

Presentation
2Q16

USIMINAS

Classification of the information: Public

Agenda

Usiminas Profile



Market Outlook



Usiminas and its business units



Financial Results



Company Profile

- ✓ Complete solution for products and services
- ✓ Steel company with the largest number of patents rights in Latin America
- ✓ Largest Research Center in the steel sector in Latin America
- ✓ First Brazilian steel company to have its quality system certified by ISO 9001 in 1992
- ✓ First Brazilian steel company and second in the world to achieve the ISSO 14001 environmental management certificate in 1996
- ✓ Founded of the most enduring environmental education project of the private sector since 1984



Timeline



1962 — Operation Start Up



1991 — Cosipa privatization



1993 — Listing on LATIBEX stock exchange section



1994 — •Creation of Soluções Usiminas

•One CNPJ: Usiminas incorporates Cosipa



2005 — •Selling of Ternium stake

•Joint Mining Agreements with MBL e Ferrous



2008 — Automotiva Usiminas Divestment



2009 — Temporary shutdown of the primary areas in Cubatão

2010 — •Usiminas privatization

•Listing on BOVESPA



2011 — Listing on ADR I on the OTC Market (New York)



2012 — •Acquisition of iron ore mines

•Acquisition of Zamprogna



2013 — •Creation of Mineração Usiminas

•Acquisition of Codeme and Metform stake



2014 — Entrance of Ternium / Tenaris into Usiminas Control Group (New shareholders agreement)



2015 — Friables Project conclusion on Mining (increasing the capacity to 12 million tons/year)



2016 — R$ 1 billion capital increase

Shareholding Composition

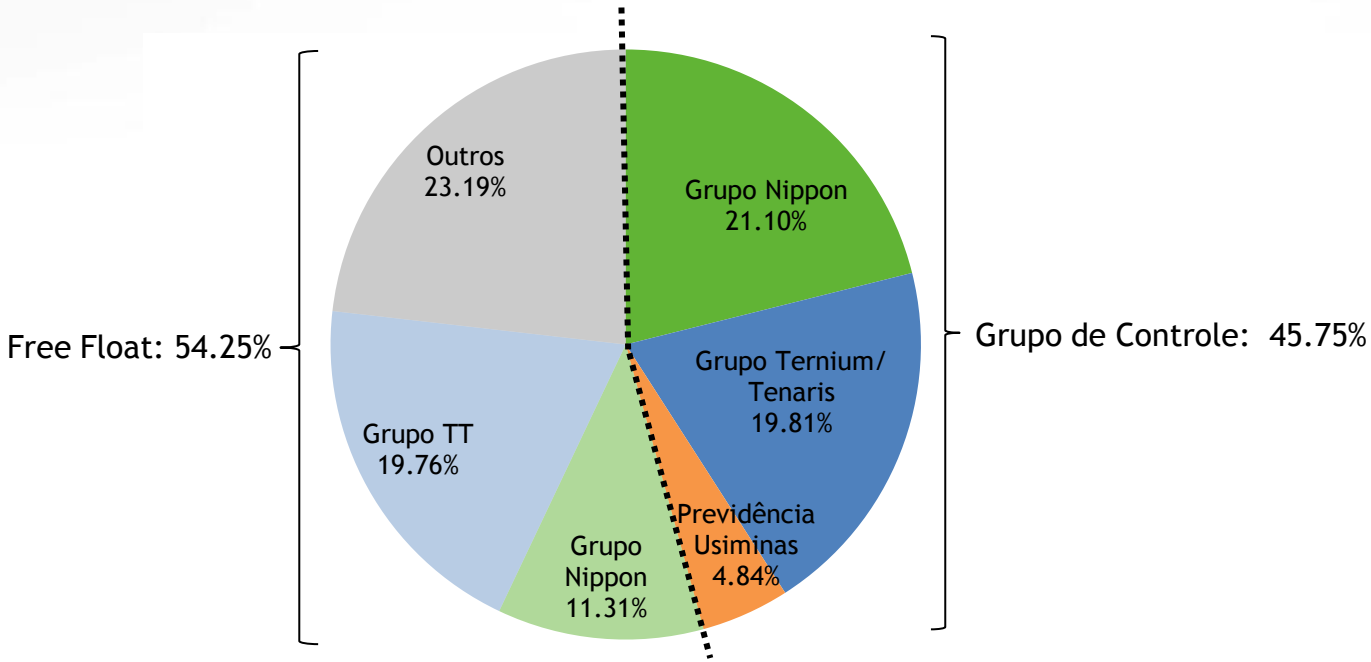
Total Capital

1,253,079,108

Voting Capital

ON 56.28%	705,260,684

PN 43.71%	547,740,661



Usiminas shares are traded on BM&FBovespa (São Paulo), on the OTC Market (New York) and on a LATIBEX exchange section (Madrid).

Complete Solution for Products and Services

Business Units

Mining

Mineração Usiminas



Steel

Ipatinga Plant

Cubatão Plant

Unigal Usiminas



Steel Processing

Soluções Usiminas



Capital Goods

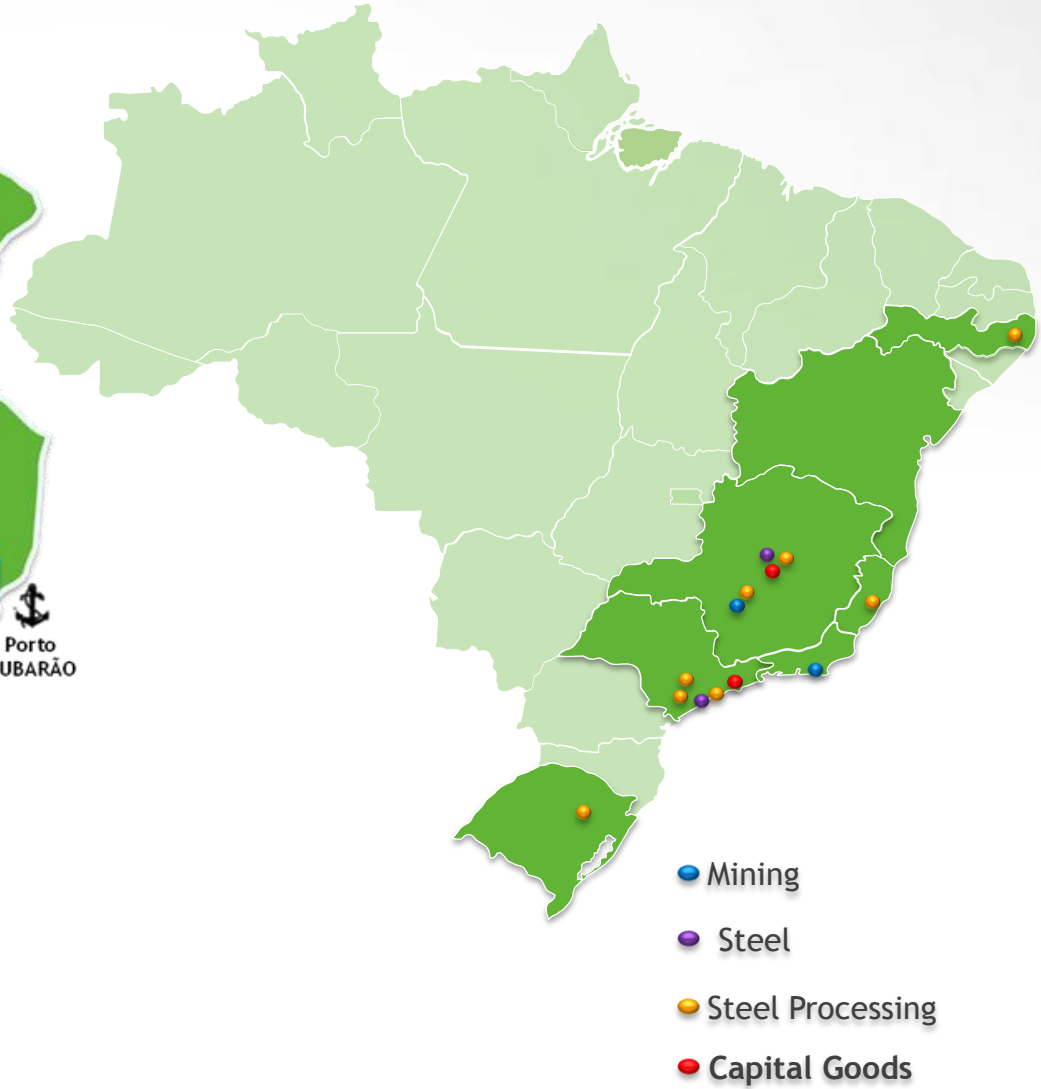
Usiminas Mecânica



UPSTREAM — DOWNSTREAM

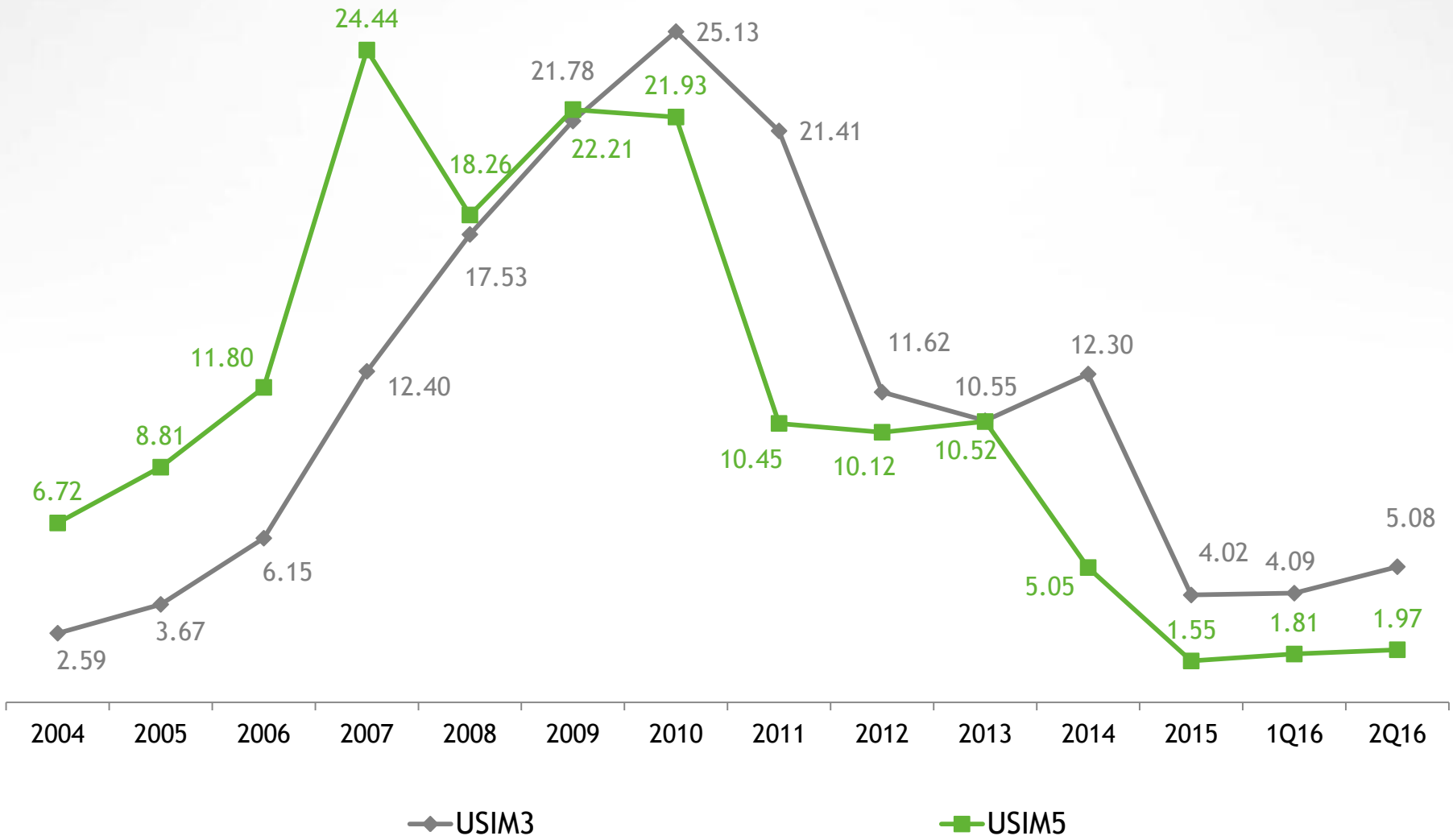
Strategically Located





Shares' Quotation on BM&FBOVESPA

R$/share - Up to 06/30/2016



Note: The prices are adjusted by removing the effects of events such as Bonus and Unfolding

Agenda

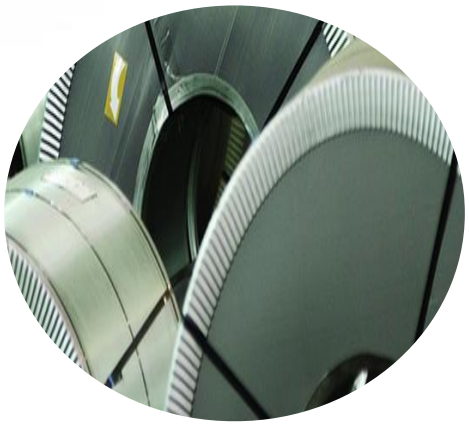
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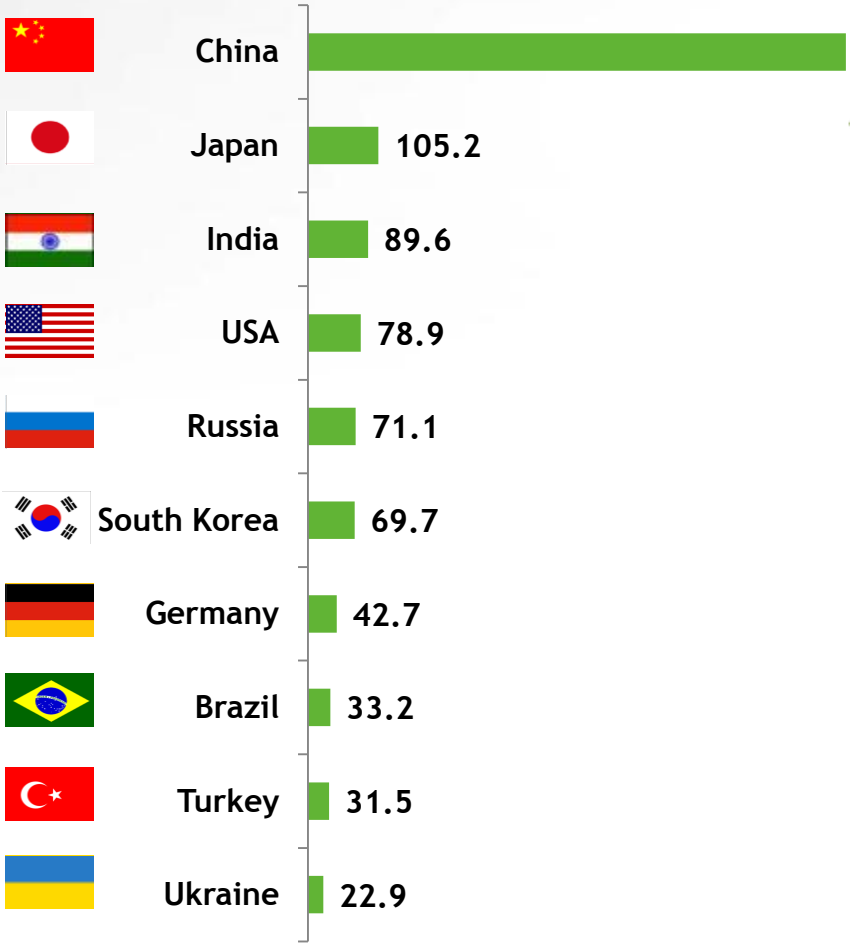


