

(A free translation of the original in Portuguese)

Votorantim Participações S.A.
Consolidated Financial Statements
at September 30, 2009
and Report of Independent Accountants
on Limited Reviews

(A free translation of the original in Portuguese)

Report of Independent Accountants on Limited Reviews

To the Board of Directors and Shareholders
Votorantim Participações S.A.

- 1 We have carried out limited reviews of the accompanying consolidated balance sheet of Votorantim Participações S.A. and subsidiaries as of September 30, 2009, and the related consolidated statements of income, of changes in shareholders' equity of Votorantim Participações S.A. for the nine-month periods ended September 30, 2009 and 2008 and the consolidated statement of cash flows for the nine-month period ended September 30, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements. The limited reviews of the financial statements at September 30, 2009 of the subsidiary Votorantim Finanças S.A., whose consolidated assets totaled R\$ 48,944,090 thousand at that date, were conducted by other auditors. Our report, insofar as it refers to the amount of total consolidated assets, as well as to the participation of Votorantim Participações S.A. in the net income generated by this subsidiary in the nine-month period ended September 30, 2009 in the amount of R\$ 571,947 thousand (September 30, 2008 - R\$ 759,668 thousand related to associated companies Mineração Rio do Norte S.A., Petrocoque S.A. Indústria e Comércio, Campos Novos Energia S.A. and Companhia Minera Milpo S.A.A., the jointly-controlled companies VBC Energia S.A. and Aracruz Celulose S.A., and subsidiaries Votorantim Finanças S.A. and Tivit - Terceirização de Tecnologia e Serviços Ltda.), is based solely on the reports of these other auditors.
- 2 Our reviews were conducted in accordance with specific standards established by the Institute of Independent Auditors of Brazil (IBRACON) and mainly comprised the application of analytical review procedures to financial data and inquiries of personnel responsible for accounting and financial matters about the criteria applied in the preparation of the financial statements. Because these procedures do not comprise an audit carried out in accordance with approved Brazilian auditing standards, we do not express an opinion on these financial statements.

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- 3 The consolidated statement of cash flows for the nine-month period ended September 30, 2008, required by the accounting practices adopted in Brazil for comparison purposes, was not presented.
- 4 Based on our limited reviews and on the reports issued by the other independent auditors, as described in paragraph 1, except for the lack of presentation of the consolidated statement of cash flows for the nine-month period ended September 30, 2008, mentioned in paragraph 3, which results in an incomplete presentation of the financial statements, we are not aware of any material modifications that should be made to the financial statements reviewed by us in order for them to be in conformity with accounting practices adopted in Brazil.
- 5 Our limited reviews were conducted with the objective of issuing a report on the consolidated financial statements referred to above. Supplemental information by segment, which is presented to provide additional information about Votorantim Participações S.A. and subsidiaries, is not required as an integral part of the consolidated financial statements. The supplemental information by segment was subjected to the same review procedures described in paragraph 2 and, based on our limited reviews and on the reports issued by the other auditors with respect to the investees described in paragraph 1, except for the fact mentioned in paragraph 3, we are not aware of any material modifications that should be made to this information in order for it to be fairly presented, in all material respects, in relation to the consolidated financial statements taken as a whole.
- 6 The consolidated balance sheet at December 31, 2008, presented for comparison purposes, was audited by us at the time of its preparation, in connection with our audit of the consolidated financial statements at that date. Our audits of the financial statements for the year ended December 31, 2008 of the indirect investees Mineração Rio do Norte S.A., Petrocoque S.A. Indústria e Comércio, Sirama Participações Administração e Transportes Ltda., Companhia Minera Milpo S.A.A., Campos Novos Energia S.A. and VBC Energia S.A. the investments in which, recorded on the equity method of accounting, totaled R\$ 1,327,099 thousand, as well as of the jointly-controlled company Aracruz Celulose S.A. and subsidiaries Votorantim Finanças S.A. and Tivit - Tecnologia da Informação S.A., whose consolidated assets totaled R\$ 76,758,495 thousand, respectively, were conducted by other independent auditors. We issued an unqualified opinion thereon, dated April 30, 2009, and this opinion, insofar as it refers to the total amounts of assets of the investees described herein, is based solely on the reports of these other auditors.

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- 7 Similarly to the matter discussed in paragraph 5, supplemental information by segment at December 31, 2008, which is presented for comparison purposes, is not required as an integral part of the consolidated financial statements. This supplemental information by segment was audited by us in connection with our audit of the consolidated financial statements at that date. Based on our audit and on the opinion of the other independent auditors with respect to the investees described in paragraph 6, we issued our opinion thereon dated April 30, 2009, that it was fairly presented, in all material respects, in relation to the consolidated financial statements taken as a whole.

São Paulo, December 17, 2009

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5


Marcelo Orlando
Contador CRC 1SP217518/O-7

Votorantim Participações S.A.

Consolidated Balance Sheets

In thousands of Reais

(A free translation of the original in Portuguese)

Assets	Note	Consolidated		Industrial segment		Supplemental Information Financial segment	
		September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Current assets							
Cash and cash equivalents	4	14,015,675	8,058,627	1,889,702	1,809,844	12,433,884	6,248,783
Financial investments and derivative financial instruments	5	14,995,534	23,785,444	7,579,081	6,652,174	8,640,944	19,341,352
Interbank accounts		79,357	37,899			79,357	37,899
Trade accounts receivable	7	1,889,707	2,487,787	1,889,707	2,487,787		
Credit operations	8	10,257,019	18,046,638			10,257,019	18,046,638
Allowance for doubtful accounts		(564,763)	(576,904)	(78,241)	(57,292)	(486,522)	(519,612)
Inventories	9	3,375,766	4,845,343	3,375,766	4,845,343		
Taxes recoverable	10	1,739,475	2,521,479	1,462,244	1,977,978	277,231	543,501
Dividends receivable		26,303	30,144	26,303	30,144		
Foreign exchange portfolio		895,041	3,721,508			895,041	3,721,508
Other		2,222,057	1,975,856	1,546,673	893,992	675,384	1,081,864
		<u>48,931,172</u>	<u>64,933,821</u>	<u>17,691,235</u>	<u>18,639,970</u>	<u>32,772,338</u>	<u>48,501,933</u>
Non-current assets							
Long-term receivables							
Interbank investments	6	663,206	1,191,591			663,206	1,191,591
Financial investments and derivative financial instruments	5	3,640,612	3,089,816	56,760	82,527	3,975,246	3,330,426
Credit operations	8	10,841,953	20,137,294			10,841,953	20,137,294
Allowance for doubtful accounts		(246,007)	(254,514)			(246,007)	(254,514)
Related parties	11	1,007,197	725,774	1,007,197	725,774		
Judicial deposits	21	722,306	813,559	661,691	778,117	60,615	35,442
Deferred income tax and social contribution	20	3,917,683	4,811,840	3,504,707	3,780,530	412,976	1,031,310
Taxes recoverable	10	1,630,778	1,297,009	1,544,152	1,218,476	86,626	78,533
Other		417,521	992,227	230,650	871,706	186,870	120,521
		<u>22,595,249</u>	<u>32,804,596</u>	<u>7,005,157</u>	<u>7,457,130</u>	<u>15,981,485</u>	<u>25,670,603</u>

Votorantim Participações S.A.

Consolidated Balance Sheets

In thousands of Reais

(continued)

Assets	Note	Consolidated		Industrial segment		Supplemental Information Financial segment	
		September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
		Investments	12	1,936,475	1,833,161	1,816,210	1,767,035
Property, plant and equipment	13	23,658,031	26,887,666	23,624,808	26,827,988	33,223	59,678
Intangible assets	14	6,591,133	6,066,328	6,591,133	6,066,328		
Deferred charges		422,508	470,908	385,729	420,565	36,779	50,343
		<u>55,203,399</u>	<u>68,062,659</u>	<u>39,423,039</u>	<u>42,539,046</u>	<u>16,171,752</u>	<u>25,846,750</u>
Total assets		<u>104,134,571</u>	<u>132,996,480</u>	<u>57,114,275</u>	<u>61,179,016</u>	<u>48,944,090</u>	<u>74,348,683</u>

Votorantim Participações S.A.

Consolidated Balance Sheets

In thousands of Reais

(continued)

Liabilities and shareholders' equity	Note	Consolidated		Industrial segment		Supplemental Information Financial segment	
		September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Current liabilities							
Loans and financing	17	9,110,909	16,993,618	6,362,632	9,669,424	2,748,277	7,324,194
Deposits	15	8,933,681	11,951,560			10,397,707	14,159,642
Open market	16	11,202,709	11,774,243			11,202,709	11,774,243
Funds from acceptance and issuance of securities	18	396,576	1,034,471			396,576	1,034,471
Debentures	19 (a)	19,339				19,339	
Derivative financial instruments	28	1,080,079	6,303,246	44,861	2,717,668	1,035,218	3,585,578
Accounts payable on acquisition of shares		638,806		638,806			
Suppliers		1,874,766	2,127,352	1,874,766	2,127,352		
Salaries and payroll charges		471,800	605,486	471,800	425,477		180,009
Income tax and social contribution		863,410	694,925	582,612	249,927	280,798	444,998
Taxes and contributions payable		374,436	437,843	310,901	332,942	63,535	104,901
Dividends payable	11	88,468	94,068	88,468	94,068		
Foreign exchange portfolio		559,394	2,367,351			559,394	2,367,351
Advances from customers		166,986	86,624	166,986	86,624		
Provision for contingencies and tax liabilities	21	713,355	951,375			713,355	951,375
Other		1,697,955	3,026,243	208,666	49,307	1,489,289	2,976,937
		<u>38,192,669</u>	<u>58,448,405</u>	<u>10,750,498</u>	<u>15,752,789</u>	<u>28,906,197</u>	<u>44,903,699</u>
Non-current liabilities							
Loans and financing	17	20,836,899	23,541,362	19,146,966	19,930,693	1,689,933	3,610,669
Deposits	15	2,702,736	4,773,230			2,771,111	4,830,273
Open market	16	1,458,002	4,584,212			1,849,396	4,850,306
Funds from acceptance and issuance of securities	18		369,019				369,019
Debentures	19 (a)	1,909,449	3,826,328			1,909,449	3,826,328
Accounts payable on acquisition of shares		570,282		570,282			
Deferred income tax and social contribution	20	1,849,674	1,516,765	1,493,301	677,309	356,373	839,456

Votorantim Participações S.A.

Consolidated Balance Sheets

In thousands of Reais

(continued)

	Note	Consolidated		Industrial segment		Supplemental Information Financial segment	
		September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Liabilities and shareholders' equity							
Provision for contingencies and tax liabilities	21	1,894,511	2,004,339	1,894,511	2,004,339		
Derivative financial instruments	28	675,343	775,028	11,244	351,241	664,099	423,787
Subordinated debt	19 (b)	1,456,453	2,869,692			1,456,453	2,869,692
Negative goodwill	22	1,364,169	2,523,429	1,364,169	2,523,429		
Other		2,776,689	1,723,304	987,688	899,088	1,788,999	824,215
		<u>37,494,207</u>	<u>48,506,708</u>	<u>25,468,162</u>	<u>26,386,099</u>	<u>12,485,813</u>	<u>22,443,745</u>
Minority interest		<u>657,679</u>	<u>2,110,892</u>	<u>655,451</u>	<u>2,108,732</u>	<u>2,228</u>	<u>2,160</u>
Shareholders' equity	3 (s)	<u>27,790,016</u>	<u>23,930,475</u>	<u>20,240,164</u>	<u>16,931,396</u>	<u>7,549,852</u>	<u>6,999,079</u>
Total liabilities and shareholders' equity		<u>104,134,571</u>	<u>132,996,480</u>	<u>57,114,275</u>	<u>61,179,016</u>	<u>48,944,090</u>	<u>74,348,683</u>

The accompanying notes are an integral part of the consolidated financial statements and supplemental information.

Votorantim Participações S.A.

Consolidated Statement of Income Nine-month Periods Ended September 30 In thousands of Reais

(A free translation of the original in Portuguese)

	<u>Supplemental information</u>						
	<u>Consolidated</u>		<u>Industrial segment</u>		<u>Financial segment</u>		
	<u>Note</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Gross revenues							
Sales of products		17,495,938	18,908,685	17,495,938	18,908,685		
Income from financial intermediation		7,806,944	8,289,098			7,806,944	8,216,691
Supply of electric energy		54,215	1,607,620	54,215	1,607,620		
Service revenues		1,081,147	2,044,608	541,688	1,271,874	539,459	772,734
		26,438,244	30,850,011	18,091,841	21,788,179	8,346,403	8,989,425
Taxes on sales and services and other deductions		(3,341,267)	(4,222,010)	(3,033,781)	(3,998,260)	(307,486)	(223,750)
Net revenues		23,096,976	26,628,001	15,058,059	17,789,919	8,038,917	8,765,675
Cost of products and services		(11,869,860)	(13,810,806)	(11,869,860)	(13,810,807)		
Expenses from financial intermediation		(4,891,198)	(5,793,522)			(4,943,100)	(5,793,522)
Gross profit		6,335,919	7,023,672	3,188,199	3,979,112	3,095,817	2,972,153
Operating income (expenses)							
Selling		(2,227,453)	(2,089,221)	(964,023)	(1,058,980)	(1,263,430)	(1,030,241)
General and administrative		(2,350,238)	(2,113,709)	(1,313,849)	(907,774)	(1,036,388)	(1,205,935)
Other operating income, net	24	2,544,941	840,137	2,234,863	447,429	310,078	392,708
		(2,032,749)	(3,362,793)	(43,009)	(1,519,325)	(1,989,740)	(1,843,468)

Votorantim Participações S.A.

Consolidated Statements of Income Nine-month Periods Ended September 30 In thousands of Reais

(continued)

	Note	Supplemental information					
		Consolidated		Industrial segment		Financial segment	
		2009	2008	2009	2008	2009	2008
Operating profit before equity results and financial results		4,303,169	3,660,879	3,145,190	2,459,787	1,106,077	1,128,685
Results from equity investments							
Equity in earnings of investees	12	172,481	163,589	172,481	163,589		
Translation adjustments on foreign investments			256,861		336,580		(79,719)
Amortization of (goodwill) negative goodwill, net		10,720	(522,088)	10,720	(522,088)		
		183,200	(101,638)	183,200	(21,919)		(79,719)
Financial income (expenses), net	25	1,983,687	(2,466,348)	2,035,589	(2,393,942)		
Profit before taxes and profit sharing		6,470,057	1,092,893	5,363,979	43,926	1,106,077	1,048,966
Income tax and social contribution	20						
Current		(1,463,775)	(1,224,991)	(694,575)	(746,905)	(769,200)	(478,086)
Deferred		(639,377)	1,267,240	(989,878)	960,852	350,501	306,388
Profit before profit sharing		4,366,905	1,135,142	3,679,526	257,873	687,378	877,268
Profit sharing		(114,197)	(187,014)			(114,197)	(187,014)
Minority interest		(276,610)	159,748	(275,376)	137,538	(1,234)	22,209
Net income for the period		3,976,098	1,107,876	3,404,150	395,411	571,947	712,463

The accompanying notes are an integral part of the consolidated financial statements and supplemental information.

Votorantim Participações S.A.

Statement of Changes in Shareholders' Equity

In thousands of Reais, unless otherwise indicated

(A free translation of the original in Portuguese)

	Capital	Capital reserve Tax incentives	Revaluation reserve in subsidiaries	Carrying value adjustments	Revenue reserves Legal reserve	Profit Retention	Retained earnings	Total
At December 31, 2007	12,380,538	836	17,047		1,017,808		10,834,144	24,250,373
Adjustments introduced by Law No.11638/07							(253,948)	(253,948)
Adjusted opening balance	12,380,538	836	17,047		1,017,808		10,580,196	23,996,425
Net income for the nine-month period							1,130,512	1,130,512
At September 30, 2008	12,380,538	836	17,047		1,017,808		11,710,708	25,126,937
At December 31, 2008	12,380,538	836	17,047	(35,208)	1,044,189	11,031,303		24,438,705
Net income for the nine-month period							3,976,098	3,976,098
Translation adjustment on foreign investments				(1,216,975)				(1,216,975)
Hedge accounting of net foreign investments (Note 3 (b.2))				1,079,111				1,079,111
Operating hedge accounting (Note 3 (b.2))				42,481				42,481
Fair value of available-for-sale financial assets				(21,174)				(21,174)
At September 30, 2009	12,380,538	836	17,047	(151,765)	1,044,189	11,031,303	3,976,098	28,298,246

The accompanying notes are an integral part of the consolidated financial statements and supplemental information.

