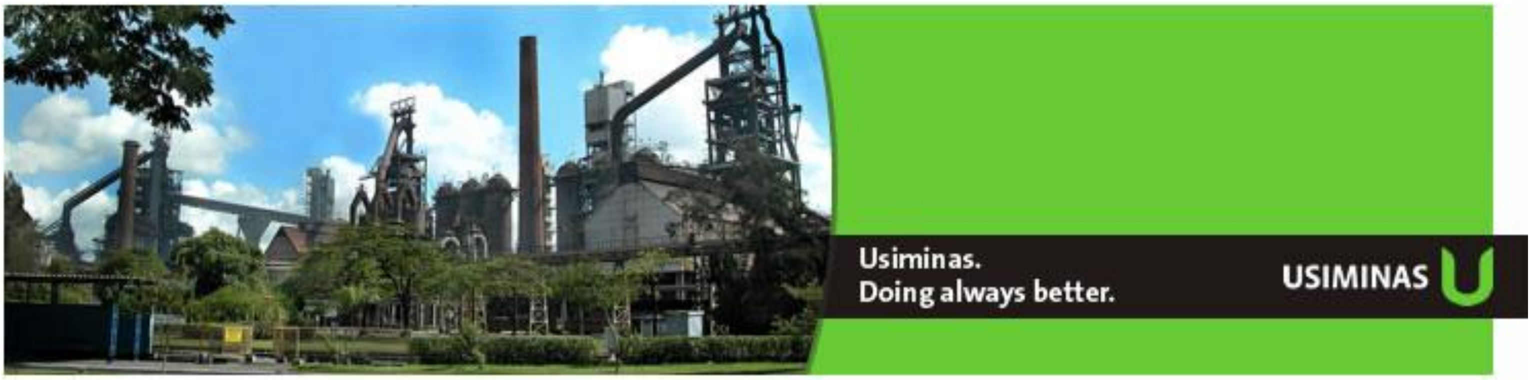


FOR IMMEDIATE DISCLOSURE - Belo Horizonte, March 7th, 2012. Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas (BM&FBOVESPA: USIM3, USIM5 and USIM6; OTC: USDMY and USNZY; Latibex: XUSIO and XUSI) releases today its fourth quarter 2011 (4Q11) results. Operational and financial information of the Company, except where otherwise stated, are presented based on consolidated figures, in Brazilian Real, according to International Financial Reporting Standards (IFRS). All comparisons made in this release take into consideration 3Q11, except where stated otherwise.

Usiminas expects recovery for the steel sector in 2012

In the 4Q11, the main highlights were:

- Steel product sales reached 1.3 million tons;
- Iron ore production totaled 1.7 million tons;
- Net revenue was R$2.8 billion;
- The cost of goods sold totaled R$2.6 billion;
- The cash position on 12/31/11 was R$5.2 billion;
- Investments totaled R$647 million.

Highlights

R$ million	4Q11	3Q11	4Q10	Chg. 4Q11/3Q11	2011	2010	Chg. 2011/2010
Crude Steel Production (000 t)	1,509	1,549	1,589	-3%	6,699	7,299	-8%
Sales Volume (000 t)	1,340	1,406	1,579	-5%	5,916	6,565	-10%
Net Revenues	2,815	2,998	3,092	-6%	11,902	12,962	-8%
COGS	(2,587)	(2,650)	(2,891)	-2%	(10,608)	(10,432)	2%
Gross Profit	227	348	201	-35%	1,294	2,531	-49%
Net Income (Loss)	77	154	280	-50%	404	1,584	-74%
EBITDA (a)	218	343	332	-36%	1,264	2,650	-52%
EBITDA Margin	7.7%	11.5%	10.8%	-3.8 p.p	10.6%	20.4%	-9.8 p.p
Net Debt/EBITDA	3.1 x	2.5 x	1.3 x	0.6 x	3.1 x	1.3 x	1.8 x
Investments (Capex)	647	688	992	-6%	2,490	3,192	-22%
Cash Position	5,191	5,503	4,544	-6%	5,191	4,544	14%

(a) Earnings before interest, taxes, depreciation, amortization and participations.

Market Data - 12/29/11

BM&FBOVESPA: USIM5 R$10.15/share
USIM3 R$17.15/share

EUA/OTC: USNZY US$5.63/ADR

Latibex: XUSI €4.23/share
XUSIO €6.46/share

Index

Economic Scenario

The international economy slowed down in 2011 specially due to a stagnation in developed countries and the restrained growth of emerging economies. The worst case scenario was confirmed, however, the rupture and the acute crisis based on the sovereign debt problems of European countries was cast off. The IMF estimates that global economic growth in 2011 reached 3.8%, lower than in 2010, when it reached 5.2%.

Local economic activity is showing signs of recovery after a null GDP variation in 3Q11. Nevertheless, the growth of 2011 was compromised and reached 2.7%, according to the Brazilian Institute of Geography and Statistics (IBGE).

Despite the economy's slowdown in 2011, the conditions to reach a growth of around 3% in GDP are preserved. The domestic market favorable conditions are still in effect, notably the fast-paced expansion of family incomes (+5% in 2011) and credit (+17% in 2011) in addition to the consensus in relation to the need for investments in infrastructure. In 2012, the economy will also rely on the monetary boosts provided by the expected drop in interest rates and the slackening of macro-prudential measures.

The year of 2011, however, brought warning signs in relation to the local business environment. The gap between local production and GDP is a matter of concern. In 2011, the industrial production grew 0.3%, after growing 10% in 2010, only recovering the average production level of the period that came before the crash of important companies in the global financial system in 2008. While the industry returned to its pre-crisis level, family consumption grew around 25% in the period and imports supplied a large portion of local demand. The combination of the appreciated real with the dollar-price stability of imported products explains the stronger slowdown in the industry.

Economic Outlook for 2012

***China:** Concerns with the parallel credit system seem exaggerated but the activity slowdown is real.*

***USA:** Recession can be avoided but GDP growth should be quite moderate in 2012. The outlook for 2013 should be better, as a consequence of the new government definition.*

***Japan:** Several indicators point to a consistent recovery of the Japanese economy after the natural disasters of 2011. Energy supply difficulties continue. The appreciation of the Yen and weak global demand will hinder the recovery of this economy.*

***Euro Zone:** Strict tax measures have limited efficacy, nevertheless they should contribute to slow down the growth in the region. The sovereign debt crisis in a monetary union creates a complex situation.*

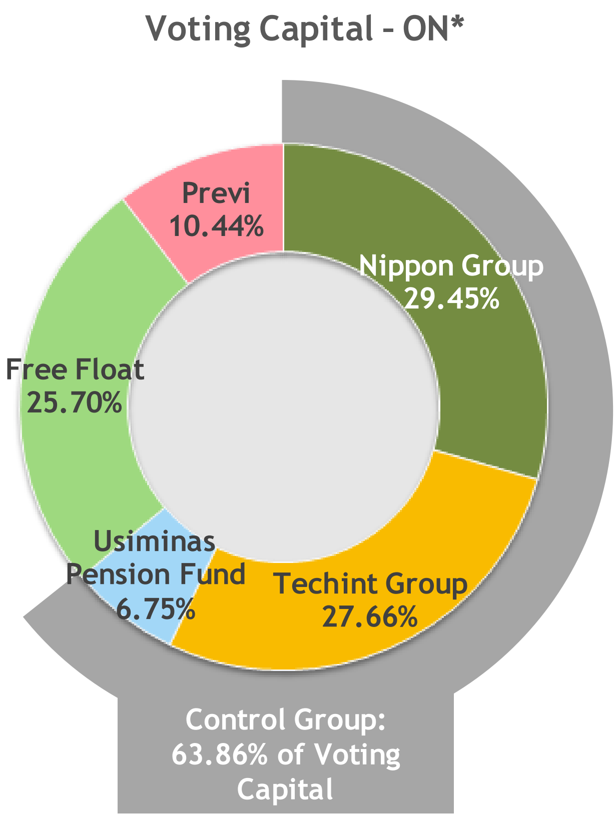
***Emerging Economies:** Exporters of commodities (Brazil, Chile and Peru) are expected to register a better performance due to a boost from Asia. There is room, although limited by inflation, for expansionist policies.*

***Brazil:** Studies point to a slightly higher GDP compared to 2011, mainly sustained by the beginning of the industry's recovery.*

Usiminas' Results and Outlook for 2012

Usiminas' fourth quarter results were negatively affected by lower steel sales volume and by the continued pressure on costs of main raw materials. In result, cash generation and profit were significantly affected at the end of the year.

