



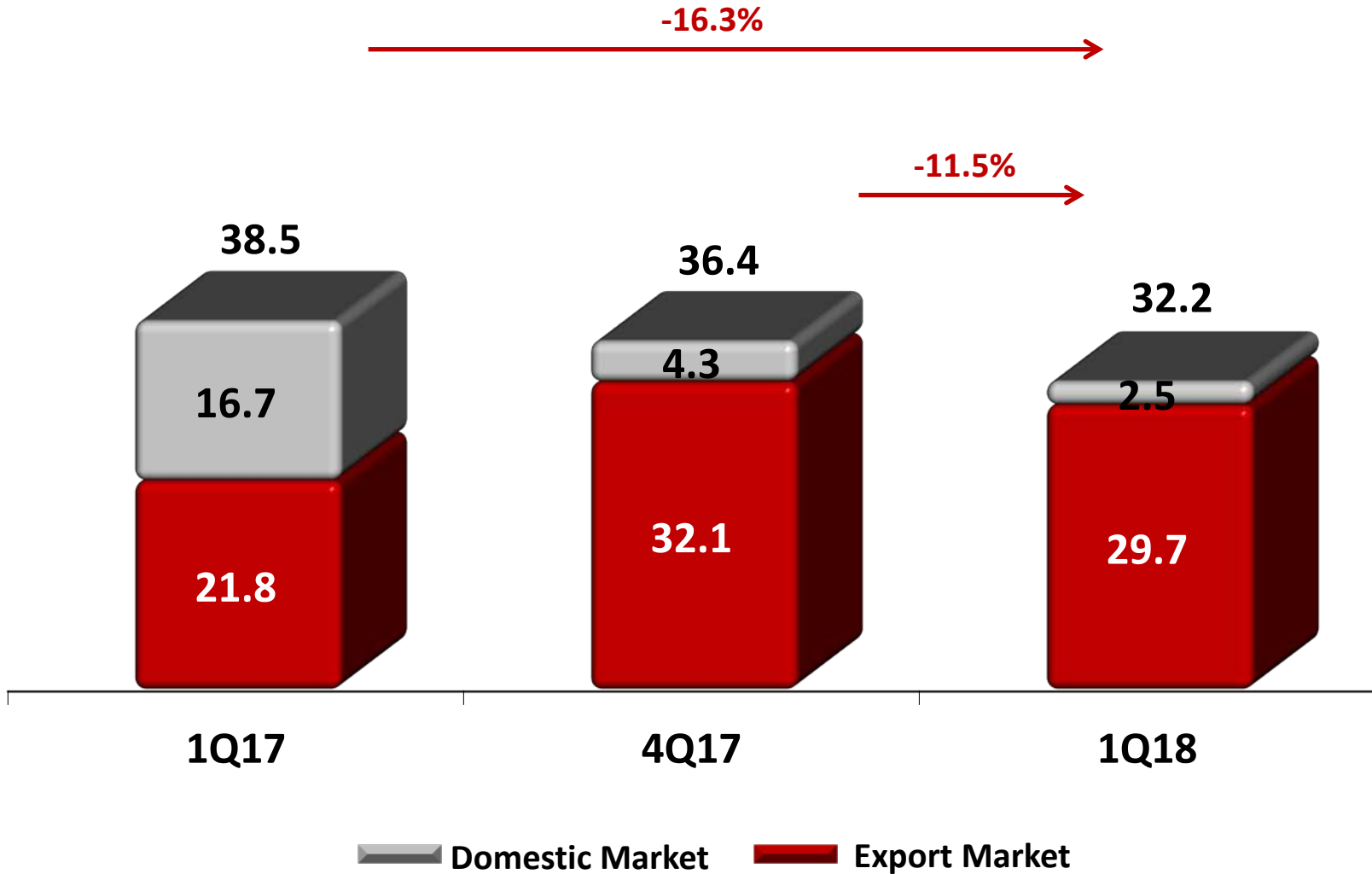
**ETERNIT S.A. - under Court-Supervised Reorganization
Conference Call
1Q18 Earning Results**

