



Usiminas.
Doing always better.

USIMINAS

PUBLIC INFORMATION - Belo Horizonte, November 1, 2012. Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas (BM&FBOVESPA: USIM3, USIM5 e USIM6; USA/OTC: USDMY e USNZY; Latibex: XUSIO e XUSTI) releases today its third quarter 2012 (3Q12) results. Operational and financial information of the Company, except where otherwise stated, are presented based on consolidated figures, in Brazilian Real, according to International Financial Reporting Standards (IFRS). All comparisons made in this release take into consideration 2Q12, except where stated otherwise.

Usiminas in continuous effort to overcome market challenges

The main highlights in the 3Q12 were:

- Crude steel production totaled 1.8 million tons, in line with the 2Q12;
- Iron ore production was 1.8 million tons, 18% higher than in the 2Q12;
- Consolidated net revenues were R\$3.4 billion, 5% higher than in the 2Q12;
- Consolidated Cash position on 09/30/12 was R\$4.8 billion, stable compared with the 2Q12;
- Consolidated Investments amounted to R\$371.4 million.

Main Highlights

| R\$ million | 3Q12 | 2Q12 | 3Q11 | Chg. 3Q12/2Q12 | 9M12 | 9M11 | Chg. 9M12/9M11 |
|--------------------------------|---------|---------|---------|-------------------|---------|---------|-------------------|
| Crude Steel Production (000 t) | 1,837 | 1,845 | 1,549 | 0% | 5,354 | 5,190 | 3% |
| Sales Volume (000 t) | 1,749 | 1,888 | 1,406 | -7% | 5,149 | 4,576 | 13% |
| Iron Ore Production (000 t) | 1,785 | 1,517 | 1,575 | 18% | 5,156 | 4,665 | 11% |
| Sales Iron Ore (000 t) | 1,142 | 1,497 | 1,434 | -24% | 4,369 | 4,177 | 5% |
| Net Revenues | 3,390 | 3,225 | 2,998 | 5% | 9,501 | 9,087 | 5% |
| COGS | (3,224) | (3,067) | (2,650) | 5% | (9,004) | (8,020) | 12% |
| Gross Profit (Loss) | 166 | 158 | 348 | 5% | 497 | 1,067 | -53% |
| Net Income (Loss) | (125) | (87) | 154 | 44% | (248) | 327 | - |
| EBITDA | 150 | 232 | 343 | -36% | 572 | 1,046 | -45% |
| EBITDA Margin | 4.4% | 7.2% | 11.5% | - 2.8 p.p. | 6.0% | 11.5% | - 5.5 p.p. |
| Investments (Capex) | 371 | 355 | 688 | 5% | 1,288 | 1,843 | -30% |
| Cash Position | 4,775 | 4,844 | 5,503 | -1% | 4,775 | 5,503 | -13% |

Market Data – 09/28/12

BM&FBOVESPA: USIM5 R\$10.12/share
USIM3 R\$11.62/share

EUA/OTC: USNZY US\$5.08/ADR

Latibex: XUSI €3.19/share
XUSIO €3.79/share

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Usiminas Focus

To improve operational performance, to reduce its debt and to maintain a comfortable level of financial liquidity are the main focus of Usiminas. The structural indicators of installed capacity utilization of the plants and reduction of working capital show how strongly the company is preparing itself to overcome market challenges.

Economic Outlook

The global economic scene continues without great changes; in spite of stimulus, expectation of low growth continues in the third quarter. According to the IMF, growth in 2012 should be 3.3%, 20 basis points below the forecast in July and lower than the 3.8% recorded in 2011.

In the US, the difficulty to sustain consistent expansion has been confirmed. After growth of 2.1% in the 1Q12, the American economy slowed to a rate of 1.7% per annum in the second quarter, similar to what was expected for this third quarter. In Europe, the severe combination of recession, high debt and rumors of a bank crisis in important countries in the region persist. In China, the government has responded aggressively to the weakening of the economy, which grew 7.6% in the second quarter, the slowest growth rate since mid-2009. Recent data suggests that the slowdown has persisted in the 3Q12, with industrial production in August growing below 10% for the fifth consecutive month, against average growth of 13.7% in 2011.

In Brazil, in spite of consumption has still been growing, the industry performance is still weak. The industrial production reversed the consecutive declines sequence and showed a growth in August, for the third consecutive month. But the accrued reduction is still amounting 3.4% in the year of 2012.

In the third quarter, the Brazilian Economy should expand 1%, after a nearly zero growth in the first half of the year. Among the categories of expenses that compose the GDP, the Gross Fixed Capital Formation (Investment) presents the higher negative impact in the growth of the Brazilian economy in 2012. This is damaging to the steel consumption.

Despite the challenges, the expectation is of improvement in the business environment in the coming quarters as the economy reacts to monetary stimulus, through lower interest rates; fiscal stimulus, through industrial tax (IPI) reduction, tax relief for payroll charges, and reduction of electric energy tariff for the industry; credit stimulus, through the Sustainability Investment Program.

Economic and Financial Performance Comments on Consolidated Results

Net Revenue

Net revenue in the 3Q12 came to R\$3.4 billion, a 5.1% increase in relation to the 2Q12, which had reached R\$3.2 billion, mainly in function of sales of higher value added products, higher sales prices in the Steel and the Steel Processing Businesses, higher participation of domestic sales and greater contribution of the Capital Goods Business.

Net Revenue Breakdown

| | 3Q12 | 2Q12 | 3Q11 | 9M12 | 9M11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Domestic Market | 79% | 75% | 88% | 80% | 86% |
| Export Market | 21% | 25% | 12% | 20% | 14% |
| Total | 100% | 100% | 100% | 100% | 100% |

Cost of Goods Sold (COGS)

In the 3Q12, consolidated COGS totaled R\$3.2 billion, a 5.1% increase compared to the 2Q12, mainly due to sales of higher valued added products. Gross margin was 4.9%, stable as compared with the 2Q12, as per the table below.

Gross Margin

| 3Q12 | 2Q12 | 3Q11 | 9M12 | 9M11 |
|-------------|-------------|--------------|-------------|--------------|
| 4.9% | 4.9% | 11.6% | 5.2% | 11.7% |

Operating Income and Expenses

Selling, General and Administrative Expenses (SG&A) amounted to R\$222.6 million in the 3Q12, compared to R\$210.1 million in the 2Q12.

Other Operating Income and Expenses totaled expenses of R\$61.3 million in the 3Q12, against R\$51.0 million of income in the previous quarter. This was mainly due to negative extraordinary non-recurring effects of provision of the Transportation Agreement with MRS in the amount of R\$31.2 million and the provision of contingencies with acquisition of equity interests in the amount of R\$30.9 million. Additionally, there were R\$18.9 million of income related to *Reintegra* Program in the 3Q12, against R\$34.7 million in the previous quarter.

Thus, total Operating Expenses were R\$283.9 million in the quarter, against R\$159.1 million in the 2Q12. Consolidated operating margin in the Company presented the following performance:

EBIT Margin

| 3Q12 | 2Q12 | 3Q11 | 9M12 | 9M11 |
|--------------|-------------|-------------|--------------|-------------|
| -3.5% | 0.0% | 7.7% | -1.7% | 6.8% |

EBITDA

EBITDA, composed by operating profit before financial expense and revenue of a negative R\$118.3 million, adding back depreciation and amortization of R\$268.0 million totaled R\$149.7 million, 35.5 % lower than in the 2Q12. EBITDA margin showed a decrease of 280 basis points compared with 2Q12, mainly due to non-recurring extraordinary operating expenses, as previously described. The margins are shown as follows:

EBITDA Margin

| 3Q12 | 2Q12 | 3Q11 | 9M12 | 9M11 |
|------|------|-------|------|-------|
| 4.4% | 7.2% | 11.5% | 6.0% | 11.5% |

Financial Result

The financial result totaled a negative R\$117.4 million in the 3Q12 against a negative R\$255.7 million in the 2Q12. This result can be mainly attributed to a lower dollar variation in the period, which appreciated only 0.46% in the third quarter.

