

(Convenience translation into English from the original previously issued in Portuguese)

CIMENTO TUPI S.A.

Independent auditor's review report

Individual and consolidated interim
financial information
As at June 30, 2019

CIMENTO TUPI S.A.

Individual and consolidated interim financial information
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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the
Shareholders and Management of
Cimento Tupi S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the individual and consolidated interim financial information of Cimento Tupi S.A. ("Company") and controlled companies, for the quarter ended June 30, 2019, which comprises the statement of financial position as at June 30, 2019 and the respective statements of operations and comprehensive income (loss) for the three- and six-month periods then ended, and of changes in equity (deficit) and cash flows for the six-month period then ended, as well as the corresponding notes to the financial information, including a summary of significant accounting policies.

The Company's management is responsible for the preparation of this individual and consolidated interim financial information in accordance with Brazilian accounting practices. Our responsibility is to express a conclusion on this individual and consolidated interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and international review standards. An interim review consists principally of applying analytical and other review procedures, and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

Basis for qualified conclusion on the individual and consolidated interim financial information

Deferred Income and Social Contribution Taxes

As mentioned in Note 18, the Company has the amount of R\$ 135,285 thousand recorded under the caption Deferred Income and Social Contribution Taxes, of which the amounts of R\$ 99,475 thousand and R\$ 35,810 thousand, respectively, refer to deferred Income and Social Contribution Taxes recognized on Income and Social Contribution tax losses. As required by Technical Pronouncement No. 32 (CPC 32), the Company shall recognize a deferred tax asset as it is probable the existence of taxable income against which the mentioned asset can be used. The Company's Management presented a feasibility study on the realization of these credits considering assumptions of future cash generation different by R\$ 80,194 thousand from those usually adopted in the market.

Therefore, given the circumstances, we were unable to conclude on the realization of the respective amounts, as well as on the possible effects that may affect the individual and consolidated financial information.

Qualified conclusion on the individual and consolidated interim financial information

Based on our review, except for the effects of the matter described in the section “Basis for qualified conclusion on the individual and consolidated interim financial information” we are not aware of any fact which would lead us to believe that the interim financial information does not present fairly, in all material respects, the financial position of the Company, as at June 30, 2019, its financial performance and its cash flows for the six-month period then ended in accordance with Brazilian accounting practices.

Emphasis

Going concern

We draw attention to Notes 1 and 13, which indicate that the Company did not pay the interest of certain debts during 2015, 2016, 2017, 2018 and in the first half of 2019, thus allowing the creditors to declare these debts as overdue.

The amount of these debts that may be considered overdue was classified in current liabilities as at June 30, 2019, in the amount of R\$ 1,429,205 thousand. On that date, consolidated current liabilities exceeded consolidated current assets by R\$ 1,414,729 thousand and consolidated equity is negative in the amount of R\$ 1,263,849 thousand in the quarter then ended. These conditions indicate significant uncertainties which may raise relevant doubt regarding the Company's going concern. The interim financial information was prepared assuming the Company's continuity as going concern, which is directly related to the success in the implementation of the plans and renegotiation of the terms to pay the debts mentioned in Note 1. The interim financial information has no adjustments to cover the noncontinuity of the Company as a going concern. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

We have also reviewed the Statements of Value Added for the six-month period ended June 30, 2019, prepared under the responsibility of the Company's Management, whose presentation in the interim financial information is not required by the Brazilian Corporate law for closely-held companies, which does not require the presentation of the statement of value added. These statements were submitted to the same review procedures previously described and based on our review, we are not aware of any fact that would lead us to believe that they have not been fairly stated, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

Audit and review of the previous year's and quarter's amounts

The interim financial information mentioned in the first paragraph includes financial information corresponding to income (loss), comprehensive income (loss), changes in equity, cash flows and added value for the quarter ended June 30, 2018, obtained from the quarterly information of that comparative quarter, and to the statements of financial position as at December 31, 2018, obtained from the financial information as at December 31, 2018, presented for comparison purposes.



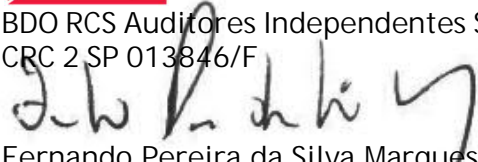
The review of the quarterly information for the six-month period ended June 30, 2018, and the audit of financial information for the year ended December 31, 2018, were conducted under our responsibility, and our report thereon, dated August 10, 2018 and June 24, 2019, respectively, included paragraphs on material uncertainty as to going concern and was qualified regarding external confirmations and deferred Income and Social Contribution Taxes on the financial statements as at December 31, 2018.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, September 16, 2019.



BDO RCS Auditores Independentes SS
CRC 2 SP 013846/F


Fernando Pereira da Silva Marques
Accountant CRC 1 RJ 092490/O-3

Cimento Tupi S.A.

Statements of financial position As at June 30, 2019 and December 31, 2018 (In thousands of Brazilian Reais)

	Parent company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Assets				
Current				
Cash and cash equivalents (Note 5)	492	1,451	4,774	2,376
Accounts receivable (Note 6)	22,310	17,094	22,310	17,111
Inventories (Note 7)	42,281	38,573	59,790	56,124
Recoverable taxes (Note 8)	10,263	9,509	11,014	10,252
Notes receivables (Note 9)	4,303	-	7,746	3,386
Advances to suppliers	1,116	1,011	1,824	1,584
Receivables from third parties	13,403	4,260	13,403	4,260
Other current assets	1,293	1,146	1,861	1,666
Total current assets	95,461	73,044	122,722	96,759
Noncurrent				
Notes receivables (Note 9)	6,242	6,035	6,242	6,035
Receivables from third parties	1,949	1,949	1,949	1,949
Related-party transactions (Note 14)	4,779	-	-	-
Recoverable taxes (Note 8)	5,774	5,588	5,774	5,588
Deferred income and social contribution taxes (Note 18)	56,247	61,146	56,247	61,146
Court deposits (Note 19)	9,410	8,870	9,532	9,063
Investments				
Subsidiaries (Note 10)	81,837	82,741	-	-
Other investments	-	-	249	249
Fixed assets (Note 11)	550,848	557,884	577,154	585,058
Intangible assets (Note 16)	129,189	129,290	149,940	149,819
Total noncurrent assets	846,275	853,503	807,087	818,907
Total assets	941,736	926,547	929,809	915,666

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of financial position As at June 30, 2019 and December 31, 2018 (In thousands of Brazilian Reais)

	Parent company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Liabilities				
Current				
Loans and financing (Note 13)	1,429,205	1,376,801	1,429,205	1,376,801
Trade accounts payable	26,040	26,146	25,122	27,568
Salaries and social charges	17,273	12,935	18,320	13,480
Income and Social Contribution taxes payable	-	-	10	11
Accounts payable - Related parties (Note 14)	16,103	16,173	-	-
Taxes payable (Note 16)	29,307	72,434	30,584	73,229
Taxes in installments (Note 15)	22,434	12,860	23,083	13,327
Notes payable	-	890	-	890
Other accounts payable	11,106	5,653	11,127	5,673
Total current liabilities	1,551,468	1,523,892	1,537,451	1,510,979
Noncurrent				
Loans and financing (Note 13)	553,699	488,774	553,699	488,774
Taxes in installments (Note 15)	94,374	18,461	96,414	19,872
Provision for contingencies (Note 19)	709	709	709	709
Other accounts payable	5,385	5,385	5,385	5,956
Total noncurrent liabilities	654,167	513,329	656,207	515,311
Equity (Note 17)				
Capital stock	298,809	298,809	298,809	298,809
Capital reserves	11,685	11,685	11,685	11,685
Accumulated losses	(1,574,393)	(1,421,168)	(1,574,393)	(1,421,168)
Total equity attributable to controlling shareholders	(1,263,899)	(1,110,674)	(1,263,899)	(1,110,674)
Non-controlling interest	-	-	50	50
Total equity	(1,263,899)	(1,110,674)	(1,263,849)	(1,110,624)
Total liabilities and equity	941,736	926,547	929,809	915,666

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of operations

Six-month periods ended June 30, 2019 and 2018

(In thousands of Brazilian Reais, except earnings/losses per share stated in Brazilian Reais)

