Votorantim

Votorantim S.A.
Earnings Release 2Q16

2Q16 Highlights

R$ million	2Q16[2]	2Q15	2Q16 vs. 2Q15	1Q16 [2]	2Q16 vs. 1Q16	LTM[2]	2015	LTM vs. 2015
Net Revenues	7,573	7,877	-4%	6,718	13%	30,797	31,521	-2%
Adjusted EBITDA	1,490	1,803	-17%	845	76%	6,122	6,994	-12%
EBITDA Margin	19.7%	22.9%	-3.2 p.p.	12.6%	7.1 p.p.	19.9%	22.2%	-2.3 p.p.
Net Income	318	600	-47%	144	121%	176	382	-54%
Net Debt/EBITDA[1]	2.75 x	2.42 x	0.33 x	2.78 x	-0.03 x	2.75 x	2.78 x	-0.03 x
CAPEX	773	610	27%	647	19%	3,540	3,257	9%

(1) LTM EBITDA
(2) Considering only the Industrial segment

Consolidated

- Net Revenues and EBITDA lower than 2Q15 negatively impacted by Brazilian operations, lower energy prices and temporary closure of nickel operations
- Net Income totaled R$318 million in 2Q16, 47% lower than in 2Q15
- Net debt/EBITDA ratio of 2.75x, 0.33x up on 2Q15 but in line with 2015

Cement

- Brazil – deterioration of the economy negatively affected sales volumes
- North America – higher Net Revenues and EBITDA boosted by strong demand in the Great Lakes region
- Europe, Asia and Africa – higher sales volumes in Turkey, India and Spain

Zinc & by-products

- Net Revenues totaled US$459 million in 2Q16, mainly impacted by a 13% decrease in the LME zinc price in USD
- Concentrate production grew by 3%, specially due to higher zinc and copper volumes in Vazante (Brazil) and Cerro Lindo (Peru), respectively
- Electrolytic zinc sales increased by 7%, due to higher export volumes, more concentrate availability and improved performance in Três Marias smelter

Aluminum

- Lower energy prices led to an increase of aluminum production
- Net Revenues, without the energy effect, went up by 20% as a result of higher primary aluminum sales volumes

Nickel

- Revenues and EBITDA were negatively impacted by the temporary suspension of activities fully, implemented in 2Q16

Long steel

- Brazil – lower Net Revenues due to reduced volumes and prices. EBITDA remained flat
- Argentina – Net Revenues and EBITDA decreased mainly because of lower prices in BRL and lower volumes caused by the slowdown in the infrastructure sector
- Colombia – Net Revenue and EBITDA went down mainly due to truck drivers´ strike and higher met coal prices

1. Economic Outlook

According to the IMF, the global economic recovery continues, but in a fragile and slow-paced manner. In July, after the Brexit decision, the Fund revised down its global growth forecast to 3.1% for 2016 and 3.4% for 2017, both marked down by 0.1 p.p. from April's figures, due to benign assumptions of a gradual reduction in uncertainty and better-than-expected economic activity in 2016. Brexit-related revisions were focused on the advanced European economies, with relatively low impacts elsewhere.

For the United States the outlook is one of modest growth. According to the US Department of Commerce, real GDP growth in 2Q16 was 1.2%. As the strong USD and weaker demand from the emerging markets continue to inhibit exports, growth is being driven by consumption.

In the Eurozone, the recovery has been modest. Brexit has increased uncertainties, with the United Kingdom experiencing the largest downturn in growth projected by the IMF.

In China, the near-term outlook is the maintenance of decelerated but stable growth as the direct impact of the Brexit referendum is expected to be limited, given the country's low trade and financial exposure to the UK.

In Brazil, according to the Brazilian Central Bank's report(1), the market expects a GDP shrinkage of 3.24% for 2016. Brazil's economic fundamentals have been deteriorating continuously – in addition to the structural economic problems, which led to unemployment of 11.3%(2) in the second quarter and expected 2016 inflation of 7.21%(1), the country is navigating through an adverse political scenario. A clearer definition depends on developments in both the *Lava Jato* investigations and the impeachment process, which should occur in 3Q16. Until then, substantial exchange rate volatility is expected.

(1) Source: Brazilian Central Bank report as of July 29, 2016. The report contains market expectations for macroeconomics indicators.

(2) Source: IBGE – Brazilian Institute of Geography and Statistics

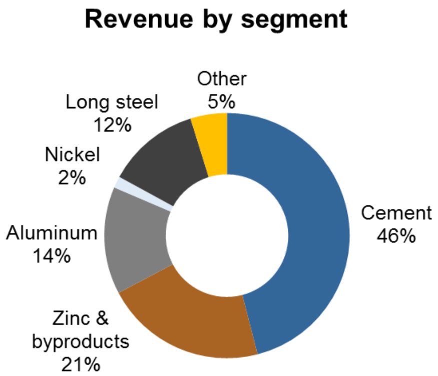
2. OPERATING AND FINANCIAL PERFORMANCE

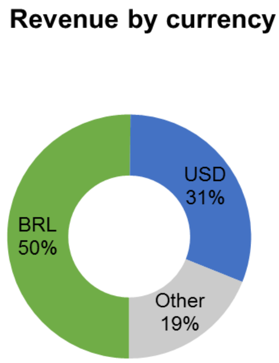
Results analysis

R$ million	2Q16 (1)	2Q15	2Q16 vs. 2Q15	1Q16 (1)	2Q16 vs. 1Q16
Net revenues	**7,573**	**7,877**	**-4%**	**6,718**	**13%**
COGS	**(5,803)**	**(5,855)**	**-1%**	**(5,497)**	**6%**
SG&A	**(1,012)**	**(959)**	**6%**	**(1,038)**	**-3%**
Selling expenses	(482)	(427)	13%	(497)	-3%
General & adm. expenses	(530)	(532)	0%	(541)	-2%
Other operating results	**(134)**	**20**	**-770%**	**257**	**-152%**
Depreciation	**(681)**	**(671)**	**1%**	**(717)**	**-5%**
Adjusted EBITDA	**1,490**	**1,803**	**-17%**	**845**	**76%**
EBITDA margin	**19.7%**	**22.9%**	**-3.2 p.p.**	**12.6%**	**+7.1 p.p.**

(1) Considering only the Industrial segment

Net Revenues totaled R$7.6 billion, 4% down over 2Q15, mainly due to the slowdown in cement and long steel operations in Brazil, temporary suspension of nickel operations and lower energy revenues.





