

Cimento Tupi S.A.

Interim financial information For the periods ended June 30, 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 an increase of 16 tonnes compared with the same period of 2018.

	Quantity shipped in thousand/t	
	1st half of 2019	1st half of 2018
Cement (tonne)	614	598
Clinker (tonne)	2	-

OPERATING REVENUE

The Company's net revenue reached R\$ 111,913, against R\$ 109,506 in the same period of 2018, which represents an increase of 2.20%.

GROSS PROFIT AND EBITDA

The Company reported losses, after deduction of costs in the amount of R\$ 6,239. In the same period of 2018, it had losses of R\$ 362. The Company's EBITDA was negative by R\$ 8,531, after the deduction of nonrecurring revenues and expenses, as stated in the table below:

	1st half of 2019	1st half of 2018
Gross profit	(6,239)	(362)
Selling expenses	(6,783)	(5,516)
General and administrative expenses	(16,441)	(13,958)
Other operating revenues (expenses)	36,530	4,875
Operating income (loss)*	7,067	(14,961)
Depreciation, amortization and depletion	10,858	10,857
Nonrecurring expenses (revenues)	(26,456)	(2,467)
EBITDA	(8,531)	(6,571)

*Before financial revenues and expenses

GENERAL AND ADMINISTRATIVE EXPENSES

For this period, the Company reported expenses of R\$ 16,441 against R\$ 13,958 in the same period of 2018.

FINANCIAL LIABILITIES

In this period of 2019, the Company presented net debt of R\$ 1,971,585 and, in the same period of 2018, of R\$ 1,292,593, already considering 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 half of 2019	1st half of 2018
Short term		
Bank indebtedness		
Local currency	275,035	247,724
Foreign currency *	1,154,376	1,049,270
Total	1,429,411	1,296,994
Long term		
Bank indebtedness		
Local currency	22,654	-
Foreign currency *	524,500	-
Total	547,154	-
Total debt (net of fund raising cost)		
Local currency	297,483	247,270
Foreign Currency	1,678,876	1,049,270
Total	1,976,359	1,296,540
Cash and cash equivalents	4,774	3,947
Net debt	1,971,585	1,292,593
* Exchange rate losses included in foreign currency loans (principal).	(390,509)	(395,244)

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 May 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.