

Institutional Presentation

4Q18 and 2018

AGENDA

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Usiminas

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Pillars of Usiminas' Management

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Governance and Highlights

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Appendix

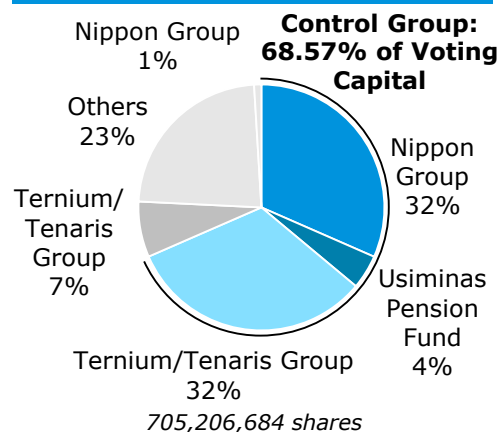
Usiminas at a Glance

Company Overview

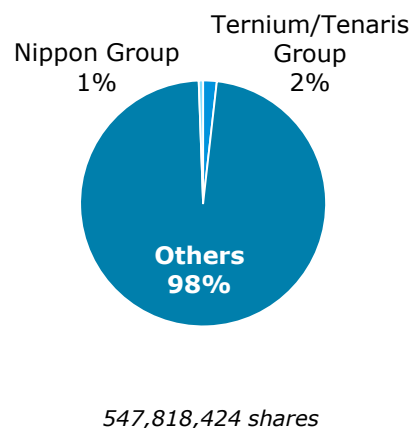
- ✓ Usiminas is the leading integrated flat steel producer in Latin America, with operations in several segments of the value chain, such as mining and logistics, capital goods, service and distribution centers and customized solutions
- ✓ Two steel plants strategically located along Brazil's main industrial axis, with sales force present in the main regions of the country
- ✓ Steel company with the largest number of patents rights and largest research center in Latin America
- ✓ First Brazilian steel company certified by ISO 9001 and ISO 14001
- ✓ Founder of the most enduring environmental education project in the private sector since 1984

Shareholder Structure (% of total capital, except otherwise indicated)

Voting Capital

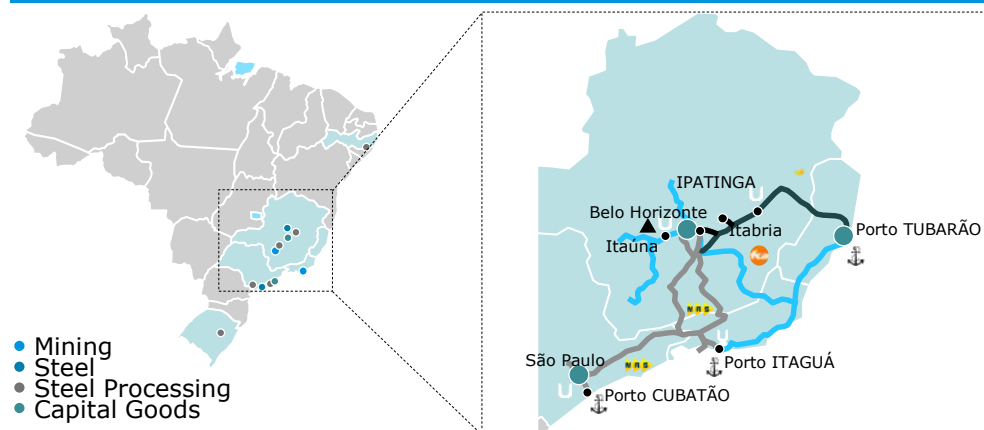


Preferred Shares



56% of ON and 44% of PN

Geographic Footprint



Financial Highlights (in R\$mm, except otherwise indicated)

	2014	2015	2016	2017	2018
Net Revenues	11,742	10,186	8,454	10,734	13,737
<i>Growth YoY</i>	(8%)	(13%)	(17%)	27%	28%
Adjusted EBITDA	1,863	291	660	2,186	2,693
<i>Margin</i>	16%	3%	8%	20%	20%
Net Income	208	(3,685)	(577)	315	829
<i>Margin</i>	2%	(36%)	(7%)	3%	6%
Total Debt	6,702	7,886	6,942	6,656	5,854
Cash and Equivalents	2,852	2,024	2,257	2,314	1,693
Net Debt	3,850	5,862	4,684	4,342	4,161
<i>Net Debt / EBITDA</i>	2.1 x	20.1 x	7.1 x	2.0 x	1.6 x

Complete Solutions on Products and Services



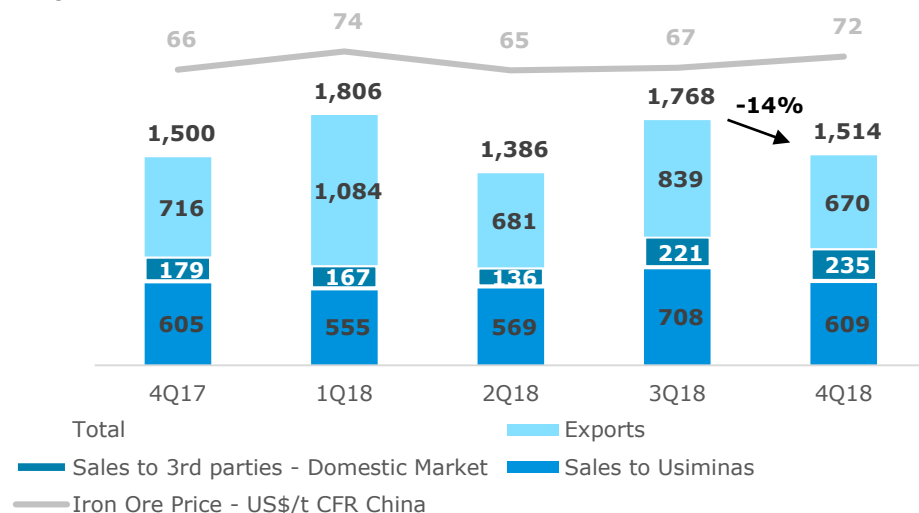
Usiminas is evaluating alternatives for its participation in this asset

Overview

- JV formed in 2010 through a partnership with Sumitomo Corporation (30% economic stake) responsible for mining operations in addition to rail and port transportation
- Four mining sites in the Serra Azul region (MG), with resources of 2.4 billion tons of iron ore
- Asset base also includes pellet and sinter feed processing plants
- Concluded investments that will expand the currently capacity to 12 mm tons/year
- The company also has 20% voting shares of MRS Logística and a strategic field in Sepetiba Bay (RJ)
- ISO 9001 certification from Bureau Veritas Certification (BVC)

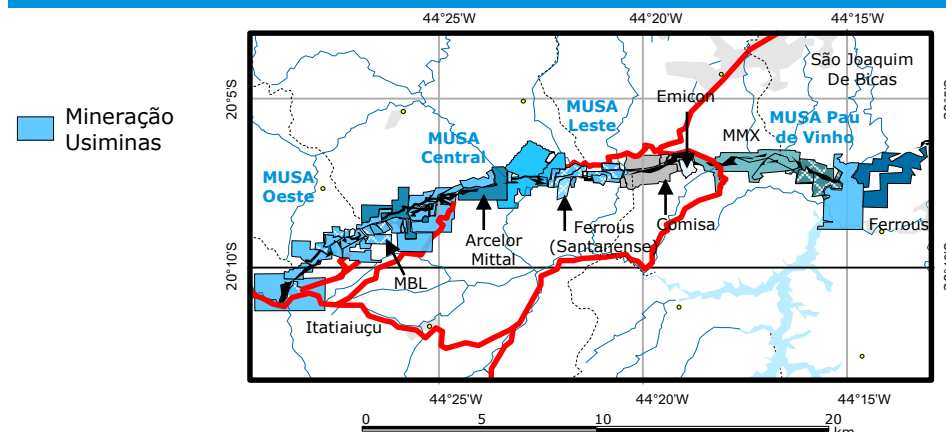
Iron Ore Sales and Price PLATTS (62% FE CFR China)

Mining Business Unit - Thousand tons - Prices in US\$/ton

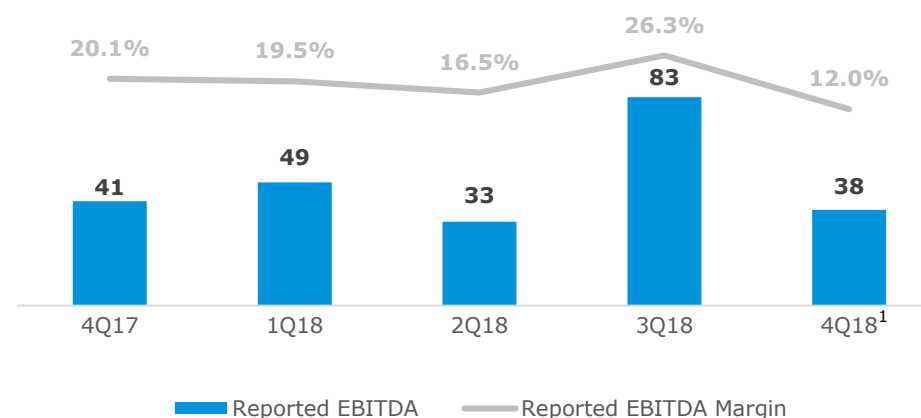


Classification of Information: Public

Assets Location



EBITDA (R\$ mm) and EBITDA Margin (%)



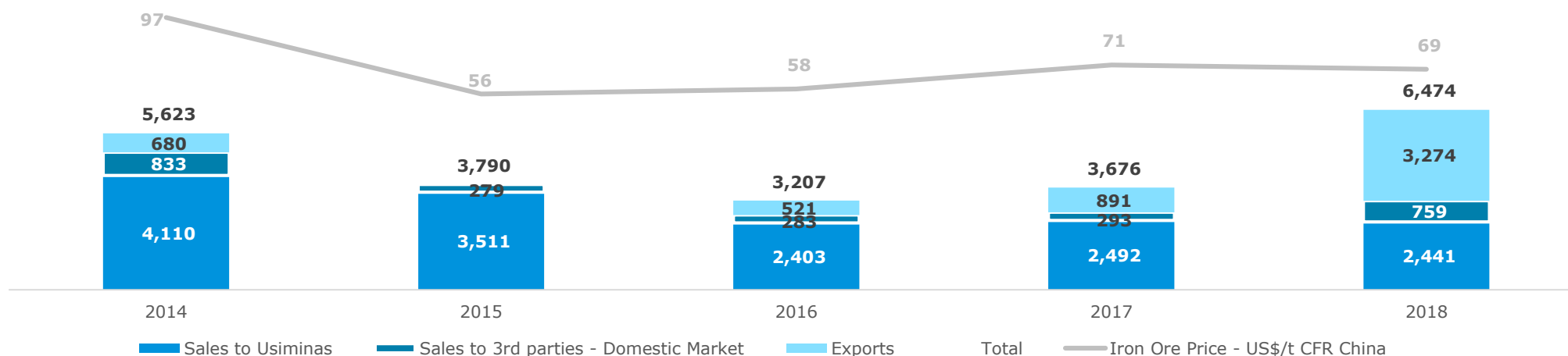
¹ With a negative non-recurring effect of R\$ 38 Million negative due a provision for non-recovery of ICMS.

Mining (Cont'd)

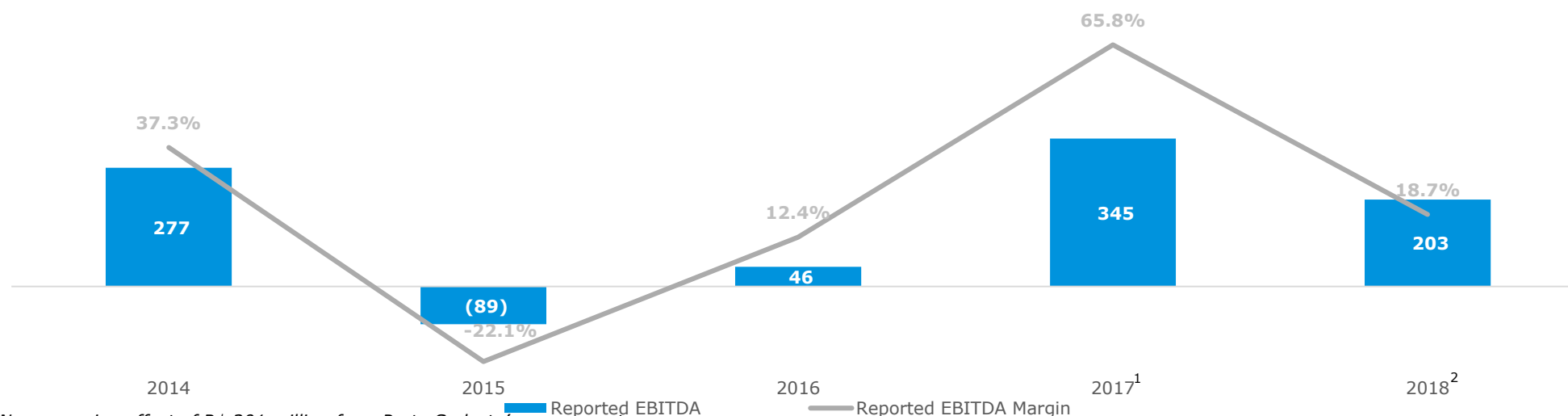
Annual Results

Iron Ore Sales and Price PLATTS (62% FE CFR China)

Mining Business Unit - Thousand tons – Prices in US\$/ton



EBITDA (R\$ mm) and EBITDA Margin (%)



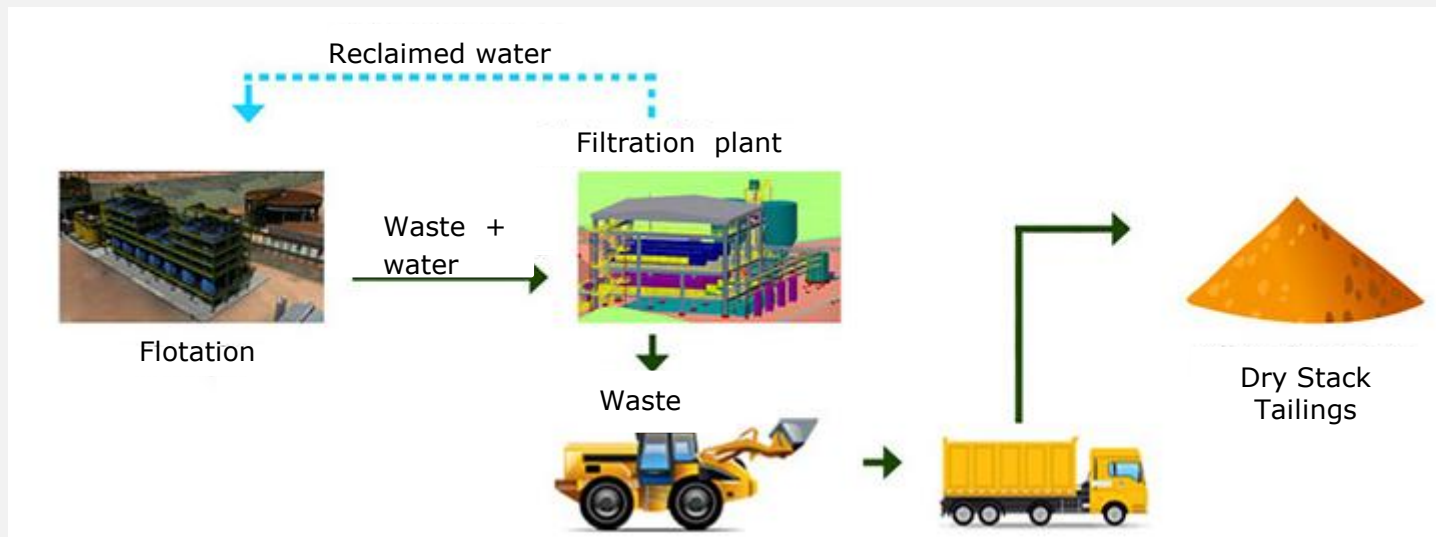
¹ Non-recurring effect of R\$ 201 million from Porto Sudeste's agreement.

