



UPDATE OF ACTIONS: ONE YEAR AFTER THE DAM BREAK





**ROBERTO
CARVALHO**

Director-President-in-office

We understand that we are responsible for the major task expressed in the Framework Agreement and we will make every effort to comply with our obligations. Samarco has a great commitment to the impacted people and environment and will give full support to the Foundation and to the implementation of the programs in all work fronts, as provided in the signed document."

SAMARCO

Samarco is a Brazilian company equally owned by Vale SA e BHP Billiton Brasil Ltda.. In operation for over 39 years, its core business is producing high quality iron ore pellets. Samarco has one industrial unit in Germano, State of Minas Gerais, where the ore is mined and beneficiated, using three concentrators, and another industrial unit in Ubu, on the coast, where it has four pellet plants. These two units are connected by three pipelines which transport the iron ore slurry from Minas Gerais to Espírito Santo, crossing 25 municipalities.

We deeply regret the Fundão dam collapse which occurred in November 2015 and its impacts it had on the communities and the environment. We believe that we are responsible for the huge task of trying to do what is right. As confirmation of this commitment, in March of 2016 Samarco signed a Framework Agreement (the TTAC, acronym in Portuguese) together with its shareholders VALE and BHP, with the Federal Government and the State Governments of Minas Gerais and Espírito Santo.

The TTAC provides for the creation of a private foundation responsible for the implementation of the recovery programs, focused on two main work fronts – one socioeconomic and the other socioenvironmental. Named Fundação Renova, it went into operation on 02 August 2016, as agreed.

The Agreement also outlines the emergency actions which Samarco has been implementing since last November. Even before it was signed, Samarco had already been mobilizing all available resources to provide relief for the impacted people and to mitigate the environmental consequences. These actions will continue and have now become part of the scope of the Framework Agreement.

UPDATE OF ACTIONS - SINCE 5/NOV/2015

Socioenvironmental



56 of 101 mapped tributaries of the Rivers Gualaxo and Carmo recovered



120 water monitoring points, of which 81 on the rivers Gualaxo, do Carmo and Doce, 8 in lakes and 31 in the ocean



3 temporary dikes built to contain tailings and 1 under construction



Approximately **71,000** water analysis reports issued. The total number of parameters has more than 1.9 million results indicating that the water quality of the Rio Doce, at several points, is equal to the historical average. This information was also confirmed in the report of the Minas Gerais Water Management Institute (IGAM) in August 2016



2 definitive dikes under construction for the containment of tailings on the company's property



830 hectares revegetated on an emergency basis in the towns of Mariana, Barra Longa, Rio Doce and Santa Cruz Escalvado in MG



12 of 16 areas mapped with risk of erosion are in recovery phase (work expected to finish by December 2017)

UPDATE OF ACTIONS - SINCE 5/NOV/2015

Socioeconomic



More than **640** meetings held in the impacted cities up to September 2016, with 23,435 people present



813 students of Mariana and Barra Longa communities completed the school year of 2015 and started 2016 without compromising the school calendar



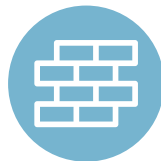
7.901 emergency financial aid cards delivered to help more than 16 thousand people, including heads of household and dependents in MG and ES



131 of 148 renovated properties in Barra Longa: 98 of 112 homes and 33 of 36 commercial establishments



170,000 cubic meters of waste removed from the urban area of Barra Longa and farms in Gesteira - work completed



278 meters long and 4 meters high - size of retaining wall built on the banks of the Carmo River in Barra Longa



198 Km of fences built in impacted rural properties between Mariana and Candonga



5,500 tons of silage as animal feed distributed in farms in Mariana, Barra Longa, Ponte Nova, Rio Doce and Santa Cruz Escalvado



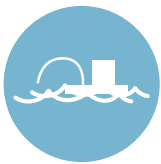
150 hectares of plantations to replace impacted animal forage and orchards in 96 properties of these municipalities



7000 impacted animals received some form of assistance from Samarco

UPDATE OF ACTIONS - SINCE 5/NOV/2015

Socioeconômicas



3 dredges daily remove about 5000 m³ from the Candonga dam of the Risoleta Neves hydropower plant



About **500,000** m³ of tailings removed from the dam up to October 2016



16000 m³ of debris, including logs and vegetation, removed from the Candonga dam after the dam break



2000 architectural assets of churches such as religious art pieces, documents and fabrics rescued from impacted areas



3 sites chosen through voting for the resettlement of Bento Rodrigues, Paracatu de Baixo and Gesteira districts



R\$ 1,1 billion approximate total investment in these actions

FRAMEWORK AGREEMENT (TTAC)

The so-called Framework Agreement (TTAC Portuguese acronym) entered into between Samarco and its shareholders, Vale and BHP Billiton, on the one hand, and the Federal Government and the Governments of the States of Minas Gerais and Espírito Santo on the other, was signed on March 2, 2016.

