



Votorantim



Corporate Presentation 2Q16 Results

August 2016

Disclaimer

The information contained in this presentation concerning Votorantim S.A. and its subsidiaries (“Votorantim”) may be deemed to include statements which constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve a certain degree of risk and uncertainty with respect to Votorantim’s business, financial information, strategy and trends, and are based on assumptions, data or methods which, although considered reasonable by Votorantim at the time, may turn out to be incorrect or imprecise, or may not be possible to attain, or may differ materially from actual results, due to a variety of factors. Votorantim cannot guarantee that any forward-looking statements or expectations disclosed in this presentation will prove to be correct and does not undertake, and specifically disclaims any obligation to update any forward-looking statements or any other information, which speak only for the date they are made.

The market and competitive position data, including market forecasts, used throughout or referred to in this presentation were obtained from internal surveys, market research, publicly available information and industry publications. Although Votorantim has no reason to believe that any of this information or these reports are inaccurate in any material respect, Votorantim has not independently verified the competitive position, market share, market size, market growth or other data provided by third parties or by industry or other publications and therefore does not make any representation as to the accuracy of any such information.

This presentation and its contents are proprietary information and may not be reproduced or otherwise disseminated in whole or in part without Votorantim’s prior written consent.



Votorantim

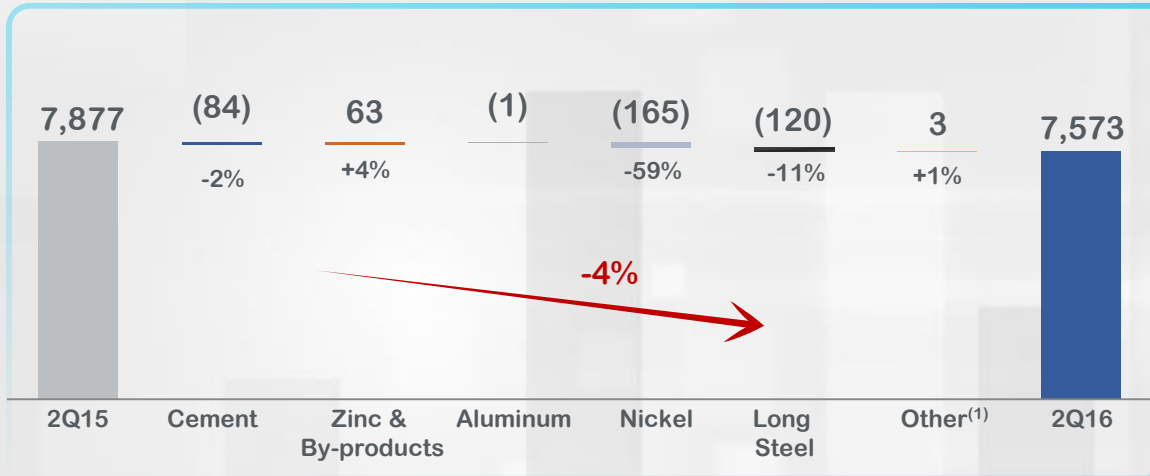


Business Performance

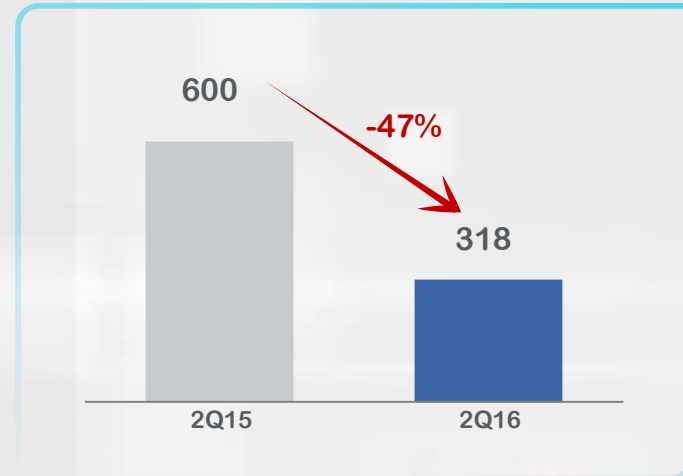
Financial Highlights

Closing Remarks

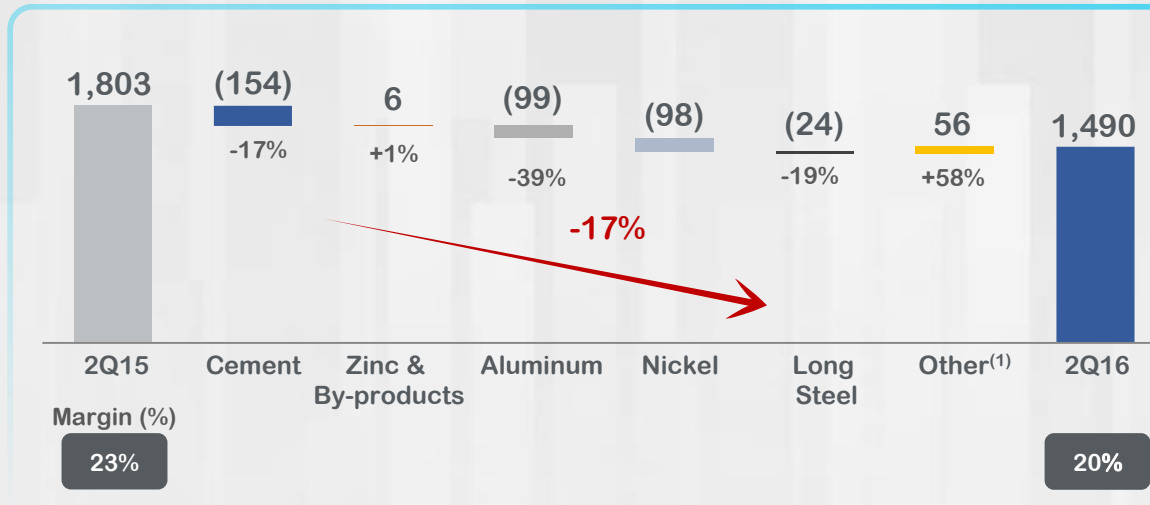
Net revenues



Net income



Adjusted EBITDA

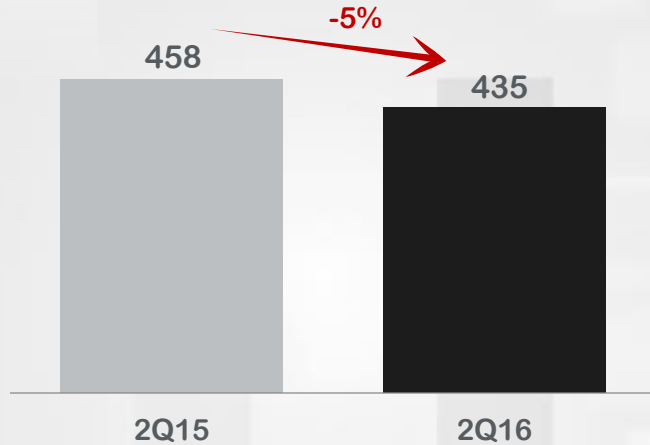


Highlights

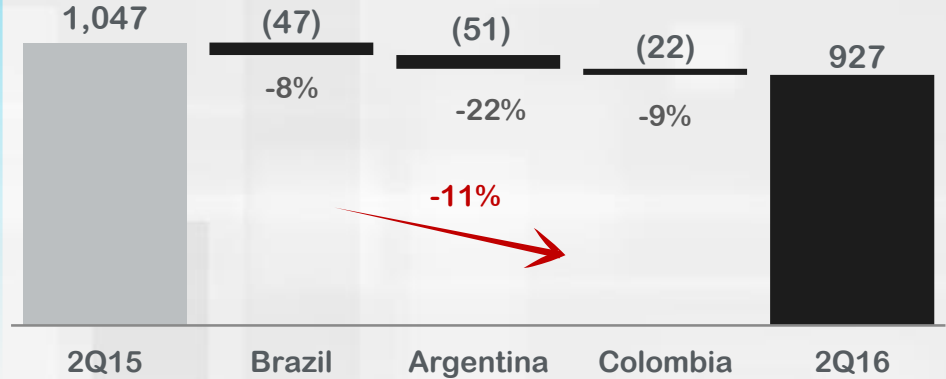
Brazilian operations were mainly affected by the **political and economical crisis**, specially cement and long steel

Net income totaled **R\$318 million** in the quarter

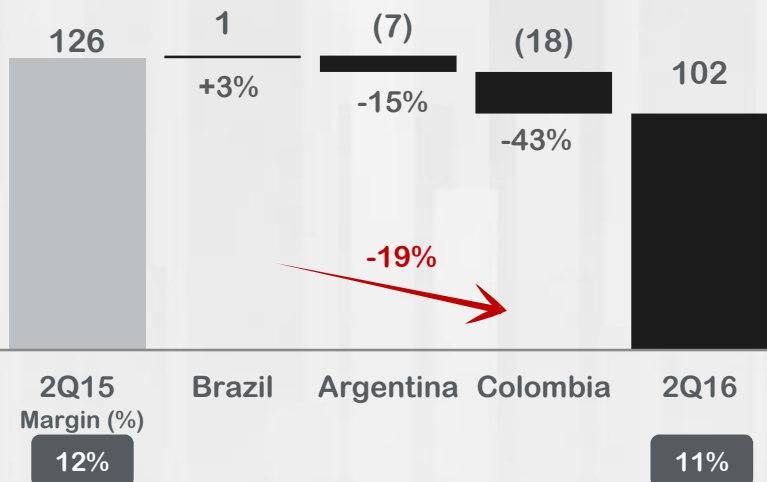
Volumes (kton)



