Votorantim

Corporate Presentation

3Q16 Results

November 2016

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Votorantim

Business Performance

Financial Highlights

Closing Remarks

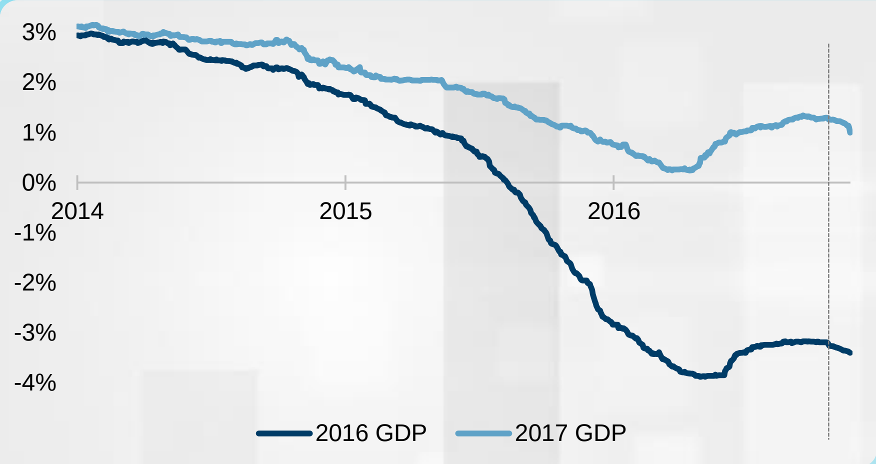
Votorantim

(R$ million)

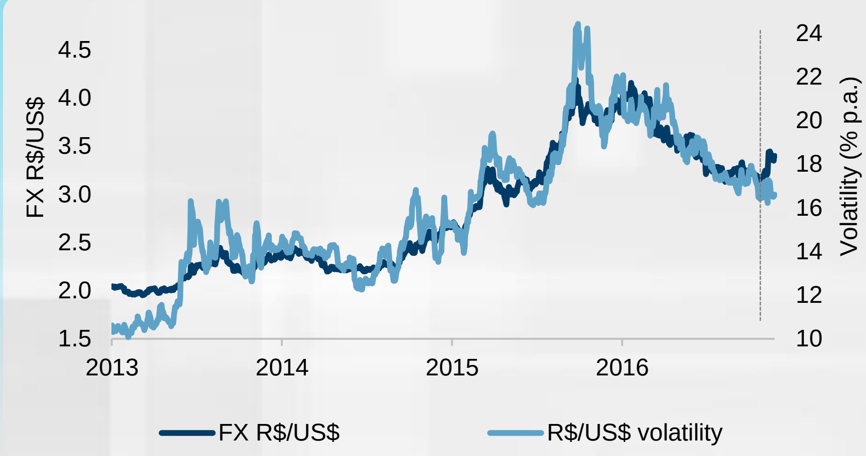
Economic Outlook

Brazil

Market forecast for Brazilian GDP[1] (%p.a.)



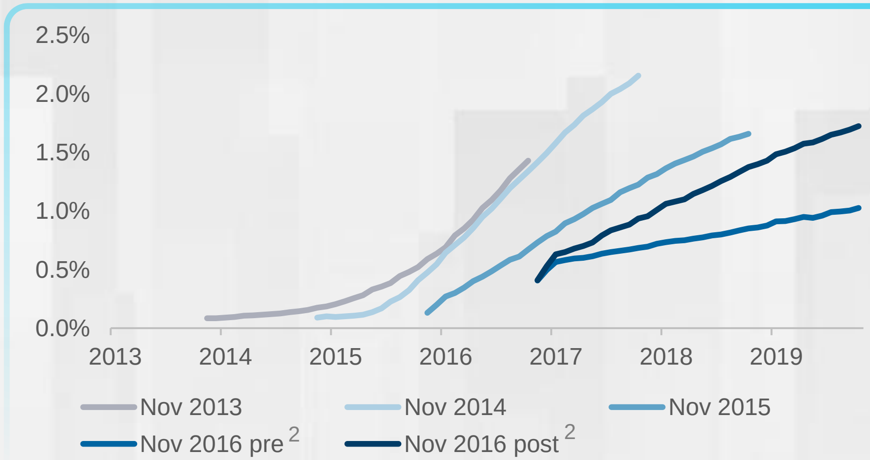
Historical R$/US$ and volatility



World

Bloomberg Base Metals Index (pts)

Federal Funds Rate Futures (%p.a.)



(1) Source: Focus Report of the Central Bank of Brazil

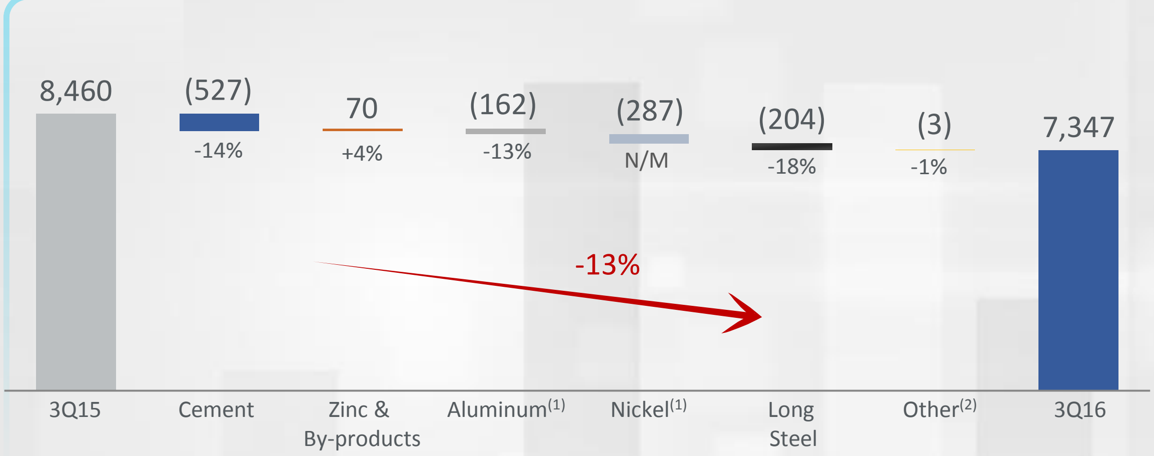
(2) Pre and post 2016 U.S. presidential elections

(3) Vertical lines represent the U.S. presidential election date

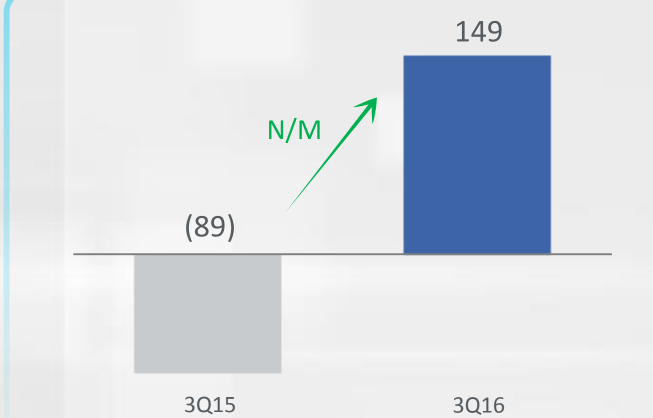
Votorantim S.A. | Industrial Results

(R$ million)

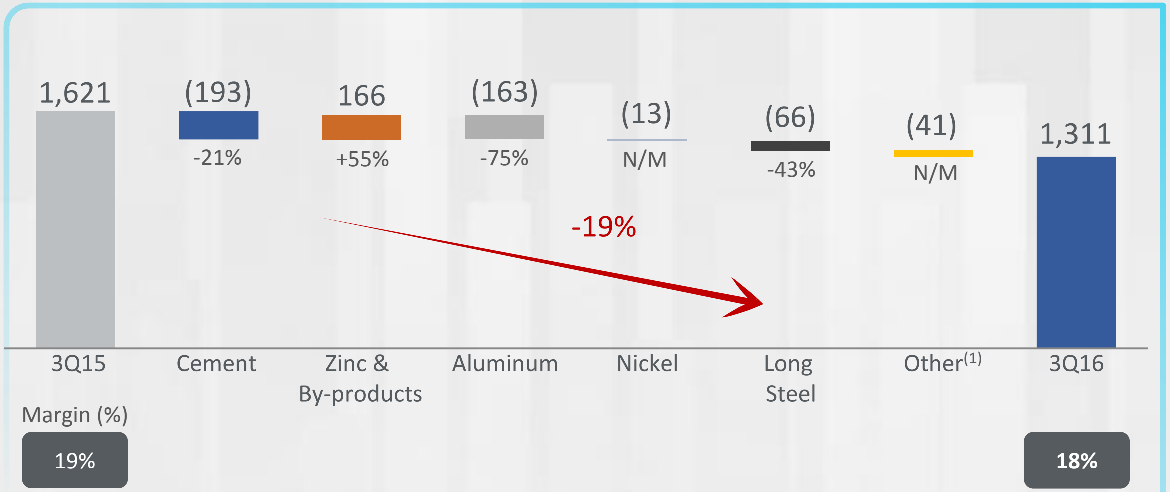
Net revenues



Net income



Adjusted EBITDA



Highlights

Net revenues negatively impacted by the Brazilian economic downturn, the appreciation of the BRL (YoY) and the temporary suspension of the nickel operation

