



Votorantim

Votorantim S.A. (formerly known
as Votorantim Industrial S.A.)

Consolidated condensed interim
financial statements at
September 30, 2016
and report on review

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Consolidated condensed interim financial statements

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Report on review of interim consolidated condensed financial statements

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

Introduction

We have reviewed the accompanying consolidated condensed interim balance sheet of Votorantim S.A (formerly Votorantim Industrial S.A.) and its subsidiaries (the “Company”), as at September 30, 2016 and the related consolidated condensed statements of income, comprehensive income and of cash flows for the quarter and nine-month period then ended, and the consolidated condensed statement of changes in equity for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes.

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

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in 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.

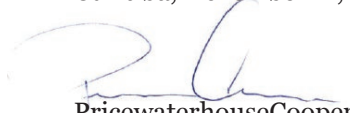


Votorantim S.A.

Conclusion

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

Curitiba, November 11, 2016



PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5



Maurício Colombari
Contador CRC 1SP195838/O-3

Consolidated condensed interim balance sheet

All amounts in millions of reais

(A free translation of the original in Portuguese)

	Note	9/30/2016	12/31/2015
Assets			
Current assets			
Cash and cash equivalents	7	5,008	6,649
Financial investments	8	3,781	3,936
Derivative financial instruments	5.3	143	180
Trade receivables	9	2,488	2,745
Inventory	10	3,739	3,888
Taxes recoverable	11	1,374	1,376
Dividends receivable	12	4	42
Financial instruments - firm commitment	13	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	8	38	36
Derivative financial instruments	5.3	429	762
Taxes recoverable	11	1,732	1,315
Related parties	12	1,081	3,188
Deferred income tax and social contribution	19 (b)	3,370	4,065
Judicial deposits	21 (b)	442	349
Financial instruments - firm commitment	13	435	627
Other assets		784	515
		8,311	10,857
Investments	14	13,062	5,174
Property, plant and equipment	15	27,845	29,281
Biological assets		132	81
Intangible assets	16	13,424	16,570
		62,774	61,963
Total assets			
		80,158	82,301

Consolidated condensed interim balance sheet

All amounts in millions of reais

(A free translation of the original in Portuguese)

	Note	9/30/2016	12/31/2015
Liabilities and equity			
Current liabilities			
Borrowing	17	1,483	2,616
Derivative financial instruments	5.3	495	476
Trade payables		2,727	3,179
Confirmed payables	18	914	1,083
Salaries and payroll charges		863	918
Taxes payable		472	502
Advances from clients		179	242
Dividends payable	12	54	162
Use of public assets		64	61
Financial instruments - firm commitment	13	8	
Deferred revenue - performance obligation	20	249	244
Other liabilities		587	714
		8,095	10,197
Non-current liabilities			
Borrowing	17	23,712	27,915
Derivative financial instruments	5.3	490	2
Deferred income tax and social contribution	19 (b)	2,046	2,061
Related parties	12	93	1,216
Tax, civil, labor and other provision	21	2,234	2,189
Use of public assets		1,124	1,064
Pension plan		263	305
Financial instruments - firm commitment	13	19	81
Deferred revenue - performance obligation	20	577	746
Other liabilities		564	527
		31,122	36,106
Total liabilities		39,217	46,303
Equity			
Share capital	22 (a)	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

Consolidated condensed interim 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	7/1/2016 to 9/30/2016	7/1/2015 to 9/30/2015	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
Continuing operations					
Net revenue from products sold and services rendered	23	7,347	8,460	21,638	23,475
Cost of products sold and services rendered	24	(5,630)	(6,462)	(16,930)	(17,753)
Gross profit		1,717	1,998	4,708	5,722
Operating expenses					
Selling	24	(456)	(467)	(1,435)	(1,326)
General and administrative	24	(529)	(531)	(1,607)	(1,580)
Other operating expenses, net	26	(140)	(212)	(17)	(170)
		(1,125)	(1,210)	(3,059)	(3,076)
Operating profit before equity results and finance results		592	788	1,649	2,646
Result from equity investments					
Equity in the results of investees	14	(20)	(112)	580	2
Realization of other comprehensive income on disposal of investments	1 (ii)			44	
		(20)	(112)	624	2
Finance results, net					
	27				
Finance income		282	296	1,127	783
Finance costs		(646)	(666)	(2,086)	(2,090)
Derivative financial instruments		19	287	(1,051)	418
Foreign exchange losses, net		(22)	(629)	555	(787)
		(367)	(712)	(1,455)	(1,676)
Profit (loss) before income tax and social contribution		205	(36)	818	972
Income tax and social contribution					
	19 (a)				
Current		(182)	(171)	(488)	(594)
Deferred		127	122	283	210
Profit (loss) for the period from continuing operations		150	(85)	613	588
Discontinued operations					
Loss for the period from discontinued operations		(1)	(4)	(2)	(9)
Profit (loss) for the period		149	(89)	611	579
Profit (loss) attributable to the owners of the Company		103	(71)	505	539
Profit (loss) attributable to non-controlling interests		46	(18)	106	40
Profit (loss) for the period		149	(89)	611	579
Weighted average number of shares - thousands		18,278,789	17,836,912	18,278,789	17,822,043
Basic and diluted earnings (loss) per thousand shares, in reais		5.64	(3.98)	27.63	30.24
From continuing operations:					
Basic and diluted earnings (loss) per thousand shares, in reais		5.69	(3.76)	27.74	30.75
From discontinued operations:					
Basic and diluted loss per thousand shares, in reais		(0.05)	(0.22)	(0.11)	(0.51)

Consolidated condensed interim statement of comprehensive income

Periods ended september 30
All amounts in millions of reais

(A free translation of the original in Portuguese)

	Note	7/1/2016 to 9/30/2016	7/1/2015 to 9/30/2015	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
Profit (loss) for the period		149	(89)	611	579
Other components of comprehensive income to be subsequently reclassified to profit or loss					
Foreign exchange variation on investments abroad		217	6,277	(5,298)	9,100
Hedge accounting for net investments abroad, net of taxes	5.4	(159)	(2,990)	2,068	(4,264)
Hedge accounting for the operations of subsidiaries		(41)	(31)	52	6
Fair value of financial assets available for sale		10		234	
Realization of comprehensive income on disposal of investment				(44)	
Share in other comprehensive income of investees		104	(2)	45	2
		131	3,254	(2,943)	4,844
Other components of comprehensive income that will not be reclassified to profit or loss					
Remeasurement of retirement benefits, net of taxes		1	(2)	4	(6)
Other comprehensive income for the period		132	3,252	(2,939)	4,838
Total comprehensive income for the period		281	3,163	(2,328)	5,417
Comprehensive income from					
Continuing operations		281	3,193	(2,327)	5,439
Discontinued operations			(30)	(1)	(22)
		281	3,163	(2,328)	5,417
Comprehensive income attributable to					
Owners of the Company		193	2,084	(1,786)	3,776
Non-controlling interests		88	1,079	(542)	1,641
		281	3,163	(2,328)	5,417

Consolidated condensed interim statement of changes in equity

Periods ended september 30
All amounts in millions of reais unless otherwise stated

(A free translation of the original in Portuguese)

	Note	Attributable to the owners of the Company								Total equity
		Share capital	Tax incentives	Revenue reserves		Retained earnings	Carrying value adjustments	Total	Non-controlling interests	
				Legal	Profit retention					
On January 1, 2015		20,363	6	635	6,654		589	28,247	3,489	31,736
Comprehensive income for the period										
Net income						539		539	40	579
Other comprehensive income							3,237	3,237	1,601	4,838
						539	3,237	3,776	1,641	5,417
Total contributions by and distributions to shareholders										
Securities convertible into shares						(60)		(60)		(60)
Increase in share capital		120						120		120
Increase in non-controlling interests - Yacuces									55	55
Increase in non-controlling interests - Itacamba									34	34
Fair value of the share increase in subsidiary Milpo							416	416	(881)	(465)
Allocation of net income for the period										
Dividends									(36)	(36)
		120				(60)	416	476	(828)	(352)
On September 30, 2015		20,483	6	635	6,654	479	4,242	32,499	4,302	36,801
On January 1, 2016		21,419	6	654	6,776		2,967	31,822	4,176	35,998
Comprehensive income for the period										
Net income						505		505	106	611
Other comprehensive income							(2,291)	(2,291)	(648)	(2,939)
						505	(2,291)	(1,786)	(542)	(2,328)
Total contributions by and distributions to shareholders										
Capital increase	1 (i) e 22 (a)	7,237						7,237		7,237
Fair value on interest variation - Zinc & byproducts ("VMH")	1 (iii)						571	571	(571)	
Reversal of dividends	22 (b)				113			113		113
Allocation of net income for the period										
Dividends									(79)	(79)
		7,237			113		571	7,921	(650)	7,271
On September 30, 2016		28,656	6	654	6,889	505	1,247	37,957	2,984	40,941

Consolidated condensed interim statement cash flows

Periods ended september 30
All amounts in millions of reais

(A free translation of the original in Portuguese)

	Note	7/1/2016 to 9/30/2016	7/1/2015 to 9/30/2015	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
Cash flow from operating activities					
Profit (loss) before income tax and social contribution		205	(36)	818	972
Loss for the period from discontinued operations		(1)	(4)	(2)	(9)
Adjustments of items that do not represent changes in cash and cash equivalents					
Depreciation, amortization and depletion	24	705	706	2,103	2,020
Equity in the results of investees	14	20	112	(580)	(2)
Realization of other comprehensive income on disposal of investments				(44)	
Interest, indexation and foreign exchange variations		363	1,340	439	2,013
Provision (reversal) for impairment of fixed, intangible assets and investments	26	(6)	40	51	40
Loss (gain) on sale of fixed and intangible assets, net	26	5	22	(38)	(7)
Loss (gain) on sale of investments, net	26			(312)	2
Allowance for doubtful accounts		4	31	42	44
Fair value adjustment - Resolution 4131	17 (c)	30		(27)	(50)
Discount on repurchase of bonds	27	(172)		(172)	
Provision (reversal)		(20)	118	(38)	160
Derivative financial instruments		(150)	(82)	818	(222)
Financial instruments - firm commitment	13	132	105	166	219
Change in fair value of biological assets		2		(3)	
		1,117	2,352	3,221	5,180
Decrease (increase) in assets					
Financial investments		(600)	(1,086)	1,101	275
Derivative financial instruments		(34)	29	(21)	7
Trade accounts receivable		(118)	(417)	244	(1,021)
Inventory		(8)	(242)	216	(838)
Taxes recoverable		35	(135)	288	112
Related parties		39		(154)	
Other accounts receivable and other assets		22	(314)	74	(164)
Increase (decrease) in liabilities					
Trade payables		(118)	795	(423)	1,042
Salaries and social charges		136	176	(59)	98
Use of public assets		11	27	96	88
Taxes payable		(50)	136	(220)	(6)
Other liabilities		(8)	45	(615)	259
Cash provided by operations		424	1,366	3,748	5,032
Interest paid on borrowing and use of public assets		(282)	(401)	(1,228)	(1,281)
Premium paid on the Tender Offer					(98)
Income tax and social contribution paid		(108)	(191)	(347)	(490)
Net cash provided by operating activities		34	774	2,173	3,163
Cash flow from investment activities					
Proceeds from disposals of fixed and intangible assets		37	64	127	155
Proceeds from sale of investments - Sirama				566	
Proceeds from sales of other investments		71		82	
Dividends received		18	17	208	84
Capital decrease in investees	14 (b)				25
Acquisitions of property, plant and equipment	15	(704)	(873)	(2,124)	(2,004)
Increase in biological assets		(8)	(2)	(8)	(8)
Reversal (increase) in intangible assets	16	7	(58)	(97)	(69)
Net cash used in investment activities		(579)	(852)	(1,246)	(1,817)
Cash flow from financing activities					
New borrowing	17 (c)	1,038	1,820	3,030	5,447
Repayment of borrowing	17 (c)	(737)	(2,030)	(4,664)	(6,407)
Related parties			(385)		(345)
Derivative financial instruments		(118)	208	(251)	225
Acquisition of non-controlling interests - VCNNE			120		120
Increase in non-controlling interests - Itacamba			25		34
Increase in non-controlling interests - Yacuces					55
Fair value of interest increase - Milpo			(465)		(465)
Dividends paid		(5)	(182)	(76)	(355)
Net cash provided by (used in) financing activities		178	(889)	(1,961)	(1,691)
Decrease in cash and cash equivalents		(367)	(967)	(1,034)	(345)
Cash increase resulting from incorporation	1 (i)			177	
Effect of fluctuations in exchange rates		16	1,142	(784)	1,508
Cash and cash equivalents at the beginning of the period		5,359	4,552	6,649	3,564
Cash and cash equivalents at the end of the period		5,008	4,727	5,008	4,727
Main non-cash transactions					
Discount on repurchase of bonds	27	(172)		(172)	
Increase in non-cash assets resulting from incorporation	1 (i)			7,060	
Loans from FINAME for acquisition of property, plant and equipment			2		11
Transfers of assets classified as held-for-sale			34		374
Transfer of liabilities related to assets classified as held-for-sale			4		(105)

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

Notes to the consolidated condensed interim financial statements

at september 30, 2016
All amounts in millions of reais unless otherwise stated

1 General considerations

Votorantim S.A., formerly known as Votorantim Industrial S.A. (the "Company", the "parent company", or "VSA"), is a privately held company, fully controlled by the Ermírio de Moraes family, and is the holding company of the companies of the Votorantim Group. 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 following segments: basic construction materials, metals, electrical energy, steel, wood pulp, agribusiness and finance.

