



Votorantim

Votorantim S.A.



Consolidated condensed interim financial statements and report of review

June 30, 2017



Report on review of consolidated condensed interim financial statements

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

Introduction

We have reviewed the accompanying consolidated condensed interim balance sheet of Votorantim S.A. and its subsidiaries (the "Company"), as at June 30, 2017 and the related consolidated condensed statements of income, comprehensive income, changes in equity and cash flows for the quarter and six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

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




Votorantim S.A.

Conclusion on the consolidated condensed interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with accounting standard CPC 21 – “Interim Financial Reporting” and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

Curitiba, August 08, 2017



PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5



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Contador CRC 1SP195838/O-3



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Consolidated condensed interim balance sheet
 All amounts in millions of reais

	Note	6/30/2017	12/31/2016
Assets			
Current assets			
Cash and cash equivalents	7	6,561	6,946
Financial investments	8	3,784	3,190
Derivative financial instruments	5.3	125	136
Trade receivables	9	2,507	2,001
Inventory	10	3,328	3,381
Taxes recoverable	11	1,234	1,527
Dividends receivable	12	26	180
Financial instruments - firm commitment	13	237	317
Other assets		507	580
		18,309	18,258
Assets classified as held-for-sale	29	2,125	2,125
		20,434	20,383
Non-current assets			
Long-term receivables			
Financial investments	8	40	39
Derivative financial instruments	5.3	215	232
Taxes recoverable	11	1,771	1,586
Related parties	12	194	535
Deferred income tax and social contribution	19 (b)	4,196	4,055
Judicial deposits	21 (b)	805	420
Financial instruments - firm commitment	13	155	371
Other assets		883	858
		8,259	8,096
Investments	14	13,446	12,949
Biological assets		64	66
Property, plant and equipment	15	25,438	25,091
Intangible assets	16	13,047	13,013
		60,254	59,215
Total assets		80,688	79,598

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



Consolidated condensed interim balance sheet

All amounts in millions of reais

(A free translation of the original in Portuguese)

	Note	6/30/2017	12/31/2016
Liabilities and equity			
Current liabilities			
Borrowing	17	1,845	1,775
Derivative financial instruments	5.3	407	401
Confirming payables	18	899	968
Trade payables		2,806	2,723
Salaries and payroll charges		663	848
Taxes payable		465	422
Advances from clients		179	174
Dividends payable	12	51	48
Use of public assets		69	67
Deferred revenue - performance obligations	20	243	244
Other liabilities		686	795
		<u>8,313</u>	<u>8,465</u>
Liabilities related to assets as held-for-sale	29	1,522	1,522
		9,835	9,987
Non-current liabilities			
Borrowing	17	23,956	22,644
Derivative financial instruments	5.3	366	342
Deferred income tax and social contribution	19 (b)	2,007	1,983
Related parties	12	25	22
Provision	21	2,359	2,346
Use of public assets		1,068	1,119
Pension plan		325	317
Financial instruments - firm commitment	13	29	10
Deferred revenue - performance obligations	20	391	515
Other liabilities		1,409	1,490
		<u>31,935</u>	<u>30,788</u>
Total liabilities		<u>41,770</u>	<u>40,775</u>
Equity			
Share capital	22 (a)	28,656	28,656
Revenue reserves		6,121	6,254
Retained earnings		10	
Carrying value adjustments	22 (c)	1,412	1,255
Total equity attributable to the owners of the Company		<u>36,199</u>	<u>36,165</u>
Non-controlling interests		<u>2,719</u>	<u>2,658</u>
Total equity		<u>38,918</u>	<u>38,823</u>
Total liabilities and equity		<u>80,688</u>	<u>79,598</u>

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



Consolidated condensed interim 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	4/1/2017 to 6/30/2017	4/1/2016 to 6/30/2016	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016
Continuing operations					
Net revenue from products sold and services rendered	23	6,912	7,035	12,757	13,283
Cost of products sold and services rendered	24	(5,346)	(5,357)	(10,026)	(10,454)
Gross profit		1,566	1,678	2,731	2,829
Operating income (expenses)					
Selling	24	(420)	(422)	(769)	(838)
General and administrative	24	(467)	(496)	(973)	(999)
Other operating income (expenses), net	26	(79)	(154)	(533)	112
		(966)	(1,072)	(2,275)	(1,725)
Operating profit before equity results and finance results		600	606	456	1,104
Results from equity investments					
Equity in the results of investees	14	357	295	495	586
Realization of other comprehensive income on disposal of investments		1		4	44
		358	295	499	630
Finance results, net					
	27				
Finance income		477	330	770	830
Finance costs		(625)	(693)	(1,266)	(1,402)
Result of derivative financial instruments		81	(429)	(87)	(933)
Foreign exchange losses, net		(169)	225	(143)	470
		(236)	(567)	(726)	(1,035)
Profit before income tax and social contribution		722	334	229	699
Income tax and social contribution					
	19 (a)				
Current		(117)	(192)	(204)	(307)
Deferred		(17)	193	18	167
Profit for the period from continuing operations		588	335	43	559
Discontinued operations					
Loss on discontinued operations	2.2 (a) and 29	(34)	(16)	(35)	(97)
Profit for the period attributable to the owners		554	319	8	462
Profit attributable to the owners of the Company		583	254	10	402
Profit (loss) attributable to non-controlling interests		(29)	65	(2)	60
Profit for the period		554	319	8	462
Weighted average number of shares - thousands (to the owners of the Company)		18,278,789	18,278,789	18,278,789	18,278,789
Basic and diluted earnings per thousand shares, in reais		31.89	13.90	0.55	21.99
From continuing operations					
Basic and diluted earnings per thousand shares, in reais		33.75	14.78	2.46	27.30
From discontinued operations					
Basic and diluted loss per thousand shares, in reais		(1.86)	(0.88)	(1.91)	(5.31)

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

Consolidated condensed interim statement of comprehensive income

Periods ended June 30

All amounts in millions of reais unless otherwise stated

	Note	4/1/2017 to 6/30/2017	4/1/2016 to 6/30/2016	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016
Profit for the period		554	319	8	462
Other components of comprehensive income to be subsequently reclassified to profit or loss					
Foreign exchange variations attributable to the owners of the Company	22 (c)	1,140	(2,661)	539	(4,824)
Foreign exchange variations attributable to non-controlling interests		76	(290)	44	(691)
Hedge accounting for net investments abroad, net of taxes	5.4	(464)	1,207	(224)	2,227
Hedge accounting for the operations of subsidiaries		14	50	(52)	93
Fair value of financial assets available-for-sale of the investments non-consolidated		(25)	43	(37)	224
Realization of comprehensive income on the disposal of investments		(82)		(85)	(44)
Share in other comprehensive income of investees		22	(18)	68	(59)
		681	(1,669)	253	(3,074)
Other components of comprehensive income that will not be reclassified to profit or loss					
Remeasurement of retirement benefits, net of taxes		(2)	2	(3)	3
Other comprehensive income (loss) for the period		679	(1,667)	250	(3,071)
Comprehensive income (loss) from					
Continuing operations		1,267	(1,330)	293	(2,512)
Discontinued operations		(34)	(18)	(35)	(97)
		1,233	(1,348)	258	(2,609)
Comprehensive income (loss) attributable to					
Owners of the Company		1,164	(1,122)	167	(1,979)
Non-controlling interests		69	(226)	91	(630)
		1,233	(1,348)	258	(2,609)

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

Consolidated condensed interim statement of changes in equity

Periods ended June 30

All amounts in millions of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Attributable to the owners of the Company										
	Note	Revenue reserves					Retained earnings	Carrying value adjustments	Total	Non-controlling interests	Total equity
		Share capital	Tax incentives	Legal	Profit retention						
At January 1, 2016		21,419	6	654	6,776		2,967	31,822	4,176	35,998	
Comprehensive income for the semester											
Profit for the semester						402		402	60	462	
Other comprehensive income							(2,381)	(2,381)	(690)	(3,071)	
Comprehensive income for the semester						402	(2,381)	(1,979)	(630)	(2,609)	
Increase in share capital		7,237						7,237		7,237	
Fair value on interest variation - Zinc and byproducts							571	571	(584)	(13)	
Reversal of dividends					113			113		113	
Allocation of net income for the semester											
Dividends									(66)	(66)	
Total contributions by shareholders		7,237			113		571	7,921	(650)	7,271	
At June 30, 2016		28,656	6	654	6,889	402	1,157	37,764	2,896	40,660	
At January 1, 2017		28,656	10	654	5,590		1,255	36,165	2,658	38,823	
Comprehensive income (loss) for the semester											
Profit (loss) for the semester							10	10	(2)	8	
Other comprehensive income (loss)								157	93	250	
Comprehensive income (loss) for the semester							10	157	91	258	
Allocation of net income for the semester											
Dividends	22 (b)				(133)			(133)	(30)	(163)	
Total distributions to shareholders					(133)			(133)	(30)	(163)	
At June 30, 2017		28,656	10	654	5,457	10	1,412	36,199	2,719	38,918	

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

Consolidated condensed interim statement of cash flow
Periods ended June 30
All amounts in millions of reais unless otherwise stated

	Note	4/1/2017 to 6/30/2017	4/1/2016 to 6/30/2016	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016
Cash flow from operating activities					
Profit before income tax and social contribution		722	334	229	699
Loss on discontinued operations		(34)	(16)	(35)	(97)
Adjustments to items that do not represent changes in cash and cash equivalents					
Depreciation, amortization and depletion	24	583	681	1,189	1,340
Equity in the results of investees	14	(357)	(295)	(495)	(586)
Realization of other comprehensive income on disposal of investments		(85)	(44)	(85)	(44)
Interest, indexation and foreign exchange variations		450	132	778	130
Write-off of goodwill on the sale of China's operations	26	83		83	
Provision (reversal) for the impairment of fixed, intangible assets and investments	14, 15 and 16	1	67	(17)	57
Loss (gain) on sales of fixed and intangible assets, net	26	(34)	(5)	38	(43)
Loss (gain) on sales of investments, net	26	193	(10)	193	(312)
Write-off of property, plant and equipment and intangible assets without cash effect		48		48	
Allowance for doubtful accounts	9 (a)	5	38	3	38
Fair value adjustment - Resolution 4131	17 (b)	21	(33)	38	(57)
Constitution (reversal) of provision		(455)	12	(346)	(18)
Derivative financial instruments		(141)	416	(4)	968
Financial instruments - firm commitment	13	103	(6)	315	34
Change in fair value of biological assets		(1)	(2)	3	(5)
		1,102	1,269	1,935	2,104
Decrease (increase) in assets					
Financial investments		(353)	312	(277)	1,701
Derivative financial instruments		(21)	4	(58)	13
Trade accounts receivable		(337)	(17)	(509)	362
Inventory		70	288	17	224
Taxes recoverable		62	103	108	253
Related parties		320	(80)	344	(193)
Other accounts receivable and other assets		(184)	47	68	52
Increase (decrease) in liabilities					
Deferred revenue - performance obligation		(66)		(124)	
Trade payables		459	(110)	83	(305)
Salaries and social charges		137	64	(185)	(195)
Use of public assets		(35)	42	(23)	85
Taxes payable		45	(81)	136	(170)
Other obligations and other liabilities		(155)	(252)	(481)	(607)
Cash provided by operating activities		1,043	1,589	1,033	3,324
Interest paid on borrowing and use of public assets					
		(396)	(614)	(721)	(946)
Income tax and social contribution paid					
		(145)	(90)	(297)	(239)
Net cash provided by operating activities		503	885	16	2,139

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



Consolidated condensed interim statement of cash flow

Periods ended June 30

All amounts in millions of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Note	4/1/2017 to 6/30/2017	4/1/2016 to 6/30/2016	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016
Cash flow from investment activities					
Proceeds from disposals of fixed and intangible assets		62	31	33	90
Proceeds from sales of investments - Sirama					566
Proceeds from sales of other investments		4	11	29	11
Dividends received		204	187	226	190
Acquisitions of property, plant and equipment	15	(729)	(774)	(1,297)	(1,420)
Increase in biological assets		1	1	(1)	
Increase in intangible assets	16	(1)	(48)	(13)	(104)
Net cash used in investment activities		(459)	(592)	(1,023)	(667)
Cash flow from financing activities					
New borrowing	17 (b)	2,357	618	3,568	1,992
Repayment of borrowing	17 (b)	(1,791)	(724)	(2,874)	(3,927)
Derivative financial instruments		(34)	(110)	(115)	(133)
Dividends paid		(156)	(66)	(160)	(71)
Net cash provided by (used in) financing activities		376	(282)	419	(2,139)
Increase (decrease) in cash and cash equivalents		420	11	(588)	(667)
Cash increase resulting from incorporation					177
Effect of fluctuations in exchange rates		323	(431)	203	(800)
Cash and cash equivalents at the beginning of the quarter period		5,818	5,779	6,946	6,649
Cash and cash equivalents at the end of the quarter period		6,561	5,359	6,561	5,359
Main non-cash transactions					
Increase in non-cash assets resulting from incorporation					7,060

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

1 General considerations

Votorantim S.A., formerly known as Votorantim Industrial S.A. (the "Company", the "parent company", or "VSA"), is a privately held company, fully controlled by the Ermírio de Moraes family, and is the holding company of the companies of the Votorantim Group. 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 following segments: cements, metals, electrical energy, steel, wood pulp, agribusiness and finance.