Financial Result - Consolidated

| R\$ thousand | 3Q12 | 2Q12 | 3Q11 | Chg. 3Q12/2Q12 | 9M12 | 9M11 | Chg. 9M12/9M11 |
|-----------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| Currency Exchange Variation | (8,508) | (199,576) | (138,655) | -96% | (210,645) | (9,710) | 2069% |
| Swap Operations Market Cap. | 8,290 | (7,159) | (34,332) | - | 43,259 | (32,965) | -231% |
| Inflationary Variation | (23,462) | (15,632) | (16,962) | 50% | (68,103) | (34,087) | 100% |
| Financial Income | 64,712 | 71,438 | 166,715 | -9% | 213,012 | 310,097 | -31% |
| Financial Expenses | (158,478) | (104,731) | (172,532) | 51% | (373,464) | (340,013) | 10% |
| FINANCIAL RESULT | (117,446) | (255,660) | (195,766) | -54% | (395,941) | (106,678) | 271% |

Equity in the Results of Associate and Subsidiaries Companies

The result of participation in results of subsidiaries was R\$19.1 million in the 3Q12, 43.4% greater than in the 2Q12, being MRS Logística the main contributor.

Net Profit (Loss)

The Company recorded a loss of R\$124.9 million in the quarter, against a loss of R\$86.5 million in the previous quarter, mainly due to the increase in extraordinary operating expenses, although partially compensated by lower financial losses.

Working Capital

Usiminas continues to improve its working capital reduction, which, in the quarter, amounted to a reduction of R\$0.5 billion through the decrease of inventories of steel products and spare parts and obtaining longer accounts payable terms. The accumulated reduction of working capital of the Company in 2012 was R\$1.5 billion.

Investments (Capex)

Investments totaled R\$371.4 million in the 3Q12, 4.6% higher, compared to the 2Q12. Out of the total investments of R\$1,287.7 million in 2012, approximately 63% was spent in Steel, 30% in Mining, 3% in Steel Transformation and 4% in Capital Goods.

Indebtedness

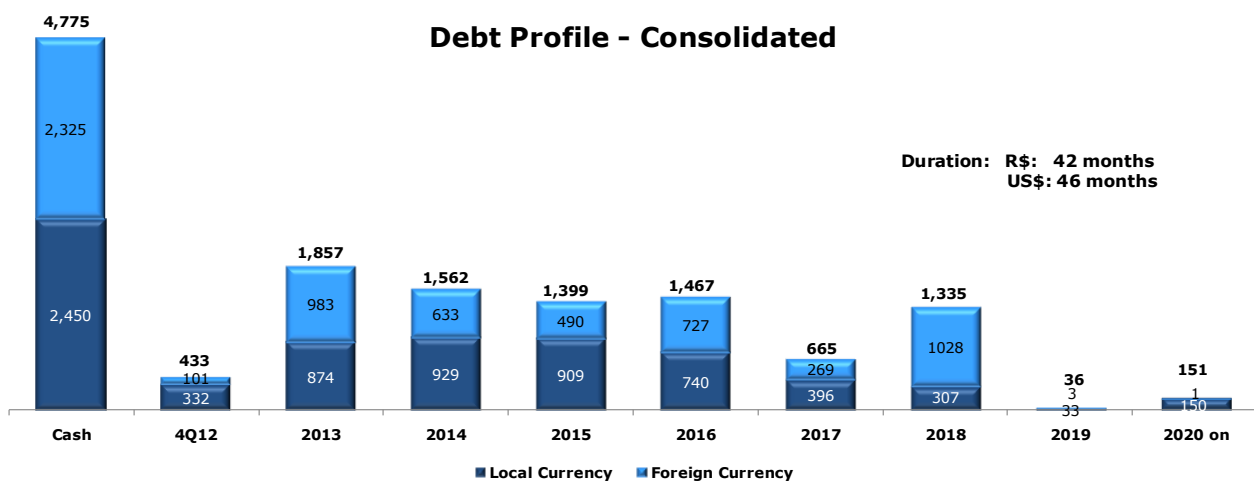
Total debt was R\$8.9 billion on 09/30/12, against R\$9.0 billion on 06/30/12. Net debt was R\$4.1 billion at the end of 3Q12, a decrease of 1.3% in comparison with the previous quarter.

On 09/30/12, debt composition by maturity was 23.7% short term and 76.3% long term. Composition by currency was 52.4% in domestic currency and 47.6% in foreign currency.

Loans and Financing by Index - Consolidated

| R\$ thousand | 30-Sep-12 | | | % | 30-Jun-12 | Chg. Sep12/Jun12 |
|-----------------------------|------------------|------------------|------------------|-------------|------------------|---------------------|
| | Short Term | Long Term | TOTAL | | TOTAL | |
| Local Currency | 1,120,593 | 3,549,122 | 4,669,715 | 52% | 4,621,013 | 1% |
| TJLP | 209,284 | 765,061 | 974,345 | - | 1,033,130 | -6% |
| CDI | 718,888 | 2,504,963 | 3,223,851 | - | 3,182,123 | 1% |
| Others | 192,421 | 279,098 | 471,519 | - | 405,760 | 16% |
| Foreign Currency (*) | 994,236 | 3,240,529 | 4,234,765 | 48% | 4,405,449 | -4% |
| TOTAL DEBT | 2,114,829 | 6,789,651 | 8,904,480 | 100% | 9,026,462 | -1% |
| CASH AND CASH EQUIVALENTS | - | - | 4,774,668 | - | 4,843,544 | -1% |
| NET DEBT | - | - | 4,129,812 | - | 4,182,918 | -1% |

(*) 99% of total foreign currency is denominated in US dollars



Business Units Performance

Transactions between Companies are accounted for on arm's length basis.

| Usiminas Consolidated | | | |
|----------------------------|---|---|---------------------------|
| Mining | Steel | Steel Processing | Capital Goods |
| Mineração Usiminas* | Ipatinga Mill Cubatão Mill Unigal* | Soluções Usiminas* Automotiva Usiminas* Metform and Codeme stake** | Usiminas Mecânica* |

