

USIMINAS



Webcast

Third Quarter 2004 Results

Presentation:
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Disclaimer

“Declarations relative to business perspectives of the Company, operating and financial results and projections, and references to the growth of the Company, constitute mere forecasts and were based on Management’s expectations in relation to future performance. These expectations are highly dependent on market behavior, of Brazil’s economic situation, on the industry and on international markets, and are therefore subject to change.”

The Steel Industry in 3Q04

- Brazilian raw steel production reached 8.4 million tonnes in 3Q04, accumulating 24.6 million tonnes in 9M04, an expansion of 5.6%.
- Domestic flat steel demand totaled 7.8 million tonnes in the year, a 14.9% growth.
- The high level of activity in exporting segments was accompanied by growing demand of domestic consumption segments, favored by the beginning of improvements in employment level and revenue.

Consolidated Results QoQ

R\$ million	3Q 2004	3Q 2003	2Q 2004	Chg.% 3Q/3Q
Total Sales Volume (000 t)	2,011	1,822	1,971	10
Net Revenues	3,285	1,984	2,771	66
Gross Profit	1,591	658	1,316	142
Operating Result (EBIT)^a	1,473	498	1,142	196
Financial Result	(96)	(358)	(339)	-73
Net Income	1,005	123	528	717
EBITDA^b	1,602	660	1,285	143
EBITDA (R\$/t)	796	362	652	120
Total Assets	16,682	14,997	15,976	11
Net Debt	4,975	7,369	6,052	-32
Stockholders' Equity	5,621	3,897	4,886	44

(a) Earnings before interest, tax and participations.

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



Consolidated Results 9M04

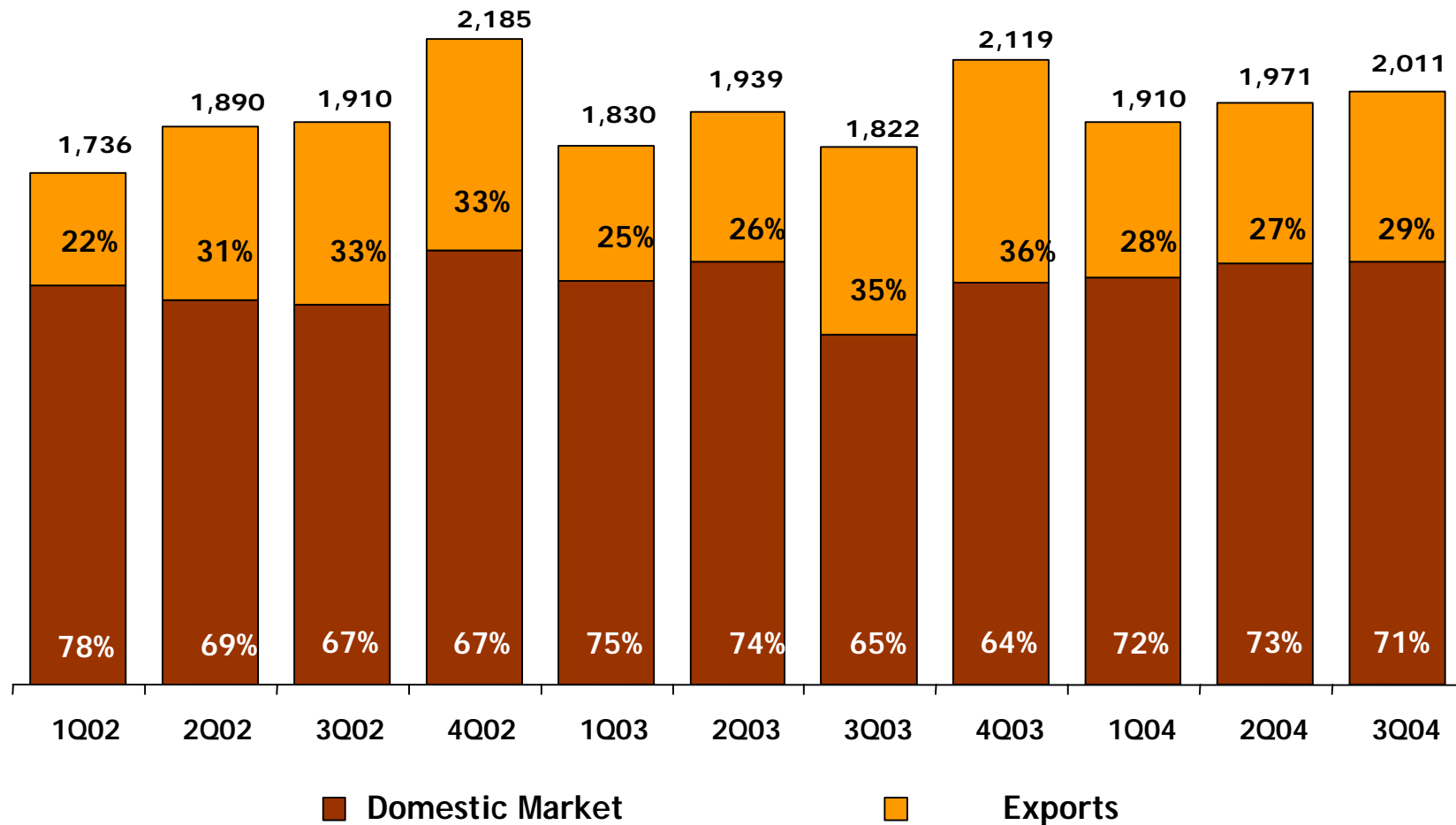
R\$ million	9M 2004	9M 2003	Chg.%
Total Sales Volume (000 t)	5,892	5,591	5
Net Revenues	8,421	6,218	35
Gross Profit	3,843	2,295	67
Operating Result (EBIT)^a	3,397	1,884	80
Financial Result	(688)	(469)	-
Net Income	1,892	947	100
EBITDA^b	3,808	2,309	65
EBITDA (R\$/t)	646	413	56
Total Assets	16,682	14,997	11
Net Debt	4,975	7,369	-32
Stockholders' Equity	5,621	3,897	44

