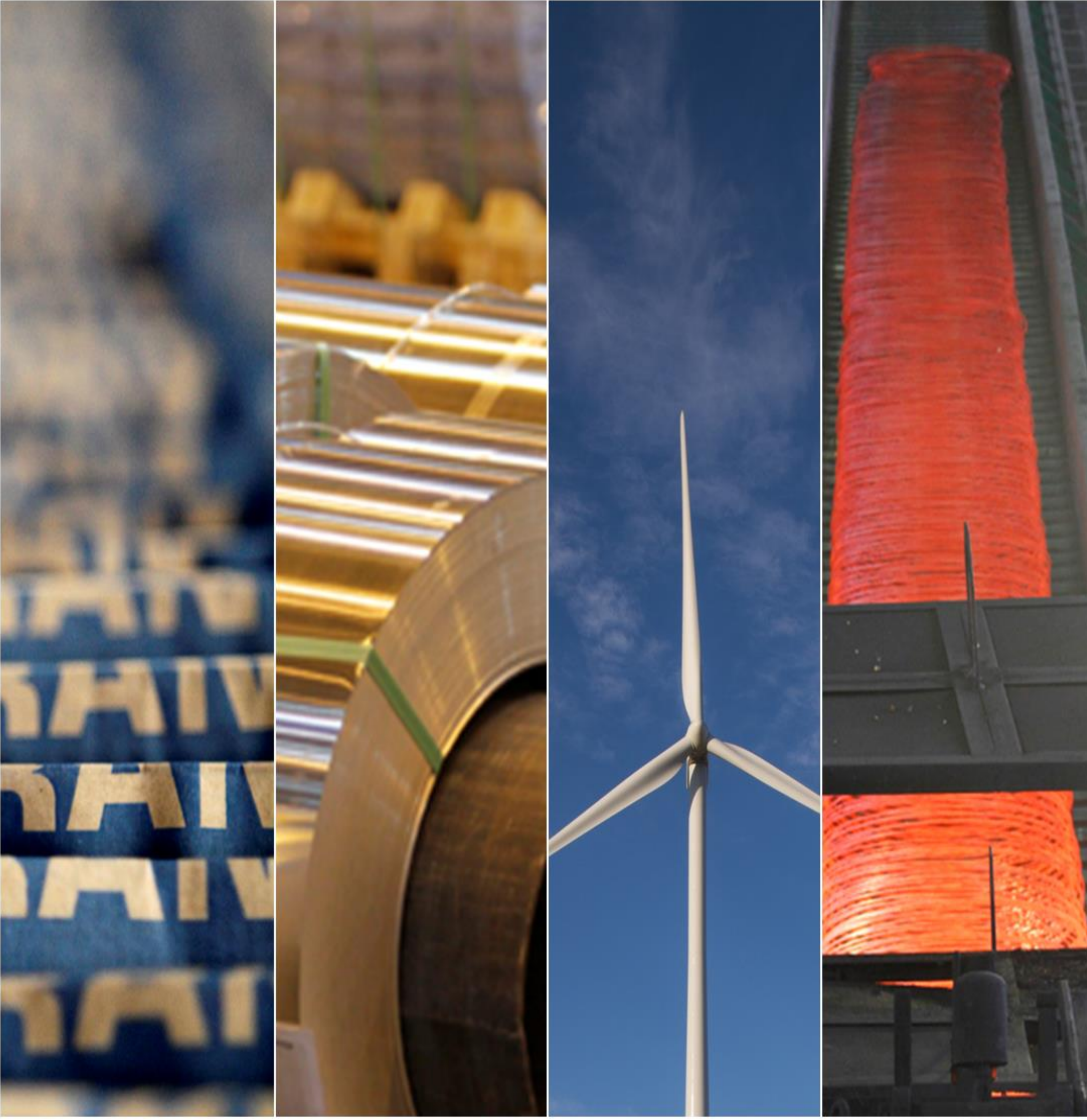


Votorantim

Votorantim S.A.
Earnings Release 3Q16

3Q16 Highlights

R$ million	3Q16(2)	3Q15	3Q16 vs. 3Q15	2Q16(2)	3Q16 vs. 2Q16	LTM(2)	2015	LTM vs. 2015
Net revenues	7,347	8,460	-13%	7,573	-3%	29,684	31,521	-6%
Adjusted EBITDA	1,311	1,621	-19%	1,490	-12%	5,812	6,994	-17%
EBITDA margin	17.8%	19.2%	-1.4 p.p.	19.7%	-1.8 p.p.	19.6%	22.2%	-2.6 p.p.
Net income	149	(89)	N/M	318	-53%	414	382	8%
Net debt/EBITDA(1)	2.91 x	3.23 x	-0.32 x	2.75 x	0.16 x	2.91 x	2.78 x	0.13 x
CAPEX	712	920	-23%	773	-8%	3,453	3,257	6%

(1) LTM EBITDA
(2) Considering only the Industrial segment

Consolidated

- Net revenue fell 13% YoY, mainly affected by the Brazilian operations, the temporary closure of the nickel operation and the appreciation of the BRL
- The EBITDA margin was 17.8%, 1.4 p.p. less than in 3Q15, with downward pressure from the Brazilian operations being partially offset by the zinc & by-products performance and the cost reduction initiatives
- The net debt/EBITDA ratio came to 2.91x, 0.32x lower than in 3Q15

Cement

- Net revenues totaled R$ 3.3 billion, 14% lower than 3Q15. EBITDA margin was 21.5%
- Brazil: deterioration of the economy negatively affected sales volumes
- North America: higher prices in USD positively impacted EBITDA
- Europe, Asia and Africa: despite higher sales volumes political instability affected results in the main regions that we operate

Zinc & by-products

- Higher sales volumes and better zinc prices resulted in a 14% increase in net revenues, totaling US$ 513 million
- Cost of goods sold amounted reduces 5% YoY due to higher usage of domestic concentrates in Brazil and Peru
- EBITDA margin grew 9.2p.p. to 28.2%

Aluminum

- Aluminum net revenues, excluding energy, decreased by 12% YoY, driven by lower LME prices in BRL and higher share of upstream products in the sales mix
- Energy net revenues came to R$282 million, 17% less than 3Q15, result of the lower energy price level

Long steel

- Consolidated volumes were down 12% YoY, mainly because of the Brazilian recession, macroeconomic adjustments in Argentina and the truck drivers' strike in Colombia
- The lower volumes, together with higher scrap and pig iron prices in Brazil and Argentina, and higher met coal prices in Colombia, reduced the EBITDA margin by 4.2 p.p. to 9.3% in 3Q16

1. Economic Outlook

The current world economic scenario faces slow growth, low global interest rates and high economic uncertainty. The IMF's October 2016 projection for world output growth was 3.1%, stable when compared to July's forecast[1]. In the same period, U.S. GDP growth was revised down by 0.6 p.p. to 1.6%, while the Eurozone estimate grew by 0.1 p.p. to 1.7% and the Chinese forecast remained flat at 6.9%.

Certain risk factors can undermine the global economic recovery. The weaker-than-expected performance of the US economy is leading to successive postponements of the FED interest rate hike. The result of the U.S. presidential election is helping to add uncertainty to economic prospects, and a global tendency for inward-looking policies may be a sign of increasing questioning of cross-border integration benefits. A long period of low interest rates driven by slow economic growth, especially in the advanced economies, has unknown consequences for asset prices and financial stability.

In China, the market anxiety at the beginning of the year has dissipated and expectations for the country's prospects are stable, as new economic stimuli were announced during the year. This also helped contain further declines in commodity prices, with some commodities even recovering since February.

In Brazil, the impeachment process was over by the end of August and Michel Temer took over as president. The new government proposed a constitutional amendment, known as PEC 241, to restrain public spending for the next 20 years, which was approved by the Lower House on October 25th and will now be voted in the Senate.