Considered a milestone in recovery and compensation processes after an environmental accident, the document concentrates the socioenvironmental and socioeconomic actions, lending continuity to what has been implemented by Samarco since November 2015. In addition, it brings clear commitments, sets deadlines for presentation and implementation of the proposed new projects and defines the rules of transparency and accountability of the activities.

The development of 41 socioenvironmental and socioeconomic programs can be accompanied by the impacted populations.



TTAC signed on 02 March

THE FRAMEWORK AGREEMENT

Socio-economic and socio-environmental highlights

SOCIO-ENVIRONMENTAL COMMITMENTS



Availability of resources, as compensation of BRL500 million, for certain affected municipalities, to use in the preparation and execution of plans for sewage collection and treatment and landfills.



Reclamation, of a compensatory nature, of 5 thousand springs over 10 years, in other words, 500 springs per year, to be defined by the Rio Doce Basin Committee.



Recovery of Permanent Protection Areas (PPAs) of the Doce River and tributaries through the compensatory reforestation of 10 thousand hectares and conduction of natural regeneration of 30,000 hectares in a period of ten years in the amount of BRL1.1 billion.

SOCIO-ECONOMIC COMMITMENTS



Reconstruction of the affected locations, such as Bento Rodrigues, Paracatu de Baixo (Mariana) and Gesteira (Barra Longa), ensuring their participation in the dialogue process with the affected communities to define measures for the recovery or relocation.



Running a compensation program and compensations through coordinated negotiation, designed to repair and compensate the people affected, with optional adhesion.



Cultural material recovery and preservation of the cultural heritage affected.



Implementation of actions for the recovery of economic and productive activities affected, such as agriculture, fishing, services and commerce.



Implementation and maintenance of measures to support the indigenous people affected.



Creation of permanent channels of communication and dialogue with the community, as well as carrying out agendas to present the progress and results of the programs to be implemented.



The health, social protection and education programs for the restoration of affected public services and the follow up of individuals and families affected are foreseen.

FOUNDATION

As provided in the TTAC, Fundação Renova began to operate on August 2, 2016. A private, not for profit, foundation, it is responsible for programs of social, environmental and economic recovery of the impacted regions.

Maintained with funds from Samarco, it is headquartered in Belo Horizonte (MG), with offices in Mariana and Governador Valadares in Minas Gerais, and Colatina, in Espírito Santo. The Foundation is already working on the ongoing programs and actions which were under Samarco's responsibility.

How will the Foundation resources be allocated?

R\$ 4,4 BILLION + R\$500 million for sanitation to be passed on in the first 3 years

 **2016**
R\$ 2 bi
(R\$ 240 million*)
+ R\$ 50 million**

 **2017**
R\$ 1,2 bi
(R\$ 240 million*)
+ R\$ 200 million**

 **2018**
R\$ 1,2 bi
(R\$ 240 million*)
+ R\$ 250 million**

Subsequent years

 **2019 a 2021**
R\$ 800 million a
R\$ 1,6 billion
(R\$ 240 million*)

 **2022 a 2030**
Total to be defined ****
(minimum of R\$ 240 million*)

*for compensation actions. This value is part of the Foundation's annual budget / ** Value part of the R\$ 500 million for basic sanitation. This value is not part of the Foundation's annual budget. *** from deepening, studies and technical analyses.

FOUNDATION

Composition

The Foundation consists of a Board of Trustees, an Executive Board, an Advisory Council and a Fiscal Council. In addition, it is composed of technical experts and independent audits.

