(A free translation of the original in Portuguese)

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Quarterly Information (ITR) at June 30, 2018 and report on review of quarterly information

Report on review of quarterly information

To the Board of Directors and Stockholders
Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2018, comprising the balance sheet as at that date and the statements of operations and comprehensive income (loss) for the quarter and six-month period then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

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Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the six-month period ended June 30, 2018. These statements are the responsibility of the Company's management and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information and are considered supplementary information under IFRS, which do not require the presentation of the statements of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Belo Horizonte, July 26, 2018

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Fábio Abreu de Paula
Contador CRC 1MG075204/O-0

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Company Information / Capital Breakdown

Number of shares (units)	Current quarter 06/30/2018
Common Shares - Paid-in Capital	705,260,684
Preferred Shares - Paid-in Capital	547,818,424
Total - Paid-in Capital	1,253,079,108
Common Treasury Shares	2,526,656
Preferred Treasury Shares	21,287,435
Total Treasury Shares	23,814,091

USIMINAS

Parent Company Financial Statements / Balance sheet - Assets

(In thousands of reais)

Account Code	Account description	Current quarter 06/30/2018	Prior year 12/31/2017
1	Total Assets	23,309,621	23,288,730
1.01	Current Assets	5,073,093	4,735,322
1.01.01	Cash and Cash Equivalents	318,066	3,122
1.01.02	Financial investments	4,042	775,677
1.01.03	Trade Receivables	1,454,681	1,127,029
1.01.04	Inventories	2,922,511	2,296,407
1.01.08	Other Current Assets	373,793	533,087
1.01.08.03	Other	373,793	533,087
1.01.08.03.01	Taxes Recoverable	145,572	121,176
1.01.08.03.02	Prepaid Income Tax and Social Contribution	58,749	106,227
1.01.08.03.03	Dividends Receivable	612	175,009
1.01.08.03.04	Advances to Suppliers	2,801	2,133
1.01.08.03.05	Financial Instruments	272	12
1.01.08.03.06	Other	165,787	128,530
1.02	Noncurrent Assets	18,236,528	18,553,408
1.02.01	Long-term Receivables	2,850,483	2,785,128
1.02.01.04	Accounts Receivable	203,689	188,605
1.02.01.04.01	Trade Accounts Receivable	85,408	84,452
1.02.01.04.02	Other Accounts Receivable	118,281	104,153
1.02.01.07	Deferred Taxes	1,999,178	1,954,760
1.02.01.09	Receivables from Related Parties	50,650	53,943
1.02.01.10	Other Noncurrent Assets	596,966	587,820
1.02.01.10.03	Judicial Deposits	530,984	516,871
1.02.01.10.04	Properties for Sale	27,481	27,484
1.02.01.10.05	Financial Instruments	1,421	1,184
1.02.01.10.06	Taxes Recoverable	25,721	30,922
1.02.01.10.07	Other	11,359	11,359
1.02.02	Investments	4,344,527	4,388,803
1.02.02.01	Ownership Interests	4,344,527	4,388,803
1.02.02.01.01	Interest Held in Associates	21,865	40,768
1.02.02.01.02	Interest Held in Subsidiaries	3,670,003	3,758,171
1.02.02.01.03	Interest Held in Jointly-Controlled Subsidiaries	652,659	589,864
1.02.03	Property, Plant and Equipment (PPE)	10,860,928	11,192,811
1.02.03.01	Property, Plant and Equipment in Use	10,212,452	10,512,719
1.02.03.03	Construction in Progress	648,476	680,092
1.02.04	Intangible Assets	180,590	186,666

USIMINAS

Parent Company Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account code	Account description	Current quarter 06/30/2018	Prior year 12/31/2017
2	Total Liabilities and Equity	23,309,621	23,288,730
2.01	Current Liabilities	1,852,333	2,133,041
2.01.01	Social and Labor Liabilities	164,543	146,822
2.01.02	Trade Payables	1,023,308	875,399
2.01.03	Tax Liabilities	72,594	72,593
2.01.03.01	Federal Tax Liabilities	72,594	72,593
2.01.03.01.02	Taxes Payable	72,594	72,593
2.01.04	Borrowings	14,434	396,499
2.01.04.01	Borrowings	12,524	334,468
2.01.04.02	Debentures	1,910	62,031
2.01.05	Other Liabilities	577,454	641,728
2.01.05.02	Other	577,454	641,728
2.01.05.02.01	Dividends and Interest on Capital Payable	185	55,479
2.01.05.02.04	Accounts Payable	69,294	83,591
2.01.05.02.05	Taxes Payable in Installments	3,977	7,626
2.01.05.02.06	Advances from Customers	35,827	19,781
2.01.05.02.07	Accounts Payable - Forfaiting	468,171	475,251
2.02	Noncurrent Liabilities	7,591,486	7,380,894
2.02.01	Borrowings	5,807,777	5,628,764
2.02.01.01	Borrowings	4,920,020	4,741,430
2.02.01.02	Debentures	887,757	887,334
2.02.02	Other Liabilities	237,523	219,882
2.02.02.01	Payables to Related Parties	94,771	79,935
2.02.02.02	Other	142,752	139,947
2.02.02.02.03	Other Accounts Payable	142,752	139,947
2.02.04	Provisions	1,546,186	1,532,248
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	1,008,164	1,050,324
2.02.04.01.03	Provisions for Social Security and Labor Contingencies	1,008,164	1,050,324
2.02.04.02	Other Provisions	538,022	481,924
2.02.04.01.04	Provision for Litigation	538,022	481,924
2.03	Equity	13,865,802	13,774,795
2.03.01	Share Capital	13,200,295	13,200,295
2.03.02	Capital Reserves	314,498	311,747
2.03.04	Profit Reserves	202,207	202,207
2.03.04.01	Legal reserve	11,651	11,651
2.03.04.10	Investments and working capital	190,556	190,556
2.03.05	Retained Earnings (Accumulated Losses)	121,883	-
2.03.06	Equity Adjustments	26,919	60,546

Parent Company Financial Statements / Statement of Operations

(In thousands of reais)

Account code	Account description	Current quarter 01/01/2018 to 06/30/2018	Prior period current quarter 01/01/2017 to 06/30/2017
3.01	Revenue	5,926,466	4,672,503
3.02	Cost of Sales and/or Services	-4,951,540	-3,990,366
3.03	Gross Profit	974,926	682,137
3.04	Operating Income (Expenses)	-400,451	-140,116
3.04.01	Selling Expenses	-75,719	-79,034
3.04.02	General and Administrative Expenses	-157,427	-138,870
3.04.04	Other Operating Income	248,661	303,459
3.04.05	Other Operating Expenses	-490,699	-431,853
3.04.06	Equity in Results of Investees	74,733	206,182
3.05	Income Before Financial Income (Expense) and Taxes	574,475	542,021
3.06	Finance result, Net	-454,360	-323,697
3.07	Income Before Income Taxes	120,115	218,324
3.08	Income Tax and Social Contribution	-12,180	-12,350
3.08.01	Current	-43,852	-17,859
3.08.02	Deferred	31,672	5,509
3.09	Net Income (loss) from Continuing Operations	107,935	205,974
3.11	Net Income/Loss for the Period	107,935	205,974
3.99	Earnings (Loss) per Share (Reais / Shares)	-	-
3.99.01	Basic Earnings per Share	-	-
3.99.01.01	Registered Common Shares (RCS)	0.08	0.16
3.99.01.02	Registered Preferred Shares (RPS)	0.09	0.18
3.99.02	Diluted Earnings per Share	-	-
3.99.02.01	RCS	0.08	0.16
3.99.02.02	RPS	0.09	0.18

Parent Company Financial Statements / Statement of Comprehensive Income (Loss)

(In thousands of reais)

Account code	Account description	Current quarter 01/01/2018 to 06/30/2018	Prior period current quarter 01/01/2017 to 06/30/2017
4.01	Consolidated Net Income for the Period	107,935	205,974
4.02	Other Comprehensive Income (Loss)	-24,734	95,492
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	-24,734	94,949
4.02.02	Equity in other Comprehensive Income of Associates	-	543
4.03	Consolidated Comprehensive Income (Loss) for the Period	83,201	301,466

Parent Company Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account code	Account description	Current period 01/01/2018 to 06/30/2018	Prior period 01/01/2017 to 06/30/2017
6.01	Net Cash from Operating Activities	-205,438	-109,127
6.01.01	Cash From Operations	1,117,917	1,109,383
6.01.01.01	Net Income (Loss) for the Period	107,935	205,974
6.01.01.02	Charges and Indexation/Exchange Gains (Losses), Net	281,682	127,382
6.01.01.03	Interest Expenses	214,703	355,430
6.01.01.04	Depreciation and Amortization	426,250	529,065
6.01.01.05	Gain/Loss on Sale of Property, Plant and Equipment	7,270	-1,085
6.01.01.07	Equity in Results of Investees	-74,733	-206,182
6.01.01.08	Stock Option Plan	-	-146
6.01.01.09	Deferred Income Tax and Social Contribution	-31,672	-5,509
6.01.01.10	Set up (Reversal) of Provisions	180,677	90,202
6.01.01.11	Actuarial Gains (Losses)	5,805	14,252
6.01.02	Changes in Assets and Liabilities	-972,477	-666,730
6.01.02.02	Trade Receivables	-329,561	-240,330
6.01.02.03	Inventories	-652,618	-218,466
6.01.02.04	Taxes Recoverable	-1,660	-3,735
6.01.02.05	Receivables from Related Parties	3,293	4,464
6.01.02.06	Judicial Deposits	-12,342	-2,388
6.01.02.08	Other Increase (Decrease) In Assets	-41,247	-32,528
6.01.02.09	Accounts Payable, Contractors and Freight	147,909	-220,320
6.01.02.10	Advances from Customers	16,046	9,580
6.01.02.12	Taxes Payable	1	58,009
6.01.02.13	Accounts Payable – Forfaiting	-7,080	-29,528
6.01.02.14	Other Increase (Decrease) in Liabilities	-95,218	8,512
6.01.03	Other	-350,878	-551,780
6.01.03.01	Interest Paid	-257,291	-426,549
6.01.03.02	Prepaid Income Tax and Social Contribution	-8,500	-
6.01.03.03	Actuarial Liabilities	-85,087	-125,231
6.02	Net Cash from Investing Activities	964,544	474,338
6.02.01	Proceeds from the Sale of Property, Plant and Equipment	19,764	1,694
6.02.02	Fixed Assets Purchases	-106,395	-41,326
6.02.04	Dividends Received	286,470	8,249
6.02.06	Purchase of Software	-6,930	-2,145
6.02.07	Marketable Securities	771,635	-202,603
6.02.08	Share Capital Repayments from Subsidiaries	-	710,469
6.03	Net Cash from Financing Activities	-442,324	-32,556
6.03.02	Repayment of Borrowings	-386,956	-8,413
6.03.03	Payment of Taxes Payable in Installments	-131	-
6.03.04	Swap Transaction Settlement	14	-24,143
6.03.05	Prepaid Capital Contribution	-55,251	-
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	-1,838	4,004
6.05	Increase (Decrease) in Cash and Cash Equivalents	314,944	336,659
6.05.01	Cash and Cash Equivalents at the beginning of Period	3,122	362,293
6.05.02	Cash and cash Equivalents at end of Period	318,066	698,952

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Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2018 to 06/30/2018

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (loss)	Equity
5.01	Opening balances	13,200,295	311,747	202,207	-	60,546	13,774,795
5.03	Adjusted Opening Balances	13,200,295	311,747	202,207	-	60,546	13,774,795
5.04	Capital Transactions with Shareholders	-	2,751	-	13,948	-8,893	7,806
5.04.03	Recognized Options Granted	-	-5,012	-	5,012	-	-
5.04.05	Treasury Stock Sold	-	7,763	-	-	-	7,763
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	8,893	-8,893	-
5.04.09	Prescribed Dividends	-	-	-	43	-	43
5.05	Total Comprehensive Income	-	-	-	107,935	-24,734	83,201
5.05.01	Net Income for the Period	-	-	-	107,935	-	107,935
5.05.02	Other Comprehensive Income	-	-	-	-	-24,734	-24,734
5.05.02.06	Actuarial gain and loss on retirement benefits	-	-	-	-	-24,734	-24,734
5.07	Closing Balances	13,200,295	314,498	202,207	121,883	26,919	13,865,802

Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2017 to 06/30/2017

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other comprehensive income (loss)	Equity
5.01	Opening balances	13,200,295	309,445	-	-	26,000	13,535,740
5.03	Adjusted Opening Balances	13,200,295	309,445	-	-	26,000	13,535,740
5.04	Capital Transactions with Shareholders	-	-146	-	9,446	-5,753	3,547
5.04.03	Recognized Options Granted	-	-146	-	729	-	583
5.04.09	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	8,717	-5,753	2,964
5.05	Total Comprehensive Income	-	-	-	206,517	94,949	301,466
5.05.01	Net Income for the Period	-	-	-	205,974	-	205,974
5.05.02	Other Comprehensive Income (Loss)	-	-	-	543	94,949	95,492
5.05.02.03	Equity in other Comprehensive Income of Associates	-	-	-	543	-	543
5.05.02.06	Actuarial loss on retirement benefits	-	-	-	-	94,949	94,949
5.07	Closing Balances	13,200,295	309,299	-	215,963	115,196	13,840,753

Parent Company Financial Statements / Statement of Value Added

(In thousands of reais)

Account code	Account description	Current period 01/01/2018 to 06/30/2018	Prior period 01/01/2017 to 06/30/2017
7.01	Revenue	7,384,176	6,000,103
7.01.01	Sales of Goods, Products and Services	7,216,330	5,849,181
7.01.02	Other Revenues	168,799	164,123
7.01.04	Allowance (Reversal of) for Doubtful Accounts	-953	-13,201
7.02	Inputs Acquired from Third Parties	-6,037,900	-4,149,450
7.02.01	Costs of Products Goods and Services Sold	-5,598,944	-3,985,380
7.02.02	Materials, Energy, Third-Party Services and Other Expenses	-438,956	-164,070
7.03	Gross Value Added	1,346,276	1,850,653
7.04	Retentions	-426,250	-529,065
7.04.01	Depreciation, Amortization and Depletion	-426,250	-529,065
7.05	Net Value Added Produced	920,026	1,321,588
7.06	Value Added Received in Transfer	-42,427	323,754
7.06.01	Equity in earnings	74,733	206,182
7.06.02	Financial Revenues	105,194	221,899
7.06.03	Other	-222,354	-104,327
7.06.03.01	Actuarial Gains (Losses)	-5,805	-14,252
7.06.03.02	Foreign Currency Gains/Losses, net	-216,549	-90,075
7.07	Total Value Added to be Distributed	877,599	1,645,342
7.08	Distribution of Value Added	877,599	1,645,342
7.08.01	Personnel	339,930	318,742
7.08.01.01	Direct Compensation	310,252	284,246
7.08.01.02	Benefits	1,613	3,946
7.08.01.03	Unemployment Compensation Fund (FGTS)	28,065	30,550
7.08.02	Taxes, Rates and Contributions	86,729	665,105
7.08.02.01	Federal	-256,089	247,853
7.08.02.02	State	311,217	385,150
7.08.02.03	Municipal	31,601	32,102
7.08.03	Remuneration of Third Parties	343,005	455,521
7.08.03.01	Interest	343,516	490,542
7.08.03.03	Other	-511	-35,021
7.08.03.03.02	Swap Transaction Settlement	-511	-35,021
7.08.04	Equity Remuneration	107,935	205,974
7.08.04.03	Retained Earnings (Accumulated Losses)	107,935	205,974

Consolidated Financial Statements - Balance Sheet - Assets

(In thousands of reais)

Account code	Account description	Current quarter - 06/30/2018	Prior period - 12/31/2017
1	Total Assets	25,319,368	25,984,477
1.01	Current Assets	6,888,151	7,254,755
1.01.01	Cash and Cash Equivalents	578,562	1,770,573
1.01.02	Financial investments	525,050	543,715
1.01.03	Trade Receivables	1,747,824	1,555,494
1.01.03.01	Trade Receivables	1,747,824	1,555,494
1.01.04	Inventories	3,495,179	2,763,496
1.01.08	Other Current Assets	541,536	621,477
1.01.08.03	Other	541,536	621,477
1.01.08.03.01	Taxes Recoverable	236,498	176,851
1.01.08.03.02	Prepaid Income Tax and Social Contribution	138,676	185,614
1.01.08.03.03	Dividends Receivable	23,986	139,078
1.01.08.03.04	Advances to Suppliers	5,455	4,332
1.01.08.03.05	Financial Instruments	272	12
1.01.08.03.06	Other Accounts Receivable	136,649	115,590
1.02	Noncurrent Assets	18,431,217	18,729,722
1.02.01	Long-term Receivables	4,167,622	4,115,862
1.02.01.04	Accounts Receivable	260,049	247,284
1.02.01.04.01	Trade Accounts Receivable	132,414	131,458
1.02.01.04.02	Other Accounts Receivable	127,635	115,826
1.02.01.05	Inventories	41,725	39,037
1.02.01.07	Deferred Taxes	3,062,537	3,046,112
1.02.01.09	Receivables from Related Parties	2,814	3,147
1.02.01.10	Other Noncurrent Assets	800,497	780,282
1.02.01.10.03	Judicial Deposits	697,205	675,600
1.02.01.10.04	Financial Instruments	1,421	1,184
1.02.01.10.05	Taxes Recoverable	53,439	54,881
1.02.01.10.06	Other	48,432	48,617
1.02.02	Investments	1,110,529	1,054,052
1.02.02.01	Ownership Interest	1,110,529	1,054,052
1.02.02.01.01	Interests Held in Associates	441,320	447,315
1.02.02.01.04	Other Ownership Interests	669,209	606,737
1.02.03	Property, Plant and Equipment (PP&E)	12,484,296	12,882,618
1.02.03.01	Property, Plant and Equipment in Use	11,673,645	12,038,393
1.02.03.03	Construction in Progress	810,651	844,225
1.02.04	Intangible Assets	668,770	677,190

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account code	Account description	Current quarter - 06/30/2018	Prior period - 12/31/2017
2	Total Liabilities and Equity	25,319,368	25,984,477
2.01	Current Liabilities	2,125,224	3,046,420
2.01.01	Social and Labor Liabilities	221,247	188,735
2.01.02	Trade Payables	1,086,263	976,917
2.01.03	Tax Liabilities	97,426	96,523
2.01.03.01	Federal Tax Liabilities	97,426	96,523
2.01.03.01.01	Income and Social Contribution Taxes Payable	5,351	1,434
2.01.03.01.02	Taxes Payable	92,075	95,089
2.01.04	Borrowings	19,177	989,977
2.01.04.01	Borrowings	17,267	927,946
2.01.04.02	Debentures	1,910	62,031
2.01.05	Other Liabilities	701,111	794,268
2.01.05.02	Other	701,111	794,268
2.01.05.02.01	Dividends and Interest on Capital Payable	185	75,644
2.01.05.02.04	Accounts Payable	123,371	141,485
2.01.05.02.05	Taxes Payable in Installments	3,979	20,494
2.01.05.02.06	Advances from Customers	105,405	81,394
2.01.05.02.07	Accounts Payable - Forfaiting	468,171	475,251
2.02	Noncurrent Liabilities	7,939,018	7,754,093
2.02.01	Borrowings	5,820,092	5,645,802
2.02.01.01	Borrowings	4,932,335	4,758,468
2.02.01.02	Debentures	887,757	887,334
2.02.02	Other Liabilities	225,280	230,670
2.02.02.01	Payables to Other Related Parties	134,253	143,170
2.02.02.02	Other	91,027	87,500
2.02.02.02.03	Other Payables	91,027	87,500
2.02.04	Provisions	1,893,646	1,877,621
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	1,008,164	1,050,324
2.02.04.01.03	Provisions for Social Security and Labor Contingencies	1,008,164	1,050,324
2.02.04.02	Provision for litigation	885,482	827,297
2.02.04.02.03	Provisions for Environmental Liabilities and Decommissioning	166,009	158,333
2.02.04.02.04	Contingent Liabilities	719,473	668,964
2.03	Equity	15,255,126	15,183,964
2.03.01	Share Capital	13,200,295	13,200,295
2.03.02	Capital Reserves	314,498	311,747
2.03.04	Revenue Reserves	202,207	202,207
2.03.04.01	Legal Reserve	11,651	11,651
2.03.04.10	Investments and working capital	190,556	190,556
2.03.05	Retained Earnings (Accumulated Losses)	121,883	-
2.03.06	Equity Adjustments	26,919	60,546
2.03.09	Noncontrolling Shareholders	1,389,324	1,409,169

Consolidated Financial Statements / Statement of Operations

(In thousands of reais)

Account code	Account description	Current quarter 01/01/2018 to 06/30/2018	Prior period current quarter 01/01/2017 to 06/30/2017
3.01	Revenue	6,448,267	4,920,323
3.02	Cost of Sales and/or Services	-5,253,379	-4,057,358
3.03	Gross Profit	1,194,888	862,965
3.04	Operating Income (Expenses)	-589,730	-259,285
3.04.01	Selling expenses	-149,812	-117,795
3.04.02	General and Administrative Expenses	-215,689	-189,785
3.04.04	Other Operating Income	251,419	525,420
3.04.05	Other Operating Expenses	-548,143	-529,483
3.04.06	Equity in Results of Investees	72,495	52,358
3.05	Income Before Financial Income (Expense) and Taxes	605,158	603,680
3.06	Finance result, Net	-410,352	-225,875
3.07	Income Before Income Taxes	194,806	377,805
3.08	Income Tax and Social Contribution	-56,671	-93,777
3.08.01	Current	-73,218	-80,733
3.08.02	Deferred	16,547	-13,044
3.09	Net income (loss) from Continuing Operations	138,135	284,028
3.11	Net Income/Loss for the Period	138,135	284,028
3.11.01	Attributed to Shareholders of Parent Company	107,935	205,974
3.11.02	Attributable to Noncontrolling Shareholders	30,200	78,054
3.99	Earnings (Loss) per Share (Reais / Shares)	-	-
3.99.01	Basic Earnings per Share	-	-
3.99.01.01	Registered Common Shares (RCS)	0.08	0.16
3.99.01.02	Registered Preferred Shares (RPS)	0.09	0.18
3.99.02	Diluted Earnings per Share	-	-
3.99.02.01	RCS	0.08	0.16
3.99.02.02	RPS	0.09	0.18

Consolidated Financial Statements / Statement of Comprehensive Income (loss)

(In thousands of reais)

Account code	Account description	Current quarter 01/01/2018 to 06/30/2018	Current period 01/01/2017 to 06/30/2017
4.01	Consolidated Net Income for the Period	138,135	284,028
4.02	Other Comprehensive Income (Loss)	-24,729	95,496
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	-24,729	94,949
4.02.02	Equity in other Comprehensive Income of Associates	-	547
4.03	Consolidated Comprehensive Income (Loss) for the Period	113,406	379,524
4.03.01	Attributed to Shareholders of Parent Company	83,201	301,466
4.03.02	Attributable to Noncontrolling Shareholders	30,205	78,058

Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account code	Account description	Current period 01/01/2018 to 06/30/2018	Prior period 01/01/2017 to 06/30/2017
6.01	Net Cash from Operating Activities	-156,155	51,725
6.01.01	Cash From Operations	1,263,327	1,453,884
6.01.01.01	Net Income (Loss) for the Period	138,135	284,028
6.01.01.02	Charges and Indexation/Exchange Gains (Losses), Net	275,869	107,609
6.01.01.03	Interest Expenses	201,894	343,451
6.01.01.04	Depreciation and Amortization	513,436	634,942
6.01.01.05	Gain/Loss on sale of Property, Plant and Equipment	7,123	-822
6.01.01.07	Equity in Results of Investees	-72,495	-52,358
6.01.01.08	Stock Option Plan	-	-146
6.01.01.09	Deferred Income Tax and Social Contribution	-16,547	13,044
6.01.01.10	Set up (Reversal) of Provisions	210,107	109,587
6.01.01.11	Actuarial Gains (Losses)	5,805	14,549
6.01.02	Changes in Assets and Liabilities	-1,025,742	-838,707
6.01.02.02	Trade Receivables	-196,390	-252,684
6.01.02.03	Inventories	-758,359	-305,992
6.01.02.04	Taxes Recoverable	-14,894	51,654
6.01.02.05	Judicial Deposits	-87,751	-30,165
6.01.02.07	Receivables from Related Parties	333	540
6.01.02.08	Other (Increase) Decrease in Assets	-35,771	-182,629
6.01.02.09	Accounts Payable, Contractors and Freight	109,346	-142,939
6.01.02.10	Payables to Related Parties	-8,917	-18,677
6.01.02.11	Advances from Customers	24,011	17,552
6.01.02.12	Taxes Payable	-44,108	59,521
6.01.02.13	Accounts Payable – Forfaiting	-7,080	-29,528
6.01.02.14	Other Increase (Decrease) in Liabilities	6,162	-5,360
6.01.03	Other	-393,740	-563,452
6.01.03.01	Interest Paid	-278,267	-417,749
6.01.03.02	Income and Social Contribution Taxes Paid	-30,386	-20,397
6.01.03.03	Actuarial Liabilities Paid	-85,087	-125,306
6.02	Net Cash from Investing Activities	36,062	589,693
6.02.01	Proceeds from the Sale of Property, Plant and Equipment	19,897	1,694
6.02.02	Purchases of Property, Plant and Equipment	-124,312	-55,036
6.02.05	Dividends Received	129,052	13,817
6.02.06	Purchase of Software	-7,330	-2,372
6.02.07	Marketable Securities	18,665	631,590
6.03	Net Cash from Financing Activities	-1,070,080	-320,000
6.03.02	Repayment of Borrowings	-946,675	-12,957
6.03.03	Payment of Taxes Payable in Installments	-132	-676
6.03.04	Swap Transaction Settlement	14	-2,724
6.03.05	Dividends and Interest on Equity Paid	-123,287	-3,643
6.03.10	Increase (Decrease) of Capital	-	-300,000
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	-1,838	4,004
6.05	Increase (Decrease) in Cash and Cash Equivalents	-1,192,011	325,422
6.05.01	Cash and Cash Equivalents at Beginning of Period	1,770,573	719,870
6.05.02	Cash and cash Equivalents at End of Period	578,562	1,045,292

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2018 to 06/30/2018

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity	Noncontrolling shareholders	Equity - Consolidated
5.01	Opening Balances	13,200,295	311,747	202,207	-	60,546	13,774,795	1,409,169	15,183,964
5.03	Adjusted Opening Balances	13,200,295	311,747	202,207	-	60,546	13,774,795	1,409,169	15,183,964
5.04	Capital Transactions with Shareholders	-	2,751	-	13,948	-8,893	7,806	-50,050	-42,244
5.04.03	Recognized Options Granted	-	-5,012	-	5,012	-	-	-	-
5.04.05	Treasury Stock Sold	-	7,763	-	-	-	7,763	-	7,763
5.04.06	Dividends	-	-	-	-	-	-	-50,050	-50,050
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	8,893	-8,893	-	-	-
5.04.09	Prescribed Dividends	-	-	-	43	-	43	-	43
5.05	Total Comprehensive Income (Loss)	-	-	-	107,935	-24,734	83,201	30,205	113,406
5.05.01	Net Income (Loss) for the Period	-	-	-	107,935	-	107,935	30,200	138,135
5.05.02	Other Comprehensive Income (Loss)	-	-	-	-	-24,734	-24,734	5	-24,729
5.05.02.06	Actuarial loss on retirement benefits	-	-	-	-	-24,734	-24,734	5	-24,729
5.07	Closing Balances	13,200,295	314,498	202,207	121,883	26,919	13,865,802	1,389,324	15,255,126

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2017 to 06/30/2017

(In thousands of reais)

Account code	Account description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated losses)	Other Comprehensive Income (Loss)	Equity	Noncontrolling shareholders	Equity - Consolidated
5.01	Opening Balances	13,200,295	309,445	-	-	26,000	13,535,740	1,655,894	15,191,634
5.03	Adjusted Opening Balances	13,200,295	309,445	-	-	26,000	13,535,740	1,655,894	15,191,634
5.04	Capital Transactions with Shareholders	-	-146	-	9,446	-5,753	3,547	-303,643	-300,096
5.04.01	Increase of Capital	-	-	-	-	-	-	-300,00	-300,00
5.04.03	Recognized Options Granted	-	-146	-	729	-	583	-	583
5.04.06	Dividends	-	-	-	-	-	-	-3,643	-3,643
5.04.09	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	8,717	-5,753	2,964	-	2,964
5.05	Total Comprehensive Income (Loss)	-	-	-	206,517	94,949	301,466	78,058	379,524
5.05.01	Net Income (Loss) for the Period	-	-	-	205,974	-	205,974	78,054	284,028
5.05.02	Other Comprehensive Income (Loss)	-	-	-	543	94,949	95,492	4	95,496
5.05.02.03	Equity in Other Comprehensive Income of Associates	-	-	-	543	-	543	4	547
5.05.02.06	Actuarial loss on retirement benefits	-	-	-	-	94,949	94,949	-	94,949
5.07	Closing Balances	13,200,295	309,299	-	215,963	115,196	13,840,753	1,430,309	15,271,062

Consolidated Financial State-ments / Statement of Value Added

(In thousands of reais)

Account code	Account description	Current period 01/01/2018 to 06/30/2018	Prior period 01/01/2017 to 06/30/2017
7.01	Revenue	8,404,064	6,667,649
7.01.01	Sales of Goods, Products and Services	8,237,320	6,510,483
7.01.02	Other Revenues	169,848	177,419
7.01.04	Allowance (Reversal of) for Doubtful Accounts	-3,104	-20,253
7.02	Inputs Acquired from Third Parties	-6,700,882	-4,349,194
7.02.01	Costs of Products Goods and Services Sold	-6,131,340	-4,258,121
7.02.02	Materials, Energy, Third-Party Services and Other Expenses	-569,542	-91,073
7.03	Gross Value Added	1,703,182	2,318,455
7.04	Retentions	-513,436	-634,942
7.04.01	Depreciation, Amortization and Depletion	-513,436	-634,942
7.05	Net Value Added Produced	1,189,746	1,683,513
7.06	Value Added Received in Transfer	26,701	331,840
7.06.01	Equity in Results of Investees	72,495	52,358
7.06.02	Financial Revenues	135,270	315,583
7.06.03	Other	-181,064	-36,101
7.06.03.01	Actuarial Gains and Losses	-5,805	-14,549
7.06.03.02	Foreign Exchange Gains/losses	-175,259	-21,552
7.07	Total Value Added to be Distributed	1,216,447	2,015,353
7.08	Distribution of Value Added	1,216,447	2,015,353
7.08.01	Personnel	521,735	467,040
7.08.01.01	Direct Compensation	482,783	424,324
7.08.01.02	Benefits	1,767	4,155
7.08.01.03	Unemployment Compensation Fund (FGTS)	37,185	38,561
7.08.02	Taxes, Rates and Contributions	186,214	744,379
7.08.02.01	Federal	-173,513	338,998
7.08.02.02	State	323,274	364,918
7.08.02.03	Municipal	36,453	40,463
7.08.03	Remuneration of Third Parties	370,363	519,906
7.08.03.01	Interest	370,874	520,504
7.08.03.03	Other	-511	-598
7.08.03.03.02	Swap Transaction Settlement	-511	-598
7.08.04	Equity Remuneration	138,135	284,028
7.08.04.03	Retained Earnings (Accumulated Losses)	107,935	205,974
7.08.04.04	Noncontrolling Interests in Retained Profits	30,200	78,054

Notes

1 Operations

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS ("USIMINAS", "Usiminas", "Parent company" or "Company"), headquartered in the city of Belo Horizonte, state of Minas Gerais, is a publicly-held company and its shares are traded on the Brazilian stock exchange (B3 - Brasil, Bolsa, Balcão) under tickers USIM3, USIM5 and USIM6.

The Company and its subsidiaries, jointly-controlled subsidiaries and associates ("Usiminas") operate in the steel industry and related activities, such as iron ore extraction, steel transformation, production of capital goods and logistics. It currently has two steel mills with nominal production capacity of 9.5 million (unaudited) metric tons per annum of flat-rolled products, located in the cities of Ipatinga, state of Minas Gerais, and Cubatão, state of São Paulo, in addition to iron ore reserves, service and distribution centers, maritime ports, cargo terminals, strategically located in several Brazilian cities.

The Company holds, directly or indirectly, interest in subsidiaries, jointly-controlled subsidiaries and associates, as described in Note 1 to the financial statements for the year ended December 31, 2017.

2 Interim accounting information

The issue and disclosure of the interim accounting information included in this Quarterly Information Form (ITR) on the Parent company and Consolidated accounts were approved by the Board of Directors at a meeting held on July 26, 2018.

3 Summary of significant accounting policies

The main accounting policies applied in the preparation of this interim accounting information are presented in the financial statements of the Company for the year ended December 31, 2017.

The accounting policies applied in transactions considered immaterial were not included in this interim accounting information.

The accounting policies, which have been consistently applied in the current period, are consistent with those of the year and period presented for comparison purposes, and are common to the parent company, subsidiaries, associates and jointly-controlled subsidiaries, and the interim accounting information on the subsidiaries was adjusted, as applicable, to meet this criterion.

3.1 Basis of preparation and statement of compliance

This interim accounting information for the six-month period ended June 30, 2018, should be read together with the Company's financial statements for the year ended December 31, 2017.

Considering that there were no material changes in the composition and nature of the balances presented in the financial statements for the year ended December 31, 2017, the following Notes are presented in a condensed manner for the six-month period ended June 30, 2018.

3 Summary of significant accounting policies;
4 Financial risk management objectives and policy;
12 Income tax and social contribution;
13 Judicial deposits;
14 Investments;
15 Property, plant and equipment;
16 Impairment of non-financial assets;
17 Intangible assets;
18 Borrowings and debentures;
20 Taxes payable in installments;
21 Provision for litigation;
22 Retirement benefit obligations;
23 Equity;
29 Transactions with related parties; and
30 Stock option plan.

Parent company and consolidated interim accounting information

The parent company and consolidated interim accounting information presented herein under Parent company and Consolidated, respectively, has been prepared in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting, International Accounting Standard (IAS) 34 - Interim Financial Reporting, and the rules of the Brazilian Securities Commission (CVM). Accordingly, this interim accounting information discloses all the applicable significant information, which is consistent with the information utilized by management in the performance of its duties.

3.2 Standards, amendments to and interpretations of existing standards

In the six-month period ended June 30, 2018, no new standards, amendments to and interpretations of existing standards were issued.

IFRS 9 / CPC 48 - “Financial Instruments” and IFRS 15 / CPC 47 - “Revenue from Contracts with Customers” have been effective since January 1, 2018. As described in Note 3.20 to the financial statements at December 31, 2017, the Company did not identify material impacts from the adoption of these new standards in the six-month period ended June 30, 2018.

With respect to IFRS 9 / CPC 48 - “Financial Instruments”, in the six-month period ended June 30, 2018, the disclosure of the financial instruments (Note 6) was adjusted as follows:

(a) Financial assets and liabilities

IFRS 9 / CPC 48 - “Financial Instruments” establishes three primary classification categories for financial assets: amortized cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVTPL”).

With the effectiveness of this standard, the classification started to be based on the business model by which a financial asset is managed by its contractual cash flows.

The new standard maintained part of the requirements of the previous standard for the classification of financial liabilities. The substantial changes in the fair value classification are presented below:

- the amount corresponding to the change in the fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income; and

- the remaining amount of the change in the fair value is presented in profit or loss.

The classification of financial instruments in accordance with the new standard is presented in Note 6 - Financial instruments by category.

(i) Initial recognition and measurement

A financial asset or financial liability is measured initially at fair value plus, provided that it is not an item measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition or issue.

