

Presentation
1Q16

USIMINAS

Classification of the information: Confidential

Agenda

Usiminas Profile



Market Outlook



Usiminas and its business units



Financial Results



Company Profile

- ✓ Complete solution for products and services
- ✓ Steel company with the largest number of patents rights in Latin America
- ✓ Largest Research Center in the steel sector in Latin America
- ✓ First Brazilian steel company to have its quality system certified by ISO 9001 in 1992
- ✓ First Brazilian steel company and second in the world to achieve the ISSO 14001 environmental management certificate in 1996
- ✓ Founded of the most enduring environmental education project of the private sector since 1984



Timeline



Operation Start Up

1962

•Usiminas privatization

•Listing on BOVESPA

1991





Cosipa privatization

1993

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

1994





Listing on LATIBEX stock exchange section

2005

•Acquisition of iron ore mines

•Acquisition of Zamprogna

2008





•Creation of Soluções Usiminas

•One CNPJ: Usiminas incorporates Cosipa

2009

•Creation of Mineração Usiminas

•Acquisition of Codeme and Metform stake

2010





•Selling of Ternium stake

•Joint Mining Agreements with MBL e Ferrous

2011

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

2012





Automotiva Usiminas Divestment

2013

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

2014





Temporary shutdown of the primary areas in Cubatão

2015

Approval of the R$ 1 billion capital increase

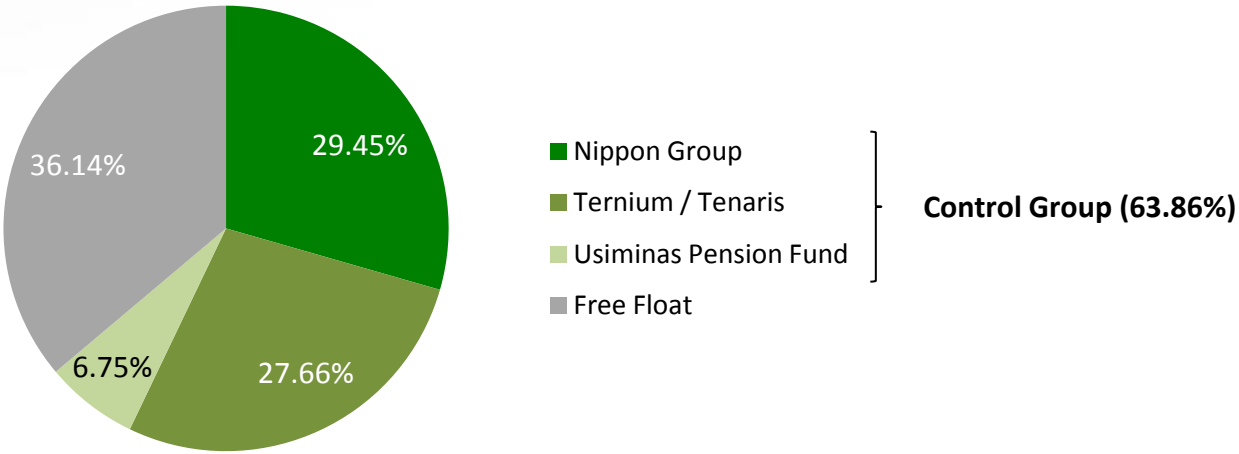
2016

Shareholding Composition

Total Capital
1,013,786,190

Voting Capital

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



Usiminas shares are traded on BM&FBovespa (São Paulo), on the OTC Market (New York) and on a LATIBEX exchange section (Madrid).

Complete Solution for Products and Services

Business Units

Mining

Mineração Usiminas



Steel

Ipatinga Plant

Cubatão Plant

Unigal Usiminas



Steel Processing

Soluções Usiminas



Capital Goods

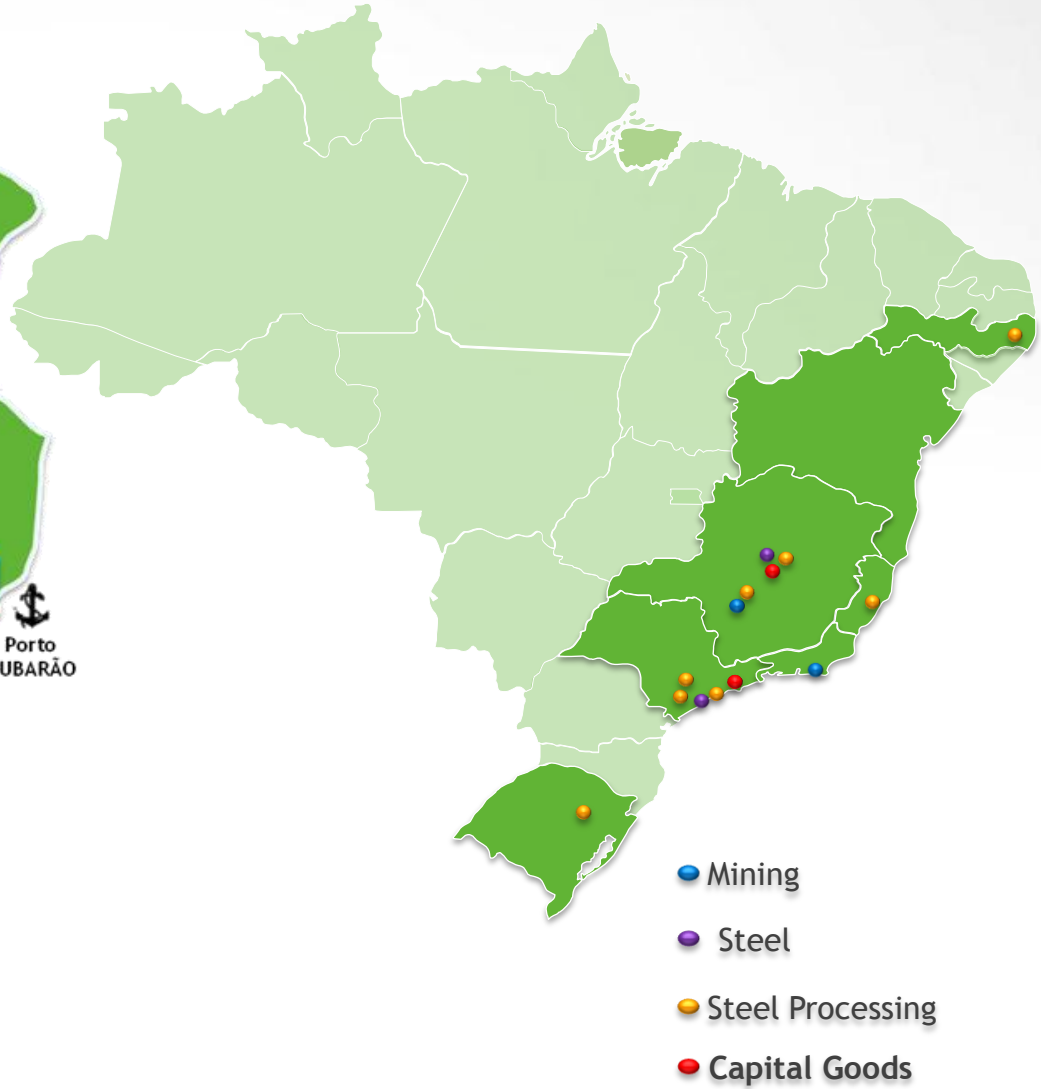
Usiminas Mecânica



UPSTREAM — DOWNSTREAM

Strategically Located





Shares' Quotation on BM&FBOVESPA

R$/share - Up to 03/31/2016



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

Agenda

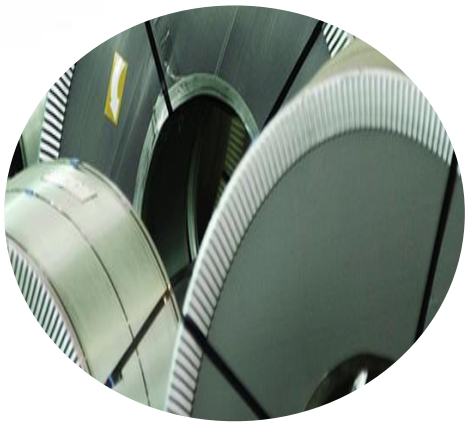
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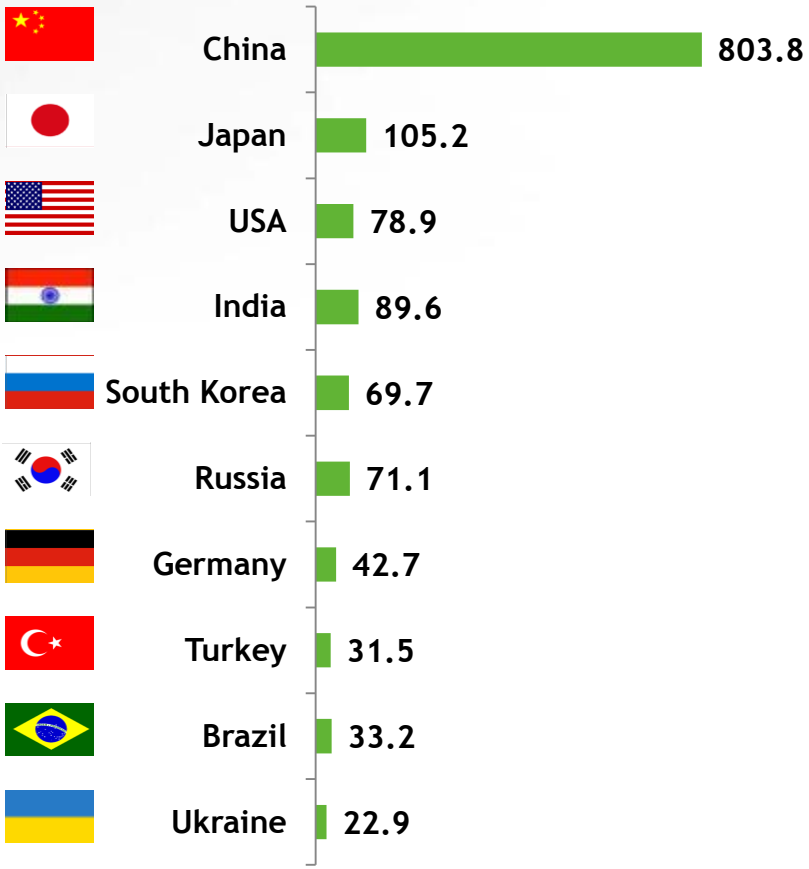


