

VOTORANTIM

Condensed consolidated
interim financial statements
at **June 30, 2019** and
review report

Votorantim S.A.



(A free translation of the original in Portuguese)

Report on review of condensed consolidated interim financial statements

To the Board of Directors and Stockholders
Votorantim S.A.

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Votorantim S.A. and its subsidiaries (the "Company") as at June, 30, 2019 and the related condensed consolidated interim statements of income and comprehensive income for the quarter and six-month period then ended, and the condensed consolidated interim statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with the accounting standard CPC 21 - "Interim Financial Reporting", of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - "Interim Financial Reporting", of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and ISRE 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of interim information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Votorantim S.A.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21 and IAS 34.

Curitiba, August 2, 2019

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

A handwritten signature in blue ink, appearing to read 'CEM', is written over a horizontal line.

Carlos Eduardo Guaraná Mendonça
Contador CRC 1SP196994/O-2

Summary

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	Note	6/30/2019	12/31/2018
Assets			
Current assets			
Cash and cash equivalents	7	4,944	7,667
Financial investments	8	4,894	3,390
Derivative financial instruments	5.1.1 (a)	131	216
Trade receivables	9	2,975	2,546
Inventory	10	4,113	3,814
Taxes recoverable	12	1,803	1,473
Dividends receivable	13	200	14
Financial instruments - firm commitment	14	46	202
Other assets		605	564
		19,711	19,886
Assets classified as held-for-sale			4,527
		19,711	24,413
Non-current assets			
Long-term receivables			
Financial investments	8	23	23
Financial instruments - Suzano	11	2,470	
Derivative financial instruments	5.1.1 (a)	534	256
Derivative financial instruments - put option	5.1.1 (b)	744	744
Taxes recoverable	12	3,366	2,731
Related parties	13	288	271
Deferred income tax and social contribution	22 (b)	2,886	4,079
Judicial deposits	24 (b)	352	755
Other assets		792	685
		11,455	9,544
Investments	15 (b)	11,095	10,882
Property, plant and equipment	16	26,030	26,180
Intangible assets	17	13,030	13,341
Right-of-use assets	18	756	
Biological assets		75	74
		62,441	60,021
Total assets		82,152	84,434

	Note	6/30/2019	12/31/2018
Liabilities and equity			
Current assets			
Borrowing	19 (a)	1,278	5,291
Lease liabilities	20	196	
Derivative financial instruments	5.1.1 (a)	53	166
Confirming payables	21	1,177	1,187
Trade payables		3,748	4,262
Salaries and payroll charges		701	845
Taxes payable		509	490
Advances from clients		121	128
Dividends payable	13	529	482
Use of public assets		83	83
Financial instruments - firm commitment	14	11	19
Deferred revenue - performance obligations	23	150	242
Deferred revenue - silver streaming		118	124
Other liabilities		788	808
		9,462	14,127
Liabilities related to assets held-for-sale			108
		9,462	14,235
Non-current assets			
Borrowing	19 (a)	18,193	19,160
Lease liabilities	20	583	
Derivative financial instruments	5.1.1 (a)	572	78
Deferred income tax and social contribution	22 (b)	1,985	2,199
Related parties	13	37	136
Provision	24 (a)	2,707	2,595
Use of public assets		1,142	1,106
Pension plan and post-employment health care benefits		299	319
Financial instruments - firm commitment	14	92	161
Deferred revenue - performance obligations	23		29
Deferred revenue - silver streaming		612	650
Other liabilities		806	924
		27,028	27,357
Total liabilities		36,490	41,592
Equity			
Share capital	25 (a)	28,656	28,656
Revenue reserves		6,028	7,088
Retained (loss) earnings		4,577	
Carrying value adjustments	25 (c)	1,009	1,475
Total equity attributable to the owners of the Company		40,270	37,219
Non-controlling interests		5,392	5,623
Total equity		45,662	42,842
Total liabilities and equity		82,152	84,434

Condensed consolidated interim statement of income
Periods ended June 30

All amounts in millions of reais unless otherwise stated

VOTORANTIM

(A free translation of the original in Portuguese)

	Note	4/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
			Restated (Note 2.2)		Restated (Note 2.2)
Continuing operations					
Net revenue from products sold and services rendered	26	7,853	7,799	14,573	14,215
Cost of products sold and services rendered	27	(6,423)	(6,218)	(12,261)	(11,432)
Gross profit		1,430	1,581	2,312	2,783
Operating income (expenses)					
Selling	27	(219)	(195)	(433)	(375)
General and administrative	27	(571)	(491)	(1,104)	(955)
Other operating income (expenses), net	28	(130)	167	6,864	111
		(920)	(519)	5,327	(1,219)
Operating profit before equity results and finance results		510	1,062	7,639	1,564
Results from equity investments					
Equity in the results of investees	15 (b)	215	115	304	504
Realization of other comprehensive income on disposal of investments		108		108	
		323	115	412	504
Finance results, net					
	29				
Finance income		233	211	644	437
Finance costs		(667)	(716)	(1,454)	(1,271)
Result of derivative financial instruments		(100)	264	(159)	261
Foreign exchange losses, net		59	(660)	40	(717)
		(475)	(901)	(929)	(1,290)
Profit before income tax and social contribution		358	276	7,122	778
Income tax and social contribution					
	22 (a)				
Current		(45)	(86)	(1,296)	(287)
Deferred		(51)	(4)	(1,174)	(59)
Profit from continuing operations		262	186	4,652	432
Discontinued operations					
Loss on discontinued operations		(37)	(40)	(36)	(136)
Profit for the period attributable to the owners of the Company		225	146	4,616	296
Profit attributable to the owners of the Company		189	157	4,577	209
Profit attributable to non-controlling interests		36	(11)	39	87
Profit for the period		225	146	4,616	296
Weighted average number of shares - thousands (to the owners of the Company)		18,278,789	18,278,789	18,278,789	18,278,789
Basic and diluted earnings per thousand shares, in reais		10.34	8.59	250.40	11.43
From continuing operations					
Basic and diluted earnings per thousand shares, in reais		12.36	10.78	252.37	18.87
From discontinued operations					
Basic and diluted loss per thousand shares, in reais		(2.02)	(2.19)	(1.97)	(7.44)

Condensed consolidated interim statement of comprehensive income

Periods ended June 30

All amounts in millions of reais

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	Note	4/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
Profit for the period		225	146	4,616	296
Other components of comprehensive income to be subsequently reclassified to profit or loss					
Attributable to the owners of the Company					
Foreign exchange variations	25 (c)	(166)	1,857	(138)	1,987
Hedge accounting for net investments abroad, net of taxes	5.1 (b) e 25 (c)	25	(988)	106	(1,052)
Hedge accounting for the operations of subsidiaries	25 (c)	(34)	(118)	(51)	(112)
Fair value of available-for-sale financial assets held by non-consolidated investments	25 (c)	35	(2)	55	69
Realization of comprehensive results in the sale of the participation in Fibria Celulose S.A.	25 (c)			(16)	
Adjustment to the fair value of the shares held at Suzano S.A., net of the tax	25 (c)	(680)		(305)	
Realization of comprehensive income on the sale of interest in Nexa Resources S.A.	25 (c)			(63)	
Inflation adjustment for hyperinflationary economies	25 (c)	45		72	
Realization of comprehensive results on Voto liquidation - Votorantim Overseas Trading Operations IV Ltd.		(108)		(108)	
Share in other comprehensive income of investees		(14)		(14)	
Attributable to non-controlling shareholders					
Foreign exchange variations attributable to non-controlling interests		(105)	699	(102)	729
Hedge accounting for the operations of subsidiaries		1	(1)	4	(1)
Share in other comprehensive income of investees		(21)		(21)	
		(1,022)	1,447	(581)	1,620
Other components of comprehensive income that will not be reclassified to profit or loss					
Attributable to the owners of the Company					
Remeasurement of retirement benefits, net of tax	25 (c)	(1)	(6)	(4)	(9)
Attributable to non-controlling shareholders					
Remeasurement of retirement benefits, net of taxes		(2)	(2)	(1)	(2)
Other components of comprehensive income for the period		(1,025)	1,439	(586)	1,609
Comprehensive income (loss) from					
Continuing operations		(763)	1,625	4,066	2,041
Discontinued operations		(37)	(40)	(36)	(136)
		(800)	1,585	4,030	1,905
Comprehensive income attributable to					
Owners of the Company		(709)	900	4,111	1,092
Non-controlling interests		(91)	685	(81)	813
		(800)	1,585	4,030	1,905

Condensed consolidated interim statement of changes in equity

Semester ended June 30

All amounts in millions of reais unless otherwise stated

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	Attributable to the owners of the Company									
	Note	Revenue reserves				Retained (loss) earnings	Carrying value adjustments	Total	Non-controlling interests	Total equity
		Share capital	Tax incentives	Legal	Profit retention					
At January 1, 2018		28,656	10	684	5,875		733	35,958	4,857	40,815
Initial adoption of IFRS 9						(374)		(374)		(374)
At January 1, 2018, after the impact of the adoption of IFRS 9		28,656	10	684	5,875	(374)	733	35,584	4,857	40,441
Profit for the semester						209		209	87	296
Other comprehensive income							883	883	726	1,609
Comprehensive income for the semester						209	883	1,092	813	1,905
Distribution of dividends					(528)			(528)	(25)	(553)
Reversal of deliberate dividends					140			140		140
Goodwill on VTRM Energia Participações S.A.							155	155		155
Distribution of share premium - NEXA Resources S.A.									(95)	(95)
Total contributions and distributions to shareholders					(388)		155	(233)	(120)	(353)
At June 30, 2018		28,656	10	684	5,487	(165)	1,771	36,443	5,550	41,993
At January 1, 2019		28,656	10	771	6,307		1,475	37,219	5,623	42,842
Profit for the semester						4,577		4,577	39	4,616
Other comprehensive income							(466)	(466)	(120)	(586)
Comprehensive income (loss) for the semester						4,577	(466)	4,111	(81)	4,030
Aquisition of non-controlling interests - Votorantim Cimentos EAA Inversiones S.L.									4	4
Distribution of dividends	25 (c)				(1,475)			(1,475)	(154)	(1,629)
	25 (c)				415			415		415
Total contributions and distributions to shareholders					(1,060)			(1,060)	(150)	(1,210)
At June 30, 2019		28,656	10	771	5,247	4,577	1,009	40,270	5,392	45,662

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Condensed consolidated interim statement of cash flow

Periods ended June 30

All amounts in millions of reais

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(A free translation of the original in Portuguese)

	Note	4/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
Cash flow from operating activities					
Profit before income tax and social contribution		358	276	7,122	778
Loss on discontinued operations		(37)	(40)	(36)	(136)
Adjustments to items that do not represent changes in cash and cash equivalents					
Depreciation, amortization and depletion	27	762	622	1,491	1,217
Equity in the results of investees	15 (b)	(215)	(115)	(304)	(504)
Interest, indexation and foreign exchange variations		282	319	424	408
Reversal for the impairment of fixed, intangible assets and investments	15, 16, 17	(6)	(4)	(15)	(11)
Gain on sales of fixed and intangible assets, net	28	(33)		(31)	(7)
Fair value adjustment	19 (b)	9	(22)		(39)
Net loss (gain) on sales of investments		50	(7)	50	(7)
Constitution of provision		(71)	50	64	156
Derivative financial instruments		128	28	188	(58)
Financial instruments - firm commitment	14	32	25	80	106
Gain on transaction involving Fibria	28			(6,772)	
Net gain on financial instrument - put option		32	(92)		(92)
Gain on debt renegotiation		17	46	17	82
Realization of comprehensive income on Voto IV settlement	28	(108)		(108)	
Gain on fair value adjustment on VTRM operation			(147)		(147)
Credit of ICMS on the calculation bases of PIS and COFINS	1.1 (d)	(117)		(702)	
Change in fair value of biological assets			6		6
		1,083	945	1,468	1,752
Decrease (increase) in assets					
Financial investments		(958)	359	(1,260)	921
Derivative financial instruments		(40)	2	(37)	(58)
Trade accounts receivable		(309)	(300)	(446)	(781)
Inventory		(14)	(331)	(213)	(588)
Taxes recoverable		(201)	(120)	(263)	(40)
Related parties		(3)	(101)	(116)	(180)
Other accounts receivable and other assets		(114)	232	150	52
Increase (decrease) in liabilities					
Trade payables		130	632	(514)	449
Salaries and social charges		114	187	(144)	(153)
Use of public assets		(13)	137	(15)	123
Taxes payable		3	149	13	(20)
Other obligations and other liabilities		42	(348)	(361)	(34)
Cash provided by (used in) operating activities		(280)	1,443	(1,738)	1,443
Interest paid on borrowing and use of public assets					
		(363)	(434)	(656)	(725)
Income tax and social contribution paid					
		(38)	(182)	(1,290)	(421)
Net cash provided by (used in) operating activities		(681)	827	(3,684)	297

Condensed consolidated interim statement of cash flow

Periods ended June 30

All amounts in millions of reais

VOTORANTIM

(A free translation of the original in Portuguese)

	Note	4/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2019 a 30/6/2019	1/1/2018 a 30/6/2018
Cash flow from investment activities					
Proceeds from disposals of fixed and intangible assets		51	45	58	96
Sales of investments	1.1 (b)			8,181	31
Dividends received		9	132	9	152
Acquisitions of property, plant and equipment	16	(719)	(514)	(1,182)	(856)
Increase in biological assets			(7)		(10)
Acquisitions of investments		87		(116)	
Increase in intangible assets	17	1	6	(8)	(1)
Net cash provided by (used in) investment activities		(571)	(338)	6,942	(588)
Cash flow from financing activities					
New borrowing	19 (b)	2,010	1,493	2,299	2,088
Repayment of borrowing	19 (b)	(2,522)	(1,885)	(6,894)	(3,846)
Repayment of leasing contracts	20 (a)	(32)		(84)	
Derivative financial instruments	5.1.1 (a)	(68)	43	(8)	(7)
Dividends paid		(28)	(530)	(1,167)	(538)
Nexa Resources S.A. share premium payment					(95)
Net cash used in financing activities		(640)	(879)	(5,854)	(2,398)
Decrease in cash and cash equivalents		(1,892)	(390)	(2,596)	(2,689)
Effect of companies excluded from consolidation			(14)		(14)
Effect of fluctuations in exchange rates		(85)	739	(127)	796
Cash and cash equivalents at the beginning of semester		6,921	6,718	7,667	8,960
Cash and cash equivalents at end of semester		4,944	7,053	4,944	7,053

1 General considerations

Votorantim S.A. (the "Company", the "parent company", or "VSA"), is a long term Brazilian holding company. With its headquarters in the city of São Paulo, Brazil, the Company's purpose is to manage assets and companies, as well as to invest in other companies in order to further its objectives.

