(A free translation of the original in Portuguese)

Votorantim Industrial S.A.

Condensed interim consolidated financial statements at June 30, 2013 and report on review

(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 June 30, 2013 and the related consolidated statements of operations, comprehensive income and cash flows for the quarter and six-month period then ended, and the consolidated statements of changes in equity for the six-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.

PricewaterhouseCoopers, Al. Dr. Carlos de Carvalho 417, 10º, Curitiba, PR, Brasil 80410-180, Caixa Postal 699
T: (41) 3883-1600, F: (41) 3222-6514, www.pwc.com/br

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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 six-month period ended June 30, 2013. 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 32, 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, August 1, 2013

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)

Contents

Votorantim Industrial S.A.

Interim consolidated balance sheet

All amounts in millions of reais

(A free translation of the original in Portuguese)

	Note	6/30/2013	12/31/2012 Restated note "3"	1/1/2012 Restated note "3"
Assets				
Current assets				
Cash and cash equivalents	6	1,594	2,971	1,265
Financial investments	7	3,628	3,055	2,880
Derivative financial instruments	4.1.1	163	77	241
Trade receivables	8	2,384	1,922	1,898
Inventory	9	3,670	3,509	3,148
Taxes recoverable	10	956	1,209	833
Dividends receivable	12	66	1	9
Receivables from sale of ownership interests				2,362
Other assets	14	571	529	753
		13,032	13,273	13,389
Assets held for sale	11	754	701	
		13,786	13,974	13,389
Non-current assets				
Long-term receivables				
Financial investments	7	25	79	26
Derivative financial instruments	4.1.1	6	9	75
Taxes recoverable	10	1,343	587	904
Related parties	12	1,600	1,411	1,413
Deferred income tax and social contribution	20(b)	3,248	3,296	3,169
Call options	13	129	157	104
Judicial deposits	22(c)	472	451	327
Other assets	14	442	507	241
		7,265	6,497	6,259
Investments	15	6,022	6,186	7,635
Property, plant and equipment	16	26,031	25,862	22,872
Biological assets	17	141	151	159
Intangible assets	18	11,993	11,483	9,973
		51,452	50,179	46,898
Total assets		65,238	64,153	60,287

	Note	6/30/2013	12/31/2012 Restated note "3"	1/1/2012 Restated note "3"
Liabilities and equity				
Current liabilities				
Borrowing	19	1,822	1,396	1,757
Derivative financial instruments	4.1.1	69	115	133
Trade payables		2,527	2,738	2,411
Payables - trading		76	54	24
Salaries and payroll charges		919	888	691
Income tax and social contribution		144	123	325
Taxes payable		375	349	372
Dividends payable to the owners of the Company	12	35	58	596
Dividends payable to non-controlling interests	12	45	114	92
Advances from customers		226	91	136
Use of public assets	23	56	55	60
Payables for interest acquisition			328	
Provisions and other liabilities	21	577	709	675
		6,871	7,018	7,272
Liabilities related to assets held for sale	11	321	274	
		7,192	7,292	7,272
Non-current liabilities				
Borrowing	19	21,415	20,895	17,500
Derivative financial instruments	4.1.1	13	6	161
Related parties	12	951	893	574
Deferred income tax and social contribution	20(b)	3,252	3,085	3,226
Tax, civil and labor provisions	22	1,276	1,378	1,452
Use of public assets	23	901	892	831
Provision for asset decommissioning		971	933	557
Provisions and other liabilities	21	1,013	1,004	756
		29,792	29,086	25,057
Total liabilities		36,984	36,378	32,329
Equity	24			
Share capital		19,907	19,907	19,925
Revenue reserves		5,940	6,053	6,687
Accumulated deficit		(91)		
Carrying value adjustments		(995)	(1,436)	(1,630)
Total equity attributable to owners of the Company		24,761	24,524	24,982
Non-controlling interests		3,493	3,251	2,976
Total equity		28,254	27,775	27,958
Total liabilities and equity		65,238	64,153	60,287

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

Votorantim Industrial S.A.

Interim consolidated statement of income
Periods Ended June 30

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

	Note	4/1/2013 to 6/30/2013	4/1/2012 to 6/30/2012	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
Continuing operations					
Net revenue from products sold and services rendered	25(a)	6,408	5,629	12,321	11,005
Cost of products sold and services rendered		(4,797)	(4,213)	(9,312)	(8,368)
Gross profit		1,611	1,416	3,009	2,637
Operating expenses					
Selling		(406)	(341)	(766)	(638)
General and administrative		(584)	(506)	(1,118)	(980)
Other operating income (expenses), net	26	121	113	199	78
		(869)	(734)	(1,685)	(1,540)
Operating profit before equity results and finance result		742	682	1,324	1,097
Result from equity investments					
Equity in the results of investees	15(a)	(111)	(94)	(76)	(67)
Finance result, net	27				
Finance costs		(499)	(427)	(823)	(851)
Finance income		160	143	278	405
Foreign exchange gains (losses), net		(351)	(529)	(321)	(495)
		(690)	(813)	(866)	(941)
Profit (loss) before income tax and social contribution		(59)	(225)	382	89
Income tax and social contribution	20(a)				
Current		(221)	(208)	(379)	(295)
Deferred		(6)	275	(79)	256
Profit (loss) for the period from continuing operations		(286)	(158)	(76)	50
Discontinued operations					
Loss for the period from discontinued operations	11(c)	(21)		(32)	
Profit (loss) for the period		(307)	(158)	(108)	50
Profit (loss) attributable to the owners of the Company		(303)	(140)	(90)	74
Loss attributable to non-controlling interests		(4)	(18)	(18)	(24)
Profit (loss) for the period		(307)	(158)	(108)	50
Basic and diluted earnings (loss) per thousand shares from continuing		(16.34)	(9.02)	(4.34)	2.86
Basic and diluted loss per thousand shares from discontinued operations (in Reais)		(1.20)		(1.83)	
Weighted average number of shares		17,501,930,932	17,509,603,386	17,501,930,932	17,509,603,386

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

Votorantim Industrial S.A.

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

	4/1/2013 to 6/30/2013	4/1/2012 to 6/30/2012	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
Profit (loss) for the period	(307)	(158)	(108)	50
Components of comprehensive income for the period				
Foreign exchange gains (losses) on foreign investments	1,474	1,238	1,136	995
Hedge accounting of net investments in foreign operations	(561)	(406)	(454)	(309)
Hedge accounting for the operations of subsidiaries	(13)	(3)	58	(9)
Other effects of operations of subsidiaries and associates	(53)	128	(39)	66
	847	957	701	743
Total comprehensive income for the period	540	799	593	793
Comprehensive income attributable to				
Owners of the Company	236	556	351	531
Non-controlling interests	304	243	242	262
	540	799	593	793

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

Statement of changes in equity

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

	Attributable to owners of the parent								
		Revenue reserves							
	Share capital	Tax incentives	Legal	Profit retention	Accumulated deficit	Carrying value adjustments	Equity attributable to the owners of the Company	Non-controlling interests	Equity
At December 31, 2012	19,907	5	533	5,515		(1,436)	24,524	3,251	27,775
Total comprehensive income for the six-month period									
Loss for the six-month period					(90)		(90)	(18)	(108)
Components of comprehensive income for the six-month period						441	441	260	701
Total comprehensive income for the six-month period					(90)	441	351	242	593
Total distributions to stockholders									
Reversal of dividends and interest on capital of investees				62			62		62
Tax incentive reserve		1			(1)				
Dividends (R$ 0.01 per share) - Note 24 (b)				(176)			(176)		(176)
Total distributions to stockholders		1		(114)	(1)		(114)		(114)
At June 30, 2013	19,907	6	533	5,401	(91)	(995)	24,761	3,493	28,254

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)

	Attributable to owners of the parent						Non-controlling interests	Equity
		Revenue reserves						
	Share capital	Legal	Profit retention	Retained earnings	Carrying value adjustments	Equity attributable to the owners of the Company		
At January 1, 2012	19,925	525	6,162		(1,630)	24,982	2,976	27,958
Total comprehensive income for the six-month period								
Profit (loss) for the six-month period				74		74	(24)	50
Components of comprehensive income for the six-month period					457	457	286	743
Total comprehensive income for the six-month period				74	457	531	262	793
Total distributions to stockholders								
Dividends (R$ 0.04 per share)			(700)			(700)		(700)
Total distributions to stockholders			(700)			(700)		(700)
At June 30, 2012	19,925	525	5,462	74	(1,173)	24,813	3,238	28,051

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

Votorantim Industrial S.A.

Votorantim Industrial S.A.

Interim consolidated statement of cash flows
Periods ended June 30
All amounts in millions of reais (A free translation of the original in Portuguese)

	Note	4/1/2013 to	4/1/2012 to 6/30/2012	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
Cash flow from operating activities					
Profit (loss) before income tax and social contribution from continuing operations		(59)	(225)	382	89
Losses on discontinued operations		(21)		(32)	
Adjustments of items that do not represent changes in cash and cash equivalents					
Interest, indexation and foreign exchange gains (losses)		975	1,190	1,283	1,393
Equity in the results of investees	15	111	94	76	67
Depreciation, amortization and depletion	6,17 and 18	574	493	1,075	921
Gains on sale of property, plant and equipment and investment		(38)	(32)	(41)	(38)
Call options		29	110	29	56
Fair value adjustment of derivatives		17	3	(7)	(68)
Provisions		103	85	141	115
		1,690	1,718	2,905	2,535
Changes in assets and liabilities					
Financial investments		(299)	637	(519)	(900)
Derivative financial instruments		71	55	63	109
Trade receivables		(298)	(172)	(462)	(209)
Inventory		(152)	(171)	(161)	(224)
Taxes recoverable		71	(135)	9	(39)
Related parties		(98)	376	(131)	291
Other receivables and assets		20	(255)	(72)	97
Trade payables		35	(21)	(211)	(170)
Payables - trading		(0)	7	22	(9)
Salaries and payroll charges		176	133	31	12
Taxes payable		19	(87)	26	(41)
Advances from customers		(16)	(1)	135	12
Other obligations and liabilities		(43)	(151)	(343)	(112)
Cash provided by operations		1,178	1,934	1,294	1,353
Interest paid	19 (b)	(515)	(467)	(738)	(731)
Income tax and social contribution paid		(122)	(258)	(223)	(494)
Net cash provided by operating activities		541	1,209	333	128
Cash flow from investing activities					
Purchases of property, plant and equipment	16	(615)	(773)	(1,174)	(1,469)
Purchases of biological assets	17	(8)	(4)	(14)	(10)
Purchases of intangible assets	18	(27)	(31)	(59)	(65)
Capital increase and acquisitions of investments		(15)	(476)	(347)	(476)
Proceeds from sale of ownership interests			2,362		2,362
Proceeds from sale of non-current assets		84	(2,258)	103	200
Dividends received		2	(13)	14	1
Net cash provided by (used in) investing activities		(579)	(1,194)	(1,477)	542
Cash flow from financing activities					
New borrowing	19 (b)	524	363	1,635	2,549
Derivative financial instruments		(1)	(6)	(3)	(18)
Repayment of borrowing	19 (b)	(992)	(474)	(1,727)	(1,611)
Payment of dividends		(28)	(218)	(206)	(418)
Net cash provided by (used in) financing activities		(497)	(335)	(301)	502
Increase (decrease) in cash and cash equivalents		(535)	(320)	(1,445)	1,172
Effect of fluctuations in exchange rates		(42)	11	(68)	(45)
Cash and cash equivalents at the beginning of the period		2,087	2,813	2,971	1,265
Cash and cash equivalents at the end of the period		1,594	2,482	1,594	2,482

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

Votorantim Industrial S.A.

Interim consolidated statement of value added
Periods ended June 30

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

	Note	4/1/2013 to 6/30/2013	4/1/2012 to 6/30/2012	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
Revenue					
Sales of products and services	25	7,607	6,726	14,619	13,141
Other operating income (expenses)	26	121	46	199	(48)
Provision for impairment of trade receivables		(4)		(8)	
		7,724	6,772	14,810	13,093
Inputs acquired from third parties					
Cost of products sold and services rendered		(5,461)	(4,212)	(10,720)	(8,862)
Gross value added		2,263	2,560	4,090	4,231
Depreciation, amortization and depletion	16, 17 and 18	574	494	1,075	921
Net value added generated by the Company		2,837	3,054	5,165	5,152
Value added received through transfer					
Equity in the results of investees	15	(111)	(94)	(76)	(67)
Finance income	27	130	109	278	405
		19	15	202	338
Total value added to distribute		2,856	3,069	5,367	5,490
Distribution of value added					
Personnel and payroll charges					
Direct remuneration	30	585	405	1,089	764
Benefits	30	104	79	204	169
Social charges	30	250	203	492	402
		939	687	1,785	1,335
Taxes and contributions					
Federal		653	629	1,200	1,119
State		715	646	1,384	1,273
Municipal		10	8	18	16
Deferred taxes		(5)	275	(127)	256
		1,373	1,558	2,475	2,664
Third-party capital remuneration					
Finance costs	27	819	922	1,143	1,346
Rentals		53	60	104	96
		872	982	1,247	1,442
Own capital remuneration					
Non-controlling interests		(4)	(18)	(18)	(24)
Reinvested profits and accumulated deficit		(303)	(140)	(90)	73
Losses on discontinued operations		(21)		(32)	
		(328)	(158)	(140)	49
Value added distributed		2,856	3,069	5,367	5,490

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

1 General considerations

Votorantim Industrial S.A. (the "Company", the"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"). With its headquarters 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 in order to further its objectives. The Company, through its subsidiaries and associates, operates in the basic construction materials (cement, concrete, aggregate and mortar), pulp, mining and metals (aluminum, copper, zinc and nickel), steel and electric power generation segments.

