

## Eternit maintains focus on its Investment Plan in 3Q14

**São Paulo, November 6, 2014** – Eternit S.A. (BM&FBovespa: ETER3; OTC: ETNTY), which was founded 74 years ago and is Brazil's leading manufacturer of roofing tiles and a manufacturer of bathroom chinaware, metal fixtures and construction solutions, announces its results for the third quarter of 2014 (3Q14). Except where stated otherwise, the operational and financial information of the Company is presented on a consolidated basis in Brazilian real, in accordance with Brazilian Corporate Law and International Financial Reporting Standards (IFRS). All comparisons made in this press release are with the 3<sup>rd</sup> quarter of 2013 (3Q13), except where indicated otherwise.

### 3Q14

#### Stock price (10/31/14) ETER3

R\$/share	3.47
US\$/share	1.42

#### Shareholder Base (10/31/14)

Total Shares	179,000,000
Free Float	98.4%

#### Market Capitalization (10/31/14)

R\$ 621.1 million
US\$ 254.1 million

#### Shareholder Payments (2014)

R\$0.40 per share
Dividend yield: 9.2%

#### Indicators - (Sep/14)

Book Value (R\$/share)	2.87
Price/Book Value	1.37
Price/Earnings	8.09

#### Conference Call/Webcast

**November 7, 2014**

**Time:** 2:00 p.m. (Brasília) –  
11:00 a.m. (New York) and 4:00  
p.m. (London)

#### Dial-in:

Participants in Brazil: (55 11)  
3193-1001 or 2820-4001  
Participants in other countries: (1  
786) 924-6977  
Password: Eternit

#### Web conference:

[www.eternit.com.br/ir](http://www.eternit.com.br/ir)

#### Talk to IR

Contact the IR team:

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@Eternit\_RI

Demand for construction materials increased slightly in the third quarter compared to previous quarters, according to data from the Brazilian Association of Construction Materials Industry (ABRAMAT) which, however, was not sufficient to recover from the sharp decline in sales in the first half of the year. Eternit significantly outperformed the construction materials sector, with its chrysotile mining segment operating at full capacity, while in the finished products line, production of fiber-cement and concrete tiles kept pace with demand.

Chrysotile mineral volume sold in 3Q14 was 71,600 tons, practically stable (down 1.0%) compared to 3Q13. In the same period, fiber-cement sales, including construction solutions, reached 232,800 tons, increasing 7.5% from 3Q13, whereas concrete roofing tile sales decreased 10.9%, mainly due to the lower demand in the high-end roofing segment, especially in the B2C (business-to-consumer) and building companies segments.

Consolidated net revenue in 3Q14 amounted to R\$ 250.3 million, virtually stable compared to 3Q13, mostly driven by higher fiber-cement sales volume and price repositioning in the domestic chrysotile mineral market, which partially offset the lower sales volume of concrete roofing tiles.

EBITDA in 3Q14 reached R\$ 41.9 million, 15.1% lower than in 3Q13, due to the factors commented in the section on consolidated net revenue, which minimized the increase in the cost of goods sold, especially mining costs. As a result, net income decreased 28.4% from 3Q13 to R\$ 20.3 million in 3Q14.

Investments in 3Q14 totaled R\$ 35.0 million, up 59.4% from 3Q13 and primarily went to the establishment of a unit in the state of Amazonas for the research, development and production of construction material inputs and to the maintenance and modernization of the Group's industrial facilities.

Eternit was elected one of the 150 best companies to work for. The award reflects the recognition among employees that the Company is on the right path in its constant pursuit of excellence in corporate governance, with the focus on professional development and career advancement and on promoting a safe and pleasant working environment.

#### Main Indicators

Consolidated - R\$ '000	3rd Quarter			Accum. 9 Months		
	2014	2013	% Chg.	2014	2013	% Chg.
<b>Gross revenues</b>	<b>320,357</b>	<b>322,395</b>	<b>(0.6)</b>	<b>909,225</b>	<b>901,524</b>	<b>0.9</b>
<b>Net revenues</b>	<b>250,270</b>	<b>251,371</b>	<b>(0.4)</b>	<b>714,590</b>	<b>704,134</b>	<b>1.5</b>
Gross profit	95,392	102,903	(7.3)	275,612	286,377	(3.8)
<i>Gross margin</i>	38%	41%	- 3 p.p.	39%	41%	- 2 p.p.
<b>Operating income (EBIT) <sup>1</sup></b>	<b>32,396</b>	<b>41,343</b>	<b>(21.6)</b>	<b>91,644</b>	<b>110,075</b>	<b>(16.7)</b>
<b>Net income</b>	<b>20,308</b>	<b>28,369</b>	<b>(28.4)</b>	<b>61,925</b>	<b>76,982</b>	<b>(19.6)</b>
<i>Net margin</i>	8%	11%	- 3 p.p.	9%	11%	- 2 p.p.
EPS (R\$/share)	0.11	0.32		0.35	0.86	
Investments	34,998	21,954	59.4	78,980	70,223	12.5
<b>EBITDA <sup>2</sup></b>	<b>41,864</b>	<b>49,294</b>	<b>(15.1)</b>	<b>119,581</b>	<b>135,711</b>	<b>(11.9)</b>
<i>EBITDA Margin</i>	17%	20%	- 3 p.p.	17%	19%	- 2 p.p.

<sup>1</sup> Before financial results.

<sup>3</sup> Considers, to 3Q14 and 9M14, the stock split approved at the EGM held on 09/24/2014.

<sup>2</sup> Operating income before interests, taxes, depreciation and amortization

## General and Market Scenario

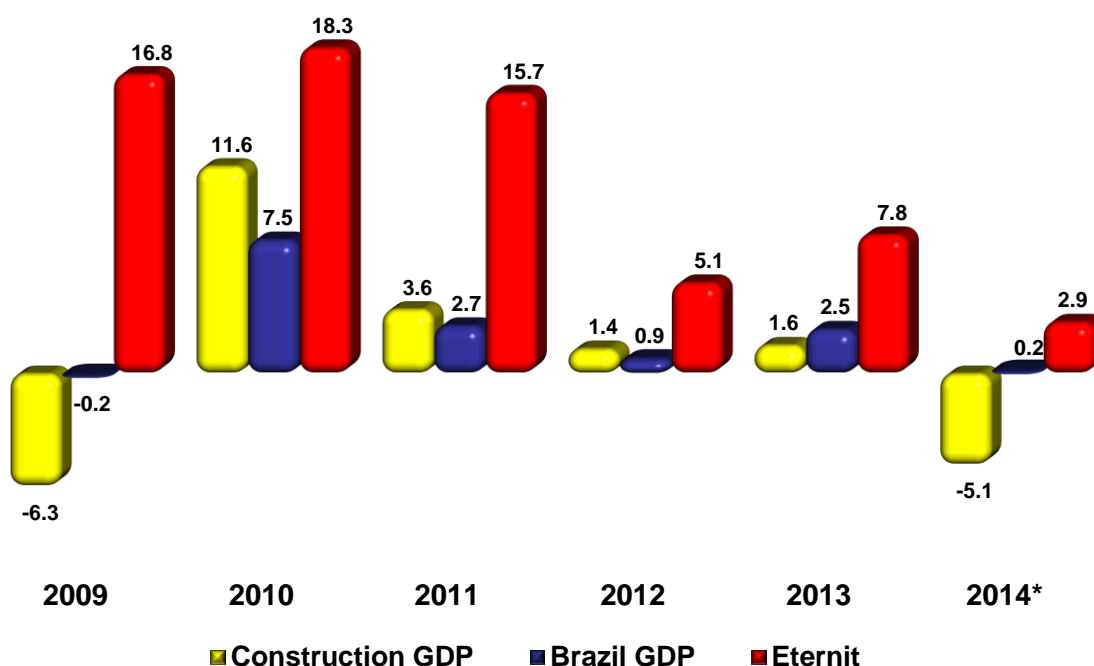
With regard to global economic activity, since the previous Inflation Report, the Central Bank of Brazil (BACEN) has indicated a different growth pace in mature economies. Overall, BACEN considers that the risks to financial stability remained high and, considering the external scenario as a whole, the prospects of growth rates remaining below potential remained unchanged.

