FOR IMMEDIATE DISCLOSURE - Belo Horizonte, July 29, 2010. Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas (BM&FBOVESPA: USIM3, USIM5, USIM6; OTC: USNZY; Latibex: XUSI; XUSIO) today releases its second quarter 2010 results (2Q10). Operational and financial information of the Company, except where otherwise stated, is presented based on consolidated figures, in Brazilian Real, according to International Financial Reporting Standards (IFRS). All comparisons made in this release take into consideration the same period of 2009, except where stated otherwise.

In 2nd quarter Net Profit totals R$ 347 million and EBITDA reaches R$ 872 million, totaling respectively R$ 676 million and R$ 1.6 billion in 1H10.

- Steel product sales grew 54% over those in 1H09, and hit 3.4 million tons.
- Net revenue in 1H10 was R$ 6.6 billion and grew 30% as compared with 1H09.
- EBITDA in 1H10 reached R$ 1.6 billion, representing an increment of 233% in comparison with 1H09.
- EBITDA margin increased 15 percentage points compared with 1H09.
- Net profit in 1H10 was R$ 676 million, up 273% in comparison with the first half of the previous year.
- Cash position on 06/30/10 was R$ 3.7 billion.
- Net Debt/EBITDA index on 06/30/10: 1.5x.
- Investments in 1H10 totaled R$ 1.5 billion, up 100% in comparison with 1H09.
- The Company's market capitalization on 06/30/10 was R$ 24 billion.

Highlights

R$ million	2Q10	2Q09	1Q10	Chg. 2Q10/2Q09	1H10	1H09	Chg. 1H10/1H09
Crude Steel Production (000t)	1,937	944	1,820	105%	3,757	1,970	91%
Sales Volume (000 t)	1,821	1,187	1,615	53%	3,436	2,231	54%
Net Revenues	3,587	2,412	3,043	49%	6,629	5,082	30%
Net Income (Loss)	347	335	329	3%	676	181	273%
EBITDA (a)	872	139	711	526%	1,582	476	233%
EBITDA Margin	24.3%	5.8%	23.4%	+ 18.5 p.p.	23.9%	9.4%	+ 14.5 p.p.
Investments	758	525	757	44%	1,515	756	100%
Cash Position	3,668	2,809	2,571	31%	3,668	2,809	31%

Market Data - 06/30/10

Market Capitalization: R$ 24.4 billion

BM&F BOVESPA: USIM5 R$ 48.11/share
USIM3 R$ 47.40/share

EUA/OTC: USNZY US$ 27.49/ADR

Latibex: XUSI € 22.31
XUSIO € 22.32

Interactive Index

For the first time, the Company's results are presented according to the accounting rules of the International Financial Reporting Standards (IFRS).

According to these rules, in the second quarter of this year, net revenue reached R$ 3.6 billion, net profit R$ 347 million and cash flow measured by EBITDA R$ 872 million, results which are substantially more significant than those registered in the same period last year, without doubt favored by the good economic performance of the past quarters.

The variations are even more relevant if analyzed at the end of the first half. If on one side the economic recovery and the demand for flat steel have led to a recovery in the Company's sales volumes, even though the comparative base is related to a period of low economic activity, which was the first half of 2009, on the other side, the Company has had to face rising costs due to significant price hikes in one of the main raw materials used in the steelmaking process, iron ore, which have already increased over 100% in the year and will undergo yet another round of adjustments forecasted for the third quarter.

Furthermore, the increase announced for coal, another important raw material for steelmaking, will impact even more the cost base and, as a result, the prices of steel products will have to rise in order to keep up with the new reality; otherwise the Company's competitive edge, the disbursements for investments in progress and those scheduled and the sustainability of the business could be compromised.

Notwithstanding the ongoing challenges, Usiminas continues to show its determination to give continuity to the strategies defined by its controlling shareholders: It has created Mineracao Usiminas S.A., a subsidiary of the Company, that has enabled the Sumitomo Corporation to gain a share in the new company by acquiring 30% of its capital equity through the subscription of new shares. In addition to creating a world class company in the iron ore market, this measure consolidates the value of the mining business into Usiminas' market value, enables the participation of Sumitomo as a strategic investor, with vast global experience in the sale of iron ore, and equalizes the investment needs for mining.

Another unprecedented initiative by Usiminas in the Brazilian flat steel market was to put into practice the plan to execute agreements with several of its distributors, processors and service centers to create the "Rede Usiminas," a product distribution network with operations in 15 states in the country. The goal is to increase competitiveness and efficiency in the sale of products and services of the Company and its partners through a greater distribution reach and by strengthening the companies that take part in the Network, enabling them to better meet market needs.

Economic and Financial Performance – Consolidated Results

Net Revenues

Revenue increased 18% in 2Q10 in comparison with 1Q10, reaching R$ 3.6 billion due to the greater volume sold and the average market prices.

In the half-year analysis, revenue totaled R$ 6.6 billion, up 30% over the revenue registered in 1H09 due mainly to the greater volume of rolled products sold.

Net Revenues

	2Q10	2Q09	1Q10	1H10	1H09
DM	88%	85%	82%	85%	84%
EM	12%	15%	18%	15%	16%
Total	100%	100%	100%	100%	100%

Cost of Goods Sold (COGS)

The cost of goods sold totaled R$ 2.8 billion in 2Q10, against R$ 2.3 billion in 1Q10, representing an increase of 18% due to greater sales and the impact of cost increases for raw materials.

COGS totaled in 1H10 R$ 5.1 billion, up 11% in relation to the same period in 2009, basically due to the greater sales volume in the period.

The Company's gross margin evolved as follows:

Gross Margin

2Q10	2Q09	1Q10	1H10	1H09
23.0%	7.9%	23.0%	23.0%	9.7%

Operating Expenses and Revenue

Operating expenses and revenues rose 10% compared with 1Q10 due to a reversal of losses in the 1Q10 related to an adjustment at market value in inventories.

The half-year analysis shows a drop of around R$ 67 million, primarily due to the recognition of inventory adjustments at market value amounting to R$ 58 million in 2009.

The Company's operating margin evolved as follows:

EBIT Margin

2Q10	2Q09	1Q10	1H10	1H09
17.1%	-1.2%	16.6%	16.9%	0.4%

EBITDA

EBITDA rose 23% in 2Q10 in relation to 1Q10, reaching R$ 872 million, due to the greater volume sold and better prices.

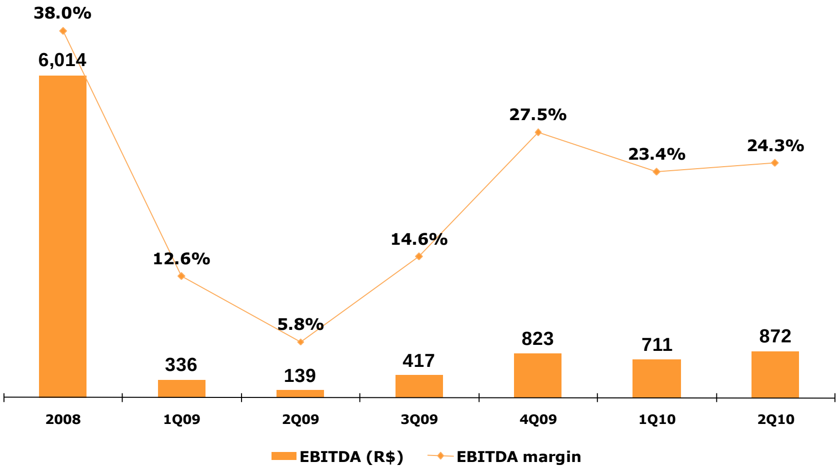
The EBITDA of R$ 1.6 billion in 1H10 grew 233% as compared with that of 1H09, a result of the increase in volume sold.

