



Net income grows 717% and tops R\$ 1 billion in 3Q04

Belo Horizonte, November 16, 2004 – Usinas Siderúrgicas de Minas Gerais S/A - USIMINAS (BOVESPA: USIM3, USIM5, USIM6; OTC: USNZY) announced today its third quarter 2004 results. Operational and financial information of the Company, except where otherwise indicated, is presented based on consolidated data in Brazilian reais in accordance with Corporate Law. All comparisons made in this release take into consideration the same period in 2003, except when specified differently.

HIGHLIGHTS

Sales and Revenues

With both mills at full capacity, sales volume of the Usiminas System totaled 2 million tonnes in 3Q04 and accumulated 5.9 million tonnes in the first nine months of 2004, a growth of 5% over 9M03. The high levels of international prices resulted in remarkable growth in net revenues of 66% in 3Q04. Year-on-year, growth was 35% with consolidated sales revenues at R\$ 8.4 billion in the first nine months of 2004.

EBITDA

EBITDA responded to the favorable steel scenario and reached R\$ 1.6 billion in 3Q04, a 143% growth. EBITDA margin in the quarter reached 49%. In the year, EBITDA totaled R\$ 3.8 billion, an increase of 65%. EBITDA margin went from 37% in the first nine months of 2003 to 45% in the same period of 2004.

Net Income

Consolidated net income reached the mark of R\$ 1 billion in 3Q04 and was the consequence of the Company's efficient management and favorable steel sector conditions.

Other Events

The Usiminas System took advantage of favorable cash generation and, in line with its policy of debt reduction, on Oct. 20/04, proceeded to redeem all of the outstanding debentures issued by Cosipa in a total amount of R\$ 240 million. On Nov. 9/04, Usiminas requested that the Brazilian Securities and Exchange Commission (CVM) register the Public Offering to acquire the totality of shares issued by Cosipa for the purpose of canceling Cosipa's registration as a publicly held company.

Outlook

The continuation of the cycle of high worldwide steel prices allows us to foresee high margins in 4Q04 and 2005. We do not foresee substantial reductions in international prices in the medium term by reason of heated demand in the main markets and of raw materials cost increases expected in 2005. The Usiminas System expects to maintain its sales in 2005 along the same line as this year, i.e., 8 million tonnes of steel products, with 75% of sales volume earmarked for the domestic market. Solid operational cash generation of the System in the coming quarters will be directed towards debt amortization, dividend payments and new investments.

Highlights

R\$ million	3Q 2004	3Q 2003	2Q 2004	Chg.% 3Q/3Q	9M 2004	9M 2003	Chg.%
Total Sales Volume (000 t)	2,011	1,822	1,971	10	5,892	5,591	5
Net Revenues	3,285	1,984	2,771	66	8,421	6,218	35
Gross Profit	1,591	658	1,316	142	3,843	2,295	67
Operating Result (EBIT) ^a	1,473	498	1,142	196	3,397	1,884	80
Financial Result	(96)	(358)	(339)	-73	(688)	(469)	47
Net Income	1,005	123	528	717	1,892	947	100
EBITDA ^b	1,602	660	1,285	143	3,808	2,309	65
EBITDA (R\$/t)	796	362	652	120	646	413	56
Total Assets	16,682	14,997	15,976	11	16,682	14,997	11
Net Debt	4,975	7,369	6,052	-32	4,975	7,369	-32
Stockholders' Equity	5,621	3,897	4,886	44	5,621	3,897	44

(a) Earnings before interest, tax and participations.

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

FOR IMMEDIATE RELEASE

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Market, Production and Sales

According to data from the Brazilian Steel Institute – IBS, Brazilian raw steel production reached 8.4 million tonnes in 3Q04 and accumulated 24.6 million tonnes in the first nine months of the year, an increase of 5.6%. Flat steel production grew 8.8% over the year and reached 10.6 million tonnes by September.

Domestic flat steel demand totaled 7.8 million tonnes in the first nine months of 2004, an expansion of 14.9%. This is the highest shipment volume ever. Continued heated activity in the exporting segments of the economy was accompanied by growth in some domestic consuming segments, benefited by the beginning of improved employment and salary levels. Furthermore, domestic flat steel demand was also driven by a movement for replenishing of inventory levels by the distribution network.