² With a negative non-recurring effect of R\$ 38 Million due a provision for non-recovery of ICMS.

Mining (Cont'd)

Dry Stacking

Dry Stacking



- ✓ MUSA is in the process of investing in the dry stacking technique. With an approved investment of R\$140 million, the expectation is that this process will start operating in early 2020, depending on environmental licensing.

Mining (Cont'd)

Friables Project

Friables Project

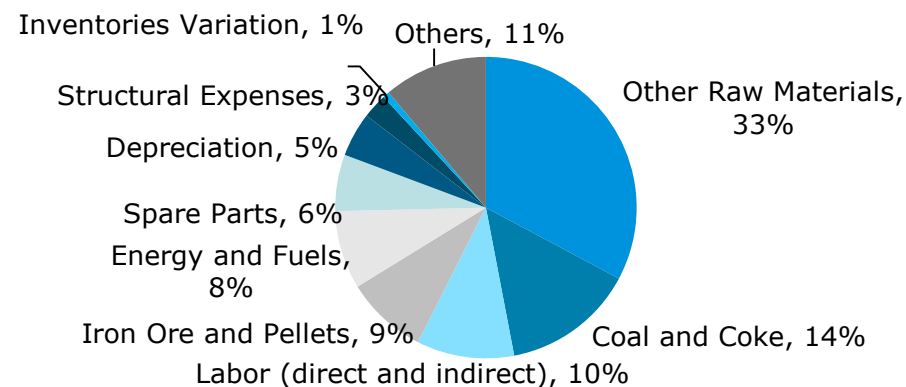
- ✓ Increased capacity from 8 million to 12 million tons / year of iron ore
- ✓ Iron ore with better quality, higher concentration of iron content and lower impurity level
- ✓ Two iron ore processing plants



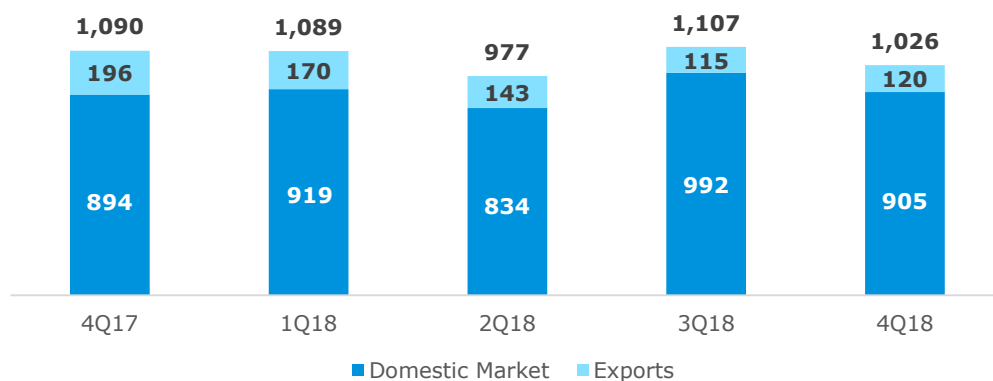
Overview

- The company's steelmaker, being the largest producer of flat rolled steel in LatAm
- Two industrial plants in Ipatinga (MG) and Cubatão (SP)
- Production capacity of 9.5 mm tons of annual crude steel
- Also holds Unigal Usiminas, a JV with Nippon Steel engaged in steel hot-dip galvanizing, enhancing the technology content within Usiminas' steel

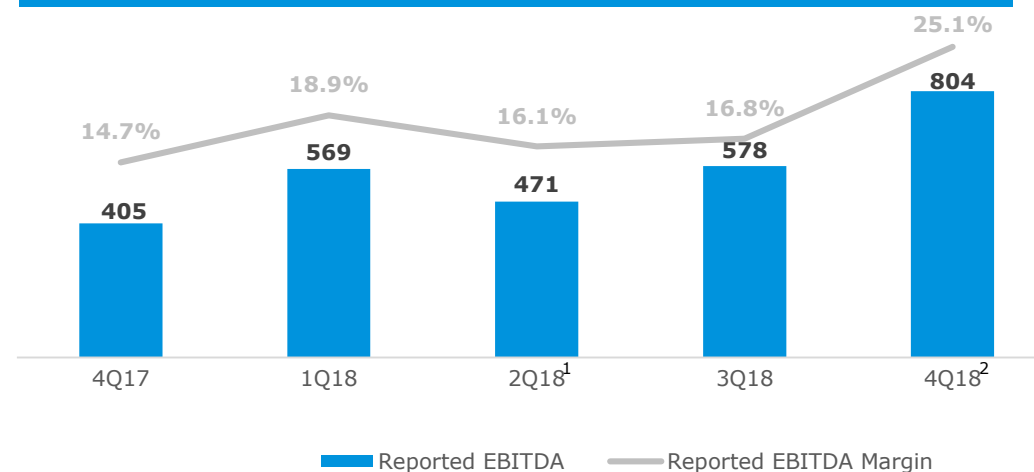
Cost of Goods Sold (4Q18)



Steel Sales Evolution (Thousand tons)



EBITDA (R\$ mm) and EBITDA Margin (%)



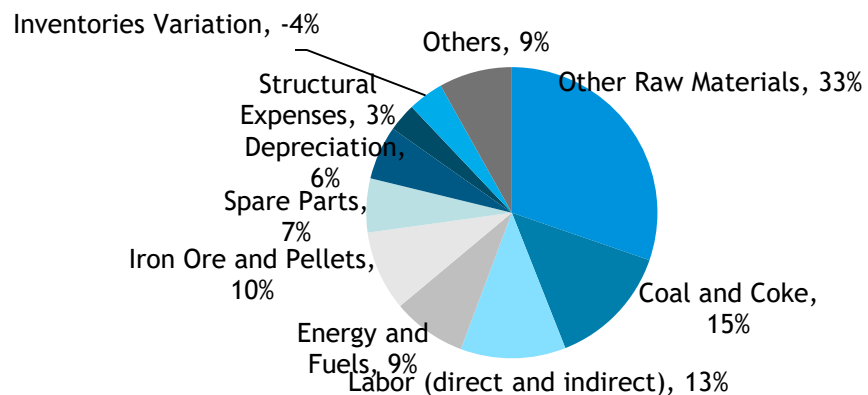
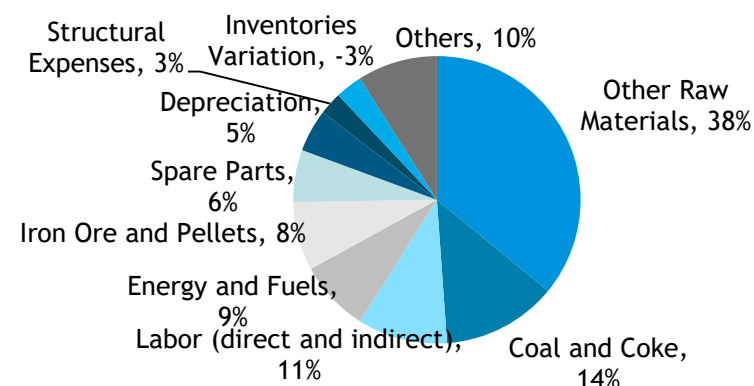
¹ Negative non-recurring effect of R\$ 62 million, due to the provision of the RS Government related to assessment ICMS credit appropriation.

² Non-recurring effect of R\$ 503 million, relative to Fiscal credits related to ICMS tax in the base calculation of PIS/COFINS (R\$411 Mi), Amounts Receivable – Eletrobras (R\$ 186 Mi), PDD (R\$ 34 Mi Negative) e Other Non-recurring (R\$60 Mi negative)

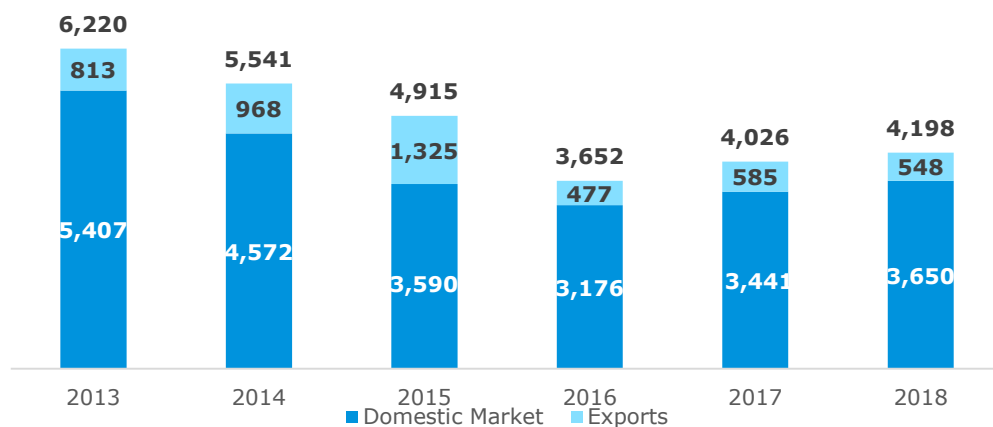
Steel (Cont'd)

Annual Results

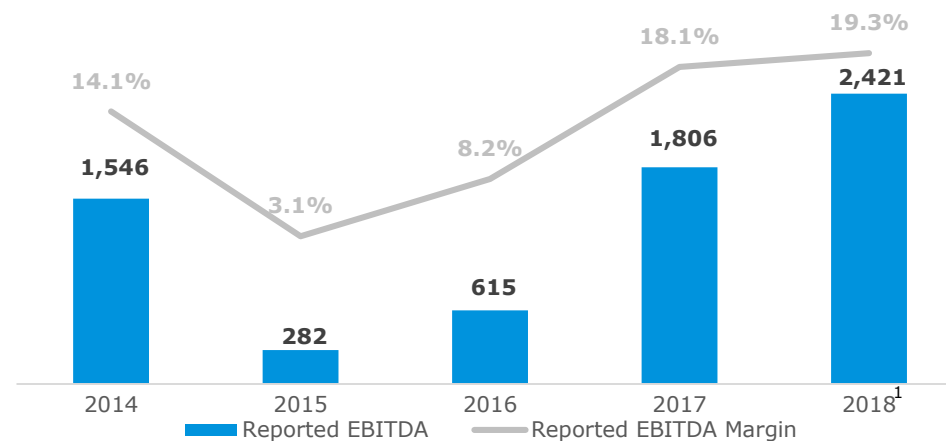
Cost of Goods Sold (2017 x 2018)



Steel Sales Evolution (Thousand tons)



EBITDA (R\$ mm) and EBITDA Margin (%)



¹ Non-recurring effect of R\$ 441 million, relative to Fiscal credits related to ICMS tax in the base calculation of PIS/COFINS (R\$411 Mi), Amounts Receivable – Eletrobras (R\$ 186 Mi), PDD (R\$ 34 Mi Negative) Other Non-recurring (R\$122 Mi negative).

Steel (Cont'd)

Flat steel consumption markets

Auto Industry and
Autoparts



Household
Appliances



Agricultural and
Road Machinery



Civil
Construction



Oil and Gas



Pipelines



Hot Rolled,
Cold Rolled and
Galvanized

Cold Rolled and
Galvanized

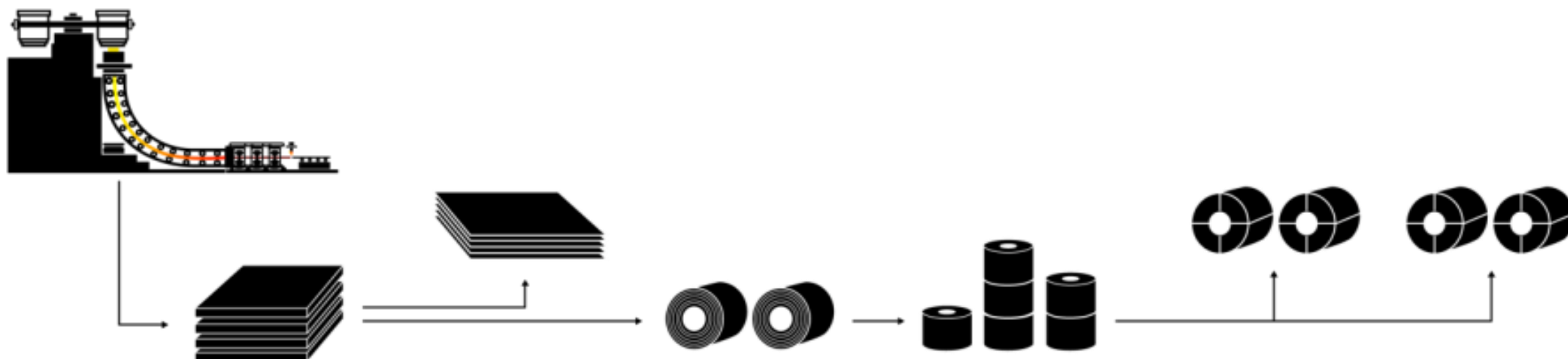
Heavy Plates and
Hot Rolled

Heavy Plates,
Hot Rolled,
Cold Rolled and
Galvanized

Heavy Plates and
Hot Rolled

Heavy Plates and
Hot Rolled

Crude steel capacity of 9.5 million tons, being 5 million tons in Ipatinga and 4.5 million in Cubatão, which had the operation of its crude steel production temporarily suspended and currently processes purchased slabs



	Heavy Plates	Hot Rolled	Cold Rolled	Galvanized		Total
				Electrogalvanized	HDG	
Total Production Capacity ¹ of Products for Sale	1,900	4,200	2,200	350	1,020	9,670
Generation of Products for Sale with the Equipment in Operation ²	900	2,070	2,200	350	900	6,420

¹ According to the theoretical mix of sales in the implementation of the line.

² Excluding the temporarily suspended capacities of Heavy Plates and Hot Strip Laminator #1 in Cubatão.

