Usiminas.
Doing the best. Always.

USIMINAS

FOR IMMEDIATE DISCLOSURE - Belo Horizonte, November 8, 2011. 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 third quarter 2011 (3Q11) 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 2Q11, except where stated otherwise.

Usiminas prioritizes the increase of its competitiveness and efficiency in a challenging scenario

In the 3Q11, the main highlights were:

- Steel product sales reached 1.4 million tons;
- Iron ore production totaled 1.6 million tons;
- Net revenue was R$3.0 billion, in line with the 2Q11;
- The cost of goods sold was stable at R$2.7 billion;
- EBITDA amounted to R$343.3 million and EBITDA margin reached 11.5%;
- The cash position on 09/30/2011 was R$5.5 billion;
- The net debt/EBITDA ratio was 2.5x on 09/30/11.
- Investments totaled R$688 million.

Highlights

R$ million	3Q11	2Q11	3Q10	Chg. 3Q11/2Q11	9M11	9M10	Chg. 9M11/9M10
Crude Steel Production (000 t)	1,549	1,858	1,953	-17%	5,190	5,710	-9%
Sales Volume (000 t)	1,406	1,583	1,550	-11%	4,576	4,986	-8%
Net Revenues	2,998	3,026	3,241	-1%	9,087	9,870	-8%
Net Income (Loss)	154	157	514	-2%	327	1,304	-75%
EBITDA (a)	343	365	735	-6%	1,046	2,318	-55%
EBITDA Margin	11.5%	12.1%	22.7%	-0.6 p.p.	11.5%	23.5%	-12.0 p.p.
Investments	688	525	685	31%	1,843	2,200	-16%
Cash Position	5,503	5,630	3,928	-2%	5,503	3,928	40%

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

Market Data - 09/30/11

BM&FBOVESPA: USIM5 R$10.52/share
USIM3 R$21.50/share

EUA/OTC: USNZY US$6.24/ADR

Latibex: XUSI €4.35/share
XUSIO €8.35/share

Interactive Index

- **Consolidated Results**
- **Business Units Performance:**
  - **Mining**
  - **Steel**
  - **Steel Processing**
  - **Capital Goods**
- **Capital Markets**
- **Balance Sheet, Income Statement and Cash Flow**

Economic Scenario

Throughout the 3Q11, the prospects for the global economy deteriorated along with the pessimistic projections regarding developed economies. According to the IMF, the global economic growth in 2011 and 2012 should be 4.0%, below the expectations prevailing in previous months and lower than the 5.1% growth registered in 2010. In the Euro Zone, the worsening of the crisis related to the rising debt of the member countries have had a negative effect on the international business environment, weakening market trust and increasing the risk of a new global recession. The U.S. growth of industrial production and retail sales in the quarter, despite being weak, prevents an imminent recession but does not change the scenario of profound uncertainty. In most emerging markets, including China, economic activity is also slowing down.

In Brazil, the economy grew at a moderate pace in the last quarter and is expected to continue so until the end of this year. The SELIC interest rate cut in the last two meetings of the Monetary Policy Committee of the Central Bank (COPOM) may offset the slowdown in consumer spending, expected to occur in the coming quarters. The trust indexes of both consumers and entrepreneurs have declined. However, they still show optimism in relation to the continuity of growth in consumption and investments. There is risk of a deindustrialization process that penalizes, in particular, the higher value-added producers. After all, the Brazilian industry has suffered in the recent years by the Brazilian currency appreciation against major international currencies. Heavy tax burdens, high interest rates, hefty labor charges and a precarious infrastructure lead to a negative differential which, added to the unfavorable exchange rate, reduces the Brazilian economy competitiveness.

In line with the slowdown in the economic activity, the flat steel consumption in the 3Q11 remained negatively affected by efforts to reduce inventories in the entire production chain and the continuing increase of indirect imports. For the closing of 2011, the forecast is that consumption will reach around 12.9 million tons, according to Usiminas estimates, representing a decline of 6% as compared with 2010.

The Brazilian government announced the "Brasil Maior" Plan which contains guidelines for its new industrial policy. The Plan provides, among others, measures to encourage investments and exports, and it gives special emphasis to protect local production. Despite the steel industry not being directly contemplated by the Plan, the expectation is to favor domestic industrial production with a positive result for the steel sector. In addition, investments in infrastructure resulting from the World Cup and Olympic Games, and investments in the pre-salt oil exploitation are expected to intensify in 2012. This should increase steel consumption and, as a result, benefit the Brazilian steel industry as a whole.

Results

The quarter's results were affected by lower sales and the continued pressure on costs of main raw materials.

Throughout 2011, Usiminas has kept its strategy to prioritize efficiency and increase its competitiveness, including the better use of its main inputs and the increase of higher value added products offer. The Company has identified opportunities to cut costs and gain efficiency, in addition to non-operating actions. These opportunities have become the main agenda to create value. Through an administrative restructuring, the company reduced its hierarchical levels to four in order to speed up and make its processes less bureaucratic. Additionally, a thorough review of all contracts with third parties was made. These actions will contribute to reduce SG&A in approximately R$100 million per year, starting from 2012 on.

Management understands the new reality faced by the steel industry and is aware of its challenges, but it is confident and focused on capturing the maximum value from market movements and opportunities.

Economic and Financial Performance

Comments on Consolidated Results

Hedge Accounting

In order to reduce the volatility of the company's result due to exchange rates fluctuation, Usiminas adopted the hedge accounting on 08/01/2011 regarding a part of its foreign currency debt. The Company has export-related financing (Export Prepayment Facilities) as an eligible element for hedging its debt linked to exports, and can qualify them as hedge accounting. The exchange rate variation of these debts will only be recognized in the results when these flows occur (export revenues). The total hedge amount was US$738 million and the exchange rate was R$1.5563, as of 07/31/2011.

Net Revenue

Net Revenue in the 3Q11 remained stable when compared with 2Q11, reaching R$3.0 billion, despite the drop in finished product sales in the Steel Business unit. The Steel Processing and the Capital Goods business units registered a higher net revenue in R$20.2 million and R$13.9 million, respectively. In the nine-month period of 2011, net revenue reached R$9.1 billion, 7.9% lower compared with the same period of 2010 mainly due to reduction in volume sales.

