

Votorantim S.A. Earnings Release 1Q16



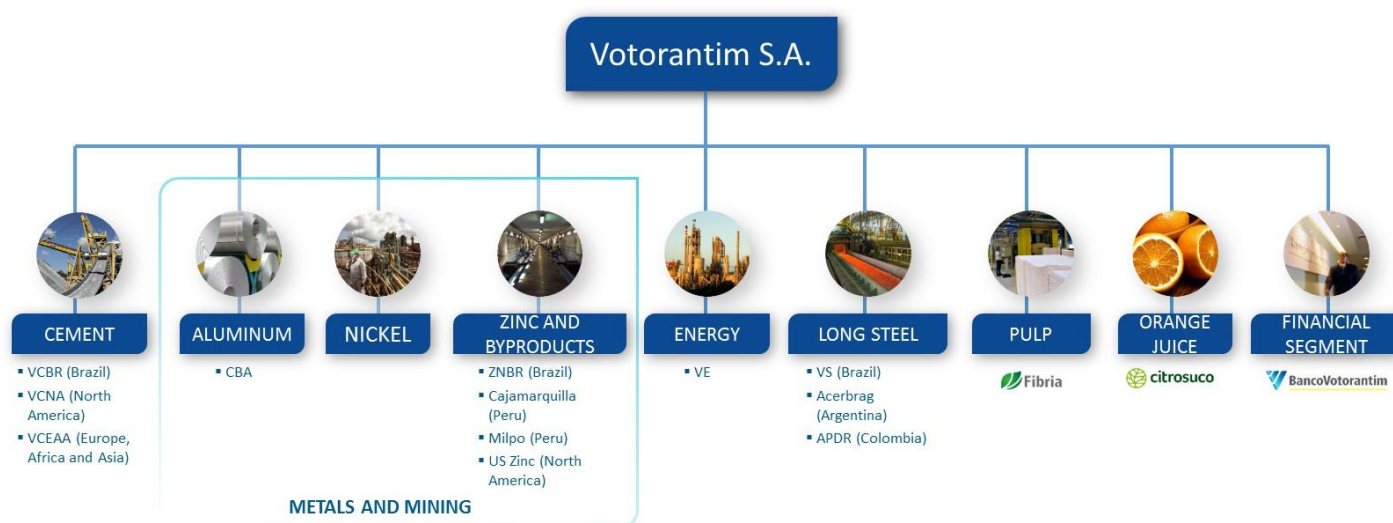
Corporate Structure

In January 2016, Votorantim undertook a simplification of the corporate structure of its holding companies: Votorantim Industrial (VID) has merged Votorantim Participações (VPAR) and was called Votorantim S.A. (Votorantim).

As a result, the investment in Citrusuco, previously recognized under the equity method by VPAR, is now recognized under the same process by Votorantim; Votorantim Finanças (VFIN) is now a direct subsidiary of Votorantim, while Banco Votorantim continues to be recognized under the equity method by VFIN.

This Earnings Release presents Votorantim S.A. Industrial Segment results, which includes cement, aluminum, nickel, zinc and byproducts, energy, long steel, pulp and orange juice. It is worth to remind that Fibria and Citrusuco are consolidated under the equity method.

The organizational chart below shows the current corporate structure:



1Q16 Highlights

R\$ million	1Q16 ⁽²⁾	1Q15	1Q16 vs. 1Q15	4Q15	1Q16 vs. 4Q15	LTM ⁽²⁾	2015	LTM vs. 2015
Net Revenues	6,718	7,138	-6%	8,224	-18%	31,101	31,521	-1%
Adjusted EBITDA	845	1,404	-40%	2,144	-61%	6,435	6,994	-8%
EBITDA Margin	12.6%	19.7%	-7.1 p.p.	26.1%	-13.5 p.p.	20.7%	22.2%	-1.5 p.p.
Net Income	144	68	111%	(219)	N.M.	458	382	20%
Net Debt/EBITDA⁽¹⁾	2.87 x	2.68 x	0.19 x	2.78 x	0.09 x	2.87 x	2.78 x	0.09 x
CAPEX	647	527	23%	1,321	-51%	3,377	3,257	4%

(1) LTM EBITDA

(2) Considering only the Industrial segment

Consolidated

- Net revenue and EBITDA decreased mainly as a consequence of the Brazilian economic downturn, which primarily affected long steel and cement operations in Brazil, as well as the constitution of provisions for the temporary closure of nickel operations.
- Net income totaled R\$144 million in 1Q16, 111% higher than in 1Q15.
- Net debt/EBITDA ratio of 2.87x, 0.19x up on 1Q15.

Cement

- Brazil – Deterioration of the economy negatively affected the sales volume.
- North America – Higher EBITDA driven by the U.S. economy.
- Europe, Asia and Africa – Revenue increased as a result of higher sales volume in Tunisia, Morocco and India.

Zinc & Byproducts

- Revenue and EBITDA improved as a result of higher prices in BRL, higher exports from the Brazilian operations and the FX impact on the consolidation of the Peruvian operations.
- The EBITDA margin fell 1.7 p.p. due to higher maintenance costs in Brazil and increased export expenses in Peru.

Aluminum

- Revenue went down mainly due to lower energy revenues, partially offset by higher aluminum prices in BRL.
- Adjusted EBITDA fell by 28% mainly due to higher freight expenses and lower energy results.
- Considering aluminum sales only, revenue and EBITDA increased by 5% and 4%, respectively.

Nickel

- Revenues fell by 28% on the back of lower nickel prices in BRL.
- EBITDA decreased as a consequence of the constitution of provisions in 1Q16 related to the temporary suspension of operations.

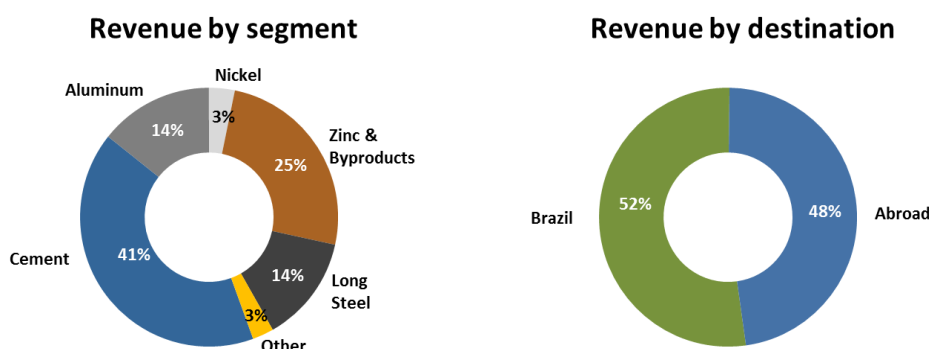
Long steel

- Brazil – Lower revenues and EBITDA mainly due to reduced volumes and prices, as a consequence of the downturn in the construction and infrastructure sectors.
- Argentina – Revenue and EBITDA increased mainly due to higher prices as a result of the devaluation of the Argentine peso against the U.S. dollar.
- Colombia – Revenue and EBITDA went up due to increased sales volume and higher prices, as a consequence of the antidumping measures against China.