1.1 Main events that occurred during the first semester of 2017**(a) Corporate transaction in the long steel segment**

In the first semester of 2017, the Company decided, at an Extraordinary General Meeting, to increase the share capital in the investee Votorantim Siderurgia ("VS"), to the amount of R\$ 170.

On February 22, 2017, ArcelorMittal Brasil S.A. ("AMB") and VSA entered into an agreement under which VS will become a subsidiary of AMB and VSA will hold a minority interest of 15% in the capital of AMB.

Votorantim's long steel operations in Argentina (Acerbrag) and Colombia (PazdelRío) were not included in the transaction. The agreement is subject to prior regulatory approvals in Brazil, including the approval of the Administrative Council for Economic Defense ("CADE").

(b) Sale of assets and liabilities related to operations localized in China in the Cement segment

On June 30, 2017 the subsidiary Votorantim Cimentos EAA Inversiones S.L. - ("VCEAA") realized a sale of assets and liabilities related to the operations localized in the China, Suzhou Nanda Cement Co. Ltd., Hua Wo Cement Co. Ltd. - (Shandong) and Hua Wo Cement Co. Ltd. - (Huai'an). In this way, the VCEAA recorded a loss on the disposal of the investment and the foreign exchange variation on this investment, in the amount of R\$ 35, recorded under "Discontinued operations". As a result of the sale of this investment, the Votorantim Cimentos S.A ("VC") realized proportional write-off of the goodwill, in the amount of R\$ 83 and the foreign exchange variation on this investment, in the amount R\$ 27, respectively, recorded in the "Other operation income (expense), net".

(c) Reversed a provision referring to the exclusion of the ICMS from the basis of calculation of the PIS and COFINS contributions

In the second quarter, the investees reversed a provision referring to the exclusion of ICMS from the basis of calculation of the PIS and COFINS contributions, based on the judgment of the Federal Supreme Court (STF) with general repercussions. The net result of this reversal showed an effect of R\$ 327 in the semester. (Note 21).

2 Presentation of the consolidated condensed interim financial statements

2.1 Basis of preparation

(a) Consolidated condensed interim financial statements

The consolidated condensed interim financial statements have been prepared in accordance with Technical Pronouncement CPC 21 - (R1) "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 show all relevant information pertinent to the interim financial statements, which is consistent with the information used by management in carrying out its duties.

Therefore, the interim consolidated condensed financial statements on June 30, 2017 do not contain all explanatory notes and disclosures required by the accounting standards applicable to the annual financial statements, as its purpose is to provide an update on changes to the significant activities, events and circumstances relative to those financial statements. As a consequence, they should be read together with the consolidated financial statements at December 31, 2016, issued on March 2, 2017 and available on the investor relations website (www.votorantim.com.br/ri).

The interim consolidated condensed 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, 2016.

(b) Approval of the financial statements

The Board of Directors approved these interim consolidated financial statements for issue on August 8, 2017.

2.2 Restatement of comparative figures

(a) Assets classified as held-for-sale

In accordance with "IFRS 5 / CPC 31 - Assets held-for-sale and discontinued operations", on December 31, 2016, the Company reclassified its long steel operations in Brazil from continuing operations to discontinued operations, resulting in changes in the amounts presented previously in the financial statements as at June 30, 2016. Thus, we present below the effects of these reclassifications:

**Notes to the consolidated condensed interim financial statements
at June 30, 2017**

All amounts in millions of reais unless otherwise stated

	4/1/2016 to 6/30/2016			1/1/2016 to 6/30/2016		
	As prior presented	Impacts of Brazil long steel operations reclassification	Restated	As prior presented	Impacts of Brazil long steel operations reclassification	Restated
Continuing operations						
Net revenue from products sold and services rendered	7,566	(531)	7,035	14,291	(1,008)	13,283
Cost of products sold and services rendered	(5,803)	446	(5,357)	(11,300)	846	(10,454)
Gross profit	1,763	(85)	1,678	2,991	(162)	2,829
Operating expenses						
Selling	(482)	60	(422)	(979)	141	(838)
General and administrative	(533)	37	(496)	(1,078)	79	(999)
Other operating income (expenses), net	(136)	(18)	(154)	123	(11)	112
	(1,151)	79	(1,072)	(1,934)	209	(1,725)
Operating profit before equity results and finance results	612	(6)	606	1,057	47	1,104
Results from equity investments						
Equity in the results of investees	300	(5)	295	600	(14)	586
Realization of other comprehensive income on disposal of investments				44		44
	300	(5)	295	644	(14)	630
Finance results, net						
Finance income	336	(6)	330	845	(15)	830
Finance costs	(711)	18	(693)	(1,440)	38	(1,402)
Income from derivative financial instruments	(500)	71	(429)	(1,070)	137	(933)
Foreign exchange, net	284	(59)	225	577	(107)	470
	(591)	24	(567)	(1,088)	53	(1,035)
Profit before income tax and social contribution	321	13	334	613	86	699
Income tax and social contribution						
Current	(192)		(192)	(306)	(1)	(307)
Deferred	189	4	193	156	11	167
Profit for the continuing operations	318	17	335	463	96	559
Discontinued operations						
Loss for the discontinued operations		(16)	(16)	(1)	(96)	(97)
Profit for the semester attributable to the owners	318	1	319	462		462
Profit attributable to the owners of the Company	255		255	402		402
Profit attributable to non-controlling interests	64		64	60		60
Profit for the semester	319		319	462		462
Weighted average number of shares - thousands (to the owners of the Company)	18,278,789		18,278,789	18,278,789		18,278,789
Basic and diluted earnings per thousand shares, in reais	13.95		13.95	21.99		21.99
From continuing operations						
Basic and diluted earnings per thousand shares, in reais	13.95	0.88	14.83	22.04	5.26	27.30
From discontinued operations						
Basic and diluted loss per thousand shares, in reais		(0.88)	(0.88)	(0.05)	(5.26)	(5.31)

3 Changes in accounting policies and disclosures

There were no changes in accounting standards and policies in the period ended June 30, 2017, when compared to the last financial statements of December 31, 2016.

4 Critical accounting estimates and judgments

In the semester ended June 30, 2017, there have been no changes in estimates and assumptions that present a significant risk and probability of causing material adjustments to the carrying amounts of assets and liabilities for the current fiscal year, compared to those detailed in Note 4 to the latest annual financial statements.

**Notes to the consolidated condensed interim financial statements
at June 30, 2017**

All amounts in millions of reais unless otherwise stated

5 Financial risk factors
5.1 Foreign exchange risk

The Company has certain investments in foreign operations, the net assets of which are exposed to foreign exchange risk. Foreign exchange exposure arising from the Company's foreign operations is mainly hedged by borrowing in the same currency as these investments, being classified as a net investment hedge.

We present below the carrying amounts of assets and liabilities indexed to foreign currency at the end of the reporting period:

	Note	6/30/2017	12/31/2016
Assets denominated in foreign currency			
Cash and cash equivalents	7	3,940	4,641
Financial investments	8	890	517
Derivative financial instruments	5.3	339	367
Trade receivables		1,470	1,068
Related parties		56	228
		6,695	6,821
Liabilities denominated in foreign currency			
Borrowing (*)		19,631	18,439
Derivative financial instruments	5.3	773	742
Confirming payables	18	626	605
Trade payables		1,694	1,861
		22,724	21,647
Net exposure		(16,029)	(14,826)

(*)Does not consider borrowing costs.

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5.2 Liquidity risk

The table below analyzes the Company's financial liabilities to be settled by the Company by maturity, for the remaining period from the balance sheet up to the contractual maturity date. The financial liabilities are included if their contractual maturities are essential to understanding the timing of cash flow.

The amounts disclosed in the table represent the undiscounted cash flow, which includes interest to be incurred, and, accordingly, do not reconcile directly with the amounts in the balance sheet.

	Note	Up to one year	From one to three years	From three to five years	From five to ten years	From ten years	Total
At June 30, 2017							
Borrowing (i)		2,804	7,152	7,620	14,347	7,669	39,592
Derivative financial instruments		407	316	50			773
Confirming payables	18	899					899
Trade payables		2,806					2,806
Dividends payable	12	51					51
Related parties		12	13				25
Use of public assets		79	168	189	583	1,731	2,750
		7,058	7,649	7,859	14,930	9,400	46,896
At December 31, 2016							
Borrowing (i)		3,826	7,247	8,530	9,924	9,368	38,895
Derivative financial instruments		401	286	56			743
Confirming payables	18	968					968
Trade payables		2,723					2,723
Dividends payable	12	48					48
Related parties		10	12				22
Use of public assets		78	171	193	595	1,889	2,926
		8,054	7,716	8,779	10,519	11,257	46,325

(i) Does not include the recorded fair value of the debts contracted under Resolution 4131.

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5.3 Derivatives contracted

(a) Effects of the derivative financial instruments on the balance sheet and cash flow

The two charts below detail the derivative financial instruments and the objects protected by them:

Programs	Principal			Purchase/ sale	Average FWD rate	Average term (days)	Assets	Liabilities	Fair value		Realized gain (loss)		Fair value by maturity						
	6/30/2017	12/31/2016	As per unit						6/30/2017	12/31/2016	6/30/2017	2017	2018	2019	2020	2021+			
Sales at a fixed price																			
Zinc forward	5,482	922	ton	P	2,636	USD/ton	66	1.8	(0.6)	1.2	1.8	0.6	1.0	0.2					
										1.2	1.8	0.6	1.0	0.2					
Hedging instruments for mismatches of quotation periods																			
Zinc forward	264,585	184,835	ton	P/S			26	47.5	(64.6)	(17.1)	14.3	(2.3)	(17.2)						
Silver forward	180		k oz (*)	P/S			38	0.5		0.5		(0.1)	0.5						
Aluminum forward	5,245	1,497	ton	P/S			17	0.2		0.2		(1.1)	0.2						
										(16.4)	14.3	(3.5)	(16.5)						
Hedging instruments for the operating margin of metals																			
Zinc forward	10,870	10,690	ton	S	2,323	USD/ton	1	1.1	(10.0)	(8.9)	(23.2)		(9.0)						
Aluminum forward	18,750	5,165	ton	S	1,671	USD/ton	1		(13.3)	(13.3)	(1.9)		(13.3)						
Copper forward	395		ton	S	5,803	USD/ton	1	0.1		0.1			0.1						
US Dollar forward	42	16	USD	S	4	BRL/USD	1	12.5		12.5	11.4		12.5						
										(9.6)	(13.7)		(9.7)						
Hedging instruments for foreign exchange exposure																			
US Dollar forward	25		USD	P	3	BRL/USD	95	0.6	(0.2)	0.4		(3.9)	0.4						
Euro forward	15		EUR	P	4	BRL/EUR	10												
Turkish lira forward	9		USD	P	4	TRY/USD	206		(0.3)	(0.3)				(0.3)					
										0.1	(3.9)	0.4	(0.3)						
Hedging instruments for debts																			
Fixed rate in reais vs. CDI floating rate swaps		100	BRL			% CDI					(1.0)	(0.9)							
TJLP floating rate vs. CDI floating rate swaps	28	28	BRL		97.00%	% CDI	351	1.1		1.1	1.0	(0.3)	0.1	1.0					
LIBOR floating rate vs. CDI floating rate swaps	804	773	USD		105.15%	% CDI	1,064	213.9	(511.8)	(297.8)	(320.3)	(101.0)	(109.2)	(136.2)	(150.9)	(19.4)	117.8		
US dollar fixed rate vs. CDI floating rate swaps	50	50	USD		101.90%	% CDI	1,183		(43.0)	(43.0)	(47.7)	(9.0)	(6.1)	(10.8)	(12.4)	(13.7)			
										(339.7)	(368.0)	(111.2)	(115.2)	(146.0)	(163.3)	(33.1)	117.8		
										279.4	(643.9)	(364.4)	(365.6)	(118.0)	(140.0)	(146.0)	(163.3)	(33.1)	117.8

(*) k oz – Ounces troy

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Programs	Principal		As per unit	Purchase/ sale	Average FWD rate	Average term (days)	Assets	Liabilities	Fair value		Realized gain (loss)		Fair value by maturity						
	6/30/2017	12/31/2016							6/30/2017	12/31/2016	6/30/2017	2017	2018	2019	2020	2021+			
Hedge accounting - cash flow hedge																			
Hedging instruments for the operating margin of metals																			
Zinc forward	22,570	94,559	ton	S	2,420	USD/ton	49	0.6	(25.7)	(25.1)	(74.9)	(103.0)	(25.1)						
Aluminum forward	172,500	225,000	ton	S	1,787	USD/ton	169	2.2	(81.2)	(79.0)	(10.6)	(65.1)	(67.5)	(11.4)					
Copper forward	577	540	ton	S	5,816	USD/ton	50		(0.2)	(0.2)	0.7	0.1	(0.2)						
US Dollar forward	331	473	USD	S	3	BRL/USD	165	38.7	(8.4)	30.3	80.8	99.1	31.6	(1.3)					
										(74.0)	(4.0)	(68.9)	(61.2)	(12.7)					
Hedging instruments for mismatches of quotation periods																			
Zinc forward	83,285	43,294	ton	P/S			54	11.9	(12.6)	(0.7)	(5.6)	(0.5)	(0.7)						
Silver forward	294		k oz (*)	P/S			92	0.3	(0.1)	0.3	(0.3)	0.3							
										(0.4)	(5.6)	(0.8)	(0.4)						
Hedge accounting - fair value hedge																			
Sales at a fixed price																			
Zinc forward	312	426	ton	P	2,671	USD/ton	80	0.1		0.1	0.3	0.8	0.1						
										0.1	0.3	0.8	0.1						
Hedging instruments for mismatches of quotation periods																			
Zinc forward	45,697	23,940	ton	P/S			38	6.8	(1.1)	5.7	0.3	13.6	5.7						
										5.7	0.3	13.6	5.7						
										60.6	(129.3)	(68.6)	(9.0)	(55.3)	(55.8)	(12.7)			
										340.0	(773.2)	(433.0)	(374.6)	(173.3)	(195.8)	(158.7)	(163.3)	(33.1)	117.8

(*) k oz – Ounces troy

The transactions involving derivative financial instruments recognized in “Carrying value adjustments” amount to R\$ (42). Besides this, there are hedge accounting operations, which amount to R\$ (10), in the subsidiaries not consolidated recognized in “Carrying value adjustments”.