Main events that occurred during the nine months of period 2016

(i) Incorporation of Votorantim Participações S.A. ("VPAR")

With the main objective of structuring in the most appropriate way its operations in all the segments, on January 1, 2016, VSA, once named Votorantim Industrial S.A. ("VID"), incorporated the parent company VPAR and changed its corporate name to VSA. The net assets incorporated were evaluated by their book value. This merger resulted in an increase, in the amount of R\$ 7,237, in the Company's equity, represented substantially by investments in Citrosuco and Banco Votorantim, amounting to R\$ 3,242 and R\$ 4,466, respectively, which are still registered by the equity method. In this context, VSA succeeds VPAR in all its rights and obligations, including compliance with the covenants of loan contracts, and, when required, certain indexes are now calculated based on the financial statements of VSA.

The summarized balance sheet of VPAR used for the incorporation is presented below:

	2016		2016
Assets		Liabilities	
Current assets	539	Current liabilities	217
Non-current assets		Non-current liabilities	1,736
Long-term receivables	1,244		
Investments	39,230	Equity	39,060
Votorantim Industrial S.A.	31,822		
Other	7,408		
	40,474		
Total assets	41,013	Total liabilities and equity	41,013

(ii) Sale of Sirama Participações Administração e Transportes Ltda. ("Sirama")

On January, 26, 2016, the General Superintendence of the Administrative Council for Economic Defense ("CADE") issued its approval for the sale of the shares owned by Votorantim Cimentos S.A. ("VCSA") in the investee Sirama. On March, 3, 2016, the Company recorded the net gain related to the sale in the amount of R\$ 293 and, consequently, registered the write-off related to exchange variation on investments registered abroad in "Exchange variation on foreign investments", in the amount of R\$ 44.

(iii) Corporate restructuring in the zinc and byproducts segment - VM Holding S.A. ("VMH")

On April, 12, 2016, the subsidiary Votorantim Metais Cajamarquilla S.A. acquired 264,157,507 shares of Compañía Minera Milpo S.A.A. ("Milpo") and raised its participation to 80.23% of the capital. The increment to the investment account was R\$ 1,501 (USD 424), from which R\$ 604 (USD 171) were paid with own resources and the R\$ 897 (USD 253) amount, by way of discount, was registered as credit in the rubric as equity adjustments inside the equity.

On April, 19, 2016, the Company alienated 10.65% of its participation held in subsidiary VMH. The effect of investment reduction was R\$ 738 (USD 208), from which R\$ 604 (USD 171) was received in current currency and the R\$ 134 (USD 37) difference was registered as debit in the rubric as equity adjustments inside the equity.

On April, 20, 2016, there was the share premium payment deliberation, in the value of R\$ 13 (USD 4), for VMH's minority shareholders.

On May, 3, 2016, the subsidiary Votorantim FinCo GmbH transferred its share in the indirect subsidiary Votorantim GmbH ("VGmbH") to Votorantim MetalsCo GmbH's, company integrally controlled by VMH. This transfer's result, reduced the participation in the investment in R\$ 192 and was registered as debit in the rubric as equity adjustments inside the equity.

(iv) Incorporation of Votorantim Metais S.A. ("VMSA")

In July, 2016, Companhia Brasileira de Alumínio ("CBA") incorporated the net total accounting assets, worth R\$ 627, corresponding to VMSA's equity, which was, until then, controlled by the Company. This associate reset is part of the strategy defined by the industrial conglomerate, of which CBA and VMSA are part, which aims at managing and financial costs reduction, as well as optimizing business management. As a result of this incorporation, the CBA had its social capital increased by the value of the net accounting total assets, measured at the book value.

2 Presentation of the consolidated condensed interim financial statements

2.1. Basis of preparation

(a) Consolidated condensed interim financial statements

The consolidated condensed interim financial statements 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 show all relevant information pertinent to interim financial statements, which is consistent with that used by the Administration in carrying out its duties.

Therefore, the interim consolidated condensed financial statements on September 30, 2016 do not contain all of the explanatory notes and disclosures required by the accounting standards applicable to annual financial statements, as its purpose is to provide an update of significant activities, events and circumstances in relation to those financial statements. As a consequence, they should be read together with the consolidated financial statements at December 31, 2015, issued on March 2, 2016.

The interim consolidated condensed 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, 2015.

(b) Confirming payable

The subsidiaries reclassified the confirming payable operation which was originally presented on the balance sheet on the row "Trade payables" and "Payables - Trading" to a specific row on the short term liability named "Confirming payable", according to the normative interpretation issue by CVM (IN 01/2016) disclosed on February 18, 2016. Due to that, seeking comparability and a reliable presentation of the confirming payable operation, the information disclosed on December 31, 2015 was reclassified, as follows:

Type	As prior presented	Restatement	Restated
Trade payables	4,136	(957)	3,179
Payables - Trading	126	(126)	
Confirming payable		1,083	1,083
	4,262		4,262

(c) Approval of the consolidated condensed interim financial statements

The Board of Directors approved these interim consolidated financial statements for issue on November 11, 2016.

Notes to the consolidated condensed interim financial statements

at september 30, 2016
All amounts in millions of reais unless otherwise stated

2.2. Main companies included and excluded in the consolidated condensed interim financial statements

The major changes of interests in subsidiaries and joint operations included in the consolidation, in the period ended September 30, 2016, regarding those detailed in Note 2.2 to the latest annual financial statements, were:

	Percentage of total and voting capital		Headquarters	Main activity
	9/30/2016	12/31/2015		
Aluminum ("CBA")				
Nazca Participações Ltda.		100.00	Brazil	Mining
Nickel (Note 1 (iv))				
Votorantim Metais S.A.		100.00	Brazil	Nickel
Zinc and byproducts ("VMH") (Note 1 (iii))				
Compañía Minera Milpo S.A.A.	80.23	60.06	Peru	Mining
VM Holding S.A.	89.35	100.00	Luxembourg	Holding
Financial segment (Note 1 (i))				
Votorantim Finanças S.A.	100.00		Brazil	Finance
Exclusive investment funds				
Fundo de Investimento Pentágono Multimercado - Crédito Privado		100.00	Brazil	Finance
Fundo de Investimento Pentágono VC Multimercado - Crédito Privado	100.00		Brazil	Finance
Fundo de Investimento Pentágono CBA Multimercado - Crédito Privado	100.00		Brazil	Finance
Odessa Multimercado Crédito Privado	89.26	61.17	Brazil	Finance
Other (Note 1 (i))				
Hailstone Ltd.	100.00		British Virgin Islands	Holding
St. Helen Holding II B.V.	100.00		Cayman Islands	Holding

3 Changes in accounting policies and disclosures

There were no changes in accounting standards and policies in the period ended September 30, 2016, when compared to the last financial statements of December 31, 2015.

4 Critical accounting estimates and judgments

In the period ended September 30, 2016, there have been no changes in estimates and assumptions that present a significant risk and probability of causing a material adjustment to the carrying amounts of assets and liabilities for the current fiscal year, compared to those detailed in Note 4 to the latest annual financial statements.

5 Financial risk factors

5.1. Foreign exchange risk

The Company has certain investments in foreign operations, the net assets of which are exposed to foreign exchange risk. Foreign exchange exposure arising from the Company's foreign operations is mainly hedged by borrowings in the same currency as these investments, being classified as net investment hedges.

We present below the carrying amounts of assets and liabilities indexed to foreign currency at the end of the reporting period:

	Note	9/30/2016	12/31/2015
Assets denominated in foreign currency			
Cash and cash equivalents	7	2,547	3,838
Financial investments	8	1,104	1,034
Derivative financial instruments		572	942
Trade receivables		1,064	1,680
Related parties		548	2,071
		5,835	9,565
Liabilities denominated in foreign currency			
Borrowing (i)		18,723	22,547
Derivative financial instruments		985	471
Trade payables		1,752	2,923
Confirmed payables	18	486	819
Related parties		101	734
		22,047	27,494
Net exposure		(16,212)	(17,929)

(i) Does not consider borrowing costs.

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5.2. Liquidity risk

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

The amounts disclosed in the table represent the undiscounted cash flow, which includes interest to be incurred, and, accordingly, do not reconcile directly with the amounts in the balance sheet.

	Note	Up to one year	From one to three years	From three to five years	From five to ten years	As from ten years	Total
On September 30, 2016							
Borrowing (i)		2,638	4,131	15,829	6,588	7,797	36,983
Derivative financial instruments		495	384	106			985
Trade payables		2,727					2,727
Confirmed payables	18	914					914
Dividends payable	12	54					54
Related parties		11	82				93
Use of public assets		77	169	190	586	1,922	2,944
		6,916	4,766	16,125	7,174	9,719	44,700
On December 31, 2015							
Borrowing (i)		4,067	9,291	10,263	12,211	9,554	45,386
Derivative financial instruments		476	2				478
Trade payables		3,179					3,179
Confirmed payables	18	1,083					1,083
Dividends payable	12	162					162
Related parties		5	1,211				1,216
Use of public assets		72	160	180	555	2,003	2,970
		9,044	10,664	10,443	12,766	11,557	54,474

(i) Does not include the recorded fair value of the debts contracted under Resolution 4131.

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5.3. Derivatives contracted

(a) Effects of the derivative financial instruments in the balance sheet and cash flow

Below, there are two charts resuming the derivative financial instruments and the objects protected by them:

Details of the main derivative operations																
Programs	Principal			Purchase/ sale	Average FWD rate	Average term (days)	Assets	Liabilities	Fair value		Realized gain (loss)		Fair value by maturity			
	9/30/2016	12/31/2015	As per unit						9/30/2016	12/31/2015	9/30/2016	2016	2017	2018	2019	2020+
Hedging instruments for metal sales at a fixed price																
Nickel forward		240	ton							(1.5)	(1.6)					
Zinc forward	2,835	9,566	ton	P	1,800 USD/ton	54	5.0		5.1	(4.0)	1.8	3.9	1.2			
									5.1	(5.5)	0.2	3.9	1.2			
Hedging instruments for mismatches of quotation periods																
Zinc forward	321,008	341,905	ton	P/S		34	31.2	(42.3)	(11.2)	(4.8)	(23.1)	(11.1)	(0.1)			
Silver forward	367	229	k oz (*)	P/S		49	0.3	(1.5)	(1.2)	0.8	0.2	(1.2)				
Aluminum forward	1,550	2,850	ton	P/S		18					(2.8)					
									(12.4)	(4.0)	(25.7)	(12.3)	(0.1)			
Hedging instruments for the operating margin of metals																
Nickel forward		345	ton								14.6	14.6				
Zinc forward	10,220	6,775	ton	S	2,002 USD/ton	146		(9.8)	(9.8)	16.4	26.2	(9.8)				
Aluminum forward	5,708	7,900	ton	S	1,617 USD/ton	231	0.6	(0.1)	0.5	10.6	10.1	0.5				
Silver forward		25	k oz (*)								0.4	0.4				
US dollar forward	17	33	USD million	S	4.00 BRL/USD	210	13.0		13.0	(24.0)	(31.7)	13.0				
									3.7	18.0	19.6	3.7				
Hedging instruments for foreign exchange exposure																
US dollar forward	50		USD million	P	3.34 BRL/USD	3		(4.7)	(4.7)		(7.2)	(4.7)				
Euro forward	398		EUR million	P	1.12 USD/EUR	7	2.0		2.0		(0.2)	2.0				
Euro forward			EUR million								(78.4)					
									(2.7)		(85.8)	(2.7)				
Hedging instruments for debts																
Fixed rate in reais vs. CDI floating rate swaps	100	230	BRL million		80.00% CDI	256		(1.6)	(1.6)	(6.9)	(3.2)	(0.6)	(1.0)			
TJLP floating rate vs. CDI floating rate swaps	28		BRL million		97.00% CDI	624	1.6	(1.0)	0.6			(0.2)	(0.7)	1.5		
LIBOR floating rate vs. CDI floating rate swaps	863	763	USD million		103.57% CDI	1,122	373.0	(716.1)	(343.1)	395.1	(118.3)	(86.0)	(258.7)	(52.0)	(101.8)	155.4
US dollar fixed rate vs. CDI floating rate swaps	105	105	USD million		104.83% CDI	1,379	56.5	(93.7)	(37.2)	27.7	(29.4)	(9.9)	(29.1)	(22.2)	(20.6)	44.6
									(381.3)	415.9	(150.9)	(96.7)	(289.5)	(72.7)	(122.4)	200.0
							483.2	(870.8)	(387.6)	424.4	(242.6)	(104.1)	(288.4)	(72.7)	(122.4)	200.0

