

Votorantim S.A.

**Condensed consolidated
interim financial statements
at September 30, 2018 and
review report**



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 September 30, 2018, and the related condensed consolidated interim statements of income, comprehensive income and cash flows for the quarter and nine-month period then ended, and the condensed consolidated interim statement of changes in equity for the nine-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 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.

Conclusion on the condensed consolidated interim financial statements

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

Curitiba, November 1, 2018

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5


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

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Condensed consolidated interim financial statements

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	Note	9/30/2018	12/31/2017
Assets			
Current assets			
Cash and cash equivalents	7	6,754	8,960
Financial investments	8	3,283	3,562
Derivative financial instruments	5.1.1	134	52
Trade receivables	9	3,306	2,421
Inventory	10	4,108	3,526
Taxes recoverable	11	1,618	1,317
Dividends receivable	13	1	148
Financial instruments - firm commitment	14	184	210
Other assets		667	784
		20,055	20,980
Assets classified as held-for-sale	30	4,358	2,199
		24,413	23,179
Non-current assets			
Long-term receivables			
Financial investments	8	22	25
Derivative financial instruments	5.1.1	380	138
Financial instruments - put option	12	759	
Taxes recoverable	11	1,750	1,784
Related parties	13	311	143
Deferred income tax and social contribution	20 (b)	4,775	4,079
Judicial deposits	22 (b)	862	765
Financial instruments - firm commitment	14	36	154
Other assets		671	667
		9,566	7,755
Investments	15 (b)	10,105	13,372
Property, plant and equipment	16	26,119	26,223
Intangible assets	17	13,852	12,075
Biological assets		66	65
		59,708	59,490
Total assets		84,121	82,669

	Note	9/30/2018	12/31/2017
Liabilities and equity			
Current liabilities			
Borrowing	18	2,593	2,573
Derivative financial instruments	5.1.1	278	299
Confirming payables	19	1,029	909
Trade payables		4,156	3,514
Salaries and payroll charges		887	895
Taxes payable		535	617
Advances from clients		231	408
Dividends payable	13	51	188
Use of public assets		78	76
Financial instruments - firm commitment	14	8	1
Deferred revenue - performance obligations	21	251	246
Deferred revenue - silver streaming		124	104
Other liabilities		737	643
		10,958	10,473
Liabilities related to assets held-for-sale	30	3	1,526
		10,961	11,999
Non-current liabilities			
Borrowing	18	22,760	22,057
Derivative financial instruments	5.1.1	138	83
Deferred income tax and social contribution	20 (b)	2,262	1,965
Related parties	13	20	25
Provision	22 (a)	2,649	2,587
Use of public assets		1,129	1,056
Pension plan		363	317
Financial instruments - firm commitment	14	156	207
Deferred revenue - performance obligations	21	89	272
Deferred revenue - silver streaming		699	630
Other liabilities		834	656
		31,099	29,855
Total liabilities		42,060	41,854
Equity			
Share capital	23 (a)	28,656	28,656
Revenue reserves		5,925	6,569
Retained (loss) earnings		(44)	
Carrying value adjustments	23 (c)	1,765	733
Total equity attributable to the owners of the Company		36,302	35,958
Non-controlling interests		5,759	4,857
Total equity		42,061	40,815
Total liabilities and equity		84,121	82,669

	Note	7/1/2018 to 9/30/2018	7/1/2017 to 9/30/2017	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
			Restyled (Note 2.2)		Restyled (Note 2.2)
Continuing operations					
Net revenue from products sold and services rendered	24	8,983	7,383	23,893	19,646
Cost of products sold and services rendered	25	(7,252)	(5,686)	(19,319)	(15,710)
Gross profit		1,731	1,697	4,574	3,936
Operating income (expenses)					
Selling	25	(176)	(184)	(564)	(516)
General and administrative	25	(559)	(511)	(1,542)	(1,443)
Other operating income (expenses), net	27	(225)	(400)	(106)	(640)
		(960)	(1,095)	(2,212)	(2,599)
Operating profit before equity results and finance results		771	602	2,362	1,337
Results from equity investments					
Equity in the results of investees	15 (b)	58	447	562	931
Realization of other comprehensive income on disposal of investments					3
		58	447	562	934
Finance results, net					
Finance income	28	263	202	800	972
Finance costs		(693)	(728)	(1,976)	(1,990)
Results of derivative financial instruments		51	(173)	222	(260)
Foreign exchange losses, net		(246)	200	(964)	104
		(625)	(499)	(1,918)	(1,174)
Profit before income tax and social contribution		204	550	1,006	1,097
Income tax and social contribution					
Current	20 (a)	(110)	(278)	(399)	(482)
Deferred		25	371	(31)	323
Profit from continuing operations		119	643	576	938
Discontinued operations					
Loss on discontinued operations		(7)	(124)	(168)	(410)
Profit for the period attributable to the owners of the Company		112	519	408	528
Profit attributable to the owners of the Company		84	468	293	479
Profit attributable to non-controlling interests		28	51	115	49
Profit for the period		112	519	408	528
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		4.60	25.60	16.03	26.21
From continuing operations		4.98	32.38	25.22	48.64
Basic and diluted earnings per thousand shares, in reais		4.98	32.38	25.22	48.64
From discontinued operations		(0.38)	(6.78)	(9.19)	(22.43)
Basic and diluted loss per thousand shares, in reais		(0.38)	(6.78)	(9.19)	(22.43)

Condensed consolidated interim statement of comprehensive income

Periods ended September 30

All amounts in millions of reais

VOTORANTIM

(A free translation of the original in Portuguese)

	Note	7/1/2018 to 9/30/2018	7/1/2017 to 9/30/2017	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
Profit for the period		112	519	408	528
Other components of comprehensive income to be subsequently reclassified to profit or loss					
Attributable to the owners of the Company					
Foreign exchange variations attributable to the owners of the Company	23 (c)	371	(858)	2,297	(322)
Hedge accounting for net investments abroad, net of taxes	5.1.2 and 23 (c)	(268)	313	(1,322)	91
Hedge accounting for the operations of subsidiaries	23 (c)	106	19	(6)	(38)
Fair value of financial assets available-for-sale of the non-consolidated investments	23 (c)	(170)	58	(101)	26
Realization of comprehensive income on the disposal of investments	23 (c)				(85)
Share in other comprehensive income of investees	23 (c)	4	(9)	4	10
Attributable to non-controlling interests					
Foreign exchange variations attributable to non-controlling interests		177	(153)	906	(109)
Share in other comprehensive income of investees		2	(1)	1	48
		222	(631)	1,779	(379)
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 effects	23 (c)	14	(3)	5	(6)
Attributable to non-controlling					
Remeasurement of retirement benefits, net of taxes		3		1	
Other components of comprehensive income for the period		239	(634)	1,785	(385)
Comprehensive income (loss) from					
Continuing operations		358	9	2,361	553
Discontinued operations		(7)	(124)	(168)	(410)
		351	(115)	2,193	143
Comprehensive income attributable to					
Owners of the Company		141	(12)	1,170	155
Non-controlling interests		210	(103)	1,023	(12)
		351	(115)	2,193	143

Condensed consolidated interim statement of changes in equity

Periods ended September 30

All amounts in millions of reais unless otherwise stated

VOTORANTIM

(A free translation of the original in Portuguese)

	Attributable to the owners of the Company									
	Note	Revenue reserves				Retained (loss) earnings	Carrying value adjustments	Non-controlling		Total equity
		Share capital	Tax incentives	Legal	Profit retention			Total	interests	
At January 1, 2017		28,656	10	654	5,590		1,255	36,165	2,658	38,823
Profit for the period						479		479	49	528
Other comprehensive income							(324)	(324)	(61)	(385)
Comprehensive income for the period						479	(324)	155	(12)	143
Dividends					(135)			(135)	(204)	(339)
Total contributions and distributions to shareholders					(135)			(135)	(204)	(339)
At September 30, 2017		28,656	10	654	5,455	479	931	36,185	2,442	38,627
At January 1, 2018		28,656	10	684	5,875		733	35,958	4,857	40,815
Initial adoption of IFRS 9	3.1.2					(337)		(337)		(337)
At January 1, 2018, after the the impacts of the adoption of IFRS 9		28,656	10	684	5,875	(337)	733	35,621	4,857	40,478
Profit for the period						293		293	115	408
Other comprehensive income							877	877	908	1,785
Comprehensive income (loss) for the period						293	877	1,170	1,023	2,193
Allocation of net income for the period										
Dividends	23 (b)				(784)			(784)	(25)	(809)
Votorantim Cimentos EAA Inversões S.L. ("VCEAA") non-controlling interests acquisition									(1)	(1)
Reversal of deliberate dividends	23 (b)				140			140		140
Goodwill on the issuance of VTRM Energia Participações S.A. ("VTRM") shares	23 (c)						155	155		155
Share premium distribution - NEXA	1.1 (b)								(95)	(95)
Total contributions and distributions to shareholders					(644)		155	(489)	(121)	(610)
At September 30, 2018		28,656	10	684	5,231	(44)	1,765	36,302	5,759	42,061

	Note	7/1/2018 to 9/30/2018	7/1/2017 to 9/30/2017	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
Cash flow from operating activities					
Profit before income tax and social contribution		204	550	1,006	1,097
Loss on discontinued operations		(7)	(124)	(168)	(410)
Adjustments to items that do not represent changes in cash and cash equivalents					
Depreciation, amortization and depletion	25	659	559	1,905	1,730
Equity in the results of investees	15 (b)	(58)	(447)	(562)	(931)
Realization of other comprehensive income in the sale of investments			(46)		(131)
Interest, indexation and foreign exchange variations		172	588	561	1,095
Reversal for the impairment of fixed, intangible assets and investments	15, 16, 17	(5)	(14)	(16)	(51)
Loss (gain) on sales of fixed and intangible assets, net	27	(44)	26	(51)	40
Net gain on sale of investment	27			(8)	(16)
Allowance for doubtful accounts		(10)	2	72	5
Fair value adjustment	18 (b)	28	20	(11)	58
Constitution (reversal) of provision		(109)	(289)	47	(451)
Derivative financial instruments	5.1.1	21	30	(37)	81
Financial instruments - firm commitment	14	(6)	33	100	347
Gain in fair value in VTRM's operation	27			(147)	
Net gain from financial instrument - put option	28	6		(86)	
Change in fair value of biological assets		(1)	5	5	8
		850	893	2,610	2,471
Decrease (increase) in assets					
Financial investments		(340)	23	581	(254)
Derivative financial instruments		21	(87)	(37)	(145)
Trade accounts receivable		(125)	(335)	(906)	(779)
Inventory		(45)	98	(633)	115
Taxes recoverable		(227)	(63)	(267)	45
Related parties		7	97	(173)	441
Other accounts receivable and other assets		(90)	235	(38)	471
Increase (decrease) in liabilities					
Trade payables		193	53	642	136
Salaries and social charges		145	158	(8)	(27)
Use of public assets		66	(35)	189	(58)
Taxes payable		91	253	71	374
Other obligations and other liabilities		479	(124)	445	(858)
Cash provided by operating activities		1,025	1,166	2,476	1,932
Interest paid on borrowing and use of public assets					
		(277)	(467)	(1,002)	(1,195)
Income tax and social contribution paid					
		(131)	(111)	(552)	(408)
Net cash provided by operating activities		617	588	922	329

	Note	7/1/2018 to 9/30/2018	7/1/2017 to 9/30/2017	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
Cash flow from investment activities					
Proceeds from disposals of fixed and intangible assets		52	25	148	55
Proceeds from sales of investments		23	4	54	33
Dividends received			26	144	252
Acquisitions of property, plant and equipment	16	(592)	(674)	(1,448)	(1,971)
Acquisitions of investments		(124)		(124)	
Increase in biological assets				(10)	(1)
Increase in intangible assets	17	(107)	(52)	(108)	(65)
Net cash used in investment activities		(748)	(671)	(1,344)	(1,697)
Cash flow from financing activities					
New borrowing	18 (b)	836	825	2,924	4,393
Repayment of borrowing	18 (b)	(966)	(944)	(4,812)	(3,818)
Derivative financial instruments	5.1.1	(5)	(96)	(12)	(211)
Dividends paid		(268)	(34)	(781)	(194)
Dividends paid to non-controlling interests				(25)	
Share premium Nexa paid				(95)	
Net cash provided by (used in) financing activities		(403)	(249)	(2,801)	170
Decrease in cash and cash equivalents					
		(534)	(332)	(3,223)	(1,198)
Cash effect of VTRM's operation	1.1 (c)			(14)	
Effect of fluctuations in exchange rates		235	(442)	1,031	39
Cash and cash equivalents at the beginning of the period		7,053	6,561	8,960	6,946
Cash and cash equivalents at end of period		6,754	5,787	6,754	5,787
Non-cash transactions					
Goodwill reflects the shares issued by VTRM	1.1 (c)	155		155	
Non-cash impact Special Program of Tax Regulation ("PERT") debits			(248)		(248)

1 General considerations

Votorantim S.A. (the "Company", the "parent company", or "VSA") is a privately held company, fully controlled by the Ermírio de Moraes family, and is the holding company of the Votorantim Group. 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: cement, zinc and its by-products, aluminum, electricity, steel, wood pulp, agribusiness and finance.

1.1 Main events that occurred during the nine month period of 2018

(a) Votorantim and ArcelorMittal conclude long steel operation Brazil

On February 22, 2017, ArcelorMittal Brasil S.A. ("AMB") and VSA entered into an agreement under which Votorantim Siderurgia S.A. ("VS") will become a subsidiary of AMB and VSA will hold a minority interest of 15% in the combined long steel business.

