



Votorantim

CORPORATE PRESENTATION

3Q12 RESULTS

November 2012

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Agenda

1 *Financial Highlights*

2 *Operational Performance*

3 *Closing Remarks*

Agenda

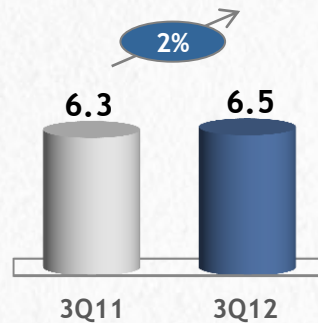
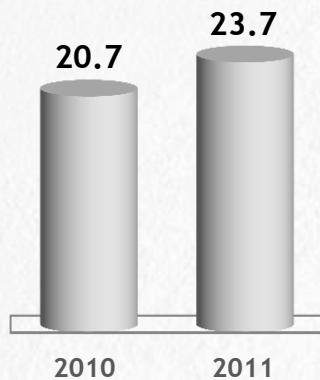
1 *Financial Highlights*

2 *Operational Performance*

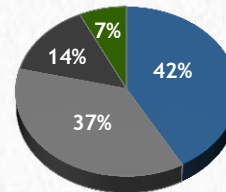
3 *Closing Remarks*

Portfolio diversification: Cement, Long Steel and Pulp partially offset Metals' weak operational results

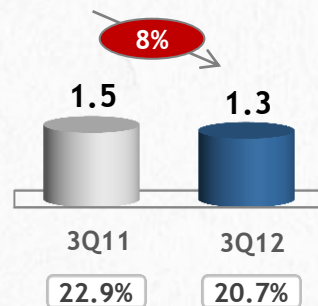
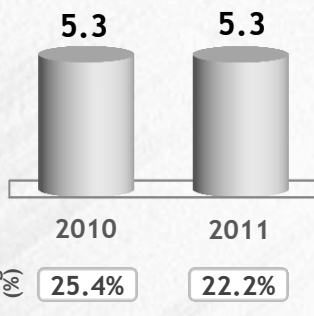
Net Revenues (R\$ bn)



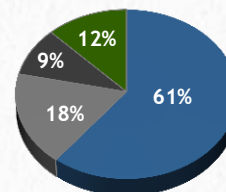
3Q12 Revenues Breakdown



EBITDA (R\$ bn)



3Q12 EBITDA Breakdown



Highlights

Cement

- Investments in production capacity increased revenues and EBITDA on the back of solid Brazilian infrastructure and housing markets

Long steel

- Prices and EBITDA recovery due to improvement in the industry dynamics

Pulp

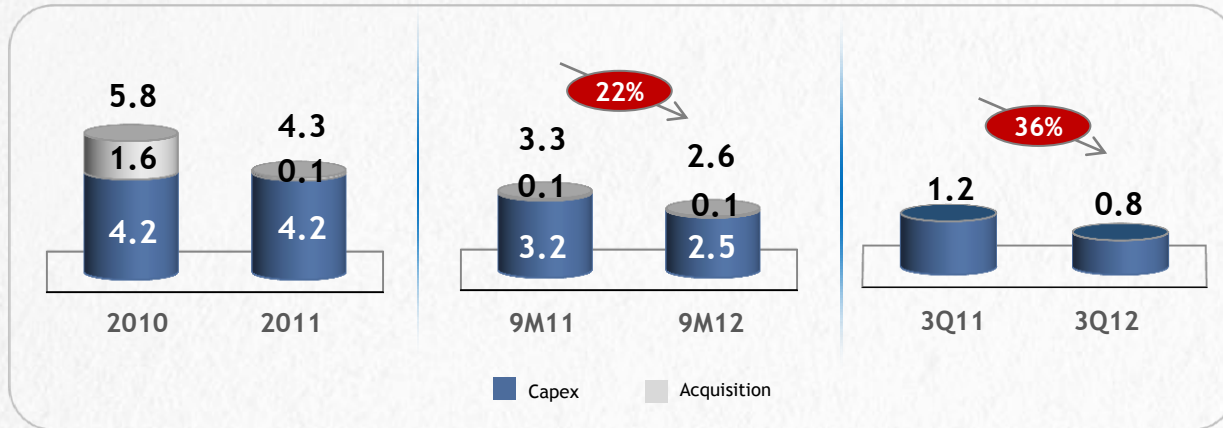
- Firm demand, stable prices in the international market and cost control resulted in higher EBITDA margin