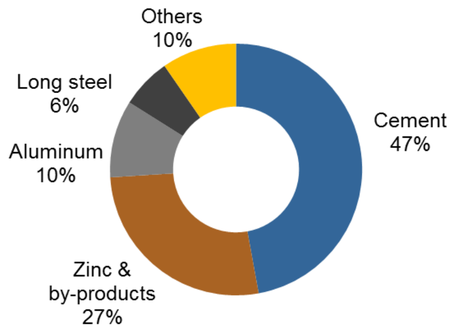
The Cost of Goods Sold (COGS) amounted to R$5.8 billion, 1% down on 2Q15, mainly due to lower volumes in the Brazilian cement operations, higher costs in the zinc operation in Brazil and the temporary suspension of nickel operations, offset by the effect of the BRL depreciation on the consolidation of our operations abroad.

SG&A expenses increased by 6% due to greater expenditure on aluminum export, higher sales volumes in zinc operations in Brazil and increased freight expenses in the zinc smelter operation in Peru.

Other Operating Results totaled a loss of R$134 million in 2Q16, compared to a gain of R$20 million in 2Q15. This was caused by Votorantim Cimentos' non-core assets sale that took place in 2Q15, the effect of the temporary suspension of nickel operations, an increase in spending with non-capitalized projects in zinc and nickel operations and the recognition of goodwill impairment in the Brazilian cement operations.

Adjusted EBITDA totaled R$1,490 million, 17% down over 2Q15. The EBITDA margin was 19.7%, 3.2 p.p. lower than in 2Q15.

Ebitda by segment



Financial results

R$ million	2Q16	2Q15	2Q16 vs. 2Q15 R$	2Q16 vs. 2Q15 %	1Q16	2Q16 vs. 1Q16 R$	2Q16 vs. 1Q16 %
Financial income from investments	191	121	70	58%	203	(12)	-6%
Financial expenses from borrowings	(420)	(451)	31	-7%	(471)	51	-11%
Exchange variation	284	19	265	N.M.	293	(9)	-3%
Net hedge result	(500)	(65)	(435)	N.M.	(570)	70	-12%
Other financial income (expenses), net	(146)	(187)	41	-22%	48	(194)	N.M.
Net financial result	(591)	(563)	(28)	5%	(497)	(94)	19%

Financial income totaled R$191 million, an increase of 58% compared with 2Q15 mainly due to higher cash and cash equivalents balance and the increase of the average Brazilian CDI rate from 12.51% p.a. to 14.13% p.a.

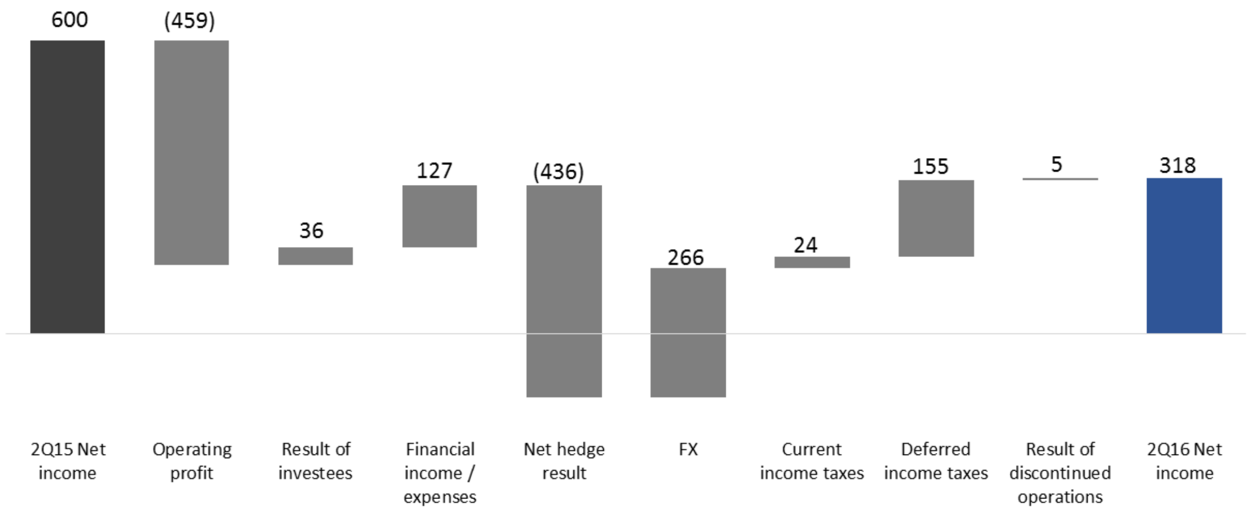
Financial expenses decreased by 5% to R$420 million, impacted by lower local currency debt, as a result of early redemption of local debentures, partially offset by the effect of the USD appreciation on foreign currency debt compared with 2Q15 (average rate - 2Q16: BRL/USD3.51 | 2Q15: BRL/USD3.07).

Exchange variation expenses amounted to R$284 million in 2Q16, primarily due to the BRL appreciation (Jun/16: BRL/USD 3.21 | Mar/16: BRL/USD3.56) and higher 4131 bilateral loans volume which is not submitted to hedge accounting.

The net hedge result was a loss of R$500 million, compared with a loss of R$65 million in 2Q15. The variation was due to the swap to Brazilian reais and higher amount of 4131 bilateral loans.

Other net financial income totaled R$146 million in 2Q16. The variation of R$50 million, compared with 2Q15, is mainly explained by an expense of R$98 million of the premium paid on tender offer in 2015, partially offset by 4131 bilateral loans fair value in 2016.

Net Income



Net Income totaled R$318 million, a decrease of 47% when compared to 2Q15. The operating profit reduction of R$459 million was due to the weaker economic environment in Brazil, that affected specially our cement and long steel operations. The increase in net hedge result expense of R$436 million is related to the mark-to-market of the 4131 bilateral loans swaps to BRL. The swaps offset the foreign exchange effects of the 4131 bilateral loans, which in this quarter was the main responsible for the R$266 million increase in FX YoY. This FX increase partially explains the higher deferred income taxes in 2Q16 relative to 2Q15.

Liquidity and Indebtedness

		Jun/16[2]	Jun/15	Jun/16 vs Jun/15	Dec/15	Jun/16 vs Dec/15
Gross debt	**R$ million**	**24,608**	**25,271**	**-2.6%**	**30,531**	**-19.4%**
in BRL[1]	R$ million	9,523	9,985	-4.6%	11,487	-17.1%
in foreign currency	R$ million	15,085	15,286	-1.3%	19,044	-20.8%
Average maturity	**years**	**7.1**	**7.9**	**-**	**7.4**	**-**
Short-term debt	**%**	**7.9%**	**5.9%**	**2p.p.**	**8.6%**	**-0.7p.p.**
Cash, cash equivalents and investments	**R$ million**	**8,284**	**7,292**	**13.6%**	**10,621**	**-22.0%**
in BRL	R$ million	5,153	3,764	36.9%	5,749	-10.4%
in foreign currency	R$ million	3,149	3,528	-10.7%	4,872	-35.4%
Fair value of derivative instruments	R$ million	516	264	N.M.	(464)	N.M.
Net debt	**R$ million**	**16,840**	**17,715**	**-4.9%**	**19,446**	**-13.4%**
Net debt/EBITDA (in BRL)	**x**	**2.75 x**	**2.42 x**	**0.33 x**	**2.78 x**	**-0.03 x**
BRL/USD	**R$**	3.21	3.10	11%	3.90	-9%

