Votorantim

CORPORATE PRESENTATION
3Q14 RESULTS

November 2014

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Agenda

1 Business Performance

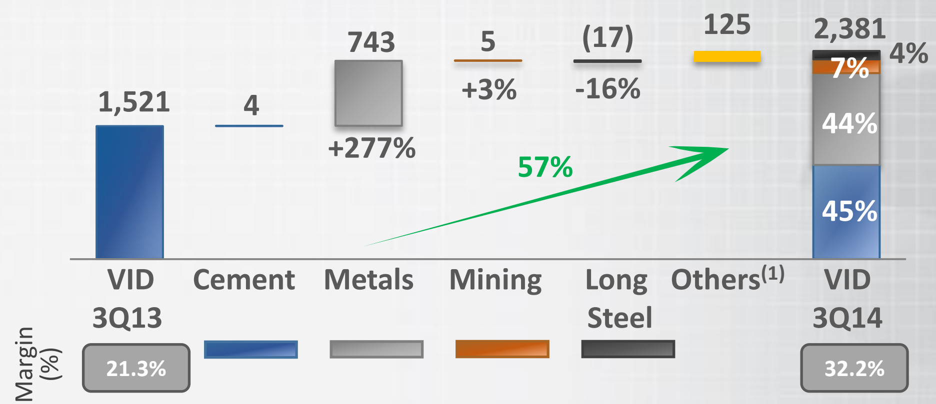
2 Financial Highlights

3 Closing Remarks

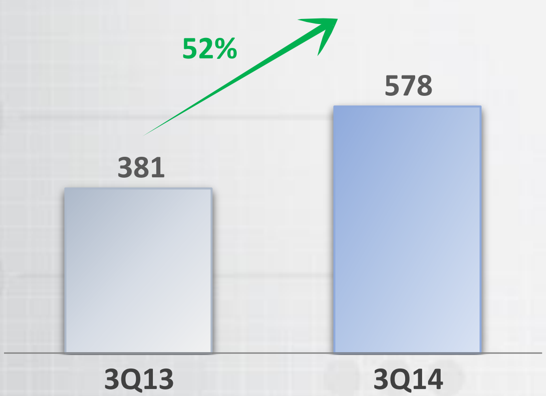
Consistent results supported by a diversified portfolio along with a solid operating performance

Net Revenues (R$ million)

Adjusted EBITDA (R$ million)



Net Income (R$ million)



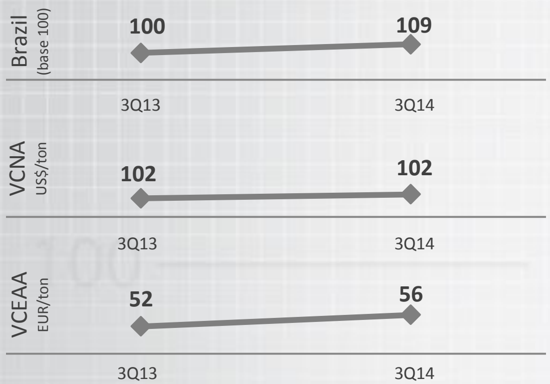
Highlights

- **Revenues went up by 4%** mainly due to **higher prices in BRL**
- **EBITDA grew 57%** on the back of the solid operating performance, specially in Metals, coupled with the **sale of energy surplus** through the A-0 auction. **YTD EBITDA improved 38%** with all business segments positively contributing to the result
- **Net Income** in the quarter **totaled R$578 million, 52% increase** as a result of greater operating performance. **YTD Net Income totaled R$1.1 billion**

