

Usiminas' Results
2Q13

USIMINAS

Information Classification: Public

Agenda



Company Profile and Market Data



Usiminas and its Business Units



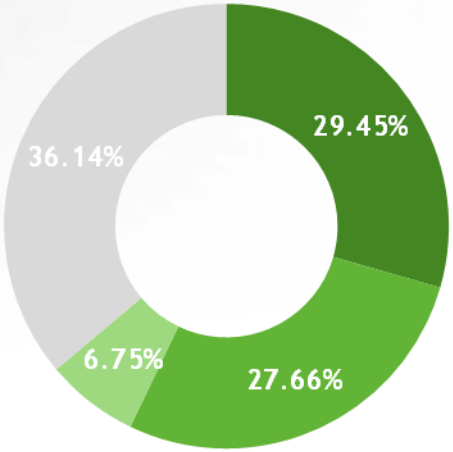
Operational Improvement and Financial Results

Time Line and Shareholder Composition

Total Capital
1,013,786,190

Voting Capital

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



Control Group:
63.86% of Voting Capital

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

1956
Foundation of Usiminas

1962- Operation Start Up

1991
Privatization Usiminas: 1991
Cosipa: 1993

2005
Listing on Latibex

2008
Aquisition of J. Mendes iron ore mines

Aquisition of Zamprogna

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

Single CNPJ: Cosipa is incorporated by Usiminas

2010
Creation of Mineração Usiminas

Partnership with Codeme and Metform

2011
Selling of Ternium shares

Joint Mining and Cooperation Agreements with MBL and Ferrous

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

Negociation with J. Mendes concluded

2012
Entrance of Ternium/ Tenaris into Usiminas' Control Group

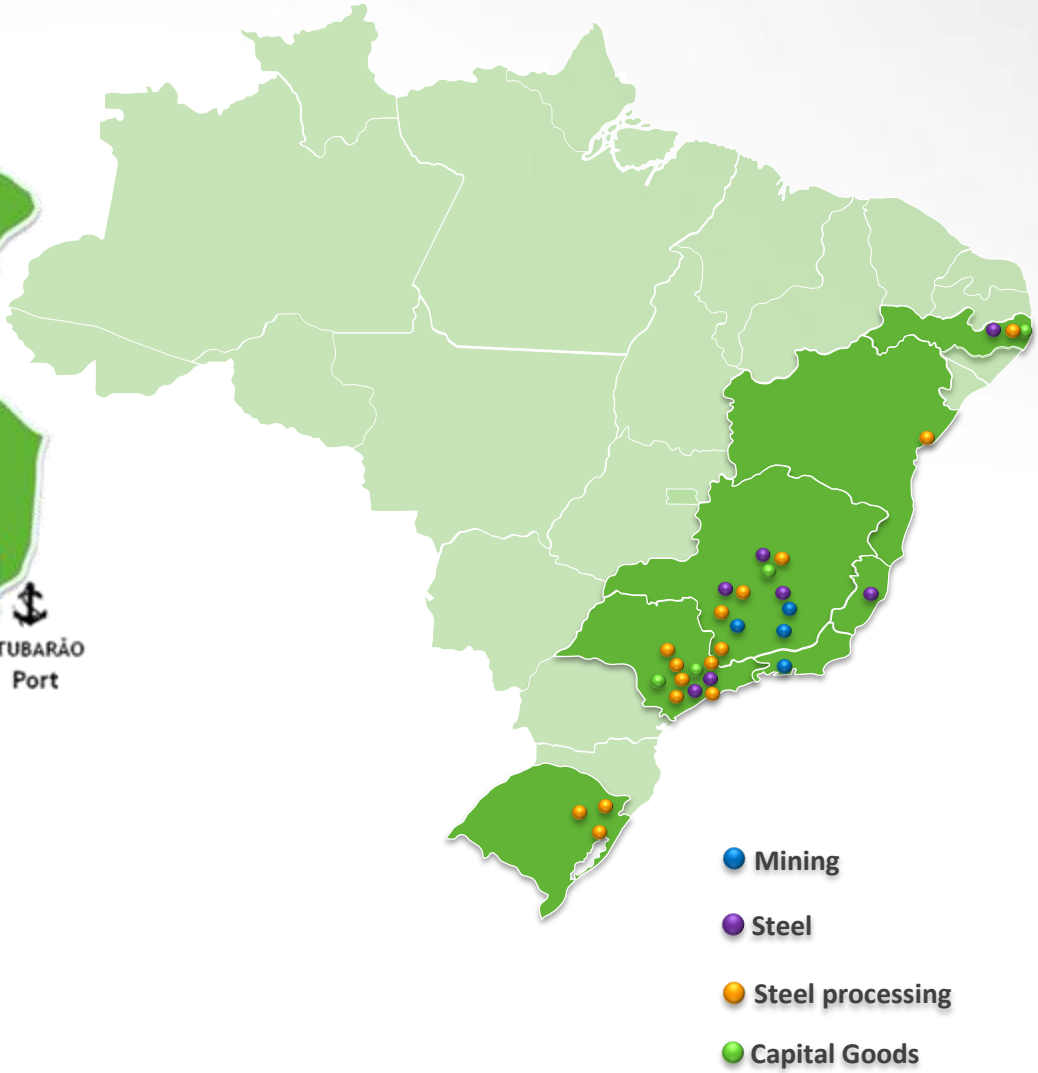
New shareholders agreement signed among Nippon Group, Ternium / Tenaris and Usiminas Pension Fund until 2031

2013
Sale of Automotiva Usiminas *

* Conditioned to CADE's approval (CADE is the Brazilian Antitrust Regulator)

