# Quarterly information - ITR

## Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

June 30, 2015

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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, 2015, which comprise the balance sheet as at June 30, 2015 and the related statements of operations 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 and 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.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and 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, 2015, 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, August 5, 2015.

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

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

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USIMINAS

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## Company Information / Capital Breakdown

| Number of shares (units) | Current quarter 06/30/2015 |
|---|---|
| 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 |

## Company Information / Cash Proceeds

| Event | Approval | Proceeds | Beginning of Payment | Type of Share | Class of Share | Earnings per share |
|---|---|---|---|---|---|---|
| Board of directors meeting | 02/12/2015 | Dividends | 06/26/2015 | Common shares | | 0.02969 |
| Board of directors meeting | 02/12/2015 | Dividends | 06/26/2015 | Preferred shares | | 0.03267 |

## Individual Financial Statements / Balance sheet - Assets

## (In thousands of reais)

| Account code | Account description | Current quarter 06/30/2015 | Prior year 12/31/2014 |
|---|---|---|---|
| 1 | Total Assets | 28,969,443 | 28,868,053 |
| 1.01 | Current Assets | 4,943,879 | 4,858,106 |
| 1.01.01 | Cash and Cash Equivalents | 544,006 | 609,367 |
| 1.01.02 | Short-term Investments | 292 | 305 |
| 1.01.03 | Accounts Receivable | 977,810 | 981,366 |
| 1.01.03.01 | Trade Accounts Receivable | 977,810 | 981,366 |
| 1.01.04 | Inventories | 3,059,737 | 2,896,272 |
| 1.01.08 | Other Current Assets | 362,034 | 370,796 |
| 1.01.08.03 | Other | 362,034 | 370,796 |
| 1.01.08.03.01 | Taxes recoverable | 154,697 | 134,059 |
| 1.01.08.03.02 | Dividends Receivable | 2,759 | 37,057 |
| 1.01.08.03.03 | Advance to Suppliers | 12,843 | 11,561 |
| 1.01.08.03.04 | Financial Instruments | 967 | 5,711 |
| 1.01.08.03.05 | Other | 190,768 | 182,408 |
| 1.02 | Noncurrent Assets | 24,025,564 | 24,009,947 |
| 1.02.01 | Long-term Assets | 2,441,293 | 2,218,803 |
| 1.02.01.03 | Accounts Receivable | 20,552 | 20,464 |
| 1.02.01.03.02 | Other Accounts Receivable | 20,552 | 20,464 |
| 1.02.01.06 | Deferred Taxes | 1,653,505 | 1,501,384 |
| 1.02.01.08 | Receivables from Related Parties | 46,999 | 66,033 |
| 1.02.01.09 | Other Noncurrent Assets | 720,237 | 630,922 |
| 1.02.01.09.03 | Judicial Deposits | 510,612 | 485,953 |
| 1.02.01.09.05 | Properties for Sale | 6,677 | 6,688 |
| 1.02.01.09.06 | Financial Instruments | 144,678 | 74,518 |
| 1.02.01.09.07 | Taxes Recoverable | 46,911 | 52,404 |
| 1.02.01.09.08 | Other | 11,359 | 11,359 |
| 1.02.02 | Investments | 8,036,314 | 8,178,507 |
| 1.02.02.01 | Ownership interests | 8,036,314 | 8,178,507 |
| 1.02.02.01.01 | Interest Held in Affiliates | 156,233 | 150,901 |
| 1.02.02.01.02 | Interest Held in Subsidiaries | 7,278,145 | 7,410,394 |
| 1.02.02.01.03 | Interest Held in Jointly-Controlled Subsidiaries | 601,936 | 617,212 |
| 1.02.03 | Property, Plant and Equipment (PPE) | 13,373,669 | 13,447,252 |
| 1.02.03.01 | Property, Plant and Equipment in Use | 12,228,186 | 11,616,856 |
| 1.02.03.03 | Construction in Progress | 1,145,483 | 1,830,396 |
| 1.02.04 | Intangible Assets | 174,288 | 165,385 |

## Individual Financial Statements / Balance Sheet - Liabilities

## (In thousands of reais)

| Account code | Account description | Current quarter 06/30/2015 | Prior year 12/31/2014 |
|---|---|---|---|
| 2 | Total Liabilities | 28,969,443 | 28,868,053 |
| 2.01 | Current Liabilities | 4,876,908 | 4,397,432 |
| 2.01.01 | Social and Labor Liabilities | 238,675 | 215,131 |
| 2.01.02 | Trade Accounts Payable | 1,683,240 | 1,552,122 |
| 2.01.03 | Tax Liabilities | 35,055 | 63,606 |
| 2.01.03.01 | Federal Tax Liabilities | 35,055 | 63,606 |
| 2.01.03.01.02 | Taxes Payable | 35,055 | 63,606 |
| 2.01.04 | Loans and Financing | 2,247,274 | 1,656,659 |
| 2.01.04.01 | Loans and Financing | 2,194,283 | 1,606,567 |
| 2.01.04.02 | Debentures | 52,991 | 50,092 |
| 2.01.05 | Other Liabilities | 672,664 | 909,914 |
| 2.01.05.01 | Payables to related parties | 447,766 | 651,443 |
| 2.01.05.02 | Other | 224,898 | 258,471 |
| 2.01.05.02.01 | Dividends and Interest on Equity Payable | 139 | 30,935 |
| 2.01.05.02.04 | Accounts Payable | 52,595 | 76,405 |
| 2.01.05.02.05 | Taxes in installments | 6,679 | 6,431 |
| 2.01.05.02.06 | Financial Instruments | 146,731 | 94,045 |
| 2.01.05.02.07 | Advances from Customers | 18,754 | 50,655 |
| 2.02 | Noncurrent Liabilities | 8,281,090 | 7,750,957 |
| 2.02.01 | Loans and Financing | 6,409,053 | 5,956,973 |
| 2.02.01.01 | Loans and Financing | 5,410,188 | 4,958,424 |
| 2.02.01.02 | Debentures | 998,865 | 998,549 |
| 2.02.02 | Other Liabilities | 295,173 | 266,524 |
| 2.02.02.01 | Payables to Related Parties | 68,860 | 57,780 |
| 2.02.02.02 | Other | 226,313 | 208,744 |
| 2.02.02.02.04 | Financial Instruments | 198,335 | 182,216 |
| 2.02.02.02.05 | Other Accounts Payable | 27,978 | 26,528 |
| 2.02.04 | Provisions | 1,576,864 | 1,527,460 |
| 2.02.04.01 | Provisions for Tax, Social Security, Labor and Civil Contingencies | 1,576,864 | 1,527,460 |
| 2.02.04.01.02 | Provisions for Social Security and Labor Contingencies | 1,205,735 | 1,181,035 |
| 2.02.04.01.05 | Contingent Liabilities | 371,129 | 346,425 |
| 2.03 | Equity | 15,811,445 | 16,719,664 |
| 2.03.01 | Paid-in Capital | 12,150,000 | 12,150,000 |
| 2.03.02 | Capital Reserves | 324,267 | 318,851 |
| 2.03.04 | Income Reserves | 3,831,060 | 3,831,060 |
| 2.03.04.01 | Legal Reserve | 706,065 | 706,065 |
| 2.03.04.02 | Statutory Reserve | 2,967,345 | 2,967,345 |
| 2.03.04.10 | For Investments and Working Capital | 157,650 | 157,650 |
| 2.03.05 | Retained Earnings (Accumulated Losses) | (837,459) | - |
| 2.03.06 | Equity Adjustments | 343,577 | 419,753 |

## Individual Financial Statements / Statement of Operations

## (In thousands of reais)

| Account code | Account description | Current quarter - 04/01/2015 to 06/30/2015 | YTD 01/01/2015 to 06/30/2015 | Equal to quarter of prior year 04/01/2014 to 06/30/2014 | YTD 01/01/2014 to 06/30/2014 |
|---|---|---|---|---|---|
| 3.01 | Revenue from Sales and/or Services | 2,400,217 | 4,956,287 | 2,916,385 | 5,792,845 |
| 3.02 | Cost of Sales and/or Services | (2,341,581) | (4,688,608) | (2,704,056) | (5,287,959) |
| 3.03 | Gross Profit | 58,636 | 267,679 | 212,329 | 504,886 |
| 3.04 | Operating Income (Expenses) | (682,093) | (366,849) | (9,226) | (64,280) |
| 3.04.01 | Selling expenses | (40,011) | (70,223) | (35,489) | (64,086) |
| 3.04.02 | General and Administrative Expenses | (74,147) | (161,001) | (86,767) | (176,480) |
| 3.04.04 | Other Operating Expenses | 108,815 | 171,472 | 183,842 | 292,432 |
| 3.04.05 | Other Operating Expenses | (242,973) | (338,345) | (119,970) | (204,530) |
| 3.04.06 | Equity Pickup | (433,777) | 31,248 | 49,158 | 88,384 |
| 3.05 | Income Before Financial Income (Expense) And Taxes | (623,457) | (99,170) | 203,103 | 440,606 |
| 3.06 | Financial Income (Expenses), Net | (960) | (863,358) | (32,345) | (10,600) |
| 3.07 | Income Before Income Taxes | (624,417) | (962,528) | 170,758 | 430,006 |
| 3.08 | Income and Social Contribution Taxes | 22,230 | 112,881 | (56,343) | (130,977) |
| 3.08.01 | Current | - | - | (286) | (286) |
| 3.08.02 | Deferred | 22,230 | 112,881 | (56,057) | (130,691) |
| 3.09 | Net income (loss) from continuing operations | (602,187) | (849,647) | 114,415 | 299,029 |
| 3.11 | Income/Loss for the Period | (602,187) | (849,647) | 114,415 | 299,029 |
| 3.99 | Earnings (Loss) per Share (Reais / Shares) | | | | |
| 3.99.01 | Basic Earnings per Share | | | | |
| 3.99.01.01 | Registered Common Shares (RCS) | (0.61) | (0.86) | 0.11 | 0.29 |
| 3.99.01.02 | Registered Preferred Shares (RPS) | (0.61) | (0.86) | 0.12 | 0.32 |
| 3.99.02 | Diluted Earnings per Share | | | | |
| 3.99.02.01 | RCS | (0.61) | (0.86) | 0.11 | 0.29 |
| 3.99.02.02 | RPS | (0.61) | (0.86) | 0.12 | 0.32 |

## Individual Financial Statements / Statement of Comprehensive Income (Loss)

## (In thousands of reais)

| Account code | Account description | Current quarter 04/01/2015 to 06/30/2015 | YTD - current 01/01/2015 to 06/30/2015 | Equal to quarter of prior year 04/01/2014 to 06/30/2014 | YTD - prior year 01/01/2014 to 06/30/2014 |
|---|---|---|---|---|---|
| 4.01 | Net Income for the Period | (602,187) | (849,647) | 114,415 | 299,029 |
| 4.02 | Other Comprehensive Income | (36,282) | (68,812) | (21,155) | (56,725) |
| 4.02.01 | Actuarial Gain (Loss) on Retirement Benefits | (36,282) | (68,812) | (21,155) | (59,856) |
| 4.02.03 | Hedge Accounting | - | - | - | 3,131 |
| 4.03 | Comprehensive Income (Loss) for the Period | (638,469) | (918,459) | 93,260 | 242,304 |

