

**USIMINAS**



## Webcast

### Second Quarter 2004 Results

Presentation:  
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## Disclaimer

*“Declarations contained in this presentation regarding the business outlook of the Company, projections of operational and financial results and references to potential growth of the Company constitute mere forecasts and were based on the expectations of the Management in relation to its future performance. These expectations are highly dependent on market behavior, on the economic situation in Brazil, the industry and international markets, and are therefore subject to change.”*



## The Steel Industry in 2Q04

- Brazilian production of crude steel reached 8.2 million tonnes and totaled 16.2 million tonnes in 1H04, 5.5% above 1H03.
- Domestic sales of flat steel products grew 5.3% in 1H04, with a sales volume of 4.8 million tonnes.
- Domestic demand was led by export-oriented companies, most notably the automobile manufacturers and agribusiness related products.



## Consolidated Highlights – QoQ

R\$ million	2Q 2004	2Q 2003	1Q 2004	% Chg. 2Q/2Q
<b>Total Sales Volume (000 t.)</b>	1,971	1,939	1,910	2
<b>Net Revenues</b>	2,771	2,114	2,365	31
<b>Gross Profit</b>	1,316	762	936	73
<b>EBIT<sup>a</sup></b>	1,142	629	781	82
<b>Financial Result</b>	(339)	60	(253)	-
<b>Net Income</b>	528	468	358	13
<b>EBITDA<sup>b</sup></b>	1,285	761	921	69
<b>EBITDA (R\$/t)</b>	652	392	482	66
<b>Total Assets</b>	15,976	14,859	15,799	8
<b>Net Debt</b>	6,052	7,367	6,330	-18
<b>Stockholders' Equity</b>	4,886	3,858	4,358	27

(a) Earnings before interest, tax and participations.

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



## Consolidated Highlights – HoH

R\$ million	1H 2004	1H 2003	%Chg.
<b>Total Sales Volume (000 t.)</b>	<b>3,881</b>	<b>3,769</b>	3
<b>Net Revenues</b>	<b>5,136</b>	<b>4,234</b>	21
<b>Gross Profit</b>	<b>2,252</b>	<b>1,637</b>	38
<b>EBIT <sup>a</sup></b>	<b>1,924</b>	<b>1,387</b>	39
<b>Financial Result</b>	<b>(592)</b>	<b>(111)</b>	-
<b>Net Income</b>	<b>887</b>	<b>824</b>	8
<b>EBITDA <sup>b</sup></b>	<b>2,206</b>	<b>1,649</b>	34
<b>EBITDA (R\$/t)</b>	<b>569</b>	<b>438</b>	30
<b>Total Assets</b>	<b>15,976</b>	<b>14,859</b>	8
<b>Net Debt</b>	<b>6,052</b>	<b>7,367</b>	-18
<b>Stockholders' Equity</b>	<b>4,886</b>	<b>3,858</b>	27