	Parent company		Consolidated	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Net operating revenue (Note 22)	114,378	108,346	111,913	109,506
Cost of products sold	(120,028)	(111,207)	(118,152)	(109,868)
Gross loss	(5,650)	(2,861)	(6,239)	(362)
Operating expenses				
Selling	(6,783)	(5,516)	(6,783)	(5,516)
General and administrative (Note 23)	(16,058)	(13,209)	(16,441)	(13,958)
Other operating revenues (expenses), net (Note 24)	36,435	1,903	36,530	4,875
	13,594	(16,822)	13,306	(14,599)
Operating income (loss) before equity in earnings (losses) of subsidiaries and financial income (loss)	7,944	(19,683)	7,067	(14,961)
Equity in earnings (losses) of subsidiaries (Note 10)	(904)	3,815	-	-
Financial income (loss) (Note 25)				
Financial expenses	(168,455)	(210,440)	(168,548)	(210,549)
Financial revenues	13,090	958	13,180	1,174
	(155,365)	(209,482)	(155,368)	(209,375)
Income (loss) before Income and Social Contribution taxes	(148,325)	(225,350)	(148,301)	(224,336)
Income and Social Contribution Taxes (Note 18)	(4,900)	(1,644)	(4,924)	(2,349)
Minority interest	-	-	-	(309)
Loss for the six-month period	(153,225)	(226,994)	(153,225)	(226,994)
Loss attributable to:				
Controlling shareholder	(153,225)	(226,994)	(153,225)	(226,685)
Noncontrolling shareholder	-	-	-	(309)
Basic and diluted losses per share (Note 17)				
Preferred shares	(6.4967)	(150.0291)	-	-
Common shares	(6.4967)	(150.0291)	-	-

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of operations

For the three-month periods ended June 30, 2019 and 2018

(In thousands of Brazilian Reais, except earnings/losses per share stated in Brazilian Reais)

	Parent company		Consolidated	
	04/01 to 06/30/2019	04/01 to 06/30/2018	04/01 to 06/30/2019	04/01 to 06/30/2018
Net operating revenue	62,084	57,848	60,823	60,402
Cost of products sold	(62,162)	(57,895)	(60,989)	(57,312)
Gross profit (loss)	(78)	(47)	(166)	3,090
Operating expenses				
Selling	(4,113)	(3,273)	(4,113)	(3,273)
General and administrative	(9,459)	(6,886)	(9,673)	(7,206)
Other operating expenses, net	37,997	(120)	38,028	2,233
	24,425	(10,279)	24,242	(8,246)
Operating income (loss) before equity in earnings (losses) of subsidiaries and financial income (loss)	24,347	(10,326)	24,076	(5,156)
Equity in earnings (losses) of subsidiaries	(330)	4,492	-	-
Financial income (loss)				
Financial expenses	(84,022)	(176,479)	(84,112)	(176,545)
Financial revenues	12,674	377	12,716	424
	(71,348)	(176,102)	(71,396)	(176,121)
Income (loss) before Income and Social Contribution taxes	(47,331)	(181,936)	(47,320)	(181,227)
Income and Social Contribution taxes	(2,495)	(1,011)	(2,506)	(1,670)
Loss for the quarter	(49,826)	(182,947)	(49,826)	(182,947)
Loss attributable to:				
Controlling shareholder	(49,826)	(182,947)	(49,826)	(182,947)
Noncontrolling shareholder	-	-	-	-
Basic and diluted loss per share				
Preferred shares	(2.1126)	(120.9167)	-	-
Common shares	(2.1126)	(120.9167)	-	-

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of comprehensive income (loss)
Six-month periods ended June 30, 2019 and 2018
(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Loss for the six-month period	(153,225)	(226,994)	(153,225)	(226,994)
Exchange rate gains on investment abroad (Note 9)	-	820	-	820
Total comprehensive income (loss), net of taxes	(153,225)	(226,174)	(153,225)	(226,174)
Attributable to				
Controlling shareholder	(153,225)	(226,174)	(153,225)	(225,865)
Noncontrolling shareholder	-	-	-	(309)

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of comprehensive income (loss)

For the three-month periods ended June 30, 2019 and 2018

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	04/01 to 06/30/2019	04/01 to 06/30/2018	04/01 to 06/30/2019	04/01 to 06/30/2018
Loss for the quarter	(49,826)	(182,947)	(49,826)	(182,947)
Exchange rate gains on investment abroad	-	797	-	797
Total comprehensive income (loss), net of taxes	(49,826)	(182,150)	(49,826)	(182,150)
Attributable to				
Controlling shareholder	(49,826)	(182,150)	(49,826)	(182,150)
Noncontrolling shareholder	-	-	-	-

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of changes in equity For the six-month periods ended June 30, 2019 and 2018 (In thousands of Brazilian Reais)

	Capital stock	Treasury shares	Capital reserve Goodwill on share subscriptions	Asset and liability valuation adjustment	Accumulated losses	Controlling interest	Noncontrolling interest	Total
As at December 31, 2017	279,891	(25,999)	11,685	3,258	(612,085)	(343,250)	11,566	(331,684)
Capital increase	16,000	-	-	-	-	16,000	-	16,000
Translation adjustment for the year	-	-	-	820	-	820	-	820
Loss for the six-month period	-	-	-	-	(226,994)	(226,994)	-	(226,994)
Cancellation of treasury shares	-	25,999	-	-	(25,999)	-	-	-
Minority interest write-off through investment disposal	-	-	-	-	-	-	(11,516)	(11,516)
As at June 30, 2018	295,891	-	11,685	4,078	(865,078)	(553,424)	50	(553,374)
As at December 31, 2018	298,809	-	11,685	-	(1,421,168)	(1,110,674)	50	(1,110,624)
Loss for the six-month period	-	-	-	-	(153,225)	(153,225)	-	(153,225)
As at June 30, 2019	298,809	-	11,685	-	(1,574,393)	(1,263,899)	50	(1,263,849)

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of cash flows

For the six-month periods ended June 30, 2019 and 2018

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Operating activities				
Income (loss) before Income and Social Contribution taxes	(148,325)	(225,350)	(148,301)	(224,336)
Adjustments from				
Depreciation/ amortization	10,054	10,180	10,858	10,857
Write-off of fixed assets	427	22	456	98
Equity in earnings (losses) of subsidiaries	904	(3,815)	-	-
Exchange rate gains (losses) on foreign and intercompany loans	(12,989)	146,929	(12,989)	146,921
Adjustment to present value	(133)	1,778	(133)	1,778
Fines and interest on assets	(74)	(196)	(132)	(788)
Fines and interest on liabilities	179,136	58,677	179,148	58,677
Amortization of loan costs	124	1,687	124	1,687
Allowance for doubtful accounts	803	955	803	955
Other assets/liabilities write-offs	(10,258)	-	(10,258)	-
	<u>19,669</u>	<u>(9,133)</u>	<u>19,576</u>	<u>(4,151)</u>
(Increase) /decrease in asset accounts				
Accounts receivable	(6,019)	(5,100)	(6,001)	(5,098)
Notes receivable	(4,303)	(4,440)	(4,303)	21,836
Recoverable taxes	(30,350)	(33,540)	(31,459)	(34,531)
Inventories	(3,708)	(3,622)	(3,665)	(3,611)
Advances to suppliers	(106)	2,549	(240)	677
Other assets	(9,290)	3,632	(9,338)	210
Court deposits	(540)	(233)	(469)	(241)
Increase /(decrease) in liability accounts				
Trade accounts payable	(106)	10,761	(2,447)	6,161
Tax liabilities	36,162	42,514	38,521	43,747
Salaries and social charges	4,339	699	4,840	752
Interest paid on loans	(380)	(3,079)	(380)	(3,079)
Minority shareholders	-	-	-	(11,825)
Other liabilities	5,454	(1,638)	4,883	(687)
Cash flows from operating activities	<u>10,822</u>	<u>(630)</u>	<u>9,518</u>	<u>10,160</u>
Investing activities				
Acquisition of fixed assets	(3,590)	(4,658)	(3,590)	(7,321)
Disposal of fixed assets	1	351	36	437
Acquisition of investments	-	(3,311)	-	-
Disposal of investments	-	9,466	-	-
Acquisition of intangible assets	(33)	-	(256)	(85)
Indemnity of loss	278	-	278	-
Receipt of dividends	-	2,359	-	-
Cash flows from investing activities	<u>(3,344)</u>	<u>4,207</u>	<u>(3,532)</u>	<u>(6,969)</u>
Financing activities				
Advance for future increase in capital - Payment from related parties	(4,849)	(1,123)	-	-
Receipt from related parties	-	1,402	-	423
Paid loans and financing	(3,588)	(5,129)	(3,588)	(5,129)
Cash flows from financing activities	<u>(8,437)</u>	<u>(4,850)</u>	<u>(3,588)</u>	<u>(4,706)</u>
Use/generation of cash and cash equivalents	<u>(959)</u>	<u>(1,273)</u>	<u>2,398</u>	<u>(1,515)</u>
Cash and cash equivalents at beginning of period	1,451	1,740	2,376	5,462
Cash and cash equivalents at end of period	492	467	4,774	3,947