1. OPERATING AND FINANCIAL PERFORMANCE

Results analysis

Net revenue totaled R\$6.7 billion, 6% down on 1Q15, mainly due to the slowdown in cement and long steel operations in Brazil, lower nickel prices in BRL and lower energy revenues.

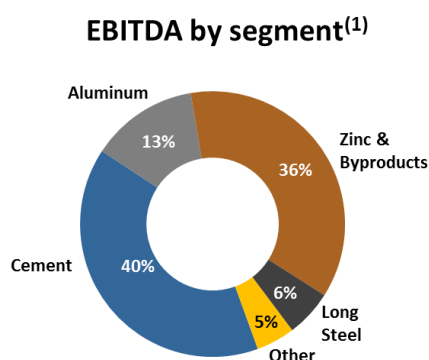


The cost of goods sold (COGS) amounted to R\$5.5 billion, 1% higher than in 1Q15, mainly due to higher costs denominated in foreign currency along with increased depletion due to the extension of the Vazante mine working life. The gross margin decreased to 18.2%, 5.8 p.p. down on 1Q15.

SG&A expenses increased by 10%, due to higher export expenses in long steel operations from Brazil and zinc-byproduct operations in Peru.

Other Operating Results amounted to a gain of R\$257 million in 1Q16, compared to a gain of R\$14 million in 1Q15, chiefly due to the result from the sale of the investments in Sirama, a Brazilian ready mix operation investee, partially offset by provisions constituted in the nickel operations related to the temporary closure.

Adjusted EBITDA totaled R\$845 million, 40% down on 1Q15. The EBITDA margin was 12.6%, 7.1 p.p. lower than in 1Q15.



(1) Excluding nickel operation due to negative EBITDA in 1Q16

Financial results

R\$ million	1Q16 vs. 1Q15				1Q16 vs. 4Q15		
	1Q16	1Q15	R\$	%	4Q15	R\$	%
Financial income from investments	203	115	88	77%	215	(12)	-6%
Financial expenses from borrowings	(471)	(420)	(51)	12%	(486)	15	-3%
Exchange variation	293	(177)	470	N.M.	88	205	233%
Net hedge result	(570)	196	(766)	N.M.	99	(669)	N.M.
Other financial income (expenses), net	48	(115)	163	N.M.	(237)	285	N.M.
Net financial result	(497)	(401)	(96)	24%	(321)	(176)	55%

Financial income from investments totaled R\$203 million, an increase of 77% compared with 1Q15 mainly due to higher cash and cash equivalents and the increase of the average Brazilian CDI rate from 12.03% p.a. to 14.13% p.a.

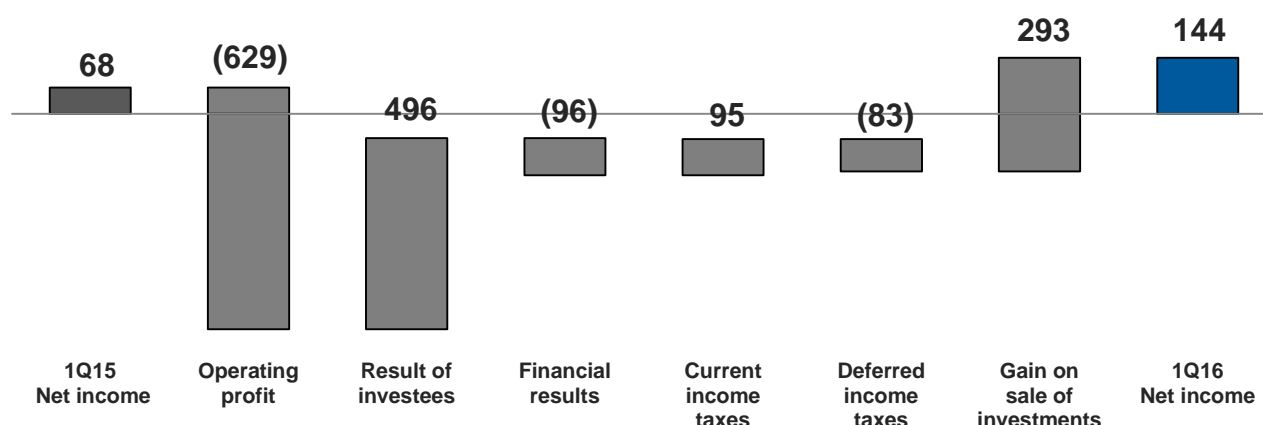
Financial expenses from borrowings increased by 12% to R\$471 million, impacted by the higher foreign currency debt, as a consequence of the BRL depreciation, partially offset by lower local currency debt, as a result of the early redemption of local debentures.

Exchange variation expenses amounted to R\$293 million in 1Q16, primarily due to the BRL appreciation (Mar/16: R\$/US\$3.56 | Dec/15: R\$/US\$3.90) and higher 4131 bilateral loans amount, not submitted to hedge accounting.

The net hedge result was a loss of R\$570 million, compared with a gain of R\$196 million in 1Q15. The variation was due to the swap to Brazilian reais as consequence of higher amount of 4131 bilateral loans.

Other net financial income totaled R\$48 million in 1Q16. The variation of R\$163 million, compared with 1Q15, is explained mainly by a gain of R\$149 million from the tender offer by Votorantim Cimentos to repurchase the Euro bonds below their book value.

Net Income



Net income amounted to R\$144 million, 111% higher than 1Q15, mainly due to higher results from investee Fibria along with a gain from the sale of investments by Votorantim Cimentos in the investee Sirama. These results were partially offset by lower operating results in our cement and long steel operations in Brazil.

