USIMINAS



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Financial Statements

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

December 31, 2015
with Independent Auditor's Report

USIMINAS

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Independent Auditors' Report

To Shareholders, Board of Directors members and officers of
Usinas Siderúrgicas de Minas Gerais S.A - USIMINAS
Belo Horizonte - MG

We have audited the accompanying individual and consolidated financial statements of Usinas Siderúrgicas de Minas Gerais S.A - USIMINAS ("the Company"), identified as Company ("Individual") and Consolidated, respectively, which comprise the balance sheet as at December 31, 2015, the statement of operations and statement of comprehensive income, statement of changes in equity and cash flow statements for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards - IFRS as issued by the International Accounting Standards Board - IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements of the Company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control of the Company. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion
In our opinion, the individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of Usinas Siderúrgicas de Minas Gerais S.A - USIMINAS as at December 31, 2015, and its individual and consolidated financial performance and its cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards - IFRS as issued by the International Accounting Standards Board - IASB.

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which describes the action plan defined by local management to equalize the financial obligations to the Company's cash generation, which reported a loss for the year ended December 31, 2015, and as of that date, the excess of its current liabilities over current assets. These conditions, along with the risk of not achieving the plan described, indicates the existence of a material uncertainty that may cast significant doubt about the Company´s ability to continue as a going concern.

Other Matter

Audit of Comparative Information
The comparative information, both individual and consolidated, presented in the balance sheet as at December 31, 2014, the statement of operations and statement of comprehensive income, statement of changes in equity, cash flow statements and statement of value added for the year then ended, presented for comparative purposes, have been represented due to the matters described in Note 3.21 and were audited by another auditor who expressed an unmodified opinion on those financial statements on February 17, 2016.

Statement of value added
We have also audited the individual and consolidated statement of value added (SVA) for the year ended December 31, 2015, presented under management's responsibility, whose presentation is required by the Brazilian Corporate Law for publicly-held companies and as additional information by the International Financial Reporting Standards - IFRS, which do not require SVA presentation. These statements have been subjected to the same auditing procedures previously described and, in our opinion, are present fairly, in all material respects, in relation to the overall financial statements.

Belo Horizonte, February 17th, 2016.

KPMG Auditores Independentes
CRC SP-014428/O-6 F-MG
Original report in Portuguese signed by
Marco Túlio Fernandes Ferreira
Accountant CRC MG-058176/O-0

Usinas Siderúrgicas de Minas Gerais S.A. – USIMINAS

Balance sheets
In thousands of reais

	Note	Company		Consolidated	
			Restated		Restated
		12/31/2015	12/31/2014	12/31/2015	12/31/2014
Assets					
Current assets					
Cash and cash equivalents	8	**319,027**	609,367	**800,272**	2,109,812
Marketable securities	9	**442**	305	**1,224,185**	742,091
Trade accounts receivable	10	**1,083,199**	981,366	**1,428,421**	1,246,694
Inventories	11	**2,264,551**	2,896,272	**2,748,417**	3,516,751
Taxes recoverable	12	**174,550**	134,059	**377,198**	358,418
Dividends receivable	34	**12,066**	37,057	**2,357**	12,641
Derivative financial instruments	6	**42,782**	5,711	**152,560**	65,392
Other accounts receivable		**185,158**	193,969	**161,432**	193,412
Total current assets		**4,081,775**	4,858,106	**6,894,842**	8,245,211
Noncurrent assets					
Long-term assets					
Deferred income and social contribution taxes	13	**2,045,188**	1,501,384	**3,281,063**	2,018,129
Receivables from affiliates	34	**45,850**	66,033	**4,412**	22,383
Inventories	11	**-**	-	**-**	54,942
Judicial deposits	14	**488,311**	485,953	**597,392**	566,408
Derivative financial instruments	6	**365,308**	74,518	**559,654**	252,027
Taxes recoverable	12	**42,204**	52,404	**81,263**	95,835
Other accounts receivable		**45,405**	38,511	**173,844**	170,088
		3,032,266	2,218,803	**4,697,628**	3,179,812
Investments	15	**6,992,230**	8,178,507	**1,084,311**	1,145,787
Property, plant and equipment	16	**12,716,177**	13,447,252	**14,743,629**	15,535,573
Intangible assets	18	**183,741**	165,385	**337,922**	2,377,679
Total noncurrent assets		**22,924,414**	24,009,947	**20,863,490**	22,238,851
Total assets		**27,006,189**	28,868,053	**27,758,332**	30,484,062

See accompanying notes.

Balance sheets
In thousands of reais

	Note	Company		Consolidated	
			Restated		Restated
		12/31/2015	12/31/2014	12/31/2015	12/31/2014
Liabilities and equity					
Liabilities					
Current liabilities					
Trade accounts payable, contractors and freight		**1,136,524**	1,588,004	**1,187,274**	1,948,744
Loans and financing	19	**2,541,637**	1,606,567	**1,850,392**	1,655,799
Debentures	20	**61,109**	50,092	**61,109**	50,092
Advances from customers		**15,915**	50,655	**40,799**	110,179
Accounts payable	3.21	**587,458**	615,561	**587,458**	338,357
Salaries and social charges		**225,136**	215,131	**278,149**	280,284
Taxes payable	21	**66,503**	63,606	**85,547**	94,206
Taxes in installments	22	**6,968**	6,431	**8,191**	7,560
Income and social contribution taxes payable	13	**-**	1,274	**6,151**	22,743
Dividends and Interest on Equity (IOE) payable	25	**140**	30,935	**142**	30,937
Derivative financial instruments	6	**199,657**	94,045	**199,657**	94,045
Other accounts payable		**130,700**	75,131	**191,054**	136,480
Total current liabilities		**4,971,747**	4,397,432	**4,495,923**	4,769,426
Noncurrent liabilities					
Loans and financing	19	**5,663,006**	4,958,424	**4,958,032**	3,979,775
Debentures	20	**999,181**	998,549	**999,181**	998,549
Payables to affiliates	34	**88,171**	57,780	**162,957**	-
Taxes in installments	22	**-**	-	**9,582**	9,972
Provision for litigation	23	**395,834**	346,425	**557,455**	475,859
Provision for environmental restoration		**-**	-	**127,103**	85,143
Post-employment benefits	24	**1,150,917**	1,181,035	**1,153,379**	1,187,788
Derivative financial instruments	6	**203,845**	182,216	**203,845**	182,216
Other accounts payable		**124,510**	26,528	**97,018**	33,719
Total noncurrent liabilities		**8,625,464**	7,750,957	**8,268,552**	6,953,021
Total liabilities		**13,597,211**	12,148,389	**12,764,475**	11,722,447
Equity	25				
Capital		**12,150,000**	12,150,000	**12,150,000**	12,150,000
Capital reserve		**327,191**	318,851	**327,191**	318,851
Retained Earnings		**620,039**	3,831,060	**620,039**	3,831,060
Equity adjustments		**311,748**	419,753	**311,748**	419,753
Equity of controlling interests		**13,408,978**	16,719,664	**13,408,978**	16,719,664
Noncontrolling interests		**-**	-	**1,584,879**	2,041,951
Total equity		**13,408,978**	16,719,664	**14,993,857**	18,761,615
Total liabilities and equity		**27,006,189**	28,868,053	**27,758,332**	30,484,062

See accompanying notes.

Statements of operations

In thousands of reais, unless otherwise stated

	Note	Company Years ended 12/31/2015	Company Years ended 12/31/2014	Consolidated Years ended 12/31/2015	Consolidated Years ended 12/31/2014
Continued operations					
Revenue	27	**9,168,208**	10,925,461	**10,185,570**	11,741,629
Cost of sales	28	**(9,252,460)**	(10,276,891)	**(10,013,018)**	(10,704,864)
Gross profit (loss)		**(84,252)**	648,570	**172,552**	1,036,765
Operating income (expenses)					
Selling expenses	30	**(165,214)**	(146,344)	**(258,141)**	(290,930)
General and administrative expenses	30	**(314,019)**	(351,741)	**(440,121)**	(501,549)
Other operating income (expenses), net	30	**(846,700)**	249,307	**(3,199,078)**	278,682
Interests held in subsidiaries, jointly-controlled subsidiaries and affiliates	15	**(71,832)**	591,890	**95,582**	183,780
		(1,397,765)	343,112	**(3,801,758)**	(330,017)
Operating income (loss)		**(1,482,017)**	991,682	**(3,629,206)**	706,748
Financial income (expense)	31	**(2,245,070)**	(888,588)	**(1,245,693)**	(522,831)
Income (loss) before income and social contribution taxes		**(3,727,087)**	103,094	**(4,874,899)**	183,917
Income and social contribution taxes	13				
Current		**4,593**	4,165	**(17,282)**	(19,425)
Deferred		**486,389**	22,293	**1,207,204**	43,987
		490,982	26,458	**1,189,922**	24,562
Net income (loss) for the year		**(3,236,105)**	129,552	**(3,684,977)**	208,479
Attributable to:					
Controlling interests		**-**	-	**(3,236,105)**	129,552
Noncontrolling interests		**-**	-	**(448,872)**	78,927
Basic and diluted earnings (loss) per common share	32	**R$ (3.28)**	R$ 0.13	**R$ (3.28)**	R$ 0.13
Basic and diluted earnings (loss) per preferred share	32	**R$ (3.28)**	R$ 0.14	**R$ (3.28)**	R$ 0.14

See accompanying notes.

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Statements of comprehensive income (loss)

In thousands of reais

		Company		Consolidated	
		Years ended		Years ended	
	Note	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Net income (loss) for the year		**(3,236,105)**	129,552	**(3,684,977)**	208,479
Other components of comprehensive income (loss)					
		(93,379)		**(93,379)**	
Actuarial gain (loss) on retirement benefits	24		(101,190)		(101,190)
		-		**-**	
Cash flow hedge in the Company	6		3,131		3,131
Total other components of comprehensive income (loss)		**(3,329,484)**	(98,059)	**(93,379)**	(98,059)
Total comprehensive income (loss) for the year		**(3,329,484)**	31,493	**(3,778,356)**	110,420
Attributable to:		**-**			
Controlling interests		**(3,236,105)**	31,493	**(3,329,484**	31,493
Noncontrolling interests		**-**	-	**(448,872)**	78,927

The items of the statement of comprehensive income (loss) are stated net of taxes. The tax effects of each component of comprehensive income (loss) are presented in Note 13.

See accompanying notes.

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Statements of changes in equity
In thousands of reais

		Attributable to controlling interests												
		Capital reserves						Income reserves						
	Note	Capital	Exceeding amount on subscription of shares	Exceeding amount on sale of treasury shares	Treasury shares	Special goodwill reserve	Stock options granted and recognized	Legal reserve	Reserve for investment and working capital	Equity adjustments	Retained earnings (accumulated losses)	Total	Noncontrolling interests	Total equity
At December 31, 2014		12,150,000	105,295	3,339	(104,762)	293,594	21,385	706,065	3,124,995	419,753	-	16,719,664	2,041,951	18,761,615
Comprehensive income (loss) for the period														
Net income (loss) for the year		-	-	-	-	-	-	-	-	-	(3.236.105)	(3.236.105)	(448.872)	(3.684.977)
Actuarial losses on retirement benefits	24	-	-	-	-	-	-	-	-	(93,379)	-	(93.379)	299	(93.080)
Total comprehensive income (loss) for the period		-	-	-	-	-	-	-	-	(93,379)	(3.236.105)	(3.329.484)	(448.573)	(3.778.057)
Allocation of net income (loss) for the year	25													
Absorption of loss		-	-	-	-	-	-	(86,026)	(3,124,995)	-	3,211,021	-	-	-
Stock option plan	36	-	-	-	-	-	8,340	-	-	-	2,851	11,191	-	11,191
Subsidiary dividends granted to noncontrolling shareholders		-	-	-	-	-	-	-	-	-	-	-	(8,499)	(8,499)
Adjustment from IAS 29 on property, plant and equipment		-	-	-	-	-	-	-	-	(14,626)	22,162	7,536	-	7,536
Dividends expired		-	-	-	-	-	-	-	-	-	71	71	-	71
At December 31, 2015		12,150,000	105,295	3,339	(104,762)	293,594	29,725	620,039	-	311,748	-	13,408,978	1,584,879	14,993,857

See accompanying notes.

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Statements of changes in equity
In thousands of reais

		Attributable to controlling interests												
		Capital reserves						Income reserves						
	Note	Capital	Exceeding amount on subscription of shares	Exceeding amount on sale of treasury shares	Treasury shares	Special goodwill reserve	Stock options granted and recognized	Legal reserve	Reserve for investment and working capital	Equity adjustments	Retained earnings (accumulated losses)	Total	Noncontrolling interests	Total equity
At December 31, 2013		12,150,000	105,295	2,867	(104,840)	293,594	16,168	699,587	2,999,567	549,670	-	16,711,908	2,122,037	18,833,945
Comprehensive income (loss) for the period														
Net income (loss) for the year		-	-	-	-	-	-	-	-	-	129,552	129,552	78,927	208,479
Actuarial gain on retirement benefits	24	-	-	-	-	-	-	-	-	(101,190)	(19)	(101,209)	(27)	(101,236)
Cash flow hedge in the Company	6	-	-	-	-	-	-	-	-	3,131	-	3,131	-	3,131
Total comprehensive income (loss) for the period		-	-	-	-	-	-	-	-	(98,059)	129,533	31,474	78,900	110,374
Allocation of net income (loss) for the year	25													
Setup of reserves		-	-	-	-	-	-	6,478	125,428	-	(131,906)	-	-	-
Stock option plan	36	-	-	-	-	-	5,217	-	-		8,730	13,947	-	13,947
Disposal of treasury shares		-	-	472	78	-				-	224	774	-	774
Subsidiary dividends granted to noncontrolling shareholders		-	-	-	-	-	-	-	-	-	-	-	(152,103)	(152,103)
Adjustment from IAS 29 on property, plant and equipment		-	-	-	-	-	-	-	-	(15,796)	23,930	8,134	-	8,134
Changes in ownership interests without loss or acquisition of control		-	-	-	-	-	-	-	-	(16,062)	-	(16,062)	(6,883)	(22,945)
Proposed dividends		-	-	-	-	-	-	-	-	-	(30,769)	(30,769)	-	(30,769)
Dividends expired		-	-	-	-	-	-	-	-	-	258	258	-	258
At December 31, 2014		12,150,000	105,295	3,339	(104,762)	293,594	21,385	706,065	3,124,995	419,753	-	16,719,664	2,041,951	18,761,615

See accompanying notes.

Cash flow statements

In thousands of reais

	Note	Company Years ended 12/31/2015	Company Years ended 12/31/2014	Consolidated Years ended 12/31/2015	Consolidated Years ended 12/31/2014
Cash flows from operating activities					
Net income (loss) for the year		**(3,236,105)**	129,552	**(3,684,977)**	208,479
Adjustments to reconcile income (loss)					
Charges and monetary/exchange gains/losses, net		**1,926,577**	710,026	**1,364,544**	565,923
Interest expenses		**310,217**	255,349	**253,545**	204,557
Depreciation, amortization and depletion		**1,072,762**	920,332	**1,311,699**	1,114,597
Gain (loss) on the disposal of PP&E/investment		**45,092**	(30,364)	**54,259**	(54,271)
Impairment losses	17	**467,103**	-	**2,558,512**	-
Interests held in subsidiaries, jointly-controlled subsidiaries and affiliates	15	**71,832**	(591,890)	**(67,020)**	(183,780)
Deferred income and social contribution taxes	13	**(486,389)**	(22,293)	**(1,207,204)**	(43,987)
Set up (reversal) of provisions		**70,774**	67,516	**113,507**	90,479
Actuarial gains (losses)	24	**15,388**	3,929	**16,502**	5,157
Stock grant plan		**8,340**	5,217	**8,340**	5,217
(Increase) decrease in assets					
Trade accounts receivable		**(117,084)**	158,955	**(196,978)**	390,456
Inventories		**617,914**	302,898	**622,127**	343,697
Taxes recoverable		**(30,291)**	78,807	**(7,610)**	47,938
Receivables from affiliates		**20,183**	2,496	**17,971**	(1,552)
Judicial deposits		**(2,359)**	16,239	**(31,642)**	(1,130)
Other		**(75,504)**	(17,248)	**1,715**	(95,711)
Increase (decrease) in liabilities					
Trade accounts payable, contractors and freight		**(451,480)**	70,959	**(484,266)**	155,559
Advances from customers		**(34,740)**	14,390	**(69,380)**	(68,130)
Payables to affiliates		**30,391**	8,506	**162,957**	-
Accounts payable		**(28,103)**	(430,524)	**88,125**	(237,517)
Taxes payable		**2,897**	(33,292)	**(8,659)**	(36,893)
Other		**114,078**	(215,618)	**93,321**	(246,773)
Income and social contribution taxes paid		**3,319**	(10,343)	**(30,472)**	(66,058)
Interest paid		**(624,211)**	(529,852)	**(583,286)**	(482,793)
Actuarial liabilities paid		**(192,216)**	(201,867)	**(192,216)**	(201,867)
Net cash provided by operating activities		**(501,615)**	661,880	**103,414**	1,411,597
Cash flows from investing activities					
Marketable securities		**(137)**	1,231	**(482,094)**	93,538
Proceeds from sale of investments		**-**	26,972	**-**	26,972
Amount paid for acquisition of subsidiaries and affiliates		**-**	-	**-**	(224,439)
Purchases of property, plant and equipment	16	**(565,533)**	(949,531)	**(725,030)**	(1,086,800)
Proceeds from the disposal of property, plant and equipment		**14,798**	43,424	**16,422**	86,109
Purchases of intangible assets		**-**	(62,460)	**-**	(62,460)
Share capital repayments from subsidiaries		**814,314**	-	**-**	-
Purchases of software		**(25,598)**	(15,057)	**(29,334)**	(23,237)
Dividends received		**221,342**	623,490	**121,848**	193,961
Net cash used in investing activities		**459,186**	(331,931)	**(1,098,188)**	(996,356)

See accompanying notes.

Cash flow statements

In thousands of reais

	Note	Company Years ended 12/31/2015	Company Years ended 12/31/2014	Consolidated Years ended 12/31/2015	Consolidated Years ended 12/31/2014
Cash flows from financing activities					
Credit assignments obtained		**-**	-	**477,357**	772,681
Credit assignments repayments		**-**	-	**(593,585)**	(965,688)
Proceeds from loans, financing, and debentures		**1,678,529**	869,840	**1,678,529**	913,662
Payment of loans and financing and debentures		**(1,840,465)**	(1,180,378)	**(1,852,591)**	(1,414,769)
Payment of taxes in installments	22	**-**	(65,988)	**(1,178)**	(67,080)
Swap transactions settlement		**(98,342)**	(66,058)	**(27,165)**	(33,384)
Dividends and interest on equity paid	25	**(30,795)**	(1)	**(39,295)**	(152,799)
Net cash used in financing activities		**(291,073)**	(442,585)	**(357,928)**	(947,377)
Exchange gain/loss on cash and cash equivalents		**43,162**	8,761	**43,162**	8,761
Net increase (decrease) in cash and cash equivalents		**(290,340)**	(103,875)	**(1,309,540)**	(523,375)
Cash and cash equivalents at beginning of year	8	**609,367**	713,242	**2,109,812**	2,633,187
Cash and cash equivalents at end of year	8	**319,027**	609,367	**800,272**	2,109,812
Net increase (decrease) in cash and cash equivalents		**(290,340)**	(103,875)	**(1,309,540)**	(523,375)

See accompanying notes.

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Statements of value added

In thousands of reais

	Note	Company Years ended 12/31/2015	Company Years ended 12/31/2014	Consolidated Years ended 12/31/2015	Consolidated Years ended 12/31/2014
Revenues					
Sales of goods, products and services		**11,643,203**	14,188,013	**13,571,271**	16,245,689
Set up of allowance for doubtful accounts		**(15,250)**	(2,401)	**(18,358)**	(9,425)
Other revenues		**196,885**	527,136	**248,826**	610,142
		11,824,838	14,712,748	**13,801,739**	16,846,406
Inputs acquired from third parties					
Cost of goods and products sold and services rendered		**(9,012,387)**	(10,760,551)	**(9,616,176)**	(11,383,819)
Materials, electricity, third-party services and other expenses		**(1,400,566)**	(775,920)	**(3,956,289)**	(1,131,501)
		(10,412,953)	(11,536,471)	**(13,572,465)**	(12,515,320)
Gross value added		**1,411,885**	3,176,277	**229,274**	4,331,086
Depreciation, amortization and depletion	28	**(1,072,762)**	(920,332)	**(1,311,699)**	(1,114,597)
Net value added produced by the Company		**339,123**	2,255,945	**(1,082,425)**	3,216,489
Value added received in transfer					
Interests held in subsidiaries, jointly-controlled subsidiaries and affiliates	15	**(71,832)**	591,890	**95,582**	183,780
Financial income	31	**220,130**	193,844	**428,538**	337,288
Actuarial gains and losses	24	**(15,388)**	(3,929)	**(16,502)**	(5,157)
		132,910	781,805	**507,618**	515,911
Value added to be distributed		**472,033**	3,037,750	**(574,807)**	3,732,400

See accompanying notes.

Statements of value added

In thousands of reais

	Company		Consolidated	
	Years ended		Years ended	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Personnel and related charges				
Payroll and related charges	**878,487**	735,360	**1,469,228**	1,283,890
Unemployment Compensation Fund (FGTS)	**93,427**	77,161	**127,694**	108,772
Key management personnel compensation	**27,416**	36,378	**33,029**	46,425
Employees' profit sharing	**154**	42,665	**2,968**	56,930
Retirement plans	**33,073**	33,930	**34,723**	35,932
	1,032,557	925,494	**1,667,642**	1,531,949
Taxes, fees and contributions				
Federal (1)	**(9,306)**	687,439	**(530,092)**	865,941
State	**152,114**	160,744	**208,141**	182,874
Municipal	**66,558**	49,447	**89,233**	80,396
Tax incentives	**1,015**	2,642	**1,015**	2,642
	210,381	900,272	**(231,703)**	1,131,853
Debt remuneration				
Interest	**762,203**	635,227	**842,530**	694,884
Exchange gains/losses, net	**1,805,275**	238,788	**1,072,090**	193,118
Other	**(102,278)**	208,417	**(240,389)**	(27,883)
	2,465,200	1,082,432	**1,674,231**	860,119
Equity remuneration				
Retained profits (losses)	**(3,236,105)**	129,552	**(3,236,105)**	129,552
Noncontrolling interests in retained profits	**-**	-	**(448,872)**	78,927
	(3,236,105)	129,552	**(3,684,977)**	208,479
Value added distributed	**472,033**	3,037,750	**(574,807)**	3,732,400

(i) Social security charges are classified in "Federal taxes".

1 Operations

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS (“USIMINAS”, “Usiminas”, “Parent Company” or “Company”) is headquartered in Belo Horizonte, state of Minas Gerais (MG) is a publicly-held company and trades its shares on BM&FBOVESPA - Commodities and Futures Exchange (USIM3, USIM5, USIM6).

The Company and its subsidiaries, jointly-controlled companies and affiliates (“Usiminas Companies”) are engaged mainly in steelworks and other related activities, such as iron ore extraction, steel transformation, production of capital goods and logistics. It currently has two steel plants with nominal production capacity of 9.5 million of tons a year, located in the cities of Ipatinga, State of Minas Gerais, and of Cubatão, State of São Paulo. In addition to iron ore reserves, service and distribution centers, sea ports, cargo terminals, strategically located in various Brazilian cities.

The year 2015 showed significant downgrade of the economic scenario. In the international market, there was a steel oversupply, with a consequent reduction in international prices of steel products. In the Brazilian market, in addition to the political crisis, intensive industrial sectors in steel consumption, as production of capital goods and consumer durables, had significant production declines. This lower demand scenario prevented the Company from achieving the goals set out in its annual budget for 2015 and led the Board to implement additional actions in order to adapt its structure to the recessive economic reality.

In this context, in October 2015, Management decided to temporarily interrupt the primary activities at the plant of Cubatão/SP. The intermittent activities in the plant include the decommissioning of the sintering process, coke plants, ovens (of which one had already been decommissioned in May 2015) and steel works, as well as all activities related to equipment on the referred areas. The referred intermittent activities aim to reposition Usiminas on a new scale of production and increase its competitiveness on a context of an increasingly difficult steel making market. Under such circumstances, the plan of Cubatão is no longer producing plates, but kept its production of hot and cold laminated steel, as well as its port related activities. The production line of thick laminated steel continues temporarily interrupted. Additionally, in May 2015, Management decided to temporarily interrupt the activities of one of its three ovens at the plant of Ipatinga/MG.

In addition to the steel market, the mining sector also faced significant downgrade of the economic scenario in the year, with successive falls in the international price of iron ore, which led the subsidiary Mineração Usiminas S.A. to record an asset impairment as of June and as of December 2015. In addition, given the adverse economic situation, the subsidiary Mineração Usiminas S.A. negotiated the suspension of the transportation contract with MRS Logística S.A., which imposed conditions on take or pay.

This adverse scenario, coupled with the appreciation of the U.S. dollar against the Real, caused significant impact on the financial leverage and the generation of the Company's cash. As of December 31, 2014, consolidated net debt was R$ 3.8 billion, representing 17% of invested capital (net debt plus shareholders' equity). As of December 31, 2015, these indicators were R $ 5.9 billion and 28%, respectively. The fall in demand, with negative effects on volumes and prices, caused a reduction of the generation of the Company's operating cash flow which, as measured by adjusted EBITDA, ended the year 2015 at $ 291.5 million versus R $ 1,863.1 million in 2014.

The Company's Strategic Plan for 2016 focus on the adequacy of financial disbursements to this challenging economic reality. The plan, in addition to prioritize the operating cash flow and strict management of working capital and capital investments, provides:

(a) Proposal for a capital increase;

(b) Stretching deadlines and renewal of financial debt maturing in 2016, through renegotiation of key contracts;

(c) Access to subsidiaries cash; and

(d) Sale of non-strategic assets.

The Company's financial statements for the year ended December 31, 2015 have been prepared on the going concern assumption, relying on its cash flow projections. The projections used depend on factors such as achievement of production budget, sales volume, sales prices, exchange rate, in addition to obtaining additional resources as capital increase, new loans or a combination of both, and also the sale of some non-strategic assets.

The Board relies on the presented plan, however, if one or more of the main assumptions does not met, it may indicate material uncertainties, raising doubts about the Company's ability to realize its assets and pay its liabilities recorded.