On the domestic front, BACEN points to slower growth in economic activity in 2014 compared to 2013. It also revised the GDP growth forecast for 2014 from 2.0% at the start of the year to 0.24% (FOCUS report of BACEN dated October 31), and the construction industry's GDP growth from -2.2% to -5.1% (September edition of the Inflation Report).

A report from the International Monetary Fund (IMF) on the domestic scenario in Brazil highlights that low confidence among businessmen and consumers, tighter financial conditions, low investments and weak competitiveness are the reasons for this continued slowdown.

According to the Brazilian Association of Construction Materials Industry (ABRAMAT), the market was severely affected by a pessimist view of the economy, fewer business days on account of the World Cup and holidays, and the growth in imports and, despite the improved sales results in 3Q14, domestic sales in 9M14 dropped 6.5% from the same period the previous year. Given the negative result compared to 2013, the forecast for 2014 was once again revised to a 4.0% reduction in 2014.

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



(\*) – Forecast.

Source: Central Bank of Brazil, projected GDP growth of Brazil and the construction industry in 2014.

The growth in Eternit's consolidated gross revenue is arrived at by comparing the period from January to September 2014 with the same period in 2013, corrected for inflation in accordance with the IGP-M index.

**Operational and Financial Aspects**

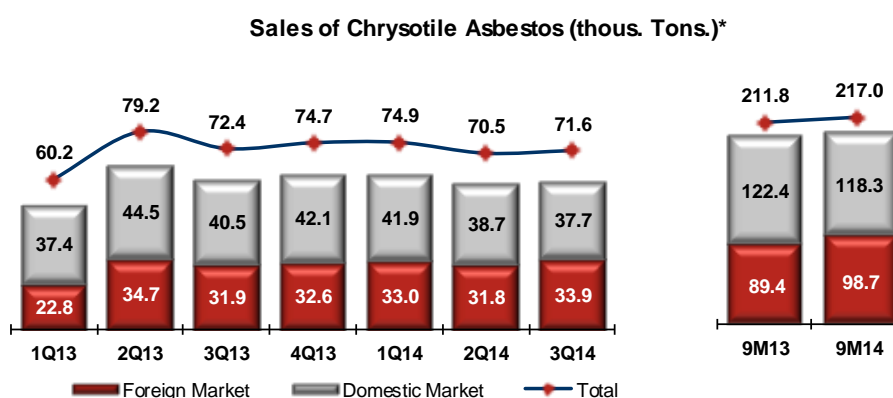
The construction materials industry registered a slight recovery in sales in 3Q14 after the weak performance in 1H14, yet ended 9M14 well below the forecast for the end of 2014, as announced by ABRAMAT.

In 3Q14, the Company’s chrysotile mining unit operated at full capacity and in its line of finished products, the production of fiber-cement and concrete roofing tiles kept pace with market demand.

**Sales**

**Chrysotile Asbestos**

Chrysotile asbestos sales in 3Q14 reached 71,600 tons, practically stable (1% lower) compared to 3Q13. Domestic sales decreased 6.9% during the period, due to the lower consumption of the chrysotile, especially in the South. On the other hand, exports increased 6.5%, driven by the gradual recovery of the Asian market, especially India.

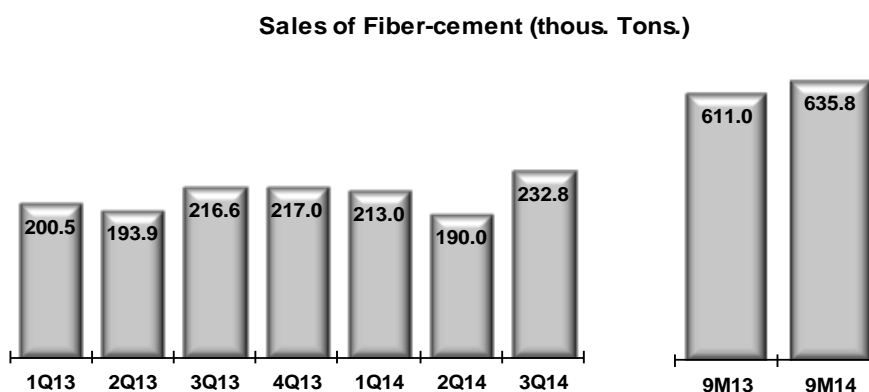


(\*) Chrysotile asbestos sales include intercompany sales, which accounted for 45.5% of domestic sales in 3Q14.

Sales in 9M14 totaled 217,000 tons, increasing 2.5% from 9M13. In the same comparison period, exports posted a significant 10.6% growth, due to the factors mentioned above, which offset the slight reduction of 3.4% in domestic sales.

**Fiber-cement**

Domestic fiber-cement sales, including construction solutions, totaled 232,800 tons in 3Q14, up 7.5% from 3Q13 due to the recovery of the suppressed demand in the second quarter resulting from the high number of public holidays because of the World Cup.

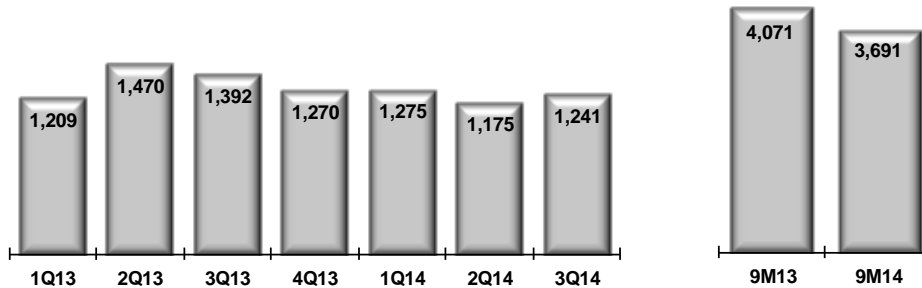


Sales in 9M14 totaled 635,800 tons, up 4.1% year on year due to the factors mentioned above.

**Concrete Tiles**

In 3Q14, domestic concrete tile sales totaled 1,241,000 square meters (equivalent to 10,908,000 pieces), down 10.9% from the third quarter of 2013, due to lower demand in the high-end roofing segment, especially in the B2C (business-to-consumer) and building companies segments.

**Sales of Concrete Roofing Tiles (thous.m<sup>2</sup>)**



In 9M14, sales volume reached 3,691,000 square meters (equivalent to 32,801,000 pieces), down 9.3% from 9M13 due to the factors mentioned above.

**Consolidated Net Revenue**

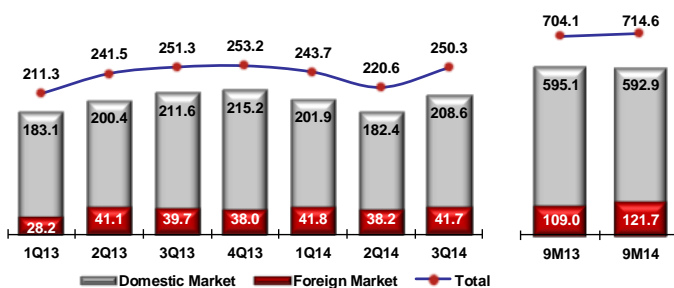
Consolidated net revenue in 3Q14 reached R\$ 250.3 million, virtually stable (down 0.4%) compared to the same period in 2013. Domestic market revenue amounted to R\$ 208.6 million, a decrease of 1.5% primarily due to the lower chrysotile mineral and concrete roofing tile sales, which was partially offset by increased fiber-cement sales and the repositioning of chrysotile mineral prices. Net revenue from exports increased 5.0% from 3Q13, totaling R\$ 41.7 million, due to higher sales volume.