Strategically Located





Complete Solution of Products and Services

DOWNSTREAM

UPSTREAM

Mining



Mineração Usiminas

Steel



Ipatinga

Cubatão

Unigal Usiminas

Steel Processing



Soluções Usiminas

Metform and Codeme stake

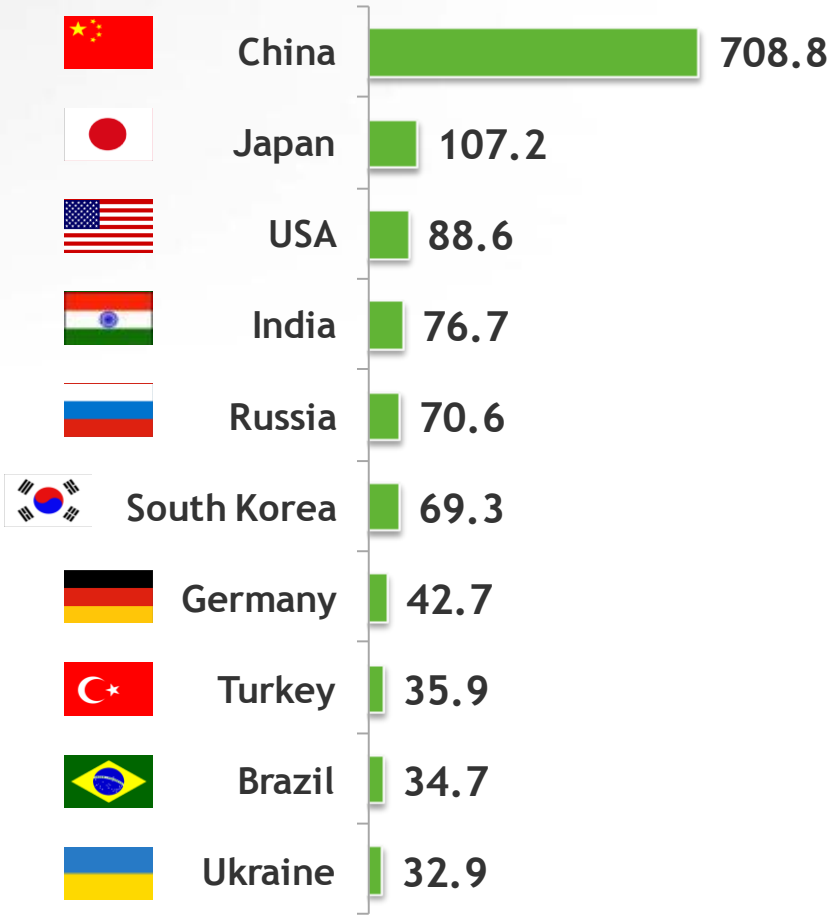
Capital Goods

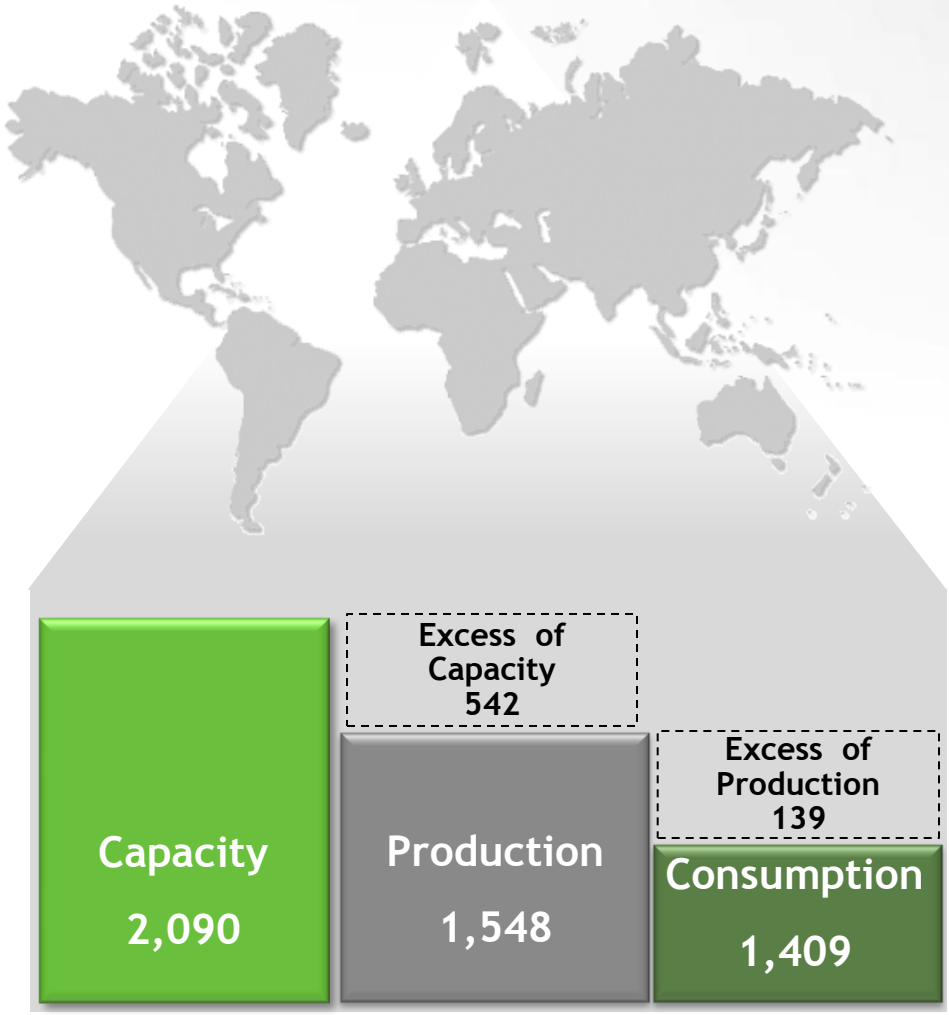


Usiminas Mecânica

World Crude Steel Production in 2012

Million tons



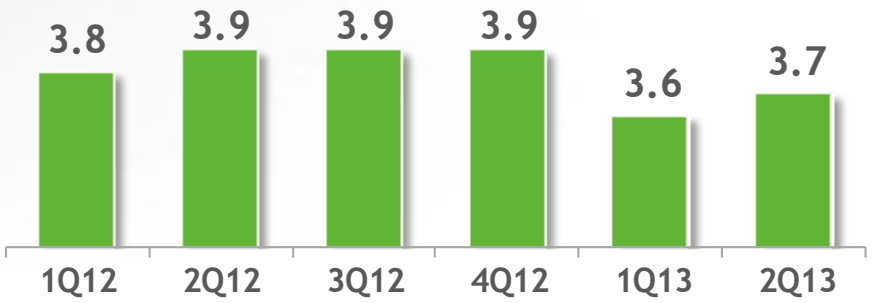


Source: World Steel Association

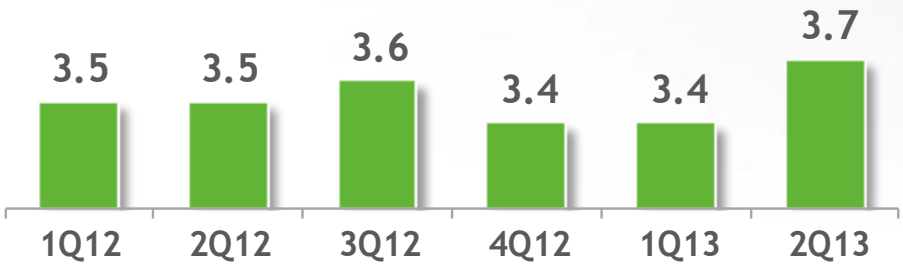
Flat Steel Brazilian Market

Million tons

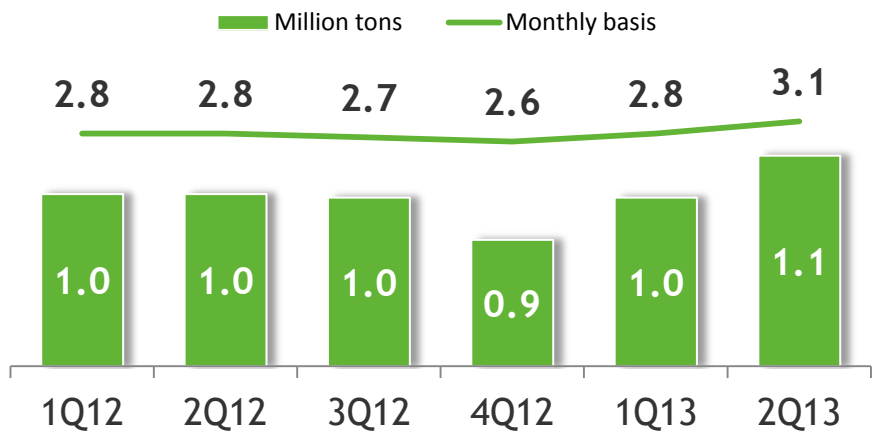
Production



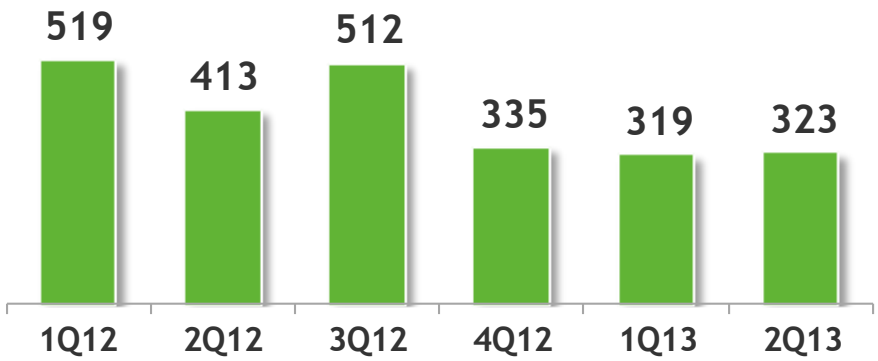
Apparent Consumption



Inventories in the Distribution Network



Imports (thousand tons)



Source: IABR / INDA / Usiminas

Agenda



Company Profile and Market Data



Usiminas and its Business Units

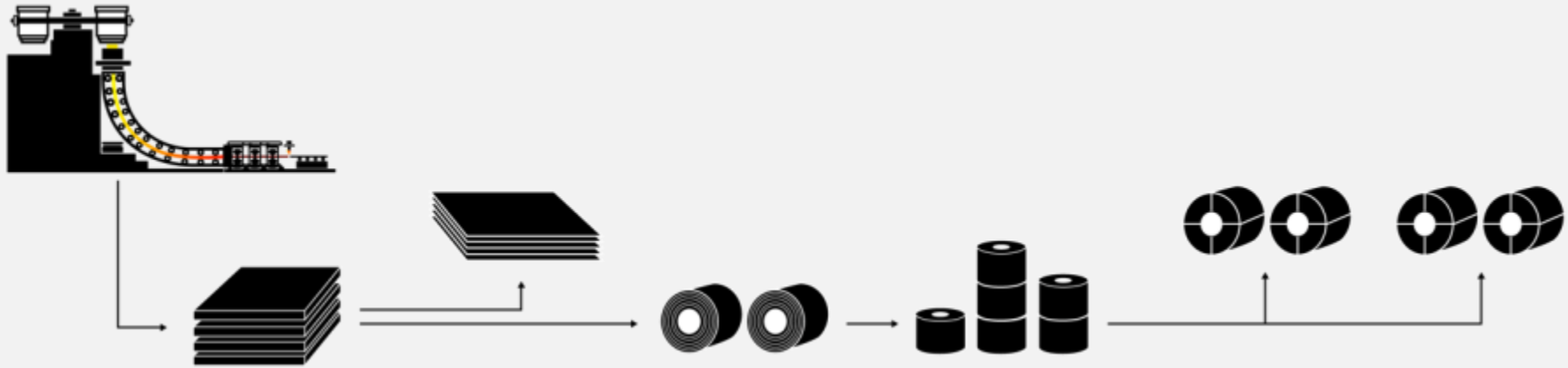


Operational Improvement and Financial Results

Steel Business Unit

Flat steel production

Installed Nominal Capacity : 9.5 million tons / year



					Galvanized	
Slab Caster	Slabs	Heavy Plates	Hot Coils	Cold Coils	EG	HDG
Ipatinga Plant	5,000,000tons	1,000,000tons	3,600,000tons	2,500,000tons	360,000tons	1,050,000tons
Cubatão Plant	4,500,000tons	1,000,000tons	4,400,000tons	1,200,000tons	-	-
Nominal Capacity	9,500,000tons	2,000,000tons	8,000,000tons	3,700,000tons	360,000tons	1,050,000tons
Optimized Rolling Capacity	-	1,900,000tons	3,200,000tons	1,950,000tons	350,000tons	1,020,000tons