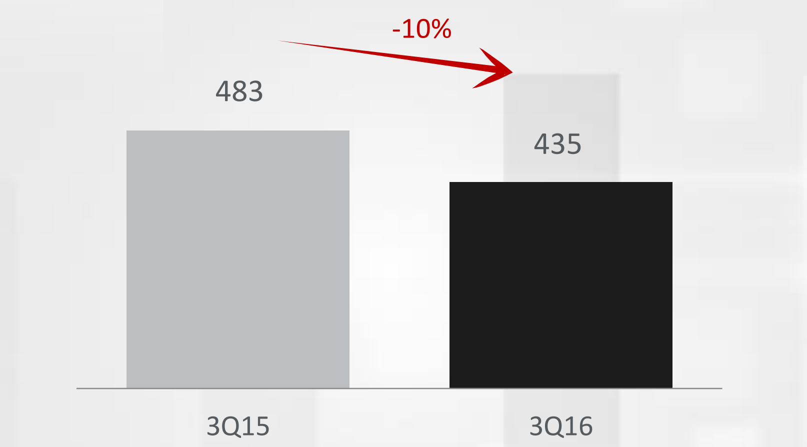
Higher zinc prices contributed to keep EBITDA margin stable

(1) Nickel was incorporated by CBA as of July 1st and it has been accounted as Aluminum since then
(2) Includes Holding, US Zinc , Votorantim Energia, Baesa, Enercan, eliminations and others

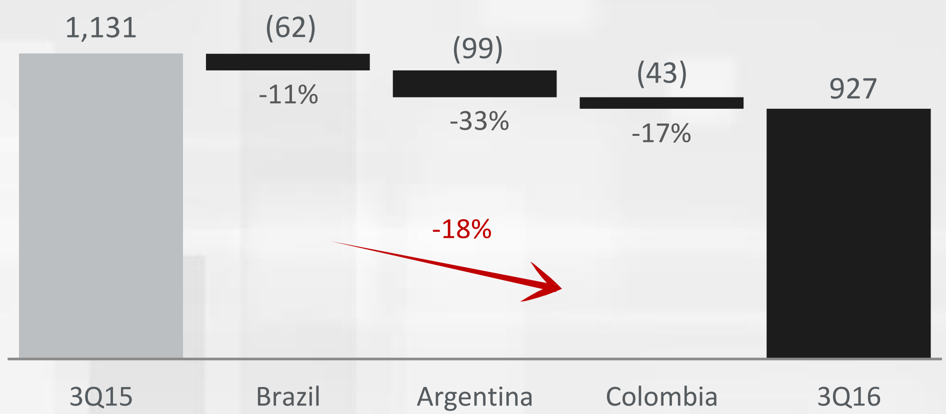
Long Steel | Results

(R$ million)

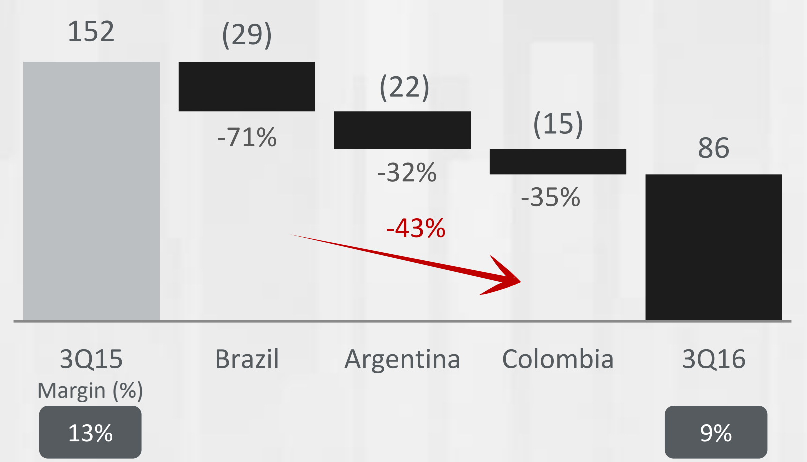
Volumes (kton)



Net revenues



Adjusted EBITDA



Highlights

Brazil: weaker performance of the Brazilian economy drove down sales volumes, particularly of rebar.

Argentina: higher sales prices in local currency compensated **lower volumes**, and EBITDA margin remained stable in ARS. The conversion to BRL was negatively affected by the **weaker ARS**

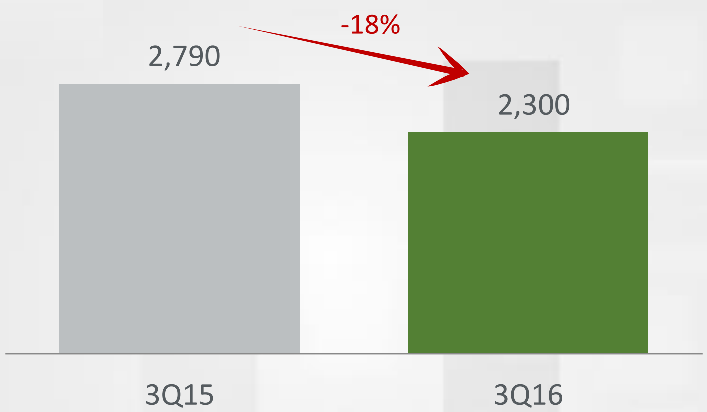
Colombia: a **truck driver's strike** limited sales volumes and compressed EBITDA margin. The **BRL appreciation** also placed a negative effect on the consolidation.

Votorantim

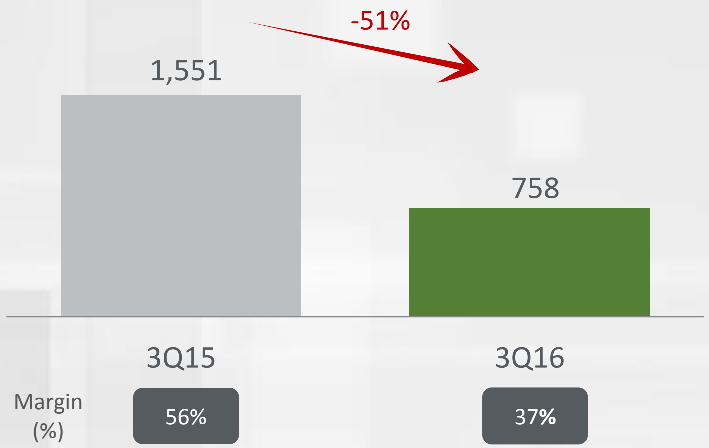
(R$ million)

Pulp | Results(1)

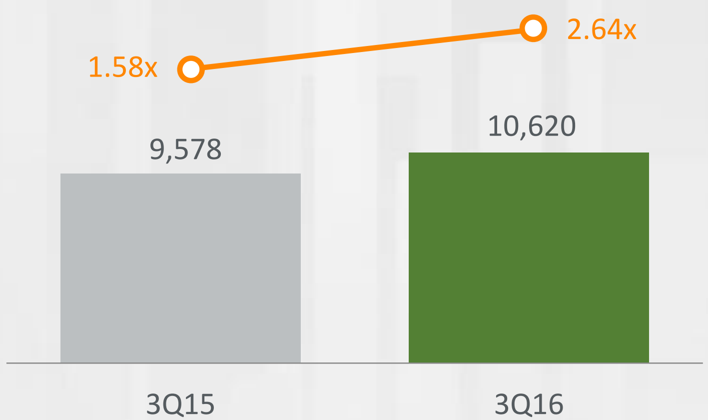
Net revenues



Adjusted EBITDA(3)



Net debt & net debt/EBITDA(2)



Highlights

Decline in revenues due to the lower pulp prices in USD (-19% YoY) and the stronger BRL (8% YoY), which also explain the decrease in EBITDA margin

Increase in leverage mainly due to the expansion cycle

H2 project capex was updated from R$7.7 billion to R$7.5 billion. Physical progress is now at 60%

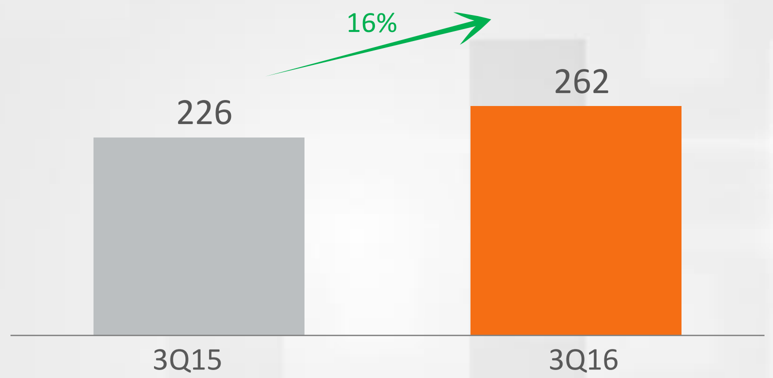
For further information, please visit www.fibria.com/ir

(1) Fibria's figures @ 100% (Votorantim S.A. has a 29.42% equity participation in Fibria)
(2) Net debt/EBITDA in USD
(3) Excludes the effect of Klabin sales agreement

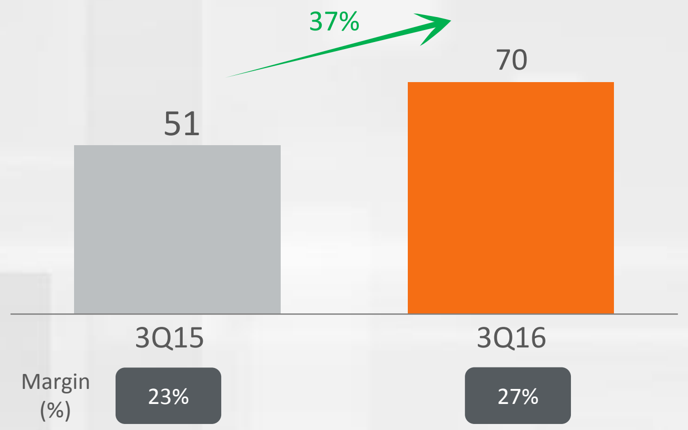
Citrosuco | Results(1)

(US$ million)