## Individual Financial Statements / Cash Flow Statement - Indirect Method

## (In thousands of reais)

| Account code | Account description | YTD 01/01/2015 to 06/30/2015 | YTD - prior year 01/01/2014 to 06/30/2014 |
|---|---|---|---|
| 6.01 | Net Cash from Operating Activities | (172,525) | (85,641) |
| 6.01.01 | Cash From Operations | 521,027 | 914,736 |
| 6.01.01.01 | Net Income (Loss) for the Year | (849,647) | 299,029 |
| 6.01.01.02 | Charges and Monetary/Exchange Gains (Losses), Net | 785,513 | 14,146 |
| 6.01.01.03 | Interest Expenses | 96,759 | 82,209 |
| 6.01.01.04 | Depreciation and Amortization | 487,879 | 457,603 |
| 6.01.01.05 | Gain/Loss on Sale of Property and Equipment | (6,100) | (25,647) |
| 6.01.01.07 | Equity Pickup | (31,248) | (88,384) |
| 6.01.01.08 | Stock Option Plan | 5,416 | 6,774 |
| 6.01.01.09 | Deferred Income and Social Contribution Taxes | (112,881) | 130,691 |
| 6.01.01.10 | Set up (Reversal) of Provisions | 20,596 | 36,351 |
| 6.01.01.11 | Actuarial Gains (Losses) | 7,694 | 1,964 |
| 6.01.01.12 | Impairment of assets | 117,046 | - |
| 6.01.02 | Changes in Assets and Liabilities | (398,101) | (731,202) |
| 6.01.02.02 | Trade Accounts Receivable | 15,179 | (109,661) |
| 6.01.02.03 | Inventories | (129,593) | (199,626) |
| 6.01.02.04 | Taxes Recoverable | (15,145) | 50,707 |
| 6.01.02.05 | Receivables from Related Parties | 19,034 | 897 |
| 6.01.02.06 | Judicial Deposits | (24,660) | (23,094) |
| 6.01.02.07 | Other Increase (Decrease) In Assets | (35,666) | (99,601) |
| 6.01.02.08 | Suppliers, contractors and freight | 127,708 | (62,297) |
| 6.01.02.09 | Advances from Customers | (153,023) | 764 |
| 6.01.02.10 | Payables to Related Parties | (68,065) | (59,828) |
| 6.01.02.11 | Taxes Payable | (28,551) | (34,093) |
| 6.01.02.12 | Actuarial Liabilities Paid | (87,254) | (90,685) |
| 6.01.02.13 | Other Increase (Decrease) in Liabilities | (18,065) | (104,685) |
| 6.01.03 | Other | (295,451) | (269,175) |
| 6.01.03.01 | Interest Paid | (294,177) | (258,832) |
| 6.01.03.02 | Income and Social Contribution Taxes Paid | (1,274) | (10,343) |
| 6.02 | Net Cash from Investing Activities | (297,340) | (114,906) |
| 6.02.01 | Proceeds from the Sale of Property, Plant and Equipment | 6,307 | 26,041 |
| 6.02.02 | Purchases of Property, Plant and Equipment | (383,479) | (418,870) |
| 6.02.03 | Purchases of Intangible Assets | - | (31,056) |
| 6.02.04 | Dividends Received | 92,461 | 300,462 |
| 6.02.05 | Proceeds from Divestiture / Acquisition of Investments | - | 16,486 |
| 6.02.06 | Purchase of Software | (12,642) | (5,192) |
| 6.02.07 | Marketable Securities | 13 | (2,777) |
| 6.03 | Net Cash from Financing Activities | 420,475 | (78,423) |
| 6.03.01 | Loans and Financing Taken out and Debentures | 1,698,925 | 801,674 |
| 6.03.02 | Repayment of Loans and Financing | (1,216,281) | (850,138) |
| 6.03.03 | Payment of Taxes in Installments | - | (4,153) |
| 6.03.04 | Swap Transaction Settlement | (31,373) | (25,547) |
| 6.03.05 | Dividends and Interest on Equity Paid | (30,796) | (259) |
| 6.04 | Exchange Gain (Loss) on Cash and Cash Equivalents | (15,971) | (3,879) |
| 6.05 | Increase (Decrease) in Cash and Cash Equivalents | (65,361) | (282,849) |
| 6.05.01 | Cash and Cash Equivalents | 609,367 | 713,242 |
| 6,05,02 | Cash and cash Equivalents at end of Period | 544,006 | 430,393 |

## Individual Financial Statements / Statement of Changes in Equity / SCE - 03/31/2015 to 06/30/2015

## (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 | 318,851 | 3,831,060 | - | 419,753 | 16,719,664 |
| 5.03 | Adjusted Opening Balances | 12,150,000 | 318,851 | 3,831,060 | - | 419,753 | 16,719,664 |
| 5.04 | Capital Transactions with Shareholders | - | 5,416 | - | 12,188 | (7,364) | 10,240 |
| 5.04.03 | Recognized Options Granted | - | 5,416 | - | 959 | - | 6,375 |
| 5.04.08 | Unclaimed Dividends | - | - | - | 71 | - | 71 |
| 5.04.09 | Adjustment from IAS 29 on Property, Plant and Equipment | - | - | - | 11,158 | (7,364) | 3,794 |
| 5.05 | Total Comprehensive Income | - | - | - | (849,647) | (68,812) | (918,459) |
| 5.05.01 | Net Income for the Period | - | - | - | (849,647) | - | (849,647) |
| 5.05.02 | Other Comprehensive Income (Loss) | - | - | - | - | (68,812) | (68,812) |
| 5.05.02.06 | Actuarial loss on retirement benefits | - | - | - | - | (68,812) | (68,812) |
| 5.07 | Closing Balances | 12,150,000 | 324,267 | 3,831,060 | (837,459) | 343,577 | 15,811,445 |

## Individual Financial Statements / Statement of Changes in Equity / SCE - 03/31/2014 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 | - | - | - | 299,010 | (56,725) | 242,285 |
| 5.05.01 | Net Income 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 Value Added

## (In thousands of reais)

| Account code | Account description | YTD 01/01/2015 to 06/30/2015 | YTD - prior year 01/01/2014 to 06/30/2014 |
|---|---|---|---|
| 7.01 | Revenue | 6,443,769 | 7,875,097 |
| 7.01.01 | Sales of Goods, Products and Services | 6,314,396 | 7,634,508 |
| 7.01.02 | Other Revenues | 129,585 | 238,051 |
| 7.01.04 | (Reversal of) Allowance for Doubtful Accounts | (212) | 2,538 |
| 7.02 | Inputs Acquired from Third Parties | (5,301,661) | (5,935,501) |
| 7.02.01 | Costs of Products Goods and Services Sold | (4,796,511) | (5,522,860) |
| 7.02.02 | Materials, Energy, Third-Party Services and Other Expenses | (505,150) | (412,641) |
| 7.03 | Gross Value Added | 1,142,108 | 1,939,596 |
| 7.04 | Retentions | (487,879) | (457,603) |
| 7.04.01 | Depreciation, Amortization and Depletion | (487,879) | (457,603) |
| 7.05 | Net Value Added Produced | 654,229 | 1,481,993 |
| 7.06 | Value Added Received in Transfer | 126,951 | 345,155 |
| 7.06.01 | Equity Pickup | 31,248 | 88,384 |
| 7.06.02 | Financial Revenues | 103,397 | 90,358 |
| 7.06.03 | Other | (7,694) | 166,413 |
| 7.06.03.01 | Actuarial Gains (Losses) | (7,694) | (1,964) |
| 7.06.03.02 | Exchange Gain (Loss), Net | - | 168,377 |
| 7.07 | Total Value Added to be Distributed | 781,180 | 1,827,148 |
| 7.08 | Distribution of Value Added | 781,180 | 1,827,148 |
| 7.08.01 | Personnel | 465,382 | 463,541 |
| 7.08.01.01 | Direct Compensation | 395,616 | 371,535 |
| 7.08.01.02 | Benefits | 32,534 | 56,265 |
| 7.08.01.03 | Unemployment Compensation Fund (FGTS) | 37,232 | 35,741 |
| 7.08.02 | Taxes, Rates and Contributions | 198,690 | 795,243 |
| 7.08.02.01 | Federal | 126,441 | 485,549 |
| 7.08.02.02 | State | 43,385 | 283,922 |
| 7.08.02.03 | Municipal | 28,864 | 25,772 |
| 7.08.03 | Debt Remuneration | 966,755 | 269,335 |
| 7.08.03.01 | Interest | 330,059 | 302,469 |
| 7.08.03.03 | Other | 636,696 | (33,134) |
| 7.08.03.03.01 | Foreign exchange gains and losses, net | 601,933 | - |
| 7.08.03.03.02 | Income from swap transactions | 34,763 | (33,134) |
| 7.08.04 | Equity Remuneration | (849,647) | 299,029 |
| 7.08.04.03 | Retained Earnings (Accumulated Losses) | (849,647) | 299,029 |

## Consolidated Financial Statements - Balance Sheet - Assets

## (In thousands of reais)

| Account code | Account description | Current quarter - 06/30/2015 | Prior year - 12/31/2014 |
|---|---|---|---|
| 1 | Total Assets | 30,313,887 | 30,484,062 |
| 1.01 | Current Assets | 8,560,921 | 8,245,211 |
| 1.01.01 | Cash and Cash Equivalents | 1,996,659 | 2,109,812 |
| 1.01.02 | Short-term Investments | 892,421 | 742,091 |
| 1.01.03 | Accounts Receivable | 1,357,433 | 1,246,694 |
| 1.01.03.01 | Trade Accounts Receivable | 1,357,433 | 1,246,694 |
| 1.01.04 | Inventories | 3,595,707 | 3,516,751 |
| 1.01.08 | Other Current Assets | 718,701 | 629,863 |
| 1.01.08.03 | Other | 718,701 | 629,863 |
| 1.01.08.03.01 | Taxes recoverable | 367,277 | 358,418 |
| 1.01.08.03.02 | Dividends Receivable | 18,785 | 12,641 |
| 1.01.08.03.03 | Advances to Suppliers | 17,611 | 17,848 |
| 1.01.08.03.04 | Other Accounts Receivable | 206,329 | 175,564 |
| 1.01.08.03.05 | Financial Instruments | 108,699 | 65,392 |
| 1.02 | Noncurrent Assets | 21,752,966 | 22,238,851 |
| 1.02.01 | Long-term Assets | 3,805,774 | 3,179,812 |
| 1.02.01.03 | Accounts Receivable | 134,068 | 133,155 |
| 1.02.01.04 | Inventories | 128,159 | 54,942 |
| 1.02.01.06 | Deferred Taxes | 2,481,044 | 2,018,129 |
| 1.02.01.08 | Receivables from Related Parties | 4,630 | 22,383 |
| 1.02.01.09 | Other Noncurrent Assets | 1,057,873 | 951,203 |
| 1.02.01.09.04 | Judicial Deposits | 599,420 | 566,408 |
| 1.02.01.09.05 | Financial Instruments | 335,582 | 252,027 |
| 1.02.01.09.06 | Taxes Recoverable | 87,418 | 95,835 |
| 1.02.01.09.07 | Other | 35,453 | 36,933 |
| 1.02.02 | Investments | 1,145,575 | 1,145,787 |
| 1.02.02.01 | Ownership Interest | 1,145,575 | 1,145,787 |
| 1.02.02.01.01 | Interests Held in Affiliates | 520,482 | 505,196 |
| 1.02.02.01.04 | Other Ownership Interests | 625,093 | 640,591 |
| 1.02.03 | Property, Plant and Equipment (PP&E) | 15,408,654 | 15,535,573 |
| 1.02.03.01 | Property, Plant and Equipment in Use | 14,058,712 | 13,524,565 |
| 1.02.03.03 | Construction in Progress | 1,349,942 | 2,011,008 |
| 1.02.04 | Intangible Assets | 1,392,963 | 2,377,679 |

## Consolidated Financial Statements / Balance Sheet - Liabilities

## (In thousands of reais)

| Account code | Account description | Current quarter - 06/30/2015 | Prior year - 12/31/2014 |
|---|---|---|---|
| 2 | Total Liabilities | 30,313,887 | 30,484,062 |
| 2.01 | Current Liabilities | 4,718,708 | 4,769,426 |
| 2.01.01 | Social and Labor Liabilities | 319,435 | 280,284 |
| 2.01.02 | Trade Accounts Payable | 2,069,668 | 1,948,744 |
| 2.01.03 | Tax Liabilities | 98,461 | 116,949 |
| 2.01.03.01 | Federal Tax Liabilities | 98,461 | 116,949 |
| 2.01.03.01.01 | Income and Social Contribution Taxes Payable | 31,091 | 22,743 |
| 2.01.03.01.02 | Taxes Payable | 67,370 | 94,206 |
| 2.01.04 | Loans and Financing | 1,716,142 | 1,705,891 |
| 2.01.04.01 | Loans and Financing | 1,663,151 | 1,655,799 |
| 2.01.04.02 | Debentures | 52,991 | 50,092 |
| 2.01.05 | Other liabilities | 515,002 | 717,558 |
| 2.01.05.01 | Payables to Related Parties | 188,279 | 338,357 |
| 2.01.05.02 | Other | 326,723 | 379,201 |
| 2.01.05.02.01 | Dividends and Interest on Equity Payable | 141 | 30,937 |
| 2.01.05.02.04 | Taxes in installments | 7,851 | 7,560 |
| 2.01.05.02.05 | Financial Instruments | 146,731 | 94,045 |
| 2.01.05.02.06 | Advances from Customers | 69,897 | 110,179 |
| 2.01.05.02.08 | Accounts Payable | 102,103 | 136,480 |
| 2.02 | Noncurrent Liabilities | 7,916,813 | 6,953,021 |
| 2.02.01 | Loans and Financing | 5,870,958 | 4,978,324 |
| 2.02.01.01 | Loans and Financing | 4,872,093 | 3,979,775 |
| 2.02.01.02 | Debentures | 998,865 | 998,549 |
| 2.02.02 | Other Liabilities | 239,388 | 225,907 |
| 2.02.02.02 | Other | 239,388 | 225,907 |
| 2.02.02.02.03 | Taxes in Installments | 9,771 | 9,972 |
| 2.02.02.02.04 | Financial Instruments | 198,335 | 182,216 |
| 2.02.02.02.06 | Other | 31,282 | 33,719 |
| 2.02.04 | Provisions | 1,806,467 | 1,748,790 |
| 2.02.04.01 | Provisions for Tax, Social Security, Labor and Civil Contingencies | 1,714,318 | 1,663,647 |
| 2.02.04.01.02 | Provisions for Social Security and Labor Contingencies | 1,213,051 | 1,187,788 |
| 2.02.04.01.05 | Contingent Liabilities | 501,267 | 475,859 |
| 2.02.04.02 | Other Provisions | 92,149 | 85,143 |
| 2.02.04.02.03 | Provisions for Environmental Liabilities and Decommissioning | 92,149 | 85,143 |
| 2.03 | Equity - Consolidated | 17,678,366 | 18,761,615 |
| 2.03.01 | Paid-in Capital | 12,150,000 | 12,150,000 |
| 2.03.02 | Capital reserves | 324,267 | 318,851 |
| 2.03.04 | Income Reserves | 3,831,060 | 3,831,060 |
| 2.03.04.01 | Legal Reserve | 706,065 | 706,065 |
| 2.03.04.02 | Statutory Reserve | 2,967,345 | 2,967,345 |
| 2.03.04.10 | For Investments and Working Capital | 157,650 | 157,650 |
| 2.03.05 | Retained Earnings (Accumulated Losses) | (837,459) | - |
| 2.03.06 | Equity Adjustments | 343,577 | 419,753 |
| 2.03.09 | Noncontrolling Shareholders | 1,866,921 | 2,041,951 |