In order to expand its business activity, the Company holds, directly or indirectly, interest in subsidiaries, jointly-controlled subsidiaries and affiliates, whose main activities are described below:

(a) Subsidiaries

Companies	(%) Participation	(%) Voting capital	Principal place of business	Core business
Cosipa Commercial Ltd.	100	100	Cayman Islands/Caribbean	Fundraising in the foreign market
Mineração Usiminas S.A.	70	70	Belo Horizonte/MG	Extraction and treatment of iron ore as pellet feed, sinter feed and granulated products
Rios Unidos Logística e Transporte de Aço Ltda.	100	100	Itaquaquecetuba/SP	Provision of overland transport of cargo
Soluções em Aço Usiminas S.A	68.88	68,88	Belo Horizonte/MG	Transformation of steel products, besides distribution center services
Usiminas Commercial Ltd.	100	100	Cayman Islands/Caribbean	Fundraising in the foreign market
Usiminas Europa A/S	100	100	Copenhagen/Denmark	Operates as a trading company, intermediating exports of Company products, besides nurturing foreign trade
Usiminas International Ltd.	100	100	Principality of Luxembourg	Holds investments in the Company abroad
Usiminas Mecânica S.A.	99.99	100	Belo Horizonte/MG	Manufacturing of equipment and installations for a number of industrial segments.
Usiminas Participações e Logisitica S.A. (i) (ii)	100	100	São Paulo/SP	Investment in MRS Logistica S.A.

(i) Company's direct interest of 16.7% and indirect interest, via MUSA, of 83.3%.
(ii) Company's direct interest in voting capital of 50.10% and indirect interest, via MUSA, of 49.90%.

(b) Jointly-controlled subsidiaries

Companies	(%) Participation	(%) Voting capital	Principal place of business	Core business
Unigal Usiminas Ltda.	70	70	Belo Horizonte/MG	Transformation of cold-rolled coils into hot-dip galvanized ones
Modal Terminal de Graneis Ltda.	50	50	Itaúna/MG	Operations of highway and railway cargo terminals, storage and handling of steel products and overland transport of cargo.
Usiroll - Usiminas Court Tecnologia em Acabamento Superficial Ltda.	50	50	Ipatinga/MG	Provision of services, especially for repair of cylinders and rolls.

(c) Investments in affiliates

Companies	(%) Participation	(%)Voting capital	Principal place of business	Core business
Codeme S.A.	30.77	30.77	Betim/MG	Manufacture and assembly of steel constructions
Metform S.A.	30.77	30.77	Betim/MG	Manufacture of steel tiles, steel decks and galvanized fittings
MRS Logística S.A. (iii)	0.28	0.50	Rio de Janeiro/RJ	Rendering of rail and logistical transport services
Terminal de Cargas Paraopeba	22.22	22.22	Sarzedo/MG	Cargo storage, handling and transportation, and terminal operation
Terminal de Cargas Sarzedo	22.22	22.22	Sarzedo/MG	Cargo storage, handling and transportation, and terminal operation

(iii) The Company's indirect interest in MRS Logística S.A. through UPL, is disclosed in Note 15 (b).

2 Approval of financial statements

The Board of Director authorized the issue of these financial statements on February 17, 2016.

3 Summary of significant accounting practices

The main accounting policies applied when preparing these financial statements are described below.

Accounting policies on transactions deemed to be immaterial were not included in the financial statements.

Also worth noting is that the accounting policies were applied consistently in the current year, were consistent with the prior year presented and are common to the Company, its subsidiaries, affiliates and jointly-controlled subsidiaries. Whenever necessary, the subsidiaries' financial statements were adjusted to meet such criterion.

3.1 Basis of preparation and declaration of conformity

The financial statements were prepared using the historical cost as a value basis, and adjusted to reflect the measurement of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements requires the use of certain critical accounting estimates as well as the exercise of judgment by Company management in applying the Company's accounting practices. Those areas which involve greater judgment calls or more complexity or where the assumptions and estimates are significant for the financial statements are disclosed in Note 4.

The individual and consolidated financial statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB),accounting practices adopted in Brazil and issued by the Brazilian FASB (CPC), approved by the Brazilian Securities and Exchange Commission (CVM).

3.2 Basis of consolidation and investments in subsidiaries

(a) Subsidiaries

Subsidiaries are all entities over which Usiminas Companies have the power to govern the financial and operating policies, generally accompanied by interest of more than half of the voting rights (voting capital). The existence and effect of potential voting rights currently exercisable or convertible are considered when assessing whether Usiminas Companies control another entity. Subsidiaries are fully consolidated from the date on which control is transferred to Usiminas Companies. Consolidation is discontinued from the date on which control ends.

Balances, unrealized gains and other transactions among Usiminas Companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of loss (impairment) of the asset transferred.

(b) Jointly-controlled subsidiaries and affiliates

The Company classifies its enterprises as follows:

- Affiliates are all entities on which the Company has significant influence by means of participation in the decisions associated with their financial and operating policies, however has no control or joint control on these policies;
- Jointly-controlled subsidiaries are all entities on which the Company has the control shared with one or more parties.

Investments in affiliates and jointly-controlled subsidiaries are accounted for by the equity method and initially recognized at their cost value. The fiscal years of affiliates and jointly-controlled subsidiaries are the same as those of USIMINAS. However, except for affiliates (direct and indirect) Codeme, Metform and Terminal Sarzedo, and for the jointly-controlled subsidiary Modal, the Company used the financial statements prepared on November 30, 2015 for equity pickup purposes, in compliance with CPC 18 and IAS 28.

(c) Noncontrolling interests and transactions

Transactions including noncontrolling interests are classified as transactions with owners of assets of Usiminas Companies. For purchases of noncontrolling interests, the difference between any consideration paid and the portion acquired of the book value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals for noncontrolling interests are also recorded in equity, under “Equity adjustments”.

3.3 Presentation of segment reporting

Operating segment reporting is stated consistently with the internal report provided for by the main chief operational decision-maker. Usiminas Companies are organized in four operating segments: Steelworks, Mining and Logistics, Steel Transformation and Capital Goods. The bodies responsible for the major operating decision-making, allocation of funds and performance assessment of operating segments, include the Executive Board and the Board of Directors. The Company’s Board of Directors is also responsible, where applicable, for the strategic decision-making of Usiminas Companies.

3.4 Foreign currency translation

(a) Functional and reporting currency

Items included in each Group company’s financial statements are measured using the currency of the principal economic environment where they operate (the “functional currency”). The individual and consolidated financial statements are presented in Brazilian real (R$), which is the Company’s functional currency and, also the Usiminas Companies’ reporting currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing on the transaction or evaluation dates, on which the items are remeasured. Exchange gains and losses stemming from the settlement of these transactions and translation at the exchange rate at year end, referring to monetary assets

and liabilities in foreign currency, are recognized in the statement of operations, except for differences in equity such as cash flow hedge or net investment transactions, classified as hedging accounting.

Currency gains and losses stemming from assets and liabilities are stated in the statement of operations as “Financial income (expense)”.

3.5 Cash and cash equivalents and Marketable Securities

(a) Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and highly liquid short-term investments maturing within three months and posing insignificant risk of any change in fair value.

(b) Marketable securities

The marketable securities recorded are highly liquid investments, redeemable at up to three months, which management objective does not meet short term commitments.

3.6 Financial assets

3.6.1 Classification

Usiminas Companies classify their financial assets, upon initial recognition, into the following categories: measured at fair value through profit or loss and receivables. The classification depends on the purpose for which the financial assets were acquired.

(c) Financial instruments measured at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. Financial assets are classified as held for trading if particularly acquired to be sold within short term. The assets of this category are classified as current assets. Derivatives are also included in this category, unless they have been designated as hedging instruments.

(d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments not traded in an active market. Loans and receivables of Usiminas Companies comprise cash and cash equivalents, except for short-term investments, trade accounts receivable, receivables from affiliates and other accounts receivable.

The Usiminas companies recognize an allowance for bad debt on overdue receivables for which associated with an existing legal dispute or when there is no formal agreement in place.

3.6.2 Recognition and measurement

Ordinary purchases and sales of financial assets are recognized on the negotiation date. Investments are initially recognized at fair value, plus transaction costs for all investments not measured at fair value through profit or loss. Financial assets measured at fair value

through profit or loss are initially recognized at fair value, and the transaction costs are charged to the statement of operations in the period they incur. The fair value of publicly listed private equity is based on current purchase prices. For financial assets not traded in active market (or not publicly listed), Usiminas Companies establish the fair value through valuation techniques. These techniques include the use of transactions recently contracted with third parties, reference to other instruments that are substantially similar, discounted cash flow analysis, and options pricing models, which make the maximum possible use of information generated by the market and the minimum possible use of information provided by management.

3.6.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

3.6.4 Impairment of financial assets

Assets measured at amortized cost

Usiminas Companies evaluate at every year-end if there is objective evidence that a financial asset or group of financial assets is impaired. The criteria used by Usiminas Companies to determine whether there is objective evidence of impairment loss include:

- Significant financial difficulties faced by the issuer or debtor;
- Breach of contract, such as default or payment in arrears of interest or principal;
- Probability that the debtor will enter bankruptcy or financial reorganization; and
- Extinction of the active market for that financial asset by virtue of financial difficulties.

3.6.5 Derecognition (write-off) of financial assets

A financial asset (or, whenever the case, a part of a financial asset, or a part of a group of similar financial assets) is derecognized (i.e. excluded from P&L for the year) when:

- The rights to receive the cash flows from the asset have expired;

- The Company has transferred its rights to receive cash flows of the asset or has assumed an obligation to fully pay the cash flows received, without significant delay to a third party under an onlending agreement, and (a) the Company transferred substantially all risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all risks and rewards related to the asset, but has transferred control over the asset.

When the Company has transferred its rights to receive the cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards related to the asset, the Company continues to recognize a financial asset to the extent of its continuing involvement in the financial asset.

3.7 Financial liabilities

3.7.1 Recognition and measurement

Financial liabilities are classified as financial liabilities measured at fair value through profit or loss, loans and financing, accounts payable, or derivatives classified as hedging instruments, as the case may be.

Financial liabilities are initially recognized at fair value plus, in the case of loans and financing and accounts payable, transaction cost directly attributable thereto. Company's financial liabilities include trade accounts payable and other accounts payable, loans and financing, financial guarantee contracts and derivative financial instruments.

3.7.2 Subsequent measurement

After initial recognition, loans and financing subject to interest are subsequently measured at amortized cost, using the effective interest rate method.

3.7.3 Borrowing costs

Borrowing costs attributed to the acquisition, construction or production of an asset which necessarily take substantial time to be ready for its intended use or sale, are capitalized as part of the cost of such assets. All other borrowing costs are expensed in the period they incur. Borrowing costs are interest and other costs incurred by the Company in connection with borrowings.

3.7.4 Derecognition (write-off) of financial liabilities

A financial liability is written off when the obligation thereunder is discharged, cancelled or expires. When an existing financial liability is replaced by another of the same lender with substantially different terms, or the terms of an existing liability are significantly changed, this replacement or change is treated as write-off of the original liability with recognition of a new liability, the difference in the respective carrying amount being recognized in the statement of operations.

3.8 Derivative financial instruments

(a) Derivative instruments

Initially, derivatives are recognized at fair value on the date the derivative agreement is signed and, subsequently, are remeasured at their fair value. The method to recognize the resulting gain or loss depends on whether the derivative is designated or not as a hedging instrument, in those cases of adoption of hedging accounting. In this case, the method depends on the nature of the hedged item.

(b) Derivatives measured at fair value through profit or loss

Certain derivative instruments are not qualified for hedging accounting. Changes in fair value of these derivative financial instruments are immediately recognized in the statement of operations.

3.9 Inventories

Inventories carried at the lower of average cost of acquisition or production (moving weighted average method), or at the net realizable value, whichever is lower. Imports in transit are stated at the accumulated cost of each import.

3.10 Judicial deposits

Judicial deposits are those made in court, in a bank account linked to a legal proceeding, in local currency, in order to guarantee the settlement of a potential future obligation.

3.11 Property, plant and equipment

Property, plant and equipment are recorded at acquisition, buildup, or construction cost, less depreciation and where applicable reduced to their recoverable amount. The principal components of certain property, plant and equipment, upon their replacement, are accounted for as separate and individual assets using the specific useful life of this component. The replaced component is written off. The expenses of maintenance performed to restore or maintain the original performance standards are recognized as cost of sales in the period they incur.

The depreciation of property, plant and equipment is calculated at the straight-line method to allocate their costs to net book value throughout the estimated useful life.

Net book values and useful lives of the assets are reviewed and adjusted, as appropriate, at the end of each year.

The carrying amount of an asset is immediately reduced to its realizable value when its carrying amount exceeds its estimated realizable value.

The Company has spare parts and supplies used in the maintenance of its fixed assets. When utilized, such parts will extend in 12 months or more the estimated useful life of the asset. Therefore, the amount of such inventory items are accounted for as spare parts and supplies within fixed assets.

3.12 Intangible assets

(a) Goodwill

Goodwill is measured as the difference between the cost of acquisition paid or payable and the net fair value of the acquiree's assets and liabilities. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on disposal of an entity include the book value of the goodwill on the entity disposed of.

Goodwill is allocated to Cash Generating Units (CGUs) for the purpose of impairment test. Goodwill is allocated to CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, and segregated by operating segment.

(b) Mining rights

Mining rights are stated at fair value of acquisition less depletion of mines.

Mining rights arising from acquisition of companies are recognized at the fair value, taking into account the allocation of the acquired assets and liabilities.

The depletion of mining rights is performed according to the exploration of mines.

(c) Software

Software licenses acquired are capitalized and amortized by the straight-line method over their estimated useful lives at the rates mentioned in Note 18.

3.13 Impairment of nonfinancial assets

Indefinite-lived assets, such as goodwill, are not subject to amortization and are annually tested for impairment. Finite-lived assets are tested for impairment every balance sheet date and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If there is an indicator, assets are tested for impairment. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e., cash-generating units - CGUs). An impairment loss is recognized for the value for which the carrying value of the asset exceeds its recoverable value.

3.14 Provision for litigation

Provision for litigation related to legal, administrative, labor, tax and civil proceedings are recognized when Usiminas Companies have a present obligation, legal or constructive, arising from past events, the settlement of which is likely to result in an outflow of economic benefits and for which a reliable estimate can be made.

3.15 Provision for environmental restoration

Provision for environmental restoration expenses, when related to the construction or acquisition of an asset, is recorded as part of the costs of those assets, and takes into consideration Subsidiary Mineração Usiminas S.A. management estimates of future expenses discounted to present value. Increase in the time value of obligations is recognized as financial expenses.

Provisions are measured at present value of the expenses expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the specific risks to the liability. Increase in the time value of obligations is recognized as financial expenses.

3.16 Current and deferred income and social contribution taxes

Tax expenses for the period comprise current and deferred income and social contribution taxes. Income taxes are recognized in the statement of operations, except to the extent that they are related to items directly recognized in equity. In this case, tax is also recognized in equity or comprehensive income (loss).

Deferred income tax and social contribution are calculated on losses of income tax and social contribution carryforward and the corresponding timing differences between the calculation bases of tax on assets and liabilities and the carrying values of the financial statements.

Deferred income tax assets and liabilities are stated net in the balance sheet when there is an enforceable right and an intention to offset them, upon the calculation of current taxes, usually associated with the same legal entity and tax authority.

3.17 Employee benefits

(a) Supplementary retirement plans

The Company and its subsidiaries are members in retirement plans administered by Previdência Usiminas, a pension fund which provides its employees with supplementary retirement and pension benefits.

The liability recognized in the balance sheet related to the defined benefit retirement plans is the present value of the defined benefit obligation at the balance sheet date, less the market value of plan assets, adjusted by: (i) actuarial gains and losses, (ii) rules limiting the value of the asset determined, and (iii) the minimum requirements. Defined benefit obligation is annually calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined based on the discount of estimated future cash outflows at interest rates that are proportional to the market profitability, which are denominated in the currency used to pay such benefits, the due dates of which are close to those of the respective pension plan obligations.

Actuarial gains and losses arising from adjustments based on the experience and changes in actuarial assumptions are charged or credited directly to other comprehensive income (loss), in the period they incur. For the defined contribution plan (Cosiprev), the Company pays contributions to the closed-ended supplementary pension plan entity on a

compulsory, contractual or voluntary basis. Contributions are recognized as expenses in the period they are due.

(b) Health care insurance plan benefits to retirees

Employees who retired in subsidiary Companhia Siderúrgica Paulista - Cosipa, until April 30, 2002, were provided with benefits of post-retirement health care insurance plan. This benefit was granted when the employee remained working until his retirement. The expected costs of these benefits were accumulated over the employment relationship period, using an accounting methodology similar to that of the defined benefit retirement plans.

In addition, the Company records the obligations arising from the legislation, which entitle the employees who contributed to the health care insurance plan, to keep themselves as beneficiaries upon their retirement, provided that they assume full payment of contributions. The term for maintenance after retirement is one year for each year of contribution, and in case contribution was at least for 10 years, the permanence term is undefined.

These liabilities are annually assessed by independent actuaries.

(c) Profit sharing

Usiminas Companies record profit sharing in P&L due to operational and financial goals disclosed to their employees. These amounts are recorded under “Cost of sales”, “Selling expenses” and “General and administrative expenses” according to the employee allocation.

(d) Share-based compensation

The Company has a share-based compensation plan, to be settled with treasury preferred shares, which allows Management members and other executive officers appointed by the Board of Directors to acquire their shares. The fair value of the employee’s services received in exchange for the stock options grant is recognized as expense.

When options are exercised, the amounts received, net of any directly attributable transaction costs, are credited in capital (par value).

3.18 Revenue recognition

Revenue is presented net of taxes, returns, rebates and discounts and, after the elimination of sales among Usiminas Companies, is recognized at fair value of consideration received or receivable, to the extent that future benefits are likely to inure to the entity, and revenues and costa can be reliably measured. Additionally, specific criteria for each of the Company’s entities should be met, as described below.

(a) Sale of products

Usiminas Companies manufacture and sell various products and raw materials, such as flat steel, iron ore, stamped steel parts for the automotive industry and products for civil construction and capital goods industry.

Sales revenue is recognized when all significant risks and benefits inherent to the products are transferred to purchaser. Therefore, the Company makes it a revenue recognition policy the date on which the product is delivered to the purchaser.

(b) Sale of services

Usiminas Companies provide technology transfer services in the steel activity, in project management and provision of services in the civil construction area and capital goods industry, road transport of flat steel, hot-dip steel galvanizing, texturing and cylinders chromium.

Revenue from services is recognized based on the services rendered up to the balance sheet date.

(c) Revenue from orders in transit

Revenue from orders in transit is recognized according to the Percentage-of-Completion Method (PoC). Revenue is calculated and accounted for based on application, on restated sales price, of the percentage represented by the relation between costs incurred and total restated budgeted cost, adjusted by a provision for losses on orders in process of execution, where applicable. Amounts billed, in addition to the physical implementation of each project, are recognized as services billed to perform in current liabilities.

The variation between the final effective cost and total budgeted cost, periodically restated and reviewed, has remained at parameters deemed reasonable by management. The order contracts contain clauses of manufacturing warranty of equipment after its commissioning for variable periods of time. The costs eventually incurred are absorbed directly in P&L.

Revenues from orders in transit are solely part of operations conducted by subsidiary Usiminas Mecânica, and in addition this type of revenue, this entity also sells services. Usiminas Mecânica's revenues comprise the amounts stated in Note 26.1 as capital goods.

(d) Financial income

Financial income is recognized according to the time elapsed, using the effective interest rate method.

3.19 Distribution of dividends and interest on equity

Payment of dividends and interest on equity to the Company's shareholders is recognized as a liability in financial statements of Usiminas Companies at year-end, according to their Articles of Incorporation. The amounts above the mandatory minimum dividends required by law are accrued when approved at a General Meeting.

The tax benefit arising from interest on equity is recognized in the statement of operations.

3.20 New pronouncements, revisions and interpretations of standards not yet in force at December 31, 2015

The standards and interpretations issued which are significant for the Usiminas, but not yet adopted until the date of issuance of the Company's financial statements are presented below. The Usiminas companies intend to adopt these standards, if applicable, where applicable, as they go into effect.

IFRS 9 - Financial Instruments	In July 2014, the IASB issued a final version of IFRS 9 - Financial Instruments, which reflects all phases of the project of financial instruments and supersedes IAS 39 - Financial Instruments: Recognition and Measurement. The standard introduces new requirements on the classification and measurement, impairment and hedge accounting. The statement also introduce new guidance in addition to the existing guidance regarding the recognition and derecognition of financial instruments in accordance with IAS 39.	The adoption of IFRS 9 will be effective on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 9 on its financial statements and disclosures.
IFRS 15 - Revenue from contracts with customers	The IFRS 15 requires that the entity recognize its revenue based on amount that is expected to receive in exchange for the control of goods and services. The new standard supersedes significant parts of the existing IFRS for a more detailed guidance regarding the revenue recognition per IFRS as well as the Generally Accepted Accounting Principles in the United States ("U.S. GAAP"), when adopted.	The new standard is effective on or thereafter January 1, 2018. Early adoption is being allowed, applying the approach of cumulative effects. The Company is currently evaluating the impact of IFRS 15 on its financial statements and disclosures.

Additionally, the Company does not expect the following new standards or changes to currently existing standards to have a significant impact in the consolidated financial statements.

- IFRS 14 - *Regulatory Deferral Accounts* (Ativos e Passivos Regulatórios);
- Changes to CPC 19 / IFRS 11 - *Accounting for Aquisitions of Interests in Joint Operations*;
- Changes to CPC 27 / IAS 16 e CPC 04 / IAS 38 - *Acceptable Methods of Depreciation and Amortisation*;
- Changes to CPC 36 / IFRS 10 e CPC 18 / IAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture*;
- Other updates to IFRSs issued from 2012 through 2014 - various standards;
- Changes to CPC 36 / IFRS 10, CPC 45 / IFRS 12 e CPC 18 / IAS 28 - *Investment Entities: Consolidation Exception*; e
- Changes to CPC 26 / IAS 1 - *Disclosure Initiative*.

The the Brazilian FASB (CPC) has not issued new standards or made changes to the effective standards related to all recently issued IFRS standards. Therefore, the early adoption of these new standards is not permited for entities issuing their financial statements in accordance with accounting principles adopted in Brazil.

3.21 Restatements of comparative balances

The Company reclassified balances related to the credit assignment operation (forfaiting) with suppliers for better presentation purpose. These balances were originally presented in the balance sheet within “Trade accounts payable, contractors and freight” and were reclassfied into “Other accounts payable”. Additionally, the Company reclassified the balances of “Payables to affiliates” into “Accounts payable” and “Trade accounts payable, contractors and freight”, based on the nature of the transaction.

For comparability purposes, balances as of December 31, 2014 were reclassified s follows:

(a) Balance sheets

			Company 12/31/2014
	Originally issued	Reclassification	Restated
Total Assets	28,868,053	-	28,868,053
Trade accounts payable, contractors and freight	1,552,122	35,882	1,588,004
Payables to affiliates	651,443	(651,443)	-
Accounts payable	-	615,561	615,561
Other accounts payablecurrent and noncurrent	9,944,824	-	9,944,824
Total Liabilities	12,148,389	-	12,148,389
Total Shareholders’ Equity	16,719,664	-	16,719,664

			Consolidated 12/31/2014
	Originally issued	Reclassification	Restated
Total Assets	30,484,062	-	30,484,062
Trade accounts payable, contractors and freight	1,948,744	(277,204)	1,671,540
Payables to affiliates	338,357	(338,357)	-
Accounts payable	-	615,561	615,561
Other accounts payablecurrent and noncurrent	9,435,346	-	9,435,346
Total Liabilities	11,722,447	-	11,722,447
Total Shareholders’ Equity	18,761,615	-	18,761,615

Throughout 2015 and 2014, the Company made several purchases of raw materials with domestic suppliers, mainly iron ore and fuel. These suppliers entered into factoring agreements with financial institutions through credit assignments agreements. The receivables are sold to the bank based on a non-recourse factoring agreement, in exchange for an interest rate ranging from 1% p.a. to 1.6% p.a. As of December 31, 2015, the liabilities related to such transactions amounted to R$587,458 on both the company and the consolidated balance sheet (R$615,561 as of December 31, 2014 on both th Company and the consolidated balance sheet). The average term of these credit assignments is 180 days.

(b) Cash flow statements

As of December 31, 2014, the statement of cash flow of the Company is not being restated, as no changes were made to its presentation. The restatement of the consolidated cash flow statements is depicted below:

	Consolidated 12/31/2014		
	Originally issued	Reclassification	Restated
Cash flows from operating activities			
Net income (loss) for the year	208,479	-	208,479
Adjustments to reconcile income (loss)	1,703,892	-	1,703,892
Decrease in assets	683,698	-	683,698
Increase (decrease) in liabilities			
Payables to affiliates	198,315	193,007	391,322
Other	(1,575,794)	-	(1,575,794)
Net cash provided by operating activities	1,218,590	193,007	1,411,597
Net cash used in investing activities	(996,356)	-	(996,356)
Cash flows from financing activities			
Credit assignments obtained	-	772,681	772,681
Credit assignments repayments	-	(965,688)	(965,688)
Other	(754,370)	-	(754,370)
Net cash used in financing activities	(754,370)	(193,007)	(947,377)
Exchange gain/loss on cash and cash equivalents	8,761	-	8,761
Net (decrease) in cash and cash equivalents	(523,375)	-	(523,375)

In the consolidated statements of cash flows, the Company reclassified only the balances with respect to the credit assignment (forfaiting) transactions with affiliates to the financing activities, as depicted above. The credit assignment transactions (forfaiting) with third-party suppliers continue to be presented within the cash flows from operating activities.

4 Significant accounting judgments, estimates and assumptions

4.1 Judgments

The preparation of the Company's financial statements requires management to make professional judgments, estimates and adopt assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, as well as the disclosure of contingent liabilities. Upon applying the Usiminas Companies' accounting practices, management made the following judgments that have most significant effect on the amounts recognized in the financial statements:

(a) Segregation of interest and monetary variation related to short-term investments and local loans

The Company segregates the Extended Consumer Price Index (IPCA) of loans and financing and of short-term investments, the contracted index of which are the Interbank Deposit Certificate (CDI) and the Long-Term Interest Rate (TJLP). Therefore, the portion referring to IPCA is segregated of interest on loans and financing and of short-term investment yield, and included in account "Monetary effects", under Financial income (expense), see Note 31.

(b) Classification of investment control

The Company classifies its investments under the terms provided for in CPC 18 (R2) - Investments in Affiliates, Subsidiaries and Joint Ventures and by CPC 19 (R2) - Investment in Joint Venture, the classification of which is subject to judgment in determining the control and significant influence of investments.