Steel (Cont'd)

Investments

CLC Technology (Accelerated Cooling Process for Heavy Plates)

- ✓ Start up in 2010
- ✓ Meets the requirements of Petrobras, focused on pre-salt, besides the shipbuilding sector



Galvanizing Line

- ✓ Start up in 2011
- ✓ Double the capacity to 1 million tons /year
- ✓ Higher expertise in ultra-resistant steel production (dual phase)

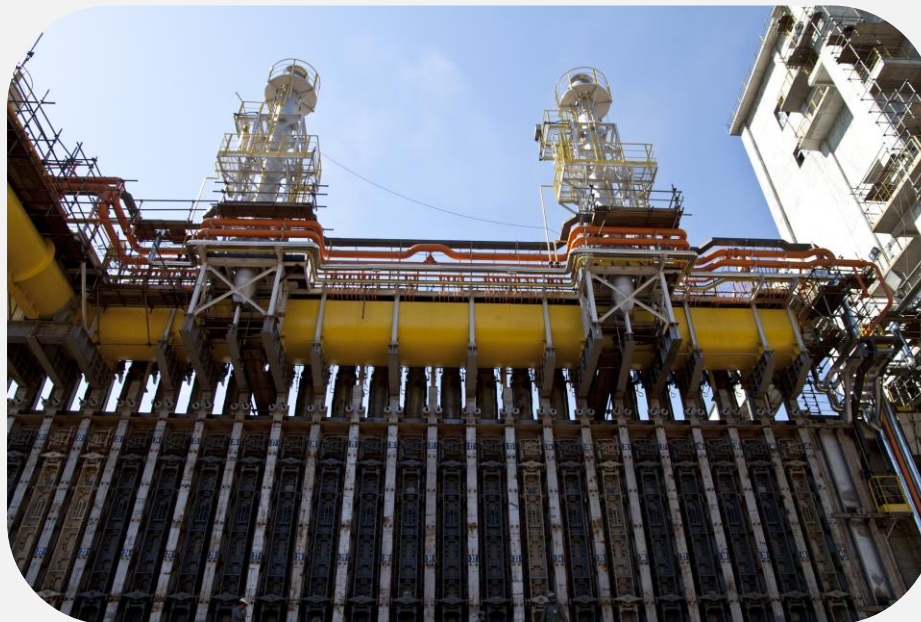


Steel (Cont'd)

Investments

Coke Plant Revamp - Ipatinga

- ✓ Met coke with adequate specifications for pig iron production in the blast furnace process
- ✓ Reduction of particle emissions, gases and volatile substances
- ✓ Coke gas to be used in the operational facilities of Ipating Mill and electric energy production
- ✓ Coke plant total capacity of 1,1 million tons/year
- ✓ **Started up on May 2015**



Steel (Cont'd)

Focus on developing new steel and improving production processes

Research and Development



Largest Center for Steel Research in Latin America

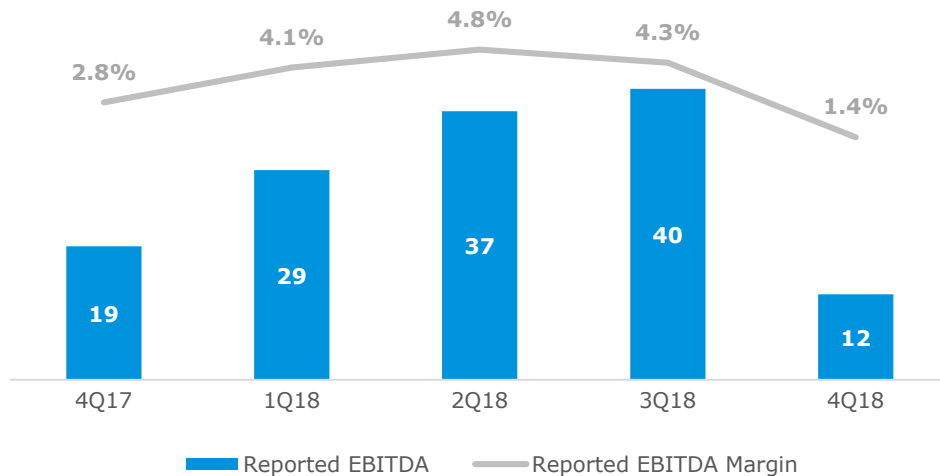
- More than 40 years of operation
- 17 LABORATORIES
- Improve processes and develop products
- CONTRIBUTE TO THE LEADERSHIP OF USIMINAS IN THE GENERATION OF PATENTS IN BRAZIL

**Steel mill with the largest number of patents in Latin America.
Annual R&D investment in the range of 0.2% to 0.3% of gross revenue.**

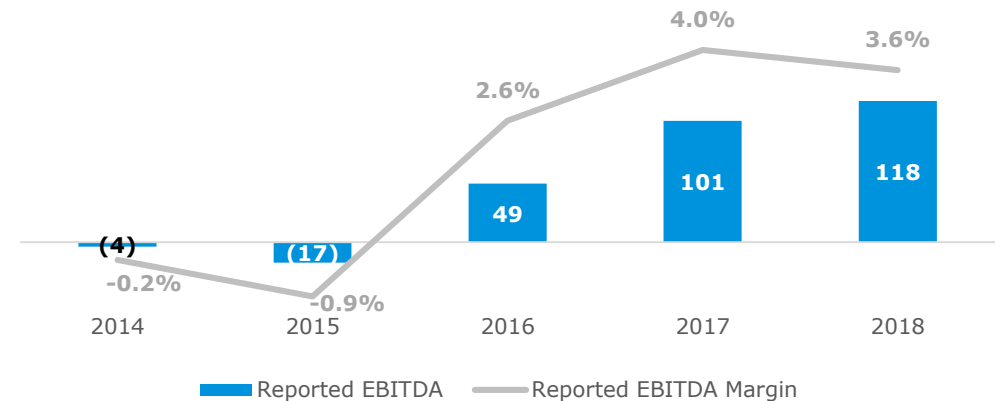
Overview – Soluções Usiminas

- Soluções Usiminas (steel transformation business unit) operates in the distribution and service markets as well as in the production of small-diameter tubes, offering value added products
- The steel processing capacity is over 2 million tons of steel per year at 6 strategically located sites
- Net Revenue of **R\$3.2 billion** in 2018

EBITDA (R\$ mm) and EBITDA Margin (%) – Steel Processing - Quarterly



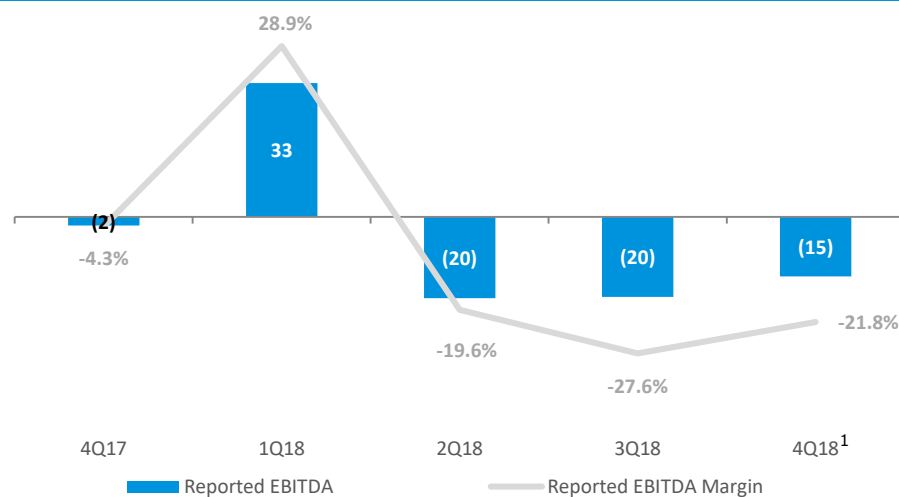
EBITDA (R\$ mm) and EBITDA Margin (%) – Steel Processing - Yearly



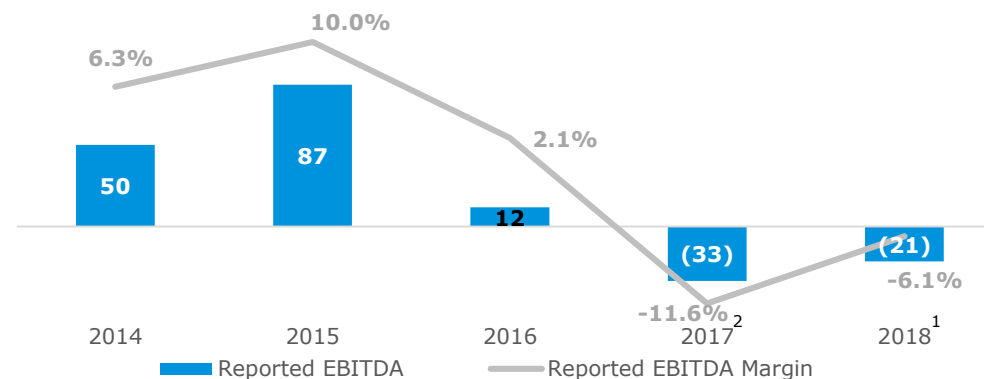
Overview – Usiminas Mecânica

- Usiminas Mecânica (capital goods business unit) is one of the Brazilian largest companies in the sector, providing value added products such as industrial equipment, heavy metallic structures, steel blanks, railway cars, among others
- Industrial plants in Ipatinga (MG), Congonhas (MG) and Cubatão (SP)
- Net Revenue of **R\$353 million** in 2018

EBITDA (R\$ mm) and EBITDA Margin (%) – Capital Goods - Quarterly



EBITDA (R\$ mm) and EBITDA Margin (%) – Capital Goods - Yearly



¹ With non-recurring effect of R\$ 8 million relative to ICMS tax in the base calculation of PIS/COFINS.

² Non-recurring effect of R\$ 22 million negative, related to Regularize Program.

AGENDA

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Usiminas

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Pillars of Usiminas' Management

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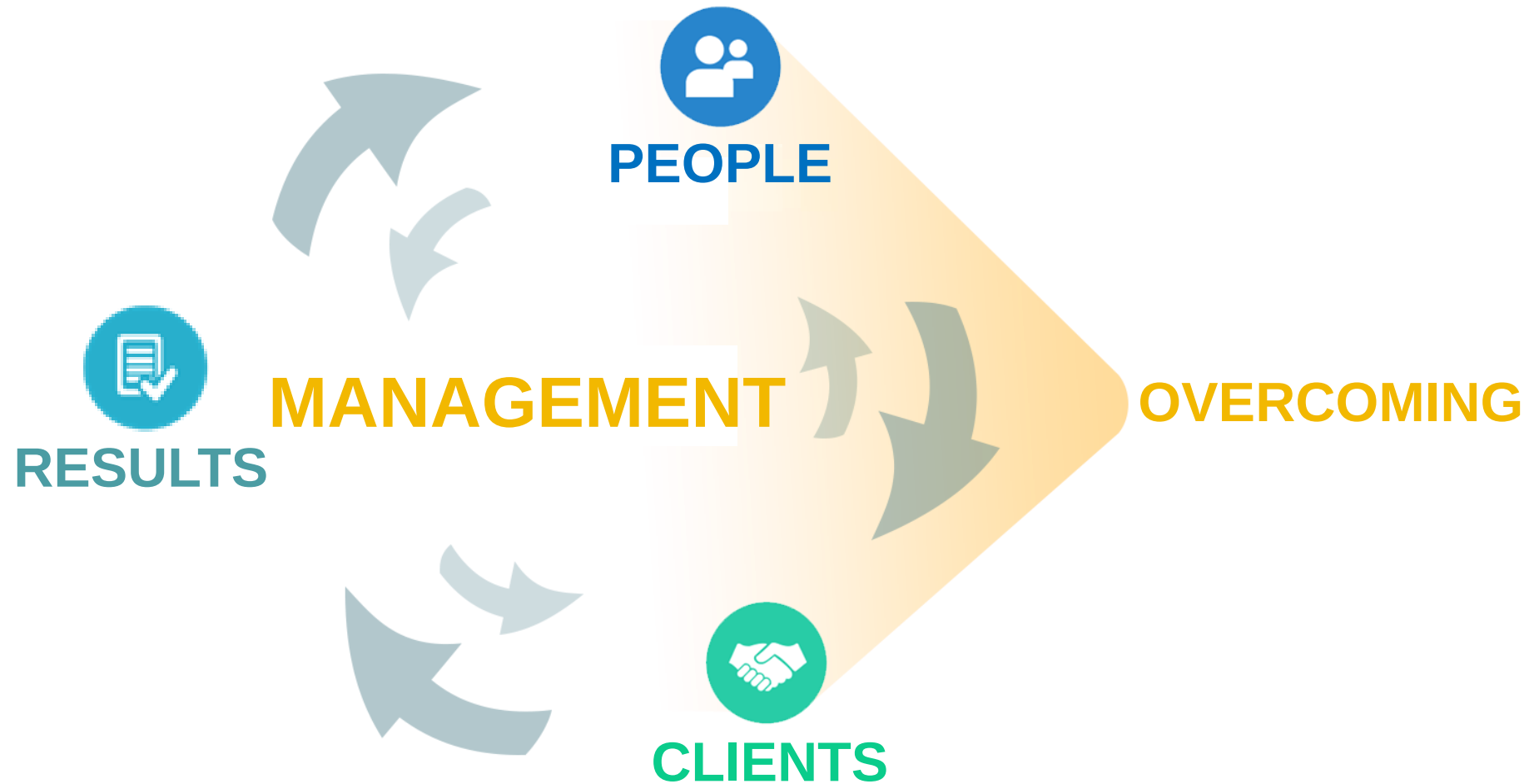
Governance and Highlights

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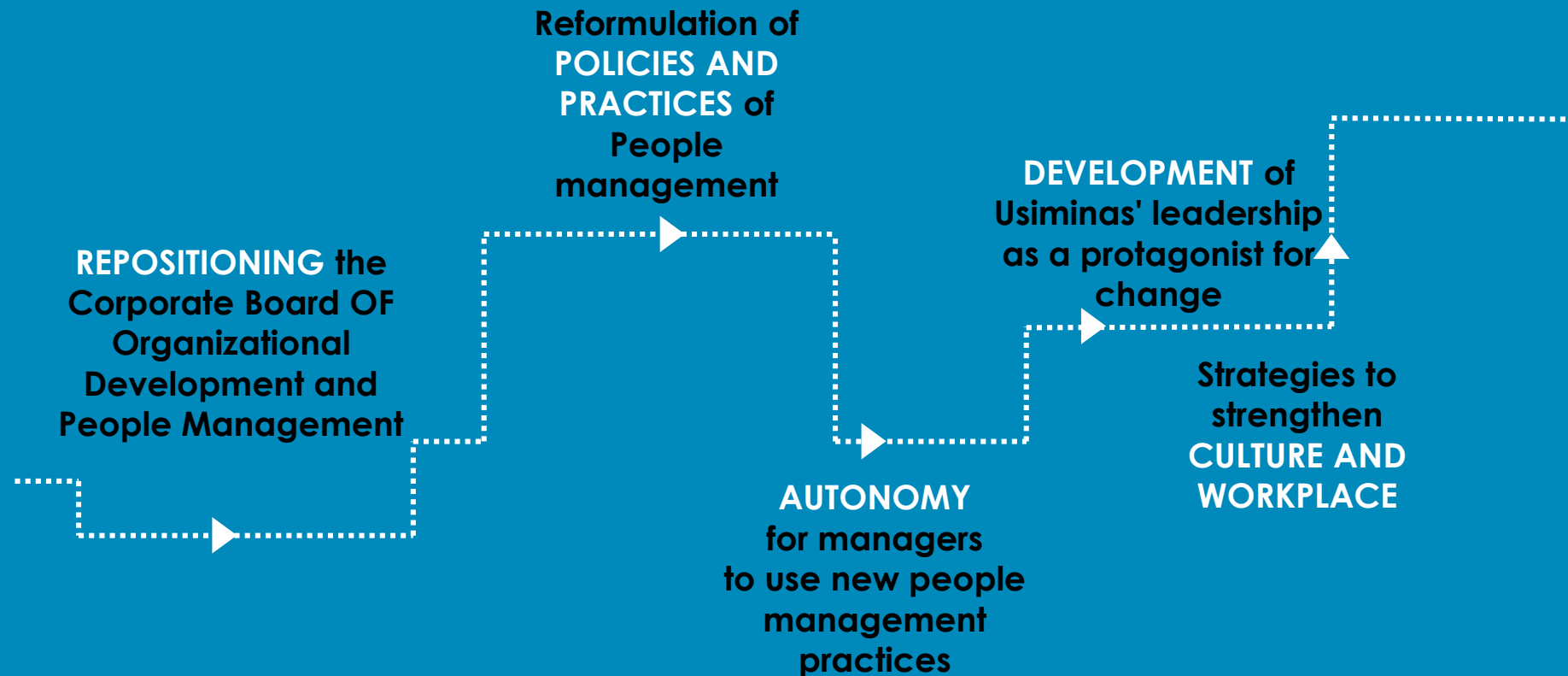
Appendix

PILLARS OF USIMINAS' MANAGEMENT USIMINAS U

People, Clients and Results



PEOPLE



Social and Environmental Highlights

Highlights 2018



"Projeto Superar"

Awarded by **World Steel Association**
"Excellence in health and safety – Impact on occupational health."