## Consolidated Financial Statements / Statement of Operations

## (In thousands of reais)

| Account code | Account description | Current quarter - 04/01/2015 to 06/30/2015 | YTD 01/01/2015 to 06/30/2015 | Equal to quarter of prior year 04/01/2014 to 06/30/2014 | YTD - prior year 01/01/2014 to 06/30/2014 |
|---|---|---|---|---|---|
| 3.01 | Revenue from Sales and/or Services | 2,676,762 | 5,357,184 | 3,106,300 | 6,248,618 |
| 3.02 | Cost of Sales and/or Services | (2,571,385) | (5,008,185) | (2,772,242) | (5,394,865) |
| 3.03 | Gross Profit | 105,377 | 348,999 | 334,058 | 853,753 |
| 3.04 | Operating Income (Expenses) | (1,164,929) | (1,361,102) | (73,530) | (212,453) |
| 3.04.01 | Selling Expenses | (60,535) | (111,689) | (71,280) | (154,874) |
| 3.04.02 | General and Administrative Expenses | (107,821) | (230,292) | (127,582) | (255,743) |
| 3.04.04 | Other Operating Revenues | 125,400 | 205,805 | 213,907 | 343,211 |
| 3.04.05 | Other Operating Expenses | (1,155,964) | (1,270,888) | (148,823) | (249,579) |
| 3.04.06 | Equity Pickup | 33,991 | 45,962 | 60,248 | 104,532 |
| 3.05 | Income Before Financial Income (Expense) and Taxes | (1,059,552) | (1,012,103) | 260,528 | 641,300 |
| 3.06 | Financial Income (Expenses), Net | (40,629) | (401,529) | (58,561) | (76,618) |
| 3.07 | Income Before Income Taxes | (1,100,181) | (1,413,632) | 201,967 | 564,682 |
| 3.08 | Income and Social Contribution Taxes | 319,383 | 397,454 | (73,356) | (214,443) |
| 3.08.01 | Current | (6,420) | (26,076) | (18,248) | (75,202) |
| 3.08.02 | Deferred | 325,803 | 423,530 | (55,108) | (139,241) |
| 3.09 | Net Income from Continuing Operations | (780,798) | (1,016,178) | 128,611 | 350,239 |
| 3.11 | Consolidated Income (Loss) for the Period | (780,798) | (1,016,178) | 128,611 | 350,239 |
| 3.11.01 | Attributed to Shareholders of Parent Company | (602,187) | (849,647) | 114,415 | 299,029 |
| 3.11.02 | Attributable to Noncontrolling Shareholders | (178,611) | (166,531) | 14,196 | 51,210 |
| 3.99 | Earnings (Loss) per Share (Reais / Shares) | | | | |
| 3.99.01 | Basic Earnings per Share | | | | |
| 3.99.01.01 | RCS | (0.61) | (0.86) | 0.11 | 0.29 |
| 3.99.01.02 | RPS | (0.61) | (0.86) | 0.12 | 0.32 |
| 3.99.02 | Diluted Earnings per Share | | | | |
| 3.99.02.01 | RCS | (0.61) | (0.86) | 0.11 | 0.29 |
| 3.99.02.02 | RPS | (0.61) | (0.86) | 0.12 | 0.32 |

## Consolidated Financial Statements / Statement of Comprehensive Income (loss)

## (In thousands of reais)

| Account code | Account description | Current quarter - 04/01/2015 to 06/30/2015 | YTD 01/01/2015 to 06/30/2015 | Equal to quarter of prior year 04/01/2014 to 06/30/2014 | YTD - prior year 01/01/2014 to 06/30/2014 |
|---|---|---|---|---|---|
| 4.01 | Consolidated Net Income for the Period | (780,798) | (1,016,178) | 128,611 | 350,239 |
| 4.02 | Other Comprehensive Income (Loss) | (36,282) | (68,812) | (21,155) | (56,725) |
| 4.02.01 | Actuarial Gain (Loss) on Retirement Benefits | (36,282) | (68,812) | (21,155) | (59,856) |
| 4.02.03 | Hedge Accounting | - | - | - | 3,131 |
| 4.03 | Consolidated Comprehensive Income (Loss) for the Period | (817,080) | (1,084,990) | 107,456 | 293,514 |
| 4.03.01 | Attributed to Shareholders of Parent Company | (638,469) | (918,459) | 93,260 | 242,304 |
| 4.03.02 | Attributable to Noncontrolling Shareholders | (178,611) | (166,531) | 14,196 | 51,210 |

## Consolidated Financial Statements / Cash Flow Statement - Indirect Method

## (In thousands of reais)

| Account code | Account description | YTD 01/01/2015 to 06/30/2015 | YTD - prior year 01/01/2014 to 06/30/2014 |
|---|---|---|---|
| 6.01 | Net Cash from Operating Activities | 31,338 | 73,290 |
| 6.01.01 | Cash From Operations | 787,980 | 1,099,262 |
| 6.01.01.01 | Net Income (Loss) for the Year | (1,016,178) | 350,239 |
| 6.01.01.02 | Charges and Monetary/Exchange Gains (Losses), Net | 575,016 | 77,898 |
| 6.01.01.03 | Interest Expenses | 67,779 | 66,705 |
| 6.01.01.04 | Depreciation and Amortization | 610,772 | 544,615 |
| 6.01.01.05 | Gain/Loss on sale of Property, Plant and Equipment | (4,630) | (27,211) |
| 6.01.01.07 | Equity Pickup | (45,962) | (104,532) |
| 6.01.01.08 | Stock Option Plan | 5,416 | 6,774 |
| 6.01.01.09 | Deferred Income and Social Contribution Taxes | (423,530) | 139,241 |
| 6.01.01.10 | Set up (Reversal) of Provisions | 25,993 | 42,941 |
| 6.01.01.11 | Actuarial Gains (Losses) | 8,258 | 2,592 |
| 6.01.01.12 | Impairment of assets | 985,046 | - |
| 6.01.02 | Changes in Assets and Liabilities | (471,356) | (720,392) |
| 6.01.02.02 | Trade Accounts Receivable | (110,951) | 17,334 |
| 6.01.02.03 | Inventories | (45,084) | (308,962) |
| 6.01.02.04 | Taxes Recoverable | (11,561) | 12,770 |
| 6.01.02.05 | Judicial Deposits | (33,151) | (29,519) |
| 6.01.02.06 | Receivables from Related Parties | 17,753 | (763) |
| 6.01.02.07 | Other (Increase) Decrease in Assets | (112,876) | (74,978) |
| 6.01.02.08 | Suppliers, contractors and freight | 120,924 | (109,734) |
| 6.01.02.09 | Payables to Related Parties | (150,078) | 16,638 |
| 6.01.02.10 | Advances from Customers | (40,282) | (71,456) |
| 6.01.02.11 | Taxes Payable | (26,836) | (35,588) |
| 6.01.02.12 | Actuarial Liabilities Paid | (87,254) | (90,685) |
| 6.01.02.13 | Other Increase (Decrease) in Liabilities | 8,040 | (45,449) |
| 6.01.03 | Other | (285,286) | (305,580) |
| 6.01.03.01 | Interest Paid | (278,677) | (246,236) |
| 6.01.03.02 | Income and Social Contribution Taxes Paid | (6,609) | (59,344) |
| 6.02 | Net Cash from Investing Activities | (564,348) | (465,961) |
| 6.02.01 | Proceeds from the Sale of Property, Plant and Equipment | 6,315 | 39,016 |
| 6.02.02 | Purchases of Property, Plant and Equipment | (444,237) | (488,918) |
| 6.02.03 | Proceeds from Divestiture / Acquisition of Investments | - | (94,533) |
| 6.02.04 | Additions to Intangible Assets | - | (31,056) |
| 6.02.05 | Dividends Received | 38,119 | 96,598 |
| 6.02.06 | Purchase of Software | (14,215) | (9,685) |
| 6.02.07 | Marketable Securities | (150,330) | 22,617 |
| 6.03 | Net Cash from Financing Activities | 435,828 | (155,200) |
| 6.03.01 | Loans and Financing Taken out and Debentures | 1,698,925 | 802,496 |
| 6.03.02 | Repayment of Loans and Financing | (1,223,887) | (864,391) |
| 6.03.03 | Payment of Taxes in Installments | (577) | (4,689) |
| 6.03.04 | Swap Transaction Settlement | 662 | (8,844) |
| 6.03.05 | Dividends and Interest on Equity Paid | (39,295) | (79,772) |
| 6.04 | Exchange Gain (Loss) on Cash and Cash Equivalents | (15,971) | (3,879) |
| 6.05 | Increase (Decrease) in Cash and Cash Equivalents | (113,153) | (551,750) |
| 6.05.01 | Cash and Cash Equivalents at Beginning of Period | 2,109,812 | 2,633,187 |
| 6.05.02 | Cash and cash Equivalents at End of Period | 1,996,659 | 2,081,437 |

## Consolidated Financial Statements / Statement of Changes in Equity - SCE - 01/01/2015 to 06/30/2015

## (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 shareholders | Equity - Consolidated |
|---|---|---|---|---|---|---|---|---|---|
| 5.01 | Opening Balances | 12,150,000 | 318,851 | 3,831,060 | - | 419,753 | 16,719,664 | 2,041,951 | 18,761,615 |
| 5.03 | Adjusted Opening Balances | 12,150,000 | 318,851 | 3,831,060 | - | 419,753 | 16,719,664 | 2,041,951 | 18,761,615 |
| 5.04 | Capital Transactions with Shareholders | - | 5,416 | - | 12,188 | (7,364) | 10,240 | (8,499) | 1,741 |
| 5.04.03 | Recognized Options Granted | - | 5,416 | - | 959 | - | 6,375 | - | 6,375 |
| 5.04.06 | Dividends | - | - | - | - | - | - | (8,499) | (8,499) |
| 5.04.08 | Unclaimed Dividends | - | - | - | 71 | - | 71 | - | 71 |
| 5.04.09 | Adjustment from IAS 29 on Property, Plant and Equipment | - | - | - | 11,158 | (7,364) | 3,794 | - | 3,794 |
| 5.05 | Total Comprehensive Income (Loss) | - | - | - | (849,647) | (68,812) | (918,459) | (166,531) | (1,084,990) |
| 5.05.01 | Net Income (Loss) for the Period | - | - | - | (849,647) | - | (849,647) | (166,531) | (1,016,178) |
| 5.05.02 | Other Comprehensive Income (Loss) | - | - | - | - | (68,812) | (68,812) | - | (68,812) |
| 5.05.02.06 | Actuarial loss on retirement benefits | - | - | - | - | (68,812) | (68,812) | - | (68,812) |
| 5.07 | Closing Balances | 12,150,000 | 324,267 | 3,831,060 | (837,459) | 343,577 | 15,811,445 | 1,866,921 | 17,678,366 |

## 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 shareholders | 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 | - | - | - | 299,010 | (56,725) | 242,285 | 51,385 | 293,670 |
| 5.05.01 | Net Income 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 Value Added

## (In thousands of reais)

| Account code | Account description | YTD 01/01/2015 to 06/30/2015 | YTD - prior year 01/01/2014 to 06/30/2014 |
|---|---|---|---|
| 7.01 | Revenue | 7,383,729 | 8,971,836 |
| 7.01.01 | Sales of Goods, Products and Services | 7,222,407 | 8,698,019 |
| 7.01.02 | Other Revenues | 162,054 | 274,227 |
| 7.01.04 | (Reversal of) Allowance for Doubtful Accounts | (732) | (410) |
| 7.02 | Inputs Acquired from Third Parties | (6,654,646) | (6,431,722) |
| 7.02.01 | Costs of Products Goods and Services Sold | (5,119,061) | (5,830,313) |
| 7.02.02 | Materials, Energy, Third-Party Services and Other Expenses | (1,535,585) | (601,409) |
| 7.03 | Gross Value Added | 729,083 | 2,540,114 |
| 7.04 | Retentions | (610,772) | (544,615) |
| 7.04.01 | Depreciation, Amortization and Depletion | (610,772) | (544,615) |
| 7.05 | Net Value Added Produced | 118,311 | 1,995,499 |
| 7.06 | Value Added Received in Transfer | 221,643 | 384,962 |
| 7.06.01 | Equity Pickup | 45,962 | 104,532 |
| 7.06.02 | Financial Revenues | 183,939 | 176,336 |
| 7.06.03 | Other | (8,258) | 104,094 |
| 7.06.03.01 | Actuarial Gains and Losses | (8,258) | (2,592) |
| 7.06.03.02 | Exchange Gains (Losses), Net | - | 106,686 |
| 7.07 | Total Value Added to be Distributed | 339,954 | 2,380,461 |
| 7.08 | Distribution of Value Added | 339,954 | 2,380,461 |
| 7.08.01 | Personnel | 778,443 | 761,038 |
| 7.08.01.01 | Direct Compensation | 686,736 | 643,281 |
| 7.08.01.02 | Benefits | 39,831 | 67,186 |
| 7.08.01.03 | Unemployment Compensation Fund (FGTS) | 51,876 | 50,571 |
| 7.08.02 | Taxes, Rates and Contributions | (7,779) | 909,544 |
| 7.08.02.01 | Federal | (73,088) | 609,303 |
| 7.08.02.02 | State | 26,436 | 264,937 |
| 7.08.02.03 | Municipal | 38,873 | 35,304 |
| 7.08.03 | Debt Remuneration | 585,468 | 359,640 |
| 7.08.03.01 | Interest | 339,201 | 335,079 |
| 7.08.03.03 | Other | 246,267 | 24,561 |
| 7.08.03.03.01 | Foreign exchange gains and losses, net | 304,985 | - |
| 7.08.03.03.02 | Income from swap transactions | (58,718) | 24,561 |
| 7.08.04 | Equity Remuneration | (1,016,178) | 350,239 |
| 7.08.04.03 | Retained Earnings (Accumulated Losses) | (849,647) | 299,029 |
| 7.08.04.04 | Noncontrolling Interests in Retained Profits | (166,531) | 51,210 |

## 1 Operations

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS ("USIMINAS", "Usiminas", "Parent Company" or "Company"), headquartered in the city of Belo Horizonte, Minas Gerais state, is a publicly-held company with its shares traded on BM&FBOVESPA - Bolsa de Valores, Mercadorias e Futuros under the tickers USIM3, USIM5 and USIM6.