Net revenues



Adjusted EBITDA



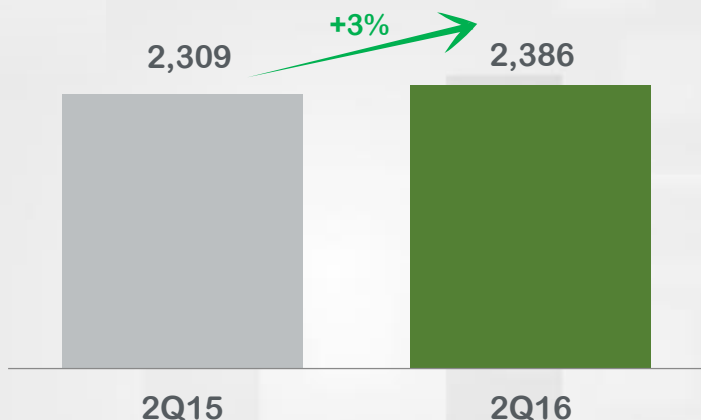
Highlights

Brazil: flat EBITDA despite the national long steel industry slowdown

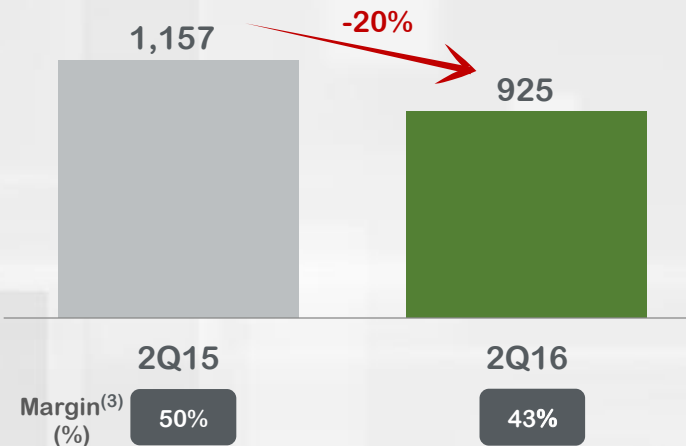
Argentina: lower net revenues and EBITDA in BRL as a result of the depreciation of the ARS. Higher prices in ARS compensated lower volumes

Colombia: net revenues and EBITDA negatively impacted by truck drivers' strike combined with higher met coal price

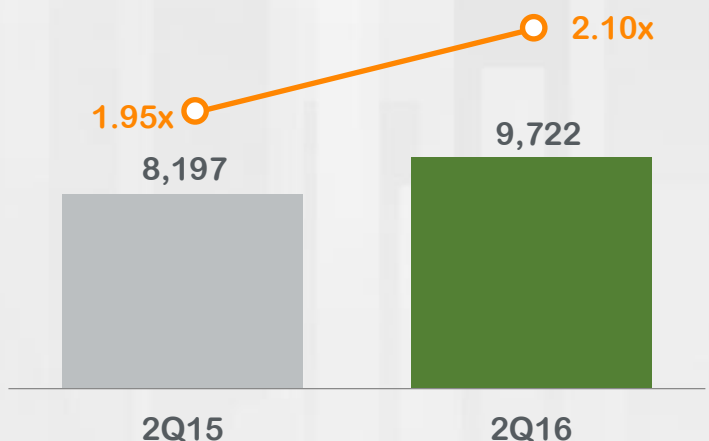
Net revenues



Adjusted EBITDA



Net debt & net debt/EBITDA⁽²⁾



Highlights

Higher Chinese demand, lower prices in USD and the depreciation of BRL resulted in a **3% increase in net revenues**

EBITDA dropped driven by higher cash costs specially from wood of third parties

H2P 2016 Capex is on schedule without impact on the startup date. **Reduction of R\$ 800 million in project cost, achieving R\$ 7.9 bi**

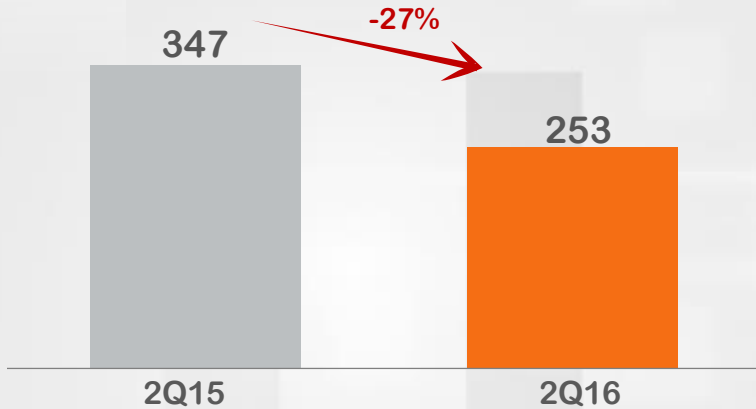
For further information, please visit www.fibria.com/ir

(1) Fibria's figures @ 100% (Votorantim S.A. has a 29.42% equity participation in Fibria)

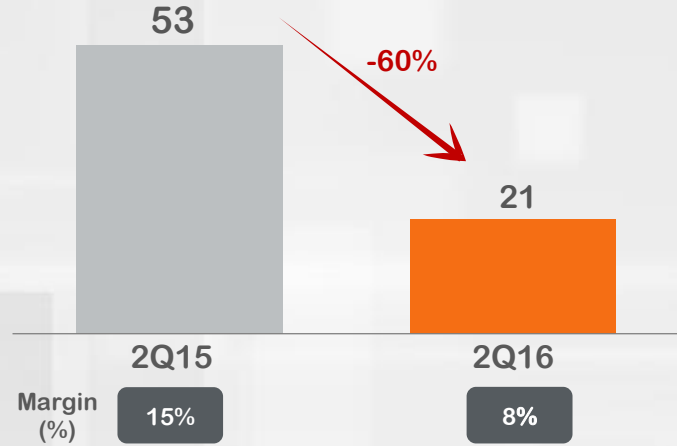
(2) Net debt/EBITDA in USD

(3) Excluding the effect of Klabin sales agreement

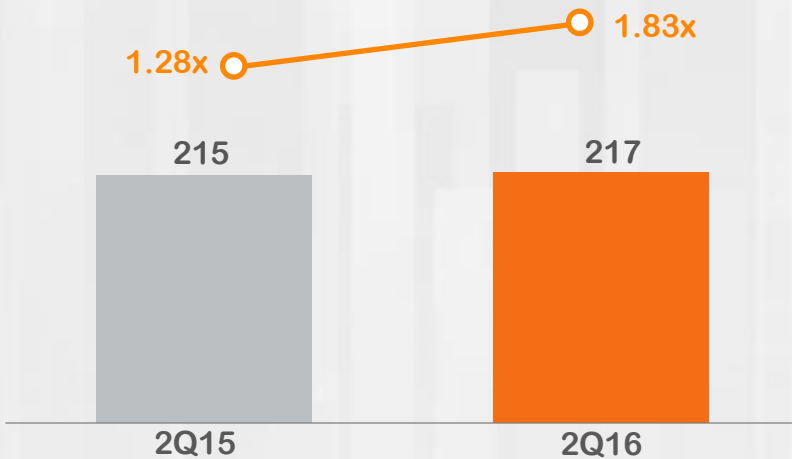
Net revenues



Adjusted EBITDA



Net debt & net debt/EBITDA



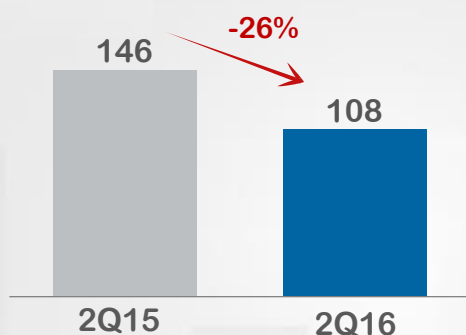
Highlights

Lower net revenues mainly due to a **40% decrease in FCOJ** (frozen concentrated orange juice) sales volumes partially offset by a **10% increase in NFC** (not from concentrated) sales volume

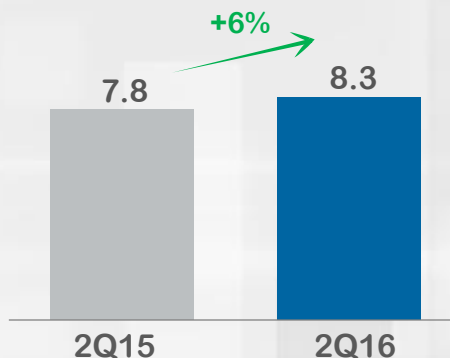
.....

