

# Results 2Q10

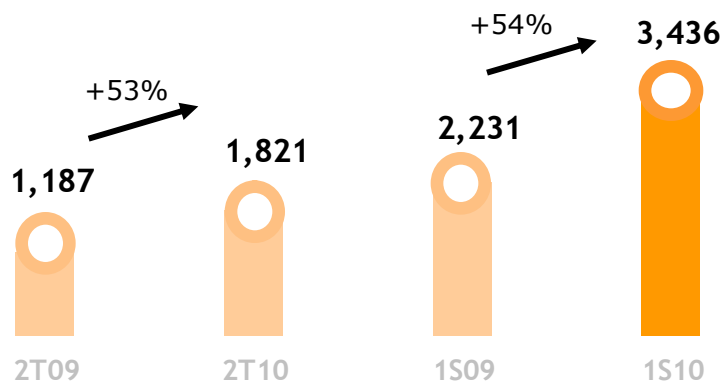
Webcast



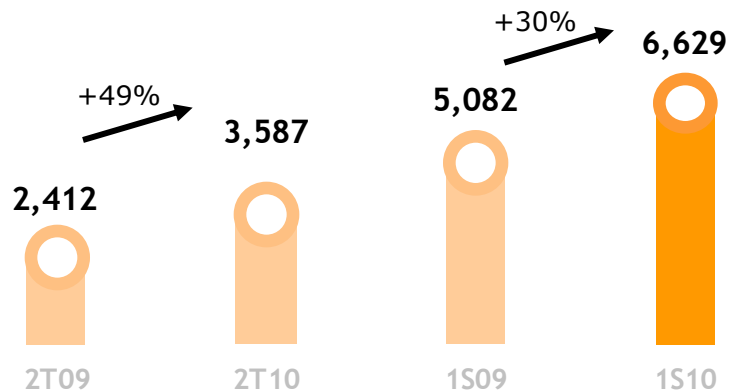
# Results 2Q10

## Highlights\*

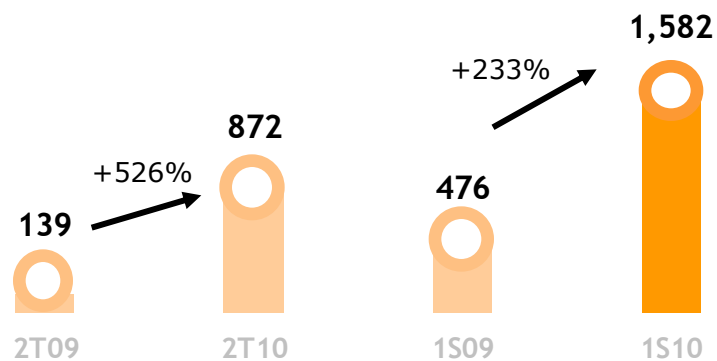
Sales - thousand tons