4.2 Estimates and assumptions

Key assumptions concerning sources of uncertainty in future estimates and other important sources of estimation uncertainty at the balance sheet, involving significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year are discussed below.

(a) Impairment of nonfinancial assets

Yearly, Usiminas Companies test goodwill for impairment as well as other long-term assets. The recoverable amounts of CGUs were determined based on calculations of the value in use and net sales price, based on estimates (Note 17). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e., cash-generating units - CGUs).

(b) Income and social contribution taxes

Usiminas Companies are subject to income tax in various countries in which they operate. Significant judgment is required in determining the provision for income taxes in these countries. In many transactions, the final determination of the tax is uncertain. Usiminas Companies also recognize provisions due to events in which it is probable that additional tax amounts will be owed.

The Company regularly reviews the deferred tax assets in terms of recoverability, considering historical profit generated and projected future taxable profits, according to technical feasibility studies.

(c) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques. Usiminas Companies use their professional judgment to choose various methods and define assumptions that are mainly based on market conditions existing at the balance sheet date.

(d) Revenue recognition

Subsidiary Usiminas Mecânica uses the Percentage-of-Completion Method (PoC) to record the revenue from orders in transit agreed at a fixed price. The use of PoC method requires that the services performed up to the balance sheet date be estimated as a proportion of the total services contracted.

(e) Retirement plan benefits

The current amount of liabilities deriving from retirement plans depends on a series of events that are determined based on actuarial calculations, which uses a number of assumptions. Among the assumptions used in determining the net cost (revenue) for the employees' retirement plans, the discount rate is also used.

Usiminas Companies calculate the appropriate discount interest rate at year end, to determine the present value of estimated future cash outflows.

Other significant assumptions for retirement plan obligations are partially based on current market conditions. Further information is disclosed in Note 24.

(f) Provision for litigation

As described in Note 23, Usiminas Companies are parties to various legal and administrative proceedings. Provisions are set up for all litigation referring to legal proceedings that represent probable loss. Assessment of the likelihood of loss includes analysis of available evidence, including the opinion of internal and external legal advisors of Usiminas Companies.

(g) Provision for environmental restoration

As part of its mining activities, the Company recognizes in the consolidated financial statements a provision to cover environmental restoration obligations. Upon determining the provision amount, assumptions and estimates are made in relation to the discount rates, at the cost expected for restoration and at the time expected for such costs.

(h) Rates of useful lives of PP&E

Depreciation of property, plant and equipment is calculated by the straight-line method according to the useful lives of assets. The useful life is based on reports of engineers of Usiminas Companies and external advisors, reviewed on an annual basis.

5 Financial risk management objectives and policies

5.1 Financial risk factors

Usiminas Companies' activities expose them to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, cash flow or fair value interest rate risk, commodity price risk and steel price risk).

Financial risk management is performed by the Financial Executive Board, according to the Financial Committee and Board of Directors orientation. This team assesses and seeks to hedge the Company against any financial risks in cooperation with the other units, including, operating units, Supply, Planning, among others, of Usiminas Companies.

5.2 Policy to use derivative financial instruments

The financial instruments of Usiminas Companies are recorded in asset and liability accounts. Usiminas Companies adopt a policy responsible for management of their financial assets and liabilities, monitored by the Financial Committee and Board of Directors. Said policy aims to: (i) maintain the intended liquidity, (ii) define the concentration level of its operations and (iii) control the level of exposure to financial market risks. Usiminas Companies undertake derivative transactions aiming, among others, to hedge their assets and liabilities and reduce volatility in their cash flow, monitoring exchange exposure, a possible mismatch between currencies and commodity price.

Usiminas Companies have no financial instruments subject to guarantee margin.

5.3 Financial risk management policy

(a) Credit risk

Credit risk is managed on a corporate basis and arises from cash and cash equivalents, derivative financial instruments, deposits and investments in banks, as well as credit exposures with customers, including outstanding receivables.

Usiminas Companies' sales policies are subordinated to the credit policies established by management and intend to minimize any problems arising from customer default. Moreover, there is a Credit Committee comprised of experts from the financial and commercial areas, who assess and monitor the risk from customers. This objective is achieved through careful credit rating analysis of customers that considers each customer's capacity to pay, indebtedness ratio and balance sheet, through diversification of trade accounts receivable (risk dilution).

The Company also sets up an allowance for doubtful accounts, as described in Note 10.

Concerning short-term investments and other investments, Usiminas Companies' policy is to work with top-tier financial institutions. Only securities and paper of entities classified with the minimum rate "A-" are accepted by the international rating agencies. No financial institution holds individually more than 25% of total short-term investments and other investments of Usiminas Companies.

(b) Liquidity risk

The responsible and conservative policy for management of financial assets and liabilities involves a careful analysis of counterparties of Usiminas Companies through the analysis of financial statements, equity and rating, aiming at helping the Company to maintain the intended liquidity, define a concentration level of their operations, control the exposure level to financial market risks, as well as dilute liquidity.

The cash flow projection is prepared based on the budget approved by the Board of Directors and later updates. This projection takes into account, in addition to all operational plans, the fundraising plan to support the expected investments and the entire maturity schedule of the Usiminas Companies' debts. Throughout the work, it is observed the compliance with covenants and internal recommendation of the leverage level. The Treasury Department monitors, on a daily basis, the projections contained in the Company's direct cash flow to ensure it has enough cash to meet its operational needs, investments, as well as payments of its obligations.

The cash held by Usiminas Companies is managed by the Financial Executive Board, that invests in Bank Deposit Certificates (CDBs) and Repurchase Agreements, choosing instruments with appropriate maturities that meet the adequate liquidity, as described in Note 8.

The table below analyzes the major non-derivative financial liabilities of Usiminas Companies and derivative financial liabilities that are realized, at net balance, by these companies, by maturity, corresponding to the remaining period in the balance sheet up to the contractual maturity date. Derivative financial liabilities are included in the analysis whether their contractual maturities are essential for an understanding of cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Company			
	Within 1 year	**From 1 to 2 years**	**From 2 to 5 years**	**Above 5 years**
At December 31, 2015				
Trade accounts payable, contractors and freight	**1,136,524**	**-**	**-**	**-**
Loans and financing	**2,930,896**	**1,687,530**	**4,696,682**	**63,051**
Debentures	**164,084**	**631,289**	**630,946**	**-**
Derivative financial instruments	**(154,411)**	**(78,871)**	**242,867**	**552**
At December 31, 2014				
Trade accounts payable, contractors and freight	1,588,004	-	-	-
Loans and financing	1,944,880	2,111,310	3,337,819	114,283
Debentures	121,480	123,302	1,183,868	-
Derivative financial instruments	(87,836)	(61,525)	(43,300)	-

	Consolidated			
	Within 1 year	**From 1 to 2 years**	**From 2 to 5 years**	**Above 5 years**
At December 31, 2015				
Trade accounts payable, contractors and freight	**1,187,274**	**-**	**-**	**-**
Loans and financing	**2,161,760**	**1,628,748**	**3,277,523**	**63,716**
Debentures	**164,084**	**631,289**	**630,946**	**-**
Bond	**45,362**	**47,708**	**193,022**	**-**
Finance lease liabilities	**471**	**56**	**-**	**-**
Derivative financial instruments	**(44,634)**	**(26,731)**	**385,074**	**552**
At December 31, 2014				
Trade accounts payable, contractors and freight	1,671,540	-	-	-
Loans and financing	1,885,420	1,610,420	2,325,059	116,315
Debentures	121,480	123,302	1,183,868	-
Bond	29,885	31,377	168,084	-
Finance lease liabilities	797	424	51	-
Derivative financial instruments	(28,155)	4,289	68,394	-

As the amounts included in the table are contractual undiscounted cash flows, these amounts will not be reconciled with the amounts disclosed in the balance sheet for contractors and freight, loans and financing, debentures, derivatives financial instruments and other liabilities.

(c) Market risks

(i) Currency risk

Usiminas Companies operate internationally and are exposed to currency risk arising from exposures to certain currencies, primarily with respect to the US dollar and, to a lesser extent, the yen and euro. Currency risk arises from recognized assets and liabilities and net investments in foreign transactions.

As a preventive measure and to reduce the effects of exchange gain/loss, management has adopted a policy of carrying out swaps and non-deliverable forwards (NDF) transactions and, in addition, to have its assets pegged to the exchange restatement, as follows:

	Company		Consolidated	
	12/31/2015	**12/31/2014**	**12/31/2015**	**12/31/2014**
Assets in foreign currency				
Cash and cash equivalents:	**94,689**	209,516	**143,256**	432,188
Marketable securities	**-**	-	**160,976**	741,779
Accounts receivable	**175,431**	453,258	**176,207**	432,995
Advances to suppliers	**20,268**	9,696	**21,804**	12,183
	290,388	672,470	**502,243**	1,619,145
Liabilities in foreign currency				
Loans and financing	**(5,186,064)**	(3,440,873)	**(3,725,360)**	(2,436,521)
Trade accounts payable, general contractors and freight	**(465,827)**	(479,763)	**(471,048)**	(483,388)
Accrued Expenses	**(5,403)**	(140,222)	**(13,857)**	(140,222)
Other accounts payable	**(15,970)**	(8,025)	**(15,763)**	(8,025)
	(5,673,264)	(4,068,883)	**(4,226,028)**	(3,068,156)
Exposure	**(5.382.876)**	(3.396.413)	**(3,723,785)**	(1.449.011)
Derivative financial instruments (Notional)	**1.302.649**	330.373	**1,513,192**	464.399
Net exposure to FX	**(4.080.227)**	(3.066.040)	**(2,210,593)**	(984.612)

The amounts of loans and financing and debentures of Usiminas Companies are denominated in the currencies as follows:

	Company		Consolidated	
	12/31/2015	**12/31/2014**	**12/31/2015**	**12/31/2014**
Real	**4,078,869**	4,172,759	**4,143,354**	4,247,694
Euro	**-**	11,821	**-**	11,821
US dollar	**3,022,532**	1,946,002	**3,721,461**	2,422,027
Yen	**2,163,532**	1,483,050	**3,899**	2,673
Total loans and financing and debentures	**9,264,933**	7,613,632	**7,868,714**	6,684,215

The impact related to changes in exchange rates (sensitivity analysis) is shown in Note 5.6 (a).

(ii) Cash flow or fair value interest rate risk

The interest rate risk of Usiminas Companies derives from short-term investments and loans and financing.

The financial policy of Usiminas Companies emphasizes that derivative transactions are intended to reduce the risk by replacing the floating interest rates for fixed interest rates, or replace interest rates based on international indexes for interest rates based on indexes in local currency, according to guidance provided for by the Financial Committee.

Interest rates contracted for loans and financing under current and noncurrent liabilities are as follows:

	Company				Consolidated			
	12/31/2015	**%**	12/31/2014	%	**12/31/2015**	**%**	12/31/2014	%
Loans and financing								
Fixed	**3,744,634**	**40**	2,006,717	26	**2,295,166**	**29**	1,016,579	15
TJLP	**406,691**	**4**	603,231	8	**413,518**	**5**	618,078	9
LIBOR	**1,306,185**	**14**	1,260,972	17	**1,306,185**	**17**	1,260,972	19
CDI	**2,506,210**	**28**	2,480,975	32	**2,551,219**	**33**	2,525,280	38
Other	**240,923**	**3**	213,096	3	**242,336**	**3**	214,665	3
	8,204,643	**89**	6,564,991	86	**6,808,424**	**87**	5,635,574	84
Debentures								
CDI	**1,060,290**	**11**	1,048,641	14	**1,060,290**	**13**	1,048,641	16
	9,264,933	**100**	7,613,632	100	**7,868,714**	**100**	6,684,215	100

The Company holds derivative financial instruments to manage risks related to fluctuations in interest rates loans and financing in foreign currency, such as fixing the Libor rate in certain cases. The objective is to minimize the risks related to fluctuations in interest rates on loans and financing in foreign currency and, in certain cases, in national currency. Abroad, loans and financing agreements are supported by International Swaps and Derivatives Association, Inc. (ISDA) contracts and, when transactions are entered into Brazil, they are supported by General Derivative Contracts (GDCs).

5.4 Capital management

Usiminas Companies objectives in managing their capital are to safeguard its ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders as well as to maintain an optimal target capital structure to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Company may revise the policy for payment of dividends, return capital to shareholders, issue new shares, or sell assets to reduce its indebtedness, for example.

Consistently with other companies in the industry, Usiminas Companies monitor capital based on the financial leverage ratio. This ratio corresponds to the net debt divided by adjusted EBITDA. Net debt, in its turn, corresponds to total loans and financing and taxes in installments (including short and long-term transactions, as stated in the consolidated balance sheet), less cash and cash equivalents and marketable securities.

Usiminas Companies strategy is to keep the financial leverage ratio at rates lower than those provided for in the loans and financing agreements (covenants).

Adjusted EBITDA is calculated by adding to net income (loss) for the year the result from discontinued operations, income and social contribution taxes, interest held in subsidiaries, jointly-controlled subsidiaries and affiliates, the financial income (loss), depreciation, amortization and depletion, as well as other additions and exclusions.

In addition, the Company presents the calculation of the financial leverage ratio considering the net debt as a percentage of total capital. Total capital is calculated through the sum of equity, as stated in the consolidated balance sheet, plus net debt.

	Consolidated	
	12/31/2015	**12/31/2014**
Total loans and financing, debentures and taxes in installments	**7,886,487**	6,701,747
Less: cash and cash equivalents and marketable securities	**(2,024,457)**	(2,851,903)
Net debt	**5,862,030**	3,849,844
Total equity	**14,993,857**	18,761,615
Total capital	**20,855,887**	22,611,459
Financial leverage ratio	**28%**	17%

5.5 Fair value estimate

It is assumed that the carrying amount of trade accounts receivable less the allowance for doubtful accounts approximates their fair value due to their short maturity. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to Usiminas Companies for similar financial instruments.

For swap transactions, the long and short positions are calculated by the Company independently, using the marked-to-market methodology, according to the rates applied and verified in disclosures on the website of BM&F, Broadcast and Bloomberg.. If there is no negotiation for the term of the Company's portfolio, the interpolation methodology is used to find the rates relating to the specific terms. In both cases, the present value of flows is calculated. The difference between payables and receivables is the fair value of transactions.

(a) Financial instruments measured at fair value in the balance sheet

Financial instruments recorded at fair value shall be classified and disclosed according to the following levels:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1);
- Information, in addition to quoted prices, included in Level 1, used by the market for assets or liabilities, either directly (that is, based on prices) or indirectly (that is, deriving from prices) (Level 2);
- Inputs for assets or liabilities that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques. These valuation techniques make maximum use of data adopted by the market, when available, and rely as little as possible on entity's specific estimates. These instruments comprise investments in CDBs and derivative financial instruments (swap) that are described in Note 7.

The following table presents the assets and liabilities measured at fair value recognized through profit or loss:

(i) Company

			31/12/2015
	Level 1	**Level 2**	**Total**
Assets			
- Derivative financial instruments	-	408,090	408,090
Cash and cash equivalents			
- CDBs and other short-term investments	319,027	-	319,027
Assets - Total	319,027	408,090	727,117
Liabilities			
- Derivative financial instruments	-	403,502	403,502
Liability - Total	-	403,502	403,502

			31/12/2014
	Nível 1	**Nível 2**	**Saldo total**
Assets - Total			
	-	80,229	80,229
Liabilities			
- Derivative financial instruments	609,367	-	609,367
Liability - Total			
Assets - Total	609,367	80,229	689,596
Liabilities			
- Derivative financial instruments	-	276,261	276,261
Liability - Total	-	276,261	276,261

(ii) Consolidated

	12/31/2015		
	Level 1	**Level 2**	**Total**
Assets			
- Derivative financial instruments	-	712,214	712,214
Cash and cash equivalents			
- CDBs and other short-term investments	420,502	-	420,502
Assets - Total	420,502	712,214	1,132,716
Liabilities			
- Derivative financial instruments	-	403,502	403,502
Liability - Total	-	403,502	403,502

	31/12/2014		
	Nível 1	**Nível 2**	**Saldo total**
Assets			
- Derivative financial instruments	-	317,419	317,419
Cash and cash equivalents			
- CDBs and other short-term investments	1,913,941	-	1,913,941
Assets - Total	1,913,941	317,419	2,231,360
Liabilities			
- Derivative financial instruments	-	276,261	276,261
Liability - Total	-	276,261	276,261

At December 31, 2015 and 2014, Usiminas Companies had no financial instruments whose fair value has been measured by Levels 1 and 3.

Specific valuation techniques used to measure financial instruments include:

- Quoted market prices or quotations of financial institutions or brokers for similar instruments;
- The fair value of interest rate swaps is measured at the present value of future cash flows estimated based on the yield curves adopted by the market.
- Other techniques, such as the analysis of discounted cash flows, are used to determine the fair value of the remaining financial instruments.

(b) Fair value of loans, financing and debentures

In capital market transactions, such as debentures and bonds, the fair value reflects the value applied in the market. The difference between the book value and market value is calculated according to rates disclosed on the website of Securities, Commodities and Futures Exchange (BM&F), Broadcast and Bloomberg, and can be summarized as follows:

	Company			
	12/31/2015		12/31/2014	
	Equity value	Market value	Equity value	Market value
Bank loans - foreign currency	**3,022,532**	**3,022,532**	1,957,823	1,957,823
Bank loans - local currency	**3,018,579**	**3,018,579**	3,124,118	3,124,118
Debentures	**1,060,290**	**1,061,620**	1,048,641	1,050,712
Bonds	**2,163,532**	**2,163,532**	1,483,050	1,483,050
	9,264,933	**9,266,263**	7,613,632	7,615,703

	Consolidated			
	12/31/2015		12/31/2014	
	Equity value	Market value	Equity value	Market value
Bank loans - foreign currency	**3,023,945**	**3,023,945**	1,959,392	1,959,392
Bank loans - local currency	**3,083,064**	**3,083,064**	3,199,053	3,199,053
Debentures	**1,060,290**	**1,061,620**	1,048,641	1,050,712
Bonds	**701,415**	**455,168**	477,129	505,984
	7,868,714	**7,623,797**	6,684,215	6,715,141

The market values of loans, financing and debentures do not significantly differ from their carrying amounts, in the extent that they have been contracted and recorded at usual market rates and conditions applied to similar transactions in terms of nature, risk and maturity.

(c) Other financial assets and liabilities

The fair value of financial assets and liabilities does not significantly differ from their carrying amounts, to the extent that they have been contracted and recorded at usual market rates and conditions applied to similar transactions in terms of nature, risk and maturity.

5.6 Sensitivity analysis table

(a) Sensitivity analysis - currency risk of assets and liabilities in foreign currency

The Company prepares sensitivity analysis of assets and liabilities contracted in foreign currency, outstanding at the end of the period, considering the exchange rate prevailing at December 31, 2015, to be the probable scenario. Scenario I considered depreciation of the Brazilian real of 5% on the current scenario. Scenarios II and III were calculated with depreciation of 25% and 50% of the Brazilian real, respectively, on the foreign currency amount as at December 31, 2015.

Currencies used in the sensitivity analysis and their respective scenarios are as follows:

Currency	12/31/2015 Exchange rate at year end	Scenario I	Scenario II	Scenario III
US dollar	3.9048	4.1000	4.8810	5.8572
EUR	4.2504	4.4629	5.3130	6.3756
YEN	0.0324	0.0341	0.0405	0.0486

The effects on financial expenses considering scenarios I, II and III are as follows:

Currency	Consolidated 12/31/2014 Scenario I	Scenario II	Scenario III
US dollar	(109,925)	(549,624)	(1,099,248)
EUR	(462)	(2,308)	(4,616)
YEN	(143)	(717)	(1,433)

Derivative financial instruments pegged to currency exposure were included in the sensitivity analysis of assets and liabilities in foreign currency, based on the objective of these instruments, which is to minimize the impact from fluctuations in foreign currency. These derivative financial instruments are described in Note 5.

(b) Sensitivity analysis of interest rate variations

The Company prepares a sensitivity analysis of financial assets and liabilities subject to interest rates outstanding at the end of the period considering the rates in force at December 31, 2015 as the probable scenario. Scenario I considers an increase of 5% on the average interest rate applicable to the floating portion of its current debt. Scenarios II and III were calculated with deterioration of 25% and 50%, respectively, on the value of these rates at December 31, 2015.

The rates used and their respective scenarios are as follows:

Index	12/31/2015 Rates at year end (i)	Scenario I	Scenario II	Scenario III
CDI	14.1%	14.8%	17.7%	21.2%
TJLP	7.0%	7.4%	8.8%	10.5%
LIBOR	1.2%	1.2%	1.4%	1.7%
TR	1.4%	1.4%	1.7%	2.0%

(i) Annualized rates, except for TR that pertains to the period from April through December 2015

The effects on financial expenses considering scenarios I, II and III are as follows:

Index	Consolidated 12/31/2015 Scenario I	Scenario II	Scenario III
CDI	(21,952)	(109,760)	(219,519)
TJLP	(1,447)	(7,237)	(14,473)
LIBOR	(563)	(2,816)	(5,632)
TR	(3)	(14)	(27)

The specific interest rates to which the Company is exposed, and that are related to Loans and financing and debentures, are presented in Note 19 and are mainly composed of Libor, TJLP and CDI.

Derivative financial instruments pegged to interest rates were included in the sensitivity analysis of changes in interest rates, based on the objective of these instruments, which is to minimize the impact of fluctuations in interest rates.

6 Derivative financial instruments

The swap transactions aim to reduce currency exposure and abrupt changes in commodity prices (mainly aluminum, nickel, copper and zinc). Usiminas Companies have no financial instruments for speculative purposes. Company policy consists of not settling their transactions before their respective original maturities, as well as not making advance payments of their derivative financial instruments.

The transactions with derivative financial instruments are as follows:

(a) Company

	Maturity range MM/YY	INDEXERS		REFERENCE VALUE (Contract value - Notional)				FAIR VALUE (MARKET) - BOOKED AMOUNT		Profit or Loss
		12/31/2015		12/31/2015		12/31/2015		12/31/2015	12/31/2015	12/31/2015
		Long position	Short position	Long position	Short position	Long position	Short position	Position Long (short)	Position Long (short)	Gain (loss)
RATES AND FOREIGN EXCHANGE HEDGES (SWAP)										
Merrill Lynch	09/10 - 03/17	Libor + 0.83% p.a.	3.05% p.a.	USD 85,713	USD 85,713	USD 85,713	USD 85,713	(2,836)	(5,125)	(2,814)
Santander	01/08 - 01/18	Yen + 4.1165% p.a.	US Dollar + 7.34% p.a.	JPY 42,952,000	USD 400,000	JPY 42,952,000	USD 400,000	(258,037)	(192,202)	(110,424)
Santander	06/06 - 06/16	Yen + 4.275% p.a	US Dollar + 8.35% p.a.	JPY 22,800,000	USD 200,000	JPY 22,800,000	USD 200,000	(55,133)	(51,253)	(35,658)
Votorantim	03/14 - 03/15	VC + 2.4% p.a.	108.5% CDI	-	-	USD 19,149	R$ 45,000	-	2,818	7,886
Santander	03/14 - 03/15	VC + 2.05% p.a.	108.5% CDI	-	-	USD 20,454	R$ 48,000	-	2,893	8,389
Itau BBA	06/14 - 06/19	VC + 2.68% p.a.	109% CDI	USD 135,233	R$ 300,000	USD 135,233	R$ 300,000	212,342	46,837	136,635
Itau BBA	03/15 - 03/18	VC + 4.53% p.a.	111.75% CDI	USD 100,200	R$ 300,000	-	-	66,305	-	66,305
BTG Pactual	02/15 - 05/15	US Dollar fixado R$ 2.92	US Dollar	-	-	-	-	-	-	(3,079)
JP Morgan	04/15 - 07/17 (i)	VC + 3.5882% p.a.	109.75% CDI	-	-	-	-	-	-	10,768
Bradesco	04/15 - 04/25	TR + 9.8000% p.a.	95.00% do CDI	R$ 59,000	R$ 59,000	-	-	(5,535)	-	(5,535)
Itaú	06/15 - 07/15	Fixing 3.1330	VC	-	-	-	-	-	-	(4,166)
Itaú	07/15 - 07/15	Fixing 3.1966	VC	-	-	-	-	-	-	1,704
Itaú	07/15 - 07/15	Fixing 3.1935	VC	-	-	-	-	-	-	2,170
Bradesco	08/15 - 05/18	VC + 4.11% p.a.	110.98% CDI	USD 152,088	R$ 530,329	-	-	47,482	-	30,096
								Financial results in the period		102,278
								Booked amounts (long position/short position, net)	4,588	(196,032)

(i) Amortized in advance in December, 2015.

Consolidated

Maturity range MM/YY	INDEXERS		REFERENCE VALUE (Contract value - Notional)				FAIR VALUE (MARKET) - BOOKED AMOUNT		Profit or Loss
	12/31/2015		12/31/2015		12/31/2015		12/31/2015	12/31/2015	12/31/2015
	Long position	Short position	Long position	Short position	Long position	Short position	Position Long (short)	Position Long (short)	Gain (loss)
RATES AND FOREIGN EXCHANGE HEDGES (SWAP)									
Merrill Lynch	09/10 - 03/17	Libor + 0.83% p.a.	3.05% p.a.	USD 85,713	USD 85,713	USD 85,713	USD 85,713	(2,836)	(5,125)	(2,814)
Santander	01/08 - 01/18	Yen + 4.1165% p.a.	US Dollar + 7.34% p.a.	JPY 42,952,000	USD 400,000	JPY 42,952,000	USD 400,000	(258,037)	(192,202)	(110,424)
Santander	06/06 - 06/16	Yen + 4.275% p.a	US Dollar + 8.35% p.a.	JPY 22,800,000	USD 200,000	JPY 22,800,000	USD 200,000	(55,133)	(51,253)	(35,657)
Votorantim	03/14 - 03/15	VC + 2.4% p.a.	108.5% CDI	-	-	USD 19,149	R$ 45,000	-	2,818	7,886
Santander	03/14 - 03/15	VC + 2.05% p.a.	108.5% CDI	-	-	USD 20,454	R$ 48,000	-	2,893	8,389
Itau BBA	06/14 - 06/19	VC + 2.68% p.a.	109% CDI	USD 135,233	R$ 300,000	USD 135,233	R$ 300,000	212,342	46,837	136,635
RBS	06/06 - 06/16	US Dollar + 8.25 p.a.	Yen + 4.275 % p.a.	USD 200,000	JPY 22,800,000	USD 200,000	JPY 22,800,000	54,560	50,796	33,363
RBS	01/08 - 01/18	US Dollar + 7.25 p.a.	Yen + 4.1165 % p.a.	USD 400,000	JPY 42,952,000	USD 400,000	JPY 42,952,000	249,564	186,394	104,748
Itau BBA	03/15 - 03/18	VC + 4.53% p.a.	111.75% CDI	USD 100,200	R$ 300,000	-	-	66,305	-	66,305
BTG Pactual	02/15 - 05/15	US Dollar fixado R$ 2.92(	US Dollar	-	-	-	-	-	-	(3,079)
JP Morgan	04/15 - 07/17 (i)	VC + 3.5882% p.a.	109.75% CDI	-	-	-	-	-	-	10,768
Bradesco	04/15 - 04/25	TR + 9.8000% p.a.	95.00% do CDI	R$ 59,000	R$ 59,000	-	-	(5,535)	-	(5,535)
Itaú	06/15 - 07/15	Fixing 3.1330	VC	-	-	-	-	-	-	(4,166)
Itaú	07/15 - 07/15	Fixing 3.1966	VC	-	-	-	-	-	-	1,704
Itaú	07/15 - 07/15	Fixing 3.1935	VC	-	-	-	-	-	-	2,170
Bradesco	08/15 - 05/18	VC + 4.11% p.a.	110.98% CDI	USD 152,088	R$ 530,329	-	-	47,482	-	30,096
								Financial results in the period		**240,389**
								Booked amounts (long position/short position, net)	**308,712**	**41,158**

(i) Amortized in advance in December, 2015.