Votorantim Participações S.A.

Consolidated Statement of Cash Flows

Nine-month periods

Ended September 30

In thousands of Reais

(A free translation of the original in Portuguese)

	Consolidated	Supplemental Information	
		Industrial segment	Financial segment
	2009	2009	2009
Cash flows from operating activities			
Net income before taxes	6,470,057	5,363,979	1,106,077
Adjustments to reconcile net income from operating activities			
Interest and indexation and exchange gains/losses	(3,497,915)	(3,497,915)	
Fair value adjustment of derivatives	(6,448)	(6,448)	
Equity in earnings of investees	(172,481)	(172,481)	
Translation adjustments on foreign investments			
Amortization of (goodwill) negative goodwill, net	(10,720)	(10,720)	
Depreciation, amortization and depletion	1,443,804	1,422,055	21,749
Loss on sale of property, plant and equipment disposals	100,578	36,953	63,625
Gain on sale of CPFL (Note 1 (c) (v))	(1,433,363)	(1,433,363)	
Gain on sale of Tivit (Note 1 (c) (viii))	(313,177)	(313,177)	
Allowance for doubtful accounts	301,838	26,862	274,976
Provision for contingencies and tax liabilities	56,273	22,579	33,694
	2,938,445	1,438,323	1,500,121
Changes in assets and liabilities			
Financial investments and derivative financial instruments	3,485,870	(3,344,336)	7,745,540
Interbank accounts	(89,978)		(89,978)
Trade accounts receivable	616,441	616,441	
Credit operations	7,185,145		7,185,145
Inventories	1,418,118	1,418,118	
Taxes recoverable	389,171	130,994	258,177
Foreign exchange portfolio	1,018,510		1,018,510
Judicial deposits	(119,318)	(94,145)	(25,173)
Interbank investments	528,385		528,385
Other	9,595,554	(1,387,536)	10,983,090
Deposits	(5,088,373)		(5,821,097)
Open market	(3,697,744)		(3,572,444)
Suppliers	(188,684)	(188,684)	
Taxes payable	(60,625)	(19,259)	(41,366)
Salaries and payroll charges	(270,133)	24,073	(294,206)
Advances from customers	78,949	78,949	
Other obligations and liabilities	(2,315,701)	1,679,097	(3,993,341)
Related parties	(281,367)	(281,367)	
Minority interest	330,494	331,660	(1,166)
Cash from operations	15,473,160	402,331	15,380,197
Interest paid	(817,300)	(817,300)	
Income tax and social contribution paid	(1,385,366)	(451,966)	(933,400)
Net cash provided by (used in) operating activities	13,270,495	(866,935)	14,446,797
Cash flows from investing activities			
Acquisitions of property, plant and equipment	(2,339,914)	(2,294,828)	(45,086)
Proceeds from sale of Real estate	29,241	29,241	
Increase in intangible assets and deferred charges	(7,490)	(7,221)	(269)
Acquisition of investments	(84,372)	(30,233)	(54,625)
Goodwill on acquisition of investments	(735,025)	(735,025)	
Proceeds from sale of CPFL (Note 1 (c) (v))	2,665,952	2,665,952	
Proceeds from sale of Tivit (Note 1 (c) (viii))	402,066	402,066	
Cash and cash equivalents of subsidiaries acquired/disposed	(1,572,553)	(1,572,553)	
Dividends received	9,312	8,826	(486)

Votorantim Participações S.A.

Consolidated Statements of Cash Flows

Nine-month periods

Ended September 30

In thousands of Reais

(continued)

	Consolidated	Supplemental Information	
		Industrial segment	Financial segment
	2009	2009	2009
Net cash used in investing activities	<u>(1,632,783)</u>	<u>(1,533,775)</u>	<u>(100,466)</u>
Cash flows from financing activities			
Fund raising	10,586,351	10,586,351	
Payment of loans and financing	(8,062,141)	(8,062,141)	
Funds from acceptance and issuance of securities	(1,664,576)		(1,664,576)
Loans and onlendings	(6,496,653)		(6,496,653)
Dividends paid	<u>(11,180)</u>	<u>(11,180)</u>	
Net cash provided by (used in) financing activities	<u>(5,648,199)</u>	<u>2,513,030</u>	<u>(8,161,229)</u>
Net increase in cash and cash equivalents	5,989,512	112,320	6,185,102
Effect of exchange rate changes on cash and cash equivalents	(32,463)	(32,463)	
Cash and cash equivalents at the beginning of the period	<u>8,058,627</u>	<u>1,809,844</u>	<u>6,248,783</u>
Cash and cash equivalents at the end of the period	<u><u>14,015,675</u></u>	<u><u>1,889,702</u></u>	<u><u>12,433,884</u></u>

The accompanying notes are an integral part of the consolidated financial statements and supplemental information.

(A free translation of the original in Portuguese)

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

1 Operations

The corporate purpose of Votorantim Participações S.A. (the "Company" or "Parent Company") and its subsidiaries (the "Votorantim Group" or "Votorantim") is to manage assets and businesses and to invest in other civil and commercial companies of any nature, to further the Group's interests.

Votorantim's business management is organized in the three segments described below, the activities of which are carried out by several companies headquartered in Brazil and abroad. The main companies are mentioned in item (b) of Note 2.

(a) Industrial Segment ("VID")

VID includes the companies which operate mainly with cement and concrete, metals (aluminum, zinc and nickel), steel, pulp and paper, generation of electric power, agribusiness (concentrated orange juice) and chemicals (nitrocellulose).

(b) Votorantim New Business Division ("VNN")

VNN is focused on the Group's new investments and operates in the diversification of business and capital risk management. Currently, its activities are related to outsourcing of services and information technology.

(c) Votorantim Financial Segment ("VF")

VF operates in the wholesale, retail, treasury and resource management sectors. The main activities are the following: (i) consumer financing (especially vehicle financing), (ii) investment banking and treasury products for corporate customers; (iii) resource management; (iv) brokerage; and (v) lease transactions for both corporate entities and individuals.

2 Presentation of the Financial Statements

The consolidated financial statements have been prepared and are being presented in accordance with accounting practices adopted in Brazil and based on provisions of the Brazilian Corporation Law.

The preparation of financial statements requires management to make estimates that affect the reported amounts of assets and liabilities and results, including estimates related to the selection of the useful lives of property, plant and equipment and assumptions for calculation of fair value of financial instruments, as well as provisions for contingent liabilities, income tax and other similar liabilities. The actual results may differ from those estimated.

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(a) Functional currency and presentation of the financial statements

The financial statements of each subsidiary included in the consolidation are prepared using each entity's functional currency, considering assumptions established by the Brazilian Accounting Standards Setting Board ("CPC") Resolution No. 02 – Effects of changes in exchange rates and translation of financial statements, which determines that the functional currency of an entity is the currency of the primary economic environment in which it operates. For consolidation purposes, the financial statements of investees located abroad are translated into Reais, which is the Votorantim Group's functional and presentation currency.

(b) Consolidation of the financial statements

In order to provide greater transparency of its financial position and results of operations, the Votorantim Group has elected to present with its consolidated financial statements supplemental information comprising information on its industrial and financial segments, before eliminations of balances and transactions between the segments.

The supplemental information related to the industrial segment for the nine-month period ended September 30, 2008 was reclassified in relation the data previously presented as the energy segment was no longer presented separately as from December 31, 2008.

The results of the subsidiaries and jointly-controlled companies acquired during the period were included in the consolidated financial statements as from the date of acquisition.

Investments held among the companies, intercompany accounts receivable and payable, income and expenses and unrealized gains and losses among the companies were eliminated. Minority interest in subsidiaries' shareholders' equity and in the results is presented separately.

The jointly-controlled companies Votorantim Celulose e Papel S.A., Usinas Siderúrgicas de Minas Gerais S.A. – Usiminas, Suwannee American Cement LLC, Trinity Materials LLC, Sumter Cement Co. LLC, TIVIT Terceirização de Tecnologia e Serviços S.A. and Banco Votorantim S.A. were consolidated proportionally to the ownership interest held in their capital.

Condensed information of the main subsidiaries, held directly or indirectly, included in the consolidated financial statements are as follows:

	Capital Ownership - %	
	September 30, 2009	December 31, 2008
Industrial segment		
Cement		
Acariúba Mineração e Participação Ltda.	100.00	100.00
Interávia Transportes Ltda.	100.00	100.00
Prairie Material Sales Inc. (United States) (i)	100.00	100.00
Silcar Empreendimentos, Comércio e Participações S.A.	99.98	99.98
St. Barbara Cement Inc. (Canada)	100.00	100.00
St. Marys Cement Inc. (Canada and United States)	100.00	100.00
Sumter Cement Co. LLC (United States)	50.00	50.00
Suwannee American Cement, LLC (United States)	50.00	50.00
Trinity Materials LLC (United States)	50.00	50.00

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	Capital Ownership - %	
	September 30, 2009	December 31, 2008
Votorantim Cement North America Inc. (Canada)	100.00	100.00
Votorantim Cimentos Brasil S.A.	100.00	100.00
Votorantim Cimentos N/NE S.A.	98.80	98.80
Votorantim Cimentos S.A.	98.47	98.47
Votorantim Investimentos Internacionais S.A. (merged into Votorantim Cimentos Brasil S.A. on June 1, 2009)		100.00
Metals		
Companhia Brasileira de Alumínio	99.77	99.77
Indústria e Comércio Metalúrgica Atlas S.A.	99.86	99.86
US Zinc Corporation (United States) (ii)	100.00	100.00
Votorantim Metais - Cajamarquilla S.A. (Peru)	99.06	99.06
Votorantim Metais Ltda.	100.00	100.00
Votorantim Metais Níquel S.A.	100.00	100.00
Votorantim Metais Zinco S.A.	99.92	99.92
Siderurgy		
Acerbrag S.A. (Argentina)	62.32	62.32
Acerías Paz del Río S.A. - "APDR"(Colombia) (iii)	72.57	72.57
Usinas Siderúrgicas de Minas Gerais S.A. – Usiminas (iii)	6.47	5.76
Votorantim Siderurgia S.A.	100.00	100.00
Pulp and paper		
Aracruz Celulose S.A.	15.44	12.35
Votorantim Celulose e Papel S.A. (iv)	35.19	51.78
Agribusiness		
Citrovita Agro Industrial Ltda.	99.99	99.99
Citrovita Agro Pecuária Ltda.	99.99	99.99
Chemical		
Companhia Nitro Química Brasileira	99.98	99.98
Holding and Trading		
Azben Holding G.M.B.H. (Austria)	100.00	100.00
Hailstone Limited	100.00	100.00
Santa Cruz Geração de Energia S.A.	100.00	100.00
The Bulk Service Corporation	75.00	75.00
Votorantim Industrial S.A.	100.00	100.00
Votorantim Investimentos Latino-Americanos S.A.	89.02	89.02
Votorantim Energia Ltda.	100.00	100.00
Voto - Votorantim Overseas Trading Operations III Ltd.	100.00	100.00
Voto - Votorantim Overseas Trading Operations IV Ltd.	100.00	100.00
Voto - Votorantim Overseas Trading Operations V Ltd.	100.00	100.00
VBC Energia S.A. (v)		50.00
Votorantim New Business Division		
TIVIT Terc., Proc., Serv., e Tecnologia S.A. (viii)	41.08	71.65
TIVIT - Tecnologia da Informação S.A.	99.99	99.99
Votorantim Novos Negócios Ltda.	99.99	99.99
Financial segment		
Votorantim Finanças S.A.	100.00	100.00
Banco Votorantim S.A. (vii)	50.00	99.94
Banco Votorantim Securities, Inc.	100.00	100.00
BV Financeira S.A.	99.99	99.99
BV Leasing e Arrendamento Mercantil S.A.	99.99	99.99
BV Sistemas Ltda.	99.94	99.94
BV Trading S.A.	99.99	99.99

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	Capital Ownership - %	
	September 30, 2009	December 31, 2008
CP Promotora de Vendas Ltda.	99.99	99.40
Votorantim Asset Management D.T.V.M. Ltda.	99.99	99.99
Votorantim Bank Limited	95.84	95.84
Votorantim C.T.V.M. Ltda.	99.98	99.98
Votorantim International Business Limited	100.00	100.00
Votorantim Seguros e Previdência S.A.	99.99	99.99
Votorantim Corretora de Seguros Ltda.	99.99	99.99
Votorantim Investment Overseas Ltd	100.00	100.00
Raltic S.A.	100.00	100.00

(i) Votorantim Cimentos (“VC”) acquisitions – Praire

In February 2008, VC acquired 100% of Praire Material Sales Inc. ("Praire"), one of the largest concrete and aggregates companies in the Midwest of the United States, headquartered in Chicago.

(ii) Votorantim Metais (“VM”) acquisitions – US Zinc

In January 2008, VM acquired 100% of U.S. Zinc Corporation ("U.S. Zinc"), which operates in the U.S. recycling market of industrial residues from galvanization, production of metallic zinc and higher value-added products such as zinc oxide and zinc powder. U.S. Zinc has five manufacturing units in the United States and a plant in China, which began operations in early 2008.

(iii) Votorantim Siderurgy Division (“VS”) acquisitions – Acerbrag and additional interest in Usiminas and APDR

In April 2009, the Company exercised its preemptive right to acquire Usiminas shares, purchasing an additional interest of 0.7115% of its total capital for R\$ 143,742.

The 20.57% interest in APDR acquired as a result of the Public Share Offering in April 2008, increased the ownership, originally acquired in early 2007, to 72.57%.

During 2008, VS acquired a 62.32% interest in Acerbrag S.A., the management of which VS assumed in January of that year.

(iv) VCP acquisitions

During the third quarter of 2009, the acquisition process of Aracruz by VCP, which began on March 28, 2009, was concluded. This transaction was widely disclosed to the market through publication of material event notices and also in the Quarterly Information (ITR) for September 30, 2009 of VCP, filed in the CVM website on November 13, 2009. The transaction resulted in the reduction of the Company's interest in VCP, which is now jointly controlled with BNDESPar.

As a result, as from March 28, 2009, VCP began to be consolidated proportionally to the interest held by VID” in the investee, which totalled 35.19% at September 30, 2009.

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(v) VBC Energia

In January 2009, the 50% interest held in VBC Energia ("VBC"), the main shareholder of CPFL Energia S.A., one of the leading companies in the Brazilian electric energy sector, was sold to Camargo Correa S.A. for R\$ 2,665,952, resulting in a gain of R\$ 1,433,363, recorded under "Other operating income, net".

Due to the certainty as to the realization through sale in the near future corroborated by a formal purchase and sale proposal dated December 30, 2008, the Company opted to exclude from its consolidated balance sheet as of December 31, 2008 the proportional figures of VBC Energia. The proportional consolidated result was maintained in the related financial statements up to the date of the sale proposal. The investment in VBC Energia was evaluated and recorded on the equity method of accounting at December 31, 2008 in the amount of R\$ 670,297 and reclassified, in the consolidated financial statements, to the account "Other assets", in long-term receivables.

(vi) VNN – sale of Alellyx and Canavialis

On November 3, 2008, the Votorantim Group sold its interest in its subsidiaries Alellyx S.A. ("Alellyx") and Canavialis S.A. ("Canavialis") for R\$ 511,781. The gain from the sale of R\$ 511,781 was recorded under "Other operating income, net".

