

2Q14 Results

USIMINAS

Information Classification: Public

Agenda



Company Profile and Market Data



Usiminas and its Business Units



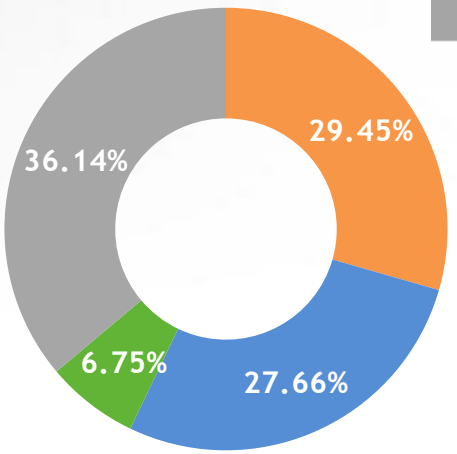
Financial Results

Time Line and Shareholder Composition

Total Capital
1,013,786,190

Voting Capital

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



Control Group:
63.86% of Voting Capital

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

1956
Foundation of Usiminas

1962- Operation Start Up

1991
Privatization of Usiminas: 1991
Cosipa: 1993

Listing on BOVESPA

1994
Listing on ADR I - NY

2005
Listing on Latibex

2008
Aquisition of J, Mendes iron ore mines

Aquisition of Zamprogna

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

Single CNPJ: Cosipa is incorporated by Usiminas

2010
Creation of Mineração Usiminas

Partnership with Codeme and Metform

2011
Selling of Ternium shares

Joint Mining and Cooperation Agreements with MBL and Ferrous

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

Negociation with J, Mendes concluded

2012
Entrance of Ternium/ Tenaris into Usiminas' Control Group

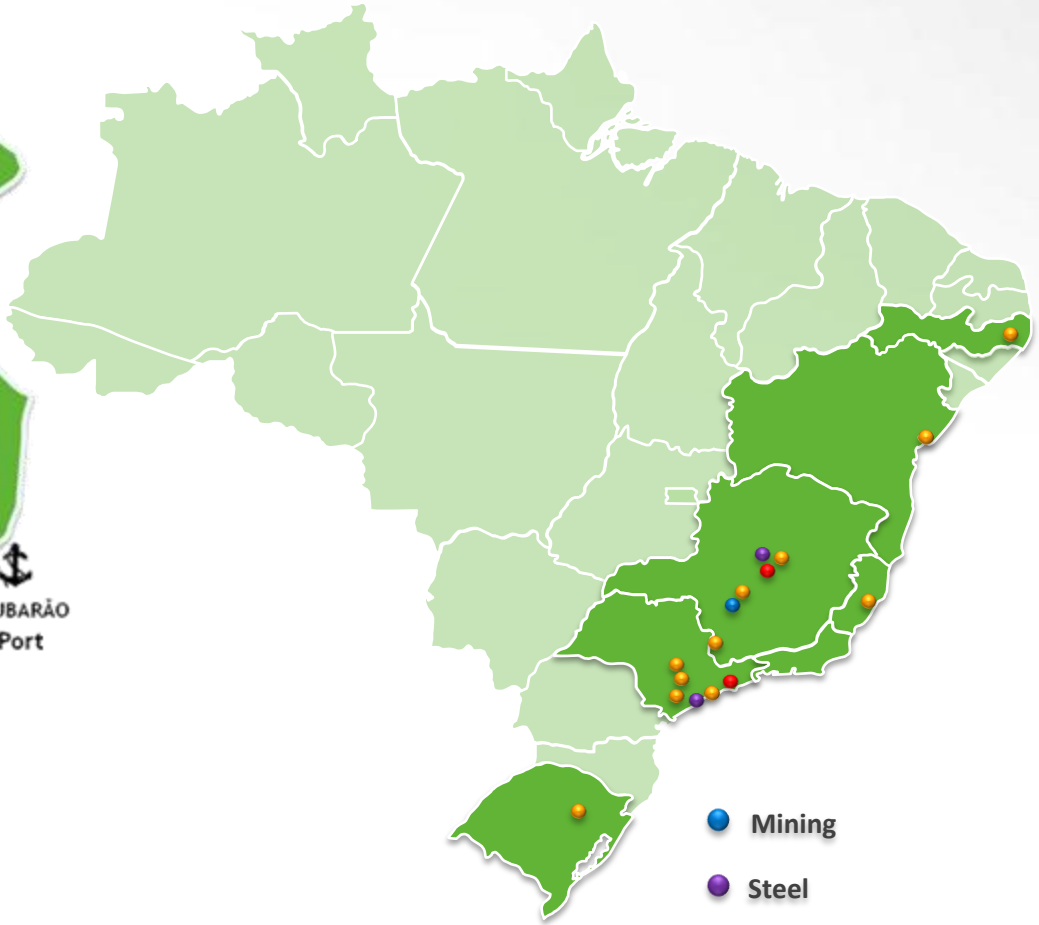
New shareholders agreement signed among Nippon Group, Ternium / Tenaris and Usiminas Pension Fund until 2031

Environmental remediation of the retroarea in Itaguaí/RJ

2013
Sale of Automotiva Usiminas

Strategically Located





Complete Solution of Products and Services

Business Units

DOWNSTREAM

UPSTREAM

Mining



Mineração Usiminas

Steel



Ipatinga

Cubatão

Unigal Usiminas

Steel Processing



Soluções Usiminas

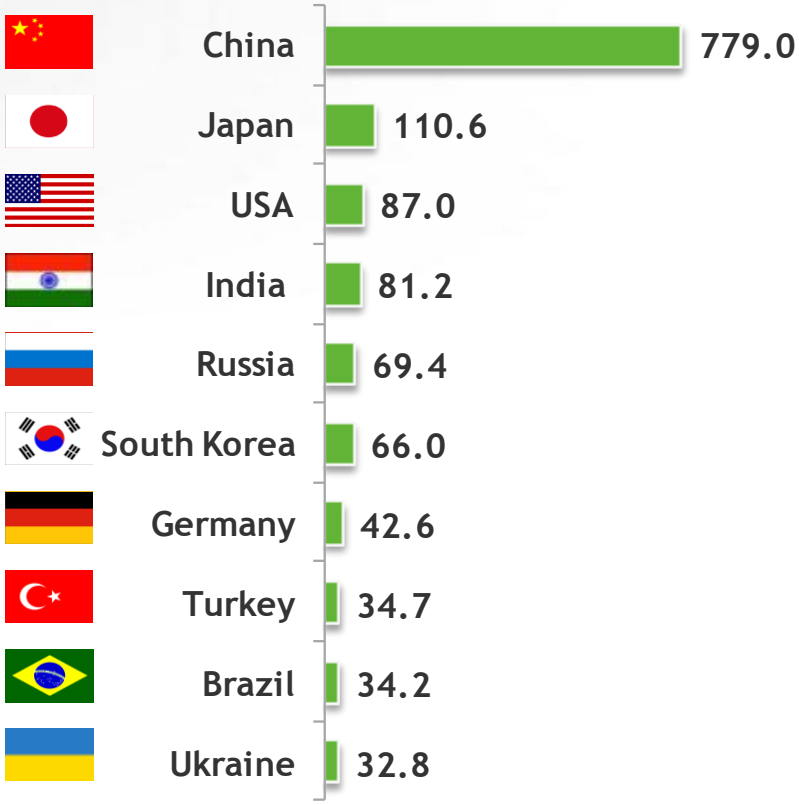
Capital Goods

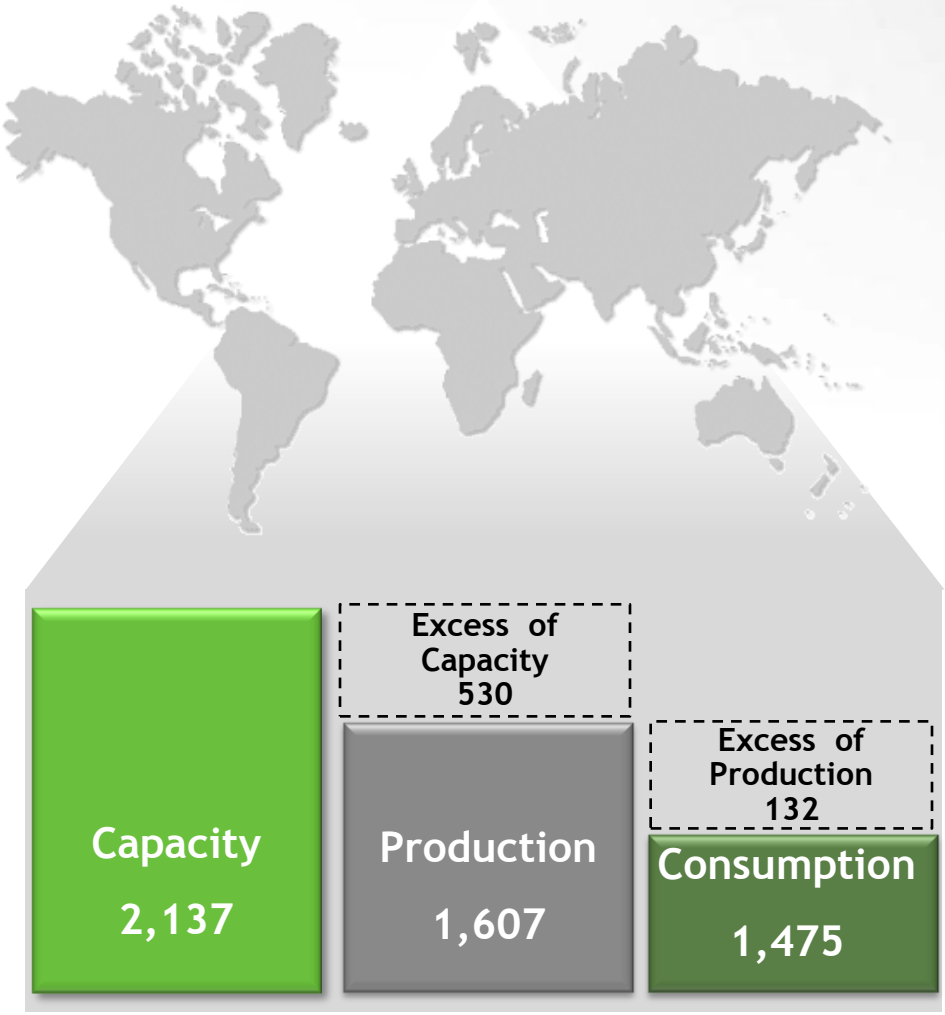


Usiminas Mecânica

World Crude Steel Production in 2013

Million tons

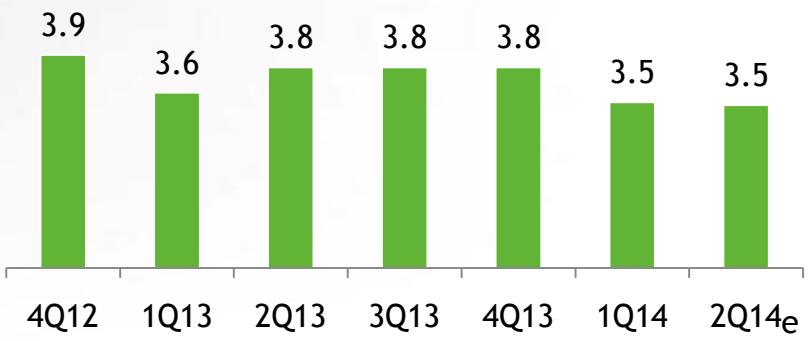




Source: World Steel Association

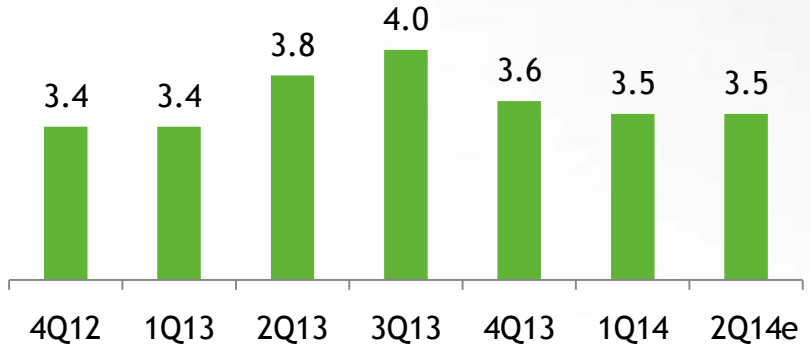
Flat Steel Brazilian Market

Production (million tons)