The Company and its subsidiaries, jointly-controlled subsidiaries and affiliates (collectively, "Usiminas Companies") have as business purpose the carrying out of metallurgical activities and other related activities, such as iron ore extraction, steel transformation, production of capital assets and logistics. It currently has two steel mills with nominal production capacity of 9.5 million tons a year, located in the cities of Ipatinga, Minas Gerais state and Cubatão, São Paulo state, in addition to iron ore reserves, service and distribution centers, maritime ports, cargo terminals, strategically located in several Brazilian cities.

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, 2014.

## 2 Interim financial information

The Board of Directors' meeting held on August 5, 2015 approved the issue and disclosure of the interim financial information contained in the Company and Consolidated Quarterly Information Form (ITR).

## 3 Summary of significant accounting practices

Significant accounting practices adopted in preparing this interim financial information are described below.

Accounting policies for transactions considered not material were not included in the financial statements.

We further highlight that the accounting policies were consistently applied in the current year, are consistent with those of prior year presented and common for the parent company, subsidiaries, and jointly-controlled subsidiaries, also the financial statements of the subsidiaries were adjusted, as applicable to meet this criterion.

### 3.1 Basis of preparation and statement of compliance

The interim financial information for the six-month period ended June 30, 2015 must be read jointly with the Company's financial statements for the year ended December 31, 2014.

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, 2014, the following Notes are presented in a summarized manner for the six-month period ended June 30, 2015:

8 Trade accounts receivable;
12 Judicial deposits;
13 Investments;
14 Property, plant and equipment;
15 Intangible assets;
16 Loans, financing and debentures;
17 Impairment of nonfinancial assets;
18 Taxes in installments;
19 Provisions for contingencies;
20 Retirement benefit obligations;
21 Equity; and
27 Stock option plan.

The individual and consolidated interim financial information was prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil, issued by Brazilian Financial Accounting Standards Board - FASB (CPC), approved by the Brazilian Securities and Exchange Commission (CVM).

In addition, the Company considered the guidance provided for in Accounting Guidance OCPC 07, issued by the Brazilian FASB (CPC) in November 2014, in preparing its interim financial information. Thus, relevant data of the interim financial information is evidenced and corresponds to that used by management in the administration thereof.

**Individual and consolidated interim financial information**

The individual and consolidated interim financial information, presented herein as Company and Consolidated, respectively, was prepared and is presented in accordance with CPC 21 (R1) and IAS 34, "Interim Financial Reporting", consistently with the CVM rules.

## 3.2 Standards, amendments and interpretations to standards

In the six-month period ended June 30, 2015, no new standards, amendments and interpretations to standards were issued, in addition to those disclosed in Note 3.20 to the Company's financial statements for the year ended December 31, 2014. 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.

## 4 Financial risk management objectives and policies

At June 30, 2015, 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, 2014.

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, 2014 and, therefore, management decided not to repeat the disclosure in the interim financial information at June 30, 2015.

## 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 recognized assets and liabilities in foreign currency and investments in foreign transactions.

As a preventive measure and to reduce the effects of exchange gain/loss, management has adopted a policy of carrying out swaps and, in addition, to have its assets pegged to the exchange restatement, as follows:

| | Company | | Consolidated | |
|---|---|---|---|---|
| | **06/30/2015** | **12/31/2014** | **06/30/2015** | **12/31/2014** |
| Assets in foreign currency | | | | |
| Cash and cash equivalents | **170,000** | 209,516 | **420,435** | 432,188 |
| Marketable securities | **-** | - | **892,123** | 741,779 |
| Trade accounts receivable | **261,200** | 218,652 | **261,888** | 198,389 |
| Advances to suppliers | **15,059** | 9,696 | **15,582** | 12,183 |
| | **446,259** | 437,864 | **1,590,028** | 1,384,539 |
| Liabilities in foreign currency | | | | |
| Loans and financing | **(4,463,928)** | (3,440,873) | **(3,327,611)** | (2,436,521) |
| Trade accounts payable, general contractors and freight | **(654,570)** | (479,763) | **(658,765)** | (483,388) |
| Advances from customers | **(11,995)** | (140,222) | **(20,652)** | (140,222) |
| Other accounts payable | **(11,813)** | (8,025) | **(11,610)** | (8,025) |
| | **(5,142,306)** | (4,068,883) | **(4,018,638)** | (3,068,156) |
| Net exposure | **(4,696,047)** | (3,631,019) | **(2,428,610)** | (1,683,617) |

## 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, 2015. Scenario I considered depreciation of the Brazilian real by 5% on the current scenario. 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, 2015.

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

| | 06/30/2015 | | | |
|---|---|---|---|---|
| Currency | Exchange rate at the end of the period | Scenario I | Scenario II | Scenario III |
| US$ | 3.1026 | 3.2577 | 3.8783 | 4.6539 |
| EUR | 3.4603 | 3.6333 | 4.3254 | 5.1905 |
| YEN | 0.02541 | 0.0267 | 0.0318 | 0.0381 |

The effects on financial expenses considering scenarios I, II and III are as follows:

| | Consolidated | | |
|---|---|---|---|
| | 06/30/2015 | | |
| Currency | Scenario I | Scenario II | Scenario III |
| US$ | (79,544) | (397,719) | (795,438) |
| EUR | (440) | (2,198) | (4,397) |
| YEN | (80) | (398) | (796) |

Derivative financial instruments pegged 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, 2015 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, 2015.

The rates used and their respective scenarios are as follows:

| | 06/30/2015 | | | |
|---|---|---|---|---|
| Index | Rates at the end of the period (i) | Scenario I | Scenario II | Scenario III |
| CDI | 13.6% | 14.3% | 17.1% | 20.5% |
| TJLP | 6.0% | 6.3% | 7.5% | 9.0% |
| LIBOR | 0.8% | 0.8% | 1.0% | 1.2% |
| TR | 0.3% | 0.3% | 0.4% | 0.5% |

(i) Annual rates, except for TR, which comprises the period from April to June 2015.

The effects on financial expenses considering scenarios I, II and III are as follows:

| | Consolidated | | |
|---|---|---|---|
| | 06/30/2015 | | |
| Index | Scenario I | Scenario II | Scenario III |
| CDI | (19,332) | (96,662) | (193,325) |
| TJLP | (1,523) | (7,615) | (15,231) |
| LIBOR | (384) | (1,921) | (3,842) |
| TR | - | (1) | (1) |

The specific interest rates to which the Company is exposed, and that are related to loans, financing and debentures, are presented in Note 19 to the financial statements at December 31, 2014, and are mainly composed of LIBOR, TJLP and CDI.

Derivative financial instruments pegged to interest rates 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

The swap transactions are intended to protect the Company from foreign exchange and interest rate changes not inherently hedged. Usiminas Companies have no financial instruments for speculative purposes. Company 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 transactions with derivative financial instruments are as follows:

### (a) Company

| Maturity - month/year | | Index | | REFERENCE VALUE (amount contracted - Notional) | | | | FAIR VALUE (MARKET) - BOOK | | P&L for the period |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 06/30/2015 | | 06/30/2015 | | 12/31/2014 | | 06/30/2015 | 12/31/2014 | 06/30/2015 |
| | | Long position | Short position | Long position | Short position | Long position | Short position | Long (short) position | Long (short) position | Gain (loss) |
| CURRENCY RATES HEDGE (SWAP) | | | | | | | | | | |
| Merrill Lynch | 09/10 to 03/17 | Libor + 0.83% p.a. | 3.05% p.a. | USD 85,713 | USD 85,713 | USD 85,713 | USD 85,713 | (4,032) | (5,125) | (1,476) |
| Santander | 01/08 to 01/18 | Yen + 4.1165% p.a. | Dollar + 7.34% p.a. | JPY 42,952,000 | USD 400,000 | JPY 42,952,000 | USD 400,000 | (244,827) | (192,202) | (72,637) |
| Santander | 06/06 to 06/16 | Yen + 4.275% p.a | Dollar + 8.35% p.a. | JPY 22,800,000 | USD 200,000 | JPY 22,800,000 | USD 200,000 | (64,006) | (51,253) | (27,151) |
| Votorantim | 03/14 to 03/15 | Exchange Variation (EV) + 2.4% p.a. | 108.5% OF CDI | - | - | USD 19,149 | R$ 45,000 | - | 2,818 | 7,886 |
| Santander | 03/14 to 03/15 | EV + 2.05% p.a. | 108.5% of CDI | - | - | USD 20,454 | R$ 48,000 | - | 2,893 | 8,389 |
| Itau BBA | 06/14 to 06/19 | EV + 2.68% p.a. | 109% of CDI | USD 135,233 | R$ 300,000 | USD 135,233 | R$ 300,000 | 111,713 | 46,837 | 51,576 |
| Itau BBA | 06/14 to 06/19 | EV + 4.53% p.a. | 111.75% of CDI | USD 100,200 | R$ 300,000 | - | - | 7,620 | - | 7,620 |
| BTG Pactual | 02/15 to 05/15 | Fixed dollar R$ 2.9265 | Dollar | USD 12,400 | USD 12,400 | - | - | - | - | (3,079) |
| JP Morgan | 04/15 to 04/17 | EV + 3.5882% p.a. | 109.75% of CDI | USD 31,230 | R$ 100,041 | - | - | (5,424) | - | (5,424) |
| Bradesco | 04/15 to 04/25 | TR + 9.8000% p.a. | 95.00% of CDI | R$ 59,000 | R$ 59,000 | - | - | (1,432) | - | (1,432) |
| Itau BBA | 06/15 to 07/15 | Fixing 3.1330 | 3.1330 + EV | USD 50,000 | USD 50,000 | - | - | 967 | - | 966 |
| | | | | | | | | | Income (loss) for the period | (34,762) |
| | | | | | | | | | Consolidated book balance (Net long position / short position) | (199,421) (196,032) |

## (b) Consolidated

| Maturity - month/year | Index | | REFERENCE VALUE (amount contracted - Notional) | | | | FAIR VALUE (MARKET) - BOOK | | P&L for the period |
|---|---|---|---|---|---|---|---|---|---|
| | 06/30/2015 | | 06/30/2015 | | 12/31/2014 | | 06/30/2015 | 12/31/2014 | 06/30/2015 |
| | Long position | Short position | Long position | Short position | Long position | Short position | Long (short) position | Long (short) position | Gain (loss) |
| CURRENCY RATES HEDGE (SWAP) | | | | | | | | | |
| Merrill Lynch | 09/10 to 03/17 | Libor + 0.83% p.a. | 3.05% p.a. | USD 85,713 | USD 85,713 | USD 85,713 | USD 85,713 | (4,032) | (5,125) | (1,476) |
| Santander | 01/08 to 01/18 | Yen + 4.1165% p.a. | Dollar + 7.34% p.a. | JPY 42,952,000 | USD 400,000 | JPY 42,952,000 | USD 400,000 | (244,827) | (192,202) | (72,637) |
| Santander | 06/06 to 06/16 | Yen + 4.275% p.a | Dollar + 8.35% p.a. | JPY 22,800,000 | USD 200,000 | JPY 22,800,000 | USD 200,000 | (64,006) | (51,253) | (27,151) |
| Votorantim | 03/14 to 03/15 | VC + 2.4% p.a. | 108.5% of CDI | - | - | USD 19,149 | R$ 45,000 | - | 2,818 | 7,886 |
| Santander | 03/14 to 03/15 | VC + 2.05% p.a. | 108.5% of CDI | - | - | USD 20,454 | R$ 48,000 | - | 2,893 | 8,389 |
| Itau BBA | 06/14 to 06/19 | VC + 2.68% p.a. | 109% of CDI | USD 135,233 | R$ 300,000 | USD 135,233 | R$ 300,000 | 111,713 | 46,837 | 51,576 |
| RBS | 06/06 to 06/16 | Dollar + 8.25 p.a. | Yen + 4.275 % p.a. | USD 200,000 | JPY 22,800,000 | USD 200,000 | JPY 22,800,000 | 62,924 | 50,796 | 25,491 |
| RBS | 01/08 to 01/18 | Dollar + 7.25 p.a. | Yen + 4.1165 % p.a. | USD 400,000 | JPY 42,952,000 | USD 400,000 | JPY 42,952,000 | 235,712 | 186,394 | 67,990 |
| Itau BBA | 06/14 to 06/19 | EV+ 4.53% p.a. | 111.75% CDI | USD 100,200 | R$ 300,000 | - | - | 7,620 | - | 7,620 |
| BTG Pactual | 02/15 to 05/15 | Fixed dollar R$ 2.9265 | Dollar | USD 12,400 | USD 12,400 | - | - | - | - | (3,079) |
| JP Morgan | 04/15 to 04/17 | EV + 3.5882% p.a | 109.75% of CDI | USD 31,230 | R$ 100,041 | - | - | (5,424) | - | (5,424) |
| Bradesco | 04/15 to 04/25 | TR + 9.8000% p.a. | 95.00% of CDI | R$ 59,000 | R$ 59,000 | - | - | (1,432) | - | (1,432) |
| Itau BBA | 06/15 to 07/15 | Fixing 3.1330 | 3.1330 + EV | USD 50,000 | USD 50,000 | - | - | 967 | - | 966 |
| | | | | | | | | | Income (loss) for the period | 58,719 |
| | | | | | | | | | Consolidated book balance (Net long position / short position) | 99,215 | 41,158 |