Steel Business Unit

Everyday steel application

Auto Industries



Cold Rolled and Galvanized (EG and HDG)

Autoparts



Hot Rolled

Agricultural Machines



Heavy Plates and Hot Rolled

Household Appliances



Cold Rolled and Galvanized (EG and HDG)

Civil Construction



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

Ship-Building



Heavy Plates

Pipelines



Heavy Plates and Hot Rolled

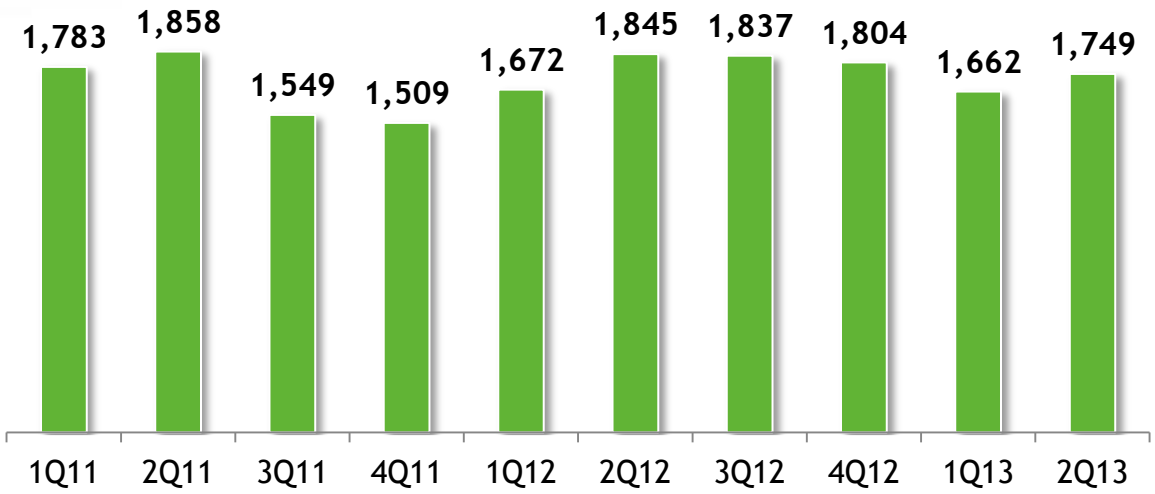
Pressure Vessels

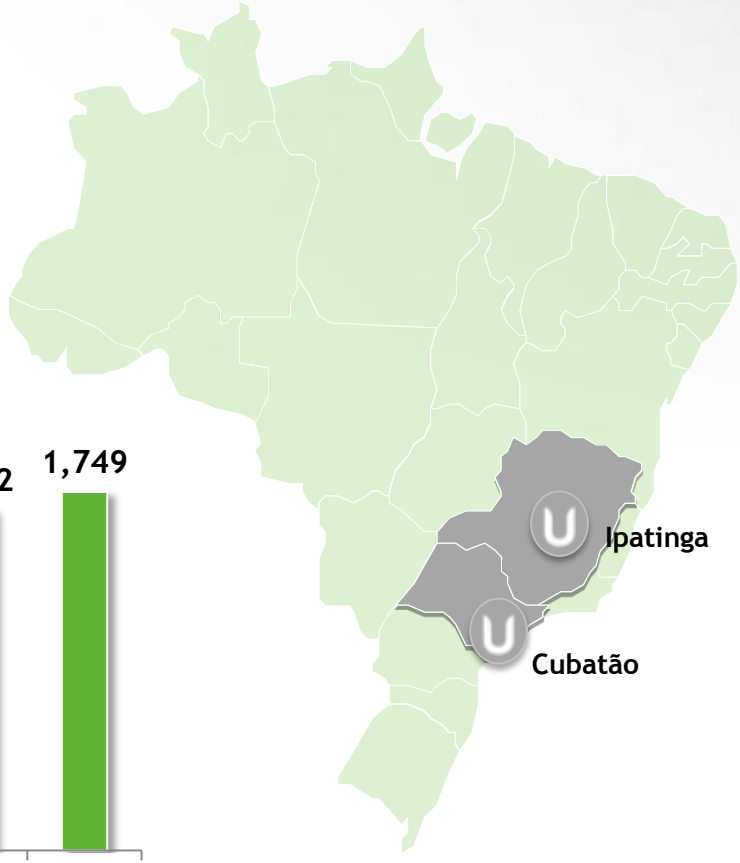


Heavy Plates

Steel Business Unit

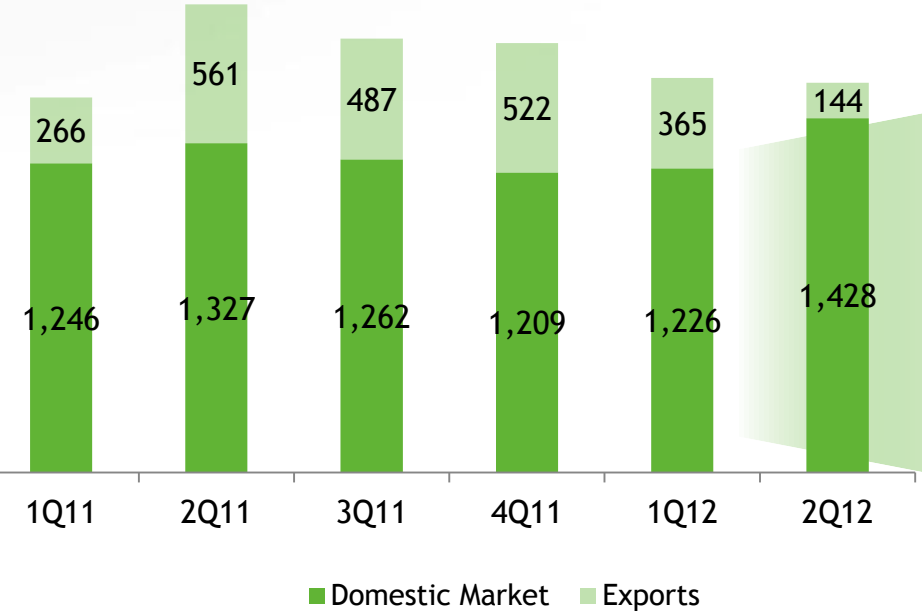
Crude steel production - Thousand tons



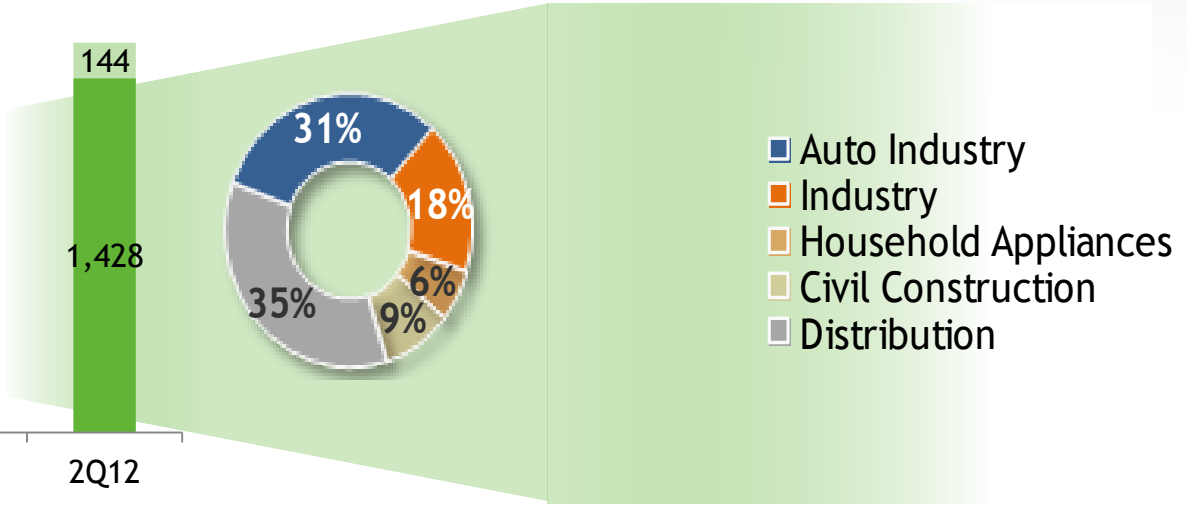


Steel Business Unit

Sales - Thousand tons



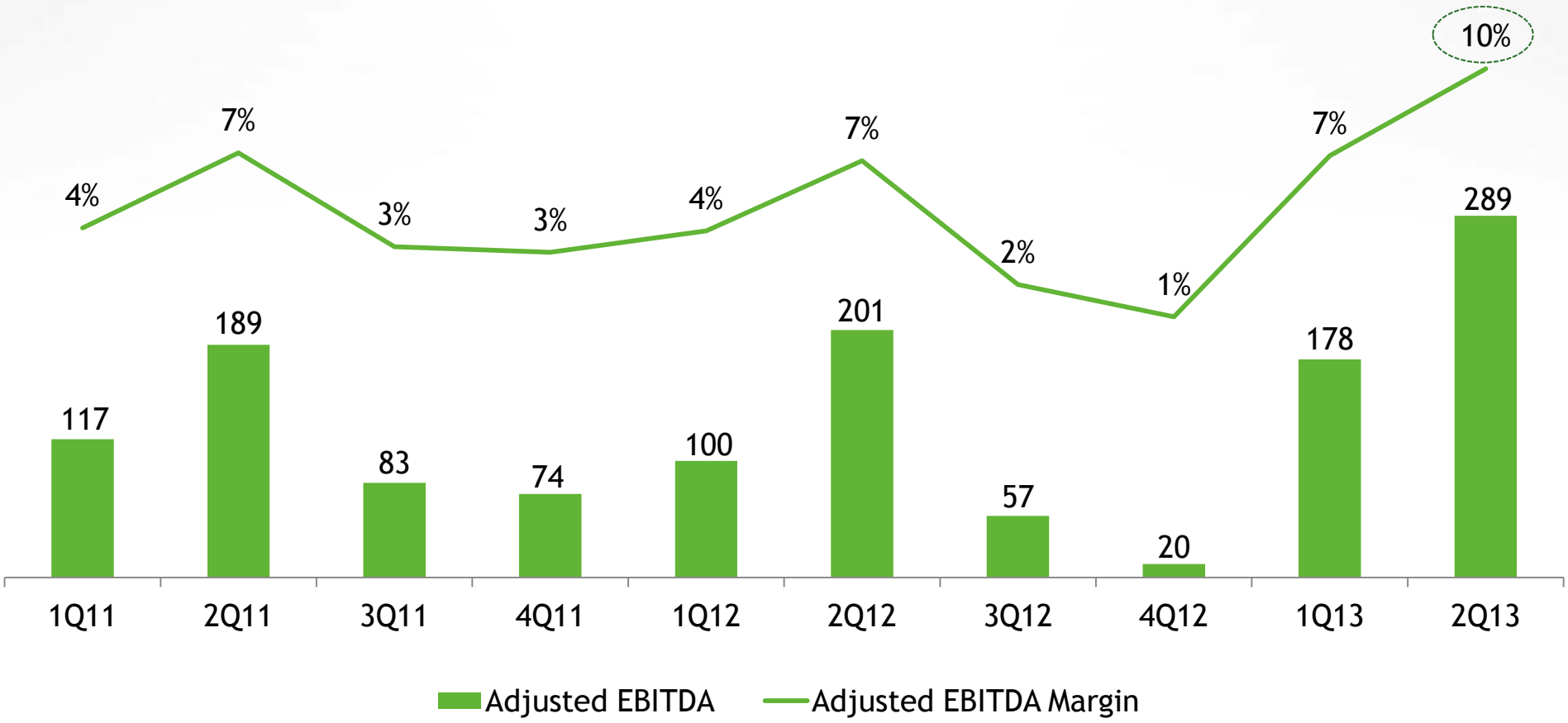
Sales Breakdown by Segments - 2Q13



Adjusted EBITDA/ Adjusted EBITDA Margin

Steel Business - R$ Million

Steel business Adjusted EBITDA is back to 2 digits



Steel Business Unit

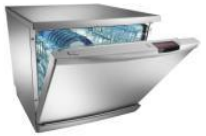
Concluded investments