On February 7, 2018, the Administrative Council for Economic Defense ("CADE") approved this, pursuant to Concentration Act 08700.002165/2017-97.

As at April 1, 2018, Votorantim Siderurgia became a subsidiary of AMB under the corporate name of ArcelorMittal Sul Fluminense S.A.. On the same date, the Company received 15% of the combined long steel business of AMB, which, in compliance with accounting rules, was recognized at fair value as a financial instrument, in accordance with CPC 48 – "Financial Instruments" (Note 12).

Votorantim's long steel operations in Argentina (Acerbrag) and Colombia (PazdelRío) were not included in the transaction and continue to be consolidated in the Company's financial statement.

(b) Reimbursement of share premium Nexa Resources S.A.

On February 15, 2018, the Board of Directors approved the reimbursement of a share premium of US\$ 0.60 cents per ordinary share to shareholders, of which R\$ 171 to controlling shareholders and R\$ 95 to non-controlling shareholders of record at the close of business on March 14, 2018 and paid on March 28, 2018.

(c) Formation of joint venture with strategic investor

All regulatory approvals were obtained on May 29, 2018 and the compliance was achieved in all conditions precedent necessary to carry out the operations set forth in the Subscription and Investment Agreement entered into by Votorantim Geração de Energia S.A. ("VGE") and the Canadian Pension Plan Investment Board ("CPPIB"), and in the Share Purchase and Sale Agreement entered into by VGE, CPPIB and Salus - Investment Fund for Multistrategy Holdings, both executed on December 13, 2017.

Additionally, on May 29, 2018, VGE and CPPIB resolved at an extraordinary shareholders' meeting a capital increase in the investee VTRM in the amount of R\$ 49 and R\$ 664, respectively, through issuance of 25,689 and 345,737 thousand common shares, respectively, at an issue price of R\$ 1.92004907. This capital increase generated a significant increase in investment, in the amount of R\$ 155, which was recognized as a contra entry to the item "Carrying value adjustments" (Note 23 (c)).

After the completion of the operation, VGE ceased to have a 100% stake and consequently control over VTRM and its subsidiaries. It came to hold joint control in this investment platform ("joint venture") with CPPIB, since both investors have a 50% interest in this company and all strategic, financial and operational decisions must be taken unanimously. As a result of the loss of control and maintenance of shared control, VGE ceased to consolidate the previous investment in VTRM and its subsidiaries on May 29, 2018, and recorded the remaining portion of the investment at fair value, recognizing a gain of R\$ 147 under the item "Other operating income (expenses), net" (Note 27). After the initial registration, the investment in the joint venture was recognized using the equity method.

The balances at the periods ended of operation on May 29, 2018 were as follows:

	5/29/2018		5/29/2018
Assets		Liabilities and equity	
Current assets		Current liabilities	
Cash and cash equivalents	14	Borrowing	65
Financial investments	68	Trade payables	4
Trade receivables	19	Taxes payable	2
Other assets	7	Other liabilities	6
	108		77
Non-current assets		Non-current liabilities	
Long-term receivables		Borrowing	844
Liquidity Fund - Reserve Account	3	Related parties	83
Other assets	10	Provision	21
	13	Other liabilities	22
			970
Investments	713	Total liabilities	1,047
Property, plant and equipment	1,231	Equity	
	1,944	Share capital	699
		Capital reserves	334
		Loss earnings	(15)
		Total equity	1,018
Total assets	2,065	Total liabilities and equity	2,065

(d) Corporate reorganization of Fibria Celulose S.A. ("Fibria")

On March 15, 2018, the Company collectively with BNDES Participações S.A. – BNDESPAR (jointly, "Fibria's Controlling Shareholders"), Suzano Holding S.A. and the other controlling shareholders of Suzano Papel e Celulose S.A. (jointly, "Suzano's Controlling Shareholders"), entered into an agreement to combine the operations and shareholding basis of Suzano and Fibria, through a corporate reorganization (Note 30).

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 in accordance with Technical Pronouncement CPC 21 - (R1) "Interim Financial Reporting", issued by the Brazilian Accounting Pronouncements Committee ("CPC") and IAS 34 "Interim Financial Reporting", issued by the International Accounting Standards Board ("IASB"), and show all relevant information pertinent to the interim financial statements which is consistent with the information used by management in carrying out its duties.

Therefore, the interim condensed consolidated financial statements on September 30, 2018 do not contain all explanatory notes and disclosures required by the accounting standards applicable to the annual financial statements, as its purpose is to provide an update on changes to the 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, 2017, issued on March 21, 2018 and available on the investor relations website (www.votorantim.com.br/ir).

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, 2017.

(b) Approval of the financial statements

The Board of Directors approved the condensed consolidated interim financial statements for issue on November 1, 2018.

2.2 Restatement of comparative figures

(a) Assets classified as held-for-sale

In accordance with IFRS 5/CPC 31 - "Non-current assets held-for-sale and discontinued operations", the Company reclassified certain cement operations from China and cement Cimentos Portland S.A. ("CEMPOR"), and from continuing operations to discontinued operations.

Also due to the application of IFRS 15/CPC 47 – "Revenue from contracts with customers", there were changes in accounting practices that resulted in reclassifications of the September 30, 2018, result, as described in Note 3.1.

	1/1/2017 to 9/30/2017							
	As prior presented	Impacts of reclassification of cement operations	Elimination of intragroup energy revenue	Reclassification of personnel expenses (VGE)	Reclassification of mineral exploration projects	Reclassification of CPC 47 / IFRS 15	Reclassification of long steel operations in Brazil	Balance restated
Continuing operations								
Net revenue from products sold and services rendered	19,954	(142)	(166)					19,646
Cost of products sold and services rendered	(15,285)	108	166	(9)		(690)		(15,710)
Gross profit (loss) profit	4,669	(34)		(9)		(690)		3,936
Operating income (expenses)								
Selling	(1,208)	2				690		(516)
General and administrative	(1,480)	10		9	18			(1,443)
Other operating income (expenses), net	(1,075)	200			(18)		253	(640)
	(3,763)	212		9		690	253	(2,599)
Operating profit before equity results and finance results	906	178					253	1,337
Results from equity investments								
Equity in the results of investees	931							931
Realization of other comprehensive income on disposal of investments	3							3
	934							934
Finance results, net								
Finance income	972	(1)					1	972
Finance costs	(1,989)	(1)						(1,990)
Income from derivative financial instruments	(260)							(260)
Foreign exchange, net	39	65						104
	(1,238)	63					1	(1,174)
Profit before income tax and social contribution	602	241					254	1,097
Income tax and social contribution								
Current	(482)							(482)
Deferred	407	1					(85)	323
Profit for the continuing operations	527	242					169	938
Discontinued operations								
Profit (loss) for the discontinued operations	1	(242)					(169)	(410)
Profit for the semester attributable to the owners	528							528
Profit attributable to the owners of the Company	479							479
Profit attributable to non-controlling interests	49							49
Profit for the semester	528							528
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	26.21							26.21
From continuing operations								
Basic and diluted earnings per thousand shares, in reais	26.16							26.16
From discontinued operations								
Basic and diluted loss per thousand shares, in reais	0.05	(13.23)					(9.25)	(22.43)

7/1/2017 to 9/30/2017

	As prior presented	Impacts of reclassification of cement operations	Elimination of intragroup energy revenue	Reclassification of personnel expenses (VGE)	Reclassification of mineral exploration projects	Reclassification of CPC 47 / IFRS 15	Reclassification of long steel operations in Brazil	Balance restated
Continuing operations								
Net revenue from products sold and services rendered	7,510	(56)	(71)					7,383
Cost of products sold and services rendered	(5,540)	42	71	(4)	26	(281)		(5,686)
Gross profit (loss) profit	1,970	(14)		(4)	26	(281)		1,697
Operating income (expenses)								
Selling	(447)	4		4	(26)	281		(184)
General and administrative	(512)	1						(511)
Other operating income (expenses), net	(542)						142	(400)
	(1,501)	5		4	(26)	281	142	(1,095)
Operating profit (loss) before equity results and finance results								
	469	(9)					142	602
Results from equity investments								
Equity in the results of investees	446	1						447
Realization of other comprehensive income on disposal of investments	(1)						1	
	445	1					1	447
Finance results, net								
Finance income	202							202
Finance costs	(727)						(1)	(728)
Income from derivative financial instruments	(173)							(173)
Foreign exchange, net	182	18						200
	(516)	18					(1)	(499)
Profit before income tax and social contribution	398	10					142	550
Income tax and social contribution								
Current	(278)							(278)
Deferred	386						(15)	371
Profit for the continuing operations	506	10					127	643
Discontinued operations								
Profit (loss) for the discontinued operations	13	(10)					(127)	(124)
Profit for the quarter attributable to the owners	519							519
Profit attributable to the owners of the Company								
	468							468
Profit attributable to non-controlling interests								
	51							51
Profit for the quarter	519							519
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	25.60							25.60
From continuing operations								
Basic and diluted earnings per thousand shares, in reais	24.89							24.89
From discontinued operations								
Basic and diluted loss per thousand shares, in reais	0.71	(0.54)					(6.95)	(6.78)

3 Changes in accounting policies and disclosures

Until the end of the third quarter, ending September 30, 2018, there were no changes in accounting standards and policies when compared to the last financial statements.

3.1 Transition of standards

3.1.1 CPC 47/IFRS 15 – “Revenue from contracts with customers”

The Company and its subsidiaries adopted IFRS 15 as of January 1, 2018. This resulted in changes in accounting practices linked to the performance obligation related to the freight delivery of products to customers and, consequently, resulted in changes in comparative balances.

According to the standard, the Company and its subsidiaries made the changes retrospectively in the balances originally presented on September 30, 2017, according to Note 2.2 – Restatement of comparative figures. On September 30, 2018, the amount reclassified was R\$ 690.

3.1.2 CPC 48/IFRS 9 - "Financial instruments: Recognition and measurement"

(i) Classification and measurement

The changes in accounting policies resulting from the adoption of IFRS 9/CPC 48 have been applied since January 1, 2018 and have not generated effects on the measurement of financial assets and liabilities of the Company and its subsidiaries.

The following table presents the IAS 39 original measurement categories versus the new IFRS 9 measurement categories for securities on January 1, 2018:

Original classification according to IAS 39	12/31/2017	New classification according to IFRS 9	12/31/2017
Trading	3.468	Fair value through profit or loss	3.468
Available for sale	68	Fair value through other comprehensive income	68
Held to maturity	51	Amortized cost	51
	<u>3.587</u>		<u>3.587</u>

(ii) Impairment

The Company and its subsidiaries adopted the new accounting standard as of January 1, 2018 and applied the simplified approach to recognize the expected credit loss for trade accounts receivable. The methodology for calculating the provision for losses is based on a risk matrix, which is composed of historical data of losses for all aging lists and prospective data, considering the securities to be matched.

The initial impact of adoption was a loss in the amount of R\$ 337 in the consolidated statements as from January 1, 2018, recognized in equity to the amount of R\$ 332, which was substantially composed by the adoptions made by Banco Votorantim S.A.

(iii) Hedge accounting

The Company and its subsidiaries analyzed the economic relationship, credit risk and the hedge ratio of the current net investment hedge operations and concluded that they will continue to qualify for hedge accounting with the adoption of IFRS 9/CPC 48. As this standard does not change the general principles of accounting of effective hedges, there was no impact as a result of the application of IFRS 9/CPC 48.

(iv) Liability management

The Company and its subsidiaries carried out debt renegotiations, in which the contractual terms were objects of debts swaps that did not involve financial settlements and were altered as a result. As their respective terms were not being substantially modified, the values were measured again to reflect the change in the accounting practices and effected in a decrease of R\$69 in the loans and financing balance as a counterpart of the gains in the financial results (Note 28).

3.1.3 CPC 6/IFRS 16 - "Leasing"

The Company and its subsidiaries will apply IFRS 16/CPC 6 as of January 1, 2019 and expect to disclose the quantitative effect of the adoption and its approach on the transition date.

4 Critical accounting estimates and judgments

In the period ended September 30, 2018, there were no changes in estimates and assumptions that present a significant risk and probability of causing material adjustments to the carrying amounts of assets and liabilities for the current fiscal year, compared to those detailed in the latest annual financial statements.

5 Financial risk management

5.1 Financial risk factors

(a) Foreign-exchange risk

The Company has certain investments in foreign operations, the net assets of which are exposed to foreign-exchange risk. Foreign-exchange exposure arising from the Company's foreign operations is mainly hedged by borrowings in the same currency of these investments, being classified as net investment hedges.

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

	Note	9/30/2018	12/31/2017
Assets denominated in foreign currency			
Cash and cash equivalents	7	5,555	6,062
Trade receivables		1,772	1,192
Derivative financial instruments		513	189
Financial investments	8	324	326
Related parties		68	67
		8,232	7,836
Liabilities denominated in foreign currency			
Borrowing (*)		21,675	17,817
Trade payables		2,429	1,955
Confirming payables	19	737	761
Derivative financial instruments		416	382
Deferred revenue - silver streaming		823	734
		26,080	21,649
Net exposure		(17,848)	(13,813)

(*) Does not consider new borrowing costs.