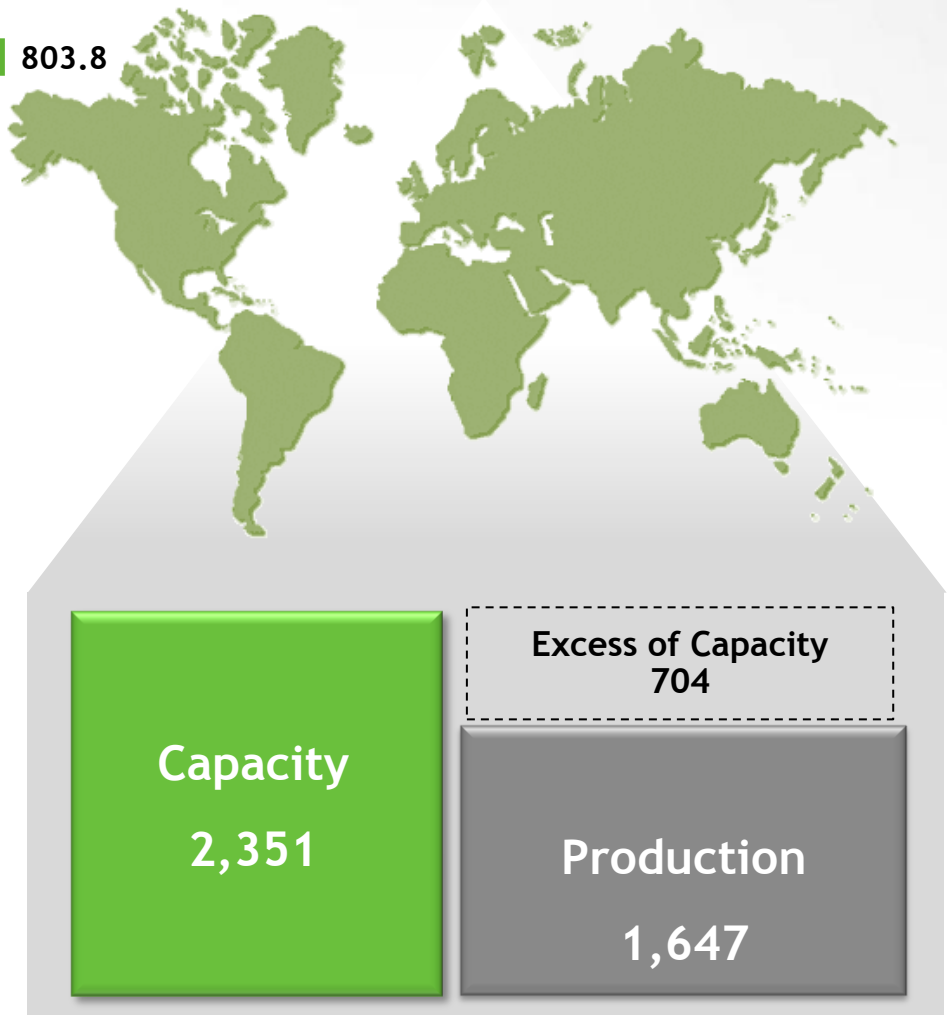




World Crude Steel Market in 2015

Million Tons

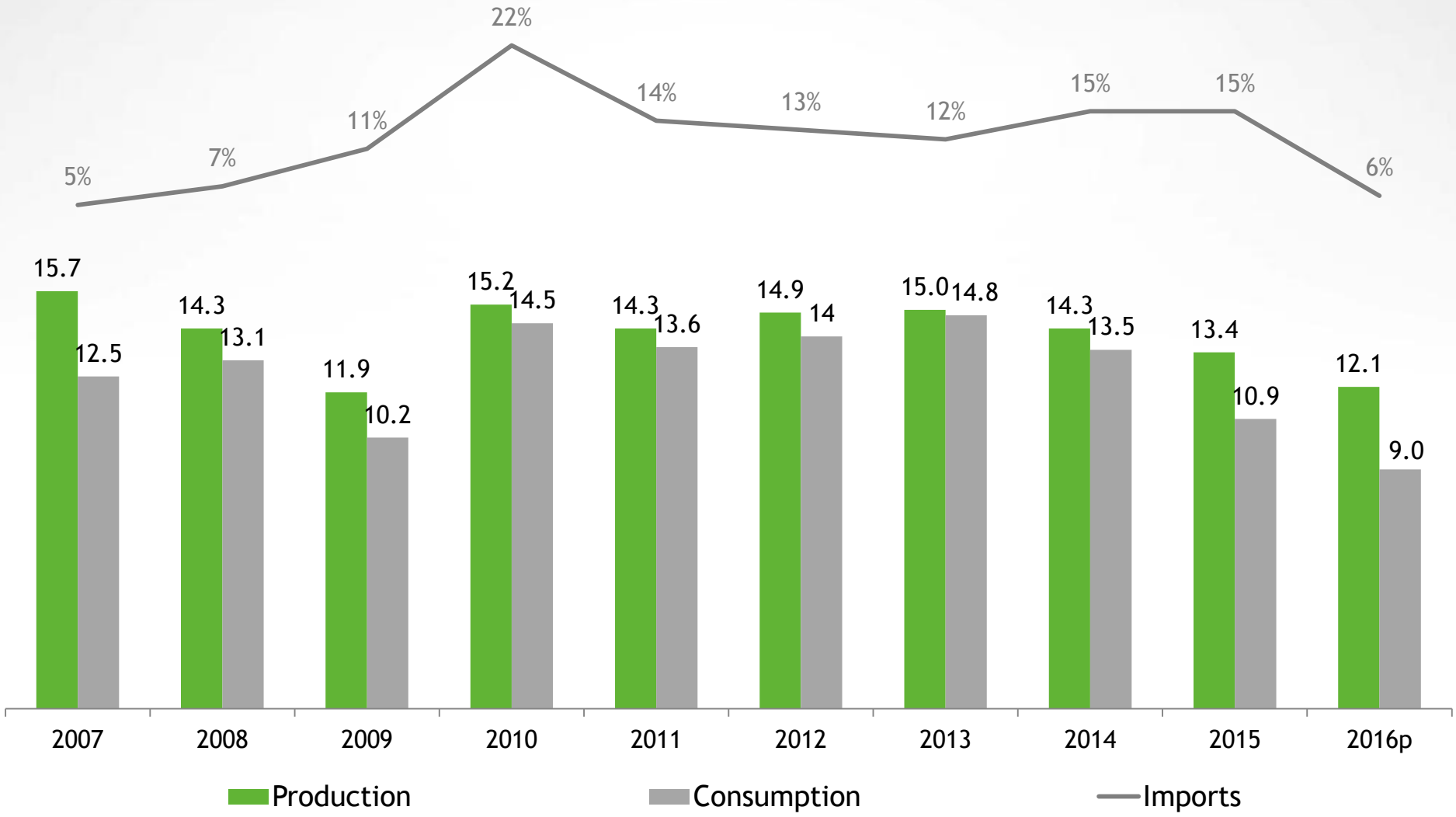




Source: World Steel Association

Brazilian Flat Steel Market

Million Tons



Source: Instituto Aço Brasil / Usiminas – Excludes Slabs

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

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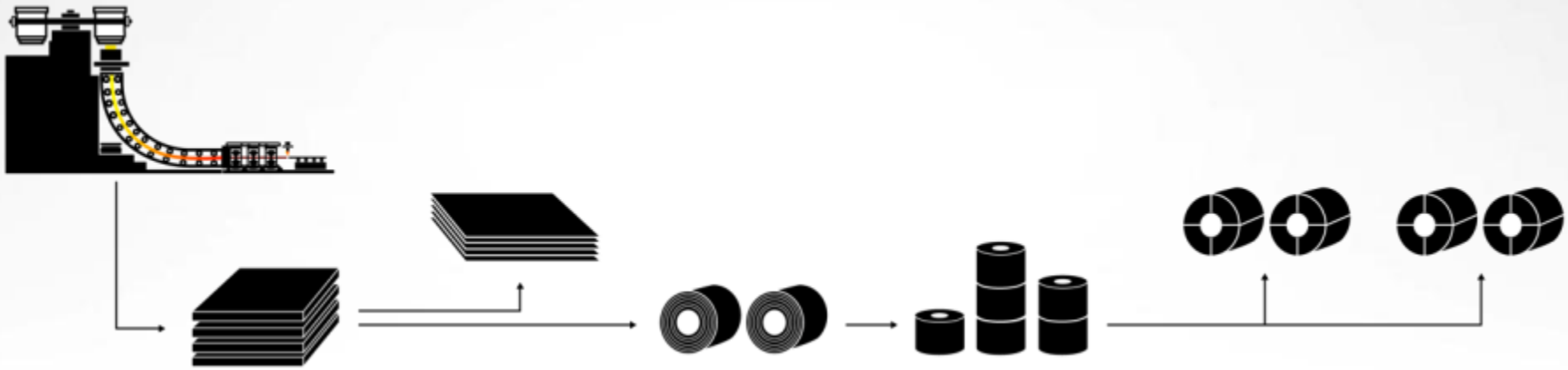






Flat Steel Capacity of Production

Thousand Tons



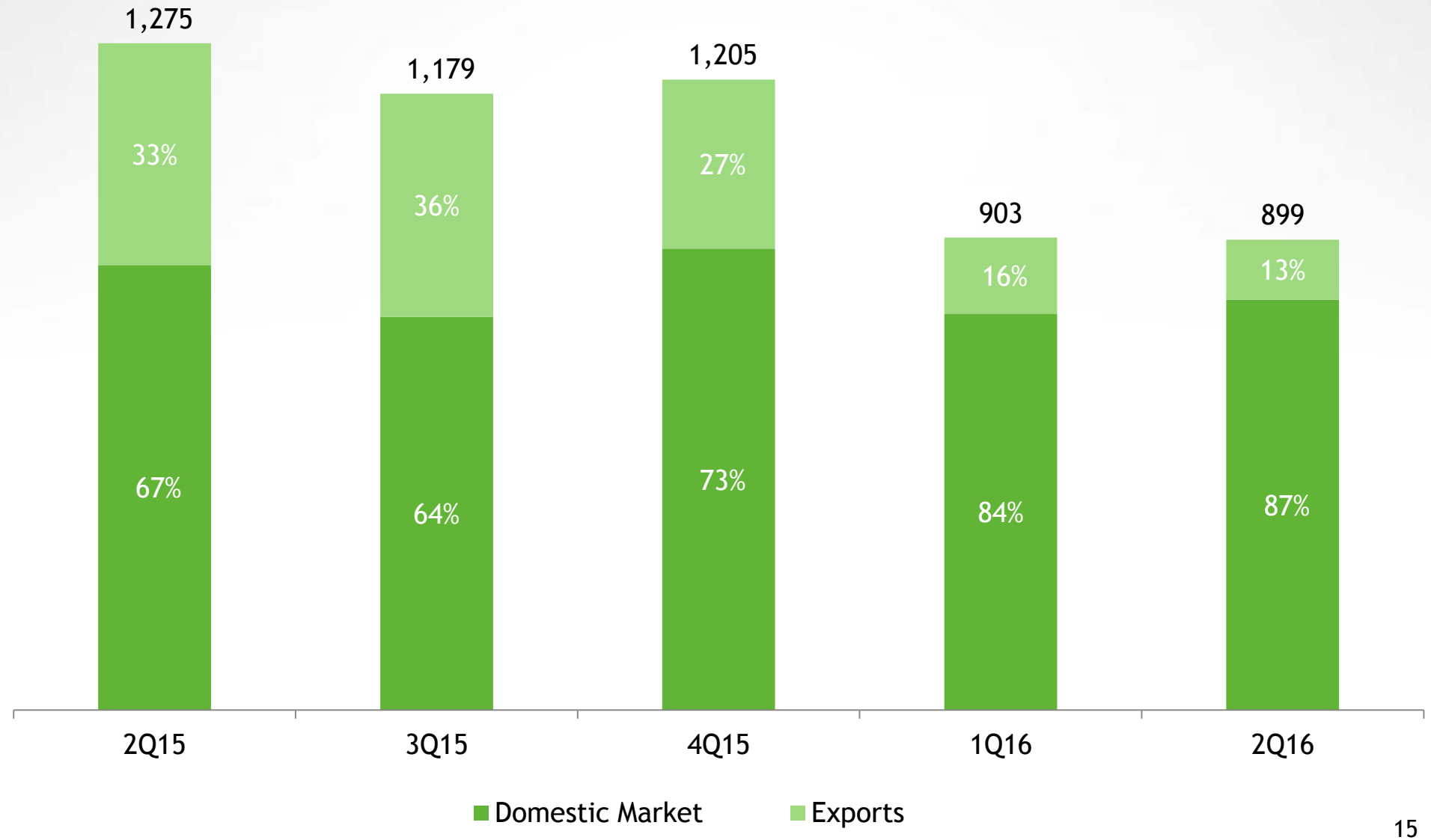
					Galvanized	
Slab Caster	Slabs	Heavy Plates	Hot Coils	Cold Coils	EG	HDG
Ipatinga Plant	5,000	1,000	3,600	2,500	360	1,050
Cubatão Plant	4,500*	1,000**	2,100 ** 2.300	1,200	-	-
Nominal Capacity	9,500*	2,000*	8,000	3,700	360	1,050
Optimized Rolling Capacity	-	1,900	4,200	2,200	350	1,020

