

1Q14 Results

USIMINAS

Information Classification: Public

Agenda



Company Profile and Market Data



Usiminas and its Business Units



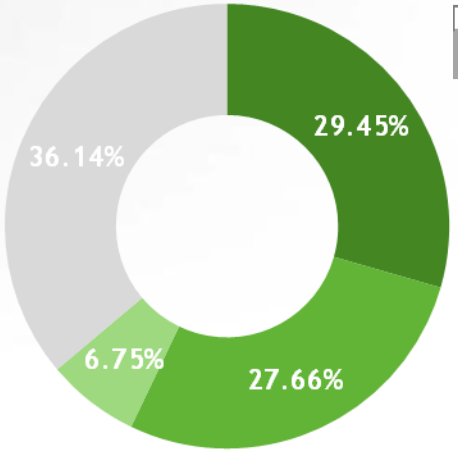
Financial Results

Time Line and Shareholder Composition

Total Capital
1,013,786,190

Voting Capital

ON 49.84%	505,260,684	PN 50.16%	508,525,506



Control Group:
63.86% of Voting Capital

- Nippon Group
- Ternium/Tenaris
- Usiminas Pension Fund
- Free- Float

1956
Foundation of Usiminas

1962- Operation Start Up

1991
Privatization of Usiminas: 1991
Cosipa: 1993

Listing on BOVESPA

1994
Listing on ADR I - NY

2005
Listing on Latibex

2008
Aquisition of J, Mendes iron ore mines

Aquisition of Zamprogna

2009
Foundation of Soluções Usiminas due to the consolidation of the companies Rio Negro, Dufer, Fasal and Zamprogna, Usial and Usicort

Single CNPJ: Cosipa is incorporated by Usiminas

2010
Creation of Mineração Usiminas

Partnership with Codeme and Metform

2011
Selling of Ternium shares

Joint Mining and Cooperation Agreements with MBL and Ferrous

Commercial Agreements with MMX to explore Pau de Vinho and to use the Southest Port

Negociation with J, Mendes concluded

2012
Entrance of Ternium/ Tenaris into Usiminas' Control Group

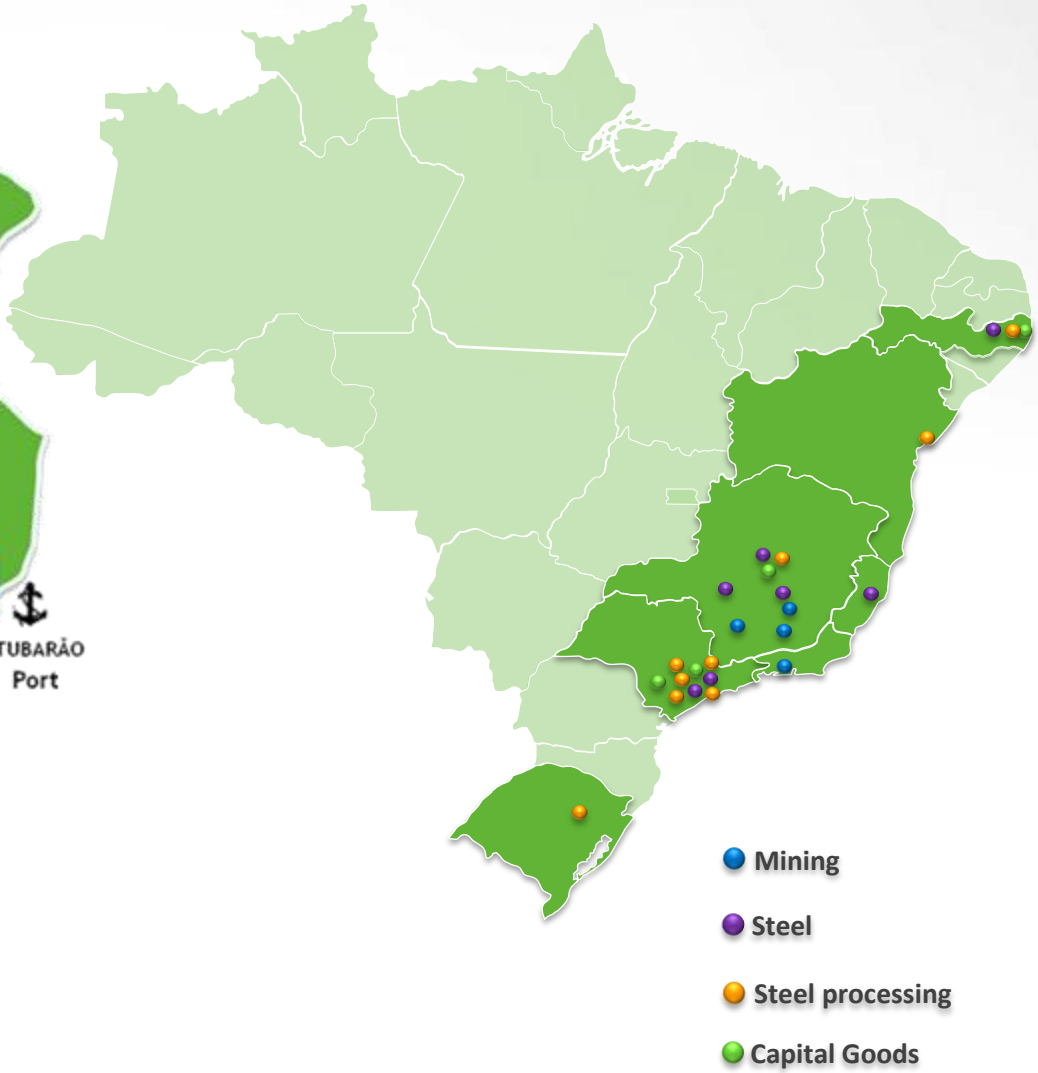
New shareholders agreement signed among Nippon Group, Ternium / Tenaris and Usiminas Pension Fund until 2031

