Interim Financial Information

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

June 30, 2014
with independent auditor's review report.

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A free translation from Portuguese into English of report on review of quarterly information (ITR)

Report on review of quarterly information (ITR)

The Shareholders, Board of Directors and Officers
Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS
Belo Horizonte - MG

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS (Company) contained in the Quarterly Information Form (ITR) for the quarter ended June 30, 2014, comprising the balance sheet at June 30, 2014, and the related statements of income and comprehensive income for the three and six-month periods then ended, and the statements of changes in equity and cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) – *Demonstração Intermediária*, issued by the Brazilian Financial Accounting Standards Board (CPC) and for the consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with specific rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of quarterly information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

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Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21(R1) applicable to the preparation of quarterly information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of quarterly information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

We also reviewed the individual and consolidated statement of value added (SVA), for the six-month period ended June 30, 2014, prepared under the responsibility of Company's management. The presentation of interim financial information is required in accordance with CVM Standards applicable to the preparation of quarterly information (ITR), and as supplementary information by IFRS, which do not require SVA presentation. These statements have been subject to the same review procedures described above and, based on our review nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the individual e consolidated interim financial information taken as a whole.

Belo Horizonte, July 23, 2014.

ERNST & YOUNG
Auditores Independentes S.S.
CRC 2SP015199/O-6-F-MG

Rogério Xavier Magalhães
Accountant CRC-1MG080613/O-1

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Company Information / Capital Breakdown

Number of shares (Units)	Current quarter 06/30/2014
Common shares - Paid-in Capital	505,260,684
Preferred shares - Paid-in Capital	508,525,506
Total - Paid-in Capital	1,013,786,190
Common Treasury Shares	2,526,656
Preferred Treasury Shares	23,705,728
Total Treasury Shares	26,232,384

Individual Financial Statements / Balance sheet - Assets

(In thousands of reais)

Account code	Account description	Current quarter 06/30/2014	Prior year 12/31/2013
1	Total Assets	29,158,688	29,327,299
1.01	Current Assets	5,515,477	5,405,502
1.01.01	Cash and Cash Equivalents	430,393	713,242
1.01.02	Short-Term Investments	4,313	1,536
1.01.03	Accounts Receivable	1,254,921	1,142,722
1.01.03.01	Trade Accounts Receivable	1,254,921	1,142,722
1.01.04	Inventories	3,386,309	3,189,142
1.01.08	Other Current Assets	439,541	358,860
1.01.08.03	Other	439,541	358,860
1.01.08.03.01	Taxes Recoverable	150,960	190,822
1.01.08.03.02	Dividends Receivable	33,678	33,543
1.01.08.03.03	Advances to Suppliers	5,147	4,133
1.01.08.03.04	Financial Instruments	-	396
1.01.08.03.05	Other	249,756	129,966
1.02	Noncurrent Assets	23,643,211	23,921,797
1.02.01	Long-term receivables	2,114,205	2,162,658
1.02.01.03	Accounts Receivable	25,009	21,598
1.02.01.06	Deferred Taxes	1,322,808	1,419,871
1.02.01.08	Receivables From Related Parties	67,632	68,529
1.02.01.09	Other Noncurrent Assets	698,756	652,660
1.02.01.09.03	Judicial Deposits	525,303	502,209
1.02.01.09.04	Deposits For Tax Incentives	290	290
1.02.01.09.05	Properties For Sale	6,700	56,901
1.02.01.09.06	Financial Instruments	97,226	23,234
1.02.01.09.07	Taxes Recoverable	57,878	58,666
1.02.01.09.08	Other	11,359	11,360
1.02.02	Investments	8,018,465	8,225,579
1.02.02.01	Equity interests	8,018,465	8,225,579
1.02.02.01.01	Interests Held in Affiliates	147,628	147,136
1.02.02.01.02	Interests Held in Subsidiaries	7,229,762	7,422,582
1.02.02.01.03	Interests Held in Jointly-Controlled Subsidiaries	641,075	655,861
1.02.03	Property, plant and equipment	13,349,517	13,372,382
1.02.03.01	Property, Plant and Equipment in Use	11,733,733	12,012,642
1.02.03.03	Construction in Progress	1,615,784	1,359,740
1.02.04	Intangible Assets	161,024	161,178

Individual Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account code	Account description	Current quarter 06/30/2014	Prior year 12/31/2013
2	Total Liabilities	29,158,688	29,327,299
2.01	Current Liabilities	4,479,364	4,471,355
2.01.01	Social and Labor Liabilities	205,892	178,826
2.01.02	Trade Accounts Payable	1,769,269	1,831,566
2.01.03	Tax Liabilities	62,805	96,898
2.01.04	Loans and Financing	1,509,968	1,273,290
2.01.04.01	Loans and Financing	1,465,048	1,231,765
2.01.04.02	Debentures	44,920	41,525
2.01.05	Other Liabilities	931,430	1,090,775
2.01.05.01	Payables to Related Parties	673,956	731,564
2.01.05.02	Other	257,474	359,211
2.01.05.02.01	Dividends and Interest on Equity Payable	166	425
2.01.05.02.04	Accounts payable	123,660	246,787
2.01.05.02.05	Taxes in Installments	24,688	24,719
2.01.05.02.06	Financial Instruments	71,931	51,015
2.01.05.02.07	Advances from Customers	37,029	36,265
2.02	Noncurrent Liabilities	7,712,430	8,144,036
2.02.01	Loans and Financing	5,975,796	6,392,718
2.02.01.01	Loans and Financing	4,977,562	5,394,798
2.02.01.02	Debentures	998,234	997,920
2.02.02	Other Liabilities	114,862	108,816
2.02.02.01	Payables to Related Parties	47,054	49,274
2.02.02.02	Other	67,808	59,542
2.02.02.02.03	Taxes in Installments	22,477	25,751
2.02.02.02.04	Financial Instruments	20,287	26,153
2.02.02.02.05	Other Accounts Payable	25,044	7,638
2.02.04	Provisions	1,621,772	1,642,502
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	394,340	417,882
2.02.04.01.05	Contingent Liabilities	394,340	417,882
2.02.04.02	Other Provisions	1,227,432	1,224,620
2.02.04.02.04	Provisions for Retirement Benefits	1,227,432	1,224,620
2.03	Equity	16,966,894	16,711,908
2.03.01	Paid-in Capital	12,150,000	12,150,000
2.03.02	Capital Reserves	320,408	313,084
2.03.04	Income Reserves	3,699,154	3,699,154
2.03.04.01	Legal Reserve	699,587	699,587
2.03.04.02	Statutory Reserve	2,999,567	2,999,567
2.03.05	Retained Earnings (Accumulated Losses)	312,384	-
2.03.06	Equity Adjustments	484,948	549,670

Individual Financial Statements / Statement of Operations

(In thousands of reais)

Account code	Account description	Current quarter 04/01/2014 to 06/30/2014	YTD 01/01/2014 to 06/30/2014	Equal to quarter of prior year 04/01/2013 to 06/30/2013	YTD 01/01/2013 to 06/30/2013
3.01	Revenue from Sales and/or Services	2,916,385	5,792,845	2,895,062	5,561,367
3.02	Cost of Sales and/or Services	(2,704,056)	(5,287,959)	(2,743,683)	(5,398,403)
3.03	Gross Profit	212,329	504,886	151,379	162,964
3.04	Operating Income (Expenses)	(9,226)	(64,280)	116,306	80,734
3.04.01	Selling Expenses	(35,489)	(64,086)	(41,027)	(84,375)
3.04.02	General and Administrative Expenses	(86,767)	(176,480)	(98,189)	(197,991)
3.04.04	Other Operating Income	184,842	292,432	71,420	148,510
3.04.05	Other Operating Expenses	(119,970)	(204,530)	(56,181)	(121,543)
3.04.06	Equity Pickup	49,158	88,384	240,283	336,133
3.05	Income Before Financial Income (Expense) and Taxes	203,103	440,606	267,685	243,698
3.06	Financial Income (Expenses)	(32,345)	(10,600)	(424,467)	(676,183)
3.07	Income Before Income Taxes	170,758	430,006	(156,782)	(432,485)
3.08	Income and Social Contribution Taxes	(56,343)	(130,977)	97,306	219,395
3.08.01	Current	(286)	(286)	-	-
3.08.02	Deferred	(56,057)	(130,691)	97,306	219,395
3.09	Net Income (Loss) From Continued Operations	114,415	299,029	(59,476)	(213,090)
3.11	Income/Loss for The Period	114,415	299,029	(59,476)	(213,090)
3.99	Earnings (Loss) per Share (Reais / Shares)	-	-	-	-
3.99.01	Basic earnings per Share	-	-	-	-
3.99.01.01	Registered Common Shares	0,11000	0,29000	(0,06000)	(0,22000)
3.99.01.02	Registered Preferred Shares	0,12000	0,32000	(0,06000)	(0,22000)
3.99.02	Diluted Earnings per Share	-	-	-	-
3.99.02.01	Registered Common Shares	0,11000	0,29000	(0,06000)	(0,22000)
3.99.02.02	Registered Preferred Shares	0,12000	0,32000	(0,06000)	(0,22000)

Individual Financial Statements / Statement of Comprehensive Income (Loss)

(In thousands of reais)

Account code	Account description	Current quarter 04/01/2014 to 06/30/2014	YTD 01/01/2014 to 06/30/2014	Equal to quarter of prior year 04/01/2013 to 06/30/2013	YTD 01/01/2013 to 06/30/2013
4.01	Net Income (Loss) for the Period	114,415	299,029	(59,476)	(213,090)
4.02	Other Comprehensive Income (Loss)	(21,155)	(56,725)	(41,340)	47,636
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	(21,155)	(59,856)	(41,340)	(67,804)
4.02.02	Exchange Gain (Loss) of Foreign Subsidiary and Other Changes	-	-	-	104
4.02.03	Hedge Accounting	-	3,131	-	115,336
4.03	Comprehensive Income for the Period	93,260	242,304	(100,816)	(165,454)

Individual Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account code	Account description	YTD 01/01/2014 to 06/30/2014	YTD 01/01/2013 to 06/30/2013
6.01	Net Cash from Operating Activities	(85,641)	206,310
6.01.01	Cash From Operations	914,736	434,813
6.01.01.01	Net Income (Loss) for the Year	299,029	(213,090)
6.01.01.02	Charges and Monetary/Exchange Variations, Net	14,146	601,338
6.01.01.03	Interest Expenses	82,209	80,146
6.01.01.04	Depreciation and Amortization	457,603	459,035
6.01.01.05	Loss on the Sale of Property, Plant and Equipment	(25,647)	(31,828)
6.01.01.07	Equity Pickup	(88,384)	(336,133)
6.01.01.08	Stock Option Plan	6,774	4,869
6.01.01.09	Deferred Income and Social Contribution Taxes	130,691	(219,395)
6.01.01.10	Set up (Reversal) of Provisions	36,351	68,715
6.01.01.11	Actuarial Gains (Losses)	1,964	21,156
6.01.02	Changes in Assets and Liabilities	(731,202)	74,693
6.01.02.02	Trade Accounts Receivable	(109,661)	50,967
6.01.02.03	Inventories	(199,626)	(80,800)
6.01.02.04	Taxes Recoverable	50,707	207,726
6.01.02.05	Receivables from Related Parties	897	1,190
6.01.02.06	Judicial Deposits	(23,094)	(7,897)
6.01.02.07	Other Increase (Decrease) in Assets	(99,601)	75,201
6.01.02.08	Trade Accounts Payable, General Contractors and Freight	(62,297)	(22,306)
6.01.02.09	Advances from Customers	764	3,303
6.01.02.10	Payables to Related Parties	(59,828)	(81,089)
6.01.02.11	Taxes Payable	(34,093)	39,376
6.01.02.12	Actuarial Liabilities Paid	(90,685)	(84,923)
6.01.02.13	Other Increase (Decrease) in Liabilities	(104,685)	(26,055)
6.01.03	Other	(269,175)	(303,196)
6.01.03.01	Interest Paid	(258,832)	(303,196)
6.01.03.02	Income and Social Contribution Taxes Paid	(10,343)	-
6.02	Net Cash from Investing Activities	(114,906)	(88,950)
6.02.01	Proceeds from the Sale of Property, Plant and Equipment	26,041	32,119
6.02.02	Purchases of Property, Plant and Equipment	(418,870)	(183,915)
6.02.03	Purchases of Intangible Assets	(31,056)	(26,940)
6.02.04	Dividends Received	300,462	101,267
6.02.05	Proceeds from divestiture / acquisition of investments	16,486	-
6.02.06	Purchase of Software	(5,192)	(3,156)
6.02.07	Marketable Securities	(2,777)	(8,325)
6.03	Net Cash from Financing Activities	(78,423)	(106,295)
6.03.01	Loans and Financing Taken out and Debentures	801,674	1,317,968
6.03.02	Repayment of Loans and Financing	(850,138)	(1,406,651)
6.03.03	Payment of Taxes in Installments	(4,153)	(9,762)
6.03.04	Swap Transaction Settlement	(25,547)	(7,842)
6.03.05	Dividends and Interest on Equity Paid	(259)	(8)
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	(3,879)	(17,121)
6.05	Increase (Decrease) in Cash and Cash Equivalents	(282,849)	(6,056)
6.05.01	Cash and Cash Equivalents at Beginning of Period/Year	713,242	1,251,103
6.05.02	Cash and Cash Equivalents at End of Period/Year	430,394	1,245,047

Individual Financial Statements / Statement of Changes in Equity / SCE- 01/01/2014 to 06/30/2014

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and Treasury shares	Income reserves	Retained earnings (accumulated losses)	Other comprehensive income (loss)	Equity
5.01	Opening Balances	12,150,000	313,084	3,699,154	-	549,670	16,711,908
5.03	Adjusted Opening Balances	12,150,000	313,084	3,699,154	-	549,670	16,711,908
5.04	Capital Transactions with Shareholders	-	7,324	-	13,374	(7,997)	12,701
5.04.03	Recognized Options Granted	-	6,774	-	-	-	6,774
5.04.05	Treasury Shares Sold	-	550	-	1,002	-	1,552
5.04.08	Unclaimed Dividends	-	-	-	258	-	258
5.04.09	Adjustment from IAS 29 on Property, Plant And Equipment	-	-	-	12,114	(7,997)	4,117
5.05	Total Comprehensive Income (Loss)	-	-	-	299,010	(56,725)	242,285
5.05.01	Net Income (Loss) for the Period	-	-	-	299,029	-	299,029
5.05.02	Other Comprehensive Income (Loss)	-	-	-	(19)	(56,725)	(56,744)
5.05.02.06	Actuarial Loss on Retirement Benefits	-	-	-	(19)	(59,856)	(59,875)
5.05.02.08	Cash Flow Hedge in Subsidiary	-	-	-	-	3,131	3,131
5.07	Closing Balances	12,150,000	320,408	3,699,154	312,384	484,948	16,966,894

Individual Financial Statements / Statement of Changes in Equity / SCE- 01/01/2013 to 06/30/2013

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Income reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity
5.01	Opening Balances	12,150,000	219,684	3,871,384	-	367,361	16,608,429
5.03	Adjusted Opening Balances	12,150,000	219,684	3,871,384	-	367,361	16,608,429
5.04	Capital Transactions with Shareholders	-	4,869	-	13,464	(8,251)	10,082
5.04.03	Recognized Options Granted	-	4,869	-	663	-	5,532
5.04.08	Unclaimed Dividends	-	-	-	299	-	299
5.04.09	Adjustment from IAS 29 on Property, Plant And Equipment	-	-	-	12,502	(8,251)	4,251
5.05	Total Comprehensive Income (Loss)	-	-	-	(213,090)	47,636	(165,454)
5.05.01	Net Income (Loss) for the Period	-	-	-	(213,090)	-	(213,090)
5.05.02	Other Comprehensive Income (Loss)	-	-	-	-	47,636	47,636
5.05.02.06	Actuarial Loss on Retirement Benefits	-	-	-	-	(67,804)	(67,804)
5.05.02.07	Exchange Gain/Loss of Foreign Affiliate and Other Changes	-	-	-	-	104	104
5.05.02.08	Cash Flow Hedge in Subsidiary	-	-	-	-	115,336	115,336
5.06	Internal Changes in Equity	-	-	-	15,761	(15,761)	-
5.06.01	Setting up of reserves	-	-	-	15,761	(15,761)	-
5.07	Closing Balances	12,150,000	224,553	3,871,384	(183,865)	390,985	16,453,057

Individual Financial Statements / Statement of Value Added

(In thousands of reais)

Account code	Account description	YTD 01/01/2014 to 06/30/2014	YTD 01/01/2013 to 06/30/2013
7.01	Revenues	7,875,097	7,438,349
7.01.01	Sales of Goods, Products and Services	7,634,508	7,394,465
7.01.02	Other Revenues	238,051	47,035
7.01.04	(Reversal of) Allowance for Doubtful Accounts	2,538	(3,151)
7.02	Inputs Acquired from Third Parties	(5,935,501)	(5,858,190)
7.02.01	Costs of Sales and Services	(5,522,860)	(5,588,146)
7.02.02	Materials, Energy, Third-Party Services and Other Expenses	(412,641)	(270,044)
7.03	Gross Value Added	1,939,596	1,580,159
7.04	Retentions	(457,603)	(459,035)
7.04.01	Depreciation, Amortization and Depletion	(457,603)	(459,035)
7.05	Net Value Added Produced	1,481,993	1,121,124
7.06	Value Added Received in Transfer	345,155	401,506
7.06.01	Equity Pickup	88,384	336,133
7.06.02	Financial Income	90,358	86,529
7.06.03	Other	166,413	(21,156)
7.06.03.01	Actuarial Gains (Losses)	(1,964)	(21,156)
7.06.03.02	Exchange Gain/Loss, Net	168,377	-
7.07	Total Value Added to be Distributed	1,827,148	1,522,630
7.08	Distribution of Value Added	1,827,148	1,522,630
7.08.01	Personnel	463,541	483,373
7.08.01.01	Direct Compensation	371,535	369,774
7.08.01.02	Benefits	56,265	79,165
7.08.01.03	FGTS	35,741	34,434
7.08.02	Taxes, Charges and Contributions	795,243	489,635
7.08.02.01	Federal	485,549	146,003
7.08.02.02	State	283,922	321,242
7.08.02.03	Municipal	25,772	22,390
7.08.03	Debt Remuneration	269,335	762,712
7.08.03.01	Interest	302,469	487,757
7.08.03.03	Other	(33,134)	274,955
7.08.04	Equity Remuneration	299,029	(213,090)
7.08.04.03	Retained Earnings (Accumulated Losses)	299,029	(213,090)

Consolidated Financial Statements - Balance Sheet - Assets

(In thousands of reais)

Account code	Account description	Current quarter 06/30/2014	Prior year 12/31/2013
1	Total Assets	31,048,810	31,357,994
1.01	Current Assets	9,267,312	9,460,294
1.01.01	Cash and Cash Equivalents	2,081,437	2,633,187
1.01.02	Short-Term Investments	813,012	835,629
1.01.03	Accounts Receivable	1,624,755	1,639,551
1.01.03.01	Trade Accounts Receivable	1,624,755	1,639,551
1.01.04	Inventories	4,156,923	3,850,420
1.01.08	Other Current Assets	591,185	501,507
1.01.08.03	Other	591,185	501,507
1.01.08.03.01	Taxes Recoverable	305,701	323,520
1.01.08.03.02	Dividends Receivable	28,506	12,413
1.01.08.03.03	Advances to Suppliers	12,457	13,541
1.01.08.03.04	Other Accounts Receivable	204,084	106,396
1.01.08.03.05	Financial Instruments	40,437	45,637
1.02	Noncurrent Assets	21,781,498	21,897,700
1.02.01	Long-term receivables	2,778,120	2,830,342
1.02.01.03	Accounts Receivable	162,063	98,853
1.02.01.06	Deferred Taxes	1,809,383	1,914,996
1.02.01.08	Receivables from Related Parties	21,594	20,831
1.02.01.09	Other Noncurrent Assets	839,977	795,662
1.02.01.09.03	Judicial Deposits	594,924	565,404
1.02.01.09.04	Financial Instruments	97,266	40,608
1.02.01.09.05	Taxes Recoverable	107,286	113,474
1.02.01.09.06	Other	40,541	76,176
1.02.02	Investments	1,152,991	1,159,948
1.02.02.01	Equity Interests	1,152,991	1,159,948
1.02.02.01.01	Interests Held in Affiliates	481,450	473,784
1.02.02.01.04	Other Equity Interests	671,541	686,164
1.02.03	Property, plant and equipment	15,459,740	15,506,833
1.02.03.01	Property, Plant and Equipment in Use	13,633,041	13,589,930
1.02.03.03	Construction in Progress	1,826,699	1,916,903
1.02.04	Intangible Assets	2,390,647	2,400,577

