VOTORANTIM 100 YEARS

Votorantim S.A.

Condensed consolidated interim financial statements at March 31, 2018 and review report

(A free translation of the original in Portuguese)

Report on review of condensed consolidated interim financial statements

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

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Votorantim S.A. (the "Company") as at March 31, 2018, and the related condensed consolidated statements of income and comprehensive income for the quarter period then ended, and the condensed consolidated statements of changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes.

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

Scope of review

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

Conclusion

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, May 4, 2018

PricewaterhouseCoopers

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Summary

Condensed consolidated interim financial statements

Statements

All amounts in millions of reais

	Note	3/31/2018	12/31/2017
Assets			
Current assets			
Cash and cash equivalents	7	6,718	8,960
Financial investments	8	3,087	3,562
Derivative financial instruments	5.1.1	69	52
Trade receivables	9	2,895	2,421
Inventory	10	3,754	3,526
Taxes recoverable	11	1,275	1,317
Dividends receivable	12	137	148
Financial instruments - firm commitment	13	158	210
Other assets		745	784
		18,838	20,980
Assets classified as held-for-sale	29	6,499	2,199
		25,337	23,179
Non-current assets			
Long-term receivables			
Financial investments	8	19	25
Liquidity Fund - Reserve account	8.2	29	
Derivative financial instruments	5.1.1	149	138
Taxes recoverable	11	1,746	1,784
Related parties	12	225	143
Deferred income tax and social contribution	19 (b)	4,012	4,079
Judicial deposits	21 (b)	882	765
Financial instruments - firm commitment	13	100	154
Other assets		738	667
		7,900	7,755
Investments	14 (b)	9,076	13,372
Property, plant and equipment	15	25,810	25,935
Intangible assets	16	12,379	12,363
Biological assets		65	65
		55,230	59,490
Total assets		80,567	82,669

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

All amounts in millions of reais

	Note	3/31/2018	12/31/2017
Liabilities and equity			
Current liabilities			
Borrowing	17	2,197	2,573
Derivative financial instruments	5.1.1	50	299
Confirming payables	18	1,253	1,070
Trade payables		3,170	3,353
Salaries and payroll charges		555	895
Taxes payable		411	617
Advances from clients		395	408
Dividends payable	12	680	188
Use of public assets		76	76
Financial instruments - firm commitment	13	1	1
Deferred revenue - performance obligations	20	247	246
Deferred revenue - silver streaming		92	104
Other liabilities		641	643
		9,768	10,473
Liabilities related to assets held-for-sale	29	1,526	1,526
		11,294	11,999
Non-current liabilities			
Borrowing	17	21,277	22,057
Derivative financial instruments	5.1.1	99	83
Deferred income tax and social contribution	19 (b)	1,957	1,965
Related parties	12	28	25
Provision	21 (a)	2,685	2,587
Use of public assets		1,064	1,056
Pension plan		332	317
Financial instruments - firm commitment	13	182	207
Deferred revenue - performance obligations	20	212	272
Deferred revenue - silver streaming		638	630
Other liabilities		633	656
		29,107	29,855
Total liabilities		40,401	41,854
Equity			
Share capital	22 (a)	28,656	28,656
Revenue reserves		6,069	6,569
Retained earnings		(322)	
Carrying value adjustments	22 (c)	873	733
Total equity attributable to the owners of the Company		35,276	35,958
Non-controlling interests		4,890	4,857
Total equity		40,166	40,815
Total liabilities and equity		80,567	82,669

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

All amounts in millions of reais unless otherwise stated

	Note	1/1/2018 to 3/31/2018	1/1/2017 to 3/31/2017
			Restyled (Note 2.2)
Continuing operations			
Net revenue from products sold and services rendered	23	6,785	5,662
Cost of products sold and services rendered	24	(5,550)	(4,697)
Gross profit		**1,235**	**965**
Operating expenses			
Selling	24	(186)	(155)
General and administrative	24	(490)	(501)
Other operating expenses, net	26	(43)	(325)
		(719)	**(981)**
Operating profit (loss) before equity results and finance results		**516**	**(16)**
Results from equity investments			
Equity in the results of investees	14 (b)	389	134
Realization of other comprehensive income on disposal of investments			4
		389	**138**
Finance results, net	27		
Finance income		226	292
Finance costs		(557)	(637)
Result of derivative financial instruments		(3)	(168)
Foreign exchange losses, net		(56)	34
		(390)	**(479)**
Profit (loss) before income tax and social contribution		**515**	**(357)**
Income tax and social contribution	19 (a)		
Current		(202)	(86)
Deferred		(53)	(10)
Profit (loss) for the quarter from continuing operations		**260**	**(453)**
Discontinued operations			
Loss on discontinued operations		(110)	(93)
Profit (loss) for the quarter attributable to the owners of the Company		**150**	**(546)**
Profit (loss) attributable to the owners of the Company		52	(573)
Profit attributable to non-controlling interests		98	27
Profit (loss) for the quarter		**150**	**(546)**
Weighted average number of shares - thousands (to the owners of the Company)		18,278,789	18,278,789
Basic and diluted earnings (loss) per thousand shares, in reais		**2.84**	**(31.35)**
From continuing operations			
Basic and diluted earnings (loss) per thousand shares, in reais		**8.86**	**(26.26)**
From discontinued operations			
Basic and diluted loss per thousand shares, in reais		**(6.02)**	**(5.09)**

All amounts in millions of reais

	Note	1/1/2018 to 3/31/2018	1/1/2017 to 3/31/2017
Profit (loss) for the quarter		**150**	**(546)**
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	22 (c)	130	(601)
Hedge accounting for net investments abroad, net of taxes	5.1.2 and 22 (c)	(64)	240
Hedge accounting for the operations of subsidiaries	22 (c)	6	(66)
Fair value of financial assets available-for-sale of the non-consolidated investments	22 (c)	71	(12)
Realization of comprehensive income on the disposal of investments	22 (c)		(3)
Share in other comprehensive income of investees	22 (c)		19
Attributable to non-controlling			
Foreign exchange variations attributable to non-controlling interests		30	(32)
Share in other comprehensive income of investees			27
		173	**(428)**
Other components of comprehensive income that will not be reclassified to profit or loss			
Attributable to the owners of the Company			
Remorsements of retirement benefits, net of tax effects	22 (c)	(3)	(1)
Other comprehensive income (loss) for the quarter		**170**	**(429)**
Comprehensive income (loss) from			
Continuing operations		430	(882)
Discontinued operations		(110)	(93)
		320	**(975)**
Comprehensive income (loss) attributable to			
Owners of the Company		192	(997)
Non-controlling interests		128	22
		320	**(975)**

All amounts in millions of reais unless otherwise stated

		Attributable to the owners of the Company								
			Revenue reserves							
	Note	Share capital	Tax incentives	Legal	Profit retention	Retained earnings	Carrying value adjustments	Total	Non-controlling interests	Total equity
At January 1, 2017		**28,656**	**10**	**654**	**5,590**		**1,255**	**36,165**	**2,658**	**38,823**
Profit (loss) for the quarter						(573)		(573)	27	(546)
Other comprehensive income (loss)							(424)	(424)	(5)	(429)
Comprehensive income for the quarter						**(573)**	**(424)**	**(997)**	**22**	**(975)**
Dividends					(13)			(13)		(13)
Total contributions and distributions to shareholders					**(13)**			**(13)**		**(13)**
At March 31, 2017		**28,656**	**10**	**654**	**5,577**	**(573)**	**831**	**35,155**	**2,680**	**37,835**
At January 1, 2018		**28,656**	**10**	**684**	**5,875**		**733**	**35,958**	**4,857**	**40,815**
Initial adoption of IFRS 9						(374)		(374)		(374)
At January 1, 2018, afthe the impacts of the adoption of IFRS 9		**28,656**	**10**	**684**	**5,875**	**(374)**	**733**	**35,584**	**4,857**	**40,441**
Profit for the quarter						52		52	98	150
Other comprehensive income (loss)							140	140	30	170
Comprehensive income (loss) for the quarter						**52**	**140**	**192**	**128**	**320**
Dividends	22 (b)				(500)			(500)		(500)
Share premium distribution NEXA									(95)	(95)
Total contributions and distributions to shareholders					**(500)**			**(500)**	**(95)**	**(595)**
At March 31, 2018		**28,656**	**10**	**684**	**5,375**	**(322)**	**873**	**35,276**	**4,890**	**40,166**

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

All amounts in millions of reais

	Note	1/1/2018 to 3/31/2018	1/1/2017 to 3/31/2017
Cash flow from operating activities			
Profit (loss) before income tax and social contribution		515	(357)
Loss on discontinued operations		(110)	(93)
Adjustments to items that do not represent changes in cash and cash equivalents			
Depreciation, amortization and depletion	24	609	592
Equity in the results of investees	14 (b)	(389)	(134)
Interest, indexation and foreign exchange variations		110	349
Allowance for doubtful accounts		36	(2)
Constitution of provision		70	109
Loss (gain) on sales of fixed and intangible assets, net	26	(7)	24
Reversal for the impairment of fixed, intangible assets and investments	14, 15, 16	(7)	(26)
Derivative financial instruments	5.1.1	(86)	137
Financial instruments - firm commitment	13	81	212
Fair value adjustment	17 (b)	(17)	17
Change in fair value of biological assets		2	4
		807	**832**
Decrease (increase) in assets			
Financial investments		562	76
Derivative financial instruments		(60)	(37)
Trade accounts receivable		(481)	(172)
Inventory		(257)	(53)
Taxes recoverable		80	46
Related parties		(79)	24
Other accounts receivable and other assets		(180)	252
Increase (decrease) in liabilities			
Trade payables		(183)	(376)
Salaries and social charges		(340)	(322)
Use of public assets		(14)	12
Taxes payable		(169)	91
Other obligations and other liabilities		314	(384)
Cash used in operating activities		-	**(11)**
Interest paid on borrowing and use of public assets		(291)	(325)
Income tax and social contribution paid		(239)	(152)
Net cash used in operating activities		**(530)**	**(488)**
Cash flow from investment activities			
Proceeds from disposals of fixed and intangible assets		51	(29)
Proceeds from sales of investments		31	25
Dividends received		20	22
Acquisitions of property, plant and equipment	15	(342)	(568)
Increase in biological assets		(3)	(2)
Increase in intangible assets	16	(7)	(12)
Net cash used in investment activities		**(250)**	**(564)**
Cash flow from financing activities			
New borrowing	17 (b)	595	1,211
Repayment of borrowing	17 (b)	(1,961)	(1,083)
Derivative financial instruments	5.1.1	(50)	(81)
Dividends paid		(8)	(4)
Share premium Nexa paid		(95)	
Net cash provided by (used in) financing activities		**(1,519)**	**43**
Decrease in cash and cash equivalents		**(2,299)**	**(1,009)**
Effect of fluctuations in exchange rates		57	(119)
Cash and cash equivalents at the beginning of the quarter		**8,960**	**6,946**
Cash and cash equivalents at the end of the quarter		**6,718**	**5,818**

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

1 General considerations

Votorantim S.A. (the "Company", the "parent company", or "VSA"), formerly known as Votorantim Industrial S.A., 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 byproducts, aluminum, electrical energy, steel, wood pulp, agribusiness and finance.