Liquidity and Indebtedness

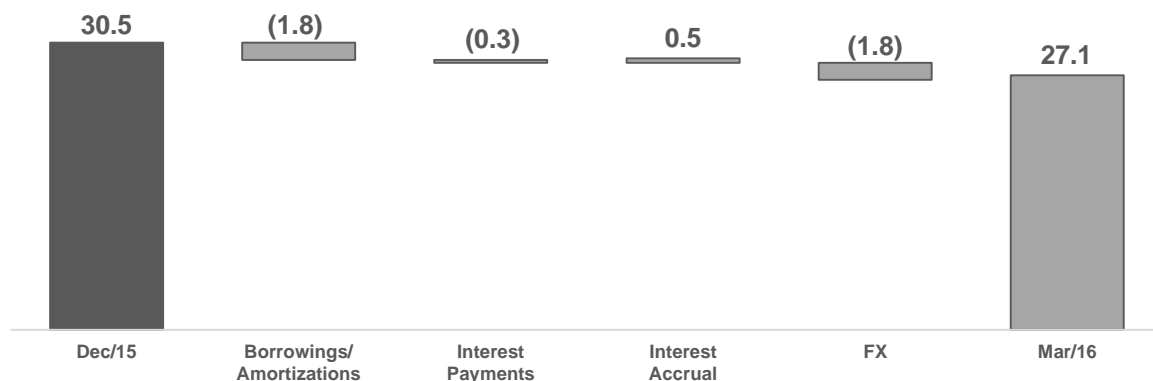
		Mar/16 ⁽²⁾	Mar/15	Mar/16 vs Mar/15	Dec/15	Mar/16 vs Dec/15
Gross debt	R\$ million	27,061	25,806	4.9%	30,531	-11.4%
in BRL ⁽¹⁾	R\$ million	9,843	10,580	-7.0%	11,487	-14.3%
in foreign currency	R\$ million	17,218	15,226	13.1%	19,044	-9.6%
Average maturity	years	7.4	7.6	-	7.4	-
Short-term debt	%	9.0%	6.7%	2.3p.p.	8.6%	0.4p.p.
Cash, cash equivalents and investments	R\$ million	8,692	6,917	25.7%	10,621	-18.2%
in BRL	R\$ million	4,866	3,759	29.4%	5,749	-15.4%
in foreign currency	R\$ million	3,826	3,158	21.2%	4,872	-21.5%
Fair value of derivative instruments	R\$ million	88	(161)	N.M.	(464)	N.M.
Net debt	R\$ million	18,457	18,728	-1.4%	19,446	-5.1%
Net debt/EBITDA (in BRL)	x	2.87 x	2.68 x	0.19 x	2.78 x	0.09 x
BRL/USD	R\$	3.56	3.21	11%	3.90	-9%

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

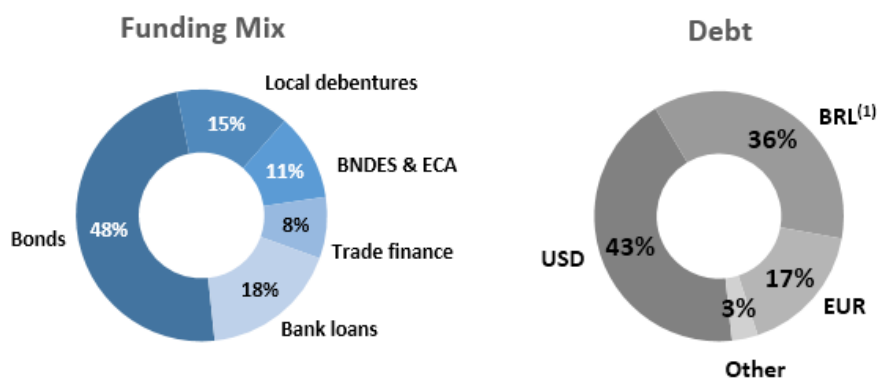
(2) Considering only the Industrial segment

On March 31, 2016, total debt amounted to R\$27.1 billion, 11.4% down on December 2015 due to liability management initiatives during 1Q16 and the appreciation of the Brazilian real against U.S. dollar. The appreciation of the Brazilian real (Mar/16: R\$/US\$3.56 | Dec/15: R\$/US\$3.90) had a positive non-cash impact of R\$1.8 billion on gross debt.

The chart below details changes in gross debt figures:

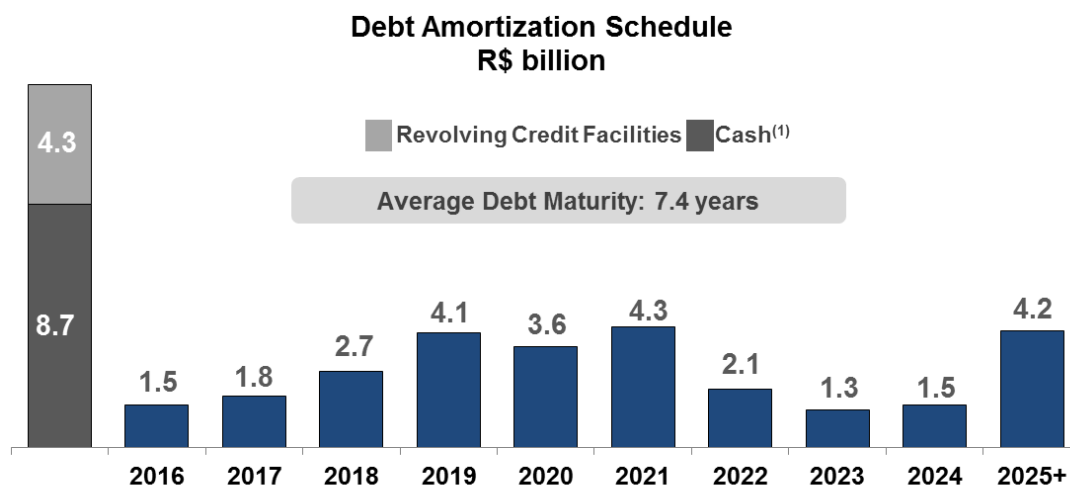


The graphs below show indebtedness by instrument and currency:



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

Several liability management operations were executed in 1Q16 in order to prepay some debt and/or extend debt maturities, which resulted in the following debt amortization schedule:



(1) Includes cash, cash equivalents and financial investments

The main liability management operations conducted during 1Q16 were:

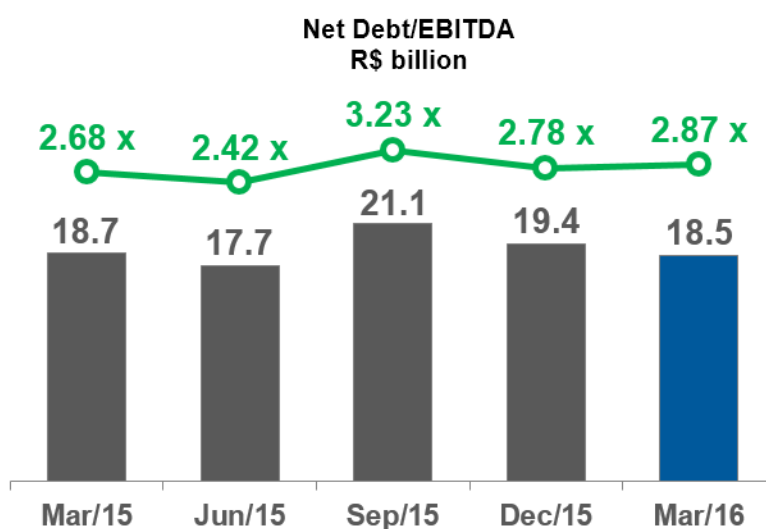
- Tender offer of 2021 and 2022 Euro bonds (principal of R\$502 million)
- 4131 bilaterals (US\$100 million) and debentures (R\$200 million) extended from 2017 and 2018, respectively, to 2021
- Prepayment of debentures maturing in 2017 and 2018 (R\$1.4 billion)

Cash, cash equivalents and financial investments closed 1Q16 at R\$8.7 billion, a decrease of R\$1.9 billion over 4Q15, due to expenses with liability management operations and the appreciation of the Brazilian Real – which negatively impacted cash denominated in foreign currencies. This liquidity position is sufficient to cover all obligations due in the next 44 months.

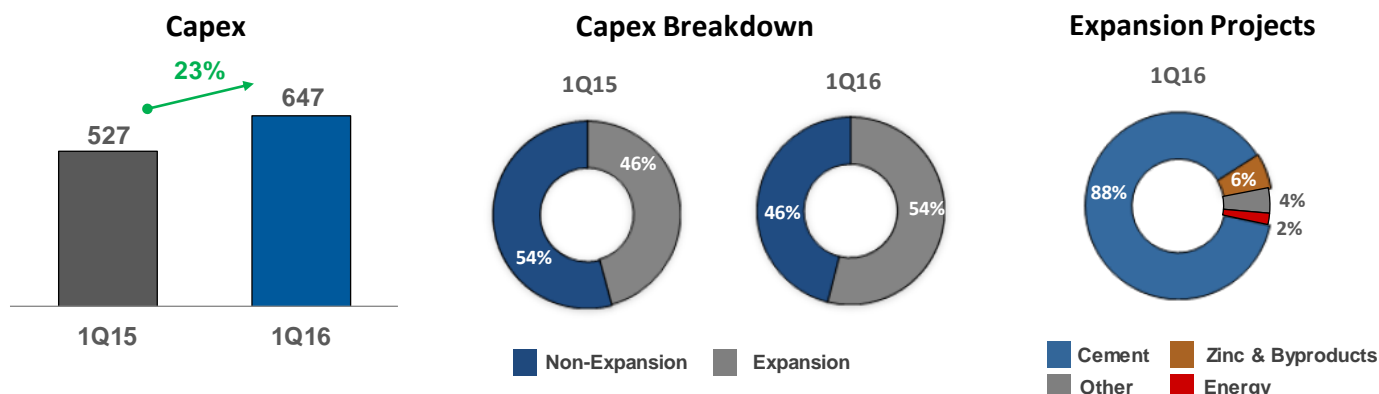
The cash investment portfolio consists of government bonds, fixed-income securities and short-term investments abroad (time deposits) following a conservative financial policy in order to mitigate credit risk exposure.

The Company also has two revolving credit facilities expiring in 2020 amounting to US\$1.2 billion – US\$700 million for Votorantim Cimentos and its subsidiaries and US\$500 million for all other Votorantim companies. Including the revolving facilities, the liquidity position totaled R\$13 billion.

Net debt totaled R\$18.5 billion, 5.1% down over 4Q15. Financial leverage, as measured by the net debt/EBITDA ratio, reached 2.87x, 0.09x up from the 2.78x recorded in December 2015. The chart below shows net debt/EBITDA ratios since March 2015:



CAPEX



Capex totaled R\$647 million, 23% up on 1Q15.

Expansion projects represented 54% of total investments, compared with 46% in 1Q15. The main projects were focused on cement operations, which accounted for 88% of total expansion investments.

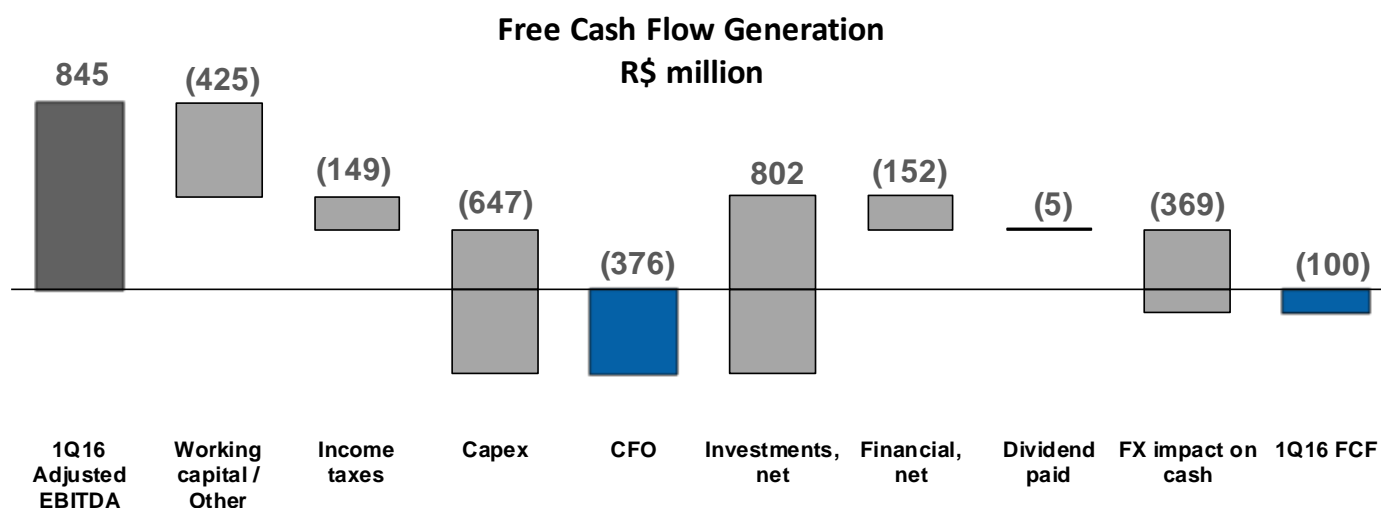
Major investments through 1Q16:

- Sivas (Turkey) – increased capacity: 1.2 million tpy / Start-up in 2018;
- Charlevoix (North America) – increased capacity: 0.6 million tpy / Start-up in 2017;
- Itacamba (Bolivia) – increased capacity: 0.9 million tpy / Start-up in 2017;
- Primavera (Brazil) – increased capacity: 1.2 million tpy / Start- up in 1H16.

Free Cash Flow

R\$ million	1Q16	1Q15
Adjusted EBITDA	845	1,404
Working capital / Other	(425)	(776)
Income taxes	(149)	(100)
Capex	(647)	(527)
CFO	(376)	1
Investments, net ⁽¹⁾	802	63
Financial, net	(152)	(329)
Dividend paid	(5)	(151)
FX impact on cash	(369)	569
FCF	(100)	153

(1) Includes cash resulting from incorporation



Cash Flow from Operations (CFO) was negative by R\$376 million in 1Q16 mainly due to lower operational results in our Brazilian operations coupled with higher expansion Capex, which was partially offset by an anticipation of receivables by our cement operations in North America, positively impacting our working capital.

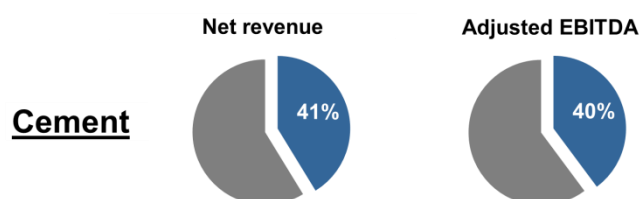
Free Cash Flow (FCF) was negative by R\$100 million, R\$253 million lower than in 1Q15, chiefly due to the negative FX impact on cash, partially offset by the gain from the sale of the investee Sirama along with the cash resulting from the merger.

2. BUSINESSES

R\$ million	Cement	Zinc & byproducts	Aluminum	Nickel	Long steel	Others ⁽¹⁾	Consolidated ⁽²⁾
Net revenue	2,771	1,693	960	217	898	179	6,718
COGS	(2,205)	(1,392)	(810)	(281)	(720)	(89)	(5,497)
SG&A	(492)	(202)	(63)	(28)	(178)	(75)	(1,038)
Other operating results	351	(14)	(64)	(57)	(3)	44	257
Adjusted EBITDA	389	358	128	(132)	56	46	845
EBITDA margin	14.0%	21.1%	13.3%	-60.8%	6.2%		12.6%

(1) Includes Holding, Votorantim Energia, Baesa, Enercan, eliminations and others

(2) Considering only the Industrial segment



R\$ million	1Q16	1Q15	1Q16 vs. 1Q15	4Q15	1Q16 vs. 4Q15
Sales volume (kton)	7,263	8,493	-14%	8,675	-16%
Net revenues	2,771	2,925	-5%	3,857	-28%
COGS	(2,205)	(2,136)	3%	(2,874)	-23%
SG&A	(492)	(473)	4%	(574)	-14%
Selling expenses	(271)	(253)	7%	(276)	-2%
General & adm. expenses	(221)	(220)	0%	(298)	-26%
Other operating results	351	79	344%	101	248%
Depreciation	(266)	(240)	11%	(269)	-1%
Adjusted EBITDA	389	632	-38%	771	-50%
EBITDA margin	14.0%	21.6%	-7.6 p.p.	20.0%	-1.5 p.p.

In 1Q16, Votorantim was impacted differently in the markets in which it operates. While in Brazil the cement consumption faced a 14.7% decrease YoY, according to SNIC (Brazilian Cement Industry Association) and in line with Votorantim's estimated, in the USA, the economic fundamentals remained solid and the cement consumption grew 14.4% YoY, according to USGS (United State Geological Survey). In Morocco, the cement market grew at a pace of 5.9% YoY, as per Housing Ministry of Morocco, due to the economic stabilization.

Sales volume dropped 14.5% mainly due to decrease in sales volume in Brazil especially affected by the Brazilian economic retraction and above-average rainfall in 1Q16, partially offset by higher volumes in the USA and VCEAA countries, except from China.

Net revenues totaled R\$2,771 million, 5.3% lower than 1Q15. VCNA revenues increased by 12% YoY in USD terms and VCEAA by 10% in EUR terms excluding China in 1Q16, where volumes and prices went down given the economy slowdown. Higher volumes and prices in the USA and higher volumes mostly in Tunisia, Morocco and India, combined, partially compensated lower revenues in Brazil.

COGS amounted to R\$2,205 million, 3.2% higher than 1Q15, chiefly due to the negative foreign exchange rate impact of VCNA and VCEAA consolidation (BRL depreciation of approximately 35% within the period) despite the 12.1% decrease in fixed costs in Brazil in real terms, predominantly in personal and maintenance.

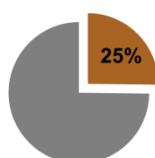
Selling expenses totaled R\$271 million in 1Q16, 7% higher YoY, mainly due to higher marketing expenses related to new portfolio launch in Brazil and foreign exchange rate negative impact of VCNA and VCEAA consolidation.

General & Administrative expenses totaled R\$221 million in 1Q16, mainly due to 19.4% decrease in Brazil expenses in real terms, especially in personal, legal, IT and consulting expenses reflecting the efforts on ZBB and cost efficiency programs, partially offset by the foreign exchange rate negative impact of VCNA and VCEAA consolidation.

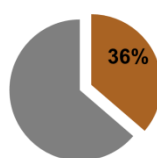
Consolidated adjusted EBITDA came to R\$389 million, down 38.4% YoY with an EBITDA margin of 14.0%, versus 21.6% in the same period of 1Q15.