The book balances of transactions with derivative financial instruments are as follows:

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2015 | 12/31/2014 | 06/30/2015 | 12/31/2014 |
| Current assets | **967** | 5,711 | **108,699** | 65,392 |
| Noncurrent assets | **144,678** | 74,518 | **335,582** | 252,027 |
| Current liabilities | **(146,731)** | (94,045) | **(146,731)** | (94,045) |
| Noncurrent liabilities | **(198,335)** | (182,216) | **(198,335)** | (182,216) |
| | **(199,421)** | (196,032) | **99,215** | 41,158 |

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2015 | 06/30/2014 | 06/30/2015 | 06/30/2014 |
| On cost of sales | **-** | (136) | **-** | (136) |
| On financial income (expenses) | **(34,763)** | 33,134 | **58,718** | (24,561) |
| | **(34,763)** | 32,998 | **58,718** | (24,697) |

## 6 Cash and cash equivalents

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2015 | 12/31/2014 | 06/30/2015 | 12/31/2014 |
| Bank checking account | **16,145** | 31,391 | **21,030** | 51,253 |
| Bank checking account - abroad | **170,000** | 209,516 | **183,621** | 236,317 |
| Bank Deposit Certificates (CDBs) and repurchase agreements | **357,861** | 368,460 | **1,555,194** | 1,626,371 |
| Short-term investments abroad (Time Deposit) | **-** | - | **236,814** | 195,871 |
| | **544,006** | 609,367 | **1,996,659** | 2,109,812 |

Highly liquid short-term investments in Bank Deposit Certificates (CDBs) are remunerated at the average variation of 102% of the Interbank Deposit Certificate (CDI) in the six-month period.

At June 30, 2015, Usiminas Companies do not have secured accounts.

## 7 Marketable securities

| | Company | | Consolidated | |
|---|---|---|---|---|
| | **06/30/2015** | **12/31/2014** | **06/30/2015** | **12/31/2014** |
| Short-term investments abroad (Time Deposit) | **-** | - | **892,123** | 741,779 |
| Repurchase agreements | **292** | 305 | **298** | 312 |
| | **292** | 305 | **892,421** | 742,091 |

Short-term investments abroad earn interest at fixed rates and are adjusted for currency fluctuations.

None of these financial assets is expired or impaired.

## 8 Trade accounts receivable

| | Company | | Consolidated | |
|---|---|---|---|---|
| | **06/30/2015** | **12/31/2014** | **06/30/2015** | **12/31/2014** |
| Trade accounts receivable: | | | | |
| In Brazil | **577,767** | 572,064 | **1,088,316** | 1,070,142 |
| Abroad | **243,787** | 141,795 | **244,378** | 150,847 |
| Allowance for doubtful accounts | **(51,342)** | (50,875) | **(76,415)** | (76,812) |
| Trade accounts receivable, net | **770,212** | 662,984 | **1,256,279** | 1,144,177 |
| Accounts receivable from related parties | | | | |
| In Brazil | **157,109** | 221,783 | **50,568** | 34,575 |
| Abroad | **50,489** | 96,599 | **50,586** | 67,942 |
| Accounts receivable from related parties | **207,598** | 318,382 | **101,154** | 102,517 |
| | **977,810** | 981,366 | **1,357,433** | 1,246,694 |

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

At June 30, 2015, changes in allowance for doubtful accounts for trade accounts receivable of Usiminas Companies are as follows:

| | Company | Consolidated |
|---|---|---|
| Balance at December 31, 2014 | **(50,875)** | **(76,812)** |
| (Additions) reversals to P&L | **(212)** | **652** |
| Foreign exchange gains/losses | **(255)** | **(255)** |
| Balance at June 30, 2015 | **(51,342)** | **(76,415)** |

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 has no security as collateral for trade accounts receivable.

## 9 Inventories

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2015 | 12/31/2014 | 06/30/2015 | 12/31/2014 |
| Current assets | | | | |
| Finished products | **769,710** | 710,076 | **923,697** | 946,135 |
| Work-in-process | **891,296** | 941,056 | **914,563** | 973,720 |
| Raw materials | **499,818** | 413,083 | **800,899** | 709,246 |
| Suppliers and spare parts | **531,861** | 516,738 | **592,121** | 574,528 |
| Imports in transit | **163,211** | 126,489 | **163,546** | 126,912 |
| Other | **203,841** | 188,830 | **200,881** | 186,210 |
| | **3,059,737** | 2,896,272 | **3,595,707** | 3,516,751 |
| Noncurrent assets | | | | |
| Finished products | **-** | - | **128,159** | 54,942 |
| | **3,059,737** | 2,896,272 | **3,723,866** | 3,571,693 |

At June 30, 2015, the Company had a provision for reduction at the market value and obsolescence of inventory items in the amount of R$42,772 (R$14,682 at December 31, 2014). In Consolidated, this provision amounted to R$48,598 (R$19,568 at December 31, 2014).

At June 30, 2015, the Company recorded inventories amounting to R$17,498 (R$16,430 at December 31, 2014) given as guarantee of legal proceedings.

## 10 Taxes recoverable

| | Company | | | |
|---|---|---|---|---|
| | 06/30/2015 | | 12/31/2014 | |
| | Current | Noncurrent | Current | Noncurrent |
| Prepaid IRPJ/CSLL | **58,259** | **-** | 43,838 | - |
| Contribution Tax on Gross Revenue for Social Integration Program (PIS) | **2,801** | **-** | 2,496 | - |
| Contribution Tax on Gross Revenue for Social Security Financing (COFINS) | **12,876** | **-** | 11,498 | - |
| State Value-Added Tax (ICMS) | **55,086** | **35,201** | 59,390 | 40,694 |
| Federal VAT (IPI) | **3,120** | **-** | - | - |
| Export Credit – Reintegra (i) | **16,107** | **-** | 12,478 | - |
| Other taxes | **6,448** | **11,710** | 4,359 | 11,710 |
| | **154,697** | **46,911** | 134,059 | 52,404 |

| | Consolidated | | | |
|---|---|---|---|---|
| | 06/30/2015 | | 12/31/2014 | |
| | Current | Noncurrent | Current | Noncurrent |
| Prepaid IRPJ/CSLL | **135,006** | **-** | 129,216 | - |
| PIS | **3,819** | **159** | 3,094 | 216 |
| COFINS | **18,238** | **731** | 14,358 | 996 |
| ICMS | **134,409** | **74,663** | 158,690 | 82,758 |
| IPI | **15,009** | **-** | 17,638 | - |
| Export Credit – Reintegra (i) | **16,107** | **-** | 12,478 | - |
| Other taxes | **44,689** | **11,865** | 22,944 | 11,865 |
| | **367,277** | **87,418** | 358,418 | 95,835 |

(i) This refers to the Brazilian Special Tax Refund Regime for Exporting Companies (REINTEGRA), whose objective is to refund amounts arising from residual tax costs computed in the export companies' productive chain. The Company's enrollment with Reintegra was terminated 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 | |
|---|---|---|---|---|
| | 06/30/2015 | 06/30/2014 | 06/30/2015 | 06/30/2014 |
| Income before income taxes | **(962,528)** | 430,006 | **(1,413,632)** | 564,682 |
| Nominal rates | **34%** | 34% | **34%** | 34% |
| Taxes on profit calculated at nominal rates | **327,260** | (146,202) | **480,635** | (191,992) |
| Adjustments to determine taxes on effective profit: | | | | |
| Equity pickup | **12,398** | 40,173 | **15,627** | 35,541 |
| Interest on Equity (IOE) | **(8,901)** | (11,805) | **732** | 926 |
| Permanent exclusions (additions) | **(18,467)** | (12,832) | **(16,649)** | (15,187) |
| Unrecognized tax credits | **(199,409)** | - | **(199,409)** | - |
| Tax incentive | **-** | - | **179** | 657 |
| Nontaxable profit and rate differences of foreign subsidiaries | **-** | - | **118,968** | (41,888) |
| Other | **-** | (311) | **(2,629)** | (2,500) |
| Income and social contribution taxes | **112,881** | (130,977) | **397,454** | (214,443) |
| Current | **-** | (286) | **(26,076)** | (75,202) |
| Deferred | **112,881** | (130,691) | **423,530** | (139,241) |
| Income and social contribution taxes on P&L | **112,881** | (130,977) | **397,454** | (214,443) |

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 income tax items presented in equity in the 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, 2015, are as follows:

| | Assets | |
|---|---|---|
| | Company | Consolidated |
| Balance at December 31, 2014 | **1,501,384** | **2,018,129** |
| (Reversal of) deferred taxes in P&L, net | **112,881** | **423,530** |
| Deferred taxes on comprehensive income/loss (actuarial liabilities) | **35,449** | **35,449** |
| Adjustment from IAS 29 on property, plant and equipment | **3,790** | **3,790** |
| Other | **1** | **146** |
| Balance at June 30, 2015 | **1,653,505** | **2,481,044** |

Deferred tax assets and liabilities are broken down as follows:

| | Company | | Consolidated | |
|---|---|---|---|---|
| | **06/30/2015** | **12/31/2014** | **06/30/2015** | **12/31/2014** |
| Deferred assets arising from income and social contribution tax losses | **1,154,200** | 1,012,111 | **1,269,229** | 1,122,467 |
| Deferred assets arising from temporary differences | **1,090,065** | 793,674 | **1,832,944** | 1,233,689 |
| Deferred liabilities arising from temporary differences | **(391,351)** | (304,401) | **(421,720)** | (338,027) |
| Unrecognized tax credits | **(199,409)** | - | **(199,409)** | - |
| Balance at June 30, 2015 | **1,653,505** | 1,501,384 | **2,481,044** | 2,018,129 |

These 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 economic and operating environment of the Company.

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

As of June 30, 2015, management recorded R$112,881 for the six-month period as deferred tax on income. Total deferred tax assets not recognized in the interim financial information amounted to R$199,409.Company management will continue monitoring this unrecognized amount, which may be accounted for as soon as use thereof becomes probable.

According to projections approved by the Management of the Company and the balance of deferred income tax asset (tax loss and temporary differences) at June 30, 2015, taxes are expected to be realized as follows:

| | **Company** | **Consolidated** |
|---|---|---|
| 2015 | (186,612) | (19,776) |
| 2016 | 32,811 | 180,094 |
| 2017 | 177,770 | 326,857 |
| 2018 | 212,614 | 368,171 |
| From 2019 onwards | 2,007,682 | 2,246,827 |
| Assets | 2,244,265 | 3,102,173 |
| Liabilities | (391,351) | (421,720) |
| Unrecognized tax credits | (199,409) | (199,409) |
| Net position | 1,653,505 | 2,481,044 |

Considering that the income and social contribution tax base 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 (losses) from income and social contribution taxes. 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

At June 30, 2015, changes in judicial deposits are as follows:

| | Company | Consolidated |
|---|---|---|
| Balance at December 31, 2014 | **683,985** | **764,440** |
| Additions | **20,731** | **27,909** |
| Interest/restatements | **16,555** | **18,537** |
| Reversals | **(12,626)** | **(13,433)** |
| | **708,645** | **797,453** |
| (-) Offsetting of taxes in installments | **(198,033)** | **(198,033)** |
| Balance at June 30, 2015 | **510,612** | **599,420** |

In addition, at June 30, 2015, the Company has chattels and real properties, bank guarantees and insurance given as guarantee in legal proceedings amounting to R$1,927,603 (R$1,935,610 at December 31, 2014) and in Consolidated amounting to R$3,345,682 (R$3,355,937 at December 31, 2014).

