(A free translation of the original in Portuguese)

Votorantim Industrial S.A.

Consolidated condensed interim financial statements at March 31, 2015 and report on review

(A free translation of the original in Portuguese)

Report on review of interim condensed interim financial statements

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

Introduction

We have reviewed the accompanying consolidated condensed interim balance sheet of Votorantim Industrial S.A. and its subsidiaries (the "Company"), as at March 31, 2015 and the related consolidated condensed statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of the consolidated condensed interim consolidated 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 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 of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements referred to above have not been 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).

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Votorantim Industrial S.A.

Other matters

Condensed statements of value added

We have reviewed the consolidated condensed statements of value added for the quarter ended March 31, 2015, prepared under the responsibility of the Company's management and presented as supplementary information. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the consolidated condensed interim financial statements taken as a whole.

Information by business unit

We have also reviewed the supplementary information by business unit, described in Note 33, which is the responsibility of the Company's management. This information is presented in order to provide additional information on Votorantim Industrial S.A. and its subsidiaries, and is not intended to comply with and is not required by IFRS or accounting practices adopted in Brazil. This information has been subjected to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that it is not prepared, in all material respects, in a manner consistent with the interim consolidated condensed financial statements taken as a whole.

Curitiba, May 18, 2015

PricewaterhouseCoopers
PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

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

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Interim consolidated balance sheet
All amounts in millions of reais (A free translation of the original in Portuguese)

	Note	3/31/2015	12/31/2014
Assets			
Current assets			
Cash and cash equivalents	7	3,799	3,564
Financial investments	8	3,101	3,846
Derivative financial instruments	5.1.1	161	105
Trade receivables	9	2,735	2,466
Inventory	10	3,968	3,473
Taxes recoverable	11	1,139	1,086
Dividends receivable	13	63	45
Financial instruments - firm commitment	14	393	405
Other assets	15	477	467
		15,836	15,457
Assets classified as held for sale	12	1,386	849
		17,222	16,306
Non-current assets			
Long-term receivables			
Financial investments	8	17	19
Derivative financial instruments	5.1.1	370	197
Taxes recoverable	11	1,406	1,524
Related parties	13	2,900	2,482
Deferred income tax and social contribution	20 (b)	3,088	2,205
Judicial deposits	22 (b)	391	434
Financial instruments - firm commitment	14	836	889
Other assets	15	337	297
		9,345	8,047
Investments	16	5,883	6,270
Property, plant and equipment	17	27,111	26,037
Biological assets		134	134
Intangible assets	18	14,136	12,518
		56,609	53,006
Total assets		73,831	69,312

	Note	3/31/2015	12/31/2014
Liabilities and equity			
Current liabilities			
Borrowing	19	1,731	1,530
Derivative financial instruments	5.1.1	366	242
Trade payables		3,407	3,242
Payables - trading		109	116
Salaries and payroll charges		576	791
Income tax and social contribution		220	108
Taxes payable		417	385
Dividends payable to the owners of the Company	13	227	379
Dividends payable to non-controlling interests	13	11	10
Use of public assets	23	64	64
Other liabilities	21	877	874
		8,005	7,741
Liabilities related to assets held for sale	12	701	461
		8,706	8,202
Non-current liabilities			
Borrowing	19	24,075	22,473
Derivative financial instruments	5.1.1	4	3
Deferred income tax and social contribution	20 (b)	1,634	1,513
Related parties	13	1,110	895
Tax, civil, labor and environmental provisions	22	1,946	1,923
Use of public assets	23	973	954
Pension plan		345	303
Other liabilities	21	1,215	1,310
		31,302	29,374
Total liabilities		40,008	37,576
Equity	24		
Share capital		20,363	20,363
Revenue reserves		7,295	7,295
Retained earnings		34	
Carrying value adjustments		1,958	589
Total equity attributable to owners of the Company		29,650	28,247
Non-controlling interests		4,173	3,489
Total equity		33,823	31,736
Total liabilities and equity		73,831	69,312

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

Votorantim Industrial S.A.

Interim consolidated statement of income
Quarters ended March 31
All amounts in millions of reais unless otherwise stated (A free translation of the original in Portuguese)

	Note	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Continuing operations			
Net revenue from products sold and services rendered	25	7,084	6,781
Cost of products sold and services rendered	28	(5,287)	(4,897)
Gross profit		1,797	1,884
Operating income (expenses)			
Selling	28	(430)	(441)
General and administrative	28	(554)	(500)
Other operating income (expenses), net	26	(29)	(81)
		(1,013)	(1,022)
Operating profit before equity results and finance results		784	862
Result from equity investments			
Equity in the results of investees	16	(150)	29
Finance results, net	27		
Finance costs		(663)	(993)
Finance income		444	170
Foreign exchange gains (losses), net		(229)	75
		(448)	(748)
Profit before income tax and social contribution		186	143
Income tax and social contribution	20 (a)		
Current		(199)	(164)
Deferred		53	35
Profit for the quarter from continuing operations		40	14
Discontinued operations			
Profit (loss) for the period from discontinued operations	12 (f)	33	(6)
Profit for the quarter		73	8
Profit attributable to the owners of the Company		52	(6)
Profit (loss) attributable to non-controlling interests		21	14
Profit for the quarter		73	8
Weighted average number of shares - thousands		17,814,608	17,687,579
Basic and diluted earnings (loss) per thousand shares		2.92	(0.34)
From continuing operations:			
Basic and diluted earnings per thousand shares		1.07	
From discontinued operations:			
Basic and diluted earnings (loss) per thousand shares		1.85	(0.34)

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Votorantim Industrial S.A.

Interim consolidated statement of comprehensive income
Quarters ended March 31
All amounts in millions of reais unless otherwise stated (A free translation of the original in Portuguese)

	Note	1/1/2015 to 3/31/2015	1/1/2014 a 3/31/2014
Profit for the quarter		73	8
Other components of comprehensive income net of income tax and social contribution to be subsequently reclassified to profit or loss			
Foreign exchange gains on foreign investments		3,559	(807)
Hedge accounting for net investments in foreign operations, net of taxes	5.1.3	(1,503)	224
Hedge accounting for the operations of subsidiaries		(44)	27
Share in other comprehensive income of investees		14	
		2,026	(556)
Other components of comprehensive income net of income tax and social contribution that will not be reclassified to profit or loss			
Remeasurement of retirement benefits		(3)	(5)
Other comprehensive income for the quarter		2,023	(561)
Total comprehensive income for the quarter		2,096	(553)
Comprehensive income attributable to			
Owners of the Company		1,421	(413)
Non-controlling interests		675	(140)
		2,096	(553)

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

Votorantim Industrial S.A.
Interim statement of changes in equity
Quarters ended March 31
All amounts in millions of reais unless otherwise stated (A free translation of the original in Portuguese)

		Attributable to owners of the Company								
			Revenue reserves							
	Note	Share capital	Tax incentives	Legal	Profit retention	Retained earnings	Carrying value adjustments	Total	Non-controlling interests	Equity
At January 1, 2015		20,363	6	635	6,654		589	28,247	3,489	31,736
Total comprehensive income for the period										
Profit for the period						52		52	21	73
Components of comprehensive income for the period							1,369	1,369	654	2,023
Total comprehensive income for the period						52	1,369	1,421	675	2,096
Total contributions by and distributions to stockholders										
Securities convertible into shares	24 (b)					(18)		(18)		(18)
Increase in non-controlling interests - Yacuces									9	9
Total contributions by and distributions to stockholders						(18)		(18)	9	(9)
At March 31, 2015		20,363	6	635	6,654	34	1,958	29,650	4,173	33,823

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

Votorantim Industrial S.A.
Interim statement of changes in equity
Quarters ended March 31
All amounts in millions of reais unless otherwise stated (A free translation of the original in Portuguese)

		Attributable to owners of the Company								
			Revenue reserves							
	Note	Share capital	Tax incentives	Legal	Profit retention	Retained loss	Carrying value adjustments	Total	Non-controlling interests	Equity
At January 1, 2014		20,167	6	555	5,733		61	26,522	3,431	29,953
Total comprehensive income for the period										
Profit (loss) for the period						(6)		(6)	14	8
Components of comprehensive income for the period							(407)	(407)	(154)	(561)
Total comprehensive income for the period						(6)	(407)	(413)	(140)	(553)
Total contributions by and distributions to stockholders										
Securities convertible into shares	24 (b)					(15)		(15)		(15)
Acquisition of non-controlling interests					(72)			(72)	(100)	(172)
Reclassification from non-controlling interests to revenue reserve					(43)			(43)	43	
Dividends (R$ 0.01 per share)	24 (c)				(219)			(219)		(219)
Total contributions by and distributions to stockholders					(334)	(15)		(349)	(57)	(406)
At March 31, 2014		20,167	6	555	5,399	(21)	(346)	25,760	3,234	28,994

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

Votorantim Industrial S.A.

Interim consolidated statement of cash flows
Quarters ended March 31
All amounts in millions of reais (A free translation of the original in Portuguese)

	Note	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Cash flow from operating activities			
Profit before income tax and social contribution from continuing operations		186	162
Profit (loss) on discontinued operations		33	(6)
Adjustments of items that do not represent changes in cash and cash equivalents			
Interest, indexation and foreign exchange gains		358	361
Equity in the results of investees	16	150	(29)
Depreciation, amortization and depletion	17 and 18	617	567
Loss on sale of non-current assets		7	1
Call options			96
Change in fair value of biological assets		1	(1)
Derivative financial instruments		(153)	15
Financial instruments – firm commitment		65	
Provision		27	94
		1,291	1,260
Changes in assets			
Financial investments		862	1,877
Derivative financial instruments		16	24
Trade receivables		(288)	(35)
Inventory		(484)	38
Taxes recoverable		65	176
Related parties		3	
Other receivables and assets		(13)	(465)
Changes in liabilities			
Trade payables		165	(48)
Payables - trading		(3)	(18)
Salaries and payroll charges		(215)	(265)
Taxes payable		45	(124)
Use of public assets		28	36
Other obligations and liabilities		(23)	(142)
Cash provided by operations		1,449	2,314
Interest paid on borrowing and use of public assets		(329)	(312)
Premium paid on the Tender Offer			(270)
Income tax and social contribution paid		(100)	(70)
Net cash provided by operating activities		1,020	1,662
Cash flow from investment activities			
Purchases of property, plant and equipment	17	(524)	(445)
Increase in biological assets		(3)	(5)
Increase in intangible assets	18	(8)	(2)
Disposal of investments		25	
Proceeds from sale of non-current assets		29	28
Dividends received		12	5
Net cash used in investment activities		(469)	(419)
Cash flow from financing activities			
New borrowing		579	1,438
Repayment of borrowing		(1,418)	(2,330)
Derivative financial instruments		55	(81)
Related parties		41	80
Acquisition of non-controlling interest - VCNNE			(172)
Acquisition of non-controlling interest - Yacuces		9	
Payment of dividends		(151)	(169)
Net cash used in financing activities		(885)	(1,234)
Increase (decrease) in cash and cash equivalents		(334)	9
Effect of fluctuations in exchange rates		569	(76)
Cash and cash equivalents at the beginning of the quarter		3,564	2,498
Cash and cash equivalents at the end of the quarter		3,799	2,431
Principal non-cash transactions			
Loans from FINAME for acquisition of property, plant and equipment		9	15
Transfer of assets classified as held for sale		374	
Transfer of liabilities related to assets classified as held for sale		(112)	

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

Votorantim Industrial S.A.

Interim consolidated statement of value added
Quarters ended March 31
All amounts in millions of reais (A free translation of the original in Portuguese)

	Note	1/1/2015 to 3/31/2015	1/1/2014 a 3/31/2014
Revenue			
Sales of products and services, less discounts and returns		8,391	7,794
Other operating income (expenses), net	26	(29)	(81)
Provision for impairment of trade receivables	9 (b)	(12)	(15)
		8,350	7,698
Inputs acquired from third parties			
Cost of products sold and services rendered		(4,513)	(4,270)
Gross value added		3,837	3,428
Depreciation, amortization and depletion		(617)	(567)
Net value added generated by the Company		3,220	2,861
Value added received through transfers			
Equity in the results of investees	16	(150)	29
Finance income and foreign exchange gains		2,214	798
		2,064	827
Total value added to distribute		5,284	3,688
Distribution of value added			
Personnel and payroll charges	29		
Direct remuneration		588	556
Social charges		260	236
Benefits		121	109
		969	901
Taxes and contributions			
Federal		754	523
State		784	686
Municipal		6	8
Deferred taxes		(53)	(35)
		1,491	1,182
Third-party capital remuneration			
Finance costs and foreign exchange losses		2,662	1,546
Rentals		89	51
		2,751	1,597
Own capital remuneration			
Non-controlling interests		21	14
Reinvested profits		19	
Profit (loss) on discontinued operations	12 (f)	33	(6)
		73	8
Value added distributed		5,284	3,688

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

1 General considerations

Votorantim Industrial S.A. (the "Company", the "Parent Company", or "VID") is a privately-held company, fully controlled by the Ermírio de Moraes family, and is the holding company of the industrial companies of Votorantim Participações S.A. ("VPAR"). 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 segments of basic construction materials (cement, concrete, aggregates and mortar), metals (aluminum, zinc and nickel), steel, mining (zinc, copper, silver and lead), pulp and electrical energy generation.