* Temporary shutdown of the primary areas of Cubatão

** Temporary shutdown of the rolling mills

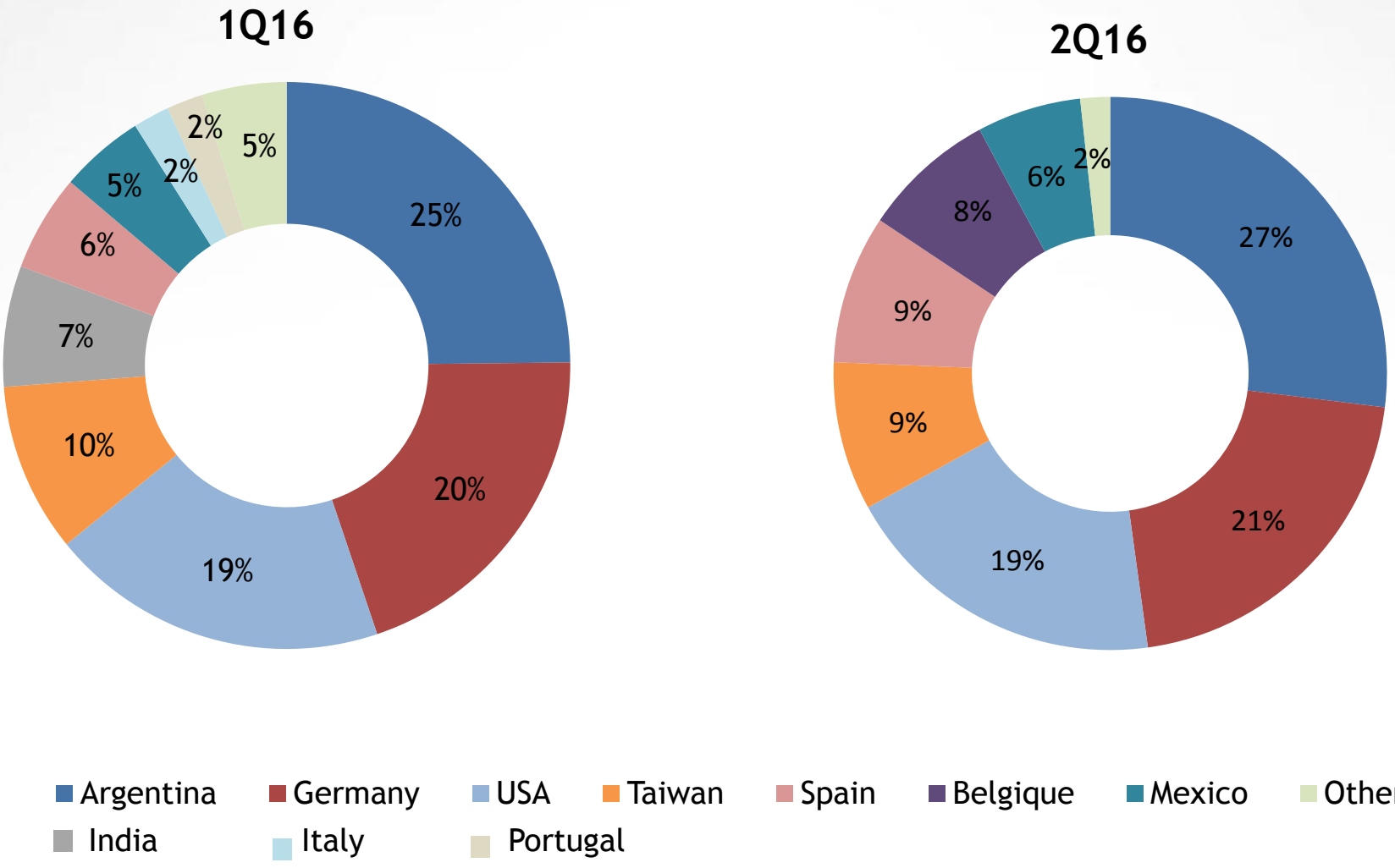
Sales Volume

Steel Business Unit - Thousand Tons



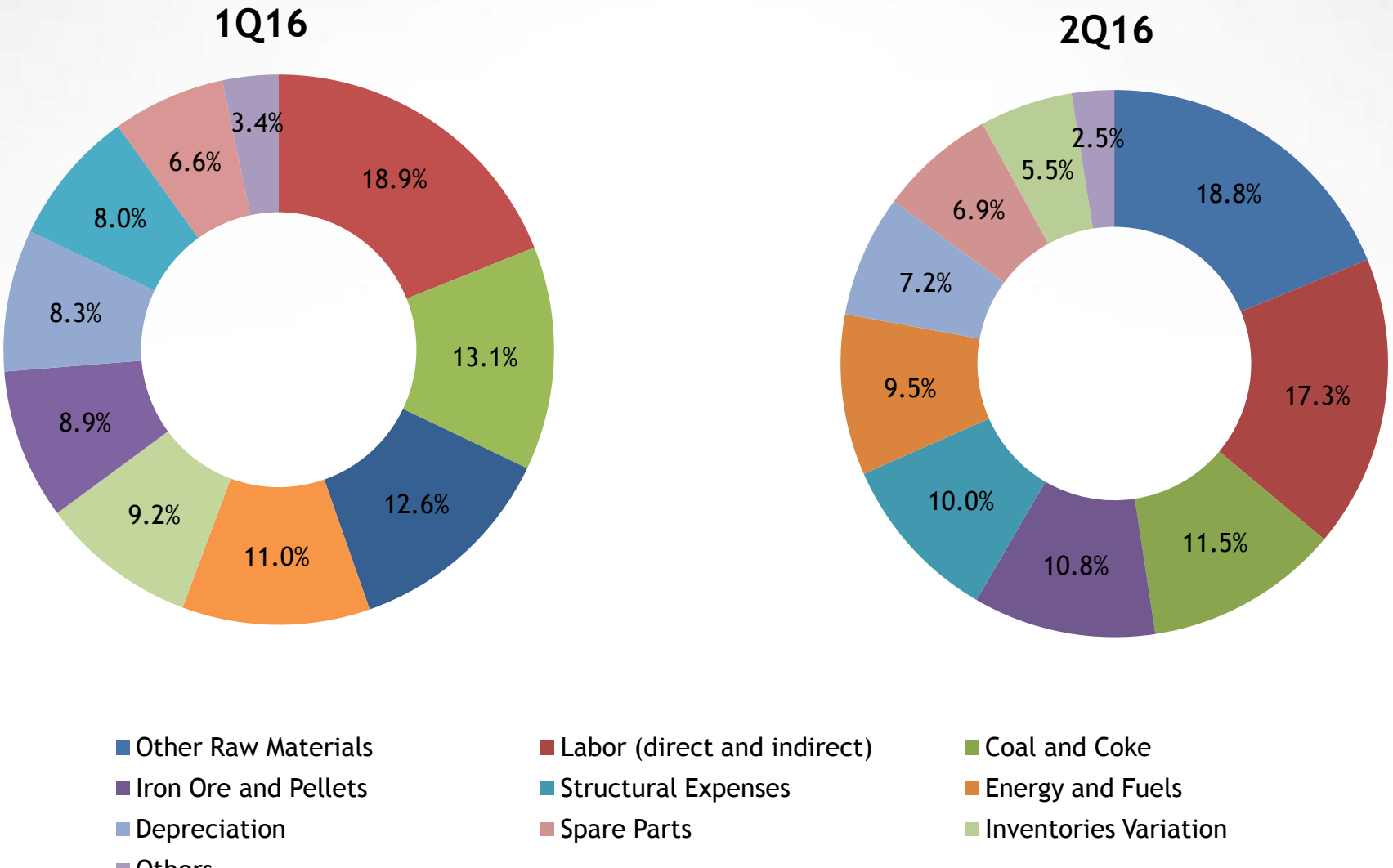
Exports - Main Markets

Steel Business Unit



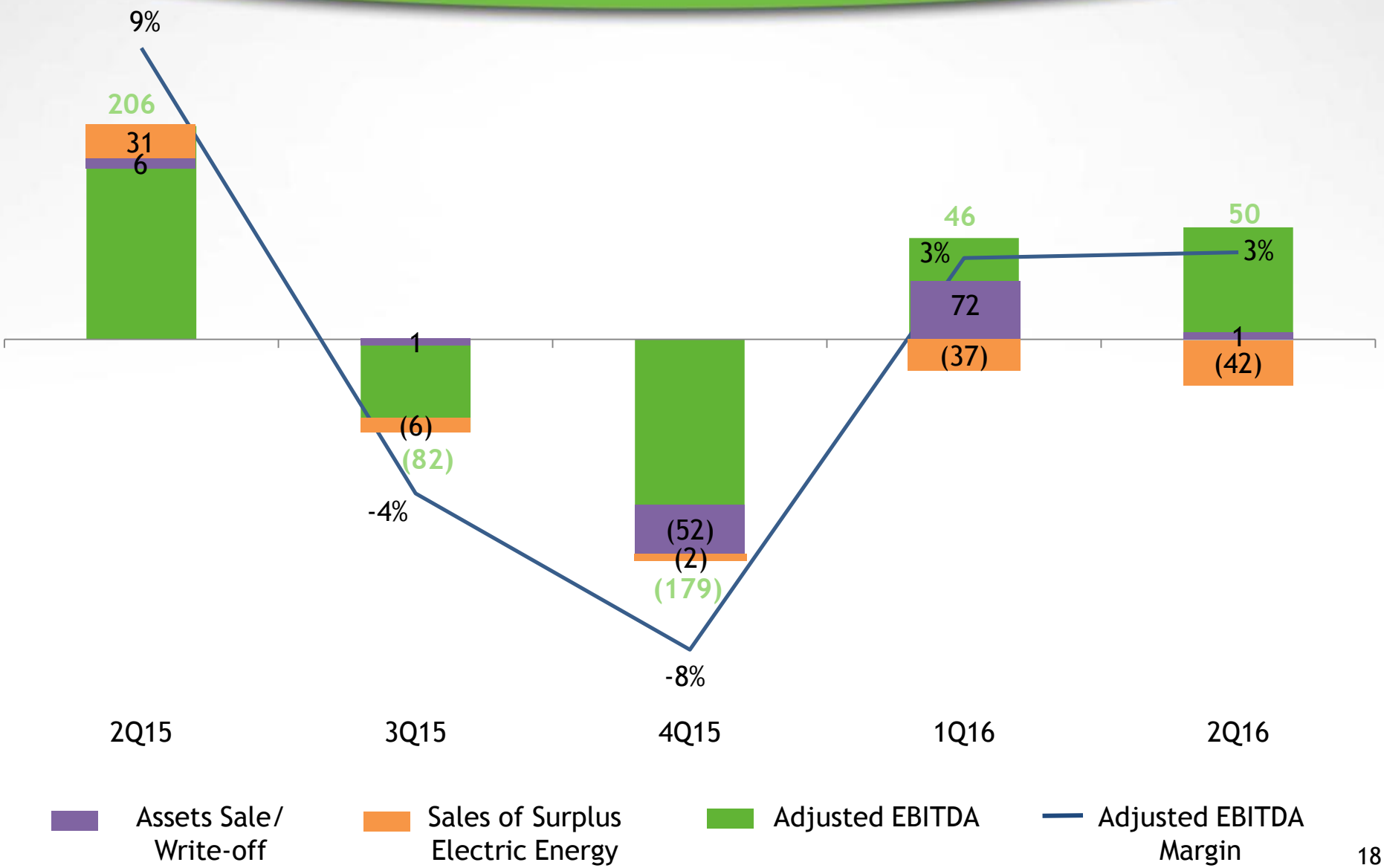
Cost of Goods Sold - COGS

Steel Business Unit



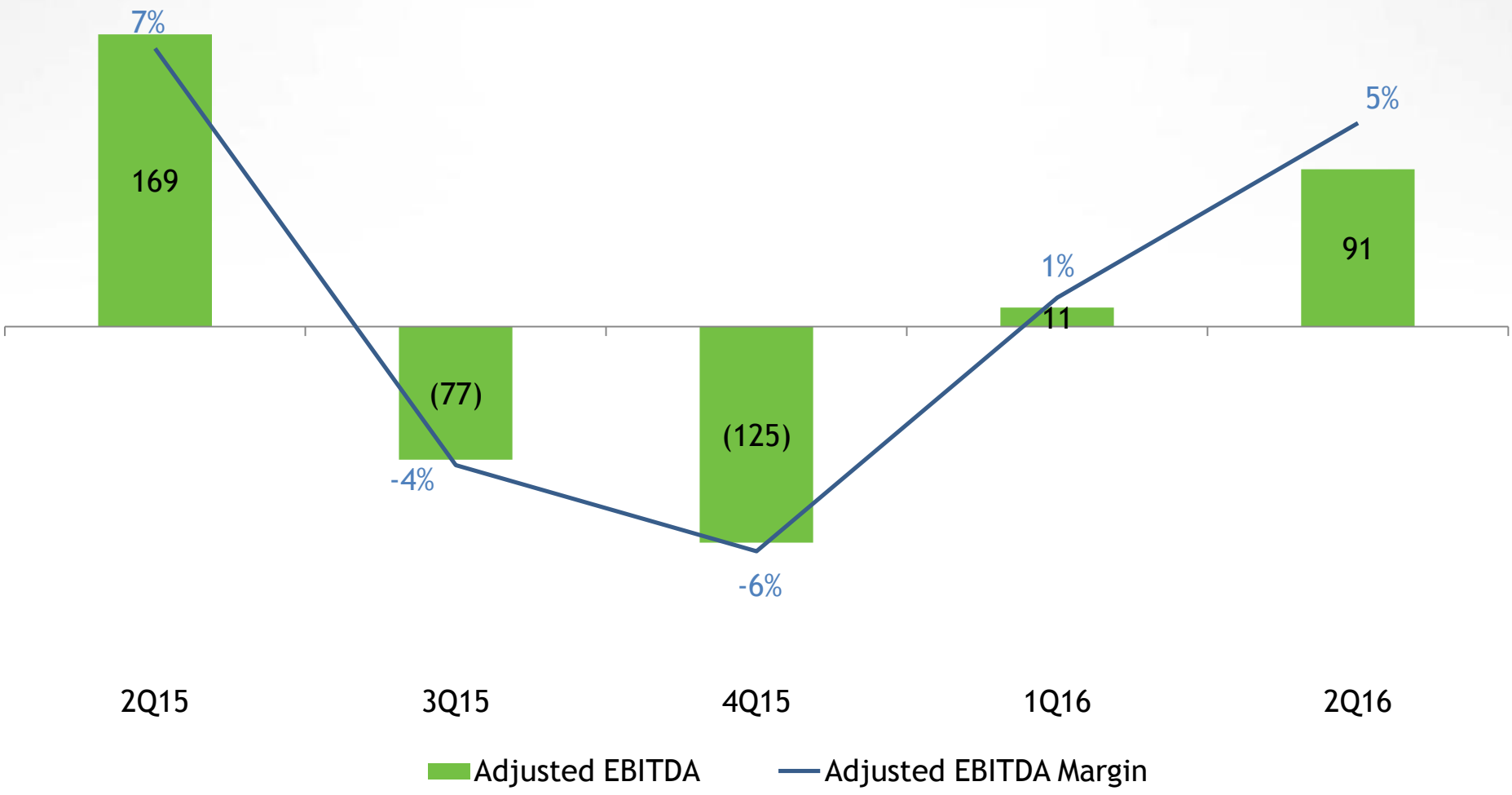
Adjusted EBITDA and EBITDA Margin

Steel Business Unit - R$ Million



Adjusted EBITDA and EBITDA Margin

Steel Business Unit - R$ Million - Without asset sale and energy

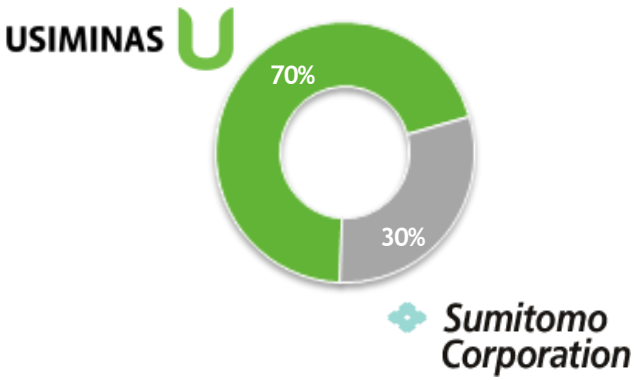


Description

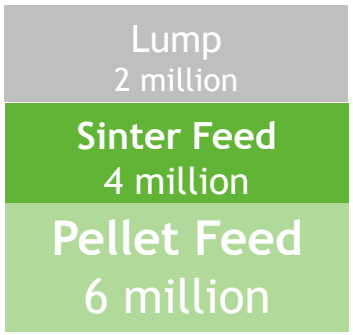
Mining Business Unit

- Located in Serra Azul/Minas Gerais state
- 4 mining sites, acquired from J. Mendes in February, 2008
- Reserves of 2.6 billion tons of iron ore
- It has 20% of voting shares of MRS Logistica, being part of the Control Group
- Retroarea in Itaguaí Port