EBITDA decreased driven by **lower FCOJ sales volumes** and negative impact on cost due to **lower fruit yield**

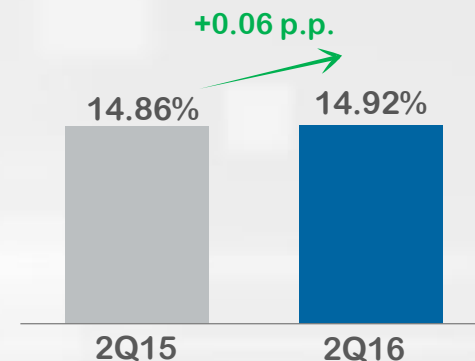
Net income



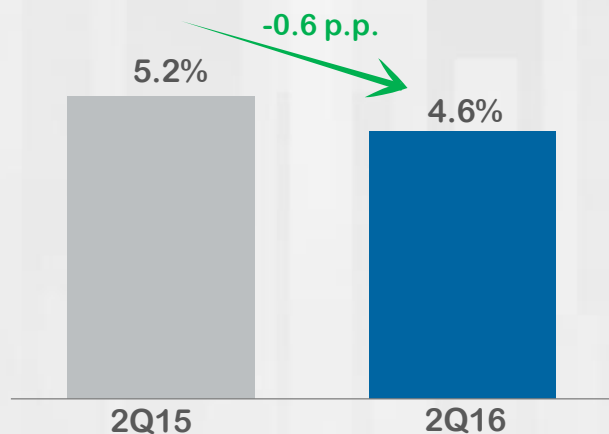
Shareholders' equity (R\$ billion)



Basel ratio



Delinquency ratio



Highlights

Lower net income as a result of a reduction in expanded credit portfolio due to a conservative approach to credit

Delinquency under control (90-day NPL ratio) with 0.6 p.p. decrease vs 2Q15 and stable in relation to 1Q16 (4.6%)

Basel ratio stable, but with an important increase in Tier I Capital



Votorantim

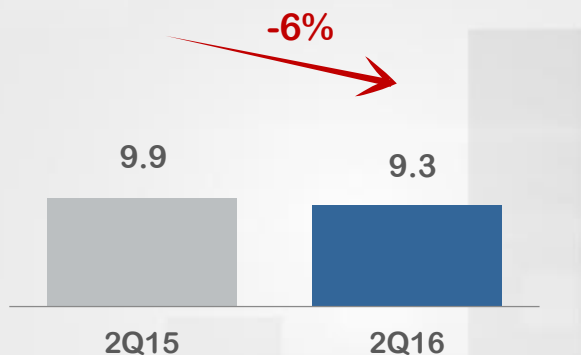


Business Performance
Cement

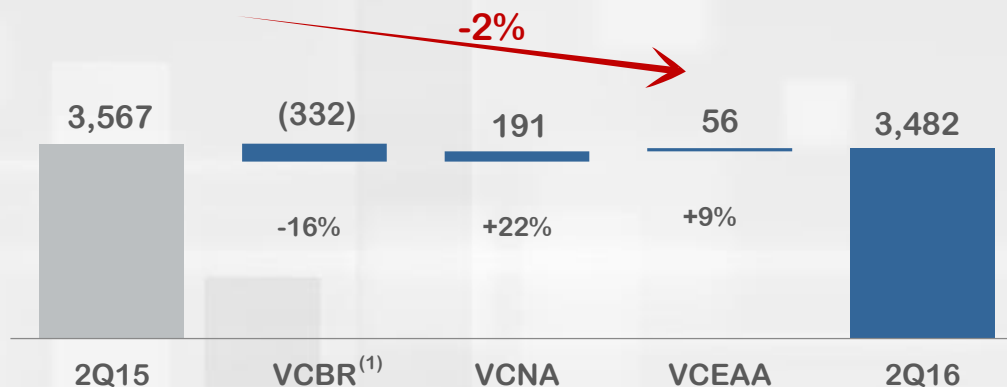
Financial Highlights

Closing Remarks

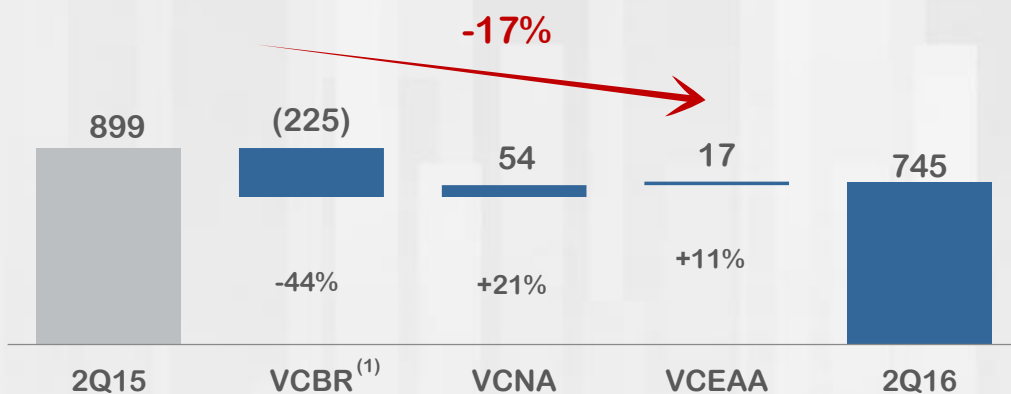
Volumes (mton)



Net revenues



Adjusted EBITDA



Margin (%) **25%**

21%

Highlights

Higher sales volumes in the US, Turkey, India and Spain

Brazilian sales volumes increased in 2Q16 vs 1Q16

VCNA results boosted by strong demand in the Great Lakes region

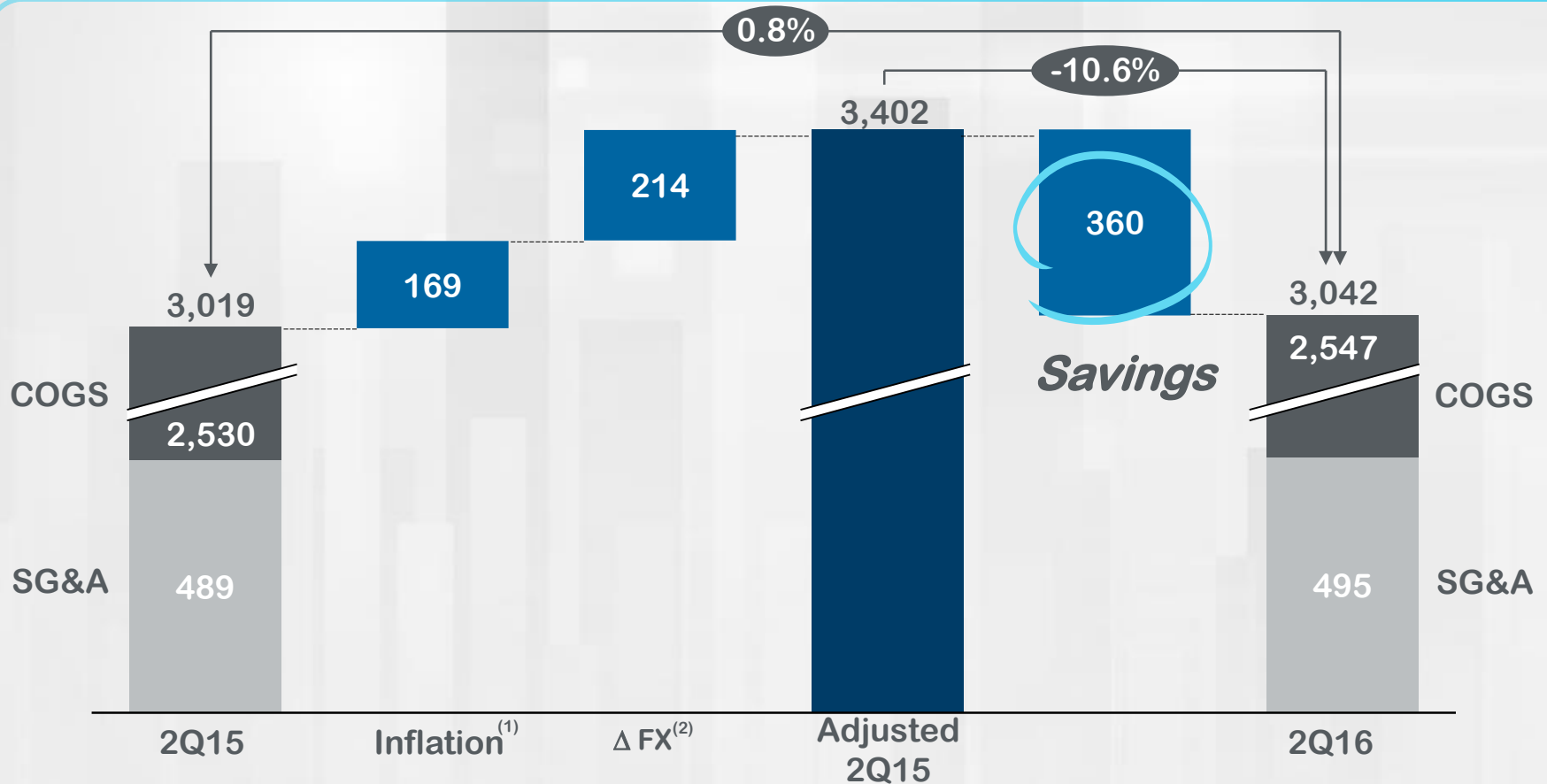
Cost savings were achieved in all regions in real terms

