156
5.05.01	Net Income for the Period	-	-		-	20,156	-	20,156
5.07	Final Balances	334,251	19,286		168,745	2,262	(7,491)	517,053

Individual FSs / Changes in Equity - 03/31/2014

(Thousands of reais)

Account Code	Account Description	Capital Reserves, Options			Profit Reserves	Accumulated Profits or Losses	Other Comprehensive Results	Net Property
		Paid-in Capital	Treasury Shares	Granted and				
5.01	Initial Balance	334,251	19,498		155,807	-	(3,443)	506,113
5.03	Initial Adjusted Balance	334,251	19,498		155,807	-	(3,443)	506,113
5.04	Transactions with Capital from the Partners	-	-		-	(17,894)	-	(17,894)
5.04.06	Dividends	-	-		-	(11,900)	-	(11,900)
5.04.07	Interest on equity	-	-		-	(5,994)	-	(5,994)
5.05	Total Comprehensive Result	-	-		-	23,490	-	23,490
5.05.01	Net Income for the Period	-	-		-	23,490	-	23,490
5.07	Final Balances	334,251	19,498		155,807	5,596	(3,443)	511,709

Individual FSs / Added Value

(Thousands of reais)

Account Code	Account Description	Accumulated of Current	Accumulated of Current
		financial year 01/01/2015 to 03/31/2015	financial year 01/01/2014 to 03/31/2014
7.01	Revenues	178,042	165,527
7.01.01	Sales of goods, products and services	178,520	165,715
7.01.02	Other revenues	-	6
7.01.04	Provision / Reversal of creds. Doubtful Settlement	(478)	(194)
7.02	Inputs Purchased From Third Parties	(114,136)	(108,244)
7.02.01	Costs Prods., Mercs. and servs. Sold	(83,997)	(76,327)
7.02.02	Materials, energy and services from third parties and others	(27,319)	(29,236)
7.02.03	Loss / Recovery of asset values	(2,066)	(1,881)
7.02.04	Other	(754)	(800)
7.03	Gross Added Value	63,906	57,283
7.04	Retentions	(3,304)	(2,890)
7.04.01	Depreciation, amortization and exhaustion	(3,304)	(2,890)
7.05	Net added value produced	60,602	54,393
7.06	Added value received in transfer	18,993	27,314
7.06.01	Result of equity equivalence	15,266	18,951
7.06.02	Financial income	2,475	6,883
7.06.03	Other	1,252	1,480
7.07	Total Added Value To Distribute	79,595	81,707
7.08	Distribution Of Value Added	79,595	81,707
7.08.01	Personal	24,424	23,660
7.08.01.01	Direct compensation	16,894	14,294
7.08.01.02	Benefits	6,129	8,015
7.08.01.03	F.G.T.S.	1,401	1,351
7.08.02	Taxes, fees and contributions	29,135	27,603
7.08.02.01	Federal	19,333	18,358
7.08.02.02	State	9,299	8,831
7.08.02.03	Municipal	503	414
7.08.03	Remuneration of capital from third parties	5,880	6,954
7.08.03.01	Interest	4,159	5,181
7.08.03.02	Rentals	1,721	1,773
7.08.04	Remuneration of own capital	20,156	23,490
7.08.04.01	Interest on equity	6,621	5,994
7.08.04.02	Dividends	11,273	11,900
7.08.04.03	Retained Profit/Loss for the Period	2,262	5,596

Consolidated FSs / Balance Sheet Asset

(Thousands of reais)

Account Code	Account Description	Current Financial 03/31/2015	Current Financial 12/31/2014
1	Total Assets	925,869	897,864
1.01	Current Assets	410,096	395,451
1.01.01	Cash and Cash Equivalents	10,861	13,367
1.01.02	Temporary investments	32,148	35,023
1.01.02.02	Financial Investments Valued at Amortized Cost	32,148	35,023
1.01.02.02.01	Securities held until maturity	32,148	35,023
1.01.03	Accounts receivable	205,580	175,933
1.01.03.01	Clients	205,580	175,933
1.01.04	Inventory	137,881	148,093
1.01.06	Recoverable Taxes	10,474	10,373
1.01.06.01	Current and Recoverable Taxes	10,474	10,373
1.01.07	Prepaid expenses	2,110	933
1.01.08	Other Current assets	11,042	11,729
1.01.08.01	Non-Current Assets for Sale	553	553
1.01.08.03	Other	10,489	11,176
1.01.08.03.01	Related parties	992	2,427
1.01.08.03.02	Other	9,497	8,749
1.02	Non-current asset	515,773	502,413
1.02.01	Long-term assets	103,426	95,769
1.02.01.03	Accounts receivable	1,982	1,981
1.02.01.03.02	Other Accounts Receivable	1,982	1,981
1.02.01.06	Deferred Taxes	55,589	53,299
1.02.01.06.01	Differed Income Tax And Social Contribution	55,589	53,299
1.02.01.08	Credits with Related Parties	5,445	726
1.02.01.08.03	Credits with Controllors	5,445	726
1.02.01.09	Other noncurrent assets	40,410	39,763
1.02.01.09.03	Taxes Recoverable	24,661	24,456
1.02.01.09.04	Escrow deposits and tax incentives	15,749	15,307
1.02.02	Investments	27,817	34,338
1.02.02.01	Shareholdings	27,817	34,338
1.02.02.01.01	Shareholding in Affiliates	27,817	34,338
1.02.03	Fixed	354,235	341,684
1.02.03.01	Non-current in Operation	232,362	234,462
1.02.03.01.01	Non-current in Operation	237,659	239,759
1.02.03.01.02	Provision for Loss with Non-current	(5,297)	(5,297)
1.02.03.03	Non-current in progress	121,873	107,222
1.02.04	Intangible	30,295	30,622
1.02.04.01	Intangible	10,300	10,627
1.02.04.01.02	Software	7,068	7,437
1.02.04.01.03	Other intangible assets	3,232	3,190
1.02.04.02	Goodwill	19,995	19,995

Consolidated FSs / Balance Sheet Liability

(Thousands of reais)

Account Code	Account Description	Current Financial	Current Financial
		03/31/2015	12/31/2014
2	Total Liabilities	925,869	897,864
2.01	Current liabilities	242,359	221,252
2.01.01	Labor and Social Obligations	30,462	28,657
2.01.01.01	Social obligations	4,369	4,409
2.01.01.02	Labor Obligations	26,093	24,248
2.01.02	Trade accounts payable	44,603	42,151
2.01.02.01	National Trade accounts payable	41,553	39,408
2.01.02.02	Foreign Trade accounts payable	3,050	2,743
2.01.03	Tax obligations	29,740	29,181
2.01.03.01	Federal Taxes Obligations	17,998	20,155
2.01.03.01.01	Payable income tax and social contribution	6,455	10,674
2.01.03.01.02	Other Federal Taxes	11,543	9,481
2.01.03.02	State tax obligations	11,742	9,026
2.01.04	Loans and financing	102,085	88,946
2.01.04.01	Loans and financing	102,085	88,946
2.01.05	Other Obligations	31,792	28,640
2.01.05.02	Other	31,792	28,640
2.01.05.02.01	Payable dividends and interest on capital	17,603	17,897
2.01.05.02.04	Other accounts payable	14,189	10,743
2.01.06	Provisions	3,677	3,677
2.01.06.01	Labor and Civil Social Security Tax Provisions	3,677	3,677
2.01.06.01.05	Provision for future benefits to former employees	3,677	3,677
2.02	Noncurrent liabilities	166,440	161,804
2.02.01	Loans and financing	41,448	38,978
2.02.01.01	Loans and financing	41,448	38,978
2.02.01.01.01	In national currency	41,448	38,978
2.02.02	Other Obligations	24,396	21,623
2.02.02.02	Other	24,396	21,623
2.02.02.02.03	Taxes, fees and contributions payable	13,114	10,605
2.02.02.02.04	Reassembling of the mine	10,982	10,718
2.02.02.02.05	Other accounts payable	300	300
2.02.04	Provisions	100,596	101,203
2.02.04.01	Labor and Civil Social Security Tax Provisions	100,596	101,203
2.02.04.01.02	Labor and Social Security Provisions	27,039	29,225
2.02.04.01.04	Civil Provisions	31,349	30,324
2.02.04.01.05	Provision for future benefits to former employees	42,208	41,654
2.03	Consolidated Equity	517,070	514,808
2.03.01	Capital Stock Held	334,251	334,251
2.03.02	Capital Reserves	19,460	19,460
2.03.02.01	Goodwill on the issue of shares	23	23
2.03.02.07	Grants for investment	19,437	19,437
2.03.04	Profit reserves	168,571	168,571
2.03.04.01	Legal reserve	34,891	34,891
2.03.04.02	Statutory Reserve	31,251	31,251
2.03.04.05	Retained Profits Reserve	102,603	102,603
2.03.04.09	Treasury shares	(174)	(174)
2.03.05	Accumulated Profits/Losses	2,262	-
2.03.08	Other Comprehensive Results	(7,491)	(7,491)
2.03.09	Participation of non-controlling shareholders	17	17

Consolidated FSs / Income Statement

(Thousands of reais)

Account Code	Account Description	Accumulated of Current	Accumulated of Current
		financial year 01/01/2015 to 03/31/2015	financial year 01/01/2014 to 03/31/2014
3.01	Revenue from Sale of Goods and/or Services	252,719	243,692
3.02	Cost of Goods and/or Services Sold	(158,761)	(152,941)
3.03	Gross Income	93,958	90,751
3.04	Operational Expenses/Revenues	(60,524)	(57,557)
3.04.01	Sale expenses	(27,631)	(28,435)
3.04.02	General and administrative expenses	(27,325)	(28,517)
3.04.04	Other Operational Incomes	4,144	2,800
3.04.05	Other Operational Expenses	(3,191)	(2,948)
3.04.06	Result of equity equivalence	(6,521)	(457)
3.05	Result Before Financial Result and Taxes	33,434	33,194
3.06	Financial Results	(1,617)	1,791
3.06.01	Financial income	20,668	14,840
3.06.02	Financial expenses	(22,285)	(13,049)
3.07	Result Before Income Taxes	31,817	34,985
3.08	Income Tax and Social Contribution on Profit	(11,661)	(11,495)
3.08.01	Current	(13,951)	(9,403)
3.08.02	Deferred	2,290	(2,092)
3.09	Net result from continued operations	20,156	23,490
3.11	Profit/Loss Consolidated for the Period	20,156	23,490
3.11.01	Assigned to Partners of the Parent Company	20,156	23,490
3.99.01.01	ON	0.11	0.26
3.99.02.01	ON	0.11	0.26

Consolidated FSs /Income Statement per Nature

(Thousands of reais)

Account Code	Account Description	Accumulated of Current	Accumulated of Current
		financial	financial
		year 01/01/2015 to	year 01/01/2014 to
		03/31/2015	03/31/2014
4.01	Net Profit Consolidated for the Period	20,156	23,490
4.03	Consolidated Comprehensive Income for the Period	20,156	23,490
4.03.01	Assigned to Partners of the Parent Company	20,156	23,490

Consolidated FSs / Cash Flow

Performance of Goodwill - "added value" Desempenho da Boa Vontade - "valor
Net changes in prepaid expenses Variação Líquida de despesas antecipadas

(Thousands of reais)

Account Code	Account Description	Accumulated of Current financial	Accumulated of Current financial
		year 01/01/2015 to 03/31/2015	year 01/01/2014 to 03/31/2014
6.01	Net Cash Operational Activities	17,526	33,517
6.01.01	Cash Generated by Operations	40,371	43,812
6.01.01.01	Net Income for the Period	31,817	34,985
6.01.01.02	Result of equity equivalence	6,521	457
6.01.01.03	Depreciation, amortization and exhaustion	9,624	9,177
6.01.01.04	Result on discharge of fixed assets	(3)	(157)
6.01.01.05	Provision for credits of doubtful payment	880	431
6.01.01.06	Provision for risks	(318)	1,963
6.01.01.07	Miscellaneous Provisions	740	666
6.01.01.08	Financial charges, monetary and exchange variation	(8,847)	(2,652)
6.01.01.09	Incomes from temporary investments	(1,256)	(1,240)
6.01.01.10	Realization of anticipated expenses	1,213	182
6.01.02	Variations in assets e liabilities	(22,845)	(10,295)
6.01.02.01	Accounts receivable from clients	(26,019)	(9,983)
6.01.02.02	Receivables from Related parties	1,435	(1,588)
6.01.02.04	Inventory	10,547	8,361
6.01.02.05	Taxes recoverable	(83)	7,645
6.01.02.07	Legal deposits	(442)	343
6.01.02.08	Other assets	(3,377)	(3,487)
6.01.02.09	Trade accounts payable	2,452	4,998
6.01.02.10	Tax obligations payable	6,294	488
6.01.02.11	Labor and Social Obligations	1,805	(1,288)
6.01.02.13	Other liabilities	2,665	2,567
6.01.02.14	Interest paid	(189)	(381)
6.01.02.15	Paid income tax and social contribution	(17,933)	(17,970)
6.02	Net Cash Investing Activities	(14,716)	(60,160)
6.02.01	Acquisition of fixed and intangible assets	(14,138)	(29,203)
6.02.03	Receipt of sale of fixed and intangible assets	10	221
6.02.08	Intercompany loans receivable	(4,719)	-
6.02.10	Short-term investments	(68,696)	(90,480)
6.02.11	Redemption of short-term investments	72,827	59,302
6.03	Net Cash from Financing Activities	(5,316)	21,248
6.03.01	Capture of financings - third parties	55,369	68,934
6.03.05	Amortization of financing	(43,549)	(47,686)
6.03.06	Payment of dividends and interest on capital	(17,136)	-
6.05	Increase (Decrease) in Cash and Cash Equivalents	(2,506)	(5,395)
6.05.01	Initial Balance and Cash and Cash Equivalents	13,367	13,295
6.05.02	Final Balance of Cash and Cash Equivalents	10,861	7,900

Consolidated FSs / Changes in Equity - 03/31/2015

(Thousands of reais)

Account Code	Account Description	Capital Reserves, Options Granted and			Profit Reserves	Accumulated Profits or Losses	Other Comprehensive Results	Net Property	Participation of non-controller	Consolidated Equity
		Paid-in Capital	Treasury Shares							
5.01	Initial Balance	334,251	19,286	168,745	-	(7,491)	514,791	17	514,808	
5.03	Initial Adjusted Balance	334,251	19,286	168,745	-	(7,491)	514,791	17	514,808	
5.04	Transactions with Capital from the Partners	-	-	-	(17,894)	-	(17,894)	-	(17,894)	
5.04.06	Dividends	-	-	-	(11,273)	-	(11,273)	-	(11,273)	
5.04.07	Interest on equity	-	-	-	(6,621)	-	(6,621)	-	(6,621)	
5.05	Total Comprehensive Result	-	-	-	20,156	-	20,156	-	20,156	
5.05.01	Net Income for the Period	-	-	-	20,156	-	20,156	-	20,156	
5.07	Final Balances	334,251	19,286	168,745	2,262	(7,491)	517,053	17	517,07	

Consolidated FSs / Changes in Equity - 03/31/2014

(Thousands of reais)

Account Code	Account Description	Capital Reserves, Options Granted and			Profit Reserves	Accumulated Profits or Losses	Other Comprehensive Results	Net Property	Participation of non-controller	Consolidated Equity
		Paid-in Capital	Treasury Shares							
5.01	Initial Balance	334,251	19,498	155,807	-	(3,443)	506,113	16	506,129	
5.03	Initial Adjusted Balance	334,251	19,498	155,807	-	(3,443)	506,113	16	506,129	
5.04	Transactions with Capital from the Partners	-	-	-	(17,894)	-	(17,894)	-	(17,894)	
5.04.06	Dividends	-	-	-	(11,900)	-	(11,900)	-	(11,900)	
5.04.07	Interest on equity	-	-	-	(5,994)	-	(5,994)	-	(5,994)	
5.05	Total Comprehensive Result	-	-	-	23,490	-	23,490	-	23,490	
5.05.01	Net Income for the Period	-	-	-	23,490	-	23,490	-	23,490	
5.07	Final Balances	334,251	19,498	155,807	5,596	(3,443)	511,709	16	511,725	

Consolidated FSs / Added Value

(Thousands of reais)

Account Code	Account Description	Accumulated of Current	Accumulated of Current
		financial year 01/01/2015 to 03/31/2015	financial year 01/01/2014 to 03/31/2014
7.01	Revenues	336,858	323,498
7.01.01	Sales of goods, products and services	321,547	310,688
7.01.02	Other revenues	16,191	13,240
7.01.04	Provision / Reversal of creds. Doubtful Settlement	(880)	(430)
7.02	Inputs Purchased From Third Parties	(197,210)	(189,719)
7.02.01	Costs Prods., Mercs. and servs. Sold	(145,860)	(135,779)
7.02.02	Materials, energy and services from third parties and others	(48,093)	(50,930)
7.02.03	Loss / Recovery of asset values	(2,163)	(1,881)
7.02.04	Other	(1,094)	(1,129)
7.03	Gross Added Value	139,648	133,779
7.04	Retentions	(9,624)	(9,177)
7.04.01	Depreciation, amortization and exhaustion	(9,624)	(9,177)
7.05	Net added value produced	130,024	124,602
7.06	Added value received in transfer	15,229	16,149
7.06.01	Result of equity equivalence	(6,521)	(457)
7.06.02	Financial income	20,668	14,840
7.06.03	Other	1,082	1,766
7.07	Total Added Value To Distribute	145,253	140,751
7.08	Distribution Of Value Added	145,253	140,751
7.08.01	Personal	46,174	46,966
7.08.01.01	Direct compensation	32,633	29,948
7.08.01.02	Benefits	10,853	14,461
7.08.01.03	F.G.T.S.	2,688	2,557
7.08.02	Taxes, fees and contributions	51,061	52,721
7.08.02.01	Federal	33,586	34,727
7.08.02.02	State	16,724	17,359
7.08.02.03	Municipal	751	635
7.08.03	Remuneration of capital from third parties	27,862	17,574
7.08.03.01	Interest	22,285	13,049
7.08.03.02	Rentals	5,577	4,525
7.08.04	Remuneration of own capital	20,156	23,490
7.08.04.01	Interest on equity	6,621	5,994
7.08.04.02	Dividends	11,273	11,900
7.08.04.03	Retained Profit/Loss for the Period	2,262	5,596

Overall and Market Scenario

The Monetary Policy Committee (Copom) of the Central Bank of Brazil believes that the pace of domestic economic activity in 2015 will be slower than its potential and that it will gain momentum as the confidence of companies and households gains strength. Copom also points out that after years of strong growth, the consumption-driven lending market has slowed down – recent quarters have been marked by a reduction in exposure by banks and by deleveraging by households.

