(A free translation of the original in Portuguese)

Votorantim Industrial S.A.

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

(A free translation of the original in Portuguese)

Report on review of condensed interim consolidated financial statements

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

Introduction

We have reviewed the accompanying consolidated balance sheet of Votorantim Industrial S.A. and its subsidiaries ("the Company") as at September 30, 2013 and the related consolidated statements of operations, comprehensive income and cash flows for the quarter and nine-month period then ended, and the consolidated statements of changes in equity for the nine-month period then ended.

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

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and ISRE 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21 and IAS 34.

Other matters - supplementary information

Statement of value added

We have also reviewed the interim consolidated statement of value added for the quarter and nine-month period ended September 30, 2013. This statement is the responsibility of the Company's

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management, and is presented as supplementary information. This statement has been subjected to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that it is not prepared, in all material respects, in a manner consistent with the condensed interim consolidated financial statements taken as a whole.

Information by business unit

We have also reviewed the supplementary information by business unit, described in note 31, which is the responsibility of the Company's management. This information is presented in order to provide additional information on Votorantim Industrial S.A. and its subsidiaries, which is neither intended to comply with or are required by IFRS or accounting practices adopted in Brazil. This information has been subjected to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that it is not prepared, in all material respects, in a manner consistent with the condensed interim consolidated financial statements taken as a whole.

Curitiba, October 31, 2013

PricewaterhouseCoopers

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

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

(A free translation of the original in Portuguese)

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Votorantim Industrial S.A.

Interim consolidated balance sheet

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

Assets	Note	9/30/2013	12/31/2012 Restated note "3"	1/1/2012 Restated note "3"
Current assets				
Cash and cash equivalents	6	2,145	2,971	1,265
Financial investments	7	3,341	3,055	2,880
Derivative financial instruments	4.1.1	114	77	241
Trade receivables	8	2,694	1,922	1,898
Inventory	9	3,596	3,509	3,148
Taxes recoverable	10	943	1,209	833
Dividends receivable	12	38	1	9
Receivables from sale of ownership interests				2,362
Other assets	14	732	529	753
		13,603	13,273	13,389
Assets held for sale	11	793	701	
		14,396	13,974	13,389
Non-current assets				
Long-term receivables				
Financial investments	7	40	79	26
Derivative financial instruments	4.1.1		9	75
Taxes recoverable	10	1,365	587	904
Related parties	12	1,624	1,411	1,413
Deferred income tax and social contribution	20(b)	3,320	3,296	3,169
Call options	13	120	157	104
Judicial deposits	22(c)	497	451	287
Other assets	14	449	507	241
		7,415	6,497	6,219
Investments	15	6,037	6,186	7,635
Property, plant and equipment	16	26,178	25,862	22,872
Biological assets	17	124	151	159
Intangible assets	18	11,942	11,483	9,973
		51,696	50,179	46,858
Total assets		66,092	64,153	60,247

Liabilities and equity	Note	9/30/2013	12/31/2012 Restated note "3"	1/1/2012 Restated note "3"
Current liabilities				
Borrowing	19	1,452	1,396	1,747
Derivative financial instruments	4.1.1	59	115	133
Trade payables		2,542	2,738	2,411
Payables - trading		77	54	24
Salaries and payroll charges		751	598	691
Income tax and social contribution		219	123	325
Taxes payable		408	349	372
Dividends payable to the owners of the Company	12	35	58	596
Dividends payable to non-controlling interests	12	45	114	92
Advances from customers		206	91	136
Use of public assets	23	58	55	60
Payables for interest acquisition	15 (e)		328	
Provisions and other liabilities	21	478	709	685
		6,330	6,728	7,272
Liabilities related to assets held for sale	11	342	274	
		6,672	7,002	7,272
Non-current liabilities				
Borrowing	19	21,846	20,895	17,500
Derivative financial instruments	4.1.1	11	6	161
Related parties	12	1,130	893	574
Deferred income tax and social contribution	20(b)	3,336	3,085	3,226
Tax, civil and labor provisions	22	1,299	1,378	1,412
Use of public assets	23	920	892	831
Provision for asset decommissioning		964	933	557
Provisions and other liabilities	21	1,437	1,294	756
		30,943	29,376	25,017
Total liabilities		37,615	36,378	32,289
Equity	24			
Share capital		19,907	19,907	19,925
Revenue reserves		5,941	6,053	6,687
Retained earnings		331		
Carrying value adjustments		(1,112)	(1,436)	(1,630)
Total equity attributable to owners of the Company		25,067	24,524	24,982
Non-controlling interests		3,410	3,251	2,976
Total equity		28,477	27,775	27,958
Total liabilities and equity		66,092	64,153	60,247

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

Votorantim Industrial S.A.

Interim consolidated statement of income
Periods Ended September 30

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

	Note	7/1/2013 to 9/30/2013	7/1/2012 to 9/30/2012 Restated note "3"	1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012 Restated note "3"
Continuing operations					
Net revenue from products sold and services rendered	25	7,122	5,993	19,425	16,996
Cost of products sold and services rendered		(5,116)	(4,401)	(14,248)	(12,747)
Gross profit		2,006	1,592	5,177	4,249
Operating expenses					
Selling		(435)	(338)	(1,201)	(976)
General and administrative		(585)	(617)	(1,703)	(1,587)
Other operating income (expenses), net	26	(82)	58	(45)	106
		(1,102)	(897)	(2,949)	(2,457)
Operating profit before equity results and finance result		904	695	2,228	1,792
Result from equity investments					
Equity in the results of investees	15	76	(142)		(209)
Finance result, net	27				
Finance costs		(544)	(476)	(1,367)	(1,327)
Finance income		184	166	462	571
Foreign exchange gains (losses), net		(20)	41	(341)	(454)
		(380)	(269)	(1,246)	(1,210)
Profit before income tax and social contribution		600	284	982	373
Income tax and social contribution	20(a)				
Current		(198)	(224)	(577)	(519)
Deferred		7	89	(72)	345
Profit for the period from continuing operations		409	149	333	199
Discontinued operations					
Loss for the period from discontinued operations	11(c)	(28)		(60)	
Profit for the period		381	149	273	199
Profit attributable to the owners of the Company		385	158	295	232
Loss attributable to non-controlling interests		(4)	(9)	(22)	(33)
Profit for the period		381	149	273	199
Basic and diluted earnings (loss) per thousand shares from continuing		23.37	8.51	19.03	11.37
Basic and diluted loss per thousand shares from discontinued operations (in Reais)		(1.60)		(3.43)	
Weighted average number of shares		17,501,930,932	17,509,603,386	17,501,930,932	17,509,603,386

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

Votorantim Industrial S.A.

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

	7/1/2013 to 9/30/2013	7/1/2012 to 9/30/2012 Restated note "3"	1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012 Restated note "3"
Profit for the period	381	149	273	199
Components of comprehensive income for the period				
Foreign exchange gains (losses) on foreign investments	39	38	1,175	1,033
Hedge accounting of net investments in foreign operations	(96)	(7)	(550)	(316)
Hedge accounting of cash flow and fair value	(74)	(118)	(16)	(127)
Other effects of operations of subsidiaries and associates	(18)	(222)	(57)	(156)
	(149)	(309)	552	434
Total comprehensive income for the period	232	(160)	825	633
Comprehensive income attributable to				
Owners of the Company	268	(34)	619	497
Non-controlling interests	(36)	(126)	206	136
	232	(160)	825	633

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

Votorantim Industrial S.A.

Statement of changes in equity

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

	Attributable to owners of the parent								
		Revenue reserves							
	Share capital	Tax incentives	Legal	Profit retention	Retained earnings	Carrying value adjustments	Equity attributable to the owners of the Company	Non-controlling interests	Equity
At December 31, 2012	19,907	5	533	5,515		(1,436)	24,524	3,251	27,775
Total comprehensive income for the period									
Profit (loss) for the period					295		295	(22)	273
Components of comprehensive income for the period						324	324	228	552
Total comprehensive income for the period					295	324	619	206	825
Total distributions to stockholders									
Reversal of dividends and interest on capital of investees				62			62		62
Acquisition of non-controlling interests					38		38	(47)	(9)
Tax incentive reserve		2			(2)				
Dividends (R$ 0.01 per share) - Note 24 (b)				(176)			(176)		(176)
Total distributions to stockholders		2		(114)	36		(76)	(47)	(123)
At September 30, 2013	19,907	7	533	5,401	331	(1,112)	25,067	3,410	28,477

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

Votorantim Industrial S.A.

Statement of changes in equity

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

	Attributable to owners of the parent							
		Revenue reserves						
	Share capital	Legal	Profit retention	Retained earnings	Carrying value adjustments	Equity attributable to the owners of the Company	Non-controlling interests	Equity
At January 1, 2012	19,925	525	6,162		(1,630)	24,982	2,976	27,958
Total comprehensive income for the period								
Profit (loss) for the period				232		232	(33)	199
Components of comprehensive income for the period					265	265	169	434
Total comprehensive income for the period				232	265	497	136	633
Total distributions to stockholders								
Decrease in non-controlling interests							(64)	(64)
Dividends (R$ 0.04 per share)			(700)			(700)		(700)
Total distributions to stockholders			(700)			(700)	(64)	(764)
At September 30, 2012	19,925	525	5,462	232	(1,365)	24,779	3,048	27,827

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

Votorantim Industrial S.A.

Interim consolidated statement of cash flows
Periods ended September 30

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

	Note	7/1/2013 to 9/30/2013	7/1/2012 to 9/30/2012 Restated note "3"	1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012 Restated note "3"
Cash flow from operating activities					
Profit (loss) before income tax and social contribution from continuing operations		600	284	982	373
Losses on discontinued operations		(28)		(60)	
Adjustments of items that do not represent changes in cash and cash equivalents					
Interest, indexation and foreign exchange gains (losses)		202	175	1,485	1,568
Equity in the results of investees	15	(76)	142		209
Depreciation, amortization and depletion	16,17 and 18	573	518	1,648	1,439
Gains on sale of property, plant and equipment and investment		(2)	(4)	(43)	(42)
Call options		8	(60)	37	(4)
Fair value adjustment of derivatives		11	15	4	(53)
Provisions		44	47	186	162
		1,332	1,117	4,239	3,652
Changes in assets and liabilities					
Financial investments		272	647	(247)	(253)
Derivative financial instruments		45	59	108	168
Trade receivables		(310)	(67)	(772)	(276)
Inventory		74	42	(87)	(182)
Taxes recoverable		169	70	178	31
Related parties		155	(744)	24	(453)
Other receivables and assets		(122)	(141)	(194)	(44)
Trade payables		15	163	(196)	(7)
Payables - trading		1	13	23	4
Salaries and payroll charges		122	95	153	107
Taxes payable		33	14	59	(27)
Advances from customers		(20)	(32)	115	(20)
Other obligations and liabilities		15	17	(328)	(95)
Cash provided by operations		1,781	1,253	3,075	2,605
Interest paid	19 (b)	(277)	(287)	(1,015)	(1,018)
Income tax and social contribution paid		(69)	(2)	(292)	(496)
Net cash provided by operating activities		1,435	964	1,768	1,091
Cash flow from investing activities					
Purchases of investments				(328)	
Capital increase in investees	15			(19)	(476)
Purchases of property, plant and equipment	16	(555)	(630)	(1,729)	(2,099)
Purchases of intangible assets	17	(3)	(6)	(17)	(16)
Proceeds from sale of ownership interests	18	(19)	(77)	(78)	(142)
Proceeds from sale of non-current assets					2,362
Dividends received		52	(146)	155	54
		4	164	18	165
Net cash used in investing activities		(521)	(695)	(1,998)	(152)
Cash flow from financing activities					
New borrowing	19 (b)	989	359	2,624	2,908
Derivative financial instruments		(6)	157	(9)	139
Repayment of borrowing	19 (b)	(1,341)	(474)	(3,068)	(2,085)
Payment of dividends			(749)	(206)	(1,167)
Net cash used in financing activities		(358)	(707)	(659)	(205)
Increase (decrease) in cash and cash equivalents		556	(438)	(889)	734
Effect of fluctuations in exchange rates		(5)	(17)	63	28
Cash and cash equivalents at the beginning of the period		1,594	2,482	2,971	1,265
Cash and cash equivalents at the end of the period		2,145	2,027	2,145	2,027

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

Votorantim Industrial S.A.