Environmental remediation of the retroarea in Itaguaí/RJ

2013
Sale of Automotiva Usiminas

Strategically Located





Complete Solution of Products and Services

Business Units

DOWNSTREAM

UPSTREAM

Mining



Mineração Usiminas

Steel



Ipatinga

Cubatão

Unigal Usiminas

Steel Processing



Soluções Usiminas

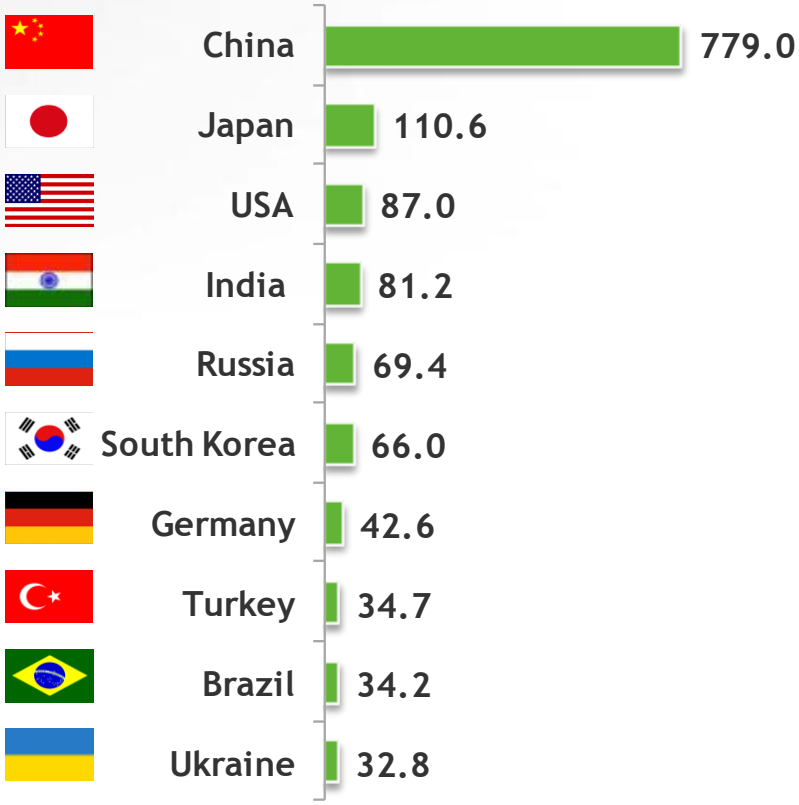
Capital Goods

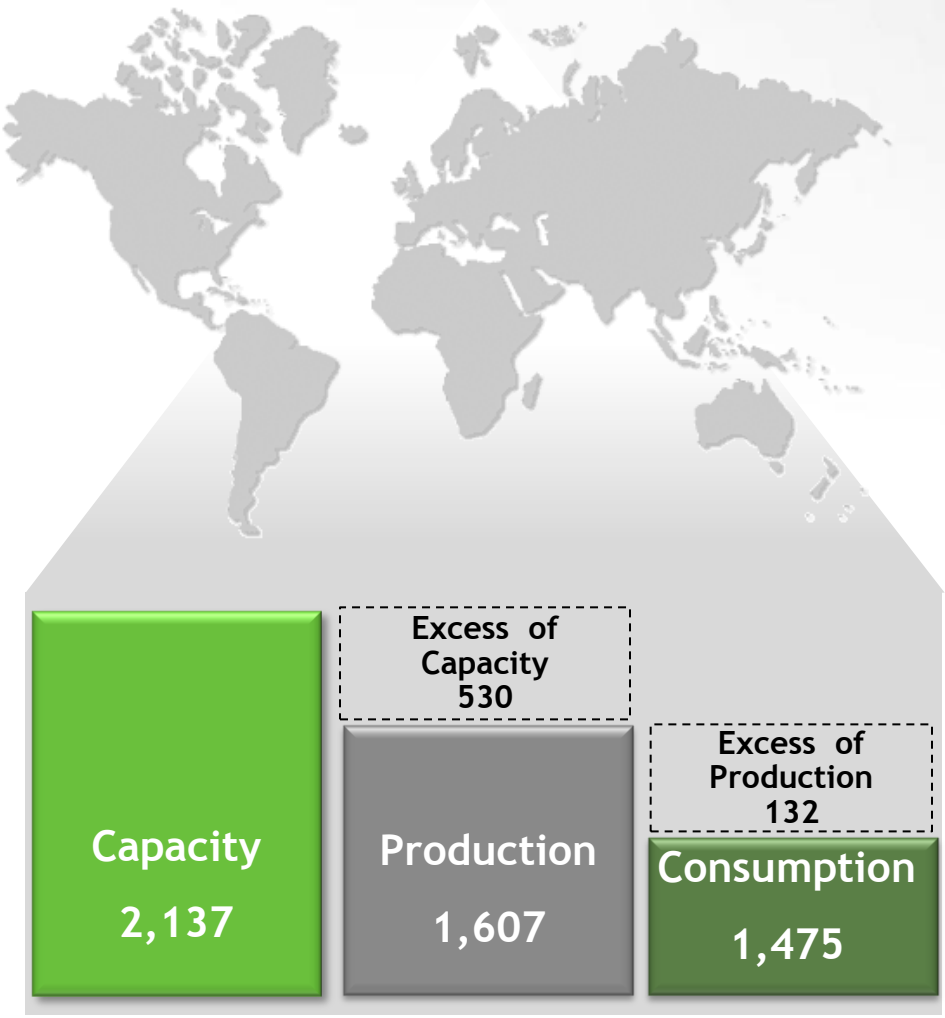


Usiminas Mecânica

World Crude Steel Production in 2013

Million tons

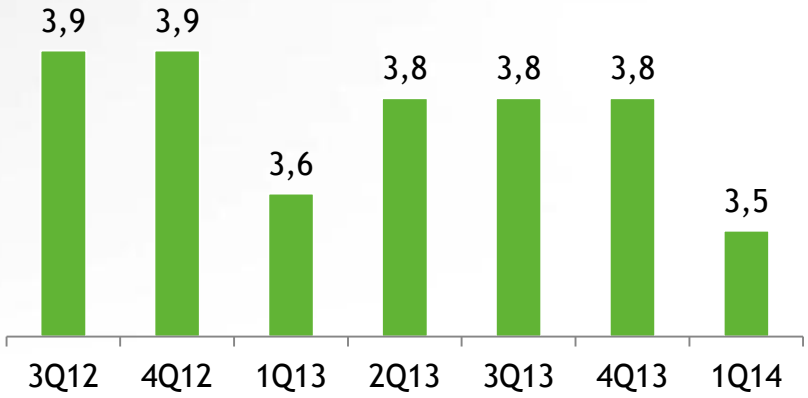




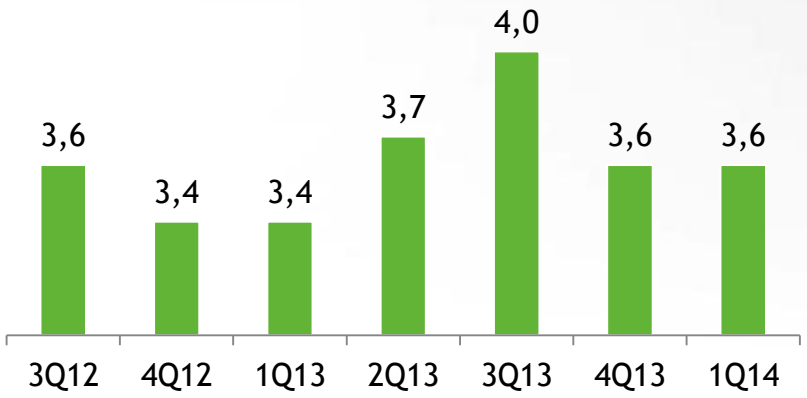
Source: World Steel Association

Flat Steel Brazilian Market

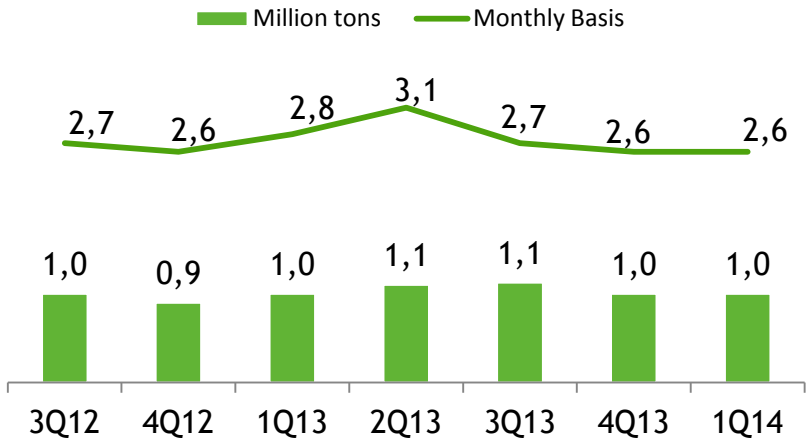
Production (million tons)



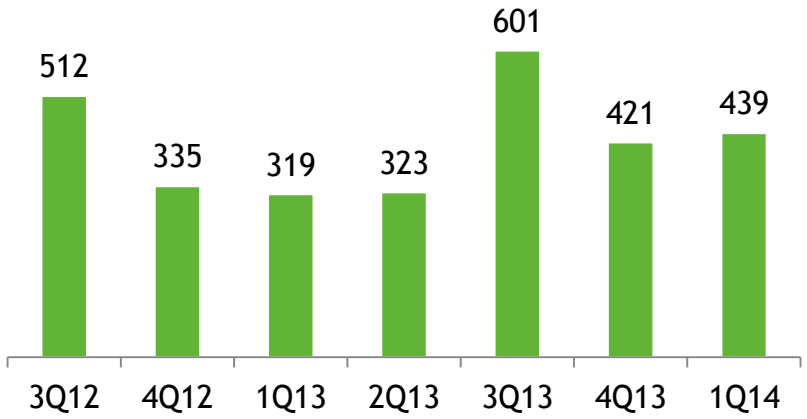
Apparent Consumption (million tons)



Inventories in the Distribution Network



Imports (thousand tons)



Source: IABR / INDA / Usiminas

Agenda



Company Profile and Market Data



Usiminas and its Business Units

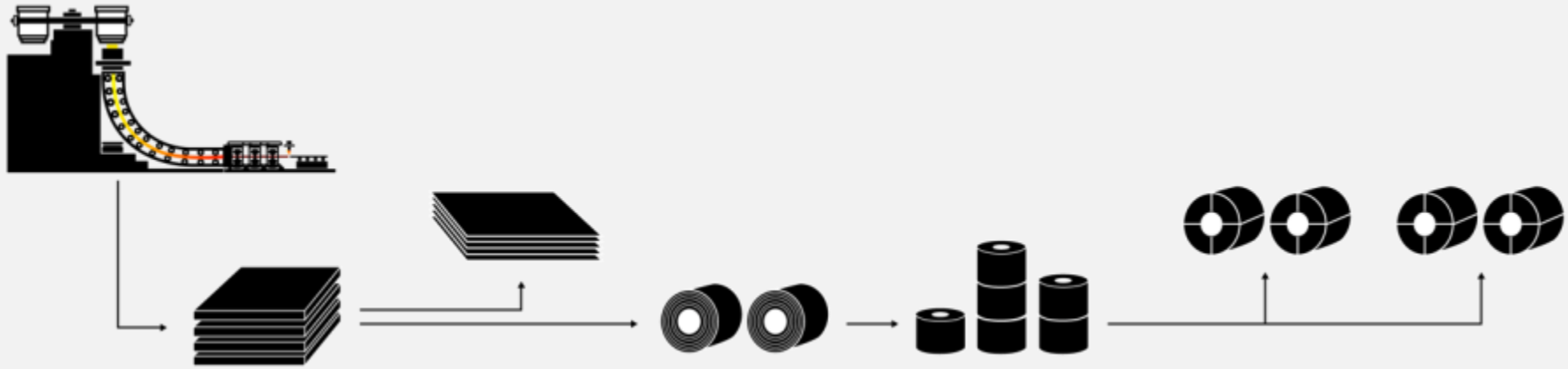


Financial Results

Steel Business Unit

Flat steel production

Installed Nominal Capacity : 9,5 million tons / year



					Galvanized	
Slab Caster	Slabs	Heavy Plates	Hot Coils	Cold Coils	EG	HDG
Ipatinga Plant	5,000,000tons	1,000,000tons	3,600,000tons	2,500,000tons	360,000tons	1,050,000tons
Cubatão Plant	4,500,000tons	1,000,000tons	4,400,000tons	1,200,000tons	-	-
Nominal Capacity	9,500,000tons	2,000,000tons	8,000,000tons	3,700,000tons	360,000tons	1,050,000tons
Optimized Rolling Capacity	-	1,900,000tons	4,200,000tons	2,200,000tons	350,000tons	1,020,000tons

Steel Business Unit

Everyday steel application

Auto Industries



Cold Rolled and Galvanized (EG and HDG)

Autoparts



Hot Rolled

Agricultural Machines



Heavy Plates and Hot Rolled

Household Appliances



Cold Rolled and Galvanized (EG and HDG)

Civil Construction



Heavy Plates, Hot and Cold Rolled and Galvanized (EG and HDG)