The margins are shown in the table below:

EBITDA Margin

2Q10	2Q09	1Q10	1H10	1H09
24.3%	5.8%	23.4%	23.9%	9.4%

EBITDA (R$ million)



Financial Result

Net financial expenses in 2Q10 grew around R$ 9 million, or 8%, mostly due to the increase in hedge expenses and marketed to market swap operations, as well as other factors.

In the half-year analysis, net financial expenses in the period contrasted with the revenue appraised in the same period of 2009, mostly due to the effects of the exchange rate depreciation of the real in relation to the US dollar amounting to 3.5% in 2010, against an appreciation of the real of around 16.5% in 1H09.

Financial Income - Consolidated

R$ million	2Q10	2Q09	1Q10	Chg. 2Q10/2Q09	Chg. 2Q10/1Q10	1H10	1H09	Var. 1S10/1S09
Exchange Effects	(30,080)	582,881	(69,655)	-	-57%	(99,735)	595,011	-
Exchange Variation	(6,423)	582,506	(61,217)	-	-90%	(67,640)	617,771	-
Hedge Income (Expenses)	(23,657)	375	(8,438)	-	180%	(32,095)	(22,760)	41%
Swap Operations Market Cap. (Law 11,638)	(26,087)	8,156	17,218	-	-	(8,869)	(40,214)	-78%
Financial Income	81,267	85,739	64,310	-5%	26%	145,577	204,396	-29%
Financial Expenses	(142,459)	(113,860)	(121,333)	25%	17%	(263,792)	(263,687)	0%
Monetary Effects	(11,502)	(23,331)	(10,157)	-51%	13%	(21,659)	(59,593)	-64%
NET INTEREST INCOME	**(128,861)**	**539,585**	**(119,617)**	**-**	**8%**	(248,478)	435,913	-

Equity Interest in Controlled Companies

A gain of R$ 68 million, 26% up from that in 1Q10, was registered in 2Q10, primarily due to the R$ 53 million gain of Ternium.

In the comparison with the first half of 2009, the result obtained by the share in controlled and affiliated companies was a revenue of R$ 121 million, due mostly to gains of Ternium amounting to R$ 92 million, against an expense of R$ 87 million in 1H09.

Net Income

Net profit of 2Q10 totaled R$ 347 million, an increase of around 6% in relation to 1Q10, as a result mostly of the greater sales volume and a 6.7% increase in the average price.

In the comparison with the first half of 2009, net profit in 1H10 grew 273% and reached R$ 676 million, due to the greater volume of rolled products sold, in contrast to the financial losses caused by the depreciation of the real, among other factors.

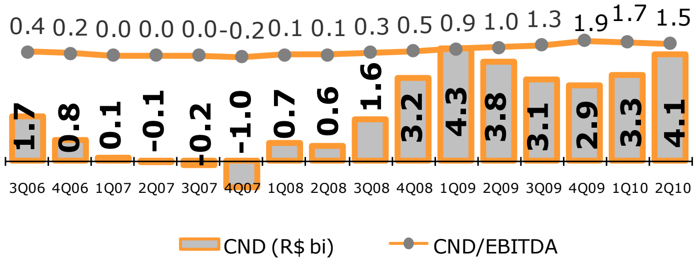
Indebtedness

Total gross debt on 06/30/10 summed R$ 7.8 billion, against a debt of around R$ 5.8 billion on 03/31/10. In turn, net debt ended the quarter at R$ 4.1 billion, against R$ 3.3 billion on 03/31/10. The net debt/EBITDA index on 06/30/10 was 1.5x.

At the end of the quarter, the debt breakdown in currency was as follows: 54% in foreign currency and 46% in local currency.

06/30/10	
Cash Position - R$ billion	**3.7**
Total Debt/ EBITDA Ratio	**2.8**
Net Debt/ EBITDA Ratio	**1.5**

Consolidated Net Debt/ EBITDA (R$)

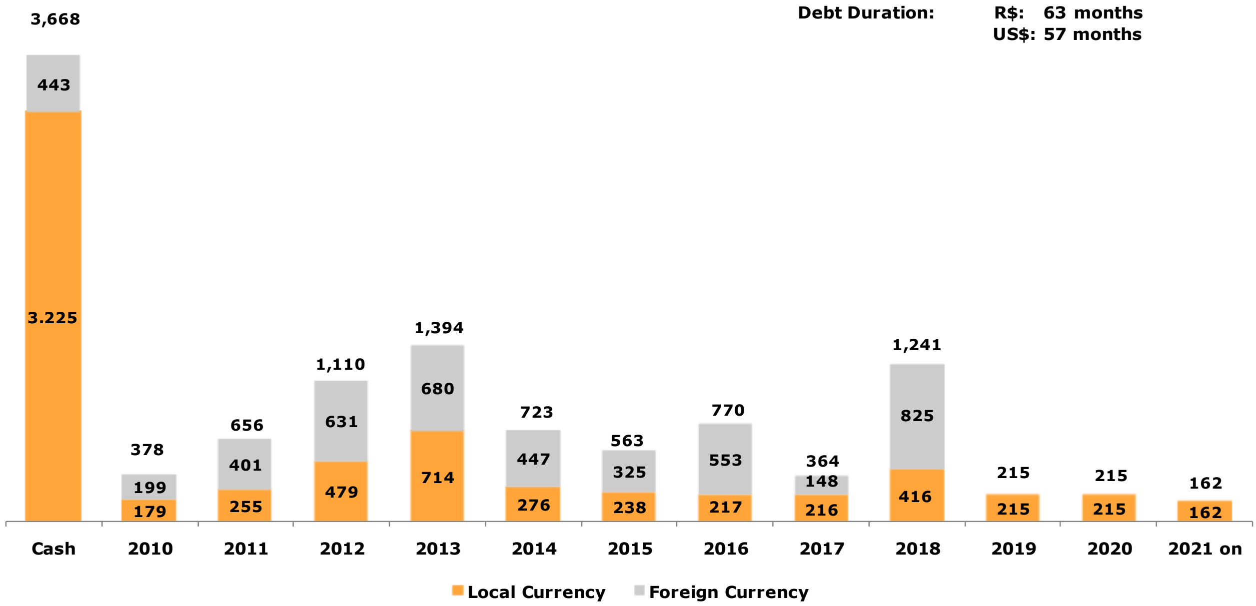


Loans and Financing by Index - Consolidated

R$ thousand	30-jun-10			%	31-mar-10	Chg. jun10/mar10
	Short Term	Long Term	TOTAL		TOTAL	
Foreign Currency (*)	**374,282**	**3,833,096**	**4,207,378**	**54%**	**3,662,729**	**15%**
TJLP	162,746	449,884	612,630	-	582,922	5%
Debentures	18,948	1,100,000	1,118,948	-	1,120,230	0%
Taxes Payable in Installments	70,838	92,936	163,774	-	144,938	13%
FEMCO	7,211	289,569	296,780	-	261,822	13%
Others	40,590	1,351,050	1,391,640	-	66,229	2001%
Local Currency	**300,333**	**3,283,439**	**3,583,772**	**46%**	**2,176,141**	**65%**
TOTAL DEBT	**674,615**	**7,116,535**	**7,791,150**	**1**	**5,838,870**	**33%**
CASH AND CASH EQUIVALENTS	-	-	**3,667,540**	-	**2,570,600**	**43%**
NET DEBT	**-**	**-**	**4,123,610**	**-**	**3,268,270**	**26%**

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

Debt Profile



Scenario and Outlook

Economy and Market:

After heavy inventory adjustments in the first quarter, 2010 has been characterized by a period of broad economic recovery. The expectations are positive in relation to the fast-paced growth of the domestic market which has been heating up steadily.