Interim consolidated statement of value added
Periods ended September 30

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

	Note	7/1/2013 to 9/30/2013	7/1/2012 to 9/30/2012 Restated note "3"	1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012 Restated note "3"
Revenue					
Sales of products and services		8,108	6,984	22,889	20,145
Other operating income (expenses)	26	(82)	58	(45)	106
Provision for impairment of trade receivables		(12)	(10)	(20)	(10)
		8,014	7,032	22,824	20,241
Inputs acquired from third parties					
Cost of products sold and services rendered		(4,240)	(3,823)	(12,603)	(11,470)
Gross value added		3,774	3,209	10,221	8,771
Depreciation, amortization and depletion	16, 17 and 18	(573)	(518)	(1,648)	(1,439)
Net value added generated by the Company		3,201	2,691	8,573	7,332
Value added received through transfer					
Equity in the results of investees	15	76	(142)		(209)
Finance income	27	184	166	462	571
		260	24	462	362
Total value added to distribute		3,461	2,715	9,035	7,694
Distribution of value added					
Personnel and payroll charges					
Direct remuneration	30	547	505	1,636	1,269
Benefits	30	110	86	314	255
Social charges	30	240	222	732	624
		897	813	2,682	2,148
Taxes and contributions					
Federal		808	666	2,008	1,785
State		780	693	2,164	1,966
Municipal		10	8	28	24
Deferred taxes		(7)	(89)	72	(345)
		1,591	1,278	4,272	3,430
Third-party capital remuneration					
Finance costs	27	564	435	1,708	1,781
Rentals		56	40	160	136
		620	475	1,868	1,917
Own capital remuneration					
Non-controlling interests		(4)	(9)	(22)	(33)
Reinvested profits		385	158	295	232
Losses on discontinued operations		(28)		(60)	
		353	149	213	199
Value added distributed		3,461	2,715	9,035	7,694

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

1 General considerations

Votorantim Industrial S.A. (the "Company", the "Parent Company", or "VID") is a privately-held company, fully controlled by the Ermírio de Moraes family, and is the holding company of the industrial companies of Votorantim Participações S.A. (the "Units" or "BUs"). With its headquarters in the city of São Paulo, Brazil, the Company's purpose is to manage assets and companies, as well as to invest in other companies in order to further its objectives. The Company, through its subsidiaries and associates, operates in the segments of basic construction materials (cement, concrete, aggregate and mortar), pulp, mining and metals (aluminum, copper, zinc and nickel), steel and electric power generation.

2 Presentation of the interim consolidated financial statements

The Board of Directors approved these interim consolidated financial statements on October 30, 2013.

2.1 Basis of presentation

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

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

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

All amounts in millions of reais unless otherwise stated

2.2 Main companies included in the interim consolidated financial statements

	Percentage of total capital		Percentage of voting capital		Headquarters	Main activity
	9/30/2013	12/31/2012	9/30/2013	12/31/2012		
Cement						
Acariúba Mineração e Participação Ltda.	100.00	100.00	100.00	100.00	Brazil	Holding company
Cementos Artigas S.A.	51.00	51.00	51.00	51.00	Uruguai	Cement
Interávia Transportes Ltda.	100.00	100.00	100.00	100.00	Brazil	Transportation
Prairie Material Sales Inc.	100.00	100.00	100.00	100.00	USA	Cement
Silcar Empreendimentos, Comércio e Participações S.A.	100.00	100.00	100.00	100.00	Brazil	Holding company
St. Barbara Cement Inc.	100.00	100.00	100.00	100.00	Canadá	Cement
St. Marys Cement Inc.	100.00	100.00	100.00	100.00	USA	Cement
Votorantim Cement North America Inc.- "VCNA"	100.00	100.00	100.00	100.00	Canadá	Holding company
Votorantim Cimentos EAA Inversiones, S.L. - "VCEAA"	100.00	100.00	100.00	100.00	Espanha	Holding company
Votorantim Cimentos N/NE S.A.	95.38	96.18	95.79	96.44	Brazil	Cement
Votorantim Cimentos S.A.	100.00	100.00	100.00	100.00	Brazil	Cement
Metals						
Companhia Brasileira de Alumínio	100.00	100.00	100.00	100.00	Brazil	Aluminum
US Zinc Corporation - "USZinc"	100.00	100.00	100.00	100.00	USA	Zinc
Votorantim Metais Cajamarquilla S.A.	99.89	99.89	99.89	99.89	Peru	Zinc
Votorantim Metais S.A.	100.00	100.00	100.00	100.00	Brazil	Nickel
Votorantim Metais Zinco S.A.	100.00	100.00	100.00	100.00	Brazil	Zinc
Mining						
Compañia Minera Atacocha S.A.A.	88.19	88.19	88.19	88.19	Peru	Mining
Compañia Minera Milpo S.A.A.	50.06	50.06	50.06	50.06	Peru	Mining
Steel						
Acerbrag S.A.	100.00	100.00	100.00	100.00	Argentina	Steel
Acerías Paz del Río S.A. - "APDR"	82.42	82.42	82.42	82.42	Colombia	Steel
Votorantim Siderurgia S.A.	100.00	100.00	100.00	100.00	Brazil	Steel
Holding, trading and other companies						
Baesa - Energ. Barra Grande S.A.	15.00	15.00	15.00	15.00	Brazil	Electric power
Campos Novos Energia S.A	44.76	44.76	44.76	44.76	Brazil	Electric power
Indústria e Comércio Metalúrgica Atlas S.A.	99.77	99.80	99.77	99.80	Brazil	Industrial equipment
Santa Cruz Geração de Energia S.A.	100.00	100.00	100.00	100.00	Brazil	Electric power
Voto - Votorantim Overseas Trading Operations IV Ltd.	50.00	50.00	50.00	50.00	Cayman Islands	Holding company
Votorantim Energia Ltda.	100.00	100.00	100.00	100.00	Brazil	Holding company
Votorantim GmbH	100.00	100.00	100.00	100.00	Áustria	Trading company
Votorantim Investimentos Latino-Americanos S.A.	99.72	99.74	99.72	99.74	Brazil	Holding company
Votorantim Metais Participações Ltda.	100.00	100.00	100.00	100.00	Brazil	Holding company
Exclusive investment funds						
Fundo de Investimento Pentágono Multimercado - Crédito Privado	100.00	100.00				
Odessa Multimercado Crédito Privado	91.58	94.94				

2.3 Critical accounting estimates and judgments

The critical accounting estimates and assumptions used in the preparation of these interim consolidated financial statements are the same as those described in Note 4 to the Company's annual consolidated financial statements at December 31, 2012, except for the change outlined below.

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

With the change in the useful lives of its property, plant and equipment items, the depreciation for the nine-month period ended September 30, 2013 decreased by R$ 116 compared with the same period of 2012.

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

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

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

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

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

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

(i) Fibria S.A., Sitrel Siderurgica Três Lagoas Ltda and Suwanee Holdings LLC, classified as joint ventures, are no longer proportionally consolidated. They are now recognized in the consolidated financial statements and measured using the equity accounting method.

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

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

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

All amounts in millions of reais unless otherwise stated

Below is a reconciliation of the balance sheet balances for the year ended December 31, 2012 and the opening balance at January 1, 2012, as well as the reconciliation related to the statement of income at September 30, 2012, both affected by the change in the standard. This change did not affect the earnings per share.

	December 31, 2012			January 1, 2012		
	Original	Adjustments pursuant to IFRS 11	Adjusted	Original	Adjustments pursuant to IFRS 11	Adjusted
Assets						
Current assets						
Cash and cash equivalents	3,280	(309)	2,971	1,380	(115)	1,265
Financial investments	3,744	(689)	3,055	3,398	(518)	2,880
Derivative financial instruments	86	(9)	77	241		241
Trade receivables	2,088	(166)	1,922	2,154	(256)	1,898
Inventory	3,894	(385)	3,509	3,507	(359)	3,148
Taxes recoverable	1,273	(64)	1,209	930	(97)	833
Dividends receivable	1		1	9		9
Receivables from sale of ownership interests				2,362		2,362
Other assets	626	(97)	529	790	(37)	753
	14,992	(1,719)	13,273	14,771	(1,382)	13,389
Assets held for sale	875	(174)	701	189	(189)	
	15,867	(1,893)	13,974	14,960	(1,571)	13,389
Non-current assets						
Long-term receivables						
Financial investments	79		79	26		26
Derivative financial instruments	14	(5)	9	75		75
Taxes recoverable	781	(194)	587	1,103	(199)	904
Related parties	1,412	(1)	1,411	1,294	119	1,413
Deferred income tax and social contribution	3,735	(439)	3,296	3,450	(281)	3,169
Call options	157		157	104		104
Judicial deposits	497	(46)	451	327	(40)	287
Other assets	766	(259)	507	654	(413)	241
	7,441	(944)	6,497	7,033	(814)	6,219
Investments	1,712	4,474	6,186	3,361	4,274	7,635
Property, plant and equipment	29,086	(3,224)	25,862	26,270	(3,398)	22,872
Biological assets	1,129	(978)	151	1,117	(958)	159
Intangible assets	12,858	(1,375)	11,483	11,365	(1,392)	9,973
	52,226	(2,047)	50,179	49,146	(2,288)	46,858
Total assets	68,093	(3,940)	64,153	64,106	(3,859)	60,247

All amounts in millions of reais unless otherwise stated

	December 31, 2012			January 1, 2012		
	Original	Adjustments pursuant to IFRS 11	Adjusted	Original	Adjustments pursuant to IFRS 11	Adjusted
Liabilities and equity						
Current liabilities						
Borrowing	1,707	(311)	1,396	2,028	(281)	1,747
Derivative financial instruments	131	(16)	115	171	(38)	133
Trade payables	2,867	(129)	2,738	2,576	(165)	2,411
Payables - trading	54		54	24		24
Salaries and payroll charges	927	(329)	598	731	(40)	691
Income tax and social contribution	128	(5)	123	329	(4)	325
Taxes payable	356	(7)	349	383	(11)	372
Dividends payable to the owners of the Company	58		58	596		596
Dividends payable to non-controlling interests	115	(1)	114	92		92
Advances from customers	230	(139)	91	136		136
Use of public assets	55		55	60		60
Payables for interest acquisition	328		328			
Provisions and other liabilities	768	(59)	709	725	(40)	685
	7,724	(996)	6,728	7,851	(579)	7,272
Liabilities related to assets held for sale	274		274			
	7,998	(996)	7,002	7,851	(579)	7,272
Non-current liabilities						
Borrowing	23,712	(2,817)	20,895	20,406	(2,906)	17,500
Related parties	893		893	610	(36)	574
Deferred income tax and social contribution	3,336	(251)	3,085	3,443	(217)	3,226
Tax, civil and labor provisions	1,409	(31)	1,378	1,482	(70)	1,412
Derivative financial instruments	84	(78)	6	186	(25)	161
Use of public assets	857	35	892	780	51	831
Provision for asset decommissioning	870	63	933	557		557
Provisions and other liabilities	1,148	146	1,294	825	(69)	756
	32,309	(2,933)	29,376	28,289	(3,272)	25,017
Total liabilities	40,307	(3,929)	36,378	36,140	(3,851)	32,289
Equity						
Share capital	19,907		19,907	19,925		19,925
Revenue reserves	4,242		6,053	6,906	(219)	6,687
Carrying value adjustments	375		(1,436)	(1,849)	219	(1,630)
Total equity attributable to owners of the Company	24,524		24,524	24,982		24,982
Non-controlling interests	3,262	(11)	3,251	2,984	(8)	2,976
Total equity	27,786	(11)	27,775	27,966	(8)	27,958
Total liabilities and equity	68,093	(3,940)	64,153	64,106	(3,859)	60,247

All amounts in millions of reais unless otherwise stated

Statement of income	Period from 1/1/2012 to 9/30/2012		
	Original	Adjustments pursuant to IFRS 11	Adjusted
Revenue	18,275	(1,279)	16,996
Cost of products sold and services rendered	(13,911)	1,164	(12,747)
Gross profit	4,364	(115)	4,249
Selling	(1,040)	64	(976)
General and administrative	(1,679)	92	(1,587)
Other operating expenses, net	182	(76)	106
Operating profit before equity results and finance result	1,827	(35)	1,792
Results from equity investments			
Equity in the results of investees	54	(263)	(209)
Finance result, net	(1,622)	412	(1,210)
Profit before income tax and social contribution	259	114	373
Income tax and social contribution			
Current	(511)	(8)	(519)
Deferred	450	(105)	345
Profit for the period from continuing operations	198	1	199
Profit attributable to the owners of the Company	233	(1)	232
Loss attributable to non-controlling interests	(35)	2	(33)
Profit for the period	198		199

Cash flow	Period from 1/1/2012 to 9/30/2012		
	Original	Adjustments pursuant to IFRS 11	Adjusted
Cash flow from operating activities	1,432	(341)	1,091
Cash flow from investing activities	(19)	(133)	(152)
Cash flow from financing activities	(545)	340	(205)

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

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

All amounts in millions of reais unless otherwise stated

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

Amendments to IAS 19/CPC 33 (R1) – "Employee benefits" – The new standard did not have a significant impact since the criteria applied by the Company and its subsidiaries for recognition of actuarial gains and losses were already in conformity with the requirements of IAS 19 (CPC 33) and the change in the interest expense calculation introduced by IAS 19 (CPC 33) did not have a material impact.