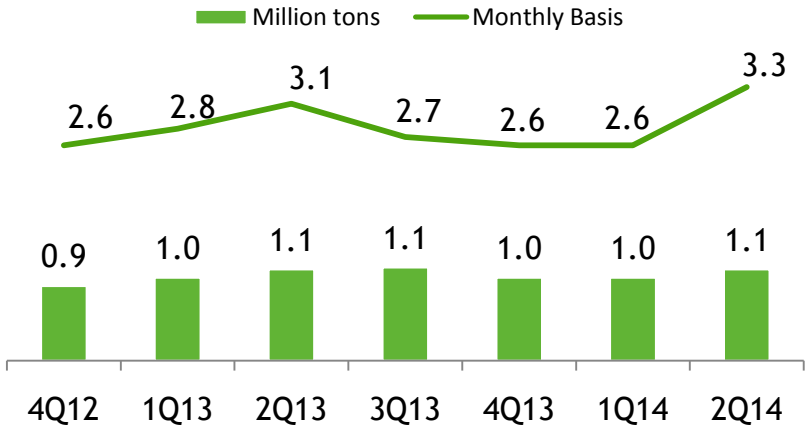
Source: IABR

Apparent Consumption (million tons)



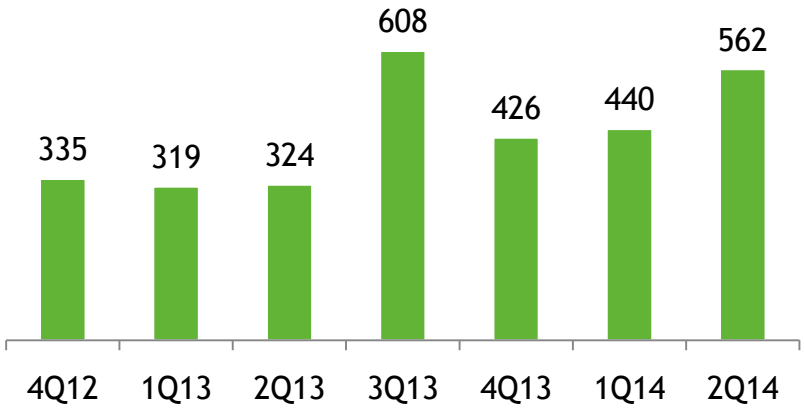
Source: Usiminas. Excluding Slabs.

Inventories in the Distribution Network



Source: INDA

Imports (thousand tons)



Source: Usiminas

Agenda



Company Profile and Market Data



Usiminas and its Business Units

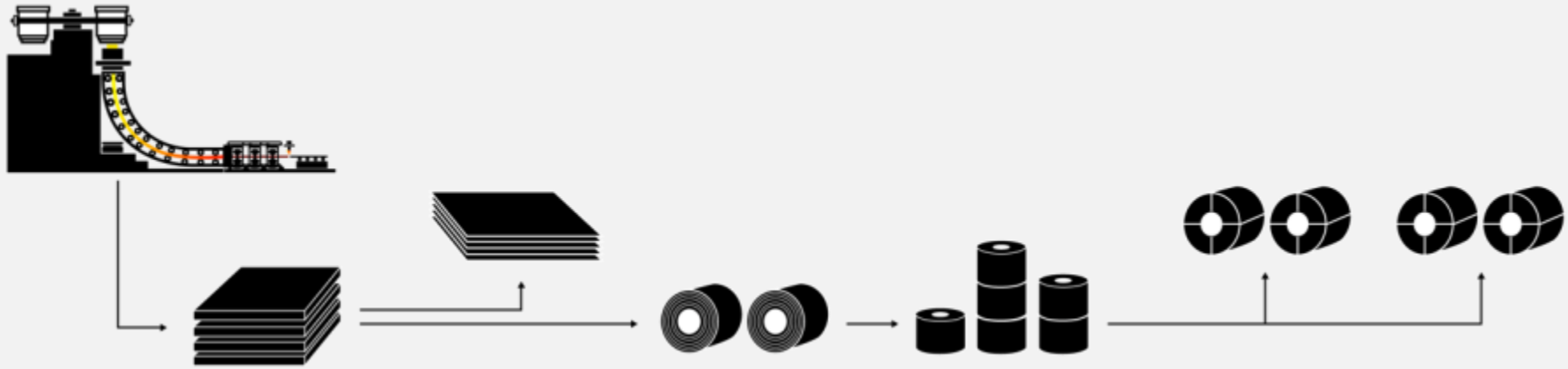


Financial Results

Steel Business Unit

Flat steel production

Installed Nominal Capacity : 9.5 million tons / year



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

Steel Business Unit

Everyday steel application

Auto Industries



Cold Rolled and Galvanized (EG and HDG)

Autoparts



Hot Rolled

Agricultural Machines



Heavy Plates and Hot Rolled

Household Appliances



Cold Rolled and Galvanized (EG and HDG)