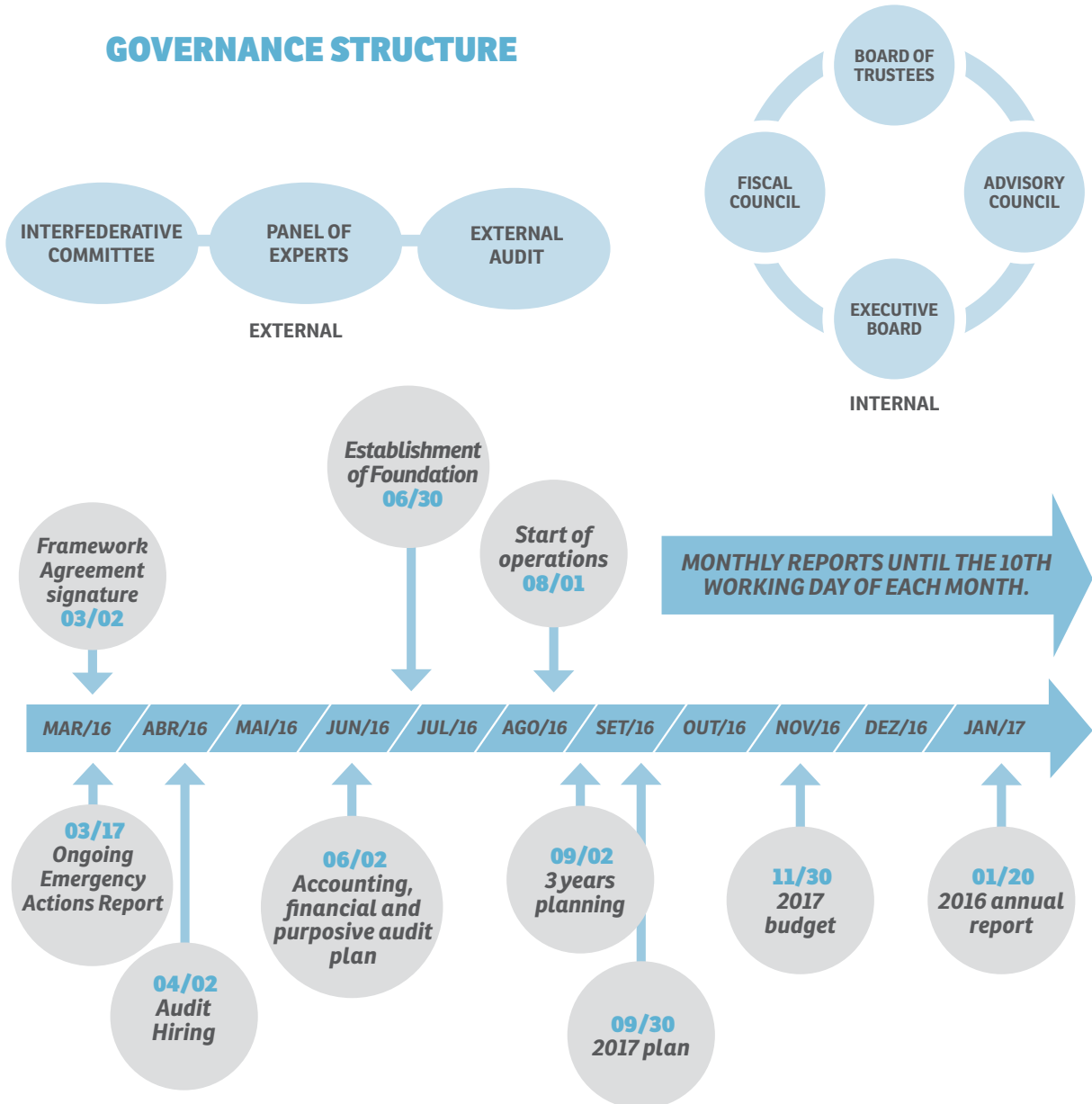
AREA	RESPONSIBILITY
The Foundation's Board of Trustees	Responsible for the annual and multi-annual planning, budgets and contracts, as well as the approval of plans, programs and projects proposed by the Executive Board.
Executive Board	Responsible for developing, proposing, enabling and implementing plans, programs and projects approved by the Board of Trustees, and adopting the specific actions required to their implementation, as well as being responsible for the Foundation's routine activities.
Fiscal Council	Responsible for supervising the management and assessment of the accounts, besides monitoring compliance of the actions.
Advisory Council	It is the Foundation's advisory body, able to give its opinion concerning plans, programs and projects and indicate proposed solutions of the damage caused by dam burst. It will also be up to it establish civil society participation channels and may, for this purpose, call specific meetings and hear interested organizations. The Advisory Council will be composed of representatives appointed by the Doce River Hydrographic Basin Committee (CBH-Doce), by the Inter-ministerial Commission for Sea Resources (CIRM) and by the affected communities (both from the Minas Gerais and Espírito Santo states), as well as members representing educational and research institutions or experts with outstanding knowledge indicated by the Federal Public Prosecutor's Office, the State Public Prosecutor's Office of Espírito Santo and Minas Gerais, by the Foundation's Board of Trustees and by the Interfederative Committee.

COMMUNITY VOICE



















INTERFEDERATIVE COMMITTEE

An Interfederative Committee was constituted, as an external and independent body of the Foundation, which meets periodically to track, monitor and supervise the projects executed.

The Interfederative Committee is composed of representatives of the Ministry of the Environment, the Federal Government, the state of Minas Gerais, the state of the Espírito Santo, Minas Gerais and Espírito Santo municipalities impacted by the dam break, the Rio Doce Basin Committee and the Public Defender of the Union.



SOCIO-ENVIRONMENTAL PROGRAMS

1. TAILINGS HANDLING	
2. TAILINGS CONTAINMENT AND RIVER TREATMENT SYSTEMS	
2. TAILINGS CONTAINMENT AND RIVER TREATMENT SYSTEMS	
4. RECOVERY OF PERMANENT PRESERVATION AREAS (APPS)	
5. RECOVERY OF SPRINGS	
6. BIODIVERSITY CONSERVATION	
7. WILDLIFE RECOVERY	
8. TERRESTRIAL FAUNA AND FLORA	
9. SEWAGE COLLECTION AND TREATMENT	
10. WATER SUPPLY SYSTEM IMPROVEMENT	
11. ENVIRONMENTAL EDUCATION	
12. INFORMATION TO THE POPULATION	
13. NATIONAL/INTERNATIONAL COMMUNICATION	
14. ENVIRONMENTAL RISKS MANAGEMENT	
15. DOCE RIVER BASIN MONITORING	
16. CONSERVATION UNITS	
17. RURAL ENVIRONMENTAL REGISTRY (CAR) AND ENVIRONMENTAL REGULARIZATION PROGRAMS (PRAS)	
18. MANAGEMENT OF SOCIO-ENVIRONMENTAL PROGRAM	