The Brazilian Consumer Confidence Index[2] is reflecting the improved domestic economic outlook compared to the beginning of the year. The index reached 82.4 points in October, the sixth consecutive monthly increase since April, when it stood at 64.4 points. Expectations for other macroeconomic indicators such as inflation and interest rates have also been improving more rapidly in recent months and are now at their lowest levels since the beginning of the year. The market forecast for 2016 GDP growth bottomed out at -3.88% in May, before improving to -3.28% in July, where it has remained ever since[3]. The 2017 GDP forecasts also improved from +0.24% in April to +1.25% in October[3].

Nevertheless, the real economy is still suffering while trying to recover from one of Brazil's most severe recessions. Unemployment continues to move up, ending September at 11.8%, versus 9.5% in January[4]. Brazil's recovery will depend on many factors, ranging from a favorable international scenario to the new government's ability to sustain confidence and control the fiscal deficit.

(1) Source: IMF World Economic Outlook, October 2016
(2) Consumer Confidence Index issued by the Getulio Vargas Foundation
(3) Brazilian Central Bank Focus reports of different dates. The reports contain market expectations for macroeconomics indicators.
(4) Source: IBGE – Brazilian Institute of Geography and Statistics

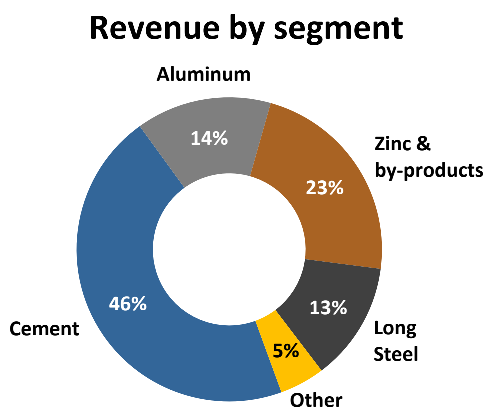
2. OPERATING AND FINANCIAL PERFORMANCE

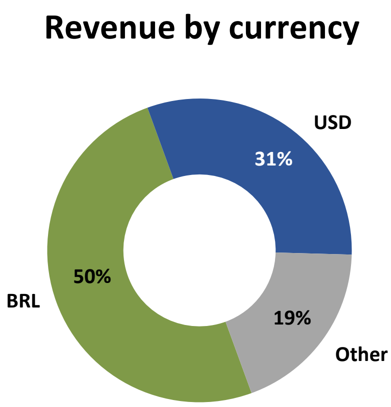
Results analysis

R$ million	3Q16 (1)	3Q15	3Q16 vs. 3Q15	2Q16 (1)	3Q16 vs. 2Q16
Net revenues	**7,347**	**8,460**	**-13%**	**7,573**	**-3%**
COGS	**(5,630)**	**(6,469)**	**-13%**	**(5,803)**	**-3%**
SG&A	**(981)**	**(998)**	**-2%**	**(1,012)**	**-3%**
Selling expenses	(456)	(467)	-2%	(482)	-5%
General & adm. expenses	(525)	(531)	-1%	(530)	-1%
Other operating results	**(140)**	**(204)**	**-31%**	**(134)**	**4%**
Depreciation	**(705)**	**(724)**	**-3%**	**(681)**	**4%**
Adjusted EBITDA	**1,311**	**1,621**	**-19%**	**1,490**	**-12%**
EBITDA margin	**17.8%**	**19.2%**	**-1.3 p.p.**	**19.7%**	**-1.8 p.p.**

(1) Considers the Industrial Segment only

Net revenues for the quarter totaled R$7.3 billion, a reduction of 13% compared to the same period last year. The Brazilian recession negatively affected our Cement, Steel and Aluminum operations, while improved zinc prices acted as a counterbalance. The temporary suspension of the nickel operation and the stronger BRL resulted in lower revenues in local currency.

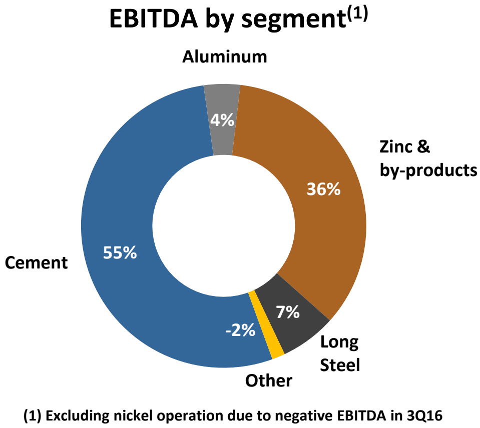




The Cost of Goods Sold (COGS) declined by 13% to R$5.6 billion, in line with revenues, mainly driven by lower sales volumes, the temporary suspension of the nickel operation and the effect of the stronger BRL on the consolidation of our businesses abroad.

The main reasons for the 2% YoY SG&A reduction were the decrease in selling expenses, which are directly linked to sales volumes, the impact of the stronger BRL on the consolidation of foreign subsidiaries and cost reduction initiatives in all our investees. This reduction was achieved despite the highly inflationary economic scenario in Brazil.

Adjusted EBITDA came to R$1.3 billion, down 19% from 3Q15. In the same period, the EBITDA margin remained relatively stable at 18%.



Financial results

R$ million	3Q16	3Q15	3Q16 vs. 3Q15 R$	3Q16 vs. 3Q15 %	2Q16	3Q16 vs. 2Q16 R$	3Q16 vs. 2Q16 %
Financial income from investments	188	135	53	40%	191	(3)	-1%
Financial expenses from borrowings	(431)	(466)	35	-7%	(420)	(11)	3%
Exchange variation	(23)	(625)	602	N.M.	284	(307)	-108%
Net hedge result	20	288	(268)	N.M.	(500)	520	-104%
Other financial income (expenses), net	(129)	(43)	(86)	200%	(146)	17	N.M.
Net financial result	(376)	(712)	336	-47%	(591)	215	-36%

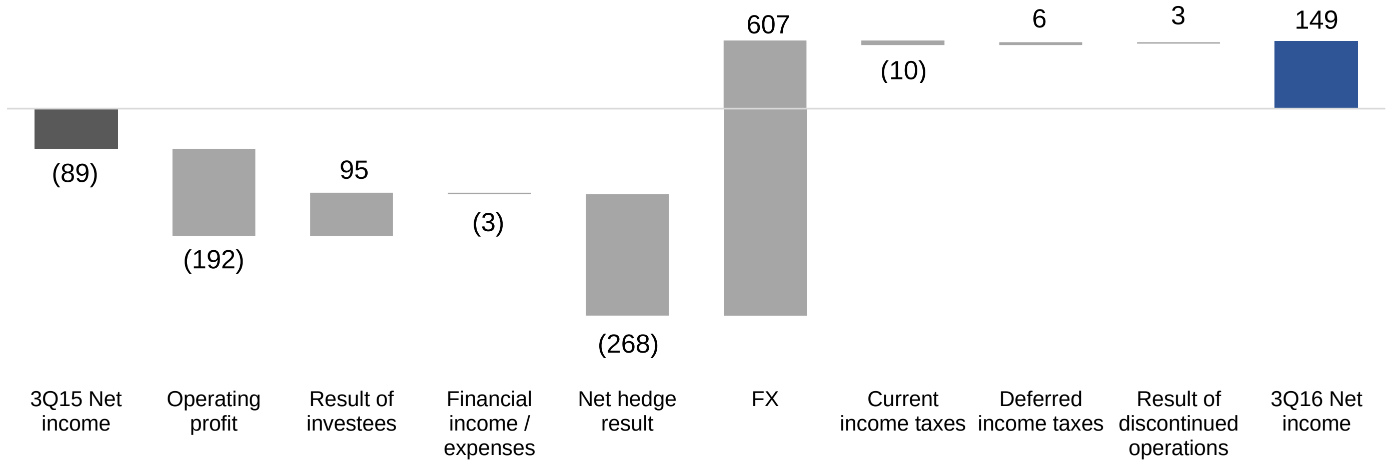
Financial income was R$188 million in the quarter, R$53 million higher than in the same period last year, thanks to an increased cash and cash equivalents position and higher interest rates in Brazil: the average CDI interbank rate went up from 13.97% p.a. in 3Q15 to 14.13% p.a. in 3Q16.