Hot Strip Mill II - Cubatão	Galvanizing Line II - Ipatinga
Higher product performance and efficiency	Higher production capacity
Exclusive coils dimensions in Brazil	Products portfolio increase
Higher productivity for customers	Deep drawing steel
High level of automation	Products Inovation
Lower electric energy consumption	High-strength steels
High-strength steels	Excellent flatness

Main Applications





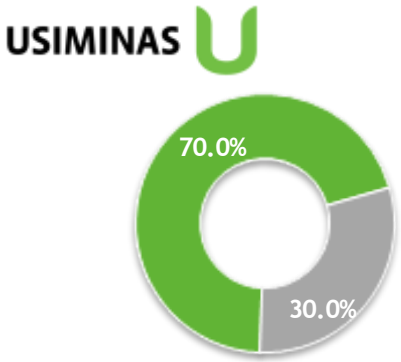



Production capacity of 2.3 million tons per year

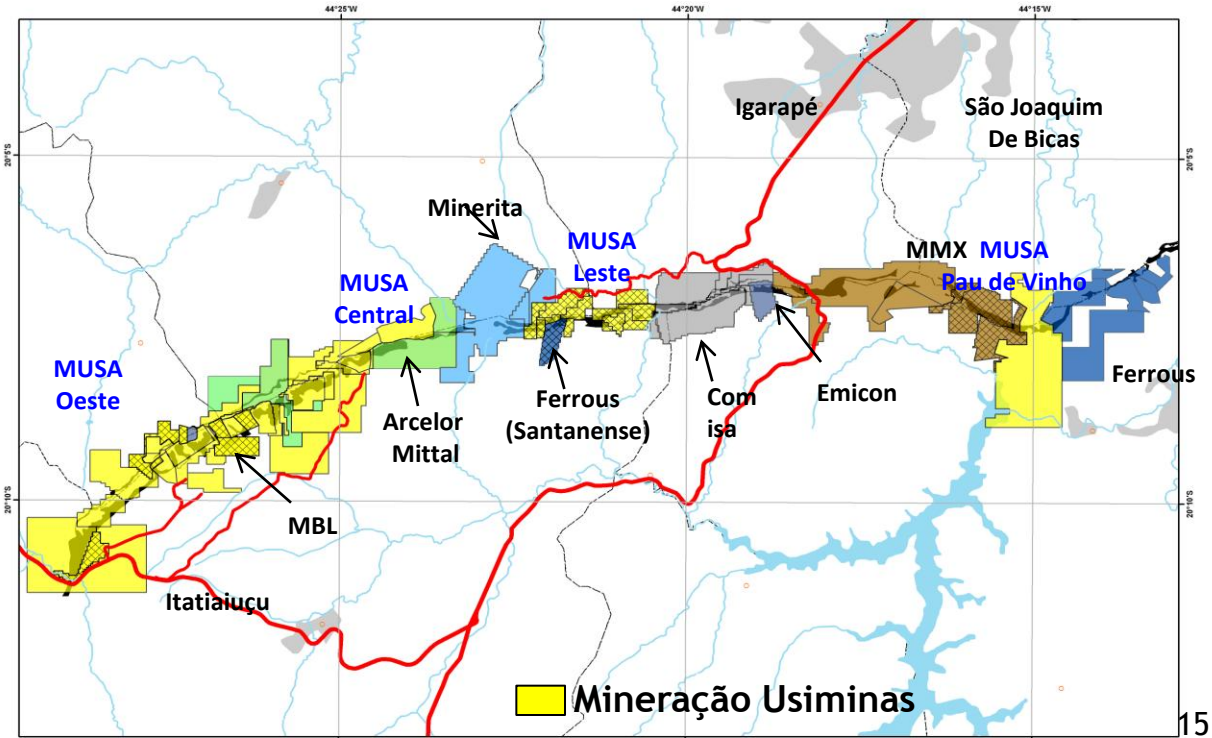
Production capacity of 550 thousand tons per year

Mining - Mineração Usiminas

- Located in Serra Azul/MG
- 4 mining sites, acquired from J. Mendes Group in February 2008
- Reserves of 2.6 billion tons of iron ore
- Life time until 2045
- MRS: 20% of voting shares, being part of the Control Group
- Retroarea in Itaguaí Port



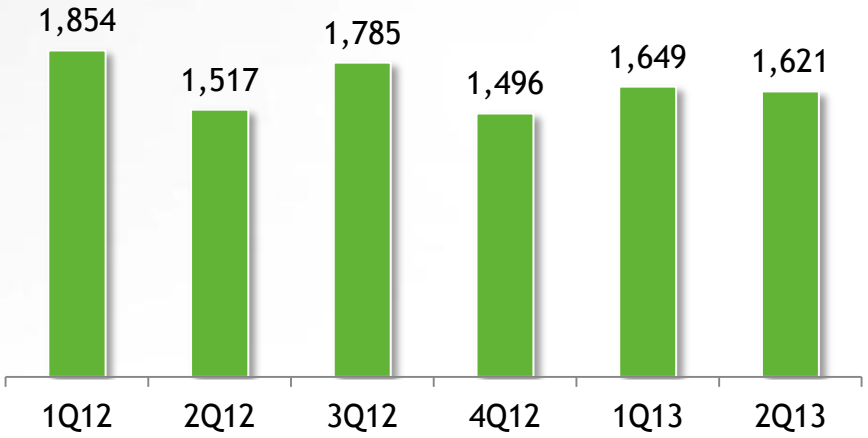
Sumitomo Corporation



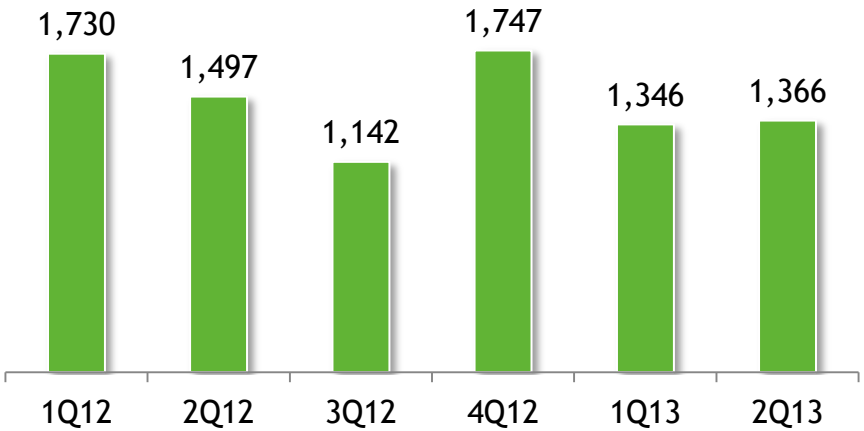
Mining - Mineração Usiminas

Thousand tons

Production:



Sales:



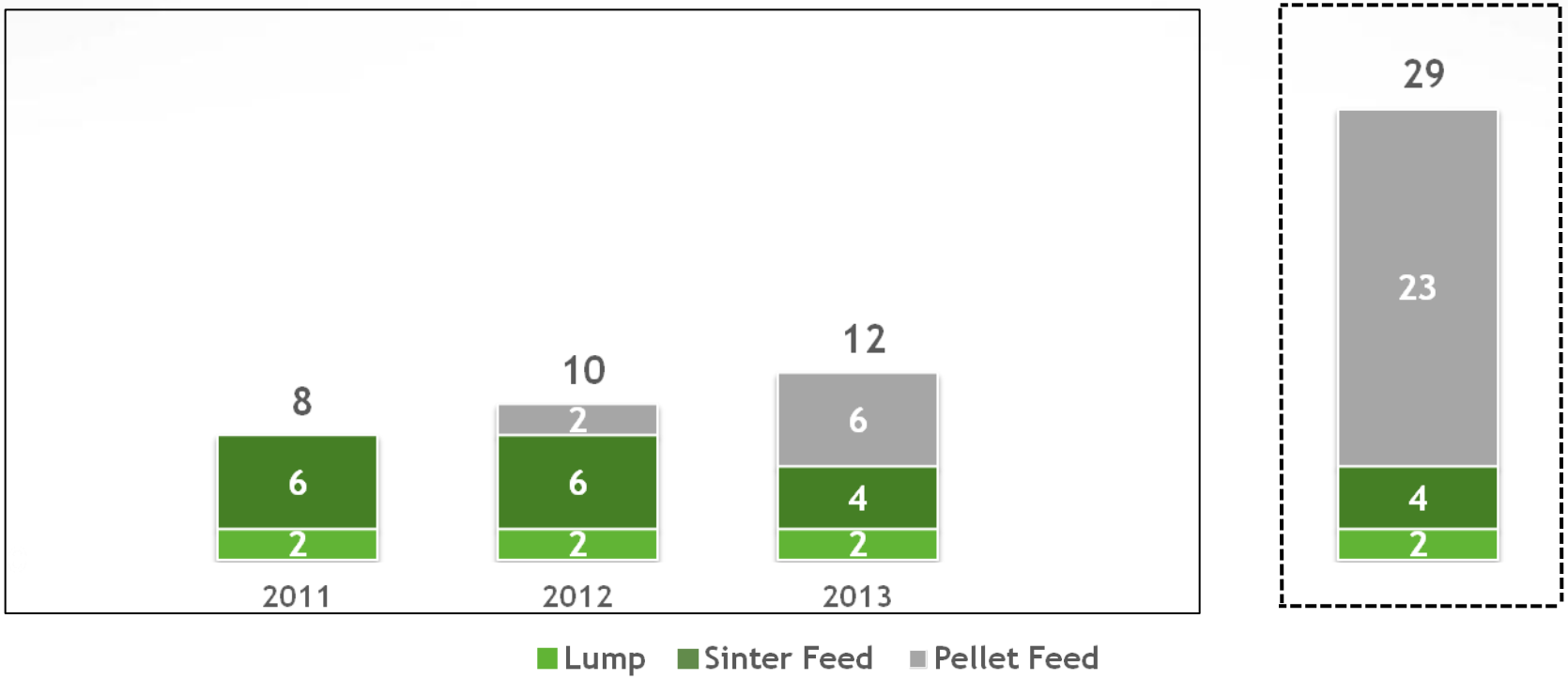


Mining - Mineração Usiminas

Investment Plan

Iron Ore Production Capacity - *million tons by the end of the year*

Friable Project: ongoing Estimated Capex of R$800 million	Compact Project: under detailing phase



Retroarea in Itaguaí Port



Steel Processing

Soluções Usiminas and Automotiva Usiminas

Soluções Usiminas

- 10 industrial units in MG, SP, RS, ES, BA and PE
- Processing capacity of 2 million tons/year
- Net Revenue of R$998 million in the 1H13

Automotiva Usiminas

In the 2Q13, Usiminas entered into an Agreement with Aethra Sistemas Automotivos S.A., for the amount of R$210 million (enterprise value) to transfer 100% of its shares. The transaction conclusion is conditioned to the approval of CADE (Brazilian Antitrust Regulator) and is aligned with the Company's strategy to focus on its core business, in order to maximize its competitive positioning



Capital Goods

Usiminas Mecânica

- Located in Ipatinga/MG, it is one of the largest capital goods companies in Brazil
- Market Segments: Steel Structures, Shipbuilding and Offshore, Oil and Gas, Industrial Equipment, Industrial Assembly, Foundry and Railcars
- Net Revenue of R$524 million in the 1H13