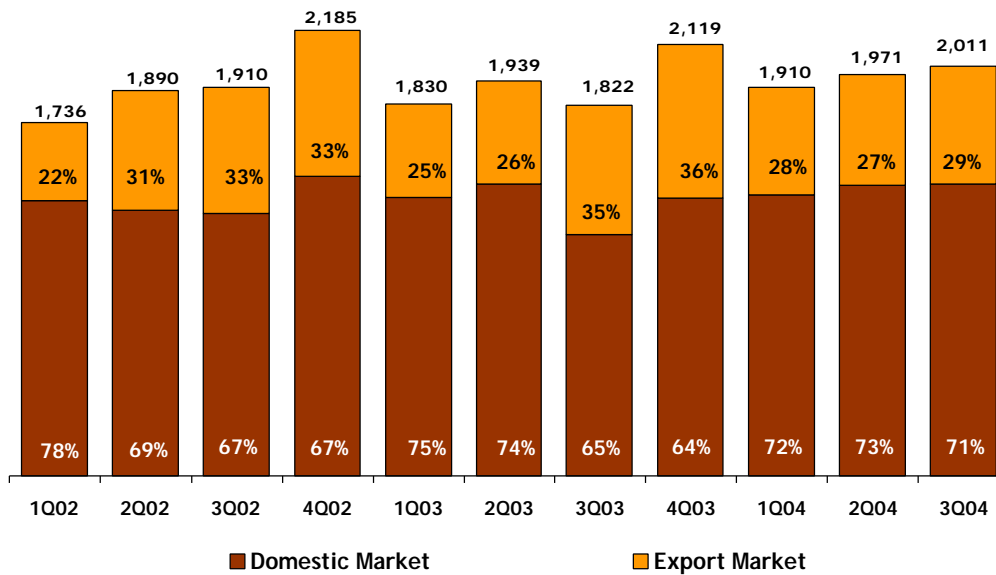
Brazilian flat steel exports accumulated 2.5 million tonnes in the year, with growth of 5%. Shipment rates were reduced in 3Q04 in relation to the first two quarters in 2004 motivated by the need to satisfy strong domestic demand.

The Usiminas System produced 2.3 million tons of raw steel in 3Q04, 4% above the same period of the previous year. Both mills continued to produce at full capacity within programmed estimates for the current year.

Production (Crude Steel)

Thousand tons	3Q04	3Q03	2Q04	Chg. % 3Q/3Q	Chg.% 3Q/2Q	9M 2004	9M 2003	Chg.%
Usiminas	1,211	1,155	1,183	5	2	3,560	3,450	3
Cosipa	1,067	1,031	1,037	3	3	3,163	3,033	4
Total	2,278	2,186	2,220	4	3	6,723	6,483	4

Consolidated Sales (000 t.)



In the 3Q04 product mix, slab sales increased in relation to 2Q04, going from 12% to 17% of volume sold. This was the result of programmed stoppages for maintenance of the hot strip mill and plate mill at the Ipatinga plant in June and August.

Shares of heavy plate and galvanized products grow in 9M04

For 9M04, highlights were heavy plate and galvanized products, which grew 12% and 13%, respectively. The increase in the share of heavy plate was due to strong, worldwide demand and attractive prices on the market. Sales of galvanized products, in turn, were propelled primarily by the automobile industry.



In 3Q04, parent company Usiminas expanded its sales to foreign markets to 26% of total sales volume, while subsidiary Cosipa increased its sales volume to the domestic market to 68%. This movement was distinct from the strategic focus of the two mills and was the result of non-recurring conditions. In the case of Usiminas, greater slab sales for export took advantage of favorable international market conditions. For Cosipa, there was a transfer of heavy plate sales previously destined for export to supply the domestic market. Both measures had a positive impact on the Company.

The System's companies ended the 9-month period with a 53% domestic market share, in line with its strategy to prioritize that market and maintaining its position of leadership in flat-rolled steel products.

With regard to exports, the measures to diversify the Company's markets continued, moving away from the Chinese market and into the United States, Mexico and other countries. Highlights for export sales in 9M04 were galvanized products and heavy plate, growing 65% and 27%, respectively, and totaling sales volumes of 104 and 361 thousand tonnes, respectively.

