



Votorantim

CORPORATE PRESENTATION 1Q17 RESULTS

MAY 2017



The information contained in this presentation concerning projections of Votorantim S.A. and its subsidiaries (“Votorantim”) may be deemed to include statements which constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates” and similar statements. Statements that are not historical facts, including statements about Votorantim’s beliefs and expectations, are forward-looking statements. Such forward-looking statements involve a certain inherent degree of risk and uncertainty with respect to business, financial, trend, strategy and other projections, and are based on assumptions, data or methods which, although considered reasonable by Votorantim at the time, may turn out to be incorrect or imprecise, or may not be possible to realize, or may differ materially from actual results, due to a number of important factors. The forward-looking statements in this presentation reflect the current belief of Votorantim as of the date of this presentation and Votorantim cannot guarantee that expectations disclosed in this presentation will prove to be correct and does not undertake, and specifically disclaims no obligation to update any forward-looking statements, which speak only for the date they are made.

The market and competitive position data, including market forecasts, used throughout this presentation were obtained from internal surveys, market research, publicly available information and industry publications. Although Votorantim has no reason to believe that any of this information or these reports are inaccurate in any material respect, Votorantim has not independently verified the competitive position, market share, market size, market growth or other data provided by third parties or by industry or other publications and therefore do not make any representation as to the accuracy of such information.

This presentation and its contents are proprietary information and may not be reproduced or otherwise disseminated in whole or in part without Votorantim’s prior written consent.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is a non-GAAP financial measure not recognized by the International Financial Reporting Standards (IFRS) calculated by Votorantim in accordance with its financial statements and consists of the net profit, adding the expenses of current and deferred income tax and social contribution, the net financial result and the expenses with depreciation and amortization. Adjusted EBITDA consists of non-recurrent items, or items with or without direct impact on the Votorantim’s cash, in a way to best reflect this measure, such as: capitalized financial obligations, merge and acquisition operations and dividends received. Adjusted EBITDA is not a financial measure of performance, according to the applicable accounting rules in Brazil, or by the IFRS, issued by the International Accounting Standard Board (IASB) and should not be considered as an alternative to other financial measures, such as the Votorantim’s operational cash flow, or as a liquidity measure.



Votorantim

JOÃO MIRANDA
CEO Votorantim S.A.



GLOBAL

Continued controversies around the US administration

Key **elections in Europe**, after the Brexit

Increase in LME **metals** average **prices** in 1Q17 YoY

BRAZIL

Political crisis affecting the economic environment

Potential delay in structural reforms: labor and social security

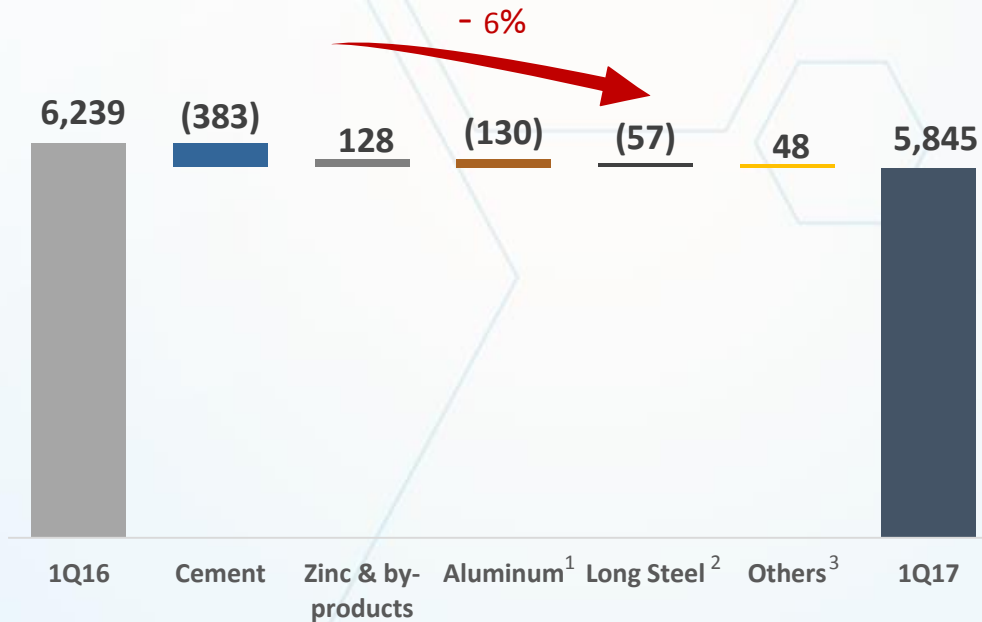
Confidence levels were improving and now they may reverse



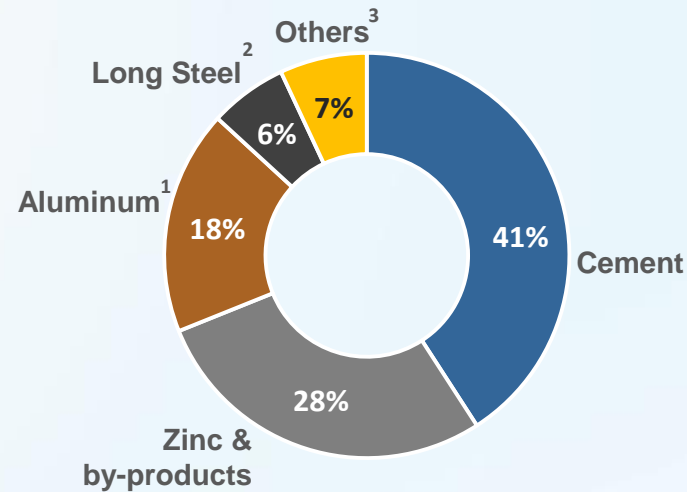
CONSOLIDATED NET REVENUES

(R\$ MILLION)

EVOLUTION BY BUSINESS



BREAKDOWN BY BUSINESS



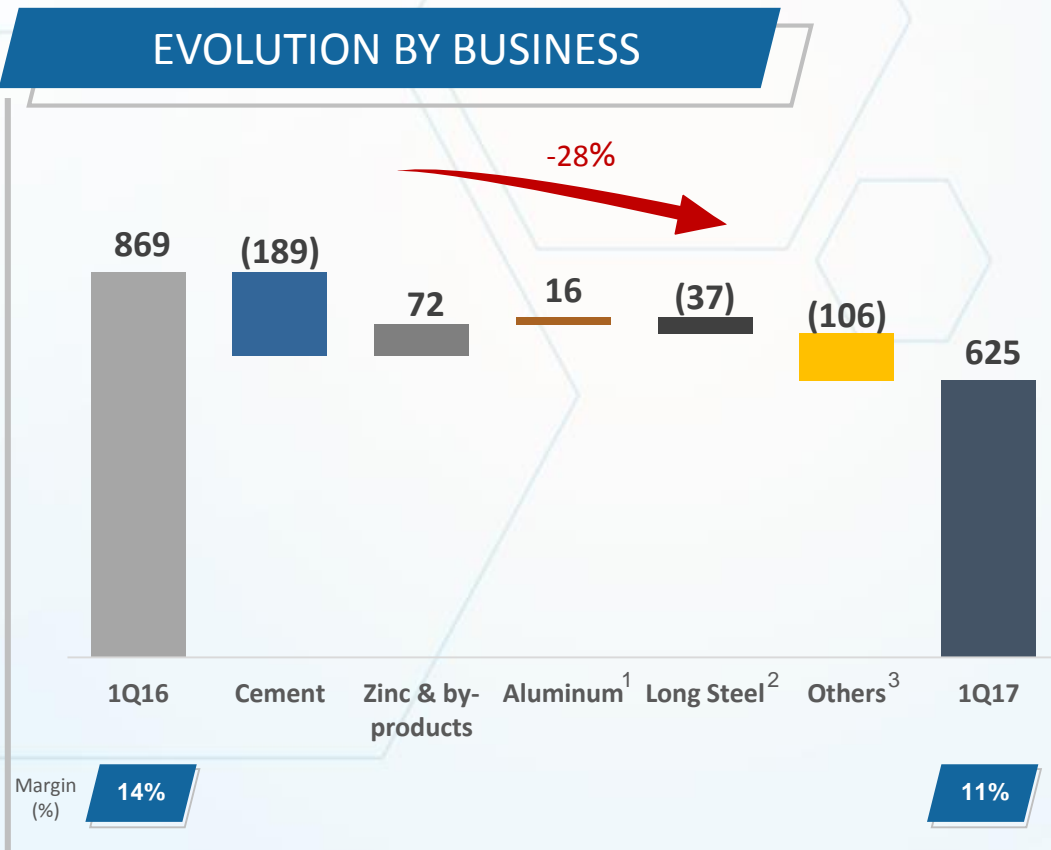
- **Lower prices and sales volume** from the Brazilian cement operations.
- Temporary suspension of the Nickel operations.
- **Increase in metals average price**, primarily zinc.
- Consolidated results **negatively impacted** by the **Brazilian real appreciation** of 19% YoY.

1. Results from Nickel operations were incorporated to the Aluminum segment.
 2. Includes Argentina and Colombia.
 3. Includes Holding, Energy, eliminations and others.