May 29, 2018

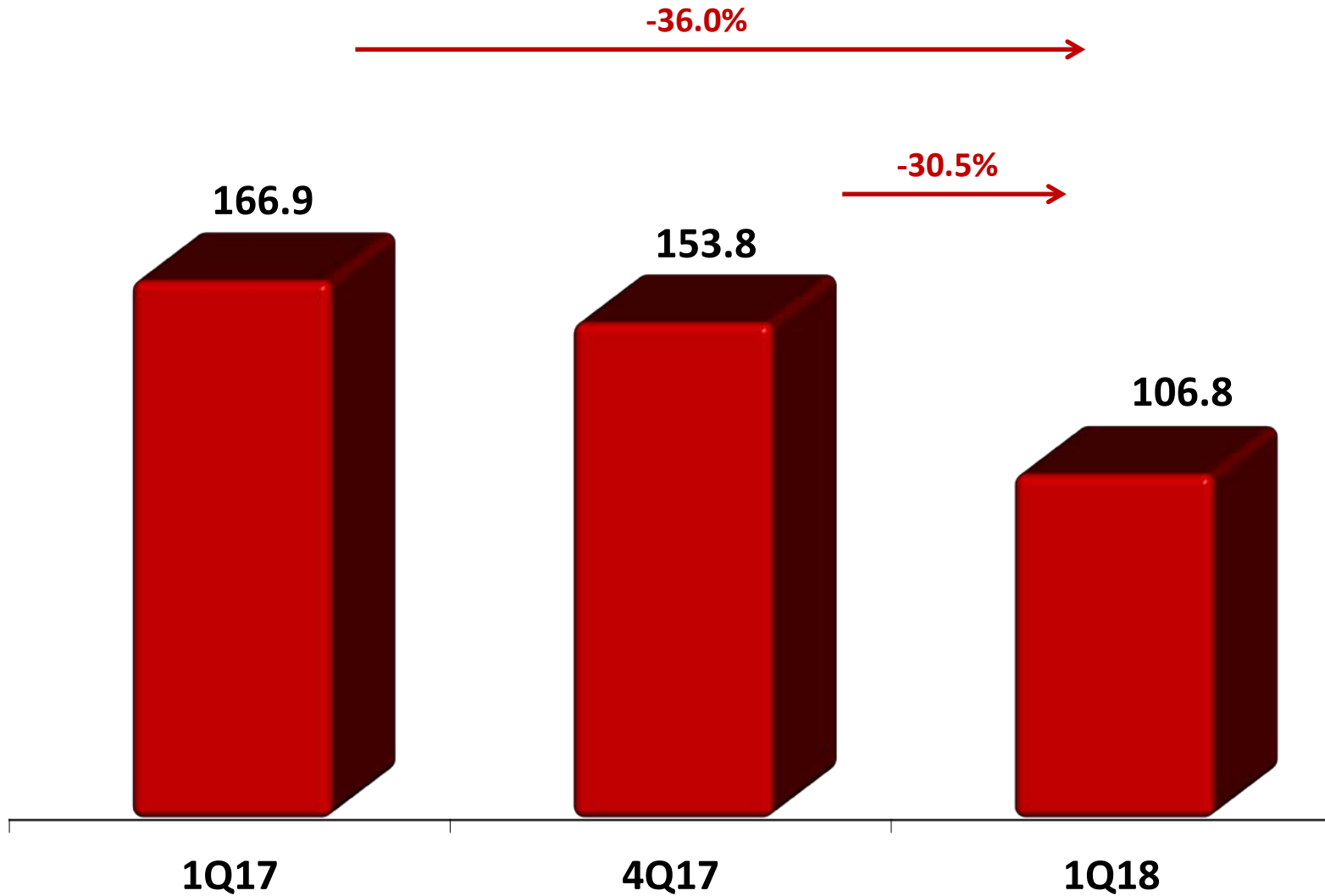
“Forward looking statements included in this presentation regarding the Company’s business, operating and financial results and Company’s growth are only predictions and were based on management's expectations regarding future performance. These expectations are highly dependent on market conditions, Brazilian economic scenario, industry performance and international markets, and are therefore subject to change.”