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account code	Account description	Current quarter 06/30/2014	Prior year 12/31/2013
2	Total Liabilities	31,048,810	31,357,994
2.01	Current Liabilities	4,928,200	5,087,491
2.01.01	Social and Labor Liabilities	294,903	250,849
2.01.02	Trade Accounts Payable	2,312,290	2,422,024
2.01.03	Tax Liabilities	104,311	135,278
2.01.04	Loans and Financing	1,555,633	1,330,170
2.01.04.01	Loans and Financing	1,510,713	1,288,645
2.01.04.02	Debentures	44,920	41,525
2.01.05	Other Liabilities	661,063	949,170
2.01.05.01	Payables to Related Parties	156,680	140,042
2.01.05.02	Other	504,383	809,128
2.01.05.02.01	Dividends and Interest on Equity Payable	169	1,122
2.01.05.02.04	Taxes in Installments	25,776	25,770
2.01.05.02.05	Financial Instruments	81,741	51,015
2.01.05.02.06	Advances from Customers	106,853	178,309
2.01.05.02.07	Accounts Payable for Investment Acquisition	102,692	213,607
2.01.05.02.08	Accounts Payable	187,152	339,305
2.02	Noncurrent Liabilities	7,059,113	7,436,558
2.02.01	Loans and Financing	5,094,048	5,510,811
2.02.01.01	Loans and Financing	4,095,814	4,512,891
2.02.01.02	Debentures	998,234	997,920
2.02.02	Other Liabilities	160,121	112,164
2.02.02.02	Other	160,121	112,164
2.02.02.02.03	Taxes in Installments	32,632	36,083
2.02.02.02.04	Financial Instruments	91,748	52,910
2.02.02.02.06	Other	35,741	23,171
2.02.04	Provisions	1,804,944	1,813,583
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	490,404	506,679
2.02.04.01.05	Contingent Liabilities	490,404	506,679
2.02.04.02	Other Provisions	1,314,540	1,306,904
2.02.04.02.03	Provisions for Environmental Liabilities and Decommissioning	80,753	76,588
2.02.04.02.04	Provisions for Retirement Benefits	1,233,787	1,230,316
2.03	Equity (consolidated)	19,061,497	18,833,945
2.03.01	Paid-in Capital	12,150,000	12,150,000
2.03.02	Capital Reserves	320,408	313,084
2.03.04	Income Reserves	3,699,154	3,699,154
2.03.04.01	Legal Reserve	699,587	699,587
2.03.04.02	Statutory Reserve	2,999,567	2,999,567
2.03.05	Retained Earnings (Accumulated Losses)	312,384	-
2.03.06	Equity Adjustments	484,948	549,670
2.03.09	Noncontrolling Interests	2,094,603	2,122,037

Consolidated Financial Statements / Statement of Operations

(In thousands of reais)

Account code	Account description	Current quarter 04/01/2014 to 06/30/2014	YTD 01/01/2014 to 06/30/2014	Equal to quarter of prior year 04/01/2013 to 06/30/2013	YTD 01/01/2013 to 06/30/2013
3.01	Revenue from Sales and/or Services	3,106,300	6,248,618	3,244,441	6,439,150
3.02	Cost of Sales and/or Services	(2,772,242)	(5,394,865)	(2,868,206)	(5,855,748)
3.03	Gross Profit	334,058	853,753	376,235	583,402
3.04	Operating Income (Expenses)	(73,530)	(212,453)	(209,758)	(379,524)
3.04.01	Selling Expenses	(71,280)	(154,874)	(88,879)	(181,760)
3.04.02	General and Administrative Expenses	(127,582)	(255,743)	(146,600)	(288,772)
3.04.04	Other Operating Income	213,907	343,211	67,666	151,803
3.04.05	Other Operating Expenses	(148,823)	(249,579)	(66,422)	(139,111)
3.04.06	Equity Pickup	60,248	104,532	24,477	78,316
3.05	Income Before Financial Income (Expense) and Taxes	260,528	641,300	166,477	203,878
3.06	Financial Income (Expenses)	(58,561)	(76,618)	(276,311)	(512,461)
3.07	Income Before Income Taxes	201,967	564,682	(109,834)	(308,583)
3.08	Income and Social Contribution Taxes	(73,356)	(214,443)	87,710	163,764
3.08.01	Current	(18,248)	(75,202)	(4,605)	(66,401)
3.08.02	Deferred	(55,108)	(139,241)	92,315	230,165
3.09	Net Income (Loss) From Continued Operations	128,611	350,239	(22,124)	(144,819)
3.11	Consolidated Income (Loss) for the Period	128,611	350,239	(22,124)	(144,819)
3.11.01	Attributable to Controlling Interests	114,415	299,029	(59,476)	(213,090)
3.11.02	Attributable to Noncontrolling Interests	14,196	51,210	37,352	68,271
3.99	Earnings (Loss) per Share (Reais / Shares)	-	-	-	-
3.99.01	Basic Earnings per Share	-	-	-	-
3.99.01.01	Registered Common Shares	0,1100	0,29000	(0,06000)	(0,22000)
3.99.01.02	Registered Preferred Shares	0,1200	0,32000	(0,06000)	(0,22000)
3.99.02	Diluted Earnings per Share	-	-	-	-
3.99.02.01	Registered Common Shares	0,1100	0,2900	(0,06000)	(0,22000)
3.99.02.02	Registered Preferred Shares	0,1200	0,3200	(0,06000)	(0,22000)

Consolidated Financial Statements / Statement of Comprehensive Income (loss)

(In thousands of reais)

Account code	Account description	Current quarter 04/01/2014 to 06/30/2014	YTD 01/01/2014 to 06/30/2014	Equal to quarter of prior year 04/01/2013 to 06/30/2013	YTD 01/01/2013 to 06/30/2013
4.01	Consolidated Net Income for the Period	128,611	350,239	(22,124)	(144,819)
4.02	Other Comprehensive Income (Loss)	(21,155)	(56,725)	(41,340)	47,636
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	(21,155)	(59,856)	(41,340)	(67,804)
4.02.02	Exchange Gain/Loss of Foreign Affiliate and Other Changes	-	-	-	104
4.02.03	Hedge Accounting	-	3,131	-	115,336
4.03	Consolidated Comprehensive Income (Loss) for the Period	107,456	293,514	(63,464)	(97,183)
4.03.01	Attributable to Controlling Interests	93,260	242,304	(100,816)	(165,454)
4.03.02	Attributable to Noncontrolling Interests	14,196	51,210	37,352	68,271

Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account code	Account description	YTD 01/01/2014 to 06/30/2014	YTD 01/01/2013 to 06/30/2013
6.01	Net Cash from Operating Activities	73,290	801,199
6.01.01	Cash From Operations	1,099,262	857,814
6.01.01.01	Net Income (Loss) for the Year	350,239	(144,819)
6.01.01.02	Charges and Monetary/Exchange Variations, Net	77,898	569,125
6.01.01.03	Interest Expenses	66,705	98,989
6.01.01.04	Depreciation and Amortization	544,615	520,330
6.01.01.05	Loss on the Sale of Property, Plant and Equipment	(27,211)	(32,209)
6.01.01.07	Equity Pickup	(104,532)	(78,316)
6.01.01.08	Stock Option Plan	6,774	4,869
6.01.01.09	Deferred Income and Social Contribution Taxes	139,241	(230,165)
6.01.01.10	Set up (Reversal) of Provisions	42,941	128,854
6.01.01.11	Actuarial Gains (Losses)	2,592	21,156
6.01.02	Changes in Assets and Liabilities	(720,392)	372,494
6.01.02.02	Trade Accounts Receivable	17,334	277,351
6.01.02.03	Inventories	(308,962)	(29,084)
6.01.02.04	Taxes Recoverable	12,770	174,429
6.01.02.05	Judicial Deposits	(29,519)	(53,884)
6.01.02.06	Receivables from Related Parties	(763)	(458)
6.01.02.07	Other Increase (Decrease) In Assets	(74,978)	8,719
6.01.02.08	Trade Accounts Payable, General Contractors and Freight	(109,734)	41,588
6.01.02.09	Payables to Related Parties	16,638	(13,234)
6.01.02.10	Advances from Customers	(71,456)	(112,206)
6.01.02.11	Taxes Payable	(35,588)	34,205
6.01.02.12	Actuarial Liabilities Paid	(90,685)	(84,923)
6.01.02.13	Other Increase (Decrease) in Liabilities	(45,449)	129,991
6.01.03	Other	(305,580)	(429,109)
6.01.03.01	Interest Paid	(246,236)	(318,816)
6.01.03.02	Income and Social Contribution Taxes Paid	(59,344)	(110,293)
6.02	Net Cash from Investing Activities	(465,961)	(698,038)
6.02.01	Proceeds from the Sale of Property, Plant and Equipment	39,016	33,884
6.02.02	Purchases of Property, Plant and Equipment	(488,918)	(430,186)
6.02.03	Proceeds from divestiture / acquisition of investments	(94,533)	(97,100)
6.02.04	Additions to Intangible Assets	(31,056)	(26,940)
6.02.05	Dividends Received	96,598	2,952
6.02.06	Purchase of Software	(9,685)	(5,115)
6.02.07	Marketable Securities	22,617	(175,533)
6.03	Net Cash from Financing Activities	(155,200)	(186,711)
6.03.01	Loans and Financing Taken out and Debentures	802,496	1,334,205
6.03.02	Repayment of Loans and Financing	(864,391)	(1,480,755)
6.03.03	Payment of Taxes in Installments	(4,689)	(10,265)
6.03.04	Swap Transaction Settlement	(8,844)	8,142
6.03.05	Dividends and Interest on Equity Paid	(79,772)	(38,038)
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	(3,879)	(17,121)
6.05	Increase (Decrease) in Cash and Cash Equivalents	(551,750)	(100,671)
6.05.01	Cash and Cash Equivalents at Beginning of Period	2,633,187	3,123,318
6.05.02	Cash and Cash Equivalents at End of Period	2,081,437	3,022,647

Consolidated Financial Statements / Statement of Changes in Equity - SCE – 01/01/2014 to 06/30/2014

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Income reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity	Noncontrolling interests	Equity (consolidated)
5.01	Opening Balances	12,150,000	313,084	3,699,154	-	549,670	16,711,908	2,122,037	18,833,945
5.03	Adjusted Opening Balances	12,150,000	313,084	3,699,154	-	549,670	16,711,908	2,122,037	18,833,945
5.04	Capital Transactions with Shareholders	-	7,324	-	13,374	(7,997)	12,701	(78,819)	(66,118)
5.04.03	Recognized Options Granted	-	6,774	-	-	-	6,774	-	6,774
5.04.05	Treasury Shares Sold	-	550	-	1,002	-	1,552	-	1,552
5.04.06	Dividends	-	-	-	-	-	-	(78,819)	(78,819)
5.04.08	Unclaimed Dividends	-	-	-	258	-	258	-	258
5.04.09	Adjustment from IAS 29 on Property, Plant And Equipment	-	-	-	12,114	(7,997)	4,117	-	4,117
5.05	Total Comprehensive Income (Loss)	-	-	-	299,010	(56,725)	242,285	51,385	293,670
5.05.01	Net Income (Loss) for the Period	-	-	-	299,029	-	299,029	51,210	350,239
5.05.02	Other Comprehensive Income (Loss)	-	-	-	(19)	(56,725)	(56,744)	175	(56,569)
5.05.02.06	Actuarial Loss on Retirement Benefits	-	-	-	(19)	(59,856)	(59,875)	175	(59,700)
5.05.02.08	Cash Flow Hedge in Subsidiary	-	-	-	-	3,131	3,131	-	3,131
5.07	Closing Balances	12,150,000	320,408	3,699,154	312,384	484,948	16,966,894	2,094,603	19,061,497

Consolidated Financial Statements / Statement of Changes in Equity - SCE – 01/01/2013 to 06/30/2013

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Income reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity	Noncontrolling interests	Equity (consolidated)
5.01	Opening Balances	12,150,000	219,684	3,871,384	-	367,361	16,608,429	1,904,644	18,513,073
5.03	Adjusted Opening Balances	12,150,000	219,684	3,871,384	-	367,361	16,608,429	1,904,644	18,513,073
5.04	Capital Transactions with Shareholders	-	4,869	-	13,464	(8,251)	10,082	(12,313)	(2,231)
5.04.03	Recognized Options Granted	-	4,869	-	663	-	5,532	-	5,532
5.04.06	Dividends	-	-	-	-	-	-	(12,313)	(12,313)
5.04.08	Unclaimed Dividends	-	-	-	299	-	299	-	299
5.04.09	Adjustment from IAS 29 on Property, Plant And Equipment	-	-	-	12,502	(8,251)	4,251	-	4,251
5.05	Total Comprehensive Income (Loss)	-	-	-	(213,090)	47,636	(165,454)	68,271	(97,183)
5.05.01	Net Income (Loss) for the Period	-	-	-	(213,090)	-	(213,090)	68,271	(144,819)
5.05.02	Other Comprehensive Income (Loss)	-	-	-	-	47,636	47,636	-	47,636
5.05.02.06	Actuarial Loss on Retirement Benefits	-	-	-	-	(67,804)	(67,804)	-	(67,804)
5.05.02.07	Exchange Gain/Loss of Foreign Affiliate and Other Changes	-	-	-	-	104	104	-	104
5.05.02.08	Cash Flow Hedge in Subsidiary	-	-	-	-	115,336	115,336	-	115,336
5.06	Internal Changes in Equity	-	-	-	15,761	(15,761)	-	14	14
5.06.01	Setting up of reserves	-	-	-	15,761	(15,761)	-	14	14
5.07	Closing Balances	12,150,000	224,553	3,871,384	(183,865)	390,985	16,453,057	1,960,616	18,413,673

Consolidated Financial Statements / Statement of Value Added

(In thousands of reais)

Account code	Account description	YTD 01/01/2014 to 06/30/2014	YTD 01/01/2013 to 06/30/2013
7.01	Revenues	8,971,836	8,618,133
7.01.01	Sales of Goods, Products and Services	8,698,019	8,575,696
7.01.02	Other Revenues	274,227	47,784
7.01.04	(Reversal of) Allowance for Doubtful Accounts	(410)	(5,347)
7.02	Inputs Acquired from Third Parties	(6,431,772)	(6,527,025)
7.02.01	Costs of Sales and Services	(5,830,313)	(6,073,360)
7.02.02	Materials, Energy, Third-Party Services and Other Expenses	(601,409)	(453,665)
7.03	Gross Value Added	2,540,114	2,091,108
7.04	Retentions	(544,615)	(520,330)
7.04.01	Depreciation, Amortization and Depletion	(544,615)	(520,330)
7.05	Net Value Added Produced	1,995,499	1,570,778
7.06	Value Added Received in Transfer	384,962	210,710
7.06.01	Equity Pickup	104,532	78,316
7.06.02	Financial Income	176,336	153,550
7.06.03	Other	104,094	(21,156)
7.06.03.01	Actuarial Gains and Losses	(2,592)	(21,156)
7.06.03.02	Exchange gain/loss, net	106,686	-
7.07	Total Value Added to be Distributed	2,380,461	1,781,488
7.08	Distribution of Value Added	2,380,461	1,781,488
7.08.01	Personnel	761,038	920,504
7.08.01.01	Direct Compensation	643,281	763,045
7.08.01.02	Benefits	67,186	106,933
7.08.01.03	Unemployment Compensation Fund (FGTS)	50,571	50,526
7.08.02	Taxes, Charges and Contributions	909,544	339,792
7.08.02.01	Federal	609,303	179,114
7.08.02.02	State	264,937	129,594
7.08.02.03	Municipal	35,304	31,084
7.08.03	Debt Remuneration	359,640	666,011
7.08.03.01	Interest	335,079	551,381
7.08.03.03	Other	24,561	114,630
7.08.04	Equity Remuneration	350,239	(144,819)
7.08.04.03	Retained Earnings (Accumulated Losses)	299,029	(213,090)
7.08.04.04	Noncontrolling interests in Retained Profits	51,210	68,271

1 Operations

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS ("USIMINAS", "Usiminas", "Parent Company" or "Company") is headquartered in the city of Belo Horizonte, state of Minas Gerais (MG) and is engaged in the exploration of the steel industry and related industries. The Company produces flat-rolled steel at the Intendente Câmara plant and José Bonifácio de Andrada e Silva plant, located in the cities of Ipatinga (Minas Gerais) and Cubatão (São Paulo), respectively, designated to the domestic market and export.

The Company, through its subsidiaries, jointly-controlled subsidiaries and affiliates (collectively, "Usiminas Companies"), maintains several service and distribution centers in various regions of Brazil, in addition to the Cubatão and Praia Mole ports located in the states of São Paulo and Espírito Santo, respectively, as strategic points for the shipping of its production.

The Company's shares are listed for trading on the São Paulo Stock Exchange (BM&FBOVESPA) under the tickers USIM3, USIM5 and USIM6.

The Company has been implementing measures to improve its financial and operating performance. Among these are to be highlighted the increase in the operational productivity, reduction of structural expenses (selling and administrative), control of working capital, principally investments in Capital Expenditure (Capex), in addition to reduction of its indebtedness. In addition, the Company has a significant amount of cash with its foreign subsidiaries.

In order to expand its business activity, the Company holds, directly or indirectly, interest in subsidiaries, jointly-controlled subsidiaries and affiliates, as mentioned in Note 1 to the financial statements as at December 31, 2013.

2 Interim financial information

The Board of Directors' meeting held on July 23, 2014 approved the issue and disclosure of the interim financial information contained in the Company and Consolidated Quarterly Information Form (ITR).

3 Presentation of the interim financial information, summary of significant accounting practices and judgments

The significant accounting practices and judgments applied in this interim financial information are consistent with the practices and judgments described in Note 3 (accounting practices) and Note 4 (judgments) to the Company's financial statements for year ended December 31, 2013, filed with the Brazilian Securities and Exchange Commission (CVM). These practices and judgments have been consistently adopted in all the years presented.

The financial information, including the accompanying notes, is presented in thousands of reais (R$ thousand), unless otherwise stated.

3.1 Basis of preparation

The interim financial information for the three six-month period ended June 30, 2014 must be read jointly with the Company's financial statements for the year ended December 31, 2013.

Considering that there were no significant changes in relation to the breakdown and nature of the balances stated in the financial statements as at December 31, 2013, the following Notes are presented in a summarized manner for the six-month period ended June 30, 2014:

8 Trade accounts receivable;
12 Judicial deposits;
13 Investments;
14 Property, plant and equipment;
15 Intangible assets;
16 Loans, financing and debentures;
17 Provisions for contingencies;
18 Retirement benefit obligations;
19 Equity; and
26 Stock option plan.

(a) Individual interim financial information - Company

The individual interim financial information of USIMINAS, presented herein as the Company, was prepared in accordance with CPC 21 (R1), "Interim Financial Reporting", consistent with the CVM Rules.

In the individual financial information, subsidiaries, affiliates and jointly-controlled subsidiaries were account for by the equity method. The same adjustments were made to both individual and consolidated financial information so as to reach the same P&L and equity attributable to controlling shareholders. In the case of USIMINAS, accounting practices adopted in Brazil applied to individual financial information differ from IFRS applicable to separate financial statements only as regards the application of the equity method to measure investments in subsidiaries, jointly-controlled subsidiaries and affiliates, which would be measured at cost or fair value under IFRS.

(b) Consolidated interim financial information - Consolidated

The consolidated interim financial information, presented herein as Consolidated, was prepared in accordance with CPC 21 (R1) and IAS 34, "Interim Financial Reporting", consistent with the CVM Rules.

3.2 Standards, amendments and interpretations to standards

In the six-month period ended June 30, 2014, no new standards, amendments and interpretations to standards were issued, in addition to those disclosed in Note 3.23 to the Company's financial statements for the year ended December 31, 2013. In addition, no changes in relation to expected and disclosed impacts were observed in those financial statements that could affect the interim financial information of such period.

3.3 Law No. 12973/2014 (Provisional Executive Order (MP) No. 627/2013 signed into law)

The Company has analyzed the provisions set forth by Law No. 12973 of May 13, 2014 (former MP No. 627/2013 of November 11, 2013, signed into law) and Revenue Procedure No. 1397 (IN No. 1397) of September 16, 2013, amended by Revenue Procedure No. 1422 of December 19, 2013 (IN No. 1397).

Law No. 12973 repeals the Transition Tax Regime (RTT) - set forth by Law No. 11638/07 to give tax neutrality in determining the income and social contribution tax basis - and introduces a new system so that companies domiciled in Brazil pay taxes on P&L of their foreign subsidiaries and affiliates beginning 2015.

Approved by the Executive Power, such law upholds the tax principles provided by MP No. 627, particularly as regards the early adoption of the Transition Tax Regime (RTT) extinguishment still in 2014, which remains optional, however with no relation with past events of distribution of profits. As a consequence, no tax effects will apply for those that do not elect such early adoption.

In this connection, management intends to adopt this law, which is mandatorily required on or after January 1, 2015, and expects no significant impacts from its application on the Company's P&L.

4 Financial risk management objectives and policies

At June 30, 2014, there were no significant changes in policies or financial risk management in relation to those disclosed in the Company's financial statements for the year ended December 31, 2013.

The information related to: (a) cash flow of financial instruments; (b) assets and liabilities pegged to foreign exchange rate variation; (c) opening of loans and financings and debentures by currency and interest rate; (d) financial leverage ratio; and (e) the fair value of loans and financing and other financial assets and liabilities had no significant changes in relation to that disclosed in the Company's financial statements at December 31, 2013 and, therefore, management decided not to repeat the disclosure in the interim financial information at June 30, 2014.

4.1 Currency risk

Usiminas Companies operate internationally and are exposed to currency risk arising from exposures to certain currencies, primarily with respect to the US dollar and, to a lesser extent, the yen and euro. Currency risk arises from assets and liabilities contracted in foreign currency.

