



Sales of finished products hit all-time record and Net Income reaches R\$ 17 million in 3Q09

São Paulo, November 10 2009 – Eternit S.A., (BM&FBOVSPA: ETER3), a company with 69 years of activity and the market leader in roof coverings, panels and cement slabs, today announces its results for the 3rd quarter and the accumulated nine months of 2009 (3Q09 and 9M09). Except where otherwise stated, the operating and financial information on the Company is based on consolidated figures and values in Brazilian Reals in accordance with Brazilian Corporate Law. All comparisons in this release are with the 3rd quarter and the accumulated 9 months of 2008 (3Q08 and 9M08), except where otherwise stated.

3Q09

Share Price (10/31/09) ETER3

R\$/share	7.95
US\$/share	4.56

Shares Outstanding (10/31/09)

Total Shares	71.600,000
Free Float	67.1%

Market Capitalization (10/31/09)

R\$ 569 million
US\$ 326 million

Shareholder Remuneration (2009)

R\$ 0.773 por ação

Indicators - (Sep/09)

Book Value	3.72
Price/Book Value	2.14

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Driven mainly by strong domestic demand supported by credit availability and income increase, the Brazilian economy posts clear signs of recovery from the financial global crisis. In this context, Eternit continues to operate its chrysotile asbestos mining operations at full capacity and the output in its finished products business was in line with strengthening demand, operating with over 90% of its installed capacity in the end of the third quarter.

In the third quarter 2009, sales volume of finished products reached 207.2 thousand tons, an increase of 16.7% in relation to 3Q08 and an all-time record for the Company. In the same period, sales volume of chrysotile asbestos amounted to 70.0 thousand tons, a reduction of 9.3% in relation to the third quarter 2008 due to the reduction of economic activity in the main international markets. Chrysotile asbestos sales volume to the domestic market was also a new record for the Company, amounting to 36.6 thousand tons in 3Q09, a 15.6% improvement over 3Q08.

Eternit's consolidated net revenue in 3Q09 was R\$ 146.9 million, a growth of 8.2% compared with the same period in 2008. Domestic market sales revenue, both for the finished product and also chrysotile asbestos lines, was the principal growth driver of net consolidated revenue and totaled R\$ 121.8 million in 3Q09, an increase of 12.2 % compared with 3Q08.

An evolution of the cost of goods sold account higher than the growth of the net operating revenue was reflected in the Company's EBITDA (operating income before interest, taxes, depreciation and amortization). In 3Q09, EBITDA totaled R\$ 27.8 million, 4.8% lower than 3Q08. Eternit's net income in the third quarter amounted to R\$ 17.0 million in 3Q09, stable in relation to the same period for 2008.

Eternit is has already started to sell its new product portfolio, comprised of colored fiber-cement roofing, new models of cement slabs, construction systems, bathroom fixtures and water filter pipes, the latter two currently using third party production capacity.

Main Indicators

Consolidated (R\$ '000)	3 rd Quarter			Accum. 9 Months		
	2009	2008	% Chg.	2009	2008	% Chg.
Net Revenues	146,904	135,763	8	425,573	391,222	9
Gross Profit	58,088	59,854	(3)	180,903	171,052	6
<i>Gross Margin</i>	40%	44%		43%	44%	
Operating Income (EBIT) *	23,596	24,175	(2)	80,589	77,121	4
Net Income	17,004	16,947	-	55,944	55,107	2
<i>Net Margin</i>	12%	12%		13%	14%	
EPS (R\$/share)	0.24	0.24	-	0.78	0.77	2
Investments	6,765	16,692	(59)	21,773	41,782	(48)
EBITDA **	27,814	29,205	(5)	93,361	91,385	2
<i>EBITDA Margin</i>	19%	22%		22%	23%	

* Before financial results.

** Operating income before interests, taxes, depreciation and amortization



Economy and Market

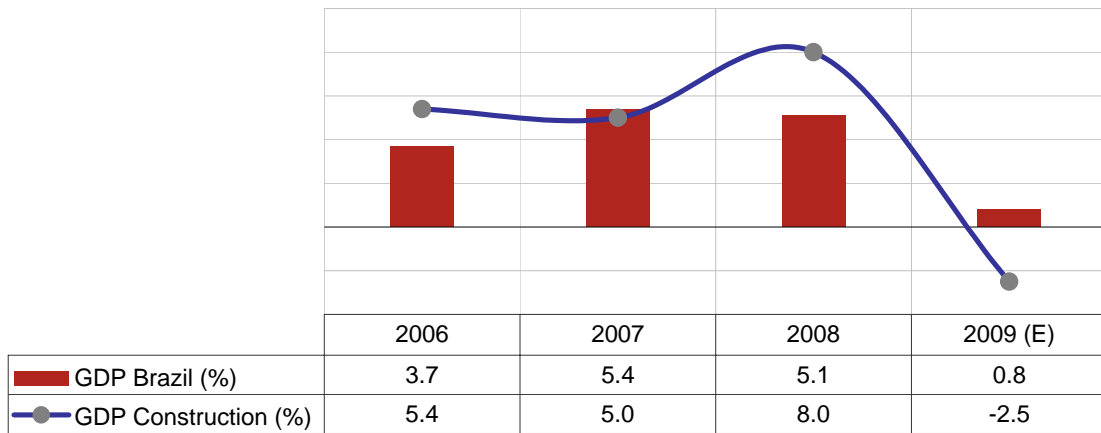
The Brazilian economy recorded signs of recovery during the quarter ending June 2009 after reporting successive quarters in a declining mode – the impact of a worsening international crisis. According to the latest IBGE (the Government Statistics Office) data on economic activity, Brazilian GDP in 2Q09 reported a 1.9% quarter on quarter growth. This reflects the efficacy of some of the stimulus measures adopted in the domestic market during the international crisis, such as a more flexible monetary policy and tax breaks for key products comprising the production chain.

The improvement in certain macroeconomic items in the third quarter confirms a consistent recovery in the economy and it is an indicative of a new growth cycle in Brazil. In this context, the trend observed in confidence levels in industry as well as consumer confidence reported in August, points to positive results for industrial output.

Despite the favorable overall scenario for the Brazilian economy, the recovery in civil construction remains slow. Sector GDP registered a year on year decline of 9.5% in the second quarter of 2009. However, the outlook for the sector going forward can be viewed as more positive based on the 2% increase in output of capital goods destined for the segment which produces inputs for civil construction when compared with the period between April and July 2009, boosted by the My Home My Life program, improved household income and by segment tax breaks.