## 13 Investments

## (a) Changes in investments

## (i) Company

| | 12/31/2014 | Additions (write-offs) | Equity pickup | Interest on equity and dividends | Unrealized profit in inventories | Other | 06/30/2015 |
|---|---|---|---|---|---|---|---|
| Subsidiaries | | | | | | | |
| Cosipa Commercial | 25,353 | - | (4,850) | - | - | - | **20,503** |
| Cosipa Overseas | 592 | - | 99 | - | - | - | **691** |
| Mineração Usiminas | 3,907,515 | - | (375,666) | (19,831) | - | - | **3,512,018** |
| Soluções Usiminas | 724,090 | - | (9,677) | - | (6,343) | - | **708,070** |
| Usiminas Commercial | 61,761 | - | 4,050 | - | - | - | **65,811** |
| Usiminas Europa | 1,929,453 | - | 376,898 | - | - | - | **2,306,351** |
| Usiminas International | 33,097 | - | 2,731 | - | - | - | **35,828** |
| Usiminas Mecânica | 542,901 | - | 16,200 | - | 1,131 | 344 | **560,576** |
| UPL | 57,206 | - | 2,812 | (2,556) | - | - | **57,462** |
| Goodwill on subsidiaries | 128,426 | (117,046) | - | - | - | (545) | **10,835** |
| | 7,410,394 | (117,046)- | 12,597 | (22,387) | (5,212) | (201) | **7,278,145** |
| Jointly-controlled subsidiaries | | | | | | | |
| Unigal | 600,075 | - | 21,399 | (35,003) | - | - | **586,471** |
| Usiroll | 9,842 | - | 372 | - | - | (2,044) | **8,170** |
| | 609,917 | - | 21,771 | (35,003) | - | (2,044) | **594,641** |
| Affiliates | | | | | | | |
| Codeme | 52,327 | 3,082 | 4,809 | - | - | - | **60,218** |
| Metform | 13,239 | (3,082) | 769 | (623) | - | 117 | **10,420** |
| MRS | 7,958 | - | 409 | (150) | - | - | **8,217** |
| Goodwill on affiliates | 77,377 | - | - | - | - | - | **77,377** |
| | 150,901 | - | 5,987 | (773) | - | 117 | **156,232** |
| Investment properties | 7,295 | - | - | - | - | - | **7,295** |
| | 8,178,507 | (117,046) | 40,355 | (58,163) | (5,212) | (2,127) | **8,036,314** |

Equity pickup presented in the statements of operations and cash flows of the Company does not include the amount of R$3,895, referring to losses from capital deficiency of subsidiary, and R$5,212 referring to unrealized profit in inventories.

### (ii) Consolidated

| | 12/31/2014 | Additions (write-offs) | Equity pickup | Interest on equity and dividends | Other | 06/30/2015 |
|---|---|---|---|---|---|---|
| Jointly-controlled subsidiaries | | | | | | |
| Modal | 2,654 | - | 994 | (1,216) | - | **2,432** |
| Unigal | 600,075 | - | 21,400 | (35,003) | - | **586,472** |
| Usiroll | 9,842 | - | 372 | - | (2,045) | **8,169** |
| Goodwill on joint-controlled subsidiaries | 28,020 | - | - | - | - | **28,020** |
| | 640,591 | - | 22,766 | (36,219) | (2,045) | **625,093** |
| Affiliates | | | | | | |
| Codeme | 52,327 | 3,082 | 4,809 | - | - | **60,218** |
| Metform | 13,239 | (3,082) | 768 | (623) | 118 | **10,420** |
| MRS | 325,086 | - | 16,700 | (6,160) | 18 | **335,644** |
| Terminal Paraopeba | 898 | 16 | (4) | - | - | **910** |
| Terminal Sarzedo | 2,325 | - | 951 | (1,279) | - | **1,997** |
| Other | 10,119 | - | (28) | - | - | **10,091** |
| Goodwill on affiliates | 101,202 | - | - | - | - | **101,202** |
| | 505,196 | 16 | 23,196 | (8,062) | 136 | **520,482** |
| Total | 1,145,787 | 16 | 45,962 | (44,281) | (1,909) | **1,145,575** |

## (b) Other significant information on investments

### (i) Mineração Usiminas - port operation service rendering agreement entered into with Porto Sudeste do Brasil S.A. (currently named MMX Porto Sudeste Ltda.)

On May 27, 2015, Mineração Usiminas S.A. communicated to Porto Sudeste do Brasil S.A. (currently named MMX Porto Sudeste Ltda.) the immediate termination of the port operation service rendering agreement for handling, warehousing and shipment of ore owned by Mineração Usiminas in the Porto Sudeste Terminal under Take-or-Pay and Delivery-or-Pay contracts. This agreement was terminated due to repeated default by Porto Sudeste in its obligation of completing and putting the port into operation, as well as nonpayment of contractual penalties. The Company took reasonable steps to enforce its rights, including an arbitration proceeding pleading payment of penalties, compensation for loss of profits, in addition to other damages provided for in contract. No amount referring to this compensation was accounted for in Mineração Usiminas.

## 14 Property, plant and equipment (PP&E)

Changes in PP&E are as follows:

| | Company | Consolidated |
|---|---|---|
| Balances at December 31, 2014 | **13,447,252** | **15,535,573** |
| Additions | **383,479** | **444,237** |
| Write-offs | **(207)** | **(1,684)** |
| Depreciation (i) | **(486,750)** | **(596,423)** |
| Interest and monetary/exchange gain (losses) capitalized (ii) | **39,301** | **39,301** |
| Transfer to intangible assets | **(3,172)** | **(6,246)** |
| Transfers | **-** | **142** |
| Write-off of advances | **(846)** | **(846)** |
| Other | **(5,388)** | **(5,400)** |
| Balances at June 30, 2015 | **13,373,669** | **15,408,654** |

A portion of total depreciation for the period that at June 30, 2015 totals R$5,782 was appropriated to inventories.

(ii) These charges, amounting to R$39,301 at June 30, 2015, were capitalized to the rates contracted, which are stated in Note 19 to the financial statements as at December 31, 2014.

At June 30, 2015, additions to PP&E amounting to R$444,237 mainly refer to Coke Plant No. 2 in Ipatinga (R$80,162); improvements in the slab processing courtyard in Cubatão (R$34,642); replacement of Staves Coolers (R$42,023); and heightening of Samambaia dam (R$9,512) of Mineração Usiminas.

## 15 Intangible assets

Changes in intangible assets for the six-month period ended June 30, 2015 are as follows:

| | Company | Consolidated |
|---|---|---|
| Balance at December 31, 2014 | **165,385** | **2,377,679** |
| Additions | **12,642** | **14,215** |
| Amortization | **(6,911)** | **(20,131)** |
| Impairment of assets (Note 16) | **-** | **(985,046)** |
| Transfers from PP&E | **3,172** | **6,246** |
| Balance at June 30, 2015 | **174,288** | **1,392,963** |

At June 30, 2015, additions to consolidated intangible assets, in the amount of R$14,215, mainly refer to the new operating platform of the stations and dredging of Cubatão port.

## 16 Impairment of non financial assets

### (a) Mining segment impairment

| | 06/30/2015 | | | | | |
|---|---|---|---|---|---|---|
| | Company | | | Consolidated | | |
| Assets | Net carrying amount | Recoverable amount | Impairment adjustment | Net carrying amount | Recoverable amount | Impairment adjustment |
| Investments - Mining rights earn-out | 117,046 | - | 117,046 | 117,046 | - | 117,046 |
| Intangibles - Mining rights | - | - | - | 3,753,000 | 2,885,000 | 868,000 |
| | **117,046** | **-** | **117,046** | **3,870,046** | **2,885,000** | **985,046** |

Since the beginning of 2015, a material worsening of the pricing environment for iron ore has been in evidence, driven by revisions to the outlook for global GDP growth, especially in the context of weaker Chinese construction activity, whilst at the same time supply from Australia has ramped up to outstrip weakening demand. After price reductions in 2014, an additional reduction of 17% of the iron ore prices (CFR China 62% Fe) was evidenced during the first semester of 2015. In face of the deterioration of the expectations regarding the future iron ore prices, the Company registered an impairment of R$985.046 in the value of its mining rights. The amount of R$868.000 was registered at the subsidiary Mineração Usiminas S.A. financial statements, and R$ 117.046 was registered at the Parent company. The value in use of the Mining Segment has been updated to reflect management´s best estimate of the future iron ore prices based on a detailed analysis of market fundamentals in the medium and long term. The valuation remains sensitive to the volatility of the commodity prices and eventual changes in long term expectations may result in further adjustments.

The discount rate used in future cash flow projections represents an estimate of the rate that would be used by the market to meet risks of assets under assessment. The nominal rate in real (R$) used was 11.9% p.a. The Company considered market sources to define inflation and exchange rates used in the future cash flows projections. The expected Brazilian long term inflation rate used was of 4.5% p.a. For projection of the annual exchange rates (Real / Dollar), the Company considered the North American and Brazilian long term inflation rates. The prices projected for iron ore (CFR China 62% Fe) were between USD57 per ton and USD74 per ton. The prices which were used in the valuation are within the range of published analyst forecasts and broadly in line with the mean.

### (b) Other business segments impairment

As of June 30, 2015, the Company did not identify losses in the impairment tests of its fixed assets for the other cash generating units. For calculation of the recoverable amount, Usiminas Companies used projections of sales volume, average prices and operating costs performed by the commercial and planning sectors for the next 5 years, considering market share, variation in international prices, and dollar and inflation evolution. For subsequent years, growth rates were adopted due to the estimated long-term inflation and exchange rates. The discounted cash flow was projected according to the estimated useful life of the operating equipments.

## 17 Loans, financing and debentures

### (a) Loans and financing

At June 30, 2015, changes in loans and financing are as follows:

| | Company | Consolidated |
|---|---|---|
| Balance at December 31, 2014 | **6,564,991** | **5,635,574** |
| Inflow of loans and financing | **1,698,925** | **1,698,925** |
| Charges reserve | **113,735** | **84,755** |
| Monetary gains (losses) | **131,862** | **135,436** |
| Foreign exchange gains/losses | **544,174** | **421,876** |
| Amortization of charges | **(228,509)** | **(213,009)** |
| Amortization of principal | **(1,216,281)** | **(1,223,887)** |
| Deferral of commissions | **(4,426)** | **(4,426)** |
| Balance at June 30, 2015 | **7,604,471** | **6,535,244** |
| Current liabilities | **2,194,283** | **1,663,151** |
| Noncurrent liabilities | **5,410,188** | **4,872,093** |

The aging list of amounts recorded in noncurrent liabilities is as follows:

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2015 | 12/31/2014 | 06/30/2015 | 12/31/2014 |
| 2016 | **424,600** | 1,828,759 | **428,894** | 1,331,292 |
| 2017 | **1,281,403** | 999,576 | **1,287,496** | 1,006,438 |
| 2018 | **2,845,827** | 1,717,697 | **2,293,480** | 1,225,509 |
| 2019 | **494,982** | 304,977 | **496,937** | 307,211 |
| 2020 to 2025 | **363,376** | 107,415 | **365,286** | 109,325 |
| | **5,410,188** | 4,958,424 | **4,872,093** | 3,979,775 |

### (b) Debentures

At June 30, 2015, changes in debentures are as follows:

| | Company and Consolidated |
|---|---|
| Balance at December 31, 2014 | 1,048,641 |
| Charges reserve and other | 21,005 |
| Monetary gains (losses) | 47,878 |
| Amortization of charges | (65,668) |
| Balance at June 30, 2015 | 1,051,856 |
| Current liabilities | 52,991 |
| Noncurrent liabilities | 998,865 |

At June 30, 2015, charges on debentures amounting to R$52,991 are recorded under current liabilities (R$50,092 at December 31, 2014).

### (c) Other significant information on loans and financing

#### (i) Covenants

At June 30, 2015, the Company has loans and financing under certain contractual conditions and clauses, which establish that the following financial ratios shall be met:

- Consolidated Interest Coverage Ratio - ability to pay interest on loans and financing in relation to Ebitda;
- Total Debt to Ebitda and Net Debt to Ebitda - ability to pay debt in relation to Ebitda;
- Total Capitalization Ratio - ratio between own and third party capital;
- Liquidity level - ability to pay short-term obligations;
- Capitalization level - ratio between net equity and total asset.

The ratios described are calculated on a consolidated basis. The Company noncompliance with these requirements might lead to early maturity of obligations recorded in noncurrent liabilities with creditors in Brazil and abroad.

At June 30, 2015, the Company failed to comply with certain financial ratios (covenants), notably the Debt to Ebitda Ratio and Net Debt to Ebitda Ratio under certain debt contracts. Such fact was properly communicated to creditors and a waiver was requested therefrom, which was successfully obtained for those contracts.

#### (ii) Collaterals of loans and financing

At June 30, 2015, loans and financing are substantially collateralized by PP&E items, the net book value of which totals R$4,030,851 (R$4,108,123 at December 31, 2014) in the in Company and Consolidated.

#### (iii) Credit facilities not drawn down

At June 30, 2015, credit facilities not drawn down from BNDES, contracted at variable rates, amount to R$301,622 (R$266,028 at December 31, 2014). On consolidated terms, these operations amount to R$301,622 (R$266,028 at December 31, 2014). At that same date, Usiminas Companies had credit facilities not drawn down at a fixed rate.