* Usiminas' Subsidiary

**Results accounted through Equity in the Results of Associate and Subsidiary Companies

Income Statement per Business Units - Non Audited - Quarterly

| R\$ million | Mining | | Steel | | Steel Processing | | Capital Goods | | Adjustment | | Consolidated | |
|-----------------------------|------------|------------|-----------|------------|------------------|-----------|---------------|-------------|-------------|-------------|--------------|------------|
| | 3Q12 | 2Q12 | 3Q12 | 2Q12 | 3Q12 | 2Q12 | 3Q12 | 2Q12 | 3Q12 | 2Q12 | 3Q12 | 2Q12 |
| Net Revenue | 154 | 213 | 2,955 | 3,097 | 540 | 533 | 305 | 205 | (564) | (823) | 3,390 | 3,225 |
| Domestic Market | 95 | 143 | 2,284 | 2,348 | 532 | 522 | 305 | 203 | (533) | (811) | 2,683 | 2,405 |
| Export Market | 59 | 70 | 671 | 749 | 8 | 11 | 0 | 2 | (31) | (12) | 707 | 820 |
| COGS | (61) | (73) | (2,950) | (3,057) | (481) | (495) | (278) | (225) | 546 | 783 | (3,224) | (3,067) |
| Gross Profit | 93 | 140 | 5 | 39 | 59 | 37 | 27 | (19) | (18) | (39) | 166 | 158 |
| Operating Income (Expenses) | (47) | (49) | (186) | (43) | (52) | (50) | 2 | (17) | (1) | (0) | (284) | (159) |
| EBIT | 46 | 91 | (181) | (4) | 7 | (13) | 29 | (36) | (19) | (39) | (118) | (1) |
| EBITDA | 56 | 100 | 57 | 201 | 20 | 0 | 36 | (29) | (19) | (40) | 150 | 232 |
| EBITDA Margin | 36% | 47% | 2% | 6% | 4% | 0% | 12% | -14% | - | - | 4% | 7% |

Income Statement per Business Units - Non Audited - 9M12

| R\$ million | Mining | | Steel | | Steel Processing | | Capital Goods | | Adjustment | | Consolidated | |
|-----------------------------|------------|------------|------------|------------|------------------|-----------|---------------|-----------|-------------|-----------|--------------|--------------|
| | 9M12 | 9M11 | 9M12 | 9M11 | 9M12 | 9M11 | 9M12 | 9M11 | 9M12 | 9M11 | 9M12 | 9M11 |
| Net Revenue | 607 | 733 | 8,625 | 7,995 | 1,570 | 1,630 | 761 | 1,050 | (2,062) | (2,322) | 9,501 | 9,087 |
| Domestic Market | 456 | 608 | 6,866 | 6,907 | 1,544 | 1,600 | 759 | 1,049 | (1,998) | (2,321) | 7,627 | 7,843 |
| Export Market | 151 | 125 | 1,759 | 1,089 | 26 | 30 | 2 | 1 | (64) | (1) | 1,874 | 1,244 |
| COGS | (234) | (192) | (8,581) | (7,791) | (1,423) | (1,483) | (761) | (924) | 1,995 | 2,370 | (9,004) | (8,020) |
| Gross Profit | 373 | 541 | 45 | 204 | 147 | 147 | 0 | 126 | (68) | 48 | 497 | 1,067 |
| Operating Income (Expenses) | (132) | (88) | (330) | (163) | (154) | (130) | (38) | (75) | 2 | 4 | (652) | (452) |
| EBIT | 241 | 453 | (285) | 41 | (7) | 17 | (38) | 51 | (66) | 52 | (155) | 615 |
| EBITDA | 267 | 474 | 358 | 389 | 31 | 62 | (19) | 71 | (65) | 48 | 572 | 1,046 |
| EBITDA Margin | 44% | 65% | 4% | 5% | 2% | 4% | -3% | 7% | - | - | 6% | 12% |

I) MINING
Mineração Usiminas (MUSA)

Mineração Usiminas is located in the region of Serra Azul (MG) and holds mining assets with potential mineable reserves estimated at 2.6 billion tons, in addition to a retro area of 850 thousand square meters at the port terminal in the Itaguaí region (RJ). MUSA and Usiminas further hold a stake in MRS Logística, through its subsidiary UPL – Usiminas Participações e Logística

S.A., with 20% of its voting capital and take part in the control group. The total capital in Mineração Usiminas is comprised 70% by Usiminas and 30% by Sumitomo Corporation.

Comments on Business Unit Results - Mining

In the 3Q12, net revenue in the Mining segment was R\$154.2 million, an 27.6% decrease compared with the 2Q12, in function of lower volume sold in the domestic market and strong decline in the price of iron ore in the market.

In the 3Q12, cost of goods sold (COGS) totaled R\$60.8 million, 16.6% lower than in the 2Q12 due to a lower sales volume.

Gross profit reached R\$93.4 million in the 3Q12, 33.4% lower than the 2Q12's result, which was R\$140.2 million; this drop is the result of the combination of lower volume and sale prices. Gross margin in the 3Q12 was 60.6%, compared with 65.8% in the 2Q12.

Operating expenses decreased by 4.1% in relation to the 2Q12, mainly due to lower export sales volume, reducing sales expenses. EBITDA accounted for in the 3Q12 was R\$55.7 million, 44.3% lower than in the 2Q12, generating an EBITDA margin of 36.1%.

Operating and Sales Performance

Production volume in the 3Q12 was 1.8 million tons, 17.6% higher than in the 2Q12, in line with the productivity increase related to incurred investments. Compared to the 3Q11, the progress recorded was 13.4%, which reinforces stabilization of the existing plants enabling the company to continually increase its production capacity.

Production and sales volume are shown in the table below:

Iron Ore

| Thousand tons | 3Q12 | 2Q12 | 3Q11 | Chg. 3Q12/2Q12 | 9M12 | 9M11 | Chg. 9M12/9M11 |
|-------------------------|--------------|--------------|--------------|-------------------|--------------|--------------|-------------------|
| Production | 1,785 | 1,517 | 1,575 | 18% | 5,156 | 4,665 | 11% |
| Sales - Domestic Market | 47 | 60 | 166 | -22% | 429 | 246 | 74% |
| Sales - Export Market | 324 | 365 | 161 | -11% | 845 | 622 | 36% |
| Sales to Usiminas | 771 | 1,072 | 1,107 | -28% | 3,095 | 3,309 | -6% |
| Total = Sales | 1,142 | 1,497 | 1,434 | -24% | 4,369 | 4,177 | 5% |

Investments

In the 3Q12, investments totaled R\$169.2 million, mainly for the Friable Project ("Projeto Friáveis"), which will allow Mineração Usiminas to reach a production capacity of 12 million tons per year, forecast to start up in the second half of 2013.

Stake in MRS Logística

Mineração Usiminas holds a stake in MRS through its subsidiary UPL – Usiminas Participações e Logística S.A.

MRS Logística is a concession that controls, operates and monitors the Brazilian Southeastern Federal Railroad Network (*Malha Sudeste da Rede Ferroviária Federal*). The Company operates in the railway transportation market, connecting the states of Rio de Janeiro, Minas Gerais and São Paulo and its core business is railway transportation with integrated logistics of cargo in general, such as iron ore, finished steel products, cement, bauxite, agricultural products, green coke and containers, among others.

MRS totaled 40.6 million tons transported in the 3Q12, presenting an increase of 2.6% in relation to the previous quarter. This increase is, for the most part, a reflection of transportation increase in the agricultural segment, specifically corn and sugar.

II) S T E E L

The Global and Brazilian Steel Industries

The global steel industry outlook remains negative, with profitability of business conditions unsatisfactory over the third quarter. There was great prices volatility in the international market.

In China, the condition of excess supply persists as a result of the production levels in its plants, without a corresponding improvement in demand. Since the beginning of 2012, spending on investment have had a significant reduction. The announcement of stimulus measures by the local government has served to relieve downward price pressure in the Chinese market.

Domestically, the news with greatest impact in the Brazilian steel market was the increase in the import tax from 12% to 25% for specific Heavy Plates and Hot Rolled products included in the list of exceptions to the Common External Tariff of MERCOSUR. The measures came into effect as of October 2012. The impact of the measure on the attractiveness of imports in the domestic market is significant, since the items included represent about 70% of the import volume of Heavy Plate and Hot Strip, based on the period January to July of this year.