(a) Earnings before interest, tax and participations.

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

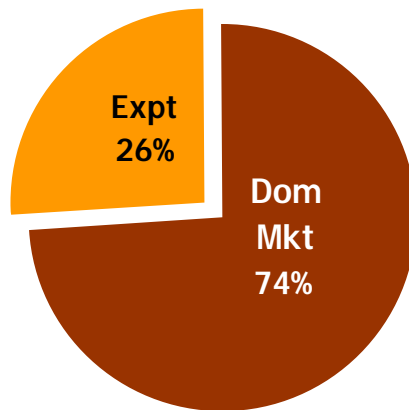
Usiminas - Sales

Consolidated Sales (000 t.)

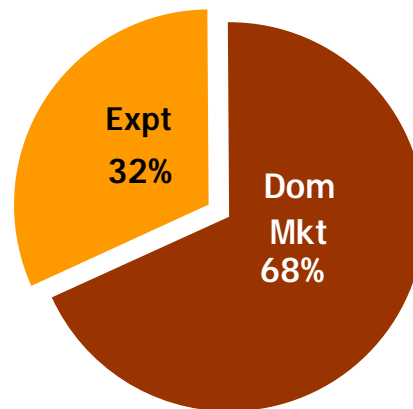


Usiminas – Sales Volume Mix

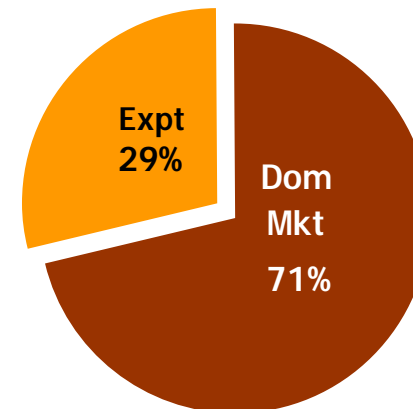
Usiminas



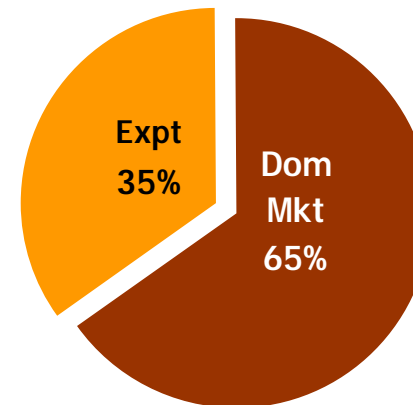
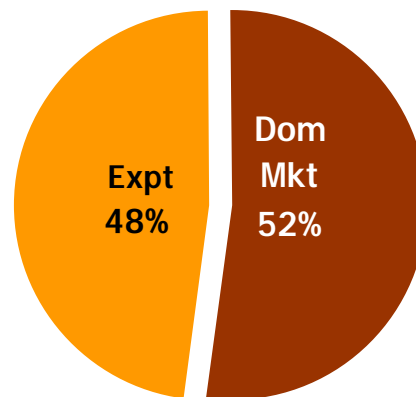
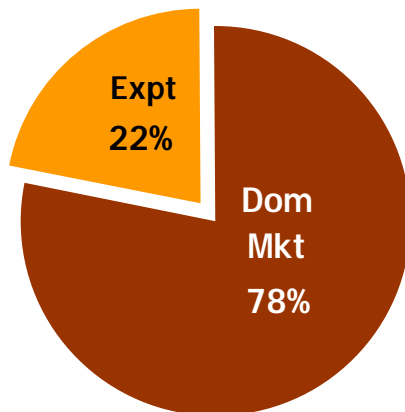
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System



