Usiminas ends 2008 with excellent results. Net Revenue of R$ 15.7 billion is a record. Net Profit reached R$ 3.2 billion and EBITDA is of R$ 6.0 billion.

FOR IMMEDIATE DISCLOSURE - Belo Horizonte, February 19, 2009 - Usinas Siderúrgicas de Minas Gerais S/A Usiminas (BOVESPA: USIM3, USIM5, USIM6; OTC: USNZY; Latibex: XUSI; XUSIO) today releases its fourth quarter 2008 results (4Q08). Operational and financial information of the Company, except where otherwise stated, are presented based on consolidated figures, in reais, according to corporate law. All comparisons made in this release take into consideration the same period in 2007, except when stated otherwise.

"Usiminas registered a record Net Revenue in 2008 of R$ 15.7 billion and a Net Profit of R$ 3.2 billion. Cash flow on an EBITDA basis reached R$ 6.0 billion. In comparison with the previous year, these numbers have grown respectively 14%, 2% and 20%. The shrink in demand over the past quarter of the year as a result of the global economic crisis interrupted the steel sector's growth cycle and, if it weren't for these circumstances, Usiminas' economic-financial indicators and operational performance would certainly have been higher. Our initiatives are currently aimed at a more dynamic and proactive positioning in the market facing the new global reality. Therefore, we have started to remodel the Company's structure and corporate culture emphasizing the share of information the decentralization of decisions and the encouragement of internal entrepreneurship. A wide program to improve efficiency seeking cost reduction of R$ 1.2 billion started in September 2008 and will be intensified throughout 2009. Investments already underway, such as the new hot strip mill in Cubatão, the amplification of the heavy plate mill with the installation of the accelerated cooling unit and the amplification of hot dip galvanizing line in Ipatinga continue within schedule. The new slab mill's construction with a 5 million tons per year capacity is under revision, in order to be adapted to the new market reality. Within this context, besides the implementation of the project in two phases of 2.5 million tons each, the equipments' specification revision, the implementation calendar and the simplification of the layout are being considered. Within the scope of Usiminas' long-term commercial strategy, we identified room for growth in the distribution and services chain which was previously operating in a fragmented manner and, at the end of the year, we consolidated the control of Dufer and acquired Zamprogna, a leading independent steel distributor in Brazil and largest producer of welded steel pipes. The combination of our activities in the distribution segment, service and welded pipes centers will become, throughout 2009, Soluções Usiminas; a company with a wide presence in Brazil with potential sales of 1 million tons. However, the economic scenario in the short term remains depressed and signs of recovery in flat steel demand are not very consistent. The inventory reduction process throughout productive chains and the drop of industrial activities in Brazil and abroad remain pressuring the occupational level of our mills, turning vital the adequacy of our employees to reality. We have tried, whenever possible, to minimize social costs of this adequacy. The year of 2009 will certainly be a difficult one and will be marked by uncertainties brought by the world's financial crisis. Nevertheless, Usiminas is prepared not only to respond properly to its imposing demands but also to, mainly, capture all opportunities that it may bring."

Statement of Marco Antônio Castello Branco – CEO

Market Data

12/31/2008

Bovespa: USIM3 R$ 25.85 / share
USIM5 R$ 26.52 / share

EUA/OTC: USNZY US$ 12.05/ADR

Latibex: XUSI € 7.92
XUSIO € 7.42

Conference Calls

02/20/2009

Portuguese - 8:30 a.m. (NY)
English – 10:00 a.m. (NY)
Tel: USA (1 800) 860-2442
Other Countries (1 412) 858-4600
Brazil (11) 4688 6301

Webcast
http:// eng.usiminas.com.br

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Highlights

R$ million	4Q 2008	4Q 2007	3Q 2008	Chg. 4Q08/4Q07	2008	2007	Chg. 08/07
Total Sales Volume (000 t)	1,458	1,980	1,915	-26%	7,176	7,990	-10%
Net Revenues	3,729	3,479	4,451	7%	15,707	13,825	14%
Gross Profit	1,484	1,198	1,836	24%	6,008	4,888	23%
Operating Result (EBIT) (a)	1,255	1,334	1,509	-6%	4,978	4,452	12%
Financial Result	(822)	(89)	(537)	824%	(1,188)	(6)	
Net Income	837	970	880	-14%	3,224	3,172	2%
EBITDA (b)	1,508	1,217	1,838	24%	6,008	5,003	20%
EBITDA MARGIM	40.4%	35.0%	41.3%	+ 5.4 p.p.	38.3%	36.2%	+ 2.1 p.p.
EBITDA (R$/t)	1,034	615	960	68%	837	626	34%
Total Assets	27,580	20,699	25,364	33%	27,580	20,699	33%
Net Debt	3,185	(952)	1,579		3,185	(952)	0%
Stockholders' Equity	15,029	12,474	14,334	20%	15,029	12,474	20%

(a) Earnings before interest, tax and participations.

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

Economic Analysis and Outlook

Economic Scenario

The behavior of the Brazilian and global economy in 2008 went through some pronounced changes. Main economic indicators had been registering very positive results in Brazil and abroad since 2003. However, in mid September/08, the international scenario began to deteriorate after the bankruptcy announcement of important US banks which affected the financial sector's trust levels and led to profound repercussions in the global economy.

In all countries, especially in those with more developed economies such as the US, Japan and the main European countries, the crisis quickly, deeply and broadly affected almost all economy segments, mostly civil construction and auto, important steel products' consumers.

In Brazil, effects of the crisis became evident in the last three months of 2008, through reductions in industrial production, in trade performance, in raw material exports, in family consumption and even in investments, which in many segments were postponed.

Despite the crisis affecting all economy segments and reaching its peak with the weak performance of the fourth quarter, the main Brazilian economic indexes ended the year registering an increase: Gross Domestic Product and Industrial Production, according to preliminary data, should grow over 5% by the end the year, the Trade Balance should end the year at approximately US$ 25 billion and inflation, measured by the IPCA price index, at around 6%, slightly above target.

The feeling of the main economists and analysts is that the crisis will last throughout 2009 hitting the developed economies even harder. In this aspect, Brazil is considered to be better prepared to face the crisis, an opinion backed by the high exchange reserves, a solid financial system, inflation under control, thus allowing government to gradually decrease interest rates throughout the year, encouraging investments.

Domestic Demand for Flat-Rolled Steel

In line with the economy's behavior, the domestic flat-rolled steel market in 2008 went through two extreme periods. The first, which lasted until September, was characterized by heated demand in all segments, with emphasis on the automobile industry, which registered a series of records in production and sales.

Other segments linked to investments such as industrial machinery and equipment, highway equipments, large-diameter pipes, shipbuilding and civil construction, registered a significant performance in view of rising demand and also of increase in infrastructure investments, which occurred as a result of the construction work planned under the Brazilian Government Growth Acceleration Program (PAC).

From January to September 2008, the average monthly demand surpassed 1.0 million tons, which signaled an expansion close to 10% in comparison with the same period in 2007. However, a strong cooling down period occurred in the 4th quarter/08 in all segments when the average monthly demand reached 740 thousand tons, reaching a peak in demand in December of 473 thousand tons, down more than 50% in comparison with the monthly average from January to September.

Therefore, in 2008, overall demand of products reached 11,677 thousand tons, a volume close to that registered in 2007.

The most important segments are:

Auto Segment: 5% growth in demand thanks to an excellent performance throughout the first nine months of the year, reaching an all-time production record of 3.2 million vehicles and domestic sales of around 2.8 million units.

Industrial Segment: shrink of around 2%, highlighting, however the recovery of the shipbuilding segment, which registered a 52% increase in demand due to Petrobrás' ship and oil rig orders; the agricultural machinery and industrial machinery and equipment segments, which grew respectively 26% and 9%.

Negative highlights in the industry were the weak performance of the household appliances and electronic equipments segments, whose demand dropped by 10% and the large-diameter pipe segment, which fell 5% due to changes in the oil and gas pipeline construction schedule.

Segment of the Distribution Network: registered a 2% drop in demand due mainly to a shrink in the small-diameter pipe segment. In the distribution segment, volume demanded was stable in relation to 2007, despite having ended the year at an increased inventory level. Civil construction segment grew 2% reflecting a period of strong growth that occurred until September/08.

Outlook for 2009

Preliminary estimates show a shrink in demand in the 1st quarter with a heating-up period occurring in the 2nd quarter triggered by the depletion of the steel and finished products inventories in the many productive chains, which ended the year at high levels.

Thus, a more favorable market scenario is projected for the 2nd half as a result of, mainly, the effects of the measures that are being taken by the government related to the expansion of credit lines, tax cuts, increase in infrastructure investments, as well as the probable continuity of interest rate drops.

Despite this expected recovery during the year, estimates show a drop in demand in relation to 2008, where the first nine months registered a very heated market.

International Scenario

The main economic indicators of the Organization for Economic Co-operation and Development – OCDE – are moving downwards. The forecasts of the organization for the economic environment indicate the continuity of the global recession throughout the first half of 2009 and the price increases of steel will, therefore, be restricted to a movement towards market rebalance and will be followed by movements to restock inventories.

Outlook for 2009

In global terms, the understanding is that the steel industry grows in cycles. We are moving out of an unprecedented cycle of expansion that lasted five years, fueled by the Chinese growth. The trend's reversal, therefore, is not a surprise, but its intensity. It is expected that in the second half of 2009, global market demand will begin to heat up as a result of two political-economic events: the measures of the US Government to recover the North American economy and Chinese investments for the organization of the World Expo 2010 in Shanghai.

Whatever the estimated scenario for the world economy's recovery, 2009 is expected to be a challenging year for the steel industry in Brazil as well as abroad. The appreciation of the US dollar, which pressures raw material costs, in combination with the dwindling demand that fuels the price cut scenario, will hinder the maintenance and improvement of profitability levels.