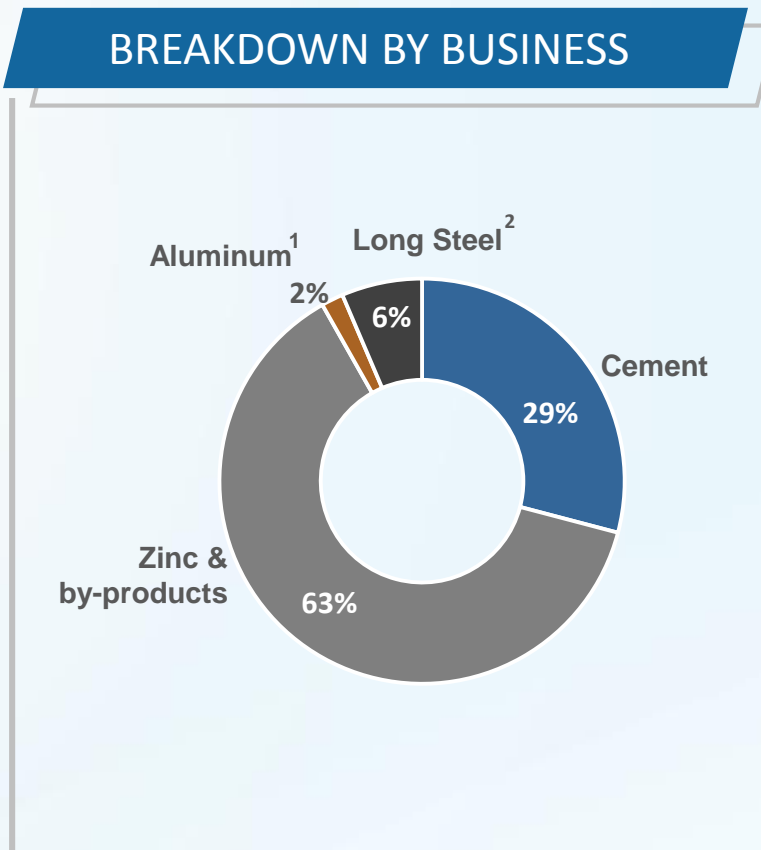
CONSOLIDATED ADJUSTED EBITDA

(R\$ MILLION)

EVOLUTION BY BUSINESS



BREAKDOWN BY BUSINESS



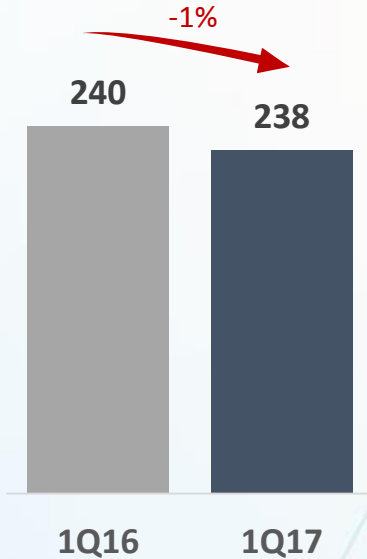
- EBITDA mainly impacted by the **Brazilian cement operations**.
- Increase in aluminum sales volume** in both upstream and downstream markets.
- Increase in metals average price**, partially offset the weaker results.
- Operating results impacted by the **non-cash effect of energy returned** from the 2014 auction and **mark-to-market impact of future energy surplus** not yet sold.

1. Results from Nickel operations were incorporated to the Aluminum segment.
 2. Includes Argentina and Colombia.
 3. Includes Holding, Energy, eliminations and others.

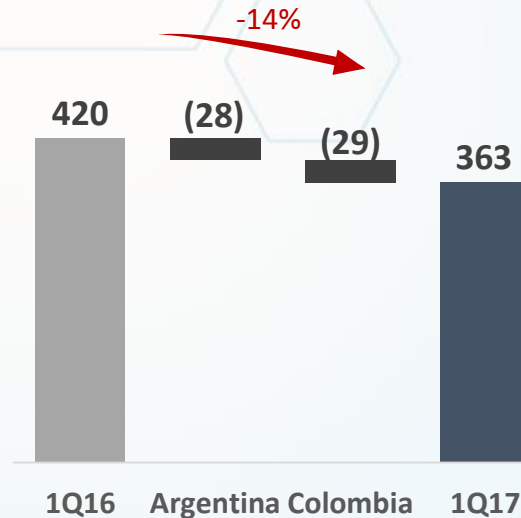
LONG STEEL - ARGENTINA AND COLOMBIA RESULTS

(R\$ MILLION)

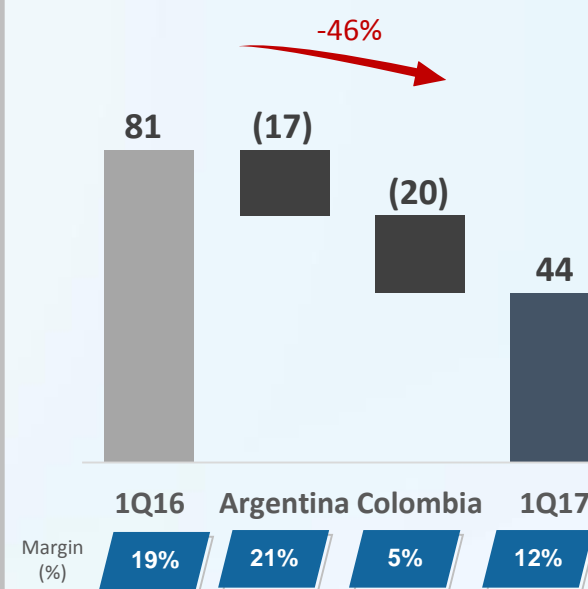
VOLUME (kton)



NET REVENUES



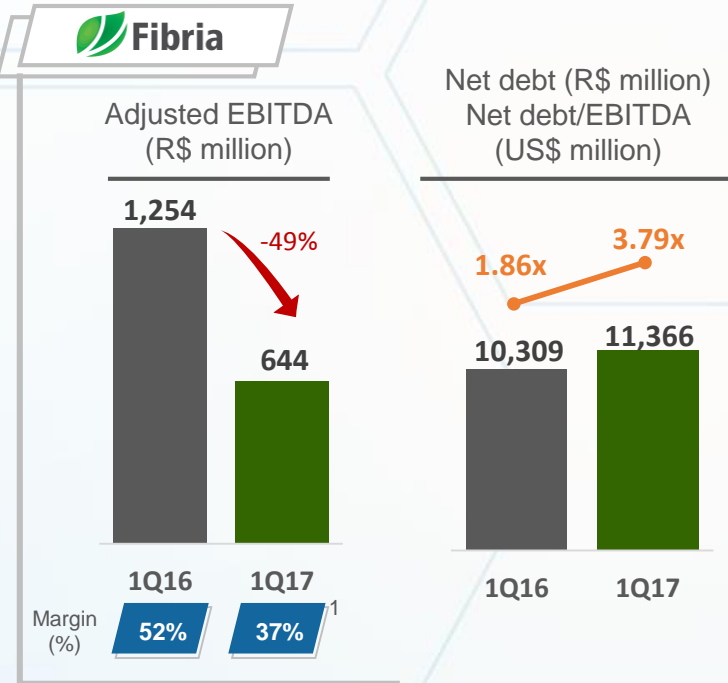
ADJUSTED EBITDA



- The long steel operations in **Brazil** were classified as “available for sale” since Dec/2016.
- **Argentina: Depreciation of the Argentine peso** in relation to the Brazilian real had a negative effect on the consolidated results.
- **Colombia: Lower demand** in the domestic market due to the infrastructure projects delay.

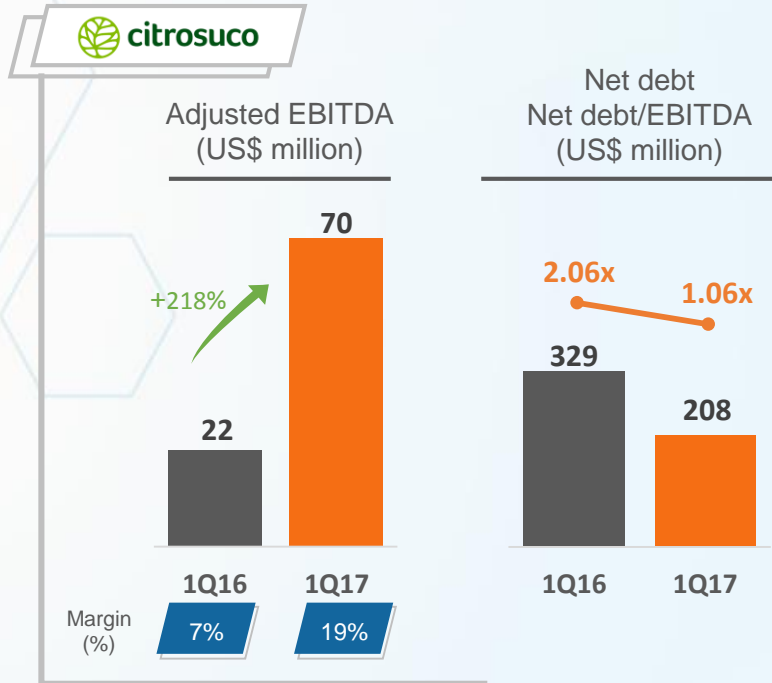
OTHER INVESTEE COMPANIES

RECOGNIZED BY EQUITY METHOD

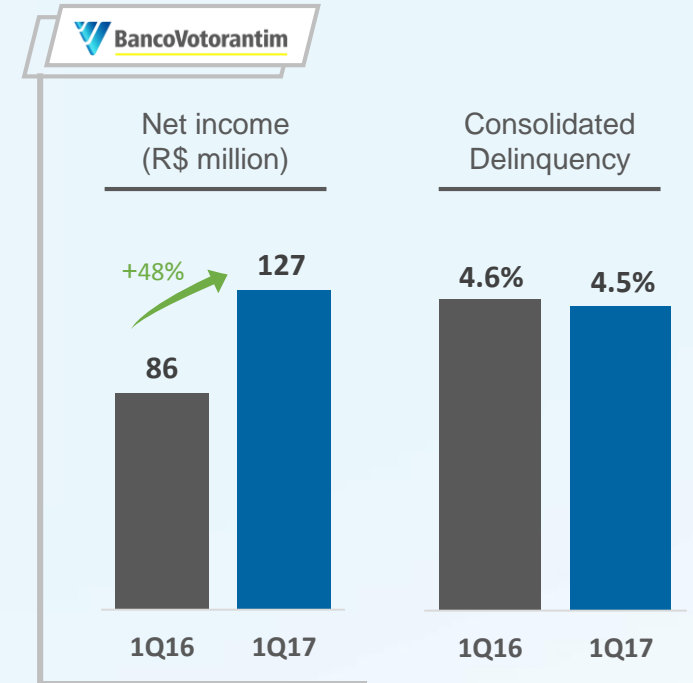


- Adjusted EBITDA affected by the **lower average net price in dollar**.
- Net income** of R\$329 million in 1Q17, an decrease of 66% compared to 1Q16.
- Project Horizonte 2 (H2)**: more than 87% physically complete. Financial progress came to 61%.

1. Calculation excludes pulp sales from agreement with Klabin



- Higher prices and sales volume**, especially from NFC which has better margin, positively affected the results.
- FCOJ average price of US\$ 2,297/ton in 1Q17 compared to US\$ 1,892/ton in 1Q16.