Civil Construction



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

Ship-Building



Heavy Plates

Pipelines



Heavy Plates and Hot Rolled

Pressure Vessels



Heavy Plates

Steel Business Unit

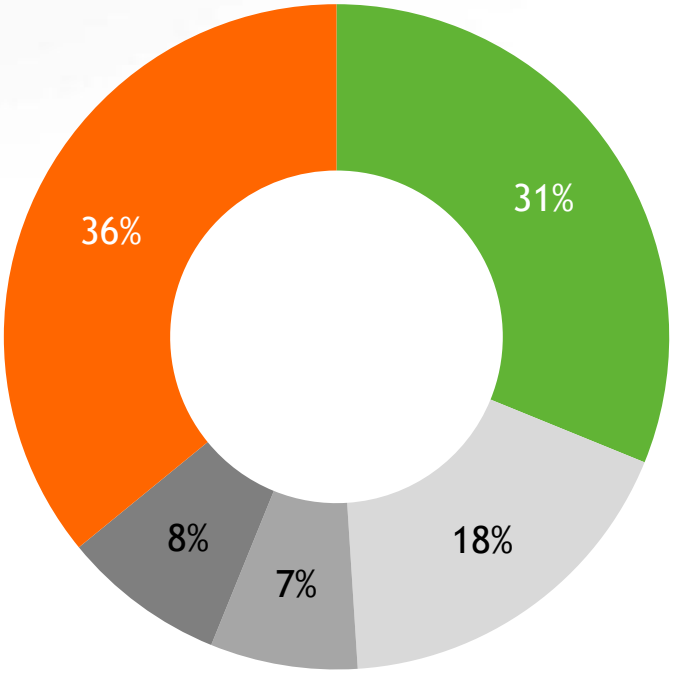
Sales Volume - Thousand tons



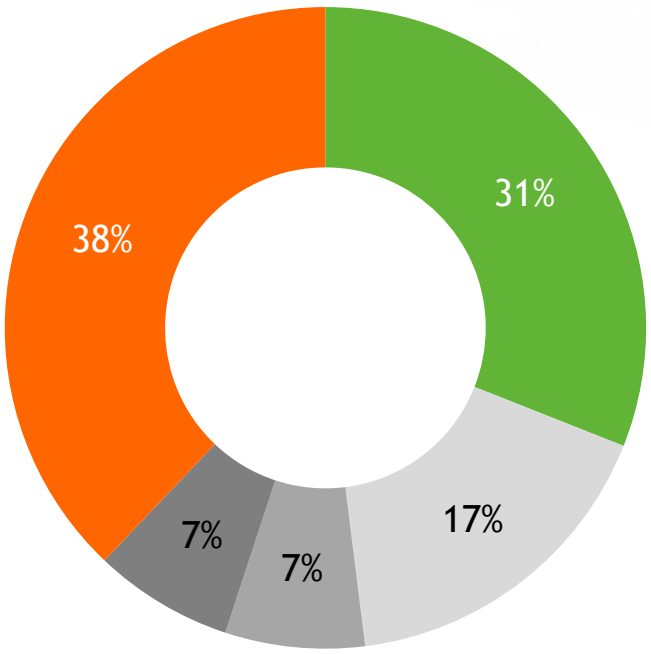
Steel Business Unit

Domestic Market

2Q14



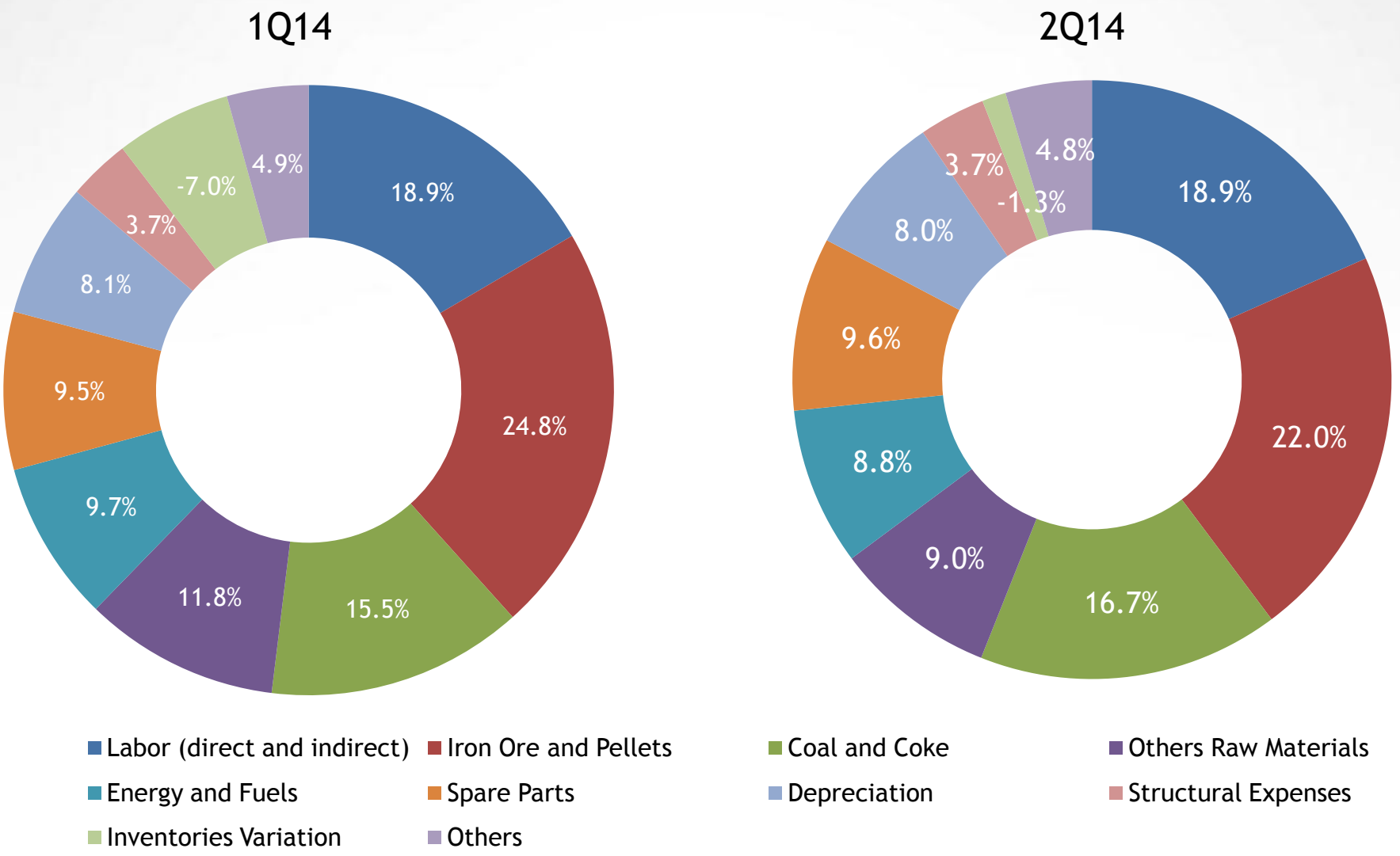
1H14



- Auto Industry
- Industry in General
- Household Appliances
- Civil Construction
- Distribution

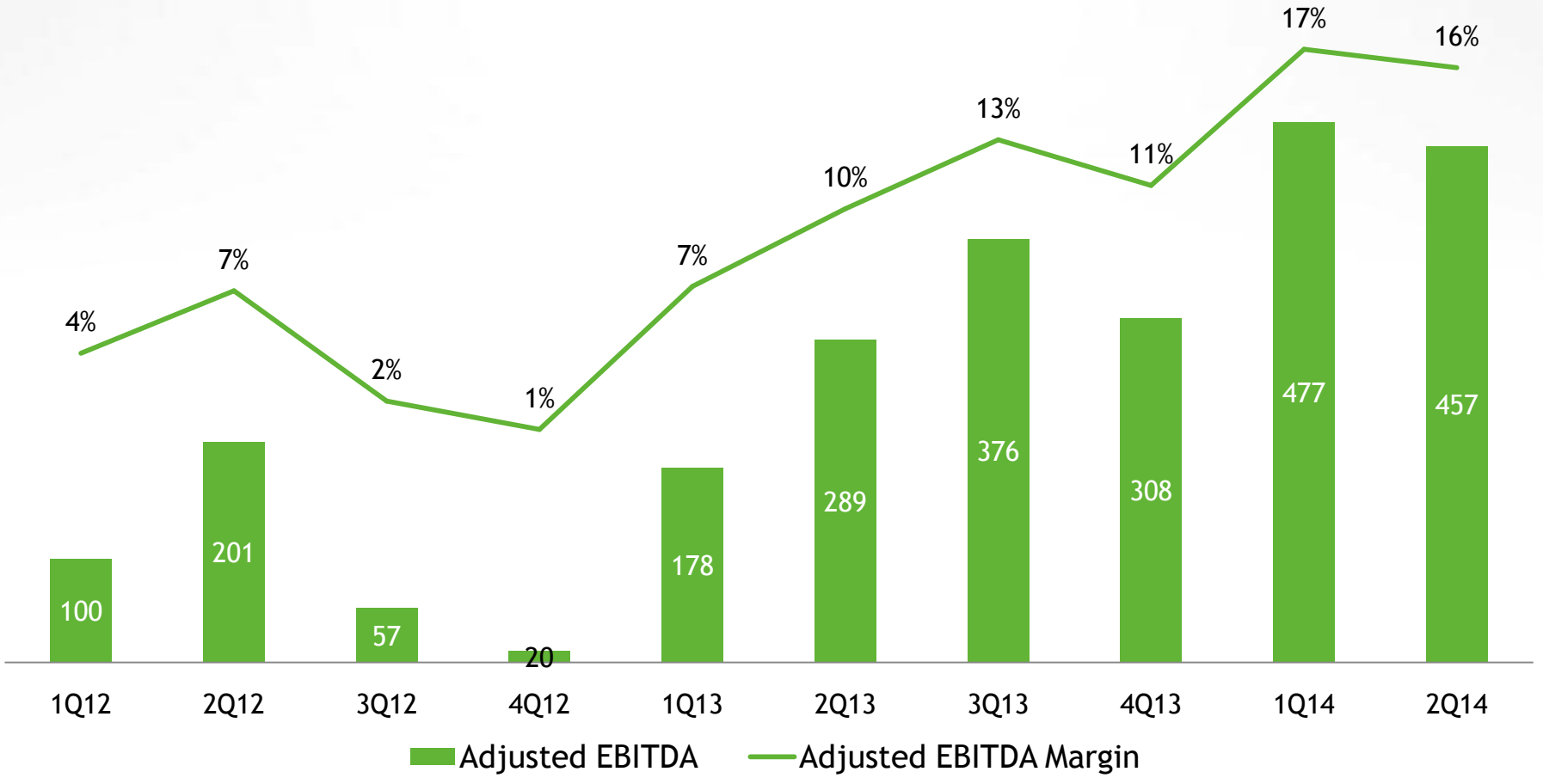
Steel Business Unit

COGS - 2Q14



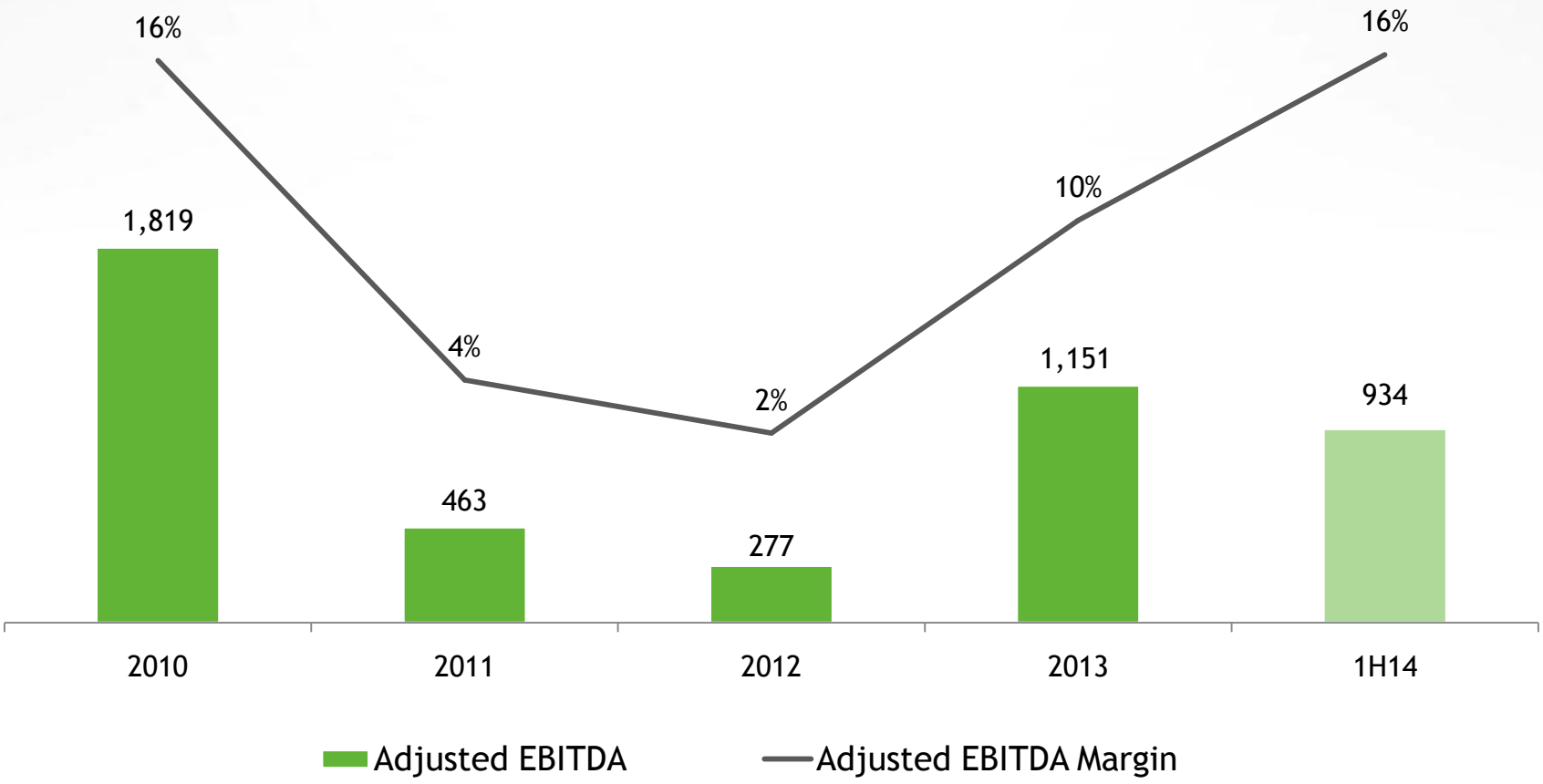
Steel Business Unit

Adjusted EBITDA and Adjusted EBITDA Margin (Quaterly) - R$ million



Steel Business Unit

Adjusted EBITDA and Adjusted EBITDA Margin (Annualy) - R$ million



Steel Business Unit

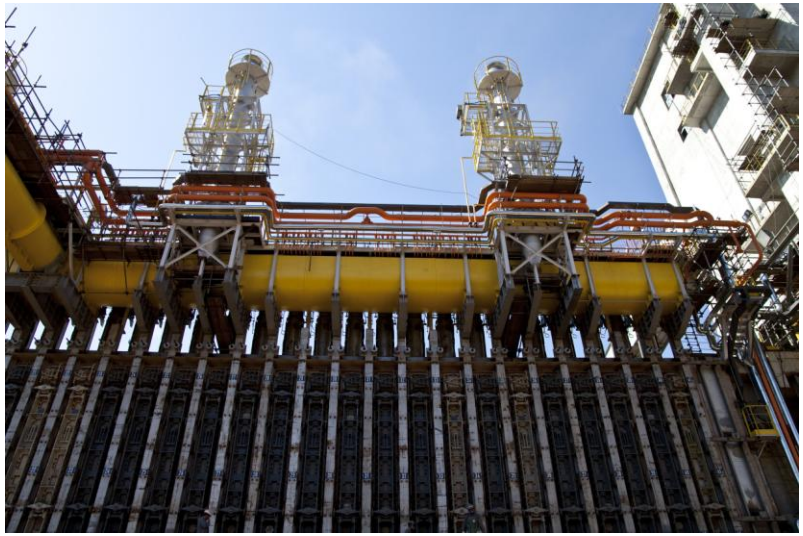
Investments in progress

Reform of the Coke Plant # 2 - Ipatinga

✓Metallurgical coke with adequate specifications for iron ore reduction in the blast furnance process