The 7% reduction in financial expenses from borrowings was mainly attributable to: (i) the reduction in BRL debt (with higher interest rates) as a result of the liability management initiatives implemented in previous quarters; and (ii) the stronger average BRL, down from R$/US$3.54 in 3Q15 to R$/US$3.24 in 3Q16.

Most of Votorantim S.A.'s exchange variation was related to the 4131 bilateral loans, which are not submitted to hedge accounting, but are swapped to BRL through derivative instruments. This explains the R$602 million difference between 3Q15 and 3Q16, as the FX rate increased from R$/US$3.10 to R$/US$3.97 in 3Q15, while remaining comparatively stable in 3Q16 (R$/US$3.21 to R$/US$3.25).

The net hedge result was in great part due to the mark-to-market of the derivative instruments used to convert the 4131 loans from USD to BRL, as one of the key factors that affect the value of these instruments is the change in the FX rate.

Net Income



Net income came to R$149 million in 3Q16, R$238 million higher than in 3Q15. Operating profit fell by R$192 million, primarily due to the poor performance of the Brazilian economy, partially offset by higher zinc prices and volumes. The R$95 million change in the result of investees was mainly due to Fibria (positive R$186 million), Citrosuco[1] (negative R$125 million) and Votorantim Finanças[1,2] (positive R$15 million). The R$607 million increase in FX was caused by the impact of the strong depreciation of the BRL in 3Q15 (from R$/US$3.10 to R$/US$3.97) on the 4131 bilateral loans, issued in USD. The BRL depreciation also affected the derivative instruments designated to swap the 4131 bilateral loan payment flows from USD to BRL, which explains the R$268 million difference in the net hedge result.

Liquidity and Indebtedness

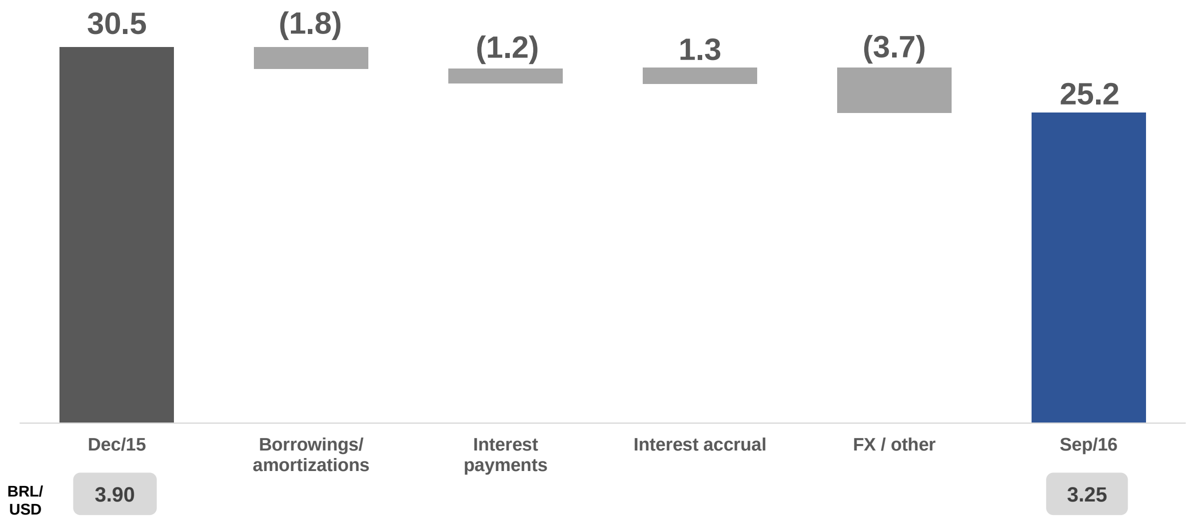
Indicator	Unit	Sep/16(2)	Sep/15	Sep/16 vs Sep/15	Dec/15	Sep/16 vs Dec/15
Gross debt	**R$ million**	**25,195**	**30,064**	**-16.2%**	**30,531**	**-17.5%**
in BRL(1)	R$ million	9,680	10,848	-10.8%	11,487	-15.7%
in foreign currency	R$ million	15,515	19,216	-19.3%	19,044	-18.5%
Average maturity	**years**	**7.0**	**7.8**	**-**	**7.4**	**-**
Short-term debt	**%**	**5.9%**	**5.8%**	**0.1p.p.**	**8.6%**	**-2.7p.p.**
Cash, cash equivalents and investments	**R$ million**	**8,717**	**8,688**	**0.3%**	**10,621**	**-17.9%**
in BRL	R$ million	5,066	4,184	21.1%	5,749	-11.9%
in foreign currency	R$ million	3,651	4,504	-18.9%	4,872	-25.1%
Fair value of derivative instruments	R$ million	(413)	(248)	N.M.	(464)	N.M.
Net debt	**R$ million**	**16,891**	**21,128**	**-20.1%**	**19,446**	**-13.1%**
Net debt/EBITDA³ (in BRL)	**x**	**2.91 x**	**3.23 x**	**-0.32 x**	**2.78 x**	**0.13 x**
BRL/USD	**R$**	3.25	3.97	-18%	3.90	-17%

(1) 4131 bilateral loan considered as BRL due to the cross-currency swap.
(2) Considers the Industrial Segment only
(3) EBITDA LTM

(1) Citrosuco and Votorantim Finanças were considered only in 3Q16, after the merger of Vpar and VID
(2) Votorantim S.A. consolidate Banco Votorantim results in IFRS, in accordance with the accounting rules. The bank reports its results in BRGAAP

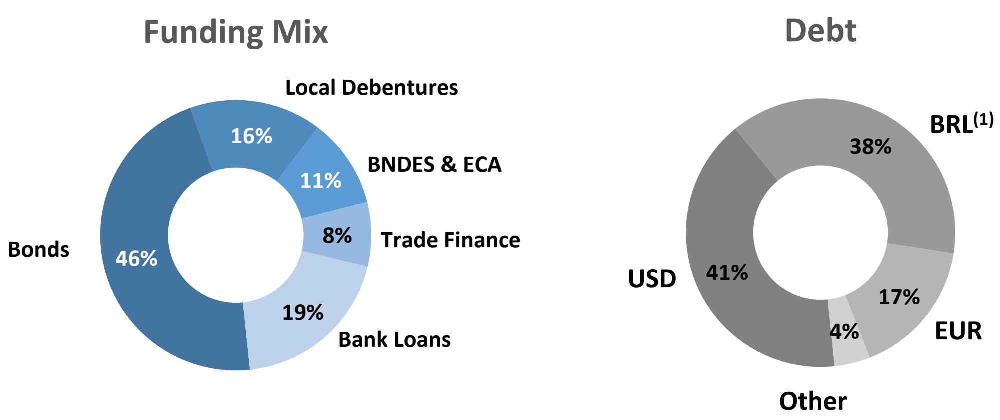
Gross debt closed the quarter at R$25.2 billion, 17.5% down on December 2015, mainly due to the effect of the appreciation of the BRL (from R$/US$3.90 in 4Q15 to R$/US$3.25 in 3Q16), as well as a series of liability management initiatives executed since the beginning of the year. The average maturity of the current debt is 7.0 years, with 5.9% due in the next 12 months.