(vii) VF – Sale of 50% ownership interest in Banco Votorantim

On September 28, 2009, the sale of 50.00% of the total capital of Banco Votorantim S.A. to Banco do Brasil S.A. was concluded. This transaction, widely disclosed to the market through publication of material event notices and also in the Quarterly Information (ITR) as of September 30, 2009 of VF filed in the CVM website on December 7, 2009, was carried out through: (i) the acquisition, by Banco do Brasil S.A., of 33,356,791,198 common shares issued by Banco Votorantim S.A., held by VF, for R\$ 2,969,788; (ii) subscription by Banco do Brasil S.A. of 7,412,620,277 new preferred shares issued by Banco Votorantim S.A. for R\$ 1,200,000, of which R\$ 750,000 were settled on the transaction date and R\$ 450,000 six months after the transaction date.

Due to the transaction described above, the control of Banco Votorantim S.A. is now shared between VF and Banco do Brasil S.A. Therefore, the interest of Votorantim in Banco Votorantim S.A. is now consolidated on a proportional basis.

(viii) TIVIT – Public Share Offering

On September 25, 2009, the initial public offering on the BM&FBovespa of TIVIT Terc., Proc., Serv., e Tecnologia S.A. was concluded. In this transaction, the Votorantim Group sold 27,625 shares of this company for R\$ 402,066, generating a gain of R\$ 313,177 recorded in the account "Other operating income", thus reducing its interest to 41.08%.

(d) Significant impacts arising from events occurred in 2009 and 2008

The comparison between the consolidated balance sheets and the consolidated statements of income at September 30, 2009 and 2008 should consider the subsidiaries acquired and/or sold during these years, as follows:

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	Inclusions				Exclusions	
	Usiminas	Aracruz	VBC	VCP	Banco Votorantim S.A.	Alellyx Canavialis
Current assets	80,745	2,472,997		3,490,332	29,584,517	
Long-term receivables	9,186	1,145,828		1,346,294	14,394,725	
Permanent assets	101,740	6,783,354		12,593,599	81,041	
Current liabilities	27,012	1,337,171		3,735,882	27,868,066	
Long-term liabilities	59,378	8,213,416		9,479,544	12,671,991	
Net sales	36,159	1,520,827	681,045	1,779,145		3,542
Cost of sales	(29,061)	(1,290,159)	(462,400)	(1,455,674)		(62)
Operating profit (loss)	3,427	860,372	123,157	840,949		(1,893)
Net income (loss)	1,827	535,659	73,689	312,525		(1,893)

Equity amounts presented above represent the balances on the base date of the acquisition / sale. Amounts from operations are those included in/excluded from the consolidated financial statements as of September 30.

(e) Reconciliation of shareholders' equity and net income for the nine-month period between the Parent Company and the Consolidated

	Shareholders' equity		Results for the nine-month period ended September 30	
	September 30, 2009	December 31, 2008	2009	2008
Parent Company	28,298,246	24,438,705	3,976,097	1,130,512
Additional equity pick-up (*)	31,317	31,317		(24,684)
Adjustment of Parent Company's unrealized profits, net of tax effects	(539,547)	(539,547)		2,048
Consolidated	<u>27,790,016</u>	<u>23,930,475</u>	<u>3,976,097</u>	<u>1,107,876</u>

(*) Refers to additional equity pick-up of companies included in the consolidated financial statements of Votorantim Participações S.A., with residual equity investments dispersed and stated at historical cost, the balances of which were adjusted in the consolidation process.

3 Principal Accounting Practices

The financial statements were prepared according to the accounting practices adopted in Brazil, including the changes arising from the alterations to the Brazilian Corporation Law by Law 11638/07 and Provisional Measure 449/08, codified into Law 11941/09.

The main purpose of these changes was to amend the Brazilian Corporation Law to prepare for the convergence of accounting practices adopted in Brazil with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The adoption of this Law and MP is mandatory for annual financial statements for years beginning on or after January 1, 2008.

As permitted by CPC No. 13 - Initial Adoption of Law 11638/07 and MP 449/08, management of the Votorantim Group companies opted to strictly follow the paragraph 1 of article 186 of Law 6404/76, and adopted January 1, 2008 as the transition date for the changes to the accounting practices.

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The adjustments of the new accounting practices adopted in Brazil, on the transition date, which affected the shareholders' equity of the Votorantim Group companies for the year ended December 31, 2008 are as follows:

Reversal of deferred charges	(118,964)
Mark-to-market of financial instruments – industrial segment	(96,925)
Mark-to-market of financial instruments – financial segment	14,592
Other	<u>(52,651)</u>
	<u>(253,948)</u>

The adjustments described above, calculated at the transition date, as well as translation adjustments on foreign investments recorded separately in shareholders' equity as provided for by CPC No. 2, and foreign exchange gains and losses on borrowings and financing designated as hedges of these investments (hedge accounting), were only recognized in the annual financial statements for the year ended December 31, 2008.

The main accounting practices adopted in the preparation of the financial statements are described below:

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash, bank deposits and highly-liquid short-term investments with immaterial risk of change in value.

(b) Financial investments and derivative financial instruments

(b.1) Classification and measurement

The Votorantim Group classifies its financial assets according to the following categories: (i) measured at fair value through profit or loss, (ii) loans and receivables, (iii) held to maturity and (iv) available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial assets when first recorded.

Financial assets measured at fair value through profit or loss

These are financial assets held for active and frequent trading. Derivatives are also classified as held for trading, unless they have been designated as hedge instruments. These assets are classified as current assets. Gains or losses arising from the changes in fair value of financial assets measured at fair value through profit or loss are recorded in the statements of income in "Financial results" in the period they occur, unless the instrument was contracted in connection with another transaction. In this case, the changes are recognized with the same item in the statements of income affected by the instrument.

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Loans and receivables

These comprise loans granted and receivables which are non-derivative financial assets with fixed or determinable payments, not quoted in an active market. Loans and receivables are included in current assets, except for those with maturity of more than 12 months after the balance sheet date (which are classified as non-current assets). The Votorantim Group's loans and receivables comprise loans granted to related parties, trade accounts receivable, other accounts receivable and cash and cash equivalents, excluding short-term investments. Loans and receivables are recorded at amortized cost, based on the effective interest rate method.

Held to maturity assets

These are basically financial assets that cannot be classified as loans and receivables, because they are quoted in an active market. In this case, these financial assets are acquired with the purpose and financial ability of being held in the portfolio up to their maturity. They are recorded at the acquisition cost, plus accrued earnings taken to results for the year, based on the effective interest rate method.

Available-for-sale assets

Available-for-sale financial assets are non-derivatives which cannot be classified in any other category. They are included in non-current assets, unless management intends to sell the investment within 12 months after the balance sheet date. Available-for-sale financial assets are recorded at fair value. Interest on available-for-sale securities, calculated based on the effective interest rate method, is recognized in results as "Financial income". The changes in fair value are recorded in shareholders' equity, under "Carrying value adjustments", net of tax effects, and realized to income when the asset is sold or becomes impaired.

Fair value

Fair values of publicly traded investments are recorded at current purchase prices. For financial assets without an active market or public quotation, the Votorantim Group determines fair value through valuation methodologies, which include reference to recent transactions with third parties, to other substantially similar instruments, the analysis of discounted cash flows and option pricing models which give preference to market sourced over internally generated information.

The Votorantim Group evaluates, at the balance sheet date, if there are indications that a financial asset or a group of financial assets is impaired in relation to its recoverable value. If there is such evidence, for available-for-sale financial assets, the cumulative loss - calculated as the difference between the acquisition cost and current fair value less any impairment loss of this financial asset previously recognized in results - is transferred from equity to the statement of income.

(b.2) Derivative instruments and hedge activities

Initially, derivatives are recognized at fair value at the date the derivative agreement is signed and, subsequently, remeasured at their fair value, with the changes in fair value recorded in income.

In the financial segment, the derivative financial instruments are evaluated and classified as hedges or non-hedges. The transactions that use financial instruments, carried out at customers'

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request or for own account, or which do not comply with the hedging criteria defined in the Brazilian Central Bank (BACEN) Circular Letter 3082, are recorded at market value, with realized or unrealized gains and losses recorded directly in the statement of income.

As permitted by CPC No. 14, starting in 2008, the Parent Company adopted the option of designating certain loans and financing in foreign currencies as hedges of part of its net foreign investment in subsidiaries abroad, when the hedge is shown to be highly effective. The objective of this hedge is to mitigate, over the period of the debt, the effects of the foreign exchange rate volatility on part of the Votorantim Group's investment balances.

During the third quarter of 2009, in order to hedge the cash flows of future exports against fluctuations in prices and exchange rates, the Metal segment subsidiaries adopted hedge accounting for derivative instruments contracted for such purpose.

The fair value of the derivative instruments is disclosed in Note 28.

(c) Adjustment to present value of assets and liabilities

Items comprising assets and liabilities arising from transactions in the long or short term, when relevant, were adjusted to present value.

(d) Allowance for doubtful accounts

The allowance for doubtful accounts is recorded at an amount deemed sufficient by management to cover expected losses on the collection of trade accounts receivable, which is consistent with the rules of the Brazilian Central Bank - BACEN for the Financial Segment.

(e) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the Weighted Moving Average method. The cost of finished products and work in process comprise raw materials, direct labor, other direct costs and related general production expenses accumulated through the applicable stage of the production process. The net realizable value is the estimated sales price in the normal course of business, net of execution costs and selling expenses. Imports in transit are stated at the accumulated cost of each import.

(f) Deferred income tax and social contribution

The provision for income tax and deferred income tax on tax losses and temporary differences is determined at the rate of 25%, and deferred social contribution losses and temporary differences at the rate of 9% (Note 20 (a)).

Deferred tax assets on tax losses and credits to offset are recognized to the extent that realization is considered probable. The use of deferred income tax assets depends on the generation of sufficient future taxable income. Accordingly, the amount relating to deferred income tax may be reduced if the estimates of future taxable income are altered.

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Transitional Tax System (RTT) - MP 449/08 converted into Law 11941/09

In order to calculate income tax and social contribution for the periods ended September 30, 2009 and 2008, the Company and its subsidiaries headquartered in Brazil may elect to apply the Transitional Tax System ("RTT"), in which the accounting effects of Law 11638/07 and MP 449/08, converted into Law No. 11941/09, are ignored for income tax purposes, through entries in the Taxable Income Assessment Book (LALUR) or auxiliary records, without any modification to the commercial accounting records.

(g) Investments

Investments in associated companies are recorded based on the equity method of accounting, recognized in results for the year. Foreign exchange gains/losses on investments in associated and subsidiary companies headquartered abroad are recorded in "Carrying value adjustments", in the Company's shareholders' equity, and will be recorded in income for the year only when the investment is sold or written down. The foreign exchange gains/losses on loans and financing contracted for hedge accounting of these investments were also recorded in the same account in shareholders' equity.

To calculate equity in the results of investees, unrealized gains or transactions between the Company and its associates and subsidiary companies are eliminated proportionately to the Company's interest; unrealized losses are also eliminated, unless the transaction provides evidence of permanent loss (impairment) of the asset transferred.

When necessary, the accounting practices of the subsidiary and associated companies are altered to be consistent with the practices adopted by the Company.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost of purchase or construction, plus inflation accounting adjustments up to 1995. Depreciation is computed on the straight-line method. In the second six-month period of 2008, the VID early adopted the requirement of Law 11638/07 relating to the review of the useful lives of property, plant and equipment, changing on a prospective basis from January 1, 2008, the depreciation rates used (Note 13). Forestry development costs, mainly project implementation costs, are capitalized as incurred.

Companies in the Votorantim Group are members of consortia that own and operate hydroelectric power plants which are recorded in its property, plant and equipment. The revenues generated by the consortia, arising from the sale of production surpluses, pursuant to the Electric Power Trade Chamber ("CCEE"), are presented in the statement of income, net of expenses.

Mineral studies and research costs are treated as operating expenses until the economic feasibility of the mineral reserves is proven. Once this feasibility has been proven, the expenses incurred are then subject to capitalization as mine development costs. During the development stage of a mine stripping costs are capitalized as part of the development costs. After the mine becomes productive, these expenses are treated as production costs.

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Repairs and maintenance costs are allocated to results during the period in which they are incurred. The costs of major renovations are included as an asset when it is probable that future economic benefits which exceed the performance standard initially evaluated for the existing asset will be obtained by the Company and its subsidiaries. Major renovations are depreciated over the remaining useful life of the related asset.

(i) Intangible assets

(i.1) Research and development

Research expenditures are recognized as expenses when incurred. Expenditures incurred in the development of projects (related to the project phase and tests of new or improved products) are recognized as "Intangible assets" when it is probable that the projects will be viable, based on their commercial and technological feasibility and only if the cost can be reliably measured. Other development expenditures are recognized as expenses when incurred. Capitalized development expenditures are amortized as from the beginning of the commercial production of the product, on the straight-line method and during the period of the expected benefit.

(i.2) Software

Software licenses acquired are capitalized and amortized, on the straight-line method, over their estimated useful lives, at the rate of 20% p.a.

Costs of software development and maintenance are expensed as incurred. Expenditures directly associated with identifiable and unique software, controlled by the Votorantim Group, which will probably generate economic benefits greater than the costs over more than one year, are recognized as intangible assets. Direct expenditures include remuneration of the software development team and the appropriate portion of related general expenses.

(i.3) Goodwill

Goodwill or negative goodwill on the acquisition of an investment is calculated as the difference between the purchase consideration and book value of the net assets of the company acquired. Goodwill is subdivided into two categories: (i) fair value adjustment of assets, represented by the difference between the book value of the company acquired and the fair value of its assets and liabilities (recorded in property, plant and equipment) and (ii) future profitability, represented by the difference between the fair value of assets and liabilities and the purchase amount (recorded in "Intangible assets"). The amount allocated as fair value of assets and liabilities is amortized in proportion to the realization of the acquired company's assets and liabilities.

Through to December 31, 2008, the portion based on expected future income was amortized over the term, extension and proportion of the estimated results, not exceeding ten years. As from January 1, 2009, goodwill is no longer amortized, but is submitted to an annual impairment test. Negative goodwill, with no economic basis, is amortized only when the investment is sold, and is presented in non-current liabilities.

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(i.4) Other intangible assets

The acquisition costs of patents, trademarks, licenses and exploration rights are capitalized and amortized using the straight-line method over the useful lives, at the rates presented in Note 14, or, when applicable, based on the depletion of mines and forests. Intangible assets are not revalued.

(j) Deferred charges

Deferred charges, which consist primarily of pre-operational expenditures, are amortized over a period of up to ten years.

The Votorantim Group evaluated the amounts recorded in deferred charges and decided to reclassify certain amounts to property, plant and equipment and intangible assets, and to partially write off certain deferred items against 2008 opening balances.

(k) Impairment of assets

Property, plant and equipment and other non-current assets, including goodwill and intangible assets, are reviewed to identify evidence of impairment annually and also whenever events or alterations in circumstances indicate that the book value may not be recoverable. In this case, the recoverable value is calculated to verify if there is any loss. In the event of loss, it is recognized at the amount by which the book value of the asset exceeds its recoverable value, which is the higher between the net sales price and the value in use of an asset. For evaluation purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(l) Borrowings and financing

Borrowings and financing obtained are initially recognized at fair value, upon receipt of funds, net of transaction costs. Subsequently, the borrowings are presented at amortized cost, that is, plus charges and interest in proportion to the period elapsed (Note 17).

(m) Provisions

Provisions are recognized when the Company and its subsidiaries have a legal or informal present obligation as a result of past events, it is probable that a cash outflow is necessary to settle the obligation and a reliable estimate of the amount can be made.

(n) Other current and non-current liabilities

These liabilities are stated at known or estimated amounts including, when applicable, the charges, foreign exchange gains and losses and indexation variations. The provisions for statutory profit sharing are recorded when the companies grant such right to employees, in accordance with performance-based plans. Similarly to assets, liabilities to be settled 12 months subsequent to the date of the financial statements are considered non-current.

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(o) Environmental liabilities

Expenses related to environmental programs are recorded in the statement of income when incurred. Other environmental costs are also recorded as expenses unless they increase the value of the assets and/or provide future economic benefits, in which cases they are capitalized.

(p) Employee benefits

(p.1) Pension plan obligations

The liability related to the defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the market value of the assets of the plan, adjusted for actuarial gains or losses and costs of past service. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by estimating the future cash outflow, using government bonds interest rates with maturities approximating those of the related liability.