2 Presentation of the interim consolidated financial statements

The Board of Directors approved these interim consolidated financial statements for issuance on July 31, 2013.

2.1 Basis of presentation

The interim consolidated financial statements at June 30, 2013 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 at December 31, 2012, which were publicly disclosed on March 5, 2013.

Therefore, the interim consolidated financial statements at June 30, 2013 do not contain all of the explanatory notes and disclosures required by the accounting standards applicable to the annual financial statements. As a consequence, they should be read together with the financial statements prepared in accordance with the relevant CPCs and IFRS at December 31, 2012.

The interim consolidated financial statements have been prepared in a manner consistent with the accounting policies disclosed in Note 2 to the consolidated financial statements at December 31, 2012, except for IFRS 11/CPC 19(R2) "Joint arrangements", which was applied by the Company from January 1, 2013, as mentioned in Note 3.

All amounts in millions of reais unless otherwise stated

2.2 Main companies included in the interim consolidated financial statements

	Percentage of total capital		Percentage of voting capital		Headquarters	Main activity
	6/30/2013	12/31/2012	6/30/2013	12/31/2012		
Cement						
Acariúba Mineração e Participação Ltda.	100,00	100,00	100,00	100,00	Brazil	Holding company
Interávia Transportes Ltda.	100,00	100,00	100,00	100,00	Brazil	Transportation
Silcar Empreendimentos, Comércio e Participações S.A.	100,00	100,00	100,00	100,00	Brazil	Holding company
Votorantim Cimentos S.A.	100,00	100,00	100,00	100,00	Brazil	Cement
Votorantim Cimentos N/NE S.A.	96,85	96,18	96,75	96,44	Brazil	Cement
St. Barbara Cement Inc.	100,00	100,00	100,00	100,00	Canada	Cement
Votorantim Cement North America Inc.- "VCNA"	100,00	100,00	100,00	100,00	Canada	Cement
Votorantim Cimentos EAA Inversiones, S.L. - "VCEAA"	100,00	100,00	100,00	100,00	Spain	Holding company
Prairie Material Sales Inc.	100,00	100,00	100,00	100,00	USA	Cement
St. Marys Cement Inc.	100,00	100,00	100,00	100,00	USA	Cement
Cementos Artigas S.A.	51,00	51,00	51,00	51,00	Uruguay	Cement
Metals						
Votorantim Metais Participações Ltda.	100,00	100,00	100,00	100,00	Brazil	Holding company
Votorantim Metais S.A.	100,00	100,00	100,00	100,00	Brazil	Nickel
Votorantim Metais Zinco S.A.	100,00	100,00	100,00	100,00	Brazil	Zinc
Companhia Brasileira de Alumínio	100,00	100,00	100,00	100,00	Brazil	Aluminum
Indústria e Comércio Metalúrgica Atlas S.A.	99,80	99,80	99,80	99,80	Brazil	Industrial equipment
Campos Novos Energia S.A	44,76	44,76	44,76	44,76	Brazil	Electric power
US Zinc Corporation - "USZinc"	100,00	100,00	100,00	100,00	USA	Zinc
Votorantim Metais - Cajamarquilla S.A.A.	99,89	99,89	99,89	99,89	Peru	Zinc
Compañia Minera Atacocha S.A.A.	88,19	88,19	88,19	88,19	Peru	Zinc
Compañia Minera Milpo S.A.A.	50,06	50,06	50,06	50,06	Peru	Zinc
Steel						
Acerbrag S.A.	100,00	100,00	100,00	100,00	Argentina	Steel
Votorantim Siderurgia S.A.	100,00	100,00	100,00	100,00	Brazil	Steel
Acerías Paz del Río S.A. - "APDR"	82,42	82,42	82,42	82,42	Colombia	Steel
Holding, trading and other companies						
Votorantim GmbH	100,00	100,00	100,00	100,00	Austria	Trading company
Santa Cruz Geração de Energia S.A.	100,00	100,00	100,00	100,00	Brazil	Electric power
Votorantim Energia Ltda.	100,00	100,00	100,00	100,00	Brazil	Holding company
Votorantim Investimentos Latino-Americanos S.A.	99,74	99,74	99,74	99,74	Brazil	Holding company
Baesa - Energ. Barra Grande S/A	15,00	15,00	15,00	15,00	Brazil	Electric power
Voto - Votorantim Overseas Trading Operations IV Ltd.	50,00	50,00	50,00	50,00	Cayman Islands	Holding company
Exclusive investment funds						
Fundo de Investimento Pentágono Multimercado - Crédito Privado	100,00	100,00				
Odessa Multimercado Crédito Privado	94,74	94,94				

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 at December 31, 2012, except for the change outlined below.

The Company periodically reviews the estimated economic useful lives of its property, plant and equipment items, used to calculate depreciation. Based on the appraisal report, issued by a specialized company, on January 1, 2013, the Company reviewed the useful lives of its property, plant and equipment items, changing on a prospective basis the depreciation rates used.

With the change in the useful lives of its property, plant and equipment items, the depreciation for the six-month period ended June 30, 2013 decreased by R$ 77.

3 Adoption of new standards, amendments and interpretations to standards issued by the CPC

The main changes in accounting practices applied in the preparation of the interim accounting information and financial statements, based on the new standards, amendments and interpretations to standards issued by the CPC, applicable to the Company, effective from January 1, 2013, were as follows:

IFRS 10 / CPC 36 (R3) - "Consolidated financial statements"

This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included in the consolidated financial statements. The standard provides additional guidance to assist in the determination of control when there is doubt in the evaluation. The adoption of this new standard did not result in changes in the consolidation situation of the Company's subsidiaries.

IFRS 11 / CPC 19 (R2)- "Joint arrangements"

In conformity with IFRS 11/CPC 19(R2), investments in joint arrangements are classified as joint operations or as joint ventures, depending on the contractual rights and obligations of each investor, and not on the legal structure of the joint arrangement. The Company and its subsidiaries assessed the nature of their joint arrangements and for the main arrangements they concluded that:

(i) Fibria S.A., Sitrel Siderurgia, Três Lagoas Ltda and Suwanee Holdings LLC are no longer proportionally consolidated. They are now recognized in the consolidated financial statements in a single line item and measured using the equity accounting method.

(ii) Campos Novos Energia S.A. is classified as a joint operation, and is still proportionally consolidated.

(iii) BAESA - Energética Barra Grande S.A. is classified as a joint operation, and therefore is no longer presented in a single line item and measured using the equity accounting method. It is now proportionally consolidated.

Votorantim applied the new policy regarding investments in joint ventures and joint operations from January 1, 2013, according to the transitional provisions of IFRS 11/CPC 19(R2).

Below is a reconciliation of the balance sheet balances for the year ended December 31, 2012 and the opening balance at January 1, 2012, affected by the change in the standard. This change did not affect the earnings per share.

All amounts in millions of reais unless otherwise stated

	December 31, 2012			January 1, 2012		
	Original	Adjustments pursuant to IFRS 11	Adjusted	Original	Adjustments pursuant to IFRS 11	Adjusted
Assets						
Current assets						
Cash and cash equivalents	3,280	(309)	2,971	1,380	(115)	1,265
Financial investments	3,744	(689)	3,055	3,398	(518)	2,880
Derivative financial instruments	86	(9)	77	241		241
Trade receivables	2,088	(166)	1,922	2,154	(256)	1,898
Inventory	3,894	(385)	3,509	3,507	(359)	3,148
Taxes recoverable	1,273	(64)	1,209	930	(97)	833
Dividends receivable	1		1	9		9
Receivables from sale of ownership interests				2,362		2,362
Other assets	626	(97)	529	790	(37)	753
	14,992	(1,719)	13,273	14,771	(1,382)	13,389
Assets held for sale	875	(174)	701	189	(189)	
	15,867	(1,893)	13,974	14,960	(1,571)	13,389
Non-current assets						
Long-term receivables						
Financial investments	79		79	26		26
Derivative financial instruments	14	(5)	9	75		75
Taxes recoverable	781	(194)	587	1,103	(199)	904
Related parties	1,412	(1)	1,411	1,294	119	1,413
Deferred income tax and social contribution	3,735	(439)	3,296	3,450	(281)	3,169
Call options	157		157	104		104
Judicial deposits	497	(46)	451	327		327
Other assets	766	(259)	507	654	(413)	241
	7,441	(944)	6,497	7,033	(774)	6,259
Investments	1,712	4,474	6,186	3,361	4,274	7,635
Property, plant and equipment	29,086	(3,224)	25,862	26,270	(3,398)	22,872
Biological assets	1,129	(978)	151	1,117	(958)	159
Intangible assets	12,858	(1,375)	11,483	11,365	(1,392)	9,973
	52,226	(2,047)	50,179	49,146	(2,248)	46,898
Total assets	68,093	(3,940)	64,153	64,106	(3,819)	60,287

All amounts in millions of reais unless otherwise stated

	December 31, 2012			January 1, 2012		
	Original	Adjustments pursuant to IFRS 11	Adjusted	Original	Adjustments pursuant to IFRS 11	Adjusted
Liabilities and equity						
Current liabilities						
Borrowing	1,707	(311)	1,396	2,028	(271)	1,757
Derivative financial instruments	131	(16)	115	171	(38)	133
Trade payables	2,867	(129)	2,738	2,576	(165)	2,411
Payables - trading	54		54	24		24
Salaries and payroll charges	927	(39)	888	731	(40)	691
Income tax and social contribution	128	(5)	123	329	(4)	325
Taxes payable	356	(7)	349	383	(11)	372
Dividends payable to the owners of the Company	58		58	596		596
Dividends payable to non-controlling interests	115	(1)	114	92		92
Advances from customers	230	(139)	91	136		136
Use of public assets	55		55	60		60
Payables for interest acquisition	328		328			
Provisions and other liabilities	768	(59)	709	725	(50)	675
	7,724	(706)	7,018	7,851	(579)	7,272
Liabilities related to assets held for sale	274		274			
	7,998	(706)	7,292			
Non-current liabilities						
Borrowing	23,712	(2,817)	20,895	20,406	(2,906)	17,500
Related parties	893		893	610	(36)	574
Deferred income tax and social contribution	3,336	(251)	3,085	3,443	(217)	3,226
Tax, civil and labor provisions	1,409	(31)	1,378	1,482	(30)	1,452
Derivative financial instruments	84	(78)	6	186	(25)	161
Use of public assets	857	35	892	780	51	831
Provision for asset decommissioning	870	63	933	557		557
Provisions and other liabilities	1,148	(144)	1,004	825	(69)	756
	32,309	(3,223)	29,086	28,289	(3,232)	25,057
Total liabilities	40,307	(3,929)	36,378	36,140	(3,811)	32,329
Equity						
Share capital	19,907		19,907	19,925		19,925
Revenue reserves	4,242		6,053	6,906	(219)	6,687
Carrying value adjustments	375		(1,436)	(1,849)	219	(1,630)
Total equity attributable to owners of the Company	24,524		24,524	24,982		24,982
Non-controlling interests	3,262	(11)	3,251	2,984	(8)	2,976
Total equity	27,785	(11)	27,775	27,966	(8)	27,958
Total liabilities and equity	68,093	(3,940)	64,153	64,106	(3,819)	60,287

All amounts in millions of reais unless otherwise stated

	Original	Adjustments pursuant to IFRS 11	Adjusted
Revenue	11,805	(800)	11,005
Cost of products sold and services rendered	(9,009)	641	(8,368)
Gross profit	2,797	(160)	2,637
Selling	(682)	43	(638)
General and administrative	(1,027)	47	(980)
Other operating expenses, net	30	49	78
Operating profit before equity results and finance result	1,117	(21)	1,097
Results from equity investments			
Equity in the results of investees	133	(200)	(67)
Finance result, net	(1,249)	308	(941)
Profit before income tax and social contribution	1	87	89
Income tax and social contribution			
Current	(289)	(6)	(295)
Deferred	338	(82)	256
Profit for the six-month period from continuing operations	50	(1)	50
Profit attributable to the owners of the Company	75	(1)	74
Loss attributable to non-controlling interests	(25)	1	(24)
Profit for the six-month period	50		50

	Period from 1/1/2012 to 6/30/2012		
	Original	Adjustments pursuant to IFRS 11	Adjusted
Cash flow from operating activities	532	(404)	128
Cash flow from investing activities	561	(19)	542
Cash flow from financing activities	487	15	502

IFRS 12/CPC 45 " Disclosure of interests in other entities" and IFRS 13/CPC 46 - " Fair value measurement"

The new disclosure requirements introduced by these two standards are only required for complete financial statements. There are no new disclosure requirements for interim financial statements. The Company expects to include these new disclosures in its annual financial statements at December 31, 2013.