The Company, through its subsidiaries and associates, operates in the following segments: construction, metals and mining, aluminum, electrical energy, long steel, agribusiness and finance.

1.1 Main events that occurred during the first half of 2019

(a) Offer of tender and exchange offer of debt by Votorantim Cements International S.A. ("VCI")

On January 10, 2019, the indirect subsidiary VCI announced a tender offer of its euro bonds maturing in 2021 and 2022 and its US Dollar bonds maturing in 2041. On February 14, 2019, the repurchase transaction was settled, with the principal amount of R\$ 269 (EUR 61 million) of the issuance maturing in 2021, R\$ 672 (EUR 152 million) maturing in 2022 and R\$ 2,1 billion (USD 540 million) maturing in 2041, with a total cash outlay of R\$ 3,3 billion.

Concurrently with the tender offer, VCI announced an exchange offer of its US Dollar-denominated bonds maturing in 2041 for a new issue of bonds from its direct subsidiary St. Mary's Inc. (Canada), maturing in 2041 and annual coupon of 7.25%. However, the transaction did not meet the minimum conditions stipulated in the offer and, was not made.

(b) Conclusion of the merger of the operations and shareholding bases of Suzano Papel e Celulose S.A. ("Suzano") and Fibria Celulose S.A. ("Fibria")

On January 14, 2019, Suzano Papel e Celulose SA ("Suzano") and Fibria (together with Suzano, "the Companies") jointly made public the details of its corporate reorganization, informing its shareholders and the market in general that, on this date, the corporate reorganization which was the subject of the Voting Commitment and Assumption of Obligations entered into on March 15, 2018 was completed, with the effective combination of the operations and shareholding bases of Suzano and Fibria, pursuant to the protocol and justification executed on July 26, 2018 and approved by the shareholders of the Companies at meetings held on September 13, 2018.

At the date of the transaction, VSA recorded the gain resulting from the transaction, in the amount of R\$ 6,772, in "other operating income (expenses), net" (Note 28). VSA maintained a direct interest of 5.5% in the capital of Suzano, which is considered as a financial instrument and is now valued at fair value in accordance with CPC 48/IFRS 9 - "Financial Instruments" (Note 11).

(c) CESP - Companhia Energética de São Paulo ("CESP") – Results of the offer to employees

In January 2019, as expected, the indirect subsidiary VTRM Energia Participações S.A. ("VTRM") acquired through a privatization auction additional shares of CESP, representing to the remaining shares of the offer to employees, with a total investment of R\$ 210. After the results of the offer to employees, VTRM will hold a 40.0% stake in CESP, equivalent to 93.5% of the voting common shares.

(d) ICMS on the basis for the calculation of PIS and COFINS

During the first quarter of 2019, there was a final judgment in another lawsuit of the subsidiary Votorantim Cimentos S.A. ("VCSA") and the indirect subsidiary Votorantim Cimentos N/NE S.A. ("VCNNE"), relating to the ICMS exclusion thesis on the basis for the calculation of PIS and COFINS and a credit of R\$ 585 (Note 12) was recorded in assets, representing R\$ 399 of principal (Note 28) and R\$ 186 of monetary restatement (Note 29). In addition, VCSA proceeded with the collection of the judicial deposit attached to another lawsuit, in which a final decision was handed down at the end of 2018, in the amount of R\$ 346.

During the second quarter of 2019, final judgment was recognized in a lawsuit filed by Companhia Brasileira de Alumínio (“CBA”), related to the ICMS exclusion thesis on the PIS and COFINS calculation basis, with the recording of an asset in the amount of R\$ 171, of which R\$ 122 is principal (Note 28) and R\$ 49 is monetary restatement (Note 29).

(e) Debt issuance by the indirect subsidiary Itacamba Cimentos S.A. (“Itacamba”)

On April 4, 2019, in line with the consolidated financial liability management strategy aimed at lengthening VCSA's debt profile and reducing the average cost of debt, the indirect subsidiary Itacamba carried out its first issuance of debt in the Bolivian capital market. In the amount of R\$ 66 (BOB 116 million), maturing in 2025 and fixed interest of 4.75% p.a.

On May 31, 2019, Itacamba entered into a loan agreement with Banco BISA in the total amount of R\$ 140 (BOB 244), maturing in 2027 and fixed interest of 5.55% a.a.

The funds raised in the operations described above were intended to prepay syndicated loan agreements in the total amount of R\$ 446 (BOB 796), with fixed interest of 6.00% a.a. and maturity in 2025.

(f) CESP - Public Tender Offer (“Tender Offer”)

On May 24, 2019, as a result of the acquisition of control of CESP by the indirect investor VTRM Energia Participações SA (“VTRM”), the tender offer was held at B3, pursuant to which, in accordance with the terms, conditions and VTRM acquired 1 (one) ON share, at the price of R\$ 11.28, and 31 (thirty-one) class B preferred shares (“PNB”), at the price of R\$ 14, 32

VTRM now holds, directly and indirectly, 102,091,755 ON shares, representing approximately 93.52% of the total ON shares and 28,928,300 PNB shares, representing approximately 13.72% of the total PNB shares.

(g) Conclusion of sale of operations in India

On April 16, 2019, the sale of the 75% total stake was concluded, of which 73.4% was Votorantim Cimentos EAA Inversiones, SL (“VCEAA”) and 1.6% VCSA, in the indirect investor Shree Digvijay Cement Company Ltda., a publicly traded company in India, for the average price of INR 15.55 per share. On April 30, 2019, the amount of R\$ 89 (EUR 20 million) was received, related to the settlement of the agreed installments in the sale transaction.

The sale of the business of the subsidiary VCSA and its subsidiaries in India is in line with Management's objective of exiting non-priority markets and focusing on regions where they have the greatest potential to compete and expand our current business.

With the proceeds of this operation, on May 8, 2019, the subsidiary VCEAA prepaid all of a bilateral loan signed on June 27, 2016, in the amount of R \$ 132 (EUR 30 million) maturing in 2021, and fixed cost of 2.30% p.a.

(h) Deliberation and receipt of dividends from the Company by the investee Suzano

On April 18, 2019, the investee Suzano announced to its shareholders the payment of dividends approved at the Annual General Meeting, in the total amount of R\$ 600, after the payment to the Company, proportional to its interest, of the amount of R\$ 33, in April 30, 2019, based on the shareholding position as at the date of this Meeting, and with an amount per share equivalent to R\$ 0.44470086.

(i) Export Financing

In April and May 2019, the subsidiary CBA entered into loan agreements (Export Credit Notes – “NCEs”) to finance its exports in the total amount of R\$ 1,085 million, with final maturity in April and May 2027, respectively.

The operations have pegged swap contracts (derivative financial instrument), which are intended to exchange the exposure to the floating rate CDI in Reais to a fixed rate in US Dollars, resulting in a weighted average cost of 5.00% per year. These swaps were contracted together with the financing and from the same financial institution.

(j) Bond repurchase offer

In April 2019, the subsidiary CBA announced the tender offer on its bonds maturing in 2024. The settlement of R\$ 1,007 million (USD 256 million) occurred on May 10, 2019.

2 Presentation of the condensed consolidated interim financial statements

2.1 Basis of preparation

(a) Condensed consolidated interim financial statements

The condensed consolidated interim financial statements have been prepared and are being presented in accordance with the accounting practices adopted in Brazil, in force on June 30, 2019, which includes the pronouncements issued by the Accounting Pronouncements Committee ("CPC") and in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and the interpretations thereof ("IFRIC"), and provides evidence of all relevant information specific to the financial statements, and only information, which is consistent with that used by Management in the course of their duties.

For this reason, the interim condensed consolidated financial statements as at June 30, 2019 do not contain all explanatory notes and disclosures required by the accounting standards applicable to annual financial statements, as its purpose is to provide an update on any changes to significant activities, events and circumstances relative to those financial statements. As a consequence, they should be read together with the consolidated financial statements at December 31, 2018, issued on March 8, 2019 and available on the investor relations website (www.votorantim.com.br/ri).

The condensed consolidated interim financial statements have been prepared in a manner consistent with the accounting policies disclosed in the consolidated financial statements at December 31, 2018.

(b) Approval of the financial statements

The Board of Directors approved the condensed consolidated interim financial statements for issue on August 02, 2019.

2.2 Restatement of comparative figures

In accordance with IFRS 5/CPC 31 - "Non-current assets held-for-sale and discontinued operations", the subsidiary Finco GmbH reclassified the investment in indirect subsidiary U.S. Zinc Corporation and the subsidiary VCSA reclassified its cement operations in India from continuing operations to discontinued operations.

1/1/2018 to 6/30/2018

	As prior presented	Impacts of reclassification of Votorantim Cimentos	Impacts of reclassification of USzinc	Financial instrument - Put Option Votorantim Siderurgia	Fibra equity	Elimination of intragroup energy revenue	Balance restated
Continuing operations							
Net revenue from products sold and services rendered	14,986	(126)	(569)			(76)	14,215
Cost of products sold and services rendered	(12,143)	120	515			76	(11,432)
Gross profit (loss)	2,843	(6)	(54)				2,783
Operating income (expenses)							
Selling	(388)	3	10				(375)
General and administrative	(983)	2	26				(955)
Other operating income (expenses), net	119	(4)	(4)				111
	(1,252)	1	32				(1,219)
Operating profit (loss) before equity results and finance results	1,591	(5)	(22)				1,564
Results from equity investments							
Equity in the results of investees	441				63		504
	441				63		504
Finance results, net							
Finance income	537			(100)			437
Finance costs	(1,283)	2	1	9			(1,271)
Income from derivative financial instruments	170			91			261
Foreign exchange, net	(717)						(717)
	(1,293)	2	1				(1,290)
Profit (loss) before income tax and social contribution	739	(3)	(21)		63		778
Income tax and social contribution							
Current	(289)	2					(287)
Deferred	(56)	(3)					(59)
Profit (loss) on continuing operations	394	(4)	(21)		63		432
Discontinued operations							
Profit (loss) for the discontinued operations	(161)	4	21				(136)
Profit for the semester attributable to the owners	233				63		296
Profit attributable to the owners of the Company	146				63		209
Profit attributable to non-controlling interests	87						87
Profit for the semester	233				63		296
Weighted average number of shares - thousands (to the owners of the Company)	18,278,789						18,278,789
Basic and diluted earnings per thousand shares, in reais	7.99				3.45		11.43
From continuing operations							
Basic and diluted earnings per thousand shares, in reais	16.80	(0.23)	(1.15)		3.45		18.87
From discontinued operations							
Basic and diluted loss per thousand shares, in reais	(8.81)	0.23	1.15				(7.44)

1/4/2018 a 30/6/2018

	As prior presented	Impacts of reclassification of Votorantim Cimentos	Impacts of reclassification of USzinc	Financial instrument - Put Option Votorantim Siderurgia	Fibra equity	Elimination of intragroup energy revenue	Balance restated
Continuing operations							
Net revenue from products sold and services rendered	8,201	(63)	(300)			(39)	7,799
Cost of products sold and services rendered	(6,593)	61	275			39	(6,218)
Gross profit (loss)	1,608	(2)	(25)				1,581
Operating income (expenses)							
Selling	(201)	1	5				(195)
General and administrative	(505)	1	13				(491)
Other operating income (expenses), net	173	(2)	(4)				167
	(533)		14				(519)
Operating profit (loss) before equity results and finance results	1,075	(2)	(11)				1,062
Results from equity investments							
Equity in the results of investees	52				63		115
	52				63		115
Finance results, net							
Finance income	311			(100)			211
Finance costs	(726)	1		9			(716)
Income from derivative financial instruments	173			91			264
Foreign exchange, net	(661)		1				(660)
	(903)	1	1				(901)
Profit (loss) before income tax and social contribution	224	(1)	(10)		63		276
Income tax and social contribution							
Current	(87)	1					(86)
Deferred	(3)	(1)					(4)
Profit (loss) on continuing operations	134	(1)	(10)		63		186
Discontinued operations							
Profit (loss) for the discontinued operations	(51)	1	10				(40)
Profit (loss) for the quarter attributable to the owners	83				63		146
Profit (loss) attributable to the owners of the Company	94				63		157
Profit (loss) attributable to non-controlling interests	(11)						(11)
Profit (loss) for the quarter	83				63		146
Weighted average number of shares - thousands (to the owners of the Company)	18,278,789						18,278,789
Basic and diluted earnings (loss) per thousand shares, in reais	5.14				3.45		8.59
From continuing operations							
Basic and diluted earnings per thousand shares, in reais	7.93	(0.05)	(0.55)		3.45		10.78
From discontinued operations							
Basic and diluted loss per thousand shares, in reais	(2.79)	0.05	0.55				(2.19)

3 Changes in accounting policies and disclosures

3.1 Transitions of accounting standards

3.1.1 IFRS 16 / CPC 06 – “Leases”

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure for lease agreements. The standard introduces a single model for leases accounting for in the balance sheet, where the lessees are required to recognize a lease liability reflecting future payments, and the right to use the leased asset. The nature of the expenses related to these leases was changed from a linear operating lease expenses to a depreciation expense of the right of use and interest expenses for the restatement of the lease liability.