4 Financial risk management

4.1 Financial risk factors

(a) Liquidity risk

Except as described in Note 4.1.1, there have been no changes since December 31, 2012 to the financial risks and risk management policies described in the Company's annual consolidated financial statements at December 31, 2012.

The table below analyzes the Company's non-derivative and derivative financial liabilities to be settled by the Company, arranged by maturity (the remaining period from the balance sheet date up to the contractual maturity date). Derivative financial liabilities are included in the analysis if their contractual maturities are essential to understand the timing of cash flow. The amounts disclosed in the table are the undiscounted cash flow, which includes interest to be incurred, and, accordingly, do not relate directly to the amounts in the balance sheet for borrowing and use of public assets.

	Up to 1 year	From 1 to 2 years	From 2 to 5 years	From 5 to 10 years	As from 10 years

	Up to 1 year	From 1 to 2 years	From 2 to 5 years	From 5 to 10 years	As from 10 years

At September 30, 2013					
Borrowing	2,562	3,214	11,695	11,472	6,495
Derivative financial instruments	59	8	3		
Dividends payable	80				
Related parties		679	451		
Payables - trading	77				
Use of public assets	63	67	226	479	2,236
Trade payables	2,542				
	5,383	3,968	12,375	11,951	8,731
At December 31, 2012					
Borrowing	2,335	2,298	9,276	12,538	6,065
Derivative financial instruments	115	4	2		
Dividends payable	172				
Related parties		392	501		
Payables - trading	54				
Provisions and other liabilities	328				
Use of public assets	56	60	203	431	2,426
Trade payables	2,738				
	5,798	2,754	9,982	12,969	8,491

4.1.1 Derivatives contracted

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

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

All amounts in millions of reais unless otherwise stated

Program	Principal		Unit	Fair value		Realized gain (loss)	Fair value by maturity					
	9/30/2013	12/31/2012		9/30/2013	12/31/2012	9/30/2013	2013	2014	2015	2016	2017	2018+
Hedging intrument for interest rates in US Dollars												
LIBOR floating rate vs. US dollar fixed rate swaps	317	438	USD MM	(4.0)	(14.0)	(6.3)	(2.3)	(1.7)				
				(4.0)	**(14.0)**	**(6.3)**						
Hedging instrument for sales of nickel, zinc and aluminum at a fixed price												
Nickel forward	623	820	ton	0.1		0.9	0.1					
Zinc forward	10,432	4,800	ton	(1.8)	1.0	(3.8)	(1.5)	(0.3)				
				(1.7)	**1.0**	**(2.9)**						
Hedging instrument for mismatches of quotation periods												
Nickel forward		2,200	ton			1.0						
Zinc forward	291,287	290,318	ton	(0.8)	(12.0)	25.6	(0.6)	(0.2)				
Silver forward	384		k oz (*)	0.4			0.1	0.3				
				(0.4)	**(12.0)**	**26.6**						
Hedging instrument for the operating margin of metals												
Nickel forward	1,496	5,698	ton	10.8	9.5	22.2	7.6	3.2				
Zinc forward	116,675	125,045	ton	24.2	(18.0)	21.7	14.3	9.9				
Aluminum forward	116,055	149,695	ton	36.0	26.0	63.3	20.2	15.8				
Copper forward	3,671	5,481	ton	5.0	2.0	5.3	2.4	2.6				
Silver forward	642	998	k oz (*)	8.4	5.0	11.5	3.6	4.8				
US Dollar forward	434	621	USD MM	(18.2)	(37.0)	(39.9)	(10.1)	(8.1)				
				66.2	**(12.5)**	**84.1**						
Hedging instrument for foreign exchange exposure												
Dollar forward	178		USD MM	(3.6)		(6.3)	(3.6)					
Euro forward	20	57	EUR MM	0.1	(2.0)	1.2		0.1				
				(3.5)	**(2.0)**	**(5.1)**						
Hedging instrument for debts												
Fixed rate in Reais vs. CDI floating rate swaps	730	500	BRL MM	(12.4)	5.0	2.7	(0.3)	(2.9)	(6.0)	(2.0)	(0.6)	(0.6)
				(12.4)	**5.0**	**2.7**						
Total consolidated (net between assets and liabilities)				**44.2**	**(34.5)**	**99.1**	**29.9**	**23.5**	**(6.0)**	**(2.0)**	**(0.6)**	**(0.6)**

(*) oz = kilograms in troy ounces

All amounts in millions of reais unless otherwise stated

4.1.2 Sensitivity analysis

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

The scenarios at September 30, 2013 are described below:

. Scenario I: is based on the market forward curves and quotations at September 30, 2013, and represents a probable scenario in management's opinion as at December 31, 2013.

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

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

	Balance sheet accounts				Impacts on profit (loss)						Impacts on comprehensive income				
					Scenario I		Scenarios II and III				Scenario I	Scenarios II and III			
Risk factors	Assets	Liabilities	Principal	Unit	Changes from 9/30/2013	Results of scenario I	-25%	-50%	25%	50%	Results of scenario I	-25%	-50%	25%	50%
Foreign exchange rate															
USD	2,318	11,458	752	USD	3%	19	(155)	(311)	155	311	(182)	1,488	2,976	(1,488)	(2,976)
EUR	24	2,314	20	EUR	-1%	(1)	6	12	(6)	(12)	21	555	1,109	(555)	(1,109)
COP		49		COP	0%	1	12	25	(12)	(25)					
Interest rates															
BRL - CDI	3,436	5,484	1,605	BRL	+100 bps	(25)	64	129	(62)	(122)	(3)	8	17	(8)	(15)
USD LIBOR		3,680	1,046	USD	0 bps		2	4	(2)	(4)					
Price - commodities															
Nickel			2,119	ton	1%			(1)		1		9	18	(9)	(18)
Zinc			418,394	ton	-1%	4	74	149	(74)	(149)	8	133	267	(133)	(267)
Aluminum			116,055	ton	3%						(12)	110	221	(110)	(221)
Copper			3,671	ton	-5%						3	13	26	(13)	(26)
Silver			642	k oz (*)	-8%			1		(1)	3	9	18	(9)	(18)

(*) oz – kilograms in troy ounces

4.1.3 Main transactions and future commitments subject to cash flow and fair value hedges

The table below presents a summary of the derivatives classified under these criteria:

All amounts in millions of reais unless otherwise stated

Detailing of the main derivative programs
Fair value of positions

Program	Principal		Unit	Purchase/ sale	Average FWD rate/price		Average term (days)	Fair value		Realized gain (loss)	Fair value by maturity	
	9/30/2013	12/31/2012						9/30/2013	12/31/2012	9/30/2013	2013	2014
Hedge accounting - Cash flow hedge												
Hedging instruments for the operating margin of metals												
Nickel forward	1,176	5,152	ton	V	17,085	US$/ton	102	8.2	9.0	23.4	5.0	3.2
Zinc forward	103,995	112,605	ton	V	2,013	US$/ton	171	18.4	(17.0)	27.6	8.5	9.9
Aluminum forward	105,755	136,515	ton	V	1,990	US$/ton	183	26.9	22.0	68.5	11.1	15.8
Copper forward	3,231	5,081	ton	V	7,891	US$/ton	151	4.2	2.0	5.9	1.6	2.6
Silver forward	592	901	k oz (*)	V	27	k US$/oz	200	7.4	4.0	12.3	2.6	4.8
US Dollar forward	389	561	USD MM	V	2.26	R$/US$	172	(13.5)	(25.0)	(33.3)	(5.4)	(8.1)
								51.6	**(5.0)**	**104.4**	**23.4**	**28.2**
Hedging instruments for mismatches of quotation periods												
Zinc forward	103,588	94,426	ton	C/V			48	(0.7)	(4.0)	8.4	(0.6)	(0.1)
Hedging intrument for interest rates in US Dollars												
LIBOR floating rate vs. US dollar fixed rate swaps	161	176	USD MM		1.07%		396	(2.6)	(3.5)	(0.4)	(0.7)	(1.9)
Hedge accounting - Fair value hedge												
Hedging instruments for sales of nickel, zinc and aluminum at a fixed price												
Nickel forward	300			C			131					
Zinc forward	4,350	900	ton	C	2,045	US$/ton	89	(1.3)			(1.0)	(0.3)
								(1.3)			**(1.0)**	**(0.3)**

(*) oz – kilograms in troy ounces

4.1.4 Capital management

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

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

One of the important indicators through which the Company monitors its capital is based on the gearing ratio, calculated as net debt divided by adjusted EBTIDA. Net debt is calculated as total debt less cash and cash equivalents and the amount of financial investments, adding or subtracting the fair value of derivative contracts. The Adjusted EBITDA is calculated based on the profit for the period plus equity in the results of investees, realization of comprehensive income on the disposal of investments, net finance result, income tax and social contribution, plus depreciation, amortization and depletion, and dividends received from investees. Non-cash items considered by management as exceptional are excluded from the measurement of the adjusted EBITDA.

The gearing ratios are as follows:

All amounts in millions of reais unless otherwise stated

	Note	9/30/2013	12/31/2012
Borrowing	19	23,298	22,291
Cash and cash equivalents	6	(2,145)	(2,971)
Fair value of derivative contracts	4.1.1	(44)	35
Financial investments	7	(3,381)	(3,134)
Net debt (A)		17,728	16,221
		10/1/2012 to 9/30/2013	**1/1/2012 to 12/31/2012**
Profit for the period		162	88
Plus (less):			
Equity in the results of investees		(61)	148
Realization of other comprehensive income on the investment realization		91	91
Financial income (expenses), net - continuing operations		1,554	1,518
Financial income (expenses), net - discontinued operations		16	
Income tax and social contribution - continuing operations		772	297
Income tax and social contribution - discontinued operations		(1)	
Depreciation, amortization and depletion - continuing operations		2,214	2,005
Depreciation, amortization and depletion - discontinued operations		21	
EBITDA		4,768	4,147
Plus (less):			
Dividends received		59	206
Extraordinary items			
EBITDA - discontinued operations		24	
Fibria call option		(12)	(53)
Loss on sale of Yguazú		8	8
Gain on business combination - VCEAA	15(e)	(267)	(267)
Gain on business combination - Artigas	15(e)	(73)	(73)
Impairment of goodwill		464	464
Gain on sale of investment C+PA		(38)	
Provision for losses on PP&E		94	94
Other		30	10
Adjusted EBITDA (B)		5,056	4,536
Gearing ratio (A/B)		3.51	3.58

4.1.5 Fair value estimation

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

All amounts in millions of reais unless otherwise stated

5 Credit quality of financial assets

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

			9/30/2013			12/31/2012
	Local rating	Global rating	Total	Local rating	Global rating	Total
Cash and cash equivalents						
AAA	703	17	720	1,193		1,193
AA+				236		236
AA				104		104
AA-		63	63			
A+		124	124		759	759
A		62	62		94	94
A-		139	139		10	10
BBB+		226	226			
BBB		345	345		257	257
BBB-		340	340		134	134
BB+		2	2			
BB		8	8			
B+		34	34		13	13
B					24	24
CCC+					6	6
Unrated		82	82	2	139	141
	703	1,442	2,145	1,535	1,436	2,971
Financial investments						
AAA	2,196	6	2,202	1,401		1,401
AA+	453		453	679		679
AA				12		12
AA-					20	20
A+	18	95	113	5	369	374
A		231	231		70	70
A-		23	23	1	194	195
BBB		181	181		94	94
BBB-		17	17		29	29
BB		24	24			
B+						
CCC+					40	40
Unrated	137		137	140	80	220
	2,804	577	3,381	2,238	896	3,134
Derivative financial assets						
AAA	37		37	28		28
AA	1		1			
A+		10	10		10	10
A		26	26		34	34
A-		11	11		1	1
BBB+		9	9		5	5
BBB		20	20		8	8
	38	76	114	28	58	86
	3,545	2,095	5,640	3,801	2,390	6,191

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

All amounts in millions of reais unless otherwise stated

6 Cash and cash equivalents

	9/30/2013	12/31/2012
Cash and cash equivalents in local currency		
Cash and banks	13	19
Bank Deposit Certificates (CDB)	446	1,045
Repurchase agreements	244	471
	703	1,535
Cash and cash equivalents in foreign currency		
Cash and banks	697	1,301
Bank Deposit Certificates (CDB)	745	135
	1,442	1,436
	2,145	2,971

In the nine-month period ended September 30, 2013, there was a decrease in cash, mainly reflecting the prepayment of certain debts in the period. The average yield of the portfolio for the period ended September 30, 2013 was 100.04% of the CDI (102.1% of the CDI at December 31, 2012).