- Net income confirms the **consistency of results**, driven mainly by the retail sector.
- Auto finance loan** origination 28% higher than 1Q16.
- Comfortable position for the Basel Ratio**: 13.2% - higher than the minimum capital requirement, which is 10.5%.

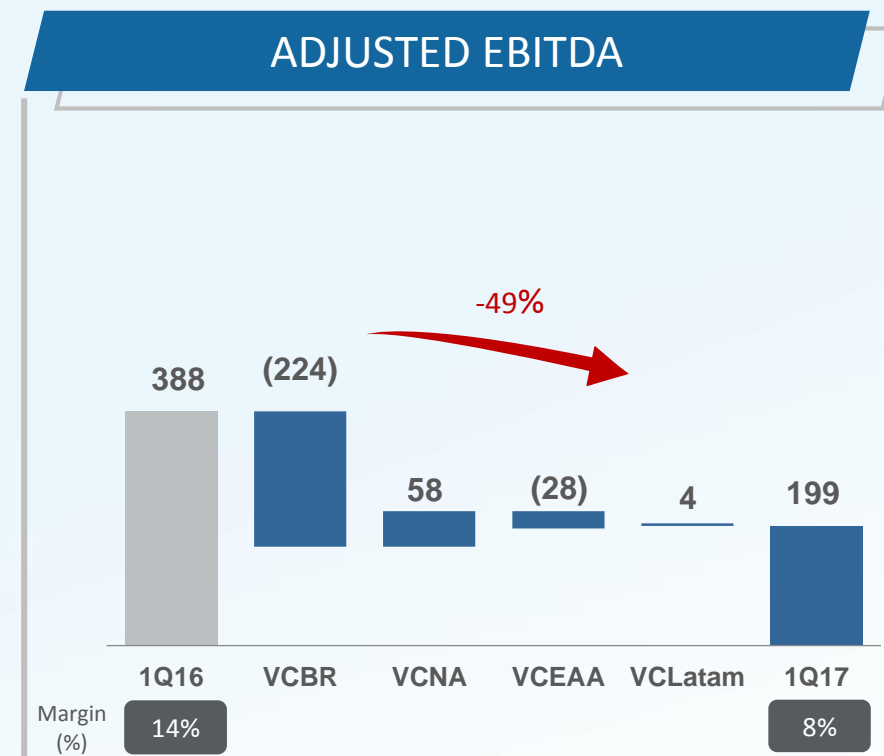
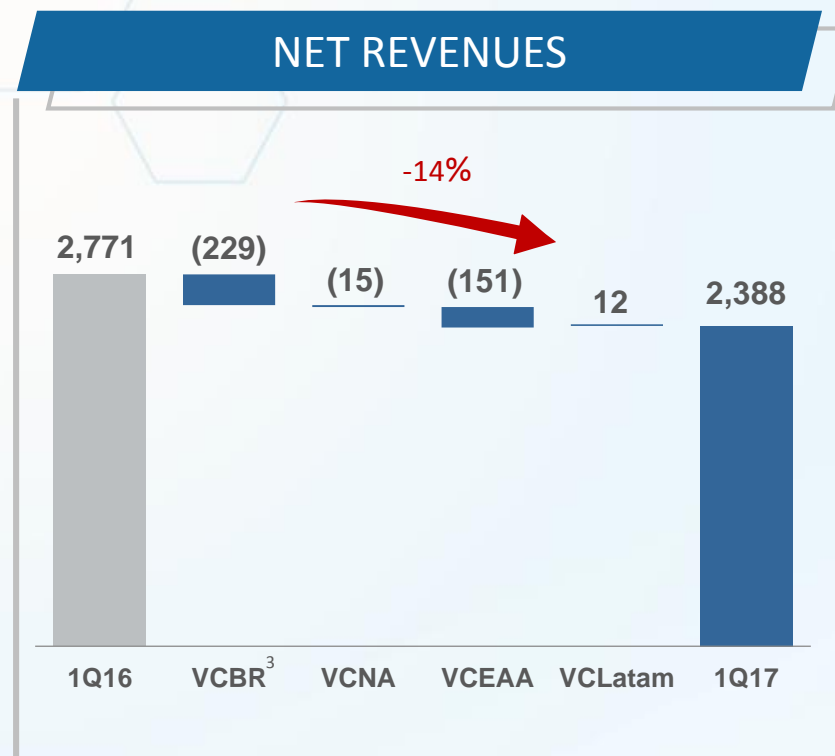
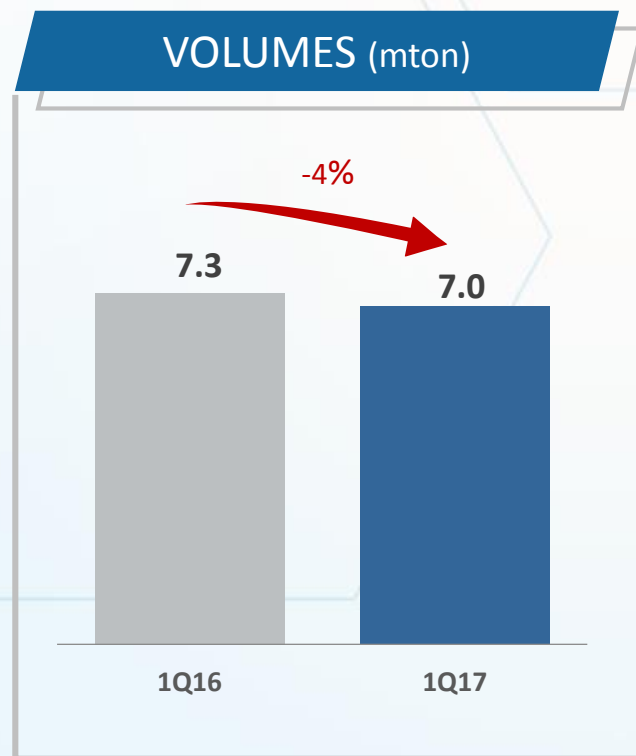


Votorantim

LORIVAL LUZ
CFO & IRO Votorantim Cimentos

(R\$ MILLION)

- BRL appreciation¹ negatively impacted consolidated results
- Brazil: continued impacts of the economic downturn led to a 8% decrease in Brazilian cement sales volume YoY²
- VCNA presented solid results on the back of the strong demand supporting higher volumes and prices despite 1Q seasonality
- Positive performance in Morocco and China partially offset political-economic instability in Turkey and Tunisia, TRY depreciation and demonetization in India



1. 19.2% BRL appreciation against USD and 22.1% against EUR
 2. According to Brazilian Cement Association (SNIC)
 3. Includes eliminations in Brazil

Cement demand still impacted by the Brazilian crisis

(R\$ MILLION)



Highlights VCBR

- Brazilian cement consumption felt 8%¹ over 1Q16 triggering volumes and prices.
- Results reflects the Brazilian political crisis impact on the real economy with still rising unemployment rates and low cement market utilization rate.
- Commitment to cost reduction initiatives and lower power prices reflected in savings of around R\$ 43 million in the quarter.
- EBITDA negatively impacted by R\$ 43 million non-recurring provision for expenses associated with the Brazilian antitrust authority (CADE) lawsuit.

VCBR

Net revenues ²	EBITDA	Capex
1,321	63	73
1,551	287	174

■ 1Q17 ■ 1Q16

Highlights VCLatam

- Yacuses start-up taking advantage of the growing cement market in the region.
- Uruguay benefited from increased volumes in domestic market and exports to neighbor countries. Cost optimization initiatives helped to improve EBITDA in the period.

VCLatam

Net revenues	EBITDA	Capex
93	14	67
81	10	56

1. According to Brazilian Cement Association (SNIC)

2. Includes eliminations in Brazil

North America continued growth, favorable markets in Morocco and China and cost initiatives supported EBITDA margin increase

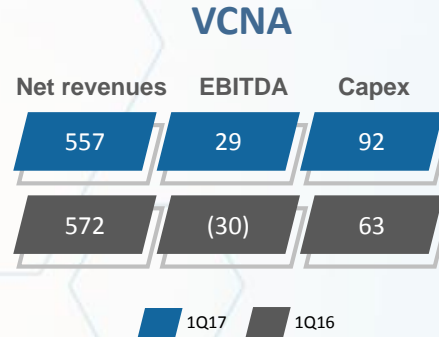
(R\$ MILLION)



Charlevoix
 Estimated start-up on 1H 2018
 Additional installed capacity of 0.6 Mtpy

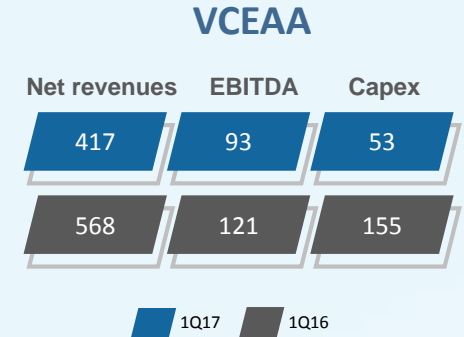
- 1Q17 construction spending up 5.9% YoY and building permits and housing starting up 9.0% and 8.8% YoY¹ respectively.
- 1Q17 housing starts up 18.7%² over 1Q16 in the Ontario region, Canada.
- Higher volumes and prices supported by continued strong demand and unusually milder winter, reflecting in 20.9% revenues increase YoY in USD.
- EBITDA growth from negative US\$ 7.6 million in 1Q16 to US\$ 9.1 million in 1Q17.
- Seasonal impact on cash generation and low leverage (1.7x Net Debt / EBITDA in 1Q17).

