

4Q13 and 2013 Results

USIMINAS

Information Classification: Public

Agenda



Company Profile and Market Data



Usiminas and its Business Units



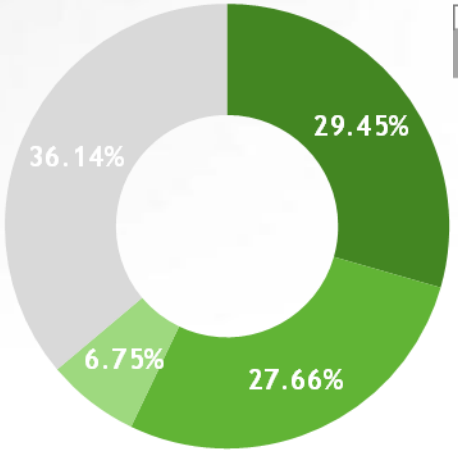
Financial Results

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

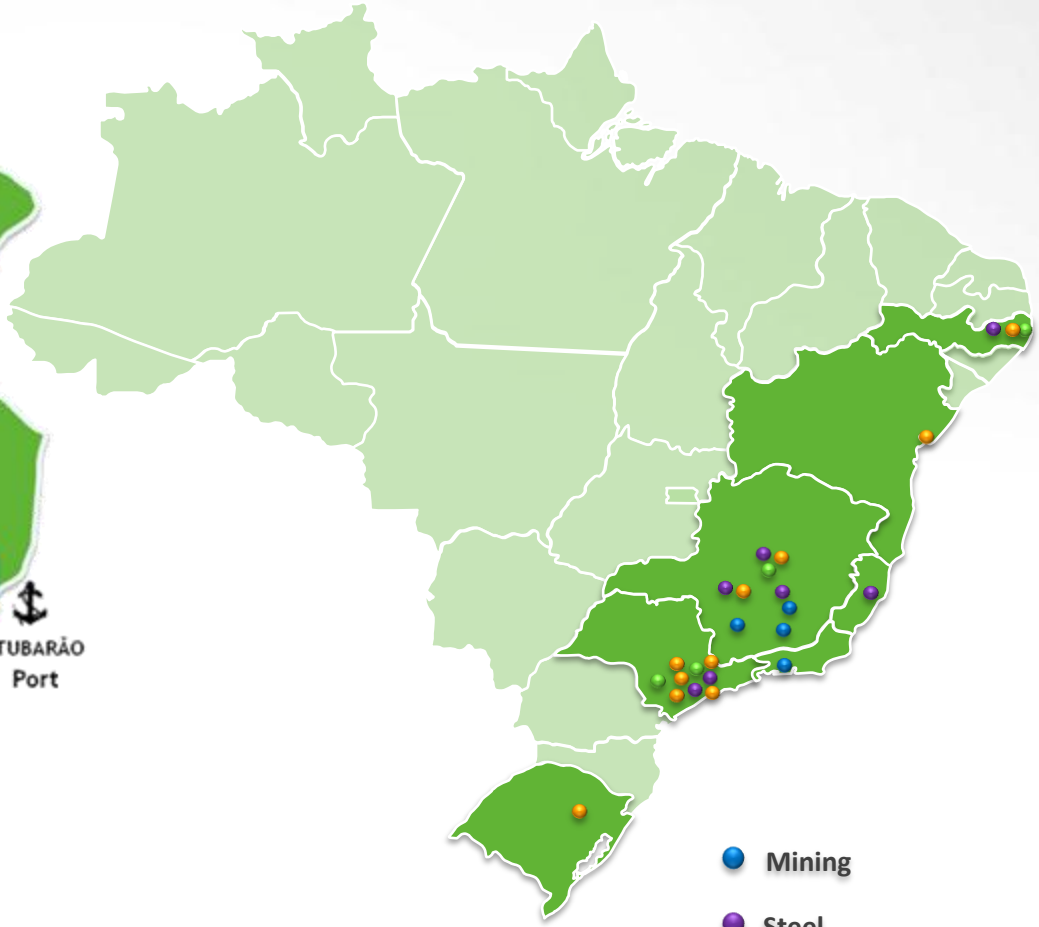
2012
Entrance of Ternium/ Tenaris into Usiminas' Control Group

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

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

Automotiva Usiminas*

Capital Goods

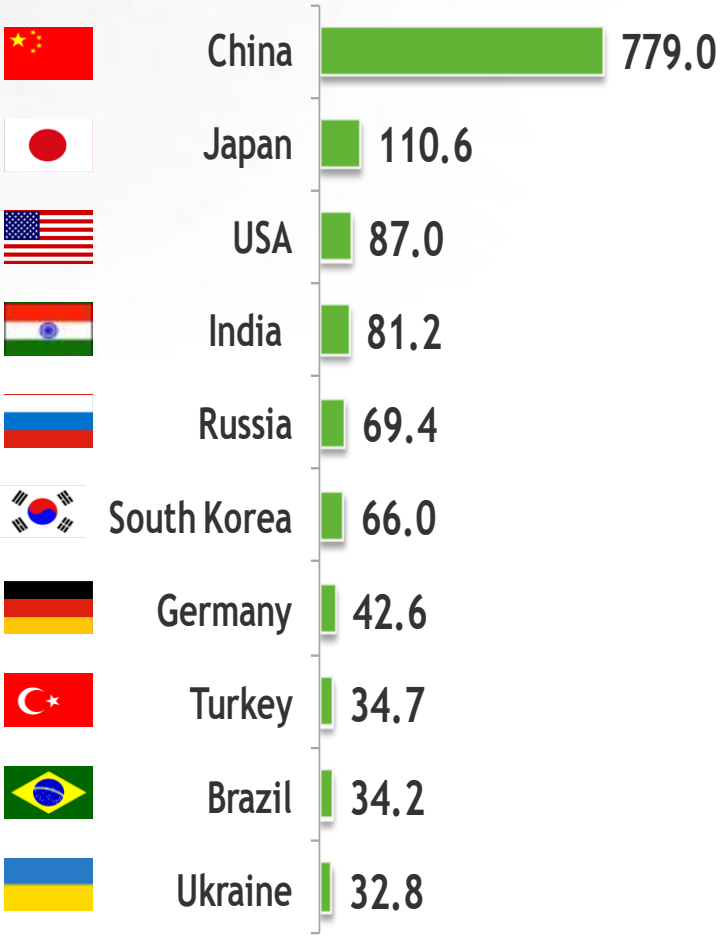


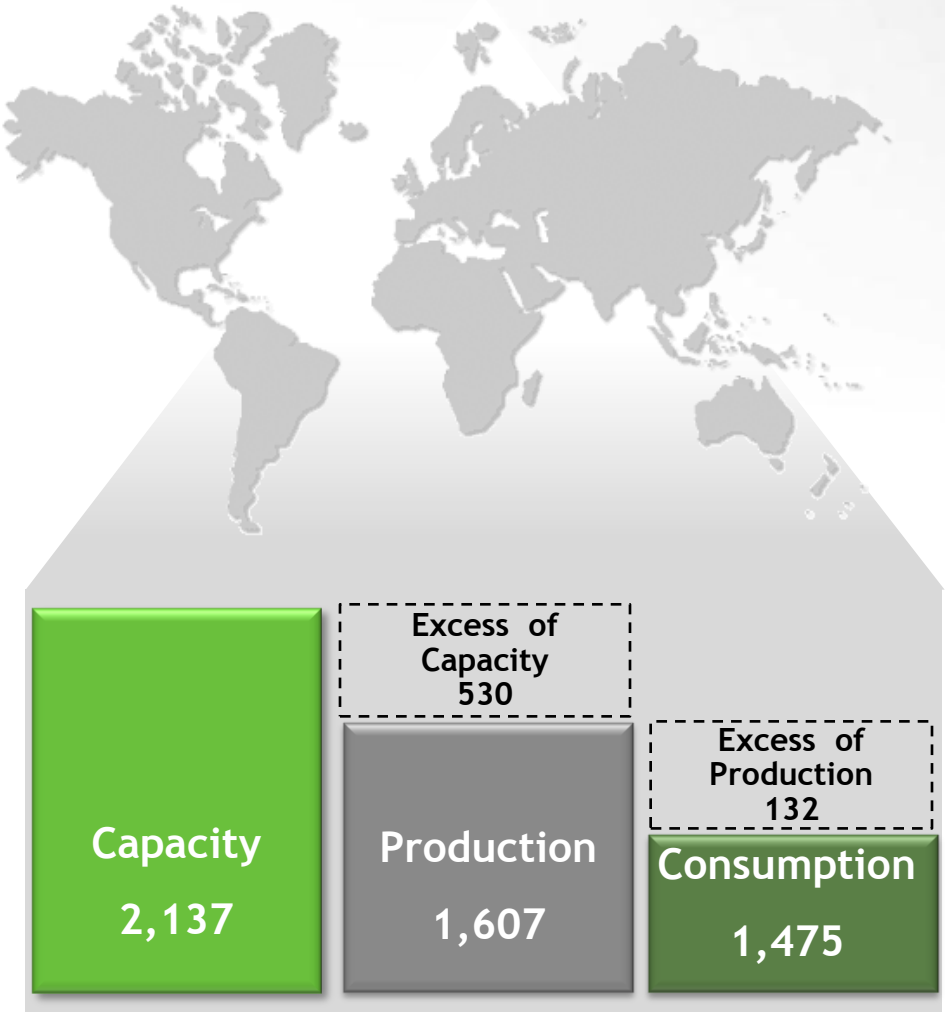
Usiminas Mecânica

*Sold in november 2013, see slide 22.