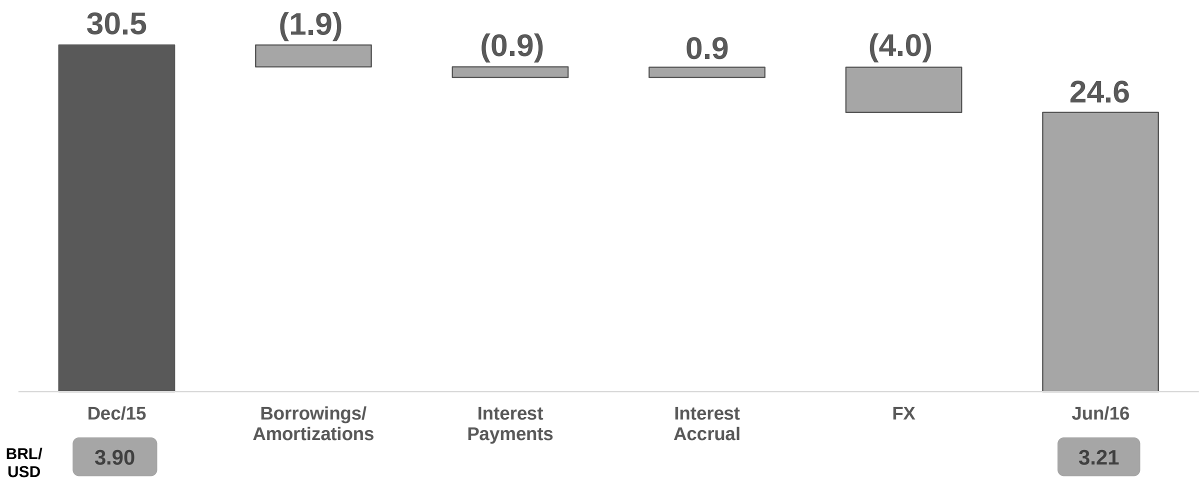
(1) 4131 bilateral loan considered as BRL due to the cross-currency swap.

(2) Considering only the Industrial segment

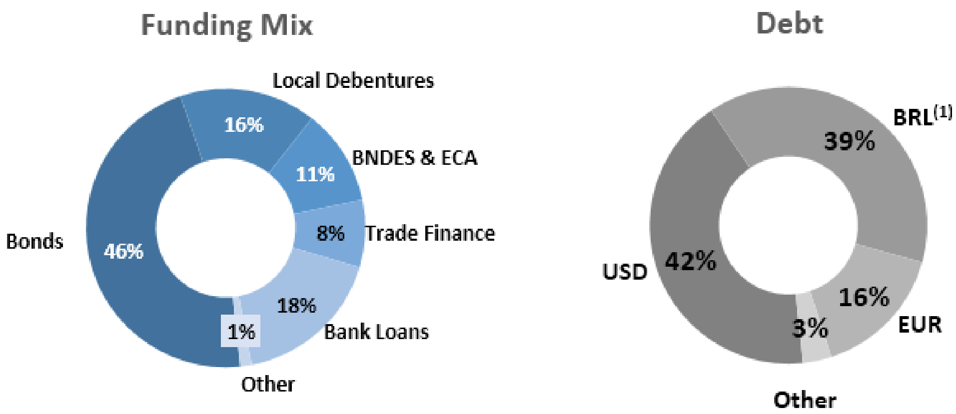
In June 2016, total debt amounted to R$24.6 billion, 19.4% down from December 2015 due to liability management initiatives during 2016 and the appreciation of the BRL against the USD. The appreciation of the BRL (Jun/16: BRL/USD3.21 | Dec/15: BRL/USD3.90) had a positive non-cash impact of R$4.0 billion on gross debt.

In 2Q16, Votorantim issued, through its wholly owned subsidiary Votorantim Energia, R$250 million in promissory notes, as a bridge loan for a long-term facility to fund the 7 wind farms expansion Capex - *Ventos do Piauí* project. In the same quarter, the Cement segment extended EUR 65 million debt from 2017 to 2021 and 2023. The average debt term closed at 7.1 years.

The chart below details the changes in gross debt figures:

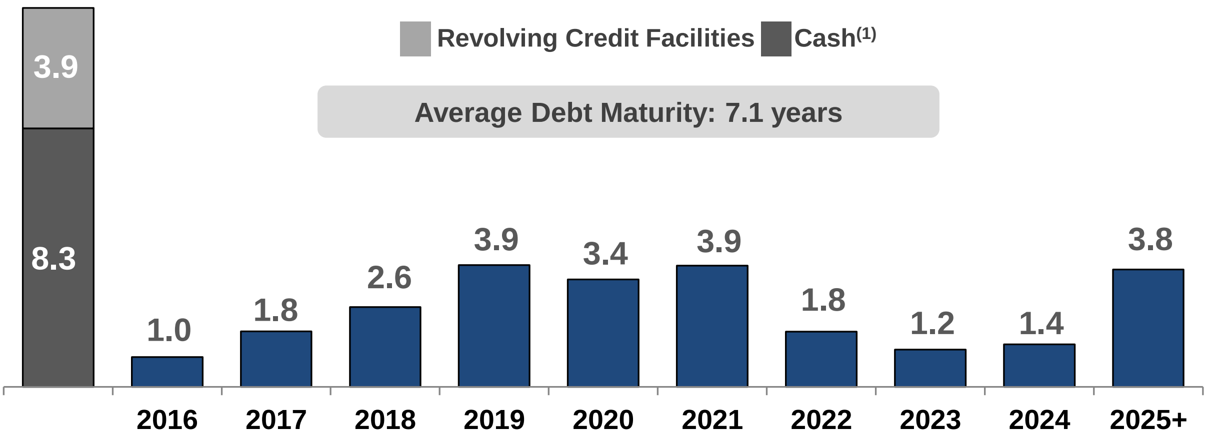


The charts below show indebtedness by instrument and currency:



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

Debt Amortization Schedule
R$ billion



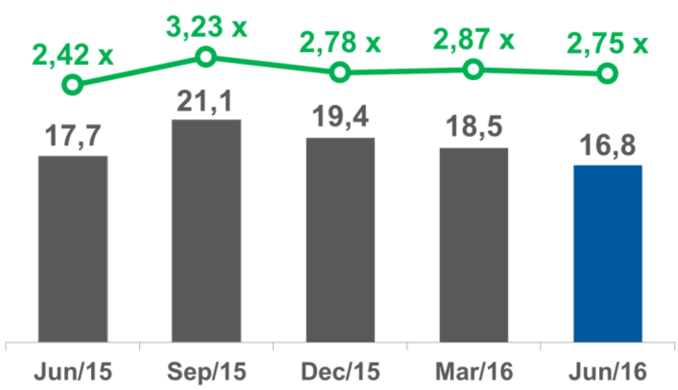
(1) Includes cash, cash equivalents and financial investments

Cash, cash equivalents and financial investments ended 2Q16 at R$8.3 billion, a decrease of R$2.3 billion over 4Q15, due to the liability management operations and the appreciation of the BRL, which negatively impacted cash denominated in foreign currencies.