Ship-Building



Heavy Plates

Pipelines



Heavy Plates and Hot Rolled

Pressure Vessels



Heavy Plates

Steel Business Unit

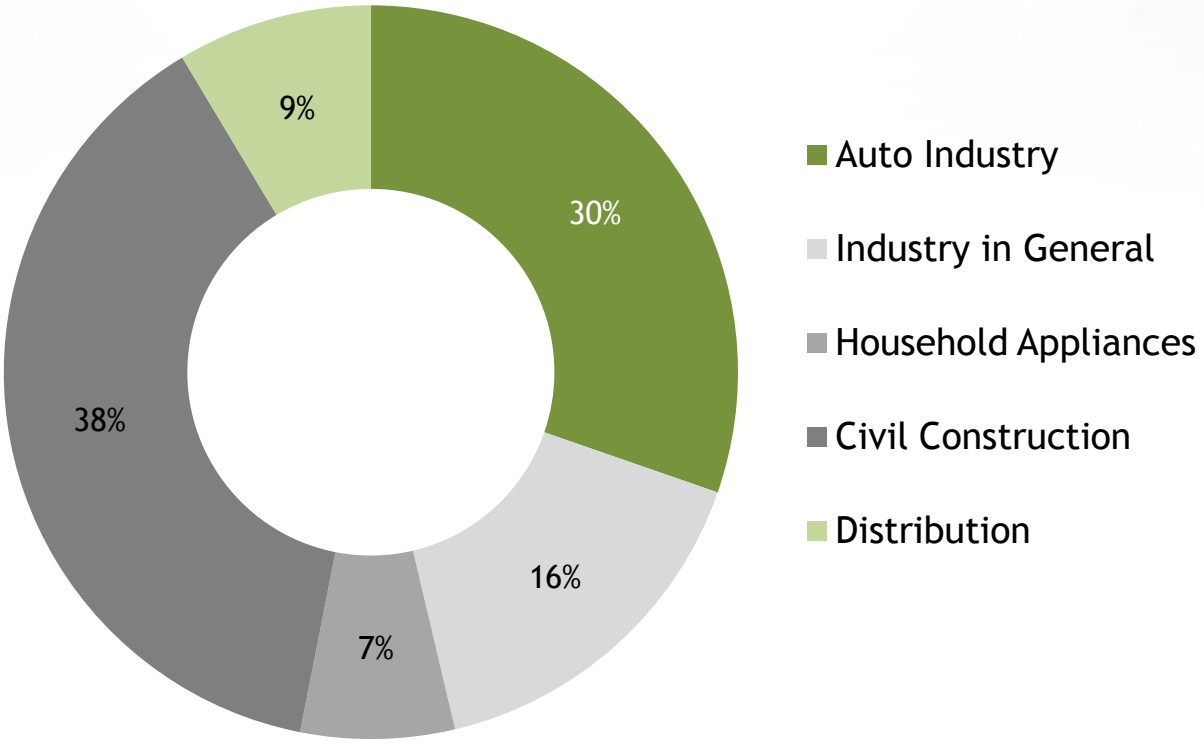
Sales Volume - Thousand tons



Steel Business Unit

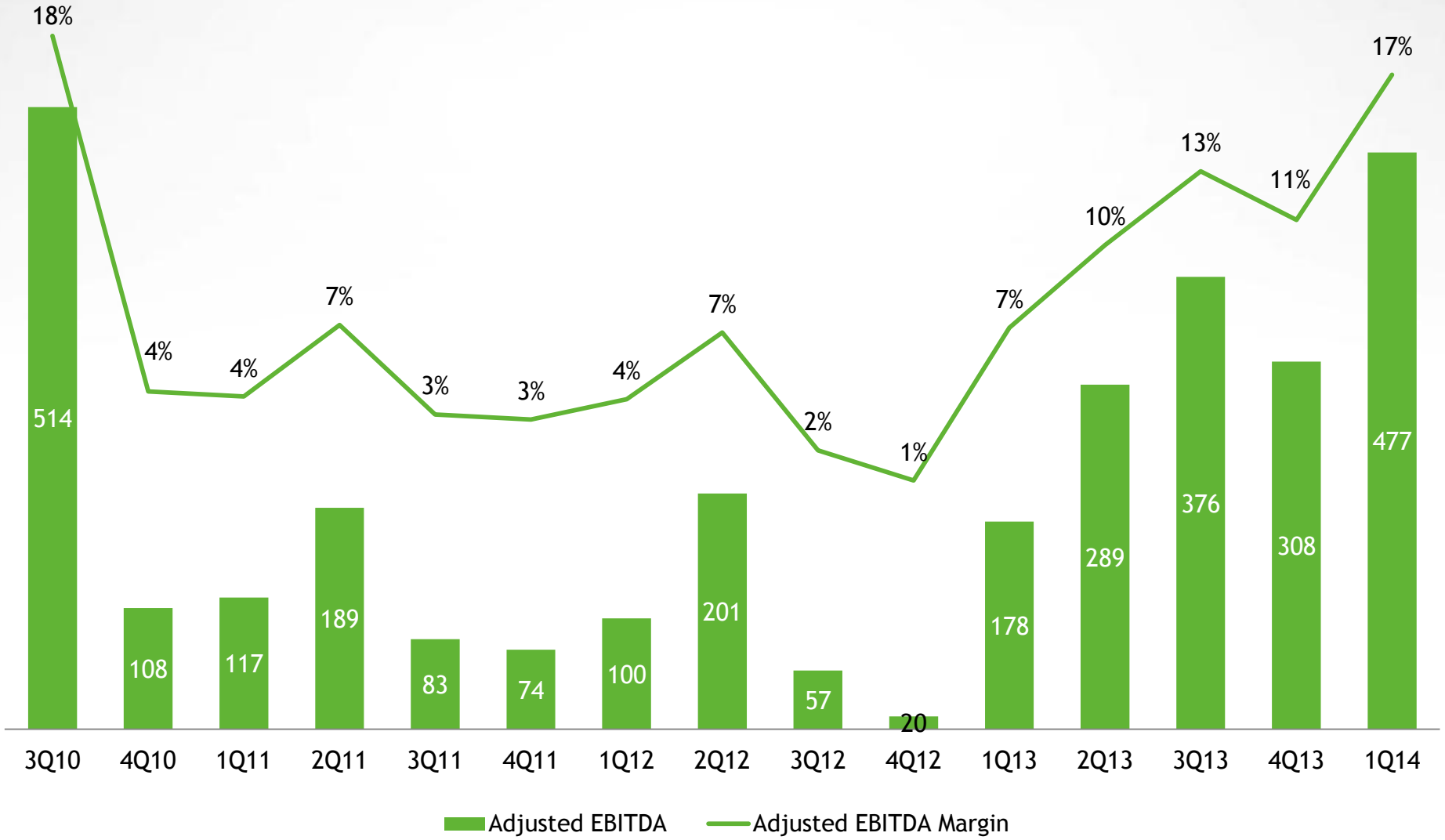
Domestic Market

Sales per segment – 1Q14



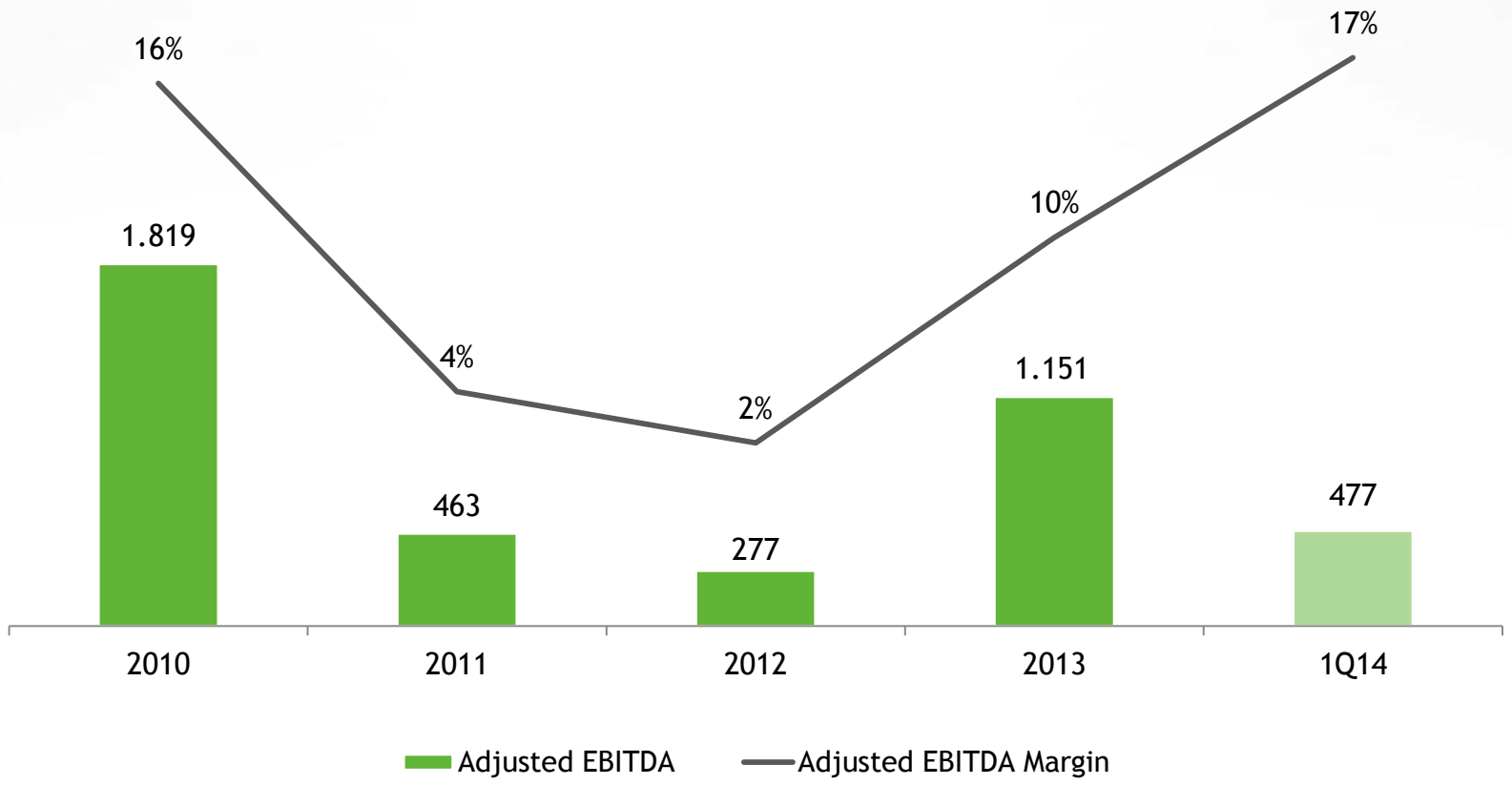
Steel Business Unit

Adjusted EBITDA and Adjusted EBITDA Margin - R$ million



Steel Business Unit

Adjusted EBITDA and Adjusted EBITDA Margin - R$ million



Steel Business Unit

Investments Concluded

Hot Strip Mill II and New Pickling Line - Cubatão

- Exclusive coils dimensions in Brazil
- Pickled Coils up to 1,800 mm wide
- Higher product performance and efficiency
- Higher productivity for customers
- High automation and lower electric energy consumption
- High-strength and technology content to the steel products

Galvanizing Line II - Ipatinga

- Higher production capacity
- Products portfolio increase
- Deep drawing steel
- Products Inovation
- High-strength steels
- Excellent flatness