Raw Materials

Iron ore

The drop in iron ore demand during the recent months was very significant. The most recent global steel production numbers confirmed a decline in demand at the end of 2008 and all signs point to its continuity in the first months of 2009.

On the other hand, the supply response is also occurring rapidly by the suppliers of raw materials with strong reductions among the key ones. China has already registered an increase in demand for ore, mainly in the spot market confirmed by data of December/08, where iron ore imports registered a sharp increase in India and a steady drop in deliveries from Australia.

Experts expect long negotiations in iron ore prices this year. The fact is that the global crisis, which led to an unprecedented drop in global demand, leads all to believe that the price will drop, however, there is no consensus on the degree of this price cut.

Coal

In the fourth quarter of 2008, the metallurgic coal market registered a price reduction in the spot market when compared with the third quarter, triggered by production cuts in the steel mills due to global crisis. The situation of the main coal loading ports has improved considerably, despite occasional bottlenecks still occurring. Negotiations for the 2009 contractual year should be postponed due to global uncertainties in the steel market and the high inventory levels of steel industries. It is estimated that in 2009, the price of metallurgic coal will drop considerably.

Metallurgic Coke

After the successive cuts of the Chinese metallurgic coke producers and the material offer at prices close to those of the third quarter of 2007 (approximately USD 350/ton), the volume of businesses has been almost nil. It is clear that this market's recovery is aligned with the recovery of steel prices. Therefore, metallurgic coke market will probably not show signs of recovery in the first quarter of 2009.

Shipping

The global slump has directly affected shipping, mainly after the second quarter of 2008. For example, Panamax ships (used for exports and to supply the Ipatinga - Minas Gerais state - and Cubatão - São Paulo state – mills), registered significant price cuts in its daily rentals, reaching amounts yet unheard of in the fourth quarter of 2008. These price fluctuations should continue in 2009, however, it is unlikely that the high values reached in the first half of 2008 will be seen again.

Ferroalloys

Ferroalloy prices also registered a drop due to global production reductions, which caused the producers to have high inventory levels, forcing the prices down, and raw materials such as zinc and nickel hit price levels that were practiced 10 years ago. The price of aluminum, manganese alloys, silicon alloys, vanadium, molybdenum dropped considerably in the 4^{th} quarter. The trend is that after the steel production's recovery, commodity prices will gradually rise during 2009, however, they will not reach the prices hit in mid-2008.

Steel Production – Global and Brazilian

Global

Global steel production in 2008 registered a drop of 1%, and totaled 1.3 billon tons. This is the first retraction registered in the decade, a direct reflex of the international financial crisis. Only Asia, driven by China, and the Middle East registered positive performances. China became the first country to produce more than 500 million tons in one year, up 3% over 2007.

The slowdown of global production was such that in December 2008, a record drop of 24%, in comparison with the same period in 2007, was registered. The reversal in market behavior in the fourth quarter caused steel prices to fall, but measures were taken by countless manufacturers to slow down steel production in order to stabilize prices.

Brazilian

After many years of production increases, the local steel market registered a 0.2% drop in 2008 compared with the previous year. According to the Brazilian Steel Institute (IBS), Brazilian crude steel production in 2008 reached 33.7 million tons. This is a result of the strong retraction felt in the months of November and December due to the effects of the global economic crisis. It is worth mentioning that in the first nine months of the year, local production registered an increase of 7% in relation to 2007.

In that which refers to rolled products' production of (flat and long), Brazilian production reached 24.7 million tons in 2008, which represented a drop of 4.5% in relation to the previous year. The local market absorbed more steel, registering 24.0 million tons, up 9.0% in 2008. The use of flat rolled products, a raw material used for the manufacture of automobiles, was of 13.9 million tons, representing an increase of 4.1% over 2007. The demand for long rolled products was even greater (16.9%), reaching 10.1 million tons, fueled by the heating up of the civil construction segment.

Usiminas – Operational and Commercial Performance

Production (Crude Steel)

Thousand tons	4Q 2008	4Q 2007	3Q 2008	Chg. 4Q08/4Q07	Chg. 4Q08/3Q08	2008	2007	Chg. 08/07
Ipatinga Mill	870	1,110	1,169	-22%	-26%	4,269	4,461	-4%
Cubatão Mill	909	1,109	887	-18%	2%	3,753	4,214	-11%
Total	1,779	2,219	2,056	-20%	-13%	8,022	8,675	-8%
Iron Ore Production	986	0	1,005	-	-2%	3,816	0	-

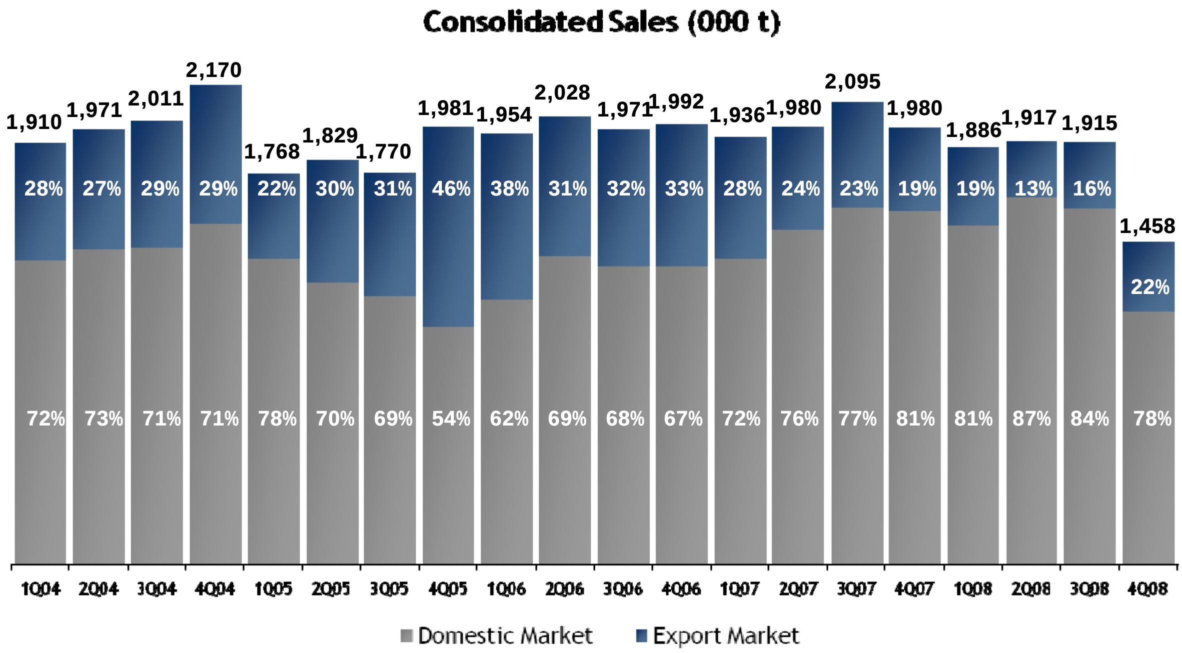
Usiminas' production of crude steel reached 8 million tons in 2008, about 8% lower than in 2007, caused mostly by the scheduled stop of the Cubatão mill's blast furnace (between February and May) and the advance to December of the scheduled stop of 2009 of two Ipatinga mill's blast furnaces.

The shrink in demand caused by the world economic crisis has led the Company to adapt its production to market conditions.

Production of crude steel in 4Q08 was reduced by 20% in comparison with the same period of the previous year and totaled 1.8 million tons, as a reflex of this phenomenon. The year's production of rolled products was also lower, reaching 7.5 million tons, down 8% in the annual comparison.

After adapting the production's pace to market needs, the Ipatinga and Cubatão mills seek alternatives to cut operating costs. Large potential gains were already identified in industrial areas, which can be made feasible in 2009.

Highlights for the year include the achievement of production records in some of the two mill's areas and recertification in two important norms, the OHSAS 18001, for security and occupational safety and the ISO 14001, for environmental management, granted by DNV – Det Norske Veritas.
In January/09, Usiminas also became the first Brazilian company certified with ISO 9001 – 2008 version.



Total Sales

Total sales in 4Q08 reached 1.46 million tons, down 26% in relation to sales in the same year-ago period. In relation to 3Q08, sales dropped 24%.

Domestic market absorbed 78% of sales registered in 4Q08 and, in 4Q07, domestic market sales accounted for 81% of total volume.

Total Usiminas' sales in 2008 hit a volume of 7.2 million tons, representing a drop of 10% in comparison with the volumes sold in 2007. Sales to domestic market accounted for 83% of the total, compared to 77% registered in the previous year.

Domestic Market

Sales in 4Q08 reached 1.1 million tons, down 29% from the volume sold in 4Q07 and also in relation to 3Q08. By the end of 2008, sales totaled 5.9 million tons, a drop of 3% in relation to the volume sold in 2007. This decline is mostly the result of a strong shrink in demand during the fourth quarter, particularly in the auto, electronic equipment, household appliances, small-diameter pipes and distribution segments.

Market Share: Usiminas maintained its leadership in the supply of flat steel, accounting for a 49% share in the domestic market in 2008 with highlights being the auto, auto parts, agricultural and highway machinery, industrial equipment, electronic products and large-diameter pipes segments, traditional Company buyers.

Usiminas Market Share by sector (%)

Sectors	2007	2008
Auto Industry	59.4	50.2
Autoparts	61.3	60.3
Shipbuilding	100.0	100.0
Road and Agriculture Machinery	92.4	90.3
Industrial Equipment	97.0	95.3
Electronic Equipment	72.7	70.2
Household Appliances	35.0	31.6
Packaging	14.2	12.6
Civil Construction	35.2	38.0
Rerolling	16.7	8.7
Small Diameter Pipes	39.1	36.7
Shapes	99.9	99.8
Distribution	43.8	41.3
Large Diameter Pipes	87.7	84.8
Others	69.8	64.6
Total	**51.5**	**49.2**

Export Market

Exports totaled 315 thousand tons in 4Q08, down 17% in relation to the same period in 2007. When compared to 3Q08, exports grew 4%.