Cost optimization initiatives in all regions

10.6% cost savings offsets Brazilian inflation and BRL depreciation

Ongoing initiatives targeting costs reductions and lean capital spending initiatives:

- ZBB implementation, Brazilian operations rightsizing and costs optimization



(1) LTM IPCA Jun/16: 9.8% | LTM US CPI: 0.7% | VCEAA's CPI average proxy: 1.0% | VLA: CPI average proxy: 5.7% | Inflation over COGS and SG&A considering like-to-like volume

(2) 14% and 17% BRL depreciation 2Q16 vs. 2Q15 against USD and EUR respectively

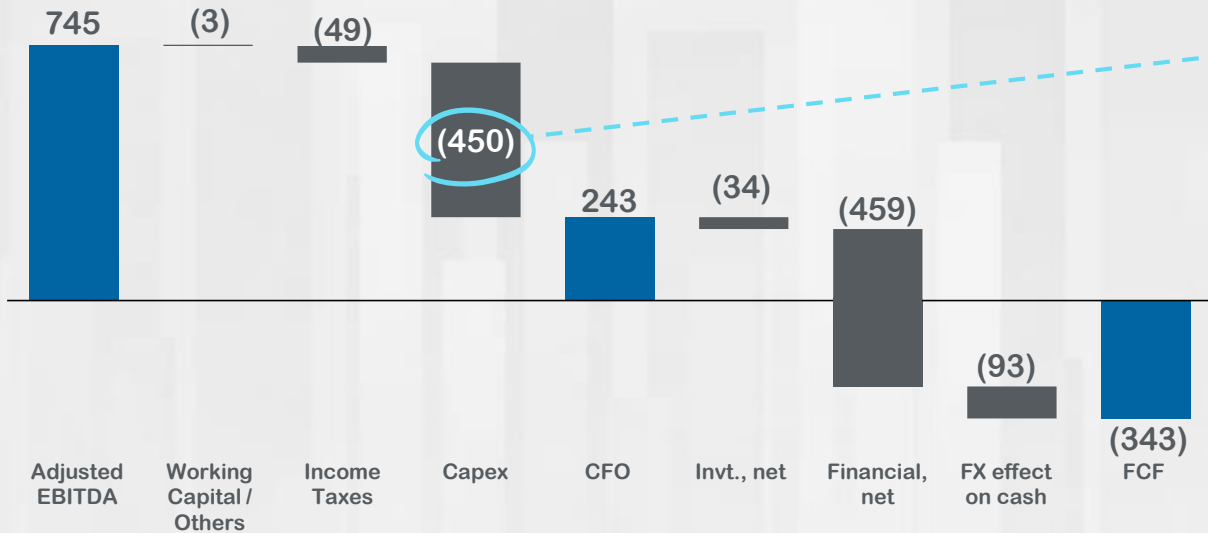
Free Cash Flow

CFO improvement due to working capital initiatives

Initiatives in place to enhance 2016 cash flow generation

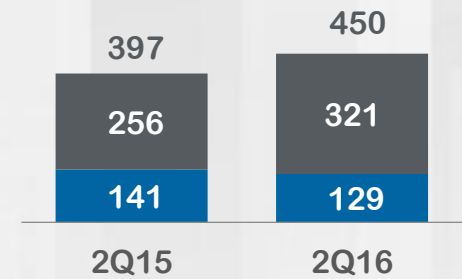
Financial discipline to maintain Capex expansion plan towards long term strategy