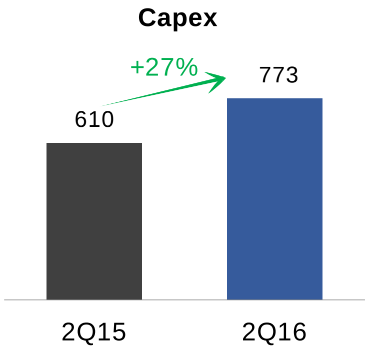
The cash investment portfolio consists of government bonds, fixed-income securities and short-term investments abroad (time deposits), in line with a conservative financial policy in order to mitigate credit risk exposure. This liquidity position is sufficient to cover all debt obligations due in the next 39 months.

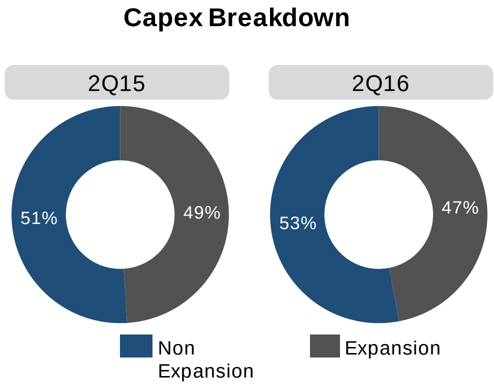
There are also two revolving credit facilities expiring in 2020 amounting to US$1.2 billion – US$700 million for Votorantim Cimentos and its subsidiaries and US$500 million for all other Votorantim companies.

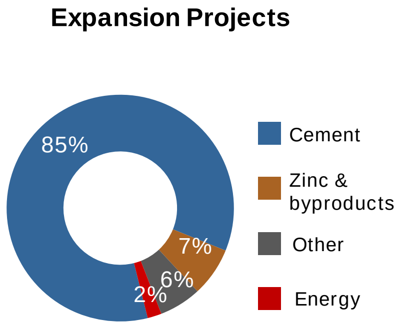
Net debt totaled R$16.8 billion, 13.9% down on 4Q15. Financial leverage, as measured by the net debt/EBITDA ratio, reached 2.75x, 0.03x less than the 2.78x recorded in December 2015. The chart below shows net debt/EBITDA ratios since June 2015:



Capex







Capex totaled R$773 million, 27% up on 2Q15. Expansion projects represented 47% of total investments, compared to 49% in 2Q15. The main projects focused on cement operations, which accounted for 85% of total expansion investments. The majority of projects are located outside Brazil, following the strategy of geographic diversification.

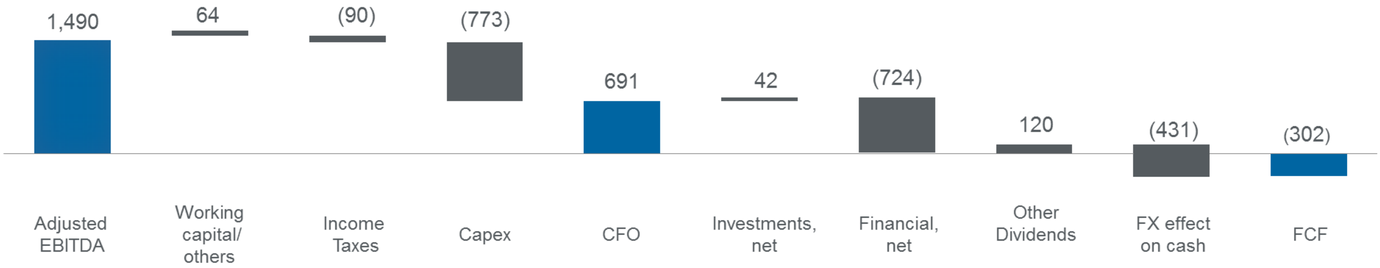
The major expansion projects in 2Q16 were:

- Primavera (Brazil) – increased capacity: 1.2 million tpy / started-up in May 2016;
- Sivas (Turkey) – increased capacity: 1.2 million tpy / start-up in 2017;
- Charlevoix (North America) – increased capacity: 0.6 million tpy / start-up in 2018;
- Itacamba (Bolivia) – increased capacity: 0.9 million tpy / start-up in 2016;
- Vazante (Brazil) – working life extended until 2026;
- Ventos do Piauí (Brazil) – 7 wind farms / Installed capacity: 206 MW/ start-up in 2018.

Free Cash Flow

R$ million	2Q16	2Q15
Adjusted EBITDA	**1,490**	**1,803**
Working capital / other	64	514
Income taxes	(90)	(199)
Capex	(773)	(610)
CFO	**691**	**1,508**
Investments, net	42	117
Financial, net	(724)	(687)
Other Dividends	120	(22)
FX effect on cash	(431)	(202)
FCF	**(302)**	**714**

Free Cash Flow Generation
R$ million



Cash Flow from Operations (CFO) was positive by R$691 million in 2Q16, but lower when compared to 2Q15 due to lower EBITDA and higher Capex in the Cement, Zinc and Energy operations.

Free Cash Flow (FCF) was negative by R$302 million, chiefly due to higher financial expenses and FX effects on cash, partially offset by dividends received. Without the foreign exchange effect on cash, the free cash flow would be R$129 million positive.