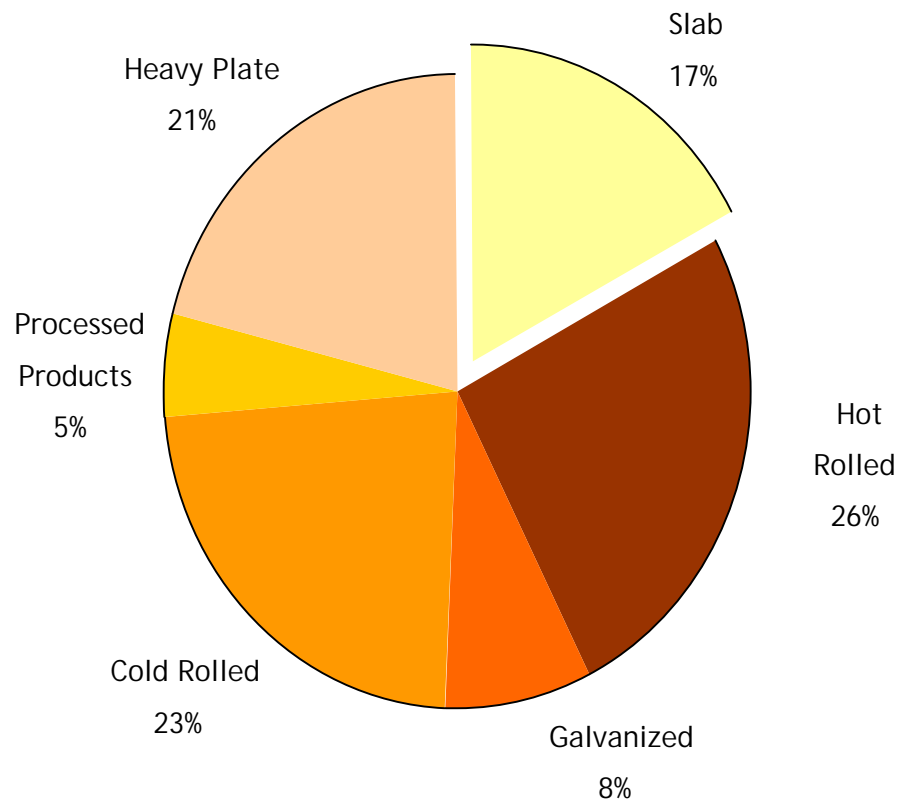
3Q04



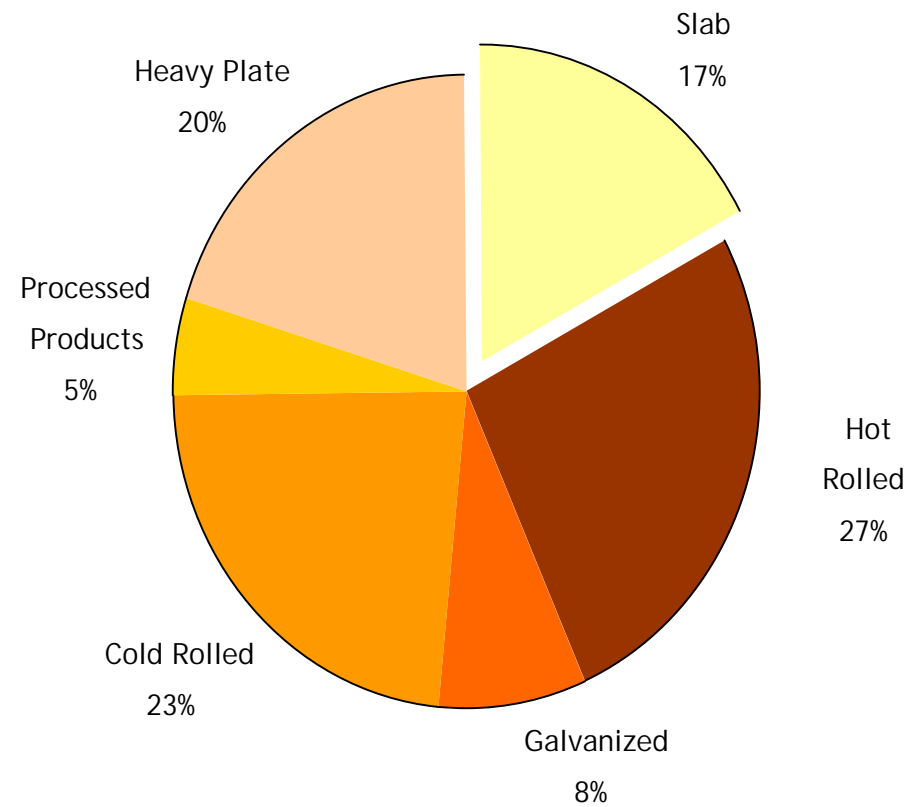
3Q03

Usiminas – Sales Mix

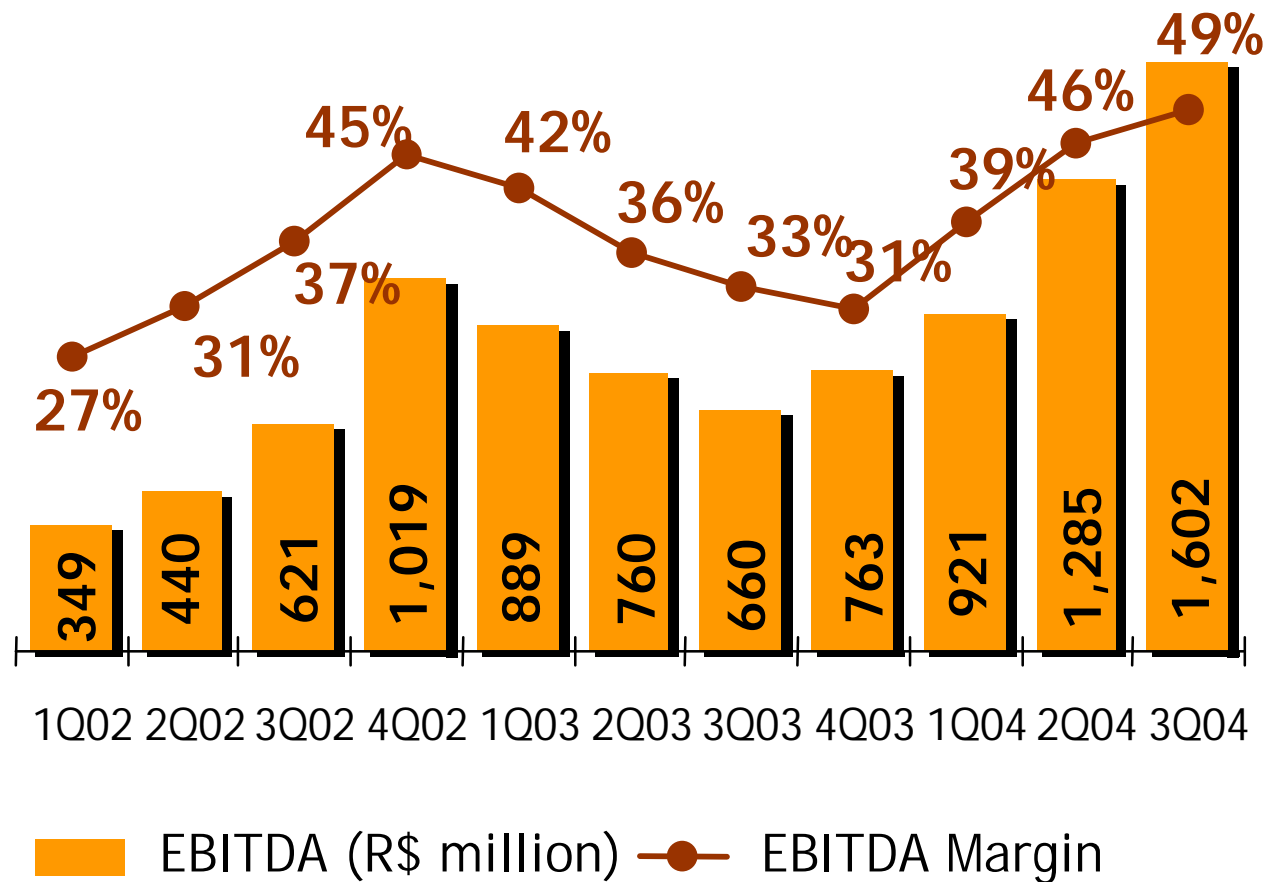
Sales Volume 3Q04



Sales Volume 3Q03