Free cash flow generation

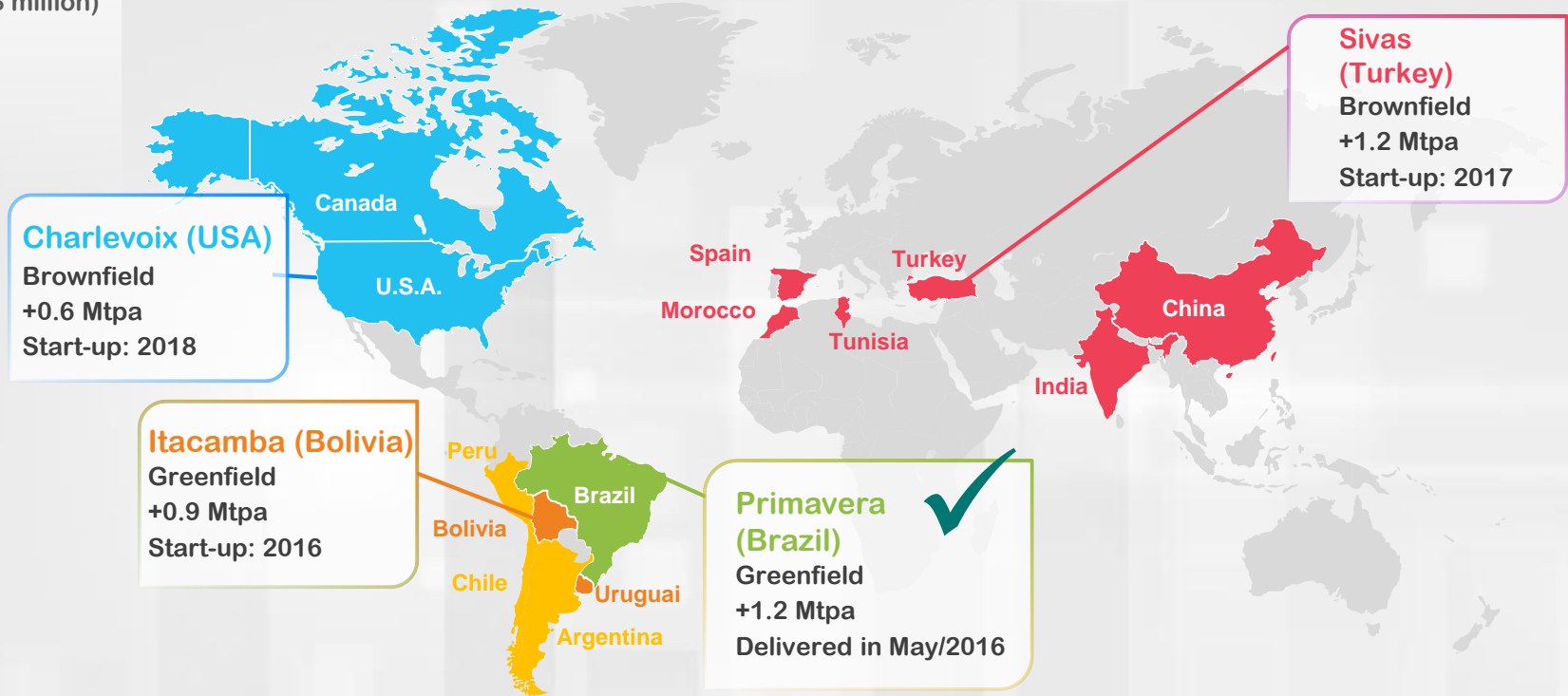


Capex

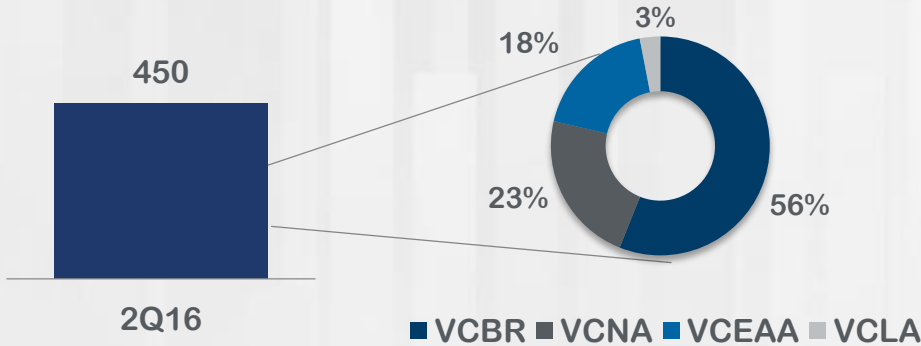
- Non expansion
- Expansion



Expansion Plan



Capex



Highlights

Expansion investments on track to further expand geographically

Maintenance Capex in line with previous year, despite inflation and FX impact

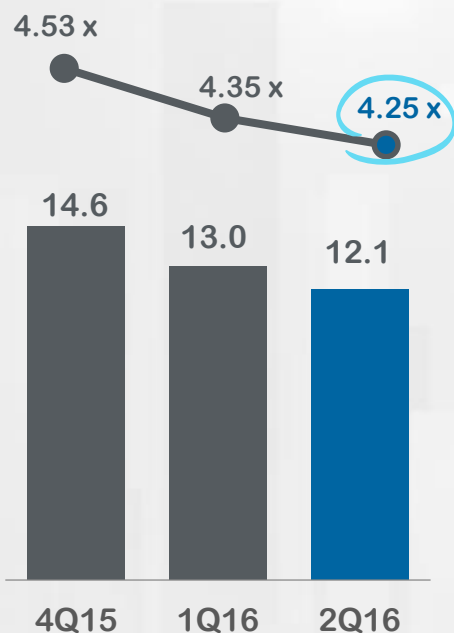
Liquidity & Indebtedness

Ongoing Liability Management further extending 2016 and 2017 maturities

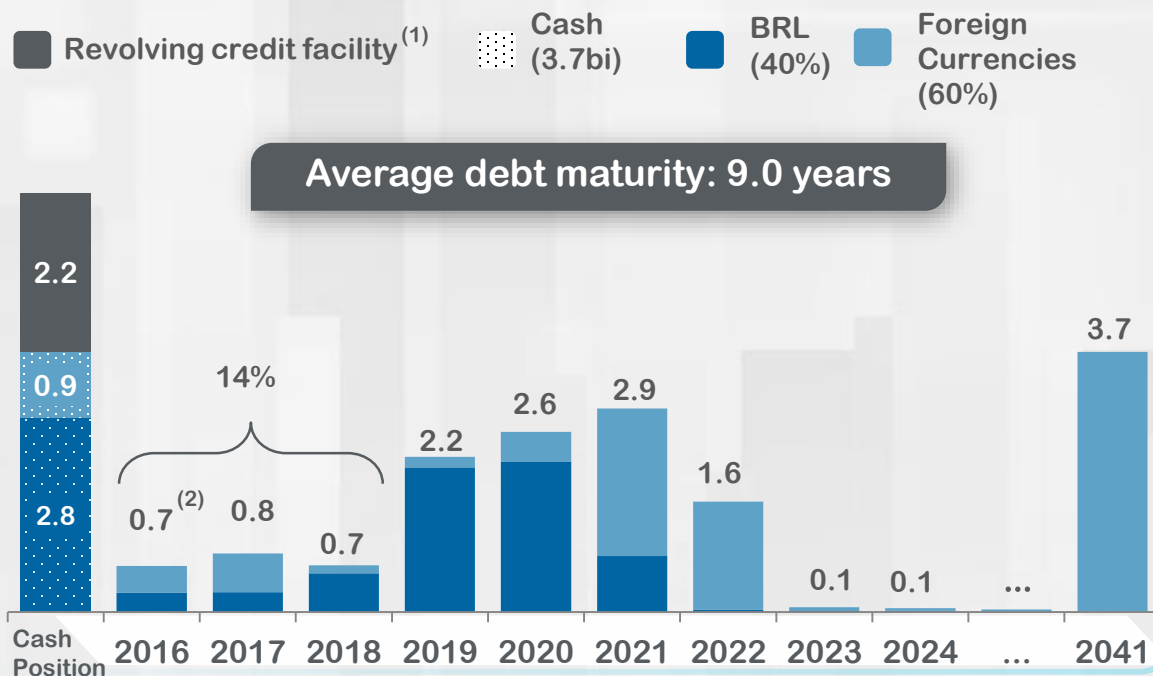
More than R\$ 2 billion of debt extended beyond 2018 or early prepaid in 2016

Low refinance and liquidity risk: no debt concentration in the short and medium term

Net debt & net debt/EBITDA



Debt amortization schedule



(1) Revolver Credit Facility of US\$ 700 million maturing in 2020

(2) Proceeds received in July/2016 related to EUR 100 million new debt will be used to prepay 2016 and 2017 debt



Votorantim

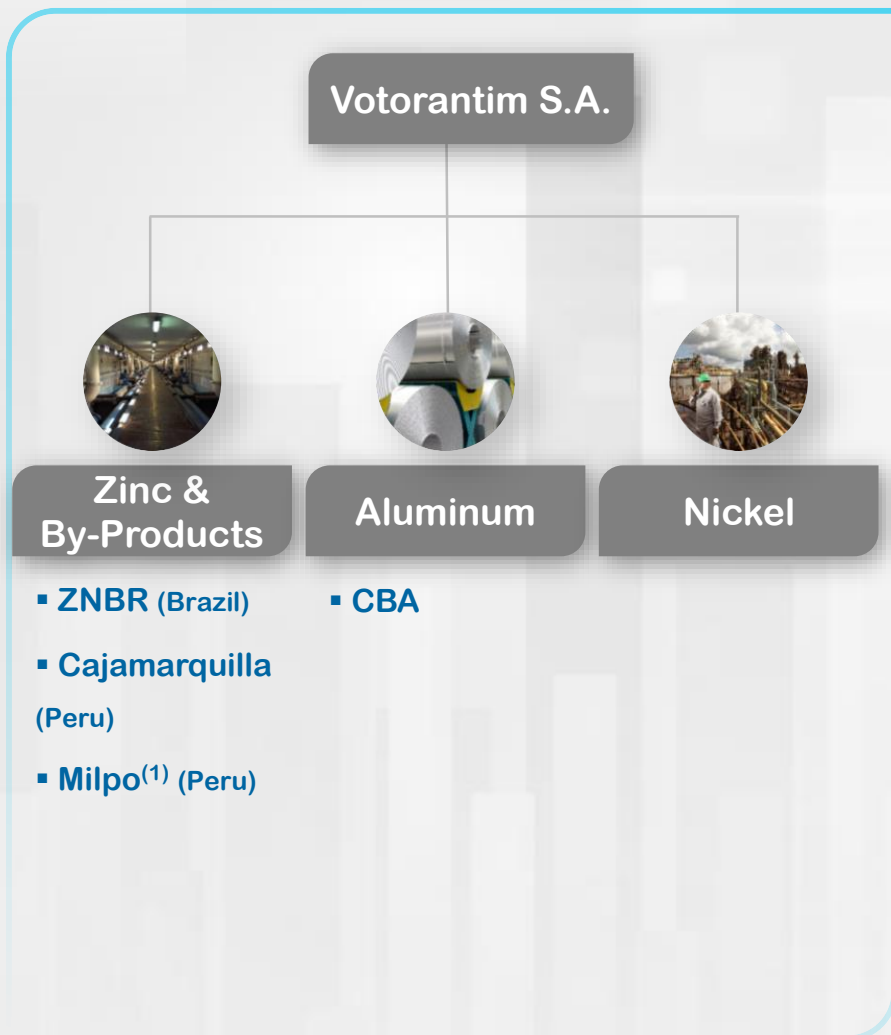


Business Performance
Metals & Mining

Financial Highlights

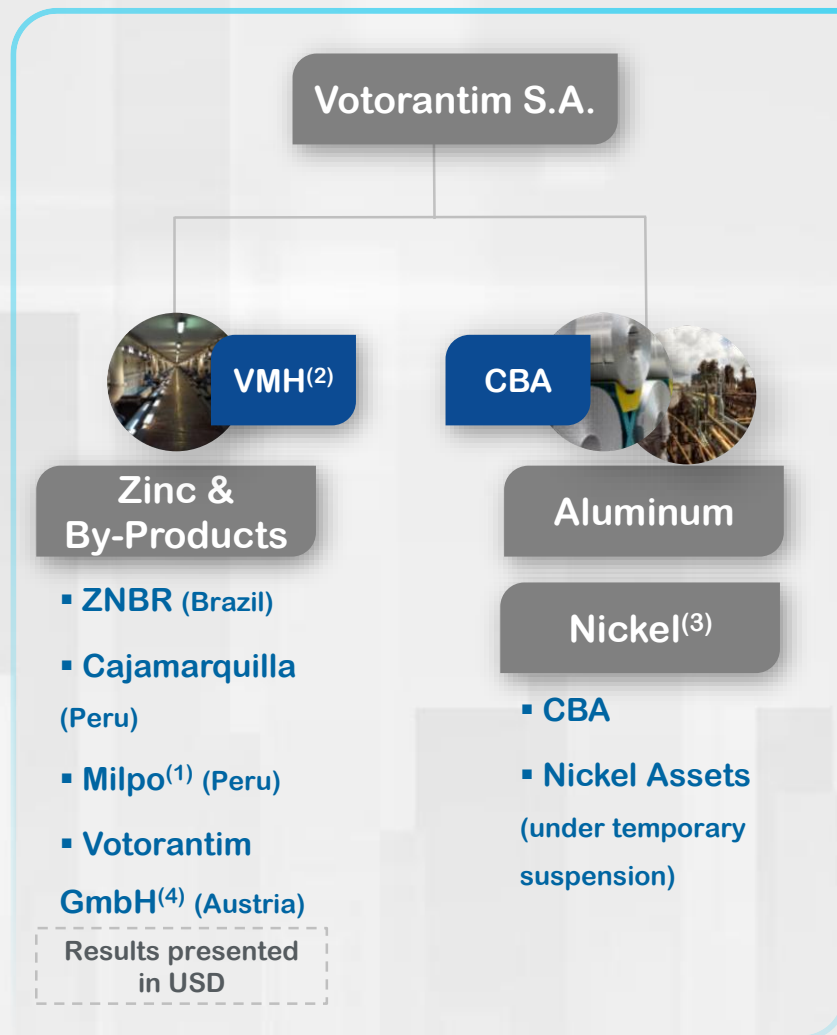
Closing Remarks

Previous corporate structure



(1) Votorantim holds 80.24% of Milpo
 (2) Votorantim Metais Holding S.A.
 (3) Nickel incorporation in July 2016
 (4) Transferred to VMH in June 2016