(1) Includes Holding, elimination, energy and others

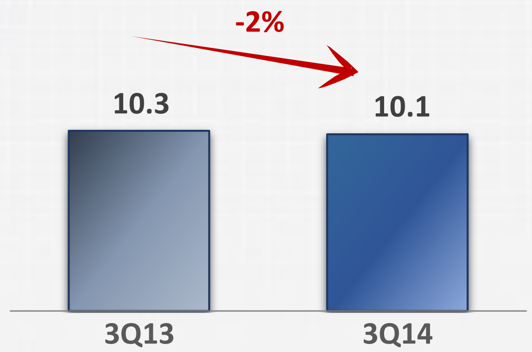
Cement | Results

Price

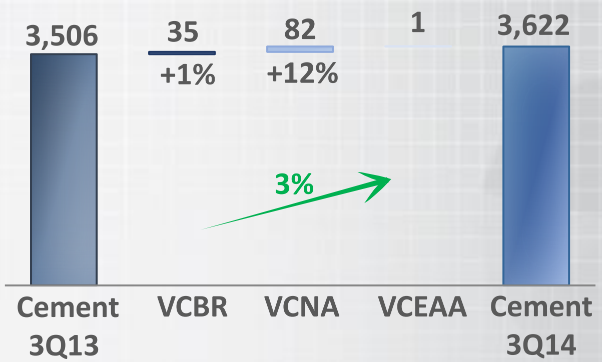


	3Q13	3Q14
R$/US$ (Average)	2.29	2.28
R$/EUR (Average)	2.03	3.01

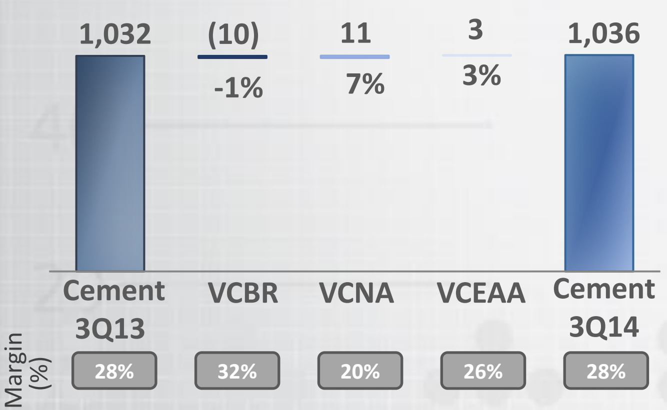
Volume (M ton)



Net Revenues (R$ million)



Ajusted EBITDA (R$ million)



Highlights

- **Sales volume decreased 2% in the quarter. YTD volumes was stable at 28.0 Mt.**
- VCBR
  - **Revenues and EBITDA** remained stable as a result of: (a) higher prices; (b) lower volumes; and (c) higher petcoke cost
- VCNA
  - **Revenues and EBITDA increased** due to **higher sales volume of concrete and cement** on the back of infrastructure projects in USA and housing market in Canada
- VCEAA
  - **Revenues and EBITDA improved** as a result of the positive trend in Tunisia and Turkey

(1) Includes Latin American operations

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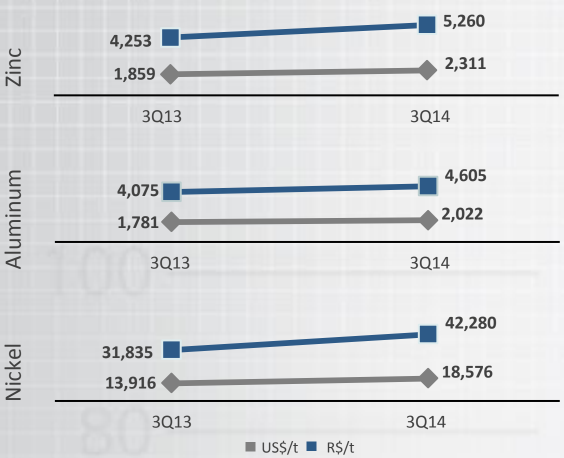
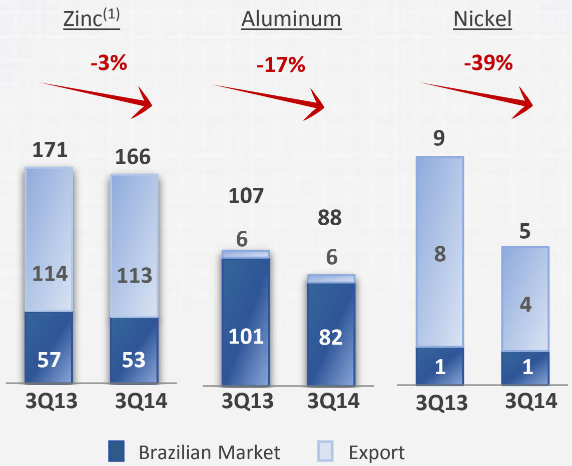
Metals | Results