1.1 Main events that occurred during the first quarter of 2018

(a) Corporate transactions in the subsidiary Votorantim Siderurgia S.A. ("VS")

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, pursuant to Concentration Act 08700.002165 / 2017-97, the transaction by which the Company, as provided for in the initial agreement signed in February 2017, will become a subsidiary of AMB (Notes 29 and 31).

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

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"), have entered into an agreement to combine the operations and shareholding basis of Suzano and Fibria, through a corporate reorganization (Note 29).

(c) Reimbursement of share premium

On February 15, 2018, the Board of Directors approved the reimbursement of share premium of US$0.60 cents per ordinary share to shareholders of record at the close of business on March 14, 2018 and paid on March 28, 2018.

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 March 31, 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/ri).

The condensed consolidated interim financial statements have been prepared in a manner consistent with the accounting policies disclosed in the consolidated financial statements at December 31, 2017.

All amounts in millions of reais unless otherwise stated

(b) Approval of the financial statements

The Board of Directors approved the condensed consolidated interim financial statements for issue on May 4, 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 the states of Florida and California (USA) and long steel operations in Brazil from continuing operations to discontinued operations (Note 29).

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 in the result of March 31, 2017, as described in Note 3.1.

					2017
	As prior presented	Impacts of reclassification of cement	Effect of reclassification CPC 47 / IFRS 15	Effect of reclassification of long steel operations in	Balance restated
Continuing operations					
Net revenue from products sold and services rendered	5,845	(183)			5,662
Cost of products sold and services rendered	(4,680)	173	(190)		(4,697)
Gross profit (loss) profit	**1,165**	**(10)**	**(190)**		**965**
Operating expenses					
Selling	(349)	4	190		(155)
General and administrative	(506)	5			(501)
Other operating income (expenses), net	(454)	(1)		130	(325)
	(1,309)	**8**	**190**	**130**	**(981)**
Operating profit (loss) before equity results and finance results	**(144)**	**(2)**		**130**	**(16)**
Results from equity investments					
Equity in the results of investees	137	(3)			134
Realization of other comprehensive income on disposal of investments	4				4
	141	**(3)**			**138**
Finance results, net					
Finance income	294	(2)			292
Finance costs	(641)	4			(637)
Income from derivative financial instruments	(168)				(168)
Foreign exchange, net	26	8			34
	(489)	**10**			**(479)**
Profit (loss) before income tax and social contribution	**(492)**	**5**		**130**	**(357)**
Income tax and social contribution					
Current	(86)				(86)
Deferred	35	1		(46)	(10)
Profit (loss) for the continuing operations	**(543)**	**6**		**84**	**(453)**
Discontinued operations					
Loss for the discontinued operations	(3)	(6)		(84)	(93)
Loss for the quarter attributable to the owners	**(546)**				**(546)**
Loss attributable to the owners of the Company	(573)				(573)
Profit attributable to non-controlling interests	27				27
Loss for the quarter	**(546)**				**(546)**
Weighted average number of shares - thousands (to the owners of the Company)	18,278,789				18,278,789
Basic and diluted loss per thousand shares, in reais	**(31.35)**				**(31.35)**
From continuing operations					
Basic and diluted earnings per thousand shares, in reais	**(31.19)**	**0.33**		**4.60**	**(26.26)**
From discontinued operations					
Basic and diluted loss per thousand shares, in reais	**(0.16)**	**(0.33)**		**(4.60)**	**(5.09)**

3 Changes in accounting policies and disclosures

In the quarter ended March 31, 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"

Main impacts introduced by the standard

In May 2014, the IASB issued IFRS 15, which replaces IAS 11 - (CPC 17) - Construction contracts, and IAS 18 - (CPC 30) – Revenues, and the corresponding interpretations. The standard presents the five-step model for contract revenue recognition with customers. The new standard is based on the principle that revenue is recognized when the company transfers the benefits, risks and control of the goods and/or services to the customer.

IFRS 15 – "Revenue from Contracts" with costumers establishes a comprehensive framework for determining the amount and timing when revenue is recognized. It replaced the guidance contained in IAS 18 – "Revenue" which the Company followed until December 31, 2017.

The all-step model states that a company must recognize revenue when a transfer of goods or services promised to customers at a value that reflects a consideration that the entity expects to be entitled in exchange for goods or services.

IFRS 15 became effective from January 1, 2018 and the Company applied it retrospectively. Adoption of IFRS 15 by the Company has not resulted in any material changes in timing or amount of revenue recognition under the IFRS 15 model as compared to revenue that would be reported under IAS 18 - "Revenue". Therefore, impacts of the adoption of IFRS 15 on the Company's Balance Sheet, Statement of Income and Statement of Cash Flows were not material.

Impacts of adoption

The Company has assessed the changes introduced by IFRS 15 and the nature and effects of the key changes to the Company's accounting policies resulting from the adoption are summarized below.

Identification of performance obligations and timing of satisfaction of performance obligations

The Company has identified two distinct performance obligations in certain sales contracts, being:
(i) the promise to provide goods to its customers, and
(ii) the promise to provide freight services to its customers.

The Company adopted IFRS 15 resulting in changes in the accounting policies for performance obligations related to freight services of products to customers and, accordingly, changes in the comparative figures. In accordance with the standard, the Company and the subsidiaries made retrospective adjustments to the balances originally presented at March 31, 2017, as mentioned in Note 2.2 – Restatement of comparative figures. At March 31, 2018, the amount reclassified was R$ 233.

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

Main impacts introduced by the standard

In July 2014, the IASB issued the final version of IFRS 9 - Financial Instruments, replacing IAS 39 – Financial instruments: Recognition and measurement. This new standard brings together all three aspects of the accounting for financial instruments, as well as the classification and recognition of financial assets and liabilities.

IFRS 9 – "Financial Instruments" replaces IAS 39 and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project, which are classification and measurement, impairment, and hedge accounting.

IFRS 9 became effective from January 1, 2018 and the Company applied it prospectively and the comparative periods were not restated as the financial information for 2017 is not comparable to the information presented in 2018 under IFRS 9.

Impacts of adoption

The Company has assessed the changes introduced by IFRS 9 and the nature and effects of the key changes to the Company's accounting policies resulting from the adoption are summarized below.

(i) Classification and measurement

The Company and its subsidiaries analyzed the classification of their financial assets, based on the three new categories: amortized cost, fair value through other comprehensive income and at fair value through profit or loss. The changes in the accounting policies resulting from the adoption of IFRS 9/CPC 48 did not generate effects on the measurement of the Company's financial assets and financial liabilities.

(ii) Impairment

The Company and its subsidiaries will apply 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 was composed of historical data of losses for all aging lists and prospective data, including considering the securities to be matched.

The initial impact of adoption was an amount of R$ (374) in the consolidated as from January 1, 2018, recognized in equity, substantially composed by the adoption made by Banco Votorantim S.A., in the amount of R$ (370).

(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. As this standard does not change the general principles of accounting of effective hedges, there were be no impact as a result of the application of IFRS 9.

4 Critical accounting estimates and judgments

In the period ended March 31, 2018, there have been 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 the foreign currency at the closing date of the balance sheets:

All amounts in millions of reais unless otherwise stated

	Note	3/31/2018	12/31/2017
Assets denominated in foreign currency			
Cash and cash equivalents	7	4,029	6,062
Trade receivables	9	1,609	1,192
Derivative financial instruments		217	189
Financial investments	8	127	326
Related parties		112	67
		6,094	**7,836**
Liabilities denominated in foreign currency			
Borrowing (*)		18,186	17,817
Trade payables		1,969	1,955
Confirming payables	18	907	761
Derivative financial instruments		149	382
		21,211	**20,915**
Net exposure		**(15,117)**	**(13,079)**

(*) Does not consider 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 March 31, 2018							
Borrowing (*)		2,976	2,740	12,317	9,517	7,955	35,505
Derivative financial instruments		50	71	28			149
Confirming payables	18	1,253					1,253
Trade payables		3,170					3,170
Dividends payable	12	680					680
Related parties		22	6				28
Use of public assets		79	173	195	600	1,602	2,649
		8,230	**2,990**	**12,540**	**10,117**	**9,557**	**43,434**
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	18	1,070					1,070
Trade payables		3,353					3,353
Dividends payable	12	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 Resolution 4131.

All amounts in millions of reais unless otherwise stated

5.1.1 Derivatives contracted

(a) Effects 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:

Details of the main derivative operations

	Principal Value							Fair value		Realized gain (loss)	Fair value by maturity					
Programs	3/31/2018	12/31/2017	As per unit	Purchase/ sale	Average FWD rate		Average term (days)	3/31/2018	12/31/2017	3/31/2018	2018	2019	2020	2021	2022	2023+
Sales at a fixed price																
Zinc forward	5,799	2,318	ton	P	3,239	USD/ton	71	0.7	2.1	1.3	0.6	0.1				
								0.7	**2.1**	**1.3**	**0.6**	**0.1**				
Hedging instruments for mismatches of quotation quarter																
Zinc forward	275,304	281,397	ton	P/S			28	15.1	(16.3)	(4.3)	15.1					
Silver forward	164	238	k oz (*)	P/S			24	0.1	0.6	0.1	0.1					
Aluminum forward	1,000	6,850	ton	P/S			1	0.3	(0.2)	(0.2)	0.3					
								15.5	**(15.9)**	**(4.4)**	**15.5**					
Hedging instruments for the operating margin of metals																
Aluminum forward	14,865	18,970	ton	S	1,971	USD/ton	1	(5.2)	(21.9)		(5.2)					
US Dollar forward	29	33	USD	S	3	BRL/USD	1	1.6	8.9		1.6					
								(3.6)	**(13.0)**		**(3.6)**					
Hedging instruments for foreign exchange exposure																
US Dollar forward		451	USD	P		BRL/USD			(21.2)	8.0						
Turkish lira forward		26	USD	P		TRY/USD			0.4							
									(20.8)	**8.0**						
Hedging instruments for debts																
TJLP floating rate vs. CDI floating rate swaps	28	28	BRL		97.00%	% CDI	107	0.9	1.0	0.2	0.9					
LIBOR floating rate vs. CDI floating rate swaps	323	254	USD		110.50%	% CDI	1,227	26.1	42.4	(9.4)	(16.8)	(27.1)	(15.9)	42.2	(13.7)	57.4
US dollar fixed rate vs. CDI floating rate swaps		50	USD						(42.7)	(49.1)						
								27.0	**0.7**	**(58.3)**	**(15.9)**	**(27.1)**	**(15.9)**	**42.2**	**(13.7)**	**57.4**
								39.6	**(46.9)**	**(53.4)**	**(3.4)**	**(27.0)**	**(15.9)**	**42.2**	**(13.7)**	**57.4**