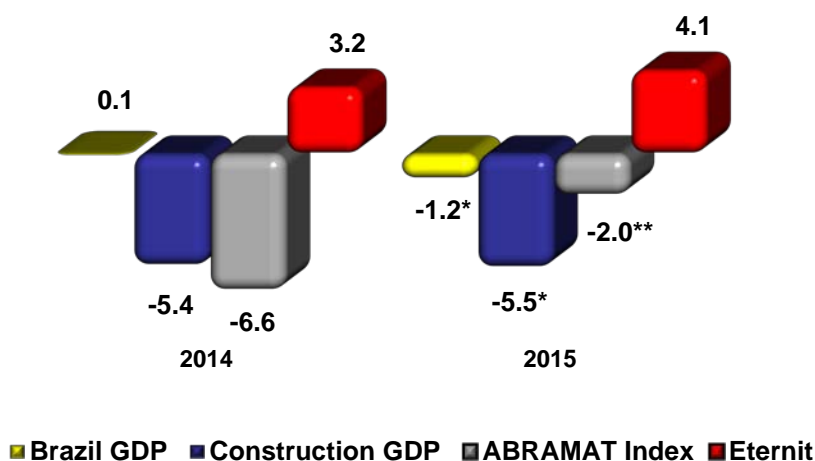
According to this scenario, GDP projections for 2015 are declines of 1.2% for the economy as a whole and of 5.5%, in the construction industry, both in comparison with 2014, according to the FOCUS market readout of May 8, 2015, and the March 2015 Inflation report published by the Brazilian Central Bank (BACEN), respectively.

According to ABRAMAT, in the first quarter of 2015, total revenues deflated by domestic sales of construction materials declined 8.8% from same period the previous year, falling far short of the forecast for the end of 2015, which itself was revised from 1.0% to -2.0%.

ABRAMAT's downward revision was based on its understanding that the market is being affected by the lack of confidence to invest by both businessmen and families, that infrastructure is slowing down sharply on account of the operational difficulties faced by large infrastructure companies, and that the real estate market has been affected by recent government measures which make acquisition of used properties difficult. The association expects the retail market to grow in 2015 since income and employment have not been severely affected so far, and the difficulties in obtaining financing for used properties could help the renovations market. In the current scenario, ABRAMAT also highlights the importance of the launch of phase 3 of the My Home, My Life Program.

In comparison, Eternit's¹ consolidated gross revenue growth of 4.1% in 1Q15 was much higher than the sector's performance.

Brazil GDP x Construction GDP x ABRAMAT Index x Consolidated Gross Revenue Eternit¹(%)



Source: *CENTRAL BANK OF BRAZIL – projected growth of Brazilian and construction GDP.

**ABRAMAT – projection of domestic construction material sales in the year.

¹ ETERNIT – Growth in Eternit's consolidated gross revenue compares the period from January to March 2015 with the same period in 2014, deflated by the IGP-M index.

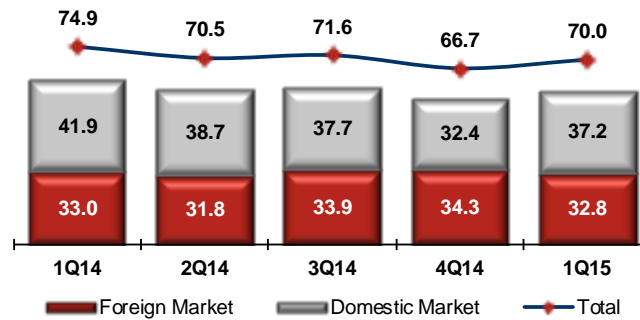
Operational and Financial Aspects

Sales

Chrysotile Asbestos

In 1Q15, chrysotile asbestos sales reached 70,000 tons, down 6.5% from 1Q14. Domestic sales dropped 11.3% in the same period due to the contraction of the construction materials industry, especially the roofing segment. Exports, on the other hand, remained virtually stable (down 0.5%).

Sales of Chrysotile Asbestos (thous. Tons.)*

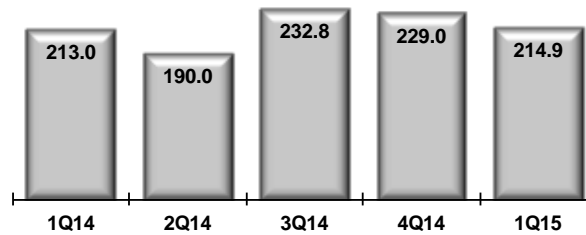


(*) Chrysotile asbestos sales include intercompany sales, which accounted for 39.4% of domestic sales in 1Q15.

Fiber-cement

Domestic fiber-cement sales, including construction solutions, totaled 214,900 tons in 1Q15, virtually stable (up 0.9%) from 1Q14.

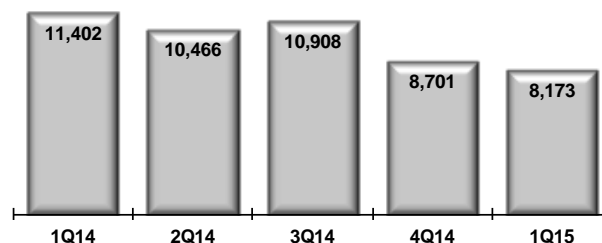
Sales of Fiber-cement (thous. Tons.)



Concrete Tiles

In 1Q15, concrete tile sales totaled 8,173,000 pieces, representing a decline of 28.3% from 1Q14 due to the contraction in demand across the industry, especially in this segment, which seasonally occurs every first quarter on account of the rainy season.

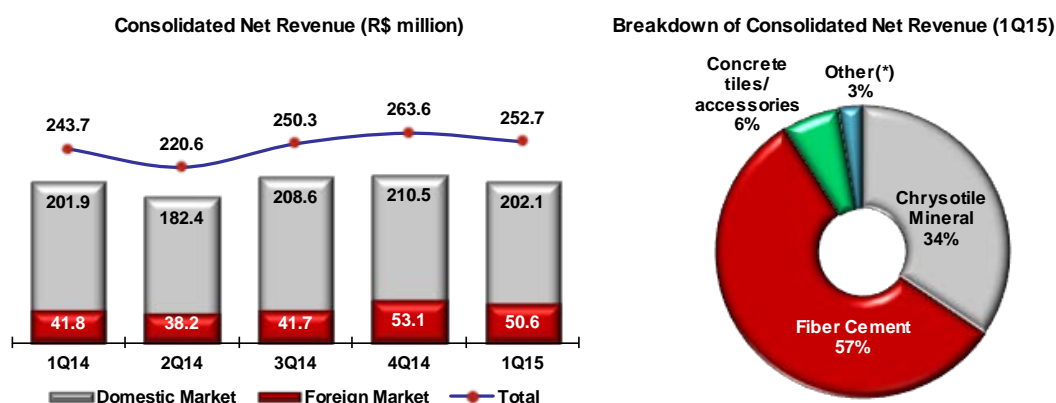
Sales of Concrete Roofing Tiles (thousand pieces)



Consolidated Net Revenue

Consolidated net revenue in 1Q15 reached R\$252.7 million, up 3.7% from 1Q14. Domestic market revenue amounted to R\$202.1 million, virtually stable (up 0.1%) due to price increases, which were partially offset by lower chrysotile and concrete roofing tile sales. Net revenue from exports increased 21.1% from 1Q14, totaling R\$50.6 million, driven by the 21.4% appreciation of the U.S. dollar against the Brazilian real (comparison of the average PTAX rate in the period).

Comparing 1Q14 and 1Q15 by product lines, chrysotile asbestos and fiber-cement recorded revenue growth of 5.1% and 8.1% respectively, while revenue from concrete roofing tiles and roofing accessories decreased 25.8% to R\$87.0 million, R\$143.0 million and R\$15.7 million respectively, due to the factors mentioned above. Revenue from other products totaled R\$7.0 million in 1Q15, a decrease of 6.0% from 1Q14, mainly due to the reduction in metal roofing panel sales.



(*) Other: metal bathroom fixtures, metal roofing panels, polyethylene water tanks and construction solutions, among others.

Cost of Mining, Production and Goods Sold

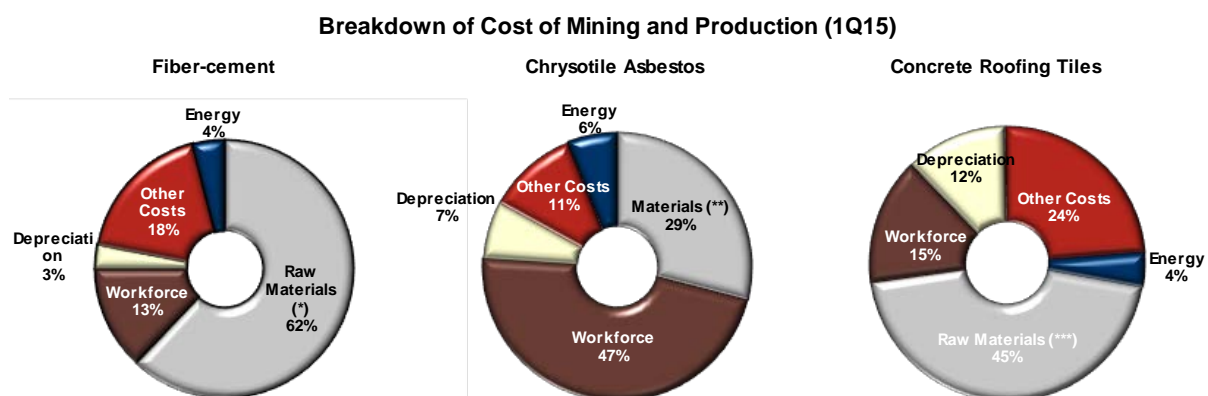
Consolidated cost of goods sold came to R\$158.8 million in 1Q15, up 3.8% compared to 1Q14 as a result of the increase in mining and production costs. Since the increase in consolidated cost of goods sold is proportional to the increase in consolidated net revenue in 1Q15, gross margin remained stable at 37% between the periods.

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

Chrysotile mining: 22% increase due to the scheduled shutdown for pit maintenance, collective labor agreements and diesel consumption.

Fiber-cement: 8% increase due to the hike in raw material prices (especially of cement and pulp) and electricity.

Concrete roofing tiles: 21% increase resulting from the adjustment of production levels to demand, in addition to the increase in raw material prices (especially of grey cement, pigments and release agents) and electricity.



* Raw materials: cement (45%), chrysotile asbestos (41%) and others (14%)

** Materials: fuel, explosives, packaging and others.

***Raw materials: cement (54%), sand (29%) and others (17%).

Operating Expenses

Total operating expenses in 1Q15 decreased 5.4% from the year-ago period, mainly due to the 4.2% reduction in general and administrative expenses resulting from the lower provision for profit sharing, which partially offset costs with defending the use of chrysotile asbestos.

In R\$ '000	1st Quarter		
	2014	2013	Chg. %
Selling expenses	(27,631)	(28,435)	(2.8)
General and administrative expenses	(27,325)	(28,517)	(4.2)
Other operating revenues (expenses), net	953	(148)	-
Total operating expenses	(54,003)	(57,100)	(5.4)
<i>Percentage of net revenue</i>	21%	23%	- 2 p.p.

Equity Pickup

Equity pickup refers to the proportional gain or loss from the bathroom chinaware plant in the state of Ceará, the joint venture Companhia Sulamericana de Cerâmica. In 1Q15, this figure was a loss of R\$6.5 million, compared to a loss of R\$0.5 million in 1Q14, since it is a greenfield project.

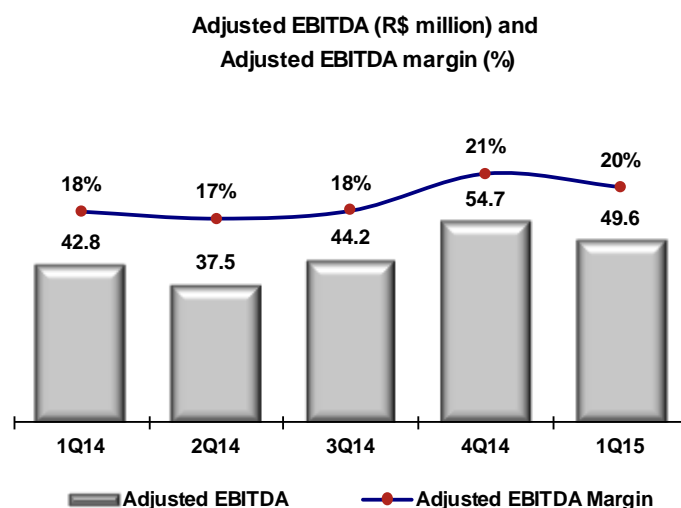
Net Financial Result

Net financial result in 1Q15 was negative at R\$1.6 million, compared to positive result of R\$1.8 million in 1Q14, mainly due to the effects of exchange variation on the Eternit Group's financial operations.

In R\$ '000	1st Quarter		
	2015	2014	Chg. %
Financial expenses	(22,285)	(13,049)	70.8
Financial income	20,668	14,840	39.3
Net financial result	(1,617)	1,791	-

Adjusted EBITDA

Adjusted EBITDA totaled R\$49.6 million in 1Q15, 15.8% higher than in 1Q14, mainly due to the 3.5% increase in gross profit and the lower operating expenses. As a result, adjusted EBITDA margin increased 2 percentage points from 1Q14 to end 1Q15 at 20%.



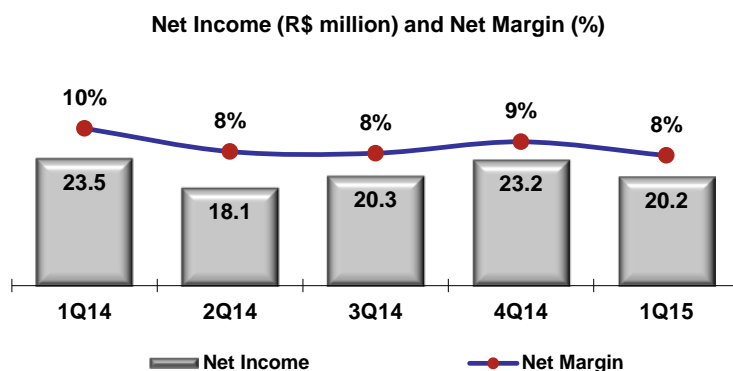
Reconciliation of consolidated EBITDA - (R\$'000)	1st Quarter		
	2015	2014	% Chg.
Net income	20,156	23,490	(14.2)
Income tax and social contributions	11,661	11,495	1.4
Net financial Income	1,617	(1,791)	-
Depreciation and amortization	9,624	9,177	4.9
EBITDA¹	43,058	42,371	1.6
Equity pickup	6,521	457	1,327.1
Adjusted EBITDA over equity pickup²	49,579	42,828	15.8

¹ With the operational startup of Companhia Sulamericana de Cerâmica (CSC), its results are included in consolidated EBITDA in accordance with the equity pickup method, in accordance with Instruction 527 issued by the Securities and Exchange Commission of Brazil (CVM) on October 4, 2012.

Adjusted EBITDA² is an indicator used by the Company's Management to analyze the operational and economic performance of its consolidated business, excluding equity pickup due to the fact that CSC is a joint venture and its information is not consolidated.

Net Income

Eternit registered net income of R\$20.2 million in 1Q15, down 14.2% compared to 1Q14. Net margin declined 2 percentage points to end the quarter at 8%, mainly due to the lower net financial result and negative equity pickup.