Current corporate structure



Zinc

LME Price (USD/ton)



Apr/16 May/16 Jun/16

2Q15	2Q16	1Q16	2Q16
2,190	1,918	1,679	1,918

-12%

+14%

Mine supply shortfall and China-led demand growth helped push zinc prices up by over 30% since the start of the year

Copper

LME Price (USD/ton)



Apr/16 May/16 Jun/16

2Q15	2Q16	1Q16	2Q16
6,043	4,729	4,672	4,729

-22%

+1%

Peruvian production growth and low level of supply disruptions influenced price to the downside

Lead

LME Price (USD/ton)



Apr/16 May/16 Jun/16

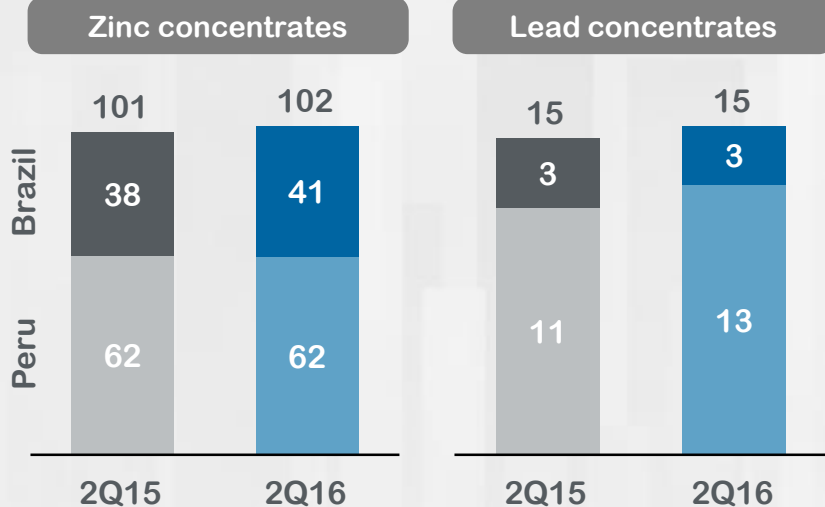
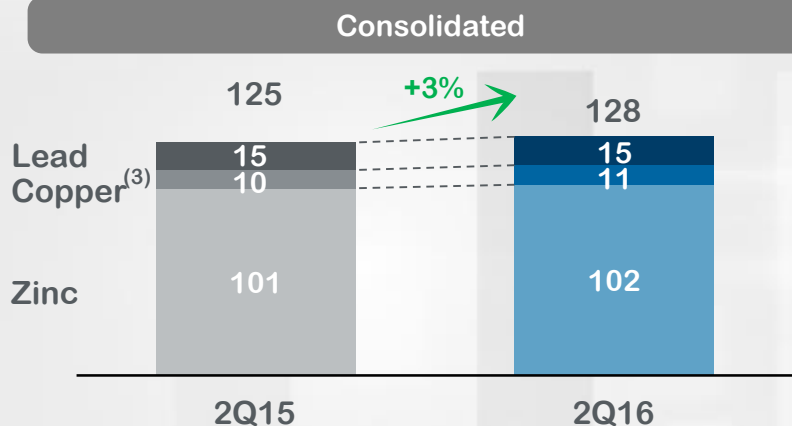
2Q15	2Q16	1Q16	2Q16
1,942	1,719	1,744	1,719

-11%

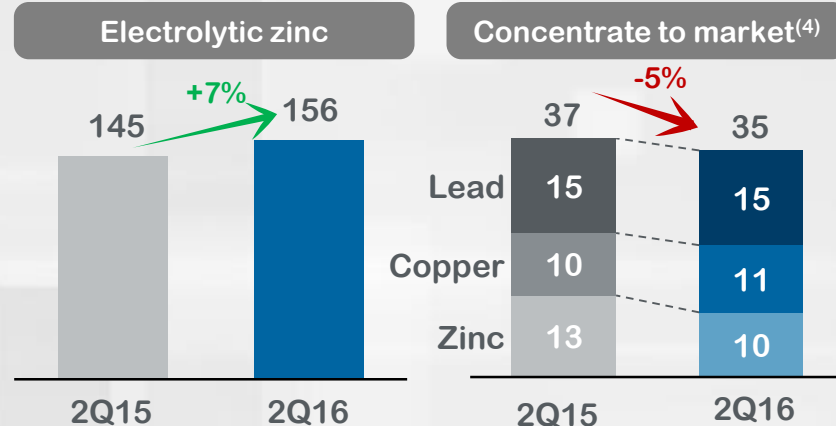
-1%

Concentrate supply is tight, but recycled metal usage has increased and demand from e-bicycles has stalled

Concentrates production⁽¹⁾



Sales volumes⁽²⁾



Highlights

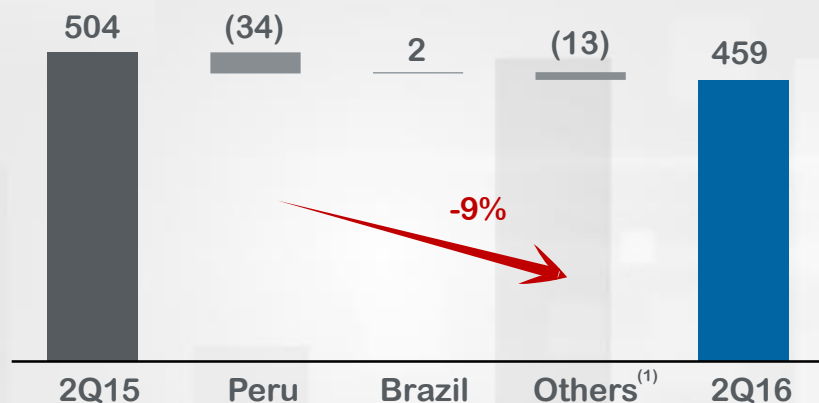
Concentrate production grew by 3%, especially due to higher volumes of zinc in Vazante and copper in Cerro Lindo

Electrolytic zinc sales increased by 7%, due to higher export volumes, more concentrate availability and improved performance in Três Marias smelter

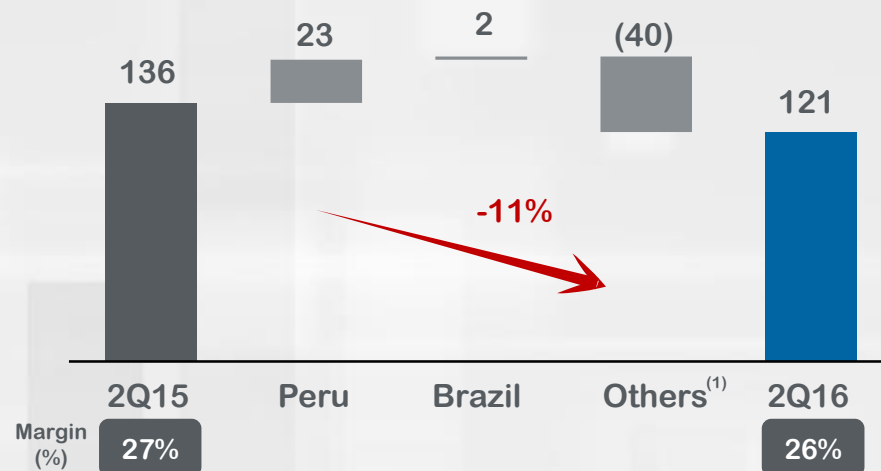
(1) Fine content in concentrate
 (2) Fine content
 (3) 100% of copper concentrate is produced in mines in Peru
 (4) Excluding sales within affiliates (i.e., Cajamarquilla or Brazilian smelters)

Zinc & By-Products | Operational Results

Net revenues



Adjusted EBITDA



Highlights

Net revenue totaled US\$459 million in 2Q16, **9% lower than 2Q15**, mainly impacted by a **12% decrease in zinc LME prices**

Cost reduction programs resulted in a **15% drop in G&A expenses** in 2Q16

Higher selling expenses due to increased export volumes, and **US\$12 million expenses with early-stage projects** (such as Aripuanã and Caçapava do Sul) resulted in an adjusted EBITDA of **US\$121 million in 2Q16**, US\$15 million lower than 2Q15

For further information on Milpo, please visit www.milpo.com/ir

Aluminum

LME Cash Price (USD/ton)



Apr/16 May/16 Jun/16

	2Q15	% Change	2Q16	1Q16	% Change	2Q16
USD/ton	1,765	-11%	1,572	1,516	+4%	1,572
BRL/ton	5,423	+2%	5,511	5,914	-7%	5,511

Chinese production restarts at a slower pace and economic stimulus kept aluminum prices in a slightly upward trend

Nickel

LME Cash Price (USD/ton)