Despite all the challenges faced, the Company maintains its outlook that 2012 will be promising for the steel sector. The economy is expected to benefit from the strong recovery of industrial investments, mainly in infrastructure, in addition to benefit from the sustaining of the good pace of consumption that has occurred over the past two years. Internal estimates indicate that the consumption of flat steel in Brazil will reach 13.2 million tons, with a growth above 550 thousand tons in comparison with 2011. In 2012, sales of local mills should become more dynamic, while imports may drop from an average of 158 thousand tons/month to 131 thousand tons/month, which is equivalent to 12% of consumption, as compared with 15% in 2011 and 23% in 2010.



*Highlighted only shareholders represented on the Board of Directors.

New Control Group

With the vision of one of Latin America's largest steel producers, the Techint Group enters the controlling group of Usiminas aiming to increase the company operating efficiency and to cut costs in order to recover the company's margins. Along with the Nippon Group and Usiminas' Employee Fund (pension fund), Usiminas is reviewing its strategic plan and expects to put into practice its first actions in order to redeem Usiminas' competitiveness.

Techint Group – The Techint Group is comprised of Ternium, Siderar and Confab. **Ternium** – one of the leading companies in steel production in Latin America, it manufactures a large variety of products, including galvanized and electro-galvanized sheets, tinplate, hot-rolled and cold-rolled products. It also produces long steels, such as wire rod and steel construction components.

"At this moment, we have to concentrate on reestablishing Usiminas' efficiency and competitive edge. All the efforts are geared towards this goal. This, together with the power of our shareholders, Nippon Steel and Ternium, will ensure that Usiminas increasingly strengthens. The arrival of Ternium should enhance the group's competitive edge by combining the best available technology to a strong position in Latin America. Nippon Steel is a leader in technology while Ternium is a leader in sales in the region. This is a powerful combination which allies productive efficiency to a huge sales capacity and this will be used in favor of Usiminas. We are aware of the difficulties arising from the Euro Zone crisis, the international competition, the steel oversupply and the high volume of steel and steel made product imports in Brazil but we rely on our shareholders and on Usiminas in order to grow."

Statement of Julián Eguren – Usiminas' CEO.

Economic and Financial Performance
Comments on Consolidated Results

Net Revenue

The 4Q11 net revenue dropped 6.1% when compared with the 3Q11, reaching R$2.8 billion mainly due to a decrease in rolled product sales in the Steel Business Unit. Net revenues of the mining, steel processing and capital goods segments remained stable in this quarter. In 2011, the consolidated net revenue reached R$11.9 billion, 8.2% lower than in the same period of 2010 mainly due to a reduction in sales volume.

Net Revenue Breakdown

	4Q11	3Q11	4Q10	2011	2010
DM	89%	88%	80%	87%	85%
EM	11%	12%	20%	13%	15%
Total	100%	100%	100%	100%	100%

Cost of Goods Sold (COGS)

COGS totaled R$2.6 billion in the 4Q11, down 2.4% as compared with 3Q11 as a result of the lower volume sold. The cost per ton of steel sold in the quarter, however, rose by 2.0%, which shows the ongoing cost pressure mainly due to raw materials and labor costs, the latter arising from annual labor agreements. The gross margin of 8.1% decreased by 350 basis points in the 4Q11 when compared with 3Q11.

The total cost of goods sold were slightly higher, in comparison with 2010. The strong increase in raw material prices, energy and labor as well as the drop in volume of steel sold led to a decrease of 860 basis points in the gross margin. Consequently, the Company's gross margin evolved as follows:

Gross Margin

4Q11	3Q11	4Q10	2011	2010
8.1%	11.6%	6.5%	10.9%	19.5%

Operating Expenses and Income

Operating expenses totaled R$216.0 million in the 4Q11, against R$116.5 million in 3Q11 basically due to the recognition of the provision for losses on trade accounts receivable and lower gains from legal contingency reversals. In 2011, consolidated operating expenses reached R$668.3 million, 6.4% higher as compared with the same period in 2010, explained by same reason above.

As such, the Company's operating margin evolved as follows:

EBIT Margin

4Q11	3Q11	4Q10	2011	2010
0.4%	7.7%	4.5%	5.2%	14.6%

EBITDA

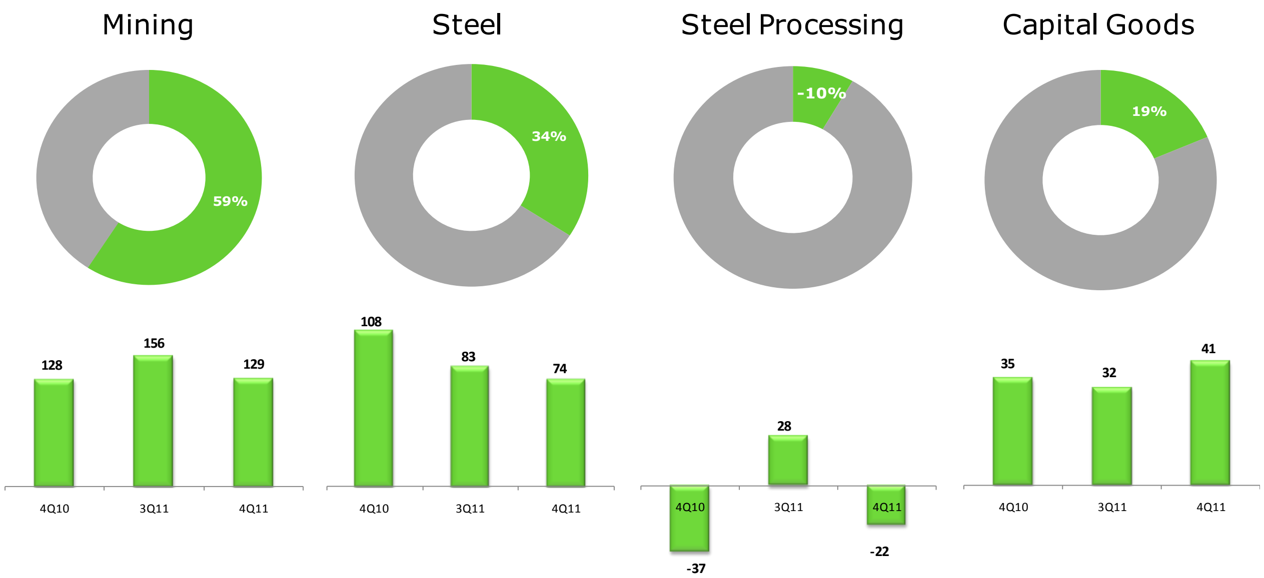
EBITDA reached R$218.1 million in the 4Q11, 36.5% lower than that registered in the 3Q11. The EBITDA margin registered a decline of 380 basis points mainly due to the decrease in steel sales volume. EBITDA in 2011 totaled R$1.3 billion and dropped 52.3% in the comparison with 2010 due to the increase in main raw materials' prices, lower sales volume in the steel business and a drop in the average local market price. The margins are shown below:

EBITDA Margin

4Q11	3Q11	4Q10	2011	2010
7.7%	11.5%	10.8%	10.6%	20.4%

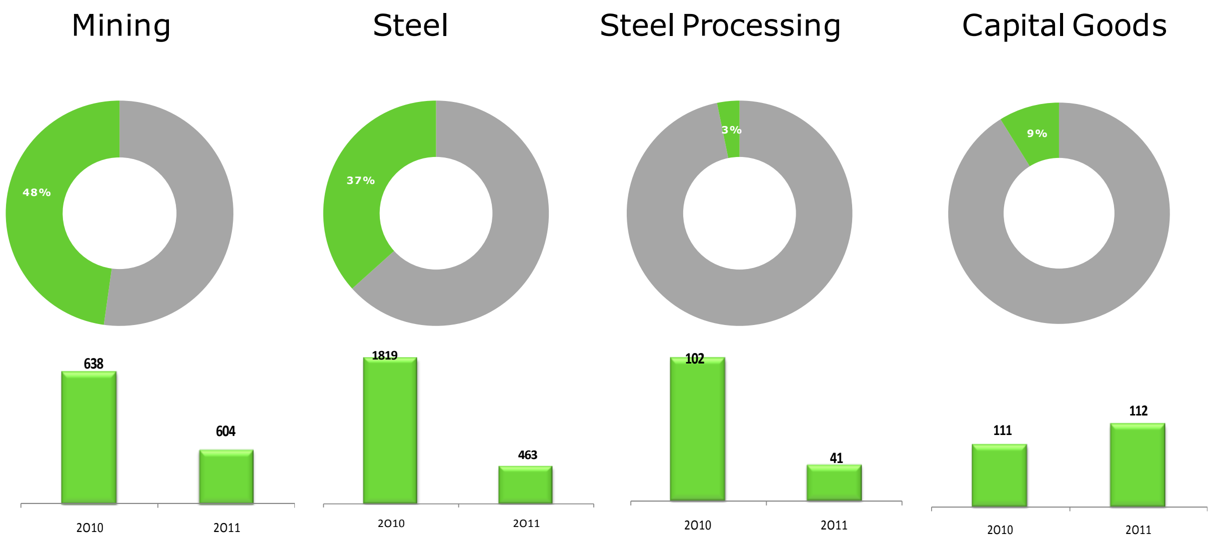
EBITDA by business unit and its share on the 4Q11 consolidated EBITDA is shown below:

R$ million



EBITDA by business unit and its share on 2011 consolidated EBITDA is shown below:

R$ million



Financial Result

The 4Q11 registered net financial income of R$56.7 million, against expenses of R$195.8 million in 3Q11. This result was mainly attributed to an exchange rate loss due to the devaluation of the real in relation to the US dollar of 18.8% in 3Q11 against 1.2% in 4Q11.