✓Coke gas to be used in the operational facilities of Ipating Mill

✓Start up scheduled for the 4Q14

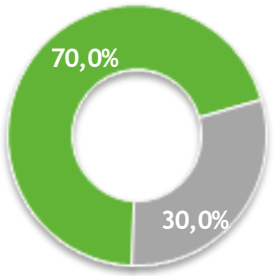


Mining Business Unit

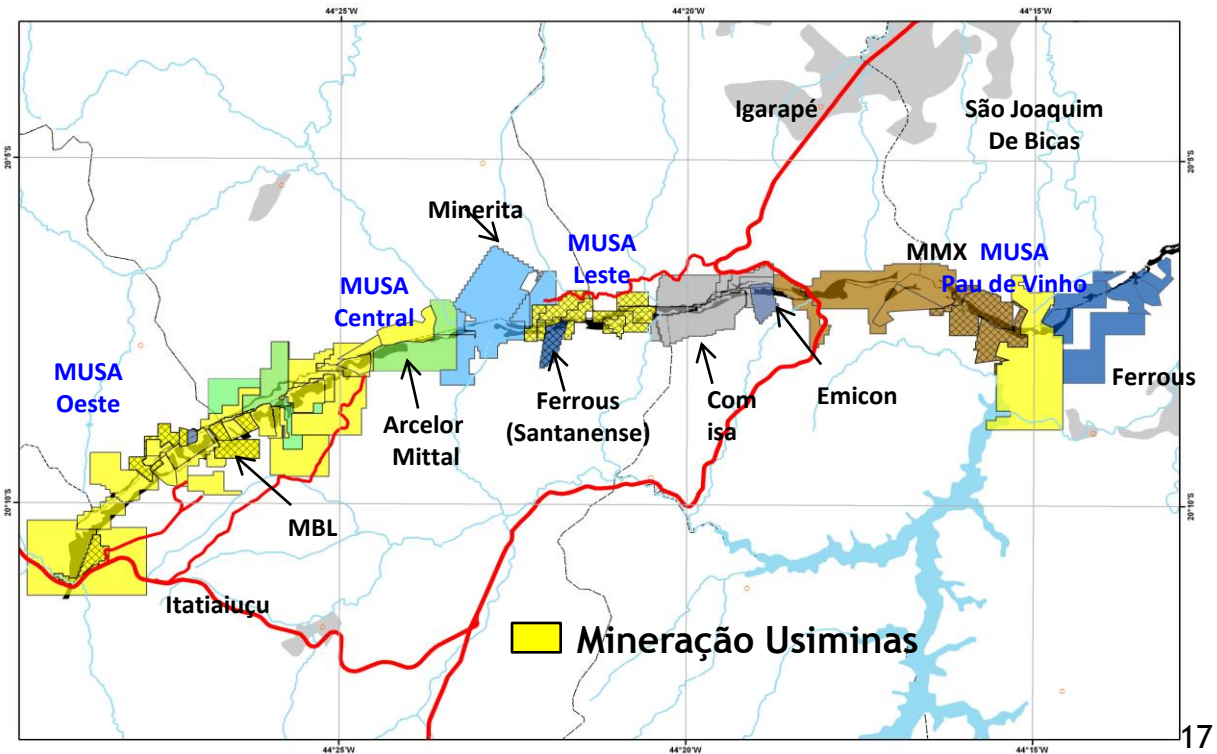
Description

- Located in Serra Azul/MG
- 4 mining sites, acquired from J. Mendes Group in February, 2008
- Reserves of 2.6 billion tons of iron ore
- Has 20% of voting shares of MRS Logistica, being part of the Control Group
- Retroarea in Itaguaí Port
- Production capacity of 12 million tons/year

Shareholder Composition:

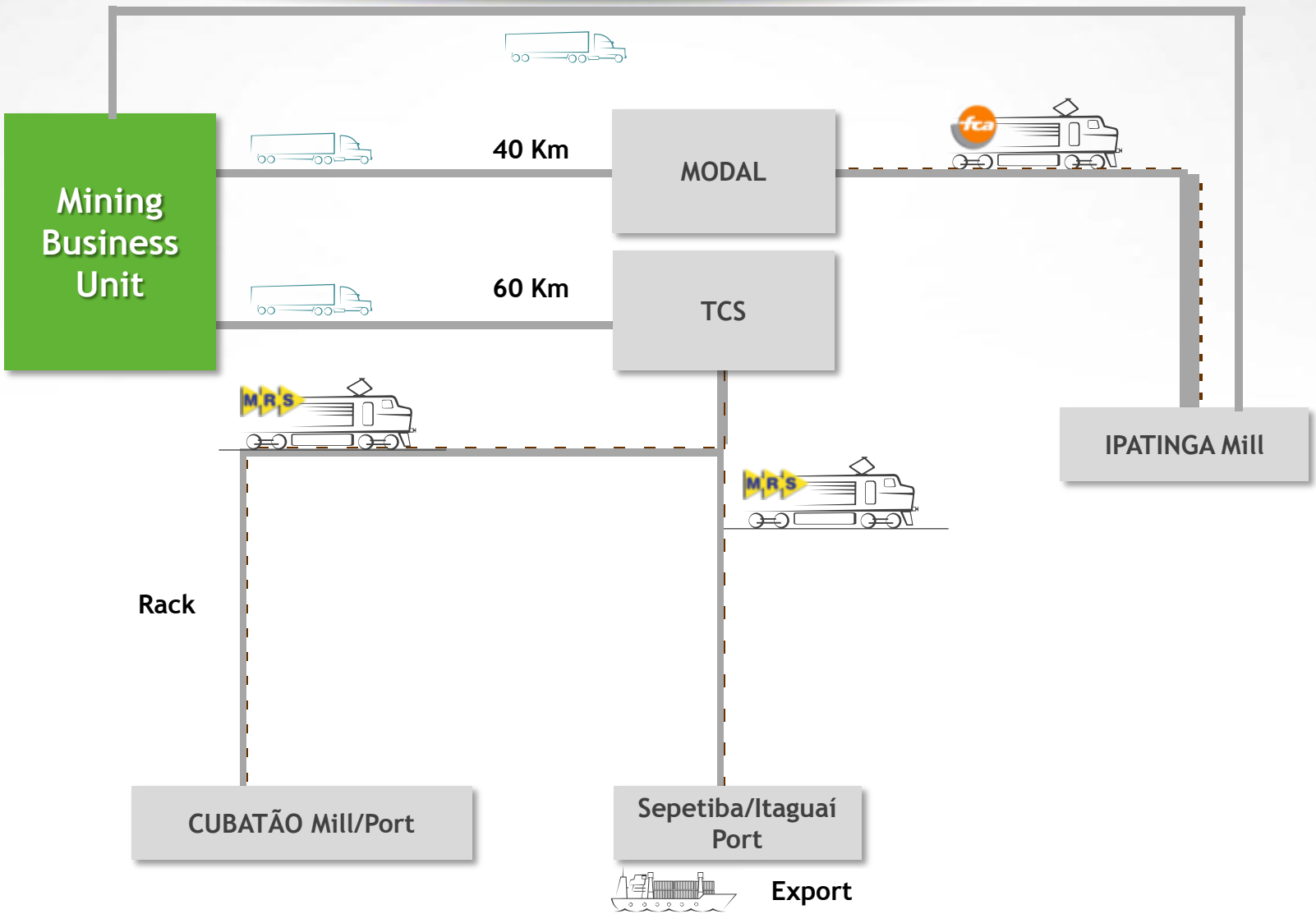


Sumitomo Corporation



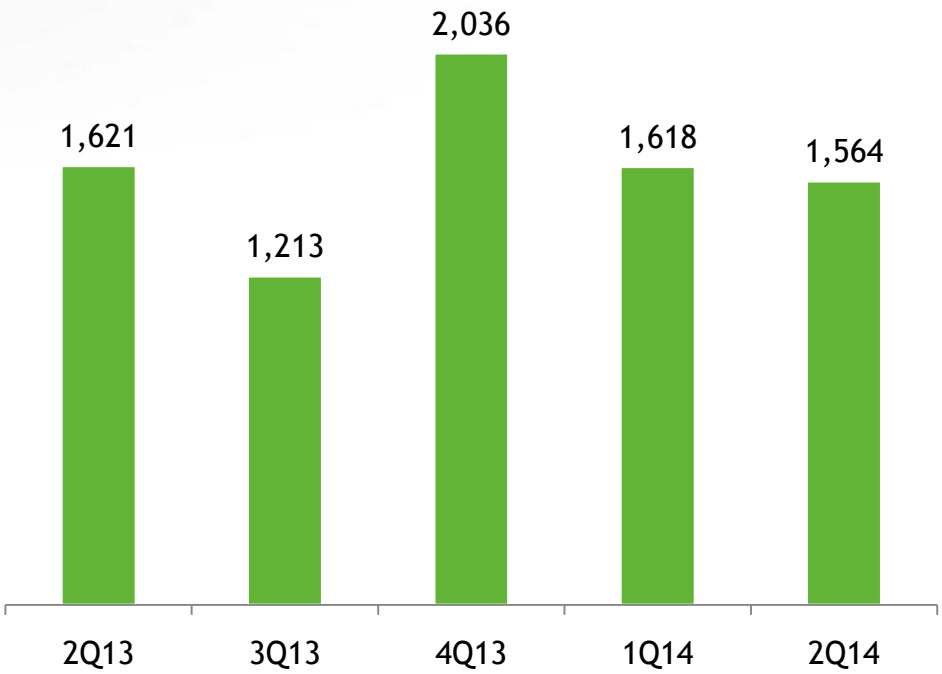
Mining Business Unit

Logistics



Mining Business Unit

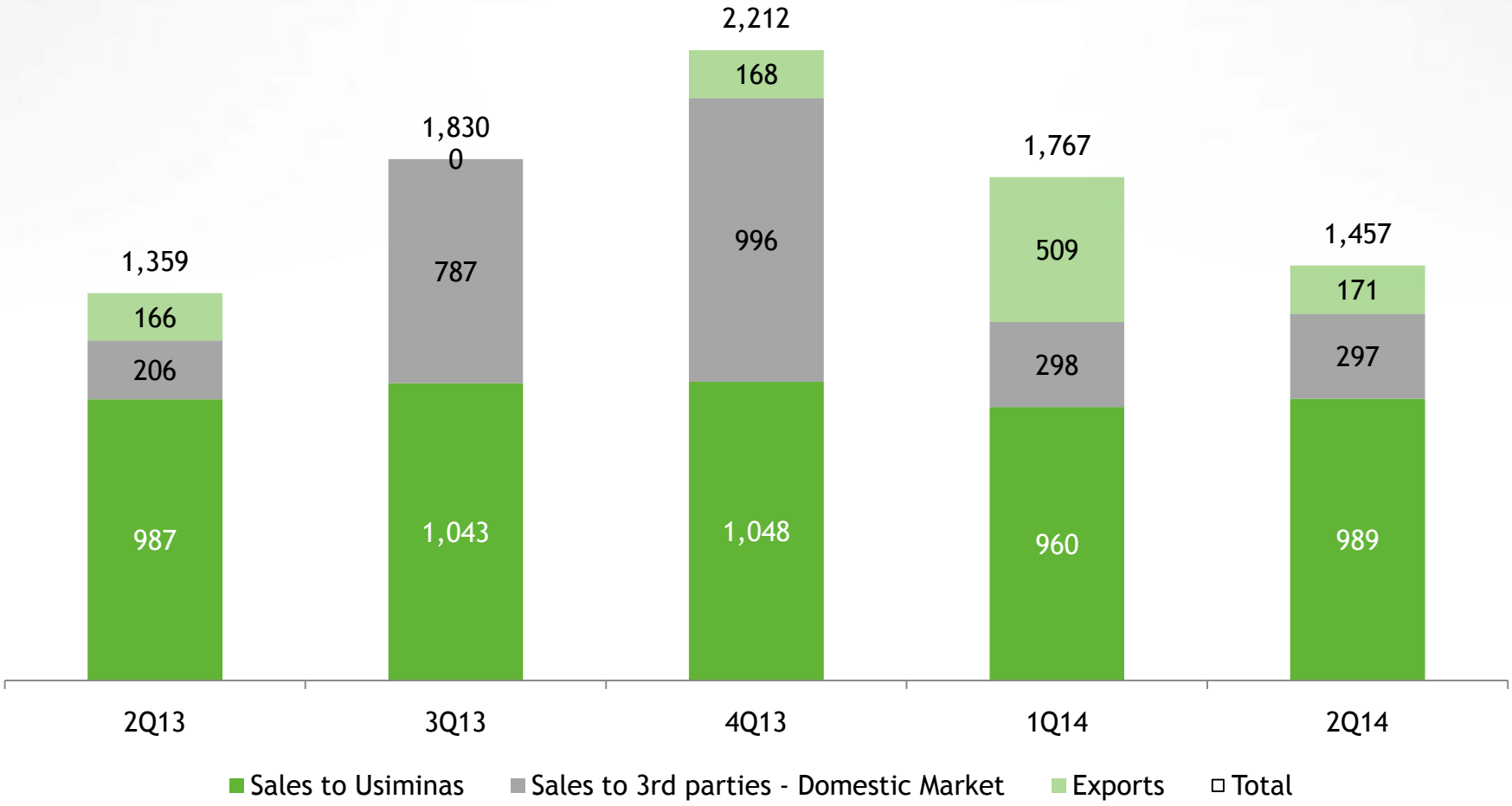
Production - Thousand tons





Mining Business Unit

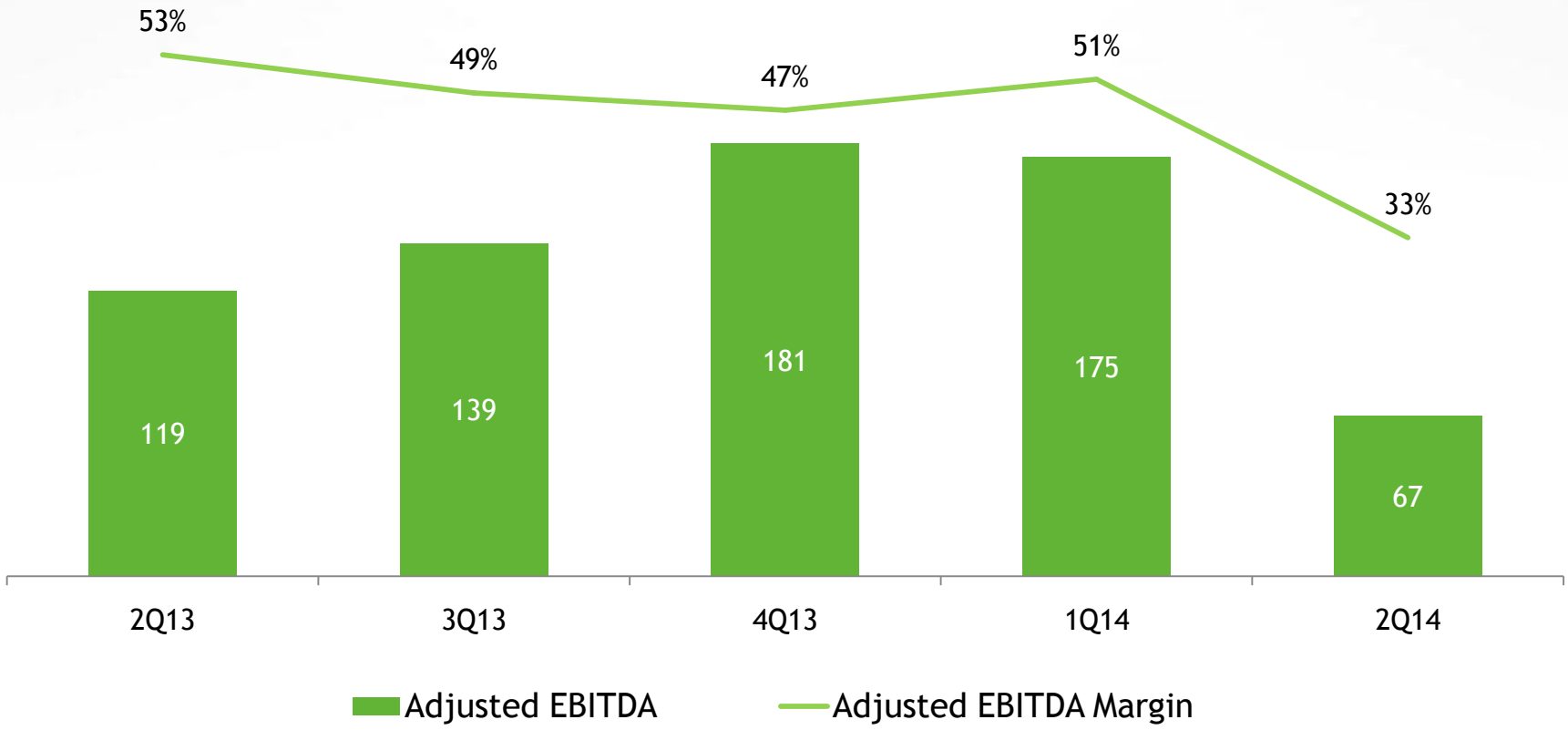
Sales Volume - Thousand tons



Mining Business Unit

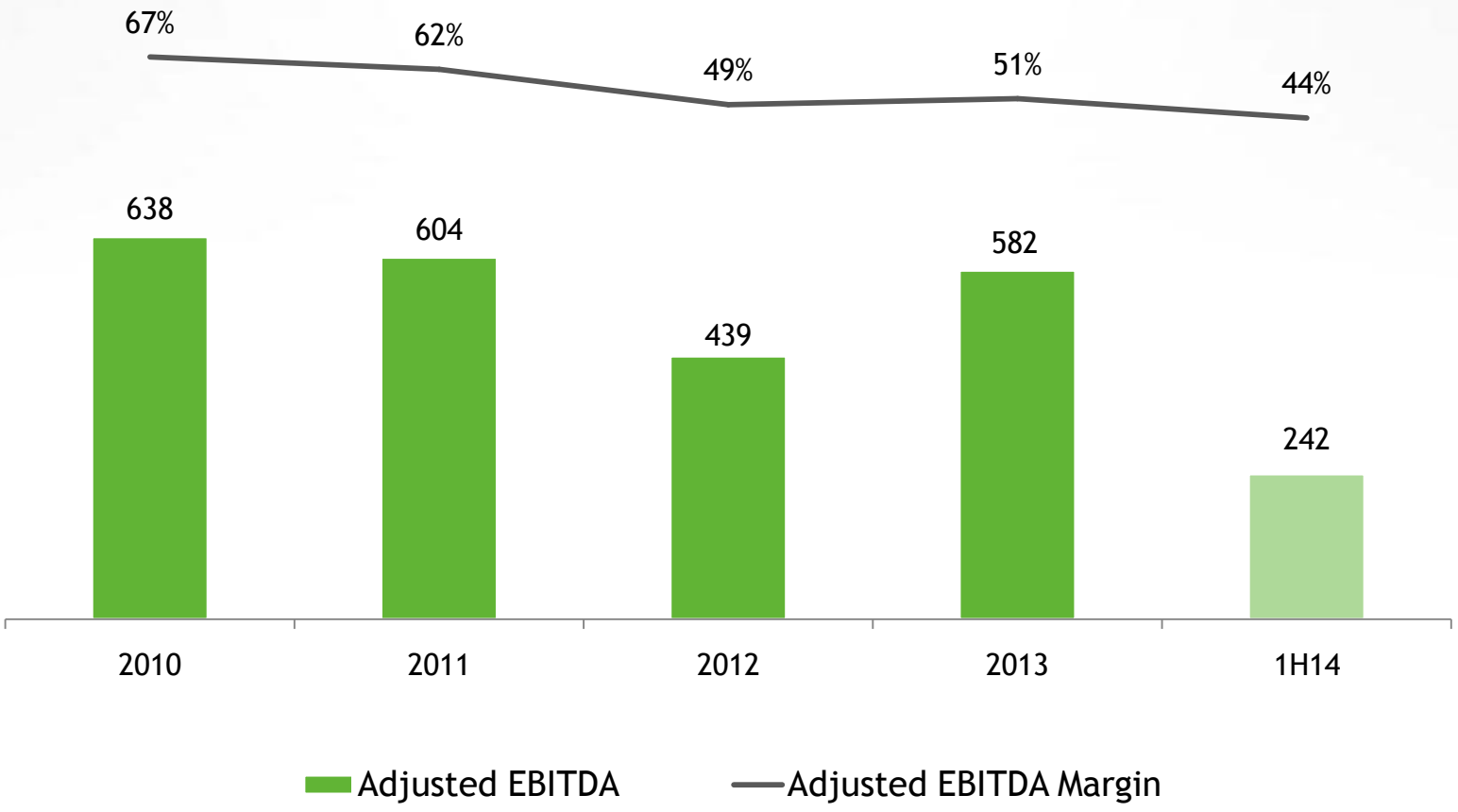
Adjusted EBITDA and Adjusted EBITDA Margin (Quarterly) - R$ million

Price in Platts decreased 15% and the exchange rate apreciated 6% in the quarter.