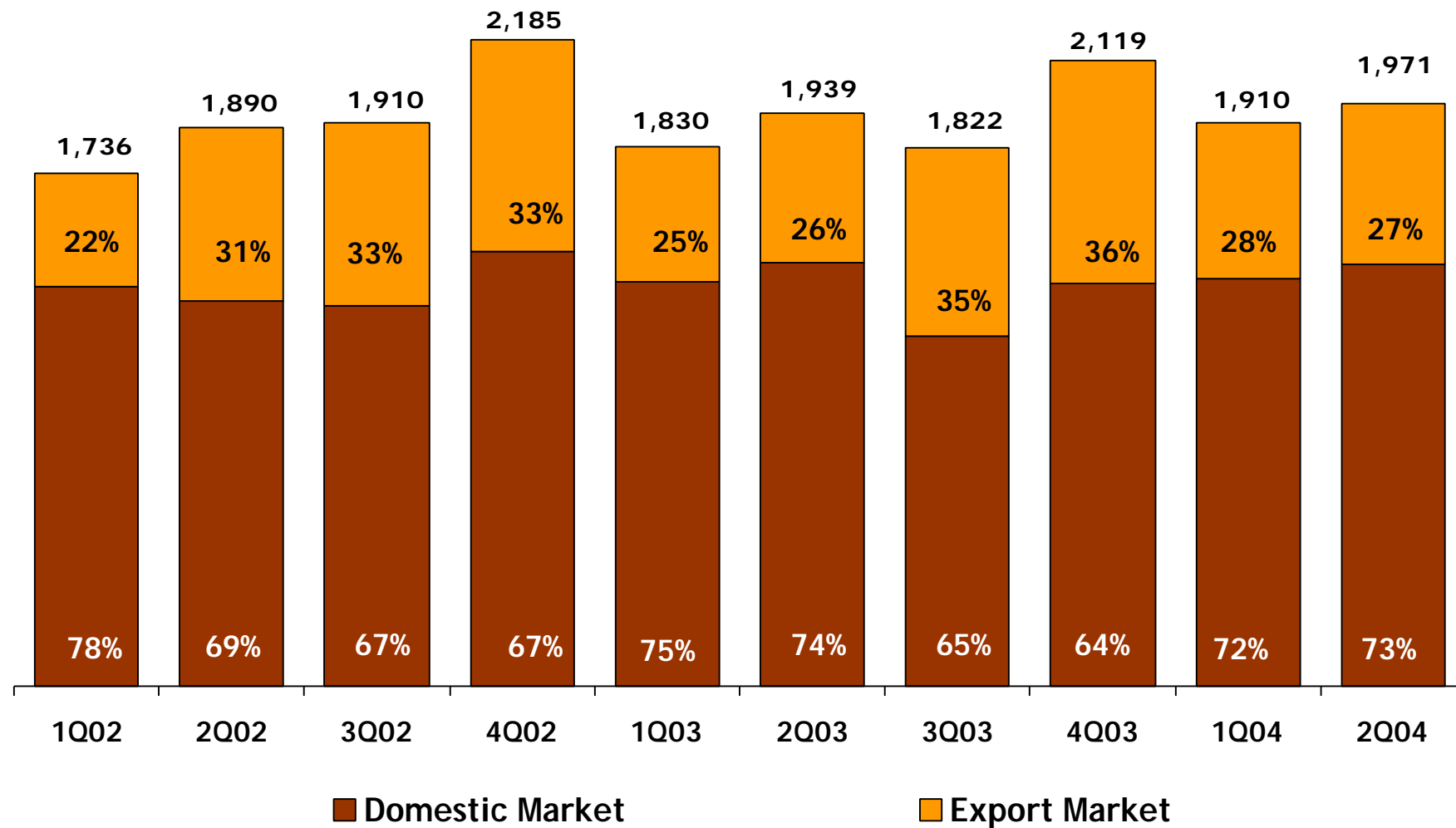
(a) Earnings before interest, tax and participations.

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



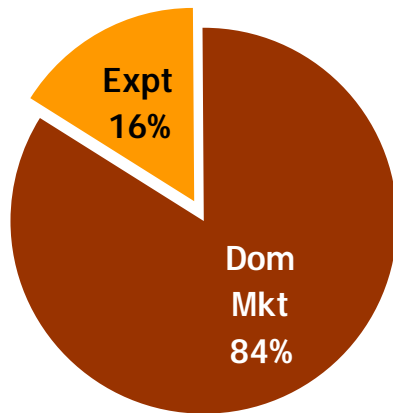
# Usiminas – Sales Volume

Consolidated Sales (000 t.)