(ii) Classification of financial assets

Upon initial recognition, a financial asset is classified as measured at amortized cost, FVOCI or FVTPL.

A financial asset is measured at amortized cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if both of the following conditions are met:

- the asset is held within a business model whose objective is achieved through both the collection of contractual cash flows and the sale of financial assets; and

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that represent payments of principal and interest on the principal amount outstanding.

All the other financial assets are classified as measured at fair value through profit or loss.

In addition, at initial recognition, the Company may irrevocably designate a financial asset that meets the requirements to be measured at amortized cost, as FVOCI or even FVTPL. This designation has the purpose of eliminating or significantly reducing a possible accounting mismatch arising from the gains or losses produced by the respective asset measured on different bases.

(iii) Transition

The changes in accounting policies resulting from the adoption of IFRS 9 / CPC 48 have been applied since January 1, 2018 and have not had effects on the measurement of the Company's financial assets and liabilities.

4 Financial risk management objectives and policy

At June 30, 2018, there were no significant changes in financial risk policies and management in relation to those disclosed in the Company's financial statements for the year ended December 31, 2017.

4.1 Foreign exchange risk

(i) Foreign exchange exposure

Usiminas operates internationally and is exposed to foreign exchange risk arising from exposures in certain currencies, primarily with respect to the U.S. dollar and, to a lesser extent, yen and euro. Foreign exchange risk arises from recognized assets and liabilities and net investments in foreign operations.

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Assets in foreign currency				
Cash and cash equivalents	13,639	939	168,004	1,478,473
Marketable securities	-	775,665	9,209	8,428
Trade receivables	182,763	182,137	232,363	297,966
Advances to suppliers	3,701	4,042	4,575	5,404
	200,103	962,783	414,151	1,790,271
Liabilities in foreign currency				
Borrowings	(1,265,585)	(1,157,250)	(1,265,585)	(1,747,954)
Trade payables, contractors and freight charges	(179,197)	(201,202)	(181,271)	(219,628)
Advances from customers	(7,705)	(12,385)	(11,371)	(13,699)
Other payables	(22,211)	(18,163)	(22,207)	(18,159)
	(1,474,698)	(1,389,000)	(1,480,434)	(1,999,440)
Total currency exposure	(1,274,595)	(426,217)	(1,066,283)	(209,169)

(ii) Sensitivity analysis - foreign exchange risk arising from assets and liabilities denominated in foreign currency

The Company prepares a sensitivity analysis of outstanding assets and liabilities denominated in foreign currency at the end of the period, considering the foreign exchange rate at June 30, 2018. Scenario I considered a depreciation of the Brazilian real by 5% when compared to the current scenario. Scenarios II and III were stressed based on factors of 25% and 50%, respectively, on the amount of the foreign currency at June 30, 2018.

The currencies used in the sensitivity analysis and their related scenarios are shown below:

				6/30/2018
Currency	Foreign exchange rate at the end of the period	Scenario I	Scenario II	Scenario III
US$	3.8558	4.0486	4.8198	5.7837
EUR	4.5032	4.7284	5.6290	6.7548
YEN	0.03483	0.0366	0.0435	0.0522

Effects on the finance result, considering Scenarios I, II and III, are shown below:

	Consolidated		
	6/30/2018		
Currency	Scenario I	Scenario II	Scenario III
US$	(50,115)	(250,573)	(501,146)
EUR	(3,197)	(15,985)	(31,971)
YEN	(2)	(13)	(25)

4.2 Cash flow or fair value interest rate risk

The interest rate risk arises from interest rates used in financial investments, borrowings and debentures.

According to Usiminas financial policy, derivative transactions are intended to mitigate the risk by replacing floating rates with fixed rates, or interest rates based on international indices with interest rates based on local currency indices.

(i) Composition of borrowings and debentures by type of interest rate

The composition of borrowings and debentures contracted, by type of interest rate, in current and non-current liabilities is presented as follows:

	Parent company				Consolidated			
	6/30/2018	%	12/31/2017	%	6/30/2018	%	12/31/2017	%
Borrowings								
Fixed	22,623	1	25,735	1	39,681	1	636,251	9
TJLP	336,953	6	359,896	6	336,953	6	359,896	5
LIBOR	1,127,637	19	1,032,430	17	1,127,637	19	1,032,430	16
CDI	3,325,296	57	3,549,410	58	3,325,296	57	3,549,410	54
Other	120,035	2	108,427	2	120,035	2	108,427	2
	4,932,544	85	5,075,898	84	4,949,602	85	5,686,414	86
Debentures								
CDI	889,667	15	949,365	16	889,667	15	949,365	14
	5,822,211	100	6,025,263	100	5,839,269	100	6,635,779	100

The Company operates derivative financial instrument for the management of risk related to interest rate volatility on borrowings. Overseas, borrowings are supported by contracts of the International Swaps and Derivatives Association, Inc. (ISDA), and local transactions are supported by the Master Derivative Contract (CGD).

(ii) Sensitivity analysis of changes in interest rates

The Company prepares a sensitivity analysis of outstanding assets and liabilities indexed to interest rates at the end of the period, considering the rates prevailing at June 30, 2018 for the probable scenario. Scenario I considers a 5% increase on the average interest rate applicable to the floating portion of its current debt. Scenarios II and III were stressed based on factors of 25% and 50%, respectively, on the amounts of these rates at June 30, 2018.

The rates used and their related scenarios are shown below:

				6/30/2018
Index	Rates at the end of the period (i)	Scenario I	Scenario II	Scenario III
CDI	6.4%	6.7%	8.0%	9.6%
TJLP	6.6%	6.9%	8.3%	9.9%
LIBOR	2.8%	2.9%	3.5%	4.1%

(i) Annual rates.

Effects on the finance result, considering Scenarios I, II and III, are shown below:

	Consolidated		
	6/30/2018		
Index	Scenario I	Scenario II	Scenario III
CDI	(10,596)	(52,978)	(105,956)
TJLP	(1,112)	(5,560)	(11,119)
LIBOR	(1,558)	(7,792)	(15,584)

The interest rates to which the Company is exposed, which are related to borrowings and debentures, are presented in Note 20 to the financial statements for the year ended December 31, 2017, and mainly comprise London Interbank Offered Rate (LIBOR), Long-Term Interest Rate (TJLP) and Interbank Deposit Certificate (CDI).

Derivative financial instrument linked to interest rates, contracted to minimize the impact of fluctuations in interest rates on the Company's profit or loss, was included in the sensitivity analysis of assets and liabilities.

This derivative financial instrument is summarized in Note 5.

4.3 Capital management

The objectives for managing capital are to safeguard the ability to continue as going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure at optimum costs.

Consistent with others in the industry, Usiminas monitors capital on the basis of the gearing ratio. This ratio corresponds to the net debt divided by total capital. Net debt is calculated as total borrowings and debentures, and taxes payable in installments (including current and non-current transactions, as shown in the consolidated balance sheet) less cash and cash equivalents and marketable securities. Total capital is calculated as equity as shown in the consolidated balance sheet plus net debt.

We present below the calculation of the gearing ratio considering net debt as a percentage of total capital.

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Total borrowings, debentures and taxes payable in installments	5,826,188	6,032,889	5,843,248	6,656,273
Cash and cash equivalents and marketable securities	(322,108)	(778,799)	(1,103,612)	(2,314,288)
Net debt	5,504,080	5,254,090	4,739,636	4,341,985
Total equity	13,865,802	13,774,795	15,255,126	15,183,964
Total capital	19,369,882	19,028,885	19,994,762	19,525,949
Gearing ratio	28%	28%	24%	22%

5 Derivative financial instruments

The Company carries out swap transaction with the objective of hedging against and specially managing risks inherent to interest rates. This transaction aim at reducing the volatility of interest rates on its borrowings. The Company does not transact financial instruments for speculative purposes. The Company does not settle its transactions prior to their respective original maturities and does not prepay its derivative financial instruments.

As of June 30, 2018, the transaction with derivative financial instruments may be summarized as follows:

(a) Parent company and Consolidated

	Maturity range MM/YY	INDEX		NOTIONAL AMOUNT (contracted amount)				FAIR (MARKET) VALUE - BOOK VALUE		Profit/Loss for the period
		6/30/2018		6/30/2018		12/31/2017		6/30/2018	12/31/2017	6/30/2018
		Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset (liability) position	Asset (liability) position	Gain (loss)
RATE AND FOREIGN EXCHANGE HEDGES (SWAP)										
Bradesco	Apr/15 to Apr/25	TR + 9.8000% p.a.	95.00% of the CDI rate	R$ 59,000	R$ 59,000	R$ 59,000	R$ 59,000	1,693	1,196	511
									Financial gain/loss in the period	511
								1,693	1,196	
								Book balance (net asset position - liability position)		

The book balances of the derivative financial instruments are described below:

	Parent company and Consolidated	
	6/30/2018	12/31/2017
Current assets	272	12
Non-current assets	1,421	1,184
	1,693	1,196

	Parent company		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
In finance result	511	35,021	511	598

6 Financial instruments by category

(a) Parent company

	6/30/2018			12/31/2017			
	Amortized cost	Assets measured at fair value through profit or loss	Total	Loans and receivables	Assets measured at fair value through profit or loss	Held to maturity	Total
Assets							
Cash and cash equivalents	318,066	-	318,066	2,046	1,076	-	3,122
Marketable securities	-	4,042	4,042	-	12	775,665	775,677
Trade receivables	1,540,089	-	1,540,089	1,211,481	-	-	1,211,481
Financial instruments - swap	-	1,693	1,693	-	1,196	-	1,196
Other asset financial instruments (excluding prepayments)	290,393	-	290,393	431,547	-	-	431,547
	2,148,548	5,735	2,154,283	1,645,074	2,284	775,665	2,423,023

	6/30/2018	12/31/2017
	Other financial liabilities	Other financial liabilities
Liabilities		
Borrowings and debentures	5,822,211	6,025,263
Trade payables, contractors and freight charges	1,023,308	875,399
Notes payable - Forfaiting	468,171	475,251
	7,313,690	7,375,913

(b) Consolidated

	6/30/2018			12/31/2017		
	Amortized cost	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	578,562	-	578,562	1,494,318	276,255	1,770,573
Marketable securities	-	525,050	525,050	-	543,715	543,715
Trade receivables	1,880,238	-	1,880,238	1,686,952	-	1,686,952
Financial instruments - swap	-	1,693	1,693	-	1,196	1,196
Other asset financial instruments (excluding prepayments)	319,177	-	319,177	461,681	-	461,681
	2,777,977	526,743	3,304,720	3,642,951	821,166	4,464,117

	6/30/2018	12/31/2017
	Other financial liabilities	Other financial liabilities
Liabilities		
Borrowings and debentures	5,839,269	6,635,779
Trade payables, contractors and freight charges	1,086,263	976,917
Notes payable - Forfaiting	468,171	475,251
	7,393,703	8,087,947

7 Cash and cash equivalents

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Bank accounts	19,344	1,107	27,750	15,845
Bank accounts abroad	13,639	939	168,004	91,854
Bank Deposit Certificates (CDB) and repurchase agreements	285,083	1,076	382,808	276,255
Time deposits abroad	-	-	-	1,386,619
	318,066	3,122	578,562	1,770,573

Financial investments in Bank Deposit Certificates (CDB) and repurchase agreements have immediate liquidity and earn on average 99.95% (December 31, 2017 - 100.07%) of the CDI rate in the Parent company and 99.11% (December 31, 2017 - 100.41%) of the CDI rate in Consolidated.

As of December 31, 2017, the amount of R$1,386,619 presented in the consolidated accounts refers to the investment in time deposits made by the foreign subsidiary Usiminas Commercial related to the prepayment by Usiminas on December 15, 2017 related to Eurobonds issued in 2008 by the subsidiary and that had been loaned to the Company. On January 18, 2018, the foreign subsidiary Usiminas Commercial paid the full amount of Eurobonds to their respective creditors.

At June 30, 2018, Usiminas does not have overdraft accounts.