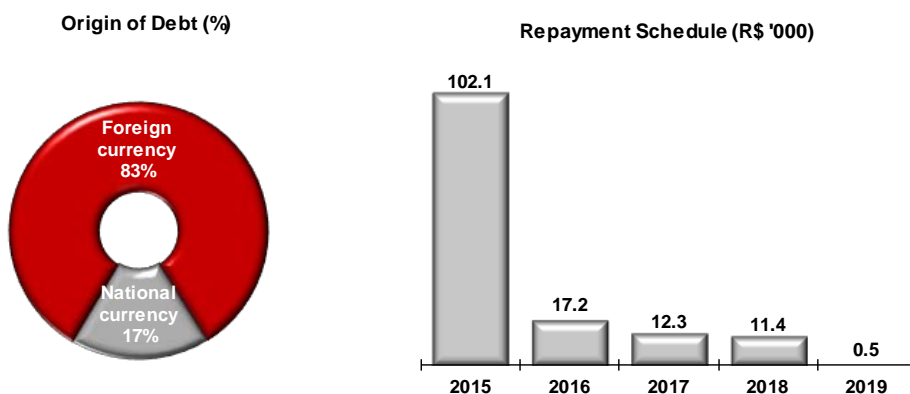


Debt

The Company ended 1Q15 with net debt of R\$100.5 million. In 2015, the gross debt of Eternit and its subsidiaries totaled R\$143.5 million, mainly due to: (i) the advances against draft presentation (ACE) and forward foreign exchange contracts (ACC) contracted for working capital; and (ii) financing for the acquisition of machinery and equipment.

Cash, cash equivalents and short-term financial investments totaled R\$43.0 million, with financial investments remunerated at an average rate corresponding to 102% of the variation in the overnight rate (CDI).

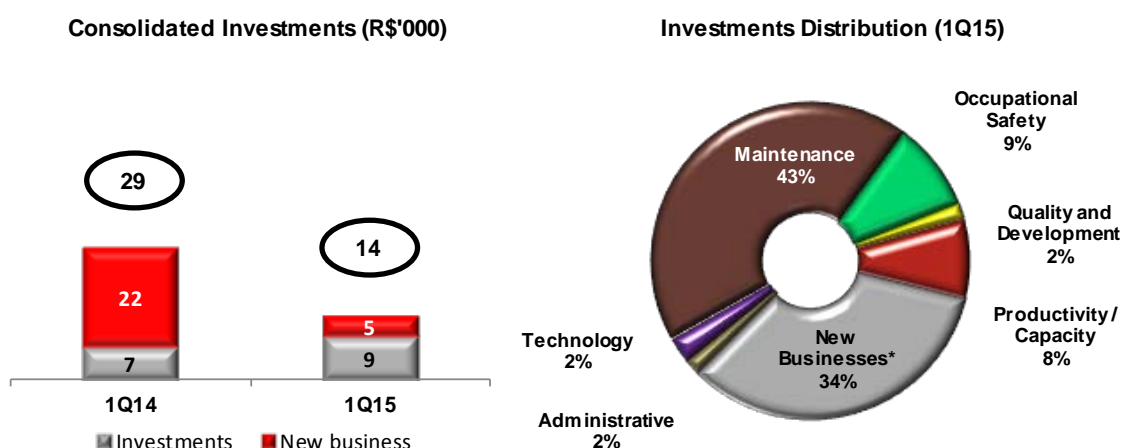
DEBT - R\$ '000	Parent Company		Consolidated	
	03/31/15	12/31/14	03/31/15	12/31/14
Short-term gross debt	3,734	3,066	102,085	88,946
Long-term gross debt	5,964	5,129	41,448	38,978
Cash and cash equivalents	(4,083)	(5,711)	(10,861)	(13,367)
Short-term investments (same cash equivalents)	(11,021)	(15,726)	(32,148)	(35,023)
Net debt	(5,406)	(13,242)	100,524	79,534
EBITDA (last 12 months)	96,883	97,356	166,187	165,500
Net debt / EBITDA x	(0.06)	(0.14)	0.60	0.48
Adjusted EBITDA over equity pickup	36,795	33,582	185,927	179,176
Net debt / Adjusted EBITDA x	(0.15)	(0.39)	0.54	0.44
Net debt / Equity	-	-	19.4%	15.4%



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

Investments

Investments made by Eternit and its subsidiaries in 1Q15 totaled R\$14.1 million, 51.6% less than in 1Q14. The funds were allocated primarily to the establishment of a unit for the research, development and production of construction material inputs in Amazonas and the maintenance and modernization of the Group's industrial facilities.



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

Capital Markets

Eternit has been listed on the stock exchange since 1948 and since 2006 its stock has been trading on the Novo Mercado, the listing segment of the São Paulo Securities, Commodities and Futures Exchange (BM&FBovespa) with the highest level of corporate governance, under the stock ticker ETER3.

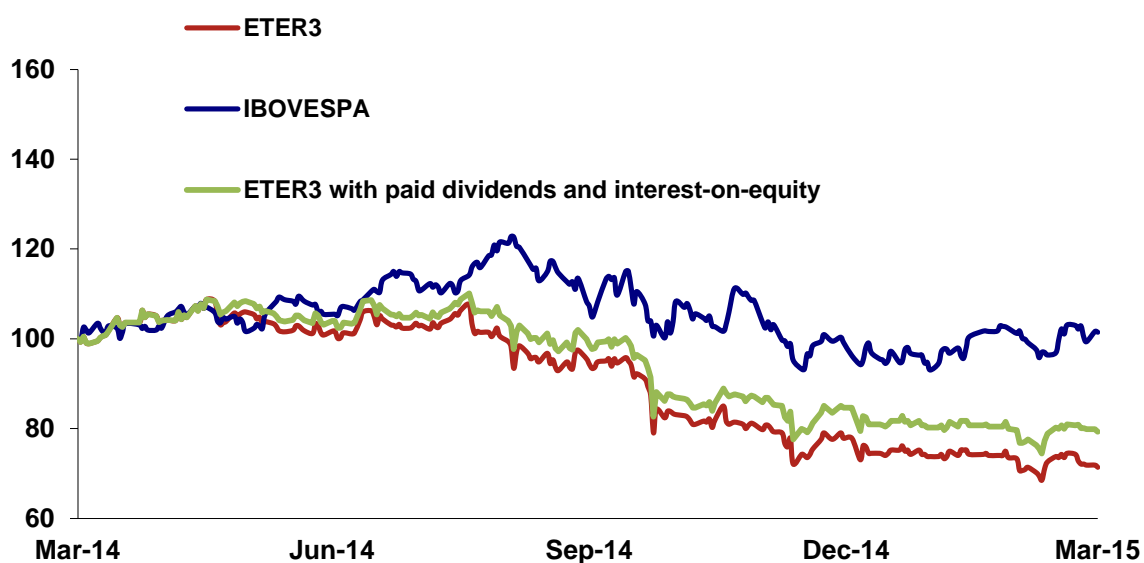
With fragmented ownership and no shareholders' agreement or controlling group, the Company's shareholder base has a high concentration of individual investors, who accounted for 65.8% of the shareholder base in 1Q15, while foreign investors accounted for 10.2% and corporate shareholders, clubs, investment funds and foundations for 24.0%.

Eternit stock (ETER3) was quoted at R\$2.98 in March 2015, depreciating 28.6% compared to March 2014. In the same period, the benchmark Bovespa Index (IBOVESPA) closed at 51,150 points, representing a gain of 1.5%. On March 31, 2015, Eternit's market capitalization stood at R\$533.4 million.

Capital Markets					
ETERNIT (ETER3)	1Q14	2Q14	3Q14	4Q14	1Q15
Closing Price (R\$/Share) - Without dividends*	4.18	4.25	3.94	3.25	2.98
Average Volume Traded (Shares)	105,502	119,013	122,972	139,600	127,643
Average Volume Traded (R\$)	437,625	516,649	513,042	492,597	390,795
ETER3 - Quarterly Profitability (%)	-	1.7	-7.2	-17.5	-8.3
ETER3 - 12 Months Profitability (%)	-	-10.2	-17.2	-25.6	-28.6
IBOVESPA - Quarterly Profitability (%)	-	5.5	1.8	-7.6	2.3
IBOVESPA - 12 Months Profitability (%)	-	12.0	3.4	-2.9	1.5
Market Capitalization (R\$ Million)	747.3	759.9	705.3	581.8	533.4

* Closing prices adjusted after the stock split approved on 09/24/14.

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



Cancellation of Level 1 ADR Program

The Board of Directors' meeting (RCA) held on April 16, 2015, approved the cancellation of the Level 1 American Depositary Receipts Program ("Level 1 ADR Program") of the Company, registered with the U.S. Securities and Exchange Commission (SEC). Consequently, no act in connection with the ADR Programs may be carried out during a period of 40 days from the date of delivery of the notice to BNY Mellon, the stock transfer agent.

The Company will take all the measures required for cancellation and will keep its shareholders and the market duly informed of any further developments related to the cancellation of the ADR Program.

Dividends and Interest on Equity

In 2015, Eternit's dividend yield¹ was already 6.2%, with total earnings paid amounting to R\$35.8 million. Eternit's dividends and interest on equity have historically been paid on a quarterly basis. In view of this practice, individual investors account for a major share of Eternit's shareholder base.

¹ Dividend yield: It is obtained by dividing the earnings (dividends + interest on equity) per share distributed during the fiscal year (payment base date) by the previous year's closing stock price.

Dividends Distribution (2013 to 2015)					
Approval Date	Type	Payment Start Date	Total Value R\$ 000	Value per Share (R\$)	
2013					
12/12/12 (*)	BDM	03/26/13	5,726	0.0320	
03/06/13 (*)	BDM	03/26/13	12,168	0.0680	
04/17/13	BDM	05/10/13	5,726	0.0320	
04/17/13	BDM	05/10/13	12,168	0.0680	
08/07/13	BDM	08/28/13	5,726	0.0320	
08/07/13	BDM	08/28/13	12,168	0.0680	
10/23/13	BDM	11/13/13	5,816	0.0325	
10/23/13	BDM	11/13/13	12,079	0.0675	
Total		-	71,577	0.4000	
Closing Price		-	-	4.05	
Dividend Yield		-	-	9.9%	
2014					
12/11/13 (*)	BDM	04/02/14	5,458	0.0305	
03/12/13 (*)	BDM	04/02/14	12,436	0.0695	
05/07/14	BDM	05/28/14	5,994	0.0335	
05/07/14	BDM	05/28/14	11,900	0.0665	
08/06/14	BDM	08/27/14	5,995	0.0335	
08/06/14	BDM	08/27/14	11,899	0.0665	
11/05/14	BDM	11/27/14	5,995	0.0335	
11/05/14	BDM	11/27/14	11,900	0.0665	
Total		-	71,576	0.4000	
Closing Price		-	-	4.37	
Dividend Yield		-	-	9.2%	
2015					
12/19/14 (*)	BDM	03/31/15	5,905	0.0330	
03/11/15 (*)	BDM	03/31/15	11,989	0.0670	
05/13/15	BDM	06/03/15	6,621	0.0370	
05/13/15	BDM	06/03/15	11,273	0.0630	
Total		-	35,788	0.2000	
Closing Price		-	-	3.25	
Dividend Yield		-	-	6.2%	

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

PS: Value per Share and Closing Prices adjusted, from 2013 to september, 2014, after the stock split of 1:2 shares approved on 09/24/14.

Election of the Board of Directors and Audit Board

At the Annual Shareholders Meeting (ASM) held on April 16, 2015, the following were reelected as independent members of the Board of Directors: Marcelo Gasparino da Silva, Lírio Albino Parisotto, Luis Terepins, Leonardo Deeke Boguszewski and Marcelo Munhoz Auricchio and the following were elected: Raphael Manhães Martins and Luiz Barsi Filho, also as independent members.

The following were reelected members of the Audit Board: André Eduardo Dantas and Paulo Henrique Zukanovich Funchal, and the following were elected: Robert Juenemann, Benedito Carlos Dias da Silva and Luciano Luiz Barsi, and also their respective alternate members. Audit Board members hold office for one year until the next ASM. The Board is not permanent.

The résumé of each director is available at the [IR site](#), at the section Corporate Governance / Management.

Social, Environmental and Corporate Responsibility

Open Doors Program

To contribute to a better understanding by society of the extraction and processing of chrysotile asbestos, 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 entails visits by the public to the Group's five fiber-cement units located in Anápolis (Goiás), Colombo (Paraná), Goiânia (Goiás), Rio de Janeiro (Rio de Janeiro), and Simões Filho (Bahia), as well as to SAMA, the mining company located in Minaçu in the north of Goiás. Since its launch, the program, which is considered one of the largest in the market, has already received over 68,000 visitors.

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

Annual Report 2014

The Annual Report is a valuable instrument of communication of the company's actions, which contains information about its activities, operating results, sustainability practices and business expectations for the coming years. For the eighth consecutive year, Eternit is publishing its report in accordance with the guidelines proposed by the Global Reporting Initiative (GRI), an international organization that establishes the principles and indicators for reporting business and corporate sustainability information. GRI establishes an international framework to prepare reports, considering environmental, social, economic and financial aspects, measured by indicators.

It is also used to renew the Company's commitment to the United Nations Global Compact, which takes place every year to engage the international business community in adopting in their business practices the fundamental and internationally accepted values in the areas of human rights, work relationships, environment and fight against corruption that are reflected in 10 principles.

For the first time, Eternit created its materiality matrix to determine the content of the 2014 Annual Report, in compliance with the new G4 version of GRI indicators and improving its internal sustainability management practices. Access the full report at the [IR site](#), at the section Financial Information / Annual Reports.

Legal issues involving chrysotile mineral

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

State Law 10,813/2001 of São Paulo and State Law 2,210/2001 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 of São Paulo, 3,579/2004 of Rio de Janeiro, 11,643/2001 of Rio Grande do Sul and 12,589/2007 of Pernambuco that restrict the use of asbestos in their jurisdiction are currently the subject matter of the ADIs filed by the National Confederation of Industrial Workers (CNTI) at the Federal Supreme Court (STF).

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

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

The State Government of Mato Grosso regulated Law 9,583/11 through Decree no. 68/15, published on April 16, 2015, which prohibits the use of products, materials or artifacts that contain any type of asbestos in this state.

Public Interest Civil Actions

In 2013 and 2014, the Labor Prosecution Offices of the states of São Paulo and Rio de Janeiro filed two public interest civil lawsuits against the Company on different issues related to working conditions and occupational illness. The claims in each lawsuit include payment of R\$1 billion for collective pain and suffering, to be paid to entities or projects recommended by the Labor Prosecution Office or the Workers' Support Fund (FAT).

In parallel, the Brazilian Association of People Exposed to Asbestos (ABREA) also filed two lawsuits that were forwarded to the Labor Courts of São Paulo and Rio de Janeiro given that they deal with the same facts claimed in the lawsuits mentioned above. The defense for both lawsuits has already been submitted and we are awaiting the court decision.

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

Outlook

In 2015, Brazil's GDP is estimated to shrink 1.2% (Focus market readout of May 8, 2015), and considers the outlook for moderate economic recovery, while pointing out that the intensification of the recovery process depends, among other factors, on the strengthening of consumer and business confidence as well as a moderate expansion of the credit market. In this scenario, projected GDP for the construction industry is - 5.5%, according to BACEN (Inflation report from March 2015).

Housing deficit in Brazil, estimated by the João Pinheiro Foundation at 5.8 million units (2012 preliminary results), is formed by families that are burdened by excessively high rents and by cohabitation of families, which represents over 70% of the country's housing shortage, followed by precarious living conditions and excessive density in the rented houses. Although the "My Home, My Life" program reduced the housing deficit, according to a study by the Fundação Getulio Vargas (FGV) in 2014, estimates indicate that in 2024, considering the population growth, Brazil will have approximately 16.4 million new families, of which 10 million will have family income of up to three minimum wages.

Job creation, better income distribution, increased financing, higher investments in infrastructure and the housing units to be built under the "My Home, My Life" housing program will help reduce the housing problem, while also having a positive impact on the Company's business as there will be greater demand for the products in our portfolio primarily targeted at self-build construction projects.

ABRAMAT projects 2.0% reduction in 2015 compared to 2014, which will depend on factors such as continuation of the government incentives to the construction industry, expansion of investments through concessions and through the "My Home, My Life" Program, increase in real estate financing and maintenance of employment and income levels, among others.

Eternit believes it is important to take into consideration the current scenario of the Brazilian economy and the following challenges facing the country and the Company's industry: competitive conditions in the Brazilian industry against infrastructure bottlenecks, tax aspects and appreciation of the U.S. dollar, job creation and income distribution, sustainable economic policies, and increase in consumer and business confidence.

With regard to Companhia Sulamericana de Cerâmica (CSC), which started experimental production to test its equipment in 2014, the plan is to increase production levels in line with the progress of the greenfield project.