(b) Liquidity risk

The following table analyzes the Company's principal financial liabilities by maturity, corresponding to the period remaining in the balance sheet 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 flows. The amounts disclosed in the table are the undiscounted contractual cash flows, and 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	Total
At September 30, 2018							
Borrowing (*)		3,547	6,675	8,430	10,373	8,948	37,973
Derivative financial instruments		278	99	39			416
Confirming payables	19	1,029					1,029
Trade payables		4,156					4,156
Dividends payable	13	51					51
Related parties		20					20
Use of public assets		78	308	506	2,130	1,541	4,563
		9,159	7,082	8,975	12,503	10,489	48,208
At December 31, 2017							
Borrowing (*)		3,603	5,531	6,970	12,941	7,931	36,976
Derivative financial instruments		310	63	9			382
Confirming payables	19	909					909
Trade payables		3,514					3,514
Dividends payable	13	188					188
Related parties		19	6				25
Use of public assets		79	170	192	591	1,637	2,669
		8,622	5,770	7,171	13,532	9,568	44,663

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

5.1.1 Derivatives contracted

(a) Effect of the derivative financial instruments in the balance sheet and cash flow

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

Programs	Principal Value			Purchase/ sale	Average FWD rate	Average term (days) of maturity	Fair value		Realized gain (loss)		Fair value by maturity				
	9/30/2018	12/31/2017	As per unit				9/30/2018	12/31/2017	9/30/2018	2018	2019	2020	2021	2022	2023+
Sales at a fixed price															
Zinc forward	7,266	2,318	ton	P	2,679 USD/ton	67	(3.5)	2.1	(4.3)	(2.9)	(0.6)				
							(3.5)	2.1	(4.3)	(2.9)	(0.6)				
Hedging instruments for mismatches of quotation quarter															
Zinc forward	148,772	281,397	ton	P/S		23	(11.0)	(16.3)	(6.9)	(11.0)					
Silver forward		238	k oz (*)	P/S				0.6	0.2						
Aluminum forward	5,650	6,850	ton	P/S		43	(0.4)	(0.2)	3.8	(0.3)	(0.1)				
							(11.4)	(15.9)	(2.9)	(11.3)	(0.1)				
Hedging instruments for the operating margin of metals															
Aluminum forward	13,750	18,970	ton	S	2,082 USD/ton	1	3.2	(21.9)		3.2					
USD forward	29	33	USD	S	3.35 BRL/USD	1	(21.8)	8.9		(21.8)					
							(18.6)	(13.0)		(18.6)					
Hedging instruments for foreign exchange exposure															
USD forward		451	USD	P	BRL/USD			(21.2)	8.0						
Turkish lira forward	8	26	USD	P	6.11 TRY/USD	114	2.3	0.4	0.1		2.3				
							2.3	(20.8)	8.1		2.3				
Hedging instruments for debts															
TJLP floating rate vs. CDI floating rate swaps		28	BRL					1.0	1.3						
LIBOR floating rate vs. CDI floating rate swaps	373	254	USD		107.47% % CDI	1,150	209.7	42.4	28.5	(2.7)	(35.1)	5.9	106.1	(15.1)	150.6
USD fixed rate vs. CDI floating rate swaps		50	USD					(42.7)	(49.1)						
LIBOR floating rate vs. COP fixed rate swaps	10		USD		5.45% Pré COP	68	1.4		(0.3)	1.4					
							211.1	0.7	(19.6)	(1.3)	(35.1)	5.9	106.1	(15.1)	150.6
							179.9	(46.9)	(18.7)	(34.1)	(33.5)	5.9	106.1	(15.1)	150.6

(*) k oz - Ounces troy

Programs	Principal Value		As per unit	Purchase/ sale	Average FWD rate	Average term (days) of maturity	Fair value		Realized	Fair value by maturity														
	9/30/2018	12/31/2017					9/30/2018	12/31/2017	gain (loss)	2018	2019	2020	2021	2022	2023+									
Hedge accounting - cash flow hedge																								
Hedging instruments for the operating margin of metals																								
Aluminum forward	149,250	165,175	ton	S	2,167	USD/ton	183	55.3	(143.2)	(95.2)	3.1	52.1												
USD forward	323,455	334	USD	S	4	BRL/USD	183	(138.3)	0.1	(27.4)	(37.9)	(100.3)												
								(83.0)	(143.1)	(122.6)	(34.8)	(48.2)												
Hedging instruments for mismatches of quotation quarter																								
Zinc forward	29,683	58,800	ton	P/S			58	9.7	9.9	(7.2)	9.7													
Silver forward		265	k oz (*)	P/S					(0.2)	1.0														
								9.7	9.7	(6.2)	9.7													
Hedge accounting - fair value hedge																								
Sales at a fixed price																								
Zinc forward	1,109	202	ton	P	2,265	USD/ton	139	0.3	0.1	(1.4)		0.3												
								0.3	0.1	(1.4)		0.3												
Hedging instruments for mismatches of quotation quarter																								
Zinc forward	51,851	93,003	ton	P/S			45	(9.3)	(11.4)	100.8	(9.3)													
								(9.3)	(11.4)	100.8	(9.3)													
								(82.3)	(144.7)	(29.4)	(34.4)	(47.9)												
								97.6	(191.6)	(48.1)	(68.5)	(81.4)	5.9	106.1	(15.1)	150.6								

(*) oz - Ounces troy

At September 30, 2018, the transactions involving derivative financial instruments recognized in “Carrying value adjustments” amounted to R\$ 76. Besides this, there are hedge accounting operations, which amounted to R\$ (82), in the subsidiaries not consolidated recognized in “Carrying value adjustments”.

(b) Effect of financial derivative instruments on the financial results

The chart below shows the impact of financial derivatives on the financial result of the period:

Programs	Fair value	Gain (loss) realized	Total
Hedging instruments for foreign exchange exposure			
USD forward	21.2	8.0	29.2
Turkish lira forward	1.9	0.1	2.0
	23.1	8.1	31.2
Hedging instruments for debts			
TJLP vs. CDI floating rate swaps	(1.0)	1.3	0.3
LIBOR floating rate vs. CDI floating rate swaps	167.3	28.5	195.8
USD fixed rate vs. CDI floating rate swaps	42.7	(49.1)	(6.4)
LIBOR floating rate vs. COP fixed rate swaps	1.4		
	210.4	(19.6)	190.8
Effect on the finance results	233.5	(11.5)	222.0

5.1.2 Hedge of net investments in foreign operations

The hedged items that the Company and its subsidiaries designated as a calculation tool refer to the investments shown in the table below, as well as a portion of its debts and those of its subsidiaries Companhia Brasileira de Alumínio ("CBA"), Nexa Mineral Resources S.A. ("Nexa BR") and VCSA, denominated in Euros and US Dollars.

	9/30/2018		12/31/2017	
	Investment	Debt	Investment	Debt
Nexa Resources Cajamarquilla S.A.	4,898	5,838	2,825	2,981
Votorantim Cement North America Inc.	3,337	5,014	2,170	4,219
Votorantim Cimentos EAA Inversões, S.L.	1,638	2,655	1,722	2,264

The foreign exchange loss on the conversion of debts, net of income tax and social contribution, recognized as "Equity valuation adjustments" on September 30, 2018, was R\$ 1,322 (September 30, 2017, gain of R\$ 91) (Note 23 (c)).

The Company documents and evaluates the effectiveness of the investment hedge operations on a monthly basis, as required by IFRS 9 - "Financial Instruments: Recognition and Measurement".

5.1.3 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 of the US Dollar, Euro, Turkish Lira, New Peruvian Sun, Argentine Peso and Bolivian, LIBOR, CDI, US Dollar coupon, commodity prices and electricity purchase and sale contracts. The scenarios for these factors are prepared using market sources and specialized sources, following the Company's governance.

The scenarios as at September 30, 2018 are described below:

Scenario I - Considers a shock in the market curves and quotations at September 30, 2018, according to the base scenario defined by management for December 31, 2018;

Scenario II - Considers a shock of + or - 25% in the market curves at September 30, 2018;

Scenario III - Considers a shock of + or - 50% in the market curves at September 30, 2018.

Risk factors	Cash and cash equivalents and financial investments (i)	Borrowing and related parties (i)	Derivative financial instruments/As per unit	Changes from 9/30/2018	Impacts on profit (loss)					Impacts on comprehensive income				
					Scenario I		Scenarios II & III			Scenario I		Scenarios II & III		
					Results of scenario I	-25%	-50%	+25%	+50%	Results of scenario I	-25%	-50%	+25%	+50%
Foreign exchange rates														
USD	5,193	17,682 (*)	733 USD million	-3.8%	(18)	(114)	(228)	114	228	485	3,153	6,305	(3,153)	(6,305)
EUR	128	3,321		-4.0%	(2)	(12)	(25)	12	25	131	811	1,622	(811)	(1,622)
PEN	99			-4.5%	(4)	(23)	(47)	23	47		(1)	(3)	1	3
BOB	48	491		-4.7%						21	111	221	(111)	(221)
TRY	25	169		-10.6%	(3)	(6)	(13)	6	13	18	42	84	(42)	(84)
ARS	29			-7.0%		(1)	(2)	1	2	(2)	(6)	(13)	6	13
Interest rates														
BRL - CDI	4,119	2,829	2,912 BRL million			(15)	(29)	15	29		9	19	(9)	(18)
USD - LIBOR		1,125	1,326 USD million	26 bps	4	(17)	(33)	17	33	(1)	4	8	(4)	(7)
US Dollar coupon			725 USD million	1 bps	(105)	43	88	(40)	(77)	17	(3)	(6)	3	6
Price of commodities														
Zinc			238,681 ton	-0.9%	6	156	313	(156)	(313)	(1)	(19)	(39)	19	39
Aluminum			168,650 ton	2.7%		3	6	(3)	(6)	(33)	306	611	(306)	(611)
Firm commitment - electric energy														
Sale and purchase agreements - fair value			31 BRL million			2	4	(4)	(5)					

(*) Considers baskets of currencies

- (i) The balances presented do not reconcile with the cash and cash equivalents, financial investments, related parties and borrowing notes, as the analysis only covers the most significant currencies and the interest rates cover only the principal value.

6 Credit quality of financial assets

	9/30/2018			12/31/2017		
	Local rating	Global rating	Total	Local rating	Global rating	Total
Cash and cash equivalents						
AAA	1,193		1,193			
AA+	10		10	376		376
AA	5	866	871	70		70
AA-	20	273	293	2,452	464	2,916
A+		213	213		2,233	2,233
A		1,692	1,692		847	847
A-		316	316		393	393
BBB+		546	546		391	391
BBB		164	164		458	458
BBB-		387	387		58	58
BB		88	88		140	140
B-		22	22		77	77
B+		56	56		21	21
B		14	14			
Unrated (i)		889	889		980	980
	1,228	5,526	6,754	2,898	6,062	8,960
Financial investments						
AAA	2,217		2,217			
AA+	152		152	867		867
AA	71		71	30		30
AA-	514		514	2,315	14	2,329
A+	19	164	183	3	168	171
A		87	87		25	25
A-		70	70	18	2	20
BBB+					21	21
B-		3	3		50	50
Unrated (ii)	8		8	28	46	74
	2,981	324	3,305	3,261	326	3,587
Derivative financial instruments						
AAA	302		302	30		30
AA+				7		7
AA		20	20			
AA-	1		1	69	17	86
A+		44	44		11	11
A		50	50		1	1
Unrated (i)	97		97	55		55
	400	114	514	161	29	190
	4,609	5,964	10,573	6,320	6,417	12,737

The local and global ratings were obtained from 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 Financial Policies of the Company.

- (i) Refers to values invested in offshore banks, which are not rated by any rating agency.
- (ii) Refers to Grupo Votorantim's exclusive investment funds (Credit Receivables Investment Funds – "FIDCs"), which are not rated by any rating agency.

7 Cash and cash equivalents

Cash and cash equivalents in local currency include deposits in current bank accounts and government securities (overnight operations) or financial institutions, indexed to the interbank deposit rate. Cash equivalents in foreign currency are mainly composed of financial instruments in local currency.

	9/30/2018	12/31/2017
Local currency		
Cash and banks	16	14
Bank Deposit Certificates - "CDBs"	110	534
Repurchase agreements - private securities		165
Repurchase agreements - public securities	1,072	2,185
	1,198	2,898
Foreign currency		
Cash and banks	4,403	3,516
Bank Deposit Certificates - "CDBs"	127	1,503
Repurchase agreements - private securities	5	
Time deposits	1,021	1,043
	5,556	6,062
	6,754	8,960

8 Financial investments

Most financial investments have immediate liquidity however, they are classified as financial investments based on the original maturities, considering the intended allocation of funds. The investments in national currency comprise government securities or financial institutions indexed to the interbank deposit rate. Foreign currency-denominated investments consist mainly of fixed-income financial instruments in local currency (time deposits).