The consolidated net financial result was an expense of R$50.0 million in 2011, against a revenue of R$13.2 million in 2010 primarily due to the effects arising from the depreciation of 12.6% of the real against the U.S. dollar in 2011 and the 4.3% appreciation in 2010.

Financial Result - Consolidated

R$ thousand	4Q11	3Q11	4Q10	Chg. 4Q11/3Q11	2011	2010	Chg. 2011/2010
Exchange Effects	86,449	(138,655)	54,371	-	76,739	113,624	-32%
Exchange Variation	87,765	(158,298)	83,100	-	54,313	189,266	-71%
Swap	(1,316)	19,643	(28,729)	-	22,426	(75,642)	-
Swap Operations Market Cap.	(9,558)	(34,332)	16,831	-72%	(42,523)	17,751	-
Monetary Effects	(57,039)	(36,877)	(74,110)	55%	(229,094)	(157,006)	46%
Financial Income	142,153	188,360	147,036	-25%	623,172	412,905	51%
Financial Expenses	(105,342)	(174,262)	(102,804)	-40%	(478,309)	(374,047)	28%
FINANCIAL RESULT	**56,663**	**(195,766)**	**41,324**	**-**	**(50,015)**	**13,227**	-

Equity in the Results of Associate and Subsidiary Companies

Equity in the results of associate and subsidiary companies represented R$22.0 million in the 4Q11, 65.9% higher when compared with the 3Q11, largely due to the better result of MRS Logística. In 2011, the equity result reached R$67.0 million, against R$58.0 million in 2010, representing a 15.5% increase and reflecting also a gain of R$62.6 million from MRS Logística in 2011. In 2010 MRS Logística had contributed with R$40.9 million.

Net Income

The net income in the 4Q11 totaled R$77.5 million, down 49.7% in comparison with that registered in the 3Q11. The consolidated net income amounted to R$404.1 million in 2011, against R$1.6 billion in 2010. This reduction was due to the facts mentioned earlier and intensified by the accounting recognition of the R$124.9 million loss deriving from the disposal of an investment in Ternium which occurred in February 2011.

Investments (*Capex*)

Investments in fixed assets totaled R$647 million in 4Q11, 6.0% down in relation to 3Q11. Investments totaled R$2.5 billion in 2011, down 22.0% when compared with 2010. Out of the total invested in 2011, around 80% was invested in steel, 14% in mining, 3% in steel processing and 3% in capital goods segments.

The year of 2011 was marked by the conclusion of large investments made by Usiminas in previous years. The following table shows the main projects concluded in the past years, as well as those that will be concluded in 2012.

Main Investments

Start-up	Equipment	Capacity (000 tons/year)	Company
3Q10	Coke Plant III	750	Usiminas
4Q10	CLC (Accelerated cooling)	500	Usiminas
2Q11	Hot Dip Galvanizing Line II	550	Unigal
4Q11	Foundry	24	Usiminas Mecânica
1Q12	Hot Strip Mill II	2,300	Usiminas

Indebtedness

The consolidated total debt reached R$9.1 billion on 12/31/2011, against R$8.1 billion on 12/31/2010. The net debt at the end of December, 2011 was R$3.9 billion, against R$3.6 billion on 12/31/2010. The net debt/EBITDA ratio on 12/31/2011 was 3.1 times.

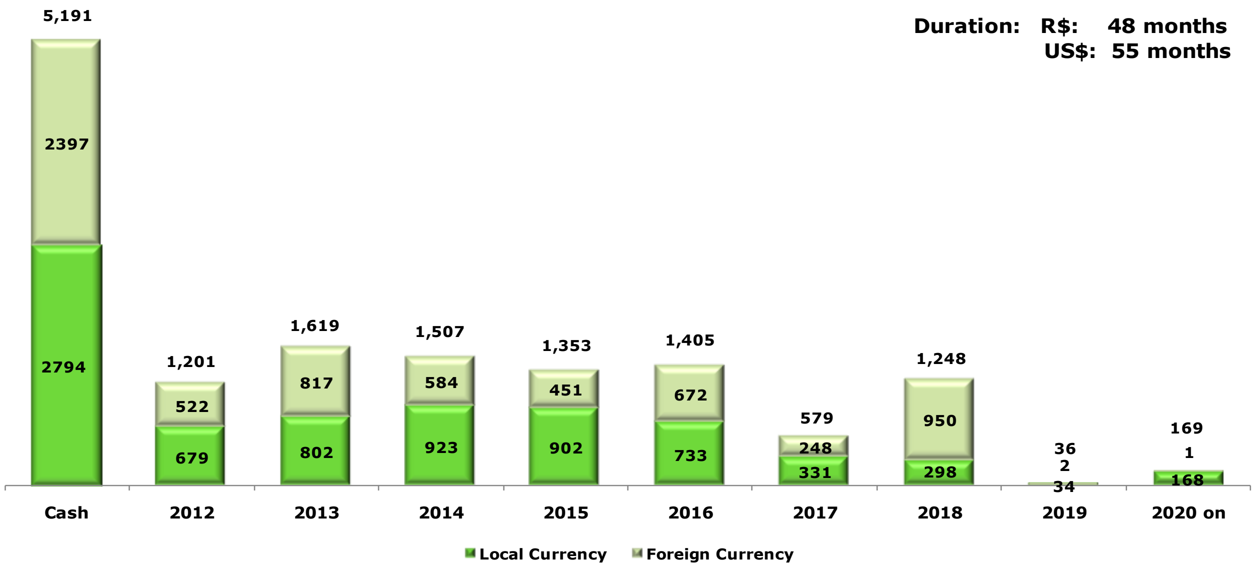
On 12/31/2011, the debt breakdown by maturity was 13.2% in the short term and 86.8% in the long term. The breakdown by currency represented 53.4% in local currency and 46.6% in foreign currency.

Loans and Financing by Index - Consolidated

R$ thousand	31-dec-11			%	31-dec-10	Chg. dec11/dec10
	Short Term	Long Term	TOTAL		TOTAL	
Foreign Currency (*)	**521,687**	**3,726,529**	**4,248,216**	**47%**	**4,052,973**	**5%**
TJLP	231,348	888,798	1,120,146	-	568,317	97%
Other local currency	112,062	2,757,799	2,869,861	-	2,573,394	12%
Debentures	274,419	250,000	524,419	-	522,416	0%
Taxes Payable in Installments	61,169	38,637	99,806	-	128,093	-22%
FEMCO	0	254,806	254,806	-	262,082	-3%
Local Currency	**678,998**	**4,190,040**	**4,869,038**	**53%**	**4,054,302**	**20%**
TOTAL DEBT	**1,200,685**	**7,916,569**	**9,117,254**	**100%**	**8,107,275**	**12%**
CASH AND CASH EQUIVALENTS	-	-	**5,190,695**	-	**4,543,566**	**14%**
NET DEBT	**-**	**-**	**3,926,559**	**-**	**3,563,709**	**10%**

(*) 99% of total foreign currency is denominated in US dollars

Debt Profile



Business Units Performance

The transactions between Companies are assessed in market prices and conditions.