	Consolidated	
	06/30/2014	**12/31/2013**
Assets in foreign currency		
Cash and cash equivalents	**287,136**	95,977
Marketable securities	**808,687**	833,558
Accounts receivable and current accounts of affiliates	**258,612**	312,092
Advances to suppliers	**11,850**	8,460
	1,366,285	1,250,087
Liabilities in foreign currency		
Loans and financing	**(2,378,108)**	(2,364,859)
Trade accounts payable, general contractors and freight	**(632,882)**	(614,622)
Advances from customers	**(6,212)**	(8,243)
Other accounts payable	**(147,291)**	(288,416)
	(3,164,493)	(3,276,140)
Gross exposure	**(1,798,208)**	(2,026,053)

4.2 Sensitivity analysis table

(a) Sensitivity analysis - currency risk of assets and liabilities in foreign currency

The Company prepares a sensitivity analysis for assets and liabilities contracted in foreign currency, outstanding at the end of the period, considering for the probable scenario the prevailing foreign exchange rate at June 30, 2014. Scenario I considered a 5% depreciation of the Real on the current situation. Scenarios II and III were calculated with deterioration of 25% and 50%, respectively, of the Real on the amount of foreign currency at June 30, 2014.

Currencies used in the sensitivity analysis and their respective scenarios are as follows:

		06/30/2014		
Currency	**Exchange rate at the end of the period**	**Scenario I**	**Scenario II**	**Scenario III**
US$	**2.2025**	**2.3126**	**2.7531**	**3.3038**
EUR	**3.0150**	**3.1658**	**3.7688**	**4.5225**
JPY	**0.0218**	**0.0228**	**0.0272**	**0.0326**

The effects on financial P&L considering Scenarios I, II and III are as follows:

	Consolidated		
	06/30/2014		
Currency	**Scenario I**	**Scenario II**	**Scenario III**
US$	**(63,806)**	**(319,032)**	**(638,065)**
EUR	**(1,244)**	**(6,221)**	**(12,441)**
YEN	**(334)**	**(1,671)**	**(3,341)**

Derivative financial instruments linked to currency exposure were included in the sensitivity analysis of assets and liabilities in foreign currency, based on the objective of these instruments, which is to minimize the impact from fluctuations in foreign currency. These derivative financial instruments are described in Note 5.

(b) Sensitivity analysis of interest rate variations

The Company prepares sensitivity analysis of financial assets and liabilities bearing interest rates, outstanding at the end of the period, considering the rates in force at June 30, 2014 as the probable scenario. Scenario I considers a 5% increase on the average interest rate applicable to the floating portion of its current debt. Scenarios II and III were calculated with deterioration of 25% and 50%, respectively, on the amount of these rates at June 30, 2014.

The rates used and their respective scenarios are as follows:

	06/30/2014			
Index	Rates at the end of the period (i)	Scenario I	Scenario II	Scenario III
Interbank Deposit Certificate (CDI)	10.8%	11.3%	13.5%	16.2%
Long-Term Interest Rate (TJLP)	5.0%	5.3%	6.3%	7.5%
LIBOR	0.5%	0.6%	0.7%	0.8%

(i) Annual rates.

The effects on financial P&L considering Scenarios I, II and III are as follows:

	Consolidated 06/30/2014		
Index	Scenario I	Scenario II	Scenario III
CDI	(12,423)	(62,116)	(124,231)
TJLP	(1,823)	(9,113)	(18,226)
LIBOR	(269)	(1,347)	(2,695)

The specific interest rates to which the Company is exposed, and that are related to loans and financing and debentures, are presented in Note 20 to the financial statements at December 31, 2013, and are mainly composed of Libor, Long-term Interest rate (TJLP) and Interbank Deposit Certificate (CDI).

Derivative financial instruments linked to interest rate were included in the sensitivity analysis of changes in interest rates, based on the objective of these instruments, which is to minimize the impact of fluctuations in interest rates.

5 Derivative financial instruments

Usiminas Companies participate in swap transactions in order to hedge and manage the risks inherent to the change in foreign currencies, interest rates, prices, among others. These transactions aim to reduce currency exposure and abrupt changes in commodity prices. Usiminas Companies have no financial instruments for speculative purposes. The Company's policy consists of not settling their transactions before their respective original maturities, as well as not making advance payments of their derivative financial instruments.

The determination and recognition of the market value of the Company's derivative financial instruments (swaps) are based on the future cash flows, taking into consideration contractual conditions, which are adjusted to present value based on market curves obtained through indexes provided by Bloomberg, BM&F and CETIP.

The book balances of transactions with derivative financial instruments are described below:

	Company		Consolidated	
	06/30/2014	**12/31/2013**	**06/30/2014**	**12/31/2013**
Current assets	**-**	396	**40,437**	45,637
Noncurrent assets	**97,226**	23,234	**97,226**	40,608
Current liabilities	**(71,931)**	(51,015)	**(81,741)**	(51,015)
Noncurrent liabilities	**(20,287)**	(26,153)	**(91,748)**	(52,910)
Total	**5,008**	(53,538)	**(35,826)**	(17,680)

	Company		Consolidated	
	06/30/2014	**06/30/2013**	**06/30/2014**	**06/30/2013**
Cost of sales and/or services	**(136)**	(1,795)	**(136)**	(666)
On financial P&L	**33,134**	(213,152)	**(24,561)**	19,204
Total	**32,998**	(214,947)	**(24,697)**	18,538

The transactions with derivative financial instruments are summarized below:

(a) Company

Maturity - month/year	Index		REFERENCE VALUE (amount contracted - Notional)				Fair (Market) value - Book		L&L for the period
	06/30/2014		06/30/2014		12/31/2013		06/30/2014	12/31/2013	06/30/2014
	Long position	Short position	Long position	Short position	Long position	Short position	Long (short) position	Long (short) position	Gain (loss)
CURRENCY RATES HEDGE (SWAP)									
Credit Suisse	02/09 to 02/14	Libor + 4% p.a.	100% CDI	-	-	US$ 10,000	R$ 23,784	-	124	(715)
Merrill Lynch	09/10 to 03/17	Libor + 0.83%	3.05% p.a.	US$ 96,000	US$ 96,000	US$ 96,000	US$ 96,000	(6,428)	(8,251)	(243)
Santander	01/08 to 01/18	Yen + 4.1165% p.a..	Dollar + 7.34% p.a.	JPY 42,952,000	US$ 400,000	JPY 42,952,000	US$ 400,000	(8,540)	(52,051)	28,684
Santander	06/06 to 06/16	Yen + 4.275% p.a.	Dollar + 8.35% p.a.	JPY 22,800,000	US$ 200,000	JPY 22,800,000	US$ 200,000	30,646	6,368	16,078
Votorantim	03/14 to 03/15	VC + 2.4% p.a..	108.5% CDI	USD 19,149	R$ 45,000	-	-	(1,175)	-	(1,175)
Santander	03/14 to 03/15	VC + 2.0503% p.a..	108.5% CDI	USD 20,454	R$ 48,000	-	-	(1,171)	-	(1,171)
Itau BBA	06/14 to 06/19	VC +2.68% p.a..	109% CDI	USD 135,233	R$ 300,000	-	-	(8,324)	-	(8,324)
								Financial income for the period		**33,134**
COMMODITY PRICE HEDGE - ZINC										
ABC BRASIL S.A.	01/31/2014	Average price (Zn) x Ptax	Purchase price (Zn) x Ptax	-	-	USD 1,636	USD 1,598	-	92	(30)
BRADESCO S.A.	02/28/2014	Average price (Zn) x Ptax	Purchase price (Zn) x Ptax	-	-	USD 1,672	USD 1,596	-	180	(106)
								P&L for the period - cost of sales and/or services		**(136)**
								Total gain on financial instruments		**32,998**
								Book balance (net long position/ short position)	**5,008**	**(53,538)**

(b) Consolidated

Maturity - month/year	INDEX		REFERENCE VALUE (amount contracted - Notional)				Fair (Market) value - Book		P&L for the period
	06/30/2014		06/30/2014		12/31/2013		06/30/2014	12/31/2013	06/30/2014
	Long position	Short position	Long position	Short position	Long position	Short position	Long (short) position	Long (short) position	Gain (loss)
CURRENCY RATES HEDGE (SWAP)									
Credit Suisse	02/09 to 02/14	Libor + 4% p.a.	100% CDI	-	-	US$ 10,000	R$ 23.784	-	124	(715)
Merrill Lynch	09/10 to 03/17	Libor + 0.83%	3.05% p.a.	US$ 96,000	US$ 96,000	US$ 96,000	US$ 96,000	(6,428)	(8,251)	(243)
Santander	01/08 to 01/18	Yen + 4.1165% p.a.	Dollar + 7.34% p.a.	JPY 42,952,000	US$ 400,000	JPY 42,952,000	US$ 400,000	(8,540)	(52,051)	28,684
Santander	06/06 to 06/16	Yen + 4.275% p.a.	Dollar + 8.35% p.a.	JPY 22,800,000	US$ 200,000	JPY 22,800,000	US$ 200,000	30,646	6,368	16,078
Votorantim	03/14 to 03/15	VC + 2.4% p.a.	108.5% CDI	USD 19,149	R$ 45	-	-	(1,175)	-	(1,175)
Santander	03/14 to 03/15	VC + 2.4% p.a.	108.5% CDI	USD 20,454	R$ 48	-	-	(1,171)	-	(1,171)
Itau BBA	06/14 to 06/19	VC + 2.68% p.a.	109% CDI	USD 135	R$ 300	-	-	(8,324)	-	(8,324)
Santander	06/06 to 06/16	Dollar + 8.25 p.a.	Yen + 4.275 % p.a.	US$200,000	JPY 22,800,000	US$200,000	JPY 22,800,000	(31,400)	(7,607)	(16,068)
Santander	01/08 to 01/18	Dollar + 7.25 p.a.	Yen + 4.1165 % p.a.	US$400,000	JPY 42.952.000	US$400,000	JPY 42,952,000	376	43	(28,301)
Bradesco	02/14 to 12/14	Exchange variation	87.80% CDI	USD 47,872	R$ 114,893	-	-	(9,810)	-	(15,105)
Itau BBA	06/11 to 06/14	VC + 3.7 % p.a.	106.50% CDI	-	-	US$3,777	R$ 6,000	-	515	1,779
								Financial income for the period		**(24.561)**
COMMODITY PRICE HEDGE - ZINC										
ABC BRASIL S.A.	01/31/2014	Average Price (Zn) x Ptax	Purchase Price (Zn) x Ptax	-	-	USD 1,636	USD 1,598	-	92	(30)
BRADESCO S.A.	02/28/2014	Average Price (Zn) x Ptax	Purchase Price (Zn) x Ptax	-	-	USD 1,672	USD 1,596	-	180	(106)
								P&L for the period - cost of sales and/or services		**(136)**
								Total gain on financil instruments		**(24,697)**
								Consolidated book balance (net long position / short position)	**(35,826)**	**(17,680)**

(c) Hedging activities - cash flow hedge (hedge accounting)

On August 1, 2011, the Company designated certain pre-export financing to hedge against part of currency risk arising from highly probable future transactions (exports) and decided to discontinue hedge accounting of these exports as from October 1, 2012.

On February 27, 2014, the Company settled the amount of US$10,000 thousand referring to the last installment of pre-export financing, originally designated as hedging instrument. The accumulated net book value in equity amounting to R$4,744 (R$3,131 net of tax effects) was reversed to financial expenses for the period.

6 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and highly liquid short-term investments maturing within three months and posing insignificant risk of any change in value, as follows:

	Company	
	06/30/2014	12/31/2013
	Fair value through profit or loss	Fair value through profit or loss
Bank checking account	**59,802**	40,455
Foreign bank checking account	**77,922**	18,575
Bank Deposit Certificates - CDB and repurchase agreements	**292,669**	654,212
Total	**430,393**	713,242

	Consolidated					
	06/30/2014			12/31/2013		
	Loans and receivables	Fair value through profit or loss	Total	Loans and receivables	Fair value through profit or loss	Total
Bank checking account	**-**	**94,659**	**94,659**	-	56,282	56,282
Foreign bank checking account	**-**	**120,264**	**120,264**	-	62,515	62,515
Bank Deposit Certificates (CDB)	**-**	**1,699,642**	**1,699,642**	-	2,480,928	2,480,928
Foreign short-term investments (Time (Deposit)	**166,872**	**-**	**166,872**	33,462	-	33,462
Total	**166,872**	**1,914,565**	**2,081,437**	33,462	2,599,725	2,633,187

Highly liquid short-term investments in Bank Deposit Certificates (CDBs) are remunerated at the average variation of 102.2% of the Interbank Deposit Certificate (CDI).

The fair value of CDBs is based on CDI percentages. CDI rates are obtained in the Brazil's OTC Clearing House (CETIP).

7 Marketable securities

	Company		Consolidated	
	Loans and receivables		Loans and receivables	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
Foreign short-term investments (Time Deposit)	**-**	-	**808,687**	833,558
Repurchase agreements	**4,313**	1,536	**4,325**	2,071
Total	**4,313**	1,536	**813,012**	835,629

Foreign short-term investments are remunerated at fixed rates ranging from 0.97% to 1.70% p.a. plus exchange variation.

8 Trade accounts receivable

	Company		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
Trade accounts receivable:				
In Brazil	**726,680**	757,865	**1,419,685**	1,345,642
Abroad	**193,949**	190,157	**226,835**	268,874
Allowance for doubtful accounts	**(51,189)**	(54,185)	**(74,968)**	(74,690)
Trade accounts receivable, net	**869,440**	893,837	**1,571,552**	1,539,826
Accounts receivable from related parties				
In Brazil	**345,559**	174,267	**43,286**	54,670
Abroad	**39,922**	74,618	**9,917**	45,055
Accounts receivable from related parties	**385,481**	248,885	**53,203**	99,725
Total	**1,254,921**	1,142,722	**1,624,755**	1,639,551

Trade accounts receivable do not qualify for financing and are initially measured and recorded at fair value.

Changes in the allowance for doubtful accounts of Usiminas Companies are as follows:

	Company		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
Opening balance	**(54,185)**	(98,382)	**(74,690)**	(116,736)
Additions	**(1,360)**	(34,888)	**(4,935)**	(41,055)
Reversals to P&L	**823**	21,718	**1,121**	25,136
Write-offs	**3,075**	57,611	**3,078**	57,611
Exchange gain (losses)	**458**	(244)	**458**	354
Closing balance	**(51,189)**	(54,185)	**(74,968)**	(74,690)

The set up and reversal of the allowance for doubtful accounts of impaired trade accounts receivable were recorded in P&L for the year as “Selling expenses”. The amounts debited to the allowance account are written off when they are not expected to be collectible.

The maximum exposure to credit risk at the financial statement reporting date is the book value of each class of the above-mentioned receivables, before set up of the allowance for doubtful accounts. Usiminas Companies have no security as collateral for trade accounts receivable.

9 Inventories

	Company		Consolidated	
	06/30/2014	**12/31/2013**	**06/30/2014**	**12/31/2013**
Finished products	**910,395**	841,416	**1,103,291**	1,040,633
Work-in-process	**1,016,960**	1,057,351	**1,032,910**	1,075,145
Raw materials	**553,320**	474,020	**985,273**	810,576
Suppliers and spare parts	**551,766**	532,253	**623,452**	586,248
Imports in transit	**97,256**	77,271	**101,583**	77,275
Other	**256,612**	206,831	**310,414**	260,543
Total	**3,386,309**	3,189,142	**4,156,923**	3,850,420

At June 30, 2014, the Company had a provision for impairment and obsolescence of inventory items amounting to R$21,509 (R$15,782 at December 31, 2013). In Consolidated, this provision amounted to R$34,180 (R$19,425 at December 31, 2013). The matching entry of the above-mentioned provision was recorded under “Cost of sales and/or services” in the statement of operations.

At June 30, 2014, the increase in such provision generated a negative effect on the cost of sales and/or services in the amount of R$5,727 (revenue of R$20,724 at June 30, 2013). In Consolidated, this effect totaled an expense of R$14,755 (revenue of R$19,091 at June 30, 2013).

At June 30, 2014, the Company recorded inventories amounting to R$16,404 (R$15,241 at December 31, 2013) given as guarantee of legal proceedings.

10 Taxes recoverable

The taxes recoverable comprise tax credits and prepayment of taxes. The Company periodically monitors the evolution of accumulated tax credits, aiming its use in the short-term. Breakdown thereof is as follows:

	Company			
	06/30/2014		12/31/2013	
	Current	Noncurrent	Current	Noncurrent
Corporate Income Tax (IRPJ)	**72,248**	**-**	54,308	-
Social Contribution Tax on Net Profit (CSLL)	**4,637**	**-**	169	-
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	**2,015**	**-**	8,713	-
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	**9,283**	**-**	40,134	-
State VAT (ICMS)	**58,541**	**46,167**	69,142	46,956
Federal VAT (IPI)	**4,236**	**-**	4,970	-
Export Credit - Reintegra (i)	**-**	**-**	13,386	-
Other	**-**	**11,711**	-	11,710
Total	**150,960**	**57,878**	190,822	58,666

	Consolidated			
	06/30/2014		12/31/2013	
	Current	Noncurrent	Current	Noncurrent
IRPJ	**78,425**	**-**	66,143	-
CSLL	**11,807**	**-**	5,528	-
PIS	**3,549**	**272**	9,860	374
COFINS	**16,447**	**1,255**	45,545	1,726
ICMS	**154,545**	**93,893**	146,619	99,509
IPI	**37,405**	**-**	31,125	-
Export Credit – Reintegra (i)	**-**	**-**	13,386	-
Other	**3,523**	**11,866**	5,314	11,865
Total	**305,701**	**107,286**	323,520	113,474

(i) This refer to the Special Tax Refund Regime for Exporting Companies (REINTEGRA) aimed at refunding amounts arising from remaining tax costs determined in the production chain of export companies. This benefit was extinguished on January 1, 2014.

11 Income and social contribution taxes

(a) Income taxes

Income and social contribution taxes differ from the theoretical value that would be obtained by using the nominal rates of these taxes, applicable to book income before taxation due to adjustments provided by the Brazilian tax law, as under:

	Company		Consolidated	
	06/30/2014	06/30/2013	06/30/2014	06/30/2013
Income before income taxes	**430,006**	(432,485)	**564,682**	(308,583)
Nominal rates	**34%**	34%	**34%**	34%
Income taxes calculated at nominal rates	**(146,202)**	147,045	**(191,992)**	104,918
Adjustments to determine taxes on effective profit:				
Equity pickup	**40,173**	118,384	**35,541**	26,627
Interest on Equity (IOE)	**(11,805)**	(29,971)	**926**	11,973
Permanent exclusions (additions)	**(12,832)**	(15,587)	**(15,187)**	(16,559)
Tax incentive	**-**	-	**657**	(496)
Nontaxable profit and rate differences of foreign subsidiaries	**-**	-	**(41,888)**	39,983
Other	**(311)**	(476)	**(2,500)**	(2,682)
Income and social contribution taxes	**(130,977)**	219,395	**(214,443)**	163,764
Current	**(286)**	-	**(75,202)**	(66,401)
Deferred	**(130,691)**	219,395	**(139,241)**	230,165
Income and social contribution taxes on P&L	**(130,977)**	219,395	**(214,443)**	163,764

The differences between the assets and liabilities' tax bases included in the accounting records and prepared in accordance with International Financial Reporting Standards (IFRS) and the Brazilian FASB (CPC), were recognized as temporary differences for accounting purpose of deferred taxes as a matching entry of expense (or income) in P&L.

There are no current tax items presented in equity of these financial statements.

(b) Deferred income and social contribution taxes

Changes in deferred income and social contribution taxes, net for the six-month period ended June 30, 2014, are as follows:

	Assets	
	Company	Consolidated
Balance at December 31, 2013	**1,419,871**	**1,914,996**
(Reversal of) deferred taxes in P&L, net	**(130,691)**	**(139,241)**
Deferred taxes on comprehensive income/loss (actuarial liabilities)	**31,121**	**31,121**
Reversal of deferred taxes on comprehensive income/loss (hedge accounting)	**(1,613)**	**(1,613)**
Adjustment from IAS 29 on property, plant and equipment	**4,120**	**4,120**
Balance at June 30, 2014	**1,322,808**	**1,809,383**

Deferred tax assets and liabilities are broken down as follows:

	Company		Consolidated	
	06/30/2014	**12/31/2013**	**06/30/2014**	**12/31/2013**
Deferred assets arising from income and social contribution tax losses	**1,077,621**	1,073,218	**1,154,948**	1,147,844
Deferred assets arising from temporary differences	**584,010**	717,324	**1,021,429**	1,161,663
Deferred liabilities arising from temporary differences	**(338,823)**	(370,671)	**(366,994)**	(394,511)
Balance at June 30, 2014	**1,322,808**	1,419,871	**1,809,383**	1,914,996

The long-term deferred income and social contribution taxes are expected to be realized according to future taxable profits based on projections approved by Company management, in accordance with accounting practices adopted in Brazil. These projections are based on assumptions that reflect the Company's economic and operational environment.

The projections are subject to factors that may vary in relation to actual data.

According to projections approved by the Board of Directors and the balance of deferred income tax asset (tax loss and temporary differences) at June 30, 2014, taxes are expected to be realized as follows:

	Company	Consolidated
2014	**4,240**	**138,328**
2015	166,235	246,497
2016	219,007	300,992
2017	256,736	340,997
From 2018 onwards	1,015,413	1,149,563
Assets	1,661,631	2,176,377
Liabilities	(338,823)	(366,994)
Net assets	1,322,808	1,809,383

Considering that the income and social contribution tax basis comprises not only profit to be generated, but also nontaxable income, nondeductible expenses, tax incentives and other variables, there is no immediate correlation between net income of the Company and income and social contribution taxes amount.

As such, expected use of tax credits should not be regarded as the sole indication of future profits or losses of Usiminas Companies.