Shareholder Composition

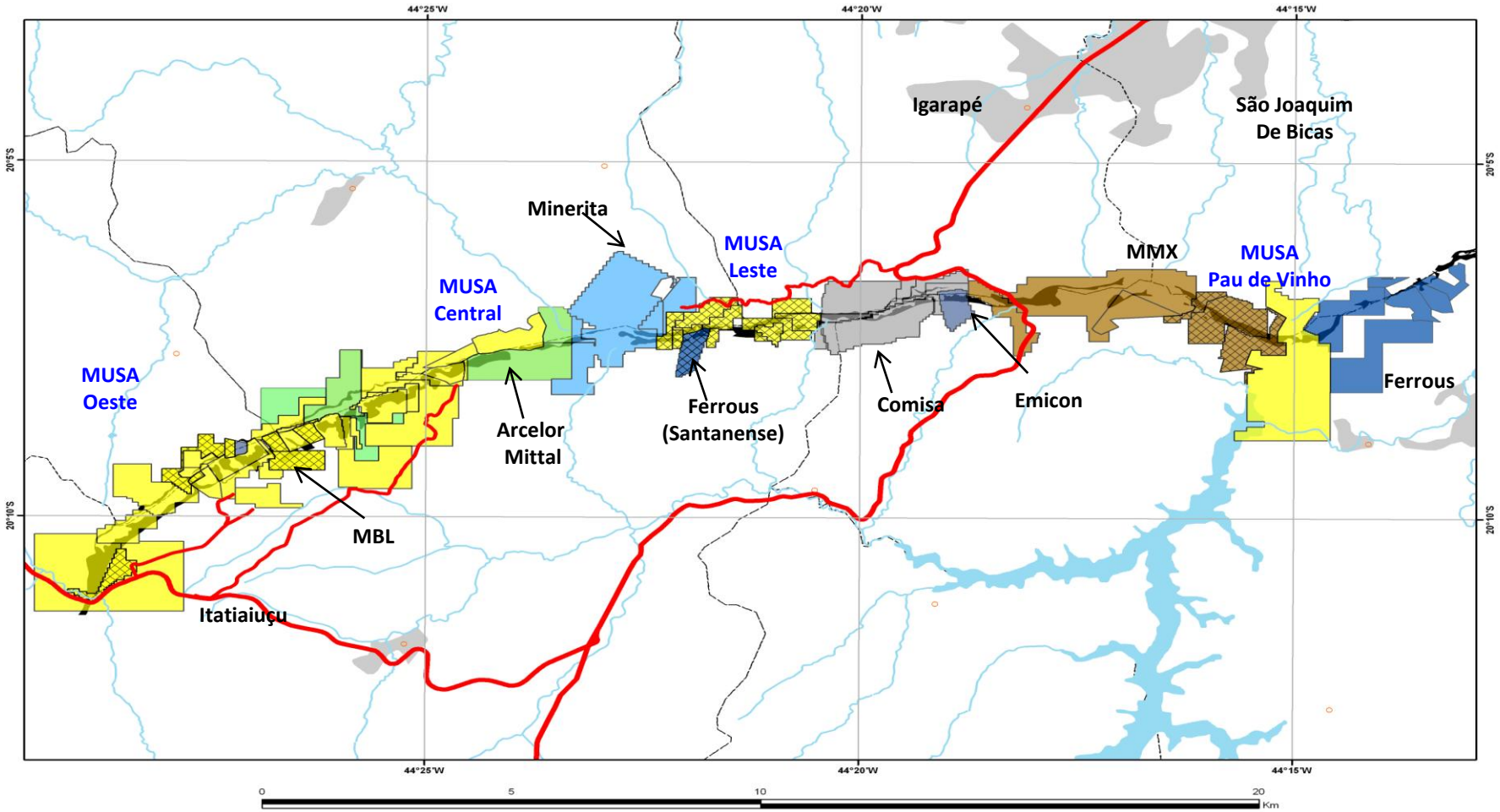


Production Capacity



Location

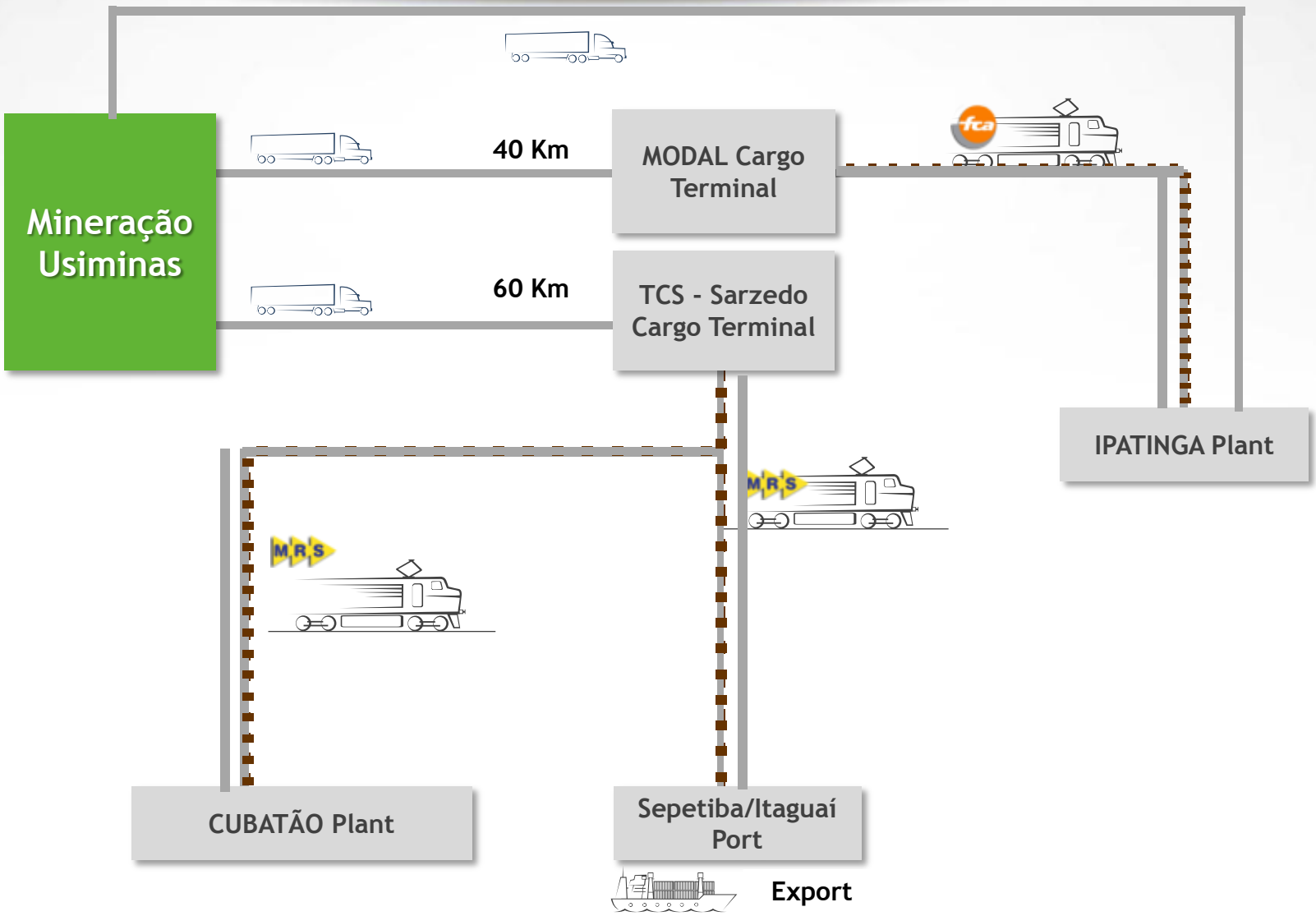
Mining Business Unit



Mineração Usiminas

Logistics

Mining Business Unit



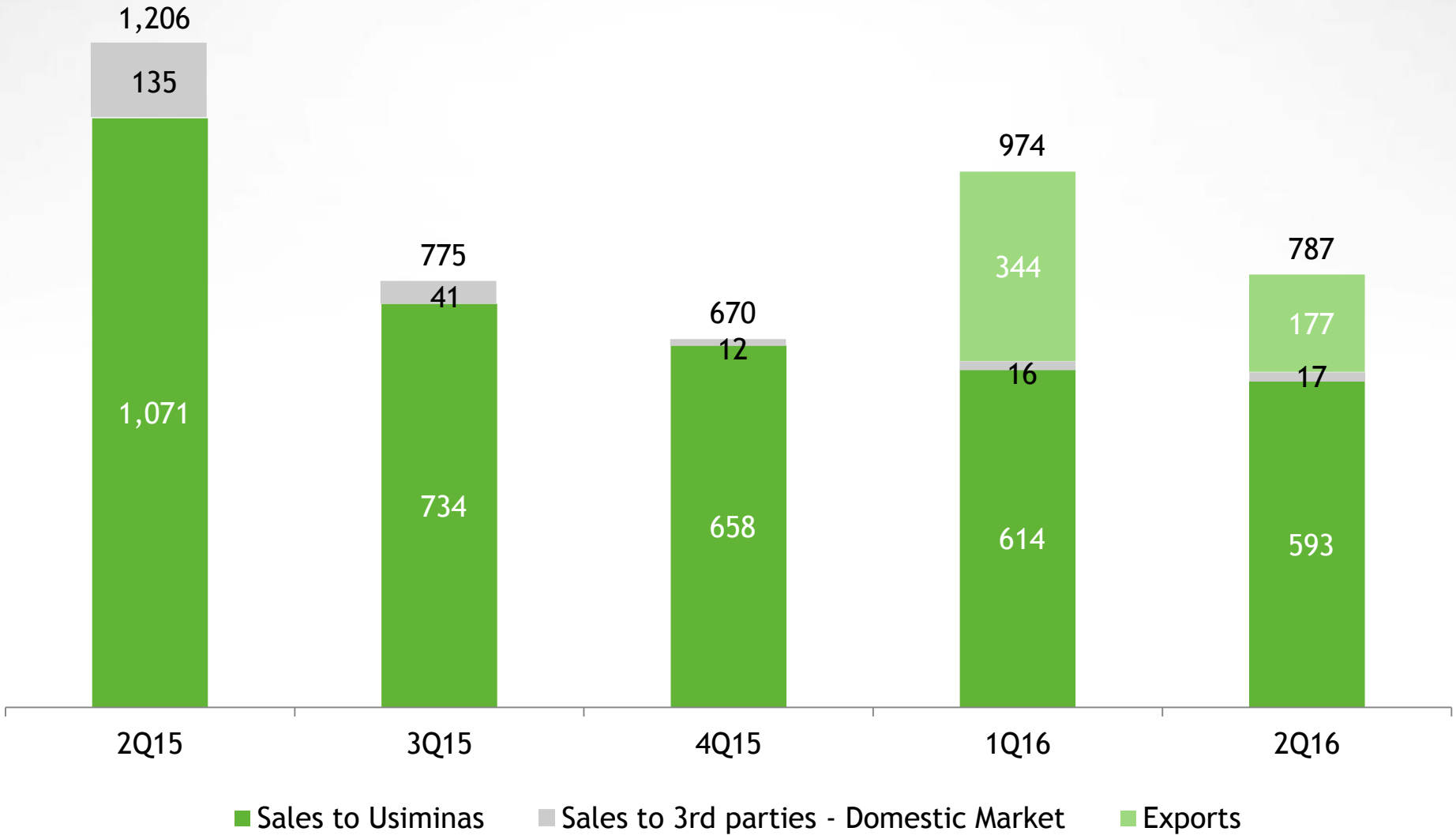
Retroarea in Itaguai Port

Mining Business Unit



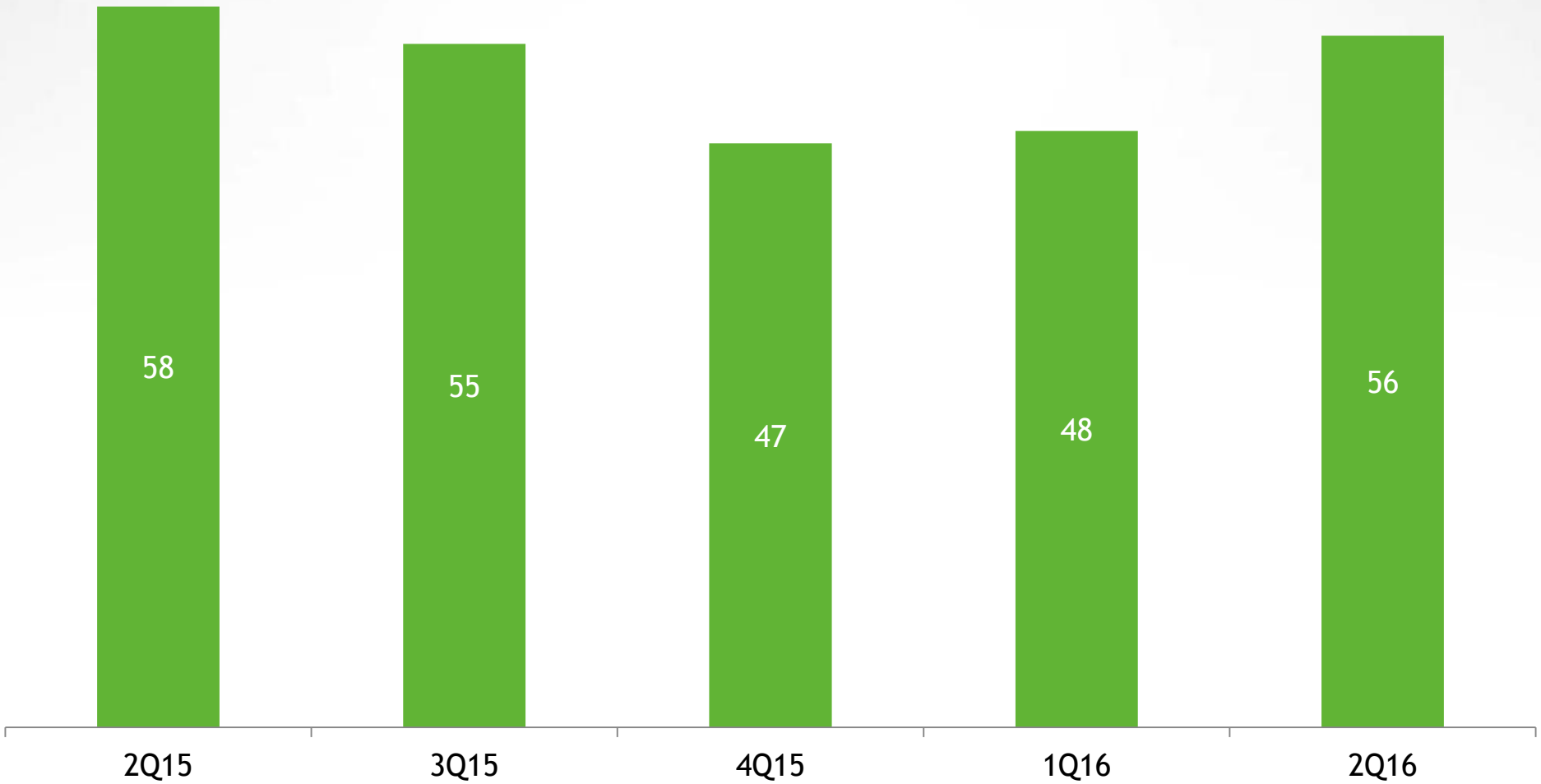
Sales Volume

Mining Business Unit - Thousand Tons



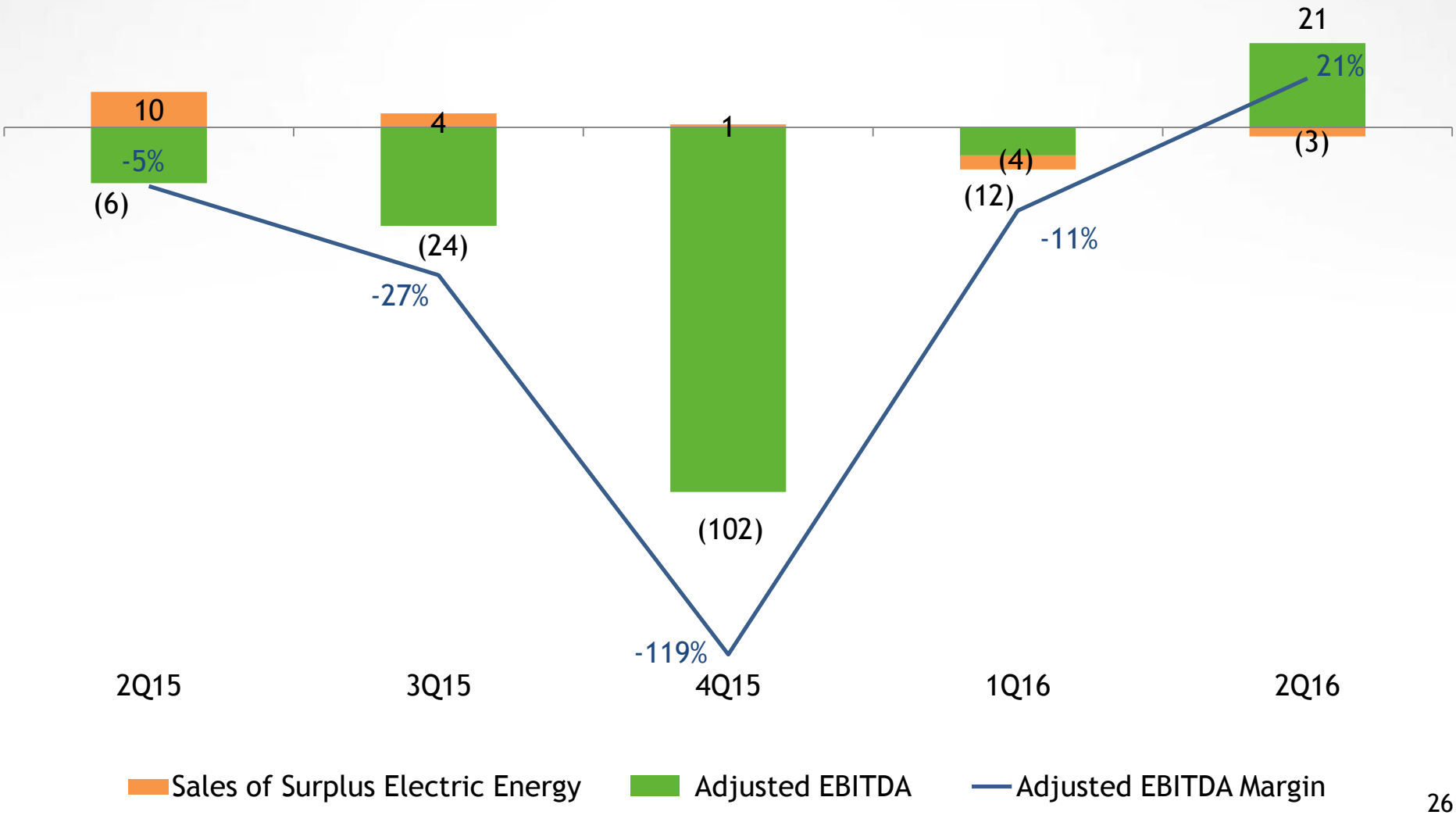
Iron Ore Price - PLATTS (62% Fe CFR China)

