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1H18 RESULTS HIGHLIGHTS

We published on 08/14/2018, the 1H18 results, when was presented the following highlights:

Production: 132,524 tonnes of alloys.
Utilizing 76.4% of installed capacity;

Sales: 120,751 tonnes of alloys.
Representing an increase of 14.1% in comparison to the first half of 2017, mainly due to the growth of 28.1% in exports;

Net Revenue: R\$ 697.0 million.
Resulting from the 5.3% appreciation of the US dollar against the Brazilian Real, in addition to the increases of 14.1% in sales volume and 2.8% in the average price in US dollars of our main products;

Adjusted EBITDA: R\$ 221.7 million.
Representing 31.8% of the net revenue and an increase of 22.3% over the 1H17 result;

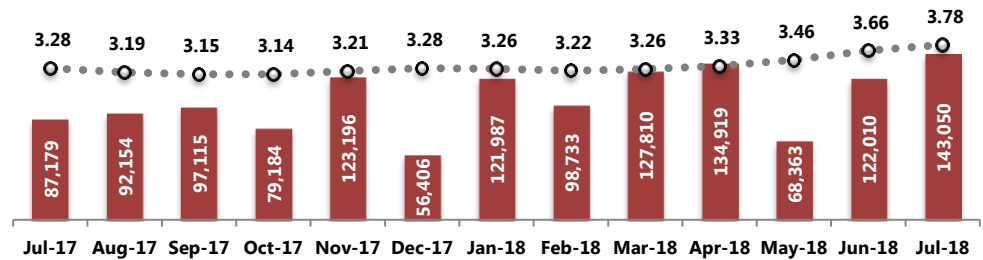
Net Income: R\$ 139.9 million.
It represented a 2.8% decrease compared to 1H17, a result influenced by the 25.8% rise in COGS and the acquisition of BW Guirapá, which has been incorporated to the consolidated results of the Company.



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1 Net revenues and exchange rate*

(In R\$ million)

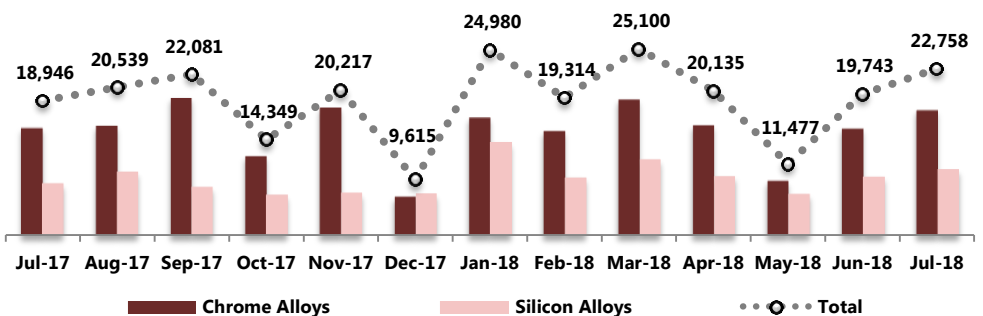


* Weighted average effective US dollar between sales of the internal and external markets.

In July 2018, net revenues totaled R\$ 143.1 million, an increase of 64.1% when compared with July 2017. This result was influenced, among other factors, by the increase in sales volume and by the average effective US dollar rate, which appreciated by 15.5% in the same period.

2 Sales volume

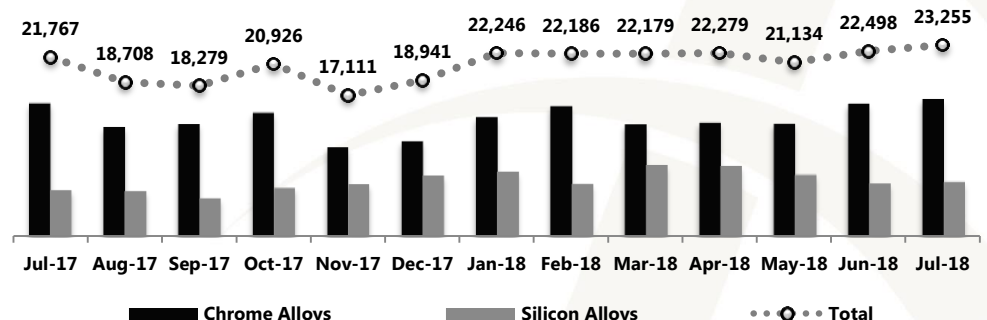
(In tonnes)



The sales volume reached 22,758 tonnes in July 2018, an increase of 20.1% when compared to July 2017. The sales volume breakdown was: 14,914 tonnes of Chrome Alloys and 7,845 tonnes of Silicon Alloys, a change of +16.8% and +27.1% respectively, in comparison to the same period of 2017. Highlight to the LC FeCr sales volume, which registered an increase of 56.2% in July against the same month of 2017. This result is still influenced by lost sales during the truckers strike in May.

3 Production

(In tonnes)



In July 2018 the total ferroalloys production registered an increase of 6.8% when compared to the same period of 2017. The highlight was the growth of 18.1% in Silicon Alloys production over 2017.