

Presentation
3Q16

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 ISO 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



1993 — Cosipa privatization



2005 — Listing on LATIBEX stock exchange section



2008
- Creation of Soluções Usiminas
- One CNPJ: Usiminas incorporates Cosipa



2011
- Selling of Ternium stake
- Joint Mining Agreements with MBL e Ferrous



2013 — Automotiva Usiminas Divestment



2015 — Temporary shutdown of the primary areas in Cubatão

1962 1991 1993 1994 2005 2008 2009 2010 2011 2012 2013 2014 2015 2016

1991
- Usiminas privatization
- Listing on BOVESPA



1994 — Listing on ADR I on the OTC Market (New York)



2008
- Acquisition of iron ore mines
- Acquisition of Zamprogna



2010
- Creation of Mineração Usiminas
- Acquisition of Codeme and Metform stake



2012 — Entrance of Ternium / Tenaris into Usiminas Control Group (New shareholders agreement)



2014 — Friables Project conclusion on Mining (increasing the capacity to 12 million tons/year)



2016
- R$ 1 billion capital increase
- Debt Renegotiation



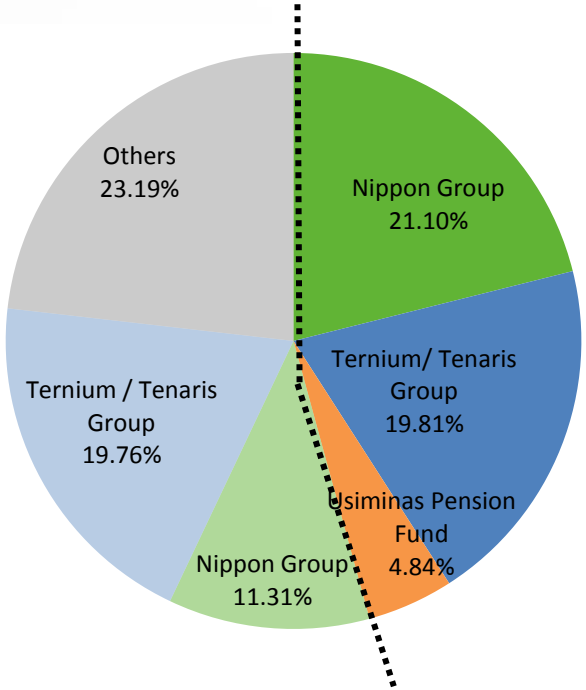
Shareholding Composition

Total Capital

1,253,079,108

Voting Capital

ON	56.28%	705,260,684
PN	43.72%	547,818,424



Free Float: 54.25%

Control Group: 45.75%