- ✓ Level of activity of the operations in line with the market demand;
- ✓ Increase of 35.9% in the export sales volume of chrysotile in the 1Q18 x 1Q17;
- ✓ Chrysotile export revenues rose 31.2% in 1Q18 vs.1Q17;
- ✓ The Company reduced its recurring operating expenses by 15.6% in 1Q18 vs.1Q17;
- ✓ Approval of the request for Court-Supervised Reorganization;
- ✓ Acquisition of all the shares of CSC;
- ✓ Call notice for the Extraordinary Shareholders Meeting.

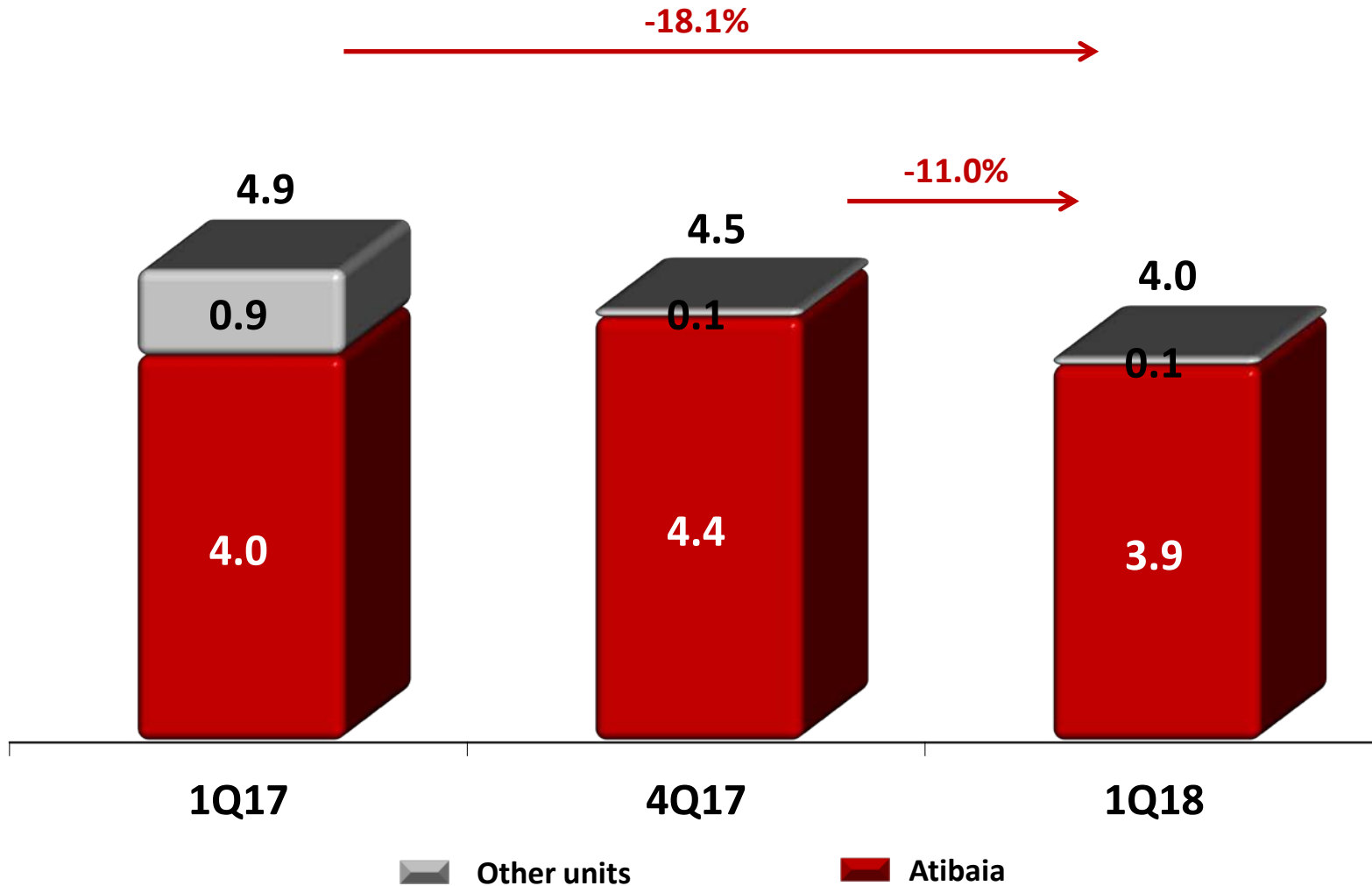
Sales of Chrysotile Mineral ('000 tons)