Comparing 3Q14 and 3Q13 by product lines, the chrysotile asbestos and the concrete tiles and roofing accessories recorded revenue decrease of 4.3% and 7.5% to reach R\$ 75.4 million and R\$ 20.7 million, respectively, while fiber-cement revenue increased 14.7% to reach R\$ 146.7 million, due to the factors mentioned above.

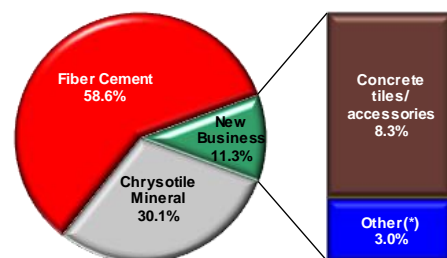
Revenue from the other products line totaled R\$ 7.5 million in 3Q14, a decrease of 66.5% from 3Q13, mainly because Companhia Sulamericana de Cerâmica (CSC) started commercializing bathroom chinaware and toilet seats in January 2014 due to the transfer of inventories from Eternit to CSC with the start of its industrial operations.

Sales of bathroom chinaware and lavatory seats by CSC since January 2014 are not consolidated given that the shareholders (Eternit and Colceramica, a Colombian multinational) exercise joint control, in accordance with CPC 36 and IFRS 10 on consolidated financial statements, and CPC 19 and IFRS 11 on joint arrangements.

**Consolidated Net Revenue (R\$ million)**



**Breakdown of Consolidated Net Revenue (3Q14)**



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

In the first nine months of 2014, net revenue amounted to R\$ 714.6 million, up 1.5% from the same period in 2013. This increase was driven by higher chrysotile mineral exports and the 8.1% appreciation of the U.S. dollar against the real (based on the average PTAX rate in the period). Domestic sales totaled R\$ 592.9 million, virtually stable (down 0.4%) compared to 9M13.

## Cost of Mining, Production and Goods Sold

Consolidated cost of goods sold came to R\$ 154.9 million in 3Q14, up 4.3% compared to 3Q13 as a result of the increase in mining and production costs. Gross margin decreased 3 percentage points during the period to 38%.

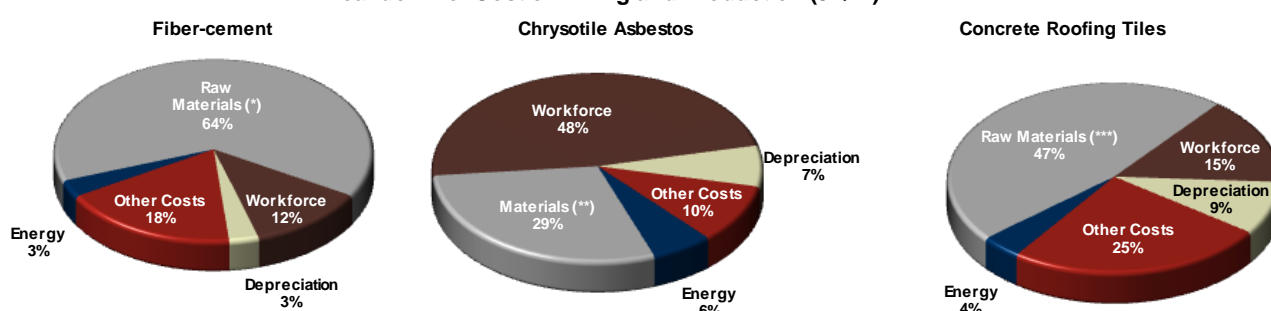
The main variations in mining and production costs are shown below:

**Chrysotile mining:** 23% increase due to higher expenses with manpower and outsourced services related to increased rock handling (strip ratio).

**Fiber-cement:** 6% increase due to the increase in the prices of raw materials (especially chrysotile asbestos, pulp and lime) and electricity, as well as higher consumption of packaging.

**Concrete roofing tiles:** 13% increase due to the increase in the prices of raw materials (especially white cement and pigments, which are imported) and inputs (electricity and fuel).

**Breakdown of Cost of Mining and Production (3Q14)**



(\*) Raw materials: cement (44%), chrysotile asbestos (44%) and others (12%).

(\*\*) Materials: fuel, explosives, packaging and others.

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

In 9M14, consolidated cost of goods sold totaled R\$ 439.0 million, increasing 5.1% from 9M13, due to the increase in mining and production costs. Since the increase in the consolidated cost of goods sold outpaced the increase in net consolidated revenue in 9M14, gross margin declined 2 percentage points from 9M13 to 39%.

## Operating Expenses

Total operating expenses in 3Q14 increased 2.0% from the prior-year period, mainly due to the following variations:

**Selling expenses:** 4.4% increase due to highway transportation expenses, resulting from higher chrysotile mineral sales in the export market.

**General and administrative expenses:** 1.7% increase arising from expenses with defending the use of chrysotile asbestos.

**Other operating (expenses) revenues:** variation due to the contingency provisions booked in 3Q13 after analyzing the probability of winning or losing ongoing court cases.

In R\$ '000	3rd Quarter			Accum. 9 Months		
	2014	2013	Chg. %	2014	2013	Chg. %
Selling expenses	(29,787)	(28,533)	4.4	(87,712)	(84,741)	3.5
General and administrative expenses	(31,365)	(30,848)	1.7	(91,169)	(84,866)	7.4
Other operating revenues (expenses), net	477	(126)	-	(164)	(2,900)	(94.3)
<b>Total operating expenses</b>	<b>(60,675)</b>	<b>(59,507)</b>	<b>2.0</b>	<b>(179,045)</b>	<b>(172,507)</b>	<b>3.8</b>
<i>Percentage of net revenue</i>	<i>28%</i>	<i>25%</i>	<i>3 p.p.</i>	<i>39%</i>	<i>38%</i>	<i>1 p.p.</i>

In the first nine months of 2014, operating expenses totaled R\$ 179.0 million, 3.8% higher than in 9M13, mainly due to the factors mentioned earlier.

## Net Financial Result

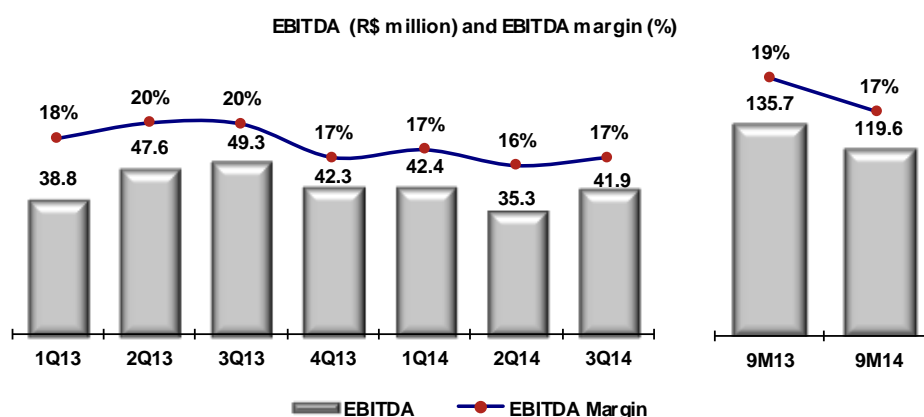
Net financial result declined 78.0% in 3Q14, primarily driven by the effects of exchange variation on the Eternit Group's financial operations.

