Votorantim

Votorantim S.A.

Earnings Release 1Q17

1Q17 Highlights

R$ million	1Q17	1Q16	1Q17 vs. 1Q16	4Q16	1Q17 vs. 4Q16	LTM	2016	LTM vs. 2016
Net revenues	5,845	6,239	-6%	6,622	-12%	26,344	26,738	-1%
Adjusted EBITDA	625	869	-28%	561	11%	4,041	4,285	-6%
EBITDA margin	11%	14%	-3 p.p.	8%	2 p.p.	15%	16%	-1 p.p.
Net income	(546)	144	N.M.	(1,860)	-71%	(1,940)	(1,250)	55%
Net debt/Adj. EBITDA LTM	3.92 x	2.87 x[1]	1.05 x	3.43 x	0.49 x	3.92 x	3.43 x	0.49 x
CAPEX	570	647	-12%	899	-37%	2,954	3,031	-3%

Considers only the Industrial Segment
(1) Includes the Brazilian long steel business results

Consolidated

- Net revenues amounted to R$5.8 billion, 6% lower than 1Q16, mainly affected by lower prices and sales volume from the Brazilian cement operations and by the temporary suspension of the nickel operations.
- Adjusted EBITDA totaled R$625 million, a reduction of 28% compared to 1Q16.
- The net debt/EBITDA ratio came to 3.92x, 0.49x higher than in 4Q16.

Cement

- Net revenues 14% lower than 1Q16 on the back of Brazilian Economic downturn.
- In North America, solid results supported by strong demand and cost optimization offset the EBITDA decrease in the quarter.
- Turkey expansion started-up in April 2017, ahead of schedule.
- Divestments in non-core assets in China of EUR30 million in May 2017, reinforcing the long term strategy.

Zinc & by-products

- Increase of 35% in net revenues driven by the 66% increase of prices in the London Metal Exchange (“LME”).
- Despite the Peruvian flood, which affected sales volume, adjusted EBITDA was 49% higher than 1Q16 due to higher prices of zinc, copper and lead, coupled with increased exports volumes in the Brazilian operations.

Aluminum

- Net revenues went up 9%, as a result of higher sales volume for primary aluminum and semi manufactured products, with a growth of 18% in the Brazilian market.
- Adjusted EBITDA totaled R$12 million, mainly affected by the non-cash effect of energy returned from the 2014 auction.

Long steel

- Brazil – The results from the Brazilian operations were classified as available for sale since December 2016 Financial Statements.
- Argentina – Net revenues and adjusted EBITDA decreased mainly due to the 25% depreciation of the Argentine peso against the Brazilian real, partially offset by higher sales volume and increase in prices.
- Colombia – Net revenues and adjusted EBITDA went down mainly due to lower sales volume reflecting the slowdown in demand.

1. Economic Outlook

It is expected a world growth of 3.1% in 2016 and of 3.5% in 2017[(1)], according to IMF. In this scenario, the expectations for the global demand are improving, deflationary pressures are shrinking and the financial markets are reacting positively.

In the United States, the recent Trump-Russia investigation amid continued controversies around the Trump administration are helping to add uncertainty to financial markets. According to the Commerce Department, the U.S. economy grew 0.7% in 1Q17, the lowest quarterly level in three years. Despite of it, IMF projects the rise from 1.6% in 2016 to 2.3% in 2017[(1)], considering that the assumed fiscal policy easing and an improvement in confidence will reinforce the cyclical momentum.

In the Eurozone, a modest recovery is projected and it is supported by a lightly expansionary fiscal approach, a weaker euro and political uncertainty, as elections approach in several countries.

China seems to be supporting the world's exports. The industrial sector also staged a notable recovery, which is consistent with the rebound in producer prices. While the domestic recovery should keep firm, the external outlook, as global growth pace and protectionism for exports, remains uncertain.

In Brazil, the corruption scandal, which came to light in May, involving politicians and former ministers, may jeopardize the current government agenda.

Before this new political crisis, expectations for other macroeconomic indicators such as inflation and interest rates have also been improving, contributing for a more positive economic environment. The Brazilian market consensus for 2017 inflation is 4.01% and 8.5% of interest rate by year end[(2)]. The Brazilian central bank's GDP indicator (IBC-Br), showed 1.12% of growth in the 1Q17 compared to the 4Q16, reflecting positive results from agribusiness sector.

The expectation that pension and labor reforms would be approved in the first half of the year is under threat. The pension reform is seen as essential to help Brazil to get back on the track to fiscal sustainability. This political turmoil may reflect in a weaker domestic currency, higher market volatility and deceleration of interest rate cuts. The recovery from the Brazilian most severe recession is now at risk.

(1) Source: IMF World Economic Outlook, April 2017.
(2) Brazilian Central Bank Focus reports of May 05, 2017.

2. OPERATING AND FINANCIAL PERFORMANCE

Results analysis

R$ million	1Q17	1Q16	1Q17 vs. 1Q16
Net revenues	**5,845**	**6,239**	**-6%**
COGS	**(4,680)**	**(5,096)**	**-8%**
SG&A	**(850)**	**(915)**	**-7%**
Selling expenses	(349)	(415)	-16%
General & adm. expenses	(501)	(500)	0%
Other operating results	**(454)**	**265**	**N.M.**
Depreciation, amortization and depletion	**606**	**688**	**-12%**
Other additions and exceptional items	**158**	**(312)**	**N.M.**
Adjusted EBITDA	**625**	**869**	**-28%**
EBITDA margin	**11%**	**14%**	**-3 p.p.**

Considers only the Industrial Segment

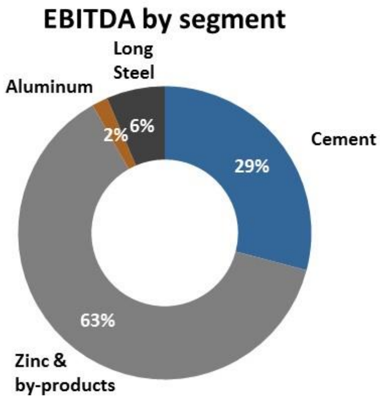
Net revenues totaled R$5.8 billion, a decline of 6% when compared to 1Q16, mainly due to lower sales volume and prices in Brazilian cement operations, still reflecting the economic scenario. The 19% appreciation of the Brazilian real (1Q17: R$/US$ 3.15 | 1Q16: R$/US$3.90) on the consolidation of operations abroad and the temporary suspension of the nickel operations also impacted the results. Higher zinc prices and higher sales volume of primary aluminum in the domestic market contributed to offset the decrease in net revenues.

Cost of Goods Sold (COGS) amounted to R$4.7 billion, 8% lower than 1Q16, due to the 11% appreciation of the Brazilian real on the consolidation of operations abroad, to the drop in cement sales volume in Brazil and to the temporary suspension of nickel operations.

Selling, General and Administrative Expenses (SG&A) totaled R$850 million in 1Q17, a decrease of 7% when compared to 1Q16. The drop of 16% in selling expenses, coupled with the appreciation of the Brazilian real were the main reasons to explain the variation.