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

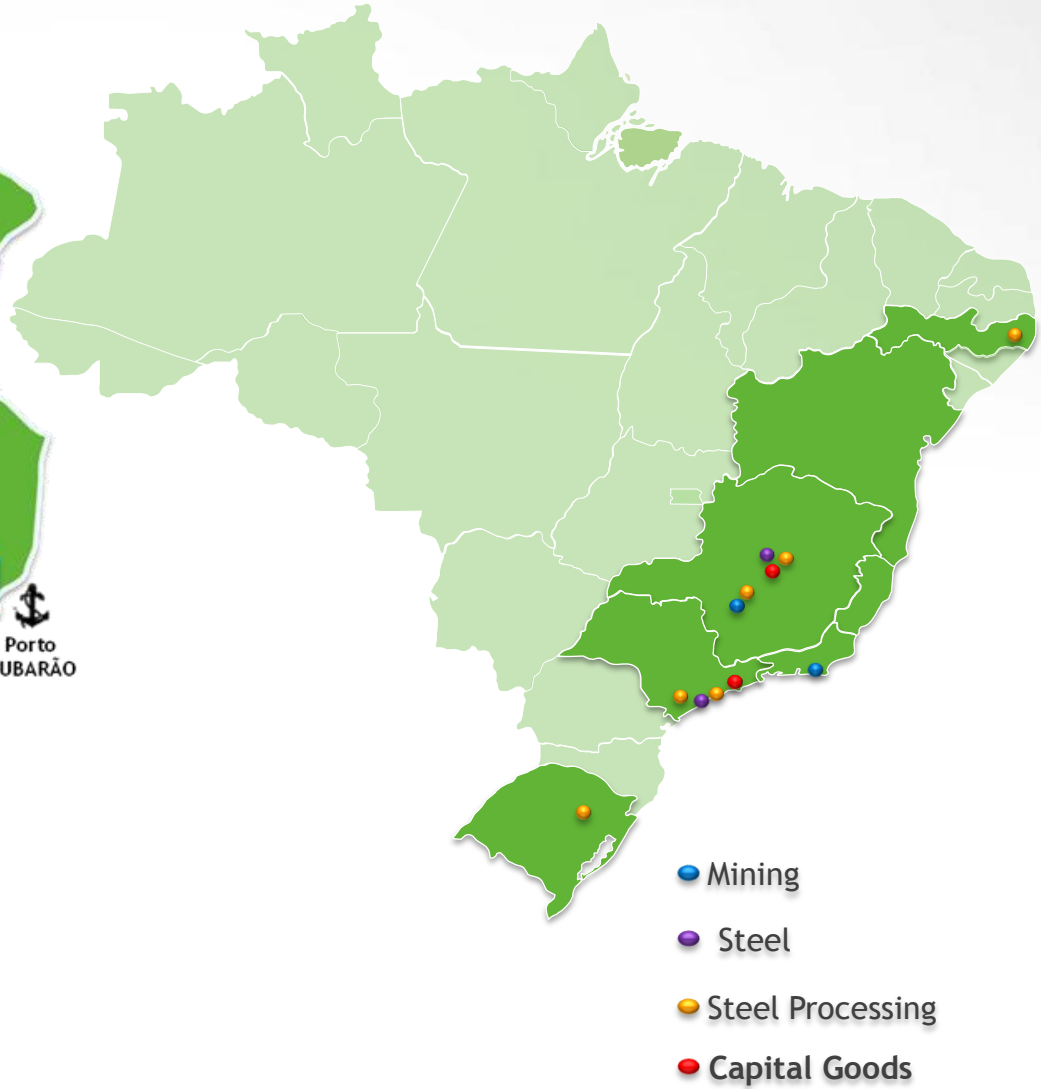
Usiminas Mecânica



UPSTREAM — DOWNSTREAM

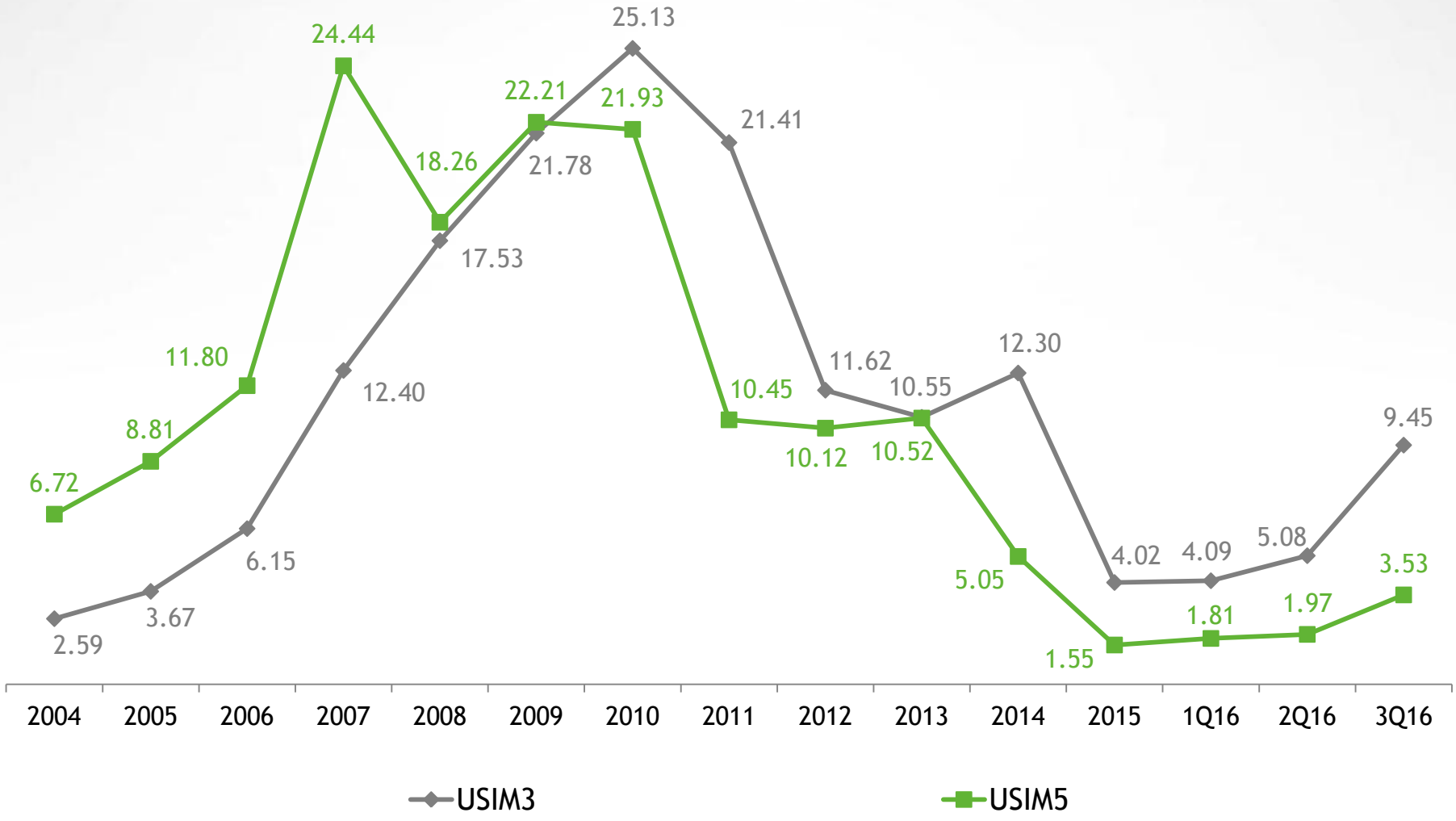
Strategically Located





Shares' Quotation on BM&FBOVESPA

R$/share - Up to 09/30/2016



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

Agenda

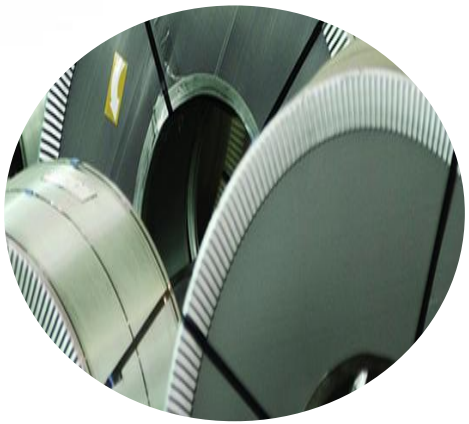
Usiminas Profile

Market Outlook

Usiminas and its business units

Financial Results



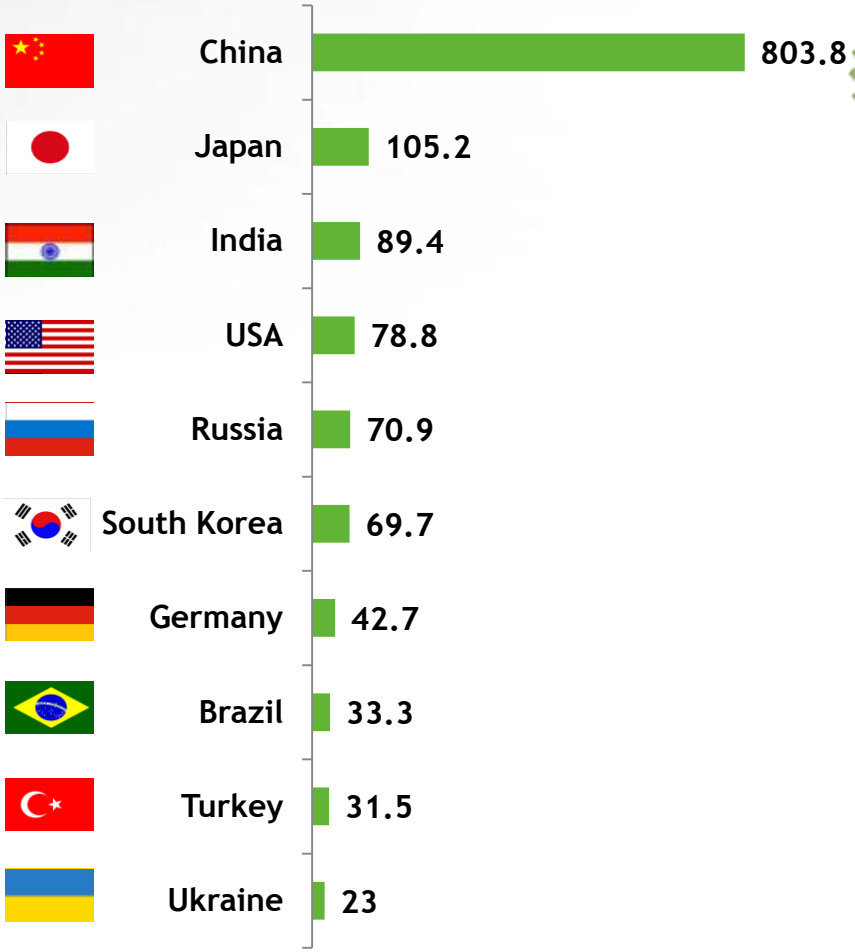


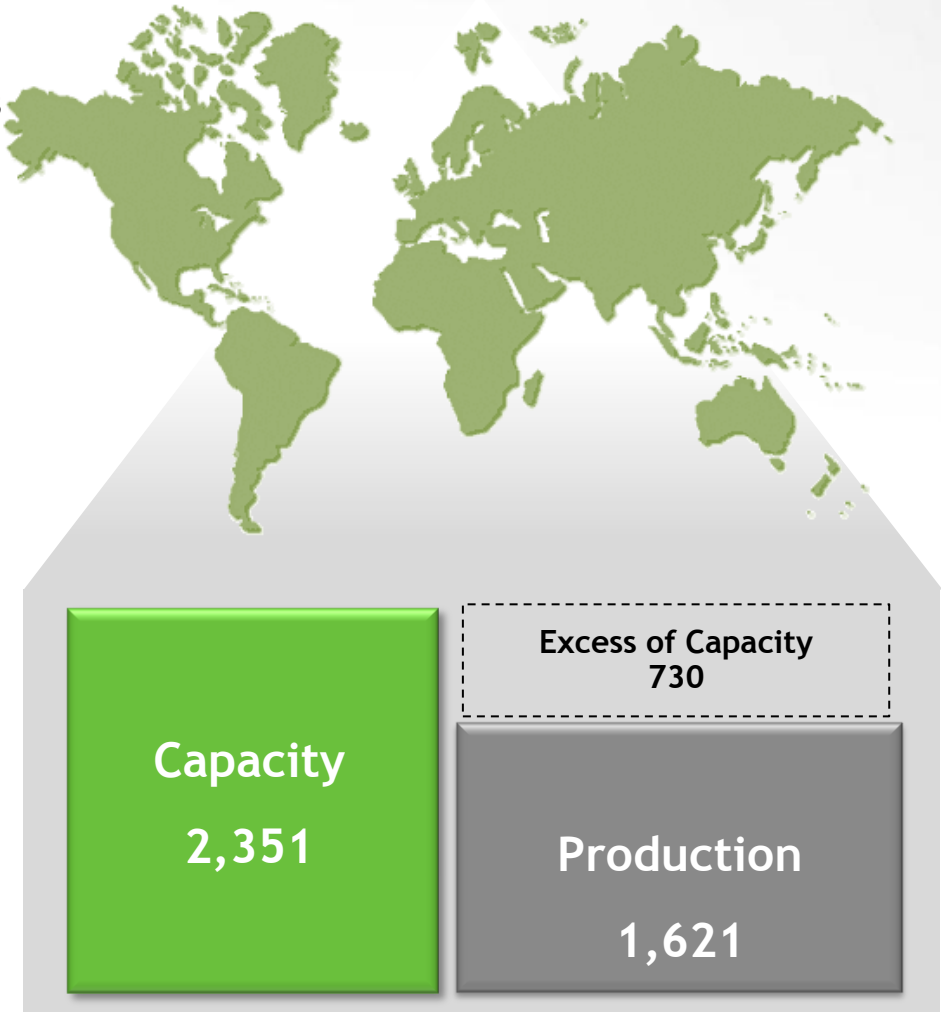




World Crude Steel Market in 2015

Million Tons

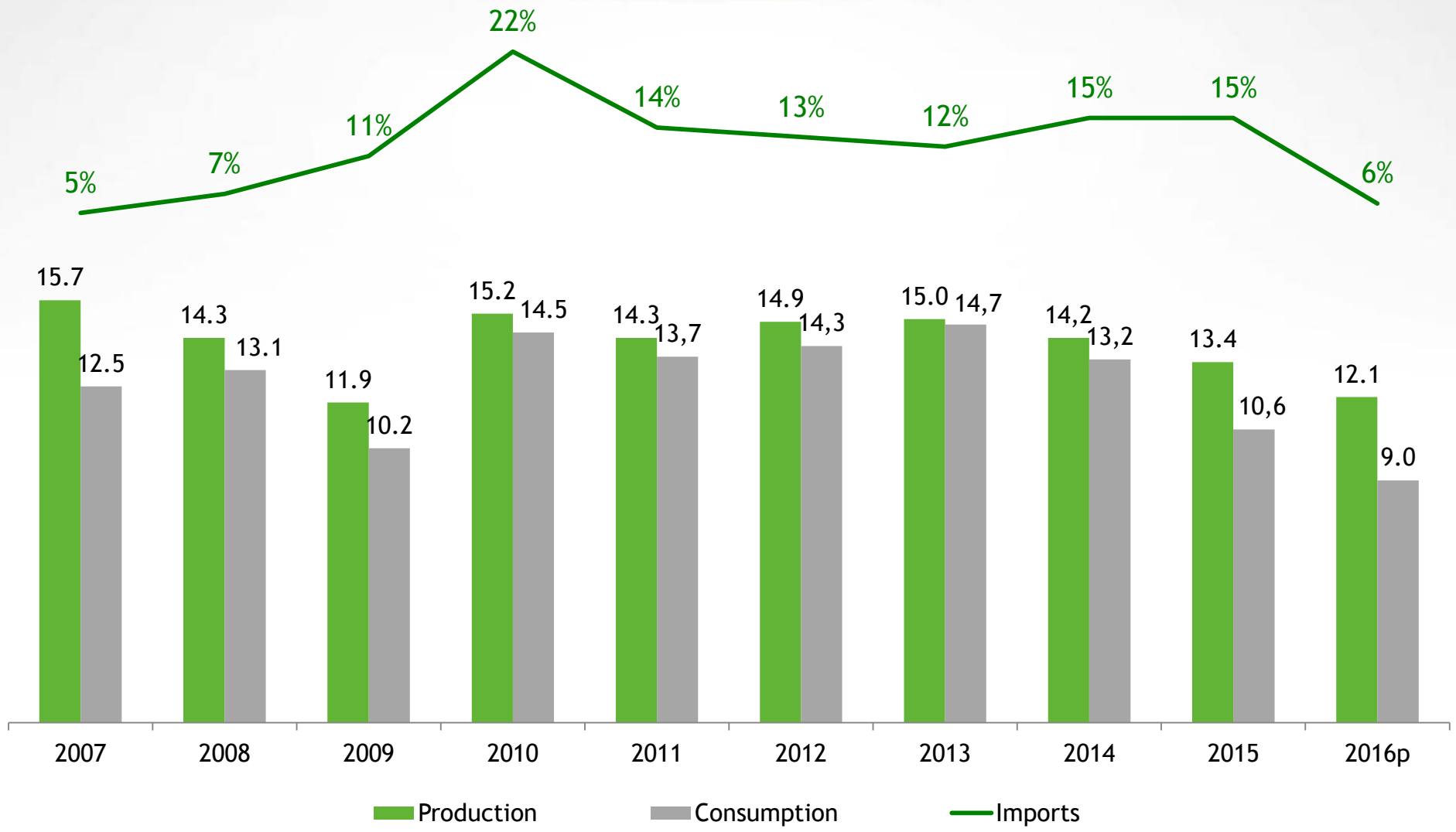




Source: World Steel Association

Brazilian Flat Steel Market

Million Tons



Source: 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

Agenda

Usiminas Profile

Market Outlook

Usiminas and its business units

Financial Results



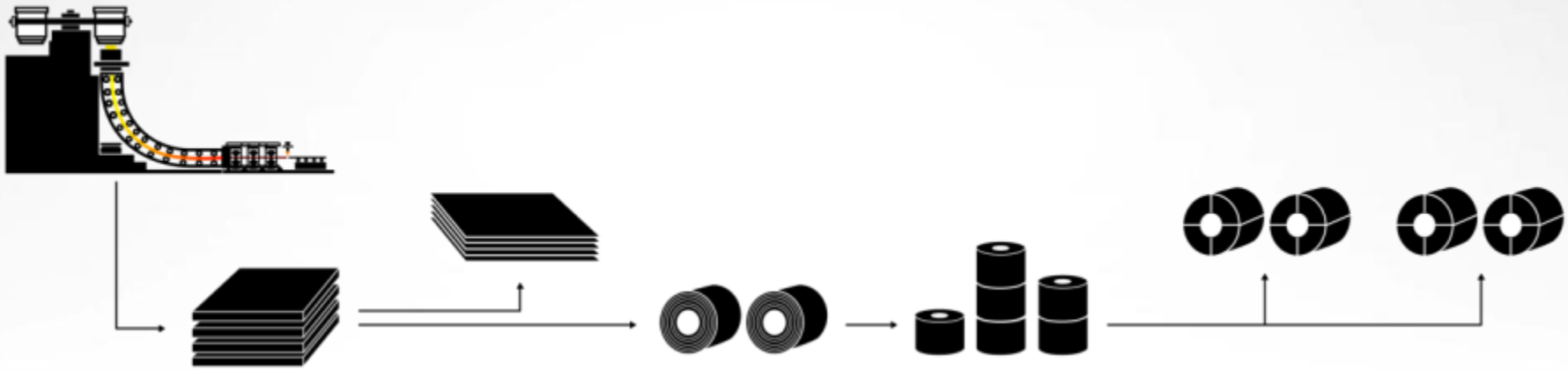






Flat Steel Capacity of Production

Thousand Tons



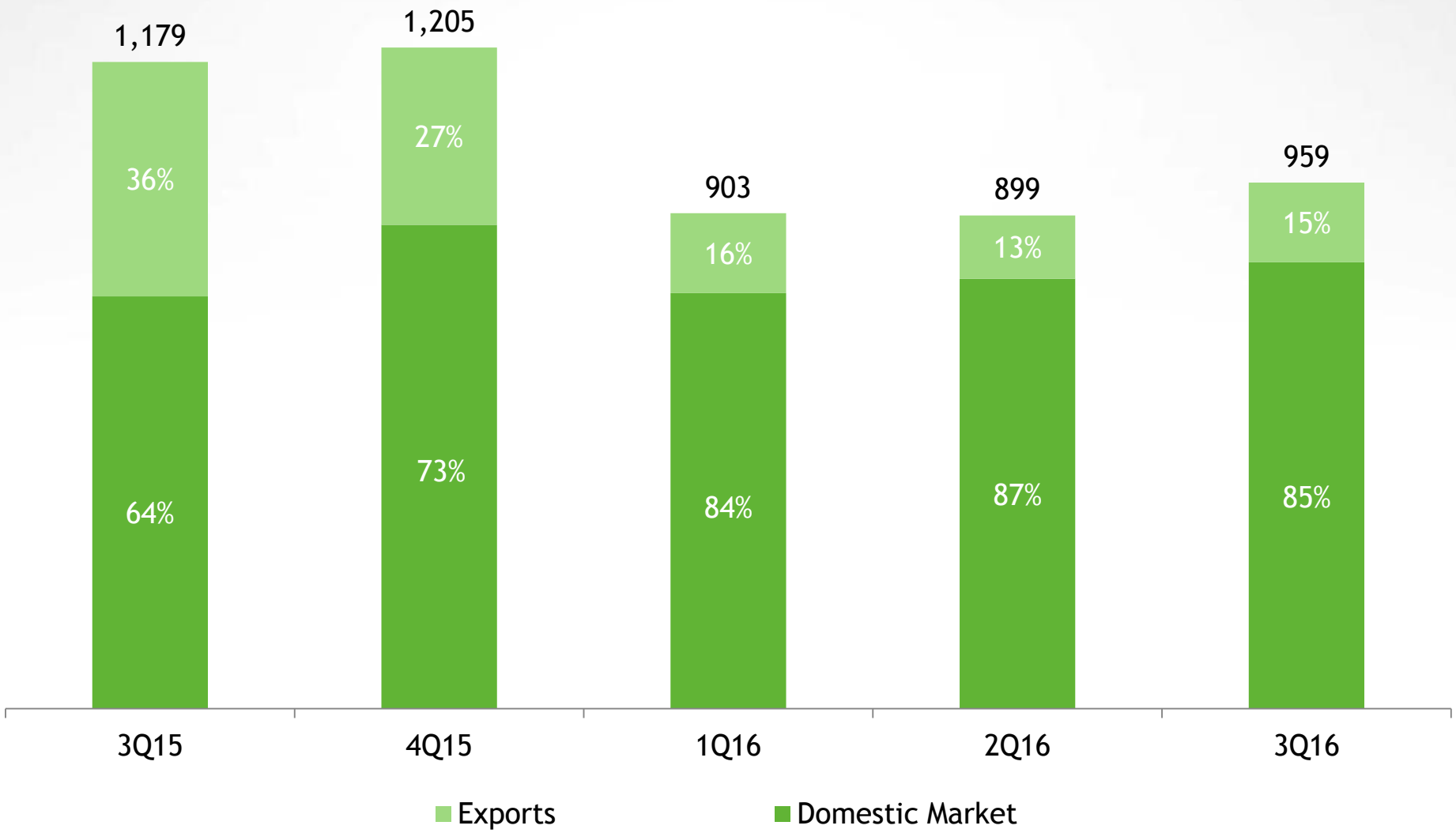
					Galvanized	
Slab Caster	Slabs	Heavy Plates	Hot Coils	Cold Coils	EG	HDG
Ipatinga Plant	5,000	1,000	3,600	2,500	360	1,050
Cubatão Plant	4,500*	1,000**	2,100 ** 2.300	1,200	-	-
Nominal Capacity	9,500*	2,000*	8,000	3,700	360	1,050
Optimized Rolling Capacity	-	1,900	4,200	2,200	350	1,020