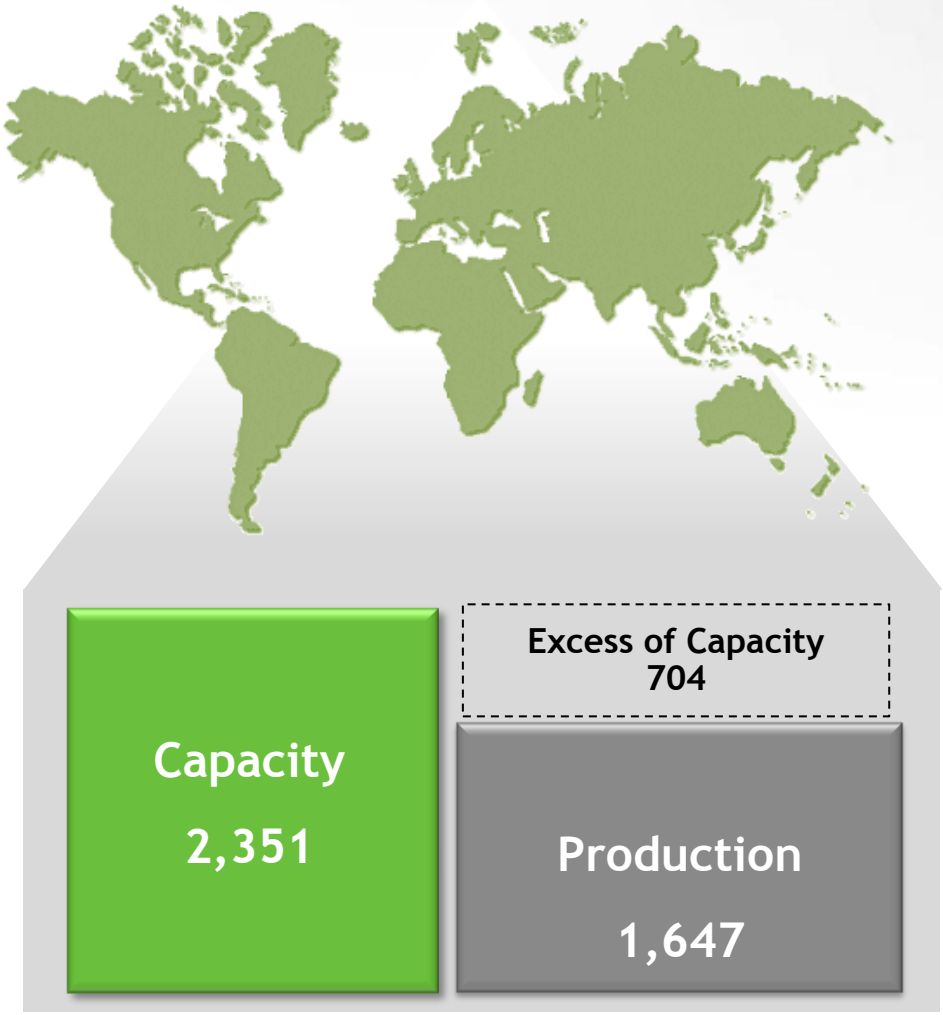




World Crude Steel Market in 2015

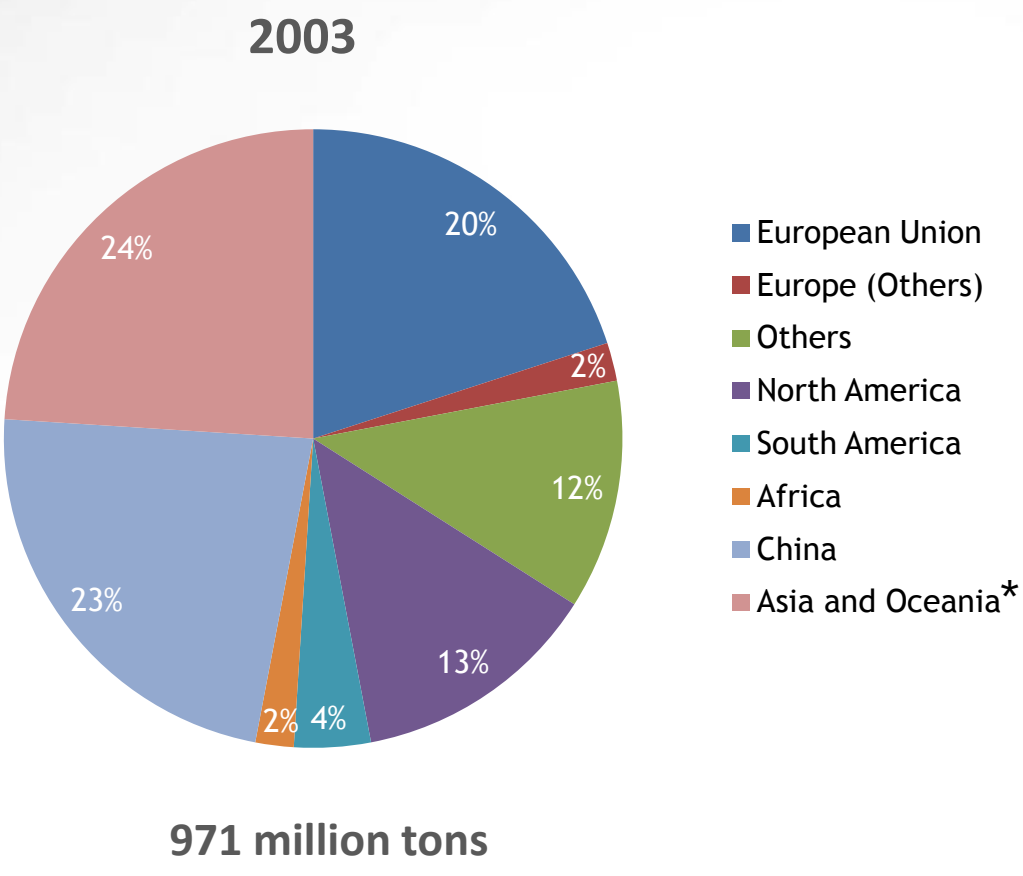
Million Tons





Source: World Steel Association

World Crude Steel Production



971 million tons

1,665 million tons

*Except China

Source: World Steel Association

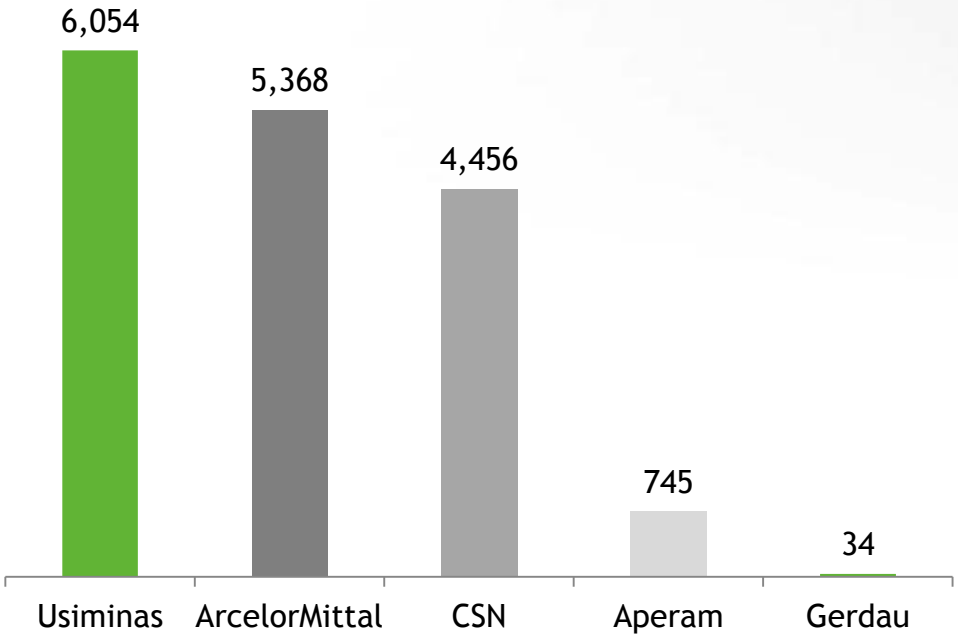
Largest Producers in 2014

Thousand Tons

World Crude Steel Producers

1	ArcelorMittal
2	Nippon Steel & Sumitomo Metal Corporation
3	Hebei Steel Group
4	Baosteel Group
5	Wuhan Steel Group
6	POSCO
7	Shagang Group
8	Ansteel Group
9	Shougang Group
10	JFE
62	Usiminas

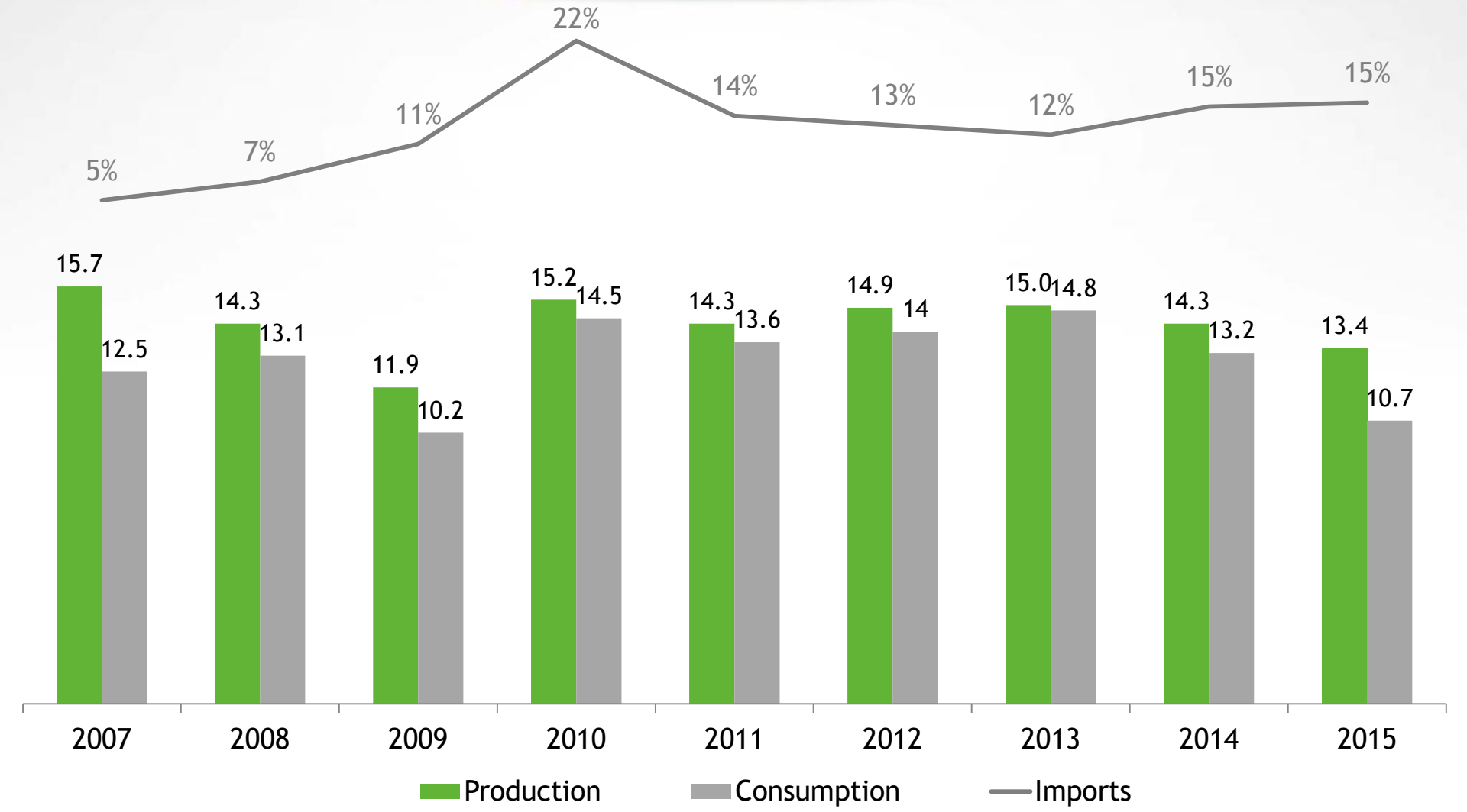
Brazilian Flat Steel Producers



Source: World Steel Association/ Instituto Aço Brasil

Brazilian Flat Steel Market

Million Tons



Source: Instituto Aço Brasil / Usiminas – Excludes Slabs

Flat Steel Consumption Markets

Auto Industry and Autoparts	Household Appliances	Agricultural and Road Machinery	Civil Construction	Oil and Gas	Pipelines
					
Hot Rolled, Cold Rolled and Galvanized	Cold Rolled and Galvanized	Heavy Plates and Hot Rolled	Heavy Plates, Hot Rolled, Cold Rolled and Galvanized	Heavy Plates and Hot Rolled	Heavy Plates and Hot Rolled