The variation of R$719 million in "Other operating results" is mainly explained by the effect of cement non-strategic assets sales in 1Q16. In addition, the non-cash effect of energy returned from the 2014 auction and mark-to-market impact of future energy surplus not yet sold (R$212 million) and the capital increase in the long steel operations in Brazil, classified as impairment's provisions (R$130 million) also negatively affected the result.

Adjusted EBITDA came to R$625 million, with a margin of 11%, 28% down on 1Q16, mainly explained by the decline in sales volume and prices of cement in Brazil, partially offset by the 66% increase in LME zinc prices and by the temporary suspension of nickel operations, which presented a negative EBITDA of R$ 132 million in 1Q16.



Financial result

R$ million	1Q17	1Q16	1Q17 vs. 1Q16 R$	%
Financial income from investments	170	197	(27)	-14%
Financial expenses from borrowings	(437)	(459)	22	-5%
Exchange variation	26	244	(218)	-89%
Net hedge result	(168)	(504)	336	-67%
Other financial income (expenses), net	(82)	54	(136)	N.M.
Net financial result	**(490)**	**(468)**	**(22)**	**5%**

Financial income totaled R$170 million in 1Q17, a decrease of 14% compared with 1Q16 thanks to lower interest rates in Brazil: the average CDI interbank rate went down from 14.13% p.a. in 1Q16 to 12.68% p.a. in 1Q17.

Financial expenses from borrowings decreased 5% due to the reduction in gross debt as a result of the liability management initiatives implemented in previous quarters and the stronger average Brazilian real, down from R$/US$3.90 in 1Q16 to R$/US$3.15 in 1Q17.

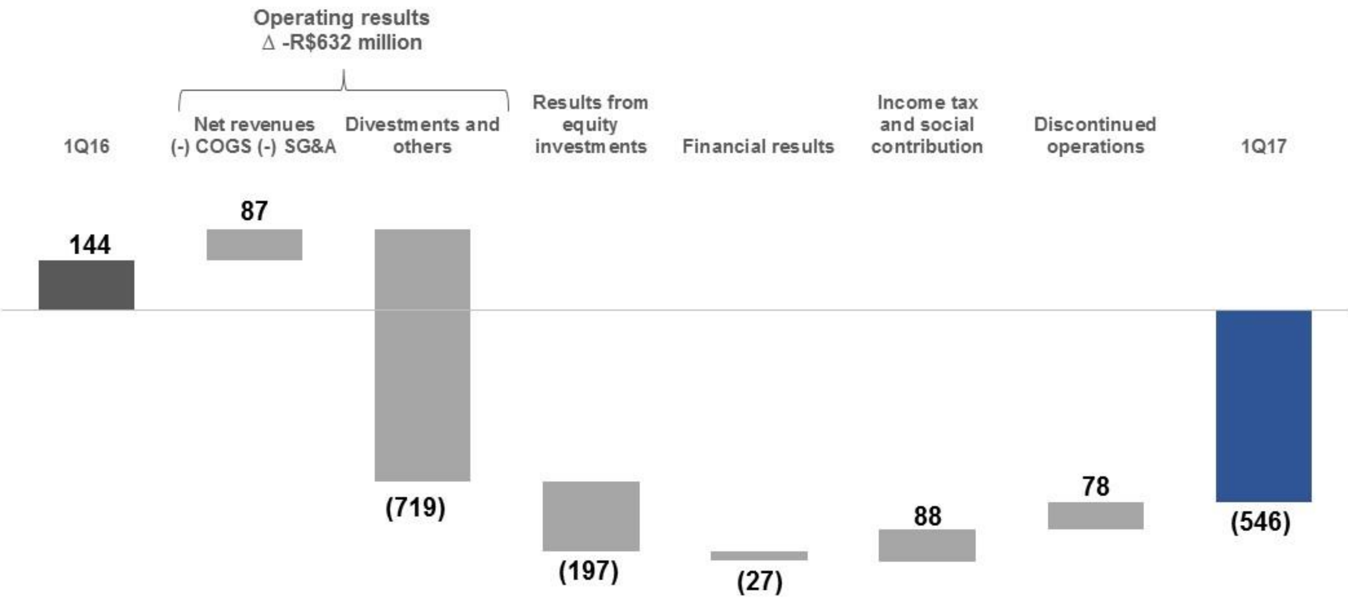
Exchange variation gains were R$26 million, a decrease of R$218 million due to a lower appreciation of the Brazilian real in 1Q17 (Mar/17: R$/US$ 3.17 | Dec/16: R$/US$ 3.26 – variation of 3%) compared to 1Q16 (R$/US$ 3.56 | Dec/15: R$/US$ 3.90 – variation of 9%).

The net hedge result totaled an expense of R$168 million in 1Q17, a decrease of R$336 million due to the fair value of the derivatives instruments used to convert the 4131 loans from USD to BRL.

Other net financial expenses stood at R$82 million, an increase of R$136 million due to the discount on the Votorantim Cimentos' bonds in euros repurchase in 1Q16.

Net Results

R$ million



Votorantim S.A. reported net loss of R$546 million in 1Q17, versus a net income of R$144 million in 1Q16.

The decrease in operating results reflected the non-cash effect of energy returned from the 2014 auction and mark-to-market impact of future energy surplus not yet sold, the cement non-strategic assets sale in 1Q16 and the capital increase in the long steel operations in Brazil, classified as impairment's provisions.

The results from equity investments were negatively affected mainly by the 66% YoY decrease in Fibria's net income, from R$ 978 million in 1Q16 to R$ 329 million in 1Q17.

The increase of R$88 million in income tax and social contribution in relation to 1Q16 was explained mainly by the recognition of tax credits due to the loss before income tax and social contribution.

The discontinued operations reflected the Brazilian long steel business classified as available for sale.

Liquidity and Indebtedness

Indicator	Unit	Mar/17[2]	Mar/16[2][3]	Mar/17 vs Mar/16	Dec/16[2]	Mar/17 vs Dec/16
Gross debt	**R$ million**	**24,232**	**27,061**	**-10.5%**	**24,403**	**-1%**
in BRL[1]	R$ million	9,054	9,843	-8.0%	8,765	3%
in foreign currency	R$ million	15,178	17,218	-11.8%	15,638	-3%
Average maturity	**years**	**7.6**	**7.4**	**-**	**7.5**	**-**
Short-term debt	**%**	**7.1%**	**9.0%**	**-2p.p.**	**7.3%**	**-0.2p.p.**
Cash, cash equivalents and investments	**R$ million**	**9,017**	**8,693**	**3.7%**	**10,066**	**-10%**
in BRL	R$ million	5,294	5,124	3.3%	4,908	8%
in foreign currency	R$ million	3,723	3,569	4.3%	5,158	-28%
Fair value of derivative instruments	**R$ million**	**(612)**	**(89)**	**N.M**	**(375)**	**63%**
Net debt	**R$ million**	**15,827**	**18,457**	**-14.2%**	**14,712**	**8%**
Net debt/Adj. EBITDA LTM	**x**	**3.92 x**	**2.87 x**[3]	**1.05 x**	**3.43 x**	**0.49 x**
BRL/USD	**R$**	3.17	3.56	-11%	3.26	-3%