(*) k oz– Troy Ounce

All amounts in millions of reais unless otherwise stated

Details of the main derivative operations

	Principal Value						Fair value		Realized gain (loss)	Fair value by maturity					
Programs	3/31/2018	12/31/2017	As per unit	Purchase/ sale	Average FWD rate	Average term (days)	3/31/2018	12/31/2017	3/31/2018	2018	2019	2020	2021	2022	2023+
Hedge accounting - cash flow hedge															
Hedging instruments for the operating margin of metals															
Aluminum forward	123,950	165,175	ton	S	2,040 USD/ton	153	11.9	(143.2)	(43.0)	9.0	2.9				
US Dollar forward	253	334	USD	S	3 BRL/USD	155	12.2	0.1	15.7	11.4	0.8				
							24.1	**(143.1)**	**(27.3)**	**20.4**	**3.7**				
Hedging instruments for mismatches of quotation quarter															
Zinc forward	9,377	58,800	ton	P/S		68	(0.3)	9.9	5.9	(0.3)					
Silver forward	302	265	k oz (*)	P/S		50	0.7	(0.2)	0.5	0.7					
							0.4	**9.7**	**6.4**	**0.4**					
Hedge accounting - fair value hedge															
Sales at a fixed price															
Zinc forward	546	202	ton	P	3,455 USD/ton	85	(0.3)	0.1	0.1	(0.3)					
							(0.3)	**0.1**	**0.1**	**(0.3)**					
Hedging instruments for mismatches of quotation quarter															
Zinc forward	37,444	93,003	ton	P/S		38	5.2	(11.4)	(35.7)	5.2					
							5.2	**(11.4)**	**(35.7)**	**5.2**					
							29.4	**(144.7)**	**(56.5)**	**25.7**	**3.7**				
							69.0	**(191.6)**	**(109.9)**	**22.3**	**(23.3)**	**(15.9)**	**42.2**	**(13.7)**	**57.4**

(*) k oz– Troy Ounce

At March 31, 2018, the transactions involving derivative financial instruments recognized in "Carrying value adjustments" amounted to BRL 53. Besides this, there are hedge accounting operations, which amounted to BRL (47), in the subsidiaries not consolidated recognized in "Carrying value adjustments".

All amounts in millions of reais unless otherwise stated

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

The chart below shows the impact of the financial derivative instruments in the financial results in the period:

Programs	Fair value	Gain (loss) realized	Total
Hedging instruments for foreign exchange exposure			
US Dollar forward	21.2	8.0	29.2
Turkish lira forward	(0.4)		(0.4)
	20.8	**8.0**	**28.8**
Hedging instruments for debts			
TJLP vs. CDI floating rate swaps	(0.1)	0.2	0.2
LIBOR floating rate vs. CDI floating rate swaps	(16.3)	(9.4)	(25.7)
US dollar fixed rate vs. CDI floating rate swaps	42.7	(49.1)	(6.4)
	26.3	**(58.3)**	**(31.9)**
Effect on the finance results	**47.1**	**(50.3)**	**(3.1)**

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 Aluminio ("CBA"), Nexa Mineral Resources S.A. ("Nexa BR") and VCSA, denominated in Euros and Dollars.

	3/31/2018		12/31/2017	
	Investment	Debt	Investment	Debt
Nexa Resources Cajamarquilla S.A.	2,616	2,852	2,825	2,981
Votorantim Cement North America Inc.	2,792	4,178	2,170	4,219
Votorantim Cimentos EAA Inversiones, S.L.	1,540	2,328	1,723	2,263

The foreign exchange loss on the conversion of debts, net of income tax and social contribution, recognized as equity valuation adjustments on March 31, 2018, was R$ 64 (March 31, 2017, gain of R$ 240) (Note 22 (c)).

The Company documents and evaluates quarterly the effectiveness of the investment hedge operations, prospectively, 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 interest rates, 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 March 31, 2018 are described below:

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

Scenario II - Considers a shock of + or - 25% in the market curves at March 31, 2018;

Scenario III - Considers a shock of + or - 50% in the market curves at March 31, 2018.

All amounts in millions of reais unless otherwise stated

							Impacts on profit (loss)					Impacts on comprehensive income				
							Scenario I	Scenarios II & III				Scenario I	Scenarios II & III			
Risk factors	**Cash and cash equivalents and financial investments (i)**	**Borrowing and related parties (i)**		**Derivative financial instruments/As per unit**		**Changes from 3/31/2018**	**Results of scenario I**	**-25%**	**-50%**	**+25%**	**+50%**	**Results of scenario I**	**-25%**	**-50%**	**+25%**	**+50%**
Foreign exchange rates																
USD	3,605	14,390	(*)	605	USD million	-3.7%	8	55	110	(55)	(110)	382	2,566	5,133	(2,566)	(5,133)
EUR	138	3,038				-4.4%	1	4	7	(4)	(7)	128	722	1,443	(722)	(1,443)
PEN	84					-0.9%	(1)	(20)	(40)	20	40		(1)	(2)	1	2
BOB	23	407				-4.6%						18	96	192	(96)	(192)
TRY	21	235				-2.9%	(1)	(5)	(11)	5	11	7	59	118	(59)	(118)
ARS	11					-7.1%						(1)	(3)	(5)	3	5
Interest rates																
BRL - CDI	5,519	3,236		2,038	BRL million	-25 bps	(5)	(31)	(61)	31	63	1	5	10	(5)	(9)
BRL - IPCA		100				-47 bps		1	1	(1)	(1)					
USD - LIBOR		740		1,704	USD million	-21 bps	(4)	(15)	(30)	15	30	1	2	4	(2)	(4)
US Dollar coupon				605	USD million	57 bps	(17)	33	68	(31)	(59)	2	(4)	(8)	4	8
Price of commodities																
Zinc				328,470	ton	-2.8%	23	211	423	(211)	(423)		(1)	(3)	1	3
Aluminum				139,815	ton	5.4%						(44)	205	410	(205)	(410)
Silver				466	k oz (**) thousand	1.4%		1	2	(1)	(2)		4	8	(4)	(8)
Firm commitment - electric energy																
Sale and purchase agreements - fair value				51	BRL million			3	6	(3)	(7)					

(*) Considers baskets of currencies
(**) k oz - Ounces troy

(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.

All amounts in millions of reais unless otherwise stated

6 Credit quality of financial assets

	3/31/2018			12/31/2017		
	Local rating	Global rating	Total	Local rating	Global rating	Total
Cash and cash equivalents						
AA+	183		183	376		376
AA				70		70
AA-	2,506	309	2,815	2,452	464	2,916
A+		413	413		2,233	2,233
A		1,215	1,215		847	847
A-		239	239		393	393
BBB+		690	690		391	391
BBB		165	165		458	458
BBB-		32	32		58	58
BB		67	67		140	140
BB-		17	17			
B-		5	5		77	77
B+		22	22		21	21
Unrated (i)		855	855		980	980
	2,689	**4,029**	**6,718**	**2,898**	**6,062**	**8,960**
Financial investments and liquidity funds						
AA+	524		524	867		867
AA	31		31	30		30
AA-	2,421		2,421	2,315	14	2,329
A+	4	18	22	3	168	171
A		25	25		25	25
A-	18	2	20	18	2	20
BBB+					21	21
B-		5	5		50	50
Unrated (ii)	10	77	87	28	46	74
	3,008	**127**	**3,135**	**3,261**	**326**	**3,587**
Derivative financial instruments						
AAA	23		23	30		30
AA+	8		8	7		7
AA-	96	14	110	69	17	86
A+		31	31		11	11
A		9	9		1	1
Unrated (i)	37		37	55		55
	164	**54**	**218**	**161**	**29**	**190**
	5,861	**4,210**	**10,071**	**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

All amounts in millions of reais unless otherwise stated

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.

	3/31/2018	12/31/2017
Local currency		
Cash and banks	177	14
Bank Deposit Certificates - "CDBs"	164	534
Repurchase agreements - private securities		165
Repurchase agreements - public securities	2,348	2,185
	2,689	**2,898**
Foreign currency		
Cash and banks	3,282	3,516
Interbank investments	117	
Bank Deposit Certificates - "CDBs"		1,503
Term deposits	630	1,043
	4,029	**6,062**
	6,718	**8,960**

8 Financial investments and liquidity fund

8.1 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).

	3/31/2018	12/31/2017
Fair value through profit or loss		
Bank Deposit Certificates - "CDBs"	732	543
Financial Treasury Bills - "LFTs"	944	961
Repurchase agreements - public securities	621	605
Repurchase agreements - private securities	667	1,048
Investment fund quotas	12	29
Financial investments in foreign currency	127	282
	3,103	**3,468**
Fair value through other comprehensive income		
Bank Deposit Certificates - "CDBs"	3	68
	3	**68**
Amortized cost		
Financial Treasury Bills - "LFTs"		7
Financial investments in foreign currency		44
		51
	3,106	**3,587**
Current	3,087	3,562
Non-current	19	25
	3,106	**3,587**

All amounts in millions of reais unless otherwise stated

8.2 Liquidity fund – Reserve account

The contractual clauses agreed between the National Bank for Economic and Social Development (BNDES) and energy companies require the maintenance of a liquidity fund in a reserve account as collateral for financing, which will only be redeemed after contractual liquidation. As at December 31, 2017, this was classified as investment funds, however, on March 31, 2018, the Liquidity Fund - Reserve account was created to allocate the restricted balance of reserve accounts, which is R$ 29.