The performance of the business units are directly impacted by the economic activity expansion and recent data from the Central Bank of Brazil points to a growth in industrial production of around 12% and the forecasts show an increase in GDP of over 7% this year.

Business Units Performance

Inter-Company transactions are assessed in market value and conditions.

Usiminas Consolidated

Mining & Logistics	Steel	Steel Processing	Capital Goods
Mining Assets	**Ipatinga Mill**	**Unigal**	**Usiminas Mecânica**
MRS stake*	**Cubatão Mill**	**Soluções Usiminas**	
Land in Itaguaí	**Ternium stake***	**Automotiva Usiminas**	

Income Statement per Business Units - Non Audited

R$ million	Mining & Logistics				Steel				Steel Processing				Capital Goods				Consolidated			
	2Q10	1Q10	1H10	1H09	2Q10	1Q10	1H10	1H09	2Q10	1Q10	1H10	1H09	2Q10	1Q10	1H10	1H09	2Q10	1Q10	1H10	1H09
Net Revenues	277	158	435	193	3,274	2,821	6,095	4,380	720	597	1,317	956	375	292	667	427	3,586	3,043	6,629	5,082
COGS	(70)	(66)	(136)	(68)	(2,822)	(2,313)	(5,135)	(3,776)	(580)	(490)	(1,070)	(859)	(332)	(247)	(579)	(346)	(2,760)	(2,343)	(5,103)	(4,084)
Gross Profit	207	92	299	125	452	508	960	604	140	107	247	97	43	45	88	81	826	700	1526	998
Operating Income (Expenses)	(17)	(18)	(35)	(29)	(122)	(132)	(254)	(705)	(51)	(23)	(74)	(129)	(24)	(21)	(45)	(34)	(214)	(194)	(408)	(897)
EBIT	190	74	264	96	330	376	706	-101	89	84	173	-32	19	24	43	47	612	506	1118	101
EBITDA	**198**	**81**	**279**	**110**	**563**	**552**	**1115**	**193**	**100**	**99**	**199**	**-4**	**26**	**31**	**57**	**57**	**871**	**711**	**1582**	**447**
EBITDA Margin	**72%**	**51%**	**61%**	**57%**	**17%**	**20%**	**18%**	**4%**	**14%**	**17%**	**15%**	**0%**	**7%**	**11%**	**9%**	**13%**	**24%**	**23%**	**24%**	**9%**

MINING & LOGISTICS

Comment on Results of the Sector

Net revenue in 2Q10 reached R$ 277 million and was 75% higher in the comparison with 1Q10 as a result mostly of the increased sales volume and iron ore price adjustments, which was aligned to the international pricing methodology.

Operating expenses continued stable and the EBITDA in 2Q10 was up 144% as compared with 1Q10. The 72% margin is a result of adjustments made to iron ore prices and the increase in sales volume.

Operating Performance: in May 2010, an all-time record was reached: 592 thousand tons of ore were produced, what shows that the goal production for 2010 – 7 million tons – may be surpassed. In 2Q10, iron ore production grew 14% in comparison with that of 1Q10. In relation to 2Q09, production in 2Q10 grew 31%. The use of its own ore in the Ipatinga and Cubatão mills continues to grow: the transfer of products to the mills increased 26% in comparison with 1H09.

No ore was exported in 2Q10.

Total sales and transfers to the Ipatinga and Cubatão mills are shown in the table below:

Iron Ore

Thousand tons	2Q10	2Q09	1Q10	Chg. 2Q10/2Q09	Chg. 2Q10/1Q10	1H 2010	1H 2009	Chg. 1H10/1H09
Production	**1,725**	**1,321**	**1,509**	**31%**	**14%**	**3,234**	**2,479**	**30%**
Sales	85	63	320	35%	-73%	**405**	**232**	75%
Transferred to Mills	1,438	1,008	1,372	43%	5%	**2,810**	**2,235**	26%
Total - Sales + Transferences to Mills	**1,523**	**1,071**	**1,692**	**42%**	**-10%**	**3,215**	**2,467**	**30%**

Creation of Mineração Usiminas - MUSA S.A.

On 06/30/2010, Usiminas announced the creation of Mineração Usiminas S.A. (MUSA) with the transfer of mining Assets in the Serra Azul region, the share in ore shipping terminals in the Serra Azul region, 83.3% of Usiminas' share in the capital equity of MRS and the land located in Itaguaí, Rio de Janeiro (Port). The expectation is to create approximately 1,150 direct jobs.

Mineração Usiminas will have a strategic partner, Japanese-owned Sumitomo Corporation which through the subscription of new shares for the total price of up to US$ 1.929 billion will hold 30% of the capital equity of the new company.

Mineração Usiminas has a great potential for growth in the region of Serra Azul, given its size, availability of capital and integrated logistic function. Through a greater integration of the mining and logistic activities, in combination with the assurance of supply of a certain amount of ore by Usiminas, this represents an important step towards integrating steelmaking to the ore, planned since the acquisition of the assets of J. Mendes.

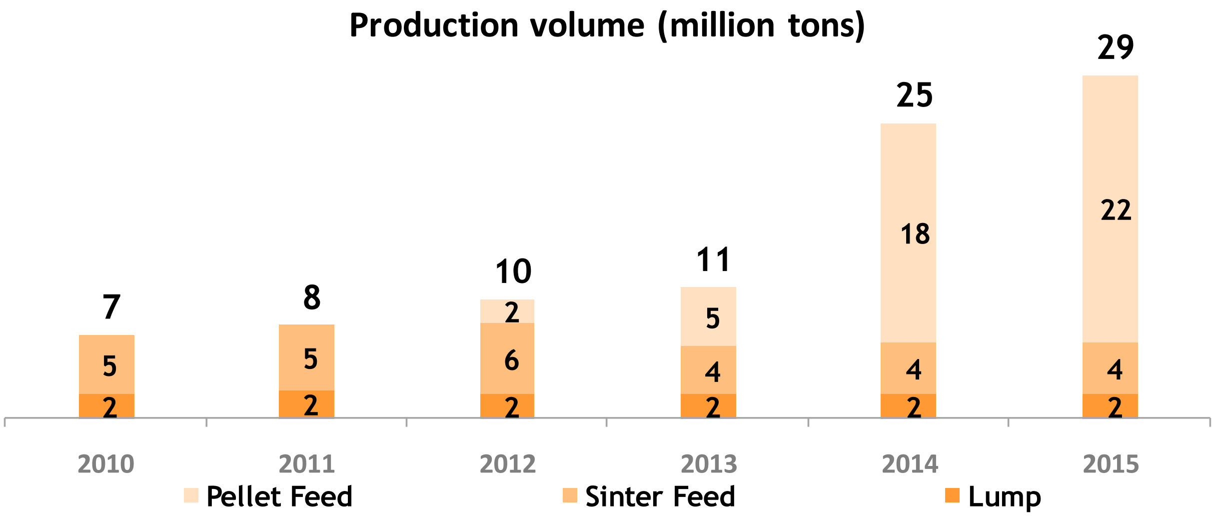
Many synergies will be gained through the strategic partnership with the Japanese Sumitomo Corporation group, among which the main ones are:

- Global presence;
- One of Japan's largest commodity sellers;
- Market know-how, mainly China;
- Operation in diversified businesses: mining, logistics, infrastructure.

Investments/Outlook

With the intention of contributing even further to the Group's consolidated result, the mining unit is working on projects to optimize the three existing plants and to build a new specialty steel processing plant. This investment will gradually increase production over the next year and in 2015, Usiminas expects to reach the production capacity of 29 million tons. The investments for the period between 2010-2015 are estimated at R$ 4.1 billion.