Net Revenue Breakdown

	3Q11	2Q11	3Q10	9M11	9M10
DM	88%	87%	89%	86%	86%
FM	12%	13%	11%	14%	14%
Total	100%	100%	100%	100%	100%

Cost of Goods Sold (COGS)

COGS totaled R$2.7 billion in the 3Q11, an increase of 2% compared with 2Q11. This performance derived from the increase in prices of raw materials, mainly coal. The gross margin of 11.6% decreased by 230 basis points in the 3Q11 when compared with 2Q11.

In comparison with the nine-month period of 2010, the cost of goods sold was 6% higher due to the strong increase in raw material prices, third–party services and labor. Consequently, the Company’s gross margin evolved as follows:

Gross Margin

3Q11	2Q11	3Q10	9M11	9M10
11.6%	13.9%	24.8%	11.7%	23.6%

Operating Expenses and Income

In the 3Q11, operating expenses totaled R$116.5 million compared with the R$198.3 million registered in the 2Q11. This performance was a result of the drop in SG&A expenses in addition to a higher legal contingency reversal. In the nine-month period of 2011, consolidated operating expenses reached R$452.3 million, lower by 19.8% as compared with the same period in 2010. This reduction was mainly due to higher gains from legal contingencies reversals and tax recoveries obtained in the current year.

As such, the Company’s operating margin presented the following performance:

EBIT Margin

3Q11	2Q11	3Q10	9M11	9M10
7.7%	7.4%	17.0%	6.8%	17.9%

EBITDA

EBITDA reached R$343.3 million in the 3Q11, 6% lower in comparison with 2Q11. The EBITDA margin registered a decline of 60 basis points mainly explained by the sales decrease in the steel business. In the nine-month period of 2011, EBITDA totaled R$1.0 billion and dropped 55% compared with the same period in 2010 due to the increase on main raw materials' prices and lower sales volume in the steel business. The margins are shown below:

EBITDA Margin

3Q11	2Q11	3Q10	9M11	9M10
11.5%	**12.1%**	**22.7%**	**11.5%**	**23.5%**

Financial Result

The 3Q11 registered net financial expenses of R$195.8 million, against R$45.6 million in net financial income registered in the 2Q11. The increase in financial expenses can be attributed to losses related to exchange rate variation deriving from the Brazilian Real depreciation in relation to the U.S. Dollar of 18.8% in the 3Q11 against the 4.2% appreciation of the Real in the 2Q11. The effect on the result amounted to a financial expense of R$158.3 million in the 3Q11 (R$217.4 million net of hedge accounting), against a financial income of R$81.2 million in the previous quarter.

The consolidated net financial result was a financial expense of R$106.7 million in the nine-month period of 2011, against a financial expense of R$28.1 million in the same period of 2010. This occurred primarily due to the effects arising from depreciation of the Real against the U.S. Dollar of 11.3% in 2011 and the 2.7% appreciation in the same period of 2010, which represented a financial expense of R$33.5 million in 2011 (R$217.4 million net of hedge accounting). In 2010, the result was a financial income of R$106.2 million.

Financial Result - Consolidated

R$ thousand	3Q11	2Q11	3Q10	Chg. 3Q11/2Q11	9M11	9M10	Chg. 9M11/9M10
Exchange Effects	(138,655)	71,152	160,800	-	(9,710)	59,253	-
Exchange Variation	(158,298)	81,180	175,618	-	(33,452)	106,166	-
Swap	19,643	(10,028)	(14,818)	-	23,742	(46,913)	-
Swap Operations Market Cap. (Law 11,638)	(34,332)	3,514	9,789	-	(32,965)	920	-
Monetary Effects	(16,657)	(13,014)	(11,674)	28%	(41,945)	(33,333)	26%
Financial Income	188,360	145,494	118,480	29%	481,019	265,869	81%
Financial Expenses	(194,482)	(161,531)	(133,243)	20%	(503,077)	(320,806)	57%
FINANCIAL RESULT	**(195,766)**	**45,615**	**144,152**	**-**	**(106,678)**	**(28,097)**	280%

Equity in the Results of Associate and Subsidiary Companies

Equity in the results of associate and subsidiary companies represented R$13.3 million in the 3Q11, in line with the 2Q11, mainly due to the result of equity in MRS Logistica. In the nine-month period of 2011, the result of the equity reached R$45.0 million against a revenue of R$40.0 million in the same period of 2010. This amount was 12.5% higher, which reflected gains of R$44.0 million from MRS in 2011 and R$27.7 million in 2010.

Net Income

The net income in the 3Q11 totaled R$154.0 million, remaining stable as compared with the 2Q11. The 3Q11 results were negatively impacted by exchange rate effects (net of swap results and hedge accounting) of approximately R$138.7 million. The consolidated net income calculated in the nine-month period of 2011 reached R$326.7 million against a net income of R$1.3 billion in the same period of 2010. The performance in 2011 was mainly due to the impact on production costs deriving from the increase in costs of raw materials, lower sales in the steel business by 410 thousand tons and negative result of R$125 million of the Ternium shares' sale.

Investments (*Capex*)

Investments in fixed assets totaled R$688 million in the 3Q11, 31.1% higher as compared with 2Q11. Investments totaled R$1.8 billion in the first nine months of 2011, down 16.2% when compared with the same period in 2010. Out of the total invested in 2011, approximately 83% was invested in steel, 11% in mining, 3% in steel processing and 3% in capital goods businesses.

