

4Q 2008 Figures

March, 2009



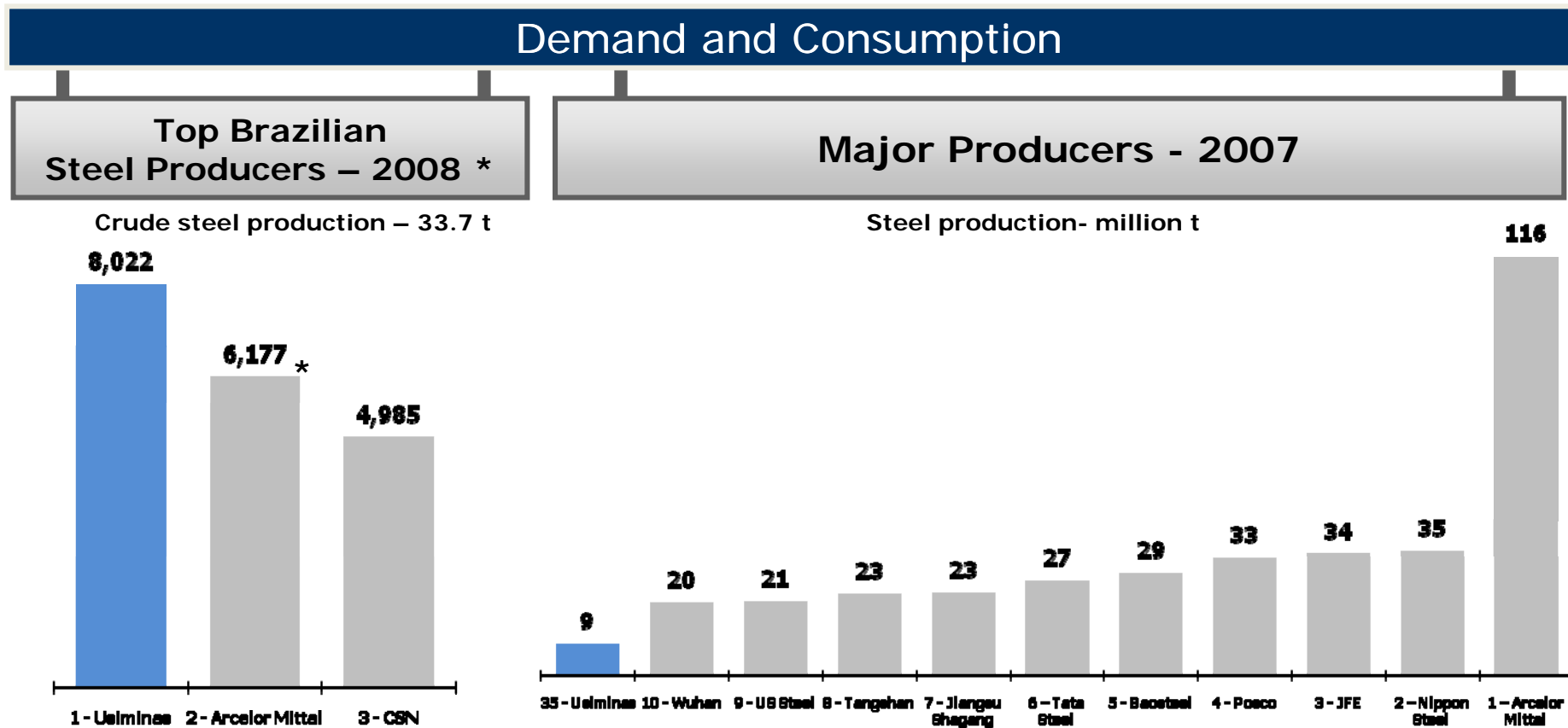
Agenda

- **Current Status**
- **Business Strategy**
- **Investment Plan**
- **Usiminas and the Distribution Sector**

Current Status



The largest flat steel producer in Latin America and the 35th steel producer in the world