Price

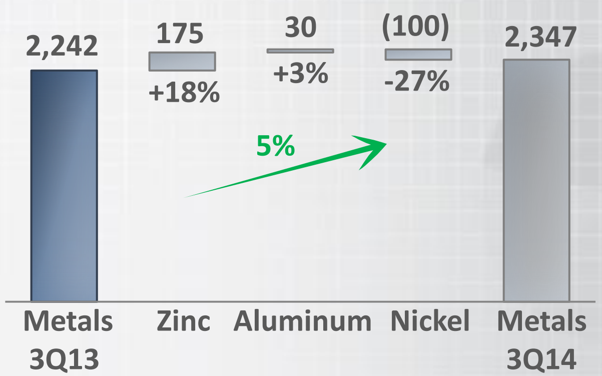


R$/US$ (Average)	2.29	2.28

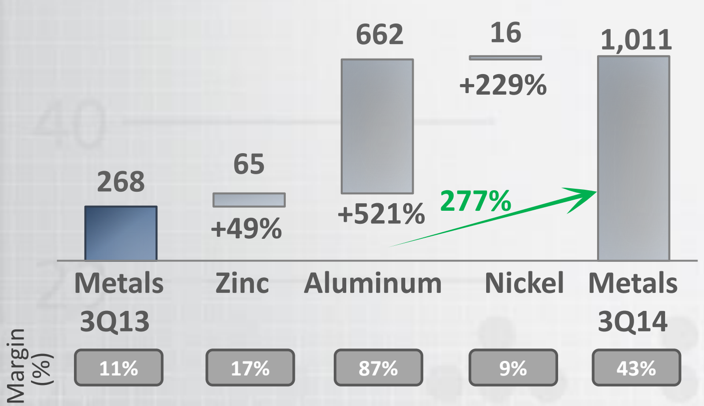
Volume (kton)



Net Revenue (R$ million)



Adjusted EBITDA (R$ million)



Highlights

- Zinc
  - **Revenues improved** due to **higher prices in BRL**
  - **EBITDA was positively** impacted mainly by lower expenses on mineral exploration in Cajamarquilla
- Aluminum
  - **Sales volume decreased** as a result of **lower demand** from **construction and transport** sectors in Brazil
  - **Revenues increased** mainly due to **higher prices in BRL**. **EBITDA** went up on the back of **lower alumina consumption and bauxite freight expenses** along with the sale of **energy surplus**
- Nickel
  - **Lower sales volume and revenues** due to **temporary closure** of the Fortaleza de Minas plant
  - **EBITDA increased by R$16 MM** as a result of **higher Nickle prices** and **revenues from by-products (cobalt)**

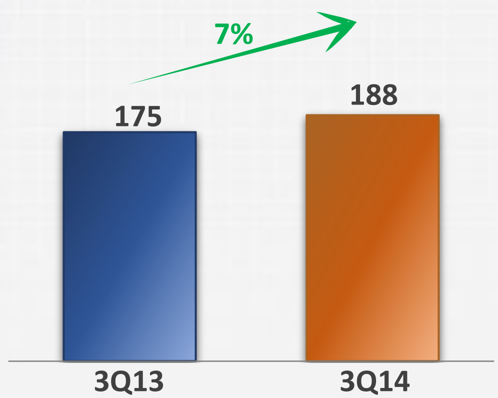
(1) Zinc exports include Zinc Brazil and Cajamarquilla