Production – Ipatinga and Cubatão Plants

In the 3Q12, crude steel production at the Ipatinga and Cubatão plants was 1.8 million tons, the same level verified in the 2Q12. Flat steel production was 1.7 million tons, 7.2% lower than production in the 2Q12.

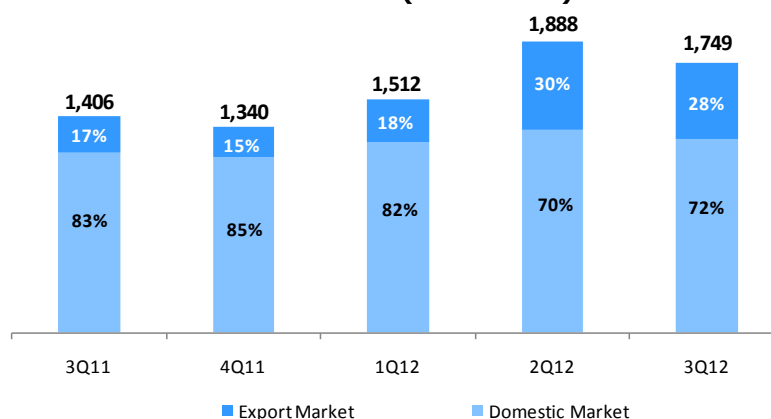
Production (Crude Steel)

| Thousand tons | 3Q12 | 2Q12 | 3Q11 | Chg. 3Q12/2Q12 | 9M12 | 9M11 | Chg. 9M12/9M11 |
|---------------|--------------|--------------|--------------|-------------------|--------------|--------------|-------------------|
| Ipatinga Mill | 980 | 969 | 957 | 1% | 2,883 | 2,830 | 2% |
| Cubatão Mill | 857 | 876 | 592 | -2% | 2,471 | 2,360 | 5% |
| Total | 1,837 | 1,845 | 1,549 | 0% | 5,354 | 5,190 | 3% |

Sales

Total sales volume in the 3Q12 reached 1.7 million tons, a decrease of 7.4% in relation to the 2T12. Out of total sales, 72.2% was sold in the domestic market and 27.8% in the international market.

Steel Sales (thousand t)

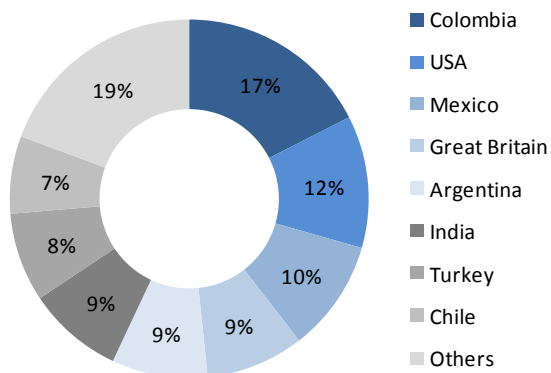


Sales Volume Breakdown

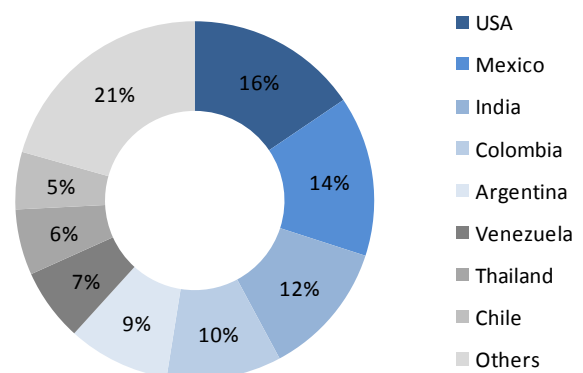
| Thousand tons | 3Q12 | | 2Q12 | | 3Q11 | | Chg. 3Q12/2Q12 | 9M12 | | 9M11 | | Chg. 9M12/9M11 |
|------------------------|--------------|-------------|--------------|-------------|--------------|-------------|----------------|--------------|-------------|--------------|-------------|----------------|
| TOTAL SALES | 1,749 | 100% | 1,888 | 100% | 1,406 | 100% | -7% | 5,149 | 100% | 4,576 | 100% | 13% |
| Heavy Plates | 394 | 23% | 395 | 21% | 360 | 26% | 0% | 1,156 | 22% | 1,180 | 26% | -2% |
| Hot Rolled | 503 | 29% | 545 | 29% | 381 | 27% | -8% | 1,509 | 29% | 1,327 | 29% | 14% |
| Cold Rolled | 386 | 22% | 407 | 22% | 311 | 22% | -5% | 1,106 | 21% | 1,179 | 26% | -6% |
| Electrogalvanized | 35 | 2% | 41 | 2% | 54 | 4% | -15% | 111 | 2% | 162 | 4% | -31% |
| Hot Dip Galvanized | 188 | 11% | 175 | 9% | 113 | 8% | 7% | 506 | 10% | 360 | 8% | 41% |
| Processed Products | 46 | 3% | 33 | 2% | 37 | 3% | 39% | 122 | 2% | 107 | 2% | 14% |
| Slabs | 197 | 11% | 292 | 15% | 150 | 11% | -33% | 639 | 12% | 261 | 6% | 145% |
| DOMESTIC MARKET | 1,262 | 72% | 1,327 | 70% | 1,163 | 83% | -5% | 3,835 | 74% | 3,735 | 82% | 3% |
| Heavy Plates | 281 | 16% | 300 | 16% | 290 | 21% | -6% | 877 | 17% | 882 | 19% | -1% |
| Hot Coils | 402 | 23% | 450 | 24% | 361 | 26% | -11% | 1,281 | 25% | 1,229 | 27% | 4% |
| Cold Coils | 299 | 17% | 322 | 17% | 296 | 21% | -7% | 913 | 18% | 971 | 21% | -6% |
| Electrogalvanized | 31 | 2% | 34 | 2% | 48 | 3% | -9% | 95 | 2% | 145 | 3% | -34% |
| Hot Dip Galvanized | 169 | 10% | 155 | 8% | 102 | 7% | 9% | 452 | 9% | 325 | 7% | 39% |
| Processed Products | 42 | 2% | 32 | 2% | 32 | 2% | 31% | 114 | 2% | 87 | 2% | 31% |
| Slabs | 38 | 2% | 34 | 2% | 34 | 2% | 12% | 103 | 2% | 96 | 2% | 7% |
| EXPORT MARKET | 487 | 28% | 561 | 30% | 243 | 17% | -13% | 1,314 | 26% | 841 | 18% | 56% |
| Heavy Plates | 113 | 6% | 95 | 5% | 70 | 5% | 19% | 279 | 5% | 298 | 7% | -6% |
| Hot Rolled | 101 | 6% | 95 | 5% | 20 | 1% | 6% | 228 | 4% | 98 | 2% | 133% |
| Cold Rolled | 87 | 5% | 85 | 5% | 15 | 1% | 2% | 193 | 4% | 208 | 5% | -7% |
| Electrogalvanized | 4 | 0% | 7 | 0% | 6 | 0% | -43% | 16 | 0% | 17 | 0% | -6% |
| Hot Dip Galvanized | 19 | 1% | 20 | 1% | 11 | 1% | -5% | 54 | 1% | 35 | 1% | 54% |
| Processed Products | 4 | 0% | 1 | 0% | 5 | 0% | 300% | 8 | 0% | 20 | 0% | -60% |
| Slabs | 159 | 9% | 258 | 14% | 116 | 8% | -38% | 536 | 10% | 165 | 5% | 225% |

The main export destinations are shown below:

Exports - Main Markets – 3Q12



Exports - Main Markets – 9M12



Comments on Business Unit Results - Steel

In the 3Q12, the steel business unit accounted for net revenue of R\$3.0 billion, 4.6% lower than in the 2Q12, mainly in function of lower sales volume, partially compensated by better prices in the domestic and export markets, as well as better product mix.

