Votorantim

CORPORATE PRESENTATION
1Q14 RESULTS

May 2014

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Agenda

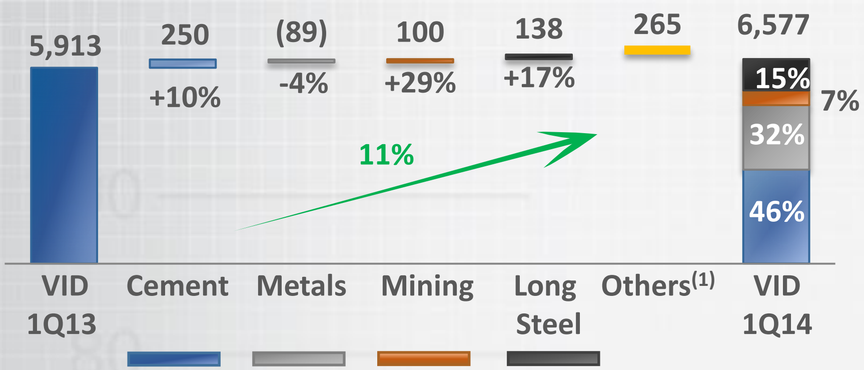
1 Business Performance

2 Financial Highlights

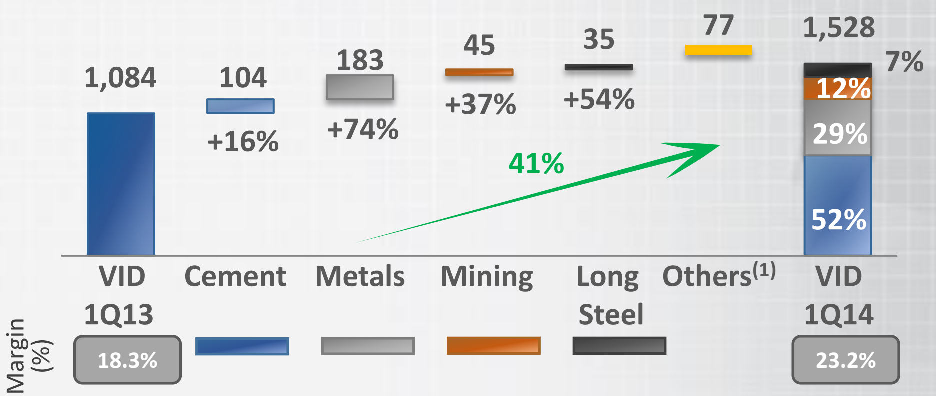
3 Closing Remarks

Strong operating performance by all business segments

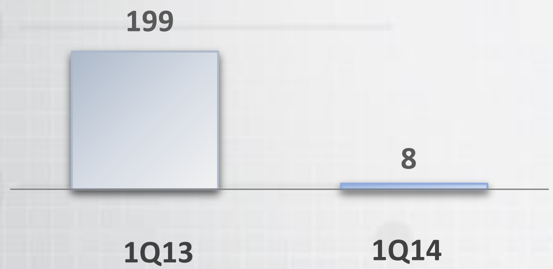
Net Revenues (R$ million)



Adjusted EBITDA (R$ million)



Net Income (R$ million)



Highlights

- **Consolidated revenues increased by 11%.** Due to the temporary closure of Nickel operations in Fortaleza de Minas, Metals revenues decreased by 4%
- All business segments made a **positive** contribution to the **EBITDA growth of 41%. The EBITDA margin** increased by **4.9 p.p.**
- As a result of the **strong operating performance**, excluding financial expense of R$400 million in connection to the tender offer, **Net Income** would have been **R$408 million**