Exports accounted for 17% of Usiminas' total sales in 2008, equal to 1.2 million tons, down 35% in relation to the previous year. This decrease is explained by the Company's strategy to guarantee supply to the domestic market and by the retraction of exports in the fourth quarter, which were mostly aimed at Argentina, with 17%. USA accounted for 13%; Spain, 12%; and Mexico, 10%.

Exports – Main Markets – 2008

Countries	Tonnage (thsd ton.)	%
Argentina	212	17%
USA	157	13%
Spain	144	12%
Mexico	123	10%
Germany	116	9%
Chile	89	7%
South Korea	79	6%
Taiwan	62	5%
Thailand	45	4%
Vietnam	30	2%
Others	170	14%
Total	**1,227**	**100%**

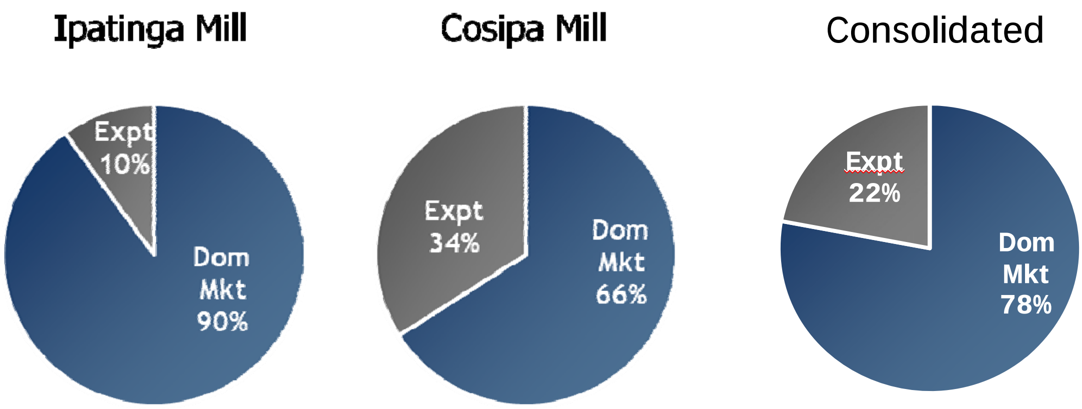
Iron Ore Sales

Iron ore sales in 4Q08 were 1.1 million tons, down 11% in comparison with the volumes of 3Q08. In 2008, sales totaled 4.0 million tons.

Sales Volume

Thousand tons	4Q 2008		4Q 2007		3Q 2008		Chg. 4Q08/4Q07	2008		2007		Chg. 08/07
Ipatinga Mill												
Domestic Market	692	90%	955	89%	966	90%	-28%	3,599	89%	3,538	84%	2%
Export Market	80	10%	116	11%	103	10%	-31%	448	11%	662	16%	-32%
Total	772	100%	1,071	100%	1,069	100%	-28%	4,047	100%	4,200	100%	-4%
Cubatão Mill												
Domestic Market	451	66%	647	71%	646	76%	-30%	2,350	75%	2,575	68%	-9%
Export Market	235	34%	262	29%	200	24%	-10%	779	25%	1,215	32%	-36%
Total	686	100%	909	100%	846	100%	-25%	3,129	100%	3,790	100%	-17%
Consolidated												
Domestic Market	1,143	78%	1,602	81%	1,612	84%	-29%	5,949	83%	6,113	77%	-3%
Export Market	315	22%	378	19%	303	16%	-16%	1,227	17%	1,877	23%	-35%
Total	1,458	100%	1,980	100%	1,915	100%	-26%	7,176	100%	7,990	100%	-10%
Iron Ore	1,060		0		1,185		-	3,992		0		-

Sales Volume Mix - 4Q08

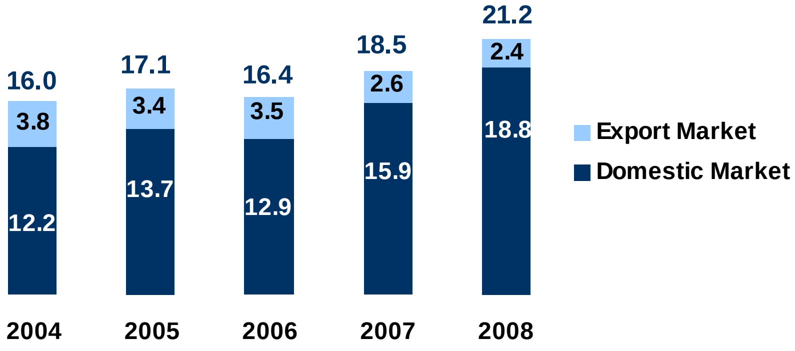


Economic - Financial Performance

Gross Revenues

Usiminas' consolidated gross revenues was an all-time record and totaled R$ 21.2 billion in 2008, up 14.4% in comparison with the previous year. Domestic market grew 18% and also gained more relevance in the gross revenue breakdown, accounting for 89% of total revenue. Exports shrank 8% due to the steering of sales to the domestic market and to the average 6% depreciation of the US dollar in the annual comparison.

Consolidated Gross Revenue
(R$ billion)



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Net Revenues

Net revenues in 4Q08 totaled R$ 3.7 billion, up 7% in relation to that reached in 4Q07, however, down 16% in comparison with 3Q08. This was due to a drop in total volume sold (- 457 thousand tons), which was offset by the better prices in the period, and by the positive exchange variation effects on sales aimed for export.

Net revenues from rolled/processed products per ton related to sales of the Ipatinga and Cubatão mills in 4Q08 rose 13% in comparison with 3Q08 and totaled R$ 2,416.

Analysis of annual results:

Net revenues reached R$ 15.7 billion in 2008, registering a growth of 14% in relation to 2007 arising mostly from better prices and product mix, considering the lower volume sold (- 815 thousand tons). Hot rolled and hot dip galvanized products and sale of slabs were what most contributed to revenue's growth. Net revenue per ton from rolled/processed products related to the Ipatinga and Cubatão mills' sales in 2008 rose 24% in comparison with 2007 and totaled R$ 1,991.

Net Revenues - R$/ton.

	4Q08	3Q08	4Q07	2008	2007
Total DOM + EXP	2,416	2,138	1,639	1,991	1,610

Cost of Goods Sold (COGS)

The cost of goods sold (COGS) in 4Q08 was of R$ 2.2 billion, down 2% in relation to 4Q07. When compared to 3Q08, COGS dropped 14%. The decline in relation to 3Q08 was mainly due to a lower production volume in the period, which offset the cost increase of raw materials and the consumption of slabs and other products acquired.

The fixed unabsorbed costs incurred during the Cubatão and Ipatinga mills' equipment stoppage, amounting to R$ 10 million, were booked as operating expenses.

Total per-ton COGS (relative to Ipatinga and Cubatão mills) in 4Q08 was of R$ 1,645 against R$ 1,148 registered in 4Q07.

Analysis of annual results:

Costs of goods sold (COGS) rose 9% and totaled R$ 9.7 billion. The added value is due mainly to the raw material's price adjustments. Expenses with manual labor, third party services for remodeling and acquisition of slabs, heavy plates and galvanized products from third parties, used in the production process or for resale, were also added to these costs.

The fixed unabsorbed costs incurred during the Cubatão and Ipatinga mills' equipment stoppage, amounting to R$ 54 million, were booked as operating expenses.

Gross Profit

Gross profit increased 24% in the quarter in comparison with 4Q07, reaching R$ 1.5 billion with a gross margin of 40%. In the comparison with 3Q08, gross profit dropped 19%.

Analysis of annual results:

Gross profit registered an increase of 23% over 2007 and reached R$ 6.0 billion. Its ratio to net revenue corresponded to a gross margin of 38%, up three percentage points over 2007

The Company's gross margin evolved as follows:

Gross Margin

4Q08	3Q08	4Q07	2008	2007
39.8%	41.3%	34.4%	38.3%	35.4%

Expenses and Operating Revenue

Operating expenses in 4Q08 were of R$ 229 million, against an operating revenue of R$ 135 million in 4Q07, highlighting that in 4Q07 a revenue for a nonrecurring event was booked regarding the reversal of tax contingencies amounting to R$ 244 million. In comparison with 3Q08, this variation was 30% lower, a result of:

- sales expenses: increase of R$ 38 million due to greater expenses for exports and outsourced services in the mines;
- administrative expenses: increase of R$ 11 million due to greater expenses with outsourced services;
- other expenses/revenues: a 77% drop in relation to expenses in 3Q08 due to gains obtained from sale of the share in Unigal for R$ 113 million, combined with the fact that in 4Q08 expenses with FEMCO's actuarial debt were lower by R$ 43 million and also there were legal contingencies of R$ 46 million. The gains mentioned above were offset by the effects of goodwill amortization in subsidiaries totaling R$ 22 million.

Analysis of annual results:

Operating expenses totaled R$ 1.0 billion, up 136% over 2007. This increase stems from:

- sales expenses: increase of R$ 14 million due to greater outsourced services.
- administrative expenses: an increase of R$ 38 million due to greater outsourced services expenses;
- other expenses/revenues: the difference between the expenses registered in 2008 and revenues registered in 2007, results from "credits" due to the tax contingencies reversal of R$ 221 million accounted for in 2007, against a "debt" of tax and labor contingencies of R$ 101 million accounted for in 2008, in addition to unabsorbed costs related to the stoppages of the blast furnaces in 2008, totaling R$ 54 million and to the amortization of intangibles' reclassification (goodwill of assets in subsidiaries) to this account, transferred from the account of participation in subsidiaries amounting to R$ 100 million.

Earnings Before Interest and Tax (EBIT)

Earnings before interest and tax in 4Q08 was of R$ 1.3 billion, down 6% in comparison with 4Q07 and 17% in comparison with 3Q08.