The estimated production volumes for the next years are shown below.



Logistics – MRS

In the first half of 2009, MRS transported 68.7 million tons of cargo in general, among which, iron ore, coal/coke, steel products, cement and others.

MRS Logistica is a concession that controls, operates and monitors the Southeast Federal Railroad Network. The company operates in the railway transport market, connecting the states of Rio de Janeiro, Minas Gerais and São Paulo and its core business is railway transport of cargo in general, such as ores, finished steel products, cement, bauxite, agricultural produce, green coke and containers with integrated logistics.

Usiminas, Vale, MBR, Gerdau and CSN comprise the Shareholders' Group that controls MRS. Usiminas holds 20% of the voting capital and is part of the Company's control group.

S T E E L

Flat Steel Market

The Brazilian flat steel market accounted for approximately 3.9 million tons in 2Q10. Out of this total, 80% of the volume were provided by local mills and 20% were imported. In the first half of 2010, flat steel consumption in the local market rose 76% as compared with the same period last year, with emphasis on a 62% recovery in sales of the mills.

The consumer sectors have been registering positive growth rates with emphasis on the Industry, which grew 20%. The auto and white line sectors registered the lowest growth rates this year.

In the Industry segment, the sectors that registered the best performance were the Industrial Equipment (+46%) and the Road Equipment (+36%) sectors. The Large Diameter Tubes (+14%) and Naval (+151%) sectors are also beginning to pick up.

Comments on the Sector results

The Steel Sector in 2Q10 posted a net revenue of R$ 3.3 billion, up 16% over that of 1Q10 with emphasis on:

- a greater volume of rolled products sold in 2Q10, which reached 1.8 million tons, up 13% in relation to the volume sold in 1Q10;
- the average price per ton of rolled products sold in 2Q10 was higher by 7% as compared with that of 1Q10, going from R$ 1,660 to R$ 1,772;
- increase in share of sales to the local market (in tonnage sold).

The COGS/Net Revenue ratio jumped from 82% in 1Q10 to 86% in 2Q10. This increase is basically due to:

- an increase in labor costs as a result of a labor agreement executed in 2Q10;
- an increase in iron ore and other dollar denominated raw materials;

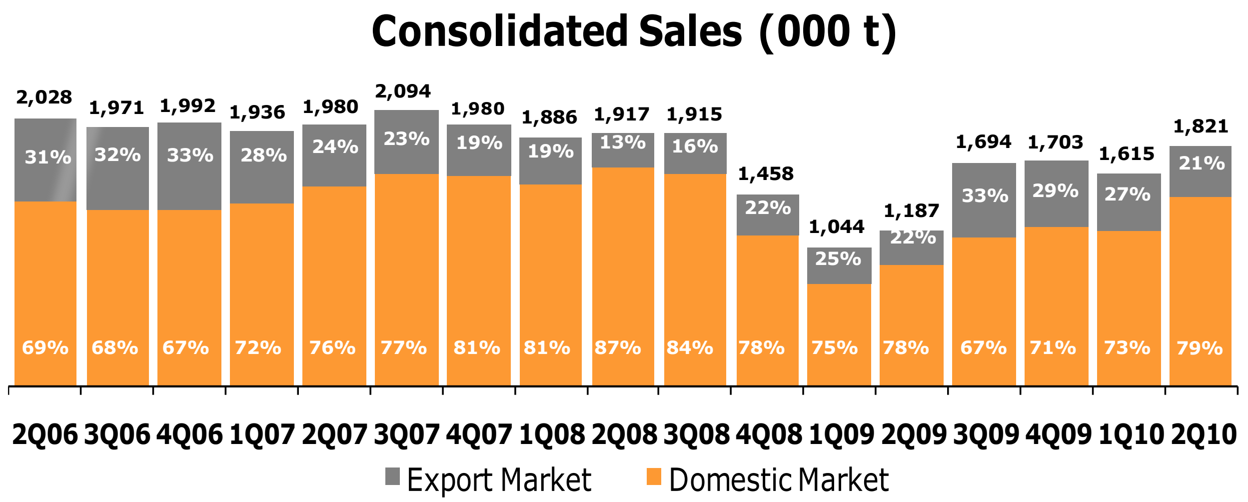
The decline in gross revenue was a result of the effects that occurred in COGS and Expenses and Operating Revenue lowered R$ 10 million or 8% as compared with 1Q10 due to the offsetting of tax credit gains from PIS and Cofins taxes.

EBITDA in 2Q10 reached R$ 563 million, 2% higher than in 1Q10. The margin declined to 17% in 2Q10 from 20% in 1Q10, due to the cost increase mentioned earlier.

Operational Performance

Total sales in 2Q10 grew 13% in comparison with those of 1Q10, reaching a total of 1.8 million tons. The local market accounted for 1.4 million tons of products, respresenting an increase of 23% if compared with the local market sales of 1Q10. Exports, on the other hand, dropped 13% in relation to 1Q10 and represented 21% of the quarters' sales.

In the overall for the second half of 2010, total sales reached 3.4 million tons, 54% above the sales of 1H09. The local market mix stood at 76% and at 24% for exports.



Exports - Main Markets – 2Q10

Country	Thousand Tons	Share %
China	60	16%
Thailand	50	13%
Colombia	45	12%
Taiwan	38	10%
Chile	31	8%
USA	30	8%
Argentina	25	6%
Spain	23	6%
Others	83	22%
Total	**385**	**100%**

Sectorial Sales Breakdown - Consolidated

Thousand tons	2Q10		2Q09		1Q10		Chg. 2Q10/2Q09	Chg. 2Q10/1Q10	1H10		1H09		Chg. 1H10/1H09
Domestic Market	**1,437**	**100%**	**923**	**100%**	**1,173**	**100%**	**56%**	**23%**	**2,610**	**100%**	**1,696**	**100%**	**54%**
Automotive	451	32%	357	39%	406	35%	26%	11%	857	33%	633	37%	35%
Industrial	305	21%	199	21%	230	20%	53%	33%	535	20%	358	21%	49%
Distribution	681	47%	367	40%	537	45%	86%	27%	1,218	47%	705	42%	73%

Net Revenues per Ton

R$ / t.	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	4Q08	3Q08	2Q08
Heavy Plates	1,631	1,575	1,712	1,570	1,860	2,475	2,993	2,486	2,112
Hot Coils/Sheets	1,683	1,569	1,472	1,477	1,707	1,991	2,202	1,951	1,622
Cold Coils/Sheets	1,919	1,740	1,671	1,539	1,862	2,058	2,391	2,151	1,836
Electrogalvanized Coils	2,484	2,387	2,208	2,093	2,286	2,558	2,552	2,399	2,237
Hot Dip Galvanized Coils	2,564	2,483	2,440	2,253	2,344	2,572	2,817	2,525	2,328
Processed Products	2,378	2,393	2,413	2,250	1,647	2,314	2,557	2,224	1,958
Slabs	797	727	790	649	700	938	1,551	1,444	902
Total	**1,772**	**1,660**	**1,623**	**1,493**	**1,781**	**2,124**	**2,416**	**2,138**	**1,910**