Amendment to IAS 1 /CPC 26 (R1) – "Presentation of financial statements" – The items recorded in other comprehensive income (loss) are now presented based on their potential to be reclassified to profit or loss at a later date.

All amounts in millions of reais unless otherwise stated

Amendments to IAS 19/CPC 33 (R1) – "Employee benefits" – This amendment did not have a significant impact, since the Company and its subsidiaries did not adopt the corridor approach and recorded actuarial gains/losses directly in equity as comprehensive income (loss).

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, 2012 to the financial risks and risk management policies described in the Company's annual consolidated financial statements at December 31, 2012..

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 from the balance sheet date up to the contractual maturity date). Derivative financial liabilities are included in the analysis if their contractual maturities are essential to understand the timing of cash flow. The amounts disclosed in the table are the undiscounted cash flow, which includes interest to be incurred, and, accordingly, do not relate directly to the amounts in the balance sheet for borrowing and use of public assets.

	Up to 1 year	From 1 to 2 years	From 2 to 5 years	From 5 to 10 years	As from 10 years
At June 30, 2013					
Borrowing	3,002	2,644	11,218	12,035	6,462
Derivative financial instruments	68	11	2		
Dividends payable	80				
Related parties		389			562
Payables - trading	76				
Use of public assets	70	85	292	620	2,942
Trade payables	2,527				
	5,823	3,129	11,512	12,655	9,966
At December 31, 2012					
Borrowing	2,335	2,298	9,276	12,538	6,065
Derivative financial instruments	115	4	2		
Dividends payable	172				
Related parties		392			501
Payables - trading	54				
Payables for interest acquisition	328				
Use of public assets	79	84	284	603	3,010
Trade payables	2,738				
	5,821	2,778	9,562	13,141	9,576

4.1.1 Derivatives contracted

The hedging instruments contracted by the Company are the same as described in Note 6.1.1 to the annual consolidated financial statements at December 31, 2012.

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

All amounts in millions of reais unless otherwise stated

Instrument	Principal		Unit	Fair value		Realized gain (loss)	Fair value by maturity					
	6/30/2013	12/31/2012		6/30/2013	12/31/2012	6/30/2013	2013	2014	2015	2016	2017	2018+
Hedging intrument for interest rates in US Dollars												
LIBOR floating rate vs. US dollar fixed rate swaps	351	438	USD MM	(6,5)	(14,0)	(4,9)	(5,6)	(0,9)				
				(6,5)	**(14,0)**	**(4,9)**						
Hedging instrument for sales of nickel, zinc and aluminum at a fixed price												
Nickel forward	760	820	ton	0,3		0,2	0,3					
Zinc forward	16.237	4.800	ton	(4,7)	1,0	(0,2)	(4,2)	(0,5)				
				(4,4)	**1,0**							
Hedging instrument for mismatches of quotation periods												
Nickel forward	190	2.200	ton	0,1		0,8	0,1					
Zinc forward	257.514	290.318	ton	9,8	(12,0)	8,9	9,8					
				9,8	**(12,0)**	**9,7**						
Hedging instrument for the operating margin of metals												
Nickel forward	2.656	5.698	ton	21,5	9,5	11,8	18,4	3,1				
Zinc forward	106.781	125.045	ton	40,2	(18,0)	12,2	25,8	14,4				
Aluminum forward	125.195	149.695	ton	61,1	26,0	46,9	38,9	22,2				
Copper forward	4.396	5.481	ton	12,4	2,0	2,8	7,2	5,2				
Silver forward	615	998	k oz (*)	15,5	5,0	5,9	10,1	5,4				
US Dollar forward	442	621	USD MM	(52,4)	(37,0)	(25,8)	(25,3)	(27,1)				
				98,2	**(12,5)**	**53,7**						
Hedging instrument for foreign exchange exposure												
Euro forward		57	EUR MM		(2,0)	1,2						
					(2,0)	**1,2**						
Hedging instrument for debts												
Fixed rate in Reais vs. CDI floating rate swaps	730	500	BRL MM	(10,0)	5,0	0,8	0,6	(2,5)	(5,3)	(1,8)	(0,5)	(0,4)
				(10,0)	**5,0**	**0,8**						
Total consolidated (net between assets and liabilities)				**87,0**	**(34,5)**	**60,6**	**76,0**	**19,1**	**(5,4)**	**(1,8)**	**(0,5)**	**(0,4)**

(*) oz = kilograms in troy ounces

All amounts in millions of reais unless otherwise stated

4.1.2 Sensitivity analysis

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

- Scenario I: is based on the market forward curves and quotations at June 30, 2013, and representsa probable scenario in management's opinion at December 31, 2013.

- Scenario II: considers a stress factor of + / - 25% applied to the market forward curves at June 30, 2013.

- Scenario III: considers a stress factor of + / - 50% applied to the market forward curves at June 30, 2013.

	Balance sheet accounts				Impacts on profit (loss)						Impacts on comprehensive income				
					Scenario I		Scenarios II and III				Scenario I	Scenarios II and III			
Risk factors	**Assets**	**Liabilities**	**Principal**	**Unit**	**Changes from 6/30/2013**	**Results of scenario I**	**-25%**	**-50%**	**25%**	**50%**	**Results of scenario I**	**-25%**	**-50%**	**25%**	**50%**
Foreign exchange rate															
USD	1,738	11,628	793	USD	-3%	146	1,194	2,388	(1,194)	(2,388)	183	1,507	3,015	(1,507)	(3,015)
EUR	30	2,187		EUR	-3%	1	6	12	(6)	(12)	65	517	1,034	(517)	(1,034)
COP		396		COP		1	99	199	(99)	(199)					
Interest rates															
BRL - CDI	3,393	4,935	1,621	BRL	100 bps	(21)	50	102	(48)	(95)	(3)	8	16	(8)	(15)
USD LIBOR		3,640	949	USD	10 bps	(3)	2	5	(2)	(5)					
Price - commodities															
Nickel			3,606	ton	6%		2	3	(2)	(3)	(4)	16	33	(16)	(33)
Zinc			380,532	ton	4%	(7)	39	78	(39)	(78)	(21)	122	244	(122)	(244)
Aluminum			125,195	ton	10%						(46)	117	235	(117)	(235)
Copper			4,396	ton	2%						(1)	15	30	(15)	(30)
Silver			615	k oz (*)	6%						(1)	6	11	(6)	(11)

(*) oz = kilograms in troy ounces

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		Unit	Purchase/ sale	Average FWD rate/price		Average term (days)	Fair value		Realized gain (loss)	Fair value by maturity	
	6/30/2013	12/31/2012						6/30/2013	12/31/2012	6/30/2013	2013	2014
Hedge accounting - cash flow hedges												
Hedging instruments for the operating margin of metals												
Nickel forward	2,156	5,152	ton	V	17,489	US$/ton	102	18.0	9.0	13.9	15.0	3.1
Zinc forward	95,945	112,605	ton	V	2,035	US$/ton	176	36.8	(17.0)	15.7	22.4	14.4
Aluminum forward	117,695	136,515	ton	V	2,025	US$/ton	195	57.2	22.0	46.9	35.0	22.2
Copper forward	3,945	5,081	ton	V	7,998	US$/ton	165	11.5	2.0	3.5	6.3	5.2
Silver forward	514	901	k oz (*)	V	31	k US$/oz	154	13.1	4.0	8.0	7.7	5.4
US Dollar forward	405	561	USD MM	V	2.17	R$/US$	180	(51.5)	(25.0)	(15.3)	(24.4)	(27.1)
								85.0	**(5.0)**	**72.7**	**62.0**	**23.1**
Hedging instruments for mismatches of quotation periods												
Zinc forward	71,553	94,426	ton	C/V			67	1.7	(4.0)	1.4	1.7	
Hedge accounting - Fair value hedge												
Hedging instruments for sales of nickel, zinc and aluminum at a fixed price												
Nickel forward	300			C			156	0.2			0.2	
Zinc forward	7,767	900	ton	C	2,064	US$/ton	128	(3.5)		0.1	(3.0)	(0.5)
								(3.3)		**0.1**	**(2.8)**	**(0.5)**

(*) oz = kilograms in troy ounces

4.1.4 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to stockholders and benefits for other stakeholders, as well as maintaining an optimal capital structure to reduce the cost of capital.

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

The Company monitors its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by adjusted EBITDA. Net debt is calculated as total debt less cash and cash equivalents and the amount of financial investments, adding or subtracting the fair value of derivative contracts. The Adjusted EBITDA is calculated based on the profit for the period plus/less finance result, plus income tax (“IRPJ”) and social contribution (“CSLL”), plus depreciation, amortization and depletion, less equity in the results of investees, plus dividends received from investees, less exceptional non-cash items (non-cash items considered by management as exceptional are excluded from the measurement of the adjusted EBITDA).

The gearing ratios are as follows:

All amounts in millions of reais unless otherwise stated

	Note	6/30/2013	12/31/2012
Borrowing	19	23,237	22,291
Cash and cash equivalents	6	(1,594)	(2,971)
Fair value of derivative contracts	4.1.1	(87)	35
Financial investments	7	(3,653)	(3,134)
Net debt (A)		17,903	16,221

	7/01/2012 to 6/30/2013	1/1/2012 to 12/31/2012
Profit (loss) for the period	(70)	88
Plus (less):		
Equity in the results of investees	157	148
Realization of other comprehensive income on the investment realization	91	91
Financial income (expenses), net - continuing operations	1,443	1,518
Financial income (expenses), net - discontinued operations	3	
Income tax and social contribution - continuing operations	716	297
Income tax and social contribution - discontinued operations	(1)	
Depreciation, amortization and depletion - continuing operations	2,161	2,005
Depreciation, amortization and depletion - discontinued operations	14	
EBITDA	4,514	4,147
Plus (less):		
Dividends received	120	206
Extraordinary items		
EBITDA - discontinued operations	16	
Fibria call option	(80)	(53)
Loss on sale of Yguazú	8	8
Gain on business combination - VCEAA (Note 15(e))	(267)	(267)
Gain on business combination - Artigas (Note 15(e))	(73)	(73)
Impairment of goodwill	464	464
Gain on sale of investment C+PA	(38)	
Provision for losses on PP&E	94	94
Other	(8)	10
Adjusted EBITDA (B)	4,750	4,536
Gearing ratio (A/B)	3.77	3.58

4.1.5 Fair value estimation

In the six-month period ended June 30, 2013, there were no reclassifications between the fair value measurement hierarchy (Level 1, 2 and 3) and the Company's financial assets and liabilities.

All amounts in millions of reais unless otherwise stated

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:

			6/30/2013			12/31/2012
	Local rating	Global rating	Total	Local rating	Global rating	Total
Cash and cash equivalents						
AAA	531	1	532	1,193		1,193
AA+				236		236
AA				104		104
A+		147	147		759	759
A		7	7		94	94
A-		126	126		10	10
BBB+		85	85			
BBB		270	270		257	257
BBB-		109	109		134	134
BB		4	4			
BB-		126	126			
B+		145	145		13	13
B					24	24
CCC+		10	10		6	6
Unrated		33	33	2	139	141
	531	1,063	1,594	1,535	1,436	2,971
Financial investments						
AAA	2,202		2,202	1,401		1,401
AA+	440		440	679		679
AA				12		12
AA-					20	20
A+		180	180	5	369	374
A	15	89	104		70	70
A-		26	26	1	194	195
BBB		287	287		94	94
BBB-		50	50		29	29
BB		25	25			
B+		9	9			
CCC+		39	39		40	40
Unrated	291		291	140	80	220
	2,948	705	3,653	2,238	896	3,134
Derivative financial assets						
AAA	36		36	28		28
A+		17	17		10	10
A		46	46		34	34
A-		14	14		1	1
BBB+		13	13		5	5
BBB		43	43		8	8
	36	133	169	28	58	86
	3,515	1,901	5,416	3,801	2,390	6,191

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

All amounts in millions of reais unless otherwise stated

6 Cash and cash equivalents

	6/30/2013	12/31/2012
Cash and cash equivalents in local currency		
Cash and banks	19	19
Bank Deposit Certificates (CDB)	435	1,045
Repurchase agreements	77	471
Cash and cash equivalents in foreign currency	1,063	1,436
	1,594	2,971

In the six-month period ended June 30, 2013, there was a decrease in cash, mainly reflecting the prepayment of the debt and investments made in the period. The average yield of the portfolio for the six-month period ended June 30, 2013 was 100.43% of the CDI (2012 - 102.1% of the CDI).

7 Financial investments

These include financial assets classified as held-for-trading and held to maturity, as presented in the table below:

	6/30/2013	12/31/2012
Held for trading		
Financial Treasury Bills (LFT)	308	390
National Treasury Bills (LTN)	199	198
Investment fund quotas	13	2
Credit Rights Investment Funds (FIDC)	321	174
Investments denominated in foreign currency	705	896
Bank Deposit Certificates (CDB)	21	18
Repurchase agreements	2,057	1,375
Other	4	2
	3,628	3,055
Held to maturity		
Financial Treasury Bills (LFT)		41
Investment fund quotas	16	
Bank Deposit Certificates (CDB)	9	23
Repurchase agreements		15
	25	79
	3,653	3,134
Current	(3,628)	(3,055)
Non-current	25	79

Most financial investments have immediate liquidity. The average yield of the portfolio during the six-month period ended June 30, 2013 was 100.23% of the CDI (102.2% of the CDI at December 31, 2012).