Usiminas Consolidated

Mining	Steel	Steel Processing	Capital Goods
Mineração Usiminas*	**Ipatinga Mill** **Cubatão Mill** **Unigal***	**Soluções Usiminas*** **Automotiva Usiminas*** **Metform and Codeme stake****	**Usiminas Mecânica***

* Usiminas' Subsidiary
**Results accounted through Equity in the Results of Associate and Subsidiary Companies

Income Statement per Business Units - Non Audited

R$ million	Mining		Steel		Steel Processing		Capital Goods		Adjustment		Consolidated	
	4Q11	3Q11	4Q11	3Q11	4Q11	3Q11	4Q11	3Q11	4Q11	3Q11	4Q11	3Q11
Net Revenue	241	253	2,426	2,511	519	529	368	369	(739)	(664)	2,815	2,998
Domestic Market	214	218	2,141	2,206	508	521	368	368	(728)	(663)	2,502	2,650
Export Market	27	35	285	305	11	8	0	1	(11)	(1)	313	348
COGS	(78)	(70)	(2,439)	(2,479)	(494)	(490)	(311)	(320)	735	709	(2,587)	(2,650)
Gross Profit	163	184	(14)	31	25	38	58	49	(4)	45	227	348
Operating Income (Expenses)	(50)	(36)	(81)	(32)	(62)	(25)	(24)	(24)	1	1	(216)	(116)
EBIT	113	148	(95)	(1)	(38)	13	34	25	(3)	46	11	232
EBITDA	**129**	**156**	**74**	**83**	**(22)**	**28**	**41**	**32**	**(4)**	**45**	**218**	**343**
EBITDA Margin	**54%**	**61%**	**3%**	**3%**	**-4%**	**5%**	**11%**	**9%**	**-**	**-**	**8%**	**11%**

Income Statement per Business Units - Non Audited

R$ million	Mining		Steel		Steel Processing		Capital Goods		Adjustment		Consolidated	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Net Revenue	974	960	10,421	11,496	2,149	2,433	1,419	1,447	(3,061)	(3,374)	11,902	12,962
Domestic Market	822	883	9,047	9,686	2,107	2,379	1,418	1,447	(3,049)	(3,374)	10,345	11,022
Export Market	152	77	1,374	1,810	42	54	1	0	(12)	0	1,557	1,941
COGS	(270)	(288)	(10,231)	(10,048)	(1,977)	(2,190)	(1,235)	(1,260)	3,105	3,354	(10,608)	(10,432)
Gross Profit	704	672	190	1,448	172	243	184	187	44	(20)	1,294	2,531
Operating Income (Expenses)	(138)	(89)	(244)	(230)	(192)	(203)	(99)	(107)	6	0	(668)	(628)
EBIT	566	583	(54)	1,219	(21)	40	85	81	50	(20)	626	1,902
EBITDA	**604**	**638**	**463**	**1,819**	**41**	**102**	**112**	**111**	**44**	**(20)**	**1,264**	**2,650**
EBITDA Margin	**62%**	**67%**	**4%**	**16%**	**2%**	**4%**	**8%**	**8%**	**-**	**-**	**11%**	**20%**

I) M I N I N G

- ### Mineração Usiminas (MUSA)

Mineração Usiminas is located in the Serra Azul-MG region and holds mining assets with potentially mineable reserves estimated at 2.6 billion tons, in addition to a retro area of 850 thousand square meters at the port terminal in the region of Itaguai-RJ. MUSA holds 20% of the voting capital of MRS Logística and is part of the its control group. The total capital of Mineração Usiminas is comprised 70% by Usiminas and 30% by the Sumitomo Corporation.

Comments on Business Unit Results - Mining

The net revenue of the Mining segment in the 4Q11 was R$241.2 million, down 4.8% as compared with 3Q11 mainly due to the lower sold volume in the local market and lower iron ore average prices. Net revenue reached R$974.3 million in 2011, 1.5% above that registered in 2010 due to better prices in 2011.

In the 4Q11, the cost of goods sold (COGS) totaled R$78.0 million, an increase of 11.9% as compared with the 3Q11 due to higher port costs.

Gross profit reached R$163.3 million in 4Q11 and gross margin was 67.7%, practically in line with the previous quarter. In 2011, gross profit amounted to R$704.0 million, 4.8% higher than 2010 and a gross margin of 72.3%.

Operating expenses increased 38.7% in the comparison with 3Q11 mainly due to an increase in general/administrative expenses as a result of higher expenses with sales and an increase in port expenses. In 2011, operating expenses totaled R$138.3 million, up 55.1% over 2010, mainly due to the increase in general and administrative expenses and expenditures related to personnel and third-party services.

The EBITDA earned in 4Q11 was R$129.3 million, 17.0% lower than that of the 3Q11, generating a margin of 53.6%. In 2011, the EBITDA was R$603.7 million and the EBITDA margin was 62.0%. In 2010 EBITDA had been R$638.2 million with a margin of 66.6%.

Operating and Sales Performance

In the 4Q11, the production volume reached 1.7 million tons, 5.7% above that in 3Q11. In 2011, the production volume registered 6.3 million tons, 7.4% below that registered in 2010 due to adjustments between production and sales.

The sales volume in 4Q11 stood 2.6% below the sales volume of the 3Q11. The iron ore volume destined to the mills of Ipatinga and Cubatão was around 1.0 million tons. The total sales volume in 2011 reached 5.6 million tons, lower than that in 2010, mainly due to the lack of port capacity for exports. The production and sale volumes are shown in the table below:

Iron Ore

Thousand tons	4Q11	3Q11	4Q10	Chg. 4Q11/3Q11	2011	2010	Chg. 2011/2010
Production	**1,664**	**1,576**	**1,724**	**6%**	**6,328**	**6,837**	**-7%**
Sales - Domestic Market	211	168	293	26%	457	521	**-12%**
Sales - Export Market	163	161	159	1%	785	526	**49%**
Sales to Usiminas	1,013	1,105	975	-8%	4,322	4,981	**-13%**
Total = Sales	**1,387**	**1,434**	**1,427**	**-3%**	**5,564**	**6,029**	**-8%**

Investments

Investments totaled R$170 million in the 4Q11 spent on various projects and adaptations to expand the capacity of Mineração Usiminas. Investments in 2011 totaled R$365 million.

The investments were made to acquire mobile mining equipment and land as well as to make adjustments and improvements in the existing processing plants in line with the ongoing expansion plan.

Highlights

In November 2011 Mineração Usiminas concluded the negotiations related to the acquisition of Mineração J. Mendes Ltda., SOMISA - Siderúrgica Oeste de Minas Gerais Ltda. and Global Mineração Ltda, regarding the contract executed in February 2008. Additionally, Mineração Usiminas acquired real state and mineral rights assets from Mineração Ouro Negro S.A. and signed an operational cooperation agreement with Ferrous Resources do Brasil S.A.. All of those transactions take part in Usiminas strategy of upstream integration that enables the Company to be a strong player at Serra Azul region.

Logistics – MRS

MRS Logística is a concession that controls, operates and monitors the Brazilian southeastern federal railroad (Malha Sudeste da Rede Ferroviária Federal). The company operates in the railway transportation market, connecting the states of Rio de Janeiro, Minas Gerais and São Paulo and its core business is railway transportation with integrated logistics of cargo in general, such as iron ore, finished steel products, cement, bauxite, agricultural products, green coke and containers.

MRS registered a growth of 5.8% in 2011 in comparison with the previous year, totaling 152.4 million tons transported with emphasis on the heavy-haul segment (iron ore, coal and coke) in addition to several other cargos. A total of 38.6 million tons were transported in 4Q11, down 6.5% in relation to 3Q11.

II) S T E E L

Global Steel Production

Global crude steel production hit 1.527 billion tons in 2011, according to the World Steel Association, representing an increase of 6.8% in comparison with 2010 and set a new record in global production. Among the ten largest producers, nine register positive growth rates with emphasis on Turkey, South Korea and China. Brazil stood in ninth position in the global ranking of 2011. Its crude steel production reached 35.2 million tons with an increase of 6.8% in relation to the previous year.

Throughout the first-half of 2011, the usage rate of the global steel production capacity stood at 83%. However, the economic slowdown in the second half of the year led to a decline of 71.7% in December, representing a drop of 210 basis points as compared with the same period in 2010.

Global steel demand has continued relatively stable despite uncertainties and the volatility of the global economy. According to WSA, the flat steel apparent consumption in 2011 grew 5.8%. The outlook for 2012 is of further expansion based on the economic growth estimates of the IMF. Apparent consumption should grow around 4% mainly in Asia and in the Americas.

Brazilian Flat Steel Market

Consumption in the Brazilian flat steel market in 2011 reached 12,623 thousand tons with a reduction of 8% in comparison with 2010. If the variation of the inventory between 2010 and 2011 (estimated at 350 thousand tons) would be considered, the apparent drop in consumption would have been lower, approximately 3%. The sales from the mills reached 10,721 thousand tons with an increase of 1.5% in the same period. Imports totaled 1,902 thousand tons, down 40% from 2010 volume and represented 15% of apparent consumption, against 23% in 2010. The effort of Brazilian mills to recover the share in total domestic consumption resulted in a considerable loss of business margin to the steel industry.

Imports dropped 12% in 4Q11 in comparison with the previous quarter. Volatility throughout the year makes it difficult to get a clear picture of the next quarters imports. It points though, the ongoing challenge faced by local steel mills as a result of the volatile exchange rate and the overcapacity of global steel production.

Another challenge faced by the local steel mills are the indirect steel imports estimated at 5.0 million tons in 2011. Out of this total, around 3.8 million tons are flat steel contained in the imported final products, 40% higher as compared with 2010. It is estimated that 66% of these indirect flat steel imports occurred through the import of machinery and equipment, vehicles and auto parts.