The book balances of transactions with derivative financial instruments are as follows:

	Company		Consolidated	
	12/31/2015	**12/31/2014**	**12/31/2015**	**12/31/2014**
Current assets	**42,782**	5,711	**152,560**	65,392
Noncurrent assets	**365,308**	74,518	**559,654**	252,027
Current liabilities	**(199,657)**	(94,045)	**(199,657)**	(94,045)
Noncurrent liabilities	**(203,845)**	(182,216)	**(203,845)**	(182,216)
	4,588	(196,032)	**308,712**	41,158

	Company		Consolidated	
	12/31/2015	**12/31/2014**	**12/31/2015**	**12/31/2014**
On cost of sales	**-**	(136)	**-**	(136)
On other operating income (expenses), net				
On financial income (expenses)	**102,278**	(208,417)	**240,389**	27,883
	102,278	(208,553)	**240,389**	27,747

7 Financial instruments by category

(a) Company

	12/31/2015			12/31/2014		
	Loans and receivables	Assets measured at fair value through profit or loss	Total	Loans and receivables	Assets measured at fair value through profit or loss	Total
Assets						
Cash and cash equivalents:	**-**	**319,027**	**319,027**	-	609,367	609,367
Marketable securities	**442**	**-**	**442**	305	-	305
Trade accounts receivable	**1,083,199**	**-**	**1,083,199**	981,366	-	981,366
Financial instruments - swap	**-**	**408,090**	**408,090**	-	80,229	80,229
Other accounts receivable (excluding prepayments)	**196,305**	**-**	**196,305**	213,826	-	213,826
	1,279,946	**727,117**	**2,007,063**	1,195,497	689,596	1,885,093

	12/31/2015			12/31/2014		
	Liabilities measured at fair value through profit or loss	Other financial liabilities	Total	Liabilities measured at fair value through profit or loss	Other financial liabilities	Total
Liabilities						
Loans and financing and debentures	**-**	**9,264,933**	**9,264,933**	-	7,613,632	7,613,632
Financial instruments - swap	**403,502**	**-**	**403,502**	276,261	-	276,261
Trade accounts payable, general contractors and freight	**-**	**1,136,524**	**1,136,524**	-	1,588,004	1,588,004
Other financial instruments - Liabilities	**-**	**202,642**	**202,642**	-	70,778	70,778
	403,502	**10,604,099**	**11,007,601**	276,261	9,272,414	9,548,675

(b) Consolidated

	12/31/2015			12/31/2014		
	Loans and receivables	Assets measured at fair value through profit or loss	Total	Loans and receivables	Assets measured at fair value through profit or loss	Total
Assets						
Cash and cash equivalents:	**379,770**	**420,502**	**800,272**	195,871	1,913,941	2,109,812
Marketable securities	**1,224,185**	-	**1,224,185**	742,091	-	742,091
Trade accounts receivable	**1,428,421**	**-**	**1,428,421**	1,246,694	-	1,246,694
Financial instruments - swap	**-**	**712,214**	**712,214**	-	317,419	317,419
Other accounts receivable (excluding prepayments)	**965,869**	**-**	**965,869**	382,502	-	382,502
	3,998,245	**1,132,716**	**5,130,961**	2,567,158	2,231,360	4,798,518

	12/31/2015			12/31/2014		
	Liabilities measured at fair value through profit or loss	Other financial liabilities	Total	Liabilities measured at fair value through profit or loss	Other financial liabilities	Total
Liabilities						
Loans and financing and debentures	**-**	**7,868,158**	**7,868,158**	-	6,682,945	6,682,945
Finance lease liabilities	**-**	**556**	**556**	-	1,270	1,270
Financial instruments - swap	**403,502**	**-**	**403,502**	276,261	-	276,261
Trade accounts payable, general contractors and freight	**-**	**1,187,274**	**1,187,274**	-	1,671,540	1,671,540
Demais instrumentos financeiros passivos	**-**	**266,033**	**266,033**	-	160,239	160,239
	403,502	**9,322,021**	**9,725,523**	276,261	8,515,994	8,792,255

8 Cash and cash equivalents

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Bank checking account	**16,899**	31,391	**24,329**	51,253
Bank checking account - abroad	**94,689**	209,516	**103,555**	236,317
Bank Deposit Certificates (CDBs) and repurchase agreements	**207,439**	368,460	**471,711**	1,626,371
Short-term investments abroad (Time Deposit)	**-**	-	**200,677**	195,871
	319,027	609,367	**800,272**	2,109,812

Short-term investments in bank deposit certificates (CDBs) are highly liquid and remunerated at the average variation of 102.12% of the Interbank Deposit Certificate (CDI).

At December 31, 2015, Usiminas Companies do not have secured accounts.

9 Marketable securities

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Bank Deposit Certificates (CDBs)	**-**	-	**1,223,742**	-
Short-term investments abroad (Time Deposit)	**-**	-	**-**	741,779
Repurchase agreements	**442**	305	**443**	312
	442	305	**1,224,185**	742,091

Short-term investments abroad are remunerated at fixed rates plus exchange gains/losses.

No financial assets are overdue or impaired.

10 Trade accounts receivable

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Trade accounts receivable:				
Domestic	**784,391**	572,064	**1,272,960**	1,070,142
Abroad	**169,199**	141,795	**177,101**	150,847
Allowance for doubtful accounts	**(65,573)**	(50,875)	**(91,687)**	(76,812)
Trade accounts receivable, net	**888,017**	662,984	**1,358,374**	1,144,177
Accounts receivable from related parties	**148,884**	221,783	**30,875**	34,575
Domestic	**46,298**	96,599	**39,172**	67,942
Abroad				
	195,182	318,382	**70,047**	102,517
Accounts receivable from related parties				
	1,083,199	981,366	**1,428,421**	1,246,694

At December 31, 2015, trade accounts receivable in the amounts of R$154,452 in the Company and R$156,574 in the Consolidated were overdue but not impaired (R$136,673 and R$128,474; respectively, December 31, 2014). These accounts refer to certain independent customers for whom there is no recent history of default.

The aging list of these trade accounts receivable is as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Falling due	**928,747**	844,693	**1,271,667**	1,118,220
Overdue:				
Within 30 days	**88,568**	93,284	**90,725**	96,664
From 31 to 60 days	**27,611**	15,809	**26,640**	19,145
From 61 to 90 days	**3,975**	14,731	**6,169**	365
From 91 to 180 days	**28,084**	934	**29,691**	2,389
Above 181 days	**71,787**	62,790	**95,216**	86,723
(-) Allowance for doubtful accounts	**(65,573)**	(50,875)	**(91,687)**	(76,812)
	1,083,199	981,366	**1,428,421**	1,246,694

Trade accounts receivable of Usiminas Companies are maintained in the following currencies:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Real	**907,768**	528,108	**1,252,214**	813,699
Dollar	**171,578**	444,953	**172,354**	424,690
Euro	**3,583**	8,305	**3,583**	8,305
	1,083,199	981,366	**1,428,421**	1,246,694

Changes in allowance for doubtful accounts for trade accounts receivable of Usiminas Companies are as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Opening balance at January 1	**(50,875)**	(54,185)	**(76,812)**	(74,690)
Additions/Reversals to P&L	**(15,250)**	(2,252)	**(17,935)**	(7,687)
Write-downs against trade accounts receivable	**1,269**	5,570	**3,777**	5,573
Exchange variation	**(717)**	(8)	**(717)**	(8)
Closing balance at December 31	**(65,573)**	(50,875)	**(91,687)**	(76,812)

Set up and reversal of allowance for doubtful accounts for trade accounts receivable impaired were recorded in P&L for the year under Selling expenses. Usiminas Companies do not maintain any securities in guarantee for trade accounts receivable.

11 Inventories

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Current assets				
Finished products	**570,055**	726,510	**740,226**	962,570
Work-in-process	**635,247**	944,486	**661,837**	977,149
Raw materials	**431,137**	425,998	**680,630**	731,073
Suppliers and spare parts	**494,939**	517,857	**548,866**	576,261
Imports in transit	**33,340**	126,489	**33,454**	126,912
Allowance for bad debt	**(108,896)**	(63,708)	**(122,989)**	(73,234)
Other	**208,729**	218,640	**206,393**	216,020
	2,264,551	2,896,272	**2,748,417**	3,516,751
Noncurrent assets				
Finished products	**-**	-	**-**	54,942
	2,264,551	2,896,272	**2,748,417**	3,571,693

At December 31, 2015, Company's provision for impairment and obsolete inventory items amounted to R$51,907 (R$14,682 at December 31, 2014). In the Consolidated, this provision totaled R$56,542 (R$19,568 at December 31, 2014).

As at December 31, 2015, the subsidiary Mineração Usiminas S.A. recorded a reserve for loss on inventory amounting to R$ 132,181, with respect to a provision for impairment on its inventory balances classified as noncurrent assets (Note 17).

12 Taxes recoverable

	Company			
	12/31/2015		12/31/2014	
	Current	Noncurrent	Current	Noncurrent
IR/CS prepaid	**43,013**	**-**	43,838	-
PIS	**1,839**	**-**	2,496	-
COFINS	**8,470**	**-**	11,498	-
ICMS	**46,374**	**30,493**	59,390	40,694
IPI	**2,857**	**-**	-	-
Export Credit - Reintegra	**3,250**	**-**	12,478	-
Other	**68,747**	**11,711**	4,359	11,710
	174,550	**42,204**	134,059	52,404

	Consolidated			
	12/31/2015		12/31/2014	
	Current	Noncurrent	Current	Noncurrent
IR/CS prepaid	**166,252**	**-**	129,216	-
PIS	**2,710**	**105**	3,094	216
COFINS	**12,361**	**479**	14,358	996
ICMS	**105,007**	**68,813**	158,690	82,758
IPI	**16,237**	**-**	17,638	-
Export Credit - Reintegra	**3,250**	**-**	12,478	-
Other	**71,381**	**11,866**	22,944	11,865
	377,198	**81,263**	358,418	95,835

13 Income and social contribution taxes

(a) Income taxes

Income and social contribution taxes differ from the theoretical value that would be obtained by using the nominal rates thereof, applicable to income before taxes, in Company and Consolidated, as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Income (loss) before income and social contribution taxes	**(3,727,087)**	103,094	**(4,874,899)**	183,917
Nominal rates	**34%**	34%	**34%**	34%
Taxes on profit calculated at nominal rates	**1,267,210**	(35,052)	**1,657,466**	(62,532)
Adjustments to calculate income and social contribution taxes:				
Equity pickup	**(32,245)**	206,953	**32,499**	62,485
Interest on Equity (IOE) received	**(18,506)**	(77,449)	**(8,873)**	18,337
Permanent exclusions (additions)	**(43,629)**	(67,975)	**(77,891)**	(73,649)
Unrecognized tax assets	**(681,848)**	-	**(699,877)**	-
Tax incentive	**-**	481	**289**	481
Nontaxable profit and differences between tax rates of subsidiaries abroad	**-**	-	**285,466**	80,313
Other	**-**	(500)	**843**	(873)
Income taxes calculated	**490,982**	26,458	**1,189,922**	24,562
Current	**4,593**	4,165	**(17,282)**	(19,425)
Deferred	**486,389**	22,293	**1,207,204**	43,987
Taxes on P&L	**490,982**	26,458	**1,189,922**	24,562
Effective rate	**13%**	26%	**24%**	13%

There are no current income tax items presented in equity in the financial statements.

(b) Deferred income and social contribution taxes

Balances of and changes in deferred income and social contribution tax assets and liabilities at nominal rates are as follows:

(i) Company

	12/31/2014	Equity/ Comprehensive income (loss)	Recognized in P&L	12/31/2015
Assets				
Income and social contribution taxes				
Tax losses	1,012,111	-	452,001	**1,464,112**
Unrecognized tax assets	-	-	(681,848)	**(681,848)**
Temporary provisions				
Actuarial liabilities	329,275	-	(2,477)	**326,798**
Provision for contingencies	117,784	-	16,800	**134,584**
Provision for inventory adjustments	21,661	-	15,364	**37,025**
Income (loss) from swap agreements	53,483	-	(53,483)	**-**
Foreign currency gain or losses on borrowings and loans (i)	137,620	-	464,914	**602,534**
Property, Plant and Equipment adjustments (Lei 11,638)	36,797	-	15,672	**52,469**
Swap maket value adjustments (Lei 11,638)	36,255	-	(1,232)	**35,023**
Impairment losses (Lei 11,638)	709	-	158,482	**159,191**
Actuarial accruals (Lei 11,638)	(2,147)	49,882	2,146	**49,881**
Other	62,237	-	47,827	**110,064**
Total assets	1,805,785	49,882	434,166	**2,289,833**
Liabilities				
Income and social contribution taxes				
Accelerated depreciation	25,960	-	(4,414)	**21,546**
Tax rate depreciation	172,778	-	(172,778)	**-**
PP&E adjustment - IAS 29	82,510	(7,533)	-	**74,977**
Monetary restatement on judicial deposits	23,153	-	8,135	**31,288**
Adjustments on goodwill (Lei 11,638)	-	-	45,755	**45,755**
Actuarial accruals (Lei 11,638)	-	-	52,149	**52,149**
Cash basis adjustments on SWAP contracts	-	-	13,496	**13,496**
Other	-	-	5,434	**5,434**
Total liabilities	304,401	(7,533)	(52,223)	**244,645**
Total, net	1,501,384	57,415	486,389	**2,045,188**

(i) This arises from temporary difference between cash and accrual basis of accounting.

(ii) Consolidated

	12/31/2014	Equity/ Comprehensive income (loss)	Recognized in P&L	Other	12/31/2015
Assets					
Income and social contribution taxes					
Tax losses	1,122,467	-	463,803	-	**1,586,270**
Unrecognized tax assets	-	-	(699,877)	-	**(699,877)**
Temporary provisions					
Actuarial liabilities	344,372	(1,722)	(926)	-	**341,724**
Provision for contingencies	142,490	-	22,176	-	**164,666**
Provision for inventory adjustments	23,226	-	15,375	-	**38,601**
Income (loss) from swap agreements	53,483	-	(53,483)	-	**-**
Goodwill/Acquisition of companies (ii)	316,205	-	(6,324)	-	**309,881**
Exchange gains/losses on loans and financing (i)	137,620	-	464,914	-	**602,534**
Impairment losses	-	-	679,702	-	**679,702**
Take or Pay accruals - MRS	-	-	68,375	-	**68,375**
Property, Plant and Equipment adjustments (Lei 11,638)	36,797	-	15,672	-	**52,469**
Swap maket value adjustments (Lei 11,638)	(2,147)	49,882	2,146	-	**49,881**
Other	181,643	-	173,429	37	**355,109**
Total assets	2,356,156	48,160	1,144,982	37	**3,549,335**
Liabilities					
Income and social contribution taxes					
Accelerated depreciation	25,960	-	(4,414)	-	**21,546**
Tax rate depreciation	204,891	-	(184,229)	-	**20,662**
PP&E adjustment - IAS 29	82,510	(7,533)	-	-	**74,977**
Monetary restatement on judicial deposits	23,153	-	8,135	-	**31,288**
Adjustments on goodwill (Lei 11,638)	-	-	45,755	-	**45,755**
Actuarial accruals (Lei 11,638)	-	-	52,149	-	**52,149**
Cash basis adjustments on SWAP contracts	-	-	13,496	-	**13,496**
Deferral of loss on swap agreements	1,513	-	6,886	-	**8,399**
Total liabilities	338,027	(7,533)	(62,222)	-	**268,272**
Total, net	2,018,129	55,693	1,207,204	37	**3,281,063**

(i) This arises from temporary difference between cash and accrual basis of accounting.
(ii) Merger of Summit Empreendimentos Minerais Ltda. - Note 15 (e) (ii).

Long-term deferred income and social contribution taxes are expected to be realized according to future taxable profits estimated based on projections approved by Company management. These projections are based on assumptions that reflect the economic and operating environment of the Company.

During the year ended December 31, 2015, Management recognized through profit or loss a deferred tax amounting to R$486,388 in the company books and R$ 1,207,204 at the consolidated financial statements. The total deferred taxes assets not recognized in the financial statements amount to R$ 681,848 in the company books and R$699,877 at the consolidated financial statements. Management continues to monitor the referred unrecognized tax credits, which can be recognized once its utilization is deemed probable to occur.

Expected realization of deferred taxes is as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
2015	-	(12,698)	-	131,699
2016	-	6,355	-	91,952
2017	**13,287**	165,741	**36,734**	253,807
2018	**284,150**	200,585	**315,753**	291,180
2019	**382,935**	221,863	**587,403**	313,891
2020	**316,642**	232,640	**518,311**	252,639
2021	**370,471**	246,640	**540,707**	263,973
From 2022 onwards	**1,604,196**	744,659	**2,250,304**	757,015
Assets	**2,971,681**	1,805,785	**4,249,212**	2,356,156
Unrecognized tax assets	**(681,848)**	-	**(699,877)**	-
Assets	**2,289,833**	1,805,785	**3,549,335**	2,356,156
Liabilities	**(244,645)**	(304,401)	**(268,272)**	(338,027)
Net	**2,045,188**	1,501,384	**3,281,063**	2,018,129

Tax assets are recognized based upon an analysis of the expectation of taxable income being generated in the future, which is examined by the fiscal committee and approved by the Board of Directors.

Considering that the income and social contribution tax base comprises not only profit to be generated, but also nontaxable income, nondeductible expenses, tax incentives and other variables, there is no immediate correlation between net income of the Company and income (losses) from income and social contribution taxes.

Accordingly, expected use of tax credits shall not be treated as the sole indication of future income of Usiminas Companies.

(c) Current income and social contribution tax liabilities

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Income tax				
Current expenses	**3,364**	(3,084)	**(14,728)**	(25,692)
Prepayments and offsets for the period (i)	**(3,364)**	3,084	**8,577**	4,409
	-	-	**(6,151)**	(21,283)
Social contribution tax				
Current expenses	**1,229**	7,249	**(2,554)**	6,267
Prepayments and offsets for the period (i)	**(1,229)**	(8,523)	**2,554**	(7,727)
	-	(1,274)	**-**	(1,460)
Total income and social contribution taxes payable	**-**	(1,274)	**(6,151)**	(22,743)

(i) Amounts prepaid that exceeded income and social contribution taxes current expenses are recorded under Taxes recoverable (Note 12).

14 Judicial deposits

	Company					
	12/31/2015			12/31/2014		
	Judicial deposits	Taxes in installments	Net balance	Judicial deposits	Taxes in installments	Net balance
IPI	**168,157**	**(106,138)**	**62,019**	163,907	(106,138)	57,769
IR and CSLL	**164,388**	**(57,089)**	**107,299**	156,496	(57,089)	99,407
Social Security Tax (INSS)	**109,917**	**(8,405)**	**101,512**	103,350	(8,405)	94,945
Social Contribution Tax for Intervention in the Economic Order (CIDE)	**26,384**	**(26,384)**	**-**	26,384	(26,384)	-
Labor	**160,055**	**-**	**160,055**	133,616	-	133,616
Civil	**38,454**	**(16)**	**38,438**	38,548	(16)	38,532
Other	**18,988**	**-**	**18,988**	61,684	-	61,684
	686,343	**(198,032)**	**488,311**	683,985	(198,032)	485,953

	Consolidated					
	12/31/2015			12/31/2014		
	Judicial deposits	Taxes in installments	Net balance	Judicial deposits	Taxes in installments	Net balance
IPI	**168,157**	**(106,138)**	**62,019**	163,907	(106,138)	57,769
IR and CSLL	**184,453**	**(57,089)**	**127,364**	170,081	(57,089)	112,992
INSS	**114,511**	**(8,405)**	**106,106**	107,055	(8,405)	98,650
CIDE	**26,384**	**(26,384)**	**-**	26,384	(26,384)	-
COFINS	**15,349**	**-**	**15,349**	11,634	-	11,634
PIS	**3,332**	**-**	**3,332**	2,114	-	2,114
Labor	**194,232**	**-**	**194,232**	159,203	-	159,203
Civil	**38,517**	**(16)**	**38,501**	38,595	(16)	38,579
Other	**50,489**	**-**	**50,489**	85,467	-	85,467
	795,424	**(198,032)**	**597,392**	764,440	(198,032)	566,408

Changes in judicial deposits are as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Opening balance	**683,985**	700,225	**764,440**	763,420
Additions	**34,281**	70,909	**48,349**	88,078
Interest/restatements	**32,468**	19,741	**51,475**	22,177
Reversals	**(64,391)**	(106,890)	**(68,840)**	(109,235)
Other	**-**	-	**-**	-
	686,343	683,985	**(795,424)**	764,440

15 Investments

(a) Changes in investments

(i) Company

	12/31/2014	Additions (write-offs)	Equity pickup(i)	Interest on equity and dividends	Unrealized profits in inventories	Other	12/31/2015
Subsidiaries							
Cosipa Commercial	25,353	-	(13,898)	-	-	-	**11,455**
Cosipa Overseas (ii)	592	(865)	273	-	-	-	**-**
Mineração Usiminas	3,907,515	-	(991,631)	(19,832)	-	513	**2,896,565**
Soluções Usiminas	724,090	-	(50,584)	-	20,845	175	**694,526**
Transportes itaquaquecetuba	-	7,804	-	-	-	(7,804)	**-**
Usiminas Commercial	61,761	-	(6,339)	-	-	-	**55,422**
Usiminas Europa (iii)	1,929,453	(813,449)	878,873	(65,400)	-	(593)	**1,928,884**
Usiminas International	33,097	-	9,842	-	-	-	**42,939**
Usiminas Mecânica	542,901	-	40,790	(9,710)	2,164	2,981	**579,126**
UPL	57,206	-	5,488	(2,556)	-	12	**60,150**
Goodwill on subsidiaries (iv)	128,426	(117,046)	-	-	-	(545)	**10,835**
	7,410,394	(923,556)	(127,186)	(97,498)	23,009	(5,261)	**6,279,902**
Jointly-controlled companies							
Unigal	600,075	-	50,773	(98,000)	-	99	**552,947**
Usiroll	9,842	-	750	-	-	(2,042)	**8,550**
	609,917	-	51,523	(98,000)	-	(1,943)	**561,497**
Affiliates							
Codeme	52,327	3,082	5,743	-	-	-	**61,152**
Metform	13,239	(3,082)	1,071	(623)	-	231	**10,836**
MRS	7,958	-	911	(230)	-	-	**8,639**
Goodwill on affiliates	77,377	(7,173)	-	-	-		**70.204**
	150.901	(7.173)	7.725	(853)	-	231	**150.831**
Investment properties	7.295	-	-	-	-	(7.295)	**-**
	8.178.507	(930.729)	(67.938)	(196.351)	23.009	(14.268)	**6.992.230**

(i) The equity method adjustments in the statement of operations and cash flow statements of the affiliate, amounting to R$ 71,832, when compared to the expenses of R$ 67,938 depicted in the changes in investments, losses from negative equity of the affiliate need to taken into consideration, which amount to R$ 26,902 offset by R$ 23,009 originating from unrealized gains on inventory.
(ii) In 2015, Management decided to discontinue Cosipa Overseas activities.
(iii) The write-off during the period pertain to share capital reductiion in foreign affiliates.
(iv) For the period ended December 31, 2015, an impairment loss amounting to R$117,046 related to the goodwill on Mineração Usiminas acquisition. The loss is accounted for as “Other operating income (expenses), net”.

(ii) Consolidated

	12/31/2014	Additions (write-offs)	Equity pickup	Interest on equity and dividends	Other	12/31/2015
Jointly-controlled companies						
Modal	2,654	-	1,935	(2,006)	-	**2,583**
Unigal	600,075	-	50,773	(98,000)	99	**552,947**
Usiroll	9,842	-	750	-	(2,042)	**8,550**
Goodwill on jointly-controlled companies	28,020	-	-	-	(11,937)	**16,083**
	640,591	-	53,458	(100,006)	(13,880)	**580,163**
Affiliates						
Codeme	52,327	3,082	5,743	-	-	**61,152**
Metform	13,239	(3,082)	1,071	(623)	231	**10,836**
MRS	325,086	-	34,020	(10,246)	89	**348,949**
Terminal Paraopeba	898	15	(6)	-	-	**907**
Terminal Sarzedo	2,325	-	1,353	(1,545)	-	**2,133**
Other	10,119	-	(57)	-	(7,295)	**2,767**
Goodwill on affiliates	101,202	-	-	-	(23,798)	**77,404**
	505,196	15	42,124	(12,414)	(30,773)	**504,148**
Total	1,145,787	15	95,582	(112,420)	(44,653)	**1,084,311**

(b) Financial information of affiliates

At December 31, 2015, interests held by the Company in the affiliates are as follows:

	Country of incorporation	Assets	Liabilities	Equity	Net revenue	Income	(%) Interests held
Codeme	Brazil	478,510	258,509	220,001	232,842	3,428	30.76
Metform	Brazil	71,045	23,552	47,492	41,667	3,150	30.76
MRS (i)	Brazil	7,936,631	4,880,223	3,056,408	3,172,744	297,989	11.41

(i) Direct interests of 0.28% and indirect interests, through UPL, of 11.13%.

Profit sharing was calculated after income and social contribution taxes and after noncontrolling interests in affiliates.