(1) Include Holding, elimination, energy and others

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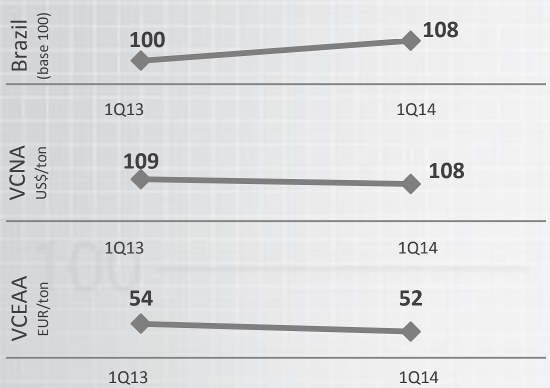
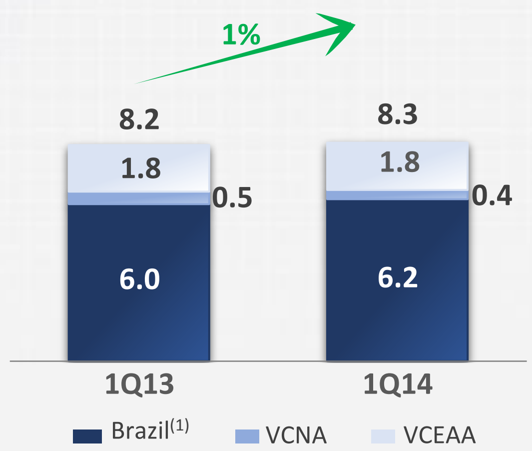
Cement | Results

Price

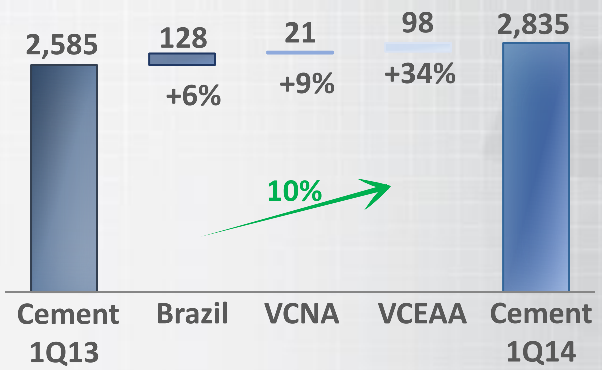


	1Q13	1Q14
R$/US$ (Average)	2.00	2.36
R$/EUR (Average)	2.64	3.24

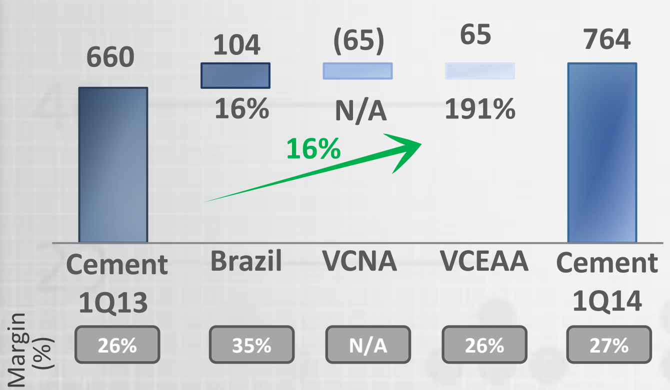
Volume (kton)



Net Revenues (R$ million)



Adjusted EBITDA (R$ million)



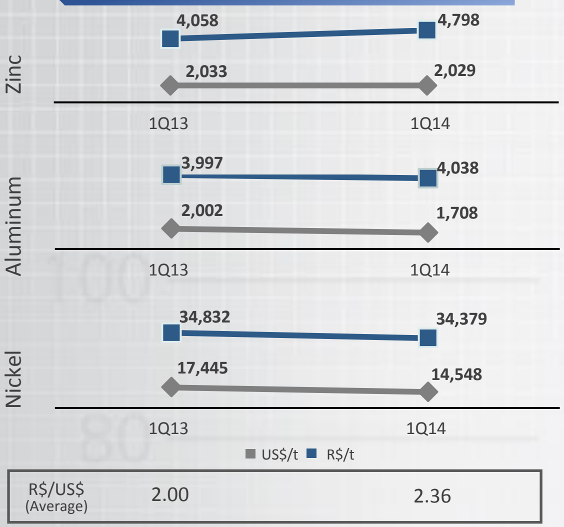
Highlights

- **VCBR – Revenues increased by 6%** as a result of higher prices and volume, specially in the Rio Branco, Cuiabá , Itaú de Minas, Sobradinho and Santa Helena plants
- **VCBR** – **Higher operating margin** coupled with **reduced administrative expenses** , mainly in third-party services, **improved EBITDA**
- **VCNA –** Volumes negatively impacted by **severe winter**
- **VCEAA - Revenues and EBITDA moved up,** mainly due to ongoing efforts to improve operating efficiency, together with the impact of the exchange rate variation on the consolidation