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of value added

For the six-month periods ended June 30, 2019 and 2018

(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Revenues				
Gross operating revenue	155,907	147,582	156,188	151,628
Sales returns	(399)	(377)	(399)	(377)
Allowance for doubtful accounts	(803)	(955)	(803)	(955)
Other operating revenues (expenses), net	129	801	193	3,230
	<u>154,834</u>	<u>147,051</u>	<u>155,179</u>	<u>153,526</u>
Inputs acquired from third parties				
Costs of goods sold	(95,851)	(82,695)	(92,387)	(84,025)
Materials, energy, third-party services and others	(4,556)	(33,282)	(4,768)	(29,107)
Gross value added	<u>54,427</u>	<u>31,074</u>	<u>58,024</u>	<u>40,394</u>
Withholdings				
Depreciation and amortization	(10,054)	(10,180)	(10,858)	(10,857)
Net generated value added	<u>44,373</u>	<u>20,894</u>	<u>47,166</u>	<u>29,537</u>
Value added received in transfer				
Equity in earnings (losses) of subsidiaries	(904)	3,815	-	-
Financial revenues	13,090	958	13,180	1,174
Deferred Income and Social Contribution taxes	(4,900)	(1,644)	(4,900)	(1,644)
Total value added to be distributed	<u>51,659</u>	<u>24,023</u>	<u>55,446</u>	<u>29,067</u>
Controlling shareholders	<u>51,659</u>	<u>24,023</u>	<u>55,446</u>	<u>29,067</u>
Noncontrolling shareholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>(309)</u>
Value added distribution				
Personnel and charges	19,991	20,316	20,680	20,842
Taxes, fees and contributions	15,194	19,334	18,191	23,417
Interest and rents	169,699	211,367	169,800	211,493
Loss for the year	(153,225)	(226,994)	(153,225)	(226,994)
Value added distributed	<u>51,659</u>	<u>24,023</u>	<u>55,446</u>	<u>28,758</u>

The accompanying notes are an integral part of this interim financial information.

1. Operations

Cimento Tupi S.A. ("Cimento Tupi" or the "Company"), headquartered at Av. das Américas, 500, Rooms 205 and 206, Barra da Tijuca, Rio de Janeiro, 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.

The sharp economic decline in the country generated a significant impact on cement sector that, since 2014, has been facing progressive drops in volume and sale prices. In addition, the Company's debt in foreign currency exposed the Company to foreign exchange volatility.

Despite the Brazilian crisis, Cimento Tupi has implemented a series of measures to reduce costs and renegotiate its debts and; accordingly, has maintained its operating activities.

As announced by SNIC (National Cement Industry Union) the results of the first six months of the year were as projected. The growth in the second half of the year is expected to be more robust, the number of real estate ventures continues to rise. The expectation for the imminent approval of the welfare reform, in line with the Government's prospection, along with measures of the economic agenda in favor of the market, have potential to reinject optimism into the sector. If these actions are realized, the expectation of 3.0% increase for the year end shall be carried through.

Regarding its indebtedness, the Company renegotiated part of its debts in domestic currency in 2018, through the amendments entered into with flexible payment flow and extension of maturities, and has renegotiated other debts, including in foreign currency, with other creditors.

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.

The continuity of the Company's operations depends on success of Management and its advisors in reorganizing the Company's debt and capital structure, as well as on confirmation of Cimento Tupi's Management and Shareholders' expectations regarding income and cash flows to be generated in its operation, based on the improvement in the economic scenario of cements in the market as from 2019.

As at June 30, 2019, consolidated net working capital ("CCL") is negative by approximately R\$ (1,414,729) (2018 - CCL, negative by R\$ 1,414,220).

A legal agreement was entered into, on April 24, 2019, with CODEMIG - Companhia de Desenvolvimento Econômico de Minas Gerais, amounting to R\$ 22,000 determining the receipt of 50% of that value in May, 2019, in the net amount of R\$ 10,175, after deduction of R\$ 825 for lawyers' fees, and the payment of the remaining 50% in 6 fixed monthly and consecutive installments between June and November, 2019, the first amounting to R\$ 1,850 and the remaining to R\$ 1,830.

2. Presentation of interim financial information and main accounting practices

The interim financial information has been prepared assuming that the Company will continue as a going concern, and has been approved by the Board of Directors on September 16, 2019.

The Company's individual and consolidated financial statements were and are presented in accordance with the Brazilian accounting practices and with the pronouncements issued by the Committee of Accounting Pronouncements (CPC), in conformity with the international accounting standards issued by the International Accounting Standards Board (IASB). The consolidated financial statements present comparative information regarding the previous period.

The financial information was prepared based on the historical cost, except for certain financial instruments measured at fair value through income (loss).

Items included in the financial information of each of the companies are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The individual and consolidated information is presented in thousands of Brazilian Reals (R\$ thousand), which is the Company's functional and reporting currency.

The financial information has been prepared in accordance with various valuation bases used for accounting estimates. The accounting estimates involved in the preparation of financial information were based on objective and subjective factors and Management's judgment to determine the proper amount to be recorded in the financial information. Relevant items subject to estimates include: allowance for doubtful accounts; provision for obsolescence of inventories; determination of useful life of fixed asset items; deferred Income and Social Contribution Taxes; provision for contingencies; and measurement of fair value of financial instruments. Transaction settlement involving those estimates may result in amounts significantly different from those recorded in the financial information, due to the inherent inaccuracy of the estimates. The Company reviews these estimates and assumptions at least once a year.

Summary of the main accounting practices and estimates

The accounting practices used in the preparation of this individual and consolidated quarterly information are consistent with the ones used for the preparation of the financial statements as at December 31, 2018.

3. New standards, amendments and interpretations of standards

IFRS 16 - Lease transactions - (CPC 06 (R2))

This standard replaces the prior standard on leases, IAS 17/CPC 06 (R1), and related interpretations, and establishes the principles for the recognition, measurement, presentation and disclosure of leases for both parties of an agreement, that is, the clients (lessees) and suppliers (lessors). The lessees are required to recognize a lease liability reflecting future payments of the lease and a "right of use of an asset" for basically all lease agreements, except for certain short-term leases and agreements for low-value assets.

For the lessors, the accounting treatment basically remains the same with classification of the leases as operating or finance, and accounting for those two types of lease agreements in a different manner. The new standard is applicable as from January 01, 2019.

Management evaluated the impacts of IFRS 16 and concluded that its adoption did not affect the financial statements.

ICPC 22 - Uncertainty over Income Tax treatment

The new interpretation establishes requirements for recognition and measurement in situations where the Company has defined, during the process of calculating taxes on income (Income and Social Contribution Taxes), the use of uncertain tax treatments that may be questioned by the tax authority.

In situations where some treatments are uncertain, the Company shall define the probability of acceptance of the tax authorities related to them, and present them separately, identifying possible contingencies if it is concluded that the tax authority will not accept such treatment.

Management evaluated the impacts of the new standard and concluded that its adoption did not affect the financial statements.

4. Group companies

The financial information includes the statements of Cimento Tupi S.A. and of the subsidiaries listed next, on which the Company holds interest over 20%.

	Ownership interest %			
	Capital stock		Voting capital	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Touro Empreendimentos Imobiliários e Participações Ltda.	99.99	99.99	99.99	99.99
Cimento Tupi do Nordeste Ltda.	99.99	99.99	99.99	99.99
Cimento Tupi Overseas Inc.	100.00	100.00	100.00	100.00
CP Cimento Overseas Co.	100.00	100.00	100.00	100.00
Tupi Rio Transportes S.A.	100.00	100.00	100.00	100.00
Tupimec - Indústria Mecânica Ltda.	99.99	99.99	99.99	99.99
IMape Incorporação e Empreendimentos Ltda.	99.99	99.99	99.99	99.99
Tupi Mineradora de Calcário Ltda.	99.88	99.88	99.88	99.88
Britas Arujá Ltda.	99.99	99.99	99.99	99.99

The consolidation process of balance sheet and income (loss) accounts corresponds to the sum of balances in assets, liabilities, income and expenses, according to their nature, plus the following eliminations:

- Ownership interest, reserves and retained earnings.
- Balances of intercompany accounts and other asset and/or liability accounts maintained between the companies whose statements of financial position were included in consolidation.
- Balances of intercompany revenues and expenses.
- Effects from material intercompany transactions.

The periods of the financial information of consolidated subsidiaries coincide with that of the Company. Accounting practices were consistently applied by all consolidated companies.

5. Cash and cash equivalents and financial investments

	Parent company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Cash and banks	-	965	6	973
CDB - Bank Certificates of Deposit	478	472	4,754	1,389
Public debt security funds	14	14	14	14
Cash and cash equivalents	492	1,451	4,774	2,376

CDBs refer to investments whose yields approximate CDI (Interbank Deposit Certificates) variation.

Public debt securities refer to investments in Banco Santander, represented by Public Securities' Funds -DI.

The highest remuneration of financial investments listed above is 96% of CDI.