Voting capital in affiliates corresponds to the same percentage of total capital, except for MRS, voting capital percentage of which is 19,92%. USIMINAS is part of the control group and exerts significant influence, which classifies this investment as affiliate.

The summarized financial information of jointly-controlled companies is presented on a consolidated basis as follows:

(i) Summarized balance sheets

	12/31/2015			12/31/2014		
	Modal	**Unigal**	**Usiroll**	**Modal**	**Unigal**	**Usiroll**
Current assets						
Cash and cash equivalents:	**2,158**	**24,836**	**2,205**	2,221	21,099	15,561
Accounts receivable	**565**	**79,517**	**758**	641	74,232	984
Inventories	**-**	**38,779**	**531**	-	28,310	475
Other	**-**	**12,944**	**94**	-	19,538	341
Total current assets	**2,723**	**156,076**	**3,588**	2,862	143,179	17,361
Noncurrent assets						
Noncurrent assets	**-**	**11,770**	**54**	-	10,863	54
Liabilities and equity						
Property, plant and equipment	**2,626**	**991,354**	**15,468**	2,730	1,032,561	20,760
Intangible assets	**-**	**647**	**10**	-	733	13
Total noncurrent assets	**2,626**	**1,003,771**	**15,532**	2,730	1,044,157	20,827
Total assets	**5,349**	**1,159,847**	**19,120**	5,592	1,187,336	38,188
Loans	**-**	**78,562**	**-**	-	53,757	-
Trade accounts payable	**-**	**8,644**	**75**	98	5,438	72
Contingencies	**-**	**12,011**	**47**	-	11,483	47
Other	**182**	**261,302**	**1,889**	187	253,448	18,388
Equity	**5,167**	**799,328**	**17,109**	5,307	863,210	19,681
Total liabilities and equity	**5,349**	**1,159,847**	**19,120**	5,592	1,187,336	38,188

(ii) Summarized statements of operations

	12/31/2015			12/31/2014			
	Modal	**Unigal**	**Usiroll**	**Fasal Trading Brasil (i)**	**Modal**	**Unigal**	**Usiroll**
Sales and service revenue, net	**6,898**	**273,125**	**7,093**	-	6,720	374,428	7,935
Cost of products and services sold	**(2,265)**	**(99,072)**	**(4,561)**	-	(1,995)	(103,426)	(4,148)
Operating income (expenses)	**(23)**	**(10,923)**	**(598)**	-	(7)	(11,223)	(483)
Financial income (expenses)	**211**	**(71,060)**	**(85)**	1,098	141	(16,325)	(571)
Provision for income and social contribution taxes	**(844)**	**(16,094)**	**(349)**	-	(804)	(67,137)	(525)
Net income for the year	**3,977**	**75,976**	**1,500**	1,098	4,055	176,317	2,208

(i) In 2014, management decided to discontinue Fasal Trading Brazil's activities.

(c) Other significant information on investments

Mineração Usiminas - port operation service rendering agreement entered into with Porto Sudeste do Brasil S.A. (currently named MMX Porto Sudeste Ltda.)

On May 27, 2015, Mineração Usiminas S.A. communicated to Porto Sudeste do Brasil S.A. (currently named MMX Porto Sudeste Ltda.) the immediate termination of the port operation service rendering agreement for handling, warehousing and shipment of ore owned by Mineração Usiminas in the Porto Sudeste Terminal under Take-or-Pay and Delivery-or-Pay contracts. This agreement was terminated due to repeated default by Porto Sudeste in its obligation of completing and putting the port into operation, as well as nonpayment of contractual penalties. The Company took the required steps to enforce its rights, including an arbitration proceeding pleading payment of penalties, compensation for loss of profits, in addition to other damages provided for in contract. No amount referring to this compensation was accounted for in Mineração Usiminas S.A. The contract was signed with maturity of 5 years from the first shipment, originally planned for April 2012.

16 Property, plant and equipment

		Company					
		12/31/2015			12/31/2014		
	Weighted average annual depreciation rate (%)	Cost	Accumulated depreciation	PP&E, net	Cost	Accumulated depreciation	PP&E, net
In use							
Buildings	4	**2,021,294**	**(1,156,829)**	**864,465**	2,055,188	(1,131,631)	923,557
Machinery and equipment	5	**20,615,797**	**(10,674,368)**	**9,941,429**	20,151,484	(10,151,149)	10,000,335
Facilities	5	**341,140**	**(146,089)**	**195,051**	319,680	(126,387)	193,293
Furniture and fixtures	14	**48,488**	**(33,472)**	**15,016**	43,786	(30,178)	13,608
IT equipment	34	**162,426**	**(149,702)**	**12,724**	153,694	(141,080)	12,614
Vehicles	26	**37,406**	**(33,535)**	**3,871**	37,491	(32,202)	5,289
Tools and appliances	16	**192,491**	**(153,097)**	**39,394**	190,586	(141,979)	48,607
Other					-	-	-
		23,419,042	**(12,347,092)**	**11,071,950**	22,951,909	(11,754,606)	11,197,303
Land		**419,553**	**-**	**419,553**	419,553	-	419,553
Total in use		**23,838,595**	**(12,347,092)**	**11,491,503**	23,371,462	(11,754,606)	11,616,856
In construction							
Construction in progress		**1,003,252**	**-**	**1,003,252**	1,738,734	-	1,738,734
PP&E in progress		**42,292**	**-**	**42,292**	18,359	-	18,359
Imports in progress		**62,668**	**-**	**62,668**	55,506	-	55,506
Advances to suppliers		**14,442**	**-**	**14,442**	5,429	-	5,429
Capitalized loan charges		**58,216**	**-**	**58,216**	12,368	-	12,368
Other		**43,804**	**-**	**43,804**	-	-	-
Total in construction		**1,224,674**	**-**	**1,224,674**	1,830,396	-	1,830,396
		25,063,269	**(12,347,092)**	**12,716,177**	25,201,858	(11,754,606)	13,447,252

		Consolidated					
		12/31/2015			12/31/2014		
	Weighted average annual depreciation rate (%)	Cost	Accumulated depreciation	PP&E, net	Cost	Accumulated depreciation	PP&E, net
In use							
Buildings	4	**2,353,183**	**(1,305,427)**	**1,047,756**	2,718,434	(1,290,001)	1,428,433
Machinery and equipment	5	**21,850,043**	**(11,297,630)**	**10,552,413**	21,364,053	(10,658,573)	10,705,480
Facilities	5	**1,034,997**	**(317,365)**	**717,632**	622,079	(208,568)	413,511
Furniture and fixtures	14	**66,445**	**(46,208)**	**20,237**	61,305	(42,206)	19,099
IT equipment	34	**203,614**	**(177,343)**	**26,271**	189,081	(165,888)	23,193
Vehicles	26	**94,506**	**(82,541)**	**11,965**	95,303	(79,518)	15,785
Tools and appliances	16	**220,924**	**(163,698)**	**57,226**	215,583	(150,294)	65,289
Other		**89,285**	**(3,472)**	**85,813**	60,177	(2,603)	57,574
		25,912,997	**(13,393,684)**	**12,519,313**	25,326,015	(12,597,651)	12,728,364
Land		**798,338**	**-**	**798,338**	796,201	-	796,201
Total in use		**26,711,335**	**(13,393,684)**	**13,317,651**	26,122,216	(12,597,651)	13,524,565
In construction							
Construction in progress		**1,196,531**	**-**	**1,196,531**	1,909,326	-	1,909,326
PP&E in progress		**50,284**	**-**	**50,284**	21,503	-	21,503
Imports in progress		**62,701**	**-**	**62,701**	55,544	-	55,544
Advances to suppliers		**14,442**	**-**	**14,442**	9,519	-	9,519
Capitalized loan charges		**58,216**	**-**	**58,216**	12,368	-	12,368
Other		**43,804**	**-**	**43,804**	2,748	-	2,748
Total in construction		**1,425,978**	**-**	**1,425,978**	2,011,008	-	2,011,008
		28,137,313	**(13,393,684)**	**14,743,629**	28,133,224	(12,597,651)	15,535,573

Changes in PP&E are as follows:

	Company							
	Buildings	Machinery and equipment	Facilities	Tools and appliances	Land	PP&E in progress	Other	Total
Balances at December 31, 2014	923,557	10,000,335	193,293	48,607	419,553	1,830,396	31,511	13,447,252
Additions	-	17,804	-	30	-	577,334	73	595,241
Write-offs	(1)	(2)	-	-	-	(52,714)	-	(52,717)
Depreciation	(44,455)	(917,638)	(20,791)	(11,519)	-	-	(13,718)	(1,008,121)
Capitalized loan charges	-	-	-	-	-	58,216	-	58,216
Write-off of advances	-	-	-	-	-	(846)	-	(846)
Transfers	435	1,149,122	34,527	2,425	-	(1,200,506)	13,997	-
Impairment losses	(22,366)	(307,590)	(11,978)	(149)	-	(7,722)	(252)	(350,057)
Other	7,295	(602)	-	-	-	20,516	-	27,209
Balances at December 31, 2015	864,465	9,941,429	195,051	39,394	419,553	1,224,674	31,611	12,716,177

	Consolidated							
	Buildings	Machinery and equipment	Facilities	Tools and appliances	Land	PP&E in progress	Other	Total
Balances at December 31, 2014	1.428.433	10.705.480	413.511	65.289	796.201	2.011.008	115.651	15.535.573
Additions	16,218	47,841	6,154	1,965	2,130	648,672	31,758	754,738
Write-offs	(1)	(944)	(524)	(149)	(173)	(52,645)	(2,300)	(56,736)
Depreciation	(76,735)	(1,040,257)	(73,093)	(13,937)	-	-	(21,592)	(1,225,614)
Capitalized loan charges	-	-	-	-	-	58,216	-	58,216
Write-off of advances	-	-	-	-	-	(846)	-	(846)
Transfers	(305,088)	1,148,317	383,562	4,207	180	(1,252,163)	20,985	-
Impairment losses	(22,366)	(307,590)	(11,978)	(149)	-	(7,722)	(252)	(350,057)
Other	7,295	(434)	-	-	-	21,458	36	28,355
Balances at December 31, 2015	1,047,756	10,552,413	717,632	57,226	798,338	1,425,978	144,286	14,743,629

As at December 31, 2015, additions to PP&E, amounting to R$754,738, particularly refer to Coke Plant No. 2 (R$130,963), improvements in the waste beneficiation plant (R$81,517), improvements in the processing of the Slug patio of Cubatão (R$16,988), replacement of Stave Coolers in the plants (R$43,084), heightening of Samambaia dam (R$21,139) and new routes for small particles in the central dam (R$12,869), both of Mineração Usiminas.

As of December 31, 2015, the construction in progress, amounting to no R$1,425,978, in the consolidated financial statements, refer to projects to improve the production process and maintenance of its production capacity as well as environmental care related projects. The main constructions in progress are: refurbishing of the Coke Plant No. 2 and peripherals machinery at Ipatinga (R$379,843); laminator for thick steel plates at Ipatinga (R$380,245); improvements in the waste beneficiation plant in Cubatão (R$112,088); improvements to the logistics of steel plates in Cubatão (R$37,796); and project of compact iron ore processing (R$64,089) in the subsidiary, Mineração Usiminas.

For the period ended December 31, 2015, there were write-offs of equipment, accounted for as “Construction in progress”, amounting to R$52,645.

At December 31, 2015, interest and exchange gains/losses were capitalized on loans and financing in property, plant and equipment, the amount of which is R$58,216 in the Company and in the Consolidated. These charges were capitalized at contracted rates, which are stated in Note 19.

At December 31, 2015, depreciation in the Company was recognized under Costs of sales, Selling expenses and General and administrative expenses, amounting to R$993.733, R$3,087 and R$11,301 (R$892,554, R$3,096 and R$11,422 at December 31, 2014), respectively. In Consolidated, at the same date, depreciation was recognized under Costs of sales, Selling expenses and General and administrative expenses, amounting to R$1.205.194, R$4,446 and R$15,974 (R$1,045,079, R$3,901 and R$17,153 at December 31, 2014), respectively.

For the period ended December 31, 2015, an impairment loss amounting to R$350,057, mainly related to the intermittent activities in Coke Plants No. 1 and No. 2 in the Cubatão plant.

Certain PP&E items are given in guarantee for loans and financing as described in Note 19(f)) and litigation and claims (Note 23).

17 Impairment of non-financial assets

For calculation of the recoverable amount of each business segment, Usiminas Companies use the discounted cash flow method based on financial and economic projections of each of these reporting segments. The projections take into consideration the changes observed in the economic outlook of the markets in which the companies operate, as well as assumptions of expected P&L and history of profitability of each segment.

At December 31, 2015, Usiminas Companies tested their cash-generating units for impairment, as described below:

(a) Goodwill impairment test

For cash-generating units that have indefinite-lived intangible assets (goodwill), Usiminas Companies performed impairment test, as described below.

Breakdown of allocation of goodwill by operating segment is as follows:

	Company		Consolidated	
	12/31/2015	**12/31/2014**	**12/31/2015**	**12/31/2014**
Mining	**-**	-	**23,283**	51,845
Steelmaking	**191,382**	198,555	**191,382**	198,555
Steel transformation	**-**	-	**2,433**	59,166
	191,382	198,555	**217,098**	309,566

For the period ended December 31, 2015, an impairment loss was recognized in steel segment amounting to R$7,173 mil (R$2,086 as of December 31, 2014) related to goodwill on the acquisition of Metform. In the mining segment, the Company recorded an impairment loss for its mining segment amounting to R$ 28,562 related to goodwill on the subsidiary Modal (R$ 11,937) and on the affiliate Metform (R$16,625). Additionally, an impairment loss was recognized on the steel transformation segment amounting to R$ 56,733 referring to the goodwill on the acquisition of Soluções Usiminas. These losses were accounted for as “Other operating income (expenses), net”.

These calculations use cash flow projections based on financial budgets approved by

management.

For calculation of the recoverable amount, Usiminas Companies used projections of sales volume, average prices and operating costs performed by the commercial and planning sectors for the next 5 years, considering market share, variation in international prices, and dollar and inflation evolution, based on market reports. Working capital and investment requirements for maintenance of assets tested for impairment were also taken into consideration.

For subsequent years, growth rates were adopted due to the estimated long-term inflation and exchange rates.

The discount rates used were prepared considering market information available on the test date. The Company adopted different rates for each business segment tested in order to reflect its capital structure. Nominal rates used to discount the cash flow of each cash-generating unit range from 11.9% to 15.4% p.a..

The long-term inflation rate used in the projected flows was 4,5% p.a..

(b) Long-lived assets impairment test

Since the beginning of 2015, there was a significant reduction in the market price of rion ore, as a result of lower growth expectations for the global GDP as well as lower activities in the Chinese construction segment in conjunction with a significant increase in the production capacity of iron ore, mainly in Australia. After a year of reduction in prices, the year of 2015 added another 24% reduction to iron ore prices in the market (CFR China 62% Fe).

The value in use of the mining segment was updated in order to reflect Management's best estimates regarding the future prices of iron ore, based on market forecasts. This evaluation is sensitive to commodity market prices volatility and potential changes to long-term expectations that could lead to future adjustments to the amounts recorded.

The discount rate applied the projected cash flows refers to an estimated rate for which the market participant would have used based on the specific risks of the assets. The nominal rate in real (R$) applied to the model was 11.9% p.a. The Company took into consideration market sources of information in order to determine the inflation indexers and foreign currency rates applied to the projection of future cash flows. The Brazilian long-term inflation indexers applied was 4.5% p.a. The projection of annual foreign currency rates (Real / US Dollar) considered both US and Brazilian long-term inflation indexers. The projected market prices of iron ore (CFR China 62% Fe) range between USD45/t and USD63/t. The prices applied to future cash flow model are within the expectations made available by market analysts.

Due to the unfavorable expectations regarding the future iron ore market prices, still prevailing in the global market, the Company recognized an impairment loss in the period ended December 31, 2015 of R$2,115,986 on its mineral rights. From the total loss recorded, R$1,998,940 were recognized in the financial statements of the subsidiary Mineração Usiminas S.A. e R$117,046 in the Company books.

The Company continues to monitor the key assumptions of this segment.

c) Impairment test of other long-lived assets

As of December 31, 2015, the Company performed na impairment of fixed assets of cash generating units in the steelmaking segment, steel transformation and capital assets.

Na impairment loss of R$350,057 on the steelmaking segment, associated with assets at the Cubatão Plant. No other impairment losses were identified for long-lived assets on the other segments.

The impairment test applied sales volume projections, average sale prices and operating costs for commercial and planning sectors for the next 5 years, considering the market share, changes to global prices, US dollar rates and inflation indexers changes. For the forthcoming years, growth rates based on estimates of long-term inflation and foreign currency rates. The discounted cash flow was prepared in accordance with the estimated useful life of operating equipment.

The scenario applied to the tests were the best estimates of Usiminas companies for results and future cash generation from the various business segments.

The assumptions applied to the impairment test of long-lived assets are the same applied to the goodwill impairment analysis, as mentioned at item (a).

The Company will continue to monitor the results of 2016, which will indicate the reasonableness of forecasts utilized. The long-lived assets by operating segments are depicted at Note 26.

18 Intangible assets

	Company			
	Goodwill paid on acquisitions	Software acquired	Other	Total
Net book value at December 31, 2014	110,343	32,407	22,635	165,385
Additions	-	325	25,273	25,598
Transfers	-	17,290	(17,290)	-
Amortization	-	(13,609)	-	(13,609)
Other	-	6,367	-	6,367
Balances at December 31, 2015	110,343	42,780	30,618	183,741
Total cost	153,692	172,828	30,618	357,138
Accumulated amortization	(43,349)	(130,048)	-	(173,397)
Net book value at December 31, 2015	110,343	42,780	30,618	183,741
% - Annual amortization rates	-	23	-	-

	Consolidated				
	Mining rights (i)	Goodwill paid on acquisitions	Software acquired	Other	Total
Net book value at December 31, 2014	2,117,256	180,344	56,114	23,965	2,377,679
Additions	-	-	3,284	26,050	29,334
Transfers from PP&E	-	-	17,906	(17,906)	-
Amortization	(15,113)	-	(19,721)	-	(34,834)
Impairment losses	(1,982,826)	(56,733)	-	-	(2,039,559)
Other	-	-	2,233	3,069	5,302
Balances at December 31, 2015	119,317	123,611	59,816	35,178	337,922
Total cost	200,421	166,960	260,418	44,107	671,906
Accumulated amortization	(81,104)	(43,349)	(200,602)	(8,929)	(333,984)
Net book value at December 31, 2015	119,317	123,611	59,816	35,178	337,922
% - Annual amortization rates	-	-	23	-	-

(i) The mineral rights are amortized based on the life-of-mine (depletion) at the average rate of R$1.55 per ton.

Amortization in the Company was recognized in “Costs of sales” and “General and administrative expenses”, amounting to R$541 and R$13,068 (December 31, 2014 - R$807 in “Costs of sales” and R$12,453 in “General and administrative expenses”), respectively. In the consolidated financial statements, at the same date, amortization was recognized in “Costs of sales”, “Selling expenses” and “General and administrative expenses”, in the amounts of R$17,701, R$382 e R$16,751 (December 31, 2014 - R$31,218, R$650 and R$16,596), respectively.

Goodwill arising from the difference between the amount paid in acquisition of investments in subsidiaries and fair value of assets and liabilities (goodwill based on expected future profitability) is classified in intangible assets in the consolidated financial statements.

For the period ended December 31, 2015, an impairment loss amounting to R$56,733 related to the goodwill on the subsidiary Soluções Usiminas. The loss is accounted for as "Other operating income (expenses), net".

19 Loans and financing

(a) Company

(i) Local currency

	Currency/ index	Principal maturity	Annual financial charges (%)	12/31/2015		12/31/2014	
				Current	Noncurrent	Current	Noncurrent
BNDES	URTJLP	2014 to 2015	TJLP + 1.36% to 2.9% p.a.	-	-	1,581	-
BNDES	URTJLP	2015	TJLP + 1.76% p.a.	-	-	67,361	-
BNDES	URTJLP	2018 to 2021	TJLP + 1.48% to 2.88% p.a.	**119,267**	**238,732**	118,863	355,460
BNDES	URTJLP	2018	TJLP + 1.48% p.a.	**14,944**	**29,598**	14,912	44,237
BNDES	URTJLP	2018	TJLP + 5.50% p.a.	**1,279**	**1,699**	1,283	2,973
BNDES	R$	2018 and 2020	TJLP	**1,263**	**2,887**	185	632
FINAME	R$	2016 to 2024	2.5% to 9.5% p.a.	**14,072**	**33,272**	15,059	25,670
Banco do Brasil	R$	2016 to 2020	98% to 110.10% p.a. CDI	**806,943**	**1,650,000**	730,497	1,700,000
Citibank	R$	2015	107.5% p.a. CDI	-	-	46,357	-
BBM	R$	2015	107.5% p.a. CDI	-	-	4,121	-
Santander	R$	2016	92.9% p.a. CDI	**49,267**	-	-	-
Bradesco	R$	2025	100% p.a. TR	**7,746**	**55,219**	-	-
Commissions and other costs	-	-	-	**(2,365)**	**(5,244)**	(2,352)	(2,721)
				1,012,416	**2,006,163**	997,867	2,126,251

(ii) Foreign currency

	Currency/ index	Principal maturity	Annual financial charges (%)	12/31/2015		12/31/2014	
				Current	Noncurrent	Current	Noncurrent
BNDES	US$	2018	Currency basket + 1.88% p.a.	**22,091**	**31,862**	15,831	36,607
BNDES	US$	2016	Currency basket + 1.76%p.a.	**6,181**	**-**	50,518	4,198
BNDES	US$	2018 a 2021	Currency basket + 1.88%a.a	**39,536**	**88,203**	26,898	86,660
Nippon Usiminas	US$	2016 and 2017	Libor + 0.83% and 1.48% p.a.	**161,802**	**66,933**	128,971	154,894
JBIC	US$	2018	Libor + 0,55% p.a.	**180,418**	**357,930**	122,984	365,222
JBIC	US$	2018	Libor + 0.885% p.a.	**181,173**	**357,930**	123,679	365,222
Eurobonds	JPY	2018	4.1165% p.a.	**29,489**	**1,392,933**	20,214	954,823
Eurobonds	JPY	2016	4.275% p.a.	**741,110**	**-**	1,169	506,844
KFW	EUR	2015	3.59% p.a.	**-**	**-**	11,821	-
Votorantim	US$	2015	2.4% p.a.	**-**	**-**	51,843	-
Santander	US$	2015	1.7428% p.a.	**-**	**-**	55,225	-
Itaú BBA	US$	2018 and 2019	2.68% and 4,53% p.a.	**166,361**	**768,446**	588	359,205
Bradesco	US$	2020	4,11% p.a.	**2.102**	**593.871**	-	-
Commissions and other costs	-	-	-	**(1.042)**	**(1.265)**	(1,041)	(1,502)
				1.529.221	**3.656.843**	608,700	2,832,173
Local currency				**1.012.416**	**2.006.163**	997,867	2,126,251
				2.541.637	**5.663.006**	1,606,567	4,958,424

(b) Consolidated

(i) Local currency

	Currency /index	Principal maturity	Annual financial charges (%)	12/31/2015		12/31/2014	
				Current	Noncurrent	Current	Noncurrent
BNDES	URTJLP	2014 and 2015	TJLP + 1.36% to 2.9% p.a.	**-**	**-**	1,581	-
BNDES	URTJLP	2015	TJLP + 1.76% p.a.	**-**	**-**	67,361	-
BNDES	URTJLP	2018 to 2021	TJLP + 1.48% to 2.88% p.a.	**119,267**	**238,732**	118,863	355,460
BNDES	URTJLP	2018	TJLP + 1.48% p.a.	**14,944**	**29,598**	14,912	44,237
BNDES	URTJLP	2018	TJLP + 5.50% p.a.	**1,279**	**1,699**	1,283	2,973
BNDES	R$	2018 and 2020	TJLP	**1,263**	**2,887**	185	632
FINAME	R$	2016 to 2024	2.5% to 10.0% p.a.	**17,242**	**42,751**	19,181	41,067
Banco do Brasil	R$	2016 to 2020	98% to 110.10% p.a. CDI	**806,943**	**1,650,000**	730,497	1,700,000
Citibank	R$	2015	107.5% p.a. CDI	**-**	**-**	46,357	-
BBM	R$	2015	107.5% p.a. CDI	**-**	**-**	4,121	-
Santander	R$	2016	92,9% p.a. CDI	**49,267**	**-**	-	-
Bradesco	R$	2025	100% p.a TR	**7,746**	**55,219**	-	-
Other	-	-	-	**49,236**	**2,600**	48,129	7,287
Commissions and other costs	-	-	-	**(2,365)**	**(5,244)**	(2,352)	(2,721)
				1,064,822	**2,018,242**	1,050,118	2,148,935

(ii) Foreign currency

	Currency/index	Principal maturity	Annual financial charges (%)	12/31/2015 Current	12/31/2015 Noncurrent	12/31/2014 Current	12/31/2014 Noncurrent
BNDES	US$	2018	Currency basket + 1.88% p.a.	**22,091**	**31,862**	15,831	36,607
BNDES	US$	2016	Currency basket + 1.76%p.a.	**6,181**	**-**	50,518	4,198
BNDES	US$	2018 to 2021	Currency basket + 1.88%p.a.	**39,536**	**88,203**	26,898	86,660
Nippon Usiminas	US$	2016 and 2017	Libor + 0.83% and 1.48% p.a.	**161,802**	**66,933**	128,971	154,894
JBIC	US$	2018	Libor + 0.55% p.a.	**180,418**	**357,930**	122,984	365,222
JBIC	US$	2018	Libor + 0.885% p.a.	**181,173**	**357,930**	123,679	365,222
KFW	EUR	2015	3.59% p.a.	**-**	**-**	11,821	-
Eurobonds	US$	2018	7.25%	**22,155**	**675,361**	15,081	459,375
Votorantim	US$	2015	2.4% p.a.	**-**	**-**	51,843	-
Santander	US$	2015	1.7428% p.a.	**-**	**-**	55,225	-
Itaú BBA	US$	2018 e 2019	2.68% and 4.53% p.a.	**166,361**	**768,446**	588	359,205
Bradesco	US$	2020	4.11% p.a.	**2,102**	**593,871**	-	-
Other	-	-	-	**4,793**	**519**	3,283	959
Commissions and other costs	-	-	-	**(1,042)**	**(1,265)**	(1,041)	(1,502)
				785,570	**2,939,790**	605,681	1,830,840
Local currency				**1,064,822**	**2,018,242**	1,050,118	2,148,935
				1,850,392	**4,958,032**	1,655,799	3,979,775

The aging list of noncurrent liabilities is broken down as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
2016	**-**	1,828,759	**-**	1,331,292
2017	**1,317,552**	999,576	**1,323,800**	1,006,438
2018	**2,872,288**	1,717,697	**2,157,202**	1,225,509
2019	**512,770**	304,977	**514,725**	307,211
2020	**911,924**	100,123	**913,197**	101,396
2021 to 2025	**48,472**	7,292	**49,108**	7,929
	5,663,006	4,958,424	**4,958,032**	3,979,775

(c) Changes in loans and financing

Changes in loans and financing are as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Opening balance	**6,564,991**	6,626,563	**5,635,574**	5,801,536
Inflows	**1,708,237**	869,840	**1,708,237**	913,662
Accrued charges	**306,309**	246,164	**249,637**	195,372
Monetary variation	**243,891**	181,841	**250,458**	185,097
Exchange gains/losses	**1,716,041**	239,234	**1,270,545**	325,890
Amortization of charges	**(492,062)**	(422,422)	**(451,137)**	(375,363)
Amortization of principal	**(1,840,465)**	(1,180,378)	**(1,852,591)**	(1,414,769)
Deferred of commissions	**(2,299)**	4,149	**(2,299)**	4,149
	8,204,643	6,564,991	**6,808,424**	5,635,574

(d) Covenants

At December 31, 2015, the Company has loans and financing under certain contractual covenants, which establish compliance with certain financial ratios, as follows:

- Consolidated Interest Coverage Ratio - payment of interest on loans and financing with relation to Ebitda;
- Total Debt to Ebitda and Net Debt to Ebitda - payment of debt with relation to Ebitda;
- Total Capitalization Ratio - relationship between equity and third-party capital;
- Liquidity level - payment of short-term liabilities;
- Capitalization level - relationship between equity and total assets.