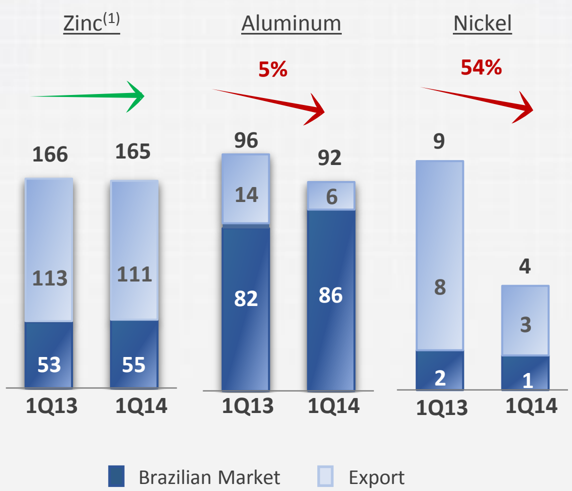
(1) Includes Latin American operations

Metals | Results

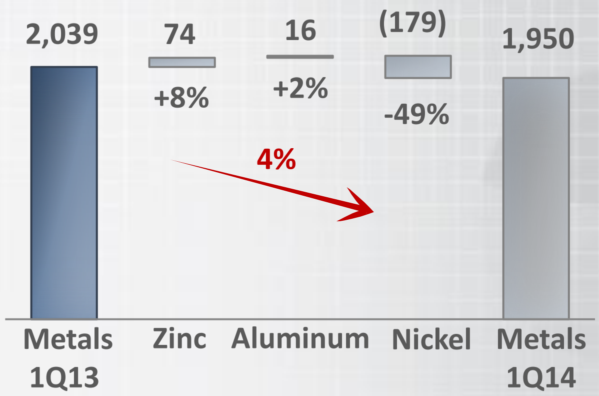
Price



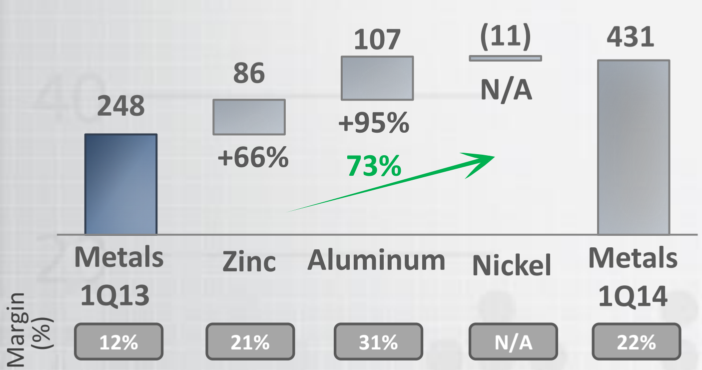
Volume (kton)



Net Revenues (R$ million)



Adjusted EBITDA (R$ million)



Highlights

- **Consolidated – Strong EBITDA and EBITDA margin growth** due to higher Aluminum and Zinc operating margins, as well as the BRL depreciation
- **Zinc – Revenues** increased due to **higher grade ore** and to **the sale** of **byproducts** at the Vazante mine. **EBITDA positively impacted** by **lower energy consumption**
- **Aluminum – EBITDA increased** due to the **improved sales mix**, resulting in higher sales prices (following the strategy of focusing on the Brazilian market), and to **surplus energy sales**
- **Nickel – Lower revenues and EBITDA** as a result of the reduced **sales volume** due to temporary closure of the Fortaleza de Minas plant