(*) oz- ounces

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Details of the main derivative operations

Programs	Principal			Purchase/ sale	Average FWD rate	Average term (days)	Assets	Liabilities	Fair value		Realized gain (loss)		Fair value by maturity				
	9/30/2016	12/31/2015	As per unit						9/30/2016	12/31/2015	9/30/2016	2016	2017	2018	2019	2020+	
Hedge accounting - cash flow hedge																	
Hedging instruments for the operating margin of metals																	
Zinc forward	77,779	36,650	ton	S	2,059	USD/ton	165	(80.9)	(80.9)	69.0	19.9	(23.0)	(57.9)				
Aluminum forward	95,816	40,050	ton	S	1,647	USD/ton	244	0.5	(14.7)	(14.2)	37.2	29.5	(1.9)	(12.3)			
Silver forward		125	k oz (*)			USD/oz				1.9	1.0						
US dollar forward	225	135	USD million	S	3.80	BRL/USD	226	78.3	(0.6)	77.7	(76.5)	20.1	22.6	55.1			
										(17.4)	31.6	70.5	(2.3)	(15.1)			
Hedging instruments for mismatches of quotation periods																	
Zinc forward	109,641	97,180	ton	P/S			55	8.1	(6.0)	2.1	2.0	24.1	2.1				
Silver forward	374	293	k oz (*)	P/S			77	0.5	(0.6)	(0.1)	0.9	(6.2)		(0.1)			
										2.0	2.9	17.9	2.1	(0.1)			
Hedging instruments for interest rates in US dollar																	
LIBOR floating rate vs. USD fixed rate swaps	600	600	USD million		2.56%	% fixed rate	769		(11.7)	(11.7)	6.1	(14.3)	(2.2)	(6.2)	(2.8)	(0.5)	
										(11.7)	6.1	(14.3)	(2.2)	(6.2)	(2.8)	(0.5)	
Hedge accounting - fair value hedge																	
Hedging instruments for metal sales at a fixed price																	
Zinc forward	705	2,230	ton	P	1,905		83	1.1		1.1	(1.0)	(0.3)	0.6	0.5			
										1.1	(1.0)	(0.3)	0.6	0.5			
Hedging instruments for mismatches of quotation periods																	
Zinc forward	63,875		ton	P/S			38	0.5		0.5		(103.6)	0.5				
										0.5		(103.6)	0.5				
								89.0	(114.5)	(25.5)	39.6	(29.8)	(1.3)	(20.9)	(2.8)	(0.5)	
								572.2	(985.3)	(413.1)	464.0	(272.4)	(105.4)	(309.3)	(75.5)	(122.9)	200.0

(*) oz- ounces

The transactions involving derivative financial instruments recognized in "Carrying value adjustments" amount to R\$ (27). Besides, there are hedge accounting operations, which amount R\$ 79, in controlled, not consolidated companies recognized in "Carrying value adjustments".

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(b) Effect of the financial derivative instruments in the financial result

The chart below shows the impact of the financial derivative instruments in the financial result in the period:

Programs	Fair value	Realized gain (loss)	Total
Hedging instruments for foreign exchange exposure			
US dollar forward	(4.7)	(7.2)	(11.9)
Euro forward	2.0	(78.6)	(76.6)
	(2.7)	(85.8)	(88.5)
Hedging instruments for debts			
Fixed rate in reais vs. CDI floating rate swaps	5.3	(3.2)	2.1
TJLP vs. CDI floating rate swaps	0.6		0.6
LIBOR floating rate vs. CDI floating rate swaps	(738.2)	(118.3)	(856.5)
US dollar fixed rate vs. CDI floating rate swaps	(64.9)	(29.4)	(94.3)
	(797.2)	(150.9)	(948.1)
Hedge Accounting - cash flow hedge			
Hedging instruments for interest rates in US dollar			
LIBOR floating rate vs. USD fixed rate swaps		(14.3)	(14.3)
		(14.3)	(14.3)
Total (Note 27)	(799.9)	(251.0)	(1,050.9)

5.4. Hedges of net investments in foreign operations

The hedged items that the Company and its subsidiaries have designated as a calculation tool relate to the investments shown in the table below, as well as part of the Company's debts and those of its subsidiaries VCSA, CBA, VMSA, Votorantim Metais Zinco S.A. ("VMZ") and Votorantim Siderurgia S.A. ("VS"), denominated in euros and dollars.

	9/30/2016		12/31/2015	
	Investment	Debt	Investment	Debt
Votorantim Metais Cajamarquilla S.A. ("Cajamarquilla") (i)	3,320	2,968	7,288	6,447
US Zinc Corporation ("US Zinc")	1,572	1,452	1,747	1,747
Votorantim Cement North America Inc. ("VCNA")	4,885	4,541	4,244	5,560
Votorantim Cimentos EAA Inversiones, S.L. ("VCEAA")	4,221	3,571	3,442	4,888
Hailstone Limited ("Hailstone")	551	485		
Votorantim Andina S.A. ("VASA") (i)	3,370	2,338		

(i) Cajamarquilla's allocated investment and the corresponding designated debt decreased in July 2016, due to the new designation of the Votorantim Andina hedge and the assignment of debts previously used.

The Company documents the correlation between its hedges and the related obligations by assessing the effectiveness of net investment hedges both prospectively and retrospectively on a quarterly basis.

The Company and its subsidiaries VCSA and VS also have borrowing denominated in US dollars with compound financial instruments, contracted as a single product with the financial institution (US dollar borrowing + Interbank Deposit Certificate ("CDI") floating rate swaps). The terms and conditions of the loan and derivative instrument are configured as a combined operation, so that the resulting cost is a debt adjusted by a percentage of the CDI in reais. On September 30, 2016, the amount of the operations in this modality was USD 741 million (R\$ 2,405) (December 31, 2015 - USD 648 million - R\$ 2,530).

The gain on exchange rate on the conversion of debt, net of income tax and social contribution recognized as valuation adjustments on September 30, 2016 was R\$ 2,068 (September 30, 2015, loss of R\$ 4,264).

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5.5. Sensitivity analysis

The main risk factors that affect the pricing of the outstanding financial instruments relating to cash and cash equivalents, financial investments, borrowing, and derivative financial instruments are exposure to the fluctuations of the US dollar, Euro, Turkish Lira, Argentinian and Bolivian peso exchange rates, LIBOR and CDI interest rates, US dollar coupons, commodity prices and contracts for the purchase and sale of electrical energy. The scenarios for these factors were prepared using market and specialized sources, following the Company's systems of governance.

The scenarios on September 30, 2016, are described below:

- Scenario I is based on the market forward curves and quotations at September 30, 2016, and represents a probable scenario in management's opinion as on December 31, 2016.
- Scenario II considers a stress factor of + / - 25% applied to the market forward curves and quotations as on September 30, 2016.
- Scenario III considers a stress factor of + / - 50% applied to the market forward curves and quotations as on September 30, 2016.

Risk factors	Cash and cash equivalents and financial investments (i)	Borrowing (i)	Derivative financial instruments	As per unit	Changes from 9/30/2016	Impacts on profit (loss)					Impacts on comprehensive income				
						Scenario I		Scenarios II & III		Scenario I		Scenarios II & III			
						Results of scenario I	-25%	-50%	+25%	+50%	Results of scenario I	-25%	-50%	+25%	+50%
Foreign exchange rates															
USD	2,788	13,865 (*)	2,307	USD million	-1%	(5)	(93)	(186)	93	186	129	2,236	4,471	(2,236)	(4,471)
EUR	140	4,170	398	EUR million	-1%		(363)	(726)	363	726	57	993	1,986	(993)	(1,986)
BOB (**)	81	327			-2%						1	61	123	(61)	(123)
ARS	96				-4%						(4)	(23)	(46)	23	46
TRY (***)		357			-1%						(1)	89	179	(89)	(179)
Interest rates															
BRL - CDI	3,802	3,811	4,218	BRL million	-74 bps	30	10	21	(9)	(17)	1	13	26	(12)	(24)
LIBOR		5,117	3,594	USD million	20 bps	6	(12)	(24)	12	24	6	(9)	(18)	9	18
US dollar coupon			1,260	USD million	11 bps	(10)	66	135	(63)	(123)		(2)	(4)	2	4
Price of commodities															
Zinc			586,063	ton	-5%	33	155	310	(155)	(310)	37	174	348	(174)	(348)
Aluminum			103,074	ton	-7%						34	131	262	(131)	(262)
Silver			741	oz (****) thousand	-3%		1	3	(1)	(3)	1	6	12	(6)	(12)
Firm commitment - electric energy															
Sale and purchase agreements - fair value			719	BRL million			11	22	(11)	(21)					

(*) Considers baskets of currencies

(**) Boliviano

(***) Turkish lire

(****) oz – Ounces troy

(i) The balances presented do not reconcile with the cash and cash equivalents, financial investments and borrowing notes, as the analysis only covers the most significant currencies and the interest rates cover only the principal value.

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	9/30/2016			12/31/2015		
	Local rating	Global rating	Total	Local rating	Global rating	Total
6 Credit quality of financial assets						
Cash and cash equivalents						
AAA				1,903		1,903
AA+				617		617
AA				291		291
AA-	1,650		1,650		6	6
A+	508	36	544		117	117
A		312	312		645	645
A-		433	433		251	251
BBB+		338	338		550	550
BBB		209	209		106	106
BBB-		250	250		233	233
BB	303	145	448		18	18
B+		92	92		116	116
CCC+		25	25			
CCC					1	1
CCC-					19	19
Unrated (i)		707	707		1,776	1,776
	2,461	2,547	5,008	2,811	3,838	6,649
Financial investments						
AAA				1,672		1,672
AA+	57		57	851		851
AA				188		188
AA-	2,266		2,266			
A+	315		315		8	8
A	3	539	542	3		3
A-	16	76	92	16	358	374
BBB		3	3		1	1
BBB-		32	32		195	195
BB	22		22			
CCC+		63	63			
CCC					179	179
CCC-					136	136
Unrated (ii)	36	391	427	208	157	365
	2,715	1,104	3,819	2,938	1,034	3,972
Derivative financial instruments						
AAA	106		106	282		282
AA+	71		71	194		194
AA				2		2
AA-	175		175			
A+	8	136	144		342	342
A		75	75		122	122
A-		1	1			
	360	212	572	478	464	942
	5,536	3,863	9,399	6,227	5,336	11,563

The local and global ratings were obtained from the ratings agencies Standard & Poor's, Moody's and Fitch. The Company considered the ratings of Standard & Poor's and Fitch for presentation purposes.

(i) Refers to values invested in offshore banks, which are not rated by any rating agency.

(ii) Refers to Grupo Votorantim's exclusive investment funds (Fundos de Investimento em Direitos Creditórios - "FIDC"), which are not rated by any rating agency.