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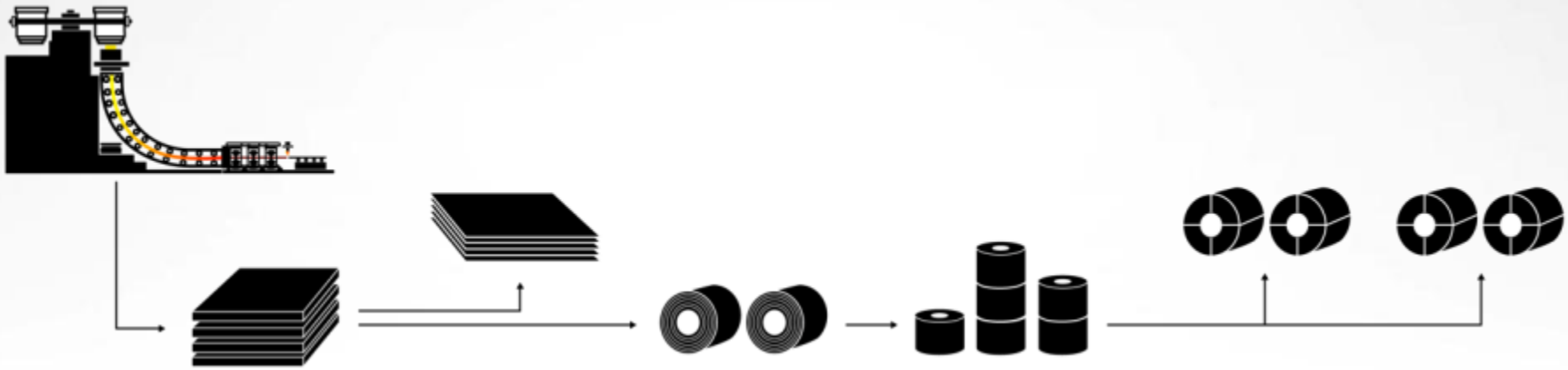






Flat Steel Capacity of Production

Thousand Tons



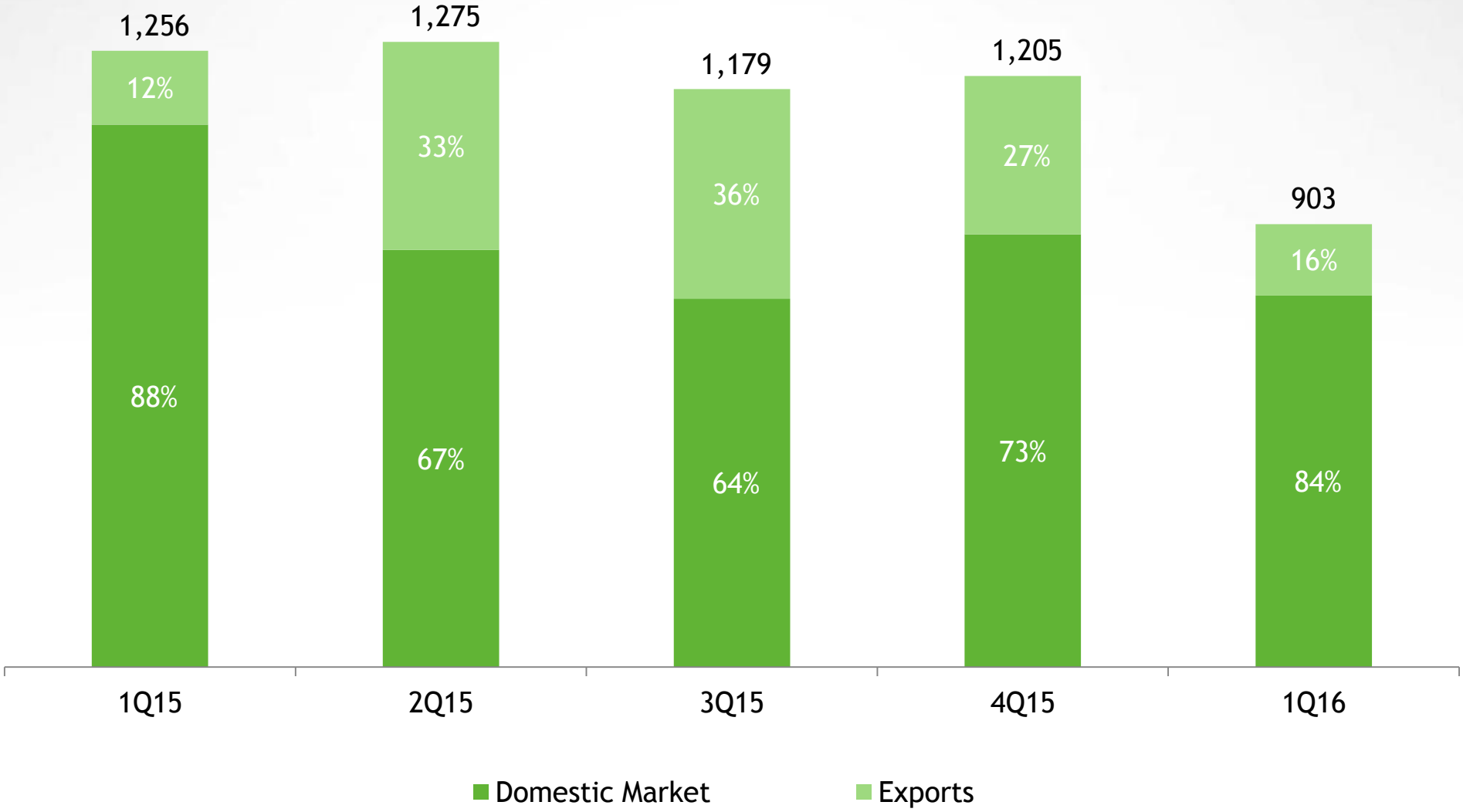
					Galvanized	
Slab Caster	Slabs	Heavy Plates	Hot Coils	Cold Coils	EG	HDG
Ipatinga Plant	5,000	1,000	3,600	2,500	360	1,050
Cubatão Plant	4,500*	1,000**	2,100 ** 2.300	1,200	-	-
Nominal Capacity	9,500*	2,000*	8,000	3,700	360	1,050
Optimized Rolling Capacity	-	1,900	4,200	2,200	350	1,020