Indebtedness

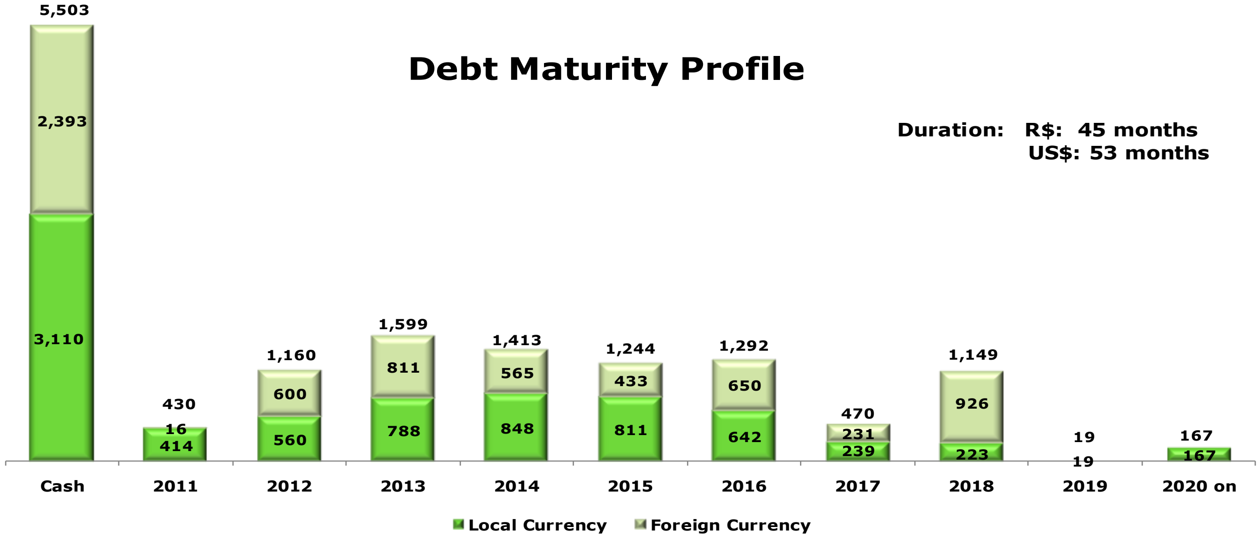
The total consolidated debt reached R$8.9 billion on 09/30/2011, against R$8.1 billion on 12/31/2010. The net debt at the end of the quarter was R$3.4 billion, against R$2.8 billion on 06/30/2011. The net debt/EBITDA ratio on 09/30/2011 was 2.5x.

On 09/30/2011, the debt breakdown by maturity date was: 15% in the short term and 85% in the long term. The breakdown by currency is presented as follows: 53% in local currency and 47% in foreign currency.

Loans and Financing by Index - Consolidated

R$ thousand	09/30/2011			%	12/31/2010	Chg. Sep11/Dec10
	Short Term	Long Term	TOTAL		TOTAL	
Foreign Currency (*)	**448,708**	**3,783,860**	**4,232,568**	**47%**	**4,052,973**	**4%**
TJLP	227,752	421,427	649,179	-	568,317	14%
Other local currency	330,911	2,811,786	3,142,697	-	2,573,394	22%
Debentures	260,249	250,000	510,249	-	522,416	-2%
Taxes Payable in Installments	60,759	58,450	119,209	-	128,093	-7%
FEMCO	0	289,204	289,204	-	262,082	10%
Local Currency	**879,671**	**3,830,867**	**4,710,538**	**53%**	**4,054,302**	**16%**
TOTAL DEBT	**1,328,379**	**7,614,727**	**8,943,106**	**100%**	**8,107,275**	**10%**
CASH AND CASH EQUIVALENTS	-	-	**5,503,112**	-	**4,543,566**	**21%**
NET DEBT	**-**	**-**	**3,439,994**	**-**	**3,563,709**	**-3%**

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



Bussiness 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				Consolidated			
	3Q11	2Q11	9M11	9M10	3Q11	2Q11	9M11	9M10	3Q11	2Q11	9M11	9M10	3Q11	2Q11	9M11	9M10	3Q11	2Q11	9M11	9M10
Net Revenue	253	266	733	726	2,511	2,793	7,995	8,943	529	508	1,630	1,842	369	355	1,050	1,057	2,998	3,026	9,087	9,870
COGS	(70)	(64)	(192)	(205)	(2,479)	(2,628)	(7,791)	(7,407)	(490)	(452)	(1,483)	(1,615)	(320)	(314)	(924)	(919)	(2,650)	(2,606)	(8,020)	(7,540)
Gross Profit	184	202	541	521	32	165	204	1,536	38	56	147	227	49	42	126	137	348	420	1,067	2,330
Operating Income (Expenses)	(36)	(30)	(88)	(60)	(32)	(95)	(163)	(303)	(25)	(51)	(130)	(119)	(24)	(24)	(75)	(83)	(116)	(198)	(452)	(564)
EBIT	148	172	453	462	(1)	70	41	1,234	13	6	17	108	25	18	51	55	232	222	615	1,766
EBITDA	**156**	**180**	**474**	**484**	**83**	**189**	**389**	**1,711**	**28**	**19**	**62**	**139**	**32**	**25**	**71**	**76**	**343**	**365**	**1,046**	**2,318**
EBITDA Margin	**61%**	**68%**	**65%**	**67%**	**3%**	**7%**	**5%**	**19%**	**5%**	**4%**	**4%**	**8%**	**9%**	**7%**	**7%**	**7%**	**12%**	**12%**	**12%**	**24%**

I) MINING

Mineração Usiminas (MUSA)

Mineração Usiminas is located at Serra Azul-MG region and holds mining assets with potentially mineable reserves estimated at 2.6 billion tons. It participates in the controlling group of MRS with 20% of the voting capital and holds a land in Itaguaí-RJ. The total capital of Mineração Usiminas is divided between Usiminas, with 70%, and Sumitomo Corporation, with 30%.

Comment on Business Unit Results - Mining

The net revenue of the Mining segment in the 3Q11 was R$253 million, down 4.9% as compared with 2Q11. The performance was mainly due to the lower volume sold. In the nine-month period, net revenue totaled R$733 million, similar to that registered in the same period of last year.

Gross profit reached R$184 million in the 3Q11 and gross margin was 73%. In the nine-month period of 2011, gross profit totaled R$541 million representing a gross margin of 74%.

Operating expenses were higher and amounted to R$36 million against R$30 million in the 2Q11. This variation is related to the increase in general and administrative expenses, mainly due to the mine expansion projects, which require more outsourced labor.