12 Judicial deposits

Changes in judicial deposits for the six-month period ended June 30, 2014 are as under:

	Company	Consolidated
Balance at December 31, 2013	**700,225**	**763,420**
Additions	**37,955**	**44,657**
Interest/restatements	**6,154**	**7,308**
Reversals	**(21,015)**	**(22,445)**
Balance at June 30, 2014	**723,319**	**792,940**
(-) Offsetting with taxes in installments	**(198,016)**	**(198,016)**
Balance at June 30, 2014	**525,303**	**594,924**

In addition, at June 30, 2014, the Company has chattels and real properties, bank guarantees and insurance given as guarantee in legal proceedings amounting to R$2,161,644, and in Consolidated amounting to R$2,992,717.

At June 30, 2014, the amount of R$198,016, stated under “Offset of taxes in installments”, refer to legal and administrative proceedings through which the Company adhered to Law No. 11941/2009 and Provisional Executive Order No. (MP) No. 470/2009. These proceedings, which are awaiting the approval by the Brazilian IRS (RFB), refer to: IPI - R$106,138; INSS - R$8,405; IRPJ/CSLL - R$57,089 and CIDE - R$26,384.

13 Investments

(a) Changes in investments

Changes in investments for the six-month period ended June 30, 2014 may be summarized as follows:

(i) Company

	12/31/2013	Equity pickup	Interest on equity and dividends	Unrealized income in inventories	Other	06/30/2014
Subsidiaries						
Cosipa Comercial	32,200	(8,915)	-	-	-	**23,285**
Cosipa Overseas	16,007	(579)	(14,916)	-	-	**512**
Mineração Usiminas	4,070,034	123,846	(183,911)	-	407	**4,010,376**
Soluções Usiminas	756,461	1,610	-	(29,292)	-	**728,779**
Usiminas Comercial	52,224	(10,079)	-	-	-	**42,145**
Usiminas Europa	1,742,345	(79,133)	-	-	-	**1,663,212**
Usiminas International	34,676	(1,713)	-	-	-	**32,963**
Usiminas Mecânica	534,255	10,818	-	(476)	-	**544,597**
UPL	55,280	3,335	(3,590)	-	117	**55,142**
Goodwill in subsidiaries	129,100	-	-	-	(349)	**128,751**
	7,422,582	39,190	(202,417)	(29,768)	175	**7,229,762**
Jointly-controlled subsidiaries						
Fasal Trading Brasil	10,380	(378)	-	-	-	**10,002**
Unigal	636,738	79,449	(94,500)	-	-	**621,687**
Usiroll	8,743	649	-	-	(6)	**9,386**
	655,861	79,720	(94,500)	-	(6)	**641,075**
Affiliates						
Codeme	47,925	2,669	(2,356)	-	341	**48,579**
Metform	11,985	544	(700)	-	126	**11,955**
MRS	7,762	474	(624)	-	18	**7,630**
Goodwill in affiliates	79,464	-	-	-	-	**79,464**
	147,136	3,687	(3,680)	-	485	**147,628**
Total	8,225,579	122,597	(300,597)	(29,768)	654	**8,018,465**

Equity pickup presented in the Company's statement of operations and cash flow statement includes the amount of R$4,445 referring to losses on subsidiary's capital deficiency, and R$29,768 referring to unrealized income on inventories.

(ii) Consolidated

	12/31/2013	Additions (write-offs)	Equity pickup	Interest on equity and dividends	Other	06/30/2014
Jointly-controlled subsidiaries						
Fasal Trading Brasil	10,380	-	(378)	-	-	10,002
Modal	2,283	-	1,039	(876)	-	2,446
Unigal	636,738	-	79,449	(94,500)	-	621,687
Usiroll	8,743	-	649	-	(6)	9,386
Goodwill in jointly-controlled subsidiaries	28,020	-	-	-	-	28,020
	686,164	-	80,759	(95,376)	(6)	671,541
Affiliates						
Codeme	47,925	-	2,669	(2,356)	341	48,579
Metform	11,985	-	544	(700)	126	11,955
MRS	304,636	-	19,378	(13,037)	716	311,693
Terminal Paraopeba	881	24	(4)	-	-	901
Terminal Sarzedo	2,200	-	1,207	(1,221)	-	2,186
Other	2,868	-	(21)	-	-	2,847
Goodwill in affiliates	103,289	-	-	-	-	103,289
	473,784	24	23,773	(17,314)	1,183	481,450
Total	1,159,948	24	104,532	(112,690)	1,177	1,152,991

Equity interests and other investment information above were not changed and are disclosed in Note 16 to the Company's financial statements at December 31, 2013.

(b) Other significant investment information

(i) Sale of subsidiary

On June 14, 2013, the Company entered into a Purchase and Sale Agreement with Aethra Sistemas Automotivos S.A. providing for transfer of 100% interest held by the Company in Automotiva Usiminas S.A. to Aethra. This process was completed on January 28, 2014.

With the completion of referred to transaction, the Company's consolidated information at December 31, 2013 and June 30, 2014 does not comprise Automotiva Usiminas S.A. data.

(ii) Mineração Usiminas - port operation service agreement entered into with MMX

Mineração Usiminas S.A. (MUSA) has an agreement with Porto Sudeste do Brasil S.A. (current corporate name of MMX Sudeste Ltda.), for rendering of port operation services in connection with receipt, handling, warehousing and shipment of ore owed by MUSA in the Southeast Port Terminal under Take-or-Pay and Delivery-or-Pay contracts. The service agreement provides for penalties in favor of MUSA for delay in the startup of such port operations that, at June 30, 2014, reached the total amount of approximately R$310,782, interest charges included. This amount was not recorded at MUSA and the Company is taking reasonable measures in order to safeguard its rights.

14 Property, plant and equipment

Changes in property, plant and equipment for the six-month period ended June 30, 2014 may be summarized as follows:

	Company	Consolidated
Balances at December 31, 2013	**13,372,382**	**15,506,833**
Additions	**418,870**	**488,918**
Write-offs	**(254)**	**(11,709)**
Depreciation	**(451,347)**	**(523,738)**
Interest and monetary/exchange gain (losses) capitalized (i)	**21,785**	**21,785**
Transfer to intangible assets	**(910)**	**(1,262)**
Write-off of advances	**(1,929)**	**(2,008)**
Other	**(9,080)**	**(19,079)**
Balances at June 30, 2014	**13,349,517**	**15,459,740**

(i) These charges, amounting to R$21,785 at June 30, 2014, were capitalized to the rates contracted, which are stated in Note 20 to the financial statements as at December 31, 2013.

At June 30, 2014, additions to PPE amounting to R$488,918 mainly refer to Ipatinga Coke Plant No. 2 (R$159,347); improvements in the Sintering of Cubatão plant (R$37,840); and Friable Project of Mineração Usiminas (R$22,708).

15 Intangible assets

Changes in intangible assets for the six-month period ended June 30, 2014 are as follows:

	Company	Consolidated
Balance at December 31, 2013	**161,178**	**2,400,577**
Additions	**5,192**	**9,685**
Amortization	**(6,256)**	**(20,877)**
Transfers from PPE	**910**	**1,262**
Balance at June 30, 2014	**161,024**	**2,390,647**

At June 30, 2014, additions to intangible assets mainly refer to IT solution for occupational health and software license.

16 Loans, financing and debentures

(a) Loans and financing

Changes in loans and financing are as follows:

	Company	Consolidated
Balance at December 31, 2013	**6,626,563**	**5,801,536**
Loans and financing taken out (i)	**801,674**	**802,496**
Accrued charges	**84,794**	**69,290**
Monetary variation	**122,229**	**124,137**
Exchange variation	**(138,076)**	**(134,701)**
Interest amortization	**(207,378)**	**(194,782)**
Amortization of principal	**(850,138)**	**(864,391)**
Deferral of commissions	**2,942**	**2,942**
Balance at June 30, 2014	**6,442,610**	**5,606,527**
Current liabilities	1,465,048	1,510,713
Noncurrent liabilities	4,977,562	4,095,814

(i) At June 30, 2014, loans and financing taken out are mainly comprised of the following agreements:

(a) Agreement entered into with Banco do Brasil as a source of working capital, whose principal amounts to R$400,000 maturing from 2016 to 2020, amortized in semiannual installments and remunerated by the CDI;

(a) Agreement entered into with Itaú BBA as a source of working capital, whose principal amounts to R$300,000 maturing from 2016 to 2019, amortized in semiannual installments and remunerated by a fixed interest rate.

Noncurrent amounts mature as follows:

	Company		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
2015	**296,692**	1,324,873	**301,471**	1,334,271
2016	**1,729,073**	1,596,074	**1,397,668**	1,261,857
2017	**923,875**	775,489	**930,674**	782,252
2018 to 2023	**2,027,922**	1,698,362	**1,466,001**	1,134,511
	4,977,562	5,394,798	**4,095,814**	4,512,891

(b) Debentures

Changes in debentures are as follows:

	Company and Consolidated
Balance at December 31, 2013	**1,039,445**
Accrued charges and other	**13,026**
Monetary variation	**42,137**
Interest amortization	**(51,454)**
Balance at June 30, 2014	**1,043,154**
Current liabilities	44,920
Noncurrent liabilities	998,234

The operation of simple debentures, whose launching took place on January 30, 2013, will mature in 2017 and 2019.

At June 30, 2014, charges on debentures amounting to R$44,920 are recorded under current liabilities (R$32,063 at June 30, 2013).

(c) Other significant information on loans and financing

(i) Revolving credit facility

On May 15, 2014, the Board of Directors approved taking out a revolving credit facility amounting to R$300.000, which may be used within three years. This transaction was taken out from Banco Itaú Unibanco S.A on June 9, 2014.

(ii) Covenants

At June 30, 2014, the Company has loans and financing with certain contractual conditions, which require compliance with covenants based on certain financial ratios, as described in Note 20 to the financial statements as at December 31, 2013. At June 30, 2014, these ratios were duly performed.

17 Provisions for contingencies

(a) Provisions for contingencies

Breakdown of provision for contingencies and judicial deposits relating to such contingencies is as follows:

	Company					
	06/30/2014			12/31/2013		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
IRPJ and CSLL	**46,005**	**(17,184)**	**28,821**	44,395	(16,923)	27,472
Social Security						
Tax (INSS)	**-**	**-**	**-**	6,104	(6,104)	-
Labor	**235,091**	**(127,236)**	**107,855**	211,501	(116,867)	94,634
Civil	**98,075**	**(9,522)**	**88,553**	140,682	(10,737)	129,945
Other	**15,169**	**(397)**	**14,772**	15,200	(386)	14,814
	394,340	**(154,339**	**) 240,001**	417,882	(151,017)	266,865

	Consolidated					
	06/30/2014			12/31/2013		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
IRPJ and CSLL	**59,980**	**(27,086)**	**32,894**	59,596	(26,825)	32,771
Social Security						
Tax (INSS)	**28**	**(28)**	**-**	6,132	(6,132)	-
PIS/ COFINS	**14,210**	**(13,748)**	**462**	12,335	(11,873)	462
Labor	**271,522**	**133,198)**	**138,324**	261,983	(121,797)	140,186
Civil	**105,407**	**(9,569)**	**95,838**	145,985	(10,737)	135,248
Other	**39,257**	**(3,755)**	**35,502**	20,648	(5,758)	14,890
	490,404	**187,384)**	**303,020**	506,679	(183,122)	323,557

The Company also has judicial deposits recorded in noncurrent assets, for which there are no related provisions for contingencies (Note 12).

Changes in provision for contingencies are as follows:

	Company	Consolidated
Balance at December 31, 2013	**417,882**	506,679
Additions	**44,192**	58,146
Interest/restatements	**14,616**	15,390
Amortization/write-offs	**(63,284)**	(64,066)
Reversals	**(19,066)**	(25,745)
Balance at June 30, 2014	**394,340**	490,404

The provision for contingencies was set up to cover probable losses on administrative and legal proceedings related to tax, labor and civil matters, at an amount deemed sufficient by management, based on the opinion of its internal and external legal advisors.

(b) Possible contingencies

The Company and its subsidiaries are parties to proceedings, not provisioned, which management assessed as possible losses based on the opinion of its legal advisors, amounting to R$4,168,862 at June 30, 2014 (R$3,666,485 at December 31, 2013).

In the six-month period ended June 30, 2014, Usiminas Companies were parties to new proceedings which management assessed as possible losses based on the opinion of its legal advisors, being: R$165,468 for ICMS and R$25,859 for IRPJ/CSLL among other proceedings.

(c) Contingent assets

The Company is party to a proceeding seeking receipt of the full amount paid by Usiminas, Cubatão Branch, to Eletrobras as compulsory loan, according to the criteria of the legislation prevailing at the time this amount was paid. The declaratory judgment action was handed an unappealable decision and is awaiting the filing of the tax collection claim. At June 30, 2014, this proceeding amounts approximately R$700,000.

18 Retirement benefit obligations

The figures and information on retirement benefit obligations are shown below:

	Company		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
Obligations recorded in balance sheet:				
Retirement plan benefits	1,130,944	1,134,240	1,130,944	1,134,240
Post-employment health benefits	96,488	90,380	102,843	96,076
	1,227,432	1,224,620	1,233,787	1,230,316

	Company		Consolidated	
	06/30/2014	06/30/2013	06/30/2014	06/30/2013
Revenues (expenses) recognized in the statement of operations:				
Retirement plan benefits	**4,146**	(18,024)	**4,146**	(18,024)
Post-employment health benefits	**(6,110)**	(3,132)	**(6,738)**	(3,132)
	(1,964)	(21,156)	**(2,592)**	(21,156)

Changes in actuarial gains and losses recognized in other comprehensive income (loss) are as follows:

	Company	Consolidated
Accumulated balance at December 31, 2013	**(498,163)**	**(496,228)**
Actuarial gains (losses) recognized directly in other comprehensive income (loss)	(62,583)	(62,027)
Actuarial gains (losses) of debts contracted and directly recognized in other comprehensive income (loss) - CPC 33 and IFRIC 14	(57,683)	(57,683)
Decrease (increase) in assets (asset ceiling) in other comprehensive income (loss) - paragraphs 58 CPC 33 and IAS 19	59,853	59,853
Accumulated balance at June 30, 2014	(558,576)	(556,085)

Changes in retirement benefit obligations

In line with CPC 33 (R1) and IAS 19, the actuarial study carried out by independent actuary at December 31, 2013 presented a liability of R$1,224,620. The actuarial study referred to will be reviewed at December 31, 2014. Changes in retirement benefits obligations are as follows:

	Company	Consolidated
Balance at December 31, 2013	1,224,620	1,230,316
Amortization	(90,685)	(90,685)
Amounts recognized in P&L	1,964	2,592
Actuarial losses recognized directly in Other comprehensive income (loss)	91,533	91,564
Balance at June 30, 2014	1,227,432	1,233,787

19 Equity

(a) Capital

At June 30, 2014, the Company's capital amounts to R$12,150,000 and is represented by 1,013,786,190 shares, as follows

	Common shares	Class "A" preferred shares	Class "B" preferred shares	Total
Total shares	505,260,684	508,442,943	82,563	1,013,786,190
Total treasury shares	(2,526,656)	(23,705,728)	-	(26,232,384)
Total former treasury shares	502,734,028	484,737,215	82,563	987,553,806

(b) Reserves

At June 30, 2014, there were no changes in the nature and conditions of reserves as described in Note 27 (c) to the Company's financial statements for year ended December 31, 2013. Thus, management decided not to repeat this disclosure in this interim financial information.

20 Business segment information

Management defined operating segments of the Usiminas Companies based on reports used for strategic decision making, reviewed by the Board of Directors. The Board of Directors analyzes its business, segmenting it under the perspective of the products sold.

The revenue generated by the reported operating segments is mostly a result of the manufacturing and sale of steel products and related services.

For purposes of preparation and presentation of the information by business segment, management decided to keep the proportional consolidation of jointly-controlled subsidiaries, as historically presented.

Information on operating income (loss) before financial income, assets and liabilities by reportable segment

	06/30/2014						
	Mining and logistics	Steelmaking	Steel transformation (i)	Capital assets	Subtotal	Eliminations and adjustments	Total
Operating revenue, net	548,298	5,795,123	1,158,211	389,885	7,891,517	(1,642,899)	6,248,618
Cost of sales and/or services	(284,487)	(5,178,089)	(1,099,131)	(346,807)	(6,908,514)	1,513,649	(5,394,865)
Gross profit (loss)	263,811	617,034	59,080	43,078	983,003	(129,250)	853,753
Operating income (expenses)	(76,536)	(157,271)	(62,874)	(22,054)	(318,735)	1,750	(316,985)
Selling expenses	(59,981)	(64,148)	(21,781)	(7,329)	(153,239)	(1,635)	(154,874)
General and administrative expenses	(24,920)	(180,277)	(33,394)	(24,233)	(262,824)	7,081	(255,743)
Other income (expenses)	8,365	87,154	(7,699)	9,508	97,328	(3,696)	93,632
Operating income (loss)	187,275	459,763	(3,794)	21,024	664,268	(127,500)	536,768
Assets	6,215,672	28,444,536	1,637,256	907,878	37,205,342	(6,156,532)	31,048,810
Total assets include:							
Investments in affiliates (except for goodwill)	307,152	68,225	-	2,784	378,161	-	378,161
Additions to noncurrent assets (except for financial instruments and deferred tax assets)	61,333	463,503	13,912	6,530	545,278	(1,995)	543,283
Current and noncurrent liabilities	348,979	11,477,642	514,049	360,263	12,700,933	(713,620)	11,987,313

(i) As described in Note 13(a) (iii), the Company's consolidated information at June 30, 2014 does not contemplate Automotiva Usiminas S.A. data.

				06/30/2013			
	Mining and logistics	**Steelmaking**	**Steel transformation**	**Capital assets**	**Subtotal**	**Eliminations and adjustments**	**Total**
Revenue	471,111	5,563,219	1,184,851	524,480	7,743,661	(1,304,511)	6,439,150
Cost of sales and/or services	(175,740)	(5,297,474)	(1,065,916)	(498,776)	(7,037,906)	1,182,158	(5,855,748)
Gross profit (loss)	295,371	265,745	118,935	25,704	705,755	(122,353)	583,402
Operating income (expenses)	(53,193)	(274,080)	(96,891)	(36,030)	(460,194)	2,354	(457,840)
Selling expenses	(38,691)	(85,005)	(48,691)	(8,487)	(180,874)	(886)	(181,760)
General and administrative expenses	(23,617)	(201,563)	(40,681)	(29,480)	(295,341)	6,569	(288,772)
Other income (expenses)	9,115	12,488	(7,519)	1,937	16,021	(3,329)	12,692
Operating income (loss)	242,178	(8,335)	22,044	(10,326)	245,561	(119,999)	125,562

Sales between segments have been carried out as sales between independent parties.

The turnover is dispersed, and the Company and subsidiaries do not have customers individually representing more than 10% of turnover.

21 Revenue

Reconciliation of gross revenue to net revenue is as follows:

	Company		**Consolidated**	
	06/30/2014	**06/30/2013**	**06/30/2014**	**06/30/2013**
Sales of products				
Domestic market	**6,993,769**	6,752,311	**7,215,364**	7,691,973
Foreign market	**676,659**	679,248	**944,336**	773,150
	7,670,428	7,431,559	**8,159,700**	8,465,123
Sales of services				
Domestic market	**4,424**	7,259	**166,623**	192,407
Foreign market	**10,099**	16,623	**10,099**	16,623
	14,523	23,882	**176,722**	209,030
Gross revenue	**7,684,951**	7,455,441	**8,336,422**	8,674,153
Deductions from revenue	**(1,892,106)**	(1,894,074)	**(2,087,804)**	(2,235,003)
Net revenue	**5,792,845**	5,561,367	**6,248,618**	6,439,150

22 Expenses by nature

	Company		Consolidated	
	06/30/2014	06/30/2013	06/30/2014	06/30/2013
Depreciation and amortization	**(457,603)**	(459,035)	**(544,615)**	(520,330)
Expense on employee benefits	**(543,041)**	(587,243)	**(887,129)**	(1,069,572)
Stock option plan	**(7,181)**	(5,532)	**(7,774)**	(5,532)
Raw materials and consumer and in-use materials	**(3,881,223)**	(3,960,588)	**(3,517,348)**	(3,706,969)
Distribution cost	**(31,870)**	(44,045)	**(85,830)**	(105,429)
Cost of services/sundry sales	**(89,095)**	(41,936)	**(111,371)**	(60,801)
Third-party services	**(522,141)**	(491,191)	**(572,252)**	(574,230)
Revenues (expenses) with contingencies, net	**(25,126)**	(14,409)	**(27,908)**	(18,408)
Gain (loss) on sale of PPE, intangible assets and divestiture	**25,647**	31,828	**27,211**	32,209
Other income (expenses)	**91,010**	(81,651)	**15,166**	(284,526)
	(5,440,623)	(5,653,802)	**(5,711,850)**	(6,313,588)
Cost of sales and/or services	**(5,287,959)**	(5,398,403)	**(5,394,865)**	(5,855,748)
Selling expenses	**(64,086)**	(84,375)	**(154,874)**	(181,760)
General and administrative expenses	**(176,480)**	(197,991)	**(255,743)**	(288,772)
Other operating income (expenses), net	**87,902**	26,967	**93,632**	12,692
	(5,440,623)	(5,653,802)	**(5,711,850)**	(6,313,588)

23 Financial income (expenses)

Financial income (expenses) is as follows:

	Company		Consolidated	
	06/30/2014	06/30/2013	06/30/2014	06/30/2013
Financial income				
Interest income - customers	**4,464**	5,065	**6,525**	6,429
Short-term investment yield	**3,194**	2,225	**20,972**	14,707
Monetary gains	**12,898**	22,098	**80,269**	71,383
Restatement of judicial deposits	**6,154**	16,959	**7,308**	19,039
Interest on tax credits	**3,199**	448	**3,199**	455
Present value adjustment to trade accounts receivable	**56,505**	36,567	**56,505**	36,696
Other financial income	**3,944**	3,167	**1,558**	4,841
	90,358	86,529	**176,336**	153,550
Financial expenses				
Interest on financing and taxes in installments	**(72,736)**	(75,091)	**(61,142)**	(96,662)
Losses on swap transactions	**33,134**	(213,152)	**(24,561)**	19,204
Monetary losses	**(163,816)**	(124,128)	**(170,663)**	(131,126)
Tax on Financial Transactions (IOF)	**(595)**	(632)	**(631)**	(964)
Interest on contingent liabilities	**(14,616)**	(21,892)	**(15,390)**	(23,631)
Present value adjustment to trade accounts payable	**(32,453)**	(28,080)	**(40,391)**	(41,146)
Commissions on financing and other	**(9,211)**	(41,255)	**(9,211)**	(41,268)
Hedge accounting realized	**(4,743)**	(174,752)	**(4,743)**	(174,752)
Other financial expenses	**(4,299)**	(21,927)	**(32,908)**	(41,832)
	(269,335)	(700,909)	**(359,640)**	(532,177)
Exchange gains and losses, net	**168,377**	(61,803)	**106,686**	(133,834)
	(10,600)	(676,183)	**(76,618)**	(512,461)

The foreign exchange gains (losses), net stem from the following transactions in foreign currency: checking accounts, short-term investments, trade accounts receivable, loans and financing, and trade accounts payable.