* Temporary shutdown of the primary areas of Cubatão

** Temporary shutdown of the rolling mills

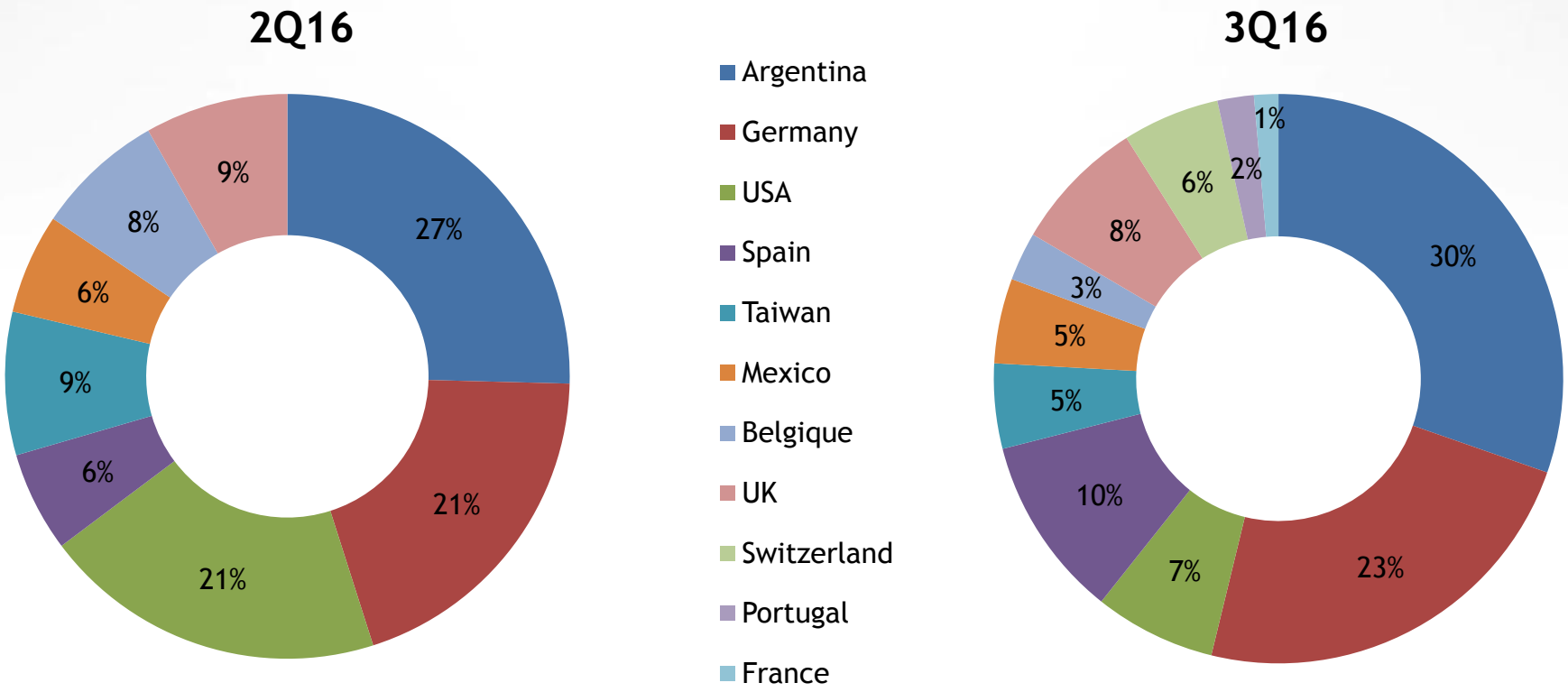
Sales Volume

Steel Business Unit - Thousand Tons



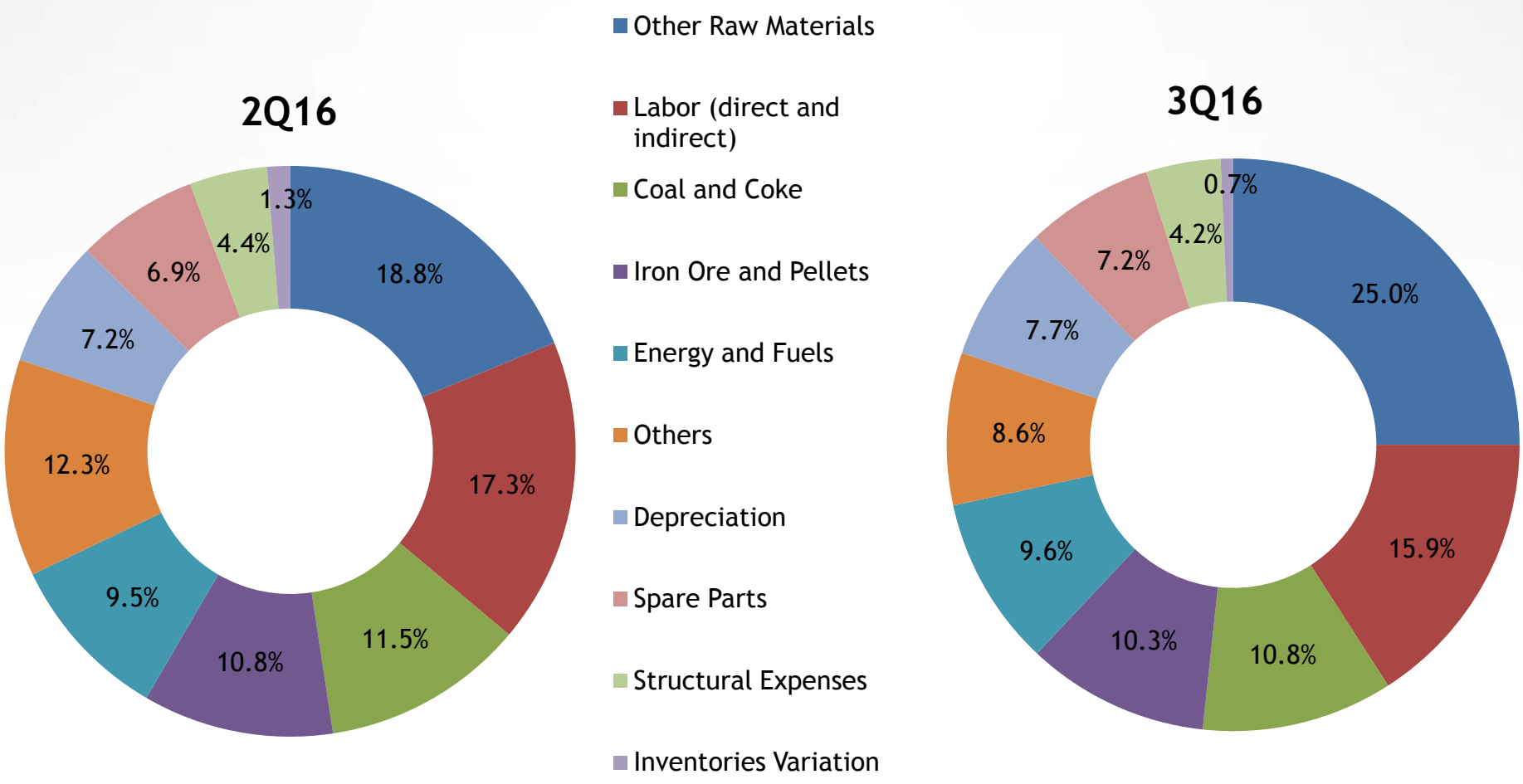
Exports - Main Markets

Steel Business Unit



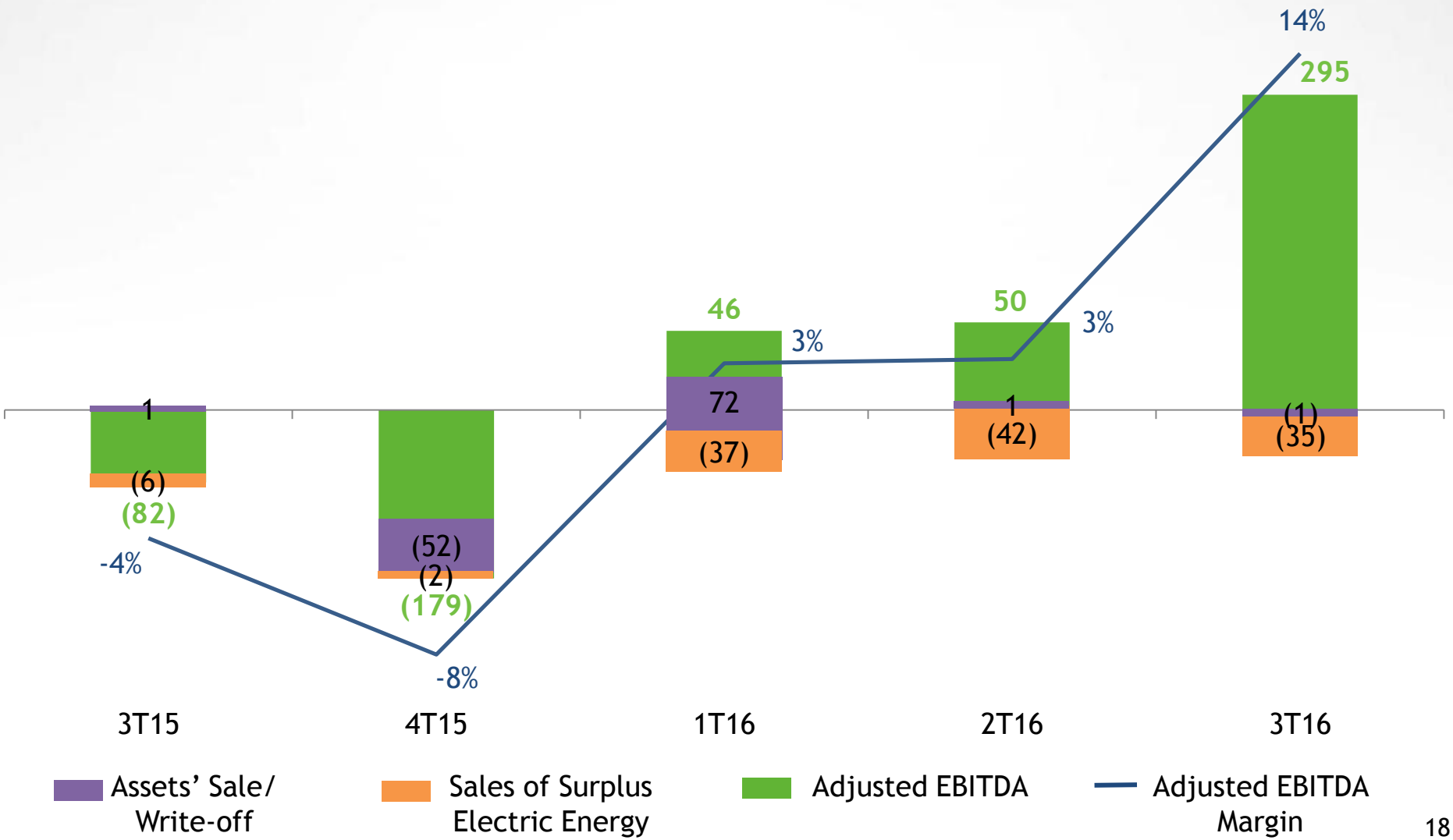
Cost of Goods Sold - COGS

Steel Business Unit



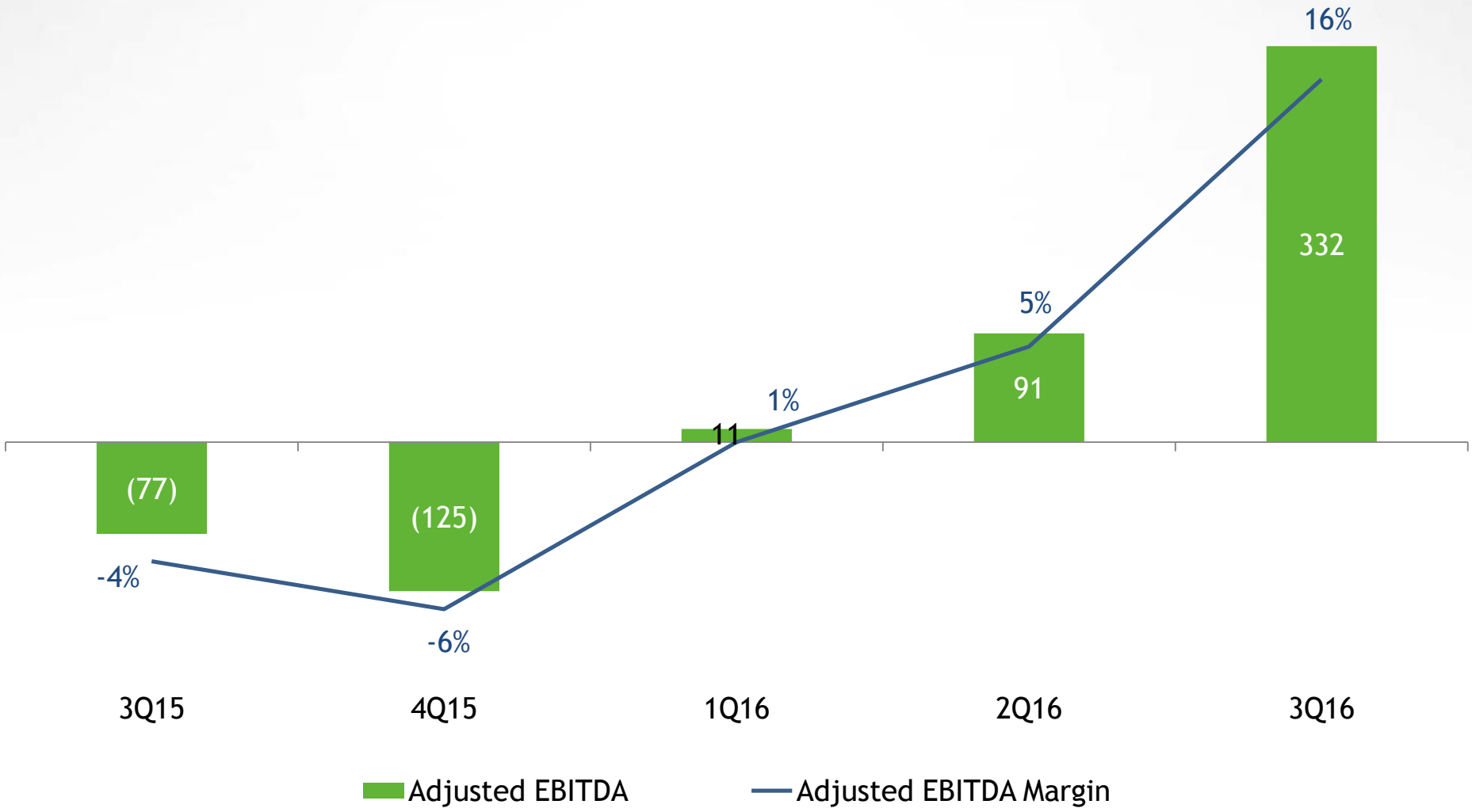
Adjusted EBITDA and EBITDA Margin

Steel Business Unit - R$ Million



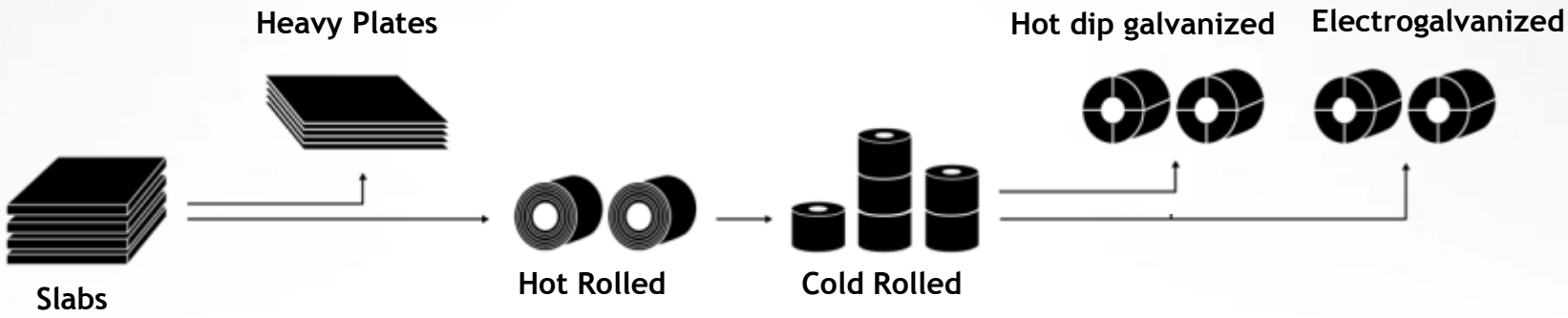
Adjusted EBITDA and EBITDA Margin

Steel Business Unit - R$ Million - Excluding extraordinary effects



Investments

Steel Business Unit



Capacity increase to generate finished products

7.2 million t
(2010)