	9/30/2018	12/31/2017
Fair value through profit or loss		
Bank Deposit Certificates - "CDBs"	912	543
Financial Treasury Bills - "LFTs"	1,637	961
Repurchase agreements - public securities	32	605
Repurchase agreements - private securities	316	1,048
Investment fund quotas	10	29
Financial investments in foreign currency	324	282
	3,231	3,468
Fair value through other comprehensive income		
Bank Deposit Certificates - "CDBs"	74	68
	74	68
Amortized cost		
Financial Treasury Bills - "LFTs"		7
Financial investments in foreign currency		44
		51
	3,305	3,587
Current	3,283	3,562
Non-current	22	25
	3,305	3,587

9 Trade receivables

(a) Breakdown

	Note	9/30/2018	12/31/2017
Trade receivables - Brazil		1,647	1,296
Trade receivables - foreign customers		1,808	1,231
Related parties	13	32	53
		3,487	2,580
Allowance for doubtful accounts		(181)	(159)
		(181)	(159)
		3,306	2,421

(b) Aging of trade receivables

	9/30/2018	12/31/2017
Current	2,930	1,975
Up to three months past due	215	326
Three to six months past due	40	32
Over six months past due	302	247
	3,487	2,580

10 Inventory

	9/30/2018	12/31/2017
Finished products	1,076	749
Semi-finished products	1,595	1,482
Raw materials	785	624
Auxiliary materials and consumables	883	856
Imports in transit	163	205
Other	131	84
Provision for inventory losses	(525)	(474)
	4,108	3,526

11 Taxes recoverable

	9/30/2018	12/31/2017
Corporate Income Tax ("IRPJ") and Social Contribution on Net Income ("CSLL")	1,659	1,524
State Value-added Tax on Sales and Services ("ICMS")	543	465
Social Contribution on Revenue ("COFINS")	374	379
Value-added Tax ("VAT") (foreign companies)	377	265
Withholding Income Tax ("IRRF")	118	69
Social Integration Program ("PIS")	83	85
State VAT on Sales and Services on PP&E	59	66
"IRPJ/CSLL" - "Plano Verão"	30	81
Excise Tax ("IPI")	29	32
Other	96	135
	3,368	3,101
Current	1,618	1,317
Non-current	1,750	1,784
	3,368	3,101

12 Financial instruments – put option

In the period ended September 30, 2018, VS became a subsidiary of AMB. Under the agreement between the parties, VSA holds a minority interest of 15% of AMB's combined long steel business in compliance with accounting rules, this interest was recognized as a financial instrument, in accordance with CPC 48 - "Financial instruments". The change in the fair value of this operation in the third quarter of 2018 resulted in a net gain of R\$ 86, recorded under "Financial results, net" (Note 28).

13 Related parties

Assets	Trade receivables		Dividends receivable		Non-current assets	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Related companies and joint ventures						
Cementos Avellaneda S.A.	4	12				
Cementos Granadilla S.L.	2	1			7	6
Banco Votorantim S.A.				55		
Cementos Especiales De Las Islas, S.A.				11		
Citrosuco S.A. Agroindústria (i)	1	23			159	86
Citrosuco GmbH (i)					52	43
Fibria Celulose S.A.	6	12		76	1	1
Supermix Concreto S.A.	18	5				
Ventos de São Vicente Energias Renováveis S.A. (ii)					83	
Others	1		1	6	9	7
	32	53	1	148	311	143
Current	32	53	1	148		
Non-current					311	143
	32	53	1	148	311	143

- (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 contractual rules laid down in the shareholder agreement and the closing memorandum signed between Fischer S.A. – Comércio, Indústria e Agricultura and Votorantim.
- (ii) Balance receivable by the subsidiary Votorantim Comercializadora de Energia Ltda. - ("Votener"), referring to capital reduction of its investee held on October 4, 2017.

Liabilities	Trade payables		Dividends payable		Non-current liabilities	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Parent company						
Hejoassu Administração S.A.			2	140		
Related companies and joint ventures						
Fibria Celulose S.A.	21	3				1
Superior Building Materials LLC	5	1				
Others	27	4			20	24
	53	8	2	140	20	25
Non-controlling interests			49	48		
Current	53	8	51	188		
Non-current					20	25
	53	8	51	188	20	25

Profit and loss	Sales (purchases), net		Finance income (expenses), net	
	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
Related companies and joint ventures				
Cementos Avellaneda S.A.		36		
Cementos Especiales De Las Islas, S.A.		19		
Cementos Granadilla S.L.		16	10	
Citrusuco S.A. Agroindústria		24	22	5
Fibria Celulose S.A.		38	100	
Midway Group, LLC		21	3	
Supermix Concreto S.A.		155	126	
Superior Materials Holdings, LLC		48	40	
Others		16	31	(2)
		373	332	(2)
				7

14 Financial instruments – firm commitment

The Company, through its subsidiary Votener, operates in the Regulated Contracting Environment ("ACR") and participated in the 13th electric power purchase auction on April 30, 2014, in which, through a firm commitment, it made sales until December 2019. These transactions, on initial recognition, resulted in gains from the sale of surplus energy to the Company, which was recognized at fair value. The net difference of expenses and revenues generated by the realization of the fair value, through the physical settlement of the sale and purchase agreements, was recognized as an expense in the amount of R\$ (108) in "Other operating income (expenses), net" (Note 27).

In addition, the other operations carried out by the subsidiaries in the Free Contracting Environment ("ACL"), which meet the definition of a financial instrument, were likewise recognized at fair value. The realization of the fair value in the amount of R\$ 8 was recognized as an expense in "Other operating income (expenses), net" (Note 27).

The values quoted above have the following composition:

	ACR				ACL			1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
	Votorantim		Total	Votorantim Cimentos	Votorantim		Total		
	CBA	Energia				CBA		Energia	
Realization	(87)	(25)	(112)		(8)	(38)	(46)	(158)	(208)
Recognition				(16)	24	46	54	54	(32)
Constitution (reversal)	3	1	4					4	(107)
	(84)	(24)	(108)	(16)	16	8	8	(100)	(347)

The chart below presents the composition of equity balances:

	ACR			ACL			9/30/2018	12/31/2017
	Votorantim CBA	Votorantim Energia	Total	Votorantim Cimentos	Votorantim CBA	Votorantim Energia		
Assets								
Current	113	34	147		4	33	37	210
Non-current	28	8	36					154
	141	42	183		4	33	37	364
Liabilities								
Current				(8)			(8)	(1)
Non-current				(29)	(33)	(94)	(156)	(207)
				(37)	(33)	(94)	(164)	(208)

15 Investments

(a) Breakdown

	Percentage of total and voting capital		Headquarters	Main activity
	9/30/2018	12/31/2017		
Main non-consolidated companies				
Associates				
Cementos Avellaneda S.A.	49.00	49.00	Argentina	Cement
Alunorte - Alumina do Norte S.A.	3.03	3.03	Brazil	Mining
Mineração Rio do Norte S.A.	10.00	10.00	Brazil	Mining
Supermix Concreto S.A.	25.00	25.00	Brazil	Cement
IMIX Empreendimentos Imobiliários Ltda.	25.00	25.00	Brazil	Mining
Cementos Especiales de las Islas S.A.	50.00	50.00	USA	Cement
Joint ventures				
Citrosuco GmbH	50.00	50.00	Austria	Agribusiness
Banco Votorantim S.A.	50.00	50.00	Brazil	Finance
Citrosuco S.A. Agroindústria	50.00	50.00	Brazil	Agribusiness
Fibria Celulose S.A. (i)		29.42	Brazil	Wood pulp
VTRM Energia Participações S.A. (ii)	50.00	100.00	Brazil	Energy
Hutton Transport Ltda.	25.00	25.00	Canada	Transportation
Midway Group, LLC.	50.00	50.00	USA	Cement
Superior Materials Holdings, LLC	50.00	50.00	USA	Cement
RMC Leasing, LLC.	50.00		USA	Equipament leasing
Cemento Portland S.A. (i)		50.00	Peru	Cement

- (i) According to Note 30, the companies has been reclassified to assets held-for-sale, however, the conclusion of the Fibria's Transaction is subject to the usual pre-conditions for this type of operation, including the approval by certain competition authorities.
- (ii) Formation of a joint venture involving subsidiary VGE and CPPIB, serving as an investment platform related to the acquisition and development of new renewable energy generation assets in Brazil, as described in Note 1.1 (c).

(b) Changes in investments and information about the companies investees

	Changes in investments										Information about the companies investees		
	Opening balance for the period	Equity in the results of investees	Exchange variation	Fair value of asset available for sale	Initial adoption of IFRS 9 (iv)	Cash flow hedge	Constitution of joint venture (v)	Gain by adjustment to fair value in VTRM's operation (i)	Reclassification on for assets held for sale	Closing balance for the period	Equity	Profit (loss) for the period	Total and voting capital (%)
Investments accounted for based on the equity method - Associates													
Cementos Avellaneda S.A.	251	85	(132)							204	417	174	49.00%
Alunorte - Alumina do Norte S.A.	135	(23)								112	3,675	(774)	3.03%
Mineração Rio do Norte S.A.	83	(4)							5	85	850	(35)	10.00%
Supermix Concreto S.A.	62	(3)								59	237	(11)	25.00%
IMIX Empreend. Imobiliários Ltda.	6	1							(4)	3	12	4	25.00%
Cementos Especiales De Las Islas, S.A.	69	8	13							90	179	16	50.00%
Outros	251		2						(4)	248			
	857	64	(117)						(3)	801			
Joint ventures													
Citrosuco GmbH (i)	2,120	124	430							2,674	3,540	298	50.00%
Banco Votorantim S.A. (ii)	5,111	408		(61)	(332)					5,126	9,261	815	50.00%
Citrosuco S.A. Agroindústria (i)	1,029	(244)	12			(82)			4	719	498	(433)	50.00%
Fibria Celulose S.A. (iii)	4,116	181	1						2	(4,300)	16,212	1,528	29.46%
Hutton Transport Ltda.	18	2	3						(3)	20	81	9	25.00%
VTRM Energia Participações S.A. (i) (vi)		10					509	147		666	1,036	3	50.00%
Midway Group, LLC.	14		3							17	34	1	50.00%
Superior Materials Holdings, LLC.	53	17	10						(9)	71	142	34	50.00%
RMC Leasing LLC.			1						9	10	20		50.00%
Cimento Portland S.A.	54		8							(61)	1	(3)	
	12,515	498	468	(61)	(332)	(82)	509	147	3	(4,361)	9,304		
1/1/2018 to 9/30/2018	13,372	562	351	(61)	(332)	(82)	509	147		(4,361)	10,105		
1/1/2017 to 9/30/2017	12,949	931	(98)	21		1			5	(234)	13,575		

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

	Goodwill		Added value	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
Citrosuco S.A. Agroindústria	194	194	276	313
Citrosuco GmbH	145	145	759	629
VTRM Energia Participações S.A.			147	

- (ii) The investment considers the adjustment of the added value, in the amount of R\$ 495 (September 30, 2017 - R\$ 495).
- (iii) The investment includes the addition of R\$ 6 referring to the percentage of treasury shares and eliminated unrealized profit which were the result of an exchange of land with the Company, in the amount of R\$ 178 (September 30, 2017 - R\$ 178). The equity was recognized until March 31, 2018, date which the investment was classified as available for sale.
- (iv) Refers to the initial adoption of IFRS 9 as recognized in Banco Votorantim's shareholders' equity (Note 3.1.2).
- (v) Adjustment of investments by VTRM's operation (Note 1.1 (c)).
- (vi) Up to May 29, 2018, VGE held a 100% interest in the VTRM investee, recognizing the equity accounting result corresponding to this holding. As of that date, it now holds a 50% interest due to the operation (Note 1.1 (c)).

16 Property, plant and equipment

(a) Breakdown and changes

	1/1/2018 to 9/30/2018									1/1/2017 to 9/30/2017	
	Land and improvements	Buildings and construction	Machinery, equipment and facilities	Vehicles	Furniture and fittings	Construction in progress	ARO (i)	Leasehold improvements	Other	Total	Total
Opening balance for the period											
Cost	1,959	10,467	34,103	1,121	191	2,793	812	456	444	52,346	49,528
Accumulated depreciation	(58)	(4,232)	(19,722)	(918)	(145)		(442)	(251)	(355)	(26,123)	(24,437)
Net opening balance for the period	1,901	6,235	14,381	203	46	2,793	370	205	89	26,223	25,091
Additions	3	12	44	1	1	1,386			1	1,448	1,971
Disposals	(17)	(13)	(51)		(1)				(4)	(86)	(135)
Depreciation	(5)	(260)	(1,146)	(51)	(7)		(24)	(15)	(11)	(1,519)	(1,320)
Foreign exchange variation	125	224	682	18	2	210	23	36		1,320	(104)
Effect of subsidiaries included in (excluded from) consolidation	8	(122)	(1,058)	1			12	(5)	(7)	(1,171)	(6)
Reversal (constitution) for impairment	(1)	2	27						(13)	15	17
Revision of estimated cash flow							15			15	
Reclassification to assets classified as held-for-sale											(334)
Transfers (ii)	39	91	1,173	48	9	(1,464)		9	(31)	(126)	(19)
Closing balance for the period	2,053	6,169	14,052	220	50	2,925	396	230	24	26,119	25,161
Cost	2,117	10,889	36,531	1,259	216	2,925	882	539	375	55,733	50,030
Accumulated depreciation	(64)	(4,720)	(22,479)	(1,039)	(166)		(486)	(309)	(351)	(29,614)	(24,869)
Net closing balance for the period	2,053	6,169	14,052	220	50	2,925	396	230	24	26,119	25,161
Average annual depreciation rates - %	1	3	9	17	10			9	14		

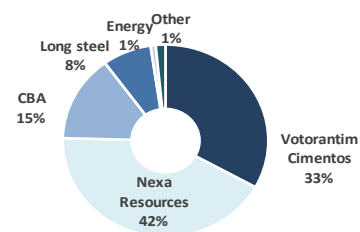
(i) Asset Retirement Obligation.

(ii) The transfers related to the reclassification from “Construction in progress” within “Property, plant and equipment” to “Software” and “Rights to use natural resources”, within “Intangible assets”.