8 Marketable securities

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Bank Deposit Certificates (CDB)	-	-	511,528	534,768
Financial investments abroad	-	-	9,209	8,428
Eurobonds	-	775,665	-	-
Other investments	4,042	12	4,313	519
	4,042	775,677	525,050	543,715

Financial investments in Bank Deposit Certificates (CDB) earn on average 99.11% (December 31, 2017 - 100.41%) of the CDI rate in Consolidated.

None of these financial assets is either past due or impaired.

As of December 31, 2017, the amount of R$775,665 in the Parent company refers to a portion of approximately US$220 million of the Eurobonds held by the Company, originally issued in 2008 by the foreign subsidiary Usiminas Commercial. On January 18, 2018, as a result of the maturity of the Eurobonds, this amount was added to the Company's cash. In the semester ended June 30, 2018, the resources related to this transaction were consumed in the Company´s operational cash flow.

9 Trade receivables

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Trade receivables:				
In local currency	1,109,621	954,817	1,735,521	1,485,132
In foreign currency	175,479	181,277	225,079	299,862
Provision for impairment of trade receivables (i)	(110,134)	(108,544)	(148,913)	(145,526)
Trade receivables, net	1,174,966	1,027,550	1,811,687	1,639,468
Receivables from related parties				
In local currency	353,325	180,402	56,753	46,711
In foreign currency	11,798	3,529	11,798	773
Receivables from related parties	365,123	183,931	68,551	47,484
	1,540,089	1,211,481	1,880,238	1,686,952
Current assets	1,454,681	1,127,029	1,747,824	1,555,494
Non-current assets	85,408	84,452	132,414	131,458

(i) Out of the total provision for impairment of trade receivables in the Parent company and Consolidated accounts, the balance of R$4,514 (R$2,669 - December 31, 2017) refers to trade receivables denominated in foreign currency.

The ageing analysis of trade receivables was as follows:

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Amounts not yet due	1,236,104	1,042,201	1,689,675	1,481,810
Amounts past due:				
Up to 30 days	234,918	103,377	115,156	85,026
From 31 to 60 days	7,105	1,460	1,828	1,428
From 61 to 90 days	984	4	2,683	1,361
From 91 to 180 days	4,593	1,896	5,801	3,904
Over 181 days	166,519	171,087	214,008	258,949
(-) Provision for impairment of trade receivables	(110,134)	(108,544)	(148,913)	(145,526)
	1,540,089	1,211,481	1,880,238	1,686,952

At June 30, 2018, trade receivables amounting to R$303,985 in the Parent company and R$190,563 in Consolidated were past due but not impaired (December 31, 2017 - R$169,280 and R$205,142, respectively). These relate to a number of independent customers for which there is no recent history of default, or the outstanding balances of which are supported by guarantees.

Trade receivables, net of the provision for impairment of trade receivables, are denominated in the following currencies:

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Brazilian real	1,357,326	1,029,344	1,647,875	1,388,986
U.S. dollar	178,564	175,804	228,164	291,633
Euro	4,199	6,333	4,199	6,333
	1,540,089	1,211,481	1,880,238	1,686,952

Changes in the provision for impairment of trade receivables were as follows:

	Parent company	Consolidated
Balance as of December 31, 2017	(108,544)	(145,526)
Additions to profit or loss	(1,208)	(3,104)
Write-off against trade receivables	255	354
Foreign exchange variation	(637)	(637)
Balance as of June 30, 2018	(110,134)	(148,913)

The additions to and release of the provision for impairment of trade receivables have been included in “Selling expenses” in the statement of income. Usiminas does not hold any collateral for trade receivables.

10 Inventories

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Current assets				
Finished products	754,174	562,902	843,819	667,178
Work in progress	834,200	749,839	835,778	756,195
Raw materials	566,725	385,305	1,007,805	701,609
Supplies and spare parts	518,665	499,492	575,875	554,467
Imports in transit	185,995	85,012	186,013	85,148
Provision for losses (i)	(76,846)	(123,938)	(90,352)	(136,858)
Other	139,598	137,795	136,241	135,757
	2,922,511	2,296,407	3,495,179	2,763,496
Non-current assets				
Work in progress (ii)	-	-	41,725	39,037
	2,922,511	2,296,407	3,536,904	2,802,533

(i) Refers to losses related to fair value adjustments and obsolescence of certain inventories.
(ii) Refers to inventories of products of the subsidiary Mineração Usiminas that are expected to be realized in more than 12 months.

11 Taxes recoverable

	Parent company			
	6/30/2018		12/31/2017	
	Current	Non-current	Current	Non-current
Social Integration Program (PIS)	12,788	-	3,527	-
Social Contribution on Revenues (COFINS)	58,686	-	15,387	-
Value-added Tax on Sales and Services (ICMS)	36,261	17,718	56,639	19,291
Excise Tax (IPI)	24,924	-	24,453	-
Export credit - Reintegra	12,913	-	21,170	-
Brazilian Foreign Trade Department of Banco do Brasil (Cacex)	-	8,003	-	11,631
	145,572	25,721	121,176	30,922

	Consolidated			
	6/30/2018		12/31/2017	
	Current	Non-current	Current	Non-current
PIS	17,204	14	4,760	18
COFINS	78,757	62	21,013	85
ICMS	64,561	45,205	78,090	42,992
IPI	40,991	-	31,480	-
Export credit - Reintegra	12,913	-	21,170	-
National Institute of Social Security (INSS) recoverable	20,551	-	19,654	-
Cacex	-	8,003	-	11,631
Other	1,521	155	684	155
	236,498	53,439	176,851	54,881

12 Income tax and social contribution

(a) Taxes on profit

The amounts of income tax and social contribution on net income differ from the theoretical value that would be obtained by using the nominal rates of such taxes, applicable to profit or loss before taxation, in the Parent company and Consolidated accounts, as shown below:

	Parent company		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Profit before income tax and social contribution	120,115	218,324	194,806	377,805
Nominal rates	34%	34%	34%	34%
Taxes on profit at nominal rates	(40,839)	(74,230)	(66,234)	(128,454)
Adjustments to determine taxes on profit:				
Equity in the results of investees (i)	40,979	76,686	24,648	17,801
Interest on capital (ii)	(13,824)	(20,403)	5,925	8,503
Permanent exclusions (additions)	709	5,267	(10,159)	8,155
Unrecognized tax credits	-	330	-	1,117
Tax incentives	795	-	795	(899)
Non-taxable income and rate differences of foreign subsidiaries	-	-	(11,646)	-
Taxes on profit	(12,180)	(12,350)	(56,671)	(93,777)
Current	(43,852)	(17,859)	(73,218)	(80,733)
Deferred	31,672	5,509	16,547	(13,044)
Taxes on profit in the statement of income	(12,180)	(12,350)	(56,671)	(93,777)
Income tax	(8,742)	(8,991)	(46,120)	(71,969)
Social contribution	(3,438)	(3,359)	(10,551)	(21,808)
Effective rates	10%	6%	29%	25%

(i) Net of unrealized profits on inventories.
(ii) In the Parent company, it refers to the receipt of interest on capital. In Consolidated, it refers to the payment of interest on capital by non-controlling interests.

There are no current tax items presented in equity in this interim accounting information.

(b) Deferred income tax and social contribution

Changes in deferred income tax and social contribution, net, for the six-month period ended June 30, 2018, were as follows:

	Assets	
	Parent company	Consolidated
At December 31, 2017	1,954,760	3,046,112
Deferred taxes in the statement of income, net	31,672	16,547
Deferred taxes in comprehensive income (actuarial liabilities)	12,746	12,746
Other	-	(12,868)
At June 30, 2018	1,999,178	3,062,537

The composition of deferred income tax and social contribution assets and liabilities is shown below:

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Deferred assets arising from income tax and social contribution losses	2,342,216	2,361,356	2,469,692	2,529,167
Deferred assets arising from temporary differences	942,907	868,572	1,931,202	1,844,496
Deferred liabilities arising from temporary differences	(325,464)	(314,687)	(353,295)	(342,489)
Unrecognized deferred income tax and social contribution	(960,481)	(960,481)	(985,062)	(985,062)
	1,999,178	1,954,760	3,062,537	3,046,112

In the six-month period ended June 30, 2018, the Company had deferred income tax and social contribution that were not recognized in the interim accounting information in the amounts of R$960,481 in the Parent company and R$985,062 in Consolidated (December 31, 2017 - R$960,481 and R$985,062, respectively), arising from the expectation of not using these credits for the next 10 years. The Company's management will continue to monitor the tax credits related to income tax and social contribution, which may be recorded as soon as their use is considered probable.

According to the projections approved by the Company's management and the balance of deferred income tax assets (tax losses and temporary differences) at June 30, 2018, the expected realization of the taxes was as follows:

	Parent company	Consolidated
2018	160,795	187,126
2019	189,823	250,628
2020	202,800	270,972
2021	217,411	256,376
2022	264,900	292,237
2023 to 2025	760,954	1,000,057
2026 to 2028	785,018	1,187,364
2029 to 2031	703,422	753,808
After 2032 (i)	-	202,326
Total	3,285,123	4,400,894
Unrecognized tax credits	(960,481)	(985,062)
Assets	2,324,642	3,415,832
Liabilities	(325,464)	(353,295)
Net position	1,999,178	3,062,537

(i) In Consolidated, the amounts substantially refer to tax credits arising from goodwill on merger, determined by Mineração Usiminas. These tax credits have been used based on the expected useful lives of the mines, the total depletion of which is estimated for 2053.

The recognition of tax assets is based on a study of the expected future taxable income, reviewed by the Statutory Audit Board and approved by the Board of Directors of the Company. The study to determine the expected future taxable income adopts the same data and assumptions as those adopted in the impairment test of assets (Note 16).

As the income tax and social contribution taxable bases arise not only from the profit that may be generated, but also from the existence of non-taxable income, non-deductible expenses, tax incentives and other variables, there is no immediate correlation between the Company's profit and the income subject to income tax and social contribution. Accordingly, the projected tax credit offsets should not be considered as the only indication of the future profitability of Usiminas.

13 Judicial deposits

At June 30, 2018, changes in judicial deposits were as follows:

	Parent company	Consolidated
At December 31, 2017 (i)	713,763	872,492
Additions (ii)	19,001	94,707
Interest/restatements	5,723	8,031
Reversals (ii)	(10,611)	(81,133)
Subtotal	727,876	894,097
(-) Offset against taxes payable in installments	(196,892)	(196,892)
At June 30, 2018	530,984	697,205

(i) To the judicial deposits presented in the balance sheet, the amount of R$196,892 must be added, related to the offset of taxes payable in installments.

(ii) In the consolidated, the amounts refer mainly to additions and reversals in the subsidiary Soluções Usiminas, related to civil litigation.

14 Investments

(a) Changes in investments

(i) Parent company

	12/31/2017	Equity in the results of investees (i)	Interest on capital and dividends	Unrealized profits in inventories	Other	6/30/2018
Subsidiaries						
Mineração Usiminas	2,436,387	45,461	(108,474)	-	11	2,373,385
Soluções Usiminas	656,826	24,737	(7,882)	(44,172)	-	629,509
Usiminas Commercial	3,777	(3,777)	-	-	-	-
Usiminas Europa	114,845	(1,480)	-	-	-	113,365
Usiminas International	34,434	5,123	-	-	-	39,557
Usiminas Mecânica	442,224	1,503	-	(1,623)	-	442,104
Usiminas Participações e Logística S.A. (UPL)	69,678	4,030	(1,628)	-	3	72,083
	3,758,171	75,597	(117,984)	(45,795)	14	3,670,003
Jointly-controlled subsidiaries						
Unigal	579,991	62,066	-	-	-	642,057
Usiroll	9,873	729	-	-	-	10,602
	589,864	62,795	-	-	-	652,659
Associates						
Codeme	30,873	(19,231)	-	-	-	11,642
MRS	9,895	646	(318)	-	-	10,223
	40,768	(18,585)	(318)	-	-	21,865
	4,388,803	119,807	(118,302)	(45,795)	14	4,344,527

(i) In the equity in the results of investees presented in the statements of income and cash flows of the Parent company, which totals R$74,733 when compared to the income of R$119,807 disclosed in changes in investments, results related to net capital deficiency of the subsidiary Rios Unidos totaling R$721 and unrealized profit on inventories of R$45,795 determined in the subsidiaries Soluções Usiminas and Usiminas Mecânica must be considered.