Mining Peru (Milpo)(1) | Results

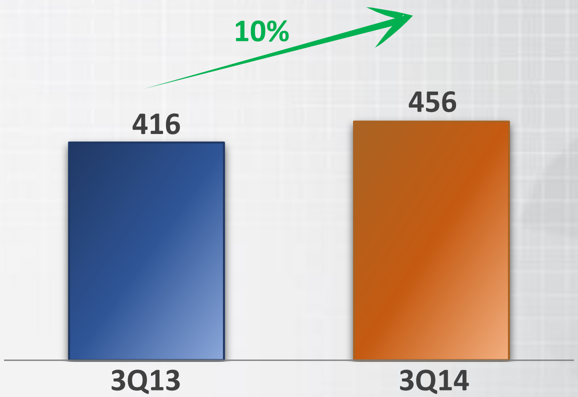
Price (US$/t)

R$/US$ (Average)	2.29	2.28

Concentrates production (kton)(2)



Net Revenues (R$ million)



Adjusted EBITDA (R$ million)

Highlights

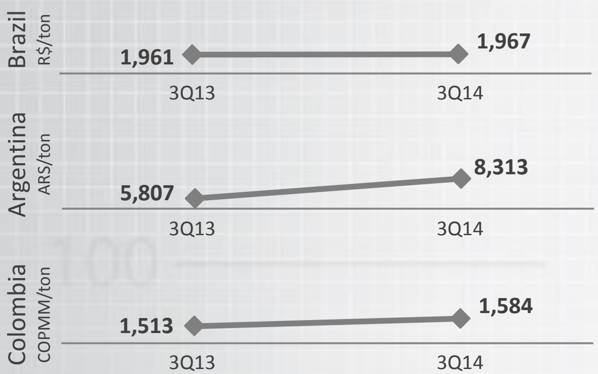
- **Revenues increased by 10%** due to **higher concentrate production** and **zinc prices**
- **EBITDA increase** as a result of **higher prices** and **lower cash cost** in El Porvenir which offset the higher costs in Cerro Lindo related to maintenance and mine development activities to increased capacity by 18,000 tpd
- **Healthy cash generation** following an improved operating performance led to a **net cash position** (Net debt to EBITDA ratio of -0.19x)

(1) VID has a stake of 50.06% and consolidates 100% of Milpo
(2) Includes zinc, copper e lead