1. According to US Census Bureau
 2. As of January 2017, as per Statistics Canada
 3. According to Oficemen



Sivas
 Ahead of schedule start-up on April 2017
 Additional installed capacity of 1.2 Mtpy

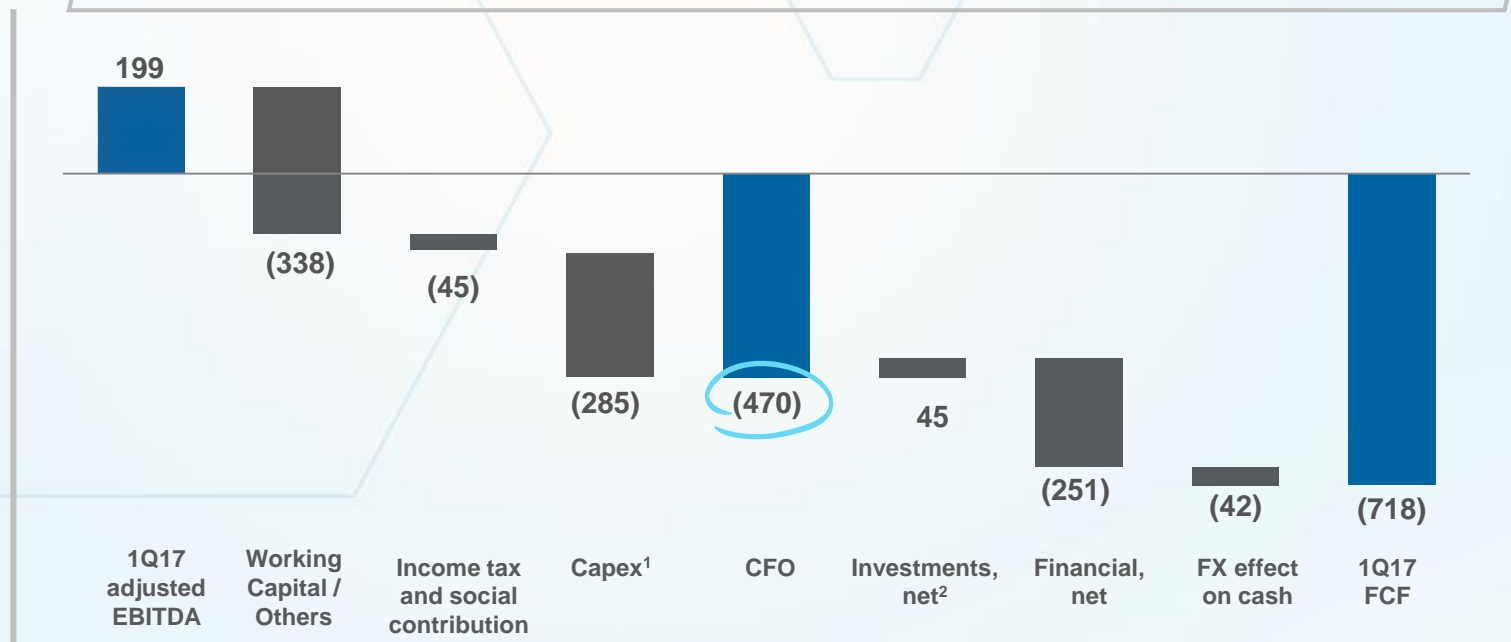
- Higher sales volume in most VCEAA regions and higher prices in Morocco and China
- Moroccan stable market with increased investments in infrastructure projects supporting price increase
- Chinese Government mandatory 3-month cement plants shutdown led to the lack of clinker and higher prices
- Turkey's political uncertainty and 21.3% TRY depreciation against the EUR affected consolidated results
- A more stable political scenario in Spain led to 14.1% higher cement consumption YoY³



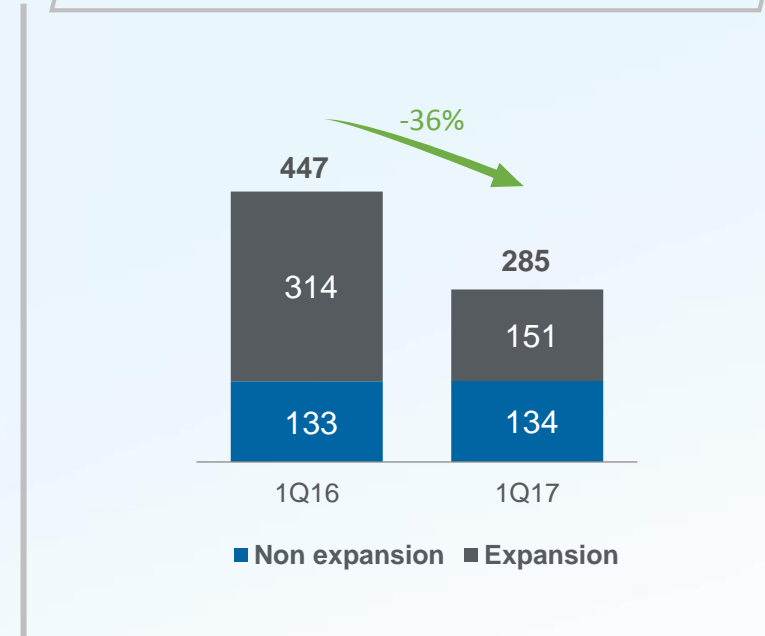
(R\$ MILLION)

- Working capital reflects seasonality of the business during the 1Q17, specially in VCNA.
- Relevant expansion Capex decrease going forward, after the conclusion of expansion cycle in Brazil and delivery of Bolivia and Turkey plants.
- Continued focus on sale of non-core assets: certain China's assets sale concluded in May (around EUR 30 million).

1Q17 FREE CASH FLOW GENERATION



CAPEX



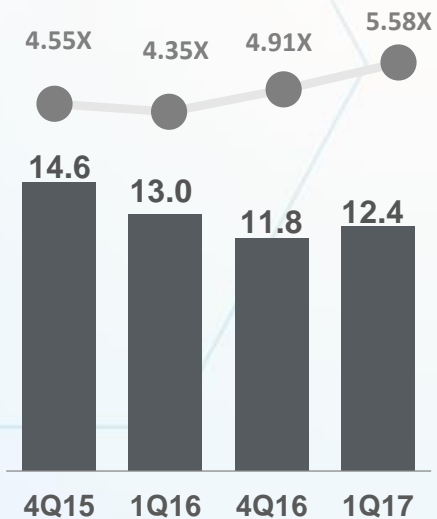
1. Includes only items that represent changes in cash

2. Does not include May/17 Chinese asset sales of around EUR 30 mm

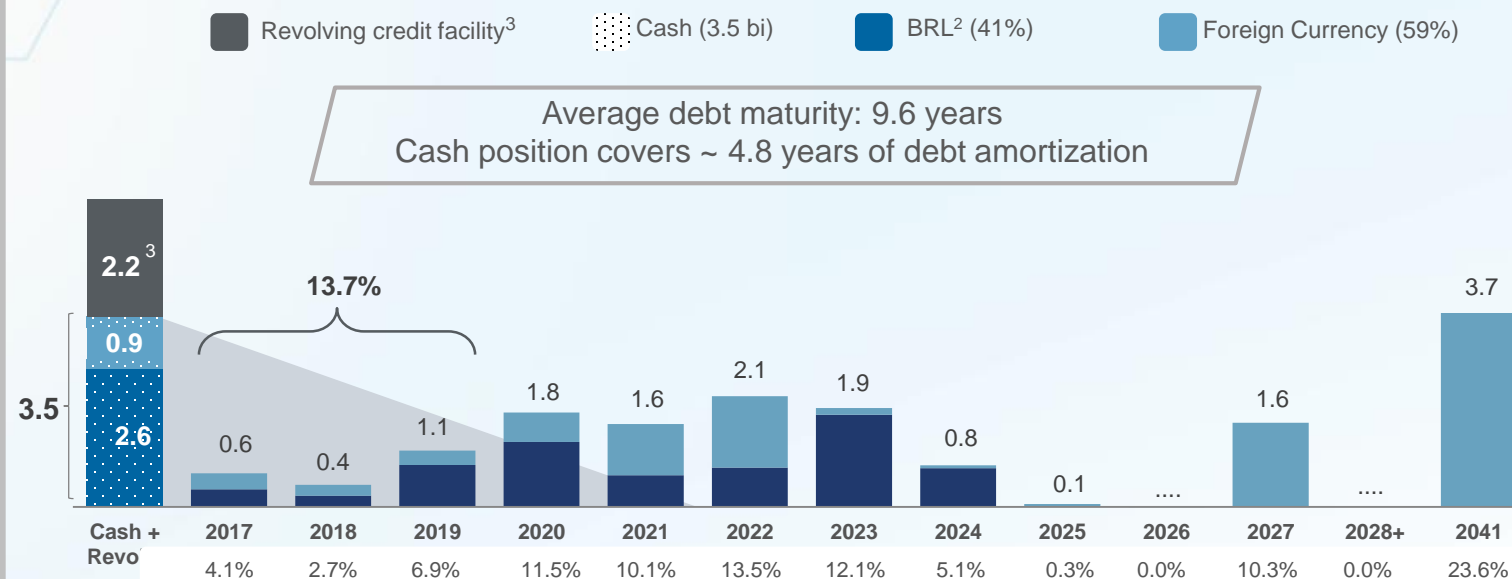
(R\$ BILLION)

- Further extension of debt maturity profile: early repayment of BRL 150 mm of debentures maturing in 2019 and new BRL 500 mm debentures maturing in 2022.
- Low refinance risk: low annual maturities until 2019, thus minimizing short and medium term refinancing risk.
- Strong cash position and extended debt profile despite higher leverage due to current market downturn in Brazil.