"Todos pela Água"

was the greatest winner in the category **"Best sustainable partner project"** of "IX Prêmio Hugo Werneck" in Sustainability & Love to Nature.



193 thousand Dental Care

at the "Integrated Dentistry Center"



1.039 Scholarship

at "Colégio São Francisco Xavier".



97% Customer Satisfaction

at "Hospital Márcio Cunha".

"Caminhos do Vale" Project

Promotes the recovery of rural roads based on steel aggregates, having as a counterpart the realization of socio-environmental projects and the recovery of springs by the municipalities

- ✓ **1.8 Million** tons of applied Siderbrita
- ✓ **1.3 Million** beneficiaries
- ✓ **1,417 km** of rural roads recovered
- ✓ **72,000** trips on 25 tons' trucks
- ✓ **54 municipalities** in the east of Minas Gerais
- ✓ **1,445** springs in recovery process
- ✓ **572,700** seedlings planted (average 396/spring)
- ✓ **141,960** wood fence posts used
- ✓ **425,880** meters of wire fixed



Social and Environmental Initiatives

EDUCATION AND CULTURE

São Francisco Xavier School

First educational institution in Brazil to obtain ISO 9001



Usiminas Institute

Usiminas invested over R\$260 million, encouraging around 2,000 social projects



PROJECTS AND PROGRAMS

Xerimbabo Usiminas Project

Promotes protection and environmental education free of charge for more than 2 million young people



"Plante uma vida" Project

The initiative promotes the planting of native tree by employees who had a children in the year



Social and Environmental Initiatives

SÃO FRANCISCO XAVIER FOUNDATION

Márcio Cunha Hospital – Unit I

Reference center in the area of health in Brazil



Carlos Chagas Municipal Hospital

Reference for the municipalities of the Itabira microregion to SUS patients



Márcio Cunha Hospital – Unit II

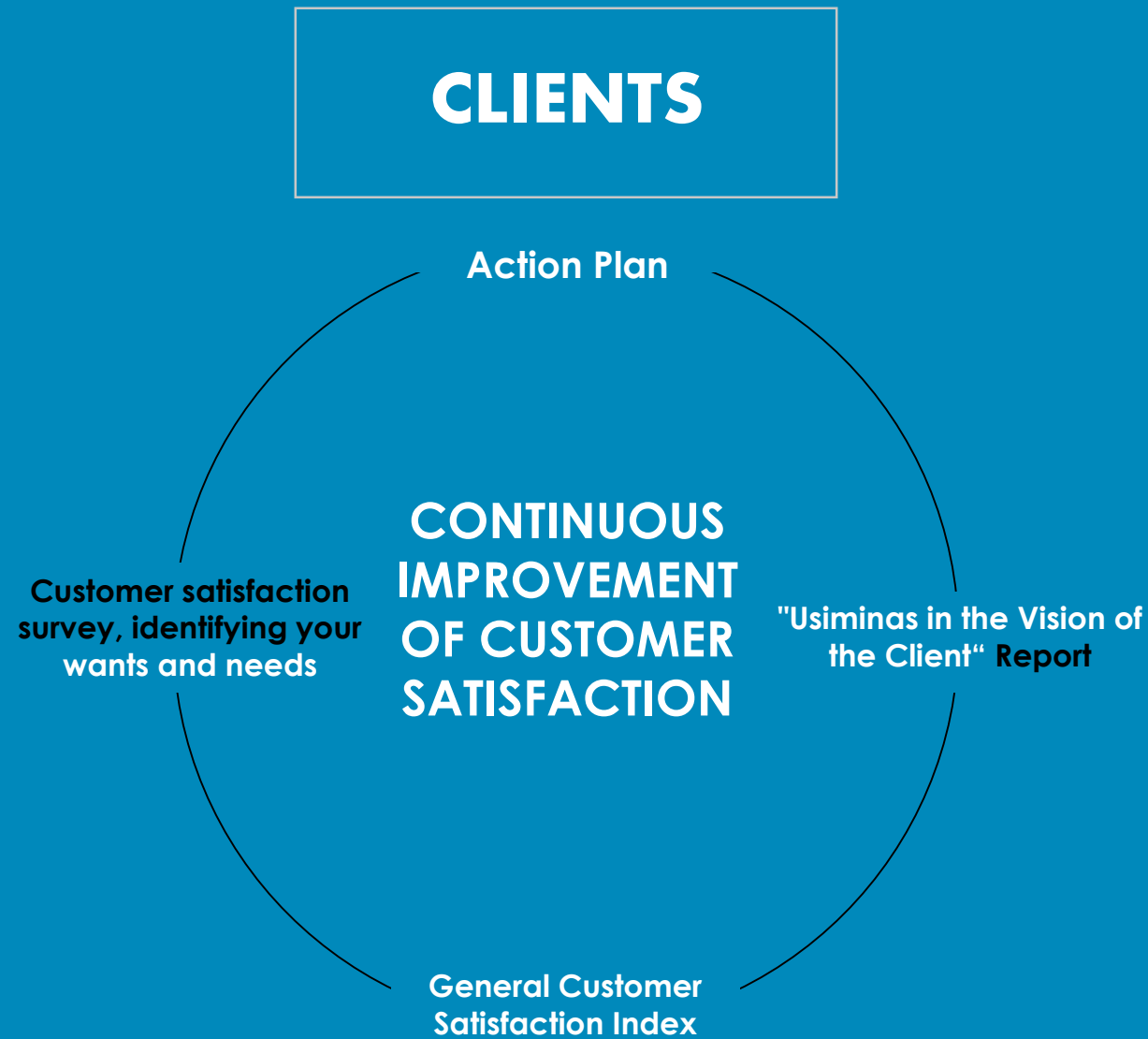
Hospitalization, Ambulatory Care, Diagnostic Imaging Center and Usifamília



Cubatão Hospital

General Hospital for services of medium complexity, reference for the region of São Vicente, Cubatão, Guarujá and Praia Grande





Customer Satisfaction, Awards and Recognition

AWARDS AND RECOGNITION

Top Supplier Ford – Raw Material and Stamping 2018

Gestamp Supplier Quality – Excellence Award 2017

MotoHonda Supplier – Excellence in Quality and Delivery 2017

Mercedes Benz award for environmental responsibility 2017

2015 REI Award

Ranking of the "100 most Innovative Companies in Brazil"

Toyota Global Suppliers Award

Auto Data Quality Ranking and Partnership 2015

PSA Peugeot-Citroen Award

MAIN SUPPLIER FOR THE AUTOMOTIVE MARKET



HYUNDAI



Mercedes-Benz



SCANIA



RENAULT



RESULTS

CRISE
Deterioration of
results
Loss of Market Cap.
Furnace shutdown

SURVIVAL
Capital increase of R\$
1Bi
Debt Restructuring
Change of the business
model in Cubatão

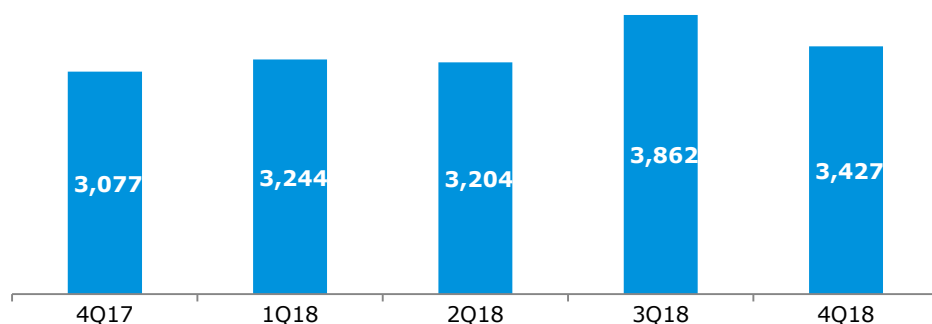
**CONSTRUCTION OF
RESULTS**
Focus on results
Group of Ten
Restructuring the
team
Valorization of
employees
Austerity measures
Revenue increase

**CONSTRUCTION OF
THE FUTURE**
Retrieval of AF1 in
Ipatinga
Retake of ITM
Flotation and ITM
Leste in Itatiaiuçu
New products
Improvements for
customers
"Exploring
Opportunities" and
"Vale do Vale"

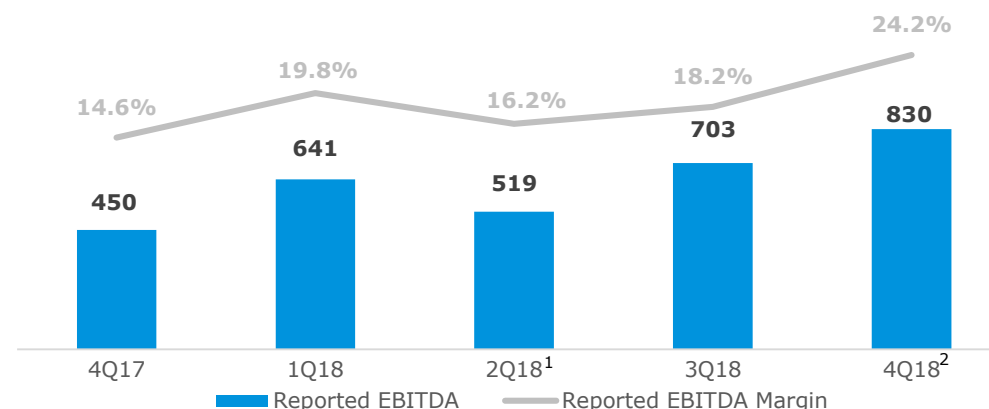
Results

(R\$m, except otherwise indicated)

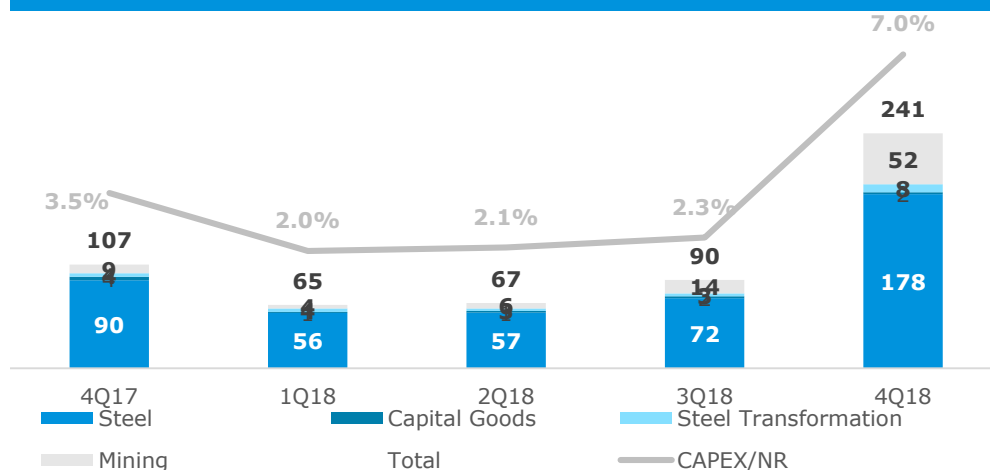
Net Revenues



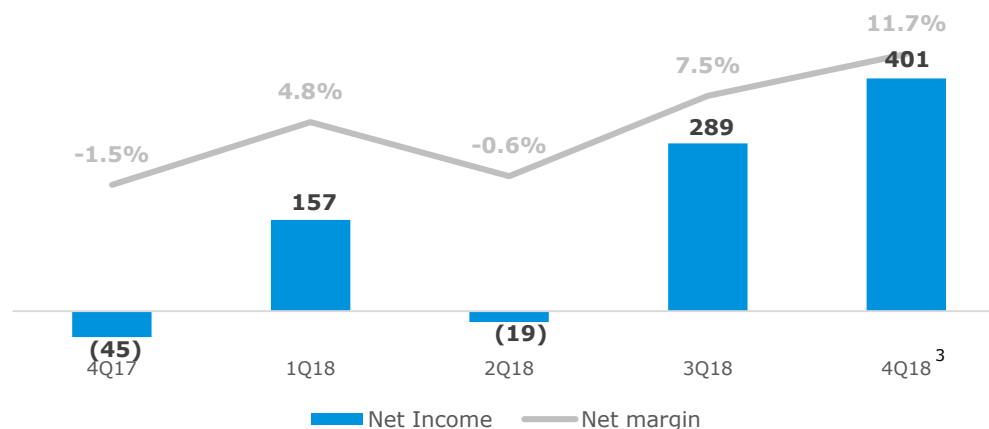
Adjusted EBITDA and Adjusted EBITDA Margin



Capex and Capex as % of Net Revenues



Net Income and Net Margin



¹ Negative non-recurring effect of R\$ 62 million, due to the provision of the RS Government related to assessment ICMS credit appropriation.

² Non-recurring effect of R\$ 467 million, relative to Fiscal credits related to ICMS tax in the base calculation of PIS/COFINS (R\$418 Mi), Amounts Receivable – Eletrobras (R\$ 186 Mi), PDD (R\$ 38 Mi Negative) e Other Non-recurring (R\$99 Mi negative)

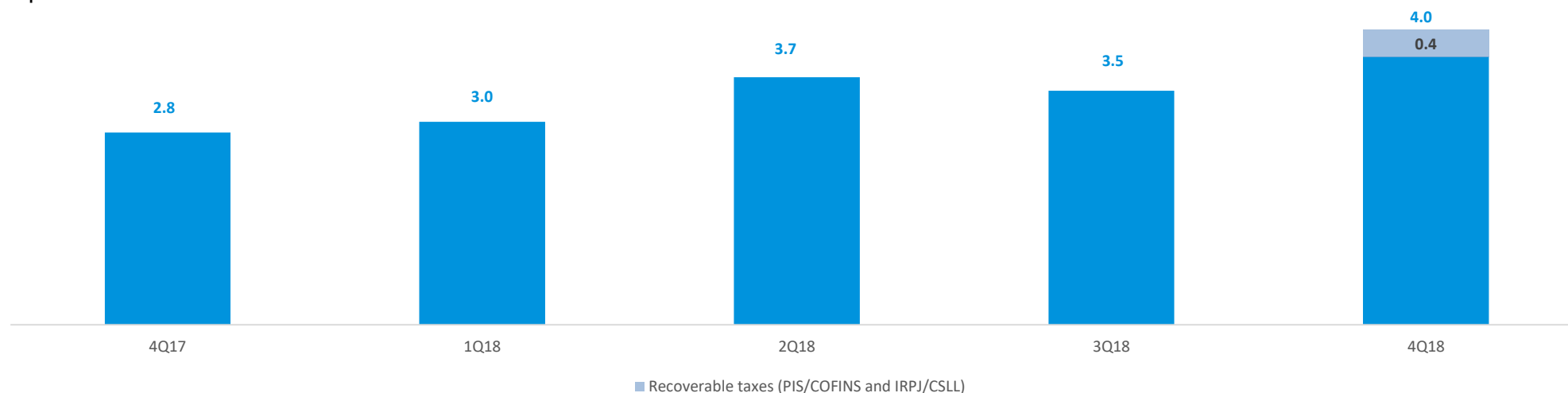
³ With non-recurring effect of R\$901 Million.