Production - Ipatinga and Cubatão Mills

Crude steel production at Ipatinga and Cubatão mills reached 1.5 million tons in the 4Q11, registering a drop of 2.6% in relation to 3Q11, adjusting to the volume of products sold. The production of rolled products was 1.3 million tons, down 5.9% in comparison with the production of 3Q11.

Production (Crude Steel)

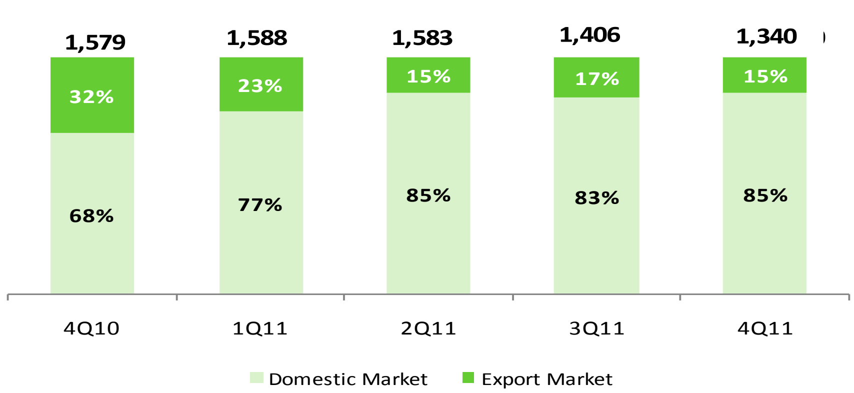
Thousand tons	4Q11	3Q11	4Q10	Chg. 4Q11/3Q11	2011	2010	Chg. 2011/2010
Ipatinga Mill	861	957	964	-10%	3,691	3,935	-6%
Cubatão Mill	648	592	625	9%	3,008	3,364	-11%
Total	**1,509**	**1,549**	**1,589**	**-3%**	**6,699**	**7,299**	**-8%**

Sales

Usiminas' total sales in 4Q11 reached 1.3 million tons, out of which 1.1 million, or 84.8%, were sold at the domestic market. Exports, however, in 4Q11 dropped 16.3% in relation to 3Q11 and represented 15.2% of the quarter's total sales.

In 2011 Usiminas' total sales amounted to 5.9 million tons, out of which 4.9 million were sold at the domestic market, representing 82.3% of total sales.

Consolidated Sales (thousand t)

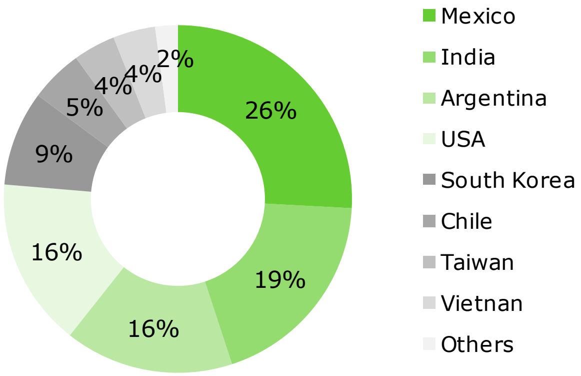


Sales Volume Breakdown - Consolidated

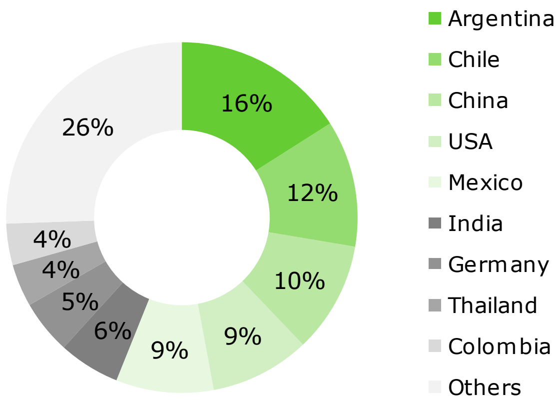
Thousand tons	4Q11		3Q11		4Q10		Chg. 4Q11/3Q11	2011		2010		Chg. 2011/2010
TOTAL SALES	**1,340**	**100%**	**1,406**	**100%**	**1,579**	**100%**	**-5%**	**5,916**	**100%**	**6,565**	**100%**	**-10%**
Heavy Plates	312	23%	359	26%	383	24%	-13%	1,491	25%	1,444	22%	3%
Hot Rolled	409	30%	382	30%	432	27%	7%	1,738	29%	2,008	31%	-13%
Cold Rolled	298	22%	310	27%	444	28%	-4%	1,474	25%	1,781	27%	-17%
Electrogalvanized	49	4%	54	4%	53	3%	-9%	211	4%	227	3%	-7%
Hot Dip Galvanized	140	10%	113	8%	105	7%	24%	500	8%	449	7%	11%
Processed Products	39	3%	37	2%	45	3%	5%	147	2%	152	2%	-4%
Slabs	93	8%	150	3%	118	7%	-38%	355	6%	504	8%	-30%
DOMESTIC MARKET	**1,136**	**85%**	**1,162**	**83%**	**1,069**	**68%**	**-2%**	**4,871**	**82%**	**4,914**	**75%**	**-1%**
Heavy Plates	276	21%	290	21%	265	17%	-5%	1,157	20%	951	14%	22%
Hot Coils/Sheets	380	28%	361	26%	328	21%	5%	1,612	27%	1,715	26%	-6%
Cold Coils/Sheets	280	21%	295	21%	269	17%	-5%	1,248	21%	1,415	22%	-12%
Electrogalvanized Coils	43	3%	48	3%	49	3%	-12%	187	3%	209	3%	-10%
Hot Dip Galvanized Coils	109	8%	101	8%	95	6%	7%	434	7%	402	6%	8%
Processed Products	36	3%	32	2%	36	2%	11%	123	2%	113	2%	8%
Slabs	15	1%	34	2%	27	2%	-57%	111	2%	108	2%	3%
EXPORT MARKET	**204**	**15%**	**243**	**17%**	**510**	**32%**	**-16%**	**1,045**	**18%**	**1,651**	**25%**	**-37%**
Heavy Plates	36	3%	69	5%	118	7%	-47%	334	6%	493	8%	-32%
Hot Rolled	29	2%	20	1%	103	7%	43%	127	2%	293	4%	-57%
Cold Rolled	18	1%	15	1%	175	11%	21%	226	4%	365	6%	-38%
Electrogalvanized	7	1%	6	0%	4	0%	16%	24	0%	19	0%	26%
Hot Dip Galvanized	31	2%	11	1%	10	1%	172%	66	1%	46	1%	43%
Processed Products	4	0%	5	0%	9	1%	-32%	24	0%	39	1%	-39%
Slabs	79	6%	116	9%	91	6%	-32%	244	4%	396	5%	-38%

Main export destinations are shown below:

4Q11



2011



Comments on Business Unit Results – Steel

The steel industry registered a net revenue of R$2.4 billion in the 4Q11, down 3.4% as compared with that in the 3Q11 due to the lower steel products volume sold. On average, the net revenue per ton dropped 2.3% in the local market. In 2011, the revenue was R$10.4 billion, down 9.4% in relation to the previous year, mainly due to the lower sales volume. The average net revenue (of Ipatinga and Cubatão mills) in 4Q11 was R$1,847 per ton of steel sold, down 1.3% from the average in 3Q11. In 2011, this amount was R$1,778, representing an increase of 2.2% in the comparison with 2010.

COGS was R$2.4 billion in 4Q11, down 1.6% as compared with 3Q11 due to the lower sales volume. COGS totaled R$10.2 billion in 2011, 1.8% above 2010 due to the price increase of the main raw materials.

The operating expenses were R$81.0 million in 4Q11, against an expense of R$32.2 million in 3Q11. The main aspects that contributed for this variation were sales expenses that were negatively impacted by the provision for losses on trade accounts receivable of R$56.6 million and general and administrative expenses that rose 10.3%. The account other operating income (expenses) was positively impacted in the amount of R$29 million due to the sale of a plot of Usiminas land in Ipatinga.

In 2011, operating expenses registered R$244.2 million, 6.4% higher compared with 2010.

EBITDA in the quarter reached R$74.3 million, 10.4% lower than that calculated in 3Q11, mainly due to the decrease in net revenue. The EBITDA margin remained stable in the 4Q11. In 2011, the EBITDA was R$463.3 million, lower 74.5% in relation to 2010 due to the lower sales volume and an increase in costs. The EBITDA margin was 4.4%, 1,140 basis points under that of 2010.

Investments

Investments on fixed assets in the 4Q11 summed R$442.8 million.

The main investment project is the new hot-rolled line in Cubatão expected to start up at the end of 1Q12. This project will represent a total investment of around R$2.5 billion wih 2.3 million tons of rolling capacity per year, enabling the company to supply hot-rolled products with specifications for high value added market niches.