NET DEBT¹ & NET DEBT/Adj. EBITDA LTM



DEBT AMORTIZATION SCHEDULE



1. Net debt includes MTM from 4131 loans

2. Includes 4131 as BRL due to cross currency swap

3. VCSA has revolving credit facility of USD700 MM due in 2020. In addition, but not consider in the graph, VCNA revolver of USD230 MM due in 2020



Votorantim



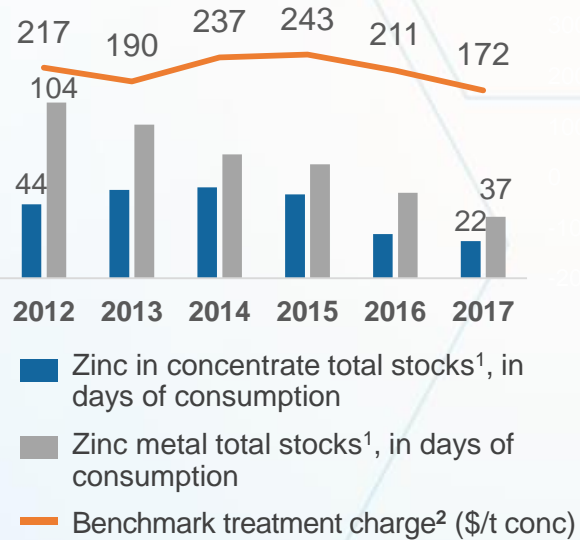
MARIO BERTONCINI
CFO Votorantim Metais

Improved global economy scenario and supply constraints allowed higher prices

(US\$/ton)

ZINC

Stocks and treatment charge



LME average price³

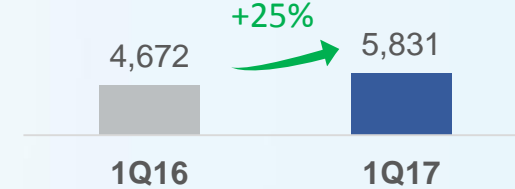


LME price evolution



COPPER

LME average price

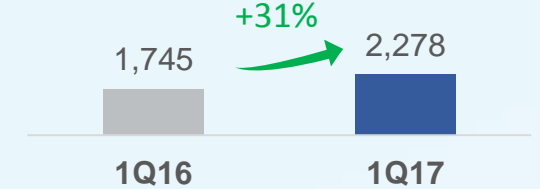


LME price evolution



LEAD

LME average price



LME price evolution



Zinc prices' upward trend due to short supply in both concentrate and metal markets

Global economies' strong momentum and supply disruptions have also influenced copper and lead prices increase during 1Q17

1. Wood Mackenzie data, as of April 2017 short-term report
 2. Wood Mackenzie data. Zinc benchmark treatment charge formula, published as Realised TC. 2017 TC was settled in 1Q17 at US\$172/t of concentrate at a US\$2,800/t Zn basis price
 3. Based on daily prices, as traded in the London Metal Exchange

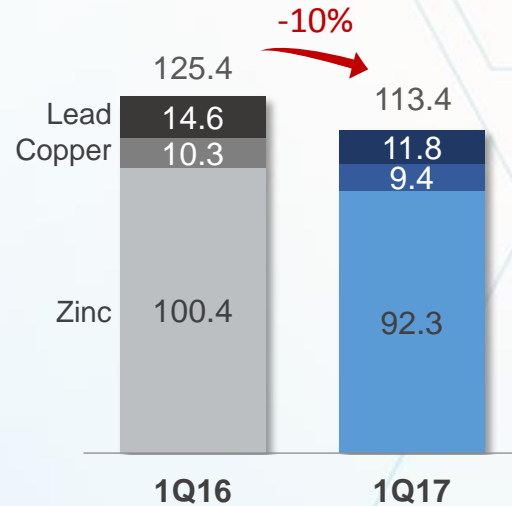
Lower production volumes in 1Q17 impacted sales

(kton)

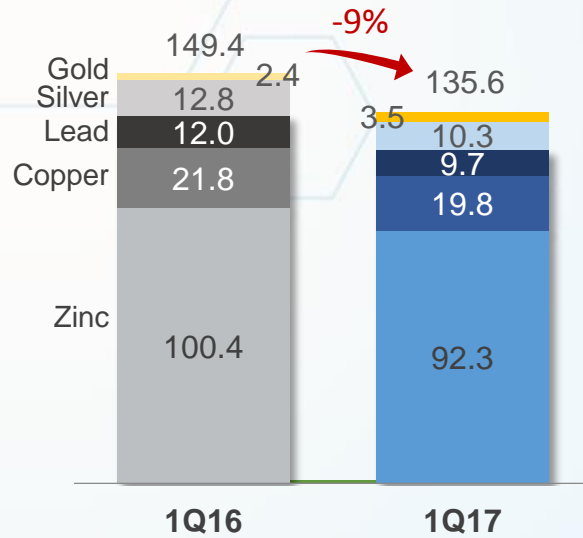
MINING

Concentrate production

in contained metal

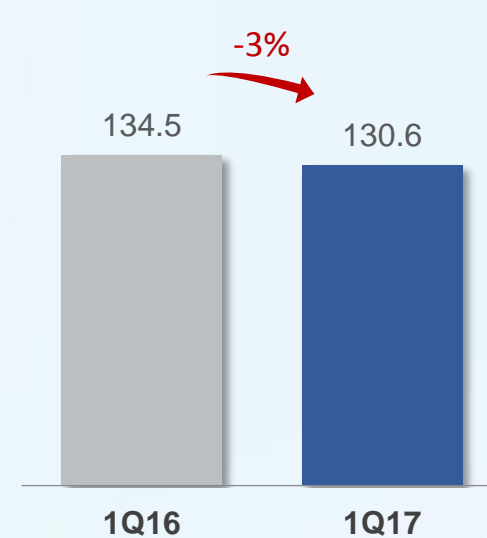


Mining zinc equivalent¹ production

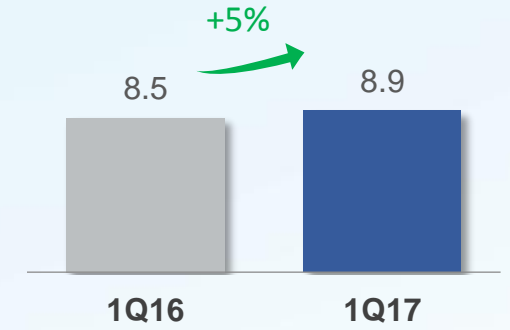


SMELTING

Electrolytic zinc sales



Zinc oxide sales



Zinc production decreased due to **lower volumes of treated ore** in Peru. Lead and copper production was also impacted by lower average grades

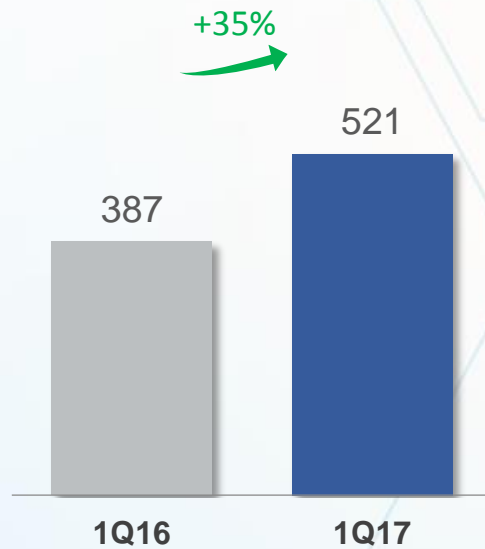
Brazilian smelters operated at full capacity, partially offsetting Cajamarquilla's **lower production**, which impacted electrolytic zinc sales during 1Q17

1. Copper, lead, silver and gold contents in concentrate production, converted to a zinc equivalent grade at 1Q17 benchmark prices (average LME, LBMA and Gold prices)

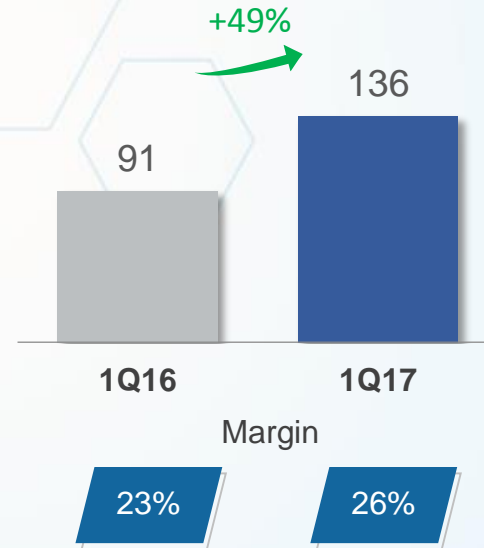
Strong results in a favorable market scenario

(US\$ million)

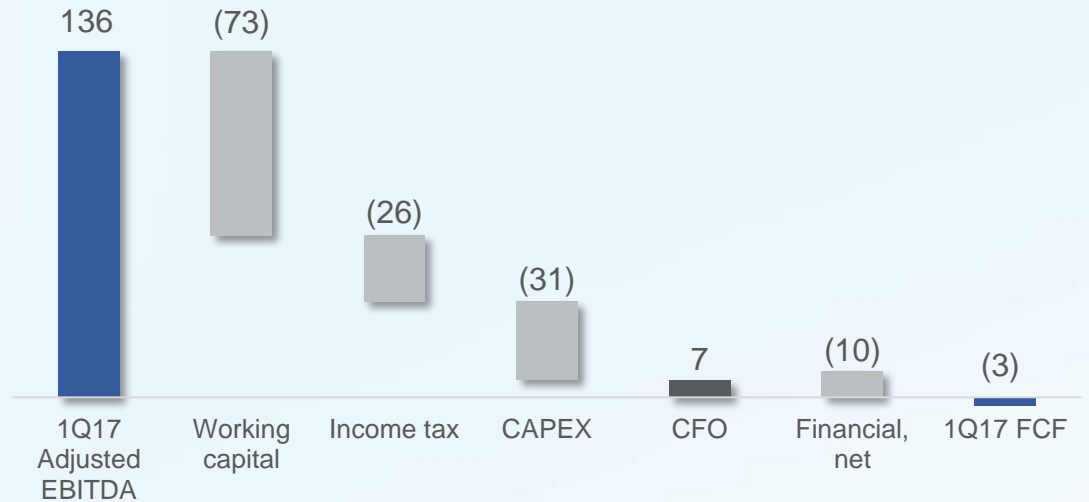
NET REVENUES



ADJUSTED EBITDA¹



FREE CASH FLOW



Adjusted EBITDA increased as a result of **higher net revenues**, driven by base metals price performance

Free cash flow impacted by increased working capital, which also results from higher LME prices

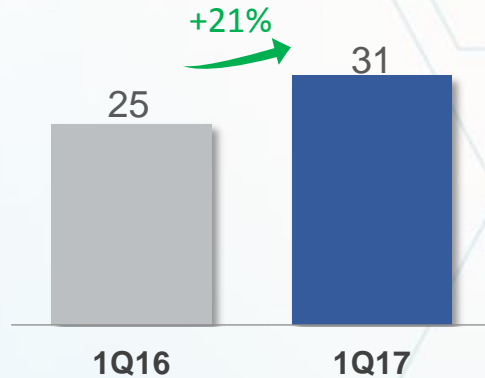
1. Non-cash items considered by management as exceptional, such as energy assets compensation, are excluded from the measurement of adjusted EBITDA