Zinc & byproducts
(including Milpo)

Net revenue



Adjusted EBITDA



R\$ million	1Q16	1Q15	1Q16 vs. 1Q15	4Q15	1Q16 vs. 4Q15
Sales volume (kton)					
Electrolytic zinc	165.6	167.6	-1%	166.0	0%
Concentrate	178.3	188.4	-5%	173.4	3%
Net revenue	1,693	1,538	10%	1,622	4%
COGS	(1,392)	(1,221)	14%	(1,283)	8%
SG&A	(202)	(166)	22%	(154)	31%
Selling expenses	(89)	(78)	14%	(85)	5%
General & adm. expenses	(113)	(88)	28%	(69)	64%
Other operating results	(14)	(23)	-39%	(183)	-92%
Depreciation	(277)	(222)	25%	(297)	-7%
Adjusted EBITDA	358	350	2%	336	7%
EBITDA margin	21.1%	22.8%	-1.6 p.p.	20.7%	-0.4 p.p.

The LME cash price averaged US\$1,679/t, 4% above the previous quarter, but 19% below 1Q15. In Brazilian Reais (BRL), the zinc price was 10% higher than in 1Q15. Market conditions improved after a disappointing second half of 2015. Zinc concentrate supply has shortened due to production cuts driven by low prices and the depletion of large zinc mines. The lower availability of concentrates led to reduced production of metallic zinc, resulting in an upward trend in the LME price during 1Q16.

Zinc	1Q16	1Q15	1Q16 vs. 1Q15
LME Cash Price, US\$/t	1,679	2,080	-19%
LME Cash Price, R\$/t	6,549	5,968	+10%

Electrolytic zinc sales volume totaled 166 kton in 1Q16, 1% lower than in 1Q15. Higher production levels in Brazilian operations and better sales performance in foreign markets, such as Argentina, reduced the company's exposure to Brazilian economic slowdown.

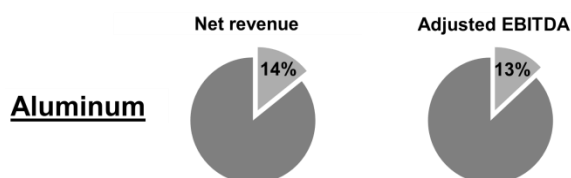
Concentrate sales volume, which include zinc, copper and lead concentrates, decreased by 5% in 1Q16 to 178 kt. Peruvian mine operations are recovering from lower production levels in 3Q15 and 4Q15, but volumes are still lower than 1Q16.

Net revenues increased by 10% to R\$1,693 million in 1Q16, mainly due to higher zinc prices in BRL, increased exports in Brazilian operations and the FX impact on the consolidation of our operations in

Peru. COGS totaled R\$1,392 million, 14% up on 1Q15, as a result of higher zinc concentrate prices in BRL, higher maintenance costs in the Brazilian operations and increased depletion due to the extension of the Vazante mine.

SG&A expenses increased to R\$202 million from R\$166 million in 1Q15 mainly due to increased byproduct export expenses in the Cajamarquilla smelter along with higher payroll expenses in Peruvian mining operations

Adjusted EBITDA totaled R\$358 million, 2% higher than in 1Q15, while the EBITDA margin decreased by 1.6 p.p.



R\$ million	1Q16	1Q15	1Q16 vs. 1Q15	4Q15	1Q16 vs. 4Q15
Sales volume (kton)	69	76	-9%	84	-18%
Net revenue	960	1,026	-6%	1,249	-23%
COGS	(810)	(844)	-4%	(1,002)	-19%
SG&A	(63)	(59)	7%	(93)	-32%
Selling expenses	(27)	(16)	69%	(39)	-31%
General & adm. expenses	(36)	(43)	-16%	(54)	-33%
Other operating results	(64)	(18)	256%	(103)	-38%
Depreciation	(80)	(74)	8%	(92)	-13%
Adjusted EBITDA	128	179	-28%	148	-13%
EBITDA margin	13.3%	17.4%	-4.1 p.p.	11.8%	-1.5 p.p.

The average LME cash price was US\$1,516/t, 1% above the previous quarter, but 16% down on 1Q15. In BRL, aluminum was 15% above 1Q15. Several aluminum producers in China and the United States announced closures due to poor market conditions, restricting supply and interrupting the downward price trend.

Aluminum	1Q16	1Q15	1Q16 vs. 1Q15
LME Cash Price, US\$/t	1,516	1,800	-16%
LME Cash Price, R\$/t	5,914	5,165	+15%

Sales volume totaled 69 kton in 1Q16, 9% lower than in 1Q15, due to weaker activity in Brazilian market. Key markets for the aluminum downstream business, such as extruded and rolled products, faced a strong slowdown in 1Q16. According to ANFAVEA, Brazilian vehicle producers association, all vehicles production (passenger cars, buses and trucks) was 27.8% lower than 1Q15. In the construction segment, almost 25,000 jobs were closed in 1Q16, even higher than the 16,531 jobs reduction in 1Q15, according to MTE, Brazilian Ministry of Jobs.

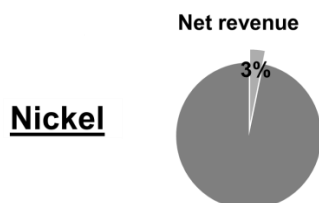
Net revenues totaled R\$960 million in 1Q16, 6% lower compared to 1Q15, primarily as a result of lower revenues of energy (-26%). Excluding energy sales, net revenue rose 5% on the back of higher aluminum prices in BRL, higher bauxite and alumina exports and increased sales of aluminum ingots compared to 1Q15.

COGS amounted to R\$810 million in 1Q16, 4% down on 1Q15, mainly due to lower energy-related costs, partially offset by the impact of the BRL depreciation on imported ingots.

SG&A expenses increased 7% in 1Q16, from R\$59 million, in 1Q15, to R\$63 million, mainly as a result of higher freight costs due to bauxite and alumina exports, partially offset by lower payroll expenses.

Other Operating Results amounted to a loss of R\$64 million, versus a loss of R\$18 million in 1Q15, primarily due to higher contingency provisions in 1Q16.

Adjusted EBITDA totaled R\$128 million, 28% lower than 1Q15. Excluding the energy sales, adjusted EBITDA increased 4% compared to the same period in 2015.