(ii) Consolidated

	12/31/2017	Equity in the results of investees	Interest on capital and dividends	Other	6/30/2018
Jointly-controlled subsidiaries					
Modal	2,672	1,329	(1,652)	-	2,349
Unigal	579,991	62,066	-	-	642,057
Usiroll	9,873	729	-	-	10,602
Goodwill on jointly-controlled subsidiaries	14,201	-	-	-	14,201
	606,737	64,124	(1,652)	-	669,209
Associates					
Codeme	30,873	(19,231)	-	-	11,642
MRS	404,246	26,329	(12,984)	18	417,609
Paraopeba Terminal	902	(3)	-	-	899
Sarzedo Terminal	1,459	1,309	(1,400)	-	1,368
Other	2,635	(33)	-	-	2,602
Goodwill on associates	7,200	-	-	-	7,200
	447,315	8,371	(14,384)	18	441,320
Total	1,054,052	72,495	(16,036)	18	1,110,529

15 Property, plant and equipment

Changes in property, plant and equipment were as follows:

	Parent company	Consolidated
At December 31, 2017	11,192,811	12,882,618
Additions	106,395	124,312
Disposals	(27,034)	(27,110)
Depreciation	(414,887)	(498,542)
Interest and monetary/foreign exchange variations capitalized (i)	2,433	2,433
Transfers from Intangible assets	1,639	852
Offset of advances to suppliers	(737)	(737)
Other	308	470
At June 30, 2018	10,860,928	12,484,296

(i) These charges were capitalized at the contracted rates, which are described in Note 20 to the financial statements for the year ended December 31, 2017.

In the six-month period ended June 30, 2018, additions to property, plant and equipment refer mainly to resuming of operations of the blast furnace no. 1 at the Ipatinga plant (MG), as well as other investments to maintain the productive capacity.

At June 30, 2018, interest and foreign exchange variation were capitalized on borrowings in property, plant and equipment, at an amount of R$2,433 in the Parent company and in Consolidated.

At June 30, 2018, depreciation in the Parent company was recognized in “Cost of sales”, “Selling expenses” and “General and administrative expenses”, in the amounts of R$408,550, R$1,561 and R$4,776 (June 30, 2017 - R$422,426, R$1,562 and R$6,150), respectively. In Consolidated, depreciation was recognized in “Cost of sales”, “Selling expenses” and “General and administrative expenses” in the amounts of R$489,396, R$2,088 and R$7,058 (June 30, 2017 - R$520,595, R$2,215 and R$8,757), respectively.

Certain property, plant and equipment items are pledged as collateral for borrowings and judicial proceedings (Note 31).

16 Impairment of non-financial assets

For calculation of the recoverable amount of each business segment, Usiminas uses the discounted cash flow method based on the economic and financial projections of each segment. The projections take into consideration the changes observed in the economic scenario of the markets in which the companies operate, as well as assumptions of expected results and the history of profitability of each segment.

During the six-month period ended June 30, 2018, management monitored the behavior of the main assumptions used in the impairment tests carried out at December 31, 2017 (as described in Note 17 to the financial statements at December 31, 2017), as well as the macroeconomic context of each business segment. This monitoring did not identify the need for change in the assumptions used in the preparation of these impairment tests. Management will continue to monitor the key assumptions of each business segment, and the results in 2018, which will indicate the reasonableness of the future projections used.

17 Intangible assets

Changes in intangible assets in the six-month period ended June 30, 2018, can be summarized as follows:

	Parent company	Consolidated
At December 31, 2017	186,666	677,190
Additions	6,930	7,330
Amortization	(11,363)	(14,894)
Transfers to PP&E	(1,639)	(852)
Other	(4)	(4)
At June 30, 2018	180,590	668,770

18 Borrowings and debentures

(a) Covenants

With respect to financial covenants, as presented in Note 20.1 (a) of the financial statements for the year ended December 31, 2017, the Company is required to comply with the following indices, calculated on an individual basis (Parent company) as from June 2019. In relation to the non-financial covenants established in the debt instruments, the Company has monitoring controls and, for the six-month period ended June 30, 2018, no breaches of these covenants were found.

(b) Cash sweep

After the renegotiation of its debt, the Company is subject to the cash sweep mechanism, to be measured at June 30 and December 31 of each year. In such measurements, excluding certain liquidity events, the Company evaluates if there is a cash surplus exceeding the established limits for the cash sweep. Therefore, in case of a cash surplus, the Company is required to distribute to its creditors on a pro-rata basis, for the early repayment of the principal amount, interest and other charges payable under these instruments.

For the semester ended June 30, 2018, the Company did not determine any cash surplus.

(c) Borrowings

Changes in borrowings were as follows:

	Parent company	Consolidated
At December 31, 2017	5,075,898	5,686,414
Accrued charges	166,100	168,127
Monetary variation	44,966	45,119
Foreign exchange variation	179,555	164,612
Payment of interest	(214,579)	(235,555)
Repayment of principal	(326,615)	(886,334)
Deferral of commissions	7,219	7,219
At June 30, 2018	4,932,544	4,949,602
Current liabilities	12,524	17,267
Non-current liabilities	4,920,020	4,932,335

The amounts recorded in non-current liabilities have the following composition, by maturity year:

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
2019	63,227	66,368	65,726	70,943
2020	346,159	332,197	350,066	336,104
2021	649,244	624,370	652,391	627,517
2022	938,438	903,198	941,169	905,928
2023	938,740	903,787	938,767	906,446
2024 to 2026	1,984,212	1,911,510	1,984,216	1,911,530
	4,920,020	4,741,430	4,932,335	4,758,468

(d) Debentures

At June 30, 2018, changes in debentures were as follows:

	Parent company and Consolidated
At December 31, 2017	949,365
Accrued charges	36,091
Monetary variation	6,589
Payment of interest	(42,712)
Repayment of principal	(60,341)
Deferral of commissions	675
At June 30, 2018 (i)	889,667
Current liabilities	1,910
Non-current liabilities	887,757

(i) Balance presented net, after deducting the amount of R$7,142 related to the deferral of transaction costs, in accordance with Technical Pronouncement CPC 08 - Transaction Costs and Premiums on Issue of Securities.

At June 30, 2018, the charges of R$1,910 on the debentures are recorded in current liabilities (December 31, 2017 - R$1,942).

At June 30, 2018, after the renegotiation of the Company's debts, the amount of R$893,549 relates to the principal balance of debentures, with annual maturities from 2019 to 2026.

The amounts recorded in non-current liabilities have the following composition, by maturity year:

	Parent company and Consolidated	
	6/30/2018	12/31/2017
2019	11,776	11,692
2020	61,776	61,692
2021	116,776	116,692
2022	169,276	169,192
2023	169,276	169,192
2024 to 2026	358,877	358,874
	887,757	887,334

19 Taxes payable

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
ICMS	27,854	42,606	33,238	49,319
IPI	23,749	18,369	27,671	21,168
Withholding Income Tax (IRRF)	4,381	6,793	5,615	8,353
Services Tax (ISS)	1,285	1,046	3,795	3,321
PIS and COFINS	14,617	1,998	15,645	4,231
Financial Compensation for Mineral Resources Exploration (CFEM)	-	-	4,109	4,701
Other	708	1,781	2,002	3,996
	72,594	72,593	92,075	95,089

20 Taxes payable in installments

Changes in the balance of taxes payable in installments were as follows:

	Parent company	Consolidated
At December 31, 2017 (i)	204,518	217,386
Additions	-	3
Provision for interest	109	109
Payment utilizing tax losses (ii)	-	(12,868)
Offset against securities issued to cover court-ordered debts – Law 11,941	(3,627)	(3,627)
Repayment of principal	(131)	(132)
Subtotal	200,869	200,871
Balance of judicial deposit offset	(196,892)	(196,892)
At June 30, 2018 (iii)	3,977	3,979

(i) To the amount of taxes payable in installments presented in the balance sheet, R$196,892 must be added in the Parent company and in Consolidated, related to the offset of judicial deposits.
(ii) Payment based on the enrollment in the Special Tax Settlement Program (PERT).
(iii) The balance in the Parent company substantially comprises IPI. The balance in Consolidated, in addition to the IPI of the Parent company, comprises social security debts.

21 Provision for litigation

	Parent company					
	6/30/2018			12/31/2017		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
ICMS (i)	133,253	-	133,253	58,490	-	58,490
Labor	315,787	(122,496)	193,291	294,962	(110,478)	184,484
Civil	88,982	(27,763)	61,219	128,472	(30,660)	97,812
	538,022	(150,259)	387,763	481,924	(141,138)	340,786

	Consolidated					
	6/30/2018			12/31/2017		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
INSS	716	-	716	54	(54)	-
ICMS (i)	163,924	-	163,924	86,941	(1,121)	85,820
PIS/COFINS	1,883	-	1,883	-	-	-
Labor	415,893	(122,496)	293,397	391,641	(145,652)	245,989
Civil	100,011	(97,048)	2,963	150,562	(33,394)	117,168
Other	37,046	(30,029)	7,017	39,766	(34,234)	5,532
	719,473	(249,573)	469,900	668,964	(214,455)	454,509

(i) The Company is a party to proceedings relating to assessment notices issued by the tax authorities of the State of Rio Grande do Sul, as a result of the supposed misappropriation of ICMS credits. In the six-month period ended June 30, 2018, the Company recorded a provision in the amount of R$73.156.

The Company also has judicial deposits recorded in non-current assets, for which there are no related provisions (Note 13).

At June 30, 2018, changes in the provisions for litigation were as follows:

	Parent company	Consolidated
At December 31, 2017	481,924	668,964
Additions	128,771	130,658
Interest/restatements	47,074	50,683
Payments/reductions	(103,579)	(105,671)
Reversals	(16,168)	(25,161)
At June 30, 2018	538,022	719,473

The provisions for litigation were recorded to cover probable losses arising from administrative proceedings and litigation relating to tax, labor, civil and environmental matters, in amounts considered sufficient by Management, based on the advice and assessment of internal and external legal advisors.

(a) Possible loss contingencies

In the six-month period ended June 30, 2018, Usiminas was the defendant in proceedings involving risks of losses classified as possible by management, based on the opinion of its legal advisors, amounting to R$8,478,374 (December 31, 2017 - R$6,666,559). At June 30, 2018, the mentioned proceedings, for which no provision was recorded, related to civil matters - R$3,578,385; environmental matters - R$17,194; labor matters - R$731,583; and tax matters - R$4,151,212 (December 31, 2017 - civil matters - R$2,606,904; environmental matters - R$16,362; labor matters - R$587,987 and tax matters - R$3,455,306).

(b) Contingent assets

The main proceedings in which the Company is the plaintiff as of June 30, 2018 are as follows:

(i) Compulsory loan - Eletrobrás

The Company is the plaintiff in a lawsuit claiming the receipt of the full amount paid by Usiminas related to its Cubatão and Ipatinga branches to Eletrobrás, as a compulsory loan, in accordance with the legislation criteria in force at the time the tax was paid.

A final and unappealable decision was rendered with respect to the action relating to the Cubatão branch. In June 2016, the Company filed for liquidation by determination, with the immediate appointment of a forensic expert. At June 30, 2018, the amount in dispute totaled R$815,760.

A final and unappealable decision was rendered with respect to the action relating to the Ipatinga branch. In August 2016, the Company filed a petition for liquidation by determination. The Company is waiting for the completion of the expert inspection of the records, which is in progress. At June 30, 2018, the amount in dispute totaled R$1,357,094.

(ii) PIS and COFINS - Imports

The Company was the plaintiff in a proceeding claiming the unconstitutionality of the inclusion of ICMS and the contributions themselves in the calculation bases of PIS and COFINS on Imports. The final and unappealable decision issued in August 2015 recognized the right to offset the amounts effectively overpaid. The Company had the credits approved by the Federal Revenue Office. Of the total amount, R$738,407 was offset up to December 31, 2017. During the six-month period ended June 30, 2018, the amount offset totaled R$44,777.