9 Trade receivables

(a) Breakdown

	Note	3/31/2018	12/31/2017
Trade receivables - Brazil		1,403	1,296
Trade receivables - foreign customers		1,602	1,231
Related parties	12	56	53
		3,061	**2,580**
Allowance for doubtful accounts		(166)	(159)
		(166)	**(159)**
		2,895	**2,421**

(b) Aging of trade receivables

	3/31/2018	12/31/2017
Current	2,465	1,975
Up to three months past due	263	326
Three to six months past due	30	32
Over six months past due	303	247
	3,061	**2,580**

10 Inventory

	3/31/2018	12/31/2017
Finished products	807	749
Semi-finished products	1,591	1,482
Raw materials	636	624
Auxiliary materials and consumables	876	856
Imports in transit	265	205
Other	82	84
Provision for inventory losses	(503)	(474)
	3,754	**3,526**

All amounts in millions of reais unless otherwise stated

11 Taxes recoverable

	3/31/2018	12/31/2017
Corporate Income Tax ("IRPJ") and Social Contribution on Net Income ("CSLL")	1,491	1,524
State Value-added Tax on Sales and Services ("ICMS")	468	465
Social Contribution on Revenue ("COFINS")	378	379
Value-added Tax ("VAT") (foreign companies)	293	265
Social Integration Program ("PIS")	74	85
Withholding Income Tax ("IRRF")	74	69
"IRPJ/CSLL" - "*Plano Verão* "	60	81
State VAT on Sales and Services on PP&E	57	66
Excise Tax ("IPI")	27	32
Other	99	135
	3,021	**3,101**
Current	1,275	1,317
Non-current	1,746	1,784
	3,021	**3,101**

12 Related parties

Assets	Trade receivables		Dividends receivable		Non-current assets	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017
Related companies and joint ventures						
Alunorte Alumina do Norte do Brasil S.A.	8					
Cementos Avellaneda S.A.	13	12				
Superior Materials Holdings, LLC	4					
Cementos Granadilla S.L.	3	1			6	6
Banco Votorantim S.A.			56	55		
Citrosuco GmbH (i)					98	43
Citrosuco S.A. Agroindústria (i)	1	23			112	87
Fibria Celulose S.A.	6	12	76	76	1	1
Mineração Rio do Norte S.A.			5	5		
Supermix Concreto S.A.	17	5				
Other	4			12	8	6
	56	**53**	**137**	**148**	**225**	**143**
Current	56	53	137	148		
Non-current					225	143
	56	**53**	**137**	**148**	**225**	**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.

All amounts in millions of reais unless otherwise stated

Liabilities	Trade payables		Dividends payable		Non-current liabilities	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017
Parent company						
Hejoassu Administração S.A.			632	140		
Related companies and joint ventures						
Fibria Celulose S.A.	13	3			1	1
Other		6			27	24
	13	**9**	**632**	**140**	**28**	**25**
Non-controlling interests			48	48		
Current	13	9	680	188		
Non-current					28	25
	13	**9**	**680**	**188**	**28**	**25**

Profit and loss	Sales (purchases), net		Finance income (expenses), net	
	1/1/2018 to 3/31/2018	1/1/2017 to 3/31/2017	1/1/2018 to 3/31/2018	1/1/2017 to 3/31/2017
Related companies and joint ventures				
Cementos Granadilla S.L.		4		
Citrosuco S.A. Agroindústria	10	8		2
Fibria Celulose S.A.	21	23		
Superior Materials Holdings, LLC		10		
Supermix Concreto S.A.	45	48		
Other		1	1	
	76	**94**	**1**	**2**

13 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$ 51 in "Other operating expenses, net" (Note 26).

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$ 30 was recognized as an expense in "Other operating expenses, net" (Note 26).

The values quoted above have the following composition:

	ACR			ACL				Total	
	CBA	Votorantim Energia	Total	Votorantim Cimentos	CBA	Votorantim Energia	Total	1/1/2018 to 3/31/2018	1/1/2017 to 3/31/2017
Realization	(29)	(9)	(38)	(3)	(2)	(37)	(42)	(80)	(197)
Recognition					4	8	12	12	(15)
Reversal (i)	(10)	(3)	(13)					(13)	
	(39)	**(12)**	**(51)**	**(3)**	**2**	**(29)**	**(30)**	**(81)**	**(212)**

(i) The reduction in volume was caused by the exit of distributors from the regulated trading environment, and they migrated to the free environment.

All amounts in millions of reais unless otherwise stated

The table below present the composition of equity balances:

	ACR			ACL				Total	
	CBA	Votorantim Energia	Total	Votorantim Cimentos	CBA	Votorantim Energia	Total	3/31/2018	12/31/2017
Assets									
Current	109	32	141		7	10	17	158	210
Non-current	77	23	100					100	154
	186	**55**	**241**		**7**	**10**	**17**	**258**	**364**
Liabilities									
Current				(1)			(1)	(1)	(1)
Non-current				(24)	(50)	(108)	(182)	(182)	(207)
				(25)	**(50)**	**(108)**	**(183)**	**(183)**	**(208)**

14 Investments

(a) Breakdown

	Percentage of total and voting capital		Headquarters	Main activity
	3/31/2018	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
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
Cemento Portland S.A.	50.00	50.00	Peru	Cement

(i) According to Note 29, Fibria has been reclassified to assets held-for-sale, however, the operation is subject to the usual pre-conditions for this type of operation, including the approval by certain competition authorities in Brazil and abroad.

All amounts in millions of reais unless otherwise stated

(b) Changes in investments

	Movement									Information about the companies investees		
	Opening balance for the quarter	Equity in the results of investees	Exchange variation	Fair value of asset available for sale	Initial adoption of IFRS 9 (iv)	Cash flow hedge	Reclassification to assets classified as held-for-sale	Other	Closing balance for the quarter	Equity	Profit (loss) for the quarter	Total and voting capital (%)
Investments accounted for based on the equity method - Associates												
Cementos Avellaneda S.A.	251	28	(3)						276	563	56	49.00%
Alunorte - Alumina do Norte S.A. (ii)	135	(1)							134	4,408	(41)	3.03%
Mineração Rio do Norte S.A. (ii)	83	3							86	858	25	10.00%
Supermix Concreto S.A.	62	(1)							61	245	(3)	25.00%
IMIX Empreend. Imobiliários Ltda.	6								6	26	1	25.00%
Cementos Especiales De Las Islas, S.A.	69	3	2						74	148	5	50.00%
Outros	251	(3)						(3)	245			
	857	29	(1)					(3)	882			
Joint ventures												
Citrosuco GmbH (i)	2,120	35	12						2,167	2,754	84	50.00%
Banco Votorantim S.A.	5,111	126		20	(370)				4,887	9,773	251	50.00%
Citrosuco S.A. Agroindústria (i)	1,029	21	13			(47)		(2)	1,014	1,050	60	50.00%
Fibria Celulose S.A. (iii)	4,116	181	1				(4,300)	2		15,275	613	29.46%
Hutton Transport Ltda.	18							(2)	16	66		25.00%
Midway Group, LLC.	14	(1)							13	26	(2)	50.00%
Superior Materials Holdings, LLC	53	(2)						(8)	43	85	(4)	50.00%
Cemento Portland S.A.	54								54	109	(1)	50.00%
	12,515	**360**	**26**	**20**	**(370)**	**(47)**	**(4,300)**	**(10)**	**8,194**			
1/1/2018 to 3/31/2018	**13,372**	**389**	**25**	**20**	**(370)**	**(47)**	**(4,300)**	**(13)**	**9,076**			
1/1/2017 to 3/31/2017	**12,949**	**134**	**(53)**	**(12)**		**3**		**38**	**13,059**			

All amounts in millions of reais unless otherwise stated

(i) At March 31, 2018, the following investments consider the goodwill paid on the acquisition of investments and the surplus value, which is amortized in the income statement of the parent company:

	3/31/2018	12/31/2017
Citrosuco S.A. Agroindústria	489	525
Citrosuco GmbH	790	789

(ii) Relates to investees in which the participation is less than 20%, but the Company has significant influence over the activities through agreements established with shareholders.

(iii) The equity income of the investee considers eliminations of unrealized profits, in the amount of R$ 178 (December 31, 2017 – R$ 178), in exchange for land with the Company.

(iv) Refers to the initial adoption of IFRS 9 as recognized in Banco Votorantim's shareholders' equity (Note 3.1.2).

All amounts in millions of reais unless otherwise stated

15 Property, plant and equipment

(a) Breakdown and changes

	1/1/2018 to 3/31/2018									1/1/2017 to 3/31/2017
	Land and improvements	Buildings and construction	Machinery, equipment and facilities	Vehicles	Furniture and fittings	Construction in progress	Leasehold improvements	Other	Total	Total
Opening balance for the quarter										
Cost	1,959	10,467	34,105	1,121	191	2,793	456	524	51,616	49,528
Accumulated depreciation	(58)	(4,232)	(19,722)	(918)	(145)		(251)	(355)	(25,681)	(24,437)
Net opening balance for the quarter	**1,901**	**6,235**	**14,383**	**203**	**46**	**2,793**	**205**	**169**	**25,935**	**25,091**
Additions			2			334		6	342	568
Disposals	(8)	(1)	(11)					(15)	(35)	(43)
Depreciation	(1)	(82)	(365)	(16)	(2)		(5)	(11)	(482)	(469)
Foreign exchange variation	14	12	45	(1)		11	(2)	(1)	78	(223)
Effect of subsidiaries excluded in consolidation		(1)	(4)			(1)			(6)	
Reversal for impairment		2	5						7	23
Write off by corporate transaction								(5)	(5)	
Reclassification to assets classified as held-for-sale										(1)
Transfers (i)	20	6	191	24	1	(261)	1	(6)	(24)	(45)
Closing balance for the quarter	**1,926**	**6,171**	**14,246**	**210**	**45**	**2,876**	**199**	**137**	**25,810**	**24,901**
Cost	1,987	10,501	34,439	1,140	197	2,876	452	496	52,088	49,479
Accumulated depreciation	(61)	(4,330)	(20,193)	(930)	(152)		(253)	(359)	(26,278)	(24,578)
Net closing balance for the quarter	**1,926**	**6,171**	**14,246**	**210**	**45**	**2,876**	**199**	**137**	**25,810**	**24,901**
Average annual depreciation rates - %	**2**	**3**	**9**	**17**	**11**		**9**	**14**		

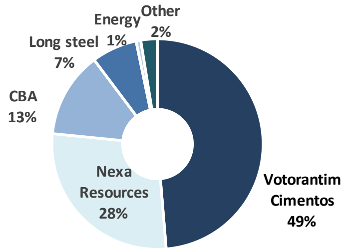
(i) The transfers at March 31, 2018 are related to the reclassification from “Construction in progress” within “Property, plant and equipment” to “Software” and “Rights to use natural resources”, within “Intangible assets”.