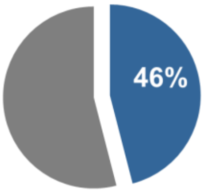
3. BUSINESSES

R$ million	Cement	Zinc & by-products	Aluminum	Nickel	Long steel	Others[1]	Consolidated[2]
Net revenues	3,482	1,612	1,073	115	927	364	7,573
COGS	(2,547)	(1,151)	(922)	(176)	(763)	(244)	(5,803)
SG&A	(495)	(166)	(65)	(32)	(150)	(104)	(1,012)
Other operating results	12	(109)	(34)	(17)	22	(8)	(134)
Adjusted EBITDA	745	425	157	(91)	102	152	1,490
EBITDA margin	21.4%	26.4%	14.6%	-79.1%	11.0%		19.7%

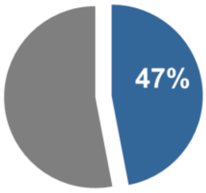
(1) Includes Holding, Votorantim Energia, Baesa, Enercan, eliminations and other
(2) Considering only the Industrial segment

Cement

Net Revenues



Adjusted EBITDA



R$ Million	2Q16	2Q15	2Q16 vs. 2Q15	1Q16	2Q16 vs. 1Q16
Sales Volumes (kton)	**9,305**	**9,907**	**-6.1%**	**7,263**	**28.1%**
Net Revenues	**3,482**	**3,567**	**-2.4%**	**2,771**	**25.7%**
COGS	**(2,547)**	**(2,530)**	**0.7%**	**(2,205)**	**15.5%**
SG&A	**(495)**	**(489)**	**1.2%**	**(492)**	**0.6%**
Selling Expenses	(279)	(262)	6.5%	(271)	2.8%
General & Adm. Expenses	(216)	(227)	-4.8%	(221)	-2.1%
Other Operating results	**12**	**111**	**-89.2%**	**351**	**-96.6%**
Depreciation	**260**	**236**	**10.2%**	**266**	**-2.1%**
Adjusted EBITDA	**745**	**899**	**-17.1%**	**389**	**91.6%**
EBITDA Margin	**21.4%**	**25.2%**	**-3.8 p.p.**	**14.0%**	**7.4 p.p.**

In 2Q16, Votorantim Cimentos (VC) benefited from its diversified presence in higher growth markets, such as the Great Lakes in the United States that partially offset the impacts of weakened market in Brazil.

While Brazil remains challenging with high unemployment rate, restrictions to housing financing and a 7.1% construction GDP contraction, as per IBGE - Brazilian Institute of Geography and Statistics 1Q16 LTM figures, in the US, cement demand grew on the back of rising housing starts of 8.0% and 11.1% YoY in the Great Lakes region and Florida respectively (according to Federal Reserve), and due to the return of governmental public investments.

Moreover, VCEAA (Votorantim Cement Europe, Africa and Asia) main markets (Turkey, Morocco and Tunisia) were affected by fewer working days when compared to 2Q15, due to the earlier start of Ramadan, nevertheless the region posted significant results, especially in Turkey, India and Spain.

Net revenues totaled R$3,482 million, 2.4% lower than 2Q15 mainly due to the slowdown in the Brazilian cement market, which dropped 13.3% when compared to 2Q15, according to SNIC (Brazilian Cement Industry Association). However, VC sales volume in Brazil increased 6.5% per working days in 2Q16 vs. 1Q16. In July/16, Brazilian construction confidence index by Fundação Getúlio Vargas presented its highest level in the last 12 months and the industrial production released its first expansion in the last three years (1.2% in 2Q16 vs. 2Q15 increase according to IBGE - Brazilian Institute of Geography and Statistics), which may indicate a gradual recovery pace. Nonetheless, VCNA (Votorantim Cement North America) revenues increased by 7% YoY in USD due to higher volumes and prices, confirming the growth path of previous quarters while VCEAA presented higher sales volume in mostly all countries.

COGS amounted to R$2,547 million, 0.7% higher than 2Q15. In 2Q16, VC posted a 12.1% cost reduction in real terms, predominantly in maintenance and personal, driven by cost optimization initiatives in all regions, Zero-based budget implementation, Brazilian operations right sizing and lower fuel prices in VCEAA. Cost savings were partially offset by Brazilian energy distribution charges increase and negative FX rate impact of VCNA and VCEAA consolidation (BRL depreciation of 14% against USD and 17% against euro within the quarter).

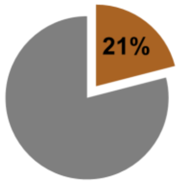
Selling expenses totaled R$279 million in 2Q16, 6.5% higher YoY, mainly due to higher freight expenses in Brazil, partially attributable to the pre marketing of Primavera new plant in the Brazilian state of Pará, the logistic expenses and higher transportation costs on the back of higher inflation.

General & Administrative expenses totaled R$216 million in 2Q16, 4.8% lower YoY, mainly due to lean capital spending initiatives and a 9.3% decrease in Brazilian expenses in real terms, especially in personnel. This reduction was partially offset by the negative FX impact of VCNA and VCEAA consolidation.

Consolidated adjusted EBITDA came to R$745 million, down 17.1% YoY with an EBITDA margin of 21.4%, versus 25.2% in 2Q15 and 14.0% in 1Q16, mainly on the back of higher Brazilian inflation and BRL depreciation. However, VC presented a 10.6% cost savings in real terms when compared to 2Q15. Additionally, the Company maintains a strong cash position of R$3,699 million (as of June/2016) and further extended its debt maturity profile, mitigating liquidity and refinancing risk. Initiatives are also in place to enhance 2016 cash flow generation.

Although Brazilian recovery can be long and gradual, the long-term drivers remain in place and VC is confident that it is paving the way to its long-term strategy with focus on geographic diversification, cost optimization, financial discipline and taking into account the ability to act fast, constantly pursuing higher efficiency to its operations.

Zinc & by-products
(including Milpo)



US$ million	2Q16	2Q15	2Q16 vs. 2Q15	1Q16	2Q16 vs. 1Q16
Net Revenues	**459**	**504**	**-9%**	**384**	**20%**
COGS	**(328)**	**(382)**	**-14%**	**(312)**	**5%**
SG&A	**(47)**	**(46)**	**2%**	**(46)**	**4%**
Selling Expenses	(24)	(19)	27%	(21)	15%
General & Adm Expenses	(24)	(28)	-15%	(25)	-5%
Other Operating Results	**(31)**	**(18)**	**73%**	**(2)**	**N.M.**
Depreciation	**(68)**	**(79)**	**-14%**	**(67)**	**1%**
Adjusted EBITDA	**121**	**136**	**-11%**	**90**	**34%**
EBITDA Margin	**26.4%**	**27.0%**	**-0.7 p.p.**	**23.4%**	**0.1 p.p**

Metals market overview

Zinc

In 2Q16, zinc LME cash price averaged US$1,918/ton, 12% below 2Q15, but 14% higher than the previous quarter. Zinc prices ended June 2016 at US$2,102/ton, increasing by more than 30% year-to-date, based on market fundamentals. Mine supply shortfall and China-led demand growth due to steel production rate hike are the main reasons for the LME price upward trend during the first half of 2016.

On the supply side, operational issues at the world's largest zinc mine have shortened an already tight concentrate market. According to the International Lead and Zinc Study Groups (ILZSG), global zinc concentrate production from January to May 2016 was 8% lower than in the same period of 2015. Lower concentrates availability resulted in the closure of smelting operations, especially in China, resulting in a 4% drop in global refined zinc production from January to May 2016 compared to the same period of 2015.