US$/ton



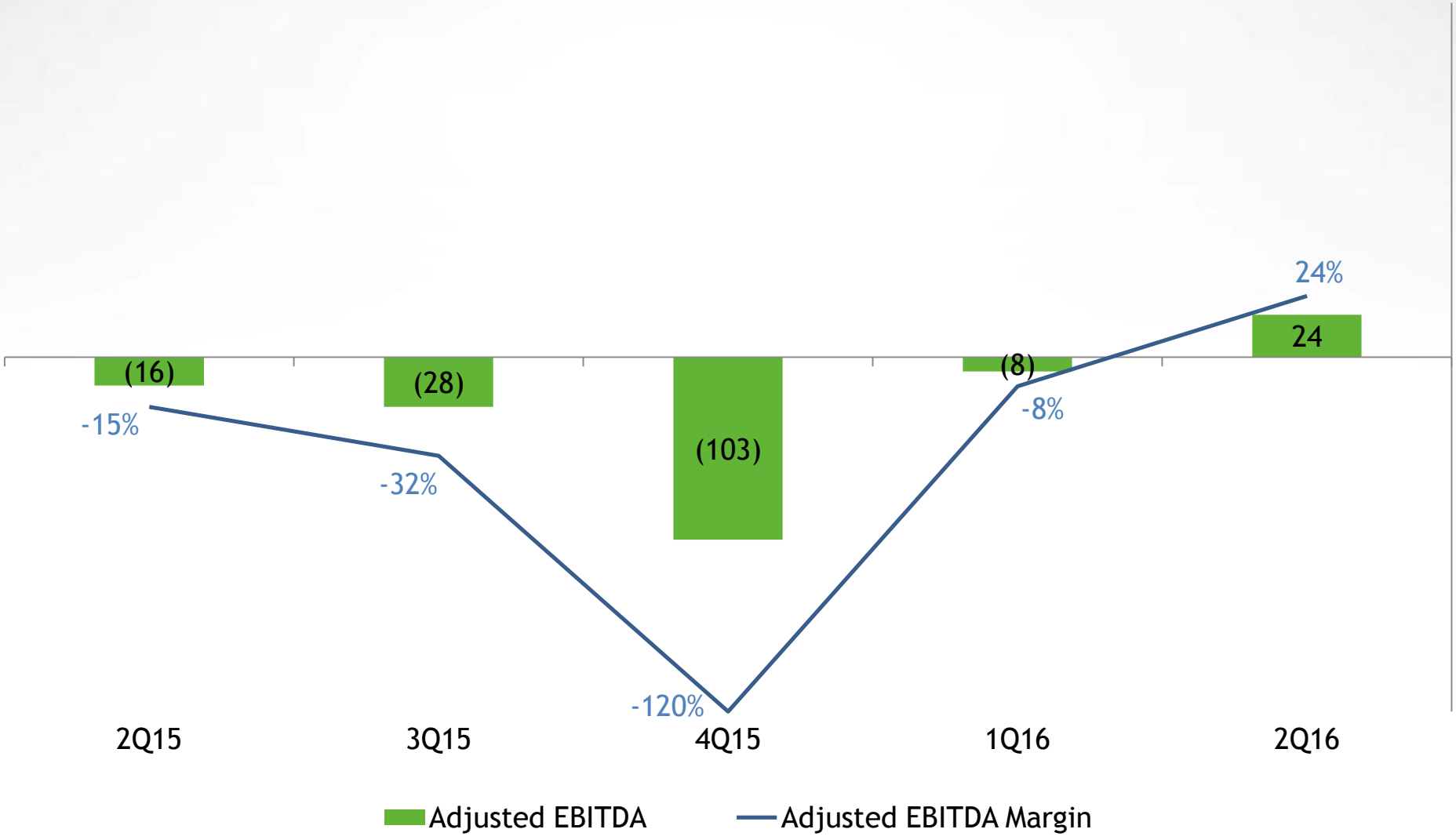
Adjusted EBITDA and EBITDA Margin

Mining Business Unit - R$ million



Adjusted EBITDA and EBITDA Margin

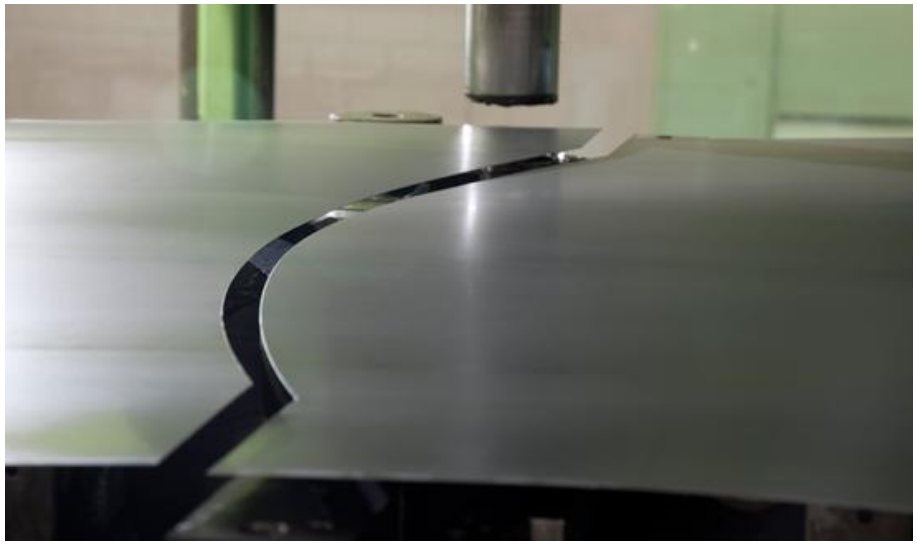
Mining Business Unit - R$ million - Without asset sale and energy

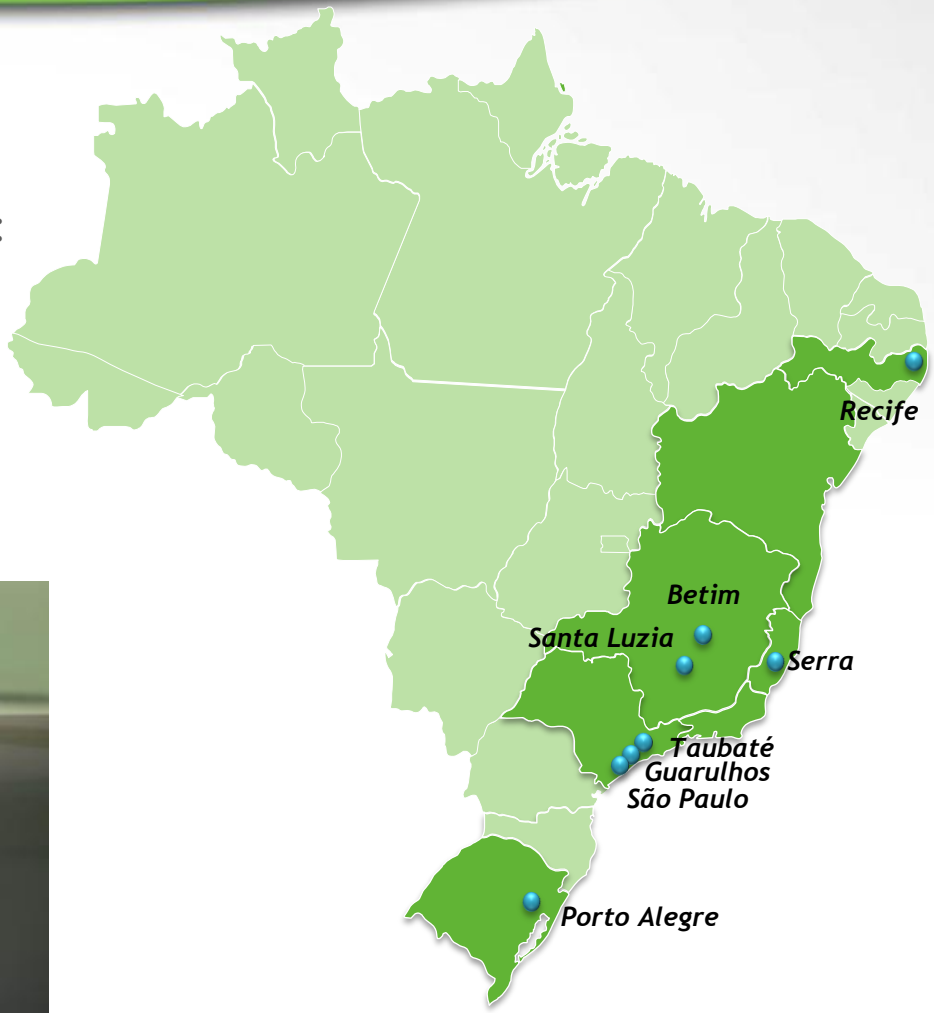


Description

Soluções Usiminas - Steel Processing

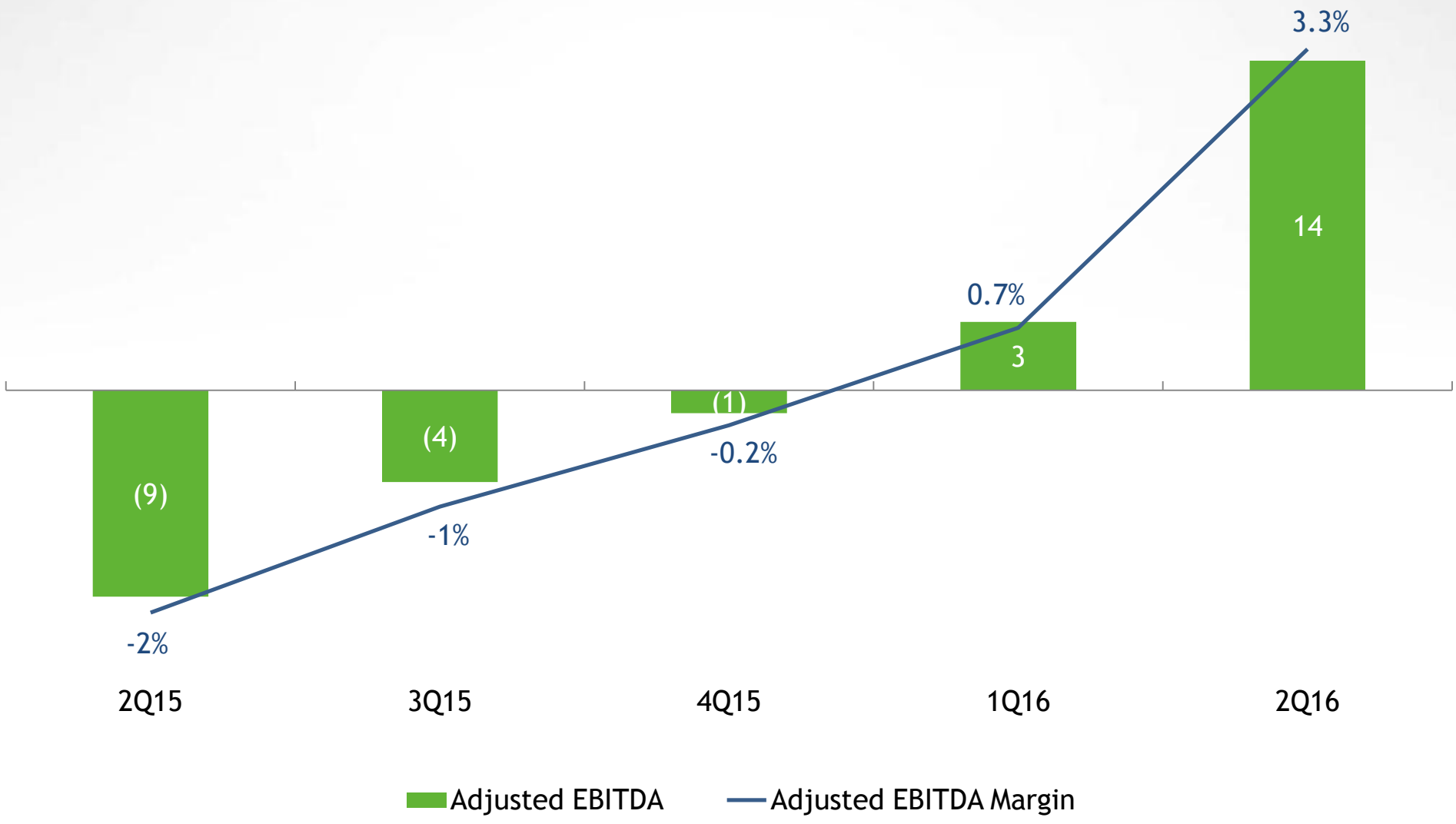
- 8 industrial units in different Brazilian states: MG, SP, RS, ES, BA and PE
- Processing capacity of 2 million tons of steel/year
- Net Revenue of R$1.9 billion in 2015





Adjusted EBITDA and EBITDA Margin

Steel Processing - R$ million



Description

Usiminas Mecânica - Capital Goods

- Facilities in Ipatinga/Minas Gerais state, Congonhas/Minas Gerais state and in Cubatão/São Paulo state
- Market Segments: Steel Structures, Shipbuilding and Offshore, Oil and Gas, Industrial Assembly and Equipment, Foundry and Railcars
- Net Revenue of R$869 million in 2015