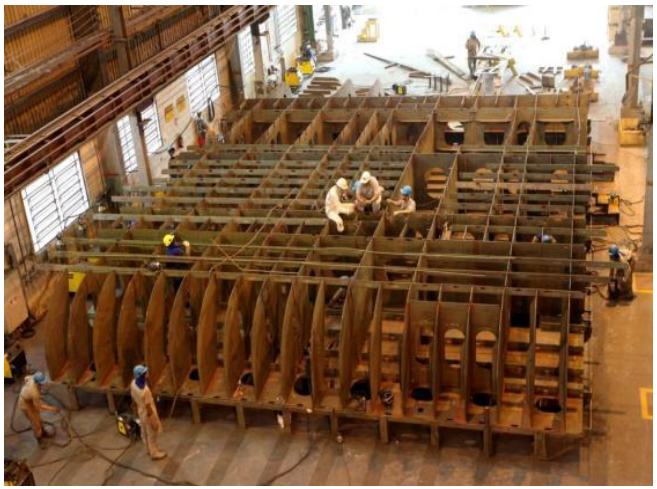
Platform



Brasília 3rd Bridge



Ship Panel



Agenda



Company Profile and Market Data



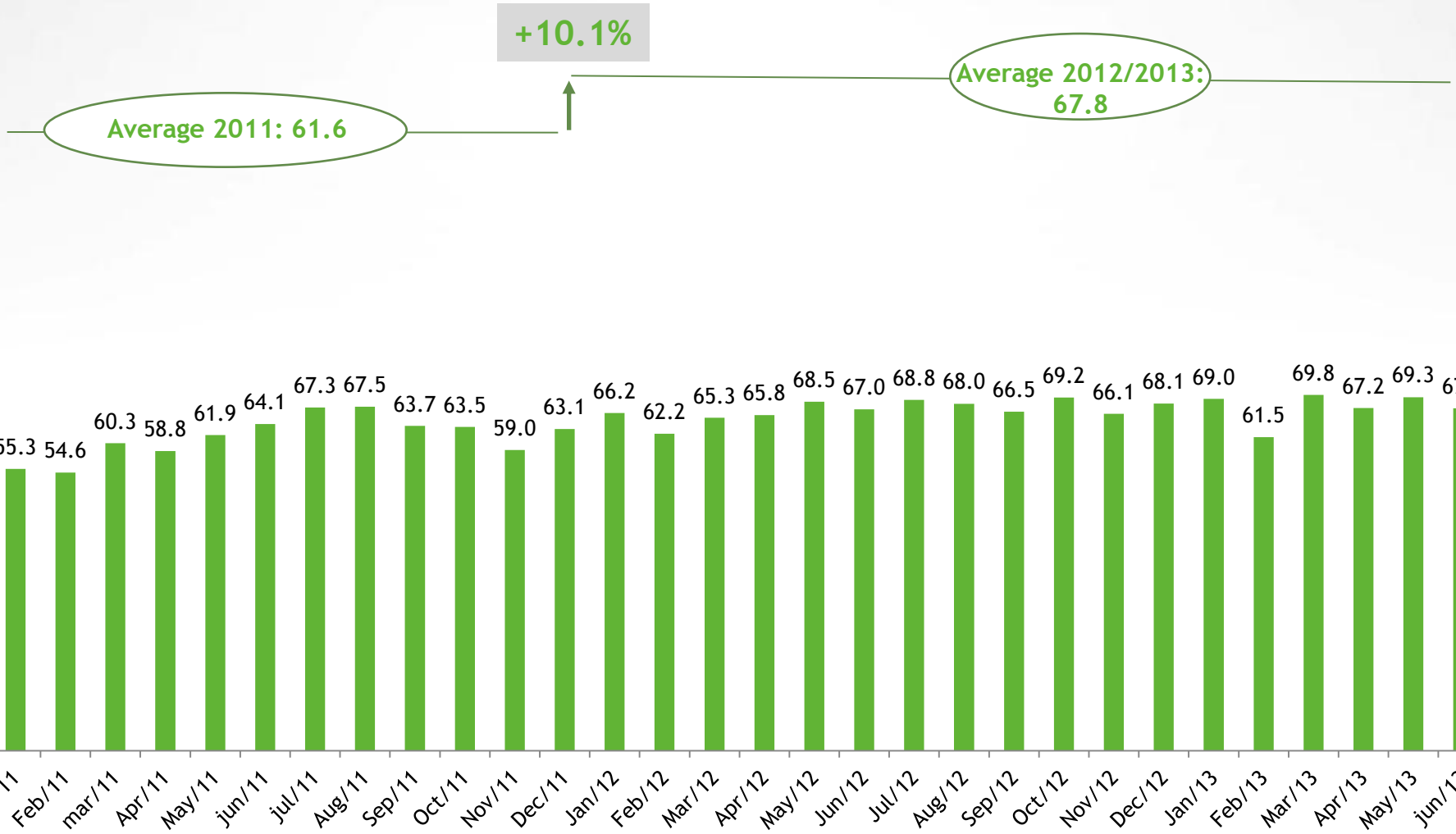
Usiminas and its Business Units



Operational Improvement and Financial Results

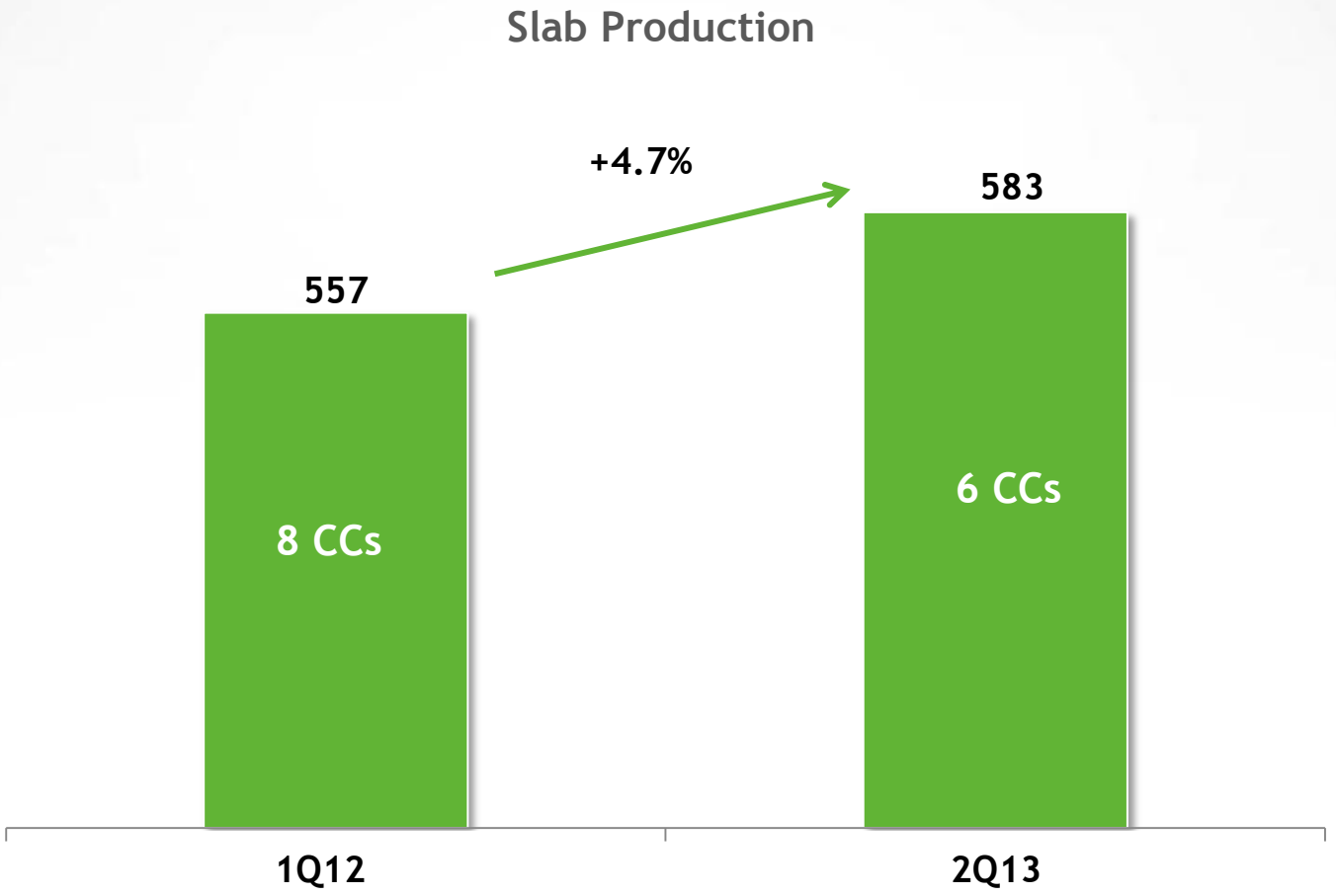
Increasing Coke Production

Coke Plant #3 (Ipatinga) - Thousand tons



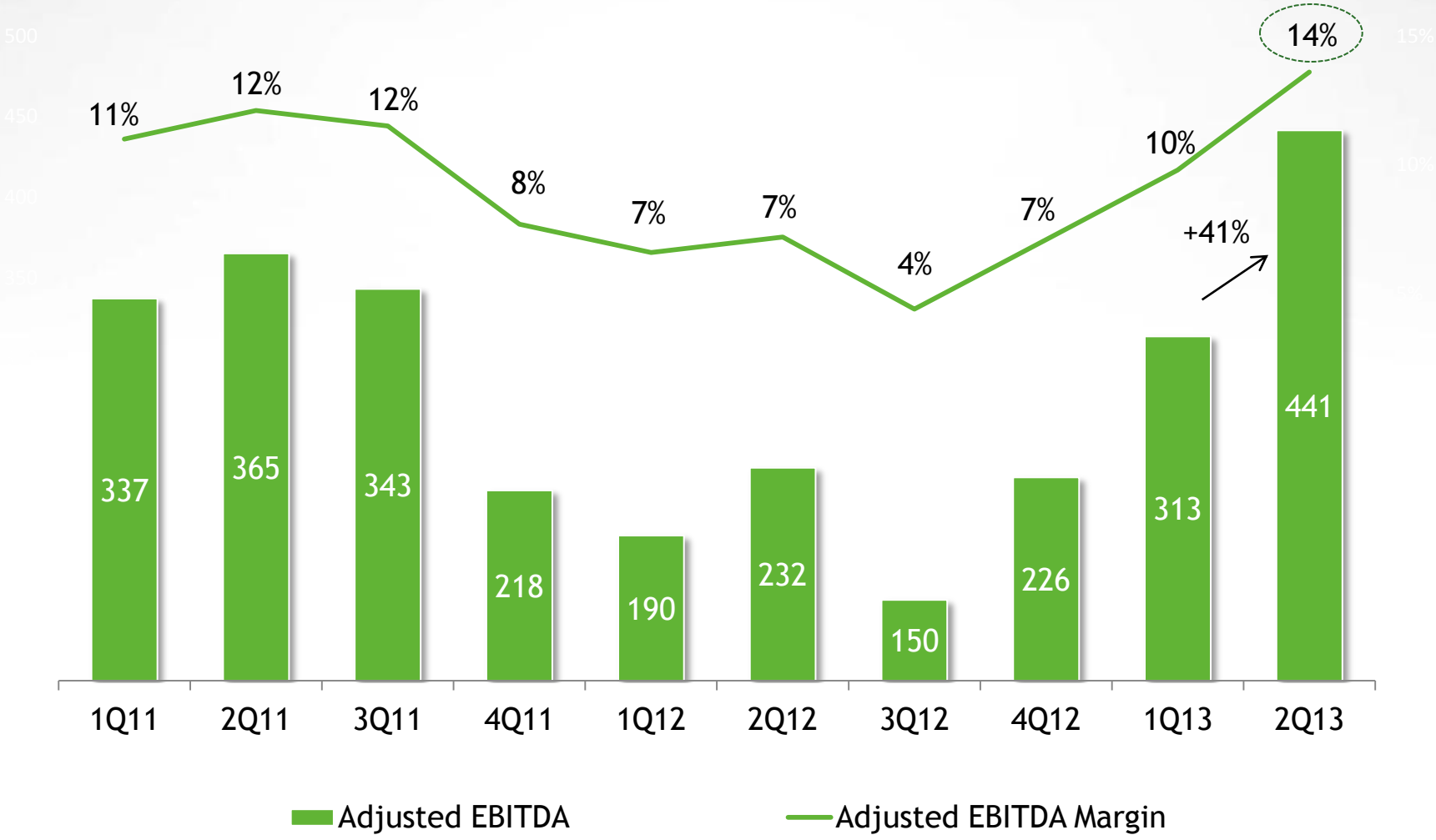
Improving Continuous Casting Productivity