Results

(R\$m, except otherwise indicated)

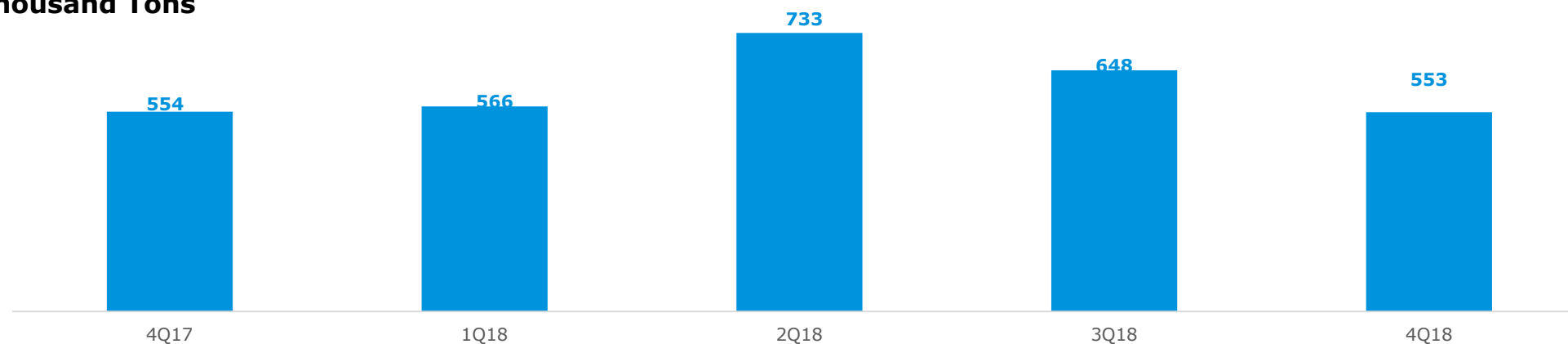
Working Capital

R\$ Billion



Working Capital – Steel inventories

Thousand Tons



Days in Inventory

47

47

68

53

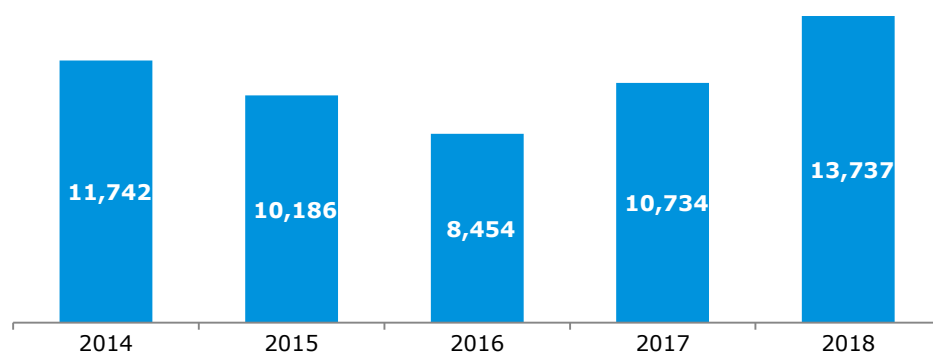
49

27

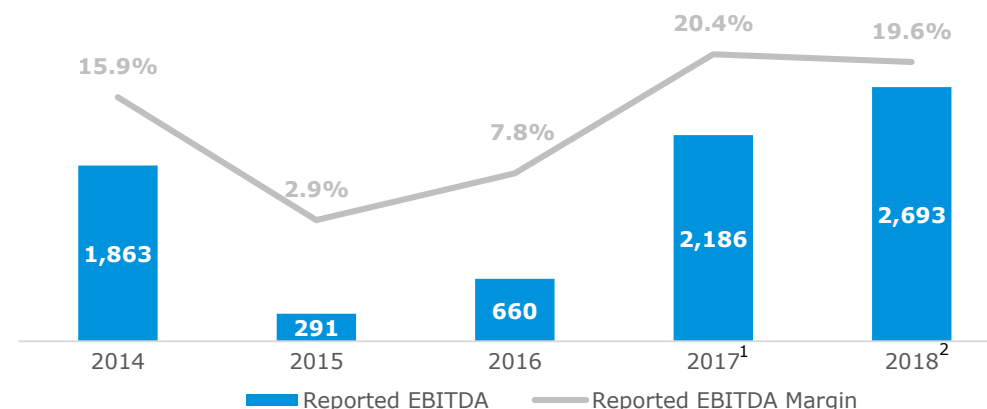
Results

Annual (R\$m, except otherwise indicated)

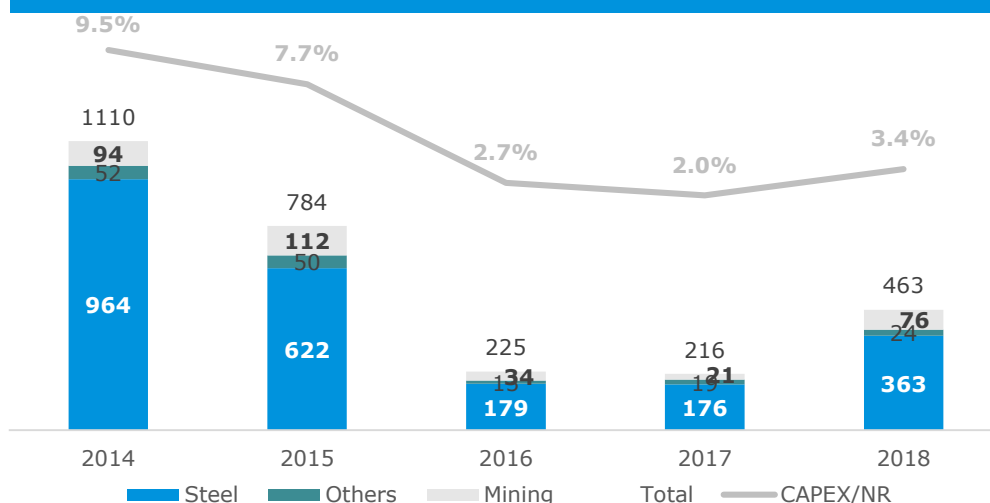
Net Revenues



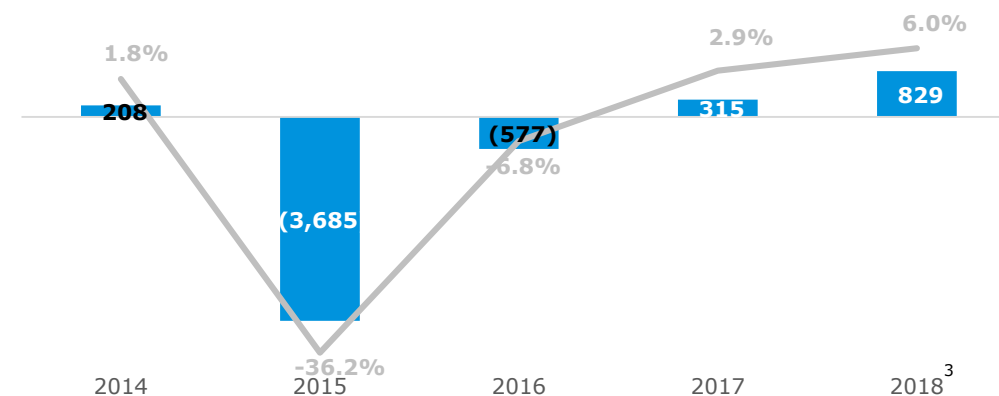
Adjusted EBITDA and Adjusted EBITDA Margin



Capex and Capex as % of Net Revenues



Net Income and Net Margin



¹ Non-recurring effect of R\$ 201 million from Porto Sudeste's agreement.

² Non-recurring effect of R\$ 401 million, relative to Fiscal credits related to ICMS tax in the base calculation of PIS/COFINS (R\$418 Mi), Amounts Receivable - Eletrobras (R\$ 186 Mi), PDD (R\$ 42 Mi Negative) e Other Non-recurring (R\$162 Mi negative)

³ With non-recurring effect of R\$631 Million.

Financial Restructuring

In 2016, Usiminas implemented important actions to preserve its financial and operational capacity

Capital Increase

	Ordinary Shares	Preferred Shares
Capital Increase Amount	R\$1 billion	R\$50 million
Subscription Price	R\$5.00/sh	R\$1.28/sh
# Subscribed Shares	200 million	39 million
Homologation	AGE	RCA
Closing Date	11-Jul-16	6-Jun-16
Share Price @Closing Date	R\$7.01/sh	R\$1.92/sh

Debt Renegotiation

Creditors Involved



Debentures Holders

R\$ 6.3bn Renegotiated with no haircut

92% of Usiminas indebtedness

Tenor

- 10 years (three years of grace period)
- Installments increasing gradually

Cost

- CDI+3% p.a.

Completion

- September 2016

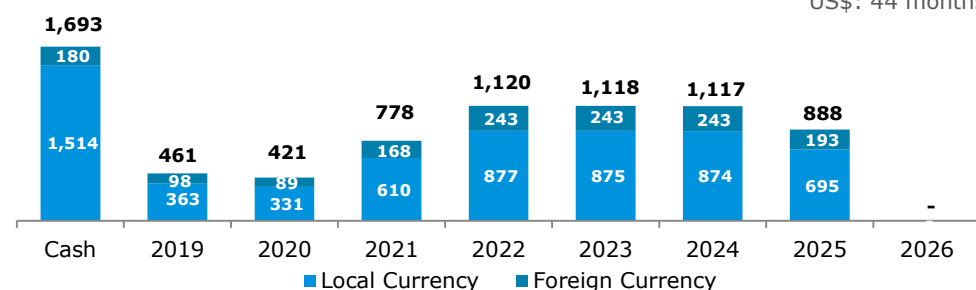
Liquidity and Indebtedness

(R\$m as of 4Q18, except otherwise indicated)

Debt Repayment Schedule

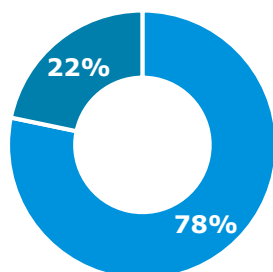
Current cash position covers c.3 years of debt

Duration: R\$: 40 months
US\$: 44 months



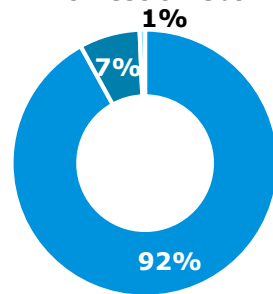
Debt Profile by Category

Total Debt



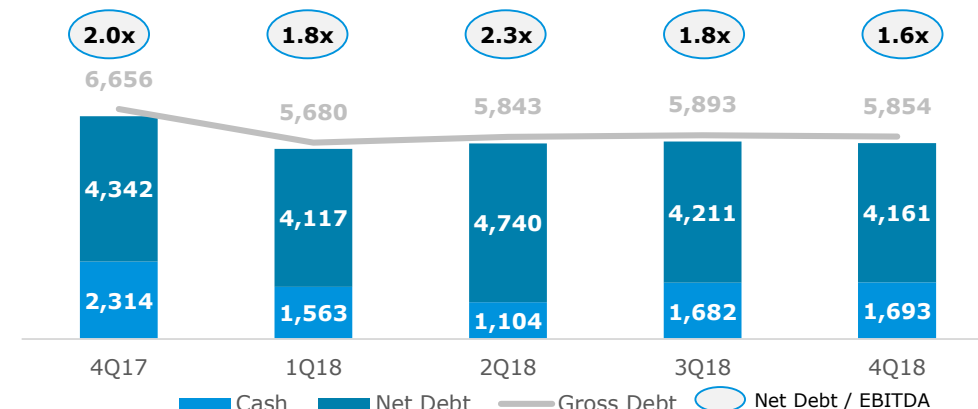
■ BRL ■ USD

Domestic Debt



■ CDI ■ TJLP ■ Others

Cash Position and Indebtedness



Credit Rating

	Global	National	Outlook
MOODY'S	B1	Baa2.br	Stable
S&P Global	B	brBBB	Positive
FitchRatings	B+	A-(bra)	Positive

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Appendix

Usiminas' Corporate Governance

Usiminas' model of corporate governance meets government and market requirements for listed companies, preserving and encouraging transparency

Corporate Governance Model



ADR
(OTC)



- ✓ The Board of Directors is responsible for general strategic policies
- ✓ 8 effective members and their respective alternates
- ✓ 18 meetings in 2017
- ✓ 16 meetings in 2018 YTD
- ✓ Election for unified terms of 2 years

2 committees supporting the BoD:

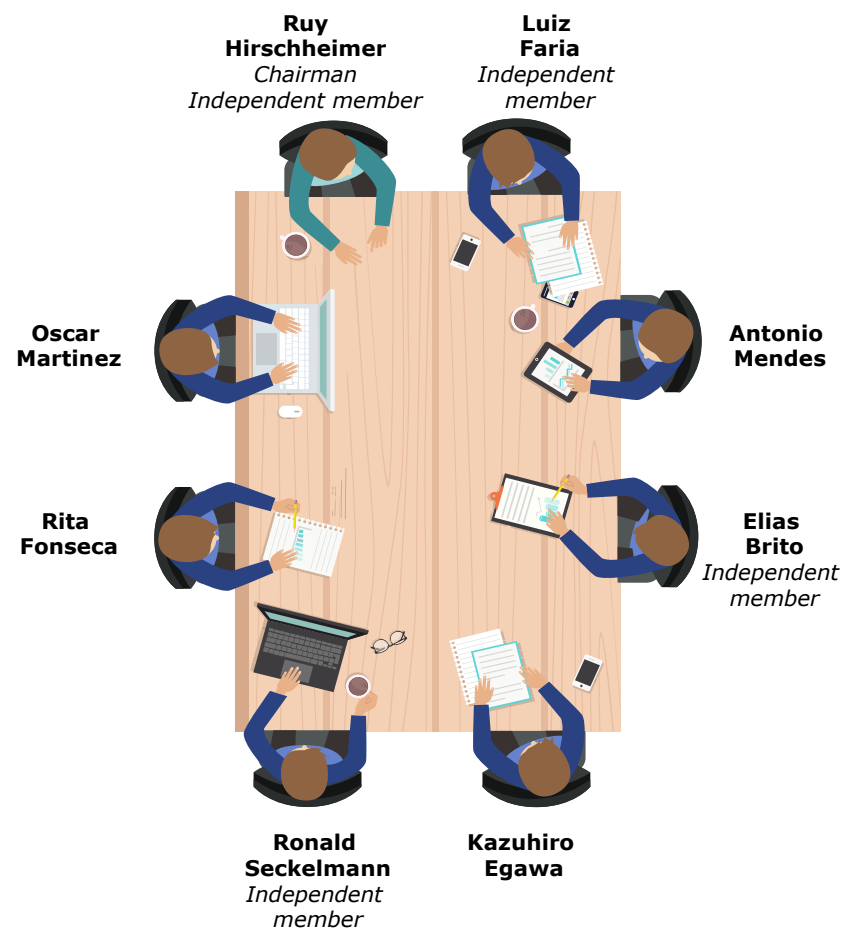
- ✓ Human Resources Committee
- ✓ Audit Committee

Permanent Fiscal Council

- ✓ Review of the financial statements, investment plans, budgets, opinion on dividend distribution, etc
- ✓ Five members elected in General Meeting

- ✓ Listing on B3 Level 1, ADR on OTC Market (New York) and Latibex exchange (Madrid)
- ✓ Public offering have to use mechanisms to favor capital dispersion
- ✓ Improvement in quarterly reports, including the disclosure of consolidated financial statements and special audit revision
- ✓ Disclosure of an annual calendar of corporate events
- ✓ Minimum Free Float of 25%
- ✓ Evaluation of Board of Directors, Management, and Committees
- ✓ Minimum dividend/JCP of 25% of the net profit (after legal reserves and contingencies – in compliance with Law N° 6.404)

Board of Directors



Note: Independent board members based on the criteria of the Brazilian Code of Corporate Governance and Novo Mercado.