In order to increase objective of sales volume growth and dilution of fixed costs, as well as continuity of the working capital reduction plan, export volume continued at a high level, at a ratio of 28% of sales volume.

In the 3Q12, COGS was 3.5% lower than in the 2Q12, totaling R\$3.0 billion, result of lower sales volume in the period. Production cost per ton in the quarter remained stable. COGS per ton shows an increase of 4.2% related to sales of products produced in previous periods, in line with the focus on reducing working capital.

Operating expenses were R\$186.6 million in the 3Q12, against R\$43.2 million in the 2Q12, mainly impacted by the non-recurring extraordinary effects of provision of the Transportation Agreement with MRS in the amount of R\$31.2 million and the provision of contingencies with acquisition of equity interests in the amount of R\$30.9 million. On the positive side, there is the contribution from the *Reintegra* Program in the amount of R\$18.9 million.

The steel business recorded EBITDA of R\$57.4 million in the quarter, compared with R\$200.9 million in the 2Q12, mainly due to the negative impact of extraordinary operating expenses. EBITDA margin in the 3Q12 was 1.9%, against 6.5% in the previous quarter.

Investments

Investments in the 3Q12 totaled R\$183.6 million. It is worthwhile mentioning that the strong investment cycle in the Steel Business initiated in 2008, is in its final stage. The main ongoing investments are:

- Pickling line III are expected to start up in the fourth quarter of 2013. The goal is to supply the growing market demand for pickled products for production of light wheels, autoparts and galvanized steel for civil construction, among others.
- The revamping underway of Coke Oven Battery II in Ipatinga should allow the company to reduce its production cost of coke, besides improving environmental metrics.

III) STEEL TRANSFORMATION

• Soluções Usiminas (SU)

Soluções Usiminas operates in the distribution, services and small diameter tubes markets nationwide, offering its customers high value added products. The Company has a processing capacity of more than 2 million tons of steel per year in its 11 industrial facilities, strategically located in the States of Rio Grande do Sul, São Paulo, Minas Gerais, Espírito Santo, Bahia and Pernambuco. It serves different economic segments, such as Automobile sector, Autoparts, Civil Construction, Distribution, Electric-electronic, Machinery and Equipment and Domestic Household Appliances.

Sales in the distribution, services and small diameter tubes were responsible, respectively, for 44%, 46% and 10% of the volume sold.

Net revenue in the 3Q12 totaled R\$439.7 million, 1.6% lower than in the 2Q12, mainly due to lower sales volume, partially offset by higher average prices.

• Automotiva Usiminas

Automotiva Usiminas is the only company in the autoparts segment in Brazil to produce parts and painted cabins in their final color, starting from the development of raw material to the final product, going through the processes of stamping, welding, painting and assembly.

Investments in production process improvement continue to be made, in line with the company's development plan. Such investments seek to adapt and maintain the technology of the manufacturing facility.

Net revenue was R\$82,3 million in the 3Q12, 13.0% above that recorded in the 2Q12, due to increased sales volume, mainly to the automobile industry.

Highlights

At the end of September, Automotive Usiminas signed a partnership contract with DAF do Brasil. It is responsible for the assembly and painting of two DAF truck models, which will be produced in Brazil, with startup estimated for the 2H13.

Additionally, as of the second half of 2013, Automotive Usiminas will be supplier of stamped laterals of the Mitsubishi's ASX model, currently an imported vehicle in Brazil.

Comment on Business Unit Results – Steel Transformation

In the 3Q12, net revenue of Steel Transformation Business Unit was 1.4% greater than in the 2Q12, totaling R\$540.1 million, as a result of the combination of greater sales volume by Automotiva and higher prices from Soluções Usiminas.

Cost of goods sold in the quarter was R\$480.6 million, 3% lower compared to the 2Q12, which was R\$495.3 million.

Operating expenses were stable.

EBITDA went from a negative R\$0.4 million in the 2Q12 to a positive R\$20.2 million in the 3Q12, with EBITDA margin going from -0.1% in the 2Q12 to 3.7% in the 3Q12.

IV) CAPITAL GOODS

Usiminas Mecânica S.A.

Usiminas Mecânica figures among the largest companies in capital goods, industrial assembly and services in Brazil, with special mention in the following business areas: Steel Structures, Bridges and Blanks; Industrial Equipment; Industrial Assembly; Foundry and Railcars.

Highlights

In the period, the manufacture and assembly of the bridge over Rio Sereno is a highlight, as well as the supply of steel structures for mining and the supply of bell mouths for offshore petroleum exploration platforms.

Investments

Works for the purpose of railcar production capacity increase to three thousand cars per year are scheduled to be concluded in the fourth quarter 2012.

Comments on Business Units Results – Capital Goods

Net revenue accounted in the 3Q12 was R\$304.7 million, an increase of 48.3% over the 2Q12, mainly due to the billing of Oil & Gas projects in portfolio, as well as supply of structures and assembly for Mineração Usiminas and other clients.

Gross profit in the period was R\$27.1 million compared with a loss of R\$19.4 million in the 2Q12. EBITDA in the 3Q12 was R\$35.6 million, reverting the loss shown in the previous period of R\$29.5 million. EBITDA margin in the 3Q12 was 11.7%.

Highlights in the Period

- **Usiminas receives the Volkswagen Supply Award 2011**

Usiminas received the award from Volkswagen in the category “Commercial Excellence”, among more than 700 suppliers at the traditional Volkswagen Supply Award 2011 event, promoted in September, 2012. This award is a recognition to suppliers of the auto maker that most distinguished themselves in quality, commercial excellence, services, facilities, logistics and sustainability, in the year, through criteria of leadership in quality, production capacity, qualified professionals and compatible costs.

- **Usiminas became the only Brazilian steel company and one of the five in the world to be certified as a Platinum Supplier by Caterpillar**

Usiminas has just become the only Brazilian steel company and one of five in the world to be certified as a Platinum Supplier, the maximum degree conceded by Caterpillar, one of the largest heavy machinery groups in the world. Among the items evaluated are quality, logistics and management of steel supply processes for fabrication of levelers, crawler tractors, loaders, diggers and backhoes, among other machinery. Usiminas is the exclusive supplier of steel for Caterpillar Brasil, a relationship that has lasted for more than 40 years.

- **Usiminas is distinguished among winners of the Transparency Trophy 2012**

Usiminas was recognized for the first time as the Distinguished Company among the 10 winners of the 2012 Transparency Trophy in its category, promoted by ANEFAC – the National Association of Finance, Administrative and Accounting Executives, after having been recognized eight times in previous editions. Among the selection criteria are quality, consistency and transparency of accounting statements published by the company.

The Transparency Trophy was instituted by ANEFAC in 1997 to recognize best practices of corporate governance in the financial field. For the 2012 edition, the entity evaluated two thousand balance sheets of publicly traded and private Brazilian companies.

