(A free translation of the original in Portuguese)

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Quarterly Information (ITR) at June 30, 2017
and report on review of quarterly information

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Company Information / Capital Breakdown

Number of shares (units)	Current quarter 06/30/2017
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	23,705,728
Total Treasury Shares	26,232,384

Parent Company Financial Statements / Balance sheet - Assets

(In thousands of reais)

Account code	Account description	Current quarter 06/30/2017	Prior year 12/31/2016
1	Total Assets	23,897,891	24,700,533
1.01	Current Assets	4,754,746	3,932,931
1.01.01	Cash and Cash Equivalents	698,952	362,293
1.01.02	Marketable Securities	379,025	176,422
1.01.03	Trade Receivables	1,017,954	890,216
1.01.03.01	Trade Receivables	1,017,954	890,216
1.01.04	Inventories	2,316,671	2,204,776
1.01.08	Other Current Assets	342,144	299,224
1.01.08.03	Other	342,144	299,224
1.01.08.03.01	Taxes Recoverable	68,199	66,087
1.01.08.03.02	Prepaid Income Tax and Social Contribution	71,805	65,770
1.01.08.03.03	Dividends Receivable	53,748	55,327
1.01.08.03.04	Advances to Suppliers	6,002	5,609
1.01.08.03.06	Other	142,390	106,431
1.02	Noncurrent Assets	19,143,145	20,767,602
1.02.01	Long-term Receivables	2,817,470	2,757,757
1.02.01.03	Trade Accounts Receivable	193,801	95,359
1.02.01.03.01	Trade Accounts Receivable	99,391	-
1.02.01.03.02	Other Accounts Receivable	94,410	95,359
1.02.01.06	Deferred Income Tax and Social Contribution	1,981,039	2,021,565
1.02.01.08	Receivables from Related Parties	55,316	59,780
1.02.01.09	Other Noncurrent Assets	587,314	581,053
1.02.01.09.03	Judicial Deposits	539,315	529,015
1.02.01.09.05	Properties for Sale	8,624	8,624
1.02.01.09.06	Financial Instruments	373	-
1.02.01.09.07	Taxes Recoverable	27,643	32,055
1.02.01.09.08	Other	11,359	11,359
1.02.02	Investments	4,650,370	5,939,932
1.02.02.01	Ownership Interests	4,650,370	5,939,932
1.02.02.01.01	Interest Held in Associates	104,805	133,630
1.02.02.01.02	Interest Held in Subsidiaries	3,911,357	5,224,187
1.02.02.01.03	Interest Held in Jointly-Controlled Subsidiaries	634,208	582,115
1.02.03	Property, Plant and Equipment (PPE)	11,481,105	11,883,058
1.02.03.01	Property, Plant and Equipment in Use	10,858,419	11,154,970
1.02.03.03	Construction in Progress	622,686	728,088
1.02.04	Intangible Assets	194,200	186,855

Parent Company Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account code	Account description	Current quarter 06/30/2017	Prior year 12/31/2016
2	Total Liabilities and Equity	23,897,891	24,700,533
2.01	Current Liabilities	1,975,551	1,603,333
2.01.01	Social and Labor Liabilities	170,180	153,160
2.01.02	Trade Payables	640,515	860,835
2.01.03	Tax Liabilities	99,290	41,281
2.01.04	Borrowings	539,670	65,369
2.01.04.01	Borrowings	535,993	59,818
2.01.04.02	Debentures	3,677	5,551
2.01.05	Other Liabilities	525,896	482,688
2.01.05.02	Other	525,896	482,688
2.01.05.02.01	Dividends and Interest on Capital Payable	139	139
2.01.05.02.04	Accounts Payable	81,801	62,510
2.01.05.02.05	Taxes Payable in Installments	7,448	7,205
2.01.05.02.06	Derivative Financial Instruments	92,199	48,577
2.01.05.02.07	Advances from Customers	16,867	7,287
2.01.05.02.08	Accounts Payable - Forfaiting	327,442	356,970
2.02	Noncurrent Liabilities	8,081,587	9,561,460
2.02.01	Borrowings	6,292,445	7,472,653
2.02.01.01	Borrowings	5,299,586	6,480,469
2.02.01.02	Debentures	992,859	992,184
2.02.02	Other Liabilities	223,539	327,983
2.02.02.01	Payables to Related Parties	78,572	76,118
2.02.02.02	Other	144,967	251,865
2.02.02.02.04	Derivative Financial Instruments	-	102,413
2.02.02.02.05	Other Accounts Payable	144,967	149,452
2.02.04	Provisions	1,565,603	1,760,824
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	1,565,603	1,760,824
2.02.04.01.02	Provisions for Social Security and Labor Contingencies	1,083,524	1,338,419
2.02.04.01.05	Provision for Litigation	482,079	422,405
2.03	Equity	13,840,753	13,535,740
2.03.01	Share Capital	13,200,295	13,200,295
2.03.02	Capital Reserves	309,299	309,445
2.03.05	Retained Earnings (Accumulated Losses)	215,963	-
2.03.06	Other Comprehensive Income	115,196	26,000

Parent Company Financial Statements / Statement of Operations

(In thousands of reais)

Account code	Account description	Current quarter 04/01/2017 to 06/30/2017	Current period 01/01/2017 to 06/30/2017	Prior period current quarter 04/01/2016 to 06/30/2016	Prior period 01/01/2016 to 06/30/2016
3.01	Revenue	2,456,041	4,672,503	1,776,882	3,514,558
3.02	Cost of Sales and/or Services	-2,159,203	-3,990,366	-1,814,814	-3,641,567
3.03	Gross Profit	296,838	682,137	-37,932	-127,009
3.04	Operating Income (Expenses)	49,599	-140,116	-309,100	-601,018
3.04.01	Selling Expenses	-47,025	-79,034	-30,772	-75,236
3.04.02	General and Administrative Expenses	-69,680	-138,870	-62,621	-124,609
3.04.04	Other Operating Income	189,820	303,459	89,296	220,151
3.04.05	Other Operating Expenses	-204,217	-431,853	-212,538	-421,927
3.04.06	Equity in Results of Investees	180,701	206,182	-92,465	-199,397
3.05	Income Before Financial Income (Expense) and Taxes	346,437	542,021	-347,032	-728,027
3.06	Finance result, Net	-244,238	-323,697	189,157	399,433
3.07	Income Before Income Taxes	102,199	218,324	-157,875	-328,594
3.08	Income Tax and Social Contribution	14,874	-12,350	28,443	46,392
3.08.01	Current	-17,859	-17,859	-	-
3.08.02	Deferred	32,733	5,509	28,443	46,392
3.09	Net Income (loss) from Continuing Operations	117,073	205,974	-129,432	-282,202
3.11	Net Income/Loss for the Period	117,073	205,974	-129,432	-282,202
3.99	Earnings (Loss) per Share (Reais / Shares)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Registered Common Shares (RCS)	0.09000	0.16000	-0.12000	-0.27000
3.99.01.02	Registered Preferred Shares (RPS)	0.10000	0.18000	-0.12000	-0.27000
3.99.02	Diluted Earnings per Share				
3.99.02.01	RCS	0.09000	0.16000	-0.12000	-0.27000
3.99.02.02	RPS	0.10000	0.18000	-0.12000	-0.27000

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

(In thousands of reais)

Account code	Account description	Current quarter 04/01/2017 to 06/30/2017	Current period 01/01/2017 to 06/30/2017	Prior period current quarter 04/01/2016 to 06/30/2016	Prior period 01/01/2016 to 06/30/2016
4.01	Consolidated Net Income for the Period	117.073	205,974	-129,432	-282,202
4.02	Other Comprehensive Income (Loss)	-2,525	95,492	-31,383	-69,062
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	-3,068	94,949	-31,383	-69,062
4.02.02	Equity in Other Comprehensive Income of Associates	543	543	-	-
4.03	Consolidated Comprehensive Income (Loss) for the Period	114,548	301,466	-160,815	-351,264

Parent Company Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account code	Account description	Current period 01/01/2017 to 06/30/2017	Prior period 01/01/2016 to 06/30/2016
6.01	Net Cash from Operating Activities	-109,127	65,638
6.01.01	Cash From Operations	1,109,383	150,933
6.01.01.01	Net Income (Loss) for the Period	205,974	-282,202
6.01.01.02	Charges and Indexation/Exchange Gains (Losses), Net	127,382	-410,802
6.01.01.03	Interest Expenses	355,430	173,036
6.01.01.04	Depreciation and Amortization	529,065	529,012
6.01.01.05	Gain/Loss on Sale of Property, Plant and Equipment	-1,085	-2,800
6.01.01.07	Equity in Results of Investees	-206,182	199,397
6.01.01.08	Stock Option Plan	-146	-4,306
6.01.01.09	Deferred Income Tax and Social Contribution	-5,509	-46,392
6.01.01.10	Set up (Reversal) of Provisions	90,202	-10,736
6.01.01.11	Actuarial Gains (Losses)	14,252	-911
6.01.01.12	Impairment of Assets	-	7,637
6.01.02	Changes in Assets and Liabilities	-666,730	366,712
6.01.02.02	Trade Receivables	-240,330	411,018
6.01.02.03	Inventories	-218,466	419,890
6.01.02.04	Taxes Recoverable	-3,735	79,709
6.01.02.05	Receivables from Related Parties	4,464	1,473
6.01.02.06	Judicial Deposits	-2,388	-28,966
6.01.02.07	Prepaid Income Tax and Social Contribution	-	15,150
6.01.02.08	Other Increase (Decrease) In Assets	-32,528	-132,267
6.01.02.09	Accounts Payable, Contractors and Freight	-220,320	103,711
6.01.02.10	Advances from Customers	9,580	18,504
6.01.02.11	Payables to Related Parties	-	-14,433
6.01.02.12	Taxes Payable	58,009	16,979
6.01.02.13	Accounts Payable – Forfaiting	-29,528	-359,607
6.01.02.14	Other Increase (Decrease) in Liabilities	8,512	-164,449
6.01.03	Other	-551,780	-452,007
6.01.03.01	Interest Paid	-426,549	-379,048
6.01.03.02	Actuarial Liabilities Paid	-125,231	-72,959
6.02	Net Cash from Investing Activities	474,338	-650,512
6.02.01	Proceeds from the Sale of Property, Plant and Equipment	1,694	56,964
6.02.02	Fixed Assets Purchases	-41,326	-96,687
6.02.04	Dividends Received	8,249	53,264
6.02.06	Purchase of Software	-2,145	-8,650
6.02.07	Marketable Securities	-202,603	-821,652
6.02.08	Share Capital Repayments from Subsidiaries	710,469	166,249
6.03	Net Cash from Financing Activities	-32,556	717,934
6.03.02	Repayment of Borrowings	-8,413	-105,285
6.03.03	Payment of Taxes Payable in Installments	-	-242
6.03.04	Swap Transaction Settlement	-24,143	-47,993
6.03.05	Receipt by Share Issuance	-	50,295
6.03.05	Prepaid Capital Contribution	-	821,159
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	4,004	-20,316
6.05	Increase (Decrease) in Cash and Cash Equivalents	336,659	112,744
6.05.01	Cash and Cash Equivalents at the beginning of Period	362,293	319,027
6.05.02	Cash and cash Equivalents at end of Period	698,952	431,771

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

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Parent Company Financial Statements / Statement of Changes in Equity - 01/01/2016 to 06/30/2016