The EBITDA earned in the quarter was R$156 million, down R$24 million as compared with 2Q11. The EBITDA margin was 61%. In the nine-month period, EBITDA totaled R$474 million and the margin was 65%.

Operating and Sales Performance

In the 3Q11, the production volume reached 1.6 million tons, 2.5% above the second quarter. In the nine-month period of 2011, the production volume reached 4.7 million tons, down 5.9% as compared with the same period of 2010, in line with the sales volume.

The sales volume in the 3Q11 stood 4.1% below the 2Q11, mainly due to the lack of port capacity for exports. The volume of iron ore destined to Ipatinga and Cubatão mills was around 1.1 million tons.

The production and sales volume are shown in the table below:

Iron Ore

Thousand tons	3Q11	2Q11	3Q10	Chg. 3Q11/2Q11	9M11	9M10	Chg. 9M11/9M10
Production	**1,576**	**1,535**	**1,879**	**3%**	**4,665**	**4,958**	**-6%**
Sales - Domestic Market	168	25	191	572%	246	228	**8%**
Sales - Foreign Market	161	301	-	-47%	622	368	**69%**
Sales to Usiminas	1,105	1,169	1,196	-5%	3,309	4,006	**-17%**
Total = Sales	**1,434**	**1,495**	**1,387**	**-4%**	**4,177**	**4,602**	**-9%**

Investments

In the 3Q11, investments totaled R$116.3 million spent on various projects to expand the mines, as well as the acquisition of off-highway trucks and mining equipment, improvement of the existing processing plants and construction of new ones, in line with the project to increase production and sales over the next years.

Logistics – MRS

MRS Logistica is a concession that controls, operates and monitors the Southeastern Federal Railroad Network. 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 ores, finished steel products, cement, bauxite, agricultural products, green coke and containers. Mineração Usiminas holds a stake in MRS through its subsidiary, UPL.

The 3Q11 results of MRS had not been disclosed until the date of this release. MRS transported 41.3 million tons of cargo in general during this period, among which, iron ore, coal and coke, steel products, cement and others, representing an increase of 8.7% as compared with 2Q11.

II) S T E E L

Brazilian and Global Steel Production

According to the World Steel Association, the supply and demand balance continued unfavorable for the recovery of steel prices in the 3Q11. In the period from January to August, world crude steel production grew 8.3% compared with same period in 2010. Although consumption in 2011 is expected to grow around 6.5%, this growth is not yet enough to absorb the high idle production capacity of the sector.

In Brazil, sales of flat steel mills in the 3Q11 were strongly affected by inventory reductions, especially in the distribution sector. Based on information from INDA, the reduction was estimated at 180 thousand tons regarding registered distributors. At the end of September, inventories reached a turnover of 2.7 months, similar to the historical levels, which shows the possible end of the destocking process in the distribution sector.

Imports rose to a monthly average of 232 thousand tons, above the average of 143 thousand tons in the previous quarter. This rise in imports raises concerns but does not define an uptrend in the coming quarters, since differential in the domestic and landed international prices is currently very small. The recent Brazilian Real depreciation is causing new imports to be less attractive and present high exchange rate risk.

For the end of 2011, according to Usiminas estimates, the consumption in Brazil should reach approximately 12.9 million tons representing a decline of 6% in relation to 2010. It is expected that in 2012, the flat steel consumption reaches 13.7 million tons, the same level as in 2010, 6% higher than in 2011.

Flat Steel Market

According to Usiminas estimates, the Brazilian flat steel market consumed the equivalent of 3.2 million tons in the 3Q11, 82% being provided by the local mills and 18% by imports.

Consumption fell 4% in the 3Q11 compared with 2Q11. This decline can be mainly attributed to the industrial activity slowdown in the period due to lower domestic and foreign demand. In addition, the industrial sector in Brazil is facing a strong competition with imports. This reduction was also affected by the consumption of inventories by clients in this period.

Steel imports in the 3Q11 rose in comparison with 2Q11 and there was a 10% drop in sales of the local steel mills.

Production - Ipatinga and Cubatão Mills

In the 3Q11, the crude steel production in Ipatinga and Cubatão mills amounted to 1.5 million tons, dropping 16.6% as compared with 2Q11 due to the scheduled 20-day shutdown of the Blast Furnace 2 in Cubatão. The production of finished products was 1.4 million tons, down 7.5% as compared with the production of the 2Q11.

Production (Crude Steel)

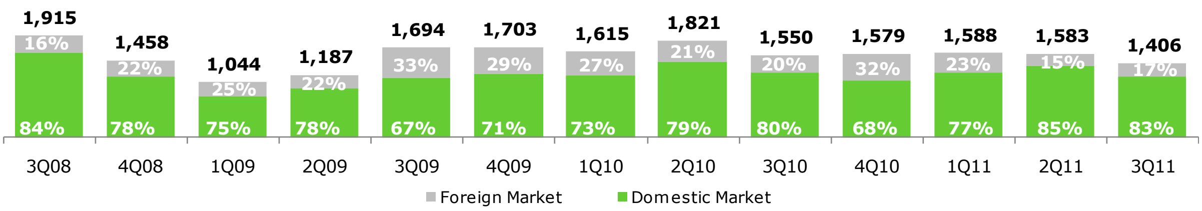
Thousand tons	3Q11	2Q11	3Q10	Chg. 3Q11/2Q11	9M11	9M10	Chg. 9M11/9M10
Ipatinga Mill	957	966	1,024	-1%	2,830	2,971	-5%
Cubatão Mill	592	892	929	-34%	2,360	2,739	-14%
Total	**1,549**	**1,858**	**1,953**	**-17%**	**5,190**	**5,710**	**-9%**

Sales

Usiminas' total sales in the 3Q11 reached 1.4 million tons, 83% in the domestic market, corresponding to 1.2 million tons of products.

Exports, however, continued stable in the 3Q11 as compared with 2Q11 and represented 17% of the total sales.