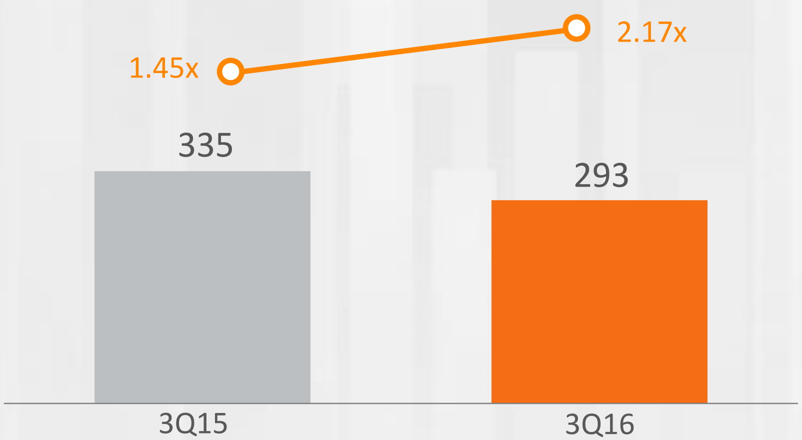
Net revenues



Adjusted EBITDA



Net debt & net debt/EBITDA



Highlights

Higher net revenues due to increased sales prices and higher volumes of FCOJ (15% YoY) and NFC (24% YoY)

EBITDA margin was up 4 p.p., especially because of higher sales prices and lower logistic and manufacturing costs, partially offset by a lower fruit yield

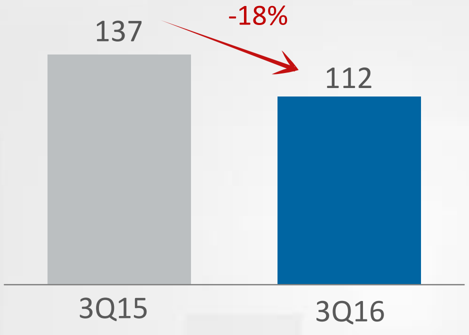
Net debt reduced 13% YoY to US$293 million

(1) Citrosuco's figures @ 100% (Votorantim S.A. has a 50.00% equity participation in Citrosuco)

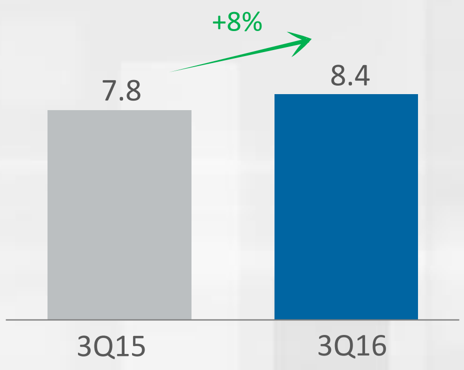
Banco Votorantim | Results(1)(2)

(R$ million)

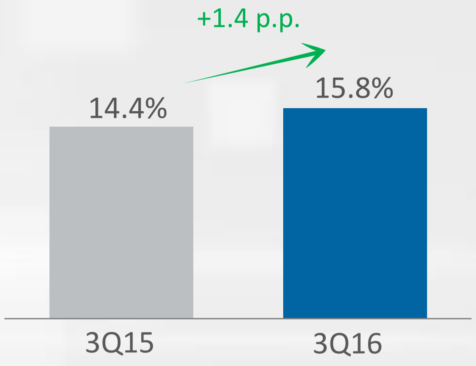
Net income



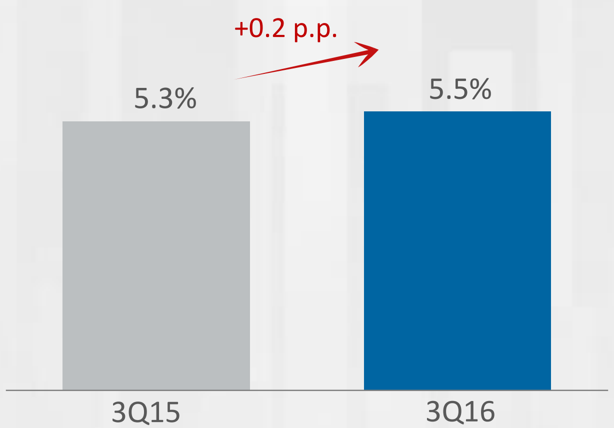
Shareholders' equity (R$ billion)



Basel ratio



Delinquency ratio



Highlights

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

Slight increase of delinquency ratio due to specific wholesale cases, with allowance for loan losses previously made

Basel ratio improved, specially because of better Tier I Capital Ratio

(1) Banco Votorantim's figures @ 100% (Votorantim Finanças has a 50.00% equity participation in Banco Votorantim)
(2) All the numbers are presented in BRGAAP

Votorantim

Business Performance
Cement

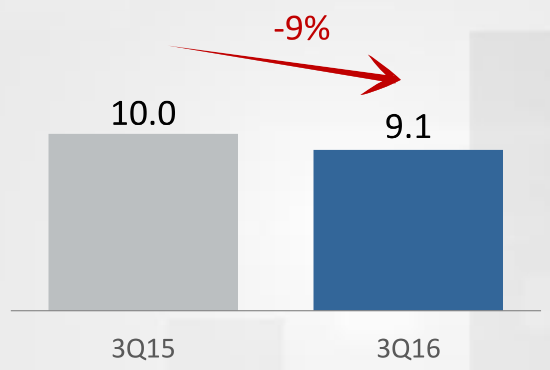
Financial Highlights

Closing Remarks

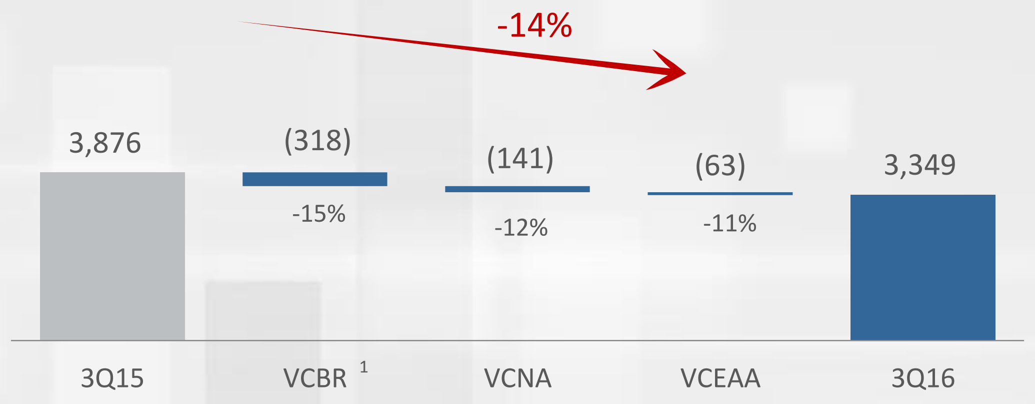
Cement | Results

(R$ million)

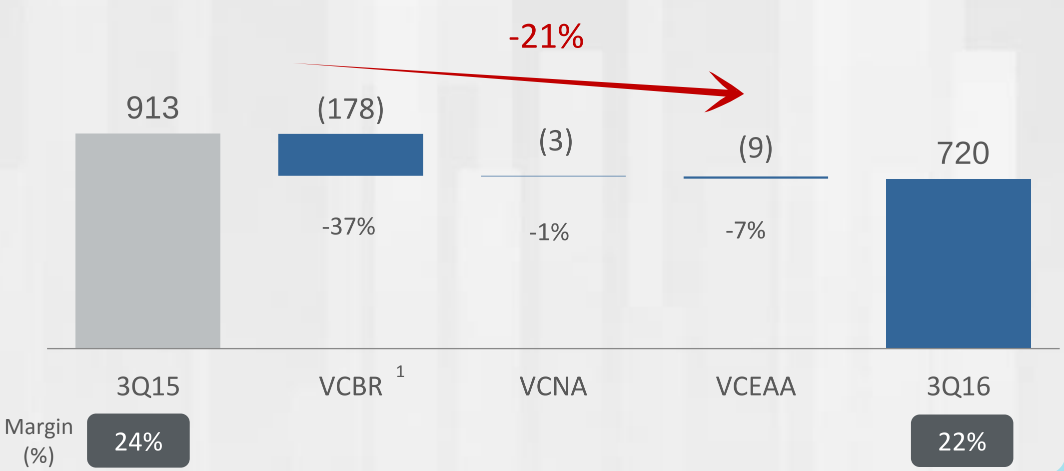
Volumes (mton)



Net revenues



Adjusted EBITDA



Highlights

Higher volume in Morocco, Tunisia, Spain and Turkey partially offset Brazilian current market downturn

9% increase in VCNA EBITDA in USD due to higher prices, despite FX volatility in BRL

Cost reduction mainly through operational efficiency and competitive fuel and power mix in VCEAA

(1) Includes operations in South America

Votorantim

VCBR[1]

Cost reduction initiatives set up to mitigate Brazilian market slowdown

Expansion in Bolivia
1.2 Mtpy
Start-up: Dec/16

3Q16[2] (R$ mm)

Net revenues	EBITDA	Pro forma Gross Debt[3]
1,797	299	12,650
54%	42%	81%

Market overview

- Building material market remains competitive due to Brazilian retraction
- Cement sales volume fell by 13% over 3Q15, according to SNIC
- Consumer confidence index (FGV) 9% higher over 3Q15 may indicate gradual recovery

Highlights

- Operational efficiency & zero-based budgeting initiatives generated cost savings
- Right-sizing to adapt operations to current market scenario
- Nationwide 8.5% price increase in August aiming at passing through inflation
- Bolivia kiln turned on in October. Start up expected by December