All amounts in millions of reais unless otherwise stated

(b) Construction in progress

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

	3/31/2018	12/31/2017
Votorantim Cimentos	1,339	1,360
Nexa Resources	828	779
CBA	389	368
Long steel	220	195
Energy	21	20
Other	79	71
	2,876	**2,793**



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

Main projects in progress - Votorantim Cimentos	3/31/2018	12/31/2017
Cement production capacity expansion - North America	480	462
Equipment refurbishment	89	122
Environment and security	76	84
New lines of co-processing	64	63
New unit in Ituaçú - Brazil	43	43
Cement grinding - Pecém - Brazil	39	39
Geology and mining rights	37	36
New unit in Sobral - Brazil	35	35
Structural recovery	27	39
Hardware and software	19	27
Burden removal	8	26
Other	422	384
	1,339	**1,360**

Main projects in progress - Nexa Resources	3/31/2018	12/31/2017
Expansion	357	322
Sustaining	135	158
Dam	111	93
Security, Health and enviroment	108	90
Information technology projects	26	23
Modernization	25	24
Other	66	69
	828	**779**

Main projects in progress - CBA	3/31/2018	12/31/2017
Rondon Bauxite Project	112	111
Furnace refurbishment	87	75
Revitalization and adequacy of power plant	52	51
Automation system modernization	33	32
Plastic transformation and foundry projects	28	26
Alumina factory project	28	26
Furnace rooms project	19	18
Project safety, health and environment	9	7
Mining projects	4	4
Casting Projects	4	3
Other	13	15
	389	**368**

All amounts in millions of reais unless otherwise stated

Main projects in progress - Long steel	3/31/2018	12/31/2017
Modernization and revitalization of equipment	128	117
Revitalization and adaptation of plant - Argentina and Colombia	33	51
Security projects, health and environment - Colombia	32	8
Information technology	3	
Expansion	2	
Other	22	19
	220	**195**

Main projects in progress - Energy	3/31/2018	12/31/2017
Corumbá project	18	16
Change of Corporate Center		2
Other	3	2
	21	**20**

All amounts in millions of reais unless otherwise stated

16 Intangible assets

(a) Breakdown and changes

	1/1/2018 to 3/31/2018									1/1/2017 to 3/31/2017
	Rights over natural resources	Goodwill	ARO (i)	Use of public assets	Contracts, customer relationships and agreements	Softwares	Rights over trademarks and patents	Other	Total	Total
Opening balance for the quarter										
Cost	8,693	4,863	1,047	540	235	593	485	782	17,238	17,509
Accumulated amortization	(2,851)		(556)	(179)	(156)	(477)	(313)	(343)	(4,875)	(4,496)
Net opening balance for the quarter	**5,842**	**4,863**	**491**	**361**	**79**	**116**	**172**	**439**	**12,363**	**13,013**
Additions	7								7	12
Disposals	(9)								(9)	
Amortization and depletion	(97)		(9)	(5)	(3)	(9)	(1)	(3)	(127)	(136)
Foreign exchange variation	45	48	2					2	97	(360)
Effect of subsidiaries excluded from consolidation	(2)	(6)							(8)	
Reversal for impairment										3
Revision of estimated cash flow			32						32	5
Transfers	15					17		(8)	24	42
Closing balance for the quarter	**5,801**	**4,905**	**516**	**356**	**76**	**124**	**171**	**430**	**12,379**	**12,579**
Cost	8,751	4,905	1,085	540	236	611	487	776	17,391	17,125
Accumulated amortization	(2,950)		(569)	(184)	(160)	(487)	(316)	(346)	(5,012)	(4,546)
Net closing balance for the quarter	**5,801**	**4,905**	**516**	**356**	**76**	**124**	**171**	**430**	**12,379**	**12,579**
Average annual amortization and depletion rates - %	**16**		**5**	**7**	**7**	**6**	**10**	**10**		

(i) *Asset Retirement Obligation.*

All amounts in millions of reais unless otherwise stated

17 Borrowing

(a) Breakdown and fair value

		Current		Non-current		Total		Fair value	
Type	**Average annual charges (i)**	**3/31/2018**	**12/31/2017**	**3/31/2018**	**12/31/2017**	**3/31/2018**	**12/31/2017**	**3/31/2018**	**12/31/2017**
Local currency									
Debentures	118.63% CDI / IPCA + 5.58%	907	1,288	2,462	3,257	3,369	4,545	3,490	4,599
BNDES	TJLP + 2.34% / 4.70% fixed rate BRL / SELIC + 2.75%	397	486	1,266	1,410	1,663	1,896	1,547	1,774
Development promotion agency	7.56% fixed rate BRL / TJLP + 0.98%	41	41	198	208	239	249	239	238
FINAME	4.85% fixed rate BRL	22	23	85	91	107	114	100	102
Export credit notes			3		100		103		105
Other		15	16	11	11	26	27	27	26
		1,382	**1,857**	**4,022**	**5,077**	**5,404**	**6,934**	**5,403**	**6,844**
Foreign currency									
Eurobonds - USD	6.15% fixed rate USD	245	156	12,008	11,948	12,253	12,104	12,880	12,877
Loans - Resolution 4131 (ii)	LIBOR USD + 1.06% / 4.04% fixed rate USD	5	176	1,084	763	1,089	939	1,092	944
Eurobonds - EUR	3.44% fixed rate EUR	57	37	2,314	2,246	2,371	2,283	2,496	2,415
Syndicated loan/bilateral agreements	EURIBOR + 2.01% / Libor + 1.10% / 6.51% fixed rate	391	123	1,128	1,192	1,519	1,315	1,512	1,320
Export prepayments	LIBOR USD + 2.54%	5	1	662	659	667	660	712	709
BNDES	UMBNDES + 2.48%	34	112	31	37	65	149	67	152
Export credit notes			1		104		105		107
Working capital	IBR + 3.65% / 9.25% fixed rate INR	64	96			64	96	65	98
Other		14	14	28	31	42	45	41	43
		815	**716**	**17,255**	**16,980**	**18,070**	**17,696**	**18,865**	**18,665**
		2,197	**2,573**	**21,277**	**22,057**	**23,474**	**24,630**	**24,268**	**25,509**

Current portion of long-term borrowing	1,727	1,743
Interest on borrowing	404	365
Short-term borrowing	66	465
	2,197	**2,573**

All amounts in millions of reais unless otherwise stated

(i) The average annual charges are presented only for agreements that represent a large share of the total debt amount.

(ii) Loans relating to Resolution 4131 have swaps that are indexed to both exchange rates (LIBOR and fixed rates for floating CDI rates) and currency (US Dollars for reais), and resulted in a final weighted cost of 110.85% p.a. of the CDI. Borrowing of this type relates to compound financial instruments, contracted as a single product with the financial institution (debt in US Dollars + swap 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 27.

Key:

BNDES – National Bank for Economic and Social Development.
BRL – Brazilian currency (Real).
CDI – Interbank Deposit Certificate.
EUR – European Union currency (Euro).
EURIBOR – Euro Interbank Offered Rate.
FINAME – Government Agency for Machinery and Equipment Financing.
IBR – Interbank Rate (Colombia).
INR – Indian Rupee
LIBOR – London Interbank Offered Rate.
SELIC – Special System for - Clearance and Custody.
TJLP – Long-term interest rate set by the National Monetary Council. The TJLP is the BNDES basic cost of financing.
IPCA – Extended Consumer Price Index.
UMBNDES – Monetary unit of the BNDES reflecting the weighted basket of currencies of foreign currency debt obligations. At December 31, 2017, 99.60% of the basket consisted of US Dollars.
USD – US Dollar.

(b) Changes

	1/1/2018 to 3/31/2018	1/1/2017 to 3/31/2017
Opening balance for the quarter	**24,630**	**24,403**
New borrowing	595	1,211
Interest	349	437
Foreign exchange variation	157	(499)
Addition of borrowing fees, net of amortization	12	11
Effect of subsidiaries included in consolidation		48
Fair value adjustment	(17)	17
Payments - interest	(291)	(313)
Payments - principal	(1,961)	(1,083)
Closing balance for the quarter	**23,474**	**24,232**

(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.

All amounts in millions of reais unless otherwise stated

The main funding and amortizations made in the first quarter 2018 were as follows:

New borrowing

Date	Company	Modality	Currency	Amount	Amount BRL	Maturity	Cost
mar-18	Votorantim Cimentos S.A.	Resolution 4131	USD	100	325	2023	112% CDI

Amortizations

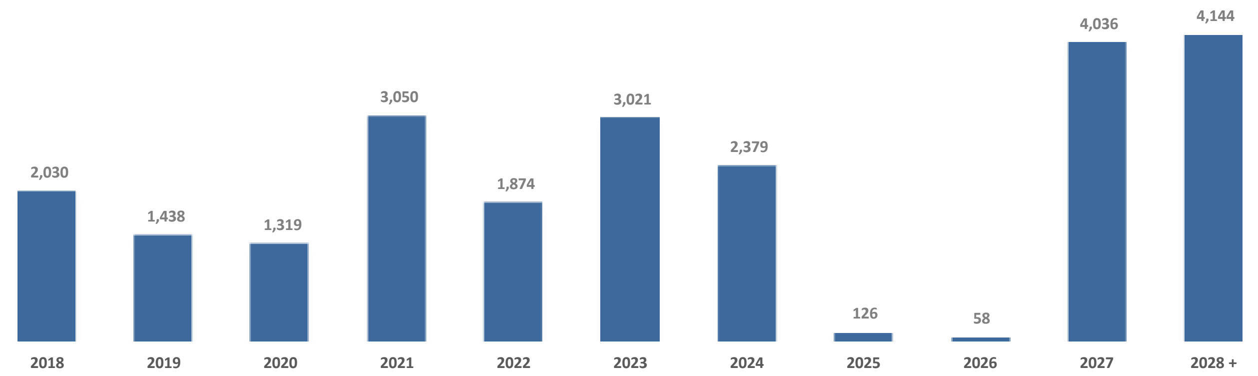
Date	Company	Modality	Currency	Main	Main BRL	Maturity	Note
jan-18	Ventos de Santa Albertina Energia Renováveis S.A.	Debentures	BRL	(69)	(69)	2018	
jan-18	Ventos de Santo Agostinho Energia Renováveis S.A.	Debentures	BRL	(54)	(54)	2018	
jan-18	Ventos de São Adeodato Energia Renováveis S.A.	Debentures	BRL	(99)	(99)	2018	
jan-18	Ventos de São Casimiro Energia Renováveis S.A.	Debentures	BRL	(69)	(69)	2018	
jan-18	Ventos de São Vinicius Energia Renováveis S.A.	Debentures	BRL	(102)	(102)	2018	
jan-18	Ventos de Santo Afonso Energia Renováveis S.A.	Debentures	BRL	(27)	(27)	2018	
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.	Resolution 4131	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	

All amounts in millions of reais unless otherwise stated

(d) Breakdown by currency

	Current		Non-current		Total	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017
US Dollar	374	366	13,785	13,509	14,159	13,875
Real	1,382	1,857	4,022	5,077	5,404	6,934
Euro	177	110	2,861	2,825	3,038	2,935
Boliviano	16	1	391	395	407	396
Turkish lire	45	47	190	220	235	267
Currencies basket	16	83	11	14	27	97
Other	187	109	17	17	204	126
	2,197	**2,573**	**21,277**	**22,057**	**23,474**	**24,630**

(e) Maturity



(f) Breakdown by index

	Current		Non-current		Total	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017
Local currency						
CDI	901	1,288	2,364	3,258	3,265	4,546
TJLP	308	436	1,148	1,239	1,456	1,675
Fixed rate	66	74	270	286	336	360
SELIC	101	55	142	196	243	251
IPCA	6	4	98	98	104	102
	1,382	**1,857**	**4,022**	**5,077**	**5,404**	**6,934**
Foreign currency						
Fixed rate	445	515	15,626	15,549	16,071	16,064
LIBOR	216	5	1,408	1,179	1,624	1,184
EURIBOR	68	39	190	215	258	254
UMBNDES	34	112	31	37	65	149
Other	52	45			52	45
	815	**716**	**17,255**	**16,980**	**18,070**	**17,696**
	2,197	**2,573**	**21,277**	**22,057**	**23,474**	**24,630**

All amounts in millions of reais unless otherwise stated

(g) Collateral

As at March 31, 2018, R$ 9,967 (December 31, 2017 – R$ 10,607) of the balance of the Company's borrowing was collateralized under promissory notes and sureties and R$ 917 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.