2 Presentation of the interim consolidated financial statements

(a) Basis of preparation

The interim consolidated financial statements at March 31, 2015 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 contain selected explanatory notes only, in order not to duplicate information already included in the consolidated financial statements at December 31, 2014, which were publicly disclosed on February 27, 2015.

Therefore, the interim consolidated financial statements at March 31, 2015 do not contain all of the explanatory notes and disclosures required by the accounting standards applicable to the annual financial statements. As a consequence, they should be read together with the consolidated financial statements at December 31, 2014, prepared in accordance with the relevant CPCs and International Financial Reporting Standards ("IFRS"), issued by the IASB.

The interim consolidated financial statements have been prepared in a manner consistent with the accounting policies disclosed in Note 2 to the consolidated financial statements at December 31, 2014.

(b) Approval of the financial statements

The Board of Directors approved these interim consolidated financial statements for issue on May 15, 2015.

All amounts in millions of reais unless otherwise stated

2.1 Main companies included in the interim consolidated financial statements

	Percentage of total and voting capital			
	3/31/2015	12/31/2014	Headquarters	Main activity
Cement				
Votorantim Cimentos N/NE S.A. "VCNNE"	100.00	100.00	Brazil	Cement
Votorantim Cimentos S.A. "VCSA"	100.00	100.00	Brazil	Cement
Acariúba Mineração e Participação Ltda.	100.00	100.00	Brazil	Holding company
Silcar Empreendimentos, Comércio e Participações Ltda.	100.00	100.00	Brazil	Holding company
Interávia Transportes Ltda.	100.00	100.00	Brazil	Transportation
St. Barbara Cement Inc.	100.00	100.00	Canada	Cement
Votorantim Cement North America Inc.- "VCNA"	100.00	100.00	Canada	Cement
Votorantim Cements Internacional Spain SE	100.00	100.00	Spain	Holding company
Votorantim Cimentos EAA Inversiones, S.L. - "VCEAA"	100.00	100.00	Spain	Holding company
St. Marys Cement Inc.	100.00	100.00	USA	Cement
Cementos Artigas S.A.	51.00	51.00	Uruguay	Cement
Aluminum				
Companhia Brasileira de Alumínio "CBA"	100.00	100.00	Brazil	Aluminum
Nickel				
Votorantim Metais S.A. "VMSA"	100.00	100.00	Brazil	Nickel
Polymetallics				
Votorantim Investimentos Latino-Americanos S.A. "VILA"	100.00	100.00	Brazil	Holding company
Votorantim Metais Zinco S.A. "VMZ"	100.00	100.00	Brazil	Zinc
US Zinc Corporation - "USZinc"	100.00	100.00	USA	Zinc
VM Holding S.A. - "VM Holding"	100.00	100.00	Luxembourg	Holding
Votorantim Metais Cajamarquilla S.A.	99.91	99.91	Peru	Zinc
Compañia Minera Atacocha S.A.A.	88.19	88.19	Peru	Mining
Compañia Minera Milpo S.A.A.	50.06	50.06	Peru	Mining
Steel				
Acerbrag S.A.	100.00	100.00	Argentina	Steel
Votorantim Siderurgia S.A. "VS"	100.00	100.00	Brazil	Steel
Acerías Paz del Río S.A. - "APDR"	82.42	82.42	Colombia	Steel
Holding, trading and other companies				
Votorantim GmbH	100.00	100.00	Austria	Trading company
Santa Cruz Geração de Energia S.A.	100.00	100.00	Brazil	Eletric energy
Votener - Votorantim Comercializadora de Energia Ltda	100.00	100.00	Brazil	Eletric energy
Votorantim Energia Ltda. "VE"	100.00	100.00	Brazil	Holding company
Votorantim Novos Negocios Ltda. "VNN"	100.00	100.00	Brasil	Holding company
Voto - Votorantim Overseas Trading Operations IV Ltd.	50.00	50.00	Cayman Islands	Holding company
Campos Novos Energia S.A.	44.76	44.76	Brazil	Eletric energy
Baesa - Energética Barra Grande S.A.	15.00	15.00	Brazil	Eletric energy
Exclusive investment funds				
Fundo de Investimento Pentágono Multimercado - Crédito Privado	100.00	100.00	Brazil	Finance
Odessa Multimercado Crédito Privado	93.94	89.94	Brazil	Finance

3 Changes in accounting policies and disclosures

(a) New standards not yet adopted

Some new standards and interpretations are to be applied for annual periods beginning on or after January 1, 2016 and have not been applied early in the preparation of these interim consolidated financial statements:

IFRS 9 - "Financial instruments: recognition and measurement"

This new standard addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 has the ultimate objective of superseding IAS 39 – "Financial Instruments: Recognition and Measurement". This standard is effective from January 1, 2018. Management is assessing the impact of its adoption.

IAS 41 – "Agriculture"

IAS 41 – Agriculture (equivalent to CPC 29 – "Biological Assets and Agricultural Produce") – currently requires that biological assets relating to agricultural activities be measured at fair value less costs to sell. When revising the standard, the IASB decided that bearer plants should be accounted for as property, plant and equipment (IAS 16/CPC 27), that is, at cost less depreciation or impairment. Bearer plants are defined as those used to produce fruits for many years, but where the plant itself, after maturing, does not undergo significant transformation. Their only future economic benefits are the agricultural produce they generate, (for example, apple and orange trees and grape vines). In the case of plants where the roots remain in the ground for a second harvest or cutting and the roots are not later sold, the roots meet the definition of bearer plants, which applies, therefore, to the Company's forests, which are expected to undergo more than one cutting. Therefore, Management is assessing the impact of adopting the standard. This revision is effective from January 1, 2016.

IFRS 15 – "Revenue from contracts with customers"

This new standard prescribes the principles that an entity should apply to measure the revenue and determine when it should be recognized. It will become effective in 2017, and supersedes IAS 11 – "Construction contracts" and IAS 18 – (CPC 30) "Revenue and related interpretations". At the meeting on April 28, 2015, the IASB decided to delay the effective date to January 1, 2018. Management is assessing the impact of the adoption of this standard.

The CPC has not yet issued equivalent new or revised standards in accordance with the accounting practices adopted in Brazil, and these new or revised standards are still subject to approval by the appropriate regulatory authorities. Therefore, these standards have not been applied in these financial statements. In general, the early adoption of new or revised standards and interpretations, although encouraged by the IASB, is not allowed under the accounting practices adopted in Brazil. Therefore, these new standards are not included in these financial statements.

There are no other standards or interpretations that are not yet effective that may have a material impact on the Company.

4 Critical accounting estimates and judgments

There are no relevant changes in critical accounting estimates and assumptions, compared to those described in Note 5 to the Company's annual consolidated financial statements at December 31, 2014.

5 Financial risk management

Below we present the updates of financial liabilities by maturity range (Note 5.1 (a)), derivatives contracted (Note 5.1.1), sensitivity analysis (Note 5.1.2), hedges of net investments in foreign operations (Note 5.1.3) and capital management (Note 5.1.4), considered relevant by management to quarterly monitoring.

5.1 Financial risk factors

The activities of the Company and its subsidiaries expose them to a variety of financial risks, namely: (a) market risk (including currency, commodity price and interest rate risk), (b) credit risk and (c) liquidity risk.

(a) Liquidity risk

The table below shows the Company's main financial liabilities to be settled by the Company by maturity (the remaining period from the balance sheet up to the contractual maturity date).

All amounts in millions of reais unless otherwise stated

Derivative 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 for borrowing, use of public assets and related parties.

	Up to 1 year	From 1 to 3 years	From 3 to 5 years	As from 5 years	Total
At March 31, 2015					
Borrowing - principal	1,232	6,285	7,068	10,719	25,304
Borrowing - interest	1,750	3,138	2,073	7,066	14,027
Derivative financial instruments	366	4			370
Trade payables	3,407				3,407
Payables - trading	109				109
Dividends payable	238				238
Related parties	31	1,079			1,110
Use of public assets	67	147	166	2,537	2,917
	7,200	10,653	9,307	20,322	47,482
At December 31, 2014					
Borrowing - principal	1,161	6,061	6,876	9,536	23,634
Borrowing - interest	1,579	2,904	1,936	5,935	12,354
Derivative financial instruments	242	3			245
Trade payables	3,242				3,242
Payables - trading	116				116
Dividends payable	389				389
Related parties	10	885			895
Use of public assets	66	144	163	2,546	2,919
	6,805	9,997	8,975	18,017	43,794

5.1.1 Derivatives contracted

The hedging instruments contracted by the Company are the same as those described in Note 6 to the annual consolidated financial statements at December 31,2014.

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

All amounts in millions of reais unless otherwise stated

Details of the main derivatives operations

Programs	Principal 3/31/2015	Principal 12/31/2014	As per Unit	Purchase / Sale	Average FWD rate		Average term (days)	Fair value 3/31/2015	Fair value 12/31/2014	Realized gain (loss) 3/31/2015	Fair value by maturity 2015	2016	2017	2018	2019	2020+
Hedging instruments for interest rates in US Dollar																
LIBOR floating rate vs. US Dollar fixed rate swaps		10	USD MM		2.56%	% fixed rate										
Hedging instruments for sales of nickel, zinc and aluminum at a fixed price																
Nickel forward	919	606	ton	P			52	0.2			0.2					
Zinc forward	5,989	1,663	ton	P			120	(1.1)	(0.2)	(0.3)	(1.0)	(0.1)				
Aluminum forward	4,635	2,500	ton	P			84	(0.4)	(0.6)	(0.6)	(0.4)					
								(1.3)	**(0.8)**	**(0.9)**	**(1.2)**	**(0.1)**				
Hedging instruments for mismatches of quotation periods																
Nickel forward	2,662	3,719	ton	P/S			26	0.3	2.9	3.8	0.3					
Zinc forward	354,036	371,386	ton	P/S			27	(3.4)	0.9	21.8	(3.4)					
Silver forward	481	366	k oz (*)	P			17	(0.2)	1.6	0.2	(0.2)					
Aluminum forward	23,931	17,881	ton	P/S			24	1.2	0.9	1.9	1.2					
								(2.1)	**6.3**	**27.7**	**(2.1)**					
Hedging instruments for the operating margin of metals					19,510											
Nickel forward	355	815	ton	S	2,158	USD/ton	1	6.6	(1.6)	(8.2)	6.6					
Zinc forward	11,980	10,730	ton	S	1,911	USD/ton	1	4.9	(1.8)	(6.8)	4.9					
Aluminum forward	5,400	5,400	ton	S	6,943	USD/ton	1	2.4		(2.4)	2.4					
Copper forward	130	160	ton	S	22	USD/ton	1	0.4	0.3	(0.1)	0.4					
Silver forward	18	56	k oz (*)	S	2.41	USD/oz	1	0.3	0.7	0.4	0.3					
US Dollar forward	32	34	USD MM	S	2.87	BRL/USD	1	(23.0)	(5.9)	17.1	(23.0)					
								(8.4)	**(8.3)**		**(8.4)**					
Hedging instruments for foreign exchange exposure																
US Dollar forward	11		USD MM	P	3.15	BRL/USD	1	0.7			0.7					
Euro forward	4		EUR MM	P	1.20	USD/EUR	138	(1.4)		(0.1)	(1.3)	(0.1)				
								(0.7)		**(0.1)**	**(0.6)**	**(0.1)**				
Hedging instruments for debts																
Fixed rate in Reais vs. CDI floating rate swaps	230	230	BRL MM		87.66%	% CDI	537	(8.9)	(9.0)		(5.2)	(2.8)	(0.9)			
LIBOR floating rate vs. CDI floating rate swaps	523	484	USD MM		1% / 103.75%	LIBOR + / % CDI	1,067	213.1	50.6	60.0	(107.3)	(100.4)	135.4	246.1	(6.3)	45.6
								204.2	**41.6**	**60.0**	**(112.5)**	**(103.2)**	**134.5**	**246.1**	**(6.3)**	**45.6**

(*) oz – Ounces troy

All amounts in millions of reais unless otherwise stated

Details of the main derivatives operations

Programs	Principal 3/31/2015	Principal 12/31/2014	As per Unit	Purchase / Sale	Average FWD rate		Average term (days)	Fair value 3/31/2015	Fair value 12/31/2014	Realized gain (loss) 3/31/2015	Fair value by maturity 2015	2016	2017	2018	2019	2020+
Hedge accounting - Cash flow hedge																
Hedging instruments for the operating margin of metals																
Nickel forward	2,925	3,990	ton	S	19,495	USD/ton	154	66.3	45.6	16.1	58.6	7.7				
Zinc forward	60,565	70,005	ton	S	2,166	USD/ton	155	15.3	1.1	7.2	16.1	(0.8)				
Aluminum forward	75,125	42,200	ton	S	1,869	USD/ton	200	15.7	8.8	5.2	15.2	0.5				
Copper forward	667	1,097	ton	S	6,991	USD/ton	94	2.0	2.1	1.6	2.0					
Silver forward	181	217	k oz (*)	S	19	USD/oz	169	1.4	2.9	1.5	1.2	0.1				
US Dollar forward	303	245	USD MM	S	2.91	BRL/USD	189	(131.0)	(58.7)	(39.8)	(117.9)	(13.1)				
								(30.3)	**1.8**	**(8.2)**	**(24.8)**	**(5.6)**				
Hedging instruments for mismatches of quotation periods																
Zinc forward	96,176	100,355	ton	P/S			52	1.0	(0.3)	(4.5)	1.0					
Alumium forward	9,948	10,025	ton	P/S			52	0.7	1.5	1.2	0.7					
Silver forward	267	400	k oz (*)	S			46	0.1	1.2	1.3	0.1					
								1.8	**2.4**	**(2.0)**	**1.8**					
Hedging instruments for interest rates in US Dollar																
LIBOR floating rate vs. US Dollar fixed rate swaps	600	600	USD MM		2.56%	% fixed rate	1,318	(2.2)	14.6	(4.6)	(13.6)	(6.6)	6.1	8.6	3.2	
								(2.2)	**14.6**	**(4.6)**	**(13.6)**	**(6.6)**	**6.1**	**8.6**	**3.2**	
Hedge accounting - Fair value hedge																
Hedging instruments for sales of nickel, zinc and aluminum at a fixed price																
Zinc forward	1,432	4,563	ton	P	2,177		110	(0.2)	(0.1)	(0.1)	(0.2)					
								(0.2)	**(0.1)**	**(0.1)**	**(0.2)**					
Total (assets and liabilities, net)								**160.8**	**57.5**	**71.8**	**(161.6)**	**(115.6)**	**140.6**	**254.7**	**(3.1)**	**45.6**

(*) oz – Ounces troy

The transactions involving derivative financial instruments recognized in the statement of income amounts R$ 117, with R$ 44 recognized in carrying value adjustments.