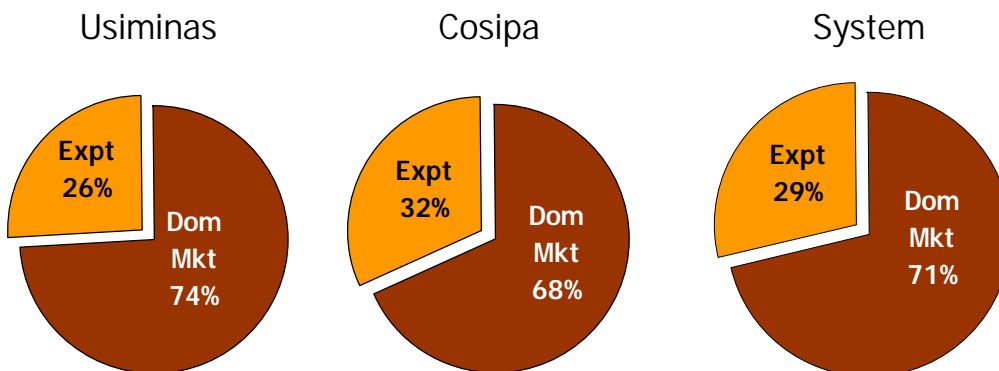
Sales Volume

Thousand tons	3Q04	%	3Q03	%	2Q04	%	Chg. 3Q/3Q	9M04	%	9M03	%	Chg.
Usiminas												
Domestic Market	831	74	717	78	864	84	16%	2,528	79	2,382	81	6%
Export Market	291	26	208	22	167	16	40%	657	21	566	19	16%
Total	1,122	100	924	100	1,031	100	21%	3,185	100	2,948	100	8%
Cosipa												
Domestic Market	603	68	467	52	565	60	29%	1,714	63	1,599	61	7%
Export Market	286	32	431	48	374	40	-34%	994	37	1,043	39	-5%
Total	889	100	898	100	939	100	-1%	2,708	100	2,643	100	2%
System												
Domestic Market	1,434	71	1,184	65	1,429	73	21%	4,242	72	3,982	71	7%
Export Market	577	29	639	35	542	27	-10%	1,650	28	1,609	29	3%
Total	2,011	100	1,822	100	1,971	100	10%	5,892	100	5,591	100	5%

System exports represented 29% of sales in 3Q04

The share of exports in the System's sales volume went from 27% in 2Q04 to 29% in 3Q04. The international market continues heated with attractive prices. However, prices in Asia continue to be lower than North American and European prices.

Sales Volume Mix – 3Q04





Net Revenues

Consolidated net revenues grew 66% in relation to 3Q03 and reached R\$ 3.3 billion in 3Q04. In the year, growth was 35%, with a total of R\$ 8.4 billion. Net per-tonne revenues evolved from R\$ 1,112 in the first nine months of 2003 to R\$ 1,429 in 9M04, a 29% increase.

The strong revenue performance reflected the present situation in the steel cycle of high international prices for steel products and the decrease in the domestic price gap in relation to average export prices. The expansion of sales volume by 10% in the quarter and 5% over the year also favored revenue growth.

Gross Profit

Gross profit was R\$ 1.6 billion in 3Q04, an increase of 142%. In 9M04, gross profit accumulated R\$ 3.8 billion, a 67% growth. Average per-tonne cost rose 11% to R\$ 776 per tonne on an accumulated basis. Comparing 3Q04 to 2Q04, per-tonne cost increased 14%, mainly reflecting coal price increases in the period.

Gross margin expanded from 33% in 3Q04 to 48% in 3Q04 and from 37% in 9M03 to 46% in 9M04. This demonstrated that the cycle of high prices for steel products absorbed increasing costs of raw materials.

Operating Profit

Operating profit before financial expenses (EBIT) grew 196% and reached R\$ 1.5 billion in 3Q04. In 9M04, EBIT grew 80% and accumulated R\$ 3.4 billion. Comparing the first nine months of 2003 and 2004, EBIT margin jumped from 30% to 40%, in spite of increased sales expenses, that grew 45% due to higher sales commissions and distribution costs in function of the higher export revenues.