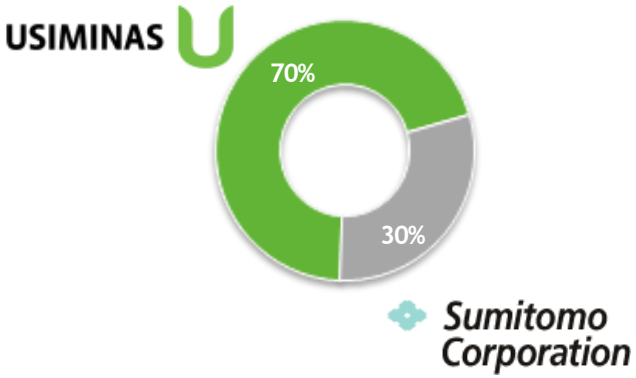
9.7 million t
(2014)

Description

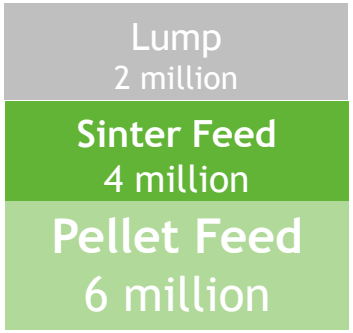
Mining Business Unit

- 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

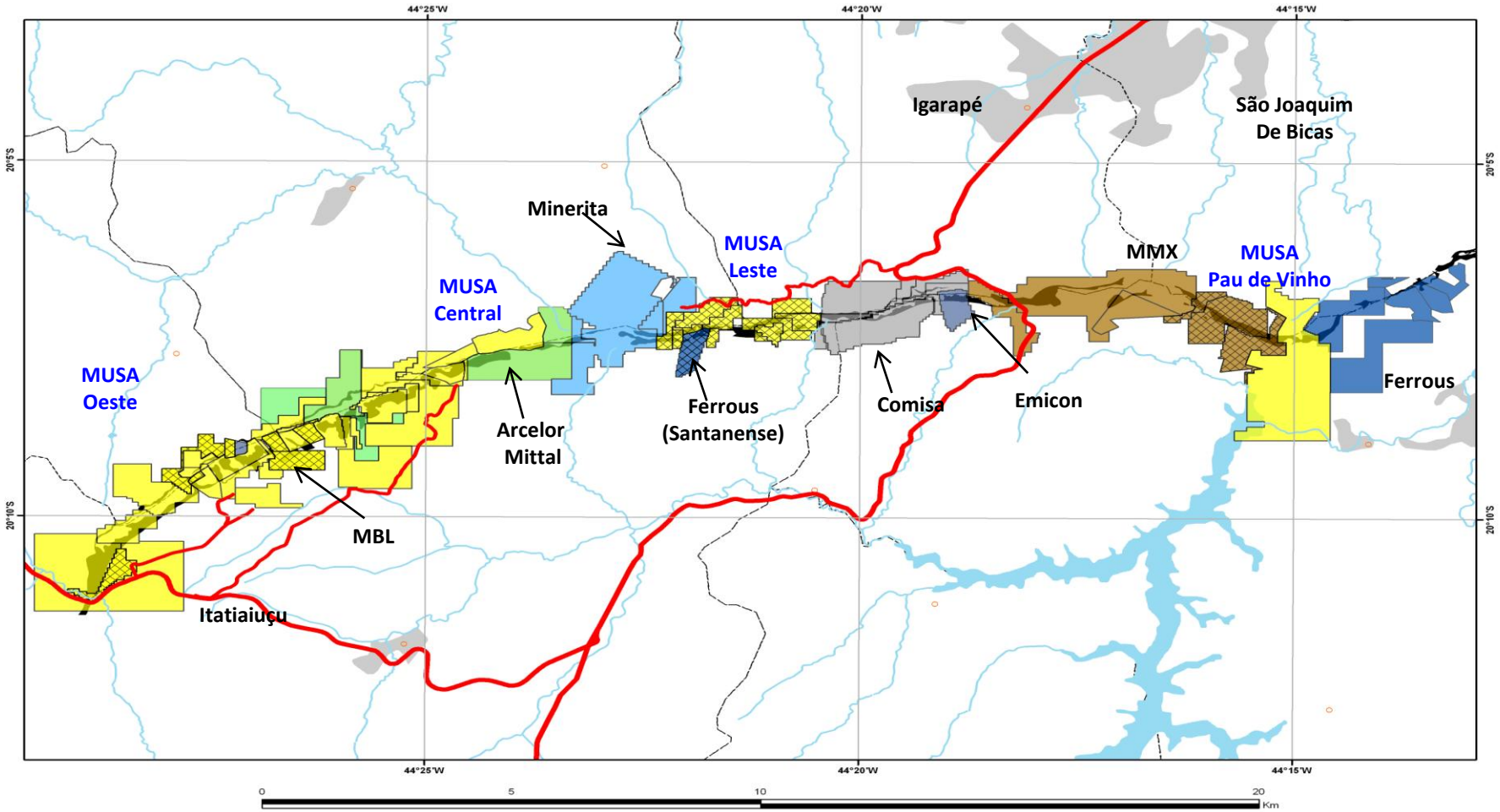


Production Capacity



Location

Mining Business Unit



Mineração Usiminas

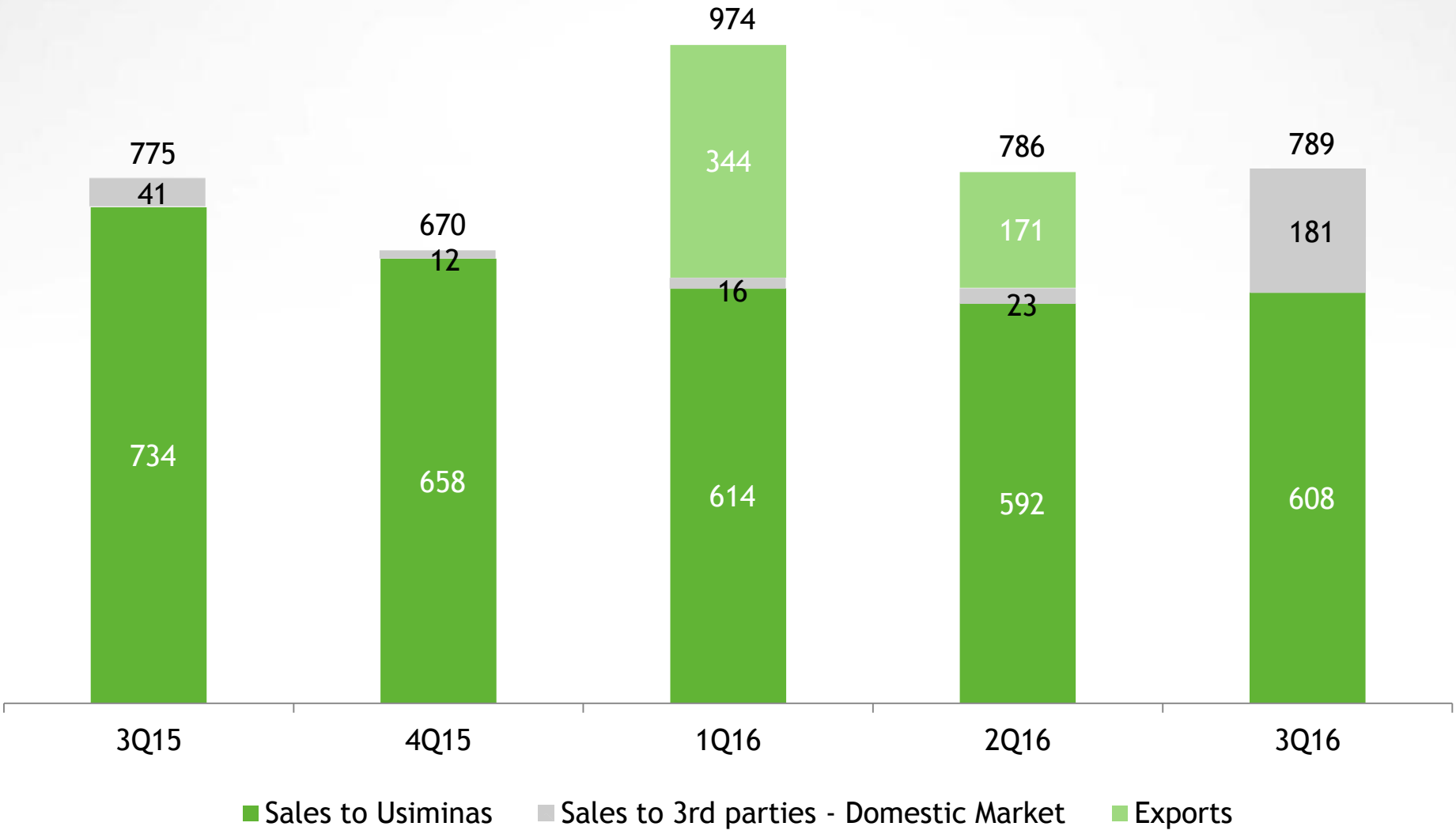
Retroarea in Itaguai Port

Mining Business Unit



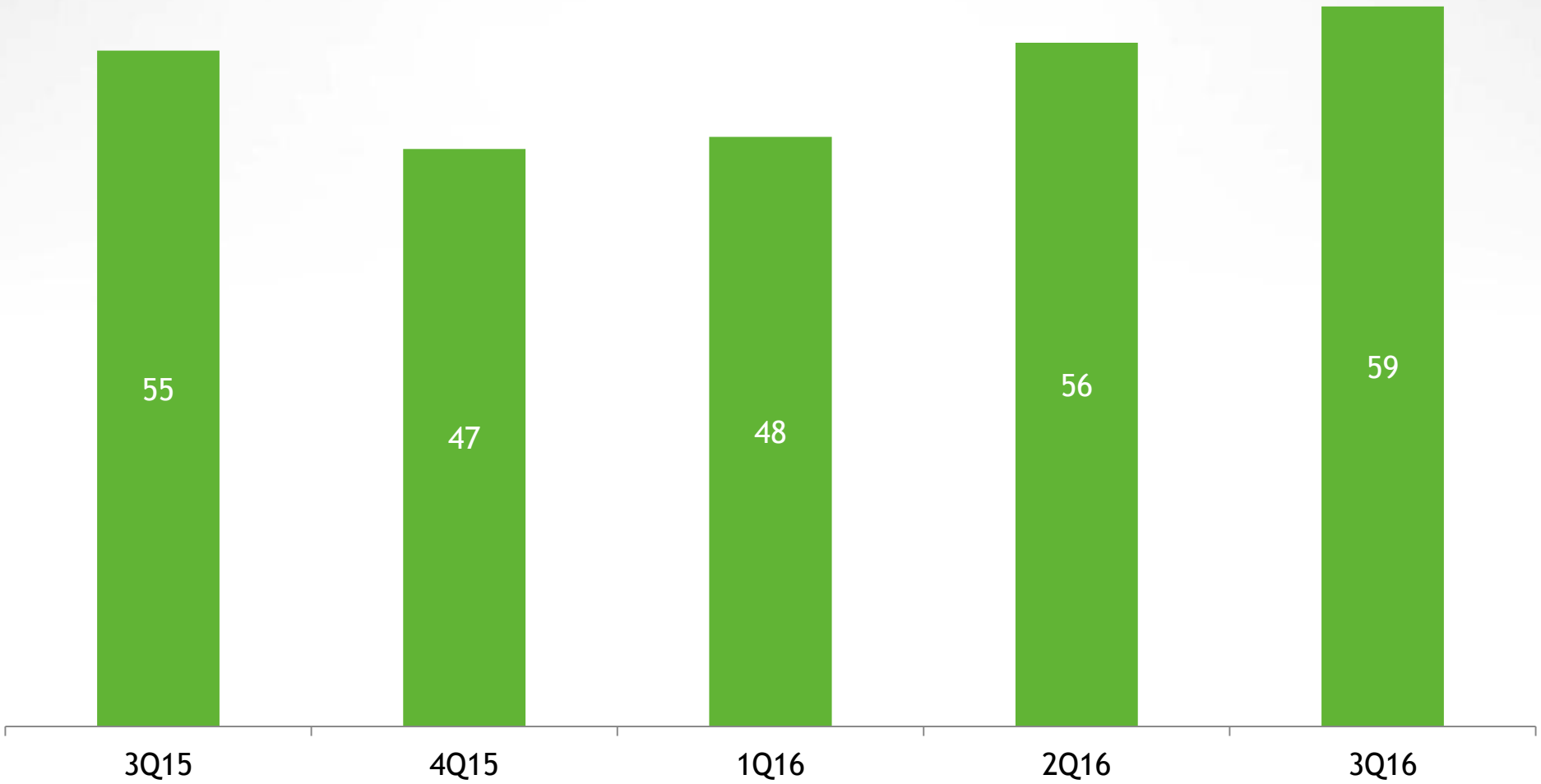
Sales Volume

Mining Business Unit - Thousand Tons