All amounts in millions of reais unless otherwise stated

8 Trade receivables

	6/30/2013	12/31/2012
Trade receivables - Brazil	870	673
Trade receivables - exports from Brazil	17	1
Trade receivables - foreign customers	1,390	1,161
Related parties (Note 12)	170	142
Provision for impairment of trade receivables	(63)	(55)
	2,384	1,922

9 Inventory

	6/30/2013	12/31/2012
Finished products	748	651
Semi-finished products	1,491	1,389
Raw materials	558	578
Auxilary materials	824	815
Imports in transit	204	248
Other	17	13
Provision for losses (i)	(172)	(186)
	3,670	3,509

(i) Mainly refers to the obsolescence of inventory the value of which has a limited expectation of realization. There was no inventory pledged as collateral for liabilities.

10 Taxes recoverable

	6/30/2013	12/31/2012
State Value-added Tax on Sales and Services (ICMS)	793	743
Income Tax (IRPJ) and Social Contribution on Net Income (CSLL)	468	498
Social Contribution on Revenue (COFINS)	524	115
Value-added Tax (VAT) (foreign companies)	213	229
Social Integration Program (PIS)	117	29
Excise Tax (IPI)	44	41
Withholding Income Tax (IRRF)	30	12
Other	110	129
	2,299	1,796
Current	(956)	(1,209)
Non-current	1,343	587

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. Their realization is based on the subsidiaries' operations. The credits relating to Corporate IRPJ and CSLL are linked to prepayments that will be offset, over undefined periods, against the same taxes and contributions levied on future taxable income within five years.

(i) During the first quarter of 2013, the Company reclassified to the recoverable taxes account the tax credits relating to the Social Contribution on Revenue ("COFINS") and Social Integration Program ("PIS"), which were previously classified in the acquisition cost of the fixed assets.

All amounts in millions of reais unless otherwise stated

11 Assets held for sale

The indirect subsidiary Votorantim Cimentos EAA Inversiones S.L. ("VCEAA") does not intend to continue its operations in China and, through its subsidiary Macau - Companhia de Investimento S.A. ("Macau"), has developed a plan to sell this business. Consequently, its assets and liabilities are classified in the "held for sale" group and are presented in a separate line in the balance sheet, and its results are classified as discontinued operations in the statement of income. Management is awaiting the conclusion of the sale within a period of one year from the date of acquisition in December 2012.

The figures for this transaction are as follows:

(a) Assets held for sale

	6/30/2013	12/31/2012
VCEAA/China		
Inventory	49	39
Property, plant and equipment	377	301
Goodwill	221	234
Intangible assets	46	42
Other assets	61	85
	754	701

(b) Liabilities relating to assets held for sale

	6/30/2013	12/31/2012
VCEAA/China		
Other payables	258	213
Other liabilities	27	27
Provisions	36	34
	321	274

(c) Profit from discontinued operations

	1/1/2013 to 6/30/2013
VCEAA/China	
Net revenue	59
Cost of products sold	(89)
Gross loss	(30)
Finance result, net	(3)
Loss before income tax and social contribution	(33)
Income tax and social contribution	1
Loss from discontinued operations	(32)

All amounts in millions of reais unless otherwise stated

12 Related parties

	Trade receivables		Dividends receivable		Non-current assets		Non-current liabilities	
Parent	**6/30/2013**	**12/31/2012**	**6/30/2013**	**12/31/2012**	**6/30/2013**	**12/31/2012**	**6/30/2013**	**12/31/2012**
Votorantim Participações S.A.					102	50	562	538
Related companies								
Cementos Especiales de las Isl	16							
Cia de Cimento Itambé	12	19						
Citrosuco GmbH					196	180		
Citrosuco S.A. Agroindústria		4		1	317	286		
Citrovita Orange Juice GmbH					415	377		
Fibria S.A.	7	8				1		
Hailstone Limited					11	10	312	284
Ibar Administrações e Participações Ltda.					5	5		
LIT Tele Ltda.							55	51
Maré Cimento Ltda.	3	2	6					
Mineração Rio Do Norte S.A.			6					
Mizú S.A.	8	5	2					
Polimix Concreto Ltda.	26	19	15					
Sirama Participações Administração e Transportes Ltda.			10					
Sitrel Siderúrgia Três Lagoas Ltda.	11	6						
ST. Helen Holding II B.V.					552	501	22	20
Sumter Cement Co LLC	1	23			2			
Superior Building Materials LL	10	3						
Supermix Concreto S.A.	29	28	14					
Suwannee American Cement LLC	45	23						
Verona Participações Ltda.			13					
Other	2	2				2		
	170	142	66	1	1,600	1,411	951	893

All amounts in millions of reais unless otherwise stated

	Trade payables		Dividends payable	
Parent	**6/30/2013**	**12/31/2012**	**6/30/2013**	**12/31/2012**
Votorantim Participações S.A.			35	58
Related companies				
Alumina do Norte do Brasil S.A.		9		
Fibria S.A.	31	31		
Suwannee American Cement LLC	9	26		
Other	4	5		
Total - owners of the Company	44	71	35	58
Total - non-controlling interests			45	114
	44	71	80	172

The main transactions with related parties are commercial transactions, and the outstanding balances of loan agreements with the parent company and related companies.

All amounts in millions of reais unless otherwise stated

13 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. At June 30, 2013, the fair value of this option was R$ 129 (R$ 157 - December 31, 2012) and was recorded in "Call options" in non-current assets.

14 Other assets

	6/30/2013	12/31/2012
Advances to suppliers	190	233
Receivables from sale of ownership interests	153	145
Prepaid expenses	148	68
Electric energy credit	126	89
Tax credits	67	70
Advances to employees	41	66
Deposit for tax incentive investment	35	24
Social security credits	67	56
Receivable from sale of PP&E	65	50
Checks to be cleared	10	40
Other receivables	111	195
	1,013	1,036
Current	(571)	(529)
Non-current	442	507

All amounts in millions of reais unless otherwise stated

15 Investments

(d) Breakdown

	Information on investees at June 30, 2013			Equity in the results		Investment balance	
	Equity	Profit (loss) for the six-month	Ownership percentage (%)	6/30/2013	6/30/2012	6/30/2013	12/31/2012
Fibria S.A.	14,560	(574)	29.42	(169)	(158)	4,284	4,452
Sirama Participações Administração e Transportes Ltda.	749	87	38.25	33	31	286	288
Cementos Avellaneda S.A.	380	38	49.00	19	13	266	254
Cementos Bio Bio S.A.	981	(26)	16.70	(4)	(6)	164	132
Alunorte - Alumina do Norte S.A.	4,571	(323)	3.03	(10)	(9)	139	148
Suwannee American Cement LLC	217	(4)	50.00	(2)	(1)	108	102
Maré Cimento Ltda. (b)	204	48	51.00	24	13	104	85
Polimix Concreto Ltda. (a)	331	20	27.57	6	2	91	93
Sitrel Siderúrgica Três Lagoas Ltda.	157	28	50.00	14	(7)	78	60
Mineração Rio do Norte S.A.	602	14	10.63	1	5	64	69
Cemento Portland S.A.	215	(1)	29.50			63	64
Supermix Concreto S.A. (a)	195	8	25.00	2	5	49	56
Mizu S.A. (b)	74	4	51.00	2	5	38	38
Verona Participações Ltda. (a)	117	40	25.00	10	8	29	29
Polimix Cimento Ltda. (b)	30		51.00			15	15
Cimpor Cimentos de Portugal SGPS S.A.					35		
Other investments				(2)	(3)	244	301
				(76)	(67)	6,022	6,186

(a) Refers to the investees of the subsidiary Silcar - Empreendimentos Comércio e Participações Ltda For these investments, the ownership interest is based on a determined segment of the company's products, and therefore Silcar does not have total or joint control and receives disproportionate dividends. However, the Company has a significant influence over these entities.

(b) Refers to companies in which an interest higher than 50% is held. As per the terms of the shareholders' agreement the Company can only participate in certain defined financial and operating decisions regarding certain matters and activities of the associates and, as such, the Company does not control the entities. Dividends are distributed amounts disproportionate to the percentage of ownership.

All amounts in millions of reais unless otherwise stated

(e) Information on investees

A summary of the principal financial information on subsidiaries and associates at June 30, 2013 is presented below:

Direct and indirect associates and jointly controlled entities	Total (%)	Assets	Liabilities	Equity	Operating income (expenses)	Adjusted profit (loss) for the six-month period
Fibria S.A.	29.42	27,049	12,489	14,560	294	(574)
Sirama Participações Administração e Transportes Ltda.	38.25	766	17	749	87	87
Cementos Avellaneda S.A.	49.00	445	65	380	64	38
Cementos Bio Bio S.A.	16.70	2,241	1,260	981	38	(26)
Alunorte - Alumina do Norte S.A.	3.03	7,257	2,686	4,571	(295)	(323)
Suwannee American Cement LLC	50.00	244	27	217	(2)	(4)
Maré Cimento Ltda.	51.00	533	329	204	65	48
Polimix Concreto Ltda.	27.57	481	150	331	26	20
Sitrel Siderúrgica Três Lagoas Ltda.	50.00	362	205	157	20	28
Mineração Rio do Norte S.A.	10.63	2,149	1,547	602	75	14
Cemento Portland S.A.	29.50	224	9	215	(1)	(1)
Supermix Concreto S.A.	25.00	477	282	195	9	8
Mizú S.A .	51.00	128	54	74	6	4
Verona Participações Ltda .	25.00	123	6	117	38	40

(f) Changes in investments

	6/30/2013	6/30/2012
Opening balance	6,186	7,635
Equity in the results of investees	(76)	(67)
Capital increase	19	476
Foreign exchange gains (losses)	4	142
Dividends received and receivable	(84)	(104)
Other comprehensive income (loss)	(27)	55
Closing balance	6,022	8,137

(g) Investments in listed companies

	6/30/2013		12/31/2012	
	Book value	Market value	Book value	Market value
Cementos Bio Bio S.A. (*)	164	115	132	117
Fibria S.A. (*)	4,284	4,034	4,452	3,667

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

(h) Principal changes in ownership interests in investees

(i) Exchange of interest in CIMPOR

On December 21, 2012, a transaction was concluded resulting in the exchange of the interest of 21.21% held by the Company in the capital of CIMPOR for the shareholding control of the businesses in Spain, Morocco, Tunisia, Turkey, India, China and Peru, held by Intercement (a company of the Camargo Correa Group).

In this transaction, the Company's interest of 21.21% in CIMPOR was transferred for an amount of R$ 2,077, reflecting the 142,492,130 shares in CIMPOR, valued at the price of EUR 5.33

each, as determined in the reorganization agreement dated June 25, 2012. The fair value of the business acquired was calculated based on an independent assessment by two investment banks, which resulted in an additional payment by the Company of R$ 157.

The operation resulted in a gain of R$ 267 relating to the difference between the cost and fair value of the interest in CIMPOR and the preliminary goodwill of R$ 1,103. The deferred tax liabilities of R$ 391 were also reversed in the operation.

(ii) Business combination - VCEAA

As a result of the exchange of interest in CIMPOR, the subsidiary Votorantim Cimentos S.A. ("VCSA") acquired an interest of 100% in VCEAA, as described in note 15 (e) i). The table below summarizes the consideration transferred, the preliminary fair value of the identifiable assets acquired, the liabilities assumed on the acquisition date and the corresponding carrying amounts immediately after the acquisition:

Common shares held before the business combination - in millions	142
Share price on December 21, 2012 (according to purchase and sale agreement)	14.58
Fair value of the initial investment in CIMPOR	2,077
(-) Balance on December 21, 2012	
Cost of the investment in CIMPOR	1,810
Gross result of the measurement to fair value of the initial interest in CIMPOR (i)	267
Considered purchase price	
Amount paid for the purchase of additional interest	156
Fair value of the initial interest in CIMPOR	2,077
Fair value of non-controlling interests on the acquisition date	70
	2,303
(-) Fair value of identifiable assets acquired and liabilities assumed	
Total fair value of the net assets acquired	1,279
(+) Deferred income tax and social contribution from temporary differences on the acquisition date	79
(=) Goodwill based on the expected future profitability of investments	1,103

(i) Recorded in 2012, in "Other operating income, net".

The fair value and gross value of the receivables amounted to R$ 385. The receivables were not subject to any losses and the Company expects to collect the full contractual amount.

The preliminary goodwill of R$ 1,103 mainly relates to synergies that the Company expects to obtain through economies of scale, and unrecognized intangible assets that do not comply with the criteria established in IFRS 3(R)/CPC 15(R1), such as customer relationships and workforce. The goodwill is supported by independent and internal assessments, based on projections and market estimates. The recognized goodwill is not deductible for tax purposes.

The allocation of the consideration for the identifiable assets and liabilities in the business combination of VCEAA has not yet been completed. This allocation is expected to be completed by the end of the year.

(iii) Acquisitions of interest in Cementos Avellaneda S.A.

On December 27, 2012, the Company, through its subsidiary VCEAA, acquired from Cementos Molins S.A. ("Molins"), an interest of 10.61% in Cementos Avallaneda S.A., in Argentina, at the amount of US$ 60 (R$ 121). Currently the Company holds 49% of Avallaneda.