(b) Construction in progress

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

Segment	9/30/2018	12/31/2017
Votorantim Cimentos	967	1,360
Nexa Resources	1,239	779
CBA	426	368
Long steel	225	195
Energy	23	20
Other	45	71
	2,925	2,793



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

Votorantim Cimentos	9/30/2018	12/31/2017
Sustaining	270	209
Modernization	128	66
Cement production capacity expansion - North America	109	462
New lines of co-processing	76	67
Environment and security	56	86
Cement grinding - Pecém - Brazil	39	39
Geology and mining rights	14	37
Hardware and software	13	28
Other	262	366
	967	1,360

Nexa Resources	9/30/2018	12/31/2017
Sustaining	406	261
Expansion and modernization projects	396	212
Security, Health and environment projects	380	244
Information technology	38	24
Other	19	38
	1,239	779

CBA	9/30/2018	12/31/2017
Rondon Bauxite projects	123	111
Furnace refurbishment	90	75
Revitalization and adequacy of power plant	43	51
Automation system modernization	36	32
Alumina factory project	30	25
Furnace rooms project	21	18
Plastic transformation and foundry projects	20	26
Other	63	30
	426	368

Long steel	9/30/2018	12/31/2017
Revitalization and adaptation of plant - Argentina and Colombia	168	168
Security projects, health and environment projects - Colombia	19	8
Information technology	3	
Other	35	19
	225	195

Energy	9/30/2018	12/31/2017
Corumbá project	19	16
Other	4	4
	23	20

17 Intangible assets

(a) Breakdown and changes

									1/1/2017 to 1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017	
	Note	Rights over natural resources	Goodwill	ARO (i)	Use of public assets	Contracts, customer relationships and agreements	Software	Rights over trademarks and patents	Other	Total	Total
Opening balance for the period											
Cost		8,693	4,863	318	540	235	593	485	782	16,509	17,509
Accumulated amortization		(2,851)		(115)	(179)	(156)	(477)	(313)	(343)	(4,434)	(4,496)
Net opening balance for the period		5,842	4,863	203	361	79	116	172	439	12,075	13,013
Additions		1	91	12					4	108	65
Disposals		(11)								(11)	(273)
Amortization and depletion		(310)		(11)	(14)	(11)	(31)	(3)	(6)	(386)	(410)
Foreign exchange variation		977	855	14		16	11	4	108	1,985	(148)
Reclassification from assets classified as held-for-sale											(336)
Effect of subsidiaries included in (excluded from) consolidation	1.1 (c)	(46)								(46)	27
Reversal for impairment		1								1	13
Revision of estimated cash flow											99
Changes in the interest rate											(2)
Transfers		45		(1)			84	(1)	(1)	126	19
Closing balance for the period		6,499	5,809	217	347	84	180	172	544	13,852	12,067
Cost		10,119	5,809	354	540	285	739	544	951	19,341	16,669
Accumulated amortization		(3,620)		(137)	(193)	(201)	(559)	(372)	(407)	(5,489)	(4,602)
Net closing balance for the period		6,499	5,809	217	347	84	180	172	544	13,852	12,067
Average annual amortization and depletion rates - %		16			7	7	6	10	10		

(i) Asset Retirement Obligation.

18 Borrowing

(a) Breakdown and fair value

Type	Average annual charges	Current		Non-current		Total		Fair value	
		9/30/2018	12/31/2017	9/30/2018	12/31/2017	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Local currency									
Debentures	110.75% CDI	84	1,288	2,714	3,257	2,798	4,545	3,010	4,599
BNDES	TJLP + 2.41% / 4.60% fixed rate BRL / SELIC + 2.67%	200	486	459	1,410	659	1,896	603	1,774
Development promotion agency	8.54% fixed rate BRL / TJLP + 0.65%	47	41	194	208	241	249	226	238
FINAME	4.82% fixed rate BRL	21	23	74	91	95	114	84	102
Export credit notes			3		100		103		105
Other		14	16	10	11	24	27	21	26
		366	1,857	3,451	5,077	3,817	6,934	3,944	6,844
Foreign currency									
Eurobonds - USD	6.11% fixed rate USD	1,507	156	13,260	11,948	14,767	12,104	14,567	12,877
Loans - Law 4131 (i)	LIBOR + 1.06% / 4.04% fixed rate USD	7	176	1,313	763	1,320	939	1,324	944
Eurobonds - EUR	3.40% fixed rate EUR	21	37	2,598	2,246	2,619	2,283	2,677	2,415
Syndicated loan/bilateral agreements	EURIBOR + 2.00% / LIBOR + 1.10% / 5.83% fixed rate	474	123	1,081	1,192	1,555	1,315	1,551	1,320
Export prepayments	LIBOR + 1.27%	7	1	789	659	796	660	836	709
BNDES	UMBNDDES + 2.44%	33	112	22	37	55	149	57	152
Export credit notes			1		104		105		107
Working capital	IBR + 3.21% / 9.25% fixed rate INR / 7.38% fixed rate COP/ LIBOR + 0.75%	129	96			129	96	130	98
Development promotion agency	LIBOR + 1.10%	33		217		250		263	
Other		16	14	29	31	45	45	45	43
		2,227	716	19,309	16,980	21,536	17,696	21,450	18,665
		2,593	2,573	22,760	22,057	25,353	24,630	25,394	25,509
Current portion of long-term borrowing		1,855	1,743						
Interest on borrowing		413	365						
Short-term borrowing		325	465						
		2,593	2,573						

- (i) Loans relating to Law 4131/1962 have swaps that are indexed to both exchange rates (LIBOR and fixed rates for floating CDI rates) and currency (USD for BRL), 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 USD + swap to a % of 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 at fair value, and the effect of this designation is the measurement of debt at fair value through profit or loss, according to Note 28.

Key:

BNDES	– National Bank for Economic and Social Development.
BRL	– Brazilian real.
CDI	– Interbank Deposit Certificate.
COP	– Colombian Peso
EUR	– European euro.
EURIBOR	– Euro Interbank Offered Rate.
FINAME	– Government Agency for Machinery and Equipment Financing.
IBR	– Interbank Rate (Colombia).
INR	– Indian Rupee
LIBOR	– London Interbank Offered Rate.
SELIC	– Special System for - Clearance and Custody.
TJLP	– Long-Term Interest Rate, fixed by the National Monetary Council. Until December 2017, the TJLP was the basic cost of BNDES financing. As of January 2018, the Long-Term Rate (“TLP”) became the main financial cost of BNDES financing.
UMBDES	– Monetary unit of the BNDES reflecting the weighted basket of currencies of foreign currency debt obligations. At September 30, 2018, 99% of the basket consisted of USD.
USD	– United States dollar.

(b) Changes

	Note	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
Opening balance for the period		24,630	24,419
New borrowing		2,924	4,393
Foreign exchange variation		3,516	(218)
Interest		1,066	1,241
Addition of borrowing fees, net of amortization		19	(8)
Fair value adjustment		(11)	58
Payments - interest		(1,002)	(1,154)
Effect of subsidiaries included in consolidation	1.1 (c)	(908)	
Payments - principal		(4,812)	(3,818)
Gain on debt renegotiation	3.1.2 (iv)	(69)	
Closing balance for the period		25,353	24,913

(c) New borrowing and amortizations

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

The main funding and amortizations made in the nine month period ended September 30, 2018 were as follows:

New borrowing

Date	Company	projects	Currency	Principal	Principal BRL	Maturity	Cost
Mar-18	Votorantim Cimentos S.A.	Law 4131/1962	USD	100	325	2023	112.00% CDI
May-18	Nexa Resources S.A.	Export Prepayment	USD	200	737	2023	LIBOR 6M + 1.27%
May-18	Votorantim Cimentos N/NE S.A.	Debentures	BRL	450	450	2023	110.00% CDI
Jun-18	Nexa Resources S.A.	Development Agency	USD	63	240	2026	LIBOR 6M + 1.10%
Aug-18	Votorantim S.A.	Debentures	BRL	550	550	2024	112.00% CDI

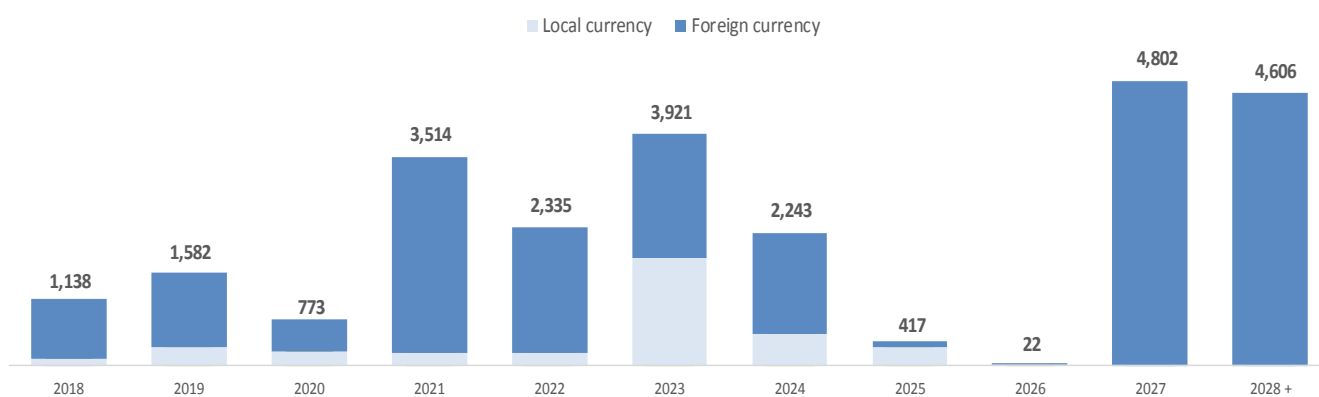
Amortizations

Date	Company	Type	Currency	Principal	Principal BRL	Maturity	Observation
Jan-18	Votorantim Cimentos S.A.	Debentures	BRL	(500)	(500)	2022	Prepayment
Jan-18	Votorantim Cimentos S.A.	Debentures	BRL	(44)	(44)	2022	Prepayment
Jan-18	Votorantim Cimentos S.A.	Debentures	BRL	(63)	(63)	2022	Prepayment
Jan-18	Votorantim Cimentos S.A.	Debentures	BRL	(94)	(94)	2022	Prepayment
Jan-18	Votorantim Cimentos S.A.	Law 4131/1962	USD	(50)	(161)	2020	Prepayment
Jan-18	Votorantim Cimentos S.A.	BNDES	BRL	(211)	(211)	2018 / 2019 / 2020	Prepayment
Mar-18	Nexa Recursos Minerais S.A.	Export credit notes	BRL	(100)	(100)	2018	
Mar-18	Nexa Recursos Minerais S.A.	Export credit notes	USD	(31)	(102)	2018	
Apr-18	Votorantim Cimentos S.A.	Debentures	BRL	(148)	(148)	2024	Prepayment
Apr-18	Votorantim Cimentos S.A.	Debentures	BRL	(200)	(200)	2023	Prepayment
May-18	Nexa Resources S.A.	Export Prepayment	USD	(100)	(366)	2018	
May-18	Nexa Resources S.A.	Export Prepayment	USD	(40)	(149)	2023	Prepayment
May-18	Nexa Resources S.A.	Export Prepayment	USD	(60)	(224)	2022	Prepayment
Jun-18	Votorantim Cimentos S.A.	Debentures	BRL	(158)	(158)	2023	Prepayment
Jun-18	Votorantim Cimentos S.A.	Debentures	BRL	(294)	(294)	2025	Prepayment
Aug-18	Votorantim S.A.	Debentures	BRL	(550)	(550)	2024	Renegotiation

(d) Breakdown by currency

	Current		Non-current		Total	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017	9/30/2018	12/31/2017
USD	1,808	366	15,607	13,509	17,415	13,875
Real	366	1,857	3,451	5,077	3,817	6,934
Euro	212	110	3,109	2,825	3,321	2,935
Boliviano	54	1	436	395	490	396
Turkish lire	35	47	133	220	168	267
Currencies basket	16	83	5	14	21	97
Other	102	109	19	17	121	126
	2,593	2,573	22,760	22,057	25,353	24,630

(e) Maturity



(f) Breakdown by index

	Current		Non-current		Total	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Local currency						
CDI	84	1,288	2,715	3,258	2,799	4,546
TJLP	171	436	350	1,239	521	1,675
Fixed rate	64	74	240	286	304	360
SELIC	47	55	146	196	193	251
Other		4		98		102
	366	1,857	3,451	5,077	3,817	6,934
Foreign currency						
Fixed rate	1,780	515	17,198	15,549	18,978	16,064
LIBOR	279	5	1,911	1,179	2,190	1,184
EURIBOR	77	39	178	215	255	254
UMBNDDES	33	112	22	37	55	149
Other	58	45			58	45
	2,227	716	19,309	16,980	21,536	17,696
	2,593	2,573	22,760	22,057	25,353	24,630

(g) Collateral

As at September 30, 2018, R\$ 9,534 (December 31, 2017 – R\$ 10,607) of the balance of the Company's borrowing was collateralized under promissory notes and sureties and R\$ 815 of the property, plant and equipment items (December 31, 2017 – R\$ 527) were collateralized by liens on the financed assets.

(h) Covenants/Financial ratios

Certain borrowings are subject to compliance with certain financial ratios ("covenants"). When applicable, such obligations are standardized for all borrowing.

As at the ending period of September 30, the Company was in compliance with all of these covenants, as applicable.