	9/30/2016		12/31/2015	
7 Cash and cash equivalents				
Local currency				
Cash and banks		8		16
Repurchase agreements		1,397		1,774
Repurchase agreements - Public securities		1,056		1,021
		2,461		2,811
Foreign currency				
Cash and banks		1,651		2,905
Certificates of deposits		896		933
		2,547		3,838
		5,008		6,649

Cash and cash equivalents in local currency comprise government bonds or deposits with financial institutions indexed to the interbank deposit rate. Foreign currency cash equivalents are mainly composed of fixed-income financial instruments in local currency.

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8 Financial investments	9/30/2016	12/31/2015
Held-for-trading		
Repurchase agreements - Public securities	849	663
Bank Deposit Certificates (CDB)	667	592
Financial Treasury Bills (LFT)	656	679
Repurchase agreements	492	729
Financial investments in foreign currency	342	364
Investment fund quotas	19	1
Credit Rights Investment Funds (FIDC) (i)		243
Other	2	4
	3,027	3,275
Available-for-sale		
Financial investments in foreign currency	285	670
	285	670
Held-to-maturity		
Bank Deposit Certificates (CDB)	30	27
Financial investments in foreign currency	477	
	507	27
	3,819	3,972
Current	3,781	3,936
Non-current	38	36
	3,819	3,972

Short-term investments, mostly, have immediate liquidity. Investments in local currency comprise government bonds or deposits with financial institutions, indexed to the interbank deposit rate. Investments denominated in foreign currency are mainly composed of financial instruments of fixed income in local currency (time deposits).

(i) In 2016, the Company began to consolidate the balances of the Credit Receivables Investment Funds "Fundo de Investimento em Direitos Creditórios Indústria" and "Fundo de Investimento em Direitos Creditórios VID Indústria". On September 30, 2016, the amount of R\$ 207 was consolidated, being the amount of R\$ 187 allocated in the group "Accounts receivable", R\$ 16 allocated in "Shares in investment funds" and R\$ 4 allocated in "Financial Treasury Bills (LFT)".

9 Trade receivables	Note	9/30/2016	12/31/2015
(a) Breakdown			
Trade receivables - Brazil		1,339	1,010
Trade receivables - foreign customers		1,277	1,825
Related parties	12	69	65
		2,685	2,900
Estimated loss for doubtful accounts		(197)	(155)
		2,488	2,745
(b) Aging of trade receivables			
		9/30/2016	12/31/2015
Current		2,219	2,283
Up to three months past due		231	426
Three to six months past due		40	59
Over six months past due		195	132
		2,685	2,900

10 Inventory	9/30/2016	12/31/2015
Finished products	761	652
Semi-finished products	1,487	1,539
Raw materials	771	866
Auxiliary materials	1,023	1,130
Imports in transit	80	191
Other	113	71
Estimated loss (i)	(496)	(561)
	3,739	3,888

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

11 Taxes recoverable	9/30/2016	12/31/2015
Corporate Income Tax ("IRPJ") and Social Contribution on Net Income ("CSLL")	1,127	886
State Value-added Tax on Sales and Services ("ICMS")	612	529
Social Contribution on Revenue ("COFINS")	409	414
IRPJ/CSLL - "Plano Verão" (i)	259	184
Value-added Tax ("VAT") (foreign companies)	218	293
Withholding Income Tax ("IRRF")	171	7
Social Integration Program ("PIS")	89	93
State Value-added Tax on Sales and Services on PP&E	79	99
Excise Tax ("IPI")	41	38
Other	101	148
	3,106	2,691
Current	1,374	1,376
Non-current	1,732	1,315
	3,106	2,691

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(i) On January 1, 2016, VSA incorporated VPAR (Note 1 (i)), resulting in increases in the balances, including the "Plano Verão" that is due to income tax and social contribution overpaid by VPAR because of non-adoption of understated inflation rates under the complementary monetary restatement of the "Plano Verão", calculated on the base year 1989.

On March 23, 2016, CBA obtained the approval of the tax credit habilitation application recognized by court final decision, concerning the recognition of the index applicable to the restatement of the financial statements of the base year 1989, for purposes of calculating the basis of calculation of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) - "Plano Verão". This credit will be offset against tax debts of the company under management Internal Revenue Service of Brazil.

12 Related parties

	Trade receivables		Dividends receivable		Non-current assets		Trade payables		Dividends payable		Non-current liabilities		Sales (Purchases), net		Finance income (costs)		
	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015	
Parent																	
Hejoassu Administração S.A.		2			659				45			487					(22)
Votorantim Participações S.A. (i)									152								
Related companies and joint ventures																	
Cementos Avellaneda S.A.	1	12					3	1			68	96					5
Cementos Granadilla S.L.	2	1			6	1	1	1					50				
Citrosuco GmbH (ii)					204	246											
Citrosuco S.A. Agroindústria (iii)					547	441							9	7	12	11	
Citrovita Orange Juice GmbH (i)						774											9
Fibria Celulose S.A.	9	4	24	1	1	1	5	14					62	23			
Hailstone Limited (i)						20						553					(5)
Maré Cimento Ltda.													2	60			
Mizu S.A.													4	51			
Polimix Concreto Ltda.														136			
Sitrel - Siderurgica Três Lagoas Ltda. (iv)	26	13					19	32					30	79			
St. Helen Holding II B.V. (i)					1,003						40						22
Supermix Concreto S.A.	22	21											208	270			
Suwannee American Cement LLC	5						27	41						(16)			1
VCNA SPE, LLC (v)					309												
Other	4	12	4	18	14	43	2	2			25	40	78	70			
	69	65	4	42	1,081	3,188	57	91	45	152	93	1,216	443	680	17	16	
Non-controlling interests									9	10							
Current	69	65	4	42			57	91	54	162							
Non-current					1,081	3,188					93	1,216					
	69	65	4	42	1,081	3,188	57	91	54	162	93	1,216					

(i) The elimination of 2016 balances relates to the incorporation by VSA, explained in Note 1 (i).

(ii) Refers to accounts receivable related to assets surplus to basic net assets invested in the Citrosuco operation. The realization period is linked to the performance of each item under contractual rules laid down in the shareholder agreement and closing memorandum signed between the Fischer S.A. - Comércio, Indústria e Agricultura ("Fischer") and Votorantim.

(iii) Refers mainly to accounts receivable as association agreements via export prepayment contracts maturing in 2019, at the updated rate of 2.75% p.a., in the amount of R\$ 323. The difference of R\$ 224 relates to accounts receivable related to assets surplus to basic net assets invested in Citrosuco operation. The realization period is linked to the performance of each item under contractual rules laid down in the shareholder agreement and closing memorandum signed between the Fischer and Votorantim.

(iv) Refers to commercial transactions between Steel Três Lagoas Ltda. ("Sitrel") and VS, related mainly to the rebar rolling process in the Sitrel plant, which came into operation in December 2012, using mainly as its raw materials billets from the Resende plant of VS.

(v) During March of 2016, the subsidiary VCNA started a securization program of the accounts receivable owned by its Canadian and American subsidiaries, which still have balances to be received from the fund manager.

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13 Financial instruments - firm commitment

The Company, through its subsidiary VOTENER - Votorantim Comercializadora de Energia Ltda., operates in the Regulated Contracting Environment ("ACR") and participated in the 13th electricity purchase auction on April 30, 2014, in which, through a firm commitment, it made sales for delivery by December 2019. These transactions resulted in gain on the sale of surplus power by the Company, which was recognized at its fair value. The realization of the fair value, through physical settlement of contracts of sale and purchase of energy, in the amount of R\$ 182, was recognized as an expense in "Other operating income, net".

Additionally, the subsidiaries entered into purchase and sale agreements in the Free Market Environment ("ACL"), which likewise resulted in recognition of the fair value of these transactions of surplus power. The recognition of the fair value of these transactions, net of reversal, generated revenues of R\$ 16.

The figures quoted above have the following composition (Note 26):

	ACR			ACL			1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
	Aluminum ("CBA")	Energy	Cement	Aluminum ("CBA")	Energy	Steel	Total	Total
Realization	(142)	(40)					(182)	(219)
Recognition			(7)	51	(54)		(10)	
Reversal						26	26	
	(142)	(40)	(7)	51	(54)	26	(166)	(219)

14 Investments

(a) Breakdown

	Information on investees on September 30, 2016			Equity in the results		Investment balance	
	Equity	Profit (loss) for the period	Ownership percentage (%)	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015	9/30/2016	12/31/2015
Investments accounted for based on the equity method							
Subsidiaries and associates							
Sirama Participações Administração e Transportes Ltda.				1	47		
Cementos Avellaneda S.A. (i)	459	95	49.00	47	53	258	318
Cementos Bio Bio S.A. (ii)	914	80	16.70	13	16	153	202
Alunorte - Alumina do Norte S.A. (ii)	4,853	698	3.03	21	(5)	147	130
Mineração Rio do Norte S.A. (ii)	1,068	379	10.00	38	17	107	91
Supermix Concreto S.A.	253	13	25.00	3	10	63	64
Hutton Transport Ltda.	31	3	25.00	3		15	17
Other investments				10	3	478	249
Joint ventures							
Banco Votorantim S.A.	9,352	(50)	50.00	(25)		4,676	
Fibria Celulose S.A. (iii)	14,262	1,747	29.42	514	(166)	4,017	3,573
Citrosuco GmbH (i)	2,355	197	50.00	80		2,001	
Citrosuco S.A. Agroindústria (i)	676	(265)	50.00	(160)		692	
Suwannee American Cement LLC (i)	253	16	50.00	8	9	213	257
Sitrel Siderúrgica Três Lagoas Ltda.	227	33	50.00	17	7	113	96
Cimento Portland S.A.	107	(2)	50.00	(1)	2	53	98
Superior Building Materials LL	96	26	50.00	14	9	48	42
Sumter Cement Co LLC	37	(7)	50.00	(3)		19	26
Trinity Materials LLC.	18		50.00			9	11
				580	2	13,062	5,174

The balances from 2016 that have no comparative basis relate mainly to the effects from the VPAR merge, as described in Note 1 (i).

(i) Investments Cementos Avellaneda SA, Suwannee American Cement LLC, Citrosuco S.A. and Citrosuco GmbH consider, on September 30, 2016, the amounts of R\$ 33 (December 31, 2015 - R\$ 56), R\$ 87 (December 31, 2015 - R\$ 104), R\$ 354 and R\$ 824, respectively, related to goodwill paid on acquisition of investments and the balance of surplus value, that is amortized of income of the parent company.

(ii) Relates to investees in which participation is less than 20%, but the Company has significant influence on the activities through agreements established with shareholders.

(iii) The equity income of the investee considers eliminations of unrealized profits, in the amount of R\$ 178 (December 31, 2015 - R\$ 178), in exchange of lands with the Company.

(b) Changes in investments

	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
Opening balance	5,174	6,270
Equity in the results of investees	580	2
Exchange variation on foreign investments	(637)	361
Reclassification to assets available for sale	27	(315)
Capital reduction		(25)
Dividends	(104)	(93)
Effect of subsidiaries included in consolidation (Note 1(i))	7,762	
Fair value of financial assets available for sale - Banco Votorantim S.A. (i)	234	
Hedge accounting cash flow from investees	65	
Other	(39)	6
Closing balance	13,062	6,206

(i) Refers to fair value of the securities available-for-sale directly recognized in equity of Banco Votorantim S.A, which now has effect on the Company from the VPAR merge (Note 1 (i)).