Mining Business Unit

Adjusted EBITDA and Adjusted EBITDA Margin (Annualy) - R$ million



Mining Business Unit

Retro Area in Itaguai Port



Steel Processing

Soluções Usiminas

Soluções Usiminas

- 10 industrial units in different states in Brasil: MG, SP, RS, ES, BA and PE
- Processing capacity of 2 million tons/year
- Net Revenue of R$1,146 million in the 1H14



Capital Goods

Usiminas Mecânica

- Located in Ipatinga/MG
- Market Segments: Steel Structures, Shipbuilding and Offshore, Oil and Gas, Industrial Assembly and Equipment, Foundry and Railcars
- Net Revenue of R$390 million in the 1H14

Oil Platform



Brasília 3rd Bridge



Agenda



Company Profile and Market Data



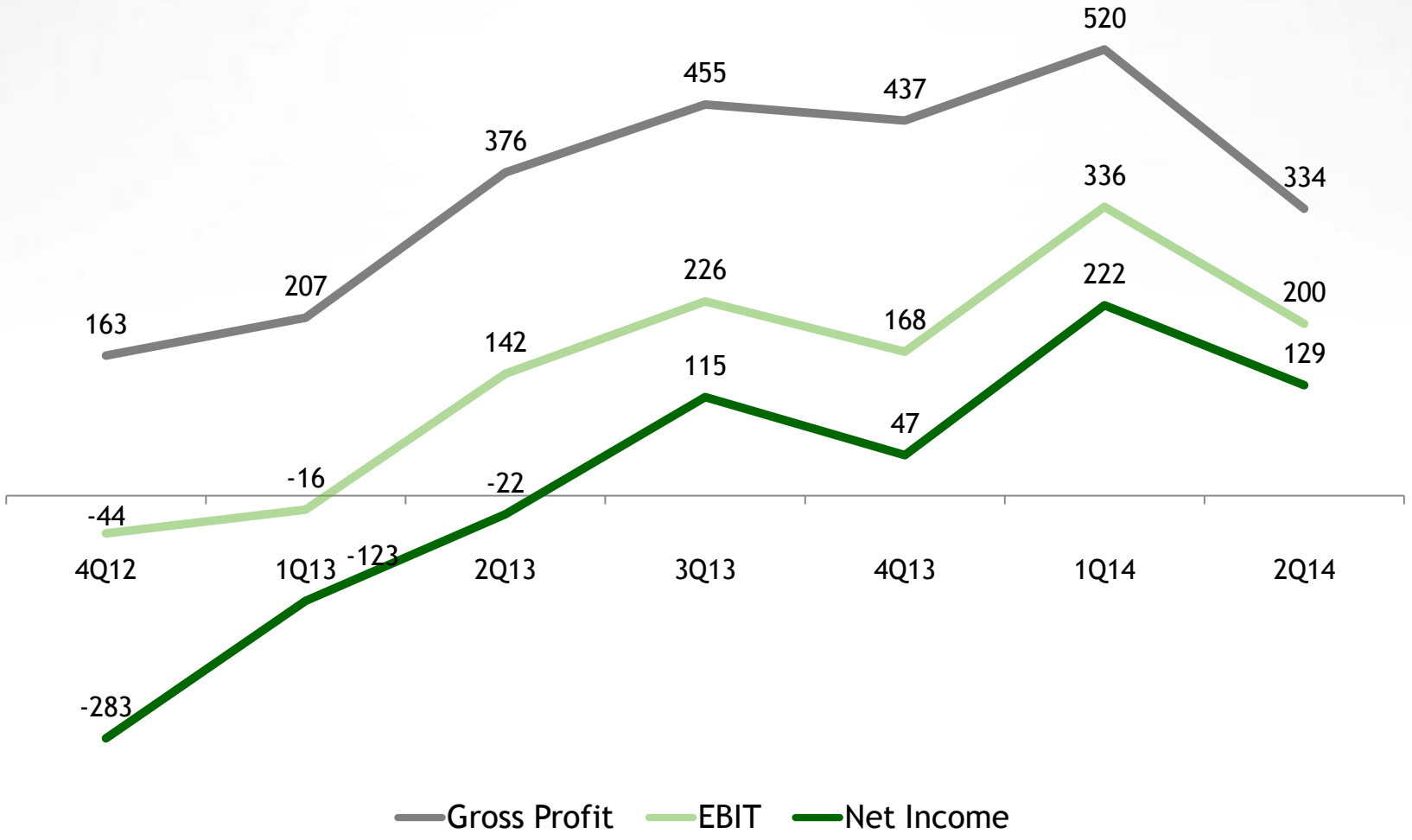
Usiminas and its Business Units



Financial Results

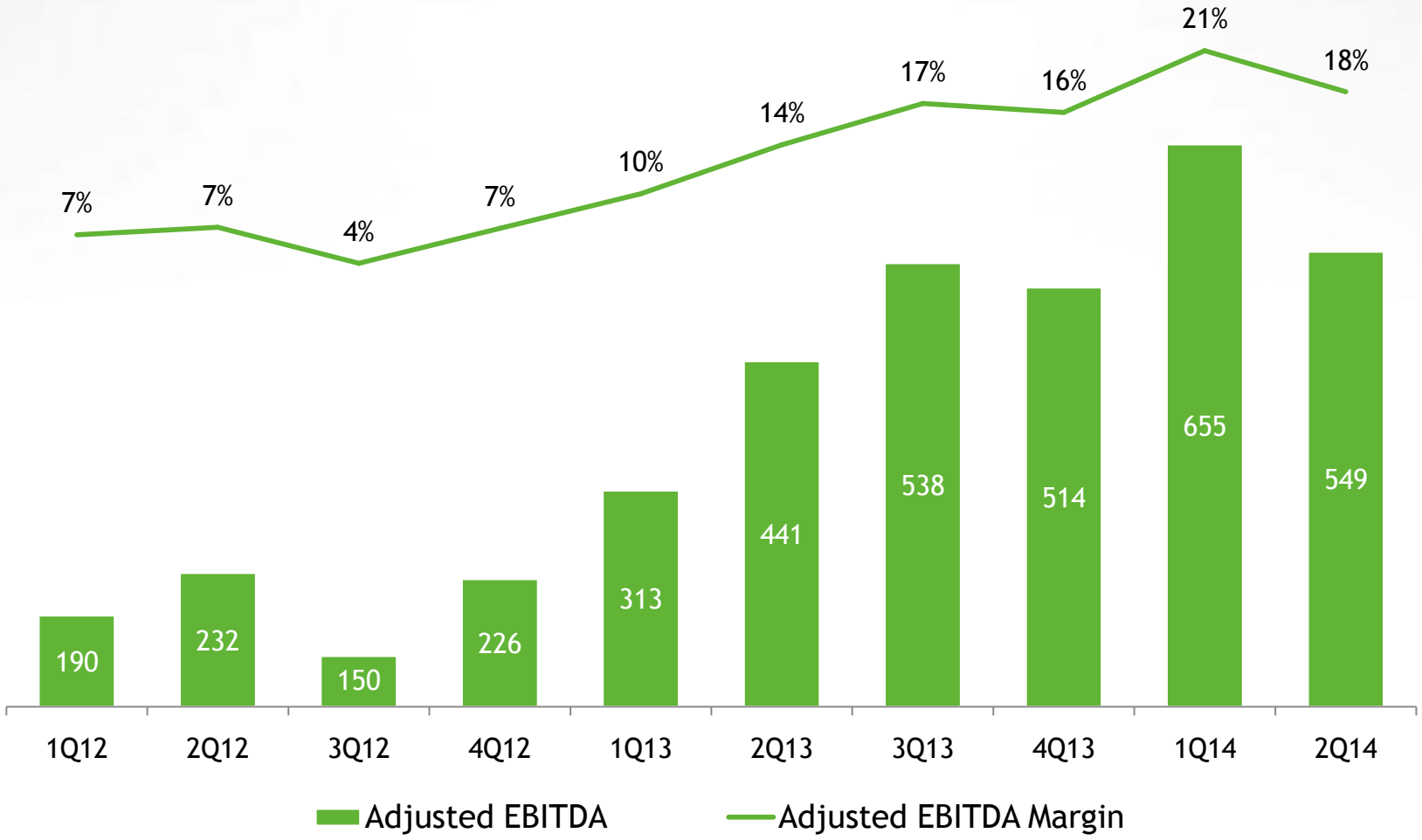
Consolidated

Gross Profit, EBIT and Net Income - R$ million



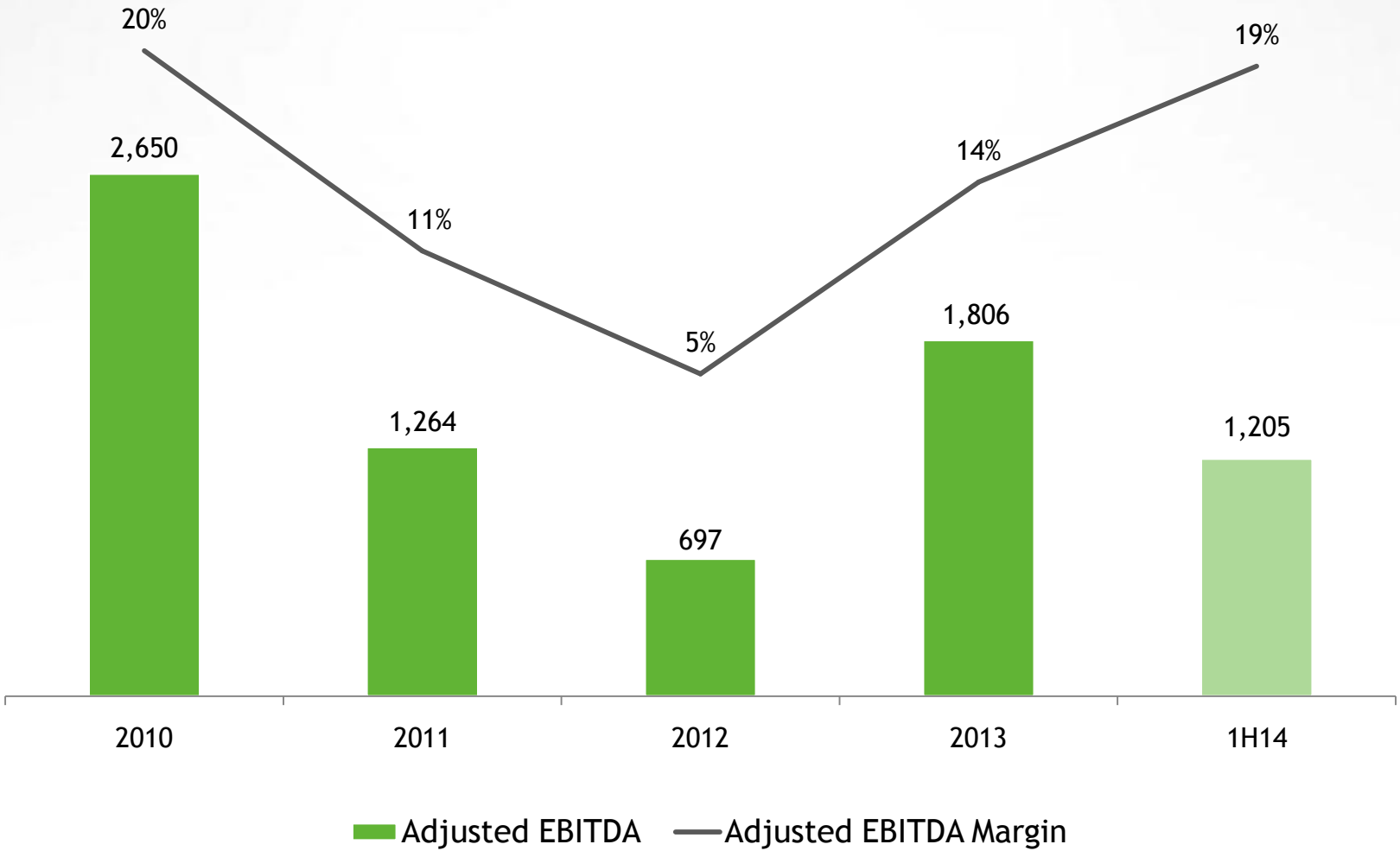
Consolidated

Adjusted EBITDA and Adjusted EBITDA Margin (Quaterly) - R$ million



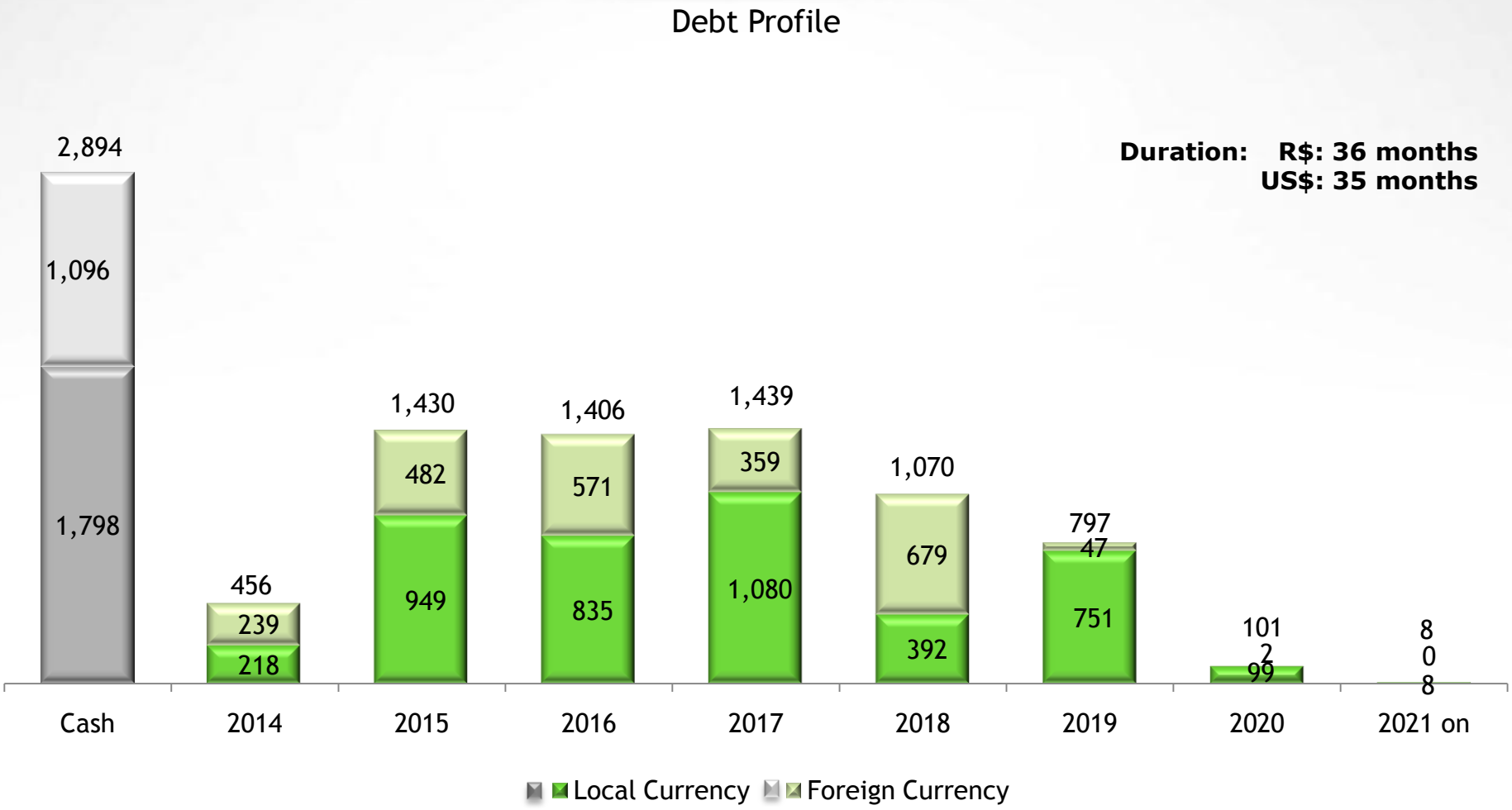
Consolidated

Adjusted EBITDA and Adjusted EBITDA Margin (Annualy) - R$ million



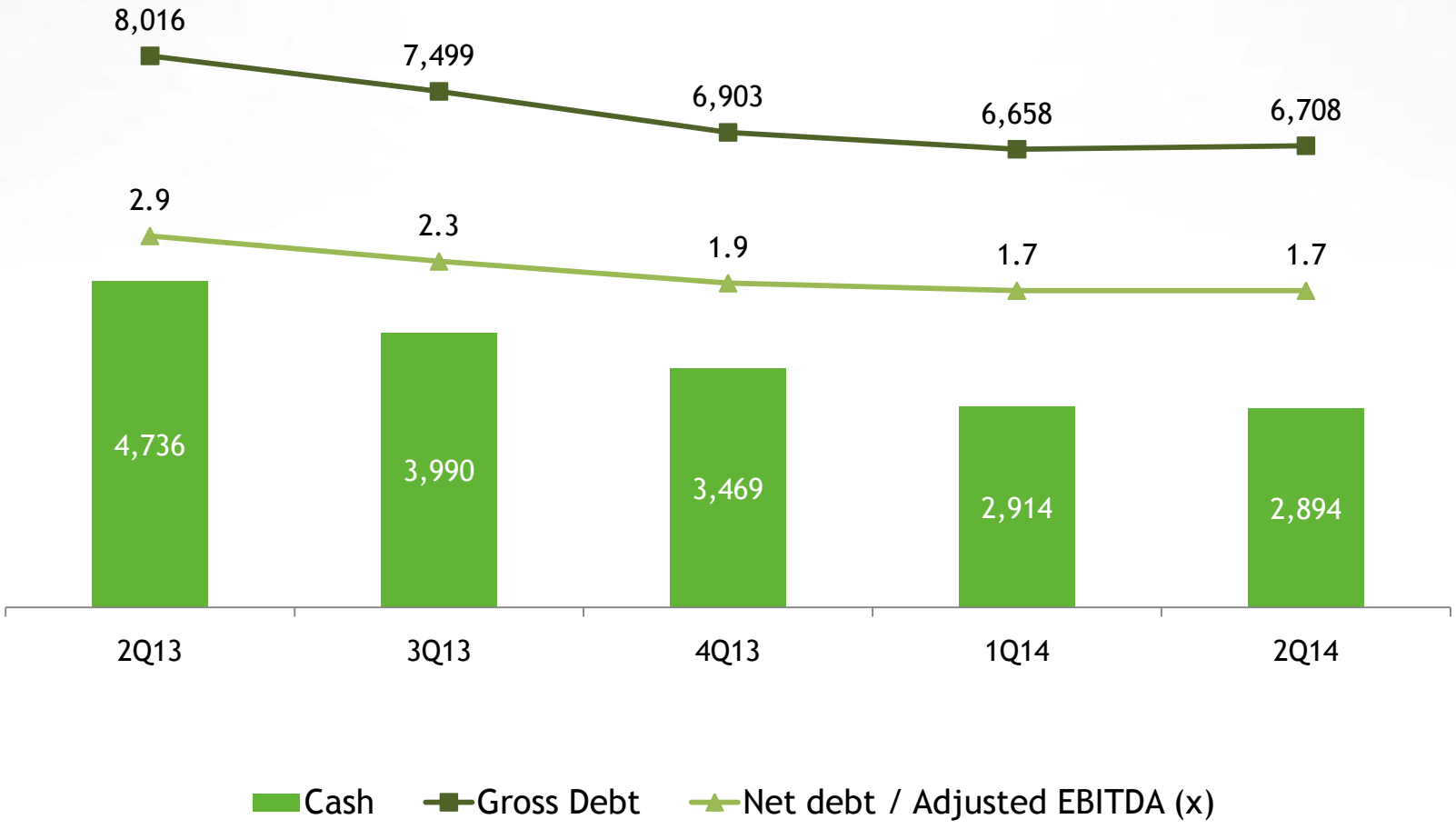
Consolidated

Cash Position and Debt Profile - R$ million



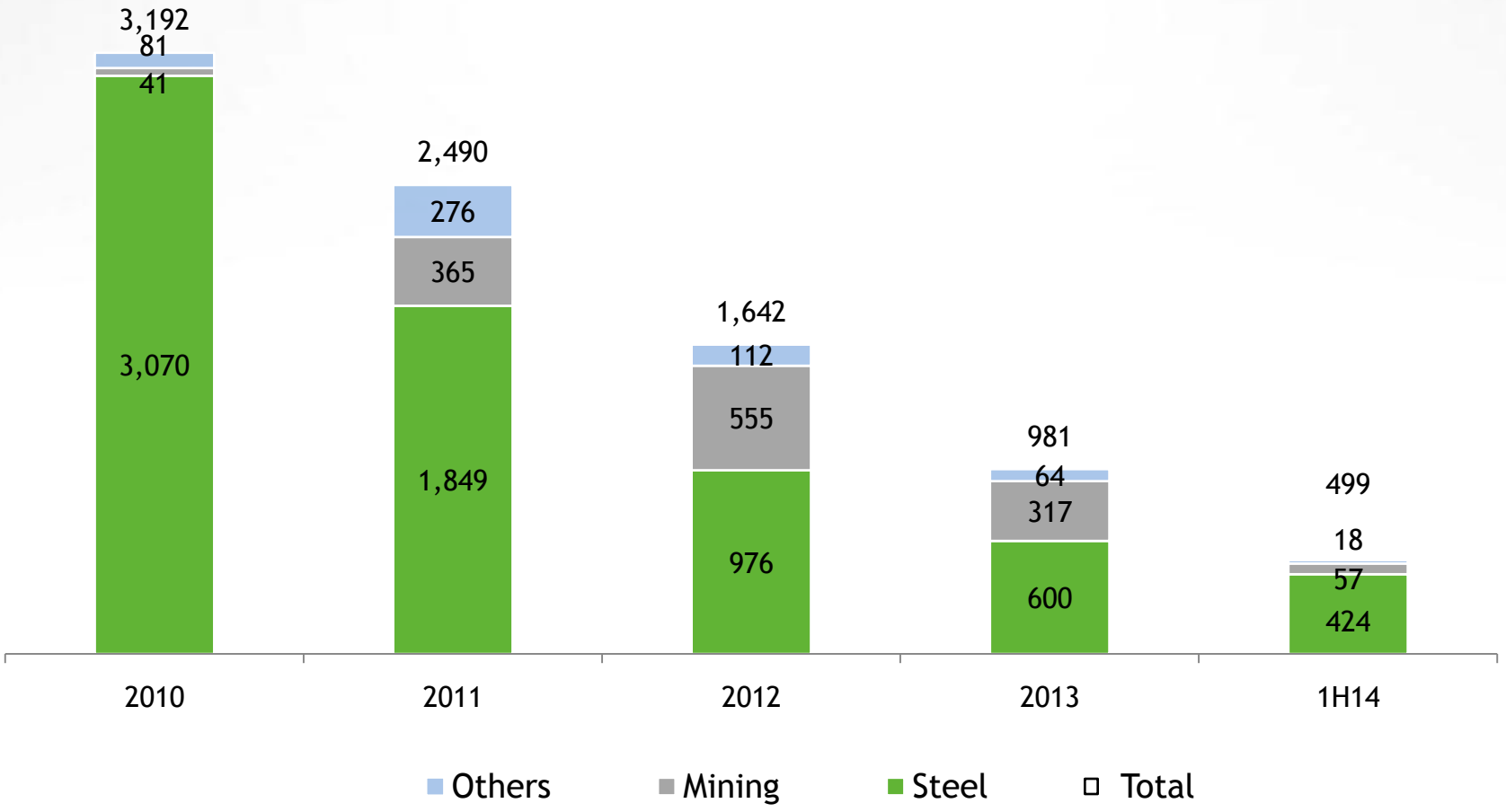
Consolidated

Cash and Indebtedness - R$ million



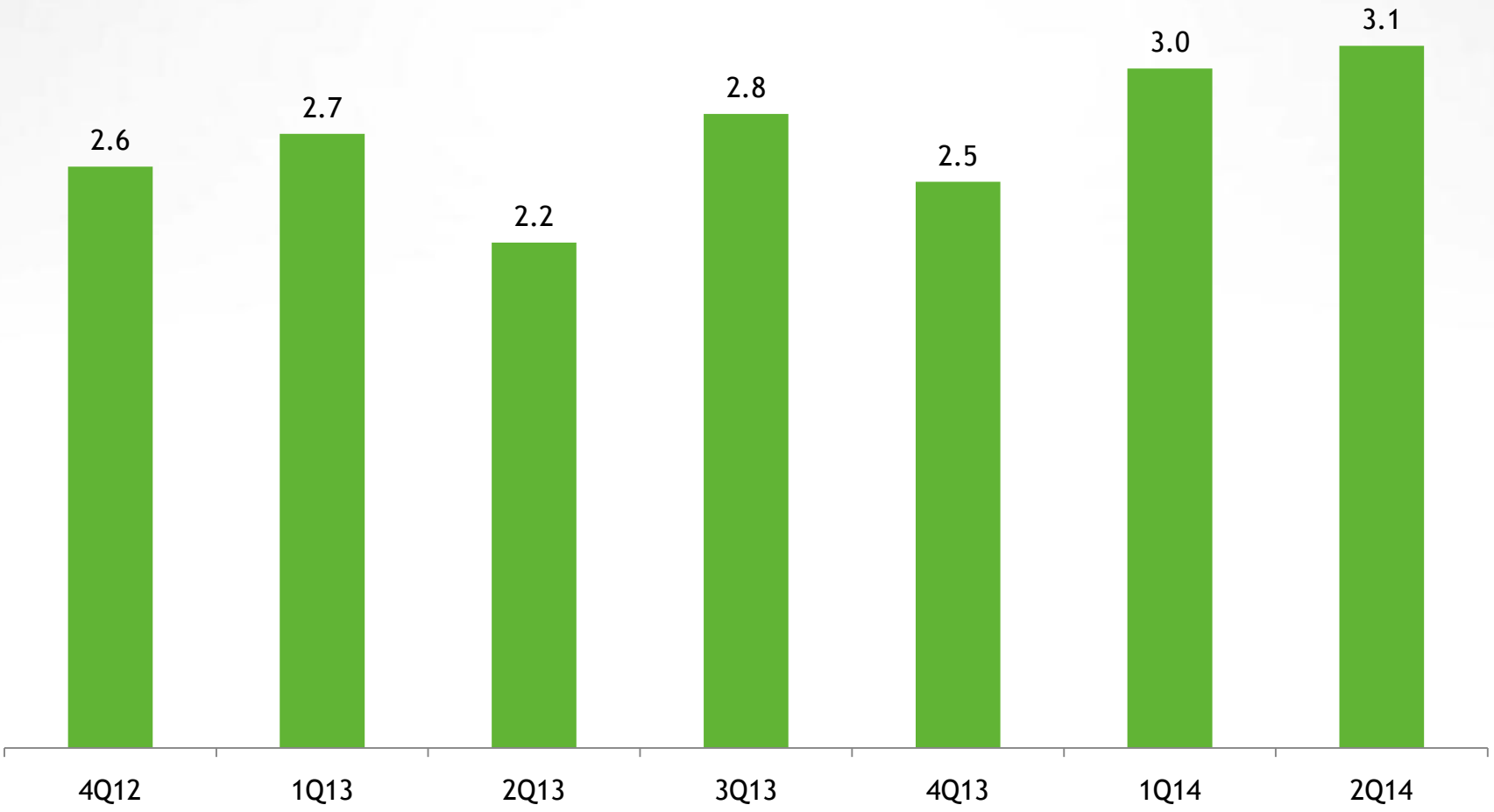
Consolidated

Capex- R$ million