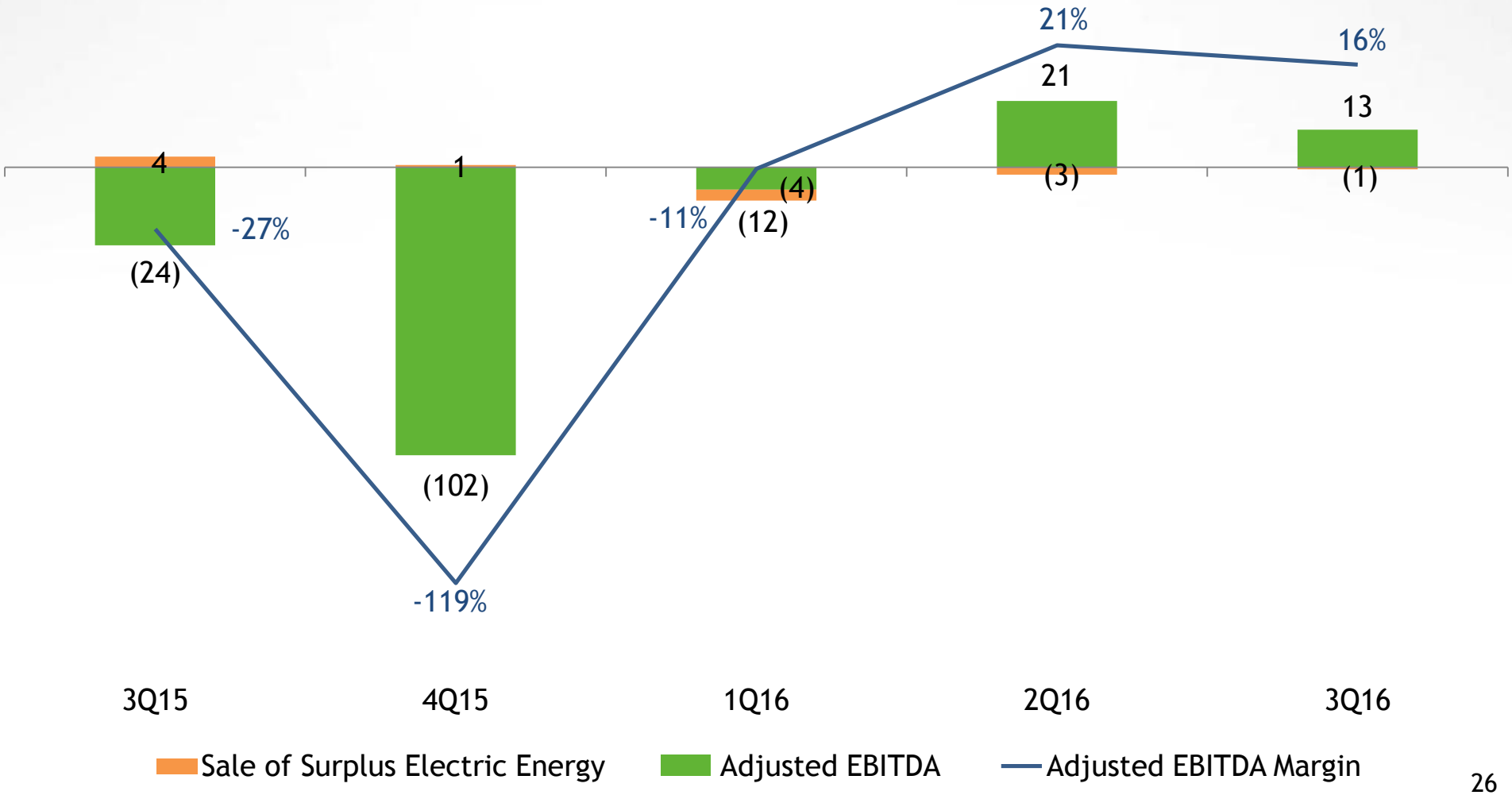
Iron Ore Price - PLATTS (62% Fe CFR China)

US$/ton



Adjusted EBITDA and EBITDA Margin

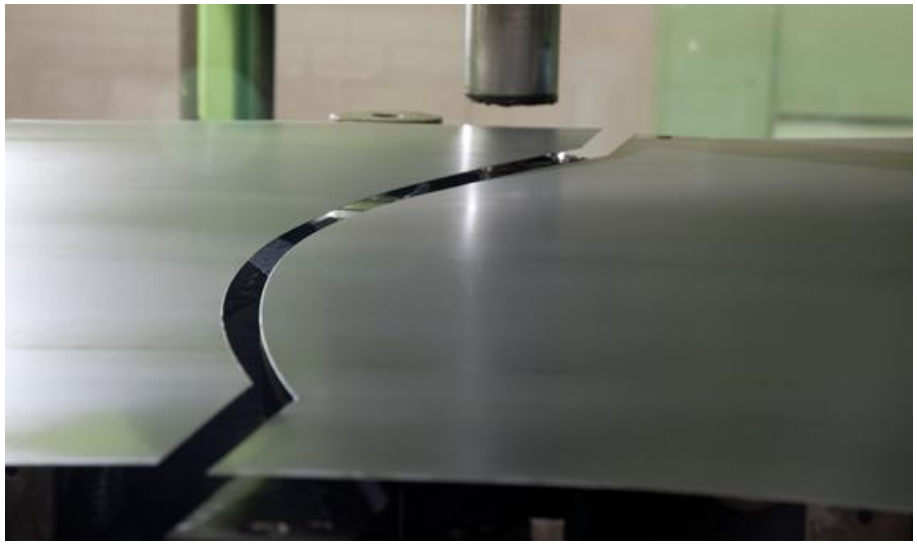
Mining Business Unit - R$ million

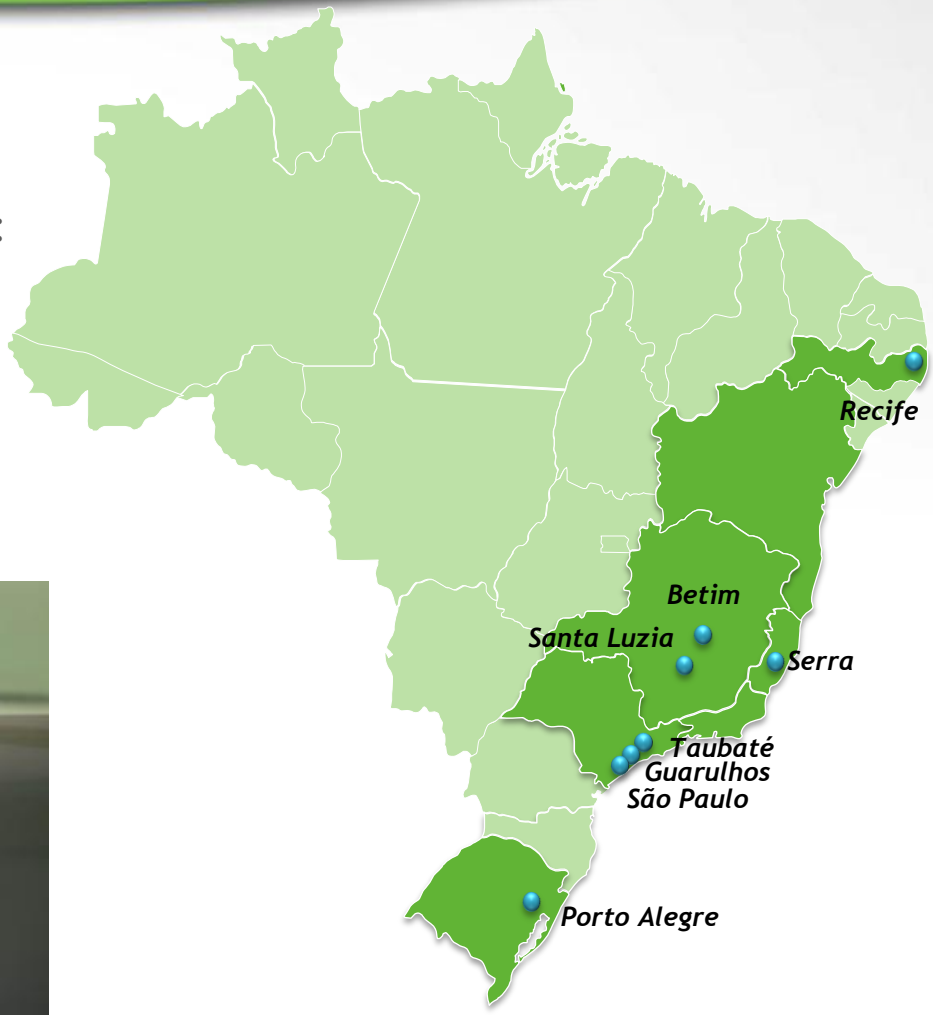


Description

Soluções Usiminas - Steel Processing

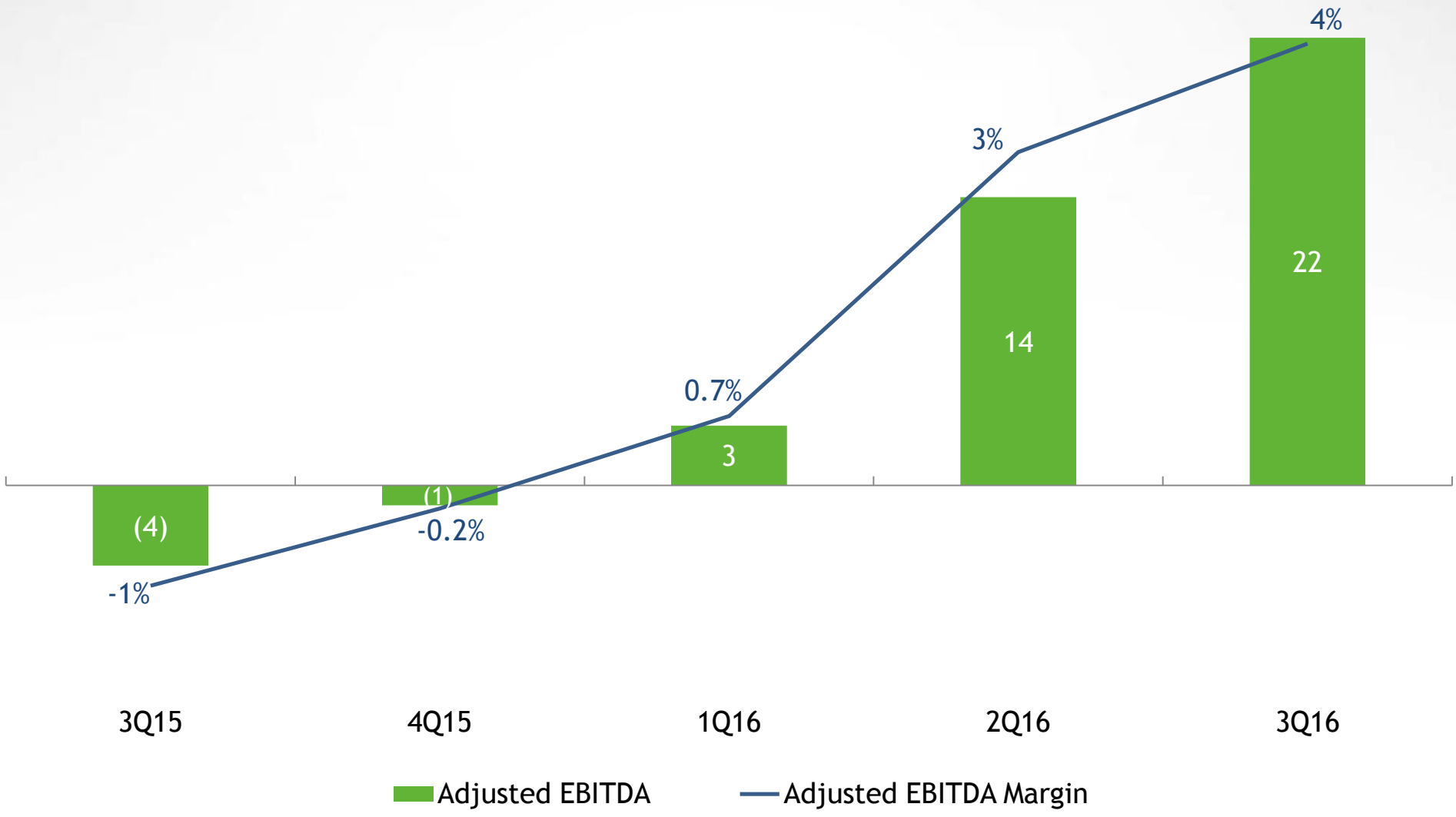
- 8 industrial units in different Brazilian states: MG, SP, RS, ES, BA and PE
- Processing capacity of 2 million tons of steel/year
- Net Revenue of R$1.3 billion in 9M16