Metals

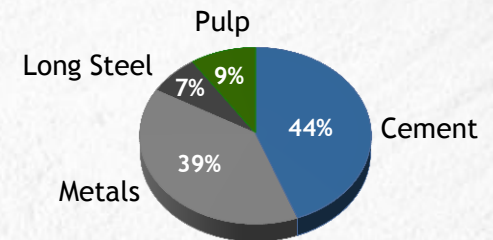
- Weaker than expected operational performance coupled with lower LME prices had a negative effect on EBITDA
- Management focused on EBITDA recovery and performance improvement

Selective approach to expansion projects in connection with deleverage commitment

Total Investments⁽¹⁾ (R\$ bn)



3Q12 CAPEX breakdown by business units⁽¹⁾



Highlights

Expansion projects amounted to R\$389 million or 51% of total CAPEX in 3Q12

Cement: Increase in production capacity represented 59% of total expansion CAPEX (R\$230 million) in the quarter

Metals: Mainly sustaining in Brazil (R\$124 million) and expansion of Cerro Lindo mine (R\$103 million) in Peru

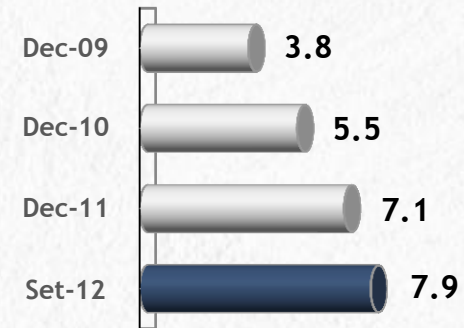
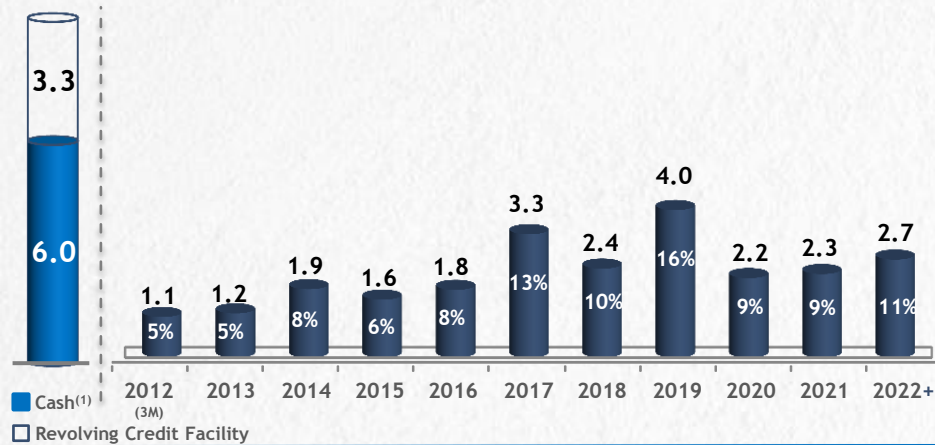
Long Steel: Expansion CAPEX focused on Sitrel project, which will increase laminated capacity by 150 kt in 2013

Pulp: Forest development and industrial maintenance

Smooth amortization schedule allows VID to focus on further improvement of funding mix