According to Eternit's Management, 2015 will be a year of consolidation and utilization of production capacities in which investments had been made in recent years. The Company is well positioned to meet the demand for construction materials and, if market conditions hold out, it will maximize opportunities in the industry, increasing the production capacity of the fiber-cement line, in line with its organic growth strategy. To drive its diversified organic growth, the company will start testing equipment at the research, development and production unit for construction material inputs in Manaus.

Regardless of the challenges mentioned above, Eternit believes in the resumption of growth of the Brazilian economy and, especially, of its sector.

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

The Executive Board of **Eternit** invites you all to participate in the announcement of its results for the first quarter of 2015.

Presentation: Rodrigo Lopes da Luz - Chief Financial and Investor Relations Officer

Date: Friday, May 15, 2015

Time: 11:00 a.m. - Brasília - 10:00 a.m. - New York - 3:00 p.m. - London

The presentation, which is accompanied by slides, can be viewed online by registering at www.ccall.com.br/eternit/1q15.htm or at Eternit's investor relations website: www.eternit.com.br/ir

To listen to the presentation by phone, dial **(55-11) 3193-1001 or 2820-4001** in Brazil and **(1 786) 924 6977** in other countries – Password for participants: **Eternit**

Playback: A recording of the call will be available from **May 15, 2015 to May 21, 2015**

Dial-in: **(55-11) 3193-1012 or 2820-4012** - Password for participants: **3675183#**

		
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Eternit S.A.

Balance sheets
March 31, 2015 and December 31, 2014
(In thousands of reais)

	Note	Company		Consolidated	
		03/31/2015	12/31/2014	03/31/2015	12/31/2014
Assets					
Current					
Cash and cash equivalents	4	4,083	5,711	10,861	13,367
Short-term investments	5	11,021	15,726	32,148	35,023
Trade accounts receivable	6	83,982	71,327	205,580	175,933
Inventories	7	62,869	69,395	137,881	148,093
Taxes recoverable	8	6,028	6,035	10,474	10,373
Related parties	10	33,178	27,196	992	2,427
Other current assets		5,402	4,971	11,607	9,682
		206,563	200,361	409,543	394,898
Assets held for sale		553	553	553	553
		553	553	553	553
Total current assets		207,116	200,914	410,096	395,451
Noncurrent					
Judicial deposits		8,747	8,703	15,749	15,307
Taxes recoverable	8	23,403	22,915	24,661	24,456
Deferred income and social contribution taxes	20.b	24,809	24,750	55,589	53,299
Related parties	10	45,671	29,297	5,445	726
Investments	9	249,040	256,080	27,817	34,338
Property, plant and equipment	11	148,760	145,659	354,235	341,684
Intangible assets	12	6,125	6,437	30,295	30,622
Other noncurrent assets		339	339	1,982	1,981
Total noncurrent assets		506,894	494,180	515,773	502,413
Total assets		714,010	695,094	925,869	897,864

	Note	Company		Consolidated	
		03/31/2015	12/31/2014	03/31/2015	12/31/2014
Liabilities and equity					
Current					
Trade accounts payable	13	24,122	22,858	44,603	42,151
Related parties	10	9,384	7,672	-	-
Loans and financing	14	3,734	3,066	102,085	88,946
Personnel expenses	15	15,200	12,738	30,462	28,657
Dividends and interest on equity payable	18.e	17,603	17,897	17,603	17,897
Provision for future benefits to former employees	17.b	2,511	2,511	3,677	3,677
Taxes, charges and contributions payable	16	15,146	11,866	29,740	29,181
Other current liabilities		4,030	3,060	14,189	10,743
Total current liabilities		91,730	81,668	242,359	221,252
Noncurrent					
Provision for future benefits to former employees	17.b	28,085	27,730	42,208	41,654
Loans and financing	14	5,964	5,129	41,448	38,978
Related parties	10	37,866	31,763	-	-
Provision for tax, civil and labor risks	21	24,212	26,226	58,388	59,549
Taxes, charges and contributions payable	16	9,100	7,787	13,114	10,605
Provision for mine reconstruction	30	-	-	10,982	10,718
Other noncurrent liabilities		-	-	300	300
Total noncurrent liabilities		105,227	98,635	166,440	161,804
Equity					
Capital	18.a	334,251	334,251	334,251	334,251
Capital reserve		19,460	19,460	19,460	19,460
Treasury stock		(174)	(174)	(174)	(174)
Income reserves		168,745	168,745	168,745	168,745
Retained earnings		2,262	-	2,262	-
Other comprehensive income (loss)		(7,491)	(7,491)	(7,491)	(7,491)
Equity attributable to non-minority shareholders		517,053	514,791	517,053	514,791
Minority shareholders		-	-	17	17
Total equity		517,053	514,791	517,070	514,808
Total liabilities and equity		714,010	695,094	925,869	897,864

See accompanying notes.

Eternit S.A.

Income statements

Quarters ended March 31, 2015 and 2014

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

	Note	Company		Consolidated	
		03/31/2015	03/31/2014	03/31/2015	03/31/2014
Operating revenue, net	22	131,925	122,334	252,719	243,692
Cost of sales	23	(99,247)	(91,585)	(158,761)	(152,941)
Gross profit		32,678	30,749	93,958	90,751
Operating income (expenses)					
Selling expenses	23	(14,247)	(13,970)	(27,631)	(28,435)
General and administrative	23	(10,239)	(11,412)	(23,864)	(26,161)
Management compensation	23	(2,302)	(1,473)	(3,461)	(2,356)
Other operating income (expenses), net	24	625	(178)	953	(148)
Equity pickup	9	15,266	18,951	(6,521)	(457)
Total operating income (expenses)		(10,897)	(8,082)	(60,524)	(57,557)
Financial expenses	25	(4,159)	(5,181)	(22,285)	(13,049)
Financial income	25	2,475	6,883	20,668	14,840
Financial income (expenses), net		(1,684)	1,702	(1,617)	1,791
Income before income and social contribution taxes		20,097	24,369	31,817	34,985
Income and social contribution taxes					
Current	20	-	-	(13,951)	(9,403)
Deferred	20	59	(879)	2,290	(2,092)
Net income for the period		20,156	23,490	20,156	23,490
Attributable to:					
Non-minority shareholders		20,156	23,490	20,156	23,490
Minority shareholders		-	-	-	-
Net income for the period		20,156	23,490	20,156	23,490
Basic and diluted earnings per share (in R\$)	18.c	0.11	0.26	0.11	0.26

See accompanying notes.

Eternit S.A.

Statements of comprehensive income
Quarters ended March 31, 2015 and 2014
(In thousands of reais)

	Company		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Net income for the period	20,156	23,490	20,156	23,490
Other comprehensive income	-	-	-	-
Comprehensive income for the period	20,156	23,490	20,156	23,490
Attributable to:				
Non-minority shareholders	20,156	23,490	20,156	23,490
Minority shareholders	-	-	-	-

See accompanying notes.

Eternit S.A.

Statements of changes in equity Quarters ended March 31, 2015 and 2014 (In thousands of reais)

	Note	Capital reserve			Income reserves			Retained earnings	Other comprehensive income	Total Company	Minority shareholders	Total equity	
		Capital	Investment grants	Goodwill on share acquisition	Treasury stock	Statutory	Legal						Retained profit
Balances at January 1, 2014		334,251	19,649	23	(174)	26,990	30,630	98,187	-	(3,443)	506,113	16	506,129
Net income for the period		-	-	-	-	-	-	23,490	-	23,490	-	-	23,490
Allocation of net income:													
Interest on equity - R\$0.67 per outstanding share		-	-	-	-	-	-	(5,994)	-	(5,994)	-	-	(5,994)
Dividends - R\$0.133 per outstanding share		-	-	-	-	-	-	(11,900)	-	(11,900)	-	-	(11,900)
Balances at March 31, 2014		334,251	19,649	23	(174)	26,990	30,630	98,187	5,596	(3,443)	511,709	16	511,725
Balances at January 1, 2015		334,251	19,437	23	(174)	31,251	34,891	102,603		(7,491)	514,791	17	514,808
Net income for the period		-	-	-	-	-	-	20,156	-	20,156	-	-	20,156
Allocation of net income:													
Interest on equity - R\$0.37 per outstanding share	18	-	-	-	-	-	-	(6,621)	-	(6,621)	-	-	(6,621)
Dividends - R\$0.063 per outstanding share	18	-	-	-	-	-	-	(11,273)	-	(11,273)	-	-	(11,273)
Balances at March 31, 2015		334,251	19,437	23	(174)	31,251	34,891	102,603	2,262	(7,491)	517,053	17	517,070

See accompanying notes.

Eternit S.A.

Cash flow statements Quarters ended March 31, 2015 and 2014 (In thousands of reais)

	Note	Company		Consolidated	
		03/31/2015	03/31/2014	03/31/2015	03/31/2014
Cash flows from operating activities					
Income before income and social contribution taxes		20,097	24,369	31,817	34,985
Adjustments to reconcile pre-tax income to net cash generated by (used in) operating activities:					
Equity pickup	9	(15,266)	(18,951)	6,521	457
Depreciation and amortization	11/12	3,304	2,890	9,624	9,177
Income (loss) from disposal of permanent assets	24	7	(163)	(3)	(157)
Allowance for doubtful accounts on accounts receivable	6	478	194	880	431
Provision for tax, civil and labor risks	21	(1,171)	520	(318)	1,963
(Reversal of) provision for sundry losses		20	351	740	666
Financial charges, currency and exchange variation		1,108	(213)	(8,847)	(2,652)
Short-term investment yield		(508)	(553)	(1,256)	(1,240)
Net variation of prepaid expenses		704	408	1,213	182
		8,773	8,852	40,371	43,812
(Increase) decrease in operating assets:					
Trade accounts receivable	6	(13,133)	(2,414)	(26,019)	(9,983)
Receivables from related parties	10 a.	1,738	(962)	1,435	(1,588)
Inventories	7	6,861	5,688	10,547	8,361
Taxes recoverable		(249)	7,467	(83)	7,645
Judicial deposits		(44)	478	(442)	343
Dividends and interest on equity received		14,361	8,735	-	-
Other assets		(1,129)	(2,262)	(3,377)	(3,487)
Increase (decrease) in operating liabilities					
Trade accounts payable	13	1,264	2,920	2,452	4,998
Payables to related parties	10	1,712	1,914	-	-
Taxes, charges and contributions payable		3,823	(1,046)	6,294	488
Provisions and social charges	15	2,462	382	1,805	(1,288)
Other liabilities		128	(195)	2,665	2,568
Interest paid		(120)	(115)	(189)	(381)
Income and social contribution taxes paid		-	-	(17,933)	(17,970)
Net cash from operating activities		26,447	29,442	17,526	33,518
Cash flows from investing activities					
Intercompany loan receivable	10	(16,374)	(201)	(4,719)	-
Receipt from the disposal of property, plant and equipment (PP&E) items	24	-	221	10	221
Additions to property, plant and equipment and intangible assets	11/12	(6,081)	(6,415)	(14,138)	(29,204)
Investment in subsidiaries	9	-	(2,389)	-	-
Short-term investments		(25,400)	(39,900)	(68,696)	(90,480)
Redemption of short-term investments		30,613	9,836	72,827	59,302
Net cash from (used in) investing activities		(17,242)	(38,848)	(14,716)	(60,161)
Cash flows from financing activities					
Loans and financing taken out	14	1,395	4,608	55,369	68,934
Repayment of loans and financing	14	(305)	(172)	(43,549)	(47,686)
Loan with related party	10	5,213	(105)	-	-
Payment of dividends and interest on equity		(17,136)	-	(17,136)	-
Net cash provided by (used in) financing activities		(10,833)	4,331	(5,316)	21,248
(Decrease) in cash and cash equivalents		(1,628)	(5,075)	(2,506)	(5,395)
(Decrease) in cash and cash equivalents					
At the beginning of the period	4	5,711	9,516	13,367	13,295
At the end of the period	4	4,083	4,441	10,861	7,900
(Decrease) in cash and cash equivalents		(1,628)	(5,075)	(2,506)	(5,395)

See accompanying notes.

Eternit S.A.

Statements of value added Quarters ended March 31, 2015 and 2014 (In thousands of reais)

	Note	Company		Consolidated	
		03/31/2015	03/31/2014	03/31/2015	03/31/2014
Revenue					
Sales of goods, products and services	22	178,520	165,715	321,547	310,688
Other income		-	6	16,191	13,240
Allowance for doubtful accounts on accounts receivable		(478)	(194)	(880)	(430)
Total		178,042	165,527	336,858	323,498
Input products acquired from third parties					
Cost of sales and services		(83,997)	(76,327)	(145,860)	(135,779)
Materials, energy, third-party services and other expenses		(27,319)	(29,236)	(48,093)	(50,930)
Loss/recovery of assets		(2,066)	(1,881)	(2,163)	(1,881)
Other discounts, rebates and donations		(754)	(800)	(1,094)	(1,129)
		(114,136)	(108,244)	(197,210)	(189,719)
Gross value added		63,906	57,283	139,648	133,779
Depreciation, amortization and depletion	11/12	(3,304)	(2,890)	(9,624)	(9,177)
Net value added produced by the Company		60,602	54,393	130,024	124,602
Value added received in transfer					
Equity pickup	9	15,266	18,951	(6,521)	(457)
Financial income	25	2,475	6,883	20,668	14,840
Others		1,252	1,480	1,082	1,766
		18,993	27,314	15,229	16,149
Total value added to be distributed		79,595	81,707	145,253	140,751
Distribution of value added		79,595	81,707	145,253	140,751
Personnel:					
Direct compensation		16,894	14,294	32,633	29,948
Benefits		6,129	8,015	10,853	14,461
FGTS		1,401	1,351	2,688	2,557
		24,424	23,660	46,174	46,966
Taxes, charges and contributions					
Federal		19,333	18,358	33,586	34,727
State		9,299	8,831	16,724	17,359
Local		503	414	751	635
		29,135	27,603	51,061	52,721
Third party capital remuneration					
Interest		4,159	5,181	22,285	13,049
Rent		1,721	1,773	5,577	4,525
		5,880	6,954	27,862	17,574
Equity remuneration					
Dividends	18	11,273	11,900	11,273	11,900
Interest on equity	18	6,621	5,994	6,621	5,994
Retained profits		2,262	5,596	2,262	5,596
		20,156	23,490	20,156	23,490

See accompanying notes.

1. Operations

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

The business purpose of the Company and its subsidiaries (“Group”) is the production and sale of fiber cement, cement, concrete, plaster and plastic products, as well as other construction materials and related accessories. The Company currently comprises 14 manufacturing units in Brazil, with branches in major Brazilian cities.

The Group is structured as follows:

Company	% - Ownership interest	Voting capital (%)	Headquarters location	Main activity
SAMA S.A.	99.99%	99.99%	Minaçu/GO	Exploration and processing of Chrysotile.
Tégula Soluções para Telhados Ltda.	99.99%	99.99%	Atibaia/SP	Manufacturing and sale of concrete roofing and roofing accessories.
Precon Goiás Industrial Ltda.	99.99%	99.99%	Anápolis/GO	Manufacturing and sale of fiber cement products.
Prel Empreendimentos e Participações Ltda.	99.99%	99.99%	São Paulo/SP	Shareholding interest in industrial and commercial companies.
Engedis Distribuição Ltda.	99.94%	99.94%	Minaçu/GO	No economic activity.
Wagner Ltda.	99.99%	99.99%	São Paulo/SP	No economic activity.
Wagner da Amazônia Ltda.	99.99%	99.99%	São Paulo/SP	No economic activity.
Eternit da Amazônia Indústria de Fibrocimento Ltda.	99.99%	99.99%	Manaus/AM	Research, development and production of inputs for the construction industry Inoperative until the closing of the individual and consolidated interim financial information for the quarter ended March 31, 2015.
Companhia Sulamericana de Cerâmica S.A.	60.00%	60.00%	Caucaia/CE	Import, production, sale, export and distribution of sanitary wares and related accessories in general.

The main products manufactured and/or sold by the Group as well as information correlated to segment reporting are described in Note 26.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

1. Operations (Continued)

Significant operational events

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 2350/97 and the Regulatory Rules of the Ministry of Labor and Employment.

State Law 10813/2001 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, respectively 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 12684/2007 in São Paulo, 3579/2004 in Rio de Janeiro, 11643/2001 in Rio Grande do Sul and 12589/2007 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. 4066 questioning the constitutionality of Article 2 of Federal Law 9055 of 1995.

On October 31, 2012, the STF started the judgment of the merits of ADI No. 3357 in relation to State Law 11643/2001, of the state of Rio Grande do Sul, and ADI No. 3937 in relation to State Law 12684/2007, of the state of São Paulo. The session was suspended after reporting Judge Ayres Britto voted for the constitutionality of the laws and Judge Marco Aurelio voted for the unconstitutionality of the laws. The matter is pending a decision, with no specific date to enter the STF agenda for a final judgment.

On December 30, 2013, State Law 21114/13 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.

The government of Mato Grosso state regulated Law 9583/11 through Decree No. 68/15 published on April 16, 2015, which prohibits the use of products, materials or goods containing any type of asbestos.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

1. Operations (Continued)

Approval of interim financial information

The presentation of the interim financial information was approved and authorized by the Company's Supervisory Board on May 12, 2015 and by the Board of Directors on May 13, 2015, to be published on May 14, 2015.

