

DEAR SHAREHOLDERS:

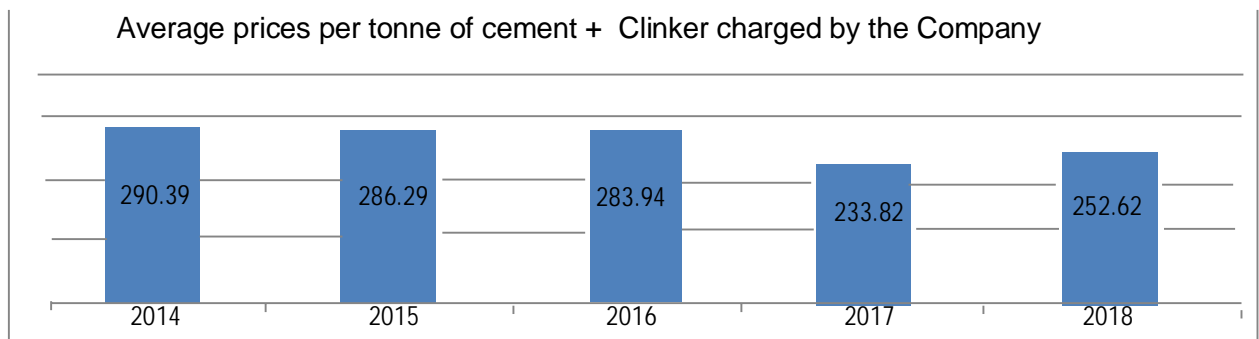
Cimento Tupi S.A. (“Company”), in compliance with the statutory requirements, submits to Messrs. shareholders the management report and the financial statements for the year ended December 31, 2018.

1 - DESCRIPTION OF THE BUSINESS

The Company is engaged in manufacturing cement and mortars of all types in its manufacturing plants located in Volta Redonda - RJ, Pedra do Sino - MG and Mogi das Cruzes - SP, mining mineral reserves and using substances extracted during cement manufacturing, providing concreting services and holding interest in other companies.

2 - CEMENT MARKET

The decline in cement demand in the country contributed to reduce prices charged by the Company between 2014 and 2017. In 2018, we found recovery in average sales prices compared to 2017, due to the decrease in construction as a result of the Brazilian economic crisis.

**3 THE COMPANY'S BUSINESS PERFORMANCE**

In 2018, the Company reported a decrease in volume sold in relation to 2017. This decrease was mainly due to the reduction of the domestic economy and consequent drop in the cement market.

ORDER OF CEMENT PER REGION in thousand/t		
	2018	2017
Cement (tonne)	1,181	1,202

4 - CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE OF THE COMPANY

Operating revenue

The Company's net revenue was R\$ 218,374 thousand in 2018, against R\$ 215,777 thousand in 2017, representing an increase of 1.20%.

GROSS PROFIT AND EBITDA

The consolidated gross loss of the Company in 2018 was R\$ (657) thousand, against a consolidated loss in 2017 amounting to R\$ (2,985) thousand. In 2018, Ebitda amounted to R\$ (18,566) thousand and in 2017 it amounted to R\$ (21,896).

	(R\$ million)	2018	2017
Gross profit		(1)	(3)
Selling expenses		(11)	(11)
General and administrative expenses		(21)	(25)
Management fees		(5)	(5)
Other Operating Revenues (Expenses)		2	12
Operating profit*		(36)	(32)
Depreciation, Amortization and Depletion		21	21
Non-recurring Expenses (Revenues)		(3)	(10)
EBITDA		(18)	(21)

*Before financial revenues and expenses

Income for the year

In 2018, the Company reported losses amounting to R\$ (288,170) thousand, due to the increase in financial expenses mainly on exchange rate gains (loss).

5 - INVESTMENTS

The Company had investment expenses in 2018 amounting to R\$ 5,353 thousand, of which R\$ 4,827 was in the production line, and R\$ 526 in other areas.

6 - General and administrative expenses

In 2015, the company began restructuring process of its debts with creditors in domestic and foreign currency, and contracted N M Rothschild & Sons (Brazil) Limited to assist it. In 2018, the Company had non-recurring expenses (including this process) in the amount of R\$ 803.

7 - RELATION WITH EXTERNAL AUDIT

In compliance with CVM Instruction No. 381/2003, the Company informs that the audit company BDO RCS Auditores Independentes SS only rendered services related to the external audit during 2018.

Management