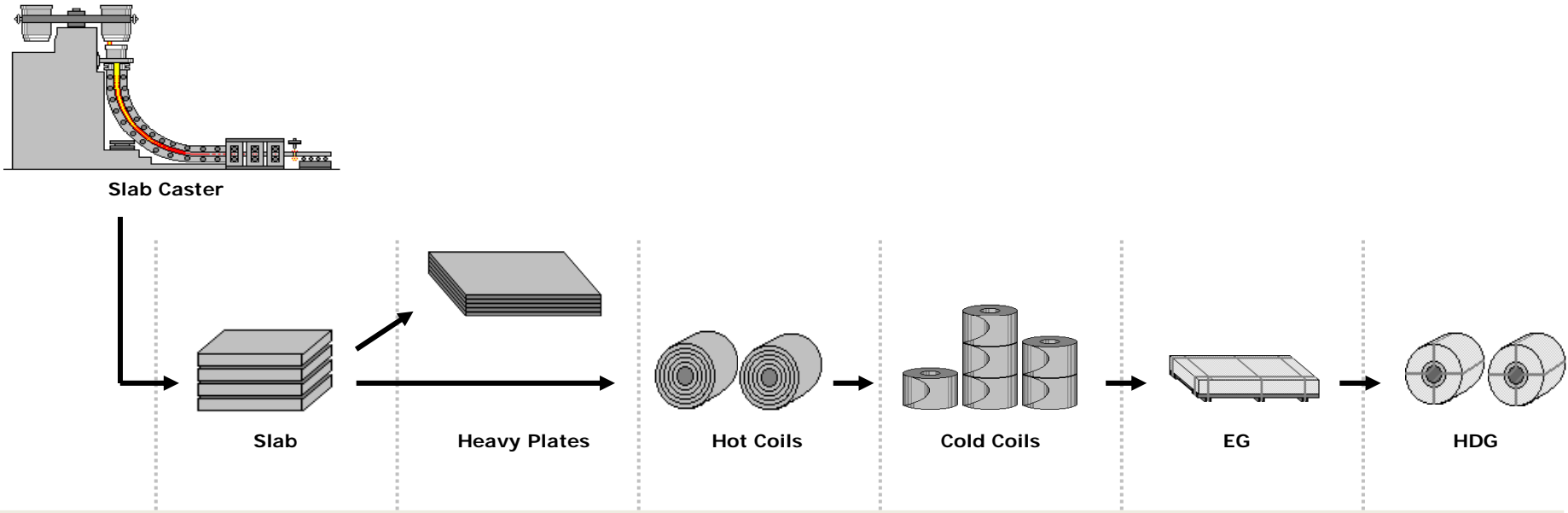


Strategically located

- ✓ Close to major markets
- ✓ Iron Ore Mine
- ✓ 2 ports
- ✓ Railroad (MRS)