Usiminas' Corporate Governance (cont'd) **USIMINAS**

Recently approved programs that ensure safety for the investor, transparency of actions, management control and clarity in communication

Integrity Program



Code of Ethics and Conduct



Anticorruption Policy



Competition Policy



Policy of Conflict of Interests and Transactions with Related Parties



Policy of Rewards, Gifts and Hospitalities



Policy of Sponsorship and Donations



Policy of Relationship with Third Intermediary Parties

Policies of the Brazilian Corporate Governance Code



Policy of Destination of Results



Policy of on the Remuneration of the Members of the Board of Officers



Policy of Contracting of Extra-audit Services



Policy of Disclosure of Information and Negotiation with Securities

Approved by the Board of Directors in October 2018

Key Investment Highlights



1

Leading position in the Brazilian steel market, with presence in strategic international markets



2

Diversification across products and markets



3

Assets strategically located in the country's main industrial and logistic axis in the country



4

Seasoned and specialized management team



5

Solid corporate governance



6

Culture of Employee, Social and Environmental Responsibility

AGENDA

1

Usiminas

2

Pillars of Usiminas' Management

People

Clients

Results

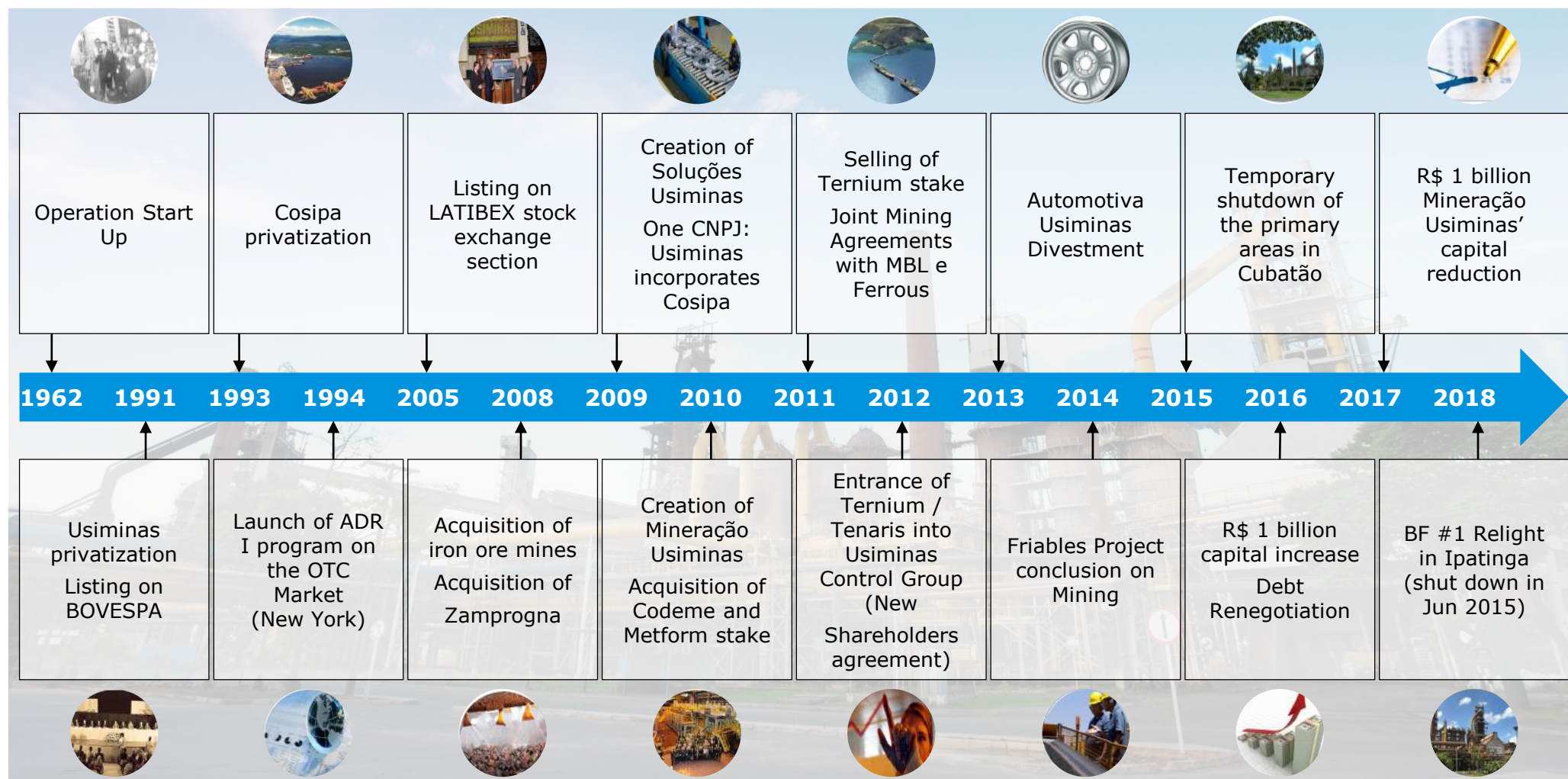
3

Governance and Highlights

4

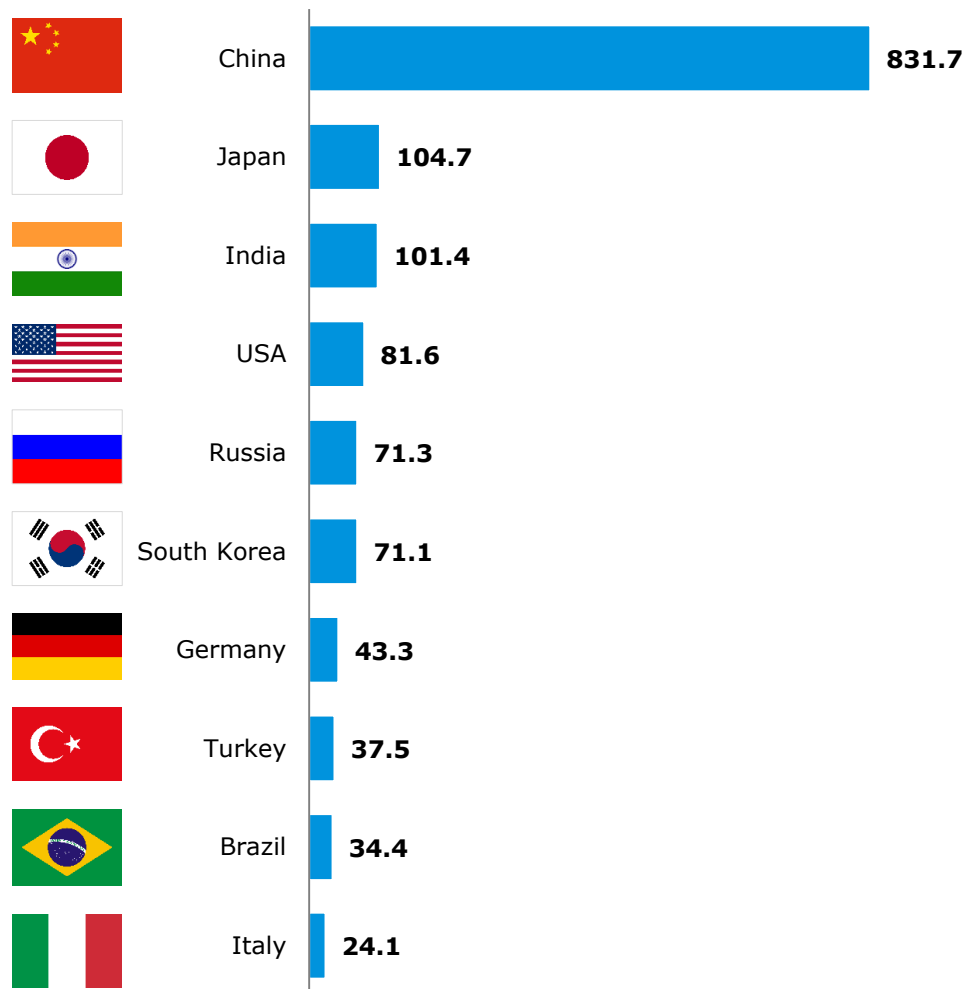
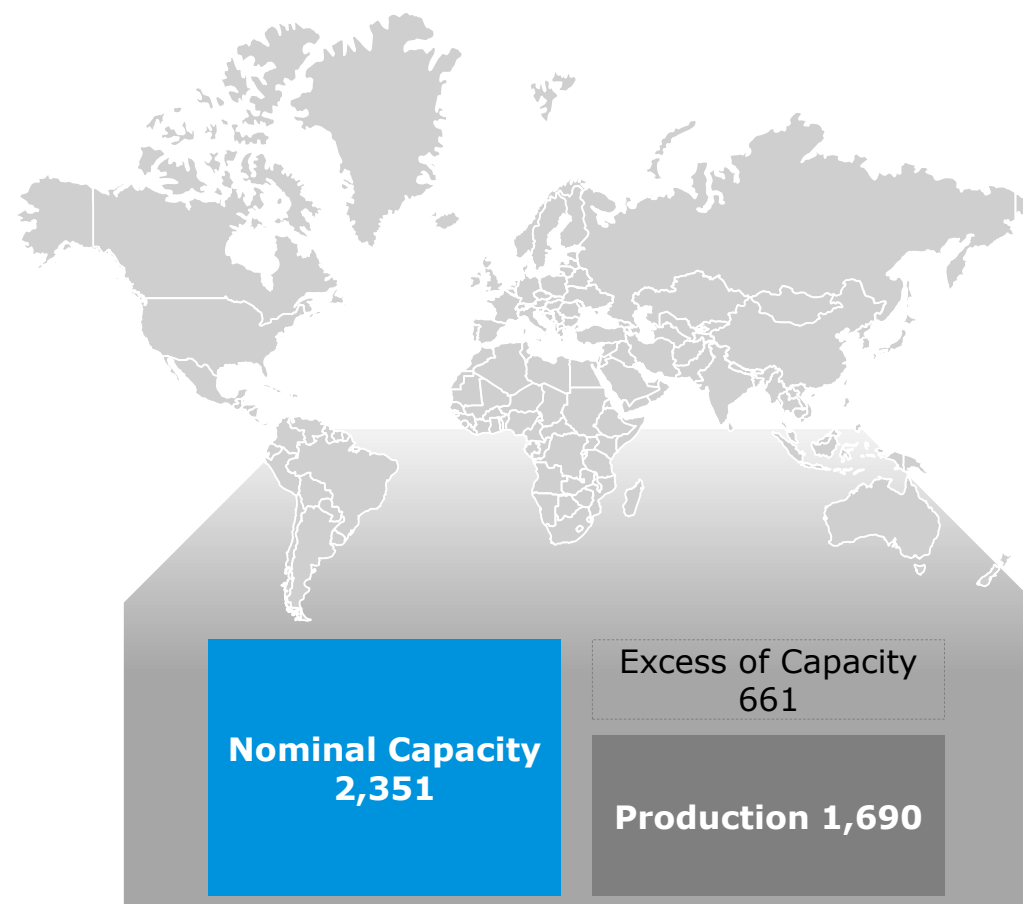
Appendix

Over Half a Century of Leadership



World Crude Steel Market in 2017

(Million tons)

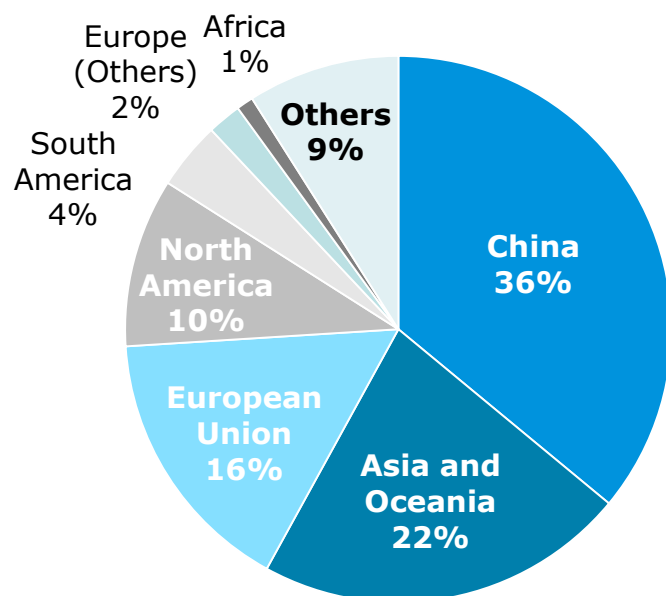
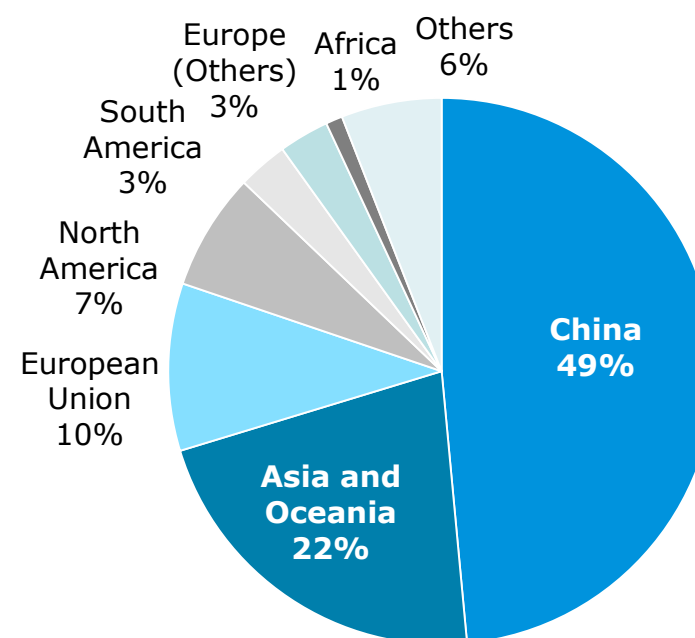