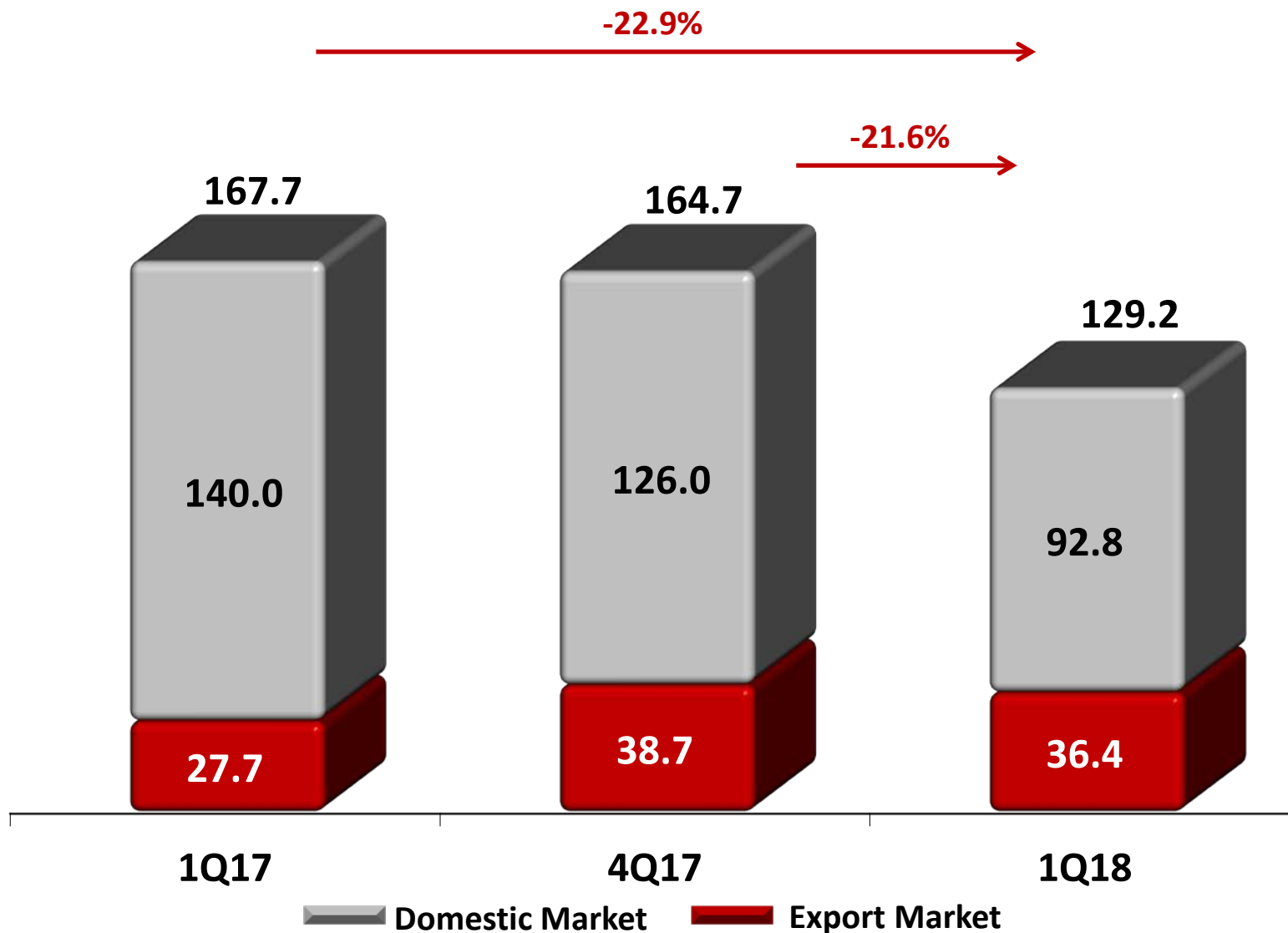
Sales of Fiber-Cement tiles ('000 tons)