(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	12,150,000	327,191	620,039	-	311,748	13,408,978
5.03	Adjusted Opening Balances	12,150,000	327,191	620,039	-	311,748	13,408,978
5.04	Capital Transactions with Shareholders	50,295	-4,306	-	17,088	-3,499	59,578
5.04.03	Recognized Options Granted	-	-4,306	-	6,600	-	2,294
5.04.08	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	10,488	-6,923	3,565
5.04.09	Changes in Ownership Interests in Subsidiaries that do not Result in a Loss or Acquisition of Control	-	-	-	-	3,424	3,424
5.05	Total Comprehensive Income	-	-	-	-282,202	-69,062	-351,264
5.05.01	Net Income for the Period	-	-	-	-282,202	-	-282,202
5.05.02	Other Comprehensive Income (Loss)	-	-	-	-	-69,062	-69,062
5.05.02.06	Actuarial Loss on Retirement Benefits	-	-	-	-	-69,062	-69,062
5.07	Closing Balances	12,200,295	322,885	620,039	-265,114	239,187	13,117,292

Parent Company Financial Statements / Statement of Value Added

(In thousands of reais)

Account code	Account description	Current period 01/01/2017 to 06/30/2017	Prior period 01/01/2016 to 06/30/2016
7.01	Revenue	6,000,103	4,434,976
7.01.01	Sales of Goods, Products and Services	5,849,181	4,419,603
7.01.02	Other Revenues	164,123	31,069
7.01.04	(Reversal of) Allowance for Doubtful Accounts	-13,201	-15,696
7.02	Inputs Acquired from Third Parties	-4,149,450	-3,649,229
7.02.01	Costs of Products Goods and Services Sold	-3,985,380	-3,341,934
7.02.02	Materials, Energy, Third-Party Services and Other Expenses	-164,070	-307,295
7.03	Gross Value Added	1,850,653	785,747
7.04	Retentions	-529,065	-529,012
7.04.01	Depreciation, Amortization and Depletion	-529,065	-529,012
7.05	Net Value Added Produced	1,321,588	256,735
7.06	Value Added Received in Transfer	323,754	601,550
7.06.01	Equity in Result of Investees	206,182	-199,397
7.06.02	Financial Revenues	221,899	177,484
7.06.03	Other	-104,327	623,463
7.06.03.01	Actuarial Gains (Losses)	-14,252	911
7.06.03.02	Foreign Currency Gains/Losses, net	-90,075	622,552
7.07	Total Value Added to be Distributed	1,645,342	858,285
7.08	Distribution of Value Added	1,645,342	858,285
7.08.01	Personnel	318,742	356,226
7.08.01.01	Direct Compensation	284,246	312,615
7.08.01.02	Benefits	3,946	10,887
7.08.01.03	Unemployment Compensation Fund (FGTS)	30,550	32,724
7.08.02	Taxes, Rates and Contributions	665,105	383,658
7.08.02.01	Federal	247,853	184,899
7.08.02.02	State	385,150	170,718
7.08.02.03	Municipal	32,102	28,041
7.08.03	Remuneration of Third Parties	455,521	400,603
7.08.03.01	Interest	490,542	420,080
7.08.03.03	Other	-35,021	-19,477
7.08.04	Equity Remuneration	205,974	-282,202
7.08.04.03	Retained Earnings (Accumulated Losses)	205,974	-282,202

Consolidated Financial Statements - Balance Sheet - Assets

(In thousands of reais)

Account code	Account description	Current quarter - 06/30/2017	Prior period - 12/31/2016
1	Total Assets	26,016,132	26,254,745
1.01	Current Assets	6,701,272	6,420,478
1.01.01	Cash and Cash Equivalents	1,045,292	719,870
1.01.02	Marketable Securities	905,994	1,537,584
1.01.03	Trade Receivables	1,265,246	1,179,212
1.01.03.01	Trade Receivables	1,265,246	1,179,212
1.01.04	Inventories	2,802,379	2,604,306
1.01.08	Other Current Assets	682,361	379,506
1.01.08.03	Other	682,361	379,506
1.01.08.03.01	Taxes Recoverable	133,911	125,191
1.01.08.03.02	Prepaid Income Tax and Social Contribution	131,661	113,409
1.01.08.03.03	Dividends Receivable	13,782	2,463
1.01.08.03.04	Advances to Suppliers	9,058	7,226
1.01.08.03.05	Other Accounts Receivable	304,452	86,548
1.01.08.03.06	Financial Instruments	89,497	44,669
1.02	Noncurrent Assets	19,314,860	19,834,267
1.02.01	Long-term Receivables	4,193,720	4,265,283
1.02.01.03	Accounts Receivable	268,031	163,723
1.02.01.03.01	Trade Accounts Receivable	146,397	-
1.02.01.03.02	Other Accounts Receivable	121,634	163,723
1.02.01.04	Inventories	24,005	22,657
1.02.01.06	Deferred Taxes	3,061,289	3,120,368
1.02.01.08	Receivables from Related Parties	3,302	3,842
1.02.01.09	Other Noncurrent Assets	837,093	954,693
1.02.01.09.04	Judicial Deposits	700,388	660,229
1.02.01.09.05	Financial Instruments	373	100,670
1.02.01.09.06	Taxes Recoverable	93,994	96,070
1.02.01.09.07	Prepaid Income Tax and Social Contribution	12,769	68,172
1.02.01.09.08	Other	29,569	29,552
1.02.02	Investments	1,164,854	1,126,176
1.02.02.01	Ownership Interest	1,164,854	1,126,176
1.02.02.01.01	Interests Held in Associates	512,200	525,309
1.02.02.01.04	Other Ownership Interests	652,654	600,867
1.02.03	Property, Plant and Equipment (PP&E)	13,259,162	13,748,890
1.02.03.01	Property, Plant and Equipment in Use	12,484,665	12,856,285
1.02.03.03	Construction in Progress	774,497	892,605
1.02.04	Intangible Assets	697,124	693,918

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account code	Account description	Current quarter - 06/30/2017	Prior period - 12/31/2016
2	Total Liabilities and Equity	26,016,132	26,254,745
2.01	Current Liabilities	2,281,035	1,752,244
2.01.01	Social and Labor Liabilities	211,743	197,076
2.01.02	Trade Payables	703,438	846,377
2.01.03	Tax Liabilities	126,256	65,985
2.01.03.01	Federal Tax Liabilities	126,256	65,985
2.01.03.01.01	Income and Social Contribution Taxes Payable	8,288	7,538
2.01.03.01.02	Taxes Payable	117,968	58,447
2.01.04	Borrowings	621,659	67,708
2.01.04.01	Borrowings	617,982	62,157
2.01.04.02	Debentures	3,677	5,551
2.01.05	Other Liabilities	617,939	575,098
2.01.05.02	Other	617,939	575,098
2.01.05.02.01	Dividends and Interest on Capital Payable	22,000	22,001
2.01.05.02.04	Taxes Payable in Installments	8,817	8,529
2.01.05.02.05	Derivative Financial Instruments	92,199	48,577
2.01.05.02.06	Advances from Customers	53,358	35,806
2.01.05.02.08	Accounts Payable	114,123	103,215
2.01.05.02.09	Accounts Payable - Forfaiting	327,442	356,970
2.02	Noncurrent Liabilities	8,464,035	9,310,867
2.02.01	Borrowings	6,310,505	6,856,600
2.02.01.01	Borrowings	5,317,646	5,864,416
2.02.01.02	Debentures	992,859	992,184
2.02.02	Other Liabilities	235,544	360,635
2.02.02.01	Payables to Associates	134,592	153,269
2.02.02.01.04	Payables to Other Related Parties	134,592	153,269
2.02.02.02	Other	100,952	207,366
2.02.02.02.03	Taxes Payable in Installments	8,671	9,050
2.02.02.02.04	Derivative Financial Instruments	-	102,413
2.02.02.02.05	Other Payables	92,281	95,903
2.02.04	Provisions	1,917,986	2,093,632
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	1,767,492	1,950,590
2.02.04.01.02	Provisions for Social Security and Labor Contingencies	1,088,014	1,342,727
2.02.04.01.05	Provision for litigation	679,478	607,863
2.02.04.02	Other Provisions	150,494	143,042
2.02.04.02.03	Provisions for Environmental Liabilities and Decommissioning	150,494	143,042
2.03	Equity	15,271,062	15,191,634
2.03.01	Share Capital	13,200,295	13,200,295
2.03.02	Capital Reserves	309,299	309,445
2.03.04	Revenue Reserves	-	-
2.03.04.01	Legal Reserve	-	-
2.03.05	Retained Earnings (Accumulated Losses)	215,963	-
2.03.06	Other Comprehensive Income	115,196	26,000
2.03.09	Noncontrolling Shareholders	1,430,309	1,655,894

Consolidated Financial Statements / Statement of Operations

(In thousands of reais)

Account code	Account description	Current quarter 04/01/2017 to 06/30/2017	Current period 01/01/2017 to 06/30/2017	Prior period current quarter 04/01/2016 to 06/30/2016	Prior period 01/01/2016 to 06/30/2016
3.01	Revenue	2,569,485	4,920,323	2,028,012	4,068,902
3.02	Cost of Sales and/or Services	-2,187,259	-4,057,358	-2,025,315	-4,106,785
3.03	Gross Profit	382,226	862,965	2,697	-37,883
3.04	Operating Income (Expenses)	-300	-259,285	-259,350	-487,060
3.04.01	Selling expenses	-65,602	-117,795	-55,746	-135,436
3.04.02	General and Administrative Expenses	-96,644	-189,785	-86,152	-175,896
3.04.04	Other Operating Income	404,973	525,420	93,236	224,528
3.04.05	Other Operating Expenses	-258,305	-529,483	-247,343	-488,756
3.04.06	Equity in Results of Investees	15,278	52,358	36,655	88,500
3.05	Income Before Financial Income (Expense) and Taxes	381,926	603,680	-256,653	-524,943
3.06	Finance result, Net	-171,294	-225,875	114,621	216,174
3.07	Income Before Income Taxes	210,632	377,805	-142,032	-308,769
3.08	Income Tax and Social Contribution	-34,922	-93,777	18,675	34,035
3.08.01	Current	-52,483	-80,733	-2,180	-7,261
3.08.02	Deferred	17,561	-13,044	20,855	41,296
3.09	Net income (loss) from Continuing Operations	175,710	284,028	-123,357	-274,734
3.11	Net Income/Loss for the Period	175,710	284,028	-123,357	-274,734
3.11.01	Attributed to Shareholders of Parent Company	117,073	205,974	-129,432	-282,202
3.11.02	Attributable to Noncontrolling Shareholders	58,637	78,054	6,075	7,468
3.99	Earnings (Loss) per Share (Reais / Shares)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Registered Common Shares (RCS)	0.09000	0.16000	-0.12000	-0.27000
3.99.01.02	Registered Preferred Shares (RPS)	0.01000	0.18000	-0.12000	-0.27000
3.99.02	Diluted Earnings per Share				
3.99.02.01	RCS	0.09000	0.16000	-0.12000	-0.27000
3.99.02.02	RPS	0.01000	0.18000	-0.12000	-0.27000

Consolidated Financial Statements / Statement of Comprehensive Income (loss)

(In thousands of reais)