Full range of flat steel products



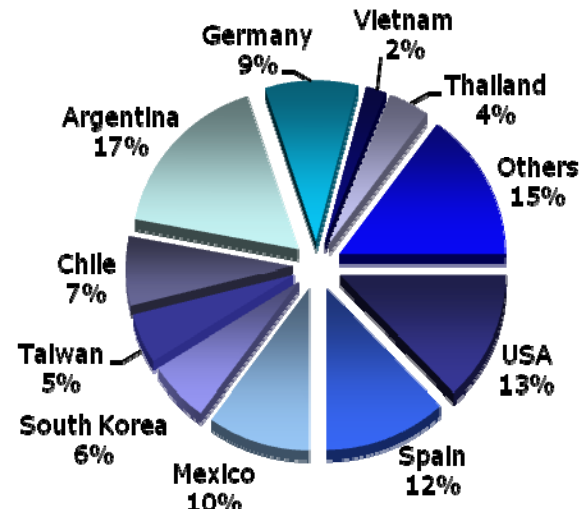
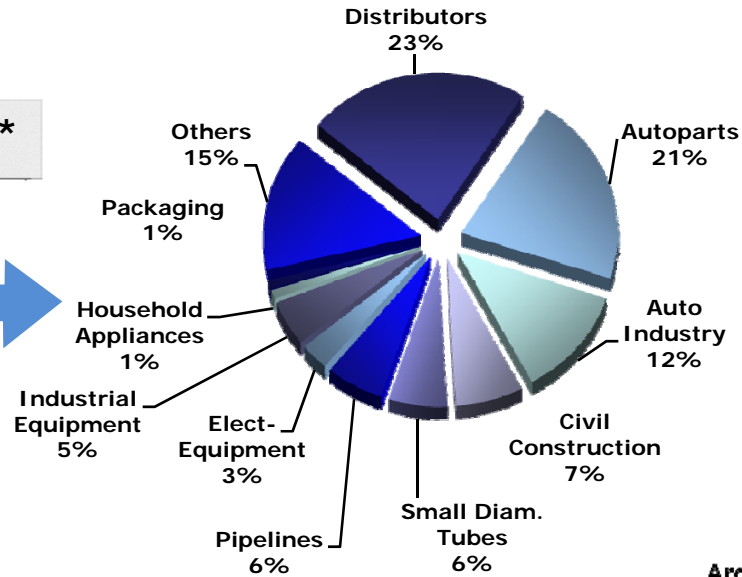
Ipatinga Plant	5,000 kt	1,000 kt	3,550 kt	2,500 kt	360 kt	480 kt
Cubatão Plant	4,500 kt	1,000 kt	2,100 kt	1,200 kt	-	-