5.1.2 Sensitivity analysis

Presented below is a sensitivity analysis of the main risk factors that affect the pricing of the outstanding financial instruments of cash and cash equivalents, financial investments, borrowing, and derivative financial instruments. The main risk factors are exposure to the fluctuations of the US Dollar and Euro exchanges rates, LIBOR and CDI interest rates, and commodity prices. The scenarios for these factors were prepared using market and specialized sources, following the Company's systems of governance.

The scenarios at March 31, 2015 are described below:

- Scenario I is based on the market forward curves and quotations at March 31, 2015, and represents a probable scenario in management's opinion as at June 30, 2015.

- Scenario II considers a stress factor of + / – 25% applied to the market forward curves and quotations as at March 31, 2015.

- Scenario III considers a stress factor of + / – 50% applied to the market forward curves and quotations as at March 31, 2015.

All amounts in millions of reais unless otherwise stated

	Balance sheet accounts						Impacts on profit (loss)				Impacts on comprehensive income				
						Scenario I	Scenarios II and III				Scenario I	Scenarios II and III			
Risk factors	Cash and cash equivalents and financial investments	Borrowing	Derivative financial instruments	Unit	Changes from 3/31/2015	Results of scenario	-25%	-50%	25%	50%	Results of scenario I	-25%	-50%	25%	50%
Foreign exchange rate															
USD	3,101	13,057 (**)	1,469	USD million		3	335	670	(335)	(670)	20	1,990	3,979	(1,990)	(3,979)
EUR	58	3,713	4	EUR million	2%	(2)	27	55	(27)	(55)	(76)	903	1,806	(903)	(1,806)
COP		52										13	26	(13)	(26)
Interest rates															
BRL - CDI	2,407	5,999	3,017	BRL million	+48 bps	(17)	124	248	(123)	(244)		11	23	(11)	(21)
LIBOR		4,068	2,542	USD million	-3 bps		(13)	(25)	13	25	(2)	(22)	(44)	21	43
US Dollar coupon			869	USD million	5 bps	(2)	36	74	(35)	(68)		(3)	(5)	3	5
Price - commodities															
Nickel			6,861	ton	4%	(1)	5	10	(5)	(10)	(5)	29	58	(29)	(58)
Zinc			530,178	ton	-2%	10	146	291	(146)	(291)	5	64	128	(64)	(128)
Aluminum			119,039	ton			6	12	(6)	(12)	(2)	108	216	(108)	(216)
Copper			797	ton	-1%							3	6	(3)	(6)
Silver			946	k oz (*) thousand	-3%		4	8	(4)	(8)	1	6	12	(6)	(12)
Firm commitment - electric energy															
Purchase agreement			4,824	BRL million			170	329	(181)	(374)					
Sale agreement			5,750	BRL million			(202)	(392)	215	445					
Sale and purchase agreement - fair value			303	BRL million			(3)	(7)	3	7					

(*) oz – Ounces troy
(**) Considers currency basket

All amounts in millions of reais unless otherwise stated

5.1.3 Hedges of net investments in foreign operations

The Company adopts hedge accounting for a portion of its investments abroad.

The Company and its subsidiaries designated as hedges the investments in the investees VCEAA, VCNA, Cajamarquilla and USZinc, and as a hedging instrument a portion of their debt denominated in Euros and US Dollars, with a total amount equivalent to EUR 943 million (R$ 3,250) (December 31, 2014: EUR 943 million – R$ 3,042), and US$ 3,754 million (R$ 12,043) (December 31, 2014: US$ 3,853 million – R$ 10,235).

The Company documents this correlation by assessing the effectiveness of these net investment hedges both prospectively and retrospectively on a quarterly basis.

The exchange loss on the translation of debts recognized in other comprehensive income in the period ended March 31, 2015 was R$ 2,277 (March 31, 2014, income of R$ 339).

5.1.4 Capital management

The net debt ratios, considering the annualized accumulated results, are summarized as follow:

	Note	4/1/2014 to 3/31/2015	1/1/2014 to 12/31/2014
Borrowing	19	25,806	24,003
Cash and cash equivalents	7	(3,799)	(3,564)
Derivative financial instruments	5.1.1	(161)	(57)
Financial investments	8	(3,118)	(3,865)
Net debt (A)		18,728	16,517
Adjusted annualized EBITDA (B)	31 (d)	6,982	7,105
Gearing ratio - (A/B)		2.68	2.32

All amounts in millions of reais unless otherwise stated

6 Credit quality of financial assets

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

			3/31/2015			12/31/2014
	Local rating	Global rating	Total	Local rating	Global rating	Total
Cash and cash equivalents						
AAA	1,352		1,352	1,308		1,308
AA+				8		8
AA-					4	4
A+		157	157		243	364
A		326	326		292	285
A-		295	295	1	293	294
BBB+		613	613		500	500
BBB		528	528		410	399
BBB-		134	134		171	130
BB+		53	53		73	41
BB		1	1		10	10
B+		93	93		27	
CCC		1	1		3	3
CCC-		9	9		11	11
Unrated	1	236	237	46	164	207
	1,353	2,446	3,799	1,363	2,201	3,564
Financial investments						
AAA	1,957		1,957	2,113	66	2,179
AA+	148		148	450		450
A+	1	64	65		159	159
A	10	97	107	17	270	287
A-	1	121	122	1		1
BBB+		80	80		74	74
BBB					2	2
BBB-		2	2		274	274
CCC		75	75		99	99
CCC-		32	32		27	27
Unrated	289	241	530	236	77	313
	2,406	712	3,118	2,817	1,048	3,865
Derivative financial assets						
AAA	273		273	143		143
AA+	1		1			
A+		202	202		9	9
A		23	23		5	5
A-		29	29		122	122
BBB					22	22
BBB-		3	3		1	1
	274	257	531	143	159	302
	4,033	3,415	7,448	4,323	3,408	7,731

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.

All amounts in millions of reais unless otherwise stated

7 Cash and cash equivalents

	3/31/2015	12/31/2014
Cash and cash equivalents in local currency		
Cash and banks	30	128
Bank Deposit Certificates ("CDB")	435	526
Repurchase agreements	888	709
	1,353	1,363
Cash and cash equivalents in foreign currency		
Cash and banks	1,520	1,279
Bank Deposit Certificates ("CDB")	926	922
	2,446	2,201
	3,799	3,564

Financial investments in bank deposit certificates and repurchase agreements are highly liquid, readily convertible into a known amount of cash and subject to an immaterial risk of changes in fair value upon redemption.

The average yield of the portfolio for the quarter ended March 31, 2015 was 100.04% of the CDI (year ended December 31, 2014 - 100.79% of the CDI).

8 Financial investments

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

	3/31/2015	12/31/2014
Held for trading		
Repurchase agreements	1,427	1,680
Financial Treasury Bills ("LFT")	568	562
Investments denominated in foreign currency	318	339
Credit Rights Investment Funds ("FIDC")	324	269
National Treasury Bills ("LTN")		230
Bank Deposit Certificates ("CDB")	25	23
Investment fund quotas	2	2
Other	3	5
	2,667	3,110
Available-for-sale		
Financial investments in foreign currency	394	709
	394	709
Held-to-maturity		
Investment fund quotas	45	34
Bank Deposit Certificates ("CDB")	12	12
	57	46
	3,118	3,865
Current	(3,101)	(3,846)
Non-current	17	19

Most financial investments have immediate liquidity. The average yield of the portfolio for the quarter ended March 31, 2015 was 100.54% of the CDI (year ended December 31, 2014 - 100.42% of the CDI).

All amounts in millions of reais unless otherwise stated

9 Trade receivables

(a) Breakdown

	Note	3/31/2015	12/31/2014
Trade receivables - Brazil		1,439	976
Trade receivables - foreign customers		1,295	1,508
Related parties	13	131	96
Provision for impairment of trade receivables		(130)	(114)
		2,735	2,466

(b) Changes in provision for the impairment of trade receivables

	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Opening balance	(114)	(90)
Receivables written off as uncollectible	3	3
Foreign exchange variations	(7)	2
Additions, net	(12)	(15)
Closing balance	(130)	(100)

10 Inventory

	3/31/2015	12/31/2014
Semi-finished products	1,734	1,498
Auxiliary materials	1,024	885
Finished products	800	660
Raw materials	661	597
Imports in transit	126	173
Other	105	101
Provision for losses (i)	(482)	(441)
	3,968	3,473

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

11 Taxes recoverable

	3/31/2015	12/31/2014
Corporate Income Tax ("IRPJ") and Social Contribution on Net Income ("CSLL") (i)	660	633
State Value-added Tax on Sales and Services ("ICMS")	564	577
Social Contribution on Revenue ("COFINS")	412	461
Value-added Tax ("VAT") (foreign companies)	252	234
IRPJ/CSLL - Summer Plan (ii)	211	266
State Value-added Tax on Sales and Services ("ICMS") on PP&E (iii)	124	132
Social Integration Program ("PIS")	108	117
Excise Tax ("IPI")	38	37
Withholding Income Tax ("IRRF")	37	19
Other	139	134
	2,545	2,610
Current	(1,139)	(1,086)
Non-current	1,406	1,524

All amounts in millions of reais unless otherwise stated

(i) The credits relating to IRPJ and CSLL are linked to prepayments that will be offset, over undefined periods, against the same taxes and contributions levied on future taxable income within five years.

(ii) At the end of 2013, supported by the reports and opinion of external and internal legal counsel who, among other factors, relied upon the effects of the opinion expressed by the Federal Supreme Court, in a judgment on proceedings of the same nature as the basis for their recommendations, the subsidiary Companhia Brasileira de Alumínio S.A. ("CBA") recorded the credit, arising from income tax and social contribution overpaid due to the non-adoption of the deduction of indexation adjustments supplementary to the monetary restatement of the "*Plano Verão*", calculated on the profit for the base period of 1989. The credits will be available for use after the due process of qualification of the Federal Revenue of Brazil. In March 2015, after management evaluation, the reports indicated the need to review the criteria previously applied. Therefore, based on the new premises (technical studies of external consulting and tax planning of the Company), the credit was remeasured, generating a reduction of R$ 55.

(iii) ICMS credits arise from purchases of property, plant and equipment items (recoverable in 48 monthly installments) and consumable products. Their realization is based on the subsidiaries' operations.

12 Assets and liabilities classified as held for sale

The Company, through its subsidiary VCSA, plans to sell certain assets, which are summarized as follow:

				Consolidated
	Assets		Liabilities	
	3/31/2015	12/31/2014	3/31/2015	12/31/2014
China (a)	967	804	589	461
Baraúna (b)	45	45		
Assets VCNA (Canada) (c)	7			
Hutton (d)	27		4	
Investments Silcar (e)	340		108	
	1,386	849	701	461

(a) China operations

The subsidiary VCSA does not intend to continue its operations in China, which were acquired as part of the exchange of Cimpor assets. Consequently, this operation has been classified as held for sale since December 21, 2012. VCSA continues to present these operations separately in this category and is still fully committed to selling the operation. The main factor contributing to the delay in the planned sale is of a regulatory nature.