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(b) Effect of the financial derivative instruments on the financial results

The chart below shows the impact of the financial derivative instruments on the financial results in the semester:

Programs	Fair value	Realized loss	Total
Hedging instruments for foreign exchange exposure			
US Dollar forward	0.4	(3.9)	(3.5)
Turkish lira forward	(0.3)		(0.3)
	0.1	(3.9)	(3.8)
Hedging instruments for debts			
Fixed rate in reais vs. CDI floating rate swaps	1.0	(0.9)	0.1
TJLP vs. CDI floating rate swaps	0.1	(0.3)	(0.2)
LIBOR floating rate vs. CDI floating rate swaps	22.5	(101.0)	(78.5)
US dollar fixed rate vs. CDI floating rate swaps	4.7	(9.0)	(4.3)
	28.3	(111.2)	(82.9)
Effect on the finance results	28.4	(115.1)	(86.7)

5.4 Hedges of net investments in foreign operations

The hedged items that the Company and its subsidiaries designated as a calculation tool refer to the investments shown in the table below, as well as a portion of its debts and those of its subsidiaries Votorantim Cimentos S.A. ("VCSA"), Companhia Brasileira de Alumínio ("CBA"), Votorantim Metais Zinco S.A. ("VMZ"), VS e St. Helen Holding II B.V., denominated in Euros and US Dollars.

	6/30/2017		12/31/2016	
	Investment	Debt	Investment	Debt
Votorantim Metais Cajamarquilla S.A. ("Cajamarquilla") (i)	1,727	1,714	3,233	2,968
US Zinc Corporation	1,697	1,479	1,634	1,456
Votorantim Cement North America Inc.	3,216	4,446	3,173	4,540
Votorantim Cimentos EAA Inversiones, S.L.	1,271	1,932	2,410	2,575
Hailstone Limited	566	493	558	487
Votorantim Andina S.A. ("VASA") (i)	2,404	3,673	1,590	2,347

(i) Cajamarquilla's allocated investment and the corresponding designated debt decreased in February 2017, due to the new designation of the VASA hedge and the assignment of debts used to previously.

The Company documents the correlation between its hedges and the related obligations by assessing the effectiveness of net investment hedges both prospectively and retrospectively.

The loss on exchange rate on the conversion of debts, net of income tax and social contribution, recognized as carrying value adjustments on June 30, 2017 was BRL 224 (June 30, 2016, a gain of BRL 2.227).

5.5 Sensitivity analysis

The main risk factors that affect the pricing of the outstanding financial instruments relating to cash and cash equivalents, financial investments, borrowing, and derivative financial instruments are exposure to the fluctuations of the US Dollar, Euro, Turkish Lira, Argentinian and Bolivian peso exchange rates, the LIBOR and CDI interest rates, US Dollar coupons, commodity prices and contracts for the purchase and sale of electrical energy. The scenarios for these factors were prepared using market and specialized sources, following the Company's systems of governance.

The scenarios at June 30, 2017, are described below:

Scenario I - based on the market forward curves and quotations at June 30, 2017, and represents a probable scenario in management's opinion as at September 30, 2017.

Scenario II - considers a stress factor of + / – 25% applied to the market forward curves and quotations as at June 30, 2017.

Scenario III - considers a stress factor of + / – 50% applied to the market forward curves and quotations as at June 30, 2017.

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Risk factors	Cash and cash equivalents and financial investments (i)	Borrowing (i)	Derivative financial instruments	As per unit	Changes from 6/30/2017	Impacts on profit (loss)					Impacts on comprehensive income				
						Scenario I		Scenarios II & III			Scenario I		Scenarios II & III		
						Results of scenario I	-25%	-50%	+25%	+50%	Results of scenario I	-25%	-50%	+25%	+50%
Foreign exchange rates															
USD	4,193	16,057 (*)	1,262	USD million	1.3%	(6)	128	256	(128)	(256)	(121)	2,391	4,782	(2,391)	(4,782)
EUR	140	2,801	15	EUR million	-0.6%	(1)	20	40	(20)	(40)	16	659	1,318	(659)	(1,318)
PEN	103				-4.2%						(4)	(26)	(51)	26	51
BOB	32	399			1.1%						(4)	92	183	(92)	(183)
TRY	27	311			-1.1%						3	71	142	(71)	(142)
ARS	64				1.2%						1	(16)	(32)	16	32
Interest rates															
BRL - CDI	5,496	4,258	4,183	BRL million	-75 bps	(9)	(23)	(45)	24	48		9	19	(9)	(18)
BRL - TR		250		BRL million	-4 bps										
USD - LIBOR		2,660	856	USD million	8 bps	6	(23)	(45)	23	45		2	3	(2)	(3)
US Dollar coupon			1,253	USD million	167 bps	(120)	60	122	(57)	(112)	7	(3)	(5)	3	5
Price of commodities															
Zinc			432,801	ton	-3.8%	19	123	246	(123)	(246)	5	31	62	(31)	(62)
Aluminum			196,495	ton	-2.5%						28	273	546	(273)	(546)
Copper			972	ton	-5.2%						1	3	6	(3)	(6)
Silver			474	oz (**) thousand	-0.4%		1	2	(1)	(2)		4	8	(4)	(8)
Firm commitment - electric energy															
Sale and purchase agreements - fair value			336	BRL million			(2)	(4)	2	4					

(*) Considers baskets of currencies

(**) k oz - Ounces troy

(i) The balances presented do not reconcile with the cash and cash equivalents, financial investments and borrowing notes, as the analysis only covers the most significant currencies and the interest rates cover only the principal value.

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6 Credit quality of financial assets

	6/30/2017			12/31/2016		
	Local rating	Global rating	Total	Local rating	Global rating	Total
Cash and cash equivalents						
AA+	262		262			
AA-	2,359		2,359	1,831	815	2,646
A+		1,084	1,084	175	815	990
A		525	525		278	278
A-		611	611		736	736
BBB+		273	273		479	479
BBB		910	910		409	409
BBB-		48	48		111	111
BB+					34	34
BB		32	32	297	91	388
B+		34	34		81	81
CCC+		19	19		96	96
Unrated (i)		404	404	2	696	698
	2,621	3,940	6,561	2,305	4,641	6,946
Financial investments						
AA+	85		85	59		59
AA-	2,292		2,292	2,105		2,105
A+	518	124	642	479	308	787
A	3	144	147	3	12	15
A-	17	160	177	17	66	83
BBB					3	3
BB				23		23
CCC+		45	45		104	104
Unrated (i)	19	417	436	26	24	50
	2,934	890	3,824	2,712	517	3,229
Derivative financial instruments						
AAA	64		64	84		84
AA-	103		103	173		173
A+	3	38	41	10	1	11
A		65	65		24	24
A-					76	76
Unrated (i)	67		67			
	237	103	340	267	101	368
	5,792	4,933	10,725	5,284	5,259	10,543

The local and global ratings were obtained from the ratings agencies Standard & Poor's ("S&P"), Moody's and Fitch. The Company considered the ratings of S&P and Fitch for presentation purposes.

- (i) Refers to values invested in offshore banks, which are not rated by any rating agency.
- (ii) Refers to Grupo Votorantim's exclusive investment funds (*Fundos de Investimento em Direitos Creditórios – "FIDC"*), which are not rated by any rating agency.

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7 Cash and cash equivalents

	6/30/2017	12/31/2016
Local currency		
Cash and banks	3	14
Repurchase agreements - private securities	641	1,072
Repurchase agreements - public securities	1,977	1,219
	2,621	2,305
Foreign currency		
Cash and banks	2,468	1,895
Certificates of deposits	1,472	2,746
	3,940	4,641
	6,561	6,946

Cash and cash equivalents in local currency include deposits in bank accounts and highly liquid, readily convertible government or financial institutions securities indexed to the interbank deposit rate. Cash equivalents in foreign currency are composed mainly of fixed income financial instruments.

8 Financial investments

	6/30/2017	12/31/2016
Held-for-trading		
Bank Deposit Certificates - CDBs	1,012	657
Financial Treasury Bills - LFTs	785	740
Repurchase agreements - public securities	669	661
Repurchase agreements - private securities	341	603
Financial investments in foreign currency	864	517
Investment fund quotas	18	26
	3,689	3,204
Available-for-sale		
Bank Deposit Certificates - CDBs	86	3
	86	3
Held-to-maturity		
Financial Treasury Bills (LFT)	23	
Financial investments in foreign currency	26	
Bank Deposit Certificates - CDBs		22
	49	22
	3,824	3,229
Current	3,784	3,190
Non-current	40	39
	3,824	3,229

Financial investments have, for the most part, immediate liquidity. Investments in local currency comprise government and financial institution bonds, indexed to the interbank deposit rate. Investments in foreign currency are mainly composed of fixed income financial instruments (time deposits).

9 Trade receivables

(a) Breakdown

	Note	6/30/2017	12/31/2016
Trade receivables - Brazil		1,190	1,077
Trade receivables - foreign customers		1,460	1,057
Related parties	12	19	26
Allowance for doubtful accounts		(162)	(159)
		2,507	2,001

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(b) Aging of trade receivables

	6/30/2017	12/31/2016
Current	2,246	1,796
Up to three months past due	162	169
Three to six months past due	31	20
Over six months past due	230	175
Allowance for doubtful accounts	(162)	(159)
	2,507	2,001

10 Inventory

	6/30/2017	12/31/2016
Finished products	674	700
Semi-finished products	1,395	1,396
Raw materials	585	617
Auxiliary materials and consumables	962	952
Imports in transit	160	101
Other	77	104
Provision for inventory losses	(525)	(489)
	3,328	3,381

The provision for inventory losses mainly refers to the obsolescence of inventory the value of which has a limited expectation of realization. No inventory was pledged as collateral for liabilities.

11 Taxes recoverable

	6/30/2017	12/31/2016
Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL)	1,373	1,354
State Value-added Tax on Sales and Services (ICMS)	467	542
Social Contribution on Revenue (COFINS)	376	386
Value-added Tax (VAT) (foreign companies)	224	275
Withholding Income Tax (IRRF)	153	90
IRPJ/CSLL - "Plano Verão "	125	185
Social Integration Program (PIS)	83	85
State Value-added Tax on Sales and Services on PP&E	68	78
Excise Tax (IPI)	33	29
Other	103	89
	3,005	3,113
Current	1,234	1,527
Non-current	1,771	1,586
	3,005	3,113

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12 Related parties

Assets	Trade receivables		Dividends receivable		Non-current assets	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Related companies and joint ventures						
Alunorte Alumina do Norte do Brasil S.A.			9			
Banco Votorantim S.A.				51		
Citrosuco GmbH (i)					43	205
Citrosuco S.A. Agroindústria (ii)					137	302
Fibria Celulose S.A.	3	4		116	1	1
Mineração Rio do Norte S.A.			17	7		
Superior Materials Holdings, LLC	2					
Supermix Concreto S.A.	13	21				
Other	1	1		6	13	27
	19	26	26	180	194	535
Current	19	26	26	180		
Non-current					194	535
	19	26	26	180	194	535
Liabilities						
	Trade payables		Dividends payable		Non-current liabilities	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Parent company						
Hejoassu Administração S.A.			3			
Related companies and joint ventures						
Fibria Celulose S.A.	6	4				
Suwannee American Cement LLC	36	27				
Other	3	3			25	22
	45	34	3		25	22
Non-controlling interests			48	48		
Current	45	34	51	48		
Non-current					25	22
	45	34	51	48	25	22
Profit and loss						
	Sales (purchases), net		Finance income (expenses)			
	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016		
Related companies and joint ventures						
Cementos Granadilla S.L.			8	36		
Citrosuco S.A. Agroindústria (ii)			15	7		
Fibria Celulose S.A.			60	53		
Superior Materials Holdings, LLC			25	29		
Supermix Concreto S.A.			88	135		
Other			13	26		
			209	286		
				5		
				11		

(i) Refers to accounts receivable related to assets in excess of the basic net assets invested in the Citrosuco operation. The realization period is linked to the performance of each item under contractual rules laid down in the shareholder agreement and the closing memorandum signed between the Fisher and Votorantim Groups.