Zinc	2Q16	2Q15	2Q16 vs. 2Q15	1Q16	2Q16 vs. 1Q16
LME Cash Price, USD/ton	**1,918**	**2,190**	**-12%**	**1,679**	**+14%**

Copper

LME cash price averaged US$4,729/ton in 2Q16, 22% below 2Q15 and 1% above the previous quarter. Peruvian production growth and moderate level of supply disruptions had a strong influence on copper price performance. Peruvian mined copper production has grown by 50% in 2016, driven by large projects ramp-ups.

Copper	2Q16	2Q15	2Q16 vs. 2Q15	1Q16	2Q16 vs. 1Q16
LME Cash Price, USD/ton	**4,729**	**6,043**	**-22%**	**4,672**	**+1%**

Lead

In 2Q16, lead LME cash price averaged US$1,719/ton, 11% below 2Q15 and 1% below 1Q16. Although lead concentrate supply has reduced along with zinc mine cutbacks, demand for lead in developed countries has stalled. In China, increased usage of recycled metal and lower demand from electric bicycles are also impacting the lead price.

Lead	2Q16	2Q15	2Q16 vs. 2Q15	1Q16	2Q16 vs. 1Q16
LME Cash Price, USD/ton	**1,719**	**1,942**	**-11%**	**1,744**	**-1%**

Business performance

Concentrate production, measured in contained metal (fine content of zinc, copper and lead), totaled 128 kton in 2Q16, 3% higher than 2Q15, specially due to higher volumes of zinc in Vazante and copper in Cerro Lindo.

Electrolytic zinc sales volumes totaled 155 kton in 2Q16, 7% higher than 2Q15. Três Marias smelter performance improved in 2Q16 (better roaster yield) and Vazante mine increased the zinc concentrate availability to Três Marias smelter.

Increased consumption of zinc in Brazilian galvanized steel production due to export specification and solid sales to Argentina neutralized domestic market conditions.

Key market segments, such as construction and transport, were still under pressure in Brazil during 2Q16. Production of inputs typically used in the construction segment dropped by 11% YoY in 2Q16, according to IBGE – Brazilian Institute of Geography and Statistics. In the transport segment, production of assembled vehicles (light vehicles, trucks and buses) was 21% lower in the first half of 2016 compared to the same period of 2015.

Net revenues totaled US$459 million in 2Q16, 9% lower than 2Q15, mainly impacted by a 12% decrease in zinc LME price in USD. Reduced sales in Brazil also resulted in a commercial effort to reach markets abroad, some with lower regional premia.

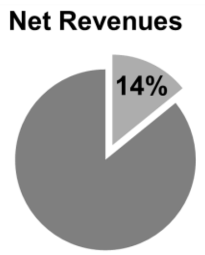
Cost of Goods Sold (COGS) was 14% lower in 2Q16 compared to the same period of the previous year, mostly due to lower costs with imported concentrates.

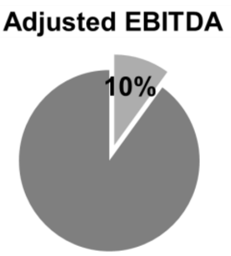
Although electrolytic zinc sales volumes grew by 7% in 2Q16 with higher export volumes from Brazilian operations, Selling, General and Administrative Expenses (SG&A) grew by only 2% in 2Q16 versus 2Q15 because of a 15% reduction in G&A expenses, a result of cost reduction programs in all zinc and by-products operations.

Other operating results were 73% lower in 2Q16, mainly due to increased expenses in early-stage projects, such as Aripuanã and Caçapava do Sul.

EBITDA margin in 2Q16 was kept steady at 26.4%, less than 1 percentage point lower than in 2Q15. Adjusted EBITDA in 2Q16 was US$121 million, US$15 million lower than in 2Q15.

Aluminum





R$ million	2Q16	2Q15	2Q16 vs. 2Q15	1Q16	2Q16 vs. 1Q16
Sales Volume (kton)	**92**	**70**	**30%**	**69**	**33%**
Net Revenue	**1,073**	**1,074**	**0%**	**960**	**-54%**
Aluminum	800	666	20%	690	-48%
Energy	273	408	-33%	270	-65%
COGS	**(922)**	**(818)**	**13%**	**(810)**	**-51%**
SG&A	**(65)**	**(56)**	**16%**	**(63)**	**-45%**
Selling Expenses	(22)	(11)	100%	(27)	0%
General & Adm Expenses	(43)	(45)	-4%	(36)	-59%
Other Operating Results	**(34)**	**(18)**	**89%**	**(64)**	**78%**
Depreciation	**(73)**	**(74)**	**-1%**	**(80)**	**-46%**
Adjusted EBITDA	**157**	**256**	**-39%**	**128**	**-71%**
Aluminum	133	135	-1%	110	-54%
Energy	24	121	-80%	18	-91%
EBITDA Margin	**14.6%**	**23.8%**	**-9.2 p.p.**	**13.3%**	**-7.4 p.p.**

Average LME cash price was US$1,572/ton, 11% below 2Q15, but 4% above the previous quarter. In BRL, aluminum was 2% above 2Q15. The pace of smelting production restarts in China has been slower than expected and Chinese economic stimulus also kept aluminum prices in a slightly upward trend.

Aluminum	2Q16	2Q15	2Q16 vs. 2Q15	1Q16	2Q16 vs. 1Q16
LME Cash Price, USD/ton	1,572	1,765	-11%	1,516	+4%
LME Cash Price, R$/ton	5,511	5,423	+2%	5,914	-7%

Aluminum capacity was resumed due to lower energy prices, resulting in a 30% increase in aluminum sales volumes in 2Q16. Sales of inventories accumulated in the previous quarter also contributed to increased sales volumes. Primary aluminum gained share in the sales mix while semis products sales were impacted by Brazilian market conditions.

Net Revenues were kept stable in 2Q16 at R$1,073 million. However, aluminum Net Revenue (ex-energy) increased by 20% due to higher sales volumes, totaling R$800 million.

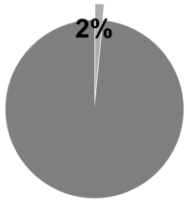
Cost of Goods Sold (COGS) has also increased by 13% in 2Q16 due to higher costs associated to the restart of some aluminum capacity that was idled.

Selling, General and Administrative Expenses (SG&A) increased by 16% in 2Q16, from R$56 million in 2Q15 to R$65 million in 2Q16, mainly due to higher provisions on accounts receivable. Export sales volumes have also increased, resulting in higher selling expenses.

Adjusted EBITDA totaled R$157 million in 2Q16. Aluminum business adjusted EBITDA was kept stable due to higher volumes of primary metal in the sales mix.