The ratios described are calculated on a consolidated basis. Failure to comply with these requirements by the Company could result in early maturity of liabilities recorded in noncurrent liabilities with Brazilian and foreign creditors.

As of December 31, 2015, the Company was not compliant with the covenants, in particular the *Total Debt to Ebitda Ratio* and the *Net Debt to Ebitda Ratio*, related to its debt agreements. For these agreements, Management obtained a waiver from the creditors and, hence, their acceptance for not receiving from Management the test for required thresholds in accordance with the contract as of December 31, 2015. New measurements will be performed to some of the contracts as of March, June and December 2016. Therefore, balances related to such agreements were not classified as current in the balance sheet as of December 31, 2015.

(e) Guarantees on loans and financing

At December 31, 2015, loans and financing are substantially guaranteed by PP&E items, net book value of which totals R$3.958,630 (December 31, 2014 - R$4,108,123) in the individual and consolidated financial statements.

(f) Unused credit facilities

As of December 31, 2015, for both the Company and the Consolidated financial statements, the unused credit facility with the BNDES, with maturity dates greater than a year, amount to R$305,360 (R$266,028 as of December 31, 2014, for both the Company and the Consolidated financial statements). Such lines may be used only for capital investments that fall within the regulation of BNDES loans. As of December 31, 2015, the Usiminas companies have no unused credit facility subjected to fixed rates.

(g) Fair value and segregation by currency of loans and financing

Book values and fair value of loans and financing, as well as segregation of book values by currency, are presented in Note 5.5 (b).

20 Debentures

On January 30, 2013, under the Board of Directors' approval, the Company issued non-privileged nonconvertible unsecured debentures through a public offer with restricted placement efforts, pursuant to the Brazilian Securities and Exchange Commission (CVM) Rule No. 476/2009, amounting to R$1,000,000, and maturing in six years at the rate of 1% p.a. + 100% of the Interbank Deposit Certificate (CDI). The original cost of these debentures on the issuances date change to a rate of 3.68% p.a. + 100% of CDI, as from 12/31/2015.

At December 31, 2015, charges on debentures amounting to R$61,109 are recorded under current liabilities (R$50,092 at December 31, 2014).

Changes in debentures are as follows:

	Company and Consolidated	
	12/31/2015	**12/31/2014**
Opening balance	**1,048,641**	1,039,445
Inflow	**-**	-
Accrued charges and other	**56,472**	55,252
Monetary variation	**87,326**	61,374
Amortization of charges	**(132,149)**	(107,430)
Amortization of principal	**-**	-
	1,060,290	1,048,641

21 Taxes payable

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
ICMS	**26,784**	6,645	**30,447**	16,412
IPI	**20,735**	22,574	**22,171**	24,634
IRRF	**9,637**	10,320	**12,469**	13,468
ISS	**2,674**	5,503	**7,536**	9,703
PIS and COFINS	**4,836**	16,044	**8,808**	23,432
Other	**1,837**	2,520	**4,116**	6,557
	66,503	63,606	**85,547**	94,206

22 Taxes in installments

Taxes in installments are broken down as follows:

	Company					
	12/31/2015			12/31/2014		
	Taxes in installments	Judicial deposits	Net balance	Taxes in installments	Judicial deposits	Net balance
INSS	**8,405**	**(8,405)**	**-**	8,405	(8,405)	-
IPI	**107,047**	**(100,079)**	**6,968**	106,511	(100,080)	6,431
Refis - Law No. 11941/09 - IPI and CIDE	**32,443**	**(32,443)**		32,443	(32,443)	-
REFIS - Law No. 11941/09 - IRPJ/CSLL Monetary loss - *Plano Verão*	**57,089**	**(57,089)**	**-**	57,089	(57,089)	-
Other	**16**	**16**	**-**	16	(16)	-
	205,000	**(198,032)**	**6,968**	204,464	(198,033)	6,431
Current liabilities	**-**	**-**	**6,968**	-	-	6,431

	Consolidated					
	12/31/2015			12/31/2014		
	Taxes in installments	Judicial deposits	Net balance	Taxes in installments	Judicial deposits	Net balance
INSS	**8,405**	**(8,405)**	**-**	8,405	(8,405)	-
IPI	**107,047**	**(100,079)**	**6,968**	106,510	(100,079)	6,431
Refis - Law No. 11941/09 - IPI and CIDE	**32,443**	**(32,443)**	**-**	32,443	(32,443)	-
REFIS - Law No. 11941/09	**10,805**	**-**	**10,805**	11,101	-	11,101
REFIS - Law No. 11941/09 - IRPJ/CSLL Monetary loss - *Plano Verão*	**57,089**	**(57,089)**	**-**	57,089	(57,089)	-
Other	**16**	**(16)**	**-**	16	(16)	-
	215,805	**(198,032)**	**17,773**	215,564	(198,032)	17,532
Current liabilities	**-**	**-**	**8,191**	-	-	7,560
Noncurrent liabilities	**-**	**-**	**9,582**	-	-	9,972

The Central Bank Benchmark Rate (Selic) is charged on such installments, which are guaranteed by the Company's assets and judicial deposits. Such collateral net book value was R$22,913 at December 31, 2015 (R$22,913 at December 31, 2014).

Changes in taxes payable in installments are as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Opening balance	**204,464**	248,486	**215,565**	259,869
Additions	**-**	20,088	**-**	20,088
(Reversal of) provision for interest	**536**	1,878	**536**	1,878
Amortization of principal	**-**	(65,988)	**(1,178)**	(67,080)
Monetary variation	**-**	-	**882**	810
	205,000	204,464	**215,805**	215,565
Opening balance - offsetting of judicial deposit	**(198,032)**	(198,016)	**(198,032)**	(198,016)
(-) Offsetting of judicial deposit	**-**	(17)	**-**	(17)
Closing balance - offsetting of judicial deposit	**(198,032)**	(198,033)	**(198,032)**	(198,033)
	6,968	6,431	**17,773**	17,532

The aging list of installments recorded under noncurrent liabilities is as follows:

	Consolidated	
	12/31/2015	12/31/2014
2016	**-**	1,129
2017	**1,223**	1,129
2018	**1,223**	1,129
2019	**1,223**	1,129
2020	**1,223**	1,129
2021 to 2025	**4,690**	4,327
	9,582	9,972

23 Provision for contingencies

	Company					
	12/31/2015			12/31/2014		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
IRPJ and CSLL	**1,839**	**-**	**1,839**	1,654	-	1,654
INSS	**1,630**	**-**	**1,630**	1,582	-	1,582
ICMS	**15,039**	**-**	**15,039**	4,333	-	4,333
Labor	**259,634**	**(102,359)**	**157,275**	233,770	(97,654)	136,116
Civil	**109,285**	**(8,075)**	**101,210**	95,831	(9,739)	86,092
Other	**8,407**	**(434)**	**7,973**	9,255	(408)	8,847
	395,834	**(110,868)**	**284,966**	346,425	(107,801)	238,624

	Consolidated					
	12/31/2015			12/31/2014		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
IRPJ and CSLL	**12,262**	**-**	**12,262**	15,708	-	15,708
INSS	**1,659**	**-**	**1,659**	1,610	-	1,610
ICMS	**41,480**	**-**	**41,480**	25,500	-	25,500
PIS/COFINS	**12,109**	**-**	**12,109**	14,210	-	14,210
Labor	**328,370**	**(102,359)**	**226,011**	282,340	(97,654)	184,686
Civil	**123,724**	**(8,705)**	**115,649**	101,982	(9,739)	92,243
Other	**37,851**	**(3,499)**	**34,352**	34,509	(3,186)	31,323
	557,455	**(113,933)**	**443,522**	475,859	(110,579)	365,280

The Company also has judicial deposits recorded in noncurrent assets, for which there are no related provisions (Note 14).

Changes in provision for litigation are as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Opening balance	**346,425**	417,882	**475,859**	506,679
Additions	**94,583**	118,086	**132,561**	173,240
Interest/restatements	**32,482**	29,508	**47,489**	31,793
Amortization/write-offs	**(48,214)**	(158,910)	**(48,363)**	(162,223)
Reversals	**(29,442)**	(60,141)	**(50,091)**	(73,630)
	395,834	346,425	**557,455**	475,859

(a) Provisions for litigation

Provisions for litigation were set up to cover probable losses on administrative and legal proceedings related to tax, labor and civil matters, at an amount deemed sufficient by management, based on the opinion of its internal and external legal advisors. The most significant legal proceedings at December 31, 2015 are as follows:

(i) Company's provisions

Description	Status	12/31/2015 Balance	12/31/2014 Balance
Legal proceedings involving employees, own former employees and subcontractors of the Ipatinga Plant who claim various labor and social security dues.	Awaiting judgment by the Labor Court and administrative bodies at various levels.	**35,129**	26,047
Legal proceedings involving employees, own former employees and subcontractors of Usiminas in Cubatão who claim various labor and social security dues.	Awaiting judgment by the Labor Court and administrative bodies at various levels.	**202,436**	185,409
Legal proceedings seeking compensation for property damages (pension, fixed medical expenses, etc.) and pain and suffering for exposure to benzene gas during working hours.	Awaiting judgment.	**30,171**	29,534
Disputes between the parties over the price paid to acquire Zamprogna NSG Tecnologia do Aço S.A. by Soluções Usiminas.	Records will be sent to the judge for decision.	**49,819**	42,878
Disputes under CADE coordination- refers to the previously existing Cosipa and Usiminas. Voiding proceedings for lawsuit No. 2000.34.00.000088-4	In progress at the Regional Federal Court 1st Region.	**9,668**	-
Tax assements with respect to service taxes ("ISS") over port-related services rendered by Usiminas at the Praia Mole Sea Port Terminal- located at Vitória/ES.	In progress at the Regional Federal Court 1st Region.	**11,917**	-
Other civil proceedings		**19,627**	23,419
Other labor claims		**22,069**	22,315
Other tax proceedings		**14,998**	16,823
		395,834	346,425

(ii) Subsidiary Soluções Usiminas' provisions

Description	Status	12/31/2015 Balance	12/31/2014 Balance
Discussion on interpretation of Law Nº 9718/98, increase in PIS and COFINS tax bases.	Awaiting judgment.	**12,109**	14,210
Legal proceeding on deductibility of CSLL on IRPJ tax basis.	Awaiting judgment.	**10,423**	14,054
ICMS matching credits in disagreement with the ICMS Code arising out of the tax delinquency notice - NSG	Awaiting judgment.	**23,845**	19,000
Labor claims filed by employees seeking disputes over the amount of compensation paid on terminations.	Awaiting judgment.	**36,331**	21,142
Other civil proceedings	-	**10,592**	5,213
Other tax proceedings	-	**7,435**	9,494
		100,735	83,113

	12/31/2015	12/31/2014
Company's provisions	**395,834**	346,425
Soluções Usiminas' provision	**100,735**	83,113
Provisions involving other companies	**60,886**	46,321
Total consolidated	**557,455**	475,859

(b) Possible contingencies

In addition, the Company and some of its subsidiaries are in litigation processes, which likelihood of loss was assessed as possible by management, based on the opinion of its legal advisors, as follows:

(i) Company's contingencies

Description	Status	12/31/2015 Balance	12/31/2014 Balance
Request for offsetting of federal tax debts against IRPJ credits determined after the review of the Taxable Profit Control Register (LALUR), pending validation.	Awaiting judgment at lower court	**117,038**	103,646
Delinquent tax collection procedures seeking reversal of ICMS credits in connection with inconsistent classification of materials between the tax authorities and Usiminas.	Three delinquent tax collection proceedings are pending judgment at lower court.	**61,018**	54,036
Tax delinquency notices seeking collection of ICMS levied on goods whose admission into the Manaus Tax Free Zone is not demonstrable.	Delinquent tax collection proceedings started. Four tax delinquency notices await judgment at the administrative level.	**66,273**	58,689
Delinquent tax collection proceedings seeking reversal of ICMS credits on materials deemed to be as for use and consumption (refractory products and other)	Two delinquent tax collection proceedings await a legal decision and two tax delinquency notices await judgment at the administrative level.	**1,060,451**	939,104
Delinquent tax collection procedure seeking reversal of ICMS credits used by Usiminas upon engagement of transportation services.	Awaiting judgment at lower court	**61,648**	54,594
Legal proceeding declared res judicata whose waiver for membership in the installment payment set by Law No. 11941/09 was rejected.	Awaiting judgment at higher court	**92,000**	81,472
Delinquent tax collection proceedings seeking collection of ICMS on exports, on the grounds that the target companies were not validated by the SECEX.	Administrative proceeding closed. Delinquent tax collection procedure started.	**45,918**	40,664
Delinquent tax collection proceedings seeking collection of ICMS on goods sent abroad, without the appropriate demonstrable export.	Two delinquent tax collection proceedings started, pending judgment at lower court.	**677,465**	599,943

Description	Status	12/31/2014 Balance	12/31/2013 Balance
Request for offsetting of IPI, PIS and COFINS debts against credit from payment of CSLL in error, no approved.	Awaiting judgment at the administrative level.	**37,021**	32,785
Tax delinquency notice seeking collection of ICMS - Tax requirement by virtue of allegedly undue use of ICMS tax credit in the period from January to December 2010, relating to acquisition of refractory materials.	Awaiting judgment at the administrative level.	**75,520**	64,222
Claims involving employees, former own employees and subcontractors of Cubatão Plant seeking various labor and social security dues. Cosipa Special Retirement.	Awaiting judgment at the administrative level.	**47,564**	42,122
Tax delinquency notice filed by Rio Grande do Sul state due to reversal of matching credits that would have been used when Usiminas was under allegedly irregular tax situation (debts included in the roll of debtors and not guaranteed). - ICMS.	Final decision held at administrative sphere for an unfavorable outcome to the Company. A lawsuit aiming to declare voided the final decision was filed thereafter.	**-**	106,427
Ordinary proceeding filed against Minas Gerais state to declare undue the reversal of ICMS credits on acquisition of electric energy, whose subsequent outflow was on account of interstate operations of sales of this input or settlement in the short-term market before CCEE.	Final decision for the lawsuit. Agreement reached with the State of Minas Gerais.	**-**	44,681
Tax delinquency notice claiming ICMS in connection with inappropriate credit taking for use and consumption on export of goods.	Awaiting judgment at the administrative level.	**244,905**	216,881
A lawsuit aiming to declare voided a tax assessment claiming for the reversal of ICMS credits referring to a period when Usiminas was supposedly in an irregular situation with the tax authority.	Awaiting judgment at lower court	**120,704**	-
Claims involving employees, former own employees and subcontractors of Cubatão Plant seeking various labor and social security dues.	Awaiting judgment at the Labor Court and administrative agencies, at various levels.	**148,307**	197,280
Claims involving employees, former own employees and subcontractors of Ipatinga Plant seeking various labor and social security dues.	Awaiting judgment at the Labor Court and administrative agencies, at various levels.	**116,124**	127,355
Action seeking annulment of a CADE's administrative decision, which sentenced Usiminas to pay fines for violation of the economic order.	Appeal to the High Court of Justice rejected.	**44,089**	72,621
Action seeking annulment of a CADE's administrative decision, which sentenced Cosipa to pay fines for violation of the economic order.	Appeal to the High Court of Justice rejected.	**42,779**	59,022
Other civil proceedings	-	**144,529**	102,654
Other labor claims	-	**30,889**	27,556
Other tax proceedings	-	**357,572**	263,809
		3,588,814	3,289,563

(ii) Usiminas Mecânica's contingencies

Description	Status	12/31/2015 Balance	12/31/2014 Balance
Claim seeking reimbursement on the grounds of direct and indirect losses due to disagreement of manufacturing and supply.	Awaiting judgment.	**466,391**	420,296
Civil class action regarding the construction of a bridge, claiming reimbursement to the public treasury of amounts added through Addendum to the firm price contract.	Awaiting decision by the judge.	**364,343**	328,333
Civil class action filed by the Public Prosecution Service against Usiminas Mecânica, claiming reimbursement of supposed damages caused to the Public Treasury in the State of Santa Catarina involving inappropriate expenses to construct a bridge.	Awaiting judgment.	**75,425**	67,970
Tax delinquency notice filed by virtue of reversal of IPI previously unused credits considered expired.	Awaiting judgment at the administrative level.	**-**	32,071
Proceeding involving collection of ICMS on labor for shipment of steel slabs used in the manufacturing of wind towers.	Awaiting judgment at the administrative level.	**43,808**	39,066
Claims involving employees, former own employees and subcontractors, seeking various labor and social security dues.	Awaiting judgment at the Labor Court and administrative agencies, at various levels.	**53,749**	41,686
Other civil proceedings		**38,950**	32,926
Other tax proceedings		**96,050**	45,085
		1,138,716	1.007,433

(iii) Soluções Usiminas' contingencies

Description	Status	12/31/2015 Balance	12/31/2014 Balance
Various tax delinquency notices arising out of offsetting PIS against COFINS, FINSOCIAL, ICMS and INCRA.	This has been subject matter of a protest letter.	**24,098**	24,248
Labor claims filed by employees seeking disputes over the amount of compensation paid on terminations.	Awaiting judgment.	**84,795**	60,242
Other tax and civil proceedings		**133,889**	56,265
		242,782	140,755

(iv) Mineração Usiminas' contingencies

Description	Status	12/31/2015 Balance	12/31/2014 Balance
Request for arbitration filed by Construtora Mello de Azevedo (Applicant), seeking reimbursement of losses and additional costs incurred during the execution of the construction works of the New Friable ITM - Flotation in the Municipality of Itatiaiuçu/MG.	Awaiting the beginning of the expert examination work.	**47,604**	**35,000**
Tax assessment issued by the Minas Gerais State Tax Autority in the city of Ipatinga, claiming for ICMS credits for which the company was not allowed to claim with respect to fixed assets acquisitions	Impugnation presented against the tax assessment.	**19,640**	**-**
Arbitral procedure estabilished by DM Construtora Ltda. (Applicant), which claims reimbursement of losses and additional costs incurred during the construction works of the New ITM Friable - Flotation in Itatiaiuçu-MG.	Awaiting the start of expertise.	**17,459**	**-**
Other civil proceedings		**2,031**	**1,050**
Other labor claims		**3,095**	**935**
Other tax proceedings		**3,407**	**3,277**
		93,236	**40,262**

	12/31/2015	12/31/2014
Company's contingencies	**3,588,814**	3,289,563
Usiminas Mecânica's contingencies	**1,138,716**	1.007,433
Soluções Usiminas' contingencies	**242,782**	140,755
Mineração Usiminas' contingencies	**93,236**	40,262
Total consolidated	**5,063,548**	4,478,013

(c) Contingent assets

Following are the contingencies of the Company as a plaintiff. The legal proceedings have not yet been declared res judicata and thus were not recognized in the balance sheet:

		12/31/2015	12/31/2014
Description	**Status**	**Balance**	**Balance**
Legal proceeding filed by Usiminas seeking receipt of the full amount paid to Eletrobrás as compulsory loan, in accordance with the criteria of the legislation in force at the time of tax payment.	Waiting for Eletrobras and the Federal Government appeal to be evaluated by the superior court. The appeals were filed after favorable outcome to the Company in the second court of appeal.	**1,118,370**	990,415
Legal proceeding filed by Cosipa seeking receipt of the full amount paid to Eletrobrás as compulsory loan, in accordance with the criteria of the legislation in force at the time of tax payment.	Final decision held for the declaratory lawsuit. The company filed a lawsuit requesting for the execution of the final decision from December 2014 and is currently waiting for Eletrobrás to be formally informed.	**673,374**	595,347
Legal proceeding questioning the restriction to the right to credits on PIS and COFINS on machinery, equipment and other assets added to PP&E acquired before 04/30/2004.	Awaiting judgment at higher court.	**192,885**	170,814
Other contingent assets		**148,365**	130,264
		2,132,994	1,886,840

As of December 31, 2015, the Company had R$15,457 (R$16,430 as of December 31, 2014) related to securities on lawsuits.

As of December 31, 2015, a portion of the litigations had fixed assets being used as securities amounting to R$840,270 (R$948,340 as of December 31, 2014). The consolidated securities are R$897,804 (R$ 1,010,263 as of December 31, 2014).

Additionally, as of December 31, 2015, the Company had other assets, letter of credits and insurances used as guarantees on lawsuits amounting to R$2,069,965 (R$1935,610 as of December 31, 2014). The consolidated guarantees are R$3,488,045 (R$3,355,937 as of December 31, 2014).

24 Retirement benefit obligations

The figures and information on retirement benefit obligations are shown below:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Obligations recorded in balance sheet:				
Retirement plan benefits	**1,052,214**	1,037,921	**1,052,214**	1,037,921
Post-employment health benefits	**98,703**	143,114	**101,165**	149,867
	1,150,917	1,181,035	**1,153,379**	1,187,788

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Revenues (expenses) recognized in the statement of operations (Note 30 (b))				
Retirement plan benefits	**2,461**	8,291	**2,461**	8,291
Post-employment health benefits	**(17,849)**	(12,220)	**(18,708)**	(13,448)
	(15,388)	(3,929)	**(16,247)**	(5,157)

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Actuarial gains (losses) recognized directly in other comprehensive income (loss)	**183,603**	(232,387)	**187,055**	(231,286)
Actuarial gains (losses) of debts contracted and directly recognized in other comprehensive income (loss) - CPC 33 and IFRIC 14	**(60,918)**	109,130	**(60,918)**	109,130
Decrease (increase) in assets (asset ceiling) in other comprehensive income (loss) - paragraph 58, CPC 33 and IAS 19	**(219,516)**	20,966	**(219,516)**	20,966
Accumulated actuarial gains (losses) recognized in other comprehensive income (loss)	**(96,831)**	(102,291)	**(93,379)**	(101,190)

(i) At December 31, 2015, the total amount in the Company's financial statements includes R$3,452 (R$1,101 at December 31, 2014) referring to actuarial gains (losses) on subsidiaries and jointly-controlled subsidiaries recorded by the equity method.

24.1 Supplementary retirement plans

In August 1972, the Company set up Caixa dos Empregados da Usiminas (CAIXA).

On March 29, 2012, Supervisory Office (PREVIC) approved the merger of Cosipa Private Pension Foundation (FEMCO), set up in August 1975, into Caixa dos Empregados da Usiminas (CAIXA), both closed-end not-for-profit supplementary pension entities. With this approval, the Manager of the pension plans of Usiminas Companies was renamed Previdência Usiminas.

Previdência Usiminas, in line with the applicable legislation, aims mainly at managing and running private pension benefit plans.

Plans managed by Previdência Usiminas

(i) Benefit plan 1 (PB1)

A defined benefit plan closed ended for new members since November 1996.

It provides the following benefits converted into life annuity: length-of-service retirement, disability retirement, age superannuation, special retirement, retirement based on the contribution period and pension on death. Furthermore, the members on this plan are entitled to benefits such as redemption, portability, funeral grant, prisoner's family grant and sickness allowance.

(ii) Benefit plan 2 (USIPREV)

Variable contribution (VC) benefit plan, operating since August 1998, provided to the employees of the sponsor. Currently, this is the single Usiminas Companies' Plan accepting new enrollments.

During the accumulation phase, the USIPREV member defines their monthly contribution to set up savings reserve. Upon granting of the benefit, the member may opt for receiving their benefits in a monthly annuity ranging between 0.5% and 1.5% of its Account Balance or in a monthly annuity (annuity certain) between 60 and 360 months. The "Charter Member" - on the plan until April 13, 2011, may also opt for converting their account balances into a monthly life annuity. In this case, during the payout phase, USIPREV will be similar to a Defined-benefit-type plan (DB).

The benefits offered by this plan comprise: programmed retirement, vesting, portability, disability retirement; sickness allowance and survivor benefit - pre and post retirement. The following benefits are also covered: self-funded retirement plan, vesting, portability and redemption.

(iii) Defined-benefit-type plan (PBD)

It is a defined-benefit-type plan and is no longer open for new members since December 2000.

It offers the following benefits converted into life annuity: retirement by years of service, disability retirement, age superannuation, special retirement and vesting.

Furthermore, the members on this plan are entitled to benefits such as redemption, portability, funeral grant, prisoner's family grant and sickness allowance.

(iv) COSIPREV

Defined-benefit-type plan no longer open for new members since April 30, 2009.

The benefits offered are the following: programmed retirement, disability retirement and vesting.

In addition, members are entitled to retirement, sickness allowance, redemption and portability.

The technical reserves of benefit plans administered by Previdência Usiminas are calculated by independent actuary hired by the Company, and are used to pay benefits granted and to be granted to members and their beneficiaries.

24.2 Debts contracted - minimum requirements

The Company has taken out debts in connection with the minimum requirements for payment of contributions, for the purpose of covering the gap in relation to the services already received.

In the event of non-recoverable surplus, the debts taken are recognized as an additional liability in net actuarial liabilities.

At December 31, 2015, the debit balance of the referred to debts payable by Company to Previdência Usiminas for PB1 and PBD plans amounted to R$1,067,625 (R$1,050,756 at December 31, 2014).