## 18 Taxes payable

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2015 | 12/31/2014 | 06/30/2015 | 12/31/2014 |
| ICMS | **11,303** | 6,645 | **22,492** | 16,412 |
| IPI | **13,750** | 22,574 | **17,162** | 24,634 |
| Withholding Income Tax (IRRF) | **5,583** | 10,320 | **7,473** | 13,468 |
| Service Tax (ISS) | **3,066** | 5,503 | **6,453** | 9,703 |
| PIS and COFINS | **636** | 16,044 | **10,687** | 23,432 |
| Other | **717** | 2,520 | **3,103** | 6,557 |
| | **35,055** | 63,606 | **67,370** | 94,206 |

## 19 Taxes in installments

At June 30, 2015, changes in taxes payable in installments are as follows:

| | Company | Consolidated |
|---|---|---|
| Balance at December 31, 2014 | **204,464** | **215,565** |
| (Reversal of) provision for interest | **248** | **248** |
| Amortization of principal | **-** | **(577)** |
| Monetary gains (losses) | **-** | **419** |
| | **204,712** | **215,655** |
| Offsetting of judicial deposit | **(198,033)** | **(198,033)** |
| Balance at June 30, 2015 | **6,679** | **17,622** |
| Current liabilities | **6,679** | **7,851** |
| Noncurrent liabilities | **-** | **9,771** |

## 20 Provision for litigation

| | Company | | | | | |
|---|---|---|---|---|---|---|
| | 06/30/2015 | | | 12/31/2014 | | |
| | Provisions | Judicial deposits | Net balance | Provisions | Judicial deposits | Net balance |
| IRPJ and CSLL | **1,739** | **-** | **1,739** | 1,654 | - | 1,654 |
| INSS | **1,603** | **-** | **1,603** | 1,582 | - | 1,582 |
| ICMS | **3,185** | **-** | **3,185** | 4,333 | - | 4,333 |
| Labor | **257,605** | **(96,018)** | **161,587** | 233,770 | (97,654) | 136,116 |
| Civil | **94,288** | **(7,991)** | **86,297** | 95,831 | (9,739) | 86,092 |
| Other | **12,709** | **(420)** | **12,289** | 9,255 | (408) | 8,847 |
| | **371,129** | **(104,429)** | **266,700** | 346,425 | (107,801) | 238,624 |

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06/30/2015 | | | 12/31/2014 | | |
| | Provisions | Judicial deposits | Net balance | Provisions | Judicial deposits | Net balance |
| IRPJ and CSLL | **12,939** | **-** | **12,939** | 15,708 | - | 15,708 |
| INSS | **1,631** | **-** | **1,631** | 1,610 | - | 1,610 |
| ICMS | **24,558** | **-** | **24,558** | 25,500 | - | 25,500 |
| PIS/COFINS | **14,210** | **-** | **14,210** | 14,210 | - | 14,210 |
| Labor | **310,175** | **(96,018)** | **214,157** | 282,340 | (97,654) | 184,686 |
| Civil | **99,579** | **(7,991)** | **91,588** | 101,982 | (9,739) | 92,243 |
| Other | **38,175** | **(3,330)** | **34,845** | 34,509 | (3,186) | 31,323 |
| | **501,267** | **(107,339)** | **393,928** | 475,859 | (110,579) | 365,280 |

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

At June 30, 2015, changes in provisions for litigation are as follows:

| | Company | Consolidated |
|---|---|---|
| Balance at December 31, 2014 | 346,425 | 475,859 |
| Additions | 57,482 | 69,644 |
| Interest/restatements | 16,364 | 18,072 |
| Amortization | (22,265) | (22,350) |
| Reversals | (26,877) | (37,095) |
| Other | - | (2,863) |
| Balance at June 30, 2015 | 371,129 | 501,267 |

The provision for litigation 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.

**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$4,732,579 at June 30, 2015 (R$4,478,013 at December 31, 2014).

In the six-month period ended June 30, 2015, Usiminas Companies were parties to new proceedings which management assessed as possible losses based on the opinion of its legal advisors, such as: R$37,068 of a civil nature, R$18,398 of a tax nature regarding ICMS, and R$10,609 of a labor nature.

**Contingent assets**

The Company is a claimant in the proceeding to receive the full amount paid by Usiminas, Cubatão branch, to Eletrobrás as compulsory loan, in accordance with the criteria set forth in the legislation in force at the time the tax was paid. The declaratory judgment action was declared res judicata, the enforcement of which is pending. At June 30, 2015 the claim amounted to R$630,794.

The Company is a claimant in the proceeding to receive the full amount paid by Usiminas, Ipatinga branch, to Eletrobrás as compulsory loan, in accordance with the criteria set forth in the legislation in force at the time the tax was paid. The Superior Court will judge the appeals from the Union and Eletrobrás, after favorable decision to Usiminas. At June 30, 2015 the claim amounted to R$1,047,652.

At June 30, 2015 other asset contingencies presented in Note 23(c) to financial statements at December 31, 2014 remained unchanged as the claim unfolded.

## 21 Post-employment benefit obligations

The figures and information of post-employment benefit obligations are shown below:

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2015 | 12/31/2014 | 06/30/2015 | 12/31/2014 |
| Obligations recorded in balance sheet: | | | | |
| Retirement plan benefits | **1,060,148** | 1,037,921 | **1,060,148** | 1,037,921 |
| Post-employment health benefits | **145,587** | 143,114 | **152,903** | 149,867 |
| | **1,205,735** | 1,181,035 | **1,213,051** | 1,187,788 |

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2015 | 06/30/2014 | 06/30/2015 | 06/30/2014 |
| Revenues (expenses) recognized in the statement of operations: | | | | |
| Retirement plan benefits | **1,231** | 4,146 | **1,231** | 4,146 |
| Post-employment health benefits | **(8,925)** | (6,110) | **(9,488)** | (6,738) |
| | **(7,694)** | (1,964) | **(8,257)** | (2,592) |

Following are the changes in actuarial gains and losses recognized in other comprehensive income (loss):

| | Company | Consolidated |
|---|---|---|
| Actuarial gains (losses) recognized directly in other comprehensive income (loss) | (54,025) | (54,025) |
| Actuarial gains (losses) of debts contracted and directly recognized in other comprehensive income (loss) - CPC 33 and IFRIC 14 | (68,115) | (68,115) |
| Decrease (increase) in assets (asset ceiling) in other comprehensive income (loss) - paragraph 58, CPC 33 and IAS 19 | 53,328 | 53,328 |
| Accumulated actuarial gains (losses) recognized in other comprehensive income (loss) | (68,812) | (68,812) |

### Changes in post-employment benefit obligations

In line with CPC 33 (R1) and IAS 19, the actuarial study carried out by independent actuarial agents at December 31, 2014 presented a liability of R$1,181,035. Following are the changes in post-employment benefits obligations:

| | Company | Consolidated |
|---|---|---|
| Balance at December 31, 2014 | **1,181,035** | **1,187,788** |
| Amortization | **(87,254)** | **(87,254)** |
| Amounts recognized in P&L | **7,694** | **8,257** |
| Actuarial losses recognized directly in other comprehensive income (loss) | **104,260** | **104,260** |
| Balance at June 30, 2015 | **1,205,735** | **1,213,051** |

## 22 Equity

### (a) Capital

At June 30, 2015, the Company's capital amounts to R$12,150,000 and is represented by 1,013,786,190 shares, as follows:

| | Common shares | Preferred "A" type shares | Preferred "B" type shares | Total |
|---|---|---|---|---|
| Total shares | 505,260,684 | 508,447,043 | 78,463 | 1,013,786,190 |
| Total treasury shares | (2,526,656) | (23,705,728) | - | (26,232,384) |
| Total shares, excluding treasury shares | 502,734,028 | 484,741,315 | 78,463 | 987,553,806 |

Pursuant to its Articles of Incorporation, the Company is authorized to increase its capital in an amount of up to 50,689,310 in preferred shares of an existing class.

### (b) Reserves

At June 30, 2015, there were no changes in the nature and conditions of reserves as described in Note 25 (c) to the Company's financial statements for year ended December 31, 2014. Thus, management decided not to repeat this disclosure in this interim financial information.

## 23 Segment reporting

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

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

| | 06/30/2015 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Mining and logistics | Steel | Steel transformation | Capital assets | Subtotal | Eliminations and adjustments | Total |
| Revenue | 227,087 | 4,956,750 | 1,015,512 | 440,488 | 6,639,837 | (1,282,653) | 5,357,184 |
| Cost of sales | (233,052) | (4,632,678) | (990,140) | (379,205) | (6,235,075) | 1,226,890 | (5,008,185) |
| Gross profit (loss) | (5,965) | 324,072 | 25,372 | 61,283 | 404,762 | (55,763) | 348,999 |
| Operating income/ (expenses) | (1,037,365) | (285,787) | (52,383) | (33,762) | (1,409,297) | 2,233 | (1,407,064) |
| Selling expenses | (13,675) | (70,223) | (18,912) | (7,207) | (110,017) | (1,672) | (111,689) |
| General and administrative expenses | (15,450) | (165,104) | (32,040) | (23,610) | (236,204) | 5,912 | (230,292) |
| Other (expenses) and revenue | (1,008,240) | (50,460) | (1,431) | (2,945) | (1,063,076) | (2,007) | (1,065,083) |
| Operating income (loss) | (1,043,330) | 38,285 | (27,011) | 27,521 | (1,004,535) | (53,530) | (1,058,065) |
| Assets | 5,438,129 | 28,011,207 | 1,453,617 | 835,242 | 35,738,195 | (5,424,308) | 30,313,887 |
| Total assets include: | | | | | | | |
| Investments in affiliates (except for goodwill and investment Properties) | 330,335 | 78,917 | - | 2,732 | 411,984 | - | 411,984 |
| Additions to noncurrent assets (except for financial instruments and deferred tax assets) | 46,509 | 421,461 | 22,565 | 7,019 | 497,554 | (8,095) | 489,459 |
| Current and noncurrent liabilities | 285,977 | 12,171,015 | 378,800 | 272,179 | 13,107,971 | (472,450) | 12,635,521 |

| | 06/30/2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Mining and logistics | Steel | Steel transformation (i) | Capital assets | Subtotal | Eliminations and adjustments | Total |
| Revenue | 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 (expenses) and revenue | 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 |

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. More than 95% of revenues arise from goods and services.

## 24 Revenue

Reconciliation between gross revenue and net revenue is as follows:

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2015 | 06/30/2014 | 06/30/2015 | 06/30/2014 |
| Product sales | | | | |
| Domestic market | **5,397,398** | 6,993,769 | **5,755,802** | 7,215,364 |
| Foreign market | **961,422** | 676,659 | **973,428** | 944,336 |
| | **6,358,820** | 7,670,428 | **6,729,230** | 8,159,700 |
| Sales of service | | | | |
| Domestic market | **4,383** | 4,424 | **253,894** | 166,623 |
| Foreign market | **859** | 10,099 | **859** | 10,099 |
| | **5,242** | 14,523 | **254,753** | 176,722 |
| Gross revenue | **6,364,062** | 7,684,951 | **6,983,983** | 8,336,422 |
| Deductions from revenue | **(1,407,775)** | (1,892,106) | **(1,626,799)** | (2,087,804) |
| Net revenue | **4,956,287** | 5,792,845 | **5,357,184** | 6,248,618 |

## 25 Expenses by nature

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2015 | 06/30/2014 | 06/30/2015 | 06/30/2014 |
| Depreciation and amortization | **(487,879)** | (457,603) | **(610,772)** | (544,615) |
| Expenses with benefits to employees | **(553,813)** | (543,041) | **(912,171)** | (887,129) |
| Stock option plan | **(5,447)** | (7,181) | **(6,375)** | (7,774) |
| Raw material and store and supplies | **(3,038,518)** | (3,707,709) | **(2,841,072)** | (3,343,834) |
| Distribution costs | **(37,097)** | (31,870) | **(46,870)** | (85,830) |
| Gain (loss) on sale of electricity surplus | **49,879** | 139,520 | **68,803** | 163,980 |
| Third-party services | **(490,680)** | (522,141) | **(572,820)** | (572,252) |
| Revenues (expenses) with litigation, net | **(31,535)** | (25,126) | **(32,112)** | (27,908) |
| Gain (loss) on sale of PP&E, intangible assets and Investment | **5,928** | 25,647 | **4,458** | 27,211 |
| Impairment of assets | **(117,046)** | - | **(985,046)** | - |
| Expenses with temporary shutdown of equipment items | **(31,020)** | - | **(31,020)** | - |
| Other (expenses) | **(349,477)** | (311,119) | **(450,252)** | (433,699) |
| | **(5,086,705)** | (5,440,623) | **(6,415,249)** | (5,711,850) |
| Cost of sales | **(4,688,608)** | (5,287,959) | **(5,008,185)** | (5,394,865) |
| Selling expenses | **(70,223)** | (64,086) | **(111,689)** | (154,874) |
| General and administrative expenses | **(161,001)** | (176,480) | **(230,292)** | (255,743) |
| Other operating income (expenses), net | **(166,873)** | 87,902 | **(1,065,083)** | 93,632 |
| | **(5,086,705)** | (5,440,623) | **(6,415,249)** | (5,711,850) |

## 26 Financial income (expenses), net

| | Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2015 | 06/30/2014 | 06/30/2015 | 06/30/2014 |
| Financial revenues | | | | |
| Customers' interest | **6,609** | 4,464 | **8,306** | 6,525 |
| Short-term investment yield | **2,486** | 3,194 | **15,796** | 20,972 |
| Monetary effects | **14,352** | 12,898 | **73,224** | 80,269 |
| Restatement of judicial deposits | **16,555** | 6,154 | **18,537** | 7,308 |
| Realization of adjustment to present value of trade accounts receivable | **54,520** | 56,505 | **54,520** | 56,505 |
| Other financial revenues | **8,875** | 7,143 | **13,556** | 4,757 |
| | **103,397** | 90,358 | **183,939** | 176,336 |
| Financial expenses | | | | |
| Interest on financing and taxes in installments | **(89,549)** | (72,736) | **(66,555)** | (61,142) |
| Monetary effects | **(181,100)** | (163,816) | **(190,108)** | (170,663) |
| PIS/COFINS on interest on equity | **(1,923)** | (595) | **(1,923)** | (631) |
| Interest on provisions for litigation | **(16,364)** | (14,616) | **(18,072)** | (15,390) |
| Realization of adjustment to present value of trade accounts payable | **(12,828)** | (32,453) | **(12,828)** | (40,391) |
| Commissions on financing and other | **(19,742)** | (9,211) | **(19,742)** | (9,211) |
| Realization of hedge accounting | **-** | (4,743) | **-** | (4,743) |
| Credit assignment | **-** | - | **(18,244)** | (24,868) |
| Other financial expenses | **(8,553)** | (4,299) | **(11,729)** | (8,040) |
| | **(330,059)** | (302,469) | **(339,201)** | (335,079) |
| Foreign exchange gains and losses, net, including swap transactions | **(636,696)** | 201,511 | **(246,267)** | 82,125 |
| | **(863,358)** | (10,600) | **(401,529)** | (76,618) |

## 27 Earnings (loss) per share

### Basic and diluted

Basic and diluted earnings (loss) per share are calculated by dividing the profit (loss) attributable to the Company's shareholders by the weighted average number of common and preferred shares issued during the period, excluding common shares purchased by the Company and held as treasury shares (Note 21).