Analysis of annual results:

Earnings before interest and tax (EBIT) accumulated R$ 5.0 billion in 2008, up 12% in relation to 2007, resulting in an EBIT margin of 32%, the same as that in 2007.

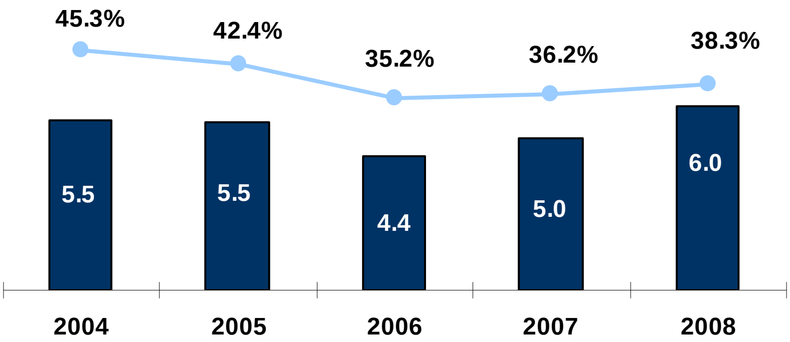
EBITDA

EBITDA (earnings before interest, taxes, depreciation and amortization) in 4Q08 hit R$ 1.5 billion, an expressive growth of 24% in comparison with 4Q07. However, EBITDA registered an 18% drop in comparison with 3Q08. The EBITDA margin was of 40.4% in the quarter, 500 b.p above the 4Q07margin and 100 b.p below that of 3Q08.

Analysis of annual results:

EBITDA totaled R$ 6.0 billion, up 20% over the EBITDA of 2007 and the EBITDA margin was of 38.3%, 200 b.p above that reached in 2007.

Consolidated EBITDA (R$ million) and Margin (%)



Financial Result

Net financial expenses in 4Q08 were of R$ 822 million, substantially higher than the expenses of R$ 89 million in 4Q07 due primarily to exchange effects. An increase of 53% was registered in comparison with 3Q08 due to the following factors:

- 22% depreciation of the Brazilian real in relation to the US Dollar in the quarter.
- increase of expenses related to financing interest rates of R$ 51 million due to an increase in indebtedness.
- swap contracts, at market value, registered in 4Q08, which generated an expense of R$ 94 million.

Analysis of annual results:

Net financial result for 2008 was an expense of R$ 1.2 billion, against an expense of R$ 6.2 million in 2007 due to the increase in debt and net exchange effects of R$ 899 million. The depreciation of the Brazilian real in relation to the US dollar in 2008 was of 32% while in 2007, the Brazilian real appreciated 17%, which enabled the register of a net exchange revenue of R$ 166 million in 2007.

In addition, financing interest expenses increased R$ 139 million in 2008 due to an increase in indebtedness and, in compliance with the law, swap contracts were booked at market value which generated an expense of R$ 94 million.

Equity Income

Equity income amounted of R$ 370 million in 4Q08, compared to an equity income of only R$ 7 million in 4Q07. An increase of 42% was observed in the comparison with the previous quarter, due to the reclassification of intangible goodwill expenses to other operating expenses.

In compliance with Law 11,638/07, the positive exchange variation at Ternium of R$ 358 million apprised in 4Q08 was accounted for directly in Net Equity, not affecting the result of the period.

Analysis of annual results:

Equity in earnings of subsidiaries totaled R$ 458 million, higher than the R$ 9 million in 2007, when a loss of R$ 268 million related to the exchange variation of investments abroad (Ternium's contribution of R$ 252 million) had been absorbed.

In compliance with Law 11,638/07, Ternium's positive exchange variation of R$ 480 million in 2008 was accounted for directly in Net Equity, not affecting earnings in the period.

Income Tax and Social Contribution

The value of income tax and social contribution was affected by the deductibility applied on interest on equity and also by the changes in the taxation regime regarding exchange variation.

The income tax and social contribution remained stable at R$ 1.0 billion in 2008.

Net Profit

Consolidated net profit in 4Q08 reached R$ 837 million, down 14% from 4Q07 and around 5% lower (R$ 43 million) than the profit reached in 3Q08.

The main variations in relation to the previous quarter resulted from a decrease in net revenue in the quarter, from the lower volume sold and from the increase of financial expenses. These expenses were offset partially by costs reduction and unabsorbed fixed costs resulting from the equipment stoppage, besides other gains related to tax contingencies, the impact of income tax and social contribution and the income tax/social contribution on interest on equity besides a gain in the sale of the share in Unigal.

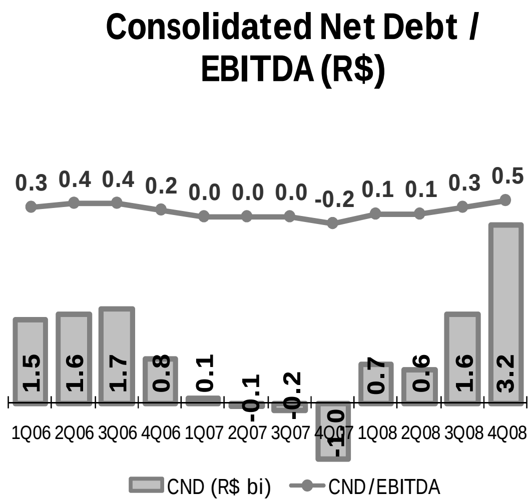
Analysis of annual results:

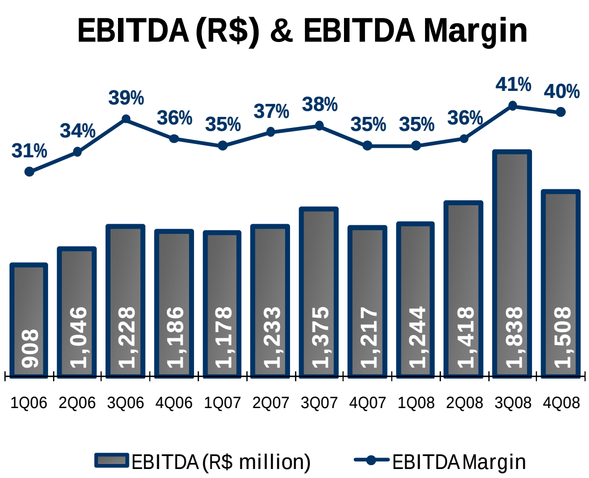
Consolidated net profit amounted of R$ 3.2 billion, close to the amount registered in the previous year, with a net margin of 21% in comparison with the 23% of 2007.
Net profit in the year derived from an increase in net revenues and gains in share of subsidiaries and others, offsetting the increase in costs and financial expenses.

Indebtedness

Total consolidated debt reached R$ 7.2 billion on 12/31/2008 (US$ 3.1 billion) against R$ 5.7 billion on 9/30/2008 (US$ 2.9 billion) and R$ 3.0 billion on 12/31/2007 (US$ 1.7 billion). Net debt corresponded to R$ 3.2 billion at the end of the year.

Debt was comprised of 36% for loans/financing in local currency and 64% in foreign currency and, of the total, 16% is due in the short term and 84% in the long term.





12/31/08	R$ billion
Cash	4.0
Total Debt / EBITDA	1.2 x
Net Debt / EBITDA	0.5 x

Investments on Fixed Assets

Investments on fixed assets totaled R$ 353 million in 4Q08, down 55% over 3Q08. In 2008, investments totaled R$ 2.1 billion, against R$ 901 million in the same period of 2007, up 133%. The expenses were focused on maintenance, technological upgrading of equipment and environmental protection. In 2008, Usiminas invested another R$ 1.6 billion to acquire the mining company Mineração J. Mendes.

Usiminas' Development Plan

Usiminas will adjust its investment plan in order to adapt the implementation speed to the demand conditions of local, as well as international markets, by continuously evaluating the execution terms based on the indicators and trends of the steel market.

The Company has already assured funds for the execution of most of its projects under development, which will be prioritized in the disbursements for 2009, as follows:

IPATINGA Mill:

New Coke Plant (no. 3): 750,000 ton/year of coke starting in the 1st quarter of 2010 aimed at reaching self-sufficiency in the coke production.
Project contracted with Minmetals/Acre (China). End of the equipment's manufacture programmed for the 2nd quarter of 2009. Civil constructions and assembly in progress. Beginning of operation scheduled for the 1st quarter of 2010.

New Central Thermoelectric Power Plant: provide a power generation of 60 MW at the mill as of December 2008, utilizing off gases and replacing the steam generation system.
Project in its final test phase. Beginning of operation scheduled for the 1st quarter of 2009.

UNIGAL - IPATINGA:

New HDG Line: 550,000 ton/year new capacity of hot dip galvanized products as of the first quarter of 2011. Equipments have already been contracted from Nippon Steel and are in a detailed project stage. The construction work for the removal of interferences has started.

CUBATÃO Mill:

Hot Strip Mill no. 2: new capacity of 2.3 million ton/year of hot-rolled products staring in the 2nd quarter of 2011 in the 1st phase, 3.8 million ton/year in the 2nd phase and 4.8 million ton/year in the 3rd phase.
Contract for the supply of the Laminator signed in March/08 with Mitsubishi and in the basic project and detailing stage. Earthwork and piling under development.

Capital Markets

NÍVEL 1 BOVESPA BRASIL | ADR Level I | Latibex | Dow Jones Sustainability Indexes Member 2008/09 | The Global Compact WE SUPPORT | IBRI 10 ANOS

Usiminas' shares are traded at the São Paulo Stock Exchange (Bovespa) under tickers USIM3, USIM5 and USIM6; New York (NYSE - OTC), as ADR level 1, under ticker USNZY; and Madrid (Latibex) under tickers XUSI and XUSIO.