The chart below summarizes the main changes between the 4Q15 and the 3Q16 gross debt figures:

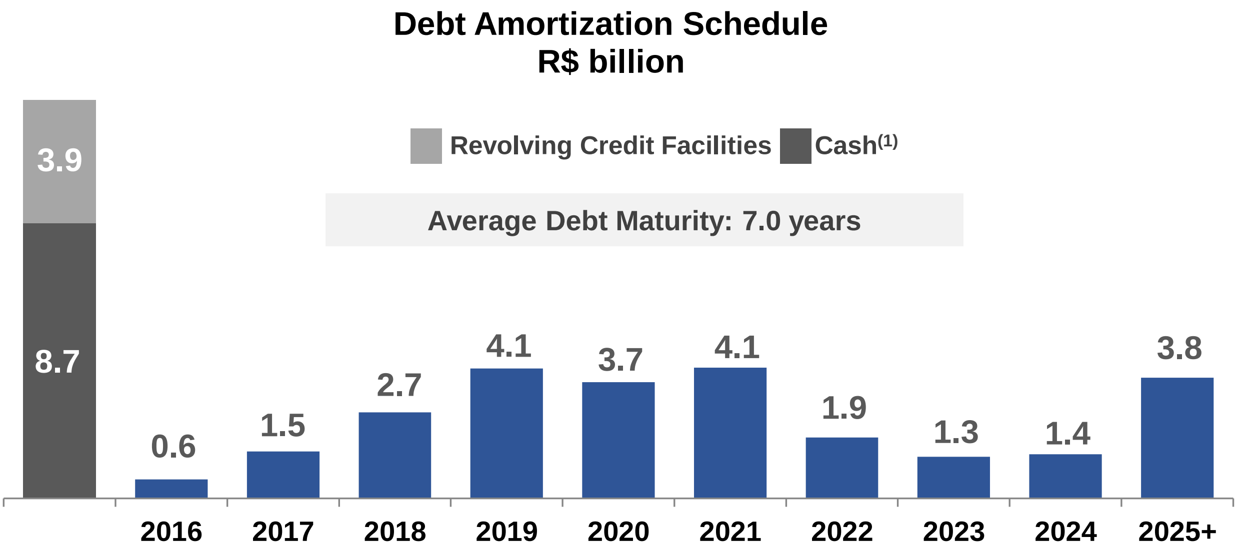


In October, our cement investee concluded two liability management operations, a tender offer and a bond issue. Further details on these operations can be found in section 4 (SUBSEQUENT EVENTS)

The funding mix and the debt currency breakdown are presented below:



(1) 4131 bilateral loan considered as BRL due to the cross-currency swap



(1) Includes cash, cash equivalents and financial investments

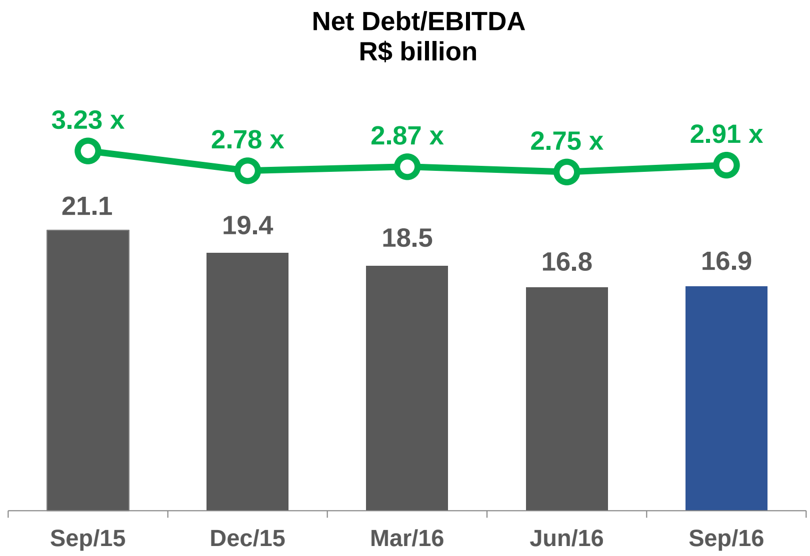
Cash, cash equivalents and financial investments closed the quarter at R$8.7 billion, 58% of which denominated in BRL. This represents a 17.9% decrease when compared to the end of 2015, mainly because of the liability management initiatives in 2016, together with the YTD BRL depreciation that reduced our foreign currency cash position in BRL terms.

Our cash is mainly invested in government bonds and fixed-income products of financial institutions, in Brazil and abroad. These investments are of low risk and high liquidity and are diversified in order to reduce concentration risk.

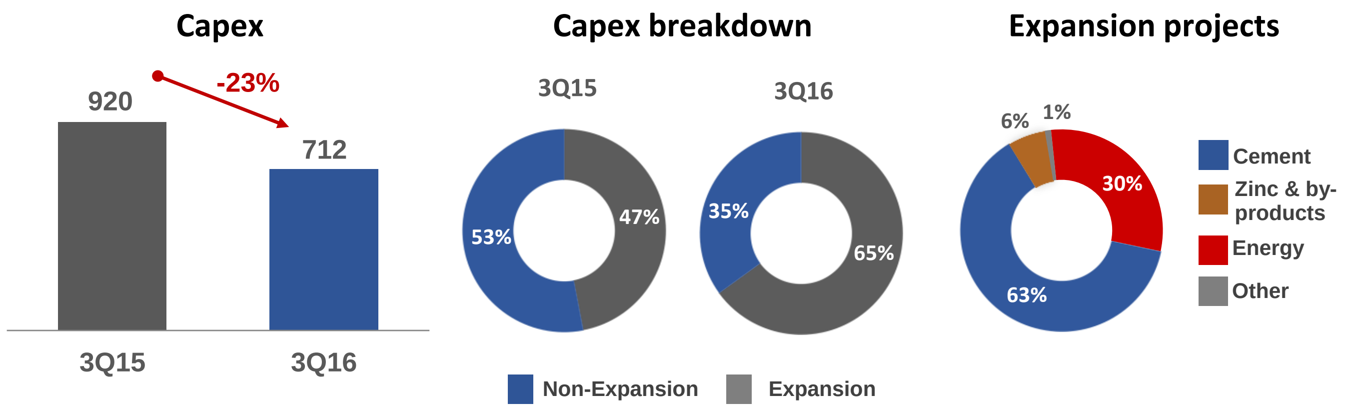
In addition to our cash position, we have two revolving credit facilities, one of US$700 million for our Cement investee (and subsidiaries), and another of US$500 million for all the other Votorantim investees. Both facilities expire in 2020.

Net debt for the quarter was R$16.9 billion, 13.1% less than in 4Q15, while the net debt to adjusted EBITDA ratio came to 2.91x, an increase of 0.13x in the same period, showing a stable YTD trajectory.

The next chart shows our consolidated net debt and net debt to adjusted EBITDA ratio since 3Q15:



Capex



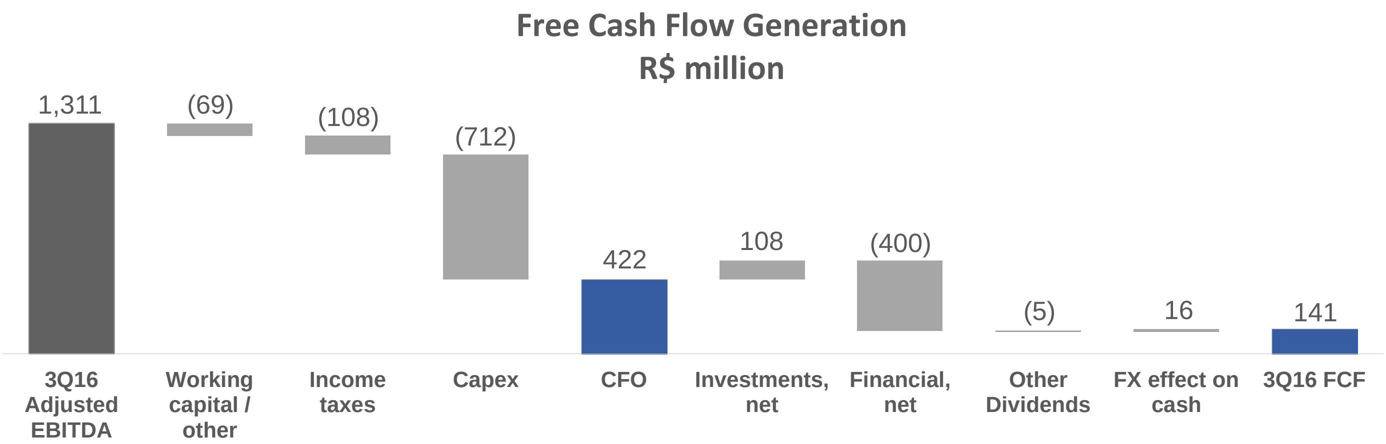
Capex totaled R$712 million, 23% down YoY, 35% of which invested in sustaining projects and 65% in expansion projects. Cement projects accounted for most of the capital deployed in the period (63%), all of which located in Turkey, USA and Bolivia. Ventos do Piauí, our investee Votorantim Energia's wind power project, absorbed 30% of the expansion investments.