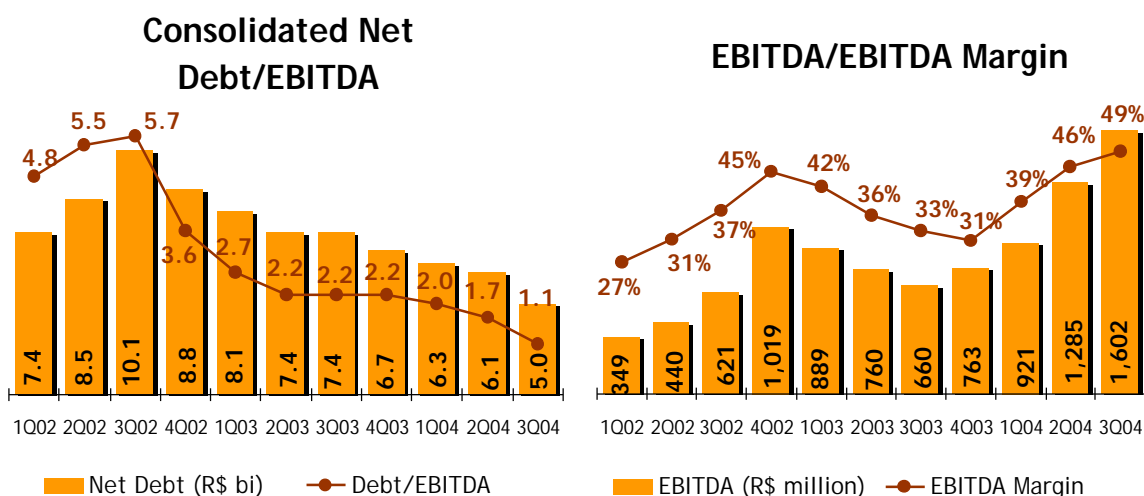
EBITDA reaches R\$ 1.6 billion

EBITDA reached R\$ 1.6 billion in 3Q04, 143% greater than that obtained in the same period of the previous year. EBITDA margin of 49% is an all-time high and is the third consecutive increase on a quarterly basis, reflecting the more favorable scenario in the steel industry. On an accumulated basis, EBITDA totaled R\$ 3.8 billion, an increase of 65%. EBITDA margin went from 37% in 9M03 to 45% in 9M04.

Financial Results and Debt

Net financial expenses fell from R\$ 358 million in 3Q03 to R\$ 96 million in 3Q04 impacted by the favorable exchange variation. Comparing the first nine months of 2003 and 2004, net financial expenses went from R\$ 469 million to R\$ 688 million, strongly affected by the real/dollar appreciation in 2003. On the other hand, financial expenses with interest and commissions declined approximately R\$ 90 million over 2004 in function of the reduced debt level.

Consolidated gross debt totaled R\$ 6.3 billion at the end of 3Q04. Of the total, 34% refers to export-import financing operations, 20% refers to BNDES, 19% represents capital markets operations and the remainder is sundry operations. The Company's debt was reduced by R\$ 1,345 million in the period through September.



The debt reduction goal for 2004 was surpassed and the present consolidated debt profile is totally compatible with the System companies' cash generation capacity. The good financial situation is reflected by the net debt/EBITDA ratio, which reached 1.1 times in 3Q04. In the quarter, the reduction was approximately R\$ 470 million, with R\$ 142 million in takedowns and amortization totaling R\$ 614 million.



Net Income

Consolidated net income reached the mark of R\$ 1 billion in 3Q04, a result of the Company's efficient management and favorable conditions in the steel industry.

Investments

Investment totaled R\$ 101 million in 3Q04 and accumulated R\$ 228 million in 9M04. Outlays basically covered preventative maintenance in the Company within budgeted amounts.

Over the next two years, in addition to investment in maintenance (approximately US\$ 150 million per year), investments in the following projects are foreseen: electric power (Usiminas), US\$ 60 million; coke plant (Usiminas), US\$ 180 million; continuous casting (Cosipa), US\$ 70 million; top-blowing turbine (Cosipa), US\$ 15 million.

Other Events

The favorable cash resource position of the Company allowed it to reduce debt. On Oct.20/04, the Usiminas System proceeded to redeem the total amount of R\$ 240 million in outstanding debentures issued by Cosipa.

On Nov. 9/04, Usiminas requested that the Brazilian Securities and Exchange Commission (CVM) register the Public Offering for the acquisition of all shares issued by Cosipa for the purpose of canceling Cosipa's registry as a publicly held company. Cosipa's outstanding shares represent 6.3% of the total capital of the subsidiary. The operation will demand approximately R\$ 300 million. The offer follows the best market practices and takes better advantage of the synergies between the two companies.

Recognition

Usiminas recently received the following awards and recognition by Brazilian and foreign entities:

- ✍ **Valor 1000** – Two companies of the Usiminas System received the Valor 1000 Award granted by the Jornal Valor Econômico, for the fiscal year 2003. Usiminas was elected the best company in the steel industry and Rio Negro, the best in the wholesale trading segment. The award ranking covers the 1,000 largest companies in the country, divided into 27 market segments. The evaluation considers accounting criteria, such as value generation, debt management, sustained growth and profitability, among others.
- ✍ **Forbes Award** – The Forbes Brazil magazine published a list of the 200 nationally-owned, publicly held companies that grew the most in 2003. The prize is organized by Economática and published in a special edition of Forbes. It related the main differentials of Usiminas, highlighting the business strategy adopted by the company, investments in modernization and varied product mix, focus on the domestic market and existing synergies of the Usiminas System.
- ✍ **Investor Relations Top Performer (Institutional Investor)** – Usiminas was classified in 2nd place in the Metals & Mining Industry, buy side category, as Top Performer in the area of Investor Relations, according to a survey by Institutional Investor magazine, which covers more than 100 institutions that follow the Latin American stock markets.
- ✍ **Minas APIMEC Prize** – The community of analysts and investment professionals of Minas Gerais awarded Usiminas the Minas APIMEC Prize – Capital Market 2004, in the category "Best Presentation".
- ✍ **Social Balance Award** – For the second year in a row, Usiminas won the Prêmio Balanço Social – Southeastern Region. The award had 167 participants and was held jointly with Aberje, Apimec, Ethos, Fides and Ibase. It is considered the most important award in the area of excellence in social balance.
- ✍ **VI Minas Business Performance Awards 2003/2004** (Revista Mercado Comum) – The first place in the category "Excellence in Minas" and award in the "Largest Companies in Minas" for obtaining the largest net income among all companies in Minas and "Industry Leader in Minas" award in the steel sector;
- ✍ **Sesi Work Quality Award** – Recognized for its social programs directed to its employees and the community, Usiminas won the state level of the award, among 16 large-scale companies. The next, national level will place the Minas Gerais company against other states in the large-company category.
- ✍ **Guia Exame Good Corporate Citizenship Award** – Usiminas was one of the highlights of the publication that represents companies that are benchmarks in the relationship with several publics interested in establishing a relation between social responsibility and business management.

Outlook

The main indicators of business and consumer confidence and economic performance recently published (GDP, industrial production and sales, employment rates and income, etc.) point to better performance for the country than initially forecasted. In 4Q04, orders are being anticipated in several industrial segments to avoid possible supply difficulties at the end of the year on the part of commerce. Appliance sales, for example, are active, reflecting repressed demand over the last few years.

The recovery of the Brazilian economy can be illustrated by the performance of non-durable consumer goods segments (food and clothing) and inputs for construction, which are the last to feel the effects of economic recovery and which, as of June, have shown growth.

In the steel products market, export sectors (auto, agricultural machinery, highway machinery, electrical and electronic equipment, etc.) continue to show very favorable results. Totalling the performance of sectors that depend more intensively on domestic consumption and that are being benefited by recovery of job levels and salaries and greater credit availability, growing demand is being seen in flat steel production in the domestic market.

With the maintenance of a rate of 860 thousand tonnes/month, domestic flat steel demand could surpass 10 million tonnes, which corresponds to a growth of approximately 13% over 2003.

In the international market, prices will continue firm in 4Q04 and negotiations already made for 1Q05 delivery indicated maintenance of prices at high levels.

This set of conditions makes it possible to foresee positive results in 4Q04 and in 2005 for the steel industry. We do not foresee substantial reductions in international prices in the medium term in function of heated demand and cost pressures during the course of next year.

The Usiminas System aims to maintain sales of its steel products at the level of 8 million tonnes in 2005, with 75% destined for the domestic market.

Solid operational cash generation of the System should proceed in the coming quarters, and this will be directed toward debt amortization, dividend payments and new investments.

Conference Call: Thursday, November 18

Local, at 11:00 AM (Brasília time).

Telephones for connection
Brazil: (11) 4613-0500
Abroad: (55 11) 4613-4520

International, at 12:30 PM (Brasília time).

Telephones for connection:
US: (1 800) 860-2442
Brazil: (11) 4613-0502
Other countries: (1 412) 858-4600

Pin numbers: **206 + PIN** (local)
 311 + PIN (international)

The conference call audio and slides will be transmitted live on the Internet at website: **www.usiminas.com.br**

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

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Usinas Siderúrgicas de Minas Gerais S/A – USIMINAS is an integrated steel producer, with net sales of R\$ 8.7 billion in 2003. The Usiminas System is made up mainly of USIMINAS and Cosipa and has an annual capacity of 9.3 million tonnes of raw steel and occupies a position of leadership in the domestic flat steel market in the automobile industry, autoparts, agricultural and highway machinery sectors, electrical and electronic equipment segments and large-diameter pipe industry.

Attachment 1 – Financial Statements

Income Statement - Parent Company

Brazilian GAAP (Legislação Societária)