Main Applications







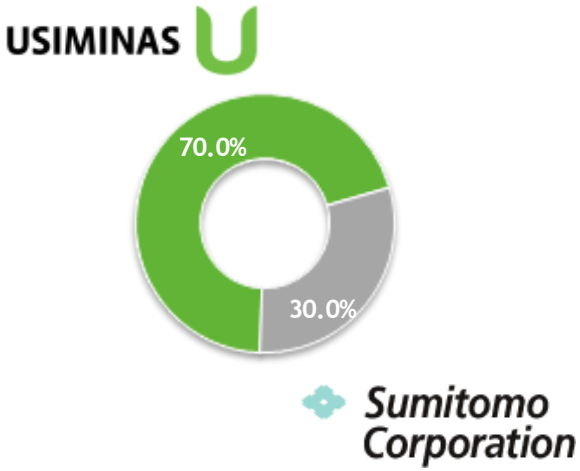

Production capacity of 2,3 million tons per year

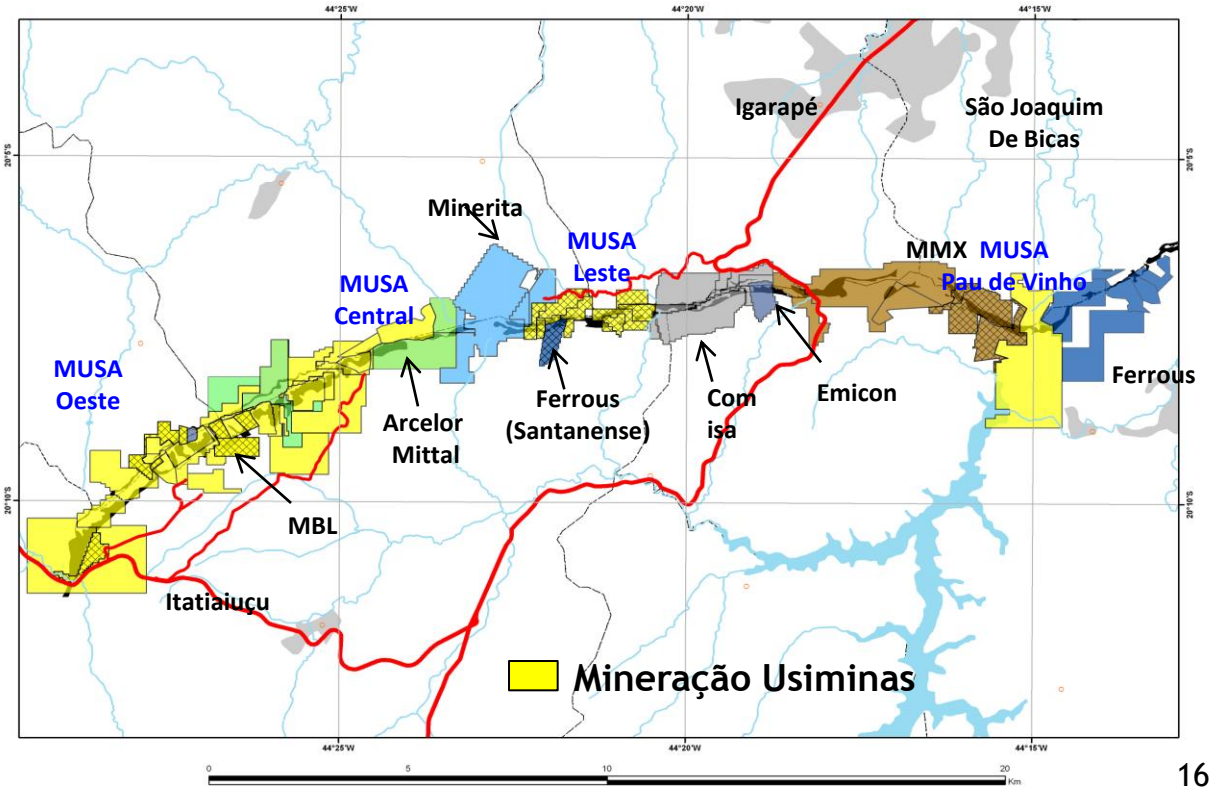
Production capacity of 550 thousand tons per year

Mining Business Unit

Description

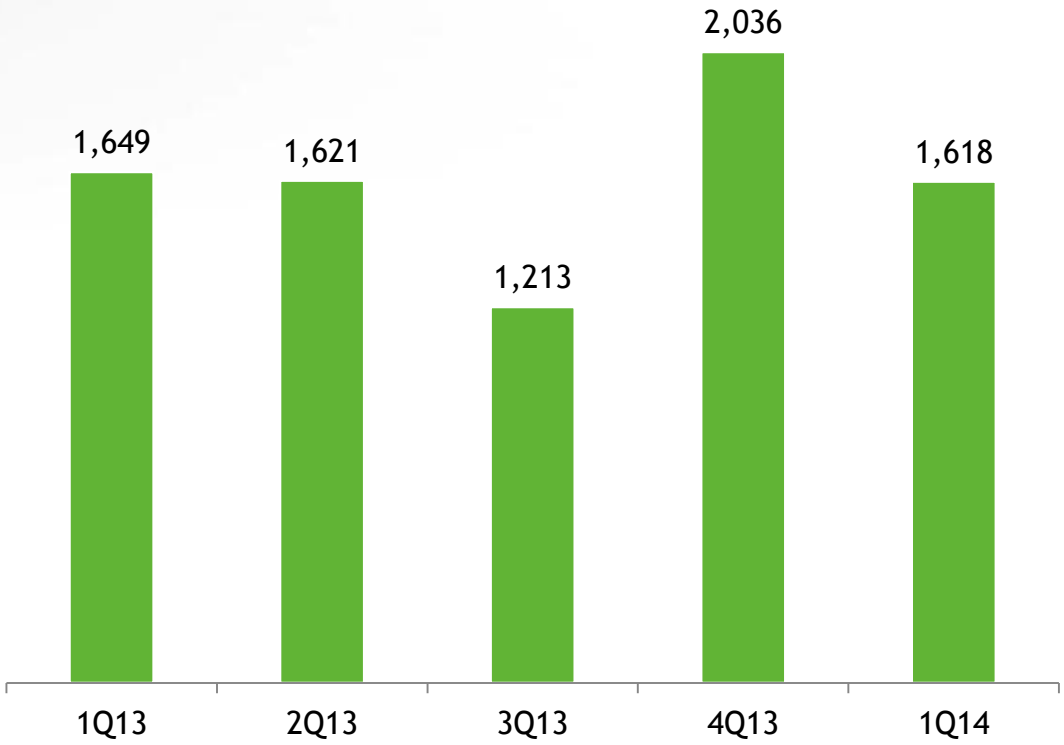
- Located in Serra Azul/MG
- 4 mining sites, acquired from J, Mendes Group in February 2008
- Reserves of 2.6 billion tons of iron ore
- MRS: 20% of voting shares, being part of the Control Group
- Retroarea in Itaguaí Port