Consolidated Sales(000 t)



Sales Volume Breakdown - Consolidated

Thousand tons	3Q11		2Q11		3Q10		Chg. 3Q11/2Q11	9M11		9M10		Chg. 9M11/9M10
TOTAL SALES	**1,406**	**100%**	**1,583**	**100%**	**1,550**	**100%**	**-11%**	**4,576**	**100%**	**4,986**	**100%**	**-8%**
Heavy Plates	359	26%	409	26%	357	23%	-12%	1,179	26%	1,061	21%	11%
Hot Coils/Sheets	382	27%	471	30%	484	31%	-19%	1,330	29%	1,576	32%	-16%
Cold Coils/Sheets	310	22%	429	27%	364	23%	-28%	1,176	26%	1,337	27%	-12%
Electrogalvanized Coils	54	4%	56	4%	59	4%	-3%	162	4%	174	3%	-7%
Hot Dip Galvanized Coils	113	8%	119	8%	118	8%	-5%	360	8%	344	7%	5%
Processed Products	37	3%	34	2%	36	2%	10%	108	2%	107	2%	0%
Slabs	150	10%	65	3%	134	9%	131%	261	5%	386	8%	-32%
DOMESTIC MARKET	**1,162**	**83%**	**1,343**	**85%**	**1,235**	**80%**	**-13%**	**3,735**	**80%**	**3,845**	**77%**	**-3%**
Heavy Plates	290	21%	327	21%	276	18%	-11%	882	19%	686	14%	29%
Hot Coils/Sheets	361	26%	441	28%	429	27%	-18%	1,232	26%	1,387	27%	-11%
Cold Coils/Sheets	295	21%	357	23%	317	20%	-17%	968	21%	1,146	23%	-16%
Electrogalvanized Coils	48	3%	49	3%	54	4%	-1%	145	3%	160	3%	-9%
Hot Dip Galvanized Coils	101	8%	107	6%	106	7%	-5%	325	6%	308	6%	6%
Processed Products	32	2%	27	2%	28	2%	18%	87	2%	78	2%	12%
Slabs	34	2%	34	2%	25	2%	0%	96	3%	81	2%	19%
FOREIGN MARKET	**243**	**17%**	**240**	**15%**	**315**	**20%**	**1%**	**841**	**20%**	**1,141**	**23%**	**-26%**
Heavy Plates	69	5%	82	5%	81	5%	-16%	298	8%	375	8%	-21%
Hot Coils/Sheets	20	1%	30	2%	55	3%	-32%	98	2%	190	4%	-48%
Cold Coils/Sheets	15	1%	71	5%	46	3%	-79%	208	5%	191	4%	9%
Electrogalvanized Coils	6	0%	7	0%	4	0%	-14%	17	0%	14	0%	17%
Hot Dip Galvanized Coils	11	1%	12	1%	11	1%	-8%	35	1%	36	1%	-3%
Processed Products	5	0%	7	0%	8	1%	-24%	20	0%	30	1%	-31%
Slabs	116	9%	31	2%	109	7%	278%	165	4%	305	5%	-46%

Comments on Business Unit Results – Steel

The steel business in the 3Q11 posted a net revenue of R$2.5 billion, 10.1% below the net revenue of the 2Q11, mainly due to:

- The amount of finished products sold which was lower by 177 thousand tons (-11.2%);
- The reduction in share of sales to the domestic market, which went from 85% in the 2Q11 to 83% in the 3Q11.

There was a 1% increase on the net revenue per ton in the domestic market, on an average basis, due to a better product mix sold in this quarter.

In the 3Q11, COGS was R$2.5 billion, down 5.7% as compared with 2Q11 due to the lower sales volume.

Operating expenses were R$32 million in the 3Q11, against an expense of R$95 million in the 2Q11, with emphasis on:

- The sales expenses which were positively impacted in the quarter mainly due to improvements on port procedures;
- Stability in general and administrative expenses;
- The increase in the other operating expenses and income line primarily reflecting the gains of legal contingencies reversals.

EBITDA reached R$83 million in the current quarter, 56.1% lower than in the 2Q11, mainly due to the decrease in net revenue. The EBITDA margin also declined from 6.8% in the 2Q11 to 3.3% in the 3Q11.

Investments

Investments on fixed assets in the 3Q11 summed R$532.9 million. The steel business is at the end of its investment plan. Its main investment project is the new hot-strip mill in Cubatão scheduled to start up in the 1Q12. It will represent a total investment of approximately R$2.5 billion with a 2.3 million tons of rolling capacity per year. The investments have amounted to approximately R$2.3 billion since the beginning of the project up to September, 2011.

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 all over the country, 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 45%, 44% and 11% of the volume sold, respectively.

Highlights

Operating assets optimization (Units of Mooca - SP): In order to eliminate idle capacity, capture operational synergies among the industrial plants and reduce costs and working capital, three plants in Mooca were shut down and the equipment and services were transferred to the remaining units. It will not represent a capacity reduction.

- **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

Expansion projects and process improvements are being introduced in 2011 in order to adjust the industrial complex to support capacity growth. There are 142 projects in its portfolio worthing approximately R$55 million.

"Brasil Maior" Program: new import rules for vehicles have placed Automotiva Usiminas as a solution for nationalization of parts and vehicles, given their capacity for stamping, welding, painting and vehicles assembly. All related processes are part of the list of 11 key processes defined by the government, to avoid import tax (IPI) increase.

Comments on Business Unit Results – Steel Processing

The net revenue of the 3Q11 totaled R$529 million, 4.1% higher than in the 2Q11. The COGS/net revenue ratio went from 89.0% in the 2Q11 to 92.6% in the 3Q11. Operating expenses and income declined 51.0% in relation to the 2Q11, mainly due to the sale of properties regarding three Mooca industrial units of Soluções Usiminas with gains of approximately R$24 million. EBITDA totaled R$28 million, 47.4% higher than the 2Q11. The EBITDA margin rose from 3.7% in the 2Q11 to 5.2% in the current quarter.

Soluções Usiminas: Net revenue in the 3Q11 totaled R$413 million, 4% higher when compared with 2Q11. The volume sold was 6% higher than in the 2Q11 mainly due to the inventory reduction in the chain until the end of September.

Automotiva Usiminas: net revenue reached R$89 million in the current quarter, 5.9% higher than in the 2Q11.