(1) Zinc exports include Zinc Brazil and Cajamarquilla

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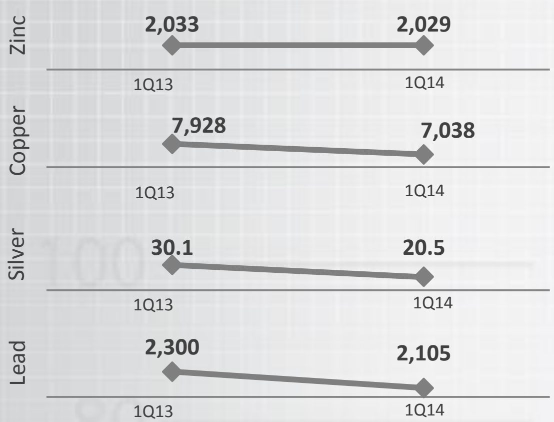
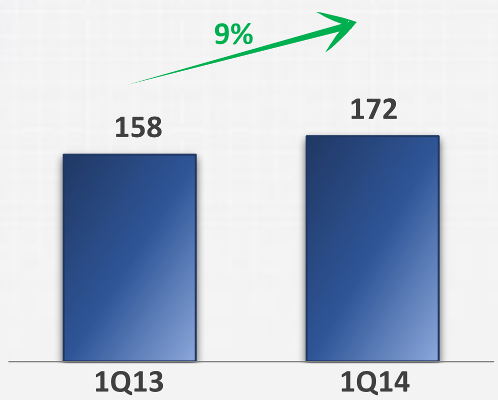
Mining Peru (Milpo)[1] | Results

Price (US$/t)

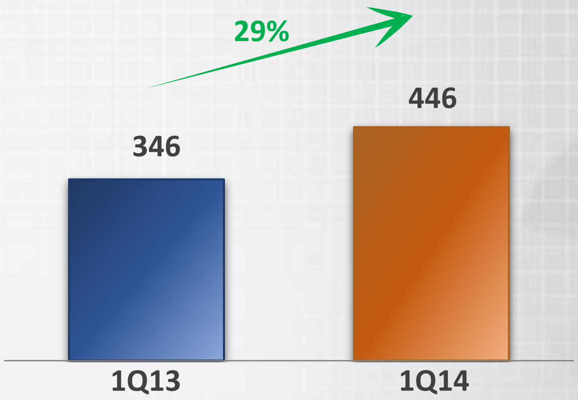


R$/US$ (Average)	2.00	2.36

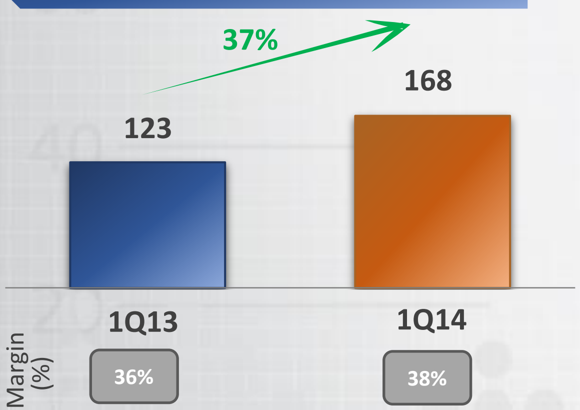
Volume (kton)



Net Revenues (R$ million)



Adjusted EBITDA (R$ million)



Highlights

- **Revenues** of R$446 million, a **29% increase** due to **higher concentrate production** and the **BRL depreciation** despite the downturn in metals prices
- **EBITDA and EBITDA margin increase** as a result of higher revenues and lower cash costs (US$ 36.4/t vs US$ 36.6/t)
- **Investment Grade status confirmed** by S&P in March/14 and Fitch in February/14

(1) VID has a stake of 50,06% and consolidates 100% of Milpo

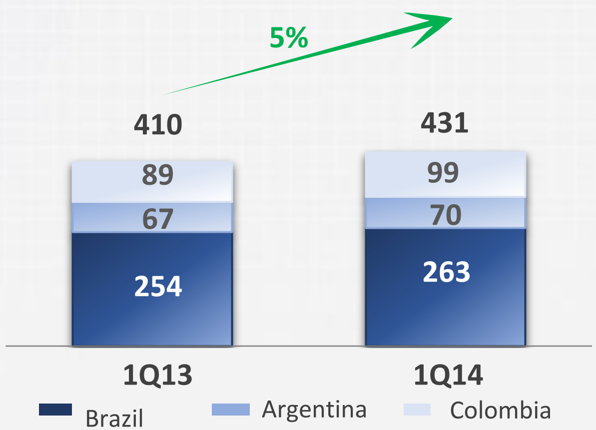
For further information, please go to: www.milpo.com/ir