Source: World Steel Association / OECD

World Crude Steel Production

2007

2017



1,348 million tons

+25%

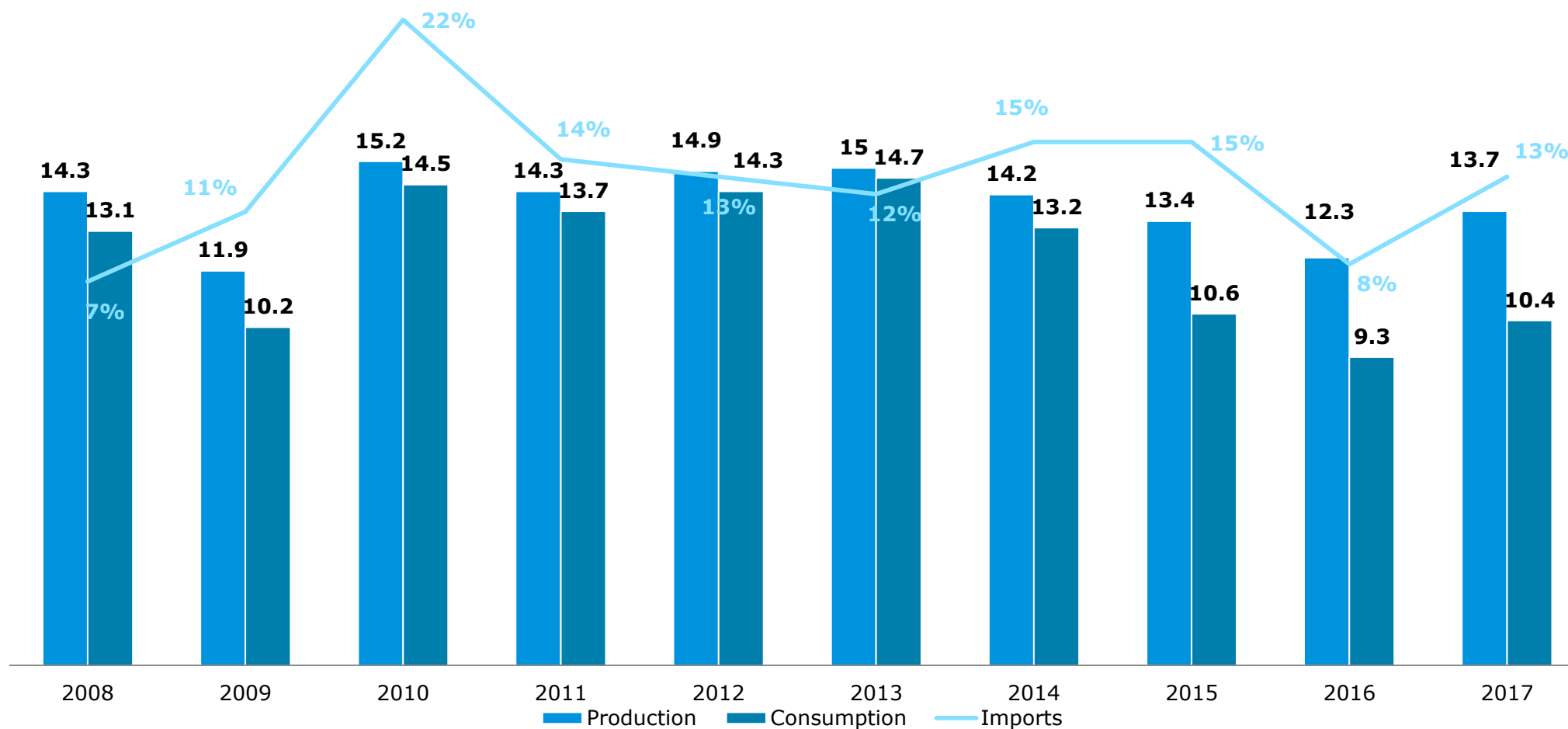
1,690 million tons

Source: World Steel Association

¹ Except China.

Brazilian Flat Steel Market

(Million tons)



Source: Instituto Aço Brasil / Usiminas
Note: Excludes Slabs.

Key Investment Highlights



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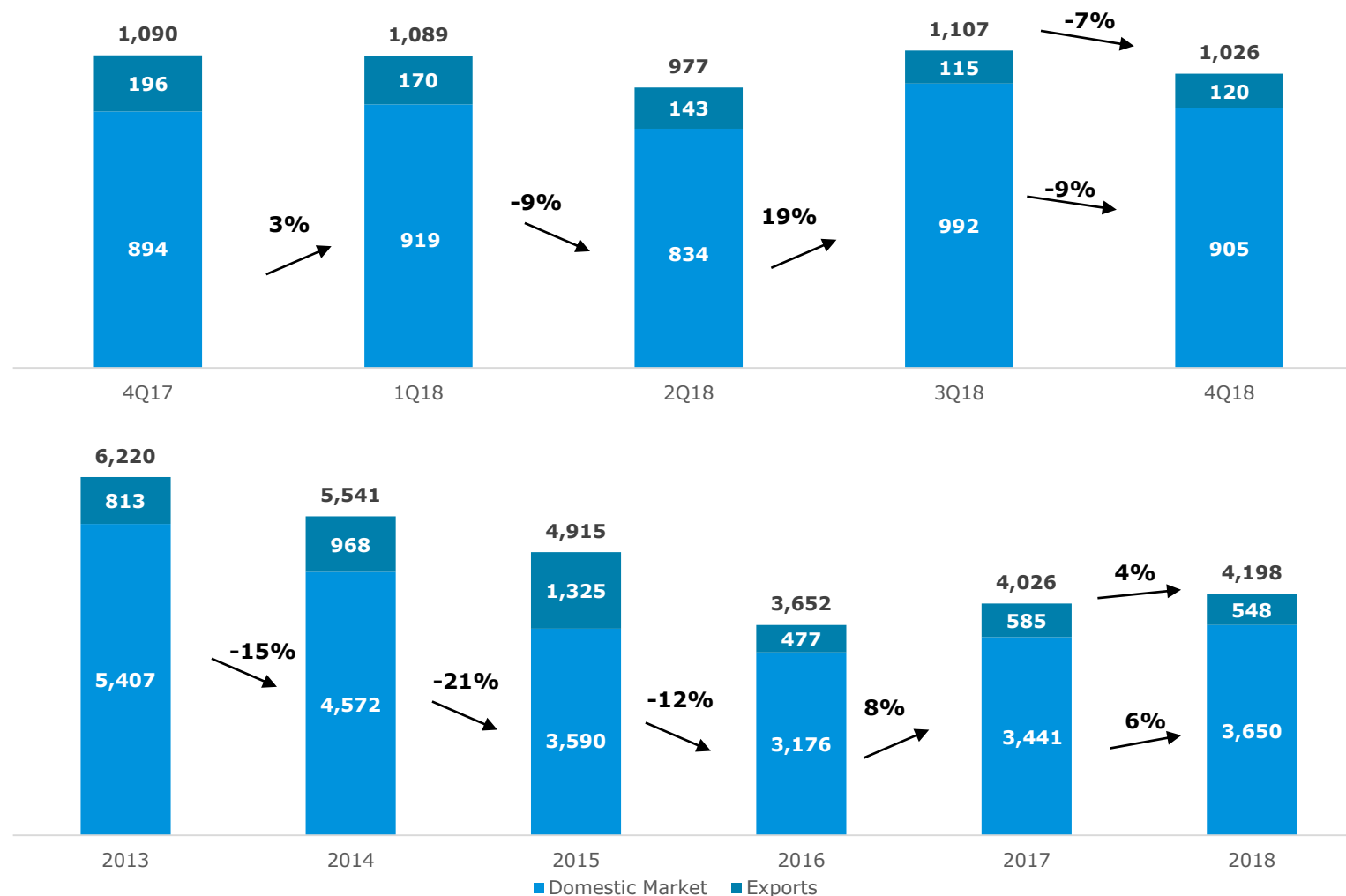
Leading Position in the Brazilian Steel Market, **USIMINAS** with Presence in Strategic International Markets

Usiminas' leading position is underpinned by the superior quality of its products and the long-term relationship with key clients

Sales Volumes – Steel

Awards Received

Thousand Tons – Quarterly



Top Supplier Award 2018
(Raw Material and Stamping)



Quality Excellence Award

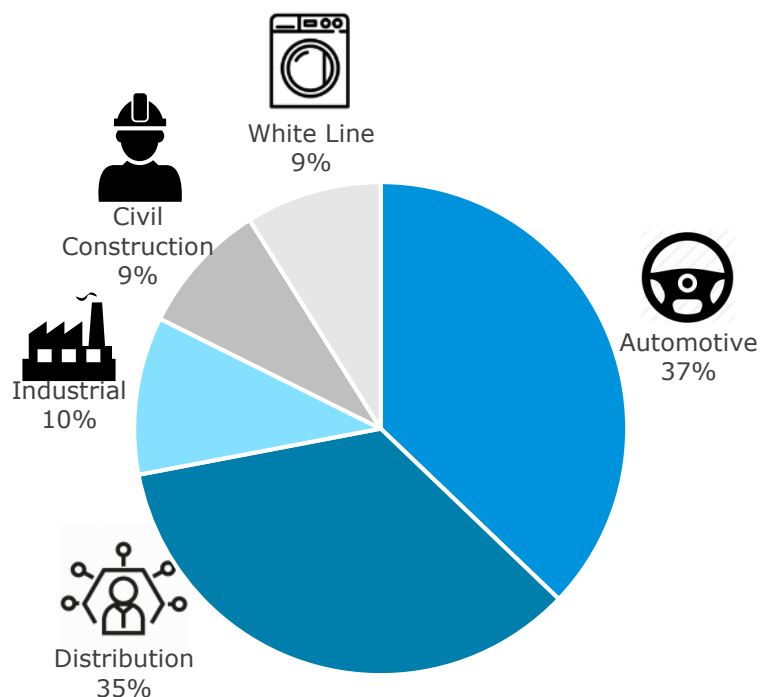


FIAT CHRYSLER AUTOMOBILES
Best Raw Material Supplier Award

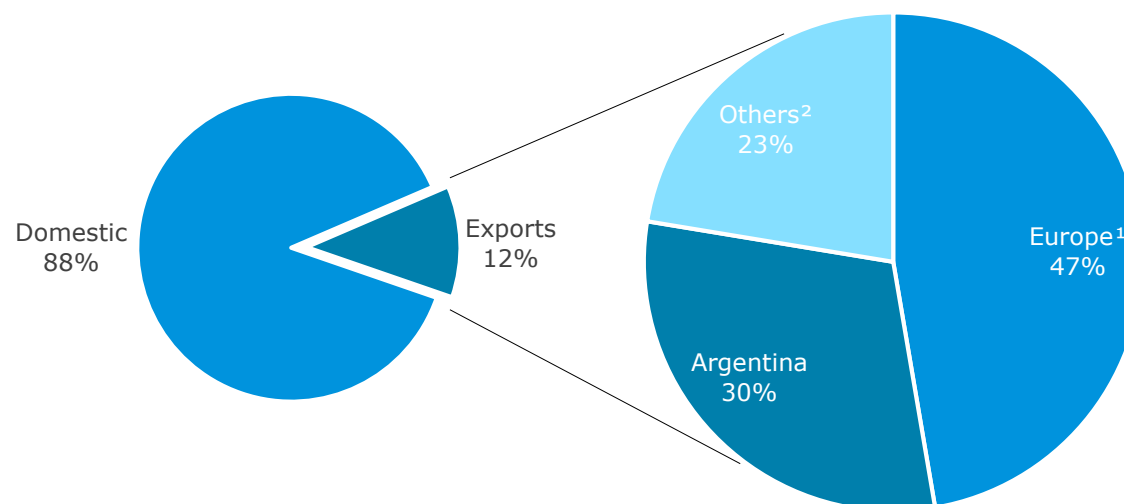
Diversification Across Products and Markets

Usiminas has capacity to produce a wide variety of steel, allowing for flexibility to adjust its production according to market demands domestically and internationally

End Markets Share of Volume, 4T18



Revenues by Country Share of Net Revenue, 4T18



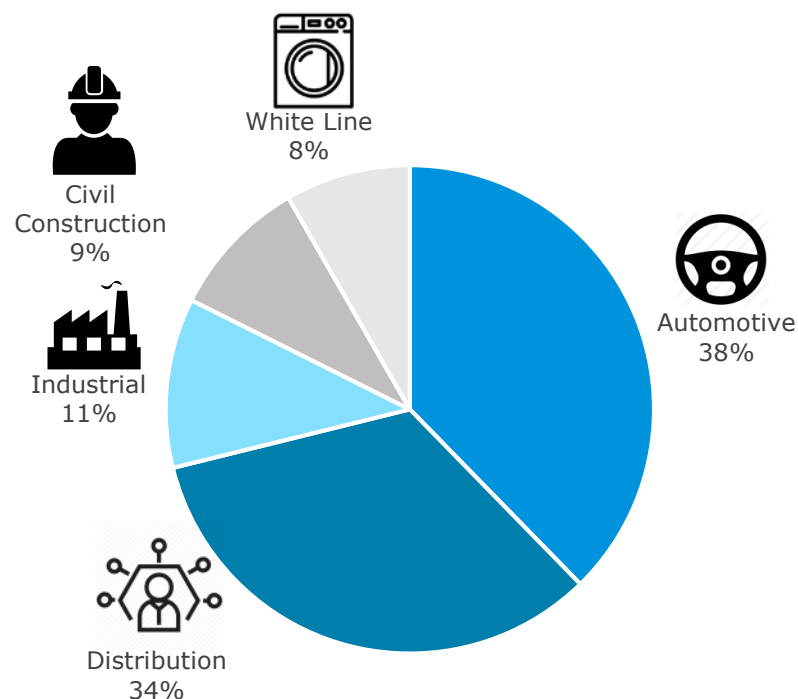
¹ Europe includes: Germany, UK, Spain, Belgium, Portugal, Switzerland and Netherlands

² Other includes: USA, Mexico, Paraguay and Bolivia.

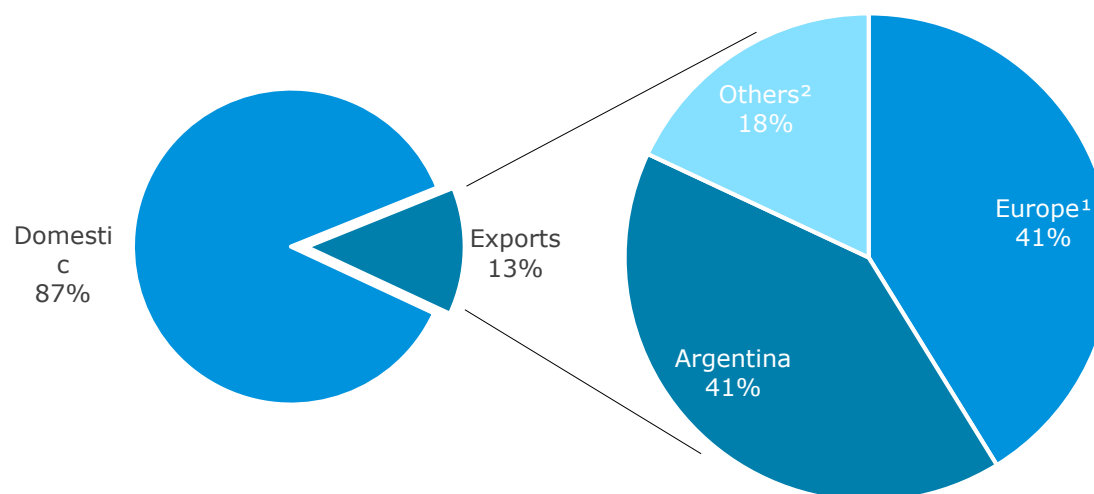
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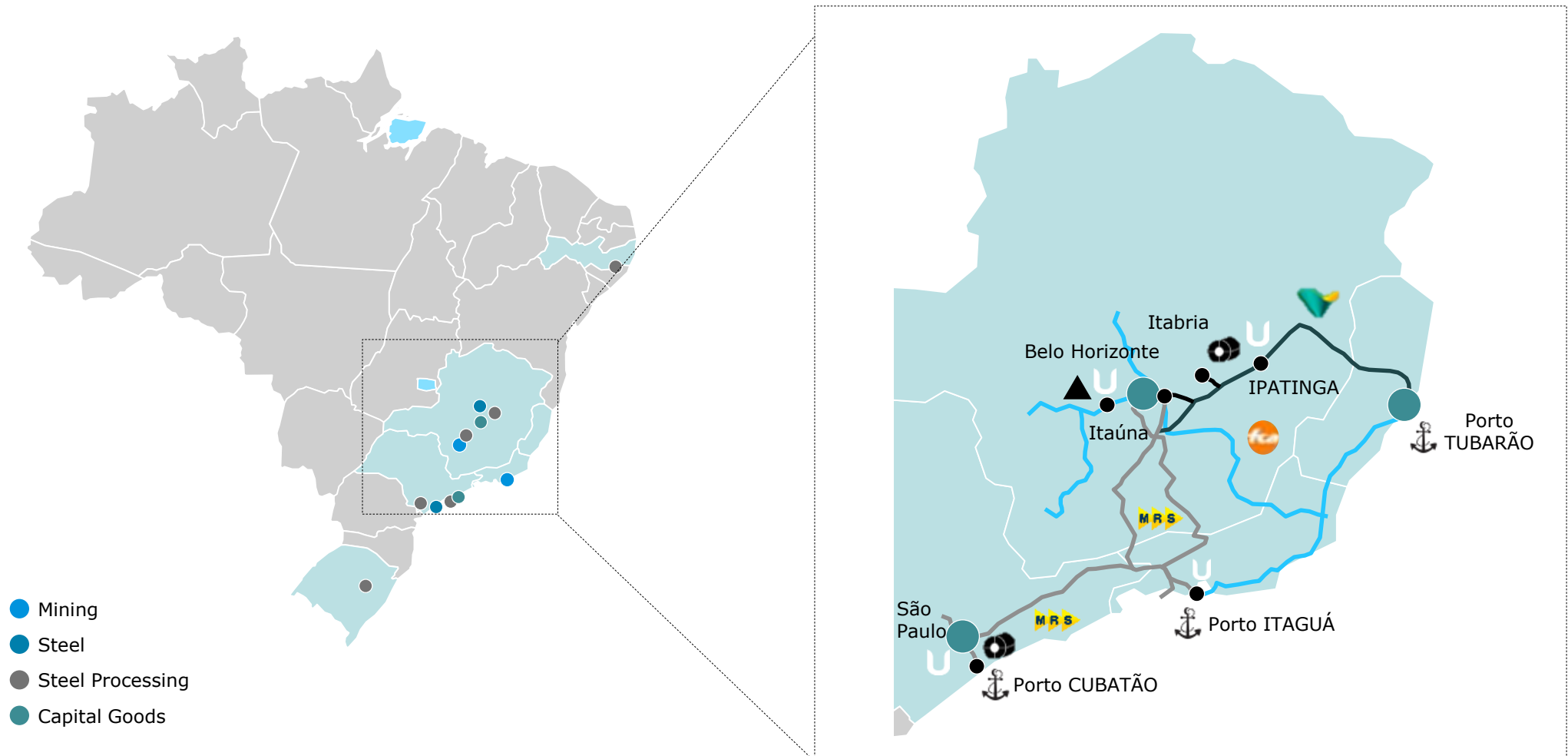