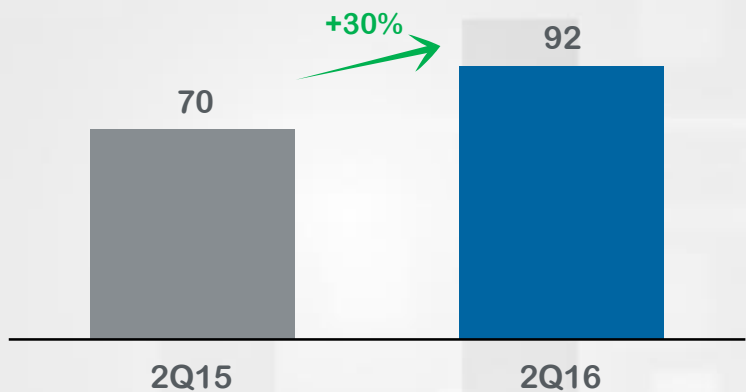
Apr/16 May/16 Jun/16

	2Q15	% Change	2Q16	1Q16	% Change	2Q16
USD/ton	13,008	-32%	8,823	8,499	+4%	8,823
BRL/ton	39,963	-23%	30,941	33,160	-7%	30,941

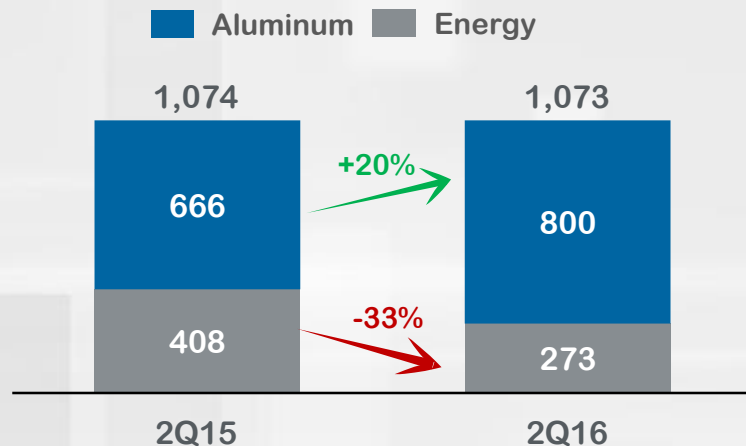
Although global demand has improved, nickel market is structurally impacted by Chinese nickel pig iron producers

Aluminum | Results

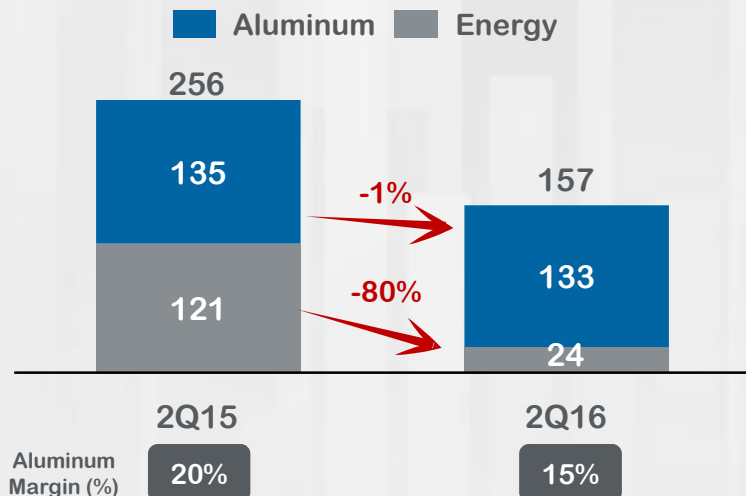
Sales volumes (kton)



Net revenues



Adjusted EBITDA

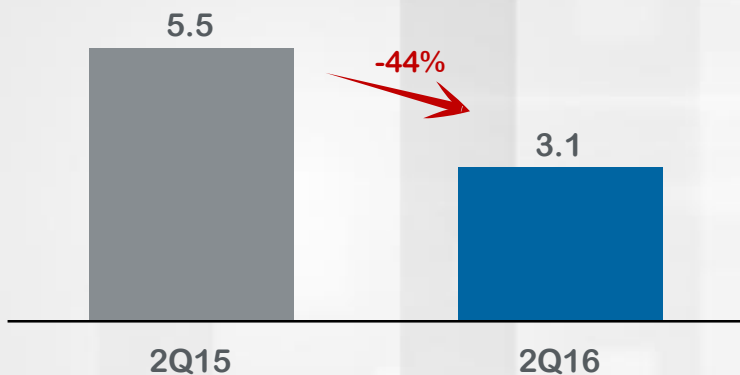


Highlights

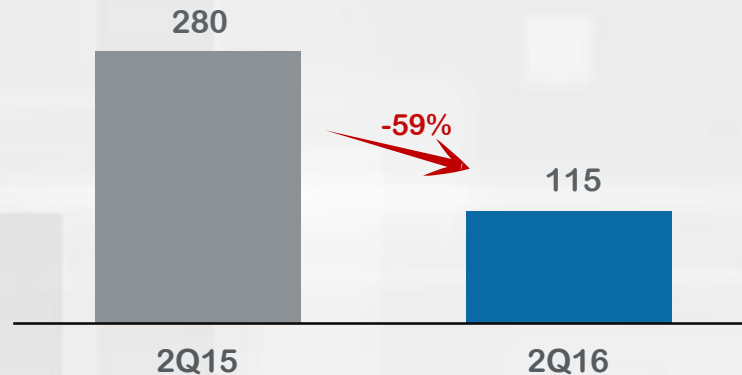
Aluminum capacity was resumed due to lower energy prices, resulting in a **30% increase in aluminum sales volumes**

Aluminum revenues were up by **20%** with **stable EBITDA** due to higher volumes of primary metal in the sales mix

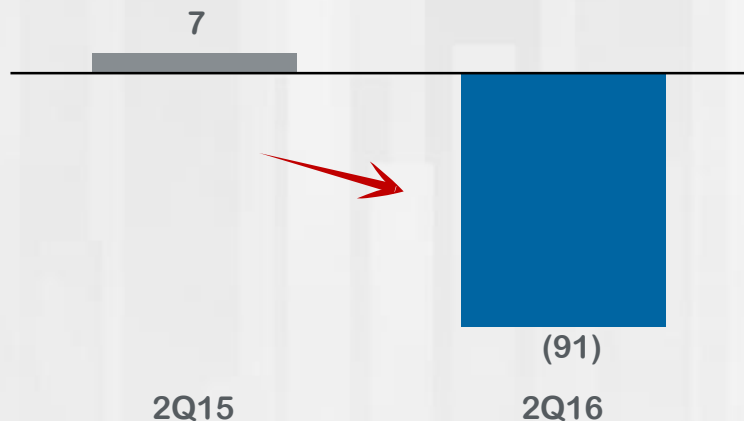
Sales volumes (kton)



Net revenues



Adjusted EBITDA



Highlights

Nickel results were impacted by the temporary suspension of activities, fully implemented in June 2016