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$462 million in 9M16



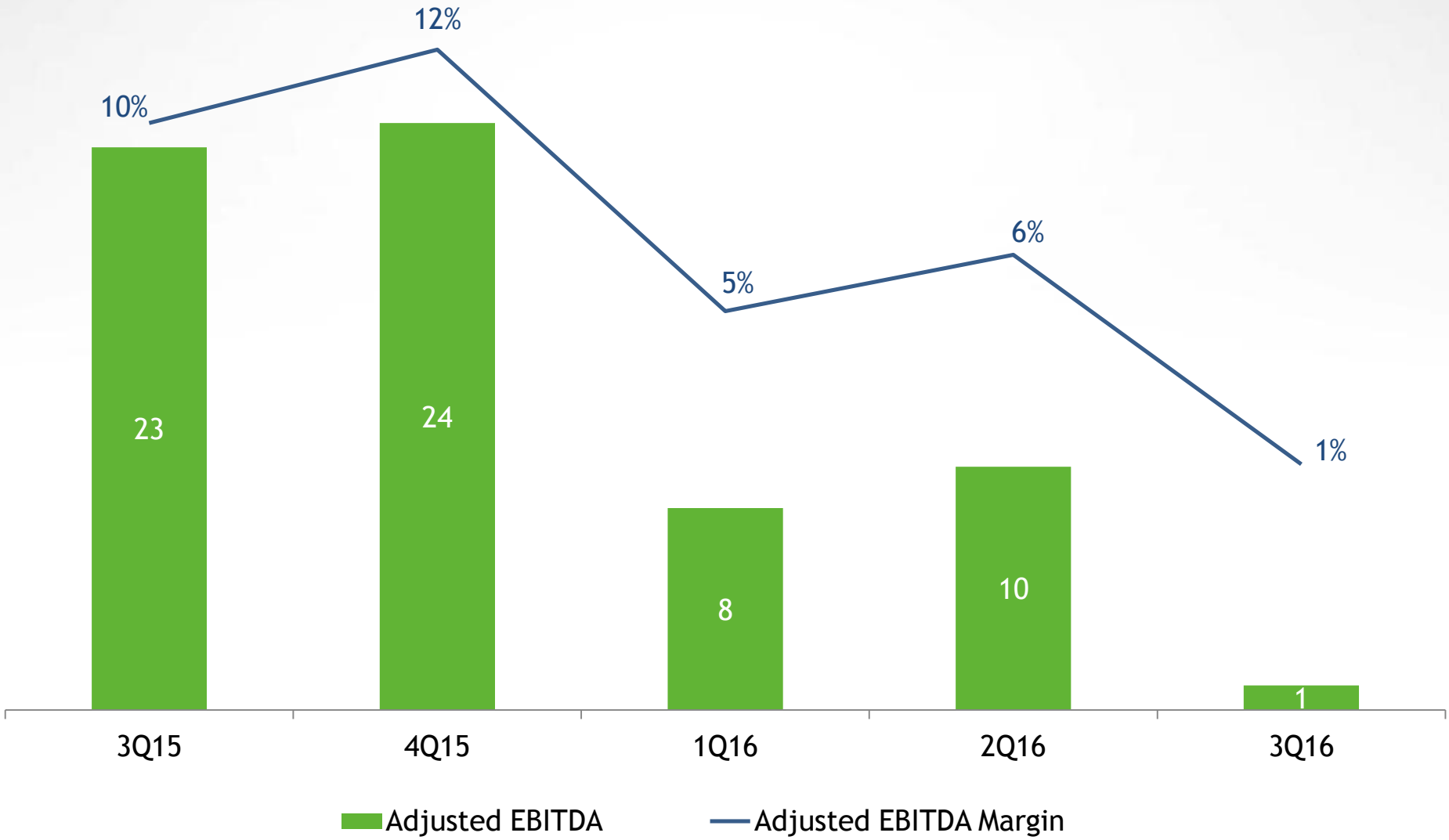
Steel Structures



Brasília 3rd Bridge

Adjusted EBITDA and EBITDA Margin

Capital Goods - R$ million



Agenda

Usiminas Profile

Market Data

Usiminas and its business units

Financial Results



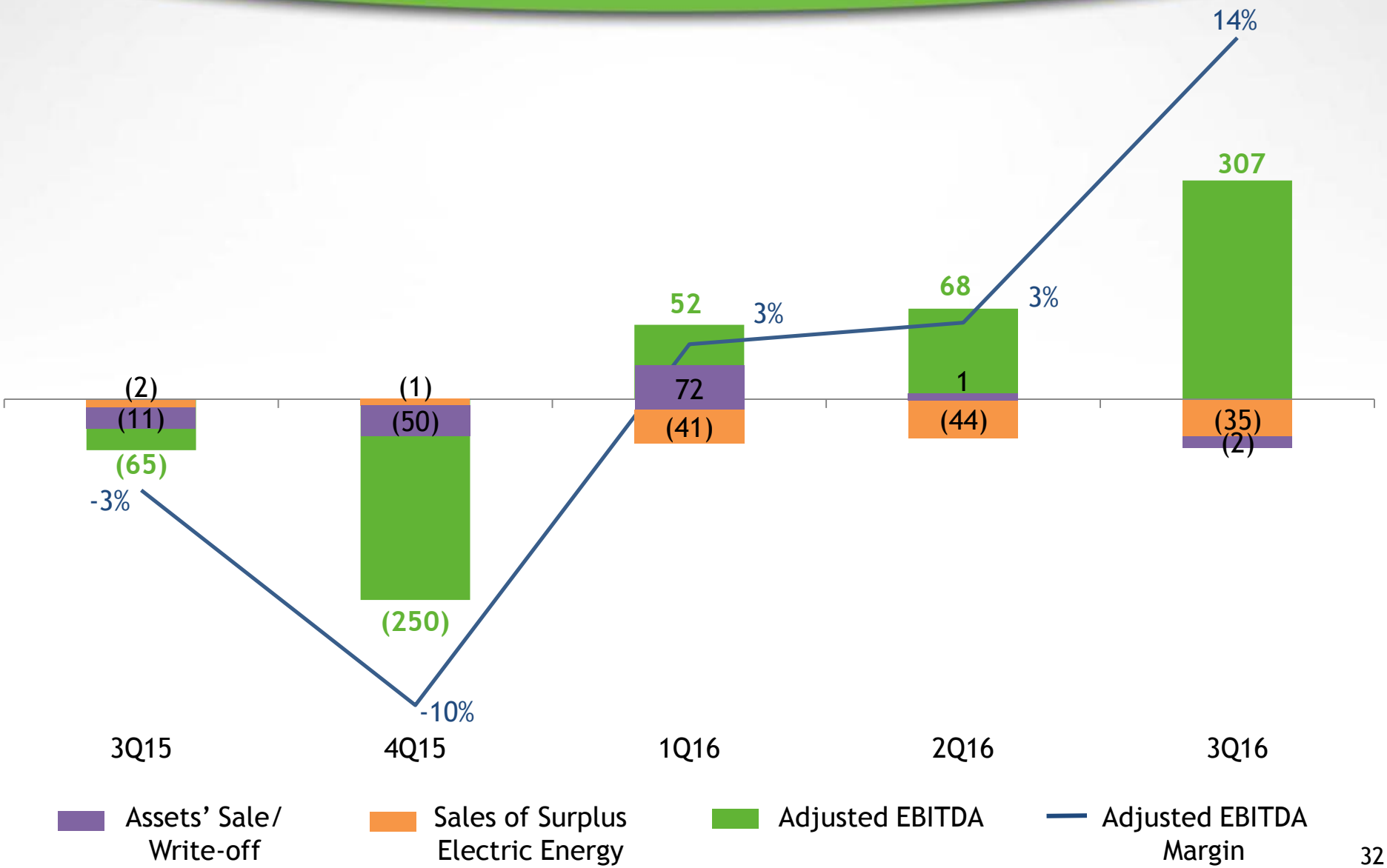






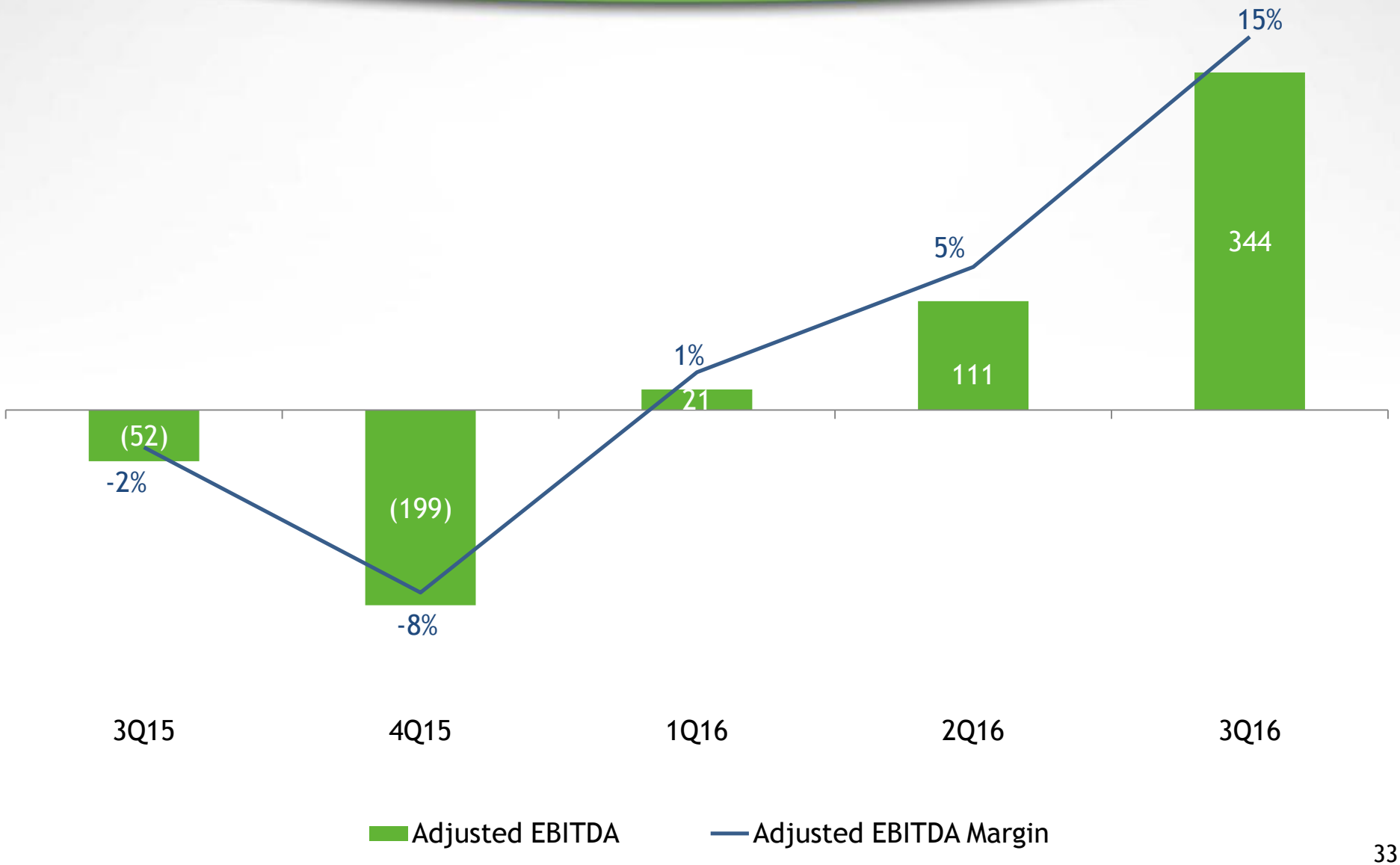
Adjusted EBITDA and EBITDA Margin

Consolidated - R$ million



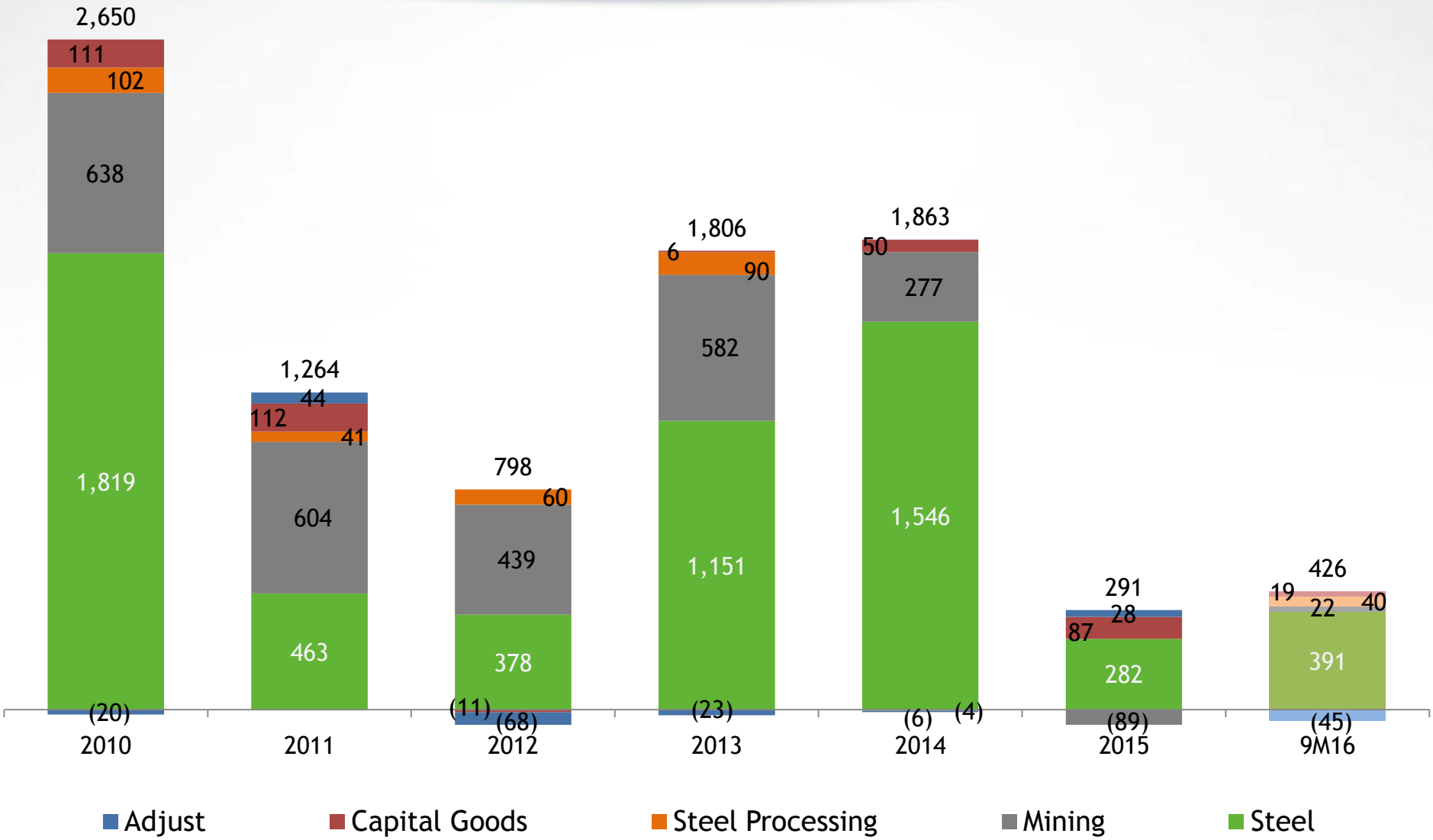
Adjusted EBITDA and EBITDA Margin

Consolidated - R$ million - Excluding extraordinary effects



Adjusted EBITDA and EBITDA Margin

Business Units - R$ million



Comparing Adjusted and CVM 527 EBITDA

Consolidated - R$ Thousand

Consolidated (R$ thousand)	3Q16	2Q16	3Q15	9M16	9M15
Net (Loss) Income	(107.138)	(123.357)	(1.042.156)	(378.327)	(2.058.334)
Income Tax / Social Contribution	(59.193)	(18.675)	(223.219)	(91.403)	(620.673)
Financial Result	159.277	(114.621)	820.075	(62.267)	1.221.604
Depreciation, Amortization	307.630	317.273	348.727	942.989	959.499
EBITDA - Instruction CVM - 527	**300.576**	**60.620**	**(96.573)**	**410.992**	**(497.904)**
Equity in the Results of Associate and Subsidiary Companies	(27.047)	(36.655)	4.260	(115.547)	(41.702)
Joint Subsidiary Companies proportional EBITDA	33.561	44.212	28.640	123.370	97.627
Impairment of Assets	(194)	(393)	(1.674)	7.443	983.372
Adjusted EBITDA	**306.896**	**67.784**	**(65.347)**	**426.258**	**541.393**