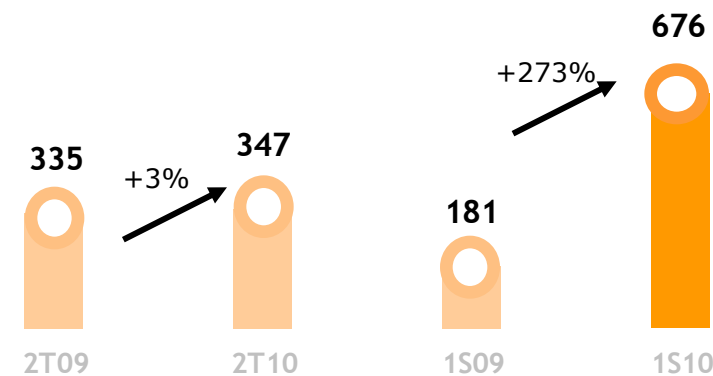
Net Revenues - R\$ Million



Ebitda - R\$ Million



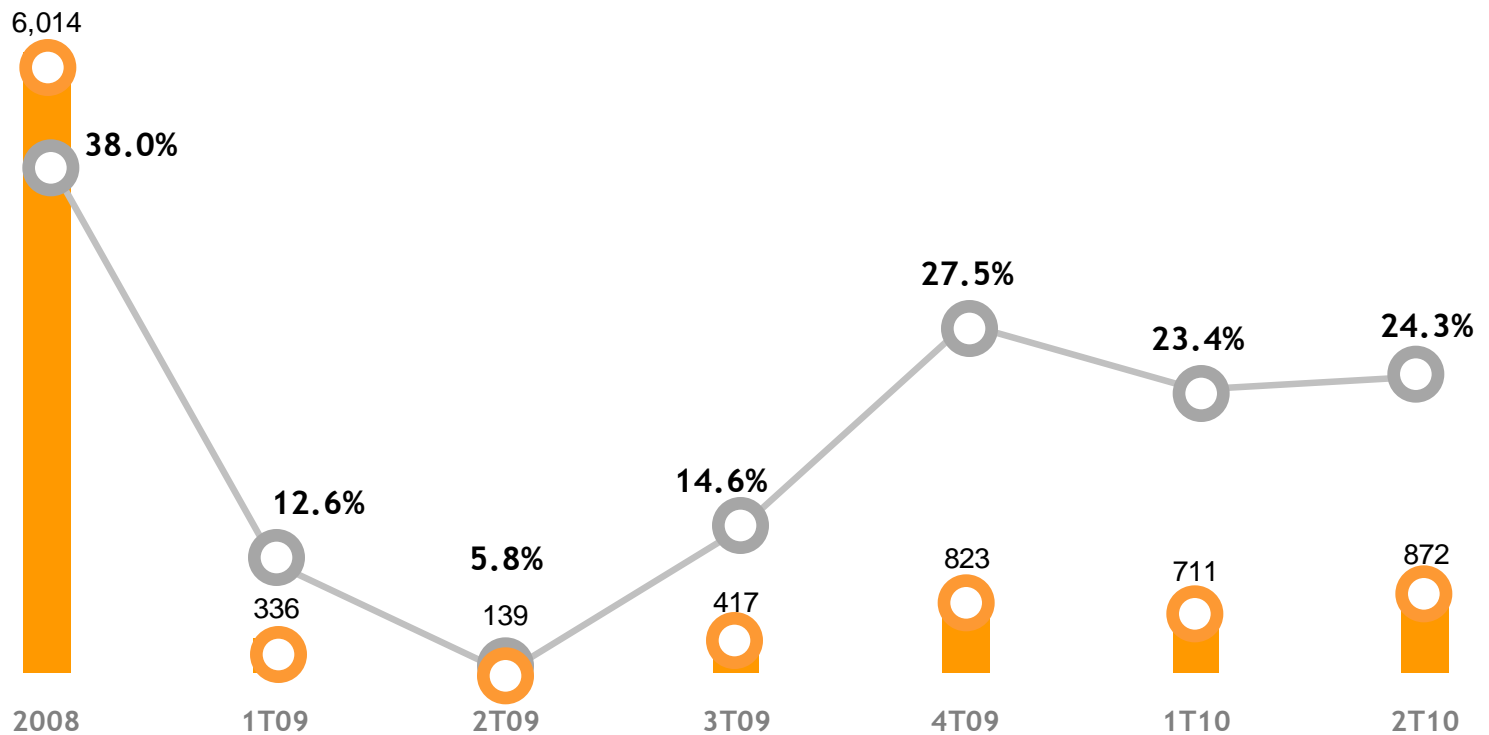
Net profit - R\$ Million



\*IFRS