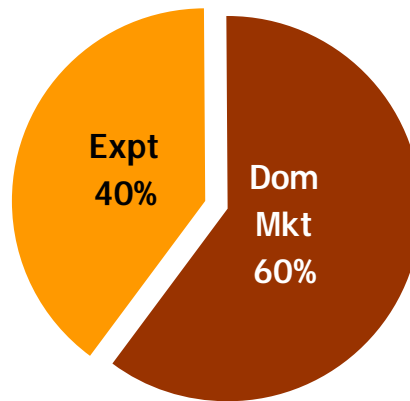


# Usiminas – Sales Volume Mix

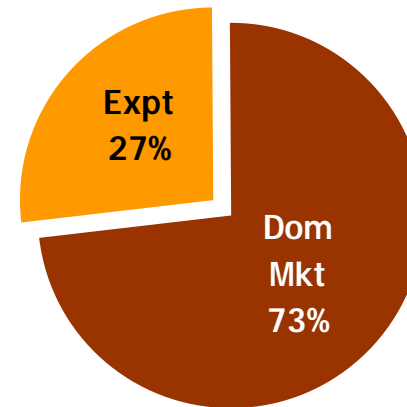
**Usiminas**



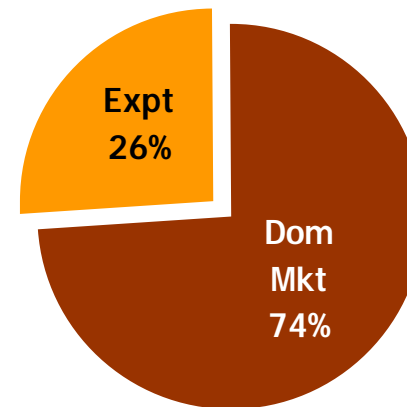
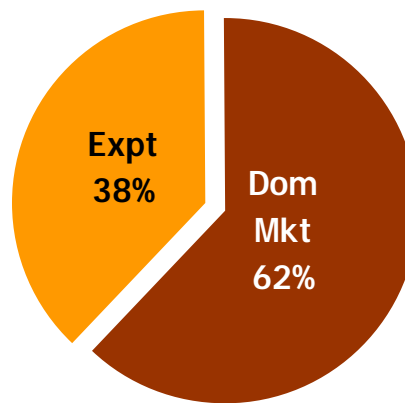
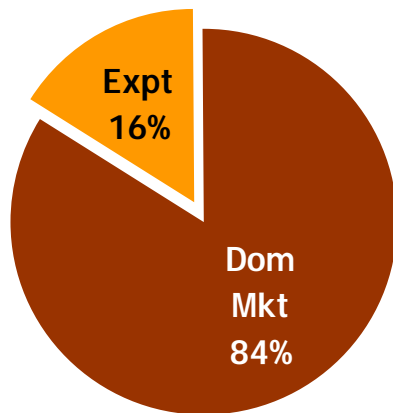
**Cosipa**