 *Initiated program*

 *Uninitiated program*

SOCIOECONOMIC PROGRAMS

1. REGISTRATION OF AFFECTED	
2. COMPENSATION AND INDEMNITY TO AFFECTED	
3. PROTECTION AND RECOVERY OF INDIGENOUS PEOPLES' LIVING STANDARDS	
4. LIVING STANDARDS OF OTHER TRADITIONAL PEOPLES AND COMMUNITIES	
5. SOCIAL PROTECTION	
6. SOCIAL DIALOGUE	
7. ASSISTANCE TO ANIMALS	
8. VILLAGES RECONSTRUCTION	
9. RISOLETA NEVES HPP RESERVOIR	
10. RECOVERY OF OTHER IMPACTED COMMUNITIES AND INFRASTRUCTURES	
11. RECOVERY OF SCHOOLS AND REINTEGRATION OF SCHOOL COMMUNITY	
12. HISTORIC, CULTURAL AND ARTISTIC MEMORY	
13. TOURISM, CULTURE, SPORTS AND LEISURE	
14. PHYSICAL AND MENTAL HEALTH OF THE AFFECTED POPULATION	
15. SOCIOECONOMIC TECHNOLOGIES	
16. RESUMPTION OF AQUICULTURE AND FISHING ACTIVITIES	
17. RESUMPTION OF AGRICULTURAL ACTIVITIES	
18. DIVERSIFICATION OF REGIONAL ECONOMY	
19. MICRO AND SMALL BUSINESSES	
20. LOCAL HIRING INCENTIVE	
21. EMERGENCY FINANCIAL ASSISTANCE	
22. MANAGEMENT OF SOCIOECONOMIC PROGRAMS	
23. REIMBURSEMENT OF EXTRAORDINARY PUBLIC EXPENSES	

 *Initiated program*

 *Uninitiated program*

SOCIOECONOMIC ACTIONS

Resettlement

One of the actions foreseen by the Framework Agreement (TTAC) is the resettlement of communities impacted by the dam break. By 2019, four major steps will have been completed: choice of site, environmental licensing, subdivision and buildings, that rely on close dialogue with communities, Public Prosecution Service and other government agencies.

The families of Bento Rodrigues, Paracatu de Baixo and Gesteira have already chosen the new sites for the reconstruction of their districts. For the selection, they visited the areas available and received booklets with information on the quality of soil, water, geology, vegetation, cavities and other features.

After the definition of the site, the next step is the design of a new urban and architectural plan, defined together with the population. The expectation is that the urban projects will be approved by the three communities by the end of this year.

Bento Rodrigues

On May 7, 2016, representatives of 223 of the 226 families who used to live in Bento Rodrigues elected where their new district was to be built. With 92% of votes, they opted for the area named Lavoura located 8 km from Mariana (MG). The reconstruction process is the approval phase of the proposed urban project, pending before the Mariana town hall. It will then be validated by the community. The forecast delivery of the district is in March 2019.



SOCIOECONOMIC ACTIONS

Resettlement – Gesteira

Representatives of 55 families of Gesteira, a Barra Longa district, elected on June 25, 2016 where eight homes and public spaces will be rebuilt that were impacted by the collapse of the Fundão dam, including the church, parish hall and soccer field.

With 95% of votes (52), the area known as Macacos was chosen, with 7 hectares and located near the center of the district, at the request of the community. A proposed urban project was developed and is pending before the Barra Longa town hall to then be presented to the community. The expectation is that delivery will take place in early 2018.



Gesteira community expressed its expectations about the new area to be built

SOCIOECONOMIC ACTIONS



Families visit Lucila site before the voting

Resettlement – Paracatu

Representatives of 103 families of Paracatu de Baixo, from the Mariana district, elected, on September 3, 2016, the new location for the reconstruction of the impacted community. With 65% of the valid votes, the area called Lucila was chosen.

The area has 84.8 hectares and is located in the Monsenhor Horta district of Mariana. The first urban concept of the new space is being drawn up by the contractor, pending the completion of the survey of expectations with families to complement the work. The works should be completed by March 2019.

SOCIOECONOMIC ACTIONS

Steps for reconstruction



Definition of the land



Design, with the community, the new plant of each district. In this stage, the conceptual project, defining the localization of equipment, such as churches, schools, health centers, parks and soccer fields, will be elaborated. The criteria to define the size of the land and construction standards of the homes will also be decided – still without individual decisions.



Individual dialogue with the families to decide details, such as location and structure of each residence and finishing standards.



Once the individual agreements are closed, the reconstruction will start.



Moving and monitoring the families in new homes.

SOCIOECONOMIC ACTIONS

Accommodation of the families

- 291 are living in homes rented by Samarco in Mariana and another 44 in Barra Longa, while they await the reconstruction of their homes.
- The transfer to new dwellings followed the criteria and methodology of prioritization defined by the Commission of Representatives from Impacted Communities.