- **New Investor Relations Site**

The IR website was completely reformulated with the purpose of presenting information in a more modern and dynamic concept. In line with the best corporate governance practices and reinforcing the company’s commitment with transparency, the content was designed as to comply with the rules of the Disclosure to the Market Orientation Committee - Comitê de Orientação para Divulgação de Informações ao Mercado (CODIM). An important highlight of the new website is the fact that the programming technology applied is totally compatible with mobile devices such as smartphones and tablets.

The new site is available in Portuguese and English and is a tool for fast, effective and equitable communication of relevant information with the capital market.

Visit Usiminas’ new IR Site: www.usiminas.com/ri

Subsequent Events to the Quarter's End

Discontinuity of Hedge Accounting

On October 1st 2012, the Company management decided to discontinue the hedge accounting of export sales, thus recognizing the outstanding balance in the Shareholder's Equity of R\$152.9 million on 09/30/12. There shall be no further impact in the Shareholder's Equity resulting from Hedge Accounting. The Company results will be affected when the export sales related to the hedge accounting be performed until 2015.

Non-exclusive Distribution and Commercial Agency Agreement with Ternium

Usiminas and Ternium have signed non-exclusive distribution and commercial agency agreements in which each company will act as a non-exclusive Commercial Agent and/or Distributor to place products complementary to its portfolio. Ternium will act as a commercial agent and/or a distributor for Usiminas' products in several countries in Latin America while Usiminas will act as a commercial agent and/or a distributor for Ternium's products in Brazil. Such agreements will bring synergies between the two companies.

Capital Markets

Performance on BM&FBOVESPA

Usiminas' Common shares (USIM3) closed the 3Q12 quoted at R\$11.62 and its Preferred (USIM5) at R\$10.12. USIM3 appreciated 50.5% in value and USIM5 60.1% this quarter. In the same period the Ibovespa appreciated 8.9%.

Usiminas Performance Summary - BM&FBOVESPA (USIM5)

| | 3Q12 | 2Q12 | Chg. 3Q12/2Q12 | 3Q11 | Chg. 3Q12/3Q11 |
|--|----------------|----------------|-------------------|----------------|-------------------|
| Number of Deals | 939,208 | 653,450 | 44% | 670,485 | 40% |
| <i>Daily Average</i> | <i>14,908</i> | <i>10,540</i> | <i>41%</i> | <i>10,315</i> | <i>45%</i> |
| Traded - thousand shares | 696,660 | 433,495 | 61% | 492,600 | 41% |
| <i>Daily Average</i> | <i>11,058</i> | <i>7,028</i> | <i>57%</i> | <i>7,578</i> | <i>46%</i> |
| Financial Volume - R\$ million | 5,991 | 3,878 | 54% | 5,882 | 2% |
| <i>Daily Average</i> | <i>95</i> | <i>63</i> | <i>51%</i> | <i>90</i> | <i>5%</i> |
| Maximum | 12.96 | 12.52 | 4% | 14.24 | -9% |
| Minimum | 5.57 | 6.02 | -7% | 9.86 | -44% |
| Closing | 10.12 | 6.32 | 60% | 10.52 | -4% |
| Market Capitalization - R\$ million | 10,260 | 6,407 | 60% | 10,665 | -4% |

Foreign Stock Markets

OTC – New York

Usiminas has American Depositary Receipts (ADRs) traded on the over-the-counter market: USDMY is backed by common shares and USNZY backed by Class A preferred shares. On 9/28/2012, greater liquidity USNZY ADRs were quoted at US\$5.08 and appreciated 56.8% in the quarter.

Latibex – Madrid

Usiminas' shares are traded on the LATIBEX – the Madrid Stock Market: XUSI preferred shares and XUSIO common shares. On 9/28/2012, XUSI closed quoted at €3.19, having appreciated 30.7% in the quarter and XUSIO shares closed at €3.79, an appreciation of 63.9% in the same period.

For more information:

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Visit the Investor Relations site: <http://ir.usiminas.com>

or access by your mobile phone: m.usiminas.com/ri

| 3Q12 Conference Call - Date 11/01/2012 | |
|--|---------------------------------------|
| In Portuguese - Simultaneous Translation into English | |
| Brasília time: at 12:00 p.m. | New York time: at 10:00 a.m. |
| Dial-in Numbers: | Dial-in Numbers: |
| Brazil: (55 11) 4688.6361 | USA: (1 855) 281 6021 |
| Other Countries: (1 786) 924.6977 | |
| Audio replay available at (55 11) 4688.6312 | |
| Pincode for replay: 2863913 - Portuguese | Pincode for replay: 8645656 - English |
| Audio of the conference call will be transmitted live via Internet | |
| See the slide presentation on our website: www.usiminas.com/ri | |

Statements contained in this release, relative to the business outlook of the Company, forecasts of operating and financial income and references to growth prospects are mere forecasts and were based on the expectations of Management in relation to future performance. These expectations are highly dependent on market conduct, the economic situation in Brazil, its industry and international markets and, therefore, are subject to change.

Balance Sheet - Assets - Consolidated | IFRS - R\$ thousand

| Assets | 30-Sep-12 | 30-Jun-12 |
|---------------------------------------|-------------------|-------------------|
| Current Assets | 11,551,640 | 11,925,042 |
| Cash and Cash Equivalents | 4,774,668 | 4,843,544 |
| Trade Accounts Receivable | 1,671,370 | 1,567,895 |
| Taxes Recoverable | 548,528 | 669,481 |
| Inventories | 4,269,322 | 4,536,628 |
| Advances to suppliers | 32,962 | 38,353 |
| Financial Instruments | 50,013 | 40,809 |
| Other Securities Receivables | 204,777 | 228,332 |
| Long-Term Receivable | 2,370,311 | 2,244,971 |
| Deferred Income Tax & Social Contrb'n | 1,265,580 | 1,106,669 |
| Deposits at Law | 436,436 | 504,828 |
| Accounts Receiv. Affiliated Companies | 14,082 | 13,796 |
| Taxes Recoverable | 142,105 | 155,206 |
| Financial Instruments | 456,684 | 413,970 |
| Others | 55,424 | 50,502 |
| Permanent Assets | 19,461,957 | 19,346,462 |
| Investments | 449,422 | 431,110 |
| Property, Plant and Equipment | 16,564,242 | 16,472,506 |
| Intangible | 2,448,293 | 2,442,846 |
| Total Assets | 33,383,908 | 33,516,475 |

Balance Sheet - Liabilities and Shareholders' Equity - Consolidated | IFRS - R\$ thousand

| Liabilities and Shareholders' Equity | 30-Sep-12 | 30-Jun-12 |
|---|-------------------|-------------------|
| Current Liabilities | 5,774,264 | 5,452,214 |
| Loans and Financing and Taxes Payable in Installments | 2,114,829 | 1,939,857 |
| Suppliers, Subcontractors and Freight | 2,309,526 | 2,297,765 |
| Wages and social charges | 332,474 | 317,590 |
| Taxes and taxes payables | 206,577 | 167,326 |
| Related Companies | 95,989 | 95,227 |
| Financial Instruments | 40,538 | 38,187 |
| Dividends Payable | 937 | 954 |
| Customers Advances | 268,906 | 245,582 |
| Others | 404,488 | 349,726 |
| Long-Term Liabilities | 8,968,736 | 9,276,047 |
| Loans and Financing and Taxes Payable in Installments | 6,575,915 | 6,859,998 |
| Actuarial Liability | 1,234,105 | 1,234,180 |
| Provision for Contingencies | 251,518 | 236,397 |
| Financial Instruments | 526,862 | 497,385 |
| Environmental protection provision | 66,861 | 82,897 |
| Others | 313,475 | 365,190 |
| Shareholders' Equity | 18,640,908 | 18,788,214 |
| Capital | 12,150,000 | 12,150,000 |
| Reserves & Revenues from Fiscal Year | 4,692,847 | 4,858,553 |
| Non-controlling shareholders participation | 1,798,061 | 1,779,661 |
| Total Liabilities and Shareholders' Equity | 33,383,908 | 33,516,475 |