For further information, please visit www.milpo.com/ir

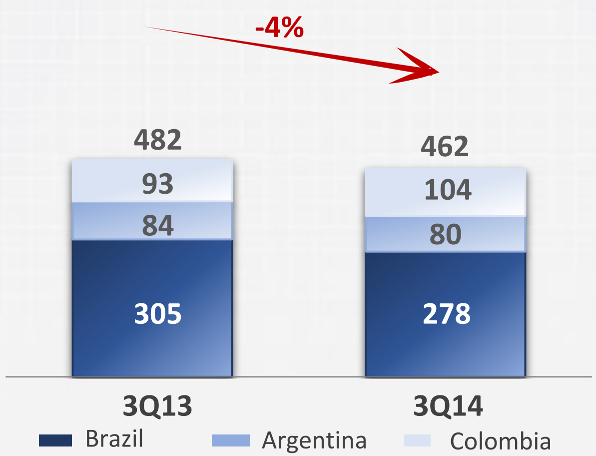
Long Steel| Results

Price

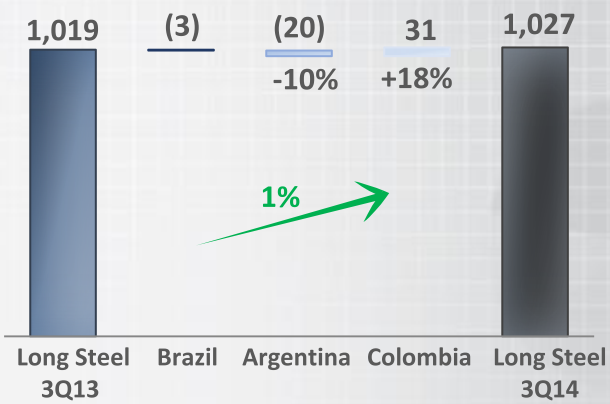


ARS/US$ (Average)	5.59	8.30
COP/US$ (Average)	1,909	1,912

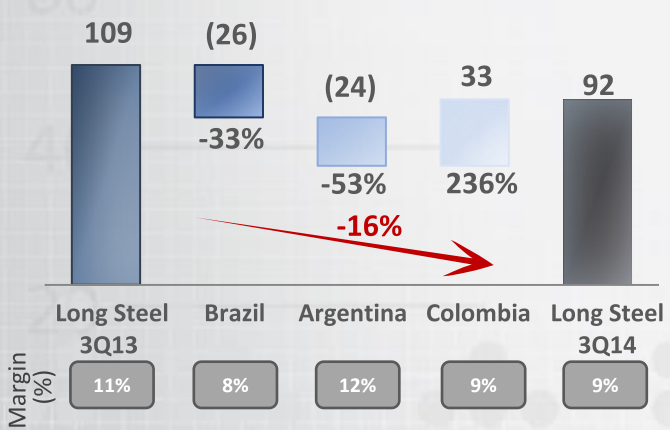
Volume (kton)



Net Revenues (R$ million)



Adjusted EBITDA (R$ million)



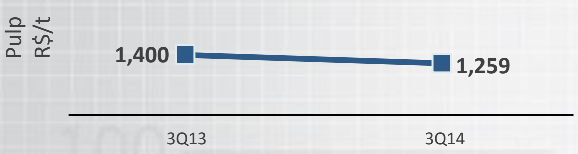
Highlights

- **Brazil** – **Lower sales volume** due to a **slowdown in real estate market** coupled with **higher imports**. **High scrap cost** continues to negatively affect **EBITDA**
- **Argentina** – **Revenues was negatively** impacted by **lower sales volume**, mainly due to the **contraction of economy**. **EBITDA decreased** as a result of **inventory adjustment**
- **Colombia** – **Revenues improved** on the back of **higher sales volumes and prices. EBITDA and EBITDA margin increased** due to **operational efficiency e EBITDA margin**, especially in payroll expenses
- **YTD EBITDA reached R$313 million, up 11%**

(1) Sitrel figures @100%. VID has a 50.0% equity interest in Sitrel. In conformity with IFRS 11, Sitrel is not consolidated in VID's financial statements