World Crude Steel Production in 2013

Million tons

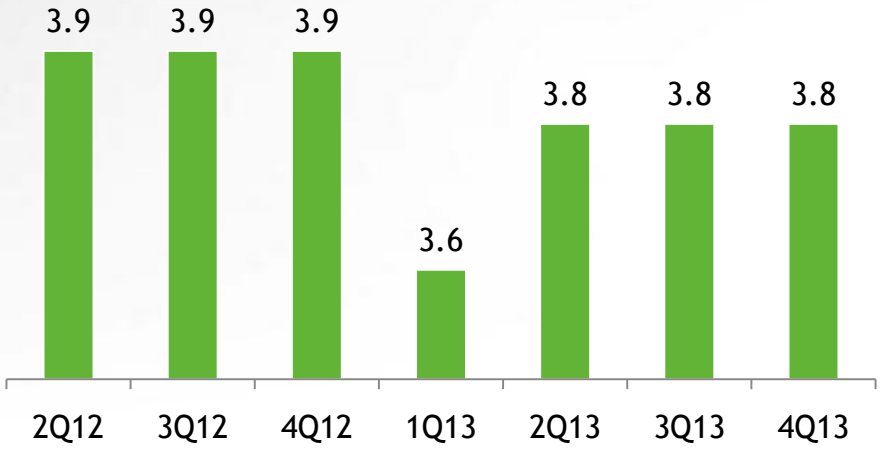




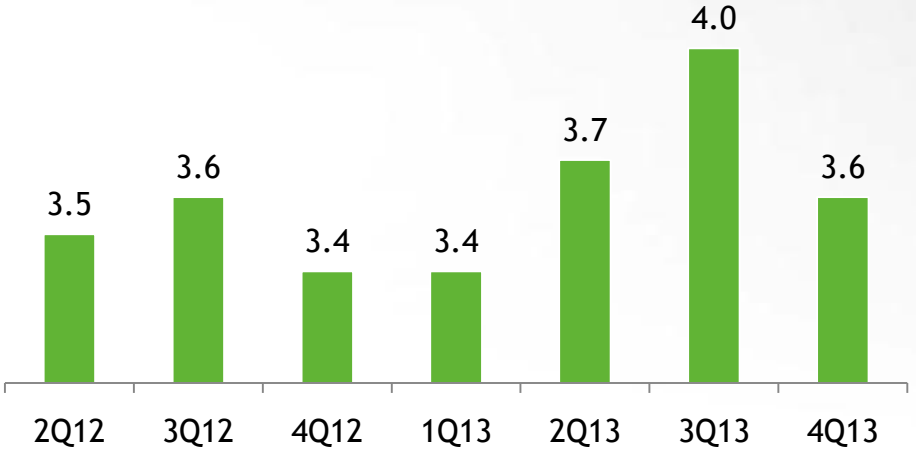
Source: World Steel Association

Flat Steel Brazilian Market

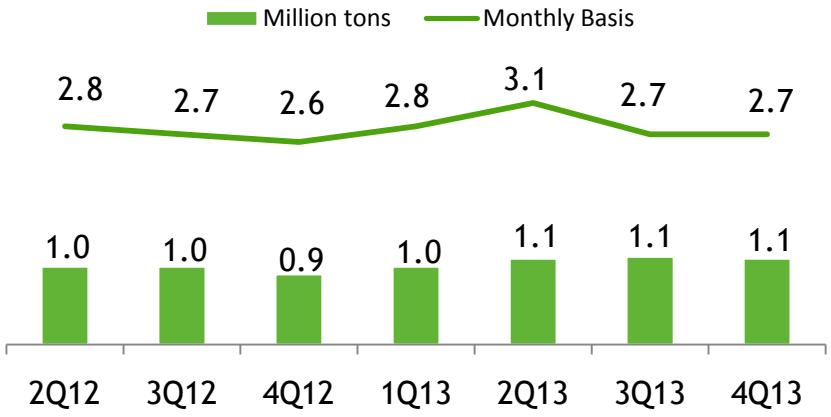
Production (million tons)



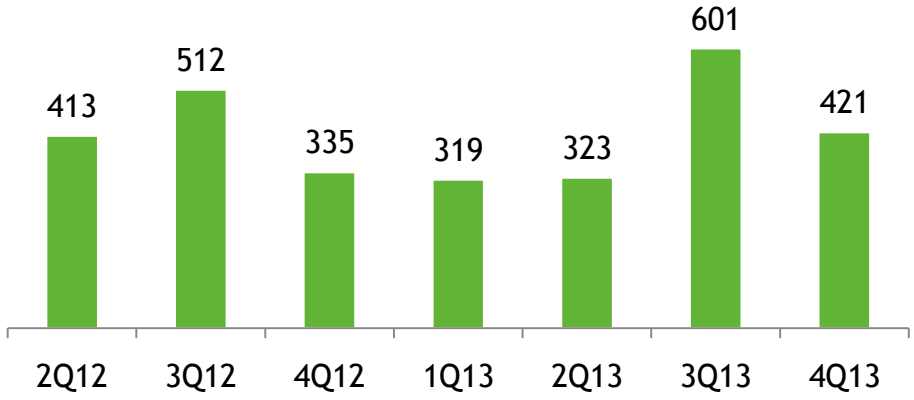
Apparent Consumption (million tons)



Inventories in the Distribution Network



Imports (thousand tons)