Sales prioritizing domestic market and high value added niches



49% Market share *

7,176
83%
17%
2008



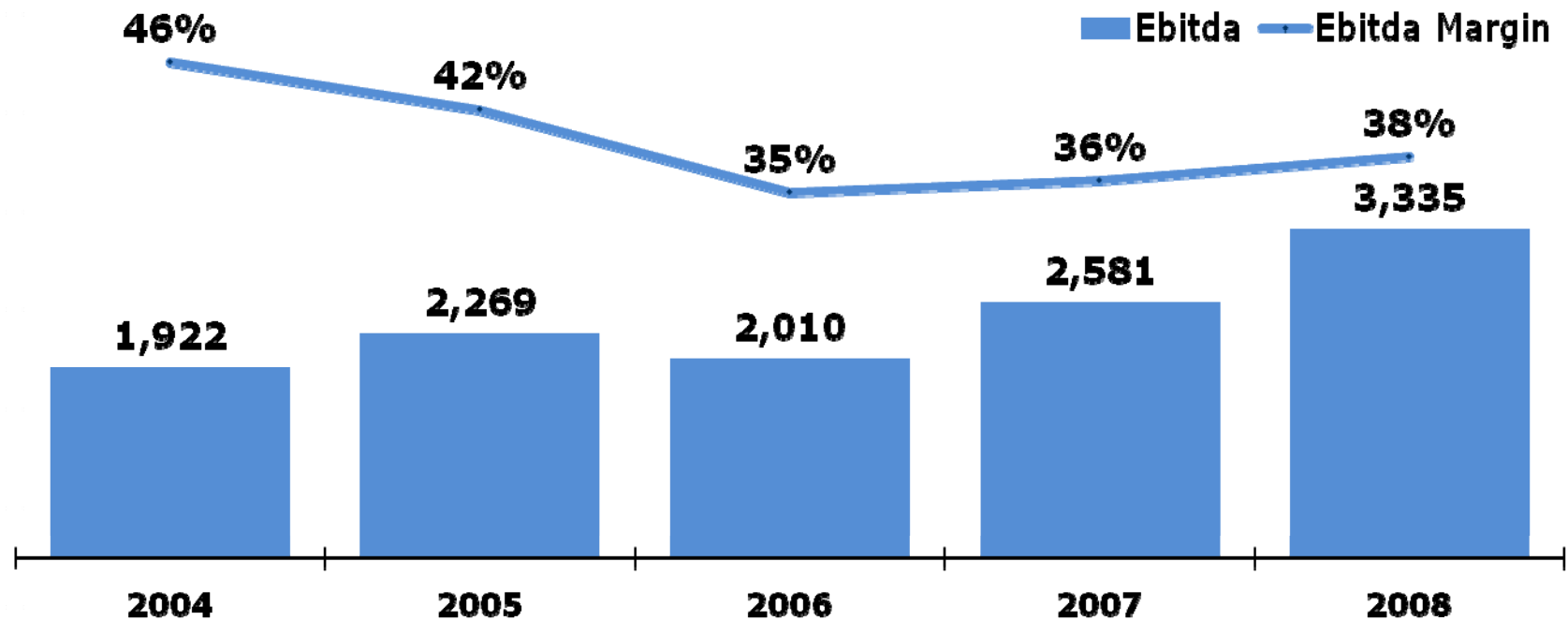
December, 2008

*Flat steel market: Usiminas, CSN and Arcelor Mittal Brasil

The company presented strong cash generation in recent years



US\$ Million

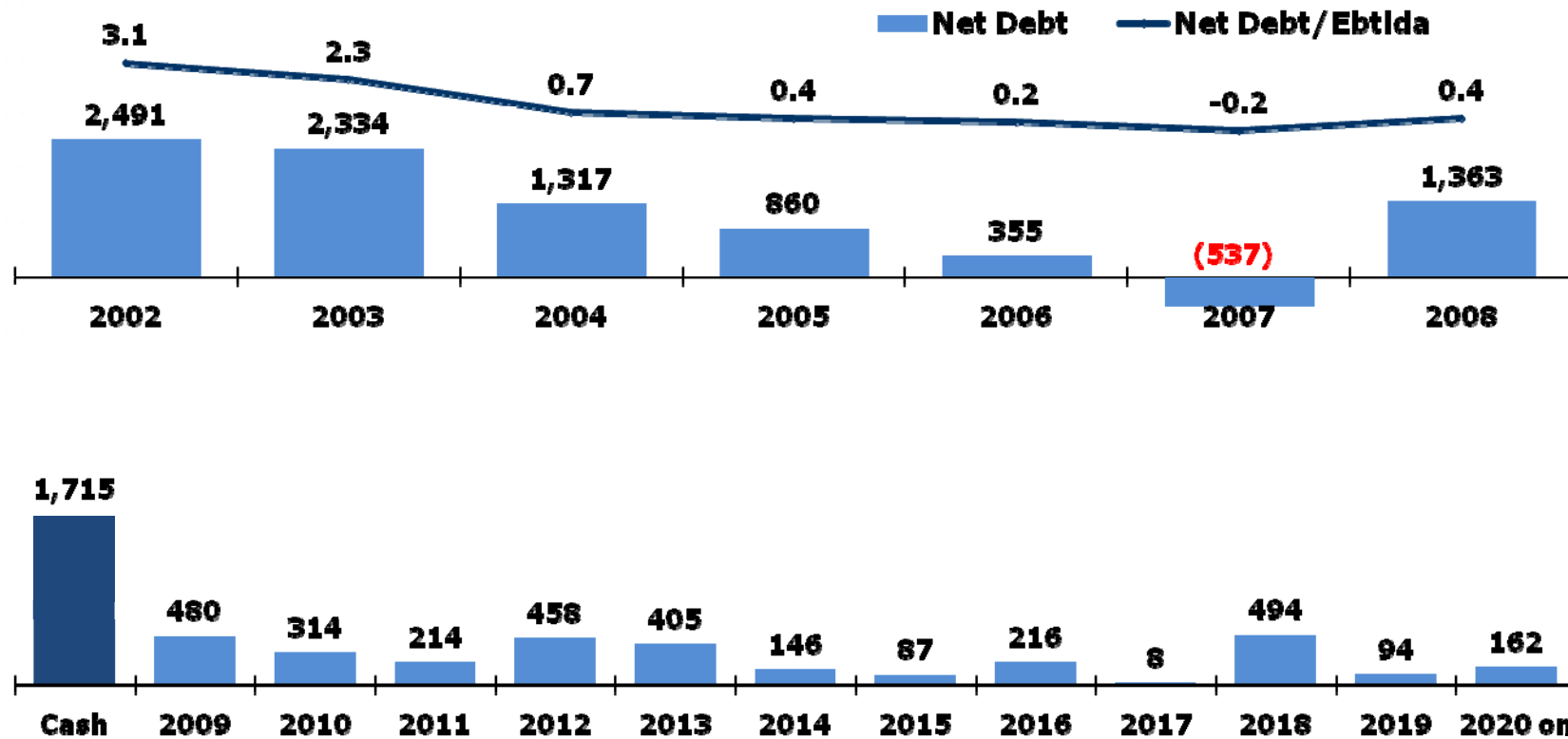


December, 2008

Strong debt reduction and adequacy of debt profile



US\$ Million



December, 2008

Note: Principal Values

Business Strategy



- 

Upstream Integration
Protection against transfer of margin in the value chain