R\$ million	1Q16	1Q15	1Q16 vs. 1Q15	4Q15	1Q16 vs. 4Q15
Sales volume (kton)	5.6	5.8	-3%	5.8	-3%
Net revenue	217	303	-28%	245	-11%
COGS	(281)	(291)	-3%	(241)	17%
SG&A	(28)	(32)	-13%	(35)	-20%
Selling expenses	(3)	(4)	-25%	(3)	0%
General & adm. expenses	(25)	(28)	-11%	(32)	-22%
Other operating results	(57)	(6)	850%	(469)	-88%
Depreciation	(18)	(24)	-25%	(24)	-25%
Adjusted EBITDA	(132)	(2)	N.M.	(105)	26%
EBITDA margin	-60.8%	-0.7%	-60.2 p.p.	-42.9%	-17.9 p.p.

The LME cash price averaged US\$8,499/t, 41% below 1Q15 in US dollars and 19% down in BRL. Excess nickel supply resulted in record levels of metal stored in official warehouses (LME and SHFE). Although some closures are taking place, prices remained stable at a level much lower than in the same quarter of the previous year.

Nickel	1Q16	1Q15	1Q16 vs. 1Q15
LME Cash Price, US\$/t	8,499	14,338	-41%
LME Cash Price, R\$/t	33,160	41,114	-19%

Sales volume amounted to 5.6 kton in 1Q16, 3% lower than 1Q15.

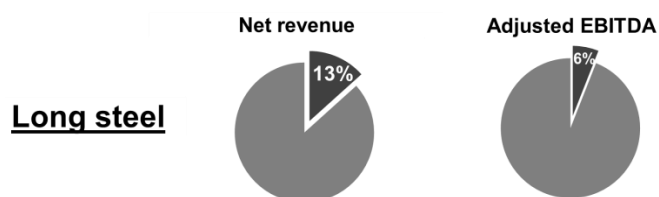
Net revenues totaled R\$217 million in 1Q16, 28% down on 1Q15, driven by lower nickel prices as a consequence of the deterioration of the global steel market.

COGS fell to R\$281 million in 1Q16, 3% lower than in 1Q15, as a result of lower nickel concentrate prices in BRL, partially offset by the FX impact on imported inputs.

SG&A expenses amounted to R\$28 million, 13% down on 1Q15, mainly due to lower payroll expenses coupled with lower travel expenses in 1Q16.

Other Operating Results totaled a loss of R\$57 million, compared to a loss of R\$6 million in 1Q15, as a result of the provisions made in 1Q16 regarding the cost and expenses related to the temporary suspension of nickel operation announced at the beginning of 2016.

Adjusted EBITDA was negative by R\$132 million, versus a negative R\$2 million in 1Q15.



R\$ million	1Q16	1Q15	1Q16 vs. 1Q15	4Q15	1Q16 vs. 4Q15
Sales volume (kton)	406.5	441.5	-8%	429.3	-5%
Net revenue	898	956	-6%	1,091	-18%
COGS	(720)	(774)	-7%	(821)	-12%
SG&A	(178)	(155)	15%	(196)	-9%
Selling expenses	(104)	(80)	30%	(119)	-13%
General & adm. expenses	(74)	(75)	-1%	(77)	-4%
Other operating results	(3)	1	-400%	(91)	-97%
Depreciation	(62)	(53)	17%	(82)	-24%
Adjusted EBITDA	56	88	-36%	98	-43%
EBITDA margin	6.2%	9.2%	-3.0 p.p.	9.0%	-2.8 p.p.

Sales volume fell by 8% in 1Q16, especially in Brazil, as a result of the downturn and the crisis in the construction sector and industrial activities. In Brazil, according to the IABR (the Brazilian Steel Institute), domestic long steel sales decreased by 23.1% in 1Q16 over 1Q15. In Argentina, volumes also went down, driven by the economic recession due to the fiscal and monetary adjustments introduced by the new government. In Colombia, sales volume rose on the back of the antidumping measure against China, protecting local industries.

Net revenue totaled R\$898 million, 6% lower than in 1Q15, mainly due to lower volumes and prices in the Brazilian operations, as a consequence of the steady decline in the construction and infrastructure sectors along with increased competition in the construction and distribution segments. This variation was partially offset by higher prices in Argentina, due to the devaluation of the Argentine peso against the U.S. dollar, and higher volumes and prices in Colombia.

COGS amounted to R\$720 million, 7% down on 1Q15, mainly due to lower scrap prices and reduced pig iron consumption in Brazil, partially offset by higher met coal prices and the increased use of scrap in Colombia due to operational problems in the blast furnace.

SG&A expenses increased by 15% over 1Q15 to R\$178 million, mainly due to higher exports from Brazil, together with provisions on accounts receivable of R\$14 million.

Adjusted EBITDA totaled R\$56 million, 36% down on 1Q15.

3. SUBSEQUENT EVENT

Capital increase in Milpo

In April, 2016, Votorantim increased its interest in Milpo and now holds 80.24% of its share capital.

4. INVESTOR RELATIONS TEAM

Sergio Malacrida | Mariana Mayumi Oyakawa | Sauro Bagnaresi Neto | Mayara Santos Mota

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EXHIBIT I – VOTORANTIM S.A. CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement R\$ million	1Q16	1Q15
Continuing operations		
Net revenue from products sold and services rendered	6,725	7,138
Cost of products sold and services rendered	<u>(5,497)</u>	<u>(5,428)</u>
Gross profit	<u>1,228</u>	<u>1,710</u>
Operating income (expenses)		
Selling	(497)	(432)
General and administrative	(545)	(517)
Other operating income, net	<u>259</u>	<u>14</u>
	(783)	(935)
Operating profit before equity results and finance results	<u>445</u>	<u>775</u>
Result from equity investments		
Equity in the results of investees	<u>344</u>	<u>(149)</u>
Finance result, net	<u>(497)</u>	<u>(401)</u>
Profit before income tax and social contribution	<u>292</u>	<u>225</u>
Income tax and social contribution		
Current	(114)	(208)
Deferred	<u>(33)</u>	<u>51</u>
Profit for the quarter from continuing operations	145	68
Discontinued operations		
Gain (loss) for the year from discontinued operations	<u>(1)</u>	<u></u>
Profit for the quarter	<u><u>144</u></u>	<u><u>68</u></u>