(ii) Refers mainly to accounts receivable as association agreements via export prepayment contracts maturing in 2019, at the updated rate of 2.75% p.a., in the amount of R\$ 66. The difference of R\$ 42 relates to accounts receivable related to assets in excess of the basic net assets invested in Citrosuco's operation. The realization period is linked to the performance of each item under the contractual rules laid down in the shareholder agreement and closing memorandum signed between the Fisher and Votorantim Groups.

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13 Financial instruments – firm commitment

The Company, through its subsidiary VOTENER - Votorantim Comercializadora de Energia Ltda. ("Votener"), operates in the Regulated Contracting Environment ("ACR") and participated in the 13th electricity purchase auction on April 30, 2014 where, through a firm commitment, it made sales for delivery by December 2019. These transactions, on initial recognition, resulted in gains from the sale of surplus energy to the Company, which was recognized at fair value. The net difference in expenses and revenue generated by the realization of the fair value, through the physical settlement of the sale and purchase of energy, was recognized as an expense in the amount of R\$ 111 in "Other operating income (expenses), net".

Additionally, the other operations carried out by the subsidiaries in the ACR and the Free Contracting Environment ("ACL"), which meet the definition of a financial instrument, were also recognized at fair value. The realization of the fair value, net of recognition, in the amount of R\$ 104 was recognized as an expense in "Other operating income (expenses), net".

The figures quoted above have the following composition (Note 26):

	ACR			ACL			Total		
	Aluminum ("CBA")	Energy	Total	Cement	Aluminum ("CBA")	Energy	Total	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016
Realization	(60)	(47)	(107)		(4)	(4)	(4)	(111)	(119)
Recognition				5	(5)	(104)	(104)	(104)	62
Reversal (i)	(99)		(99)					(99)	
	(159)	(47)	(206)	5	(9)	(104)	(108)	(314)	(57)

(i) The volume reduction was caused by the exit of distributors from the regulated trading environment and migrated to the free environment.

The following table reconciles the balance sheet amounts:

	ACR			ACL			Total		
	Aluminum ("CBA")	Energy	Total	Cement	Aluminum ("CBA")	Energy	Total	6/30/2017	12/31/2016
Assets									
Current	128	35	163			74	74	237	317
Non-current	155		155					155	371
	283	35	318			74	74	392	688
Liabilities									
Non-current		(3)	(3)	(5)		(21)	(26)	(29)	(10)
		(3)	(3)	(5)		(21)	(26)	(29)	(10)
	283	32	315	(5)		53	48	363	678

14 Investments

(a) Breakdown

Main consolidated companies	Percentage of total and voting capital		Headquarters	Main activity
	6/30/2017	12/31/2016		
Subsidiaries				
Acerbrag S.A.	100.00	100.00	Argentina	Steel
Votorantim FinCO GmbH	100.00	100.00	Austria	Trading
Votorantim GmbH (formerly known as Votorantim Metals GmbH)	100.00	100.00	Austria	Zinc
Acariúba Mineração e Participação Ltda.	100.00	100.00	Brazil	Holding
Companhia Brasileira de Alumínio	100.00	100.00	Brazil	Aluminum
Interávia Transportes Ltda.	100.00	100.00	Brazil	Transportation
Santa Cruz Geração de Energia S.A.	100.00	100.00	Brazil	Electric power
Silcar Empreendimentos, Comércio e Participações Ltda.	100.00	100.00	Brazil	Holding
Ventos de São Vicente Energias Renováveis S.A.	100.00	100.00	Brazil	Holding
Votener - Votorantim Comercializadora de Energia Ltda.	100.00	100.00	Brazil	Electric power
Votorantim Cimentos N/NE S.A.	100.00	100.00	Brazil	Cement
Votorantim Cimentos S.A.	100.00	100.00	Brazil	Cement
Votorantim Energia Ltda.	100.00	100.00	Brazil	Holding
Votorantim Finanças S.A.	100.00	100.00	Brazil	Finance
Votorantim Geração de Energia S.A.	100.00	100.00	Brazil	Holding
Votorantim Investimentos Latino-Americanos S.A.	100.00	100.00	Brazil	Holding
Votorantim Metais Zinco S.A.	100.00	100.00	Brazil	Zinc
Votorantim Cement North America Inc.	100.00	100.00	Canada	Holding
Acerías Paz del Río S.A.	82.42	82.42	Colombia	Steel
Votorantim Cimentos EAA Inversiones, S.L.	100.00	100.00	Spain	Holding
St. Marys Cement Inc.	100.00	100.00	USA	Cement
US Zinc Corporation	100.00	100.00	USA	Zinc
St. Helen Holding II B.V.	100.00	100.00	Cayman Islands	Holding
Hailstone Ltd.	100.00	100.00	British Virgin Islands	Holding
VM Holding S.A.	89.35	89.35	Luxembourg	Holding
Votorantim RE	100.00	100.00	Luxembourg	Insurance
Compañía Minera Atacocha S.A.A.	91.00	91.00	Peru	Mining
Compañía Minera Milpo S.A.A.	80.23	80.23	Peru	Mining
Votorantim Metais Cajamarquilla S.A.	99.91	99.91	Peru	Zinc
Cementos Artigas S.A.	51.00	51.00	Uruguay	Cement
Joint operations				
Baesa - Energética Barra Grande S.A.	15.00	15.00	Brazil	Electric power
Campos Novos Energia S.A.	44.76	44.76	Brazil	Electric power
Bot-Duff Resources Inc.	50.00	50.00	Canada	Operation
Great Lakes Slag Inc.	50.00	50.00	Canada	Production of slag
Voto - Votorantim Overseas Trading Operations IV Limited	50.00	50.00	Cayman Islands	Trading
Exclusive investment funds				
Fundo de Investimento Pentágono VC Multimercado – Crédito Privado	100.00	100.00	Brazil	Finance
Fundo de Investimento Pentágono CBA Multimercado – Crédito Privado	100.00	100.00	Brazil	Finance
Odessa Multimercado Crédito Privado	73.16	81.39	Brazil	Finance
Odessa Multimercado Crédito Privado Fundo de investimento VC	100.00	100.00	Brazil	Finance
Odessa Multimercado Crédito Privado Fundo de investimento VM	100.00	100.00	Brazil	Finance

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Main non-consolidated companies	Percentage of total and voting capital		Headquarters	Main activity
	6/30/2017	12/31/2016		
Associates				
Cementos Avellaneda S.A.	49.00	49.00	Argentina	Cement
Alunorte - Alumina do Norte S.A.	3.03	3.03	Brazil	Mining
Mineração Rio do Norte S.A.	10.00	10.00	Brazil	Mining
Supermix Concreto S.A.	25.00	25.00	Brazil	Cement
IMIX Empreendimentos Imobiliários Ltda.	25.00	25.00	Brazil	Mining
Cementos Bio Bio S.A.	16.70	16.70	Chile	Cement
Joint ventures				
Citrosuco GmbH	50.00	50.00	Austria	Agribusiness
Banco Votorantim S.A.	50.00	50.00	Brazil	Finance
Citrosuco S.A. Agroindústria	50.00	50.00	Brazil	Agribusiness
Fibria Celulose S.A.	29.42	29.42	Brazil	Wood pulp
Hutton Transport Ltda.	25.00	25.00	Canada	Transportation
Midway Group, LLC.	50.00	50.00	USA	Cement
Sumter Cement Co, LLC.	50.00	50.00	USA	Cement
Superior Materials Holdings, LLC	50.00	50.00	USA	Cement
Suwannee American Cement, LLC.	50.00	50.00	USA	Cement
Trinity Materials, LLC.	50.00	50.00	USA	Cement
Cemento Portland S.A.	50.00	50.00	Peru	Cement

Votorantim S.A.

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(b) Information about the companies investees

The following is a summary of selected financial information of the principal associates and joint ventures as of June 30, 2017:

Investments accounted for based on the equity method - Associates

	Cementos Avellaneda S.A.	Alunorte - Alumina do Norte S.A.	Mineração Rio do Norte S.A.	Supermix Concreto S.A.	IMIX Empreend. Imobiliários Ltda.	Cementos Bio Bio S.A.
Equity	522	4,436	784	235	16	940
Profit (loss) for the semester	82	32	5	(7)	3	32
Total and voting capital (%)	49.00%	3.03%	10.00%	25.00%	25.00%	16.70%

Joint ventures

	Citrosuco GmbH	Banco Votorantim S.A.	Citrosuco S.A. Agroindústria	Fibria Celulose S.A.	Hutton Transport Ltda.	Midway Group, LLC.	Sumter Cement Co, LLC.	Superior Materials Holdings, LLC	Suwannee American Cement, LLC.	Cemento Portland S.A.
Equity	2,972	9,768	917	13,802	63	18	37	106	258	111
Profit (loss) for the semester	359	224	286	65	4	(1)	(1)	20	23	(2)
Total and voting capital (%)	50.00%	50.00%	50.00%	29.42%	25.00%	50.00%	50.00%	50.00%	50.00%	50.00%

Votorantim S.A.

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(c) Changes in investments

Investments accounted for based on the equity method - Associates	1/1/2017 to 6/30/2017							1/1/2016 to 6/30/2016	
	Cementos Avellaneda S.A. (i)	Alunorte - Alumina do Norte S.A. (ii)	Mineração Rio do Norte S.A. (ii)	Supermix Concreto S.A.	IMIX Empreend. Imobiliários Ltda.	Cementos Bio Bio S.A. (ii)	Other	Total	Total
Opening balance for the semester	237	150	105	64	3	152	300	1,011	1,071
Effect of subsidiaries, associates and join ventures - incorporation VPAR (iv)									142
Equity in the results of investees	40	1		(1)	1	5	7	53	94
Dividends	(16)	(16)	(27)	(4)		(4)		(67)	(34)
Exchange variation on foreign investments	15					4		19	(166)
Other							16	16	32
Closing balance for the semester	276	135	78	59	4	157	323	1,032	1,139

Joint ventures	1/1/2017 to 6/30/2017										1/1/2016 to 6/30/2016	
	Citrosuco GmbH (i)	Banco Votorantim S.A.	Citrosuco S.A. Agroindústria (i)	Fibria Celulose S.A. (iii)	Hutton Transport Ltda.	Midway Group, LLC.	Sumter Cement Co, LLC.	Superior Materials Holdings, LLC	Suwannee American Cement, LLC. (i)	Cemento Portland S.A.	Total	Total
Opening balance for the semester	2,086	4,809	816	3,867	15	9	19	42	222	53	11,938	4,103
Effect of subsidiaries, associates and join ventures - incorporation VPAR (iv)												7,620
Equity in the results of investees	165	112	125	19				10	12	(1)	442	492
Fair value of financial assets available-for-sale (v)		(37)									(37)	224
Dividends									(19)		(19)	(64)
Exchange variation on foreign investments	37		(14)		1			1	3	3	31	(653)
Cash flow hedge			(10)								(10)	(1)
Other	8		58	3							69	(23)
Closing balance for the semester	2,296	4,884	975	3,889	16	9	19	53	218	55	12,414	11,698

Votorantim S.A.

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- (i) Investments Cementos Avellaneda SA, Suwannee American Cement LLC, Citrosuco S.A. and Citrosuco GmbH consider, at June 30, 2017, the amounts of R\$ 20, R\$ 89, R\$ 516 and R\$ 810 (December 31, 2016 - R\$ 2, R\$ 96, R\$ 478 and R\$ 816) respectively, related to goodwill paid on acquisition of investments and the balance of surplus value, which is amortized as income of the parent company.
- (ii) Relates to investees in which the participation is less than 20%, but the Company has significant influence over the activities through agreements established with shareholders.
- (iii) The equity income of the investee considers increase in the amount of R\$ 6 regarding the percentage of treasury shares and eliminations of unrealized profits, in the amount of R\$ 178 (December 31, 2016 - R\$ 178), in exchange for land with the Company.
- (iv) The values presented in 2016 refer to the effects of the incorporation of Votorantim Participações S.A.
- (v) Refers to the adjustment to the fair value of available-for-sale securities recognized in Banco Votorantim's shareholders' equity.