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15 Property, plant and equipment

(a) Breakdown and changes

	1/1/2016 to 9/30/2016								1/1/2015 to 9/30/2015	
	Land and improvements	Buildings and constructions	Machinery, equipment and facilities	Vehicles	Furniture and fittings	Construction in progress	Leasehold improvements	Other	Total	Total
Opening balance										
Cost	2,206	10,893	36,095	1,437	234	3,628	560	438	55,491	46,796
Accumulated depreciation	(52)	(4,029)	(20,220)	(1,104)	(168)		(279)	(358)	(26,210)	(20,759)
Net opening balance	2,154	6,864	15,875	333	66	3,628	281	80	29,281	26,037
Additions	5	12	125	1	1	1,975		5	2,124	2,015
Disposals	(11)	(8)	(58)	(5)	(1)		(4)		(87)	(102)
Depreciation	(4)	(234)	(1,282)	(79)	(9)		(15)	(4)	(1,627)	(1,558)
Foreign exchange variation	(145)	(376)	(850)	(32)	(4)	(330)	(30)		(1,767)	2,971
Effect of subsidiaries included in consolidation	10	2	4	30	1	1	1	6	55	
Reversal (provision) for impairment	(14)	(16)	36				3	3	12	55
Reclassification to assets held-for-sale						(3)			(3)	(35)
Transfers (i)	64	407	1,161	38	3	(1,817)	1		(143)	(289)
Closing balance	2,059	6,651	15,011	286	57	3,454	237	90	27,845	29,094
Cost	2,114	10,770	34,490	1,307	208	3,454	493	452	53,288	55,191
Accumulated depreciation	(55)	(4,119)	(19,479)	(1,021)	(151)		(256)	(362)	(25,443)	(26,097)
Net closing balance	2,059	6,651	15,011	286	57	3,454	237	90	27,845	29,094
Average annual depreciation rates - %	2	3	6	17	11		8	19		

(i) The transfers at September 30, 2016 are related to the reclassification from "Construction in progress" within "Property, plant and equipment" to "Software" and "Rights to use natural resources", within "Intangible assets" (on September 30, 2015, "Inventory" (R\$ 52) and "Intangible assets" (R\$ 237)).

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(b) Construction in progress

The balance is composed mainly by expansion and optimization projects in the industrial enterprises. The main projects in progress by business segment are as follows:

Main projects in progress - cement	9/30/2016	12/31/2015
New unit in Yacuses - Bolivia	475	253
New unit in Sivas - Turkey	385	196
Cement production capacity expansion - North America	225	90
Equipment refurbishment - Brazil	84	64
New unit in Primavera - Brazil	65	711
New unit in Ituaçu - Brazil	43	44
Cement grinding - Pecém - Brazil	39	6
New plant in Sobral - Brazil	32	21
Clinker production capacity expansion - Turkey	32	43
Burden removal - cement - Brazil	29	42
Geology and mining rights - Brazil	24	50
New lines of co-processing - Brazil	21	9
Environment and security - Brazil	16	10
Hardwares and softwares - Brazil	12	10
Expansion of the aggregates productive capacity - North America	10	39
New lines of co-processing - North America	9	13
Structural recovery - Brazil	8	
Agricultural supplies plant - Brazil	8	
New plant in Edealina - Brazil	5	101
Burden removal - aggregates - Brazil	3	8
Oven renovation - Spain, Tunisia and Morocco		12
Other	307	306
	1,832	2,028

Main projects in progress - zinc and byproducts ("VMH")	9/30/2016	12/31/2015
Vazante expansion project - Brazil	215	133
Mineral extraction - Peru	96	87
Security, health and environment projects - Brazil	79	133
Concentrated ore plant - Peru	60	52
Pucurhuay hydroelectric plant - Peru	28	41
Reject treatment line - Peru	22	70
Mineral grinding - Peru	18	19
Production line construction - Brazil	16	19
Desalination plant - Peru	14	24
Project Santa Bárbara - Peru	14	17
Modernization and production increase projects - Brazil	14	11
Plant maintenance project - Peru		64
Roasting - Peru		48
Information technology projects - Peru		20
General services - Peru		17
Other	150	82
	726	837

Main projects in progress - Steel	9/30/2016	12/31/2015
Mechanized underground operations involving metallurgical coal	129	142
Expansion project - Florestal	69	31
Revitalization and adaptation of plant	39	5
Repair plant operating equipment	31	44
Battery vertical repair project	22	12
Modernization of plant operating equipment	19	22
Expansion project - Resende	12	17
Expansion project - Barra Mansa	12	8
Security projects, health and environment	7	32
Ore project exploration program	6	7
Carbon extraction project	5	5
Scrap crushing equipment project		9
Other	14	34
	365	368

Main projects in progress - Aluminum ("CBA")	9/30/2016	12/31/2015
Rondon Alumina project	107	100
Automation system modernization	30	25
Alumina factory project	25	22
Revitalization and adequacy of power plant	24	22
Plastic transformation and foundry projects	23	44
Furnace refurbishment	22	12
Furnace rooms project	18	20
Mining projects	18	13
Project safety, health and environment	12	8
Calcination furnace	5	5
Oven rooms VIII	3	3
Other	3	13
	290	287

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16 Intangible assets

(a) Breakdown and changes

	1/1/2016 to 9/30/2016								1/1/2015 to 9/30/2015	
	Rights over natural resources	Goodwill	ARO (i)	Use of public assets	Contracts, customer relationships and agreements	Software	Rights over trademarks and patents	Other	Total	Total
Opening balance										
Cost	10,088	7,013	840	541	489	574	491	823	20,859	15,350
Accumulated amortization	(2,281)		(426)	(141)	(283)	(425)	(362)	(371)	(4,289)	(2,832)
Net opening balance	7,807	7,013	414	400	206	149	129	452	16,570	12,518
Additions	2		1			12	1	81	97	69
Disposals										(21)
Amortization and depletion	(310)		(38)	(14)	(19)	(38)	(20)	(12)	(451)	(413)
Foreign exchange variation	(1,082)	(907)	(20)		(34)	(13)	(19)	(86)	(2,161)	4,159
Raclassification of assets kept for sale										(12)
Effect of subsidiaries included and (excluded) in consolidation	3	(770)				2			(765)	
Provision for impairment	(1)	(19)							(20)	(95)
Revision of estimated cash flow			11						11	4
Transfers	64		55			24	1	(1)	143	237
Closing balance	6,483	5,317	423	386	153	136	92	434	13,424	16,446
Cost	8,686	5,317	929	541	406	561	417	762	17,619	20,711
Accumulated amortization	(2,203)		(506)	(155)	(253)	(425)	(325)	(328)	(4,195)	(4,265)
Net closing balance	6,483	5,317	423	386	153	136	92	434	13,424	16,446
Average annual amortization and depletion rates - %	7		7	7	7	7	10	8		

(i) Asset retirement obligation.

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17 Borrowing

(a) Breakdown and fair value

Type	Average annual charges (i)	Current (iii)		Non-current		Total		Fair value	
		9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Local currency									
Debentures	110.30% CDI	178	631	3,802	4,723	3,980	5,354	3,940	4,998
BNDES	TJLP + 2.61% / 4.58% fixed rate BRL / SELIC + 2.61%	585	668	1,219	1,400	1,804	2,068	1,661	1,710
Development promotion agency	7.42% fixed rate BRL / TJLP + 1.22%	25	10	198	219	223	229	192	158
FINAME	4.84% fixed rate BRL / TJLP + 2.60%	30	32	122	143	152	175	124	119
Export credit notes	8.00% fixed rate BRL	101	131		100	101	231	97	216
Comercial notes	TR + 12.36%	(2)		259		257		256	
Other		16	11	18	18	34	29	29	30
		933	1,483	5,618	6,603	6,551	8,086	6,299	7,231
Foreign currency									
Eurobonds - USD	6.39% fixed rate USD	181	123	7,897	9,510	8,078	9,633	8,048	8,157
Eurobonds - EUR	3.36% fixed rate EUR	33	85	3,534	4,837	3,567	4,922	3,507	3,543
Loans - Resolution 4131 (ii)	LIBOR USD + 1.47% / 3.02% fixed rate USD	8	8	3,121	3,393	3,129	3,401	3,117	3,399
Export prepayments	LIBOR USD + 1.25%	(2)	(3)	1,943	2,335	1,941	2,332	2,017	2,417
Syndicated loan/bilateral agreements	Euribor + 2.00% / 7.64% fixed rate	40	2	1,252	659	1,292	661	1,299	721
Working capital	IBR + 3.37% / 9.25% fixed rate INR	93	633			93	633	95	635
BNDES	UMBNDDES + 2.41%	166	233	215	399	381	632	375	660
Development promotion agency	LIBOR USD + 1.38%	25	31	107	158	132	189	137	196
Other		6	21	25	21	31	42	31	44
		550	1,133	18,094	21,312	18,644	22,445	18,626	19,772
		1,483	2,616	23,712	27,915	25,195	30,531	24,925	27,003
Interest on borrowing		437	393						
Current portion of long-term borrowing		952	1,606						
Short-term borrowing		94	617						
		1,483	2,616						

(i) The average annual charges are presented only for agreements that represent a large share of the total debt amount.

(ii) Loans relating to Resolution 4131 have swaps that intent to both exchange rates (LIBOR and fixed rates for floating CDI rates) and currency (US dollars for reais), and resulted in a final weighted cost of 103.48% p.a. of the CDI. The borrowing of this type relates to compound financial instruments, contracted as a single product with the financial institution (debt in US dollars + swap to a % of CDI in reais). The terms and conditions of the loan and derivative instrument are configured as a compound operation, so that the resulting cost is a debt adjusted in CDI in reais. The difference in measurement between the two instruments (loan at amortized cost x derivative at fair value), creates an accounting mismatch in the statement of income. To eliminate this accounting mismatch, some of the borrowing contracts were designated under fair value, and the effect of this designation is the measurement of debt at fair value through profit or loss, according to Note 27.

(iii) The balance shown as negative relates to borrowing costs.

BNDES	- National Bank for Economic and Social Development.
BRL	- Brazilian Currency (Real).
CDI	- Interbank Deposit Certificate.
EUR	- European Union currency (Euro).
EURIBOR	- Euro Interbank Offered Rate.
FINAME	- Government Agency for Machinery and Equipment Financing.
HIBOR	- Hong Kong Interbank Offered Rate.
IBR	- Inter-Bank Rate (Colômbia).
INR	- India Rupee
LIBOR	- London Interbank Offered Rate.
PBoC	- People's Bank of China.
SELIC	- <i>Sistema Especial de Liquidação e Custódia</i> (Special System for Clearance and Custody).
TJLP	- Long-term interest rate set by the National Monetary Council. The TJLP is the BNDES basic cost of financing.
TR	- Reference Rate ("Taxa Referencial")
UMBNDDES	- Monetary unit of the BNDES reflecting the weighted basket of currencies of foreign currency debt obligations. On September 30, 2016, 99.35% of the basket was comprised of US dollars.
USD	- US dollar.

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(b) Maturity

	2016	2017	2018	2019	2020	2021	2022	2023	2024	As from 2025	Total
Local currency											
Debentures	166	13	391	1,316	1,325	600	160	3	3	3	3,980
BNDES	168	541	487	296	112	82	45	24	19	30	1,804
Development promotion agency	3	30	31	31	31	31	23	22	20	1	223
FINAME	8	28	22	22	21	20	18	10	3		152
Export credit notes	1	100									101
Comercial notes (i)	(1)	258									257
Other	5	13	12	4							34
	350	983	943	1,669	1,489	733	246	59	45	34	6,551
	5.34%	15.01%	14.39%	25.48%	22.73%	11.18%	3.76%	0.90%	0.69%	0.52%	100.00%
Foreign currency											
Eurobonds - USD (i)	182	(2)	(2)	668	311	778	(1)	1,112	1,298	3,734	8,078
Eurobonds - EUR (i)	(2)	33	(9)	(9)	(9)	2,036	1,527				3,567
Loans - Resolution 4131 (i)	9	(2)	560	644	1,593	325					3,129
Export prepayments		160	971	810							1,941
Syndicated loans/bilateral agreement	9	33	121	248	262	246	142	138	46	47	1,292
Working capital	1	92									93
BNDES	48	153	109	58	10	2	1				381
Development promotion agency		25	24	24	24	18	11	6			132
Other	3	9	7	1	1	1	1	1	5	2	31
	250	501	1,781	2,444	2,192	3,406	1,681	1,257	1,349	3,783	18,644
	1.34%	2.69%	9.55%	13.11%	11.76%	18.26%	9.02%	6.74%	7.24%	20.29%	100.00%
Total	600	1,484	2,724	4,113	3,681	4,139	1,927	1,316	1,394	3,817	25,195
	2.38%	5.89%	10.81%	16.32%	14.61%	16.44%	7.65%	5.22%	5.53%	15.15%	100.00%

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

(c) Changes

	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
Opening balance	30,531	24,003
Foreign exchange variation	(3,654)	7,031
New borrowing	3,030	5,458
Interest	1,322	1,305
Effect of subsidiaries included in consolidation	4	
Addition of borrowing fees, net of amortization	20	(23)
Fair value adjustment - Resolution 4131	(27)	(50)
Discount on repurchase of bonds	(172)	
Payments - interest	(1,195)	(1,253)
Payments - principal	(4,664)	(6,407)
Closing balance	25,195	30,064

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(d) Breakdown by currency

	Current		Non-current			Total
	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Real	933	1,483	5,618	6,603	6,551	8,086
US dollar	256	224	13,140	15,631	13,396	15,855
Currencies basket	125	182	144	277	269	459
Euro	38	85	4,132	5,261	4,170	5,346
Turkish lire	31		326		357	
Boliviano	2		325		327	
Chinese yuan		399				399
Hong Kong dollar		131				131
Other	98	112	27	143	125	255
	1,483	2,616	23,712	27,915	25,195	30,531

(e) Breakdown by index

	Current		Non-current			Total
	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Local currency						
CDI	178	631	3,802	4,723	3,980	5,354
TJLP	539	611	1,075	1,329	1,614	1,940
Fixed rate	203	233	333	491	536	724
TR (i)	(2)		259		257	
SELIC	15	8	149	60	164	68
	933	1,483	5,618	6,603	6,551	8,086
Foreign currency						
Fixed rate	304	283	12,811	14,901	13,115	15,184
LIBOR	30	34	4,834	5,588	4,864	5,622
UMBNDDES	166	233	215	399	381	632
EURIBOR	3		234	424	237	424
PBoC		399				399
HIBOR		131				131
Other	47	53			47	53
	550	1,133	18,094	21,312	18,644	22,445
	1,483	2,616	23,712	27,915	25,195	30,531

(i) The negative balances relate to borrowing costs.