¹ Europe includes: Germany, Belgium, Spain, UK, Portugal, Switzerland, Italy, Netherlands and Luxembourg.

² Other includes: Colombia, USA, Mexico, Vietnam and Bolivia.

Assets Strategically Located in the Country's Main Industrial and Logistic Axis in the Country

The location of Usiminas' assets allows for access to raw materials (e.g. iron ore), consumption centers and logistic terminals (railways, ports)



Seasoned and Specialized Management Team

Usiminas' Executive Board consists of professionals with deep knowledge in their respective areas



Sergio Leite de Andrade
CEO

- Joined Usiminas in 1976 as Research Engineer, also working in several other areas in the company before being named CEO in 2016
- Holds a BS degree in Metallurgical Engineering by the Federal University of Rio de Janeiro (UFRJ) and a Master's degree in Metallurgical Engineering by the Federal University of Minas Gerais (UFMG)



Takahiro Mori
Corporate Planning Vice President Officer

- Prior to joining Usiminas, he worked at Nippon Steel & Sumitomo Metal Corporation as Manager Of Domestic Plate Sales, Group Manager of Personnel Dept., Manager of HR, among other divisions
- Holds a B.A. in Laws, Tokyo University, and MBA in the The Wharton School of the University of Pennsylvania



Alberto Akikazu Ono
CFO and IR Vice President Officer

- Prior to joining Usiminas in 2009, he worked in other Mining & Metallurgy companies such as Aços Villares SA, CBMM, Votorantim Industrial and Votorantim Siderurgia
- Holds a Ph.D. in Metallurgy from The University of Tokyo and a M.Sc. in Metallurgical Engineering from the University of São Paulo



Kohei Kimura
Technology and Quality Vice President Officer

- Prior to joining Usiminas, he worked at Nippon Steel & Sumitomo Metal Corporation
- Kohei Kimura holds M.Eng. in Metallurgy from Osaka University



Tulio Cesar do Couto Chipoletti
Industrial Vice President Officer

- Prior to joining Usiminas, he worked at The Confab Industrial SA
- Graduated in Industrial Engineering from the Faculty of Industrial Engineering - EIF, in Sao Bernardo do Campo - SP. He holds an MBA in Finance from the Brazilian Institute of Capital Market - IBMEC



Miguel Angel Homes Camejo
Commercial Vice President Officer

- Prior to joining Usiminas, he was General Manager for the Andean Region of Ternium Colombia and Exports Manager at Ternium Sidor
- Graduated with a degree in Economy from Universidad Catolica Andres Bello, in Venezuela, and has completed different management programs at Chicago Booth and Stanford University in California, USA.

Solid Corporate Governance

Recently approved programs that ensure safety for the investor, transparency of actions, management control and clarity in communication

Integrity Program



Code of Ethics and Conduct



Anticorruption Policy



Competition Policy



Policy of Conflict of Interests and Transactions with Related Parties



Policy of Rewards, Gifts and Hospitalities



Policy of Sponsorship and Donations



Policy of Relationship with Third Intermediary Parties

Policies of the Brazilian Corporate Governance Code



Policy of Destination of Results



Policy of on the Remuneration of the Members of the Board of Officers



Policy of Contracting of Extra-audit Services



Policy of Disclosure of Information and Negotiation with Securities

Approved by the Board of Directors in October 2018

Culture of Employee, Social and Environmental Responsibility

Usiminas translates concepts into practice, conciliating the objective of all stakeholders

Employee

Investments in professional training and safety prove the ongoing commitment to the qualification, development and life of our people



70,6 training hours per employee,
more than 3x the Brazilian national average



400 leaders participating
in the Trilha da Liderança (Leading path program)



100% of our employees
were assessed in 2017



"Mãos Seguras"
Hand safety program awarded by the **World Steel Association**, in the **Safety Excellence Category**



Accidents dropped by 40%
and 0 fatalities

Social

The company's sponsorship policy planned and executed by the Institute favors projects that promote inclusion, training and human development



R\$ 6,3mm invested by Instituto Cultural Usiminas

150 thousand people attended
Instituto Cultural Usiminas shows



46 social, cultural and sports projects
sponsored in **Minas Gerais** and **São Paulo**



28 thousand visits
to the **Hospital Marcio Cunha Rehabilitation Center**



97 scholarships
in the **Colégio São Francisco Xavier**

Environmental

We believe that innovation and sustainability are essential to ensure that we continue to do business and stay competitive



R\$ 91mm investment in engineering, maintenance and process improvement, education and resource management

1,87 million tons of recycled materials **reused**



19.000 tree saplings
of different species were cultivated within the **Green Areas** program



935 springs recovered
by the **Caminhos do Vale** program



96% of the water
used in the steel making process is recirculated on Usiminas steel plants

Rating Agencies' Views

Comments from latest available rating reports

S&P Global
Ratings

MOODY'S

FitchRatings

" On June 12, 2018, S&P Global Ratings raised its global scale corporate credit ratings on Usinas Siderúrgicas de Minas Gerais S.A. (Usiminas) to 'B' from 'B-' and the national scale ratings to 'brBBB' from 'brBB'."

"Improving market conditions and profitability will continue to support stronger operating cash flow generation for Brazilian steelmaker Usiminas over the next few quarters, resulting in further declining leverage."

"The outlook remains positive, indicating we expect that the continuous strengthening of Usiminas' cash flows is likely to support further debt repayments and larger investments to improve operating efficiency, leading to stronger financial metrics and liquidity, which will help mitigate the still volatile and uncertain demand for steel."

"Our expectations that despite potentially volatile prices and demand in the next few months, Usiminas will be able to maintain strong cash generation over the next 12 months, supported by increasing steel and iron ore volumes and leaner operations aimed at keeping stable EBITDA margins. As a result, we expect metrics to continue quickly improving, leading to debt to EBITDA below 3.0x and FFO to debt of about 30% in 2018, and close to 2.0x and 35%, respectively, in 2019."

" São Paulo, January 30, 2019 -- Moody's América Latina Ltda. upgraded Usinas Siderúrgicas de Minas Gerais S.A. ("Usiminas")'s corporate family ratings to B1 from B2 (global scale) and to Baa2.br from Ba1.br (national scale). "

"The upgrade of Usiminas' ratings to B1/Baa2.br reflects primarily the continued recovery in operating performance during 2018 as a consequence both of cost-saving initiatives and a better demand environment, which allowed the company to improve credit metrics substantially. The upgrade is also supported by Usiminas' adequate liquidity profile and its enhanced financial flexibility to withstand the volatility in its main end-markets. Going forward, we expect metrics to remain strong on the back of a healthy demand environment in Brazil and Usiminas' more efficient cost structure."

The track record of divergences between its main shareholders (Ternium/Techint and Nippon Steel) and still evolving corporate governance standards are credit negative, although we believe risks related to shareholders disputes have abated."

" On May 21, 2018, Fitch Ratings upgraded Usinas Siderúrgicas de Minas Gerais S.A.'s (Usiminas) Long-Term Foreign and Local Currency Issuer Default Ratings (IDRs) to 'B+' from 'B' and its National Scale rating to 'A-(bra)' from 'BBB-(bra)'. The Rating Outlook was revised to Positive from Stable."

"The upgrade reflects the ongoing improvements in Usiminas' credit risk profile, supported by growing operating cash flow generation due to better prices and volumes, as well as efficiency gains achieved through various measures such as closing the primary area of its Cubatão plant. The upgrade also reflects its improved debt profile and recent shareholders agreement, which should result in a unified business strategy for the company"

"The Positive Outlook is supported by Fitch's expectation that Usiminas' credit profile and financial flexibility will be further enhanced over the medium term. Fitch forecasts Usiminas' net leverage ratio will remain below 2.0x through the next few years. The sustainability of strong domestic steel prices and growing volumes, in an environment of continued uncertainty over the pace of Brazil's economic recovery, will be key to support this low leverage and positive rating actions in the next 24 months."

Income Statement – Per Business Unit

(R\$mmm, except otherwise indicated)

Income Statement per Business Units - Non Audited - Quarterly												
R\$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	4Q18	3Q18	4Q18	3Q18	4Q18	3Q18	4Q18	3Q18	4Q18	3Q18	4Q18	3Q18
Net Revenue	316.3	314.8	3,202.9	3,440.5	831.1	933.4	66.8	71.0	(990.2)	(898.1)	3,427.0	3,861.5
Domestic Market	120.4	109.1	2,810.2	3,045.6	831.1	933.4	66.8	71.0	(990.2)	(898.1)	2,838.4	3,260.9
Exports	195.9	205.7	392.7	394.9	0.0	-	-	-	-	-	588.6	600.6
COGS	(220.3)	(209.7)	(2,872.4)	(2,883.2)	(792.1)	(875.3)	(81.1)	(83.9)	914.7	834.9	(3,051.1)	(3,217.2)
Gross Profit (Loss)	96.1	105.1	330.5	557.3	39.0	58.1	(14.3)	(12.9)	(75.4)	(63.2)	375.9	644.3
Operating Income (Expenses)	109.3	(53.4)	(278.7)	(202.0)	(34.8)	(25.4)	(148.1)	(11.4)	(27.7)	1.3	(380.0)	(291.0)
Selling	(19.5)	(23.9)	(75.0)	(36.2)	(14.6)	(10.6)	(2.8)	(2.5)	(1.4)	(1.1)	(113.3)	(74.3)
General and Administrative	(6.8)	(6.1)	(95.5)	(76.4)	(16.2)	(13.7)	(8.7)	(8.3)	3.9	3.4	(123.3)	(101.0)
Others, Net	135.6	(23.4)	(108.2)	(89.4)	(4.1)	(1.1)	(136.6)	(0.7)	(30.2)	(1.0)	(143.4)	(115.6)
EBIT	205.3	51.7	51.8	355.2	4.2	32.6	(162.4)	(24.3)	(103.1)	(61.9)	(4.1)	353.4
Adjusted EBITDA	38.1	82.8	803.6	577.7	11.8	40.4	(14.6)	(19.6)	(8.6)	21.5	830.3	702.8
Adj.EBITDA Margin	12.0%	26.3%	25.1%	16.8%	1.4%	4.3%	-21.8%	-27.6%	0.9%	-2.4%	24.2%	18.2%

Note: All intercompany transactions are made at arm's length basis.

*Consolidated 70% of Unigal

Income Statement – Per Business Unit

(R\$mmm, except otherwise indicated)

Income Statement per Business Units - Non Audited - Semi-annually												
R\$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net Revenue	1,085.0	524.8	12,570.4	9,980.3	3,237.9	2,497.0	352.7	287.6	(3,509.2)	(2,555.5)	13,736.8	10,734.1
Domestic Market	385.8	344.4	10,935.1	8,634.7	3,237.5	2,496.1	352.6	286.9	(3,509.2)	(2,555.5)	11,401.7	9,206.7
Exports	699.2	180.3	1,635.3	1,345.5	0.4	0.8	0.1	0.7	-	-	2,335.1	1,527.4
COGS	(748.8)	(342.9)	(10,605.5)	(8,488.7)	(3,044.5)	(2,328.1)	(349.8)	(278.2)	3,226.9	2,338.9	(11,521.7)	(9,099.0)
Gross Profit (Loss)	336.3	181.8	1,964.9	1,491.6	193.4	168.9	2.9	9.4	(282.3)	(216.6)	2,215.1	1,635.1
Operating Income (Expenses)	(58.9)	9.7	(961.7)	(758.8)	(106.3)	(99.5)	(186.3)	(62.5)	(19.8)	4.9	(1,333.2)	(906.1)
Selling	(87.8)	(31.4)	(186.9)	(155.9)	(46.3)	(46.3)	(11.7)	(12.5)	(4.8)	(4.8)	(337.4)	(251.0)
General and Administrative	(26.1)	(20.0)	(334.8)	(311.4)	(57.9)	(54.0)	(35.2)	(32.0)	14.0	13.0	(440.0)	(404.4)
Others, Net	55.0	61.2	(440.1)	(291.5)	(2.2)	0.8	(139.4)	(18.0)	(29.0)	(3.3)	(555.7)	(250.8)
EBIT	277.3	191.6	1,003.1	732.7	87.1	69.5	(183.5)	(53.1)	(302.1)	(211.7)	881.9	729.0
Adjusted EBITDA	203.2	345.4	2,420.5	1,805.9	118.0	101.1	(21.4)	(33.4)	(27.3)	(33.2)	2,693.1	2,185.8
Adj.EBITDA Margin	18.7%	65.8%	19.3%	18.1%	3.6%	4.0%	-6.1%	-11.6%	0.8%	1.3%	19.6%	20.4%

Note: All intercompany transactions are made at arm's length basis.

*Consolidated 70% of Unigal

Share Price Performance

Usiminas (R\$/share) X B3 (points)

From 01/01/2017 to
12/31/2018

USIM5: +127%

USIM3: +40%

IBOV: +47%



Source: Broadcast+ in 02-Jan-2019



ADR
Nível I



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Declarations relative to business perspectives of the Company, operating and financial results and projections, and references to the growth of the Company, constitute mere forecasts and were based on Management's expectations in relation to future performance. These expectations are highly dependent on market behavior, on Brazil's economic situation, on the industry and on international markets, and are therefore subject to change.