Long Steel| Results

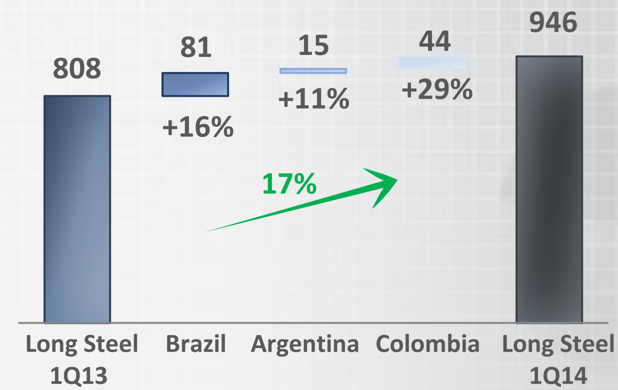
Price

ARS/US$ (Average)	5.01	7.60
COP/US$ (Average)	1,793	2,006

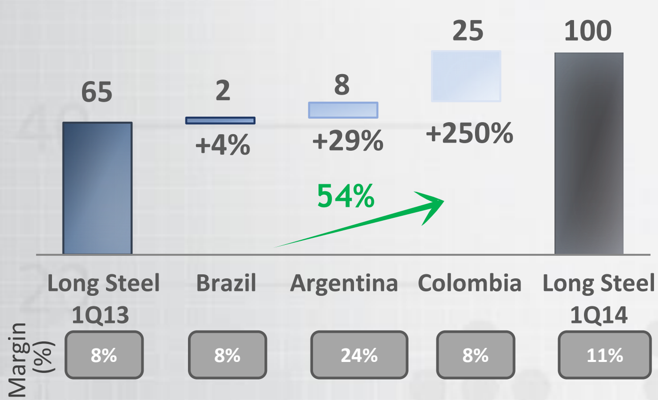
Volume (kton)



Net Revenues (R$ million)



Adjusted EBITDA (R$ million)



Highlights

- **Brazil – Revenues increased** as a result of **higher prices** (6%) and **volumes** (4%). EBITDA impacted by insufficient provisions for bonus payments. Excluding this effect, EBITDA would have increased by 15%
  - **Sitrel[(1)] –** Sales volume increased by 26%, while revenues and EBITDA climbed by 39% and 61%, respectively, reaching R$82 million and R$18 million
- **Argentina – Higher revenues and EBITDA** due to higher volumes and prices in addition to BRL depreciation
- **Colombia –** Revenues improved on the back of higher sales of billets along with **improved volume and prices. Lower operating expenses**, specially in payroll, also **made a positive contribution to EBITDA**

(1) Sitrel figures @100%. VID has a 50.0% equity interest in Sitrel. In conformity with IFRS11, Sitrel is not consolidated in VID's financial statements

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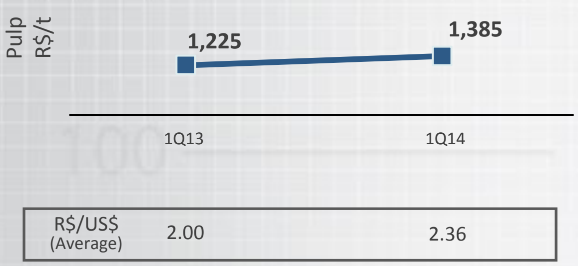
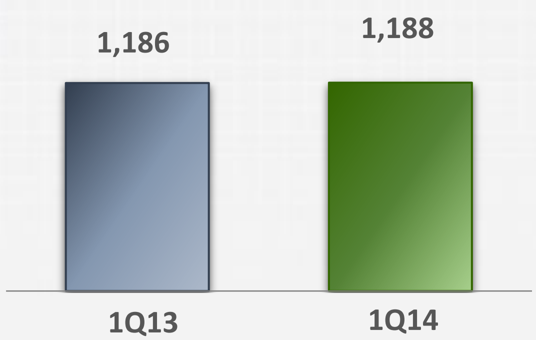
Fibria[1] | Results