The obligations assumed due to these acquisitions are recorded in "Payables for interest acquisitions" in current liabilities, settled in the first half of 2013.

(iv) Business combination - Artigas

On the same date, the subsidiary VCEAA acquired from Cementos Molins S.A. an interest of 12.61% in Cementos Artigas S.A.("Artigas"), located in Uruguay. The amount paid was US$ 25 (R$ 51). As from that date, the Company started consolidating Artigas. The acquisition method was utilized to record the identifiable assets acquired and the non-controlling interests.

The Company remeasured its previous 38.39% interest in Artigas at its fair value at the acquisition date and recognized the resulting gains in the statement of income:

Common shares held before the business combination - in millions	374
Share price on December 27, 2012 (according to purchase and sale agreement)	0.43
Fair value of the initial interest in Artigas	160
(-) Balance on December 27, 2012	
Cost of investment	87
Gross result of the measurement to fair value of the initial interest	73
Considered purchase price	
Amount paid for the purchase of additional interest	51
Fair value of the initial interest in Artigas	160
Fair value of non-controlling interests on the acquisition date	207
	418
(-) Fair value of identifiable assets acquired and liabilities assumed	
Total fair value of the net assets acquired	483
(+) Deferred income tax and social contribution from temporary differences on the acquisition date	76
(=) Goodwill based on the expected future profitability of investments	11

The obligations assumed due to the aforementioned acquisitions are recorded in "Payables for interest acquisition" in current liabilities, settled in the first half of 2013. The costs related to the transactions were not material.

All amounts in millions of reais unless otherwise stated

16 Property, plant and equipment

(i) Breakdown

									6/30/2013	6/30/2012
	Land and improvements	**Buildings and constructions**	**Machinery, equipment and facilities**	**Vehicles**	**Furniture and fittings**	**Construction in progress**	**Leasehold improvements**	**Other**	**Total**	**Total**
Opening balance	1,499	5,902	13,499	339	49	4,168	326	80	25,862	22,872
Additions	19	7	74	19	1	1,051		3	1,174	1,469
Disposals	(16)	(4)	(3)	(3)	(16)	(8)	(1)	(8)	(59)	(110)
Depreciation	(4)	(109)	(625)	(54)	(4)		(11)	(21)	(828)	(734)
Foreign exchange gains (losses)	23	89	191	9	1	39	7		359	538
Effect of subsidiaries included in/ excluded from consolidation	17	34		2		1	2		56	(2)
Transfers to taxes recoverable (Note 10)	(7)	(191)	(310)	(4)	(1)				(513)	
Transfers	45	314	1,172	19	19	(1,601)	1	11	(20)	(145)
Closing balance	1,576	6,042	13,998	327	49	3,650	324	65	26,031	23,888

All amounts in millions of reais unless otherwise stated

(j) 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 described below:

	6/30/2013	12/31/2012
Segment		
Metals	1,545	1,331
Cement	1,464	2,103
Steel	431	380
Mining Peru	204	352
Other	6	3
	3,650	4,168

Main projects in progress - Cement	6/30/2013	12/31/2012
New unit in Edealina/GO	184	117
New unit in Cuiabá/MT (*)	118	503
Cement crushing in Santa Helena	89	26
New production line in Rio Branco/PR (**)	77	537
New plant in Vidal Ramos/SC	67	46
New unit in Primavera/PA	67	42
Deposits of waste in construction	40	36
New unit in Ituaçú/BA	12	12
New production line in Salto de Pirapora	3	36
Cement crushing Z3 in Cimesa	1	3

Main projects in progress - Metals	6/30/2013	12/31/2012
Ferro níquel project	564	559
Polymetallics	134	132
Renovation of stacks	101	70
Calcination furnace	88	88
Vazante expansion project	64	56
Oven room	61	58
Renovation of rolling mills	26	24
Expansion, extrusion, anodizing and painting	24	24
Replacement of foundry cover	22	20
Utilities - calcination and silo of oxide IV	12	12
Rod/ball mill V	12	12

All amounts in millions of reais unless otherwise stated

Main projects in progress - Steel	6/30/2013	12/31/2012
Expansion zone 1	107	91
Resende expansion project	102	72
Geological researches	48	48
Blast furnace regenerator replacement project	19	17
Forest expansion project	19	15
Fumes processing plant	16	13
Scrap crushing equipment	12	12

Main projects in progress - Mining Peru	6/30/2013	12/31/2012
Cerro Lindo Project Phase III	39	212
"Pucurhuay" Hydroelectric Plant Project	51	44

(*) In January 2013, the new unit of Votorantim Cimentos located in Cuiabá - MT started its operations, carrying out the partial activation of the balance of property, plant and equipment in progress. The main assets activated were clinker ovens, towers, grinding and crushing stations, storage warehouses, transmission lines, pipelines, cyclone towers, a vertical mill, a transportation system, a ball mill, a cement mill, an oven, a cooling system, crushers, bagging machines and palletizers.

(**) In May 2013, Votorantim Cimentos' production line in Rio Branco do Sul – PR started its operations, causing the partial activation of the balance of property, plant and equipment in progress. The main asset activated was the clinker oven, which included the new extension of the plant.

17 Biological assets

The Company's biological assets represent growing forests substantially located in the State of Minas Gerais.

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

	6/30/2013	6/30/2012
Opening balance	151	159
Additions	14	10
Depletion	(24)	(12)
Transfers of property, plant and equipment		1
Change in fair value		(3)
Closing balance	141	155

According to the Company's policy, the fair value assessment is carried out annually and, for the six-month period presented, management understands that there were no significant variations in the fair value of these assets.

All amounts in millions of reais unless otherwise stated

18 Intangible assets

								6/30/2013	**6/30/2012**
	Goodwill	**Rights over natural resources**	**Rights over trademarks and patents**	**Software**	**Use of public assets**	**Contracts, customer relationship and agreements**	**Other**	**Total**	**Total**
Opening balance	4,787	5,448	85	95	455	171	442	11,483	9,973
Additions		24		1			34	59	65
Write-offs		(2)		(1)				(3)	(52)
Amortization and depletion		(156)	(14)	(10)	(10)	(8)	(25)	(223)	(175)
Foreign exchange gains (losses)	213	385	4	6		14	30	652	377
Effect of subsidaries included in the consolidation	3	21						24	
Transfers		22		3			(24)	1	145
Closing balance	5,003	5,742	75	94	445	177	457	11,993	10,333

All amounts in millions of reais unless otherwise stated

19 Borrowing

(k) Breakdown

		Current		Non-current		Total	
Type	**Average annual charges (%)**	**6/30/2013**	**12/31/2012**	**6/30/2013**	**12/31/2012**	**6/30/2013**	**12/31/2012**
Local currency							
BNDES	5.00% fixed rate BRL / TJLP + 2.61%	666	652	2,434	2,527	3,100	3,179
FINAME	4.50% fixed rate BRL / TJLP + 2.57%	24	22	132	89	156	111
Debentures	111.70% of CDI	91	91	4,846	4,849	4,937	4,940
Export credit notes	8.00% fixed rate BRL	1		230		231	
Development promotion agency	8.50% fixed rate BRL / TJLP + 3.50%	4	4	40	18	44	22
Other		19	16	24	32	43	48
Subtotal		805	785	7,706	7,515	8,511	8,300
Foreign currency							
BNDES	UMBNDES + 2.35%	116	105	437	407	553	512
Development promotion agency	USD Libor + 1.38%	18	12	131	122	149	134
Eurobonds - USD	6.68% fixed rate USD	118	103	7,651	6,509	7,769	6,612
Eurobonds - EUR	5.25% fixed rate EUR	20	71	2,162	2,022	2,182	2,093
Syndicated loans	USD Libor + 1.37%	552	228	740	1,923	1,292	2,151
Export prepayments	USD Libor + 1.42%	2	2	2,538	2,339	2,540	2,341
Working capital	USD Libor + 1.50%	98	10			98	10
Other		93	80	50	58	143	138
Subtotal		1,017	611	13,709	13,380	14,726	13,991
Total		1,822	1,396	21,415	20,895	23,237	22,291
Interest on borrowing		251	287				
Current portion of long-term borrowing		1,414	1,053				
Short-term borrowing		157	56				
Total		1,822	1,396				

BNDES – National Bank for Economic and Social Development
BRL – Brazilian Currency (Real)
CDI – Interbank Deposit Certificate
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 BNDES reflecting the weighted basket of currencies of foreign currency debt obligations. At June 30, 2013, 98% of the basket was comprised of US dollars.
USD – US Dollar

The maturity profile of borrowing at June 30, 2013 is as follows:

All amounts in millions of reais unless otherwise stated

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	As from 2022	Total
Local currency												
BNDES	329	677	645	525	378	249	129	39	36	29	64	3,100
FINAME	13	22	24	23	19	13	12	11	10	8	1	156
Debentures	88	7	7	6	3	2,524	1,403	643	243	3	10	4,937
Export credit notes	1			230								231
Development promotion agency	2	4	5	6	3	3	3	4	4	4	6	44
Other	11	16	11	2			3					43
Subtotal	444	726	692	792	403	2,789	1,550	697	293	44	81	8,511
%	5.22	8.53	8.13	9.31	4.74	32.77	18.21	8.19	3.44	0.52	0.95	
Foreign currency												
BNDES	57	120	123	105	77	48	20	3				553
Development promotion agency	9	16	16	17	17	17	17	17	12	7	4	149
Eurobonds - USD	119						2,122	421	1,562		3,545	7,769
Eurobonds - EUR		20			2,162							2,182
Syndicated loans	35	560	131	144	144	260	18					1,292
Export prepayments	2	130	442	624	624	520	198					2,540
Working capital	96	2										98
Other	78	26	15	11	1	1	1	1	1	1	7	143
Subtotal	396	874	727	901	3,025	846	2,376	442	1,575	8	3,556	14,726
%	2.69	5.94	4.94	6.12	20.54	5.74	16.13	3.00	10.70	0.05	24.15	
Total	840	1,600	1,419	1,693	3,428	3,635	3,926	1,139	1,868	52	3,637	23,237
%	3.61	6.89	6.11	7.29	14.75	15.64	16.90	4.90	8.04	0.22	15.65	

All amounts in millions of reais unless otherwise stated

(l) Changes

	6/30/2013	6/30/2012
Opening balance	22,291	19,257
New borrowing	1,635	2,549
Interest and foreign exchange gains (losses)	1,779	1,767
Payments - principal	(1,727)	(1,611)
Payments - interest	(738)	(731)
Effect of subsidiaries included in the consolidation	4	
Realization of fair value of business combinations	(7)	
Closing balance	23,237	21,231

(m) Breakdown by currency

	6/30/2013	12/31/2012
Real	8,511	8,300
U.S. Dollar	11,628	11,055
Euro	2,187	2,119
Currency basket	478	466
Other	433	351
Total	23,237	22,291

(n) Breakdown by index

	6/30/2013	12/31/2012
Local currency		
CDI	4,935	4,940
TJLP	2,926	2,994
Fixed rate	649	365
Other	1	1
	8,511	8,300
Foreign currency		
LIBOR	3,640	4,195
UMBNDES	552	511
Fixed rate	10,111	8,924
Other	423	361
	14,726	13,991
Total	23,237	22,291

(o) Collateral

At June 30, 2013, R$ 10,384 of the balance of borrowing of the Company's subsidiaries was collateralized by sureties, and R$ 156 was collateralized through liens on the financed assets.

(p) Covenants/financial ratios

Certain borrowing agreements are subject to compliance with financial ratios ("covenants"), such as (i) gearing ratio (net debt/adjusted EBITDA), (ii) capitalization ratio (total debt/(total debt + equity) or equity/total assets), (iii) interest coverage ratio (cash + adjusted EBITDA/(interest + short-term debt). When applicable, these obligations are standard for all borrowing agreements.

At June 30, 2013, the Company has fully complied with these covenants.

(q) New borrowing

By means of funding transactions and the early repayment of certain existing debts, the Company has continued to extend the average maturity profile of its borrowing.

The main funding transactions carried out were as follows:

(i) In the first half of 2013, the subsidiaries of the Company received R$ 392 from BNDES (year 2012 - R$ 603) to fund their expansion and modernization projects, including the purchase of machinery and equipment at the average funding cost of TJLP + 2.75 % p.a. (2012 - TJLP + 2.81% p.a.).

(ii) In April 2013, VCNA extended the final maturity of its syndicated loan to May 31, 2018. The other contractual conditions remain unaltered.

(iii) In March 2013, the subsidiary Milpo began to operate in the foreign market, with the placement of a bond amounting to US$ 350 million, maturing in March 2023 and with semi-annual interest (coupon) of 4.625% p.a. The issue was rated "BBB-" by Standard & Poor's, and "BBB" by Fitch.

(iv) In February 2013, the subsidiary Companhia Brasileira de Alumínio S.A. ("CBA") entered into Export Credit Note agreements totaling R$ 230. The amortization period is three years, and the agreements are subject to an interest rate of 8% p.a. These operations are linked to swaps which switch the rate from fixed to floating. The final cost is 94% of the CDI.

(v) In December 2012, as a result of the completion of the exchange of assets with CIMPOR, the subsidiary VCEAA obtained borrowing of US$ 434.1 million, maturing in February 2014, and with an average cost of LIBOR + 1.33% p.a. In the first half of 2013, the subsidiary VCEAA settled US$ 215 million of this transaction in advance.