(iii) ICMS in the calculation bases of PIS and COFINS

In May 2018, a final and unappealable decision was issued on the petition for writ of mandamus filed by the Company in 2010, which challenged the inclusion of ICMS in the calculation bases of PIS and COFINS. After the favorable outcome for the Company, amounts related to the taxes improperly paid in the period from June 2005 to December 2014 may be recovered. Accordingly, the Company is evaluating, together with its external legal advisors, the updated amount, as well as the necessary procedures to initiate its offset against federal taxes payable. There is no effect of this decision on the interim accounting information at June 30, 2018.

22 Retirement benefit obligations

The amounts and information on retirement benefit obligations were as follows:

	Parent company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Balance sheet obligations for:				
Pension benefits	587,720	648,860	587,720	648,860
Post-employment medical benefits	420,444	401,464	420,444	401,464
	1,008,164	1,050,324	1,008,164	1,050,324

	Parent company		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Income (expenses) recognized in the statement of income related to:				
Pension benefits	13,175	3,886	13,175	3,886
Post-employment medical benefits	(18,980)	(18,138)	(18,980)	(18,435)
	(5,805)	(14,252)	(5,805)	(14,549)

At June 30, 2018, the changes in actuarial gains and losses recognized in other comprehensive income were as follows:

	Parent company	Consolidated
Actuarial losses recognized directly in other comprehensive income	(89,788)	(89,775)
Actuarial gains on debts contracted and directly recognized in other comprehensive income - CPC 33 and IFRIC 14	8,884	8,884
Decrease in assets (asset ceiling) in other comprehensive income - paragraph 58, CPC 33 and IAS 19	56,157	56,157
Accumulated actuarial losses recognized in other comprehensive income (i)	(24,747)	(24,734)

(i) At June 30, 2018, total balance in the Parent company includes the amount of R$13 related to actuarial gains (losses) of ubsidiaries and jointly-controlled subsidiaries, recorded by the equity method of accounting.

Changes in retirement benefit obligations

In line with CPC 33 (R1) and IAS 19, the actuarial study carried out by an independent actuary as of December 31, 2017 presented liabilities totaling R$1,050,324. Changes in retirement benefit obligations are presented below:

	Parent company	Consolidated
At December 31, 2017	1,050,324	1,050,324
Amortization	(85,460)	(85,446)
Amounts recognized in the statement of income	5,805	5,805
Actuarial losses recognized directly in other comprehensive income	37,495	37,481
At June 30, 2018	1,008,164	1,008,164

23 Equity

(a) Capital

At June 30, 2018, the Company's capital is R$13,200,295, comprising 1,253,079,108 book entry shares with no par value, of which 705,260,684 common shares; 547,749,823 Class A preferred shares and 68,601 Class B preferred shares, as shown below:

	Common shares	Class A Preferred shares	Class B Preferred shares	Total
Total shares at December 31, 2017	705,260,684	547,740,661	77,763	1,253,079,108
Transfers	-	9,162	(9,162)	-
Total shares at June 30, 2018	705,260,684	547,749,823	68,601	1,253,079,108
Total treasury shares	(2,526,656)	(21,287,435)	-	(23,814,091)
Total shares except treasury stock	702,734,028	526,462,388	68,601	1,229,265,017

(b) Reserves

At June 30, 2018, there were no changes in the nature and conditions of reserves in relation to those described in Note 27 (b) to the Company's financial statements for the year ended December 31, 2017. Therefore, management decided not to repeat this disclosure in this interim accounting information.

24 Segment reporting

Usiminas has four reportable operating segments, which offer different products and services and are managed separately. These segments are determined based on different legal entities and there are no different segments within the same company.

The following summary describes the main operations of each of the reportable segments of Usiminas:

Reportable segments	Operations
Mining and logistics	Extraction and processing of iron ore as pellet feed, sinter feed and granulated iron ore. Storage, handling, transport of cargo and operation of highway and railway cargo terminals. The sales of iron ore are mainly intended for the steel segment.
Steelworks	Manufacture and sale of steel products. A portion of the sales is for the steel transformation and capital goods segments.
Steel transformation	Transformation and distribution of steel products.
Capital goods	Manufacture of equipment and installations for several industries.

Management reviews the internal managerial reports for each segment periodically.

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

							6/30/2018
	Mining and logistics	Steelworks	Steel transformation	Capital goods	Subtotal	Eliminations and adjustments	Total
Revenue	453,964	5,926,925	1,473,439	214,893	8,069,221	(1,620,954)	6,448,267
Cost of sales	(318,856)	(4,849,837)	(1,377,144)	(184,799)	(6,730,636)	1,477,257	(5,253,379)
Gross profit (loss)	135,108	1,077,088	96,295	30,094	1,338,585	(143,697)	1,194,888
Operating expenses	(87,803)	(423,885)	(46,094)	(26,853)	(584,635)	(5,095)	(589,730)
Selling expenses	(44,371)	(75,719)	(21,050)	(6,380)	(147,520)	(2,292)	(149,812)
General and administrative expenses	(13,263)	(162,829)	(28,029)	(18,267)	(222,388)	6,699	(215,689)
Other income (expenses)	(57,158)	(242,483)	2,985	(2,173)	(298,829)	2,105	(296,724)
Share of results of investees, jointly-controlled subsid-iaries and associates	26,989	57,146	-	(33)	84,102	(11,607)	72,495
Operating (loss) profit	47,305	653,203	50,201	3,241	753,950	(148,792)	605,158
Finance result	25,153	(437,172)	5,843	(346)	(406,522)	(3,830)	(410,352)
Profit (loss) before income tax and social contribution	72,458	216,031	56,044	2,895	347,428	(152,622)	194,806
Income tax and social contribution	(5,020)	(77,872)	(20,129)	(1,392)	(104,413)	47,742	(56,671)
Profit (loss) for the year	67,438	138,159	35,915	1,503	243,015	(104,880)	138,135
Attributable to							
Controlling interests	48,416	138,159	24,737	1,503	212,815	(104,880)	107,935
Non-controlling interests	19,022	-	11,178	-	30,200	-	30,200
Assets	3,995,905	23,340,156	1,649,257	666,657	29,651,975	(4,332,607)	25,319,368
Total assets include:							
Investments in associates (except goodwill and investment properties)	409,653	21,928	-	2,539	434,120	-	434,120
Additions to non-current assets (except financial instruments and deferred tax assets)	10,084	132,714	79,551	4,388	226,737	(388)	226,349
Current and non-current liabilities	445,299	9,380,413	538,292	217,907	10,581,911	(517,669)	10,064,242

	6/30/2017						
	Mining and logistics	Steelworks	Steel transformation	Capital goods	Subtotal	Eliminations and adjustments	Total
Revenue	197,487	4,676,297	1,156,700	163,094	6,193,578	(1,273,255)	4,920,323
Cost of sales	(106,181)	(3,908,679)	(1,060,607)	(157,318)	(5,232,785)	1,175,427	(4,057,358)
Gross profit (loss)	91,306	767,618	96,093	5,776	960,793	(97,828)	862,965
Operating (expenses)/income	136,177	(200,644)	(47,912)	(23,705)	(136,084)	(123,201)	(259,285)
Selling expenses	(6,103)	(79,034)	(24,282)	(6,115)	(115,534)	(2,261)	(117,795)
General and administrative expenses	(10,640)	(143,556)	(26,120)	(15,684)	(196,000)	6,215	(189,785)
Other income (expenses)	125,249	(128,036)	2,490	(1,876)	(2,173)	(1,890)	(4,063)
Share of results of investees, jointly-controlled subsi-diaries and associates	27,671	149,982	-	(30)	177,623	(125,265)	52,358
Operating (loss) profit	227,483	566,974	48,181	(17,929)	824,709	(221,029)	603,680
Finance result	54,217	(289,691)	5,671	5,303	(224,500)	(1,375)	(225,875)
Profit (loss) before income tax and social contribution	281,700	277,283	53,852	(12,626)	600,209	(222,404)	377,805
Income tax and social contribution	(56,516)	(52,000)	(15,714)	4,175	(120,055)	26,278	(93,777)
Profit (loss) for the year	225,184	225,283	38,138	(8,451)	480,154	(196,126)	284,028
Attributable to							
Controlling interests	159,000	225,283	26,268	(8,451)	402,100	(196,126)	205,974
Non-controlling interests	66,184	-	11,870	-	78,054	-	78,054

							12/31/2017
Assets	4,221,699	23,973,135	1,437,086	631,843	30,263,763	(4,279,286)	25,984,477
Total assets include:							
Investments in associates (except goodwill and investment properties)	396,712	40,832	-	2,571	440,115	-	440,115
Additions to non-current assets (except financial instruments and deferred tax assets)	25,889	227,804	50,882	14,826	319,401	(2,868)	316,533
Current and non-current liabilities	581,960	10,146,763	350,593	184,596	11,263,912	(451,261)	10,812,651

Sales between segments were carried out at arm's length.

Billings are dispersed and the Company and its subsidiaries do not have third-party customers representing more than 10% of their billings.

25 Revenue

The reconciliation between gross and net revenue was as follows:

	Parent company		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Sales of products				
Domestic market	6,392,339	5,272,662	6,608,623	5,496,406
Foreign market	849,893	597,533	1,208,317	600,491
	7,242,232	5,870,195	7,816,940	6,096,897
Sales of services				
Domestic market	1,562	7,907	126,722	115,687
Foreign market	-	451	-	451
	1,562	8,358	126,722	116,138
Gross revenue	7,243,794	5,878,553	7,943,662	6,213,035
Deductions from revenue	(1,317,328)	(1,206,050)	(1,495,395)	(1,292,712)
Net revenue	5,926,466	4,672,503	6,448,267	4,920,323

26 Expenses by nature

	Parent company		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Depreciation, amortization and depletion	(426,250)	(529,065)	(513,436)	(634,942)
Employee benefits and expenses	(408,516)	(393,797)	(615,228)	(565,580)
Raw materials and consumables	(3,634,309)	(2,784,703)	(3,509,732)	(2,589,744)
Scheduled maintenance	(54,453)	(57,405)	(53,559)	(57,496)
Judicial charges	(6,918)	(11,314)	(10,315)	(16,699)
Distribution costs	(43,671)	(40,899)	(86,091)	(46,745)
Loss on the sale of excess electricity	(7,620)	(4,536)	(6,891)	(3,985)
Third party services	(395,316)	(350,289)	(486,991)	(416,903)
Income (expenses) in litigation, net	(112,603)	(49,335)	(102,962)	(53,155)
Result on the sale (write-off) of PP&E, intangible assets and investments	(7,270)	1,085	(7,123)	822
PIS/COFINS credits on imports (i)	28,966	119,913	28,966	119,913
Freight charges and insurance	(162,299)	(201,883)	(241,453)	(241,520)
Porto Sudeste Agreement	-	-	-	205,106
Provision for impairment of trade receivables	(953)	(13,201)	(3,104)	(20,253)
Other expenses	(195,512)	(21,235)	(307,685)	(47,820)
	(5,426,724)	(4,336,664)	(5,915,604)	(4,369,001)
Cost of sales	(4,951,540)	(3,990,366)	(5,253,379)	(4,057,358)
Selling expenses	(75,719)	(79,034)	(149,812)	(117,795)
General and administrative expenses	(157,427)	(138,870)	(215,689)	(189,785)
Other operating income (expenses), net	(242,038)	(128,394)	(296,724)	(4,063)
	(5,426,724)	(4,336,664)	(5,915,604)	(4,369,001)

(i) Refers to credits approved by the Brazilian Federal Revenue Secretariat (RFB), as described in Note 21 (b).