All amounts in millions of reais unless otherwise stated

(a.1) Assets held for sale

	3/31/2015	12/31/2014
Inventory	60	52
Deferred income tax and social contribution	131	115
Property, plant and equipment	354	264
Goodwill	299	280
Intangible assets	71	58
Other assets	52	35
	967	804

(a.2) Liabilities relating to assets held for sale

	3/31/2015	12/31/2014
Trade payables	61	40
Provisions	39	33
Deferred income tax and social contribution	76	61
Borrowing	400	311
Other liabilities	13	16
	589	461

(b) Assets Baraúna

The subsidiary VCNNE has decided to sell certain assets (industrial equipment) located in the city of Baraúna, State of Rio Grande do Norte, which are being negotiated with the investee Mizú S.A.; consequently, these assets have been classified as held for sale since September 30, 2013. The Company still presents these operations separately in this category and is still fully committed to selling the operation. These assets will be negotiated in conjunction with the stake of "Investments Silcar" (d).

(c) VCNA Assets

(i) VCNA is negotiating the sale of two parcels of lands in the cities of Maple (Canada) and Chicago (United States) and, consequently, these assets were transferred to "Non-current assets (or disposal groups) held for sale" on March, 2015, at an amount of R$ 7.

(ii) The Company is negotiating the company Hutton Transport Limited, located in Canada, and consequently this operation was transferred to "Non-current assets (or disposal groups) held for sale" on March, 2015

All amounts in millions of reais unless otherwise stated

(d) Investments Silcar

On April 13, 2015, Silcar Empreendimentos, Comércio e Participações Ltda, (Silcar), entered into purchase and sale agreements for the sale of its entire shareholdings in each of the following investees: Polimix Cimento Ltda., Polimix Concreto Ltda., Mizu S/A, Verona Participações Ltda. and Maré Cimento Ltda., and on March 31, 2015 reclassified these assets and liabilities to "Non-current assets (or disposal groups) held for sale". The reclassified assets amounted to R$ 340, with R$ 25 transferred from "Dividends receivable" and R$ 315 transferred from "Investments". Although the prospective buyers and the commercial terms of these purchase and sale agreements are confidential, the sale price is higher than the book value of the shares being sold. The purchase agreements will not be effective unless and until prior approval is obtained from CADE, the Brazilian competition authority.

(e) Profits (losses) from discontinued operations

	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
VCEAA/China		
Net revenue from products sold and services rendered	58	57
Cost of products sold and services rendered	(69)	(57)
Gross loss	(11)	
Finance results, net (i)	48	(6)
Profit (loss) before income tax and social contribution	37	(6)
Income tax and social contribution	(4)	
Profit (loss) from discontinued operations	33	(6)

(i) The positive variation is due to the movement in the exchange rate of the Chinese currency (Yuan Renminbi) against the Euro.

All amounts in millions of reais unless otherwise stated

13 Related parties

	Trade receivables		Dividends receivable		Non-current assets	
	3/31/2015	12/31/2014	3/31/2015	12/31/2014	3/31/2015	12/31/2014
Parent						
Votorantim Participações S.A. (i)	2	2			624	598
Related companies and joint ventures						
Citrosuco GmbH					202	167
Citrosuco S.A. Agroindústria (ii)					455	374
Citrovita Orange Juice GmbH (iii)					626	516
Fibria Celulose S.A.	1	1	11	11	1	1
Hailstone Ltd.					16	14
Ibar Administração e Participação Ltda.					5	5
Maré Cimento Ltda.	10	6		4		
Mineração Rio do Norte S.A.			3	3		
Mizu S.A.	7	8		2		
Polimix Concreto Ltda.	20	11		8		
Sirama Participações Administração e Transportes Ltda.			42	3		
Sitrel - Siderurgica Três Lagoas Ltda. (iv)	34	20				
St. Helen Holding II B.V. (v)					853	699
Superior Materials Holdings, LLC	10	10				
Supermix Concreto S.A.	31	25				
Suwannee American Cement LLC					88	80
Verona Particpações Ltda.				11		
Other	16	13	7	3	30	28
	131	96	63	45	2,900	2,482
Current	(131)	(96)	(63)	(45)		
Non-current					(2,900)	(2,482)

All amounts in millions of reais unless otherwise stated

	Trade payables		Dividends payable		Non-current liabilities	
	3/31/2015	**12/31/2014**	**3/31/2015**	**12/31/2014**	**3/31/2015**	**12/31/2014**
Parent						
Votorantim Participações S.A. (i)			227	379	529	433
Related companies and joint ventures						
Fibria Celulose S.A.	20	36				
Hailstone Ltd. (vi)					455	382
Ibar Administração e Participação Ltda.					22	22
Sitrel - Siderurgica Três Lagoas Ltda.	20	23				
St. Helen Holding II B.V.					32	27
Suwannee American Cement LLC	23	19				
Other	4	2			72	31
	67	80	227	379	1,110	895
Non-controlling interests			11	10		
Current	(67)	(80)	(238)	(389)		
Non-current					1,110	895

All amounts in millions of reais unless otherwise stated

	Sales		Purchases		Finance income (costs)	
	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Parent						
Votorantim Participações S.A. (i)					(7)	(5)
Related companies and joint ventures						
Citrosuco S.A. Agroindústria	2	2			3	2
Citrovita Orange Juice GmbH					3	3
Fibria Celulose S.A.	6	15				
Hailstone Ltd.					(2)	(1)
Maré Cimento Ltda.	22	18				
Mizu S.A.	18	15				
Polimix Concreto Ltda.	43	36				
Sitrel - Siderurgica Três Lagoas Ltda.	80	65	41	45		
St. Helen Holding II B.V.					6	5
Superior Materials Holdings, LLC	2	1				
Supermix Concreto S.A.	91	85				
Suwannee American Cement LLC					1	
Other	8	2		2	1	
	272	239	41	47	5	4

(i) Refers basically to receivables from the sale of deferred tax credits arising from tax losses to VPAR. This tax was used by VPAR for payment under the Tax Recovery Program ("REFIS") established by Law 12,865/2013. Debt of Votorantim GmbH to VPAR, adjusted at the rate of 6% per year.
(ii) Refers to prepayment transactions. The transaction is adjusted based on semiannual LIBOR plus a spread of 2.75% per year.
(iii) Balance receivable from Citrovita Orange Juice GmbH. The transaction is adjusted based on annual LIBOR and a spread of 2% per year.
(iv) Refers to business transactions between Sitrel and VS, mainly relating to the rod rolling process at the Sitrel plant, which uses as its main raw material billets from VS's Resende unit.
(v) Refers to the credits of Votorantim GmbH held with the company ST. Helen Holding II B.V.. The transaction is adjusted at the rate of 6% per year.
(vi) Debt of Votorantim GmbH to Hailstone Limited. The transaction is adjusted based on monthly LIBOR plus a spread of 1.5% per year.

All amounts in millions of reais unless otherwise stated

14 Financial instruments – firm commitment

The Company, through its subsidiary Votener – Votorantim Comercializadora de Energia Ltda., is engaged in the Sale of Electrical Energy in the Regulated Environment ("CCEAR") and its last participation was on the 13th electric energy auction on April 30, 2014 in which it signed a firm commitment for sale of surplus energy to be supplied until 2019. During the quarter ended March 31, 2015, the fair value amortization in these transactions, amounting R$ 31, was recorded in "Other operating income (expenses), net" (Note 26).

Additionally, the Company, also through its subsidiary Votener – Votorantim Comercializadora de Energia Ltda., is engaged in the Sale of Electrical Energy in the Deregulated Environment ("ACL"), which also resulted in the amortization of the fair value recognized during the quarter ended March 31, 2015, amounting to R$ 34 (Note 26).

15 Other assets

	3/31/2015	12/31/2014
Advances to suppliers	180	185
Prepaid expenses	164	148
Receivables from sales of ownership interests	139	115
Writs of payment	62	34
Tax credits	43	62
Advances to employees	38	43
Deposit for reinvestments	30	27
Notes receivable	26	7
Social security credits	21	28
Receivables from sale of PP&E	13	14
Fiduciary contracts	9	15
Checks to be cleared	7	9
Employee benefits	2	2
Other receivables	80	75
	814	764
Current	(477)	(467)
Non-current	337	297

All amounts in millions of reais unless otherwise stated

16 Investments

(a) Breakdown

	Information on investees at March 31, 2015			Equity in the results		Investment balance	
	Equity	Profit (loss) for the period	Ownership percentage (%)	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014	3/31/2015	12/31/2014
Investments accounted for based on the equity method							
Sirama Participações Administração e Transportes Ltda.	913	30	38.26	12	8	349	372
Cementos Avellaneda S.A. (i)	492	18	49.00	9	8	332	267
Cementos Bio Bio S.A. (iii)	1,100	44	16.70	7	6	184	154
Alunorte - Alumina do Norte S.A.	3,849	(221)	3.03	(7)	(1)	117	124
Maré Cimento Ltda. (ii)			51.00		4		133
Polimix Concreto Ltda. (ii)			27.57				90
Mineração Rio do Norte S.A.	580	(27)	10.00	(3)	3	58	61
Cemento Portland S.A.	291	4	29.50	1		86	72
Supermix Concreto S.A.	204	(3)	25.00	(1)	3	51	52
Mizu S.A. (ii)			51.00		(4)		50
Verona Participações Ltda. (ii)			25.00				27
Polimix Cimento Ltda. (ii)			51.00				15
Outros investimentos				1	(2)	226	222
Joint ventures							
Fibria Celulose S.A.	14,004	(569)	29.42	(168)	5	4,120	4,285
Suwannee American Cement LLC (i)	261	6	50.00	3	(1)	217	177
Superior Building Materials LL	54	(8)	50.00	(4)	(5)	27	26
Sumter Cement Co LLC	43		50.00			22	18
Trinity Materials LLC	18		50.00			9	8
Sitrel Siderúrgica Três Lagoas Ltda. (iv)	169	1	50.00		5	85	117
				(150)	29	5,883	6,270

(i) Cementos Avellaneda S.A. and Suwannee American Cement LLC consider, on March 31, 2015, the amounts of R$ 91 and R$ 86 (December 31, 2014 - R$ 66 and R$ 71), respectively, related to goodwill paid on the acquisition of these investments.

(ii) Refers to investees of the subsidiary Silcar, Empreendimentos Comércio e Participações Ltda. Under the shareholders' agreement, the Company through its subsidiary Votorantim Cimentos S.A. only takes part in financial and operating decisions in respect of certain matters and, therefore, the Company does not control the entities. Dividends are distributed in quantities not proportionate to the ownership interest percentages. On March 31, 2015 the Company reclassified these investments to assets and liabilities held for sale (Note 12).

All amounts in millions of reais unless otherwise stated

(iii) Refers to investees in which the ownership interest is less than 20%, but over the activities of which the Company exercises significant influence through agreements established with other shareholders.

(iv) In the first quarter of 2015, Sitrel decided in a special meeting of shareholders to reduce its share capital by R$ 61, eliminate the payment of capital increase installments amounting to R$ 12, and make a restitution to its shareholders, in local currency, amounting to R$ 49 in proportion to its stake of the capital.

(b) Changes in investments

	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Opening balance	6,270	5,930
Equity in the results of investees	(150)	29
Reclassification to assets held for sale (i)	(315)	
Capital decrease (Note 16 (a (iv)))	(25)	
Foreign exchange gains (losses) on foreign investments	140	(69)
Dividends	(52)	(47)
Other	15	7
Closing balance	5,883	5,850

(i) Refers to assets classified as held for sale, related to Investments Silcar (Note 12 (d))

(c) Investments in listed companies

	3/31/2015		12/31/2014	
	Book value	Market value	Book value	Market value
Cementos Bio Bio S.A. (*)	184	111	154	99
Fibria Celulose S.A. (*)	4,120	7,366	4,285	5,298

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

All amounts in millions of reais unless otherwise stated

17 Property, plant and equipment

(a) Breakdown and changes

	Land and improvements	Buildings and constructions	Machinery, equipment and facilities	Vehicles	Furniture and fittings	Construction in progress	Leasehold improvements	Other	1/1/2015 to 3/31/2015 Total	1/1/2014 to 3/31/2014 Total
Opening balance										
Cost	1,736	9,293	30,369	1,315	191	3,004	446	442	46,796	44,883
Accumulated depreciation	(47)	(3,203)	(15,825)	(985)	(136)		(205)	(358)	(20,759)	(18,569)
Net opening balance	1,689	6,090	14,544	330	55	3,004	241	84	26,037	26,314
Additions		1	13	3		515		1	533	489
Disposals	(4)	(2)	(16)	(2)		(5)	(1)		(30)	(29)
Depreciation	(2)	(65)	(401)	(25)	(3)		(5)	(1)	(502)	(455)
Foreign exchange gains (losses)	104	235	664	26	4	143	27	1	1,204	(308)
Reversal (provision) for impairment (Note 26)		1	10			(2)		2	11	
Reclassification to assets held for sale (Note 12)	(9)	(6)	(2)	(10)			(1)		(28)	
Transfers (i)	12	31	198	12	6	(376)	3		(114)	(6)
Closing balance	1,790	6,285	15,010	334	62	3,279	264	87	27,111	26,005
Cost	1,840	9,723	32,352	1,363	205	3,279	497	447	49,706	44,613
Accumulated depreciation	(50)	(3,438)	(17,342)	(1,029)	(143)		(233)	(360)	(22,595)	(18,608)
Net closing balance	1,790	6,285	15,010	334	62	3,279	264	87	27,111	26,005
Average annual depreciation rates - %	3	3	6	18	11		9	9		

(i) Transfers during the quarter relate to the reclassification from “Construction in progress” within “Property, plant and equipment” to “Software” and “Rights to use natural resources” within “Intangible assets”.