(vi) In December 2012, the subsidiary VCSA completed its fifth public issue of simple, non-convertible, non-privileged, unsecured debentures. The debentures were distributed with restricted placement efforts and exempt from registration with the Brazilian Securities Commission (CVM), pursuant to Article 6 of CVM Instruction 476, of January 16, 2009. The issue of R$ 1,200 million, with maturity in December 2018, pays 109.2% of the CDI.

(vii) In December 2012, the subsidiary Milpo contracted borrowing of US$ 80 million, with a maturity of seven years, a grace period of 21 months and interest equivalent to LIBOR + 3.3% p.a. The proceeds raised were mainly used for the Company's investments. In April 2013, the subsidiary Milpo settled the transaction in advance.

All amounts in millions of reais unless otherwise stated

(viii) In February 2012, the subsidiary VCSA issued US$ 500 million in the international market through the reopening of a bond issue maturing in 2041. The principal of the transaction was US$ 1,250 million. The other conditions were maintained, 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.

(ix) In January 2012, the subsidiary VCSA concluded its fourth public issue of simple, non-convertible, unsecured debentures in two series of R$ 500 million each. The debentures were distributed with restricted placement efforts and exempt from registration with theCVM, 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 million, yields 111% of the CDI variation. Both series mature in May 2018.

(r) Assumption of debt

In June 2013, a Debt Assumption Agreement was signed, through which VID assumed on an irrevocable and irreversible basis the eurobond of the subsidiary CBA in the restated amount of R$ 2,158, with maturity in 2019 and payment of semi-annual interest of 6.625%. Therefore, CBA is no longer the issuer of this bond, remaining only as its guarantor.

In consideration for the assumption of this debt, VID received from the subsidiary CBA: (i) 22.99% of the capital held by CBA in Votorantim Siderurgia S.A.; (ii) receivables, amounting to R$ 972, held against Votorantim Metais Zinco S.A.; and (iii) the remaining available funds, amounting to R$ 480.

(s) Fair value of borrowing

		6/30/2013
	Carrying amount	Fair value
Local currency		
BNDES	3,100	2,899
FINAME	156	133
Debentures	4,937	5,209
Export credit notes	231	219
Development promotion agency	44	43
Other	43	39
Subtotal	8,511	8,542
Foreign currency		
BNDES	553	605
Development promotion agency	149	150
Eurobonds - USD	7,769	8,757
Eurobonds - EUR	2,182	2,473
Syndicated loans	1,292	1,412
Export prepayments	2,540	2,673
Working capital	98	99
Other	143	155
Subtotal	14,726	16,324
Total	23,237	24,866

20 Deferred IRPJ and CSLL

The Company and its subsidiaries use the taxable income method, and calculate and record their IRPJ and CSLL based on the effective rates at the end of the reporting period. Deferred IRPJ and CSLL tax assets arise from tax losses and temporary differences relating to (a) the effects of foreign exchange gains/losses (tax calculated on a cash basis for loans), (b) adjustments of derivatives to their fair values, (c) temporarily non-deductible provision, (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 relating to IRPJ and CSLL losses will be realized based on their average maturities, according to the projections of the Company. The temporary differences will be realized according to the maturity of the operations that originate the credit.

(t) Reconciliation of the IRPJ and CSLL benefit (expense)

The current amounts are calculated based on the current rates levied on taxable income, adjusted upwards or downwards for the respective additions and exclusions.

The IRPJ and CSLL amounts presented in the statements of income for the six-month periods ended June 30 are reconciled to their Brazilian standard rates as follows:

	6/30/2013	6/30/2012
Profit before income tax and social contribution	382	89
Standard rates	34%	34%
Income tax and social contribution at standard rates	(130)	(30)
Equity in the results of investees	(26)	(23)
Income tax losses without recording the deferred amounts	(224)	
Social contribution losses without recording the deferred amounts	(88)	
Differences in the tax rates of foreign subsidiaries	30	12
Other permanent additions (exclusions), net	(20)	2
IRPJ and CSLL calculated	(458)	(39)
Current	(379)	(295)
Deferred	(79)	256
Income tax and social contribution benefits (expenses)	(458)	(39)

(u) Breakdown of deferred tax balances

Deferred IRPJ and CSLL assets and liabilities are as follows:

All amounts in millions of reais unless otherwise stated

	6/30/2013	12/31/2012
Assets		
Tax losses	1,645	1,429
Temporary differences		
Provisions	594	599
Provision for losses on investments	137	139
Foreign exchange gains (Provisional Measure 1,858-10/1999, art.30)	241	477
Derivatives - Law 11,051/04	1	11
Tax benefit on goodwill	41	27
Use of Public Assets (UBP)	166	160
CPC 29 - Biological assets	43	43
Provision for disposals of assets	12	14
Provision for taxes under litigation	68	77
Accelerated depreciation and adjustment of useful lives	33	55
Environmental liabilities	53	58
Other provisions	214	207
Non-current assets	3,248	3,296
Liabilities		
Temporary differences		
Deferred gains on derivative contracts	15	5
Business combinations	1,187	1,203
Market value adjustments to property, plant and equipment	178	121
Accelerated depreciation and adjustment of useful lives	1,398	1,260
Foreign exchange gains (Provisional Measure 1,858-10/1999, art.30)		60
Goodwill amortization	271	232
CPC 12 - Adjustment to present value	25	21
CPC 20 - Capitalized interest	105	109
Other	73	74
Non-current liabilities	3,252	3,085
Net (assets - liabilities)	(4)	211

(v) Net (assets – liabilities)

	6/30/2013
Op Opening balance	211
Effe Effects on income	(79)
Effe Effects on comprehensive income	(136)
Clc Closing balance	(4)

All amounts in millions of reais unless otherwise stated

21 Other liabilities

	6/30/2013	12/31/2012
Payables for acquisition of investments	232	289
Actuarial liability	346	299
Provision for services	169	172
Environmental obligations	162	176
Long-term taxes payable	162	143
Long-term trade payables	85	189
REFIS - Tax Recovery Program	80	80
Payables for acquisition of properties	31	
Provision for freight	22	28
Provision for maintenance	13	28
Unappropriated premiums	11	37
Provision for utilities - water, electric energy and gas	10	58
Provision for commissions	10	3
Other liabilities	257	211
	1,590	1,713
Current	(577)	(709)
Non-current	1,013	1,004

22 Provision for tax, civil, labor and environmental contingencies

The Company and its subsidiaries are parties to tax, labor, civil and environmental litigation in progress and are discussing these matters at both the administrative and judicial levels, backed by judicial deposits, when applicable.

The provision for losses regarded as probable arising from contingent liabilities is recorded in the books. Contingent liabilities classified as possible losses are not recorded in the books and are only disclosed in the notes to the financial statements. Contingent liabilities classified as remote losses are neither accrued nor disclosed, except when, due to the visibility of the lawsuit, the Company considers its disclosure justified.

The amounts of contingencies are periodically estimated and updated. The classification of losses as possible, probable or remote is supported by the advice of the Company's legal counsel.

All amounts in millions of reais unless otherwise stated

(w) Breakdown

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

	6/30/2013	12/31/2012
Tax	1,463	1,599
Labor and social security	204	162
Civil	114	97
Other	47	71
(-) Judicial deposits	(552)	(551)
	1,276	1,378

(x) Changes

The changes in provision for contingencies during the periods are as follow:

	6/30/2013	6/30/2012
Opening balance	1,378	1,452
Additions	141	115
Reductions	(319)	(168)
Monetary restatements	39	43
Effect of companies included in the consolidation	38	
Judicial deposits	(1)	(62)
Closing balance	1,276	1,380

(y) Outstanding judicial deposits

At June 30, 2013, the Company had R$ 472 (2012 - R$ 451) deposited with the courts in relation to proceedings classified by its legal advisors as having a possible or remote possibility of loss, and therefore, not subject to the requirement to record the respective contingencies.

(z) Comments on provision recorded in the books

(i) Provision for tax contingencies

The tax proceedings with a probable likelihood of loss relate to discussions relating to federal, state and municipal taxes. 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 to the litigation.

(ii) Provision for labor contingencies

VID and its subsidiaries are parties to approximately 5,270 labor lawsuits filed by former employees, third parties and labor unions mostly claiming the payment of indemnities on dismissals, health hazard premiums and hazardous duty premiums, overtime, and commuting hours, as well as indemnity claims by former employees and third parties based on alleged occupational illnesses, work accidents, property damage and pain and suffering, in common courts due to Constitutional Amendment 45 and compliance with normative clauses.

All amounts in millions of reais unless otherwise stated

(iii) Provision for civil contingencies

The Company and its subsidiaries are parties to civil lawsuits involving claims for compensation for property damage and pain and suffering, collection and execution, and administrative claims.

(iv) Provision for environmental contingencies

The Company and its subsidiaries are subject to laws and regulations in the various countries in which they operate. Votorantim has established environmental policies and procedures to comply with environmental and other laws. Management performs analyses on a regular basis to identify environmental risks and ensure that the systems in place are adequate to manage these risks.

The environmental litigation of the Company and its subsidiaries basically refers to public civil claims and citizens' lawsuits, whose objectives are: the interruption of the progress of the environmental licensing of new projects, the recovery of areas of permanent preservation, and the decontamination of land, among other matters.

(aa) Litigation with likelihood of loss considered as possible

The Company and its subsidiaries are parties to other litigation involving a risk of possible loss, as detailed below:

	6/30/2013	12/31/2012
Tax	3,850	3,227
Labor and social security	181	95
Civil	4,472	4,187
Environmental	396	675
	8,899	8,184

(e.1) Comments on contingent tax liabilities with likelihood of loss considered as possible

The contingent liabilities relating to tax lawsuits in progress with a likelihood of loss considered as possible, for which there is no provision recorded, are commented on below. In the table below we present an analysis of the materiality of these lawsuits:

All amounts in millions of reais unless otherwise stated

Nature	Amount
(i) IRPJ/CSLL – Profits abroad	514
(ii) CFEM	299
(iii) Tax assessment notice – IRPJ/CSLL	208
(iv) Disallowance of PIS/COFINS credits	207
(v) Offset of tax loss – 30% limit (merger)	205
(vi) ICMS – Transfer cost	146
(vii) Requirement of ICMS on TUSD	138
(viii) Disallowance of IRPJ negative balance	100
(ix) Tax assessment notice – non-compliance with customs legislation	98
Other lawsuits of individual amounts lower than R$ 100	1,935
	3,850

(i) IRPJ/CSLL – Profits abroad

In December 2010, the subsidiary Votorantim Investimentos Latino Americanos S.A. was assessed by the Federal Revenue of Brazil for alleged lack of payment of IRPJ and CSLL on profits earned abroad in calendar years 2006 and 2007, through its subsidiary, Votorantim Andina S.A., and its associate, Acerías Paz Del Rio S.A.

The Federal Revenue Judgment Office, in December 2011, issued a decision considering the tax assessment notice and the grounds on which it was issued. A voluntary appeal was filed by the company and awaits judgment.

In the second quarter of 2013, Votorantim Investimentos Latino Americanos S.A. received a new tax assessment notice from the Federal Revenue of Brazil, which assessed IRPJ/CSLL on the proportional profits (99.29%) earned abroad by Refineria Cajamarquilla Ltda. (a direct subsidiary of Votorantim Andina S.A. and indirect subsidiary of Votorantim Investimentos Latino Americanos S.A.) in calendar year 2008. The company filed a motion to deny, which awaits judgment by the Federal Revenue Judgment Office.

The restated amount involved, relating to the two assessment notices, totals R$ 514.

(ii) CFEM

The subsidiaries VCSA, Votorantim Metais S.A. ("VMSA") and VMZ have had various tax assessment notices issued by the National Department of Mineral Production for alleged lack of payment or underpayment of Financial Compensation for the Exploration of Mineral Resources (CFEM), for the periods 1991 to 2011, January 1991 to December 2000 and January 1991 to December 2006, respectively. At June 30, 2014, the amount under litigation totals R$ 382, of which approximately R$ 299 is considered as possible loss and approximately R$ 90 as probable loss, in relation to the subsidiary VCSA, which recorded provision for this amount. Currently, the lawsuits are at the administrative or judicial levels.

(iii) Tax assessment notice – IRPJ/CSLL

In December 2011, the subsidiary VCSA was assessed by the Federal Revenue of Brazil in the amount of R$ 183 for alleged lack of payment or underpayment of IRPJ and CSLL relating to the period from 2006 to 2010, due to: (i) amortization of goodwill supposedly being incorrect; (ii) utilization of tax loss above the 30% limit permitted by the tax regulation (merger); and (iii) lack of payment of IRPJ and CSLL obligations due on a monthly estimate basis. At June 30, 2013 the total amount of the litigation was R$ 208 and the Company recorded provision of R$ 15 thousand in relation to this assessment. Currently, the lawsuit awaits a decision on the motion to deny filed by the Company at the lower administrative court.

(iv) Disallowance of PIS/COFINS credits

The subsidiaries VMSA and CBA received various court decisions relating to the disallowance of PIS and COFINS credits on items applied in the production process, which in the Federal Revenue of Brazil's understanding would not entitle them to credit for these contributions. The restated amount at June 30, 2013 is R$ 207. Currently the lawsuits await a decision at the lower administrative court.