On the basis of the scenario in September, Central Bank of Brazil (BACEN) forecasts for civil construction GDP in 2009 was revised downwards at -2.5%, while the outlook for Brazilian GDP for 2009 was maintained at 0.8%, a value equal to the June estimate.

Evolution of Brazilian GDP vs. Construction Sector (%)



(E) - Estimate - Source: Bacen

The most recent data for the real estate sector to be published by ABECIP (the Brazilian Association of Real Estate Credit and Savings Institutions) shows home mortgages registered through the Brazilian Savings and Loan System (SBPE) in September at R\$ 3.6 billion, a growth of 13.3% compared with August, and an all-time record in the history of the entity. In the first nine months of 2009, loan contracts totaled R\$ 23.2 billion, 1.7% up on the total reported for the same period in 2008.



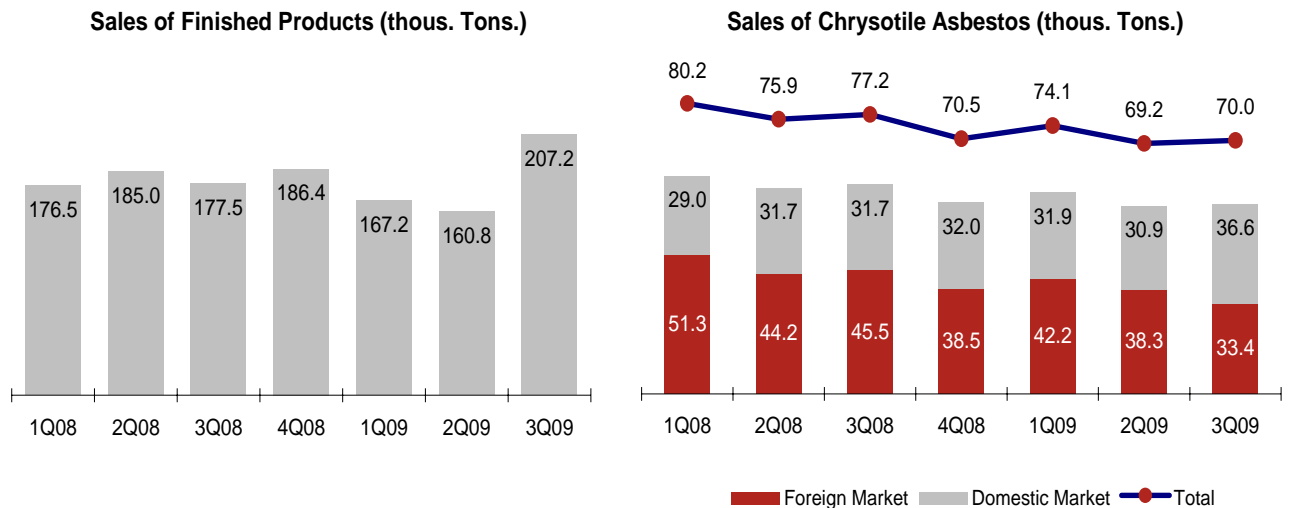
Operating and Financial Aspects

The third quarter 2009 saw robust demand for Eternit's products, both finished items as well as chrysotile asbestos fibers. As a result, Eternit ended 3Q09 operating its chrysotile asbestos mining business at full capacity and its finished products line over 90% of maximum installed production. Record sales volume of finished products and the sale of the entire chrysotile asbestos output in the period is evidence of the success of the Company's operating strategy. Based on this strategy, Eternit has been able to maximize the opportunities identified in its business segment thanks to its brand strength, increase in its production capacity, portfolio diversification and efficient logistics.

Sales

Sales volume of finished products in 3Q09 reached 207.2 thousand tons, a growth of 16.7% in relation to the same period in 2008 and an historical record for Eternit. In addition to the seasonal nature of Eternit's businesses, where the second half is traditionally stronger than the first, the Company managed to meet the high demand for civil construction products, particularly in the case of fiber cement roof coverings. Demand was also stronger in the South Region, following damage caused by strong rains.

In spite of the significant growth in third quarter sales volume, the accumulated nine-month period 2009 saw a reduction of 0.7% against the same period for 2008 due to weak performance in the first two quarters of 2009.



In 3Q09, sales volume of chrysotile asbestos amounted to 70.0 thousand tons, a reduction of 9.3% against 3Q08. This decrease reflects the reduction of economic activity in the main international markets. In the accumulated nine-month 2009 period, sales of chrysotile asbestos amounted to 213.3 thousand tons, 8.6% down on the volume sold in the same period in 2008.

The volume of chrysotile asbestos sold to the domestic market was a record for the Company, totaling 36.6 thousand tons in 3Q09, a growth of 15.6% compared with 3Q08. For strategic reasons, Eternit prioritizes domestic supplies of chrysotile asbestos to the domestic market, which is more lucrative, exporting the excess. During the same comparative period, overseas sales fell 26.6% and amounted to 33.4 thousand tons.

For the accumulated nine-month period 2009, sales to the domestic market rose 7.6% in relation to the same period of 2008, while exports decreased 19.2% in the same period.

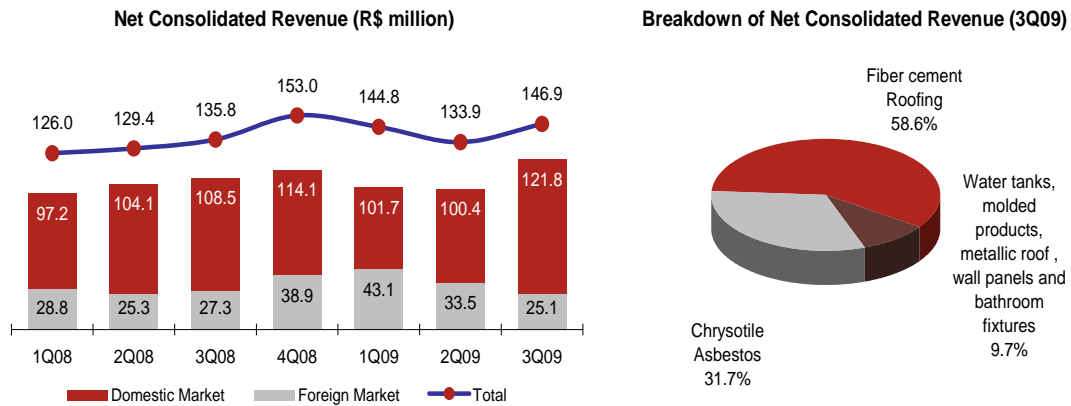


Net Operating Revenue

Eternit registered consolidated net revenue of R\$ 146.9 million in 3Q09, a year on year improvement of 8.2% and driven by domestic sales, both for finished products as well as chrysotile asbestos. Net operating revenue generated by the domestic market amounted to R\$ 121.8 million in 3Q09, a growth of 12.2% in relation to 3Q08. Company export revenue, originating entirely from sales of chrysotile asbestos, amounted to R\$ 25.1 million in 3Q09, a reduction of 7.8% in relation to the same period for 2008. Worthy of note is that, even with the appreciation of Brazilian Reals against US Dollar, the fall in export revenue was proportionally lower than the decline in export volume in the same comparative period, indicative of the success of the Company's pricing strategy for the foreign market.