(f) Collateral

On September 30, 2016, R\$ 10,794 (December 31, 2015 - R\$ 9,902) of the balance of the Company's borrowing was collateralized under promissory notes and sureties and R\$ 152 of the property, plant and equipment items (December 31, 2015 - R\$ 175) were collateralized by liens on the financed assets.

(g) Covenants/financial ratios

Certain loans and financing are subject to compliance with certain financial ratios ("covenants"). When applicable, such obligations are standardized for all loans and financing.

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

(h) New borrowing

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

The main new borrowing transactions carried out in 2016 were as follows:

- On February 22, 2016, the subsidiary VCSA signed a contract in accordance with Resolution 4131 for USD 100 million (R\$ 404) maturing in February 2020 and the final cost of 103% p.a. of the CDI, after conducting the swap. This operation is guaranteed by its subsidiary VCNA and the funds were used for the early redemption of debentures.
- On February 25, 2016, the subsidiary VCSA renegotiated the contractual terms of the loan in accordance with Resolution 4131, signed in October 2014, totaling USD 100 million (R\$ 248). The Company has extended the deadline of 2017 to 2021 and renegotiated the cost of the swap from 103.0% to 109.9% of the CDI.
- On March 2, 2016, the subsidiary VCSA announced a tender offer to repurchase its bonds emissions in euro maturing in 2021 and 2022. In March 2016, it repurchased EUR 69 million (R\$ 284), the main issue maturing in 2021, and EUR 53 million (R\$ 218), the main issue maturing in 2022. The total cash outlay was EUR 90 million (R\$ 368). The financial settlement occurred on March 17, 2016, and generated a revenue (negative goodwill) of R\$ 149.
- On March 16, 2016, the subsidiary VCSA renegotiated the contractual conditions of the second public issue of debentures, which reached the amortized amount of R\$ 200, maturing in October 2018 to March 2021, maintaining the original conditions.
- On March 30, 2016, the subsidiary Itacamba Cimentos S.A. held the second release of unionized loan-line resources contracted in 2015 in the amount of BOB 835 million. The amount released in March 2016 was BOB 278 million (R\$ 144) and will be used to finance the expansion of a local cement plant. On August 5, 2016, was held the third release in the amount of BOB 209 million (R\$ 96).
- On June 27, 2016, the subsidiary Votener made the first issue of commercial promissory notes, in one series, amounting to R\$ 250. Maturing in December, 2017, they are remunerated by the Reference Rate (Taxa Referencial - "TR", calculated and published by Banco Central do Brasil) plus a spread of 12.36% p.a. This operation is guaranteed by the Company and the proceeds of the borrowing will be used for the development of wind farms.
- In June, 2016, the subsidiary Votorantim Cimentos EAA Inversiones, S.L. - ("VCEAA") contracted loans in the value of EUR 65 million (R\$ 230), maturing in 2021 and 2023. The proceeds of these operations were used to anticipate the payment of borrowing maturing in 2017. For the same purpose, in July 2016, VCEAA contracted loans amount of EUR 100 million (R\$ 358), maturing in 2021 and 2023.
- In August 2016, the company Votorantim Çimento Sanayi ve Ticaret Anonim Şirketi, a subsidiary of VCEAA, contracted a loan amounting to TRY 330 million (R\$ 361) maturing in 2023. This operation is guaranteed by VCEAA and part of the proceeds were used for the payment of debts in China.

18 Confirming payable

The subsidiaries entered in agreement with financial institutions, aiming to anticipate receivables from suppliers in domestic and foreign markets. In this operation, suppliers transfer the right to receive its accounts receivable related to sales of goods to financial institutions.

Operations - Confirming payable	9/30/2016	12/31/2015
Trade payables - domestic market	428	264
Trade payables - foreign market	486	819
	914	1.083

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19 Current and deferred income tax and social contribution

(a) Reconciliation of income tax and social contribution expenses

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

The income tax and social contribution amounts presented in the statements of income for the periods ended September 30 are reconciled to their Brazilian standard rates as follows:

	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
Profit before income tax and social contribution	818	972
Standard rates	34%	34%
Income tax and social contribution at standard rates	(278)	(330)
Adjustments for the calculation of income tax and social contribution at effective rates		
Equity in the results of investees	212	1
Differences in the tax rates of foreign subsidiaries	94	48
Tax on mining operations	(25)	(28)
Income tax and social contribution losses without recording the deferred amounts	(222)	(89)
Other exclusions, net	14	14
Income tax and social contribution calculated	(205)	(384)
Current	(488)	(594)
Deferred	283	210
Income tax and social contribution expenses	(205)	(384)
Effective rate	25%	40%

(b) Breakdown of deferred tax balances

	9/30/2016	12/31/2015
Tax credits on tax losses	2,045	2,091
Tax credits on temporary differences		
Foreign exchange gains	1,431	2,544
Tax, civil and labor provision	531	489
Estimation for losses on investments	482	200
Tax benefit on goodwill	267	4
Use of public assets	179	183
Deferred losses on derivative instruments	169	33
Asset retirement obligation	164	127
Estimation for inventory losses	107	126
Fair value of biological assets	55	58
Environmental liabilities	32	31
Estimation for asset disposals	8	17
Other tax credits on temporary differences	330	321
Tax debits on temporary differences		
Accelerated depreciation and adjustment of useful lives	(1,618)	(1,428)
Market value adjustments to property, plant and equipment	(1,568)	(1,760)
Goodwill amortization	(358)	(300)
Financial instruments - firm commitment	(248)	(329)
Deferred gains on derivative instruments	(183)	(148)
Fair value adjustments	(177)	
Capitalized interest	(160)	(134)
Adjustment to present value	(59)	(56)
Pension funds	(43)	(40)
Asset retirement obligation	(5)	(7)
Borrowing costs	(4)	(5)
Other tax debits on temporary differences	(53)	(13)
Net	1,324	2,004
Net deferred tax assets related to the same legal entity	3,370	4,065
Net deferred tax liabilities related to the same legal entity	(2,046)	(2,061)

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

	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
Opening balance	2,004	692
Effects on the results of the period	283	210
Deferred income tax and social contribution on hedge accounting	(928)	1,930
Effects of foreign exchange variation in other comprehensive income	145	(327)
Effect of subsidiaries included in the consolidation	(153)	
Other	(27)	75
Closing balance	1,324	2,580

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20 Deferred revenue - obligation for performance

In December 2014, the subsidiary Votener assigned to a financial institution the receivables up to the December 2019 maturity due to contracts for Electrical Energy Trading in the Regulated Environment, which are being carried realized with the physical delivery of energy. This operation amounted to R\$ 1,252, with no right of return and without the Company holding joint liability. For the assignment of receivables, Votener received a total amount of R\$ 904, and the interest to be appropriated is being recognized pro rata to income over the term of the contract.

In May 2015, the Votener carried out a second credit assignment operation, without any right of return and without the Company holding joint liability, totaling R\$ 368. For the assignment of receivables, the Votener received the total amount R\$ 251, and the interest to be appropriated is being recognized pro rata to income over the term of the contract.

The updated amount of these operations to be recognized as at September 30, 2016 is R\$ 1,146 of principal and R\$ (320) of interest, totaling R\$ 826 in the balance sheet (December 31, 2015 - R\$ 1,391 of principal. The interest expenses recorded in the statement of income totaled R\$ 74 (September 30, 2015 - R\$ 52).

21 Provision

(a) Breakdown and changes

							1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
	Legal claims							
	ARO (i)	Restructuring	Tax	Labor	Civil	Other	Total	Total
Opening balance	1,159	20	595	180	173	62	2,189	1,910
Present value adjustment	38						38	33
Additions	2		77	86	42	10	217	177
Reversals		(19)	(62)	(78)	(24)	(7)	(190)	(205)
Judicial deposits, net of write-offs			(36)	(20)	(2)		(58)	11
Settlement with cash	(20)		(4)	(21)	(12)	(3)	(60)	(149)
Settlement with compensation of judicial deposits				(5)			(5)	
Transfers								(24)
Effect of subsidiaries included in consolidation			56	20	3		79	
Monetary restatement	1		89	37	17	2	146	111
Foreign exchange variation	(102)	(1)	(7)	(3)	(1)	(10)	(124)	214
Revision of estimated cash flow	2						2	
Closing balance	1,080		708	196	196	54	2,234	2,078

(i) Asset retirement obligation

(b) Provision for tax, civil, labor, other contingencies and outstanding judicial deposits

	9/30/2016			12/31/2015				
	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)
Tax	(545)	1,253	708	254	(509)	1,104	595	224
Labor	(97)	293	196	85	(77)	257	180	39
Civil	(14)	210	196	100	(12)	185	173	86
Other		54	54	3		62	62	
	(656)	1,810	1,154	442	(598)	1,608	1,010	349

(i) The Company has balances deposited in relation to lawsuits classified by management, following the directions of the Company's legal counsel, as remote or possible loss and, therefore, they are made without the respective provision.

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(c) Litigation with likelihood of loss considered possible

The Company is party to litigations involving a risk of possible loss, to which there is no constituted provision detailed below.

	9/30/2016	12/31/2015
Civil	7,135	6,766
Tax	7,039	4,983
Environmental	485	539
Labor and social security	422	429
	15,081	12,717

(c.1) Comments on contingent tax and public rights liabilities with likelihood of loss considered possible

Nature	9/30/2016	12/31/2015
"ICMS" - Credit utilization (i)	877	
Compensation for exploration for mineral resources	544	476
Disallowances of "PIS/COFINS" credits	311	367
Tax assessment notice – "IRPJ/CSLL" (ii)	313	154
Disallowance of "IRPJ" negative balance (iii)	309	155
Offset of tax loss – 30% limit (merger)	267	250
"IRPJ/CSLL" - transfer costs (iv)	217	
"ICMS" - transfer costs	215	206
"IRPJ/CSLL" – Profits abroad	167	155
"ICMS" requirement on TUSD	131	199
Other lawsuits of individual amounts lower than R\$ 100	3,688	3,021
	7,039	4,983

The balances from 2016 that have no comparative basis relate substantially to the effects of the subsidiaries arising from the VPAR incorporation operation, according to Note 1 (i).

The main changes in the proceedings that occurred in the period ended September 30, 2016, compared to those detailed in Note 23 (e.1) to the last annual financial statements were:

(i) "ICMS" - Credit utilization

Between 2011 and 2013, eight infringement and imposition assessments were registered against Citrovita Agro Industrial Ltda., aiming at, mainly, the payment of "ICMS" already credited, as highlighted in transfer invoices to other subsidiaries for exportation, which cannot be taxed. The assessments are worth, on September 30, 2016, R\$ 877.

From the eight mentioned litigations, only one awaits trial in the first administrative instance, while all the other ones have already had decision published by this instance, being: (i) three of them with decision totally unfavorable; (ii) four of them in which the decision maintained only in part, decreasing the registered value. Because of these decisions, the Company and Procuradoria da Fazenda Estadual de São Paulo presented recourses, which await appraisal by the Taxation and Duty Court.