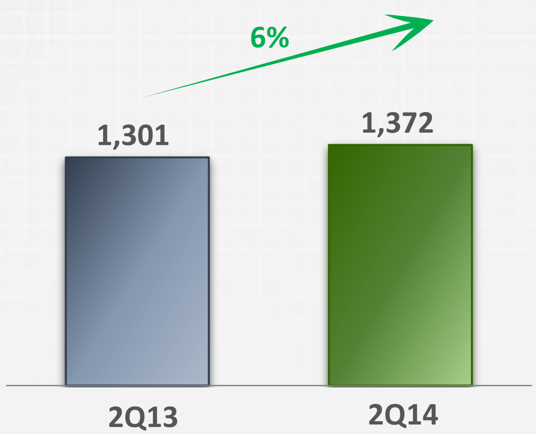
Fibria(1) | Results

Price



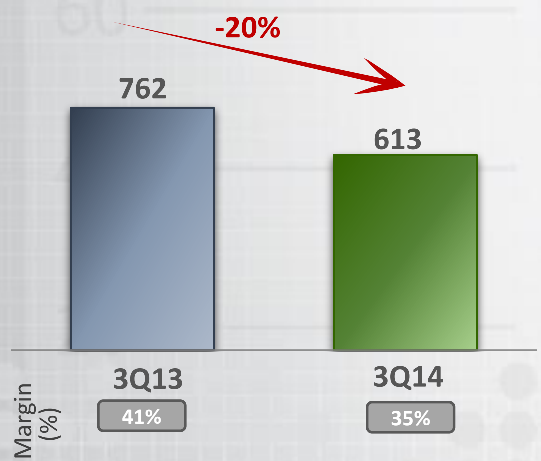
R$/US$ (Average)	2.29	2.28

Volume (kton)

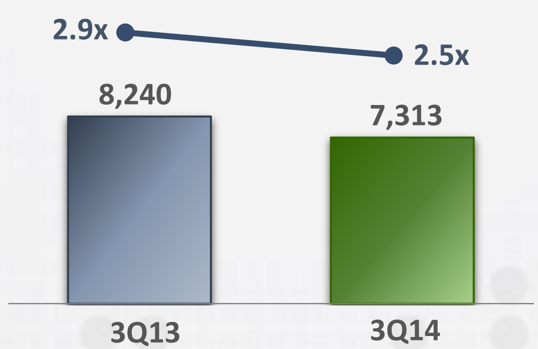


Net Revenues (R$ million)

Adjusted EBITDA (R$ million)



Net Debt (R$ million) and Net Debt/EBITDA (USD)



Highlights

- **Revenues and EBITDA decrease** mainly explained by **lower average net price in BRL,** in turn caused by the **8% reduction in pulp prices in dollars**.
- **Net Debt/EBITDA** in USD at **2.5x** (Jun/13: **2.9x**)
- **Net Debt in USD** reached its **lowest level** since Fibria began operations (**-19%** over 3Q13)

For further information, please visit www.fibria.com/ir

(1) Fibria's figures @ 100%. VID has 29.4% equity interest in Fibria. In conformity with IFRS11, Fibria in not consolidated in VID's financial statements

Agenda

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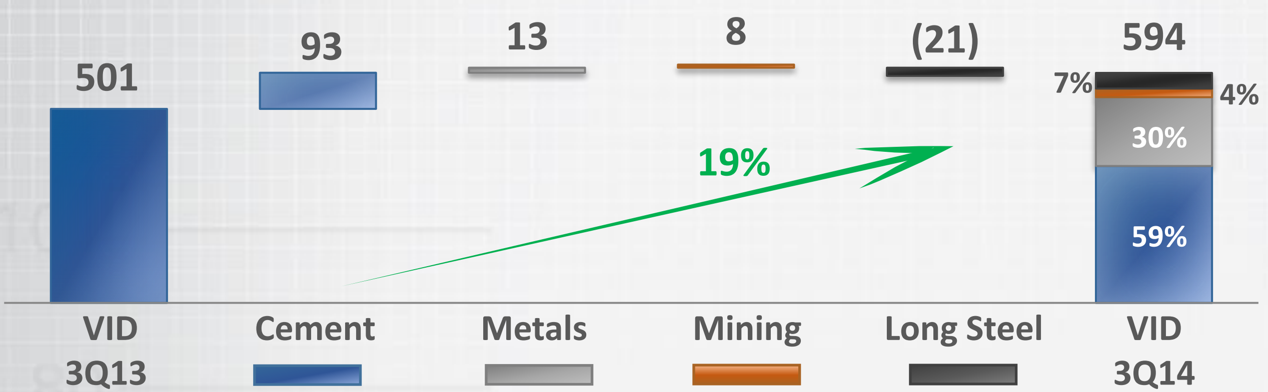
Selective approach to expansion projects