15 Property, plant and equipment

(a) Breakdown and changes

	1/1/2017 to 6/30/2017								1/1/2016 to 6/30/2016	
	Land and improvements	Buildings and constructions	Machinery, equipment and facilities	Vehicles	Furniture and fittings	Construction in progress	Leasehold improvements	Other	Total	Total
Opening balance for the semester										
Cost	2,017	9,840	31,904	1,206	192	3,471	459	439	49,528	55,486
Accumulated depreciation	(56)	(4,022)	(18,692)	(932)	(139)		(245)	(351)	(24,437)	(26,210)
Net opening balance	1,961	5,818	13,212	274	53	3,471	214	88	25,091	29,276
Additions	1	7	93			1,195		1	1,297	1,420
Disposals	(15)	(16)	(33)	(19)		(12)		(16)	(111)	(45)
Depreciation	(3)	(142)	(699)	(47)	(5)		(10)	(2)	(908)	(1,094)
Foreign exchange variation	27	57	117	6	1	(6)	8		210	(1,866)
Effect of subsidiaries included in consolidation										53
Reversal (constitution) for impairment		(9)	21			(2)		(5)	5	4
Reclassification to assets classified as held-for-sale		(76)	(17)			(1)	(1)		(95)	
Transfers (i)	10	375	749	53		(1,256)	18		(51)	(203)
Closing balance for the semester	1,981	6,014	13,443	267	49	3,389	229	66	25,438	27,545
Cost	2,036	10,189	32,887	1,277	194	3,389	494	418	50,884	51,975
Accumulated depreciation	(55)	(4,175)	(19,444)	(1,010)	(145)		(265)	(352)	(25,446)	(24,430)
Net closing balance for the semester	1,981	6,014	13,443	267	49	3,389	229	66	25,438	27,545
Average annual depreciation rates - %	2	3	7	17	11		9	19		

(i) The transfers at June 30, 2017 are related to the reclassification from "Construction in progress" within "Property, plant and equipment" to "Software" and "Rights to use natural resources", within "Intangible assets".

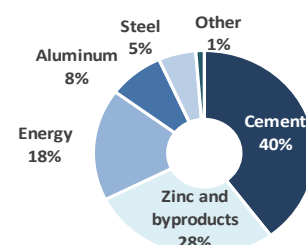
Notes to the consolidated condensed interim financial statements
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(b) Construction in progress

The balance is composed mainly of expansion and optimization projects relate to industrial.

	6/30/2017	12/31/2016
Cement	1,349	2,044
Zinc and byproducts	940	737
Energy	598	242
Aluminum	275	257
Steel	185	154
Other	42	37
	3,389	3,471



The main projects in progress by business segment are as follows:

Main projects in progress - Cement	6/30/2017	12/31/2016
Cement production capacity expansion - North America	422	280
New unit in Primavera - Brazil	79	81
Equipment refurbishment - Brazil	66	89
New lines of co-processing	57	33
Environment and security	48	26
New unit in Ituaçu - Brazil	43	43
Cement grinding - Pecém - Brazil	43	42
New unit in Sobral - Brazil	34	34
Geology and mining rights	28	27
Cement production capacity expansion in Sivas - Turkey	26	364
Structural recovery	22	19
Agricultural supplies plant Ponte Alta	18	15
Burden removal - cement	15	47
Hardwares and softwares	12	10
New lines of co-processing - North America	9	7
New plant in Edealina - Brazil	8	7
New unit in Yacuses - Bolivia	7	530
Other	412	390
	1,349	2,044

Main projects in progress - Zinc and byproducts	6/30/2017	12/31/2016
Vazante expansion project - Brazil	337	256
Security, health and environment projects - Brazil	138	95
Plant maintenance project - Peru	70	65
Mineral extraction - Peru	59	62
Reject treatment line - Peru	56	28
Modernization and production increase projects - Brazil	49	33
Acquisition and renovation of parts and equipment - Brazil	49	
Pucurhuay hydroelectric plant - Peru	27	28
Information technology projects - Peru	22	23
Mineral grinding - Peru	19	24
Production line construction - Brazil	18	18
Waste storage - Peru	15	9
Project Santa Bárbara - Peru	14	14
Roasting - Peru	7	7
General services - Peru	7	6
Concentrated ore plant - Peru	6	6
Other	47	63
	940	737

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Main projects in progress - Electric power	6/30/2017	12/31/2016
Ventos de São Vicente wind power complex	587	231
Corumbá project	11	11
	598	242

Main projects in progress - Aluminum ("CBA")	6/30/2017	12/31/2016
Rondon Alumina project	108	107
Furnace refurbishment	44	22
Revitalization and adequacy of power plant	43	39
Automation system modernization	27	25
Plastic transformation and foundry projects	12	19
Furnace rooms project	9	15
Alumina factory project	9	12
Calcination furnace	5	5
Mining projects	5	5
Furnace rooms VIII project	3	3
Project safety, health and environment	1	2
Other	9	3
	275	257

Main projects in progress - Steel	6/30/2017	12/31/2016
Revitalization and adaptation of plant	54	43
Repair plant operating equipment - Colombia	43	36
Battery vertical repair project - Colombia	36	25
Modernization of plant operating equipment	23	20
Ore project exploration program - Colombia	7	7
Security projects, health and environment - Colombia	4	5
Other	18	18
	185	154

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16 Intangible assets

(a) Breakdown and changes

	1/1/2017 to 6/30/2017								1/1/2016 to 6/30/2016	
	Rights over natural resources	Goodwill	ARO (i)	Use of public assets	Contracts, customer relationships and agreements	Software	Rights over trademarks and patents	Other	Total	Total
Opening balance for the semester										
Cost	8,694	5,193	873	541	408	548	481	771	17,509	20,859
Accumulated amortization	(2,533)		(505)	(161)	(260)	(422)	(283)	(332)	(4,496)	(4,289)
Net opening balance for the semester	6,161	5,193	368	380	148	126	198	439	13,013	16,570
Additions	1		1			1		10	13	104
Disposals	(9)	(83)							(92)	
Amortization and depletion	(195)		(22)	(10)	(12)	(23)	(12)	(6)	(280)	(295)
Foreign exchange variation	79	168	7		2			7	263	(2,323)
Reclassification from assets classified as held-for-sale	(16)								(16)	
Effect of subsidiaries included in (excluded from) consolidation	(45)							44	(1)	(771)
Reversal (constitution) for impairment	12								12	(18)
Revision of estimated cash flow			86						86	7
Changes in the interest rate	(2)								(2)	
Transfers	49					11		(9)	51	203
Closing balance for the semester	6,035	5,278	440	370	138	115	186	485	13,047	13,477
Cost	8,791	5,278	971	540	414	566	485	828	17,873	17,480
Accumulated amortization	(2,756)		(531)	(170)	(276)	(451)	(299)	(343)	(4,826)	(4,003)
Net closing balance for the semester	6,035	5,278	440	370	138	115	186	485	13,047	13,477
Average annual amortization and depletion rates - %	5		8	4	6	15	10	10		

(i) Asset Retirement Obligation.

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17 Borrowing

(a) Breakdown and fair value

Type	Average annual charges (i)	Current		Non-current		Total		Fair value	
		6/30/2017	12/31/2016	6/30/2017	12/31/2016	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Local currency									
Debentures	117,58% CDI	409	252	3,889	3,633	4,298	3,885	4,357	3,936
BNDDES	TJLP + 2,66% / 4,72% fixed rate BRL / SELIC + 2,70%	407	453	785	938	1,192	1,391	1,135	1,285
Comercial notes	TR + 12,36%	285	267			285	267	288	266
Development promotion agency	8,54% fixed rate BRL / TJLP + 1,22%	40	38	224	243	264	281	242	246
FINAME	4,87% fixed rate BRL	25	29	101	113	126	142	109	117
Export credit notes	8,00% fixed rate BRL / 118,00% CDI	4	101	100		104	101	106	99
Other		11	13	18	16	29	29	27	24
		1,181	1,153	5,117	4,943	6,298	6,096	6,264	5,973
Foreign currency									
Eurobonds - USD	6,11% fixed rate USD	158	122	11,949	9,518	12,107	9,640	12,140	9,298
Loans - Resolution 4131 (ii)	LIBOR USD + 1,56% / 3,73% fixed rate USD	179	6	2,575	2,663	2,754	2,669	2,759	2,482
Eurobonds - EUR	3,41% fixed rate EUR	45	26	2,132	1,939	2,177	1,965	2,226	1,954
Syndicated loan/bilateral agreements	Euribor + 2,00% / 7,18% fixed rate	65	38	1,271	1,234	1,336	1,272	1,339	1,416
Export prepayments	LIBOR USD + 2,53%	1	78	659	2,160	660	2,238	717	1,666
BNDDES	UMBNDDES + 2,51%	105	122	106	150	211	272	213	268
Export credit notes	LIBOR USD + 1,85%			104		104		106	
Working capital	IBR + 3,14% / 9,25% fixed rate INR	96	90			96	90	96	89
Development promotion agency	LIBOR USD + 1,30%	1	128	5	5	6	133	6	93
Other		14	12	38	32	52	44	52	40
		664	622	18,839	17,701	19,503	18,323	19,654	17,306
		1,845	1,775	23,956	22,644	25,801	24,419	25,918	23,279
Current portion of long-term borrowing		1,284	1,360						
Interest on borrowing		462	324						
Short-term borrowing		99	91						
		1,845	1,775						

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- (i) The average annual charges are presented only for agreements that represent a large share of the total debt amount.
- (ii) Loans relating to Resolution 4131 have swaps that are indexed to both exchange rates (LIBOR and fixed rates for floating CDI rates) and currency (US Dollars for reais), and resulted in a final weighted cost of 104.11% p.a. of the CDI. Borrowing of this type relates to compound financial instruments, contracted as a single product with the financial institution (debt in US Dollars + swap to a % of CDI in reais). The terms and conditions of the loan and derivative instrument are configured as a compound operation, so that the resulting cost is a debt adjusted by the CDI in reais. The difference in measurement between the two instruments (loan at amortized cost x derivative at fair value), creates an accounting mismatch in the statement of income. To eliminate this accounting mismatch, some of the borrowing contracts made from August 2015, were designated at fair value, and the effect of this designation is the measurement of debt at fair value through profit or loss, according to Note 27.

Glossary:

BNDES	– National Bank for Economic and Social Development.	SELIC	– Special System for Clearance and Custody.
BRL	– Brazilian Currency (Real).	TJLP	– Long-term interest rate set by the National Monetary Council. The TJLP is the BNDES basic cost of financing.
CDI	– Interbank Deposit Certificate.	TR	– Reference Rate (“Taxa Referencial”)
EUR	– European Union currency (Euro).	UMBNDDES	– Monetary unit of the BNDES reflecting the weighted basket of currencies of foreign currency debt obligations. At June 30, 2017, 99.54% of the basket was comprised of US Dollars.
EURIBOR	– Euro Interbank Offered Rate.	USD	– US Dollar.
FINAME	– Government Agency for Machinery and Equipment Financing.		
IBR	– Inter-Bank Rate (Colombia).		
INR	– India Rupee		
LIBOR	– London Interbank Offered Rate.		

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(b) Changes

	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016
Opening balance for the semester	24,419	30,531
New borrowing	3,568	1,992
Interest	843	898
Foreign exchange variation	514	(3,925)
Fair value adjustment - Resolution 4131	38	(57)
Effect of subsidiaries included in consolidation		4
Addition of borrowing fees, net of amortization	(12)	17
Payments - interest	(695)	(925)
Payments - principal	(2,874)	(3,927)
Closing balance for the semester	25,801	24,608

(c) New borrowing and amortizations

By means of new borrowing transactions and the early repayment of certain existing debts, the Company has sought to extend the average maturity profile of its borrowing as well as to balance the exposure of its borrowing to different currencies.