Account code	Account description	Current quarter 04/01/2017 to 06/30/2017	Current period 01/01/2017 to 06/30/2017	Prior period current quarter 04/01/2016 to 06/30/2016	Prior period 01/01/2016 to 06/30/2016
4.01	Consolidated Net Income for the Period	175,710	284,028	-123,357	-274,734
4.02	Other Comprehensive Income (Loss)	-2,524	95,496	-31,383	-69,062
4.02.01	Actuarial Gain (Loss) on Retirement Benefits	-3,071	94,949	-31,383	-69,062
4.02.02	Equity in Other Comprehensive Income of Associates	547	547	-	-
4.03	Consolidated Comprehensive Income (Loss) for the Period	173,186	379,524	-154,740	-343,796
4.03.01	Attributed to Shareholders of Parent Company	114,548	301,466	-160,815	-351,264
4.03.02	Attributable to Noncontrolling Shareholders	58,638	78,058	6,075	7,468

Consolidated Financial Statements / Cash Flow Statement - Indirect Method

(In thousands of reais)

Account code	Account description	Current period 01/01/2017 to 06/30/2017	Prior period 01/01/2016 to 06/30/2016
6.01	Net Cash from Operating Activities	51,725	197,402
6.01.01	Cash From Operations	1,453,884	237,637
6.01.01.01	Net Income (Loss) for the Period	284,028	-274,734
6.01.01.02	Charges and Indexation/Exchange Gains (Losses), Net	107,609	-145,075
6.01.01.03	Interest Expenses	343,451	158,979
6.01.01.04	Depreciation and Amortization	634,942	635,359
6.01.01.05	Gain/Loss on sale of Property, Plant and Equipment	-822	-2,855
6.01.01.07	Equity in Results of Investees	-52,358	-88,500
6.01.01.08	Stock Option Plan	-146	-4,306
6.01.01.09	Deferred Income Tax and Social Contribution	13,044	-41,296
6.01.01.10	Set up (Reversal) of Provisions	109,587	-6,850
6.01.01.11	Actuarial Gains (Losses)	14,549	-722
6.01.01.12	Impairment of Assets	-	7,637
6.01.02	Changes in Assets and Liabilities	-838,707	406,938
6.01.02.02	Trade Receivables	-252,684	179,288
6.01.02.03	Inventories	-305,992	480,828
6.01.02.04	Taxes Recoverable	51,654	69,902
6.01.02.05	Judicial Deposits	-30,165	-30,155
6.01.02.06	Prepaid Income Tax and Social Contribution	-	19,323
6.01.02.07	Receivables from Related Parties	540	112
6.01.02.08	Other (Increase) Decrease in Assets	-182,629	11,304
6.01.02.09	Accounts Payable, Contractors and Freight	-142,939	31,755
6.01.02.10	Payables to Related Parties	-18,677	-19,565
6.01.02.11	Advances from Customers	17,552	39,278
6.01.02.12	Taxes Payable	59,521	19,098
6.01.02.13	Accounts Payable – Forfaiting	-29,528	-205,977
6.01.02.14	Other Increase (Decrease) in Liabilities	-5,360	-188,253
6.01.03	Other	-563,452	-447,173
6.01.03.01	Interest Paid	-417,749	-366,244
6.01.03.02	Income and Social Contribution Taxes Paid	-20,397	-7,970
6.01.03.03	Actuarial Liabilities Paid	-125,306	-72,959
6.02	Net Cash from Investing Activities	589,693	-863,360
6.02.01	Proceeds from the Sale of Property, Plant and Equipment	1,694	57,063
6.02.02	Purchases of Property, Plant and Equipment	-55,036	-101,631
6.02.05	Dividends Received	13,817	2,479
6.02.06	Purchase of Software	-2,372	-9,151
6.02.07	Marketable Securities	631,590	-812,120
6.03	Net Cash from Financing Activities	-320,000	562,600
6.03.02	Repayment of Borrowings	-12,957	-102,845
6.03.03	Payment of Taxes Payable in Installments	-676	-868
6.03.04	Swap Transaction Settlement	-2,724	-51,509
6.03.05	Dividends and Interest on Equity Paid	-3,643	-2
6.03.06	Credit Assignments Obtained	-	43,832
6.03.07	Credit Assignments Repayments	-	-197,462
6.03.08	Receipt by share issuance	-	50,295
6.03.09	Prepaid capital contribution	-	821,159
6.03.10	Increase (Decrease) of Capital	-300,000	-
6.04	Exchange Gain (Loss) on Cash and Cash Equivalents	4,004	-20,316
6.05	Increase (Decrease) in Cash and Cash Equivalents	325,422	-123,674
6.05.01	Cash and Cash Equivalents at Beginning of Period	719,870	800,272
6.05.02	Cash and cash Equivalents at End of Period	1,045,292	676,598

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
5.04.03	Recognized Options Granted	-	-146	-	729	-	583	-	583
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 Statements / Statement of Changes in Equity - 01/01/2016 to 06/30/2016

(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	12,150,000	327,191	620,039	-	311,748	13,408,978	1,584,879	14,993,857
5.03	Adjusted Opening Balances	12,150,000	327,191	620,039	-	311,748	13,408,978	1,584,879	14,993,857
5.04	Capital Transactions with Shareholders	50,295	-4,306	-	17,088	-3,499	59,578	-	59,578
5.04.03	Recognized Options Granted	-	-4,306	-	6,600	-	2,294	-	2,294
5.04.06	Dividends	-	-	-	-	-	-	-	-
5.04.09	Adjustment from IAS 29 on Property, Plant and Equipment	-	-	-	10,488	-6,923	3,565	-	3,565
5.04.10	Changes in Ownership Interests in Subsidiaries that do not Result in a Loss or Acquisition of Control	-	-	-	-	3,424	3,424	-	3,424
5.05	Total Comprehensive Income	-	-	-	-282,202	-69,062	-351,264	7,478	-343,786
5.05.01	Net Income for the Period	-	-	-	-282,202	-	-282,202	7,468	-274,734
5.05.02	Other Comprehensive Income (Loss)	-	-	-	-	-69,062	-69,062	10	-69,052
5.05.02.06	Actuarial Loss on Retirement Benefits	-	-	-	-	-69,062	-69,062	10	-69,052
5.07	Closing Balances	12,200,295	322,885	620,039	-265,114	239,187	13,117,292	1,592,357	14,709,649

Consolidated Financial Statements / Statement of Value Added

(In thousands of reais)

Account code	Account description	Current period 01/01/2017 to 06/30/2017	Prior period 01/01/2016 to 06/30/2016
7.01	Revenue	6,667,649	5,329,008
7.01.01	Sales of Goods, Products and Services	6,510,483	5,316,310
7.01.02	Other Revenues	177,419	35,386
7.01.04	(Reversal of) Allowance for Doubtful Accounts	-20,253	-22,688
7.02	Inputs Acquired from Third Parties	-4,349,194	-4,168,176
7.02.01	Costs of Products Goods and Services Sold	-4,258,121	-3,737,302
7.02.02	Materials, Energy, Third-Party Services and Other Expenses	-91,073	-430,874
7.03	Gross Value Added	2,318,455	1,160,832
7.04	Retentions	-634,942	-635,359
7.04.01	Depreciation, Amortization and Depletion	-634,942	-635,359
7.05	Net Value Added Produced	1,683,513	525,473
7.06	Value Added Received in Transfer	331,840	1,049,857
7.06.01	Equity in Results of Investees	52,358	88,500
7.06.02	Financial Revenues	315,583	285,588
7.06.03	Other	-36,101	675,769
7.06.03.01	Actuarial Gains and Losses	-14,549	722
7.06.03.02	Foreign Exchange Gains/losses	-21,552	675,047
7.07	Total Value Added to be Distributed	2,015,353	1,575,330
7.08	Distribution of Value Added	2,015,353	1,575,330
7.08.01	Personnel	467,040	621,200
7.08.01.01	Direct Compensation	424,324	564,637
7.08.01.02	Benefits	4,155	11,426
7.08.01.03	Unemployment Compensation Fund (FGTS)	38,561	45,137
7.08.02	Taxes, Rates and Contributions	744,379	484,403
7.08.02.01	Federal	338,998	283,248
7.08.02.02	State	364,918	162,515
7.08.02.03	Municipal	40,463	38,640
7.08.03	Remuneration of Third Parties	519,906	744,461
7.08.03.01	Interest	520,504	449,506
7.08.03.03	Other	-598	294,955
7.08.04	Equity Remuneration	284,028	-274,734
7.08.04.03	Retained Earnings (Accumulated Losses)	205,974	-282,202
7.08.04.04	Noncontrolling Interests in Retained Profits	78,054	7,468

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 São Paulo Futures, Commodities and Securities Exchange - BM&FBovespa S.A. ("BM&FBovespa") under the 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 assets and logistics. It currently has two steel mills with nominal production capacity of 9.5 million 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, 2016.

2 Interim accounting information

The issue and disclosure of the interim accounting information included in this Quarterly Information Form (ITR) on the Company and Consolidated accounts were approved by the Board of Directors at a meeting held on July 27, 2017.

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, 2016.

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 common to the parent company, subsidiaries, associates and jointly-controlled subsidiaries, and the interim financial information of the subsidiaries were 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, 2017, should be read together with the Company's financial statements for the year ended December 31, 2016.

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, 2016, the following Notes are presented in a condensed manner for the six-month period ended June 30, 2017.

3 Summary of significant accounting policies;
12 Judicial deposits;
13 Investments;
14 Property, plant and equipment;
15 Impairment of non-financial assets;
16 Intangible assets;
17 Borrowings and debentures;
19 Taxes payable in installments;
20 Provision for litigation;
21 Retirement benefit obligations;
22 Equity;
28 Transactions with related parties; and
29 Stock option plan.

Parent company and consolidated interim accounting information

The parent company and consolidated interim accounting information has been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), and the accounting practices adopted in Brazil, issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities Commission (CVM), and disclose all (and only) the applicable significant information related to the interim accounting information, which is consistent with the information utilized by management in the performance of its duties.

The parent company and consolidated interim accounting information presented herein under Company and Consolidated, respectively, has been prepared and is being presented in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting, and International Accounting Standard (IAS) 34 - Interim Financial Reporting, in a manner consistent with the standards issued by the Brazilian Securities Commission (CVM).

3.2 Standards, amendments to and interpretations of existing standards

In the six-month period ended June 30, 2017, no new standards, amendments to and interpretations of existing standards were issued, in addition to those disclosed in Note 3.20 to the Company's financial statements for the year ended December 31, 2016. Also, no changes occurred in relation to expected and disclosed impacts on those financial statements that could affect the interim accounting information for such period.

4 Financial risk management objectives and policy

At June 30, 2017, 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, 2016.

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 US dollar and, to a lesser extent, the yen and euro. Foreign exchange risk arises from recognized assets and liabilities and net investments in foreign operations.

As a preventive measure and to mitigate the effects of foreign currency variations, management has been adopting the policy of reducing its foreign currency- denominated liabilities. Presently, borrowings in foreign currency correspond to 29.6% of total in the parent company and 30.4% in the consolidated accounts.