Keep competitiveness of production costs
- 

Expansion of Domestic Capacity
Take advantage of domestic market growth, capturing a premium for the logistics gains
Capture competitiveness from access to local competitive raw material and labor
- 

Downstream Integration
Assure presence in growing markets
Integrate and create value in new market niches
- 

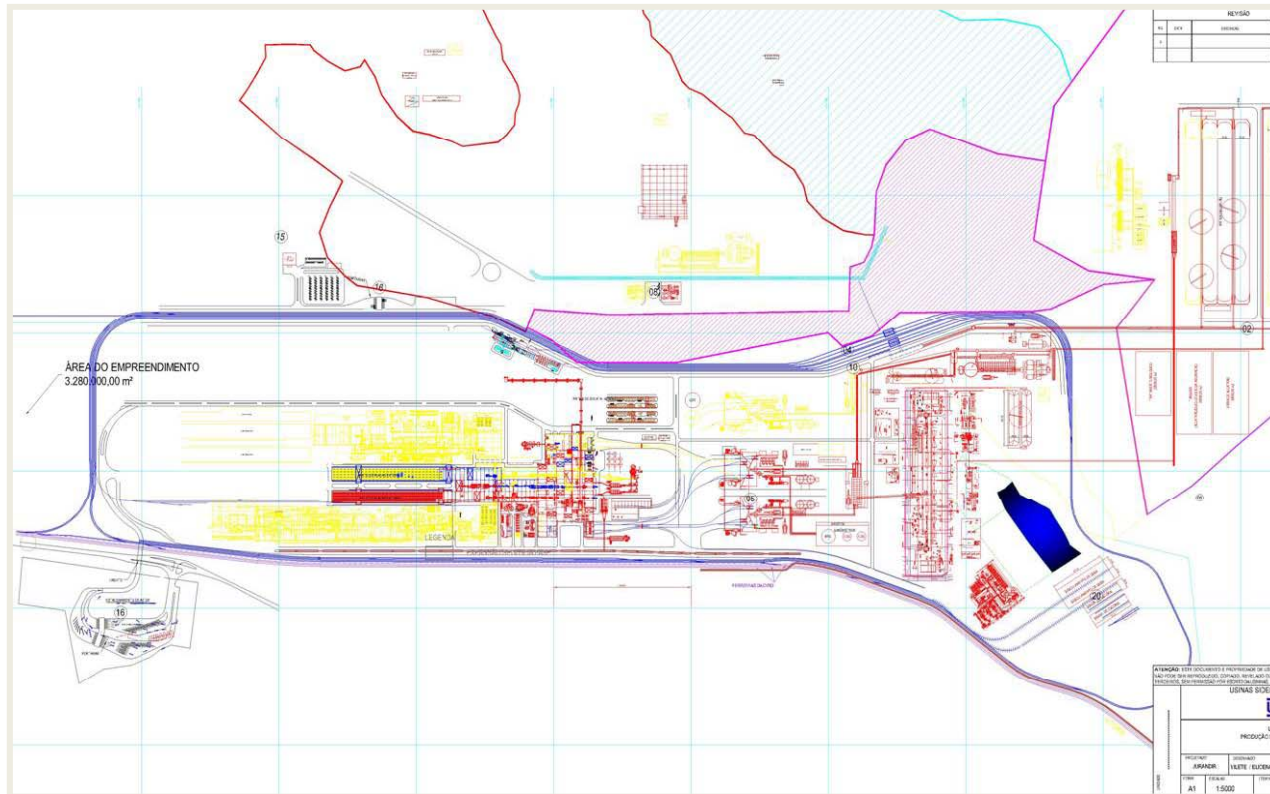
Expansion of Products Portfolio
Assure maximum potential of value creation
Reduce dependence of few product lines
Assure presence in growing markets
- 