EXHIBIT II – VOTORANTIM S.A. CONSOLIDATED CASH FLOW

Consolidated Cash Flow		
R\$ million	1Q16	1Q15
Cash flow from operating activities		
Profit before income tax and social contribution	292	225
Profit (Losses) on discontinued operations	(1)	
Interest, indexation and foreign exchange gains (losses)	(58)	345
Equity in the results of investees	(300)	149
Depreciation, amortization and depletion	717	625
Loss or Gain on sale of fixed and intangible assets	(38)	7
Loss or Gain on sale of net investments	(302)	
Fair value adjustment 0 Resolution 4131	(24)	
Change in fair value of biological assets	(3)	1
Derivative financial instruments	552	(153)
Impairment	(10)	
Financial instrument - firm commitment	40	65
Provision	(30)	27
	835	1,291
Changes in assets and liabilities		
Financial investments	1,389	862
Derivative financial instruments	9	16
Trade receivables	379	(288)
Inventory	(64)	(484)
Taxes recoverable	150	65
Related parties	(113)	44
Other receivables and assets	5	(13)
Trade payables	(195)	165
Deferred revenue - performance obligation	(77)	
Salaries and payroll charges	(259)	(215)
Taxes payable	(89)	45
Use of public asset	43	28
Other obligations and liabilities	(277)	(26)
Cash provided by operations	1,735	1,490
Interest paid on borrowing and use of public asset	(332)	(329)
Income tax and social contribution paid	(149)	(100)
Net cash provided by (used in) operating activities	1,254	1,061
Cash flow from investing activities		
Purchases of property, plant and equipment	(646)	(524)
Increase in biological assets	(1)	(3)
Increase in intangible assets	(56)	(8)
Capital decrease in investees		25
Proceeds from sale of investments - Sirama	566	
Proceeds from sale of fixed and intangible assets	59	29
Dividends received	3	12
Net cash used in investing activities	(75)	(469)
Cash flow from financing activities		
New borrowing	1,374	579
Repayment of borrowing	(3,203)	(1,418)
Derivative financial instruments	(23)	55
Increase in non-controlling interests - Yacuses		9
Payment of dividends	(5)	(151)
Net cash provided by financing activities	(1,857)	(926)
Increase (decrease) in cash and cash equivalents	(678)	(334)
Cash increase resulting from incorporation	177	
Effect of fluctuations in exchange rates	(369)	569
Cash and cash equivalents at the beginning of the year	6,649	3,564
Cash and cash equivalents at the end of the year	<u>5,779</u>	<u>3,799</u>

EXHIBIT III – VOTORANTIM S.A. CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet R\$ million	31/03/2016	31/12/2015		31/03/2016	31/12/2015
Assets			Liabilities and equity		
Current assets			Current liabilities		
Cash and cash equivalents	5,779	6,649	Borrowing	2,447	2,616
Financial investments	3,110	3,936	Derivative financial instruments	415	476
Derivative financial instruments	101	180	Trade payables	2,989	3,179
Trade receivables	2,353	2,745	Confirming payable	966	1,083
Inventory	3,996	3,888	Salaries and payroll charges	663	918
Taxes recoverable	1,469	1,376	Taxes payable	427	502
Dividends receivable	123	42	Dividends payable	197	162
Financial instruments - firm commitment	313	341	Advances from clients	222	242
Other assets	727	767	Use of public assets	62	61
	17,971	19,924	Other liabilities	799	958
				9,187	10,197
Assets held for sale	34	414			
	18,005	20,338			
Non-current assets			Non-current liabilities		
Long-term receivables			Borrowing	24,614	27,915
Financial investments	37	36	Derivative financial instruments	54	2
Derivative financial instruments	280	762	Related parties	129	1,216
Taxes recoverable	1,775	1,315	Deferred income tax and social contribution	2,078	2,061
Related parties	1,076	3,188	Tax, civil, labor and environmental provisions	2,192	2,189
Deferred income tax and social contribution	3,665	4,065	Use of public assets	1,096	1,064
Judicial deposits	410	349	Pension plan	288	305
Financial instrument - firm commitment	578	627	Other liabilities	1,255	1,354
Other assets	648	515		31,706	36,106
	8,469	10,857	Total liabilities	40,893	46,303
Investments	13,063	5,174	Equity		
Property, plant and equipment	28,524	29,276	Share capital	28,656	21,419
Biological assets	135	81	Revenue reserves	7,584	7,436
Intangible assets	14,671	16,575	Carrying value adjustments	1,962	2,967
	64,862	61,963	Total equity attributable to owners of the Company	38,202	31,822
Total assets	82,867	82,301	Non-controlling interests	3,772	4,176
			Total equity	41,974	35,998
			Total liabilities and equity	82,867	82,301

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

1Q16 Consolidated Income Statement (by Business Units)							Total Consolidated
R\$ million	Cement	Zinc & Byproducts	Aluminum	Nickel	Long Steel	Holding, Eliminations and Other	Total Consolidated
Net revenue from products sold and services rendered	2,771	1,693	960	217	898	179	6,718
Cost of products sold and services rendered	(2,205)	(1,392)	(810)	(281)	(720)	(89)	(5,497)
Gross profit	566	301	150	(64)	178	90	1,221
Operating income (expenses)							
Selling	(271)	(89)	(27)	(3)	(104)	(3)	(497)
General and administrative	(221)	(113)	(36)	(25)	(74)	(72)	(541)
Other operating income (expenses), net	351	(14)	(64)	(57)	(3)	44	257
	(141)	(216)	(127)	(85)	(181)	(31)	(781)
Operating profit (loss) before equity investments and finance result	425	85	23	(149)	(3)	59	440
Result from equity investments							
Equity in the results of investees	70		49	5	9	214	347
Finance result, net							
Finance expenses	(459)	(46)	(109)	(22)	(41)	(52)	(729)
Finance income	369	14	34	15	19	58	509
Derivative financial instruments	(399)	(3)	2	(3)	(66)	(101)	(570)
Foreign exchange gains (losses), net	205	247	255	136	43	(593)	293
	(284)	212	182	126	(45)	(688)	(497)
Profit (loss) before income tax, social contribution and profit sharing	211	297	254	(18)	(39)	(415)	290
Income tax and social contribution							
Current	(26)	(39)	(16)		(23)	(9)	(113)
Deferred	(43)	(106)	(75)		(2)	194	(32)
Profit (loss) for the quarter from continuing operations	142	152	163	(18)	(64)	(230)	145
Discontinued operations							
Loss for the period from discontinued operations	(1)						(1)
Profit (loss) for the period	141	152	163	(18)	(64)	(230)	144