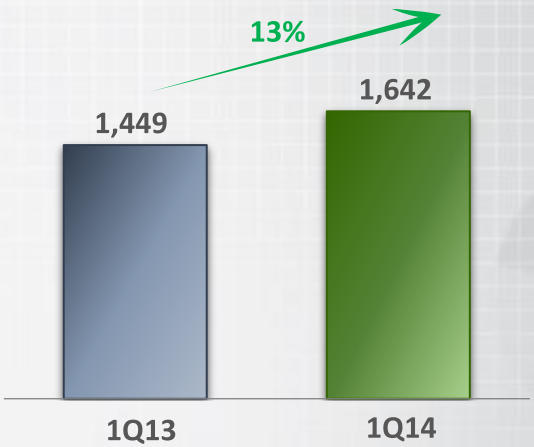
Price



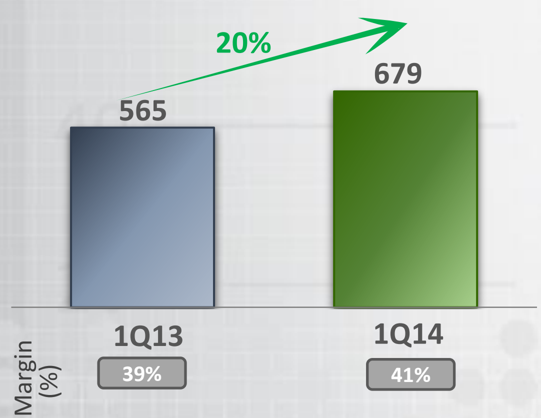
Volume (kton)



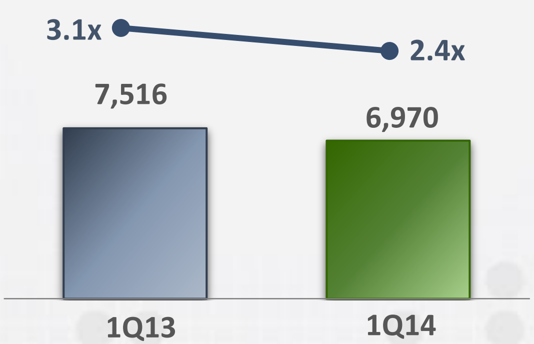
Net Revenues (R$ million)



Adjusted EBITDA[2] (R$ million)



Net Debt (R$ million) and Net Debt/EBITDA (USD)



Highlights

- **EBITDA and EBITDA margin increase** mainly explained by the higher net pulp price in reais (+13%)
- **Net Debt/EBITDA** in U.S. dollars at 2.4x, within the target established in the Indebtedness and Liquidity Policy
- **Fitch** upgraded Fibria's ratings to "BBB-/Stable" (Investment Grade)

For further information, please go to: www.fibria.com/ir

(1) Fibria's figures @ 100%. VID has 29,4% equity interest in Fibria. In conformity with IFRS11, Fibria is not consolidated in VID's financial statements
(2) Ebitda adjusted by non-recurring and non-cash items

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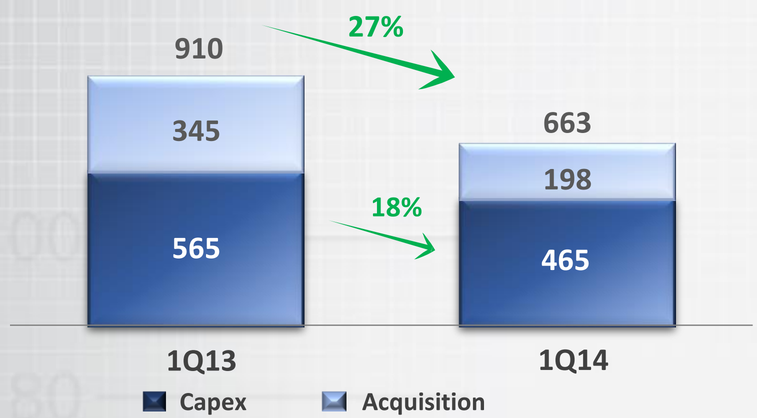
Cement continues to drive expansion projects

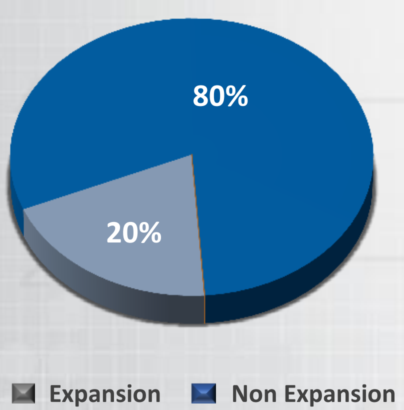
Investments (R$ million)