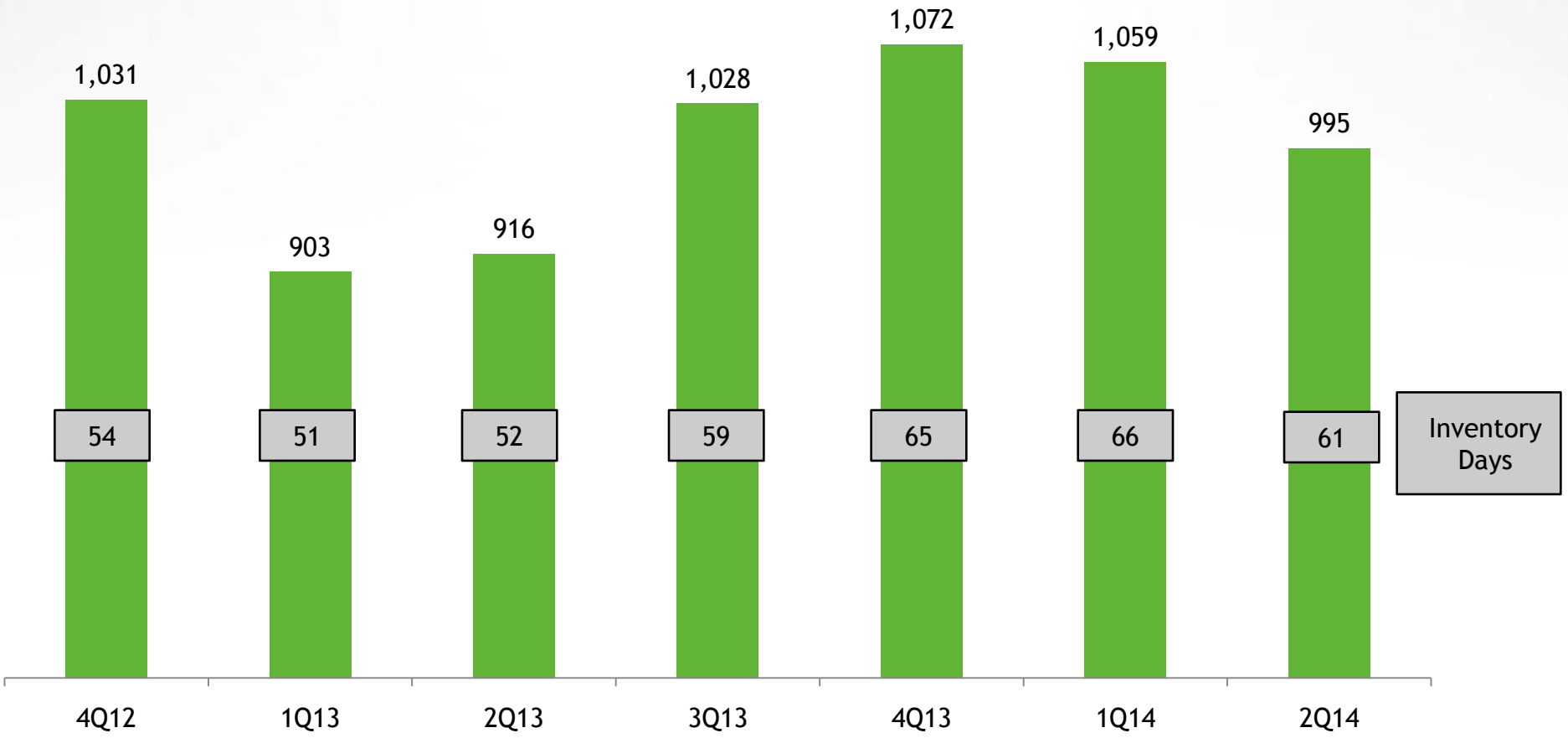
Consolidated

Working Capital - R$ billion



Consolidated

Working Capital - Steel Inventories - Thousand tons



Income Statement Quarterly

Per Business Unit - R$ million

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	2Q14	1Q14	2Q14	1Q14	2Q14	1Q14	2Q14	1Q14	2Q14	1Q14	2Q14	1Q14
Net Revenue	203	346	2,918	2,877	596	562	221	169	(831)	(812)	3,106	3,142
Domestic Market	179	234	2,566	2,575	595	557	213	169	(831)	(812)	2,723	2,723
Exports	23	112	352	302	1	6	8	0	0	0	384	420
COGS	(131)	(153)	(2,639)	(2,539)	(570)	(529)	(196)	(151)	764	750	(2,772)	(2,623)
Gross Profit	72	192	278	339	26	33	25	18	(67)	(63)	334	520
Operating Income (Expenses)	(35)	(41)	(61)	(96)	(32)	(31)	(6)	(16)	1	1	(134)	(183)
EBIT	36	151	218	242	(7)	3	19	2	(66)	(62)	200	336
Adjusted EBITDA	**67**	**175**	**457**	**477**	**3**	**12**	**25**	**9**	**(2)**	**(18)**	**549**	**655**
Adj.EBITDA Margin	**33%**	**51%**	**16%**	**17%**	**1%**	**2%**	**11%**	**5%**	**-**	**-**	**18%**	**21%**

*Consolidates 70% of Unigal

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

Income Statement Semi-Annually

Per Business Unit - R$ million

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	1H14	1H13	1H14	1H13	1H14	1H13	1H14	1H13	1H14	1H13	1H14	1H13
Net Revenue	548	471	5,795	5,563	1,158	1,185	390	524	(1,643)	(1,305)	6,249	6,439
Domestic Market	413	397	5,141	4,906	1,152	1,172	382	524	(1,643)	(1,305)	5,445	5,696