The actuarial gains and losses arising from changes in actuarial assumptions and amendments to the pension plans are charged or credited to results according to the average remaining service period of the related employees.

For the defined contribution plans, the Company and its subsidiaries pay contributions to pension plans administered privately on mandatory, contractual or voluntary bases. Once the contributions have been made, the companies in the Votorantim Group have no further obligation for additional payments. The regular contributions comprise net periodic costs of the period in which they are due and, therefore, are recorded as personnel costs.

The contributions made by the Company and its subsidiaries to defined contribution retirement and welfare benefit plans for their employees (Note 26) were determined by independent actuaries and are recognized as operating expenses.

(p.2) Pension plan and other post-retirement benefits

The contributions made by the Votorantim Group to defined contribution retirement and welfare benefit plans for their employees were determined by independent actuaries and are recognized as operating expenses.

(p.3) Employee profit sharing

Provisions are recorded to recognize the expense related to employee profit sharing. These provisions are calculated based on qualitative and quantitative targets established by management and recorded as payroll expenses in the statement of income for the period.

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

(q) Mandatory appropriation of retained earnings

Retained earnings of the Parent Company, are fully appropriated to revenue reserves at year end.

(r) Determination of net income

In the industrial segment, net income is determined on the accrual basis of accounting. Sales and service revenues and related costs are recognized upon product delivery or at the time the services are rendered.

In the financial segment, income and expenses are recorded on the accrual basis of accounting. The transactions conducted at fixed rates are recorded at the redemption value, and the income and expenses corresponding to the future period are presented as reduction to the related assets and liabilities. Financial income and expenses are accounted for on a daily pro rata basis and calculated through the compound interest method, except those related to foreign transactions, which are calculated on the straight-line method. Transactions conducted at floating rates or denominated in foreign currencies are updated through the balance sheet date.

(s) Non-operating results

According to Law 11638/07, the account "Non-operating income (losses)" was excluded from the statement of income. Accordingly, these results were reclassified and presented as "Other operating income, net".

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

4 Cash and cash equivalents

	Supplemental information					
	Consolidated		Industrial segment		Financial segment	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Cash and banks	553,228	576,896	391,571	476,502	161,654	100,394
Bank Deposit Certificates (CDBs)	618,702	945,096	687,079	945,096		
Repurchase commitments	303,645		303,645			
Investments in foreign currency	267,871	388,246	507,407	388,246		
Interbank investments (Note 6)	12,272,230	6,148,389			12,272,230	6,148,389
Total cash and cash equivalents	14,015,675	8,058,627	1,889,702	1,809,844	12,433,884	6,248,783

The consolidated balance at September 30, 2009 includes elimination between the segments of R\$ 307,911.

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

5 Financial Investments and Derivative Financial Instruments

	Supplemental information					
	Consolidated		Industrial segment		Financial segment	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Trading securities						
Financial Treasury Bills (LFTs)	96,396	121,357			96,396	121,357
National Treasury Bills (LTNs)	715,243	372,738			715,243	372,738
National Treasury Notes (NTNs)	2,734,801	7,785,320			2,734,801	7,785,320
Eurobonds	423,303	868,214			423,303	868,214
Brazilian foreign debt securities	72,366	456,255			72,366	456,255
Foreign sovereign debt securities	1,171,706	3,037,226			1,148,164	3,037,226
Investment fund quotas	6,072,761	5,037,883	5,331,561	3,793,152	741,200	1,244,731
Credit Rights Investment Fund (FIDC)	184,302	296,857	15,918	11,585	168,384	285,272
Floating rate securities	71,341	87,775			70,313	87,775
Bank Deposit Certificates (CDBs)	54,997		54,997	389,100		
Repurchase commitments	281,353		672,746	266,349		
Agricultural debt securities	333,273	678,431			333,273	678,431
Other	455,801	365,657	119,928	580,171	372,417	365,101
Derivative financial instruments (Note 27)	2,676,971	3,366,221			2,676,971	3,366,221
	<u>15,344,613</u>	<u>22,473,934</u>	<u>6,195,150</u>	<u>5,040,357</u>	<u>9,552,831</u>	<u>18,668,641</u>

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

	<u>Supplemental information</u>					
	<u>Consolidated</u>		<u>Industrial segment</u>		<u>Financial segment</u>	
	<u>September 30, 2009</u>	<u>December 31, 2008</u>	<u>September 30, 2009</u>	<u>December 31, 2008</u>	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Available-for sale securities						
National Treasury Notes (NTNs)	822,199				822,199	
Eurobonds	470,061	1,248,078			470,061	1,248,078
Debentures	870,853	1,750,084	57,466	375,284	813,387	1,374,800
Credit Rights Investment Funds (FIDC)	323,540	622,620	29,762		293,778	622,620
Shares of non-public corporations	623,839	608,832			623,839	608,832
Bank Deposit Receipts (RDBs)	128,975	112,916	1,353,463	1,319,060		
Other	52,069	58,796			40,095	148,807
	<u>3,291,535</u>	<u>4,401,326</u>	<u>1,440,690</u>	<u>1,694,344</u>	<u>3,063,359</u>	<u>4,003,137</u>
	18,636,148	26,875,260	7,635,842	6,734,701	12,616,190	22,671,778
Current	<u>(14,995,534)</u>	<u>(23,785,444)</u>	<u>(7,579,081)</u>	<u>(6,652,174)</u>	<u>(8,640,944)</u>	<u>(19,341,352)</u>
Long-term	<u>3,640,614</u>	<u>3,089,816</u>	<u>56,760</u>	<u>82,527</u>	<u>3,975,246</u>	<u>3,330,426</u>

The consolidated balances at September 30, 2009 include eliminations of R\$ 1,224,491 (December 31, 2008 - R\$ 2,208,082) of current and R\$ 391,392 (December 31, 2008 - R\$ 323,137) of long term, between the segments.

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

Votorantim Finanças S.A., through its subsidiary Votorantim Asset Management D.T.V.M. Ltda., manages various fixed and variable income funds with total net assets of R\$ 31,319,336 (December 31, 2008 – R\$ 18,230,500). Of the total financial investments in investment fund quotas held by the Industrial Segment, R\$ 4,150,263 (December 31, 2008 – R\$ 2,639,048) was invested in funds managed by Votorantim Asset Management D.T.V.M. Ltda.

6 Interbank Investments - Financial Segment

The interbank investment portfolio, by type, is as follows:

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Open market investments		
Funded position	4,970,647	877,815
Financed position	4,785,936	1,855,503
Short position	1,276,678	1,279,217
Investments in interbank deposits	1,890,458	3,290,016
Investments in foreign currency	11,717	37,429
	<u>12,935,436</u>	<u>7,339,980</u>
Current	<u>(12,272,230)</u>	<u>(6,148,389)</u>
Long-term	<u>663,206</u>	<u>1,191,591</u>

In the statement of cash flows the short-term portion of these investments was classified as cash equivalents.

7 Trade Accounts Receivable

Credit risk is minimized by the broad customer base and control procedures, as well as the monitoring of customers' credit limits. The companies in the Votorantim Group also contract a credit insurance policy for most export receivables.

8 Credit Operations - Financial Segment

(a) Credit operations

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Loans - public sector	79,691	179,602
Loans - private sector	5,413,276	12,014,870
Financing - private sector	12,673,234	24,428,153
Financing - rural, marketable securities and other	242,320	181,905

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Leasing and foreign exchange portfolio	2,690,451	1,379,402
Current	21,098,972 (10,257,019)	38,183,932 (18,046,638)
Long-term	<u>10,841,953</u>	<u>20,137,294</u>

(b) Portfolio by type of customer

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Industry	3,866,528	10,600,355
Commerce	1,010,810	2,185,380
Rural	242,320	312,307
Other services	2,272,605	4,188,371
State	600,762	181,378
Financial institutions	354,755	6,070
Individuals	<u>12,751,191</u>	<u>20,710,071</u>
	<u>21,098,972</u>	<u>38,183,932</u>

(c) Portfolio of credit operations by risk level

The analysis of the portfolio by risk level in the Financial Segment is as follows:

<u>Risk level</u>	<u>Credits falling due</u>	<u>Credits overdue</u>	<u>Total</u>
	<u>September 30, 2009</u>		
AA	3,796,002		3,796,002
A	12,660,199		12,660,199
B - overdue from 15 to 30 days	1,789,371	597,092	2,386,463
C - overdue from 31 to 60 days	294,417	385,171	679,588
D - overdue from 61 to 90 days	61,159	186,796	247,955
E - overdue from 91 to 120 days	4,908	119,259	124,167
F - overdue from 121 to 150 days	10,217	107,862	118,079
G - overdue from 151 to 180 days	2,012	77,066	79,078
H - overdue for more than 180 days	<u>623,836</u>	<u>383,605</u>	<u>1,007,441</u>
	<u>19,242,121</u>	<u>1,856,851</u>	<u>21,098,972</u>

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

<u>Risk level</u>	<u>Credits falling due</u>	<u>Credits overdue</u>	<u>Total</u>
			12/31/2008
AA	11,655,473		11,655,473
A	20,053,763		20,053,763
B - overdue from 15 to 30 days	3,302,423	891,354	4,193,777
C - overdue from 31 to 60 days	635,535	546,691	1,182,226
D - overdue from 61 to 90 days	132,866	229,466	362,332
E - overdue from 91 to 120 days	8,921	132,738	141,659
F - overdue from 121 to 150 days	4,244	117,468	121,712
G - overdue from 151 to 180 days	3,676	79,272	82,948
H - overdue for more than 180 days	35,116	354,926	390,042
	<u>35,832,017</u>	<u>2,351,915</u>	<u>38,183,932</u>

9 Inventories

	<u>Consolidated</u>	
	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Finished products	909,987	1,119,252
Work in progress	1,090,883	1,513,865
Raw materials	687,384	806,264
Consumable materials warehouse	363,284	636,534
Imports in transit	134,982	275,361
Other	189,248	494,067
	<u>3,375,766</u>	<u>4,845,343</u>

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

10 Taxes recoverable

	Supplemental information					
	Consolidated		Industrial segment		Financial segment	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Value-Added Tax on Sales and Services ("ICMS")	775,137	970,671	775,137	970,671		
Social Integration Program ("PIS")	86,955	66,730	86,654	66,437	301	293
Social Contribution on Revenues ("COFINS")	308,271	256,011	307,015	254,838	1,256	1,173
Income Tax and Social Contribution ("IR" and "CSLL")	1,775,328	1,542,444	1,480,039	1,454,622	295,289	87,822
Excise Tax ("IPI")	106,994	69,470	106,994	69,470		
Income Tax Withheld at Source ("IRRF")	203,003	745,103	137,497	231,268	65,506	513,835
Other	114,564	168,059	113,059	149,148	1,505	18,911
	<u>3,370,253</u>	<u>3,818,488</u>	<u>3,006,396</u>	<u>3,196,454</u>	<u>363,857</u>	<u>622,034</u>
Current	<u>(1,739,475)</u>	<u>(2,521,479)</u>	<u>(1,462,244)</u>	<u>(1,977,978)</u>	<u>(277,231)</u>	<u>(543,501)</u>
Long-term	<u>1,630,778</u>	<u>1,297,009</u>	<u>1,544,152</u>	<u>1,218,476</u>	<u>86,626</u>	<u>78,533</u>

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

11 Related Parties

	<u>Consolidated</u>	
	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Loans receivable		
Hejoassu Administração S.A. (i)	<u>771,819</u>	<u>725,774</u>
Advance for future capital increase		
Usina Hidrelétrica Salto do Pilão S.A.	123,877	
Rio Verdinho Energia S.A.	<u>111,501</u>	
	<u>235,378</u>	
	<u>1,007,197</u>	<u>725,774</u>
Suppliers		
Machadinho Energética S.A.	19,849	
Enercan - Campos Novos Energia	30,568	
Petrocoque S.A. Indústria e Comércio	<u>3,376</u>	<u>5,786</u>
	<u>53,792</u>)	<u>5,786</u>
Dividends and interest on capital payable		
Hejoassu Administração S.A.	8,063	50,123
Minority shareholders	<u>80,405</u>	<u>43,945</u>
	<u>88,468</u>	<u>94,068</u>
Purchases		
BAESA - Energética Barra Grande S.A.	(42,322)	(51,335)
Machadinho Energética S.A.	(31,141)	(56,817)
Petrocoque S.A. Indústria e Comércio		<u>7</u>
	<u>(73,463)</u>)	<u>(108,145)</u>

(i) Parent company of Votorantim Participações S.A

The transactions are carried out under conditions agreed upon between the parties, bearing financial charges, with no defined settlement term.

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

12 Investments

(a) Information on the investments

	Information at September 30, 2009			Equity in earnings		Investment balance	
	Adjusted net equity	Adjusted result for the period	Ownership percentage (%)	September 30, 2009	September 30, 2008	September 30, 2009	December 31, 2008
BAESA - Energética Barra Grande S.A.	605,477	51,490	15.00%	7,724	5,546	90,822	83,098
Campos Novos Energia S.A.	688,211	118,967	44.77%	53,262	30,227	308,112	254,850
Cementos Bio Bio S.A.	1,019,574		15.15%			154,465	173,535
Compañia Minera Milpo S.A.A.	575,250	41,191	34.75%	14,314	28,871	199,899	264,836
Machadinho Energética S.A.	425,424	5,920	33.14%	1,962	(2,118)	140,986	139,433
Mineração Rio do Norte S.A.	778,475	185,856	10.00%	18,586	12,652	77,848	59,149
MRS Logística S.A.	1,960,878	194,849	0.72%	1,404	609	14,129	11,939
Sírama Participações Administração e Transportes Ltda.	396,046	99,440	38.25%	38,036	37,556	151,488	119,305
Usiminas Europa S.A.	1,273,693	(118,612)	6.47%	(7,676)	49	82,427	125,510
Other investments				44,871	18,946	388,404	263,618
Total investments stated on the equity method of accounting				<u>172,481</u>	<u>132,338</u>	<u>1,608,583</u>	<u>1,495,273</u>
Investments stated at cost							
Alunorte - Alumina do Norte S.A.						95,858	95,858
Tijuca Sociedade de Mineração						3,256	3,256
Other investments							
Industrial segment						108,514	172,648
Financial segment						120,265	66,126
						<u>327,892</u>	<u>337,888</u>
Total investments						<u>1,936,475</u>	<u>1,833,161</u>

The financial statements of significant associated companies at September 30, 2009 and 2008 and at December 31, 2008 were reviewed/audited by independent auditors.

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

(b) Changes in investments

	Supplemental information					
	Consolidated		Industrial segment		Financial segment	
	2009	2008	2009	2008	2009	2008
Balance at the beginning of the year	1,833,161	1,428,764	1,767,034	1,413,113	66,126	15,651
Equity in earnings of investees	172,480	106,312	172,480	106,312		
Purchases of investments and capital increase in investees	84,373	87,980	30,234	87,980	54,139	
Foreign exchange gains (losses) on investments	(167,742)	(24,317)	(167,742)	(24,317)		
Changes in the subsidiaries' interest in other investments	18,950		18,950			
Advance for the acquisition of Acerbrag transferred to goodwill		(171,350)		(171,350)		
Dividends received and receivable	(4,744)	(45,832)	(4,744)	(41,596)		(4,236)
Balance at the end of the nine-month period	<u>1,936,475</u>	<u>1,381,557</u>	<u>1,816,210</u>	<u>1,370,142</u>	<u>120,265</u>	<u>11,415</u>

(i) VC Acquisition– Bio Bio

In December 2008, VC concluded the acquisition of 15.15% of the capital of Cementos Bio Bio S.A. ("Bio Bio"), a leading cement and concrete company in Chile with shares listed on the Santiago Stock Exchange.

(ii) VM Acquisitions – Milpo and Atacocha

In August 2008, VM acquired an additional interest of 9.87% in one of the Votorantim Metais - Cajamarquilla S.A. investees, Compañía Minera Milpo S.A., for US\$ 199,689 thousand, equivalent to R\$ 327,110 on that date, including goodwill of R\$ 270,989. As the result of the additional acquisition, VM became the holder of 34.75% of that company. In October 2008, that investee acquired 84.54% of class A voting shares of Compañía Minera Atacocha S.A.A.