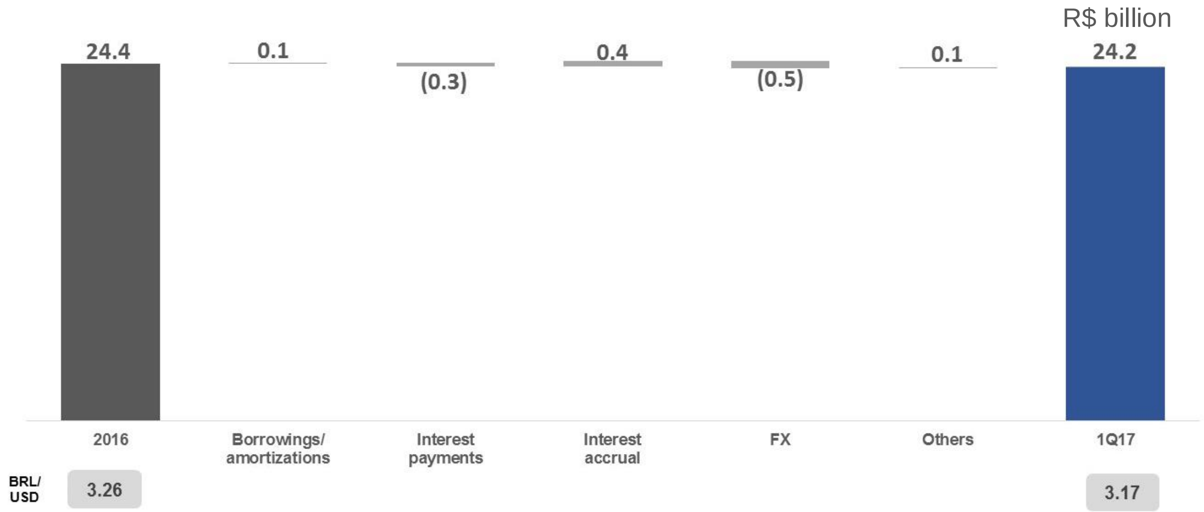
(1) 4131 bilateral loan considered as BRL due to the cross-currency swap.

(2) Considers only the Industrial Segment

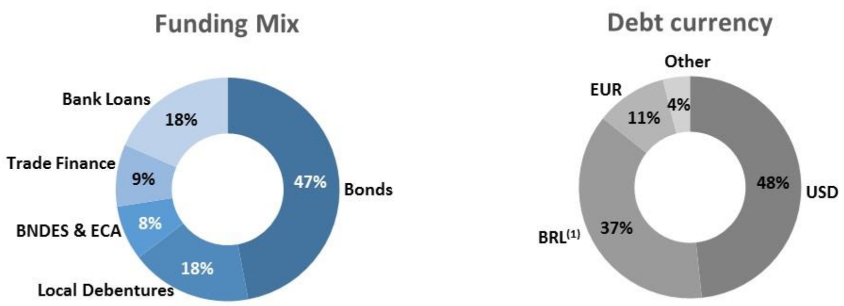
(3) Includes the Brazilian long steel business results

In March 2017, gross debt amounted to R$24.2 billion, remaining stable when compared to December 2016.

The chart below summarizes the main changes in gross debt figures:

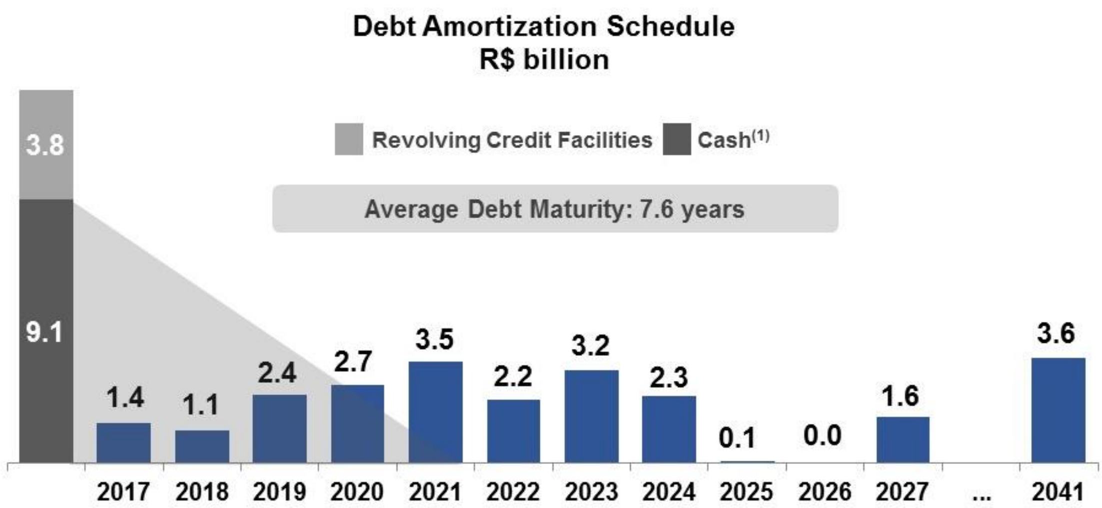


The funding mix and the debt currency breakdown are presented below:



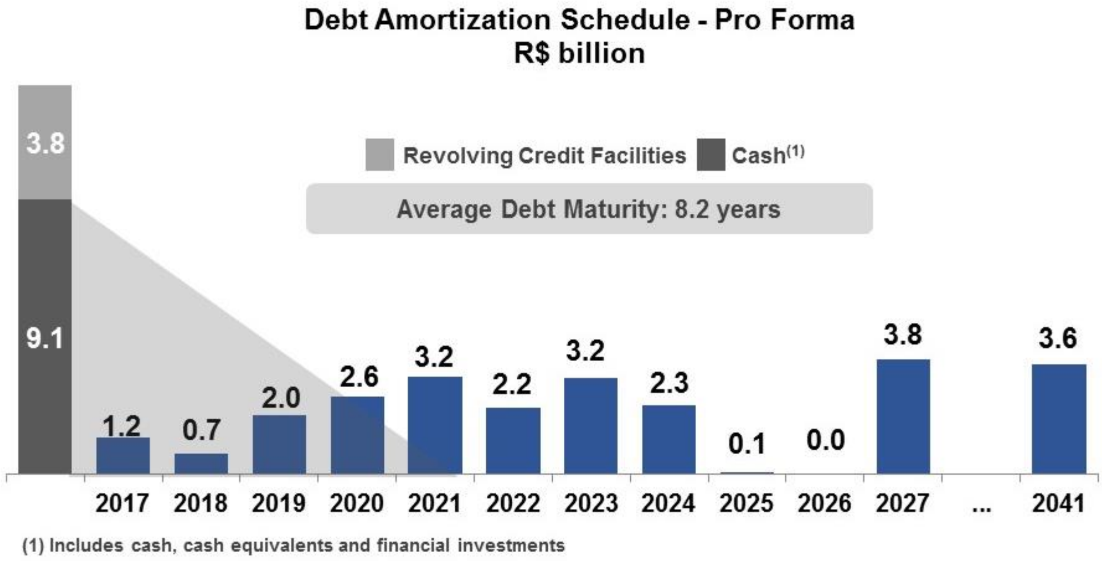
(1) 4131 bilateral loan considered as BRL due to the cross-currency swap