Mining Business Unit

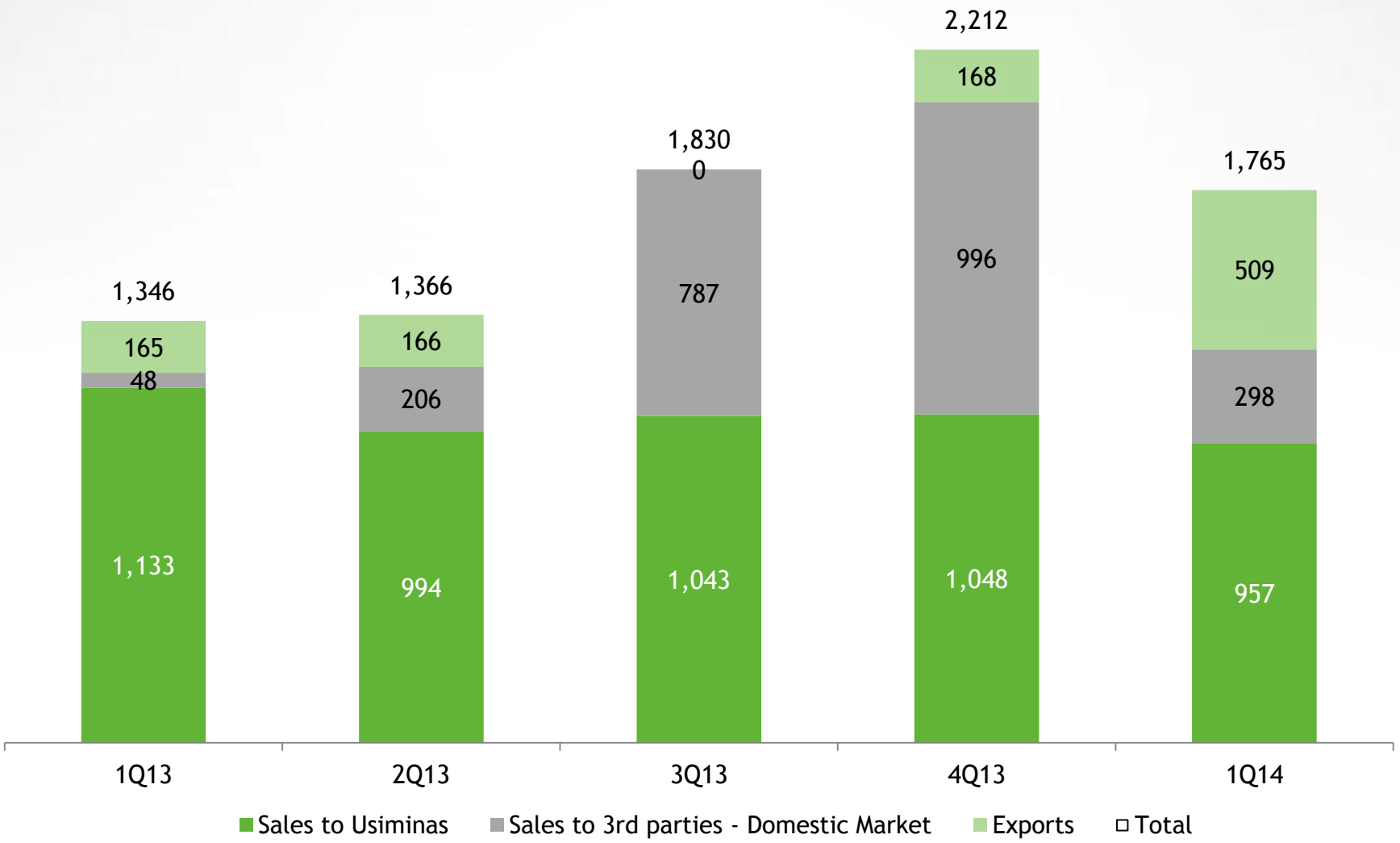
Production - Thousand tons





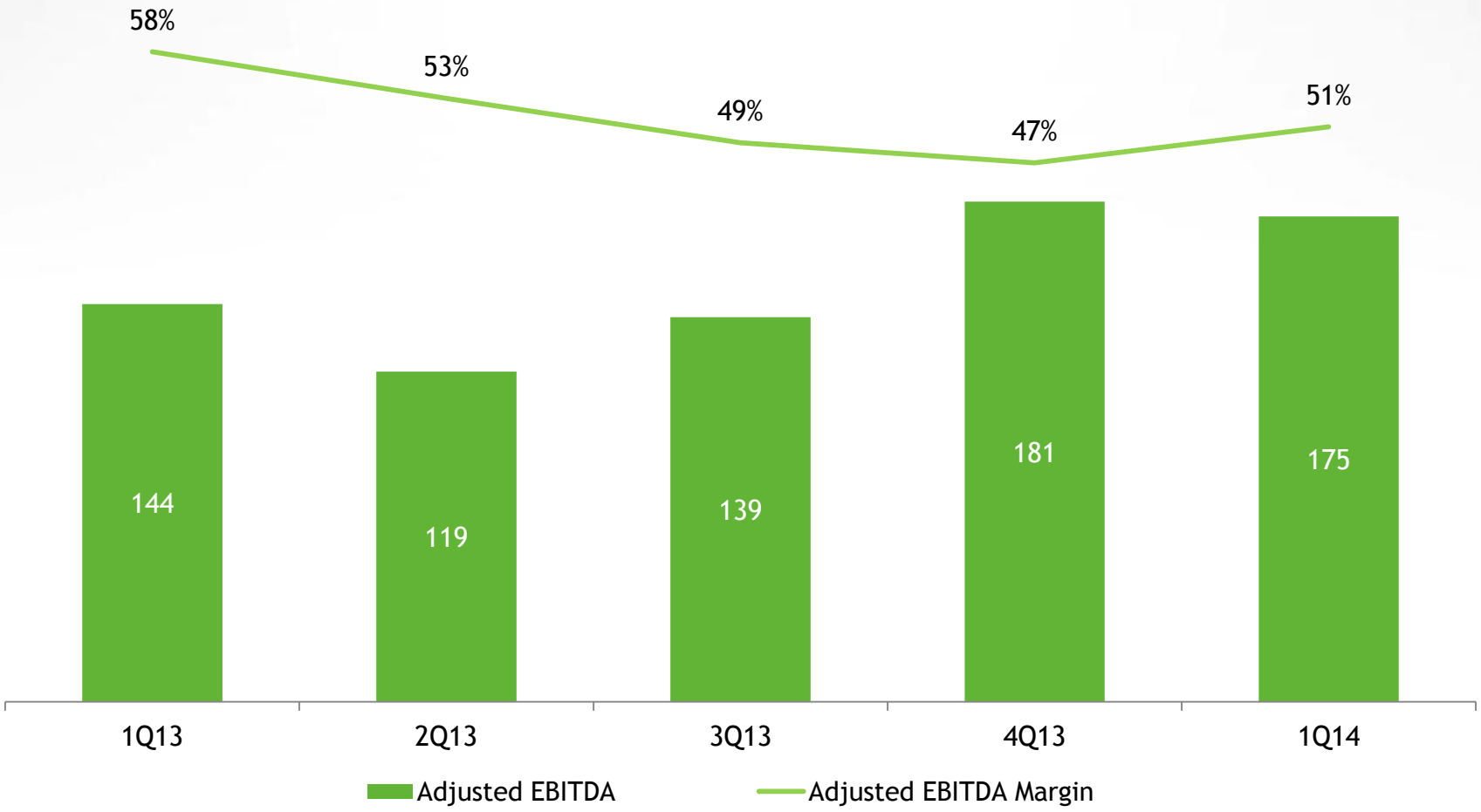
Mining Business Unit

Sales Volume - Thousand tons



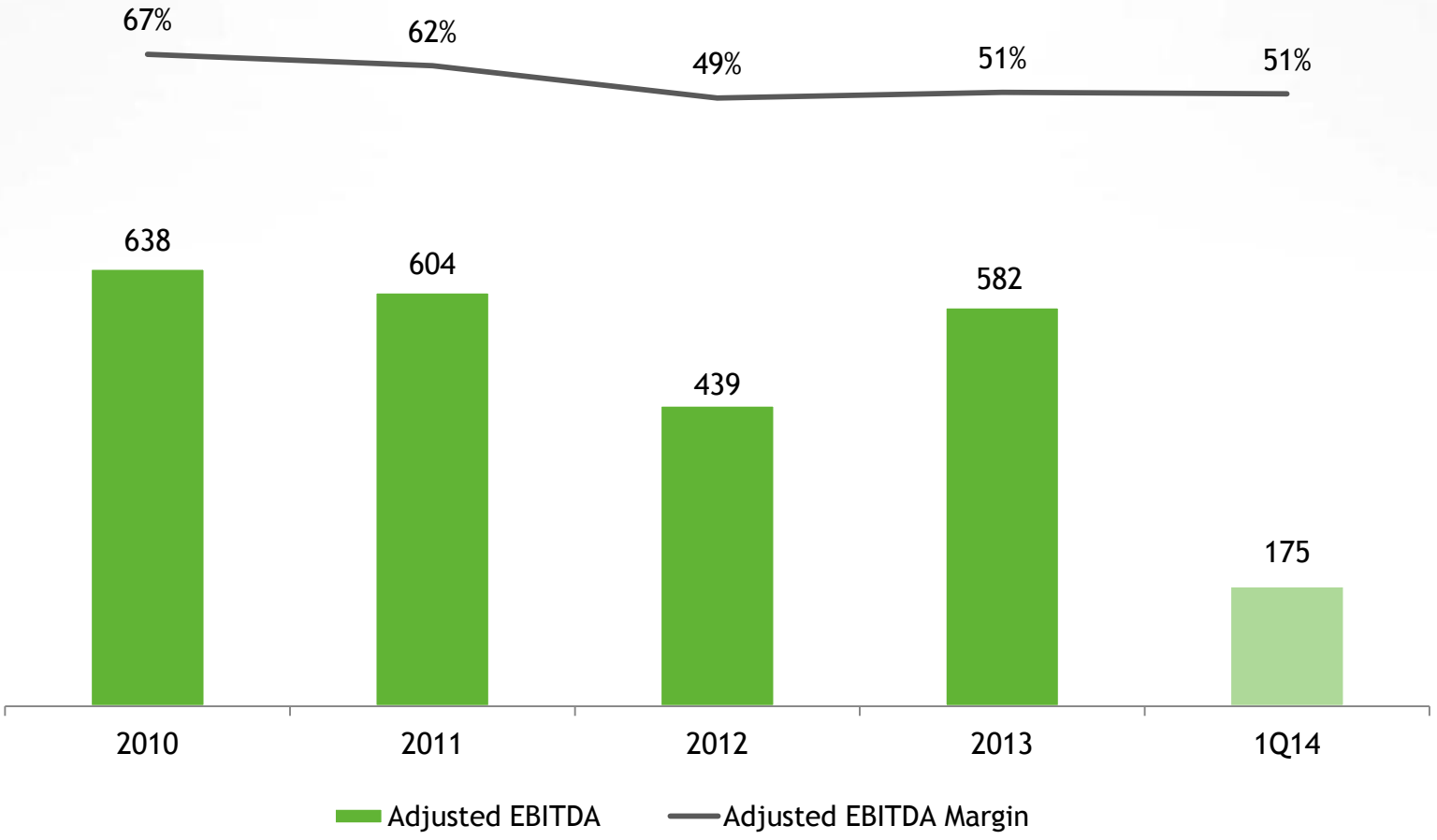
Mining Business Unit

Adjusted EBITDA and Adjusted EBITDA Margin - R$ million



Mining Business Unit

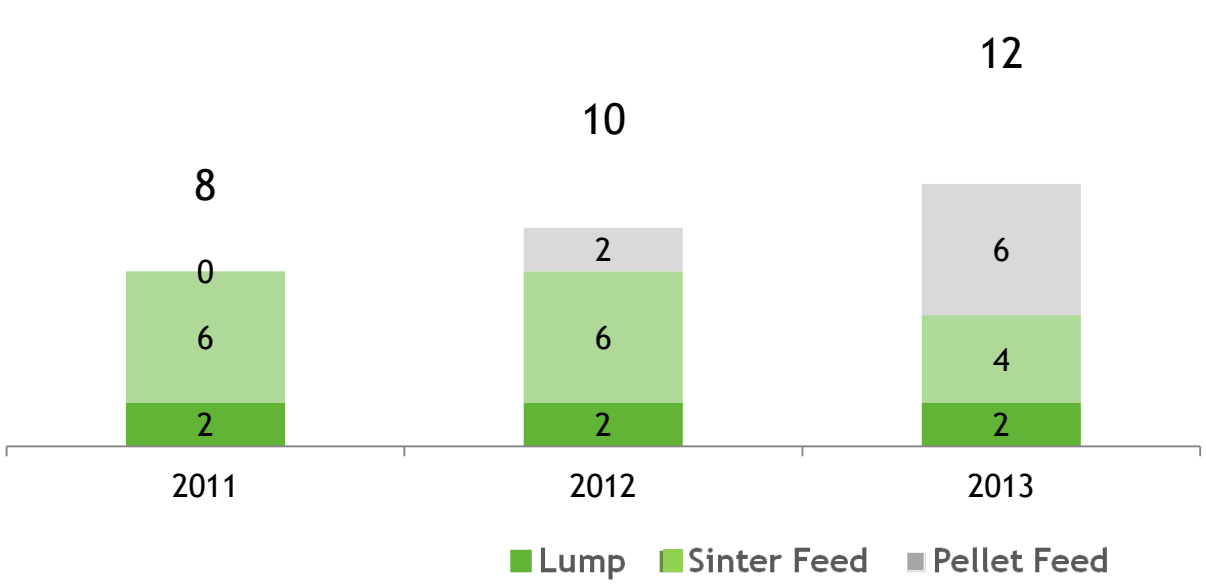
Adjusted EBITDA and Adjusted EBITDA Margin - R$ million