When broken down by product line, the Company performed particularly well in sales of fiber cement roof coverings with a year on year growth of 15.3%, totaling R\$ 85.9 million. This result reflects higher sales volume, already commented above, combined with a well honed commercial policy and consumer confidence in Eternit's products. As for the chrysotile asbestos line, net operating revenue amounted to R\$ 46.5 million in 3Q09, a growth of 1.9% over the same period in 2008.

In the accumulated nine-month period 2009, Eternit posted consolidated net operating revenue of R\$ 425.6 million, a growth of 8.8% in relation to 9M08. Net revenue from the finished products line was R\$ 267.5 million in 9M09, 3.2% more than in the same period in 2008, while revenues generated by the chrysotile asbestos business recorded a year on year improvement of 19.7% and amounted to R\$ 158.1 million.



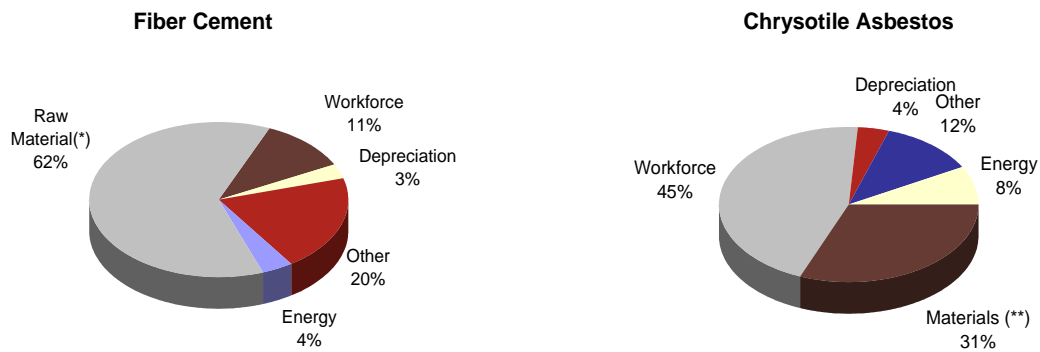
Costs and Expenses

In 3Q09, the consolidated cost of goods sold was R\$ 88.8 million, an increase of 17.0% compared with 3Q08 and largely due to the rise of 16% in production costs of the finished product line, in turn a reflection of price hike in raw materials (cement and limestone) and by the allocation of personnel to a new production line at the Colombo plant which was unveiled in January 2009. Chrysotile asbestos line costs of goods sold also rose 10%, mainly due to the use of third party services for rock mineral transportation in contrast with the situation prevailing in 3Q08.

In the consolidated view, the evolution of cost of goods sold higher than the rise in consolidated net revenue between 3Q09 and 3Q08 fed through to a year on year decline in gross margin from 44.0% to 40.0%. In the accumulated nine-month period 2009, the cost of goods sold totaled R\$ 244.7 million, an increase of 11.1% compared with 9M08 and in excess of the growth in net operating revenue. With this, the Company's gross margin fell by one percentage point in relation to the comparative accumulated period, reporting 43.0% for the accumulated first nine months of 2009.



Breakdown of Cost of Goods Sold (3Q09)



(*) Raw Materials: cement (49%), chrysotile asbestos (41%) and others (10%).

(**) Materials: fuel, explosives, packaging, among others.

The Company notes that it now classifies the account previously denominated 'non-operating income' in the 'other revenues (expenses)' line pursuant to Article 36 of Provisional Measure 449 of December 3, 2008, which amended Article 187 of Law 6,404/76.

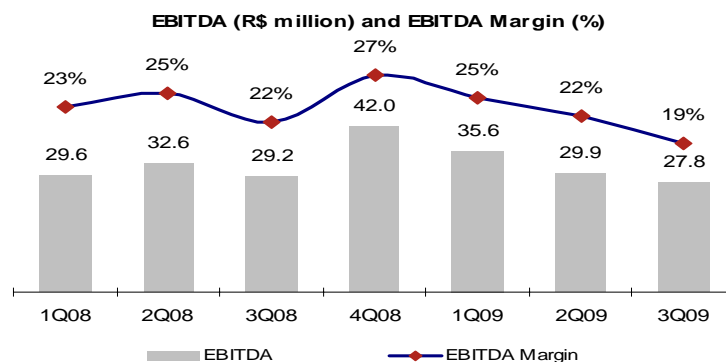
Eternit's operating expenses in 3Q09 totaled R\$ 34.5 million, a reduction of 3.3% compared with the same period in 2008. The Company's ongoing attention to its operational management was instrumental in a reduction of 1.3% in selling expenses and 1.9% in general and administrative expenses. In addition there was a significant fall of 19.2% in the other operating expenses (income) line, a reflection of higher revenue with tax recoveries and a reduction in provision for contingencies. For the nine-month accumulated period of 2009, operational expenses were R\$ 100.3 million, 6.8% higher than for the first nine months of 2009.

In the third quarter of 2009, the net financial result posted by Eternit was an expense of R\$ 3.9 million, an increase of 42.0% compared with 3Q08. Despite an improvement of 63.3% in financial expenses relative to the comparative periods due to lower overheads relating to variation in currency denominated liabilities, this was still insufficient to offset the decrease of 66.9% in financial revenues over the same period, a reflection of lower cash position following further investments in 2008 and reduced currency gains. In the accumulated period for 2009, Eternit posted a financial result of R\$ 14.1 million of expenses, 56.7% more than reported for the same period in 2008. The Company has no leveraged operations with derivatives of any type that could be categorized as speculative.