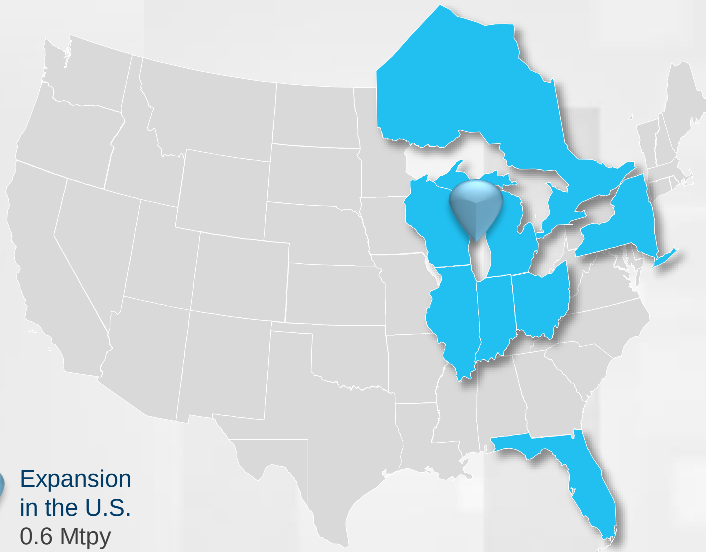
Timely and active liability management

- 10% debt reduction in Brazil, balancing capital structure
- R$ 1.4 bi debt maturing in 2017 and 2018 prepaid or extended
- EUR 395mm tender offer of 2021/2022 bonds with proceeds from St. Marys bonds issuance

(1) Includes operations in South America
(2) Considered as % of VCSA
(3) Pro forma 3Q16: : includes new St. Marys USD 500 mm 10-year bonds and EUR 395 mm tender offer of 2021 / 2022 bonds

VCNA

Steady cement consumption continues to trend positively in the U.S.



Expansion in the U.S.
0.6 Mtpy
Start-up: 2018

3Q16[1] (R$ mm)

Net revenues	EBITDA	Pro forma Gross Debt [2]
1,045	317	1,650
31%	44%	10%

Market overview

- Growth from non-residential, public construction activity and residential spending and moderate growth in Canada
- Housing starts growth in the U.S. by 4.6% an by 2.0% in Canada[3]

Highlights

- Improved profitability in USD: YTD EBITDA growth of 31% in USD and 5 p.p higher EBITDA margin
- Strong cash flow generation
- Higher prices in cement and ready mix concrete offset lower sales volume
- Charlevoix expansion project to benefit from market rebound

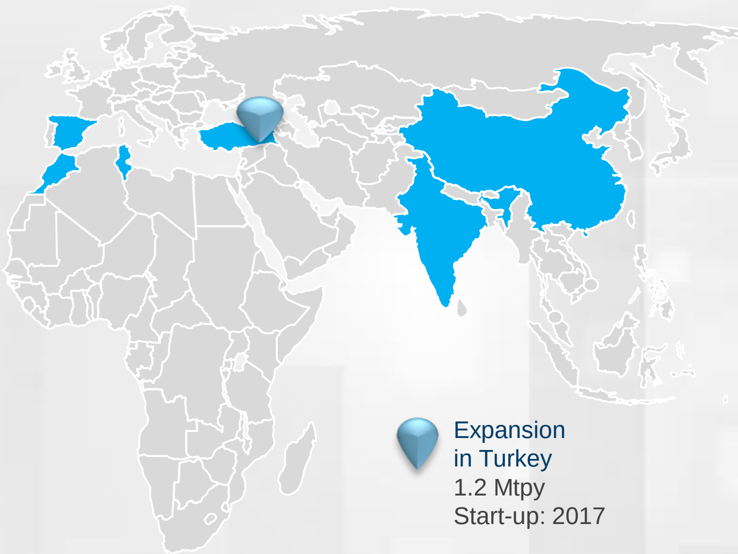
Capital structure & bond issuance

- St. Marys issuance of long 10-year bonds to fund VCSA 2021/2022 tender offer
- Access to USD 230 mm revolving credit facility further enhancing liquidity

(1) Considered as % of VCSA
(2) Pro forma 3Q16: includes new St. Marys long 10-year USD 500 mm bonds and EUR 395 mm tender offer of 2021 / 2022 bonds
(3) According to United States Census Bureau and Canada Mortgage and Housing Corporation

VCEAA

Resilient results despite political instability in main regions



3Q16[1] (R$ mm)

Net revenues	EBITDA	Pro forma Gross Debt[2]
520	105	1,336
15%	15%	9%

Market overview

- Spain construction market affected by political instability
- Tunisia market remains stable despite exports bottleneck
- Turkey and Morocco GDP growth leading to favorable cement demand

Highlights

- Morocco's EBITDA increased 10.6%: highest profitability in VCEAA
- Higher sales volume in Morocco, Turkey, Tunisia and Spain
- Increased competition in most regions pressuring prices
- Cost reduction due to improved power and fuel mix
- Right-sizing in China to fit market demand
- Sivas expansion project to take advantage of market condition

Indebteness

- Debt in Spain and Turkey to partially fund Sivas expansion, to repay China´s and extend debt maturity in 3 years

(1) Considered as % of VCSA
(2) Pro forma 3Q16: includes new St. Marys 10-year long USD 500 mm bonds and EUR 395 mm tender offer of 2021 / 2022 bonds

Sound cash flow generation

(R$ million)

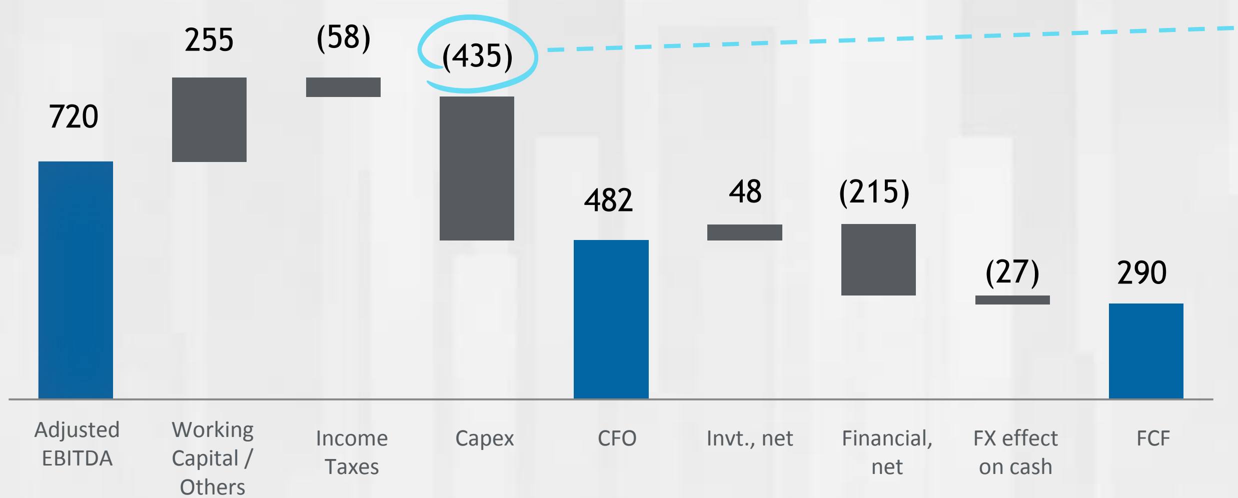
Ability to act fast to further improve cash flow

Positive CFO and FCF despite Brazilian market deterioration

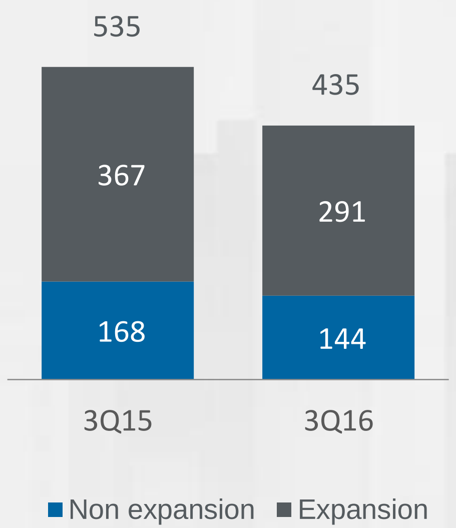
Working capital enhancement chiefly due to increased DPO in all regions

Expansion capex abroad reinforces long term strategy of geographic diversification