6. Accounts receivable

	Parent company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Notes receivable	31,444	25,425	31,444	25,442
Allowance for doubtful accounts	(9,134)	(8,331)	(9,134)	(8,331)
	22,310	17,094	22,310	17,111

The changes in the allowance for doubtful accounts during the six-month periods ended June 30, 2019 and 2018, are as follows:

Balances as at December 31, 2018	(8,331)
(+) Complement of the allowance for doubtful accounts	(803)
(-) Write-off for loss	-
Balances as at June 30, 2019	(9,134)
Balances as at December 31, 2017	(7,864)
(+) Complement of the allowance for doubtful accounts	(955)
(-) Write-off for loss	273
Balances as at June 30, 2018	(8,546)

The Company recognizes this allowance based on the history of its expected losses monitored by Management and at an amount deemed sufficient to cover probable losses on the realization of accounts receivable.

Consolidated accounts receivable balance per maturity is as follows:

	Parent company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Falling due	18,646	14,804	18,646	14,821
Overdue up to 90 days	2,149	2,137	2,149	2,137
Overdue between 91 and 180 days	1,515	153	1,515	153
Overdue for more than 180 days	9,134	8,331	9,134	8,331
	31,444	25,425	31,444	25,442

7. Inventories

	Parent company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Finished goods	3,590	3,366	3,931	3,754
Work in process	3,709	3,191	3,709	3,191
Raw material - slag	8,947	7,724	8,947	7,724
Raw material - coke	1,283	1,295	1,283	1,295
Other raw materials	4,960	4,843	4,960	4,843
Materials for maintenance and consumption	19,005	16,924	19,005	16,924
Inventory in transit	787	1,230	787	1,230
Land for sale (i)	-	-	17,168	17,163
	<u>42,281</u>	<u>38,573</u>	<u>59,790</u>	<u>56,124</u>

- (i) Refers to inventories of plots of land belonging to subsidiaries Mape Incorporação e Empreendimentos Ltda. and Touro Empreendimentos Imobiliários e Participações Ltda.

8. Recoverable taxes

	Parent company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Current assets				
ICMS (State VAT)	5,104	5,037	5,110	5,037
Income Tax/Social Contribution Tax	10	8	51	46
PIS/COFINS	-	-	704	705
IPI (Federal VAT)	4,815	4,020	4,815	4,020
Others	334	444	334	444
	<u>10,263</u>	<u>9,509</u>	<u>11,014</u>	<u>10,252</u>
Noncurrent assets				
ICMS	5,774	5,588	5,774	5,588
	<u>5,774</u>	<u>5,588</u>	<u>5,774</u>	<u>5,588</u>

9. Notes receivable

	Parent company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Seival Sul Mineração S.A. (i)	3,321	3,247	3,321	3,247
Ano Bom Incorp. e empreendimentos S.A. (ii)	-	-	2,556	2,499
Agemar Empreendimentos e Participações Ltda. (iii)	4,440	4,440	4,440	4,440
Adjustment to present value	(1,519)	(1,652)	(1,519)	(1,652)
Capella- Fundo de Investimentos em direitos creditórios não-padronizados (iv)	4,283	-	4,283	-
Others	20	-	907	887
	<u>10,545</u>	<u>6,035</u>	<u>13,988</u>	<u>9,421</u>
Current assets	4,303	-	7,746	3,386
Noncurrent assets	6,242	6,035	6,242	6,035

- (i) It refers to balance receivable from the sale of shares of Companhia Nacional de Mineração Candiota, in four annual installments, maturing from July 2019 to July 2022 and adjusted at Consumer Price Index (INPC)-positive variation.
- (ii) It refers to balance receivable from the sale of a property in Barra Mansa, state of Rio de Janeiro, by the subsidiary Mape.
- (iii) Sale of the subsidiary Suape Granéis do Nordeste Ltda at the total price of R\$ 9,645. The amount of R\$ 4,440 matures on 12/31/2023.
- (iv) Assignment to CAPELLA - FUNDO DE INVESTIMENTOS EM DIREITOS CREDITÓRIOS NÃO-PADRONIZADOS of the credit rights related to the Arbitration Proceeding against Companhia Siderúrgica Nacional - CSN, whose decision was favorable to the Company, in the approximate amount of R\$ 16,000. The Company received the first installment for the assignment, in June, 2019, in the amount of R\$6,500. The second installment, variable, will correspond to eighty percent (80%) of the total credit rights remaining after the discount of the R\$ 6,500, adjusted at the Interbank Deposit (DI) rate and annual interest of 12% after Capella fully receives the credit rights. The amount of R\$ 4,283 is net of the obligation to deliver 35.500 tonnes of clinker to CSN, as provided for in the arbitration proceeding decision.

10. Investments in subsidiaries

a) Statements on main subsidiaries

	06/30/2019					12/31/2018				
	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Cimento Tupi do Nordeste Ltda.	CP Cimento Overseas CO.	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Cimento Tupi do Nordeste Ltda.	CP Cimento Overseas CO.
Ownership interest - %	99.99	99.99	99.88	99.99	-	99.99	99.99	99.88	99.99	-
Equity	36,515	169	40,790	2,118	-	36,524	220	40,838	2,332	-
Income/(loss) for the year	(10)	(50)	(47)	(214)	-	(1,168)	1,663	(451)	(387)	(3)

b) Changes in investments

	06/30/2019								2018
	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Cimento Tupi do Nordeste Ltda.	CP Cimento Overseas Co.	Suape Granéis do Nordeste Ltda.	Others	Total	Total
Balance at beginning of year	36,522	219	40,789	2,332	-	-	2,879	82,741	99,714
Capital contributions	-	-	-	-	-	-	-	-	6,242
Disposal of investments	-	-	-	-	-	-	-	-	(14,975)
Write-off of appreciation	-	-	-	-	-	-	-	-	(3,655)
Equity in earnings of controlled companies	(9)	(50)	(47)	(214)	-	-	(584)	(904)	2,073
Exchange rate gains (losses) on investments	-	-	-	-	-	-	-	-	616
Receipt of dividends	-	-	-	-	-	-	-	-	(5,775)
Capital return	-	-	-	-	-	-	-	-	(56)
Reclassification of liabilities	-	-	-	-	-	-	-	-	(1,443)
Balance at end of year	36,513	169	40,742	2,118	-	-	2,295	81,837	82,741

	06/30/2018								2017
	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Cimento Tupi do Nordeste Ltda.	CP Cimento Overseas Co.	Suape Granéis do Nordeste Ltda.	Others	Total	Total
Balance at beginning of year	37,690	-	39,157	2,331	4,952	11,517	4,067	99,714	94,294
Capital contributions	-	-	3,311	-	-	-	-	3,311	3,920
Transfer of inventory at cost	-	-	-	-	-	-	-	-	100
Disposal of investments	-	-	-	-	-	(9,466)	-	(9,466)	(4,643)
Equity in earnings of controlled companies	(1,106)	1,733	(135)	(196)	-	309	3,210	3,815	11,028
Exchange rate gains (losses) on investments	-	-	-	-	820	-	-	820	74
Receipt of dividends	-	-	-	-	-	(2,360)	-	(2,360)	(6,500)
Reclassification to liabilities	-	(1,441)	-	-	-	-	-	(1,441)	1,441
Balance at end of year	36,584	292	42,333	2,135	5,772	-	7,277	94,393	99,714

Mape Incorporação e Empreendimentos Ltda.

Mape is mainly engaged in developing, administrating, purchasing and selling real estate properties.

Tupimec Indústria Mecânica Ltda.

Tupimec is mainly engaged in manufacturing, trading and exporting mechanical parts and equipment, providing assembling services and related processing services.

Tupi Mineradora de Calcário Ltda.

Tupi Mineradora is an entity in pre-operating stage, mainly engaged in exploring and using mineral reserves in the region of Adrianópolis, state of Paraná.

Cimento Tupi do Nordeste Ltda.

Cimento Tupi do Nordeste is mainly engaged in manufacturing cement, selling, transporting and exporting products and exploring reserves in the region of Mossoró, state of Rio Grande do Norte.

Britas Arujá Ltda.

Britas Arujá is an entity in pre-operating stage established in the first quarter of 2015 and engaged in exploring, using, researching and mining mineral reserves, including granite grit in the country, and in trading the products deriving from such activities.

Touro Empreendimentos Imobiliários e Participações Ltda.

Touro Empreendimentos Imobiliários e Participações is mainly engaged in developing, administrating, purchasing and selling properties.