The Company segregates the Extended Consumer Price Index (IPCA) of loans and financing and short-term investments, which are adjusted at the Interbank Deposit Certificate (CDI) and the Long-Term Interest Rate (TJLP). Therefore, the portion referring to IPCA is segregated of interest on loans and financing and of short-term investment yield.

24 Earnings (loss) per share

Basic and diluted

Basic earnings (loss) per share are calculated by dividing the income (loss) attributable to shareholders of the Company by the weighted average number of outstanding common and preferred shares, excluding the common shares purchased by the Company and held as treasury shares.

The Company has no debt convertible into shares; consequently, the stock option plan does not offer common and preferred shares for dilution purposes (refer to Note 26).

	Company and Consolidated					
	06/30/2014			06/30/2013		
Basic and diluted	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Basic and diluted numerator Net earnings (loss) available to shareholders	145,103	153,926	299,029	(108,517)	(104,573)	(213,090)
Basic and diluted denominator Weighted average number of shares, excluding treasury shares	502,734,028	484,793,787	987,527,815	502,734,030	484,465,150	987,199,180
Earnings (loss) per share in R$ - basic and diluted	0.29	0.32	-	(0.22)	(0.22)	-

25 Transactions with related parties

At June 30, 2014, there were no significant changes in the Company's ownership structure in relation to the one described in Note 36 to the Company's financial statements for year ended December 31, 2013. Therefore, management decided not to repeat this data in this interim financial information.

The main balances and transactions with related parties are as follows:

(a) Current assets

	Company					
	06/30/2014			12/31/2013		
	Trade accounts receivable	**Dividends receivable**	**Other**	**Trade accounts receivable**	**Dividends receivable**	**Other**
Controlling interests						
Confab	**2,172**	**-**	**-**	7,373	-	-
Mitsubishi	**-**	**-**	**78**	-	-	327
Previdência Usiminas	**1**	**-**	**-**	4	-	-
Siderar	**483**	**-**	**-**	660	-	-
Subsidiaries						
Mineração Usiminas	**1,614**	**-**	**2,662**	816	-	-
Rios Unidos	**-**	**-**	**16,390**	-	-	9,050
Soluções Usiminas	**322,210**	**-**	**-**	158,406	1,533	-
Usiminas Eletrogalvanized	**7,153**	**-**	**8,677**	5,202	-	9,228
Usiminas Galvanized	**28,757**	**-**	**15,798**	27,305	-	16,803
Usiminas Mecânica	**12,385**	**29,999**	**28,362**	1,643	29,999	6,081
UPL	**-**	**-**	**-**	-	2,011	-
Jointly-controlled subsidiaries						
Fasal Trading Brasil	**1,792**	**-**	**-**	1,791	-	-
Unigal	**-**	**-**	**-**	110	-	-
Usiroll	**41**	**-**	**-**	47	-	-
Affiliates						
Codeme	**3,608**	**2,356**	**-**	1,014	-	-
Metform	**1,735**	**700**	**-**	3,063	-	-
MRS	**-**	**623**	**-**	-	-	-
Other related parties						
Metal One Corporation	**-**	**-**	**-**	-	-	9
Ternium International Uruguay	**3,521**	**-**	**-**	37,206	-	**-**
Ternium International Costa Rica	**-**	**-**	**-**	2,408	-	-
Ternium International Panama	**-**	**-**	**-**	1,837	-	-
Ternium Procurement - Uruguay	**9**	**-**	**-**	-	-	-
	385,481	**33,678**	**71,967**	248,885	33,543	41,498

	Consolidated					
	06/30/2014			12/31/2013		
	Trade accounts receivable	Dividends receivable	Other	Trade accounts receivable	Dividends receivable	Other
Controlling interests						
Confab	**2,172**	**-**	**-**	7,400	-	-
Previdência Usiminas	**1**	**-**	**-**	4	-	-
Mitsubishi	**-**	**-**	**78**	-	-	327
Siderar	**6,388**	**-**	**-**	3,604	-	-
Noncontrolling interests						
CSN	**626**	**-**	**-**	30,442	-	-
Jointly-controlled subsidiaries						
Fasal Trading Brasil	**2,807**	**-**	**-**	2,806	-	-
Unigal	**-**	**-**	**-**	145	-	-
Usiroll	**41**	**-**	**-**	47	-	-
Affiliates						
Codeme	**3,608**	**2,356**	**301**	1,014	-	301
Metform	**1,735**	**700**	**-**	3,063	-	-
MRS	**32,295**	**25,450**	**-**	9,749	12,413	-
Other related parties						
Metal One Corporation				-	-	9
Ternium Internacional Uruguay	**3,521**	**-**	**-**	37,206	-	-
Ternium International Costa Rica	**-**	**-**	**-**	2,408	-	-
Ternium International Panama	**-**	**-**	**-**	1,837	-	-
Ternium Procurement	**9**	**-**	**-**	-	-	-
	53,203	**28,506**	**379**	99,725	12,413	637

Trade accounts receivable classified as related parties are primarily due to sales transactions and mature within 30 days. Accounts receivable are unsecured and subject to interest. At June 30, 2014 and December 31, 2013, no provisions were set up for accounts receivable from related parties.

The other accounts receivable from related parties refer mainly to checking accounts.

(b) Noncurrent assets receivables from related parties

	Company		Consolidated	
	06/30/2014	12/31/2013	06/30/2014	12/31/2013
Controlling interests				
Previdência Usiminas (i)	5,159	5,345	5,159	5,345
Subsidiaries				
Usiminas Mecânica (ii)	46,038	47,698	-	-
Affiliates				
Usiroll (iii)	16,435	15,486	16,435	15,486
	67,632	68,529	21,594	20,831

(i) Refers to actuarial deficit.
(ii) Refers to actuarial deficit and sale of PPE.
(iii) Refers to advances due to unbilled services.

(c) Current liabilities

	Company					
	06/30/2014			12/31/2013		
	Trade accounts payable	**Other liabilities**	**Loans and financing**	**Trade accounts payable**	**Other liabilities**	**Loans and financing**
Controlling interests						
Mitsubishi	**13,597**	**-**	**-**	15,016	-	-
Nippon Steel & Sumitomo Metal Corporation.	**-**	**5,882**	**-**	-	5,102	-
Nippon Usiminas (i)	**-**	**-**	**108,170**	-	-	114,424
Previdência Usiminas (ii)	**-**	**157**	**-**	-	191	-
Confab Industrial S.A	**-**	**-**		-	109	-
Noncontrolling interests						
CSN	**-**	**-**	**-**	14,178	-	-
Subsidiaries						
Cosipa Commercial	**-**	**-**	**1,144**	-	-	1,175
Mineração Usiminas	**520,617**	**(4,211)**	**-**	590,537	-	-
Rios Unidos	**9,864**	**-**	**-**	7,251	-	-
Soluções Usiminas	**2,769**	**-**	**-**	2,925	-	-
Usiminas Commercial	**-**	**-**	**19,778**	-	-	20,305
Usiminas Eletrogalvanized	**1,952**	**-**	**-**	980	-	-
Usiminas Mecânica	**20,062**	**-**	**-**	9,396	-	-
Usiminas Galvanized APS	**1,679**	**-**	**-**	1,679	-	-
Jointly-controlled subsidiaries						
Unigal	**99,775**	**-**	**-**	82,192	-	-
Usiroll	**649**	**-**	**-**	690	-	-
Affiliates						
Metform	**-**	**-**	**-**	37	-	-
MRS	**1,164**	**-**	**-**	1,281	-	-
	672,128	**1,828**	**129,092**	726,162	5,402	135,904

(i) Loans in USD subject to charges ranging from 0.83% to 2.35% p.a. + Libor.
(ii) Refers to contributions made to the retirement plan.

	Consolidated					
	06/30/2014			12/31/2013		
	Trade accounts payable	Other liabilities	Loans and financing	Trade accounts payable	Other liabilities	Loans and financing
Controlling interests						
Mitsubishi	**13,597**	**-**	**-**	15,016	-	-
Nippon Steel & Sumitomo Metal Corporation	**-**	**5,882**	**-**	-	5,102	-
Nippon Usiminas (i)	**-**	**-**	**108,170**	-	-	114,424
Previdência Usiminas (ii)	**521**	**206**	**-**	494	231	-
Confab Industrial S.A	**505**	**-**	**-**	555	109	-
Noncontrolling interests						
CSN	**-**	**-**	**-**	14,178	-	-
Sumitomo Corporation do Brasil	**-**	**502**	**-**	8	-	-
Jointly-controlled subsidiaries						
Modal Terminal de Granéis	**716**	**-**	**-**	434	-	-
Unigal	**99,775**	**-**	**-**	82,192	-	-
Usiroll	**649**	**-**	**-**	690	-	-
Affiliates						
Metform	**-**	**-**	**-**	37	-	-
MRS	**2,651**	**30,573**	**-**	4,611	15,238	-
Terminal de Cargas Sarzedo	**928**	**-**	**-**	1,030	-	-
Other related parties						
Metal One Corporation	**-**	**-**	**-**	-	445	-
Techint	**175**	**-**	**-**	117	-	-
	119,517	**37,163**	**108,170**	119,362	21,125	114,424

(i) Loans in USD subject to charges ranging from 0.83% to 2.35% p.a. + Libor.
(ii) Refers to contributions made to the retirement plan.

The liabilities with related parties classified as trade accounts payable are primarily due to purchases maturing up to 45 days, as well as to credit assignment with Mineração Usiminas. Liabilities with related parties are subject to interest.

(d) Noncurrent liabilities

	Company				Consolidated	
	06/30/2014		12/31/2013		06/30/2014	12/31/2013
	Loans and financing	Payables to related parties	Loans and financing	Payables to related parties	Loans and financing	Loans and financing
Controlling interests						
Nippon Usiminas (i)	**181,393**	**-**	249,257	-	**181,393**	249,257
Subsidiaries						
Cosipa Commercial (ii)	**495,900**	**-**	509,124	-	**-**	-
Usiminas Commercial (iii)	**934,206**	**-**	959,118	**-**	**-**	-
Usiminas Eletrogalvanized	**-**	**16,251**	-	17,014	**-**	-
Usiminas Galvanized	**-**	**30,213**	-	31,632	**-**	-
Usiminas International	**-**	**590**	-	628	**-**	-
	1,611,499	**47,054**	1,717,499	49,274	**181,393**	249,257

(i) (i) Loans in USD subject to charges ranging from 0.83% to 2.35% p.a. + Libor.
(ii) Loans in yen (JPY) subject to charges of 4.275% p.a.
(iii) Loans in yen (JPY) subject to charges of 4.1165% p.a.

(e) Sales and purchases

	Company				Consolidated			
	Sales		Purchases		Sales		Purchases	
	06/30/2014	06/30/2013	06/30/2014	06/30/2013	06/30/2014	06/30/2013	06/30/2014	06/30/2013
Controlling interests								
Confab	**86,143**	174,601	**109**	-	**86,143**	174,601	**109**	-
Mitsubishi	**-**	-	**2,128**	25,814	**-**	-	**2,128**	25,814
Nippon Steel & Sumitomo Metal Corporation.	**-**	-	**1,009**	3,827	**-**	-	**1,009**	3,827
Siderar	**1,534**	956	**887**	548	**13,334**	956	**887**	548
Noncontrolling interests								
CSN	**-**	-	**23,852**	-	**82,089**	23,176	**61,592**	29,997
Sumitomo Corporation do Brasil	**-**	-	**-**	-	**-**	-	**3**	40
Subsidiaries								
Automotiva Usiminas	**-**	42,105	**-**	3,983	**-**	-	**-**	-
Cosipa Overseas	**-**	74,483	**-**	-	**-**	-	**-**	-
Mineração Usiminas	**-**	-	**502,976**	561,833	**-**	-	**-**	-
Rios Unidos	**-**	-	**15,268**	25,294	**-**	-	**-**	-
Soluções Usiminas	**1,495,460**	1,148,418	**10,268**	11,639	**-**	-	**-**	-
Usiminas Eletrogalvanized	**14,116**	68,339	**-**	-	**-**	-	**-**	-
Usiminas Galvanized	**78,329**	86,043	**-**	-	**-**	-	**-**	-
Usiminas Mecânica	**23,378**	46,474	**68,613**	56,973	**-**	-	**-**	-
Jointly-controlled subsidiaries								
Modal	**-**	-	**-**	-	**-**	-	**1,881**	1,607
Unigal	**132**	569	**286,132**	265,909	**1,231**	1,321	**269,954**	265,909
Usiroll	**-**	-	**4,535**	4,478	**-**	-	**4,535**	4,478
Affiliates								
Codeme	**17,841**	19,940	**-**	-	**18,085**	20,388	**-**	-
Metform	**18,850**	8,577	**-**	209	**18,850**	8,577	**-**	209
MRS	**-**	360	**56,667**	58,844	**34,272**	18,159	**161,905**	141,737
Terminal Sarzedo	**-**	-	**-**	-	**-**	-	**12,008**	6,257
Other related parties								
Techint	**-**	-	**-**	-	**-**	-	**58**	-
Ternium Internacional El Salvador	**-**	272	**-**	-	**-**	272	**-**	-
Ternium Internacional Uruguay	**69,997**	309	**-**	-	**69,997**	309	**-**	-
Ternium Internacional Nicaragua	**-**	181	**-**	-	**-**	181	**-**	-
Ternium Internacional Costa Rica	**-**	1,994	**-**	-	**-**	1,994	**-**	-
Ternium Internacional Spain	**-**	88,346	**-**	-	**-**	88,346	**-**	-
Ternium International USA	**381**	-	**-**	-	**381**	-	**-**	-
Ternium Procurement	**-**	-	**11,585**	35	**-**	-	**11,585**	35
Nippon Steel Engineering	**-**	-	**2,224**	-	**-**	-	**2,224**	-
	1,806,161	1,761,967	**986,253**	1,019,386	**324,382**	338,280	**529,878**	480,458

Purchase and sale transactions between related parties are described in item (h).

(f) Operating and financial income (loss/expenses)

	Company		Consolidated	
	06/30/2014	06/30/2013	06/30/2014	06/30/2013
Controlling interests				
Confab	**-**	648	**-**	648
Mitsubishi	**180**	5,194	**180**	5,194
Nippon Usiminas	**16,631**	(33,682)	**16,631**	(33,682)
Previdência Usiminas	**281**	255	**281**	255
Siderar	**(910)**	(664)	**(4,094)**	(664)
Subsidiaries				
Automotiva Usiminas	**-**	161	**-**	-
Cosipa Commercial	**1,120**	19,686	**-**	-
Cosipa Overseas	**-**	(1,020)	**-**	-
Mineração Usiminas	**4,762**	4,780	**-**	-
Rios Unidos	**-**	429	**-**	-
Soluções Usiminas	**(524)**	343	**-**	-
Usiminas Commercial	**2,398**	37,902	**-**	-
Usiminas Eletrogalvanized	**(726)**	6,129	**-**	-
Usiminas Galvanized	**(489)**	7,312	**-**	-
Usiminas International	**38**	(47)	**-**	-
Usiminas Mecânica	**3,096**	2,778	**-**	-
Jointly-controlled subsidiaries				
Fasal Trading Brasil	**-**	1,080	**-**	540
Usiroll	**807**	521	**807**	521
Affiliates				
Codeme	**341**	379	**341**	379
Metform	**124**	153	**124**	153
MRS	**-**	(516)	**-**	(516)
Exiros	**(2,583)**		**(2,583)**	-
Other related parties				
Ternium Investments	**-**	(149)	**-**	(149)
Ternium Internacional Spain	**-**	362	**-**	-
Ternium International - Uruguay	**(889)**	-	**(889)**	-
Ternium International – Costa Rica	**63**	-	**63**	-
Ternium International - Panama	**55**	-	**55**	-
Ternium Procurement	**136**	-	**136**	-
	23,911	52,034	**11,052**	(27,321)

(i) Refer primarily to commissions on sales.

Financial income (expenses) with related parties substantially refers to charges on loans and financing described in items (c) and (d) above.

(g) Key management personnel compensation

Key management personnel compensation paid and payable, which includes Company's Executive Board, Board of Directors and Supervisory Board is as follows:

	Company and Consolidated	
	06/30/2014	06/30/2013
Fees, benefits and bonuses	12,847	12,798
Social charges	2,837	2,752
Share-based compensation (i)	3,253	1,757
	18,937	17,307

(i) The Company has a stock option plan as described in Note 26.

(h) Nature of transactions with related parties

At June 30, 2014, there were no changes in the nature and conditions of transactions with related parties, as described in Note 36 (h) to the Company's financial statements for the year ended December 31, 2013. Therefore, management decided not to repeat this data in this interim financial information.

26 Stock option plan

The Company offers a stock option plan. This plan is managed by the Company's Board of Directors, with the support of the Human Resources Committee, subject to the Plan's limitations.

No changes have been identified in the Plan's characteristics and guidelines in relation to the one described in Note 39 to the Financial Statements as at December 31, 2013.

At June 30, 2014, the Plan has 3 effective programs:

- Program 2011, released on October 3, 2011;
- Program 2012, released on November 28, 2012; and
- Program 2013, released on November 28, 2013.

The fair value of the options granted is determined based on the Black-Scholes methodology and accounted for as expense over the grace period.

For the six-month period ended June 30, 2014, no new programs have been released. In that same period, 51,982 options were exercised and 334,770 options were cancelled.

The impact on P&L of the previously described Stock Option Plan totaled an expense of R$7,774 at June 30, 2014 (R$5,532 at June 30, 2013), recorded in the statement of operations. From this total amount, R$1,000 were reverted to "Retained earnings (accumulated losses)" by virtue of the stock option cancelation in the six-month period ended June 30, 2014; consequently, the impact on the Company's equity amounted to R$6,774.

The expected plan expenses to be recognized amounts to R$13,589 considering that all contractual assumptions remain unaltered and no new grants occur.

27 Explanatory notes presented in the annual financial statements that are not presented in this interim financial information

Pursuant to CVM/SNC/SEP Memorandum Circular No. 003/2011, the Company presented notes considered significant within the context of “Framework Pronouncement - The Conceptual Framework for Financial Reporting”. All information whose omission or distortion could influence the economic decisions of users was properly disclosed in this interim financial information, which should be read jointly with the financial statements as at December 31, 2013.

We indicate below the exact location of the explanatory notes whose information has not been repeated in this interim financial information due to redundancy or relevance:

Note 04 - Significant accounting judgments, estimates, and assumptions;
Note 7 - Financial instruments by category;
Note 8 - Credit quality of financial assets;
Note 18 - Impairment of non-financial assets;
Note 22 - Taxes payable;
Note 23 - Payment of taxes in installments;
Note 25 - Provision for environmental restoration;
Note 31 - Expense on employee benefits;
Note 32 - Other operating income (expenses);
Note 35 - Commitments;
Note 37 - Cash flow statements;
Note 38 - Insurance coverage.

At June 30, 2014, there were no changes in the nature and conditions of the Notes above, in relation to those described in the Notes to the Company’s financial statements for year ended December 31, 2013.

Board of Directors

Paulo Penido Pinto Marques
CEO

Alcides José Morgante
Board Member

Daniel Agustín Novegil
Board Member

José Oscar Costa de Andrade
Board Member

Eiji Hashimoto
Board Member

Roberto Caiuby Vidigal
Board Member

Wanderley Rezende de Souza
Board Member

Fumihiko Wada
Board Member

Marcelo Gasparino da Silva
Deputy Board Member

Rita Rebelo Horta de Assis Fonseca
Board Member

Supervisory Board

Paulo Frank Coelho da Rocha
CEO

Jânio Carlos Macedo
Board Member

Masato Ninomiya
Board Member

Lúcio de Lima Pires
Board Member

Telma Suzana Mezia
Board Member

Executive Board

Julián Alberto Eguren
CEO

Marcelo Rodolfo Chara
Industrial Vice-President

Ronald Seckelmann
Vice-President of Finance and Investor Relations

Paolo Felice Bassetti
Vice-President of Subsidiaries

Rômel Erwin de Souza
Vice-President of Technology and Quality

Sérgio Leite de Andrade
Vice-President of the Commercial Area

Nobuhiro Yamamoto
Vice-President of Corporate Planning

Marcos Aurélio Alves
Accountant CRC-MG 34.381/O

1 - Differentiated Corporate Governance Practices - Level 1

Pursuant to the Regulation governing Differentiated Corporate Governance Practices - Level 1, below is stated the ownership structure represented by holders of more than 5% of the Company's shares, segregated by type and class, up to the level of individuals.