Source: IABR / INDA / Usiminas

Agenda



Company Profile and Market Data



Usiminas and its Business Units

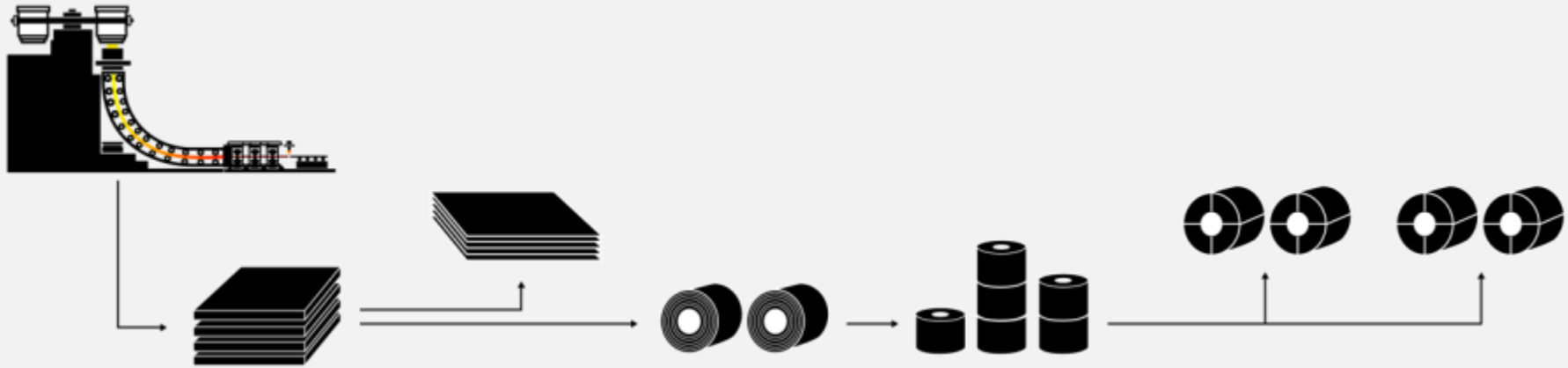


Financial Results

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

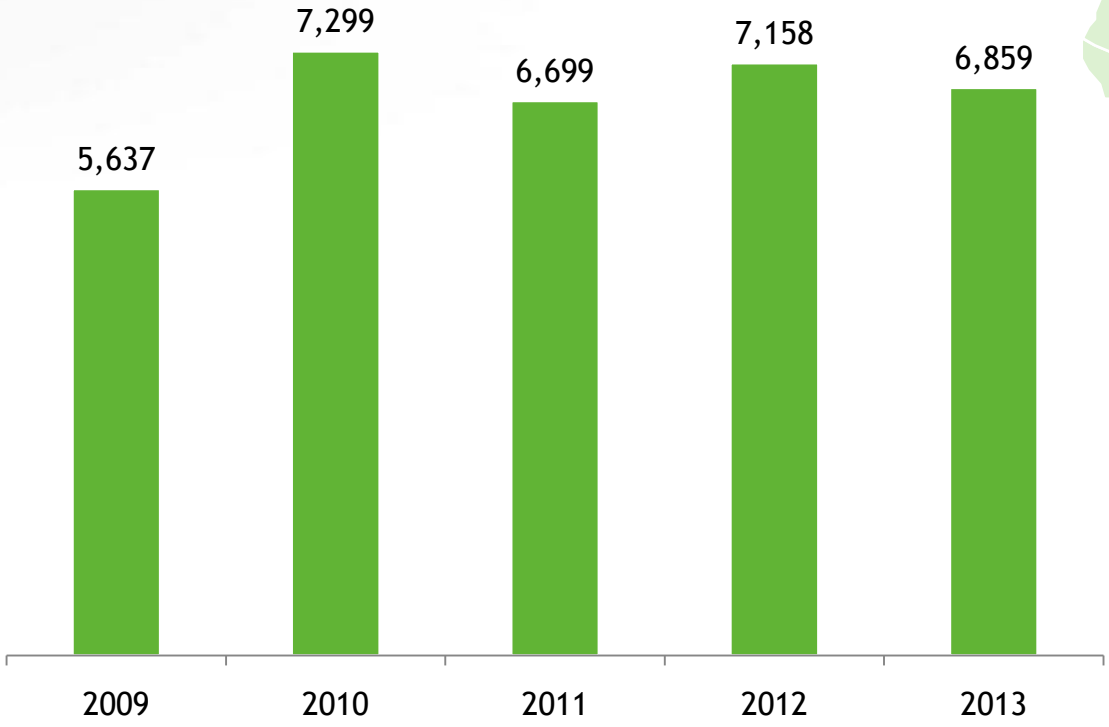
Pressure Vessels

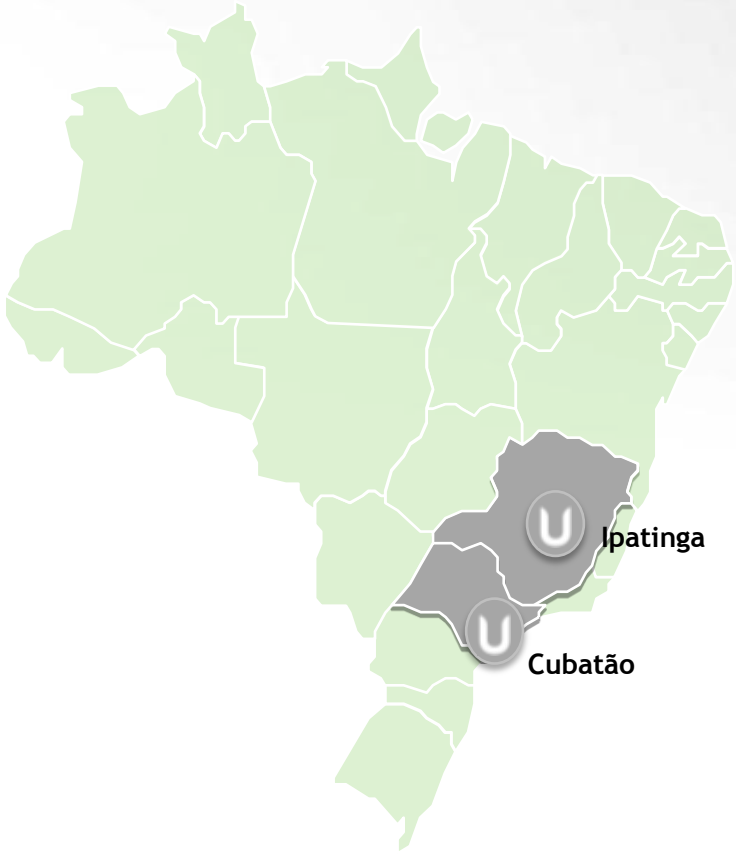


Heavy Plates

Steel Business Unit

Crude steel production - Thousand tons

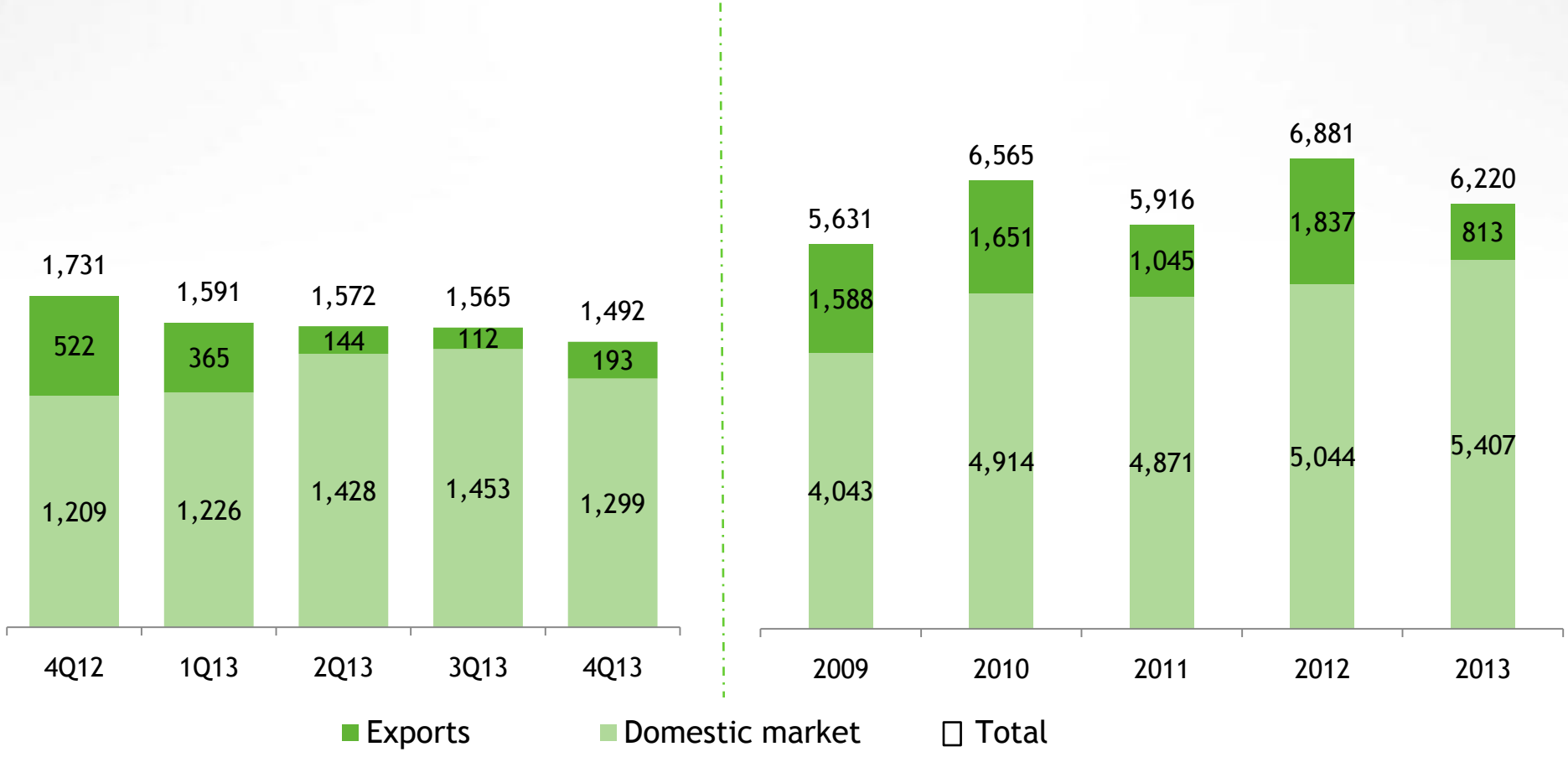




Steel Business - Sales Volume

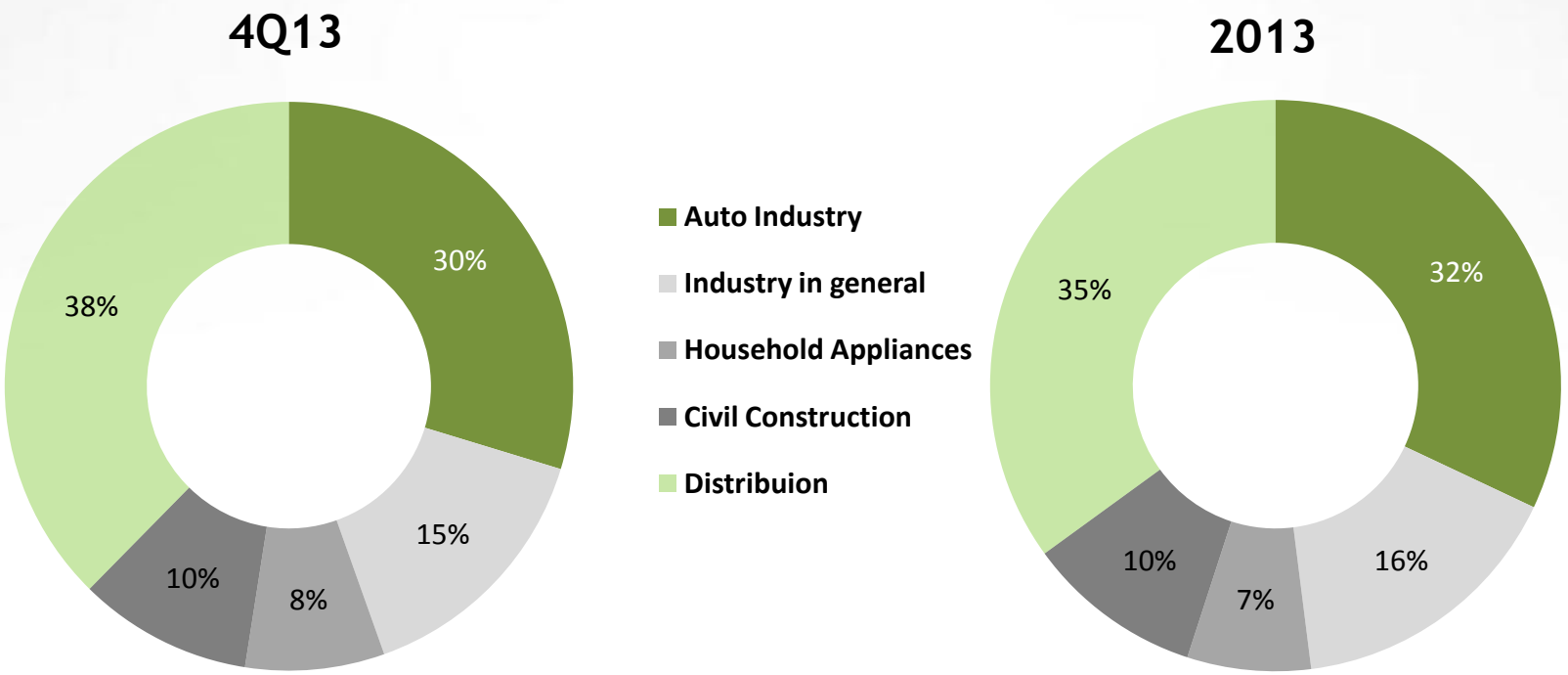
Thousand tons

Highest volume of steel sales in the domestic market in the last 5 years



Steel Business Unit

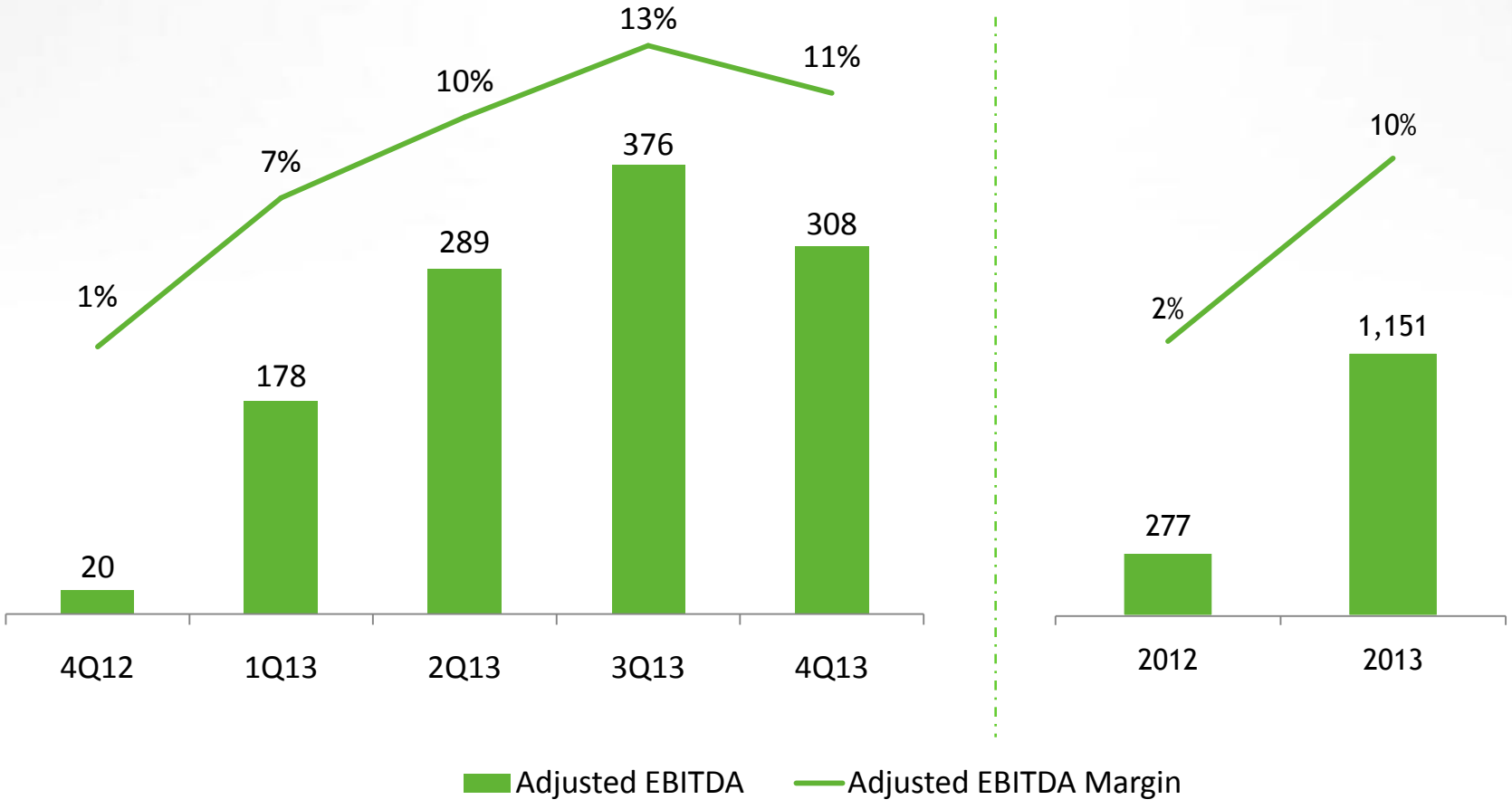
