(A free translation of the original in Portuguese)

Votorantim Industrial S.A.

Interim consolidated financial statements at September 30, 2012 and independent auditor's report

(A free translation of the original in Portuguese)

Report on review of condensed interim consolidated financial statements

To the Board of Directors and Stockholders
Votorantim Industrial S.A.

Introduction

We have reviewed the accompanying consolidated balance sheet of Votorantim Industrial S.A. and its subsidiaries ("the Company") as at September 30, 2012 and the related consolidated statements of operations, comprehensive income and cash flows for the quarter and nine-month period then ended, and the consolidated statements of changes in equity for the nine-month period then ended.

Management is responsible for the preparation and fair presentation of these condensed interim consolidated financial statements in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - Interim Financial Reporting, of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21 and IAS 34.

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Votorantim Industrial S.A.

Other matters - supplementary information

Statement of value added

We have also reviewed the interim consolidated statement of value added for the quarter and nine-month period ended September 30, 2012. This statement is the responsibility of the Company's management, and is presented as supplementary information. This statement has been subjected to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that it is not prepared, in all material respects, in a manner consistent with the condensed interim consolidated financial statements taken as a whole.

Information by business unit

We have also reviewed the supplementary information by business unit, described in note 29, which is the responsibility of the Company's management. This information is presented in order to provide additional information on Votorantim Industrial S.A. and its subsidiaries, which is neither intended to comply with or are required by IFRS or accounting practices adopted in Brazil. This information has been subjected to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that it is not prepared, in all material respects, in a manner consistent with the condensed interim consolidated financial statements taken as a whole.

Curitiba, October 31, 2012

PricewaterhouseCoopers

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Carlos Eduardo Guaraná Mendonça
Contador CRC 1SP196994/O-2

(A free translation of the original in Portuguese)

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Votorantim Industrial S.A.

Interim consolidated balance sheet

All amounts in millions of Reais(A free translation of the original in Portuguese)

	Note	9/30/2012	12/31/2011
Assets			
Current assets			
Cash and cash equivalents	6	2,220	1,380
Financial investments	7	3,720	3,410
Derivative financial instruments	4.1.1	89	241
Trade receivables	8	2,372	2,154
Inventories	9	3,735	3,507
Taxes recoverable	10	1,241	930
Dividends receivable	11	8	9
Receivables from sale of ownership interests	13(b)		2,362
Assets held for sale		236	189
Other assets		672	790
		14,293	14,972
Non-current assets			
Long-term receivables			
Financial investments	7	40	14
Derivative financial instruments	4.1.1	100	75
Taxes recoverable	10	722	1,103
Related parties	11	1,980	1,294
Deferred income tax and social contribution	18 (b)	4,122	3,450
Call option	12	108	104
Advances to suppliers		219	223
Other assets		522	430
		7,813	6,693
Investments	13	3,400	3,361
Property, plant and equipment	14	27,343	26,269
Biological assets	15	1,123	1,117
Intangible assets	16	11,708	11,366
		51,387	48,806
Total assets		65,680	63,778

	Note	9/30/2012	12/31/2011
Liabilities and equity			
Current liabilities			
Borrowing	17	2,006	2,028
Derivative financial instruments	4.1.1	253	171
Trade payables		2,558	2,576
Payables - Trading		28	24
Salaries and payroll charges		838	731
Income tax and social contribution		350	329
Taxes payable		351	383
Dividends payable to owners of the Company	11	183	596
Dividends payable to non-controlling interests	11	106	92
Advances from customers		175	136
Use of public assets	20	52	60
Provisions and other liabilities		706	725
		7,606	7,851
Non-current liabilities			
Borrowing	17	22,406	20,406
Related parties	11	849	610
Deferred income tax and social contribution	18 (b)	3,441	3,443
Tax, civil and labor provisions	19	1,024	1,154
Derivative financial instruments	4.1.1	243	186
Use of public assets	20	856	780
Provisions and other liabilities		1,417	1,382
		30,236	27,961
		37,842	35,812
Equity	21		
Share capital		19,925	19,925
Revenue reserves		5,987	6,687
Retained earnings		233	
Carrying value adjustments		(1,364)	(1,630)
Total equity attributable to owners of the Company		24,781	24,982
Non-controlling interests		3,057	2,984
Total equity		27,838	27,966
Total liabilities and equity		65,680	63,778

The accompanying notes are an integral part of these interim consolidated financial statements.

Votorantim Industrial S.A.

Interim consolidated statement of income
Periods ended September 30
All amounts in millions of Reais (A free translation of the original in Portuguese)

	Note	1/1/2012 to 9/30/2012	1/1/2011 to 9/30/2011	7/1/2012 to 9/30/2012	7/1/2011 to 9/30/2011
Continuing operations					
Net revenue from sales and services	22	18,275	17,371	6,470	6,349
Cost of sales and services		(13,911)	(12,457)	(4,902)	(4,644)
Gross profit		4,364	4,914	1,568	1,705
Operating expenses					
Selling		(1,040)	(944)	(358)	(331)
General and administrative		(1,679)	(1,366)	(652)	(513)
Other operating income (expenses), net	23	182	(309)	152	85
		(2,537)	(2,619)	(858)	(759)
Operating profit before equity results and finance income (costs)		1,827	2,295	710	946
Results from equity investments					
Equity in the results of investees	13	54	255	(79)	87
Net finance income (costs)	24	(1,622)	(1,439)	(373)	(1,345)
Profit (loss) before income tax and social contribution		259	1,111	258	(312)
Income tax and social contribution	18				
Current		(511)	(597)	(229)	(276)
Deferred		450	592	119	740
Profit for the period from continuing operations		198	1,106	148	152
Discontinued operations					
Profit for the period from discontinued operations	28		103		7
Profit for the period		198	1,209	148	159
Profit attributable to owners of the Company		233	1,068	157	126
Profit (loss) attributable to non-controlling interests		(35)	141	(9)	33
Profit for the period		198	1,209	148	159
Basic and diluted earnings per thousand shares from continuing operations (in Reais)		11.31	64.64	8.45	8.88
Basic and diluted earnings per thousand shares from discontinued operations (in Reais)		-	6.02	-	0.41

The accompanying notes are an integral part of these interim consolidated financial statements.

Votorantim Industrial S.A.

Interim consolidated statement of comprehensive income
Periods ended September 30
All amounts in millions of Reais (A free translation of the original in Portuguese)

	1/1/2012 to 9/30/2012	1/1/2011 to 9/30/2011	7/1/2012 to 9/30/2012	7/1/2011 to 9/30/2011
Profit for the period	198	1,209	148	159
Components of comprehensive income for the period				
Exchange variations on investments abroad	1,033	849	37	1,305
Hedge accounting for net investments in foreign operations	(316)	(761)	(7)	(1,023)
Hedge accounting for the operations of subsidiaries	(127)	35	(118)	(13)
Fair value of asset available for sale	5			
Other effects in subsidiaries and associates	(157)	(162)	(218)	
	438	(40)	(306)	269
Total comprehensive income for the period	636	1,169	(158)	428
Attributable to				
Owners of the Company	499	1,209	(34)	441
Non-controlling interests	137	(40)	(124)	(13)
	636	1,169	(158)	428

The accompanying notes are an integral part of these interim consolidated financial statements.

Votorantim Industrial S.A.

Statement of changes in equity

All amounts in millions of Reais unless otherwise stated (A free translation of the original in Portuguese)

	Share capital	Revenue reserves: Legal	Revenue reserves: Profit retention	Retained earnings	Carrying value adjustments	Equity attributable to owners of the Company	Non-controlling interests	Total equity
As at December 31, 2010	19,367	464	5,289		(1,567)	23,553	2,522	26,075
Total comprehensive income for the period								
Profit for the period				1,068		1,068	141	1,209
Components of comprehensive income for the period					141	141	(181)	(40)
Total comprehensive income for the period				1,068	141	1,209	(40)	1,169
As at September 30, 2011	19,367	464	5,289	1,068	(1,426)	24,762	2,482	27,244

The accompanying notes are an integral part of these interim consolidated financial statements.

Votorantim Industrial S.A.

Statement of changes in equity

All amounts in millions of Reais unless otherwise stated (A free translation of the original in Portuguese)

		Revenue reserves						
	Share capital	Legal	Profit retention	Retained earnings	Carrying value adjustments	Equity attributable to owners of the Company	Non-controlling interests	Total equity
As at December 31, 2011	19,925	525	6,162		(1,630)	24,982	2,984	27,966
Total comprehensive income for the period								
Profit for the period				233		233	(35)	198
Components of comprehensive income for the period					266	266	172	438
Total comprehensive income for the period				233	266	499	137	636
Total distributions to stockholders								
Decrease in non-controlling interests							(64)	(64)
Dividends paid and proposed (R$ 0.04 per share)			(700)			(700)		(700)
Total distributions to stockholders			(700)			(700)	(64)	(764)
As at September 30, 2012	19,925	525	5,462	233	(1,364)	24,781	3,057	27,838

The accompanying notes are an integral part of these interim consolidated financial statements.

Votorantim Industrial S.A.