The chart below summarizes the debt amortization schedule:



(1) Includes cash, cash equivalents and financial investments

In May 2017, the subsidiary VM Holding S.A. issued a 10-year bond of US$700 million with a coupon rate of 5.375% per year. The proceeds of the issuance were used to prepay a part of its gross debt, resulting in a smoother amortization schedule, as below:

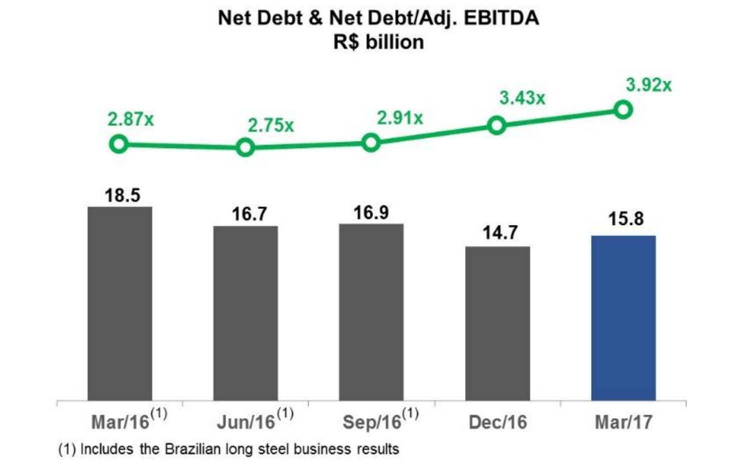


Cash, cash equivalents and financial investments closed the quarter at R$9.1 million, 59% of which denominated in BRL. This cash position is sufficient to cover all obligations due in the next 4 years.

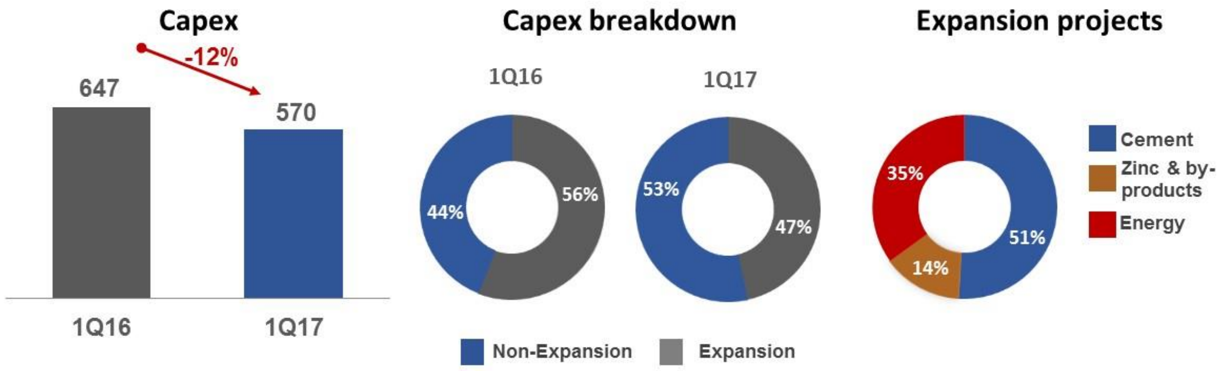
Cash is mainly invested in Brazilian government bonds and fixed-income products of Brazilian and foreign financial institutions. These investments are of low risk and high liquidity and are diversified in order to reduce concentration risk.

The two revolving credit facilities, one of US$700 million, only for the cement business, and another of US$500 million, for other Votorantim investees, both expiring in 2020, strengthen Votorantim's liquidity position, which totaled R$12.9 billion in 1Q17. These revolving credit facilities were not disbursed.

Net debt totaled R$15.8 billion, 8% higher when compared to December 2016. Financial leverage, measured by the net debt to adjusted EBITDA ratio, came to 3.92x, an increase of 0.49x over December 2016. The chart below shows consolidated net debt and the net debt to adjusted EBITDA ratio since March 2016:



Capex



Capex totaled R$570 million, 12% less compared to 1Q16, 47% of which to expansion projects.

Cement projects accounted for 51% of total expansions investments mainly in Turkey and USA. In April, Votorantim Cimentos (“VC”) started-up its expansion investment in Turkey, adding 1.2 million tons per year. Despite the current downturn in its main market, VC continues to invest and diversify its portfolio on a global basis. In 2016, considering the projects conclusion, the company added 3.4 million tons to its global capacity and moved toward the end of its investment cycle initiated in 2010.

Votorantim Energia's wind power generation project (“Ventos do Piauí”) accounted for 35% of expansions projects in 1Q17. An investment of R$1.1 billion, ended the quarter at 33% physical completion and more than 28% of financial execution. The start-up will be in January 2018.

Major projects in progress during 1Q17:

- Cement | Turkey | Sivas project: 1.2 million tpy of additional capacity with started-up in April.
- Cement | North America | Charlevoix project: 0.6 million tpy of additional with start-up in 2018.
- Cement | Argentina | Olavarría and San Luis project: 1.0 million tpy of additional capacity with start-up in 2018 and 2019, respectively
- Zinc & by-products | Brazil | Vazante project: Extension of useful lifetime to 2026.
- Energy | Brazil | Ventos do Piauí project: 7 wind farms with generation capacity of 206 MW.

Free Cash Flow

R$ million	1Q17	1Q16[1]
Adjusted EBITDA	**625**	**845**
Working capital / other	(702)	(425)
Income tax and social contribution	(152)	(149)
Capex	(570)	(647)
CFO	**(799)**	**(376)**
Investments, net	(4)	802
Financial, net	(253)	(152)
Other Dividends	(4)	(5)
FX effect on cash	(119)	(369)
FCF	**(1,179)**	**(100)**

(1) Includes the Brazilian long steel business results

Cash Flow from Operations (CFO) decreased R$423 million in 1Q17 compared to 1Q16, mainly due to the weaker operating performance in the quarter, partially offset by lower Capex.

Free Cash Flow (FCF) was negative by R$1,179 million, due to the seasonality of the business the 1Q17 often presents negative FCF. The decrease of R$1,079 million compared to 1Q16, reflected the higher divestment in 1Q16, which included the proceeds from the cement non-core assets sales.