2. Basis of preparation and significant accounting practices

The accounting practices were uniformly applied to the current period, are consistent with those used in the prior reporting period and used for both the Company and subsidiaries. Where necessary, the subsidiaries' individual interim financial information is adjusted to meet this criterion.

2.1. Statement of compliance and basis of preparation

The Company's interim financial information contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2015, comprises the individual and consolidated interim financial information prepared in accordance with Accounting Pronouncement CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and presented in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

The individual interim financial information presents measurement of investments in subsidiaries and joint ventures by the equity method, in accordance with ruling Brazilian legislation.

The interim financial information was prepared based on the historical cost, except for certain financial instruments measured at their fair values, as described in the following accounting practices. The historical cost is usually based on the fair value of consideration paid in exchange for assets.

The main accounting practices applied in the preparation of this individual and consolidated interim financial information are disclosed in Note 2 to the Company's annual financial statements for the year ended December 31, 2014, disclosed on March 12, 2015. These practices were consistently applied with those used in the prior reporting period and used for both the Company and subsidiaries. Where necessary, the subsidiaries' individual interim financial information is adjusted to meet this criterion.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

2. Summary of significant accounting practices (Continued)

2.2. Basis of consolidation and investments in subsidiaries

The consolidated interim financial information includes interim financial information of the Company and its wholly-owned subsidiaries. Control is obtained when the Company has the power to control financial and operational policies and appoint or dissolve the majority of the members in the Executive Board or Board of Directors of an entity in order to benefit from its activities.

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

Minority interest of fully consolidated companies is identified in the consolidated income statement and in the statement of changes in equity.

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

The main consolidation adjustments, among others, include the following eliminations:

- Assets and liabilities account balances, as well as revenues and expenses between Company and subsidiaries, so that the consolidated interim financial information represents balances receivable from and payable to third parties only.
- Interest in capital and net income (loss) for the year of subsidiaries.

The fiscal year of consolidated subsidiaries coincides with that of the Company. All intercompany balances and transactions of subsidiaries were fully eliminated in the consolidated interim financial information. Transactions between the Company and its subsidiaries are carried out under conditions established by the parties.

Profit and loss of subsidiaries acquired or sold over the year are included in the consolidated income statements as of the date they were effectively acquired to the sale date, as applicable.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

2. Summary of significant accounting practices (Continued)

2.3. Standards, amendments and interpretation of standards

Management also considered the impact of new standards, interpretations and amendments that are in force but not yet effective. Unless otherwise stated, they are not considered relevant to the Company and will become effective on or after January 1, 2015.

- a) Standards issued by IASB which were not effective up to the issue date of this interim financial information and not early adopted by the Group
- IFRS 9 Financial Instruments: In July 2014, the IASB issued the final version of IFRS 9 - Financial Instruments, which reflects all steps of the financial instruments' project, and supersedes IAS 39 - Financial Instruments: Recognition and Measurement and all prior versions of IFRS 9. This standard introduces new requirements on classification and measurement, impairment loss and hedging accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and its early adoption is not permitted. Retrospective application is required; however the presentation of comparative information is optional. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) would be permitted if the date of initial application was before February 1, 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of financial assets, but no impact on the classification and measurement of financial liabilities.

- IFRS 15 - Revenue from Contracts with Customers

IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or the industry.

The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required by this standard. The standard must be applied for annual periods beginning on or after January 1, 2017, with earlier application permitted.

In addition, the following standards, amendments and interpretations were issued by IASB, however management expects no impacts on the Group's individual and consolidated interim financial information upon their first-time adoption:

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

2. Summary of significant accounting practices (Continued)

2.3. Standards, amendments and interpretation of standards (Continued)

- IFRS 14 - Regulatory Deferral Accounts - Applicable to annual periods beginning on or after January 1, 2016;
- Annual improvements - 2010-2012 cycle and 2011-2013 cycle - Applicable to annual periods beginning on or after July 1, 2014;
- Amendments to IFRS 11 - Joint Arrangements: Accounting for Acquisitions of Interests - Applicable to annual periods beginning on or after January 1, 2016, and its early adoption is not permitted in Brazil;
- Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortization - These amendments are effective prospectively, for annual periods beginning on or after January 1, 2016;
- Amendments to IAS 16 and IAS 41 - Agriculture: Bearer Plants - These amendments are effective retrospectively, for annual periods beginning on or after January 1, 2016;

The Group intends to adopt these standards when they become effective, with any impacts therefrom being disclosed and recognized in the interim financial information.

Considering the current operations carried out by the Group, management expects that these new standards will have no significant impact on the interim financial information upon their adoption.

There are no other standards or interpretations issued and not yet adopted that may, based on management's opinion, have a significant impact on P&L or equity reported by the Group.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

3. Significant accounting judgments and sources of uncertainties in estimates

In applying the significant accounting practices of the Group, management must make judgments and prepare estimates regarding the carrying amounts of assets and liabilities that are not easily obtained from other sources. These estimates and their respective assumptions are based on historical experience and other factors considered relevant. Actual results may differ from the amounts estimated.

The main assumptions about future and other sources of uncertainties in estimates at the end of each reporting period of interim financial information that may lead to significant adjustments in the carrying amounts of assets and liabilities for the next period are set out below.

3.1. Impairment of goodwill for expected future profitability

In order to determine whether there is impairment of goodwill, it is necessary to estimate the value in use of cash-generating units to which the goodwill has been allocated. Calculation of value in use requires management to estimate expected future cash flows from cash-generating units and an appropriate discount rate for calculating the present value. No evidence of goodwill impairment was detected.

3.2. Useful lives of property, plant and equipment

From time to time the Group reviews the recoverable amounts and useful life estimates of property, plant and equipment. Economic facts, changes in business, technological changes or any use of the asset item that may affect its useful life are taken into account. Current depreciation rates used appropriately represent the useful life of equipment.

3.3. Income and social contribution taxes and other taxes

Management regularly reviews deferred tax assets and liabilities in terms of recovery, considering the history of profit generated and projected future taxable profit, according a technical feasibility study. The projections of future taxable profits include several estimates regarding the performance of Brazilian and international economies, exchange rate fluctuations, sales volume, selling prices and tax rates, among others, which can vary in relation to actual data and amounts.

The estimated realization of the deferred tax balance may present changes, because most of them are subject to court decisions over which the Group has no control, neither can predict when there will be a decision in higher court.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

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

3.4. Provision for tax, civil and labor risks

This provision refers to legal proceedings and assessment notices the Group was served. The obligation is recognized when it is considered probable and can be measured with reasonable certainty. The matching entry of this obligation is an expense for the year. This obligation is restated according to the progress of the legal proceeding or financial charges incurred and can be reversed if the estimated loss is no longer probable, or written of when the obligation is settled.

3.5. Provision for future benefits to former employees

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

4. Cash and cash equivalents

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Cash and banks	4,083	5,711	9,480	11,690
Investments in Bank Deposit Certificate (CDB) under repurchase agreement	-	-	1,381	1,677
	4,083	5,711	10,861	13,367

As of March 31, 2015, investments were remunerated at average rates of 102% of the Interbank Deposit Certificate (CDI) variation (102% at December 31, 2014), with the portfolio basically comprising investments in repurchase agreements. Balances are highly liquid and readily convertible into cash, in order to meet short-term cash commitments, and subject to insignificant risk of change in value.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

5. Short-term investments

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Investment funds	11,021	15,726	32,148	35,023

Most investment funds are fixed-income investments, repurchase agreements, remunerated at average CDI rates of 102% (102% as of December 31, 2014).

The funds are readily redeemable (highly liquid) as there is no grace period for share redemption. Shares may be redeemed with earnings if required by the Group.

6. Trade accounts receivable

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Domestic market	87,683	74,634	127,160	109,199
Foreign market	-	-	86,383	73,753
(-) Adjustment to present value	-	-	(587)	(330)
	87,683	74,634	212,956	182,622
Allowance for doubtful accounts	(3,701)	(3,307)	(7,376)	(6,689)
	83,982	71,327	205,580	175,933

Aging list of accounts receivable

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Falling due	82,073	69,637	195,817	166,787
Overdue:				
Within 30 days	1,506	1,098	7,744	6,933
From 30 to 60 days	144	293	822	1,444
Over 60 days	259	299	1,197	769
	83,982	71,327	205,580	175,933

Changes in allowance for doubtful accounts

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Opening balance	(3,307)	(3,281)	(6,689)	(6,011)
Addition	(535)	(734)	(1,700)	(1,531)
Reversal	57	79	820	87
Write-off	84	629	193	766
Closing balance	(3,701)	(3,307)	(7,376)	(6,689)

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

7. Inventories

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Finished products	35,496	36,060	82,346	88,370
Semi-finished products	-	-	2,294	2,444
Resale	7,262	7,749	11,473	12,343
Raw materials	15,955	21,793	18,942	21,503
Support materials	5,686	5,658	24,729	25,671
(-) Provision for losses (*)	(1,530)	(1,865)	(1,903)	(2,238)
	62,869	69,395	137,881	148,093

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

Changes in provision for inventory losses for the quarter ended March 31, 2015 and for the year ended December 31, 2014 are as follows:

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Opening balance	(1,865)	(417)	(2,238)	(1,352)
Provision	(131)	(1,865)	(131)	(2,009)
Reversal	466	417	466	1,123
Closing balance	(1,530)	(1,865)	(1,903)	(2,238)

In the course of the quarter ended March 31, 2015, consumption of raw material reached approximately R\$68,239 (R\$63,827 in March 2014), recorded as cost in Company, and R\$111,233 (R\$108,382 in March 2014) in Consolidated, as mentioned in Note 23.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

8. Taxes recoverable

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Current:				
State Value-Added Tax (ICMS)	1,446	1,760	3,507	3,803
Withholding Income Tax (IRRF)	223	204	507	401
Corporate Income Tax (IRPJ)	622	602	1,083	1,051
Social Contribution Tax on Net Profit (CSLL)	268	140	322	194
Withholding Income Tax (IRRF) on interest on equity	996	996	996	996
FOMENTAR fund – ICMS (*)	1,793	1,661	1,793	1,661
Contribution Tax on Gross Revenue for Social Security Financing (COFINS) and other	680	672	2,266	2,267
	6,028	6,035	10,474	10,373
Noncurrent:				
State Value-Added Tax (ICMS)	1,437	1,164	2,695	2,705
Withholding Income Tax (IRRF)	13,978	13,841	13,978	13,841
Corporate Income Tax (IRPJ)	7,988	7,910	7,988	7,910
	23,403	22,915	24,661	24,456

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

9. Investments

The Group's subsidiaries and jointly-controlled subsidiary are as follows:

Summary of investment breakdown:

	Company							Total
	Eternit da Amazônia	Precon	Prel	SAMA	CSC	Tégula	Wagner	
Investments	10,145	24,040	7,900	92,374	27,817	65,996	4,209	232,481
Surplus value of net assets	-	-	-	16,559	-	-	-	16,559
Balances at March 31, 2015	10,145	24,040	7,900	108,933	27,817	65,996	4,209	249,040

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

9. Investments (Continued)

	Eternit da Amazônia	Precon	Prel	SAMA	CSC	Tégula	Wagner	Total
At January 1, 2014	(738)	20,221	8,058	108,311	36,032	71,787	4,058	247,729
Dividends	-	(7,121)	(2,803)	(65,691)	-	-	-	(75,615)
Interest on equity	-	(955)	-	(4,509)	-	-	-	(5,464)
Equity pickup	(4,075)	11,842	3,080	70,935	(13,676)	(4,455)	123	63,774
Reversal of supplementary monetary restatement - IFRS	-	(2)	(505)	(221)	-	(198)	(17)	(943)
Equity pickup of comprehensive income	-	-	-	(1,881)	-	-	-	(1,881)
Capital contribution	16,498	-	-	-	11,982	-	-	28,480
At December 31, 2014	11,685	23,985	7,830	106,944	34,338	67,134	4,164	256,080
Dividends	-	(2,230)	(460)	(18,121)	-	-	-	(20,811)
Interest on equity	-	(310)	-	(1,185)	-	-	-	(1,495)
Equity pickup	(1,540)	2,595	530	21,295	(6,521)	(1,138)	45	15,266
At March 31, 2015	10,145	24,040	7,900	108,933	27,817	65,996	4,209	249,040

The balance of investments in the consolidated interim financial information at March 31, 2015, amounting to R\$27,817 (R\$34,338 at December 31, 2014), refers to investment in the jointly-controlled entity with CSC.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

9. Investments (Continued)

The balances of subsidiaries and joint venture as of March 31, 2015 are as follows:

	Subsidiaries						Join Venture
	Eternit da Amazônia	Precon	Prel	SAMA	Tégula	Wagner	Companhia Sulamericana de Cerâmica S.A.
Current assets	7,830	25,976	1,371	180,644	34,235	1,016	68,990
Noncurrent assets	88,399	14,783	7,112	117,031	57,879	4,785	121,869
Current liabilities	23,438	11,635	582	144,920	13,272	31	35,570
Noncurrent liabilities	62,645	5,083	-	57,184	12,840	1,554	108,928
Equity	10,146	24,041	7,901	95,572	66,003	4,216	46,361
Proportional interest	99.9900%	99.9946%	99.9977%	99.9977%	99.9900%	99.8400%	60%
Book value of investments	10,145	24,040	7,900	95,570	65,996	4,209	27,817
Operating revenue, net	-	18,553	-	111,151	15,741	-	8,741
Cost of sales	-	(12,918)	-	(61,927)	(11,511)	-	(7,484)
Unrealized profits in inventories	-	-	-	(1,446)	-	-	-
Net income (loss) for continuing operations	(1,541)	2,595	530	21,295	(1,138)	46	(10,868)
Attributable to:							
Company interest	(1,540)	2,595	530	21,295	(1,138)	45	(6,521)

10. Related parties

a) Balances and transactions of the Company with related parties

	Current assets				Noncurrent assets		Current liabilities				Noncurrent liabilities	
	Trade accounts receivable		Dividends		Loan agreement receivable		Trade accounts payable		Other accounts payable		Loan agreement payable	
	Mar/2015	Dec/2014	Mar/2015	Dec/2014	Mar/2015	Dec/2014	Mar/2015	Dec/2014	Mar/2015	Dec/2014	Mar/2015	Dec/2014
Eternit da												
Amazônia (ii) and (iii)	94	53	-	-	31,600	20,150	-	-	-	-	-	-
Precon (i) and (ii)	791	980	2,697	1,964	-	-	-	-	1	8	-	-
SAMA (ii) and (iii)	140	311	27,155	19,974	-	-	9,216	7,544	55	29	32,520	31,763
Prel (i) and (iii)	-	-	460	654	-	-	-	-	100	91	2,346	-
Wagner (iii)	-	-	-	-	-	-	-	-	12	-	3,000	-
Tégula (i) and (ii)	143	127	706	706	8,626	8,421	-	-	-	-	-	-
Companhia												
Sulamericana de												
Cerâmica (i) and (iii)	992	2,427	-	-	5,445	726	-	-	-	-	-	-
Total	2,160	3,898	31,018	23,298	45,671	29,297	9,216	7,544	168	128	37,866	31,763

(i) There are purchases and sales between related parties, therefore the balances refer to supplies of raw materials (chrysotile) and/or finished products, and/or lease agreements, which were eliminated in the Company's consolidated interim financial information. The joint venture, consolidated by the equity pickup method, is not eliminated in consolidation.

(ii) These basically refer to refund with no fixed maturity.

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

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

10. Related parties (Continued)

a) Balances and transactions of the Company with related parties (Continued)

	Company							
	Sales		Purchases		Expense		Other revenues	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Precon	427	1,081	-	-	-	-	-	-
Tégula	100	137	-	-	-	-	-	-
SAMA	-	-	18,610	18,597	-	-	-	-
Administrative expenses - Prel	-	-	273	263	-	-	-	-
Interest on loan - SAMA	-	-	-	-	890	697	-	-
Interest on loans - Tégula	-	-	-	-	-	-	240	185
Interest on equity - SAMA	-	-	-	-	-	-	1,185	1,129
Interest on equity - Precon	-	-	-	-	-	-	310	235
Total	527	1,218	18,883	18,860	890	697	1,735	1,549

Purchase and sale transactions between related parties are carried out under conditions agreed between the parties.

As of March 31, 2015 and December 31, 2014, there were no outstanding guarantees with related parties, and there were no provision for impairment losses for related-party accounts receivable.

b) Key management personnel compensation

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

	Company		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Salaries, fees and benefits	995	900	1,268	1,157
Social charges	309	270	399	354
Post-employment benefits	14	6	14	16
Total	1,318	1,176	1,681	1,527

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

10. Related parties (Continued)

b) Key management personnel compensation (Continued)

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

The stock option plan is not considered share-based payment (CPC 10 R1 - Share-based Payment), as the executive officer does not receive shares directly from Eternit, but the total equivalent to 100% paid as profit sharing, and purchases Company shares by means of an outside brokerage.