In R\$ '000	3rd Quarter			Accum. 9 Months		
	2014	2013	Chg. %	2014	2013	Chg. %
Financial expenses	(13,347)	(15,529)	(14.0)	(36,779)	(36,485)	0.8
Financial income	13,172	14,731	(10.6)	38,615	33,918	13.8
<b>Net financial result</b>	<b>(175)</b>	<b>(798)</b>	<b>(78.0)</b>	<b>1,836</b>	<b>(2,567)</b>	<b>-</b>

In 9M14, net financial result was positive at R\$ 1.8 million, compared to the negative result of R\$ 2.6 million in 9M13, mainly due to gains from exchange variation and monetary restatement related to offsets of federal taxes for previous fiscal years.

## EBITDA

Consolidated EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization) totaled R\$ 41.9 million in 3Q14, 15.1% lower than in 3Q13, mainly due to the increase in the cost of goods sold, the factors mentioned in the section on operating expenses and the equity loss from the joint-venture CSC<sup>1</sup>. As a result, EBITDA margin in 3Q14 was 17%, down 3 percentage points from 3Q13.



In the first nine months of 2014, EBITDA totaled R\$ 119.6 million, down 11.9%, with EBITDA margin of 17%, down 2 percentage point from 9M13, as a result of the aspects commented earlier.

Reconciliation of consolidated EBITDA - (R\$'000)	3rd Quarter			Accum. 9 Months		
	2014	2013	% Chg.	2014	2013	% Chg.
<b>Net income</b>	<b>20,308</b>	<b>28,369</b>	<b>(28.4)</b>	<b>61,925</b>	<b>76,982</b>	<b>(19.6)</b>
Income tax and social contributions	11,913	12,176	(2.2)	31,555	30,526	3.4
Net financial Income	175	798	(78.0)	(1,836)	2,567	-
Depreciation and amortization	9,468	7,951	19.1	27,936	25,636	9.0
<b>EBITDA</b>	<b>41,864</b>	<b>49,294</b>	<b>(15.1)</b>	<b>119,581</b>	<b>135,711</b>	<b>(11.9)</b>

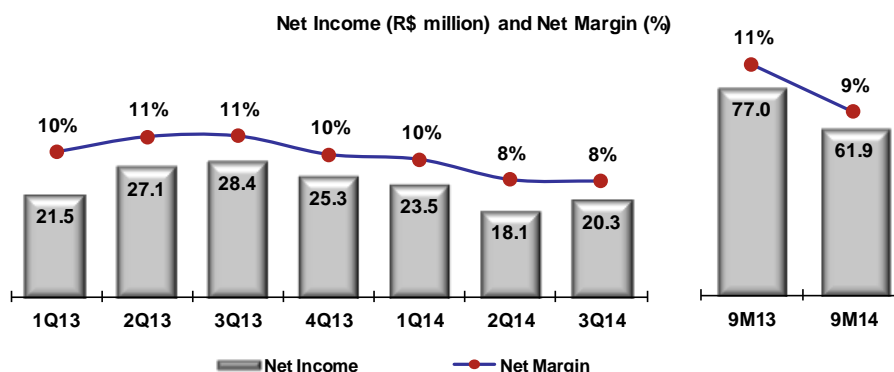
EBITDA is calculated in accordance with Instruction 527 issued by the Securities and Exchange Commission of Brazil (CVM) on October 4, 2012.

## Net Income

Eternit registered net income of R\$ 20.3 million in 3Q14, down 28.4% from 3Q13, while net margin decreased 3 percentage points to end the period at 8%, due to the factors explained in the EBITDA section.

<sup>1</sup> With the start of the industrial operations of Companhia Sulamericana de Cerâmica (CSC), the consolidated EBITDA includes the result based on the equity income method.





In 9M14, net income amounted to R\$ 61.9 million, with net margin of 9%, compared to R\$ 77.0 million and 11% in 9M13, respectively.

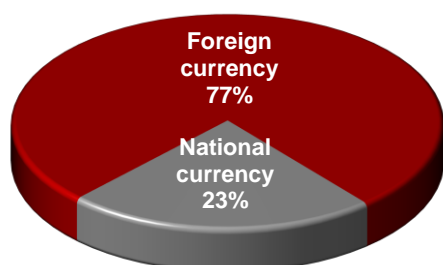
## Debt

The Company ended 3Q14 with net debt of R\$ 84.5 million. In September 2014, the gross debt of Eternit and its subsidiaries totaled R\$ 126.6 million, basically explained by: (i) the advances against draft presentation (ACE) for working capital; and (ii) the financing lines contracted for the acquisition of machinery and equipment for its operations under the program FINIMP (import financing) and for the acquisition of trucks, machinery and equipment for its operations under the program FINAME (long-term financing for the acquisition and manufacture of new machinery and equipment).

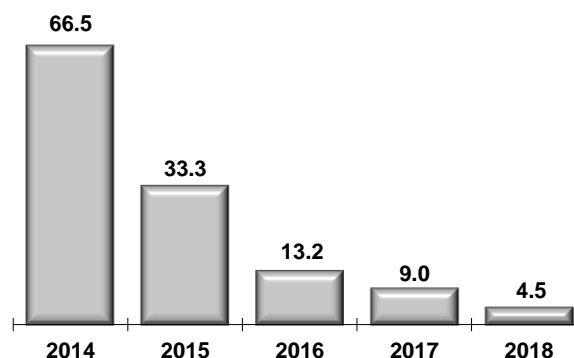
Cash, cash equivalents and short-term financial investments amounted to R\$ 42.1 million, with financial investments remunerated at an average rate corresponding to 102% of the variation in the interbank overnight rate (CDI).

DEBT	Parent Company		Consolidated	
	09/30/14	12/31/13	09/30/14	12/31/13
Short-term gross debt	3,881	8,944	66,541	56,881
Long-term gross debt	6,445	14,368	60,045	25,799
Cash and cash equivalents	(353)	(9,516)	(5,590)	(13,295)
Short-term investments (same cash equivalents)	(12,029)	(9,897)	(36,525)	(35,661)
<b>Net debt</b>	<b>(2,056)</b>	<b>3,899</b>	<b>84,471</b>	<b>33,724</b>
EBITDA (last 12 months)	38,551	36,347	161,907	178,037
<b>Net debt / EBITDA x</b>	<b>(0.05)</b>	<b>0.11</b>	<b>0.52</b>	<b>0.19</b>
<b>Net debt / Equity</b>	<b>-</b>	<b>0.8%</b>	<b>16.4%</b>	<b>6.7%</b>

Origin of debt (%)



Repayment Schedule (R\$ '000)

