

Results 2Q11

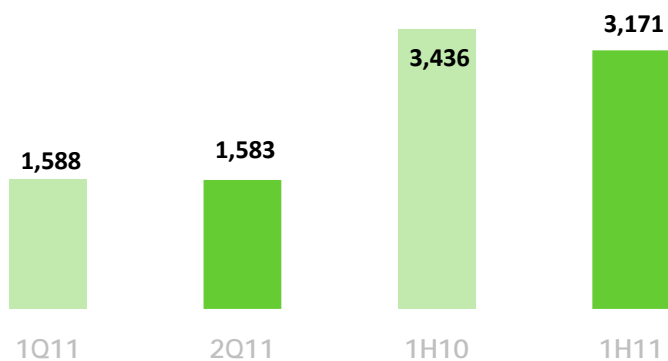
Webcast

Results 2Q11

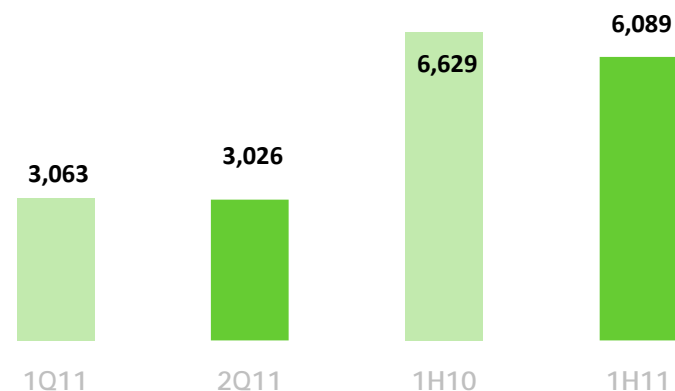
Highlights*



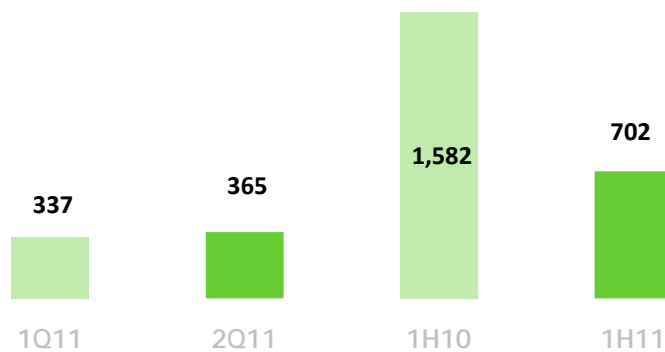
Sales - thousand tons



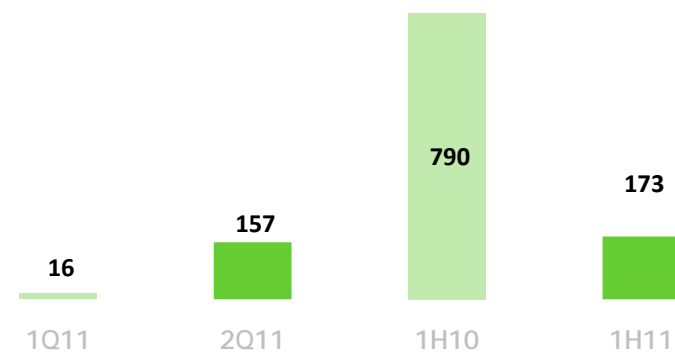
Net Revenues - R\$ Million



Ebitda - R\$ Million



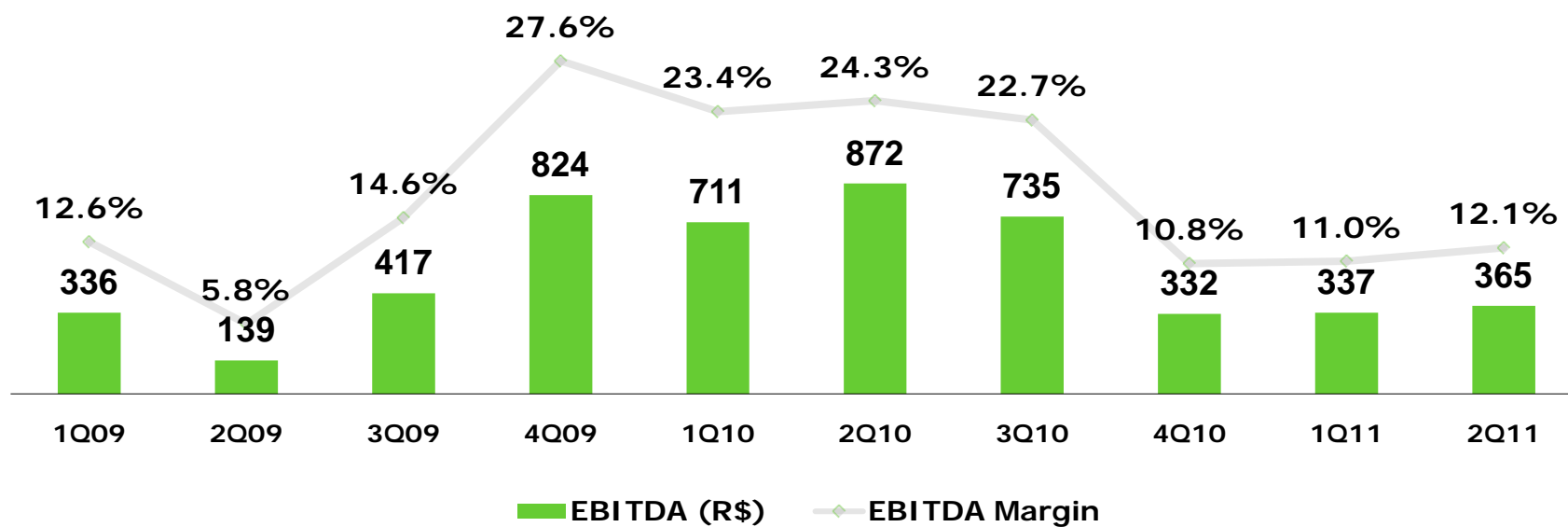
Net profit - R\$ Million



* IFRS

Results 2Q11

Ebitda - R\$ million*



* IFRS

Investments

Total amount estimated - 2011



R\$ 2.6 billion

**STRATEGIC FOCUS ON ENHANCING COMPETITIVENESS
OF CURRENT OPERATIONS**

- ✓ *Investment to increase the offer of high value added products*
- ✓ *Investment in operational efficiency and technological modernization*
- ✓ *Upstream and downstream integration*

Main Investments

2010

2011

...

In operation

On going projects

Coke Plant 3
(Ipatinga)

**CLC
Accelerated
Cooling Process**
(Ipatinga)

**New Galvanizing
Line**
550,000 tons
(Ipatinga)

**New Hot Rolled
Strip Mill**
2,300,000 tons
(Cubatão)

**Increase Mining
Production
Capacity**



Self-sufficiency in energy by 2015

Considered alternatives:

- ✓ Consumption reduction through continuous improvements and minor investments
- ✓ Technologies and optimization processes of fuel mix
- ✓ Energy generation technologies from production processes (co-generation)
- ✓ Participation in energy assets



Quarterly highlights