The Company has no long-lived assets that are expected to be abandoned or sold, and that would require an additional provision for obligations arising from decommissioning. The consolidated amount relating to assets pledged as guarantees for borrowing is described in Note 19 (f).

All amounts in millions of reais unless otherwise stated

(b) Construction in progress

The balance is made up mainly of projects for the expansion and optimization of industrial units, as shown below:

	3/31/2015	12/31/2014
Segment		
Cement	1,979	1,770
Polymetallics	533	391
Steel	322	397
Aluminum	316	314
Nickel	119	126
Other	10	6
	3,279	3,004

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

Main projects in progress - Cement	3/31/2015	12/31/2014
New unit in Edealina/GO	591	492
New unit in Primavera/PA	357	327
New unit in Yacuses - Santa Cruz/Bolivia	171	124
New unit in Xambioá/TO	76	78
New unit in Ituaçú/BA	45	45
Equipment refurbishment - Cement	34	44
New mortar unit in Camaçari/BA	18	15
New unit in Cuiabá/MT	17	17
Burden removal - Aggregates	11	11
New coprocessing lines	10	51
New unit in Sobral/CE	8	8
Burden removal - Cement	7	39
Other	634	519
	1,979	1,770

Main projects in progress - Polymetallics	3/31/2015	12/31/2014
Vazante expansion project	134	115
Waste disposal tank expansion	42	28
New production line construction (Polymetallics)	21	21
"Pucurhuay" Hydroelectric Plant	20	25
Molino de bolas Metso	15	13
Pique Santa Barbara project	14	11
Cerro Lindo Project Phase III	1	8
Other	286	170
	533	391

All amounts in millions of reais unless otherwise stated

Main projects in progress - Steel	3/31/2015	12/31/2014
Mechanized underground operations involving metallurgical coal	142	127
Blast furnace regenerator replacement	40	36
Scrap crushing equipment project	10	9
Forest expansion project	7	2
Traveling crane installation project	6	8
Resende expansion project	4	20
Barra Mansa expansion project	1	18
Other	112	177
	322	397

Main projects in progress - Aluminum	3/31/2015	12/31/2014
Rondon Alumina project	82	78
Oven refurbishment	71	55
Alumina factory project	43	41
Plastic transformation and casting project	29	30
Security, health and environment projects	22	18
Automation system modernization	19	18
Revitalization and adequacy of power plant	15	18
Renovation of furnace room	13	12
Calcination furnace	12	12
Mining projects	5	4
Oven room VIII	3	3
Other	2	25
	316	314

Main projects in progress - Nickel	3/31/2015	12/31/2014
Construction of new plant (Nickel iron)	82	81
Other	37	45
	119	126

All amounts in millions of reais unless otherwise stated

18 Intangible assets

(a) Breakdown and changes

								1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
	Goodwill (i)	Rights over natural resources	Rights over trademarks and patents	Software	Use of public assets (Note 23)	Contracts, customer relationship and agreements	Other	Total	Total
Opening balance									
Cost	5,251	7,740	251	424	541	375	768	15,350	13,676
Accumulated amortization		(1,668)	(216)	(317)	(122)	(196)	(313)	(2,832)	(1,929)
Net opening balance	5,251	6,072	35	107	419	179	455	12,518	11,747
Additions		8						8	2
Write-offs						(6)		(6)	
Amortization and depletion		(89)	(7)	(7)	(3)	(6)	(1)	(113)	(102)
Foreign exchange gains (losses)	594	946	(2)	12		36	77	1,663	(314)
Revision of estimated cash flow		4						4	(5)
Transfers (ii)		67	(20)	15				62	6
Closing balance	5,845	7,008	6	127	416	203	531	14,136	11,334
Cost	5,845	9,020	266	481	541	439	893	17,485	13,317
Accumulated amortization		(2,012)	(260)	(354)	(125)	(236)	(362)	(3,349)	(1,983)
Net closing balance	5,845	7,008	6	127	416	203	531	14,136	11,334
Average annual amortization rates - %		6	8	8	4	7	20		

(i) The goodwill is net of the amounts allocated to the operations in China, included in the balance sheet as “Assets classified as held for sale” (Note 12).

(ii) The transfers to intangible assets during the period relate to the reclassification of “construction in progress” from “Property, plant and equipment” to “Software” and “Rights to use natural resources” within intangible assets.

All amounts in millions of reais unless otherwise stated

19 Borrowing

(a) Breakdown

Type	Average annual charges (i)	Current 3/31/2015	Current 12/31/2014	Non-current 3/31/2015	Non-current 12/31/2014	Total 3/31/2015	Total 12/31/2014
Local currency							
BNDES	4.52% fixed rate BRL / TJLP + 2.66% / SELIC + 2.45%	687	714	1,639	1,786	2,326	2,500
FINAME	4.74% fixed rate BRL / TJLP + 2.60%	30	29	164	163	194	192
Debentures	110.13% of CDI	170	176	5,831	5,832	6,001	6,008
Export credit notes	8.00% fixed rate BRL	131	1	100	230	231	231
Development promotion agency	8.46% fixed rate BRL / TJLP + 4.98%	9	7	107	67	116	74
Other		15	17	20	19	35	36
		1,042	944	7,861	8,097	8,903	9,041
Foreign currency							
BNDES	UMBNDES + 2.39%	201	169	440	400	641	569
Development promotion agency	USD LIBOR + 1.38%	24	21	141	128	165	149
Eurobonds - USD	6.42% fixed rate USD	188	87	8,136	6,738	8,324	6,825
Eurobonds - EUR	3.89% fixed rate EUR	113	76	3,255	3,047	3,368	3,123
Syndicated loan/bilateral agreements	USD LIBOR + 1.01% / Euribor + 0.90% / 3.54% fixed rate USD	5	5	2,140	1,863	2,145	1,868
Export prepayments	USD LIBOR + 1.27%	40	126	2,072	2,170	2,112	2,296
Working capital	10.65% fixed rate INR / DTF + 2.19%	98	84			98	84
Other		20	18	30	30	50	48
		689	586	16,214	14,376	16,903	14,962
		1,731	1,530	24,075	22,473	25,806	24,003
Interest on borrowing		501	369				
Current portion of long-term borrowing		1,178	1,114				
Short-term borrowing		52	47				
		1,731	1,530				

(i) The average annual charges are presented only for agreements representing a large share of the total debt amount.
(ii) The export credit notes entered into by the subsidiary CBA have swaps linked to them, resulting in a final cost of 88% of the CDI.
(iii) The transactions carried out by VID and its subsidiary VCSA, under Law 4,131, have swaps linked to them, resulting in a final cost of 103.4% of the CDI.
(iv) The export prepayment of US$ 600 million carried out by the subsidiary Votorantim GmbH has swaps linked to it, which resulted in a final cost at a fixed rate in USD of 2.56%.

BNDES – National Bank for Economic and Social Development
BRL – Brazilian Currency (Real)
CDI – Interbank Deposit Certificate
DTF – Time Deposit Rate
EUR – European Union currency (Euro)
EURIBOR – Euro Interbank Offered Rate
FINAME - Government Agency for Machinery and Equipment Financing
INR – Indian Rupee
LIBOR - London Interbank Offered Rate
TJLP – Long term interest rate set by the National Monetary Council. The TJLP is the basic cost of financing of BNDES.
UMBNDES - Monetary unit of the BNDES reflecting the weighted basket of currencies of foreign currency debt obligations. At March 31, 2015, 99.2% of the basket was comprised of US Dollars.
USD – US Dollar
SELIC – Special System for Clearance and Custody

All amounts in millions of reais unless otherwise stated

(b) Maturity

The maturity profile of borrowing as at March 31, 2015 was as follow:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	As from 2025	Total
Local currency												
BNDES	529	613	469	347	188	47	39	30	17	17	30	2,326
FINAME	23	32	28	22	21	20	19	17	9	3		194
Debentures	170	505	1,002	2,273	1,153	643	243	3	3	3	3	6,001
Export credit notes	1	130	100									231
Development promotion agency	6	9	16	16	16	16	16	8	8	5		116
Other	14	8	7	4	2							35
	743	1,297	1,622	2,662	1,380	726	317	58	37	28	33	8,903
%	8.35	14.57	18.22	29.90	15.50	8.15	3.56	0.65	0.42	0.31	0.37	
Foreign currency												
BNDES	153	184	144	100	49	8	2	1				641
Development promotion agency	12	24	24	24	24	24	17	11	5			165
Eurobonds - USD (i)	188	(3)	(3)	(3)	659	307	768	(2)	1,121	1,282	4,010	8,324
Eurobonds - EUR (i)	114	(6)	1,040	(6)	(6)	(6)	2,238					3,368
Syndicated loans/bilateral agreement	6	73	951	842	273							2,145
Export prepayments	28	49	211	1,005	819							2,112
Working capital	77	21										98
Other	15	17	4	2	1	1	1	1	1	5	2	50
	593	359	2,371	1,964	1,819	334	3,026	11	1,127	1,287	4,012	16,903
%	3.51	2.12	14.03	11.62	10.76	1.98	17.90	0.06	6.67	7.61	23.74	
Total	1,336	1,656	3,993	4,626	3,199	1,060	3,343	69	1,164	1,315	4,045	25,806
%	5.18	6.42	15.47	17.93	12.40	4.11	12.95	0.27	4.51	5.10	15.67	

(i) The negative balances refer to borrowing costs amortized on a straight line basis.

All amounts in millions of reais unless otherwise stated

(c) Changes

	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Opening balance	24,003	23,435
New borrowing (Note 19 (h))	588	1,453
Interest	408	403
Foreign exchange gains (losses)	2,552	(495)
Payments - principal	(1,425)	(2,330)
Payments - interest	(320)	(303)
Closing balance	25,806	22,163

(d) Breakdown by currency

	Current		Non-current		Total	
	3/31/2015	12/31/2014	3/31/2015	12/31/2014	3/31/2015	12/31/2014
Real	1,042	944	7,861	8,097	8,903	9,041
US Dollar	310	283	12,262	10,683	12,572	10,966
Euro	114	76	3,599	3,369	3,713	3,445
Currency basket	161	137	324	298	485	435
Other	104	90	29	26	133	116
	1,731	1,530	24,075	22,473	25,806	24,003

(e) Breakdown by index

	Current		Non-current		Total	
	3/31/2015	12/31/2014	3/31/2015	12/31/2014	3/31/2015	12/31/2014
Local currency						
CDI	170	176	5,829	5,832	5,999	6,008
TJLP	639	668	1,593	1,689	2,232	2,357
Fixed rate	232	100	425	571	657	671
SELIC	1		14	5	15	5
	1,042	944	7,861	8,097	8,903	9,041
Foreign currency						
LIBOR	67	149	4,001	3,832	4,068	3,981
UMBNDES	201	169	440	400	641	569
Fixed rate	368	221	11,429	9,822	11,797	10,043
EURIBOR			344	322	344	322
Other	53	47			53	47
	689	586	16,214	14,376	16,903	14,962
Total	1,731	1,530	24,075	22,473	25,806	24,003

(f) Collateral

At March 31, 2015, R$ 8,726 (December 31, 2014 – R$ 7,879) of the balance of the Company's borrowing was collateralized under promissory notes and sureties and R$ 194 of the property, plant and equipment items (December 31, 2014 - R$ 192) were collateralized by liens on the financed assets.

All amounts in millions of reais unless otherwise stated

(g) Covenants/financial ratios

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

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

(h) New borrowing

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

The main funding transactions carried out were as follow:

(i) During the quarter ended March 31, 2015, the Company's subsidiaries received R$ 20 from BNDES (December 31, 2014 - R$ 411) to fund their expansion and modernization projects, including the purchase of machinery and equipment at the average funding cost of SELIC + 2.48 % p.a. (December 31, 2014 – TJLP +2.76% p.a.).

(ii) In February 2015, the Company entered into agreements in accordance with Law 4131 at a total amount of US$ 184 million. The Company settled in advance US$ 11 million related to these loans, renegotiated the costs of the swaps linked to these loans to 103.5% of the CDI, and extended the maturity to February 2018.