Sales of Concrete tiles (million pieces)



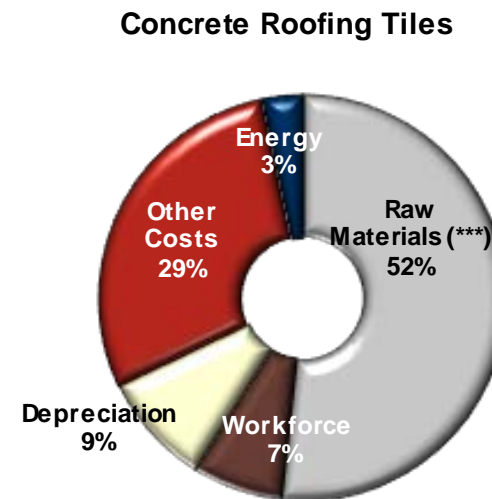
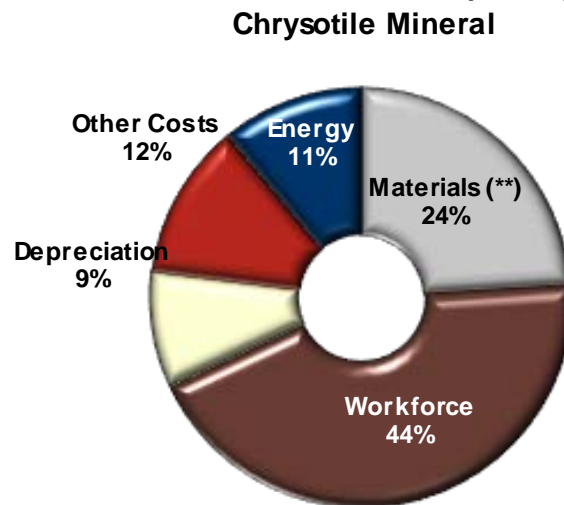
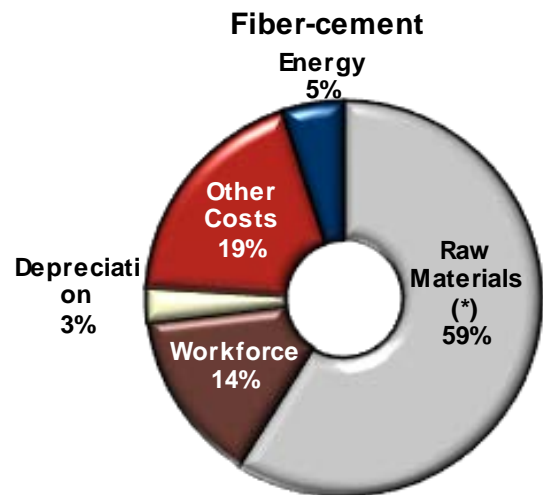
Consolidated Net Revenue (R\$ million)



