

Usiminas speeds up and amplifies investment plan

USINAS SIDERÚRGICAS DE MINAS GERAIS S.A. – USIMINAS
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A Publicly Traded Company

Relevant Fact

Usinas Siderúrgicas de Minas Gerais S.A. – USIMINAS, in compliance with the Brazilian Securities and Exchange Commission – CVM Instructions nr. 319/1999 and 358/2002, informs that the Board of Directors, in a meeting occurred on July 7, 2008, decided to speed up and amplify the Company's investment plan approving the construction of a new mill for slab production with a capacity of 5 million tons of steel/year. This will be the Company's third mill and will be built in the city of Santana do Paraíso (in the Minas Gerais state), 7 kilometers from Intendente Câmara Mill, in Ipatinga (in the Minas Gerais state). The project replaces the previously announced expansion plan of 3.2 million tons of steel/year. Investment's budget for the new mill is of US\$ 5.7 billion.

Additionally, the Company's Investment Plan foresees that by 2012, inversions will be made destined to steel and iron ore production amplification, to mills' modernization, to cost reduction and to environmental preservation. US\$ 14.1 billion totals the Company's estimated investments for the next 5 years. The localization of the new mill allows Ipatinga and Santana do Paraíso units to share infrastructure and logistics, already existent in the Vale do Aço region, for raw material supply and distribution of finished products, reducing environmental impacts.

The mill will begin its operation in two phases: it will reach a production capacity of 2.5 million tons of steel/year by the first semester of 2011. In its second phase, in 2012, it will start operating with a maximum capacity of 5 million tons of steel/year. This production will attend firstly the rolling process of Ipatinga and Cubatão mills. About 60% will be exported and will foment Usiminas' internationalization initiatives.

Besides this mill, the Company evaluates amplifying its capacity to produce 3 million more tons of steel/year in José Bonifácio de Andrada e Silva Mill, in Cubatão (in the São Paulo state), with additional investments and terms to be defined.

Investments in the Ipatinga Mill will increase the production capacity of heavy plates in 500 thousand tons and of hot rolled products in 150 thousand tons. Furthermore, works for the new coke plant, that will produce 750 thousand tons of coke as of the first quarter 2010, and for the new power plant, with a capacity of 60 MW, that will broaden the Mill's own electric energy generation as of the fourth quarter 2008, have already started. Both projects seek cost reduction and preservation of natural resources.

In José Bonifácio Mill, in Cubatão, revamp of Blast furnace 1 was concluded and a new continuous casting machine is already operating, allowing a steel production increase of 350 thousand tons/year, focusing on greater value added steel. Investments in the new hot strip mill are already being implemented. This equipment will produce, in its first phase foreseen for the first semester of 2011, 2.3 million tons/year of hot rolled products, being able to reach 4.8 million tons/year in a later stage.

Unigal, a joint venture between Usiminas and Nippon Steel Corporation, will receive a new galvanizing line scheduled to start operating in the first semester of 2011. The additional production capacity will be of 550 thousand tons of galvanized steel.

Usiminas will increase its iron ore production capacity from the current 5 million tons to 29 million tons/year as of 2013. The plan will be executed in the four recently acquired mines, located in the Serra Azul region (in the Minas Gerais state). A concentration unit and a new pellet plant for production benefit are also scheduled. From the total investment amount, US\$ 3.5 billion was the budget for mining activities, including the acquisition, production expansion, concentration and pelletizing system.

The property of 850 thousand square meters in Baía de Sepetiba (in the Rio de Janeiro state), which acquisition was communicated to the market on June 27, 2008, allows the construction of a shipping terminal for its products, including iron ore. It is estimated that this terminal will begin operating in 2012 at the same time as Usiminas' iron ore and steel product expansion plan. Usiminas will use its associated company MRS' logistics infrastructure to transport its products to the terminal.

Belo Horizonte, July 8, 2008.

Usinas Siderúrgicas de Minas Gerais S/A – USIMINAS