(i) Fair value of borrowing

	3/31/2015	
	Carrying amount	**Fair value**
Local currency		
BNDES	2,326	1,992
FINAME	194	139
Debentures	6,001	5,831
Export credit notes	231	211
Development promotion agency	116	94
Other	35	21
	8,903	8,288
Foreign currency		
BNDES	641	675
Development promotion agency	165	164
Eurobonds - USD	8,324	8,262
Eurobonds - EUR	3,368	3,332
Syndicated loans/bilateral agreement	2,145	2,156
Export prepayments	2,112	2,206
Working capital	98	99
Other	50	54
	16,903	16,948
	25,806	25,236

All amounts in millions of reais unless otherwise stated

20 Current and deferred income tax and social contribution

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

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 March 31 are reconciled to their Brazilian standard rates as follow:

	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Profit before income tax and social contribution	186	143
Standard rates	34%	34%
Income tax and social contribution at standard rates	(63)	(49)
Adjustments for the calculation of income tax and social contribution at effective rates		
Equity in the results of investees	(52)	10
Income tax losses without recording the deferred amounts	(17)	(87)
Social contribution losses without recording the deferred amounts	(6)	(32)
Differences in the tax rates of foreign subsidiaries	25	25
Tax on mining operations	(8)	(9)
Other exclusions, net	(25)	13
Income tax and social contribution calculated	(146)	(129)
Current	(199)	(164)
Deferred	53	35
Income tax and social contribution expenses	(146)	(129)

(b) Breakdown of deferred tax balances

Deferred income tax and social contribution assets and liabilities are as follow:

	3/31/2015	12/31/2014
Tax losses	2,257	2,173
Temporary differences		
Foreign exchange gains	1,744	829
Provision	696	695
Provision for losses on investments	397	339
Use of Public Assets ("UBP")	206	189
Environmental liabilities	50	51
CPC 29 - "Biological assets"	44	43
Derivatives - Law 11,051/04	39	9
Tax benefit on goodwill	13	54
Provision for disposals of assets	7	7
Temporary differences		
Accelerated depreciation and adjustment of useful lives	(1,605)	(1,668)
Market value adjustments to property, plant and equipment	(1,492)	(1,300)
Goodwill amortization	(346)	(326)
CPC 20 - "Capitalized interest"	(140)	(137)
Deferred gains on derivative contracts	(83)	(26)
CPC 12 - "Adjustment to present value"	(60)	(46)
Pension funds	(52)	(42)
Borrowing costs	(18)	(18)
CPC 25 - "Decomissioning"	(17)	(11)
Other	(186)	(123)
Net	1,454	692
Net deferred tax assets related to the same legal entity	(3,088)	(2,205)
Net deferred tax liabilities related to the same legal entity	1,634	1,513

All amounts in millions of reais unless otherwise stated

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

	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Opening balance	692	518
Effects on results for the period	53	35
Deferred income tax and social contribution on hedge accounting	789	227
Effects of foreign exchange variation	(118)	
Other	38	(88)
Closing balance	1,454	692

21 Other liabilities

	3/31/2015	12/31/2014
Deferred revenue - performance obligation (i)	874	905
Advances from customers	297	273
Provision for services	212	210
Provision for utilities - water, electric energy and gas	150	46
Environmental obligations	148	150
Long-term trade payables	130	112
Payables for the acquisition of interests	55	249
"REFIS" - Tax Recovery Program	47	48
Provision for freight	29	50
Provision for maintenance	15	21
Long-term taxes payable	11	15
Unappropriated premiums	11	11
Other liabilities	113	94
	2,092	2,184
Current	(877)	(874)
Non-current	1,215	1,310

(i) In December 2014, the Company, through its subsidiary Votener, assigned to a financial institution the receivables through December 2019 arising from certain Electrical Energy Sale Agreements in the Regulated Environment ("CCEAR") equivalent to R$ 1,253, without any right of subrogation or co-obligation by the Company. For the assignment of receivables, the Company received a total amount of R$ 905 and interest in advance will be recognized *pro rata* to the income over the term of the contract. In March 31, 2015, the updated balance amounts to R$ 874.

All amounts in millions of reais unless otherwise stated

22 Provision

The movement in the provision for asset retirement obligations and legal claims is as follow:

							1/1/2015 to 3/31/2015
			Legal claims				
	ARO (i)	Restructuring	Tax	Labor	Civil	Other	Total
Balance at the beginning of the quarter	865	19	719	126	136	58	1,923
Present value adjustment	16						16
Additions			24	11	8	1	44
Reversals			(53)	(3)	(2)	(1)	(59)
Judicial deposits, net of write-offs			(2)	(4)	7		1
Settlement	(2)		(37)	(5)	(20)		(64)
Transfers (ii)	3	(16)				(3)	(16)
Monetary restatement	2		14	(6)	3		13
Foreign exchange gains (losses)	75		8	1	1	3	88
Balance at the end of the quarter	959	3	673	120	133	58	1,946

							1/1/2014 to 3/31/2014
	ARO (i)	Restructuring	Tax	Labor	Civil	Other	Total
Balance at the beginning of the quarter	876	43	844	112	88	57	2,020
Present value adjustment	11						11
Additions		17	15	12	21	2	67
Reversals			(7)	(8)	(2)		(17)
Judicial deposits, net of write-offs			11	6	(7)		10
Settlement	(1)		(30)	(5)	(17)		(53)
Monetary restatement			3	3	6		12
Foreign exchange gains (losses)	(14)	1				(1)	(14)
Revision of estimated cash flow	(5)						(5)
Balance at the end of the quarter	867	61	836	120	89	58	2,031

(i) Asset Retirement Obligation
(ii) During the first quarter of 2015, the subsidiary VCSA reclassified the amount of R$ 16 to “Assets and liabilities held for trading” (Note 12), referring to the restructuring provisions related to its Chinese operations.

All amounts in millions of reais unless otherwise stated

(a) Provision for tax, civil, labor and other contingencies

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

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

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

The provision and the corresponding judicial deposits are as follow:

			3/31/2015			12/31/2014
	Judicial deposits	Provisions	Net amount	Judicial deposits	Provisions	Net amount
Tax	(491)	1,164	673	(489)	1,208	719
Labor	(68)	188	120	(64)	189	125
Civil	(21)	154	133	(28)	164	136
Enviromental		34	34		34	34
Other		24	24		24	24
	(580)	1,564	984	(581)	1,619	1,038

(b) Outstanding judicial deposits

At March 31, 2015, the Company had judicial deposits with the courts in relation to proceedings classified by its legal advisors as having a possible or remote possibility of loss, and therefore, did not make provision for them, the amount below:

	3/31/2015	12/31/2014
Tax	250	262
Labor	36	32
Civil	83	109
Other	22	31
	391	434

(c) Comments on provision with likelihood of loss considered probable

(i) Provision for tax contingencies

The tax proceedings with a probable likelihood of loss relate to discussions of federal, state and municipal taxes. The tax obligations that the Company is challenging in court on legal or constitutional grounds are fully recorded, irrespective of the likelihood of a favorable outcome to the litigation.

(ii) Provision for labor contingencies

VID and its subsidiaries are parties to 6,146 labor lawsuits filed by former employees, third parties and labor unions, mostly claiming the payment of indemnities on dismissals, health hazard premiums and hazardous duty premiums, overtime, and commuting hours, as well as indemnity claims by former employees and third parties based on alleged occupational illnesses, work accidents, property damage and pain and suffering, in the common courts due to Constitutional Amendment 45 and the need to comply with normative clauses.

All amounts in millions of reais unless otherwise stated

(iii) Provision for civil contingencies

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

(iv) Provision for environmental contingencies

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

The environmental litigation of the Company and its subsidiaries basically relates to public civil claims and citizens' lawsuits, whose objects include the interruption of the progress of the environmental licensing of new projects, and the recovery of areas of permanent preservation, among other matters.

(d) Litigation with likelihood of loss considered possible

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

	3/31/2015	12/31/2014
Tax	4,127	4,230
Labor and social security	253	244
Civil	5,995	6,067
Enviromental	489	484
	10,864	11,025

(d.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 provisions are recorded, are commented on below. In the table below we present the materiality of these lawsuits:

Nature	3/31/2015	12/31/2014
(i) Compensation for exploration for mineral resources	406	512
Tax assessment notice – IRPJ/CSLL	193	189
(ii) Disallowances of PIS/COFINS credits	307	297
Offset of tax loss – 30% limit (merger)	235	230
ICMS – transfer costs	200	200
Requirement of ICMS on Distribution System Usage Tariff	167	169
Disallowance of IRPJ negative balance	114	112
IRPJ/CSLL – Profits abroad	143	140
Other lawsuits of individual amounts lower than R$ 100	2,362	2,381
	4,127	4,230

All amounts in millions of reais unless otherwise stated

In the quarter ended March 31, 2015, the main changes in tax lawsuits with a likelihood of loss considered possible, in addition to those detailed in the Note 28 (e) of the last consolidated financial statements, were as follow:

(i) Compensation for exploration for mineral resources

The subsidiaries VCSA, VMSA, VMZ and CBA have had various tax assessment notices issued by the National Department of Mineral Production ("DNPM") for alleged failure to pay or underpayment of Financial Compensation for the Exploration of Mineral Resources ("CFEM"), for the periods 1991 to 2012, January 1991 to December 2000, January 1991 to December 2006 and 1991 to 2003, respectively. At March 31, 2015, the amount subject to litigation totaled R$ 406, considered a possible loss. The amount of the contingency related to the subsidiary VCSA was reduced by R$ 106 due to DNPM recognizing the decay of the contingency.

(ii) Disallowances of "PIS/COFINS" credits

The Company and its subsidiaries VMSA and CBA have received various court decisions relating to the disallowance of "PIS" and "COFINS" credits on items applied to the production process, which in the Federal Revenue of Brazil's understanding would not entitle them to credits for these contributions. The restated amount at March 31, 2015 was R$ 307. Currently, the lawsuits are pending decisions in the lower administrative court.

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

Labor claims with a likelihood of loss considered possible include those filed by former employees, third parties and labor unions, mostly claiming the payment of indemnities on dismissals, health hazard premiums and hazardous duty premiums, overtime and commuting hours, as well as indemnity claims by former employees and third parties based on alleged occupational illnesses and work accidents.

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

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

Nature	3/31/2015	12/31/2014
(i) Public civil suit - Violation of the economic order	3,078	3,013
(ii) Administrative investigations carried out by the SDE	682	666
(iii) Indemnity lawsuits	509	493
Arbitration – Petrolina Aggregates Operation	292	285
Litigation with a São Paulo transportation company	168	166
Litigation with a Northeast transportation company	88	86
Litigation in Brasília	43	43
Other lawsuits	1,135	1,315
	5,995	6,067

In the quarter ended March 31, 2015, the main changes in civil lawsuits with a likelihood of loss considered as possible, in addition to those detailed in Note 28 (e) of the last consolidated financial statements, were:

(i) Public civil suit - violation of the economic order

The Office of the Public Prosecutor of the State of Rio Grande do Norte filed a civil class action against the Company, together with eight other defendants, including several of Brazil's largest cement manufacturers, alleging cartel formation, demanding that: (1) that the defendants make an indemnity payment, jointly, amounting to R$ 5,600, in favor of the civil class action, due to moral and collective damages; (2) that the defendants make payment of 10.0% of the total amount paid by the costumers for the acquisition of cement or concrete under the brands held by the defendants during the period from 2002 until 2006, due to individual consumers damage; (3) that the defendants pay the following penalties according to Articles 23, Section I and Article 24 of Law nº 8.884/94: (i) additions to the payments mentioned on item (1), a fine ranging from 0.1% to 30.0% annual revenue after the deduction of taxes relating to the fiscal year immediately preceding the year in which the alleged violation occurred, but not less than the monetary advantage acquired; and (ii) a prohibition, for a period not shorter than five years, against obtaining financing support from governmental financial institutions or participating in bidding processes held by the federal, state or municipal governments and their associated entities. Because the current amount of the claims in this civil class action mentioned in item (1), amounts to R$ 5,600 and the civil class action alleges joint liability, the Company has estimated that, based on its market share, its share of the liability would be approximately R$ 2,400. However, there can be no assurance that this apportionment would prevail, or that the Company will not be held liable for a different portion, which may be larger, or for the entire amount of this claim. Additionally, there is no assurance that the Company will not be held liable of other amounts, related to indemnifications for consumers' damages as mentioned in item (2) above and /or the fine mentioned on item (3) above.

To date, there has been no relevant decision in this lawsuit. The expectation of loss in relation to this matter is considered possible, and we have not established any provision for this claim. At March 31, 2015, the amount under litigation was R$ 3,078.

(ii) Administrative investigations carried out by the SDE

(a) In 2003, the SDE, the current General Superintendence of CADE, initiated administrative proceedings against the largest concrete producing Brazilian cement companies, including the Company itself. This proceeding relates to allegations by certain ready-mix concrete producers that the large cement companies may have breached Brazilian antitrust laws by not selling certain types of cement to ready-mix concrete companies. Additionally, in 2006, the SDE initiated administrative proceedings against the Cement Industry Union, some industry associations (cement and concrete), the largest Brazilian cement companies, including Votorantim Cimentos, and some executives. This proceeding relates to allegations of anti-competitive practices of various companies and associations, including the formation of a cartel.

On January 22, 2014, CADE initiated the trial in relation to the lawsuit initiated in 2006 by SDE, with four of its five counselors voting in favor of some penalties. On May 28, 2014, after suspending the first trial session, CADE issued its final decision on the administrative proceeding, imposing some penalties on six cement Brazilian companies, including VCSA, due to the alleged anti-competitive practices.

Penalties imposed by CADE include the payment of a fine amounting to R$ 1,566 and the obligation to sell (1) all its interests, minority or otherwise, in other companies operating in the cement or concrete markets in Brazil; (2) 20% of the Company's assets from concrete producing activities in Brazil, which shall be sold in relevant markets in which there is more than one concrete producing company owned or possessed by the company; (3) Other cement assets (yet not informed to VCSA) which, in CADE's opinion, were directly related to the alleged illegal acts / crimes of which VCSA is accused. Other non-monetary sanctions were also imposed, including the restrictions on financing provided by Brazilian government, as well as the recommendations to limit other benefits and tax incentives, as detailed in PA's decision 08012.011142 / 2006 -79, published on July 1, 2014.