Higher CAPEX aligned with growth strategy

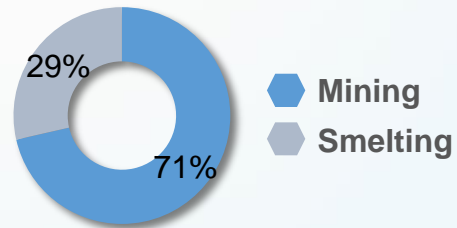
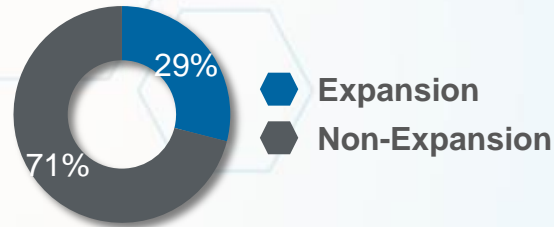
(US\$ million)

CAPEX

CAPEX



1Q17 CAPEX by category



Main CAPEX expansion projects in 1Q17: Vazante mine deepening and Morro Agudo expansion (Ambrosia project)

PROJECTS' STATUS

Pasco Complex Integration (Atacocha and El Porvenir Mines)
Fourth and final phase in progress – Integration of underground mines and processing plants

Magistral and Shalipayco (Greenfields)
Most advanced projects are under feasibility studies



Vazante Mine Deepening
Main brownfield project in progress

Ambrosia Project (Morro Agudo Mine)
Project expected to be concluded by the first half of 2017

Aripuanã (Greenfield)
Most advanced project in Brazil, also under feasibility studies

LIQUIDITY AND INDEBTEDNESS

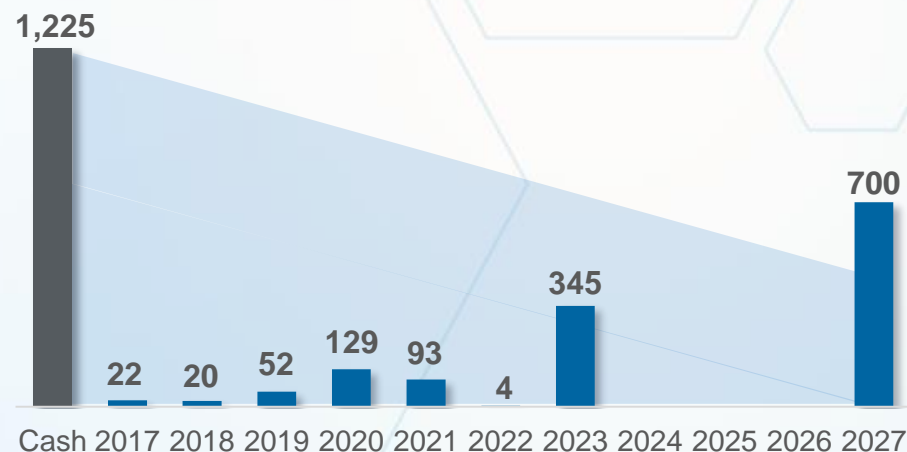
Extended debt profile after US\$700 million 10-year bond issued in May 2017

(US\$ million)

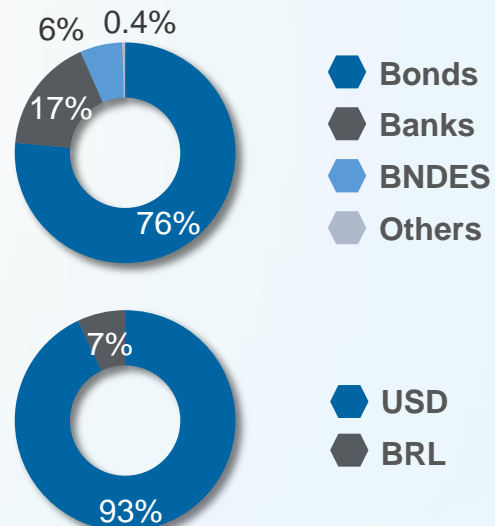
DEBT PROFILE

Debt repayment schedule (proforma¹)

Average debt maturity: 7.6 years

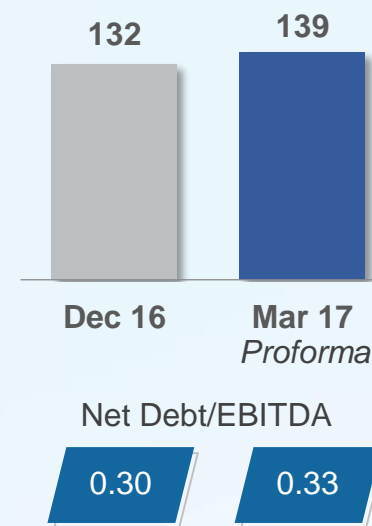


Debt by category (proforma¹)



NET DEBT

Net debt (proforma¹)



RATINGS

Corporate Ratings

Last update: April 2017



Bond issued with coupon rate of 5.375% due 2027 extended the average debt maturity from 4.0 to 7.6 years, improving the capital structure to support the company's growth plan, with short term liquidity and long term indebtedness.

1. Proforma adjustments on Mar 31st, 2017 cash and debt position: (i) US\$700 million 10-year bond maturing in 2027, (ii) US\$490 million repayment of bank debt from 2017 to 2021, and (iii) US\$200 million in additional cash.



Votorantim

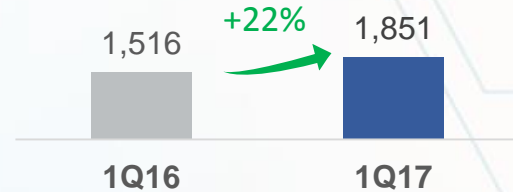
LUCIANO ALVES
Finance General Manager CBA



Aluminum sales increased in both upstream and downstream segments

MARKET FUNDAMENTALS

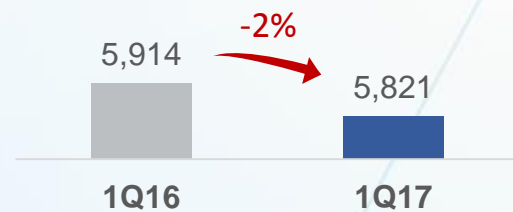
LME price (US\$/ton)



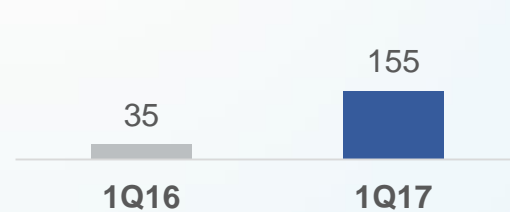
LME price evolution (US\$/ton)



LME price (R\$/ton)



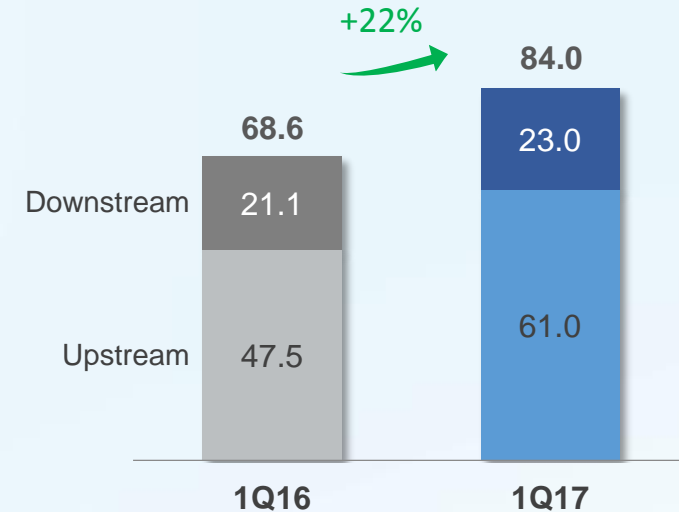
Energy price (R\$/MWh)¹



Higher aluminum prices in USD due to Chinese smelter output cuts and rising industry costs, but stable prices in BRL

SALES VOLUMES

Aluminum sales volumes (kton)



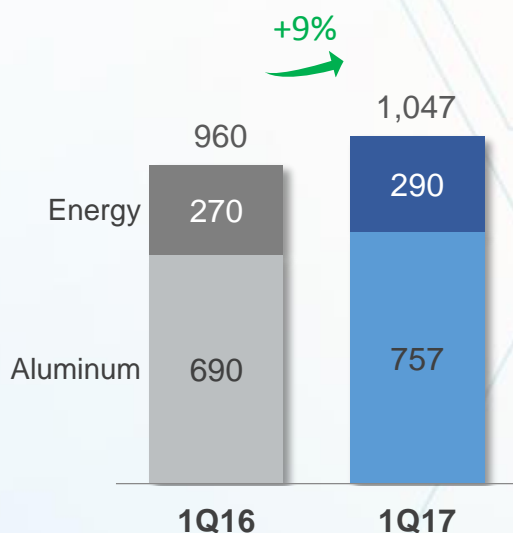
Sales volumes in Brazil influenced by a modest economic recovery and imports substitution, favoring the sales of value-added products, both for upstream and downstream markets

1. Energy prices in the Southeast and Midwest regions in Brazil, according to CCEE

Aluminum business EBITDA improvement driven by higher sales volumes

(R\$ million)

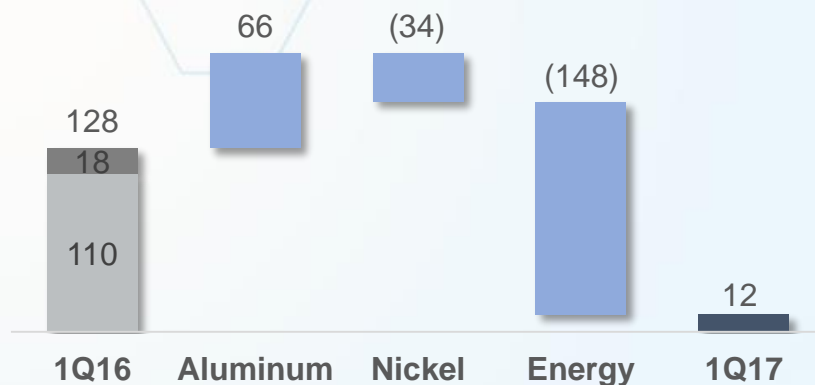
NET REVENUES



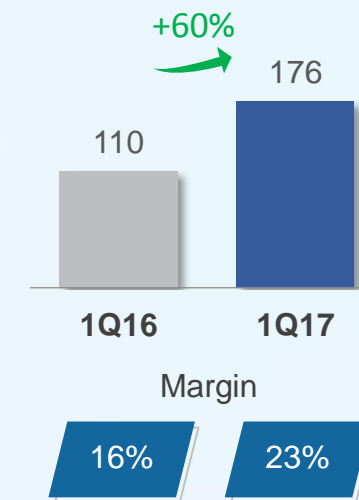
ADJUSTED EBITDA¹

CBA Adjusted EBITDA

- Energy:** impact related to:
- non-cash effect of energy returned from the 2014 auction
 - mark-to-market impact of future energy surplus not yet sold



Aluminum EBITDA

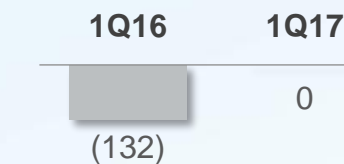


NICKEL

Net revenues



Adjusted EBITDA



Nickel segment results refer to the period prior to its incorporation by CBA, in July 2016

Aluminum business EBITDA up by 29% with a commercial strategy **targeting value-added products both on the downstream and upstream segments**. Concurrently, energy returned from the 2014 auction resulted in significant non-cash impacts on EBITDA.