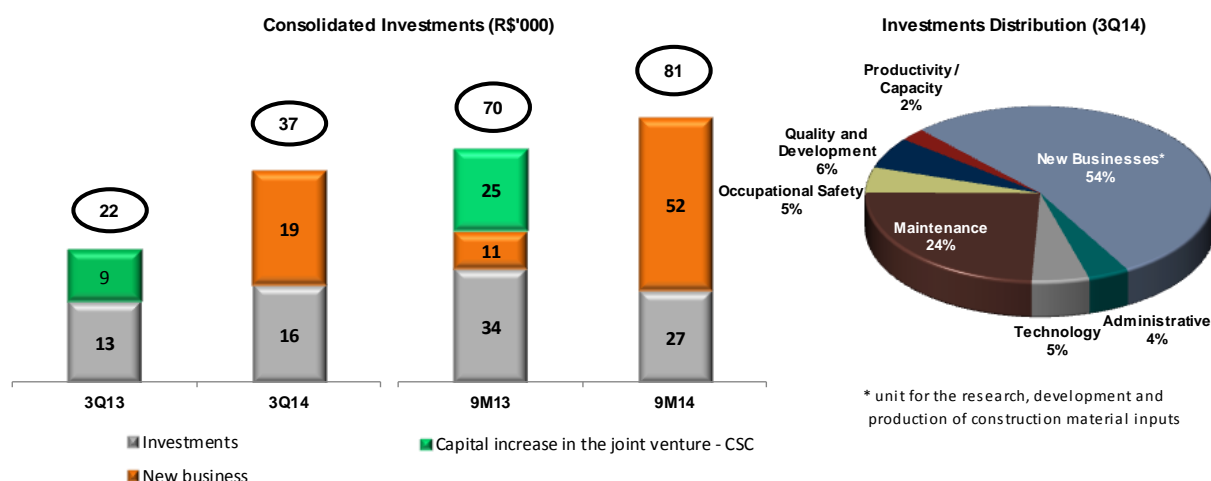


Note that the Company does not contract leveraged operations involving derivative instruments of any type that could be interpreted as speculative positions.

## Investments

The investments of Eternit and its subsidiaries in 3Q14 totaled R\$ 35.0 million, 59.4% more than in 3Q13. The funds were allocated primarily to the establishment of a unit for the research, development and production of construction material inputs in the state of Amazonas and the maintenance and modernization of the Group's industrial facilities.

In the first nine months of 2014, investments totaled R\$ 79.0 million, up 12.5% from the same period a year earlier, and were allocated as follows: (i) R\$ 51.8 million to the establishment of a unit for the research, development and production of construction material inputs, and (ii) R\$ 27.2 million for the maintenance and modernization of the industrial facilities.



## 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. The Company has also maintained a Level I American Depositary Receipt (ADR) program since May 2010, which allows its shares to trade on the secondary or over-the-counter market in the United States under the stock ticker ETNTY.

In the third quarter of 2014, Eternit's shareholder base continued to have a high concentration of individual shareholders, who accounted for 63.2%, while foreign investors accounted for 11.7% and institutional investors, investment clubs, investment funds and foundations accounted for 25.1%.

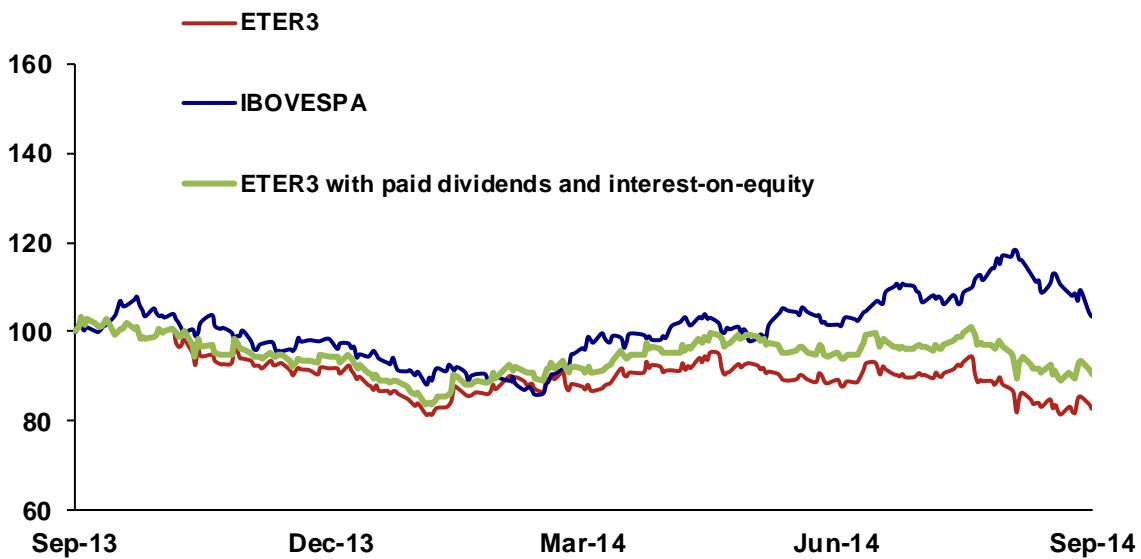
The shares of Eternit (ETER3) were being quoted at R\$ 3.94 in September 2014, showing a depreciation of 17.2% compared to September 2013. In the same period, the benchmark Bovespa Index (IBOVESPA) closed at 54,115 points, representing a gain of 3.4%. As at September 30, 2014, Eternit's market capitalization stood at R\$ 705.3 million.

Capital Markets					
ETERNIT (ETER3)	3Q13	4Q13	1Q14	2Q14	3Q14
Closing Price (R\$/Share) - Without dividends*	4.76	4.37	4.18	4.25	3.94
Average Volume Traded (Shares)	170,437	129,846	105,502	119,013	122,972
Average Volume Traded (R\$)	774,671	598,194	437,625	516,649	513,042
ETER3 - Quarterly Profitability (%)	-	-8.2	-4.5	1.7	-7.2
ETER3 - 12 Months Profitability (%)	-	7.9	-6.3	-10.2	-17.2
IBOVESPA - Quarterly Profitability (%)	-	-1.6	-2.1	5.5	1.8
IBOVESPA - 12 Months Profitability (%)	-	-15.5	-10.5	12.0	3.4
Market Capitalization (R\$ Million)	852.0	782.2	747.3	759.9	705.3

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



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



Source: *Economática*

## Stock Split

The Extraordinary Shareholders Meeting (“ESM”) held on September 24, 2014, approved the proposal for the split of common shares without par value issued by the Company, such that one (1) share will be represented by two (2) shares of the same type and with no change in the capital stock, which will be represented by one hundred seventy-nine million (179,000,000) common shares, all nominative and with no par value.

The rights of common shares resulting from the split, including holders of American Depositary Receipts, level 1, issued by the Company (“ADRs”) will remain unchanged in relation to the previous shareholder base. The ratio between the underlying shares and the ADRs remains at 1:1, where each ADR shall continue to be represented by one common share of the Company.

The shareholder base as on September 25, 2014 was considered as base date for the stock split of the common shares issued by the Company. Starting from September 26, 2014, the shares were traded ex-stock split. The split shares were automatically credited by the custodian bank Banco Itaú Unibanco S.A. to the accounts of shareholders on October 1, 2014.

The proposed stock split was aimed at broadening investors’ access to the Company’s shares, diversifying the shareholder base and increasing the liquidity of shares.

## Dividends and Interest on Equity

Eternit continues to be one of the publicly held corporations in Brazil delivering the highest returns to shareholders. In 2014, Eternit’s dividend yield<sup>2</sup> is already at 9.2%, with earnings distributed to shareholders amounting to R\$ 71.6 million.

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.

<sup>2</sup> Dividend yield = It is the result of dividing shareholder earnings (dividends + interest on equity) per share distributed in the fiscal year (payment base date) by the stock price quoted on the last trading day of the previous fiscal year.