IV) CAPITAL GOODS

Usiminas Mecânica S.A.

The Company is one of the leading capital goods companies in Brazil and operates in different areas:

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

It is currently focused on the following segments:

- 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: recognized in this segment, 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;
- Electricity: the company is able to provide equipment for hydroelectric power plants and small hydroelectric power stations. It has the Rio Madeira Complex project (Santo Antonio and Jirau hydroelectric power plants) in its portfolio and seeks new projects, such as the Belo Monte hydroelectric power plant.

Highlights

In the 3Q11, the Company won important bids, as shown below:

- Steel structures to cover the Maracanã Stadium - aiming the 2014 World Cup.
- Steel structures for the Buildings of the Gerdau Group mills in Pindamonhangaba / SP and Santa Cruz / RJ.
- Manufacturing of 30 steel silos for the Carajás mine expansion project for VALE.
- Steel structures to for the expansion of Mineração Usiminas.

On September 30, the portfolio of long-term projects totaled R$847 million.

Investments

- In its final stages, the investment made in the foundry, scheduled to come on stream in November/2011, will enable it to become the most modern foundry in Latin America.
- A new investment of R$137 million has been taken up to build a plant in Pernambuco (Suape complex) for the production of steel panels destined to the shipbuilding market. This plant will have a capacity to produce 65,000 tons per year and its operation is scheduled to start up in the last quarter of 2012.
- Acquisition of Vertical Lathe for machining parts weighing up to 100 tons to meet the demand for both the foundry area and the electricity sector (hydroelectric power plants).

Comments on Business Unit Results – Capital Goods

Net revenue registered in the 3Q11 was R$369 million, 3.9% higher than in the 2Q11. The COGS/net revenue ratio dropped from 88.5% in the 2Q11 to 86.7% in the 3Q11 and gross profit reached R$49 million in the quarter, 16.7% higher than the 2Q11. EBITDA of the 3Q11 totaled R$32 million, an increase of R$7 million over the 2Q11 and the EBITDA margin reached 8.7%. According to the above mentioned, the highlights for the quarter were the industrial assembly erection projects.

Subsequent Events to the Quarter's End

- **Financing – Banco Nacional de Desenvolvimento Econômico e Social – BNDES**

On October 28th, 2011, the Board of Directors approved the participation of Usiminas as Borrower on a Loan Agreement with BNDES in the total amount of R$318.5 million.

- **Revolving Credit Facility - Banco Nacional de Desenvolvimento Econômico e Social – BNDES**

On October 28th, 2011, the Board of Directors approved the participation of Usiminas as Borrower on a 5-year tenor Revolving Credit Facility with BNDES in the total amount of R$2,018.6 million.

Capital Markets

Performance in BM&F BOVESPA

Usiminas' common stock (USIM3) ended the 3Q11 quoted at R$21.50 per share and the preferred stock (USIM5) quoted at R$10.52 per share. In the quarter, depreciation of the common share and the preferred share was 8.4% and 23.2%, respectively. In the same period, Ibovespa depreciated 16.2%.

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 09/30/2011, the more-liquid ADR USNZY was quoted at US$6.24 and depreciated 28.7% in the quarter.

Latibex – Madri

On 09/30/2011, the XUSI shares (preferred) ended the quarter quoted at €4.35 and depreciated 28.0%. The XUSIO shares (common) ended quoted at €8.35, with a depreciation in the quarter of 20.5%.

For further information:

INVESTOR RELATIONS DEPARTMENT		
Cristina Morgan C. Drumond	cristina.drumond@usiminas.com	(55 31) 3499-8772
Leonardo Karam Rosa	leonardo.rosa@usiminas.com	(55 31) 3499-8056
Diogo Dias Gonçalves	diogo.goncalves@usiminas.com	(55 31) 3499-8710
Luciana Valadares dos Santos	luciana.santos@usiminas.com	(55 31) 3499-8619
Mariana Paes Campolina	mariana.paes@usiminas.com	(55 31) 3499-8617

Financial Investor Relations Brasil

Ligia Montagnani – Consultant
Tel.: (55 11) 3500-5558
ligia.montagnani@firb.com

Shareholders´Departament

Departamento de Acionistas
Fone: (55 11) 3684-9495

ADR – Depositary Receipt Bank

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

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

3Q11 Conference Call - Date 11/08/2011	
In Portuguese - Simultaneous Translation into English	
Brasília time: at 11:30 p.m. Dial-in Numbers: Brazil: (55 11) 4688.6361	New York time: at 08:30 a.m. Dial-in Numbers: USA: (1 888) 700.0802
Other Countries: (1 786) 924.6977	
Audio replay available at (55 11) 4688.6312	
Pincoad for replay: 2551532 - portuguese	Pincode for replay: 6281855 - 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

IRFS - R$ thousand

Assets	30/Sep/11	30/Jun/11
Current Assets	**13,692,473**	**13,821,404**
Cash and Cash Equivalents	5,503,112	5,629,542
Trade Accounts Receivable	1,384,575	1,646,133
Taxes Recoverable	929,772	992,615
Inventories	5,528,118	5,243,236
Advances to suppliers	70,551	79,460
Financial Instruments	24,485	21,055
Other Securities Receivables	251,860	209,363
Long-Term Receivable	**1,798,394**	**1,423,919**
Deferred Income Tax & Social Contrb'n	691,170	420,971
Deposits at Law	440,614	462,317
Accounts Receiv. Affiliated Companies	5,775	5,834
Taxes Recoverable	161,994	161,215
Financial Instruments	443,797	319,718
Others	55,044	53,864
Permanent Assets	**17,500,016**	**16,981,481**
Investments	436,121	423,836
Property, Plant and Equipment	15,343,202	14,830,640
Intangible	1,720,693	1,727,005
Total Assets	**32,990,883**	**32,226,804**