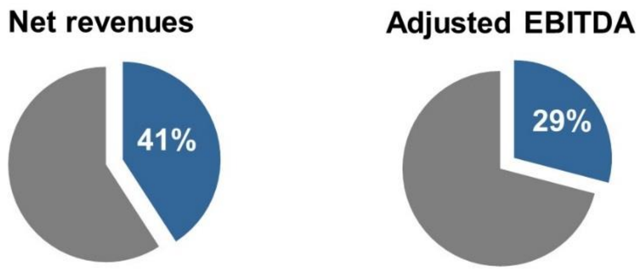
BUSINESSES

R$ million	Cement	Zinc & by-products	Aluminum	Long steel	Others[1]	Consolidated[2]
Net revenues	2,388	1,640	1,047	363	407	5,845
COGS	(1,993)	(1,210)	(932)	(303)	(242)	(4,680)
SG&A	(458)	(183)	(56)	(46)	(107)	(850)
Other operating results	(13)	(69)	(132)	4	(244)	(454)
Depreciation, amortization and depletion	262	214	77	26	27	606
Other additions and exceptional items	13	37	8	0	100	158
Adjusted EBITDA	199	429	12	44	(59)	625
EBITDA margin	8%	26%	1%	12%	N/A	11%

(1) Includes Holding, Energy, eliminations and other

(2) Considers only the Industrial Segment

CEMENT



R$ million	1Q17	1Q16	1Q17 vs. 1Q16
Net revenues	**2,388**	**2,771**	**-14%**
COGS	**(1,993)**	**(2,207)**	**-10%**
SG&A	**(458)**	**(492)**	**-7%**
Selling expenses	(240)	(271)	-11%
General & adm. expenses	(218)	(221)	-1%
Other operating results	**(13)**	**352**	**N.M.**
Depreciation, amortization and depletion	**262**	**266**	**-2%**
Other additions and exceptional items	**13**	**(302)**	**N.M.**
Adjusted EBITDA	**199**	**388**	**-49%**
EBITDA margin	**8%**	**14%**	**-6 p.p.**

The results for the 1Q17 are not necessarily indicative of the results to be expected for the full year due to the seasonal nature of the business, given the rainy season in Brazil and the wintertime in the north hemisphere.

In Brazil, cement consumption decreased 8.0% in the 1Q17 compared to 1Q16 as result of the Brazilian political crisis impact on the real economy with still rising unemployment rates and low cement market utilization rate.

In North America (VCNA), the construction sector continues to benefit from generally positive economic indicators, combined with milder weather conditions along the Great Lakes region, what supported the growth trend. The US key economic indicators remains in a healthy pace, with March YTD construction spending up 5.9% driven mainly by residential spending growth of 12.1%, building permits and housing starts up 9.0% and 8.8%, respectively over the same period in 2016, according to US Census Bureau. Within Ontario, Canada, in the quarter, housing starts grew by 18.7% compared to 1Q16, as per Canada Mortgage and Housing Corporation (CMHC), with construction activity up across most housing segments and near its highest levels in the past twelve months.

In Europe, Africa and Asia cluster (VCEAA), Morocco continued to experience market stability and modest cement sales growth in the quarter on the back of increased investments in infrastructure projects. In China, the Government mandatory 3-month cement plants shutdown aimed to control air pollution and the consequent lack of clinker in the market led to a cement prices increase. Spain benefited from a more stable political environment and slightly decrease in the unemployment rate leading to a 14.1% higher cement consumption YoY, according to Oficemen. In Turkey, the political uncertainty, high inflation and 21.3% TRY depreciation against the EURO pressured the construction sector. On the other hand, the implementation of the economic reform agenda remains under discussion in Tunisia as well as the continued cement exports bottleneck, increasing competitiveness in the domestic market. India is still adjusting its economy to the November 2016 demonetization, which sharply reduced liquidity and severely affected the real economy.

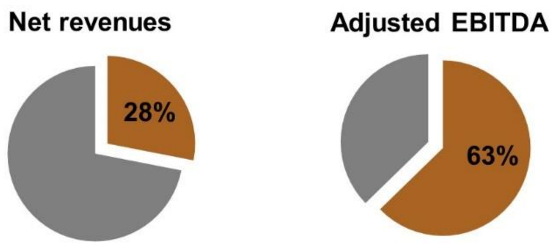
Consolidated net revenues totaled R$2.388 million, 13.9% lower than 1Q16 results. The decrease was mainly related to the Brazilian economy downturn impact on the cement demand, still in a weak basis, triggering lower volumes and prices and the negative currency effects on consolidation resulting from the Brazilian real appreciation (1Q17: R$/US$3.15 | 1Q16: R$/US$3.90 and 1Q17: EUR/US$3.35 | 1Q16: EUR/US$4.30). In VCNA, the continued strong demand supporting higher volumes and especially higher prices and the unusually milder winter, reflected in a 20.9% increase YoY in USD. On the other hand, in VCEAA, the increased cement volumes in Spain, Morocco, Turkey and China and higher prices in Morocco and China were not enough to offset the pricing pressure arising from the political-economic instability in Turkey and Tunisia, the Turkish Lira depreciation in 1Q17 and India´s demonetization impacts, reflecting in a 5.8% decrease YoY in EUR in the cluster.

Consolidated COGS amounted to R$1.993 million, a 9.7% reduction compared to 1Q16. This reduction was chiefly explained by operational rightsizing reflecting in a 12.5% reduction in labor and a 12.2% drop in maintenance costs YoY and lower sales volume in Brazil. In addition, energy prices presented a 9.6% drop, respectively, YoY, and together with the ongoing savings related to the implementation of Zero-based budgeting, targeting cost reduction, and Brazilian real appreciation offset the impact of increased sales volume in VCNA and VCEAA regions.

Consolidated SG&A totaled R$458 million in 1Q17, 7.0% lower than 1Q16, primarily as a result of R$20.5 million reduction in allowance for doubtful accounts in Brazilian operations and VCEAA, Brazilian real appreciation and the continuous positive impact of the Zero-based budgeting implementation in all regions.

Adjusted EBITDA amounted to R$199 million in the first quarter of the year, 48.9% lower than 1Q16. LTM adjusted EBITDA dropped 7.9% compared to 2016 with an EBITDA margin of 18.0%, compared to 18.9% in 2016 mainly due to the Brazilian challenging scenario. VCNA performance contributed positively to consolidated results, generating US$9.1 million in EBITDA as compared to a loss of US$7.6 million in 1Q16. In addition, the on-going cost optimization programs also affected margins, that increased by 10 p.p. (from negative 5.2% in 1Q16 to 5.1% in 1Q17). In VCEAA, Morocco’s strong operational performance and the turnaround in China due to the rightsizing, contributed to €27.7 million EBITDA in the cluster representing a slightly decrease when compared to €28.2 million in 1Q16. In Latam, Uruguay benefited from increased volumes in domestic market and exports to neighbor countries, which together with cost optimization initiatives improved EBITDA in the period. The Brazilian real appreciation negative impact on the VCNA and VCEAA consolidation combined with an R$43 million non-recurring provision for expenses associated with the Brazilian antitrust authority (CADE) lawsuit adversely affected results.