1. Non-cash items considered by management as exceptional are excluded from the measurement of adjusted EBITDA



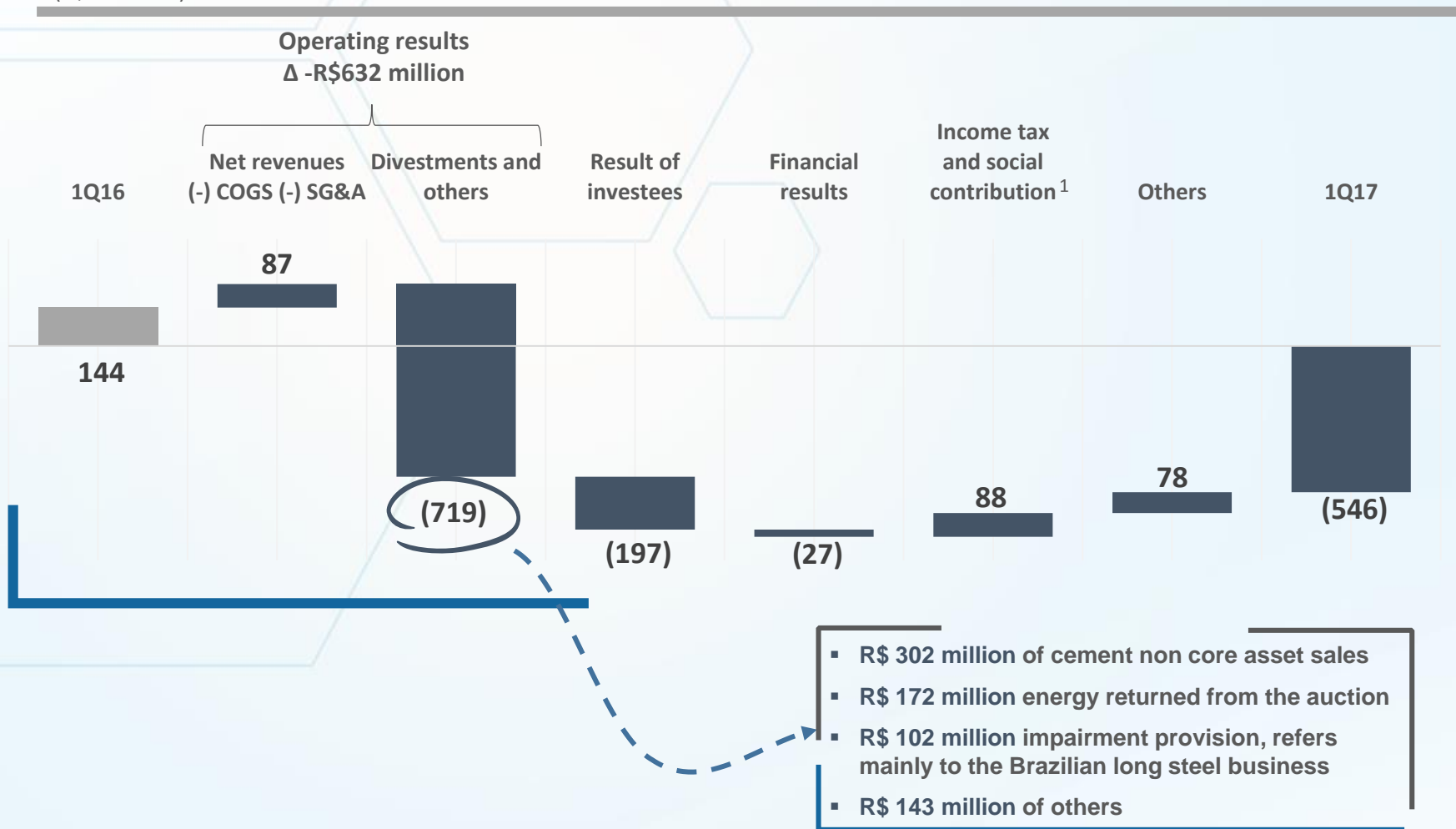
Votorantim

SERGIO MALACRIDA
CFO Votorantim S.A



CONSOLIDATED NET RESULT

(R\$ MILLION)

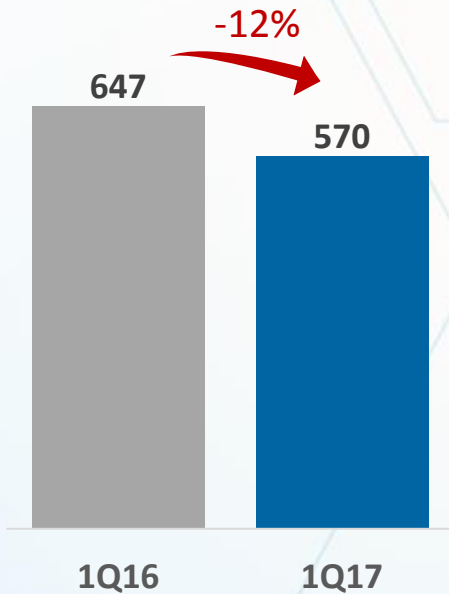


- Operating results impacted by the **non-cash effect of energy returned** from the 2014 auction and **mark-to-market impact of future energy surplus** not yet sold.
- The **capital increase in the long steel business**, classified as impairment, and the **cement non-core assets sales** in 1Q16 also affected the operating results.
- Weaker **results of investees**, which are the companies **recognized by equity method**, especially Fibria which presented a decrease of 66% YoY in net income.

1. Refers mainly to the recognition of tax credit due to the loss before income taxes and social contribution

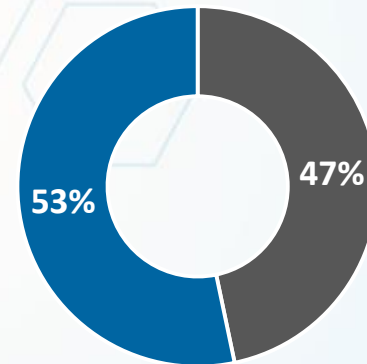
(R\$ MILLION)



CAPEX



BREAKDOWN

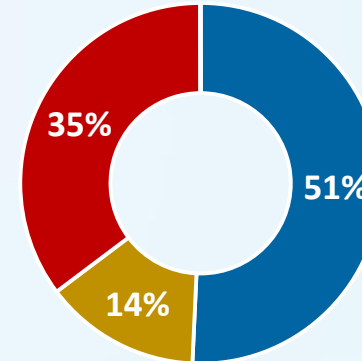
1Q17



Non Expansion 
Expansion 

EXPANSION CAPEX

1Q17



Cement  Energy 
Zinc & by-products 

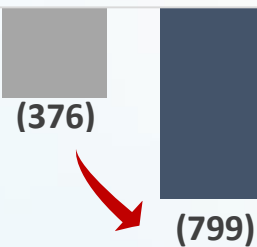
- **Cement:** conclusion of investments in the **new plant in Turkey** and continuation of investments in **North America**.
- **Votorantim Energia's** wind power generation project (**Ventos do Piauí**).
- **Zinc & by-products business** : working life's extension of the zinc mine in **Vazante**.

(R\$ MILLION)