Nickel business was incorporated into CBA in July 2016



Votorantim



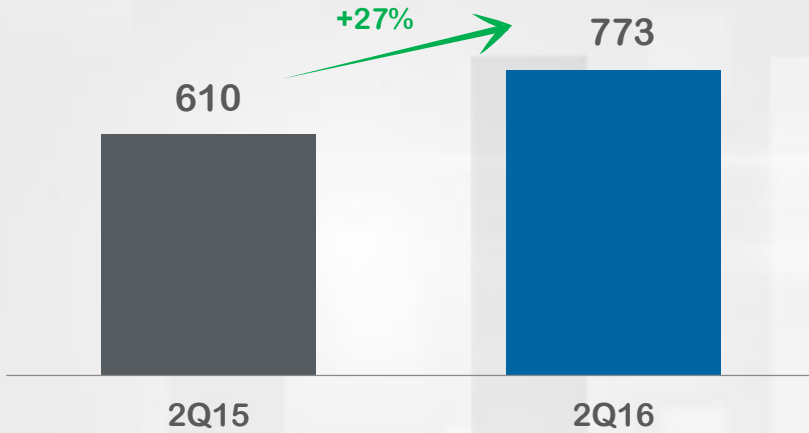
Business Performance

Financial Highlights

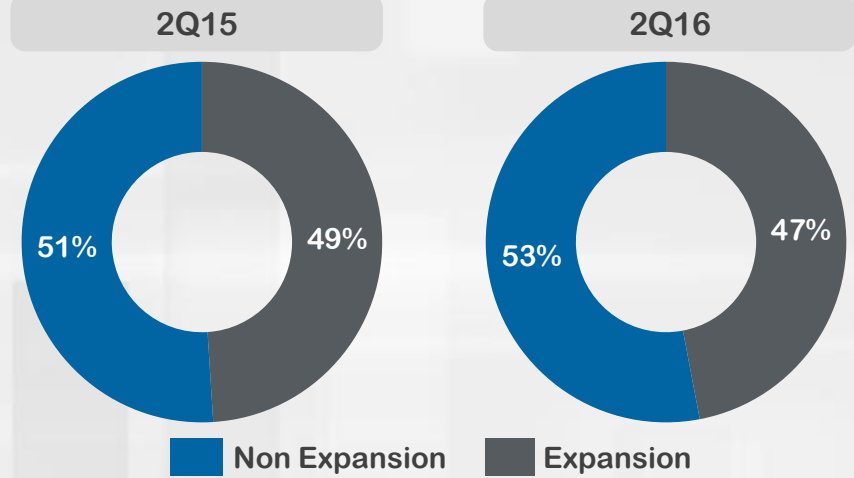
Closing Remarks

Total Capex

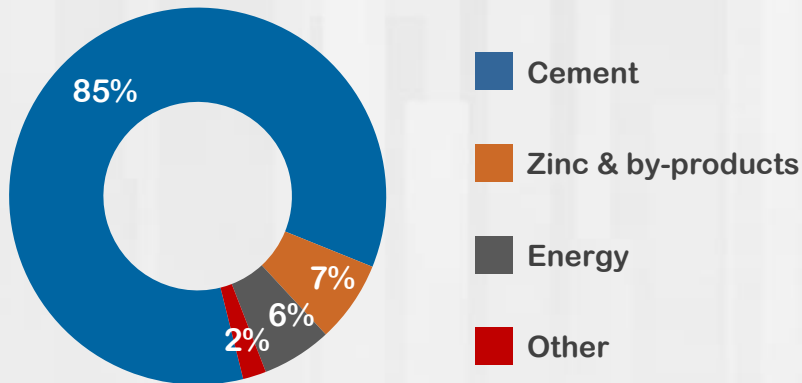
Capex



Capex breakdown



Expansion projects



Highlights

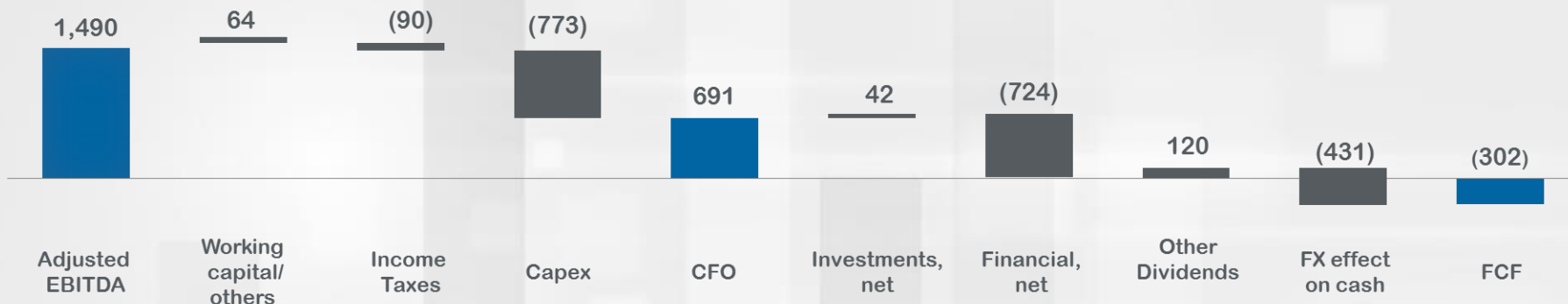
Capex grew 27% compared to 2Q15. Expansion projects will increase our presence in high growth markets and contribute to geographic diversification

Projects in course focused on expanding operations outside Brazil

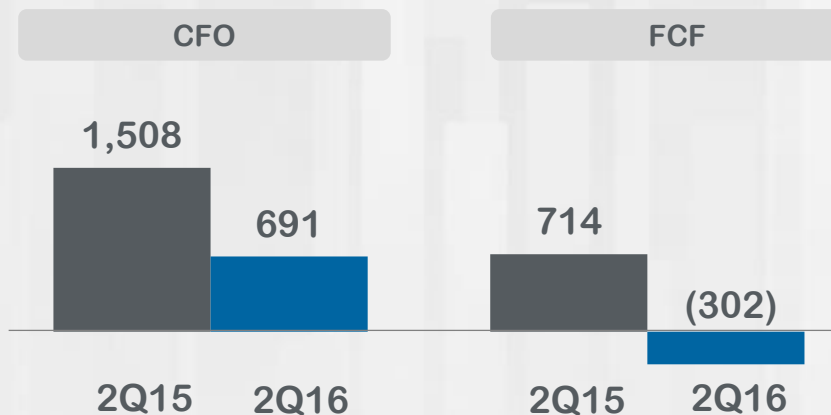
Energy: 7 wind farms will increase capacity by 206MW in 2018

Cash Flow

Free cash flow generation⁽¹⁾



Cash flow⁽¹⁾



Highlights

CFO decreased due to the lower EBITDA and increased expansion Capex

FCF fell as a result of FX effect on cash, offset by dividends from our financial segment

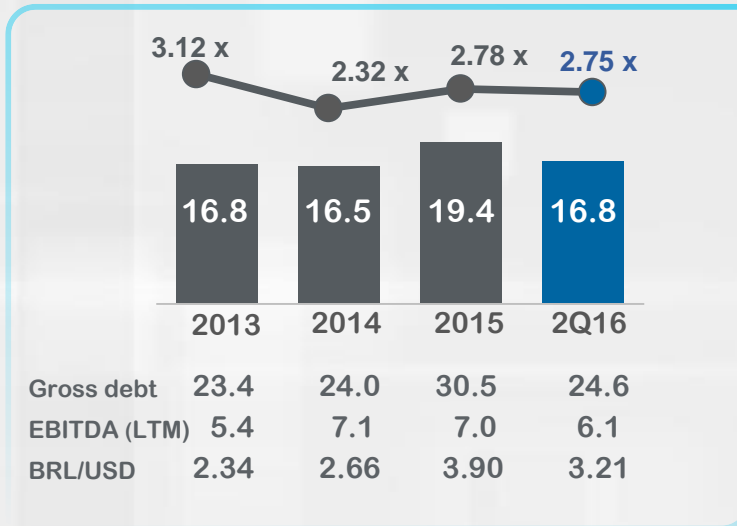
Without the FX effect on cash, the FCF would be R\$129 million

Indebtedness

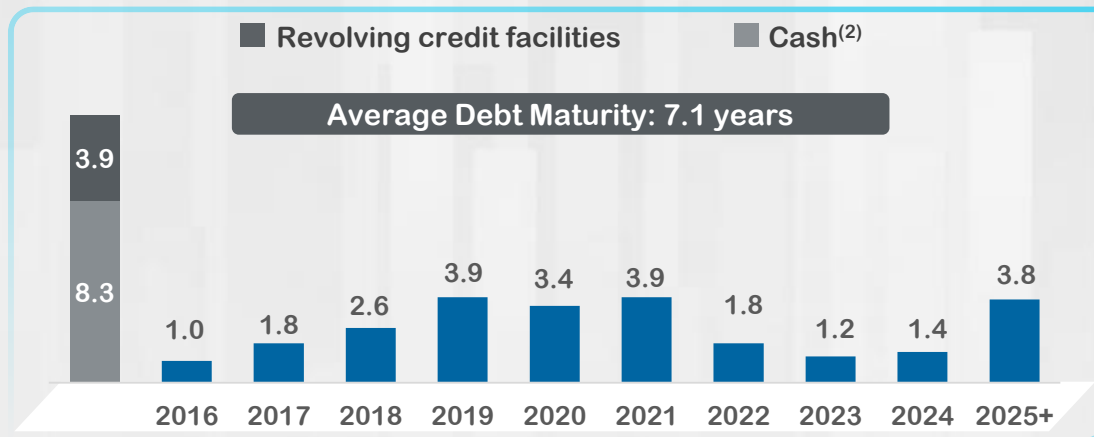
Gross debt



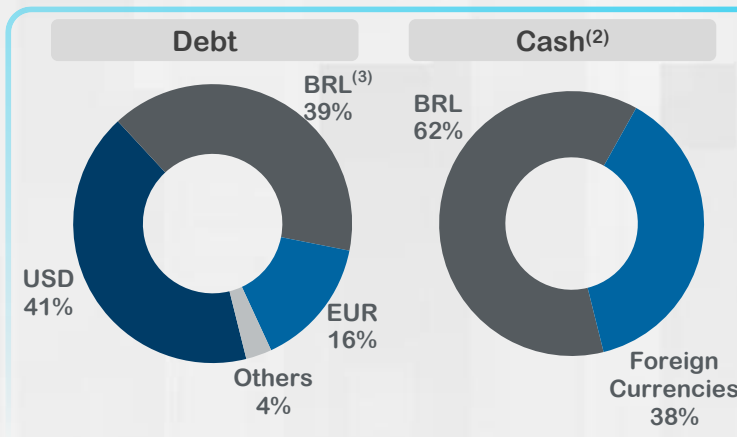
Net debt/EBITDA⁽¹⁾



Debt amortization schedule



Breakdown by currency



(1) Net debt/EBITDA industrial segment

(2) Includes cash, cash equivalents and financial investments

(3) 4131 bilateral loan considered as BRL due to the cross-currency swap



Votorantim

Business Performance

Financial Highlights

Closing Remarks



Closing Remarks



Carrying on strategic Capex, with no new relevant projects



Comfortable liquidity position and smooth amortization schedule



Stable leverage in recent quarters

In Brazil, declining volumes are stabilizing and we may reach an inflexion point