Internationalization
Assure access to markets outside Brazil
Accelerate growth
Diversify and keep close to sector leaders

Investment Plan



Original Plan New Slab Plant (Santana do Paraíso)



Production capacity
5 million t/yr

Coke plant
2.0 million t/yr

Power plant
250 MW

Original Plan



Investments

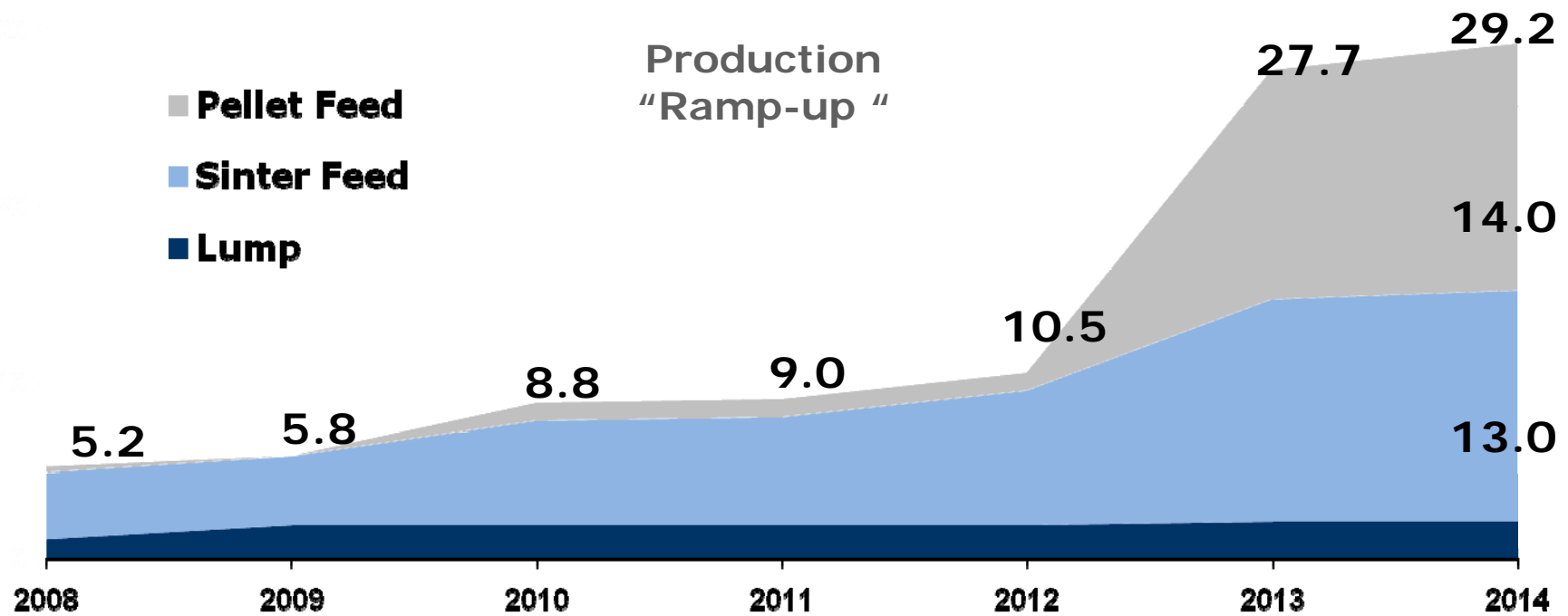
Ipatinga	Thsnd t.
Galvanized	550
Heavy Plate	500
Hot Rolled	150
Technology updating and cost reduction	
Cubatão	
Hot Rolled	2,300/4,800
Technology updating and cost reduction	