The major expansion projects in 3Q16 were:

- Itacamba (Bolivia) – increased capacity: 0.9 million tpy / start-up in 2016
- Sivas (Turkey) – increased capacity: 1.2 million tpy / start-up in 2017
- Charlevoix (North America) – increased capacity: 0.6 million tpy / start-up in 2018
- Vazante (Brazil) – working life extended until 2026
- Ventos do Piauí (Brazil) – 7 wind farms / installed capacity: 206 MW / start-up in 2018

Free Cash Flow

R$ million	3Q16	3Q15
Adjusted EBITDA	**1,311**	**1,621**
Working capital / other	(69)	873
Income taxes	(108)	(191)
Capex	(712)	(920)
CFO	**422**	**1,383**
Investments, net	108	(641)
Financial, net	(400)	(95)
Other Dividends	(5)	(182)
FX effect on cash	16	1,141
FCF	**141**	**1,606**



In 3Q16, Cash Flow from Operations (CFO) came to R$422 million. Of the R$1,311 million in adjusted EBITDA, 54% (R$712 million) went to capital expenditures, and the change in income taxes was offset by the change in working capital. Free Cash Flow (FCF) for the quarter came to R$141 million, mostly due to financial expenses of R$400 million.

CFO was 69% lower than in 3Q15 and FCF was 91% lower, due to the impact of the strong depreciation of the BRL in 3Q15 (from R$/US$3.10 to R$/US$3.97) on the cash position denominated in foreign currencies, as well as differences in working capital needs.

3. BUSINESSES

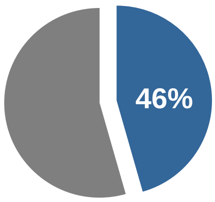
R$ million	Cement	Zinc & by-products	Aluminum	Long steel	Others[1]	Consolidated[2]
Net revenues	3,349	1,665	1,055	927	351	7,347
COGS	(2,450)	(1,168)	(988)	(780)	(244)	(5,630)
SG&A	(490)	(187)	(66)	(147)	(91)	(981)
Other operating results	19	(68)	(37)	7	(61)	(140)
Adjusted EBITDA	720	470	55	86	(20)	1,311
EBITDA margin	21.5%	28.2%	5.2%	9.3%	N/A	17.8%

(1) Includes Holding, Votorantim Energia, Baesa, Enercan, eliminations and other

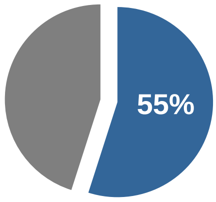
(2) Considers the Industrial Segment only

CEMENT

Net revenues



Adjusted EBITDA



R$ Million	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs. 2Q16
Sales Volume (kton)	**9,056**	**9,982**	**-9.3%**	**9,305**	**-2.7%**
Net Revenues	**3,349**	**3,876**	**-13.6%**	**3,482**	**-3.8%**
COGS	**(2,450)**	**(2,767)**	**-11.5%**	**(2,548)**	**-3.8%**
SG&A	**(490)**	**(520)**	**-5.8%**	**(495)**	**-1.0%**
Selling Expenses	(275)	(271)	1.5%	(278)	-1.2%
General & Adm. Expenses	(215)	(250)	-14.0%	(216)	-0.6%
Other Operating results	**19**	**(54)**	**-135.2%**	**12**	**57.4%**
Depreciation	**279**	**271**	**3.0%**	**261**	**7.0%**
Adjusted EBITDA	**720**	**913**	**-21.1%**	**746**	**-3.5%**
EBITDA Margin	**21.5%**	**23.6%**	**-2.1 p.p.**	**21.4%**	**0.1 p.p.**

In 3Q16, Votorantim Cimentos (VCSA) continued to pursue its strategy of geographic diversification, being able to balance risk and withstand periods of slowdown, such as the current one in Brazil. VCSA has acted fast in such challenging scenario taking measures to increase its operational efficiency, reduce costs and preserve its cash flow generation.

Consolidated net revenues totaled R$ 3,349 million, 13.6% lower than 3Q15. Sales volume increased in most of Votorantim Cimentos Europe, Africa and Asia (VCEAA) regions and prices were higher in Votorantim Cimentos North America (VCNA), partially offsetting the impacts of Brazilian construction activity slowdown. Foreign revenues decreased in BRL terms when compared to 3Q15 mainly due to 8% BRL appreciation against USD and EUR in 3Q16.

In Brazil, cement sales volume felt by 13% over 3Q15, according to SNIC (the Brazilian cement association) and market remains challenging due to the economic retraction, lower consumption and unemployment rate, which remains high. As one of VCSA's commercial strategy to overcome economic cyclicality, in August was implemented a nationwide price increase of 8.5%, aiming at passing through inflation, which negatively impacted sales volumes.

Nevertheless, the economy is showing signs of a long and gradual recovery which can be measured by consumer confidence indexes such as the ICEI (Industrial Business Confidence Index from CNI) that increased 24% QoQ and the ICC (Consumer Confidence Index from FGV), 9% higher within the same period. However, Brazilian economy is still under pressure, suffering from uncertainty surrounding real economic variable and foreign financial policies.

In North America, cement consumption continues to trend positively. During the year, the US experienced growth primarily in non-residential, public construction and residential sectors with housing starts increasing 4.6% YTD according to USC (U.S. Census Bureau). In Canada, growth has been more moderate with housing starts up 2.0% YTD according to CMHC (Canada Mortgage and Housing Corporation). As a reflection, improved prices in cement and ready mix concrete offset lower sales volumes that were impacted by the shifting of projects to earlier in the year due to a milder than anticipated winter and from timing related to paving work across the Great Lakes. In addition, 3Q16 results in BRL terms were negatively impacted by the BRL appreciation.

In VCEAA, revenues in EUR terms decreased 2% when compared to 3Q15. Morocco, Turkey, Tunisia and Spain posted higher sales volumes. In Morocco and Turkey, cement demand increased on the back of a 3.0% growth GDP in Morocco (LTM) and an expected 3.3% GDP growth in 2016 in Turkey (as per IMF). In the meanwhile, increased competition in Tunisia and Turkey, and the Spanish construction market slowdown caused by political instability, led to lower prices, which offset results.

Consolidated COGS amounted to R$ 2,450 million, an 11.5% reduction compared to 3Q15 due to optimization initiatives, lower maintenance costs and lower fuel prices in all regions. In Brazil, costs were mainly reduced by right-sizing and in VCEAA by a more competitive energy and fuel mix. The BRL appreciation positively impacted VCNA and VCEAA consolidation.

Selling, General & Administrative expenses totaled R$ 490 million in 3Q16, 5.8% lower than 3Q15, as a result of VCSA's effort to fit its operations to the current market conditions, BRL appreciation and lower freight expenses due to lowers sales volume in Brazil.

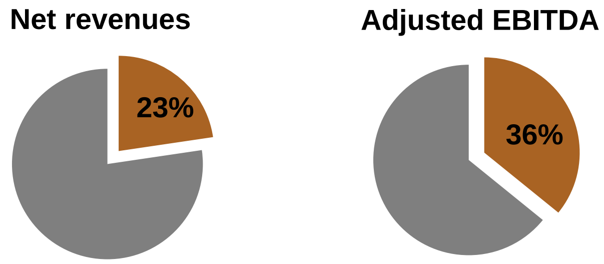
Adjusted EBITDA amounted to R$ 720 million in 3Q16, down 21.1% YoY with an EBITDA margin of 21.5%, versus 23.6% in 3Q15 despite VCSA's 11% reduction in total consolidated COGS and SG&A and a 9% increase in VCNA's EBITDA in USD terms.