13 Property, Plant and Equipment

			September 30, 2009	December 31, 2008	Annual depreciation/ depletion rates - %
	Cost	Accumulated depreciation/ depletion	Net	Net	
Consolidated					
Land and buildings	6,489,916	(1,961,090)	4,528,826	5,059,696	0 a 2.7
Equipment and facilities	20,311,415	(10,107,663)	10,203,752	8,876,435	3.2 a 16.7
Leasehold improvements	325,520	(55,546)	269,974	268,924	20
Vehicles	943,816	(485,373)	458,443	367,245	10 a 25
Furniture and fixtures	192,372	(124,180)	68,192	73,581	10 a 20
Plantations and forests (i)	1,748,069	(319,194)	1,428,875	2,184,556	1.7 a 2.7
Construction in progress (ii)	6,636,752		6,636,752	9,829,267	
Other	73,056	(9,838)	63,217	227,962	1.7 a 16.7
	<u>36,720,916</u>	<u>(13,062,884)</u>	<u>23,658,031</u>	<u>26,887,666</u>	

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All amounts in thousands of Reais, unless otherwise indicated

			September 30, 2009	December 31, 2008	Annual depreciation/ depletion rates - %
	Cost	Accumulated depreciation/ depletion	Net	Net	
Supplemental information					
Industrial segment					
Land and buildings	6,489,916	(1,961,090)	4,528,826	5,059,696	0 a 2.7
Equipment and facilities	20,280,137	(10,088,938)	10,191,199	8,833,824	3,2 a 16,7
Vehicles	943,816	(485,373)	458,443	367,245	10 a 25
Furniture and fixtures	192,372	(124,180)	68,192	73,582	10 a 20
Leasehold improvements	325,520	(55,546)	269,974	268,924	(i)
Plantations and forests (i)	1,748,069	(319,194)	1,428,875	2,184,556	(i)
Construction in progress (ii)	6,636,752		6,636,752	9,829,267	
Other	43,862	(1,314)	42,547	210,894	1.7 a 16.7
	<u>36,660,444</u>	<u>(13,035,635)</u>	<u>23,624,808</u>	<u>26,827,988</u>	
Financial segment					
IT Equipment	31,278	(18,725)	12,553	42,611	20
Other	29,194	(8,524)	20,670	17,067	10
	<u>60,472</u>	<u>(27,249)</u>	<u>33,223</u>	<u>59,678</u>	

- (i) Depletion is calculated based on the extraction of mineral resources and forests, taking into consideration the estimated useful lives of the reserves or the total volume of timber to be harvested from the forests.

Construction in progress refers to the following principal projects:

Business unit	Project	Description	Accumulated balance	
			September 30, 2009	December 31, 2008
Industrial segment				
. VC	Xambioá	Construction of a new unit in Xambioá - State of Tocantins (TO)	190,925	130,418
	Porto Velho	Construction of a new unit in Porto Velho - State of Rondônia (RO)	111,956	13,363
	Slag granulator CSA	Construction of a new mill in the plant of CSA - State of Rio de Janeiro (RJ)	115,921	80,907
	Vidal Ramos	Construction of a new plant in Vidal Ramos - State of Santa Catarina (SC)	24,351	12,743
	Santa Helena W 2	Construction of a new line (furnace) in Santa Helena - State of São Paulo (SP)	9,479	7,070
	New Line W 5 - Salto	Construction of a new line (furnace) in Salto de Pirapora - State of São Paulo (SP)	42,360	8,686
		Other projects in progress	695,462	1,482,066
. VM	Polymetallics F1 and F2	Construction of a new plant for recovery of recyclables in Juiz de Fora - State of Minas Gerais (MG)	390,440	356,343
	Ferronickel	Construction of a new plant in the facilities of Niquelândia - State of Goiás (GO)	487,823	384,425
	Boiler and Coke	Replacement of energy die (of oil and energy by petroleum coke)	166,144	92,780
	Projects for the Maintenance of Furnaces	Several projects for increase in production capability of the remaining furnaces	25,848	19,579
	Furnace Room VIII	Increase in the production capability of aluminum from 470 Kta to 570 Kta	304,868	206,379
	Expansion Project	Several projects for the expansion of the plant in Cidade Alumínio - State of São Paulo (SP)	164,795	141,365
	Gas scrubbing	Adaptation to the legal rules concerning the furnace gas release	117,740	96,865

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Business unit	Project	Description	Accumulated balance	
			September 30, 2009	December 31, 2008
	Calcination	New furnace for the increase in production of the plant's aluminum oxide	54,250	26,614
	Cajamarquilla - Expansion 320 Ktons	Increase in the production capability to 320 Kta at the unit of Cajamarquilla - Peru	631,659	460,675
		Other projects in progress	1,003,621	1,171,419
. VS	Mini Mill	Construction of a new plant in Resende - State of Rio de Janeiro (RJ)	817,396	496,760
	Expansion project	Increase in the production capability to 700 Kta at the Barra Mansa unit - State of Rio de Janeiro (RJ)	126,773	209,316
	Barra Mansa branches Usiminas	Modernization of the Barra Mansa plant - State of Rio de Janeiro (RJ)	16,593	16,145
		Usiminas	142,687	147,062
		Other projects in progress	319,614	352,023
. VA(*)	Agricultural Expansion	Expansion of Catanduva plant - State of São Paulo (SP)	78,721	105,818
	Burning of Biomass	Change of energy die, plant in Catanduva - State of São Paulo (SP)	53,441	43,838
		Other projects in progress	114,069	175,765
. VCP	Project Horizon	Implementation of a new cellulose plant - State of Minas Gerais (MS)	249,640	3,116,016
Other		Other projects in progress	180,176	474,826
			<u>6,636,752</u>	<u>9,829,267</u>

(*) Votorantim Agribusiness

14 Intangible Assets

	Consolidated		Annual amortization/depletion rates - %
	September 30, 2009	December 31, 2008	
Goodwill (a)	5,283,603	4,660,990	
Trademarks and patents	20,808	20,020	
Energy generation concessions	181,750	178,211	
Natural resources exploration rights	953,914	954,024	2.5
Software	151,059	253,083	20
	<u>6,591,133</u>	<u>6,066,328</u>	

(a) Goodwill from acquisitions

Description	Consolidated	
	September 30, 2009	December 31, 2008
Acerbrag S.A. (i)	160,640	167,638
Acerías Paz Del Rio S.A. (ii)	576,546	576,546
Angra do Reis Ltda. (v)	49,007	49,007
Aracruz Celulose S.A. (viii)	1,705,592	115,164
BAESA - Energética Barra Grande S.A. (vii)	6,612	6,612
Campos Novos Energia S.A. (vii)	57,408	57,408
Cementos Bio Bio S.A. (v)	59,080	66,374

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Description	Consolidated	
	September 30, 2009	December 31, 2008
Companhia de Cimento Ribeirão Grande (iv)	205,339	205,339
Companhia Siderúrgica Paulista - Cosipa (v)	6,121	5,450
Compañia Minera Milpo S.A.A. (v)	410,492	549,134
Machadinho Energética S.A. (v)	15,145	15,145
Mineração Zona da Mata Ltda. (v)	26,986	26,986
Prairie Material Sales Inc (i)	485,617	607,445
Prestige Gunit Inc. (v)	203,125	295,169
Rio Verdinho Energia S.A. (v)	28,990	28,990
RioCell S.A. (vi)	19,802	56,288
Ripasa S.A. Celulose e Papel (v)	167,250	475,413
Mizu S.A. (v)	91,059	91,059
S&W Materials Inc. (iii)	8,935	11,744
Softway Center Serviços de Teletendimentos a Clientes S.A. (v)	41,637	41,637
St. Marys Cement Inc. (v)	336,672	259,669
Suwannee American Cement, LLC (iii)	18,952	24,909
The Bulk Service (v)	39,200	58,242
Tivit Terceirização de Tecnologia e Serviço S.A. (v)	8,540	23,375
Usina Siderúrgicas de Minas Gerais S.A. (ix)	39,408	
US Zinc Corporation (i)	314,498	440,429
VBC Energia S.A.		127,630
Votorantim Metais - Cajamarquilla S.A. (v)	95,924	138,579
Other (v)	105,025	139,609
	<u>5,283,604</u>	<u>4,660,990</u>

- (i) In January 2008, the Company acquired a 27% ownership interest in Acerbrag S.A., generating goodwill of R\$ 102,959, and the full control of U.S. Zinc Corporation, with goodwill of R\$ 316,609. In February 2008 a 100% interest in Prairie Material Sales Inc. was acquired, with goodwill of R\$ 497,437. In June 2008 an additional interest of 25.9% in Acerbrag S.A. was acquired, including goodwill of R\$ 86,171. The goodwill amounts were supported by the expectation of future profitability and amortized in up to ten years until December 31, 2008.
- (ii) On March 16, 2007, the Votorantim Group purchased, at auction on the Colombian Stock Exchange, 8,206,215,228 common shares of the Colombian steel company Acerías Paz del Río S.A., acquiring 52% of that company's capital, for R\$ 1,034,268, including goodwill of R\$ 925,094, of which R\$ 634,823 is supported by the expectation of future profitability and was amortized in ten years, until December 31, 2008, and R\$ 290,271 is related to the appreciation of assets and is being amortized over the useful lives of the assets. In April 2008, an additional interest (20.57%) was acquired including goodwill of R\$ 201,763, R\$ 94,508 which is supported by the expectation of future profitability, amortized in up to ten years until December 31, 2008, and R\$ 107,255 is related to the revaluation of assets, amortized over the useful lives of the assets.
- (iii) Goodwill supported by the expectation of future profitability, amortized over an eight-year period.
- (iv) In November 2006, the Votorantim Group purchased the control of Companhia de Cimento Ribeirão Grande for R\$ 425,376, including goodwill of R\$ 319,963, of which R\$ 224,912 is supported by the expectation of future profitability and was amortized in up to ten years (amortization ceased on December 31, 2008), and R\$ 94,781, net of tax effects, relates to the revaluation of assets and will be amortized over the useful lives of the assets.

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- (v) Goodwill supported by the expectation of future profitability was amortized in up to ten years (amortization ceased on December 31, 2008).
- (vi) Goodwill on the acquisition of the control of Riocell S.A., supported by: (a) the market value of the assets, which will be amortized in accordance with their realization, and (b) the expectation of future profitability, which was amortized over ten years, from January 2004 to December 31, 2008).
- (vii) Goodwill supported by the expectation of future profitability, amortized over the remaining concession period up to December 31, 2008.
- (viii) During 2009, the Votorantim Group, through VCP, acquired from the families Lorentzen, Moreira Salles, Almeida Braga and Safra 56% of the voting capital of Aracruz for R\$ 5,420,000. Based on an appraisal report prepared by a specialized and independent company, the goodwill on the acquisition of Aracruz was preliminarily allocated among the fair value uplift of assets in the amount of R\$ 718,038, certain intangible assets totaling R\$ 192,413 and the expectation of future profitability in the amount of R\$ 4,283,934. The goodwill is included in these financial statements in proportion to the ownership interest of the Votorantim Group in VCP.
- (ix) In April 2009, an additional ownership interest of 0.7115% in Usiminas was acquired for R\$ 143,732, including a goodwill of R\$ 39,408, supported by the expectation of future profitability.

15 Funding - Deposits (Financial Segment)

(a) Portfolio breakdown by type

	September 30, 2009	December 31, 2008
Demand deposits	121,506	105,531
Time deposits	11,382,144	14,696,935
Interbank deposits	1,652,717	4,182,084
Deposits for investments	12,451	5,365
	<u>13,168,818</u>	<u>18,989,915</u>
Current	<u>(10,397,707)</u>	<u>(14,159,642)</u>
Long-term	<u>2,771,111</u>	<u>4,830,273</u>

(b) Portfolio breakdown by maturity

	September 30, 2009	December 31, 2008
With no maturity	135,485	105,531
In up to 90 days	3,594,860	6,468,354
From 91 to 360 days	6,667,363	7,585,757
From 1 to 3 years	2,333,037	4,549,231
From 3 to 5 years	429,497	271,498
Over 5 years	8,576	9,544
	<u>13,168,818</u>	<u>18,989,915</u>

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The consolidated balances at September 30, 2009 include eliminations between the segments of R\$ 1,464,026 (December 31, 2008 - R\$ 2,208,082) of short-term portion and R\$ 68,375 (December 31, 2008 - R\$ 57,043) of long-term portion.

16 Funding - Money Market Funding (Portfolio Breakdown by Maturity) - Financial Segment

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
In up to 90 days	6,170,788	5,489,497
From 91 to 360 days	5,031,921	6,284,746
From 1 to 3 years	1,625,594	3,712,441
From 3 to 5 years	32,347	134,956
Over 5 years	<u>191,455</u>	<u>1,002,909</u>
	13,052,105	16,624,549
Current	<u>(11,202,709)</u>	<u>(11,774,243)</u>
Long-term	<u><u>1,849,396</u></u>	<u><u>4,850,306</u></u>

The consolidated balance at September 30, 2009 includes the elimination between the segments of R\$ 391,394 (December 31, 2008- R\$ 266,094) of long-term portion.

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

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17 Loans and financing

Type/ purpose	Average interest rate (%)	Consolidated		Industrial segment		Supplemental information Financial segment	
		September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Foreign currency							
Export prepayment	FX* + LIBOR + 1.43%	6,238,713	9,071,390	6,238,713	9,071,390		
Advances on exchange contracts	FX + 5.94%	450,442	1,408,129	450,442	1,408,129		
BNDES*	Currency basket + 2.82%	496,285	290,749	496,285	290,749		
Eurobonds	FX + 7.07%	2,588,964	1,670,154	2,588,964	1,670,154		
Import financing	FX + LIBOR + 3.02%	618,687	1,105,660	618,687	1,105,660		
"Compror"	FX + 4.82%	435,095	1,119,108	435,095	1,119,108		
Working capital (includes Resolutions No. 63 and 2770)	FX + 2.21%	5,575,974	4,191,982	5,575,974	4,191,982		
Loans for onlending	FX + up to 6.79	1,802,891	6,423,933			1,802,891	6,423,933
Other		217,333	2,132,471	217,333	2,132,471		
		<u>18,424,384</u>	<u>27,413,576</u>	<u>16,621,493</u>	<u>20,989,643</u>	<u>1,802,891</u>	<u>6,423,933</u>
Local currency							
BNDES	TJLP* + 2.94%	4,393,288	3,069,378	4,393,288	3,069,378		
Loans for onlending	1.30 up to 11.00	2,635,319	4,510,930			2,635,319	4,510,930
Working capital	105% CDI*	4,258,015	4,437,979	4,258,015	4,437,979		
Other		236,802	1,103,117	236,802	1,103,117		
		<u>11,523,424</u>	<u>13,121,404</u>	<u>8,888,105</u>	<u>8,610,474</u>	<u>2,635,319</u>	<u>4,510,930</u>
		<u>29,947,808</u>	<u>40,534,980</u>	<u>25,509,598</u>	<u>29,600,117</u>	<u>4,438,210</u>	<u>10,934,863</u>
Current (i)		<u>(9,110,909)</u>	<u>(16,993,618)</u>	<u>(6,362,632)</u>	<u>(9,669,424)</u>	<u>(2,748,277)</u>	<u>(7,324,194)</u>
Long-term		<u>20,836,899</u>	<u>23,541,362</u>	<u>19,146,966</u>	<u>19,930,693</u>	<u>1,689,933</u>	<u>3,610,669</u>

* FX: exchange variation

*TJLP: Long-term Interest Rate

*CDI: Interbank Deposit Certificate

*BNDES: National Bank for Economic and Social Development

(i) On September 30, 2009, the industrial segment includes R\$ 5,666,333 related to installments originally contracted with long-term maturity which, over time, were transferred to current liabilities.