The general characteristics of debts used in the actuarial calculation are described below.

The Company and other sponsoring employers of the PB1 plan have been paying monthly and special contributions, as required to cover the insufficient reserve identified in December 1994. This insufficient reserve is to be amortized by the sponsoring employers within 19 years, as from 2002, at the interest rate of 6% p.a., and monthly adjusted by the General Market Price Index (IGP-M).

The PBD plan debit balance is determined at the end of each year, based on direct actuarial revaluation of provisions, which takes into account the direct actuarial revaluation of mathematical estimates of benefits granted and to be granted. Over the subsequent year, as defined in the actuarial revaluation system, the debt is adjusted by the monthly surplus or deficit computed in the PBD plan, and by the payment of installments falling due in the respective period. This debt balance must be amortized in 192 installments, corresponding to the monthly installments calculated based on the "Price Table", at an interest rate equivalent to 6% (six percent) p.a., and monthly adjustment by the National Consumer Price Index (INPC).

The collateral of the PBD plan debt comprises assets amounting to R$50.863 at December 31, 2015 (R$457,727 at December 31, 2014).

24.3 Actuarial calculation of retirement plans

The amounts calculated based on the actuarial report, and recognized in the balance sheet, are shown below:

	Company and Consolidated				
	12/31/2015				
	PB1	**PBD**	**USIPREV**	**COSIPREV**	**Total**
Present value of actuarial obligation	**(3,073,619)**	**(1,306,333)**	**(1,459,631)**	**(6,779)**	**(5,846,362)**
Fair value of assets	**3,694,732**	**1,358,828**	**1,618,418**	**16,557**	**6,688,535**
	621,113	**52,495**	**158,787**	**9,778**	**842,173**
Asset ceiling	**(621,113)**	**(52,495)**	**(150,149)**	**(3,004)**	**(826,761)**
Minimum requirements (additional liabilities)	**(783,464)**	**(284,162)**	**-**	**-**	**(1,067,626)**
	(783,464)	**(284,162)**	**8,638**	**6,774**	**(1,052,214)**

	Company and Consolidated				
	12/31/2014				
	PB1	**PBD**	**USIPREV**	**COSIPREV**	**Total**
Present value of actuarial obligation	(3,214,596)	(1,365,204)	(1,403,145)	(8,057)	(5,991,002)
Fair value of assets	3,622,643	1,289,773	1,447,568	12,614	6,372,598
	408,047	(75,431)	44,423	4,557	381,596
Asset ceiling	(408,047)	-	(35,685)	(459)	(444,191)
Minimum requirements (additional liabilities)	(811,905)	(163,421)	-	-	(975,326)
	(811,905)	(238,852)	8,738	4,098	(1,037,921)

USIPREV's sponsoring employers are jointly liable to the obligations related to coverage of risk benefits offered by Previdência Usiminas to members and respective beneficiaries of this Plan.

USIPREV and COSIPREV plans have a Pension Fund from members' account balances not used in benefit payouts. As provided for in the plans regulation, this fund may be used to fund these plans in the future. At December 31, 2015, the Pension Fund portion attributed to Usiminas Companies amounts to R$57.157 (R$42,083 at December 31, 2014).

Changes in the defined benefit obligation in the reporting periods are as follows:

	Company and Consolidated	
	12/31/2015	12/31/2014
Opening balance	**(5,991,002)**	(5,483,265)
Current service cost	**(1,666)**	(3,480)
Interest cost	**(684,065)**	(614,952)
Benefits paid	**477,239**	443,586
Adjustments - Changes in benefit plans	**-**	-
Actuarial gains (losses)	**353,132**	(332,891)
	(5,846,362)	(5,991,002)

Changes in fair value of plan assets in the reporting periods are as follows:

	Company and Consolidated	
	12/31/2015	12/31/2014
Opening balance	**6,372,598**	5,917,618
Expected return on assets	**610,203**	699,581
Actual contributions for the year	**182,973**	198,985
Benefits paid	**(477,239)**	(443,586)
Actuarial gains (losses)	**-**	-
	6,688,535	6,372,598

The amounts recognized in the statement of operations are shown below:

	Company and Consolidated	
	12/31/2015	12/31/2014
Current service cost	**(1,640)**	(3,320)
Interest cost	**(631,670)**	(581,425)
Expected return on assets	**635,665**	592,901
Adjustment - Benefit plan (amendment to Usiprev regulation)	**-**	-
Other	**106**	135
	2,461	8,291

The charges shown above were recognized in "Other operating expenses (income), net" in statement of operations (Note 30(b)).

The actual return on plan assets was R$596,889 (R$692,083 at December 31, 2014).

The contributions expected for the post-employment benefit plans for 2015 total R$216,098.

	12/31/2015	12/31/2014
Actuarial assumptions		
Discount rate	**(i)**	(ii)
Inflation rate	**5.00% p.a.**	5,20% p.a.
Expected return on assets - PB1 and PBD	**-**	-
Expected return on assets - USIPREV and COSIPREV	**-**	-
Future salary increase	**9.32% p.a.**	9.52% p.a.
Pension fund benefit growth	**5.00% p.a.**	5.20% p.a.

(i) At December 31, 2015, the discount rate presents the following actuarial assumptions by plan: PB1, 12.54%; PBD, 12,54%; USIPREV, 12,56%; and COSIPREV, 12,82%.
(ii) At December 31, 2014, the discount rate presents the following actuarial assumptions by plan: PB1, 11.25%; PBD, 11.25%; USIPREV, 11.25%; and COSIPREV, 11,14%.

The assumptions referring to mortality rate are set according to the actuaries' opinion, based on published statistics and their experience. For 2015 and 2014, the mortality assumptions for PB1, Cosiprev and Usiprev plans are based on the mortality table AT 2000. For 2015 and 2014, the mortality assumptions for the PBD plan are based on the mortality table AT 1983. At December 31, 2015 and 2014, the disability mortality table used was AT - 1949 male.

24.4 Experience adjustments

The effects of adjustments computed based on experiences for the period are as follows:

	12/31/2015						
	PB1	PBD	USIPREV	COSIPREV	Total retirement plans	Health care plan	Total
Present value of the defined benefit obligation	**(3,073,619)**	**(1,306,333)**	**(1,459,631)**	**(6,779)**	**(5,846,362)**	**(143,114)**	**(5,989,476)**
Fair value of plan assets	**3,694,732**	**1,358,828**	**1,618,418**	**16,557**	**6,688,535**	**-**	**6,688,535**
Plan deficit (surplus)	**621,113**	**52,495**	**158,787**	**9,778**	**842,173**	**(143,114)**	**699,059**
Experience adjustments on plan obligations	**(188,811)**	**(77,380)**	**(16,168)**	**839**	**(281,520)**	**(4,396)**	**(285,916)**
Experience adjustments on plan assets	**47,950**	**(26,717)**	**34,600**	**2,415**	**58,248**	**-**	**58,248**

	12/31/2014						
	PB1	PBD	USIPREV	COSIPREV	Total retirement plans	Health care plan	Total
Present value of the defined benefit obligation	(3,214,596)	(1,365,204)	(1,403,145)	(8,057)	(5,991,002)	(90,380)	(6,081,382)
Fair value of plan assets	3,622,643	1,289,773	1,447,568	12,614	6,372,598	-	6,372,598
Plan deficit (surplus)	408,047	(75,431)	44,423	4,557	381,596	(90,380)	291,216
Experience adjustments on plan obligations	(41,492)	11,758	(5,674)	(556)	(35,964)	(4,396)	(40,360)
Experience adjustments on plan assets	47,950	(26,717)	7,768	1,851	30,852	-	30,852

24.5 Actuarial assumptions and sensitivity analyses

	Company and Consolidated			
				12/31/2015
Significant actuarial assumptions	**PB1**	**PBD**	**USIPREV**	**COSIPREV**
Present value of obligation	(3,073,619)	(1,306,333)	(1,459,631)	**(6,779)**
Discount rate applied to plan obligations	12,54%	12,54%	12,56%	**12,82%**

Mortality table applied to plans	**AT-200 reduced by 10%**	**AT-1983 - reduced by 10%**	**AT-200 reduced by 50% for male and 40% for female**	**AT-200 - reduced by 20%**
Sensitivity analysis on plan obligations discount rate				
1% increase on actual rate	(224,880)	(92,213)	(50,085)	(234)
1% decrease on actual rate	260,710	106,537	59,931	254
Sensitivity analysis on Mortality Table Reduced by 10%	61,416	25,745	5,035	(77)

The sensitivity analysis on actuarial obligations was prepared considering solely changes in the discount rate and the mortality table applied to plan obligations.

24.6 Health insurance plan to retirees

(a) COSaúde

Plan no longer open for new members since April 2002.

Usiminas has an integrated health care system that also assists retirees, comprising:

- Health Care Insurance Plan for out-of-pocket expenses, such as medical appointments and routine medical exams;
- Fundo de Saúde - COSaúde, for admissions in clinics and/or hospitalizations, as well as other high-cost procedures and clinical procedures.

The Company offers an allowance to retirees and members of the Health Care Insurance Plan, as well as to their dependents, ranging from 20% to 40% of the medical cost, and according to the total benefit - INSS plus Previdência Usiminas. The retiree must join COSaúde to be a member of the Health Care Plan. The Fundo de Saúde - COSaúde is a self-management care plan fully prepaid by members.

(b) Saúde Usiminas

In 2010, Usiminas set up a health care system that covers all employees and retirees, comprising:

(i) Regulated plan covering clinical and hospital procedures, in accordance with the list of covered procedures disclosed by ANS;
(ii) Prepaid plan from Operadora de Planos de Saúde Fundação São Francisco Xavier;
(iii) Price set by age; 60, 70 or 80% of the monthly fee is paid by the Company, in accordance with the employee's salary;

(iv) Terminated or retired employees may continue as a member of the Plan, in accordance with articles 30 and 31 of Law No. 9656, provided that the monthly fees are fully paid by them.

In addition to the assumptions above, the key actuarial assumption was the long-term increase in the medical services costs, of 11% p.a. for the year ended December 31, 2015, and 11% for the year ended December 31, 2014.

The amounts recognized in the balance sheet, based on the actuarial report, are as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Present value of actuarial obligation	**(98,703)**	(143,114)	**(101,165)**	(149,867)

24.7 Retirement plan assets

Retirement plan assets are broken down as follows:

	12/31/2015		12/31/2014	
	Amount	%	Amount	%
Company shares	**137,121**	**2**	419,550	7
Government bonds	**3,596,347**	**54**	2,741,460	43
Fixed income	**2,617,108**	**39**	2,738,186	43
Variable income	**-**	**-**	32,660	1
Real estate investments	**288,895**	**4**	296,463	5
Other	**49,063**	**1**	144,279	1
	6,688,535	**100**	6,372,598	100

The pension plan assets include 34,109,762 common shares of the Company, at the fair value of R$137,121 (34,109,762 common shares at fair value of R$419,550 at December 31, 2014).

The expected return on plan assets corresponds to the discount rate defined based on long-term federal government bonds, which are bound to the inflation rate, and are in line with the weighted average term of future payment flow of the analyzed benefits.

25 Equity

(a) Capital

At December 31, 2015, the Company's capital amounts to R$12,150,000 and is represented by 1,013,786,190 shares, as follows:

	Common shares	Class "A" preferred shares	Class "B" preferred shares	Total
Total shares	505,260,684	508,447,743	77,763	1,013,786,190
Total treasury shares	(2,526,656)	(23,705,728)	-	(26,232,384)
Total former treasury shares	502,734,028	484,742,015	77,763	987,553,806

Pursuant to its Articles of Incorporation, the Company is authorized to increase its capital in an amount corresponding to 50,689,310 preferred shares of an already existing class.

Each common share gives the right to 1 (one) vote in the Annual General Meeting, and the preferred shares are not entitled to vote, but will (i) receive dividends of 10% (ten percent), higher than the percentage attributed to common shares; (ii) have the right to participate, under the same conditions granted to common shares, of any bonus payment voted in Annual General Meetings; (iii) have priority in capital reimbursement, without right to premium, in case the Company is liquidated; (iv) acquire the right to vote in the meetings if the Company ceases to pay preferred dividends for three consecutive years.

The preferred shares may not be converted into common shares.

Owners of class "B" preferred shares will have priority in capital reimbursement, without right to premium, in case the Company is liquidated. Owners of class "A" preferred shares will be entitled to the same priority level; however, only after the class "B" preferred shares are granted their priority right. The class "B" preferred shares may be converted into class "A" preferred shares, at any time and at the shareholder's sole discretion.

The shareholders are entitled to a minimum dividend of 25% of net income for the year, calculated under the terms of the corporation law.

No Company's new shares were issued and/or purchased by of Usiminas Companies for the years ended December 31, 2015 and 2014.

(b) Reserves

At December 31, 2015 and 2014, the reserves are as follows:

- Excess upon subscription of shares - set up in the merger process, pursuant to article 14, sole paragraph of Law No. 6404/76. This reserve may be used to offset losses exceeding retained earnings and retained earnings, redemption, reimbursement or purchase of shares, redemption by beneficiaries, incorporation into the Company's capital, and payment of dividends to preferred shares, provided such shares are entitled to it (article 200 of Law No. 6404/76).

- Treasury shares - at December 31, 2015 and 2014, the Company owned 2,526,656 common shares and e 23,705,728 class “A” preferred shares in treasury.

- Special goodwill reserve - refers to the recognition of the tax benefit from the downstream merger conducted by Mineração Usiminas.

- Recognized stock option granted - refers to the recognition of shares granted under the Stock Option Plan (Note 36).

- Legal Reserve - set up at 5% of net income for each year up to 20% of the Company’s capital. As of December 31, 2015, as established by Law No. 6,404/76, a portion of the legal reserve, amounting to R$86,026, was utilized to offset current year losses.

- Reserves for investments and working capital - The balance of such reserves must not exceed 95% of the share capital, and can only be utilized to offset losses, payment of dividends, redemption of shares, reimbursements or purchases of shares, as well as capitalized. As of December 31, 2015, as stipulated by the Law No. 6,404/76, the reserve for investments and working capital was utilized to offset current year losses.

(c) Equity adjustments

Equity adjustments refer substantially to:

(i) Result from equity transaction: corresponds to changes in shareholding interest, not resulting in loss or acquisition of shares. The credit balance of R$855,196 at December 31, 2015 (December 31, 2013 - R$855,196) refers to the corporate restructuring of Mineração Usiminas (Note 15 (e) (i)).

(ii) Actuarial gains and losses: correspond to actuarial gains and losses calculated in accordance with CPC 33 and IAS 19 (Note 24). At December 31, 2015, the debit balance of this account totals R$690,798 (R$597,419 at December 31, 2014).

(iii) Adjustment of property, plant and equipment: corresponds to the application of IAS 29 in accordance with CPC 37. The referred to adjustment is based on the useful life of property, plant and equipment items against retained earnings. At December 31, 2015, the debit balance of this account totals R$147,350 (R$161,976 at December 31, 2014).

(d) Dividends and interest on equity

Dividends and interest on equity payable are broken down as follows:

Nature	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Dividends payable at beginning of year	**30,935**	425	**30,937**	1,122
Payment of taxes and interest on equity	**(30,795)**	(1)	**(39,295)**	(152,799)
Interest on equity and declared dividends	**-**	30,769	**8,500**	182,872
Unclaimed dividends	**-**	(258)	**-**	(258)
Total dividends payable at year end	**140**	30,935	**142**	30,937

Dividends unclaimed within three years are reversed to the Company.

For 2015, considering the loss for the year calculated by the Company, dividends and/or interest on equity were not distributed/approved.

26 Segment reporting

The revenue generated by the reported operating segments is mostly a result of the manufacturing and sale of steel products and related services.

26.1 Information on operating income (loss), assets and liabilities by reporting segment

	12/31/2015						
	Mining and logistics	Steelmaking	Steel transformation	Capital assets	Subtotal	Eliminations and adjustments	Total
Revenue	**401,511**	**9,174,416**	**1,924,758**	**868,596**	**12,369,281**	**(2,183,711)**	**10,185,570**
Cost of sales	**(354,074)**	**(9,135,885)**	**(1,872,886)**	**(742,222)**	**(12,105,067)**	**2,092,049**	**(10,013,018)**
Gross profit (loss)	**47,437**	**38,531**	**51,872**	**126,374**	**264,214**	**(91,662)**	**172,552**
Operating income/ (expenses)	**(2,463,984)**	**(1,219,404)**	**(154,055)**	**(64,405)**	**(3,901,848)**	**4,508**	**(3,897,340)**
Selling expenses	**(38,145)**	**(165,214)**	**(36,618)**	**(14,715)**	**(254,692)**	**(3,449)**	**(258,141)**
General and administrative expenses	**(30,546)**	**(322,845)**	**(58,125)**	**(42,127)**	**(453,643)**	**13,522**	**(440,121)**
Other revenues (expenses)	**(2,395,293)**	**(731,345)**	**(59,312)**	**(7,563)**	**(3,193,513)**	**(5,565)**	**(3,199,078)**
Operating income (loss)	**(2,416,547)**	**(1,180,873)**	**(102,183)**	**61,969**	**(3,637,634)**	**(87,154)**	**(3,724,788)**
Assets	**4,725,396**	**25,662,327**	**1,339,442**	**800,795**	**32,527,960**	**(4,769,628)**	**27,758,332**
Total assets include: Investments in affiliates (except for goodwill and investment properties)	**343,350**	**80,690**	**-**	**2,704**	**426,744**	**-**	**426,744**
Additions to noncurrent assets (except financial instruments and deferred tax assets)	**117,421**	**677,819**	**45,764**	**13,474**	**854,478**	**(11,155)**	**843,323**
Current and noncurrent liabilities	**449,351**	**12,243,228**	**346,753**	**220,216**	**13,259,548**	**(495,073)**	**12,764,475**

	12/31/2014

	Mining and logistics	Steelmaking	Steel transformation	Capital assets	Subtotal	Eliminations and adjustments	Total
Revenue	742,988	10,928,650	2,340,952	794,278	14,806,868	(3,065,239)	11,741,629
Cost of sales	(502,857)	(10,076,472)	(2,271,112)	(715,897)	(13,566,338)	2,861,474	(10,704,864)
Gross profit (loss)	240,131	852,178	69,840	78,381	1,240,530	(203,765)	1,036,765
Operating income/ (expenses)	(92,277)	(259,861)	(112,759)	(53,640)	(518,537)	4,740	(513,797)
Selling expenses	(82,584)	(146,406)	(44,783)	(13,797)	(287,570)	(3,360)	(290,930)
General and administrative expenses	(44,851)	(359,544)	(65,240)	(46,305)	(515,940)	14,391	(501,549)
Other revenues (expenses)	35,158	246,089	(2,736)	6,462	284,973	(6,291)	278,682
Operating income (loss)	147,854	592,317	(42,919)	24,741	721,993	(199,025)	522,968
Assets	6,050,235	28,020,480	1,501,319	859,331	36,431,365	(5,947,303)	30,484,062
Total assets include:							
Investments in affiliates (except for goodwill)	320,353	73,585	-	2,761	396,699	-	396,699
Additions to noncurrent assets (except financial instruments and deferred tax assets)	102,229	1,040,150	42,833	18,271	1,203,483	(5,344)	1,198,139
Current and noncurrent liabilities	329,481	11,275,510	408,565	312,813	12,326,369	(603,922)	11,722,447

Sales between segments have been carried out as sales between independent parties.

The turnover is dispersed, and the Company and subsidiaries do not have customers individually representing more than 10% of turnover.

26.2 Reconciliation of revenues of reporting segments

	12/31/2015	12/31/2014
Analysis of revenue per category		
Sales revenue - local market	**10,951,905**	13,694,720
Sales revenue - foreign market	**2,128,134**	1,954,051
	13,080,039	15,648,771
Deductions from gross revenue, especially sales taxes	**(2,894,469)**	(3,907,142)
Sales revenue - domestic market	**8,065,297**	9,998,040
Sales revenue - foreign market	**2,120,273**	1,743,589
	10,185,570	11,741,629

27 Revenue

Reconciliation of gross revenue to net revenue is as follows:

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Sales of products				
Local market	**9,628,224**	12,612,543	**10,381,702**	13,237,832
Foreign market	**2,083,741**	1,661,792	**2,127,275**	1,943,405
	11,711,965	14,274,335	**12,508,977**	15,181,237
Sales of services				
Local market	**8,933**	7,834	**570,203**	456,888
Foreign market	**859**	10,646	**859**	10,646
	9,792	18,480	**571,062**	467,534
Gross revenue	**11,721,757**	14,292,815	**13,080,039**	15,648,771
Deductions from revenue	**(2,553,549)**	(3,367,354)	**(2,894,469)**	(3,907,142)
Net revenue	**9,168,208**	10,925,461	**10,185,570**	11,741,629

28 Expenses by nature

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Depreciation and amortization	**(1,072,762)**	(920,332)	**(1,311,699)**	(1,114,597)
Expenses and employees benefits	**(1,220,815)**	(1,099,430)	**(1,944,487)**	(1,801,378)
Stock option plan	**(9,243)**	(13,016)	**(12,363)**	(14,171)
Raw materials and consumer and in-use materials	**(5,826,506)**	(6,971,476)	**(5,574,263)**	(6,597,614)
Major repairs	**(192.218)**	(293,639)	**(189,576)**	(281,091)
Judicial charges	**(102,855)**	(60,544)	**(106,493)**	(64,451)
Distribution cost	**(86,429)**	(76,082)	**(102,904)**	(147,737)
Results from excess electricity supply sales (i)	**41,780**	322,856	**65,380**	378,810
Third-party services	**(993,151)**	(1,077,273)	**(1,148,049)**	(1,184,332)
Revenues (expenses) with contingencies, net	**(66,500)**	(46,498)	**(71,979)**	(62,049)
Gain (loss) on sale of PP&E, intangible assets and Investment	**(45,334)**	30,364	**(56,747)**	54,270
Impairment losses	**(473,298)**	(2,086)	**(2,557,533)**	(2,086)
Expenses of intermittent use (temporary idle activities) of equipment	**(160,663)**	-	**(212,444)**	-
Contratual Obligation (ii)	**-**	-	**(201,105)**	-
Other expenses	**(370,399)**	(318,513)	**(486,096)**	(382,235)
	(10,578,393)	(10,525,669)	**(13,910,358)**	(11,218,661)
Cost of sales	**(9,252,460)**	(10,276,891)	**(10,013,018)**	(10,704,864)
Selling expenses	**(165,214)**	(146,344)	**(258,141)**	(290,930)
General and administrative expenses	**(314,019)**	(351,741)	**(440,121)**	(501,549)
Other operating income (expenses), net	**(846,700)**	249,307	**(3,199,078)**	278,682
	(10,578,393)	(10,525,669)	**(13,910,358)**	(11,218,661)

(i) As of December 31, 2015, the Company held receivables from Electric Energy Commercialization Chamber (CCEE) related to the sale of excess electricity supply of R$ 90.5 million. At the issuance of our financial statements, the Company had received R$ 31.6 million related to such receivables. The Company expects to receive the remaining receivables in the short term.
(ii) Refers to the contractually agreed quantity of iron ore that was not used by the Company under the "*take or pay*" contract with MRS.

29 Expenses and employee benefits

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Payroll and related charges (i)	**(980,961)**	(829,059)	**(1,611,364)**	(1,418,559)
Social security charges	**(163,526)**	(164,485)	**(249,111)**	(254,000)
Post-employment pension and health care plans	**(15,388)**	(3,929)	**(16,502)**	(5,157)
Bonus	**(18,369)**	(19,840)	**(18,587)**	(20,528)
Employees' profit sharing	**(154)**	(42,665)	**(2,968)**	(56,930)
Pension plan costs	**(33,073)**	(33,930)	**(34,723)**	(35,932)
Other	**(18,587)**	(18,538)	**(23,595)**	(24,443)
	(1,230,058)	(1,112,446)	**(1,956,850)**	(1,815,549)

(i) This includes Stock Option Plan expenses.

The expenses incurred with benefits to employees are recorded under "Cost of sales", "Selling expenses" and "General and administrative expenses", according to the allocation of employee.