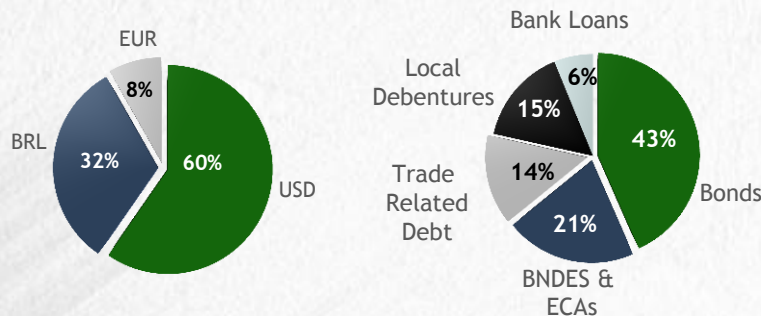
Debt Amortization schedule (R\$ bn) as of 09/30/12

Average Debt Maturity (years)



Funding Mix

Highlights



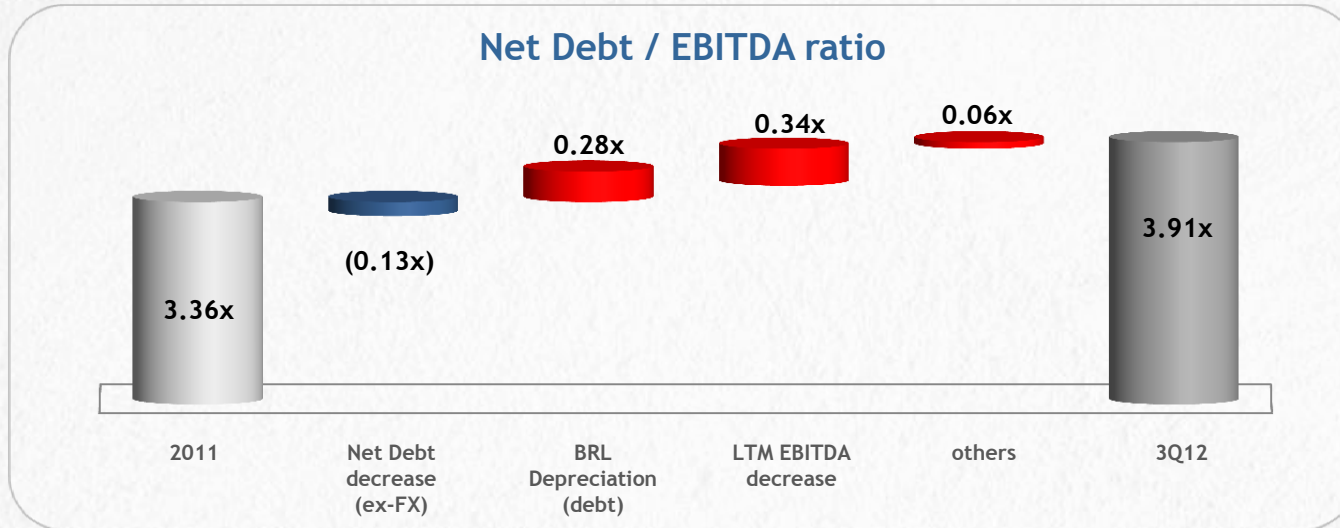
Average debt maturity of 7.9 years

Cash equals 3.4 years of debt amortization

No funding requirement in the short term and continuous focus on liability management

(1) Cash and cash equivalent
 (2) Last twelve months

Leverage temporarily affected by lower LME prices and BRL depreciation



Highlights

Excluding FX effect, net debt decrease reinforces VID's commitment to financial discipline

8% BRL depreciation increased YTD total debt by R\$1.5 billion

Challenging market conditions reflected by lower LME prices and weaker than expected operational performance in Metals decreased LTM EBITDA by 9%