Increasing slabs production - Thousand tons



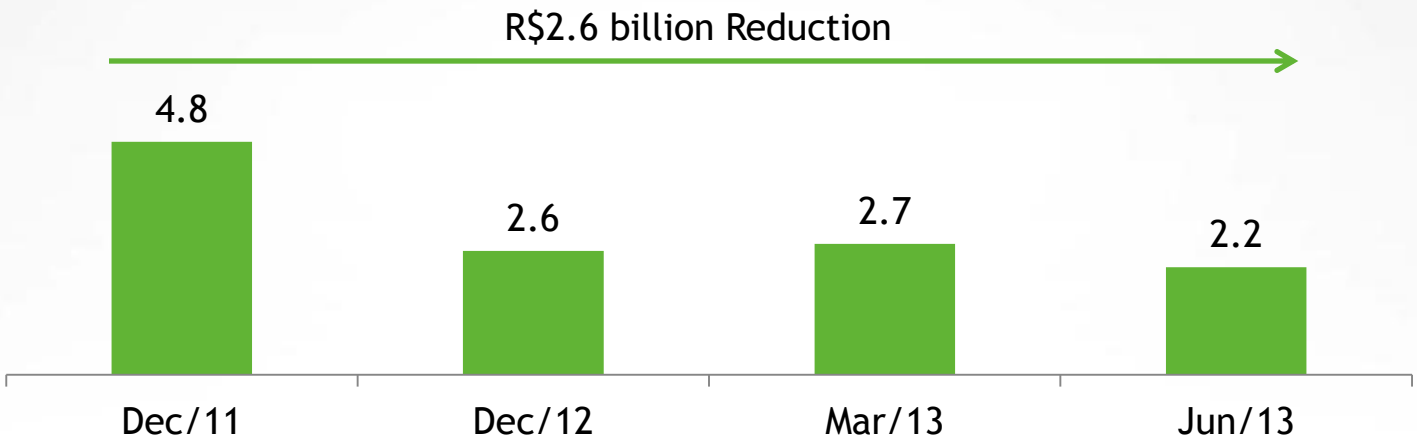
Adjusted EBITDA - Consolidated

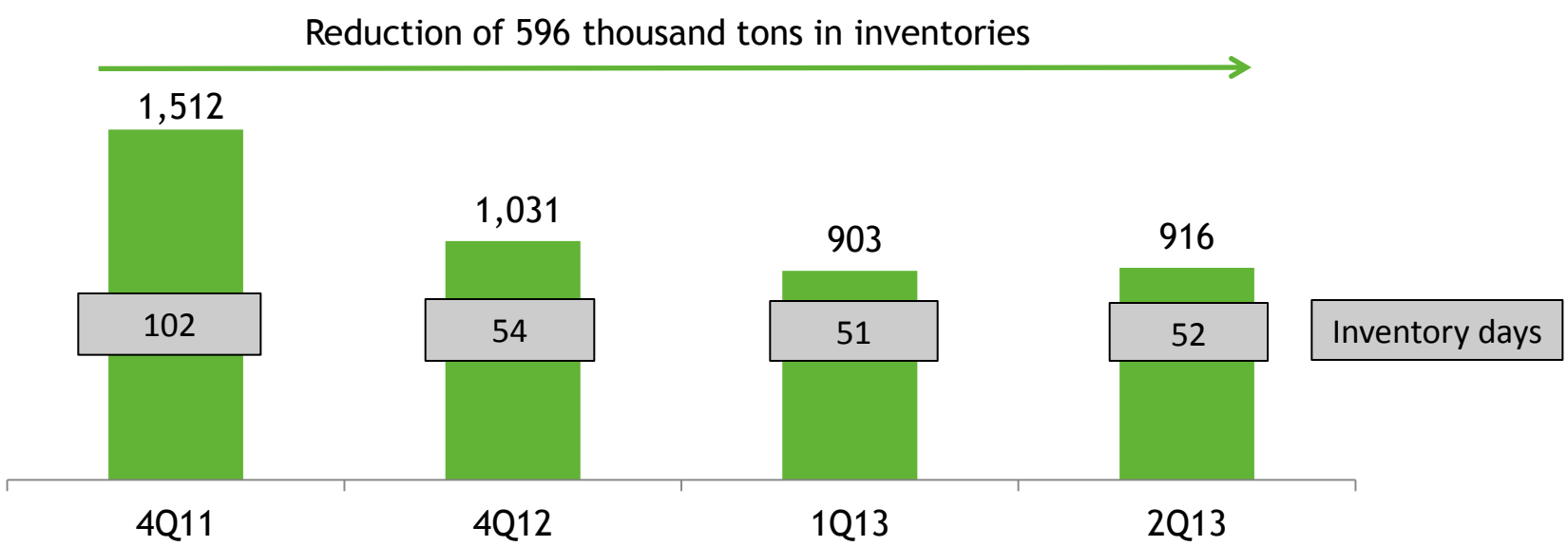
R$ million



Working Capital

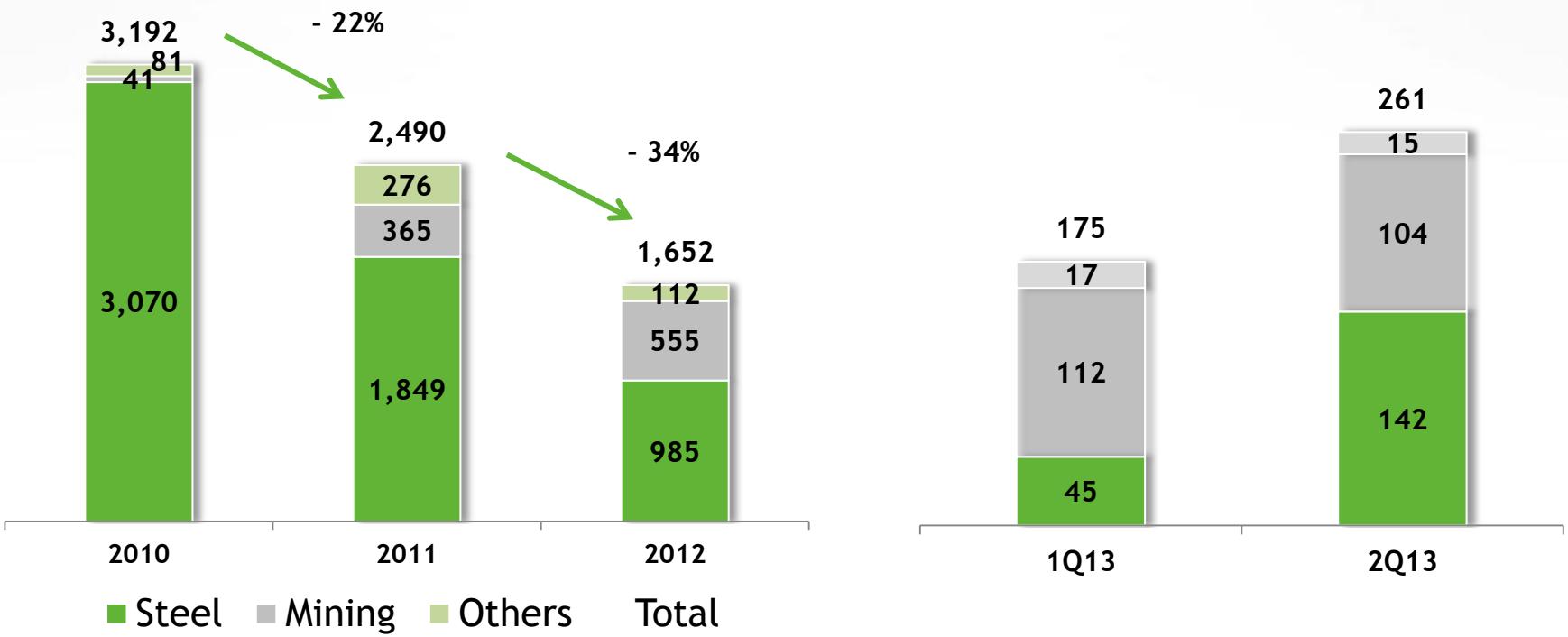
Consolidated / Steel Business





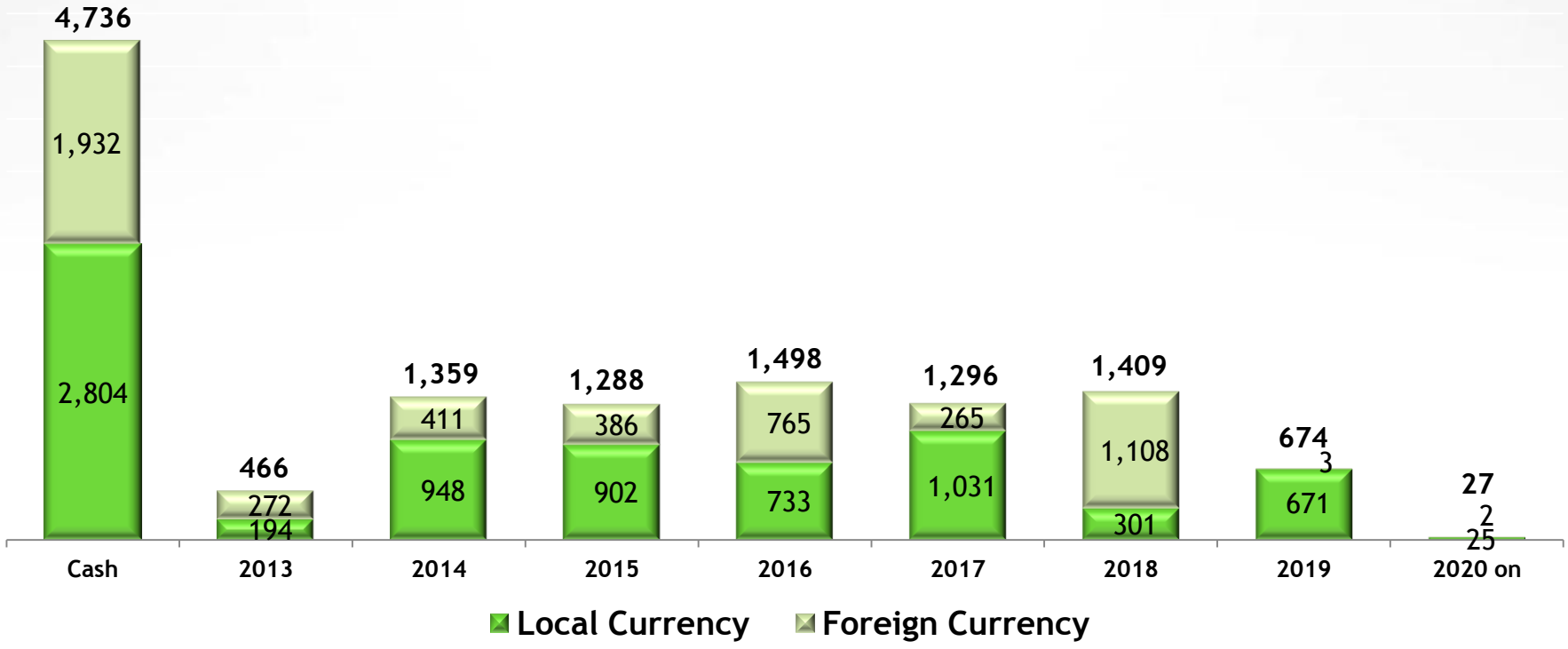
Capex Performance - Consolidated

Strict CAPEX control - R$ million



Debt Profile and Cash Position - Consolidated

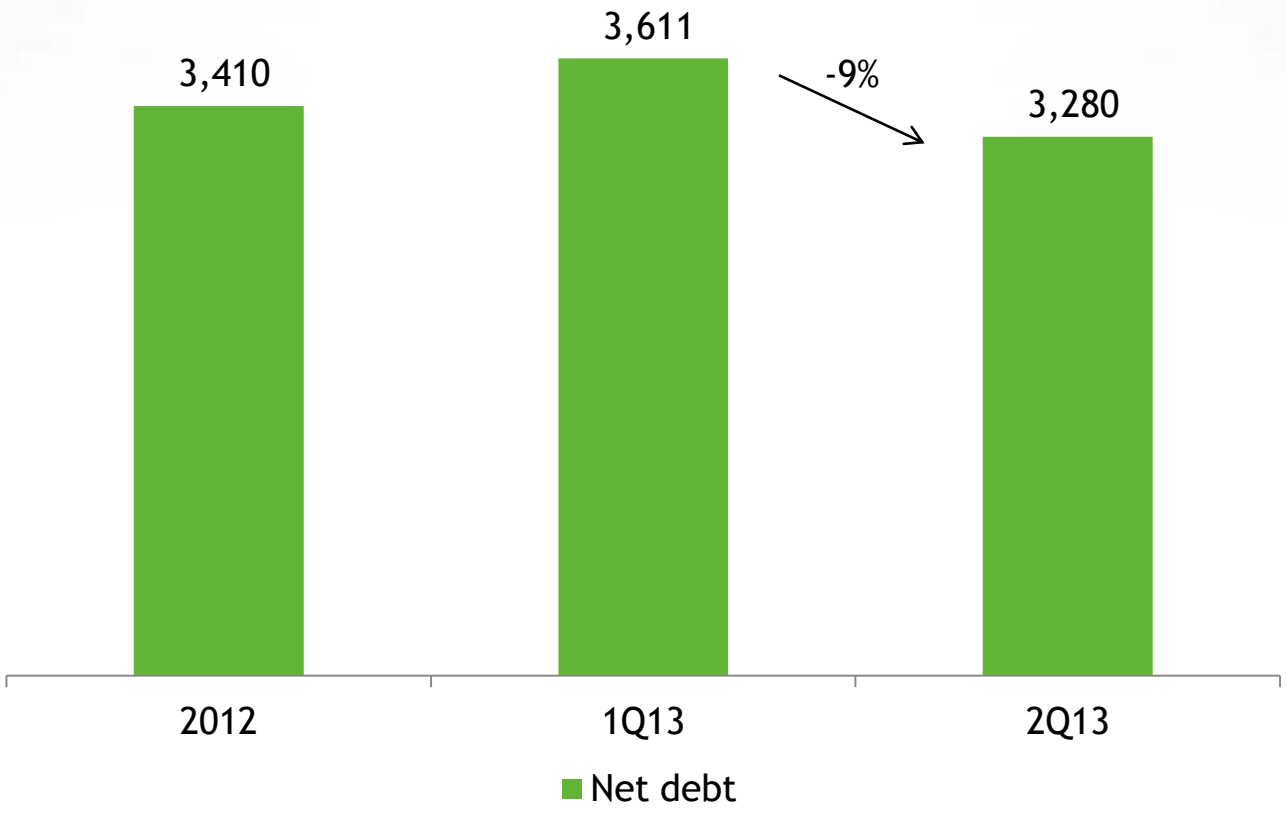
R$ million



Net Debt - Consolidated

R$ Million

9% net debt reduction, even with a 10% Real devaluation in the 2Q13



Quarterly Results Accounted

Per Business Unit

Income Statement per Business Units - Non Audited

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	2Q13	1Q13	2Q13	1Q13	2Q13	1Q13	2Q13	1Q13	2Q13	1Q13	2Q13	1Q13
Net Revenue	223	248	2,898	2,666	639	546	265	259	(780)	(524)	3,244	3,195
Domestic Market	191	207	2,683	2,223	634	538	265	259	(780)	(524)	2,992	2,703
Exports	33	41	215	442	5	8	0	0	0	0	252	491
COGS	(90)	(86)	(2,707)	(2,590)	(570)	(495)	(249)	(249)	749	433	(2,868)	(2,988)
Gross Profit	133	162	190	75	68	51	16	10	(31)	(91)	376	207
Operating Income (Expenses)	(24)	(29)	(141)	(134)	(49)	(48)	(22)	(14)	1	1	(234)	(224)
EBIT	109	133	50	(58)	19	3	(6)	(4)	(30)	(90)	142	(16)
Adjusted EBITDA	**120**	**144**	**289**	**178**	**33**	**16**	**1**	**2**	**(1)**	**(27)**	**441**	**313**
Adj.EBITDA Margin	**54%**	**58%**	**10%**	**7%**	**5%**	**3%**	**0%**	**1%**	**-**	**-**	**14%**	**10%**

* Unigal 70%

Note: All transactions among the business units are made at market price.

Results Accounted in the Semester

Per Business Unit