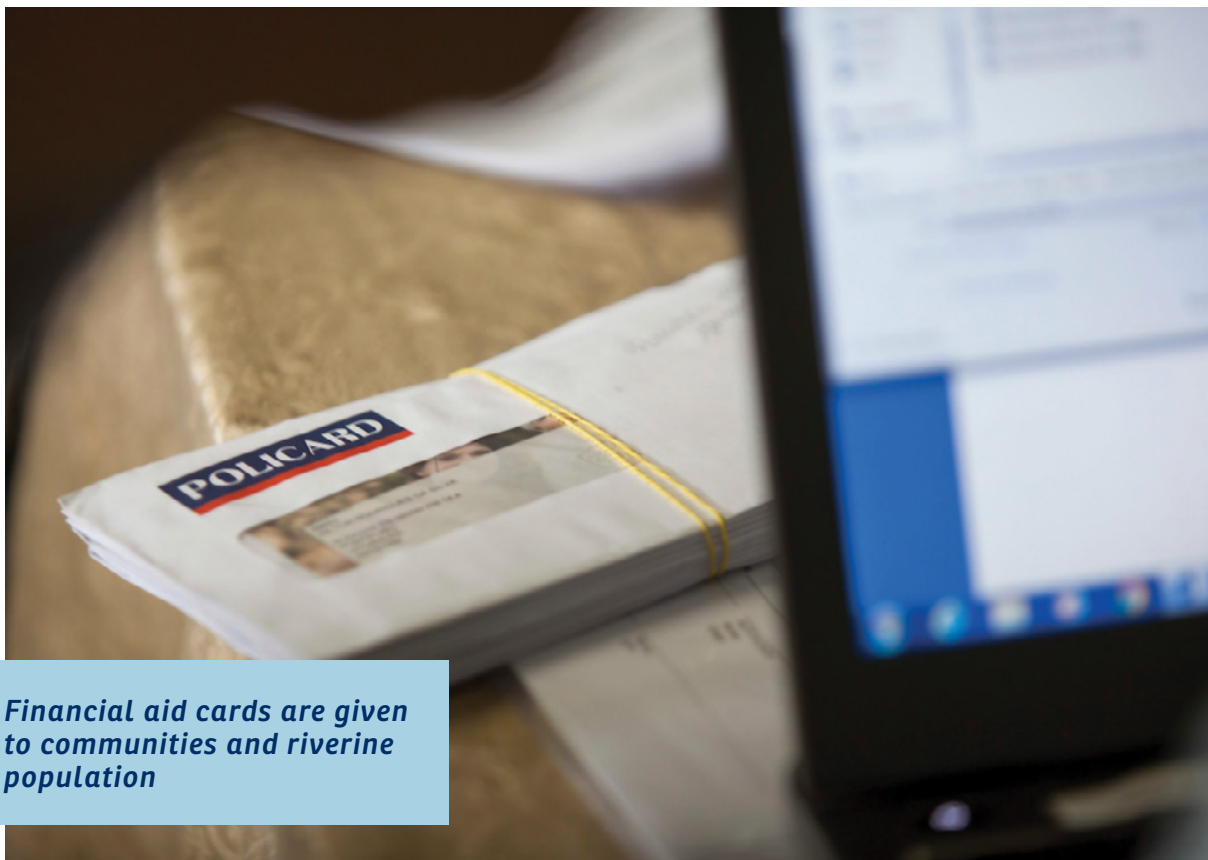


Homes renovated by Samarco in Barra Longa

SOCIOECONOMIC ACTIONS

Financial Support

- 567 financial aid cards were delivered to families in the communities of Mariana and Barra Longa;
- 7901 emergency financial aid debit cards were distributed to assist over 16 thousand people, among heads of households and their dependents, in Minas Gerais and Espírito Santo.
- The aid includes the monthly payment of a minimum wage to each person in the household who has suffered income loss per work activity as a direct result of the dam burst, plus an additional 20% of the minimum wage for each dependent and a basic foods hamper, in accordance with the Dieese form Minas Gerais and Espírito Santo.



Financial aid cards are given to communities and riverine population

SOCIOECONOMIC ACTIONS

Infraestrutura - Barra Longa

The works were completed on the Manoel Lino Mol square and Beira Rio Avenue in Barra Longa. The delivery of these sites, that were totally renovated, took place on October 30 this year.

For the renovation to meet community expectations, Samarco, with the support of Herkenhoff & Prates consulting, held dialogue meetings, workshops, round tables and interviews to listen to the people's wishes regarding the new square.



Barra Longa Portal, located at Praça Manoel Lino Mol, after renovation

SOCIOECONOMIC ACTIONS

Avenida Beira Rio - Barra Longa



NOVEMBER 2015



MAY 2016



OCTOBER 2016

SOCIOECONOMIC ACTIONS

Muro de Gabião, bairro Morro Vermelho - Barra Longa

Foi construído um muro de gabião (caixas de pedras) no bairro Morro Vermelho, em Barra Longa, com extensão de 278 m de comprimento e 4 m de altura, para evitar o processo erosivo e a elevação do nível da água do rio que corta Barra Longa.