For the quarter ended March 31, 2015, the Executive Board's shareholding position was 2,116,148 shares - ETER3 (2,121,148 shares - ETER3 for the year ended December 31, 2014).

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

11. Property, plant and equipment (PP&E)

	Company									
	Land	Buildings and improvements	Machinery and equipment	Tooling and molds	Facilities	Vehicles	Furniture and fixtures	IT equipment	Construction in progress	Total
Cost										
Balances at January 1, 2014	701	32,804	101,651	12,955	79,088	2,787	5,743	4,004	38,164	277,897
Additions	-	-	-	-	-	-	-	-	19,511	19,511
Write-offs	(553)	(16)	(664)	(4)	(178)	(1,221)	(73)	(196)	(14,473)	(17,378)
Transfers	1,873	697	9,027	131	4,836	93	374	543	(17,574)	-
Exchange gain (loss)	-	-	-	-	-	-	-	-	3,352	3,352
Balance at December 31, 2014	2,021	33,485	110,014	13,082	83,746	1,659	6,044	4,351	28,980	283,382
Additions	-	-	-	-	-	-	-	-	6,039	6,039
Write-offs	-	-	(19)	-	(6)	-	(11)	(5)	-	(41)
Transfers	1,157	235	1,145	-	758	-	56	76	(3,427)	-
Exchange gain (loss)	-	-	-	-	-	-	-	-	19	19
Balances at March 31, 2015	3,178	33,720	111,140	13,082	84,498	1,659	6,089	4,422	31,611	289,399
Average depreciation rates	-	4%	8.6%	15%	10%	20%	10%	20%	-	-
Accumulated depreciation										
Balances at January 1, 2014	-	(19,353)	(45,646)	(9,738)	(46,113)	(2,056)	(2,736)	(2,830)	-	(128,472)
Additions	-	(742)	(2,934)	(928)	(5,509)	(120)	(477)	(393)	-	(11,103)
Write-offs	-	16	273	2	173	1,140	54	194	-	1,852
Transfers	-	-	29	-	(30)	-	1	-	-	-
Balance at December 31, 2014	-	(20,079)	(48,278)	(10,664)	(51,479)	(1,036)	(3,158)	(3,029)	-	(137,723)
Additions	-	(192)	(843)	(227)	(1,432)	(26)	(124)	(106)	-	(2,950)
Write-offs	-	-	19	-	1	-	9	5	-	34
Transfers	-	-	(3)	-	3	-	-	-	-	-
Balances at March 31, 2015	-	(20,271)	(49,105)	(10,891)	(52,907)	(1,062)	(3,273)	(3,130)	-	(140,639)
Net book value										
At January 1, 2014	701	13,451	56,005	3,217	32,975	731	3,007	1,174	38,164	149,425
At December 31, 2013	2,021	13,406	61,736	2,418	32,267	623	2,886	1,322	28,980	145,659
At March 31, 2015	3,178	13,449	62,035	2,191	31,591	597	2,816	1,292	31,611	148,760

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

11. Property, plant and equipment (PP&E) (Continued)

	Consolidated													
	Land	Buildings and improvements	Machinery and equipment	Extraction machinery	Tooling and molds	Facilities	Vehicles	Off-road vehicles	Furniture and fixtures	IT equipment	Renovation of mining areas	Mineral resources	Construction in progress	Total
Cost														
Balances at January 1, 2014	4,084	81,540	195,773	27,570	26,723	216,394	24,705	4,539	17,328	8,453	5,778	13,387	43,784	670,058
Additions	-	25	627	-	7	92	855	-	52	119	-	-	94,077	95,854
Write-offs	(553)	(906)	(1,461)	(7)	(6)	(178)	(2,435)	(2,763)	(194)	(309)	-	-	-	(8,812)
Transfers	1,873	1,360	12,865	2,495	131	13,860	550	-	1,052	1,052	-	-	(35,238)	-
Exchange gain (loss)	-	-	-	-	-	-	-	-	-	-	-	-	4,599	4,599
Balance at December 31, 2014	5,404	82,019	207,804	30,058	26,855	230,168	23,675	1,776	18,238	9,315	5,778	13,387	107,222	761,699
Additions	-	-	10	-	13	-	-	-	-	8	-	-	13,824	13,855
Write-offs	-	-	(38)	-	-	(6)	-	-	(11)	(5)	-	-	-	(60)
Transfers	1,157	235	1,801	529	-	2,960	-	-	137	106	-	-	(6,925)	-
Exchange gain (loss)	-	-	-	-	-	-	-	-	-	-	-	-	7,752	7,752
Balances at March 31, 2015	6,561	82,254	209,577	30,587	26,868	233,122	23,675	1,776	18,364	9,424	5,778	13,387	121,873	783,246
Average depreciation rates	-	4%	8.6%	28.4%	15%	10%	20%	26.8%	10%	20%	2.9%	5.3%	-	-
Accumulated depreciation														
Balances at January 1, 2014	-	(47,981)	(105,171)	(19,062)	(19,973)	(158,415)	(16,680)	(4,041)	(8,559)	(6,218)	(1,319)	(3,575)	-	(390,994)
Additions	-	(1,752)	(6,311)	(4,491)	(2,369)	(11,925)	(5,561)	(180)	(1,575)	(796)	(231)	(696)	-	(35,887)
Write-offs	-	565	703	7	4	173	2,334	2,617	161	302	-	-	-	6,866
Transfers	-	-	28	-	-	(30)	-	-	(2)	4	-	-	-	-
Balance at December 31, 2014	-	(49,168)	(110,751)	(23,546)	(22,338)	(170,197)	(19,907)	(1,604)	(9,975)	(6,708)	(1,550)	(4,271)	-	(420,015)
Additions	-	(475)	(1,855)	(1,235)	(530)	(3,423)	(668)	(32)	(357)	(220)	(59)	(195)	-	(9,049)
Write-offs	-	-	38	-	-	1	-	-	9	5	-	-	-	53
Transfers	-	-	-	-	-	3	-	-	(3)	-	-	-	-	-
Balances at March 31, 2015	-	(49,643)	(112,568)	(24,781)	(22,868)	(173,616)	(20,575)	(1,636)	(10,326)	(6,923)	(1,609)	(4,466)	-	(429,011)
Net book value														
At January 1, 2014	4,084	33,559	90,602	8,508	6,750	57,979	8,025	498	8,769	2,235	4,459	9,812	43,784	279,064
At December 31, 2014	5,404	32,851	97,053	6,512	4,517	59,971	3,768	172	8,263	2,607	4,228	9,116	107,222	341,684
At March 31, 2015	6,561	32,611	97,009	5,806	4,000	59,506	3,100	140	8,038	2,501	4,169	8,921	121,873	354,235

Due to legal proceedings, subsidiary SAMA gave in warranty PP&E items (machinery and equipment) in the net book value of R\$1,055 (R\$1,172 at December 31, 2014).

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

12. Intangible assets

Company	Software	Software in progress	Other	Total
Cost				
Balance at January 1, 2014	7,230	2,844	11	10,085
Additions	133	2,612	-	2,745
Transfer	3,756	(3,756)	-	-
Balances at December 31, 2014	11,119	1,700	11	12,830
Additions	-	42	-	42
Balances at March 31, 2015	11,119	1,742	11	12,872
<u>Useful life (in years)</u>	5	-	-	-
Amortization				
Balance at January 1, 2014	(5,501)	-	-	(5,501)
Additions	(892)	-	-	(892)
Balances at December 31, 2014	(6,393)	-	-	(6,393)
Additions	(354)	-	-	(354)
Balances at March 31, 2015	(6,747)	-	-	(6,747)
<u>Net book value</u>				
Balance at January 1, 2014	1,729	2,844	11	4,584
Balances at December 31, 2014	4,726	1,700	11	6,437
Balances at March 31, 2015	4,372	1,742	11	6,125

Consolidated	Software	Goodwill	Trademarks and patents	Software in progress	Other	Total
Cost						
Balance at January 1, 2014	14,260	19,995	1,416	2,844	75	38,590
Additions	552	-	-	3,211	-	3,763
Transfers	4,355	-	-	(4,355)	-	-
Balances at December 31, 2014	19,167	19,995	1,416	1,700	75	42,353
Additions	225	-	-	58	-	283
Write-offs	(37)	-	-	-	-	(37)
Transfers	16	-	-	(16)	-	-
Balances at March 31, 2015	19,371	19,995	1,416	1,742	75	42,599
<u>Useful life (in years)</u>	5	-	-	-	-	-
Amortization						
Balance at January 1, 2014	(9,913)	-	-	-	(1)	(9,914)
Additions	(1,817)	-	-	-	-	(1,817)
Balances at December 31, 2014	(11,730)	-	-	-	(1)	(11,731)
Additions	(575)	-	-	-	-	(575)
Write-offs	2	-	-	-	-	2
Balances at March 31, 2015	(12,303)	-	-	-	(1)	(12,304)
<u>Net book value</u>						
Balance at January 1, 2014	4,347	19,995	1,416	2,844	74	28,676
Balance at December 31, 2014	7,437	19,995	1,416	1,700	74	30,622
Balances at March 31, 2015	7,068	19,995	1,416	1,742	74	30,295

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

12. Trade accounts payable

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Domestic market	21,486	20,528	41,553	39,408
Foreign market	2,636	2,330	3,050	2,743
	24,122	22,858	44,603	42,151

13. Loans and financing

	Interest rate and commissions %	Company		Consolidated	
		03/31/15	12/31/14	03/31/15	12/31/14
Current:					
Domestic currency for acquisition of machinery and equipment	From 1.14% to 10% p.a. + TJLP	1,517	1,225	6,899	6,595
Foreign currency for acquisition of machinery and equipment	From 1.03% to 3.56% p.a.	2,217	1,841	16,414	13,255
Domestic currency (finance lease) for acquisition of vehicle	1.23% p.a.	-	-	274	363
Domestic currency for working capital	0.9% + 100% of CDI	-	-	10,106	10,391
Foreign currency for working capital (Advances on Export Contracts - ACE and Advances on Exchange Contracts - ACC)	Average of 1.89% p.a.	-	-	68,392	58,342
		3,734	3,066	102,085	88,946
Noncurrent assets:					
Domestic currency for acquisition of machinery and equipment	From 1.14% to 10% p.a. + TJLP	3,887	3,409	7,454	8,254
Foreign currency for acquisition of machinery and equipment	From 1.03% to 3.56% p.a.	2,077	1,720	33,764	30,491
Domestic currency (finance lease) for acquisition of vehicle	1.23% p.a.	-	-	230	233
		5,964	5,129	41,448	38,978

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

14. Loans and financing (Continued)

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Noncurrent payment flow:				
2016	3,573	2,084	17,242	13,470
2017	1,466	2,067	12,303	11,429
2018	918	924	11,379	9,641
2019	7	54	524	4,438
	5,964	5,129	41,448	38,978

The Group has loan agreements with non-financial covenants with which it was compliant as of March 31, 2015.

15. Personnel expenses

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
13 th monthly salary	1,500	-	2,684	-
Vacation pay	7,667	7,843	13,814	15,077
Profit sharing (a)	3,375	2,381	9,259	8,671
Unemployment Compensation Fund (FGTS)	428	555	732	1,011
Social Security Tax (INSS)	2,215	1,951	3,603	3,476
Other	15	8	370	422
	15,200	12,738	30,462	28,657

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

	Profit sharing	
	03/31/2015	03/31/2014
Company	1,072	1,101
Consolidated	831	2,935

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

16. Taxes, charges and contributions payable

	Company		Consolidated	
	03/31/15	12/31/14	03/31/15	12/31/14
Current:				
Income taxes				
Corporate Income Tax (IRPJ)	-	-	4,995	8,923
Social Contribution Tax on Net Profit (CSLL)	-	-	1,460	1,751
Other taxes				
State Value-Added Tax (ICMS)	8,068	6,162	11,742	9,026
Federal VAT (IPI)	2,806	2,345	3,192	2,686
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	2,371	1,408	3,536	2,274
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	489	280	741	467
Withholding Income Tax (IRRF)	1,207	1,394	1,779	2,128
Mineral resource offsetting financial contribution		-	1,767	1,413
Other	205	277	528	513
Total current	15,146	11,866	29,740	29,181
Noncurrent:				
State Value-Added Tax – ICMS (*)	9,100	7,787	13,114	10,605

(*) ICMS deriving from tax incentive programs PRODUZIR and DESENVOLVE in the Company, FOMENTAR in subsidiary Precon, and FUNDOPEM and PRODUZIR in subsidiary Tégula.

17. Provision for future benefits to former employees

l) Health future benefits

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

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

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

i) Future health benefits (Continued)

a) *Main actuarial assumption used to determine the present value of benefits*

	<u>12/31/2014</u>
Actual actuarial annual interest rate	6.09%
Actual annual medical cost increase rate	3.80%
Annual projected inflation rate	6.49%
General mortality table	AT-2000

b) *Plan liabilities for future benefits to former employees*

	<u>Company</u>		<u>Consolidated</u>	
	<u>03/31/2015</u>	<u>12/31/2014</u>	<u>03/31/2015</u>	<u>12/31/2014</u>
Current	2,511	2,511	3,677	3,677
Noncurrent	28,085	27,730	42,208	41,654
	<u>30,596</u>	<u>30,241</u>	<u>45,885</u>	<u>45,331</u>

c) *Net expenses with the benefit in 2015 (posted to P&L)*

	<u>Company</u>		<u>Consolidated</u>	
	<u>03/31/2015</u>	<u>03/31/2014</u>	<u>03/31/2015</u>	<u>03/31/2014</u>
Current service and interest cost	(983)	(808)	(1,473)	(1,199)
Benefits paid	(628)	(544)	(919)	(965)
Net expense with the benefit	<u>(1,611)</u>	<u>(1,352)</u>	<u>(2,392)</u>	<u>(2,164)</u>

ii) Supplementary private pension plan

The Group has an open-ended supplementary private pension plan with a duly authorized private pension entity. The plan is for defined contributions and deductible for income tax purposes (PGBL) and offered to all employees and officers. There is no provision recorded in March 2015.

For the quarters ended March 31, 2015 and 2014, the Group and its members made contributions to fund benefit plans as follows:

	<u>Company</u>		<u>Consolidated</u>	
	<u>03/31/2015</u>	<u>03/31/2014</u>	<u>03/31/2015</u>	<u>03/31/2014</u>
Contributions	416	742	1,025	965

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

18. Equity

a) Capital

At March 31, 2015, the Company's fully subscribed for and paid-in capital amounted to R\$334,251 and was represented by 179,000,000 common registered book-entry shares, with no par value, with the right to vote in Annual General Meeting deliberations, held as follows:

Shareholding structure	03/31/2015		12/31/2014	
	Shareholders	Shares	Shareholders	Shares
Individuals	9,341	17,711,178	9,012	116,445,329
Legal entities	95	3,130,077	94	3,102,086
Persons resident abroad	132	18,269,411	137	18,680,383
Clubs, funds and foundations	101	39,830,602	114	40,713,470
	9,669	78,941,268	9,357	178,941,268
Treasury stock	-	58,732	-	58,732
	9,669	79,000,000	9,357	179,000,000

The Company is authorized to increase capital up to R\$1,000,000 (one billion reais), irrespective of any corporate restructuring, upon approval by the Board of Directors, which will establish the share issue price and other conditions for the respective subscriptions and payments.

b) Treasury stock

At March 31, 2015, market value of treasury stock was R\$175 (R\$95 as of December 31, 2014).

c) Earnings per share

The following table reconciles net income to amounts used to calculate basic and diluted earnings per share:

	Company	
	03/31/2015	03/31/2014
Dilutive effect		
Net income for the period attributable to minority shareholders	20,156	23,490
Weighted average number of outstanding common shares, less the average of treasury common shares	178,941	89,470
Basic and diluted earnings per share - R\$	0.11	0.26

There is no dilutive effect to be considered in the calculation above.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)
March 31, 2015
(In thousands of reais - R\$, unless otherwise stated)

18. Equity (Continued)

d) Dividends

Dividends proposed for the quarter ended March 31, 2015 were as follows:

<u>Event</u>	<u>Payment beginning on</u>	<u>Total amount</u>	<u>Amount per share - R\$</u>
BDM (*) held on May 13, 2015	06/03/2015	11,273	0.063

(*) BDM - Board of Directors' Meeting.

e) Interest on equity

Interest on equity proposed for the quarter ended March 31, 2015 was as follows:

<u>Event</u>	<u>Payment beginning on</u>	<u>Total amount</u>	<u>Amount per share - R\$</u>
BDM (*) held on May 13, 2015	06/03/2015	6,621	0.037

(*) BDM - Board of Directors' Meeting.

Dividends and interest on equity payable

Dividends and interest on equity outstanding balance as of March 31, 2015 represent:

	<u>Company and Consolidated</u>	
	<u>03/31/2015</u>	<u>12/31/2014</u>
Interest on equity	5,628	5,204
Dividends	11,273	11,989
Proceeds from prior years	702	704
	<u>17,603</u>	<u>17,897</u>

f) Retained earnings

During the quarters, the Company does not allocate total profit, but interim dividends and interest on equity. Total profit is allocated at year end.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

19. Government grants

Tégula - Investment subsidy- Goiás Industrial Development Program - Produzir

Tégula Soluções para Telhados has a tax benefit to reduce 73% of ICMS calculated on sales of goods produced in the unit established in the city of Anápolis, Goiás state, limited to the amount of R\$6,875. The term to obtain this benefit ends on December 31, 2020.