(ii) Tax assessment notice – "IRPJ/CSLL"

In April 2015, the company was assessed by the Federal Revenue of Brazil demanding payment of income tax and social contribution due to the disallowance of the deductibility of expenses under the "REFIS" (Law 11,941/09) made in the 2010 calendar year. The objection was judged valid by the "DRJ" and the tax credit was dismissed. The tax authorities appealed against the decision. Currently, the Company awaits the judgment of the Office of Appeal. On September 30, 2016, the fined updated value is R\$ 313.

(iii) Disallowance of "IRPJ" negative balance

VSA, its subsidiary CBA and Cia. Brasileira Nitroquímica LTDA.- ("CNQB"), sold by the Company to third parties, received assessment notices relating to the disallowance of negative balance of income tax for the 2006 calendar year (VSA), 2003, 2004 and 2006 (CNQB) and 2008 (CBA), totaling a restated amount of R\$ 309 on September 30, 2016. The case is currently awaiting judgment on the objections presented by the companies. Responsibility for any liabilities of CNQB, according to the purchase agreement, lies with the Company.

(iv) "IRPJ/CSLL" - transfer costs

Between 2007 and 2010 four infringement assessments were registered against the subsidiary Citrovita Agro Industrial Ltda., aiming the payment of "IRPJ" and "CSLL" and the adjustment in the base for fiscal loss and the negative base for "CSLL", because of disallowances made in the adjustments that happened when calculating transfer costs, in 2003 and 2004 periods, worth R\$ 217, updated until September 30, 2016.

All litigation were judged by the Delegacia da Receita Federal de Julgamento, being three of them in favor of Citrovita. In another case, the decision was partially favorable. Because of that, the recourses were presented and, at the moment await judgment by the Conselho Administrativo de Recursos Fiscais.

(c.2) Comments on contingent civil liabilities with likelihood of loss considered possible

Nature	9/30/2016	12/31/2015
Public civil suit - Violation of the economic order	3,550	3,309
Administrative investigations carried out by the Secretariat of Economic Law ("SDE")	2,076	1,919
Arbitration – Petrolina Aggregates Operation (i)		317
Indemnity lawsuits	278	270
Litigation with a São Paulo transportation company	176	168
Litigation with SDE	49	46
Other lawsuits	1,006	737
	7,135	6,766

The main changes in the proceedings that occurred in the Semester ended September 30, 2016, compared to those detailed in Note 23 (e.3) to the last annual financial statements were:

(i) Arbitration - Petrolina Aggregates Operation

This refers to arbitration proceedings filed with the Centro das Indústrias do Estado de São Paulo ("CIESP")/Federação das Indústrias do Estado de São Paulo ("FIESP") Conciliation, Mediation and Arbitration Chamber, initiated in January 2014, which regards to the sale of shares in the companies São Francisco Zeta and Petrolina Zeta to Pedra Negra, and the sellers' obligation to engage in a new business in Palmas - Tocantins, which afterward would be sold to Pedra Negra. The claimants request: (i) the rescission of the agreement entered into by the parties, even if partially; and (ii) that Pedra Negra be sentenced to pay compensation for damages and pain and suffering. Pedra Negra, on the other hand, requests: (i) that the sellers be sentenced to buy back the shares held by shareholders P-z and SF-z and pay the amounts agreed with the defendant in the Agreement for the Acquisition of São Francisco Zeta and Petrolina Zeta Shares, or alternatively (ii) the termination of the agreements by exclusive fault of the sellers, and that the sellers be sentenced to return the amounts disbursed by Pedra Negra under such agreements, duly adjusted for inflation; and (iii) that the sellers be sentenced to pay compensation for damages related to the nonperformance of the agreements entered into by the parties. On February 2016, the Arbitration Chamber delivered a judgment considering Mario Gonzaga's requests unfounded and upheld Pedra Negra's requests, declaring that Mario Gonzaga repurchased the operations, and requiring him to pay the amount set in the contract to Pedra Negra within 30 days. Mario Gonzaga presented a clarification request and Pedra Negra its response. On April 2016, the court rejected the request for clarification and maintained the verdict in all of its terms, starting to run the time of 30 days for voluntary settlement of the decision by Mario Gonzaga. Before the deadline Mario Gonzaga filed a lawsuit, with an injunction request to suspend the decision of the arbitration, alleging defects. The judge granted the lawsuit to suspend the decision of the arbitration. In September 2016, the arbitration litigation was terminated in the contingencies report, given that no further action against following the decision may be issued by the Arbitration Court.

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22 Equity

(a) Share capital

On September 30, 2016, the fully subscribed and paid up capital of the Company was R\$ 28,656 (December 31, 2015 - R\$ 21,419) consisting, on September 30, 2016 and December 31, 2015, of 18,278,789 thousand common shares.

At the Extraordinary General Meeting held on January 1, 2016, the Directors approved an increase in the Company's share capital through the merger of VPAR in the amount of R\$ 7,237, without issuing new shares and without stock change of control, as explained in Note 1 (i).

(b) Dividends

At the Ordinary General Meeting held on April 29, 2016, the Company reverted R\$ 113 regarding VPAR 2015 minimum mandatory dividends, incorporated to the Company.

23 Net revenue

	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
Gross revenue		
Sales of products - domestic market	12,615	13,803
Sales of products - foreign market	10,656	10,730
Supply of electric energy	1,845	2,406
Services provided	526	702
	25,642	27,641
Taxes on sales, services and other deductions	(4,004)	(4,166)
Net revenue	21,638	23,475

24 Expenses by nature

	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
Raw materials, inputs and consumables	11,977	12,932
Employee benefit expenses	3,520	3,386
Depreciation, amortization and depletion	2,103	2,020
Outsourced services	1,274	1,266
Transportation expenses	923	910
Other expenses	175	145
	19,972	20,659
Reconciliation		
Cost of products sold and services rendered	16,930	17,753
Selling expenses	1,435	1,326
General and administrative expenses	1,607	1,580
	19,972	20,659

25 Employee benefit expenses

	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
Salaries and bonuses	2,137	2,098
Payroll charges	869	825
Social benefits	514	463
	3,520	3,386

26 Other operating expenses, net

	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
Gain (loss) on sale of investments, net (i)	312	(2)
Gain on sale of fixed and intangible assets, net	38	7
Tax benefits	86	117
Net gain on co-processing	9	7
Recovery of taxes	6	16
Provision impairment of fixed assets (ii)	(51)	(40)
Financial instrument - firm commitment (iii)	(166)	(219)
Gain (loss) on hedge	(80)	21
Spending on not activatable projects (iv)	(141)	(96)
Other income (expenses), net	(30)	19
	(17)	(170)

(i) Relates mainly to the sale of the indirect investee Sirama for the amount of R\$ 293, as described in Note 1 (ii); the sale of the stake that the Company and the subsidiary VCSA held in Candiota Mining Ltda., amounting to R\$ 9; and the proceeds of R\$ 10 received in May 2016, arising from the contractual terms on the sale of the company Sul Americana de Metais S.A.

(ii) Relates mainly to the impairment of the investees Votorantim Europe KFT and Votorantim Warehouses NV, amounting to R\$ 43.

(iii) The realization of the financial instrument is recorded against the sales revenue, in accordance with the physical delivery of energy (Note 13).

(iv) Relates mainly to spending on research and development phase of mining projects in zinc and byproducts ("VMH") segment in line with the Company's investment strategy.

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27 Finance results, net

	1/1/2016 to 9/30/2016	1/1/2015 to 9/30/2015
Finance income		
Income from financial investments	587	371
Discount on repurchase of bonds	172	
Fair value of borrowings	109	50
Interest on financial assets	116	82
Monetary updating of assets	99	98
Interest on related-party transactions (Note 12)	17	43
Discounts obtained	14	25
Other finance income	13	114
	1,127	783
Finance costs		
Interest on borrowing	(1,333)	(1,343)
Capitalization of borrowing costs	45	69
Interest on anticipation of receivables	(76)	(54)
Interest and monetary restatement - use of public assets	(96)	(88)
Monetary restatement of provisions	(143)	(161)
Income tax on remittances of interest abroad	(73)	(91)
Fair value of loans and financing	(82)	
Borrowing fees	(45)	(48)
"PIS/COFINS" on financial results	(46)	
Adjustment to present value CPC 12	(49)	(41)
Discounts granted	(23)	(35)
Interest on related-party transactions (Note 12)		(27)
Premium paid on repurchase of bonds		(98)
Adjustments to monetary restatements on tax credits - "Plano Verão"		(55)
Other finance costs	(165)	(118)
	(2,086)	(2,090)
Income from derivative financial instruments (Note 5.3 (b))		
Revenue	45	660
Expenses	(1,096)	(242)
	(1,051)	418
Foreign exchange and monetary variation, net	555	(787)
Finance results, net	(1,455)	(1,676)

28 Insurance

	Facilities, equipment and inventories
Type of coverage	Coverage amount
Property damage	54,588
Loss of profits	9,612

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29 Supplemental information - business segments

In order to provide a higher level of information, the Company has elected to disclose financial information by business segment. The following information refers to the opening of the VSA by business segments and considers the elimination of balances and transactions between companies before: (i) the eliminations between business segments; (ii) the elimination of investments held by the holding companies.

In addition, the eliminations and reclassifications among companies are highlighted, so that the net result corresponds to the consolidated financial information of VSA disclosed as supplemental information. This supplementary information is not intended to be in compliance with and is not required by accounting practices adopted in Brazil or by "IFRS".

(a) Capital management

The financial leverage ratios are calculated according to the information of the industrial segments, considering the accumulated result of 12 months, as loan covenants, are summarized as follows:

	Industrial segments	
	10/1/2015 to 9/30/2016	1/1/2015 to 12/31/2015
Adjusted EBITDA		
Profit for the period	414	382
Plus (less):		
Equity in the results of investees	(938)	(311)
Net financial results - continuing operations	1,814	2,012
Net financial results - discontinued operations	9	9
Income and social contribution taxes - continuing operations	785	972
Income and social contribution taxes - discontinued operations	(2)	(2)
Depreciation, amortization and depletion - continuing operations	2,837	2,754
Depreciation, amortization and depletion - discontinued operations		1
EBITDA before the results of subsidiaries and joint ventures	4,919	5,817
Plus (less):		
Dividends received	784	716
Extraordinary items		
EBITDA - discontinued operations	(4)	2
Fair value of biological assets	38	45
Impairment - property, plant, equipment	587	651
Gain on sale of investments, net	(550)	(238)
Provision (reversal) for impairment of investments	40	(3)
Other	(2)	4
Adjusted annualized EBITDA (A)	5,811	6,994
Net debt 2016 and 2015		
Borrowing	25,195	30,531
Cash and cash equivalents, financial investments and derivative financial instruments	(8,304)	(11,085)
Net debt (B)	16,891	19,446
Gearing ratio (A/B)	2.91	2.78

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(b) Balance sheet - business segments

										9/30/2016
	Cement	Zinc and byproducts ("VMH")	Aluminum ("CBA")	Steel	Holding and other	Eliminations and reclassifications	Total, industrial segments	Votorantim Finanç	Eliminations and reclassifications	Total, consolidated
Assets										
Current										
Cash and cash equivalents, financial investments and derivative financial instruments	4,089	2,277	1,026	192	1,238		8,822	110		8,932
Trade receivables	1,048	273	364	510	630	(337)	2,488			2,488
Inventory	1,452	919	615	668	85		3,739			3,739
Taxes recoverable	389	292	306	159	147		1,293	81		1,374
Dividends receivable	4		12		176	(188)	4			4
Financial instruments - firm commitment			163		149		312			312
Other assets	256	84	42	42	65		489			489
	7,238	3,845	2,528	1,571	2,490	(525)	17,147	191		17,338
Assets classified as held-for-sale	46						46			46
Non-current assets										
Long-term receivables										
Financial investments and derivative financial instruments	162	2		118	185		467			467
Taxes recoverable	309	92	792	30	509		1,732			1,732
Financial instruments - firm commitment			332		103		435			435
Deferred income tax and social contribution	1,186	617	422	68	795	262	3,350	20		3,370
Related parties	376	1,274	361	18	2,494	(3,442)	1,081			1,081
Judicial deposits	195	26	135	40	46		442			442
Other assets	426	49	17	40	252		784			784
	2,654	2,060	2,059	314	4,384	(3,180)	8,291	20		8,311
Investments	1,068	1	897	113	32,271	(21,248)	13,102	4,676	(4,716)	13,062
Property, plant and equipment	12,624	5,513	5,090	3,109	1,508		27,844	1		27,845
Biological assets			4	64	64		132			132
Intangible assets	6,140	6,889	820	282	68	(775)	13,424			13,424
	22,486	14,463	8,870	3,882	38,295	(25,203)	62,793	4,697	(4,716)	62,774
Total assets	29,770	18,308	11,398	5,453	40,785	(25,728)	79,986	4,888	(4,716)	80,158