III) S T E E L P R O C E S S I N G

- **Soluções Usiminas (SU):**

Soluções Usiminas operates in the distribution, services and small-diameter tube markets nationwide, offering higher value-added products to its clients. The Company has the capacity to process over 2 million tons of steel per year in its 11 industrial units, strategically located in the States of Rio Grande do Sul, São Paulo, Minas Gerais, Espírito Santo, Bahia and Pernambuco. It supplies the automobile sector, auto parts, civil construction, distribution, electric-electronic products, machinery and equipment, household appliances, among others.

The sales of the distribution, services and small-diameter tube business units accounted for 50%, 40% and 10% of the volume sold, respectively.

According to data released by INDA, the 4Q11 registered a drop in sales volume of 5.1% in relation to the 3Q11 stemming from the natural slowdown in sales at the end of the year. During 2011, the high inventory situation heated up the price competition and moved part of the industry’s purchases to distribution. In 2012, distribution will continue to have a prominent role as a sales channel in the steel industry. The short-term execution of infrastructure projects for the World Cup and the speed required to supply the steel products should boost the sales performance throughout the distribution network.

- **Automotiva Usiminas**

Automotiva Usiminas is the only company in the auto parts sectors in Brazil to produce complete sets and cabs painted in their final color, from the development of raw material up to the final product including the stamping, welding, painting and assembly processes.

Highlights

The priorities of Automotiva Usiminas in 2011 were the implementation of expansion projects and improvements in the productive process aimed at technologically adapting and maintaining the manufacturing complex, support for new businesses and changes made to the premises and equipment to the regulatory, safety and compliance standards of regulatory bodies.

Comments on Business Unit Results – Steel Processing

Net revenue in 4Q11 totaled R$518.6 million, down 1.9% from 3Q11. In 2011, accrued revenue was R$2.1 million, 11.7% down from 2010. Operating expenses increased 147.6% in comparison with 3Q11 due to greater sales expenses. The EBITDA totaled a negative R$21.8 million and in 3Q11 it registered a positive R$27.6 million mainly due to the lower sales volume, the increase in operating expenses and high average costs of inventories that were reduced in the quarter. In 2011, the EBITDA was R$40.5 million and the EBITDA margin was 1.9%.

Soluções Usiminas: Net revenue in 4Q11 totaled R$403.2 million, 2.4% lower than that in 3Q11. This performance reflects the lower sold volume and the slight drop in average prices.

Automotiva Usiminas: net revenue reached R$94.9 million in the quarter, 3.8% above the revenue registered in 3Q11.

IV) CAPITAL GOODS

Usiminas Mecânica S.A.

Usiminas Mecânica, the Group's capital goods arm, is among the largest capital goods companies in Brazil. The Company operates in the following business areas:

- Steel structures, bridges and blanks
- Industrial equipment
- Industrial assembly
- Foundry and railway cars
- Industrial maintenance

Among the many markets in which the Company operates, the main ones are listed below:

- Shipbuilding, Oil & Gas: the company is progressing in the implementation of a strategy to meet the demand of the offshore market by supplying small-scale naval blocks for platform supply boats and tugboats and is developing know-how for larger projects;
- Steelmaking and Mining: seeks integrated solutions and turnkey projects. Currently has the vacuum degassing system of Usiminas' Ipatinga Mill in its portfolio;
- Infrastructure: it will participate in the sports events of the 2014 World Cup and the 2016 Olympic Games by participating in the construction of stadiums, walkways, viaducts, parking buildings, airports and malls;
- Electric Energy: The company is able to provide equipment for hydroelectric power plants and small hydroelectric power stations. It has the Rio Madeira Complex project in its portfolio (Santo Antônio and Jirau hydroelectric power plants).

Highlights

The main contracts signed in the 4Q11 were:

- Steel structures for the pipe racks of the petrochemical complex of Rio de Janeiro – COMPERJ.
- Steel Structures to the Maracanã Stadium's grandstand - 2014 World Cup.
- Industrial maintenance of the Usiminas plants in Ipatinga and in Cubatão.

Investments

During 4Q11, the following investments were made:

- An automatic panel welding machine was imported from Finland. This machine is the main equipment of the investment for the construction of a factory in Pernambuco (Suape complex) for the production of metal panels for the shipbuilding market. The equipment estimated value is R$137 million. This plant will have the capacity to produce 65,000 tons a year and it is expected to start up its operations in 1Q13.

- A new automated foundry molding line was inaugurated in Ipatinga/MG for the production of parts for the railway and industrial sectors.

- The first vertical lathe to increase the capacity for machining heavyweight parts (up to 200 tons) went into operation. The construction work and assembly of the second vertical lathe is underway and is expected to go into operation at the end of 1Q12.

Comments on Business Unit Results – Capital Goods

Net revenue registered in the 4Q11 was R$368.5 million, stable in comparison with the 3Q11. The COGS/net revenue ratio dropped from 86.6% in 3Q11 to 84.4% in 4Q11 and gross profit reached R$57.6 million in the quarter, 16.5% above that in 3Q11. EBITDA of 4Q11 totaled R$40.6 million, an increase of R$8.6 million as compared with 3Q11. The EBITDA margin rose 230 basis points and reached 11.0% in 4Q11 with emphasis on the projects of the industrial assembly segment executed during the quarter.

Net revenue in 2011 was R$1.4 billion, 2.0% lower in relation to that in 2010. The COGS/net revenue ratio remained stable at 87.0%. Gross profit reached R$183.8 million in 2011, 1.8% lower than in 2010. The EBITDA totaled R$111.9 million in 2011 and the EBITDA margin reached 7.9%, both stable when compared to 2010. The main projects were made in the industrial assembly segment during the year.

Subsequent Events to the Quarter's End

- **Usiminas Mecânica S.A Signed a Memo of Understanding**

On January 5, 2012, Usiminas Mecânica signed a Memo of Understanding with RCC Holding for the building of a railway car factory in the municipality of Congonhas (MG). The agreement sets forth that RCC Holding will invest R$32 million in the infrastructure of the new factory. Usiminas Mecânica plans to startup the factory's operation in 2Q12 with the installed capacity of up to 3 thousand railway cars/year, enabling the manufacture of up to four different models of cars simultaneously.

- **New Control Group and Shareholders' Agreement**

The purchase and sale of Usiminas' shares among its majority shareholders, Nippon Steel Corporation, Nippon Usiminas Co. Ltd., Metal One Corporation, Mitsubishi Corporation do Brasil S.A., Confab Industrial S.A., Prosid Investments S.C.A., Siderar S.A.I.C, Ternium Investments S.à.r.l. and the Employees' Fund of Usiminas, were concluded on January 16, 2012.

A new Shareholders Agreement with validity up to 2031 was signed on the same date.

The files are available at the Company's website: www.usiminas.com/ri.

Corporate Governance

Awards and Recognition

Throughout 2011, Usiminas received several awards and recognitions that reinforced its commitment with corporate governance, with emphasis on:

- **Troféu Transparência (Transparency Trophy Award)**

Entity: National Association of Finance, Administration and Accounting Executives (ANEFAC).
In the 15th edition of the award, the steel mill was awarded for the eighth time in recognition for one of the best financial statements published in Brazil. A total of 20 publicly- and privately-held companies were selected after an analysis of more than 700 financial statements. The awards are divided into three categories: Publicly-held companies with sales over R$8 billion, among which, Usiminas; publicly-held companies with sales up to R$8 billion and privately-held companies.

- **Recognition: Only Brazilian steel mill in the Sustainability *Yearbook 2011***

Publication: SAM Group (Sustainable Asset Management)
Usiminas is the only Brazilian steel mill included in the *Sustainability Yearbook 2011*, an international yearbook about sustainability compiled by the Swiss investment group SAM (Sustainable Asset Management). The survey considers 2,500 companies worldwide and selects the best in terms of sustainability and corporate responsibility. In the 2011 edition, companies from 58 business sectors were evaluated. The SAM Group guides investments in social responsibility of financial companies in Europe, the United States and Asia.

- **Ranking of the Institutional Investor**

Publication: Institutional Investor
The Investor Relations team of Usiminas was elected the 3rd best team in Latin America in 2011 in the Metals and Mining sector. The study was made by the internationally acclaimed "Institutional Investor" magazine considered one of the most influential magazines in the capital market. More than 280 managers and analysts were interviewed for the survey, which considered all privately-held companies in Latin America.

Meetings with Investors and Analysts

In 2011, Usiminas representatives attended several public meetings and events with analysts and investors. In addition to participating in conferences of several banks, the company also participated in 6 APIMEC events in the cities of Belo Horizonte, Brasília, Fortaleza, Porto

Alegre, Rio de Janeiro and São Paulo. Usiminas was also present in the INI event in São Paulo and Rio de Janeiro as well as in the Expo Money editions of Belo Horizonte, Rio de Janeiro and São Paulo.