Sales Volume Breakdown - Consolidated

Thousand tons	2Q10		2Q09		1Q10		Chg. 2Q10/2Q09	Chg. 2Q10/1Q10	1H10		1H09		Chg. 1H10/1H09
TOTAL SALES	**1,821**	**100%**	**1,187**	**100%**	**1,615**	**100%**	**53%**	**13%**	**3,436**	**100%**	**2,231**	**100%**	**54%**
Heavy Plates	381	21%	245	21%	323	20%	56%	18%	704	20%	491	22%	44%
Hot Coils/Sheets	577	32%	358	30%	512	32%	61%	13%	1,089	32%	667	30%	63%
Cold Coils/Sheets	495	27%	313	26%	482	30%	58%	3%	977	29%	582	26%	68%
Electrogalvanized Coils	63	3%	44	4%	53	3%	42%	18%	116	3%	75	3%	55%
Hot Dip Galvanized Coils	127	7%	107	9%	98	6%	19%	30%	225	7%	187	8%	20%
Processed Products	40	2%	31	3%	32	2%	28%	24%	72	2%	66	3%	9%
Slabs	138	8%	89	7%	115	7%	55%	20%	253	7%	163	7%	56%
DOMESTIC MARKET	**1,437**	**79%**	**923**	**78%**	**1,173**	**73%**	**56%**	**23%**	**2,610**	**76%**	**1,696**	**76%**	**54%**
Heavy Plates	244	14%	149	13%	166	10%	64%	47%	410	12%	269	12%	52%
Hot Coils/Sheets	527	29%	320	27%	428	27%	65%	23%	955	28%	607	27%	57%
Cold Coils/Sheets	436	24%	270	23%	396	25%	62%	10%	832	24%	477	21%	74%
Electrogalvanized Coils	58	3%	39	3%	47	3%	49%	24%	105	3%	67	3%	57%
Hot Dip Galvanized Coils	116	6%	91	8%	85	5%	27%	36%	201	6%	161	7%	25%
Processed Products	27	1%	26	2%	23	1%	3%	16%	50	1%	52	2%	-4%
Slabs	29	2%	28	2%	28	2%	3%	3%	57	2%	63	3%	-10%
EXPORTS	**384**	**21%**	**264**	**22%**	**442**	**27%**	**46%**	**-13%**	**826**	**24%**	**535**	**24%**	**55%**
Heavy Plates	137	8%	96	8%	157	10%	43%	-13%	294	9%	221	10%	33%
Hot Coils/Sheets	50	3%	38	3%	84	5%	33%	-40%	134	4%	60	3%	123%
Cold Coils/Sheets	58	3%	43	4%	86	5%	36%	-32%	144	4%	105	5%	38%
Electrogalvanized Coils	5	0%	5	0%	6	0%	-9%	-24%	11	0%	8	0%	35%
Hot Dip Galvanized Coils	12	1%	16	1%	13	1%	-26%	-9%	25	1%	27	1%	-7%
Processed Products	13	1%	5	0%	9	1%	158%	43%	22	1%	14	1%	57%
Slabs	109	5%	61	6%	87	5%	79%	26%	196	5%	100	4%	97%

Global Production

The global production of crude steel, according to data from the World Steel Association, hit, by May 2010, 586.1 million tons with a growth of 30% in relation to the same period of 2009.

China, which accounted for 46% of the world's production this year, registered a 24% increase by the aforementioned date. The main countries with the highest production growth rates among the top ten producers are Japan (+52%), USA (+69%), Russia (+24%), India (+8%), South Korea (+28%), Germany (+67%), Ukraine (+25%), Brazil (+57%) and Italy (+38%). Brazil was the 9th top producer accounting for 2.3% of the world's production in the first five months of the year.

Production - Ipatinga and Cubatão Mills

In 2Q10, as compared with the production volume of 1Q10, the Ipatinga and Cubatão mills registered a growth of 6% in the production of crude steel, reaching 1.9 million tons.

In relation to the results reached in 1st half of 2010, this evolution becomes even more significant, 91%, due to the shutdown of the blast furnaces in the same period of 2009.

The production volume of rolled products was 1.9 million in 2Q10 and 3.7 million tons in 1H10, an increment of respectively 7% and 74% in comparision with the same periods of 2009.

Production (Crude Steel)

Thousand tons	2Q10	2Q09	1Q10	Chg. 2Q10/2Q09	Chg. 2Q10/1Q10	1H10	1H09	Chg. 1H10/1H09
Ipatinga Mill	987	592	960	67%	3%	1,947	1,087	79%
Cubatão Mill	950	352	860	170%	10%	1,810	883	105%
Total	**1,937**	**944**	**1,820**	**105%**	**6%**	**3,757**	**1,970**	**91%**

Investment Program (Capex)

Investments on fixed assets in 2Q10 summed R$ 758 million. The current situation of the main investment projects is detailed below:

Investments	Goal	Status	Project Capex	Total Executed up to June/2010
New Coke Facility #3 (Ipatinga)	**Production of 750 thousand tons/year.**	**Equipments manufacture concluded. Construction works in progress. Start-up: 3Q/2010.**	**R$ 707 million**	**R$ 683 million**
Heavy-Plate Rolling Mill (Ipatinga)	**Accelerated Heavy Plate Cooling Technology - meeting the requirements of the pre-salt exploitation projects** **Production increase to 1,350 thousand tons/year.**	**Accelerated Heavy Plate Cooling equipments under construction. Start-up: 3Q/2010.** **Start-up: 4Q/2012.**	**R$ 1.050 billion**	**R$ 373 million**
New HDG Line (Ipatinga)	**Production of 550 thousand tons/year of hot dipped galvanized products. (Ipatinga Mill)**	**Construction and assembling works in progress. Construction work for the structure of the building by Usiminas Mecânica. Assembling works of the line: March 2010. Start-up: 1Q/2011.**	**R$ 914 million**	**R$ 622 million**
New Hot Strip Mill #2 (Cubatão)	**Production of 2.3 million tons/year (Cubatão Mill)**	**Skinpass Mill: Equipments contracted and in the project detailing stage. Construction and assembling works in progress. Construction work for the structure of the building by Usiminas Mecânica. Start-up: 2Q/2011.**	**R$ 2.530 billion**	**R$ 951 million**

Ternium stake

Ternium is one of the largest steel producers in the Americas and offers a wide array of products, including flat and long steel products. The company has operating facilities in Mexico, (Hylsa and IMSA) and Argentina (Siderar) and in the US (Ternium USA) and has a wide distribution network.

Usiminas holds 14.25% of Ternium's total capital, of which it is partner along with the Techint group.

Ternium's results are registered in Usiminas balance sheet with a delay of one quarter, and the results for 2nd quarter will be reported on August 3rd.

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

Comment on Results of the Sector

Net revenue was 21% higher than in 1Q10 and Soluções Usiminas contributed to this growth with R$ 105 million or 23%; Automotiva with R$ 8 million or 12% and Unigal with R$ 9 million or 21%.

The COGS/Net Revenue ratio improved, dropping from 82% to 81% and Operating Expenses and Revenues rose as compared with 1Q10, due to the reversal of the provision at market value for inventory mainly at Soluções Usiminas in the quarter.

EBITDA in 2Q10 reached R$ 100 million, slightly higher than that appraised in 1Q10. The 17% margin in 1Q10 dropped to 14% in 2Q10.

- **Unigal**

Unigal is a joint-venture between Usiminas (with a 70% share) and Nippon Steel (with a 30% share) aimed at processing coils through hot dipped galvanizing.

Its main investment is aimed at increasing the production capacity in 550 thousand tons/year from the current 480 thousand tons/year, to meet the needs of the rising offer for galvanization services, as a result of the increase in demand for such products, mainly for the auto, electronic product and civil construction sectors. The expectation for the startup of the operation in the first quarter of 2011 is maintained. Approximately R$ 150 million were invested for its construction in 2Q10.

- **Soluções Usiminas**

Soluções Usiminas operates in the distribution, services and pipe markets in the country, offering higher value-added products to its clients. With the capacity to produce more than 2 million tons of processed steel a year, its 14 industrial units, strategically located in the States of Rio Grande do Sul, São Paulo, Minas Gerais, Espírito Santo and Pernambuco, supply the sectors of automobiles, auto parts, civil construction, distribution, electronic products, machinery and equipment, household appliances and others.