For the quarter ended March 31, 2015, the benefit totaled R\$216 (R\$971 at December 31, 2014). The benefit is treated as an investment subsidy because the Company benefits through reduction, refund or exemption from taxes due, and intends to expand its activities.

Precon -Investment subsidy - Agência de Fomento Goiás S.A. - company in Goiás state - FOMENTAR

Precon Goiás Industrial Ltda. has a tax benefit to reduce 70% of ICMS calculated on sales of goods produced in the unit established in the city of Anápolis, Goiás state, limited to the amount of R\$31,880. The term to obtain this benefit ends on December 31, 2020.

This benefit is treated as an investment subsidy because the Company benefits through reduction, refund or exemption from taxes due, and intends to expand its activities.

Eternit - Investment subsidy - Brazilian Supervisory Office for Development of the Northeast (SUDENE)

The Company has a tax benefit to reduce 75% of Corporate Income Tax (IRPJ) and non-refundable surtaxes on profit from tax-incentive activities (lucro da exploração) on behalf of Eternit S.A. This benefit expires in calendar year 2020.

The history of laws and granting of tax benefit related to each programs mentioned herein were disclosed by management in the financial statements as of December 31, 2014.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

20. Income and social contribution taxes

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

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

	Company		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Income before income and social contribution taxes	20,097	24,369	31,817	34,985
Nominal rate	34%	34%	34%	34%
Income and social contribution taxes at nominal rates	(6,833)	(8,285)	(10,818)	(11,895)
Effect of income and social contribution taxes on permanent differences:				
Equity pickup	5,190	6,443	(2,217)	(155)
Interest on equity	1,743	1,574	2,251	2,038
Donations and gifts	(35)	(39)	(181)	(192)
Nondeductible taxes and fines	(4)	(11)	(11)	(28)
Tax incentive	-	-	67	18
Other permanent (additions) exclusions on temporary differences	(2)	(561)	(752)	(1,281)
Income and social contribution taxes on P&L	59	(879)	(11,661)	(11,495)
Effective rate	0.3%	3.6%	37%	32.8%

Breakdown of income and social contribution tax expenses presented in individual and consolidated interim financial information for the quarters ended March 31, 2015 and 2014 is as follows:

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

20. Income and social contribution taxes (Continued)

- a) Reconciliation of income and social contribution tax expenses with their nominal amounts
(Continued)

	Company		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Current income and social contribution taxes	-	-	(13,951)	(9,403)
Deferred income and social contribution taxes	59	(879)	2,290	(2,092)
	59	(879)	(11,661)	(11,495)

- b) Breakdown of deferred income and social contribution taxes

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

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Income and social contribution tax losses	5,667	5,108	15,338	14,779
Future benefits to former employees	10,404	10,282	15,601	15,413
Provision for tax, civil and labor claims	7,374	8,059	16,299	16,773
Unrealized income in inventories	-	-	1,647	2,392
Allowance for doubtful accounts	-	-	703	703
Provision for profit sharing	1,147	810	2,453	1,972
Provision for losses on PP&E	1,750	1,750	1,750	1,750
Unshipped products	-	-	2,615	-
Other provisions	(1,533)	(1,259)	(817)	(483)
	24,809	24,750	55,589	53,299

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)
March 31, 2015
(In thousands of reais - R\$, unless otherwise stated)

20. Income and social contribution taxes (Continued)

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

Expected realization of tax credits

i. Income and social contribution tax losses

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

	<u>Company</u>	<u>Consolidated</u>
	<u>03/31/2015</u>	<u>03/31/2015</u>
2015	461	1,364
2016	667	1,232
2017	667	1,574
2018	667	1,695
2019 to 2024	3,205	9,473
	<u>5,667</u>	<u>15,338</u>

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

As of March 31, 2015, subsidiary Tégula had accumulated income tax loss of R\$34,365 and social contribution tax loss of R\$34,516, for which deferred taxes were not recorded, since up to March 31, 2015 there were no future taxable profit projections confirming realization thereof.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)
March 31, 2015
(In thousands of reais - R\$, unless otherwise stated)

20. Income and social contribution taxes (Continued)

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

Estimated realization of tax credits (Continued)

ii. Temporary differences

Noncurrent assets related to deferred income and social contribution taxes calculated on temporary differences is expected to be realized as follows:

	<u>Company</u>	<u>Consolidated</u>
	<u>03/31/2015</u>	<u>03/31/2015</u>
2015	4,104	6,675
2016	1,685	5,326
2017	1,685	3,766
2018	1,685	5,302
2019 to 2024	9,983	19,182
	<u>19,142</u>	<u>40,251</u>

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

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

21. Provision for tax, civil and labor risks

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

The Group management believes that the provision for risks is sufficient to cover any losses from legal proceedings, as follows:

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Labor claims (i)	18,072	20,258	27,039	29,225
Civil claims	-	-	4,930	4,930
Tax claims (ii)	6,140	5,968	26,419	25,394
	24,212	26,226	58,388	59,549

i) Labor claims include:

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

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ii) Tax claims include:

- Difference in ICMS amounts paid, and
- Difference in rates paid for INSS purposes.

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

	Company		
	Provisions for labor claims	Provisions for tax claims	Total
Balance at January 1, 2014	19,780	5,335	25,115
Additions	3,973	1,266	5,239
Write-offs	(1,801)	-	(1,801)
Reversals	(1,694)	(633)	(2,327)
Balances at December 31, 2014	20,258	5,968	26,226
Additions	435	172	607
Payments	(843)	-	(843)
Reversals	(1,778)	-	(1,778)
Balances at March 31, 2015	18,072	6,140	24,212

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

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

ii) Tax claims include: (Continued)

	Consolidated			
	Provisions			Total
	Provisions for labor claims	for civil claims	Provisions for tax claims	
Balance at January 1, 2014	29,219	4,397	21,043	54,659
Additions	5,557	533	8,353	14,443
Write-offs	(1,801)	-	(388)	(2,189)
Reversals	(3,750)	-	(3,614)	(7,364)
Balances at December 31, 2014	29,225	4,930	25,394	59,549
Additions	435	-	1,025	1,460
Payments	(843)	-	-	(843)
Reversals	(1,778)	-	-	(1,778)
Balances at March 31, 2015	27,039	4,930	26,419	58,388

iii) Proceedings whose likelihood of an unfavorable outcome is assessed as possible:

At March 31, 2015, there were civil, tax, administrative and labor claims against the Group whose likelihood of loss was assessed by legal advisors as possible in the consolidated amount of R\$10,863 (R\$10,863 at December 31, 2014), accordingly, no provision was recorded for these claims and proceedings.

In addition, the following proceedings were being processed against the Group, whose likelihood of loss was assessed as possible by legal advisors, and whose amounts are not measurable up to date:

- Public interest suits on environmental and health matters brought by state and federal prosecutors of the state of Bahia, and a class action in with the same objective as the abovementioned public interest suit.
- Consumer public interest suit in the State of Rio de Janeiro and another one in the State of Pernambuco, in order to prohibit the sale of products containing chrysotile mineral in those states.
- Managerial Wrongdoing suit in which issues related to Financial Compensation for Exploration of Mineral Resources (CFEM) were discussed as well as an annulment action and a tax lien of the same nature.
- Public interest and class suits, both related to the sale by Goiás state of an area of land where the residential quarters of subsidiary SAMA is located.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

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

iii) Proceedings whose likelihood of an unfavorable outcome is assessed as possible:
(Continued)

- e) In 2013 and 2014, two public interest suits were filed against the Company by the Labor Prosecution Office (MPT) in the state of São Paulo and MPT in the state of Rio de Janeiro, wherein subject matters relate to work environment and occupational disease. Claims include payment of R\$1 billion as collective pain and suffering to be deposited in entities or projects appointed by the State Department of Labor or in the Worker's Support Fund (FAT).

In parallel to these suits, ABREA also filed two suits distributed by dependence with the São Paulo and Rio de Janeiro State Labor Courts, as these address the same facts challenged in the abovementioned suits. The defense was presented and awaits judgment of the merits.

The Group makes judicial deposits linked to the provisions for risks in a specific account in noncurrent assets.

22. Operating revenue, net

	Company		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Gross sales revenue	178,520	165,715	321,547	310,688
Unconditional discounts and rebates	(732)	(789)	(770)	(879)
Sales taxes	(45,863)	(42,592)	(68,058)	(66,117)
Operating revenue, net	131,925	122,334	252,719	243,692

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

23. Information on the nature of expenses

	Company		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Cost of sales	(99,247)	(91,585)	(158,761)	(152,941)
Selling expenses	(14,247)	(13,970)	(27,631)	(28,435)
General and administrative expenses and management compensation	(12,541)	(12,885)	(27,325)	(28,517)
	(126,035)	(118,440)	(213,717)	(209,893)
Raw material used	(68,239)	(63,827)	(111,233)	(108,382)
(-) Adjustment to present value	-	508	-	717
Personnel expenses and charges	(27,353)	(26,442)	(39,380)	(40,472)
Material, electric energy and services	(14,989)	(12,870)	(24,552)	(23,795)
Rental of personal properties	(1,663)	(1,728)	(2,811)	(2,745)
Variable selling expenses	(2,542)	(2,559)	(10,370)	(9,789)
Depreciation and amortization	(3,304)	(2,890)	(9,624)	(9,177)
Travel expenses	(1,219)	(1,049)	(2,019)	(1,928)
Expenses with materials and IT services	(922)	(1,166)	(1,530)	(1,916)
Sales commissions	(3,129)	(2,914)	(5,355)	(5,509)
Trade union contribution	(729)	(567)	(2,460)	(2,061)
Advertising and publicity	(724)	(1,743)	(1,222)	(2,194)
Taxes	(432)	(536)	(925)	(1,112)
Expense with allowance for doubtful accounts	(478)	(194)	(861)	(430)
Other	(312)	(463)	(1,375)	(1,100)
	(126,035)	(118,440)	(213,717)	(209,893)

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

24. Other operating income (expenses), net

	Company		Consolidated	
	03/31/15	03/31/14	03/31/15	03/31/14
<u>Other operating income:</u>				
Disposals of property, plant and equipment	-	221	10	221
Reversal of provision for labor risks	1,753	-	1,753	-
Lease	-	-	534	778
FI Fund - Private Pension (i)	-	760	673	760
Appeal Bond received	-	199	-	199
Other	531	121	1,174	842
	2,284	1,301	4,144	2,800
<u>Other operating expenses:</u>				
Provision for tax, civil, and labor risks	-	(104)	-	(358)
Provision for future benefits to former employees	(983)	(808)	(1,473)	(1,199)
Environmental recovery	-	-	-	(239)
Taxes on other sales	(7)	(78)	(493)	(260)
Quality control	(271)	(93)	(310)	(159)
Replacement of defective products	(112)	(75)	(112)	(75)
Expenses with labor and civil indemnifications	(258)	(122)	(326)	(344)
Cost of PP&E disposal	(7)	(58)	(7)	(64)
Other	(21)	(141)	(470)	(250)
	(1,659)	(1,479)	(3,191)	(2,948)
Total	625	(178)	953	(148)

- (i) Private pension credit offset, Company's contribution, in unnamed fund established upon termination of employees, in accordance with the Company's policies.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

25. Financial income (expenses)

	<u>Company</u>		<u>Consolidated</u>	
	<u>03/31/2015</u>	<u>03/31/2014</u>	<u>03/31/2015</u>	<u>03/31/2014</u>
Financial income:				
Short-term investment yields - including Bank Deposit Certificates (CDB)	508	553	1,295	1,288
Discounts obtained	14	13	23	62
Interest receivable	737	2,042	1,324	2,948
Monetary gains	234	1,582	242	1,633
Exchange gains	982	2,693	17,784	8,909
	2,475	6,883	20,668	14,840
Financial expenses:				
Interest on financing	(92)	(82)	(184)	(220)
Interest on loans	(890)	(697)	-	-
Interest payable	(50)	(651)	(673)	(1,279)
Bank expenses	(310)	(302)	(364)	(361)
Discounts granted	(417)	(370)	(701)	(656)
Tax on Financial Transactions (IOF)	(111)	(98)	(288)	(203)
PIS and COFINS - Interest on equity	(138)	(126)	(138)	(126)
Exchange losses	(1,495)	(2,276)	(18,306)	(8,757)
Monetary losses	(581)	(520)	(1,486)	(1,296)
Other	(75)	(59)	(145)	(151)
	(4,159)	(5,181)	(22,285)	(13,049)
Financial income (expenses), net	(1,684)	1,702	(1,617)	1,791

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

26. Segment reporting

Management defined the operating segments as Fiber Cement, Chrysotile Mineral and Concrete Tiles, as well as the geographic area of operation. Information presented in line "Others" refers to expenses not directly attributable to Fiber Cement, Chrysotile Mineral and Concrete Roof Tiles segments, such as crockery resale, synthetic marble, solar heater, among others.

Operational segments defined by senior management are as follows:

Company and Consolidated	
Description	Geographic area
Fiber Cement	Southeast, South, Mid-west, North and Northeast
Chrysotile Mineral	Domestic and foreign markets
Concrete roof tiles	Domestic market
Other	Domestic market

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

26. Segment reporting (Continued)

Significant consolidated segment reporting for the quarter ended March 31, 2015 and year ended December 31, 2014 is as follows:

		03/31/2015							
		Total assets	Liabilities	Net revenue	Gross profit	Income (loss) before taxes	Depreciation and amortization	Financial income (expenses)	IRPJ/CSLL
Fiber cement and synthetic fiber cement									
	Southeast	123,821	44,436	24,198	5,984	1,110	851	(241)	(178)
	South	22,106	55,279	38,388	9,535	1,801	1,236	(382)	(282)
	Midwest	58,562	67,983	54,808	14,722	3,680	892	(546)	(404)
	North and Northeast	12,804	36,833	25,620	6,346	1,185	522	(255)	(189)
		217,293	204,531	143,014	36,587	7,776	3,501	(1,424)	(1,053)
Chrysotile Mineral									
	Domestic market	297,676	80,763	36,426	19,538	11,905	1,766	216	(3,813)
	Foreign market	-	-	50,599	31,877	19,424	2,882	352	(6,222)
		297,676	80,763	87,025	51,415	31,329	4,648	568	(10,035)
Concrete roof tiles	Domestic market	92,143	26,081	14,021	4,225	(754)	1,253	(779)	(389)
Other (*)	Domestic market	318,757	97,424	8,659	1,731	(6,534)	222	18	(184)
Total		925,869	408,799	252,719	93,958	31,817	9,624	(1,617)	(11,661)

(*) Including investment in the ware segment, consolidated by means of equity pickup. See Note 9 - Investments.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

26. Segment reporting (Continued)

		12/31/2014			03/31/2014				
		Total assets	Liabilities	Net revenue	Gross profit	Income (loss) before taxes	Depreciation and amortization	Financial income (expenses)	IRPJ/ CSLL
Fiber cement and synthetic fiber cement									
	Southeast	236,354	41,232	25,308	6,313	1,557	676	351	(305)
	South	42,586	50,117	34,675	8,748	2,233	1,218	481	(418)
	Midwest	70,437	59,972	49,515	12,604	3,301	674	687	(596)
	North and Northeast	24,519	33,852	22,839	5,739	1,447	444	318	(275)
		373,896	185,173	132,337	33,404	8,538	3,012	1,837	(1,594)
Chrysotile Mineral									
	Domestic market	280,938	92,180	40,976	29,085	14,081	4,711	(115)	(4,473)
	Foreign market	-	-	41,800	19,926	12,700		(116)	(4,563)
		280,938	92,180	82,776	49,011	26,781	4,711	(231)	(9,036)
Concrete roof tiles									
	Domestic market	92,153	25,008	17,884	6,461	258	1,218	(193)	(582)
Other (*)									
	Domestic market	150,877	80,695	10,695	1,875	(592)	236	378	(283)
Total		897,864	383,056	243,692	90,751	34,985	9,177	1,791	(11,495)

(*) Including investment in the ware segment, consolidated by means of equity pickup. See Note 9 - Investments.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

27. Insurance coverage

As of March 31, 2015, the insurance taken out by the Group, under the guidance from its insurance advisors, against any risks is as follows:

Type	Insured assets	Insured amounts
Engineering and operational risks, general civil liability and loss of profits	Buildings, facilities, equipment and other	<u>R\$ 358,100</u>

28. Financial instruments

28.1. Identification and assessment of financial instruments

a) Financial instrument analysis

To protect its assets and liabilities, the Group maintains insurance coverage for risks that, if incurred, may cause losses that significantly impact the Groups' equity and/or the P&L, considering the risks subject to compulsory insurance, whether legally or contractually.