* Temporary shutdown of the primary areas of Cubatão

** Temporary shutdown of the rolling mills

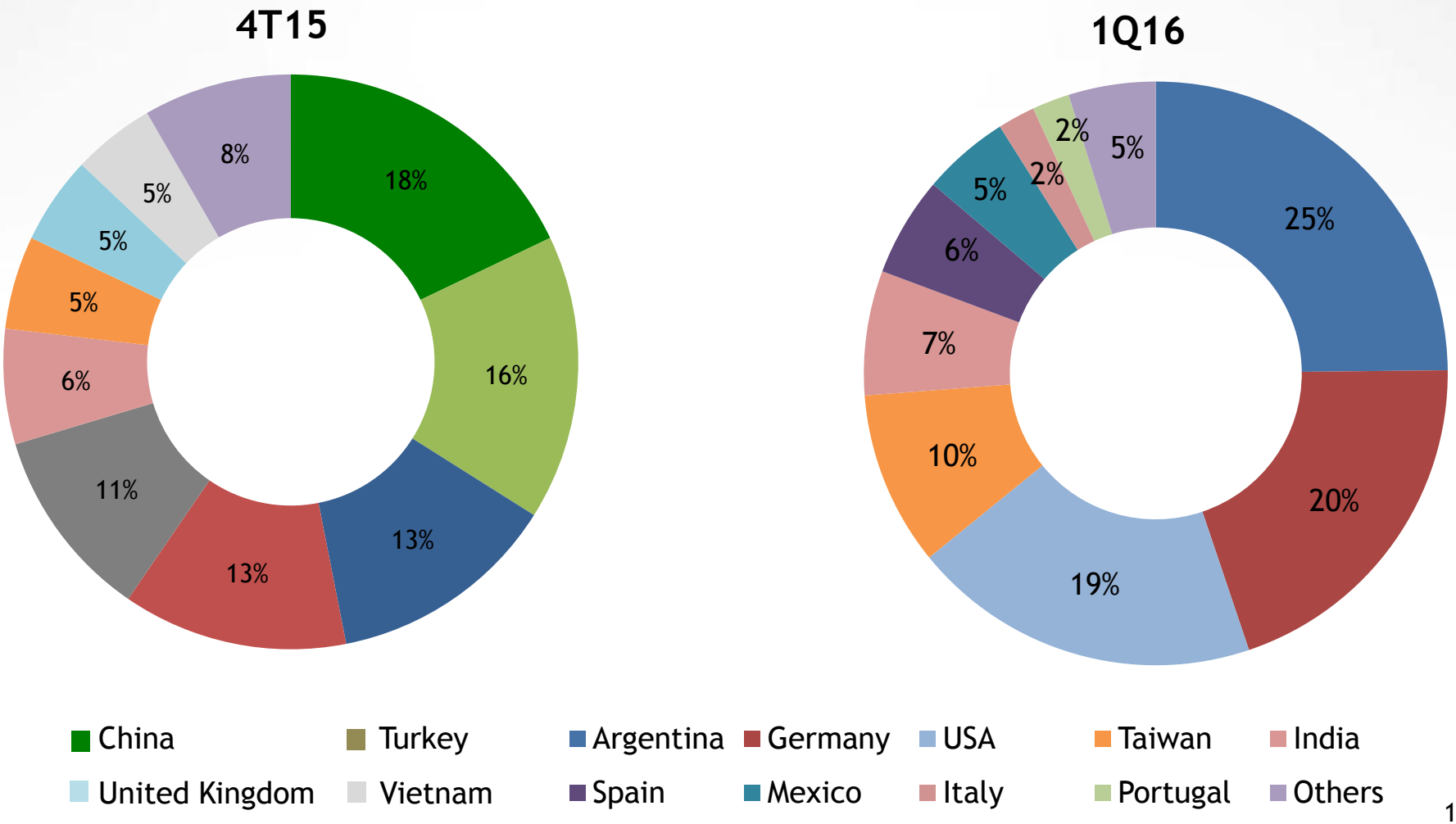
Sales Volume

Steel Business Unit - Thousand Tons



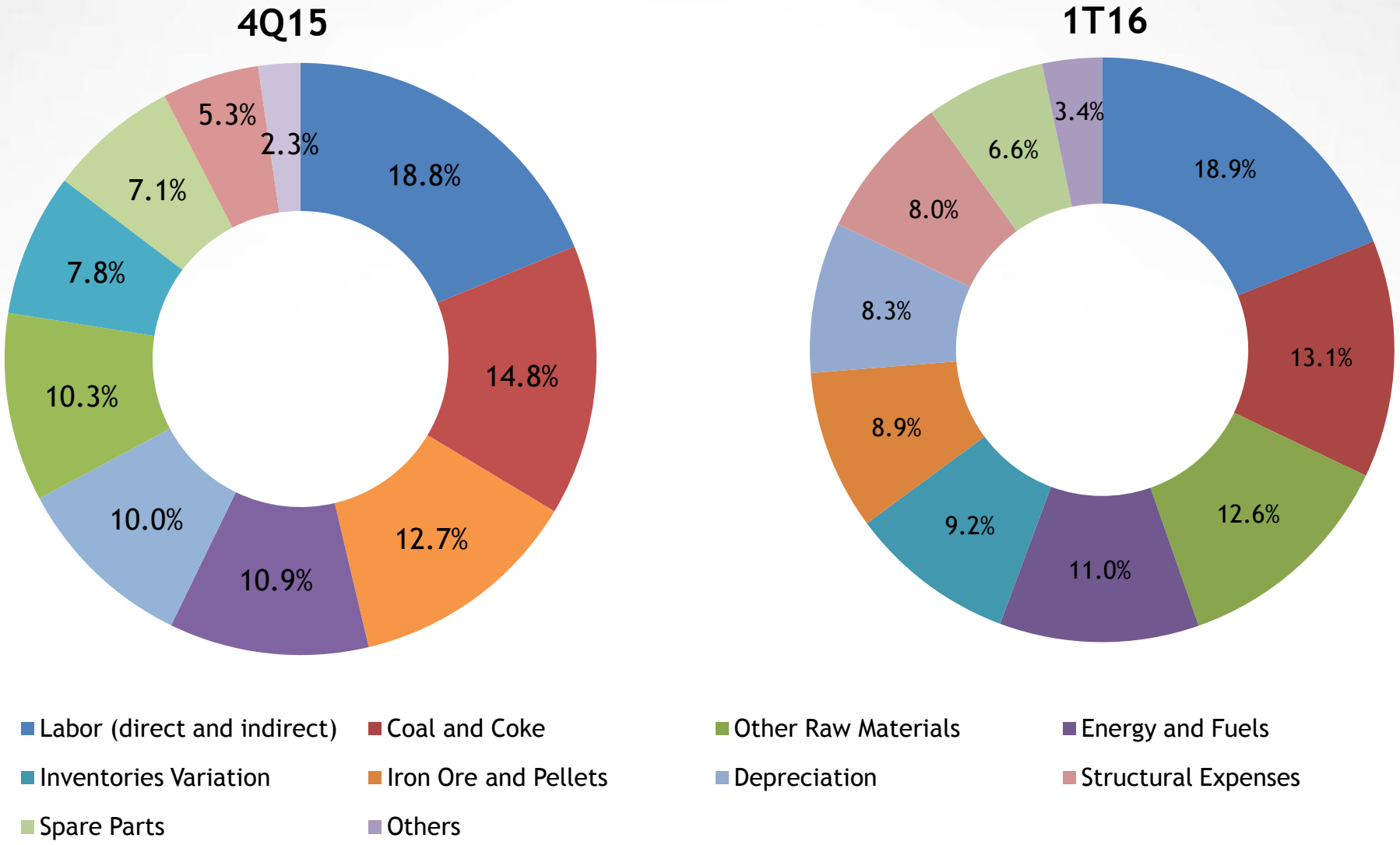
Exports - Main Markets

Steel Business Unit



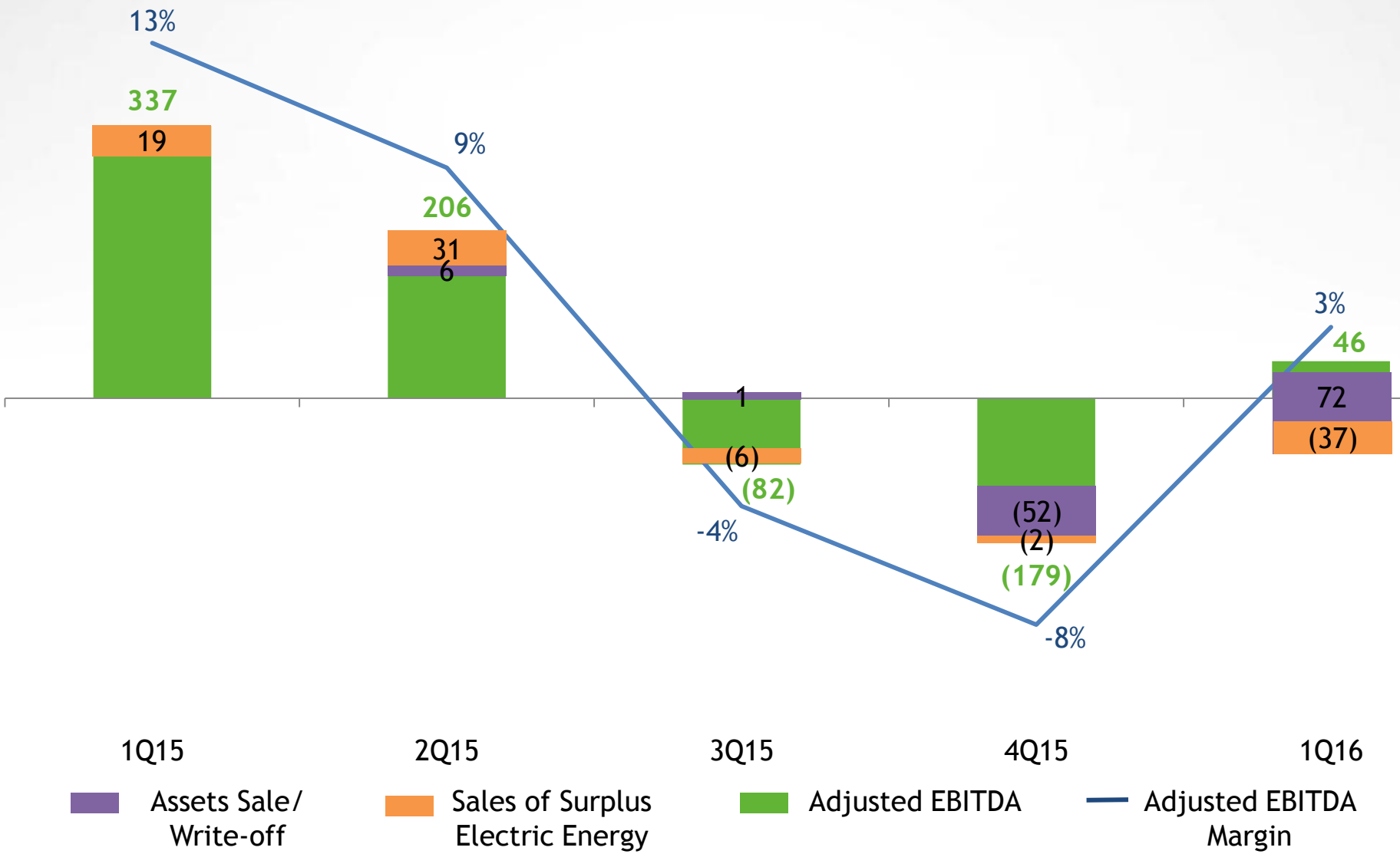
Cost of Goods Sold - COGS

Steel Business Unit



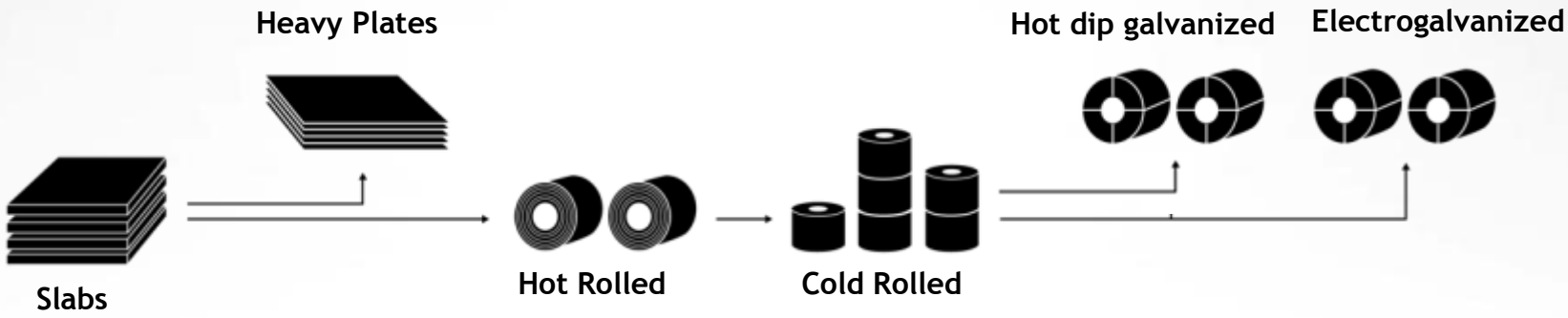
Adjusted EBITDA and EBITDA Margin

Steel Business Unit - R$ Million



Investments

Steel Business Unit



Capacity increase to generate finished products

7.2 million t
(2010)

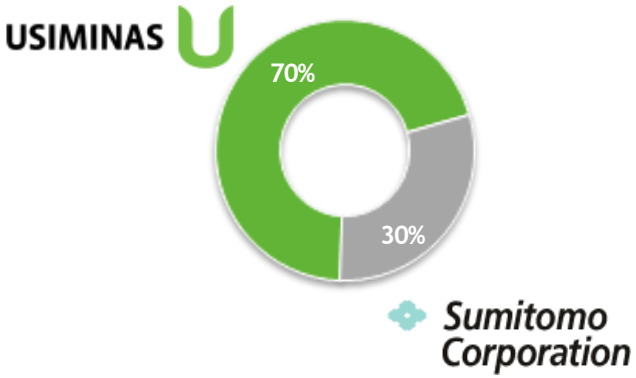
9.7 million t
(2014)