(v) Offset of tax loss – 30% limit (merger)

The subsidiary Votorantim Energia Ltda. was assessed by the Federal Revenue of Brazil, as the successor to the company VBC Participações S.A., due to the supposedly improper offset of tax losses without complying with the 30% limit (merger). The lawsuit awaits the judgment of the voluntary appeal by the Administrative Board of Tax Appeals. The amount involved at June 30, 2013 is R$ 205.

(vi) ICMS – Transfer cost

The subsidiary VMSA was assessed for an alleged lack of payment of ICMS on transfers of nickel carbonate to its branch located in the State of São Paulo, relating to the periods from April 2005 to March 2006, April 2006 to March 2007 and April 2007 to March 2008. These assessments total R$ 146 at June 30, 2013. Currently two lawsuits amounting to R$ 109 await a decision at the lower administrative court and another lawsuit amounting to R$ 37 awaits the judgment on the voluntary appeal by the Administrative Board of Tax Appeals.

(vii) Requirement of ICMS on TUSD

The subsidiaries VMZ and CBA received collections for alleged ICMS debts on the Distribution System Usage Tariff (“TUSD”). The total restated amount of these discussions is R$ 138 at June 30, 2013. Currently the lawsuit involving VMZ awaits judgment by the Taxpayers Board of Minas Gerais and the lawsuit involving Cia. Brasileira de Alumínio awaits a decision of the lower court.

(viii) Disallowance of IRPJ negative balance

Votorantim Industrial S.A, its subsidiary CBA and Cia. Nitroquímica Brasileira Ltda.-(“CNBQ”), sold by Votorantim Industrial S.A. to third parties, received court decisions related to the disallowance of an IRPJ negative balance in calendar years 2006 (VID), 2003, 2004, 2006 (CNBQ) and 2008 (CBA), totaling a restated amount of R$ 100 at June 30, 2013. Currently the lawsuit awaits judgment on the manifestation of dissatisfaction filed by both companies. The responsibility for any liability of CNBQ, in accordance with the company purchase and sale agreement, rests with VID.

(ix) Tax assessment notice – non-compliance with customs legislation

In November 2006, the subsidiary VMZ was assessed by the Federal Revenue of Brazil for alleged inconsistencies in the zinc concentrate import declarations, which resulted in the application of a fine for non-compliance with the customs legislation. This assessment amounts to R$ 98 at June 30, 2013.

Due to the assessment notice issued, the Company filed a motion to deny alleging that the inspection authorities could not apply a fine in that amount since it violated the principle of non-seizure and that the inconsistencies in the completion of the accessory obligations did not result in a lack of payment of the tax, not bringing any loss to the public treasury. In view of the motion to deny filed, at the lower administrative court the lawsuit was judged and the pronouncement was partially favorable to the Company, generating a reduction in the fine applied. Therefore, the Company filed a voluntary appeal which, on April 25, 2013, was considered by the Administrative Board of Tax Appeals and the judgement was totally favorable to the Company, resulting in the full cancelation of the tax assessment, of which the Company has not yet been notified. It is important to note that the Federal Revenue could still file an administrative appeal.

(e.2) Comments on contingent labor liabilities with likelihood of loss considered as possible

Labor claims with likelihood of loss considered as possible are those filed by former employees, third parties and labor unions mostly claiming the payment of indemnities on dismissals, health hazard premiums and hazardous duty premiums, overtime and commuting hours, as well as indemnity claims by former employees and third parties based on alleged occupational illnesses, work accidents, property damage and pain and suffering, in common courts due to Constitutional Amendment 45.

(e.3) Comments on contingent civil liabilities with likelihood of loss considered as possible

The contingent liabilities relating to civil lawsuits in progress with likelihood of loss considered as possible, for which there is no provision recorded, are commented on below.

(i) Litigation with a Northeast transportation company

In August 2010, a transportation company filed a claim against the subsidiary Votorantim Cimentos N/NE S.A. – ("VCNNE"), seeking compensation for damages in the amount of R$ 123.7, alleging non-compliance by VCNNE with the minimum cement transportation volume stipulated in the agreement entered into between the parties. VCNNE was notified of this claim in March 2011 and filed its reply, alleging the relative non-convenience of the court and inexistence of a written agreement regarding the minimum volume claimed, as well as the inexistence of causal relation between the losses borne by the transportation company and the lawsuit against VCNNE. On January 22, 2013, the court published its decision to transfer the case to the civil court, in the city of Recife. Based on the opinion of its outside legal advisors, VCNNE believes that the likelihood of loss in this lawsuit is 50% possible and 50% remote and, for this reason, did not record provision in relation to this lawsuit.

(ii) Litigation with a São Paulo transportation company

In September 2005, a transportation company filed a claim against Votorantim Cimentos Brasil S.A. – ("VCB", a company merged into the Company) seeking compensation for property damages in the amount of R$ 84.2 and pain and suffering in a non-specified amount, alleging that the Company did not comply with its obligations under two verbal agreements entered into. The transportation company alleges that these failures caused the closing of its sales department and significant losses for its transportation area. The Company contested the transportation company's allegations, alleging that there was no service provision and that there is no causal relation between its lawsuits and the loss incurred by the transportation company. Management considers the likelihood of loss under this allegation as 1% probable (R$ 1.5) and 99% possible (R$ 152.6). At June 30, 2013, the amount under litigation was R$ 155.6 and the Company recorded provision of R$ 1.5 in relation to this matter.

(iii) Public Civil Suit - Cartel

The Public Prosecutor Office of the State of Rio Grande do Norte filed a public civil suit against the Company, together with another eight defendants, including several of the largest Brazilian cement producers, relating to the breaking of Brazilian antitrust laws through the establishment of a cartel. Considering the claim for indemnity in the amount of R$ 5,600, the Company estimates, based on its relative market share, its portion of this liability would be approximately R$ 2,400, if all accused parties were sentenced. However, considering the Public Prosecutor Office's allegation of joint liability, there is no guarantee that this allocation between the parties will prevail and that the Company will not be liable for a portion which may be higher, or for the total amount of this claim. The likelihood of loss is considered as possible. The Company did not record provision for this lawsuit.

(iv) Class Action – Tocantins

In August 2007, a class action was filed against the subsidiary VCNNE, seeking the annulment of the bid that transferred the mineral rights relating to Lawsuit DNPM No. 860.933/1982 to VCNNE due to alleged failures in the bid procedures. The plaintiff also claimed the granting of an injunction to suspend all the bid effects. In May 2008, VCNNE filed its defense alleging that this lawsuit should be joined to the other and filed together in view of their connection. In April 2009, the State Attorney agreed with the existence of a connection between the lawsuits and that both should be judged together. Management considers the likelihood of loss as possible and the lawsuit does not involve the payment of money.

(v) An indemnity lawsuit has been filed by a former service provider against the subsidiary VMSA, in the State of Goiás. In partial advance relief the provider claimed the immediate receipt of a rescissory fine, which was dismissed. After receiving the complaint, VMSA presented its defense. After the pleading stage the parties specified the evidence they intended to produce (Votorantim and the plaintiff required the production of expert and witness evidence). The judge dismissed the claim for the production of expert evidence. The court records are in the discovery phase, with oral testimony from the witnesses. The restated amount involved at June 30, 2013 is R$ 235,7.

(vi) An indemnity lawsuit has been filed against the subsidiary VMZ, in the State of Minas Gerais, alleging the inexistence of a legal relation supporting the issuance of trade notes and the consequent responsibility of the company for having issued them, with adverse judgment for property damages and pain and suffering. After receiving the complaint, VMZ challenged it. The plaintiff presented a replica allegation and the judgment considered the lawsuit as groundless. We await the judgment of the appeal filed by the plaintiff with the Minas Gerais Court of Appeals. The restated amount involved at June 30, 2013 is R$ 57,5.

(vii) An indemnity lawsuit has been filed against the subsidiary VMZ, in the State of Rio de Janeiro, alleging that the removal of the plaintiff from the position of company director, when the lawsuits were related to the company later acquired by the company, caused property damage and pain and suffering. VMZ has not yet presented its defense because it is awaiting the beginning of the term for challenge. The restated amount involved at June 30, 2013 is R$ 25.

(xiii) An indemnity lawsuit is in progress in the State of Minas Gerais, arising from the unilateral rescission of the agreement the subsidiary CBA established with former service providers specialized in mining . After receiving the complaint, CBA presented its defense. The parties presented the evidence they intended to produce and currently the court records are in the expert witness phase. The restated amount involved at June 30, 2013 is R$ 25,4.

(ix) Administrative investigations carried out by the Secretariat of Economic Law (SDE).

In 2006, the SDE and the current General Superintendent of the Fair Trade Commission (“CADE”) initiated administrative proceedings involving the Cement Industry Union, some industry associations (cement and concrete) and the leading Brazilian cement producers, including Votorantim. These proceedings relate to reported anti-competitive practices, among them the setting of prices and the establishment of a cartel. If the Company is considered guilty of violating the Brazilian antitrust laws, it may be subject to administrative and legal penalties, including an administrative fine that may vary from 1.0% to 30.0% of the company's gross revenue in the year immediately prior to the filing of the administrative proceedings or, if the new Brazilian antitrust law is applied, from 0.1% to 20% of the gross revenue of the company, group or conglomerate in the business line in which the infraction occurred, , in the fiscal year immediately prior to the filing of the administrative proceedings,under the same criteria . At the end of 2011, the SDE and the Attorneys Office of CADE ("ProCADE") and, at the end of 2012, the Federal Prosecutor's Office issued non-binding recommendations to the Fair Trade Commission to impose fines on the cement companies under investigation, including Votorantim, due to the violation of Brazilian antitrust laws. There is no formal deadline for CADE to complete the analysis of the matter and issue a decision, and therefore it could issue its decision at any time. The likelihood of loss in this lawsuit is considered possible. The Company did not record provision for this lawsuit.

In 2003, the SDE, the current General Superintendent of CADE, started administrative proceedings involving cement companies in Brazil, including Votorantim. These proceedings relate to allegations made by certain concrete producers that leading cement companies had supposedly violated the Brazilian antitrust laws by, under common agreement, refusing to sell certain types of cement to these concrete producers. If the Company is considered guilty of violating the Brazilian antitrust laws, it may be subject to administrative and legal penalties, including an administrative fine that may vary from 1.0% to 30.0% of the company's gross revenue in the year immediately prior to the filing of the administrative proceeding or, if the new Brazilian antitrust law is applied, from 0.1% to 20% of the gross revenue of the company, group or conglomerate in the business line in which the infraction occurred, in the fiscal year immediately prior to the filing of the administrative proceeding, under the same criteria. The evidentiary phase of this lawsuit ended in April 2012 and until now there are no indications that the General Superintendent of CADE intends to submit any recommendation to the CADE Board or conduct future investigations into this matter. The likelihood of loss in this lawsuit is considered remote.

(e.4) Comments on contingent environmental liabilities with likelihood of loss considered as possible

The contingent liabilities relating to environmental lawsuits in progress with a likelihood of loss considered as possible, for which there is no provision recorded, are commented on below.

(i) The environmental litigation of the Company and its subsidiaries basically relates to public civil actions, class actions and indemnity lawsuits, whose objectives are: the interruption of the progress of the environmental licensing of new projects, the recovery of areas of permanent preservation, and the decontamination of land, among other matters. In the event of an unfavorable outcome, the Company estimates the costs of the preparation of environmental studies and the cost of the recovery of its land. The aforementioned costs are recorded as expenses in the statement of income as they are incurred. The possible demands relate basically to indemnity lawsuits. Two lawsuits that reflect this scenario are indemnity lawsuits in progress in the City of Vazante – MG, filed against the subsidiary VMZ, seeking compensation for property damages due to alleged environmental damage that the Company caused to the plaintiff's properties due to mining activity performed, in the restated amount of R$ 41.1 at June 2013. All environmental lawsuits with material amounts and classified as possible are in the discovery phase awaiting expert examination, and the Company has filed a challenge to such demands fully contesting the plaintiff's allegations.

(ii) Civil Public Action – Mato Grosso

In December 2000, thePublic Prosecutor's Office together with the Federal Prosecutor's Office filed a Civil Public Action against VCSA and other companies seeking the annulment of certain environmental licenses granted to the Company and the suspension of the Company's operations in Rio Paraguai/Paraná. The company filed a defense alleging that it should not be a defendant in this claim because it was not an interested party. The Company was excluded from the public civil action and the Public Prosecutor's Office filed an appeal. In August 2007, the Court, by unanimous decision, decided that the Brazilian Institute of Environment and Renewable Natural Resources had correctly granted the licensing to the Company. Currently this case awaits the judgment of the request for resolution of conflict in a decision filed by the Public Prosecutor's Office in April 2009. Management considers the likelihood of loss under this allegation as 50% probable and 50% possible.

(bb) Commitments

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

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

(iii) The Company and its subsidiaries have concessions of hydroelectric plants that generate power, either independently or through consortia, for which the future disbursement estimated by management is approximately R$ 2.5 billion.