Dividends Distribution (2012 to 2014)					
Approval Date	Type	Payment Start Date	Total Value R\$ 000	Value per Share (R\$)	
<b>2012</b>					
12/07/11 (*)	BDM	03/28/12	5,905	0.0330	
03/07/12 (*)	BDM	03/28/12	11,989	0.0670	
04/25/12	BDM	05/17/12	5,905	0.0330	
04/25/12	BDM	05/17/12	11,989	0.0670	
08/08/12	BDM	08/29/12	6,710	0.0375	
08/08/12	BDM	08/29/12	11,184	0.0625	
10/24/12	BDM	11/14/12	5,726	0.0320	
10/24/12	BDM	11/14/12	12,168	0.0680	
<b>Total</b>		-	<b>71,576</b>	<b>0.4000</b>	
<b>Closing Price</b>		-	-	<b>4.45</b>	
<b>Dividend Yield</b>		-	-	<b>9.0%</b>	
<b>2013</b>					
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	
<b>Total</b>		-	<b>71,577</b>	<b>0.4000</b>	
<b>Closing Price</b>		-	-	<b>4.05</b>	
<b>Dividend Yield</b>		-	-	<b>9.9%</b>	
<b>2014</b>					
11/12/13 (*)	BDM	04/02/14	5,458	0.0305	
03/06/13 (*)	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	
<b>Total</b>		-	<b>71,576</b>	<b>0.4000</b>	
<b>Closing Price</b>		-	-	<b>4.37</b>	
<b>Dividend Yield</b>		-	-	<b>9.2%</b>	

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

PS: Value per Share and Closing Prices adjusted after the stock split approved on 09/24/14.

## 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 66,000 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/portasabertas](http://www.eternit.com.br/portasabertas)).

## 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 9055/95, Decree 2,350/97 and the Regulatory Rules of the Ministry of Labor and Employment.

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

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

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

On 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.

### Public Interest Civil Actions

1) On August 21, 2014, the Labor Prosecution Office of the state of Rio de Janeiro filed Public Interest Civil Lawsuit (lawsuit no. 0011104-96.2014.5.01.0049) against the Company on issues related to working conditions and occupational illness. The final claims 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, on September 3, 2014, the Brazilian Association of People Exposed to Asbestos (ABREA/RJ) also filed a Public Interest Civil Action (case no. 0011169-91.2014.5.01.0049) that was forwarded to the Labor Courts of Rio de Janeiro given that it deals with the same facts claimed in the actions cited above. The defense for both lawsuits will be submitted in a timely manner.

2) On August 9, 2013, the Labor Prosecution Office (MPT) of the State of São Paulo filed a Public Interest Civil Action (case no. 0002106-72.2013.5.02.0009) against the Company about the same facts and subject-matter of the Public Interest Civil Action filed in 2004 (see suit below, item 3). Although the facts and subject-matter of the earlier and current actions are identical, this current action includes certain distinct claims, which include the payment by the company of R\$ 1 billion for collective pain and suffering to be deposited in the Workers' Support Fund (FAT).

In parallel, on October 4, 2013, the Brazilian Association of People Exposed to Asbestos (ABREA) also filed a Public Interest Civil Action (case no. 0002715-55.2013.5.02.0009) that was forwarded to the Labor Courts of São Paulo given that it deals with the same facts claimed in the actions cited above. The defense for both lawsuits has already been submitted and we are awaiting the court decision.

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

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

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

## Recognition

The numerous awards received over the past seven decades since its foundation are proof that the Company is serious about what it does for all its stakeholders. Following are the awards won by the Company in the third quarter of 2014:

**23<sup>rd</sup> ANAMACO Award** – Eternit received awards from the National Association of Construction Material Merchants (ANAMACO) in the following categories: a) Master award - fiber-cement roofing tiles; b) Large clients – 2<sup>nd</sup> place - fiber-cement roofing tiles; c) Diversification – 2<sup>nd</sup> place - fiber-cement roofing tiles with synthetic fibers; d) Diversification – honorable mention - bathroom chinaware; e) Large clients – honorable mention - bathroom chinaware; f) Diversification – honorable mention – ecofriendly tiles.

**Best Companies to Work for in 2014** – For the third consecutive time, Eternit was elected one of the Best Companies to Work for by Guia 2014 published by the Magazine Você S/A. SAMA Minerações Associadas, a subsidiary of Eternit, was also recognized for the seventh straight year by ranking first in the Diverse Industries segment and for Excellence in People Development.

**APIMEC Minas Gerais Capital Markets Award 2013** – the public meeting held by Eternit in Belo Horizonte was elected by Capital Market Professionals and Investors Association – Minas Gerais (APIMEC-MG) as the best meeting of 2013 held in the Minas Gerais region.

**SELO RA1000 ReclameAQUI®** – Eternit received the SELO RA 1000 ReclameAQUI® seal, created for companies with excellent customer service levels on the website ReclameAQUI®. Companies having this seal prove to their customers their commitment to after-sales service, increasing consumer confidence in the brand, products and services.

**HR Top Of Mind** – SAMA was elected the best company with recognized Environmental Management and Sustainability practices, in the 17<sup>th</sup> HR Top of Mind awards organized by Editora Fênix. The award identifies and recognizes companies and professionals best remembered in the human resources community in different practice categories conducted by various corporations that registered for the awards.

## Outlook

The Brazilian economy has registered slower growth this year compared to 2013 and the Central Bank (BACEN) believes that consumption should grow more moderately than in recent years, while investments and exports should gain momentum. According to the BACEN, the credit market continues its modest growth and points out that the pace at which such changes materialize, as well as any additional progress, depends on the strengthening of the confidence among the business community and households. The Bank also revised the forecast for GDP growth in 2014, from 2.0% at the start of the year to 0.24% (FOCUS report of BACEN dated October 31), and for the construction GDP growth from 1.1% to -5.1% (September edition of the Inflation Report).

Housing deficit in Brazil, which is estimated by the João Pinheiro Foundation at 5.8 million units (preliminary results), against 6.9 million in 2010, is formed by families that are burdened by excessively high rents and by the 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. According to a study by the Getulio Vargas Foundation (FGV), the reduction in housing deficit was driven by the support provided to families through the My Home, My Life program, and estimates that in 2024, with the growth of the population, the country will have approximately 16.4 million new families, of which 10 million will have family income of up to three minimum wages. The FGV study also highlights that zeroing the housing deficit will require investments of approximately R\$ 760 billion in low-income housing over the course of ten years.

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

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

The guidelines of the Program are: (i) organic growth to expand its current capacities to sell more of the same; (ii) diversified organic growth, with the objective of including new products in the Company's portfolio, drawing

on the capacity of third parties or on product development; and (iii) inorganic growth, with the objective of acquiring companies in the construction materials segment.

Companhia Sulamericana de Cerâmica (CSC), the first bathroom chinaware plant at the multiproduct unit in Ceará, started its operations in 2014. Because it is a greenfield project, the production follows a certain cadence, achievement of progress targets and growth of the ramp up.

According to ANAMACO, growth expectations for construction material retail sales in 4Q14 are positive, associated to the outlook of sales increase, which historically happens at the end of the year due to the proximity of year-end festivities.

Management believes it is important to bear in mind the current situation in the Brazilian economy, with weak GDP growth and high inflation rates, as well as the political scenario, strongly marked by the elections that took place in the third quarter. In this context, these are the main challenges to be faced by the country and the Company's industry: competition conditions in the Brazilian industry against infrastructure bottlenecks and exchange appreciation, job creation and income distribution, as well as the importance for the country to reinforce its commitment to sustainable economic policies, imperative for maintaining macroeconomic predictability and increase the level of trust of businessmen and consumers.

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** hereby invites you to participate in the announcement of its results for the third quarter of 2014.