- **New Galvanizing line:** Unigal completed the “hot run” tests for the new galvanizing line in June. Expansion of 550 thousand tons/year on the 480 - thousand-ton / year current production capacity.
- **Mineração Usiminas:** In May this year, Usiminas began the environmental recovery of the area that it owns in the city of Itaguaí (RJ). The works should last 18 months and Usiminas estimates an investment of R\$92 million in the project.

Subsequent events

- **Mineração Usiminas:** On July 14, 2011, Mineração Usiminas S.A. entered into an agreement with Materiais Básicos Ltda. (“MBL”) to lease MBL’s mining rights for a period of 30 years or until the resources, currently estimated at 145 million/tons, are depleted. It is estimated that this agreement will allow Mineração Usiminas to mine 253 million tons of its reserves which could not be mined before such agreement;
- **Revolving Credit Facility:** The Board approved the Revolving Credit Facility, in the amount of US\$750 million. The transaction should be completed within 60 days with a group of 5 banks.

Mining and Logistics

Strategic partnership

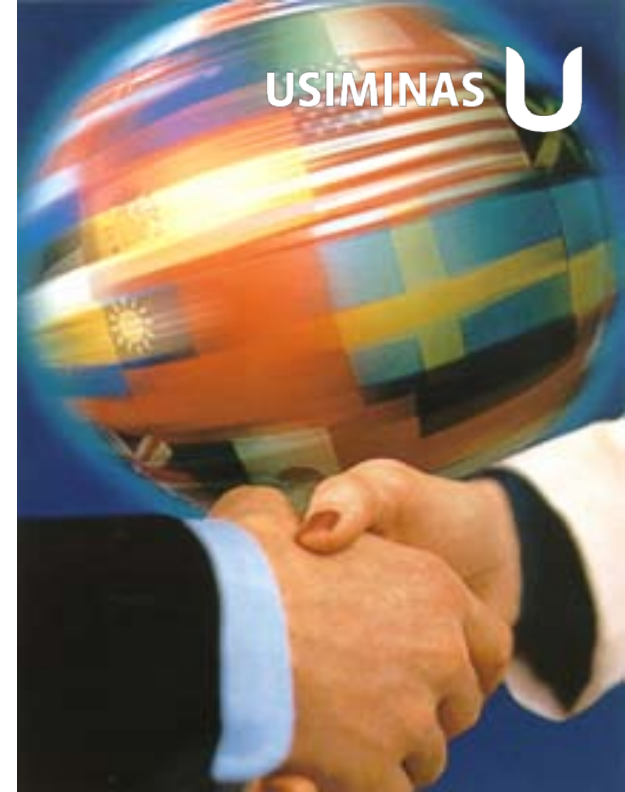
- Acquisition of 30% of total capital of Mineração Usiminas S.A. by Sumitomo Corporation at the total price up to US\$1,929 million.
 - At sight payment: US\$1,255 million;
 - At term payment: US\$674 million.