Domestic Market: Sales per segment



Steel Business - Adjusted EBITDA /Adjusted EBITDA Margin

R$ Million

In 2013 the EBITDA Margin on the Steel Business increased 800 bps



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



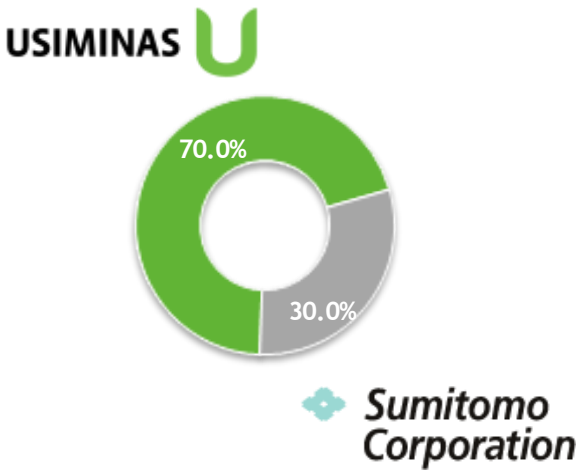


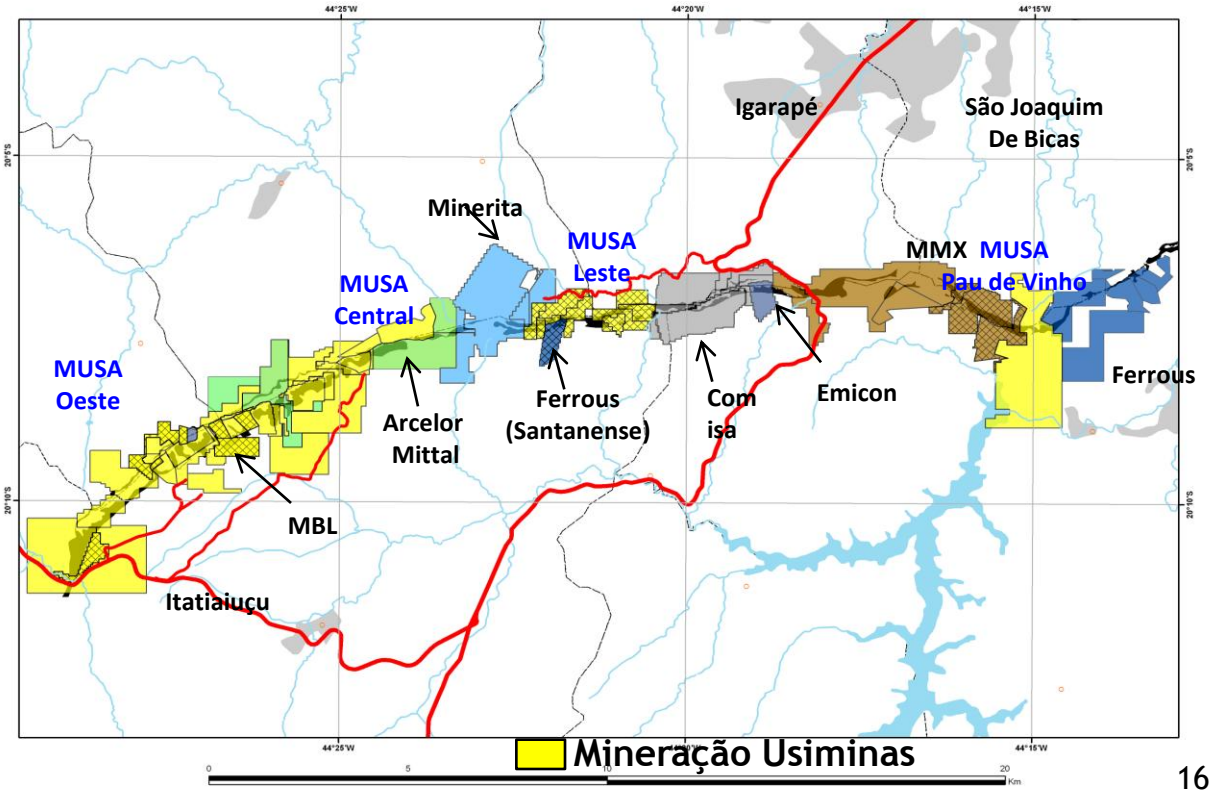
Production capacity of 550 thousand tons per year

Mining Business

Description

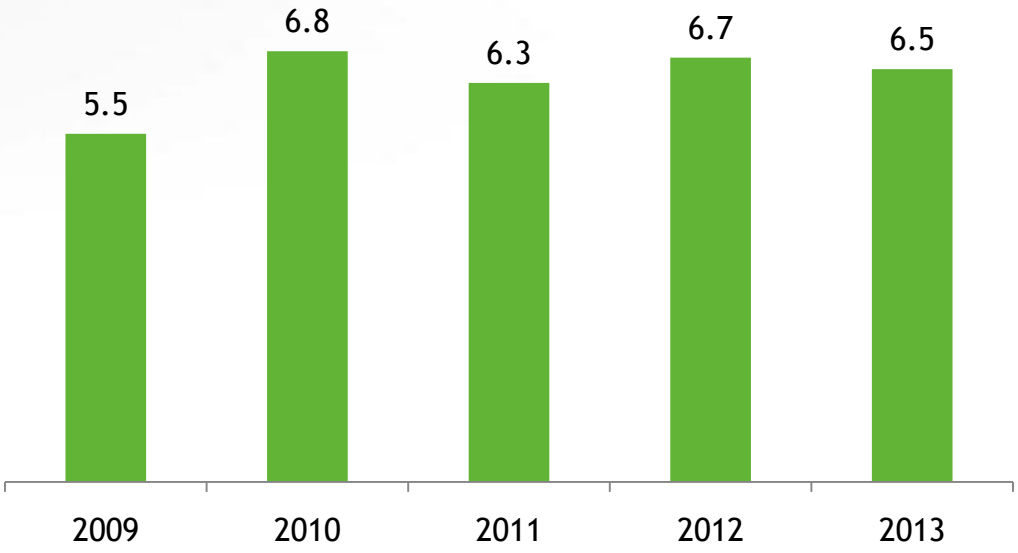
- Located in Serra Azul/MG
- 4 mining sites, acquired from J. Mendes Group in February 2008
- Reserves of 2.6 billion tons of iron ore
- MRS: 20% of voting shares, being part of the Control Group
- Retroarea in Itaguaí Port