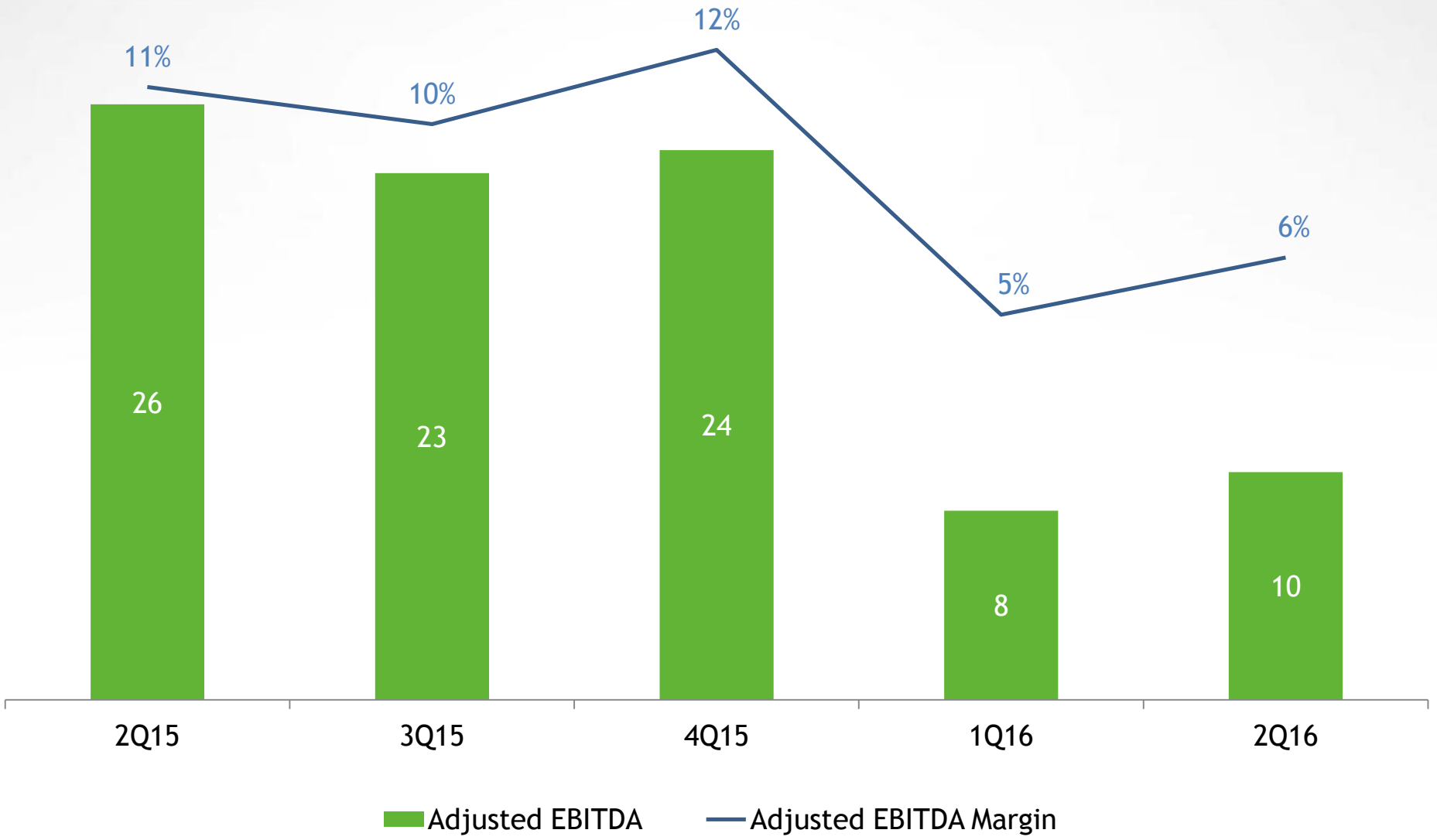
Steel Structures



Brasília 3rd Bridge

Adjusted EBITDA and EBITDA Margin

Capital Goods - R$ million



Agenda

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Market Data

Usiminas and its business units

Financial Results



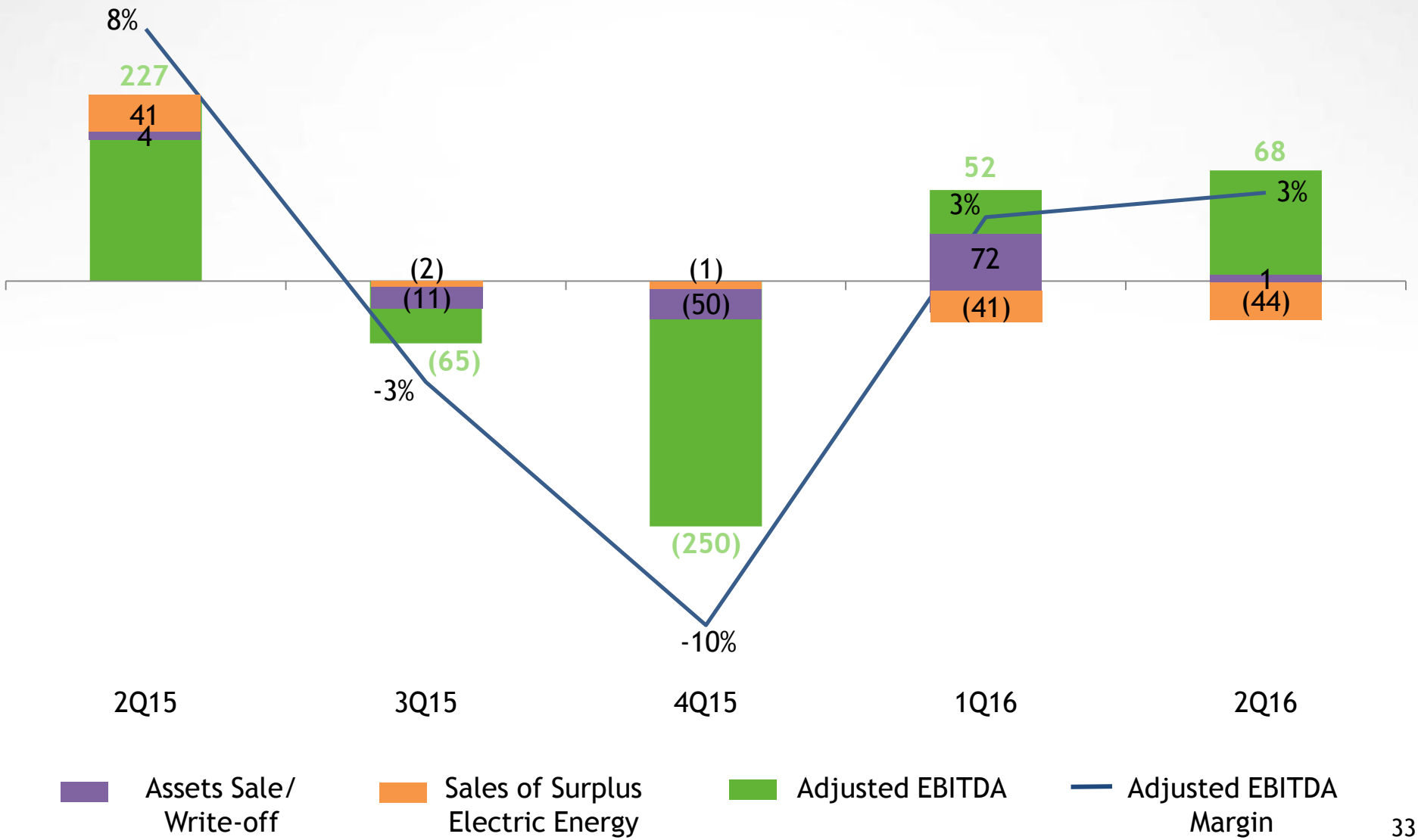






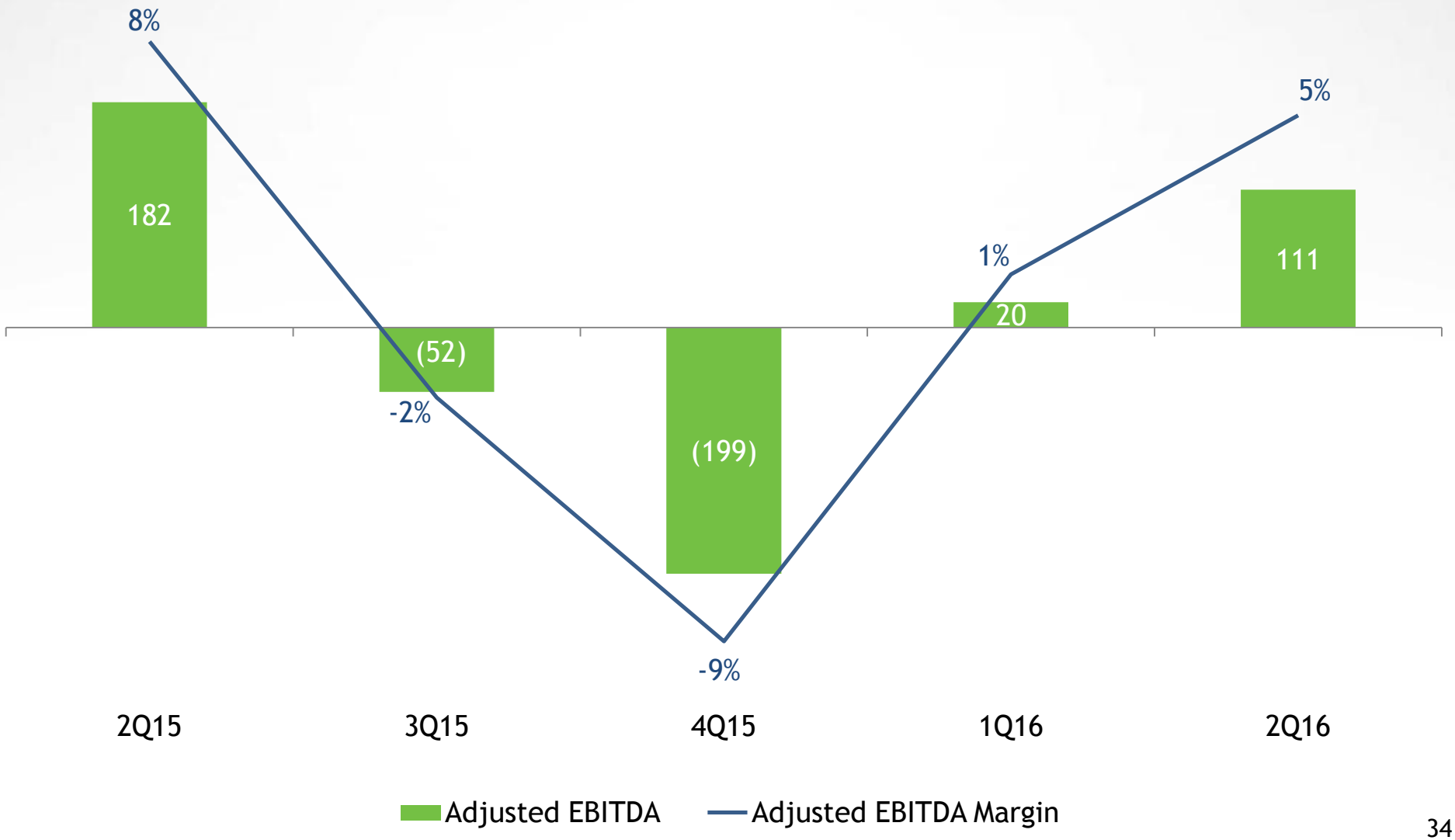
Adjusted EBITDA and EBITDA Margin

Consolidated - R$ million



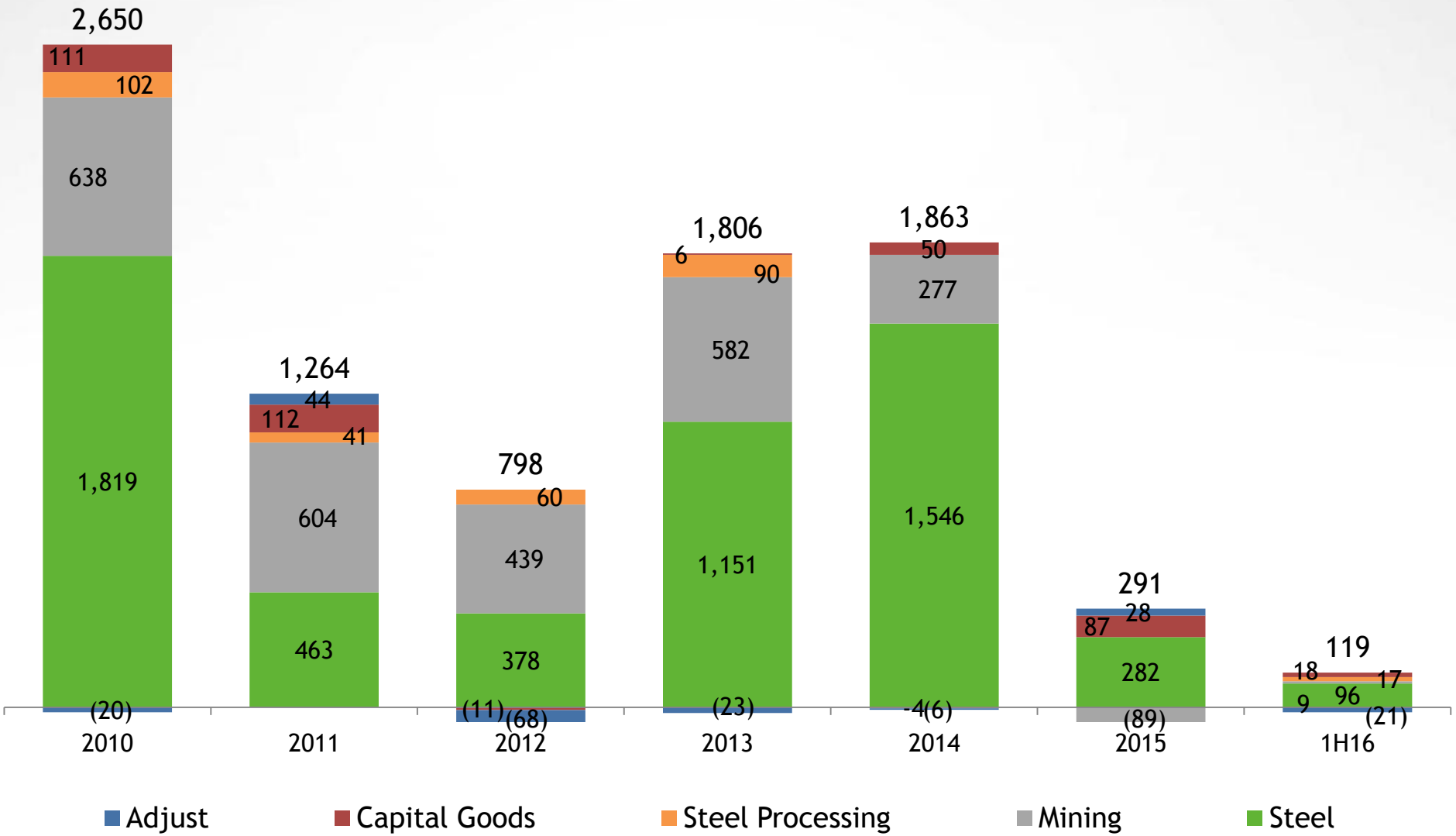
Adjusted EBITDA and EBITDA Margin

Consolidated - R$ Million - Without asset sale and energy



Adjusted EBITDA and EBITDA Margin

Business Units - R$ million



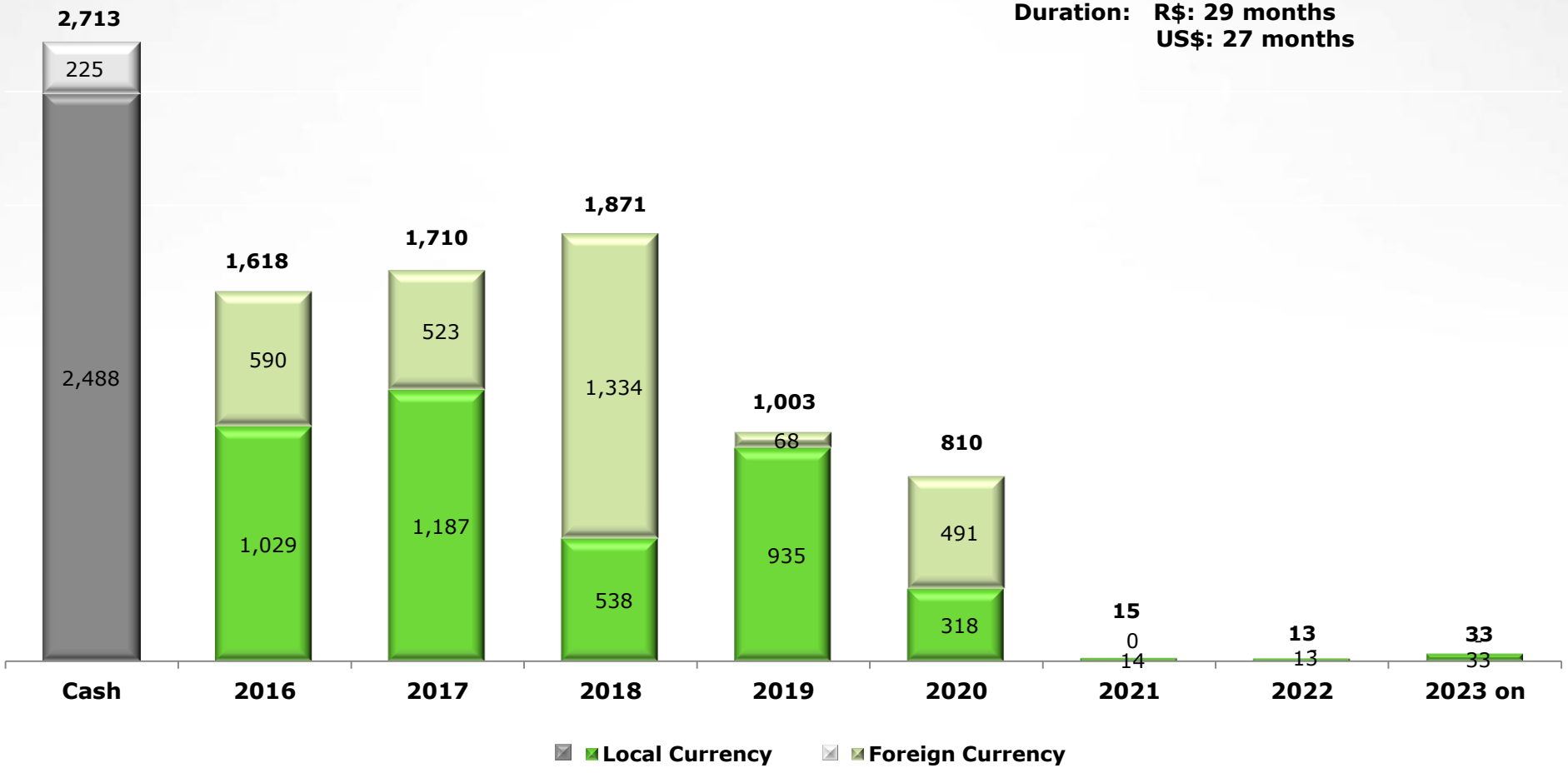
Comparing Adjusted and CVM 527 EBITDA

Consolidated - R$ Thousand

Consolidated (R$ thousand)	2Q16	1Q16	2Q15	1H16	1H15
Net Income (Loss)	(123,357)	(151,377)	(780,798)	(274,734)	(1,016,178)
Income Tax / Social Contribution	(18,675)	(15,360)	(319,383)	(34,035)	(397,454)
Financial Result	(114,621)	(101,553)	40,629	(216,174)	401,529
Depreciation, Amortization	317,273	318,086	304,342	635,359	610,772
EBITDA - Instruction CVM - 527	**60,620**	**49,796**	**(755,210)**	**110,416**	**(401,331)**
Equity in the Results of Associate and Subsidiary Companies	(36,655)	(51,845)	(33,991)	(88,500)	(45,962)
Joint Subsidiary Companies proportional EBITDA	44,212	45,597	31,361	89,809	68,987
Impairment of Assets	(393)	8,030	985,046	7,637	985,046
Adjusted EBITDA	**67,784**	**51,578**	**227,206**	**119,362**	**606,740**