R\$ thousand	3Q 2004	3Q 2003	2Q 2004	Chg. % 3Q/3Q
Net Revenues	1,846,190	1,102,713	1,501,566	67
Domestic Market	1,332,055	892,234	1,224,659	49
Export Market	514,135	210,479	276,907	144
COGS	(957,078)	(691,976)	(805,177)	38
Gross Profit	889,112	410,737	696,389	116
<i>Gross Margin %</i>	48%	37%	46%	+ 11 p.p.
Operating Income (Expenses)	(60,265)	(69,574)	(78,507)	-13
Selling	(22,013)	(17,393)	(28,449)	27
General and Administrative	(32,587)	(21,833)	(28,548)	49
Others, Net	(5,665)	(30,348)	(21,510)	-81
EBIT	828,847	341,163	617,882	143
<i>EBIT Margin %</i>	45%	31%	41%	+ 14 p.p.
Financial Result	(59,863)	(129,422)	(92,039)	
Financial Income	(17,423)	29,167	58,651	
Financial Expenses	(42,440)	(158,589)	(150,690)	
Equity Income	429,585	(43,454)	196,931	
Operating Result	1,198,569	168,287	722,774	612
Non-Operating Income	(10,314)	10,664	(1,895)	
Profit Before Taxes	1,188,255	178,951	720,879	564
Income Tax / Social Contribution	(160,149)	(51,942)	(185,330)	
Income before Taxes and Profit Sharing	1,028,106	127,009	535,549	709
Profit Sharing	(22,357)	(7,984)	-	
Net Income	1,005,749	119,025	535,549	745
Net Income per thousand shares	4.58456	0.55336	2.44122	
EBITDA	892,570	409,594	680,687	118
<i>EBITDA Margin %</i>	48.3%	37.1%	45.3%	+ 11,2 p.p.
Depreciation	63,723	60,222	62,804	6
Provisions	-	8,209	-	-

Attachment 2 – Financial Statements

Income Statement - Parent Company

Brazilian GAAP (Legislação Societária)

R\$ thousand	9M 2004	9M 2003	Chg. %
Net Revenues	4,654,543	3,523,675	32
Domestic Market	3,638,707	2,898,302	26
Export Market	1,015,836	625,373	62
COGS	(2,496,280)	(2,153,732)	16
Gross Profit	2,158,263	1,369,943	58
<i>Gross Margin %</i>	46%	39%	+ 7 p.p.
Operating Income (Expenses)	(202,811)	(202,552)	0
Selling	(71,107)	(44,098)	61
General and Administrative	(82,765)	(64,840)	28
Others, Net	(48,939)	(93,614)	-48
EBIT	1,955,452	1,167,391	68
<i>EBIT Margin %</i>	42%	33%	+ 9 p.p.
Financial Result	(233,866)	(252,411)	
Financial Income	62,508	(48,924)	
Financial Expenses	(296,374)	(203,487)	
Equity Income	706,843	306,131	
Operating Result	2,428,429	1,221,111	99
Non-Operating Income	(17,019)	3,771	
Profit Before Taxes	2,411,410	1,224,882	97
Income Tax / Social Contribution	(477,872)	(262,416)	
Income before Taxes and Profit Sharing	1,933,538	962,466	101
Profit Sharing	(26,949)	(7,984)	
Net Income	1,906,589	954,482	100
Net Income per thousand shares	8.69090	4.43748	
EBITDA	2,144,019	1,372,830	56
<i>EBITDA Margin %</i>	46.1%	39.0%	+ 7,1 p.p.
Depreciation	188,566	180,619	4
Provisions	-	24,820	-

Attachment 3 – Financial Statements

Income Statement - Consolidated

Brazilian GAAP (Legislação Societária)

R\$ thousand	3Q 2004	3Q 2003	2Q 2004	Chg. % 3Q/3Q
Net Revenues	3,284,712	1,983,576	2,771,470	66
Domestic Market	2,245,545	1,416,916	1,889,132	58
Export Market	1,039,167	566,660	882,338	83
COGS	(1,693,498)	(1,325,377)	(1,455,646)	28
Gross Profit	1,591,214	658,199	1,315,824	142
<i>Gross Margin %</i>	48%	33%	47%	+ 15 p.p.
Operating Income (Expenses)	(118,263)	(160,649)	(173,509)	-26
Selling	(54,685)	(44,391)	(64,799)	23
General and Administrative	(63,840)	(51,929)	(59,706)	23
Others, Net	262	(64,329)	(49,004)	-100
EBIT	1,472,951	497,550	1,142,315	196
<i>EBIT Margin %</i>	45%	25%	41%	+ 20 p.p.
Financial Result	(95,788)	(358,274)	(338,556)	
Financial Income	(52,839)	105,323	120,107	
Financial Expenses	(42,949)	(463,597)	(458,663)	
Equity Income	69,071	145	7,101	
Operating Result	1,446,234	139,421	810,860	937
Non-Operating Income	(14,167)	8,649	(4,721)	
Profit Before Taxes	1,432,067	148,070	806,139	867
Income Tax / Social Contribution	(371,102)	(18,904)	(264,626)	
Income before Taxes and Profit Sharing	1,060,965	129,166	541,513	721
Profit Sharing	(22,357)	(8,032)	0	
Minority Interests	(33,685)	2,134	(13,231)	
Net Income	1,004,923	123,268	528,282	715
Net Income per thousand shares	4.58079	0.56190	2.40809	
EBITDA	1,601,561	659,956	1,285,187	143
<i>EBITDA Margin %</i>	48.8%	33.3%	46.4%	+ 15,5 p.p.
Depreciation	138,195	124,745	136,853	11
Provisions	10,607	40,291	6,021	-74