Interim consolidated statement of cash flows
Periods ended September 30

All amounts in millions of Reais (A free translation of the original in Portuguese)

	Note	1/1/2012 to 9/30/2012	1/1/2011 to 9/30/2011	7/1/2012 to 9/30/2012	7/1/2011 to 9/30/2011
Cash flows from operating activities					
Profit (loss) before income tax and social contribution from continuing operations		259	1,111	258	(312)
Profit from discontinued operations			103		7
Ajustments of items that do not represent change in cash and cash equivalents					
Interest, indexation and foreign exchange gains (losses)		1,300	1,759	222	1,358
Equity in the earnings of investees	13	(54)	(255)	79	(87)
Depreciation, amortization and depletion	14, 15 e 16	1,863	1,551	666	564
Loss on disposal of investment, PP&E and intangible assets		54	143	(210)	(143)
Change in fair value of biological asset		(74)	(7)	1	(60)
Call option		(4)	346	(60)	29
Fair value adjustment of derivatives		(53)	(33)	(18)	54
Other operating income (expenses)		(37)	(28)	(57)	(13)
Provisions		162	259	47	140
		3,416	4,949	928	1,537
Changes in assets and liabilities					
Financial investments		(336)	1,431	725	1,767
Derivative financial instruments		159	(102)	50	(178)
Trade receivables		(218)	(278)	(76)	(170)
Inventories		(228)	(949)	31	(337)
Taxes recoverable		70	(388)	96	(41)
Related parties		(447)	(188)	(743)	(11)
Other receivables and assets		29	314	133	179
Trade payables		(18)	123	124	255
Payables - trading		4	(350)	13	(55)
Payables for acquisition of shares			(423)		(183)
Salaries and payroll charges		107	89	102	111
Taxes payable		(32)	3	13	(54)
Advances from customers		39	4	(34)	10
Other obligations and liabilities		483	976	(181)	677
Cash from operations	17(b)	3,028	5,211	1,180	3,507
Interest paid		(1,106)	(952)	(284)	(301)
Income tax and social contribution paid		(490)	(290)	4	(91)
Net cash provided by operating activities		1,432	3,969	900	3,115
Cash flows from investments activities					
Purchases of property, plant and equipment	14	(2,181)	(2,605)	(619)	(1,039)
Purchases of biological assets	15	(183)	(155)	(66)	(43)
Purchases of intangible assets	16	(143)	(457)	(78)	(105)
Acquisition of investments	13	(58)	(84)		
Proceeds from the sale of investments	13 (b)	2,362			
Dividends received		183	74	182	74
Net used in investing activities		(19)	(3,226)	(580)	(1,112)
Cash flows from financing activities					
Funding transactions	17	3,147	5,548	514	2,028
Derivative financial instruments		107	66	136	96
Repayment of borrowings	17	(2,640)	(6,240)	(941)	(3,140)
Payment of dividends		(1,159)	(345)	(741)	(209)
Net cash used in financing activities		(545)	(971)	(1,032)	(1,225)
Increase (decrease) in cash and cash equivalents		868	(228)	(712)	778
Effect of fluctuations in exchange rates		28	55	(17)	71
Cash and cash equivalents at the beginning of the period		1,380	2,334	2,915	1,344
Cash and cash equivalents at the end of the period		2,220	2,051	2,220	2,051

The accompanying notes are an integral part of these interim consolidated financial statements.

Interim consolidated statement of value added
Periods ended September 30
All amounts in millions of Reais (A free translation of the original in Portuguese)

	1/1/2012 to 9/30/2012	1/1/2011 to 9/30/2011	7/1/2012 to 9/30/2012	7/1/2011 to 9/30/2011
Revenue				
Sales of products and services	21,776	20,661	7,697	7,520
Other operating income (expenses)	182	(309)	152	85
Change in provision for the impairment of trade receivables	(8)	(12)	(8)	18
	21,950	20,340	7,841	7,623
Inputs acquired from third parties				
Costs of sales and services	(12,527)	(11,220)	(4,345)	(4,307)
Gross value added	9,423	9,120	3,496	3,316
Depreciation, amortization and depletion	(1,863)	(1,551)	(666)	(564)
Net value added generated by the entity	7,560	7,569	2,830	2,752
Value added received through transfer				
Result from equity investments	54	255	(79)	87
Finance income (costs)	603	601	179	(197)
	657	856	100	(110)
Total value added to distribute	8,217	8,425	2,930	2,642
Distribution of value added				
Personnel and payroll charges	1,608	1,299	623	420
Direct compensation	1,330	1,062	525	334
Benefits	278	237	98	86
Taxes and contributions	4,028	3,778	1,548	878
Federal	2,583	2,397	950	916
State	2,008	1,950	708	692
Municipal	25	23	9	9
Deferred taxes	(588)	(592)	(119)	(739)
Remuneration of third party capital	2,384	2,139	611	1,185
Finance costs	2,225	2,040	552	1,148
Rentals	159	99	59	37
Remuneration of own capital	197	1,106	148	152
Non-controlling interests	(35)	141	(9)	33
Retained earnings	232	965	157	119
Profit from discontinued operations		103		7
Value added distributed	8,217	8,425	2,930	2,642

The accompanying notes are an integral part of these interim consolidated financial statements.

1 General considerations

Votorantim Industrial S.A. (the "Company", "Parent Company", or "VID") is a privately-held company fully controlled by the Ermírio de Moraes family and is the holding company of the Votorantim industrial companies (the "Units" or "BUs"). Headquartered in the city of São Paulo, Brazil, the Company's purpose is to manage assets and companies, as well as to invest in other companies of any nature in order to further its objectives.The Company, through its subsidiaries and associates, operates in the cement and concrete, pulp, metals (aluminum, copper, zinc and nickel), steel and electrical power generation segments.

2 Presentation of the interim consolidated financial statements

These interim consolidated financial statements were authorized for issue by management on October 30, 2012.

2.1 Basis of presentation

The interim consolidated financial statements at September 30, 2012 have been prepared in accordance with Technical Pronouncement CPC 21 - Interim Financial Reporting, issued by the Brazilian Accounting Pronouncements Committee (“CPC”) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (“IASB”), and contain selected explanatory notes only, in order not to duplicate information already included in the financial statements as at December 31, 2011 made available to the public on March 8, 2012.

Therefore, the interim consolidated financial statements at September 30, 2012 do not contain all the explanatory notes and disclosures required by the accounting standards applicable to annual financial statements. As consequence, they should be read together with the financial statements prepared in accordance with the relevant CPCs and IFRSs as at December 31, 2011.

The interim consolidated financial statements have been prepared in a manner consistent with the information disclosed in Note 2 to the consolidated financial statements as at December 31, 2011.

All amounts in millions of Reais unless otherwise stated

2.2 Companies included in the interim consolidated financial statements

	Percentage of total capital	
	9/30/2012	12/31/2011
Cement		
Acariúba Mineração e Participação Ltda.	100.00	100.00
Interávia Transportes Ltda.	100.00	100.00
Prairie Material Sales Inc. (United States)	100.00	100.00
Silcar Empreendimentos, Comércio e Participações S.A.	100.00	100.00
St. Barbara Cement Inc. (Canada)	100.00	100.00
St. Marys Cement Inc. (Canada and United States)	100.00	100.00
Votorantim Cement North America Inc. (Canada) - "VCNA"	100.00	100.00
Votorantim Cimentos N/NE S.A.	96.18	96.18
Votorantim Cimentos S.A.	95.98	95.97
Sumter Cement Co. LLC (United States)	50.00	50.00
Suwannee American Cement, LLC (United States)	50.00	50.00
Trinity Materials LLC (United States)	50.00	50.00
Metals		
US Zinc Corporation (United States) - "USZinc"	100.00	100.00
Votorantim Metais S.A.	100.00	100.00
Votorantim Metais Zinco S.A.	100.00	100.00
Companhia Brasileira de Alumínio	100.00	100.00
Votorantim Metais - Cajamarquilla S.A.A. (Peru)	99.89	99.68
Indústria e Comércio Metalúrgica Atlas S.A.	99.80	99.86
Votorantim Metais Participações Ltda.	97.15	97.10
Compañia Minera Atacocha S.A.A. (Peru)	88.19	88.19
Compañia Minera Milpo S.A.A. (Peru)	50.06	50.02
Campos Novos Energia S.A	44.76	44.76
Steel		
Acerbrag S.A. (Argentina)	100.00	100.00
Votorantim Siderurgia S.A.	100.00	100.00
Acerías Paz del Río S.A. - "APDR" (Colombia)	82.42	72.38
Sitrel - Siderurgia Três Lagoas Ltda.	50.00	50.00
Pulp		
Fibria Celulose S.A.	29.42	29.34
Holding and trading companies and others		
Santa Cruz Geração de Energia S.A.	100.00	100.00
Votorantim Energia Ltda.	100.00	100.00
Votorantim GmbH (Austria)	100.00	100.00
Voto - Votorantim Overseas Trading Operations III Ltd. (Cayman Island)	100.00	100.00
Voto - Votorantim Overseas Trading Operations IV Ltd. (Cayman Island)	100.00	100.00
Voto - Votorantim Overseas Trading Operations V Ltd. (Cayman Island)	100.00	100.00
Voto Votorantim Ltd. (Cayman Island)	100.00	100.00
Votorantim Investimentos Latino-Americanos S.A.	99.70	99.70
Exclusive investment funds		
Odessa Multimercado Crédito Privado	95.74	86.08
Fundo de Investimento Pentágono Multimercado - Crédito Privado	87.09	87.09

All amounts in millions of Reais unless otherwise stated

2.3 Critical accounting estimates and judgments

The critical accounting estimates and assumptions used in the preparation of these interim consolidated financial statements are the same as those described in Note 4 to the Company's annual consolidated financial statements as at December 31, 2011.

3 New standards, amendments and interpretations to existing standards that are not yet effective

The new standards, amendments to and interpretations of existing standards that are not yet effective, are the same as those described in Note 3 to the Company's annual consolidated financial statements as at December 31, 2011.

4 Financial risk management

4.1 Financial risk factors

(a) Liquidity risk

Except as described in Note 4.1.1, there have been no changes since December 31, 2011 to the financial risks and risk management policies described in the Company's annual consolidated financial statements as at December 31, 2011.

The table below analyzes the Company's non-derivative and derivative financial liabilities to be settled by the Company arranged by maturity (the remaining period in the balance sheet up to the contractual maturity date).Derivative financial liabilities are included in the analysis if their contractual maturities are to understanding the temporary cash flows.The amounts disclosed in the table are the undiscounted cash flows, which includes interest to be incurred, and, accordingly, we do not agree directly to the amounts in the balance sheet for borrowings.