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 28).

| | Company and consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06/30/2015 | | | 06/30/2014 | | |
| | Common | Preferred | Total | Common | Preferred | Total |
| Basic and diluted | | | | | | |
| Basic and diluted numerator | | | | | | |
| Net earnings (loss) to controlling shareholders | **(432,530)** | **(417,117)** | **(849,647)** | 145,103 | 153,926 | 299,029 |
| Basic and diluted denominator | | | | | | |
| Weighted average number of shares, excluding treasury shares | **502,734,028** | **484,819,778** | **987,553,806** | 502,734,028 | 484,793,787 | 987,527,815 |
| Earnings (loss) per share in R$ - basic and diluted | **(0.86)** | **(0.86)** | **-** | 0.29 | 0.32 | - |

## 28 Transactions with related parties

At June 30, 2015, there were no significant changes in the Company's ownership structure in relation to the one described in Note 34 to the Company's financial statements for the year ended December 31, 2014. Consequently, management decided not to repeat this data in this interim financial information.

Significant balances and transactions with related parties are the following:

### (a) Assets

| | Company | | | | | |
|---|---|---|---|---|---|---|
| | 06/30/2015 | | | 12/31/2014 | | |
| | Trade accounts receivable | Dividends receivable | Other receivables | Trade accounts receivable | Dividends receivable | Other receivables |
| Controlling shareholders | **25,789** | **-** | **1,616** | 22,272 | - | 1,114 |
| Subsidiaries (i) | **183,744** | **-** | **57,313** | 273,356 | 34,449 | 55,776 |
| Jointly-controlled subsidiaries | **42** | **-** | **(73)** | 45 | - | 17,572 |
| Affiliates | **4,423** | **2,759** | **-** | 6,780 | 2,608 | - |
| Other related parties | **40,694** | **-** | **494** | 64,390 | - | 136 |
| **Total** | **254,692** | **2,759** | **59,350** | 366,843 | 37,057 | 74,598 |
| Current assets | **207,598** | **2,759** | **52,211** | 318,382 | 37,057 | 56,336 |
| Noncurrent assets | **47,094** | **-** | **7,139** | 48,461 | - | 18,262 |
| **Total** | **254,692** | **2,759** | **59,350** | 366,843 | 37,057 | 74,598 |

(i) "Trade accounts receivable" balance comprises R$7,234, which relates to advance granted to subsidiary Usiminas Mecânica to build up PP&E.

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06/30/2015 | | | 12/31/2014 | | |
| | Trade accounts receivable | Dividends receivable | Other receivables | Trade accounts receivable | Dividends receivable | Other receivables |
| Controlling shareholders | **35,886** | **-** | **1,616** | 25,024 | - | 1,114 |
| Noncontrolling shareholders | **2,165** | **-** | **-** | 291 | - | **-** |
| Jointly-controlled subsidiaries | **42** | **-** | **(73)** | 45 | - | 17,572 |
| Affiliates | **27,016** | **18,785** | **-** | 17,578 | 12,641 | - |
| Other related parties | **40,770** | **-** | **1,144** | 64,390 | - | 136 |
| **Total** | **105,879** | **18,785** | **2,687** | 107,328 | 12,641 | 18,822 |
| Current assets | **101,154** | **18,785** | **2,782** | 102,517 | 12,641 | 1,250 |
| Noncurrent assets | **4,725** | **-** | **(95)** | 4,811 | - | 17,572 |
| **Total** | **105,879** | **18,785** | **2,687** | 107,328 | 12,641 | 18,822 |

Trade accounts receivable classified as related parties are primarily due to sales transactions and mature within up to 30 days. Accounts receivable are unsecured and are subject to interest. At June 30, 2015 and December 31, 2014, no provisions were set up for accounts receivable from related parties.

## (b) Liabilities

| | Company | | | | | |
|---|---|---|---|---|---|---|
| | 06/30/2015 | | | 12/31/2014 | | |
| | Accounts payable | Other accounts payable | Loans and financing | Accounts payables | Other accounts payable | Loans and financing |
| Controlling shareholders | **7,505** | **11,271** | **256,636** | 9,621 | 8,334 | 283,865 |
| Subsidiaries | **356,276** | **67,970** | **1,695,201** | 432,468 | 57,028 | 1,483,050 |
| Jointly-controlled subsidiaries | **56,948** | **-** | **-** | 74,868 | - | - |
| Affiliates | **2,400** | **-** | **-** | 2,372 | - | - |
| Other related parties | **589** | **13,667** | **-** | 3,410 | 121,122 | - |
| Total | **423,718** | **92,908** | **1,951,837** | 522,739 | 186,484 | 1,766,915 |
| Current liabilities | **423,718** | **24,048** | **754,057** | 522,739 | 128,704 | 150,354 |
| Noncurrent liabilities | **-** | **68,860** | **1,197,780** | - | 57,780 | 1,616,561 |
| Total | **423,718** | **92,908** | **1,951,837** | 522,739 | 186,484 | 1,766,915 |

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06/30/2015 | | | 12/31/2014 | | |
| | Accounts payable | Other accounts payable | Loans and financing | Accounts payable | Other accounts payable | Loans and financing |
| Controlling shareholders | **7,831** | **11,324** | **256,636** | 10,139 | 8,378 | 283,865 |
| Noncontrolling shareholders | **(34)** | **41,510** | **-** | - | 35,280 | **-** |
| Jointly-controlled subsidiaries | **57,583** | **-** | **-** | 75,446 | - | - |
| Affiliates | **3,574** | **52,235** | **-** | 7,061 | 77,521 | - |
| Other related parties | **589** | **13,667** | **-** | 3,410 | 121,122 | - |
| Total | **69,543** | **118,736** | **256,636** | 96,056 | 242,301 | 283,865 |
| Current liabilities | **69,543** | **118,736** | **150,266** | 96,056 | 242,301 | 128,971 |
| Noncurrent liabilities | **-** | **-** | **106,370** | - | - | 154,894 |
| Total | **69,543** | **118,736** | **256,636** | 96,056 | 242,301 | 283,865 |

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 amounting to R$279,895 at June 30, 2015 (R$313,690 at December 31, 2014). Payables to related parties are not subject to interest.

At June 30, 2015, loans involving subsidiary Usiminas Commercial amount to R$1,114,516 (R$975,037 at December 31, 2014), whilst those involving subsidiary Cosipa Commercial amount to R$580,685 (R$508,013 at December 31, 2014). On consolidated terms, R$256,636 (R$283,865 at December 31, 2014) has been recorded with Nippon Usiminas Co. Ltd., the controlling shareholder of Usiminas.

## (c) P&L

| | Company | | | | | |
|---|---|---|---|---|---|---|
| | 06/30/2015 | | | 06/30/2014 | | |
| | Sales | Purchases | Operating and financial P&L | Sales | Purchases | Operating and financial P&L |
| Controlling shareholders | **261,807** | **8,101** | **(50,445)** | 87,677 | 4,133 | 16,182 |
| Noncontrolling shareholders | **-** | **11,925** | **-** | - | 23,852 | - |
| Subsidiaries | **1,211,126** | **476,771** | **(247,797)** | 1,611,283 | 597,125 | 9,675 |
| Jointly-controlled subsidiaries | **-** | **173,565** | **(34)** | 132 | 290,667 | 807 |
| Affiliates | **28,967** | **55,474** | **115** | 36,691 | 56,667 | (2,118) |
| Other related parties | **208,491** | **26,135** | **(10,699)** | 70,378 | 13,809 | (635) |
| Total | **1,710,391** | **751,971** | **(308,860)** | 1,806,161 | 986,253 | 23,911 |

| | Consolidated | | | | | |
|---|---|---|---|---|---|---|
| | 06/30/2015 | | | 06/30/2014 | | |
| | Sales | Purchases | Operating and financial P&L | Sales | Purchases | Operating and financial P&L |
| Controlling shareholders | **288,183** | **8,101** | **(48,830)** | 99,477 | 4,133 | 12,998 |
| Noncontrolling shareholders | **4,871** | **12,009** | **-** | 82,089 | 61,595 | - |
| Jointly-controlled subsidiaries | **987** | **175,366** | **(34)** | 1,231 | 276,370 | 807 |
| Affiliates | **81,836** | **217,604** | **115** | 71,207 | 173,913 | (2,122) |
| Other related parties | **211,924** | **26,135** | **(10,699)** | 70,378 | 13,867 | - |
| Total | **587,801** | **439,215** | **(59,448)** | 324,382 | 529,878 | 11,683 |

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

## (d) Key management personnel compensation

Following is the key management personnel compensation paid and payable, which includes Company's Executive Board, Board of Directors and Supervisory Board:

| | Company and Consolidated | |
|---|---|---|
| | 06/30/2015 | 06/30/2014 |
| Fees | **10,291** | 16,041 |
| Social charges | **2,063** | 2,837 |
| Retirement plan | **99** | 59 |
| | **12,453** | 18,937 |

The Company has a share-based payment plan as described in Note 29.

## (e) Nature of transactions with related parties

At June 30, 2015, there were no changes in the conditions of transactions with related parties, as described in Note 34 to the Company's financial statements for the year ended December 31, 2014. Therefore, management decided not to repeat this data in this interim financial information.

## 29 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 36 of the Financial Statements as at December 31, 2014.

At June 30, 2015, the Plan has 4 effective programs:

- Program 2011, released on October 3, 2011;
- Program 2012, released on November 28, 2012; and
- Program 2013, released on November 28, 2013.
- Program 2014, released on November 27, 2014.

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, 2015, no new programs have been released. In this same period, 376,180 options have been cancelled for loss of the purchase rights.

The impact on P&L of the previously described Stock Option Plan totaled an expense of R$6,375 at June 30, 2015 (R$7,774 at June 30, 2014), recorded in the statement of operations. From this total amount, R$959 were reverted to “Retained earnings (accumulated losses)” account by virtue of the stock option cancelation in the six-month period ended June 30, 2015; Accordingly, the impact on the Company’s equity amounted to R$5,416.

The expected plan expenses to be recognized amounts to R$11,066 considering that all contractual assumptions remain unaltered and no new grants occur.

## 30 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 relevant within the context of “Framework Pronouncement - 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, 2014.

Following are presented the notes whose information was not repeated in this interim financial information, as no significant changes were made to the nature and conditions of these notes in relation to those disclosed in the Company’s financial statements for the year ended December 31, 2014:

Note 4 - Significant judgments, accounting estimates and assumptions;
Note 7 - Financial instruments by category;
Note 29 - Expenses on benefits to employees;
Note 30 - Operating income (expenses);
Note 33 - Commitments;
Note 35 - Insurance coverage.

## Board of Directors

Marcelo Gasparino da Silva
Chairman

Daniel Agustín Novegil
Board Member

Eiji Hashimoto
Board Member

Elias de Matos Brito
Board Member

Fumihiko Wada
Board Member

José Oscar Costa de Andrade
Board Member

Lírio Albino Parisotto
Board Member
(Election suspended by court order)

Paulo Penido Pinto Marques
Board Member

Rita Rebelo Horta de Assis Fonseca
Board Member

Roberto Caiuby Vidigal
Board Member

## Supervisory Board

Masato Ninomiya
Chairman

Domenica Eisenstein Noronha
Board Member

Júlio Sérgio de Souza Cardozo
Board Member

Lúcio de Lima Pires
Board Member

Paulo Frank Coelho da Rocha
Board Member

## Executive Board

Rômel Erwin de Souza
CEO
Vice-President of Technology and Quality

Nobuhiko Takamatsu
Vice-President of Corporate Planning

Ronald Seckelmann
Vice-President of Finance and Investor Relations
Vice-President of Subsidiaries

Sergio Leite de Andrade.
Vice-President of the Commercial Area

Túlio César do Couto Chipoletti
Industrial Vice-President

Lucas Marinho Sizenando Silva
Accountant CRC-MG 080.788/O