Debt Profile (Principal) - Consolidated

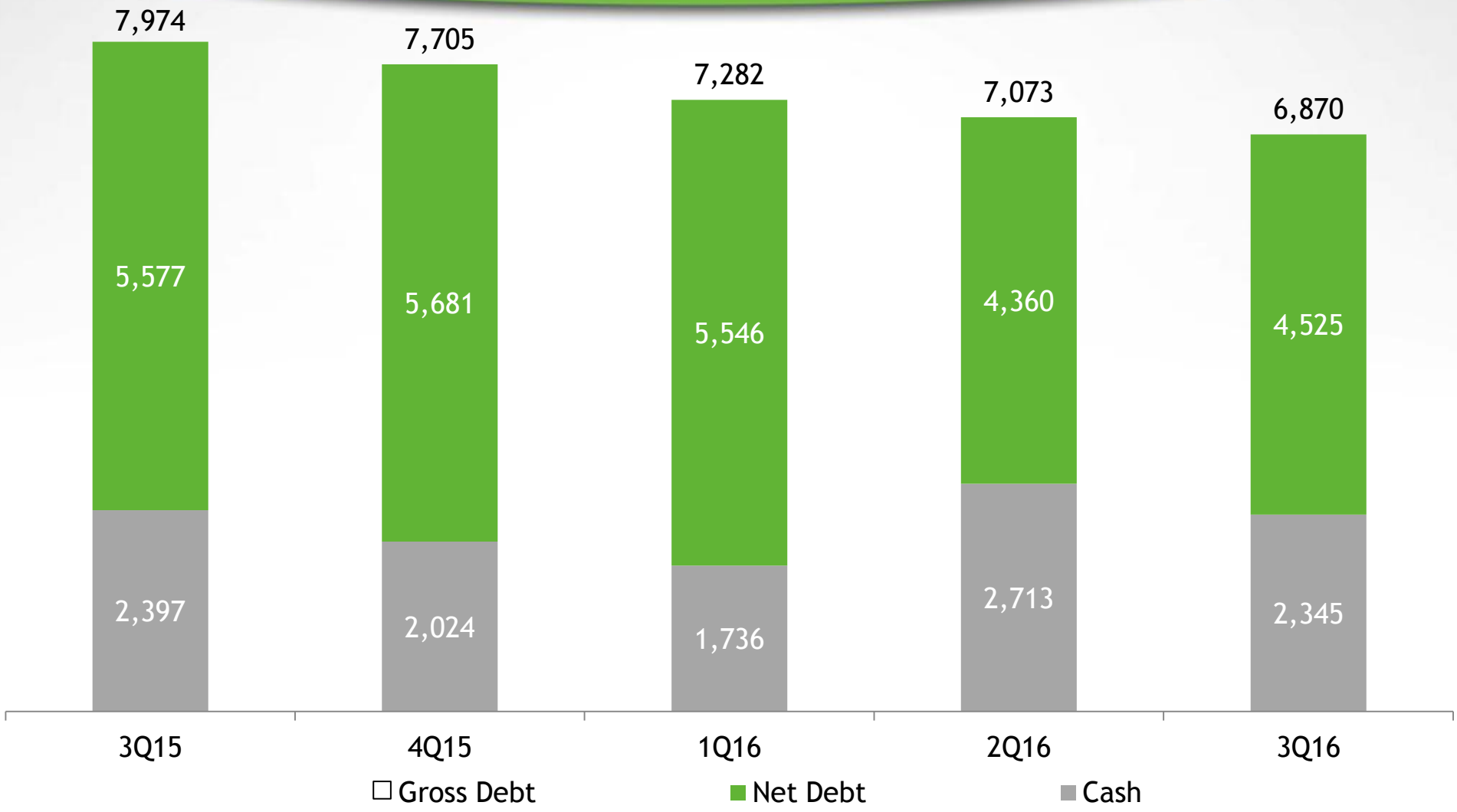
Consolidated - R$ million



Debt average tenor: R$ 65 months
US$ 59 months

Cash and Indebtedness

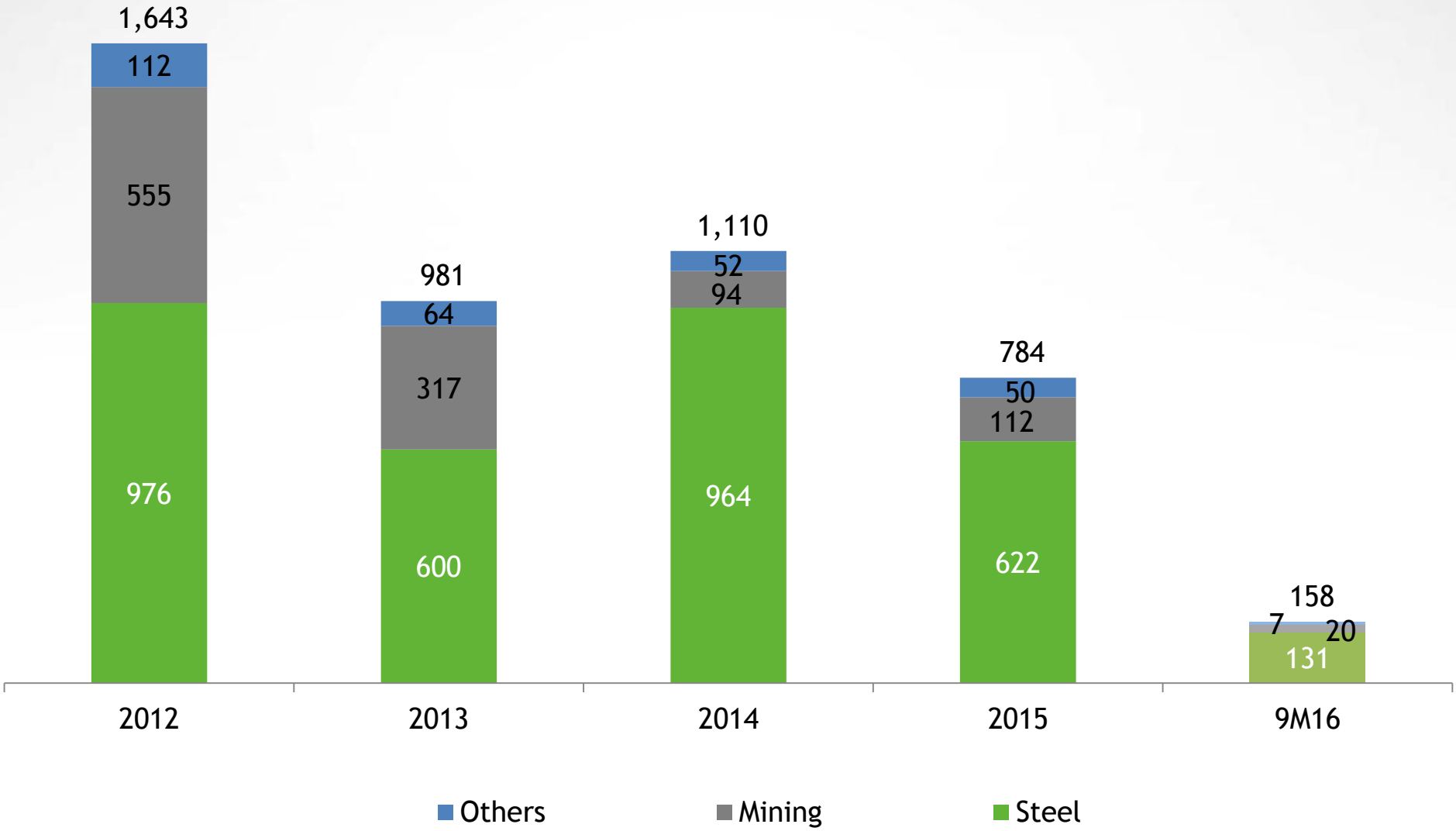
Consolidated - R$ million



The capital increase was concluded and the company received R$871 million in the 2Q16 and R$181 million in the 3Q16, summing R$1.052 billion of capital increase of ON and PN.