This international standard changes the existing lease standards, including CPC 06 (IAS 17) – “Leasing Operations” and ICPC 03 (IFRIC 4, SIC 15 and SIC 27) - “Complementary Aspects of Leasing Operations”.

(a) Analysis scope and assets identification

The Company and its subsidiaries analyzed all active lease agreements upon the date of the initial adoption of the standard, when leases of machinery and equipment, light and heavy vehicles, real estate and land were identified.

As permitted by the standard, the scope of the analysis disregarded: (i) short-term leases (less than 12 months); and (ii) contracts with amounts lower than USD 5 thousand (R\$ 19 thousand).

When identifying the right of use assets within the scope of the contracts identified, the following were also disregarded: (i) contracts with variable payments; (ii) contracts in which the leased asset was considered non-identifiable; (iii) contracts under which the Company is not entitled to obtain substantially all of the economic benefits arising from the use of the asset; and (iv) contracts in which the Company and its subsidiaries do not have substantial control over the definition of the use of the assets.

It should be noted that the Company and its subsidiaries analyzed, but did not identify: (i) contracts that presented fixed and variable payments as part of the same negotiation; (ii) contracts dealing with identifiable and non-identifiable assets in the same trade; or (iii) service contracts in which assets had been identified within the scope of the standard.

(b) Leasing term

The Company and its subsidiaries analyzed the lease term of all contracts based on a combination of the non-cancellable term, the term covered by the option for extension, the terms covered by the termination option and, mainly, Management's intention regarding the period of permanence in each agreement contract.

(c) Discount rate

For initial adoption purposes, the Company and its subsidiaries adopted the average cost of active debt (outstandings) as at December 31, 2018 for all contracts classified in accordance with IFRS 16.

For the new contracts, renewals and additions will be identified at the incremental rate for each lease. The incremental rate should reflect the cost of acquisition for the Company and its subsidiaries of debt with characteristics similar to those determined under the lease agreement, in terms of the term, value, guarantee and economic environment.

The Company and the subsidiaries applied the future expectations regarding the obligations on January 1, 2019 (ranging from 5% to 7.07%) for all leases.

(i) Impacts of adoption

The Company and its subsidiaries adopted IFRS 16 on January 1, 2019, in accordance with the simplified cumulative effect in which assets and liabilities are recorded at the same time in the initial period without any effect on shareholders' equity, with an impact amounting to R\$ 666 related to right-of-use assets and liabilities under lease agreements.

3.1.2 IFRIC 23 / ICP22 – “Uncertainty over Income Tax Treatment”

Technical interpretation ICPC 22 clarifies how the recognition and measurement requirements set forth in CPC 32, which deals with taxes on profit, should be applied in cases where there is uncertainty regarding the treatment of these taxes.

(i) Impacts of adoption

The Company and its subsidiaries adhered to the standard from the beginning of its validity period on January 1, 2019. However, based on Management's understanding, there is an immaterial accounting impact due to the uncertain positions related to income tax due to the adoption of this new accounting pronouncement.

4 Critical accounting estimates and judgments

In the semester ended June 30, 2019, there were no changes in the estimates and assumptions that presented a significant risk of causing material adjustments to the carrying amounts of assets and liabilities for the current fiscal year, compared to those detailed in the most recent annual financial statements.

5 Financial risk management

5.1 Financial risk factors

(a) Foreign exchange risk

The Company and its subsidiaries have certain investments in foreign operations, the net assets of which are exposed to foreign exchange risk. The foreign exchange exposure arising from the Company's and its subsidiaries' participation in foreign operations is mainly hedged by borrowing in the same currency as these investments, classified as net investment hedges.

Presented below are the accounting balances of assets and liabilities indexed to the foreign currency at the closing date of the balance sheets:

	Note	6/30/2019	12/31/2018
Assets denominated in foreign currency			
Cash and cash equivalents	7	4,427	6,316
Financial investments	8	68	62
Trade receivables		1,521	1,329
Derivative financial instruments	5.1.1	246	472
Related parties		82	54
		6,344	8,233
Liabilities denominated in foreign currency			
Borrowing (i)		14,608	20,668
Lease liabilities	20	517	
Derivative financial instruments	5.1.1	130	244
Trade payables		2,292	2,517
Confirming payables	21	901	838
Deferred revenue - silver streaming		730	774
		19,178	25,041
Net exposure		(12,834)	(16,808)

(i) Does not consider borrowing costs.

(b) Hedge of net investments in foreign operations

Hedged investments are presented in the following table including the portion of the debt of the Company and its subsidiaries Companhia Brasileira de Alumínio ("CBA"), Nexa Recursos Minerais S.A., VCI and St Marys Cement Inc., denominated in Euros and US Dollars.

	6/30/2019		12/31/2018	
	Investment	Debt	Investment	Debt
Nexa Resources Cajamarquilla S.A.	1,563	1,471	3,437	5,247
VCNA US Inc. (i)	1,916	1,916		
Votorantim Cimentos EAA Inversiones, S.L.	1,722	1,521	1,092	2,490

The Company and its subsidiaries document and evaluate the effectiveness of the investment hedge operations on a monthly basis, as required under IFRS 9 - "Financial instruments: recognition and measurement".

The exchange variation gain on the conversion of debts, net of income and social contribution taxes, recognized as "Valuation adjustments" on June 30, 2019, amounted to R\$ 106 (June 30, 2018, loss amounting to R\$ 1,052).

- (i) Beginning in January 2019, the indirect subsidiary St. Mary's designated its US Dollar-denominated debt in the amount of R\$ 1,937 (USD 500 million) as an investment hedging instrument in its subsidiary VCNA US Inc. The hedged item consists only the investments originating in USD from St. Mary's, since this is a company domiciled in Canada and has subsidiaries with operations in the functional currency of the United States Dollar and controlled with operations in the functional currency, in this case the Canadian Dollar.

(c) Liquidity risk

The following table analyzes the financial liabilities of the Company and its subsidiaries, by maturity, corresponding to the period remaining from the balance sheet date up to the contractual maturity date. Derivative financial liabilities are included in the analysis when their contractual maturities are essential for an understanding of the temporary cash flow. The amounts disclosed in the table represent the undiscounted contractual cash flows, these amounts may not be reconciled with the amounts disclosed in the balance sheet.

	Note	Up to one year	From one to three years	From three to five years	From five to ten years	From ten years and above	Total
At June 30, 2019							
Borrowing (i)		1,556	5,273	7,766	9,335	4,420	28,350
Lease liabilities		249	254	190	144	54	891
Derivative financial instruments		53	75	73	424		625
Confirming payables	21	1,177					1,177
Trade payables		3,748					3,748
Dividends payable	13	529					529
Related parties	13	31	6				37
Use of public assets		66	198	331	353	761	1,709
		7,409	5,806	8,360	10,256	5,235	37,066
At December 31, 2018							
Borrowing (i)		6,176	5,625	7,243	9,335	4,420	32,799
Derivative financial instruments		144	69	31			244
Confirming payables	21	1,187					1,187
Trade payables		4,262					4,262
Dividends payable	13	482					482
Related parties	13	12	124				136
Use of public assets		80	123	367	357	778	1,705
		12,343	5,941	7,641	9,692	5,198	40,815

- (i) Does not include the recorded fair value of the debts contracted under Law 4131/1962.

5.1.1 Derivatives contracted

(a) Effects of derivative financial instruments on the balance sheet and cash flow

The table below summarizes the derivative financial instruments and the underlying hedged items:

Programs	Principal Value			12/31/2018	1/1/2019 to 6/30/2019							Fair value by maturity					
	6/30/2019	12/31/2018	As per unit	Fair value	Inventory	Net revenue from products sold and services rendered	Cost of products sold and services rendered	Other operating income (expenses), net	Finance results, net	Other comprehensive income	Gain (loss) Realized	6/30/2019	2019	2020	2021	2022	2023+
Hedges for sale of zinc at a fixed price																	
Zinc forward	13,545	10,566	ton	(3)				6			4	(1)	(1)				
				(3)				6			4	(1)	(1)				
Hedges for mismatches of quotation period																	
Zinc forward	237,498	261,020	ton	(2)	1	19	(56)			5	(31)	(2)	(2)				
				(2)	1	19	(56)			5	(31)	(2)	(2)				
Operating margin hedging																	
Aluminum forward	44,000	127,750	ton	157		129				(111)	112	63	63				
Collars	16		USD millions														
USD forward	94	280	USD millions	(47)		(29)				44	(48)	16	16				
				110		100				(67)	64	79	79				
Foreign exchange risk																	
Collars	873	1,057	BRL	(6)					13								
USD forward		514	USD millions	(8)					(88)		(96)						
Turkish Lira forward		11	USD millions	(4)							(4)	(1)	(1)				
				(18)					(75)		(100)	(1)	(1)				
Interest rate risk																	
LIBOR floating rate vs. CDI floating rate swaps	150	373	USD millions	141					(11)		84	40	(8)	(15)	(19)	(50)	132
IPCA floating rate vs. CDI floating rate swaps	227		BRL						4		1	2			1		1
CDI floating rate vs. USD rate swaps	1,085		BRL						(76)			(76)	11	12	20	24	(143)
IPCA floating rate vs. USD rate swaps	37		BRL						(1)			(1)					(1)
				141					(84)		85	(35)	3	(3)	2	(26)	(11)
Total value of the derivative instruments				228	1	119	(56)	6	(159)	(62)	22	40	78	(3)	2	(26)	(11)

On June 30, 2019 the transactions involving derivative financial instruments recognized in "Carrying value adjustments" amounted to R\$ (68). Besides this, there were hedge accounting operations, which amounted to R\$ 17 in the unconsolidated subsidiaries, recognized in "Carrying value adjustments".

(b) Derivative financial instruments – Put-option

During the year ended December 31, 2018, the process by which Votorantim Siderurgia S.A. became a subsidiary of ArcelorMittal Brasil S.A. ("AMB") was concluded. Under to the agreement between the parties, VSA became a minority stake of 15% of AMB's combined long steel business which, in compliance with the applicable accounting rules, was recognized as a financial instrument, in accordance with CPC 48 - "Financial instruments". The change in fair value of this operation in the semester resulted in a net gain of R\$ 367 thousand, recorded under "Net financial result".

5.1.2 Sensitivity analysis

The main risk factors affecting the pricing of cash and cash equivalents, financial investments, loans and financing and derivative financial instruments are exposure to the fluctuation in the US Dollar, Euro, Turkish Lira, New Peruvian Sun, Argentine Peso and Bolivian interest rates, LIBOR, CDI, US Dollar coupon, commodity prices and electricity purchase and sale contracts. The scenarios for these factors are prepared using both market sources and specialized sources of information, in line with the Company's governance.

The scenarios as at June 30, 2019 are described below:

Scenario I - Considers a shock to the market curves and quotations at June 30, 2019, according to the base scenario defined by management as at September 30, 2019;

Scenario II - Considers a shock of + or - 25% in the market curves at June 30, 2019;

Scenario III - Considers a shock of + or - 50% in the market curves at June 30, 2019.

Notes to the condensed consolidated interim financial statements
at June 30, 2019

All amounts in millions of reais unless otherwise stated

VOTORANTIM

Risk factors	Cash and cash equivalents and financial investments (i)	Borrowing and related parties (i)	Derivative financial instruments/As per unit	Changes from 6/30/2019	Results of scenario I	Impacts on profit (loss)				Impacts on comprehensive income					
						Scenario I		Scenarios II & III		Scenario I		Scenarios II & III			
						-25%	-50%	+25%	+50%	-25%	-50%	+25%	+50%		
Foreign exchange rates															
USD	3,843	11,913	1629	USD millions	0.5%	(5)	341	753	(288)	(642)	(38)	2,049	4,101	(2,047)	(4,098)
EUR	100	1,836			-0.6%	(2)	(4)	(4)	2	4	11	436	872	(436)	(872)
PEN	74				-0.5%	(17)	(34)	(34)	17	34	(1)	(1)	(3)	1	3
BOB	32	437			-0.3%						1	101	202	(101)	(202)
TRY	16	170			-3.8%	(1)	(4)	(8)	4	8	6	42	85	(42)	(85)
ARS	47				-15.1%						(7)	(12)	(23)	12	23
	4,112	14,356	1,629			(6)	318	707	(265)	(596)	(27)	2,615	5,234	(2,613)	(5,231)
Interest rates															
BRL - CDI	5,329	3,914	2,832	BRL			(19)	(38)	19	38		1	1	(1)	(1)
USD - LIBOR		1,157	996	USD millions	23 bps	3	(4)	(8)	4	8					
US Dollar coupon			785	USD millions	-75 bps	(47)	(34)	(71)	31	59			(1)		
	5,329	5,071	4,613			(44)	(57)	(117)	54	105		1		(1)	(1)
Price of commodities															
Zinc			251,043	ton	-1.2%	7	140	281	(140)	(281)	(1)	(19)	(39)	19	39
Aluminum			44,000	ton	1.4%						(3)	51	103	(51)	(103)
			295,043			7	140	281	(140)	(281)	(4)	32	64	(32)	(64)
Firm commitment - electric energy															
Sale and purchase agreements - fair value			(26)	BRL			(2)	(4)	2	4					
			(26)				(2)	(4)	2	4					

- (i) The balances presented do not reconcile with the line items “Cash and cash equivalents”, “Short-term investments”, “Related parties”, “Loans and financing”, as the analysis carried out included only the most significant currencies and rates. Interest rates only include the principal amount.