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Assets in foreign currency				
Cash and cash equivalents	71,427	8,362	195,652	103,130
Marketable securities	-	-	8,450	8,146
Trade receivables	134,172	86,504	125,501	87,334
Advances to suppliers	7,835	11,505	10,312	12,684
	213,434	106,371	339,915	211,294
Liabilities in foreign currency				
Borrowings	(1,728,038)	(2,418,093)	(1,806,622)	(1,779,065)
Trade payables, contractors and freight charges	(120,342)	(163,191)	(126,305)	(167,613)
Advances from customers	(5,248)	(3,430)	(6,553)	(4,607)
Other payables	(17,872)	(16,790)	(17,868)	(16,786)
	(1,871,500)	(2,601,504)	(1,957,348)	(1,968,071)
Exposure	(1,658,066)	(2,495,133)	(1,617,433)	(1,756,777)
Derivative financial instruments (notional)	(58,773)	(104,420)	-	-
Total currency exposure	(1,716,839)	(2,599,553)	(1,617,433)	(1,756,777)

(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, 2017. 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, 2017.

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

				6/30/2017
Currency	Foreign exchange rate at the end of the period	Scenario I	Scenario II	Scenario III
US$	3.3082	3.4736	4.1353	4.9623
EUR	3.7750	3.9638	4.7188	5.6625
YEN	0.02944	0.0309	0.0368	0.0442

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

	Consolidated		
	6/30/2017		
Currency	Scenario I	Scenario II	Scenario III
US$	(81,021)	(405,104)	(810,208)
EUR	314	1,571	3,143
YEN	(165)	(826)	(1,651)

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

4.2 Cash flow or fair value interest rate risk

The interest rate risk arises from interest rates used in financial investments and 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, according to the guidance of the Finance Committee.

(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			
	6/30/2017	%	12/31/2016	%	6/30/2017	%	12/31/2016	%
Borrowings								
Fixed	545,571	8	1,259,745	17	645,195	9	642,964	9
TJLP	377,053	5	377,351	5	377,415	5	379,880	6
LIBOR	1,081,846	16	1,065,773	14	1,081,846	16	1,065,773	15
CDI	3,726,427	54	3,735,303	50	3,726,427	54	3,735,406	54
Other	104,682	2	102,115	1	104,745	2	102,550	1
	5,835,579	85	6,540,287	87	5,935,628	86	5,926,573	85
Debentures								
CDI	996,536	15	997,735	13	996,536	14	997,735	15
	6,832,115	100	7,538,022	100	6,932,164	100	6,924,308	100

The Company transacts derivative financial instruments for the management of risks related to volatility in interest rates of borrowings denominated in local and foreign currency. Overseas, borrowings are supported by contracts with 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 sensitivity analysis of outstanding assets and liabilities indexed to interest rates at the end of the period, considering the rates prevailing at June 30, 2017 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, 2017.

The rates used and their related scenarios are shown below:

			6/30/2017	
Index	Rates at the end of the period (i)	Scenario I	Scenario II	Scenario III
CDI	10.1%	10.6%	12.7%	15.2%
TJLP	7.0%	7.4%	8.8%	10.5%
LIBOR	1.7%	1.8%	2.2%	2.6%

(i) Annual rates.

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

	Consolidated		
	6/30/2017		
Index	Scenario I	Scenario II	Scenario III
CDI	(15,481)	(77,403)	(154,807)
TJLP	(1,321)	(6,605)	(13,210)
LIBOR	(940)	(4,702)	(9,404)

The specific 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, 2016, and mainly comprise London Interbank Offered Rate (LIBOR), Long-Term Interest Rate (TJLP) and Interbank Deposit Certificate (CDI).

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

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.

Usiminas strategy is to maintain the gearing ratio within indices that are lower than those established in the borrowing contracts (covenants).

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

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Total borrowings, debentures and taxes payable in installments	6,839,563	7,545,227	6,949,652	6,941,887
Cash and cash equivalents and marketable securities	(1,077,977)	(538,715)	(1,951,286)	(2,257,454)
Net debt	5,761,586	7,006,512	4,998,366	4,684,433
Total equity	13,840,753	13,535,740	15,271,062	15,191,634
Total capital	19,602,339	20,542,252	20,269,428	19,876,067
Gearing ratio	29%	34%	25%	24%

5 Derivative financial instruments

Usiminas carries out swap transactions with the objective of hedging against and specially managing risks inherent to volatility of foreign currencies and interest rates. These transactions aim at reducing currency exposure and 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.

The transactions with derivative financial instruments may be summarized as follows:

(a) Parent company

	Maturity range MM/YY	INDEX		NOTIONAL AMOUNT (contracted amount)				FAIR (MARKET) VALUE - BOOK VALUE		Profit/Loss for the period
		6/30/2017		6/30/2017		12/31/2016		6/30/2017	12/31/2016	6/30/2017
		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)										
Merrill Lynch	Sep/10 to Mar/17	Libor + 0.83% p.a.	3.05% p.a.	USD 85.713	USD 85.713	USD 85.713	USD 85.713	-	(275)	11
Santander	Jan/08 to Jan/18	Yen + 4.1165% p.a.	U.S. dollar + 7.34% p.a.	JPY 42.952.000	USD 400.000	JPY 42.952.000	USD 400.000	(92.135)	(149.581)	33.765
Bradesco	Apr/15 to Apr/25	TR* + 9.8000% p.a.	95.00% of the CDI	R$ 59.000	R$ 59.000	R$ 59.000	R$ 59.000	309	(1.134)	1.245
							Financial gain/loss in the period			35.021
							Book balance (net asset position - liability position)	(91.826)	(150.990)	

(b) Consolidated

	Maturity range MM/YY	INDEX		NOTIONAL AMOUNT (contracted amount)				FAIR (MARKET) VALUE - BOOK VALUE		Profit/Loss for the period
		6/30/2017		6/30/2017		12/31/2016		6/30/2017	12/31/2016	6/30/2017
		Asset position	Liability position	Asset position	Liability position	Asset position	Liability position	Asset (liability) position	Asset (liability) position	Gain (loss)
RATES AND FOREIGN EXCHANGE HEDGES (SWAP)										
Merrill Lynch	Sep/10 to Mar/17	Libor + 0.83% p.a.	3.05% p.a.	USD 85.713	USD 85.713	USD 85.713	USD 85.713	-	(275)	11
Santander	Jan/08 to Jan/18	Yen + 4.1165% p.a.	U.S. dollar + 7.34% p.a.	JPY 42.952.000	USD 400.000	JPY 42.952.000	USD 400.000	(92.135)	(149.581)	33.765
Santander	Jan/08 to Jan/18	U.S. dollar + 7.25 p.a.	Yen + 4.1165 % p.a.	USD 400.000	JPY 42.952.000	USD 400.000	JPY 42.952.000	89.497	145.339	(34.423)
Bradesco	Apr/15 to Apr/25	TR + 9.8000% p.a.	95.00% of the CDI	R$ 59.000	R$ 59.000	R$ 59.000	R$ 59.000	309	(1.134)	1.245
							Financial gain/loss in the period			598
							Book balance (net asset position - liability position)	(2.329)	(5.651)	

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

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Current assets	-	-	89,497	44,669
Non-current assets	373	-	373	100,670
Current liabilities	(92,199)	(48,577)	(92,199)	(48,577)
Non-current liabilities	-	(102,413)	-	(102,413)
	(91,826)	(150,990)	(2,329)	(5,651)

	Parent company		Consolidated	
	6/30/2017	6/30/2016	6/30/2017	6/30/2016
In finance result	35,021	19,477	598	(294,955)
	35,021	19,477	598	(294,955)

6 Cash and cash equivalents

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Bank accounts	17,525	14,931	27,063	24,454
Bank accounts abroad	71,427	8,362	182,712	103,130
Bank Deposit Certificates (CDB) and repurchase commitments	610,000	339,000	822,577	592,286
Time deposits abroad	-	-	12,940	-
	698,952	362,293	1,045,292	719,870

Financial investments in Bank Deposit Certificates (CDB) and repurchase commitments have immediate liquidity, and earn on average 99.66% (December 31, 2016 - 99.98%) of the CDI rate in the Parent company and 100.09% (December 31, 2016 – 100.94%) of the CDI rate in Consolidated.

At June 30, 2017, Usiminas does not have overdraft accounts.

7 Marketable securities

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Bank Deposit Certificates (CDB)	379,017	176,297	897,532	1,529,284
Financial investments abroad (Time deposits)	-	-	8,450	8,146
Other investments	8	125	12	154
	379,025	176,422	905,994	1,537,584

Financial investments in Bank Deposit Certificates (CDB) earn on average 99.66% (December 31, 2016 - 99.98%) of the CDI rate in the Parent company and 100.09% (December 31, 2016 – 101.43%) of the CDI rate in Consolidated.

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

8 Trade receivables

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Trade receivables:				
In local currency	847,140	716,762	1,387,779	1,184,061
In foreign currency	85,074	80,302	119,342	82,015
Provision for impairment of trade receivables (i)	(104,983)	(99,026)	(140,661)	(128,452)
Trade receivables, net	827,231	698,038	1,366,460	1,137,624
Receivables from related parties				
In local currency	238,347	183,346	36,355	33,639
In foreign currency	51,767	8,832	8,828	7,949
Receivables from related parties	290,114	192,178	45,183	41,588
	1,117,345	890,216	1,411,643	1,179,212
Current assets	1,017,954	890,216	1,265,246	1,179,212
Non-current assets	99,391	-	146,397	-

(i) Out of the total provision for impairment of trade receivables in the Parent company and Consolidated accounts, the balance of R$2,669 (R$2,630 – December 31, 2016) refers to trade receivables denominated in foreign currency.

The aging analysis of trade receivables was as follows:

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Amounts not yet due	947,356	799,291	1,195,789	1,077,432
Amounts past due:				
Up to 30 days	105,646	68,779	87,197	66,470
From 31 to 60 days	52,637	5,528	59,759	9,265
From 61 to 90 days	31,420	1,750	34,382	3,105
From 91 to 180 days	7,402	2,623	10,213	8,443
Over 181 days	77,867	111,271	164,964	142,949
(-) Provision for impairment of trade receivables	(104,983)	(99,026)	(140,661)	(128,452)
	1,117,345	890,216	1,411,643	1,179,212

At June 30, 2017, trade receivables amounting to R$169,989 in the Parent company and R$215,854 in Consolidated were past due but not impaired (December 31, 2016 – R$90,925 and R$101,780, respectively). These relate to a number of independent customers for whom there is no recent history of default, or the related outstanding balances are supported by guarantees.

Trade receivables are maintained in the following currencies:

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Brazilian real	983,173	803,712	1,286,142	1,091,878
U.S. dollar	124,595	77,610	115,924	78,440
Euro	9,577	8,894	9,577	8,894
	1,117,345	890,216	1,411,643	1,179,212

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

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Opening balance	(99,026)	(65,573)	(128,452)	(91,687)
Additions to profit or loss	(13,195)	(49,923)	(19,447)	(62,513)
Write-off against trade receivables	7,278	15,749	7,278	25,027
Exchange variation	(40)	721	(40)	721
Closing balance	(104,983)	(99,026)	(140,661)	(128,452)

The additions to and release of the provision for impairment of trade receivables related to impaired receivables were included in “Selling expenses” in the statement of operations. Usiminas does not hold any collateral for trade receivables.

9 Inventories

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Current assets				
Finished products	603,903	470,828	673,819	541,935
Work in progress	665,728	633,478	672,258	640,050
Raw materials	466,443	370,764	843,408	663,385
Supplies and spare parts	498,055	489,112	544,632	534,190
Imports in transit	16,586	151,545	16,602	151,560
Provision for losses (i)	(100,292)	(96,521)	(113,368)	(111,290)
Other	166,248	185,570	165,028	184,476
	2,316,671	2,204,776	2,802,379	2,604,306
Non-current assets				
Work in progress (ii)	-	-	24,005	22,657
	2,316,671	2,204,776	2,826,384	2,626,963

(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.