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All amounts in thousands of Reais, unless otherwise indicated

	Supplemental information					
	Consolidated		Industrial segment		Financial segment	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Long-term amounts fall due as follows						
2010	1,577,708	6,027,444	1,447,462	4,289,044	130,246	1,738,400
2011	6,080,687	6,022,812	5,430,217	5,021,314	650,470	1,001,498
2012	4,721,012	4,579,977	4,239,340	4,164,433	481,672	415,544
2013	2,196,076	2,380,703	2,029,653	2,194,223	166,423	186,480
2014 onwards	6,261,416	4,530,426	6,000,294	4,261,679	261,122	268,747
	<u>20,836,899</u>	<u>23,541,362</u>	<u>19,146,966</u>	<u>19,930,693</u>	<u>1,689,933</u>	<u>3,610,669</u>

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(a) Covenants

Votorantim Participações S.A., Votorantim Celulose e Papel S.A. and Votorantim International Holding N.V. entered into loan and financing agreements subject to the following main covenants: (i) certain restrictions upon issuing new financings, (ii) restrictions on certain transactions with related parties and participation in mergers with other companies, (iii) commitment to meet the volume of contracts to be in conformity with a coverage rate, (iv) conformity with financial indices, such as capitalization, interest coverage, minimum retained earnings and financial borrowing rates. In the event of non-compliance with the conditions of these covenants, through a notification from the financial institutions, the outstanding balance becomes immediately redeemable. Subsidiary Votorantim Cement North America, Inc. has loans with covenants that restrict the payment of dividends and new financing. Additionally, the covenants have been calculated considering only the consolidated financial statements of the industrial segment to ensure their consistency with the financial statements of previous periods. The Company and subsidiaries are in compliance with all the terms set forth under the covenants.

(b) Collateral

Loans and financing are collateralized by liens on the financed equipment, promissory notes and sureties from the shareholders.

18 Funds from Acceptance and Issuance of Securities - Financial Segment

Liabilities related to funds from acceptance and issuance of securities relate to funds in foreign and local currency raised through the issuance of securities in the international market and with foreign banks for onlending to local customers, bearing financial charges of up to 14.5% p.a., plus foreign exchange variation.

19 Issuance of Debentures and Subordinated Debt - Financial Segment

(a) Debentures

		<u>September 30, 2009</u>	<u>December 31, 2008</u>
	<u>Annual financial charges (%)</u>	<u>Long- term</u>	<u>Long- term</u>
Foreign currency	FX + 12.04 + 0.9 to 8.9	868,571	2,198,041
Floating rate	CDI + 0.35 and 0.55	1,060,217	1,191,034
		<u>1,928,788</u>	<u>437,253</u>
		<u>1,928,788</u>	<u>3,826,328</u>

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(b) Subordinated debt

	<u>Annual financial charges (%)</u>	<u>Maturity</u>	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Bank Deposit				
Certificates (CDB)	CDI	11/27/2012	385,179	712,969
	CDI, IGPM*	12/3/2012	288,968	538,401
	CDI	12/4/2012	8,433	15,602
	IPCA*	3/18/2013	69,968	127,961
Debentures	CDI + 0.50	4/20/2016	<u>703,905</u>	<u>1,474,759</u>
			<u>1,456,453</u>	<u>2,869,692</u>

* IGP-M: General Market Price Index

* IPCA: National Consumer Price Index

20 Income Tax and Social Contribution

(a) Deferred taxes

Deferred tax assets and liabilities refer to income tax and social contribution losses and temporary differences of income tax and social contribution, and are classified as long-term receivables and liabilities reflecting the estimate of realization over a maximum period of ten years, based on estimates of future realization and profitability of the Company and subsidiaries of the Votorantim Group, in addition to the prescriptive periods and, in the case of Brazilian tax losses, the limit of 30% for annual taxable income offset, as established by current legislation.

Votorantim Metais - Cajamarquilla S.A. has a tax benefit relating to the deduction of up to 80% of its net income from the income tax calculation basis. This benefit is subject to the reinvestment of the net income generated by the company's activities. At September 30, 2009, the Ministry of Mines and Energy of Peru approved the reinvestment of R\$ 877,135 (corresponding to US\$ 449,444 thousand) in the company's activities. The Ministry also approved the reinvestment plan, in the budgeted amount of R\$ 975,800 (equivalent to US\$ 500,000 thousand).

Deferred tax balances are as follows:

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	Supplemental information					
	Consolidated		Industrial segment		Financial segment	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Assets						
Income tax and social contribution losses	2,538,361	1,668,019	2,285,882	1,324,948	252,479	343,071
Temporary differences						
Provision for contingencies	519,807	363,692	450,249	307,208	69,558	56,484
Allowance for doubtful accounts	393,287	429,262	8,171	4,825	385,116	424,437
Provision for losses on investments	7,872	64,253	7,872	64,253		
Adjustments to fair value		34,895				34,895
Exchange variation (MP No. 1858-10/1999 art.30)		285,809		285,809		
Derivatives – Law No. 11051/04	36,224	570,859			36,224	570,859
Deferral of loss on swap agreements	43,585	823,226	43,585	823,226		
Tax benefit on goodwill	525,906	733,851	525,906	733,851		
Other provisions	212,369	404,458	204,387	343,358	7,982	61,100
	4,277,411	5,378,324	3,526,052	3,887,478	751,359	1,490,846
Current assets (other receivables)	(359,728)	(566,484)	(21,345)	(106,948)	(338,383)	(459,536)
Long-term	3,917,683	4,811,840	3,504,707	3,780,530	412,976	1,031,310
Liabilities						
Deferral of gain on swap agreements	2,826	471,561	2,826			471,561
Adjustments to fair value of property, plant and equipment	209,480	237,945	209,480	237,945		
Adjustments to fair value	170,134	271,715			170,134	271,715
Accelerated depreciation	161,211	122,890	8,976	34,382	152,235	88,508
Reforestation costs	64,388	157,237	64,388	157,237		
Adjustments Law No. 11638 – RTT system	288,807	176,291	288,807	176,291		
Deferral of foreign exchange variation	890,951	31,946	890,951	31,946		
Other	66,985	52,484	32,981	44,812	34,004	7,672
	1,854,782	1,522,069	1,498,409	682,613	356,373	839,456
Current liabilities (other liabilities)	(5,108)	(5,304)	(5,108)	(5,304)		
Long-term	1,849,674	1,516,765	1,493,301	677,309	356,373	839,456

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(b) Current

The reconciliation of the amounts of income tax and social contribution in the results to the Brazilian statutory nominal rates for the nine-month period ended September 30, 2009 is as follows:

	Consolidated		Industrial segment		Supplemental information Financial segment	
	IRPJ	CSLL	IRPJ	CSLL	IRPJ	CSLL
Profit before taxes, profit sharing and minority interest	4,150,358	4,150,358	5,363,979	5,363,979	1,106,077	1,106,077
Statutory nominal rates - %	25	9	25	9	25	9
IRPJ and CSLL calculated at the statutory nominal rates	(1,037,589)	(373,532)	(1,340,995)	(482,758)	(276,519)	(99,547)
Equity in the results of investees	43,120	15,523	43,120	15,523		
Amortization of goodwill	35,677	10,243	35,677	10,243		
Interest on capital	18,848	25,956	1,454	524	17,394	25,432
Profit sharing	24,793	13,390			24,793	13,390
Permanent exclusions (inclusions)	(21,439)	(54,516)	17,646	5,888	(39,085)	(60,404)
Non-taxable income of foreign subsidiary	16,232	5,844	16,232	5,844		
Other	(54,664)	6,084	(20,214)	(4,212)	(34,450)	10,296
Income Tax and Social Contribution	<u>(975,022)</u>	<u>(351,008)</u>	<u>(1,247,080)</u>	<u>(448,948)</u>	<u>(307,867)</u>	<u>(110,833)</u>
Current	(828,602)	(298,297)	(510,717)	(183,858)	(565,588)	(203,612)
Deferred	<u>(206,922)</u>	<u>(74,492)</u>	<u>(727,852)</u>	<u>(262,027)</u>	<u>257,721</u>	<u>92,780</u>
Income tax and social contribution losses in the results	<u>(1,035,524)</u>	<u>(372,789)</u>	<u>(1,238,569)</u>	<u>(445,884)</u>	<u>(307,867)</u>	<u>(110,833)</u>

21 Contingencies, Tax Liabilities under Discussion, Judicial Deposits and Commitments

Contingencies, tax liabilities under discussion and judicial deposits

The Votorantim Group companies are parties to labor, civil, tax and other ongoing lawsuits and are discussing these matters both at the administrative and judicial spheres, which are backed by judicial escrow deposits, when applicable. The provisions for probable losses arising from these lawsuits are estimated and updated by management, supported by the positions of its legal advisors. The balances of obligations and provisions are as follows:

	Judicial deposits		Provision for contingencies	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Consolidated				
Tax	580,729	712,717	2,036,594	2,217,431
Labor and social security	77,568	60,541	264,947	289,709
Civil	57,946	35,127	196,422	211,777
Other	6,063	5,174	109,903	236,797
	<u>722,306</u>	<u>813,559</u>	<u>2,607,866</u>	<u>2,955,714</u>

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	Judicial deposits		Provision for contingencies	
	September 30, 2009	December 31, 2008	September 30, 2009	December 31, 2008
Current			(713,355)	(951,375)
Long-term	722,306	813,559	1,894,511	2,004,339
Supplementary information				
Industrial segment				
Tax	524,462	677,275	1,376,022	1,325,139
Labor and social security	73,220	60,541	235,498	252,535
Civil	57,946	35,127	173,088	189,868
Other	6,063	5,174	109,903	236,797
Long-term	661,691	778,117	1,894,511	2,004,339
Financial segment				
Tax	56,267	35,442	660,572	892,292
Labor and social security	4,348		29,449	37,174
Civil			23,334	21,909
	60,615	35,442	713,355	951,375
Current			(713,355)	(951,375)
Long-term	60,615	35,442		

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

	Supplemental information		
	Consolidated	Industrial segment	Financial segment
Balance at December 31, 2008	2,955,714	2,004,339	951,375
Additions, net of reversals	146,736		146,736
Balances of subsidiaries acquired (excluded) from consolidation	(559,241)	(135,240)	(424,001)
Write-offs	(101,901)	(101,901)	
Indexation charges	166,558	127,313	39,245
Balance at September 30, 2009	2,607,867	1,894,511	713,355

At September 30, 2009, the main lawsuits are as follows:

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All amounts in thousands of Reais, unless otherwise indicated

(i) Tax lawsuits

- . Social Integration Program ("PIS")/Social Contribution on Revenues ("COFINS") - the Votorantim Group has been challenging the increase in the COFINS tax rate from 2% to 3%, as well as the increase in the PIS and COFINS calculation bases to include financial income and other non-operating income.
- . PIS/COFINS on Interest on Own Capital - the Company has been challenging the payment of PIS/COFINS on interest on own capital, claiming that interest on own capital is similar in nature to dividend, not revenue.
- . Summer Plan ("Plano Verão") - challenge aimed at the deductibility of the indexation adjustment corresponding to the variation of the Consumer Price Index ("IPC") in January 1989, of 70.28%.
- . Tax on Bank Account Outflows ("CPMF") - the indirectly-held subsidiary BV Leasing - Arrendamento Mercantil S.A. is claiming the right to receive the same tax treatment given to other financial institutions.
- . Value-added Tax on Sales and Services ("ICMS") - challenge of the constitutionality of the inclusion of ICMS in the COFINS calculation basis, as well as the right to maintain the ICMS credit on purchases of raw materials for the right to manufacture of tax-exempt paper and goods for use and consumption.
- . Excise Tax ("IPI") - the Company is defending its entitlement to recover IPI credits arising from the acquisition of inputs, raw materials, intermediary products and packaging materials used in the manufacturing of products which are tax-free, non-taxed and/or zero rated.
- . Income tax and social contribution - the Financial Segment is claiming its entitlement to the difference in income tax rate used for tax incentive investments, as well as the income tax deduction of the price-level adjustment difference between the Consumer Price Index ("IPC") and Daily Federal Treasury Bonds ("BTNF") indices in January 1989, on income tax and social contribution calculations.

(ii) Labor and civil claims

These refer mainly to lawsuits filed by former employees and outsourced employees claiming the payment of indemnity on dismissals, health and safety hazard bonus, risk premium, overtime, "in itinere" hours (overtime while in commuter transportation), as well as civil lawsuits referring to indemnity claims by former employees or employees from outsourced companies based on alleged occupational diseases, work accidents, material and moral damages.

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Votorantim Cimentos

In 2003, Brazil's Secretariat of Economic Law (SDE) started an administrative investigation involving the largest Brazilian cement companies, including the Company and its subsidiary VCNNE. The proceeding investigates the claim of some concrete producers that cement companies have infringed competition rules. So far, it seems that the SDE does not intend to forward any recommendation to the Administrative Council for Economic Defense (CADE) with relation to this proceeding. Based on the opinion of legal advisors, the Company and its subsidiary VCNNE consider that they are not subject to any administrative and/or criminal penalty.

(iii) Possible losses

The Votorantim Group is a party to other tax, civil and labor lawsuits arising in the normal course of its businesses involving possible loss risks of R\$ 2,801,175 (December 31, 2008 – R\$ 2,208,639).

(b) Commitments

- (i) Subsidiaries Votorantim Cimentos Brasil S.A. and St. Marys Cement Inc. have supply agreements with steel mills for the purchase of slag, effective up to 2011 and 2023, respectively.
- (ii) VCP has entered into long-term take-or-pay agreements with suppliers of electric energy, transportation, diesel oil and chemical products for a one to ten-year period. These agreements contain termination and suspension clauses for noncompliance with basic terms and conditions. The contractual obligations assumed at September 30, 2009 represent R\$ 128,701 (2008 – R\$ 148,972). In addition, a long-term take-or-pay agreement was signed in 2007 with International Paper for the supply of pulp for a 30-year period. The commitment established by this agreement represents R\$ 91,812 (2008 – R\$ 152,693) at September 30, 2009.
- (iii) The Votorantim Group has contracts for the purchase of electric energy of approximately 1000 MW/year up to 2020.
- (iv) The Votorantim Group has commitments for the construction and purchase of equipment for plants that generate electric energy, either independently or through consortia, for which the future disbursement estimated by management is approximately R\$ 1,800,000.
- (v) On July, 2008, Votorantim Metais entered into an agreement for the purchase of concentrated ore with Mirabela Mineração, a company of the Australian group Mirabela Nickel, which will start operating its mine in the State of Bahia by end 2009. The five-year agreement was consummated for the purchase of US\$ 1 billion of ore.
- (vi) Acerías Paz Del Río S.A., as a result of the agreements entered into during 2003 and 2006 with creditors for the restructuring of debts, is restricted from paying dividends up to 2010.

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22 Negative Goodwill

	<u>Consolidated</u>	
	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Empresa de Transportes CPT Ltda.	1,409	1,409
Hailstone Limited	199,013	199,013
VCP-MS Celulose Sul Mato-Grossense Ltda. (Note 1)	626,556	1,781,000
Votorantim Celulose e Papel S.A.	404,654	404,654
Votorantim Cimentos Ltda	31,143	41,713
Other	101,394	95,640
	<u>1,364,169</u>	<u>2,523,429</u>

23 Shareholders' Equity - Parent Company Votorantim Participações S.A.

(a) Capital

At September 30, 2009 and December 31, 2008, the fully subscribed and paid-up capital comprises 5,380,878,973 nominative common shares of R\$ 12,380,538.

(b) Dividends

Shareholders are assured of the right to receive mandatory dividends of 25% of adjusted net income, as set forth in Article 202 of Brazilian Corporation Law.

(c) Profit retention

The profit retention reserve is formed by transfer from the unappropriated balance of retained earnings and is to be used to fund expansion projects as detailed in the Company's investment plan.

(d) Carrying value adjustment

The Company recognizes under this caption the foreign exchange effect on investments in subsidiaries abroad directly or indirectly held by the Company. This accumulated effect will be reversed to income for the year as gain or loss in the event of disposal or write-off of the investment.

Also considered under this caption are the foreign exchange variation on debts and derivatives designated to mitigate risks related to foreign exchange and prices of commodities (hedge accounting) and the amount relating to the fair value of available-for-sale financial assets.