Mining Business

Production - Million tons

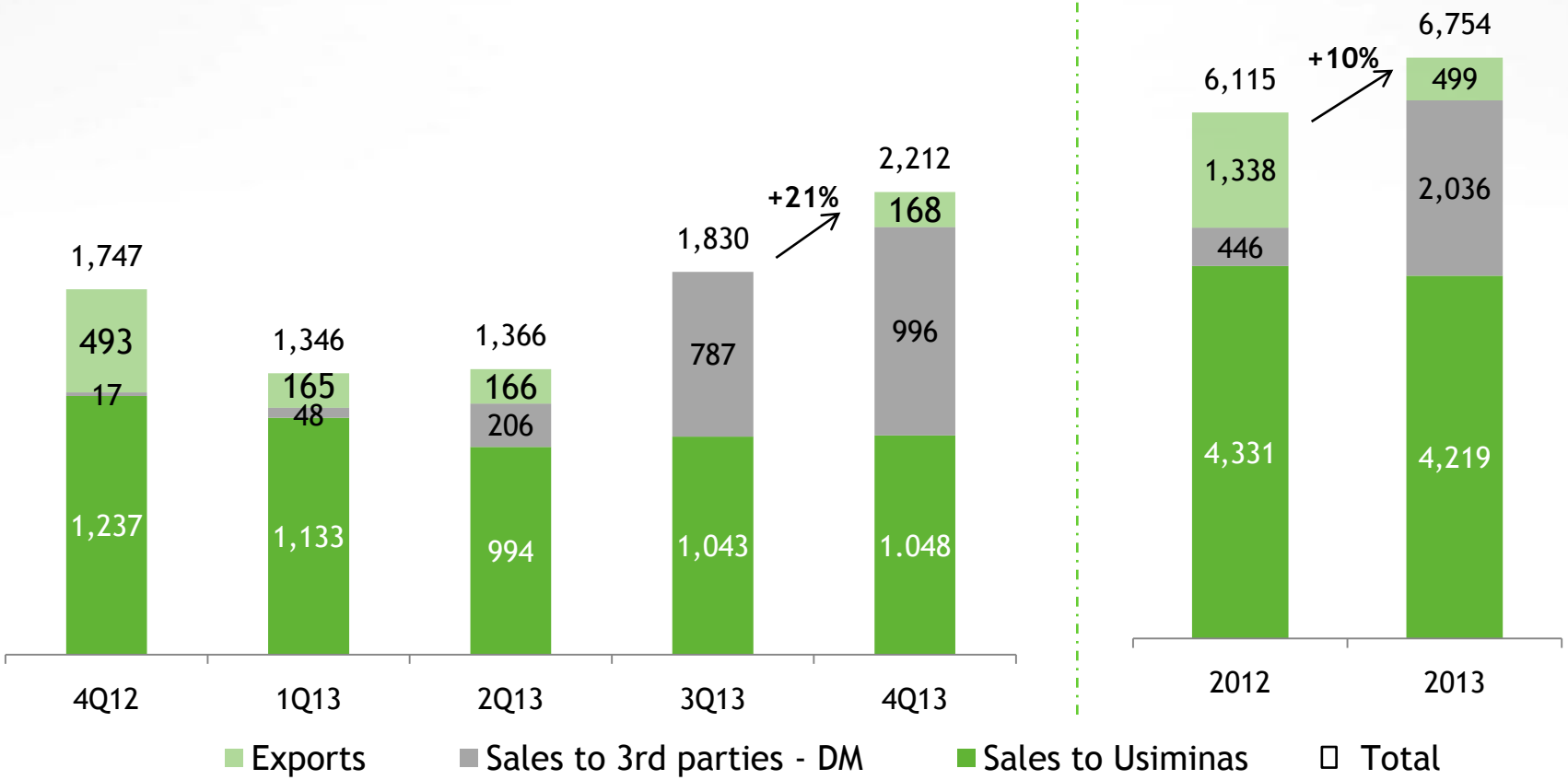




Mining Business - Sales volume

Thousand tons

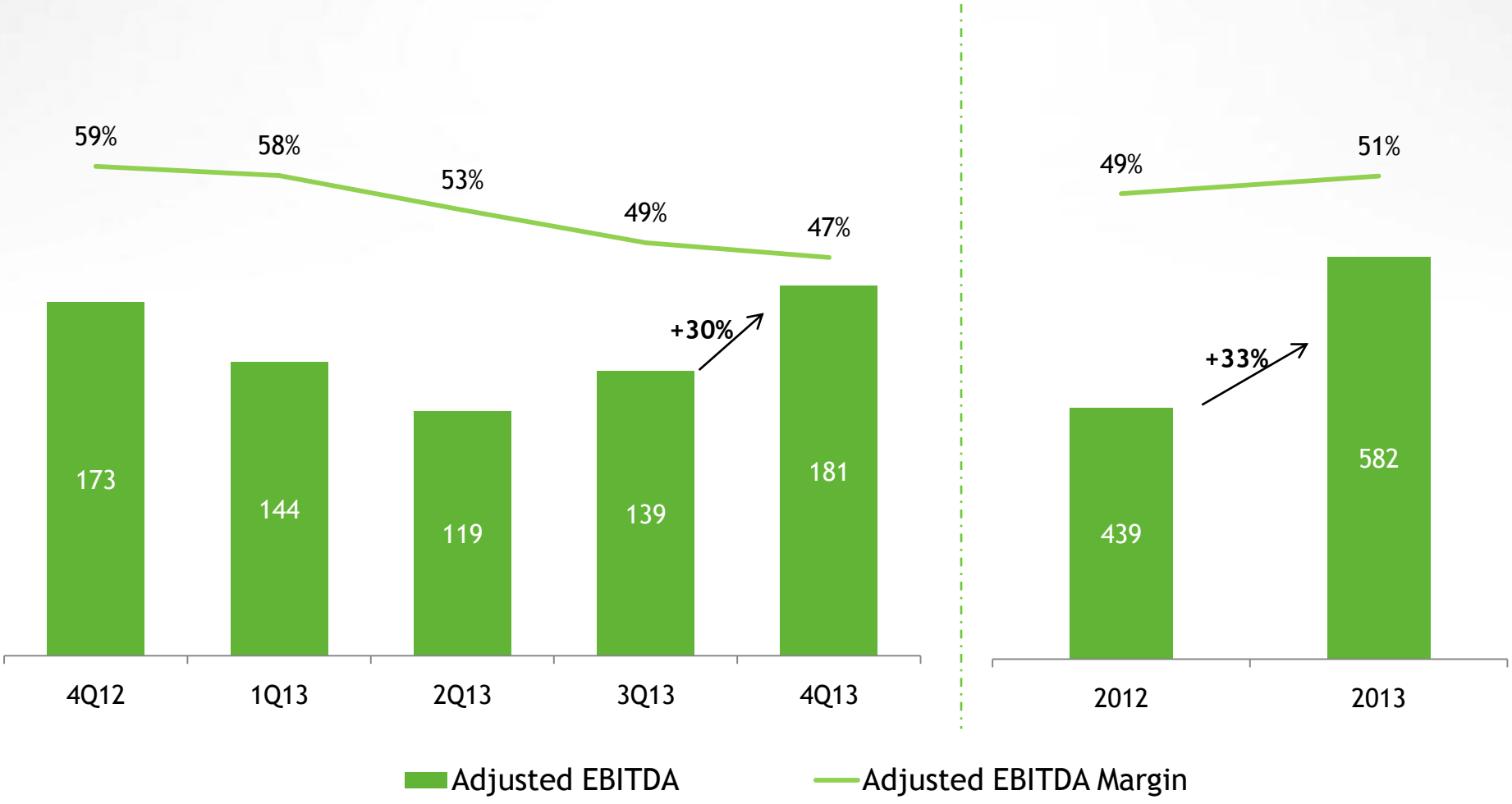
The Friable Project takes MUSA to an other level of production and quality



Mining Business - Adjusted EBITDA and Margin

R$ Million

In 2013 MUSA present a strong growth of EBITDA and maintained its Margin stable

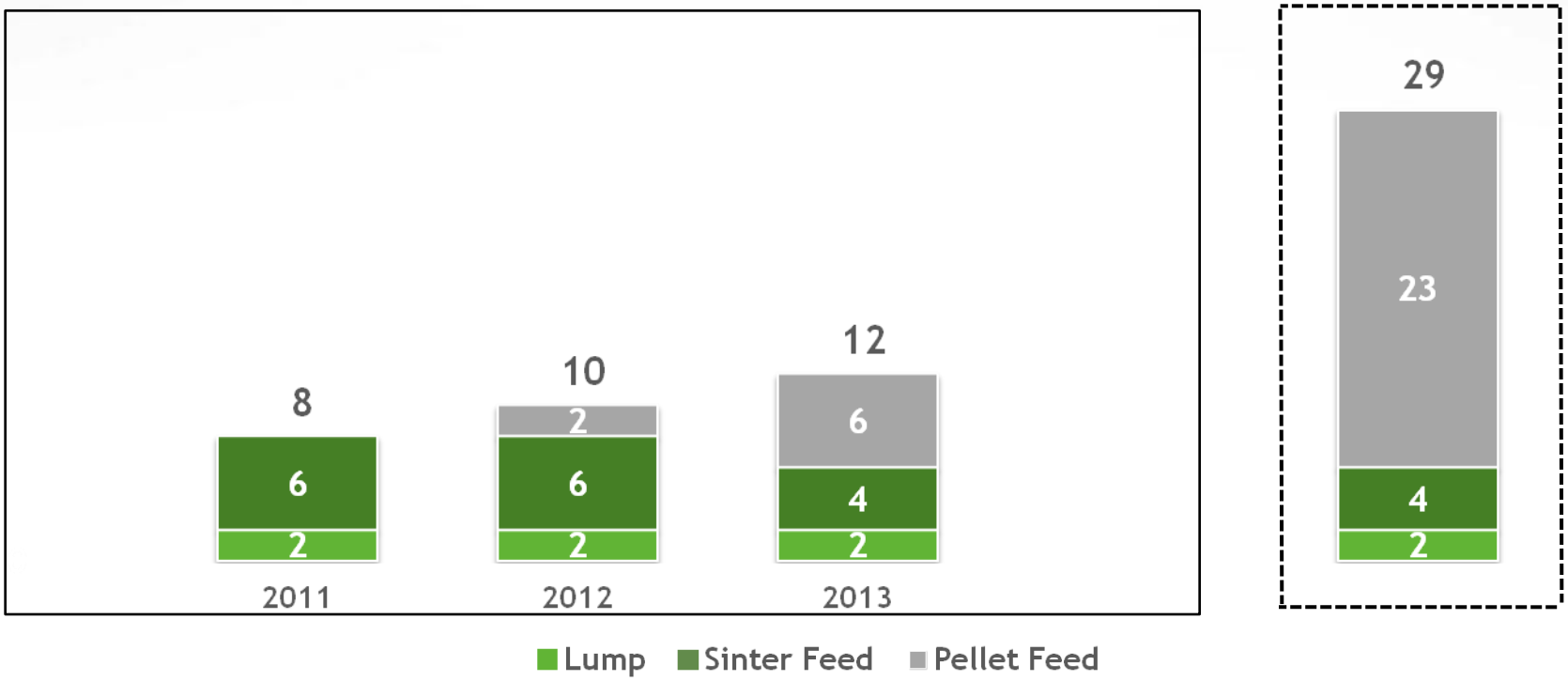


Mining Business

Investment Plan

Iron Ore Production Capacity - *million tons by the end of the year*

Friable Project: ongoing Estimated Capex of R$800 million	Compact Project: under detailing phase