Cash Position and Debt Profile

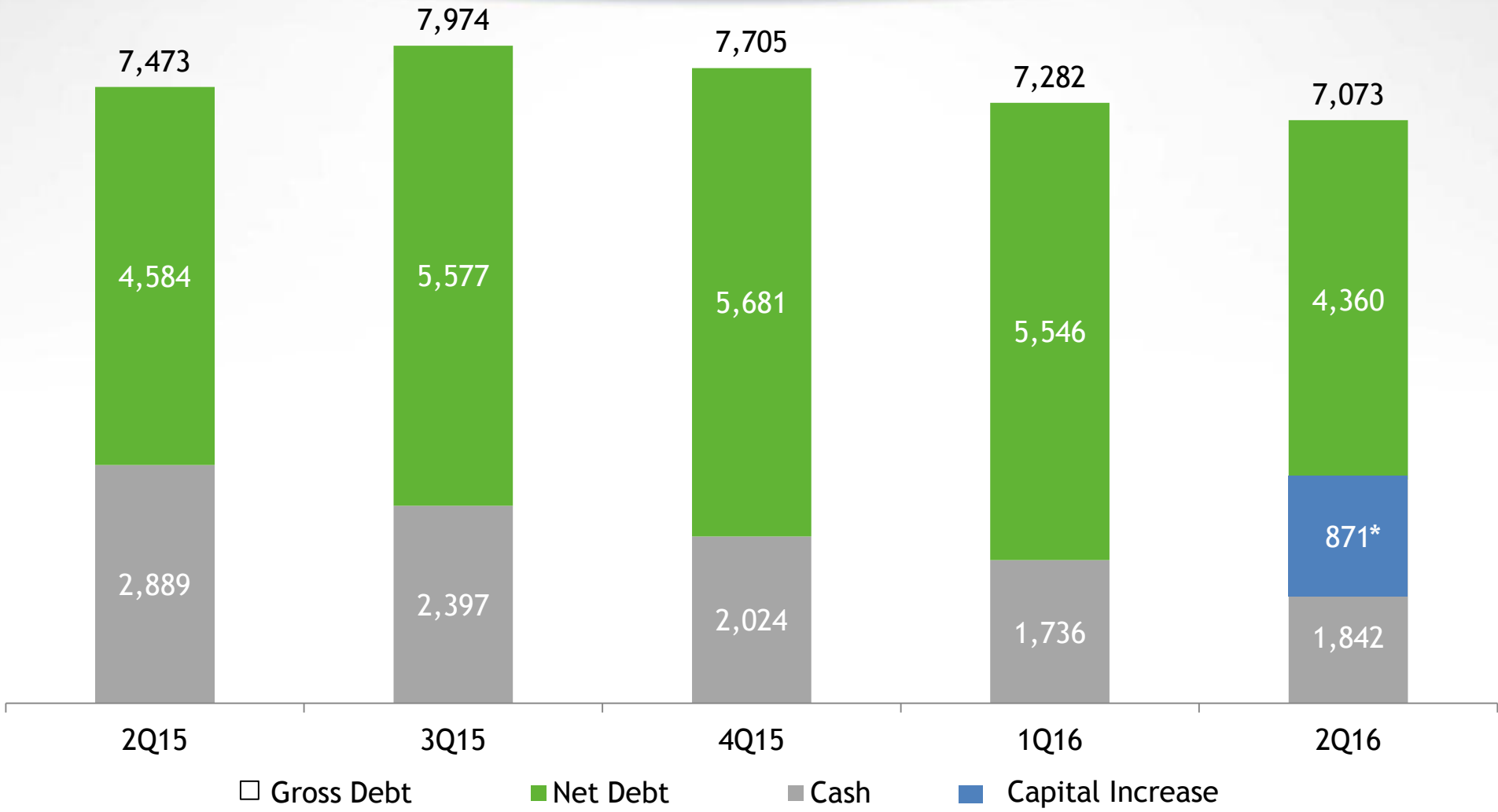
Consolidated - R$ million



The renegotiation of debt is expected to be completed in 9/12/16 and this debt profile will be changed accordingly.

Cash and Indebtedness

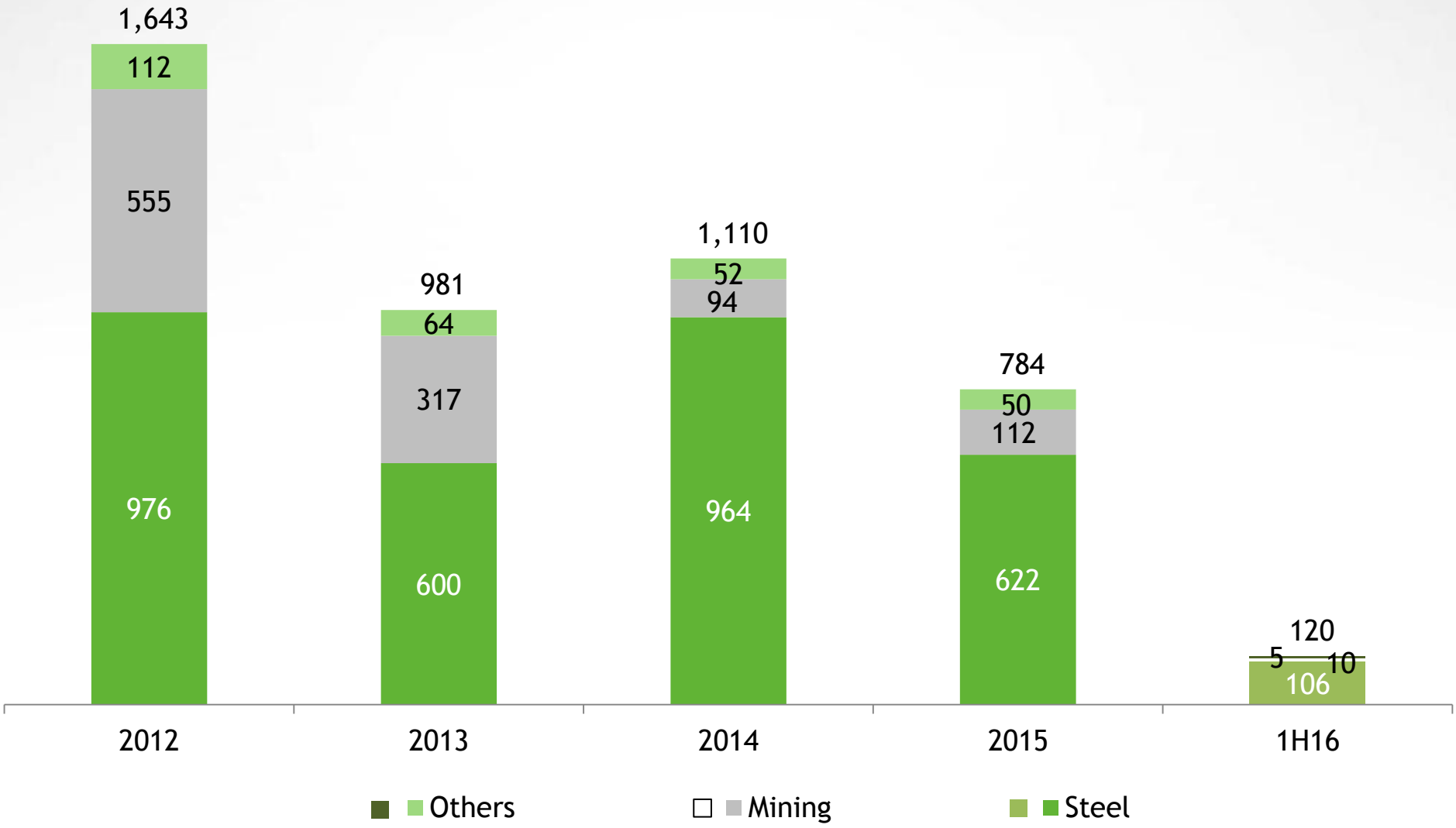
Consolidated - R$ million



* This amount doesn't include R$181.2 million of CSN's subscription in the Capital Increase, which were held by Court until the end of the 2Q16. On July 19th, this amount was credited into the Usiminas account, totalizing R$1.050 billion of capital increase (ON and PN).