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										9/30/2016
	Cement	Zinc and byproducts ("VMH")	Aluminum ("CBA")	Steel	Holding and other	Eliminations and reclassifications	Total, industrial segments	Votorantim Finanças	Eliminations and reclassifications	Total, consolidated
Liabilities and equity										
Current liabilities										
Borrowing	830	100	279	190	84		1,483			1,483
Derivative financial instruments	226	142	18	43	66		495			495
Trade payables	1,111	801	402	353	398	(338)	2,727			2,727
Confirming payable	508	300	1	105			914			914
Salaries and payroll charges	360	205	124	97	77		863			863
Taxes payable	240	63	29	90	47		469	3		472
Advances from customers	31	4	19	109	16		179			179
Dividends payable	168	6	10		58	(188)	54			54
Use of public assets	31	5	25		3		64			64
Financial instruments - firm commitment				8			8			8
Related parties			223			(223)				
Deferred revenue - performance obligation					249		249			249
Other	373	38	41	74	60		586	1		587
	3,878	1,664	1,171	1,069	1,058	(749)	8,091	4		8,095
Non-current liabilities										
Borrowing	14,826	3,265	2,585	737	2,299		23,712			23,712
Derivative financial instruments	374	4		71	41		490			490
Deferred income tax and social contribution	511	961		138	268		1,878	168		2,046
Related parties	121	57	2,149	536	449	(3,219)	93			93
Provisions	866	691	478	106	93		2,234			2,234
Use of public assets	471	74	526		53		1,124			1,124
Pension plan	153			110			263			263
Financial instruments - firm commitment	7			12			19			19
Deferred revenue - performance obligation					577		577			577
Other	235	60	64	113	92		564			564
	17,564	5,112	5,802	1,823	3,872	(3,219)	30,954	168		31,122
Equity										
Total equity attributable to owners of the Company	7,752	7,517	4,425	2,490	35,855	(20,082)	37,957	4,716	(4,716)	37,957
Non-controlling interests	576	4,015		71		(1,678)	2,984			2,984
	8,328	11,532	4,425	2,561	35,855	(21,760)	40,941	4,716	(4,716)	40,941
Total liabilities and equity	29,770	18,308	11,398	5,453	40,785	(25,728)	79,986	4,888	(4,716)	80,158

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(c) Statement of income - business segments

	1/1/2016 to 9/30/2016										
	Cement	Zinc and byproducts ("VMH")	Aluminum ("CBA")	Steel	Nickel (**)	Holding and other	Eliminations and reclassifications	Total, industrial segments	Votorantim Finanças	Eliminations and reclassifications	Total, consolidated
Net revenue from products sold and services rendered	9,602	4,789	3,088	2,752	332	3,201	(2,126) (*)	21,638			21,638
Cost of products sold and services rendered	(7,202)	(3,539)	(2,688)	(2,263)	(489)	(2,875)	2,126 (*)	(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)	(11)		(1,607)
Other operating income (expenses), net	382	(191)	(168)	26	(41)	(25)		(17)			(17)
	(1,095)	(722)	(362)	(449)	(101)	(319)		(3,048)	(11)		(3,059)
Operating profit (loss) before equity results and finance results	1,305	528	38	40	(258)	7		1,660	(11)		1,649
Result from equity investments											
Equity in the results of investees	95	(1)	130	17	10	1,524	(1,190)	585	(25)	20	580
Realization of other comprehensive income on disposal of investments	44							44			44
	139	(1)	130	17	10	1,524	(1,190)	629	(25)	20	624
Finance results, net											
Finance income	715	42	114	38	28	264	(99)	1,102	25		1,127
Finance costs	(1,274)	(151)	(345)	(116)	(37)	(260)	98	(2,085)	(1)		(2,086)
Derivative financial instruments	(709)	(7)	1	(131)	(5)	(199)	(1)	(1,051)			(1,051)
Foreign exchange gains (losses), net	421	487	480	98	270	39	(1,240)	555			555
	(847)	371	250	(111)	256	(156)	(1,242)	(1,479)	24		(1,455)
Profit (loss) before income tax and social contribution	597	898	418	(54)	8	1,375	(2,432)	810	(12)	20	818
Income tax and social contribution											
Current	(203)	(163)	(23)	(57)		(39)		(485)	(3)		(488)
Deferred	66	(93)	(106)	(9)		100	330	288	(5)		283
Profit (loss) for the period from continuing operations	460	642	289	(120)	8	1,436	(2,102)	613	(20)	20	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	(2,102)	611	(20)	20	611
Profit (loss) attributable to the owners of the Company	429	533	289	(110)	8	1,436	(2,080)	505	(21)	21	505
Profit (loss) attributable to non-controlling interests	29	109		(10)			(22)	106	1	(1)	106
Profit (loss) for the period	458	642	289	(120)	8	1,436	(2,102)	611	(20)	20	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)).

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								1/1/2015 to 9/30/2015
	Cement	Zinc and byproducts ("VMH")	Aluminum ("CBA")	Steel	Nickel	Holding and other	Eliminations and reclassifications	Total, consolidated
Net revenue from products sold and services rendered	10,367	4,486	3,317	3,134	870	3,393	(2,092) (*)	23,475
Cost of products sold and services rendered	(7,433)	(3,555)	(2,633)	(2,520)	(803)	(2,901)	2,092 (*)	(17,753)
Gross profit	2,934	931	684	614	67	492		5,722
Operating income (expenses)								
Selling	(787)	(205)	(42)	(256)	(9)	(27)		(1,326)
General and administrative	(695)	(246)	(123)	(224)	(77)	(215)		(1,580)
Other operating income (expenses), net	137	(130)	(91)	31	(34)	(83)		(170)
	(1,345)	(581)	(256)	(449)	(120)	(325)		(3,076)
Operating profit (loss) before equity results and finance results	1,589	350	428	165	(53)	167		2,646
Result from equity investments								
Equity in the results of investees	149		42	7	5	(1,485)	1,284	2
Finance results, net								
Finance income	400	27	151	55	32	189	(71)	783
Finance costs	(1,269)	(125)	(341)	(134)	(44)	(248)	71	(2,090)
Derivative financial instruments	219	(9)	(5)	54	(8)	167		418
Foreign exchange gains (losses), net	(533)	(993)	(1,046)	(174)	(475)	(83)	2,517	(787)
	(1,183)	(1,100)	(1,241)	(199)	(495)	25	2,517	(1,676)
Profit (loss) before income tax and social contribution	555	(750)	(771)	(27)	(543)	(1,293)	3,801	972
Income tax and social contribution								
Current	(204)	(151)	(73)	(62)	(2)	(102)		(594)
Deferred	104	373	359	79		(24)	(681)	210
Profit (loss) for the period from continuing operations	455	(528)	(485)	(10)	(545)	(1,419)	3,120	588
Discontinued operations								
Loss for the period from discontinued operations	(9)							(9)
Profit (loss) for the period	446	(528)	(485)	(10)	(545)	(1,419)	3,120	579
Profit (loss) attributable to the owners of the Company	387	(488)	(485)	(12)	(545)	(1,419)	3,101	539
Profit (loss) attributable to non-controlling interests	59	(40)		2			19	40
Profit (loss) for the period	446	(528)	(485)	(10)	(545)	(1,419)	3,120	579

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

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(d) Adjusted EBITDA - business segments

	1/1/2016 to 9/30/2016									
	Cement	Zinc and byproducts ("VMH")	Aluminum ("CBA")	Steel	Nickel (**)	Holding and other	Eliminations and reclassifications	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	9,602	4,789	3,088	2,752	332	3,201	(2,126) (*)	21,638		21,638
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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)	(11)	(1,607)
Other operating income (expenses), net	382	(191)	(168)	26	(41)	(25)		(17)		(17)
	(1,095)	(722)	(362)	(449)	(101)	(319)		(3,048)	(11)	(3,059)
Operating profit (loss) before equity results and finance results	1,305	528	38	40	(258)	7		1,660	(11)	1,649
Plus:										
Depreciation, amortization and depletion - continuing operations	805	727	245	204	37	85		2,103		2,103
EBITDA	2,110	1,255	283	244	(221)	92		3,763	(11)	3,752
Plus:										
Dividends received	31		32			88		151	57	208
Exceptional items										
Loss (gain) on sale of investments, net	(297)	(2)	24			(37)		(312)		(312)
Provision (reversal) for impairment - fixed assets	10	(1)			(1)			8		8
Fair value of biological assets						(7)		(7)		(7)
Investment impairment						43		43		43
Adjusted EBITDA	1,854	1,252	339	244	(222)	179		3,646	46	3,692

(*) 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)).

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								1/1/2015 to 9/30/2015
	Cement	Zinc and byproducts ("VMH")	Aluminum ("CBA")	Steel	Nickel	Holding and other	Eliminations and reclassifications	Total, consolidated
Net revenue from products sold and services rendered	10,367	4,486	3,317	3,134	870	3,393	(2,092) (*)	23,475
Cost of products sold and services rendered	(7,433)	(3,555)	(2,633)	(2,520)	(803)	(2,901)	2,092 (*)	(17,753)
Gross profit	2,934	931	684	614	67	492		5,722
Operating income (expenses)								
Selling	(787)	(205)	(42)	(256)	(9)	(27)		(1,326)
General and administrative	(695)	(246)	(123)	(224)	(77)	(215)		(1,580)
Other operating income (expenses), net	137	(130)	(91)	31	(34)	(83)		(170)
	(1,345)	(581)	(256)	(449)	(120)	(325)		(3,076)
Operating profit (loss) before equity results and finance results	1,589	350	428	165	(53)	167		2,646
Plus:								
Depreciation, amortization and depletion - continuing operations	747	710	224	186	73	80		2,020
EBITDA	2,336	1,060	652	351	20	247		4,666
Plus:								
Dividends received	32			8		44		84
Exceptional items								
Provision (reversal) for impairment - fixed assets	75	(3)						72
Others				7	(1)			6
Adjusted EBITDA	2,443	1,057	652	366	19	291		4,828

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

30 Events after the reporting period

(a) Issuance and repurchase of bonds

On September 20, 2016, the subsidiary VCSA announced a bond repurchase (Tender Offer) of its issuances in Euro with maturity to 2021 and 2022. At the beginning of October 2016, the transaction was concluded with repurchase of the bonds through its subsidiary VCEAA amounting to EUR 331.8 million (R\$ 1,327) of principal from the issuance with maturity to 2021 and EUR 63.2 million (R\$ 231) with maturity to 2022, having a total cash disbursement amounting to EUR 397.8 million (R\$ 1,558).

On October 03, 2016, the subsidiary St. Marys Cement Inc. (Canada), issued bonds with maturity to 2027 and annual coupon of 5.75% amounting to US\$ 500 million (R\$ 1,617). The new issuance took place in the international market, with guarantees from VCNA and VCSA, and the resources were used to settle VCSA's Tender Offer issuances in Euro.

On November 11, 2016, it was approved by the Company's Management a partial reduction of VCEAA's share premium, amounting to EUR 221 million (R\$ 835), which settlement was made through the elimination of part of the bonds acquired by VCEAA on the Tender Offer operation.

(b) Administrative investigations carried out by the Secretariat of Economic Law ("SDE"), current General Superintendence of the Administrative Council for Economic Defense ("CADE")

On October 18, 2016, the CADE's court decided, unanimously, for the filing of the administrative proceeding initiated in 2003, recognizing the existence of conduct identity in this proceeding with the one initiated in 2006. Based on this decision, this proceeding that had the loss considered remote, is closed, with no penalties imposed to the subsidiary VCSA.

(c) Public Offering for Acquisition of Milpo shares

On October 27, 2016, the Administration of Milpo has approved the offer to repurchase 18.54% of its own shares, through a public offering for acquisition, on the Lima Stock Exchange.