Thanks to a timely executed liability management plan, VCSA was able to further enhance its average debt profile from 9.0 years to 9.5 years and as a result, as of September 30th, VCSA has no short term refinancing needs and only 10.6% of its total debt matures by 2019. The liability management program was also executed to balance VCSA's capital structure amongst its regions. As an example, St. Marys Cement, a VCNA wholly-owned subsidiary, issued its first long 10-year USD 500 mm bonds. Which the proceeds from the issuance were used to repurchase EUR 395 mm of VCSA 2021 and 2022 Euro-denominated bonds.

VCSA also maintains a comfortable liquidity position of R$ 4.1 billion and a BRL 2.3 billion revolving credit facility.

VCSA continues to believe in the long-term drivers of the markets where operates. This confidence can be embodied through expansion global projects focused on geographic diversification. In October 27th, Itacamba (Bolivia) kiln was turned on, showing VCSA commitment to execute its expansion capex on time. The Bolivian plant start up is expected by December 2016.

ZINC & BY-PRODUCTS
(including Milpo)



US$ million	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs. 2Q16
Net Revenues	**513**	**451**	**+14%**	**459**	**+12%**
COGS	**(360)**	**(379)**	**-5%**	**(328)**	**+10%**
SG&A	**(58)**	**(45)**	**+28%**	**(47)**	**+22%**
Selling Expenses	(22)	(21)	+5%	(24)	-8%
General & Adm Expenses	(36)	(24)	+47%	(24)	+51%
Other Operating Results	**(21)**	**(14)**	**+55%**	**(31)**	**-27%**
Depreciation	**(70)**	**(73)**	**-4%**	**(68)**	**-4%**
Adjusted EBITDA	**145**	**86**	**+69%**	**121**	**+20%**
EBITDA Margin	**28.2%**	**19.1%**	**9.2 p.p.**	**26.4%**	**1.8 p.p.**

Metals market overview

Zinc

With the best performance of the LME’s metals this year, zinc cash price averaged US$ 2,255/ton in the 3Q16, 22% above 3Q15 and 18% above the previous quarter, mostly influenced by zinc concentrate market tightness.

Several months after several production cuts and the depletion of large zinc mines in Australia and Ireland, there were limited initiatives to increase concentrate production. Lack of availability resulted in a 41% y/y decrease in concentrate exports to China in 2016 (January to August data). Environmental oversight and declining ore grades turn it more difficult for an accelerated zinc concentrate output in China.

As a result of this, accumulated global zinc metal production in 2016 to date is 3.5% lower than the previous year, according to Wood Mackenzie. On the other hand, zinc demand has risen, resulting in a deficitary market balance in both 2Q16 and 3Q16. Chinese zinc consumption grew by 11% y/y (January to August data) especially due to a strong performance in the automotive sector.

Zinc	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs. 2Q16
LME Price (average), US$/ton	**2,255**	**1,847**	**+22%**	**1,918**	**+18%**

Copper

Increased capacity and moderate level of supply disruptions are the main reasons for copper LME cash price to drop by 9% in the 3Q16 compared to 3Q15. However, Chinese demand has outperformed due to higher levels of investment in the power grid, up by 33% y/y. Air-conditioner and automotive output in China have also trended higher, contributing to maintain prices stable when compared to the previous quarter.

Copper	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	2Q16 vs. 1Q16
LME Price (average), US$/ton	4,772	5,259	-9%	4,729	+1%

Lead

Lead LME cash price averaged US$ 1,873/ton, 9% higher than 3Q15, mainly due to shortfall in concentrates. According to Chinese research firm Antaike, China has produced 6% less lead concentrates in 2016 to date (January to August data) when compared to the same period of 2015. However, even though mined lead output is mostly associated to zinc-lead mines, market tightness is not as vigorous as zinc's due to a more relevant market for secondary raw materials, such as scrap batteries.

Lead	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs. 2Q16
LME Price (average), US$/ton	1,873	1,714	+9%	1,719	+9%

Business performance

Concentrate production, measured in contained metal (fine content of zinc, copper and lead), totaled 136 kton in 3Q16, 3% higher than 3Q15, especially due to increased production of zinc and lead concentrates in the Vazante Mine. Peruvian operations also increased the production of both concentrates, especially in Atacocha, where the operation of San Gerardo allowed access to mineral with higher content of lead-silver.

Production growth in 3Q16 was also higher than the 2Q16 especially due to increased zinc and lead concentrate output in Cerro Lindo mine.

Concentrate sales to market reduced by 9% when compared to 3Q15, mostly because of higher usage of concentrates in the company's smelters.

Electrolytic zinc sales volume totaled 154 kton in 3Q16, 6% higher than 3Q15, but 1% lower than the previous quarter.

Upward trend in Brazilian galvanized steel exports was maintained in the 3Q16 despite Brazilian real appreciation (BRL/USD 3.25 in the 3Q16 vs. 3.54 in the 3Q15), helping zinc sales volume to overcome domestic market conditions.

Although vehicles production in Brazil has dropped by 18.5% y/y in 2016 to date (January to September) facing its weakest performance since 2003, the tire market has shown signs of improvement. In August 2016, tire and other rubber products output were the highest since March 2015, according to IBGE. Year to date statistics show a 2.4% y/y reduction in tire and other rubber products output compared to the same period of 2015.

As mentioned in the previous quarter, Vazante mine increased concentrate availability and Três Marias smelter improved performance are operational upsides when comparing 3Q16 sales volumes to the same period of the previous year.

Higher sales volumes and better LME zinc metal prices resulted in a 14% increase in net revenues, totaling US$ 513 million in 3Q16 (versus US$ 451 million in 3Q15).

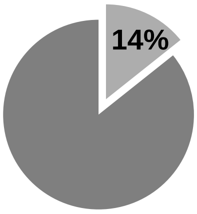
Cost of goods sold amounted US$ 360 million in 3Q16, 5% lower than 3Q15. Higher usage of domestic concentrates in Brazil and Peru instead of imported raw materials is the main reason for lower costs in this quarter.

Selling expenses were mostly impacted by higher sales volumes in 3Q16. General and administrative expenses also increased due to corporate restructuring impacts.

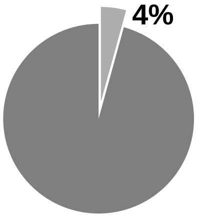
Negative impact from derivative instruments used for hedging and increased expenses in early-stage projects, such as Aripuanã and Caçapava do Sul, are the main reasons for higher losses in other operating results.

ALUMINUM

Net revenues



Adjusted EBITDA



R$ million	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs. 2Q16
Aluminum Sales Volume (kton)	**86**	**86**	**0%**	**92**	**-6%**
Net Revenue	**1,055**	**1,217**	**-13%**	**1,073**	**-2%**
Aluminum	773	879	-12%	800	-3%
Energy	282	338	-17%	273	+3%
COGS	**(956)**	**(971)**	**-2%**	**(922)**	**+4%**
SG&A	**(66)**	**(50)**	**+32%**	**(65)**	**+2%**
Selling Expenses	(24)	(15)	+60%	(22)	+9%
General & Adm Expenses	(42)	(35)	+20%	(43)	-2%
Other Operating Results	**(70)**	**(55)**	**+27%**	**(34)**	**+106%**
Depreciation	**(92)**	**(76)**	**+21%**	**(73)**	**+26%**
Adjusted EBITDA	**54**	**217**	**-75%**	**157**	**-66%**
Aluminum	72	161	-55%	133	-46%
Energy	(18)	56	-132%	24	-175%
EBITDA Margin	**5.1%**	**17.8%**	**-12.7 p.p.**	**14.6%**	**-9.5 p.p.**

Market overview

Aluminum

Average LME cash price was US$1,620/ton, 2% above 3Q15 and 3% above the previous quarter. Stimulus measures by the Chinese government in early 2016 leveraged demand in the automotive and construction markets, providing short-term relief. Some smelters restarted during the 3Q16, but prices were kept stable.