Operating Income and EBITDA (*)

Eternit posted consolidated operating income of R\$ 19.7 million in 3Q09, a reduction of 8.1% in relation to the third quarter in 2008. In the consolidated view, a faster increase in the cost of goods sold vis-à-vis net operating revenues was reflected in this result. In the first nine months of 2009, Eternit reported a consolidated operating income of R\$ 66.5 million, 2.4% down on the same period in 2008.

The Company registered EBITDA (operating income before interest, taxes, depreciation and amortization) of R\$ 27.8 million in 3Q09, a decline of 4.8% in relation to 3Q08. For the accumulated first nine month period of 2009, the Company recorded EBITDA of R\$ 93.4 million, a 2.2% improvement on 9M08.



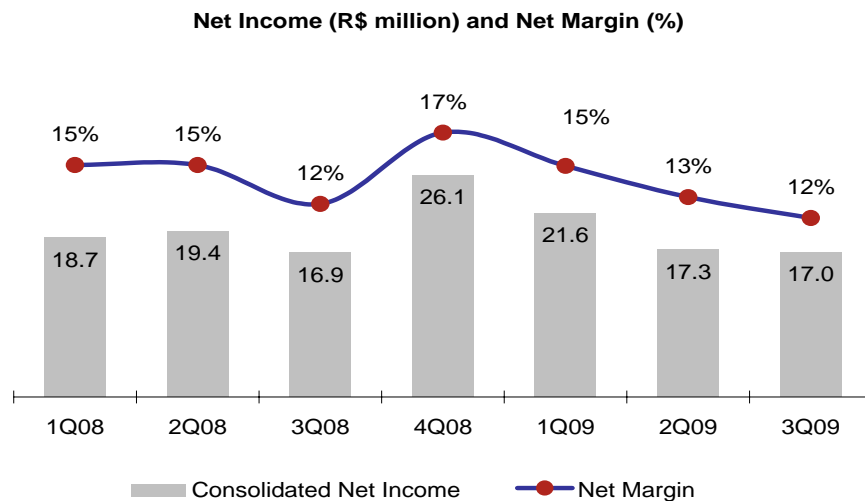


Reconciliation of Consolidated EBITDA - (Thousand R\$)	3 rd Quarter			Accum. 9 Months		
	2009	2008	% Chg.	2009	2008	% Chg.
Operating income	19,711	21,440	(8)	66,482	68,120	(2)
Net financial	3,885	2,735	42	14,107	9,001	57
Financial expenses	4,986	13,578	(63)	17,602	33,628	(48)
Financial revenues	(4,823)	(14,556)	(67)	(14,946)	(35,402)	(58)
Interest on own capital	3,722	3,713	-	11,452	10,775	6
Depreciation and amortization	4,218	5,030	(16)	12,772	14,264	(10)
EBITDA	27,814	29,205	(5)	93,361	91,385	2

* The Company notes that the 'other net operating expenses (income)' account is now reflected in the EBITDA calculation pursuant to CVM/SNC/SEP 01/2007 Official Circular.

Net Income

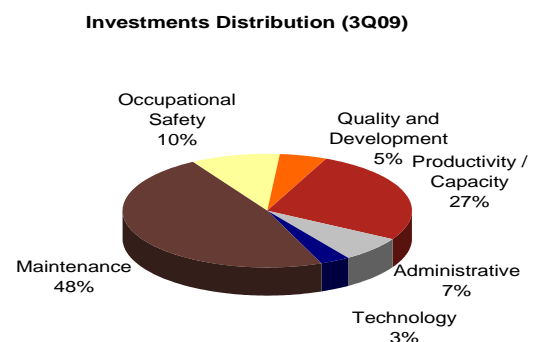
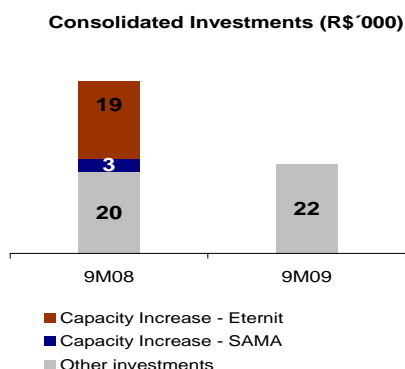
Eternit reported net income of R\$ 17.0 million in 3Q09, a slight increase of 0.3% compared with the same period in 2008. For the accumulated period in 2009, net income was 1.5% up on the same period in 2008 and totaled R\$ 55.9 million.



Capital Expenditures

Eternit's 3Q09 capital expenditures amounted to R\$ 6.8 million, 59.5% down on the amount invested in the third quarter 2008. For comparative purposes, it is worth noting that in 3Q08 Eternit's Structured Program for Expansion and Diversification prioritized increase in capacity/productivity, involving major investment in productivity.

Currently, the Company's investments are focused on production of the new portfolio and maintenance/upgrading and improvements in processes. For the accumulated nine-month period 2009, Eternit's capital expenditures totaled R\$ 21.8 million, a reduction of 47.9% in relation to the same period of 2008.





Capital Markets

Eternit's shares appreciated 4.2% in the third quarter 2009, recording a closing price at the end of the period of R\$ 7.43. The Ibovespa's increase of 19.5% during 3Q09 (closing the quarter at 61,517 points) is indicative of the trend towards recovery in the capital markets.

Over the rolling 12-month period, Eternit's shares appreciated by 25.9%, outperforming the Ibovespa which increased by 24.2% over the same period. The Company reported a market capitalization of R\$ 532.0 million as at September 30 2009.

Capital Markets					
ETERNIT (ETER3)	3Q08	4Q08	1Q09	2Q09	3Q09
Closing Price (R\$/Share)	5.90	5.11	5.85	7.13	7.43
Average Volume Traded (Shares)	352,754	304,300	113,244	120,730	156,972
Average Volume Traded (R\$)	2,241,181	1,439,436	614,084	827,869	1,151,726
ETER3 - Quarterly Profitability (%)	-	-13.4	14.5	21.9	4.2
ETER3 - Accumulated Profitability (%)	-	-13.4	-0.8	20.8	25.9
IBOVESPA - Quarterly Profitability (%)	-	-24.2	9.0	25.8	19.5
IBOVESPA - Accumulated Profitability (%)	-	-24.2	-17.4	3.9	24.2
Market Capitalization (R\$ Million)	425.2	368.2	421.6	510.5	532.0

Performance of ETER3 Share vs. Ibovespa Index (Basis: 100) - R\$/Share



Source: Economática



Dividends and Interest on Shareholders' Equity

Eternit maintains its tradition to be among the listed companies that provides the best returns for shareholders. Profits distributed by the Company in 2009 amounted to R\$ 55.3 million, translating into a dividend yield of 15.1%. Total payout since 2007 amounts to R\$ 160.5 million.