7 Financial investments

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

	9/30/2013	12/31/2012
Held for trading		
Financial Treasury Bills (LFT)	307	390
National Treasury Bills (LTN)	203	198
Investment fund quotas	11	2
Credit Rights Investment Funds (FIDC)	169	174
Investments denominated in foreign currency	198	896
Bank Deposit Certificates (CDB)	28	3
Repurchase agreements	2,048	1,375
Other	5	2
	2,969	3,040
Available for sale		
Financial investments in foreign currency	379	
	379	
Held to maturity		
Financial Treasury Bills (LFT)		41
Investment fund quotas	24	
Bank Deposit Certificates (CDB)	9	38
Repurchase agreements		15
	33	94
	3,381	3,134
Current	(3,341)	(3,055)
Non-current	40	79

All amounts in millions of reais unless otherwise stated

Most financial investments have immediate liquidity. The average yield of the portfolio for the period ended September 30, 2013 was 100.26% of the CDI (102.1% of the CDI at December 31, 2012).

At September 30, 2013, the Company and its subsidiaries have R$ 413 in investments in exclusive funds (R$ 646 at December 31, 2012), presented as repurchase agreements.

8 Trade receivables

	9/30/2013	12/31/2012
Trade receivables - Brazil	1,029	673
Trade receivables - exports from Brazil	6	1
Trade receivables - foreign customers	1,542	1,161
Related parties (Note 12)	192	142
Provision for impairment of trade receivables	(75)	(55)
	2,694	1,922

(i) The increase was mainly due to the higher sales volume and the price increase in the cement segment in Brazil, as well as the increase in sales of electric energy.

(ii) The increase is explained by the consolidation of Votorantim Cimentos EAA Inversiones S.L. ("VCEAA"), which maintains operations in Spain, Turkey, Morocco, Tunisia and India, and of Cementos Artigas S.A. ("Artigas") in Uruguay, due to the acquisition of ownership interest concluded at the end of 2012.

9 Inventory

	9/30/2013	12/31/2012
Finished products	702	651
Semi-finished products	1,554	1,389
Raw materials	518	578
Auxilary materials	854	815
Imports in transit	176	248
Other	11	14
Provision for losses (i)	(219)	(186)
	3,596	3,509

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

All amounts in millions of reais unless otherwise stated

10 Taxes recoverable

	9/30/2013	12/31/2012
State Value-added Tax on Sales and Services (ICMS)	795	743
Income Tax (IRPJ) and Social Contribution on Net Income (CSLL)	518	498
Social Contribution on Revenue (COFINS) (i)	510	115
Value-added Tax (VAT) (foreign companies)	201	229
Social Integration Program (PIS) (i)	114	29
Excise Tax (IPI)	45	41
Withholding Income Tax (IRRF)	22	12
Other	103	129
	2,308	1,796
Current	(943)	(1,209)
Non-current	1,365	587

(i) During the first quarter of 2013, the Company reclassified the tax credits relating to the Social Contribution on Revenue ("COFINS") and Social Integration Program ("PIS") to the recoverable taxes account, in the amount of R$ 513, which were previously classified in the acquisition cost of the fixed assets.

State Value-added Tax on Sales and Services ("ICMS") credits arise from purchases of property, plant and equipment items (recoverable in 48 monthly installments) and consumable products. Their realization is based on the subsidiaries' operations. The credits relating to Corporate IRPJ and CSLL are linked to prepayments that will be offset, over undefined periods, against the same taxes and contributions levied on future taxable income within five years.

11 Assets held for sale

(a) Assets held for sale

	VCEAA/China (i)		Breakdown Baraúna	Inmobiliaria Del Rio Magdalena	Consolidated	
	9/30/2013	12/31/2012	9/30/2013	9/30/2013	9/30/2013	12/31/2012
Inventory	44	39			44	39
Property, plant and equipr	381	301	45	13	439	301
Goodwill	188	234			188	234
Intangible assets	46	42			46	42
Other assets	76	85			76	85
	735	701	45	13	793	701

All amounts in millions of reais unless otherwise stated

(b) Liabilities relating to assets held for sale

	VCEAA/China (i)		Consolidated	
	9/30/2013	12/31/2012	9/30/2013	12/31/2012
Other payables	276	213	276	213
Other liabilities	34	27	34	27
Provisions	32	34	32	34
	342	274	342	274

(c) Profit from discontinued operations

	1/1/2013 to 9/30/2013
VCEAA/China (i)	
Net revenue	113
Cost of products sold	(158)
Gross loss	(45)
Finance result, net	(16)
Loss before income tax and social contribution	(61)
Income tax and social contribution	1
Loss from discontinued operations	(60)

(i) The indirect subsidiary VCEAA does not intend to continue its operations in China and, through its subsidiary Cimpor Macau - Companhia de Investimento S.A. ("Macau"), has developed a plan to sell this business. Consequently, its assets and liabilities are classified in the *held for sale* group and are presented in a separate line in the balance sheet, and its results are classified as discontinued operations in the statement of income.

All amounts in millions of reais unless otherwise stated

12 Related parties

	Trade receivables		Dividends receivable		Non-current assets	
Parent	9/30/2013	12/31/2012	9/30/2013	12/31/2012	9/30/2013	12/31/2012
Votorantim Participações S.A.					102	50
Related companies						
Cementos Avellaneda S.A.	1		12			
Cementos Especiales de las Isl	17					
Cia. de Cimento Itambé	15	19				
Citrosuco GmbH					196	180
Citrosuco S.A. Agroindústria (i)		4		1	315	286
Citrovita Orange Juice GmbH (ii)					421	377
Fibria Celulose S.A.	9	8			1	1
Hailstone Limited					11	10
Ibar Administração e Participações Ltda.					5	5
Maré Cimento Ltda.	6	2	2			
Mineração Rio do Norte S.A.			6			
Mizú S.A.	8	5	1			
Polimix Concreto Ltda.	25	19	8			
Sitrel Siderúrgia Três Lagoas Ltda.	23	6				
ST. Helen Holding II B.V. (iii)					562	501
Sumter Cement Co LLC	4	23				
Superior Building Materials LL	9	3				
Supermix Concreto S.A.	29	28				
Suwannee American Cement LLC	44	23				
Verona Participações Ltda.			7			
Other	2	2	2		11	1
	192	142	38	1	1,624	1,411
Current	(192)	(142)	(38)	(1)		
Non-current					1,624	1,411

All amounts in millions of reais unless otherwise stated

	Trade payables		Dividends payable		Non-current liabilities	
	9/30/2013	12/31/2012	9/30/2013	12/31/2012	9/30/2013	12/31/2012
Parent						
Votorantim Participações S.A. (iv)			35	58	591	538
Related companies						
Alumina do Norte do Brasil S.A.	13	9				
Fibria S.A.	31	31				
Hailstone Limited (v)					315	284
LIT Mining Coöperatief U.A (vi)					145	
LIT Tele Ltda.					56	51
Sitrel Siderúrgia Três Lagoas Ltda.	15					
ST. Helen Holding II B.V.					23	20
Suwannee American Cement LLC	14	26				
Other	3	5				
Non-controlling interests			45	114		
	76	71	80	172	1,130	893
Current	(76)	(71)	(80)	(172)		
Non-current					1,130	893

All amounts in millions of reais unless otherwise stated

	Finance income (costs)		Purchases		Sales	
	9/30/2013	9/30/2012	9/30/2013	9/30/2012	9/30/2013	9/30/2012
Parent						
Votorantim Participações S.A.	(15)	(11)				
Related companies						
Alumina do Norte do Brasil S.A.			4			
Cia. de Cimento Itambé					1	15
Citrosuco GmbH				13		
Citrosuco S.A. Agroindústria	8	1			5	1
Citrovita Agroindustrial S.A.		5		259		2
Citrovita Agropecuária S.A.				101		
Citrovita Orange Juice GmbH	9					
Fibria S.A.		4			24	8
Hailstone Limited	(3)	(2)				
Maré Cimento Ltda.					33	43
Mizú S.A.					53	46
Polimix Concreto Ltda.					131	105
Sitrel Siderúrgia Três Lagoas Ltda.			15			
Somix Concreto Ltda.					5	7
ST. Helen Holding II B.V.	15	15				
Superior Building Materials LL					18	
Supermix Concreto S.A.					226	242
Other	(2)	(1)			2	56
	12	11	19	373	498	525

(i) Refers to prepayment transactions. The transaction is adjusted based on semiannual LIBOR and spread of 2.75% per year.
(ii) Balance receivable from Citrovita Orange Juice GmbH.. The transaction is adjusted based on annual LIBOR and spread of 2.0% per year.
(iii) Refers to credits of Votorantim GmbH held with the company ST. Helen Holding II B.V.. The transaction is adjusted at the rate of 6.0% per year.
(iv) Debt of Votorantim GmbH to the company Votorantim Participações S.A.. The transaction is adjusted at the rate of 6.0% per year.
(v) Debt of Votorantim GmbH to the company Hailstone Limited.. The transaction is adjusted based on monthly LIBOR and spread of 1.5% per year.
(vi) Debt of Votorantim GmbH to the company LIT Mining Coöperatief U.A. The transaction is adjusted based on annual LIBOR and spread of 0.5% per year.
(vii) Refers to business transactions with Citrovita. At the end of 2012, Citrovita was spun off in the association with Citrosuco.

All amounts in millions of reais unless otherwise stated

13 Call options

Pursuant to the Investment and Stockholders' Agreement of Fibria entered into in 2009, the Company has the right to acquire up to 9.33% of Fibria's common shares by October 29, 2014. At September 30, 2013, the fair value of this option was R$ 120 (R$ 157 - December 31, 2012) and is recorded in *Call options* in non-current assets.