The Company was in compliance with all of these covenants, as applicable.

18 Confirming payables

The Company and the 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	3/31/2018	12/31/2017
Domestic market	346	309
Foreign market	907	761
	1,253	**1,070**

19 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 periods ended March 31 are reconciled to their Brazilian standard rates as follows:

	1/1/2018 to 3/31/2018	1/1/2017 to 3/31/2017
Profit (loss) before income tax and social contribution	**515**	**(357)**
Standard rates	**34%**	**34%**
Income tax and social contribution at standard rates	**(175)**	**121**
Adjustments for the calculation of income tax and social contribution at effective rates		
Equity	132	48
Differential rate of foreign companies	15	18
Tax on mining operations	(17)	(11)
Reprocessing of previous calculations	(41)	(5)
Tax loss carryforward and non-deferred tax base	(151)	(216)
Deferred exchange gains - effect on the income statement		(31)
Other additions, net	(18)	(20)
Income tax and social contribution calculated	**(255)**	**(96)**
Current	(202)	(86)
Deferred	(53)	(10)
Income tax and social contribution expenses	**(255)**	**(96)**
Effective rate - %	**50%**	**-27%**

All amounts in millions of reais unless otherwise stated

(b) Breakdown of deferred tax balances

	3/31/2018	12/31/2017
Tax credits on tax losses	**1,899**	**1,884**
Tax credits on temporary differences		
Foreign exchange gains	1,209	1,300
Estimation for losses on investments, fixed and intangible assets	1,201	1,181
Tax, civil and labor provision	484	506
Tax benefit on goodwill	470	465
Asset retirement obligation	180	166
Use of public assets	171	172
Environmental liabilities	116	116
Estimation for inventory losses	70	66
Provision for energy charges	46	46
Estimated asset disposals	25	20
Other tax credits	259	232
Tax debits on temporary differences		
Borrowing costs	(3)	(3)
Asset retirement obligation	(17)	(6)
Deferred of gains (losses) on derivative instruments	(17)	63
Pension funds	(28)	(18)
Financial instruments - firm commitment	(34)	(61)
Adjustment to present value	(55)	(55)
Capitalized interest	(142)	(140)
Market value Citrosuco	(154)	(154)
Fair value adjustments	(148)	(143)
Goodwill amortization	(384)	(367)
Adjustment of useful lives of PP&E (depreciation)	(1,497)	(1,561)
Market value adjustments to property, plant and equipment	(1,573)	(1,581)
Other tax debits	(23)	(14)
Net	**2,055**	**2,114**
Net deferred tax assets related to the same legal entity	**4,012**	**4,079**
Net deferred tax liabilities related to the same legal entity	**(1,957)**	**(1,965)**

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

	1/1/2018 to 3/31/2018	1/1/2017 to 3/31/2017
Opening balance for the quarter	**2,114**	**2,072**
Effects on the results for the quarter - continuing operations	(53)	(10)
Deferred income tax and social contribution on hedge accounting	(23)	(90)
Effects of foreign exchange variations in other comprehensive income	(3)	29
Effects on the results of the quarter - discontinued operations	20	90
Closing balance for the quarter	**2,055**	**2,091**

All amounts in millions of reais unless otherwise stated

20 Deferred revenue - obligation for performance

In December 2014, the subsidiary Votener ceded to a financial institution the receivables due until 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 a total amount of R$ 905, and the interest to be appropriated from the transaction will be recognized pro rata to the result during the term of the agreement.

In May 2015, Votener carried out a second credit assignment operation, without any right of return and/or co-obligation of the subsidiary, in the total amount of R$ 368. By assigning the receivables, Votener received the total amount of R$ 251, and 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 March 31, 2018 was R$ 456 (December 31, 2017, R$ 516).

21 Provision

(a) Breakdown and changes

	1/1/2018 to 3/31/2018						1/1/2017 to 3/31/2017
		Legal claims					
	ARO (i)	Tax	Labor	Civil	Other	Total	Total
Opening balance for the quarter	**1,275**	**849**	**99**	**317**	**47**	**2,587**	**2,346**
Present value adjustment	15					15	14
Additions		24	33	17	2	76	164
Reversals		(15)	(22)	(107)	(2)	(146)	(92)
Judicial deposits, net of write-offs		(1)	(5)	101		95	(123)
Settlement in cash	(6)	(3)	(9)	(1)	(2)	(21)	(35)
Settlements with escrow deposits			(1)			(1)	(1)
Monetary restatement		9	22	6		37	43
Foreign exchange variation	10		2	1		13	(11)
Revision of estimated cash flow	30					30	
Closing balance for the quarter	**1,324**	**863**	**119**	**334**	**45**	**2,685**	**2,305**

(i) Asset Retirement Obligation

(ii) The loss classification´s claim was changed from “Probable” to “Remote”, resulting in a civil judicial provision´s reversal 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 March 31, 2018, CBA has on deposit in court´s account an amount of R$ 101.

All amounts in millions of reais unless otherwise stated

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

	3/31/2018				12/31/2017			
	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)
Tax	(125)	988	863	691	(124)	973	849	679
Civil	(19)	353	334	112	(120)	437	317	10
Labor	(210)	329	119	75	(205)	304	99	71
Other		45	45	4		47	47	5
	(354)	**1,715**	**1,361**	**882**	**(449)**	**1,761**	**1,312**	**765**

(i) The Company has 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.

	3/31/2018	12/31/2017
Tax	10,028	10,035
Civil	7,250	7,215
Environmental	493	496
Labor and social security	465	441
	18,236	**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	3/31/2018	12/31/2017
Tax assessment notice - "IRPJ/CSLL"	1,822	1,794
"ICMS" - Credit	929	923
"IRPJ/CSLL" – Profits abroad (i)	739	765
Disallowances of "PIS/COFINS" credits	582	582
Compensation for exploration for mineral resources ("CFEM")	575	571
Disallowance of "IRPJ/CSLL" negative balance	376	362
Offset of tax loss – 30% limit (merger)	275	276
Tax assessment notice – "ICMS"	274	272
"ICMS" – transfer costs	242	242
"IRPJ/CSLL" – Transfer costs	193	192
Errors in fiscal classification - Importation	163	163
"ICMS" requirements on TUSD	134	134
Collection of ICMS due to divergences regarding the destination of the property	90	90
Tax assessment notice - "ISS"	74	61
"IRPJ/CSLL" – Deduction of expenses	72	71
Other lawsuits with individual amounts lower than BRL 100	3,488	3,537
	10,028	**10,035**

(i) Profits abroad – "IRPJ/CSLL"

The Company has official notifications served by the Brazilian Federal Revenue, for supposed non-payment of IRPJ and CSLL due to the profit realized abroad by its subsidiaries, in 2007, 2008 and 2012, which amounted to R$ 579 in March 2018. 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.

All amounts in millions of reais unless otherwise stated

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

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

Nature	3/31/2018	12/31/2017
Public civil suit – Violation of the economic order	3,910	3,872
Administrative investigations carried out by the Secretariat of Economic Law	2,008	1,994
Litigation with a São Paulo transportation company	188	187
Other lawsuits	1,144	1,162
	7,250	**7,215**

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

22 Equity

(a) Share capital

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

(b) Dividends

During the first quarter of 2018, the Company decided on a dividend to its controlling company Hejoassu Administração S.A, in the amount of BRL 500, corresponding of dividends related to a portion of the revenue reserves account, which had accumulated up to December 31, 2017.

All amounts in millions of reais unless otherwise stated

(c) Carrying value adjustments

	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	(601)						(601)
Hedge accounting for net investments abroad, net of taxes		240					240
Hedge accounting for the operations of subsidiaries			(66)				(66)
Remeasurement of retirement benefits				(1)			(1)
Realization of other comprehensive income on disposal of investments	(3)						(3)
Participation in other comprehensive income of investees						19	19
Fair value of available-for-sale financial assets of non-consolidated investments					(12)		(12)
At March 31, 2017	**5,600**	**(4,325)**	**(96)**	**(36)**	**27**	**(339)**	**831**
At January 1, 2018	**4,990**	**(4,175)**	**(118)**	**(82)**	**266**	**(148)**	**733**
Other comprehensive income							
Currency translation of investees located abroad	130						130
Hedge accounting for net investments abroad, net of taxes		(64)					(64)
Hedge accounting for the operations of subsidiaries			6				6
Remeasurement of retirement benefits				(3)			(3)
Fair value of available-for-sale financial assets of non-consolidated investments					71		71
At March 31, 2018	**5,120**	**(4,239)**	**(112)**	**(85)**	**337**	**(148)**	**873**

All amounts in millions of reais unless otherwise stated

23 Net revenue

	1/1/2018 to 3/31/2018	1/1/2017 to 3/31/2017
Gross revenue		
Sales of products - domestic market	5,060	4,530
Sales of products - foreign market	3,390	2,752
Supply of electrical energy	(677)	(657)
Services provided	123	110
	7,896	6,735
Taxes on sales, services and other deductions	(1,111)	(1,073)
Net revenue	**6,785**	**5,662**

24 Expenses by nature

	1/1/2018 to 3/31/2018				1/1/2017 to 3/31/2017
	Cost of products sold and services rendered	Selling	General and administrative	Total	Total
Raw materials, inputs and consumables	3,406	3	4	3,413	2,735
Employee benefit expenses	615	92	270	977	973
Depreciation, amortization and depletion	587	4	18	609	592
Outsourced services	233	12	101	346	330
Transportation expenses	375	3	4	382	339
Other expenses	334	72	93	499	384
	5,550	**186**	**490**	**6,226**	**5,353**

25 Employee benefit expenses

	1/1/2018 to 3/31/2018	1/1/2017 to 3/31/2017
Salaries and bonuses	582	585
Payroll charges	239	241
Benefits	156	147
	977	**973**

All amounts in millions of reais unless otherwise stated

26 Other operating expenses, net

	1/1/2018 to 3/31/2018	1/1/2017 to 3/31/2017
Financial instrument - firm commitment (i)	(81)	(212)
Spending on not activatable projects	(66)	(23)
Judicial reversals, net	19	(72)
Tax benefits	16	21
Income from rentals and leasing	15	18
Gain (loss) on sale of fixed and intangible assets, net	7	(24)
Reversal for impairment of investments, fixed and intangible assets	7	26
Gain (loss) on hedge	2	(17)
Other income (expenses), net	38	(42)
	(43)	**(325)**

(i) Relates to the result of the sale of energy surplus, recognized by the fair value of the contracts and carried out in accordance with the physical energy delivery, as described in Note 13.