Nickel

Net Revenues



R$ million	2Q16	2Q15	2Q16 vs. 2Q15	1Q16	2Q16 vs. 1Q16
Sales Volume (kton)	**3.1**	**5.5**	**-44%**	**5.6**	**-45%**
Net Revenue	**115**	**280**	**-59%**	**217**	**-47%**
COGS	**(176)**	**(256)**	**-31%**	**(281)**	**-37%**
SG&A	**(32)**	**(26)**	**23%**	**(28)**	**14%**
Selling Expenses	(2)	(1)	100%	(3)	-33%
General & Adm Expenses	(30)	(25)	20%	(25)	20%
Other Operating Results	**(17)**	**(15)**	**13%**	**(57)**	**-70%**
Depreciation	**(19)**	**(24)**	**-21%**	**(18)**	**6%**
Adjusted EBITDA	**(91)**	**7**		**(132)**	
EBITDA Margin	**-79.1%**	**2.5%**	**-81.6 p.p.**	**-60.8%**	**0.3 p.p**

LME cash price averaged US$8,823/ton, 32% below 2Q15 in USD and 23% below 2Q15 in BRL. Although global demand has improved, nickel market is structurally impacted by Chinese NPI (nickel pig iron) producers.

Nickel	2Q16	2Q15	2Q16 vs. 2Q15	1Q16	2Q16 vs. 1Q16
LME Cash Price, US$/t	**8,823**	**13,008**	**-32%**	**8,499**	**+4%**
LME Cash Price, R$/t	**30,941**	**39,963**	**-23%**	**33,160**	**-7%**

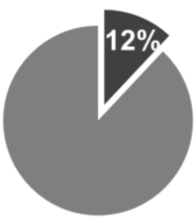
Nickel results were impacted by the temporary suspension of activities, fully implemented in June 2016. For this reason, sales volumes and net revenues dropped by 44% and 59%, respectively. COGS have also fell by 31% for the same reason.

SG&A expenses have increased by 23% in 2Q16 due to termination of contracts, specially, labor and third-party services.

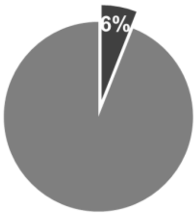
Adjusted EBITDA totaled negative R$91 million in 2Q16.

Long steel

Net Revenues



Adjusted EBITDA



R$ million	2Q16	2Q15	2Q16 vs. 2Q15	1Q16	2Q16 vs. 1Q16
Sales volume (kton)	**435**	**458**	**-5%**	**406**	**7%**
Net revenues	**927**	**1,047**	**-11%**	**898**	**3%**
COGS	**(763)**	**(848)**	**-10%**	**(720)**	**6%**
SG&A	**(150)**	**(165)**	**-9%**	**(178)**	**-16%**
Selling expenses	(81)	(83)	-2%	(104)	-22%
General & adm. expenses	(69)	(82)	-16%	(74)	-7%
Other operating results	**22**	**22**	**0%**	**(3)**	**-833%**
Depreciation	**(63)**	**(69)**	**-9%**	**(62)**	**2%**
Adjusted EBITDA	**102**	**126**	**-19%**	**56**	**82%**
EBITDA margin	**11.0%**	**12.0%**	**-1.0 p.p.**	**6.2%**	

Sales volumes fell by 5% over the second quarter of 2015. This decrease occurred in all the countries where we operate, but was mainly leveraged by the operations in Colombia, due to the national truck drivers' strike, and Argentina, which was affected by the slowdown in the country's infrastructure sector. In Brazil, the volume decline was caused by the economic downturn. According to the IABR (Brazilian Steel Institute), domestic sales fell by 10% in 2Q16 compared to last quarter.

Net Revenues fell 11%, mainly caused by the volume decline in all operations and the price drop in Brazilian operation, reflecting the adverse economic conditions and the entry of new competitors into the domestic market. The unfavorable economic scenario in Brazil remained throughout the quarter, negatively affecting prices, which reached their lowest level in recent months. Despite lower volume, Argentine operations achieved higher margins and higher ARS prices; however, prices in BRL were lower than in 2Q15.

COGS totaled R$763 million, 10% down on 2Q15, mainly due to lower scrap prices and volumes in Brazil and Argentina. In Brazil, in addition to a reduction in the use of pig iron and, metal recycling units closed, which also contributed to the decline in COGS. In Argentina, there was a decrease in the cost of the metallic charge, reflecting the lower use of pig iron in the metallic charge mix.

SG&A totaled R$150 million, 9% lower than in 2Q15. This substantial decline was caused by lower labor expenses in the Brazilian operations, offset by higher freight costs due to increased export volumes; lower expenses with third parties in operations in Argentina; and the continuation of the Votorantim Siderurgia Mais program, which is focused on improving operational efficiency in Colombia.

Adjusted EBITDA totaled R$102 million, 19% less than 2Q15 and EBITDA margin reached 11%.

4. SUBSEQUENT EVENT

In July 2016, nickel business was incorporated into CBA (the aluminum company).

5. INVESTOR RELATIONS TEAM

Sergio Malacrida **|** Mariana Oyakawa **|** Rodolfo Zeidler **|** Mayara Mota

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EXHIBIT I – VOTORANTIM S.A. CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement R$ million	2Q16	2Q15
Continuing operations		
Net revenue from products sold and services rendered	7,566	7,877
Cost of products sold and services rendered	(5,803)	(5,855)
Gross profit	1,763	2,022
Operating income (expenses)		
Selling	(482)	(427)
General and administrative	(533)	(532)
Other operating income (expenses), net	(136)	20
	(1,151)	(939)
Operating profit before equity results **and finance results**	612	1,083
Result from equity investments		
Equity in the results of investees	300	263
Realization of other comprehensive income on disposal of investments		
	300	263
Finance results, net		
Finance income	336	276
Finance costs	(711)	793
Derivative financial instruments	(500)	(65)
Foreign exchange losses, net	284	19
	(591)	(564)
Profit before income tax and social contribution	321	783
Income tax and social contribution		
Current	(192)	(215)
Deferred	189	37
Profit for the period from continuing operations	318	605
Discontinued operations		
Loss for the period from discontinued operations		(5)
Profit for the quarter	318	600
Profit attributable to the owners of the Company	254	563
Profit attributable to non-controlling interests	64	37
Profit for the quarter	318	600