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

Date: Friday, November 7, 2014

Time: 2:00 p.m. - Brasília - 11:00 a.m. - New York - 4:00 p.m. - London

The presentation, which is accompanied by slides, can be viewed online by registering at [www.ccall.com.br/eternit/3q14.htm](http://www.ccall.com.br/eternit/3q14.htm) or at Eternit's investor relations website: [www.eternit.com.br/ir](http://www.eternit.com.br/ir)

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

Playback: A recording of the call will be available from **November 7, 2014 to November 13, 2014**

Dial-in: **(55-11) 3193-1012 or 2820-4012** - Password for participants: **7174638 #**

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<b>ETERNIT S.A.</b>				
<b>Balance Sheet</b>				
Corporate Law (R\$ '000)				
<b>ASSETS</b>	<b>Parent Company</b>		<b>Consolidated</b>	
	09/30/14	12/31/13	09/30/14	12/31/13
<b>Current</b>	<b>226,630</b>	<b>227,911</b>	<b>409,538</b>	<b>389,943</b>
Cash and cash equivalents	353	9,516	5,590	13,295
Short-term investments	12,029	9,897	36,525	35,661
Accounts receivable	86,385	69,774	182,794	160,389
Related parties	31,351	31,615	9,287	9,780
Inventories	84,077	85,833	153,403	141,944
Recoverable taxes	5,954	16,542	10,169	19,648
Other current asset	6,481	4,734	11,770	9,226
<b>Non-current</b>	<b>474,722</b>	<b>467,026</b>	<b>488,865</b>	<b>443,689</b>
Related parties	18,423	9,723	4,194	2,018
Deferred income and social contribution taxes	23,291	24,037	53,912	55,112
Recoverable taxes	22,674	22,219	24,517	25,022
Judicial deposits	7,954	8,819	14,573	15,536
Investments	253,872	247,729	31,109	36,032
Plant, property and equipment, net	141,642	149,425	327,909	279,064
Intangible assets	6,526	4,584	30,567	28,676
Other non-current asset	340	490	2,084	2,229
<b>Total assets</b>	<b>701,352</b>	<b>694,937</b>	<b>898,403</b>	<b>833,632</b>

<b>LIABILITIES AND EQUITY</b>	<b>Parent Company</b>		<b>Consolidated</b>	
	09/30/14	12/31/13	09/30/14	12/31/13
<b>Current Liabilities</b>	<b>89,268</b>	<b>88,826</b>	<b>207,358</b>	<b>193,082</b>
Trade accounts payable	21,354	22,444	38,691	39,293
Related parties	9,193	7,243	-	-
Loans and financing	3,881	8,944	66,541	56,881
Taxes, charges and contributions payable	13,974	12,226	32,760	34,015
Provision and social charges	16,574	12,980	33,546	28,009
Dividends and interest on equity payable	17,724	17,881	17,724	17,881
Provision for future benefits to former employees	2,174	2,174	3,861	3,861
Other current liabilities	4,394	4,934	14,235	13,142
<b>Non-Current</b>	<b>97,728</b>	<b>99,998</b>	<b>176,673</b>	<b>134,421</b>
Loans and financing	6,445	14,368	60,045	25,799
Related parties	31,036	29,108	-	-
Provision for future benefits to former employees	24,503	23,710	35,228	34,527
Provision for civil, tax and labor contingencies	25,416	25,115	57,612	54,659
Deferred income and social contribution taxes	10,328	7,697	13,026	9,432
Environmental restoration of degraded mining areas	-	-	10,461	9,726
Other non-current liabilities	-	-	301	278
<b>Equity</b>	<b>514,356</b>	<b>506,113</b>	<b>514,372</b>	<b>506,129</b>
Capital	334,251	334,251	334,251	334,251
Capital reserve	19,672	19,672	19,672	19,672
Treasury stock	(174)	(174)	(174)	(174)
Other Comprehensive Income	(3,443)	(3,443)	(3,443)	(3,443)
Income reserves	164,050	155,807	164,050	155,807
<b>Net equity attributable to non-minority shareholders</b>	<b>514,356</b>	<b>506,113</b>	<b>514,356</b>	<b>506,113</b>
Minority shareholders	-	-	16	16
<b>Total Liabilities and equity</b>	<b>701,352</b>	<b>694,937</b>	<b>898,403</b>	<b>833,632</b>



**ETERNIT S.A. (PARENT COMPANY)**
**Income Statements**

Corporate Law

R\$ '000	3rd Quarter			Accum. 9 Months		
	2014	2013	% Chg.	2014	2013	% Chg.
<b>Gross revenues</b>	<b>181,916</b>	<b>182,694</b>	<b>(0.4)</b>	<b>496,474</b>	<b>507,746</b>	<b>(2.2)</b>
Gross revenues deductions	(47,459)	(48,328)	(1.8)	(129,576)	(133,430)	(2.9)
<b>Net revenues</b>	<b>134,457</b>	<b>134,366</b>	<b>0.1</b>	<b>366,898</b>	<b>374,316</b>	<b>(2.0)</b>
Cost of products sold	(97,794)	(98,679)	(0.9)	(269,976)	(273,453)	(1.3)
<b>Gross profit</b>	<b>36,663</b>	<b>35,687</b>	<b>2.7</b>	<b>96,922</b>	<b>100,863</b>	<b>(3.9)</b>
<i>Gross margin</i>	<i>27%</i>	<i>27%</i>		<i>26%</i>	<i>27%</i>	
<b>Operating revenues (expenses)</b>	<b>(27,761)</b>	<b>(31,149)</b>	<b>(10.9)</b>	<b>(83,527)</b>	<b>(89,112)</b>	<b>(6.3)</b>
Sales	(15,070)	(14,529)	3.7	(44,468)	(43,030)	3.3
General and administrative	(13,426)	(16,052)	(16.4)	(38,836)	(43,167)	(10.0)
Other operating (expenses) revenues, net	735	(568)	-	(223)	(2,916)	(92.3)
<b>Operating income before equity income (EBIT)</b>	<b>8,902</b>	<b>4,538</b>	<b>96.2</b>	<b>13,395</b>	<b>11,751</b>	<b>14.0</b>
<i>EBIT margin</i>	<i>7%</i>	<i>3%</i>		<i>4%</i>	<i>3%</i>	
Equity pickup	13,590	24,361	(44.2)	47,930	66,413	(27.8)
<b>Operating income before financial expenses (EBIT)</b>	<b>22,492</b>	<b>28,899</b>	<b>(22.2)</b>	<b>61,325</b>	<b>78,163</b>	<b>(21.5)</b>
<b>Net financial income</b>	<b>(521)</b>	<b>(1,046)</b>	<b>(50.2)</b>	<b>1,393</b>	<b>(2,471)</b>	<b>-</b>
Financial expenses	(4,229)	(6,235)	(32.2)	(14,290)	(12,967)	10.2
Financial income	3,708	5,189	(28.5)	15,683	10,496	49.4
<b>Income before tax and social contribution</b>	<b>21,971</b>	<b>27,853</b>	<b>(21.1)</b>	<b>62,718</b>	<b>75,692</b>	<b>(17.1)</b>
Current	(47)	(544)	(91.4)	(47)	(544)	(91.4)
Deferred	(1,616)	1,061	-	(746)	1,834	-
<b>Net income</b>	<b>20,308</b>	<b>28,370</b>	<b>(28.4)</b>	<b>61,925</b>	<b>76,982</b>	<b>(19.6)</b>
<i>Net margin</i>	<i>15%</i>	<i>21%</i>		<i>17%</i>	<i>21%</i>	
Earnings per share - R\$	0.11	0.32		0.35	0.86	
<b>EBITDA</b>	<b>25,457</b>	<b>31,593</b>	<b>(19.4)</b>	<b>70,096</b>	<b>86,374</b>	<b>(18.8)</b>
<i>EBITDA margin</i>	<i>19%</i>	<i>24%</i>		<i>19%</i>	<i>23%</i>	