10 Taxes recoverable

	Parent company			
	6/30/2017		12/31/2016	
	Current	Non-current	Current	Non-current
PIS	2,363	-	3,972	-
COFINS	10,887	-	17,571	-
ICMS	35,822	16,012	38,034	20,424
IPI	7,451	-	5,953	-
Export credit - Reintegra	11,658	-	539	-
INSS	18	-	18	-
Cacex	-	11,631	-	11,631
	68,199	27,643	66,087	32,055

	Consolidated			
	6/30/2017		12/31/2016	
	Current	Non-current	Current	Non-current
PIS	2,586	9	4,244	16
COFINS	12,003	43	18,918	76
ICMS	61,749	82,156	69,404	84,192
IPI	23,650	-	15,453	-
Export credit - Reintegra	11,658	-	539	-
INSS	20,765	-	16,098	-
Cacex	-	11,631	535	11,786
Other	1,500	155	-	-
	133,911	93,994	125,191	96,070

11 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 statutory rates of such taxes, applicable to profit before taxation, in the Parent company and Consolidated accounts, as shown below:

	Parent company		Consolidated	
	6/30/2017	6/30/2016	6/30/2017	6/30/2016
Profit (loss) before income tax and social contribution	218,324	(328,594)	377,805	(308,769)
Statutory rates	34%	34%	34%	34%
Taxes on profit at statutory rates	(74,230)	111,722	(128,454)	104,981
Adjustments to determine taxes on profit:				
Equity in the results of investees (i)	76,686	(61,118)	17,801	30,090
Interest on net equity (ii)	(20,403)	-	8,503	-
Permanent exclusions (additions)	5,267	(4,212)	8,155	(5,702)
Tax incentives	330	-	1,117	109
Non-taxable income and rate differences of foreign subsidiaries	-	-	(899)	(95,782)
Other	-	-	-	339
Taxes on profit	(12,350)	46,392	(93,777)	34,035
Current	(17,859)	-	(80,733)	(7,261)
Deferred	5,509	46,392	(13,044)	41,296
Taxes on profit (loss) in the statement of operations	(12,350)	46,392	(93,777)	34,035
Income tax	(8,991)	34,112	(71,969)	21,887
Social contribution	(3,359)	12,280	(21,808)	12,148
Effective rates	6%	14%	25%	11%

(i) Net of unrealized profits on inventories.
(ii) Taxes on interest on net equity.

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, 2017, were as follows:

	Assets	
	Parent company	Consolidated
At December 31, 2016	2,021,565	3,120,368
Deferred taxes in the statement of operations, net	5,509	(13,044)
Deferred taxes in comprehensive income (actuarial liabilities)	(48,931)	(48,931)
Adjustment to PP&E under IAS 29	2,896	2,896
At June 30, 2017	1,981,039	3,061,289

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

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Deferred assets arising from income tax and social contribution losses	2,295,297	2,303,097	2,458,719	2,483,739
Deferred assets arising from temporary differences	1,023,402	1,102,364	1,991,331	2,071,480
Deferred liabilities arising from temporary differences	(323,816)	(370,052)	(350,336)	(396,426)
Unrecognized deferred income tax and social contribution	(1,013,844)	(1,013,844)	(1,038,425)	(1,038,425)
	1,981,039	2,021,565	3,061,289	3,120,368

The long-term deferred income tax and social contribution are expected to be realized according to future taxable income based on projections approved by the Company's management, and in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS). These projections are based on assumptions that reflect the economic and operational environment of the Company.

The projections are subject to factors which may result in differences with actual data.

In the six-month period ended June 30, 2017, the Company had deferred income tax and social contribution that were not recognized in the interim accounting information (R$1,013,844 in the Parent company and R$1,038,425 in Consolidated), arising from the expectation of not using these credits within the next 10 years. The Company's management will continue to monitor the 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, 2017, the expected realization of the taxes was as follows:

	Parent company	Consolidated
2017	-	111,985
2018	71,666	185,129
2019	141,571	271,819
2020	207,574	354,825
As from 2021	1,884,044	2,487,867
Assets	2,304,855	3,411,625
Liabilities	(323,816)	(350,336)
Net position	1,981,039	3,061,289

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. Therefore, the expectation of the use of deferred tax assets should not be taken as the only indicator of the Company's future results of operations.

12 Judicial deposits

At June 30, 2017, changes in judicial deposits were as follows:

	Parent company	Consolidated
At December 31, 2016 (i)	727,047	858,261
Additions	14,928	45,584
Interest/restatements	18,221	21,111
Reversals	(22,849)	(26,536)
Subtotal	737,347	898,420
(-) Offset against taxes payable in installments	(198,032)	(198,032)
At June 30, 2017	539,315	700,388

(i) Of the judicial deposits presented in the balance sheet, the amount of R$198,032 must be deducted, related to the offset of taxes payable in installments.

13 Investments

(a) Changes in investments

(i) Subsidiary

	12/31/2016	Equity in the results of investees (i)	Additions (reductions)	Interest on net equity and dividends	Unrealized profits in inventories	Other	6/30/2017
Subsidiaries							
Mineração Usiminas (ii)	3,047,638	156,559	(700,000)	(8,500)	-	8	2,495,705
Soluções Usiminas	650,840	26,268	-	-	(20,335)	-	656,773
Usiminas Commercial	20,603	(9,627)	-	-	-	-	10,976
Usiminas Europa (iii)	864,794	30,697	(786,137)	-	-	-	109,354
Usiminas International	33,881	620	-	-	-	-	34,501
Usiminas Mecânica	532,745	(8,451)	-	-	967	1	525,262
Usiminas Participações e Logística S.A. (UPL)	62,851	4,574	-	527	-	(1)	67,951
Goodwill on subsidiaries	10,835	-	-	-	-	-	10,835
	5,224,187	200,640	(1,486,137)	(7,973)	(19,368)	8	3,911,357
Jointly-controlled subsidiaries							
Unigal	573,284	51,823	-	-	-	-	625,107
Usiroll	8,831	572	-	-	-	(302)	9,101
	582,115	52,395	-	-	-	(302)	634,208
Associates							
Codeme	61,944	(29,648)	-	-	-	420	32,716
MRS	9,511	679	-	(276)	-	-	9,914
Goodwill on associates	62,175	-	-	-	-	-	62,175
	133,630	(28,969)	-	(276)	-	420	104,805
	5,939,932	224,066	(1,486,137)	(8,249)	(19,368)	126	4,650,370

(i) To the equity in the results of investees presented in the statements of operations and cash flows of the Parent company, which totals R$206,182 when compared to the income of R$224,066 disclosed in the changes in investments, losses related to net capital deficiency of the subsidiary Rios Unidos totaling R$1,484 and unrealized profit on inventories determined in the subsidiaries Soluções Usiminas and Usiminas Mecânica in the amount of R$19,368 must be added.
(ii) Reduction in the period refers to the capital decrease in Mineração Usiminas.
(iii) Reduction in the period refers to the capital decrease in a foreign subsidiary, according to Note 17 (a).

(ii) Consolidated

	12/31/2016	Equity in the results of investees	Interest on net equityl and dividends	Other	6/30/2017
Jointly-controlled subsidiaries					
Modal	2,669	1,290	(1,596)	-	2,363
Unigal	573,284	51,823	-	-	625,107
Usiroll	8,831	572	-	(302)	9,101
Goodwill on jointly-controlled subsidiaries	16,083	-	-	-	16,083
	600,867	53,685	(1,596)	(302)	652,654
Associates					
Codeme	61,944	(29,648)	-	420	32,716
MRS	388,532	27,768	(11,320)	21	405,001
Paraopeba Terminal	910	(2)	-	-	908
Sarzedo Terminal	1,852	585	(903)	-	1,534
Other	2,696	(30)	-	-	2,666
Goodwill on associates	69,375	-	-	-	69,375
	525,309	(1,327)	(12,223)	441	512,200
Total	1,126,176	52,358	(13,819)	139	1,164,854

(b) Other significant information on the investments

Mineração Usiminas - Service agreement related to port operation with Porto Sudeste do Brasil S.A. (formerly MMX Porto Sudeste Ltda.)

On May 27, 2015, Mineração Usiminas S.A. communicated to Porto Sudeste do Brasil S.A. (formerly MMX Porto Sudeste Ltda.) the immediate termination of the agreement for the rendering of port operation services related to the receipt, handling, warehousing and shipment of ore owned by Mineração Usiminas at Porto Sudeste Terminal under Take-or-Pay and Delivery-or-Pay arrangements. This agreement was terminated due to repeated failure by Porto Sudeste to comply with its obligation of completing and putting the port into operation, as well as to non-payment of contractual penalties. The Company took reasonable steps to enforce its rights, including at the arbitration level, claiming the payment of penalties, compensation for loss of profits, in addition to other damages provided for in the agreement. The agreement signed was effective for five years as from the first shipment, originally scheduled for April 2012.

On June 6, 2017, Mineração Usiminas entered into an agreement with Porto Sudeste to terminate the arbitration proceeding, which resulted in the termination of said agreement and the waiver of all rights that both parties might still have in relation to the agreement. The agreement stablishes a payment by Porto Sudeste to Mineração Usiminas in the amount of R$ 205,106, as described in Note 32 - Events after the reporting period. On the same date, a new agreement for the rendering of port operation services was signed, which provides that Mineração Usiminas will have the right, but not the obligation, to handle a total volume of up to 17.5 million metric tons of iron ore at Porto Sudeste Port Terminal, located in the municipality of Itaguaí - RJ.

14 Property, plant and equipment

Changes in property, plant and equipment were as follows:

	Parent company	Consolidated
At December 31, 2016	11,883,058	13,748,890
Additions	41,326	55,036
Disposals	(609)	(872)
Depreciation (i)	(430,138)	(531,567)
Interest and monetary/foreign exchange variations capitalized (ii)	4,673	4,673
Transfers to intangible assets	(17,810)	(17,892)
Other	605	894
At June 30, 2017	11,481,105	13,259,162

(i) At June 30, 2017, in addition to the total depreciation for the period presented above, the amount of R$86,317 was recognized in profit or loss related to the depreciation originally recognized in inventories and realized in the period.
(ii) These charges were capitalized at the contracted rates, which are described in Note 20 to the financial statements for the year ended December 31, 2016.

In the six-month period ended June 30, 2017, additions to property, plant and equipment amounting to R$ 55,036, mainly refer to the replacement of the converter frame No. 5 of the steel plant of Ipatinga (R$ 4,744); replacement of shed beams of the continuous casting area in Ipatinga (R$ 3,832); improvements in the coke plant No. 2 of Ipatinga (R$ 2,207); sustaining equipment (R$ 5,961); replacement of the L8 overhead bridge of the continuous casting area of the steel plant No. 2 in Ipatinga (R$ 1,880) and disposal of scrap for the Samambaia dam (R$ 2,187) of the subsidiary Mineração Usiminas.

At June 30, 2017, construction in progress amounting to R$774,497 in Consolidated refers to projects for improvement of the production process to maintain the production capacity, sustaining and environmental protection and security projects. The main works include: rolling mill for thick steel plates at Ipatinga (R$380,854); and a project for processing compact iron ore (R$73,727) of the subsidiary Mineração Usiminas.

At June 30, 2017, interest and foreign exchange variation were capitalized on borrowings in property, plant and equipment, at an amount of R$4,673 in the Parent company and in Consolidated.