 Investments in Steel to meet demand of high value added products

Investments in Mining aiming increase of production and competitiveness



- ✓ Concentration Mill
- ✓ Pellet Plant
- ✓ Mining Equipment
- ✓ Railroad Access
- ✓ Acquisition



Usiminas and the Distribution Sector



The Distribution Sector is changing its profile



-  **Distribution** → **Distribution + Service Centers + Steel Processing**
-  **Consolidation**
-  **Steel Industry adopting model of downstream integration through distribution**
 - Size, potential of growth and margin
 - Commercial synergies
 - Operational Synergies

In March/09 Usiminas acquired Zamproгна, the largest independent distributor in Brazil



✓ **Financial Indicators (2008)**

Sales volume: 288 thousand t
Net revenues: R\$ 822 million

✓ **Production and Supply**

Tubes
Service Center
Processed Products

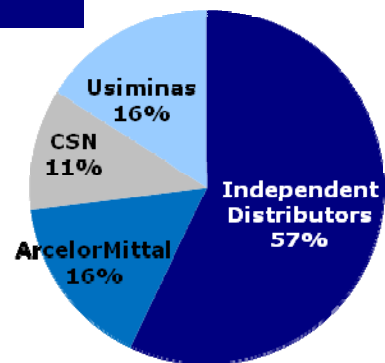
✓ **Localization**



Distribution

2007

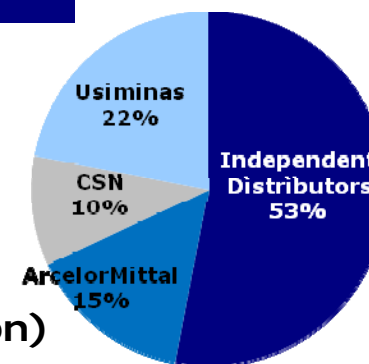
Company	Distributor	Part. (%)	Rank INDA 2007	Market Share
CSN	INAL	100%	390.7	11.2%
Total			390.7	11.2%
USIMINAS	DUFER	100%	116.2	3.3%
	FASAL	50%	217.1	6.2%
	RIO NEGRO	64%	239.9	6.9%
Total			573.2	16.4%
ZAMPROGNA			268.2	7.7%
ArcelorMittal	BELGO	100%	153.6	4.4%
	GONVARRI	50%	257.1	7.4%
	MANCHESTER	70%	131.6	3.8%
Total			542.3	15.5%



Total market: 3,489

Jan a set 2008

Company	Distributor	Pat. (%)	Rank INDA 2008	Market Share
CSN	INAL	100%	336.9	10.2%
Total			336.9	10.2%
USIMINAS	DUFER	100%	99.7	3.0%
	FASAL	50%	165.6	5.0%
	RIO NEGRO	64%	243.4	7.4%
	ZAMPROGNA	100%	224.1	6.7%
Total			732.8	22.1%
ArcelorMittal	BELGO	100%	174.8	5.3%
	GONVARRI	50%	239.7	7.3%
	MANCHESTER	70%	91.1	2.8%
Total			505.6	15.4%



Total market: 3,305

(Unit: Thousand ton)

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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.



**Dow Jones
Sustainability Indexes**
Member 2007/08



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