A comparison by class of Group's financial instruments, presented in the financial information, is as follows:

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Fair value measurement				
Financial assets				
Cash and cash equivalents	4,083	5,711	10,861	13,367
Short-term investments	11,021	15,726	32,148	35,023
Accounts receivable - foreign market	-	-	86,383	73,753
	<u>15,104</u>	<u>21,437</u>	<u>129,392</u>	<u>122,143</u>
Measured at amortized cost				
Financial liabilities				
Trade accounts payable	24,122	22,858	44,603	42,151
Loans and financing	9,698	8,195	143,533	127,924
	<u>33,820</u>	<u>31,053</u>	<u>188,136</u>	<u>170,075</u>

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

28. Financial instruments (Continued)

28.1. Identification and assessment of financial instruments (Continued)

b) Fair value hierarchy

The Company adopted the assumption that cash and cash equivalents, short-term investments and accounts receivable have no difference book value and fair value ("market value"). Measurement of these financial assets is considered to be "Level 1", on which measurement is performed through calculation based on assets/liabilities with market quotation, without any adjustment.

Over the quarter ended March 31, 2015, there was no fair value measurement transfer between Level I and Level II, or fair value measurement transfer between Level III and Level II.

28.2. Financial risk management

The Group's main financial liabilities refer to trade accounts payable, loans and financing. The main purpose of these financial liabilities is to raise funds for operations. The Group also has trade accounts receivable, demand deposits and short-term investments that result directly from its operations. Accordingly, the Group is exposed to market, credit and liquidity risks.

I. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes two types of risks for the Group: a) currency risk; b) interest rate risk; c) risk of loss on production due to scarcity in the supply of raw material and inputs; and d) growth-related risks.

a) *Currency risk*

Currency risk is the risk that fair value of future cash flows of a financial instrument floats due to exchange rate variations. Company exposure to exchange rate fluctuation refers mostly to the Group's operating activities (when revenues or expenses are denominated in a currency other than the Group's functional currency).

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

28. Financial instruments (Continued)

28.2 Financial risk management (Continued)

I. Market risk (Continued)

a) *Currency risk* (Continued)

As of March 31, 2015, the Group was exposed to a currency other than its functional currency, as follows:

	Consolidated		Quote as of
	03/31/2015	12/31/2014	03/31/2015 (US\$ / € 1.00 = R\$1.00)
Foreign market customers	86,383	73,753	3.21
Foreign market suppliers	(3,050)	(2,743)	3.21
ACE and ACC	(68,392)	(58,342)	3.21
Financing taken (USD)	(49,181)	(42,808)	3.21
Financing (EUR)	(997)	(938)	3.45
Total currency exposure	(35,237)	(31,078)	

a1) Sensitivity analysis

In order to measure the economic impact of exchange variations on the Group's financial instruments, four scenarios were considered in relation to the exchange rate prevailing at March 31, 2015, as follows:

Balances (foreign currency) - consolidated	Risk	Rate (*)	Status at 03/31/2015	Rate depreciation		Rate appreciation	
				Scenario I (-50%)	Scenario II (-25%)	Scenario III (+25%)	Scenario IV (+50%)
USD				1.61	2.41	4.01	4.82
Foreign customers	USD	3.21	86,383	43,192	64,787	107,979	129,575
Trade accounts payable - foreign market	USD	3.21	(3,050)	(1,525)	(2,288)	(3,813)	(4,575)
ACE and ACC	USD	3.21	(68,392)	(34,303)	(51,347)	(85,437)	(102,695)
Financing	USD	3.21	(49,181)	(24,667)	(36,924)	(61,438)	(73,848)
EUR				1.73	2.59	4.31	5.18
Financing	EUR	3.45	(997)	(499)	(748)	(1,246)	(1,496)
Total exposure			(35,237)	(17,802)	(26,520)	(43,955)	(53,039)

(*) US dollar and Euro rates available on the web site of the Central Bank of Brazil (BACEN).

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

28. Financial instruments (Continued)

28.2 Financial risk management (Continued)

I. Market risk (Continued)

b) *Interest rate risks*

Interest rate risk is the risk that fair value of future cash flows of a financial instrument floats due to market interest rate variations.

Group management makes it a policy to maintain the rates of its exposures at asset and liability interest rates pegged to floating rates. Short-term investments are restated by reference to the CDI.

Asset (liability) exposures to interest rates are as follows:

	Company		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Short-term investments (cash equivalents)	-	-	1,381	1,677
Short-term investments	11,021	15,726	32,148	35,023
Total exposure to interest rate	11,021	15,726	33,529	36,700

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

The table below sets out the net economic impact of increases in the interest rate curve used in the Group's financial instruments:

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

28. Financial instruments (Continued)

28.2 Financial risk management (Continued)

I. Market risk (Continued)

b) *Interest rate risk* (Continued)

Short-term investments-- Consolidated	Index	Position as of 03/31/2015	Probable scenario	Projection of financial income - one year			
				Reduction risk		Increase risk	
				Scenario I (-50%)	Scenario II (-25%)	Scenario III (+25%)	Scenario IV (+50%)
CDI			12.65%	6.33%	9.49%	15.81%	18.98%
Short-term investments (cash equivalents)	CDI	1,381	1,556	1,468	1,512	1,599	1,643
Short-term investments	CDI	32,148	36,215	34,183	35,199	37,231	38,250

c) *Risk of loss in production due to scarcity in the supply of raw material and inputs*

This growth strand is based on the diversification of the portfolio, through development, launching of new products and entry of new business segments, using the Group's own structure or the ability of third parties. Within this concept there are the constructive solutions (cement slabs and the Wall Panel), metallic roof tiles, ware, sanitary seats and metal fittings. Except for constructive solutions and ware items, third parties' skills are used in other segments. In this same growth strand, the Company started two "greenfield" projects to install:

- Multiproduct plant in the Industrial District of Porto de Pecém, in Ceará state, a joint venture with the Colombian multinational "Colceramica", a company of Organizations Corona. Eternit holds 60% interest and brings together the know-how of the Brazilian market and efficient logistics, whereas Colceramica holding 40% interest with the know-how of manufacturing at competitive production costs.
- Installation of an R&D unit, development and production of inputs and raw material for construction - 13th unit of Eternit Group - in the city of Manaus, Amazonas state.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)
March 31, 2015
(In thousands of reais - R\$, unless otherwise stated)

28. Financial instruments (Continued)

28.2 Financial risk management (Continued)

I. Market risk (Continued)

- c) *Risk of loss in production due to scarcity in the supply of raw material and inputs*
(Continued)

In the joint venture's case, the risks would be related to Colceramica breaking up the partnership, in which case Eternit may find difficulties to produce sanitary ware, since it still does not have the know-how of production.

The risks associated to the implementation of the projects mentioned above relate to the obtainment of environmental and operational licenses for installation and operation, and obtainment of additional funding to implement its expansion strategy for the project. If new funds are not raised in the expected timing, delays may occur and results may not be satisfactory.

- d) *Growth-related risk*

The Group has no control over certain raw materials, such as cement, limestone, sand, recycled pulp and steel coils, thus a significant increase in price or reduction in payment terms may substantially impact the production cost.

To produce fiber cement with alternative fiber, the Company may encounter difficulties in obtaining synthetic fiber on a large scale, since the availability of global fibers is lesser than Brazilian market needs. In addition, increases in the price of these and other raw materials, including increases due to scarcity, taxes, restrictions or exchange rate fluctuations may increase the production cost and adversely affect the Company's business.

Concerning suppliers of ware, sanitary seats and metal fittings, whose products Eternit sells in the Brazilian market, the Company may face difficulties in finding new partners in case of a dissolution in the supply contract.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)
March 31, 2015
(In thousands of reais - R\$, unless otherwise stated)

28. Derivative financial instruments (Continued)

28.2 Financial risk management (Continued)

II. Credit risk

Trade accounts receivable

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

No Group customer accounts for more than 5% of total trade accounts receivable balance as of March 31, 2015 (5% at December 31, 2014).

Demand deposits and short-term investments

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

III. Liquidity risk

The liquidity risk consists in the Group's occasionally not having sufficient funds to meet its commitments, given the different currencies and realization/settlement terms of its rights and obligations.

The control over the Group's liquidity and cash flow is monitored daily by management, in such way as to ensure that the operating cash generation and the available lines of credit, as necessary, are sufficient to meet their schedule of commitments, not generating liquidity risks to the Group.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

28. Derivative financial instruments (Continued)

28.2 Financial risk management (Continued)

IV. Capital management

For the quarter ended March 31, 2015, there were no changes in capital structure objectives, policies or processes as compared with 2014. The Group includes in its net debt structure: loans, financing less cash and cash equivalents.

	Company		Consolidated	
	Leverage		Leverage	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Loans and financing	9,698	8,195	143,533	127,924
(-) Cash and cash equivalents	(4,083)	(5,711)	(10,861)	(13,367)
Net debt	5,615	2,484	132,672	114,557
Equity	517,053	514,791	517,070	514,808
Net debt and equity	511,438	512,307	384,398	400,251

29. Commitments and guarantees

As of March 31, 2015, the Group had the following guarantees:

- (i) Guarantee of the electric energy purchase and sale agreement entered into by subsidiary SAMA and the supply company Tractebel, amounting to R\$3,989, with Banco Safra, maturing in January 2016;
- (ii) Guarantee of tax enforcement payment - DNPM (National Department of Mineral Production) amounting to R\$1,440, with Banco Bradesco, with indefinite maturity;
- (iii) Financing guarantee to the Goiás State Development Agency, amounting to R\$6,034, with Banco Bradesco, maturing in February 2016;
- (iv) Guarantee amounting to R\$40,909 (60%) of the financing entered into between Companhia Sulamericana de Cerâmica and BNB, Banco do Nordeste, for installation of a sanitary ware plant, with Banco Bradesco, maturing in January 2016;
- (v) In December 2014, Eternit in Amazônia entered into an agreement amounting to R\$37,000, referring to the Bank Credit Bill (CCB) with Banco da Amazônia for implementing its R&D plant in Manaus. The Group offered a property and respective improvements located in the city and state of Rio de Janeiro as guarantee, whose market value is R\$62,500.

Eternit S.A.

Notes to individual and consolidated interim financial information (Continued)

March 31, 2015

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

30. Provision for mine reconstruction

Environment

Subsidiary SAMA records the restatement of environmental restoration at fair value, according to the following criteria:

	2015 and 2014	
Discount rate	10% p.a.	
Long-term inflation rate	5% p.a.	
	03/31/2015	12/31/2014
Present value of expected cash outlays		
2032	4,127	4,028
2033	3,542	3,457
2034	1,835	1,791
2035 to 2039	1,478	1,442
Total	10,982	10,718

Under the PRAD plan, environmental restoration in degraded mining sites will occur between 2032 and 2039.

Expenses recognized for environmental restoration of degraded mining areas for the quarter ended March 31, 2015 totaled R\$236 (R\$239 as of March 31, 2014), calculated based on current production of Chrysotile.

31. Subsequent events

At the Board of Directors' Meeting (BDM) held on April 16, 2015, cancelation of the American Depositary Receipts Program Level 1 (ADRs Program Level 1) was resolved and approved before the Securities and Exchange Commission (SEC). As a result, within 40 days from the date this notice was sent to BNY Mellon, as a Depositary, any action relating to the ADRs Program may no longer be taken.

SHAREHOLDING POSITION OF THE OWNERS OF MORE THAN 5% OF SHARES OF EACH SPECIES AND CLASS OF THE COMPANY, TO THE INDIVIDUAL ENTITY LEVEL.				
Company: ETERNIT S.A.			Position on 03/31/2015 (In Units)	
Shareholder	Ordinary Shares		Total	
	Qty.	%	Qty.	%
Generation L. Pair Shares Investment Fund	25.782.800	14,40	25.782.800	14,40
Luiz Barsi Filho	24.610.000	13,75	24.610.000	13,75
Victor Adler	12.600.000	7,04	12.600.000	7,04
Shares in treasury	58.732	0,03	58.732	0,03
Others	115.948.468	64,78	115.948.468	64,78
Total	179.000.000	100,00	179.000.000	100,00

SHAREHOLDING POSITION OF THE OWNERS OF MORE THAN 5% OF SHARES OF EACH SPECIES AND CLASS OF THE COMPANY, TO THE INDIVIDUAL ENTITY LEVEL.				
Company: ETERNIT S.A.			Position on 03/31/2014 (In Units)	
Shareholder	Ordinary Shares		Total	
	Qty.	%	Qty.	%
Generation L. Pair Shares Investment Fund	15.909.900	17,78	15.909.900	17,78
Luiz Barsi Filho	12.140.000	13,56	12.140.000	13,56
Victor Adler	6.000.000	6,70	6.000.000	6,70
Shares in treasury	29.366	0,03	29.366	0,03
Others	55.420.734	61,93	55.420.734	61,93
Total	89.500.000	100,00	89.500.000	100,00

2. POSITION OF THE CONTROLLERS, MANAGERS AND CURRENT SHARES (not revised by independent auditors)

ADMINISTRATORS AND CONTROLLERS AND CURRENT SHARES CONSOLIDATED SHAREHOLDING POSITION					
Shareholder	Quantity of ordinary shares (in units) on 03/31/2015	%	Quantity of ordinary shares (in units) Activity	Quantity of ordinary shares (in units) 03/31/2014	%
Controller	N/A	-	N/A	N/A	-
Administrators					
Board of Directors	458.866	0,26	-11.950.656	12.409.522	13,87
Advisory Council Management	2.116.148	1,18	1.179.665	936.483	1,05
Tax Council	29.124	0,02	18.062	11.062	0,00
Shares in treasury	58.732	0,03	29.366	29.366	0,03
Other shareholders	176.337.130	98,51	100.223.563	76.113.567	85,05
Total	179.000.000	100,00	89.500.000	89.500.000	100,00
Current shares	176.337.130	98,51	100.223.563	76.113.567	85,05



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A free translation from Portuguese into English of Independent Auditor's Review Report on Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and Accounting Pronouncement CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and specific CVM rules.

Independent auditor's review report on interim financial information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Eternit S.A. ("Company") and its subsidiaries, contained in the Quarterly Financial Information Form (ITR) for the quarter ended March 31, 2015, comprising the balance sheet as at March 31, 2015 and the related income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the quarter then ended, including other explanatory information.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the specific rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the quarterly financial information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of the Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly financial information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of the Quarterly Financial Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Emphasis of matter

We draw attention to Note 1 iv) to the interim financial information, which describes the uncertainty surrounding the Supreme Court (STF) judgment of the overall merit of Direct Actions of Unconstitutionality (ADIs) ADI No. 3357, against State Law 11643/2001, of the State of Rio Grande do Sul, which prohibits the manufacturing and sale of all types of asbestos-based goods, within that state, and of ADI No. 3937 contesting State Law 12684/2007, of the State of São Paulo, which prohibits the use in the State of São Paulo of products, materials or goods that contain any type of asbestos or amianthus, and of other ADIs related to amianthus. Our conclusion does not contain any qualification related to this matter.

We draw also attention to Note 21 iii.e) to the individual and consolidated interim financial information, which describes the civil class actions filed by the São Paulo and Rio de Janeiro Labor Prosecution Offices and by ABREA (São Paulo and Rio de Janeiro) against the Company, wherein matters related to the working environment and occupational diseases are challenged. The likelihood of loss was assessed as possible by the Company's legal advisors. Accordingly, no provision for loss was recognized in connection with those civil class actions. Our conclusion does not contain any qualification related to this matter.



Other matters

Statements of value added

We have also reviewed the individual and consolidated statement of value added (SVA) for the quarter ended March 31, 2015, prepared under the responsibility of the Company management and whose presentation in the interim financial information is required by rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the quarterly financial information (ITR), and as supplementary information by IFRS, which do not require SVA presentation. These statements have been submitted to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in accordance with the overall accompanying interim financial information.

São Paulo, May 12, 2015

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

São Paulo, May 12, 2015

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Auditores Independentes S.S.
CRC-2SP015199/O-6

Clinton L. Fernandes
Accountant CRC-1SP205541/O-2

Gustavo de S. Lima
Accountant CRC-1SP303352/O-0

ETERNIT S.A.

Corporate Taxpayer ID (C.N.P.J.): 61.092.037/0001-81

Company Registry (NIRE): 35.300.013.344

AUDIT BOARD REPORT

The Audit Board of Eternit S.A. (“Company”), in compliance with the law and with the Bylaws, has examined the separate and consolidated interim financial information of the Company related to the three-month period ended March 31, 2015.

Based on its examination, and also taking into account the unqualified report of the independent auditors Ernst & Young Auditores Independentes SS. issued on May 12, 2015, as well as the information and clarifications provided during the said three-month period, the Audit Board believes the documents are in fair conditions to be submitted to the Board of Directors.

São Paulo, May 12, 2015.

Herein undersigned by:.) André Eduardo Dantas – Coordinator, Paulo Henrique Zukanovich Funchal, Robert Juenemann, Benedito Carlos Dias da Silva, Luciano Luiz Barsi e Vera Lucia Martins Ferreira Nogueira Ferraz – Secretary

Declaration by the Executive Board

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

São Paulo, May 14, 2015.

The Management