

Cimento Tupi S.A.

Interim financial information

For the periods ended March 31, 2019 and 2018

(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 slight reduction of 11 tonnes in comparison with the same period in 2018. For 2019 and 2018, there was no sale of clinker.

	Quantity shipped in thousand/t	
	1st Quarter of 2019	1st Quarter of 2018
Cement (tonne)	279	290

OPERATING REVENUE

The Company's net revenue reached R\$ 51,090, against R\$ 49,104 in the same period of 2018, which represents an increase of 4.04%.

GROSS PROFIT AND EBITDA

The Company reported losses, after deduction of costs in the amount of R\$ 6,074. In the same period of 2018, it had losses of R\$ 3,452. The Company's EBITDA was negative by R\$ 10,815, after the deduction of nonrecurring revenues and expenses, as stated in the table below:

	1st Quarter of 2019	1st Quarter of 2018
Gross profit	(6,074)	(3,452)
Selling expenses	(2,670)	(2,243)
General and administrative expenses	(6,768)	(6,752)
Other operating revenues (expenses)	(1,498)	2,642
Operating income (loss)*	(17,010)	(9,805)
Depreciation, amortization and depletion	5,410	5,413
Nonrecurring expenses (revenues)	785	(747)
EBITDA	(10,815)	(5,139)

*Before financial revenues and expenses

GENERAL AND ADMINISTRATIVE EXPENSES

For this period, the Company reported expenses of R\$ 6,768 against R\$ 6,752 in the same period of 2018.

FINANCIAL LIABILITIES

This period of 2019, the Company presented a net debt of R\$ 1,944,987 and, in the same period of 2018, it amounted to R\$ 1,126,175, already considering the first quarter of 2019 and the merger of its parent company Cimento Santo Estevão e Participações S.A. in December 2018. The debt assumption of its merged company, the increase in exchange rate and the nonpayment of interest are the factors responsible for the increase in the debt in foreign currency.

	1st Quarter of 2019	1st Quarter of 2018
Short term		
Bank indebtedness		
Domestic currency	261,799	243,096
Foreign currency *	1,157,138	884,046
Total	1,418,937	1,127,142
Long term		
Bank indebtedness		
Domestic currency	22,313	-
Foreign currency *	505,413	-
Total	527,726	-
Total debt (net of fund raising cost)		
Domestic currency	284,112	243,096
Foreign Currency	1,662,551	884,046
Total	1,946,663	1,127,142
Cash and cash equivalents	1,676	967
Net debt	1,944,987	1,126,175
* Exchange rate losses included in foreign currency loans (principal).	(406,116)	(309,166)

DEBT RENEGOTIATION

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

The Company's Management and its financial advisors 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.