14 Other assets

	9/30/2013	12/31/2012
Advances to suppliers	216	233
Receivables from sale of ownership interests	154	145
Prepaid expenses	175	68
Electric energy credit	130	89
Tax credits	55	70
Advances to employees	83	66
Deposit for tax incentive investment	49	24
Social security credits	70	56
Receivable from sale of PP&E	8	50
Checks to be cleared	28	40
Other receivables	213	195
	1,181	1,036
Current	(732)	(529)
Non-current	449	507

All amounts in millions of reais unless otherwise stated

15 Investments

(a) Breakdown

	Information on investees at September 30, 2013			Equity in the results		Investment balance	
	Equity	Profit (loss) for the period	Ownership percentage (%)	9/30/2013	9/30/2012	9/30/2013	12/31/2012
Fibria S.A.	14,614	(519)	29.42	(153)	(221)	4,300	4,452
Sirama Participações Administração e Transportes Ltda.	800	139	38.25	53	54	306	288
Cementos Avellaneda S.A.	376	56	49.00	28	21	225	254
Cementos Bio Bio S.A.	982	(17)	16.70	(3)	(2)	164	132
Alunorte - Alumina do Norte S.A.	4,466	(457)	3.03	(14)	(14)	136	148
Suwannee American Cement LLC	219	(4)	50.00	(2)		109	102
Maré Cimento Ltda. (a)	207	63	51.00	32	15	105	85
Polimix Concreto Ltda. (b)	303	26	27.57	7	4	83	93
Sitrel Siderúrgica Três Lagoas Ltda.	168	40	50.00	20		84	60
Mineração Rio do Norte S.A.	627	36	10.63	4	9	67	69
Cemento Portland S.A.	215	(1)	29.50			64	64
Supermix Concreto S.A. (b)	203	16	25.00	4	8	51	56
Mizu S.A. (a)	77	7	51.00	4	7	39	38
Verona Participações Ltda. (b)	110	58	25.00	14	12	27	29
Polimix Cimento Ltda. (a)	30		51.00			15	15
Cimpor Cimentos de Portugal SGPS S.A.					(102)		
Other investments				6		262	301
					(209)	6,037	6,186

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

(b) Refers to the value of the investees of the subsidiary Silcar - Empreendimentos Comércio e Participações Ltda. Under the shareholders' agreement, the Company takes only financial and operating decisions in respect of certain matters and of some activities of the investees and, therefore, the Company does not control the entities. Dividends are distributed in quantities that are disproportionate to the ownership interest percentage.

All amounts in millions of reais unless otherwise stated

(b) Information on investees

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

	Total (%)	Assets	Liabilities	Equity	Operating income (expenses)	Adjusted profit (loss) for the period
Fibria S.A.	29.42	26,646	12,032	14,614	577	(519)
Sirama Participações Administração e Transportes Ltda.	38.25	811	11	800	139	139
Cementos Avellaneda S.A.	49.00	531	155	376	79	56
Cementos Bio Bio S.A.	16.70	2,229	1,247	982	65	(17)
Alunorte - Alumina do Norte S.A.	3.03	7,407	2,941	4,466	(480)	(457)
Suwannee American Cement LLC	50.00	251	32	219	(3)	(4)
Maré Cimento Ltda.	51.00	568	361	207	97	63
Polimix Concreto Ltda.	27.57	470	167	303	35	26
Sitrel Siderúrgica Três Lagoas Ltda.	50.00	392	224	168	37	40
Mineração Rio do Norte S.A.	10.63	2,180	1,553	627	128	36
Cemento Portland S.A.	29.50	224	9	215	(2)	(1)
Supermix Concreto S.A.	25.00	460	257	203	20	16
Mizú S.A .	51.00	135	58	77	11	7
Verona Participações Ltda .	25.00	117	7	110	33	58
Polimix Cimento Ltda.	51.00	30		30		

(c) Changes in investments

	9/30/2013	9/30/2012
Opening balance	6,186	7,635
Equity in the results of investees		(209)
Capital increase in investees	19	476
Disposal of investment	(47)	
Foreign exchange gains (losses)	(14)	177
Dividends	(101)	(182)
Other comprehensive loss	(6)	(118)
Closing balance	6,037	7,779

(d) Investments in listed companies

	9/30/2013		12/31/2012	
	Book value	Market value	Book value	Market value
Cementos Bio Bio S.A. (*)	164	111	132	117
Fibria S.A. (*)	4,300	4,151	4,452	3,667

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

(e) Principal changes in ownership interests in investees

(i) Exchange of interest in CIMPOR

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

In this transaction, the Company's interest of 21.21% in CIMPOR was transferred for the amount of R$ 2,077, reflecting the 142,492,130 shares in CIMPOR, valued at the price of EUR 5.33 each, as determined in the reorganization agreement dated September 25, 2012. The fair value of the business acquired was calculated based on an independent assessment by two investment banks, which resulted in an additional payment by the Company of R$ 157, settled at the beginning of 2013.

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

(ii) Business combination - VCEAA

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

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

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

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

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

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

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

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

The obligations assumed due to these acquisitions are recorded in *Payables for interest acquisitions* in current liabilities, settled at the beginning of 2013.

(iv) Business combination - Artigas

On the same date, the subsidiary VCEAA acquired an interest of 12.61% in Artigas, in Uruguay, from Molins for R$ 51 (US$ 25). As from that date, the Company started holding the control and consolidating Artigas. The business combination method was utilized to record the identifiable assets acquired and the non-controlling interests.

The Company re-measured its prior 38.39% interest in Artigas at its fair value at the acquisition date and recognized the resulting gains in the statement of income:

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

The obligations assumed as a result of the aforementioned acquisitions are recorded in *Payables for interest acquisitions* in current liabilities, settled at the beginning of 2013. The costs related to the transactions were not material.

All amounts in millions of reais unless otherwise stated

16 Property, plant and equipment

(a) Breakdown

	Land and improvements	Buildings and constructions	Machinery, equipment and facilities	Vehicles	Furniture and fittings	Construction in progress	Leasehold improvements	Other	9/30/2013 Total	9/30/2012 Total
Opening balance										
Cost	1,598	8,534	26,105	1,127	164	4,168	564	416	42,676	36,554
Accumulated depreciation	(99)	(2,632)	(12,606)	(788)	(115)		(238)	(336)	(16,814)	(13,682)
Closing balance	1,499	5,902	13,499	339	49	4,168	326	80	25,862	22,872
Opening balance	1,499	5,902	13,499	339	49	4,168	326	80	25,862	22,872
Additions	27	80	3	35	1	1,579	1	3	1,729	2,099
Disposals	(3)	(1)	(11)	(2)	(3)	(14)	(2)	(9)	(45)	(7)
Depreciation	(1)	(169)	(972)	(80)	(8)		(15)	(22)	(1,267)	(1,107)
Foreign exchange gains (losses)	35	94	237	10	1	46	10		433	465
Effect of subsidiaries included in/excluded from consolidation	1	(6)	(26)			2	3		(26)	(55)
Transfers to taxes recoverable (Note 10)	(7)	(191)	(310)	(4)	(1)				(513)	
Transfers	91	376	1,718	53	23	(2,160)	(107)	11	5	(121)
Closing balance	1,642	6,085	14,138	351	62	3,621	216	63	26,178	24,146
Cost	1,683	8,942	27,536	1,205	182	3,621	389	417	43,975	37,034
Accumulated depreciation	(41)	(2,857)	(13,398)	(854)	(120)		(173)	(354)	(17,797)	(12,888)
Net closing balance	1,642	6,085	14,138	351	62	3,621	216	63	26,178	24,146
Average annual depreciation rates - %	2.75	3.01	13.71	14.55	9.94		5.75	12.00		

All amounts in millions of reais unless otherwise stated

(b) Construction in progress

The balance of construction in progress is made up mainly of projects for the expansion and optimization of the industrial units, as described below:

	9/30/2013	12/31/2012
Segment		
Metals	1,470	1,331
Cement	1,518	2,103
Steel	461	380
Mining Peru	165	352
Other	7	2
	3,621	4,168

Main projects in progress - Cement	9/30/2013	12/31/2012
New unit in Edealina/GO	229	117
New unit in Cuiabá/MT (i)	132	503
New unit in Primavera/PA	104	42
New production line in Rio Branco/PR (ii)	101	537
New plant in Vidal Ramos/SC	79	46
Burden removal	69	49
New coprocessing lines	34	10
Cement crushing in Santa Helena	19	26
Construction of concrete mixers	13	
New unit in Belo Monte/PA	13	
Purchase and renovation of movable equipment	12	2
New unit in Ituaçú/BA	10	12
Retrofit of furnace in Cantagalo/RJ	7	7

Main projects in progress - Metals	9/30/2013	12/31/2012
Ferro níquel project	564	559
Polymetallics	102	132
Calcination furnace	88	88
Vazante expansion project	73	56
Oven room	60	58
Alumina rondon project	55	7
Alumina expansion	31	31
Replacement of foundry cover	22	20
Utilities - calcination and silo of oxide IV	12	12
Rod/ball mill V	12	12
Expansion, extrusion, anodizing and painting	10	24
Renovation of stacks		70
Renovation of rolling mills		24

All amounts in millions of reais unless otherwise stated

Main projects in progress - Steel	9/30/2013	12/31/2012
Resende expansion project	117	72
Expansion zone 1	112	91
Geological researches	48	48
Blast furnace regenerator replacement project	23	17
Forest expansion project	17	15
Scrap crushing equipment	11	12
Fumes processing plant		13

Main projects in progress - Mining Peru	9/30/2013	12/31/2012
Cerro Lindo Project Phase III (iii)	18	212
"Pucurhuay" Hydroelectric Plant Project	51	44

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

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

(iii) In January 2013, Votorantim Metais' unit in the mining segment, located in the city of Ica - Peru, started its operations, causing the partial activation of the balance of property, plant and equipment in progress. The main assets activated were grinding and crushing stations.

17 Biological assets

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

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

	9/30/2013	9/30/2012
Opening balance	151	159
Additions	17	16
Depletion	(42)	(22)
Change in fair value	(2)	(4)
Closing balance	124	149

According to the Company's policy, the fair value assessment is carried out annually and, for the period ended September 30, 2013, management understands that there were no significant variations in the fair value of these assets.

All amounts in millions of reais unless otherwise stated

18 Intangible assets

								9/30/2013	9/30/2012
	Goodwill	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	4,787	6,032	201	304	538	292	762	12,916	10,994
Accumulated amortization		(584)	(116)	(209)	(83)	(121)	(320)	(1,433)	(1,021)
Net balance	4,787	5,448	85	95	455	171	442	11,483	9,973
Opening balance	4,787	5,448	85	95	455	171	442	11,483	9,973
Additions		25		7			46	78	142
Write-offs		(2)	(6)	(1)			(9)	(18)	(5)
Amortization and depletion		(234)	(21)	(16)	(15)	(13)	(40)	(339)	(310)
Foreign exchange gains (losses)	278	439	9	7		16	34	783	431
Effect of subsidiaries included in/ excluded from consolidation	3	12					(12)	3	(25)
Transfers		(28)		4			(24)	(48)	120
Closing balance	5,068	5,660	67	96	440	174	437	11,942	10,326
Cost	5,068	6,426	238	325	538	311	794	13,700	11,579
Accumulated amortization		(766)	(171)	(229)	(98)	(137)	(357)	(1,758)	(1,253)
Net balance	5,068	5,660	67	96	440	174	437	11,942	10,326
Average annual amortization rates - %		6.52	14.00	19.89	3.95	7.07	8.32		

All amounts in millions of reais unless otherwise stated

19 Borrowing

(a) Breakdown

Type	Average annual charges (%)	Current 9/30/2013	Current 12/31/2012	Non-current 9/30/2013	Non-current 12/31/2012	Total 9/30/2013	Total 12/31/2012
Local currency							
BNDES	5.00% fixed rate BRL / TJLP + 2.55%	681	652	2,328	2,527	3,009	3,179
FINAME	4.40% fixed rate BRL / TJLP + 2.58%	24	22	128	89	152	111
Debentures	111.27% of CDI	141	91	5,343	4,849	5,484	4,940
Export credit notes	8.00% fixed rate BRL	1		230		231	
Development promotion agency	8.50% fixed rate BRL / TJLP + 3.50%	5	4	52	18	57	22
Other		12	16	26	32	38	48
Subtotal		864	785	8,107	7,515	8,971	8,300
Foreign currency							
BNDES	UMBNDES + 2.32%	123	105	433	407	556	512
Development promotion agency	USD Libor + 1.38%	17	12	124	122	141	134
Eurobonds - USD	6.76% fixed rate USD	155	103	7,463	6,509	7,618	6,612
Eurobonds - EUR	5.25% fixed rate EUR	50	71	2,264	2,022	2,314	2,093
Syndicated loans	USD Libor + 1.66%	59	228	908	1,923	967	2,151
Export prepayments	USD Libor + 1.43%	55	2	2,503	2,339	2,558	2,341
Working capital	USD Libor + 1.50%	64	10			64	10
Other		65	80	44	58	109	138
Subtotal		588	611	13,739	13,380	14,327	13,991
Total		1,452	1,396	21,846	20,895	23,298	22,291
Interest on borrowing		417	287				
Current portion of long-term borrowing		984	1,053				
Short-term borrowing		51	56				
Total		1,452	1,396				