Income Statement - Consolidated | IFRS

| R\$ thousand | 3Q12 | 2Q12 | 3Q11 | Chg. 3Q12/2Q12 |
|---|------------------|------------------|------------------|-------------------|
| Net Revenues | 3,389,771 | 3,225,265 | 2,998,154 | 5% |
| Domestic Market | 2,683,061 | 2,404,772 | 2,649,878 | 12% |
| Foreign Market | 706,710 | 820,493 | 348,276 | -14% |
| COGS | (3,224,216) | (3,066,955) | (2,650,104) | 5% |
| Gross Profit | 165,555 | 158,310 | 348,050 | 5% |
| Gross Margin | 4.9% | 4.9% | 11.6% | - 0.0 p.p. |
| Operating Income (Expenses) | (283,899) | (159,082) | (116,452) | 78% |
| Selling | (96,644) | (97,497) | (88,339) | -1% |
| General and Administrative | (125,991) | (112,611) | (130,904) | 12% |
| Other Operating Income (expenses) | (61,264) | 51,026 | 102,791 | - |
| Reintegra (Brazilian Government Export Benefit) | 18,925 | 34,681 | 0 | -45% |
| Actuarial (Losses)/Gains | 21,040 | 21,038 | 21,718 | 0% |
| Provision for Legal Contingencies | (4,736) | 11,491 | 86,484 | - |
| Provision of Contingencies with Acquisition of Equity Interests | (30,905) | - | - | - |
| Transportation Agreement with MRS | (31,174) | - | - | - |
| Other Operating Income (Expenses), Net | (34,414) | (16,184) | (5,411) | 113% |
| EBIT | (118,344) | (772) | 231,598 | 15230% |
| EBIT Margin | -3.5% | 0.0% | 7.7% | - 3.5 p.p. |
| Financial Result | (117,446) | (255,660) | (195,766) | -54% |
| Financial Income | 102,507 | 370,340 | 653,858 | -72% |
| Financial Expenses | (219,953) | (626,000) | (849,624) | -65% |
| Equity in the Results of Associate and Subsidiary Companies | 19,148 | 13,350 | 13,263 | 43% |
| Operating Profit (Loss) | (216,642) | (243,082) | 49,095 | -11% |
| Income Tax / Social Contribution | 91,791 | 156,570 | 104,937 | -41% |
| Net Income (Loss) from Continued Operations | (124,851) | (86,512) | 154,032 | 44% |
| Net Income (Loss) from Discontinued Operations | 0 | 0 | 0 | - |
| Net Income (Loss) | (124,851) | (86,512) | 154,032 | 44% |
| Net Margin | -3.7% | -2.6% | 5.1% | - 1.1 p.p. |
| Attributable: | | | | |
| Shareholders | (143,251) | (101,726) | 102,964 | 41% |
| Minority Shareholders | 18,400 | 15,214 | 51,068 | 21% |
| EBITDA | 149,666 | 232,193 | 343,322 | -36% |
| EBITDA Margin | 4.4% | 7.2% | 11.5% | - 2.8 p.p. |
| Depreciation and Amortization | 268,010 | 232,965 | 214,017 | 15% |
| Adjustments | 0 | 0 | (102,293) | - |

Income Statement - Consolidated | IFRS

| R\$ thousand | 9M12 | 9M11 | Chg. 9M12/9M11 |
|---|------------------|------------------|-------------------|
| Net Revenues | 9,501,270 | 9,087,289 | 5% |
| Domestic Market | 7,626,821 | 7,843,451 | -3% |
| Foreign Market | 1,874,499 | 1,243,838 | 51% |
| COGS | (9,004,041) | (8,020,468) | 12% |
| Gross Profit | 497,229 | 1,066,821 | -53% |
| Gross Margin | 5.2% | 11.7% | - 6.5 p.p. |
| Operating Income (Expenses) | (652,372) | (452,278) | 44% |
| Selling | (272,755) | (294,721) | -7% |
| General and Administrative | (349,351) | (392,427) | -11% |
| Other Operating Income (Expenses) | (30,266) | 234,870 | - |
| Reintegra (Brazilian Government export benefit) | 53,606 | - | - |
| Actuarial (Losses)/Gains | 63,118 | 65,159 | -3% |
| Provision for Legal Contingencies | (12,570) | 236,938 | - |
| Provision of Contingencies with Acquisition of Equity Interests | (30,905) | - | - |
| Transportation Agreement with MRS | (31,174) | - | - |
| Other Operating Income (Expenses), Net | (72,341) | (67,227) | 8% |
| EBIT | (155,143) | 614,543 | - |
| EBIT Margin | -1.7% | 6.8% | - 8.5 p.p. |
| Financial Result | (395,941) | (106,678) | 271% |
| Financial Income | 491,329 | 722,369 | -32% |
| Financial Expenses | (887,270) | (829,047) | 7% |
| Equity in the Results of Associate and Subsidiary Companies | 45,634 | 44,960 | 1% |
| Operating Profit (Loss) | (505,450) | 552,825 | - |
| Income Tax / Social Contribution | 257,287 | (101,254) | - |
| Net Income (Loss) from Continued Operations | (248,163) | 451,571 | - |
| Net Income (Loss) from Discontinued Operations | 0 | (124,919) | - |
| Net Income (Loss) | (248,163) | 326,652 | - |
| Net Margin | -2.7% | 3.6% | - 6.3 p.p. |
| Attributable: | | | |
| Shareholders | (315,812) | 188,506 | - |
| Minority Shareholders | 67,649 | 138,146 | -51% |
| EBITDA | 571,695 | 1,045,588 | -45% |
| EBITDA Margin | 6.0% | 11.5% | - 5.5 p.p. |
| Depreciation and Amortization | 726,838 | 642,417 | 13% |
| Adjustments | 0 | (211,372) | - |