19 Confirming payables

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

Operations - Confirming payables	9/30/2018	12/31/2017
Domestic market	292	148
Foreign market	737	761
	1,029	909

20 Current and deferred income tax and social contribution**(a) Reconciliation of income tax and social contribution expenses**

The current amounts are calculated based on the current rates levied on taxable income, adjusted upwards or downwards by the respective additions and exclusions.

The income tax and social contribution amounts presented in the statements of income for the period ended September, 30 are reconciled to their Brazilian standard rates as follows:

	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
Profit before income tax and social contribution	1,006	1,097
Standard rates	34%	34%
Income tax and social contribution at standard rates	(342)	(373)
Adjustments for the calculation of income tax and social contribution at effective rates		
Equity	191	317
Differential rate for foreign companies	155	54
Reprocessing of previous calculations	46	94
Tax on mining operations	(39)	
Tax loss carryforward and non-deferred tax base	(415)	(95)
Deferred exchange gains - effect on the income statement		(24)
Income tax and social contribution payable for the PERT		(56)
Non-deductible fines resulting from the adhesion of federal installments		(35)
Non-deductible fines resulting from the adhesion of state installments		(15)
Other additions, net	(26)	(26)
Income tax and social contribution calculated	(430)	(159)
Current	(399)	(482)
Deferred	(31)	323
Income tax and social contribution expenses	(430)	(159)
Effective rate - %	43%	14%

(b) Breakdown of deferred tax balances

	9/30/2018	12/31/2017
Tax credits on tax losses	2,081	1,884
Tax credits on temporary differences		
Foreign exchange gains	1,830	1,300
Estimation for losses on investments, fixed and intangible assets	873	1,181
Tax, civil and labor provision	510	506
Tax benefit on goodwill	503	465
Asset retirement obligation	195	166
Use of public assets	155	172
Fair value adjustments	117	(143)
Environmental liabilities	114	116
PPR - Provision for profit sharing	87	124
Estimation for inventory losses	79	66
Provision for social security obligations	54	34
Provision for loan	65	56
Provision for energy charges	49	46
Estimated asset disposals	27	20
Other tax credits	121	18
Tax debits on temporary differences		
Borrowing costs	(3)	(3)
Financial instruments - firm commitment	(19)	(61)
Asset retirement obligation	(28)	(6)
Deferred losses on derivative instruments	(34)	63
Adjustment to present value	(36)	(55)
Pension funds	(46)	(18)
Capitalized interest	(138)	(140)
Market value Citrosuco	(202)	(154)
Goodwill amortization	(415)	(367)
Adjustment of useful lives of PP&E (depreciation)	(1,586)	(1,479)
Market value assets	(1,820)	(1,581)
Other tax debits	(20)	(96)
Net	2,513	2,114
Net deferred tax assets related to the same legal entity	4,775	4,079
Net deferred tax liabilities related to the same legal entity	(2,262)	(1,965)

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

	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
Opening balance for the period	2,114	2,072
Effect of subsidiaries included in the consolidation	20	(53)
Deferred income tax and social contribution on hedge accounting	658	(24)
Effects on the results for the period - continuing operations	(31)	323
Effects of foreign exchange variations in other comprehensive income	(242)	4
Consumption of tax and social contribution credits for payment of PERT program		(251)
Other	(6)	2
Closing balance for the period	2,513	2,073

21 Deferred revenue - obligation for performance

In December 2014, the subsidiary Votener ceded to a financial institution receivables due by December 2019 as a result of certain contracts for the Sale of Electric Energy in the Regulated Environment ("CCEAR"), which are being carried out with the physical delivery of energy. This transaction corresponded to R\$ 1,253, and has no right of return and/or type of co-obligation of the Company on the receivables. Due to the assignment of receivables, Votener received R\$ 905, and the interest to be appropriated from the transaction will be recognized pro rata to the results during the term of the agreement.

In May 2015, Votener carried out a second credit assignment, without any right of return and/or co-obligation of the subsidiary, totalling of R\$ 368. By assigning the receivables, Votener received R\$ 251, and the interest to be appropriated from the operation will be recognized pro rata to the results during the term of the agreement.

The updated value of these operations as at September 30, 2018 was R\$ 333 (December 31, 2017, R\$ 516).

22 Provision

(a) Breakdown and changes

						1/1/2017 to	
						1/1/2018 to 9/30/2018	9/30/2017
	Legal claims					Total	Total
	ARO (i)	Tax	Labor	Civil	Other		
Opening balance for the period	1,275	849	99	317	47	2,587	2,346
Present value adjustment	38					38	40
Additions	21	65	82	37	7	212	282
Reversals (ii)		(74)	(65)	(114)	(6)	(259)	(767)
Judicial deposits, net of write-offs (ii)		(1)	(11)	92		80	289
Settlement in cash	(77)	(7)	(23)	(78)	(1)	(186)	(130)
Settlements with escrow deposits			(6)			(6)	
Reclassification of liabilities related to assets held for sale							(20)
Effect of subsidiaries excluded from consolidation	(20)					(20)	(10)
Monetary restatement		30	26	15	2	73	98
Foreign exchange variation	106	10	6	8	3	133	
Revision of estimated cash flow	(3)					(3)	81
Closing balance for the period	1,340	872	108	277	52	2,649	2,209

(i) Asset Retirement Obligation

(ii) The loss classification's claim was changed from "Probable" to "Remote", resulting from the reversal of a civil judicial provision in CBA of R\$ 104, of which R\$ 66 refers to the claim's principal amount and R\$ 38 refers to its monetary restatement. The claim is in progress, and by September 30, 2018, CBA had an amount of R\$ 104 on deposit in the Court's account.

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

	9/30/2018			12/31/2017				
	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)
Tax	(125)	997	872	662	(124)	973	849	679
Civil	(28)	305	277	116	(120)	437	317	10
Labor	(216)	324	108	78	(205)	304	99	71
Other		52	52	6		47	47	5
	(369)	1,678	1,309	862	(449)	1,761	1,312	765

- (i) The Company and subsidiaries have balances deposited in relation to lawsuits classified by Management, following the directions of the Company's legal counsel as representing remote or possible losses and, therefore, they are made without respective provision.

(c) Litigation with likelihood of loss considered possible

The Company is party to litigations representing a risk of possible loss, for which no constituted provision has been made.

	9/30/2018	12/31/2017
Tax	9,927	10,035
Civil	7,603	7,215
Environmental	509	496
Labor and social security	453	441
	18,492	18,187

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

The contingent liabilities relating to tax lawsuits in progress with a likelihood of loss considered possible, for which no provision has been recorded, are commented on below. In the table below we present the materiality of these lawsuits:

Nature	9/30/2018	12/31/2017
Tax assessment notice - "IRPJ/CSLL"	1,858	1,794
"ICMS" - Credit (ii)	910	923
"IRPJ/CSLL" – Profits abroad (i)	728	765
Compensation for exploration for mineral resources ("CFEM")	595	571
Disallowances of "PIS/COFINS" credits	697	582
Disallowance of "IRPJ/CSLL" negative balance	355	362
Offset of tax loss – 30% limit (merger)	339	272
Tax assessment notice – "ICMS"	283	276
"IRPJ/CSLL" – Transfer costs	197	192
Error in fiscal classification - Importation	170	163
"ICMS" requirements on TUSD	115	134
Other lawsuits	3,680	4,001
	9,927	10,035

(i) Profits abroad – “IRPJ/CSLL”

The Company and its subsidiaries have tax assessments drawn up by the Federal Revenue Service (RFB), for alleged nonpayment of IRPJ and CSLL, on profits earned abroad by the Company’s subsidiaries or affiliates, in the 2007, 2008, 2010 and 2012 periods, having received in August, 2018, the tax assessment notice for 2013 and 2014 periods.

The balance substantially composed by the Company was in the amount of R\$ 728 as at September 30, 2018 (R\$ 765 as at December 31, 2017). All cases are awaiting judgment at the administrative level. At the end of 2017, there was a favorable closure of one of the cases, in the amount of R\$ 34.

(ii) ICMS crediting

Between 2011 and 2013, eight infraction notices were decreed and a fine was imposed on the Company’s subsidiary Citrovita Agro Industrial Ltda. (“CAI”) aiming, mainly, at the collection of the credited ICMS, as this was highlighted on the transfer invoices of the remaining subsidiaries as for export purposes only, in which the outputs are not taxed. The infraction notices represented a total amount of R\$ 910 at September, 30, 2018 (R\$ 923 as of December 31, 2017).

In regard to the eight infraction notices, six await court judgment in the administrative sphere – three of them with a totally unfavorable decision; (ii) and three in which the decisions considered only part of the accounting entries, reducing the fined amount. Appeals against those decisions were presented by the Company and by the São Paulo State Treasury Office, expecting a judicial review from the Tax and Fees Court. Two appeals were ended unfavorably to the Company in the administrative sphere and are being discussed in the judicial sphere.

There were no material changes in relation to those detailed in Note 23 (c.1) to the last annual financial statements.

(c.2) Comments on contingent civil liabilities with likelihood of loss considered possible

Nature	9/30/2018	12/31/2017
Public civil suit – Violation of the economic order	3,987	3,872
Administrative investigations carried out by the Secretariat of Economic Law (i)	2,039	1,994
Litigation with a São Paulo transportation company	190	187
Other lawsuits	1,387	1,162
	7,603	7,215

(i) Administrative Proceedings by SDE, currently CADE (the Brazilian antitrust agency)

In 2006 the SDE initiated administrative proceedings against the largest Brazilian cement companies, including VCSA, alleging that these companies had breached Brazilian antitrust laws, including laws against price fixing and the formation of a cartel. After the finding of facts, the CADE court judged the lawsuit, issuing the final terms of the judgment on July 29, 2015 and, applying several penalties to the companies.

The penalties imposed on VCSA included the payment of a fine of approximately R\$ 1,566 and the obligation of VCSA to sell: (1) all its interests in other cement and concrete companies in Brazil, (2) 20% of its installed capacity of concrete services in Brazil, in relevant markets in which VCSA has more than one concrete plant (3) and a specific cement asset that, in CADE’s opinion, was directly related to the alleged illegal act of which VCSA was accused. Other non-monetary penalties were also imposed on VCSA, including: (1) the obligation to publish CADE’s decision in one of the five biggest Brazilian newspapers; (2) a prohibition from contracting with official financial institutions to provide credit lines with financing conditions subsidized by public programs or resources provided by these institutions; and (3) the recommendation to the Federal Revenue that they restrict or limit some other benefits and tax incentives. As at September 30, 2018, the updated contingency amount was R\$ 2,039.

In November 2015, VCSA filed an annulment action to cancel the decision issued at the administrative level or, at least, to reduce the applied penalties. An injunction was granted on November 24, 2015, suspending the effects of the decision issued by CADE at the administrative level, preventing CADE from demanding the fulfillment of the obligations and/or executing the penalties until judgment of the merit. CADE was summoned and filed its defense, while VCSA presented its reply in November

2016. At present, the settlement of the lawsuit is awaited. The Company classified the likelihood of loss on this lawsuit as possible.

During 2017, some construction companies and concrete producers filed lawsuits for indemnity claims against Votorantim Cimentos and other companies which were convicted by CADE, due to the alleged cartel in the cement and concrete markets, in summary claiming that the cartel caused economic and non-economic losses. In January 2018, the first sentence dismissing the merit of the indemnity claims was issued. In July 2018, there were already 19 decisions dismissing the merit in the lower court. Moreover, eight of these lawsuits already recognized that eventual damages arising from the facts identified in the administrative proceeding of CADE had already expired, of which five of these were in final decisions. In June 2018, this position was confirmed for the first time by the higher court, through a court decision that prevented the charge of amounts from prior to three years of the filing of the lawsuit.

In the other lawsuits there were no material changes in relation to those detailed in Note 23 (c.2) to the latest annual financial statements.

23 Equity

(a) Share capital

On September 30, 2018 and December 31, 2017, the fully subscribed and paid-up capital of the Company was R\$ 28,656, consisting of 18,278,789 thousands common shares.

(b) Dividends

During the nine month period of 2018, the Company decided on a dividend to its controlling company Hejoassu Administração S.A, in the amount of R\$ 784, corresponding to dividends related to a portion of the revenue reserves account, which had accumulated up to December 31, 2017.

On April 30 of 2018, the ordinary and extraordinary general shareholders' meeting decided the cancellation of the mandatory minimum dividends of 2017 in the amount of R\$ 140.