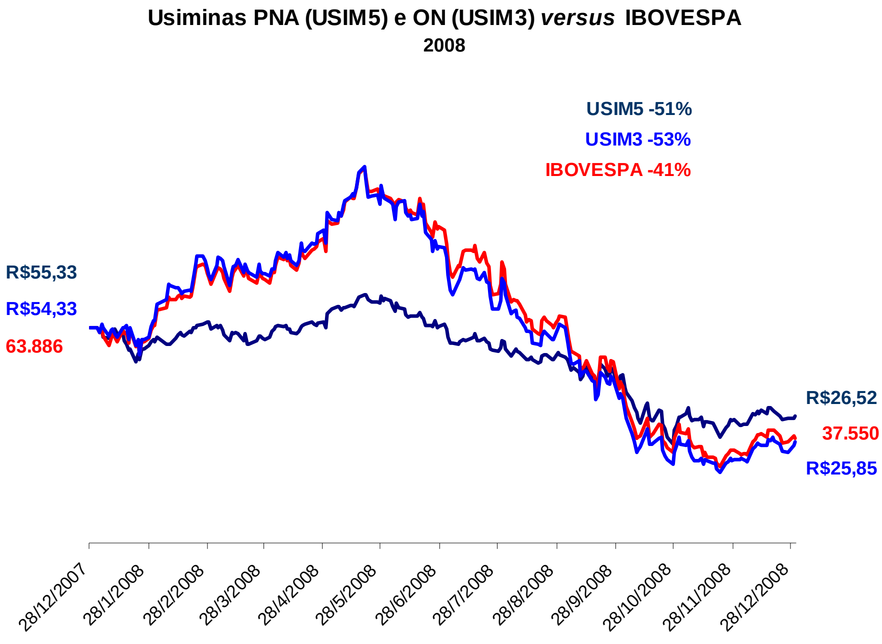
They are included in some of the main market indexes. In Brazil, highlights are the Stock Index with Differentiated Corporate Governance (IGC), the Brasil Índex (IBrX), the Brasil 50 Index (IBrX-50), the Industrial Sector Index (INDX) and the Mid-Large Cap Index (MLCX).

The preferred class "A" shares (USIM5) participate in the Bovespa Index (Ibovespa), the most important index of average performance of the Brazilian stock market. Usiminas was amongst the 10 most influential companies in the theoretical portfolio of 2008. In the US, it participates in the Dow Jones Sustainability World Index (which groups together solid, ethical and sustainable companies who trade their shares in NYSE).

Bovespa Performance – Bovespa Index

Usiminas' common shares (USIM3) ended the year quoted at R$ 25.85 per share and, USIM5, at R$ 26.52 per share, with depreciations of respectively 53% and 51% in relation to 2007. In the same period, Ibovespa fell 41%. The average daily trading volume was of R$ 150 million, which represented an increase of 19% in relation to the previous year. At the end of 2008, Usiminas' market value was of R$ 13.4 billion.

The number of Usiminas' shareholders in the São Paulo Stock Exchange increased significantly in 2008, totaling 61,434. In percentage terms, total shareholders grew 56.1% over that registered on 12/31/2007.



Market Capitalization

Date	R$	US$
12/31/2007	27.5	15.5
12/31/2008	13.4	5.8

Foreign Exchanges

NYSE – New York

On 12/31/2008, Usiminas' preferred Type A shares, traded in the United States as ADR Level 1 "USNZY" in the OTC market were quoted at US$ 12.05.

Latibex – Madrid

In 2008, the XUSI shares (preferred) were amongst the most traded shares (in volume) in Latibex and ended the year quoted at € 7.92. The XUSIO shares (common) ended the year quoted at € 7.42.

Material Fact

Acquisition of Zamprogna

On 12/10/08, Usiminas, in compliance with CVM Instruction no. 358/02, announces that it celebrated a Memorandum of Understanding with NSG Capital de Administração de Recursos S/A, which establishes the basis to acquire full control of ZAMPROGNA. The acquisition price of 100% of the Company's shares, estimated based on the financial statements of 9/30/2008, is of R$ 160 million, which is to be adjusted by the change in the working capital and the consolidated net debt until the closing balance. The celebration of the definitive contracts will occur by 2/28/2009. On 09/30/2008, the working capital was of approximately R$ 245 million and the consolidated net debt, R$ 405 million.

Subsequent Events after the closing of the Quarter

Sale of Vale Shares

On 01/29/09, Usiminas announced that it was again noticed by Vale – Companhia Vale do Rio Doce ("Vale") about this shareholder's intention to sell its stake in Usiminas' social capital, as it was similarly informed on a market announcement (Usiminas) on 5/26/2008. Vale, owner of 5.89% of Usiminas' common shares, informed that it intends to sell these shares to shareholders Nippon Steel Corporation and Nippon Usiminas Co.Ltd., which are members of the controlling group, granting the other members of that group the exercise of their preemptive rights, according to terms and conditions informed in the respective Shareholders' Agreement. The letter of the mining company also informed that the operation conclusion is subject to the rightful approval by the parties involved. On the same date, Nippon Steel Corporation and Nippon Usiminas Co. Ltd. confirmed that they intend to acquire the common shares issued by Usiminas held by Vale and, additionally, clarified that the transaction is still subject to the final approval by Vale's Board of Directors.

Interest on Capital and Complementary Dividends

Usiminas' Board of Directors at a meeting held on February 18, 2009, according to the Bylaws and the law in effect, approved a proposal yet to be submitted to the General Shareholders Meeting, to distribute to shareholders holding shares on March 05, 2009, on account of the net profit of 2008 fiscal year, the amount of R$ 233,843,858.77 (two hundred and thirty three million, eight hundred and forty three thousand, eight hundred fifty eight reais and seventy seven cents) as complementary dividends. Each common share will be entitled to R$ 0.45159 and each preferred share to R$ 0.49675.

The shares will be negotiated "ex-dividend" as of March 06, 2009.

The payment date will be as from April 2, 2009.

Another deliberation was the payment, as from April 2, of complementary interest on capital, the amount of R$ 375,002,000.00 (three hundred and seventy five million and two thousand reais), decided at a Board meeting held on November 12, 2008, to holders of shares on December 29, 2008. Each common share will be entitled to R$ 0.72419 and each preferred share R$ 0.79661. A withholding tax of 15% will be deducted from the amount related to interest on capital, in compliance with the legal exceptions. The amount to be paid on 04/02/09 is R$ 608.8 million.

The total amount of dividends / interest on capital related to 2008 net profit totaled R$ 1.137 billion corresponding to a 35% pay-out ratio.

Highlights of 2008

- Acquisition in February/08 of mining assets from Mineração J. Mendes.
- Renewal (from January/2010 to December/2014) of the Power Supply Contract with Cemig – Companhia Energética de Minas Gerais.
- Acquisition of a property of 850 thousand square meters in Baia de Sepetiba on June/08 – a port area in the Rio de Janeiro state – for the construction of a terminal to export its products, among which is iron ore.
- For the second consecutive year, Usiminas was the only steel mill in the Americas to be included in the Dow Jones Sustainability World Index according to an announcement made in September/08 by Swiss institute Sustainable Asset Management (SAM), specialized in sustainable investments and in charge of the index's methodology.
- Partnership established for the supply of capital goods by Usiminas Mecânica to Nuclebrás Equipamentos Pesados S/A - (Nuclep).
- Announcement of the new Company's executive structure in October/08with the purpose of creating a more agile and dynamic organization.
- Usiminas expanded its participation in the distribution and services chain through the control consolidation of the steel distributor Dufer (October/08) and with the acquisition of Zamprogna December/08 – a leading Brazilian independent steel distributor and largest manufacturer of welded steel small diameter pipes.
- Usiminas is one of the 20 model companies elected by the Sustainability Examination guide.
- Usiminas was elected as one of the most valuable brands in Latin America, according to a ranking drawn up by Interbrand. Usiminas is included within the ten most valuable brands amongst Brazilian companies.

Further information

Usiminas Mecânica S.A

Net revenues in 4Q08 reached the mark of R$ 285 million, up 18% above net revenues appraised in 4Q07, accumulating R$ 1.2 billion in 2008, 51% above revenues registered in 2007. The EBITDA for the quarter was of R$ 33 million, down 4% from the EBITDA reached in 4Q07. In 2008, EBITDA totaled R$ 170 million, 45% higher than 2007 EBITDA. The EBITDA margin in 2008 was of 14%, one percentage point under the margin of 2007.

Net profit amounted to R$ 24 million in 4Q08, totaling R$ 116 million in 2008, up 11% and 54%, respectively in relation to the same periods of the previous year.

UMSA, the Capital Goods and Services Company, has in its portfolio many long-term projects, mainly:

- Supply of furnaces, oil rigs and towers to Petrobrás.
- Supply of structures and assembly of equipments for the nickel mine of Mineração Onça Puma Ltda.
- Supply and assembly of processes' equipments and structures for the new plant of Alumínio de Maranhão – Alumar.
- Supply and assembly of the Ponte da Passagem in Vitória, Espirito Santo state.
- Blanks for wind towers, agricultural and highway implements.
- Supply of structures for the nickel mine of Anglo América Ltda.
- Supply of structures for the Companhia Siderúrgica do Atlântico – CSA steelmaking process building.

Usiminas holds 99.99% of shares in the capital of Usiminas Mecânica S.A.

Unigal

In 4Q08, 102.2 thousand tons of products were processed, down 11% in comparison with the production dispatched in 4Q07. However, at the 2008 closing, volume rose over 6% and 466.4 thousand tons were processed against 441 thousand tons in 2007.

Net revenues (by processing services) in 4Q08 were of R$ 59.0 million and, in 2008, hit R$ 247.3 million, respectively 20% and 21% higher than those registered the same periods of the previous year.

EBITDA in the quarter reached R$ 50 million and totaled R$ 217.9 million in 2008 (up 20% and 21% in relation to the same periods in 2007).

Net profit in the quarter was of R$ 37.7 million and totaled R$ 122.9 million in 2008, up 108% and 81% in relation to the profit of the same periods in 2007.