Free cash flow generation



Capex

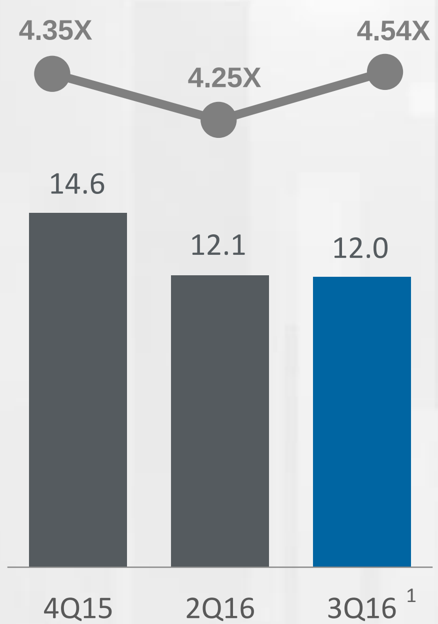


Liquidity & Indebtedness

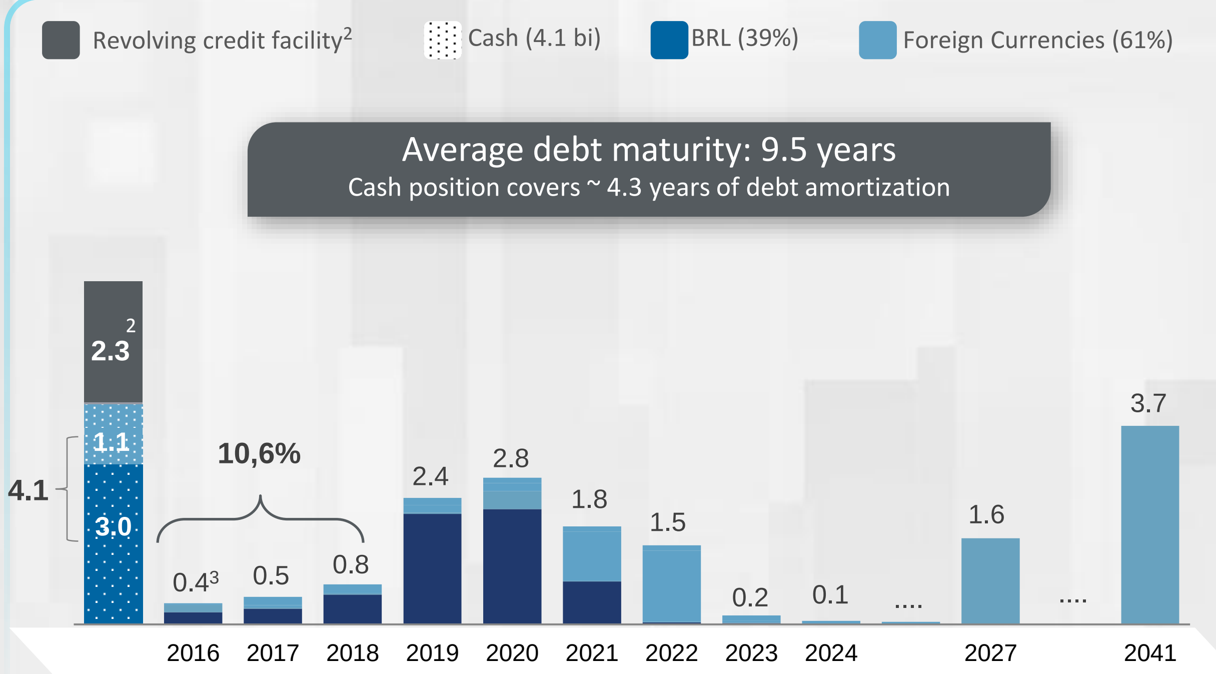
(R$ billion)

- Balancing capital structure in 3Q16: Proceeds from St. Marys bonds used to tender offer EUR 2021/22 and Turkish bank loan to finance investments and adjust currency exposure
- No significant maturities by 2019: 10.6% of debt maturing in the next years
- Average maturity extended from 9.0 years to 9.5 years

Net debt & net debt/EBITDA



Debt amortization schedule Pro Forma[1]



(1) As of september considering St. Marys USD 500 mm bonds and EUR 395 mm tender offer of 2021 / 2022 bonds
(2) VCSA´ revolver of USD 700 MM due in 2020| In addition, but not consider in the graph, VCNA revolver of USD 230 MM due in 2020 and VCEEA revolver of EUR10mm
(3) ~BRL 0.3 MM accrued interest

Votorantim

Business Performance
Metals & Mining

Financial Highlights

Closing Remarks

Zinc & By-Products | Market Fundamentals

(USD/ton)

Zinc

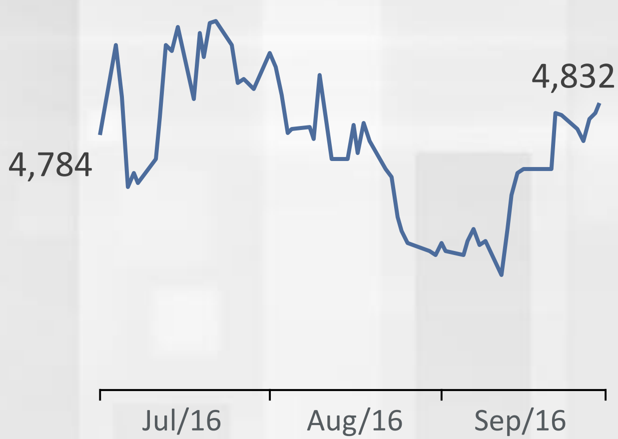
LME Price

3Q15	3Q16	2Q16	3Q16
1,847	2,255	1,918	2,255
+22%		+18%	

Upward trend persisted based on concentrate market tightness and **LME price rose by 53% from Jan 1st to Sep 30th**

Copper

LME Price

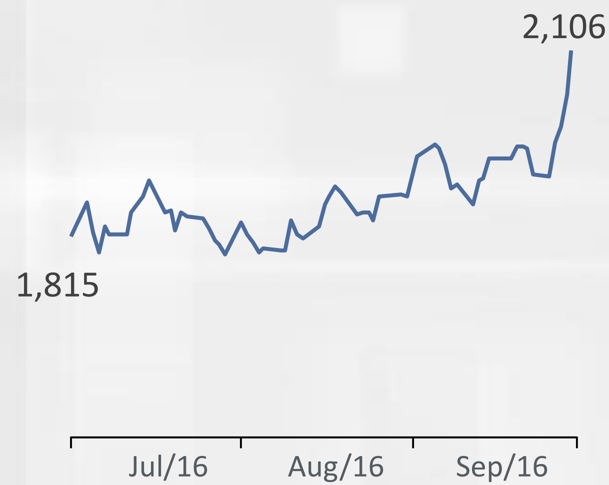


3Q15	3Q16	2Q16	3Q16
5,259	4,772	4,729	4,772
-9%		+1%	

Stable prices during 3Q16 due to better-than-expected **Chinese demand in a moment of supply surge**

Lead

LME Price



3Q15	3Q16	2Q16	3Q16
1,714	1,873	1,719	1,873
+9%		+9%	

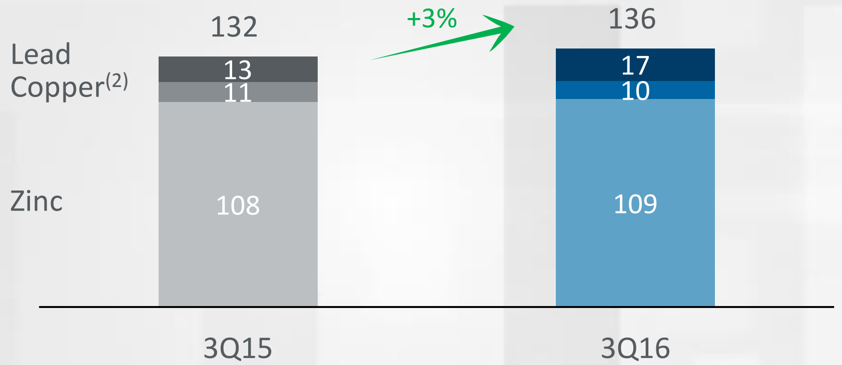
Concentrate shortage has driven prices up, but positive impact is limited by higher usage of secondary lead

Zinc & By-Products | Production and sales volumes

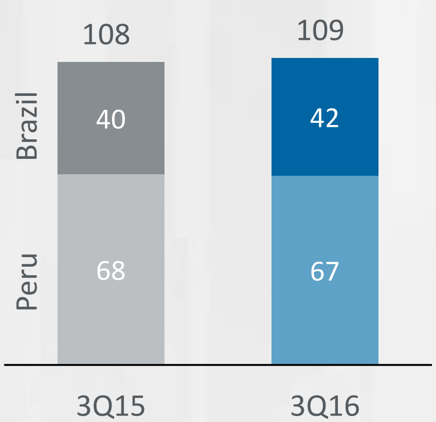
(Kton)

Concentrates production[1]

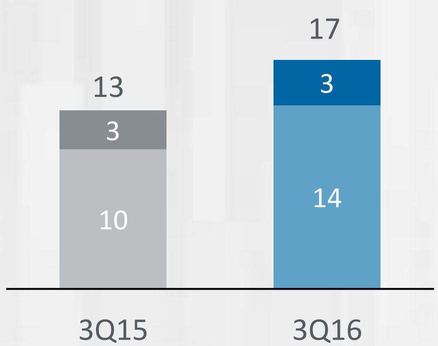
Consolidated



Zinc concentrates

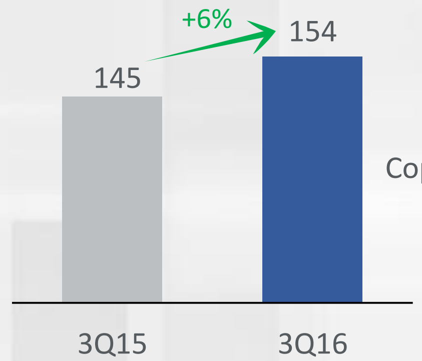


Lead concentrates

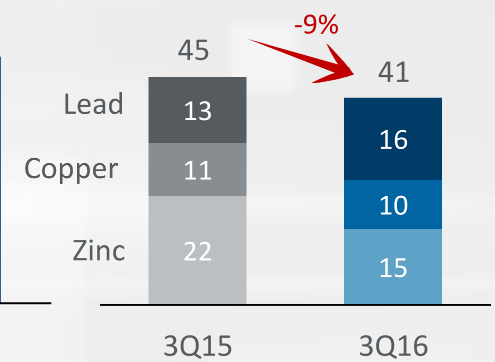


Sales volumes[1]

Electrolytic zinc



Concentrate to market[3]



Highlights

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

Electrolytic zinc sales increased by 6%, due to higher export volumes, more concentrate availability and improved performance in the Três Marias smelter