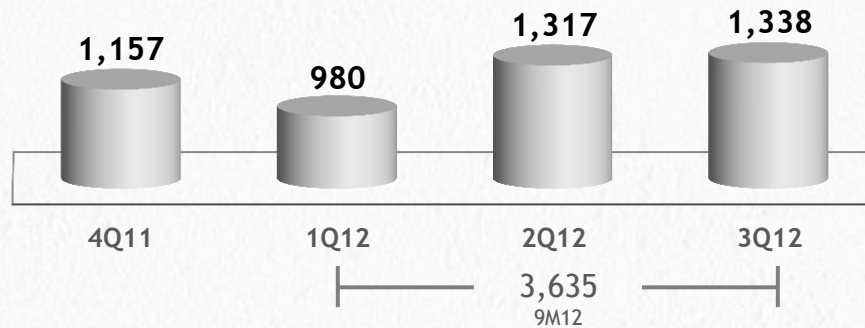
Management commitment towards EBITDA recovery and financial discipline shall change the leverage ratio trend in December 2012, assuming stable LME prices and FX

Cash flow structurally long in USD benefits from BRL devaluation

Current leverage was negatively impacted by 4Q11 and 1Q12 EBITDA

R\$ million

EBITDA



TOTAL DEBT	22,434	23,290	24,629	24,412
NET DEBT	17,672	15,456	17,422	18,130
LTM EBITDA	5,254	5,014	4,908	4,792
NET DEBT / EBITDA	3.36x	3.08x	3.53x	3.91x

Highlights

VID's quarterly EBITDA has been over R\$ 1.3 billion in the last two quarters. 4Q12 perspectives:

- Robust Cement business continuing to deliver solid results
- Maintenance of EBITDA margin due to price outlook for Long Steel
- Positive Pulp market momentum supportive of current prices and EBITDA margin
- Focus on Metals operational performance to improve LTM EBITDA

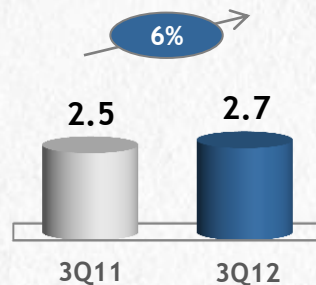
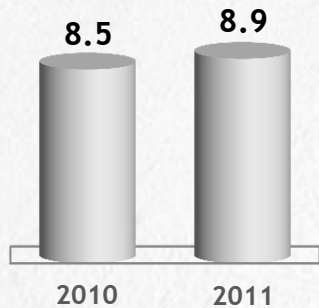
Agenda

1 *Financial Highlights*

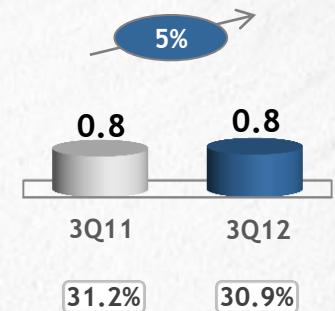
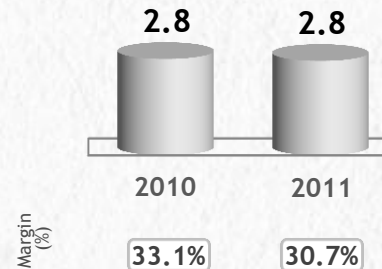
2 *Operational Performance*

3 *Closing Remarks*

Revenues (R\$ bn)

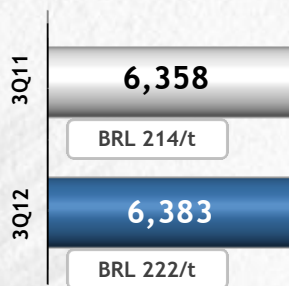


EBITDA (R\$ bn)

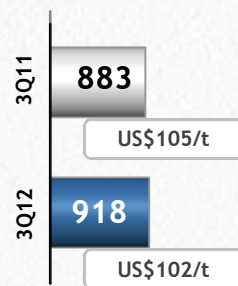


Sales Volume (k t)