Highlight:

Usiminas launches an exclusive distribution network for its products:

Formed initially by 10 companies, the Rede Usiminas will operate in the country through 15 states and will be aimed at distributing, processing and transforming steel. The partnership will be consolidated through commercial cooperation agreements. The companies that comprise the Network will receive differentiated treatment and will have available to them technical support for the end client, training and Usiminas' commercial intelligence. The synergies that will be generated through the Usiminas network will add value to the businesses of all the links of this chain.

- **Automotiva Usiminas**

The Automotiva unit stands out in the production of complete sets and cabs painted in their final color and is divided into the following process sectors:

- Product development engineering;
- Partnerships with toolmakers;
- Stamping development and production;
- Development and production of welded subsets;
- Complete Paintwork – e-coat (KTL), surfacer and enamel;
- Final assembly of finishing items of the vehicles;
- Logistic integration.

Outlook:

Within Usiminas' reorientation process and growth, the objective is to reach sales of R$ 1.0 billion by 2014. In addition to following the operational growth of its current clients, the Company plans to offer new services, adding value to steel from the mills, transforming plates into products, such as truck, bus and light vehicle cabs and components produced by its unit in Pouso Alegre, Minas Gerais state.

Highlight:

2Q10: Growth in truck market. Maintenance of Government incentives.
1H10: Startup of painting line. Inauguration of the assembly line of a new product in the auto segment, which represents sales of around R$ 120 million.

C A P I T A L G O O D S

Comment on Results of the Sector

The Capital Goods sector in the 2nd quarter posted a net revenue of R$ 375 million, up 28.4% over the R$ 83 million registered in the 1st quarter of 2010.

2Q10 EBITDA totaled R$ 26 million, down by R$ 5 million as compared with the 1Q10, which was R$ 31 million. The reason for this difference was costs incurred in contracts which revenue will only be recognized in upcoming quarters, after the execution of contractual amendments.

Usiminas Mecânica S.A.

Usiminas Mecânica, the Group's capital goods arm, is among the largest capital goods companies in the country.

The company operates in the following business areas:

- Metal Structures and Bridges.
- Industrial Equipment.
- Industrial Assembly.

- Blanks and Stamping.
- Foundry, Forging and Railway Cars.
- EPC-oriented Steelmaking Unit
- EPC-oriented Oil & Gas Unit.

Among the markets where the company operates, the current focal point is in the following sectors:

- Naval, Oil & Gas: the company is continuing the implementation of a strategy to meet the demand of the Offshore market by supplying small-scale naval blocks for Platform Supply Boats and Tug Supply, and is developing know-how for larger projects;
- Steelmaking and Mining: seeks integrated solutions and turnkey projects for the EPC-oriented Steelmaking Unit. Currently has the Vaccuum Degassing System of the Ipatinga Mill in its portfolio;
- Infrastructure: recognized in this segment, it will participate in the sports events of the 2014 World Cup and the Olympics of 2016 by taking part in the construction of stadiums, walkways, viaducts, parking buildings, airports and malls;
- Electricity: it is able to provide equipment for hydroelectric power plants and small hydroelectric power stations and has the Rio Madeira Complex project (Santo Antonio and Jirau hydroelectric power plants) in its portfolio and will seek new enterprises, such as the Belo Monte hydroelectric power plant.
- Paper and Pulp: has the technology to manufacture heavy equipment, to meet the demand, for example, of the Eldorado Project, which will start operating at the end of 2012 in Mato Grosso do Sul state, and will be the largest global producer of paper and pulp.

The Company's main ongoing contracts are within the schedule established with the clients, such as:

- Building of Towers and Tanks for Refinaria do Nordeste (RNEST);
- Manufacture of metal structures for the building of the Vallourec & Sumitomo Steelworks in Jeceaba;
- Manufacture of metal structures for the new hot-rolling mill of Usiminas/Cubatão;
- Electromechanical assembly of projects for Usiminas: Coke oven #3 at Ipatinga (in the finishing stage) – Unigal in Ipatinga – New hot-rolling mill at Cubatão.
- Complex of the construction work for the Rio de Janeiro Subway comprised of one arch bridge over Francisco Bicalho Avenue, 1 walkway over Presidente Vargas Avenue and the Cidade Nova Station.

Investments

- Foundry: undergoing an expansion and modernization process, scheduled to conclude by the 3rd quarter of 2011.
- The manual and automated molding line equipments have already been contracted and are in the manufacturing phase.

Capital Markets

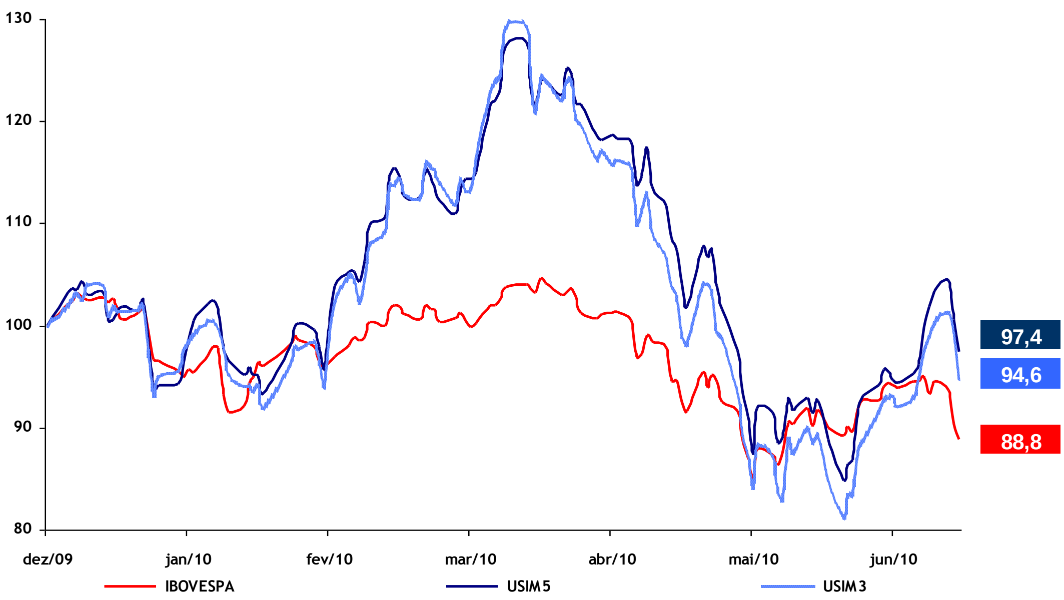
Performance in BM&FBOVESPA

Usiminas' common stock (USIM3) ended the quarter quoted at R$ 47.40 per share and the preferred stock (USIM5) quoted at R$ 48.11 per share. The depreciation of the quarter was respectively 24.0% and 21.0%. In the same period, Ibovespa depreciated 13.8% On 06/30/10, Usiminas' market value was R$ 24.4 billion.

In the semester the depreciation of Usiminas' shares were inferior to the Ibovespa's, as shown by the graph below.