# Ebitda Recovery

Ebitda - R\$ Million\*

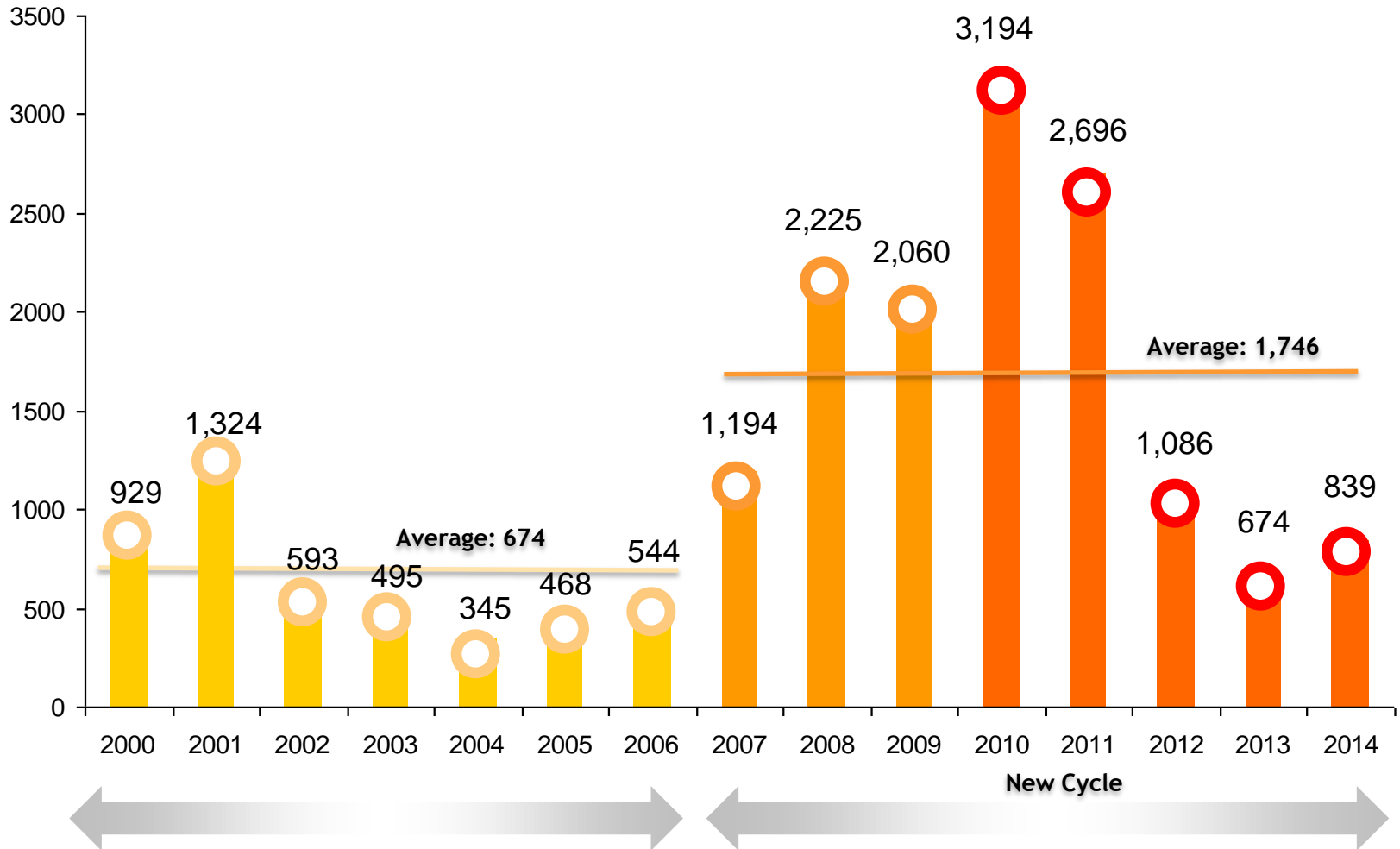


\*IFRS

# Investments

*The Steel Unit is going through a strong investment cycle pointed to value creation and cost reduction*