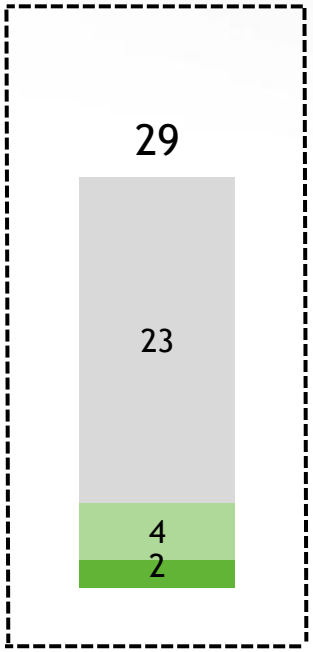
Mining Business Unit

Iron Ore Production Capacity - Million tons

Friable Project: Completed in 2013



Compact Project: under detailing phase



Mining Business Unit

Retro Area in Itaguai Port



Steel Processing

Soluções Usiminas

Soluções Usiminas

- 10 industrial units in MG, SP, RS, ES, BA and PE
- Processing capacity of 2 million tons/year
- Net Revenue of R$563 million in the 1Q14



Capital Goods

Usiminas Mecânica

- Located in Ipatinga/MG
- Market Segments: Steel Structures, Shipbuilding and Offshore, Oil and Gas, Industrial Equipment, Industrial Assembly, Foundry and Railcars
- Net Revenue of R$169 million in the 1Q14