	Up to one year	Between one and two years	Between two and five years	Between five and ten years	Over ten years
As at September 30, 2012					
Borrowing	(2,965)	(2,820)	(10,325)	(13,534)	(6,201)
Derivative financial instruments	(253)	(137)	(77)	(29)	
Payables - Trading	(28)				
Trade payables	(2,558)				
	(5,804)	**(2,957)**	**(10,402)**	**(13,563)**	**(6,201)**
As at December 31, 2011					
Borrowing	(2,983)	(2,904)	(7,703)	(15,514)	(3,507)
Derivative financial instruments	(171)	(25)	(137)	(24)	
Payables - Trading	(24)				
Trade payables	(2,576)				
	(5,754)	**(2,929)**	**(7,840)**	**(15,538)**	**(3,507)**

4.1.1 Derivatives contracted

The hedging programs contracted by the Company are the same programs described in Note 5.1.1 to the annual consolidated financial statements as at December 31, 2011, except for the programmes described below:

Instruments to hedge real-denominated debts - derivative financial instruments contracted to transform the fixed rates of real-denominated debts into CDI floating rates. Risk mitigation is carried out by means of swaps. Changes in fair value are recognized in the statement of income.

Hedging program for the operating margin of metals - in addition to the hedging program for the operating margin on zinc, nickel and aluminum, the Company has executed derivative financial instruments to reduce the volatility of the cash flows from its zinc, copper and silver operations in Peru.

The table below summarizes the derivative financial instruments and the underlying hedged items:

All amounts in millions of Reais unless otherwise stated

Program	Principal amount		Unit	Fair value		Realized gain (loss)						
	9/30/2012	12/31/2011		9/30/2012	12/31/2011	9/30/2012	2012	2013	2014	2015	2016	2017+
Hedging program for interest rates in US Dollars												
LIBOR floating rate vs. LIBOR fixed rate swaps; Zero Cost Collar	818	1,061	USD MM	(95)	(95)	(32)	(5)	(29)	(21)	(14)	(11)	(15)
				(95)	(95)	(32)						
Hedging program for sales of nickel, zinc and aluminum at a fixed price												
Nickel forward	922	1,392	metric ton	(2)		1	(2)					
Zinc forward	10,305	9,092	metric ton	3	(2)	(4)	1	2				
				1	(2)	(3)						
Hedging program for mismatches of quotation periods												
Nickel forward	2,750	156	metric ton	(7)		6	(7)					
Zinc forward	232,428	123,400	metric ton	(31)	10	18	(26)	(5)				
				(38)	10	24						
Hedging program for fuel oil expenses												
WTI collar		42,000	bbl (*)		1	1						
					1	1						
Hedging program for the operating margins of metals												
Nickel forward	6,155	5,222	metric ton		37	51	4	(4)				
Zinc forward	139,305	98,910	metric ton	(20)	70	61	2	(22)				
Aluminum forward	160,870	142,833	metric ton	28	120	127	16	12				
Copper forward	5,239		metric ton	(1)				(1)				
Silver forward	1,153		k oz (**)	(4)		5		(4)				
US dollar forward	698	694	USD MM	(77)	(95)	(97)	(32)	(45)				
				(75)	132	148						
Hedging program for debts												
Fixed rate in Reais vs. CDI floating rate swaps	500		BRL MM	3				1	2			
US Dollar vs. Yen swaps	43	43	USD MM	(28)	(25)	1		2	(30)			
				(25)	(25)	1						
Subtotal				(232)	21	139	(49)	(93)	(49)	(14)	(11)	(15)
Publicly-held company (Fibria)				(75)	(62)	(32)	(9)	(13)	(2)	(15)	(12)	(24)
Total Consolidated				(307)	(41)	107	(58)	(106)	(51)	(29)	(23)	(39)

(*) Oil barrel
(**) kilograms in troy ounce

All amounts in millions of Reais unless otherwise stated

4.1.2 Sensitivity analysis

Presented below is a sensitivity analysis for outstanding positions in cash and cash equivalents, financial investments, financial instruments, including borrowings, and derivative financial instruments. The various scenarios are described below:

. Scenario I:based on market forward curves and quotations as at September 30, 2012 representing a probable scenario in management's opinion as at December 31, 2012.

. Scenario II:considers a stress factor of + or -25% applied to the market forward curves and quotations as at September 30, 2012.

. Scenario III:considers a stress factor of + or -50% applied to the market forward curves and quotations as at September 30, 2012.

	Impacts on profit (loss)						Impacts on comprehensive income				
	Scenario I		Scenarios II and III				Scenario I	Scenarios II and III			
Risk factors	Changes used at 9/30/2012	Results of scenario I	-25%	-50%	25%	50%	Results of scenario I	-25%	-50%	25%	50%
Exchange rate											
USD	-1%	44	2,109	4,218	(2,109)	(4,218)	(30)	(1,448)	(2,897)	1,448	2,897
EUR	-3%	3	24	48	(24)	(48)	63	460	919	(460)	(919)
Interest rates											
BRL - CDI	0 bps		(10)	(18)	10	21	0	9	18	(9)	(17)
USD Libor	0 bps		2	4	(2)	(4)	0	(7)	(14)	7	13
Price - Commodities											
Nickel	4%	(2)	16	32	(16)	(32)	(8)	53	105	(53)	(105)
Zinc	5%	(19)	89	178	(89)	(178)	(32)	150	301	(150)	(301)
Aluminum	5%						(30)	159	319	(159)	(319)
Copper	2%						(1)	21	41	(21)	(41)
Silver	1%						(1)	18	37	(18)	(37)

All amounts in millions of Reais unless otherwise stated

4.1.3 Main transactions and future commitments subject to cash flow and fair value hedges

The table below presents a summary of the derivatives classified under these criteria.

Program	Principal amount		Unit	Purchase/ sale	Average FWD rate/price		Average term (days)	Fair value		Realized gain (loss)	Fair value by maturity		
	9/30/2012	12/31/2011						9/30/2012	12/31/2011	9/30/2012	2012	2013	2014+
Hedge accounting - Cash flow hedging													
Hedging program for the operating margins of metals													
Nickel forward	5,607	4,422	metric ton	S	18,276	US$/metric ton	183	(3)	27	45	1	(4)	
Zinc forward	123,325	90,910	metric ton	S	2,023	US$/metric ton	181	(24)	61	56	(1)	(23)	
Aluminum forward	147,610	123,500	metric ton	S	2,198	US$/metric ton	178	20	105	119	9	11	
Copper forward	4,949	0	metric ton	S	8,114	US$/metric ton	201	(1)				(1)	
Silver forward	1,049	0	k oz (**)	S	33	k US$/oz	175	(4)		5		(4)	
US dollar forward	633	607	USD MM	S	2.00	R$/US$	175	(65)	(95)	(109)	(21)	(44)	
								(76)	**98**	**116**	**(12)**	**(64)**	
Hedging program for quotation period mismatches													
Zinc forward	67,114	0	metric ton	P/S			57	(5)			(3)	(2)	
Hedging program for interest rates in US Dollars													
LIBOR floating rate vs. LIBOR fixed rate swaps	264	276	USD MM		3.83	%	2,910	(74)	(68)	(17)		(18)	(56)
Hedge accounting - Fair value hedging													
Hedging program for sales of nickel, zinc and aluminum at a fixed price													
Zinc forward	1,200	900	metric ton	P	1,929	US$/metric ton	138	0	(1)	(1)			

(**) kilograms in troy ounce

All amounts in millions of Reais unless otherwise stated

In addition to the hedging programs described in Note 5.1.4 to the consolidated financial statements as at December 31, 2011, the Company started to adopt hedge accounting for a portion of the hedging program for mismatches between quotation periods in June 2012.

4.1.4 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue to provide stockholders returns and benefits for other stakeholders, to maintain an optimal capital structure to and reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company can make (or may propose to the Board of Directors when their approval is required), adjustments to the amounts of dividends paid to stockholders, return capital to stockholders, or, issue new shares or sell assets to reduce, for example, the level of debt.

Consistent with other companies in the industry, the Company monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by EBITDA. Net debt is calculated as being total debt less cash and cash equivalents and the amount of financial investments, adding or subtracting the fair value of derivatives contracts. EBITDA is calculated as the sum of operating income, depreciation, amortization, depletion and items classified as non-recurring by management.

The gearing ratios are as follows:

	Note	9/30/2012	12/31/2011
Borrowing	17	24,412	22,434
Cash and cash equivalents	6	(2,220)	(1,380)
Fair value of derivative contracts		307	41
Financial investments	7	(3,760)	(3,424)
Net debt (A)		**18,739**	**17,671**
Breakdown of EBITDA		**10/1/2011 to 9/30/2012**	**1/1/2011 to 12/31/2011**
Net revenue		24,563	23,659
Cost of sales and services		(18,713)	(17,259)
Net finance costs		(4,385)	(4,467)
Discontinued operations		1,183	1,286
EBIT		**2,648**	**3,219**
Depreciation, amortization and depletion		2,435	2,128
EBITDA		**5,083**	**5,347**
Non-recurring adjustments/items			
Fibria call option		(2)	347
Gain on sale of Conpacel and KSR			(156)
Gain on sale of USIMINAS		(1,247)	(1,247)
Loss on sale of Nitroquimica		104	104
Impairment of investments		586	586
Provision for losses on PP&E		101	101
Provision for losses on assets		156	156
Other		11	16
Adjusted EBITDA (B)		**4,792**	**5,254**
Gearing ratio (A/B)		**3.91**	**3.36**

All amounts in millions of Reais unless otherwise stated

4.1.5 Fair value estimation

In the nine-month period ended September 30, 2012, there were no reclassifications between the fair value measurement hierarchy (Level 1, 2 and 3) to the financial assets, or significant changes in the business environment or economic circumstances which had an impact on the fair value of the financial assets and liabilities of the Company.