BNDES – National Bank for Economic and Social Development
BRL – Brazilian Currency (Real)
CDI – Interbank Deposit Certificate
EUR – European Union currency (Euro)
FINAME - Government Agency for Machinery and Equipment Financing
LIBOR - London Interbank Offered Rate
TJLP – Long-term Interest Rate set by the National Monetary 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 September 30, 2013, 98% of the basket was comprised of US dollars.
USD – US Dollar

The maturity profile of borrowing at September 30, 3013 is as follows:

All amounts in millions of reais unless otherwise stated

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	As from 2022	Total
Local currency												
BNDES	175	678	654	540	394	264	135	40	36	29	64	3,009
FINAME	7	23	24	24	19	13	12	11	10	8	1	152
Debentures	109	33	6	506	3	2,524	1,403	644	243	3	10	5,484
Export credit notes	1			230								231
Development promotion agency	2	4	6	7	5	5	5	5	5	5	8	57
Other	5	16	11	2			4					38
Subtotal	299	754	701	1,309	421	2,806	1,559	700	294	45	83	8,971
%	3.33	8.40	7.81	14.59	4.69	31.28	17.38	7.80	3.28	0.50	0.93	
Foreign currency												
BNDES	31	124	127	112	83	53	23	3				556
Development promotion agency		17	17	17	17	17	17	16	12	7	4	141
Eurobonds - USD	154	1					2,059	374	1,462		3,568	7,618
Eurobonds - EUR		50			2,264							2,314
Syndicated loans	19	66	549	71	72	190						967
Export prepayments	2	131	445	628	628	524	200					2,558
Working capital	15	49										64
Other	44	26	15	11	1	1	1	1	1	1	7	109
Subtotal	265	464	1,153	839	3,065	785	2,300	394	1,475	8	3,579	14,327
%	1.85	3.24	8.05	5.86	21.39	5.48	16.05	2.75	10.30	0.06	24.98	
Total	564	1,218	1,854	2,148	3,486	3,591	3,859	1,094	1,769	53	3,662	23,298
%	2.42	5.23	7.96	9.22	14.96	15.41	16.56	4.70	7.59	0.23	15.72	

All amounts in millions of reais unless otherwise stated

(b) Changes

	9/30/2013	9/30/2012
Opening balance	22,291	19,247
New borrowing	2,624	2,908
Interest and foreign exchange gains (losses)	2,482	2,255
Payments - principal	(3,068)	(2,085)
Payments - interest	(1,015)	(1,018)
Effect of subsidiaries included in the consolidation	(16)	(18)
Closing balance	23,298	21,289

(c) Breakdown by currency

	9/30/2013	12/31/2012
Real	8,971	8,300
U.S. Dollar	11,454	11,055
Euro	2,314	2,119
Currency basket	470	466
Other	89	351
Total	23,298	22,291

(d) Breakdown by index

	9/30/2013	12/31/2012
Local currency		
CDI	5,484	4,940
TJLP	2,845	2,994
Fixed rate	642	365
Other		1
	8,971	8,300
Foreign currency		
LIBOR	3,668	4,195
UMBNDES	556	511
Fixed rate	10,024	8,924
Other	79	361
	14,327	13,991
Total	23,298	22,291

(e) Collateral

At September 30, 2013, R$ 9,720 of the balance of borrowing of the Company's subsidiaries was collateralized by sureties, and R$ 152 was collateralized through liens on the financed assets.

(f) 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.

(g) 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.

The main funding transactions carried out were as follows:

(i) In September 2013, the Company completed its first public issue of simple, non-convertible, non-privileged, secured debentures. The debentures were distributed with restricted placement efforts and exempt from registration with the Brazilian Securities Commission (CVM), pursuant to Article 6 of CVM Instruction 476, of January 16, 2009. The issue of R$ 500, with maturity in September 2016, pays 107.2% of the CDI.

(ii) During the nine-month period ended September 30, 2013, the subsidiaries of the Company received R$ 471 from BNDES (year 2012 - R$ 603) to fund their expansion and modernization projects, including the purchase of machinery and equipment at the average funding cost of TJLP + 2.76 % p.a. (2012 - TJLP + 2.81% p.a.).

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

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

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

(vi) In December 2012, as a result of the completion of the exchange of assets with CIMPOR, the subsidiary VCEAA obtained borrowing of US$ 434.1 million, maturing in February 2014, and with an average cost of LIBOR + 1.33% p.a. The proceeds raised were used for prepayment of the borrowing due to the change of ownership control and reduction of the indebtedness cost. In the first half of 2013, the subsidiary VCEAA settled in advance US$ 215 million and in September 2013 it extended the term of the outstanding balance of the principal to August 2015 at the cost of LIBOR + 0.92% p.a..

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

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

(ix) In February 2012, the subsidiary VCSA issued US$ 500 million in the international market through the reopening of a bond issue maturing in 2041. The principal of the transaction was US$ 1,250 million. The other conditions were maintained, such as the payment of a half-yearly coupon of 7.25% p.a. The issue was rated "BBB" by Standard & Poor's, "Baa3" by Moody's and "BBB" by Fitch.

(x) In January 2012, the subsidiary VCSA concluded its fourth public issue of simple, non-convertible, unsecured debentures in two series of R$ 500 million each. The debentures were distributed with restricted placement efforts and are exempt from registration with the Brazilian Securities Commission ("CVM"), pursuant to Article 6 of CVM Instruction 476, of January 16, 2009. The first series, in the amount of R$ 500, yields CDI + 1.09% p.a., and the second series, also in the amount of R$ 500, yields 111% of the CDI variation. Both series mature in May 2018.

(h) Assumption of debt

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

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

(i) Eurobonds

During the nine-month period ended September 30, 2013, the Company and its subsidiaries repurchased and canceled, with their own funds, the amount of R$ 135.4 (US$ 60.5 million) relating to the repurchase of Eurobonds "Voto IV", "Voto V" and "Voto VI" raised in June 2005, September 2009 and April 2010, whose original maturities are in June 2020, September 2019 and April 2021, with fixed interest rates of 7.75%, 6.625% and 6.75% per year, respectively.

All amounts in millions of reais unless otherwise stated

(j) Fair value of borrowing

	9/30/2013	
	Carrying amount	Fair value
Local currency		
BNDES	3,009	2,793
FINAME	152	127
Debentures	5,484	5,765
Export credit notes	231	218
Development promotion agency	57	54
Other	38	34
Subtotal	8,971	8,991
Foreign currency		
BNDES	556	604
Development promotion agency	141	140
Eurobonds - USD	7,618	7,938
Eurobonds - EUR	2,314	2,588
Syndicated loans	967	991
Export prepayments	2,558	2,682
Working capital	64	65
Other	109	111
Subtotal	14,327	15,119
Total	23,298	24,110

20 Deferred IRPJ and CSLL

The Company and its subsidiaries use the taxable income method, and calculate and record their IRPJ and CSLL based on the effective rates at the end of the reporting period. Deferred IRPJ and CSLL tax assets arise from tax losses and temporary differences relating to (a) the effects of foreign exchange gains/losses (tax calculated on a cash basis for loans), (b) adjustments of derivatives to their fair values, (c) temporarily non-deductible provision, (d) investments in agribusiness activities, and (e) temporary differences arising from the adoption of the CPCs.

The credits relating to IRPJ and CSLL losses will be realized based on their average maturities, according to the projections of the Company. The temporary differences will be realized according to the maturity of the operations that originated the credit.

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

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

All amounts in millions of reais unless otherwise stated

The IRPJ and CSLL amounts presented in the statement of income for the periods ended September 30 are reconciled to their Brazilian statutory rates as follows:

	9/30/2013	9/30/2012
Profit before income tax and social contribution	982	373
Standard rates	34%	34%
Income tax and social contribution at standard rates	(334)	(127)
Equity in the results of investees		(71)
Income tax losses without recording the deferred amounts	(223)	
Social contribution losses without recording the deferred amounts	(90)	
Differences in the tax rates of foreign subsidiaries	45	41
Other permanent additions, net	(47)	(17)
IRPJ and CSLL calculated	(649)	(174)
Current	(577)	(519)
Deferred	(72)	345
Income tax and social contribution expenses	(649)	(174)

(b) Breakdown of deferred tax balances

Deferred IRPJ and CSLL assets and liabilities are as follows:

	9/30/2013	12/31/2012
Assets		
Tax losses	1,654	1,429
Temporary differences		
Provisions	631	599
Provision for losses on investments	122	139
Foreign exchange gains (Provisional Measure 1,858-10/1999, art.30)	273	477
Derivatives - Law 11,051/04	3	11
Tax benefit on goodwill	17	27
Use of Public Assets (UBP)	174	160
CPC 29 - Biological assets	43	43
Provision for disposals of assets	12	14
Provision for taxes under litigation	66	77
Accelerated depreciation and adjustment of useful lives	32	55
Environmental liabilities	43	58
Other provisions	250	207
Non-current assets	3,320	3,296
Liabilities		
Temporary differences		
Deferred gains on derivative contracts	11	5
Business combinations	1,187	1,203
Market value adjustments to property, plant and equipment	173	121
Accelerated depreciation and adjustment of useful lives	1,463	1,260
Foreign exchange gains (Provisional Measure 1,858-10/1999, art.30)		60
Goodwill amortization	295	232
CPC 12 - Adjustment to present value	26	21
CPC 20 - Capitalized interest	115	109
Other	66	74
Non-current liabilities	3,336	3,085
Net (assets - liabilities)	(16)	211

All amounts in millions of reais unless otherwise stated

(c) Net (assets – liabilities)

	9/30/2013
Opening balance	211
Effects on income	(72)
Effects on equity	(155)
Closing balance	(16)

21 Other liabilities

	9/30/2013	12/31/2012
Payables for acquisition of investments	263	289
Actuarial liability	427	360
Provision for services	182	172
Environmental obligations	147	176
Long-term taxes payable	170	143
Long-term trade payables	125	189
REFIS - Tax Recovery Program	88	80
Provision for freight	41	28
Provision for maintenance	27	28
Unappropriated premiums	11	37
Provision for utilities - water, electric energy and gas	45	58
Advances from customers	199	182
Other liabilities	190	261
	1,915	2,003
Current	(478)	(709)
Non-current	1,437	1,294

22 Provision for tax, civil, labor and environmental contingencies

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

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

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

All amounts in millions of reais unless otherwise stated

(a) Breakdown

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

	9/30/2013	12/31/2012
Tax	1,486	1,599
Labor and social security	216	162
Civil	106	97
Other	50	71
(-) Judicial deposits	(559)	(551)
	1,299	1,378

(b) Changes

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

	9/30/2013	9/30/2012
Opening balance	1,378	1,412
Additions	186	162
Reductions	(362)	(221)
Monetary restatements	65	60
Effect of companies included in the consolidation	40	
Judicial deposits	(8)	(34)
Closing balance	1,299	1,379

(c) Outstanding judicial deposits

At September 30, 2013, the Company had R$ 497 (2012 - R$ 451) deposited with the courts in relation to proceedings classified by its legal advisors as having a possible or remote possibility of loss, and therefore, not subject to the requirement to record the respective contingencies.

(d) Comments on provisions recorded in the books

(i) Provision for tax contingencies

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

(ii) Provision for labor contingencies

VID and its subsidiaries are parties to approximately 5,509 labor lawsuits filed by former employees, third parties and labor unions mostly claiming the payment of indemnities on dismissals, health hazard premiums and hazardous duty premiums, overtime, and commuting hours, as well as indemnity claims by former employees and third parties based on alleged occupational illnesses, work accidents, property damage and pain and suffering, in common courts due to Constitutional Amendment 45 and compliance with normative clauses.

All amounts in millions of reais unless otherwise stated

(iii) Provision for civil contingencies

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

(iv) Provision for environmental contingencies

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

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

(e) Litigation with likelihood of loss considered as possible

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

	9/30/2013	12/31/2012
Tax	3,761	3,227
Labor and social security	232	95
Civil	4,624	4,187
Environmental	396	675
	9,013	8,184

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

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

Nature	Amount
(i) IRPJ/CSLL – Profits abroad	524
(ii) CFEM	303
(iii) Tax assessment notice – IRPJ/CSLL	212
(iv) Disallowance of PIS/COFINS credits	208
(v) Offset of tax loss – 30% limit (merger)	209
(vi) ICMS – Transfer cost	149
(vii) Requirement of ICMS on TUSD	148
(viii) Disallowance of IRPJ negative balance	102
(ix) Tax assessment notice – non-compliance with customs legislation	99
(x) Tax assessment notice – IRPJ/CSLL	44
Other lawsuits of individual amounts lower than R$ 100	1,763
	3,761

(i) **IRPJ/CSLL – Profits abroad**

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

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

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

The restated amount involved, relating to the two assessment notices, totals R$ 524.