Capital Markets

Performance in BM&F BOVESPA

Usiminas' common stock (USIM3) ended 4Q11 quoted at R$17.15 and the preferred stock (USIM5) quoted at R$10.15 per share. The depreciation in the quarter of the common share was 20.2% and the depreciation of the preferred share was 3.5%. In the same period, Ibovespa appreciated 8.5%.

Usiminas Performance Summary - BM&FBOVESPA (USIM5)

	4Q11	4Q10	Chg. 4Q11/4Q10	3Q11	Chg. 4Q11/3Q11
Number of Deals	**547,923**	**478,642**	**14%**	**670,485**	**-18%**
Daily Average	*8,982*	*7,847*	*14%*	*10,315*	*-13%*
Traded - thousand shares	**353,101**	**317,352**	**11%**	**492,600**	**-28%**
Daily Average	*5,789*	*5,202*	*11%*	*7,578*	*-24%*
Financial Volume - R$ million	**3,888**	**6,496**	**-40%**	**5,882**	**-34%**
Daily Average	*64*	*106*	*-40%*	*90*	*-30%*
Maximum	**12.68**	**23.10**	**-45%**	**14.24**	**-11%**
Minimum	**9.71**	**18.30**	**-47%**	**9.86**	**-2%**
Closing	**10.15**	**19.16**	**-47%**	**10.52**	**-4%**
Market Capitalization - R$ million	**10,290**	**19,424**	**-47%**	**10,665**	**-4%**

Foreign Exchanges

OTC – New York

Usiminas has ADRs traded on the US over-the-counter market (OTC): the USDMY backed by common shares and the USNZY backed by preferred class A shares. On 12/29/11, the more-liquid ADR USNZY was quoted at US$5.63 and depreciated 9.8% in the quarter.

Latibex – Madri

On 12/29/11, the XUSI shares (preferred) ended the quarter quoted at € 4.23 and depreciated 2.8%. The XUSIO shares (common) ended quoted at € 6.46, with a depreciation in the quarter of 22.3%.

Notice to Shareholders – Interest on Capital

Usiminas' Board of Directors, at a meeting held on 03/06/12, approved a proposal of the Management, for distribution to the shareholders holding shares on March 19th, 2012, based on the Company's net income in 2011, the amount of R$ 81.6 million, in the form of interest on own capital, at the price of R$0.0787691 per common share and R$0.086646 per preferred share. Negotiation of ex-interest shares: as of 03/20/12. Payment date: starting on 04/26/12. The 15% withholding tax will be deducted from the interest on own capital value in compliance with the legal exceptions.

For further information:

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ADR - Depositary Bank

Visit our Investor Relations page: www.usiminas.com/ri

or by mobile phone: m.usiminas.com/ri

4Q11 Conference Call - Date 03/07/2012	
In Portuguese - Simultaneous Translation into English	
Brasília time: at 12:00 p.m. Dial-in Numbers: Brazil: (55 11) 4688.6361	New York time: at 10:00 a.m. Dial-in Numbers: USA: (1 888) 700.0802
Other Countries: (1 786) 924.6977	
Audio replay available at (55 11) 4688.6312	
Pincode for replay: 2392574 - Portuguese	Pincode for replay: 7703577 - English
Audio of the conference call will be transmitted live via Internet	
See the slide presentation on our website: www.usiminas.com/ri	

Statements contained in this release, relative to the business outlook of the Company, forecasts of operating and financial income and references to growth prospects are mere forecasts and were based on the expectations of Management in relation to future performance. These expectations are highly dependent on market conduct, the economic situation in Brazil, its industry and international markets and, therefore, are subject to change.

Balance Sheet - Assets - Consolidated

IFRS - R$ thousand

Assets	31/Dec/11	31/Dec/10
Current Assets	**12,616,945**	**12,270,576**
Cash and Cash Equivalents	5,190,695	4,543,566
Trade Accounts Receivable	1,254,435	1,735,127
Taxes Recoverable	799,635	823,271
Inventories	5,058,876	4,898,311
Advances to suppliers	71,758	70,065
Financial Instruments	29,464	24,294
Other Securities Receivables	212,082	175,942
Long-Term Receivable	**1,939,992**	**1,436,133**
Deferred Income Tax & Social Contrb'n	797,146	398,223
Deposits at Law	486,327	443,879
Accounts Receiv. Affiliated Companies	5,710	5,960
Taxes Recoverable	154,737	174,970
Financial Instruments	435,972	356,899
Others	60,100	56,202
Permanent Assets	**18,803,488**	**18,078,042**
Investments	428,382	2,061,186
Property, Plant and Equipment	15,921,154	14,275,006
Intangible	2,453,952	1,741,850
Total Assets	**33,360,425**	**31,784,751**

Balance Sheet - Liabilities and Shareholders' Equity - Consolidated

IFRS - R$ thousand

Liabilities and Shareholders' Equity	31/Dec/11	31/Dec/10
Current Liabilities	**4,092,173**	**3,497,015**
Loans and Financing and Taxes Payable in Installments	1,200,685	870,531
Suppliers, Subcontractors and Freight	1,462,373	1,288,109
Wages and social charges	301,950	287,209
Taxes and taxes payables	323,838	309,034
Related Companies	92,815	72,621
Financial Instruments	43,589	73,027
Dividends Payable	69,704	159,819
Customers Advances	202,978	180,728
Others	394,241	255,937
Long-Term Liabilities	**10,254,047**	**9,258,299**
Loans and Financing and Taxes Payable in Installments	7,661,763	6,974,662
Actuarial Liability	1,277,473	1,301,940
Provision for Contingencies	204,255	314,954
Financial Instruments	547,250	437,195
Environmental protection provision	108,260	134,910
Others	455,046	94,638
Shareholders' Equity	**19,014,205**	**19,029,437**
Capital	12,150,000	12,150,000
Reserves & Revenues from Fiscal Year	5,133,793	5,282,599
Non-controlling shareholders participation	**1,730,412**	**1,596,838**
Total Liabilities and Shareholders' Equity	**33,360,425**	**31,784,751**

Income Statement - Consolidated

IFRS

R$ thousand	4Q11	3Q11	4Q10	Chg. 4Q11/3Q11
Net Revenues	**2,814,670**	**2,998,154**	**3,092,460**	-6%
Domestic Market	2,501,893	2,649,878	2,489,316	-6%
Foreign Market	312,777	348,276	603,144	-10%
COGS	(2,587,323)	(2,650,104)	(2,891,253)	-2%
Gross Profit	**227,347**	**348,050**	**201,207**	-35%
Gross Margin	**8.1%**	**11.6%**	**6.5%**	**- 3.5 p.p.**
Operating Income (Expenses)	**(216,038)**	**(116,452)**	**(64,690)**	86%
Selling	(163,847)	(88,339)	91,159	85%
General and Administrative	(117,892)	(130,904)	148,680	-10%
Others, Net	65,701	102,791	175,149	-36%
EBIT	**11,309**	**231,598**	**136,517**	-95%
EBIT Margin	**0.4%**	**7.7%**	**4.5%**	**- 7.3 p.p.**
Financial Result	**56,663**	**(195,766)**	**41,324**	-
Financial Income	182,708	653,858	154,004	-72%
Financial Expenses	(126,045)	(849,624)	(112,680)	-85%
Equity in the Results of Associate and Subsidiary Companies	22,007	13,263	18,011	66%
Operating Profit (Loss)	**89,979**	**49,095**	**195,852**	83%
Income Tax / Social Contribution	(12,498)	104,937	46,193	-
Net Income (Loss) from Continued Operations	**77,481**	**154,032**	**242,045**	-50%
Net Income (Loss) from Discontinued Operations	-	-	37,832	-
Net Income (Loss)	**77,481**	**154,032**	**279,877**	-50%
Net Margin	**2.8%**	**5.1%**	**9.1%**	**- 2.3 p.p.**
Attributable:				
Shareholders	**44,571**	**102,964**	**285,772**	-57%
Minority Shareholders	**32,910**	**51,068**	**(5,895)**	-36%
EBITDA	**218,104**	**343,322**	**332,448**	-36%
EBITDA Margin	**7.7%**	**11.5%**	**10.8%**	**- 3.8 p.p.**
Depreciation and amortization	214,471	214,017	217,881	0%
Adjustments	(7,676)	(102,293)	(21,950)	-92%