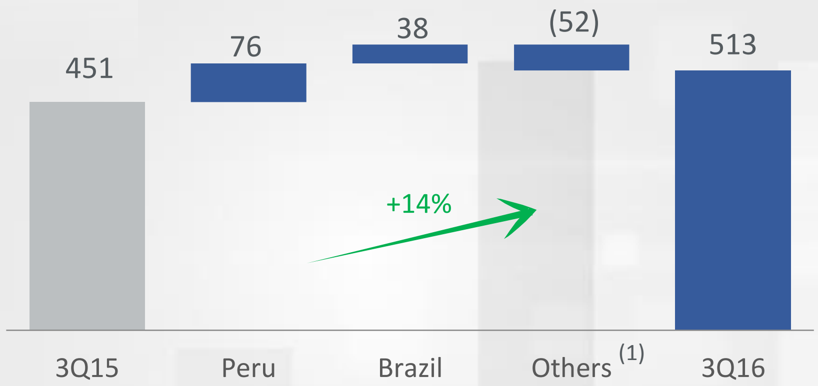
(1) Fine content
(2) 100% of copper concentrate is produced in mines in Peru
(3) Excludes sales within affiliates (i.e., Cajamarquilla or Brazilian smelters)

Votorantim

Zinc & By-Products | Operational Results

(US$ million)

Net revenues



Adjusted EBITDA

Highlights

Higher sales volumes and better LME zinc metal prices resulted in a 14% increase in net revenues, totaling US$513 million in 3Q16

Adjusted EBITDA was 69% higher than 3Q15 pushed by higher concentrate production and lower variable costs, especially in Peruvian operations

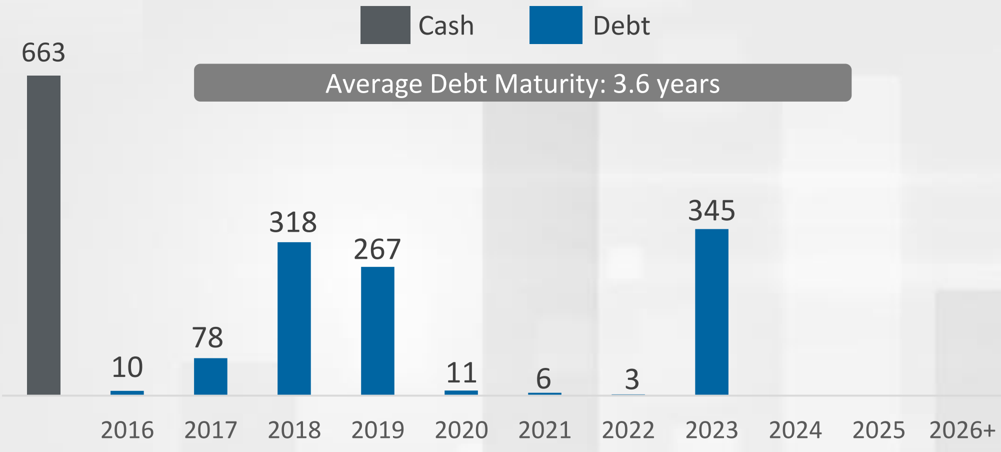
For further information on Milpo, please visit www.milpo.com/ir

(1) Includes eliminations

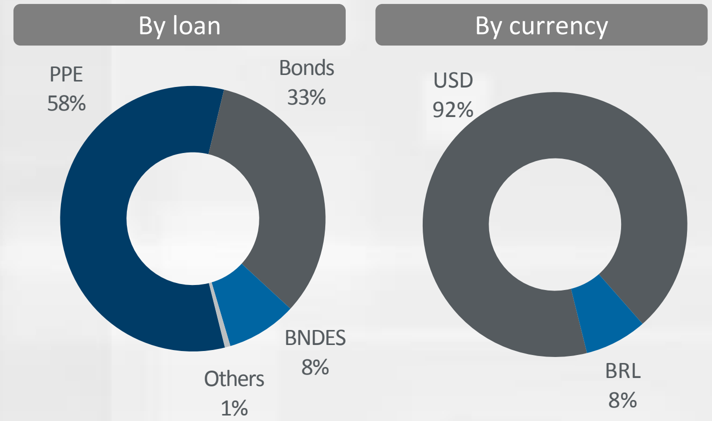
Zinc & By-Products | Indebtedness

(US$ million)

Debt amortization schedule



Debt breakdown

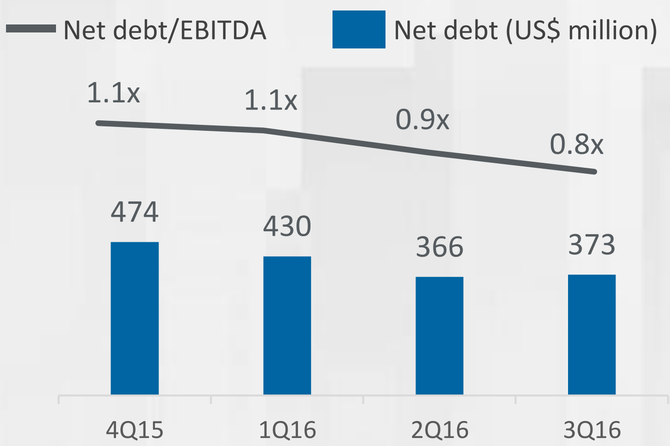


Highlights

VMH managed to renegotiate guarantees on its Export Financing debt maturing between 2017 and 2019, restricting guarantees to the company's perimeter

As a consequence, ~90% of gross debt is currently guaranteed solely by VMH companies

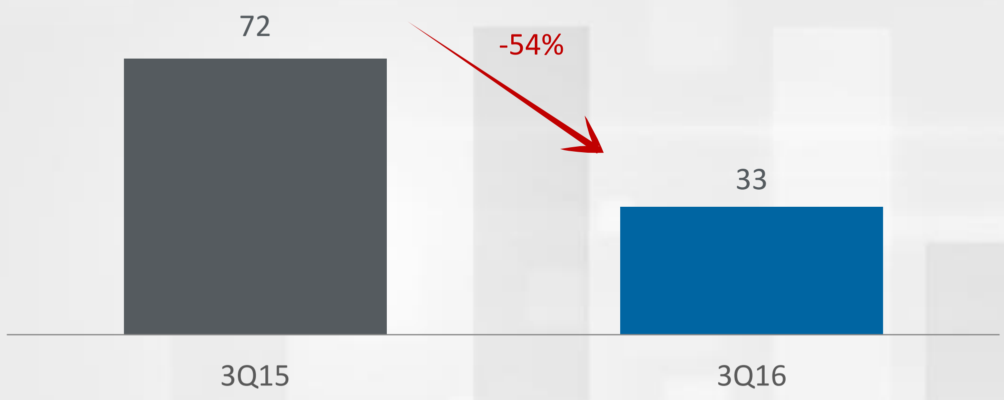
Net debt/EBITDA



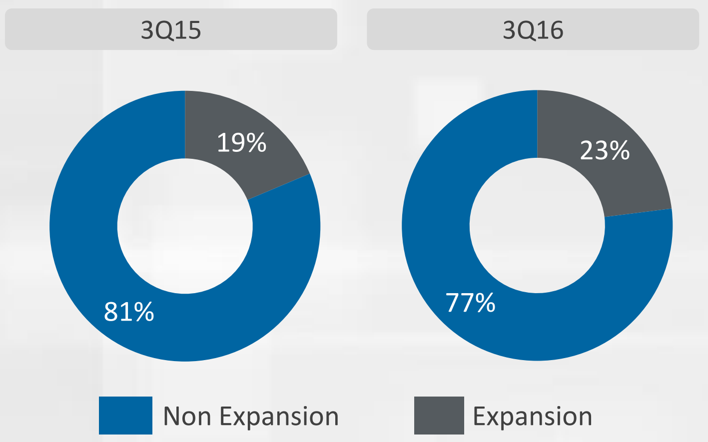
Zinc & By-Products | Capex

(US$ million)

Capex



Capex breakdown



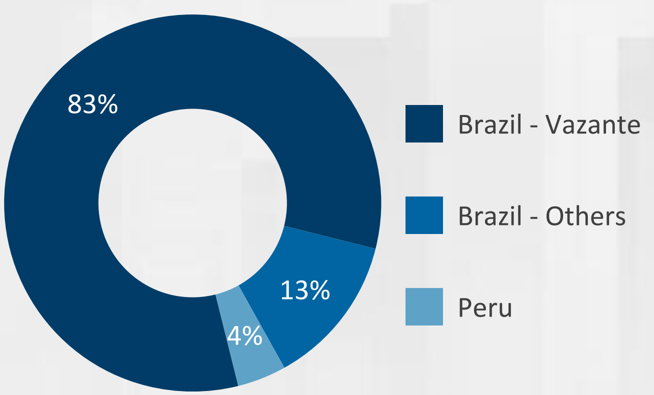
Highlights

Completion of non-expansion projects in Cajamarquilla and Milpo resulted in a 54% reduction in capex compared to 3Q15

83% of the expenditures in expansion projects were assigned to increase Vazante life of mine

Early-stage projects (Aripuanã and Caçapava do Sul) are showing significant progress in 2016

Expansion projects



Zinc & By-Products | Highlights

Higher zinc prices and better operational performance, leading to strong results

Focus on zinc mining projects in Brazil and Peru, from early-stage developments to brownfield initiatives

Renegotiation of guarantees on the Export Financing debt

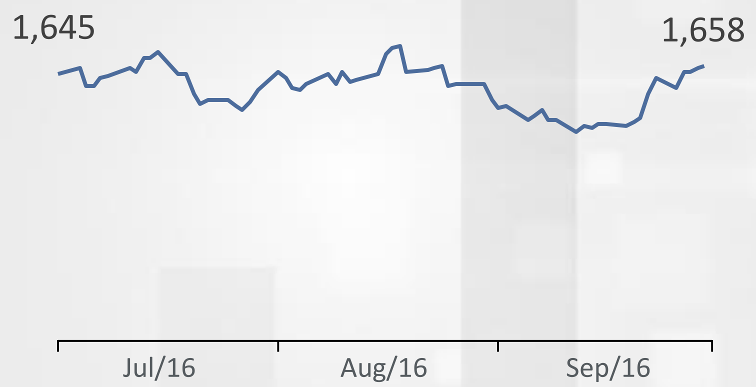
Milpo public offering to repurchase the remaining common shares listed in Lima