USIM5 e USIM3 versus Ibovespa

De (base 100) 30/12/2009 a 30/06/2010



Performance Summary - BM&FBOVESPA (USIM5)

	2Q10	2Q09	Chg. 2Q10/2Q09	1Q10	Chg. 2Q10/1Q10
Number of Trades	**394,257**	**371,733**	***6%***	**321,398**	***23%***
Daily Average	*6,359*	*6,094*	*4%*	*5,357*	*19%*
Traded - thousand shares	**188,530**	**227,487**	***-17%***	**152,400**	***24%***
Daily Average	*3,041*	*3,729*	*-18%*	*2,540*	*20%*
Financial Volume - R$ million	**9,660**	**8,098**	***19%***	**7,851**	***23%***
Daily Average	*156*	*133*	*17%*	*131*	*19%*
Maximum	**63.06**	**43.44**	***45%***	**60.92**	***4%***
Minimum	**41.91**	**28.52**	***47%***	**46.15**	***-9%***
Closing	**48.11**	**41.61**	***16%***	**60.92**	***-21%***
Number of Shares	**506,893**	**506,893**	***0%***	**506,893**	***0%***
Market Capitalization - R$ million	**24,387**	**21,092**	***16%***	**30,880**	***-21%***

Foreign Exchanges

NASDAQ – New York

The common and preferred stock of Usiminas are traded in the United States as Level 1 in the OTC market. On 06/30/10 the "USNZY" shares (preferred – type A), of higher liquidity, were quoted at US$ 27.49, and registered a depreciation in the quarter of 18.5%.

Latibex – Madri

On 06/30/10, the XUSI shares (preferred) ended the quarter quoted at €22.31 and depreciated 11.0%. The XUSIO shares (common) ended quoted at € 22.32, with a depreciation of 13.4%.

Material Fact of the Quarter

Creation of Mineração Usiminas S.A.

By giving continuity to the plan to optimize and add value to the businesses related to iron ore mining and related logistic activities, Usiminas on 06/30/10 released a "Material Fact" to the market announcing the implementation of operations, creating Mineração Usiminas S/A - MUSA S/A and other measures, whose details are described in the Mining & Logistics section.

Event Subsequent to the Quarter's End

Market Notice - Creation of the Rede Usiminas

On 07/15/10, Usiminas released a "Market Notice" announcing the execution of agreements with several of its distributors, processors and service centers with the purpose of creating the "Rede Usiminas," a product distribution network with operations in 15 states in the country.

Through this unprecedented initiative in the Brazilian flat steels market, Rede Usiminas seeks to increase competitiveness and efficiency in the sale of products and services of the Company and those of its partners through a greater distribution reach and by strengthening the companies that comprise the Network, enabling them to better meet market needs and also making available to them the technical support and training offered by Usiminas under this partnerhsip.

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ADRs - Depositary Bank

Visit our Investor Relations page: www.usiminas.com/ri
or by mobile phone: m.usiminas.com/ri

2Q10 Conference Call - Date 07/29/2010	
In Portuguese - Simultaneous Translation into English	
Brasília time: at 11:30 a.m. Dial-in Numbers: Brazil: (55 11) 4688.6361	New York time: at 10:30 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: 47205 - portuguese	Pincode for replay: 47206 - english
Audio of the conference call will be transmitted live via Internet	
See slide presentation on our website: www.usiminas.com/ri	

Balance Sheet - Assets - Consolidated

IRFS - R$ thousand

Assets	30/jun/10	31/mar/10
Current Assets	**10,705,409**	**9,154,245**
Cash and Cash Equivalents	3,667,540	2,570,600
Trade Accounts Receivable from clients	2,297,743	2,123,829
Taxes Recoverable	451,189	433,062
Inventories	3,998,908	3,719,681
Advances to suppliers	70,466	72,611
Derivative Financial Instruments	27,058	38,951
Other Securities Receivables	192,505	195,511
Long-Term Receivable	**1,151,353**	**1,179,234**
Deferred Income Tax & Social Contrb'n	290,752	341,552
Deposits at Law	331,669	323,289
Accounts Receiv. Affiliated Companies	6,864	7,064
Taxes Recoverable	253,093	275,542
Derivative Financial Instruments	216,144	171,918
Others	52,831	59,869
Permanent Assets	**16,953,668**	**16,271,037**
Investments	2,075,554	2,000,466
Property, Plant and Equipment	13,124,034	12,525,978
Intangible	1,754,080	1,744,593
Total Assets	**28,810,430**	**26,604,516**

Balance Sheet - Liabilities and Shareholders' Equity - Consolidated

IFRS - R$ thousand

Liabilities and Shareholders' Equity	30/jun/10	31/mar/10
Current Liabilities	**3,182,114**	**3,347,269**
Loans, Financing and Debentures	667,404	614,472
Suppliers, Subcontractors and Freight	1,116,304	986,027
Taxes, Charges, Wages and Payroll Taxes	504,114	468,005
Related Companies	75,961	88,887
Derivative Financial Instruments	56,810	73,186
Dividends Payable	2,617	348,518
Customers Advances	320,410	359,466
Others	438,494	408,708
Long-Term Liabilities	**8,766,904**	**6,777,037**
Loans, Financing and Debentures	6,826,966	4,962,576
Actuarial Liability	1,064,781	1,017,778
Provision for Contingencies	368,820	369,672
Derivative Financial Instruments	305,402	216,460
Environmental protection provision	95,373	92,834
Others	105,562	117,717
Non-controlling shareholders	**376,938**	**368,947**
Controlling Shareholders' Equity	**16,484,474**	**16,111,263**
Capital	12,150,000	12,150,000
Reserves & Revenues from Fiscal Year	4,334,474	3,961,263
Total Liabilities and Shareholders' Equity	**28,810,430**	**26,604,516**

Income Statement - Consolidated

IFRS

R$ thousand	2Q10	2Q09	1Q10	Chg. 2Q10/2Q09
Net Revenues	**3,586,635**	**2,411,787**	**3,042,799**	49%
Domestic Market	3,149,628	2,047,367	2,508,448	54%
Export Market	437,007	364,420	534,351	20%
COGS	(2,760,288)	(2,222,253)	(2,342,919)	24%
Gross Profit	**826,347**	**189,534**	**699,880**	336%
Gross Margin	**23.0%**	**7.9%**	**23.0%**	**+ 15.1 p.p.**
Operating Income (Expenses)	**(213,444)**	**(217,480)**	**(194,264)**	-2%
Selling	(96,581)	(65,899)	(75,455)	47%
General and Administrative	(122,472)	(122,020)	(123,460)	0%
Others, Net	5,609	(29,561)	4,651	-
EBIT	**612,903**	**(27,946)**	**505,616**	-
EBIT Margin	**17.1%**	**-1.2%**	**16.6%**	**+ 18.3 p.p.**
Financial Result	**(128,861)**	**539,585**	**(119,617)**	-
Financial Income	86,706	(63,012)	74,152	-
Financial Expenses	(215,567)	602,597	(193,769)	-
Equity Income	67,551	2,933	53,588	2203%
Operating Profit (Loss)	**551,593**	**514,572**	**439,587**	7%
Income Tax / Social Contribution	(204,809)	(179,462)	(110,801)	14%
Net Income (Loss)	**346,784**	**335,110**	**328,786**	3%
Net Margin	**9.7%**	**13.9%**	**10.8%**	**- 4.2 p.p.**
Attributable				
Controlling Shareholders	**338,752**	**332,771**	**318,906**	2%
Non-controlling Shareholders	**8,032**	**2,339**	**9,880**	243%
EBITDA	**871,783**	**139,224**	**710,677**	526%
EBITDA Margin	**24.3%**	**5.8%**	**23.4%**	**+ 18.5 p.p.**
Depreciation and amortization	200,466	193,546	199,981	4%
Provisions	58,415	(26,376)	5,080	-