ZINC & BY-PRODUCTS
(including Milpo)



US$ million	1Q17	1Q16	1Q17 vs. 1Q16
Net revenues	**521**	**387**	**35%**
COGS	**(384)**	**(312)**	**23%**
SG&A	**(58)**	**(45)**	**28%**
Selling expenses	(21)	(21)	0%
General & adm. expenses	(37)	(24)	56%
Other operating results	**(22)**	**(5)**	**N.M**
Depreciation, amortization and depletion	**67**	**67**	**0%**
Other additions and exceptional items	**12**	**(1)**	**N.M.**
Adjusted EBITDA	**136**	**91**	**49%**
EBITDA margin	**26%**	**23%**	**3 p.p.**

Contents of zinc, copper and lead in concentrates produced in mining operations totaled 113.4 kt in 1Q17, 9% below 1Q16 mainly due to a 7% decrease in treated ore volumes in all operations except Morro Agudo. Overall concentrates production decreased mainly due to a reduction in the treated ore in Peru, mainly in El Porvenir, due to the heavy rains and floods in Peru during March.

Contents of zinc in concentrates decreased by 8% in 1Q17 YoY, even though overall zinc grade was stable. An increase of 31% in Vazante partially offset the decrease in Cerro Lindo, El Porvenir and Atacocha of 6%, 13% and 35%, respectively.

Contents of copper in concentrates decreased by 9% in 1Q17 YoY, also explained by a drop in overall copper grade of 4% (especially in Cerro Lindo and Atacocha). Contents of lead in concentrates decreased by 19% in the same period, with a 9% decrease in overall lead grade (especially in Atacocha and Morro Agudo).

Electrolytic zinc sales volume, which include special high grade zinc (SHG) and zinc alloys produced in the smelters, decreased by 3% (or 4 kton) in the 1Q17, to 131 kt. The main reason for lower sales volume was a reduction in refined zinc production in Cajamarquilla as a consequence of rains and flooding throughout Peru. Production dropped from an average of 26 kton per month in January and February to 14 kton in March.

Zinc oxide sales totaled 9 kt in 1Q17, 5% (or 0.4 kton) above the same quarter of the previous year. While the comeback of the automotive industry in Brazil stimulates sales for tire market, usage of zinc oxide in fertilizers and animal nutrition have decreased in 1Q17.

Net revenues totaled US$521 million in 1Q17, an increase of 35% YoY due to higher base metals prices in the global market. LME zinc prices was 66% higher than the average of the same quarter of 2016. Copper and lead LME prices also grew by 25% and 31%, respectively. However, lower concentrate sales to market and lower electrolytic zinc sales limited the prices effect.

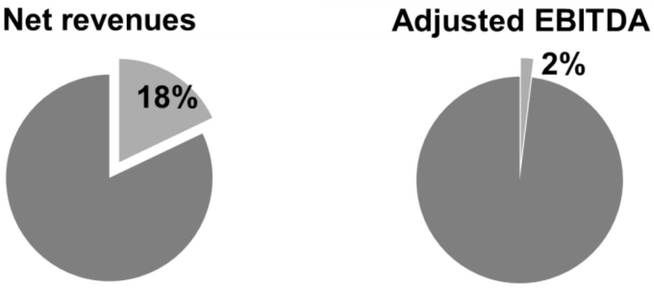
COGS increased by 23% in 1Q17 YoY, due to higher concentrate prices and higher costs related to the impact of heavy rains and floods in our Peruvian operations. Also in Peru, additional investments to reinforce safety conditions in the mines, which are mostly underground, has impacted costs.

SG&A totaled US$58 million in 1Q17, composed of US$21 million selling expenses and US$37 million general and administrative (G&A) expenses. While selling expenses were stable, G&A expenses grew by 56% (or US$13 million) due to the impact of the corporate restructuring within the Votorantim Metais business unit, namely the transfer of some corporate employees to Votorantim Metais Zinco S.A. on June 30, 2016.

Other operating results increased to US$22 million in 1Q17 from US$5 million, mostly explained by (i) higher investments in early-stage mining projects (US$8.0 million in 1Q17 as compared to US$2.4 million in 1Q16) and (ii) judicial provisions in Peru (an additional provision of US$2.0 million in 1Q17 as compared to a reversal of US$3.2 million in 1Q16).

Adjusted EBITDA totaled US$136 million in 1Q17, a 49% increase (or US$45 million) when compared to the same quarter of the previous year, mostly as a result of higher net revenues.

ALUMINUM



R$ million	1Q17	1Q16	1Q17 vs. 1Q16
Net Revenue	**1,047**	**960**	**9%**
Aluminum	757	690	10%
Energy	290	270	7%
COGS	**(932)**	**(810)**	**15%**
SG&A	**(56)**	**(63)**	**-11%**
Selling Expenses	(17)	(27)	-37%
General & Adm Expenses	(39)	(36)	8%
Other Operating Results	**(132)**	**(64)**	**106%**
Depreciation, amortization and depletion	**77**	**80**	**-4%**
Other additions and exceptional items	**8**	**25**	**-68%**
Adjusted EBITDA	**12**	**128**	**-91%**
Aluminum	176	110	60%
Nickel	(34)	-	N.M.
Energy	(130)	18	N.M.
EBITDA Margin	**1%**	**13%**	**-12 p.p.**

Aluminum prices in the LME hit a 27-month high of US$1,981/ton on March 30, 2017. The average prices in the 1Q17 was US$1,851/ton, 22% above the average of same quarter of the previous year. However, due to a 24% appreciation of the Brazilian real, the average LME prices was R$5,812/ton, 2% below 1Q16 average.

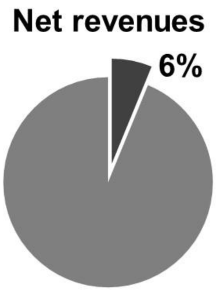
Net revenues totaled R$1,047 million in 1Q17, an increase of 9% when compared to 1Q16 due to increased sales of aluminum in both upstream and downstream markets. Sales volume in the upstream business were 28% higher (from 47.5 kton to 61.0 kton) and in the downstream were 9% higher (from 21.1 kton to 23.0 kton). Increased sales were partially offset by lower aluminum LME prices in Brazilian real terms.

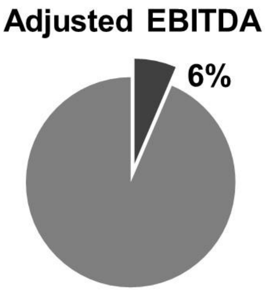
COGS were higher in 1Q17 due to increased production and higher energy prices. Lower expenses with alumina exports as result of the increased utilization of aluminum production capacity caused selling expenses to decrease by 37% in 1Q17. Finally, general and administrative expenses were 8% higher, given increased expenses with contractors.

Other operating results totaled R$132 million, R$128 million of which are related to the non-cash effect of energy returned from the 2014 auction and mark-to-market impact of future energy surplus not yet sold.

Adjusted EBITDA has thus totaled R$12 million. Aluminum adjusted EBITDA, which excludes results from both energy and nickel operations, increased on the other hand by 60%, to R$176 million.