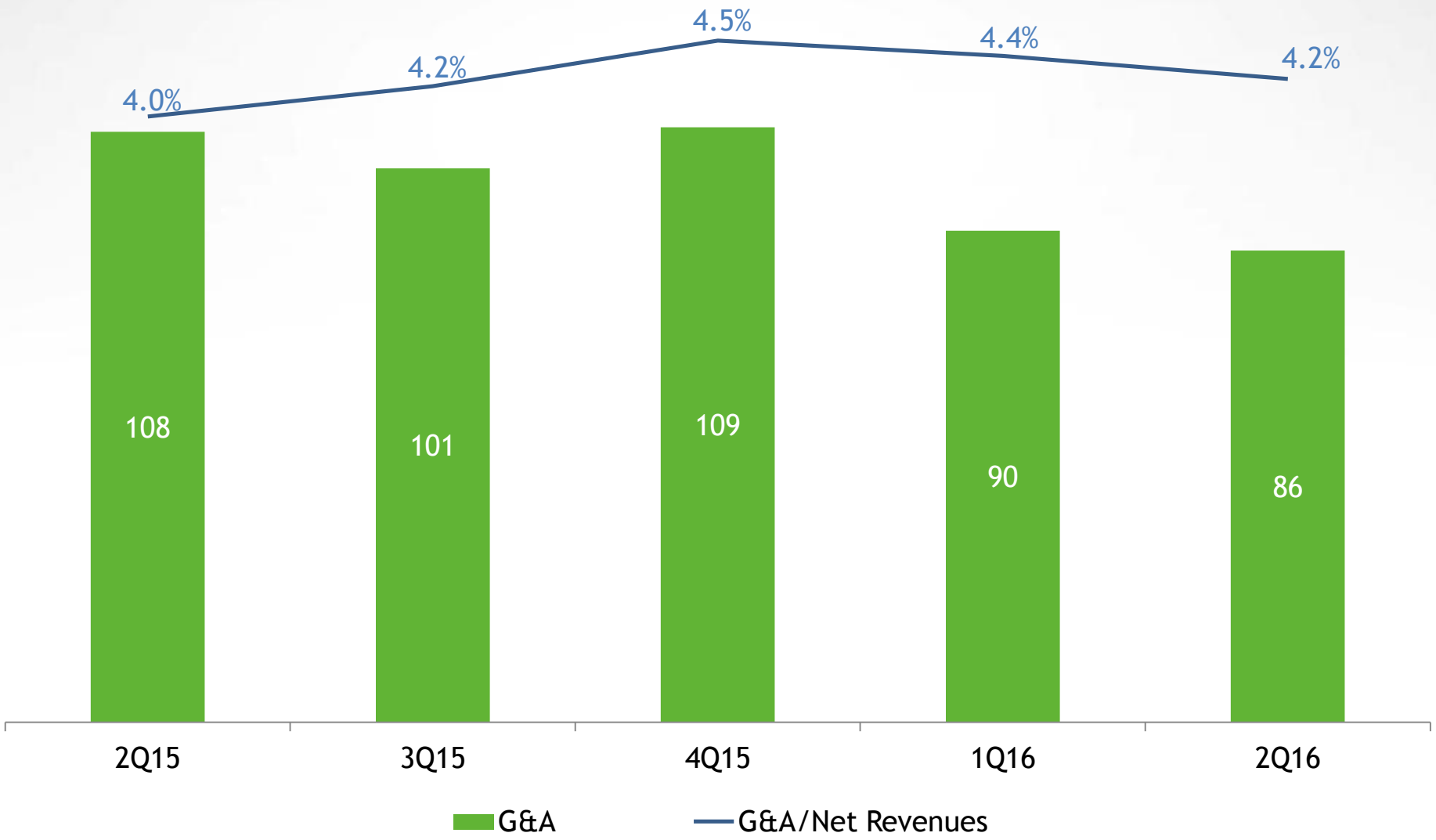
CAPEX

Consolidated - R$ million



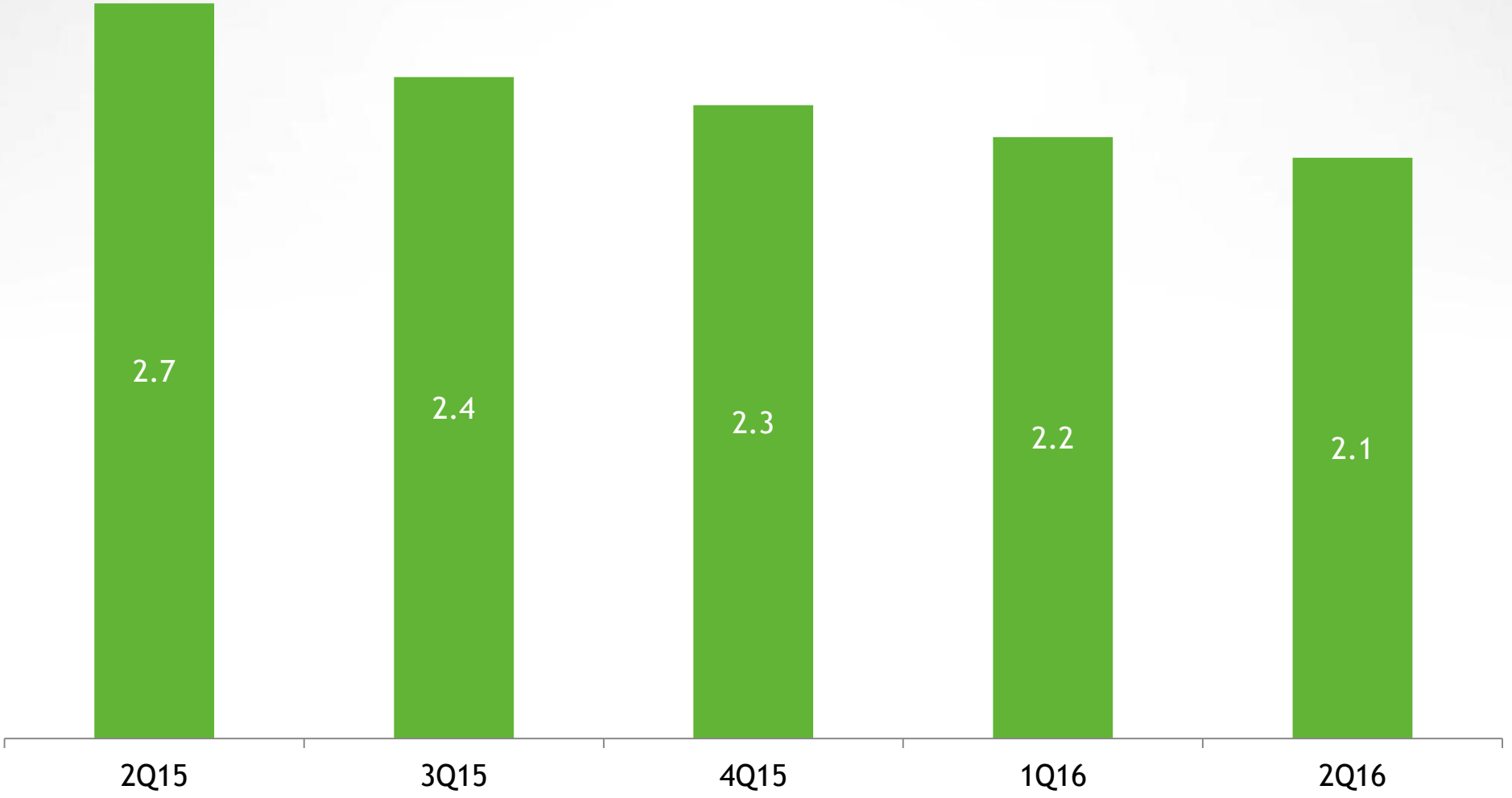
G&A Expenses

Consolidated - R$ million



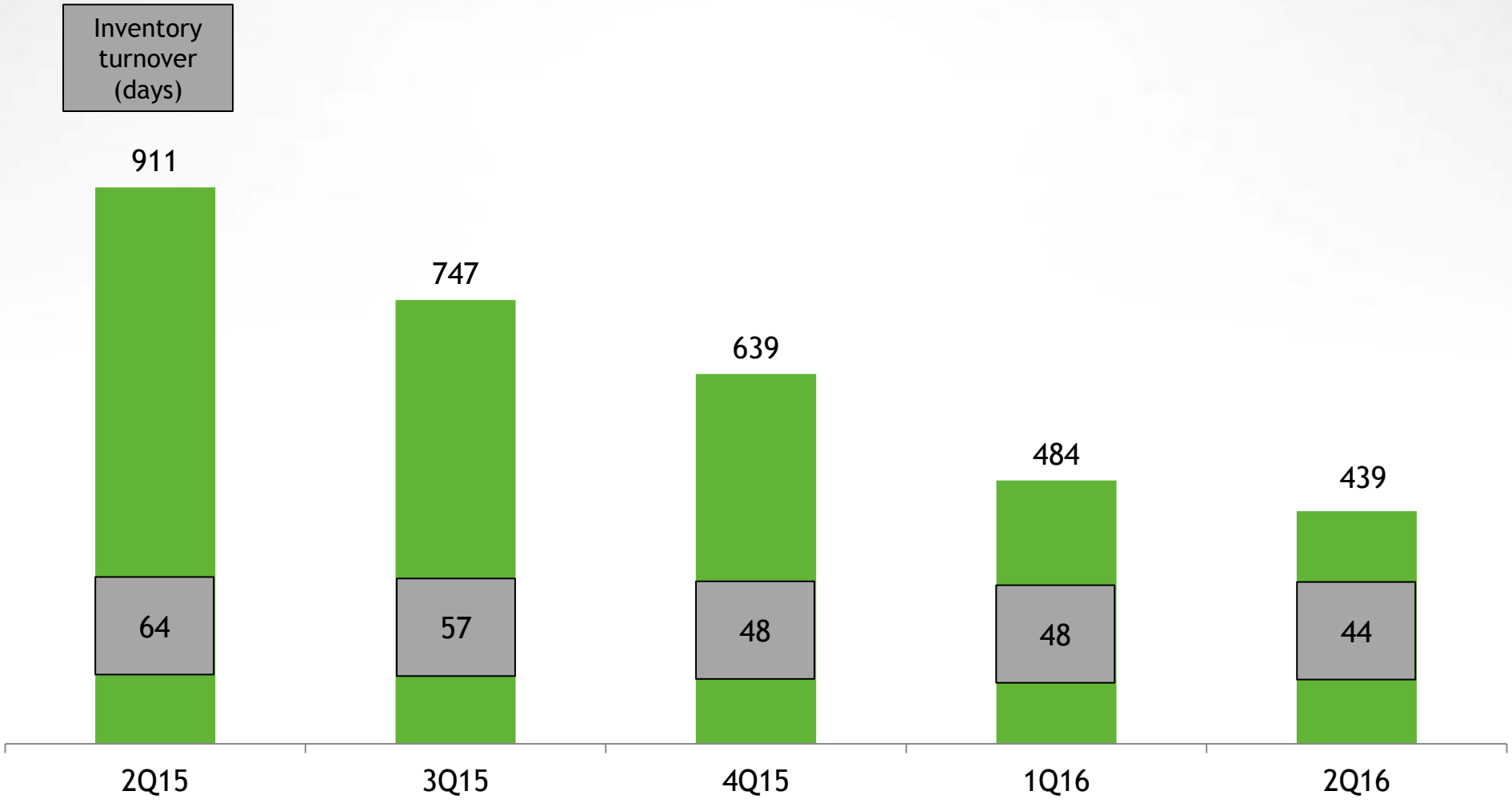
Working Capital

Consolidated - R$ billion



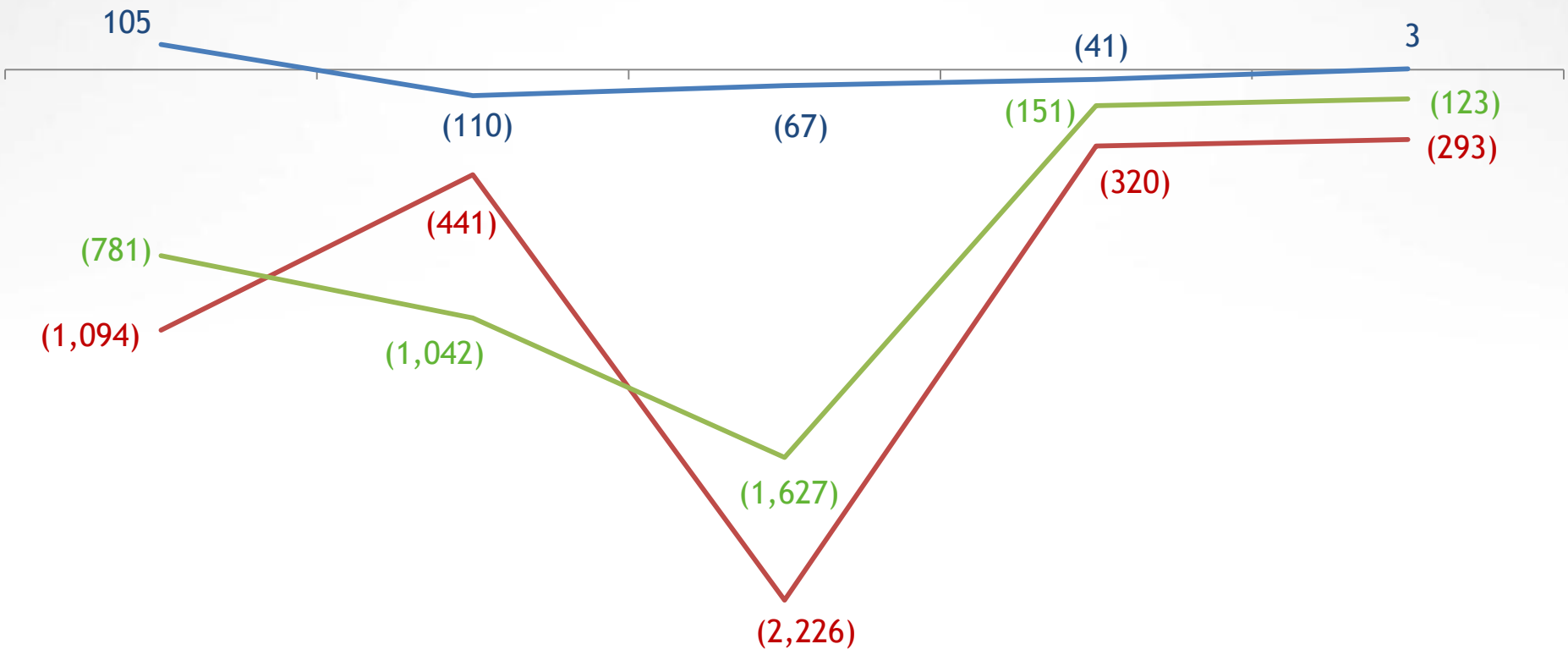
Working Capital – Steel Inventories

Thousand Tons



Gross Profit, EBIT and Net Income

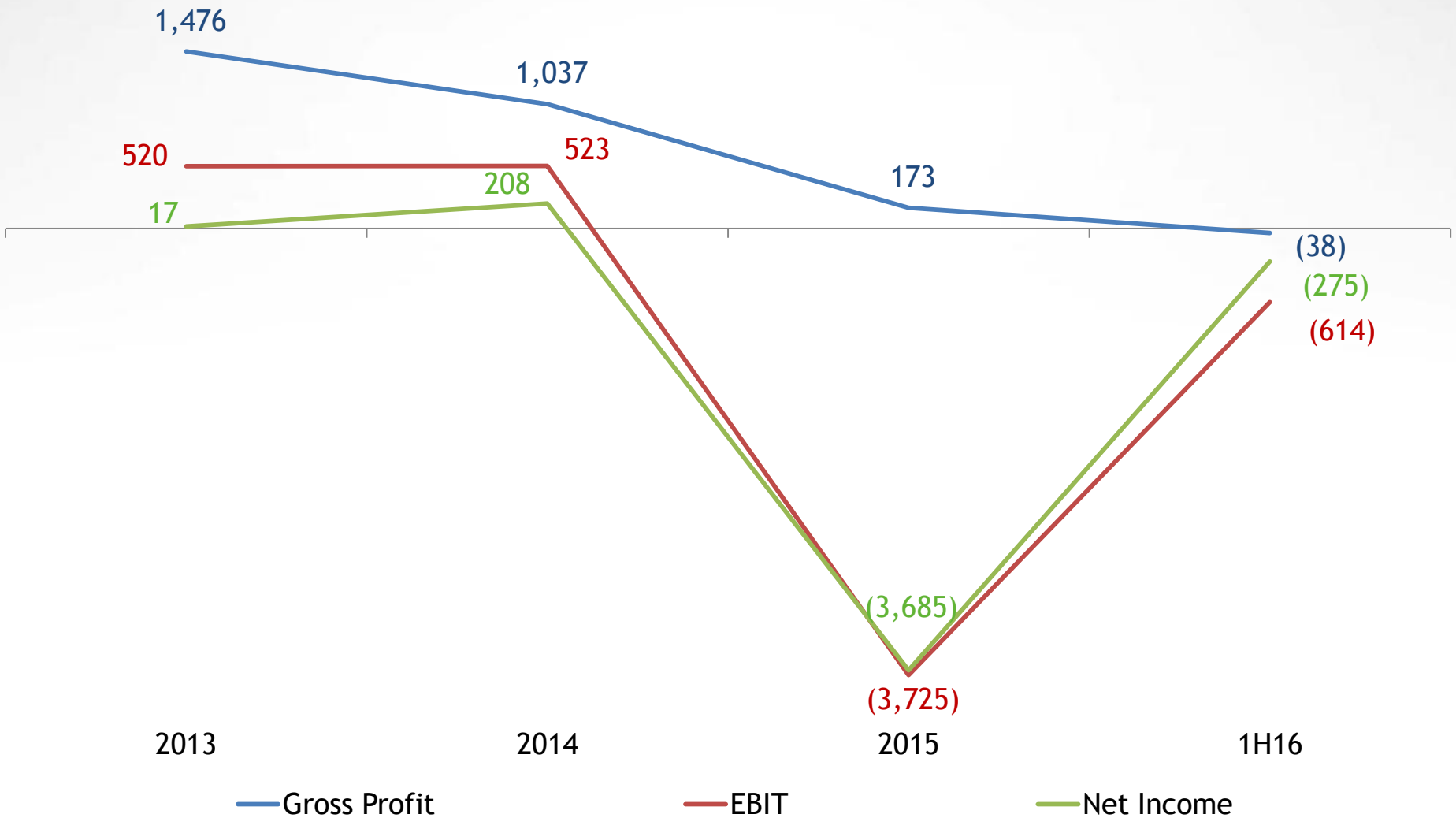
Consolidated - R$ million



	2Q15	3Q15	4Q15	1Q16	2Q16
USD/BRL End of period	3.103	3.972	3.904	3.558	3.210

Gross Profit, EBIT and Net Income

Consolidated - R$ million



Income Statement

Per Business Unit - R$ million

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	2Q16	1Q16	2Q16	1Q16	2Q16	1Q16	2Q16	1Q16	2Q16	1Q16	2Q16	1Q16
Net Revenue	101	106	1,778	1,739	432	431	155	170	(438)	(405)	2,028	2,041
Domestic Market	77	56	1,570	1,476	432	431	155	170	(438)	(405)	1,796	1,728
Exports	25	50	207	263	0	0	-	-	-	-	232	313
COGS	(80)	(105)	(1,780)	(1,786)	(398)	(410)	(141)	(152)	374	372	(2,025)	(2,081)
Gross Profit (Loss)	21	1	(3)	(47)	34	21	14	17	(64)	(33)	3	(41)
Operating Income (Expenses)	(39)	(53)	(220)	(188)	(27)	(25)	(10)	(15)	1	2	(296)	(280)
EBIT	(18)	(52)	(223)	(235)	7	(4)	4	2	(63)	(31)	(293)	(320)
Adjusted EBITDA	**21**	**(12)**	**50**	**46**	**14**	**3**	**10**	**8**	**(27)**	**6**	**68**	**52**
Adj.EBITDA Margin	**21%**	**-11%**	**3%**	**3%**	**3%**	**1%**	**6%**	**5%**	**-**	**-**	**3%**	**3%**

*Consolidated 70% of Unigal

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

Income Statement

Per Business Unit - R$ million

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	1H16	1H15	1H16	1H15	1H16	1H15	1H16	1H15	1H16	1H15	1H16	1H15
Net Revenue	207	227	3,517	4,957	863	1,016	325	440	(843)	(1,283)	4,069	5,357
Domestic Market	133	227	3,046	3,994	862	1,011	325	440	(843)	(1,283)	3,524	4,390
Exports	74	-	471	963	1	5	-	-	-	-	546	967
COGS	(186)	(233)	(3,567)	(4,633)	(808)	(990)	(293)	(379)	746	1,227	(4,107)	(5,008)
Gross Profit (Loss)	22	(6)	(50)	324	55	25	32	61	(97)	(56)	(38)	349
Operating Income (Expenses)	(92)	(1,037)	(408)	(286)	(52)	(52)	(26)	(34)	3	2	(576)	(1,407)
EBIT	(70)	(1,043)	(458)	38	3	(27)	6	28	(94)	(54)	(613)	(1,058)
Adjusted EBITDA	**9**	**37**	**96**	**543**	**17**	**(13)**	**18**	**40**	**(21)**	**(1)**	**119**	**607**
Adj.EBITDA Margin	**4%**	**16%**	**3%**	**11%**	**2%**	**1%**	**6%**	**9%**	**-**	**-**	**3%**	**11%**

*Consolidated 70% of Unigal

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

Positive Agenda

Financial

Standstill agreement with the main creditors extended until September 12th;
Approximately 75% of total debt renegotiation concluded;
Capital Increase duly approved for R$1 billion;
CAPEX and Working Capital under control.

Industrial and Commercial

Cubatão Reconfiguration and workforce restructuring;
Increases in prices in domestic market;
Increases in sales volume in domestic markets and exports.

Strategic

Goals for 2016;
Long term plans.

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Declarations relative to business and 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.

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