Gross Margin

R\$ million	1Q18	1Q17	% Chg.	4Q17	% Chg.
Net operating revenue	129.2	167.7	(22.9)	164.8	(21.6)
Cost of goods sold	(92.5)	(114.8)	(19.4)	(135.8)	(31.9)
Gross Margin	36.7	52.9	(30.6)	28.9	27.1
Gross Margin%	28%	32%	- 4 p.p.	18%	10 p.p.
Recurring Cost of goods sold	(91.2)	(113.1)	(19.3)	(128.1)	(28.7)
Recurring gross margin	38.0	54.6	43.8	36.7	3.5
Recurring Gross Margin %	29%	33%	- 4 p.p.	22%	7 p.p.

Breakdown of Cost (1Q18)



R\$ million	1Q18	1Q17	% Chg.	4Q17	% Chg.
Recurring and Adjusted EBITDA	4.4	20.9	(79.0)	(3.0)	-
Non-recurring events					
Restructuring	(0.6)	-	-	(2.0)	(72.8)
Breaking of products in the production process	(0.3)	(1.7)	(84.5)	(2.7)	(90.4)
Expenses with unexpected halts	-	-	-	(2.4)	(100.0)
Provisions for contingencies	-	-	-	(4.2)	(100.0)
Provision for waste disposal	-	-	-	(9.0)	(100.0)
Provision for loss of property, plant and equipment	-	-	-	(7.4)	(100.0)
Estimated impairment of net realizable value of	-	-	-	(2.2)	(100.0)
Estimated loss due to goodwill of assets	-	-	-	(16.6)	(100.0)
Estimated loss due to impairment of assets	-	-	-	(127.2)	(100.0)
Manufacturing inefficiencies	(1.0)	-	-	-	-
Equity pickup	(4.3)	(5.6)	(23.9)	(7.9)	(45.8)
EBITDA	(1.7)	13.6	-	(184.5)	(99.1)

Net Loss



R\$ million	1Q18	1Q17	% Chg.	4Q17	% Chg.
EBITDA	(1.7)	13.6	-	(184.5)	(99.1)
Income tax and social contributions	(1.7)	(2.9)	-39.2	(33.3)	(94.8)
Net financial Income	(4.6)	(4.5)	0.5	(3.5)	29.3
Depreciation and amortization	(3.2)	(9.2)	(65.5)	(8.4)	(62.5)
Net Loss	(11.1)	(3.0)	276.9	(229.7)	(95.2)
Eventos não recorrentes	0	0	0	0	0
Restructuring	0.6	-	-	2.0	(72.8)
Breaking of products from new technologies	0.3	1.7	-84.5	2.7	(90.4)
Expenses with unexpected halts	-	-	-	2.9	(100.0)
Provisions for contingencies	-	-	-	4.2	(100.0)
Provision for waste disposal	-	-	-	9.0	(100.0)
Provision for loss of property, plant and inventory	-	-	-	7.4	(100.0)
Estimated loss due to goodwill of assets	-	-	-	16.6	(100.0)
Estimated loss due to impairment of assets	-	-	-	127.2	(100.0)
Manufacturing inefficiencies	1.0	-	-	-	-
Effect of Income and social contributions taxes	(0.6)	(0.6)	7.1	(10.3)	(94.1)
Recurring Net Loss	(10.0)	(1.9)	437.6	(66.0)	(84.9)

Debt (R\$ million)