OPERATIONAL | FREE

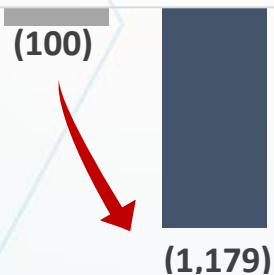
CFO

1Q16¹ 1Q17

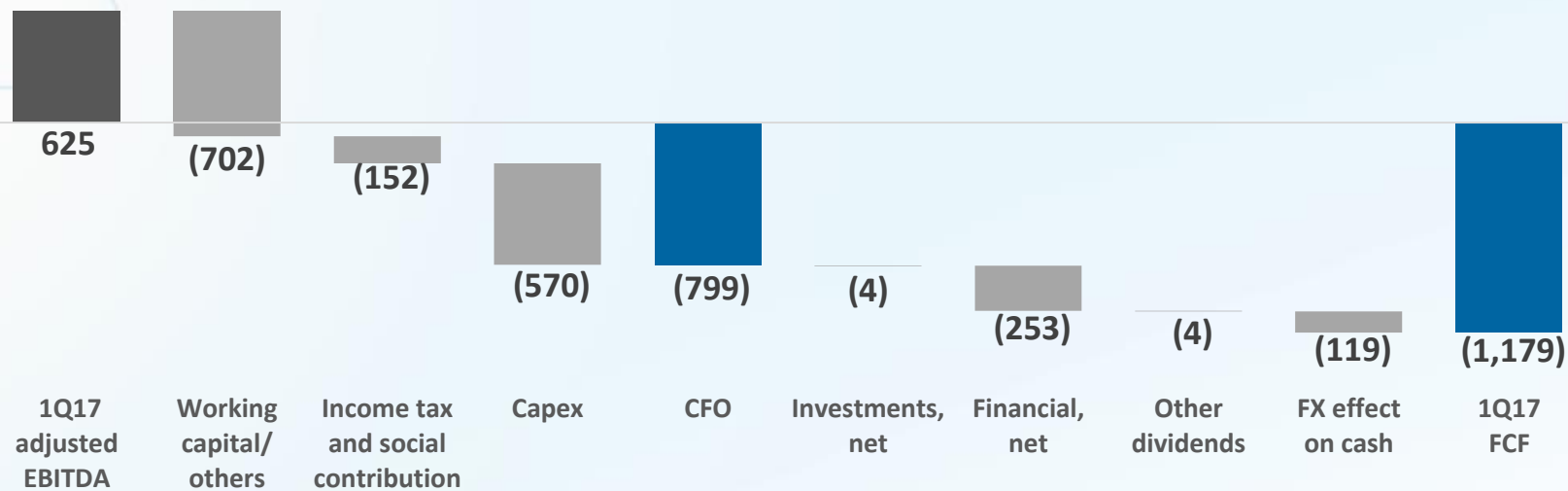


FCF

1Q16¹ 1Q17



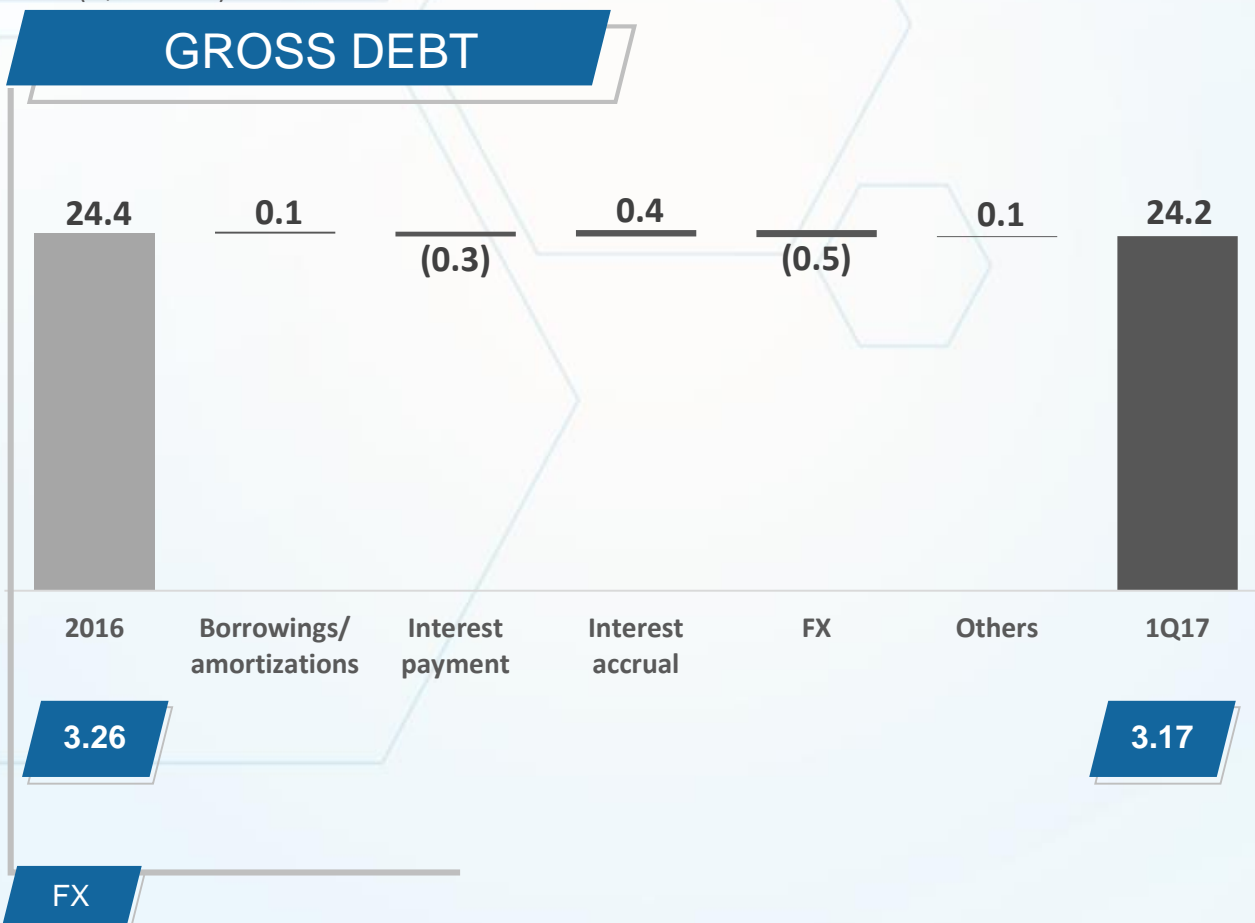
FREE CASH FLOW GENERATION



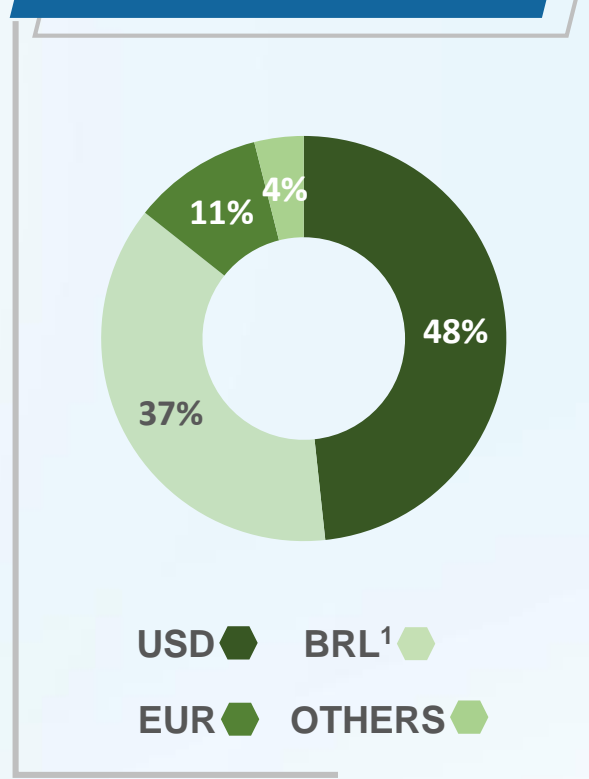
1. Includes Brazilian Long Steel operations results

(R\$ BILLION)

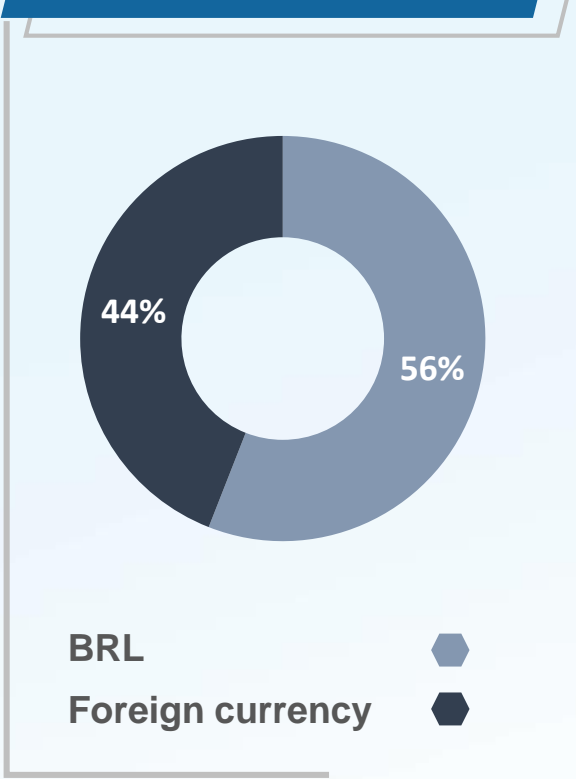
GROSS DEBT



DEBT BY CURRENCY



CASH BY CURRENCY



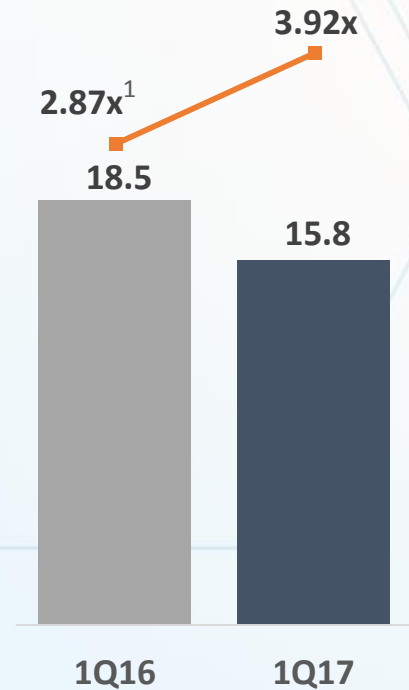
1. 4131 bilateral loan considered as BRL due to the cross-currency swap

LIQUIDITY POSITION AND EXTENDED DEBT PROFILE

(R\$ BILLION)

NET DEBT

Net debt/Adj. EBITDA LTM



DEBT AMORTIZATION PROFILE (pro-forma)

Revolving Credit Facilities  Cash 

Average debt maturity: 8.2 years



1. Includes the Brazilian long steel business results

			
Rating	Ba2	BB+	BBB-
Outlook	Negative	Negative	Negative
Latest update	Mar/17	Mar/17	Apr/17

“On a consolidated basis, Votorantim’s operations have historically showed resilience to commodity prices fluctuations, having posted healthy reported Ebitda margins (in the 20% - 30% range) through the economic cycles, which reflects the relatively low correlation of the different businesses and the cost efficiency of its operations.”

Source: Moody’s

We believe that the Votorantim group has efficient operations, [...], sizable capacity, dominant position in several markets [...], high brand recognition, as well as a prudent risk management.

Source: S&P

“[...] significant cash flow generated by operations outside of Brazil, cash and marketable securities held abroad, and unused revolving credit facilities [...] Company’s liquidity is very strong and it will maintain a proactive approach in liability management to avoid exposure to refinancing risks.

Source: Fitch



Votorantim

JOÃO MIRANDA
CEO Votorantim S.A.



Usual **prudence** in conducting the businesses.

Cost reduction initiatives in all our investees.

Financial discipline: **strong cash position** and **extended debt maturity** profile.

The end of a **very important cycle of investments** in this year

Prepared to pass through this **global and Brazilian political and economic instability**.