11. Fixed assets

Parent company					
Accounts	06/30/2019		12/31/2018		Annual depreciation Rates
	Cost	Accumulated depreciation/ depletion	Net	Net	
Plots of land	28,698	-	28,698	28,698	
Buildings	109,578	(25,080)	84,498	85,601	2%
Industrial machinery, equipment and facilities	646,197	(254,895)	391,302	390,134	3.33%
Furniture and fixtures	3,213	(2,882)	331	356	10%
Vehicles	5,105	(4,650)	455	366	20%
Railway wagons	13,201	(2,330)	10,871	10,620	3.33%
Leasehold improvements	875	(525)	350	436	(*)
Machinery and equipment to be installed	2,714	(407)	2,307	2,352	3.33%
Construction in progress	9,166	-	9,166	16,243	
Advances to suppliers	2,036	-	2,036	2,024	
Limestone mines	23,033	(2,411)	20,622	20,851	(**)
Others	5,428	(5,216)	212	203	4% to 20%
	<u>849,244</u>	<u>(298,396)</u>	<u>550,848</u>	<u>557,884</u>	

Consolidated					
Accounts	06/30/2019		12/31/2018		Annual depreciation rates
	Cost	Accumulated depreciation/ depletion	Net	Net	
Plots of land	53,056	-	53,056	53,056	
Buildings	109,608	(25,094)	84,514	85,617	2%
Industrial machinery, equipment and facilities	647,354	(255,707)	391,647	390,482	3.33%
Furniture and fixtures	3,222	(2,890)	332	357	10%
Vehicles	9,069	(7,671)	1,398	2,175	20%
Railway wagons	13,201	(2,330)	10,871	10,620	3.33%
Leasehold improvements	875	(525)	350	436	(*)
Machinery and equipment to be installed	2,714	(407)	2,307	2,352	3.33%
Construction in progress	9,166	-	9,166	16,243	
Advances to suppliers	2,496	-	2,496	2,484	
Limestone mines	23,033	(2,411)	20,622	20,851	(**)
Others	5,623	(5,228)	395	385	4% to 20%
	<u>879,417</u>	<u>(302,263)</u>	<u>577,154</u>	<u>585,058</u>	

(*) Depreciation of agreement with lease contract terms.

(**) The limestone mines are amortized according to the period of depletion in proportion to the extracted ore.

As at June 30, 2019, the amount of R\$ 9,778 (R\$9,845 as at June 30, 2018), referring to depreciation, was accounted for as cost of goods sold.

As described in Note 12, Management reviewed the net book value of its assets to evaluate impairment, and the recognition of a provision for impairment was not considered necessary.

During the assessment of recoverability of its assets, the Company used the value in use per cash generating unit (CGU) based on projections approved by Management and assumptions consistent with the analysis performed in 2019 and 2018, which consider:

- Review of scenarios for each CGU pursuant to business plans;
- Country macroeconomic scenario;
- Cash flow period compatible with proven mineral reserves, without perpetuity, also including assets with long maturation periods;
- Constant discount rate of 13.92% based on the Weighted Average Cost of Capital ("WACC").

The changes in fixed assets in the six-month periods ended June 30, 2019 and 2018 were as follows:

Parent company													
Fixed asset cost	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balances as at 12/31/2018	28,698	109,578	636,952	3,208	5,145	12,744	875	2,714	16,243	2,024	23,033	5,376	846,590
Additions	-	-	703	5	190	457	-	-	2,169	12	-	52	3,588
Transfers	-	-	8,542	-	-	-	-	-	(8,542)	-	-	-	-
Write-offs	-	-	-	-	(230)	-	-	-	(704)	-	-	-	(934)
Balances as at 06/30/2019	28,698	109,578	646,197	3,213	5,105	13,201	875	2,714	9,166	2,036	23,033	5,428	849,244

Parent company													
Depreciation of fixed assets	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balances as at 12/31/2018	-	(23,977)	(246,818)	(2,852)	(4,779)	(2,124)	(439)	(362)	-	-	(2,182)	(5,173)	(288,706)
Additions	-	(1,103)	(8,077)	(30)	(100)	(206)	(86)	(45)	-	-	(229)	(43)	(9,919)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	229	-	-	-	-	-	-	-	229
Balances as at 06/30/2019	-	(25,080)	(254,895)	(2,882)	(4,650)	(2,330)	(525)	(407)	-	-	(2,411)	(5,216)	(298,396)

Parent company													
Fixed asset cost	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balances as at 12/31/2017	28,811	109,578	634,651	3,074	6,886	11,559	903	2,714	14,284	2,193	23,033	5,368	843,054
Additions	-	-	22	133	-	584	-	-	4,220	25	-	11	4,862
Transfers	-	-	1,898	-	-	-	-	-	(2,031)	-	-	-	-
Write-offs	-	-	(1,399)	-	(739)	-	(28)	-	(201)	(171)	-	-	(2,538)
Balances as at 06/30/2018	28,811	109,578	635,172	3,207	6,147	12,143	875	2,714	16,272	2,047	23,033	5,379	845,378

Parent company													
Depreciation of fixed assets	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance as at 12/31/2017	-	(21,771)	(231,768)	(2,792)	(5,400)	(1,739)	(271)	(271)	-	-	(1,724)	(5,070)	(270,806)
Additions	-	(1,103)	(7,808)	(28)	(462)	(188)	(90)	(46)	-	-	(229)	(58)	(10,012)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	1,141	-	646	-	7	-	-	-	-	-	1,794
Balance as at 06/30/2018	-	(22,874)	(238,435)	(2,820)	(5,216)	(1,927)	(354)	(317)	-	-	(1,953)	(5,128)	(279,024)

Consolidated													
Fixed asset cost	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance as at 12/31/2018	53,056	109,608	638,109	3,216	9,247	12,744	875	2,714	16,243	2,484	23,033	5,570	876,899
Additions	-	-	703	6	190	457	-	-	2,169	12	-	53	3,590
Transfers	-	-	8,542	-	-	-	-	-	(8,542)	-	-	-	-
Write-offs	-	-	-	-	(368)	-	-	-	(704)	-	-	-	(1,072)
Balance as at 06/30/2019	53,056	109,608	647,354	3,222	9,069	13,201	875	2,714	9,166	2,496	23,033	5,623	879,417

Consolidated													
Depreciation of fixed assets	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance as at 12/31/2018	-	(23,991)	(247,627)	(2,859)	(7,072)	(2,124)	(439)	(362)	-	-	(2,182)	(5,185)	(291,841)
Additions	-	(1,103)	(8,080)	(31)	(902)	(206)	(86)	(45)	-	-	(229)	(43)	(10,725)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	303	-	-	-	-	-	-	-	303
Balance as at 06/30/2019	-	(25,094)	(255,707)	(2,890)	(7,671)	(2,330)	(525)	(407)	-	-	(2,411)	(5,228)	(302,263)

Consolidated													
Fixed asset cost	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance as at 12/31/2017	51,067	110,281	636,190	3,174	9,911	11,559	903	2,714	14,344	2,913	23,033	5,621	871,710
Additions	1,974	-	22	-	947	584	-	-	4,220	25	-	10	7,782
Transfers	-	-	1,898	133	-	-	-	-	(2,031)	-	-	-	-
Write-offs	(27)	(673)	(1,780)	(1)	(739)	-	(28)	-	(261)	(431)	-	-	(3,940)
Balance as at 06/30/2018	53,014	109,608	636,330	3,306	10,119	12,143	875	2,714	16,272	2,507	23,033	5,631	875,552

Consolidated													
Depreciation of fixed assets	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance as at 12/31/2017	-	(22,428)	(232,902)	(2,886)	(6,207)	(1,739)	(271)	(271)	-	-	(1,724)	(5,142)	(273,570)
Additions	-	(1,104)	(7,817)	(29)	(1,127)	(188)	(90)	(46)	-	-	(229)	(58)	(10,688)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	645	1,477	1	647	-	7	-	-	-	-	-	2,777
Balance as at 06/30/2018	-	(22,887)	(239,242)	(2,914)	(6,687)	(1,927)	(354)	(317)	-	-	(1,953)	(5,200)	(281,481)

12. Intangible assets - Parent Company and Consolidated

	Parent company				Consolidated			
	Goodwill	Mining rights	Others	Total	Goodwill	Mining rights	Others	Total
Balances as at December 31, 2018	93,564	35,143	583	129,290	93,564	55,526	729	149,819
Additions	-	-	33	33	-	222	33	255
Amortization	-	-	(134)	(134)	-	-	(134)	(134)
Balances as at June 30, 2019	<u>93,564</u>	<u>35,143</u>	<u>482</u>	<u>129,189</u>	<u>93,564</u>	<u>55,748</u>	<u>595</u>	<u>149,940</u>

	Parent company				Consolidated			
	Goodwill	Mining rights	Others	Total	Goodwill	Mining rights	Others	Total
Balances as at December 31, 2017	93,564	35,143	845	129,552	93,564	55,404	991	149,959
Additions	-	-	-	-	-	86	-	86
Amortization	-	-	(168)	(168)	-	-	(170)	(170)
Balances as at June 30, 2018	<u>93,564</u>	<u>35,143</u>	<u>677</u>	<u>129,384</u>	<u>93,564</u>	<u>55,490</u>	<u>821</u>	<u>149,875</u>

Impairment test for cash generating units containing goodwill

The goodwill is directly related to the Pedra do Sino (MG) plant. The recoverable value of the assets was calculated based on the Company's cash generating unit: Pedra do Sino Plant. And the methodology used was the discounted cash flow in the useful life of the assets of the cash generating unit. For more details see Note 11.