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS - CNPJ[1] No. 60.894.730/0001-05
NUMBER OF SHARES
REPORTING DATE: 06/30/2014

	Common shares		Preferred shares "A"		Preferred shares "B"		Total	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
Companhia Siderúrgica Nacional	60,793,102	12.03	100,132,100	19.69			160,925,202	15.87
Nippon Usiminas Co., Ltd.	119,969,788	23.74	2,830,832	0.56			122,800,620	12.11
Previdência Usiminas	34,109,762	6.75					34,109,762	3.36
Nippon Steel & Sumitomo Metal Corporation	27,347,796	5.41	307,926	0.06			27,655,722	2.73
Ternium Investments S. À. R.L.	84,741,296	16.77					84,741,296	8.36
Prosid Investments S.A.	20,000,000	3.96					20,000,000	1.97
Confab Industrial S.A.	25,000,000	4.95					25,000,000	2.47
Usiminas S.A. held in Treasury	2,526,656	0.50	23,705,728	4.66			26,232,384	2.59
Caixa de Previdência dos Funcionários do Banco do Brasil	52,769,592	10.44	6,786,350	1.33			59,555,942	5.87
Other	78,002,692	15.45	374,680,007	73.70	82,563	100	452,765,262	44.67
Total	505,260,684	100.00	508,442,943	100.00	82,563	100	1,013,786,190	100.00

COMPANHIA SIDERÚRGICA NACIONAL
CNPJ No. 33.042.730/0001-04
NUMBER OF SHARES
REPORTING DATE: 06/30/2014

	Common shares		Preferred shares		Total	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**
Rio Iaco Participações S.A.	58,193,503	3.99			58,193,503	3.99
Vicunha Siderurgia S.A.	697,719,990	47.86			697,719,990	47.86
Other	702,056,615	48.15			702,056,615	48.15
Total	1,457,970,108	100			1,457,970,108	100

RIO IACO PARTICIPAÇÕES S.A
CNPJ No. 06.990.482/0001-50
NUMBER OF SHARES
REPORTING DATE: 06/30/2014

	Common shares		Preferred shares		Total	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**
Rio Purus Participações S.A.	5,500,499	100			5,500,499	100
Other	1				1	
Total	5,500,500	100			5,500,500	100

[1] Brazilian IRS Registry of Legal Entities.

VICUNHA SIDERURGIA S.A.
CNPJ No. 02.871.007/0001-04
NUMBER OF SHARES
REPORTING DATE: 06/30/2014

	Common shares		Preferred shares		Total	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**
Vicunha Aços S.A.	580,634,272	100	468,298,605	100	1,048,932,877	100
Other	6				6	
Total	580,634,278	100	468,298,605	100	1,048,932,883	100

RIO PURUS PARTICIPAÇÕES S.A.
CNPJ No. 60.078.060/0001-59
NUMBER OF SHARES
REPORTING DATE: 06/30/2014

	Common shares		Preferred shares		Total	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**
Dorothéa Steinbruch	702,142,089	99.99			702,142,089	50.01
Other	1,500	0.01	702,047,723	100	702,049,223	49.99
Total	702,143,589	100	702,047,723	100	1,404,191,312	100

VICUNHA AÇOS S.A.
CNPJ No. 04.213.131/0001-08
NUMBER OF SHARES
REPORTING DATE: 06/30/2014

	Common shares		Preferred shares		Total	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**
Vicunha Steel S.A.	223,982,562	100			223,982,562	66.96
Other			110,521,137	100	110,521,137	33.04
Total	223,982,562	100	110,521,137	100	334,503,699	100

VICUNHA STEEL S.A.
CNPJ No. 04.169.992/0001-36
NUMBER OF SHARES
REPORTING DATE: 06/30/2014

	Common shares		Preferred shares		Total	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**
CFL Participações S.A.	88,994,554	40			88,994,554	40
Rio Purus Participações S.A.	133,491,828	60			133,491,828	60
Total	222,486,382	100			222,486,382	100

CFL PARTICIPAÇÕES S.A.
CNPJ No. 60.078.045/0001-00
NUMBER OF SHARES
REPORTING DATE: 06/30/2014

	Common shares		Preferred shares		Total	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**
Clarice Steinbruch	327,839,545	33.34			327,839,545	33.34
Fábio Steinbruch	327,838,303	33.33			327,838,303	33.33
Leo Steinbruch	327,838,304	33.33			327,838,304	33.33
Total	983,516,152	100			983,516,152	100

NIPPON USIMINAS CO., LTD.
NUMBER OF SHARES
REPORTING DATE: 06/30/2014

	Common shares		Preferred shares		Total	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**
Nippon Steel & Sumitomo Metal Corporation - NSSMC	**300,914**	**100.00**			**300,914**	**100.00**
Total	**300,914**	**100.00**			**300,914**	**100.00**

NSSMC - Nippon Steel & Sumitomo Metal Corporation is a publicly-held company listed at Tokyo Stock Exchange (Japan). This company is a subsidiary of Nippon Steel & Sumitomo Metal Group, which is primarily engaged in the production of steel, in addition to serving the engineering, construction, chemical, systems technology and other industries by means of various other subsidiaries.

CONFAB INDUSTRIAL S.A.
CNPJ No. 60.882.628/0001-90
NUMBER OF SHARES
REPORTING DATE: 06/30/2014

	Common shares		Preferred shares		Total	
Shareholder	**Number**	**%**	**Number**	**%**	**Number**	**%**
Siderca S.A.I.C.(1)	167,308,639	41.91			167,308,639	41.91
Tenaris Investments S.à rl. (2)	231,901,398	58.09			231,901,398	58.09
Total	399,210,037	100.00			399,210,037	100.00

(1) Siderca S.A.I.C is an Argentine joint stock corporation whose main shareholders are Tenaris Investments S.à rl., a Luxembourg company, and Tenaris Global Services S.A., a Uruguayan company. Both of these companies are wholly-owned subsidiaries of Tenaris S.A. and hold approximately 97.49% and 2.5%., respectively, of Siderca S.A.I.C. shares.

(2) Tenaris Investments S.à rl. is a Luxembourg limited liability company, whose main shareholder is Tenaris S.A., holding 100.00% of its shares.

Tenaris S.A. is a publicly-held company listed at New York Stock Exchange (NYSE) - USA; Buenos Aires Stock Exchange - Argentina; Milan Stock Exchange (MTA) - Italy; and Mexico Stock Exchange. Tenaris S.A. is a subsidiary of Tenaris Group which, through various subsidiaries, is primarily engaged in the production and supply of steel tubes and provision of services for the power industry worldwide, as well as certain industrial applications.

Tenaris S.A. is also a subsidiary of San Faustín S.A. (“San Faustín”), a Luxembourg-based joint stock corporation, which indirectly holds approximately 60.5% of Tenaris S.A. shares, through its wholly-owned subsidiary Techint Holdings S.à r.l., also a Luxembourg company.

Rocca & Partners Stichting Administratiekantoor Aandelen San Faustín (“RP STAK”), a Dutch private foundation, holds shares issued by San Faustín in a number sufficient to control said company. No person or group of persons controls RP STAK.

PROSID INVESTMENTS S.A.
CNPJ No. 14.759.342/0001-02
06/30/2014

Prosid Investments S.A. (formerly named Prosid Investments S.C.A.) is a Uruguayan company, whose main shareholder is Siderar S.A.I.C., holding 99.9928% interest in its capital.

SIDERAR S.A.I.C.
CNPJ No. 05.722.544/0001-80
06/30/2014

Siderar S.A.I.C. is an Argentine joint stock corporation listed at Buenos Aires Stock Exchange - Argentina. The main shareholders of Siderar S.A.I.C. are Ternium Internacional España, S.L.U., a Spanish wholly-owned subsidiary of Ternium S.A., which holds approximately 60.94% of Siderar S.A.I.C. shares, and *Administración Nacional de la Seguridad Social* (ANSeS), an Argentinean government entity which holds approximately 26.03% of Siderar S.A.I.C. shares. Ternium S.A. equity control is as follows.

TERNIUM INVESTMENTS S.À R.L.
CNPJ No. 12.659.927/ 0001-17
06/30/2014

Ternium Investments S.à r.l. is a Luxembourg-based limited liability company whose sole shareholder is Ternium S.A., holding 100% interest in its capital.

Ternium S.A. is a publicly-held company listed at New York Stock Exchange (NYSE) - USA. Ternium S.A. is a subsidiary of Ternium Group, which, through various subsidiaries, is primarily engaged in the production of flat and long steel, with production centers located in Argentina, Colombia, USA, Guatemala and Mexico. Ternium S.A. is also a subsidiary of San Faustín S.A., which indirectly holds approximately 62% of Ternium S.A. shares through its wholly-owned subsidiary Techint Holdings S.à r.l., a Luxembourg company.

RP STAK holds shares issued by San Faustín in a number sufficient to control referred to company. No person or group of persons controls RP STAK.

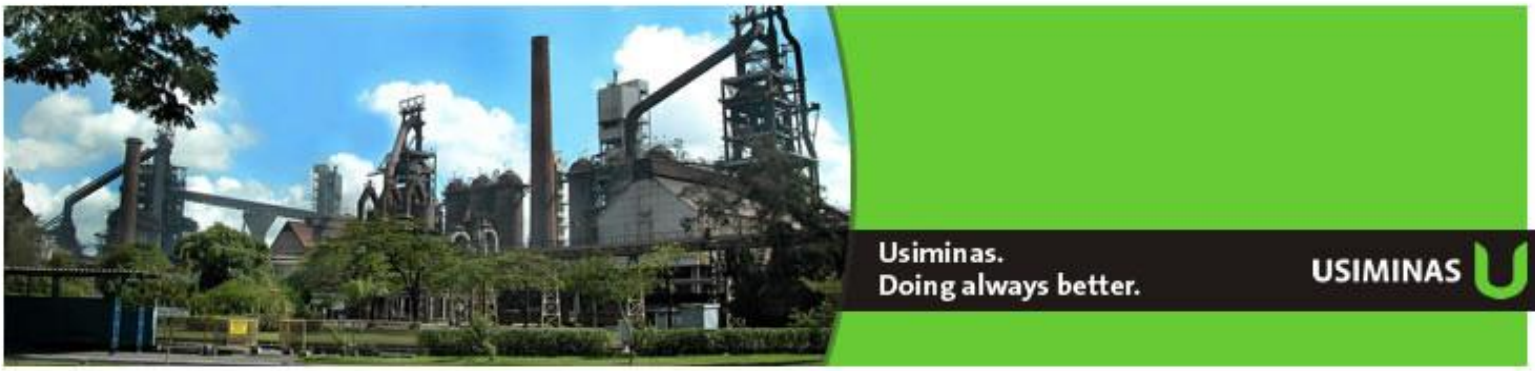
In compliance with the Regulation governing Differentiated Corporate Governance Practices - Level 1, below are stated the number and characteristics of securities issued by the Company held, directly or indirectly, by the Controlling Shareholder, Managing Officers, Supervisory Board's Members and Board of Director's Members. This table also presents outstanding shares and their percentage in relation to total shares issued:

Shareholding at 06/30/2014

Shareholder	Common shares		Class "A" preferred shares		Class "B" preferred shares		Total	
	Number	%	Number	%	Number	%	Number	%
Controlling shareholders	**329,377,434**	**65.19**	**3,138,758**	**0.62**			**332,516,192**	**32.80**
Managing officers								
Board of Directors	**38**	**0.00**	**162,033**	**0.03**			**162,071**	**0.02**
Executive Board	**4**	**0.00**	**9,247**	**0.00**			**9,251**	**0.00**
Supervisory Board	**100**	**0.00**					**100**	**0.00**
Treasury shares	**2,526,654**	**0.50**	**23,705,728**	**4.66**			**26,232,382**	**2.59**
Other shareholders	**173,356,454**	**34.31**	**481,427,177**	**94.69**	**82,563**	**100**	**654,866,194**	**64.60**
Total	**505,260,684**	**100.00**	**508,442,943**	**100.00**	**82,563**	**100**	**1,013,786,190**	**100.00**
Shares outstanding	**173,356,454**	**34.31**	**481,427,177**	**94.69**	**82,563**	**100**	**654,866,194**	**64.60**

Shareholding at 06/30/2013

Shareholder	Common shares		Class "A" preferred shares		Class "B" preferred shares			
	Number	%	Number	%				
Controlling shareholders	329,377,434	65.19	3,138,758	0.62			332,516,192	**32.8**
Managing officers								
Board of Directors	36		162,033	0.03			162,069	**0.02**
Executive Board	4		21,343				21,347	
Supervisory Board	1,000						1,000	
Treasury shares	2,526,656	0.5	24,060,356	4.73			26,587,012	**2.62**
Other shareholders	173,355,554	34.31	481,057,312	94.62	**85,704**	**100**	654,498,570	**64.56**
Total	505,260,684	100	508,439,802	100	**85,704**	**100**	1,013,786,190	**100**
Shares outstanding	173,356,554	34.31	481,057,312	94.62	**85,704**	**100**	654,499,570	**64.56**



Public Disclosure - Belo Horizonte, July 24th, 2014. Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas (BM&FBOVESPA: USIM3, USIM5 e USIM6; OTC: USDMY and USNZY; Latibex: XUSIO and XUSI) today releases its second quarter results of fiscal year 2014 (2Q14). Operational and financial information of the Company, except where otherwise stated, are presented based on consolidated figures, in Brazilian Real, according to International Financial Reporting Standards (IFRS). All comparisons made in this release take into consideration the first quarter of 2014 (1Q14), except where stated otherwise.

Release of the 2Q14 Results

The main operational and financial indicators were:

- Total steel sales volume of 1.5 million tons;
- Consolidated net revenue of R$3.1 billion;
- Consolidated Adjusted EBITDA of R$549.4 million;
- Consolidated Adjusted EBITDA Margin of 17.7%;
- Investments in Capex of R$260.9 million;
- Net debt / EBITDA ratio of 1.7x.

Main Highlights

R$ million - Consolidated	2Q14	1Q14	2Q13	Chg. 2Q14/1Q14	1H14	1H13	Var. 1H14/1H13
Steel Sales Volume (000 t)	1,456	1,437	1,572	1%	2,893	3,163	-9%
Iron Ore Sales Volume (000 t)	1,457	1,767	1,359	-18%	3,224	2,715	19%
Net Revenue	3,106	3,142	3,244	-1%	6,249	6,439	-3%
COGS	(2,772)	(2,623)	(2,868)	6%	(5,395)	(5,856)	-8%
Gross Profit (Loss)	334	520	376	-36%	854	583	46%
Net Income (Loss)	129	222	(22)	-42%	350	(145)	-
EBITDA (Instruction CVM 527)	538	648	428	-17%	1,186	724	64%
EBITDA Margin (Instruction CVM 527)	17%	21%	13%	- 400 bps	19%	11%	+ 800bps
Adjusted EBITDA	549	655	441	-16%	1,205	755	60%
Adjusted EBITDA Margin	18%	21%	14%	- 300 bps	19%	12%	+ 700bps
Investments (CAPEX)	261	238	261	10%	499	435	15%
Cash Position	2,894	2,914	4,736	-1%	2,894	4,736	-39%

Market Data – 06/30/14

BM&FBOVESPA: USIM5 R$7.58/ share
USIM3 R$6.92/ share

EUA/OTC: USNZY US$3.45/ADR

Latibex: XUSI €2.72/ share
XUSIO €2.40/share

Index

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- **Performance of the Business Units:**
  - **Mining**
  - **Steel**
  - **Steel Processing**
  - **Capital Goods**
- **Highlights**
- **Capital Markets**
- **Balance Sheet, Income, Cash Flow Statements**

Economic Scenario

The global economy showed improvement in the 2Q14, in line with the growth expectation of 2014, which is estimated to be higher than the 3% in 2013. Most of the growth drivers came from the advanced economies, highlighting the USA, Japan and Germany, which demonstrated signs of recovery.

In the emerging economies, growth potential has proven to be lower. The conflicts between Russia and Ukraine have already resulted in significant impacts on their economies, generating a recession risk. In China, the growth forecast is maintained at around 7% in 2014, in a scenario where the authorities try to obtain greater control of the credit system, supporting a transition to a more balanced growth rhythm.

The Brazilian economy strongly deteriorated over the first half of the year and the GDP growth and inflation perspectives have gotten worst. In terms of economic activity in the 2Q14, the expectation is of an even weaker result than the 0.2% GDP growth rate in the 1Q14. Industrial Production in May decreased for the third consecutive month and has accumulated a decline of 1.6% in 2014. Leading indicators (PMI-HSBC) suggest there will be another drop in June. According to the Focus Report, the forecast is that Industrial Production (PIM-IBGE) will be reduced by 1.2% in 2014.

Steel Industry

According to the World Steel Association (WSA), global crude steel production reached 684.2 million tons until May, 2.4% higher than that seen in the same period of the previous year, with Chinese production, which has a 50% share of global production, advancing 2.7%. According to this entity, the global capacity utilization rate reached 78.5%, interrupting a growth sequence. Therefore, excess capacity persists, negatively affecting the profitability conditions in the global steel industry.

In Brazil, crude steel production reached 17.0 million tons until June, with a decline of 1.5% when compared with the same period of 2013. According to the Brazilian Steel Institute (IABr), flat steel production declined 6.3% in the period.

The flat steel market in Brazil consumed 3.5 million tons in the 2Q14, with 84% of the volume supplied by local mills and 16% by imports. Comparing the 2Q14 with the 1Q14, apparent consumption declined 1.3% manly due to a 6% decrease in hot rolled products and 2%, in cold rolled products. The industrial sectors, which are intensive in steel consumption, had even more significant decline. According to IBGE in the first five months of the year, the production of capital goods and durable goods decreased 5.8% and 3.2%, respectively. Among them the production of vehicles is one of the negative results. According to the Brazilian Automotive Manufacturers Entity (ANFAVEA), the production decreased 16.8% in the first half of 2014, driven by the decrease in the domestic market in 7.6% and in the exports in 35.4%.

The steel indirect trades data also create an challenging scenario to the steel industry. According to the Brazilian Steel Institute (IABr) and the Ministry of Development, Industry and Foreign Trade (MDIC), the indirect steel trade balance accounted for was 1.3 million tons in the first 6 months of the year, the highest deficit in history.

The Steel Distributors National Association (INDA) estimates that flat steel sales in the distribution network declined 10.4% in the 2Q14, with higher inventories, which should reach 3.3 months, a turnover rate above the historical average.

Mining

In the 2Q14, there was an increase in availability of iron ore in the international market, coming from large expansion projects, uncertainties about investment in China, adjustment of inventory levels at Chinese ports and austerity in credit and debt offerings in China, which caused this commodity to reach an average price of US$102.60/t in the 2Q14, compared to US$120.40/t in the 1Q14 (62% iron content, CFR China). At the end of the 2Q14, the average price was even lower, decreasing to US$93.25.

Economic and Financial Performance
Comments on Consolidated Results

Net Revenue

Net revenue in the 2Q14 was stable in relation to the 1Q14, totaling R$3.1 billion, mainly due to higher steel average prices in the domestic market and higher steel export volume, compensated by lower iron ore average prices and export volume.

Net Revenue Breakdown

	2Q14	1Q14	2Q13	1H14	1H13
Domestic Market	**88%**	**87%**	**92%**	**87%**	**88%**
Exports	**12%**	**13%**	**8%**	**13%**	**12%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Cost of Goods Sold (COGS)

In the 2Q14, COGS totaled R$2.8 billion, 5.7% higher than in the 1Q14, mainly due to higher steel sales volume, labor costs and third party services related to the process and maintenance.

Gross margin showed the following performance:

Gross Margin

2Q14	1Q14	2Q13	1H14	1H13
10.8%	**16.5%**	**11.6%**	**13.7%**	**9.1%**

Operating Expenses and Revenues

In the 2Q14, sales expenses were R$71.3 million, 14.7% lower than in the 1Q14, in function of lower exports in the Mining Unit. General and administrative expenses were stable, totaling R$127.6 million in the 2Q14. Net operating expenses presented a result of R$133.8 million in the 2Q14 against R$183.2 million in the 1Q14, 27.0% reduction, mainly due to the sales and write-off of non-operating assets higher in R$19.9 million and higher sale revenue of surplus electric energy in R$14.0 million.

Thus, the Company's operating margin showed the following performance:

EBIT Margin

2Q14	1Q14	2Q13	1H14	1H13
6.5%	**10.6%**	**4.4%**	**8.6%**	**2.0%**

Adjusted EBITDA

Adjusted EBITDA is calculated from net income (loss), reversing profit (loss) from discontinued operations, income tax and social contribution, financial result, depreciation, amortization and depletion, and equity in the results of Associate, Joint Subsidiary and Subsidiary Companies. The adjusted EBITDA includes the proportional participation of 70% of Unigal and others joint subsidiary companies.