Mining Business

Retro Area in Itaguai Port



Steel Processing

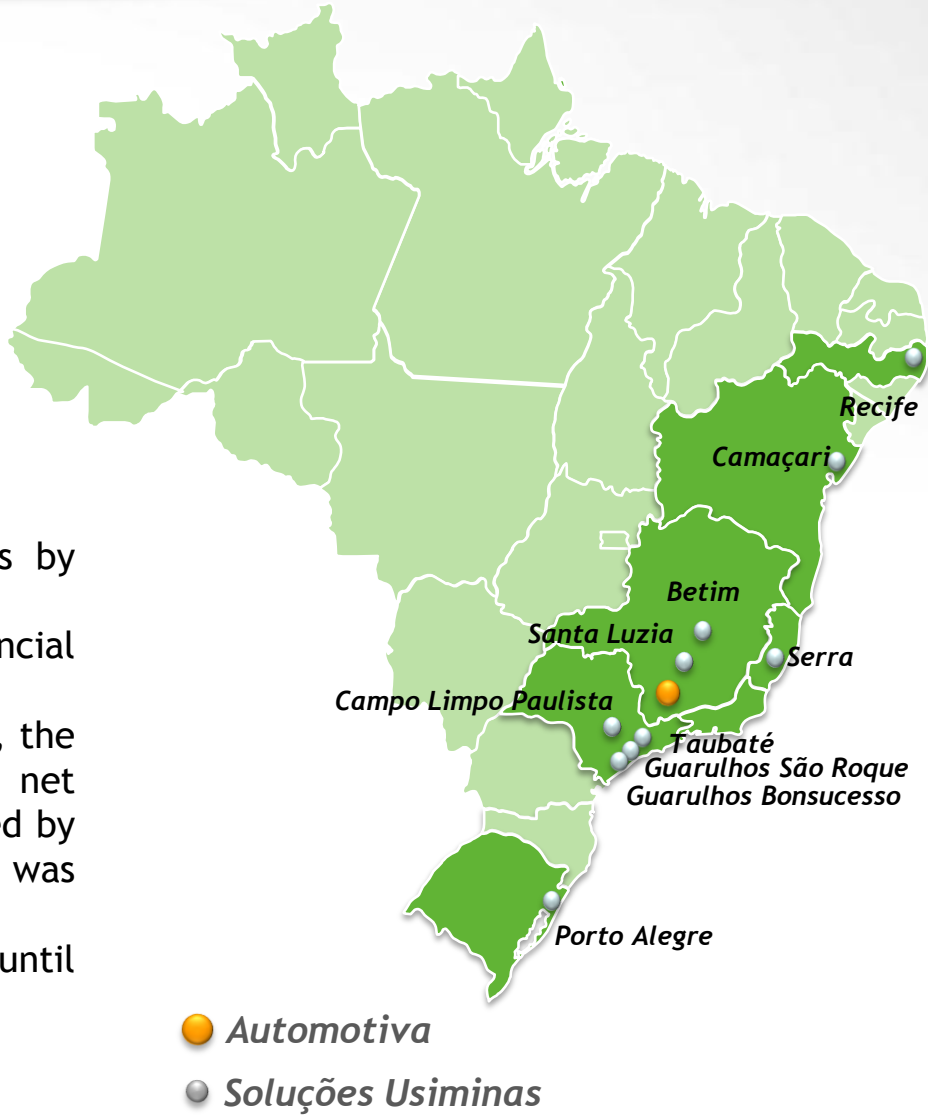
Soluções Usiminas and Automotiva Usiminas

Soluções Usiminas

- 10 industrial units in MG, SP, RS, ES, BA and PE
- Processing capacity of 2 million tons/year
- Net Revenue of R$2,464 million in 2013

Automotiva Usiminas

The acquisition of the shares of Automotiva Usiminas by Aethra Sistemas Automotivos S.A. was concluded.
The sales prices (company value), based on the financial statements on 03/31/2013, was R$210.0 million.
After fulfilling the conditions precedent in the Contract, the sales transaction of Automotiva was concluded in the net value of R$155.5 million. The Usiminas debt was reduced by R$54.7 million and the positive effect of its result was R$15.3 million.
Results of Automotiva were accounted for by Usiminas until November 2013.
Net revenue was R$312.3 million in 2013.



Capital Goods

Usiminas Mecânica

- Located in Ipatinga/MG, it is one of the largest capital goods companies in Brazil
- Market Segments: Steel Structures, Shipbuilding and Offshore, Oil and Gas, Industrial Equipment, Industrial Assembly, Foundry and Railcars
- Net Revenue of R$972 million in 2013