On July 1, 2014, the decision was published, together with the council members' votes, with confidential versions provided to the convicted companies on the following day. On July 14, the Company filed a Motion to Clarify (administrative appeals) to resolve contradictions, omissions and obscurities in CADE's decision. The Company is awaiting an analysis of the matter, and there is no legal term for this analysis. Until the decision on the administrative appeal by CADE, CADE's decision will not be concluded at the administrative level and, therefore, it will not have legal effects on the parties. If CADE's decision proceeds, VCSA intends to appeal at the judicial level. The Company considers the likelihood of loss on this matter as possible and, at March 31, 2015, the amount under dispute was R$ 682. In the case of a decision on the appeal, or on future appeals, unfavorable to the Company, the application of these penalties may have a relevant unfavorable effect on the Company.

(b) Previously, in 2003, the SDE, initiated administrative proceedings against the largest cement producing Brazilian cement companies, including the Company itself. This lawsuit relates to allegations by certain ready-mix concrete producers that the large cement companies may have breached Brazilian antitrust laws by not selling certain types of cement to ready-mix concrete companies. The evidence phase of this lawsuit ended in April 2012, and to date there has been no indication that the General Superintendence of CADE intends to submit any recommendations to the CADE Board, regarding future investigations into this matter. If the Company is found to have violated these antitrust laws, it could be subject to administrative and criminal penalties, including an administrative fine that could range from 0.1% up to 20.0% (if the new Brazilian antitrust law is applied) of the company's annual after-tax revenue relating to its fiscal year immediately prior to the year in which the administrative proceedings were initiated. The Company and its external legal advisors believe that Votorantim Cimentos will not be subject to any administrative and/or criminal penalties. The likelihood of loss on this proceeding is considered remote.

(iii) Indemnity lawsuits

An indemnity lawsuit has been filed against the subsidiary VMZ, claiming, among other matters, property damages and pain and suffering. The lower court judgment considered the lawsuit to be groundless, and a judgment on this appeal is pending. The restated amount involved at March 31, 2015 was R$ 67.

An indemnity lawsuit has been filed against the subsidiary VMZ, alleging property damage and pain and suffering. VMZ filed its defense and is awaiting judgment. The restated amount involved at March 31, 2015 was R$ 30.

Lawsuits have been filed against the subsidiary VMZ, which are in the phase of expert examination of the claims. The claims discuss differences relating to the provision of services. The restated amount involved at March 31, 2015 was R$ 14.

Lawsuits have been filed against the subsidiary VMZ, which are in the phase of expert examination of the claims. The claims discuss differences relating to the provision of services. The restated amount involved at March 31, 2015 was R$ 26.

An indemnity lawsuit has been filed against the subsidiary VMSA claiming compensation for alleged rescission of the agreement. The court records are still in the fact-finding phase. The restated amount involved at March 31, 2015 was R$ 277.

An indemnity lawsuit has been filed against the subsidiary VMSA alleging rescission of agreement. This lawsuit is in the initial phase. The restated amount involved at March 31, 2015 was R$ 63.

An indemnity lawsuit has been filed against the subsidiary VMSA, which is currently in the initial phase, alleging rescission of agreement. In view of the procedural phase and the elements raised so far, it is not possible to estimate the amount under litigation (March 2015).

There is an indemnity lawsuit filed against the subsidiary CBA arising from contractual relationship. After receiving the complaint, the CBA filed its defense, totally refuting the claim. The court records are in the expert witness phase. The lawsuit at March 31, 2015 totaled R$30.

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

The environmental litigation of the Company and its subsidiaries basically relates to public civil actions, class actions and indemnity lawsuits, whose objectives are: the interruption of the environmental licensing of new projects, the recovery of areas of permanent preservation, and the decontamination of land, among other matters. In the event of an unfavorable outcome, the cost of the preparation of environmental studies and the cost of the recovery of the Company's and its subsidiaries' land are estimated. The aforementioned costs are recorded as expenses in the statement of income as they are incurred. The possible demands relate basically to indemnity lawsuits. The Company filed its defense, fully contesting the plaintiff's allegations. All environmental lawsuits with material amounts and classified as possible losses are in the fact-finding phase.

There is no provision recorded in relation to environmental lawsuits in progress.

All amounts in millions of reais unless otherwise stated

23 Use of public assets

The Company invests in companies that have concession contracts in the electrical energy industry. Most of these contracts provide for annual payments from the commencement of operations and are adjusted by the General Market Price Index for the Use of Public Assets.

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

							3/31/2015			12/31/2014
Plants/Companies	Investor	Concession start date	Concession end date	Payment start date	Ownership interest	Intangible assets (Note 18)	Liabilities	Ownership interest	Intangible assets (Note 18)	Liabilities
Salto Pilão	Companhia Brasileira de Alumínio	nov-01	dec-36	jan-10	60%	222	446	60%	224	437
Enercan - Campos Novos	Companhia Brasileira de Alumínio	apr-00	may-35	jun-06	33%	4		33%	4	
Salto do Rio Verdinho	Companhia Brasileira de Alumínio	aug-02	sep-37	oct-10	100%	9	18	100%	9	17
Ituparanga	Companhia Brasileira de Alumínio	nov-03	dec-23	jan-04	100%	1	2	100%	1	2
Piraju	Companhia Brasileira de Alumínio	dec-98	jan-34	feb-03	100%	1	6	100%	1	6
Ourinhos	Companhia Brasileira de Alumínio	jul-00	aug-35	sep-05	100%	1	4	100%	1	4
Baesa - Energética Barra Grande	Companhia Brasileira de Alumínio	jun-01	may-36	jun-07	15%	16	39	15%	16	38
Capim Branco I e Capim Branco II	Votorantim Metais Zinco S.A.	aug-01	sep-36	oct-07	13%	3	9	13%	3	9
Picada	Votorantim Metais Zinco S.A.	may-01	jun-36	jul-06	100%	21	60	100%	21	59
Enercan - Campos Novos	Votorantim Metais S.A.	apr-00	may-35	jun-06	12%	1	11	12%	1	11
Pedra do Cavalo	Votorantim Cimentos N/NE S.A.	mar-02	apr-37	apr-06	100%	137	442	100%	138	435
						416	1,037		419	1,018
Current							(64)			(64)
Non-current						416	973		419	954

All amounts in millions of reais unless otherwise stated

24 Equity

(a) Share capital

At March 31, 2015 and December 31, 2014, the Company's fully subscribed and paid-up capital, amounting to R$ 20,363, comprised 17,814,608 thousand registered common shares.

(b) Securities convertible into shares

In December 2013, the Company carried out its third private issue of debentures, issuing 90,000 debentures convertible into shares, in a single series, of the subordinated type. The debentures were issued under an exemption from registration with the CVM or with any other regulatory bodies, since they were subject to private placement, not subject to the terms of Law 6,385/76, CVM Instruction 400/03 or CVM Instruction 476/09. The issue amounting to R$ 900, with maturity in December 2023, pays 100% of the CDI, plus a spread of 1% per year, with semi-annual amortization of interest. These debentures, fully subscribed by Votorantim Finanças, are mandatorily convertible into shares on the expiration date, and the semi-annual amortization of interest may be postponed at the Company's sole discretion.

Debenture holders have, from the 12th month after the issue, the option to convert the debentures into shares, and conversion is mandatory on the maturity date. The issuer, in turn, has the right to defer the payment of interest and, also, to redeem the debentures in cash at any time. For conversion purposes, each debenture will be converted into a fixed lot of registered common shares in the issuer, without par value. In the event of the postponement of interest payment, the indenture establishes the conversion based on the same factor used to set the share conversion ratio. Based on these characteristics, the debentures were accounted for as equity instruments.

The yield of R$ 18 is included in equity, under retained earnings, net of income tax and social contribution.

(c) Dividends

During the year 2015, VID paid R$ 151 in anticipated dividends to its parent (VPAR) in relation to the fiscal year 2014, ratified at the Extraordinary General Meeting (“AGE”) dated February 10, 2015.

25 Net revenue

(a) Reconciliation of revenue

The reconciliation between gross and net revenue for the quarters ended March 31 is as follow:

	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Gross revenue		
Sales of products - domestic market	4,625	4,625
Sales of products - foreign market	2,718	2,279
Supply of electrical energy	878	871
Service revenue	222	288
	8,443	8,063
Taxes on sales and services and other deductions	(1,359)	(1,282)
Net revenue	7,084	6,781

All amounts in millions of reais unless otherwise stated

(b) Information on geographical areas in which the Company operates

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

(i) Revenue by destination

	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Brazil	4,432	4,564
United States	572	409
Peru	421	404
Colombia	236	224
Argentina	205	159
Switzerland	121	106
Turkey	120	120
Canada	108	99
Spain	94	74
Luxembourg	92	66
Morocco	77	74
Uruguay	75	61
The Netherlands	65	7
Japan	57	38
Singapore	51	46
Tunisia	47	58
South Korea	46	25
India	40	41
Belgium	40	18
Chile	38	23
China	21	23
Other countries	126	142
	7,084	6,781

(ii) Revenue by currency

	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Real	4,361	4,503
US Dollar	1,767	1,384
Colombian Peso	199	197
Argentine Peso	185	146
Euro	174	88
Canadian Dollar	107	97
New Lira	99	106
Dirham	77	74
Dinar	55	65
Other currencies	60	121
	7,084	6,781

All amounts in millions of reais unless otherwise stated

26 Other operating income (expenses), net

	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Tax benefits	54	59
Revenue on rental and leasing	18	8
Impairment (reversal) of property, plant, equipment (Note 17)	11	
Loss (gain) from hedge operations	7	1
Revenue from co-processing	5	6
Recovery of taxes	3	
Gains on sales of scrap	2	4
Financial instruments - firm commitment (Note 14)	(65)	
Project expenses	(11)	(14)
Tax on mining operations	(10)	(12)
Eventual expenses (income)	(2)	26
Fair value of biological assets	(1)	(1)
Mark-to-market of embedded derivatives - Fibria call option		(96)
Other expenses, net	(40)	(62)
	(29)	(81)

27 Finance results, net

	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Finance costs		
Interest on borrowing	(420)	(409)
Capitalization of borrowing costs – CPC 20	19	18
Adjustments to monetary restatments on tax credits - Summer Plan	(55)	
Monetary restatement of provisions	(40)	(23)
Derivative financial instruments	(39)	(133)
Interest and monetary restatement "UBP"	(34)	(42)
Discounts granted	(28)	(22)
Income tax on remittances of interest abroad	(6)	(53)
Interest on related-party transactions	(2)	(7)
Interest on taxes payable	(1)	(9)
Premium paid on repurchase of bonds		(270)
Other finance costs	(57)	(43)
	(663)	(993)
Finance income		
Derivative financial instruments (i)	235	
Income from financial investments	115	110
Interest on financial assets	29	18
Monetary restatement of assets	27	17
Discounts obtained	7	6
Interest on related-party transactions	7	11
Other finance income	24	8
	444	170
Foreign exchange and monetary gains (losses), net	(229)	75
Finance results, net	(448)	(748)

(i) Refers mainly to the foreign exchange rate of the US Dollar on hedge operations. (Note 5.1.1).

All amounts in millions of reais unless otherwise stated

28 Expenses by nature

The Company's management elected to disclose expenses by function in the statement of income and the nature of these expenses is presented below.

The cost of sales, selling and administrative expenses for the periods ended March 31 are as follow:

	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Raw materials, inputs and consumables used	3,831	3,667
Employee benefit expenses	969	901
Depreciation, amortization and depletion	617	567
Transportation expenses	303	322
Outsourced services	362	229
Other expenses	189	152
Total cost of sales, selling and administrative expenses	6,271	5,838
Reconciliation		
Cost of products sold and services rendered	5,287	4,897
Selling expenses	430	441
General and administrative expenses	554	500
Total cost of sales, selling and administrative expenses	6,271	5,838

29 Employee benefit expenses

	1/1/2015 to 3/31/2015	1/1/2014 to 3/31/2014
Salaries and bonuses	588	556
Payroll charges	260	236
Social benefits	121	109
	969	901

30 Insurance

The operational insurance coverage at March 31, 2015 was as follow:

Assets	Type of coverage	Coverage amount
Facilities, equipment and products in inventory	Property damage	49,890
	Loss of profits	10,427

31 Supplemental information - Business segments

In order to provide more detailed information, the Company has elected to present financial information organized into two business segments. The following analysis of each business segment considers the elimination of balances and transactions among the companies before: (i) eliminations between business segments; (ii) eliminations of investments held by the holding companies.

Additionally, the eliminations and reclassifications among the companies are presented so that the net results reconcile with the consolidated financial information of VID per the supplementary information. This supplementary information is not intended to be in accordance with, and is not required by, the accounting practices adopted in Brazil, or by IFRS.