In 2017, the main new borrowing transactions carried out were as follows:

- (i) On January 6, 2017, the Company renegotiated the contractual terms of the loan in accordance with Resolution 4131, in the amount of USD 73 (R\$ 235), and has extended the final cost of swaps to 96.90% of the CDI and has extended the maturity from 2018 to 2021.
- (ii) On January 10, 2017, the subsidiary VCSA issued the ninth public issue of debentures, with restricted placement amounts, in the amount of R\$ 500 at the cost of 119.9% of the CDI rate and maturing on January 10, 2022.
- (iii) On January 19, 2017, the VSA renegotiated the contractual terms of the third public issue of debentures, in the amount of R\$ 550, and has extended the cost of swaps to 118.90% CDI and extended the maturity from 2018 to January 2022, in the amount of R\$ 69, to January 2023 in the amount of R\$ 241 and to January 2024 in the amount of R\$ 240.
- (iv) On February 24, 2017, the VSA renegotiated the contractual terms of the loan in accordance with Resolution 4131, in the amount of USD 100 (R\$ 321). The Company renegotiated the final cost of swaps to 119.80% CDI and has extended the maturity from 2018 to 2021.
- (v) On February 24, 2017, the subsidiary VMZ contracted loans in the form of an export credit note, in the amount of R\$ 100, at a cost of 118.0% of the CDI and maturing in February 2020.
- (vi) On April 28, 2017, the subsidiary VMZ contracted loans in the form of an export credit note, in the amount of R\$ 100, at a cost of 119.9% of the CDI and maturing in April 2020.
- (vii) On April 28, 2017, the subsidiary VMH issued a USD 700 (R\$ 2.225) ten-year bond, with a coupon rate of 5.375% per year. CJM, Milpo and VMZ are fully and unconditionally guarantors of the notes on jointly and severally.

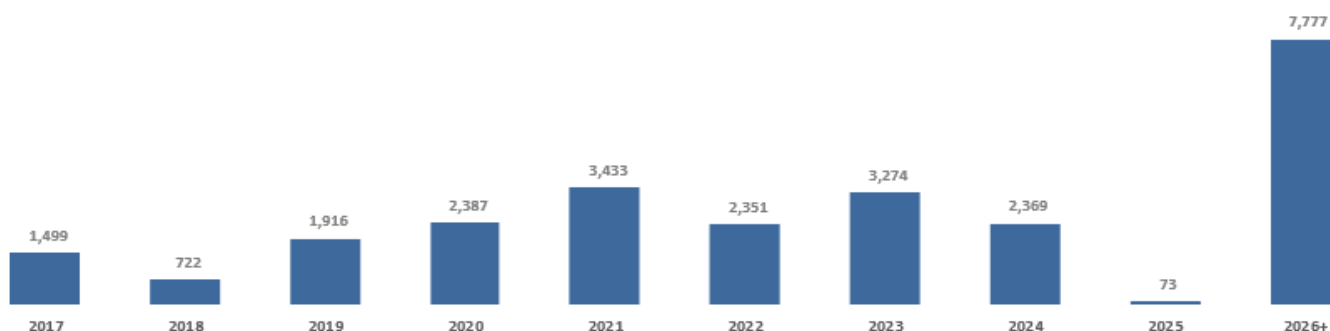
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(d) Breakdown by currency

	Current		Non-current		Total	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016	6/30/2017	12/31/2016
US Dollar	375	372	15,340	14,409	15,715	14,781
Real	1,181	1,153	5,117	4,943	6,298	6,096
Euro	56	32	2,745	2,500	2,801	2,532
Boliviano	1	3	398	392	399	395
Turkish lire	51	27	260	279	311	306
Currencies basket	74	90	70	101	144	191
Other	107	98	26	20	133	118
	1,845	1,775	23,956	22,644	25,801	24,419

(e) Maturity



(f) Breakdown by index

	Current		Non-current		Total	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Local currency						
CDI	415	252	3,989	3,633	4,404	3,885
TJLP	373	421	676	824	1,049	1,245
Fixed rate	84	196	317	354	401	550
TR	285	267			285	267
SELIC	24	17	135	132	159	149
	1,181	1,153	5,117	4,943	6,298	6,096
Foreign currency						
Fixed rate	322	238	15,654	12,662	15,976	12,900
LIBOR	177	213	2,831	4,671	3,008	4,884
EURIBOR	11	5	235	218	246	223
UMBNDDES	105	122	106	150	211	272
Other	49	44	13		62	44
	664	622	18,839	17,701	19,503	18,323
	1,845	1,775	23,956	22,644	25,801	24,419

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(g) Collateral

As at June 30, 2017, R\$ 9,452 (December 31, 2016 – R\$ 8,828) of the balance of the Company's borrowing was collateralized under promissory notes and sureties and R\$ 126 of the property, plant and equipment items (December 31, 2016 - R\$ 142) were collateralized by liens on the financed assets.

(h) Covenants/financial ratios

Certain loans and financing are subject to compliance with certain financial ratios ("covenants"). When applicable, such obligations are standardized for all loans and financing.

The Company was in compliance with all of these covenants, as applicable.

18 Confirming payables

The Company and the subsidiaries have entered into agreements with financial institutions, aiming to anticipate receivables from suppliers in the domestic and foreign markets. In this operation, suppliers transfer the right to receive their accounts receivable related to sales of goods to financial institutions.

Operations - Confirming payables	6/30/2017	12/31/2016
Domestic market	273	363
Foreign market	626	605
	899	968

19 Current and deferred income tax and social contribution

(a) Reconciliation of income tax and social contribution expenses

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

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

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	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016
Profit before income tax and social contribution	229	699
Standard rates	34%	34%
Income tax and social contribution at standard rates	(78)	(238)
Adjustments for the calculation of income tax and social contribution at effective rates		
Equity	141	199
Differences in the tax rates of foreign subsidiaries	12	77
Realization of comprehensive income on disposals of investments	29	15
Income tax and social contribution losses without recording of deferred amounts, net	(214)	(152)
Deferred exchange gains - effect on the income statement	(31)	
Tax on mining operations	(27)	(10)
Other additions, net	(18)	(31)
Income tax and social contribution calculated	(186)	(140)
Current	(204)	(307)
Deferred	18	167
Income tax and social contribution expenses	(186)	(140)
Effective rate - %	81%	20%

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(b) Breakdown of deferred tax balances

	6/30/2017	12/31/2016
Tax credits on tax losses	2,247	1,868
Tax credits on temporary differences		
Foreign exchange gains	1,209	1,496
Estimation for losses on investments, fixed and intangible assets	1,166	1,102
Tax, civil and labor provision	429	545
Tax benefit on goodwill	263	263
Use of public assets	175	178
Asset retirement obligation	168	170
Deferred losses on derivative instruments	140	109
Environmental liabilities	120	106
Estimation for inventory losses	80	77
Provision for energy charges	42	35
Estimated asset disposals	10	7
Other tax credits	251	278
Tax debits on temporary differences		
Market value adjustments to property, plant and equipment	(1,635)	(1,669)
Adjustment of useful lives of PP&E (depreciation)	(1,431)	(1,367)
Goodwill amortization	(360)	(337)
Market value Citrosuco	(156)	(148)
Capitalized interest	(134)	(133)
Financial instruments - firm commitment	(125)	(234)
Fair value adjustments	(125)	(112)
Adjustment to present value	(56)	(57)
Pension funds	(42)	(42)
Asset retirement obligation	(19)	(25)
Borrowing costs	(3)	(4)
Other tax debits	(25)	(34)
Net	2,189	2,072
Net deferred tax assets related to the same legal entity	4,196	4,055
Net deferred tax liabilities related to the same legal entity	(2,007)	(1,983)

(c) Effects of deferred income tax and social contribution on the profit for the semester and comprehensive income

	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016
Opening balance for the semester	2,072	2,004
Effects on the results for the semester	18	167
Deferred income tax and social contribution on hedge accounting	136	(1,023)
Effects of foreign exchange variations in other comprehensive income	(27)	155
Effect of subsidiaries included in the consolidation	(10)	12
Closing balance for the semester	2,189	1,314

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20 Deferred revenue - obligation for performance

In December 2014, the subsidiary Votener assigned the receivables to a financial institution with maturity in December 2019 due to contracts for Electrical Energy Trading in the Regulated Environment. This operation amounted to R\$ 1,253, with no right of return and without the Company holding a joint liability. For the assignment of receivables, Votener received a total amount of R\$ 905, and the interest to be appropriated is being recognized pro rata to income over the term of the contract.

In May 2015, Votener carried out a second credit assignment operation, without any right of return and without the Company holding any joint liability, totaling R\$ 368. For the assignment of receivables, Votener received the total amount of R\$ 251, and the interest to be appropriated is being recognized pro rata to income over the term of the contract.

As the physical delivery of energy occurs, Votener proportionally recognizes the revenue from the sale of these receivables. The updated amount of these operations as at June 30, 2017 was R\$ 634 (December 31, 2016 – R\$ 759).

21 Provision
(a) Breakdown and changes

						1/1/2016 to	
						1/1/2017 to 6/30/2017	6/30/2016
	Legal claims						
	ARO (i)	Tax	Labor	Civil	Other	Total	Total
Opening balance for the semester	1,035	725	176	372	38	2,346	2,189
Present value adjustment	25					25	29
Additions	2	70	75	59	6	212	138
Reversals (ii)		(520)	(64)	(8)	(2)	(594)	(156)
Judicial deposits, net of write-offs (ii)		434	(32)	(101)		301	(36)
Settlement in cash	(19)	(12)	(25)	(11)	(1)	(68)	(44)
Reclassification to related liability			12	(30)		(18)	
Effect of subsidiaries included in (excluded from) consolidation	(6)	(3)				(9)	79
Monetary restatement	(6)	47	11	22	1	75	98
Foreign exchange variation	18	1		1		20	(132)
Revision of estimated cash flow	69					69	6
Closing balance for the semester	1,118	742	153	304	42	2,359	2,171

(i) Asset Retirement Obligation.

(ii) In the second quarter the investees reversed a provision referring to the exclusion of ICMS from the basis of calculation of contributions to PIS and COFINS, for which there were judicial deposits constituted in the same amount. This reversal was based on the conclusion of the Federal Supreme Court (STF), which decided that the inclusion of ICMS in the PIS and COFINS taxes bases are unconstitutional and supported by the position of the legal counsel of the investees. The amount of R\$ 307 was recorded in the "Reversal of provisions, net" (operating income) and the amount R\$ 190 in the "Reversal of adjustment of liability provisions" (financial result) in the income statement. The reversal totaled R\$ 169 in the income tax and social contribution and the net effect of these amounts totaled R\$ 327. Consequently, the corresponding judicial deposits were reclassified to current assets.

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(b) Provision for tax, civil, labor, other contingencies and outstanding judicial deposits

	6/30/2017				12/31/2016			
	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)
Tax	(128)	870	742	675	(562)	1,287	725	214
Civil	(116)	420	304	11	(15)	387	372	104
Labor	(129)	282	153	115	(97)	273	176	99
Other		42	42	4		38	38	3
	(373)	1,614	1,241	805	(674)	1,985	1,311	420

(i) The Company has balances deposited in relation to lawsuits classified by management, following the directions of the Company's legal counsel as representing remote or possible losses and, therefore, they are made without respective provision.

(c) Litigation with likelihood of loss considered possible

The Company is party to litigations representing a risk of possible loss, for which no constituted provision has been made, as detailed below.

	6/30/2017	12/31/2016
Tax	8,623	7,500
Civil	7,361	7,227
Environmental	485	487
Labor and social security	479	355
	16,948	15,569

(c.1) Comments on contingent tax and public rights liabilities with likelihood of loss considered possible

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

Nature	6/30/2017	12/31/2016
ICMS Credit utilization	792	757
Tax assessment notice – IRPJ/CSLL (i)	682	828
Compensation for exploration for mineral resources	676	564
Disallowances of PIS/COFINS credits	474	425
Disallowance of IRPJ negative balance	339	340
Tax assessment notice – ICMS	311	284
Offset of tax loss – 30% limit (merger)	267	271
ICMS – transfer costs	207	225
IRPJ/CSLL – Transfer costs	221	222
IRPJ/CSLL – Profits abroad	178	172
Errors in fiscal classification - Importation (ii)	156	
ICMS requirements on TUSD	136	149
IRPJ/CSLL – Deduction of expenses	90	86
Other lawsuits with individual amounts lower than BRL 100	4,094	3,177
	8,623	7,500

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(i) Tax assessment notice – “IRPJ/CSLL”

In April 2015, the Company was assessed by the Federal Revenue of Brazil demanding payment of income tax and social contribution due to the disallowance of the deductibility of expenses under the “REFIS” (Law 11,941/09) made in the 2010 calendar year. The objection was judged valid by the “DRJ” and the tax credit was dismissed. On December 15, 2016, the Company was informed about the non-appeal filed by the National Treasury, which made the decision that exempted the tax credit definitive. The decision is awaiting filing, and therefore the amount of R\$ 185 was reversed.

(ii) Error in the fiscal classification - Importation

In June, 2017 the subsidiary CBA was allegedly assessed in error relation to the fiscal classification of the importation of inputs, for tax enforcement purposes (IPI, PIS, COFINS E II), in the amount of R\$ 156. The subsidiary understands that the assessment is improper and presented its impugnation. Currently, the subsidiary is awaiting an administrative decision in the first instance.

For the other cases, there were no changes compared to Note 23 (e.1) to the last annual financial statements.

(c.2) Comments on contingent civil liabilities with likelihood of loss considered possible

Nature	6/30/2017	12/31/2016
Public civil suit – Violation of the economic order	3,770	3,630
Administrative investigations carried out by the Secretariat of Economic Law	2,220	2,128
Litigation with a São Paulo transportation company	183	179
Indemnity lawsuits	44	57
Other lawsuits	1,144	1,233
	7,361	7,227

There were no material changes in relation to those detailed in Note 23 (e.3) to the last annual financial statements.