Oil Platform



Brasília 3rd Bridge



Agenda



Company Profile and Market Data



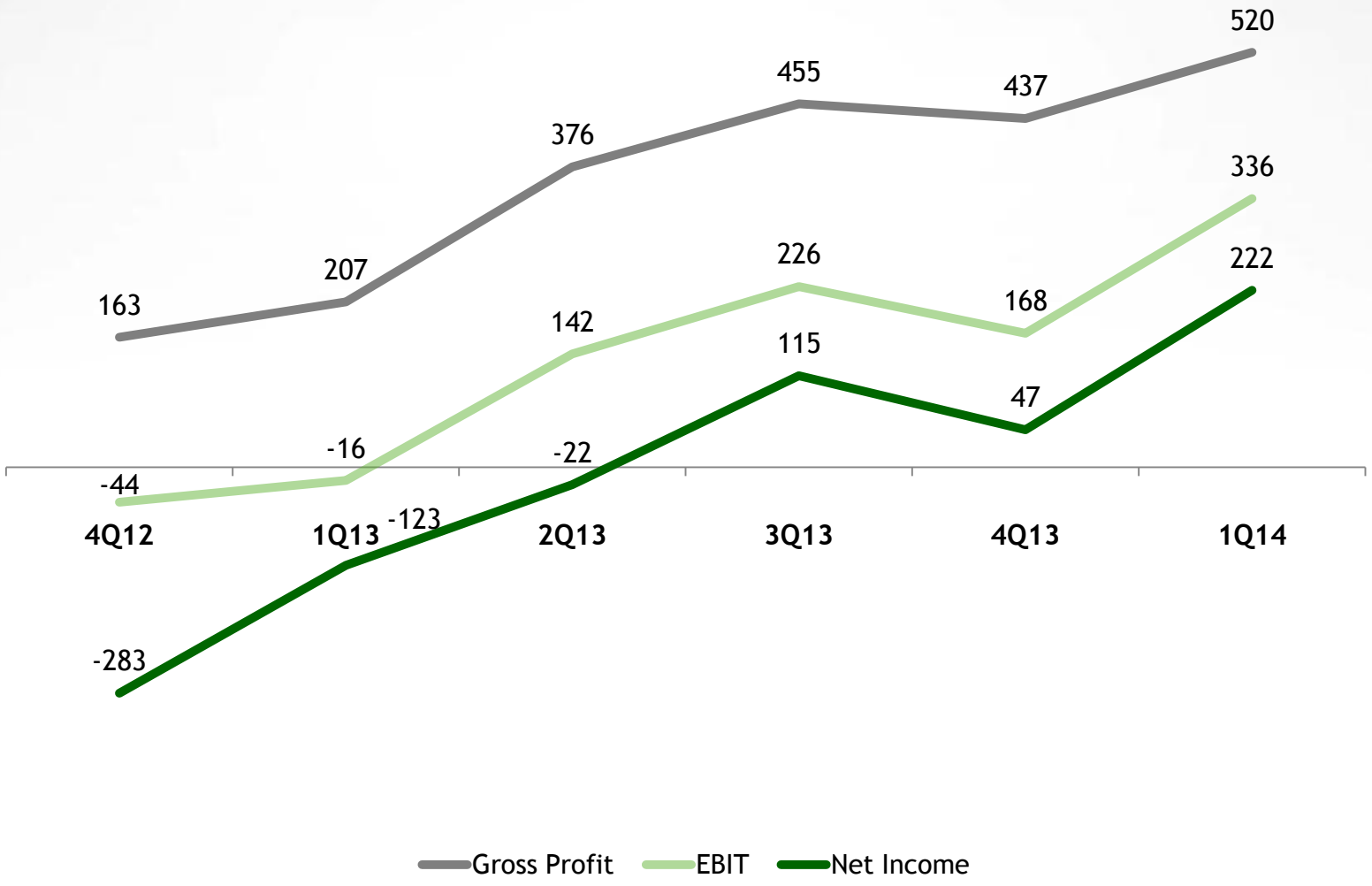
Usiminas and its Business Units



Financial Results

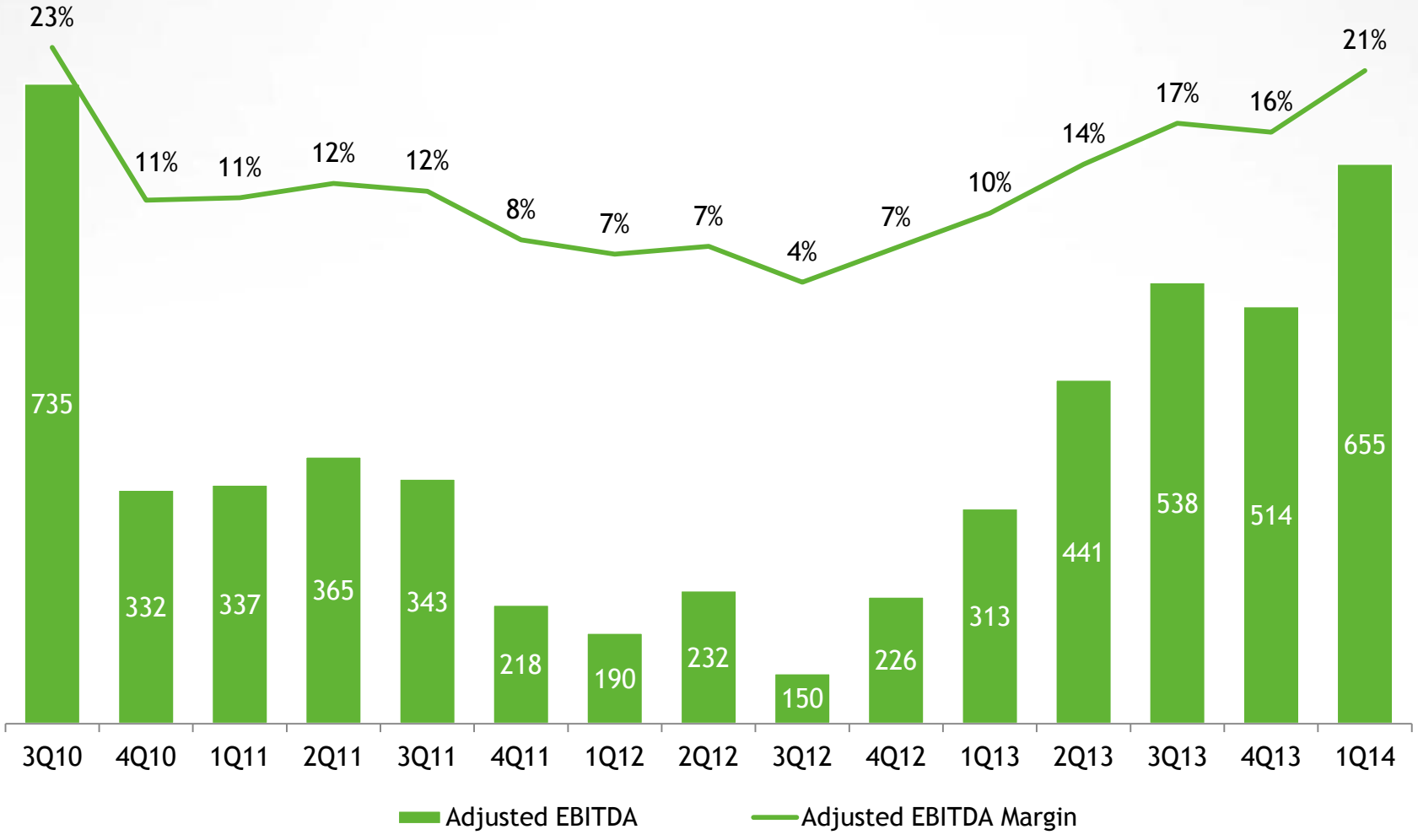
Consolidated

Gross Profit, EBIT and Net Income - R$ million



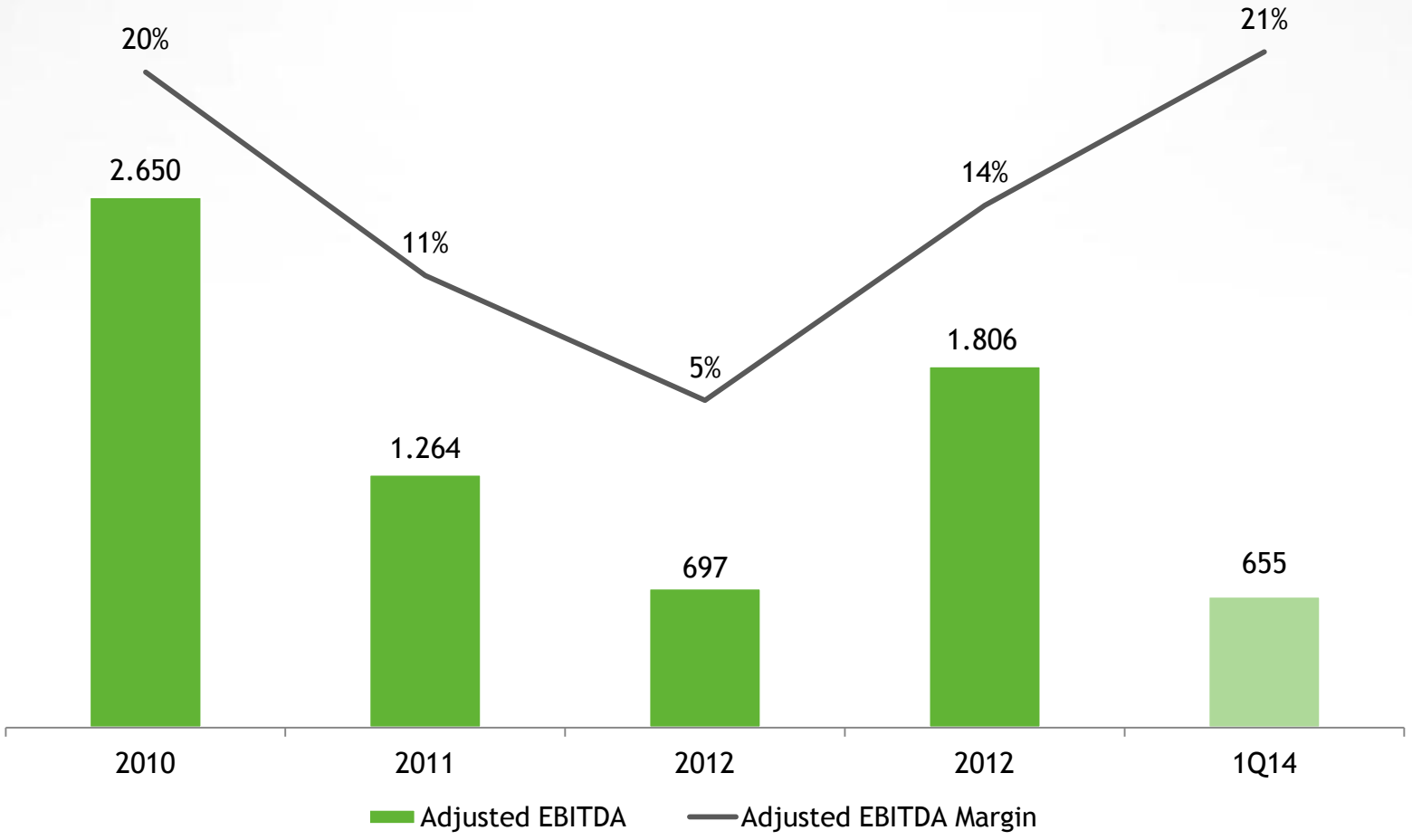
Consolidated

Adjusted EBITDA and Adjusted EBITDA Margin - R$ million



Consolidated

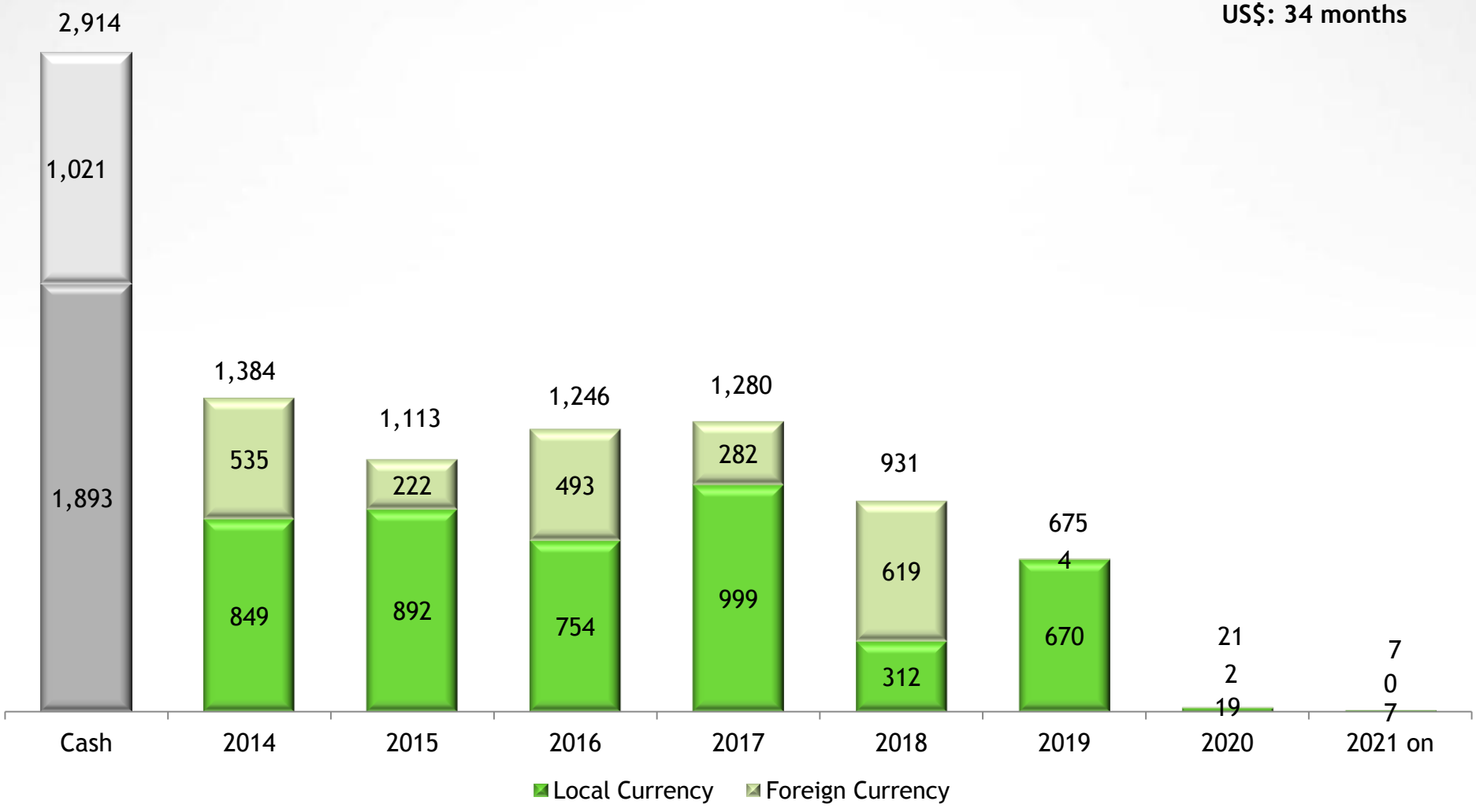
Adjusted EBITDA and Adjusted EBITDA Margin - R$ million