27 Finance result

	Parent company		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Finance income				
Interest from customers	12,472	7,756	16,810	11,438
Income from financial investments	17,708	34,836	33,775	100,356
Monetary effects	4,947	6,099	11,396	19,521
Restatement of PIS/COFINS credits on imports (i)	15,811	92,073	15,811	92,073
Restatement of judicial deposits	5,723	18,221	8,031	21,111
Realization of adjustment to present value of trade receivables	31,151	49,806	31,151	49,806
Reversal of the provision for interest on contingencies referring to litigation	9,676	2,587	10,219	2,587
Other finance income	7,706	10,521	8,077	18,691
	105,194	221,899	135,270	315,583
Finance costs				
Interest on borrowings and taxes payable in installments	(197,697)	(347,600)	(199,775)	(349,037)
Result of swap transactions	511	35,021	511	598
Monetary effects	(51,644)	(56,581)	(59,476)	(64,558)
PIS/COFINS on interest on capital	(3,761)	(5,551)	(3,761)	(5,551)
Interest on provisions for litigation	(47,074)	(37,310)	(50,683)	(42,641)
Adjustment to present value of trade payables	(20,957)	(6,624)	(32,903)	(17,505)
Commissions on borrowings and other	(9,619)	(23,335)	(9,619)	(17,898)
Other finance costs	(12,764)	(13,541)	(14,657)	(23,314)
	(343,005)	(455,521)	(370,363)	(519,906)
Foreign exchange gains (losses), net	(216,549)	(90,075)	(175,259)	(21,552)
Finance result	(454,360)	(323,697)	(410,352)	(225,875)

(i) Refers to the restatement of credits approved by the Brazilian Federal Revenue Service (RFB), as described in Note 21 (b)(ii).

The Company segregates the Extended Consumer Price Index (IPCA) from borrowings and financial investments the contracted indices of which are CDI and TJLP. Therefore, the IPCA portion is segregated from interest on borrowings and income from financial investments and included in "Monetary effects".

28 Earnings (loss) per share

Basic and diluted

Basic and diluted earnings (loss) per share are calculated by dividing the profit (loss) attributable to the Company's stockholders by the weighted average number of common and preferred shares issued during the year excluding common shares acquired by the Company and held in treasury (Note 23).

The Company does not have debt convertible into shares. The stock option plan does not include potential common or preferred shares for dilution purposes (Note 30).

	Parent company					
			6/30/2018			6/30/2017
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Basic and diluted numerator						
Profit available to owners of the parent	59,169	48,766	107,935	113,148	92,826	205,974
Basic and diluted denominator						
Weighted average number of shares, excluding treasury shares	702,734,028	525,991,340	1,228,725,368	702,734,028	524,112,696	1,226,846,724
Basic and diluted earnings per share - R$	0.08	0.09		0.16	0.18	

29 Transactions with related parties

The main balances and transactions with related parties are presented below:

(a) Assets

	Parent company					
	6/30/2018			12/31/2017		
	Trade receivables	Dividends receivable	Other receivables	Trade receivables	Dividends receivable	Other receivables
Controlling interests	18,957	-	2,814	26,668	-	4,011
Subsidiaries	310,725	-	105,730	136,915	48,584	103,674
Jointly-controlled subsidiaries	56	-	-	55	126,000	-
Associates	22,457	612	-	16,525	425	-
Other related parties	12,928	-	-	3,768	-	-
Total	365,123	612	108,544	183,931	175,009	107,685
Current	349,123	612	57,894	167,931	175,009	53,742
Non-current	16,000	-	50,650	16,000	-	53,943
Total	365,123	612	108,544	183,931	175,009	107,685

	Consolidated					
	6/30/2018			12/31/2017		
	Trade receivables	Dividends receivable	Other receivables	Trade receivables	Dividends receivable	Other receivables
Controlling interests	19,641	-	2,814	26,668	-	4,011
Non-controlling interests	-	-	-	401	-	-
Jointly-controlled subsidiaries	56	-	-	55	126,000	-
Associates	35,991	23,986	-	16,592	13,078	-
Other related parties	12,863	-	-	3,768	-	650
Total	68,551	23,986	2,814	47,484	139,078	4,661
Current	52,551	23,986	-	31,484	139,078	1,514
Non-current	16,000	-	2,814	16,000	-	3,147
Total	68,551	23,986	2,814	47,484	139,078	4,661

Trade receivables classified as related parties are unsecured in nature and bear interest. At June 30, 2018 and December 31, 2017, no provisions were recorded for receivables from related parties.

(b) Liabilities

	Parent company					
	6/30/2018			12/31/2017		
	Trade payables	Other payables	Borrowings	Trade payables	Other payables	Borrowings
Controlling interests	393	22,241	177,634	89	18,184	162,673
Subsidiaries	53,961	95,075	-	33,793	78,751	-
Jointly-controlled subsidiaries	82,366	-	-	33,215	-	-
Associates	2,279	-	-	1,494	-	-
Other related parties (i)	169,342	-	-	368,470	-	-
Total	308,341	117,316	177,634	437,061	96,935	162,673
Current	308,341	22,545	390	437,061	17,000	358
Non-current	-	94,771	177,244	-	79,935	162,315
Total	308,341	117,316	177,634	437,061	96,935	162,673

	Consolidated					
	6/30/2018			12/31/2017		
	Trade payables	Other payables	Borrowings	Trade payables	Other payables	Borrowings
Controlling interests	556	22,241	177,634	392	18,184	162,673
Non-controlling interests	-	-	-	-	16,604	-
Jointly-controlled subsidiaries	83,046	-	-	33,215	834	-
Associates	5,525	155,570	-	36,586	143,905	-
Other related parties (i)	169,342	-	-	368,470	-	-
Total	258,469	177,811	177,634	438,663	179,527	162,673
Current	258,469	43,558	390	438,663	38,646	358
Non-current	-	134,253	177,244	-	143,170	162,315
Total	258,469	177,811	177,634	438,663	181,816	162,673

(i) Refers to the purchase of plates from Ternium Brasil S.A.

In the Consolidated accounts, a borrowing from Nippon Usiminas Co. Ltd., controlling stockholder of Usiminas, of R$177,634 (December 31, 2017 - R$162,673) was recorded.

(c) Results

	Parent company					
	6/30/2018			6/30/2017		
	Sales	Purchases	Finance and operating result	Sales	Purchases	Finance and operating result
Controlling interests	108,752	14,791	(29,862)	90,510	1,184	(6,160)
Subsidiaries	1,814,420	199,582	(21,491)	1,458,751	248,800	(96,205)
Jointly-controlled subsidiaries	198	232,915	(2,726)	-	191,010	(95)
Associates	9,804	72,178	-	12,752	64,675	-
Other related parties (i)	101,034	1,352,755	848	39,667	200,206	(1,744)
Total	2,034,208	1,872,221	(53,231)	1,601,680	705,875	(104,204)

	Consolidated					
	6/30/2018			6/30/2017		
	Sales	Purchases	Finance and operating result	Sales	Purchases	Finance and operating result
Controlling interests	108,752	15,491	(29,778)	90,510	1,184	(6,031)
Non-controlling interests	362	61,514	-	-	8,143	-
Jointly-controlled subsidiaries	1,461	235,685	(2,726)	4,735	193,592	(95)
Associates	23,338	137,447	(11,946)	12,822	96,473	(10,881)
Other related parties (i)	101,034	1,354,332	2,070	39,806	200,206	(260)
Total	234,947	1,804,469	(42,380)	147,873	499,598	(17,267)

(i) On September 7, 2017, the controlling stockholder Ternium completed the acquisition of Companhia Siderúrgica do Atlântico (CSA), the name of which was changed to Ternium Brasil Ltda. Therefore, as from that date the transactions carried out with CSA started to be included in the balances with related parties. At June 30, 2018, the amount of R$1,348,007 referred to the purchase of steel plates from Ternium Brasil Ltda.

The nature of the main related-party transactions is described in Note 36(e) to the financial statements for the year ended December 31, 2017.

Finance income (costs) with related parties refers mainly to charges on borrowings disclosed in item (b) above.

(d) Remuneration of the key management personnel

The remuneration paid or payable to key management personnel, which includes the Executive Board, the Board of Directors and the Statutory Audit Board of the Company was as follows:

	Parent company and consolidated	
	6/30/2018	6/30/2017
Fees	8,948	5,497
Social charges	2,745	1,076
Retirement plans	9	37
Provision for variable compensation	-	982
	11,702	7,592

The Company has a share-based payment plan in place, as described in Note 30.

Transactions with related parties are substantially carried out under market conditions, with respect to prices and terms.

30 Stock option plan

The Company has a stock option plan. The plan is managed by the Company's Board of Directors, with the support of the Human Resources Committee, subject to the plan's limitations.

No changes have been identified in the Plan's characteristics and guidelines in relation to those described in Note 38 to the financial statements at December 31, 2017.

At June 30, 2018, the Plan included four 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.

The fair value of the options granted is determined based on the Black-Scholes methodology and accounted for as expense over the vesting period.

In the six-month period ended June 30, 2018, there was no impact from the Stock Option Plan on the statement of income of the Parent company and Consolidated, considering that, in compliance with the terms of each program in force, they were fully recognized up to October 31, 2017. In the same period, the amount of R$5,012 was reversed to Retained earnings (Accumulated deficit) as a result of the exercise of options. Also, the impact on the capital reserves recorded by the Company was R$7,763 (December 31, 2017 - R$5,757).

In the six-month period ended June 30, 2018, 1,105,800 options were exercised, resulting in a decrease by the same number in preferred shares in treasury within equity.

31 Guarantees given

The composition of the assets pledged as collateral was as follows:

		Parent company		Consolidated	
Assets pledged as collateral	**Liabilities secured**	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**
Cash and cash equivalents	Litigation	40,116	40,000	40,116	40,000
Inventories	Litigation	128,757	118,253	128,757	118,253
Property, plant and equipment	Litigation	640,060	693,156	691,657	747,390
Property, plant and equipment	Borrowings	3,890,820	3,990,612	3,912,881	4,012,674
		4,699,753	4,842,021	4,773,411	4,918,317

32 Explanatory notes presented in the annual financial statements that are not presented in this interim accounting information

Pursuant to CVM/SNC/SEP Circular Letter No. 003/2011, the Company disclosed Notes considered material within the context of CPC 00 - "Conceptual Framework for Financial Reporting". All information the omission or misstatement of which could influence the economic decisions of users was properly disclosed in this interim accounting information, which should be read together with the financial statements for the year ended December 31, 2017.

The Notes whose information was not repeated in this interim accounting information, considering that no significant changes were made to the nature and conditions of these Notes in relation to those disclosed in the Company's financial statements for the year ended December 31, 2017 are listed below:

Note 04 - Significant accounting judgments, estimates and assumptions;
Note 19 - Trade payables, contractors and freight charges;
Note 25 - Provision for environmental recovery;
Note 31 - Employee benefits and expenses;
Note 32 - Operating (expenses) income;
Note 35 - Commitments;
Note 37 - Insurance; and
Note 40 - Non-cash investment transactions

Board of Directors

Ruy Roberto Hirschheimer
Chairman

Antonio Mendes
Board Member

Elias de Matos Brito
Board Member

Kazuhiro Egawa
Board Member

Luiz Carlos de Miranda Faria (i)
Board Member

Oscar Montero Martinez
Board Member

Rita Rebelo Horta de Assis Fonseca
Board Member

Ronald Seckelmann
Board Member

Statutory Audit Board

Wanderley Rezende de Souza
Board Member

Aloisio Macário Ferreira de Souza
Board Member

Lúcio de Lima Pires
Board Member

Paulo Frank Coelho da Rocha
Board Member

Paulo Roberto Batista Machado
Board Member

Executive Board

Sérgio Leite de Andrade
CEO

Alberto Akikazu Ono
Vice-President - Finance and Investor Relations

Kohei Kimura
Vice-President - Technology and Quality

Miguel Angel Homes Camejo
Vice-President - Commercial Area

Takahiro Mori
Vice-President - Corporate Planning

Túlio César do Couto Chipoletti
Vice-President - Industrial Area

Lucas Marinho Sizenando Silva
Accountant CRC-MG 080.788/O

(i) Due to the decision for anticipation of the effects of the relief, granted on July 23rd, 2018 by the judge of the 3rd Labor Court of Coronel Fabriciano - MG, Mr. Luiz Carlos de Miranda Faria is, at the date of the release of the present quarterly information, forced to abstain from exercising every and all functions directly or indirectly related to the position of representative of the workers in the Board of Directors of the Company.