27 Finance results, net

	Note	1/1/2018 to 3/31/2018	1/1/2017 to 3/31/2017
Finance income			
Income from financial investments		110	170
Reversal of monetary restatement of provision		39	
Interest on financial assets		22	41
Monetary updating of assets		15	38
Discounts obtained		5	15
Fair value of borrowing		4	18
Interest on related-party transactions	12	1	2
Other finance income		30	8
		226	**292**
Finance costs			
Interest on borrowing		(349)	(437)
Capitalization of borrowing costs		15	17
Monetary restatement of provision		(37)	(41)
Adjustment to present value CPC 12		(27)	(18)
Interest on anticipation of receivables		(25)	(25)
Borrowing fees		(23)	(14)
Interest and monetary restatement - use of public assets		(21)	(13)
Fair value of borrowing and financing		(10)	(35)
"PIS/COFINS" on financial results		(7)	(11)
Income tax on remittances of interest abroad		(6)	(9)
Discounts granted		(1)	(2)
Other finance costs		(66)	(49)
		(557)	**(637)**
Results of derivative financial instruments	5.1.1 (b)		
Revenue		29	
Expenses		(32)	(168)
		(3)	**(168)**
Foreign exchange variation, net		(56)	34
Finance results, net		**(390)**	**(479)**

All amounts in millions of reais unless otherwise stated

28 Insurance

The Company and its subsidiaries have civil liability insurance for their operations and officers, with property risk insurance coverage amounting to R$ 56,071 and for loss of income amounting to R$ 8,272 on March 31, 2018. The Company's management considers these amounts sufficient to cover eventual property risks and loss of profits.

29 Assets and liabilities classified as held-for-sale

	Assets	Liabilities	Net investment
Steel Segment - Long steel Brazil (a)	2,195	1,522	673
Cellulose Segment - Fibria Celulose S.A. (b)	4,300		4,300
Cement Segment - China´s operation (c)	4	4	

(a) Long steel segment

On February 22, 2017, AMB and VSA entered into a contract under which VS will become a subsidiary of AMB and VSA will hold a 15% minority interest in the combined long steel business. Votorantim's long steel operations in Argentina (Acerbrag) and Colombia (PazdelRío) were not included in the transaction.

In compliance with the accounting rule for assets classified as held-for-sale, the Company carried out the valuation of the assets and liabilities of these operations at their fair value.

During the period ended March 31, 2018, VSA made a contribution of R$ 150 in the capital of VS. As this contribution will not be subject to adjustment in the negotiation, this amount was classified in the result, net of taxes, as "discontinued operations". Also during the first quarter 2018, the companies of the long steel operation, located in Argentina, decided on dividends in the amount of R$ 10 for VS. Due to the fact that operations in Argentina were not included in the transaction, the amount receivable was reclassified to "discontinued operations", net of taxes. The tax effect of the operations was R$ 51.

Considering that the asset classified as held-for-sale is valued at its fair value, consequently, it was not revalued by the equity method on March 31, 2018.

(b) 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"), have 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 Company, to be submitted together with the appraisal reports and other applicable documents to 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 its activities in the ordinary course of businesses and will remain operating 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.

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

(c) Cement segment

The VCSA had assets or liabilities classified as held for sale, related to the remaining China operations.

All amounts in millions of reais unless otherwise stated

30 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 result of 12 months, as loan covenants, and are summarized as follows:

		Industrial segments	
Adjusted EBITDA	**Note**	**4/1/2017 to 3/31/2018**	**1/1/2017 a 12/31/2017**
Net income for the period		**1,506**	**810**
Plus (less):			
Continuing operations			
Equity in the results of investees		(1,447)	(1,197)
Net financial results		2,414	2,506
Income and social contribution taxes		293	133
Depreciation, amortization and depletion		2,377	2,360
Discontinued operations			
Equity in the results of investees		(149)	(151)
Net financial results		94	96
Income and social contribution taxes		119	126
Depreciation, amortization and depletion		21	35
EBITDA before other additions and exceptional items		**5,228**	**4,718**
Plus :			
Dividends received		487	489
Extraordinary items			
EBITDA - discontinued operations		187	306
Non-recurring items - discontinued operations		(110)	(267)
Gain on sale of investments, net		(625)	(625)
Reversal for impaiment of property, plant, equipment and intangible assets		(16)	(10)
Reversal for impairment of investments		(71)	(71)
Fair value of biological assets		3	8
PERT payment with deferred tax credit		99	99
Other		108	113
Adjusted annualized EBITDA (A)		**5,290**	**4,760**
Net debt			
Borrowing	17	23,474	24,630
Cash and cash equivalents, financial investments and derivative financial instruments		(9,844)	(12,274)
Net debt (B)		**13,630**	**12,356**
Gearing ratio (B/A)		**2.58**	**2.60**

All amounts in millions of reais unless otherwise stated

(b) Balance sheet - business segments

											3/31/2018
Assets	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Current											
Cash and cash equivalents, financial investments and derivative financial instruments	3,061	3,744	996	33	266	1,696		9,796	78		9,874
Trade receivables	1,018	789	409	230	356	336	(243)	2,895			2,895
Inventory	1,472	1,161	662	379		80		3,754			3,754
Taxes recoverable	271	268	384	55	18	197		1,193	82		1,275
Dividends receivable			6		2	319	(176)	151	54	(68)	137
Financial instruments - firm commitment			116		42			158			158
Other assets	296	95	260	53	8	33		745			745
	6,118	6,057	2,833	750	692	2,661	(419)	18,692	214	(68)	18,838
Assets classified as held-for-sale	4					6,495		6,499			6,499
	6,122	6,057	2,833	750	692	9,156	(419)	25,191	214	(68)	25,337
Non-current assets											
Long-term receivables											
Financial investments and derivative financial instruments	79					89		168			168
Liquidity Fund - Reserve account					29			29			29
Taxes recoverable	701	110	565	7		363		1,746			1,746
Related parties	65	4	1,219	12	404	1,282	(2,761)	225			225
Deferred income tax and social contribution	735	748	828	77	20	1,117	465	3,990	22		4,012
Judicial deposits	688	37	120	3		34		882			882
Financial instruments - firm commitment			77		23			100			100
Other assets	488	44	36	2	10	157		737	1		738
	2,756	943	2,845	101	486	3,042	(2,296)	7,877	23		7,900
Investments	698	1	220		189	27,992	(20,024)	9,076	4,888	(4,888)	9,076
Property, plant and equipment	12,337	5,793	4,782	980	1,229	689		25,810			25,810
Intangible assets	5,509	6,973	538	64	479	9	(1,193)	12,379			12,379
Biological assets			4	6		55		65			65
	21,300	13,710	8,389	1,151	2,383	31,787	(23,513)	55,207	4,911	(4,888)	55,230
Total assets	27,422	19,767	11,222	1,901	3,075	40,943	(23,932)	80,398	5,125	(4,956)	80,567

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

All amounts in millions of reais unless otherwise stated

Liabilities and equity	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
											3/31/2018
Current liabilities											
Borrowing	1,695	154	239	52	46	11		2,197			2,197
Derivative financial instruments	11	12	13			14		50			50
Confirming payable	557	565	44	87				1,253			1,253
Trade payables	1,047	1,106	455	265	352	153	(208)	3,170			3,170
Salaries and payroll charges	257	145	82	20	7	44		555			555
Taxes payable	201	107	25	64	8	6		411			411
Advances from customers	24	4	239	123	1	4		395			395
Dividends payable	167	16	13			671	(187)	680	69	(69)	680
Use of public assets	31	5	40					76			76
Related parties		1	221				(222)				
Financial instruments - firm commitment	1							1			1
Deferred revenue - performance obligation	3				244			247			247
Deferred revenue - silver streaming		92						92			92
Other	348	100	54	32	8	98		640	1		641
	4,342	2,307	1,425	643	666	1,001	(617)	9,767	70	(69)	9,768
Liabilities related to assets held-for-sale	4					1,522		1,526			1,526
	4,346	2,307	1,425	643	666	2,523	(617)	11,293	70	(69)	11,294
Non-current liabilities											
Borrowing	11,413	4,447	2,572		849	1,996		21,277			21,277
Derivative financial instruments	59					40		99			99
Deferred income tax and social contribution	552	1,067				170		1,789	168		1,957
Related parties	177	5	259	606	741	487	(2,247)	28			28
Provision	1,111	902	479	91	23	79		2,685			2,685
Use of public assets	450	75	539					1,064			1,064
Pension plan	181			151				332			332
Financial instruments - firm commitment	24		50		108			182			182
Deferred revenue - performance obligation					212			212			212
Deferred revenue - silver streaming		638						638			638
Other	188	254	63	94	9	25		633			633
	14,155	7,388	3,962	942	1,942	2,797	(2,247)	28,939	168		29,107
Total liabilities	18,501	9,695	5,387	1,585	2,608	5,320	(2,864)	40,232	238	(69)	40,401
Equity											
Total equity attributable to owners of the Company	8,218	8,306	5,723	212	467	35,623	(23,279)	35,270	4,887	(4,881)	35,276
Non-controlling interests	703	1,766	112	104			2,211	4,896		(6)	4,890
Total equity	8,921	10,072	5,835	316	467	35,623	(21,068)	40,166	4,887	(4,887)	40,166
Total liabilities and equity	27,422	19,767	11,222	1,901	3,075	40,943	(23,932)	80,398	5,125	(4,956)	80,567