Consolidated

Cash Position and Debt Profile - R$ million

Duration: R$: 35 months
US$: 34 months



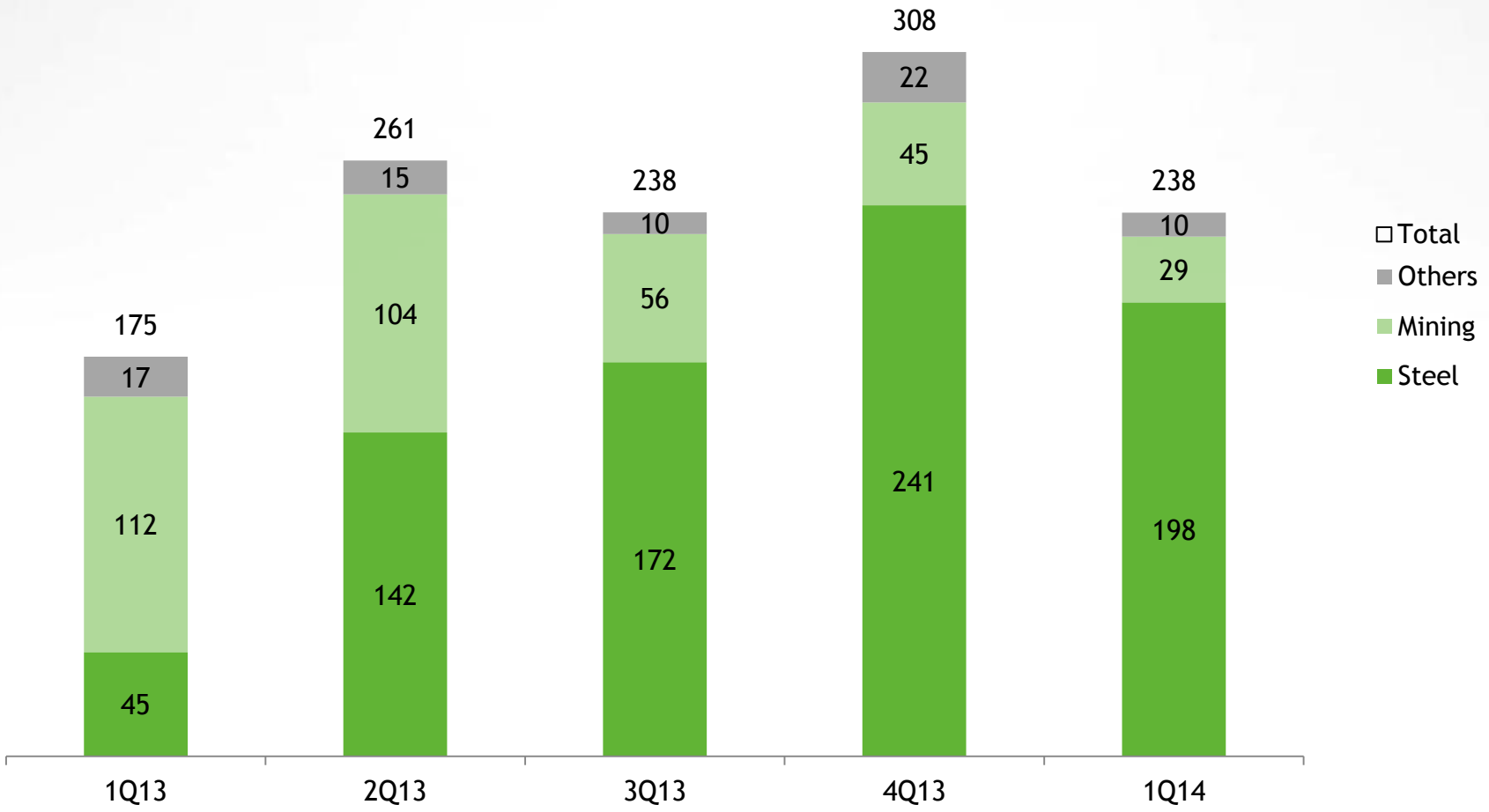
Consolidated

Cash and Indebtedness - R$ million



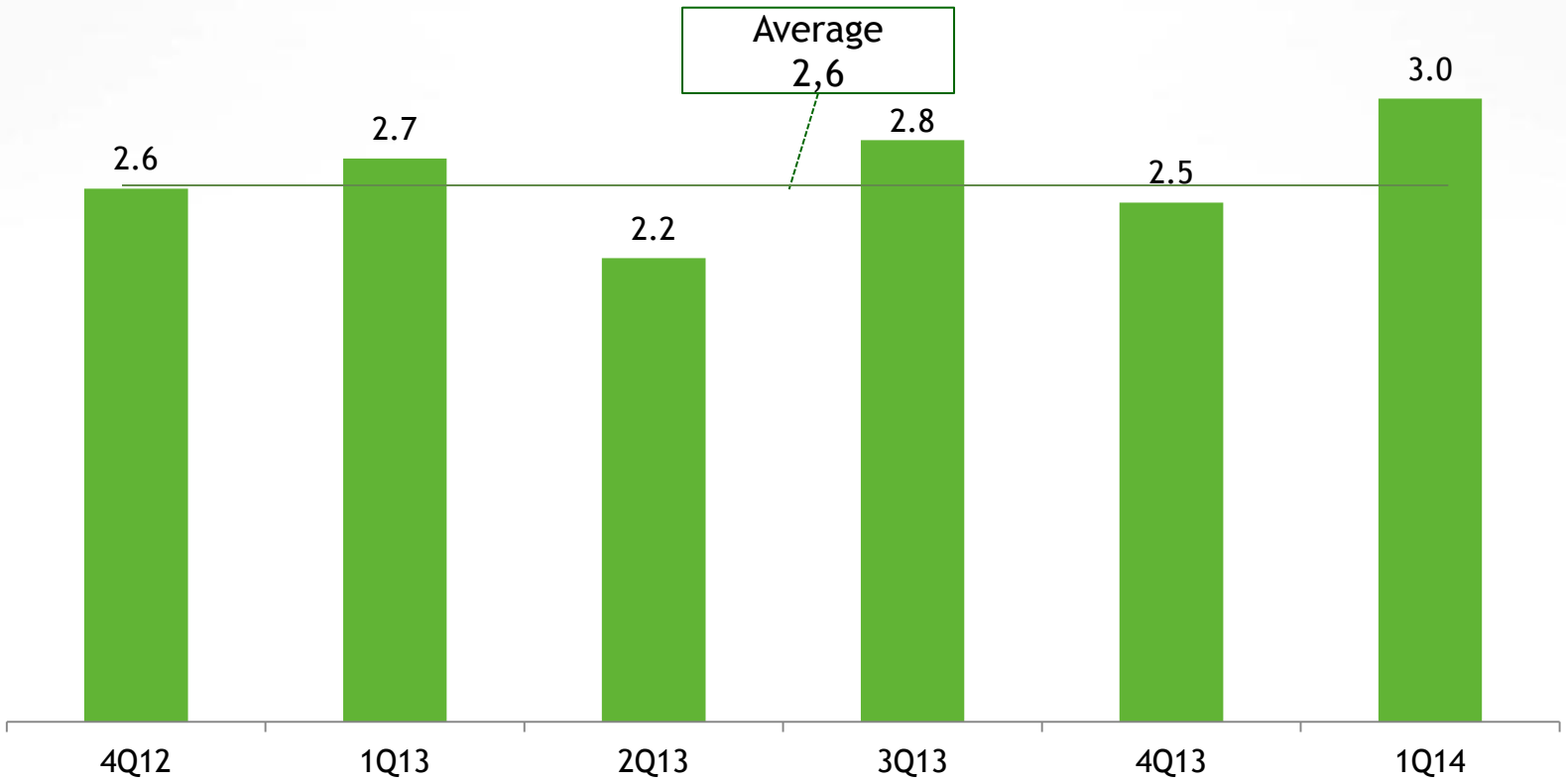
Consolidated

Capex Evolution - R$ million



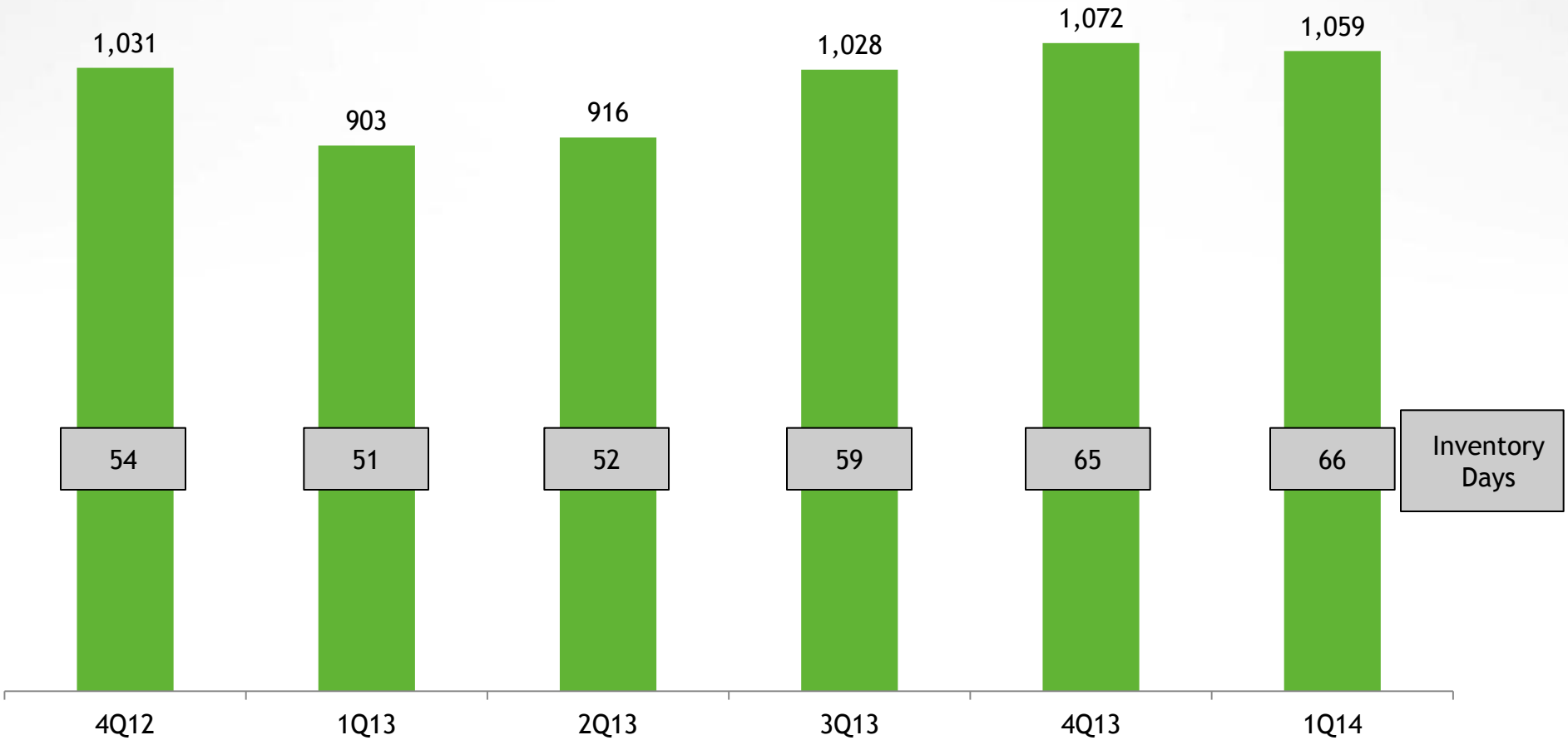
Consolidated

Working Capital - R$ billion



Steel Business Unit

Steel Inventories - Thousand tons



Quarterly Results Accounted

Per Business Unit - R$ million

Income Statement per Business Units - Non Audited

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	1Q14	4Q13	1Q14	4Q13	1Q14	4Q13	1Q14	4Q13	1Q14	4Q13	1Q14	4Q13
Net Revenue	346	382	2,877	2,824	562	612	169	202	(812)	(828)	3,142	3,193
Domestic Market	234	345	2,575	2,521	557	609	169	190	(812)	(828)	2,723	2,835
Exports	112	38	302	304	6	3	0	12	0	0	420	357
COGS	(153)	(200)	(2,539)	(2,600)	(529)	(559)	(151)	(188)	750	790	(2,623)	(2,756)
Gross Profit	192	182	339	225	33	53	18	15	(63)	(38)	520	437
Operating Income (Expenses)	(41)	(42)	(96)	(158)	(31)	(52)	(16)	(19)	1	2	(183)	(269)
EBIT	151	141	242	67	3	1	2	(5)	(62)	(36)	336	168
Adjusted EBITDA	**175**	**181**	**477**	**308**	**12**	**13**	**9**	**2**	**(18)**	**10**	**655**	**514**
Adj.EBITDA Margin	**51%**	**47%**	**17%**	**11%**	**2%**	**2%**	**5%**	**1%**	**-**	**-**	**21%**	**16%**

*Consolidates 70% of Unigal

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

Final Message

Continuous Process of development

2012 – 2013

- Costs
- CAPEX
- Working Capital

2013 – 2015

- Productivity and operational efficiency
- Development of labor force
- Focus on the domestic market: greater integration with customers and development of new products
- Leverage reduction
- Focus on the core business

NÍVEL 1
BM&FBOVESPA

ADR
Level I

LATIBEX

THE GLOBAL COMPACT
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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,

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