Export Market	135	74	654	657	6	13	8	0	0	0	803	743
COGS	(284)	(176)	(5,178)	(5,297)	(1,099)	(1,066)	(347)	(499)	1,514	1,182	(5,395)	(5,856)
Gross Profit	264	295	617	266	59	119	43	26	(129)	(122)	854	583
Operating Income (Expenses)	(77)	(53)	(157)	(274)	(63)	(97)	(22)	(36)	2	2	(317)	(458)
EBIT	187	242	460	(8)	(4)	22	21	(10)	(128)	(120)	537	126
Adjusted EBITDA	**242**	**263**	**934**	**467**	**15**	**49**	**34**	**3**	**(20)**	**(27)**	**1,205**	**755**
Adj.EBITDA Margin	**44%**	**56%**	**16%**	**8%**	**1%**	**4%**	**9%**	**1%**	**-**	**-**	**19%**	**12%**

*Consolidates 70% of Unigal

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

Final Message

Continuous Process of development

2012 – 2013

- Costs
- CAPEX
- Working Capital

2013 – 2015

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

NÍVEL 1
BM&FBOVESPA

ADR
Level I

LATIBEX

THE GLOBAL COMPACT
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Declarations relative to business perspectives of the Company, operating and financial results and projections, and references to the growth of the Company constitute mere forecasts and were based on Management's expectations in relation to future performance, These expectations are highly dependent on market behavior, on Brazil's economic situation, on the industry and on international markets, and are therefore subject to change,

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