30 Operating income (expenses)

(a) Selling, general and administrative expenses

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Selling expenses				
Personnel expenses	**(22,566)**	(24,815)	**(62,959)**	(64,578)
Third-party services	**(16,696)**	(26,560)	**(21,652)**	(32,034)
Depreciation and amortization	**(3,087)**	(3,096)	**(4,828)**	(4,551)
Distribution cost	**(86,429)**	(76,082)	**(102,904)**	(147,737)
Sales commissions	**(12,769)**	(6,098)	**(20,224)**	(16,740)
Allowance for doubtful accounts	**(15,250)**	(2,401)	**(18,358)**	(9,425)
General expenses	**(8,417)**	(7,292)	**(27,216)**	(15,865)
	(165,214)	(146,344)	**(258,141)**	(290,930)
General and administrative expenses				
Personnel expenses	**(176,832)**	(186,571)	**(235,576)**	(258,795)
Third-party services	**(48,652)**	(57,603)	**(78,688)**	(85,423)
Depreciation and amortization	**(24,369)**	(23,875)	**(32,725)**	(33,750)
Management compensation	**(27,416)**	(36,378)	**(33,029)**	(46,425)
General expenses	**(36,750)**	(47,314)	**(60,103)**	(77,156)
	(314,019)	(351,741)	**(440,121)**	(501,549)

(b) Other operating income (expenses)

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Other operating income				
Electricity sales	**188,542**	522,490	**239,211**	603,941
Recovery of taxes in lawsuits (INSS)	**66,652**	-	**66,652**	-
Sales of investments, fixed assets and intangibles	**7,515**	43,916	**9,867**	86,601
Recovery of costs	**5,950**	30,111	**8,187**	31,409
Recovery of expenses	**9,008**	11,437	**10,953**	10,557
Rental of properties	**6,078**	6,029	**7,280**	7,706
Sales revenues - Sundry	**8,343**	4,646	**9,615**	6,201
Reintegra Project	**22,122**	11,920	**22,122**	11,920
Other revenues	**14,030**	55,969	**9,532**	55,352
	328,240	686,518	**383,419**	813,687
Other operating expenses				
Cost of electricity sales	**(134,928)**	(157,333)	**(159,598)**	(175,866)
Impairment losses	**(473,298)**	(2,086)	**(2,557,533)**	(2,086)
Expenses of intermittent use (temporary idle activities) of equipment	**(111,885)**	-	**(164,336)**	(439)
Operational reestructuring expenses	**(93,811)**	-	**(256,768)**	-
Sales costs - Sundry and freight	**(10,668)**	(14,186)	**(11,131)**	(15,593)
Lawsuit charges	**(102,855)**	(60,544)	**(106,493)**	(64,451)
Judicial demands income (expenses), net	**(66,500)**	(46,498)	**(71,979)**	(62,049)
PIS and COFINS on electricity sales	**(11,834)**	(42,301)	**(14,233)**	(49,265)
Technological research	**(28,252)**	(29,217)	**(28,252)**	(29,217)
Costs related to sale/write-offs of investments, fixed assets and intangibles	**(54,524)**	(16,455)	**(66,043)**	(35,234)
Taxes (INSS, ICMS, IPTU etc.)	**(23,618)**	(11,383)	**(29,766)**	(19,099)
Stock options	**(8,402)**	(8,657)	**(9,177)**	(8,657)
Environmental control	**(2,760)**	(5,945)	**(2,760)**	(5,945)
Post-employment benefits - Pension and Health plans	**(15,388)**	(3,929)	**(16,502)**	(5,157)
Other expenses	**(36,217)**	(38,677)	**(87,926)**	(61,947)
	(1,174,940)	(437,211)	**(3,582,497)**	(535,005)
	(846,700)	249,307	**(3,199,078)**	278,682

31 Financial income (expenses)

	Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Financial income				
Interest income - customers	**12,391**	7,570	**17,907**	11,221
Short-term investments yield	**15,746**	10,417	**83,935**	77,143
Monetary effects	**30,317**	19,891	**137,555**	116,309
Restatement of judicial deposits	**32,468**	19,741	**51,475**	22,177
Interest on tax credits	**5,286**	3,394	**14,833**	3,887
Present value adjustment - trade accounts receivable	**108,797**	105,162	**108,797**	105,162
Reversal of provision/restatement of judicial deposits/reduction in REFIS installment payment	**6,719**	16,297	**7,000**	16,297
Other financial income	**8,406**	11,372	**7,036**	(14,908)
	220,130	193,844	**428,538**	337,288
Financial expenses				
Interest on financing and taxes in installments	**(288,335)**	(236,486)	**(255,189)**	(217,885)
Gain (loss) on swap transactions	**102,278**	(208,417)	**240,389**	27,883
Monetary effects	**(333,348)**	(242,904)	**(352,754)**	(258,520)
Interest and late payment interest	**(867)**	(8,029)	**(5,141)**	(11,261)
Tax on Financial Transactions (IOF)	**(3,707)**	(1,099)	**(3,732)**	(1,763)
PIS/COFINS on interest on equity	**(5,034)**	(14,882)	**(5,034)**	(14,882)
Interest on provisions for contingencies	**(32,482)**	(29,508)	**(47,489)**	(31,793)
Present value adjustment - trade accounts payable	**(28,825)**	(52,554)	**(28,825)**	(63,238)
Commissions on financing and other	**(48,409)**	(17,009)	**(48,409)**	(17,009)
Realization of hedge accounting	**-**	(4,743)	**-**	(4,743)
Assignment of credit	**-**	-	**(33,502)**	(42,372)
Other financial expenses	**(21,196)**	(28,013)	**(62,455)**	(31,418)
	(659,925)	(843,644)	**(602,141)**	(667,001)
Exchange gains and losses, net	**(1,805,275)**	(238,788)	**(1,072,090)**	(193,118)
	(2,245,070)	(888,588)	**(1,245,693)**	(522,831)

32 Earnings (loss) per share

Basic and diluted

Basic and diluted earnings (loss) per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common and preferred shares issued over the year, excluding common shares purchased by the Company and held as treasury shares (Note 25).

The Company has no convertible debt, consequently, the Stock Option Plan does not offer common and preferred shares for dilution purposes (refer to Note 36).

	Company and consolidated					
	12/31/2015			12/31/2014		
	Common Shares	Preferred Shares	Total	Common Shares	Preferred Shares	Total
Basic and diluted						
Basic and diluted numerator						
Net earnings (loss) available to controlling interests	**(1,647,404)**	**(1,588,701)**	**(3,236,105)**	62,865	66,687	129,552
Basic and diluted denominator						
Weighted average of shares, excluding treasury shares	**502,734,028**	**484,819,778**	**987,553,806**	502,734,028	484,793,787	987,527,815
Earnings (loss) per share in R$ - basic and diluted	**(3.28)**	**(3.28)**	**-**	0.13	0.14	-

33 Commitments

As of December 31, 2015, the Company has a variaty of commitments to third parties which amounts to approximately R$7,237,194 at the Company books and R$9,336,329 on the consolidated financial statements. The expected due date of such commitments are as follows.

	Company				
	Previsão de realização dos compromissos				
	LESS THAN A YEAR	1 - 3 YEARS	4 - 5 YEARS	GREATER THAN 5 YEARS	TOTAL
Acquisition of fixed assets	218,593	190,900	214,290	17,784	641,567
Vendors	1,038,408	1,850,738	1,151,708	2,550,273	6,591,127
Operating leases	4,100	400	-	-	4,500
	1,261,101	2,042,038	1,365,998	2,568,057	7,237,194

	Consolidated				
	Previsão de realização dos compromissos				
	LESS THAN A YEAR	1 - 3 YEARS	4 - 5 YEARS	GREATER THAN 5 YEARS	TOTAL
Acquisition of fixed assets	236,013	190,900	214,290	18,372	659,575
Vendors	1,143,167	2,302,506	1,638,308	2,643,273	7,727,254
Operating leases	39,100	105,400	105,000	700,000	949,500
	1,418,280	2,598,806	1,957,598	3,361,645	9,336,329

(a) Commitments related to acquisition of fixed assets

As of December 31, 2015, the commitments related to the acquisition of fixed assets amount to R$641,567 for the company and R$659,575 for the consolidated financial statements and are directly related to the improvements on coke plant of Ipatinga, refurbishing and improvements in the ovens, enhancing the quality and reducing costs, maintenance, technological update of its equipment as well as environmental care related projects.

(b) Commitments with vendors

As of December 31, 2015, the commitments with vendors amount to R$6,591,127 on the Company and R$7,727,254 on the consolidated financial statements and originate mainly from take or pay agreements and contracts for the acquisition of energy and other raw material.

(c) Operating leases

The operating leases relate to lease of mineral rights and rental of railway wagons. As of December 31, 2015, these contracts amount to R$4,500 on the company and R$949,500 on the consolidated financial statements.

34 Transactions with related parties

The Company's shareholding position breaks down as under:

12/31/2015

Shareholder	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Nippon Usiminas Co, Ltd, ("Nippon Usiminas") (i)	119,969,788	23,74	2,830,832	0,56	122,800,620	12,11
Ternium Investments S,A,R,L, (i)	136,131,296	26,95	-	-	136,131,296	13,43
Companhia Siderúrgica Nacional ("CSN")	66,365,702	13,13	100,132,100	19,69	166,497,802	16,42
Previdência Usiminas (i)	34,109,762	6,75	-	-	34,109,762	3,36
Nippon Steel & Sumitomo Metal Corporation (i)	27,347,796	5,41	307,926	0,06	27,655,722	2,73
Confab (i)	25,000,000	4,95	-	-	25,000,000	2,47
Prosid (i)	20,000,000	3,96	-	-	20,000,000	1,97
Siderar (i)	10,000,000	1,98	-	-	10,000,000	0,99
Metal One Corporation (i)	759,248	0,15	-	-	759,248	0,07
Mitsubishi Corporation do Brasil S.A. (i)	7,449,544	1,47	-	-	7,449,544	0,73
Usiminas - treasury shares	2,526,656	0,50	23,705,728	4,66	26,232,384	2,59
Other shareholders	55,600,892	11,02	381,548,920	75,03	437,149,812	43,13
Total	**505,260,684**	**100,00**	**508,525,506**	**100,00**	**1,013,786,190**	**100,00**

12/31/2014

Shareholder	Common shares		Preferred shares		Total	
	Number	%	Number	%	Number	%
Nippon Usiminas Co, Ltd, ("Nippon Usiminas") (i)	119,969,788	23,74	2,830,832	0,56	122,800,620	12,11
Ternium Investments S,A,R,L, (i)	136,131,296	26,94	-	-	136,131,296	13,43
Caixa de Previdência dos Funcionários do Banco do Brasil	300,000	0,06	6,832,550	1,34	7,132,550	0,70
Companhia Siderúrgica Nacional ("CSN")	60,793,102	12,03	100,132,100	19,69	160,925,202	15,87
Previdência Usiminas (i)	34,109,762	6,75	-	-	34,109,762	3,36
Nippon Steel & Sumitomo Metal Corporation (i)	27,347,796	5,41	307,926	0,06	27,655,722	2,73
Confab (i)	25,000,000	4,95	-	-	25,000,000	2,47
Prosid (i)	20,000,000	3,96	-	-	20,000,000	1,97
Siderar (i)	10,000,000	1,98	-	-	10,000,000	0,99
Metal One Corporation (i)	759,248	0,15	-	-	759,248	0,07
Mitsubishi Corporation do Brasil S,A, (i)	7,449,544	1,47	-	-	7,449,544	0,73
Usiminas - treasury shares	2,526,656	0,50	23,705,728	4,66	26,232,384	2,59
Other shareholders	60,873,492	12,06	374,716,370	73,69	435,589,862	42,98
Total	505,260,684	100,00	508,525,506	100,00	1,013,786,190	100,00

(i) Controlling interests, through shareholders' agreement,

The main balances and transactions with related parties are as follows:

(a) Assets

	Company					
	12/31/2015			12/31/2014		
	Trade accounts receivable	**Dividends receivable**	**Other receivables**	**Trade accounts receivable**	**Dividends receivable**	**Other receivables**
Controlling interests	**40,525**	**-**	**900**	22,272	-	1,114
Noncontrolling interests	**-**	**-**	**-**	-	-	-
Subsidiaries	**180,052**	**9,709**	**68,490**	273,356	34,449	55,776
Jointly-controlled subsidiaries	**(165)**	**-**	**22**	45	-	17,572
Affiliates	**10,513**	**2,357**	**-**	6,780	2,608	-
Other related parties	**10,107**	**-**	**493**	64,390	-	136
Total	**241,032**	**12,066**	**69,905**	366,843	37,057	74,598
Current	**195,182**	**12,066**	**68,377**	318,382	37,057	56,336
Noncurrent (i)	**45,850**	**-**	**1,528**	48,461	-	18,262
Total	**241,032**	**12,066**	**69,905**	366,843	37,057	74,598

	Consolidated					
	12/31/2015			12/31/2014		
	Trade accounts receivable	**Dividends receivable**	**Other receivables**	**Trade accounts receivable**	**Dividends receivable**	**Other receivables**
Controlling interests	**51,035**	**-**	**900**	25,024	-	1,114
Noncontrolling interests	**2,969**	**-**	**-**	291	-	-
Jointly-controlled entities	**(165)**	**-**	**22**	45	-	17,572
Affiliates	**10,513**	**2,357**	**-**	17,578	12,641	-
Other related parties (i)	**10,107**	**-**	**1,143**	64,390	-	136
Total	**74,459**	**2,357**	**2,065**	107,328	12,641	18,822
Current	**70,047**	**2,357**	**2,065**	102,517	12,641	1,250
Noncurrent	**4,412**	**-**	**-**	4,811	-	17,572
Total	**74,459**	**2,357**	**2,065**	107,328	12,641	18,822

(i) Amounts accounted for as “Trade accounts receivable” include R$1,528 (R$690 as of December 31, 2014) related to payment in advance to the subsidiary Usiminas Mecânica S.A. and used in the construction of fixed assets,

Trade accounts receivable classified as related parties are primarily due to sales transactions and mature within up to 30 days. Accounts receivable are unsecured and subject to interest. At December 31, 2015 and 2014, no provisions were set up for accounts receivable from related parties.

(b) Liabilities

	Company					
	12/31/2015			12/31/2014		
	Accounts payable	Other payables	Loans and financing	Accounts payable	Other payables	Loans and financing
Controlling interests	**10,101**	**15,210**	**228,735**	9,621	8,334	283,865
Noncontrolling interests	**-**	**-**	**-**			
Subsidiaries	**262,302**	**88,171**	**2,163,532**	432,468	57,028	1,483,050
Jointly-controlled subsidiaries	**78,920**	**-**	**-**	74,868	-	-
Affiliates	**3,070**	**84**	**-**	2,372	-	-
Other related parties:	**12,199**	**-**	**-**	3,410	121,122	-
Total	**366,592**	**103,465**	**2,392,267**	522,739	186,484	1,766,915
Current	**366,592**	**15,294**	**932,401**	522,739	128,704	150,354
Noncurrent	**-**	**88,171**	**1,459,866**	-	57,780	1,616,561
Total	**366,592**	**103,465**	**2,392,267**	522,739	186,484	1,766,915

	Consolidated					
	12/31/2015			12/31/2014		
	Accounts payable	Other payables	Loans and financing	Accounts payable	Other payables	Loans and financing
Controlling interests	**10,332**	**15,260**	**228,735**	10,139	8,378	283,865
Noncontrolling interests	**-**	**503**	**-**	-	35,280	-
Jointly-controlled subsidiaries	**79,442**	**-**	**-**	75,446	-	-
Affiliates	**4,403**	**209,970**	**-**	7,061	77,521	-
Other related parties:	**12,199**	**-**	**-**	3,410	121,122	-
Total	**106,376**	**225,733**	**228,735**	96,056	242,301	283,865
Current	**106,376**	**62,776**	**161,802**	96,056	242,301	128,971
Noncurrent	**-**	**162,957**	**66,933**	-	-	154,894
Total	**106,376**	**225,733**	**228,735**	96,056	242,301	283,865

The payables to affiliates accounted for as account payables originates mainly from purchases with payment terms that are greater than 45 days. There are no interest charges on these payables to affiliates.

At December 31, 2015, there are loans recorded in connection with subsidiary Usiminas Commercial in the amount of R$1,422,422 (R$975,037 at December 31, 2014) and with subsidiary Cosipa Commercial in the amount of R$741,110 (R$508,013 at December 31, 2014,). In the consolidated financial statements, the amount of R$228,735 (R$283,865 at December 31, 2014) is recorded in relation to Nippon Usiminas Co. Ltd., controlling shareholder of Usiminas.

As at December 2015, aiming to obtain a more financially beneficial iron ore transportation agreement between MRS and Mineração Usiminas, under exceptional circumstances, both parts have agreed to resign and decommission the service with an indemnification payment to MRS. The indemnification liability of R$162,957 (present value), corresponding to ten annual installment of R$31,5 million and is accounted for as a noncurrent liability at the consolidated financial information.

(c) P&L

	Company					
	12/31/2015			12/31/2014		
	Sales	Purchases	Operating and financial P&L	Sales	Purchases	Operating and financial P&L
Controlling interests	**378,265**	**20,483**	**(119,314)**	156,573	9,099	(39,896)
Noncontrolling interests	**-**	**11,925**	**-**	-	23,852	-
Subsidiaries	**2,243,222**	**702,882**	**(763,613)**	2,886,221	1,169,951	(43,961)
Jointly-controlled subsidiaries	**27**	**379,625**	**(151)**	147	523,269	1,827
Affiliates	**64,361**	**119,979**	**230**	68,227	95,177	594
Other related parties(i)	**430,537**	**78,191**	**7,050**	313,314	25,763	(2,268)
Total	**3,116,412**	**1,313,085**	**(875,798)**	3,424,482	1,847,111	(83,704)

	Consolidated					
	12/31/2015			12/31/2014		
	Sales	Purchases	Operating and financial P&L	Sales	Purchases	Operating and financial P&L
Controlling interests	**419,278**	**20,483**	**(116,794)**	179,786	9,099	(39,322)
Noncontrolling interests	**12,072**	**14,240**	**-**	83,190	61,596	-
Jointly-controlled subsidiaries	**1,807**	**383,253**	**(151)**	2,067	526,909	1,827
Affiliates	**124,413**	**314,210**	**230**	138,726	301,806	594
Other related parties(i)	**434,249**	**78,191**	**7,050**	313,314	25,818	(2,268)
Total	**991,819**	**810,377**	**(109,665)**	717,083	925,228	(39,169)

(i) As of December 31, 2015, the total revenue originating from other related parties principally refers to the sales to the customer SIAT amounting to R$259,236.

The major transactions between Company and related parties are described in Note 34 (e).

Financial income (expenses) with related parties substantially refers to charges on loans and financing described in item (b) above.

(d) Key management personnel compensation

Key management personnel compensation paid and payable, which includes Company's Executive Board, Board of Directors and Supervisory Board is as follows:

	Company and consolidated	
	12/31/2015	12/31/2014
Fees	**22,481**	30,329
Social charges	**4,731**	5,915
Retirement plan	**204**	133
	27,416	36,377

In 2015, R$1,458 referring to excess accrual for variable compensation were reversed to P&L, The net amount is recorded in the statement of operations, under "General and administrative expenses",

At December 31, 2015, the amount paid to key management personnel was R$ 17,054 (R$28,756 at December 31, 2013).

The Company has a stock option plan as described in Note 36.

(e) Nature of transactions with related parties

The Company's major transactions with related parties are summarized below:

- Sale of products to Confab designated for the production of large diameter pipes, in addition to industrial equipment.
- Purchase of services from Nippon Steel & Sumitomo Metal Corporation, which includes providing advanced industrial technology, technical assistance services and employee training.
- Sale of products to Siderar.
- Purchase of iron ore from Mineração Usiminas to be used in Ipatinga and Cubatão plants.
- Credit assignment operation with Mineração Usiminas invoices related to the supply of iron ore.
- Purchase from Rios Unidos of road cargo transportation services of steel products and sundry materials.
- Sale of products to Soluções Usiminas for processing and distribution.
- Sale of products to Usiminas Eletrogalvanized and Usiminas Galvanized, to foster trade with foreign customers.
- Sale of products to Usiminas Mecânica and purchase of services, such as the industrialization of steel products and equipment.
- Purchase from Unigal of hot-dip galvanized steel sheets and cold-rolled steel sheets and coils.
- Purchase from Usiroll of texturing services and chrome plating of cylinders used in laminations.
- Purchase of rail services from MRS for iron ore transportation.
- Purchase from Modal and Terminal Sarzedo of ore storage and loading services.
- Sale of products to Ternium México, Ternium Procurement, Ternium Internacional and Ternium Internacional España.
- Borrowings from Nippon Usiminas (Note 19)

In addition, subsidiary Mineração Usiminas carries out transactions of sales of iron ore and purchase of port service with CSN.

Other transactions with related parties are substantially contracted at market conditions, considering prices and time limits.

35 Insurance coverage

The insurance policies held by the Company and by certain subsidiaries offer coverage deemed sufficient by management.

At December 31, 2015, the Company and certain subsidiaries hold insurance policies for buildings, goods and raw materials, equipment, machinery, furniture, objects, tools and fixtures, all of them part of the insured establishments and premises of Company, Usiminas Mecânica, Unigal and Usiroll, their value at risk being US$22,259,771 thousand(US$27,995,061 thousand at December 31, 2014), and an all-risks insurance policy having maximum indemnity limit of US$600,000 thousand per loss. At December 31, 2015 and 2014, the maximum indemnity for property damage was US$7,500 thousand, and for coverage of loss of profit, the maximum indemnity was 21 days (waiting period). This insurance will expire on June 30, 2017.

36 Stock option plan

The Special General Meeting held on April 14, 2011 approved the Company's Stock Option Plan ("Plan"). The Plan's key objectives are:

- Align the interests of executive officers and shareholders;
- Incentive to create sustainable value;
- Attract and retain talent;
- Keep the business competitive in relation to market practices.

The Plan is managed by the Board of Directors, which is supported by the Human Resources Committee, subject to the Plan's limitations.

At December 31, 2015, the Plan has 4 effective programs:

- Program 2011, released on October 3, 2011;
- Program 2012, released on November 28, 2012;
- Program 2013, released on November 28, 2013; and
- Program 2014, released on November 27, 2014.

For the fiscal year of 2015, Management decided not to issue a new program,

(a) Call Option Types

Options are of two different types:

(i) Basic Grant - the number of Options granted will be based on Usiminas strategy, and each Option granted will entitle its holder to acquire or subscribe for a preferred share of the Company.

(ii) Bonus Grant - it must be bound to a voluntary investment made by employees, who invests part of the net variable compensation to acquire preferred shares.

(b) Key program characteristics

The Options to be granted to executive officers and directors ("Members") of the Company, under a "Call Option Agreement", are as follows:

				Options granted		
Program	**Grant date**	**Exercise price (USIM5)**	**Grace period**	**Basic**	**Bonus**	**Total**
2011	10/03/2011	R$11.98		2,589,451	402,302	2,991,753
2012	11/28/2012	R$10.58		3,576,963	83,598	3,660,561
2013	11/28/2013	R$11.47	3 years, 33%	2,784,155	143,178	2,927,333
2014	11/27/2014	R$6.14	for each year	4,778,483	-	4,778,483
				13,729,052	629,078	14,358,130

In addition, the Plan provides that up to 50% of the variable compensation may be used to buy Usiminas' shares. As payment, the Company grants bonus options. The call option is effective within up to 7 (seven) years.

(c) Options fair value

Fair value on the grant date, as well as key assumptions applied in accordance with the Black & Scholes pricing model, were the following:

Program 2011

	1st year	2nd year	3rd year
Fair value on grant date	R$ 4.83	R$ 5.07	R$ 5.27
Share price	R$ 11.45	R$ 11.45	R$ 11.45
Weighted average of exercise prices	R$ 11.98	R$ 11.98	R$ 11.98
Share price volatility	50.70%	50.70%	50.70%
Grace period (3 years)	33% after 1st year	33% after 2nd year	33% after 3rd year
Estimated dividends	2.94%	2.94%	2.94%
Return rate free of risk	11.62% p.a.	11.65% p.a.	11.69% p.a.
Adjusted effective period	4 years	4.5 years	5 years

Program 2012

	1st year	2nd year	3rd year
Fair value on grant date	R$4.06	R$4.32	R$4.61
Share price	R$ 10.38	R$ 10.38	R$ 10.38
Weighted average of exercise prices	R$ 10.58	R$ 10.58	R$ 10.58
Share price volatility	37.95%	37.95%	37.95%
Grace period (3 years)	33% after 1st year	33% after 2nd year	33% after 3rd year
Estimated dividends	0.63%	0.63%	0.63%
Return rate free of risk	8.13% p.a.	8.25% p.a.	8.37% p.a.
Adjusted effective period	4 years	4.5 years	5 years

Programa 2013

	1st year	2nd year	3rd year
Fair value on grant date	R$5.87	R$6.30	R$6.58
Share price	R$ 11.88	R$ 11.88	R$ 11.88
Weighted average of exercise prices	R$ 11.47	R$ 11.47	R$ 11.47
Share price volatility	43.38%	43.38%	43.38%
Grace period (3 years)	33% after 1st year	33% after 2nd year	33% after 3rd year
Estimated dividends (*)	-	-	-
Return rate free of risk	11.34% p.a.	11.37% p.a.	11.40% p.a.
Adjusted effective period	4 years	4.5 years	5 years

Program 2014

	1st year	2nd year	3rd year
Fair value on grant date	R$ 2.66	R$ 2.85	R$ 3.02
Share price	R$ 5.70	R$ 5.70	R$ 5.70
Weighted average of exercise prices	R$ 6.14	R$ 6.14	R$ 6.14
Share price volatility	43.41%	43.41%	43.41%
Grace period (3 years)	33% after 1st year	33% after 2nd year	33% after 3rd year
Estimated dividends (*)	-	-	-
Return rate free of risk	12.10% p.a.	12.11% p.a.	12.12% p.a.
Adjusted effective period	4 years	4.5 years	5 years

(*) Dividends were not distributed in the 12 months prior to the grant date,

The exercise price was determined based on the average daily quotation for the 30-day period prior to the Option grant.

The estimated share price volatility is based on the adjusted historical volatility of 36 months prior to the grant date.

Changes in outstanding options under the Stock Option Plan are shown below:

	12/31/2015			**12/31/2014**			
	Program			**Program**			
	2014	**2013**	**2012**	**2014**	**2013**	**2012**	**2011**
Options Outstanding options at beginning of year	**4,778,483**	**2,020,394**	**1,761,317**	-	2,927,333	3,044,727	1,293,832
Options granted over the year	**370,948**	**-**	**-**	4,778,483	-	-	-
Options exercised over the year	**-**	**-**	**-**	-	-	(51,982)	-
Options canceled over the year	**(515,551)**	**(273,688)**	**(202,845)**	-	(906,939)	(1,231,428)	(165,931)
Outstanding options at end of year	**4,633,880**	**1,746,706**	**1,558,472**	4,778,483	2,020,394	1,761,317	1,127,901

At December 31, 2015, the impact on P&L of the above-mentioned Stock Option Plan resulted in a total expense of R$11,191 (R$14,171 at December 31, 2014), the amount of which was accounted for in the statement of operations. Of this amount, R$2,851 were reversed to “Retained earnings (accumulated losses)” account due to the cancellation of these options; consequently, the impact on the Company’s equity amounted to R$8,340.

The expected plan expenses to be recognized amount to R$6,051, considering that all contractual assumptions remain unchanged and no new grants occur.

37 Non-cash investment and financing transactions

As at December 31, 2015, financing from FINAME transactions were obtained, amounting to R$26,203 (Company and Consolidated financial statements), as well as other financing obtained with the BNDES, amounting to R$3,505 (Company and Consolidated financial statements). The financing was directly used in the acquisition of fixed assets, hence non-cash transactions. As of December 31, 2014, the Company obtained R$27,840 (Company and Consolidated financial statements) from FINAME non-cash transactions.

Board of Directors

Marcelo Gasparino da Silva
Chairman

Elias de Matos Brito
Member

Fumihiko Wada
Member

José Oscar Costa de Andrade
Member

Lírio Albino Parisotto
Member

Oscar Montero Martinez
Member

Paulo Penido Pinto Marques
Member

Rita Rebelo Horta de Assis Fonseca
Member

Roberto Caiuby Vidigal
Member

Yoichi Furuta
Member

Supervisory Board

Masato Ninomiya
Chairman

Domenica Eisenstein Noronha
Member

Julio Sergio de Souza Cardozo
Member

Lúcio de Lima Pires
Member

Paulo Frank Coelho da Rocha
Member

Executive Board

Rômel Erwin de Souza
CEO
Vice-President of Technology and Quality

Nobuhiko Takamatsu
Vice-President of Corporate Planning

Ronald Seckelmann
Vice-President of Finance and Investor Relations
Vice-President of Subsidiaries*

Sergio Leite de Andrade,
Vice-President of the Commercial Area

Túlio César do Couto Chipoletti
Industrial Vice-President

Lucas Marinho Sizenando Silva
Accountant CRC-MG 080,788/O