**ETERNIT S.A. (CONSOLIDATED)**
**Income Statements**

Corporate Law

R\$ '000	3rd Quarter			Accum. 9 Months		
	2014	2013	% Chg.	2014	2013	% Chg.
<b>Gross revenues</b>	<b>320,357</b>	<b>322,395</b>	<b>(0.6)</b>	<b>909,225</b>	<b>901,524</b>	<b>0.9</b>
Gross revenues deductions	(70,087)	(71,024)	(1.3)	(194,635)	(197,390)	(1.4)
<b>Net revenues</b>	<b>250,270</b>	<b>251,371</b>	<b>(0.4)</b>	<b>714,590</b>	<b>704,134</b>	<b>1.5</b>
Cost of products sold	(154,878)	(148,468)	4.3	(438,978)	(417,757)	5.1
<b>Gross profit</b>	<b>95,392</b>	<b>102,903</b>	<b>(7.3)</b>	<b>275,612</b>	<b>286,377</b>	<b>(3.8)</b>
<i>Gross margin</i>	<i>38%</i>	<i>41%</i>		<i>39%</i>	<i>41%</i>	
<b>Operating revenues (expenses)</b>	<b>(60,675)</b>	<b>(59,507)</b>	<b>2.0</b>	<b>(179,045)</b>	<b>(172,507)</b>	<b>3.8</b>
Sales	(29,787)	(28,533)	4.4	(87,712)	(84,741)	3.5
General and administrative	(31,365)	(30,848)	1.7	(91,169)	(84,866)	7.4
Other operating (expenses) revenues, net	477	(126)	-	(164)	(2,900)	(94.3)
<b>Operating income before equity income (EBIT)</b>	<b>34,717</b>	<b>43,396</b>	<b>(20.0)</b>	<b>96,567</b>	<b>113,870</b>	<b>(15.2)</b>
<i>EBIT margin</i>	<i>14%</i>	<i>17%</i>		<i>14%</i>	<i>16%</i>	
Equity income	(2,321)	(2,053)	13.1	(4,923)	(3,795)	29.7
<b>Operating income before financial expenses (EBIT*)</b>	<b>32,396</b>	<b>41,343</b>	<b>(21.6)</b>	<b>91,644</b>	<b>110,075</b>	<b>(16.7)</b>
<b>Net financial income</b>	<b>(175)</b>	<b>(798)</b>	<b>(78.0)</b>	<b>1,836</b>	<b>(2,567)</b>	<b>-</b>
Financial expenses	(13,347)	(15,529)	(14.0)	(36,779)	(36,485)	0.8
Financial income	13,172	14,731	(10.6)	38,615	33,918	13.8
<b>Income before tax and social contribution</b>	<b>32,221</b>	<b>40,545</b>	<b>(20.5)</b>	<b>93,480</b>	<b>107,508</b>	<b>(13.0)</b>
Current	(11,046)	(14,097)	(21.6)	(30,356)	(34,656)	(12.4)
Deferred	(867)	1,921	-	(1,199)	4,130	-
<b>Net income</b>	<b>20,308</b>	<b>28,369</b>	<b>(28.4)</b>	<b>61,925</b>	<b>76,982</b>	<b>(19.6)</b>
<i>Net margin</i>	<i>8%</i>	<i>11%</i>		<i>9%</i>	<i>11%</i>	
Earnings per share - R\$	0.11	0.32		0.35	0.86	
<b>EBITDA</b>	<b>41,864</b>	<b>49,294</b>	<b>(15.1)</b>	<b>119,581</b>	<b>135,711</b>	<b>(11.9)</b>
<i>EBITDA margin</i>	<i>17%</i>	<i>20%</i>		<i>17%</i>	<i>19%</i>	

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

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

<b>ETERNIT S.A.</b>				
<b>STATEMENTS OF CASH FLOW</b>				
Corporate Law				
<b>R\$ '000 - Accumulated</b>	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/14</b>	<b>30/09/13</b>	<b>09/30/14</b>	<b>30/09/13</b>
<b>Operating activities:</b>				
<b>Income before income and social contribution taxes</b>	<b>62,718</b>	<b>75,692</b>	<b>93,480</b>	<b>107,508</b>
<b>Adjustments to reconcile pre-tax income with net cash provided by operating activities:</b>				
Equity pickup	(47,930)	(66,413)	4,923	3,795
Depreciation and amortization	8,771	8,211	27,936	25,636
Gain (loss) from disposal of permanent assets	(130)	(65)	(265)	(106)
Provision for impairment losses on accounts receivable	446	284	1,038	623
Provision for civil, tax and labor contingencies	2,077	3,064	4,729	4,481
Provision (reversal) for sundry losses	564	2,118	1,410	3,676
Financial charges, monetary changes and foreign exchange variation	1,077	1,526	1,359	(198)
Short-term investment yield	(1,559)	(1,814)	(3,570)	(3,303)
Net changes in prepaid expenses	1,206	1,165	1,345	1,647
	<b>27,240</b>	<b>23,768</b>	<b>132,385</b>	<b>143,759</b>
<b>(Increase) decrease in operating assets:</b>				
Trade accounts receivable	(17,231)	(7,220)	(24,001)	(2,948)
Related parties receivable	680	519	493	-
Inventories	2,173	(16,289)	(10,920)	(29,809)
Recoverable taxes	11,531	(1,136)	10,709	(2,030)
Judicial deposits	(911)	(2,091)	(813)	(2,228)
Received dividends	57,252	56,213	-	-
Other assets	(2,662)	(2,470)	(4,055)	(4,822)
<b>Increase (decrease) in operating liabilities</b>				
Trade accounts payable	(1,104)	(583)	(557)	1,502
Related parties payable	1,950	(1,194)	-	-
Taxes, charges and contribution payable	3,125	2,688	3,256	3,763
Provisions and social charges	3,594	179	5,537	(64)
Other liabilities	(597)	1,394	1,391	3,040
Interest paid	(471)	(231)	(1,058)	(360)
Income and social contribution taxes paid	-	(59)	(32,545)	(36,049)
<b>Net cash flow from operating activities</b>	<b>84,569</b>	<b>53,488</b>	<b>79,822</b>	<b>73,754</b>
<b>Cash flow from investment activities</b>				
Additions to property, plant and equipment and intangible assets	(17,689)	(29,063)	(78,980)	(45,704)
Loan from related party receivable	(8,700)	(404)	(2,176)	-
Cash receipt from the sale of property, plant & equipment	241	354	398	415
Capital increase in subsidiaries	(16,498)	(24,519)	-	(24,519)
Short-term investments	(85,000)	(87,183)	(226,153)	(213,451)
Redemptions from short-term investments	84,427	127,436	228,859	264,622
<b>Net cash flow from investment activities</b>	<b>(43,219)</b>	<b>(13,379)</b>	<b>(78,052)</b>	<b>(18,637)</b>
<b>Cash flow from financing activities</b>				
Loans and financing raised	7,085	13,283	186,994	124,267
Loan with related party	(340)	(229)	-	-
Amortization of loans and financing	(5,346)	(268)	(144,557)	(135,885)
Payment of dividends and interest on equity	(51,912)	(51,882)	(51,912)	(51,882)
<b>Net cash flow from financing activities</b>	<b>(50,513)</b>	<b>(39,096)</b>	<b>(9,475)</b>	<b>(63,500)</b>
<b>Increase (decrease) in cash and equivalents</b>	<b>(9,163)</b>	<b>1,013</b>	<b>(7,705)</b>	<b>(8,383)</b>
<b>Cash and equivalents:</b>				
At the beginning of the year	9,516	3,852	13,295	16,656
At the end of the year	353	4,865	5,590	8,273
	<b>(9,163)</b>	<b>1,013</b>	<b>(7,705)</b>	<b>(8,383)</b>