5 Credit quality of financial assets

The table below reflects the credit quality of issuers and counterparties in transactions involving cash and cash equivalents, financial investments and derivatives:

			9/30/2012			12/31/2011
	Local rating	Global rating	Total	Local rating	Global rating	Total
Cash and cash equivalents						
AAA	1,330	9	1,339	544	4	548
AA+	234		234	31		31
AA	102	2	104			
AA-		4	4		1	1
A+		108	108		164	164
A		25	25		124	124
A-		21	21		36	36
BBB+		140	140		48	48
BBB		69	69		113	113
BBB-		148	148		315	315
B+		10	10			
CCC+		6	6			
Unrated		12	12			
	1,666	555	2,220	575	808	1,380
Financial investments						
AAA	1,934		1,934	1,231	1	1,232
AA+	772		772	1,386		1,386
AA	82		82	134		134
AA-	21		21	35	4	39
A+		265	265			
A	9	125	133	14	113	127
A-	15	6	21	1	122	123
BBB+			-			-
BBB		274	274		159	159
BBB-		49	49		224	224
CCC+		20	20			
Unrated	156	33	189			
	2,989	771	3,760	2,802	621	3,424
Derivative financial assets						
AAA	121		121	90		90
AA+				1		1
A+		13	13		122	122
A		26	26		36	36
A-		8	8		10	10
BBB+		6	6		20	20
BBB		15	15		37	37
	121	68	189	91	225	316
	4,776	1,394	6,169	3,468	1,654	5,120

The local and global ratings were obtained from rating agencies (Standard & Poor's, Moody's and Fitch).

All amounts in millions of Reais unless otherwise stated

6 Cash and cash equivalents

	9/30/2012	12/31/2011
Cash and banks	75	488
Bank Deposit Certificates ("CDBs")	968	221
Repurchase agreements	622	329
Cash and equivalents in foreign currency	555	342
	2,220	1,380

In the nine-month period ended September 30, 2012, there were no significant changes in the characteristics of the transactions presented in Note 7 compared to the latest annual consolidated financial statements. The increase in the balance of cash and cash equivalents and financial investments in the period results from the sale of the ownership interest in USIMINAS, the reopening of the bonds maturing in 2041, and the investment of the excess net cash flows from operations generated in the period. The average yield of the portfolio during the nine-month period ended September 30, 2012 was 101.81% of the CDI (102.2% of the CDI at December 31, 2011).

7 Financial investments

Financial investments include financial assets classified as held-for-trading and held-to-maturity, as follows:

	9/30/2012	12/31/2011
Held for trading		
Financial Treasury Bills ("LFTs")	816	869
National Treasury Bills ("LTNs")	474	39
National Treasury Notes ("NTNs")	343	
Investment fund quotas	11	43
Credit Rights Investment Funds ("FIDCs")	227	147
Investments denominated in foreign currency	775	585
Bank Deposit Certificates ("CDBs")	214	161
Repurchase agreements	852	1,540
Other	8	
	3,720	3,384
Held to maturity		
Financial Treasury Bills ("LFTs")	26	26
Bank Deposit Certificates ("CDBs")	14	14
	40	40
	3,760	3,424
Current	(3,720)	(3,410)
Non-current	40	14

Financial investments in private securities are substantially represented by Bank Deposit Certificates ("CDBs") and repurchase agreements, most of which have immediate liquidity and yields linked to the Interbank Deposit Certificate ("CDI") variations. Public securities represent bills and notes issued by the Brazilian National Treasury.The average yield of the portfolio during the nine-month period ended September 30, 2012 was 101.35% of the CDI (102.2% of the CDI as at December 31, 2011).

All amounts in millions of Reais unless otherwise stated

8 Trade receivables

	9/30/2012	12/31/2011
Trade receivables - Brazil	1,071	858
Trade receivables - exports from Brazil	219	277
International customers	1,077	1,017
Related parties (Note 11)	82	71
Provision for impairment of trade receivables	(77)	(69)
	2,372	2,154

9 Inventory

	9/30/2012	12/31/2011
Finished products	960	841
Work in process	1,187	1,237
Raw materials	646	636
Auxiliary materials	875	729
Imports in transit	281	223
Other	12	44
Provision for losses	(226)	(203)
	3,735	3,507

There are no inventories pledged as collateral for liabilities.

All amounts in millions of Reais unless otherwise stated

10 Taxes recoverable

	9/30/2012	12/31/2011
State value-added Tax on Sales and Services ("ICMS")	942	866
Social Integration Program ("PIS")	52	81
Social Contribution on Revenues ("COFINS")	234	310
Income Tax ("IR") and Social Contribution on Net Income ("CSLL")	542	656
Excise Tax ("IPI")	52	48
Withholding Income Tax ("IRRF")	80	14
Value Added Tax ("VAT") (foreign companies)	162	169
Other	64	38
Provision for ICMS credit losses	(165)	(149)
	1,963	2,033
Current	(1,241)	(930)
Non-current	722	1,103

The State Value-added Tax on Sales and Services (“ICMS”) credits arise from purchases of property, plant and equipment items (recoverable in 48 monthly installments) and consumable products and their realization is based on the subsidiaries’ operations. Part of the credits related to Corporate Income Tax (“IRPJ”) and Social Contribution on Net Income (“CSLL”) refer to prepayments for 2012 that will be offset at the end of the reporting period. The amounts are monetarily restated.

All amounts in millions of Reais unless otherwise stated

11 Related parties

	Trade receivables		Dividends receivable		Non-current assets		Non-current liabilities	
Parent	9/30/2012	12/31/2011	9/30/2012	12/31/2011	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Votorantim Participações S.A.					1,459	177	498	502
Related companies								
Citrovita Agro Industrial Ltda.		3				649		24
Cia de Cimento Itambé	13	4						
Hailstone Limited					10	10	281	20
LIT Tele Ltda.							50	45
Ibar Administrações e Participações Ltda.					5	5		
Maré Cimento Ltda.	9	8						
Mineração Rio do Norte S.A			3	3				
Mizu S.A.	7	6						
Polimix Concreto Ltda.	19	19						
ST. Helen Holding II B.V.					493	443	20	19
Supermix Concreto S.A.	32	29						
Votorantim Empreendimentos Ltda.					13	6		
INECAP Investimentos S.A.			4	4				
Other	1	2	1	2		4		
	82	71	8	9	1,980	1,294	849	610
Current	(82)	(71)	(8)	(9)				
Non-current					1,980	1,294	849	610

	Trade payables		Dividends payable		Finance income (costs)		Purchases	
Parent	9/30/2012	12/31/2011	9/30/2012	12/31/2011	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Votorantim Participações S.A.			53	519	(10)	(11)		
Related companies								
Baesa - Energ.Barra Grande S.A.	4	7					21	24
Citrovita Agro Industrial Ltda.		94				12	259	417
Citrovita Agropecuária Ltda.							101	51
Hailstone Limited (i)					(2)	(1)		
LIT Tele Ltda.					(1)	(1)		
Maesa - Machadinho Energética S.A.	4						45	47
ST. Helen Holding II B.V.					14			
INECAP Investimentos S.A.			130	77				
Alumina do Norte do Brasil S.A.	13							
Other	1	4						
Total - owners of the Company	22	105	183	596	1	(1)	426	539
Total - non-controlling interests			106	92				
	22	105	289	688	1	(1)	426	539

The main transactions with related parties were carried out under loan agreements with subsidiaries and related companies.

12 Call options

Pursuant to the Investment and Stockholders' Agreement of Fibria entered into in 2009, the Company has the right to acquire up to 11.04% of Fibria's common shares by October 29, 2014. As at September 30, 2012, the fair value of this "Call Option" is R$ 108 (R$ 104 - December 31, 2011) and is recorded under "Call Options" in non-current assets.

All amounts in millions of Reais unless otherwise stated

13 Investments

(a) Breakdown

	Information on the investees as at September 30, 2012			Equity in earnings (losses)		Investment balance	
	Equity	Profit (loss) for the period	Ownership percentage (%)	9/30/2012	9/30/2011	9/30/2012	12/31/2011
Cimpor Cimentos de Portugal SGPS S.A.	4,283	(481)	21.21	(102)	99	1,731	1,751
Sirama Participações Administração e Transportes Ltda.	710	142	38.25	54	61	271	226
MAESA - Machadinho Energética S.A.	459	41	39.90	16	16	183	162
Alunorte - Alumina do Norte S.A.	4,185	(390)	3.62	(14)		151	166
Cementos Bio Bio S.A.	927	(12)	15.15	(2)	(12)	140	117
Cementos Avellaneda S.A.	332	54	38.39	21	16	127	206
BAESA - Energética Barra Grande S.A.	623	48	15.00	7	7	93	86
Polimix Concreto S.A	333	14	27.57	4	7	92	45
Maré Cimento Ltda	151	29	51.00	15	20	77	116
Cementos Artigas S.A.	193	33	38.39	13	10	74	67
Mineração Rio do Norte S.A.	679	88	10.00	9	1	68	59
Cemento Portland S.A	212	(1)	29.50			63	56
Inecap Investimentos S.A.	309	12	18.72	2		57	52
Supermix Concreto S.A	191	34	25.00	9	11	48	48
Iguazú Cementos S.A	103	8	35.00	3	8	36	31
Verona Participações Ltda	107	50	25.00	13	9	27	28
Mizu S.A	47	13	51.00	7	8	24	39
Polimix Cimento Ltda	30		51.00			15	15
Other investments					(6)	122	91
Total investments				54	255	3,400	3,361

(b) Principal changes in ownership interests in investees

(i) Sale of the ownership interest in Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

On November 27, 2011, the Company and the companies of the Ternium Group (Confab Industrial S.A., Siderar S.A.I.C., Prosid Investments S.C.A., Ternium Investments S.àr.I. and Ternium S.A.) entered into contracts for the purchase and sale of shares, under which the Company sold, for a unit value of R$ 36.00 (thirty six reais), its 6.47% ownership interest in USIMINAS, representing 12.98% of the company's common shares, or 6.47% of its total share capital.
The total price consideration was R$ 2,362. The ownership interest sold was part of the USIMINAS controlling shareholder block.

(ii) Sale of the ownership interest in Companhia Nitro QuímicaBrasileira.

On October 14, 2011, through a contract for the purchase and sale of shares entered into with Faro Capital equity investment fund, the Company sold its total ownership interest in Companhia Nitro Química Brasileira.

(iii) Acquisition of Atacocha shares

On August 1, 2011, the Company, through its subsidiary Milpo, concluded a tender offer, whereby it acquired a further 19.51% of the shares that comprise the capital of Compañía Minera Atacocha S.A. ("Atacocha") for R$ 84 (equivalent to US$ 54.3 million). As a result of this transaction, the Company acquired an 88.19% ownership interest in Atacocha.