(c) Carrying value adjustments

	Note	Currency translation of investees located abroad	Hedge accounting for net investments abroad, net of taxes	Hedge accounting for the operations of subsidiaries	Remeasurement of retirement benefits	Fair value of available-for-sale assets	Other comprehensive income	Total
At January 1, 2017		6,204	(4,565)	(30)	(35)	39	(358)	1,255
Other comprehensive income								
Currency translation of investees located abroad		(322)						(322)
Hedge accounting for net investments abroad, net of taxes			91					91
Hedge accounting for the operations of subsidiaries				(38)				(38)
Remeasurement of retirement benefits					(6)			(6)
Realization of other comprehensive income on disposal of investments		(85)						(85)
Participation in other comprehensive income of investees							10	10
Fair value of available-for-sale financial assets of non-consolidated investments						26		26
At September 30, 2017		5,797	(4,474)	(68)	(41)	65	(348)	931
At January 1, 2018		4,990	(4,175)	(118)	(82)	266	(148)	733
Other comprehensive income								
Currency translation of investees located abroad		2,297						2,297
Hedge accounting for net investments abroad, net of taxes			(1,322)					(1,322)
Hedge accounting for the operations of subsidiaries				(6)				(6)
Remeasurement of retirement benefits					5			5
Fair value of available-for-sale financial assets of non-consolidated investments						(101)		(101)
Share in other comprehensive income of investees							4	4
Transactions with shareholders								
Goodwill on the issuance of VTRM shares	1.1. (c)						155	155
At September 30, 2018		7,287	(5,497)	(124)	(77)	165	11	1,765

24 Net revenue from products sold and services rendered

	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
Gross revenue		
Sales of products - domestic market	11,669	7,464
Sales of products - foreign market	12,857	10,143
Supply of electrical energy	2,435	4,952
Services provided	379	354
	<u>27,340</u>	<u>22,913</u>
Taxes on sales, services and other deductions	(3,447)	(3,267)
Net revenue	<u>23,893</u>	<u>19,646</u>

25 Expenses by nature

				1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
	Cost of products sold and services rendered	Selling	General and administrative	Total	Total
Raw materials, inputs and consumables	12,149	12	7	12,168	9,691
Employee benefit expenses	2,095	284	790	3,169	3,005
Depreciation, amortization and depletion	1,826	11	68	1,905	1,730
Outsourced services	909	38	362	1,309	1,065
Transportation expenses	1,323	23	12	1,358	1,107
Other expenses	1,017	196	303	1,516	1,071
	<u>19,319</u>	<u>564</u>	<u>1,542</u>	<u>21,425</u>	<u>17,669</u>

26 Employee benefit expenses

	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
Salaries and bonuses	1,931	1,847
Payroll charges	738	716
Benefits	500	442
	<u>3,169</u>	<u>3,005</u>

27 Other operating income (expenses), net

	Note	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
Gain in fair value in VTRM's operation	1.1 (c)	147	
Gain (loss) on hedge		95	(40)
Gain (loss) on sale of fixed and intangible assets, net		51	(40)
Tax benefits		57	57
Reversal (provision) of environmental obligations		65	(41)
Income from rentals and leasing		42	53
Net income from waste sale		41	22
Tax recovery		22	1
Insurance operations		15	(8)
Gain on sale of investments		8	16
Reversal for impairment of investments, fixed and intangible assets		16	51
Fair value of biological assets		(5)	(8)
Royalties on natural resources		(36)	(28)
Financial instrument - firm commitment (i)		(100)	(347)
Provision, net		(302)	485
Expenses on not activatable projects		(374)	(192)
Debts from PERT			(104)
Debts from REFIS			(212)
Other income (expenses), net		152	(305)
		(106)	(640)

- (i) Relates to the result of the sale of surplus energy, recognized by the fair value of the contracts and carried out in accordance with the physical energy delivery, as described in Note 14.

28 Finance results, net

	Note	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
Finance income			
Income from financial investments		299	450
Gain on put option operations	12	126	
Fair value of borrowing		16	26
Reversal of monetary restatement of provision		72	191
Interest on financial assets		77	109
Gain on debt renegotiation	3.1.2 (iv)	69	
Monetary updating of assets		46	102
Discounts obtained		18	31
Interest on related-party transactions	13	2	7
Interest and monetary restatement - use of public assets (i)			27
Other finance income		75	29
		800	972
Finance costs			
Interest on borrowing		(1,058)	(1,251)
Capitalization of borrowing costs		30	46
Monetary restatement of provision		(159)	(145)
Fair value of borrowing and financing		(121)	(108)
Interest and monetary restatement - use of public assets		(114)	(2)
Interest on anticipation of receivables		(76)	(76)
Adjustment to present value CPC 12		(73)	(60)
Borrowing fees		(66)	(28)
Income tax on remittances of interest abroad		(65)	(62)
Loss on put option operations	12	(40)	
Interest on silver streaming		(21)	
"PIS/COFINS" on financial results		(21)	(30)
Interest on taxes payable		(7)	(8)
Interest on related-party transactions	13	(4)	
Interest on Mato Grosso State Credit Recovery Program ("REFIS")			(40)
Interest on Special Tax Regularization Program ("PERT")			(107)
Other finance costs		(181)	(119)
		(1,976)	(1,990)
Results of derivative financial instruments			
	5.1.1 (b)		
Revenue		269	
Expenses		(47)	(260)
		222	(260)
Foreign exchange variation, net		(964)	104
Finance results, net		(1,918)	(1,174)

- (i) In 2017, the Company recognized revenue from monetary restatement on Use of Public Property ("UBP"), as a result of the index used for updating (the General Market Price Index or "IGP-M") being negative.

29 Insurance

The Company and its subsidiaries have civil liability insurance for their operations and officers, with property risk insurance coverage amounting to R\$ R\$ 60.287 and for loss of income amounting to R\$ 11.949 on September 30, 2018. The Company's Management considers these amounts sufficient to cover eventual property risks and loss of profits.

In addition to the previous hedges, the Company and its subsidiaries maintain the policies of civil liability of executives and directors in amounts considered adequate by management.

30 Assets and liabilities classified as held-for-sale

	Assets	Liabilities	Net investment
Cellulose Segment - Fibria Celulose S.A. (a)	4,300		4,300
Cement Segment - China's operation (b)	58	3	55
	4,358	3	4,355

(a) Wood pulp segment

On March 15, 2018, the Company collectively with BNDES Participações S.A. – BNDESPAR (jointly, the "Fibria Controlling Shareholders"), Suzano Holding S.A. and the other controlling shareholders of Suzano Papel e Celulose S.A. (jointly, the "Suzano Controlling Shareholders"), and acting as intervening party Suzano Papel e Celulose S.A. ("Suzano"), entered into the Voting Agreement and other Obligations (the "Commitment"), pursuant to which Suzano Controlling Shareholders and Fibria Controlling Shareholders agreed to exercise their voting rights in order to combine the operations and shareholding basis of Suzano and Fibria Celulose S.A. ("Fibria"), through a corporate reorganization (the "Transaction").

In compliance with the accounting rule for assets classified as held-for-sale, the Company reclassified the investment to book value. The fair value of the Transaction exceeds the carrying amount.

The terms and conditions of the Transaction, briefly described below, will be included in the Protocol and Justification of a Merger of Shares and of Companies, which is to be submitted together with the appraisal reports and other applicable documents for the approval of the Boards of Directors of Fibria and Suzano, as well as of the extraordinary general shareholders' meetings of Fibria and Suzano.

(i) Financial bases of the Transaction

Pursuant to the Commitment, a corporate reorganization shall be submitted to the shareholders of Fibria and Suzano, which will result in: (a) the ownership by Suzano of all the shares issued by Fibria; and (b) the receipt by Fibria's shareholders, for each common share issued by Fibria, of (i) fifty-two reais and fifty cents (R\$ 52.50), adjusted by the CDI variation from March 16, 2018 until the date of its effective payment, to be made in a single installment on the date of closing of the Transaction ("Cash Installment") and (ii) 0.4611 common shares of Suzano, adjusted pursuant to the exchange ratio referred to below (the "Exchange Ratio"). Such shares of Suzano shall also be delivered to the shareholders of Fibria on the date of closing of the Transaction.

In addition to the CDI adjustment, as indicated above, the cash installment will be adjusted by any dividends, interest on net equity and other proceeds declared by Fibria and Suzano as at March 15, 2018, except for the minimum mandatory dividends of Suzano and Fibria that have already been disclosed to the market. The exchange ratio will be proportionally adjusted by any stock splits, reverse stock splits and bonus stocks of Suzano and Fibria.

(ii) Conditions precedent for the Transaction

The closing of the Transaction is subject to the fulfillment of conditions precedent usual for these type of transactions, including the approval by certain antitrust authorities in Brazil and abroad.

(iii) Other relevant information

Until the date of closing of the Transaction, Fibria and Suzano will carry out their activities in the ordinary course of businesses and will continue to operate independently.

Upon closing of the Transaction as described above, the Company will make the appropriate accounting registrations relating to the probable gain resulting from the Transaction, in addition to the accounting registration at fair value of the 5.6% capital shareholding in Suzano.

On September 13 all the matters related to the corporate reorganization were approved at the Extraordinary General Meetings of Suzano and Fibria in order to combine the operations and shareholding bases of the company.

For further information regarding the Transaction, please refer to the Material Fact and the Transaction documents available on the Fibria Investor Relations website (www.fibria.com.br/ri).

(b) Cement segment

The cement segment had assets or liabilities classified as held for sale, related to the remaining China operations and CEMPOR.

31 Supplemental information – Business segments

In order to provide more detailed information, the Company has elected to disclose financial information by business segment. The following information refers to the division of VSA by business segment and considers the elimination of balances and transactions between companies 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 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 of 12 months, as loan covenants, and are summarized as follows:

	Note	Industrial segments	
		10/1/2017 to 9/30/2018	10/1/2016 to 9/30/2017
Adjusted EBITDA			
Net income for the period		691	810
Additions (exclusions):			
Continuing operations			
Equity in the results of investees		(839)	(1,197)
Net financial results		3,243	2,506
Income and social contribution taxes		397	133
Depreciation, amortization and depletion		2,535	2,360
Discontinued operations			
Equity in the results of investees		(151)	(151)
Net financial results		32	96
Income and social contribution taxes		159	126
Depreciation, amortization and depletion		43	35
EBITDA before other additions and exceptional items		6,110	4,718
Additions:			
Dividends received		377	489
Extraordinary items			
EBITDA - discontinued operations		25	306
Non-recurring items - discontinued operations		(204)	(267)
Gain on sale of investments, net		(617)	(625)
Constitution (reversal) for impairment of property, plant, equipment and intangible assets		25	(10)
Reversal for impairment of investments		(71)	(71)
Fair value of biological assets		5	8
PERT payment with deferred tax credit			99
Gain by adjustment to fair value of VTRM's operation	1.1(c)	(147)	
Other		402	113
Adjusted annualized EBITDA (A)		5,905	4,760
Net debt			
Borrowing	18	25,353	24,630
Cash and cash equivalents, financial investments and derivative financial instruments		(10,082)	(12,274)
Net debt (B)		15,271	12,356
Gearing ratio (B/A)		2.59	2.60

(b) Balance sheet - business segments

											9/30/2018
	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	3,185	4,858	642	80	195	1,137		10,097	74		10,171
Trade receivables	1,241	615	531	269	525	363	(238)	3,306			3,306
Inventory	1,578	1,157	930	348		95		4,108			4,108
Taxes recoverable	224	564	370	77	4	296		1,535	83		1,618
Dividends receivable						1		1			1
Financial instruments - firm commitment			118		66			184			184
Other assets	377	118	55	68	1	48		667			667
	6,605	7,312	2,646	842	791	1,940	(238)	19,898	157		20,055
Assets classified as held-for-sale	58					4,300		4,358			4,358
	6,663	7,312	2,646	842	791	6,240	(238)	24,256	157		24,413
Non-current assets											
Long-term receivables											
Financial investments and derivative financial instruments	186	1	4			211		402			402
Financial instruments - put option						759		759			759
Taxes recoverable	710	106	603	6		325		1,750			1,750
Related parties	73	3	1	17	373	1,090	(1,246)	311			311
Deferred income tax and social contribution	1,176	873	868	111	12	1,208	503	4,751	24		4,775
Judicial deposits	672	37	120	3		30		862			862
Financial instruments - firm commitment			28		8			36			36
Other assets	513	44	27			87		671			671
	3,330	1,064	1,651	137	393	3,710	(743)	9,542	24		9,566
Investments	642	1	197		917	30,849	(22,489)	10,117	5,126	(5,138)	10,105
Property, plant and equipment	12,826	6,753	4,785	1,069	34	652		26,119			26,119
Intangible assets	6,188	7,834	500	29	546	270	(1,515)	13,852			13,852
Biological assets			4	6		56		66			66
	22,986	15,652	7,137	1,241	1,890	35,537	(24,747)	59,696	5,150	(5,138)	59,708
Total assets	29,649	22,964	9,783	2,083	2,681	41,777	(24,985)	83,952	5,307	(5,138)	84,121

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

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All amounts in millions of reais unless otherwise stated

VOTORANTIM

	9/30/2018										
	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	1,220	220	163	116		874		2,593			2,593
Derivative financial instruments	18	62	164			34		278			278
Confirming payable	513	357	159					1,029			1,029
Trade payables	1,609	1,256	534	368	499	123	(233)	4,156			4,156
Salaries and payroll charges	412	226	127	34	14	74		887			887
Taxes payable	215	184	32	87	11	6		535			535
Advances from customers	36	4	24	152	2	13		231			231
Dividends payable	1	8				42		51			51
Use of public assets	33	6	39					78			78
Related parties	1		226				(227)				
Financial instruments - firm commitment	8							8			8
Deferred revenue - performance obligation	7				244			251			251
Deferred revenue - silver streaming		124						124			124
Other	404	129	40	24		139		736	1		737
	4,477	2,576	1,508	781	770	1,305	(460)	10,957	1		10,958
Liabilities related to assets held-for-sale	3							3			3
	4,480	2,576	1,508	781	770	1,305	(460)	10,960	1		10,961
Non-current liabilities											
Borrowing	12,876	5,465	1,993			2,426		22,760			22,760
Derivative financial instruments	94					44		138			138
Deferred income tax and social contribution	622	1,223			46	203		2,094	168		2,262
Related parties	61	6	67	704	2	203	(1,023)	20			20
Provision	1,125	839	482	96	2	105		2,649			2,649
Use of public assets	476	79	574					1,129			1,129
Pension plan	214			149				363			363
Financial instruments - firm commitment	30		33		93			156			156
Deferred revenue - performance obligation					89			89			89
Deferred revenue - silver streaming		699						699			699
Other	215	247	63	96	3	210		834			834
	15,713	8,558	3,212	1,045	235	3,191	(1,023)	30,931	168		31,099
Total liabilities	20,193	11,134	4,720	1,826	1,005	4,496	(1,483)	41,891	169		42,060
Equity											
Total equity attributable to owners of the Company	8,660	9,737	4,888	172	1,676	37,281	(26,112)	36,302	5,138	(5,138)	36,302
Non-controlling interests	796	2,093	175	85			2,610	5,759			5,759
Total equity	9,456	11,830	5,063	257	1,676	37,281	(23,502)	42,061	5,138	(5,138)	42,061
Total liabilities and equity	29,649	22,964	9,783	2,083	2,681	41,777	(24,985)	83,952	5,307	(5,138)	84,121