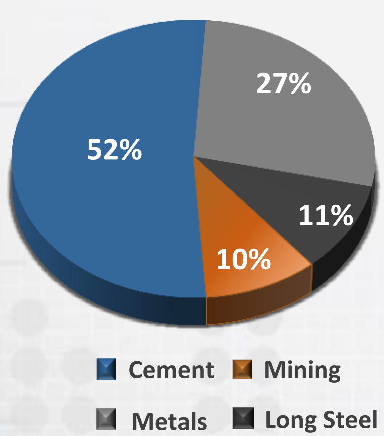


Highlights

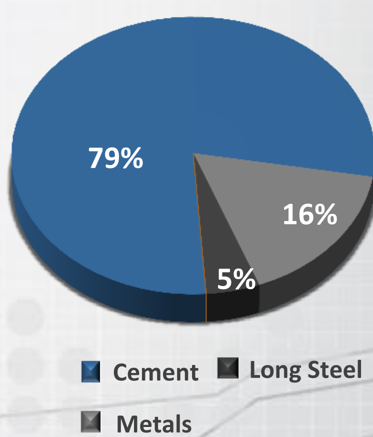
- **Capex decreased by 18%** in response to the current market conditions, reaffirming investment discipline
- **Expansion projects** absorbed **20%** of total Capex
- **Cement accounted for 79%** of the expansion projects (Primavera, Edealina and Xambioá)

Capex Breakdown



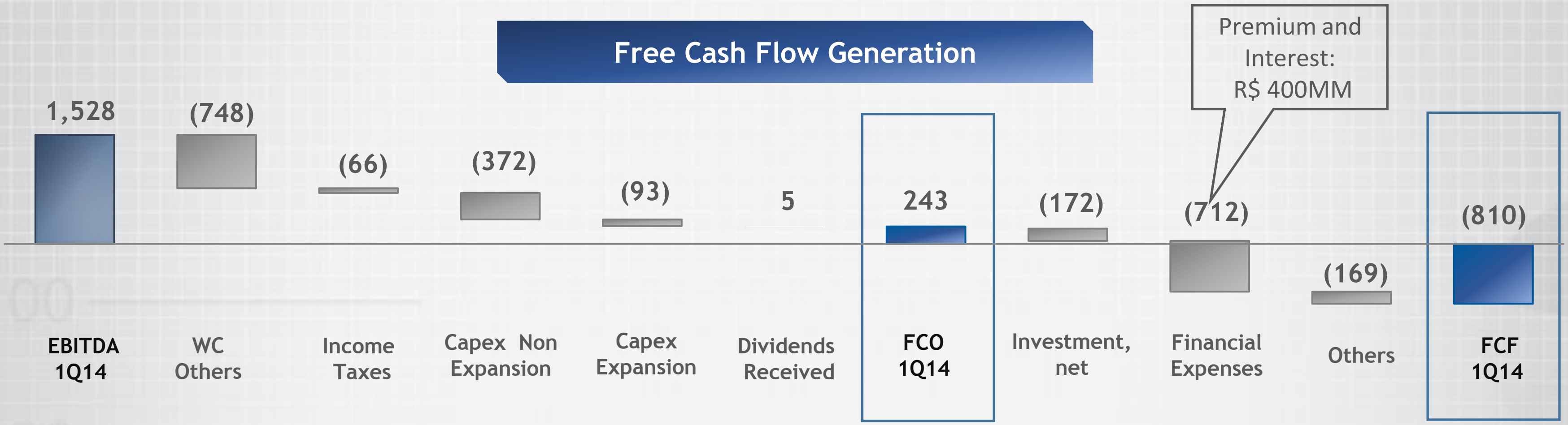


Expansion Projects

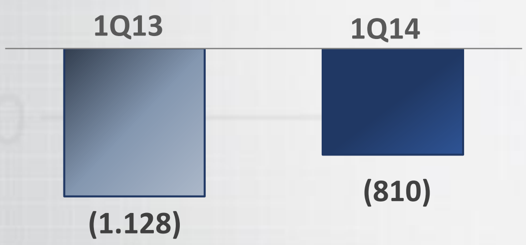


Negative Free Cash Flow in the first quarter driven by seasonality and the tender offer