Description

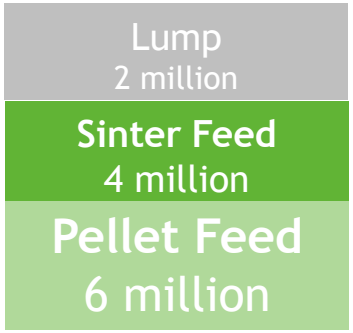
Mining Business Unit

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

Shareholder Composition

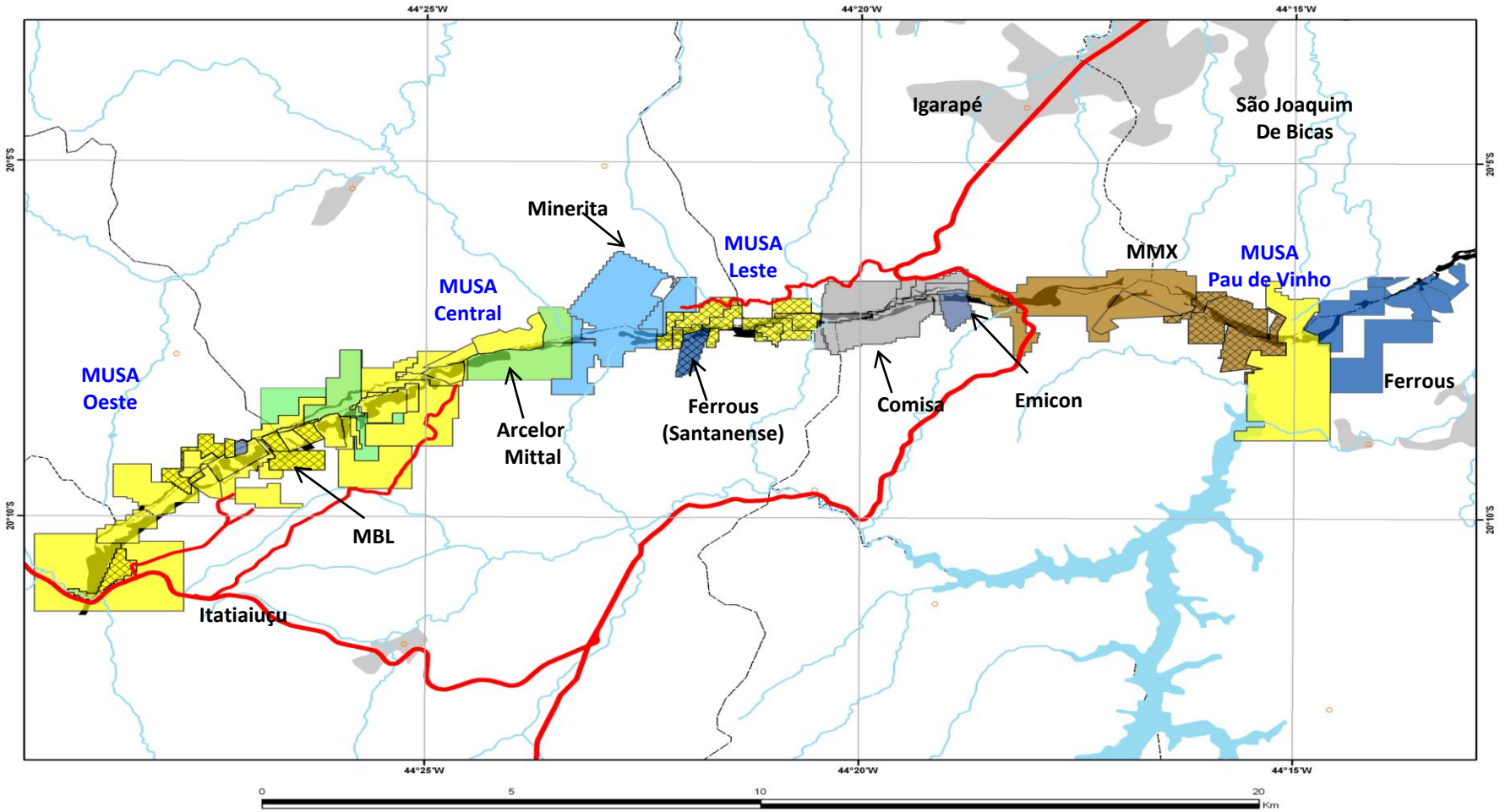


Production Capacity



Location

Mining Business Unit



Mineração Usiminas

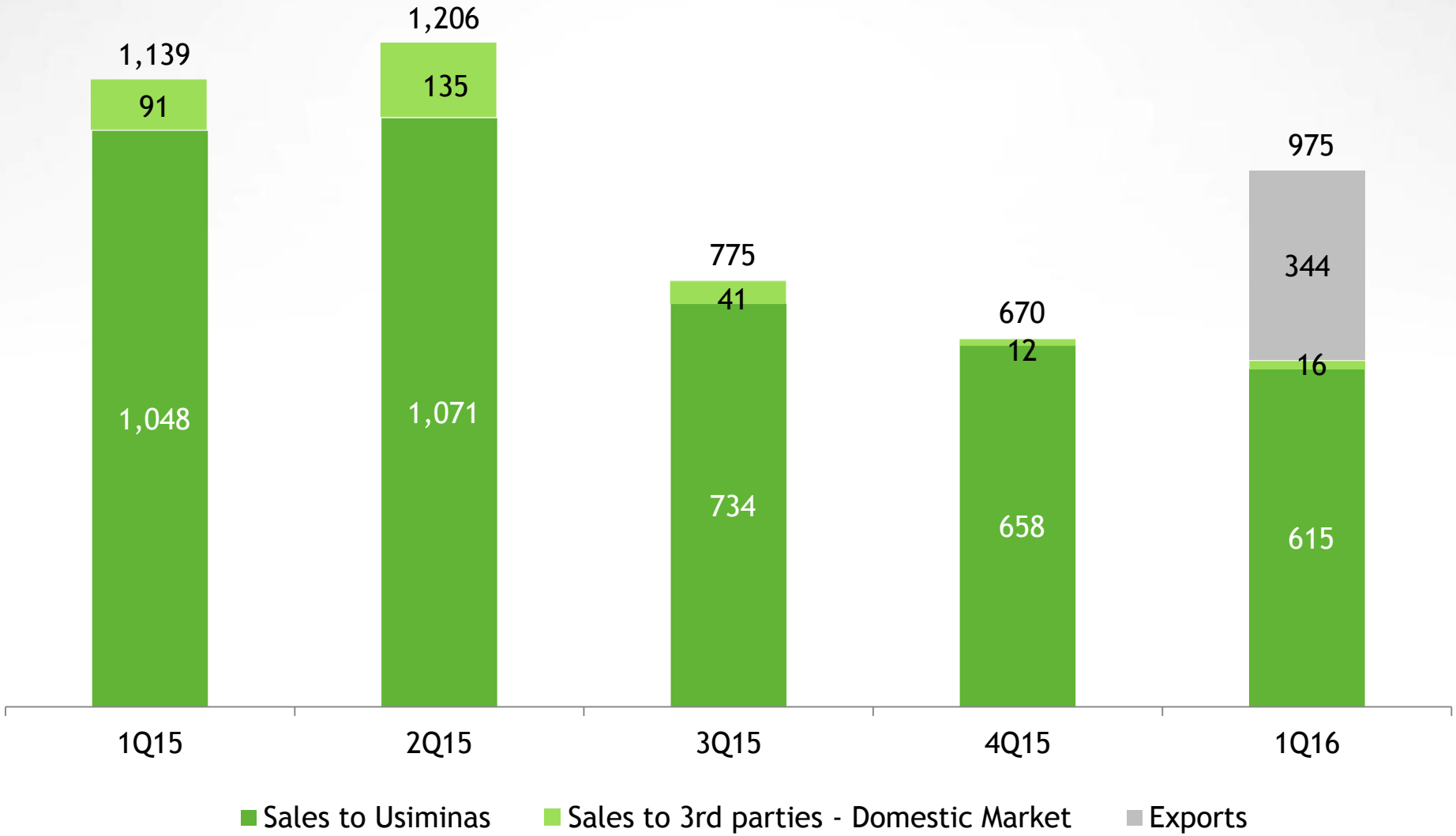
Retroarea in Itaguai Port

Mining Business Unit



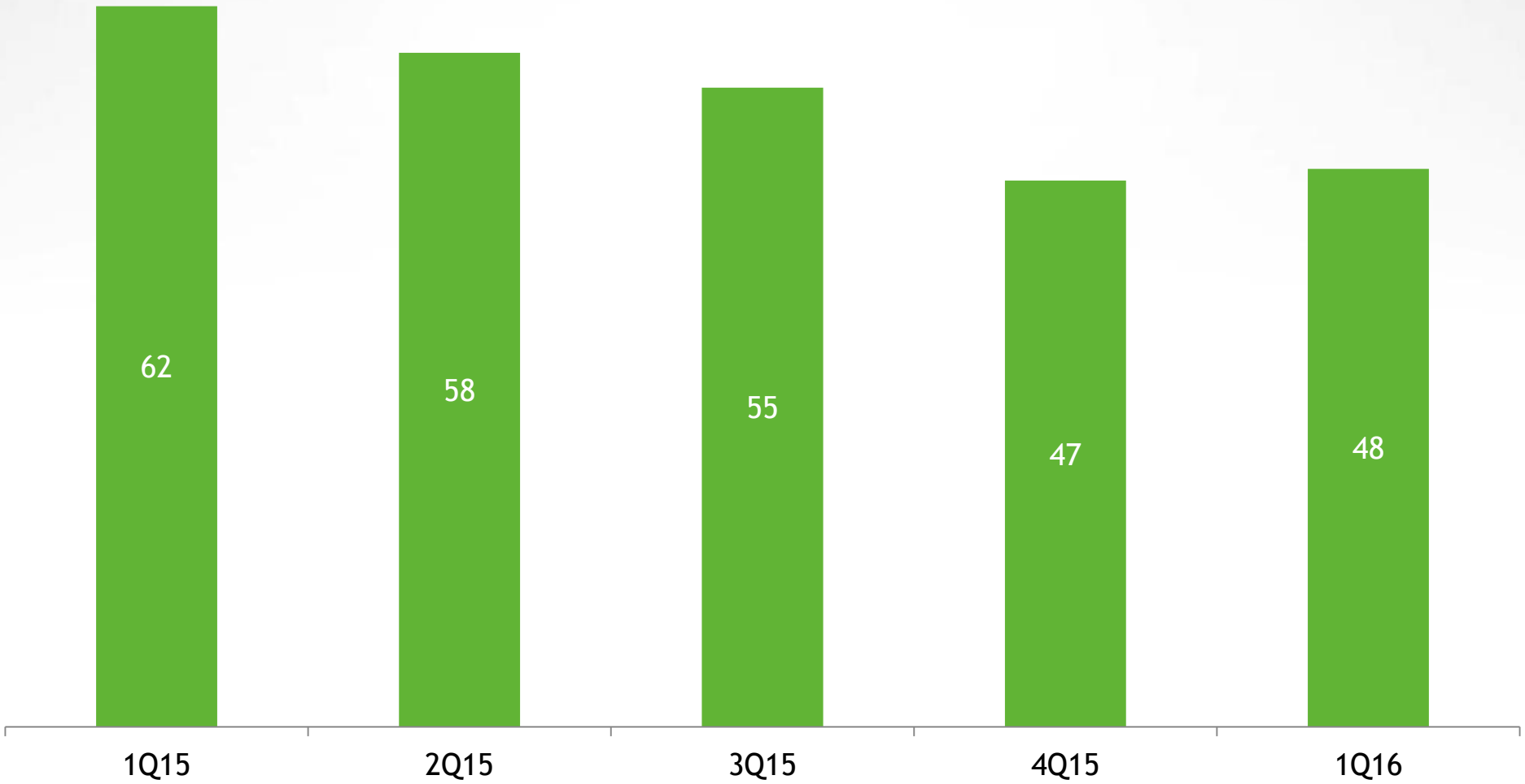
Sales Volume

Mining Business Unit - Thousand Tons



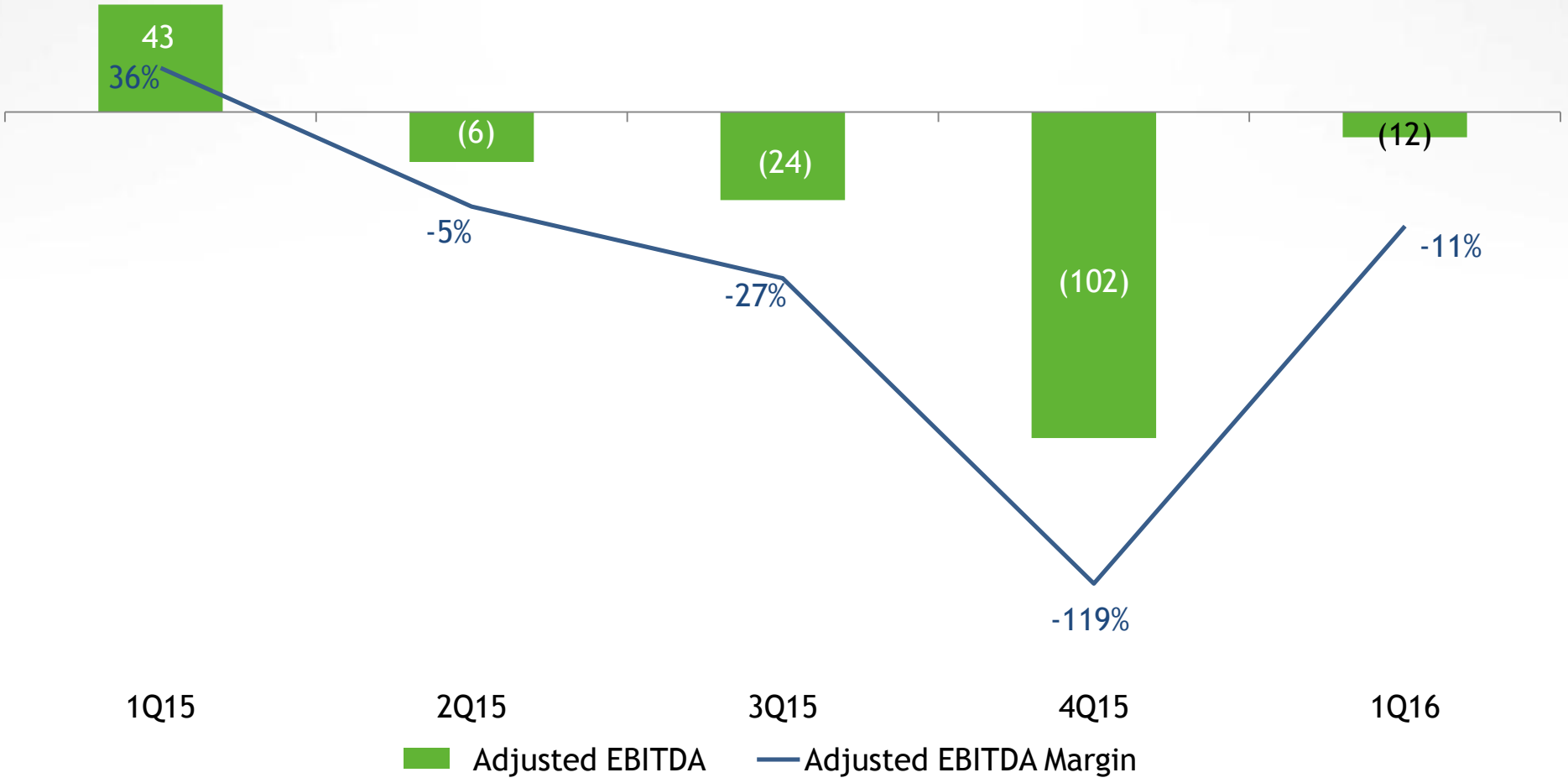
Iron Ore Price - PLATTS (62% Fe CFR China)