Dividends Distribution (2007 to 2009)				
Approval Date	Type	Payment Start Date	Total Value R\$ 000	Value per Share (R\$)
2007				
12/19/06 (*)	BDM	03/12/07	3,446	0.048
02/28/07 (*)	BDM	03/12/07	17,572	0.243
04/25/07	BDM	05/16/07	2,756	0.038
04/25/07	BDM	05/16/07	2,067	0.029
07/02/07	BDM	07/16/07	2,677	0.037
07/02/07	BDM	07/16/07	2,894	0.040
10/24/07	BDM	11/07/07	3,319	0.046
10/24/07	BDM	11/07/07	5,195	0.072
Total		-	39,926	0.552
Closing Price on 12/31/2006		-	-	6.44
Dividend Yield		-	-	8.6%
2008				
12/19/07 (*)	BDM	01/10/08	5,044	0.070
02/27/08 (*)	BDM	03/12/08	15,133	0.210
04/24/08	BDM	05/09/08	3,531	0.049
04/24/08	BDM	05/09/08	13,259	0.184
08/04/08	BDM	08/14/08	3,522	0.049
08/04/08	BDM	08/14/08	9,488	0.132
10/29/08	BDM	11/12/08	3,722	0.052
10/29/08	BDM	11/12/08	11,523	0.161
Total		-	65,222	0.907
Closing Price on 12/31/2007		-	-	7.10
Dividend Yield		-	-	12.8%
2009				
12/11/08 (*)	BDM	03/16/09	3,578	0.050
03/04/09 (*)	BDM	03/16/09	14,314	0.200
05/11/09	BDM	05/25/09	3,865	0.054
05/11/09	BDM	05/25/09	10,449	0.146
08/05/09	BDM	08/17/09	3,865	0.054
08/05/09	BDM	08/17/09	4,008	0.056
10/29/09	BDM	11/12/09	3,722	0.052
10/29/09	BDM	11/12/09	11,523	0.161
Total		-	55,324	0.773
Closing Price on 12/31/2008		-	-	5.11
Dividend Yield		-	-	15.1%

(*) Recording in the accounts for the preceding fiscal year.

Dividend yield: is the result of the division of earnings (dividends plus interest on shareholder's equity) per share, distributed during the fiscal year (base-line date for payout), by the closing price of the share in the preceding fiscal year.



Socio-Environmental and Corporate Responsibility

Open Doors Program

In November 2004, Eternit launched its Open Doors Program. The purpose of the program is to contribute to society's better understanding of the mining and processing of chrysotile asbestos and the manufacture of fiber-cement products in a controlled and responsible manner. The program consists of site visits to the Group's five production plants in Anápolis (GO), Colombo (PR), Goiânia (GO), Rio de Janeiro (RJ) and Simões Filho (BA) – and the SAMA mining company in Minaçu, in north Goiás state. Since its implementation, about 33 thousand visitors have taken part in this program.

To schedule a visit, check the closest company unit and send an e-mail through Eternit's website.

Status of the legal process on chrysotile asbestos

State of São Paulo Law

The Company wishes to clarify that the mining, industrialization, utilization, commercialization and transportation of chrysotile asbestos and of products which contain this mineral, is regulated by Federal Law 9,055/95 – Decree 2,350/97 and Regulatory Standards of the Ministry of Labor and Employment. For this reason, it is the Federal Government's prerogative to legislate on this issue in line with constitutional principles.

In this context, laws contrary to the use of asbestos approved and sanctioned by the states of Mato Grosso do Sul and São Paulo in the recent past have been declared unconstitutional by the STF – the Federal Supreme Court. Also recently, the Law Courts of the state of Rio Grande do Sul have declared such a law, approved and sanctioned by the state, as unconstitutional and an encroachment on exclusive federal rights governing these matters.

In 2007, the state of São Paulo approved and sanctioned Law 12,684 prohibiting the use of asbestos and products which contain this substance. The CNTI – the National Confederation of Workers in Industry is challenging this law in the STF through a Direct Action of Unconstitutionality (Adin) 3937/07.

On June 4 2008, the Plenary Session of the Federal Supreme Court (STF) rejected the **court injunction** of December 20 2007 against Law 12,684 of the state of São Paulo. However, it is important to observe that the ruling was restricted exclusively to the injunction, no judgment being passed on the merit of the process, thus making it sub-judice. **The prohibition, therefore, is still not final** and the Federal Supreme Court's decision must be awaited.

The momentary barriers of exports of chrysotile asbestos through the Port of Santos led the company to seek new alternatives in order to maintain its shipments. For preliminary decision of São Paulo State Justice Court, the exports through the Port of Santos were authorized and should be resumed any time now.

With more than 69 years of activities in Brazil, Eternit guarantees the quality and the safety of its products. The Company wishes to underscore that it has no direct knowledge and/or record (or through the medium of the WHO - World Health Organization), that the Brazilian population has contracted any illness related to the use of chrysotile asbestos in the manufacture of roofing or water tanks.

Scientific Research

Physicians at renowned universities, both in Brazil and overseas are undertaking important research into the health of the population that uses fiber-cement roofing and those employed in chrysotile asbestos mining – this in accordance with the declared purpose of the project coordinated by the Brazilian Scientific and Technology Council - CNPq. In line with project requirements, research with the population must be concluded before the end of this year and with workers must be concluded next year.



FGV Research

At the request of the State of São Paulo Industries Federation – FIESP, the Getúlio Vargas Foundation - FGV has conducted research into the **role of asbestos products in the civil construction production chain**. This work is designed to measure the importance of products in the chrysotile asbestos production chain in civil construction both with respect to their impact on income and employment as well as their role in the sector's competitive structure and price formation. Full details of this research can be found in Eternit's website.

Under these circumstances, Eternit reiterates the conviction that its products are safe to use and the sustainable management in its plants implies no risk to the health of its employees. The Company believes that the Federal Supreme Court will consider the technical and scientific evidence in ruling on the merit of the case, ignoring pressure from lobby groups favorable to a ban on chrysotile asbestos based upon the European experience where another type of asbestos (amphibole asbestos) was used without due care, principally in spraying methods.