At June 30, 2017, depreciation in the Parent company was recognized in “Cost of sales”, “Selling expenses” and “General and administrative expenses”, in the amounts of R$422,426, R$1,562 and R$6,150 (June 30, 2016 – R$494,229, R$1,568 and R$6,001), respectively. At the same date, in the Consolidated accounts, depreciation was recognized in “Cost of sales”, “Selling expenses” and “General and administrative expenses” in the amounts of R$520,595, R$2,215 and R$8,757 (June 30, 2016 - R$589,673, R$2,245 and R$8,850), respectively.

Certain property, plant and equipment items are pledged as collateral of borrowings and judicial proceedings (Note 30).

15 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, 2017, management monitored the behavior of the main assumptions used in the impairment tests carried out at the end of 2016 (as described in Note 17 to the financial statements at December 31, 2016), 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 2017, which will indicate the reasonableness of the future projections used.

16 Intangible assets

The changes in intangible assets in the six-month period ended June 30, 2017, can be summarized as follows:

	Parent company	Consolidated
At December 31, 2016	186,855	693,918
Additions	2,145	2,372
Amortization	(12,610)	(17,058)
Transfers from PP&E	17,810	17,892
At June 30, 2017	194,200	697,124

17 Borrowings and debentures

On September 12, 2016, the Company completed the renegotiation of its financial debt with its creditors. As part of this renegotiation, certain conditions were established that would require the early maturity of the debts, as described below:

a) the non-receipt of funds held in cash of its subsidiary Mineração Usiminas S.A. (MUSA) at a minimum amount of R$ 700,000 up to June 30, 2017; and b) the non-performance of an exchange offer of, at least 50% of Eurobonds, originally issued in 2008 in the total amount of US$ 400 million, maturing in January 2018, up to June 30, 2017. This offer, whose terms and conditions are still under discussion, covers only the Eurobonds outstanding on the market, which currently represent about US$ 180 million.

With respect to item a, at the Extraordinary General Meeting of MUSA held on March 3, 2017, a reduction of its share capital in the amount of R$ 1,000,000 was approved, of which R$ 700,000 was delivered to the Company on May 19, 2017. As regards item b, at June 30, 2017, the Company obtained from the Brazilian Private Banks (Banco do Brasil S.A., Banco Bradesco S.A. and Itaú Unibanco S.A.) and the National Bank for Economic and Social Development (BNDES) a waiver from the obligation to carry out the exchange offer transaction. This waiver, however, has its effectiveness conditional on obtaining on a definitive basis such waiver from the Japanese Banks (Nippon Usiminas Co., Ltd., Japan Bank for International Cooperation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation) and the debenture holders, which granted an extension of the period to make the exchange offer up to August 31, 2017, in order to enable the evaluation of the definitive waiver of the obligation to carry out this transaction.

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, 2017, no breaches of these covenants were found, except in relation to the offering of guarantees to certain creditors in the context of the renegotiation, which would no longer be permitted under the Eurobond provisions due to the expiration, at June 30, 2017, of the temporary waiver previously granted by the holders of such bonds with respect to the limitation of guarantees offered as established in the Eurobond provisions. Such non-compliance may be remedied by the Company within 60 days from the date of receipt of a notice of non-compliance sent by the custodian of the Eurobonds, or by a minimum quorum of Eurobond holders, which has not been received to date. After the expiration of this period, non-compliance would give rise to early maturity only if a new notice was received from the custodian of the Eurobonds, or from a minimum quorum of Eurobond holders, requesting the early maturity of the debt. The Company will consider in due course whether or not to request a new waiver from Eurobond holders with respect to these limitations on the offering of guarantees, taking into account, among other factors, the closeness to the payment date of the Eurobonds due in January 2018 in the event the Company obtains the definitive waiver from the obligation to make the exchange offer mentioned above.

(a) Borrowings

Changes in borrowings were as follows:

	Parent company	Consolidated
At December 31, 2016	6,540,287	5,926,573
Accrued charges	292,828	283,303
Monetary variation	49,596	49,764
Exchange variation	83,404	26,600
Payment of interest	(353,686)	(344,886)
Repayment of principal	(8,413)	(12,957)
Deferral of commissions	7,231	7,231
Offset	(775,668)	-
At June 30, 2017	5,835,579	5,935,628
Current liabilities	535,993	617,982
Non-current liabilities	5,299,586	5,317,646

In 2008, the foreign subsidiary Usiminas Commercial issued Eurobonds on the market at a total amount of US$ 400 million. The funds arising from this issue were immediately loaned to the Company by means of an intercompany loan agreement. At June 30, 2017, the balance of this loan agreement corresponds to R$ 1,291,277. In 2014, the foreign subsidiary Usiminas Europa purchased from third parties a portion of these Eurobonds for US$ 220 million. In the six-month period ended June 30, 2017, the Company reduced the capital of its foreign subsidiary Usiminas Europa, and transferred to its ownership the Eurobonds that this subsidiary had in its portfolio, which currently correspond to R$ 775,668.

After this capital reduction, the Company began to hold financial assets and liabilities on the same bases, with Usiminas Commercial as its counterparty. Considering that the managements of Usiminas Commercial and the Company entered into an agreement that establish a legally enforceable right to settle these balances at their net amount, and there is an intention to do so, the Company is presenting these financial assets and liabilities at their net amounts in this interim accounting information, which is recorded in current liabilities in the amount of R$ 515,609.

Long-term amounts fall due as follows:

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
2018	2,198	1,198,975	5,856	568,519
2019	58,058	67,924	62,647	72,513
2020	332,359	336,046	336,266	339,953
2021	624,538	623,317	627,685	626,464
2022	903,371	897,509	906,101	900,239
2023	903,959	898,133	903,984	898,158
2024	903,787	898,004	903,791	898,009
2025	903,336	897,601	903,336	897,601
2026	667,980	662,960	667,980	662,960
	5,299,586	6,480,469	5,317,646	5,864,416

(b) Debentures

At June 30, 2017, changes in debentures were as follows:

	Parent company and consolidated
At December 31, 2016	997,735
Accrued charges	64,051
Monetary variation	6,938
Payment of interest	(72,863)
Deferral of commissions	675
At June 30, 2017 (i)	996,536
Current liabilities	3,677
Non-current liabilities	992,859

(i) This balance is presented net, after deducting the amount of R$ 8,491 related to the deferral of transaction costs, according to Technical Pronouncement CPC08 – Transaction costs and Premium upon Issue of Marketable Securities.

At June 30, 2017, the charges of R$3,677 on the debentures are recorded in current liabilities (December 31, 2016 - R$5,551).

After the renegotiation of the Company's debts, the principal amount of R$1,000,000 has annual maturities from 2019 to 2026.

18 Taxes payable

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
ICMS	53,845	20,111	60,379	22,419
IPI	22,306	10,298	24,158	12,466
Withholding Income Tax (IRRF)	3,552	7,003	4,345	9,345
ISS	800	890	3,055	3,179
PIS and COFINS	18,211	2,439	23,469	6,342
Other	576	540	2,562	4,696
	99,290	41,281	117,968	58,447

19 Taxes payable in installments

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

	Parent company	Consolidated
At December 31, 2016 (i)	205,237	215,611
Reversal of interest	243	243
Repayment of principal	-	(676)
Monetary variation	-	342
Subtotal	205,480	215,520
Balance of judicial deposit offset	(198,032)	(198,032)
At June 30, 2017 (ii)	7,448	17,488
Current liabilities	7,448	8,817
Non-current liabilities	-	8,671

(i) From the amount of taxes payable in installments presented in the balance sheet, the amount of R$198.032, which refers to the offset of judicial deposits, must be deducted.
(ii) The balance of the Parent company substantially comprises IPI. The balance of Consolidated, in addition to the IPI of the Parent company, substantially comprises COFINS.

20 Provision for litigation

	Parent company					
	6/30/2017			12/31/2016		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
IRPJ and CSLL	3,141	-	3,141	1,775	-	1,775
INSS	2,305	-	2,305	5,293	-	5,293
ICMS (i)	53,490	-	53,490	3,564	-	3,564
Labor	282,812	(93,309)	189,503	278,859	(108,585)	170,274
Civil	126,453	(9,913)	116,540	119,589	(26,321)	93,268
Other	13,878	-	13,878	13,325	-	13,325
	482,079	(103,222)	378,857	422,405	(134,906)	287,499

	Consolidated					
	6/30/2017			12/31/2016		
	Provisions	Judicial deposits	Net balance	Provisions	Judicial deposits	Net balance
IRPJ and CSLL	3,141	-	3,141	1,775	-	1,775
INSS	2,357	-	2,357	5,344	-	5,344
ICMS (i)	83,462	-	83,462	32,341	-	32,341
PIS/COFINS	75	-	75	17,819	-	17,819
Labor	379,393	(93,309)	286,084	358,106	(108,585)	249,521
Civil	159,957	(9,913)	150,044	137,541	(26,321)	111,220
Other	51,093	(27,590)	23,503	54,937	(3,244)	51,693
	679,478	(130,812)	548,666	607,863	(138,150)	469,713

(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 misappropriation of presumed ICMS credits from March to July 2013, which had previously been classified as possible loss. In the six-month period ended June 30, 2017, due to a partially unfavorable judgment, the Company recorded a provision in the amount of R$ 49,432.

The Company also has judicial deposits recorded in non-current assets, for which there are no related provisions (Note 12).

At June 30, 2017, changes in the provisions for litigation were as follows:

	Parent company	Consolidated
At December 31, 2016	422,405	607,863
Additions	57,306	85,569
Interest/restatements	37,310	42,641
Payments/reductions in judicial deposits	(26,971)	(30,933)
Reversals	(7,971)	(25,662)
At June 30, 2017	482,079	679,478

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

(a) Possible contingencies

The Company and its subsidiaries are parties to proceedings which involve risks of losses classified as possible by management, based on the opinion of its legal advisors, amounting to R$6,399,009 at June 30, 2017 (December 31, 2016 – R$5,303,865), for which no provisions have been recorded. In the six-month period ended June 30, 2017, the Usiminas companies are parties to new proceedings, the most significant ones being as follows: civil - R$ 709,951; tax - R$333,409; environmental - R$ 1,301 and labor - R$50,483.

(b) Contingent assets

On July 30, 2017, excluding the proceeding mentioned bellow, the contigent assets presented in note 24 (c) of the financial statements at December 31, 2016, did not undergo any change .

(i) Compulsory loan – Eletrobrás

The Company is the plaintiff in a proceeding 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 issued with respect to the declaratory action relating to the Cubatão branch. In June 2016, the Company requested that the settlement was made through arbitration proceedings, with the immediate appointment of a forensic expert. At June 30, 2017, the amount in dispute totaled R$975,413.

The proceeding relating to the Ipatinga branch is at a higher court level awaiting judgment of the appeals by the Federal Government and Eletrobrás, which were filed after a favorable decision to Usiminas' interests at the appellate court level. Currently, the Company is preparing a petition for settlement through arbitration proceedings to be included in the records. At June 30, 2017, the amount in dispute totaled R$1,856,009.

(ii) PIS and COFINS - Imports

The Company was also 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. A final and unappealable decision was issued in August 2015, which recognized the right to offset the amounts that had effectively been overpaid. The Company obtained the approval of the credits from the Federal Revenue Secretariat. Out of the total amount, R$332,827 was offset up to December 31, 2016, and in the six-month period ended June 30, 2017, the Company’s carried out offsets totaling R$ 211,986.