6 Credit quality of financial assets

	6/30/2019			12/31/2018		
	Local rating	Global rating	Total	Local rating	Global rating	Total
Cash and cash equivalents						
AAA	534		534	1,329	39	1,368
AA+	30		30	4		4
AA	8		8	6	796	802
AA-		332	332		424	424
A+		1,521	1,521		543	543
A		688	688	1	1,783	1,784
A-		356	356		286	286
BBB+		455	455		759	759
BBB		146	146		118	118
BBB-		268	268		369	369
BB		15	15		21	21
BB-		30	30			
B-		48	48		64	64
B+		7	7		55	55
B					27	27
Unrated (i)		506	506	11	1,032	1,043
	572	4,372	4,944	1,351	6,316	7,667
Financial investments						
AAA	4,123		4,123	3,099		3,099
AA+	20		20	51		51
AA	115		115	166		166
AA-	449		449	5		5
A+		25	25	19	29	48
A		27	27		2	2
B-		14	14		30	30
Unrated (i)	142	2	144	11	1	12
	4,849	68	4,917	3,351	62	3,413
Derivative financial instruments						
AAA	575		575	242		242
AA				1	52	53
AA-	9		9	5		5
A+		62	62		134	134
A		3	3		1	1
BBB+		16	16			
Unrated (i)				37		37
	584	81	665	285	187	472
Financial instruments - Suzano						
AAA	2,470					
	2,470					
	8,475	4,521	10,526	4,987	6,565	11,552

The local and global ratings were obtained from the ratings agencies (Standard & Poor's, Moody's and Fitch Ratings). The Company considered the ratings of Standard & Poor's and Fitch Ratings for presentation purposes, and the classification as established in the Company's Financial Policies.

(i) Refers to values invested in offshore banks, which are not rated by any ratings agency.

7 Cash and cash equivalents

	6/30/2019	12/31/2018
Local currency		
Cash and banks	49	28
Bank Deposit Certificates - ("CDBs")	32	3
Repurchase agreements - public securities	436	1,320
	517	1,351
Foreign currency		
Cash and banks	2,605	2,856
Time deposits	1,822	3,460
	4,427	6,316
	4,944	7,667

8 Financial investments

	6/30/2019	12/31/2018
Fair value through profit or loss		
Bank Deposit Certificates - ("CDBs")	2,879	1,396
Financial Treasury Bills - ("LFTs")	1,699	1,763
Repurchase agreements - private securities	146	54
Repurchase agreements - public securities	42	106
Investment fund quotas	16	15
Financial investments in foreign currency	68	62
	4,850	3,396
Fair value through other comprehensive income		
Bank Deposit Certificates - ("CDBs")	67	17
	67	17
	4,917	3,413
Current	4,894	3,390
Non-current	23	23
	4,917	3,413

9 Trade receivables

(a) Breakdown

	Note	6/30/2019	12/31/2018
Trade receivables - Brazil		1,535	1,308
Trade receivables - foreign customers		1,584	1,398
Related parties	13	29	14
		3,148	2,720
Allowance for doubtful accounts		(173)	(174)
		(173)	(174)
		2,975	2,546

(b) Aging of trade receivables

	6/30/2019	12/31/2018
Current	2,573	2,184
Up to three months past due	338	295
Three to six months past due	85	22
Over six months past due	152	219
	3,148	2,720

10 Inventory

	6/30/2019	12/31/2018
Finished products	961	845
Semi-finished products	1,511	1,499
Raw materials	730	832
Auxiliary materials and consumables	982	896
Imports in transit	192	142
Other	140	82
Provision for inventory losses	(403)	(482)
	4,113	3,814

11 Financial Instruments - Suzano

	Closing	6/30/2019
Shares	75,180,059	75,180,059
Suzano Papel e Celulose S.A. (SUZB3) share (R\$)	39.00	32.85
Financial instrument - Suzano	2,932	2,470
Fair value change		(462)
Income tax and social contribution		157
Adjustment to the fair value, net of tax		(305)

12 Taxes recoverable

	6/30/2019	12/31/2018
Corporate Income Tax ("IRPJ") and Social Contribution on Net Income ("CSLL")	1,819	1,751
Social Contribution on Revenue ("COFINS") (i)	1,659	1,057
State Value-added Tax on Sales and Services ("ICMS")	660	594
Social Integration Program ("PIS") (i)	358	230
Value-added Tax ("VAT") (foreign companies)	319	297
Withholding Income Tax ("IRRF")	85	62
ICMS on property, plant and equipment	66	59
Excise Tax ("IPI")	41	28
"IRPJ/CSLL" - "Plano verão"	32	30
Other	130	96
	5,169	4,204
Current	1,803	1,473
Non-current	3,366	2,731
	5,169	4,204

- (i) The variation refers substantially to the PIS and COFINS credit recognized in the subsidiary CBA, VCSA and the indirect subsidiary VCNNE, in the amounts of R\$ 756, as described in Note 1.1 (d).

13 Related parties

Assets	Trade receivables		Dividends receivable		Non-current assets	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Related companies and joint ventures						
Cementos Avellaneda S.A.	2	3				
Cementos Granadilla S.L.	4	1				3
Banco Votorantim S.A.			200	9		
Citrosuco S.A. Agroindústria (i)	5	1			204	216
Citrosuco GmbH (i)					50	50
Suzano Papel e Celulose S.A.	1	3			1	1
Supermix Concreto S.A.	17	4				
VTRM Energia Participações S.A				5		
Eagle Gold Mining Ltd.					32	
Others		2			1	1
	29	14	200	14	288	271
Current	29	14	200	14		
Non-current					288	271
	29	14	200	14	288	271

- (i) Refers to accounts receivable related to assets in excess of the basic net assets invested in Citrosuco's operation. The realization period is linked to the performance of each item under the contractual rules laid down in the shareholder agreement and the closing memorandum signed between Fischer S.A. – Commerce, Industry and Agriculture and Votorantim.

Liabilities	Trade payables		Dividends payable		Non-current liabilities	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Parent company						
Hejoassu Administração S.A.			435	415		
Related companies and joint ventures						
Suzano Papel e Celulose S.A.		13				117
Superior Materials Holdings, LLC	3	7				
Others	4	19			37	19
	7	39	435	415	37	136
Non-controlling interests			94	67		
	7	39	529	482		
Non-current					37	136
	7	39	529	482	37	136

Profit and loss	Sales (purchases), net		Financial profit (loss), net	
	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
Related companies and joint ventures				
Cementos Avellaneda S.A.		33		
Cementos Especiales De Las Islas, S.A.	7	11		
Cementos Granadilla S.L.	8	10		
Citrosuco S.A. Agroindústria	20	17		
Suzano Papel e Celulose S.A.	2	36		
Midway Group, LLC	9	10		
Supermix Concreto S.A.	93	96		
Superior Materials Holdings, LLC	21	26		
Others	8	15	(4)	(3)
	168	254	(4)	(3)

14 Financial Instruments – firm commitment

	ACR						ACL		Total
	Votorantim		Total	Votorantim		Total	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018	
	CBA	Energia		Cimentos	CBA				Energia
Realization	(53)	(16)	(69)		(9)	(56)	(65)	(134)	(132)
Recognition				11	28	21	60	60	22
Constitution (reversal)	(5)	(1)	(6)					(6)	4
	(58)	(17)	(75)	11	19	(35)	(5)	(80)	(106)

The table below shows the composition of the assets and liabilities:

	ACR						ACL		Total
	Votorantim		Total	Votorantim		Total	6/30/2019	12/31/2018	
	CBA	Energia		Cimentos	CBA				Energia
Assets									
Current	53	15	68		(8)	(14)	(22)	46	202
Non-current									
	53	15	68		(8)	(14)	(22)	46	202
Liabilities									
Current				(11)			(11)	(11)	(19)
Non-current				(33)	(49)	(10)	(92)	(92)	(161)
				(44)	(49)	(10)	(103)	(103)	(180)

15 Investments

(a) Breakdown

	Note	Percentage of total capital		Percentage of voting capital		Headquarters	Main activity
		6/30/2019	12/31/2018	6/30/2019	12/31/2018		
Main non-consolidated companies							
Associates							
Cementos Avellaneda S.A.		49.00	49.00	49.00	49.00	Argentina	Cement
Alunorte - Alumina do Norte S.A.		3.03	3.03	3.52	3.52	Brazil	Mining
IMIX Empreendimentos Imobiliários Ltda.		25.00	25.00	25.00	25.00	Brazil	Mining
Mineração Rio do Norte S.A.		10.00	10.00	12.50	12.50	Brazil	Mining
Supermix Concreto S.A.		25.00	25.00	25.00	25.00	Brazil	Concrete
Cementos Especiales de las Islas S.A.		50.00	50.00	50.00	50.00	Spain	Cement
Joint ventures							
Citrosuco GmbH		50.00	50.00	50.00	50.00	Austria	Agribusiness
Banco Votorantim S.A.		50.00	50.00	50.00	50.00	Brazil	Finance
Citrosuco S.A. Agroindústria		50.00	50.00	50.00	50.00	Brazil	Agribusiness
Juntos Somos Mais Fidelização S.A.		45.00	45.00	45.00	45.00	Brazil	Services
VTRM Energia Participações S.A.		50.00	50.00	50.00	50.00	Brazil	Electric power
Hutton Transport Ltda.		25.00	25.00	25.00	25.00	Canada	Transportation
Midway Group, LLC.		50.00	50.00	50.00	50.00	USA	Cement
RMC Leasing, LLC.		50.00	50.00	50.00	50.00	USA	Equipment leasing
Superior Materials Holdings, LLC.		50.00	50.00	50.00	50.00	USA	Cement

(b) Changes in investees and subsidiaries information

	Opening balance for the semester	Equity in the results of investees	Exchange variation	Addition	Fair value of available for sale asset	Joint venture constitution	Gain on fair value adjustment on deconsolidation	Initial adoption of IFRS 9	Dividends	Reclassification for assets classified as held for sale	Other	Closing balance for the semester	Equity	Profit (loss) for the semester	Total capital (%)
Investments accounted for based on the equity method - Associates															
Cementos Avellaneda S.A.	378	70	(52)								69	465	953	142	49.00%
Alunorte - Alumina do Norte S.A.	107	1										108	3,564	48	3.03%
IMIX Empreend. Imobiliários Ltda.	3	1										4	16	3	25.00%
Mineração Rio do Norte S.A.	90	3										93	933	32	10.00%
Supermix Concreto S.A.	57	(1)										56	224	(5)	25.00%
Cementos Especiales De Las Islas, S.A.	77	11	(1)									87	173	22	50.00%
Others	234	(1)									(11)	222			
	946	84	(53)								58	1,035			
Joint ventures															
Citrosuco GmbH (i)	2,613	3	(16)									2,600	3,511	40	50.00%
Banco Votorantim S.A. (ii)	5,058	331			56				(200)		(42)	5,203	9,435	662	50.00%
Citrosuco S.A. Agroindústria (i)	610	(69)	(17)								13	537	445	(102)	50.00%
Juntos Somos Mais Fidelização S.A.	5	(1)		4							4	12	27	(3)	45.00%
VTRM Energia Participações S.A. (i)	1,540	(42)		107								1,605	2,926	(84)	50.00%
Hutton Transport Ltda.	20	1							(2)			19	76	3	25.00%
Midway Group, LLC.	23	(1)										22	43	(1)	50.00%
RMC Leasing LLC.	10			5								15	29		50.00%
Superior Materials Holdings, LLC.	57	(2)	(1)						(7)			47	93	(5)	50.00%
	9,936	220	(34)	116	56				(209)		(25)	10,060			
1/1/2019 to 6/30/2019	10,882	304	(87)	116	56				(209)		33	11,095			
1/1/2018 to 6/30/2018	13,372	504	222	14	22	509	147	(374)	(6)	(4,241)	(64)	10,105			

(i) The following investments consider the goodwill paid on the acquisition of investments and the surplus value, which is amortized in the income statement of the parent company:

	Goodwill		Added value	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Citrosuco S.A. Agroindústria	194	194	121	139
Citrosuco GmbH	145	141	700	726
VTRM Energia Participações S.A.			144	144

(ii) On June 30, 2019 the investment included the adjustment to fair value amounting to R\$ 495 (December 31, 2018 - R\$ 495)

16 Property, plant and equipment

(a) Breakdown and changes

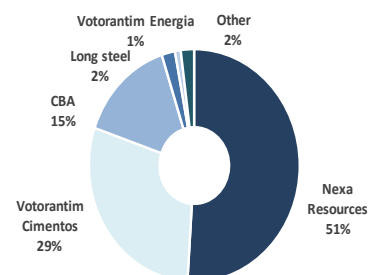
										1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
	Land and improvements	Buildings and construction	Machinery, equipment and facilities	Vehicles	Furniture and fittings	Construction in progress	Asset retirement obligation	Leasehold improvements	Other	Total	Total
Opening balance for the semester											
Cost	2,060	10,890	35,343	1,225	241	2,785	917	519	527	54,507	51,616
Accumulated depreciation	(62)	(4,624)	(21,341)	(1,000)	(172)		(484)	(296)	(348)	(28,327)	(25,681)
Net opening balance for the semester	1,998	6,266	14,002	225	69	2,785	433	223	179	26,180	25,935
Additions	2	1	14	2		1,162			1	1,182	856
Disposals	(7)	(3)	(13)	(1)	(1)					(25)	(78)
Depreciation	(3)	(193)	(816)	(34)	(8)		(18)	(11)	(2)	(1,085)	(978)
Foreign exchange variation	(9)	(45)	(87)			(13)	(1)		(18)	(173)	1,173
Effect of subsidiaries included in (excluded from) consolidation	5	10	8	10	1			5		39	(1,212)
Reversal for impairment		1	13							14	9
Revision of estimated cash flow							25			25	
Changes in the interest rate							(36)			(36)	
Transfers (i)	11	93	612	48	1	(867)		11		(91)	(76)
Closing balance for the semester	1,997	6,130	13,733	250	62	3,067	403	228	160	26,030	25,629
Cost	2,062	10,902	35,557	1,260	240	3,067	902	540	510	55,040	53,917
Accumulated depreciation	(65)	(4,772)	(21,824)	(1,010)	(178)		(499)	(312)	(350)	(29,010)	(28,288)
Net closing balance for the semester	1,997	6,130	13,733	250	62	3,067	403	228	160	26,030	25,629
Average annual depreciation rates - %	1	4	8	17	11		7	9	18		

- (i) The transfers are related to the reclassification from “construction in progress” within “property, plant and equipment” to “software”, “rights to use natural resources” and “other”, within “intangible assets”.