Additional Information

Awards

Anamaco: Eternit won the Anamaco Pulverization Award and was 1st Great Clients in the fiber cement roof coverings. The award is based on a survey by Ibope Inteligência (a Brazilian survey institute) on companies in the construction industry and the result serves as a benchmark for the building materials industry and retailers.

100 Best Companies to Work : SAMA, the third largest miner chrysotile asbestos in the world and wholly owned subsidiary of Eternit, was elected by the **Great Place to Work** as one of the top 20 Brazilian companies to work for. In addition, the company was ranked in first place in the Pride of its employees category, published in Epoca magazine.

150 Best Companies for you to Work: In September 2008 edition, the Exame magazine Guide described SAMA as one of 150 Best Companies for you to work.

Just as SAMA, Precon Goiás, wholly-owned subsidiary of Eternit, was also elected by the **Great Place to Work**, which describes the best working environments in the world, among the 100 best companies to work, published in Epoca magazine.

ABRASCA Creating Value Award - Industry Highlight: On October 28, Eternit won the ABRASCA Creating Value Award as Industry Highlight. The prize is awarded to companies that have added more value to shareholders and that stood out for transparency in management, market diversification and good corporate governance practices.

Eternit adopts Ordinary General Meeting via Web

In order to improve its corporate governance practices, Eternit will use the web electronic platform designed by FIRB for its next ordinary general shareholders meeting to be held in the first four-month period of 2010. Through this initiative, Eternit hopes to encourage its seven thousand shareholders in all Brazilian states and abroad.

To vote in the next ordinary general shareholders meeting, the shareholders need to obtain a Digital Certificate, which is issued by SERASA, and register your vote in the electronic platform. After sending the vote, the shareholder will receive a voucher vote automatically in its e-mail. Thus, the shareholders that choose this option need not be present or send proxies to Eternit meetings.

In accordance with The Best Corporate Governance Practices Manual published by the Brazilian Corporate Governance Institute (IBGC), the listed companies should facilitate the participation of their shareholders at general meetings, including through proxy voting, and encourages them to make use of technologies such as electronic signatures and digital certification.



This is an initiative of Eternit for the improvement of its good corporate governance practices and an announcement will shortly be made to shareholders with more details on the use of the electronic platform.

Subsequent Events

On October 29, the Company's increase in capital stock was approved during Extraordinary General Meeting held on second call. The value of the capital increase is of R\$107,400,000.00, through the issue of 17,900,000 common, all nominative, book entry shares with no par value. The Company's capital stock is now at R\$ 334,251,231.40 represented by 89,500,000 common, all nominative, book entry shares with no par value.

The issue price of new shares was determined in accordance with §1, item III of article 170 of Law number 6404/76, based on the criteria of stock quotes in the BM&FBOVESPA S/A – Bolsa de Valores Mercadorias e Futuros ("BOVESPA" – São Paulo's Stock Exchange), obtained by checking the simple average of the closing prices of Company's shares in the last 90 trading sessions of BOVESPA before 10.01.2009. The average price resulting from the use of the criteria already mentioned is of R\$7.24 and the issue price, suggested by the Company's Board of Directors and duly approved in the EGM, is of R\$6.00, representing a negative goodwill of, approximately, 17% over the referred amount. Such negative goodwill aims to encourage the accession of all Company's shareholders to the increase in capital recommended.

The purpose of the capital increase is enabling the contribution to the Company's capital of part of the proceeds needed for diversifying its business through the expansion of product portfolio, searching new markets and expanding its activities, through investments in new businesses. Thus, the Board of Directors considered that an issuance will ensure the financial flexibility needed for investments already being made as well as future initiatives or operations aiming the growth and strengthening of activities and business of the Company.

The shareholders who are interested in exercising their right of subscription should contact their custody agents until November 30, the deadline for subscription. More information is available on the Company's website www.eternit.com.br/ir

Outlook

The Central Bank's "Inflation Report" for September forecasts GDP growth for 2009 of 0.8%, stable in relation to the report published in June. This is indicative of the dynamic nature of domestic demand as well as some of the successful government measures adopted such as the introduction of more flexible monetary and fiscal policies with respect to consumption thus contributing to Brazil's relatively fast recovery from the international crisis.

September's report is forecasting a 2.5% decline in civil construction as opposed to an estimate of 0.5% in the June report. This variation reflects a still lack luster performance in the second quarter of 2009 and a 9.5% drop compared with the second quarter 2008, albeit still signaling a recovery in the last two quarters of the year. The prospects for the sector are favorable due to new lines for home mortgage finance and investments via the Growth Acceleration Program (PAC) and the "My Home My Life" program, a government sponsored scheme for the construction of popular housing schemes.

The "My Home, My Life" program announced by the federal government in March of this year is expected to invest R\$ 34 billion, a combination of housing subsidies, the program's guarantee fund, insurance cover for FGTS (Government Indemnity Severance Fund) financing, refinancing of delayed payment installments and finance for the production chain. The program's objective is the construction of 1 million homes for families with a household income of up to 10 minimum salaries. According to the Planning Ministry the program had already received 352 thousand contract requests worth R\$ 22.6 billion up to the end of September. Of these requests 95 thousand contracts have already been signed and corresponding to a total of R\$ 6.1 billion.

The government credit line opened for financing the purchase of construction materials provides Eternit with an interesting business opportunity. In the Company's view, demand for products under this program will intensify during the course of 2010. In addition to this line of credit, the program also opens up a new sales



channel for Eternit, namely direct sales to the home builders with the potential to offset any eventual decline in demand from the retail segment. Due to their excellent cost benefit, there is strong demand for fiber cement products from low income segments of the population, accounting for more than two thirds of the sales of Eternit's finished products.

Eternit ended the third quarter 2009 operating its chrysotile asbestos line at full capacity and the finished products line above 90% of maximum installed output. The record sales volume of finished products and the sale of the entire production of chrysotile asbestos in the period are indicative of the success of the Company's operational strategy, designed to maximize the opportunities linked to the seasonal peak inherent to Eternit's businesses where sales in the second half of the year are traditionally stronger than the first.

In order to assure a safety margin to meet market demand and consolidate its position as a company supplying products and solutions to the civil construction sector, at the end of January 2009, Eternit unveiled a new finished products line at the Colombo plant in the state of Paraná. The project, which was begun in 2008, increases installed capacity for finished products from 730 thousand tons/year to 850 thousand tons/year.