**NOVEMBER
2015**



**MAY
2016**

In Barra Longa

- 98 112 houses were renovated.
- Of the stores, 33 of 36 had their renovation completed

In Mariana

- 23 farms and 18 public spaces in Pedras, Campinas, Ponte do Gama and Paracatu districts will be renovated by December 2016.
- 26 rural properties in the region will be rebuilt starting December 2016. The deadline for completing the work is three years.

SOCIOECONOMIC ACTIONS

Rural property

- 278* rural properties were mapped and integrate the Agribusiness Reestablishment Plan, which aims at supporting producers so that each property affected by the accident is able to regain sustainability.
- Teams consisted of zotechnicians, agronomists and farm technicians are performing soil analysis of the properties, as well as soil preparation and correction with the use of limestone and fertilizers, crop cultivation and weeding.
- More than 198,000 meters of fencing has been accomplished on affected rural properties.



*Inside area 1, from Mariana (MG) to the Risoleta Neves HPP in Rio Doce (MG).

SOCIOECONOMIC ACTIONS

Animals

- Nearly 7000 animals were assisted by Samarco.
- Small animals/pets such as dogs and cats were taken to the Temporary Shelter. Some of them were recognized by their tutors and the rest has been directed to adoption events. Up to September 2016, 95 animals had been adopted and kept in new homes - another 37 are still available for adoption.
- Large animals were sent to farms Bom Retiro and Santa Tereza, located respectively in Mariana and Acaiaca (MG). Recognized, 107 were returned to their owners and 187 are under the safekeeping of Fundação Renova, awaiting the resettlement of families or adjustments to be made in the original properties so they can return to them.
- More than 5,500 tons of feed were distributed to animals in Barra Longa, Pedras, Barretos, Paracatu de Baixo, Paracatu de Cima, Camargos, Ponte do Gama, Campinas, Mariana, Bento Rodrigues and Aguas Claras



Rescued and assisted animals

SOCIOECONOMIC ACTIONS

Health

Samarco hired more than 100 professionals - doctors, psychologists and others - to care for impacted people. Currently, 48 of them are still active in Mariana and another 28 in Barra Longa, with an average of over 2,400 visits per month.



Health care professionals hired in Mariana and Barra Longa

SOCIOECONOMIC ACTIONS

Education

- 813 students from the affected schools, in Barra Longa and in the Mariana districts, have completed the 2015 school year and have started 2016 up to date, as planned.
- The company carried out a number of renovations in order to receive students and also offered school transportation.
- The students received kits comprising of backpack, pencils, crayons, pens, paint, play dough, and other school supplies.
- Teachers and students received psychological support.



All students from the impacted schools have started the 2016 school year

SOCIOECONOMIC ACTIONS

Assets

- Almost 2 000 religious art pieces rescued in the Chapels of São Bento and Nossa Senhora das Mercês (Bento Rodrigues), Santo Antonio (Paracatu) and Nossa Senhora da Conceição (Gesteira)

Recovered pieces are sent to a technical reserve in Mariana



SOCIOECONOMIC ACTIONS

Dredging in Candonga

- In October, Samarco expanded dredging activities in the region of the Risoleta Neves Hydropower Plant (Candonga dam).
- Construction began on a new sediment containment structure which will be part of the local emergency system for solids retention.
- The Candonga dam retained a good portion of the tailings discharged by the Fundão dam.
- 80% of the tailings released by the dam break remained between Fundão and the power plant. Of this, 10.5 million cubic meters were deposited in its Candonga reservoir.
- So far, some 400 thousand cubic meters of tailings have already been removed from Candonga. By July 2017, Samarco will finish removing 1.3 million cubic meters of sediments from the site.
- This volume represents the cleaning out of the first 500 meters of the dam, working backwards from the plant's gates, which is necessary for the plant to be able to resume generating energy.
- Samarco has an emergency action plan in place in conjunction with the Candonga Consortium and Civil Defense, in the event it is necessary to deploy it during the coming rainy season. However, all of the containment and dredging work is sufficient to cope with this period.



ENVIRONMENTAL ACTIONS

Revegetation

- In an emergency action, 830 hectares were revegetated with grass and leguminous species, to control wind erosion and entrainment of solids with rain. The plan includes the final and definitive reclamation of 2,000 hectares in the municipalities of Mariana, Barra Longa, Rio Doce and Santa Cruz Escalvado (MG).

Rio do Carmo - Barra Longa



ENVIRONMENTAL ACTIONS

Water

- Reestablishment of water supply in all cities impacted by the passage of the turbidity plume.
- Use of coagulant in water treatment plants.

Recovery of color and turbidity of the Doce river

- Daily monitoring of turbidity in the Rio Doce at 26 points.
- About 71,000 reports had been issued and the total parameters accumulated over 1.9 million results up to 13 October this year.
- Current results indicate that the water of the Rio Doce, at several points, is equal to the historical average. This information is also found in the technical report issued by the Minas Gerais Water Management Institute (IGAM), for the month of August this year

Water monitoring

- Water samples are collected at 120 points, 31 in the sea, 8 in lakes and 81 along the North Gualaxo, Carmo and Doce rivers. These locations are defined together with the relevant environmental agencies such as Ibama, the State Environment Secretariat of Minas Gerais, the State Environment Institute of the State of Espírito Santo (IEMA-ES), among others.