21 Retirement benefit obligations

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

	Parent company		Consolidated	
	6/30/2017	12/31/2016	6/30/2017	12/31/2016
Balance sheet obligations for:				
Pension benefits	726,418	992,924	726,418	992,924
Post-employment medical benefits	357,106	345,495	361,596	349,803
	1,083,524	1,338,419	1,088,014	1,342,727

	Parent company		Consolidated	
	6/30/2017	6/30/2016	6/30/2017	6/30/2016
Income (expenses) recognized in the statement of income related to:				
Pension benefits	3,886	7,237	3,886	7,237
Post-employment medical benefits	(18,138)	(6,326)	(18,435)	(6,515)
	(14,252)	911	(14,549)	722

The Defined Benefit Plan (PBD) totaled R$ 313,012 at December 31, 2016. Of this amount, R$ 156,727 corresponded to the pension fund, which was reversed in February 2017 after the approval of changes in PBD Regulations by the National Superintendency of Pension Funds (PREVIC), the supervisory body of closed private pension entities. This reversal is in accordance with the debt agreement and with the Actuarial Opinion issued by Willis Towers Watson, actuarial consultant of Previdência Usiminas. The Defined Benefit Plan (PBD) totaled R$ 151,018 at June 30, 2017, after the mentioned reversal.

At June 30, 2017, the changes in actuarial gains and losses recognized in other comprehensive income (loss) were as follows:

	Parent company	Consolidated
Actuarial gains (losses) recognized directly in other comprehensive income (loss)	(84,848)	(84,884)
Actuarial gains (losses) of debts contracted and directly recognized in other comprehensive income (loss) - CPC 33 and IFRIC 14	101,488	101,488
Decrease (increase) in assets (asset ceiling) in other comprehensive income (loss) - paragraph 58 of CPC 33 and IAS 19	78,345	78,345
Accumulated actuarial gains (losses) recognized in other comprehensive income (loss) (i)	94,985	94,949

(i) At June 30, 2017, total balance in the Company included the amount of R$36 related to actuarial gains (losses) of subsidiaries 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, 2016 presented a liability of R$1,338,419. The changes in retirement benefit obligations are presented below:

	Parent company	Consolidated
At December 31, 2016	1,338,419	1,342,727
Amortization	(125,231)	(125,306)
Amounts recognized in the statement of operations	14,252	14,549
Actuarial losses recognized directly in other comprehensive income (loss)	(143,916)	(143,956)
At June 30, 2017	1,083,524	1,088,014

22 Equity

(a) Share capital

At June 30, 2017, 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; 547,740,661 Class A preferred shares and 77,763 Class B preferred shares, as shown below:

	Common shares	Class A Preferred	Class B Preferred	Total
Total shares at June 30, 2017	705,260,684	547,740,661	77,763	1,253,079,108
Total treasury shares	2,526,656	23,705,728	-	26,232,384
Total shares except treasury stock	702,734,028	524,034,933	77,763	1,226,846,724

(b) Reserves

At June 30, 2017, 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, 2016. Therefore, management decided not to repeat this disclosure in this interim financial information.

23 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, transportation of cargo and operation of highway and railway cargo terminals. The sales of iron ore are mainly intended for the Steel segment.
Steel metallurgy	Manufacture and sale of steel products. A portion of sales is for the steel transformation and capital assets segments.
Steel transformation	Transformation and distribution of steel products.
Capital assets	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

							6/30/2017
	Mining and logistics	Steel metallurgy	Steel transformation	Capital assets	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 subsidiaries, jointly-controlled subsidiaries 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 period	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
Assets	4,217,219	24,056,506	1,515,385	674,297	30,463,407	(4,447,275)	26,016,132
Total assets include: Investments in associates (except goodwill) and investment properties	397,526	42,693	-	2,603	442,822	-	442,822
Additions to non-current assets (except financial instruments and deferred tax assets)	9,472	59,504	27,347	7,772	104,095	(1,104)	102,991
Current and non-current liabilities	505,487	10,155,600	432,037	147,299	11,240,423	(495,353)	10,745,070

							6/30/2016
	Mining and logistics	Steel metallurgy	Steel transformation	Capital assets	Subtotal	Eliminations and adjustments	Total
Revenue	207,396	3,516,872	862,776	324,786	4,911,830	(842,928)	4,068,902
Cost of sales	(185,805)	(3,566,506)	(807,657)	(293,243)	(4,853,211)	746,426	(4,106,785)
Gross profit (loss)	21,591	(49,634)	55,119	31,543	58,619	(96,502)	(37,883)
Operating (expenses)/income	(63,517)	(386,636)	(52,124)	(25,678)	(527,955)	40,895	(487,060)
Selling expenses	(28,736)	(75,236)	(22,590)	(6,633)	(133,195)	(2,241)	(135,436)
General and administrative expenses	(10,176)	(128,723)	(27,053)	(16,822)	(182,774)	6,878	(175,896)
Other income (expenses)	(53,120)	(204,447)	(2,481)	(2,195)	(262,243)	(1,985)	(264,228)
Share of results of subsidiaries, jointly-controlled subsidiaries and associates	28,515	21,770	-	(28)	50,257	38,243	88,500
Operating (loss) profit	(41,926)	(436,270)	2,995	5,865	(469,336)	(55,607)	(524,943)
Finance result	58,139	176,332	3,906	2,395	240,772	(24,598)	216,174
Profit (loss) before income tax and social contribution	16,213	(259,938)	6,901	8,260	(228,564)	(80,205)	(308,769)
Income tax and social contribution	4,151	6,848	(3,193)	(2,700)	5,106	28,929	34,035
Profit (loss) for the period	20,364	(253,090)	3,708	5,560	(223,458)	(51,276)	(274,734)
Attributable to							
Controlling interests	15,653	(253,090)	951	5,560	(230,926)	(51,276)	(282,202)
Non-controlling interests	4,711	-	2,757	-	7,468	-	7,468

							12/31/2016
Assets	5,004,338	24,126,728	1,398,071	715,780	31,244,917	(4,990,172)	26,254,745
Total assets include: investments in associates (except goodwill) and investment properties	381,783	71,518	-	2,633	455,934	-	455,934
Additions to non-current assets (except financial instruments and deferred tax assets)	38,156	243,609	32,842	11,193	325,800	(3,463)	322,337
Current and non-current liabilities	506,189	10,543,619	352,861	180,328	11,582,997	(519,886)	11,063,111

Sales between segments are 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.

24 Revenue

The reconciliation between gross and net revenue was as follows:

	Parent company		Consolidated	
	6/30/2017	6/30/2016	6/30/2017	6/30/2016
Sales of goods				
Domestic market	5,272,662	3,962,803	5,496,406	4,319,415
Foreign market	597,533	468,571	600,491	546,630
	5,870,195	4,431,374	6,096,897	4,866,045
Sales of services				
Domestic market	7,907	5,146	115,687	249,308
Foreign market	451	-	451	-
	8,358	5,146	116,138	249,308
Gross revenue	5,878,553	4,436,520	6,213,035	5,115,353
Deductions from revenue	(1,206,050)	(921,962)	(1,292,712)	(1,046,451)
Net revenue	4,672,503	3,514,558	4,920,323	4,068,902

25 Expenses by nature

	Parent company		Consolidated	
	6/30/2017	6/30/2016	6/30/2017	6/30/2016
Depreciation, amortization and depletion	(529,065)	(529,012)	(634,942)	(635,359)
Employee benefit expenses	(393,797)	(420,638)	(565,580)	(724,886)
Raw materials and consumables	(2,784,703)	(2,247,708)	(2,589,744)	(2,237,453)
Scheduled maintenance	(57,405)	(69,980)	(57,496)	(70,385)
Judicial charges	(11,314)	(11,973)	(16,699)	(14,035)
Distribution costs	(40,899)	(39,405)	(46,745)	(63,389)
Loss on the sale of excess electricity (i)	(4,536)	(78,693)	(3,985)	(85,262)
Third-party services	(350,289)	(398,667)	(416,903)	(481,544)
Income (expenses) in litigation, net	(49,335)	1,600	(53,155)	(2,282)
Profit on the sale/write-off of PP&E, intangible assets and investment	1,085	72,800	822	72,855
Changes in impairment of assets, net	-	(7,637)	-	(7,637)
PIS/COFINS credits on imports (ii)	119,913	53,215	119,913	53,215
Freight and insurance	(201,883)	(148,535)	(241,520)	(201,663)
Porto Sudeste Agreement	-	-	205,106	-
Provision for impairment of trade receivables	(13,201)	(15,696)	(20,253)	(22,688)
Losses on advances to suppliers	-	(37,285)	-	(37,285)
Other expenses	(21,235)	(165,574)	(47,820)	(224,547)
	(4,336,664)	(4,043,188)	(4,369,001)	(4,682,345)
Cost of sales	(3,990,366)	(3,641,567)	(4,057,358)	(4,106,785)
Selling expenses	(79,034)	(75,236)	(117,795)	(135,436)
General and administrative expenses	(138,870)	(124,609)	(189,785)	(175,896)
Other operating income (expenses), net	(128,394)	(201,776)	(4,063)	(264,228)
	(4,336,664)	(4,043,188)	(4,369,001)	(4,682,345)

(i) At June 30, 2017, the Company had receivables from the sale of excess electricity amounting to R$ 34,267 (December 31, 2016 – R$ 13,223), which is recorded in Other current assets.
(ii) Refers to credits from the Brazilian Federal Revenue Secretariat (RFB), as described in Note 20 (b).

26 Finance result

	Parent company		Consolidated	
	6/30/2017	6/30/2016	6/30/2017	6/30/2016
Finance income				
Interest from customers	7,756	7,879	11,438	11,322
Income from financial investments	34,836	9,094	100,356	37,258
Monetary effects	6,099	18,658	19,521	84,143
Restatement of PIS/COFINS credits imports (i)	92,073	50,762	92,073	50,762
Restatement of judicial deposits	18,221	14,700	21,111	18,520
Realization of adjustment to present value of trade receivables	49,806	53,245	49,806	53,245
Reversal of the provision for interest on contingencies referring to litigation	2,587	11,074	2,587	11,074
Other finance income	10,521	12,072	18,691	19,264
	221,899	177,484	315,583	285,588
Finance costs				
Interest on borrowings and taxes payable in installments	(347,600)	(163,741)	(349,037)	(154,830)
Monetary effects	(56,581)	(178,328)	(64,558)	(189,001)
Interest on provisions for litigation	(37,310)	(17,685)	(42,641)	(25,192)
Adjustment to present value of trade payables	(6,624)	(11,463)	(17,505)	(20,764)
Commissions on borrowings and other	(23,335)	(18,437)	(17,898)	(13,112)
PIS/COFINS on interest on capital	(5,551)	-	(5,551)	-
Other finance costs	(13,541)	(30,426)	(23,314)	(46,607)
	(490,542)	(420,080)	(520,504)	(449,506)
Foreign exchange gains (losses), net	(90,075)	622,552	(21,552)	675,047
Result of swap transactions	35,021	19,477	598	(294,955)
Finance result	(323,697)	399,433	(225,875)	216,174

(i) Refers to the restatement of credits approved by the Brazilian Federal Revenue Secretariat (RFB), as described in Note 20 (b).

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

27 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 period excluding common shares acquired by the Company and held in treasury (Note 22).