R\$ Million



# Investments

## Main projects Schedule

R\$ Million

Investments	Goal	Start up	Project Capex	Executed - June/2010
New Coke Facility #3 (Ipatinga)	Production of 750,000 tons/year	3Q/2010	R\$ 707 million	R\$ 683 million
Heavy-Plate Rolling Mill (Ipatinga)	CLC	3Q/2010	R\$ 1.050 billion	R\$ 373 million
	Expansion to 1,350,000 tons/year	4Q/2012		
New HDG Line (Ipatinga)	Production of 550,000 tons/year	1Q2011	R\$ 914 million	R\$ 622 million
New Hot Strip Mill #2 (Cubatão)	Production of 2,300,000 tons/year	2Q/2011	R\$ 2.530 billion	R\$ 951 million

# Investments

## *Products mix improvements*

*Finished products generation- thousand/ ton*

Products Line	2010	2011 / 2012	Variation	
			$\Delta$ ton	$\Delta$ %
Heavy Plate	1,900	2,400	500	26%
Hot Rolled Coil	2,150	3,750	1,600	74%
Cold Rolled Coil	2,350	2,350	-	0%
Galvanized	800	1,300	500	63%
Total	7,200	9,800	2,600	36%

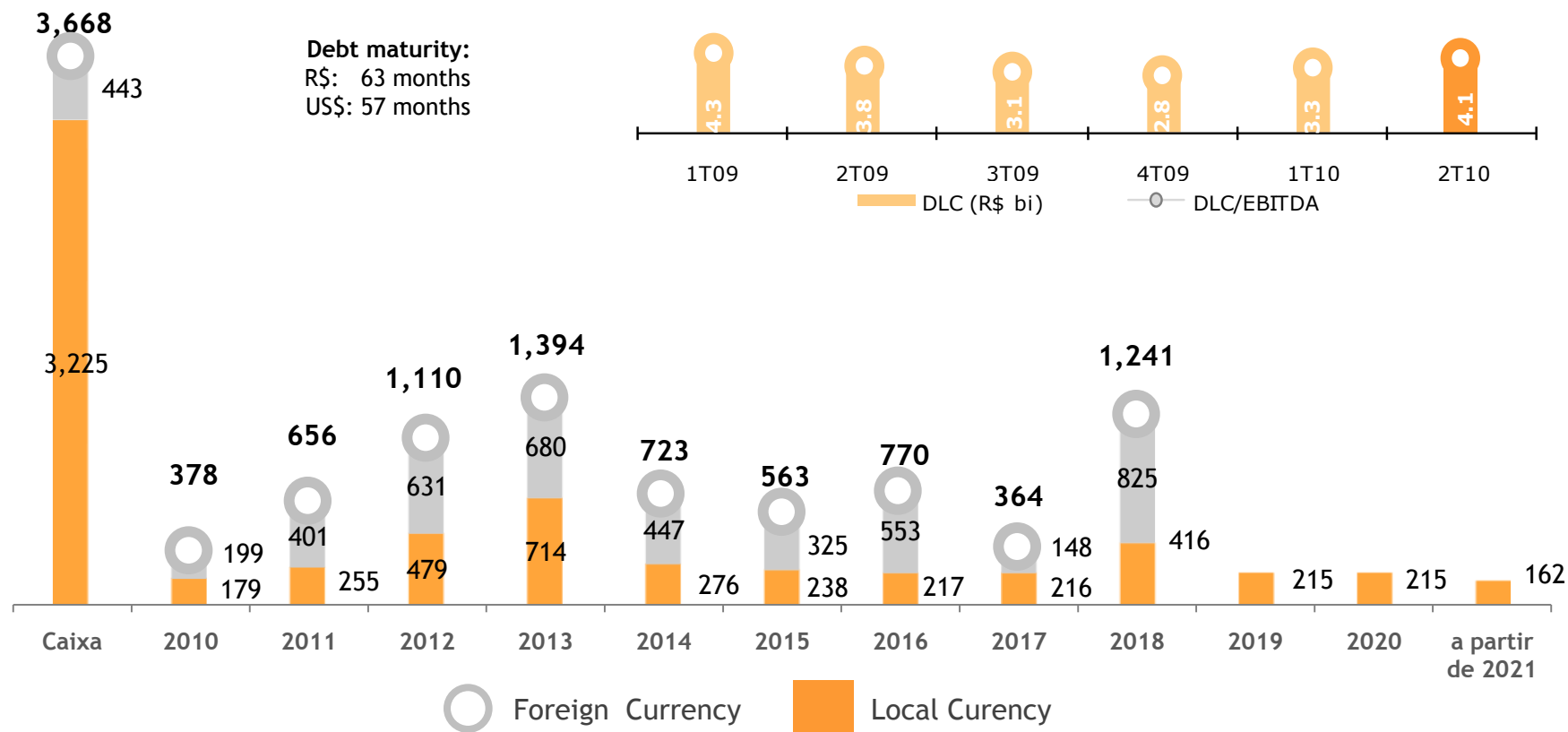
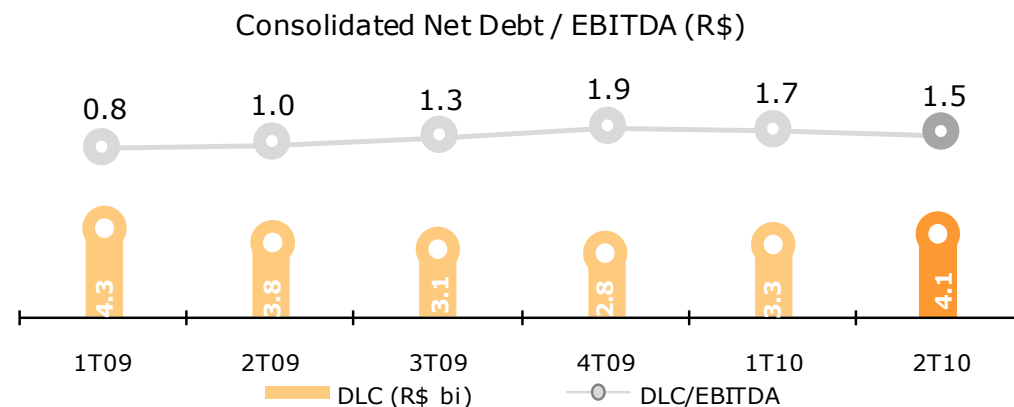
**NPV (Net Present Value) estimated for the projects should increase the Company's value in R\$ 3 billion**

# Debt

Focus in strong cash position and low indebtedness

R\$ Million

**Debt Cost**  
Local: R\$ 9.81 p.a. | Foreign: US\$ 3.06 p.a.



# Results accounted by Business Unit

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	1,526	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	1,118	101
EBITDA	198	81	279	110	563	552	1,115	193	100	99	199	(4)	26	31	57	57	871	711	1,582	447
EBITDA Margin	72%	51%	61%	57%	17%	20%	18%	4%	14%	17%	15%	0%	7%	11%	9%	13%	24%	23%	24%	9%

Note: MRS and Ternium results are accounted through equity on Equity Income.

\*IFRS



# Highlights

- Creation of Mineração Usiminas S.A.:

Strategic partner - Usiminas and Sumitomo

Estimated value: US\$ 6,5 billion

Equalization of the investment needs in mining

- Creation of Rede Usiminas:

Competitiveness increase and product and sales efficiency enhancement

Distinguished market approach

Products distribution network with operations in 15 states





ADR  
Level I



## Investor Relations

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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, on Brazil's economic situation, on the industry and on international markets, and are therefore subject to change.

**USIMINAS** 