As a consequence of the impairment test of the Company's assets made on December 31, 2018, the recoverable amount is higher than the book value of the assets. Accordingly, no provision was made for impairment as at June 30, 2019.

13. Loans and financing - Parent Company and Consolidated

	06/30/2019		12/31/2018	
	Current	Non-Current	Current	Non-Current
Parent company				
Local currency				
Development banks				
BDMG and others, with maturity up to 2022	173,155	-	157,836	-
Unrecognized transaction costs	(206)	-	(330)	-
	<u>172,949</u>	<u>-</u>	<u>157,506</u>	<u>-</u>
Working capital				
CCBs issued by Bank Credit Suisse, Fibra, Alfa, ABC Brasil and Bank CCB Brasil, with maturity up to 2020	101,880	-	100,611	-
Votorantim S.A., with maturity in Jan/2022	-	22,654	-	22,114
	<u>101,880</u>	<u>22,654</u>	<u>100,611</u>	<u>22,114</u>
	<u>274,829</u>	<u>22,654</u>	<u>258,117</u>	<u>22,114</u>
Foreign Currency				
Notes - US\$ 185,000				
Senior Unsecured Notes matured in May/2018	1,082,767	-	1,040,239	-
Agricultural Bank of China - US\$ 25,500				
Facility Agreement matured in Feb/2017	71,556	-	69,075	-
Financing				
Tupacta AG - US\$ 119,691- maturity in Dec/2028 (i)	-	530,566	-	466,177
Others - maturity up to Sep/2030	53	479	9,370	483
	<u>1,154,376</u>	<u>531,045</u>	<u>1,118,684</u>	<u>466,660</u>
Parent company	<u>1,429,205</u>	<u>553,699</u>	<u>1,376,801</u>	<u>488,774</u>
Consolidated	<u>1,429,205</u>	<u>553,699</u>	<u>1,376,801</u>	<u>488,774</u>

(i) If there is maturity or prepayment of the debt before 3 years of the signing of this contract, the amount due shall correspond to the higher of: (a) the debt adjusted under the terms agreed; (b) R\$ 650,000 or (c) that equivalent to US\$ 165,000.

In 2018, the Company renegotiated part of its debts in domestic currency with Brazilian financial institutions, with flexible payment flow and extension of maturities. Until January 2020, debts with banks Alfa, Banco CCB Brasil, ABC Brasil and Fibra will be settled. The Company is renegotiating its indebtedness with other creditors.

On April 09, 2018, the Company signed an addendum to the Bank Credit Note - CCB, with Banco Fibra S/A, changing the payment condition and extending the maturity to July 2019.

On July 10, 2018, a new amendment to the Bank Credit Note (CCB) was signed with China Construction Bank (Brasil) Banco Múltiplo S/A, changing the payment condition and postponing the maturity to December 2019.

On March 14, 2019, the Company signed an addendum to the Bank Credit Note - CCB, with Banco ABC Brasil S/A, changing the payment condition and postponing the maturity to May 2020.

On September 24, 2018, the Company received a notice that the Bank Credit Notes issued by Banco de Investimentos Credit Suisse (BRASIL) S.A. would have been guaranteed to SPE Geribá Participações SPE-1 Ltda. The access to the documentation brought to the Company doubts as to the regularity of the mentioned guarantee, which is being discussed in court. The Company has not amortized the installments of the mentioned CCBs.

Debt notes (9.75% Senior Unsecured Notes) intended for placement in the international market, totaling US\$ 185,000, matured on May 11, 2018. The Company seeks to renegotiate its debt with these creditors in terms adequate to the Company's financial situation and reasonable for all involved parties.

In December 2018, the Company merged its parent company Cimento Santo Estevão e Participações S.A. in order to optimize its current corporate structure and with the consequent reduction in financial and operating costs and rationalization of its activities. With the merger, the Company assumed all rights and obligations of the merged company, including total debt equivalent to R\$ 498,144, of which (93.58%) is mainly related to the debt originally assumed through Bradesco Vida e Previdência by Cimento Santo Estevão e Participações S.A., maturing in December 2028.

14. Related-party transactions

	Parent company					06/30/2019		12/31/2018	
	Tupi Rio Transportes S.A.	Mape Incorporação e Empreendimentos Ltda.	Tupi Mineradora de Calcáreo Ltda.	Touro Empreendimentos Imobiliários e Participações Ltda.	Others	Total		Total	
Noncurrent assets									
Advance for future increase in capital	10	-	1,305	3,257	207	4,779			-
Current liabilities									
Anticipated dividends	-	16,093	-	-	10	16,103			16,173
Transactions									
Cost of goods sold and services rendered	(16,347)	-	-	-	-	(16,347)			(30,658)

Related-party transactions basically refer to intercompany accounts and provision of services and input for production and operation of the entities' businesses.

15. Taxes and contributions in installments

These mainly refer to the installment payment of ICMS of the states of São Paulo, Minas Gerais and Rio de Janeiro.

	Parent company					
	06/30/2019			12/31/2018		
	Principal	Interest/ Fine	Total	Principal	Interest/ Fine	Total
Current liabilities	16,590	5,844	22,434	9,871	2,989	12,860
ICMS	16,363	5,844	22,207	9,275	2,989	12,264
PRT (Tax Regularization Program)	-	-	-	369	-	369
Others	227	-	227	227	-	227
Noncurrent liabilities	59,515	34,859	94,374	13,421	5,040	18,461
ICMS	59,225	34,859	94,084	13,084	5,040	18,124
Others	290	-	290	337	-	337
	<u>76,105</u>	<u>40,703</u>	<u>116,808</u>	<u>23,292</u>	<u>8,029</u>	<u>31,321</u>
	Consolidated					
	06/30/2019			12/31/2018		
	Principal	Interest/ Fine	Total	Principal	Interest/ Fine	Total
Current liabilities	17,205	5,878	23,083	10,270	3,057	13,327
ICMS	16,765	5,878	22,643	9,461	3,057	12,518
PRT	-	-	-	369	-	369
Others	440	-	440	440	-	440
Noncurrent liabilities	61,449	34,965	96,414	14,567	5,305	19,872
ICMS	60,519	34,965	95,484	13,483	5,305	18,788
Others	930	-	930	1,084	-	1,084
	<u>78,654</u>	<u>40,843</u>	<u>119,497</u>	<u>24,837</u>	<u>8,362</u>	<u>33,199</u>

16. Taxes payable

	Parent company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
ICMS	12,652	60,325	13,103	60,733
PIS/COFINS (taxes on sales)	15,172	11,162	15,989	11,540
ISS (Tax on services)	640	589	645	594
Others	843	358	847	362
	<u>29,307</u>	<u>72,434</u>	<u>30,584</u>	<u>73,229</u>

17. Equity

a) Capital stock

As at June 30, 2019, capital stock, fully subscribed and paid-in, is represented by 11,793 common shares and 11,792 preferred shares (as at December 31, 2018, 11,793 common shares and 11,792 preferred shares), with no par value. Preferred shares are not entitled to voting and to receiving minimum or fixed dividends.

b) Capital reserves

Goodwill reserve represents excess value upon issuance or capitalization in relation to the basic share value on issuance date in 1996.

c) Statutory reserve

Established through the recognition of 5% of net income for the year until it reaches 20% of capital stock — limit provided for in corporate law — and may be used to absorb accumulated losses.

d) Appropriated retained earnings

Established by retaining part of net income for the year, if any. Said retention is based on capital budget prepared by Management, approved by Shareholders in the Annual General Meeting and is intended to be used in the Company's future investments.

e) Dividends

Shareholders are entitled to mandatory dividends of 25% of net income for the year, adjusted in conformity with legal provisions.

Preferred shares are entitled to receive dividends per share that are 10% higher than dividends per share paid to common shares.

f) Earnings (losses) per share

In compliance with CPC 41, the Company presents the following statements on earnings (losses) per share for the quarters ended June 30, 2019 and 2018.

The basic earnings (losses) per share are calculated by dividing net income (loss) for the period, attributable to the holders of the parent company's common and preferred shares by the weighted average number of common and preferred shares outstanding during the year.

The following tables present the result data and shares used to calculate basic and diluted losses per share:

	06/30/2019			06/30/2018		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Loss for the year	(76,616)	(76,609)	(153,225)	(125,124)	(101,870)	(226,994)
Weighted average shares (in thousands of shares)	11,793	11,792	23,585	834	679	1,513
Basic and diluted loss per share	(6.4967)	(6.4967)	(6.4967)	(150.0291)	(150.0291)	(150.0291)

For the year ended June 30, 2019, there is no difference between the calculation of basic and diluted losses, since there are no dilutive instruments.