(b) Construction in progress

The balance is composed mainly of expansion and optimization projects related to industry.

Segment	6/30/2019	12/31/2018
Nexa Resources	1,565	1,353
Votorantim Cimentos	896	771
CBA	454	492
Long steel	62	92
Votorantim Energia	27	25
Other	63	52
	3,067	2,785



The main projects in progress by business segment are as follows:

Nexa Resources	6/30/2019	12/31/2018
Expansion and modernization projects	857	683
<i>Sustaining</i>	388	354
Security, health and environmental projects	208	223
Information technology	31	53
Other	81	40
	1,565	1,353

Votorantim Cimentos	6/30/2019	12/31/2018
<i>Sustaining</i>	265	220
Industrial modernization	181	161
New production line in Sobral - CE	72	75
New lines of co-processing	49	35
Cement grinding - Pecém - Brazil	47	39
Environment and security	37	67
Factory in Nobres - MT	33	17
<i>Hardware and software</i>	25	15
Geology and mining rights	24	10
Other	163	132
	896	771

CBA	6/30/2019	12/31/2018
Furnace refurbishment	71	131
Rondon Bauxite projects	116	114
Furnace rooms project	70	22
Revitalization and adequacy of power plant	50	48
Alumina factory project	24	30
Automation system modernization	24	29
Plastic transformation and foundry projects	23	29
Other	76	89
	454	492

Long steel	6/30/2019	12/31/2018
<i>Sustaining</i>	53	80
Security projects, health and environment projects - Colombia	4	7
Modernization	4	3
Information technology	1	1
Other		1
	62	92

Energy	6/30/2019	12/31/2018
Corumba - GO projects	20	19
Information technology	5	4
Change of corporate center - SP	2	2
	27	25

17 Intangible assets

(a) Breakdown and changes

									1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
	Rights over natural resources	Goodwill	Asset retirement obligation	Use of public assets	Contracts, customer relationships and agreements	Software	Rights over trademarks and patents	Other	Total	Total
Opening balance for the semester										
Cost	9,860	5,613	337	540	268	526	208	918	18,270	17,238
Accumulated amortization	(3,575)		(135)	(198)	(199)	(368)	(56)	(398)	(4,929)	(4,875)
Net opening balance for the semester	6,285	5,613	202	342	69	158	152	520	13,341	12,363
Additions		5						3	8	1
Disposals						(2)			(2)	(11)
Amortization and depletion	(230)		(13)	(10)	(8)	(28)		(5)	(294)	(265)
Foreign exchange variation	(64)	(72)			(1)			(3)	(140)	1,617
Effect of subsidiaries included in (excluded from) consolidation	5	20							25	(46)
Reversal for impairment	1								1	1
Revision of estimated cash flow										28
Transfers	(135)	145	4			32		45	91	76
Closing balance for the semester	5,862	5,711	193	332	60	160	152	560	13,030	13,764
Cost	9,627	5,711	335	540	265	554	205	959	18,196	19,434
Accumulated amortization	(3,765)		(142)	(208)	(205)	(394)	(53)	(399)	(5,166)	(5,670)
Net closing balance for the semester	5,862	5,711	193	332	60	160	152	560	13,030	13,764
Average annual amortization and depletion rates - %	6		7	3	7	21		19		

18 Right of use assets

(a) Breakdown and changes

	1/1/2019 to 6/30/2019					
	Land and improvements	Property, buildings and commercial rooms	Machinery, equipment and facilities	IT equipment	Vehicles	Total
Initial adoption	99	164	90	23	290	666
Remeasurement of interest		17	1			18
New contracts	3	9	21		146	179
Amortization	(6)	(24)	(24)	(8)	(51)	(113)
Foreign exchange variation	1				5	6
Closing balance for the semester	97	166	88	15	390	756
Cost	103	189	112	23	439	866
Accumulated amortization	(6)	(23)	(24)	(8)	(49)	(110)
Net closing balance for the semester	97	166	88	15	390	756
Average annual amortization rates - %	12	18	35	62	33	

19 Borrowing

a) Breakdown and fair value

Type	Average annual charges	Current		Non-current		Total		Fair value	
		6/30/2019	12/31/2018	6/30/2019	12/31/2018	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Local currency									
Debentures	110.75% CDI	645	91	2,174	2,718	2,819	2,809	2,762	2,749
Export credit notes	112,70% CDI	10		1,078		1,088		1,039	
BNDES	TJLP + 2.33% / 1.86% fixed rate BRL / SELIC + 2.93% / IPCA + 5.09%	100	95	642	635	742	730	678	687
Development promotion agency	8.46% fixed rate BRL / TJLP + 0.65%	34	51	147	198	181	249	227	246
FINAME	4.89% fixed rate BRL	19	21	55	68	74	89	71	83
Other		31	11	35	11	66	22	24	20
		839	269	4,131	3,630	4,970	3,899	4,801	3,785
Foreign currency									
Eurobonds - USD	5.79% fixed rate USD	130	3,077	9,651	10,742	9,781	13,819	10,703	13,829
Eurobonds - EUR	3.39% fixed rate EUR	29	978	1,515	1,541	1,544	2,519	1,633	2,584
Loans - Law 4131/1962 (i)	LIBOR + 0.86%	2	594	577	864	579	1,458	579	1,481
Eurobonds - BOB	5,38% fixed rate BOB	1		298		299		299	
Syndicated loan/bilateral agreements	EURIBOR + 2.00% / LIBOR + 1.10% / 5.99% fixed rate	99	225	1,068	1,399	1,167	1,624	1,219	1,626
Export prepayments	LIBOR + 1.27%			758	765	758	765	787	799
Working capital	IBR + 2.71% / 5.67% fixed rate COP	141	111			141	111	143	112
Development promotion agency	LIBOR + 1.10%	30	30	178	195	208	225	216	236
Other		7	7	17	24	24	31	24	33
		439	5,022	14,062	15,530	14,501	20,552	15,603	20,700
		1,278	5,291	18,193	19,160	19,471	24,451	20,404	24,485
Current portion of long-term borrowing		882	4,854						
Interest on borrowing		243	324						
Short-term borrowing		153	113						
		1,278	5,291						

- (i) Loan agreements (NCE - Export Credit Note) are intended to finance export operations and are linked to swap contracts (derivative financial instruments), which aim to switch floating rate exposure in Brazilian reais (CDI) to foreign exchange rate. fixed in US dollars, resulting in a weighted average cost of 5.00% per year. These swaps were contracted together with the financing and with the same financial institution..
- (ii) Loans relating to Law 4131/1962 are subject to swaps that are indexed both to exchange rates (LIBOR and fixed rates for floating CDI rates) and to currencies (US Dollars for Reais), and resulted in a final weighted cost of 107.78% p.a. of the CDI. Borrowing of this type relates to compound financial instruments, contracted as a single product with the financial institution (debt in US Dollars + swap as % of the CDI in reais). The terms and conditions of the loan and derivative instrument are configured as a compound operation, so that the resulting cost is a debt adjusted by the CDI in Reais. The difference in measurement between the two instruments (loan at amortized cost x derivative at fair value), creates an accounting mismatch in the statement of income. To eliminate this accounting mismatch, some of the borrowing contracts made from August 2015, were designated as at fair value, and the effect of this designation is the measurement of debt at fair value through profit or loss, according to Note 29.

Key:

BNDES	– National Bank for Economic and Social Development.
BRL	– Brazilian currency (Real).
CDI	– Interbank Deposit Certificate.
COP	– Colombian Peso.
EUR	– European Union currency (Euro).
EURIBOR	– Euro Interbank Offered Rate.
FINAME	– Government Agency for Machinery and Equipment Financing.
IBR	– Interbank Rate (Colombia).
INR	– Indian Rupee
IPCA	– Extended Consumer Price Index.
LIBOR	– London Interbank Offered Rate.
SELIC	– Special System for Clearance and Custody.
TJLP	– Long-term interest rate set by the National Monetary Council. Until December 2017, the TJLP is the BNDES basic cost of financing. As of January 2018, the Long Term Rate (TLP) became the main financial cost of BNDES financing.
USD	– US Dollar.

b) Changes

	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
Opening balance for the semester	24,451	24,630
New borrowing	2,299	2,088
Interest	588	704
Addition of borrowing fees, net of amortization	13	22
Fair value adjustment		(39)
Effect of subsidiaries excluded in consolidation		(908)
IFRS 16 effect	(13)	
Foreign exchange variation	(335)	2,810
Payments - interest	(645)	(725)
Payments - principal	(6,894)	(3,846)
Others	7	
Closing balance for the semester	19,471	24,736

c) New borrowing and amortizations

Through the funding and prepayment of certain debts, the Company seeks to extend the average maturities, as well as to balance the exposure to different currencies for loans and financing against cash generation in these currencies.

The main amortization in the quarter was as follows:

New borrowing

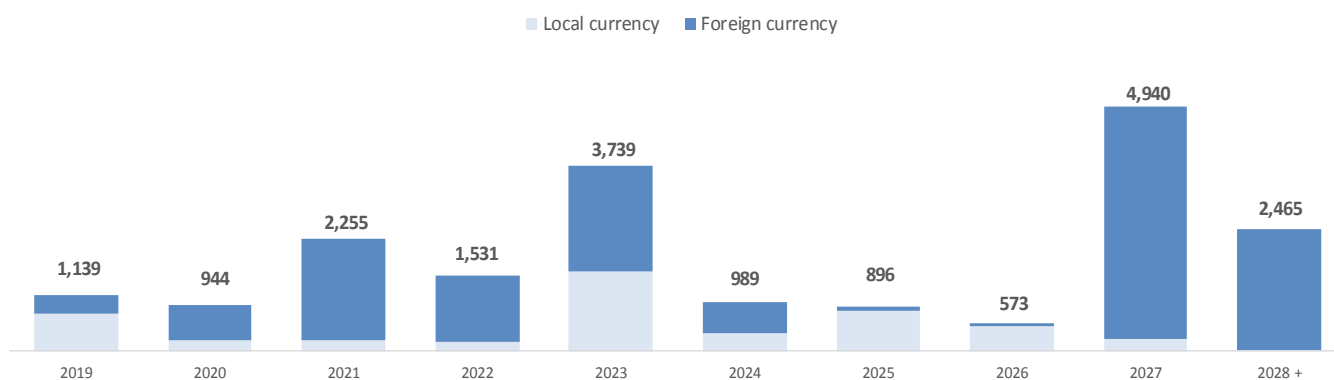
Date	Company	projects	Currency	Principal	Principal BRL	Maturity	Cost
Apr-19	Itacamba Cimentos S.A.	Debt in the local market	BOB	(116)	(65)	2025	4,75% Fixed
Apr-19	Itacamba Cimentos S.A.	Debt in the local market	BOB	(419)	(241)	2029	5,55% Fixed
Apr-19	Companhia Brasileira de Alumínio	Export Credit Note (*)	BRL	(787)	(787)	2027	112,70% CDI
Apr-19	Companhia Brasileira de Alumínio	Export Credit Note (*)	BRL	(198)	(198)	2027	112,70% CDI
Apr-19	Companhia Brasileira de Alumínio	Export Credit Note (*)	BRL	(100)	(100)	2027	112,70% CDI
Apr-19	Itacamba Cimentos S.A.	Syndicated / Bilateral Loans	BOB	(244)	(140)	2027	5,68% Fixed

(*) The Export Credit Note modality has a fixed rate in US dollars as described in item (a).

Amortizations

Date	Company	Type	Currency	Principal	Principal BRL	Maturity	Observation
Jan-19	Votorantim S.A.	Eurobonds	USD	(207)	(774)	2019	Prepayment
Feb-19	Votorantim S.A.	Law 4131/1962	USD	(50)	(185)	2020	Prepayment
Feb-19	Votorantim S.A.	Law 4131/1962	USD	(100)	(377)	2021	Prepayment
Feb-19	Votorantim Cimentos Internacional S.A.	Eurobonds	USD	(540)	(2,014)	2041	Prepayment
Feb-19	Votorantim Cimentos Internacional S.A.	Eurobonds	EUR	(61)	(256)	2021	Prepayment
Feb-19	Votorantim Cimentos Internacional S.A.	Eurobonds	EUR	(151)	(640)	2022	Prepayment
Apr-19	Itacamba Cimentos S.A.	Syndicated / Bilateral Loans	BOB	(201)	(116)	2025	Prepayment
Apr-19	Itacamba Cimentos S.A.	Syndicated / Bilateral Loans	BOB	(268)	(154)	2025	Prepayment
Apr-19	Votorantim S.A.	Law 4131/1962	USD	(73)	(282)	2021	Prepayment
May-19	Companhia Brasileira de Alumínio	Eurobonds	USD	(256)	(1,007)	2024	Prepayment
May-19	Votorantim Cimentos EAA Inversiones S.L.	Syndicated / Bilateral Loans	EUR	(30)	(132)	2019	Prepayment
Jun-19	Itacamba Cimentos S.A.	Syndicated / Bilateral Loans	BOB	(133)	(75)	2025	Prepayment
Jun-19	Itacamba Cimentos S.A.	Syndicated / Bilateral Loans	BOB	(129)	(73)	2025	Prepayment
Jun-19	St. Marys Cement Inc.	Syndicated / Bilateral Loans	USD	(35)	(135)	2019	Prepayment

d) Maturity



e) Breakdown by currency

	Current		Non-current		Total	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018	6/30/2019	12/31/2018
USD	166	3,707	11,747	13,083	11,913	16,790
Real	839	269	4,131	3,630	4,970	3,899
Euro	88	1,098	1,747	1,879	1,835	2,977
Boliviano	2	64	435	406	437	470
Turkish lire	53	39	117	148	170	187
Colombian peso	129	111			129	111
Other	1	3	16	14	17	17
	1,278	5,291	18,193	19,160	19,471	24,451

f) Breakdown by index

	Current		Non-current		Total	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Local currency						
CDI	658	91	3,252	2,718	3,910	2,809
TJLP	72	79	271	314	343	393
TLP	35	32	282	289	317	321
Fixed rate	58	53	208	209	266	262
SELIC	16	14	118	100	134	114
	839	269	4,131	3,630	4,970	3,899
Foreign currency						
Fixed rate	307	4,729	11,931	13,160	12,238	17,889
LIBOR	34	230	2,097	2,331	2,131	2,561
EURIBOR	11	11	34	39	45	50
Other	87	52			87	52
	439	5,022	14,062	15,530	14,501	20,552
	1,278	5,291	18,193	19,160	19,471	24,451

g) Collateral

As at June 30, 2019, R\$ 6,287 (December 31, 2018 – R\$ 10,389) of the balance of borrowing of the Company and its subsidiaries was collateralized under promissory notes and sureties and R\$ 444 of property, plant and equipment items (December 31, 2018 – R\$ 792) was collateralized by liens on the financed assets.

h) Covenants/financial ratios

Certain borrowing items are subject to compliance with certain financial ratios ("covenants"). Where applicable, such obligations are standardized for all loan and financing agreements.