**120 monitoring points
along the Doce River
basin**

DAMS

Monitoring

The Germano unit received equipment for the inspection of dikes and other dam structures. New cameras, five radars of millimetric precision, weather station, drones and accelerometer feed more information to the monitoring room.

A team of 55 professionals monitors the situation of the remaining areas of the dams around the clock. Twenty sirens were installed, 5 at the plant and 15 in locations situated between the dam and the city of Barra Longa (MG).

The local population has been instructed on how to proceed and reach the meeting points when the alarms go off.



Monitoring of the Germano unit

DAMS

- Structures of Germano and Santarém dams are stable.
- Structural reinforcement works completed - Selinha dike and Santarém dam.
- Completion of the construction of two sediment containment barriers (S1-A and S2-A) in February this year. In the beginning of the year, the company also completed the first stage of dike S3 on the Santarém creek.
- Other operations in progress: erection of another containment structure, Axis 1, and the new dam of Santarém.



APRIL,
2016



NOVEMBER,
2015



DAMS

- Dike S3 is also in construction and being raised, thus increasing its storage capacity to 800,000 m³.
- Start of works on S4 dike in Bento Rodrigues district of Mariana. The dike is part of the emergency sediment containment system composed of dikes S1, S2 and S3, in addition to the dam Axis 1 of Fundão and New Santarém.



TAILINGS CONTAINMENT SYSTEM



IMPACTS OF SAMARCO ON THE ECONOMY

1. The company

Samarco is a Brazilian mining company whose main product is iron ore pellets which are sold to the world steel industry.

39

years of history in the Brazilian mineral sector

24,9 million

tons produced in 2015, of which 97% in iron ore pellets and 3% in pellet feed

12th

largest exporter in Brazil in 2015

50/50:

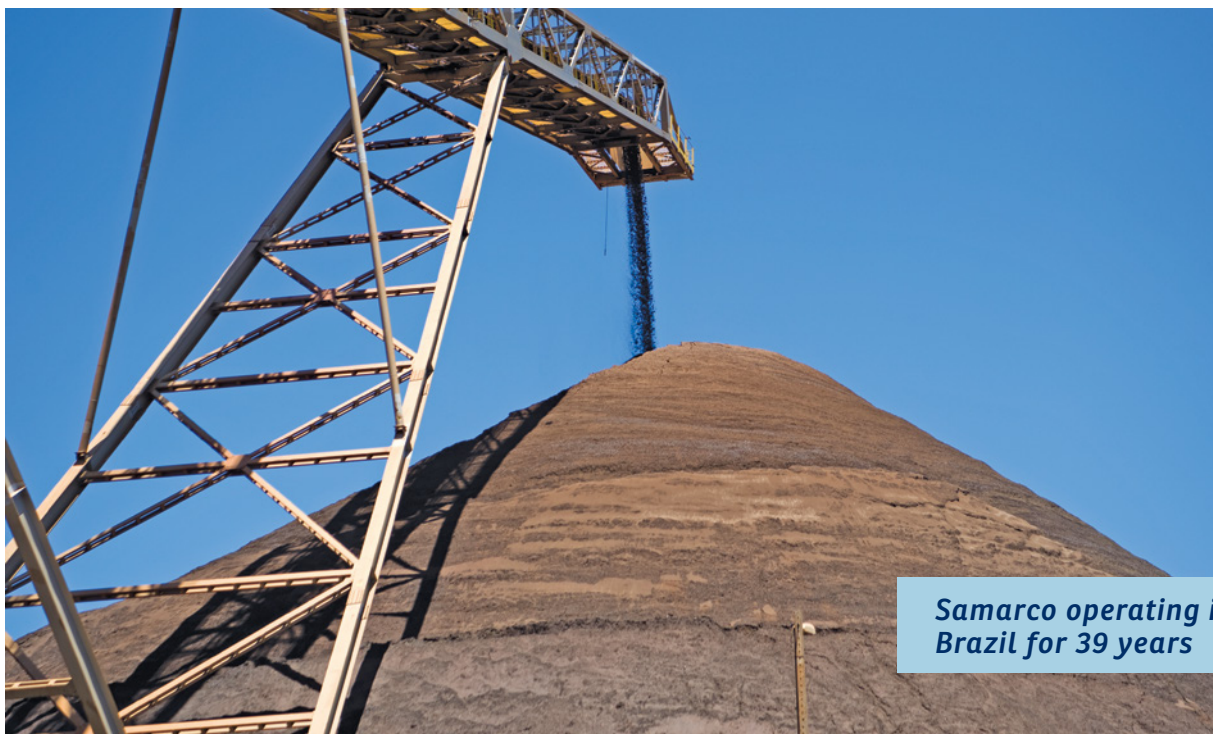
Joint venture owned in equal parts by two shareholders: BHP Billiton Brasil Ltda. and Vale S.A.