All amounts in millions of reais unless otherwise stated

(i) Balance sheet – business segments

								3/31/2015
	Cement	Aluminum	Nickel	Zinc & byproducts	Steel	Holding companies and other	Eliminations and reclassifications	Total Consolidated
Assets								
Current assets								
Cash and cash equivalents, financial investments and derivative financial instruments	2,435	1,022	442	1,523	411	1,228		7,061
Trade receivables	1,176	334	83	382	512	459	(211)	2,735
Inventory	1,567	589	136	972	704			3,968
Taxes recoverable	258	77	213	324	171	96		1,139
Dividends receivable	48	20	6			141	(152)	63
Financial instruments - firm commitment		174				219		393
Other assets	266	35	17	81	75	3		477
	5,750	2,251	897	3,282	1,873	2,146	(363)	15,836
Assets held for sale	1,831						(445)	1,386
Non-current assets								
Long-term receivables								
Financial investments and derivative financial instruments	269		7	8	10	93		387
Taxes recoverable	243	423	480	228	29	3		1,406
Related parties	192	803	640	5	21	3,630	(2,391)	2,900
Deferred income tax and social contribution	873	361	313	663	27	851		3,088
Judicial deposits	191	78	12	20	69	21		391
Financial instruments - firm commitment		544				292		836
Other assets	155	29	12	27	4	99	11	337
	1,923	2,238	1,464	951	160	4,989	(2,380)	9,345
Investments	1,498	999	110	5	85	26,929	(23,743)	5,883
Property, plant and equipment and biological assets	11,154	4,628	1,094	5,763	3,396	871	339	27,245
Intangible assets	5,772	607	194	7,101	298	164		14,136
	20,347	8,472	2,862	13,820	3,939	32,953	(25,784)	56,609
Total assets	27,928	10,723	3,759	17,102	5,812	35,099	(26,592)	73,831

All amounts in millions of reais unless otherwise stated

								3/31/2015
	Cement	**Aluminum**	**Nickel**	**Zinc & byproducts**	**Steel**	**Holding companies and other**	**Eliminations and reclassifications**	**Total Consolidated**
Liabilities								
Current liabilities								
Borrowing	962	304	18	170	216	61		1,731
Derivative financial instruments	78	68	69	87	13	51		366
Trade payables	1,354	320	128	1,133	388	284	(200)	3,407
Payables - trading	109							109
Salaries and payroll charges	248	62	40	102	73	51		576
Income tax and social contribution	28	20		34	91	47		220
Taxes payable	259	28	3	48	60	19		417
Dividends payable	122	13		5	1	250	(153)	238
Payables and other liabilities	281	290	6	103	203	191	(133)	941
	3,441	1,105	264	1,682	1,045	954	(486)	8,005
Liabilities related to assets held for sale	1,143						(442)	701
Non-current liabilities								
Borrowing	14,770	2,600	1,009	2,534	828	2,334		24,075
Derivative financial instruments		3		1				4
Related parties	86	686	82	133	544	1,808	(2,229)	1,110
Deferred income tax and social contribution	502			1,051	11	174	(104)	1,634
Tax, civil, labor and environmental provisions	741	273	147	641	114	30		1,946
Payables and other liabilities	328	494	32	151	284	830	414	2,533
	16,427	4,056	1,270	4,511	1,781	5,176	(1,919)	31,302
Total equity attributable to owners of the Company	6,383	5,562	2,225	7,356	2,986	28,969	(23,831)	29,650
Non-controlling interests	534			3,553			86	4,173
Total equity	6,917	5,562	2,225	10,909	2,986	28,969	(23,745)	33,823
Total liabilities and equity	27,928	10,723	3,759	17,102	5,812	35,099	(26,592)	73,831

All amounts in millions of reais unless otherwise stated

(ii) Statement of income – business segments

	Statement of income for the period from 1/1/2015 to 3/31/2015							
	Cement	Aluminum	Nickel	Zinc & byproducts	Steel	Holding companies and other	Eliminations and reclassifications	Total Consolidated
Net revenue from products sold and services rendered	2,869	1,026	303	1,538	958	984	(594) (*)	7,084
Cost of products sold and services rendered	(2,065)	(841)	(291)	(1,153)	(775)	(756)	594 (*)	(5,287)
Gross profit	804	185	12	385	183	228		1,797
Operating income (expenses)								
Selling	(249)	(16)	(4)	(78)	(82)	(1)		(430)
General and administrative	(234)	(46)	(30)	(105)	(76)	(63)		(554)
Other operating income (expenses), net	92	(18)	(4)	(83)	3	(19)		(29)
	(391)	(80)	(38)	(266)	(155)	(83)		(1,013)
Operating profit (loss) before equity investments and finance results	413	105	(26)	119	28	145		784
Results of equity investments								
Equity in the results of investees	25	(42)				(850)	717	(150)
Finance results, net								
Finance costs	(351)	(137)	(15)	(46)	(50)	(86)	22	(663)
Finance income	264	35	8	6	17	136	(22)	444
Foreign exchange gains (losses), net	(203)	(449)	(189)	(446)	(19)	1	1,076	(229)
	(290)	(551)	(196)	(486)	(52)	51	1,076	(448)
Profit (loss) before income tax, social contribution and profit sharing	148	(488)	(222)	(367)	(24)	(654)	1,793	186
Income tax and social contribution								
Current	(67)	(18)		(49)	(19)	(46)		(199)
Deferred	29	172	76	159	6	(23)	(366)	53
Profit (loss) for the period from continuing operations	110	(334)	(146)	(257)	(37)	(723)	1,427	40
Discontinued operations								
Profit (loss) for the period from discontinued operations	33							33
Profit (loss) for the period	143	(334)	(146)	(257)	(37)	(723)	1,427	73
Profit (loss) attributable to the owners of the Company	125	(334)	(146)	(240)	(37)	(723)	1,407	52
Profit (loss) attributable to non-controlling interests	18			(17)			20	21
Profit (loss) for the period	143	(334)	(146)	(257)	(37)	(723)	1,427	73

(*) Refers to the net revenue from electric energy operations (Votoner and Santa Cruz Energia).

All amounts in millions of reais unless otherwise stated

	Statement of income for the period from 1/1/2014 to 3/31/2014							
	Cement	Aluminum	Nickel	Zinc & byproducts	Steel	Holding companies and other	Eliminations and reclassifications	Total Consolidated
Net revenue from products sold and services rendered	2,835	902	184	1,311	946	739	(136) (*)	6,781
Cost of products sold and services rendered	(1,926)	(688)	(168)	(929)	(746)	(576)	136 (*)	(4,897)
Gross profit	909	214	16	382	200	163		1,884
Operating income (expenses)								
Selling	(267)	(25)	(5)	(62)	(80)	(2)		(441)
General and administrative	(184)	(48)	(32)	(108)	(74)	(54)		(500)
Other operating income (expenses), net	98	(2)	(4)	(77)	(6)	(90)		(81)
	(353)	(75)	(41)	(247)	(160)	(146)		(1,022)
Operating profit (loss) before equity investments and finance results	556	139	(25)	135	40	17		862
Results of equity investments								
Equity in the results of investees	18	17	(1)		5	168	(178)	29
Finance results, net								
Finance costs	(337)	(208)	(9)	(49)	(29)	(367)	6	(993)
Finance income	55	18	13	7	12	71	(6)	170
Foreign exchange gains (losses), net	(1)	69	35	63		(91)		75
	(283)	(121)	39	21	(17)	(387)		(748)
Profit (loss) before income tax, social contribution and profit sharing	291	35	13	156	28	(202)	(178)	143
Income tax and social contribution								
Current	(60)	(4)	(1)	(38)	(13)	(48)		(164)
Deferred	1	(89)	(20)	(3)	6	140		35
Profit (loss) for the period from continuing operations	232	(58)	(8)	115	21	(110)	(178)	14
Discontinued operations								
Loss for the period from discontinued operations	(6)							(6)
Profit (loss) for the period	226	(58)	(8)	115	21	(110)	(178)	8
Profit (loss) attributable to the owners of the Company	214	(58)	(8)	143	21	(110)	(208)	(6)
Profit (loss) attributable to non-controlling interests	12			(28)			30	14
Profit (loss) for the period	226	(58)	(8)	115	21	(110)	(178)	8

(*) Refers to the net revenue from electric energy operations (Votoner and Santa Cruz Energia).

All amounts in millions of reais unless otherwise stated

(iii) Adjusted EBITDA – business segments

	Adjusted EBITDA - period from 1/1/2015 to 3/31/2015							
	Cement	Aluminum	Nickel	Zinc & byproducts	Steel	Holding companies and other	Eliminations and reclassifications	Total Consolidated
Net revenue from products sold and services rendered	2,869	1,026	303	1,538	958	984	(594)	7,084
Cost of products sold and services rendered	(2,065)	(841)	(291)	(1,153)	(775)	(756)	594	(5,287)
Gross profit	804	185	12	385	183	228		1,797
Operating income (expenses)								
Selling	(249)	(16)	(4)	(78)	(82)	(1)		(430)
General and administrative	(234)	(46)	(30)	(105)	(76)	(63)		(554)
Other operating income (expenses), net	92	(18)	(4)	(83)	3	(19)		(29)
	(391)	(80)	(38)	(266)	(155)	(83)		(1,013)
Operating profit (loss) before equity investments and finance results	413	105	(26)	119	28	145		784
Additions:								
Depreciation, amortization and depletion - continuing operations	232	74	24	222	53	12		617
EBITDA	645	179	(2)	341	81	157		1,401
Addition:								
Dividends received	4				8			12
Exceptional items								
Provision for impairment - property, plant, equipment	(7)							(7)
Fair value of biological assets					(1)			(1)
Adjusted EBITDA	642	179	(2)	341	88	157		1,405

All amounts in millions of reais unless otherwise stated

	Adjusted EBITDA - period from 1/1/2014 to 3/31/2014							
	Cement	Aluminum	Nickel	Zinc & byproducts	Steel	Holding companies and other	Eliminations and reclassifications	Total Consolidated
Net revenue from products sold and services rendered	2,835	902	184	1,311	946	739	(136)	6,781
Cost of products sold and services rendered	(1,926)	(688)	(168)	(929)	(746)	(576)	136	(4,897)
Gross profit	909	214	16	382	200	163		1,884
Operating income (expenses)								
Selling	(267)	(25)	(5)	(62)	(80)	(2)		(441)
General and administrative	(184)	(48)	(32)	(108)	(74)	(54)		(500)
Other operating income (expenses), net	98	(2)	(4)	(77)	(6)	(90)		(81)
	(353)	(75)	(41)	(247)	(160)	(146)		(1,022)
Operating profit (loss) before equity investments and finance result	556	139	(25)	135	40	17		862
Additions:								
Depreciation, amortization and depletion - continuing operations	203	81	17	203	61	2		567
EBITDA	759	220	(8)	338	101	19		1,429
Addition:								
Dividends received	5							5
Exceptional items								
Fibria call option						96		96
Fair value of biological assets					(1)			(1)
Adjusted EBITDA	764	220	(8)	338	100	115		1,529

All amounts in millions of reais unless otherwise stated

(iv) Adjusted EBITDA

The table below reconciles the annualized adjusted EBITDA to Note 5.1.4 for the calculation of the gearing ratio.

	4/1/2014 to 3/31/2015	1/1/2014 to 12/31/2014
Profit for the period	1,746	1,681
Plus (less):		
Equity in the results of investees	(81)	(258)
Finance income (costs), net - continuing operations	2,029	2,329
Finance income (costs), net - discontinued operations	(88)	(34)
Income tax and social contributions - continuing operations	359	340
Income tax and social contributions - discontinued operations	10	6
Depreciation, amortization and depletion - continuing operations	2,341	2,291
EBITDA	6,316	6,355
Plus:		
Dividends received	63	56
Extraordinary items		
EBITDA - discontinued operations	24	12
Fibria call option	30	126
Impairment of goodwill	14	14
Provision for impairment - PP&E	538	545
Gain on sale of investment in C+PA	1	1
Fair value of biological assets	(32)	(32)
Other	28	28
Adjusted EBITDA	6,982	7,105

32 Events after the reporting period

(a) On April 25, 2015, through the minutes of the Extraordinary General Meeting, a reduction of the subsidiary CBA's capital by R$ 1,208 was approved. The consideration for this reduction will be paid to the parent company Votorantim Industrial S.A. as follow: (a) investment in Votorantim Metais S.A., at the carrying amount of R$ 419; (b) payment in legal tender amounting to R$ 606; (c) transfer of the balances of related parties amounting to R$ 171; (d) transfer of other non-current assets amounting to R$ 1; (e) real properties amounting to R$ 10.

(b) In April 2015, the subsidiary VS entered into agreements in accordance with Law 4131 in the total amount of US$ 145 million with maturity in April 2022. These transactions, after swaps, resulted in a final cost of 107.8% of the CDI. In May 2015, the Company also entered in agreements of the same kind with a total amount of US$ 50 million with maturity in May 2020. These transactions, after swaps, resulted in a final cost of 108.75% of the CDI.

(c) In May 7, 2015, the subsidiary VCSA announced the issuance of bonds maturing in July, 2022 and an annual coupon of 3.50%, totaling EUR 500 million. The proceeds were received on May 13, 2015. As the issuance performed on 2014, this one was made with no guarantees and is rated BBB, Baa3 and BBB by the ratings agencies S&P, Moody's and Fitch, respectively. As part of the proceeds, the Company will repurchase the remaining balance of bonds with maturity in April, 2017, and annual coupon of 5.25%, totaling EUR 303.5 million.