18. Income and Social Contribution taxes

a) Reconciliation of Income and Social Contribution tax expenses

	Parent company			
	Income Tax		Social Contribution Tax	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Loss before taxes	(148,325)	(225,350)	(148,325)	(225,350)
ADD-BACKS				
Equity in earnings (losses) of subsidiaries	904	-	904	-
Realization sub-account dif. positive asset	54	7,740	54	7,740
Amortization, cost of loans raising	124	1,687	124	1,687
Exchange rate gains (losses) on loans	-	146,922	-	146,922
Other add-backs	2,293	4,012	2,293	4,012
DEDUCTIONS				
Equity in earnings (losses) of subsidiaries	-	(3,890)	-	(3,890)
Depreciation - Corporate x Tax differences	16,343	(16,232)	16,343	(16,232)
Exchange rate gains (losses) on loans	12,257	-	12,257	-
Other deductions	133	-	133	-
Adjusted loss	(173,683)	(85,111)	(176,683)	(85,111)
Applicable rates	25%	25%	9%	9%
Current Income and Social Contribution taxes	-	-	-	-
Tax debts accrued from deferred Income and Social Contribution taxes on temporary differences	(3,603)	(1,209)	(1,297)	(435)
Income and Social Contribution taxes in income (loss)	<u>(3,603)</u>	<u>(1,209)</u>	<u>(1,297)</u>	<u>(435)</u>
	Consolidated			
	Income Tax		Social Contribution Tax	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Loss before taxes	(148,301)	(224,336)	(148,301)	(224,336)
ADD-BACKS				
Income (loss) from subsidiaries under deemed profit	-	-	-	-
Realization sub-account dif. positive asset	54	7,740	54	7,740
Amortization, cost of loans raising	124	1,687	124	1,687
Exchange rate gains (losses) on loans	-	146,922	-	146,922
Other add-backs	2,293	4,012	2,293	4,012
DEDUCTIONS				
Income (loss) from subsidiaries under deemed profit	(165)	(2,727)	(165)	(2,727)
Depreciation - Corporate x Tax differences	(16,343)	(16,232)	(16,343)	(16,232)
Exchange rate gains (losses) on loans	(12,257)	-	(12,257)	-
Other deductions	133	-	133	-
Adjusted loss	(174,728)	(82,934)	(174,728)	(82,934)
Applicable rates	25%	25%	9%	9%
Current IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	-	-	-	-
Current IRPJ and CSLL of subsidiaries - taxable income	-	(384)	-	(142)
IRPJ and CSLL - deemed profit	(18)	(116)	(6)	(63)
Tax debts accrued from deferred Income and Social Contribution taxes on temporary differences	(3,603)	(1,209)	(1,297)	(435)
Income and Social Contribution taxes in income (loss)	<u>(3,621)</u>	<u>(1,709)</u>	<u>(1,303)</u>	<u>(640)</u>

b) Breakdown of deferred Income and Social Contribution taxes

	Parent company and consolidated	
	06/30/2019	12/31/2018
Income and Social Contribution tax losses	135,285	135,285
Provisions for contingencies	241	241
Deferred Income (IR) and Social Contribution (CS) tax assets	<u>135,526</u>	<u>135,526</u>
Deferred IR and CS on temporary differences	(40,680)	(35,781)
Taxed transactions on cash basis - (exchange rate gains (losses))	(6,787)	(6,787)
Tax amortization of goodwill	(31,812)	(31,812)
Deferred IR and CS tax liabilities	<u>(79,279)</u>	<u>(74,380)</u>
	<u>56,247</u>	<u>61,146</u>

Considering expected generation of taxable income up to 2028, the Company recognized deferred Income and Social Contribution on the balance of tax losses and temporary differences. Deferred Income and Social Contribution on tax losses were not recognized, calculated as from the second half of 2015.

Income and Social Contribution tax losses have no statute of limitations, however, the Company may use only the amount equivalent to up to 30% of taxable income per year.

The Company realized part of the balance of deferred Income and Social Contribution taxes recognized on tax losses in 2014 and 2017.

19. Provisions for contingencies

The Company and its subsidiaries are parties to lawsuits and administrative proceedings incidental to its business, regarding tax, labor, civil and other issues. The Company, based on the opinion of its legal advisors, conducts an analysis of pending lawsuits and, forms a provision in an amount deemed sufficient to cover the estimated losses from ongoing lawsuits for those with expectation of probable loss.

As at June 30, 2019, the Company maintains a provision for contingencies arising from labor claims whose likelihood of loss is probable, in the amount of R\$ 709 (R\$ 709 as at December 31, 2018). As at June 30, 2019, the Company maintains court deposits in the amount of R\$ 9,532 (R\$ 9,063 as at December 31, 2018).

	Parent company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Beginning balance	1,415	1,415	1,415	1,415
New	-	-	-	-
Concluded	(706)	(706)	(706)	(706)
Final balance	709	709	709	709

In addition, the Company and its subsidiaries are parties to civil, labor, and tax claims whose likelihood of an unfavorable outcome has been rated as possible by Management and its legal advisors. Therefore, no provision for contingencies was set up.

As at June 30, 2019, the amount of such contingencies was R\$ 152,999 (R\$ 152,999 as at December 31, 2018), as follows:

Nature	Parent company		Consolidated	
	06/30/2019	12/31/2018	06/30/2019	12/31/2018
Tax contingencies	74,192	74,192	131,940	131,940
Labor contingencies	18,580	18,580	18,947	18,947
Civil contingencies	2,112	2,112	2,112	2,112
	94,884	94,884	152,999	152,999

20. Insurance coverage (unaudited)

The Company and its subsidiaries contract insurance coverage for its inventories and fixed asset items as Named-perils and Civil Liability Insurances. Aspects considered when evaluating risks are as follows: (a) decentralized location of industrial plants (Minas Gerais, Rio de Janeiro and São Paulo); (b) nature of activities; and (c) accident prevention measures. Maximum indemnity limit (LMI) - total is R\$ 198,685 for the industrial plants.

The amounts of contracted coverage take into consideration estimates to cover possible losses in sites with concentrated risks and maximum possible claim loss in a single event.

The risk assumptions adopted, due to their nature, were established by Management.

21. Financial instruments and risk management

21.1. Analysis of financial instruments

The fair value of financial assets and liabilities is included in the value by which an instrument may be changed in a current transaction between the parties on an arm's length basis, and not in a sale and forced settlement. The following methods and assumptions were used to estimate fair value:

- Cash and cash equivalents, trade accounts receivable, trade accounts payable and other short-term obligations approximate their respective book value mostly due to maturity in short term of these instruments.
- Fair value of receivables does not significantly differ from book balances, since it is monetarily restated consistently with market rates and/or is adjusted by the provision for impairment.

Loans and financing bear fixed rates, which are consistent with those observable in the market; therefore, the book balances informed approximate their respective fair values.

The classification of financial assets of the Company and its subsidiaries per category is as follows:

Financial assets	Parent company					
	06/30/2019			12/31/2018		
	Amortized cost	Fair value through income (loss)	Total	Amortized cost	Fair value through income (loss)	Total
Cash and cash equivalents	492	-	492	1,451	-	1,451
Accounts receivable	22,310	-	22,310	17,094	-	17,094
Notes receivable	10,545	-	10,545	6,035	-	6,035
	<u>33,347</u>	<u>-</u>	<u>33,347</u>	<u>24,580</u>	<u>-</u>	<u>24,580</u>

Financial assets	Consolidated					
	06/30/2019			12/31/2018		
	Amortized cost	Fair value through income (loss)	Total	Amortized cost	Fair value through income (loss)	Total
Cash and cash equivalents	4,774	-	4,774	2,376	-	2,376
Accounts receivable	22,310	-	22,310	17,111	-	17,111
Notes receivable	13,988	-	13,988	9,421	-	9,421
	<u>41,072</u>	<u>-</u>	<u>41,072</u>	<u>28,908</u>	<u>-</u>	<u>28,908</u>

21.2. Classification of financial instruments by category

The main financial liabilities of the Company and its subsidiaries may be classified as loans and financing accounted for at fair value through income (loss), as follows:

Financial liabilities	Parent company	
	06/30/2019	12/31/2018
Trade accounts payable	26,040	26,146
Loans and financing	1,982,904	1,865,575
Related-party transactions	16,103	16,173
	<u>2,025,047</u>	<u>1,907,894</u>

Financial liabilities	Consolidated	
	06/30/2019	12/31/2018
Trade accounts payable	25,122	27,568
Loans and financing	1,982,904	1,865,575
	<u>2,008,026</u>	<u>1,893,143</u>

21.3. Risk management

The financial transactions of the Company and its subsidiaries are previously approved by the Company's Management and performed through the finance area according to conservative strategies, aiming at safety, profitability and liquidity. Hedging mechanisms are adopted against financial risks stemming from liabilities contracted, either in foreign or domestic currency, in order to manage exposure to exchange and interest rate risks.