LONG STEEL





R$ million	1Q17	1Q16	1Q17 vs. 1Q16
Net revenues	**363**	**420**	**-14%**
COGS	**(303)**	**(318)**	**-5%**
SG&A	**(46)**	**(55)**	**-16%**
Selling expenses	(20)	(22)	-9%
General & adm. expenses	(26)	(33)	-21%
Other operating results	**4**	**4**	**0%**
Depreciation, amortization and depletion	**26**	**33**	**-21%**
Other additions and exceptional items	**-**	**(3)**	**N.M.**
Adjusted EBITDA	**44**	**81**	**-46%**
EBITDA margin	**12%**	**19%**	**-7 p.p.**

In February 2017, Votorantim S.A. and ArcellorMittal Brasil entered into an agreement to combine the long steel business of the two companies in Brazil, because of this transaction the results from operations in Brazil was classified as available for sale and is not considered in the financial statements since December 2016.

Results from operations in Argentina were positively affected by higher prices related to the inflation, which were not sufficient to offset the impact of the depreciation of the Argentine peso against the Brazilian real. In Colombia, lower demand in the domestic market due to the infrastructure projects delay, was the main reason to explain worse results.

Net revenues totaled R$363 million in 1Q17, 14% less than 1Q16, mainly due to the 25% depreciation of the Argentine peso against the Brazilian real on the consolidated results and to the decrease in sales volume in Colombia.

COGS totaled R$303 million, 5% lower than 1Q16, due to the depreciation of the Argentine and Colombian peso against the Brazilian real.

SG&A decreased by 16% when comparing 1Q17 to 1Q16, mainly impacted by the depreciation of the Argentine peso against the Brazilian real.

Adjusted EBITDA totaled R$44 million, 46% down on 1Q16, and the EBITDA margin stood at 12%.

BUSINESSES RECOGNIZED UNDER THE EQUITY METHOD

R$ million	1Q17	1Q16
Net income/loss without results from investees	**(687)**	**(194)**
Fibria	96	287
Citrosuco	47	(11)
Banco Votorantim	(33)	(37)
Others	31	99
Net income/loss	**(546)**	**144**

In 1Q17, the businesses that were recognized under the equity method, primarily Fibria and Citrosuco, contributed to partially offset the consolidated loss.

Fibria's net revenues totaled R$2.1 billion in 1Q17 and adjusted EBITDA was R$644 million, 13% and 49% less than in 1Q16, respectively. The 25% drop in the average prices in BRL and the increase in COGS, negatively impacted the adjusted EBITDA. In 1Q17 Fibria reported net income of R$ 329 million, versus R$ 978 million in 1Q16. The start-up of the Horizonte 2 project was brought forward by one month (Sep/17). The project has reached more than 87% of physical completion and 61% financial execution.

Citrosuco’s results from the 1Q17 were positively impacted by the increase in average net price in dollar (US$2,297/ton) and sales volume, primarily of Not From Concentrate orange juice (NFC), which increased 57 Ktons from 1Q16 to 1Q17. Net revenues totaled US$375 million, 22% above the same quarter of the previous year. Adjusted EBITDA increased from US$ 22 million in 1Q16 to US$70 million in 1Q17.

Banco Votorantim reported a net income of R$127 million in 1Q17, compared to R$86 million in 1Q16. The auto finance loan origination volume was R$3.7 billion in 1Q17, 28% higher than 1Q16. Auto finance delinquency reduced 50 bps against 1Q16. At the end of 1Q17, shareholders' equity totaled R$8.4 billion, an increase of 3.5% compared to 1Q16. The Basel Ratio ended the quarter at 13.2%, higher than the minimum capital requirement of 10.5%. The financial information from Banco Votorantim are presented in compliance with the BRGAAP accounting standard, however in the VSA consolidated results are recognized under the IFRS equity method.

3. ADDITIONAL REMARKS

(i) Votorantim S.A.'s ratings

In March 2017, Votorantim S.A.'s ratings were reaffirmed by Moody's and S&P as Ba2 and BB+ respectively, with negative outlook.

In April 2017, Fitch also reaffirmed Votorantim S.A's rating as BBB-, with negative outlook.

(ii) VM Holdings S.A.'s 10-year bond issuance

In May 2017, the subsidiary VM Holdings issued a 10-year bond in the international market of US$700 million with an annual coupon rate of 5.375%. The operation is guaranteed by Votorantim Metais - Cajamarquilla S.A., Companhia Minera Milpo S.A.A and Votorantim Metais Zinco S.A.

(iii) Cement assets sale

In May 2017, align with divestment strategy to focus on core markets, Votorantim Cimentos sold certain Chinese assets (cement grinding and integrated plant) amounting to around EUR30 million.

4. INVESTOR RELATIONS CONTACTS

Votorantim S.A.

votorantimri@votorantim.com | www.votorantim.com/ir

Votorantim Cimentos

ri@vcimentos.com | www.votorantimcimentos.com/ir

Votorantim Metais

ri@vmetais.com.br

Fibria

ir@fibria.com.br | www.fibria.com/ir

Banco Votorantim

ri-bancovotorantim@bancovotorantim | www.bancovotorantim.com.br/ir

EXHIBIT I – VOTORANTIM S.A. CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement R$ million	1Q17	1Q16
Continuing operations		
Net revenue from products sold and services rendered	5,845	6,246
Cost of products sold and services rendered	(4,680)	(5,096)
Gross profit	1,165	1,150
Operating expenses		
Selling	(349)	(415)
General and administrative	(506)	(507)
Other operating expenses, net	(454)	270
	(1,309)	(652)
Operating profit (loss) before equity results and finance results	(144)	498
Result from equity investments		
Equity in the results of investees	138	291
Realization of other comprehensive income on disposal of investments	3	44
	141	335
Finance results, net		
Finance income	293	501
Finance costs	(641)	(709)
Derivative financial instruments	(168)	(504)
Foreign exchange losses, net	26	244
	(490)	(468)
Profit (loss) before income tax and social contribution	(493)	365
Income tax and social contribution		
Current	(87)	(115)
Deferred	35	(27)
Profit (loss) for the quarter from continuing operations	(545)	223
Discontinued operations		
Loss for the year from discontinued operations	(1)	(79)
Profit (loss) for the quarter attributable to the owners	(546)	144
Profit (loss) attributable to the owners of the Company	(573)	148
Profit (loss) attributable to non-controlling interests	27	(4)
Profit (loss) for the quarter	(546)	144