Free Cash Flow Generation



Free Cash Flow

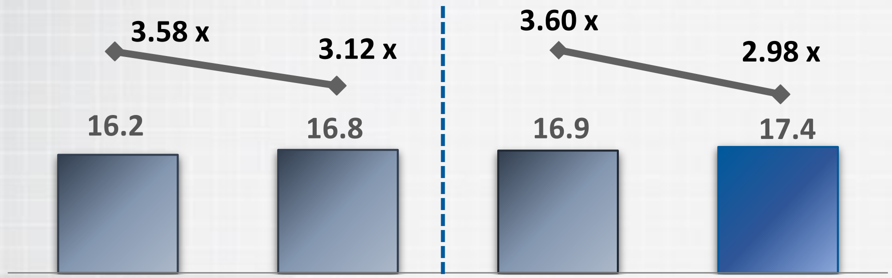


Highlights

- **Working capital requirements** reflect **business seasonality:** (R$748) million in 1Q14 vs. (R$822) million in 1Q13
- **Improved operating performance** improved FCF, despite non-recurring financial expenses of R$400 million related to the tender offer

Financial deleverage on the back of strong operating performance and continuous liability management

Net Debt (R$ bi) and Net Debt /EBITDA



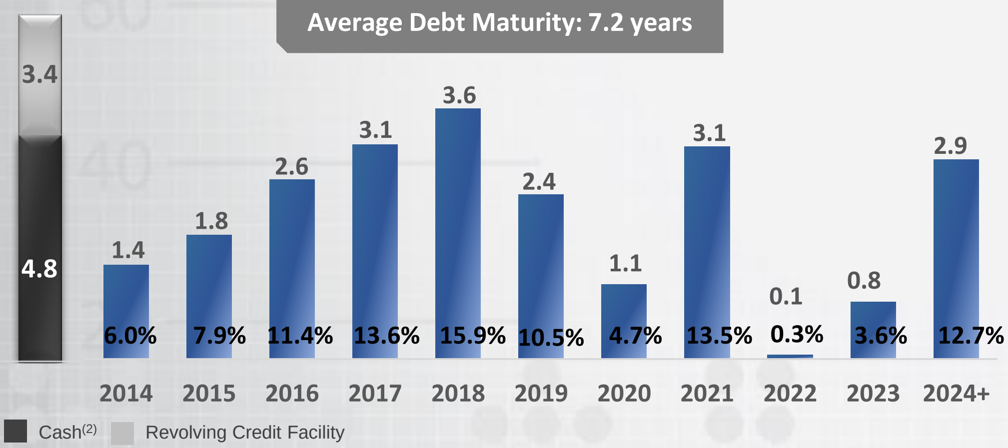
	2012	2013	1Q13	1Q14
Total Debt	22.3	23.4	22.5	22.2
LTM EBITDA	4.5	5.4	4.7	5.8
BRL/USD	2.04	2.34	2.01	2.26

Highlights

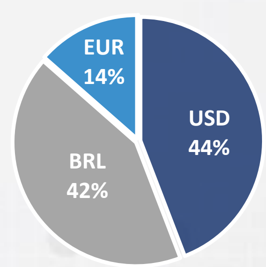
- Repurchase of 2019 and 2021 bonds amounting to US$880 million
- Lower exposure to USD debt (Dec/13 - 38% in BRL)
- Net Debt/EBITDA ratio decreased by 0.62x in 1Q14

Debt Amortization schedule[1] (R$ bi)

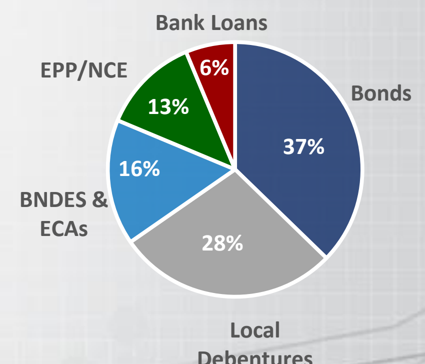
Average Debt Maturity: 7.2 years



Debt by Currency



Funding Mix



(1) Includes the payment of the 2017 and the issuance of the 2021 *bonds* in EUR
(2) Cash, cash equivalent and financial investments

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Closing remarks

- Robust operating performance driven by management focus on cost reductions and productivity
- Improved operating efficiency, together with increased production capacity in cement and mining in Peru supportive of consistent EBITDA growth
- Investment decision-making sensitive to market volatility and global trends
- Continuous liability management aiming at reducing total debt and foreign currency exposure
- Net debt to EBITDA ratio fell to 2.98x