(iv) Corporate restructuring in CIMPOR

On June 25, 2012, in order to carry out a corporate restructuring in CIMPOR, the subsidiary Votorantim Cimentos S.A. (“VC S.A.”) entered into an agreement with InterCement, a company of the Camargo Correa Group (“CC”), named “AcordoParassocial” (Stockholders Agreement), which establishes the exchange of the 21.21% interest held by VC S.A.in CIMPOR for the control of the operations in six countries, Turkey, Morocco, Tunisia, India, China and Spain.

On July 16, 2012, the Special Commissions established in this “AcordoParassocial” were installed, when the Board of Directors of CIMPOR was changed.Currently, VC S.A. has two members on the Board of Directors and, pursuant to the agreement in effect with CADE, will not participate in the Executive Commission of CIMPOR before the completion of the corporate reorganization, thus limiting VCSA’s influence over the management of CIMPOR while both (VC S.A. and CC) hold equity interests in that company is held.

As at September 30, 2012, there were still obligations to be fulfilled prior to the completion of the transaction, which is still subject to approvals by the applicable legal authorities in the respective countries.

All amounts in millions of Reais unless otherwise stated

(c) Change in investments

	9/30/2012	9/30/2011
Balance at the beginning of the period	3,361	3,718
Equity in the results of investees	54	255
Acquisitions of investments and capital increases in investees	58	84
Foreign exchange gains (losses)	177	218
Dividends received and receivable	(182)	(74)
Disposals of investiment and others	(66)	9
Balance at the end of the period	3,400	4,210

(d) Investments in listed companies

	9/30/2012		12/31/2011	
	Book value	Market value	Book value	Market value
Cementos Bio Bio S.A. (*)	140	117	135	203
Cimpor Cimentos de Portugal SGPS S.A. (*) (**)	1,792	1,231	2,133	1,610

(*) Calculated in proportion to the interest held by the Company

(**) The decrease in the market value of Cimpor shares occurred afer the takeover offer (OPA) made by Camargo Correa Group.

All amounts in millions of Reais unless otherwise stated

14 Property, plant and equipment

(a) Breakdown

	Land and improvements	Buildings	Machinery, equipment and facilities	Vehicles	Furniture and fittings	Construction in progress	Leasehold improvements	Other	9/30/2012 Total	9/30/2011 Total
Balance at the beginning of the period										
Cost	1,754	8,135	23,623	900	145	4,501	523	370	39,950	38,811
Accumulated depreciation	(22)	(2,589)	(9,834)	(601)	(95)		(210)	(329)	(13,681)	(13,131)
Net book amount	1,731	5,546	13,789	299	49	4,501	313	41	26,269	25,680
Balance at the beginning of the period	1,731	5,546	13,789	299	49	4,501	313	41	26,269	25,680
Purchases	17	3	81	12		2,062	5	2	2,181	2,605
Disposals	(9)		(5)	(1)		(2)		(1)	(17)	(134)
Depreciation	(10)	(166)	(1,039)	(72)	(6)		(16)	(4)	(1,314)	(1,157)
Foreign exchange gains (losses)	64	78	214	21	3	81	17		478	588
Effect of consolidated/ deconsolidated subsidiaries	(1)	(18)	(10)			(94)		(1)	(124)	(13)
Reclassification to assets held for sale	(4)	(4)							(8)	(185)
Transfers		437	1,327	66	6	(1,967)	10	(1)	(122)	(16)
Balance at the end of the period	1,786	5,877	14,357	325	52	4,581	328	37	27,343	27,367
Balance at the end of the period										
Cost	1,819	8,400	25,220	1,027	148	4,581	563	370	42,129	41,744
Accumulated depreciation	(33)	(2,523)	(10,863)	(702)	(96)		(235)	(333)	(14,786)	(14,377)
Net book amount	1,786	5,877	14,357	325	52	4,581	328	37	27,343	27,367

All amounts in millions of Reais unless otherwise stated

(b) Construction in progress

The balance of construction in progress is made up mainly of projects for the expansion and optimization of the industrial units, as presented below:

	9/30/2012	12/31/2011
Segment		
Metals	1,994	2,586
Steel	557	491
Cement	1,905	1,303
Pulp	123	118
Other	2	3
	4,581	4,501

The balance of construction in progress the Cement is made up mainly of projects for the expansion and optimization of the industrial units, the main of which are:

Main construction in progress	9/30/2012	12/31/2011
New production line in Rio Branco/PR	431,034	162,975
New unit in Cuiabá/MT	421,691	133,083
New unit in Edealina/GO	111,874	40,781
New production line in Salto de Pirapora	33,824	39,458
New plant in Vidal Ramos/SC	31,427	31,393
New unit in Primavera/PA	36,309	22,732
Acquisitions of land	42,851	21,375
Crushing in São Luis/MA		20,169
New unit in Porto Velho/RO		18,916
Construction and paving in Vicente Matheus		12,856
New unit in Xambioá		12,415
Pozzolana crushing in Poty Paulista		11,787
Cement crushing in Santa Helena	18,155	
New unit in Ituaçú/BA	11,935	10,299
Cement crushing in Imbituba		7,080
Cement crushing Z3 in Cimesa	47,163	2,898

All amounts in millions of Reais unless otherwise stated

15 Biological assets

The Company's biological assets are growing eucalyptus forests.

The growing forests are primarily located in the states of São Paulo, Rio Grande do Sul, Mato Grosso do Sul, Espírito Santo and Bahia.

The reconciliation of the book balances at the beginning and at the end of the period is as follows:

	9/30/2012	9/30/2011
Balance at the beginning of the period	1,117	896
Disposals	(215)	(188)
Purchases	183	155
Reclassification to assets held for sale	(36)	(64)
Change in fair value	74	7
Balance at the end of the period	1,123	806

All amounts in millions of Reais unless otherwise stated

16 Intangible assets

							9/30/2012	9/30/2011
	Goodwill	Rights over natural resources	Rights over trademarks and patents	Software	Use of public assets	Other	Total	Total
Balance at the beginning of the period								
Cost	5,514	4,770	527	260	536	787	12,394	11,578
Accumulated amortization		(349)	(155)	(167)	(78)	(279)	(1,028)	(1,172)
Net book amount	5,514	4,421	372	93	458	508	11,366	10,406
Balance at the beginning of the period	5,514	4,421	372	93	458	508	11,366	10,406
Purchases		56	1	2		83	143	457
Disposals								(9)
Amortization and depletion		(161)	(47)	(22)	(16)	(88)	(334)	(206)
Foreign exchange gains (losses)	80	330	15	1		7	433	755
Efffect of consolidated/deconsolidated subsidiaries	(16)	(6)					(22)	40
Transfers	(61)	77	19	12		75	122	16
Balance at the end of the period	5,517	4,717	360	86	442	585	11,708	11,459
Balance at the end of the period								
Cost	5,517	5,247	613	319	519	952	13,168	12,837
Accumulated amortization		(530)	(253)	(233)	(77)	(367)	(1,460)	(1,378)
Net book amount	5,517	4,717	360	86	442	585	11,708	11,459

All amounts in millions of Reais unless otherwise stated

17 Borrowing

(a) Breakdown

	Average annual charges (%)	Current		Non-current		Total	
		9/30/2012	12/31/2011	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Local currency							
BNDES	TJLP + 2.56% / 4.97%	743	739	2,954	3,199	3,697	3,938
FINAME	TJLP + 1.54% / 5.36%	29	35	90	55	119	89
Debentures	112.66% CDI / CDI + 1.10%	98	70	3,641	2,643	3,739	2,713
Export credit notes	100.00% CDI / CDI + 1.85%	14	13	189	229	203	242
Development promotion agency	TJLP + 3.50% / 9.77%	8	7	26	32	33	39
Other		19	26	38	47	57	73
Subtotal		910	890	6,938	6,204	7,848	7,094
Foreign currency							
BNDES	UMBNDES + 2.24% / FX + 2.14%	119	100	494	500	613	600
Development promotion agency	LIBOR USD + 2.20%	70	51	684	662	754	713
Eurobonds - USD	FX + 7.06%	188	107	8,196	6,952	8,384	7,059
Eurobonds - EUR	FX + 5.25%	43	64	1,958	1,826	2,001	1,890
Syndicated loans	DTF + 3.65% / LIBOR USD + 2.32 / FX + 3.01%	211	181	904	788	1,115	969
Export prepayment	LIBOR USD + 1.58% / FX + 5.30%	67	16	3,112	3,423	3,179	3,439
Export credits ("ACC/ACE")	FX + 2.20%	126	198	63		189	198
Working capital	LIBOR USD + 3.26%	171	321		5	171	326
Other		101	99	57	46	158	145
Subtotal		1,096	1,138	15,468	14,202	16,564	15,340
Total		2,006	2,028	22,406	20,406	24,412	22,434
Interest on borrowing		368	304				
Current portion of long-term borrowing		1,117	1,344				
Short-term borrowing		521	379				
Total borrowing		2,006	2,028				

All amounts in millions of Reais unless otherwise stated

BNDES – National Bank for Economic and Social Development
CDI – Interbank Deposit Certificate
DTF – Time Deposit Rate (Colombia)
EUR – European Union currency (Euro)
FINAME - Government Agency for Machinery and Equipment Financing
LIBOR - London Interbank Offered Rate
TJLP – Long-term Interest Rate set by the National Monetary Councill.The TJLP is the basic cost of financing of BNDES.
UMBNDES - Monetary unit of the BNDESreflecting the weighted basket of currencies of foreign currency debt obligations.As at September 30, 2012, the basket was comprised 97% of US Dollars.
USD – US Dollar
FX – Foreign exchange

As at September 30, 2012, the borrowing fell due as follows:

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Over the 2022	Total
Local currency												
BNDES	256	667	762	700	485	334	212	111	40	38	92	3,697
FINAME	16	20	17	18	17	12	6	5	4	3	1	119
Debentures	73	26	3	3	3	3	1,324	1,404	644	243	13	3,739
Export credit notes	14	6	11	20	19	56	51	13	13			203
Development promotion agency	5	5	7	7	6	3						33
Other	6	20	17	11				3				57
Subtotal	370	744	817	759	530	408	1,593	1,536	701	284	106	7,848
%	4.71	9.48	10.41	9.67	6.75	5.20	20.30	19.57	8.93	3.62	1.35	
Foreign currency												
BNDES	44	104	123	118	91	68	43	19	2	1		613
Development promotion agency	13	58	84	76	88	100	94	112	112	10	7	754
Eurobonds - USD	178	8	380					2,066	1,243	1,971	2,538	8,384
Eurobonds - EUR		43				1,958						2,001
Syndicated loans	53	207	136	123	436	71	71	18				1,115
Export prepayments	67	7	234	484	685	742	612	253	95			3,179
Export credits (ACC/ACE)	126		63									189
Working capital	171											171
Other	79	28	19	10	7	1	1	1	3	1	8	158
Subtotal	731	455	1,039	811	1,307	2,940	821	2,469	1,455	1,983	2,553	16,564
%	4.41	2.75	6.27	4.90	7.89	17.75	4.96	14.91	8.78	11.97	15.41	
Total	1,101	1,199	1,856	1,570	1,837	3,348	2,414	4,005	2,156	2,267	2,659	24,412
%	4.51	4.91	7.60	6.43	7.52	13.71	9.89	16.41	8.83	9.29	10.89	

All amounts in millions of Reais unless otherwise stated

(b) Changes

	9/30/2012	9/30/2011
Balance at the beginning of the period	22,434	21,649
Funding transactions	3,147	5,548
Interest and foreign exchange gains (losses)	2,617	2,822
Payments - principal	(2,640)	(6,240)
Interest paid	(1,106)	(952)
Effect of consolidated and deconsolidated subsidiaries	(40)	(13)
Balance at the end of the period	24,412	22,814

(c) Breakdown by currency

	9/30/2012	12/31/2011
Real	7,848	7,094
U.S. Dollar	13,666	12,555
Euro	2,005	1,895
Currency basket	558	550
Other	335	339
Total	24,412	22,434

(d) Breakdown by index

	9/30/2012	12/31/2011
Local currency		
CDI	3,945	2,909
TJLP	3,533	3,810
Fixed rate	366	361
Other	4	15
	7,848	7,094
Foreign currency		
LIBOR	4,714	5,003
UMBNDES	613	600
Fixed rate	10,916	9,405
Other	321	331
	16,564	15,340
Total	24,412	22,434

(e) Collateral

As at September 30, 2012, R$ 8,019 of the balance of borrowing is collateralized by promissory notes and sureties from the Company or its subsidiaries, and R$119 of property, plant and equipment items are collateralized by liens on the financed assets.

As at September 30, 2012, after the fulfillment of certain contractual conditions, Votorantim Industrial began to assume the obligations as guarantor in certain loan and financing agreements, unitl then guaranteed by its parent company, Votorantim Participações S.A.

(f) Covenants/financial ratios

Certain borrowing agreements are subject to compliance with financial ratios ("covenants"), such as (i) Gearing ratio (Net Debt / EBITDA), (ii) Capitalization ratio (Total Debt /(Total Debt + Equity) or Equity / Total Assets), (iii) Interest coverage ratio (Cash + EBITDA /(Interest + Short-term Debt).When applicable, these obligations are standardized for all borrowing agreements.

The Company and its subsidiaries were in compliance with all covenants.

(g) Funding transactions

By means of funding transactions and the early repayment of certain existing debts, the Company continues to extend the average maturity profile of borrowing. The funding transactions related to jointly-controlled entities are not described in this note.

The main funding transactions entered into are as follow:

(i) In September 2012, the subsidiary Milpo contracted a bridge loan of US$ 80 million, with maturity within 90 days and interest equivalent to LIBOR + 3.3% p.a.Upon maturity, this loan will be replaced by another with the same amount and cost and a seven-year term.The proceeds from this loan will be used mainly to finance part of the investments in capex approved for 2012.

(ii) In June 2012, the subsidiary Siderúrgica Três Lagoas Ltda.("Sitrel") raised a loan of US$ 35 million with the participation of the SACE Italian export credit agency to fund equipment imports.The total repayment term is ten years, at a cost of LIBOR + 2.50% p.a.

(iii) In February 2012, Votorantim Cimentos S.A. issued US$ 500 million in the international market through the reopening of a bond issue maturing in 2041.With the amount raised the principal of the transaction increased to US$ 1,250 million and the other conditions were upheld, such as the payment of a half-yearly coupon of 7.25% p.a. The issue was rated "BBB" by Standard & Poor's", "Baa3" by Moody's and "BBB" by Fitch. The funds raised from the issue were used for the early repayment of borrowing, thereby extending the debt maturity profile.

(iv) In January 2012, Votorantim Cimentos S.A. concluded its fourth public issue of simple, non-convertible, unsecured debentures in two series of R$ 500 each. The debentures were distributed with restricted placement efforts and are exempt from registration with the Brazilian Securities Commission ("CVM"), pursuant to Article 6 of CVM Instruction 476, of January 16, 2009. The first series, in the amount of R$ 500, yields CDI + 1.09% p.a., and the second series, also in the amount of R$ 500, yields 111% of the CDI variation.Both series mature in May 2018.

(v) Throughout 2012, the subsidiaries of the Company received R$ 421 from the National Bank for Economic and Social Development (BNDES) (2011 - R$ 868) to fund their expansion and modernization projects. The average funding cost is TJLP + 3.02% p.a. (2011 - TJLP + 2.73% p.a.).

(vi) In November 2011, the subsidiary Votorantim Cement North America (VCNA) renegotiated a US$ 325 million syndicated loan taken out in October 2010, extending its maturity to 2016 and reducing the interest rate. The other contractual conditions remained unaltered.

(vii) In August 2011, Votorantim GmbH raised a loan of US$ 2,650 million through two distinct transactions: (i) a rotating credit line, maturing in five years, of US$ 1,500 million, immediately available to the Company, and can be drawn down by certain subsidiaries in Brazil and abroad, and (ii) an export prepayment line of US$ 1,150 million, contracted through Votorantim GMBH, structured in two tranches, maturing in seven years and eight years and subject to interest of LIBOR + 1.35% and LIBOR + 1.50% p. a., respectively. The funds obtained through the export prepayment line were used for the early repayment of borrowing.

All amounts in millions of Reais unless otherwise stated

(viii) On April 4, 2011, Votorantim Cimentos S.A. issued bonds in the international capital market of US$ 750 million, maturing in 30 years and falling due in April 2041. The bonds are rated "BBB" by Standard & Poor's, "Baa3" by Moody's and "BBB" by Fitch.After the fulfillment of certain requirements, Votorantim Industrial S.A. will be the sole guarantor of this transaction.The bonds were issued with interest of 7.25% p. a., payable semiannually. The proceeds from the issue were used for the early repayment of borrowing, thus extending the debt profile.

(ix) In February 2011, Votorantim Cimentos S.A. raised two loans of US$ 37 million and US$ 34 million with the participation of the EKF Danish export credit agency to fund equipment imports. The total repayment term is ten years, at a cost of LIBOR + 1.375% per year.

(x) In February 2011, Votorantim Cimentos S.A. completed its third public issue of simple, non-convertible, non-privileged, unsecured debentures in a single series. The debentures were distributed with restricted placement efforts and are exempt from registration with the CVM, pursuant to Article 6 of CVM Instruction 476, of January 16, 2009. The issue of R$ 600, with maturity in February 2021, pays 113.90% of the CDI.

(h) Fair value of borrowing

		9/30/2012
	Book value	Fair value
Local currency		
BNDES	3,697	3,635
FINAME	119	117
Debentures	3,739	3,955
Export credit notes	203	216
Development promotion agency	33	33
Other	57	53
Subtotal	7,848	8,009
Foreign currency		
BNDES	613	652
Development promotion agency	754	824
Eurobonds - USD	8,384	9,530
Eurobonds - EUR	2,001	2,169
Syndicated loans	1,115	1,123
Export prepayment	3,179	3,394
Export credits ("ACC/ACE")	189	193
Working capital	171	171
Other	158	161
Subtotal	16,564	18,217
Total	24,412	26,226

18 Deferred income tax and social contribution

The Company and its subsidiaries use the taxable income method and calculate and record their income tax and social contribution based on the effective rates as at the end of the reporting period. Deferred income tax and social contribution tax assets arise from tax losses and temporary differences related to (a) the effect of foreign exchange gains/losses (tax calculated on a cash basis for foreign exchange gains/losses), (b) adjustments of derivative financial instruments to their fair value, (c) temporarily non-deductible provisions; (d) investments in agribusiness activities; and (e) temporary differences arising from the adoption of the CPCs.

All amounts in millions of Reais unless otherwise stated

The credits related to income tax and social contribution losses will be realized on average maturity, according to the projection of the Company.The temporary differences will be realized according to the maturity of the operations that originated the credit.

(a) Reconciliation of the income tax and social contribution expenses

The current amounts are calculated based on the prevailing tax rates applied to adjusted taxable income.