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24 Other Operating Income, Net

	Periods ended September 30, Supplementary Information					
	Consolidated		Industrial segment		Financial segment	
	2009	2008	2009	2008	2009	2008
Gain on sale of investment (i)	1,972,611	27,054	1,972,611	27,054		
Gain on sale of property, plant and equipment	888		888			
Non-recurring income	131,648	604,870	131,648	176,676		428,194
Gains from commodity hedge transaction	33,155	175,891	33,155	175,891		
Tax recovery	79,303	5,718	79,303	5,718		
Foreign exchange losses on foreign investments			(250,881)			(250,881)
Total effective cost financed	671,291				671,291	
Recovery of charges and expenses	4,623	1,155	(1,497)	1,155	6,120	
Other income (expenses), net	(97,699)	25,449	18,753	60,934	(116,452)	(35,486)
	<u>2,544,941</u>	<u>840,137</u>	<u>2,234,863</u>	<u>447,429</u>	<u>310,078</u>	<u>392,708</u>

- (i) Mainly refers to the sales proceeds of R\$ 1,433,363 from the sale of the investment held in VBC and of R\$ 313,177 from the sale of shares of Tivit Terceirização de Processos, Serviços e Tecnologia S.A.

25 Financial Results

	Industrial segment	
	Periods ended September 30	
	2009	2008
Financial expenses		
Foreign exchange losses	(2,703,808)	(6,560,156)
Interest on loans, financing and others	(1,299,552)	(1,173,216)
Other financial expenses	(386,465)	(266,311)
Net losses from derivative financial instruments	(239,579)	(519,329)
	<u>(4,629,405)</u>	<u>(8,519,011)</u>
Financial income		
Foreign exchange gains	5,580,021	4,955,738
Income from financial investments	246,028	270,492
Other financial income	838,945	898,839
	<u>6,664,994</u>	<u>6,125,069</u>
Net financial result	<u>2,035,589</u>	<u>(2,393,943)</u>

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26 Private Pension Plan

(a) Defined contribution

In Brazil, the companies comprising Votorantim Group are sponsors of private pension plans managed by Fundação Senador José Ermíro de Moares ("FUNSEJEM"), a private non-profit closed pension fund which is available to all employees of the Votorantim Group. Under the regulations of the fund, the employee contributions to FUNSEJEM are matched by the sponsors based on their remuneration. For employees whose remuneration is lower than the limits established by the regulations, the Company matches the contributions that represent up to 1.5% of their monthly remuneration. For employees whose remuneration exceeds the limits, the Company matches the contributions of employees that represent up to 6% of their monthly remuneration. Voluntary contributions may also be made to FUNSEJEM. The contributions made by Votorantim Participações S.A. and its subsidiaries to FUNSEJEM in the nine-month period ended September 30, 2009 totaled R\$ 16,582 (2008 – R\$ 19,376)).

(b) Defined benefit

Indirect subsidiary of Votorantim Participações S.A. abroad, Votorantim Cement North America Inc., subsidiary Votorantim Cimentos N/NE and jointly-controlled subsidiaries Usinas Siderúrgicas de Minas Gerais S.A. – Usiminas and Aracruz Celulose S.A. have defined benefit pension plans which also offer health care and life insurance, among other benefits. The cost of the retirement benefits and other benefits of these plans granted to qualified employees is determined by the projected benefit method on a pro rata basis on the service and the best management expectations concerning investment margins, salary adjustments, cost trends and the mortality rate and retirement age of the employees.

27 Insurance Coverage

Considering that their assets are widely dispersed physically and based on the results of work performed by experts who regard the possibility of significant losses as low, Votorantim Participações S.A. and its subsidiaries adopt, for most of their assets, a policy of monitoring, controlling and periodically assessing the risks inherent to each business.

28 Financial Instruments

(a) Industrial segment, except for publicly-held jointly-controlled subsidiaries

The Company's industrial segment carries out sales in U.S. dollars ("Dollar" or "US\$") and Reais. On the other hand, the related costs are incurred in Real, Dollar, Peruvian Sol and Colombian Peso (jointly referred to as risk currencies). In this context, as from 2009, the use of derivatives is based on the protection of cash flows as follows: (i) protection of cash flow of Real's appreciation with relation to the other risk currencies and (ii) protection of debt repayment against interest rate volatility.

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(i) Policies for the use of derivative financial instruments

The risk management is centralized and based on a governance structure that includes: the Committee of Finance, Risk Management and Internal Audit (formed by shareholders' representatives and the Chief Risk Officer) and also by the Treasury Committee (composed of the Director of Corporate Finance, by an Independent Risk Consulting Representative, the Treasurer and the Manager of Funding).

Every derivative contracted must have a guarantee (for example, revenue streams dollars, volume of commodities or debt and related index).

(ii) Derivatives contracted

All derivative transactions were conducted on over-the-counter market. Below is a description of each derivative contracted by the Company.

Hedge instruments for interest rate in U.S. dollar – derivatives contracted in order to adapt the LIBOR exposure (arising from debts in US\$ indexed in LIBOR floating rates) to the parameters established by the policy. Mitigation of risks is carried out through swaps and collars, as described below:

- LIBOR floating rate swap x LIBOR fixed rate – VID receives LIBOR floating rates and pays fixed rates.
- Zero cost collar – VID sells LIBOR fixed rate put options and purchases LIBOR fixed rate call options.

Hedging program for agribusiness operating margin- derivative operations contracted to reduce the volatility of results from orange juice operations. The hedge aims to fix the operating margin for a part of the production, and is provided through the sale of U.S. dollar forward contracts.

Program for the sale of nickel, zinc and aluminum at fixed price – hedge transaction to convert, from fixed to floating, the price contracted in the commercial transactions with customers interested in purchasing products at fixed prices, the aim of which is to maintain the flow of operating income of the Business Unit linked to the prices of London Metal Exchange (LME). These operations usually relate to purchases of nickel, zinc and aluminum for future trading on London Metal Exchange or on over-the-counter market.

Hedging program for the operating margin of metals – derivatives contracted in order to reduce the volatility of the results of operations related to zinc, nickel and aluminum. This hedge aims to ensure a fixed operating margin in Reais for a part of the production of metals, and is carried out through the sale of each commodity's forward contracts, along with the sale of U.S. dollar forward contracts.

Foreign exchange hedging program for sales in U.S. dollars – derivatives contracted in order to reduce the volatility of cash flows. Throughout the years 2007 and 2008, the Company contracted forward U.S. dollar sale transactions, and the purchase of European call options of U.S. dollars. In 2009 this program was interrupted.

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Instruments to hedge U.S. dollar-denominated debt – derivatives contracted aiming to reduce the cost of debt incurred on the acquisition of foreign investments. Throughout the years 2007 and 2008, the Company contracted swap with barrier options, as described below:

- Financing swaps – three types of plain vanilla swaps:
 - US\$ swaps x US\$: through these instruments, VID receives and pays U.S. dollars fixed rates.
 - CDI floating rate swaps x CDI floating rate: with these instruments, VID receives and pays Reais floating rates linked to Interbank Deposit Certificates (CDI).
 - U.S. dollar swap x Interbank Deposit Certificate (CDI) floating rate - through these instruments, VID receives at fixed rates in U.S. dollars and pays at floating rates in Reais, linked to the CDI variation.
- Financing strikes (barrier options of financing swaps): transactions related to the sale of European call options of US dollars.

In 2009, the contracting of these transactions was interrupted.

Balance sheet hedging instruments – derivatives contracted in order to preserve the balance sheets of the companies comprising the industrial segment. Throughout the years 2007 and 2008, swap transactions were carried out as described below:

- U.S. dollar swap x Interbank Deposit Certificate (CDI) floating rate - through these instruments, VID receives at fixed rates in U.S. dollars and pays at floating rates in Reais, linked to the CDI variation.

The contracting of these transactions was interrupted in April 2009.

Pursuant to article 4 of CVM Instruction 475, below is a summary table which includes the derivative financial instruments and the target protected by each one of them:

Type	Industrial Segment			
			September 30, 2009	December 31, 2008
	Notional	Unit	Fair value	Fair value
Futures contracts				
Sales commitment				
Foreign currency	887,277	US\$ M	113,930	(1,182,195)
Metals (Zn, Ni and Al)	242,410	t	941	
Purchase commitment				
Metals (Zn, Ni and Al)	43,876	t	22,036	3,521
Swap Contracts				
Receiving position - foreign currency	983,423	US\$	(140,681)	156,129
Paying position - foreign currency	-	US\$		

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Type	Industrial Segment			
	Notional	Unit	September 30, 2009 Fair value	December 31, 2008 Fair value
Receiving position - interest rate	612,724	R\$	39,899	91,790
Paying position - interest rate	1,558,000	US\$	(84,686)	(74,064)
Option Contracts				
Foreign currency				
Call sale	2,317,748	US\$	(9,524)	(2,688,787)
Call purchase				718,951
Forward Contracts				
Sold position	(49,604)	US\$	2,920	(94,081)
Purchased position		US\$		
Total			(55,164)	(3,068,736)

The fair value does not represent the obligation of immediate cash disbursement, since this will occur only at contractual check or maturity dates, when the transactions generate the disbursement or receipt of cash, depending on the case and market conditions at these dates. The contracts outstanding at September 30, 2009, are not subject to escrow deposits, margin calls or any other equivalent mechanism.

(iii) Computation of fair value of derivative financial instruments

The Company determines the fair value of its derivatives contracts and recognizes, especially in the OTC contracts, that these amounts may differ from the marked-to-market amounts, which represent the amount of a possible advanced settlement. This difference arises from liquidity conditions, interest of the counterparty in the advanced settlement, etc. In spite of this, the Company believes that the amounts obtained for these contracts, in accordance with methods described below, fairly represent their fair values.

The methods for computing the fair value of the derivative financial instruments utilized by the Company for derivatives transactions were based on the use of procedures commonly adopted in the market and in accordance with theoretical substantiation. Below is a summary of the procedures followed for determining the fair value of each derivative:

Swap contracts – the present value of both the asset position and the liability position are estimated through the discounted cash flows at the market interest rate of the currency in which the swap is denominated.

European options of dollar – these are valued through the Garman-Kohlhagen model, which allows the pricing of exchange options based on the cash price of the currency, on the internal and external interest rates, on the currency's market volatility, on the option exercise price and on the period up to maturity.

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Non-Deliverable Forwards (NDFs) – through the interpolation of the vertexes obtained from the BM&F for dollar futures contracts and from the London Metal Exchange (LME) for metals contracts, the future quotation is determined on each maturity date of NDF contracts. The difference between the quotation obtained and the rate contracted is presented below. This difference is multiplied by the notional value of each contract and, subsequently, stated at present value according to the fixed reference curve.

Sensitivity analysis

Pursuant to CMV Instruction 475 the sensitivity analysis conducted on the outstanding positions is based on the following scenarios:

- Scenario I - probable: - based on market trends and quotations at September 30, 2009. Management believes that the market conditions observed at the end of September set up a scenario of probable occurrence.
- Scenario II: considers a shock of 25% applied to the market trends and quotations used for pricing the probable scenario, with a negative impact on the fair value of the derivative positions.
- Scenario III: considers a shock of 50% applied to the market trends and quotations used for pricing the probable scenario, with a negative impact on the fair value of the derivative positions;

The following table presents the sensitivity analysis of the derivative financial instruments.

Program	Instrument	Risk	Scenario I Probable	Scenario II ² 25% Deterioration	Scenario III ² 50% Deterioration
Hedging of interest rate in US dollars	LIBOR floating rate x LIBOR fixed rate swap; Zero Cost Collar	Decrease in LIBOR dollar rates	(84,686)	(10,382)	(20,298)
Sale of nickel, zinc and aluminum at fixed price	Forward contracts to sell nickel, zinc and aluminum	Decrease in prices of nickel, zinc and aluminum	22,036	(39,156)	(78,312)
Hedging of operating results of metals ¹	Forward contracts to sell nickel, zinc and aluminum	Increase in prices of nickel, zinc and aluminum	941	(279,172)	(558,345)
	US dollar forward contracts	Increase in R\$/US\$ exchange rate	41,660	(276,230)	(552,270)
Hedging of agribusiness operating result	US dollar forward contracts	Increase in R\$/US\$ exchange rate	16,552	(45,051)	(90,112)
Balance sheet hedging	US dollar swap x CDI floating rate	Decrease in R\$/US\$ exchange rate	(270,133)	(172,781)	(345,562)
		Increase in local interest rate	(270,133)	(25,122)	(51,624)
Foreign exchange hedging of sales in US dollar	US dollar forward contracts	Increase in R\$/US\$ exchange rate	54,776	(68,430)	(136,875)
	US dollar call options	Increase in R\$/US\$ exchange rate	(5,269)	(113,639)	(424,821)
Hedging of US dollar-denominated debt	Swaps with barrier option	Increase in R\$/US\$ exchange rate	330,500	(267,706)	(634,452)
	US dollar swap x CDI floating rate	Increase in R\$/US\$ exchange rate	(136,253)	(98,307)	(196,614)

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(iv) Fair value of the other financial instruments

The Company and its subsidiaries are involved in transactions with financial instruments, all of which are recorded in balance sheet accounts.

At September 30, 2009, the main financial instrument assets and liabilities are described below, as well as the assumptions for their valuation:

- Cash and cash equivalents, financial investments, accounts receivable and other current assets - considering the nature and the terms, the amounts recorded approximate their realizable values.
- Financial liabilities - these are subject to interest at usual market rates (Note 17). The market value was calculated based on the present value of future cash disbursements, using the interest rates currently available for the issuance of debt with similar terms and maturities, representing a gain, as compared to the book values, of R\$ 202,879 for loans and financing, and loss of R\$ 46,710 for subordinated debt and R\$ 180,260 for debentures, at September 30, 2009.

(v) Credit risk

The Company considers that it is subject to credit risk in the following financial instruments: derivatives, time deposits, Bank Deposit Certificates (CDB), and repurchase commitments backed by debentures. The following table presents the ratings and counterparties in those transactions.

Counterparty	S&P	FITCH	Moody's
Banco Bradesco	AAA	AAA	Aaa
Banco do Brasil		AA+	Aaa
Banco Votorantim S.A.	AA+	AA+	Aaa
BES Investimento do Brasil S.A.			Aaa
BNP Paribas Brasil S.A.	AAA		
BTG Pactual S.A.		AA-	
Citibank S.A.	AAA		
Credit Suisse		AAA	
HSBC Bank Brasil S.A.			Aaa
Itaú Unibanco	AAA	AAA	Aaa
J. P. Morgan S.A.	AA-	AA-	Aa1
Morgan Stanley S.A.	A	A2	A
Santander Real	AAA	AAA	Aaa
Standard Bank	BBB	BBB+	A3
Bank of America	AA	AA	Aa2
Citibank NA	A+	A+	A1
CIBC	A+	AA-	Aa2
Comerica Bank	A	A	A1
Deutsche Bank	A+	AA-	Aa1
Wachovia	A+	A+	Aa3

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(vi) Liquidity risk

This is monitored by means of cash management policies, aimed at ensuring sufficient liquid funds to meet the Company's financial commitments at any time.

(vii) Main transactions and future commitments for protection of cash flows, emphasizing the terms of the estimated financial impact

During the quarter ended September 30, 2009, the Company adopted hedge accounting for the protection of metal operating margins. As a consequence of the adoption of the hedge accounting, the fair values of derivatives contracted for this program are recorded in shareholders' equity, during the useful life of the hedge. Upon settlement, realized gains or losses are recognized in operating results. A summary of the derivatives is presented in the table below.

Program	Principal amount	Unit	Purchase / Sale	Average FWD Rate		Average Term (days)
	September 30, 2009					
Hedging of operating results of metals						
Nickel forward contracts	10,410	ton	V	18,652	US\$	242
Zinc forward contracts	79,600	ton	V	1,866	US\$	236
Aluminum forward contracts	152,400	ton	V	1,928	US\$	258
US dollar forward contracts	631	US\$ M	V	1,9149	R\$/US\$	245

(viii) Value and type of margins pledged in guarantee

Derivative transactions contracted by the Votorantim Group are not subject to escrow deposits, margin call or any other similar mechanism.