Cash Flow - Consolidated | IFRS

| R\$ thousand | 3Q12 | 2Q12 |
|---|------------------|------------------|
| Operating Activities Cash Flow | | |
| Net Income (Loss) in the Period | (124,851) | (86,512) |
| Financial Expenses and Monetary Var. / Net Exchge Var. | 47,060 | 438,287 |
| Interest Expenses | 80,603 | 38,460 |
| Depreciation and Amortization | 268,010 | 232,965 |
| Losses/(gains) on sale of property, plant and equipment | (3,833) | 850 |
| Equity in the Results of Subsidiaries/Associated Companies | (19,148) | (13,350) |
| Difered Income Tax and Social Contribution | (146,396) | (206,011) |
| Provisions | 82,524 | (8,842) |
| Actuarial Gains and losses | (21,040) | (21,038) |
| Stock Option Plan | 1,291 | (6) |
| Total | 164,220 | 374,803 |
| Increase/Decrease of Assets | | |
| Securities | 173,140 | (273,947) |
| In Accounts Receivables | (103,475) | (251,912) |
| In Inventories | 267,306 | 329,404 |
| In Recovery of Taxes | 116,218 | (83,435) |
| In Judicial Deposits | 64,671 | (15,226) |
| In Accounts Receiv. Affiliated Companies | (286) | (8,172) |
| Others | 30,120 | 78,581 |
| Total | 547,694 | (224,707) |
| Increase (Decrease) of Liabilities | | |
| Suppliers, contractors and freights | 11,761 | 372,069 |
| Amounts Owed to Affiliated Companies | 762 | 20,489 |
| Customers Advances | 23,324 | 21,474 |
| Tax Payable | 14,072 | (36,775) |
| Actuarial Liability payments | (41,616) | (42,346) |
| Others | 156,248 | 115,260 |
| Total | 164,551 | 450,171 |
| Cash Generated from Operating Activities | 876,465 | 600,267 |
| Interest Paid | (79,969) | (184,442) |
| Income Tax and Social Contribution | (11,589) | (12,076) |
| Net Cash Generated from Operating Activities | 784,907 | 403,749 |
| Investments activities cash flow | | |
| Amount paid on the acquisition of subsidiaries | (48,463) | (49,662) |
| Fixed asset acquisition | (362,703) | (353,652) |
| Fixed asset sale receipt | 9,849 | 108 |
| Additions to / payments of Intangible | (22,197) | (13,998) |
| Dividends Received | 837 | 946 |
| Net Cash Employed on Investments Activities | (422,677) | (416,258) |
| Financial Activities Cash Flow | | |
| Inflow of Loans, Financing and Debentures | 10,925 | 7,050 |
| Payment of Loans, Financ. & Debent. | (259,054) | (156,517) |
| Taxes paid in installments | (8,428) | (8,910) |
| Settlement of swap transactions | (3,249) | (11,857) |
| Dividends and Interest on Capital | (17) | (94,046) |
| Net Cash Generated from (Employed on) Financial Activities | (259,823) | (264,280) |
| Exchange Variation on Cash and Cash Equivalents | 1,857 | 12,301 |
| Net Increase (Decrease) of Cash and Cash Equivalents | 104,264 | (264,488) |
| Cash and Cash Equivalents at the Beginning of the Period | 2,772,289 | 3,036,777 |
| Cash and Cash Equivalents at the End of The Period | 2,876,553 | 2,772,289 |
| RECONCILIATION WITH BALANCE SHEET | | |
| Cash and cash equivalents at the beginning of the period | 2,772,289 | 3,036,777 |
| Marketable securities at the beginning of the period | 2,071,255 | 1,797,308 |
| Cash and cash equivalents at the beginning of the period | 4,843,544 | 4,834,085 |
| Net increase (decrease) of cash and cash equivalentes | 104,264 | (264,488) |
| Net increase (decrease) of marketable securities | (173,140) | 273,947 |
| Cash and cash equivalents at the end of the period | 2,876,553 | 2,772,289 |
| Marketable securities at the end of the period | 1,898,115 | 2,071,255 |
| Cash and cash equivalents at the end of the period | 4,774,668 | 4,843,544 |

Cash Flow - Consolidated | IFRS

| R\$ thousand | 9M12 | 9M11 |
|---|--------------------|--------------------|
| Operating Activities Cash Flow | | |
| Net Income (Loss) in the Period | (248,163) | 326,652 |
| Financial Expenses and Monetary Var. / Net Exchge Var. | 431,782 | 228,841 |
| Interest Expenses | 230,813 | 405,025 |
| Depreciation and Amortization | 726,838 | 642,417 |
| Losses/(gains) on sale of property, plant and equipment | (3,148) | (43,648) |
| Equity in the Results of Subsidiaries/Associated Companies | (45,634) | (44,960) |
| Discontinued Operation Results | 0 | 124,919 |
| Difered Income Tax and Social Contribution | (407,232) | (171,292) |
| Provisions | 77,926 | (72,817) |
| Actuarial Gains and losses | (63,118) | (65,159) |
| Stock Option Plan | 2,934 | 0 |
| Total | 702,998 | 1,329,978 |
| Increase/Decrease of Assets | | |
| Securities | 391,268 | (1,968,000) |
| In Accounts Receivables | (416,935) | 376,176 |
| In Inventories | 789,554 | (629,807) |
| In Recovery of Taxes | 188,186 | (106,483) |
| In Judicial Deposits | 34,505 | (12,105) |
| In Accounts Receiv. Affiliated Companies | (8,372) | 185 |
| Others | 79,092 | (84,233) |
| Total | 1,057,298 | (2,424,267) |
| Increase (Decrease) of Liabilities | | |
| Suppliers, contractors and freights | 847,153 | 741,266 |
| Amounts Owed to Affiliated Companies | (3,576) | (36,771) |
| Customers Advances | 65,928 | 9,899 |
| Tax Payable | (484) | (14,745) |
| Actuarial Liability payments | (124,100) | (117,267) |
| Others | 218,409 | 216,919 |
| Total | 1,003,330 | 799,301 |
| Cash Generated from Operating Activities | | |
| | 2,763,626 | (294,988) |
| Interest Paid | (361,704) | (354,250) |
| Income Tax and Social Contribution | (191,169) | (165,753) |
| Net Cash Generated from Operating Activities | | |
| | 2,210,753 | (814,991) |
| Investments activities cash flow | | |
| Investment acquisition | 0 | 1,656,740 |
| Amount paid on the acquisition of subsidiaries | (140,615) | (863) |
| Fixed asset acquisition | (1,277,461) | (1,843,275) |
| Fixed asset sale receipt | 10,640 | 52,482 |
| Additions to / payments of Intangible | (48,385) | (4,146) |
| Dividends Received | 8,958 | 14,077 |
| Net Cash Employed on Investments Activities | | |
| | (1,446,863) | (124,985) |
| Financial Activities Cash Flow | | |
| Inflow of Loans, Financing and Debentures | 382,785 | 948,756 |
| Payment of Loans, Financ. & Debent. | (1,043,670) | (617,558) |
| Taxes paid in installments | (26,730) | (24,530) |
| Settlement of swap transactions | (17,297) | (23,945) |
| Dividends and Interest on Capital | (94,079) | (341,018) |
| Net Cash Generated from (Employed on) Financial Activities | | |
| | (798,991) | (58,295) |
| Exchange Variation on Cash and Cash Equivalents | | |
| | 10,342 | (10,183) |
| Net Increase (Decrease) of Cash and Cash Equivalents | | |
| | (24,759) | (1,008,454) |
| Cash and Cash Equivalents at the Beginning of the Period | 2,901,312 | 4,145,779 |
| Cash and Cash Equivalents at the End of The Period | 2,876,553 | 3,137,325 |
| RECONCILIATION WITH BALANCE SHEET | | |
| Cash and cash equivalents at the beginning of the period | 2,901,312 | 4,145,779 |
| Marketable securities at the beginning of the period | 2,289,383 | 397,787 |
| Cash and cash equivalents at the beginning of the period | 5,190,695 | 4,543,566 |
| Net increase (decrease) of cash and cash equivalentes | (24,759) | (1,008,454) |
| Net increase (decrease) of marketable securities | (391,268) | 1,968,000 |
| Cash and cash equivalents at the end of the period | 2,876,553 | 3,137,325 |
| Marketable securities at the end of the period | 1,898,115 | 2,365,787 |
| Cash and cash equivalents at the end of the period | 4,774,668 | 5,503,112 |