Aluminum | Market and sales volumes

(Kton)

Market fundamentals

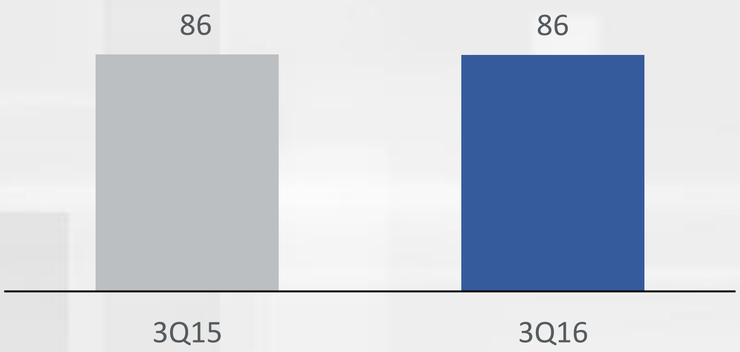
LME Cash Price (USD/ton)



	3Q15		3Q16	2Q16		3Q16
USD/ton	1,591	+2%	1,620	1,572	+3%	1,620
BRL/ton	5,628	-7%	5,259	5,511	-5%	5,259

Stimulus measures by the Chinese government in early 2016 provided short-term relief to market balance, but currency appreciation resulted in a 7% decrease in LME price in BRL

Sales volumes



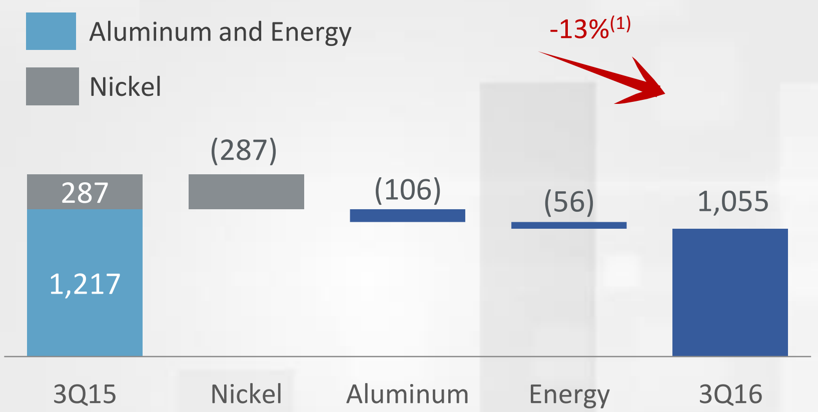
Highlights

Increased sales of primary metal, especially ingots to export markets, neutralized lower sales volumes of semifinished products in Brazil

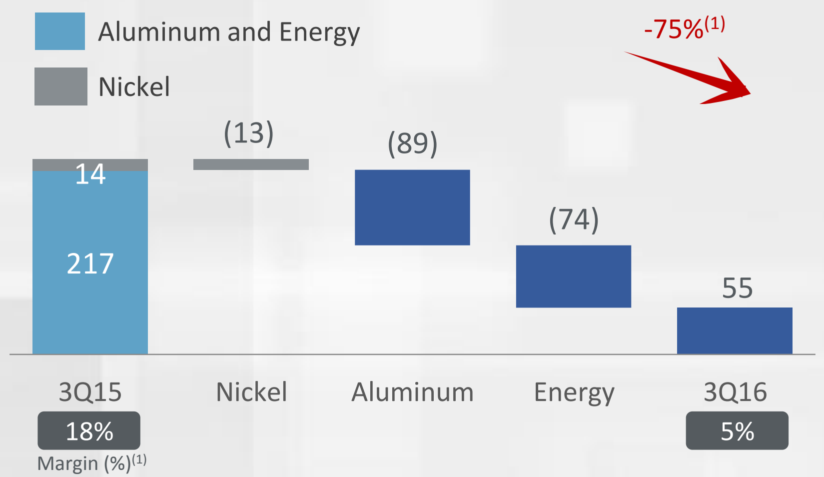
Aluminum | Operational Results

(R$ million)

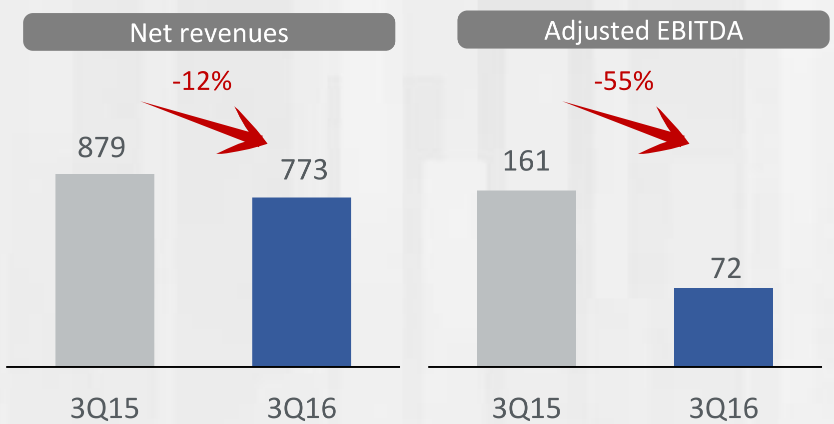
CBA Net revenues



CBA Adjusted EBITDA



Aluminum business results



Highlights

Lower LME prices in BRL and more upstream products in the sales mix are the main reasons for a 13% decrease in CBA net revenues

Higher expenses due to increased export, provisions and corporate restructuring resulted in a 75% decrease in adjusted EBITDA

(1) Excluding nickel results

Business Performance

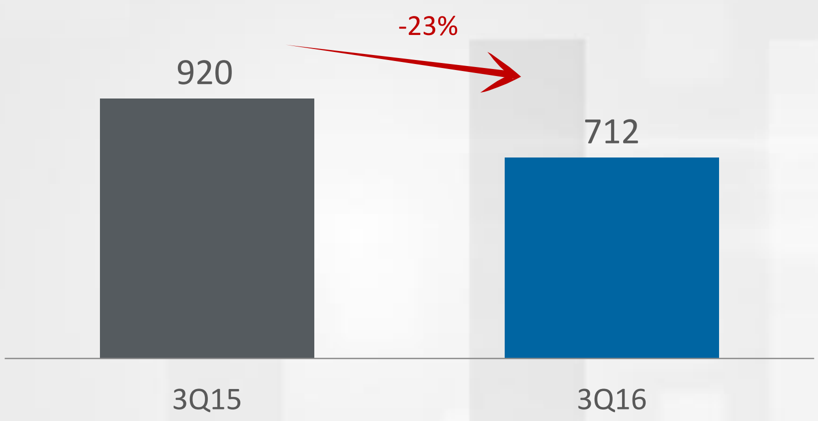
Financial Highlights

Closing Remarks

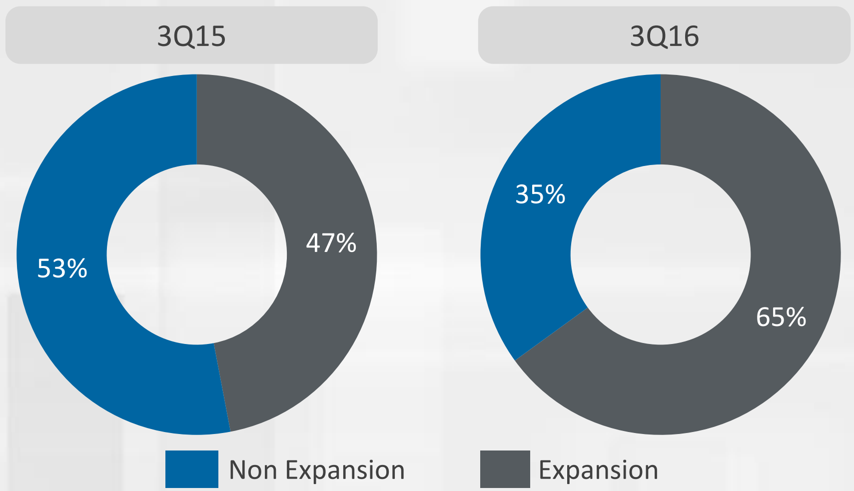
Total Capex

(R$ million)