Brazil and LatAm



North America



Average Prices

Highlights

Revenues and EBITDA increase supported by solid Brazilian operations and stronger North America market. Prices were up 4% in Brazil

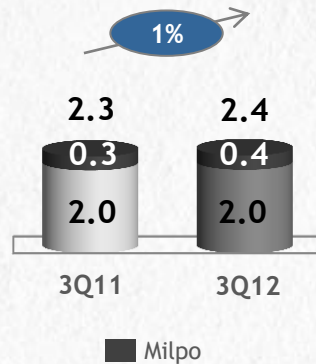
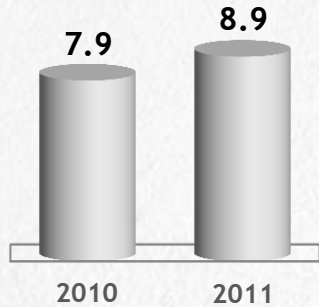
Volumes highlights include a 15% increase in the Southern region of Brazil on the back of additional installed capacity

Lower pet coke prices (4%) along with a 5% increase in energy efficiency contributed to EBITDA improvement

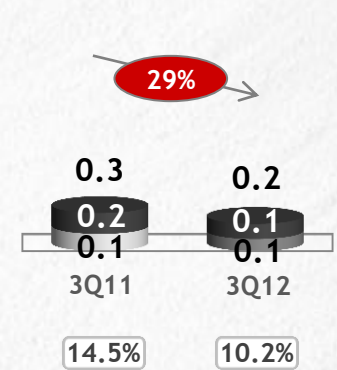
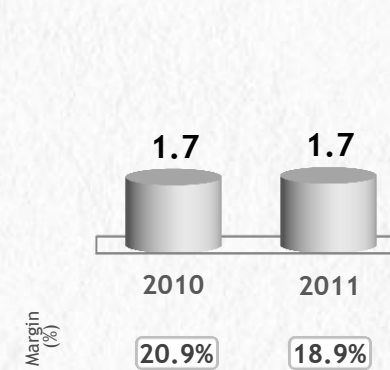
Mr. Walter Schalka resigned as CEO. Mr. Paulo Henrique O. Santos, a Votorantim senior executive for 20 years, was appointed as the interim CEO

Metals 18% of VID's EBITDA

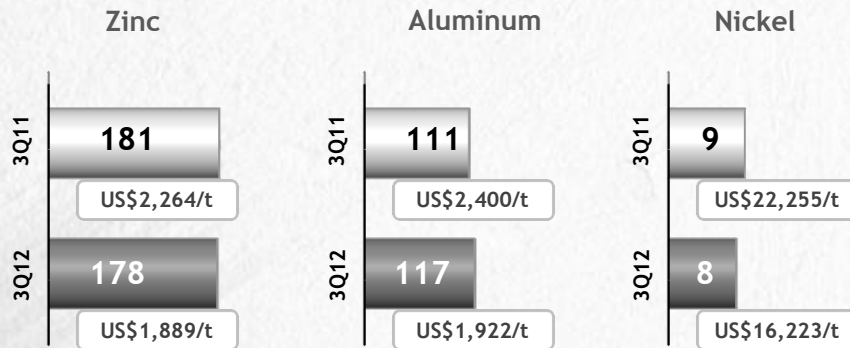
Revenues (R\$ bn)



EBITDA (R\$ bn)



Sales Volume (k t)



Average Prices

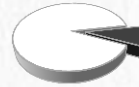
Highlights

Substantial decrease in LME prices negatively impacted all Metals businesses, with the exception of zinc