US$/ton



Adjusted EBITDA and EBITDA Margin

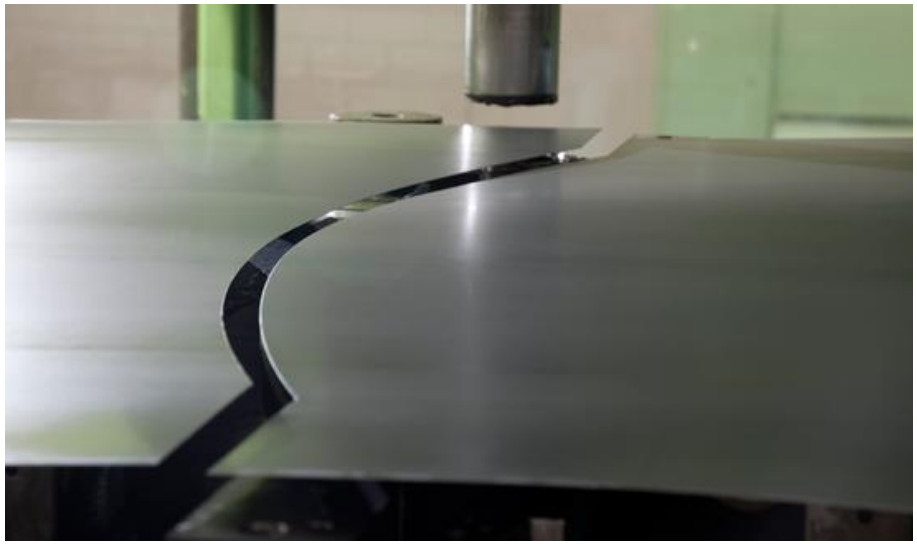
Mining Business Unit - R$ million

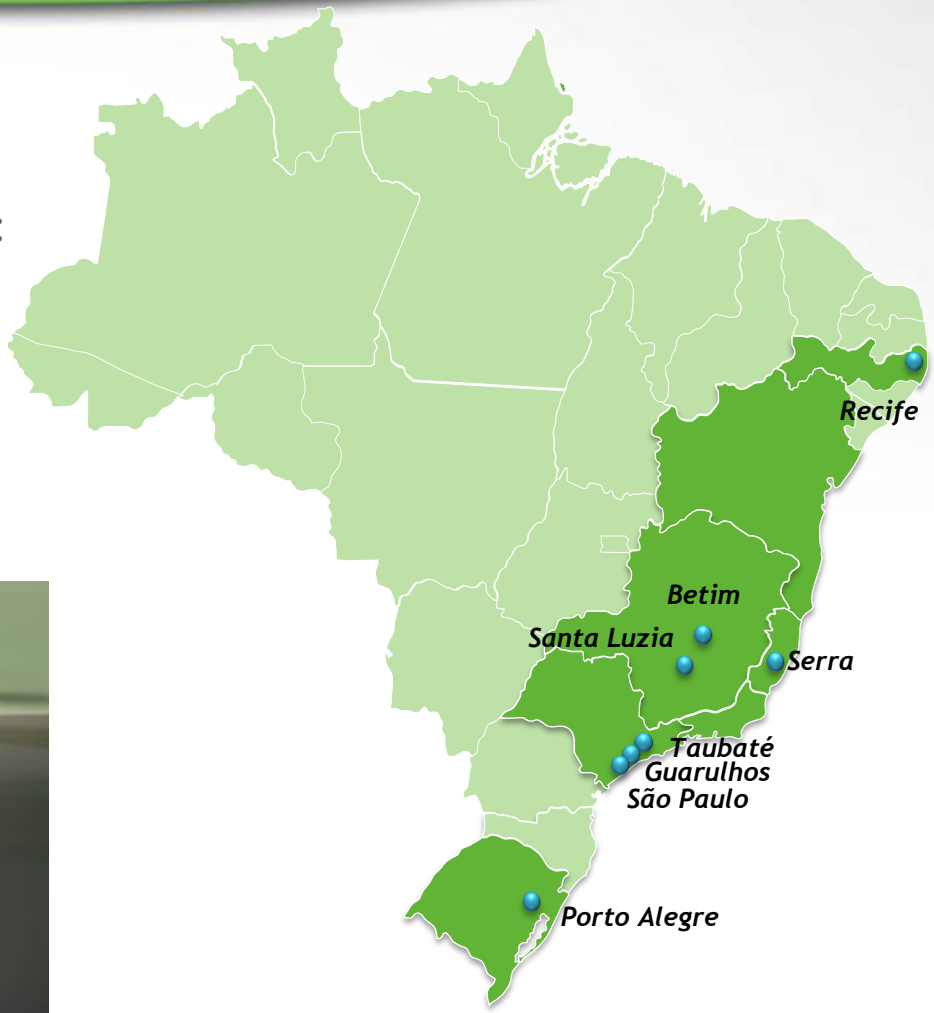


Description

Soluções Usiminas - Steel Processing

- 8 industrial units in different Brazilian states: MG, SP, RS, ES, BA and PE
- Processing capacity of 2 million tons of steel/year
- Net Revenue of R$1.9 billion in 2015





Description

Usiminas Mecânica - Capital Goods

- Facilities in Ipatinga/Minas Gerais state, Congonhas/Minas Gerais state and in Cubatão/São Paulo state
- Market Segments: Steel Structures, Shipbuilding and Offshore, Oil and Gas, Industrial Assembly and Equipment, Foundry and Railcars
- Net Revenue of R$869 million in 2015