Attachment 4 – Financial Statements

Income Statement - Consolidated

Brazilian GAAP (Legislação Societária)

R\$ thousand	9M 2004	9M 2003	Chg. %
Net Revenues	8,420,892	6,217,798	35
Domestic Market	5,916,063	4,654,157	27
Export Market	2,504,829	1,563,641	60
COGS	(4,577,959)	(3,922,586)	17
Gross Profit	3,842,933	2,295,212	67
<i>Gross Margin %</i>	46%	37%	+ 9 p.p.
Operating Income (Expenses)	(446,240)	(411,142)	9
Selling	(172,501)	(118,628)	45
General and Administrative	(177,077)	(156,495)	13
Others, Net	(96,662)	(136,019)	-29
EBIT	3,396,693	1,884,070	80
<i>EBIT Margin %</i>	40%	30%	+ 10 p.p.
Financial Result	(687,777)	(468,861)	
Financial Income	112,656	(56,152)	
Financial Expenses	(800,433)	(412,709)	
Equity Income	90,080	2,957	
Operating Result	2,798,996	1,418,166	97
Non-Operating Income	(26,276)	(4,220)	
Profit Before Taxes	2,772,720	1,413,946	96
Income Tax / Social Contribution	(800,373)	(432,229)	
Income before Taxes and Profit Sharing	1,972,347	981,717	101
Profit Sharing	(26,949)	(8,066)	
Minority Interests	(53,773)	(26,240)	
Net Income	1,891,625	947,411	100
Net Income per thousand shares	8.62269	4.40461	
EBITDA	3,807,831	2,309,207	65
<i>EBITDA Margin %</i>	45.2%	37.1%	+ 8,1 p.p.
Depreciation	410,116	372,714	10
Provisions	1,022	60,319	-98

Attachment 5 – Financial Statements

Cash Flow

Brazilian GAAP (Legislação Societária)

R\$ thousand	Parent Company			
	3Q 2004	3Q 2003	9M 2004	9M 2003
Operating Activities				
Net Income (Loss) in the Period	1,005,749	119,025	1,906,589	954,482
Financial Expenses and Monetary Var/Net Exchge Var	55,802	130,402	256,085	172,991
Depreciation, Exhaustion and Amortization	63,723	60,221	188,566	180,619
Investment Write-offs (Decrease in Permanent Assets)	22,572	23	22,577	7,793
Equity in the Results of Subsidiaries/Associated Companies	(429,585)	43,454	(706,843)	(306,131)
Dividend Income from Subsidiaries	0	0	0	0
Income Tax and Social Contribution	160,149	51,942	477,872	262,416
Provisions	(7,250)	24,942	35,711	24,821
Adjustment for Minority Participation	0	0	0	0
Total	871,160	430,009	2,180,557	1,296,991
Increase/Decrease of Assets				
Increase (Decrease) in Accounts Receivables	(163,607)	2,201	8,231	4,244
Increase (Decrease) in Inventories	(131,574)	(52,705)	(247,577)	(112,831)
Increase (Decrease) in Recovery of Taxes	(4,490)	(501)	82,721	(1,722)
Increase (Decrease) from Deferred Income Tax & Social Contrb'n	44,605	13,474	148,875	110,602
Increase (Decrease) in Judicial Deposits	279	(5,025)	(28,205)	110,602
Others	(22,168)	(56,651)	(91,857)	829
Total	(276,955)	(99,207)	(127,812)	(94,585)
Increase (Decrease) of Liabilities				
Increase (Decrease) in Suppliers	25,503	24,320	(1,868)	43,729
Amounts Owed to Affiliated Companies	19,800	(51,268)	14,548	(120,285)
Customers Advances	(2,361)	(19,049)	1,015	(39,513)
Tax Payable	22,407	5,579	31,340	(12,223)
Income Tax and Social Contribution	(43,689)	(60,564)	(224,350)	(172,430)
Others	(43,702)	99,549	(55,466)	18,451
Total	(22,042)	(1,433)	(234,781)	(282,271)
Cashflow Generated from Operating Activities	572,163	329,369	1,817,964	920,135
Financial Activities				
Inflow of Loans and Financing	1,153	531,063	20,480	902,218
Payment of Loans, Financing and Debentures	(250,967)	(678,815)	(938,241)	(1,625,737)
Interest Paid on Loans, Financing and Debentures	(34,775)	(95,426)	(106,384)	(199,269)
Interest Paid on Taxes Payable in Installments	(8,024)	(3,876)	(28,636)	(12,535)
Swap Operation Redemptions	(341)	(1,126)	(22,095)	24,808
Dividends Paid	(269,267)	(83,122)	(574,397)	(83,164)
Net Funds from Financial Activities	(562,221)	(331,302)	(1,649,273)	(993,679)
Investment Activities				
(Additions) in Long-term Investments	0	0	0	(757)
(Additions) to Permanent Assets, except Deferred Charges	(61,630)	(73,638)	(105,815)	(166,963)
Right off of permanent assets	(3,617)	0	0	0
Funds Used for Investments	(65,247)	(73,638)	(105,815)	(167,720)
Exchange Variation of Cash and Cash Equivalents	(8,160)	(17,178)	(2,285)	(24,713)
Cash Balance Change	(63,465)	(92,749)	60,591	(265,977)
At the Beginning of the Period	566,789	288,464	442,733	461,692
At the End of the Period	503,324	195,715	503,324	195,715