At the end of 2008, Eternit launched its new product portfolio of colored fiber cement roofing and new models of cement slabs and construction systems as well as making the Company's debut in the bathroom chinaware fixtures segment initially using third party production capacity. Eternit is currently building up inventory to ensure that it can fully supply the market with its new products. The launch of the new portfolio has already begun with the first sales effected in April 2009.

This initiative is in line with the Structured Program for Expansion and Diversification announced in early 2008 with the aim of increasing Company sales to R\$ 1 billion by 2011. With this strategy Eternit is consolidating its position as a source of products and solutions for civil construction.

Eternit is to continue its expansion and diversification plans with the launch of new product lines using proprietary and third party capacity. The Company envisages continual growth over the next five years becoming a leading player in the bathroom chinaware fixtures market as well as increasing its current leadership in the market for roof coverings, cement slabs and wall paneling.

Management believes that Eternit is operating in a segment where the outlook is a positive one. The Company will continue to operate with financial discipline, maintaining a focus on the sustainability of the businesses with the goal of consolidating its activities as a supplier of civil construction products and solutions.

Invitation

Eternit's management invites all to an APIMEC-SUL presentation on 3Q09 earnings to be held on November 13. Breakfast will be served from 8:00 a.m. and the presentation will begin at 8:30 a.m. at the following address.

Place: Sheraton Porto Alegre Hotel - Rua Olavo Barreto, 18 - Moinhos de Vento - Porto Alegre/RS
Contact: APIMEC-SUL
Telephone: (55-51) 3224-3121
E-mail: www.apimecsul.com.br

Presentation: Élio A. Martins – Chairman and Investor Relations Officer

Contact: For registration, please contact (55- 51) 3224-3121 or suporte@apimecsul.com.br

The presentation together with slides may be viewed on the website by registering through www.ccall.com.br/eternit/3t09.htm or through the Company's Investor Relations website: www.eternit.com.br/ri

To take part in the questions and answers session, please call: **(55-11) 4688-6361**
Password for the participants: **Eternit**



Playback: The recording will be available from **November 13 2009** until **November 19 2009**
Password for the participants: **421**
Telephone: **(55-11) 4688-6312**

Eternit Eternit S.A.		FIRB FINANCIAL INVESTOR RELATIONS Financial Investor Relations Brasil	
Investor Relations		Consultant	
Gilberto Cominato - gilberto.cominato@eternit.com.br Rodrigo Lopes da Luz - rodrigo.luz@eternit.com.br Julia Sammarco Junqueira - julia.junqueira@eternit.com.br Phone: (55-11) 3813-6034 Fax: (55-11) 3819-1647		Fernando Campos - fernando.campos@firb.com Phone: (55-11) 3897-6857 Fax: (55-11) 3848-0905	



ETERNIT S.A.

Balance Sheet

Corporate Law (R\$ '000)

ASSETS	Parent Company		Consolidated	
	3Q09	2Q09	3Q09	2Q09
Current	142,800	127,469	226,722	209,640
Cash and equivalents	13,981	9,152	23,161	21,417
Accounts receivable	57,398	43,829	117,151	98,633
Receivable dividends	12,932	11,674	-	-
Inventories	48,288	52,692	67,614	71,512
Recoverable taxes	3,777	3,577	4,500	4,242
Deferred income tax and social contributions	3,897	4,067	7,713	7,345
Other accounts receivable	2,527	2,478	6,583	6,491
Non-Current	255,170	248,602	216,031	210,101
Long-Term Assets	50,311	46,767	66,397	62,666
Escrow deposits and tax incentives	4,945	2,339	9,164	6,701
Recoverable taxes	20,841	20,759	21,351	21,291
Deferred income tax and social contributions	22,374	21,541	30,528	29,352
Proceeds receivable from real estate disposals	1,698	1,663	1,698	1,663
Other accounts receivable	453	465	3,656	3,659
Permanent	204,859	201,835	149,634	147,435
Investments	100,761	99,214	246	246
Investments in associated companies	100,753	99,206	-	-
Other Investments	8	8	246	246
Plant, property and equipment, net	103,178	101,560	148,030	145,891
Intangible assets	920	1,061	1,358	1,298
Total Assets	397,970	376,071	442,753	419,741
LIABILITIES AND SHAREHOLDER'S EQUITY	Parent Company		Consolidated	
	3Q09	2Q09	3Q09	2Q09
Current Liabilities	77,946	60,061	125,973	107,542
Suppliers	29,484	24,663	23,531	19,435
Loans and financing	3,481	5,351	28,892	35,007
Payroll and related charges	11,621	8,975	20,054	16,448
Taxes and social charges payable	10,777	6,892	24,505	17,697
Interest on own capital and dividends	15,388	7,983	15,388	7,983
Future employee benefits	4,150	4,150	5,398	5,398
Other accounts payable	3,045	2,047	8,205	5,574
Non-Current	53,572	51,317	50,316	47,498
Long-Term Liabilities				
Future employee benefits	19,032	18,993	26,584	26,613
Loans and financing	403	433	403	433
Provision for contingencies	10,929	9,000	20,238	17,209
Taxes and social charges payable	-	-	-	93
Intercompany mutual loan	22,689	22,305	-	-
Mine assembling	-	-	2,206	2,151
Prepaid revenues	519	586	885	999
Minorities	-	-	12	8
Shareholder's Equity	266,452	264,693	266,452	264,693
Authorized share capital	226,851	226,851	226,851	226,851
Capital reserve	1,955	1,955	1,955	1,955
Treasury stock	(174)	(174)	(174)	(174)
Income reserves	37,820	36,061	37,820	36,061
Total Liabilities and Shareholder's Equity	397,970	376,071	442,753	419,741



ETERNIT S.A. (PARENT COMPANY)