Unigal, a joint-venture between Usiminas and Nippon Steel, processes cold-rolled coils through hot dip galvanizing.

In December/08, Nippon Steel increased its stake in the equity of Unigal, holding now 30% of total equity. Usiminas reduced its share to 70%.

Ternium

Ternium will release its results only on 2/24/2009.

Usiminas has a 14.25% share in Ternium's total capital, a partnership with the Techint Group.

MRS Logística

MRS has not released its 4Q08 results by this date.

Usiminas, VALE, MBR, GERDAU and CSN participate, as a result of the Shareholders' Agreement, in the Shareholder's Group that controls MRS. Usiminas holds 11.13% of MRS' total equity.

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Visit our Investor Relations page: http://eng.usiminas.com.br

Conference Call: February 20, 2009

Local, at 8:30 a.m. (New York time).
Dial-in numbers:
Brazil: (11) 4688-6301
Abroad: +55 (11) 4688-6301

International, at 10:00 a.m. (New York time).
Dial-in numbers:
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Brazil: (11) 4688-6301
Other countries: (1 412) 858-4600

Access codes: **605** (local) **/** **847** (international)

» Audio of the conference call will be transmitted live via Internet, together with a slide presentation on our website:

http://eng.usiminas.com.br

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.

USIMINAS

Income Statement - Parent Company

Brazilian GAAP

R$ thousand	4Q 2008	4Q 2008	3Q 2008	Chg. 4Q08/4Q07
Net Revenues	**2,035,682**	**1,898,688**	**2,408,740**	**7%**
Domestic Market	1,781,013	1,742,300	2,247,238	2%
Export Market	254,669	156,388	161,502	63%
COGS	(1,322,102)	(1,262,306)	(1,539,253)	5%
Gross Profit	**713,580**	**636,382**	**869,487**	**12%**
Gross Margin	**35%**	**34%**	**36%**	**+ 1 p.p.**
Operating Income (Expenses)	**(100,792)**	**121,837**	**(209,050)**	**0%**
Selling	(55,133)	(29,066)	(27,895)	90%
General and Administrative	(64,394)	(50,659)	(54,655)	27%
Others, Net	18,735	201,562	(126,500)	-91%
EBIT	**612,788**	**758,219**	**660,437**	**-19%**
EBIT Margin	**30%**	**40%**	**27%**	**- 10 p.p.**
Financial Result	(524,685)	(83,144)	(361,522)	**531%**
Financial Income	372,070	58,369	139,625	537%
Financial Expenses	(896,755)	(141,513)	(501,147)	534%
Equity Income	629,967	390,992	725,906	61%
Operating Result	**718,070**	**1,066,067**	**1,024,821**	**-33%**
Non-Operating Income	-	2,570	-	-100%
Profit Before Taxes	**718,070**	**1,068,637**	**1,024,821**	**-33%**
Income Tax / Social Contribution	134,310	(92,630)	(137,645)	0%
Net Income	**852,380**	**976,007**	**887,176**	**-13%**
Net Margin	**42%**	**51%**	**37%**	**- 9 p.p.**
Net Income per thousand shares	**1.72687**	**2.96599**	**1.79736**	**-42%**
EBITDA	**654,337**	**638,705**	**853,837**	**2%**
EBITDA Margin	**32.1%**	**33.6%**	**35.4%**	**- 1.5 p.p.**
Depreciation and amortization	154,972	70,149	121,798	121%
Provisions	(113,422)	(189,663)	71,602	-40%

USIMINAS

Income Statement - Parent Company

Brazilian GAAP

R$ thousand	2008	2007	Chg. 08/07
Net Revenues	**8,535,288**	**7,403,018**	15%
Domestic Market	7,752,689	6,515,580	19%
Export Market	782,599	887,438	-12%
COGS	(5,585,748)	(4,765,777)	17%
Gross Profit	**2,949,540**	**2,637,241**	12%
Gross Margin	**35%**	**36%**	**- 1 p.p.**
Operating Income (Expenses)	**(468,610)**	**(171,049)**	174%
Selling	(136,754)	(107,388)	27%
General and Administrative	(204,769)	(167,305)	22%
Others, Net	(127,087)	103,644	0%
EBIT	**2,480,930**	**2,466,192**	1%
EBIT Margin	**29%**	**33%**	**- 4 p.p.**
Financial Result	**(822,364)**	**(4,661)**	17544%
Financial Income	623,085	179,035	248%
Financial Expenses	(1,445,449)	(183,696)	687%
Equity Income	1,905,543	1,303,313	46%
Operating Result	3,564,109	3,764,844	-5%
Non-Operating Income	-	7,762	-100%
Profit Before Taxes	**3,564,109**	**3,772,606**	-6%
Income Tax / Social Contribution	(315,328)	(585,189)	-46%
Net Income	**3,248,781**	**3,187,417**	2%
Net Margin	**38%**	**43%**	**- 5 p.p.**
Net Income per thousand shares	**6.58181**	**9.68624**	**-32%**
EBITDA	**2,864,708**	**2,662,761**	8%
EBITDA Margin	**33.6%**	**36.0%**	**- 2.4 p.p.**
Depreciation and amortization	419,053	278,883	50%
Provisions	(35,275)	(82,314)	-57%

Income Statement - Consolidated

Brazilian GAAP

R$ thousand	4Q 2008	4Q 2007	3Q 2008	Chg. 4Q08/4Q07
Net Revenues	**3,728,555**	**3,479,188**	**4,451,488**	7%
Domestic Market	2,935,817	3,011,847	3,920,577	-3%
Export Market	792,738	467,341	530,911	70%
COGS	(2,244,541)	(2,280,763)	(2,615,148)	-2%
Gross Profit	**1,484,014**	**1,198,425**	**1,836,340**	24%
Gross Margin	**40%**	**34%**	**41%**	**+ 6 p.p.**
Operating Income (Expenses)	**(229,190)**	**135,368**	**(327,715)**	0%
Selling	(81,517)	(64,852)	(44,354)	26%
General and Administrative	(103,459)	(94,055)	(91,854)	10%
Others, Net	(44,214)	294,275	(191,507)	0%
EBIT	**1,254,824**	**1,333,793**	**1,508,625**	**-6%**
EBIT Margin	**34%**	**38%**	**34%**	**- 4 p.p.**
Financial Result	(822,123)	(89,003)	(536,754)	824%
Financial Income	527,884	92,256	230,126	472%
Financial Expenses	(1,350,007)	(181,259)	(766,880)	645%
Equity Income	369,631	6,618	259,517	5485%
Operating Result	**802,332**	**1,251,408**	**1,231,388**	-36%
Non-Operating Income	-	(591)	-	-100%
Profit Before Taxes	**802,332**	**1,250,817**	**1,231,388**	-36%
Income Tax / Social Contribution	34,121	(277,263)	(348,771)	0%
Income before Minority Interests	**836,453**	**973,554**	**882,617**	-14%
Minority Interests	527	(3,688)	(2,166)	0%
Net Income	**836,980**	**969,866**	**880,451**	-14%
Net Margin	**22%**	**28%**	**20%**	**- 6 p.p.**
Net Income per thousand shares	**1.69567**	**2.94733**	**1.78374**	-42%
EBITDA	**1,507,752**	**1,216,724**	**1,838,361**	24%
EBITDA Margin	**40.4%**	**35.0%**	**41.3%**	**+ 5.4 p.p.**
Depreciation and amortization	272,151	178,997	236,247	52%
Provisions	(19,223)	(180,088)	93,489	-89%

Income Statement - Consolidated

Brazilian GAAP

R$ thousand	2008	2007	Chg. 08/07
Net Revenues	**15,706,529**	**13,824,843**	**14%**
Domestic Market	13,512,394	11,455,256	18%
Export Market	2,194,135	2,369,587	-7%
COGS	(9,698,386)	(8,936,494)	9%
Gross Profit	**6,008,143**	**4,888,349**	**23%**
Gross Margin	**38%**	**35%**	**+ 3 p.p.**
Operating Income (Expenses)	**(1,030,109)**	**(436,773)**	**136%**
Selling	(254,011)	(240,115)	6%
General and Administrative	(357,043)	(319,191)	12%
Others, Net	(419,055)	122,533	0%
EBIT	**4,978,034**	**4,451,576**	**12%**
EBIT Margin	**32%**	**32%**	**0 p.p.**
Financial Result	(1,187,901)	(6,230)	18967%
Equity Income	457,882	9,189	4883%
Operating Result	**4,248,015**	**4,454,535**	**-5%**
Non-Operating Income	-	7,152	-100%
Profit Before Taxes	**4,248,015**	**4,461,687**	**-5%**
Income Tax / Social Contribution	(1,008,222)	(1,266,611)	-20%
Income before Minority Interests	**3,239,793**	**3,195,076**	**1%**
Minority Interests	(15,360)	(23,181)	-34%
Net Income	**3,224,433**	**3,171,895**	**2%**
Net Margin	**21%**	**23%**	**- 2 p.p.**
Net Income per thousand shares	**6.53249**	**9.63907**	**-32%**
EBITDA	**6,008,428**	**5,002,850**	**20%**
EBITDA Margin	**38.3%**	**36.2%**	**+ 2.1 p.p.**
Depreciation and amortization	873,067	711,643	23%
Provisions	157,327	(160,369)	0%