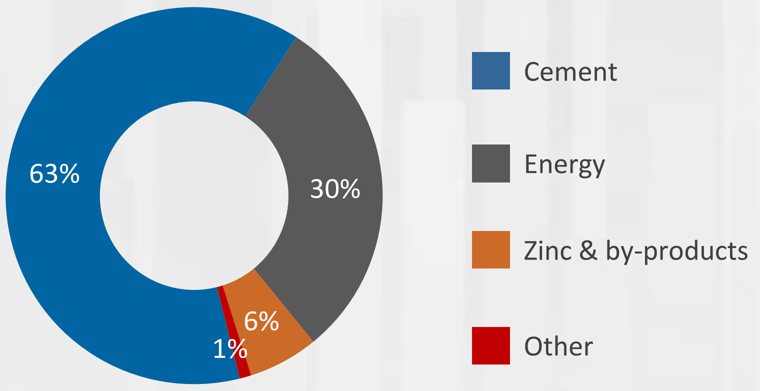
Capex



Capex breakdown



Expansion projects



Highlights

Total capex reduced 23% YoY without compromising ongoing projects

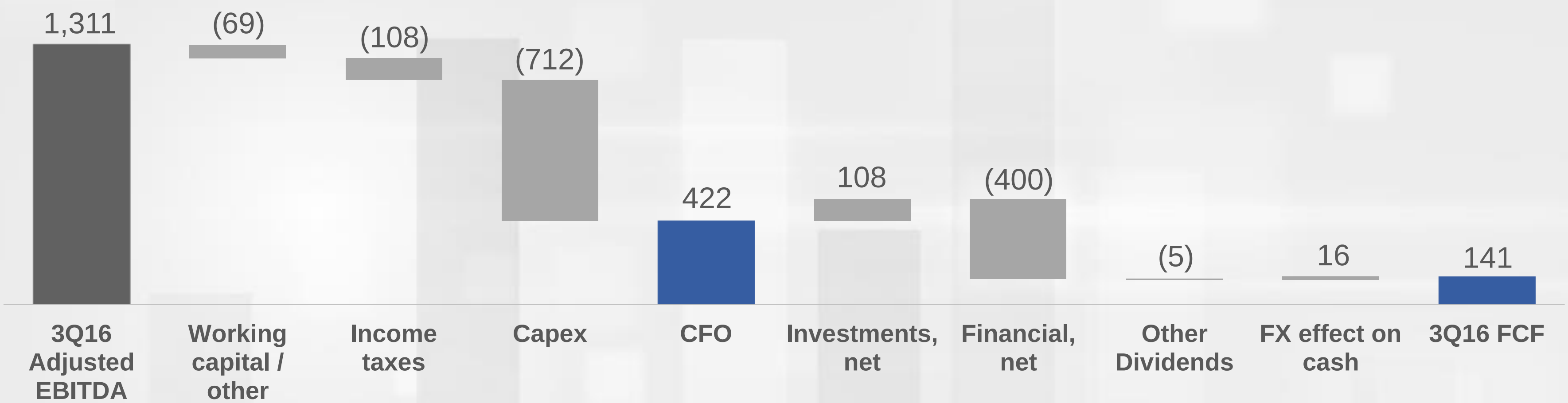
Cement expansion projects focused on operations outside Brazil (USA, Turkey and Bolivia)

Ventos do Piauí (7 wind farms) represented 30% of expansion Capex due to the purchase of wind turbine generators. Start-up expected in 2018

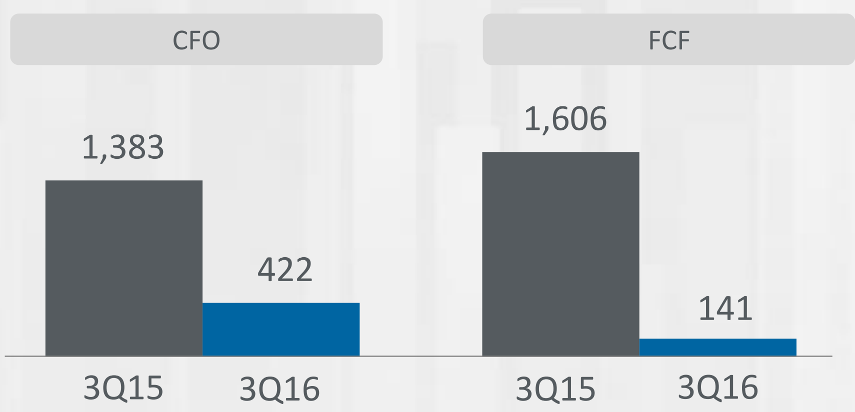
Cash Flow

(R$ million)

Free cash flow generation[1]



Cash flow[1]



Highlights

Strong capacity to generate FCF while investing more than R$450 million in expansion projects

Capex represented 54% of 3Q16 adjusted EBITDA

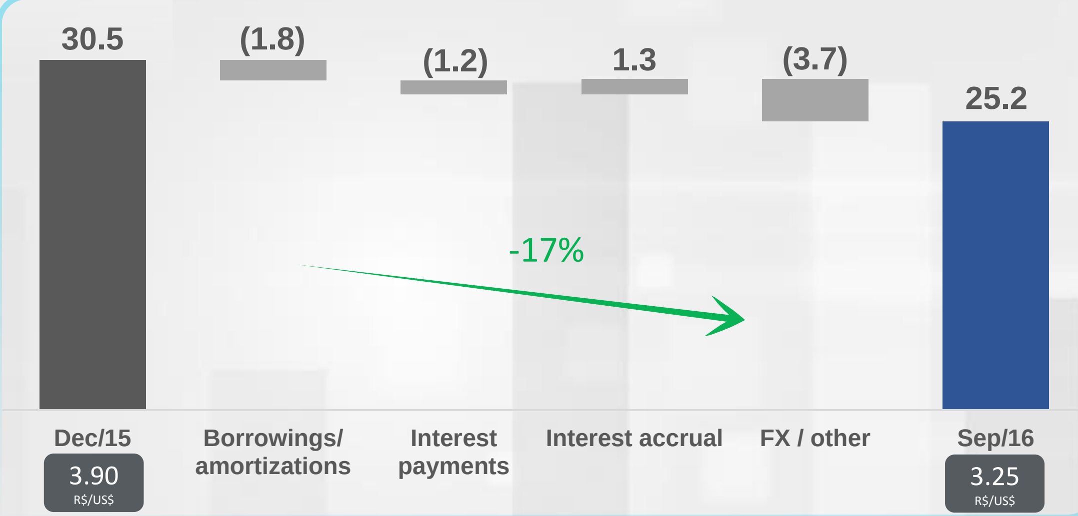
There was a R$1,141 million FX effect on cash in 3Q15. Without this effect, 3Q15 FCF would have been R$465 million.

(1) Refers to Votorantim S.A. industrial segment

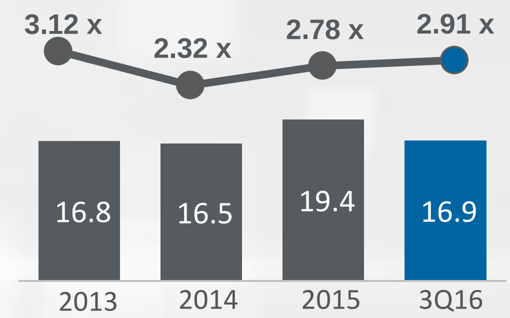
Indebtedness

(R$ billion)

Gross debt

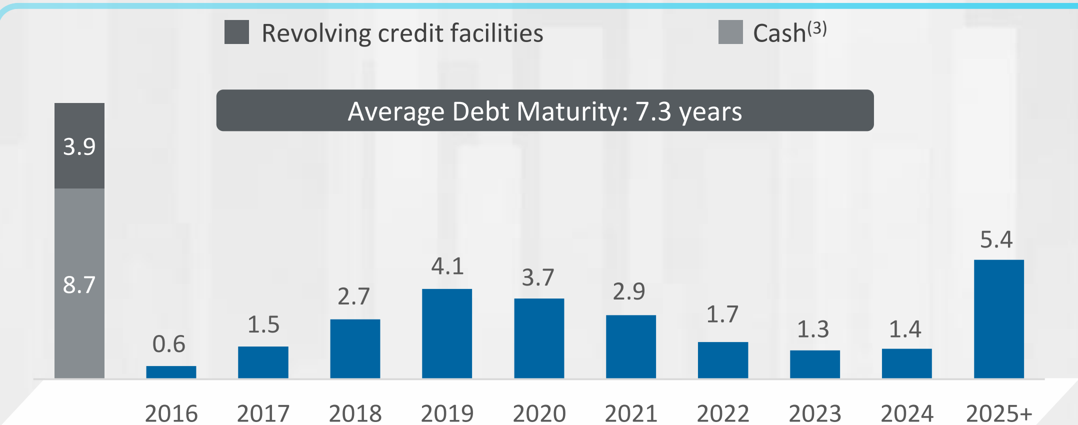


Net debt/EBITDA[1]

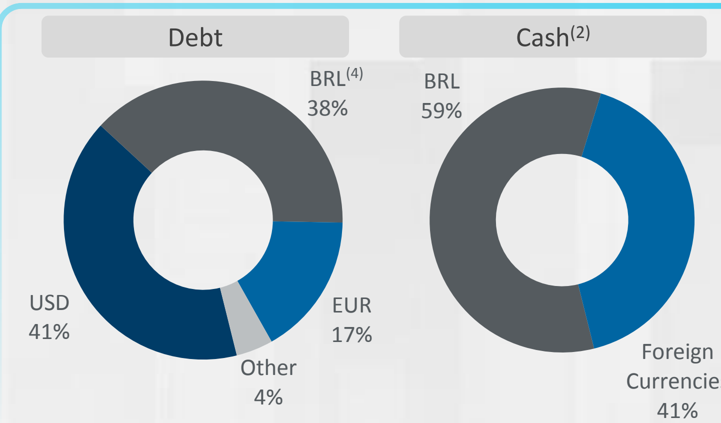


	2013	2014	2015	3Q16
Gross debt	23.4	24.0	30.5	25.2
BRL/USD	2.34	2.66	3.90	3.25
EBITDA (LTM)	5.4	7.1	7.0	5.8

Debt amortization schedule Pro Forma[2]



Breakdown by currency



(1) Net debt/EBITDA industrial segment
(2) As of september considering St Marys USD 500 mm bond and EUR 395 mm tender offer of 2021 / 2022 bonds
(3) Includes cash, cash equivalents and financial investments

(4) 4131 bilateral loan considered as BRL due to the cross-currency swap

Business Performance

Financial Highlights

Closing Remarks

Closing Remarks

Low refinancing risk backed by smooth amortization schedule and strong liquidity position

We prepared for an adverse scenario

Brazilian activity level is still under pressure, however, improved confidence levels suggest that the probability of reaching an inflection point is increasing