EXHIBIT II – VOTORANTIM S.A. CONSOLIDATED CASH FLOW

Consolidated Cash Flow R$ million	1Q17	1Q16
Cash flow from operating activities		
Profit (loss) before income tax and social contribution	(493)	365
Loss on discontinued operations	(1)	(79)
Adjustments of items that do not represent changes in cash and cash equivalents		
Depreciation, amortization and depletion	606	688
Equity in the results of investees	(138)	(291)
Realization of other comprehensive income on disposal of investments		
Interest, indexation and foreign exchange variations	327	(58)
Reveral for impairment of fixed, intangible assets and investments	(18)	(10)
Loss (gain) on sale of fixed and intangible assets, net	72	(38)
Gain on sale of investments, net		(302)
Allowance for doubtful accounts	(2)	
Fair value adjustment - Resolution 4131	17	(24)
Discount on repurchase of bonds		
Constitution (reversal) of provision	109	(30)
Derivative financial instruments	137	552
Financial instruments - firm commitment	212	40
Change in fair value of biological assets	4	(3)
	832	**810**
Decrease (increase) in assets		
Financial investments	76	1,389
Derivative financial instruments	(37)	9
Trade accounts receivable	(172)	379
Inventory	(53)	(64)
Taxes recoverable	46	150
Related parties	24	(113)
Other accounts receivable and other assets	252	5
Increase (decrease) in liabilities		
Deferred revenue - performance obligation	(58)	(77)
Trade payables	(376)	(195)
Salaries and social charges	(322)	(259)
Use of public assets	12	43
Taxes payable	91	(89)
Other obligations and other liabilities	(326)	(253)
Cash provided by (used in) operating activities	**(11)**	**1,735**
Interest paid on borrowing and use of public assets	(325)	(332)
Premium paid on the Tender Offer		
Income tax and social contribution paid	(152)	(149)
Net cash provided by (used in) operating activities	**(488)**	**1,254**
Cash flow from investment activities		
Proceeds from disposals of fixed and intangible assets	(29)	59
Proceeds from sale of investments - Sirama		566
Proceeds from sales of other investments	25	
Dividends received	22	3
Capital decrease in investees		
Acquisitions of property, plant and equipment	(568)	(646)
Increase in biological assets	(2)	(1)
Capital increase in investees		
Increase in intangible assets	(12)	(56)
Net cash used in investment activities	**(564)**	**(75)**
Cash flow from financing activities		
New borrowing	1,211	1,374
Repayment of borrowing	(1,083)	(3,203)
Related parties		
Derivative financial instruments	(81)	(23)
Dividends paid	(4)	(5)
Net cash provided by (used in) financing activities	**43**	**(1,857)**
Decrease in cash and cash equivalents	**(1,009)**	**(678)**
Cash increase resulting from incorporation		177
Effect of fluctuations in exchange rates	(119)	(369)
Cash and cash equivalents at the beginning of the quarter	**6,946**	**6,649**
Cash and cash equivalents at the end of the quarter	**5,818**	**5,779**

EXHIBIT III – VOTORANTIM S.A. CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet R$ million	1Q17	1Q16
Assets		
Current assets		
Cash and cash equivalents	5,818	6,946
Financial investments	3,267	3,190
Derivative financial instruments	151	136
Trade receivables	2,211	2,001
Inventory	3,397	3,381
Taxes recoverable	1,275	1,527
Dividends receivable	179	180
Financial instruments - firm commitment	251	317
Other assets	552	580
	17,101	18,258
Assets classified as held-for-sale	2,125	2,125
	19,226	20,383
Non-current assets		
Long-term receivables		
Financial investments	40	39
Derivative financial instruments	136	232
Taxes recoverable	1,799	1,586
Related parties	524	535
Deferred income tax and social contribution	3,925	4,055
Judicial deposits	341	420
Financial instruments - firm commitment	220	371
Other assets	697	858
	7,682	8,096
Investments	13,059	12,949
Biological assets	66	66
Property, plant and equipment	24,903	25,091
Intangible assets	12,577	13,013
	58,287	59,215
Total assets	77,513	79,598

Consolidated Balance Sheet R$ million	1Q17	1Q16
Liabilities and equity		
Current liabilities		
Borrowing	1,721	1,772
Derivative financial instruments	484	401
Confirming payables	1,009	968
Trade payables	2,307	2,726
Salaries and payroll charges	539	848
Taxes payable	445	422
Advances from clients	186	174
Dividends payable	57	48
Use of public assets	68	67
Financial instruments - firm commitment		
Deferred revenue - performance obligation	244	244
Other liabilities	647	795
	7,707	8,465
Liabilities related to assets as held-for-sale	1,522	1522
	9,229	9,987
Non-current liabilities		
Borrowing	22,511	22,631
Derivative financial instruments	415	342
Deferred income tax and social contribution	1,879	1,983
Related parties	35	22
Provision	2,305	2,346
Use of public assets	1,118	1,119
Pension plan	313	317
Financial instruments - firm commitment	5	10
Deferred revenue - performance obligation	457	515
Other liabilities	1,411	1,503
	30,449	30,788
Total liabilities	39,678	40,775
Equity		
Share capital	28,656	28,656
Revenue reserves	6,241	6,254
Retained earnings	(573)	
Carrying value adjustments	831	1,255
Total equity attributable to owners of the Company	35,155	36,165
Non-controlling interests	2,680	2,658
Total equity	37,835	38,823
Total liabilities and equity	77,513	79,598

EXHIBIT IV – VOTORANTIM S.A. CONSOLIDATED INCOME STATEMENT (BY BUSINESS UNIT)

1Q17 Consolidated Income Statement (by Business Units) R$ million	Cement	Zinc and byproducts	Aluminum	Steel (*)	Holding and others	Total, industrial segments	Total, consolidated
Continuing operations							
Net revenue from products sold and services rendered	2,388	1,640	1,047	363	1,080	5,845	5,845
Cost of products sold and services rendered	(1,993)	(1,210)	(932)	(303)	(915)	(4,680)	(4,680)
Gross profit	395	430	115	60	165	1,165	1,165
Operating income (expenses)							
Selling	(240)	(65)	(17)	(20)	(7)	(349)	(349)
General and administrative	(218)	(118)	(39)	(26)	(100)	(501)	(506)
Other operating income (expenses), net	(13)	(69)	(132)	4	(244)	(454)	(454)
	(471)	(252)	(188)	(42)	(351)	(1,304)	(1,309)
Profit (loss) before income tax and social contribution	(76)	178	(73)	18	(186)	(139)	(144)
Result from equity investments							
Equity in the results of investees	28		33		(224)	138	138
Realization of other comprehensive invome on disposal of investments	3					3	3
	31		33		(224)	141	141
Finance results, net							
Finance income	157	29	41	3	92	288	293
Finance costs	(371)	(68)	(103)	(20)	(113)	(641)	(641)
Result of derivative financial instruments	(108)				(60)	(168)	(168)
Foreign exchange gains (losses), net	53	3	120	5	(35)	26	26
	(269)	(36)	58	(12)	(116)	(495)	(490)
Profit (loss) before income tax and social contribution	(314)	142	18	6	(526)	(493)	(493)
Income tax and social contribution							
Current	(16)	(26)	(3)	(14)	(28)	(87)	(87)
Deferred	102	(26)	(188)	6	100	35	35
Profit (loss) from continuing operations	(228)	90	(173)	(2)	(454)	(545)	(545)
Discontinued operations							
Loss from discontinued operations	(1)					(1)	(1)
Profit (loss) for the quarter attributable to the owners	(229)	90	(173)	(2)	(454)	(546)	(546)
Profit (loss) attributable to the owners of the Company	(238)	65	(173)	(5)	(454)	(573)	(573)
Profit (loss) attributable to non-controlling interests	9	25		3		27	27
Profit (loss) for the quarter	(229)	90	(173)	(2)	(454)	(546)	(546)

(*) Relates to long steel operations abroad (Argentina and Colombia).