**System**



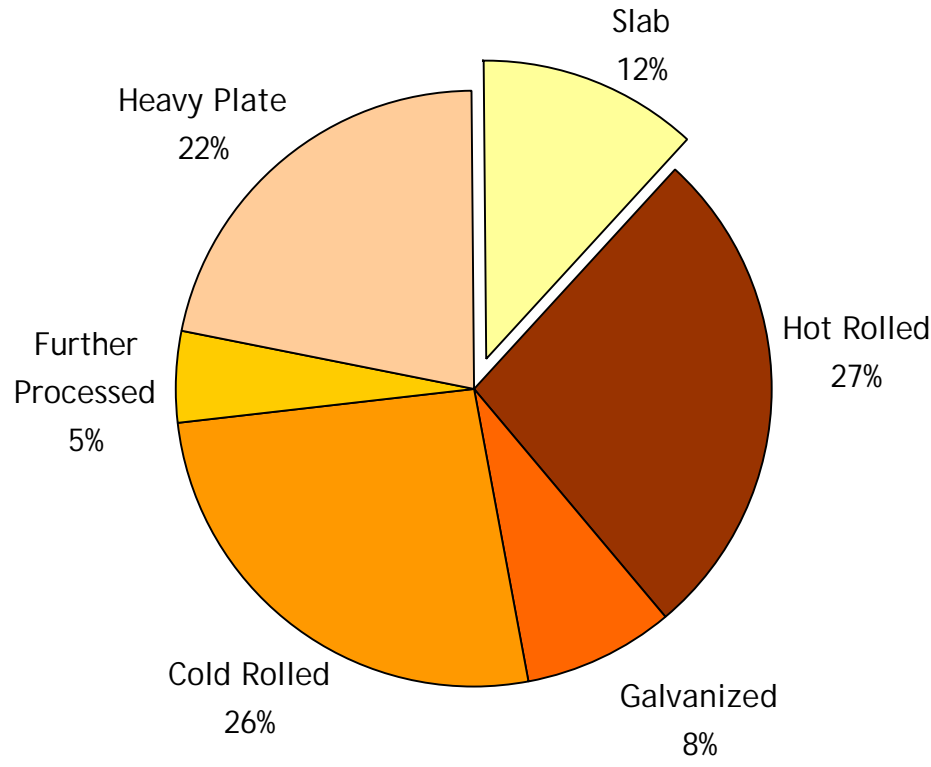
**2004**



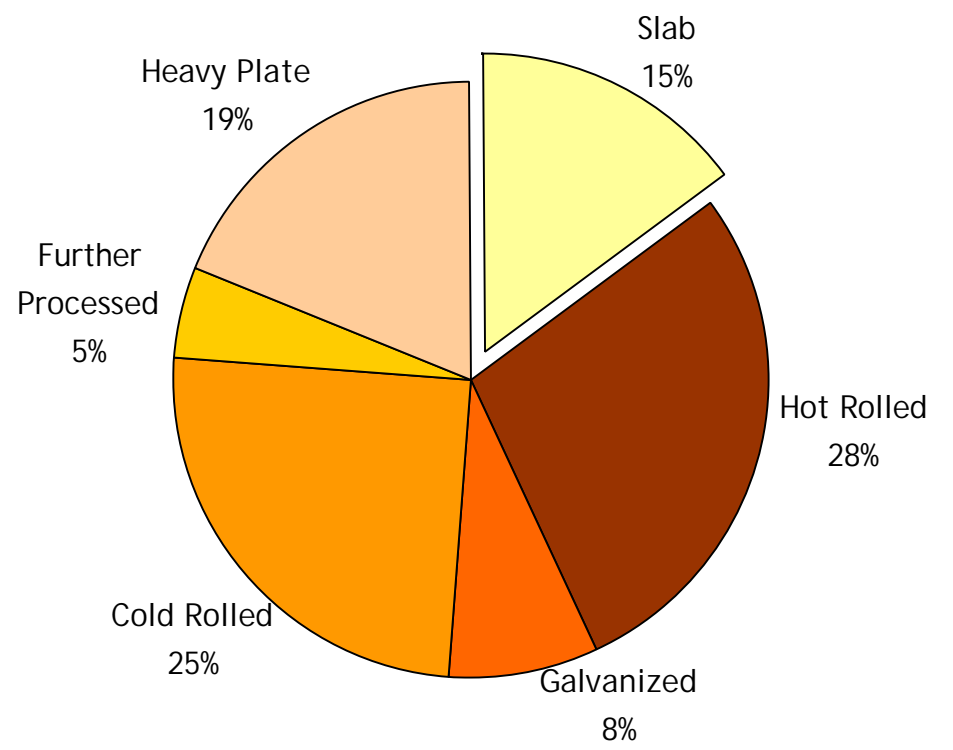
**2003**

# Usiminas – Sales Mix

### Sales Volume 2Q04

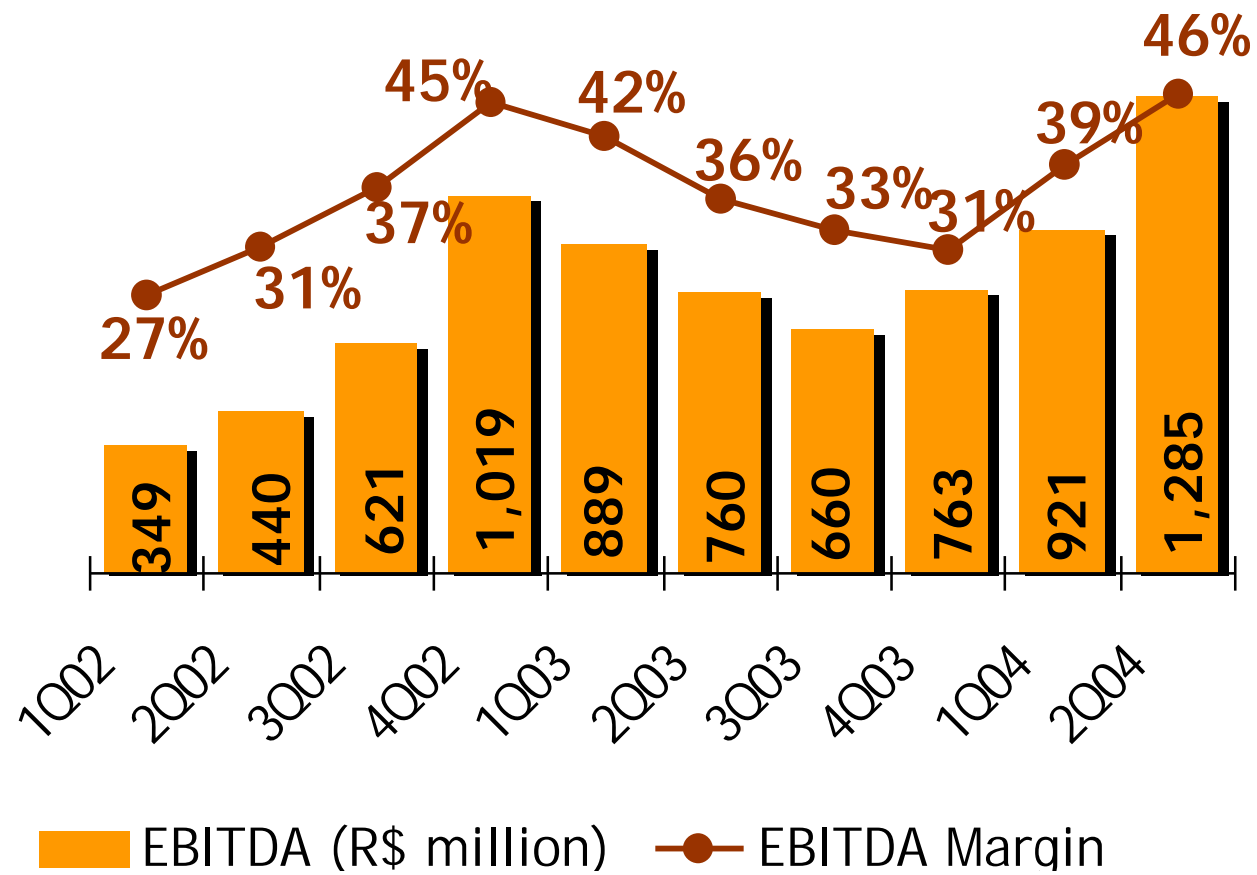


### Sales Volume 2Q03

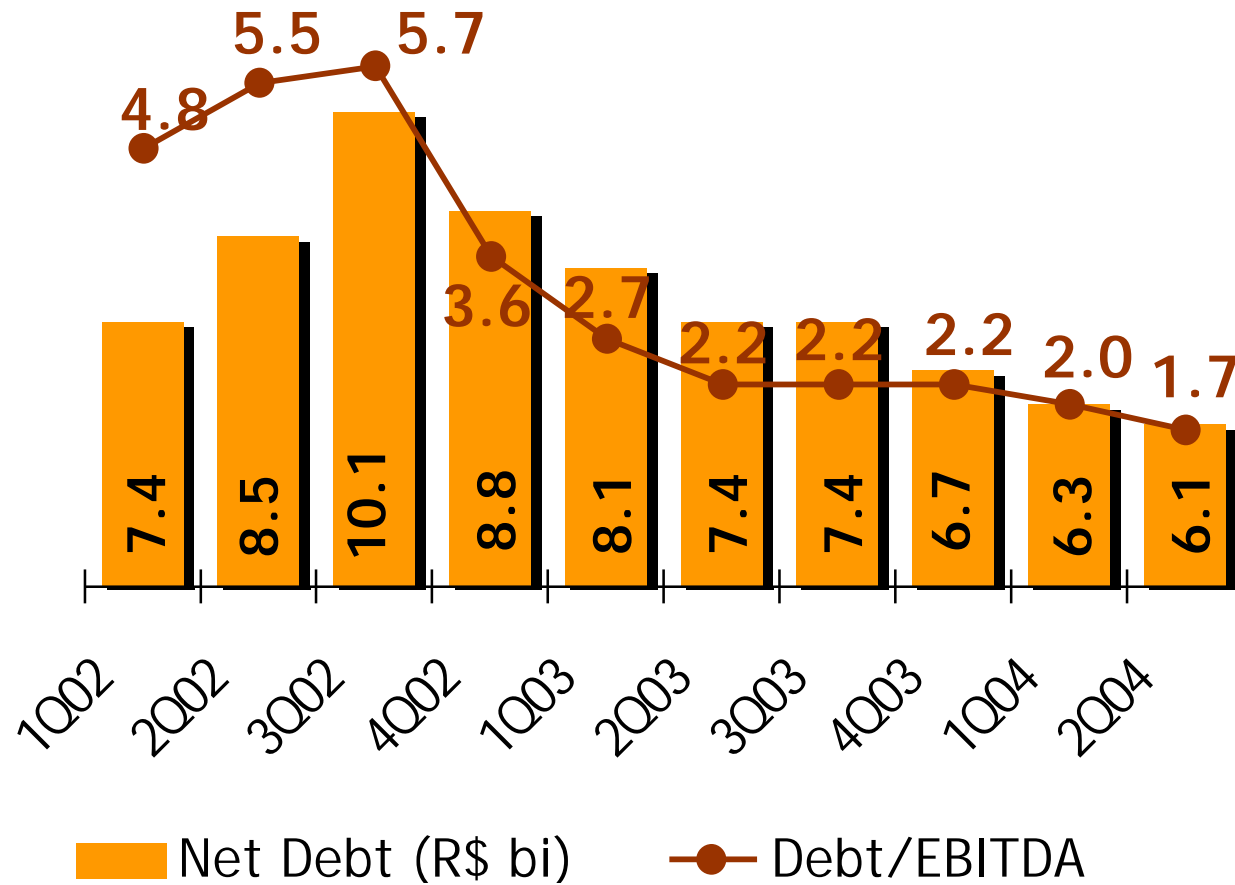