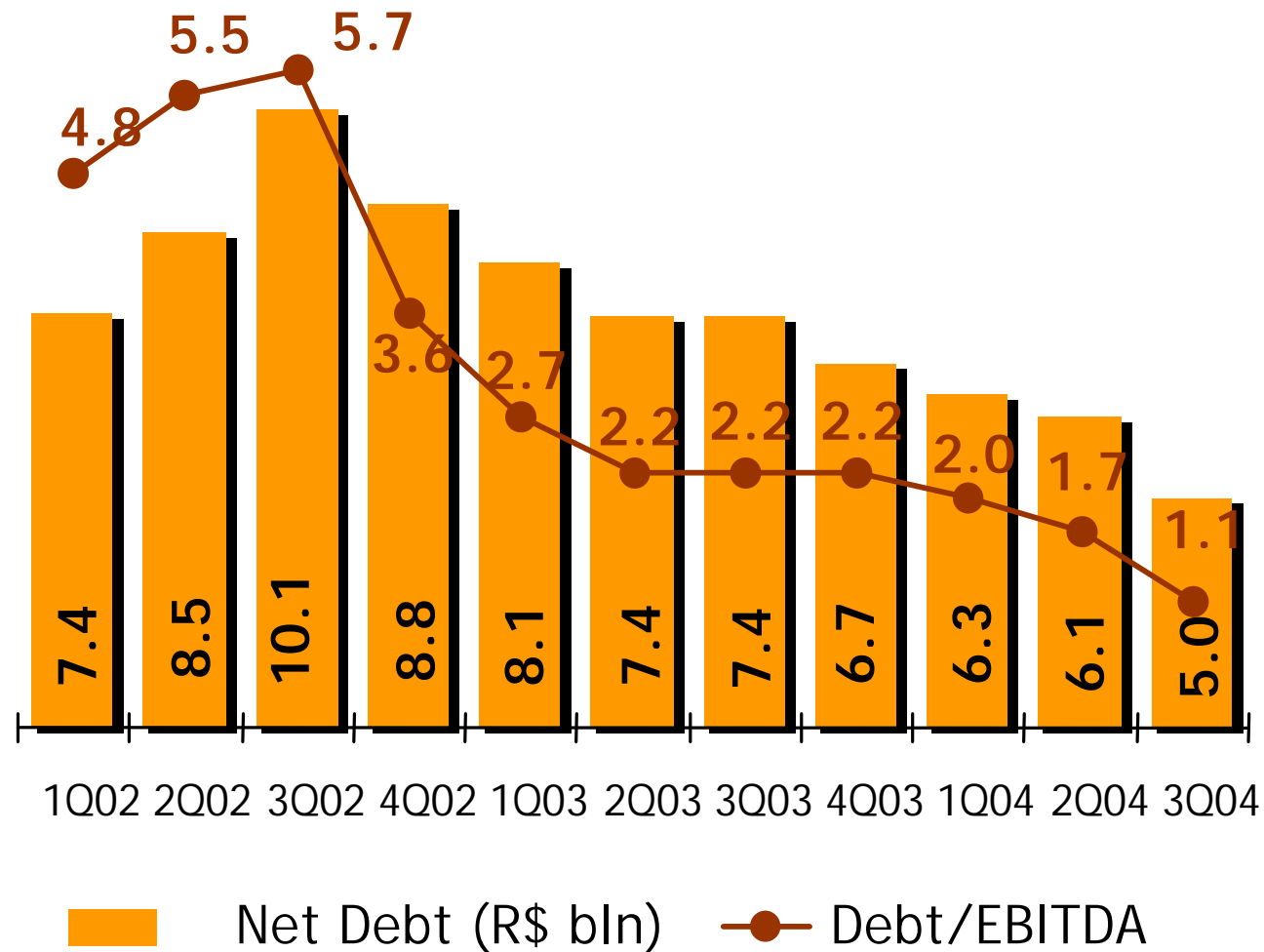


Usiminas - EBITDA





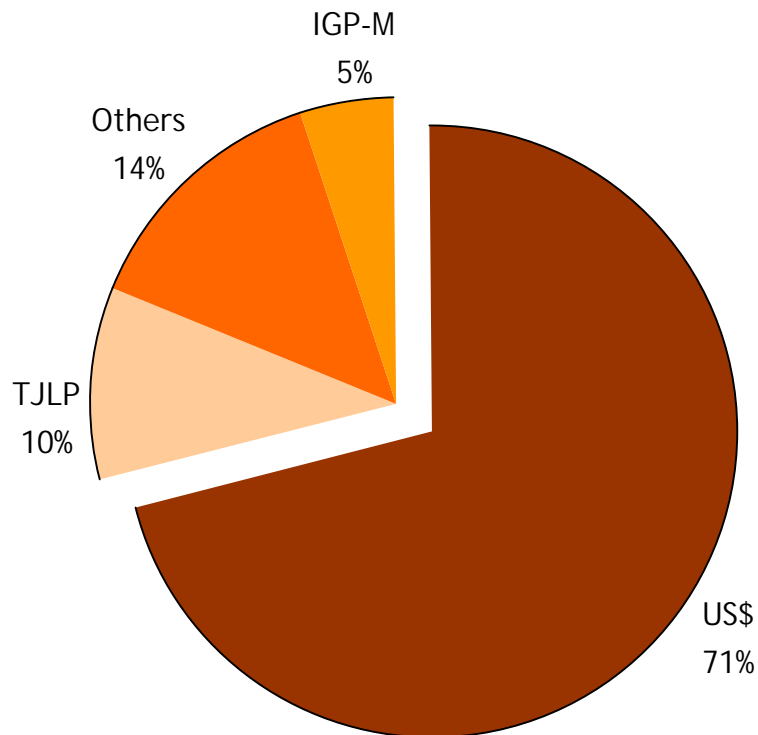
Usiminas – Consolidated Net Debt



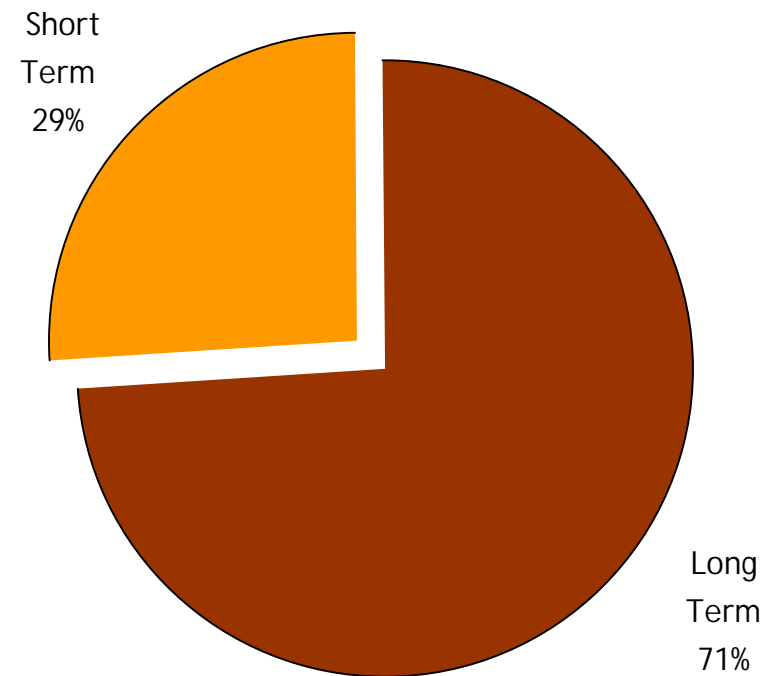


Usiminas – Total Consolidated Debt 3Q04: R\$ 6.3 billion