Income Statement per Business Units - Non Audited

R$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	1H13	1H12	1H13	1H12	1H13	1H12	1H13	1H12	1H13	1H12	1H13	1H12
Net Revenue	471	452	5,563	5,670	1,185	1,029	524	456	(1,305)	(1,494)	6,439	6,114
Domestic Market	397	361	4,906	4,582	1,172	1,012	524	454	(1,305)	(1,462)	5,696	4,946
Export Market	74	92	657	1,088	13	17	0	2	0	(32)	743	1,168
COGS	(176)	(173)	(5,297)	(5,631)	(1,066)	(943)	(499)	(483)	1,182	1,387	(5,856)	(5,843)
Gross Profit	295	279	266	39	119	87	26	(27)	(122)	(107)	583	271
Operating Income (Expenses)	(53)	(85)	(274)	(143)	(97)	(101)	(36)	(40)	2	4	(458)	(365)
EBIT	242	195	(8)	(104)	22	(15)	(10)	(66)	(120)	(104)	126	(94)
EBITDA	**263**	**211**	**467**	**301**	**49**	**11**	**3**	**(54)**	**(27)**	**(46)**	**755**	**422**
EBITDA Margin	**56%**	**47%**	**8%**	**5%**	**4%**	**1%**	**1%**	**-12%**	**-**	**-**	**12%**	**7%**

* Unigal 70%

Note: All transactions among the business units are made at market price.

Results achieved in the 2Q13

- ✓ Recovery of Consolidated EBITDA margin
- ✓ Recovery of margins in the Steel Business Unit
- ✓ Higher steel sales volume in the domestic market
- ✓ Company financial improvement, with net debt reduction

Final Message

Continuous Process

Fase I
Control

- ✓ Costs
- ✓ CAPEX
- ✓ Working Capital

Fase II
Improvement

- ✓ Productivity Increase
  - * Industrial Engineering
  - * Benchmarking
- ✓ Operational Efficiency
- ✓ Domestic Sales Increase
- ✓ Leverage Reduction
- ✓ Company's Profitability Recovery

NÍVEL 1
BM&FBOVESPA

ADR
Level I

LATIBEX

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

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