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

All amounts in millions of reais unless otherwise stated

(c) Statement of income - business segments

											1/1/2018 to 3/31/2018
	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	2,456	2,195	1,203	416	910	279	(674) (*)	6,785			6,785
Cost of products sold and services rendered	(2,193)	(1,574)	(984)	(367)	(860)	(246)	674 (*)	(5,550)			(5,550)
Gross profit	**263**	**621**	**219**	**49**	**50**	**33**		**1,235**			**1,235**
Operating income (expenses)											
Selling	(155)	(12)	(10)	(5)		(4)		(186)			(186)
General and administrative	(176)	(140)	(44)	(25)	(17)	(84)		(486)	(4)		(490)
Other operating income (expenses), net	31	(74)	1	(1)	(40)	40		(43)			(43)
	(300)	**(226)**	**(53)**	**(31)**	**(57)**	**(48)**		**(715)**	**(4)**		**(719)**
Operating profit (loss) before equity results and finance results	**(37)**	**395**	**166**	**18**	**(7)**	**(15)**		**520**	**(4)**		**516**
Result from equity investments											
Equity in the results of investees	26		1		(3)	215	149	388	126	(125)	389
Realization of other comprehensive income on disposal of investments											
	26		**1**		**(3)**	**215**	**149**	**388**	**126**	**(125)**	**389**
Finance results, net											
Finance income	77	28	60	2	29	58	(30)	224	2		226
Finance costs	(263)	(98)	(108)	(20)	(50)	(48)	30	(557)			(557)
Results of derivative financial instruments	13	(3)				(13)		(3)			(3)
Foreign exchange gains (losses), net	(71)	(22)	(10)	4		35	8	(56)			(56)
	(244)	**(95)**	**(58)**	**(14)**	**(21)**	**32**	**8**	**(392)**	**2**		**(390)**
Profit (loss) before income tax and social contribution	**(255)**	**300**	**109**	**4**	**(31)**	**232**	**157**	**516**	**124**	**(125)**	**515**
Income tax and social contribution											
Current	(14)	(115)	(11)	(12)	(8)	(42)		(202)			(202)
Deferred	(19)	18	(33)	8	11	(36)	(3)	(54)	1		(53)
Profit (loss) from continuing operations	**(288)**	**203**	**65**		**(28)**	**154**	**154**	**260**	**125**	**(125)**	**260**
Discontinued operations											
Loss from discontinued operations	(1)					(109)		(110)			(110)
Profit (loss) for the quarter	**(289)**	**203**	**65**		**(28)**	**45**	**154**	**150**	**125**	**(125)**	**150**
Profit (loss) attributable to the owners of the Company	(303)	170	66	(5)	(28)	45	107	52	125	(125)	52
Profit (loss) attributable to non-controlling interests	14	33	(1)	5			47	98			98
Profit (loss) for the quarter	**(289)**	**203**	**65**		**(28)**	**45**	**154**	**150**	**125**	**(125)**	**150**

(*) Relates to the net revenue from electric energy operations (Votener and CBA).
(**) Relates to long steel operations abroad (Argentina and Colombia).

All amounts in millions of reais unless otherwise stated

	Votorantim Cimentos	Nexa Resources	CBA	Long steels (**)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
											1/1/2017 to 3/31/2017
Continuing operations											
Net revenue from products sold and services rendered	2,205	1,640	1,088	363	870	240	(744) (*)	5,662			5,662
Cost of products sold and services rendered	(1,930)	(1,265)	(935)	(318)	(811)	(182)	744 (*)	(4,697)			(4,697)
Gross profit	**275**	**375**	**153**	**45**	**59**	**58**		**965**			**965**
Operating income (expenses)											
Selling	(127)	(10)	(7)	(5)		(6)		(155)			(155)
General and administrative	(213)	(118)	(40)	(26)	(19)	(80)		(496)	(5)		(501)
Other operating income (expenses), net	(14)	(69)	(131)	4	(90)	(25)		(325)			(325)
	(354)	**(197)**	**(178)**	**(27)**	**(109)**	**(111)**		**(976)**	**(5)**		**(981)**
Operating profit (loss) before equity results and finance results	**(79)**	**178**	**(25)**	**18**	**(50)**	**(53)**		**(11)**	**(5)**		**(16)**
Result from equity investments											
Equity in the results of investees	23		1			(229)	339	134	(33)	33	134
Realization of other comprehensive income on disposal of investments	4							4			4
	27		**1**			**(229)**	**339**	**138**	**(33)**	**33**	**138**
Finance results, net											
Finance income	156	29	47	3	29	57	(34)	287	5		292
Finance costs	(367)	(68)	(108)	(20)	(36)	(72)	34	(637)			(637)
Results of derivative financial instruments	(108)					(60)		(168)			(168)
Foreign exchange gains (losses), net	61	3	120	5		(35)	(120)	34			34
	(258)	**(36)**	**59**	**(12)**	**(7)**	**(110)**	**(120)**	**(484)**	**5**		**(479)**
Profit (loss) before income tax and social contribution	**(310)**	**142**	**35**	**6**	**(57)**	**(392)**	**219**	**(357)**	**(33)**	**33**	**(357)**
Income tax and social contribution											
Current	(15)	(26)	(20)	(14)	(10)	(1)		(86)			(86)
Deferred	103	(26)	(188)	6	29	26	40	(10)			(10)
Profit (loss) for the quarter from continuing operations	**(222)**	**90**	**(173)**	**(2)**	**(38)**	**(367)**	**259**	**(453)**	**(33)**	**33**	**(453)**
Discontinued operations											
Loss from continuing operations	(7)					(86)		(93)			(93)
Profit (loss) for the quarter	**(229)**	**90**	**(173)**	**(2)**	**(38)**	**(453)**	**259**	**(546)**	**(33)**	**33**	**(546)**
Profit (loss) attributable to the owners of the Company	(237)	65	(173)	(5)	(38)	(453)	268	(573)	(33)	33	(573)
Profit (loss) attributable to non-controlling interests	8	25		3			(9)	27			27
Profit (loss) for the quarter	**(229)**	**90**	**(173)**	**(2)**	**(38)**	**(453)**	**259**	**(546)**	**(33)**	**33**	**(546)**

(*) Relates to the net revenue from electric energy operations (Votener and CBA).
(**) Relates to long steel operations abroad (Argentina and Colombia).

All amounts in millions of reais unless otherwise stated

(d) Adjusted EBITDA - business segments

										1/1/2018 to 3/31/2018
	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	2,456	2,195	1,203	416	910	279	(674) (*)	6,785		6,785
Cost of products sold and services rendered	(2,193)	(1,574)	(984)	(367)	(860)	(246)	674 (*)	(5,550)		(5,550)
Gross profit	**263**	**621**	**219**	**49**	**50**	**33**		**1,235**		**1,235**
Operating income (expenses)										
Selling	(155)	(12)	(10)	(5)		(4)		(186)		(186)
General and administrative	(176)	(140)	(44)	(25)	(17)	(84)		(486)	(4)	(490)
Other operating income (expenses), net	31	(74)	1	(1)	(40)	40		(43)		(43)
	(300)	**(226)**	**(53)**	**(31)**	**(57)**	**(48)**		**(715)**	**(4)**	**(719)**
Operating profit (loss) before equity results and finance results	**(37)**	**395**	**166**	**18**	**(7)**	**(15)**		**520**	**(4)**	**516**
Plus:										
Depreciation, amortization and depletion - continuing operations	257	227	75	27	15	8		609		609
EBITDA	**220**	**622**	**241**	**45**	**8**	**(7)**		**1,129**	**(4)**	**1,125**
Plus:										
Dividends received	20							20		20
Exceptional items										
Constitution (reversal) for impairment - fixed assets	(5)		(1)					(6)		(6)
Fair value of biological assets						2		2		2
Other						(5)		(5)		(5)
Adjusted EBITDA	**235**	**622**	**240**	**45**	**8**	**(10)**		**1,140**	**(4)**	**1,136**

(*) Relates to the net revenue from electric energy operations (Votener and CBA).
(**) Relates to long steel operations abroad (Argentina and Colombia).

All amounts in millions of reais unless otherwise stated

										1/1/2017 to 3/31/2017
	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	2,205	1,640	1,088	363	870	240	(744) (*)	5,662		5,662
Cost of products sold and services rendered	(1,930)	(1,265)	(935)	(318)	(811)	(182)	744 (*)	(4,697)		(4,697)
Gross profit	**275**	**375**	**153**	**45**	**59**	**58**		**965**		**965**
Operating income (expenses)										
Selling	(127)	(10)	(7)	(5)		(6)		(155)		(155)
General and administrative	(213)	(118)	(40)	(26)	(19)	(80)		(496)	(5)	(501)
Other operating income (expenses), net	(14)	(69)	(131)	4	(90)	(25)		(325)		(325)
	(354)	**(197)**	**(178)**	**(27)**	**(109)**	**(111)**		**(976)**	**(5)**	**(981)**
Operating profit (loss) before equity results and finance results	**(79)**	**178**	**(25)**	**18**	**(50)**	**(53)**		**(11)**	**(5)**	**(16)**
Plus:										
Depreciation, amortization and depletion - continuing operations	249	214	86	26		17		592		592
EBITDA	**170**	**392**	**61**	**44**	**(50)**	**(36)**		**581**	**(5)**	**576**
Plus:										
Dividends received	22							22		22
Exceptional items										
Constitution (reversal) for impairment - fixed assets	(9)		(1)			9		(1)		(1)
Compensation of energy assets		37				(37)				
Fair value of biological assets						7		7		7
Other										
Adjusted EBITDA	**183**	**429**	**60**	**44**	**(50)**	**(57)**		**609**	**(5)**	**604**

(*) Relates to the net revenue from electric energy operations (Votener and CBA).
(**) Relates to long steel operations abroad (Argentina and Colombia).

31 Subsequent events

(a) Votorantim and ArcelorMittal conclude steel operation in Brazil

As at April 1, 2018, Votorantim Siderurgia became a subisidiary of AMB under the corporate name of ArcellorMital Sul Fluminense S.A.. On the same date, the Company contracted 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.

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 results.

(b) Aripuanã Preliminary Environmental License

On April 25, 2018, the Environmental authorities of the State of Mato Grosso, Brazil ("SEMA/MT") granted to Nexa the Preliminary Environmental License for the Aripuanã project after the approval by the Environmental State Council ("CONSEMA").
The Preliminary Environmental License certifies that the project complies with the environmental standard requirements of projects with such characteristics and it is one important milestone for the implementation of the Aripuanã project.

(c) Early repayment of borrowings in VCSA

After the end of the first quarter of 2018, VCSA continued its liability management strategy focused on cost reduction and extension of the maturity profile of the gross debt, including:

(i) Amendment of R$ 800 of the second public issuance of debentures, in order to change the cost from 118.9% of the CDI to 110.0% of the CDI. The amount of R$ 200 from this issue, with original maturity in January 2023, was partially redeemed on April 26, 2018.

(ii) Advance redemption of R$ 148 of the fifth public issuance of debentures, on April 27, 2018. The original maturity of the issue was expected for 2023 and 2024.

(iii) Prepayment of R$ 114 of borrowing from BNDES by the subsidiary VCNNE. This agreement was settled on April 16, 2018, and its original maturity was November 2022.

The Company reclassified for the short term in the notes of the borrowing the balance referred to above.
Moreover, the VCSA continues to perform other transactions in compliance with the aforementioned liability management strategy.

(d) Capital reduction in CBA

On April 30, 2018, pursuant to the Extraordinary General Meeting Minutes, the capital reduction of CBA in the amount of R$ 687 was approved, effective only after 60 days as from the date of publication of the Minutes.

The counterparts to this reduction will be paid to VSA, as follows: (a) transfer of the balance of related parties in the amount of R$ 1,393; (b) transfer in national currency in the amount of R$ 206; (c) transfer of the balance of related parties in the amount of R$ 75; (d) transfer of Eurobonds maturing in 2021 in the amount of R$ 836 (USD 241).