The income tax and social contribution amounts presented in the statement of income for the periods ended September 30 are reconciled to their Brazilian statutory rates as follows:

	9/30/2012	9/30/2011
Profit before income tax and social contributions	259	1,111
Statutory rates	34%	34%
IRPJ and CSLL at statutory rates	(88)	(378)
Equity in the results of investees	18	87
Other permanent deductions (additions), net	(31)	191
Difference in tax rates of foreign subsidiaries	40	95
IRPJ and CSLL calculated	(61)	(5)
Current	(511)	(597)
Deferred	450	592
IRPJ and CSLL income (expenses)	(61)	(5)

All amounts in millions of Reais unless otherwise stated

(b) Analysis of deferred tax balances

Deferred income tax and social contribution balances are as follows:

	9/30/2012	12/31/2011
Assets		
Tax losses		
	2,000	1,682
Temporary differences		
Provisions	766	862
Provision for losses on investments	79	96
Foreign exchange gains (Provisional Measure 1858-10/1999, art.30)	593	190
Derivatives - Law 11,051/04	77	41
Tax benefit on goodwill	88	65
Use of Public Assets (UBP)	157	128
CPC 29 - Biological Assets	44	42
Deferred losses on swap contracts	24	59
Provision for disposal of assets	14	17
Provision for loss of tax credits abroad	(69)	(59)
Other provisions	349	327
	4,122	3,450
Liabilities		
Temporary differences		
Deferred gains on derivative contracts	48	130
Business combination	1,425	1,457
Market value adjustments of property, plant and equipment	31	34
Accelerated depreciation and adjustment of useful lives	1,220	982
Reforestation cost	92	83
Foreign exchange gains (Provisional Measure 1858-10/1999, art.30)	69	188
Goodwill amortization	298	173
CPC 12 - Adjustment to Present Value	21	41
CPC 29 - Biological Assets	71	63
CPC 20 - Capitalized Interest	111	41
Other	55	251
Non-current liabilities	3,441	3,443

All amounts in millions of Reais unless otherwise stated

19 Tax, civil and labor provisions

(a) Provision, contingencies, tax obligations and judicial deposits

The Company and its subsidiaries are parties to tax, labor, civil and other lawsuits in progress, and are discussing such matters at the administrative and judicial levels. When applicable, amounts are deposited with the court to cover a portion of these obligations.

Contingencies classified as probable losses are provided for as liabilities. Contingencies classified as possible losses are not provided for as liabilities, but are disclosed in the notes to the financial statements. Contingencies classified as remote losses are neither accrued nor disclosed. The amounts involved in the contingencies are estimated and periodically updated. The classification of losses as possible, probable and remote is based on the advice of the Company's legal counsel.

Tax obligations that the Company is challenging in court on legal or constitutional grounds are fully recorded, irrespective of the likelihood of a favorable outcome in the litigation.

The balances of tax obligations and provisions for contingencies recorded in the balance sheet are as follows:

	9/30/2012	12/31/2011
Tax	1,446	1,476
Labor and social security	239	211
Civil	109	115
Other	56	47
(-) Judicial deposits	(826)	(695)
	1,024	1,154

The changes in provisions for contingencies during the periods are as follows:

	9/30/2012	9/30/2011
Balance at the beginning of the period	1,154	1,160
Additions	162	259
Disposals	(228)	(89)
Monetary restatement	67	42
Judicial deposits	(131)	(160)
Balance at the end of the period	1,024	1,212

(i) Lawsuits regarded as possible losses

The Company and its subsidiaries are parties to lawsuits involving possible risks of loss, as detailed below:

	9/30/2012	12/31/2011
Tax	3,498	4,149
Labor	117	168
Civil	1,600	916
Other	264	33
	5,479	5,266

(ii) Tax lawsuits (possible and probable losses)

. Summer Plan ("Plano Verão") - claims for the deduction of indexation adjustments corresponding to the variation in the Consumer Price Index ("IPC") in January 1989, of 70.28%.

. State Value-added Tax on Sales and Services ("ICMS") - challenge of the constitutionality of the inclusion of ICMS in the basis of calculation of the Social Contribution on Revenues ("COFINS").

. The subsidiary Votorantim Investimento Latino Americano has been served an assessment notices regarding income tax and social contribution on profits abroad referring to 2006 and 2007. The assessment notices, amounting to R$ 364, are pending judgment at the administrative level.

. In prior years, the subsidiary Fibria S.A.had been served an assessment notice for having utilized tax losses, calculated under the BEFIEX program effective period, after more than six calendar years from the formation of this loss.The updated amount of the contingency, for which the likelihood of loss as at December 31, 2011 was deemed to be possible, is R$ 168. In the semester ended June 30, 2012, this assessment was canceled due to a decision favorable to the Company, extinguishing the lawsuit.Therefore, this lawsuit will be excluded from the list of contingent liabilities related to tax lawsuits in progress with a possible likelihood of loss, and the amount involved in the discussion will no longer represent a financial impact for the Company.

(iii) Labor and civil lawsuits

These refer mainly to lawsuits filed by former employees and third parties seeking the payment of indemnities for dismissals, health hazard premiums and hazardous duty premiums, overtime, commuting hours, as well as civil lawsuits referring to indemnity claims by former employees and third parties based on alleged occupational illnesses, work accidents, property damage and pain and suffering.

The civil lawsuits involve claims for compensation for property damages, emerging damages, pain and suffering, collection and execution.

In 2006 the Secretariat of Economic Law (SDE) initiated an administrative proceeding involving the cement industry union, some industry associations (cement and concrete) and several cement companies, including Votorantim. The proceeding investigates the claim of coordination among cement companies all over Brazil for restriction to free competition in the cement, concrete and inputs markets. Although SDE has recommended the judgment against the union, associations and several cement companies, including Votorantim, the opinion is not binding and the CADE board may or may not abide by the SDE's recommendation. Based on the advice of its legal counsel, the Company believes that there is no proof of violation of the economic order in the administrative proceeding and, therefore, it should not be subject to any administrative and/or criminal penalties.

(b) Commitments

(i) The subsidiaries Votorantim Cimentos S.A. and St. Marys Cement Inc. have supply agreements with steel mills for the purchase of slag, effective up to 2023.

(ii) The jointly-controlled entity Fibria has long-term take-or-pay agreements with the suppliers of electricity, transportation, diesel oil, chemicals and natural gas maturing up to 2028. These agreements contain termination and supply interruption clauses in the event of default on certain essential obligations. The contractual obligations assumed as at September 30, 2012 represent R$ 73 (December 31, 2011 - R$ 73).

In addition, a long-term take-or-pay agreement was signed in 2007 with International Paper for the supply of pulp for a 30-year period. The commitment established under this agreement totals R$ 34 per year as at September 30, 2012.

All amounts in millions of Reais unless otherwise stated

(iii) The Company and its subsidiaries have contracts for the purchase of electric power of approximately 950 MW/year up to 2020.

(iv) The Company and its subsidiaries have commitments for the construction and purchase of equipment for plants that generate electrical power, either independently or through consortia, for which the future disbursement estimated by management is approximately R$ 2,840.

(v) On July 10, 2008, Votorantim Metais entered into an agreement for the purchase of nickel ore concentrate from MirabelaMineração, a member company of the Australian group Mirabela Nickel, which started operating its mine in the State of Bahia at the end of 2009. The five-year agreement was executed for the purchase of US$ 1 billion of nickel ore concentrate.

20 Use of Public Assets ("UBP")

The Company owns or invests in companies that have concession contracts in the electrical power industry.Most of these contracts provide for annual payments from the commencement of operations and are adjusted by the General Market Price Index (IGPM) for the Use of Public Assets ("UBP").

The contracts have an average duration of 35 years, and the amounts to be paid annually are as follows:

							9/30/2012
Plant/Company	**Investor**	**Percentage ownership**	**Concession start date**	**Concession end date**	**Payment start date**	**Intangible assets**	**Liabilities**
Salto Pilão	Companhia Brasileira de Alumínio	60%	nov-01	dec-36	jan-10	247	402
Campos Novos	Companhia Brasileira de Alumínio	25%	apr-00	may-35	jun-06	3	6
Salto do Rio Verdinho	Companhia Brasileira de Alumínio	100%	aug-02	sep-37	oct-10	9	15
Itupararanga	Companhia Brasileira de Alumínio	100%	nov-03	dec-23	jan-04	1	3
Piraju	Companhia Brasileira de Alumínio	100%	dez-98	jan-34	feb-03	1	5
Ourinhos	Companhia Brasileira de Alumínio	100%	jul-00	aug-35	sep-05	2	4
Capim Branco I e Capim Branc	Votorantim Metais Zinco S.A.	13%	aug-01	sep-36	oct-07	3	9
Picada	Votorantim Metais Zinco S.A.	100%	may-01	jun-36	jul-06	23	56
Campos Novos	Votorantim Metais S.A.	20%	apr-00	may-35	jun-06	3	5
Pedra do Cavalo	Votorantim Cimentos S.A.	100%	mar-02	apr-37	apr-06	149	404
						442	908
Current							(52)
Non-current						442	856

							12/31/2011
Plant/Company	**Investor**	**Percentage ownership**	**Concession start date**	**Concession end date**	**Payment start date**	**Intangible assets**	**Liabilities**
Salto Pilão	Companhia Brasileira de Alumínio	60%	nov-01	dec-36	jan-10	255	367
Campos Novos	Companhia Brasileira de Alumínio	25%	apr-00	may-35	jun-06	4	8
Salto do Rio Verdinho	Companhia Brasileira de Alumínio	100%	aug-02	sep-37	oct-10	10	14
Itupararanga	Companhia Brasileira de Alumínio	100%	nov-03	dec-23	jan-04	1	2
Piraju	Companhia Brasileira de Alumínio	100%	dez-98	jan-34	feb-03	1	5
Ourinhos	Companhia Brasileira de Alumínio	100%	jul-00	aug-35	sep-05	2	4
Capim Branco I e Capim Branc	Votorantim Metais Zinco S.A.	13%	aug-01	sep-36	oct-07	4	8
Picada	Votorantim Metais Zinco S.A.	100%	may-01	jun-36	jul-06	24	52
Campos Novos	Votorantim Metais S.A.	20%	apr-00	may-35	jun-06	3	6
Pedra do Cavalo	Votorantim Cimentos S.A.	100%	mar-02	apr-37	apr-06	153	374
						458	840
Current							(60)
Non-current						458	780

All amounts in millions of Reais unless otherwise stated

21 Equity

(a) Share capital

As at September 30, 2012, the Company's fully subscribed and paid-up capital represented 17,512,160,870 (2011 – 17,111,093,956) registered common shares of R$ 19,925 (2011 – R$ 19,367).

(b) Dividends

Dividends are calculated based on 25% of the profit for the year, net of a legal reserve, pursuant to the Company's bylaws.

(c) Legal reserve and profit retention reserve

The legal reserve is credited annually with 5% of the profit for the year and cannot exceed 20% of the share capital. The reserve can only be used to increase capital and offset accumulated losses.