Steel Structures



Brasília 3rd Bridge

Agenda

Usiminas Profile



Market Data



Usiminas and its business units

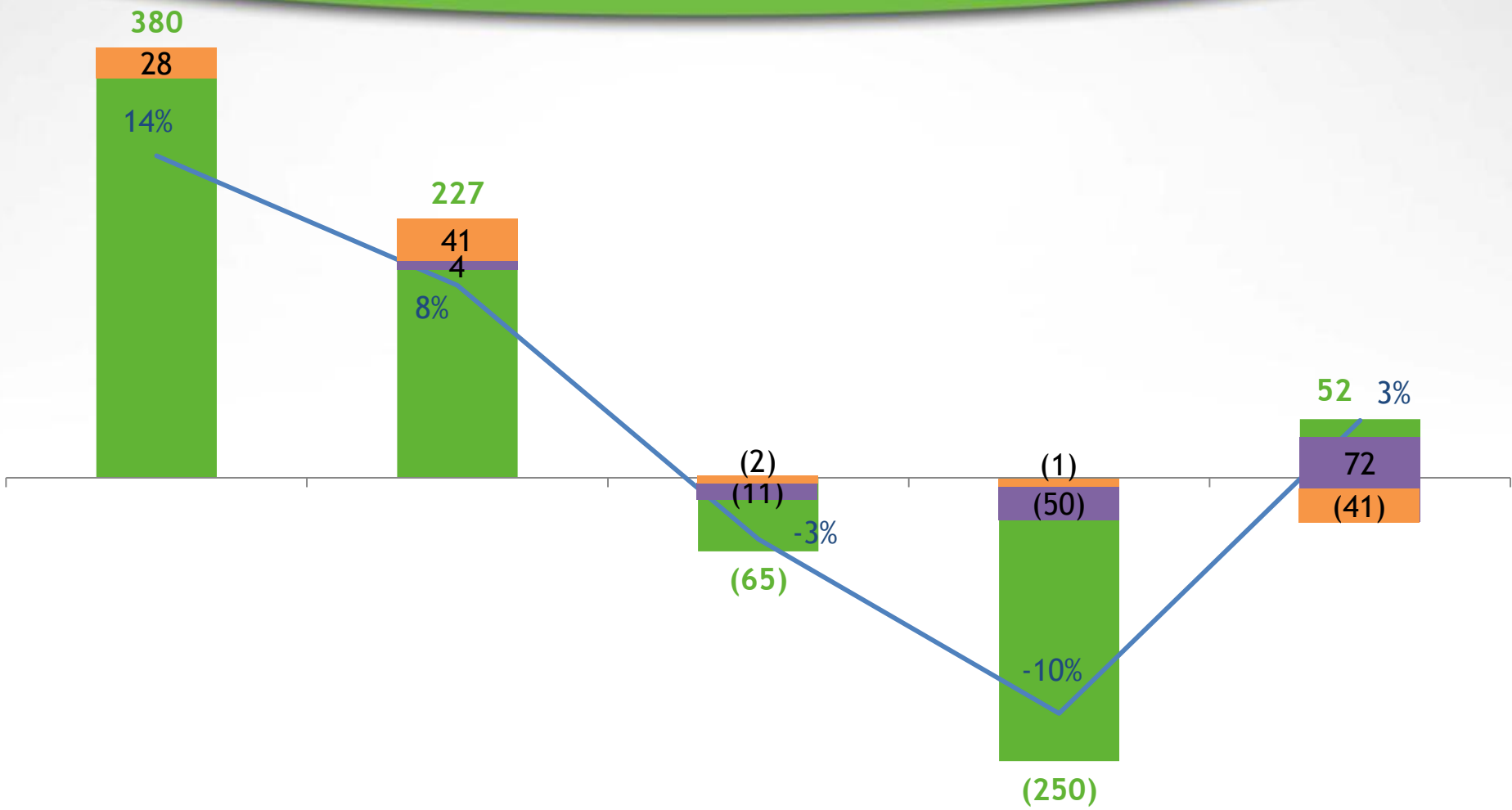


Financial Results



Adjusted EBITDA and EBITDA Margin

Consolidated - R$ million



Comparing Adjusted and CVM 527 EBITDA

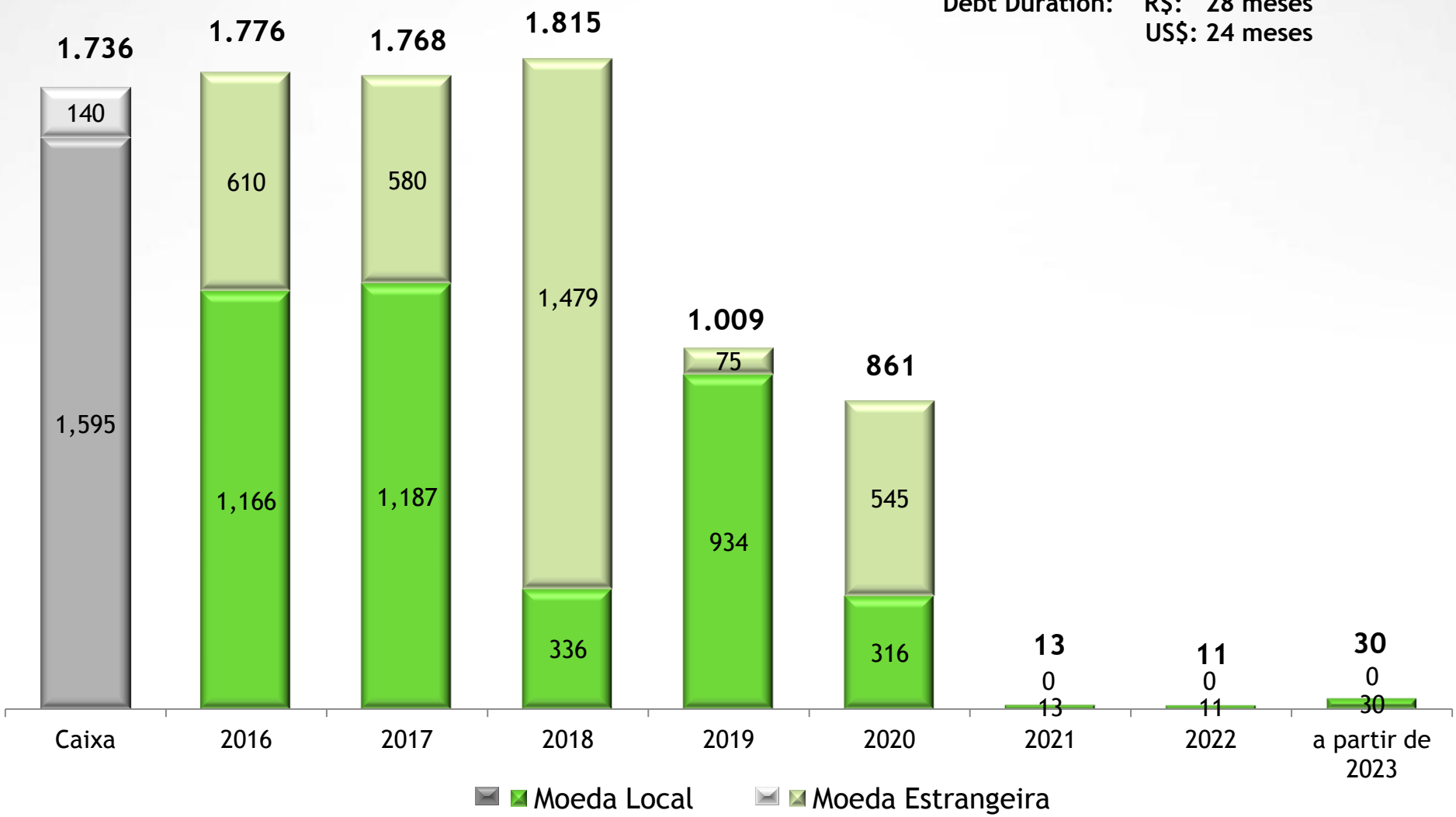
Consolidated - R$ Thousand

Consolidated (R$ thousand)	1Q16	4Q15	1Q15	2015	2014
Net Income (Loss)	(151.377)	(1.626.643)	(235.380)	(3.684.977)	208.479
Income Tax / Social Contribution	(15.360)	(569.249)	(78.071)	(1.189.922)	(24.562)
Financial Result	(101.553)	24.089	360.900	1.245.693	522.831
Depreciation, Amortization	318.086	352.200	306.430	1.311.699	1.114.597
EBITDA - Instruction CVM - 527	**49.796**	**(1.819.603)**	**353.879**	**(2.317.507)**	**1.821.345**
Equity in the Results of Associate and Subsidiary Companies	(51.845)	(53.880)	(11.971)	(95.582)	(183.780)
Joint Subsidiary Companies proportional EBITDA	45.597	49.401	37.626	147.028	225.506
Impairment of Assets		1.574.161	-	2.557.533	-
Adjusted EBITDA	**43.548**	**(249.921)**	**379.534**	**291.472**	**1.863.071**