Criteria for selection of financial institutions obey parameters that take into consideration rating made available by renowned agencies of analysis of risk, equity, and concentration levels of transactions and resources. The main market risk factors that could affect Company business and that of its subsidiaries are as follows:

a) Exchange rate risk

Exchange rate risks are related to the possibility of the Company incurring losses derived from fluctuations in exchange rates.

The Company's liabilities are indexed at US dollar, therefore, the unpredictability of floating liabilities substantially derives from foreign exchange variation, as shown in simulation of future values considering devaluation of Brazilian Real before US dollar by 25% and 50%.

Foreign currency loans	Amount In Brazilian Reais	Sensitivity analysis	
		(Scenario I) Future value I	(Scenario II) Future value II
Notes - US\$ 185,000	708,957	886,196	1,063,435
Agricultural Bank of China - US\$ 15,391	58,981	73,726	88,471
Tupacta - US\$ 119,691	458,680	573,350	688,020
Cemrock - US\$ 125	479	598	718

b) Credit risk

Financial instruments are subject to credit risks such as cash and cash equivalents and trade accounts receivable. All operations are conducted with banks having acknowledged liquidity, thus minimizing risks.

The risk of incurring losses resulting from difficulty in receiving values billed to its clients is minimized, since sales are dispersed among a high number of clients, and contingent to a credit limit individually established per client.

c) Interest rate risk

This risk derives from the possibility of the Company incurring losses due to fluctuations in interest rates that increase financial expenses mainly stemming from loans.

d) Liquidity risk

Liquidity risk represents the risk of scarcity and difficulty of the Company to pay its debts. The Company and its subsidiaries seek to align the maturity of its debts with the period of cash generation to avoid a mismatch and generate the need of greater leverage.

The following table shows in detail the remaining contractual maturity of the main financial liabilities of the Company and the contractual amortization terms.

This table was prepared in accordance with the undiscounted cash flows of financial assets and liabilities based on the nearest date on which the Company and the its subsidiaries shall settle the respective obligations.

	Parent company			Total at 06/30/2019
	Up to a year	From 1 to 3	Over 3 years	
		years		
Loans and financing	1,429,205	-	553,699	1,982,904
Trade accounts payable	26,040	-	-	26,040
Advances from clients	5,747	-	-	5,747
Other financial liabilities	90,476	17,892	82,576	190,944
Balance as at June 30, 2019	1,551,468	17,892	636,275	2,205,635

	Consolidated			Total at 06/30/2019
	Up to a year	From 1 to 3	Over 3	
		years	years	
Loans and financing	1,429,205	-	553,699	1,982,904
Trade accounts payable	25,122	-	-	25,122
Advances from clients	5,747	-	-	5,747
Other financial liabilities	77,377	19,162	83,346	179,885
Balance as at June 30, 2019	1,537,451	19,162	637,045	2,193,658

22. Net operating revenue

	Parent company		Consolidated	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Gross sales				
Sales of goods	155,907	147,582	156,188	151,628
Deductions from sales	(41,529)	(39,236)	(44,275)	(42,122)
Sales returns	(399)	(377)	(399)	(377)
ICMS on sales	(26,737)	(25,247)	(27,929)	(26,550)
PIS and COFINS on sales	(14,378)	(13,612)	(15,896)	(15,163)
Others	(15)	-	(51)	(32)
Net operating revenue	114,378	108,346	111,913	109,506

23. General and administrative expenses

	Parent company		Consolidated	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Administrative personnel expenses	(7,295)	(7,684)	(7,387)	(7,776)
Lawyers' fees	(5,342)	(2,278)	(5,343)	(2,300)
Lease of properties/vehicles/equipment	(121)	(124)	(142)	(124)
Travel expenses	(379)	(240)	(401)	(264)
Third-party/consulting services	(1,603)	(1,417)	(1,651)	(1,437)
Others	(1,318)	(1,466)	(1,517)	(2,057)
	(16,058)	(13,209)	(16,441)	(13,958)

24. Other operating revenues (expenses), net

	Parent company		Consolidated	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Indemnity - legal proceedings	31,883	-	31,883	-
Write-off of fixed assets/ investments	129	622	145	2,960
Write-off of liabilities	9,368	-	9,368	-
ICMS installment payment	(3,965)	-	(3,965)	-
Others	(980)	1,281	(901)	1,915
	<u>36,435</u>	<u>1,903</u>	<u>36,530</u>	<u>4,875</u>

25. Financial income (loss)

	Parent company		Consolidated	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Financial expenses				
Interest on loans	(61,829)	(46,278)	(61,829)	(46,278)
Interest/ fines on tax installment payments	(26,174)	(3,582)	(26,233)	(3,582)
Discounts granted	(410)	(1,319)	(411)	(1,319)
Contract interest - Finame	(79,925)	(10,640)	(79,925)	(10,640)
Exchange rate gains (losses) on loans	-	(146,629)	-	(146,629)
Other financial expenses	(117)	(1,992)	(150)	(2,101)
	<u>(168,455)</u>	<u>(210,440)</u>	<u>(168,548)</u>	<u>(210,549)</u>
	Parent company		Consolidated	
	06/30/2019	06/30/2018	06/30/2019	06/30/2018
Financial revenues				
Discounts obtained	199	101	199	101
Interest on financial investments	8	7	40	45
Interest received from customers	379	511	379	511
Exchange rate gains (losses) on loans	12,259	-	12,259	-
Other financial revenues	245	339	303	517
	<u>13,090</u>	<u>958</u>	<u>13,180</u>	<u>1,174</u>
	<u>(155,365)</u>	<u>(209,482)</u>	<u>(155,368)</u>	<u>(209,375)</u>

26. Segment reporting

Management groups entities into two distinct segments:

a) Cement

This segment is mainly engaged in manufacturing cements and mortars of all types in the Company's manufacturing units.

b) Real estate management and merger

This segment is mainly engaged in developing and administrating properties.

Management monitors, on a separate basis, operating income (loss) of its business units for the purpose of making decisions on allocation of funds and performance assessment.

The performance of the segment is appraised based on the operating result, measured in a manner consistent with the operating result of the consolidated financial information.

The Company's segment information is as follows:

	06/30/2019				
	Cement	Real estate management and merger	Others	Eliminations	Total Consolidated
Net revenues	114,378	147	13,735	(16,347)	111,913
Gross profit (loss)	(5,650)	109	(698)	-	(6,239)
Depreciation and amortization	(10,054)	-	(804)	-	(10,858)
Operating income (loss)	7,944	95	(972)	-	7,067
Financial income (loss)	(155,365)	71	(74)	-	(155,368)
Equity in earnings (losses) of subsidiaries	(904)	-	-	904	-
Income (loss) before taxes	(148,325)	166	(1,046)	904	(148,301)
Income and Social Contribution taxes	(4,900)	(24)	-	-	(4,924)
Minority interest	-	-	-	-	-
Net income (loss)	(153,225)	142	(1,046)	904	(153,225)
Current assets	95,461	25,736	4,997	(3,472)	122,722
Noncurrent assets	846,275	16,093	47,189	(102,470)	807,087
Current liabilities	1,551,468	3,333	7,004	(24,354)	1,537,451
Noncurrent liabilities	654,167	205	1,835	-	656,207

	06/30/2018				
	Cement	Real estate management and merger	Others	Eliminations	Total Consolidated
Net revenues	108,346	3,899	12,432	(15,171)	109,506
Gross profit (loss)	(2,861)	2,907	(408)	-	(362)
Depreciation and amortization	(10,180)	-	(677)	-	(10,857)
Operating income (loss)	(19,683)	2,532	2,190	-	(14,961)
Financial income (loss)	(209,482)	194	(87)	-	(209,375)
Equity in earnings (losses) of subsidiaries	3,815	-	-	(3,815)	-
Income (loss) before taxes	(225,350)	2,726	2,103	(3,815)	(224,336)
Income and Social Contribution taxes	(1,644)	(179)	(526)	-	(2,349)
Minority interest	-	-	-	(309)	(309)
Net income (loss)	(226,994)	2,547	1,577	(4,124)	(226,994)
Current assets	71,821	24,514	3,644	(813)	99,166
Noncurrent assets	821,604	17,224	49,750	(110,246)	778,332
Current liabilities	1,402,362	308	2,495	(20,501)	1,384,664
Noncurrent liabilities	44,487	-	1,721	-	46,208

27. Subsequent events

Until the present date, there were no other events that may significantly affect the financial statements or the Company's operations.