Income Statements

Corporate Law

R\$ '000	3 rd Quarter			Accum. 9 Months		
	2009	2008	% Chg.	2009	2008	% Chg.
Net Revenues	90,038	78,284	15	242,245	228,893	6
Cost of products sold	(68,645)	(51,529)	33	(180,845)	(152,639)	18
Gross Profit	21,393	26,755	(20)	61,400	76,254	(19)
<i>Gross Margin</i>	24%	34%		25%	33%	
Operating Revenues (Expenses)	(19,742)	(19,873)	(1)	(57,291)	(49,567)	16
Sales	(8,402)	(7,884)	7	(23,525)	(21,055)	12
General and administrative	(8,660)	(8,676)	-	(26,105)	(22,446)	16
Other (expenses) revenues	(2,680)	(3,313)	(19)	(7,661)	(6,066)	26
Operating Income before Financial Expenses (EBIT)	1,651	6,882	(76)	4,109	26,687	(85)
<i>EBIT Margin</i>	2%	9%		2%	12%	
Net Financial Income	(2,061)	(1,367)	51	(7,158)	(2,765)	159
Financial expenses	(1,222)	(486)	151	(3,764)	(1,200)	214
Financial income	1,415	1,351	5	3,650	5,030	(27)
Interest on own capital	(2,254)	(2,232)	1	(7,044)	(6,595)	7
Equity Income	14,719	11,385	29	50,578	32,984	53
Income before Taxes and Contributions	14,309	16,900	(15)	47,529	56,906	(16)
Current	(222)	(2,363)	(91)	(222)	(7,655)	(97)
Deferred	663	178	272	1,593	(739)	-
Write-Back on Interest on Own Capital	2,254	2,232	1	7,044	6,595	7
Net Income	17,004	16,947	-	55,944	55,107	2
<i>Net margin</i>	19%	22%		23%	24%	
Earnings per Share	0.24	0.24	-	0.78	0.77	2
EBITDA	4,291	9,305	(54)	11,714	33,411	(65)
<i>EBITDA Margin</i>	5%	12%		5%	15%	

ETERNIT S.A. (CONSOLIDATED)

Income Statements

Corporate Law

R\$ '000	3 rd Quarter			Accum. 9 Months		
	2009	2008	% Chg.	2009	2008	% Chg.
Net Revenues	146,904	135,763	8	425,573	391,222	9
Cost of products sold	(88,816)	(75,909)	17	(244,670)	(220,170)	11
Gross Profit	58,088	59,854	(3)	180,903	171,052	6
<i>Gross Margin</i>	40%	44%	-	43%	44%	-
Operating Revenues (Expenses)	(34,492)	(35,679)	(3)	(100,314)	(93,931)	7
Sales	(16,036)	(16,246)	(1)	(48,658)	(46,151)	5
General and administrative	(15,596)	(15,895)	(2)	(46,199)	(40,467)	14
Other (expenses) revenues	(2,860)	(3,538)	(19)	(5,457)	(7,313)	(25)
Operating Income before Financial Expenses (EBIT)	23,596	24,175	(2)	80,589	77,121	4
<i>EBIT Margin</i>	16%	18%	-	19%	20%	-
Net Financial Income	(3,885)	(2,735)	42	(14,107)	(9,001)	57
Financial expenses	(4,986)	(13,578)	(63)	(17,602)	(33,628)	(48)
Financial income	4,823	14,556	(67)	14,946	35,402	(58)
Interest on own capital	(3,722)	(3,713)	-	(11,452)	(10,775)	6
Income before Taxes and Contributions	19,711	21,440	(8)	66,483	68,120	(2)
Current	(7,973)	(9,061)	(12)	(25,498)	(23,984)	6
Deferred	1,544	855	81	3,513	196	1,692
Minority Interest	(0)	-	-	(5)	-	-
Write-Back on Interest on Own Capital	3,722	3,713	-	11,452	10,775	6
Net Income	17,004	16,947	-	55,944	55,107	2
<i>Net Margin</i>	12%	12%	-	13%	14%	-
Earnings per Share	0.24	0.24	-	0.78	0.77	2
EBITDA	27,814	29,205	(5)	93,361	91,385	2
<i>EBITDA Margin</i>	19%	22%	-	22%	23%	-

**ETERNIT S.A.****STATEMENTS OF CASH FLOW**

Corporate Law

R\$ '000	Parent Company		Consolidated	
	9M09	9M08	9M09	9M08
Operating Activities:				
Accumulated Net income	55,944	55,107	55,944	55,107
Non-cash expenses (revenues):				
Depreciation and amortization	7,543	6,727	12,772	14,264
Provision for doubtful accounts	376	245	526	474
Equity pick-up	(50,578)	(32,984)	-	-
Received dividends and interest on own capital	43,853	31,495	-	-
Interest, FX changes and monetary variation	814	(614)	3,280	1,579
Provision for contingencies	3,294	5,060	11,050	7,021
Other provisions	2,008	1,217	1,233	4,966
Deferred income tax and social contribution	(1,594)	739	(3,513)	(196)
Results from writing down of permanent assets				
Change in operating assets and liabilities:				
Trade accounts receivable	(15,265)	(18,804)	(13,364)	(23,338)
Dividends	4,158	(4,397)	-	-
Inventories	(7,969)	(6,963)	(7,865)	(5,981)
Recoverable taxes	(280)	(1,854)	15	(1,286)
Escrow deposits	(3,465)	(29)	(3,665)	(360)
Received interest	-	-	-	-
Other credits	3,248	(1,795)	2,096	(1,729)
Increase (decrease) in operating liabilities				
Suppliers	8,356	13,412	(488)	8,108
Tax payable	5,601	10,431	30,720	23,597
Provision for payroll	2,228	3,097	2,432	6,252
Income tax and social contribution	(422)	(5,872)	(21,592)	(16,481)
Other liabilities	(1,032)	(998)	(1,868)	(1,545)
Net cash flow from operating activities	56,957	51,097	64,306	67,940
Investment activities:				
Acquisition of fixed and intangibles assets	(13,418)	(28,258)	(21,773)	(44,866)
Sales of fixed and intangibles assets	26	2,496	1,138	2,870
Net cash flow from investment activities	(13,392)	(25,762)	(20,635)	(41,996)
Financing activities:				
Financial funding - third party	5,000	286	108,610	100,224
Intercompany mutual loan	4,786	-	-	-
Increase in capital	-	(999)	-	(2)
Interest paid	(360)	(7)	(2,513)	(1,998)
Treasury Stock	-	(1,827)	-	(1,827)
Financing paid	(1,777)	(42)	(117,705)	(101,146)
Payment of interest on own capital and dividends	(40,180)	(49,909)	(40,180)	(49,909)
Net cash flow from financing activities	(32,531)	(52,498)	(51,788)	(54,658)
Increase (decrease) in cash and equivalents	11,034	(27,163)	(8,117)	(28,714)
Cash and equivalents:				
Start of financial year	12,099	33,568	31,278	70,887
End of financial year	23,133	6,405	23,161	42,173
	11,034	(27,163)	(8,117)	(28,714)