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 29).

	Parent company					
	6/30/2017			6/30/2016		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Basic and diluted numerator						
Profit (loss) available to controlling interests	113,148	92,826	205,974	(138,163)	(144,039)	(282,202)
Basic and diluted denominator						
Weighted average number of shares, excluding treasury shares	702,734,028	524,112,696	1,226,846,724	502,734,028	504,466,237	1,007,200,265
Basic and diluted earnings (loss) per share - R$	0.16	0.18		(0.27)	(0.27)	

28 Transactions with related parties

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

(a) Assets

	Parent company					
	6/30/2017			12/31/2016		
	Trade receivables	Dividends receivable	Other receivables	Trade receivables	Dividends receivable	Other receivables
Controlling interests	18,751	-	3,681	14,467	-	4,216
Subsidiaries	245,001	51,008	119,996	151,043	52,864	97,804
Jointly-controlled subsidiaries	53	-	22	42	-	22
Associates	12,230	2,740	-	15,277	2,463	-
Other related parties	14,079	-	3,992	11,349	-	4,370
Total	290,114	53,748	127,691	192,178	55,327	106,412
Current	285,142	53,748	68,670	192,178	55,327	46,632
Non-current (i)	4,972	-	59,021	-	-	59,780
Total	290,114	53,748	127,691	192,178	55,327	106,412

	Consolidated					
	6/30/2017			12/31/2016		
	Trade receivables	Dividends receivable	Other receivables	Trade receivables	Dividends receivable	Other receivables
Controlling interests	18,751	-	3,681	14,467	-	4,216
Non-controlling interests	-	-	-	453	-	-
Jointly-controlled subsidiaries	53	-	22	42	-	22
Associates	12,300	13,782	-	15,277	2,463	-
Other related parties	14,079	-	4,642	11,349	-	5,020
Total	45,183	13,782	8,345	41,588	2,463	9,258
Current	40,211	13,782	1,338	41,588	2,463	5,416
Non-current (i)	4,972	-	7,007	-	-	3,842
Total	45,183	13,782	8,345	41,588	2,463	9,258

(i) The balance of "Other receivables" includes the amount of R$3,705, which relates to an advance granted to Nippon Steel & Sumikin Engineering for the construction of property, plant and equipment.

Trade receivables classified as related parties are unsecured in nature and subject to interest. At June 30, 2017 and December 31, 2016, no provisions were recorded for receivables from related parties.

(b) Liabilities

	Parent company					
	6/30/2017			12/31/2016		
	Trade payables	Other payables	Borrowings	Trade payables	Other payables	Borrowings
Controlling interests	246	16,967	170,426	144	16,939	167,987
Subsidiaries	19,161	75,821	515,609	106,087	74,504	1,224,608
Jointly-controlled subsidiaries	28,534	-	-	52,994	-	-
Associates	819	-	-	2,578	-	-
Other related parties	37,625	-	-	588	-	-
Total	86,385	92,788	686,035	162,391	91,443	1,392,595
Current	86,385	14,216	515,904	162,391	15,325	25,769
Non-current	-	78,572	170,131	-	76,118	1,366,826
Total	86,385	92,788	686,035	162,391	91,443	1,392,595

	Consolidated					
	6/30/2017			12/31/2016		
	Trade payables	Other payables	Borrowings	Trade payables	Other payables	Borrowings
Controlling interests	200	16,967	170,426	636	16,965	167,987
Non-controlling interests	-	21,861	-	-	22,364	-
Jointly-controlled subsidiaries	29,403	-	-	53,493	-	-
Associates	819	163,457	-	2,815	184,123	-
Other related parties	37,625	-	-	588	1	-
Total	68,047	202,285	170,426	57,532	223,453	167,987
Current	68,047	67,693	295	57,532	70,184	381
Non-current	-	134,592	170,131	-	153,269	167,606
Total	68,047	202,285	170,426	57,532	223,453	167,987

At June 30, 2017, a borrowing from the subsidiary Usiminas Commercial of R$515,609 (December 31, 2016 - R$1,224,608) was recorded. In the Consolidated accounts, a borrowing from Nippon Usiminas Co. Ltd., controlling stockholder of Usiminas, of R$170,426 (December 31, 2016 - R$167,987) was recorded.

(c) Income (loss)

	Parent company					
	6/30/2017			6/30/2016		
	Sales	Purchases	Finance and operating income (loss)	Sales	Purchases	Finance and operating income (loss)
Controlling interests	90,510	1,184	(6,160)	72,002	3,453	33,981
Subsidiaries	1,458,751	248,800	(96,205)	1,013,259	172,987	23,302
Jointly-controlled subsidiaries	-	191,010	(95)	-	174,573	(2,042)
Associates	12,752	64,675	-	13,204	50,055	-
Other related parties (i)	39,667	200,206	(1,744)	29,195	13,222	(3,367)
Total	1,601,680	705,875	(104,204)	1,127,660	414,290	51,874

	Consolidated					
	6/30/2017			6/30/2016		
	Sales	Purchases	Finance and operating income (loss)	Sales	Purchases	Finance and operating income (loss)
Controlling interests	90,510	1,184	(6,031)	100,106	3,453	30,173
Non-controlling interests	-	8,143	-	3,400	-	-
Jointly-controlled subsidiaries	4,735	193,592	(95)	817	177,097	(628)
Associates	12,822	96,473	(10,881)	13,410	119,294	(9,301)
Other related parties (i)	39,806	200,206	(260)	105,407	13,222	(3,367)
Total	147,873	499,598	(17,267)	223,140	313,066	16,877

(i) At June 30, 2017, of the total purchases from other related parties R$190,473 referred to steel plates purchased from Metal One Corporation to be used in rolling processes in the Cubatão plant.

The nature of the main related-party transactions is described in Note 36(e) of the financial statements for the year ended December 31, 2016.

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	
	6/30/2017	6/30/2016
Fees	5,497	6,272
Social charges	1,076	1,131
Retirement plans	37	119
Changes in variable compensation	982	(8,235)
	7,592	(713)

At June 30, 2017, the amount paid to key management was R$6,482 (June 30, 2016 – R$8,315).

In June 2016, the amount of R$ 8,235 related to the excess provision for fees and related charges totaling R$ 6,632 and R$ 1,603, respectively, was posted to income. The expense, net of the reversal of the period, is recorded in the statement of operations under "General and administrative expenses".

The Company has a shared-based payment plan in place, as described in Note 29.

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

29 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, 2016.

At June 30, 2017, the Plan includes four programs:

- Program 2011, launched on October 3, 2011;
- Program 2012, launched on November 28, 2012;
- Program 2013, launched on November 28, 2013; and
- Program 2014, launched 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, 2017, the impact of the stock option plan on profit or loss totaled an expense of R$583 (June 30, 2016 - R$2,294), which was recorded in the statement of operations as a corresponding entry to the Company's equity. In the same period, the amount of R$729 was reversed to retained earnings (accumulated deficit) as a result of cancellations of options due to the loss of acquisition right. Therefore, the impact on the Company's equity was R$146.

The Plan's estimated deferred expenses, considering that all its contractual assumptions remain unaltered and no new grant takes place, total R$379.

30 Guarantees

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

		Parent company		Consolidated	
Assets pledged as collateral	**Liabilities secured**	**6/30/2017**	**12/31/2016**	**6/30/2017**	**12/31/2016**
Property, plant and equipment	Borrowings	4,090,580	4,503,801	4,112,642	4,525,862
Property, plant and equipment	Litigation	775,492	820,825	832,982	870,987
Inventories	Litigation	113,688	95,577	113,688	95,577
Cash and cash equivalents	Litigation	40,000	40,000	40,000	40,000
		5,019,760	5,460,203	5,099,312	5,532,426

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

Pursuant to CVM/SNC/SEP/Circular Letter No. 003/2011, the Company presented notes considered material within the context of “Framework Pronouncement - Conceptual Framework for Financial Reporting”. All information whose omission or distortion could influence the economic decisions of users was properly disclosed in this interim financial information, which should be read together with the financial statements for the year ended December 31, 2016.

The Notes whose information was not repeated in this interim financial information, as 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, 2016:

Note 04 - Significant accounting judgments, estimates and assumptions;
Note 07 - Financial instruments by category;
Note 19 - Trade payables, contractors and freight charges;
Note 31 - Employee benefit expenses;
Note 32 - Operating (expenses) income;
Note 35 - Commitments; and
Note 37 - Insurance.

32 Events after the reporting period

On July 12, 2017, the subsidiary Mineração Usiminas S.A. received the amount of R$ 205,106 from Porto Sudeste do Brasil S.A., arising from the agreement to terminate the arbitration proceedings, as described in Note 13 (b) - Investments. With this payment, the agreement for the rendering of port operation services entered into on February 11, 2011 and the arbitration proceedings were terminated, and the judgment only remains to be entered.

The Company's Management has assessed the effects of this payment in accordance with CPC 24 - Events After the End of the Reporting Period and considered it as an event after the end of the reporting period of this interim accounting information that generated adjustments. As a result, on June 30, 2017, the amount of R$ 205,106 was recorded in the subsidiary Mineração Usiminas S.A. as trade receivables, in current assets, as a counterpart to the result of the period.

Board of Directors

Elias de Matos Brito
Chairman

Francisco Augusto da Costa e Silva
Member

Gesner José Oliveira Filho
Member

Guilherme Poggiali Almeida
Member

Ichiro Sato
Member

Kazuhiro Egawa
Member

Luiz Carlos de Miranda Faria
Member

Oscar Montero Martinez
Member

Ricardo Antonio Weiss
Member

Rita Rebelo Horta de Assis Fonseca
Member

Wanderley Rezende de Souza
Member

Statutory Audit Board

Domenica Eisenstein Noronha
Member

Lúcio de Lima Pires
Member

Masato Ninomiya
Member

Paulo Frank Coelho da Rocha
Member

Paulo Roberto Evangelista de Lima
Member

Executive Board

Sérgio Leite de Andrade
CEO
Vice-President - Technology and Quality
Vice-President - Commercial Area

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

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

(A free translation of the original in Portuguese)

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Quarterly Information (ITR) at June 30, 2017 and report on review of quarterly information

(A free translation of the original in Portuguese)

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, 2017, 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.

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, 2017. 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.

Audit and review of prior-year information

The Quarterly Information Form (ITR) mentioned in the first paragraph includes accounting information, presented for comparison purposes, related to the statements of operations and comprehensive income (loss) for the quarter and six-month period ended June 30, 2016, and to the statements of changes in equity, cash flows and value added for the six-month period ended June 30, 2016, obtained from the Quarterly Information Form (ITR) for that quarter, and also to the balance sheet as at December 31, 2016, obtained from the financial statements at December 31, 2016. The review of the Quarterly Information for the quarter ended June 30, 2016 and the audit of the financial statements for the year ended December 31, 2016 were conducted by other independent auditors, who issued, respectively, an unqualified review report dated July 27, 2016 with an emphasis paragraph mentioning the capacity of the Company to continue as a going concern and an unqualified audit report dated February 16, 2017 with an emphasis paragraph that described certain conditions requiring the anticipated maturity of significant debts of the Company, which should be settled up to June 30, 2017.

Emphasis of matter

We draw attention to Note 17, which describes certain conditions that must be complied with by August 31, 2017 if early redemption of certain significant loans is to be avoided. Our conclusion is not qualified in respect of this matter.

Belo Horizonte, July 27, 2017

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" MG

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