Oil Platform



Brasília 3rd Bridge



Agenda



Company Profile and Market Data



Usiminas and its Business Units

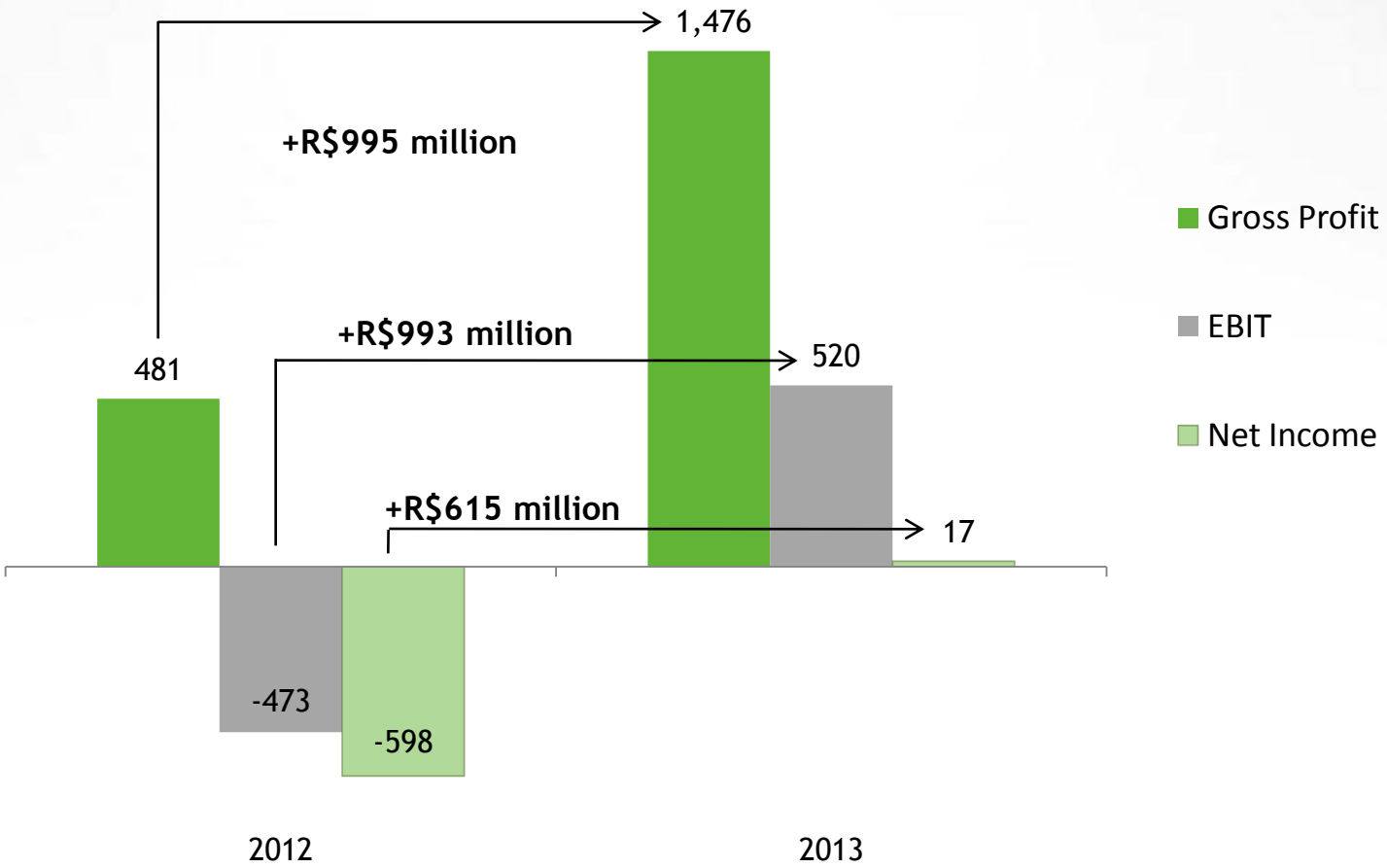


Financial Results

Consolidated - Gross Profit, EBIT and Net Profit

R$ million

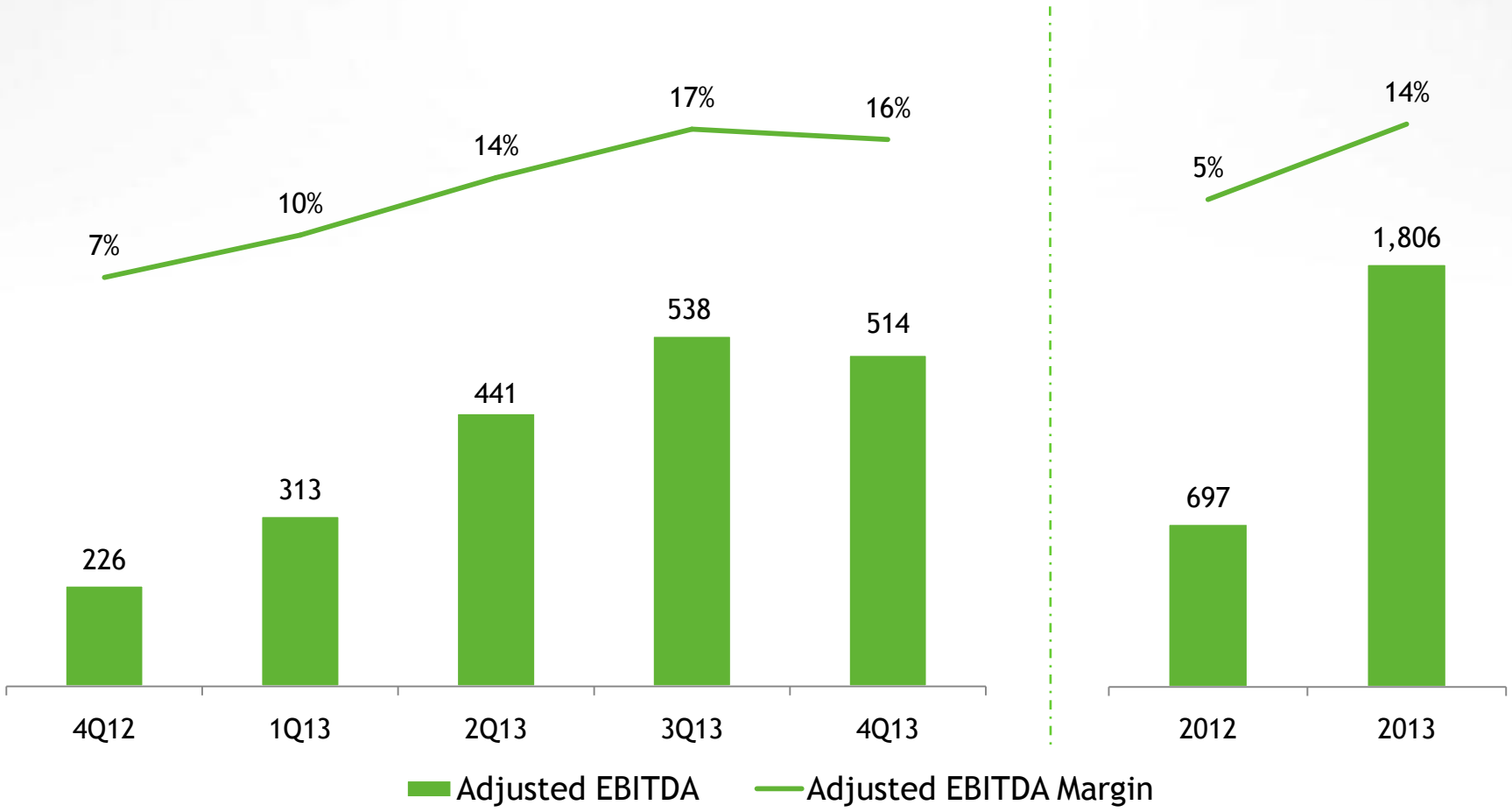
In 2013 the company's loss was reverted into net income



Consolidated - Adjusted EBITDA/ Adjusted EBITDA Margin

R$ Million

In 2013 the EBITDA Margin increased 900 Bps.



Consolidated - Working Capital

Focus on Working Capital control - R$ billion

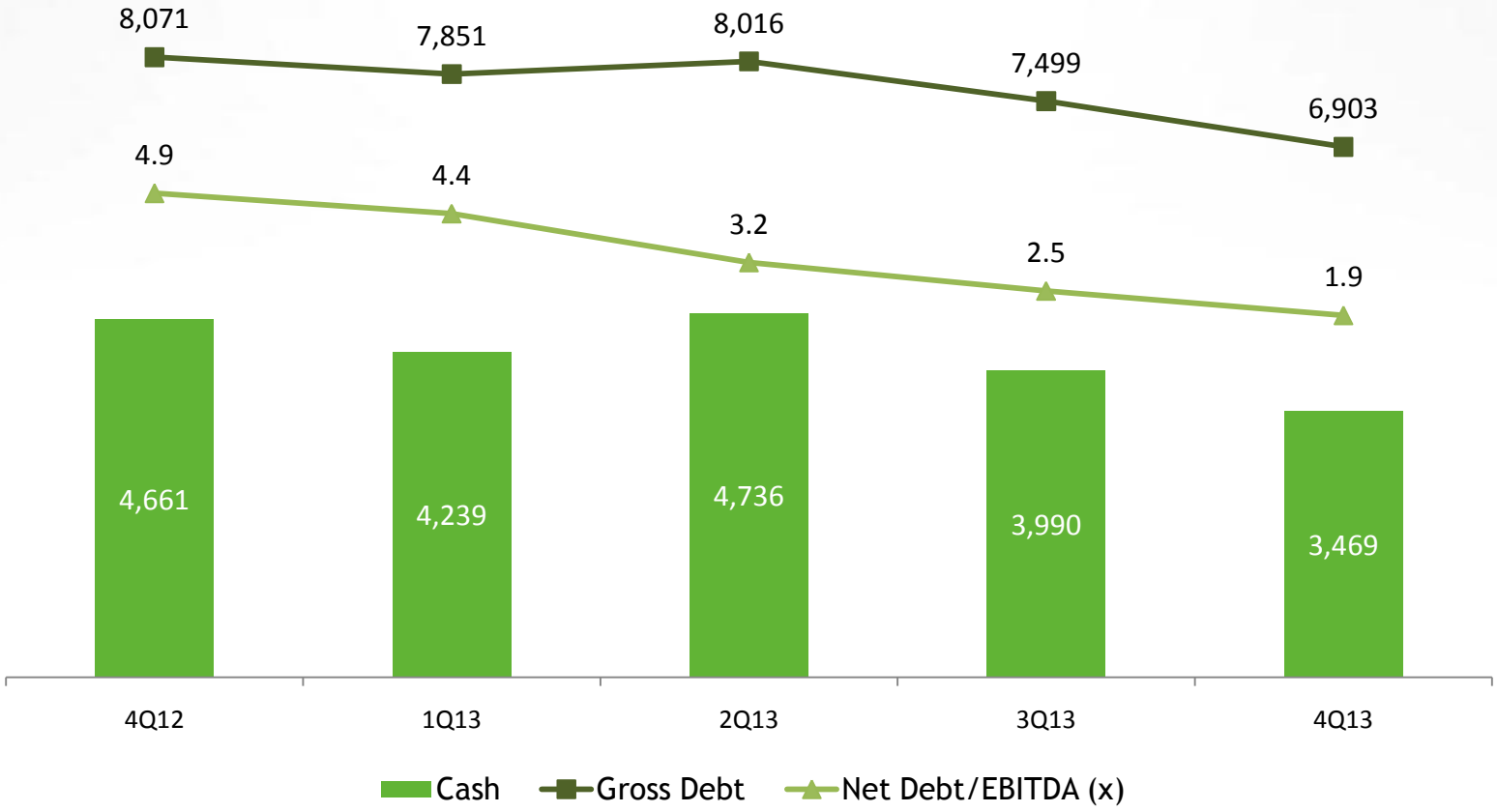
Maintaining a balance level of working capital