(iv) On July 10, 2008, VMSA entered into an agreement for the purchase of nickel ore concentrate from Mirabela Mineração, a member of the Australian Mirabela Nickel group, which started operating its mine in the State of Bahia in 2009. The five-year agreement amounts to US$ 1 billion.

23 Use of public assets

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 for the Use of Public Assets

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

All amounts in millions of reais unless otherwise stated

							6/30/2013
Plants / Companies	**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	240	409
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	16
Itupararanga	Companhia Brasileira de Alumínio	100%	Nov-03	Dec-23	Jan-04	1	2
Piraju	Companhia Brasileira de Alumínio	100%	Dec-98	Jan-34	Feb-03	1	5
Ourinhos	Companhia Brasileira de Alumínio	100%	Jul-00	Aug-35	Sep-05	2	4
Baesa - Energética Barra Grande	Companhia Brasileira de Alumínio	15%	Jun-01	May-36	Jun-07	17	35
Capim Branco I e Capim Branco II	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	22	57
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	144	409
						445	957
Current							(56)
Non-current						445	901

							12/31/2012
Plants / Companies	**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	245	406
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	8	15
Itupararanga	Companhia Brasileira de Alumínio	100%	Nov-03	Dec-23	Jan-04	1	2
Piraju	Companhia Brasileira de Alumínio	100%	Dec-98	Jan-34	Feb-03	2	5
Ourinhos	Companhia Brasileira de Alumínio	100%	Jul-00	Aug-35	Sep-05	2	4
Baesa - Energética Barra Grande	Companhia Brasileira de Alumínio	15%	Jun-01	May-36	Jun-07	17	35
Capim Branco I e Capim Branco II	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	22	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
						455	947
Current							(55)
Non-current						455	892

24 Equity

(cc) Share capital

At June 30, 2013 and December 31, 2012, the Company's fully subscribed and paid-up capital represented 17,501,930,932 registered common shares valued at R$ 19,907.

(dd) Dividends

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

On January 31, 2013, the stockholders approved, at an Extraordinary General Meeting, the distribution of dividends of R$ 176.

(ee) Legal and profit retention reserves

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 established to record the appropriation of the remaining balance of retained earnings, held over to fund projected business growth, as established in the Company's investment plan

(ff) Carrying value adjustments

The Company recognizes in this account the effects of foreign exchange gains/losses on direct and indirect investments abroad. The cumulative effects will be transferred to the statement of income for the year as a gain or loss upon the sale or write-off of the investment.

All amounts in millions of reais unless otherwise stated

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

25 Net revenue

(a) Reconciliation of revenue

The reconciliation between gross and net revenue for the six-month periods ended June 30 is as follows:

	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
Gross revenue		
Sales of products - domestic market	8,560	7,848
Sales of products - foreign market	4,801	4,397
Supply of electric power	605	208
Service revenue	653	688
	14,619	13,141
Taxes on sales and services and other deductions	(2,298)	(2,136)
Net revenue	12,321	11,005

(b) Information on geographic areas

The geographic areas are determined based on the location of the customers. The net revenue of the Company, classified by currency and destination, is as follows:

(i) Revenue by destination

	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
Brazil	7,634	6,630
United States	937	976
Peru	636	527
Switzerland	433	570
Colombia	372	372
Canada	321	303
Argentina	302	273
Turkey	269	34
Spain	163	3
Morocco	151	6
Other countries	1,103	1,310
	12,321	11,005

All amounts in millions of reais unless otherwise stated

(ii) Revenue by currency

	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
Real	7,506	6,471
US Dollar	2,975	3,683
Colombian Peso	324	330
Canadian Dollar	319	231
Argentine Peso	276	244
Euro	190	9
Other	731	37
	12,321	11,005

26 Other operating income (expenses), net

	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
Gains on sale of property, plant and equipments	5	38
Gains on sales of investments	36	
Mark-to-market of embedded derivatives - Fibria call option (Note 13)	(29)	(56)
Recovery of taxes	3	6
Net revenue from sales of scrap	6	11
Non-recurrent expenses	13	56
Profit (loss) on transfer / sale of electric energy (i)	189	30
Other income (expenses), net	(24)	(132)
	199	(47)

(i) Refers to the net gain generated by the sale of electric energy from the surplus produced by the subsidiaries' hydroelectric plants.

27 Finance result, net

	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
Finance costs		
Interest on borrowing	(590)	(631)
Derivative financial instruments	(12)	1
Income tax on remittances of interest abroad	(45)	(44)
Interest on related-party operations	(12)	(10)
Interest and monetary restatement UBP	(38)	(57)
Discounts granted	(20)	(9)
Interest on taxes payable	(20)	(18)
Other finance costs	(86)	(83)
	(823)	(851)
Finance income		
Income from financial investments	111	253
Monetary restatement on assets	67	75
Interest on related-party operations	20	16
Other finance income	80	61
	278	405
Foreign exchange and monetary gains (losses), net	(321)	(495)
Finance result, net	(866)	(941)

All amounts in millions of reais unless otherwise stated

28 Insurance

Pursuant to the Company's Corporate Insurance Management Policy, different types of insurance policies are contracted, such as operational risk and civil liability insurance, protecting the Company against potential losses due to production stoppages, 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 at June 30, 2013 was as follows:

Assets	Type of coverage	Coverage amount
Facilities, equipment and products in inventory	Property damage	39,166
	Loss of profits	7,356

29 Expenses by nature

The cost of sales and services and selling and administrative expenses for the six-month periods ended
June 30 are as follows:

	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
Raw materials, inputs and consumables used	7,164	6,730
Employee benefit expenses Depreciation, amortization and depletion	1,785	1,335
Depreciation, amortization and depletionT	1,075	921
Transportation expenses	545	438
Outsourced services	627	562
Total cost of sales, selling and administrative expenses	11,196	9,986
Reconciliation		
Cost of products sold and services rendered	9,312	8,368
Selling expenses	766	638
General and administrative expenses	1,118	980
Total cost of sales, selling and administrative expenses	11,196	9,986

The six-month period ended June 30, 2013 includes the effects of the consolidation of results (revenue, expenses and costs) of VCEAA (Spain) and its subsidiaries, which maintain operations in Turkey, Morocco, Tunisia, China and India, of Cementos Artigas S.A. (Uruguay), which, at the end of 2012, had the control of their operations acquired by the Company.

30 Employee benefit expenses

All amounts in millions of reais unless otherwise stated

	1/1/2013 to 6/30/2013	1/1/2012 to 6/30/2012
Salaries and bonuses	1,089	764
Payroll charges	492	402
Social benefits	204	169
	1,785	1,335

31 Suspension of the IPO

On June 18, 2013, the subsidiary VCSA filed with the CVM a request for the suspension of its initial public offering on the BM&F Bovespa (São Paulo Stock Exchange), due to unfavorable market conditions.

32 Supplementary information - BU

In order to provide more detailed information, the Company has elected to present supplementary financial information byBU. The following information refers to the analysis of each BU, and considers the elimination of balances and transactions among the companies before: (i) eliminations between BUs, and (ii) the elimination of investments held by the holding companies. Additionally, the eliminations and reclassifications among the companies are presented so that the net results reconcile with the consolidated financial information of VID per the supplementary information. This supplementary information is not intended to be in accordance with, and is not required by, the accounting practices adopted in Brazil, nor by IFRS.

All amounts in millions of reais unless otherwise stated

	Cement	Aluminum	Nickel	Zinc	Mining	Metals - other	Steel	Holding companies and other	Eliminations and reclassifications	Total Consolidated
										Consolidated balance sheet at June 30, 2013
Assets										
Current assets										
Cash and cash equivalents, financial investments and derivative financial instruments	2,693	1,655	33	156	655	23	164	6		5,385
Trade receivables	1,345	179	76	252	250	88	415	41	(262)	2,384
Inventory	1,276	591	227	554	145	23	854			3,670
Taxes recoverable	340	45	168	193	46	6	137	21		956
Dividends receivable	60	31						35	(60)	66
Other assets	258	80		71	20	10	32	100		571
	5,972	2,581	504	1,226	1,116	150	1,602	203	(322)	13,032
Assets held for sale	754									754
Non-current assets										
Long-term receivables										
Financial investments and derivative financial instruments	3	2				16		10		31
Taxes recoverable	272	327	549	141		5	45	4		1,343
Related parties	457	175	1,652	289				2,234	(3,207)	1,600
Deferred income tax and social contribution	927	415	307	530	47	32	342	648		3,248
Judicial deposits	274	54	14	39		28	61	2		472
Other assets	268	28	5	24	7	19	25	265	(70)	571
	2,201	1,001	2,527	1,023	54	100	473	3,163	(3,277)	7,265
Investments	1,549	1,113	434	697		2,469	79	21,960	(22,279)	6,022
Property, plant and equipment and biological a	9,846	4,824	1,616	4,196	1,000	778	3,857	55		26,172
Intangible assets	5,157	677	209	5,188	459	62	240	1		11,993
	18,753	7,615	4,786	11,104	1,513	3,409	4,649	25,179	(25,556)	51,452
Total assets	25,479	10,196	5,290	12,330	2,629	3,559	6,251	25,382	(25,878)	65,238

All amounts in millions of reais unless otherwise stated

	Consolidated balance sheet at June 30, 2013									
	Cement	Aluminum	Nickel	Zinc	Mining Peru	Metals - other	Steel	Holding companies and other	Eliminations and reclassifications	Total consolidated
Liabilities										
Current liabilities										
Borrowing	1,125	143	29	149	61	52	226	37		1,822
Trade payables	1,023	231	164	690	160	12	409	111	(273)	2,527
Payables - trading	76									76
Salaries and payroll charges	254	81	26	54	55	24	376	49		919
Income tax and social contribution	86	9		11	4	3	26	5		144
Taxes payable	264	19	7	6	15	4	38	22		375
Dividends payable	43			1	2	68	5	58	(97)	80
Advances from customers	181	9	2	2		12	22		(2)	226
Payables and other liabilities	386	73	9	77	87	14	24	32		702
	3,438	565	237	990	384	189	1,126	314	(372)	6,871
Liabilities available for sale	321									321
Non-current liabilities										
Borrowing	11,697	2,991	771	1,567	808	251	787	2,543		21,415
Related parties	945	479	81	1,039		76	59	1,499	(3,227)	951
Deferred income tax and social	974	471	150	1,263	3	5	386			3,252
Provisions for tax, civil, labor and environmental	756	68	64	122	28	29	78	131		1,276
Provision for asset decommissioning	214	122	187	210	206		32			971
Payables and other liabilities	972	421	38	191		67	203	35		1,927
	15,558	4,552	1,291	4,392	1,045	428	1,545	4,208	(3,227)	29,792
Equity	6,162	5,079	3,762	6,948	1,200	2,942	3,580	20,860	(22,279)	28,254
Total liabilities and equity	25,479	10,196	5,290	12,330	2,629	3,559	6,251	25,382	(25,878)	65,238

All amounts in millions of reais unless otherwise stated

	Consolidated statement of operations for the period from 1/1/2013 to 6/30/2013									
	Cement	Aluminum	Nickel	Zinc	Mining Peru	Metals - other	Steel	Holding companies and other	Eliminations and reclassifications	Total Consolidated
Net revenue from products sold and services rendered	5,685	1,419	685	1,784	718	171	1,745	624	(510)	12,321
Cost of products sold and services rendered	(3,842)	(1,365)	(651)	(1,494)	(461)	(103)	(1,361)	(545)	510	(9,312)
Gross profit	1,843	54	34	290	257	68	384	79		3,009
Operating income (expenses)										
Selling	(440)	(44)	(11)	(87)	(23)	(2)	(157)	(2)		(766)
General and administrative	(393)	(115)	(72)	(178)	(38)	(12)	(192)	(118)		(1,118)
Other operating income (expenses), net	203	186	5	(60)	(80)	1	17	(73)		199
	(630)	27	(78)	(325)	(141)	(13)	(332)	(193)		(1,685)
Operating profit (loss) before equity investments	1,213	81	(44)	(35)	116	55	52	(114)		1,324
Result from equity investments										
Equity in the results of investees	122	(2)	(27)	10		(75)	14	(110)	(8)	(76)
Finance result, net	(328)	(398)	(34)	(131)	(13)	(16)	(57)	111		(866)
Profit (loss) before income tax, social contribution and profit sharing	1,007	(319)	(105)	(156)	103	(36)	9	(113)	(8)	382
Income tax and social contribution										
Current	(255)	(9)	(2)	(19)	(50)	(18)	(21)	(5)		(379)
Deferred	(10)	(53)	(10)	35	4	(4)	(27)	(14)		(79)
Profit (loss) for the six-month period from continuing operations	742	(381)	(117)	(140)	57	(58)	(39)	(132)	(8)	(76)
Discontinued operations										
Loss for the six-month period from discontinued operations	(32)									(32)
Profit (loss) for the six-month period	710	(381)	(117)	(140)	57	(58)	(39)	(132)	(8)	(108)
Profit (loss) attributable to the owners of the Company	707	(381)	(117)	(94)	70	(58)	(39)	(132)	(46)	(90)
Profit (loss) attributable to non-controlling interests	3			(46)	(13)				38	(18)
Profit (loss) for the six-month period	710	(381)	(117)	(140)	57	(58)	(39)	(132)	(8)	(108)
Depreciation, amortization and depletion	359	170	36	232	138	17	120	3		1,075