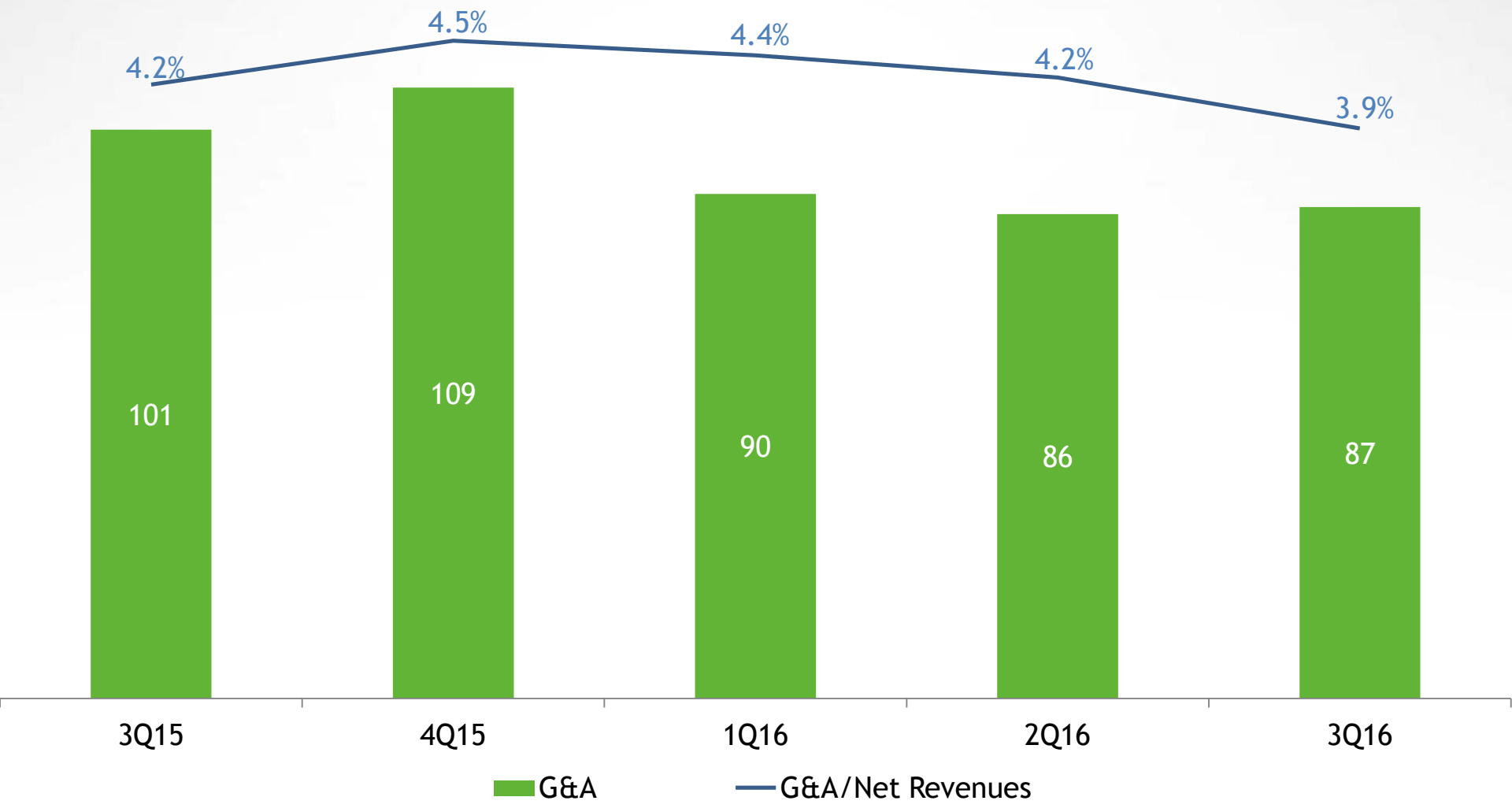
CAPEX

Consolidated - R$ million



G&A Evolution

Consolidated - R$ million



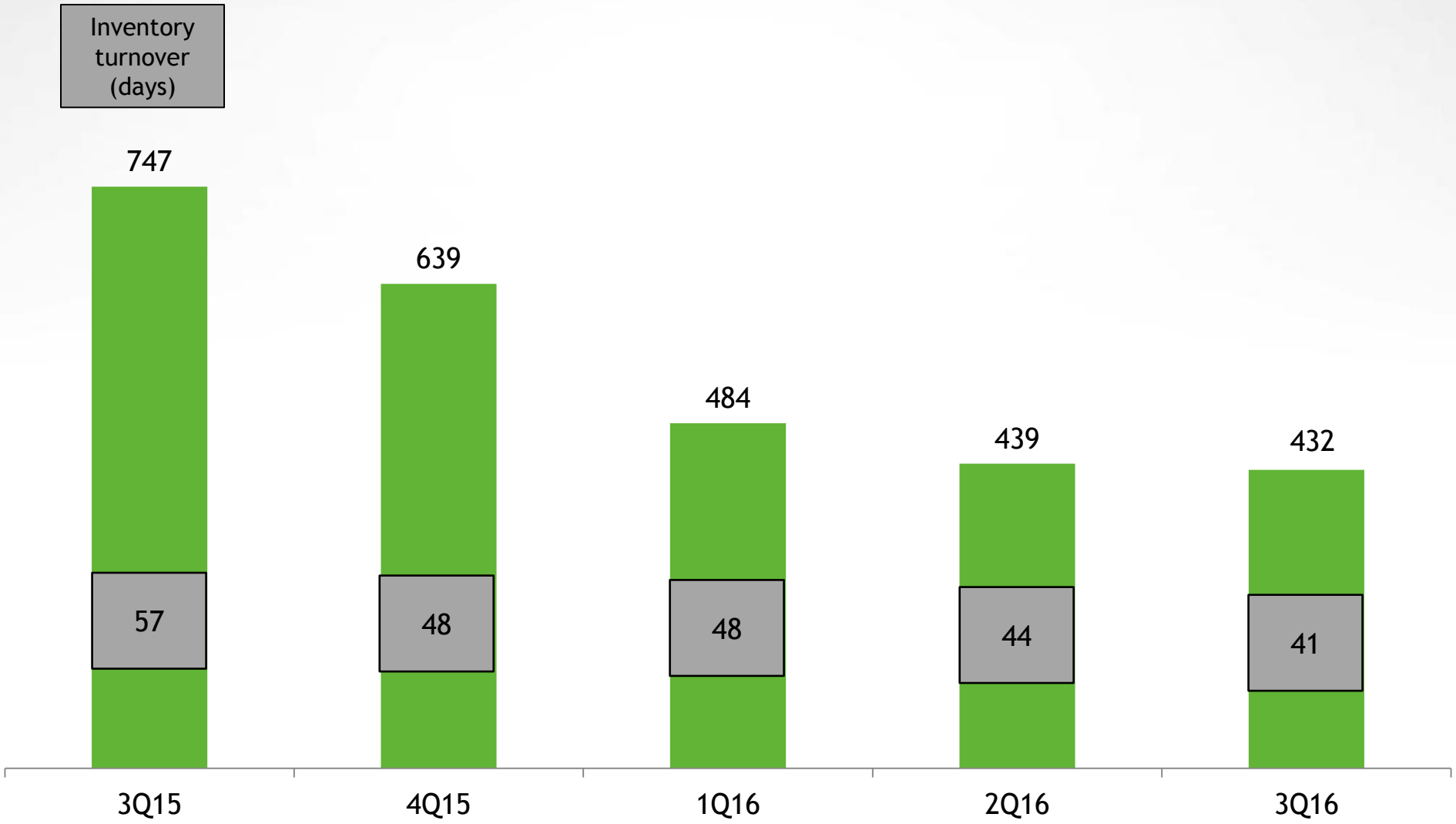
Working Capital

Consolidated - R$ billion



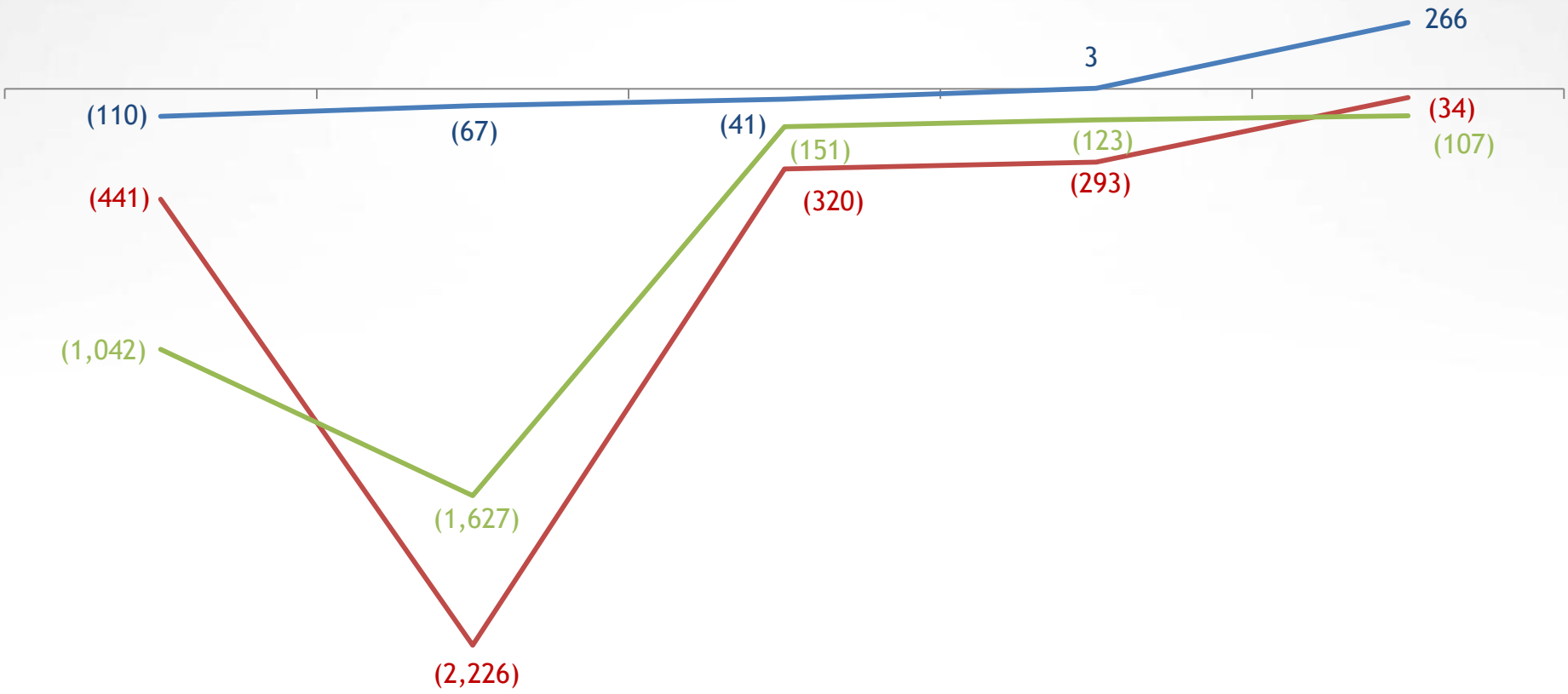
Working Capital – Steel Inventories

Thousand Tons



Gross Profit, EBIT and Net Income - Quarterly

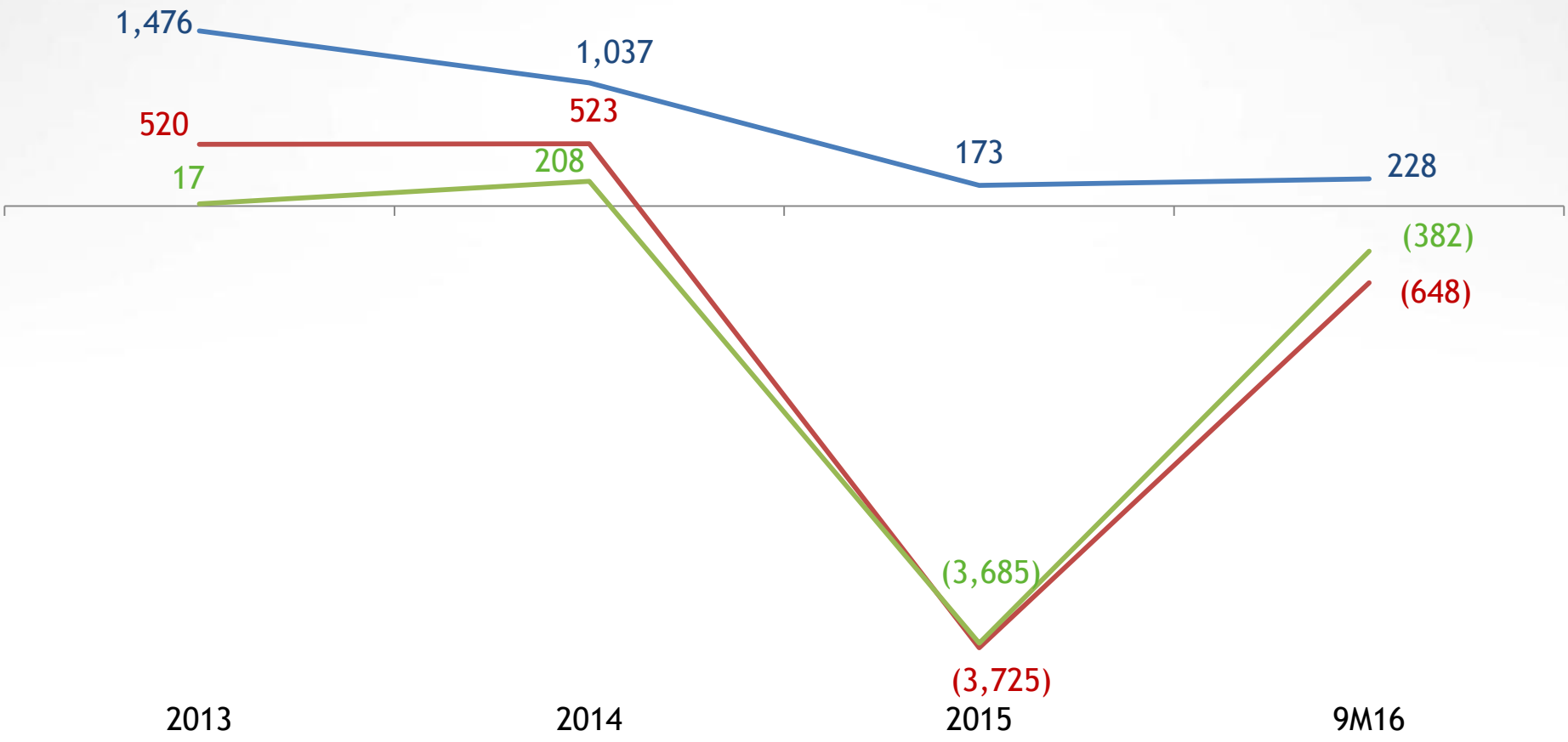
Consolidated - R$ million



	3Q15	4Q15	1Q16	2Q16	3Q16
USD/BRL End of period	3,972	3.904	3.558	3.210	3,246

Gross Profit, EBIT and Net Income - Annual

Consolidated - R$ million



USD/BRL End of period	2,342	2,656	3.904	3,246

Gross Profit EBIT Net Income

Income Statement

Per Business Unit - R$ million - Quarterly

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	3Q16	2Q16	3Q16	2Q16	3Q16	2Q16	3Q16	2Q16	3Q16	2Q16	3Q16	2Q16
Net Revenue	80	101	2.043	1.778	510	432	137	155	(506)	(438)	2.265	2.028
Domestic Market	81	77	1.765	1.570	510	432	137	155	(506)	(438)	1.988	1.796
Exports	(0)	25	278	207	0	0	0	-	-	-	277	232
COGS	(63)	(80)	(1.788)	(1.780)	(470)	(398)	(133)	(141)	455	374	(1.999)	(2.025)
Gross Profit (Loss)	18	21	255	(3)	40	34	4	14	(51)	(64)	266	3
Operating Income (Expenses)	(44)	(39)	(222)	(220)	(25)	(27)	(9)	(10)	1	1	(300)	(296)
EBIT	(27)	(18)	32	(223)	15	7	(5)	4	(50)	(63)	(34)	(293)
Adjusted EBITDA	**13**	**21**	**295**	**50**	**22**	**14**	**1**	**10**	**(24)**	**(27)**	**307**	**68**
Adj.EBITDA Margin	**16%**	**21%**	**14%**	**3%**	**4%**	**3%**	**1%**	**6%**	**-**	**-**	**14%**	**3%**

*Consolidated 70% of Unigal

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

Income Statement

Per Business Unit - R$ million - 9M

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	9M16	9M15	9M16	9M15	9M16	9M15	9M16	9M15	9M16	9M15	9M16	9M15
Net Revenue	288	316	5.560	7.051	1.373	1.500	462	658	(1.348)	(1.743)	6.334	7.781
Domestic Market	214	316	4.812	5.457	1.373	1.494	462	630	(1.348)	(1.743)	5.511	6.154
Exports	74	-	748	1.594	1	6	0	28	-	-	823	1.627
COGS	(248)	(298)	(5.355)	(6.900)	(1.278)	(1.466)	(427)	(565)	1.201	1.687	(6.106)	(7.542)
Gross Profit (Loss)	39	18	205	151	95	34	35	92	(147)	(56)	228	239
Operating Income (Expenses)	(136)	(1.127)	(631)	(494)	(77)	(72)	(35)	(49)	4	3	(875)	(1.738)
EBIT	(97)	(1.110)	(426)	(343)	18	(38)	1	44	(143)	(53)	(648)	(1.499)
Adjusted EBITDA	**22**	**14**	**391**	**461**	**40**	**(16)**	**19**	**63**	**(45)**	**20**	**426**	**541**
Adj.EBITDA Margin	**8%**	**4%**	**7%**	**7%**	**3%**	**-1%**	**4%**	**10%**	**-**	**-**	**7%**	**7%**

*Consolidated 70% of Unigal

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

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

www.usiminas.com/ri

NÍVEL 1 BM&FBOVESPA

ADR
Level I

LATIBEX

THE GLOBAL COMPACT
WE SUPPORT

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.

USIMINAS