Aluminum	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs. 2Q16
LME Price (average), US$/ton	**1,620**	**1,591**	**+2%**	**1,572**	**+3%**
LME Price (average), R$/ton	**5,259**	**5,628**	**-7%**	**5,511**	**-5%**

Business performance

Since July 1st 2016, nickel operations were allocated under CBA corporate structure. In this report, nickel operational results impact 3Q16 aluminum business expenses, but nickel results in previous quarters were not aggregated to the comparison tables.

Increased sales of primary metal, especially ingots to export markets, neutralized lower sales volumes of semifinished products in Brazil, resulting in 86 kt of aluminum sales in 3Q16, the same level of 3Q15. Volumes were 6% lower than 2Q16, when sales of accumulated inventories impacted results.

Business confidence and market expectations were mostly reversed to the positive side during the 3Q16 in Brazil, but key market segments were still under pressure. In the transport segment, licensing of truck trailers were 35% lower from January to September 2016 when compared to the same period of 2015, according to ANFIR, Brazil's national trailer manufacturers' association. Buses and light vehicles also has a weak performance during 3Q16, but ANFAVEA, Brazilian association of vehicle manufacturers, forecasts a recovery in sales during 4Q16 when compared to previous quarters.

Net revenues decreased by 13% in the 3Q16. Lower LME prices in BRL and higher share of upstream sales over downstream products are the main reasons for a 12% decrease of aluminum net revenues. Lower prices and volumes are also a key factor for a 17% decrease of energy-related net revenues.

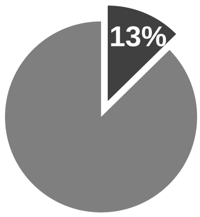
Cost of goods sold (COGS) totaled R$ 956 million in the 3Q16, 2% lower than 3Q15. While sales mix in favor of upstream products reduced aluminum operational costs, nickel idleness costs partially offsetted CBA cost gains.

Selling, general and administrative expenses (SG&A) increased 32% in 3Q16 due to higher provision for doubtful debts, higher export sales volumes and corporate restructuring general and administrative expenses.

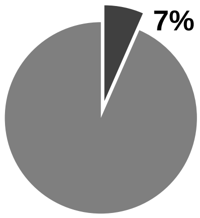
Adjusted EBITDA totaled R$ 54 million in the 3Q16, resulting in a 5.1% EBITDA margin.

LONG STEEL

Net revenues



Adjusted EBITDA



R$ million	3Q16	3Q15	3Q16 vs. 3Q15	2Q16	3Q16 vs. 2Q16
Sales volume (kton)	**455**	**483**	**-6%**	**435**	**5%**
Net revenues	**927**	**1,131**	**-18%**	**927**	**0%**
COGS	**(780)**	**(898)**	**-13%**	**(763)**	**2%**
SG&A	**(147)**	**(160)**	**-8%**	**(150)**	**-2%**
Selling expenses	(76)	(93)	-18%	(81)	-6%
General & adm. expenses	(71)	(67)	6%	(69)	3%
Other operating results	**7**	**8**	**-13%**	**22**	**-68%**
Depreciation	**(79)**	**(64)**	**23%**	**(63)**	**25%**
Adjusted EBITDA	**86**	**152**	**-43%**	**102**	**-16%**
EBITDA margin	**9.3%**	**13.4%**	**-4.2 p.p.**	**11.0%**	**-1.7 p.p.**

Consolidated sales volume fell by 12% YoY, with negative contributions from Brazil, Argentina and Colombia. The poor performance of the Brazilian construction sector reflected the country's recession and, as a result, domestic long steel consumption declined by 18% YoY, according to the IABR (Brazilian Steel Institute). The national Colombian truck drivers' strike ended in July and restricted the delivery of our products for part of that month, affecting sales volume. The Argentinian construction industry was still feeling the effects of the new government's economic adjustments, which are negatively impacting long steel volumes in the country.

In addition, the successive reductions in Brazilian long steel sales volumes lowered the industry's utilization rate, exerting downward pressure on prices. Sales prices in Colombia remained stable in COP, but the BRL appreciation negatively affected the consolidated figure. In Argentina, the depreciation of the ARS made it possible to increase long steel prices in local currency, mitigating the volume slide and helping to maintain margins. On the other hand, the ARS depreciation against the BRL had a negative effect on the consolidated numbers. Summing up all these effects, consolidated net revenue came to R$927 million in the quarter, a YoY decline of 18%.

COGS fell by 13% to R$780 million, mostly due to the decline in sales volumes. In Brazil and Argentina, the reductions were partially offset by higher scrap and pig iron prices. In Argentina, the depreciation of the ARS also helped reduce consolidated COGS in BRL. In Colombia, higher met coal prices and higher maintenance costs partially offset the lower volumes.

SG&A expenses decreased by 8%, from R$160 million in 3Q15 to R$147 million in 3Q16, mainly due to the reduction in sales volumes and the depreciation of the ARS and COP against the BRL, together with cost reduction initiatives.

4. SUBSEQUENT EVENTS

In October 2016, our cement investee issued 10-year bonds totaling USD500 million through its subsidiary St. Mary's Cement Inc. (Canada), with a coupon of 5.75%. The new bonds are guaranteed by Votorantim Cement's companies, with no guarantees from Votorantim S.A. or any other of its investees. Also in October, the same investee concluded a tender offer for the VOTORA 21 and 22 euro bonds that resulted in a EUR395 million repurchase, with total cash disbursement of EUR398 million, paid with the new bond's proceedings.

Milpo, our Peruvian zinc and by-products mining company, announced in October 2016 a public offering to repurchase its remaining 18.54% common shares, listed in the Lima Stock Exchange. The offering is effective until November 29th 2016 at a price of PEN 2.95.

5. INVESTOR RELATIONS TEAM

Votorantim S.A.

Sergio Malacrida **|** Mariana Oyakawa **|** Rodolfo Zeidler

votorantimri@votorantim.com | www.votorantim.com/ir

Votorantim Cimentos

Lorival Luz | Gabriela Woge | Cristiane Dantas | Mayara Mota

ri@vcimentos.com | www.votorantimcimentos.com/ir

EXHIBIT I – VOTORANTIM S.A. CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement R$ million	3Q16	3Q15
Continuing operations		
Net revenue from products sold and services rendered	7,347	8,460
Cost of products sold and services rendered	(5,630)	(6,462)
Gross profit	1,717	1,998
Operating expenses		
Selling	(456)	(467)
General and administrative	(529)	(531)
Other operating expenses, net	(140)	(212)
	(1,125)	(1,210)
Operating profit before equity results and finance results	592	788
Result from equity investments		
Equity in the results of investees	(20)	(112)
Realization of other comprehensive income on disposal of investments		
	(20)	(112)
Finance results, net		
Finance income	282	296
Finance costs	(646)	(666)
Derivative financial instruments	19	287
Foreign exchange losses, net	(22)	(629)
	(367)	(712)
Profit (loss) before income tax and social contribution	205	(36)
Income tax and social contribution		
Current	(182)	(171)
Deferred	127	122
Profit (loss) for the period from continuing operations	150	(85)
Discontinued operations		
Loss for the period from discontinued operations	(1)	(4)
Profit (loss) for the period	149	(89)
Profit (loss) attributable to the owners of the Company	103	(71)
Profit (loss) attributable to non-controlling interests	46	(18)
Profit (loss) for the period	149	(89)