2

industrial units with an area of direct influence in the municipalities of Mariana, Ouro Preto, Santa Barbara and Catas Altas (MG); Anchieta, Guarapari and Piuma (ES)

3

pipelines of 400 km each, crossing 25 municipalities



Samarco operating in Brazil for 39 years

IMPACTS OF SAMARCO ON THE ECONOMY

2. Investments

Amount invested by Samarco, compared to recent developments in Brazil.



R\$ 9.1 billion

invested 2011-2015

R\$ 9.1 billion

Samarco's investments in Brazil

R\$ 8.48 billion

2014 World Cup Stadiums

R\$ 7 billion

New Jeep plant in Pernambuco

Fonte: área Financeira da Samarco e Revista Exame

Update P4P Project

In 2014, Samarco concluded the Fourth Pellet Plant Project (P4P), with the construction of a third concentrator in Minas Gerais, a third pipeline, parallel to the two existing ones, a fourth pelletizing plant in ES and adjustments in its port terminal.

R\$ 6.4 billion

invested in the 4th Pellet Plant Project,
one of the biggest expansion projects in
the Brazilian private sector in 2014

IMPACTS OF SAMARCO ON THE ECONOMY

3. Tax revenue

Taxes paid by Samarco and its relevance in the areas of direct influence.



R\$ 1.5 billion

in direct taxes paid in 2014

Espírito Santo

R\$ 70 million,

equivalent to 0.8% of state revenue in 2014 (not taking into account the taxes generated by the supply chain).

R\$ 32 million

of taxes transferred to the area of direct influence in Espírito Santo, equivalent to 50% of Anchieta municipal revenue.



Minas Gerais

R\$ 236 million,

equivalent to 0.5% of state revenue in 2014 (not taking into account the taxes generated by the supply chain).

R\$ 50 million

of taxes transferred to the area of direct influence in Minas, equivalent to 54% of the revenue of the Mariana municipality and 35% of Ouro Preto revenue.



Information Sources: Department of Finance-MG, Department of Finance-ES and Samarco Tax area

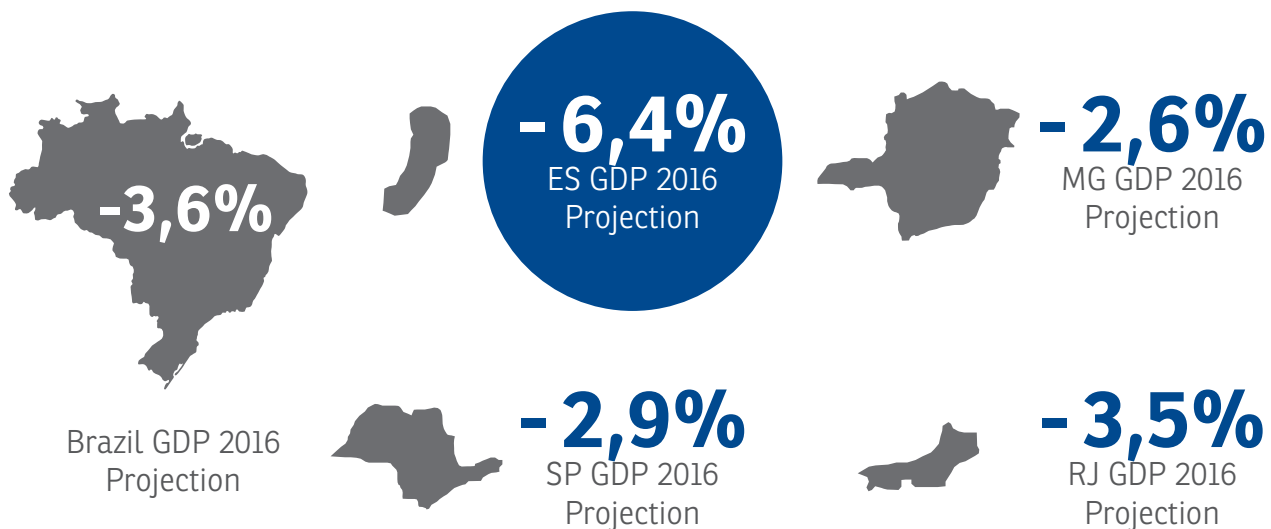
IMPACTS OF SAMARCO ON THE ECONOMY

4. Effects of interruption of Samarco operations

Consequences of interruption of operations in the areas of direct influence of the company since November 2015.

Economy

The Espírito Santo will be the Brazilian state with the greatest economic downturn in 2016. Brazil's GDP is expected to retract 3.6% and 14 of the 27 states will present results lower than average.



Source: Banco Santander study for newspaper O Globo.

Employment

40%

of company staff had to be reduced to adapt to the new reality of the company, considering the studies to resume operations with production estimated at 60% of capacity.

924

Samarco employees joined the Voluntary Resignation Program (PDV), implemented after the following efforts:

- 1st paid leave
- Collective vacations
- 2nd paid leave
 - 1st layoff
 - 2nd layoff

www.samarco.com