Consolidated – Cash, Gross Debt and Net Debt / EBITDA

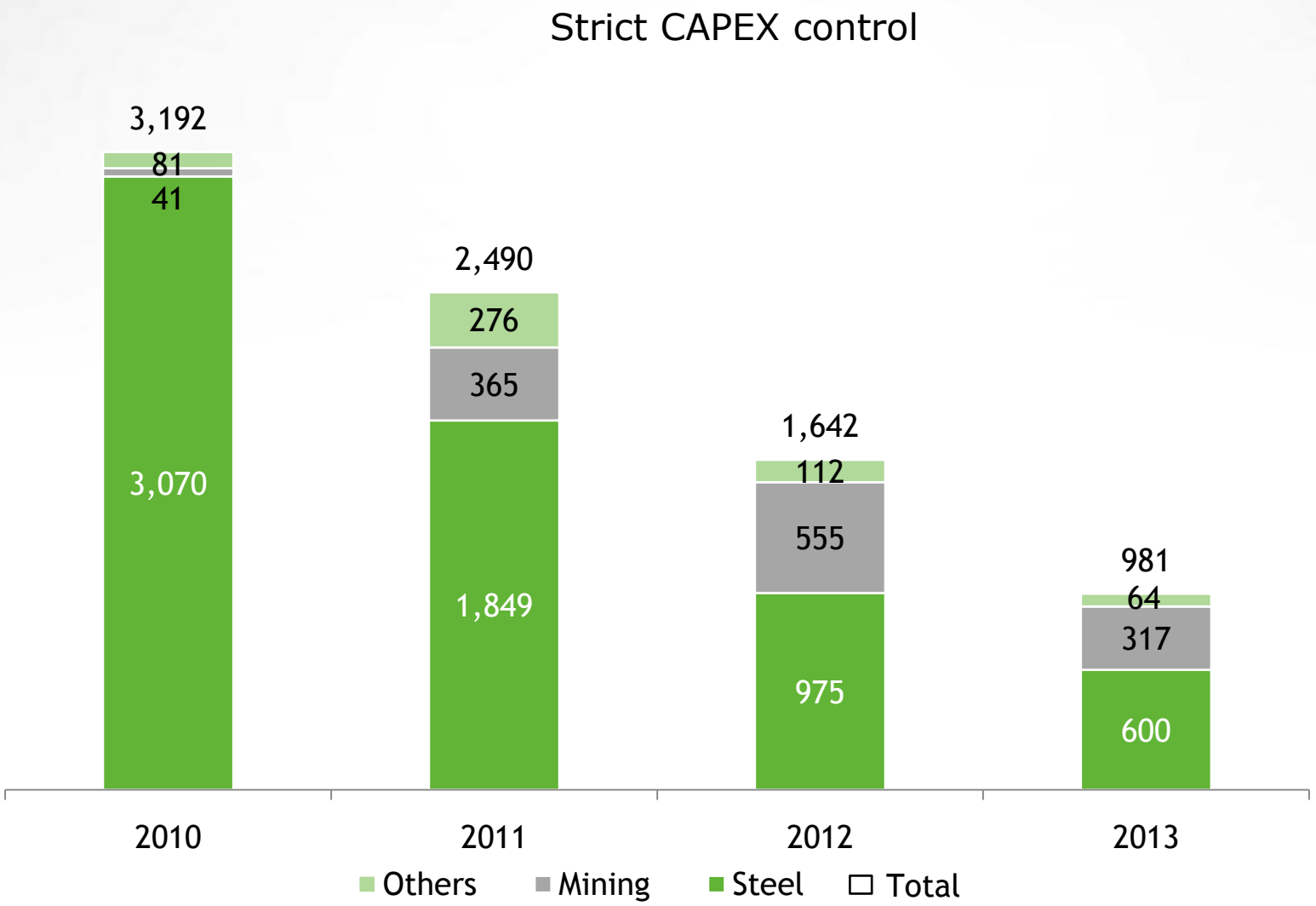
R$ million

Remarkable decrease on gross debt and net leverage



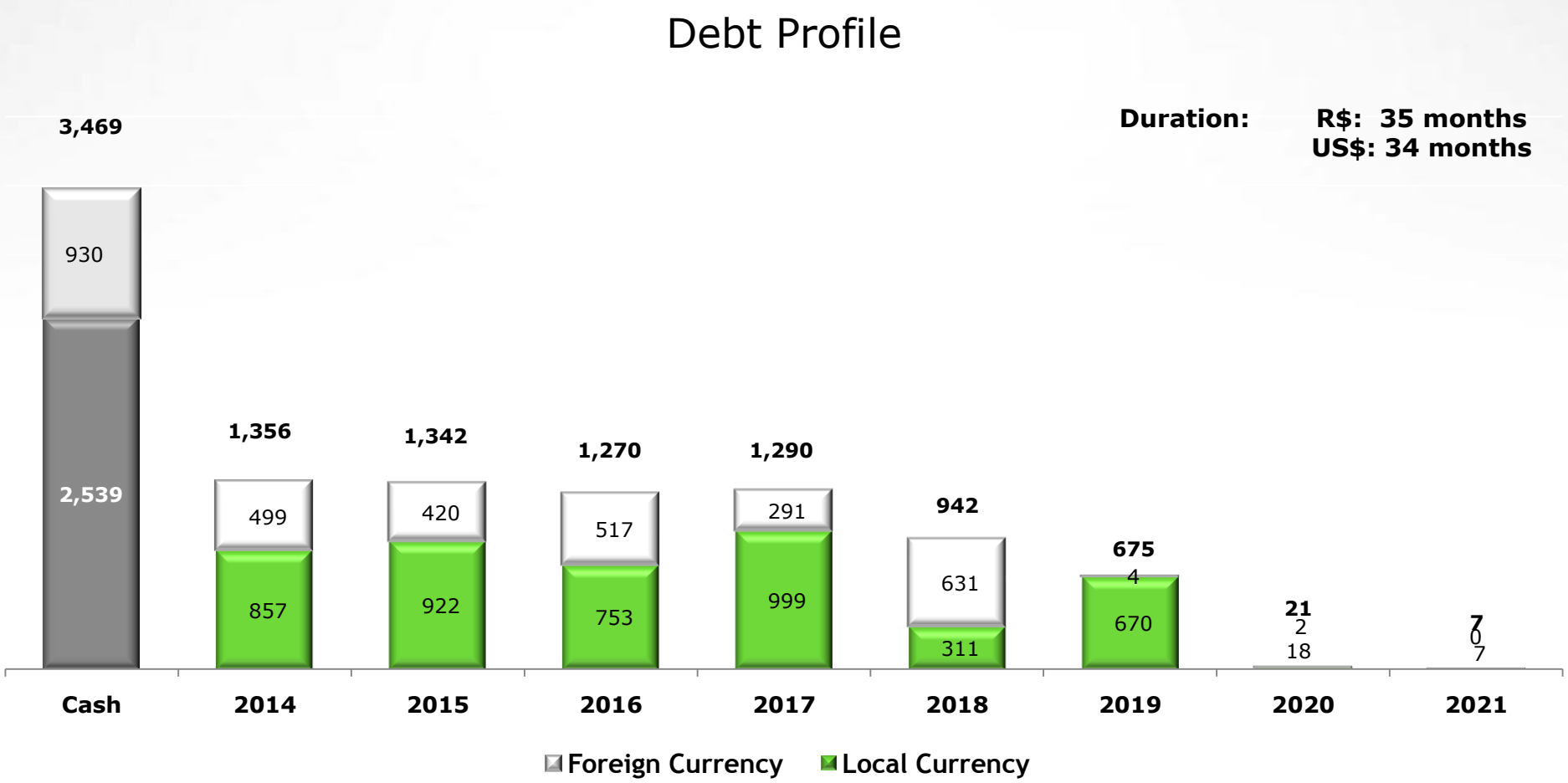
Consolidated - Capex Evolution

R$ million



Consolidated - Debt Profile and Cash Position

R$ million



Results achieved in 2013

- ✓ Historical Record of sales in the Minning Segment
- ✓ Highest steel sales volume in the domestic market in 5 years
- ✓ Highest EBITDA and EBITDA Margin in the Steel Sector in 3 years
- ✓ Highest EBITDA and EBITDA Margin on a Consolidated basis in 3 years
- ✓ Strong financial position with substancial reduction in the leverage ratio

Final Message

Continuous Process of development

2012 – 2013

- Costs
- CAPEX
- Working Capital

2013 – 2015

- Productivity Increase of Industrial Engineering and Benchmarking
- Operational Efficiency
- Domestic Sales Increase
- Leverage Reduction
- Company's Profitability Recovery

Quarterly Results Accounted

Per Business Unit - R$ Millions

Income Statement per Business Units - Non Audited

R$ million	Mining		Steel*		Steel Processing**		Capital Goods		Adjustment		Consolidated	
	4Q13	3Q13	4Q13	3Q13	4Q13	3Q13	4Q13	3Q13	4Q13	3Q13	4Q13	3Q13
Net Revenue	382	283	2,824	2,949	612	667	202	246	(828)	(946)	3,193	3,198
Domestic Market	345	283	2,521	2,758	609	662	190	246	(828)	(946)	2,835	3,002
Exports	38	0	304	191	3	5	12	0	0	0	357	196
COGS	(200)	(127)	(2,600)	(2,672)	(559)	(604)	(188)	(235)	790	896	(2,756)	(2,742)
Gross Profit	182	156	225	276	53	63	15	10	(38)	(50)	437	455
Operating Income (Expenses)	(42)	(29)	(158)	(135)	(52)	(49)	(19)	(16)	2	1	(269)	(229)
EBIT	141	126	67	141	1	14	(5)	(6)	(36)	(49)	168	226
Adjusted EBITDA	**181**	**139**	**308**	**376**	**13**	**28**	**2**	**0**	**10**	**(6)**	**514**	**538**
Adj.EBITDA Margin	**47%**	**49%**	**11%**	**13%**	**2%**	**4%**	**1%**	**0%**	**-1%**	**1%**	**16%**	**17%**

*Consolidates 70% of Unigal **Accounts the Aultomotiva Usiminas results until November 2013

Note: *All intercompany transactions are made on arm´s length.*

2013 Results

Per Business Unit - R$ Millions

Income Statement per Business Units - Non Audited

R$ million	Mining		Steel*		Steel Processing**		Capital Goods		Adjustment		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Net Revenue	1,136	899	11,336	11,453	2,464	2,077	972	1,017	(3,079)	(2,735)	12,829	12,711
Domestic Market	1,024	669	10,185	9,054	2,443	2,046	960	1,015	(3,079)	(2,671)	11,533	10,113
Export Market	112	229	1,151	2,399	21	31	12	2	0	(64)	1,296	2,598
COGS	(503)	(342)	(10,570)	(11,489)	(2,229)	(1,887)	(922)	(997)	2,869	2,486	(11,354)	(12,230)
Gross Profit	633	557	767	(36)	235	190	51	20	(210)	(249)	1,476	481
Operating Income (Expenses)	(124)	(151)	(567)	(571)	(198)	(183)	(72)	(56)	5	7	(956)	(954)
EBIT	509	405	200	(608)	37	7	(21)	(36)	(205)	242	520	(473)
Adjusted EBITDA	**582**	**439**	**1,151**	**277**	**90**	**60**	**6**	**(11)**	**(23)**	**(69)**	**1,806**	**697**
Adj.EBITDA Margin	**51%**	**49%**	**10%**	**2%**	**4%**	**3%**	**1%**	**-1%**	**-**	**3%**	**14%**	**5%**

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Note: *All intercompany transactions are made on arm´s length.*

NÍVEL 1
BM&FBOVESPA

ADR
Level I

LATIBEX

THE GLOBAL COMPACT
WE SUPPORT

Cristina Morgan C. Drumond
Head of IR
cristina.drumond@usiminas.com
Phone: 55-31-3499.8772
Fax: 55-31-3499.9357

Leonardo Karam Rosa
IR Manager
leonardo.rosa@usiminas.com
Phone: 55-31-3499.8550

Diogo Dias Gonçalves
IR Manager
diogo.goncalves@usiminas.com
Phone: 55-31-3499.8710

Renata Costa Couto
IR Analist
r.couto@usiminas.com
Phone: 55-31-3499.8619

www.usiminas.com/ri

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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