Balance Sheet - Liabilities and Shareholders' Equity - Consolidated

IFRS - R$ thousand

Liabilities and Shareholders' Equity	30/Sep/11	30/Jun/11
Current Liabilities	**4,313,812**	**3,970,111**
Loans and Financing and Taxes Payable in Installments	1,328,379	1,178,069
Suppliers, Subcontractors and Freight	1,832,838	1,613,315
Wages and social charges	362,443	331,438
Taxes and taxes payables	289,749	261,434
Related Companies	61,540	63,168
Financial Instruments	53,861	48,167
Dividends Payable	1,830	2,347
Customers Advances	190,627	280,188
Others	192,545	191,985
Long-Term Liabilities	**9,592,705**	**9,148,310**
Loans and Financing and Taxes Payable in Installments	7,325,523	6,919,663
Actuarial Liability	1,316,302	1,319,506
Provision for Contingencies	235,728	317,142
Financial Instruments	541,402	401,800
Environmental protection provision	124,509	123,266
Others	49,241	66,933
Shareholders' Equity	**19,084,366**	**19,108,383**
Capital	12,150,000	12,150,000
Reserves & Revenues from Fiscal Year	5,206,088	5,281,173
Non-controlling shareholders participation	**1,728,278**	**1,677,210**
Total Liabilities and Shareholders' Equity	**32,990,883**	**32,226,804**

Income Statement - Consolidated

IFRS

R$ thousand	3Q11	2Q11	3Q10	Chg. 3Q11/2Q11
Net Revenues	**2,998,154**	**3,025,659**	**3,240,502**	-1%
Domestic Market	2,649,878	2,625,022	2,874,177	1%
Foreign Market	348,276	400,637	366,325	-13%
COGS	(2,650,104)	(2,605,607)	(2,437,079)	2%
Gross Profit	**348,050**	**420,052**	**803,423**	-17%
Gross Margin	**11.6%**	**13.9%**	**24.8%**	**-2.3 p.p.**
Operating Income (Expenses)	**(116,452)**	**(198,338)**	**(253,056)**	-41%
Selling	(88,339)	(95,242)	(111,059)	-7%
General and Administrative	(130,904)	(135,635)	(132,610)	-3%
Others, Net	102,791	32,539	(9,387)	216%
EBIT	**231,598**	**221,714**	**550,367**	4%
EBIT Margin	**7.7%**	**7.4%**	**17.0%**	**+0.3 p.p.**
Financial Result	**(195,766)**	**45,615**	**144,152**	-
Financial Income	653,858	(7,282)	76,282	-
Financial Expenses	(849,624)	52,897	67,870	-
Equity in the Results of Associate and Subsidiary Companies	13,263	13,721	10,929	-3%
Operating Profit (Loss)	**49,095**	**281,050**	**705,448**	-83%
Income Tax / Social Contribution	104,937	(124,451)	(239,588)	-
Net Income (Loss) from Continued Operations	**154,032**	**156,599**	**465,860**	-2%
Net Income (Loss) from Discontinued Operations	-	-	47,974	-
Net Income (Loss)	**154,032**	**156,599**	**513,834**	-2%
Net Margin	**5.1%**	**5.3%**	**15.8%**	**-0.2 p.p.**
Attributable				
Shareholders	**102,964**	**111,632**	**514,041**	-8%
Minority Shareholders	**51,068**	**44,967**	**(207)**	14%
EBITDA	**343,322**	**365,260**	**735,307**	-6%
EBITDA Margin	**11.5%**	**12.1%**	**22.7%**	**-0.6 p.p.**
Depreciation and amortization	214,017	215,160	204,530	-1%
Provisions	(102,293)	(71,614)	(19,590)	43%

Income Statement - Consolidated

IFRS

R$ thousand	9M11	9M10	Chg. 9M11/9M10
Net Revenues	**9,087,289**	**9,869,935**	-8%
Domestic Market	7,843,451	8,532,253	-8%
Foreign Market	1,243,838	1,337,682	-7%
COGS	(8,020,468)	(7,540,286)	6%
Gross Profit	**1,066,821**	**2,329,649**	-54%
Gross Margin	**11.7%**	**23.6%**	**-11.9 p.p.**
Operating Income (Expenses)	**(452,278)**	**(563,703)**	-20%
Selling	(294,721)	(283,095)	4%
General and Administrative	(392,427)	(378,542)	4%
Others, Net	234,870	97,934	140%
EBIT	**614,543**	**1,765,946**	-65%
EBIT Margin	**6.8%**	**17.9%**	**-11.1 p.p.**
Financial Result	**(106,678)**	**(28,097)**	280%
Financial Income	722,369	237,140	205%
Financial Expenses	(829,047)	(265,237)	213%
Equity in the Results of Associate and Subsidiary Companies	44,960	39,969	12%
Operating Profit (Loss)	**552,825**	**1,777,818**	-69%
Income Tax / Social Contribution	(101,254)	(614,118)	-84%
Net Income (Loss) from Continued Operations	**451,571**	**1,163,700**	-61%
Net Income (Loss) from Discontinued Operations	(124,919)	140,073	-
Net Income (Loss)	**326,652**	**1,303,773**	-75%
Net Margin	**3.6%**	**13.2%**	**-9.6 p.p.**
Attributable			
Shareholders	**188,506**	**1,286,068**	-85%
Minority Shareholders	**138,146**	**17,705**	680%
EBITDA	**1,045,588**	**2,317,767**	-55%
EBITDA Margin	**11.5%**	**23.5%**	**-12.0 p.p.**
Depreciation and amortization	642,417	604,977	6%
Provisions	(211,372)	(53,156)	298%