22 Equity

(a) Share capital

On June 30, 2017 and December 31, 2016, the fully subscribed and paid-up capital of the Company was R\$ 28,656, consisting of 18,278,789 thousand common shares.

(b) Dividends

In first semester of 2017, the Company decided on a dividend of R\$ 133 of dividends related to portion of the revenue reserves account, which accumulated up to December 31, 2016.

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(c) Carrying value adjustments

	Currency translation of investees located abroad	Hedge accounting for net investments abroad, net of taxes	Hedge accounting for the operations of subsidiaries	Remeasurement of retirement benefits	Other comprehensive income	Total
At January 1, 2016	10,757	(6,598)	(82)	2	(1,112)	2,967
Other comprehensive income						
Currency translation of investees located abroad	(4,824)					(4,824)
Hedge accounting for net investments abroad, net of taxes		2,227				2,227
Hedge accounting for the operations of subsidiaries			93			93
Remeasurement of retirement benefits				3		3
Fair value of available-for-sale financial assets of non-consolidated investments					224	224
Realization of comprehensive income on disposals of investments	(44)					(44)
Share in other comprehensive income of investees					(60)	(60)
Total contributions by and distributions to shareholders						
Fair value of the share increase in subsidiary Milpo					571	571
At June 30, 2016	5,889	(4,371)	11	5	(377)	1,157
At January 1, 2017	6,204	(4,565)	(30)	(35)	(319)	1,255
Other comprehensive income						
Currency translation of investees located abroad	539					539
Hedge accounting for net investments abroad, net of taxes		(224)				(224)
Hedge accounting for the operations of subsidiaries			(52)			(52)
Remeasurement of retirement benefits				(3)		(3)
Fair value of available-for-sale financial assets of non-consolidated investments					(37)	(37)
Realization of comprehensive income on disposals of investments					(85)	(85)
Share of other comprehensive income of investees					19	19
At June 30, 2017	6,743	(4,789)	(82)	(38)	(422)	1,412

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23 Net revenue

	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016
Gross revenue		
Sales of products - domestic market	4,903	5,676
Sales of products - foreign market	6,641	6,961
Supply of electrical energy	3,149	2,657
Services provided	225	332
	14,918	15,626
Taxes on sales, services and other deductions	(2,161)	(2,343)
Net revenue	12,757	13,283

24 Expenses by nature

	1/1/2017 to 6/30/2017			1/1/2016 to 6/30/2016	
	Cost of products sold and services	Selling	General and administrative	Total	Total
Raw materials, inputs and consumables	6,552	27	5	6,584	6,600
Employee benefit expenses	1,338	178	522	2,038	2,241
Depreciation, amortization and depletion	1,115	25	49	1,189	1,340
Outsourced services	468	21	190	679	708
Transportation expenses	39	391	5	435	537
Other expenses	514	127	202	843	865
	10,026	769	973	11,768	12,291

25 Employee benefit expenses

	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016
Salaries and bonuses	1,249	1,354
Payroll charges	490	568
Benefits	299	319
	2,038	2,241

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26 Other operating income (expenses), net

	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016
Judicial reversals, net	382	18
Realization of other comprehensive income of on sale of China operations (Note 1 (b))	27	
Financial instrument - firm commitment (i)	(314)	(57)
Gain (loss) on sale of investments, net (ii)	(193)	312
Spending on not activatable projects	(91)	(78)
Write-off of goodwill on the sale of China's operations (Note 1 (b))	(83)	
Expenses with environmental obligations	(41)	
Contingency expenses	(42)	(4)
Gain (loss) on sale of fixed and intangible assets, net	(38)	43
Loss on hedge	(19)	(55)
Recovery of taxes	(16)	2
Fair value of biological assets	(13)	5
Special mining tax	(10)	
Reinsurance operations	(9)	
Other expenses, net	(73)	(56)
	(533)	112

(i) The realization of the financial instrument is recorded against the sales revenue, in accordance with the physical delivery of energy (Note 13).

(ii) Refers the loss of investments in the transaction in the long steel segment, in the amount of R\$ (210) MM and the gain on the sale of the investment in Minera Rayrock, in the amount of R\$ 16 MM.

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27 Finance results, net

	1/1/2017 to 6/30/2017	1/1/2016 to 6/30/2016
Finance income		
Income from financial investments	318	384
Reversal of monetary restatement of provision	190	
Monetary updating of assets	93	64
Interest on financial assets	76	77
Interest and monetary restatement - use of public assets (i)	26	
Discounts obtained	23	10
Fair value of borrowings	21	105
Interest on related-party transactions (Note 12)	5	13
Discount on repurchase of bonds		170
Other finance income	18	7
	770	830
Finance costs		
Interest on borrowing	(854)	(866)
Capitalization of borrowing costs	30	22
Monetary restatement of provision	(95)	(76)
Fair value of loans and financing	(66)	(49)
Interest on anticipation of receivables	(50)	(51)
Adjustment to present value CPC 12	(47)	(32)
Income tax on remittances of interest abroad	(45)	(55)
"PIS/COFINS" on financial results	(22)	(34)
Borrowing fees	(21)	(37)
Discounts granted	(7)	(17)
Interest and monetary restatement - use of public assets (i)	(2)	(86)
Interest on related party transactions (Note 12)		(2)
Other finance costs	(87)	(119)
	(1,266)	(1,402)
Result of derivative financial instruments (Note 5.3 (b))		
Revenue		21
Expenses	(87)	(954)
	(87)	(933)
Foreign exchange variation, net	(143)	470
Finance results, net	(726)	(1,035)

(i) In the second quarter of 2017, the Company recognized a monetary restatement revenue on UBP - use of public assets, due of the index used for updating (IGP-M "General Market Price Index") has been negative.

28 Insurance

The Company and its subsidiaries maintain property risk insurance coverage amounting to R\$ 53,951 and for loss of income amounting to R\$ 7,551 at June 30, 2017. The Company's management considers these amounts sufficient to cover eventual property risks and loss of profits.

29 Assets and liabilities classified as held-for-sale

(a) Long steel segment

On February 22, 2017, AMB and VSA entered into an agreement under which VS will become a subsidiary of AMB and VSA will hold a minority interest of 15% in the capital of AMB.

Votorantim's long steel operations in Argentina (Acerbrag) and Colombia (PazdelRío) were not included in the transaction. The agreement is subject to prior regulatory approvals in Brazil, including the approval of the Administrative Council for Economic Defense ("CADE").

The Company began to negotiate its long steel operations in Brazil, which are conducted by the subsidiary VS and, as a result, the assets and liabilities of these operations were classified as held-for-sale. Briefly, the balances are:

	Assets	Liabilities
Assets classified as held-for-sale - long steel Brazil	2,125	1,522
Net investment		603

In compliance with the accounting rules for assets classified as held-for-sale, the Company carried out the valuation of the long steel operations in Brazil at fair value and recognized an impairment of R\$ 988, which was recorded as an expense in "Other operating income, net". The tax effects, in the amount of R\$ 336, related to deferred income tax and social contribution were recognized in the respective income statement accounts and, therefore, the net effect was R\$ 652.

In the first semester of 2017, VSA contributed, in the amount of R\$ 170, to the share capital in VS. As this contribution will not be subject to adjustment in the negotiation, this amount was classified as a reduction in assets classified as held-for-sale and expenses for impairment under "Other operating income (expenses), net". The tax effects, in the amount of R\$ 58, related to deferred income tax and social contribution were recognized in the respective income statement accounts and, therefore, the net effect was R\$ 112.

Also in the first semester of 2017, Votorantim's long steel operations in Argentina deliberated dividends to VS, in the amount of R\$ 40. As the operations in the Argentina have not been included in the transaction, the amount to receive has been reclassified to "Other operating income (expenses), net". The deferred income tax and social contribution recorded was R\$14, resulting in the net effect of R\$ 26 in the income statement.

Operating losses of the long steel operation in the amount of R\$ 97, at June 30, 2016, were retained in the statement of income and reclassified from "Continuing operations" to "Discontinued operations".

Considering that the asset classified as held-for-sale is recorded at its fair value, consequently, not was revalued by equity in the results of investees on June 30, 2017.

(b) Cement segment

The subsidiary Votorantim Cimentos EAA Inversões S.L. - ("VCEAA") realized a sale of assets and liabilities related the operations localized in the China, Suzhou Nanda Cement Co. Ltd., Hua Wo Cement Co. Ltd. - (Shandong) e Hua Wo Cement Co. Ltd. - (Hua'an), Note 1 (b).

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30 Supplemental information – Business segments

In order to provide a higher level of information, the Company has elected to disclose financial information by business segment. The following information refers to the division of VSA by business segments and considers the elimination of balances and transactions between companies before: (i) eliminations between business segments; (ii) elimination of investments held by the holding companies.

In addition, the eliminations and reclassifications between companies are highlighted, so that the net result corresponds to the consolidated financial information of VSA disclosed as supplementary information. This supplementary information is not intended to comply with and is not required by accounting practices adopted in Brazil or by IFRS.

(a) Capital management

The financial leverage ratios are calculated according to the information of the industrial segments, considering the accumulated result of 12 months, as loan covenants, and are summarized as follows:

	Note	Industrial segments	
		7/1/2016 to 6/30/2017	1/1/2016 to 12/31/2016
Adjusted EBITDA			
Profit (loss) for the period		(1,704)	(1,250)
Plus (less):			
Equity in the results of investees - continuing operations		(654)	(787)
Equity in the results of investees - discontinued operations		(4)	(18)
Net financial results - continuing operations		1,444	1,759
Net financial results - discontinued operations		(17)	84
Income and social contribution taxes - continuing operations		(343)	(395)
Income and social contribution taxes - discontinued operations		5	3
Depreciation, amortization and depletion - continuing operations		2,513	2,664
Depreciation, amortization and depletion - discontinued operations		(3)	124
EBITDA before other additions and exceptional items		1,237	2,184
Plus :			
Dividends received		230	188
Extraordinary items			
EBITDA - discontinued operations		225	75
Gain on sale of investments, net		249	(312)
Impairment - property, plant, equipment		1,113	1,120
Impairment of investments		988	1,031
Fair value of biological assets		16	(2)
Other		48	1
Adjusted annualized EBITDA (A)		4,106	4,285
Net debt			
Borrowing	17	25,801	24,419
Cash and cash equivalents, financial investments and derivative financial instruments		(9,848)	(9,691)
Net debt (B)		15,953	14,728
Gearing ratio (A/B)		3.89	3.44

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(b) Balance sheet – business segments

	6/30/2017									
Assets	Cement	Zinc and byproducts ("VMH")	Aluminum ("CBA")	Steel (*)	Holding and other	Eliminations and reclassifications	Total, industrial segments	Votorantim Finanças	Eliminations and reclassifications	Total, consolidated
Current										
Cash and cash equivalents, financial investments and derivative financial instruments	4,179	3,859	1,154	45	1,129		10,366	104		10,470
Trade receivables	994	432	380	260	677	(236)	2,507			2,507
Inventory	1,446	885	610	294	93		3,328			3,328
Taxes recoverable	244	236	421	50	199		1,150	84		1,234
Dividends receivable			26		176	(176)	26			26
Financial instruments - firm commitment			128		109		237			237
Other assets	293	93	41	41	39		507			507
	7,156	5,505	2,760	690	2,422	(412)	18,121	188		18,309
Assets classified as held-for-sale					2,125		2,125			2,125
	7,156	5,505	2,760	690	4,547	(412)	20,246	188		20,434
Non-current assets										
Long-term receivables										
Financial investments and derivative financial instruments	61	28	15		151		255			255
Taxes recoverable	585	109	624	15	438		1,771			1,771
Related parties	64	4	361	12	2,206	(2,453)	194			194
Deferred income tax and social contribution	1,151	772	788	30	1,172	263	4,176	20		4,196
Judicial deposits	668	40	60	1	36		805			805
Financial instruments - firm commitment			155				155			155
Other assets	611	72	11	3	186		883			883
	3,140	1,025	2,014	61	4,189	(2,190)	8,239	20		8,259
Investments	1,108	1	216		32,904	(20,742)	13,487	4,883	(4,924)	13,446
Property, plant and equipment	12,703	5,828	4,715	919	1,272		25,437	1		25,438
Biological assets			4	6	54		64			64
Intangible assets	5,986	6,887	638	65	280	(809)	13,047			13,047
	22,937	13,741	7,587	1,051	38,699	(23,741)	60,274	4,904	(4,924)	60,254
Total assets	30,093	19,246	10,347	1,741	43,246	(24,153)	80,520	5,092	(4,924)	80,688

(*) Relates to long steel operations abroad (Argentina and Colombia).