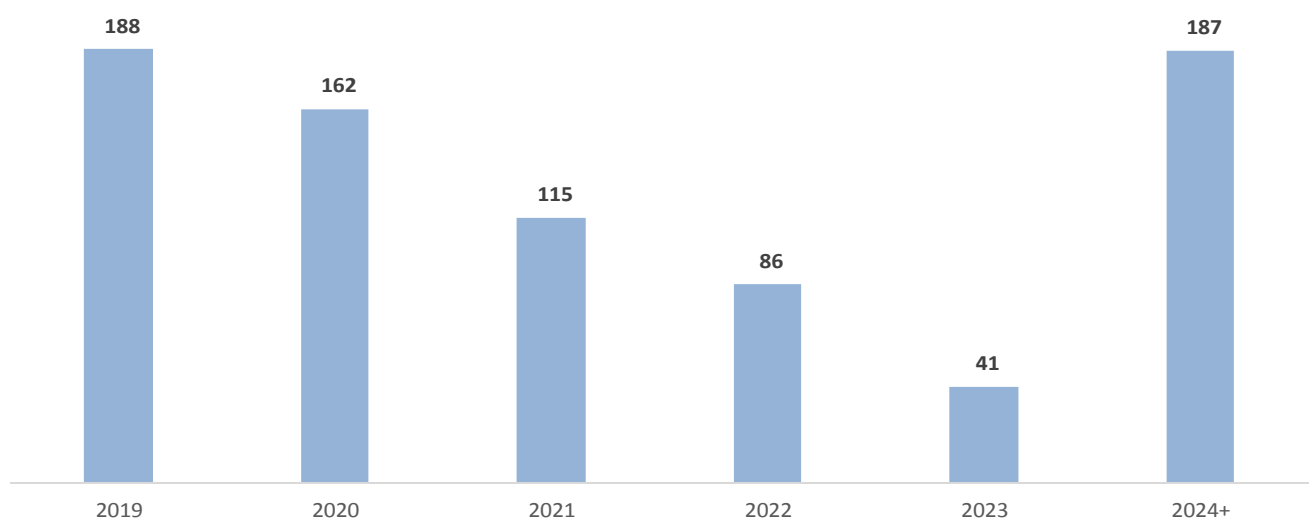
The Company and its subsidiaries were in compliance with all of these covenants, as applicable.

20 Lease liabilities

a) Changes to lease obligations - IFRS16

	1/1/2019 to 6/30/2019
Initial adoption IFRS 16	666
Remeasurement of interest	2
New contracts	183
Amortization	(84)
Fair value adjustment	9
Foreign exchange variation	3
Closing balance for the semester	779
Current	196
Non-current	583
	779

b) Maturity Profile



21 Confirming payables

The Company and its subsidiaries have entered into agreements with financial institutions, aiming to anticipate receivables from suppliers in domestic and foreign markets. As part of this operation, suppliers transfer the right to receive their accounts receivable related to sales of goods to financial institutions.

Operations - Confirming payables	6/30/2019	12/31/2018
Domestic market	276	349
Foreign market	901	838
	1,177	1,187

22 Current and deferred income tax and social contribution

(a) Reconciliation of Corporate Income Tax ("IRPJ") and Social Contribution on Net Income ("CSLL") expenses

The income tax and social contribution amounts presented in the statements of income for the semester ended June 30 are reconciled with their Brazilian standard rates as follow:

	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
Profit before income tax and social contribution	7,122	778
Standard rates	34%	34%
Income tax and social contribution at standard rates	(2,421)	(265)
Adjustments for the calculation of income tax and social contribution at effective rates		
Equity	103	171
Tax on mining operations	(19)	(36)
Tax loss carryforward and non-deferred tax base	(206)	(273)
Differential rate of foreign companies	53	12
Tax incentive	(62)	3
Realization of comprehensive income on disposals of investments	37	
Other exclusions, net	45	42
Reprocessing of previous calculations		
Income tax and social contribution calculated	(2,470)	(346)
Current	(1,296)	(287)
Deferred	(1,174)	(59)
Income tax and social contribution expenses	(2,470)	(346)
Effective rate - %	35%	44%

(b) Breakdown of deferred tax balances

	6/30/2019	12/31/2018
Tax credits on tax losses	2,283	2,669
Tax credits on temporary differences		
Estimation for losses on investments, fixed and intangible assets	847	857
Foreign exchange gains	259	761
Tax, civil and labor provision	598	574
Tax benefit on goodwill	503	503
Deferred of losses on derivative instruments	274	(77)
Asset retirement obligation	206	182
Use of public assets	151	154
Environmental liabilities	120	128
PPR - Provision for profit sharing	81	113
Estimation for inventory losses	93	78
Provision for loan	70	62
Provision for energy charges	52	49
Provision for social security obligations	41	41
Financial instruments - firm commitment	19	(8)
Estimated asset disposals	2	2
Other tax credits	152	194
Tax debits on temporary differences		
Asset retirement obligation	(10)	(10)
Adjustment to present value	(34)	(35)
Gain in fair value in VTRM's operation	(102)	(102)
Capitalized interest	(157)	(141)
Fair value adjustments	(163)	123
Market value assets	(185)	(388)
Goodwill amortization	(298)	(405)
Adjust the fair value in the Fibria transaction	(454)	
Market value Milpo	(1,181)	(1,233)
Adjustment of useful lives of PP&E (depreciation)	(2,037)	(2,192)
Other tax debits	(229)	(19)
Net	901	1,880
Net deferred tax assets related to the same legal entity	2,886	4,079
Net deferred tax liabilities related to the same legal entity	(1,985)	(2,199)

(c) Effects of deferred income tax and social contribution on the profit for the semester and comprehensive income

	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
Opening balance for the semester	1,880	2,114
Deferred income tax and social contribution on hedge accounting	1	(23)
Effects on the results of the semester - discontinued operations	154	51
Effects of foreign exchange variations in other comprehensive income	40	(7)
Effects on the results for the semester - continuing operations	(1,174)	(59)
Effect of subsidiaries included in the consolidation		(21)
Closing balance for the semester	901	2,055

23 Deferred revenue - obligation for performance

In December 2014, the subsidiary indirect Votener ceded to a financial institution the receivables due up to December 2019 as a result of certain contracts for the Sale of Electric Energy in the Regulated Environment ("CCEAR"), which are being carried out through the physical delivery of energy. This transaction corresponded to R\$ 1,252, and has no right of return and/or type of co-obligation of the Company in relation to the receivables. Due to the assignment of receivables, Votener received a total amount of R\$ 905, and the interest to be appropriated from the transaction will be recognized *pro rata* in the result over the term of the agreement.

In May 2015, Votener carried out a second credit assignment operation, without any right of return and/or co-obligation of the subsidiary, in the total amount of R\$ 368. Through the assignment of the receivables, Votener received the total amount R\$ 251, and the interest to be appropriated from the operation will be recognized *pro rata* to the result over the term of the agreement.

The updated amount of these operations as at June 30, 2019 was R\$ 150 (December 31, 2018 – R\$ 271).

24 Provision

(a) Breakdown and changes

						1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
	Legal claims						
	Asset retirement obligation	Tax	Labor	Civil	Other	Total	Total
Opening balance for the semester	1,334	853	84	283	41	2,595	2,587
Additions		70	158	31	8	267	124
Reversals		(20)	(61)	(30)	(6)	(117)	(280)
Judicial deposits, net of write-offs		1	80			81	96
Settlement in cash	(19)	(5)	(22)	(18)	(1)	(65)	(117)
Settlements with escrow deposits			(110)	(26)		(136)	(4)
Effect of subsidiaries included in (excluded from)							(20)
Present value adjustment	34					34	30
Monetary restatement		21	9	11	1	42	54
Foreign exchange variation	13					13	106
Revision of estimated cash flow	(7)					(7)	25
Closing balance for the semester	1,355	920	138	251	43	2,707	2,601

(b) Provision for tax, civil, labor, other contingencies and outstanding judicial deposits

	6/30/2019				12/31/2018			
	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)
Tax	(125)	1,045	920	197	(126)	979	853	545
Labor	(134)	272	138	23	(214)	298	84	80
Civil	(28)	279	251	123	(28)	311	283	124
Other	(1)	44	43	9	(1)	42	41	6
	(288)	1,640	1,352	352	(369)	1,630	1,261	755

- (i) The Company and its subsidiaries have balances deposited in relation to lawsuits classified by management, based on the opinion of the legal advisors of the Company and its subsidiaries as representing remote or possible losses and, therefore, they are subject to provisions.

(c) Litigation with a likelihood of loss considered possible

The Company and its subsidiaries were a party to litigations representing a risk of possible losses, for which no provision has been made, as detailed below.

	6/30/2019	12/31/2018
Tax (c.1)	11,131	11,162
Civil (c.2)	7,846	7,430
Environmental	522	516
Labor and social security	405	374
	19,904	19,482

(c.1) Composition of contingent tax and public rights liabilities with a likelihood of loss considered possible

Nature	6/30/2019	12/31/2018
Tax assessment notice - "IRPJ/CSLL"	1,936	1,884
"IRPJ/CSLL" – Profits abroad	1,072	1,052
"ICMS" – Credit	808	818
Disallowances of "PIS/COFINS" credits	698	680
Compensation for exploration for mineral resources ("CFEM")	606	608
Disallowance of "IRPJ/CSLL" negative balance	518	493
Offset of tax loss – 30% limit (merger)	317	286
"ICMS" on electricity charges	293	204
"IRPJ/CSLL" – Transfer costs	219	198
Error in fiscal classification - Importation	202	172
Tax assessment notice – "ICMS"	177	315
Collection of ICMS due to divergences regarding the destination of the property	107	104
"IRPJ/CSLL" – Deduction of expenses	76	74
Other lawsuits	4,102	4,274
	11,131	11,162

(c.2) Composition of contingent civil liabilities with a likelihood of loss considered possible

Nature	6/30/2019	12/31/2018
Public civil suit – Violation of the economic order	4,096	4,023
Administrative investigations carried out by the Secretariat of Economic Law	2,080	2,052
Other lawsuits	1,670	1,355
	7,846	7,430

There were no material changes relative to those detailed in Note 23 (c.2) to the latest annual financial statements.

25 Equity

(a) Share capital

On June 30, 2019 and December 31, 2018, the fully subscribed and paid-up capital of the Company was R\$ 28,656, consisting of 18,278,789 thousand common shares.

(b) Dividends

During the first half of 2019, the Company deliberated the its parent company Hejoassu Administração S.A., the amount of R\$ 1,475 corresponding to dividends related to part of the balance of the "Profit reserves" account accumulated up to December 31, 2018.

Also, in the second quarter of 2019, the Ordinary and Extraordinary Meeting resolved to cancel the mandatory minimum dividends for 2018 in the amount of R\$ 415.