Income Statement - Consolidated

IFRS

R$ thousand	1H10	1H09	Chg. 1H10/1H09
Net Revenues	**6,629,434**	**5,082,063**	30%
Domestic Market	5,658,076	4,263,058	33%
Export Market	971,358	819,005	19%
COGS	(5,103,207)	(4,587,645)	11%
Gross Profit	**1,526,227**	**494,418**	209%
Gross Margin	**23.0%**	**9.7%**	**+ 13.3 p.p.**
Operating Income (Expenses)	**(407,708)**	**(474,480)**	-14%
Selling	(172,036)	(134,549)	28%
General and Administrative	(245,932)	(222,071)	11%
Others, Net	10,260	(117,860)	-
EBIT	**1,118,519**	**19,938**	5510%
EBIT Margin	**16.9%**	**0.4%**	**+ 16.5 p.p.**
Financial Result	**(248,478)**	**435,913**	-
Financial Income	160,858	50,159	221%
Financial Expenses	(409,336)	385,754	-
Equity Income	121,139	(86,860)	-
Operating Profit (Loss)	**991,180**	**368,991**	169%
Income Tax / Social Contribution	(315,610)	(188,014)	68%
Net Income (Loss)	**675,570**	**180,977**	273%
Net Margin	**10.2%**	**3.6%**	**+ 6.6 p.p.**
Attributable			
Controlling Shareholders	**657,658**	**182,448**	260%
Non-controlling Shareholders	**17,912**	**(1,471)**	-
EBITDA	**1,582,460**	**475,520**	233%
EBITDA Margin	**23.9%**	**9.4%**	**+ 14.5 p.p.**
Depreciation and amortization	400,447	411,439	-3%
Provisions	63,495	44,143	44%

Cash Flow - Consolidated

IFRS

R$ thousand	2Q10	2Q09
Operating Activities Cash Flow		
Net Income (Loss) in the Period	346,784	335,110
Financial Expenses and Monetary Var. / Net Exchge Var.	48,466	(693,867)
Interest Expenses	87,222	100,008
Depreciation and Amortization	200,466	193,545
Write-offs (Decrease in Permanent Assets and Deferred Charges)	(1,215)	(38,159)
Equity in the Results of Subsidiaries/Associated Companies	(67,551)	(2,933)
Income Tax and Social Contribution	55,916	33,209
Provisions	72,814	(9,668)
Total	**742,902**	**(82,755)**
Increase/Decrease of Assets		
Securities	639	173,962
In Accounts Receivables	(173,914)	136,294
In Inventories	(279,227)	692,000
In Recovery of Taxes	4,321	281,665
In Judicial Deposits	(10,231)	(31,406)
In Accounts Receiv. Affiliated Companies	200	(2,306)
Others	(1,028)	51,354
Total	**(459,240)**	**1,301,563**
Increase (Decrease) of Liabilities		
Suppliers, contractors and freights	130,277	108,603
Amounts Owed to Affiliated Companies	(21,482)	(10,658)
Customers Advances	(39,056)	9,402
Tax Payable	(28,727)	(14,039)
Income Tax and Social Contribution	13,990	(62,069)
Interest Paid	(71,844)	(92,965)
Actuarial Liability payments	(35,917)	(73,852)
Others	107,641	54,167
Total	**54,882**	**(81,411)**
Net Cash Generated from Operating Activities	**338,544**	**1,137,397**
Investments activities cash flow		
(Additions) Right off of investments	0	0
(Additions) to Permanent Assets	(757,384)	(523,482)
Additions to Intangible	(260)	(2,597)
Capitalized Interest	0	(77,165)
Zamprogna Acquisition	0	7,185
Dividends Received	42,129	16,925
Net Cash Employed on Investments Activities	**(715,515)**	**(579,134)**
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	1,889,279	176,090
Payment of Loans, Financ., Debent. & Taxes Payable in Installments	(61,664)	(451,642)
Interest Paid on Loans, Financing and Debentures	(8,844)	(2,741)
Swap Operations Redemptions	1,303	(44,662)
Dividends and Interest on Capital	(345,524)	(567,283)
Net Cash Generated from (Employed on) Financial Activities	**1,474,550**	**(890,238)**
Net Increase (Decrease) of Cash and Cash Equivalents	**1,097,579**	**(331,975)**
Cash and Cash Equivalents at the Beginning of the Period	1,536,702	2,209,661
Cash and Cash Equivalents at the End of The Period	2,634,281	1,877,686

RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	1,536,702	2,209,661
Marketable securities at the beginning of the period	1,033,898	1,105,634
Cash and cash equivalents at the beginning of the period	**2,570,600**	**3,315,295**
Net increase (decrease) of cash and cash equivalentes	1,097,579	(331,975)
Net increase (decrease) of marketable securities	(639)	(173,962)
Cash and cash equivalents at the end of the period	2,634,281	1,877,686
Marketable securities at the end of the period	1,033,259	931,672
Cash and cash equivalents at the end of the period	**3,667,540**	**2,809,358**

Cash Flow - Consolidated

IFRS

R$ thousand	1H10	1H09
Operating Activities Cash Flow		
Net Income (Loss) in the Period	675,570	180,977
Financial Expenses and Monetary Var. / Net Exchge Var.	115,231	(650,760)
Interest Expenses	157,163	215,520
Depreciation and Amortization	400,447	411,439
Write-offs (Decrease in Permanent Assets and Deferred Charges)	2,590	11,209
Equity in the Results of Subsidiaries/Associated Companies	(121,138)	86,860
Income Tax and Social Contribution	2,419	(28,538)
Provisions	117,931	20,526
Total	**1,350,213**	**247,233**
Increase/Decrease of Assets		
Securities	(48,408)	152,091
In Accounts Receivables	(504,600)	68,668
In Inventories	(361,705)	995,963
In Recovery of Taxes	4,287	161,398
In Judicial Deposits	(19,761)	(29,460)
In Accounts Receiv. Affiliated Companies	480	(1,898)
Others	374	60,296
Total	**(929,333)**	**1,407,058**
Increase (Decrease) of Liabilities		
Suppliers, contractors and freights	301,018	(181,688)
Amounts Owed to Affiliated Companies	(19,771)	(24,560)
Customers Advances	122,865	2,571
Tax Payable	62,196	31,546
Income Tax and Social Contribution	17,721	(442,615)
Interest Paid	(197,021)	(229,564)
Actuarial Liability payments	(72,774)	(73,852)
Others	117,138	(45,289)
Total	**331,372**	**(963,451)**
Net Cash Generated from Operating Activities	**752,252**	**690,840**
Investments activities cash flow		
(Additions) Right off of investments	(32,527)	20,482
(Additions) to Permanent Assets	(1,514,535)	(756,931)
Additions to Intangible	(2,331)	693
Capitalized Interest	0	(77,165)
Zamprogna Acquisition	0	(46,709)
Dividends Received	42,795	30,820
Net Cash Employed on Investments Activities	**(1,506,598)**	**(828,810)**
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	2,132,010	931,333
Payment of Loans, Financ., Debent. & Taxes Payable in Installments	(431,703)	(1,091,373)
Interest Paid on Loans, Financing and Debentures	(20,433)	(5,336)
Swap Operations Redemptions	(9,318)	(133,671)
Dividends and Interest on Capital	(380,125)	(609,538)
Net Cash Generated from (Employed on) Financial Activities	**1,290,431**	**(908,585)**
Net Increase (Decrease) of Cash and Cash Equivalents	**536,085**	**(1,046,555)**
Cash and Cash Equivalents at the Beginning of the Period	2,098,196	2,924,241
Cash and Cash Equivalents at the End of The Period	2,634,281	1,877,686
RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	2,098,196	2,924,241
Marketable securities at the beginning of the period	984,851	1,083,763
Cash and cash equivalents at the beginning of the period	**3,083,047**	**4,008,004**
Net increase (decrease) of cash and cash equivalentes	536,085	(1,046,555)
Net increase (decrease) of marketable securities	48,408	(152,091)
Cash and cash equivalents at the end of the period	2,634,281	1,877,686
Marketable securities at the end of the period	1,033,259	931,672
Cash and cash equivalents at the end of the period	**3,667,540**	**2,809,358**