Cash Flow - Consolidated

IFRS

R$ thousand	3Q11	3Q10
Operating Activities Cash Flow		
Net Income (Loss) in the Period	154,032	513,834
Financial Expenses and Monetary Var. / Net Exchge Var.	661,893	(186,839)
Interest Expenses	155,259	133,833
Depreciation and Amortization	214,017	204,530
Write-offs (Decrease in Permanent Assets and Deferred Charges)	(25,293)	576
Equity in the Results of Subsidiaries/Associated Companies	(13,263)	(10,929)
Discontinued Operations Results	0	(47,974)
Difered Income Tax and Social Contribution	(104,937)	239,588
Provisions	(69,511)	(19,774)
Actuarial Gains and losses	(21,720)	(20,042)
Hedge accounting	(216,371)	0
Total	**734,106**	**806,803**
Increase/Decrease of Assets		
Securities	(376,590)	26,507
In Accounts Receivables	261,558	367,220
In Inventories	(284,882)	(1,011,552)
In Recovery of Taxes	51,890	(50,361)
In Judicial Deposits	19,546	1,293
In Accounts Receiv. Affiliated Companies	59	572
Others	(37,312)	(32,782)
Total	**(365,731)**	**(699,103)**
Increase (Decrease) of Liabilities		
Suppliers, contractors and freights	221,470	2,761
Amounts Owed to Affiliated Companies	(11,307)	(1,331)
Customers Advances	(89,561)	38,817
Tax Payable	(24,945)	(85,934)
Actuarial Liability payments	(39,423)	(36,636)
Others	31,046	(127,410)
Total	**87,280**	**(209,733)**
Cash Generated from Operating Activities	**455,655**	**(102,033)**
Interest Paid	(103,955)	(92,880)
Income Tax and Social Contribution	(39,696)	(109,289)
Net Cash Generated from Operating Activities	**312,004**	**(304,202)**
Investments activities cash flow		
(Additions) Right off of investments	0	0
Investment acquisition	(800)	127
Fixed asset acquisition	(688,287)	(685,361)
Fixed asset sale receipt	51,223	0
Additions to Intangible	(1,767)	(11,943)
Dividends Received	1,757	444
Net Cash Employed on Investments Activities	**(637,874)**	**(696,733)**
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	39,755	1,457,657
Payment of Loans, Financ. & Debent.	(205,541)	(163,641)
Interest Paid on Loans, Financing and Debentures	(9,722)	(15,931)
Swap Operations Redemptions	(4,319)	(588)
Dividends and Interest on Capital	(8)	(82)
Net Cash Generated from (Employed on) Financial Activities	**(179,835)**	**1,277,415**
Exchange Variation on Cash and Cash Equivalents	**2,685**	**10,793**
Net Increase (Decrease) of Cash and Cash Equivalents	**(503,020)**	**287,273**
Cash and Cash Equivalents at the Beginning of the Period	3,640,345	2,634,281
Cash and Cash Equivalents at the End of The Period	3,137,325	2,921,554
RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	3,640,345	2,634,281
Marketable securities at the beginning of the period	1,989,197	1,033,259
Cash and cash equivalents at the beginning of the period	**5,629,542**	**3,667,540**
Net increase (decrease) of cash and cash equivalentes	(503,020)	287,273
Net increase (decrease) of marketable securities	376,590	(26,507)
Cash and cash equivalents at the end of the period	3,137,325	2,921,554
Marketable securities at the end of the period	2,365,787	1,006,752
Cash and cash equivalents at the end of the period	**5,503,112**	**3,928,306**

Cash Flow - Consolidated

IFRS

R$ thousand	9M11	9M10
Operating Activities Cash Flow		
Net Income (Loss) in the Period	326,652	1,303,773
Financial Expenses and Monetary Var. / Net Exchge Var.	445,212	(77,152)
Interest Expenses	405,025	290,996
Depreciation and Amortization	642,417	604,977
Write-offs (Decrease in Permanent Assets and Deferred Charges)	(43,648)	3,166
Equity in the Results of Subsidiaries/Associated Companies	(44,960)	(39,969)
Discontinued Operations Results	124,919	(140,073)
Difered Income Tax and Social Contribution	101,254	614,118
Provisions	(72,817)	(35,047)
Actuarial Gains and losses	(65,159)	(60,126)
Hedge accounting	(216,371)	0
Total	**1,602,524**	**2,464,663**
Increase/Decrease of Assets		
Securities	(1,968,000)	(21,901)
In Accounts Receivables	376,176	(137,380)
In Inventories	(629,807)	(1,373,257)
In Recovery of Taxes	(106,483)	(46,074)
In Judicial Deposits	(12,105)	(18,468)
In Accounts Receiv. Affiliated Companies	185	1,052
Others	(84,233)	(32,408)
Total	**(2,424,267)**	**(1,628,436)**
Increase (Decrease) of Liabilities		
Suppliers, contractors and freights	741,266	303,779
Amounts Owed to Affiliated Companies	(36,771)	(21,102)
Customers Advances	9,899	161,682
Tax Payable	(14,745)	(23,738)
Actuarial Liability payments	(117,267)	(109,410)
Others	(55,627)	(94,487)
Total	**526,755**	**216,724**
Cash Generated from Operating Activities	**(294,988)**	**1,052,951**
Interest Paid	(354,250)	(289,901)
Income Tax and Social Contribution	(165,753)	(320,544)
Net Cash Generated from Operating Activities	**(814,991)**	**442,506**
Investments activities cash flow		
(Additions) Right off of investments	1,656,740	0
Investment acquisition	(863)	(32,400)
Fixed asset acquisition	(1,843,275)	(2,199,896)
Fixed asset sale receipt	52,482	0
Additions to Intangible	(4,146)	(14,274)
Dividends Received	14,077	43,239
Net Cash Employed on Investments Activities	**(124,985)**	**(2,203,331)**
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	948,756	3,589,667
Payment of Loans, Financ. & Debent.	(617,558)	(595,344)
Interest Paid on Loans, Financing and Debentures	(24,530)	(36,364)
Swap Operations Redemptions	(23,945)	(9,906)
Dividends and Interest on Capital	(341,018)	(380,207)
Net Cash Generated from (Employed on) Financial Activities	**(58,295)**	**2,567,846**
Exchange Variation on Cash and Cash Equivalents	**(10,183)**	**16,337**
Net Increase (Decrease) of Cash and Cash Equivalents	**(1,008,454)**	**823,358**
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	3,137,325	2,921,554
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	(1,008,454)	823,358
Net increase (decrease) of marketable securities	1,968,000	21,901
Cash and cash equivalents at the end of the period	3,137,325	2,921,554
Marketable securities at the end of the period	2,365,787	1,006,752
Cash and cash equivalents at the end of the period	**5,503,112**	**3,928,306**