

Cimento Tupi S.A.

Interim financial information Periods ended September 30, 2018 and 2017 (In thousands of Brazilian Reais)

The Company presents next the result of its operational performance.

CEMENT MARKET

The sale of cement in this period recorded a reduction of 15 thousand tonnes when compared with the same period of 2017. For 2018 and 2017, there was no sale of clinker.

	Quantity shipped in thousand/t	
	Jan to Sept 2018	Jan to Sept 2017
Cement (ton)	892	907

OPERATING REVENUE

The Company's net revenue reached R\$ 165,435, against R\$ 166,535 in the same period of 2017, which represents a reduction of 0.66%.

GROSS PROFIT AND EBITDA

The Company reported gross profit, after deduction of costs in the amount of R\$ 81. In the same period in 2017, it had loss of R\$ 2,600. The Company's EBITDA was negative by R\$ 9,598, after the deduction of non-recurring revenues and expenses, as stated in the table below:

	Jan to Sept 2018	Jan to Sept 2017
Gross profit	81	(2,600)
Selling Expenses	(8,271)	(8,606)
General and Administrative Expenses	(20,389)	(22,555)
Other Operating Revenues (Expenses)	4,218	(264)
Operating Income (Loss)*	(24,361)	(34,025)
Depreciation, Amortization and Depletion	16,290	16,190
Non-recurring Expenses (Revenues)	(1,526)	1,158
EBITDA	(9,597)	(16,677)

*Before financial revenues and expenses

GENERAL AND ADMINISTRATIVE EXPENSES

For this period the Company reported expenses of R\$ 20,389 against R\$ 22,555 in the same period of 2017, a decrease of R\$ 2,166.

FINANCIAL LIABILITIES

The Company reported net debt of R\$ 1,369,180 in this period of 2018 and R\$ 1,029,006 in the same period of 2017. The increase in exchange rate and no payment of interest were responsible for the increase in foreign currency debt. The reclassification to short term was due to the accounting practice adopted resulting from the process of debt restructuring of the Company.

	Jan to Sept 2018	Jan to Sept 2017
Short Term		
Bank Indebtedness		
Local Currency	253,465	234,277
Foreign Currency *	1,117,641	804,127
Total	1,371,106	1,038,404
Long Term		
Bank Indebtedness		
Local Currency	-	-
Foreign Currency *	-	-
Total	-	-
Total debt (net of fund raising cost)		
Local Currency	253,073	233,441
Foreign Currency	1,117,641	801,587
Total	1,370,714	1,035,028
Cash and cash equivalents	1,534	6,022
Net debt	1,369,180	1,029,006
* Exchange rate losses included in foreign currency loans (principal).	(424,921)	(257,415)

DEBT RENEGOTIATION

The Company's management contracted as financial advisor the company N M Rothschild & Sons (Brazil) Limitada to assist it in the discussion and renegotiation of debts in local and foreign currencies with its creditors.

Until the date of disclosure of the Financial Statements for the period ended September 30, 2018, the Company entered into agreements for the renegotiation of debts in local currency with the banks Alfa, Banco CCB Brasil, ABC Brasil, Credit Suisse, Fibra, and is still negotiating terms with Banco de Desenvolvimento de Minas Gerais – BDMG.

Most part of the renegotiated debts had their payment flow and maturities extended from between August 2015 and March 2016 to December 2018 and November 2020.

The Company's Management and Rothschild have been discussing with the remaining creditors of Cimento Tupi new terms and conditions that would allow adjusting the Company's cash flow to its new debt profile.

The Company also has some non-operating assets, such as mines in Adrianópolis, Formosa, and Mossoró, whose disposal in the reorganization process is being evaluated by Management.