(c) Carrying value adjustments

	Attributable to the owners of the Company							
	Currency translation of investees located abroad	Hedge accounting for net investments abroad, net of taxes	Hedge accounting for the operations of subsidiaries	Fair value of available- for-sale financial assets of non-consolidated investments	Suzano shares fair value	Remeasurement of retirement benefits	Other comprehensive income	Total
At January 1, 2018	4,990	(4,175)	(118)	266		(82)	(148)	733
Other comprehensive income								
Currency translation of investees located abroad	1,987							1,987
Hedge accounting for net investments abroad, net of taxes		(1,052)						(1,052)
Hedge accounting for the operations of subsidiaries			(112)					(112)
Fair value of available-for-sale financial assets of non-consolidated investments				69				69
Remeasurement of retirement benefits						(9)		(9)
							155	155
At June 30, 2018	6,977	(5,227)	(230)	335		(91)	7	1,771
At January 1, 2019	6,545	(5,106)	40	192		(47)	(149)	1,475
Other comprehensive income								
Currency translation of investees located abroad	(138)							(138)
Hedge accounting for net investments abroad, net of taxes		106						106
Hedge accounting for the operations of subsidiaries			(51)					(51)
Fair value of available-for-sale financial assets of non-consolidated investments				55				55
Realization of comprehensive results in the sale of participation at Fibria	(16)						(14)	(30)
Adjust the fair value of the shares held at Suzano, net of the tax					(305)			(305)
Realization of comprehensive results on Voto liquidation - Votorantim Overseas Trading Operations IV Ltd.	(108)							(108)
Reclassification of components of comprehensive income	(103)	22	(16)			(7)	104	(63)
Realization of comprehensive income on the sale of interest in Nexa							72	72
Inflation adjustment for hyperinflationary economies								
Remeasurement of retirement benefits						(4)		(4)
At June 30, 2019	6,180	(4,978)	(27)	247	(305)	(58)	(50)	1,009

26 Net revenue from products sold and services rendered

	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
Gross revenue		
Sales of products - domestic market	7,592	7,506
Sales of products - foreign market	7,434	7,141
Supply of electrical energy	1,442	1,577
Services provided	269	248
	<u>16,737</u>	<u>16,472</u>
Taxes on sales, services and other deductions	(2,164)	(2,257)
Net revenue	<u>14,573</u>	<u>14,215</u>

27 Expenses by nature

				1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
	Cost of products sold and services rendered	Selling	General and administrative	Total	Total
Raw materials, inputs and consumables	7,612	8	9	7,629	7,222
Employee benefit expenses (a)	1,285	197	529	2,011	2,030
Depreciation, amortization and depletion	1,403	6	82	1,491	1,217
Transportation expenses	913	11		924	823
Outsourced services	557	40	308	905	733
Other expenses	491	171	176	838	737
	<u>12,261</u>	<u>433</u>	<u>1,104</u>	<u>13,798</u>	<u>12,762</u>

(a) Employee benefit expenses

	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
Salaries and bonuses	1,231	1,225
Payroll charges	486	479
Benefits	294	326
	<u>2,011</u>	<u>2,030</u>

28 Other operating expenses, net

	Note	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
Gain in Fibria's transaction	1.1 (b)	6,772	
Tax recovery	1.1 (d)	551	
Gain by adjustment to fair value in deconsolidation of VTRM			147
Tax benefits		57	32
Hedge gain		18	31
Income from rentals and leasing		30	26
Net income from waste sale		27	24
Reversal (provision) of environmental obligations			47
Reversal for impairment of investments, fixed and intangible assets		18	11
Gain (loss) on sale of fixed and intangible assets, net		31	7
Royalties on natural resources		(22)	(22)
Loss (net) on sale of other investments		(50)	8
Financial instrument - firm commitment	14	(80)	(106)
Expenses on not activatable projects		(194)	(210)
Provision, net		(179)	81
Other income (expenses), net		(115)	35
		6,864	111

- (i) Refers mainly to PIS and COFINS credits recognized in the subsidiaries CBA, VCSA and the indirect subsidiary VCNNE, in the amount of R\$ 521.

29 Finance results, net

	Note	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
Finance income			
Interest on financial assets (i)	1.1 (d)	293	41
Income from financial investments		244	205
Fair value of borrowing		33	46
Monetary updating of assets		21	37
Reversal of monetary restatement of provision		34	69
Discounts obtained		10	12
Other finance income		9	27
		644	437
Finance costs			
Interest on borrowing		(600)	(702)
Capitalization of borrowing costs		19	28
Award paid in bond buyback (tender offer)	1.1 (a)	(212)	
Monetary restatement of provision		(130)	(129)
Fair value of borrowing and financing		(59)	(47)
Borrowing fees		(52)	(53)
Interest and monetary restatement - use of public assets		(62)	(75)
Interest on anticipation of receivables		(50)	(50)
Adjustment to present value CPC 12		(46)	(51)
"PIS/COFINS" on financial results		(32)	(14)
Income tax on remittances of interest abroad		(31)	(42)
Interest on silver streaming		(13)	(14)
Interest on related-party transactions	13	(4)	(3)
Other finance costs		(182)	(119)
		(1,454)	(1,271)
Results of derivative financial instruments			
	5.1.1		
Revenue		83	306
Expenses		(242)	(45)
		(159)	261
Foreign exchange variation, net		40	(717)
Finance results, net		(929)	(1,290)

- (i) Refers substantially to the restatement of the PIS and COFINS credit recognized in the subsidiary CBA, VCSA and indirect subsidiary VCNNE, in the amount of R\$ 235.

30 Supplementary information – Business segments

In order to provide more detailed information the Company has elected to present financial information organized into two business segments. The following information refers to the breakdown of the VSA by business segments and considers the eliminations of balances and transactions between companies in the same segment, before: (i) eliminations between business segments; (ii) eliminations of investments held by the holding companies.

Additionally, the eliminations and reclassifications among the companies are presented so that the net results reconcile with the consolidated financial information of the VSA according to the supplementary information. This supplementary information is not intended to be in accordance with, and is not required by, the accounting practices adopted in Brazil, or by IFRS.

(a) Capital management

The financial leverage ratios are calculated according to the information of the industrial segments, considering the accumulated results for 12 months, as loan covenants, are summarized as follows:

	Note	Industrial segments	
		7/1/2018 to 6/30/2019	1/1/2018 to 12/31/2018
Adjusted EBITDA			
Net income for the semester		6,273	1,953
Plus (less):			
Continuing operations			
Equity in the results of investees		(1,541)	(1,634)
Net financial results		1,686	2,048
Income and social contribution taxes		3,189	1,065
Depreciation, amortization and depletion		2,729	2,455
Discontinued operations			
Net financial results		45	6
Income and social contribution taxes		(53)	(99)
Depreciation, amortization and depletion		26	55
EBITDA before other additions and exceptional items		12,354	5,849
Plus:			
Dividends received		862	942
Extraordinary items			
EBITDA - discontinued operations		66	10
Non-recurring items - discontinued operations			211
Gain on sale of investments, net		(6,841)	(130)
Reversal for impairment of property, plant, equipment and intangible assets		(28)	(24)
Reversal for impairment of investments		(6)	
Gain by adjustment to fair value in deconsolidation of VTRM		(155)	(302)
Other		443	322
Adjusted annualized EBITDA (A)		6,695	6,878
Net debt			
Borrowing	19	19,471	24,451
Lease liabilities	20	779	
Cash and cash equivalents, financial investments and derivative financial instruments		(9,834)	(11,237)
Net debt (B)		10,416	13,214
Gearing ratio (B/A)		1.56	1.92

(b) Balance sheet - business segments

											6/30/2019
	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Assets											
Current											
Cash and cash equivalents, financial investments and derivative financial instruments	1,549	3,317	751	88	104	4,093		9,902	67		9,969
Trade receivables	1,179	645	599	254	460	163	(325)	2,975			2,975
Inventory	1,657	1,191	896	367		2		4,113			4,113
Taxes recoverable	341	529	471	69	12	296		1,718	85		1,803
Dividends receivable					10	235	(45)	200	200	(200)	200
Financial instruments - firm commitment			45		1			46			46
Other assets	295	175	51	50	3	31		605			605
	5,021	5,857	2,813	828	590	4,820	(370)	19,559	352	(200)	19,711
Non-current assets											
Long-term receivables											
Financial investments and derivative financial instruments	159	12	386					557			557
Financial instruments - Suzano						2,470		2,470			2,470
Derivative financial instruments - put option						744		744			744
Taxes recoverable	1,946	383	639	16		382		3,366			3,366
Related parties	23	35	22	15	131	986	(924)	288			288
Deferred income tax and social contribution	411	776	667	146	6	854		2,860	26		2,886
Judicial deposits	171	23	136	2		20		352			352
Other assets	475	152	20	57		67	21	792			792
	3,185	1,381	1,870	236	137	5,523	(903)	11,429	26		11,455
Investments	885	(2)	201		2,026	29,378	(21,384)	11,104	5,213	(5,222)	11,095
Property, plant and equipment	12,487	7,143	4,718	1,093	38	551		26,030			26,030
Intangible assets	5,927	7,325	501	30	548	217	(1,518)	13,030			13,030
Right-of-use assets	520	148	20	47	10	11		756			756
Biological assets			4	5		66		75			75
	23,004	15,995	7,314	1,411	2,759	35,746	(23,805)	62,424	5,239	(5,222)	62,441
Total assets	28,025	21,852	10,127	2,239	3,349	40,566	(24,175)	81,983	5,591	(5,422)	82,152

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

Notes to the condensed consolidated interim financial statements
at June 30, 2019

All amounts in millions of reais unless otherwise stated

VOTORANTIM

	6/30/2019										
	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Liabilities and equity											
Current liabilities											
Borrowing	309	126	128	130		585		1,278			1,278
Lease liabilities	92	71	11	6	3	13		196			196
Derivative financial instruments	16	22	15					53			53
Confirming payable	537	253	387					1,177			1,177
Trade payables	1,523	1,322	423	371	368	13	(272)	3,748			3,748
Salaries and payroll charges	305	193	103	35	13	52		701			701
Taxes payable	198	152	32	96	23	8		509			509
Advances from customers	17	5	40	53	1	5		121			121
Dividends payable	2	50	67			474	(64)	529	200	(200)	529
Use of public assets	34	7	42					83			83
Related parties			147		1		(148)				
Financial instruments - firm commitment	11							11			11
Deferred revenue - performance obligation					150			150			150
Deferred revenue - silver streaming		118						118			118
Other	376	182	24	27	1	177		787	1		788
	3,420	2,501	1,419	718	560	1,327	(484)	9,461	201	(200)	9,462
Non-current liabilities											
Borrowing	9,921	5,355	1,984			933		18,193			18,193
Lease liabilities	435	90	10	41	7			583			583
Derivative financial instruments	85	10	477					572			572
Deferred income tax and social contribution	415	1,107	1		99	195		1,817	168		1,985
Related parties	81	3	10	645	1	96	(799)	37			37
Provision	1,103	858	493	95	1	157		2,707			2,707
Use of public assets	480	84	578					1,142			1,142
Pension plan	178			121				299			299
Financial instruments - firm commitment	32		49		11			92			92
Deferred revenue - silver streaming		612						612			612
Other	217	269	52	165	2	101		806			806
	12,947	8,388	3,654	1,067	121	1,482	(799)	26,860	168		27,028
Total liabilities	16,367	10,889	5,073	1,785	681	2,809	(1,283)	36,321	369	(200)	36,490
Equity											
Total equity attributable to owners of the Company	10,985	9,060	4,865	325	2,668	37,757	(25,391)	40,269	5,222	(5,221)	40,270
Non-controlling interests	673	1,903	189	129			2,499	5,393		(1)	5,392
Total equity	11,658	10,963	5,054	454	2,668	37,757	(22,892)	45,662	5,222	(5,222)	45,662
Total liabilities and equity	28,025	21,852	10,127	2,239	3,349	40,566	(24,175)	81,983	5,591	(5,422)	82,152

(c) Statement of income – business segments

	1/1/2019 to 6/30/2019										
	Votorantim Cimentos	Nexa Resources	CBA	Long steels (**)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Continuing operations											
Net revenue from products sold and services rendered	5,822	4,554	2,693	954	1,909	25	(1,384) (**)	14,573			14,573
Cost of products sold and services rendered	(4,997)	(3,723)	(2,296)	(794)	(1,823)	(12)	1,384 (**)	(12,261)			(12,261)
Gross profit	825	831	397	160	86	13		2,312			2,312
Operating income (expenses)											
Selling	(357)	(39)	(22)	(14)		(1)		(433)			(433)
General and administrative	(445)	(316)	(101)	(51)	(38)	(146)		(1,097)	(7)		(1,104)
Other operating income (expenses), net	495	(198)	9	58	(51)	6,551		6,864			6,864
	(307)	(553)	(114)	(7)	(89)	6,404		5,334	(7)		5,327
Operating profit (loss) before equity results and finance results	518	278	283	153	(3)	6,417		7,646	(7)		7,639
Result from equity investments											
Equity in the results of investees	76	(1)	4		(1)	504	(281)	301	331	(328)	304
	108							108			108
	184	(1)	4		(1)	504	(281)	409	331	(328)	412
Finance results, net											
Finance income	325	49	96	11	49	175	(64)	641	3		644
Finance costs	(767)	(246)	(244)	(69)	(58)	(134)	64	(1,454)			(1,454)
Results of derivative financial instruments	(88)	18	(77)			(12)		(159)			(159)
Foreign exchange gains (losses), net	(8)	23	(12)	(1)		39	(1)	40			40
	(538)	(156)	(237)	(59)	(9)	68	(1)	(932)	3		(929)
Profit (loss) before income tax and social contribution	164	121	50	94	(13)	6,989	(282)	7,123	327	(328)	7,122
Income tax and social contribution											
Current	(132)	(101)	(23)	(34)	(12)	(993)	(1)	(1,296)			(1,296)
Deferred	123	41	(138)	(2)	14	(1,213)		(1,175)	1		(1,174)
Profit (loss) from continuing operations	155	61	(111)	58	(11)	4,783	(283)	4,652	328	(328)	4,652
Discontinued operations											
Profit (loss) from discontinued operations	(36)							(36)	328	(328)	(36)
Profit (loss) for the semester	119	61	(111)	58	(11)	4,783	(283)	4,616	656	(656)	4,616
Profit (loss) attributable to the owners of the Company	83	57	(125)	32	(11)	4,784	(243)	4,577	328	(328)	4,577
Profit (loss) attributable to non-controlling interests	36	4	14	26			(41)	39			39
Profit (loss) for the semester	119	61	(111)	58	(11)	4,784	(284)	4,616	328	(328)	4,616