DEBT - R\$ '000	03/31/18	12/31/17	% Chg.
Short-term gross debt	79,150	58,888	34.4%
Long-term gross debt	32,100	38,570	-16.8%
Total gross debt	111,250	97,458	14.2%
Cash and cash equivalents	(34,292)	(6,957)	392.9%
Short-term investments (same cash equivalents)	(128)	(21,805)	-99.4%
Cash and short-term investments	(34,420)	(28,762)	19.7%
Net debt	76,830	68,696	11.8%
Recurring and adjusted EBITDA (last 12 months)	28,799	43,656	-34.0%
Net debt / Recurring and adjusted EBITDA x	2.67	1.57	-
Net debt / Equity	48.2%	40.3%	-

The origin of the debt at 03/31/2018 consisted of 67% of foreign currency and 33% of national currency.

In 1Q18, 100% of the foreign currency debt was naturally hedged by accounts receivable on chrysotile exports.

On March 19, 2018, the Company and its subsidiaries and joint venture filed for court-supervised reorganization in the courts of São Paulo.

The request was granted by the courts on April 16, 2018, and approved by the Extraordinary Shareholders Meeting on April 11, 2018.

With regard to the court-supervised reorganization, filed on March 19, 2018, the Eternit Group will present within the legal timeframe a plan to be submitted for approval by the Meeting of Creditors, which will guarantee the full payment of these creditors. It is a preventive measure aimed at safeguarding the Company's operations, ensuring the continuity of its restructuring process and enabling the perpetuity of its operations, besides suspending the lawsuits and executions in progress against the Group and also the course of the respective statutory periods of limitation. As such, it was one way of acting in advance of a possible situation in which the financial obligations of the Company could not be fulfilled, making its operations impracticable.

Eternit will continue its operations in an organized manner and with predefined deadlines and procedures, coordinating with all parties involved in the restructuring process. These actions are aimed at protecting the Company's cash balance, preserve its employees and ensure the same commercial conditions with its clients and suppliers, with minimum impact on its daily operations.

Acquisition of all the shares of CSC



On April 27, 2018, the **Eternit Group formalized the acquisition of the entire equity interest held by Compañía Colombiana de Cerámica S.A.S (“Colcerámica”) in Companhia Sulamericana de Cerâmica S.A. – under Court-Supervised Reorganization (“CSC”)**, in accordance with the Share Purchase Agreement (“Agreement”).

On that date, the Board of Directors of the Company approved the acquisition of the shares of CSC.

The conditions of said operation, established in the Agreement, will be included in the bulge of the Court-Supervised Reorganization Plan to be presented by the Eternit Group in the Court-Supervised Reorganization, currently pending before the Judge of the 2nd Court of Bankruptcies and Court-Supervised Reorganizations of the Judicial District of the City of São Paulo, for appreciation, deliberation and ratification by the creditors in the Assembly, guaranteeing transparency and avoiding any losses.

Call notice for the Extraordinary Shareholders Meeting



On April 30, 2018, **the Company received an Official Letter** from the Superintendent of Company Oversight and Equity Offerings of **B3 – Brasil Bolsa Balcão S/A (“B3”)**, informing that, between March 16, 2018 and April 27, 2018, the shares of the Company were quoted at below one real (R\$1.00), which represents a breach of the Listing Regulation for Issuers and Admission for Trading of Securities (“Regulation”) and of items 5.1.2 (vi) and 5.2 of the B3 Issuer Manual (“Manual”).

In view of the above and in compliance with the B3 requirements, the Company held, on May 24, 2018, a **Board of Directors Meeting (“Meeting”)**, which **approved by majority vote the ratio of the reverse stock split in the proportion of 3 (three) shares to 1 (one) new share.**

At the Meeting, the Board also called the **Extraordinary Shareholders Meeting (“ESM”) to be held on July 30, 2018**, which will decide on the: (a) reverse stock split; (b) amendment to the Company’s Bylaws; (c) approval of the Annual Financial Statements as of December 31, 2017; and (d) allocation of the result for the fiscal year ended 2017.

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