Cash Position and Debt Profile

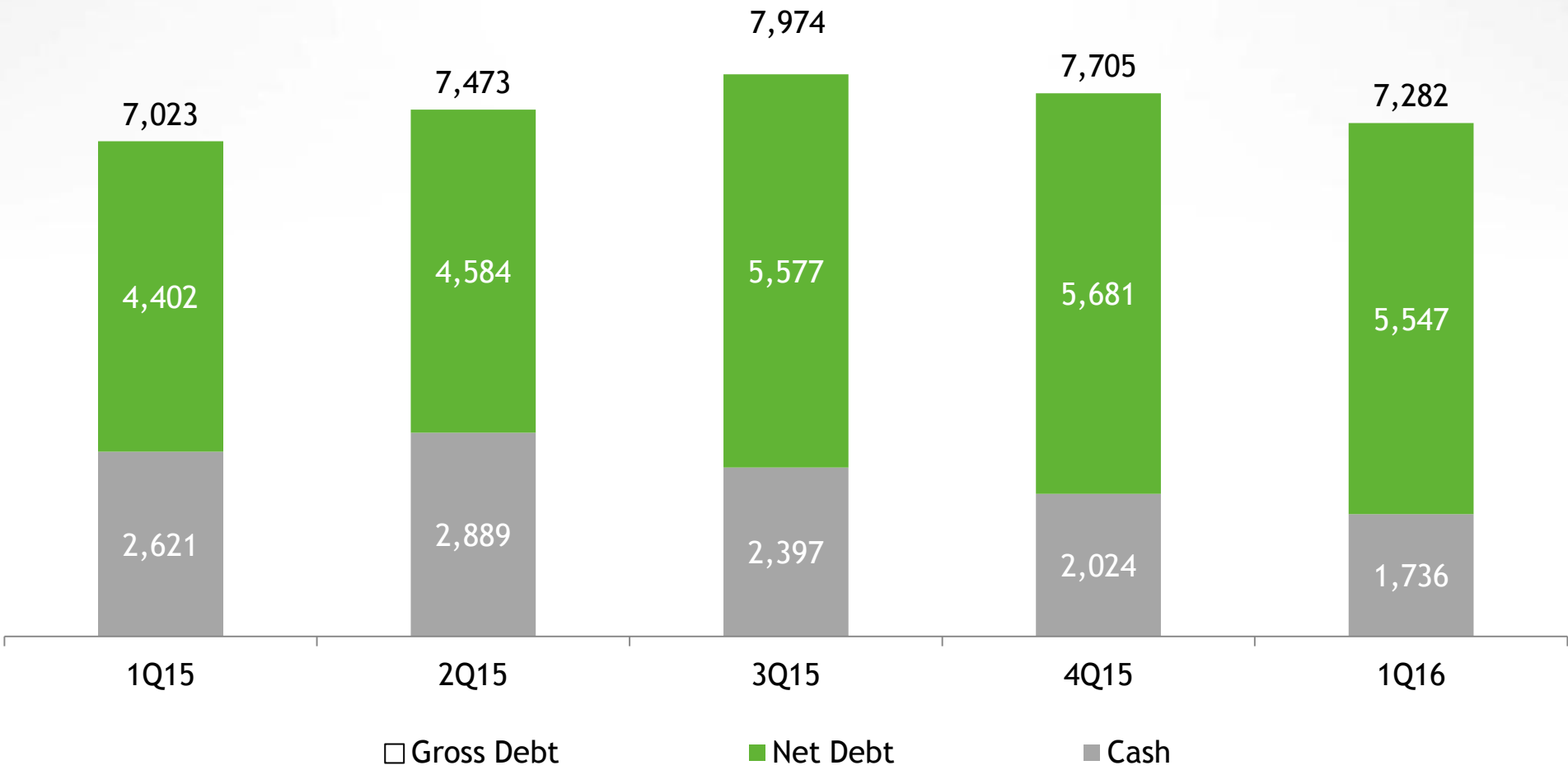
Consolidated - R$ million

Debt Duration: R$: 28 meses
US$: 24 meses



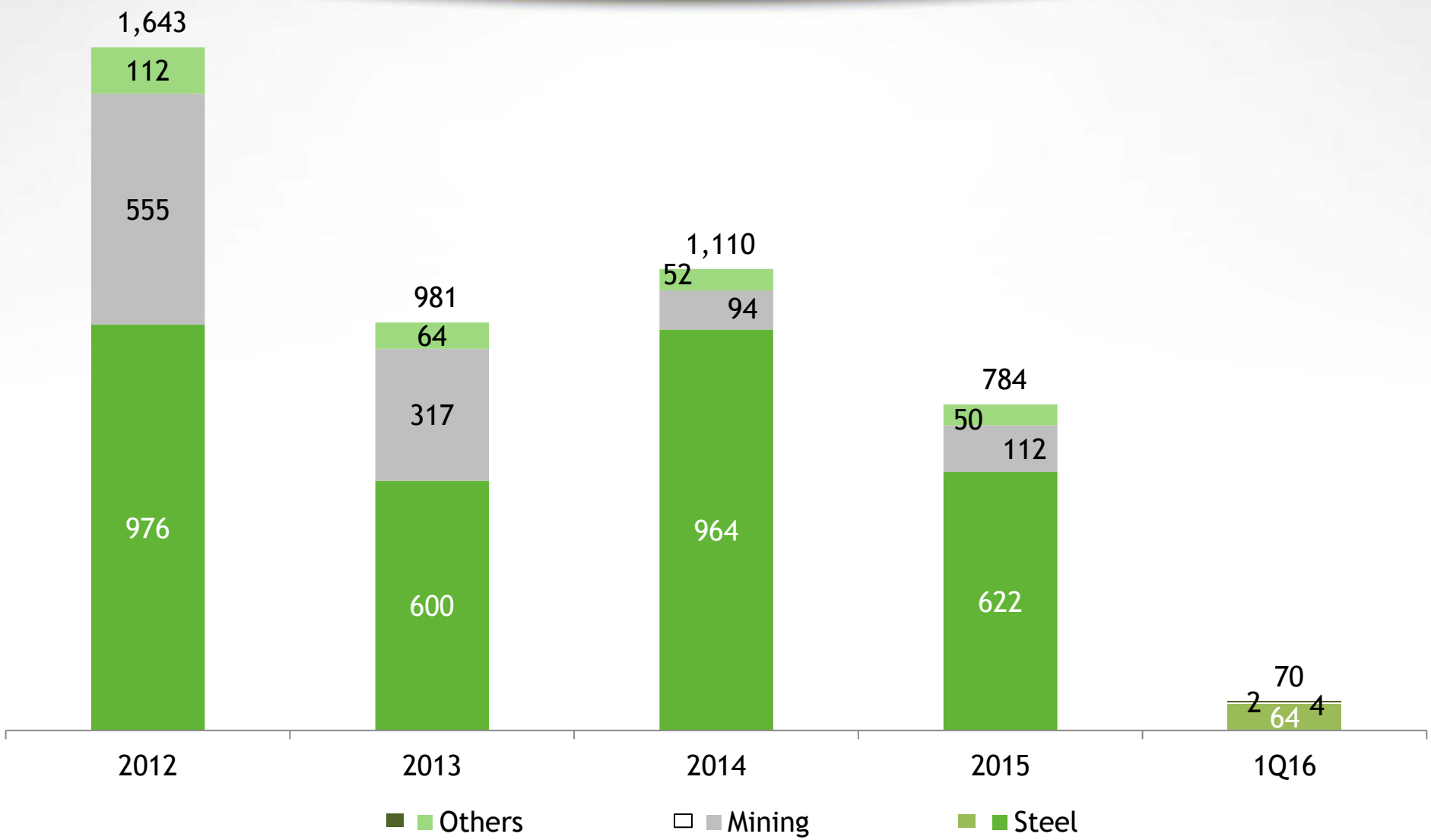
Cash and Indebtedness

Consolidated - R$ million



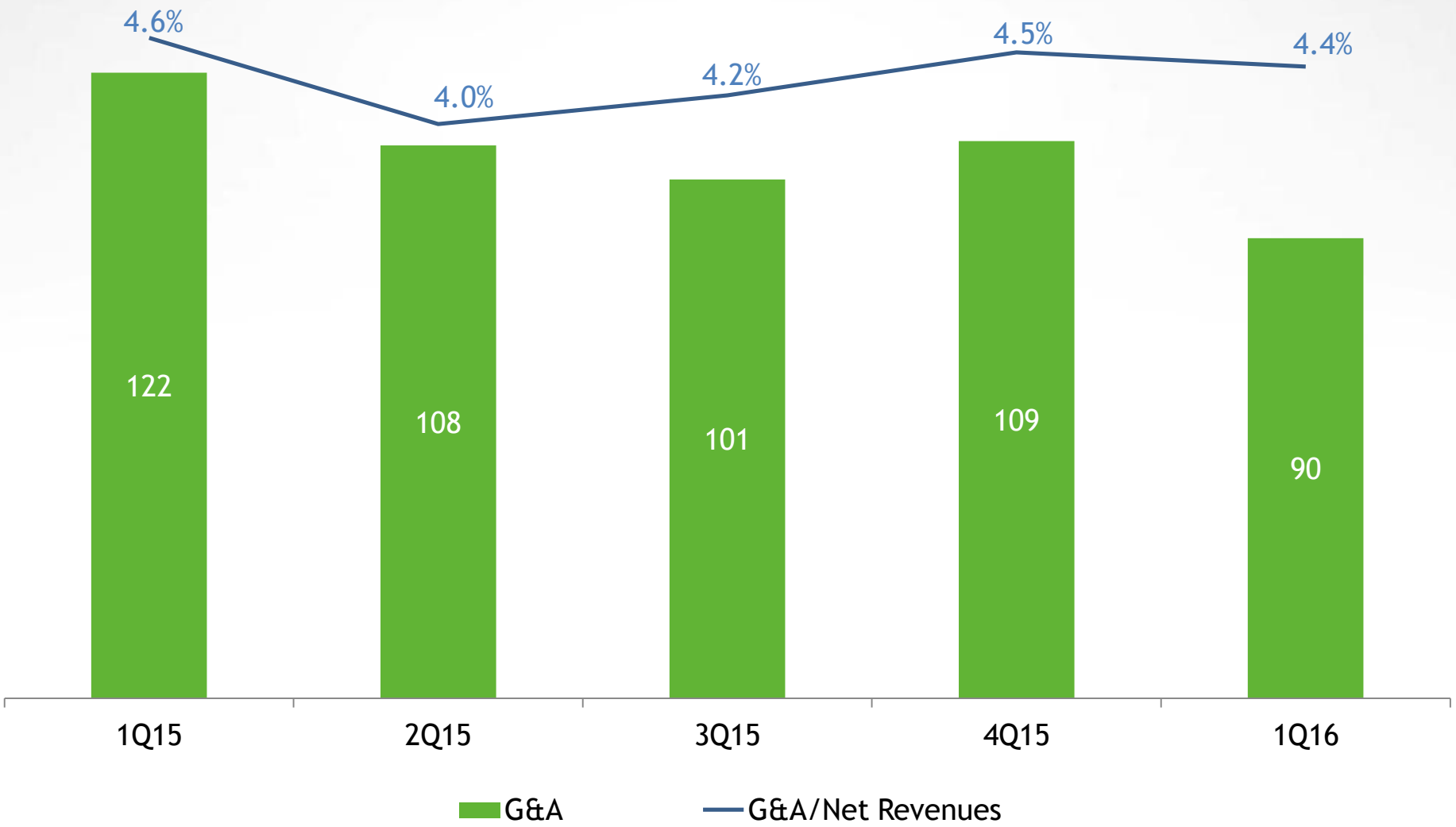
CAPEX

Consolidated - R$ million



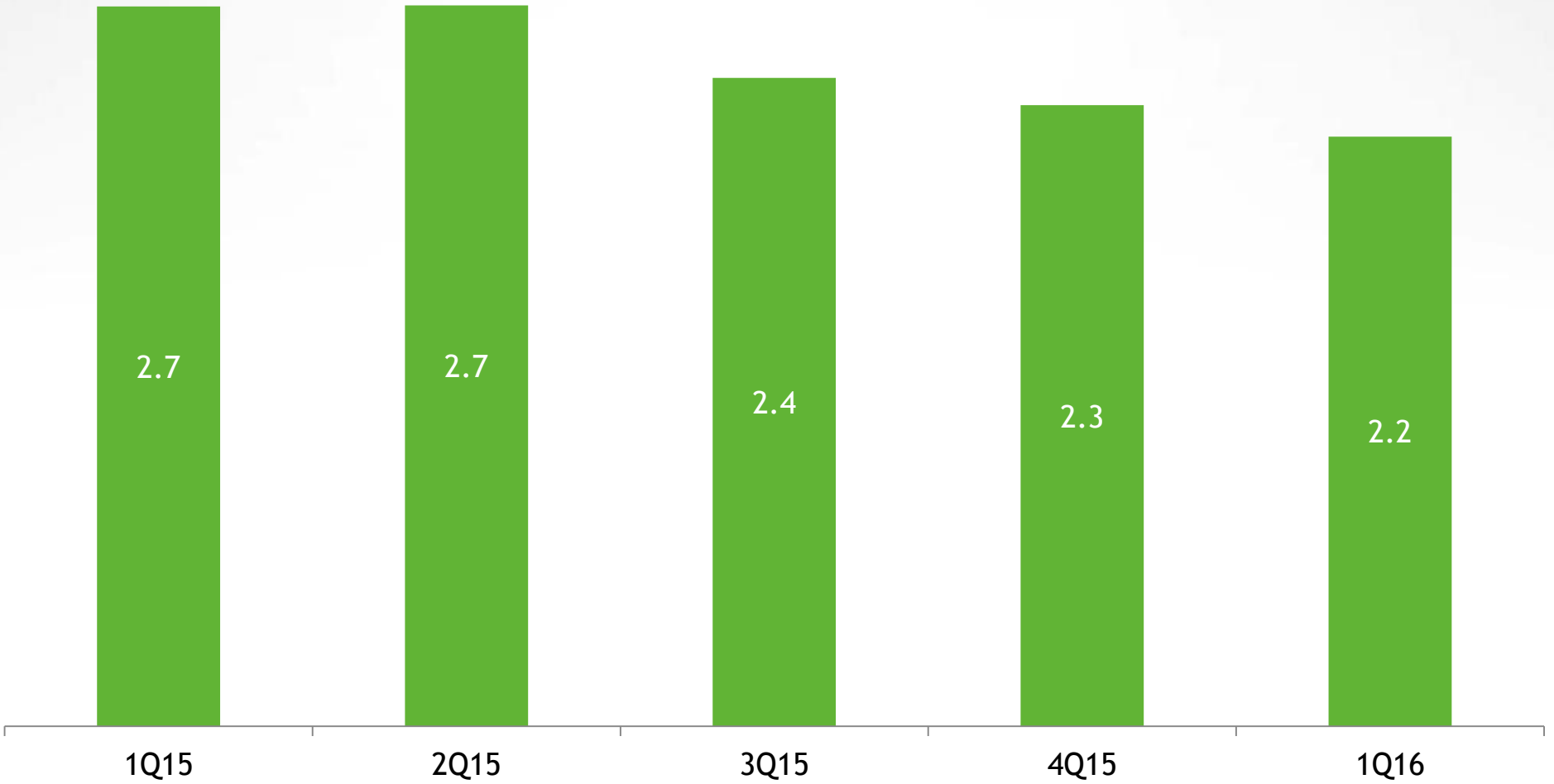
G&A Evolution

Consolidated - R$ million



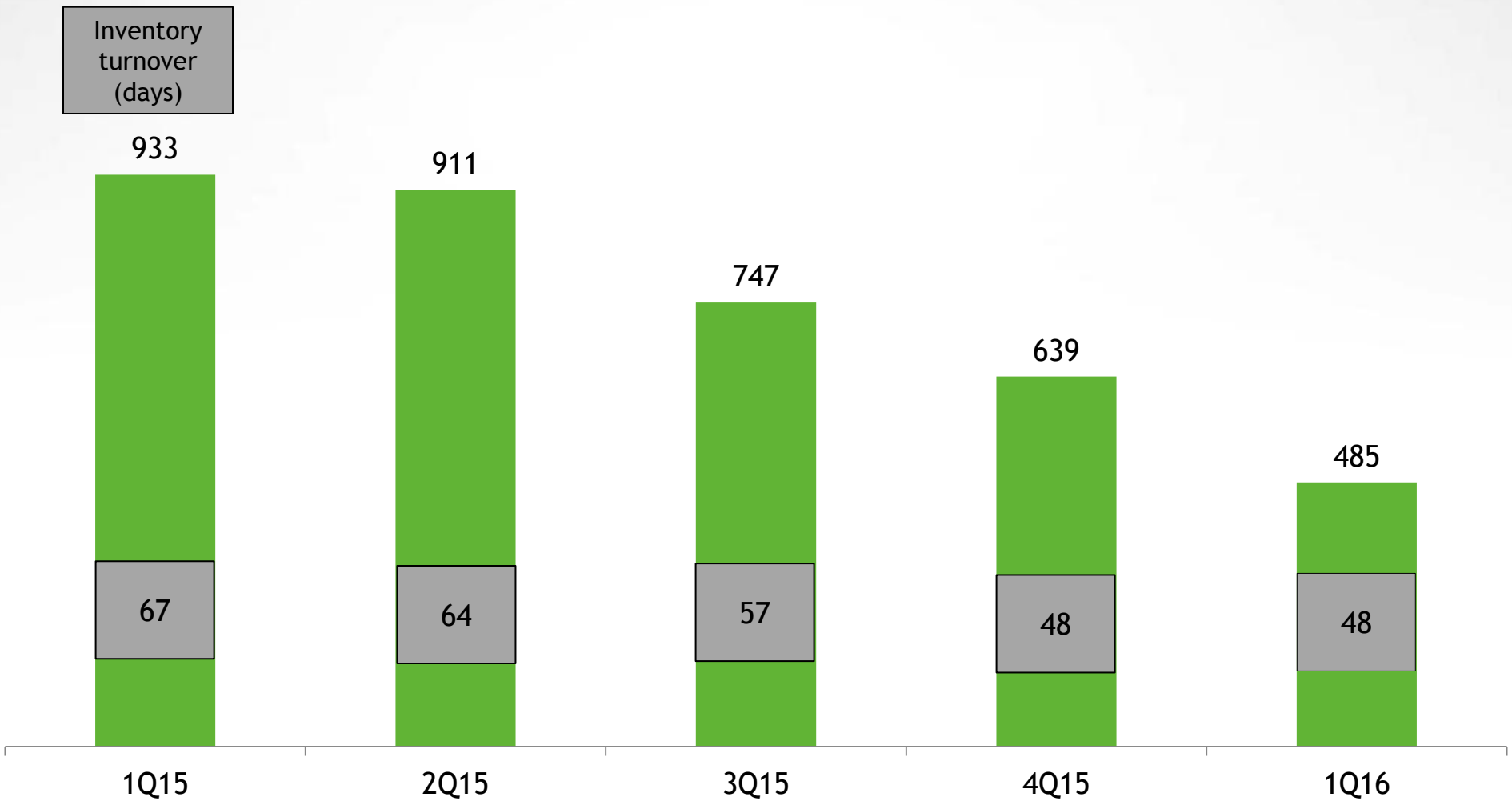
Working Capital

Consolidated - R$ billion



Working Capital – Steel Inventories

Thousand Tons



Income Statement

Per Business Unit - R$ million

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	1Q16	4Q15	1Q16	4Q15	1Q16	4Q15	1Q16	4Q15	1Q16	4Q15	1Q16	4Q15
Net Revenue	106	86	1.739	2.124	431	425	170	211	(405)	(441)	2.041	2.404
Domestic Market	56	86	1.476	1.632	431	425	170	210	(405)	(441)	1.728	1.911
Exports	50	-	263	492	0	-	-	1	-	-	313	493
COGS	(105)	(56)	(1.786)	(2.236)	(410)	(407)	(152)	(177)	372	406	(2.081)	(2.471)
Gross Profit (Loss)	1	30	(47)	(113)	21	18	17	34	(33)	(36)	(41)	(67)
Operating Income (Expenses)	(61)	(1.337)	(180)	(726)	(25)	(82)	(15)	(16)	2	1	(280)	(2.159)
EBIT	(60)	(1.307)	(227)	(838)	(4)	(64)	2	18	(31)	(34)	(320)	(2.226)
Adjusted EBITDA	**(12)**	**(102)**	**46**	**(179)**	**3**	**(1)**	**8**	**24**	**6**	**8**	**52**	**(250)**
Adj.EBITDA Margin	**-11%**	**-119%**	**3%**	**-8%**	**1%**	**0%**	**5%**	**12%**	**-**	**-**	**3%**	**-10%**

*Consolidates 70% of Unigal

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

Financial Reconfiguration

- Standstill agreement with the main creditors signed in March/16 for 120 days;
- Capital increase duly approved at R$1 billion;
- Access to Usiminas Mining cash (*Intercompany Loan / capital reduction)*;
- Debt renegotiation for a new profile of the principal and maturities to the generation of the Company's cash;
- Sale of assets.

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Level I

LATIBEX

THE GLOBAL COMPACT
WE SUPPORT

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

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