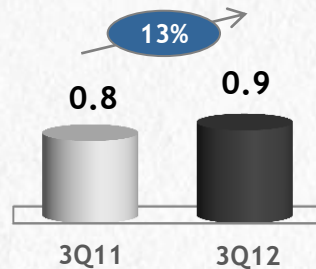
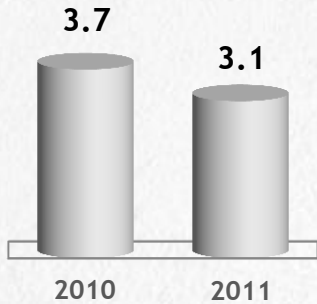
Aluminum: Weaker EBITDA as a result of higher exports and off-grade aluminum production on the back of continued operational adjustments. Production capacity has been stabilized

Nickel: Higher cost and nickel concentrate inventory negatively impacted EBITDA in the quarter

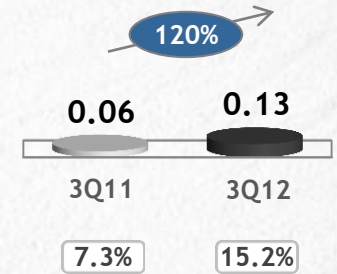
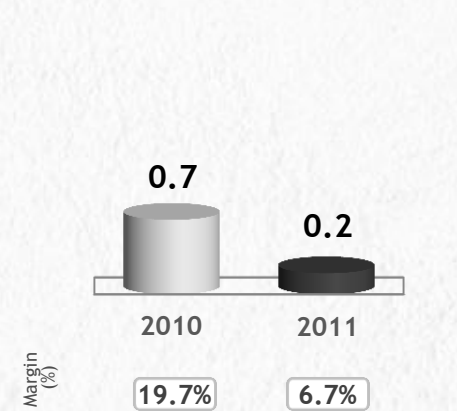
Zinc: Solid performance in the Brazilian market along with lower imports supportive of 10% EBITDA increase y-o-y



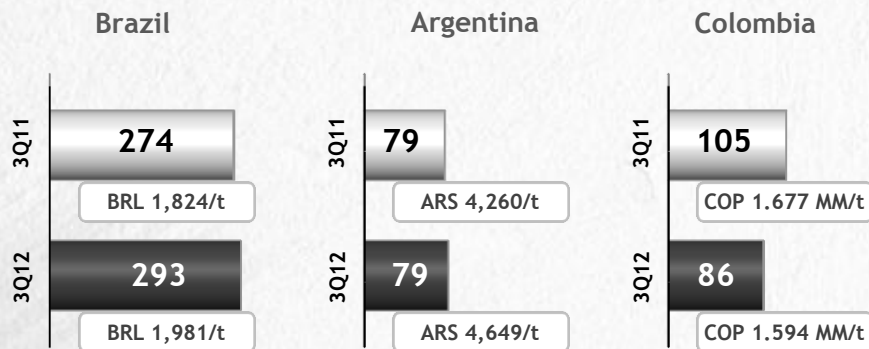
Revenues (R\$ bn)



EBITDA (R\$ bn)



Sales Volume (k t)



Average Prices

Highlights

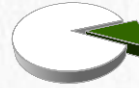
Favorable long steel market coupled with weaker BRL supportive of revenues and EBITDA increase

Improved prices and sales volume (9% and 7%, respectively) in Brazil along with lower energy cost contributed to higher margin

In Colombia, EBITDA increased on the back of lower natural gas (3%) and coke costs (9%)

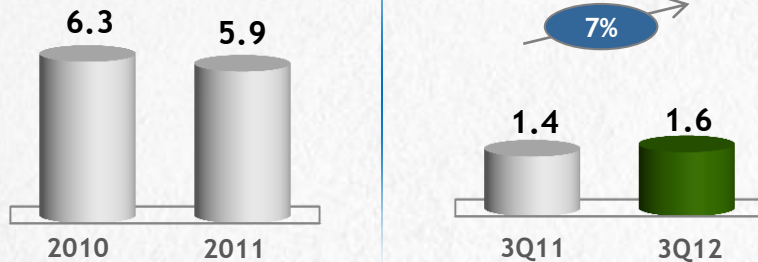
Higher prices in Argentina (9%) were partially offset by flat volumes and higher cost inflation