(ii) **CFEM**

The subsidiaries Votorantim Cimentos S.A. ("VCSA"), Votorantim Metais S.A. ("VMSA") and Votorantim Metais Zinco S.A. ("VMZ") have had various tax assessment notices issued by the National Department of Mineral Production for alleged lack of payment or underpayment of Financial Compensation for the Exploration of Mineral Resources (CFEM), for the periods 1991 to 2011, January 1991 to December 2000 and January 1991 to December 2006, respectively. At September 30, 2013, the amount under litigation totals R$ 387.6, classified as possible loss. For the subsidiary VCSA, the amount under litigation totals R$ 394, of which approximately R$ 303 is considered as possible loss and approximately R$ 91 as probable loss, and the subsidiary recorded a provision for this amount. Currently, the lawsuits are at the administrative or judicial levels.

(iii) **Tax assessment notice – IRPJ/CSLL**

In December 2011, the subsidiary VCSA was assessed by the Federal Revenue of Brazil in the amount of R$ 183 for alleged lack of payment or underpayment of IRPJ and CSLL relating to the period from 2006 to 2010, due to: (i) amortization of goodwill supposedly being incorrect; (ii) utilization of tax loss above the 30% limit permitted by the tax regulation (merger); and (iii) lack of payment of IRPJ and CSLL obligations due on a monthly estimate basis. At September 30, 2013 the total amount of the litigation was R$ 212 and the subsidiary recorded a provision of R$ 156 thousand for the part of the assessment whose loss is considered probable; that is, the imposition of a fine upon the company, in periods in which it generated a tax loss. Currently, the lawsuit awaits a decision on the voluntary appeal filed by the subsidiary with the Administrative Board of Tax Appeals.

(iv) **Disallowances of PIS/COFINS credits**

The Company and its subsidiaries VMSA and Companhia Brasileira de Alumínio ("CBA") received various court decisions relating to the disallowance of PIS and COFINS credits on items applied in the production process, which in the Federal Revenue of Brazil's understanding would not entitle them to credit for these contributions. The restated amount at September 30, 2013 is R$ 208. Currently, the lawsuits await a decision from the lower administrative court.

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

The subsidiary Votorantim Energia Ltda. was assessed by the Federal Revenue of Brazil, as the successor to the company VBC Participações S.A., due to the supposedly improper offset of tax losses without complying with the 30% limit (merger). The lawsuit awaits the judgment of the voluntary appeal by the Administrative Board of Tax Appeals. The amount involved at September 30, 2013 is R$ 209.

(vi) **ICMS – Transfer cost**

The subsidiary VMSA was assessed for an alleged lack of payment of ICMS on transfers of nickel carbonate to its branch located in the State of São Paulo, relating to the periods from April 2005 to March 2006, April 2006 to March 2007 and April 2007 to March 2008. These assessments total R$ 149 at September 30, 2013. Currently two lawsuits amounting to R$ 111 await a decision at the lower administrative court and another lawsuit amounting to R$ 38 awaits the judgment on the voluntary appeal by the Administrative Board of Tax Appeals.

(vii) **Requirement of ICMS on TUSD**

The subsidiaries VMZ, CBA and Votorantim Siderurgia S.A. ("VS") received collections for alleged ICMS debts on the Distribution System Usage Tariff ("TUSD"). The total restated amount of these discussions is R$ 148.3 at September 30, 2013. Currently the lawsuit involving VMZ awaits judgment by the Taxpayers Board of Minas Gerais, the lawsuit involving CBA and one VS awaits a decision of the lower court, and the other two lawsuits had favorable decisions of the lower court.

(viii) **Disallowance of IRPJ negative balance**

The Company, its subsidiary CBA and Cia. Nitroquímica Brasileira Ltda.-("CNBQ"), sold by the Company to third parties, received court decisions related to the disallowance of an IRPJ negative balance in calendar years 2006 (VID), 2003, 2004, 2006 (CNBQ) and 2008 (CBA), totaling a restated amount of R$ 101.7 at September 30, 2013. Currently, the lawsuit awaits judgment on the manifestation of dissatisfaction filed by both companies. The responsibility for any liability of CNBQ, in accordance with the company purchase and sale agreement, rests with the Company.

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

In November 2006, the subsidiary VMZ was assessed by the Federal Revenue of Brazil for alleged inconsistencies in the zinc concentrate import declarations, which resulted in the application of a fine for non-compliance with the customs legislation. This assessment amounts to R$ 99.3 at September 30, 2013.

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

(x) **Tax assessment notice – IRPJ/CSLL**

In December 2011, the subsidiary VCSA was assessed by the Federal Revenue of Brazil in the amount of R$ 448 for alleged lack of payment of IRPJ and CSLL in calendar year 2006 and disallowance of income tax and social contribution losses in calendar year 2007, due to the contribution of assets of the companies Cimento Tocantins, Cimento Rio Branco and Companhia de Cimento Portland Itaú to Votorantim Cimentos Brasil, which opted for a taxation regime based on presumed income. As at September 30, 2013, only R$ 44 of the restated amount of R$ 514 is classified as possible loss, while the remaining amount is classified as remote loss. The Federal Revenue Judgment Office judged the tax assessment notice to be partially valid, reducing the tax assessment notice to approximately 50% of the assessed amount. Currently, we await judgment of the mandatory appeal and voluntary appeal filed with the Administrative Board of Tax Appeals.

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

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

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

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

(i) Litigation with a Northeast transportation company

In August 2010, a transportation company filed a claim against the subsidiary Votorantim Cimentos N/NE S.A. – ("VCNNE") seeking compensation for property damages in the amount of R$ 123.7; VCNNE was notified of this claim in March 2011 and filed its reply, alleging the relative non-convenience of the court. On January 22, 2013, the court published its decision to transfer the case to the civil court, in the city of Recife. Based on the opinion of its outside legal advisors, VCNNE believes that the likelihood of loss in this lawsuit is 50% possible and 50% remote and, for this reason, did not record a provision in relation to this lawsuit.

(ii) Litigation with a São Paulo transportation company

In September 2005, a transportation company filed a claim against Votorantim Cimentos Brasil S.A. – ("VCB", a company merged into VCSA) seeking compensation for property damages in the amount of R$ 84.2 and pain and suffering in an unspecified amount. VCSA contested the transportation company's allegations, totally refuting the claim. Management considers the likelihood of loss under this allegation as 1% probable and 99% possible. At September 30, 2013, the amount under litigation was R$ 157.3 and VCSA recorded provision of R$ 1.5 in relation to this matter.

(iii) Public Civil Suit - Cartel

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

(iv) Class Action – Tocantins

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

(v) Litigation in the State of Goiás

An indemnity lawsuit has been filed by a former service provider against the subsidiary VMSA, in the State of Goiás. After receiving the complaint, VMSA presented its defense. The court records are in the discovery phase, with oral testimony from the witnesses. The restated amount involved at September 30, 2013 is R$ 240.

(v) Litigation in the State of Minas Gerais

An indemnity lawsuit has been filed against the subsidiary VMZ, in the State of Minas Gerais, alleging the inexistence of a legal relation and claiming adverse judgment for property damages and pain and suffering. After receiving the complaint, VMZ challenged it. The plaintiff presented a replica allegation and the judgment considered the lawsuit as groundless. The judgment of the appeal filed by the plaintiff is awaited. The restated amount involved at September 30, 2013 is R$ 58.

(vii) Litigation in the State of Rio de Janeiro

Two connected indemnity lawsuits have been filed against the subsidiary VMZ in the State of Rio de Janeiro, alleging property damages and pain and suffering. VMZ has not yet presented its defense because it is awaiting the beginning of the term for challenge. The restated amount involved at September 30, 2013 is R$ 52.

(viii) Litigation in the State of Minas Gerais

An indemnity lawsuit has been filed against CBA alleging unilateral rescission of the agreement. After receiving the complaint, CBA presented its defense, totally refuting the claim. The court records are in the expert witness phase. The restated amount involved at September 30, 2013 is R$ 26.

(ix) Litigation in Brasília

In 2005, the subsidiary VS was fined in an administrative proceeding by the Secretariat of Economic Law. Due to its conviction of the inconsistency of the fine, the subsidiary filed an annulment action, which is in progress in Brasília. Based on the outside legal advisors' opinion, the claim is classified as possible. If the subsidiary loses the action, it will have to pay the applied fine which, restated through September 30, 2013, is R$ 27.5. The total fine is secured by a bank guarantee for an indeterminate period.

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

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

In 2003, the SDE, the current General Superintendent of CADE, started administrative proceedings involving cement companies in Brazil, including VCSA. The subsidiary presented its defense. If the subsidiary is considered guilty, it will be subject to administrative penalties, including an administrative fine that may vary from 1.0% to 30.0% of its gross revenue in the year immediately prior to the filing of the administrative proceeding or, if the new Brazilian antitrust law is applied, from 0.1% to 20% of the gross revenue of the company, group or conglomerate in the business line in which the infraction occurred, in the fiscal year immediately prior to the filing of the administrative proceeding, under the same criteria. The evidentiary phase of this lawsuit ended in April 2012 and until now there are no indications that the General Superintendent of CADE intends to submit any recommendation to the CADE Board or conduct future investigations into this matter. The likelihood of loss in this lawsuit is considered to be remote.

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

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

(i) The environmental litigation of the Company and its subsidiaries basically relates to public civil actions, class actions and indemnity lawsuits, whose objectives are: the interruption of the 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. Two lawsuits that reflect this scenario are indemnity lawsuits in progress in the City of Vazante – MG, filed against the subsidiary VMZ, seeking compensation for property damages due to alleged environmental damage that the subsidiary caused to the plaintiff's properties due to mining activity performed, in the restated amount of R$ 41.5 at September 2013. VMZ presented its defense, fully contesting the plaintiff's allegations. All environmental lawsuits with material amounts and classified as possible are in the discovery phase.

(ii) Civil Public Action – Mato Grosso

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

(f) Commitments

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

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

(iii) The Company and its subsidiaries have concessions of hydroelectric plants that generate power, either independently or through consortia, for which the future disbursement estimated by management is approximately R$ 2,194.

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

All amounts in millions of reais unless otherwise stated

23 Use of public assets

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

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

							9/30/2013
Plants / Companies	**Investor**	**Percentage ownership**	**Concession start date**	**Concession end date**	**Payment start date**	**Intangible assets**	**Liabilities**
Salto Pilão	Companhia Brasileira de Alumínio	60%	nov-01	dec-36	jan-10	237	419
Campos Novos	Companhia Brasileira de Alumínio	25%	apr-00	may-35	jun-06	3	6
Salto do Rio Verdinho	Companhia Brasileira de Alumínio	100%	aug-02	sep-37	oct-10	9	16
Ituparararanga	Companhia Brasileira de Alumínio	100%	nov-03	dec-23	jan-04	1	2
Piraju	Companhia Brasileira de Alumínio	100%	dec-98	jan-34	feb-03	1	5
Ourinhos	Companhia Brasileira de Alumínio	100%	jul-00	aug-35	sep-05	2	4
Baesa - Energética Barra Grande	Companhia Brasileira de Alumínio	15%	jun-01	may-36	jun-07	17	37
Capim Branco I e Capim Branco II	Votorantim Metais Zinco S.A.	13%	aug-01	sep-36	oct-07	3	9
Picada	Votorantim Metais Zinco S.A.	100%	may-01	jun-36	jul-06	22	58
Campos Novos	Votorantim Metais S.A.	20%	apr-00	may-35	jun-06	2	5
Pedra do Cavalo	Votorantim Cimentos N/NE S.A.	100%	mar-02	apr-37	apr-06	143	417
						440	978
Current							(58)
Non-current						440	920

All amounts in millions of reais unless otherwise stated

							12/31/2012
Plants / Companies	**Investor**	**Percentage ownership**	**Concession start date**	**Concession end date**	**Payment start date**	**Intangible assets**	**Liabilities**
Salto Pilão	Companhia Brasileira de Alumínio	60%	nov-01	dec-36	jan-10	245	406
Campos Novos	Companhia Brasileira de Alumínio	25%	apr-00	may-35	jun-06	3	6
Salto do Rio Verdinho	Companhia Brasileira de Alumínio	100%	aug-02	sep-37	oct-10	8	15
Ituparararanga	Companhia Brasileira de Alumínio	100%	nov-03	dec-23	jan-04	1	2
Piraju	Companhia Brasileira de Alumínio	100%	dec-98	jan-34	feb-03	2	5
Ourinhos	Companhia Brasileira de Alumínio	100%	jul-00	aug-35	sep-05	2	4
Baesa - Energética Barra Grande	Companhia Brasileira de Alumínio	15%	jun-01	may-36	jun-07	17	35
Capim Branco I e Capim Branco II	Votorantim Metais Zinco S.A.	13%	aug-01	sep-36	oct-07	3	9
Picada	Votorantim Metais Zinco S.A.	100%	may-01	jun-36	jul-06	22	56
Campos Novos	Votorantim Metais S.A.	20%	apr-00	may-35	jun-06	3	5
Pedra do Cavalo	Votorantim Cimentos N/NE S.A.	100%	mar-02	apr-37	apr-06	149	404
						455	947
Current							(55)
Non-current						455	892

All amounts in millions of reais unless otherwise stated

24 Equity

(a) Share capital

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

(b) Dividends

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

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

(c) Legal and profit retention reserves

The legal reserve is credited annually with 5% of the profit for the year and cannot exceed 20% of the share capital. The reserve can only be used to increase capital and offset accumulated losses.