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										6/30/2017
	Cement	Zinc and byproducts ("VMH")	Aluminum ("CBA")	Steel (*)	Holding and other	Eliminations and reclassifications	Total, industrial segments	Votorantim Finanças	Eliminations and reclassifications	Total, consolidated
Liabilities and equity										
Current liabilities										
Borrowing	1,151	137	178	48	331		1,845			1,845
Derivative financial instruments	145	113	103		46		407			407
Confirming payable	513	345		41			899			899
Trade payables	1,009	882	376	178	575	(214)	2,806			2,806
Salaries and payroll charges	310	176	94	26	57		663			663
Taxes payable	216	87	41	87	34		465			465
Advances from customers	46	3	6	120	4		179			179
Dividends payable	168	12	10	1	42	(182)	51			51
Use of public assets	33	5	31				69			69
Related parties			222			(222)				
Deferred revenue - performance obligation					243		243			243
Other	351	177	56	26	75		685	1		686
	3,942	1,937	1,117	527	1,407	(618)	8,312	1		8,313
Liabilities related to assets as held-for-sale					1,522		1,522			1,522
	3,942	1,937	1,117	527	2,929	(618)	9,834	1		9,835
Non-current liabilities										
Borrowing	14,851	4,517	2,586	5	1,997		23,956			23,956
Derivative financial instruments	267	12			87		366			366
Deferred income tax and social contribution	542	1,100	1		196		1,839	168		2,007
Related parties	53	370	921	532	404	(2,255)	25			25
Provision	931	760	457	89	122		2,359			2,359
Use of public assets	448	75	545				1,068			1,068
Pension plan	188			137			325			325
Financial instruments - firm commitment	5				24		29			29
Deferred revenue - performance obligation					391		391			391
Other	204	955	50	101	99		1,409			1,409
	17,489	7,789	4,560	864	3,320	(2,255)	31,767	168		31,935
Total liabilities	21,431	9,726	5,677	1,391	6,249	(2,873)	41,601	169		41,770
Equity										
Total equity attributable to owners of the Company	8,111	5,454	4,670	246	36,997	(19,278)	36,200	4,923	(4,924)	36,199
Non-controlling interests	551	4,066		104		(2,002)	2,719			2,719
Total equity	8,662	9,520	4,670	350	36,997	(21,280)	38,919	4,923	(4,924)	38,918
Total liabilities and equity	30,093	19,246	10,347	1,741	43,246	(24,153)	80,520	5,092	(4,924)	80,688

(*) Relates to long steel operations abroad (Argentina and Colombia).

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(c) Statement of income – business segments

	1/1/2017 to 6/30/2017									
	Cement	Zinc and byproducts ("VMH")	Aluminum ("CBA")	Steel (**)	Holding and other	Eliminations and reclassifications	Total, industrial segments	Votorantim Finanças	Eliminations and reclassifications	Total, consolidated
Continuing operations										
Net revenue from products sold and services rendered	5,392	3,456	2,285	759	2,155	(1,290) (*)	12,757			12,757
Cost of products sold and services rendered	(4,327)	(2,445)	(1,940)	(635)	(1,969)	1,290 (*)	(10,026)			(10,026)
Gross profit	1,065	1,011	345	124	186		2,731			2,731
Operating income (expenses)										
Selling	(527)	(134)	(36)	(42)	(30)		(769)			(769)
General and administrative	(417)	(232)	(89)	(54)	(172)		(964)	(9)		(973)
Other operating income (expenses), net	200	(160)	(140)	12	(445)		(533)			(533)
	(744)	(526)	(265)	(84)	(647)		(2,266)	(9)		(2,275)
Operating profit (loss) before equity results and finance results	321	485	80	40	(461)		465	(9)		456
Result from equity investments										
Equity in the results of investees	73		33		332	57	495	112	(112)	495
Realization of other comprehensive income on disposal of investments	3					1	4			4
	76		33		332	58	499	112	(112)	499
Finance results, net										
Finance income	445	67	122	7	187	(67)	761	9		770
Finance costs	(736)	(147)	(215)	(41)	(194)	67	(1,266)			(1,266)
Result of derivative financial instruments	(53)	(1)			(33)		(87)			(87)
Foreign exchange gains (losses), net	(119)	(8)	15	3	(20)	(14)	(143)			(143)
	(463)	(89)	(78)	(31)	(60)	(14)	(735)	9		(726)
Profit (loss) before income tax and social contribution	(66)	396	35	9	(189)	44	229	112	(112)	229
Income tax and social contribution										
Current	(73)	(126)	39	(28)	(16)		(204)			(204)
Deferred	42	4	(216)	13	171	4	18			18
Profit (loss) from continuing operations	(97)	274	(142)	(6)	(34)	48	43	112	(112)	43
Discontinued operations										
Loss from discontinued operations	(35)						(35)			(35)
Profit (loss) for the semester	(132)	274	(142)	(6)	(34)	48	8	112	(112)	8
Profit (loss) attributable to the owners of the Company	(83)	203	(142)	(14)	(34)	80	10	112	(112)	10
Profit (loss) attributable to non-controlling interests	(49)	71		8		(32)	(2)			(2)
Profit (loss) for the semester	(132)	274	(142)	(6)	(34)	48	8	112	(112)	8

(*) Relates to the net revenue from electric energy operations (Votener and CBA).

(**) Relates to long steel operations abroad (Argentina and Colombia).

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	1/1/2016 to 6/30/2016										
	Cement	Zinc and byproducts ("VMH")	Aluminum ("CBA")	Steel (***)	Nickel (**)	Holding and other	Eliminations and reclassifications	Total, industrial segments	Votorantim Finanças	Eliminations and reclassifications	Total, consolidated
Continuing operations											
Net revenue from products sold and services rendered	6,255	3,124	2,033	816	332	2,107	(1,384) (*)	13,283			13,283
Cost of products sold and services rendered	(4,757)	(2,371)	(1,732)	(635)	(457)	(1,886)	1,384 (*)	(10,454)			(10,454)
Gross profit (loss)	1,498	753	301	181	(125)	221		2,829			2,829
Operating income (expenses)											
Selling	(550)	(164)	(49)	(44)	(5)	(26)		(838)			(838)
General and administrative	(437)	(180)	(79)	(64)	(55)	(177)		(992)	(7)		(999)
Other operating income (expenses), net	364	(123)	(98)	8	(74)	35		112			112
	(623)	(467)	(226)	(100)	(134)	(168)		(1,718)	(7)		(1,725)
Operating profit (loss) before equity results and finance results	875	286	75	81	(259)	53		1,111	(7)		1,104
Result from equity investments											
Equity in the results of investees	52	(1)	91		13	1,619	(1,186)	588	(37)	35	586
Realization of other comprehensive income on disposal of investments	44							44			44
	96	(1)	91		13	1,619	(1,186)	632	(37)	35	630
Finance results, net											
Finance income	572	28	63	16	28	168	(61)	814	16		830
Finance costs	(890)	(102)	(229)	(42)	(37)	(162)	61	(1,401)	(1)		(1,402)
Result of derivative financial instruments	(723)	(5)	2		(5)	(202)		(933)			(933)
Foreign exchange gains (losses), net	455	493	524	(4)	270	13	(1,281)	470			470
	(586)	414	360	(30)	256	(183)	(1,281)	(1,050)	15		(1,035)
Profit (loss) before income tax and social contribution	385	699	526	51	10	1,489	(2,467)	693	(29)	35	699
Income tax and social contribution											
Current	(112)	(106)	(20)	(43)		(24)		(305)	(2)		(307)
Deferred	12	(108)	(154)	18		59	344	171	(4)		167
Profit (loss) for the semester from continuing operations	285	485	352	26	10	1,524	(2,123)	559	(35)	35	559
Discontinued operations											
Loss from continuing operations						(97)		(97)			(97)
Profit (loss) for the semester	285	485	352	26	10	1,427	(2,123)	462	(35)	35	462
Profit (loss) attributable to the owners of the Company	263	414	352	32	10	1,427	(2,096)	402	(35)	35	402
Profit (loss) attributable to non-controlling interests	22	71		(6)			(27)	60			60
Profit (loss) for the semester	285	485	352	26	10	1,427	(2,123)	462	(35)	35	462

(*) Relates to the net revenue from electric energy operations (Votener and CBA).

(**) Corresponds to the period between January 1 and June 30, 2016, as VMISA was merged into CBA on July 1, 2016.

(***) Relates to long steel operations abroad (Argentina and Colombia).

(d) Adjusted EBITDA – business segments

	1/1/2017 to 6/30/2017								
	Cement	Zinc and byproducts ("VMH")	Aluminum ("CBA")	Steel (***)	Holding and other	Eliminations and reclassifications	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	5,392	3,456	2,285	759	2,155	(1,290) (*)	12,757		12,757
Cost of products sold and services rendered	(4,327)	(2,445)	(1,940)	(635)	(1,969)	1,290 (*)	(10,026)		(10,026)
Gross profit	1,065	1,011	345	124	186		2,731		2,731
Operating income (expenses)									
Selling	(527)	(134)	(36)	(42)	(30)		(769)		(769)
General and administrative	(417)	(232)	(89)	(54)	(172)		(964)	(9)	(973)
Other operating income (expenses), net	200	(160)	(140)	12	(445)		(533)		(533)
	(744)	(526)	(265)	(84)	(647)		(2,266)	(9)	(2,275)
Operating profit (loss) before equity results and finance results	321	485	80	40	(461)		465	(9)	456
Plus:									
Depreciation, amortization and depletion - continuing operations	504	430	171	53	31		1,189		1,189
EBITDA	825	915	251	93	(430)		1,654	(9)	1,645
Plus:									
Dividends received	34		25		116		175	51	226
Exceptional items									
Loss (gain) on sale of investments, net	55	(16)			210		249		249
Constitution (reversal) for impairment - fixed assets	30		(23)				7		7
Fair value of biological assets					13		13		13
Other					47		47		47
Adjusted EBITDA	944	899	253	93	(44)		2,145	42	2,187

(*) Relates to the net revenue from electric energy operations (Votener and CBA).

(**) Relates to long steel operations abroad (Argentina and Colombia).

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	1/1/2016 to 6/30/2016									
	Cement	Zinc and byproducts ("VMH")	Aluminum ("CBA")	Steel (***)	Nickel (**)	Holding and other	Eliminations and reclassifications	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	6,255	3,124	2,033	816	332	2,107	(1,384) (*)	13,283		13,283
Cost of products sold and services rendered	(4,757)	(2,371)	(1,732)	(635)	(457)	(1,886)	1,384 (*)	(10,454)		(10,454)
Gross profit (loss)	1,498	753	301	181	(125)	221		2,829		2,829
Operating income (expenses)										
Selling	(550)	(164)	(49)	(44)	(5)	(26)		(838)		(838)
General and administrative	(437)	(180)	(79)	(64)	(55)	(177)		(992)	(7)	(999)
Other operating income (expenses), net	364	(123)	(98)	8	(74)	35		112		112
	(623)	(467)	(226)	(100)	(134)	(168)		(1,718)	(7)	(1,725)
Operating profit (loss) before equity results and finance results	875	286	75	81	(259)	53		1,111	(7)	1,104
Plus:										
Depreciation, amortization and depletion - continuing operations	526	499	153	67	37	58		1,340		1,340
EBITDA	1,401	785	228	148	(222)	111		2,451	(7)	2,444
Plus:										
Dividends received	13		32			88		133	57	190
Exceptional items										
Loss (gain) on sale of investments, net	(297)	(2)	24			(37)		(312)		(312)
Constitution (reversal) for impairment - fixed assets	15	(1)	1		(1)	43		57		57
Fair value of biological assets						(5)		(5)		(5)
Adjusted EBITDA	1,132	782	285	148	(223)	200		2,324	50	2,374

(*) Relates to the net revenue from electric energy operations (Votener and CBA).

(**) Corresponds to the period between January 1 and June 30, 2016, as VMSA was merged into CBA on July 1, 2016.

(***) Relates to long steel operations abroad (Argentina and Colombia).

31 Subsequent events

On July 07, 2017, the subsidiary Ventos de São Vicente Energias Renováveis S.A. concluded its first debentures issuance in the amount of R\$ 100, with restricted placement efforts. The issue has been made out according to the 2nd article of Law 12,431, in view of the framework as a priority project by the Ministry of Mines and Energy. The issue is guaranteed by the VSA and rating AAA (bra) by Fitch, with last maturing in the June, 2024 and remuneration of IPCA + 5.4739% a.a. The resources this new borrowing will be used to develop of wind farms in the Piauí.

On July 21, 2017, the Company decided to increase the share capital in the investee VS, in the amount of R\$ 30.

On August 3, 2017, the subsidiary VCSA amortized in advance a portion in the amount of R \$ 240, of the third public issuance of debentures, due in February 2020.

On August 3, 2017, the subsidiary VCSA realized the pre-payment of the borrowing's contract relative to Resolution 4131, in the amount of USD 50 (R\$ 166), signed on the September 2, 2015. The swap's contract linked to this borrowing was also liquidated.