The profit retention reserve was formed to record the retention of the remaining balance of retained earnings, in order to shield funds for projected business growth pursuant to the Company's investment plan.

(d) Carrying value adjustments

The Company recognizes in this account the effects of the exchange rate changes on foreign investments directly or indirectly owned by the Company. This accumulated effect will be reversed to the statement of income as a gain or loss in the event of the disposal or write-off of the investment.

This account also includes:foreign exchange gains/losses on debts and derivatives designated to mitigate risks related to foreign exchange and commodities prices (hedge accounting), and the amount relating to the fair value of available-for-sale financial assets.

22 Net revenue

	9/30/2012	9/30/2011
Gross revenue		
Sales of products - domestic market	16,656	16,085
Sales of products - foreign market	4,663	4,194
Supply of electric power	376	268
Services	81	114
	21,776	20,661
Taxes on sales and services and other deductions	(3,501)	(3,290)
Net revenue	18,275	17,371

All amounts in millions of Reais unless otherwise stated

23 Other operating income (expenses), net

	9/30/2012	9/30/2011
Net revenue from the sale of PP&E	37	27
Marking-to-market of embedded derivative - Fibria call option (Note 12)	4	(345)
Subtotal	41	(318)
Recovery of taxes	9	18
Net revenue from sales of scrap	17	15
Non-recurring revenue	53	25
Other net income (expenses)	62	(49)
	182	(309)

24 Net finance income (costs)

	9/30/2012	9/30/2011
Finance costs		
Interest on borrowing	(1,060)	(941)
Derivative financial instruments	(55)	(156)
Monetarily restatement, interests on taxes and other liabilities	(459)	(383)
	(1,574)	(1,480)
Finance income		
Income from financial investments	375	465
Other finance income	228	136
	603	601
Foreign exchange and monetary gains (losses), net	(651)	(560)
Net finance costs	(1,622)	(1,439)

25 Insurance

Pursuant to the Corporate Insurance Management Policy of the Company and its subsidiaries, different types of insurance policies are contracted, such as operational risk and civil liability insurance, protecting them against potential losses due to production stoppage, property damage and damage to third parties.

The Company and its subsidiaries have civil liability insurance for their operations and officers, with coverage and terms and conditions deemed adequate by management to cover the inherent risks.

The operational insurance coverage as at September 30, 2012 is as follows:

Assets	Type of coverage	Coverage amount
Facilities, equipment and products in inventory	Property damage	43,466
	Loss of profits	9,565

26 Expenses by nature

The Company follows the guidelines of CPC 21/IAS 34, which determine that the entities that classify expenses by function also disclose information on the nature of expenses, including depreciation and amortization expenses and employee benefit expenses.

All amounts in millions of Reais unless otherwise stated

	9/30/2012	9/30/2011
Raw materials, inputs and consumables used	10,228	9,564
Employee benefit expenses	2,270	1,829
Depreciation, amortization and depletion	1,863	1,551
Transportation expenses	920	652
Outsourced and maintenance services	974	817
Other expenses	375	354
Total cost of sales, sales and administrative expenses	16,630	14,767
Reconciliation		
Cost of sales and services	13,911	12,457
Selling	1,040	944
General and administrative	1,679	1,366
Total cost of sales, sales and administrative expenses	16,630	14,767

27 Employee benefit expenses

	9/30/2012	9/30/2011
Salaries and premiums	1,330	1,062
Payroll charges	662	530
Social benefits	278	237
	2,270	1,829

28 Profits from discontinued operations

				9/30/2011
	Usiminas	Nitroquímica	CONPACEL and KSR	Total
Net revenue	588	121	19	728
Cost of sales	(519)	(76)	(12)	(607)
Gross profit	69	45	7	121
Operating expenses	(44)	(42)	(4)	(90)
Finance income (costs)	(7)	2		(5)
Equity in the results	3			3
Capital gains			105	105
Other operating income (expenses)	7	4	(1)	10
Profit before income tax and social contribution	28	9	107	144
Income tax and social contribution	(7)	3	(37)	(41)
Profit from discontinued operations	21	12	70	103

29 Supplementary information - Business Unit ("BU")

To provide a higher level of details, the Company elected to disclose supplemental financial information by business unit ("BU"). The following information refers to the analysis of VID across each BU and considers the eliminations of balances and transactions between the companies: (i) eliminations between BUs; (ii) the eliminations of investments held by the holding companies. Additionally, the eliminations and reclassifications among the companies are presented so that the net results agrees to the consolidated financial information of VID as per the supplementary information.This supplementary information is not intended to be agree and is not required by the accounting practices adopted in Brazil nor by IFRS.

All amounts in millions of Reais unless otherwise stated

	Cement	Other metals	Aluminum	Nickel	Zinc	Steel	Pulp	Holding companies and others	Eliminations and reclassifications	Total consolidated
Assets										
Current assets										
Cash and cash equivalents, financial investments and derivative financial instruments	2,279	57	1,667	138	565	214	785	324		6,029
Trade receivables	1,019	62	225	66	391	442	222	31	(86)	2,372
Inventory	896	36	606	257	665	881	393	1		3,735
Taxes recoverable	378	4	135	254	213	130	82	45		1,241
Dividends receivable			28					193	(213)	8
Assets held for sale							236			236
Other assets	206	6	73	41	205	70	26	45		672
	4,778	165	2,734	756	2,039	1,737	1,744	639	(299)	14,293
Non-current assets										
Long-term receivables										
Financial investments and derivative financial	2	111					19	8		140
instruments	12	9	142	308	36	23	174	18		722
Taxes recoverable	255	1	2,336	1,233		7	2	1,996	(3,850)	1,980
Related parties	939	135	529	585	550	292	447	645		4,122
Deferred income tax and social contributions							219			219
Advances to suppliers	214	19	2			6	53	652	(316)	630
Other assets										
	1,422	275	3,009	2,126	586	328	914	3,319	(4,166)	7,813
Investments	3,233	2,680	753	512	381	1		21,414	(25,574)	3,400
Property, plant and equipment and biological assets	7,817	608	4,855	1,659	5,160	4,000	4,309	58		28,466
Goodwill and intangible assets	3,675	88	646	190	5,482	231	1,395	1		11,708
	14,725	3,376	6,254	2,361	11,023	4,232	5,704	21,473	(25,574)	43,574
Total assets	20,925	3,816	11,997	5,243	13,648	6,297	8,362	25,431	(30,039)	65,680

All amounts in millions of Reais unless otherwise stated

	Cement	Other metals	Aluminum	Nickel	Zinc	Steel	Pulp	Holding companies and others	Eliminations and reclassifications	Total consolidated
Liabilities and equity										
Current liabilities										
Borrowing	601	50	188	105	561	155	333	13		2,006
Trade payables	811	12	231	155	744	414	117	145	(71)	2,558
Payables - trading	28									28
Salaries and payroll charges	214	27	92	29	57	336	39	44		838
Income tax and social contribution	309	3	10			11	3	14		350
Taxes payable	204	22	9	14	17	56	6	23		351
Dividends payable	356	68			1	1		77	(214)	289
Advances from customers	16	35	41	3	2	20	59		(1)	175
Payables and other liabilities	291	13	93	36	393	41	57	87		1,011
	2,830	230	664	342	1,775	1,034	614	403	(286)	7,606
Non-current liabilities										
Borrowing	9,931	220	4,702	834	2,152	945	2,853	769		22,406
Related parties	702	389		677	1,426	754	37	1,043	(4,179)	849
Deferred income tax and social	1,026	37	459	131	1,183	286	250	69		3,441
Provisions	640	2	31	58	93	77	9	114		1,024
Payables and other liabilities	1,013	19	428	82	483	216	143	132		2,516
	13,312	667	5,620	1,782	5,337	2,278	3,292	2,127	(4,179)	30,236
Equity	4,783	2,919	5,713	3,119	6,536	2,985	4,456	22,901	(25,574)	27,838
Total liabilities and equity	20,925	3,816	11,997	5,243	13,648	6,297	8,362	25,431	(30,039)	65,680

All amounts in millions of Reais unless otherwise stated

	Cement	Other metals	Aluminum	Nickel	Zinc	Steel	Pulp	Holding companies and others	Eliminations and reclassifications	Total consolidated
Net revenue from sales and services	7,192	186	2,220	1,027	3,411	2,464	1,271	950	(446)	18,275
Cost of sales and services	(4,633)	(71)	(2,096)	(917)	(2,733)	(1,903)	(1,106)	(898)	446	(13,911)
Gross profit	2,559	115	124	110	678	561	165	52	-	4,364
Operating income (expenses)										
Selling	(486)	(1)	(66)	(16)	(169)	(213)	(66)	(23)		(1,040)
General and administrative	(417)	(48)	(196)	(128)	(394)	(236)	(61)	(199)		(1,679)
Other operating income (expenses), net	158	2	60	8	(120)	(11)	64	21		182
	(745)	(47)	(202)	(136)	(683)	(460)	(63)	(201)		(2,537)
Operating profit (loss) before equity results and finance	1,814	68	(78)	(26)	(5)	101	102	(149)		1,827
Result of equity investments										
Equity in the results of investees		(179)	48	(5)	7			(334)	517	54
Finance income (costs), net	(845)	(62)	(459)	(48)	(228)	(134)	(422)	576		(1,622)
Profit (loss) before income tax, social contribution and profit sharing	969	(173)	(489)	(79)	(226)	(33)	(320)	93	517	259
Income tax and social contribution										
Current	(348)	(29)	(8)		(61)	(29)	(4)	(32)		(511)
Deferred	61	20	201	52	122	22	105	(133)		450
Profit (loss) for the period	682	(182)	(296)	(27)	(165)	(40)	(219)	(72)	517	198
Profit attributable to owners of the Company	682	(182)	(296)	(27)	(91)	(40)	(221)	(72)	480	233
Profit attributable to non-controlling interests					(74)		2		37	(35)
Profit (loss) for the period	682	(182)	(296)	(27)	(165)	(40)	(219)	(72)	517	198
Depreciation, amortization and depletion	(412)	(16)	(232)	(49)	(536)	(183)	(420)	(15)		(1,863)