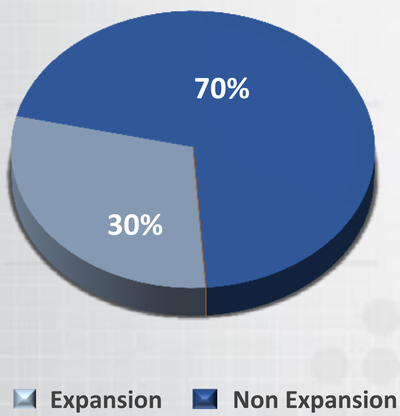
CAPEX (R$ million)



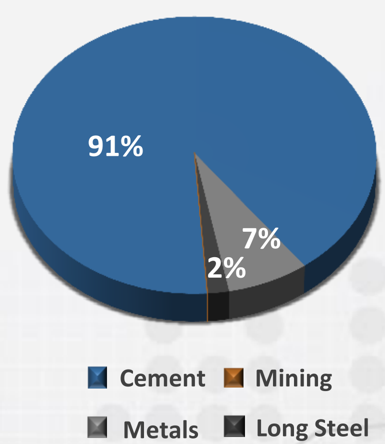
Highlights

- **CAPEX increased** due to **higher asset base and expansion projects** especially in Cement
- **Expansion Capex accounted** for **30%. Cement represents 91%** of expansion CAPEX:
  - Brazil: Primavera (1.2Mt) Edealina (2.0Mt), Sobral (1.0Mt) and Pecem (0.5Mt)
  - Turkey: Sivas (1.2Mt)

CAPEX Breakdown

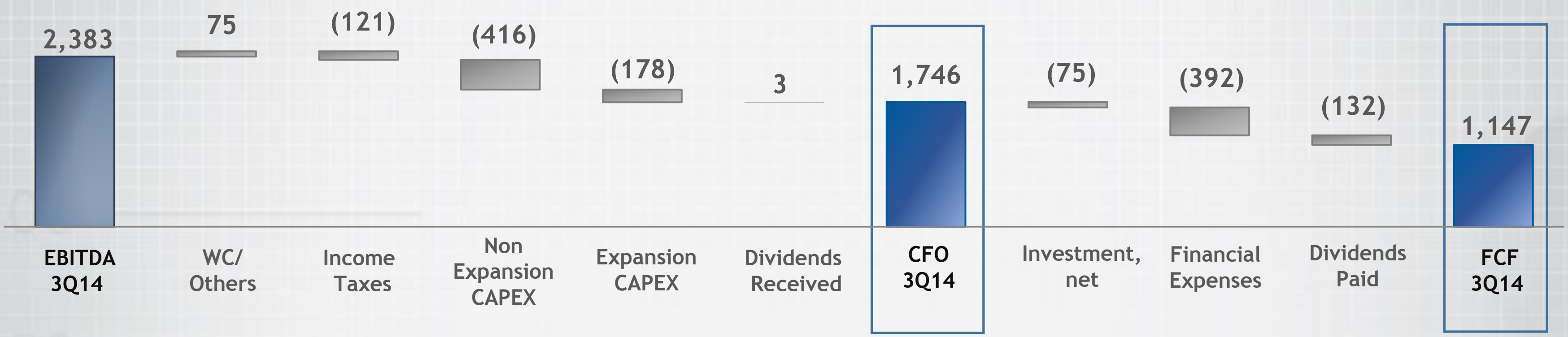


Expansion Projects

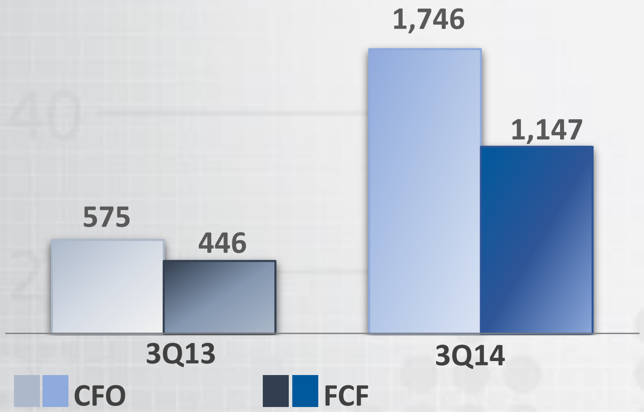


Robust operational performance driving solid cash generation

Free Cash Flow (R$ million)