EBITDA

Consolidated (R$ thousand)	2Q14	1Q14	1H14	1H13
Net Income (Loss)	128,611	221,628	350,239	(144,819)
Income Tax / Social Contribution	73,356	141,087	214,443	(163,764)
Financial Result	58,561	18,057	76,618	512,461
Depreciation, Amortization	277,527	267,088	544,615	520,330
EBITDA -Instruction CVM 527	**538,055**	**647,860**	**1,185,915**	**724,208**
Equity in the Results of Associate and Subsidiary Companies	(60,248)	(44,284)	(104,532)	(78,316)
Joint Subsidiary Companies proportional EBITDA	71,567	51,809	123,376	108,870
Adjusted EBITDA	**549,374**	**655,385**	**1,204,759**	**754,762**

Adjusted EBITDA in the 2Q14 reached R$549.4 million, 16.2% lower than in the 1Q14, which was R$655.4 million, mainly due to the lower performance in the Mining Unit. The Adjusted EBITDA margin in the 2Q14 declined 320 basis points, reaching 17.7%. The adjusted EBITDA margins are shown below:

Adjusted EBITDA Margin

2Q14	1Q14	2Q13	1H14	1H13
17.7%	**20.9%**	**13.6%**	**19.3%**	**11.7%**

Financial Result

In the 2Q14, net financial expenses were R$58.6 million, against R$18.1 million in the 1Q14. This result can be attributed mainly to the lower appreciation of the Real against the Dollar in the period.

Financial Result - Consolidated

R$ thousand	2Q14	1Q14	2Q13	Change 2Q14/1Q14	1H14	1H13	Change 1H14/1H13
Currency Exchange Variation	41,856	64,830	(184,230)	-35%	106,686	(133,834)	-
Swap Operations Market Cap.	(23,602)	(959)	5,139	2361%	(24,561)	19,204	-
Inflationary Variation	(46,246)	(44,148)	(16,175)	5%	(90,394)	(59,743)	51%
Financial Income	57,015	39,052	45,149	46%	96,067	82,167	17%
Financial Expenses	(87,584)	(76,832)	(126,194)	14%	(164,416)	(420,255)	-61%
FINANCIAL RESULT	**(58,561)**	**(18,057)**	**(276,311)**	224%	**(76,618)**	**(512,461)**	-85%

Equity in the Results of Associate and Subsidiary Companies

Equity in the results of associate and subsidiary companies was R$60.2 million in the 2Q14, against R$44.3 million, higher by 36.0% when compared with the 1Q14, mainly due to higher contribution of Unigal and MRS Logística in the period.

Net Income (Loss)

The Company presented net income of R$128.6 million in the 2Q14 against R$221.6 million in the 1Q14.

Investments (CAPEX)

Investments totaled R$260.9 million in the 2Q14, a 9.7% increase in relation to the 1Q14, mainly in function of maintenance CAPEX and the Coke Plant II revamp in Ipatinga, in the Steel Unit.

Out of the total investments in the 2Q14, 86% were applied to the Steel Unit, 11% to the Mining Unit, 2% to the Steel Transformation Unit and 1% to the Capital Goods Unit.

Indebtedness

Total consolidated debt was R$6.7 billion on 06/30/14, stable in relation to that on 03/31/14. Net consolidated debt was R$3.8 billion at the end of June 2014 against R$3.7 billion at the end of March 2014. On the other hand, the net debt / EBITDA ratio was 1.7 times on 06/30/14, stable in comparison with 03/31/14.

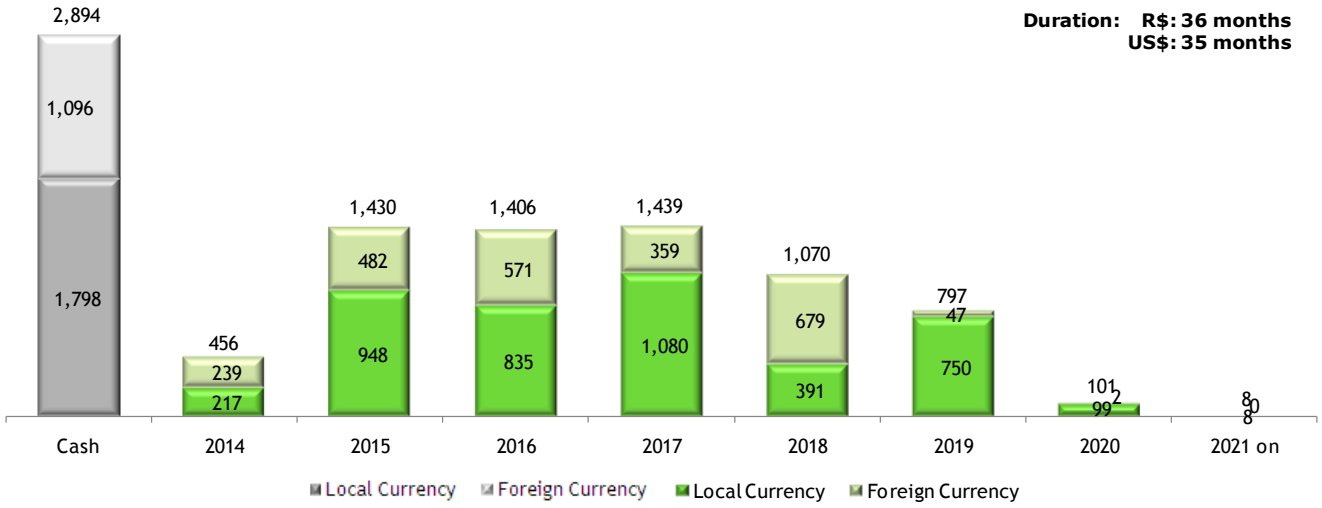
On 06/30/14, debt composition by maturity was 23.6% in the short term and 76.4% in the long term. Composition by currency represented 64.5% in local currency and 35.5% in foreign currency. The following chart shows the consolidated debt by index:

Total Indebtedness by Index - Consolidated

R$ thousand	30-Jun-14			%	31-Mar-14	Chg. Jun14/Mar1	31-Dec-13	Chg. Jun14/Dec13
	Short Term	Long Term	TOTAL		TOTAL		TOTAL	
Local Currency	**1,057,783**	**3,272,198**	**4,329,981**	**65%**	**4,500,164**	**-4%**	**4,537,975**	**-5%**
TJLP	219,724	509,313	729,037	-	780,483	-7%	836,348	-13%
CDI	797,611	2,699,040	3,496,651	-	3,612,264	-3%	3,591,129	-3%
Others	40,448	63,845	104,293	-	107,417	-3%	110,498	-6%
Foreign Currency (*)	**523,626**	**1,854,482**	**2,378,108**	**35%**	**2,157,597**	**10%**	**2,364,859**	**1%**
Gross Debt	**1,581,409**	**5,126,680**	**6,708,089**	**100%**	**6,657,761**	**1%**	**6,902,834**	**-3%**
Cash and Cash Equivalents	-	-	**2,894,449**	-	**2,913,979**	**-1%**	**3,468,816**	**-17%**
Net Debt	**-**	**-**	**3,813,640**	**-**	**3,743,782**	**2%**	**3,434,018**	**11%**

(*) 99% of total foreign currency is US dollars denominated

The graph below shows the consolidated debt profile and cash position on 06/30/14:



Performance of the Business Units

Intercompany transactions are on arm's-length basis (market prices and conditions).

Usiminas - Business Units

Mining	Steel	Steel Processing	Capital Goods
Mineração Usiminas	**Ipatinga Mill** **Cubatão Mill** **Unigal**	**Soluções Usiminas**	**Usiminas Mecânica**

Income Statement per Business Units - Non Audited - Quarterly

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	2Q14	1Q14	2Q14	1Q14	2Q14	1Q14	2Q14	1Q14	2Q14	1Q14	2Q14	1Q14
Net Revenue	203	346	2,918	2,877	596	562	221	169	(831)	(812)	3,106	3,142
Domestic Market	179	234	2,566	2,575	595	557	213	169	(831)	(812)	2,723	2,723
Exports	23	112	352	302	1	6	8	0	0	0	384	420
COGS	(131)	(153)	(2,639)	(2,539)	(570)	(529)	(196)	(151)	764	750	(2,772)	(2,623)
Gross Profit	72	192	278	339	26	33	25	18	(67)	(63)	334	520
Operating Income (Expenses)	(35)	(41)	(61)	(96)	(32)	(31)	(6)	(16)	1	1	(134)	(183)
EBIT	36	151	218	242	(7)	3	19	2	(66)	(62)	200	336
Adjusted EBITDA	**67**	**175**	**457**	**477**	**3**	**12**	**25**	**9**	**(2)**	**(18)**	**549**	**655**
Adj.EBITDA Margin	**33%**	**51%**	**16%**	**17%**	**1%**	**2%**	**11%**	**5%**	**-**	**-**	**18%**	**21%**

*Consolidates 70% of Unigal

Income Statement per Business Units - Non Audited - Semi-Annually

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	1H14	1H13	1H14	1H13	1H14	1H13	1H14	1H13	1H14	1H13	1H14	1H13
Net Revenue	548	471	5,795	5,563	1,158	1,185	390	524	(1,643)	(1,305)	6,249	6,439
Domestic Market	413	397	5,141	4,906	1,152	1,172	382	524	(1,643)	(1,305)	5,445	5,696
Export Market	135	74	654	657	6	13	8	0	0	0	803	743
COGS	(284)	(176)	(5,178)	(5,297)	(1,099)	(1,066)	(347)	(499)	1,514	1,182	(5,395)	(5,856)
Gross Profit	264	295	617	266	59	119	43	26	(129)	(122)	854	583
Operating Income (Expenses)	(77)	(53)	(157)	(274)	(63)	(97)	(22)	(36)	2	2	(317)	(458)
EBIT	187	242	460	(8)	(4)	22	21	(10)	(128)	(120)	537	126
Adjusted EBITDA	**242**	**263**	**934**	**467**	**15**	**49**	**34**	**3**	**(20)**	**(27)**	**1,205**	**755**
Adj.EBITDA Margin	**44%**	**56%**	**16%**	**8%**	**1%**	**4%**	**9%**	**1%**	**-**	**-**	**19%**	**12%**

*Consolidates 70% of Unigal

I) M I N I N G

Operational and Sales Performance

In the 2Q14, production volume remained nearly stable at 1.6 million tons, if compared with the 1Q14.

Sales volume in the 2Q14 registered a decline of 17.3% in comparison with the 1Q14, in function of lower exports by 66.4%. Iron ore volume destined to the Ipatinga and Cubatão plants was practically stable, totaling 1.0 million tons.

Production and sales volumes are shown in the following chart:

Iron Ore

Thousand tons	2Q14	1Q14	2Q13	Chg. 2Q14/1Q14	1H14	1H13	Chg. 1H14/1H13
Production	**1,564**	**1,618**	**1,621**	**-3%**	**3,182**	**3,270**	**-3%**
Sales - Third Parties - Domestic Market	297	298	206	0%	595	257	132%
Sales - Exports	171	509	166	-66%	680	331	105%
Sales to Usiminas	989	960	987	3%	1,949	2,127	-8%
Total Sales	**1,457**	**1,767**	**1,359**	**-18%**	**3,224**	**2,715**	**19%**

Comments on the Business Unit Results - Mining

Net revenue of the Mining Unit accounted for in the 2Q14 was R$202.7 million, a 41.3% decrease when compared with the 1Q14, due to lower export volumes by 66.4%, the decline of 15% in the iron ore prices in the international market and an exchange rate appreciation by 6% in the period.

In the 2Q14, cost of goods sold (COGS) totaled R$131.2 million, 14.4% lower in relation to the 1Q14, in function of lower sales volume. COGS per ton increased by 3.4%, mainly as a result of higher mining rights leasing costs and the ramp up of the flotation plant, which has not reached full capacity due to the current logistic restrictions to exporting iron ore.

Thus, gross profit was R$71.6 million in the 2Q14, against R$192.3 million in the 1Q14, and gross margin was 35.3% against 55.6% in the previous quarter.

In the 2Q14, selling expenses were R$20.2 million, against R$39.8 million in the 1Q14, a reduction of 49.2%, due to lower export volume. General and administrative expenses were R$12.6 million in the 2Q14, stable in relation to the 1Q14. Total operating expenses in the 2Q14 were R$35.2 million, while in the 1Q14, they were R$41.3 million, representing a decrease of 14.7%, mainly due to lower export volume partially compensated by the write-off of an operational asset in the amount of R$10.3 million and lower sales revenue of surplus electric energy. In the 2Q14, energy sale totaled R$8.3 million, against R$16.2 million in the 1Q14.

In the 2Q14, Adjusted EBITDA was R$67.0 million, 61.8% lower than in the 1Q14, that was R$175.2 million, and corresponded to a 33.0% EBITDA margin.

Investments (CAPEX)

Investments in the 2Q14 reached R$27.8 million, mainly related to the Friables Project, in line with that accounted for in the 1Q14.

Stake in MRS Logística

Mineração Usiminas holds a stake in the MRS Logística through its subsidiary UPL – Usiminas Participações e Logística S.A.

MRS Logística is a concession that controls, operates and monitors the Brazilian Southeastern Federal Railroad Network (Malha Sudeste da Rede Ferroviária Federal). The company operates in the railway transportation segment, connecting the states of Rio de Janeiro, Minas Gerais and São Paulo, and its core business is transporting with integrated logistics of cargo in general, such as iron ore, steel products, cement, bauxite, agricultural projects, pet coke and containers.

MRS transported a total volume of 41.4 million tons in the 2Q14, a 14.5% increase in relation to the 1Q14, which was a record volume for a second quarter.

II) S T E E L

Production – Ipatinga and Cubatão Plants

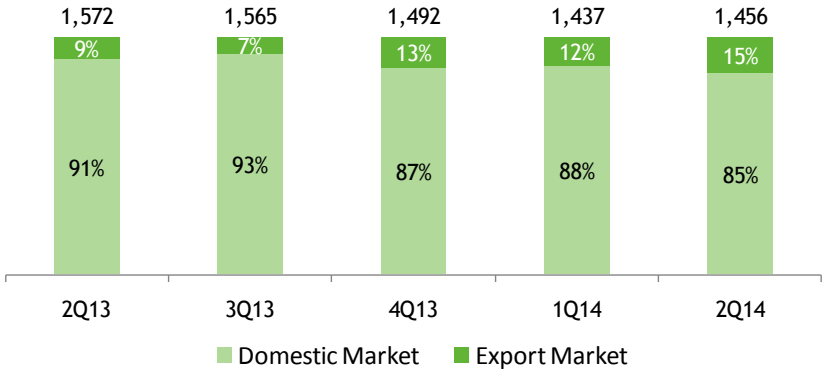
In the 2Q14, crude steel production at the Ipatinga and Cubatão plants was 1.6 million tons, 3.2% lower than in the 1Q14.

Production (Crude Steel)

Thousand tons	2Q14	1Q14	2Q13	Chg. 2Q14/1Q14	1H14	1H13	Var. 1H14/1H13
Ipatinga Mill	894	934	994	-4%	1,828	1,931	-5%
Cubatão Mill	705	718	755	-2%	1,423	1,480	-4%
Total	**1,599**	**1,652**	**1,749**	**-3%**	**3,251**	**3,411**	**-5%**

Sales

Total sales in the 2Q14 were 1.5 million tons of steel, 1.3% higher than in the 1Q14, due to the increase in exports by 30.0%, highlighting the growth on sales of galvanized products, hot-rolled products and heavy plates. The sales to the domestic market declined 2.5% in relation to the 1Q14. Sales mix accounted for was 84.9% in the domestic market and 15.1% in exports.

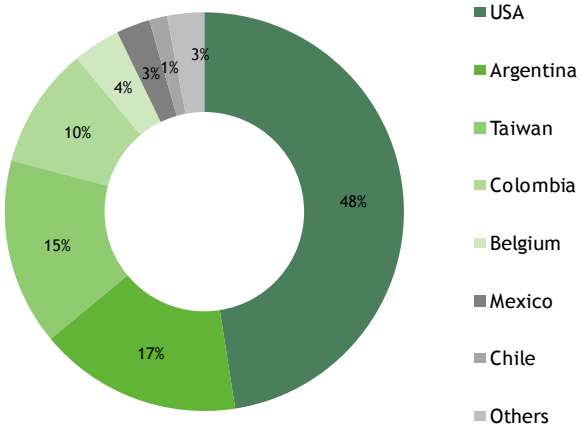


Sales Volume Breakdown

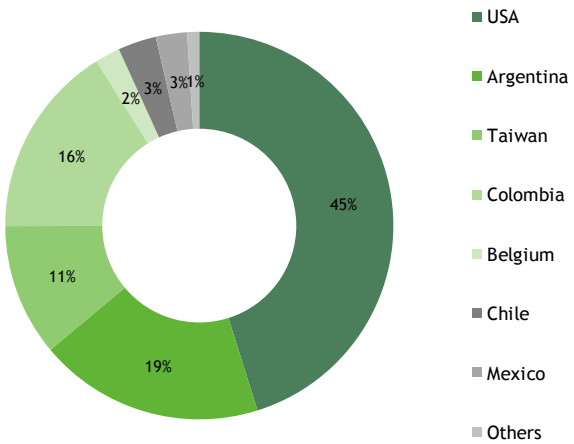
Thousand tons	2Q14		1Q14		2Q13		Change 2Q14/1Q14	1H14		1H13		Change 1H14/1H13
Total Sales	**1,456**	**100%**	**1,437**	**100%**	**1,572**	**100%**	**1%**	**2,893**	**100%**	**3,163**	**100%**	**-9%**
Heavy Plates	334	23%	279	19%	353	22%	20%	614	21%	627	20%	-2%
Hot Rolled	512	35%	517	36%	543	35%	-1%	1,029	36%	1,116	35%	-8%
Cold Rolled	341	23%	377	26%	358	23%	-9%	718	25%	718	23%	0%
Galvanized	243	17%	215	15%	226	14%	13%	458	16%	455	14%	1%
Processed Products	13	1%	26	2%	47	3%	-51%	39	1%	82	3%	-53%
Slabs	12	1%	23	2%	45	3%	-46%	36	1%	165	5%	-78%
Domestic Market	**1,236**	**85%**	**1,268**	**88%**	**1,428**	**91%**	**-3%**	**2,503**	**87%**	**2,654**	**84%**	**-6%**
Heavy Plates	269	18%	228	16%	326	21%	18%	497	17%	564	18%	-12%
Hot Coils	429	29%	465	32%	508	32%	-8%	894	31%	939	30%	-5%
Cold Coils	302	21%	336	23%	340	22%	-10%	637	22%	638	20%	0%
Galvanized	211	15%	198	14%	198	13%	7%	410	14%	403	13%	2%
Processed Products	12	1%	25	2%	41	3%	-52%	36	1%	71	2%	-49%
Slabs	12	1%	17	1%	14	1%	-25%	29	1%	39	1%	-25%
Exports	**220**	**15%**	**169**	**12%**	**144**	**9%**	**30%**	**390**	**13%**	**509**	**16%**	**-23%**
Heavy Plates	66	5%	51	4%	27	2%	28%	117	4%	62	2%	87%
Hot Rolled	82	6%	52	4%	34	2%	57%	135	5%	177	6%	-24%
Cold Rolled	40	3%	41	3%	19	1%	-4%	81	3%	80	3%	1%
Galvanized	32	2%	17	1%	28	2%	93%	49	2%	52	2%	-7%
Processed Products	1	0%	1	0%	6	0%	-34%	2	0%	11	0%	-79%
Slabs	-	0%	7	0%	31	2%	-100%	7	0%	126	4%	-95%

The main export destinations are listed in the graphs below:

Exports - Main Markets – 2Q14



Exports - Main Markets – 1H14



Comments on the Business Unit Results - Steel

In the 2Q14, the Steel Unit registered net revenue of R$2.9 billion, 1.4% higher than in the 1Q14, as a result of the increase of steel average price by 2.3% in the domestic market and the increase in exports by 30.0%.

In the 2Q14, cost of goods sold (COGS) was R$2.6 billion, 4.0% higher than in the 1Q14. COGS per ton raised 2.6% in comparison with the 1Q14, mainly in function of the increase of 5.82% in the payroll referring to the Collective Labor Agreement at the Cubatão plant in May 2014, and the sale of steel products produced in prior periods with higher raw materials costs.

In the 2Q14, sales expenses were 24.3% greater than in the 1Q14, in function of higher export volumes. General and administrative expenses were 3.2% lower than those in the 1Q14. Total operating expenses accounted for in the 2Q14 were R$60.8 million, 37.0% lower than those in the 1Q14, which were R$96.5 million, mainly due to the sale of surplus electric energy, which totaled R$80.7 million in the 2Q14 against R$58.8 million in the 1Q14, and sale of non-operational assets in the amount of R$21.5 million.

Thus, Adjusted EBITDA was R$456.7 million in the 2Q14, 4.3% lower than in the 1Q14, and the Adjusted EBITDA margin was 15.7%.

Investments (CAPEX)

Investments in the 2Q14 totaled R$225.1 million, mainly with maintenance CAPEX and the Coke Plant II revamp in Ipatinga. The Coke Plant revamp will increase coke self-generation and is forecast to start up in the 4Q14.

III) STEEL PROCESSING

Soluções Usiminas

Soluções Usiminas operates in the distribution, services and small-diameter tubes markets nationwide, offering its customers high-value added products and services. It serves several economic segments, such as automotive, autoparts, civil construction, distribution, electro-electronics, machinery and equipment and household appliances, among others.