Cash Flow

Brazilian GAAP

R$ (thousand)	Parent Company 4Q 2008	Parent Company 4Q 2007	Consolitaded 4Q 2008	Consolitaded 4Q 2007
Operating activities cash flow				
Net Income (Loss) in the Period	852,380	976,007	836,980	969,866
Financial Expenses and Monetary Var. / Net Exchge Var.	459,999	93,157	707,720	386,230
Interest Expenses	178,907	0	339,599	0
Depreciation and Amortization	154,972	70,149	272,151	178,997
Write-offs (Decrease in Permanent Assets and Deferred Charges)	71,996	1,020	188,633	656
Equity in the Results of Subsidiaries/Associated Companies	(629,967)	(390,992)	(369,631)	(6,618)
Income Tax and Social Contribution	(7,822)	20,753	(147,894)	16,805
Provisions	248,085	(204,310)	298,358	(327,505)
Adjustment for Minority Participation	0	0	(527)	3,688
Total	**1,328,550**	**565,784**	**2,125,389**	**1,222,119**
Increase/Decrease of Assets				
Securities	0	0	0	0
In Accounts Receivables	259,640	(1,712)	734,262	9,845
In Inventories	(508,380)	(984)	(1,257,528)	(64,056)
In Recovery of Taxes	(311,046)	(4,724)	(372,367)	(8,326)
In Judicial Deposits	(14,256)	42,100	(7,018)	(113,450)
In Accounts Receiv. Affiliated Companies	(58,296)	2,371	(5,176)	0
Others	(211,436)	(24,920)	(429,694)	(118,010)
Total	**(843,774)**	**12,131**	**(1,337,521)**	**(293,997)**
Increase (Decrease) of Liabilities				
Suppliers, contractors and freights	(213,696)	(54,852)	(254,145)	107,675
Amounts Owed to Affiliated Companies	64,734	(42,055)	(139,753)	19,664
Customers Advances	(4,388)	768	(145,238)	116,294
Tax Payable	(38,922)	10,559	(133,654)	(13,626)
Income Tax and Social Contribution	(38,955)	(20,146)	48,273	87,059
Interest paid	(82,972)	0	(232,037)	0
Others	(332,271)	4,809	(234,700)	(109,994)
Total	**(646,470)**	**(100,917)**	**(1,091,254)**	**207,072**
Net cash generated from operating activities	**(161,694)**	**476,998**	**(303,386)**	**1,135,194**
Investments activities cash flow				
(Additions) Right off of investments	105,028	0	107,595	0
(Additions) to Permanent Assets, including Deferred Charges	(185,300)	(25,593)	(446,771)	(292,973)
Additions to intangible	(97,207)	0	(160,385)	0
Dividends received	289,318	94,060	(27,348)	(25,057)
Net cash employed on investments activities	**111,839**	**68,467**	**(526,909)**	**(318,030)**
Financial Activities Cash Flow				
Inflow of loans, financing and debentures	605,320	28,294	758,085	270,045
Payment of loans, financ., debent. & taxes payable in installments	(14,473)	(6,340)	(133,132)	(185,876)
Interest paid on loans, financing and debentures	(2,005)	(3,754)	(2,265)	(4,123)
Swap operations redemptions	9,704	(2,097)	(26,913)	(47,990)
Dividends and interest on capital	(1,000)	(224)	(1,834)	11,347
Net cash generated from (employed on) financial activities	**597,546**	**15,879**	**593,941**	**43,403**
Exchange Variation of Cash and Cash Equivalents	**3,678**	**(8,115)**	**(5,444)**	**(20,671)**
Net increase (decrease) of Cash and Cash Equivalents	**551,369**	**553,229**	**(241,798)**	**839,896**
Cash and cash equivalents at the beginning of the period	1,976,989	1,416,872	4,098,441	3,111,041
Adjustements from Law 11.638/07	236,383	0	151,361	0
Cash and cash equivalents at the end of the period	2,764,741	1,970,101	4,008,004	3,950,937

Cash Flow

Brazilian GAAP (Legislação Societária)

R$ (thousand)	Parent Company 2008	Parent Company 2007	Consolitaded 2008	Consolitaded 2007
Operating activities cash flow				
Net Income (Loss) in the Period	3,248,781	3,187,417	3,224,433	3,171,895
Financial Expenses and Monetary Var. / Net Exchge Var.	709,751	73,401	1,192,228	104,519
Interest Expenses	178,907	0	339,599	0
Depreciation and Amortization	419,053	278,883	873,067	711,643
Write-offs (Decrease in Permanent Assets and Deferred Charges)	73,332	4,703	211,897	4,685
Equity in the Results of Subsidiaries/Associated Companies	(1,905,543)	(1,303,313)	(457,882)	51,015
Income Tax and Social Contribution	(159,102)	111,969	(405,515)	141,422
Provisions	344,350	(209,542)	382,058	(274,205)
Adjustment for Minority Participation	0	0	15,360	23,181
Total	**2,909,529**	**2,143,518**	**5,375,245**	**3,934,155**
Increase/Decrease of Assets				
Securities	0	0	0	0
In Accounts Receivables	86,808	183,229	138,999	117,281
In Inventories	(1,328,487)	(126,227)	(2,388,339)	(150,921)
In Recovery of Taxes	(321,393)	(24,192)	(404,146)	(79,733)
In Judicial Deposits	761	(73,554)	18,747	(237,647)
In Accounts Receiv. Affiliated Companies	(62,177)	7,738	(8,295)	0
Others	(65,234)	(56,621)	(234,945)	(184,445)
Total	**(1,689,722)**	**(89,627)**	**(2,877,979)**	**(535,465)**
Increase (Decrease) of Liabilities				
Suppliers, contractors and freights	261,607	79,600	268,609	308,752
Amounts Owed to Affiliated Companies	112,362	(217,641)	(24,816)	(155,770)
Customers Advances	3,652	(113)	(180,097)	153,689
Tax Payable	(40,445)	24,505	(93,381)	45,084
Income Tax and Social Contribution	(100,524)	102,381	114,384	251,649
Interest paid	(82,972)	0	(232,037)	0
Others	(135,449)	40,602	(178,406)	27,260
Total	**18,231**	**29,334**	**(325,744)**	**630,664**
Net cash generated from operating activities	**1,238,038**	**2,083,225**	**2,171,522**	**4,029,354**
Investments activities cash flow				
(Additions) Right off of investments	(84,725)	0	25,711	0
(Additions) to Permanent Assets, including Deferred Charges	(1,138,459)	(495,792)	(2,224,944)	(1,193,478)
Additions to intangible	(1,554,848)	0	(1,618,026)	0
Dividends received	341,427	214,059	27,664	38,933
Net cash employed on investments activities	**(2,436,605)**	**(281,733)**	**(3,789,595)**	**(1,154,545)**
Financial Activities Cash Flow				
Inflow of loans, financing and debentures	3,070,303	218,918	3,455,941	740,794
Payment of loans, financ., debent. & taxes payable in installments	(146,318)	(260,964)	(634,141)	(972,463)
Interest paid on loans, financing and debentures	(24,927)	(19,525)	(24,994)	(20,763)
Swap operations redemptions	(4,446)	(2,097)	(128,843)	(283,309)
Dividends and interest on capital	(1,145,026)	(999,216)	(1,151,422)	(999,216)
Net cash generated from (employed on) financial activities	**1,749,586**	**(1,062,884)**	**1,516,541**	**(1,534,957)**
Exchange Variation of Cash and Cash Equivalents	**7,238**	**(43,001)**	**7,238**	**(109,977)**
Net increase (decrease) of Cash and Cash Equivalents	**558,257**	**695,607**	**(94,294)**	**1,229,875**
Cash and cash equivalents at the beginning of the period	1,970,101	1,274,494	3,950,937	2,721,062
Adjustements from Law 11.638/07	236,383	0	151,361	0
Cash and cash equivalents at the end of the period	2,764,741	1,970,101	4,008,004	3,950,937

Balance Sheet - Assets

Brazilian GAAP - R$ thousand

Assets	Parent Company 31-dec-2008	Parent Company 30-set-08	Consolidated 31-dec-2008	Consolidated 30-set-08
Current Assets	**7,268,651**	**5,548,023**	**11,898,801**	**10,723,789**
Cash and Cash Equivalents	2,764,741	1,976,989	4,008,004	4,098,441
Trade Accounts Receivable	738,583	998,223	1,539,271	1,905,760
Taxes Recoverable	345,800	54,964	512,774	210,366
Inventories	2,702,962	2,194,582	5,082,053	3,824,525
Deferred Income Tax & Social Contrb'n	42,476	103,454	102,909	155,380
Other Securities Receivables	674,089	219,811	653,790	529,317
Long-Term Receivable	**820,161**	**611,673**	**1,263,264**	**1,095,977**
Deferred Income Tax & Social Contrb'n	475,316	347,336	781,345	626,352
Deposits at Law	158,006	143,750	210,994	203,976
Accounts Receiv. Affiliated Companies	63,471	5,175	8,295	3,119
Taxes Recoverable	70,195	70,159	186,533	190,963
Others	53,173	45,253	76,097	71,567
Permanent Assets	**14,864,141**	**14,350,409**	**14,417,988**	**13,544,615**
Investments	8,469,015	9,955,927	2,076,397	3,229,850
Property, Plant and Equipment	4,476,347	4,393,354	10,339,709	10,311,223
Intangible	1,918,779	-	2,001,882	-
Deferred	-	1,128	-	3,542
Total Assets	**22,952,953**	**20,510,105**	**27,580,053**	**25,364,381**

Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP - R$ thousand

Liabilities and Shareholders' Equity	Parent Company 31-dec-2008	Parent Company 30-set-08	Consolidated 31-dec-2008	Consolidated 30-set-08
Current Liabilities	**2,205,640**	**1,651,993**	**4,419,790**	**4,295,327**
Loans and Financing and Taxes Payable in Installments	318,574	226,250	1,110,564	986,313
Suppliers, Subcontractors and Freight	591,506	805,202	1,102,405	1,356,550
Taxes, Charges and Payroll Taxes	148,420	160,579	670,351	700,455
Related Companies	207,056	139,916	55,599	119,329
Financial Instruments	22,838	5,007	181,736	194,588
Actuarial Liability	84,426	78,078	94,307	86,874
Dividends Payable	611,557	3,711	612,569	79,907
Customers Advances	14,923	19,311	205,419	350,657
Others	206,340	213,939	386,840	420,654
Long-Term Liabilities	**5,636,605**	**4,458,192**	**8,044,779**	**6,610,375**
Loans and Financing and Taxes Payable in Installments	4,114,102	3,144,622	5,697,805	4,340,995
Actuarial Liability	946,263	884,885	1,354,510	1,286,495
Provision for Contingencies	302,371	293,289	654,629	641,665
Deferred Income Tax & Social Contrb'n	54,071	55,516	68,501	176,717
Financial Instruments	97,583	-	143,636	43,705
Environmental protection provision	76,800	77,473	76,800	77,473
Others	45,415	2,407	48,898	43,325
Minority Interests	**0**	**0**	**86,541**	**125,124**
Shareholders' Equity	**15,110,708**	**14,399,920**	**15,028,943**	**14,333,555**
Capital	12,150,000	12,150,000	12,150,000	12,150,000
Reserves & Revenues from Fiscal Year	2,960,708	2,249,920	2,878,943	2,183,555
Total Liabilities and Shareholders' Equity	**22,952,953**	**20,510,105**	**27,580,053**	**25,364,381**

Sales Volume Breakdown - Consolidated

Thousand tons	4Q 2008		4Q 2007		3Q 2008		Chg. 08/07	2008		2007		Chg. 08/07
TOTAL SALES	1,458	100%	1,980	100%	1,915	100%	-26%	7,176	100%	7,990	100%	-10%
Heavy Plates	339	23%	486	25%	452	24%	-30%	1,774	25%	1,914	24%	-7%
Hot Coils/Sheets	407	28%	624	32%	591	31%	-35%	2,198	31%	2,296	29%	-4%
Cold Coils/Sheets	358	25%	464	23%	454	24%	-23%	1,729	24%	2,049	26%	-16%
Electrogalvanized Coils	42	3%	70	4%	66	3%	-40%	251	3%	268	3%	-6%
Hot Dip Galvanized Coils	94	6%	99	5%	122	6%	-5%	439	6%	390	5%	13%
Processed Products	44	3%	65	3%	54	3%	-32%	219	3%	286	4%	-23%
Slabs	174	12%	172	8%	176	9%	1%	566	8%	787	9%	-28%
DOMESTIC MARKET	1,143	78%	1,603	81%	1,612	84%	-29%	5,949	83%	6,113	77%	-3%
Heavy Plates	268	18%	342	17%	407	21%	-22%	1,469	20%	1,522	19%	-3%
Hot Coils/Sheets	385	26%	589	30%	556	29%	-35%	2,051	29%	2,079	26%	-1%
Cold Coils/Sheets	320	22%	427	22%	402	21%	-25%	1,521	21%	1,585	20%	-4%
Electrogalvanized Coils	38	3%	57	3%	61	3%	-33%	222	3%	218	3%	2%
Hot Dip Galvanized Coils	81	6%	91	5%	112	6%	-11%	384	5%	360	5%	7%
Processed Products	24	2%	44	2%	32	2%	-45%	127	2%	180	2%	-29%
Slabs	27	1%	53	2%	42	2%	-49%	175	3%	169	2%	4%
EXPORTS	315	22%	377	19%	303	16%	-16%	1,227	17%	1,877	23%	-35%
Heavy Plates	71	5%	144	7%	45	2%	-51%	305	4%	392	5%	-22%
Hot Coils/Sheets	22	2%	35	2%	35	2%	-37%	147	2%	217	3%	-32%
Cold Coils/Sheets	38	3%	37	2%	52	3%	3%	208	3%	464	6%	-55%
Electrogalvanized Coils	4	0%	13	1%	5	0%	-69%	29	0%	50	1%	-42%
Hot Dip Galvanized Coils	13	1%	8	0%	10	1%	63%	55	1%	30	0%	83%
Processed Products	20	1%	21	1%	21	1%	-5%	92	1%	106	1%	-13%
Slabs	147	10%	119	6%	135	7%	24%	391	6%	618	7%	-37%

Net Revenues per tonne - USIMINAS + COSIPA

R$ / t.	4Q 08	3Q 08	2Q 08	1Q 08	4Q 07	3Q 07	2Q 07	1Q 07	4Q 06
Total	2,416	2,138	1,910	1,678	1,666	1,667	1,628	1,593	1,567
Heavy Plates	2,993	2,486	2,112	1,892	1,887	2,017	1,942	1,888	1,823
Hot Coils/Sheets	2,202	1,951	1,622	1,447	1,455	1,467	1,361	1,347	1,354
Cold Coils/Sheets	2,391	2,151	1,836	1,676	1,720	1,679	1,593	1,557	1,601
Electrogalvanized Coils	2,552	2,399	2,237	2,068	2,076	2,104	2,072	2,068	2,004
Hot Dip Galvanized Coils	2,817	2,525	2,328	2,245	2,161	2,210	2,120	2,106	2,044
Processed Products	2,557	2,224	1,958	1,913	1,972	1,933	1,834	1,939	1,876
Slabs	1,551	1,444	902	850	774	798	780	829	851

Sectorial Sales - Consolidated

Thousand tonnes	4Q 08		4Q 07		3Q 08		2Q 08		Chg. 4Q08/4Q07
Domestic Market	**1,143**	**100%**	**1,601**	**100%**	**1,612**	**100%**	**1,662**	**100%**	**-29%**
Auto	**132**	12%	**217**	14%	**191**	12%	**203**	12%	**-39%**
Autoparts	**237**	21%	**278**	17%	**335**	21%	**309**	19%	**-15%**
Shipbuilding	**12**	1%	**9**	1%	**29**	2%	**22**	1%	**30%**
Line Pipes	**97**	8%	**98**	6%	**95**	6%	**127**	8%	**-1%**
Small Diameter Pipes	**64**	6%	**126**	8%	**93**	6%	**108**	7%	**-49%**
Packaging	**18**	2%	**28**	2%	**22**	1%	**20**	1%	**-35%**
Household Appliances	**22**	2%	**33**	2%	**23**	1%	**27**	2%	**-33%**
Civil Construction	**75**	7%	**93**	6%	**106**	7%	**103**	6%	**-20%**
Electrical Equipment	**59**	5%	**74**	5%	**52**	3%	**66**	4%	**-20%**
Distributors	**208**	18%	**372**	23%	**364**	23%	**368**	22%	**-44%**
Industrial Equipment	**57**	5%	**68**	4%	**81**	5%	**166**	10%	**-16%**
Others	**162**	13%	**205**	12%	**221**	13%	**143**	8%	**-22%**

Market Share - Usiminas System (*)

(% volume)

	2008 (*)	2007 (*)	2006 (*)	2005 (*)	2004 (*)	2003 (*)
DOMESTIC MARKET	**49%**	**52%**	**52%**	**53%**	**55%**	**60%**
Auto	50%	59%	59%	59%	55%	62%
Autoparts	60%	61%	62%	59%	62%	67%
Shipbuilding	100%	100%	100%	100%	100%	100%
Electrical Equipment	70%	73%	65%	66%	63%	58%
Household Appliances	32%	35%	38%	33%	36%	44%
Line Pipes	85%	88%	98%	94%	98%	95%
Small Diameter Pipes	37%	39%	54%	54%	60%	68%
Packaging	13%	14%	13%	14%	15%	16%
Civil Construction	38%	35%	40%	44%	48%	58%
Distributors	41%	44%	42%	44%	51%	59%

(*) Defined by USIMINAS, Cosipa, CSN and Arcelor Mittal markets.

Source: IBS

Loans and Financing by Index - Consolidated

Loans and Financing by Index - Consolidated	31-dec-08 Short Term	Long Term	TOTAL	31-dec-07 TOTAL	Chg. dec08/dec07
Foreign Currency (*)	876,286	3,732,023	**4,608,309**	**2,024,994**	128%
TJLP	152,183	527,129	**679,312**	**522,597**	30%
Others	**31,022**	**243,769**	**274,791**	**28,299**	**871%**
Sub-Total	1,059,491	4,502,921	**5,562,412**	**2,575,890**	116%
Debentures	**28,851**	**1,100,000**	**1,128,851**	**0**	**0%**
Sub-Total	1,088,342	5,602,921	**6,691,263**	**2,575,890**	160%
Taxes Payable in Installments	**22,222**	**94,884**	**117,106**	**146,664**	**-20%**
TOTAL	1,110,564	5,697,805	**6,808,369**	**2,722,554**	150%
FEMCO	**9,881**	**374,419**	**384,300**	**276,747**	**39%**
TOTAL DEBT	1,120,445	6,072,224	**7,192,669**	**2,999,301**	**140%**
Cash and Cash Equivalents	**4,008,004**	**0**	**4,008,004**	**3,950,937**	**1%**
NET DEBT			**3,184,664**	**(951,636)**	**-435%**

(*) 95.2% of total foreign currency is denominated in US dollars

Financial Income - Consolidated

R$ million	4Q 2008	4Q 2007	3Q 2008	Chg. 4Q08/4Q07	2008	2007	Chg. 08/07
Exchange Effects	(658,097)	45,644	(480,265)	0%	(898,990)	165,871	0%
Exchange Variation	(701,143)	60,580	(498,173)	0%	(925,804)	261,575	0%
Hedge Income (Expenses)	43,046	(14,936)	17,908	0%	26,814	(95,704)	0%
Swap Operations Market Cap. (Law 11,638)	(93,938)	0	0	0%	(93,938)	0	0%
Financial Income	133,811	115,990	107,660	15%	498,474	415,508	20%
Financial Expenses	(176,612)	(228,669)	(127,177)	-23%	(594,183)	(485,167)	22%
Monetary Effects	(27,287)	(21,968)	(36,972)	24%	(99,264)	(102,442)	-3%
NET INTEREST INCOME	**(822,123)**	**(89,003)**	**(536,754)**	**824%**	**(1,187,901)**	**(6,230)**	**18967%**