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

(c) Statement of income - business segments

	1/1/2018 to 9/30/2018										
	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	9,526	6,844	3,921	1,495	3,285	876	(2,054) (*)	23,893			23,893
Cost of products sold and services rendered	(7,780)	(5,215)	(3,171)	(1,288)	(3,137)	(782)	2,054 (*)	(19,319)			(19,319)
Gross profit	1,746	1,629	750	207	148	94		4,574			4,574
Operating income (expenses)											
Selling	(457)	(47)	(26)	(17)		(17)		(564)			(564)
General and administrative	(601)	(396)	(137)	(80)	(64)	(254)		(1,532)	(10)		(1,542)
Other operating income (expenses), net	211	(241)	30	56	130	(181)	(111)	(106)			(106)
	(847)	(684)	(133)	(41)	66	(452)	(111)	(2,202)	(10)		(2,212)
Operating profit (loss) before equity results and finance results	899	945	617	166	214	(358)	(111)	2,372	(10)		2,362
Result from equity investments											
Equity in the results of investees	111		(27)		13	584	(122)	559	408	(405)	562
Realization of other comprehensive income on disposal of investments	111		(27)		13	584	(122)	559	408	(405)	562
Finance results, net											
Finance income	311	95	100	9	82	299	(101)	795	5		800
Finance costs	(941)	(324)	(315)	(104)	(125)	(268)	101	(1,976)			(1,976)
Results of derivative financial instruments	75	(3)				150		222			222
Foreign exchange gains (losses), net	(319)	(587)	(330)	1		(128)	399	(964)			(964)
	(874)	(819)	(545)	(94)	(43)	53	399	(1,923)	5		(1,918)
Profit (loss) before income tax and social contribution	136	126	45	72	184	279	166	1,008	403	(405)	1,006
Income tax and social contribution											
Current	(150)	(193)	(27)	(47)	(25)	43		(399)			(399)
Deferred	(4)	171	(29)	31	(43)	(59)	(100)	(33)	2		(31)
Profit (loss) from continuing operations	(18)	104	(11)	56	116	263	66	576	405	(405)	576
Discontinued operations											
Loss from discontinued operations	(8)					(160)		(168)			(168)
Profit (loss) for the period	(26)	104	(11)	56	116	103	66	408	405	(405)	408
Profit (loss) attributable to the owners of the Company	(82)	83	(12)	25	116	103	60	293	405	(405)	293
Profit attributable to non-controlling interests	56	21	1	31			6	115			115
Profit (loss) for the period	(26)	104	(11)	56	116	103	66	408	405	(405)	408

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

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

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VOTORANTIM

1/1/2017 to 9/30/2017

	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	8,144	5,480	3,433	1,187	2,986	628	(2,212) (*)	19,646			19,646
Cost of products sold and services rendered	(6,590)	(4,062)	(2,890)	(1,024)	(2,787)	(569)	2,212 (*)	(15,710)			(15,710)
Gross profit	1,554	1,418	543	163	199	59		3,936			3,936
Operating income (expenses)											
Selling	(438)	(28)	(20)	(15)		(15)		(516)			(516)
General and administrative	(600)	(332)	(139)	(82)	(48)	(205)		(1,406)	(37)		(1,443)
Other operating income (expenses), net	23	(300)	202	23	(163)	(47)	(378)	(640)			(640)
	(1,015)	(660)	43	(74)	(211)	(267)	(378)	(2,562)	(37)		(2,599)
Operating profit (loss) before equity results and finance results	539	758	586	89	(12)	(208)	(378)	1,374	(37)		1,337
Result from equity investments											
Equity in the results of investees	111		10		(27)	1,127	(307)	914	220	(203)	931
Realization of other comprehensive income on disposal of investments	3							3			3
	114		10		(27)	1,127	(307)	917	220	(203)	934
Finance results, net											
Finance income	565	75	158	8	83	169	(98)	960	12		972
Finance costs	(1,208)	(237)	(305)	(61)	(111)	(166)	98	(1,990)			(1,990)
Results of derivative financial instruments	(183)	(6)				(71)		(260)			(260)
Foreign exchange gains (losses), net	22	1	120	3		20	(62)	104			104
	(804)	(167)	(27)	(50)	(28)	(48)	(62)	(1,186)	12		(1,174)
Profit (loss) before income tax and social contribution	(151)	591	569	39	(67)	871	(747)	1,105	195	(203)	1,097
Income tax and social contribution											
Current	(220)	(193)	13	(45)	(41)	4		(482)			(482)
Deferred	163	8	(107)	23	55	18	154	314	9		323
Profit (loss) for the period from continuing operations	(208)	406	475	17	(53)	893	(593)	937	204	(203)	938
Discontinued operations											
Loss from continuing operations	(242)					(168)		(410)			(410)
Profit (loss) for the period	(450)	406	475	17	(53)	725	(593)	527	204	(203)	528
Profit (loss) attributable to the owners of the Company	(415)	289	475		(53)	725	(542)	479	203	(203)	479
Profit (loss) attributable to non-controlling interests	(35)	117		17			(51)	48	1		49
Profit (loss) for the period	(450)	406	475	17	(53)	725	(593)	527	204	(203)	528

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

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

(d) Adjusted EBITDA - business segments

	1/1/2018 to 9/30/2018									
	Votorantim Cimentos	Nexa Resources	CBA	Steel (**)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	9,526	6,844	3,921	1,495	3,285	876	(2,054) (*)	23,893		23,893
Cost of products sold and services rendered	(7,780)	(5,215)	(3,171)	(1,288)	(3,137)	(782)	2,054 (*)	(19,319)		(19,319)
Gross profit	1,746	1,629	750	207	148	94		4,574		4,574
Operating income (expenses)										
Selling	(457)	(47)	(26)	(17)		(17)		(564)		(564)
General and administrative	(601)	(396)	(137)	(80)	(64)	(254)		(1,532)	(10)	(1,542)
Other operating income (expenses), net	211	(241)	30	56	130	(181)	(111)	(106)		(106)
	(847)	(684)	(133)	(41)	66	(452)	(111)	(2,202)	(10)	(2,212)
Operating profit (loss) before equity results and finance results	899	945	617	166	214	(358)	(111)	2,372	(10)	2,362
Additions:										
Depreciation, amortization and depletion - continuing operations	803	738	228	82	25	29		1,905		1,905
EBITDA	1,702	1,683	845	248	239	(329)	(111)	4,277	(10)	4,267
Additions:										
Dividends received	13				8	76	(8)	89	55	144
Exceptional items										
Loss (gain) on sale of investments, net			(111)			(8)	111	(8)		(8)
Reversal for impairment - fixed assets	(13)		(3)					(16)		(16)
Fair value of biological assets						5		5		5
Gain by adjustment to fair value of VTRM's operation					(147)			(147)		(147)
Other						336		336		336
Adjusted EBITDA	1,702	1,683	731	248	100	80	(8)	4,536	45	4,581

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

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

1/1/2017 to 9/30/2017

	Votorantim Cimentos	Nexa Resources	CBA	Steel (**)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	8,144	5,480	3,433	1,187	2,986	628	(2,212) (*)	19,646		19,646
Cost of products sold and services rendered	(6,590)	(4,062)	(2,890)	(1,024)	(2,787)	(569)	2,212 (*)	(15,710)		(15,710)
Gross profit	1,554	1,418	543	163	199	59		3,936		3,936
Operating income (expenses)										
Selling	(438)	(28)	(20)	(15)		(15)		(516)		(516)
General and administrative	(600)	(332)	(139)	(82)	(48)	(205)		(1,406)	(37)	(1,443)
Other operating income (expenses), net	23	(300)	202	23	(163)	(47)	(378)	(640)		(640)
	(1,015)	(660)	43	(74)	(211)	(267)	(378)	(2,562)	(37)	(2,599)
Operating profit (loss) before equity results and finance results	539	758	586	89	(12)	(208)	(378)	1,374	(37)	1,337
Plus:										
Depreciation, amortization and depletion - continuing operations	728	629	236	79	1	51	6	1,730		1,730
EBITDA	1,267	1,387	822	168	(11)	(157)	(372)	3,104	(37)	3,067
Plus:										
Dividends received	51		34			116		201	51	252
Exceptional items										
Loss (gain) on sale of investments, net		(16)	(378)				378	(16)		(16)
Reversal for impairment - fixed assets	(20)		(31)					(51)		(51)
Compensation of energy assets	99							99		99
Fair value of biological assets						8		8		8
Other						47		47		47
Adjusted EBITDA	1,397	1,371	447	168	(11)	14	6	3,392	14	3,406

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

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

32 Subsequent events

(a) Law 4131/1962 borrowing

On September 27, 2018, the subsidiary Votorantim Cimentos N/NE S.A. signed a borrowing agreement under Law 4131/1962 in the total amount of USD 50 (R\$ 202), with maturity on October 10, 2023, such borrowing was released on October 9, 2018.

The transaction includes a swap agreement (derivative financial instrument) aimed both at exchanging a floating LIBOR rate for a floating CDI rate, and US Dollars for Brazilian Reais, resulting in a final cost of 108.00% p.a. of the CDI rate. This swap was contracted with the same financial institution of the borrowing (debt in USD + swap to BRL at a % of the CDI).

The subsidiary VCSA used the proceeds from this borrowing for the early settlement of a bilateral borrowing with higher cost and shorter term in subsidiary VCEAA, in line with its liability management strategy.

(b) Fibria corporate reorganization

On October 11, 2018, Fibria announced a statement to the market, through the CADE website, regarding the Superintendence General approval report, without restrictions, of the business combination and shareholding transaction between Fibria and Suzano.

(c) Control acquisition of the Companhia Elétrica de São Paulo ("CESP")

On October 19 of 2018, the Consortium formed by the joint venture VTRM, between VGE and CPPIB acquired, at auction, the share control of CESP through the acquisition of 80.2% of the common shares and 13.7% of the preferred Class B shares. The consortium offered R\$14.60 per share, corresponding to 35.6% of the entire share capital of CESP, which represents an offer of R\$1.7 billion in total.

According to the auction announcement, after the transfer of control happens, CESP will be awarded with a concession of the Porto Primavera Hydroelectric Plant for 30 years, upon payment by the pre-established concession company in the amount of R\$ 1.4 billion.

Additionally, the Consortium compromises commits to hold a public offering for the acquisition of Class B common and preferred shares, pursuant to the terms of the bid announcement, CESP's bylaws, current legislation and applicable regulations of the CVM.

The conclusion of the transaction and transfer of control of CESP to the Consortium is subjected to the approval of the responsible regulatory agencies.

(d) Early settlement of debt - Votorantim Overseas Trading Operations IV Limited ("Voto IV") Bonds

On October 30, 2018, the joint operation Voto IV, jointly controlled by VCSA and Fibria, both holders of, respectively, 50% of its shares, made the early settlement of the total amount of the principal plus interest on its bonds, with maturity on June 24, 2020. The total amount settled by Voto IV was USD 212.

33 Correlations between Notes

(a) Correlations between from September 30, 2018 and December 31, 2017:

Title of the notes	9/30/2018	12/31/2017
General considerations	1	1
Presentation of the condensed consolidated interim financial statements	2	2
Changes in accounting policies and disclosures	3	3
Critical accounting estimates and judgments	4	4
Financial risk management	5	6
Credit quality of financial assets	6	8
Cash and cash equivalents	7	9
Financial investments	8	10
Trade receivables	9	11
Inventory	10	12
Taxes recoverable	11	13
Financial Instruments – put option	12	
Related parties	13	14
Financial instruments – firm commitment	14	15
Investments	15	16
Property, plant and equipment	16	17
Intangible assets	17	18
Borrowing	18	19
Confirming payables	19	20
Current and deferred income tax and social contribution	20	21
Deferred revenue - obligation for performance	21	22
Provision	22	23
Equity	23	25
Net revenue from products sold and services rendered	24	26
Expenses by nature	25	27
Employee benefit expenses	26	28
Other operating income (expenses), net	27	29
Finance results, net	28	30
Insurance	29	33
Assets and liabilities classified as held-for-sale	30	34
Supplemental information – Business segments	31	35
Subsequent events	32	36

(b) Notes from December 31, 2017 abolished on September 30, 2018:

The notes from December of 2017 that were abolished on September 30 of 2018 were excluded because they did not present significant changes and/or are not applicable to the interim information. The notes are available in the following table:

Title of the notes	31/12/2017
Social and environmental risk management	5
Financial instruments by category	7
Use of public assets	24
Pension plan and Post-employment health care benefits	31
Tax benefits	32