Terms of the total amount payment:

Mining - joint mining agreements: ~70%

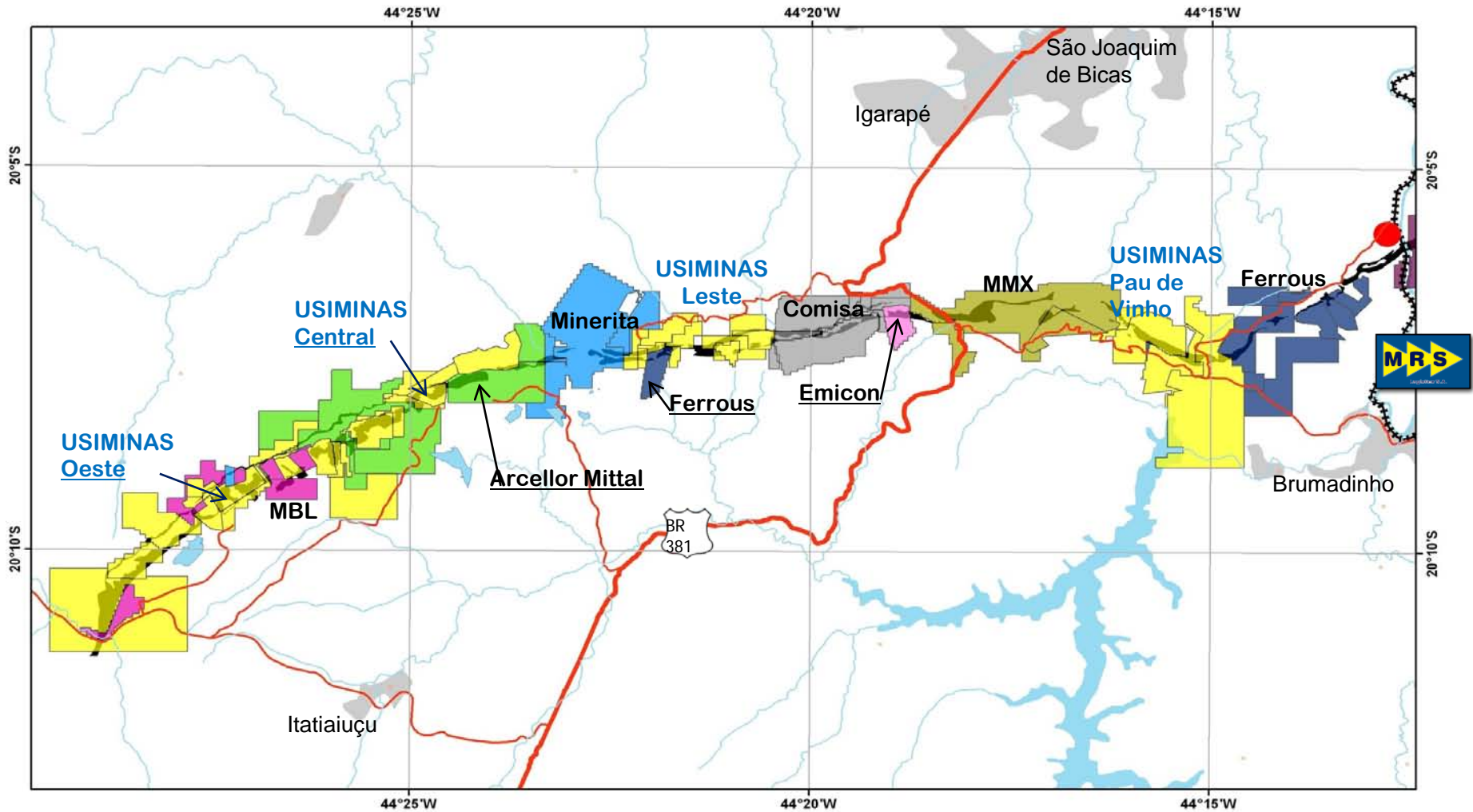
Inga's area: ~30%

- Joint mining agreement: MBL.



Mineração Usiminas

Serra Azul - possible agreements





ADR
Level I



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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.