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VOTORANTIM

1/1/2018 to 6/30/2018

	Votorantim Cimentos	Nexa Resources	CBA	Long steels (**)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Continuing operations											
Net revenue from products sold and services rendered	5,612	4,553	2,482	912	1,956	19	(1,319) (**)	14,215			14,215
Cost of products sold and services rendered	(4,724)	(3,347)	(1,997)	(810)	(1,862)	(11)	1,319 (**)	(11,432)			(11,432)
Gross profit	888	1,206	485	102	94	8		2,783			2,783
Operating income (expenses)											
Selling	(315)	(31)	(17)	(10)		(2)		(375)			(375)
General and administrative	(375)	(268)	(87)	(52)	(42)	(124)		(948)	(7)		(955)
Other operating income (expenses), net	136	(172)	81	28	92	57	(111)	111			111
	(554)	(471)	(23)	(34)	50	(69)	(111)	(1,212)	(7)		(1,219)
Operating profit (loss) before equity results and finance results	334	735	462	68	144	(61)	(111)	1,571	(7)		1,564
Result from equity investments											
Equity in the results of investees	71		(19)		6	153	291	502	247	(245)	504
	71		(19)		6	153	291	502	247	(245)	504
Finance results, net											
Finance income	173	67	82	5	56	116	(66)	433	4		437
Finance costs	(631)	(207)	(218)	(62)	(95)	(124)	66	(1,271)			(1,271)
Results of derivative financial instruments	58	(3)				206		261			261
Foreign exchange gains (losses), net	(252)	(500)	(249)	1		(66)	349	(717)			(717)
	(652)	(643)	(385)	(56)	(39)	132	349	(1,294)	4		(1,290)
Profit (loss) before income tax and social contribution	(247)	92	58	12	111	224	529	779	244	(245)	778
Income tax and social contribution											
Current	(84)	(175)	(20)	(28)	(13)	34	(1)	(287)			(287)
Deferred	37	160	(84)	19	(32)	(79)	(81)	(60)	1		(59)
Profit (loss) for the semester from continuing operations	(294)	77	(46)	3	66	179	447	432	245	(245)	432
Discontinued operations											
Profit (loss) from continuing operations	3					(139)		(136)			(136)
Profit (loss) for the semester	(291)	77	(46)	3	66	40	447	296	245	(245)	296
Profit (loss) attributable to the owners of the Company	(330)	54	(49)	(10)	66	40	438	209	245	(245)	209
Profit attributable to non-controlling interests	39	23	3	13			9	87			87
Profit (loss) for the semester	(291)	77	(46)	3	66	40	447	296	245	(245)	296

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VOTORANTIM

4/1/2019 to 6/30/2019

	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Continuing operations											
Net revenue from products sold and services rendered	3,298	2,404	1,366	520	1,004	13	(752) (**)	7,853			7,853
Cost of products sold and services rendered	(2,726)	(1,885)	(1,177)	(428)	(954)	(5)	752 (**)	(6,423)			(6,423)
Gross profit	572	519	189	92	50	8		1,430			1,430
Operating income (expenses)											
Selling	(181)	(22)	(9)	(7)				(219)			(219)
General and administrative	(231)	(172)	(54)	(24)	(20)	(67)		(568)	(3)		(571)
Other operating income (expenses), net	41	(148)	24	31	17	(95)		(130)			(130)
	(371)	(342)	(39)		(3)	(162)		(917)	(3)		(920)
Operating profit (loss) before equity results and finance results	201	177	150	92	47	(154)		513	(3)		510
Result from equity investments											
Equity in the results of investees	33		5		18	184	(27)	213	139	(137)	215
	108							108			108
	141		5		18	184	(27)	321	139	(137)	323
Finance results, net											
Finance income	49	28	83	7	24	73	(32)	232	1		233
Finance costs	(297)	(137)	(161)	(31)	(29)	(44)	32	(667)			(667)
Results of derivative financial instruments	(6)	19	(77)			(36)		(100)			(100)
Foreign exchange gains (losses), net	34	32		(1)		(5)	(1)	59			59
	(220)	(58)	(155)	(25)	(5)	(12)	(1)	(476)	1		(475)
Profit (loss) before income tax and social contribution	122	119		67	60	18	(28)	358	137	(137)	358
Income tax and social contribution											
Current	(52)	(18)	(11)	(20)	(10)	67	(1)	(45)			(45)
Deferred	101	(8)	(129)		(5)	(9)	(1)	(51)			(51)
Profit (loss) from continuing operations	171	93	(140)	47	45	76	(30)	262	137	(137)	262
Discontinued operations											
Profit (loss) from discontinued operations	(37)							(37)	328	(328)	(37)
Profit (loss) for the semester	134	93	(140)	47	45	76	(30)	225	465	(465)	225
Profit (loss) attributable to the owners of the Company	116	94	(144)	29	45	77	(28)	189	137	(137)	189
Profit (loss) attributable to non-controlling interests	18	(1)	4	18			(3)	36			36
Profit (loss) for the semester	134	93	(140)	47	45	77	(31)	225	137	(137)	225

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

(**) Relates substantially to the net revenue from electric energy operations to CBA and VCSCA.

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VOTORANTIM

4/1/2018 to 6/30/2018

	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Continuing operations											
Net revenue from products sold and services rendered	3,219	2,358	1,316	496	1,046	9	(645) (**)	7,799			7,799
Cost of products sold and services rendered	(2,590)	(1,773)	(1,050)	(443)	(1,002)	(5)	645 (**)	(6,218)			(6,218)
Gross profit	629	585	266	53	44	4		1,581			1,581
Operating income (expenses)											
Selling	(162)	(19)	(7)	(5)		(2)		(195)			(195)
General and administrative	(200)	(139)	(43)	(27)	(25)	(54)		(488)	(3)		(491)
Other operating income (expenses), net	107	(87)	80	29	132	17	(111)	167			167
	(255)	(245)	30	(3)	107	(39)	(111)	(516)	(3)		(519)
Operating profit (loss) before equity results and finance results	374	340	296	50	151	(35)	(111)	1,065	(3)		1,062
Result from equity investments											
Equity in the results of investees	45		(20)		9	(62)	142	114	121	(120)	115
	45		(20)		9	(62)	142	114	121	(120)	115
Finance results, net											
Finance income	96	39	22	3	27	58	(36)	209	2		211
Finance costs	(369)	(109)	(110)	(42)	(45)	(77)	36	(716)			(716)
Results of derivative financial instruments	45					219		264			264
Foreign exchange gains (losses), net	(181)	(478)	(239)	(3)		(100)	341	(660)			(660)
	(409)	(548)	(327)	(42)	(18)	100	341	(903)	2		(901)
Profit (loss) before income tax and social contribution	10	(208)	(51)	8	142	3	372	276	120	(120)	276
Income tax and social contribution											
Current	(71)	(60)	(9)	(16)	(5)	76	(1)	(86)			(86)
Deferred	58	142	(51)	11	(43)	(43)	(78)	(4)			(4)
Profit (loss) for the semester from continuing operations	(3)	(126)	(111)	3	94	36	293	186	120	(120)	186
Discontinued operations											
Profit (loss) from continuing operations	1					(41)		(40)			(40)
Profit (loss) for the semester	(2)	(126)	(111)	3	94	(5)	293	146	120	(120)	146
Profit (loss) attributable to the owners of the Company	(27)	(116)	(115)	(5)	94	(5)	331	157	120	(120)	157
Profit (loss) attributable to non-controlling interests	25	(10)	4	8			(38)	(11)			(11)
Profit (loss) for the semester	(2)	(126)	(111)	3	94	(5)	293	146	120	(120)	146

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

(**) Relates substantially to the net revenue from electric energy operations to CBA and VCSA.

(d) Adjusted EBITDA - business segments

	1/1/2019 to 6/30/2019									
	Votorantim Cimentos	Nexa Resources	CBA	Long steel (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	5,822	4,554	2,693	954	1,909	25	(1,384) (**)	14,573		14,573
Cost of products sold and services rendered	(4,997)	(3,723)	(2,296)	(794)	(1,823)	(12)	1,384 (**)	(12,261)		(12,261)
Gross profit	825	831	397	160	86	13		2,312		2,312
Operating income (expenses)										
Selling	(357)	(39)	(22)	(14)		(1)		(433)		(433)
General and administrative	(445)	(316)	(101)	(51)	(38)	(146)		(1,097)	(7)	(1,104)
Other operating income (expenses), net	495	(198)	9	58	(51)	6,551		6,864		6,864
	(307)	(553)	(114)	(7)	(89)	6,404		5,334	(7)	5,327
Operating profit (loss) before equity results and finance results	518	278	283	153	(3)	6,417		7,646	(7)	7,639
Plus:										
Depreciation, amortization and depletion - continuing operations	593	590	239	52	4	13		1,491		1,491
EBITDA	1,111	868	522	205	1	6,430		9,137	(7)	9,130
Plus:										
Dividends received	9				9		(9)	9		9
Exceptional items										
Gain on sale of investments, net						(6,719)		(6,719)		(6,719)
Reversal for impairment - fixed assets	(6)		(9)					(15)		(15)
Other	(37)		24			212		199		199
Adjusted EBITDA	1,077	868	537	205	10	(77)	(9)	2,611	(7)	2,604

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

(**) Relates substantially to the net revenue from electric energy operations to CBA and VCSA.

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VOTORANTIM

1/1/2018 to 6/30/2018

	Votorantim Cimentos	Nexa Resources	CBA	Long steel (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	5,612	4,553	2,482	912	1,956	19	(1,319) (**)	14,215		14,215
Cost of products sold and services rendered	(4,724)	(3,347)	(1,997)	(810)	(1,862)	(11)	1,319 (**)	(11,432)		(11,432)
Gross profit	888	1,206	485	102	94	8		2,783		2,783
Operating income (expenses)										
Selling	(315)	(31)	(17)	(10)		(2)		(375)		(375)
General and administrative	(375)	(268)	(87)	(52)	(42)	(124)		(948)	(7)	(955)
Other operating income (expenses), net	136	(172)	81	28	92	57	(111)	111		111
	(554)	(471)	(23)	(34)	50	(69)	(111)	(1,212)	(7)	(1,219)
Operating profit (loss) before equity results and finance results	334	735	462	68	144	(61)	(111)	1,571	(7)	1,564
Plus:										
Depreciation, amortization and depletion - continuing operations	500	475	153	56	25	8		1,217		1,217
EBITDA	834	1,210	615	124	169	(53)	(111)	2,788	(7)	2,781
Plus:										
Dividends received	13				8	76	(8)	89	55	144
Exceptional items										
Reversal for impairment - fixed assets	(9)		(111)			(8)	111	(8)		(8)
Fair value of biological assets			(2)					(11)		(11)
						6		6		6
Other					(147)			(147)		(147)
						77		77		77
Adjusted EBITDA	838	1,210	502	124	30	98	(8)	2,794	48	2,842

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

(**) Relates substantially to the net revenue from electric energy operations to CBA and VCSA.

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VOTORANTIM

4/1/2019 to 6/30/2019

	Votorantim Cimentos	Nexa Resources	CBA	Long steel (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	3,298	2,404	1,366	520	1,004	13	(752) (**)	7,853		7,853
Cost of products sold and services rendered	(2,726)	(1,885)	(1,177)	(428)	(954)	(5)	752 (**)	(6,423)		(6,423)
Gross profit	572	519	189	92	50	8		1,430		1,430
Operating income (expenses)										
Selling	(181)	(22)	(9)	(7)				(219)		(219)
General and administrative	(231)	(172)	(54)	(24)	(20)	(67)		(568)	(3)	(571)
Other operating income (expenses), net	41	(148)	24	31	17	(95)		(130)		(130)
	(371)	(342)	(39)		(3)	(162)		(917)	(3)	(920)
Operating profit (loss) before equity results and finance results	201	177	150	92	47	(154)		513	(3)	510
Plus:										
Depreciation, amortization and depletion - continuing operations	299	284	142	28	3	6		762		762
EBITDA	500	461	292	120	50	(148)		1,275	(3)	1,272
Plus:										
Dividends received	9				9		(9)	9		9
Exceptional items										
Loss on sale of investments, net						53		53		53
Reversal for impairment - fixed assets	(3)		(8)					(11)		(11)
Other	(15)		24			81		90		90
Adjusted EBITDA	491	461	308	120	59	(14)	(9)	1,416	(3)	1,413

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

(**) Relates substantially to the net revenue from electric energy operations to CBA and VCSA.

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VOTORANTIM

4/1/2018 to 6/30/2018

	Votorantim Cimentos	Nexa Resources	CBA	Long steel (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	3,219	2,358	1,316	496	1,046	9	(645) (**)	7,799		7,799
Cost of products sold and services rendered	(2,590)	(1,773)	(1,050)	(443)	(1,002)	(5)	645 (**)	(6,218)		(6,218)
Gross profit	629	585	266	53	44	4		1,581		1,581
Operating income (expenses)										
Selling	(162)	(19)	(7)	(5)		(2)		(195)		(195)
General and administrative	(200)	(139)	(43)	(27)	(25)	(54)		(488)	(3)	(491)
Other operating income (expenses), net	107	(87)	80	29	132	17	(111)	167		167
	(255)	(245)	30	(3)	107	(39)	(111)	(516)	(3)	(519)
Operating profit (loss) before equity results and finance results	374	340	296	50	151	(35)	(111)	1,065	(3)	1,062
Plus:										
Depreciation, amortization and depletion - continuing operations	253	248	78	29	10	4		622		622
EBITDA	627	588	374	79	161	(31)	(111)	1,687	(3)	1,684
Plus:										
Dividends received	1				8	76	(8)	77	55	132
Exceptional items										
Reversal for impairment - fixed assets	(4)		(111)			(8)	111	(8)		(8)
Fair value of biological assets			(1)					(5)		(5)
						4		4		4
					(147)			(147)		(147)
Other						82		82		82
Adjusted EBITDA	624	588	262	79	22	123	(8)	1,690	52	1,742

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

(**) Relates substantially to the net revenue from electric energy operations to CBA and VCSA.

31 Subsequent events

(a) Prepayments of VSA debentures

On July 31, 2019, the Company early redeemed the 4th issue of debentures maturing on July 27, 2024. The total amount of amortized principal totaled R \$ 550.

(b) Contracting of Revolving Credit Facility by VCI, VCEAA and St Marys

On August 1, 2019, to replace the Revolving Credit Facility contracted in October 2015 in the amount of USD 230 million maturing in October 2020, the subsidiaries VCI, VCEAA and St. Marys together with their subsidiaries, entered into a new revolving credit facility of USD 290 million, maturing in August 2024, from a bank syndicate.