Pulp

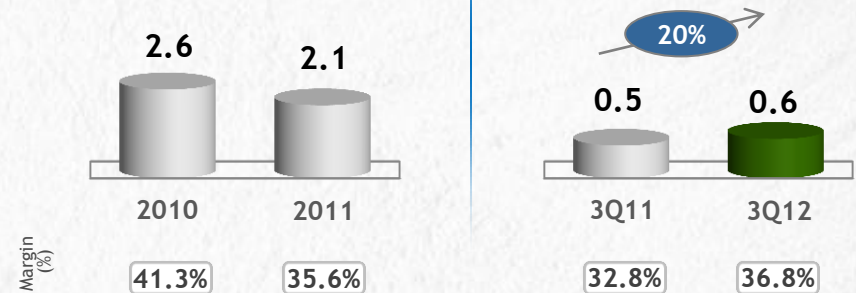


12% of VID's EBITDA
(at 29.42% participation)

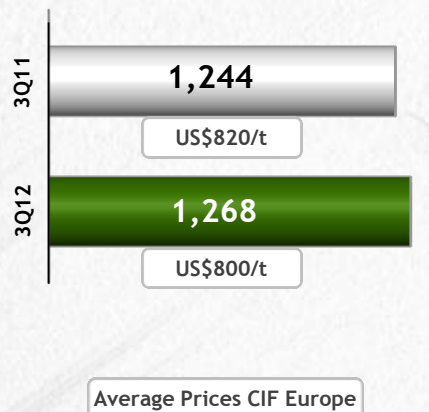
Revenues⁽¹⁾ (R\$ bn)



EBITDA⁽¹⁾ (R\$ bn)



Sales Volume (k t)



Highlights

Sales volume increased by 2% driven by strengthened market pulp demand in the quarter, mainly from China

EBITDA was up 20% y-o-y, mostly due to the higher average net pulp prices in BRL

Deleverage commitment: Sale of Losango's forest assets in Rio Grande do Sul totaled R\$ 615 million

2012 Outlook

Price Evolution (Quarter Average)

3Q11

4Q11

1Q12

2Q12

3Q12

CURRENT
PRICE (1)

2012 FCST

CEMENT
BRAZIL

R\$/ton

CEMENT
NORTH AMERICA

US\$/ton



LONG STEEL

R\$/ton

PULP
CIF N. EUROPE

US\$/ton



HIGHLIGHTS

- Consistent demand supportive of current prices

- Positive perspective arising from stable growth in North America

- BRL depreciation supportive of price recovery

- Positive market fundamentals and demand pick-up, especially in Asia

2012 Outlook (cont.)

Price Evolution (Quarter Average)

3Q11

4Q11

1Q12

2Q12

3Q12

CURRENT
PRICE

2012 AVG

ZINC

US\$/ton ⁽¹⁾

NICKEL

US\$/ton ⁽¹⁾

ALUMINUM

US\$/ton ⁽¹⁾

COPPER

US\$/ton ⁽¹⁾

HIGHLIGHTS

- Modest signs of improvement. Supply growing slower than consumption
- Short term still pressured reflecting a weak period for stainless steel consumption
- Potential recovery in prices driven by supply adjustments
- Chinese copper demand uncertainties cushion expectations over prices in the last quarter of 2012

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3 *Closing Remarks*

Closing remarks

- Consistent performance from Cement, Long Steel and Pulp businesses
- Leverage deviated from the target as a result of both effects:
 - Debt was negatively impacted by BRL depreciation
 - Metals' EBITDA frustration due to weaker than expected operational performance coupled with decreased LME prices
- Management committed to pursue operational excellence and deleverage