EXHIBIT II – VOTORANTIM S.A. CONSOLIDATED CASH FLOW

Consolidated Cash Flow R$ million	3Q16	3Q15
Cash flow from operating activities		
Profit (loss) before income tax and social contribution	205	(36)
Loss for the period from discontinued operations	(1)	(4)
Adjustments of items that do not represent changes in cash and cash equivalents		
Depreciation, amortization and depletion	705	706
Equity in the results of investees	20	112
Realization of other comprehensive income on disposal of investments		
Interest, indexation and foreign exchange variations	363	1,340
Provision (reversal) for impairment of fixed, intangible assets and investments	(6)	40
Loss (gain) on sale of fixed and intangible assets, net	5	22
Loss (gain) on sale of investments, net		
Allowance for doubtful accounts	4	31
Fair value adjustment - Resolution 4131	30	
Discount on repurchase of bonds	(172)	
Provision (reversal)	(20)	118
Derivative financial instruments	(150)	(82)
Financial instruments - firm commitment	132	105
Change in fair value of biological assets	2	
	1,117	2,352
Decrease (increase) in assets		
Financial investments	(600)	(1,086)
Derivative financial instruments	(34)	29
Trade accounts receivable	(118)	(417)
Inventory	(8)	(242)
Taxes recoverable	35	(135)
Related parties	39	
Other accounts receivable and other assets	22	(314)
Increase (decrease) in liabilities		
Trade payables	(118)	795
Salaries and social charges	136	176
Use of public assets	11	27
Taxes payable	(50)	136
Other liabilities	(8)	45
Cash provided by operations	424	1,366
Interest paid on borrowing and use of public assets	(282)	(401)
Premium paid on the Tender Offer		
Income tax and social contribution paid	(108)	(191)
Net cash provided by operating activities	34	774
Cash flow from investment activities		
Proceeds from disposals of fixed and intangible assets	37	64
Proceeds from sale of investments - Sirama		
Proceeds from sales of other investments	71	
Dividends received	18	17
Capital decrease in investees		
Acquisitions of property, plant and equipment	(704)	(873)
Increase in biological assets	(8)	(2)
Reversal (increase) in intangible assets	7	(58)
Net cash used in investment activities	(579)	(852)
Cash flow from financing activities		
New borrowing	1,038	1,820
Repayment of borrowing	(737)	(2,030)
Related parties		(385)
Derivative financial instruments	(118)	208
Acquisition of non-controlling interests - VCNNE		120
Increase in non-controlling interests - Itacamba		25
Increase in non-controlling interests - Yacuces		
Fair value of interest increase - Milpo		(465)
Dividends paid	(5)	(182)
Net cash provided by (used in) financing activities	178	(889)
Decrease in cash and cash equivalents	(367)	(967)
Cash increase resulting from incorporation		
Effect of fluctuations in exchange rates	16	1,142
Cash and cash equivalents at the beginning of the period	5,359	4,552
Cash and cash equivalents at the end of the period	5,008	4,727

EXHIBIT III – VOTORANTIM S.A. CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet R$ million	9/30/2016	12/31/2015
Assets		
Current assets		
Cash and cash equivalents	5,008	6,649
Financial investments	3,781	3,936
Derivative financial instruments	143	180
Trade receivables	2,488	2,745
Inventory	3,739	3,888
Taxes recoverable	1,374	1,376
Dividends receivable	4	42
Financial instruments - firm commitment	312	341
Other assets	489	767
	17,338	19,924
Assets classified as held-for-sale	46	414
	17,384	20,338
Non-current assets		
Long-term receivables		
Financial investments	38	36
Derivative financial instruments	429	762
Taxes recoverable	1,732	1,315
Related parties	1,081	3,188
Deferred income tax and social contribution	3,370	4,065
Judicial deposits	442	349
Financial instruments - firm commitment	435	627
Other assets	784	515
	8,311	10,857
Investments	13,062	5,174
Property, plant and equipment	27,845	29,281
Biological assets	132	81
Intangible assets	13,424	16,570
	62,774	61,963
Total assets	80,158	82,301

Consolidated Balance Sheet R$ million	9/30/2016	12/31/2015
Liabilities and equity		
Current liabilities		
Borrowing	1,483	2,616
Derivative financial instruments	495	476
Trade payables	2,727	3,179
Confirmed payables	914	1,083
Salaries and payroll charges	863	918
Taxes payable	472	502
Advances from clients	179	242
Dividends payable	54	162
Use of public assets	64	61
Financial instruments - firm commitment	8	
Deferred revenue - performance obligation	249	244
Other liabilities	587	714
	8,095	10,197
Non-current liabilities		
Borrowing	23,712	27,915
Derivative financial instruments	490	2
Deferred income tax and social contribution	2,046	2,061
Related parties	93	1,216
Tax, civil, labor and other provision	2,234	2,189
Use of public assets	1,124	1,064
Pension plan	263	305
Financial instruments - firm commitment	19	81
Deferred revenue - performance obligation	577	746
Other liabilities	564	527
	31,122	36,106
Total liabilities	39,217	46,303
Equity		
Share capital	28,656	21,419
Revenue reserves	7,549	7,436
Retained earnings	505	
Carrying value adjustments	1,247	2,967
Total equity attributable to owners of the Company	37,957	31,822
Non-controlling interests	2,984	4,176
Total equity	40,941	35,998
Total liabilities and equity	80,158	82,301

EXHIBIT IV – VOTORANTIM S.A. INDUSTRIAL SEGMENT INCOME STATEMENT (BY INVESTEE)

Consolidated Income Statement by Investee (9M16) R$ million	Cement	Zinc and byproducts ("VMH")	Aluminum ("CBA")	Steel	Nickel (**)	Holding and other	Total, industrial segments	Total, consolidated
Net revenue from products sold and services rendered	9,602	4,789	3,088	2,752	332	3,201	21,638	21,638
Cost of products sold and services rendered	(7,202)	(3,539)	(2,688)	(2,263)	(489)	(2,875)	(16,930)	(16,930)
Gross profit (loss)	2,400	1,250	400	489	(157)	326	4,708	4,708
Operating income (expenses)								
Selling	(825)	(235)	(73)	(261)	(5)	(36)	(1,435)	(1,435)
General and administrative	(652)	(296)	(121)	(214)	(55)	(258)	(1,596)	(1,607)
Other operating income (expenses), net	382	(191)	(168)	26	(41)	(25)	(17)	(17)
	(1,095)	(722)	(362)	(449)	(101)	(319)	(3,048)	(3,059)
Operating profit (loss) before equity results and finance results	1,305	528	38	40	(258)	7	1,660	1,649
Result from equity investments								
Equity in the results of investees	95	(1)	130	17	10	1,524	585	580
Realization of other comprehensive invome on disposal of investments	44						44	44
	139	(1)	130	17	10	1,524	629	624
Finance results, net								
Finance income	715	42	114	38	28	264	1,102	1,127
Finance costs	(1,274)	(151)	(345)	(116)	(37)	(260)	(2,085)	(2,086)
Derivative financial instruments	(709)	(7)	1	(131)	(5)	(199)	(1,051)	(1,051)
Foreign exchange gains (losses), net	421	487	480	98	270	39	555	555
	(847)	371	250	(111)	256	(156)	(1,479)	(1,455)
Profit (loss) before income tax and social contribution	597	898	418	(54)	8	1,375	810	818
Income tax and social contribution								
Current	(203)	(163)	(23)	(57)		(39)	(485)	(488)
Deferred	66	(93)	(106)	(9)		100	288	283
Profit (loss) for the period from continuing operations	460	642	289	(120)	8	1,436	613	613
Discontinued operations								
Loss for the period from discontinued operations	(2)						(2)	(2)
Profit (loss) for the period	458	642	289	(120)	8	1,436	611	611
Profit (loss) attributable to the owners of the Company	429	533	289	(110)	8	1,436	505	505
Profit (loss) attributable to non-controlling interests	29	109		(10)			106	106
Profit (loss) for the period	458	642	289	(120)	8	1,436	611	611

(*) Relates to the net revenue from electric energy operations (Votoner and Santa Cruz Energia).
(**) Corresponds to the period between January 1 and June 30, 2016, as VMSA was merged into CBA on July 1, 2016 (Note 1 (iv)).