Cash Flow from Operations and Free Cash Flow (R$ million)

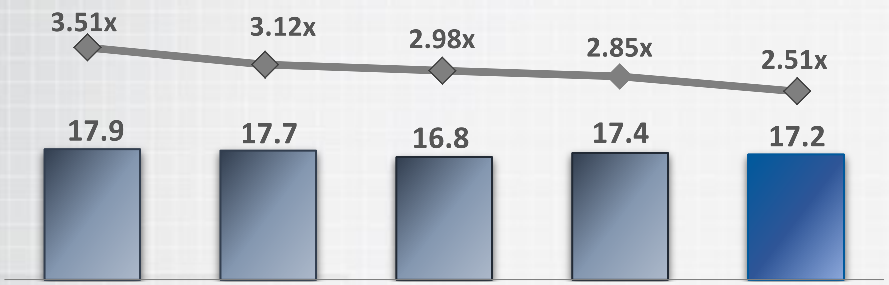


Highlights

- **Cash Flow from Operations** improved to **R$1,746 million** (vs. R$575 million in 3Q13) thanks to strong operating performance along with disciplined CAPEX execution
- **Free Cash Flow amounted** to R$1,147 million

Despite BRL depreciation, financial deleverage was maintained on the back of strong EBITDA

Net Debt (R$ bi) and Net Debt/EBITDA



	3Q13	4Q13	1Q14	2Q14	3Q14
Total Debt	23.3	23.4	22.2	22.5	23.0
LTM EBITDA	5.1	5.4	5.8	6.0	6.9
BRL/USD	2.23	2.34	2.26	2.20	2.45

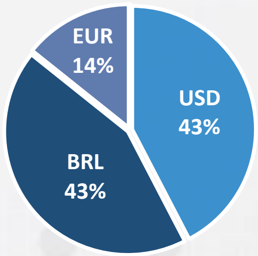
Highlights

- **Early payment of USD235 million** of EPP to reduce foreign currency exposure
- **Net Debt/EBITDA** ratio **decreased** by **0.34x** in the quarter, reaching **2.51x**
- **BRL exposure increased** to **43%** as a result of the continuous Liability Management (Sep/13 – 38%)

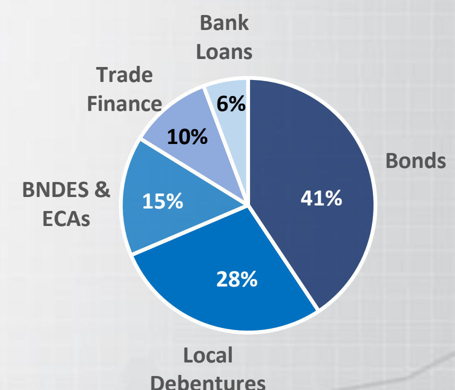
Debt Amortization Schedule(2) (R$ bi)

Average Debt Maturity: 7.4 years

Debt by Currency(3)



Funding Mix



(1) Cash, cash equivalent and financial investments
(2) Considers the refinance of USD600 million in EPP
(3) 4131 bilateral loan considered as BRL due to the cross-currency swap

Agenda

1. Business Performance
2. Financial Highlights
3. Closing Remarks

Closing Remarks

- Despite the challenging scenario, operating results have been consistent throughout the year
- Sale of energy surplus through the auction rebalanced VID's energy position and enhanced operating results
- Strong Cash Flow from Operations of R$1,746 million as a result of solid operating performance along with disciplined CAPEX execution contributed to the deleverage. 3Q14 Net Debt to EBITDA ratio reached 2.51x