Sales of the Distribution, Just in Time Services and Tubes' Business Units were responsible for 57%, 34% and 9% of the volume sold in the 2Q14, respectively.

Comments on the Business Unit Results – Steel Processing

Net revenue in the 2Q14 was R$595.7 million, 5.9% higher than in the 1Q14, mainly due to higher average prices and better sales mix.

In the 2Q14, cost of goods sold (COGS) was R$570.1 million, 7.8% higher if compared with the 1Q14, in function of higher raw materials costs.

Total operating expenses were R$32.2 million in the 2Q14, against R$30.7 million in the 1Q14.

Thus, in the 2Q14, Adjusted EBITDA totaled R$3.1 million against R$12.3 million in the 1Q14. Adjusted EBITDA margin showed a decrease of 170 basis points in relation to the 1Q14, reaching 0.5% in the 2Q14.

IV) CAPITAL GOODS

Usiminas Mecânica

Usiminas Mecânica is a capital goods company in Brazil, which operates in the following business areas: steel structures, shipbuilding and offshore, oil and gas, industrial assembly and equipment and foundry and railcars.

Main Signed Contracts

In the 2Q14, the main contracts signed were for the supply of metallic structures for Vale, for the replacement of a cooling system for Usiminas in Ipatinga and for a furnace revamp for Anglo American.

Comments on the Business Unit Results – Capital Goods

Net revenue accounted for in the 2Q14 was R$220.7 million, 30.5% higher when compared with the 1Q14, which was R$169.2 million, due to the increase in revenue related to the industrial assembly and equipment segments.

In the 2Q14, gross profit was R$25.1 million, 39.8% higher than in the 1Q14, in function of the positive results accounted for in the industrial assembly and equipment segments.

Total operating expenses in the 2Q14 were R$6.5 million, 58.6% lower than those in the 1Q14, positively impacted by the sale of non-operating assets in the amount of R$12.2 million.

Adjusted EBITDA in the 2Q14 was R$24.9 million, against R$8.8 million in the 1Q14, and Adjusted EBITDA margin was 11.3%.

Consolidated Highlights

- The Usiminas Investor Relations team was nominated for the "Best Evolution in Investor Relations" award in the large cap category by the IR Magazine. Usiminas is among the five best companies in this category among the public-traded companies in Brazil with revenues above R$3 billion.
- Usiminas received a special award by PSA Peugeot Citroën during the "Suppliers Awards Latin America 2014" in recognition of its contribution and commitment to Peugeot's demands and needs.
- Usiminas received the "Low Carbon seal" by the Ministry of Environment for compensating CO_2 emissions in the World Cup, 2014. The Company donated carbon credits, along with ten other companies, to compensate emissions in the Cup. This is the first time that a host country of the Cup has concerns about mitigating the effect of greenhouse emissions regarding the mega event.
- Usiminas was the best place steel company in the Autodata Magazine's "Ranking of Quality and Partnership 2014", the main publication about the Brazilian auto industry. The ranking reflects the quality of services rendered by suppliers that serve the automotive chain.

- Mineração Usiminas is the second best company in the rank of the mining segment in Brazil, according to the annual publication "The Best and The Biggest" ("*Melhores e Maiores*") by Exame Magazine. To achieve this result, a detailed survey was made with around 3,000 companies in the country. The project evaluated several issues, such as Return on Capital, Current Liquidity, Wealth Creation per Employee, Sales Growth and Market Leadership, for which companies that had the best results in 18 different sectors were chosen.
- On 06/09/2014, Usiminas contracted a revolving credit facility in the amount of US$300 million, which can be drawdown up to 3 years. Such agreement strengthens the liquidity position of Usiminas, allowing greater efficiency in cash management, consistent with the financial strategy of the company.

Capital Markets

Performance on the BM&FBOVESPA

Usiminas' Common shares (USIM3) closed the 2Q14 quoted at R$6.92 and its Preferred shares (USIM5) at R$7.58. In the quarter, USIM3 depreciated 24.9% in value and USIM5, 26.9%. In the same period, the IBOVESPA index appreciated 5.5%.

Usiminas Performance Summary - BM&FBOVESPA (USIM5)

	2Q14	1Q14	Change 2Q14/1Q14	2Q13	Change 2Q14/2Q13
Number of Deals	**752,556**	**868,117**	**-13%**	**795,843**	**-5%**
Daily Average	*12,138*	*13,780*	*-12%*	12,632	*-4%*
Traded - thousand shares	**366,019**	**438,819**	**-17%**	**435,811**	**-16%**
Daily Average	*5,904*	*6,965*	*-15%*	6,918	*-15%*
Financial Volume - R$ million	**3,228**	**4,897**	**-34%**	**4,021**	**-20%**
Daily Average	*52*	*78*	*-33%*	64	*-19%*
Maximum	**10.52**	**14.08**	**-25%**	**11.39**	**-8%**
Minimum	**7.58**	**8.52**	**-11%**	**7.43**	**2%**
Closing	**7.58**	**10.23**	**-26%**	**7.43**	**2%**
Market Capitalization - R$ million	**7,684**	**10,371**	**-26%**	**7,532**	**2%**

Foreign Stock Markets

OTC – New York

Usiminas has American Depositary Receipts (ADRs) traded on the over-the-counter market: USDMY is backed by common shares and USNZY backed by Class A preferred shares. On 06/30/14, greater liquidity USNZY ADRs were quoted at US$3.45 and depreciated 21.6% in value in the quarter.

Latibex – Madrid

Usiminas' shares are traded on the LATIBEX – the Madrid Stock Market: XUSI as preferred shares and XUSIO as common shares. On 06/30/14, XUSI closed quoted at €2.72, depreciating 16.1% in the period. XUSIO shares closed quoted at €2.40, representing a depreciation of 17.7% in the quarter.

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Bradesco

Custodian Bank

Shareholders' Department
Fone: (55 11) 3684-9495

THE BANK OF NEW YORK MELLON

ADR – Depositary Receipt Bank

2Q14 Conference Call - Date 07/24/2014	
In Portuguese - Simultaneous Translation into English	
Brasília time: at 11:00 a.m. Dial-in Numbers: Brazil: (55 11) 3193 1001 / 2820 4001	New York time: at 10:00 a.m. Dial-in Numbers: USA: (1 786) 924 6977
Audio replay available at (55 11) 3193 1012	
Pincode for replay: 1730139# - Portuguese	Pincode for replay: 0263569# - English
Audio of the conference call will be transmitted live via Internet	
See the slide presentation on our website: www.usiminas.com/ri	

Statements contained in this release, relative to the business outlook of the Company, forecasts of operating and financial income and references to growth prospects are mere forecasts and were based on the expectations of Management in relation to future performance. These expectations are highly dependent on market conduct, the economic situation in Brazil, its industry and international markets and, therefore, are subject to change.

Balance Sheet - Assets - Consolidated | IFRS - R$ thousand

Assets	30-Jun-14	31-Mar-14
Current Assets	**9,267,312**	**9,241,989**
Cash and Cash Equivalents	2,894,449	2,913,979
Trade Accounts Receivable	1,624,755	1,736,898
Taxes Recoverable	305,701	305,896
Inventories	4,156,923	4,068,636
Advances to suppliers	12,457	13,052
Financial Instruments	40,437	49,372
Other Securities Receivables	232,590	154,156
Non-Current Assets	**21,781,498**	**21,849,181**
Long-Term Receivable	**2,778,120**	**2,768,902**
Deferred Income Tax & Social Contribution	1,809,383	1,851,482
Deposits at Law	594,924	565,200
Accounts Receiv. Affiliated Companies	21,594	21,268
Taxes Recoverable	107,286	109,654
Financial Instruments	97,226	39,832
Others	147,707	181,466
Investments	**1,152,991**	**1,201,463**
Property, Plant and Equipment	**15,459,740**	**15,481,317**
Intangible	**2,390,647**	**2,397,499**
Total Assets	**31,048,810**	**31,091,170**

Balance Sheet - Liabilities and Shareholders' Equity - Consolidated | IFRS - R$ thousand

Liabilities and Shareholders' Equity	30-Jun-14	31-Mar-14
Current Liabilities	**4,928,200**	**4,921,801**
Loans and Financing and Taxes Payable in Installments	1,581,409	1,410,723
Suppliers, Subcontractors and Freight	2,312,290	2,330,740
Wages and Social Charges	294,903	259,912
Taxes and Taxes Payables	104,311	163,670
Related Companies	156,680	144,520
Financial Instruments	81,741	54,141
Dividends Payable	169	1,121
Customers Advances	106,853	133,699
Others	289,844	423,275
Long-Term Liabilities	**7,059,113**	**7,142,870**
Loans and Financing and Taxes Payable in Installments	5,126,680	5,247,038
Actuarial Liability	1,233,787	1,246,574
Provision for Legal Liabilities	490,404	482,764
Financial Instruments	91,748	50,134
Environmental Protection Provision	80,753	78,643
Others	35,741	37,717
Shareholders' Equity	**19,061,497**	**19,026,499**
Capital	12,150,000	12,150,000
Reserves & Revenues from Fiscal Year	4,816,894	4,717,273
Non-controlling shareholders participation	**2,094,603**	**2,159,226**
Total Liabilities and Shareholders' Equity	**31,048,810**	**31,091,170**

Income Statement - Consolidated | IFRS

R$ thousand	2Q14	1Q14	2Q13	Chg. 2Q14/1Q14
Net Revenues	**3,106,300**	**3,142,318**	**3,244,441**	-1%
Domestic Market	2,722,578	2,722,815	2,992,474	0%
Exports	383,722	419,503	251,967	-9%
COGS	(2,772,242)	(2,622,623)	(2,868,206)	6%
Gross Profit	**334,058**	**519,695**	**376,235**	-36%
Gross Margin	**10.8%**	**16.5%**	**11.6%**	**- 570 bps**
Operating Income (Expenses)	**(133,778)**	**(183,207)**	**(234,235)**	-27%
Selling Expenses	(71,280)	(83,594)	(88,879)	-15%
General and Administrative	(127,582)	(128,161)	(146,600)	0%
Other Operating Income (expenses)	65,084	28,548	1,244	128%
Reintegra Program (Brazilian Government Export Benefit)	-	-	3,492	-
Net Cost of Actuarial Obligations	(1,303)	(1,289)	(5,677)	1%
Provision for Legal Liabilities	(19,721)	(8,187)	(4,267)	141%
Result of the Non Operating Asset Sale/Write-Off	23,562	3,649	651	546%
Result of the Sale of the Surplus Electric Energy	89,007	74,973	14,357	19%
Other Operating Income (Expenses), Net	(26,461)	(40,598)	(7,312)	-35%
EBIT	**200,280**	**336,488**	**142,000**	-40%
EBIT Margin	**6.5%**	**10.6%**	**4.4%**	**- 410 bps**
Financial Result	**(58,561)**	**(18,057)**	**(276,311)**	224%
Financial Income	48,915	47,178	282,212	4%
Financial Expenses	(107,476)	(65,235)	(558,523)	65%
Equity in the Results of Associate and Subsidiary Companies	60,248	44,284	24,477	36%
Operating Profit (Loss)	**201,967**	**362,715**	**(109,834)**	-44%
Income Tax / Social Contribution	(73,356)	(141,087)	87,710	-48%
Net Income (Loss)	**128,611**	**221,628**	**(22,124)**	-42%
Net Margin	**4.1%**	**6.9%**	**-0.6%**	**- 280 bps**
Attributable:				
Shareholders	**114,415**	**184,614**	**(59,476)**	-38%
Minority Shareholders	**14,196**	**37,014**	**37,352**	-62%
EBITDA (Instruction CVM 527)	**538,055**	**647,860**	**428,324**	-17%
EBITDA Margin (Instruction CVM 527)	**17.3%**	**20.6%**	**13.2%**	**- 330 bps**
Adjusted EBITDA - Joint Subsidiary Companies proportional EBITDA	**549,374**	**655,385**	**441,272**	-16%
Adjusted EBITDA Margin	**17.7%**	**20.9%**	**13.6%**	**- 320 bps**
Depreciation and Amortization	277,527	267,088	261,847	4%

Income Statement - Consolidated | IFRS

R$ thousand	1H14	1H13	Chg. 1H14/1H13
Net Revenues	**6,248,618**	**6,439,150**	-3%
Domestic Market	5,445,393	5,695,783	-4%
Exports	803,225	743,367	8%
COGS	(5,394,865)	(5,855,748)	-8%
Gross Profit	**853,753**	**583,402**	46%
Gross Margin	**13.7%**	**9.1%**	**+ 460 bps**
Operating Income (Expenses)	(316,985)	(457,840)	-31%
Selling Expenses	(154,874)	(181,760)	-15%
General and Administrative	(255,743)	(288,772)	-11%
Other Operating Income (Expenses)	93,632	12,692	638%
Reintegra (Brazilian Government Export Benefit)	-	16,770	-
Net Cost of Actuarial Obligations	(2,592)	(21,156)	-88%
Provision for Legal Liabilities	(27,908)	(18,333)	52%
Result of the Non Operating Assets Sale/Write-Off	27,211	26,043	4%
Result of the Sale of the Surplus Electric Energy	163,980	14,636	1020%
Other Operating Income (Expenses), Net	(67,059)	(5,268)	1173%
EBIT	**536,768**	**125,562**	327%
EBIT Margin	**8.6%**	**2.0%**	**+ 660 bps**
Financial Result	**(76,618)**	**(512,461)**	-85%
Financial Income	96,093	317,860	-70%
Financial Expenses	(172,711)	(830,321)	-79%
Equity in the Results of Associate and Subsidiary Companies	104,532	78,316	33%
Operating Profit (Loss)	**564,682**	**(308,583)**	-
Income Tax / Social Contribution	(214,443)	163,764	-
Net Income (Loss)	**350,239**	**(144,819)**	-
Net Margin	**5.7%**	**-2.2%**	**+ 790 bps**
Attributable:			
Shareholders	**299,029**	**(213,090)**	-
Minority Shareholders	**51,210**	**68,271**	-25%
EBITDA (Instruction CVM 527)	**1,185,915**	**724,208**	64%
EBITDA Margin (Instruction CVM 527)	**19.0%**	**11.2%**	**+ 780 bps**
Adjusted EBITDA - Joint Subsidiary Companies proportional EBITDA	**1,204,759**	**754,762**	60%
Adjusted EBITDA Margin	**19.3%**	**11.7%**	**+ 760 bps**
Depreciation and Amortization	544,615	520,330	5%

Cash Flow - Consolidated | IFRS

R$ thousand	2Q14	1Q14
Operating Activities Cash Flow		
Net Income (Loss) in the Period	128,611	221,628
Financial Expenses and Monetary Var. / Net Exchge Var.	54,455	25,056
Interest Expenses	39,938	26,767
Depreciation and Amortization	277,527	267,088
Losses/(gains) on Sale of Property, Plant and Equipment	(28,151)	(3,649)
Equity in the Results of Subsidiaries/Associated Companies	(60,248)	(44,284)
Difered Income Tax and Social Contribution	55,108	84,133
Constitution (reversal) of Provisions	59,085	2,466
Actuarial Gains and losses	(18,957)	1,289
Stock Option Plan	3,376	3,398
Total	**510,744**	**583,892**
Increase/Decrease of Assets		
Accounts Receivables Customer	110,928	(93,594)
Inventories	(90,967)	(217,995)
Recovery of Taxes	9,504	3,266
Judicial Deposits	(29,724)	205
Accounts Receiv. Affiliated Companies	(326)	(437)
Others	(46,300)	(44,683)
Total	**(46,885)**	**(353,238)**
Increase (Decrease) of Liabilities		
Suppliers, Contractors and Freights	(18,450)	(91,284)
Amounts Owed to Affiliated Companies	12,160	4,478
Customers Advances	(26,846)	(44,610)
Tax Payable	(47,878)	12,290
Actuarial Liability Payments	(46,137)	(44,548)
Others	35,908	(8,938)
Total	**(91,243)**	**(172,612)**
Cash Generated from Operating Activities	**372,616**	**58,042**
Interest Paid	(133,948)	(112,288)
Income Tax and Social Contribution	(36,670)	(22,674)
Net Cash Generated from Operating Activities	**201,998**	**(76,920)**
Investments activities cash flow		
Marketable Securities	22,134	483
Amount Received on Disposal (Acquisition) of Investments	16,486	16,486
Amount Paid on the Acquisition of Investments	(111,010)	(57,105)
Fixed Asset Acquisition	(256,940)	(231,978)
Fixed Asset Sale Receipt	39,016	4,729
Additions to / Payments of Intangible Assets	(31,056)	(15,907)
Dividends Received	96,073	525
Purchase of Software	(3,932)	(5,753)
Net Cash Employed on Investments Activities	**(229,229)**	**(288,520)**
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	706,490	96,006
Payment of Loans, Financ. & Debent.	(589,194)	(275,197)
Payment of Taxes Installments	(2,355)	(2,334)
Swap Operations Liquidations	(5,141)	(3,703)
Dividends and Interest on Capital	(79,771)	(1)
Net Cash Generated from (Employed on) Financial Activities	**30,029**	**(185,229)**
Exchange Variation on Cash and Cash Equivalents	**(194)**	**(3,685)**
Net Increase (Decrease) of Cash and Cash Equivalents	**2,604**	**(554,354)**
Cash and Cash Equivalents at the Beginning of the Period	2,078,833	2,633,187
Cash and Cash Equivalents at the End of The Period	2,081,437	2,078,833
RECONCILIATION WITH BALANCE SHEET		
Cash and Cash Equivalents at the Beginning of the Period	2,078,833	2,633,187
Marketable Securities at the Beginning of the Period	835,146	835,629
Cash and Cash Equivalents at the Beginning of the Period	**2,913,979**	**3,468,816**
Net Increase (Decrease) of Cash and Cash Equivalentes	2,604	(554,354)
Net Increase (Decrease) of Marketable Securities	(22,134)	(483)
Cash and Cash Equivalents at the End of the Period	2,081,437	2,078,833
Marketable Securities at the End of the Period	813,012	835,146
Cash and Cash Equivalents at the End of the Period	**2,894,449**	**2,913,979**

Cash Flow - Consolidated | IFRS

R$ thousand	1H14	1H13
Operating Activities Cash Flow		
Net Income (Loss) in the Period	350,239	(144,819)
Financial Expenses and Monetary Var. / Net Exchge Var.	77,898	569,125
Interest Expenses	66,705	98,989
Depreciation and Amortization	544,615	520,330
Losses/(gains) on sale of property, plant and equipment	(27,211)	(32,209)
Equity in the Results of Subsidiaries/Associated Companies	(104,532)	(78,316)
Difered Income Tax and Social Contribution	139,241	(230,165)
Constitution (reversal) of Provisions	42,941	128,854
Actuarial Gains and losses	2,592	21,156
Stock Option Plan	6,774	4,869
Total	**1,099,262**	**857,814**
Increase/Decrease of Assets		
Accounts Receivables Customer	17,334	277,351
Inventories	(308,962)	(29,084)
Recovery of Taxes	12,770	174,429
Judicial Deposits	(29,519)	(53,884)
Accounts Receiv. Affiliated Companies	(763)	(458)
Others	(74,978)	8,719
Total	**(384,118)**	**377,073**
Increase (Decrease) of Liabilities		
Suppliers, contractors and freights	(109,734)	41,588
Amounts Owed to Affiliated Companies	16,638	(13,234)
Customers Advances	(71,456)	(112,206)
Tax Payable	(35,588)	34,205
Actuarial Liability payments	(90,685)	(84,923)
Others	(45,449)	129,991
Total	**(336,274)**	**(4,579)**
Cash Generated from Operating Activities	**378,870**	**1,230,308**
Interest Paid	(246,236)	(318,816)
Income Tax and Social Contribution	(59,344)	(110,293)
Net Cash Generated from Operating Activities	**73,290**	**801,199**
Investments activities cash flow		
Marketable Securities	22,617	(175,533)
Amount received on disposal (acquisition) of investments	16,486	-
Amount paid on the acquisition of investments	(111,019)	(97,100)
Fixed asset acquisition	(488,918)	(430,186)
Fixed asset sale receipt	39,016	33,884
Additions to / payments of Intangible Assets	(31,056)	(26,940)
Dividends Received	96,598	2,952
Software Purchase	(9,685)	(5,115)
Net Cash Employed on Investments Activities	**(465,961)**	**(698,038)**
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	802,496	1,334,205
Payment of Loans, Financ. & Debent.	(864,391)	(1,480,755)
Payment of Taxes Installments	(4,689)	(10,265)
Swap Operations Liquidations	(8,844)	8,142
Dividends and Interest on Capital	(79,772)	(38,038)
Net Cash Generated from (Employed on) Financial Activities	**(155,200)**	**(186,711)**
Exchange Variation on Cash and Cash Equivalents	**(3,879)**	**(17,121)**
Net Increase (Decrease) of Cash and Cash Equivalents	**(551,750)**	**(100,671)**
Cash and Cash Equivalents at the Beginning of the Period	2,633,187	3,123,318
Cash and Cash Equivalents at the End of The Period	2,081,437	3,022,647
RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	2,633,187	3,123,318
Marketable securities at the beginning of the period	835,629	1,537,558
Cash and cash equivalents at the beginning of the period	**3,468,816**	**4,660,876**
Net increase (decrease) of cash and cash equivalentes	(551,750)	(100,671)
Net increase (decrease) of marketable securities	(22,617)	175,533
Cash and cash equivalents at the end of the period	2,081,437	3,022,647
Marketable securities at the end of the period	813,012	1,713,091
Cash and cash equivalents at the end of the period	**2,894,449**	**4,735,738**