## Usiminas - EBITDA



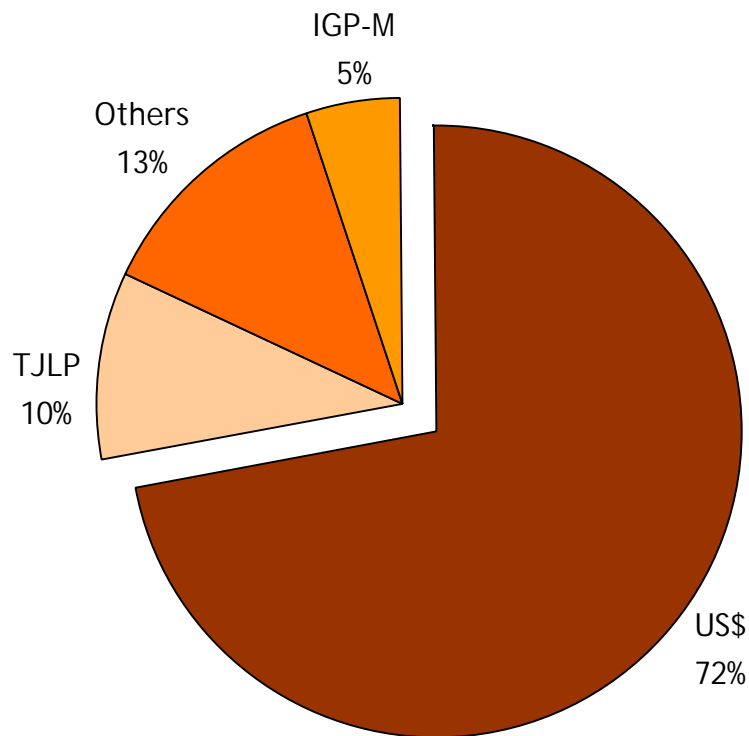
## Usiminas – Consolidated Net Debt



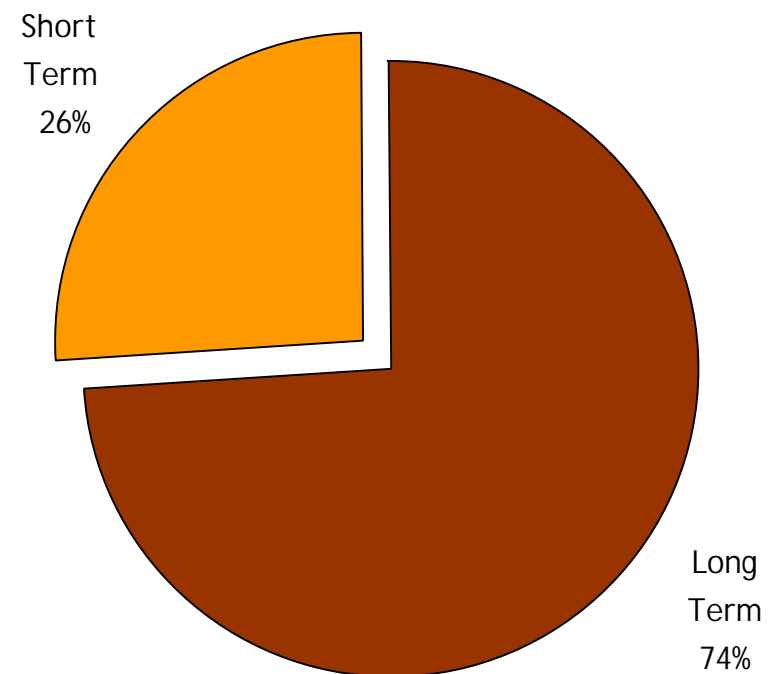


# Usiminas – Total Consolidated Debt 2Q04: R\$ 7.2 bi

By Index

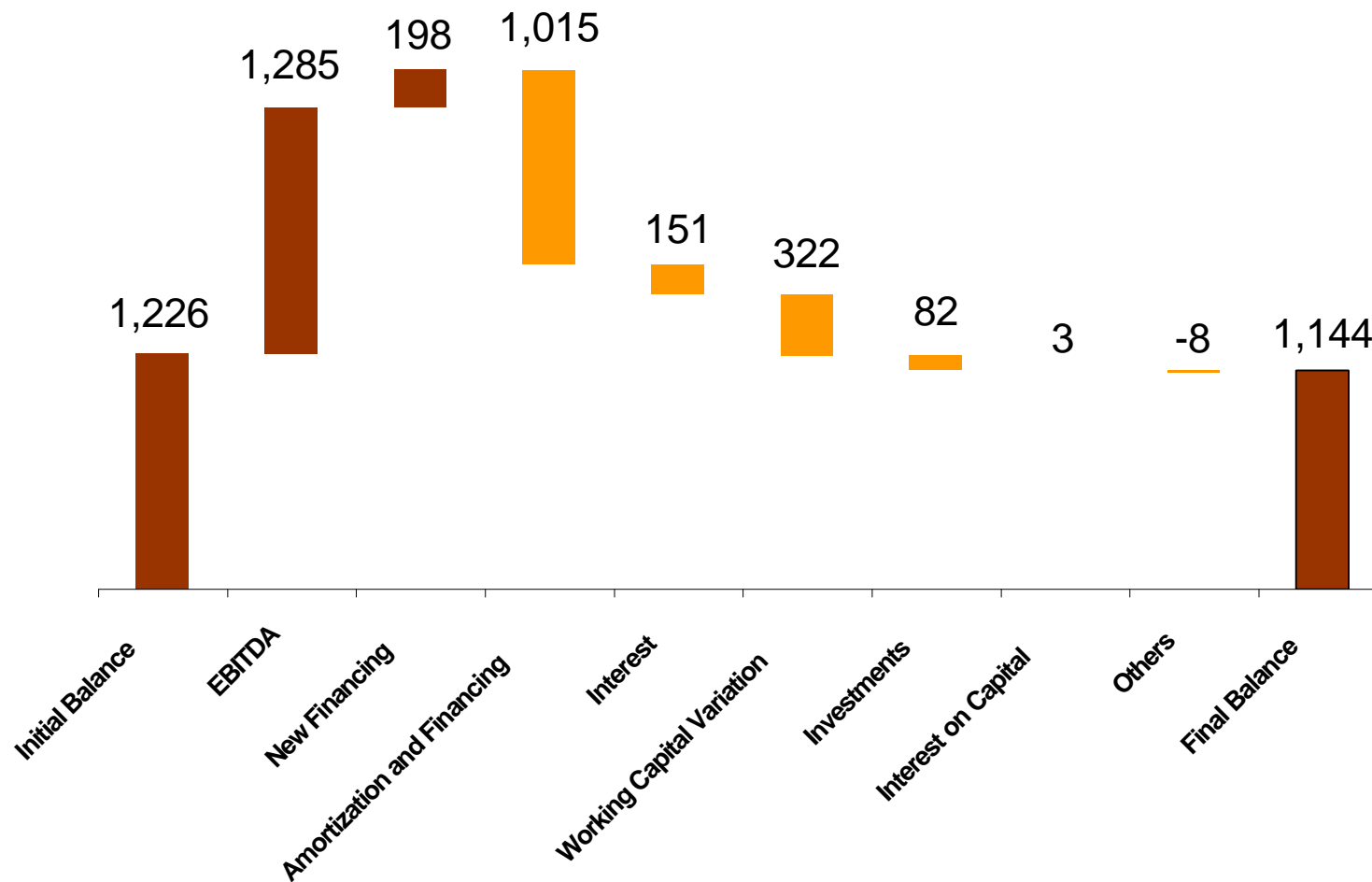


By Term





## Usiminas – 2Q04 Consolidated Cash Flow (Corporate Law) – R\$ million



## Outlook

- Scenario presents positive trend, indicating maintenance of favorable conditions for direct and indirect exports.
- In 2H04, average prices are expected to remain at high levels in the international steel market.
- The gap between domestic and international prices may be reduced.
- Based on 2Q04 figures, Usiminas expects an 8% to 10% expansion in the domestic flat steel market in 2004.
- Continued strong cash generation should allow Usiminas to reduce debt substantially above its original goal (US\$ 300 million) for 2004.



For Additional Information:

[www.usiminas.com.br](http://www.usiminas.com.br)

or

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