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

(d) Carrying value adjustments

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

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

25 Net revenue

(a) Reconciliation of revenue

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

	1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012
Gross revenue		
Sales of products - domestic market	13,399	12,097
Sales of products - foreign market	7,768	6,804
Supply of electric power	860	423
Service revenue	1,008	958
	23,035	20,282
Taxes on sales and services and other deductions	(3,610)	(3,286)
Net revenue	19,425	16,996

In the period ended September 30, 2013, gross revenue increased considerably due to the higher sales volume and price increase in the cement segment in Brazil, increase in sales of electric energy, and the effects of the consolidation of VCEAA, which maintains operations in Spain, Turkey, Morocco, Tunisia and India, and of Artigas, in Uruguay, the ownership interests in which were acquired at the end of 2012.

All amounts in millions of reais unless otherwise stated

(b) Information on geographic areas

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

(i) Revenue by destination

	1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012
Brazil	11,875	10,430
United States	1,587	1,487
Peru	1,047	947
Switzerland	637	922
Colombia	565	549
Canada	590	528
Argentina	510	429
Turkey	436	49
Spain	298	5
Morocco	226	9
Luxembourg	211	269
Other countries	1,443	1,372
	19,425	16,996

(ii) Revenue by currency

	1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012
Real	11,718	10,286
US Dollar	4,716	5,258
Colombian Peso	614	398
Canadian Dollar	588	523
Argentine Peso	497	488
Euro	304	10
Other	988	33
	19,425	16,996

All amounts in millions of reais unless otherwise stated

26 Other operating income (expenses), net

	1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012
Gains on sale of property, plant and equipment	4	42
Gains on sales of investments	39	
Gains on sale of scrap	10	17
Mark-to-market of embedded derivatives - Fibria call option (Note 13)	(37)	4
Non-recurrent revenues	13	68
Recovery of taxes	5	9
Other expenses, net	(79)	(34)
	(45)	106

27 Finance result, net

	1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012
Finance costs		
Interest on borrowing	(945)	(914)
Interest and monetary restatement UBP	(70)	(113)
Income tax on remittances of interest abroad	(40)	(54)
Discounts granted	(39)	(14)
Interest on taxes payable	(24)	(43)
Derivative financial instruments	(23)	(10)
Interest on related-party operations	(19)	(12)
Other finance costs	(207)	(167)
	(1,367)	(1,327)
Finance income		
Income from financial investments	216	338
Monetary restatement on assets	106	124
Interest on related-party operations	31	23
Other finance income	109	86
	462	571
Foreign exchange and monetary gains (losses), net	(341)	(454)
Finance result, net	(1,246)	(1,210)

28 Insurance

Pursuant to the Company's Corporate Insurance Management Policy, different types of insurance policies are contracted, such as operational risk and civil liability insurance, protecting the Company against potential losses due to production stoppages, property damage and damage to third parties.

The Company and its subsidiaries have civil liability insurance for their operations and officers, with coverage and terms and conditions deemed adequate by management to cover the inherent risks.

All amounts in millions of reais unless otherwise stated

The operational insurance coverage at September 30, 2013 is as follows:

Assets	Type of coverage	Coverage amount
Facilities, equipment and products in inventory	Property damage	39,473
	Loss of profits	7,482

29 Expenses by nature

The cost of sales and services and selling and administrative expenses for the periods ended September 30 are as follows:

	1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012
Raw materials, inputs and consumables used	10,579	9,487
Employee benefit expenses	2,682	2,148
Depreciation, amortization and depletion	1,648	1,439
Transportation expenses	883	856
Outsourced services	956	878
Other expenses	404	502
Total cost of sales, selling and administrative expenses	17,152	15,310
Reconciliation		
Cost of products sold and services rendered	14,248	12,747
Selling expenses	1,201	976
General and administrative expenses	1,703	1,587
Total cost of sales, selling and administrative expenses	17,152	15,310

The period ended September 30, 2013 includes the effects of the consolidation of results (revenues, expenses and costs) of VCEAA, which maintains operations in Spain, Turkey, Morocco, Tunisia and India, and of Artigas, in Uruguay, the ownership interests in which were acquired at the end of 2012.

30 Employee benefit expenses

	1/1/2013 to 9/30/2013	1/1/2012 to 9/30/2012
Salaries and bonuses	1,636	1,269
Payroll charges	732	624
Social benefits	314	255
	2,682	2,148

31 Supplementary information - BU

In order to provide more detailed information, the Company has elected to present supplementary financial information by BU. The following information refers to the analysis of each BU, and considers the elimination of balances and transactions among the companies before: (i) eliminations between BUs, and (ii) the elimination of investments held by the holding companies. Additionally, the eliminations and reclassifications among the companies are presented so that the net results reconcile with the consolidated financial information of VID per the supplementary information. This supplementary information is not intended to be in accordance with, and is not required by, the accounting practices adopted in Brazil, or by IFRS.

All amounts in millions of reais unless otherwise stated

Consolidated balance sheet at September 30, 2013

	Cement	Aluminum	Nickel	Zinc	Mining Peru	Metals - other	Steel	Holding companies and other	Eliminations and reclassifications	Total Consolidated
Assets										
Current assets										
Cash and cash equivalents, financial investments and derivative financial instruments	2,986	521	105	196	712	46	283	751		5,600
Trade receivables	1,462	255	95	257	256	81	489	43	(244)	2,694
Inventory	1,251	613	235	557	150	19	771			3,596
Taxes recoverable	322	46	197	198	54	4	102	20		943
Dividends receivable	31	30						70	(93)	38
Other assets	291	87	21	77	57	8	85	106		732
	6,343	1,552	653	1,285	1,229	158	1,730	990	(337)	13,603
Assets held for sale	780						13			793
Non-current assets										
Long-term receivables										
Financial investments and derivative financial instruments	17	1				21		1		40
Taxes recoverable	272	326	570	149		7	37	4		1,365
Related parties	472	686	1,260					2,663	(3,457)	1,624
Deferred income tax and social contribution	886	432	320	534	46	33	380	689		3,320
Judicial deposits	294	56	14	40		28	63	2		497
Other assets	252	30	240	22	6	4	19	19	(23)	569
	2,193	1,531	2,404	745	52	93	499	3,378	(3,480)	7,415
Investments	1,559	1,079	403	694		2,412	85	21,687	(21,882)	6,037
Property, plant and equipment and biological assets	9,961	4,855	1,623	4,185	966	770	3,849	93		26,302
Intangible assets	5,174	664	213	5,158	429	61	240	3		11,942
	18,887	8,129	4,643	10,782	1,447	3,336	4,673	25,161	(25,362)	51,696
Total assets	26,010	9,681	5,296	12,067	2,676	3,494	6,416	26,151	(25,699)	66,092

All amounts in millions of reais unless otherwise stated

	Consolidated balance sheet at September 30, 2013									
	Cement	Aluminum	Nickel	Zinc	Mining Peru	Metals - other	Steel	Holding companies and other	Eliminations and reclassifications	Total consolidated
Liabilities										
Current liabilities										
Borrowing	770	179	50	163	46	52	190	2		1,452
Trade payables	997	245	173	695	192	12	377	107	(256)	2,542
Payables - trading	77									77
Salaries and payroll charges	291	100	31	66	67	28	105	63		751
Income tax and social contribution	136	14		15	7	3	38	6		219
Taxes payable	243	29	6	31	47	4	33	15		408
Dividends payable	44			1	2	68	1	58	(94)	80
Advances from customers	136	9	7	2	4	13	37		(2)	206
Payables and other liabilities	344	68	5	42	51	16	37	32		595
	3,038	644	272	1,015	416	196	818	283	(352)	6,330
Liabilities available for sale	342									342
Non-current liabilities										
Borrowing	12,605	2,853	758	1,545	806	239	481	2,559		21,846
Related parties	591		82	1,259		77	515	2,071	(3,465)	1,130
Deferred income tax and social	1,032	478	152	1,271		5	397	1		3,336
Provisions for tax, civil, labor and environmental	743	73	61	110	27	28	93	164		1,299
Provision for asset decommissioning	214	122	188	209	199		32			964
Payables and other liabilities	1,034	429	39	177		66	549	74		2,368
	16,219	3,955	1,280	4,571	1,032	415	2,067	4,869	(3,465)	30,943
Equity	6,411	5,082	3,744	6,481	1,228	2,883	3,531	20,999	(21,882)	28,477
Total liabilities and equity	26,010	9,681	5,296	12,067	2,676	3,494	6,416	26,151	(25,699)	66,092

All amounts in millions of reais unless otherwise stated

Consolidated statement of operations for the period from 7/1/2013 to 9/30/2013

	Cement	Aluminum	Nickel	Zinc	Mining Peru	Metals - other	Steel	Holding companies and other	Eliminations and reclassifications	Total Consolidated
Net revenue from products sold and services rendered	3.506	881	366	946	416	76	1.019	259 (*)	(347)	7.122
Cost of products sold and services rendered	(2.283)	(764)	(333)	(757)	(271)	(40)	(776)	(239) (*)	347	(5.116)
Gross profit	1.223	117	33	189	145	36	243	20		2.006
Operating income (expenses)										
Selling	(256)	(19)	(8)	(53)	(15)		(83)	(1)		(435)
General and administrative	(180)	(46)	(37)	(114)	(25)	(4)	(129)	(50)		(585)
Other operating income (expenses), net	59	22	1	(61)	(33)	(2)	8	(50)	(26)	(82)
	(377)	(43)	(44)	(228)	(73)	(6)	(204)	(101)	(26)	(1.102)
Operating profit (loss) before equity investments	846	74	(11)	(39)	72	30	39	(81)	(26)	904
Result from equity investments										
Equity in the results of investees	43	23	(5)	13		(47)	6	350	(307)	76
Finance result, net	(206)	(70)	5	(26)	(10)	(3)	(39)	(31)		(380)
Profit (loss) before income tax, social contribution and profit sharing	683	27	(11)	(52)	62	(20)	6	238	(333)	600
Income tax and social contribution										
Current	(137)	(7)		(5)	(24)	(8)	(16)	(1)		(198)
Deferred	(77)	5	9	7	3	1	30	29		7
Profit (loss) for the period from continuing operations	469	25	(2)	(50)	41	(27)	20	266	(333)	409
Discontinued operations										
Loss for the period from discontinued operations	(28)									(28)
Profit (loss) for the period	441	25	(2)	(50)	41	(27)	20	266	(333)	381
Profit (loss) attributable to the owners of the Company	435	25	(2)	(19)	39	(27)	20	266	(352)	385
Profit (loss) attributable to non-controlling interests	6			(31)	2				19	(4)
Profit (loss) for the period	441	25	(2)	(50)	41	(27)	20	266	(333)	381
Depreciation, amortization and depletion	187	79	18	132	74	11	70	2		573

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