EXHIBIT II – VOTORANTIM S.A. CONSOLIDATED CASH FLOW

Consolidated Cash Flow R$ million	2Q16	2Q15
Profit before income tax and social contribution	321	793
Loss for the period from discontinued operations		(5)
Adjustments of items that do not represent changes in cash and cash equivaler		
Depreciation, amortization and depletion	681	655
Equity in the results of investees	(300)	(263)
Realization of other comprehensive income on disposal of investments	(44)	
Interests, indexation and foreign exchange variations	134	378
Interest on deferred revenue - performance obligation		
Interest on related party transactions		
Reversal for provision for impairment of fixed and intangible assets	67	
Gain on sale of fixed and intangible assets	(5)	(61)
Gain on sale of investments	(10)	
Allowance for doubtful accounts	38	3
Fair value adjustment - Resolution 4131	(33)	
Provision	12	15
Derivative financial instruments	416	13
Financial instruments - firm commitment	(6)	49
Change in fair value of biological	(2)	6
	1,269	1,573
Decrease (increase) in assets		
Financial investments	312	499
Derivative financial instruments	4	(38)
Trade accounts receivable	(17)	(303)
Inventory	288	(112)
Other taxes recoverable	103	182
Related parties	(80)	(4)
Other accounts receivable and other assets	47	163
Increase (decrease) in liabilities		
Trade payables	(110)	82
Salaries and social charges	64	137
Use of public assets	42	33
Taxes payable	(81)	(187)
Other liabilities	(252)	240
Cash provided by operations	1,589	2,265
Interest paid on borrowing and use of public assets	(614)	(551)
Discount (premium paid) on the Tender Offer		(98)
Income tax and social contribution paid	(90)	(199)
Net cash provided by operating activities	885	1,417
Cash flow from investment activities		
Proceeds from disposals of fixed and intangible assets	31	62
Proceeds from sale of investments - Sirama		
Proceeds from sales of other investments	11	
Dividends received	187	55
Capital decrease in investees		
Acquisitions of property, plant and equipment	(774)	(607)
Increase in biological assets	1	(3)
Capital increase in investees		
Increase in intangible assets	(48)	(3)
Net cash used in investment activities	(592)	(496)
Cash flow from financing activities		
New borrowing	618	2,998
Repayment of borrowing	(724)	(2,959)
Derivative financial instruments	(110)	(38)
Increase in non-controlling interests - Itacamba		30
Increase in non-controlling interests - Yacuces		25
Dividends paid	(192)	(22)
Net cash provided by (used in) financing activities	(282)	34
Increase (decrease) in cash and cash equivalents	11	955
Cash increase resulting from incorporation		
Effect of fluctuations in exchange rates	(431)	(202)
Cash and cash equivalents at the beginning of the period	5,779	3,799
Cash and cash equivalents at the end of the period	5,359	4,552

EXHIBIT III – VOTORANTIM S.A. CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet R$ million	30/06/2016	31/03/2016
Assets		
Current assets		
Cash and cash equivalents	5,359	6,649
Financial investments	2,988	3,936
Derivative financial instruments	170	180
Trade receivables	2,374	2,745
Inventory	3,666	3,888
Taxes recoverable	1,430	1,376
Dividends receivable	9	42
Financial instruments - firm commitment	305	341
Other assets	551	767
	16,852	19,924
Assets classified as held-for-sale	35	414
	16,887	20,338
Non-current assets		
Long-term receivables		
Financial investments	38	36
Derivative financial instruments	426	762
Taxes recoverable	1,711	1,315
Related parties	1,121	3,188
Deferred income tax and social contribu	3,201	4,065
Judicial deposits	434	349
Financial instruments - firm commitment	579	627
Other assets	748	515
	8,258	10,857
Investments	12,851	5,174
Property, plant and equipment	27,545	29,276
Biological assets	132	81
Intangible assets	13,482	16,575
	62,268	61,963
Total assets	79,155	82,301

	30/06/2016	31/03/2016
Liabilities and equity		
Current liabilities		
Borrowing	1,942	2,616
Derivative financial instruments	520	476
Trade payables	2,879	3,179
Confirmed payables	784	1,083
Salaries and payroll charges	727	918
Taxes payable	448	502
Advances from clients	179	242
Dividends payable	59	162
Use of public assets	63	61
Financial instruments - firm commitment	8	
Other liabilities	886	958
	8,495	10,197
Liabilities related to assets classified as held-f		
	8,495	10,197
Non-current liabilities		
Borrowing	22,666	27,915
Derivative financial instruments	592	2
Deferred income tax and social contribution	1,897	2,061
Related parties	94	1,216
Tax, civil, labor and other provision	2,171	2,189
Use of public assets	1,126	1,064
Pension plan	260	305
Financial instruments - firm commitment	24	81
Deferred revenue - performance obligation	885	1,048
Other liabilities	285	225
	30,000	36,106
Total liabilities	38,495	46,303
Equity		
Share capital	28,656	21,419
Revenue reserves	7,549	7,436
Retained earnings	402	
Carrying value adjustments	1,157	2,967
Total equity attributable to owners of the Compa	37,764	31,822
Non-controlling interests	2,896	4,176
Total equity	40,660	35,998
Total liabilities and equity	79,155	82,301

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

2Q16 Consolidated Income Statement (by Business Units) R$ million	Cement	Zinc and byproducts	Aluminum	Steel	Nickel	Holding and other	Total, industrial segments	Total, consolidated
Net revenue from products sold and services rendered	6,253	3,124	2,033	1,825	332	2,108	14,291	14,291
Cost of products sold and services rendered	(4,752)	(2,371)	(1,732)	(1,483)	(457)	(1,889)	(11,300)	(11,300)
Gross profit (loss)	1,501	753	301	342	(125)	219	2,991	2,991
Operating income (expenses)								
Selling	(550)	(164)	(49)	(185)	(5)	(26)	(979)	(979)
General and administrative	(437)	(180)	(79)	(143)	(55)	(177)	(1,071)	(1,078)
Other operating income (expenses), net	363	(123)	(98)	19	(74)	36	123	123
	(624)	(467)	(226)	(309)	(134)	(167)	(1,927)	(1,934)
Operating profit (loss) before equity results and finance results	877	286	75	33	(259)	52	1,064	1,057
Result from equity investments								
Equity in the results of investees	52	(1)	91	14	13	1,492	602	600
Realization of other comprehensive invome on disposal of investments	44						44	44
	96	(1)	91	14	13	1,492	646	644
Finance results, net								
Finance income	571	28	63	31	28	170	829	845
Finance costs	(890)	(102)	(229)	(81)	(37)	(162)	(1,439)	(1,440)
Derivative financial instruments	(723)	(5)	2	(137)	(5)	(202)	(1,070)	(1,070)
Foreign exchange gains (losses), net	455	493	524	103	270	13	577	577
	(587)	414	360	(84)	256	(181)	(1,103)	(1,088)
Profit (loss) before income tax and social contribution	386	699	526	(37)	10	1,363	607	613
Income tax and social contribution								
Current	(112)	(106)	(20)	(42)		(24)	(304)	(306)
Deferred	12	(108)	(154)	7		59	160	156
Profit (loss) for the semester from continuing operations	286	485	352	(72)	10	1,398	463	463
Discontinued operations								
Loss for the semester from discontinued operations	(1)						(1)	(1)
Profit (loss) for the semester	285	485	352	(72)	10	1,398	462	462
Profit (loss) attributable to the owners of the Company	263	414	352	(66)	10	1,398	402	402
Profit (loss) attributable to non-controlling interests	22	71		(6)			60	60
Profit (loss) for the semester	285	485	352	(72)	10	1,398	462	462

(*) Refers to the net revenues from electric energy operations (Votener and Santa Cruz Energia).