Income Statement - Consolidated

IFRS

R$ thousand	2011	2010	Chg. 2011/2010
Net Revenues	**11,901,959**	**12,962,395**	-8%
Domestic Market	10,345,344	11,021,569	-6%
Foreign Market	1,556,615	1,940,826	-20%
COGS	(10,607,791)	(10,431,539)	2%
Gross Profit	**1,294,168**	**2,530,856**	-49%
Gross Margin	**10.9%**	**19.5%**	**- 8.6 p.p.**
Operating Income (Expenses)	**(668,316)**	**(628,393)**	6%
Selling	(458,568)	(374,254)	23%
General and Administrative	(510,319)	(527,222)	-3%
Others, Net	300,571	273,083	10%
EBIT	**625,852**	**1,902,463**	-67%
EBIT Margin	**5.2%**	**14.6%**	**- 9.4 p.p.**
Financial Result	**(50,015)**	**13,227**	-
Financial Income	905,077	391,144	131%
Financial Expenses	(955,092)	(377,917)	153%
Equity in the Results of Associate and Subsidiary Companies	66,967	57,980	16%
Operating Profit (Loss)	**642,804**	**1,973,670**	-67%
Income Tax / Social Contribution	(113,752)	(567,925)	-80%
Net Income (Loss) from Continued Operations	**529,052**	**1,405,745**	-62%
Net Income (Loss) from Discontinued Operations	(124,919)	177,905	-
Net Income (Loss)	**404,133**	**1,583,650**	-74%
Net Margin	**3.4%**	**12.1%**	**- 8.8 p.p.**
Attributable:			
Shareholders	**233,077**	**1,571,840**	-85%
Minority Shareholders	**171,056**	**11,810**	1348%
EBITDA	**1,263,692**	**2,650,215**	-52%
EBITDA Margin	**10.6%**	**20.4%**	**- 9.8 p.p.**
Depreciation and amortization	856,888	822,858	4%
Adjustments	(219,048)	(75,106)	192%

Cash Flow - Consolidated

IFRS

R$ thousand	4Q11	4Q10
Operating Activities Cash Flow		
Net Income (Loss) in the Period	77,481	279,877
Financial Expenses and Monetary Var. / Net Exchge Var.	3,217	(31,605)
Interest Expenses	131,115	146,764
Depreciation and Amortization	214,471	217,881
Write-offs (Decrease in Permanent Assets and Deferred Charges)	(20,464)	53,261
Equity in the Results of Subsidiaries/Associated Companies	(22,007)	(18,011)
Discontinued Operations Results	0	(37,832)
Difered Income Tax and Social Contribution	12,498	(46,193)
Provisions	(75,279)	(88,007)
Actuarial Gains and losses	(24,507)	(20,042)
Stock Option Plan	2,274	0
Total	**298,799**	**456,093**
Increase/Decrease of Assets		
Securities	76,404	608,965
In Accounts Receivables	104,516	169,772
In Inventories	387,817	112,149
In Recovery of Taxes	118,542	(243,597)
In Judicial Deposits	(22,194)	(14,535)
In Accounts Receiv. Affiliated Companies	65	332
Others	56,684	19,054
Total	**721,834**	**652,140**
Increase (Decrease) of Liabilities		
Suppliers, contractors and freights	(361,629)	169,044
Amounts Owed to Affiliated Companies	21,816	(16,354)
Customers Advances	12,351	(178,499)
Tax Payable	10,506	23,796
Actuarial Liability payments	(49,940)	(37,595)
Others	(69,277)	37,959
Total	**(436,173)**	**(1,649)**
Cash Generated from Operating Activities	**584,460**	**1,106,584**
Interest Paid	(195,349)	(176,018)
Income Tax and Social Contribution	(44,751)	(25,312)
Net Cash Generated from Operating Activities	**344,360**	**905,254**
Investments activities cash flow		
(Additions) Right off of investments	0	0
Investment acquisition	(153,449)	0
Fixed asset acquisition	(646,863)	(991,912)
Fixed asset sale receipt	32,618	2,840
Additions to Intangible	(41,290)	(1,322)
Dividends Received	12,120	15,792
Net Cash Employed on Investments Activities	**(796,864)**	**(974,602)**
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	548,364	95,156
Payment of Loans, Financ. & Debent.	(322,672)	(687,134)
Amounts received with shares issued by subsidiaries	42,063	2,137,265
Taxes paid in installments	(9,805)	(10,370)
Settlement of swap transactions	(13,626)	(9,014)
Dividends and Interest on Capital	(30,878)	(215,351)
Net Cash Generated from (Employed on) Financial Activities	**213,446**	**1,310,552**
Exchange Variation on Cash and Cash Equivalents	**3,045**	**(16,979)**
Net Increase (Decrease) of Cash and Cash Equivalents	**(236,013)**	**1,224,225**
Cash and Cash Equivalents at the Beginning of the Period	3,137,325	2,921,554
Cash and Cash Equivalents at the End of The Period	2,901,312	4,145,779

RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	3,137,325	2,921,554
Marketable securities at the beginning of the period	2,365,787	1,006,752
Cash and cash equivalents at the beginning of the period	**5,503,112**	**3,928,306**
Net increase (decrease) of cash and cash equivalentes	(236,013)	1,224,225
Net increase (decrease) of marketable securities	(76,404)	(608,965)
Cash and cash equivalents at the end of the period	2,901,312	4,145,779
Marketable securities at the end of the period	2,289,383	397,787
Cash and cash equivalents at the end of the period	**5,190,695**	**4,543,566**

Cash Flow - Consolidated

IFRS

R$ thousand	2011	2010
Operating Activities Cash Flow		
Net Income (Loss) in the Period	404,133	1,583,650
Financial Expenses and Monetary Var. / Net Exchge Var.	232,058	(108,757)
Interest Expenses	536,140	437,760
Depreciation and Amortization	856,888	822,858
Write-offs (Decrease in Permanent Assets and Deferred Charges)	(64,112)	56,427
Equity in the Results of Subsidiaries/Associated Companies	(66,967)	(57,980)
Discontinued Operations Results	124,919	(177,905)
Difered Income Tax and Social Contribution	113,752	567,925
Provisions	(148,096)	(123,054)
Actuarial Gains and losses	(89,666)	(80,168)
Stock Option Plan	2,274	0
Total	**1,901,323**	**2,920,756**
Increase/Decrease of Assets		
Securities	(1,891,596)	587,064
In Accounts Receivables	480,692	32,392
In Inventories	(241,990)	(1,261,108)
In Recovery of Taxes	12,059	(289,671)
In Judicial Deposits	(34,299)	(33,003)
In Accounts Receiv. Affiliated Companies	250	1,384
Others	(27,549)	(13,354)
Total	**(1,702,433)**	**(976,296)**
Increase (Decrease) of Liabilities		
Suppliers, contractors and freights	379,637	472,823
Amounts Owed to Affiliated Companies	(14,955)	(37,456)
Customers Advances	22,250	(16,817)
Tax Payable	(4,239)	58
Actuarial Liability payments	(167,207)	(147,005)
Others	(124,904)	(56,528)
Total	**90,582**	**215,075**
Cash Generated from Operating Activities	**289,472**	**2,159,535**
Interest Paid	(549,599)	(465,919)
Income Tax and Social Contribution	(210,504)	(345,856)
Net Cash Generated from Operating Activities	**(470,631)**	**1,347,760**
Investments activities cash flow		
(Additions) Right off of investments	1,656,740	0
Investment acquisition	(154,312)	(32,400)
Fixed asset acquisition	(2,490,138)	(3,191,808)
Fixed asset sale receipt	85,100	2,840
Additions to Intangible	(45,436)	(15,596)
Dividends Received	26,197	59,031
Net Cash Employed on Investments Activities	**(921,849)**	**(3,177,933)**
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	1,497,120	3,684,823
Payment of Loans, Financ. & Debent.	(940,230)	(1,282,478)
Amounts received with shares issued by subsidiaries	42,063	2,137,265
Taxes paid in installments	(34,335)	(46,734)
Settlement of swap transactions	(37,571)	(18,920)
Dividends and Interest on Capital	(371,896)	(595,558)
Net Cash Generated from (Employed on) Financial Activities	**155,151**	**3,878,398**
Exchange Variation on Cash and Cash Equivalents	**(7,138)**	**(642)**
Net Increase (Decrease) of Cash and Cash Equivalents	**(1,244,467)**	**2,047,583**
Cash and Cash Equivalents at the Beginning of the Period	4,145,779	2,098,196
Cash and Cash Equivalents at the End of The Period	2,901,312	4,145,779
RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	4,145,779	2,098,196
Marketable securities at the beginning of the period	397,787	984,851
Cash and cash equivalents at the beginning of the period	**4,543,566**	**3,083,047**
Net increase (decrease) of cash and cash equivalentes	(1,244,467)	2,047,583
Net increase (decrease) of marketable securities	1,891,596	(587,064)
Cash and cash equivalents at the end of the period	2,901,312	4,145,779
Marketable securities at the end of the period	2,289,383	397,787
Cash and cash equivalents at the end of the period	**5,190,695**	**4,543,566**