(ix) Market data used in the calculation of fair value of financial instruments

For the preparation of curves used in derivative pricing, public data disclosed by BM&F, LME, as well as data sourced from Bloomberg L.P., was used.

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Product trends

Nickel		Zinc		Aluminum	
Maturity	Price (US\$/metric ton)	Maturity	Price (US\$/metric ton)	Maturity	Price (US\$/metric ton)
Spot	17,819	Spot	1,914	Spot	1,856
1M	17,830	1M	1,950	1M	1,864
2M	17,857	2M	1,958	2M	1,876
3M	17,884	3M	1,966	3M	1,885
4M	17,919	4M	1,975	4M	1,897
5M	17,930	5M	1,979	5M	1,906
6M	17,945	6M	1,982	6M	1,914
7M	17,935	7M	1,987	7M	1,924
8M	17,925	8M	1,990	8M	1,933
9M	17,915	9M	1,993	9M	1,941
10M	17,895	10M	1,995	10M	1,950
11M	17,875	11M	1,998	11M	1,957
1Y	17,855	1Y	2,000	1Y	1,964
13M	17,835	13M	2,003	13M	1,972
14M	17,815	14M	2,005	14M	1,979
15M	17,795	15M	2,007	15M	1,986

Source: LME (cash seller) Source: LME (cash seller) Source: LME (cash seller)

Rate trends

Exchange Coupon - US\$ Brazil		Prefixed rate in Reais		Libor	
Maturity	Rate (% p.a)	Maturity	Rate (% p.a)	Term (months)	Rate (% p.a.)
9/30/2009	1.78	9/30/2009	8.60	1.0	0.25
11/3/2009	2.46	10/1/2009	8.60	2.0	0.25
12/1/2009	2.12	11/3/2009	8.64	3.0	0.29
1/4/2010	2.01	12/1/2009	8.66	4.0	0.40
4/1/2010	2.06	1/4/2010	8.66	5.0	0.53
7/1/2010	2.16	4/1/2010	8.82	6.0	0.63
10/1/2010	2.41	7/1/2010	9.20	7.0	0.74
1/3/2011	2.57	10/1/2010	9.67	8.0	0.86
4/1/2011	2.70	1/3/2011	10.23	9.0	0.97
7/1/2011	2.86	4/1/2011	10.69	10.0	1.07
10/3/2011	2.97	7/1/2011	11.05	11.0	1.17
1/2/2012	3.12	10/3/2011	11.30	12.0	1.26
4/2/2012	3.25	1/2/2012	11.46	24.0	1.30
7/2/2012	3.35	4/2/2012	11.68	36.0	1.89
10/1/2012	3.47	7/2/2012	11.84	48.0	2.33
		10/1/2012	11.86	60.0	2.66
				72.0	2.91

Source: BM&F Source: BM&F Source: Bloomberg

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Currency trends

FWD- Dollar

<u>Maturity</u>	<u>Amount (R\$/US\$)</u>
9/30/2009	1.78
11/3/2009	1.78
12/1/2009	1.79
1/4/2010	1.80
2/1/2010	1.81
3/1/2010	1.82
4/1/2010	1.83
5/3/2010	1.84
6/1/2010	1.85
7/1/2010	1.86
8/2/2010	1.87
9/1/2010	1.88
10/1/2010	1.90
11/1/2010	1.91
12/1/2010	1.92
1/3/2011	1.94
4/1/2011	1.98
7/1/2011	2.02
10/3/2011	2.07
1/2/2012	2.11
4/2/2012	2.16
7/2/2012	2.20
10/1/2012	2.24
1/2/2013	2.29
4/1/2013	2.33
7/1/2013	2.38
10/1/2013	2.43
1/2/2014	2.48
4/1/2014	2.52
7/1/2014	2.56
10/1/2014	2.61
1/2/2015	2.66
4/1/2015	2.69
10/1/2015	2.79

Source:
BM&F

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All amounts in thousands of Reais, unless otherwise indicated

(b) Industrial segment – publicly-held jointly-controlled companies (VCP, Aracruz, Tivit and Usiminas) and Financial Segment

The contracting, risk management and calculation policies related to fair values of financial instruments, mainly derivatives, as well as other related information, which include the sensitivity analysis, as provided for in CVM Instruction 475, related to publicly-held jointly-controlled companies and also to the financial segment, differ from each other, as well as in relation to the policies used and other information disclosed by the closely-held companies in the Votorantim Group. Such information is presented in details in Quarterly Information (ITR), made available to the market by these corporations.

29 Subsequent Events

(a) Sale of Guaíba unit – Fibria Celulose S.A.

On December 15, 2009, Fibria Celulose S.A. concluded the negotiation previously agreed with Empresas CMPC S.A. (“CMPC”), headquartered in Santiago, Chile, involving the equity items represented by industrial facilities, land and forests comprising the Guaíba unit, in the city of Guaíba, State of Rio Grande do Sul, totaling US\$ 1,430 million.

Upon the conclusion of the negotiation, on December 15, 2009 the Company received the amount equivalent to US\$ 1.3 billion, of which US\$ 1 billion refers to the first installment of the adjusted price and US\$ 300 million refers to part of the second installment. The remaining balance of US\$ 130 million will be paid within 45 days subject to usual adjustments and with interest accruing at the rate of 7.5% p.a.

(b) Approval of change of Aracruz preferred shares for VCP common shares

The term for the exercise of appraisal rights of holders of Aracruz common shares and Class A preferred shares (none of which will be the basis for American Deposit Shares (ADS)) who do not vote in favor of the resolution approving the merger of Aracruz shares into VCP expired on November 12, 2009.

Within the 270 days for the conclusion of merger of Aracruz shares into VCP, the controlling shareholders intend to make VCP a member of the New Market, as per the regulations of BMF&BOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros.

On November 5, 2009, the Special General Meeting of Votorantim Celulose e Papel S.A. resolved on the following agenda: (i) election of new members for the Board of Directors; (ii) dismissal of a member of the Statutory Audit Committee and election of the substitute; (iii) amendment of the By-laws in order for it to be in compliance with the BMF&Bovespa New Market Listing Regulation; (iv) change of the Company’s name to Fibria Celulose S.A.; and (v) authorization for managers to carry out all necessary acts to include the Company in the BMF&Bovespa New Market.

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

(c) Borrowings and financing

On October 30, 2009, through its foreign subsidiary Fibria Overseas Finance Ltd, Votorantim raised US\$ 1 billion in international capital markets (equivalent to R\$ 1,744,000), with maturity in 10 years and payment of semi-annual interest at the rate of 9.375% p.a. These funds will be used to retire and refinancing debt.

(d) Covenants

On October 15, 2009, it was agreed an amendment to the agreement with the main creditors of Aracruz, and the applicability of the following covenants were suspended:

- considering certain exceptions, the restriction on the Company's ability to being merged into or consolidated with other entities;
- >- considering certain exceptions, the restriction on the sale and swap of assets by the Company and its subsidiaries;
- >-considering certain exceptions, the restriction on the establishment of lien on the Company's and its subsidiaries' assets;
- >-considering certain exceptions, the restriction on the assumption of additional debt by the Company and its subsidiaries.

In addition, the applicability for maintenance of investments was retained and restrictions for expansion investments are lifted. The Company may pay dividends above the mandatory minimum, as long as the Company presents a debt leverage ratio lower than 4.8 times the the earnings before interest, taxes, depreciation and amortization (EBITDA).

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

30 Information by segment– at September 30, 2009

The following information refers to the breakdown of the industrial segment by division, before: (i) the eliminations between segments, and (ii) the eliminations of investments maintained by the holding companies, including the investment held in Votorantim Finanças. It also includes all the equity and results balances of Azben Holding G.M.B.H. (trading) related to each business / division.

(a) Assets

Assets	Supplementary information – Industrial segment							Holding companies and Other
	Cement	Metals	Steel	Pulp and paper	Agribusines s	Chemical	New Business	
Current assets								
Cash and cash equivalents, financial investments and derivative financial instruments	2,145,873	2,323,898	377,948	867,531	319,997	538	494,074	3,112,274
Trade accounts receivable	936,456	493,832	307,772	252,073	193,524	7,172	138,777	95,823
Allowance for doubtful accounts	(42,678)			(14,268)	(12,581)	(2,949)	(17)	(10,538)
Inventories	657,927	899,584	849,402	361,657	516,381	32,300	6,896	30,496
Taxes recoverable	555,656	509,639	61,666	143,173	73,928	37,288	24,081	78,525
Dividends receivable	12,786	38,680				1,176	290	80,848
Other assets	197,530	176,298	122,580	747,954	49,185	5,904	78,250	255,067
	<u>4,463,550</u>	<u>4,441,932</u>	<u>1,719,368</u>	<u>2,358,121</u>	<u>1,140,435</u>	<u>81,429</u>	<u>742,353</u>	<u>3,642,495</u>
Non-current assets								
Long-term receivables								
Financial investments and derivative financial instruments	8,290	185		24,807				23,478
Related parties	3,215,275	1,822,312	303,681		1,029,043	23,023	600,615	7,765,239
Judicial deposits	331,618	47,188	97,805	11,127	2,303	1,638	11,929	47,526
Deferred taxes	819,293	946,730	177,127	320,967	197,842	38,484	8,466	998,732
Taxes recoverable	41,755	473,152	50,319	89,917	292,498	2,501	338	593,696
Other	52,731	4,223	66,952	143,720	20,310			295,734
	<u>4,468,963</u>	<u>3,293,791</u>	<u>695,883</u>	<u>590,538</u>	<u>1,541,996</u>	<u>65,646</u>	<u>621,347</u>	<u>9,724,404</u>

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

Assets	Supplementary information – Industrial segment							
	Cement	Metals	Steel	Pulp and paper	Agribusiness	Chemical	New Business	Holding companies and Other
Investments	542,949	1,768,925	115,265	2,537	144	1,232	59,004	21,192,949
Property, plant and equipment	4,825,242	7,616,016	3,869,717	5,306,021	843,941	308,459	323,806	521,574
Intangible assets	2,573,453	1,744,907	164,344	1,808,753	83,233	1,589	175,183	145,992
Deferred charges	130,223	177,052	68,468	19,802	12,653		87,908	562
	<u>8,071,867</u>	<u>11,306,901</u>	<u>4,217,794</u>	<u>7,137,113</u>	<u>939,971</u>	<u>311,280</u>	<u>645,901</u>	<u>21,861,078</u>
	<u>12,540,830</u>	<u>14,600,691</u>	<u>4,913,677</u>	<u>7,727,650</u>	<u>2,481,967</u>	<u>376,926</u>	<u>1,267,248</u>	<u>31,585,482</u>
Total assets	<u>17,004,380</u>	<u>19,042,623</u>	<u>6,633,046</u>	<u>10,085,771</u>	<u>3,622,403</u>	<u>458,355</u>	<u>2,009,601</u>	<u>35,227,977</u>

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

(b) Liabilities

Liabilities and shareholders' equity	Supplementary information – Industrial segment							
	Cement	Metals	Steel	Pulp and paper	Agribusiness	Chemical	New Business	Holding companies and Other
Current liabilities								
Loans and financing	665,225	1,422,658	540,936	880,388	1,511,215	132,245	234,191	1,030,151
Derivative financial instruments				6,067				156,720
Suppliers	518,145	687,505	314,360	134,389	77,628	18,278	55,468	493,980
Salaries and payroll charges	88,710	156,477	50,104	45,316	17,222	6,576	95,877	28,456
Income tax and social contribution	400,085	27,228	4,972	3,885	395	827	43,065	100,282
Taxes payable	165,530	21,669	53,272	2,538	629	695	20,666	51,517
Dividends payable	59,942	61,701	890	273	-	44	2,345	74,922
Advances from customers	38,205	111,806	14,617		7,655	49	345	2,163
Other liabilities	145,053	101,788	29,002	730,625	9,323	19,139	427	
	<u>2,080,895</u>	<u>2,590,833</u>	<u>1,008,154</u>	<u>1,803,480</u>	<u>1,624,067</u>	<u>177,853</u>	<u>452,383</u>	<u>1,938,191</u>
Non-current liabilities								
Loans and financing	1,720,269	6,479,462	1,784,467	3,324,273	1,541,227	22,034	30,684	4,626,137
Related parties	7,522,503	1,821,131	1,395,615	33,524	29,834	86,240	87,800	3,656,643
Deferred taxes	422,142	421,215	179,778	84,353	47,194	1,059		337,560
Provision for contingencies and tax liabilities	874,408	318,000	160,639	123,651	37,584	68,046	37,427	184,810
Negative goodwill	171,672	27,077		626,556				879,075
Other liabilities	869,022	550	654,897	592,653		1,077	7,361	107,782
	<u>11,580,017</u>	<u>9,067,434</u>	<u>4,175,396</u>	<u>4,785,009</u>	<u>1,655,838</u>	<u>178,456</u>	<u>163,272</u>	<u>9,792,007</u>
Shareholders' equity	<u>3,343,468</u>	<u>7,384,357</u>	<u>1,449,495</u>	<u>3,497,283</u>	<u>342,498</u>	<u>102,046</u>	<u>1,393,945</u>	<u>23,497,779</u>
Total liabilities and shareholders' equity	<u>17,004,380</u>	<u>19,042,624</u>	<u>6,633,045</u>	<u>10,085,771</u>	<u>3,622,403</u>	<u>458,355</u>	<u>2,009,601</u>	<u>35,227,977</u>

Votorantim Participações S.A.

Notes to the Consolidated Financial Statements at September 30, 2009

All amounts in thousands of Reais, unless otherwise indicated

(c) Statement of income

	Supplementary information – Industrial segment							Holding companies and other
	Cements	Metals	Steel	Pulp and paper	Agribusiness	Chemical	New Business	
Gross revenues								
Sales of products and services	7,048,209	3,871,774	2,634,217	2,873,163	660,929	274,653	784,677	288,568
Taxes on sales and services and other deductions	(1,533,000)	(536,272)	(467,482)	(272,734)	(25,840)	(55,707)	(81,011)	(62,674)
Net revenues	5,515,209	3,335,503	2,166,736	2,600,429	635,090	218,946	703,667	225,894
Cost of products and services	(3,469,591)	(3,187,273)	(1,633,416)	(2,114,860)	(837,983)	(175,209)	(551,135)	(218,584)
Gross profit	2,045,618	148,229	533,320	485,569	(202,893)	43,737	152,532	7,310
Operating income (expenses)								
Selling	(413,610)	(133,830)	(83,784)	(201,440)	(82,845)	(17,513)	(1,703)	
General and administrative	(348,155)	(393,274)	(130,987)	(115,649)	(95,370)	(30,737)	(80,183)	(145,639)
Other operating income (expenses), net	258,636	397,264	(2,338)	(25,023)	21,855	4,972	133,764	1,455,527
	(503,129)	(129,840)	(217,109)	(342,112)	(156,359)	(43,278)	51,877	1,309,887
Operating profit (loss) before equity results and financial results	1,542,489	18,390	316,211	143,456	(359,252)	459	204,410	1,317,197
Results from equity investments								
Equity in earnings of investees	40,846	221,411	11,001	(644)	(4,908)		(1,013)	3,300,092
Amortization of (goodwill) negative goodwill, net	10,720							23,533
	51,566	221,411	11,001	(644)	(4,908)		(1,013)	3,323,625
Financial income (expenses), net	284,567	643,022	(170,656)	655,317	254,196	52,686	197,558	129,460
Profit (loss) before taxes	1,878,622	882,823	156,556	798,130	(109,964)	53,145	400,954	4,770,283
Income tax and social contribution								
Current	(392,666)	(56,635)	(42,556)	(14,115)		(13,391)	(50,208)	(124,829)
Deferred	(10,955)	(206,867)	(29,981)	(270,830)	(30,747)	(5,096)	(10,072)	(425,360)
Profit (loss) before profit sharing	1,475,001	619,321	84,019	513,186	(140,711)	34,658	340,674	4,220,094
Minority interest				(241,332)				
Net income (loss) for the period	1,475,001	619,321	84,019	271,854	(140,711)	34,658	340,674	4,220,094

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