By Index

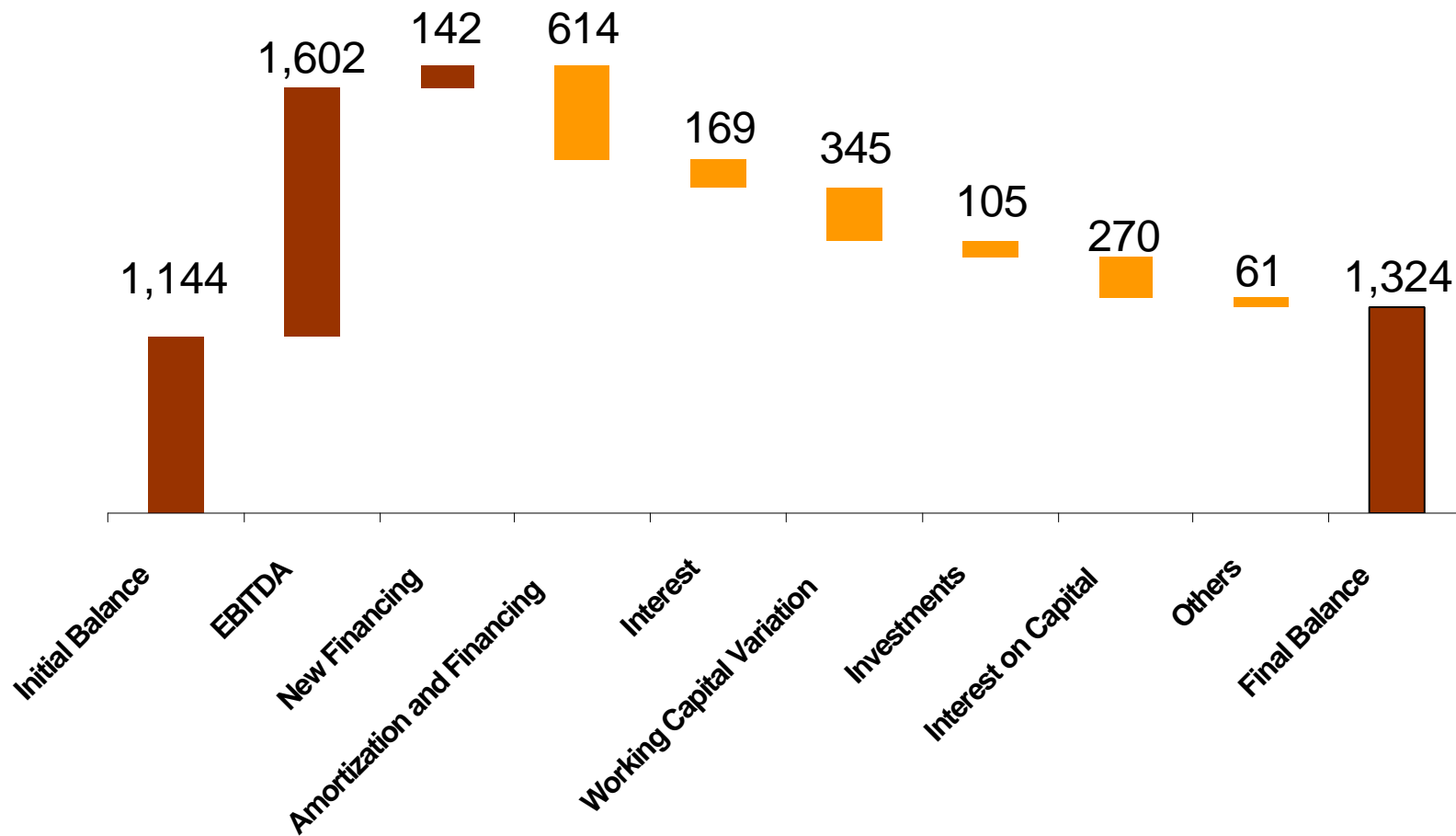


By Term





Usiminas – 3Q04 Consolidated Cash Flow (Brazilian Corporate Law) – R\$ million



Outlook

- Cyclical global price peak: elevated margin levels in 4Q04, as well as in 2005.
- Heated demand in the main markets and raw materials cost increases foreseen for 2005 should not allow substantial price reductions in the medium term.
- Goal of the Usiminas System in 2005: 8 million tonnes, with 75% domestic sales.
- Cash generation will be directed to new investments, dividend payments and debt amortization.



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