Attachment 6 - Financial Statements

Cash Flow

Brazilian GAAP (Legislação Societária)

R\$ thousand	Consolidated			
	3Q 2004	3Q 2003	9M 2004	9M 2003
Operating Activities				
Net Income (Loss) in the Period	1,004,923	123,268	1,891,625	947,411
Financial Expenses and Monetary Var/Net Exchge Var	94,790	363,311	675,260	340,665
Depreciation, Exhaustion and Amortization	138,194	124,745	410,117	372,714
Investment Write-offs (Decrease in Permanent Assets)	22,578	49	22,865	7,563
Equity in the Results of Subsidiaries/Associated Companies	(69,071)	13,551	(90,080)	10,739
Dividend Income from Subsidiaries	275	0	960	0
Income Tax and Social Contribution	371,102	18,904	800,373	432,229
Provisions	7,808	66,432	95,635	60,319
Adjustment for Minority Participation	33,685	(15,498)	53,773	12,876
Total	1,604,284	694,762	3,860,528	2,184,516
Increase/Decrease of Assets				
Increase (Decrease) in Accounts Receivables	(167,481)	75,670	(282,744)	193,032
Increase (Decrease) in Inventories	(292,189)	(128,311)	(561,830)	(328,927)
Increase (Decrease) in Recovery of Taxes	(103,559)	(39,052)	(59,246)	(94,807)
Increase (Decrease) from Deferred Income Tax & Social Contrb'n	140,850	1,141	209,807	141,093
Increase (Decrease) in Judicial Deposits	(3,032)	(20,100)	(35,864)	(33,053)
Others	(25,279)	(20,838)	33,752	(40,097)
Total	(450,690)	(131,490)	(696,125)	(162,759)
Increase (Decrease) of Liabilities				
Increase (Decrease) in Suppliers	100,862	43,660	126,118	175,854
Amounts Owed to Affiliated Companies	57,310	(15,403)	81,553	(115,919)
Customers Advances	58,109	(18,217)	141,980	(33,195)
Tax Payable	24,784	7,845	34,403	(14,389)
Income Tax and Social Contribution	(36,510)	(74,197)	(259,962)	(247,135)
Others	(101,364)	68,195	(89,535)	(26,640)
Total	103,191	11,883	34,557	(261,424)
Cashflow Generated from Operating Activities	1,256,785	575,155	3,198,960	1,760,333
Financial Activities				
Inflow of Loans and Financing	142,083	1,445,591	1,507,263	3,719,890
Payment of Loans, Financing and Debentures	(613,759)	(1,634,366)	(2,852,248)	(4,627,903)
Interest Paid on Loans, Financing and Debentures	(153,037)	(181,745)	(445,211)	(476,412)
Interest Paid on Taxes Payable in Installments	(15,685)	(7,953)	(47,658)	(17,252)
Swap Operation Redemptions	(17,151)	(20,673)	(72,145)	(58,400)
Dividends Paid	(270,017)	(85,922)	(575,147)	(85,964)
Net Funds from Financial Activities	(927,566)	(485,068)	(2,485,146)	(1,546,041)
Investment Activities				
(Additions) in Long-term Investments	(182)	82,142	(1,806)	(1,811)
(Additions) to Permanent Assets, except Deferred Charges	(101,248)	(193,674)	(227,687)	(315,723)
Right off of permanent assets	(3,598)	0	1,979	0
Funds Used for Investments	(105,028)	(111,532)	(227,514)	(317,534)
Exchange Variation of Cash and Cash Equivalents	(44,047)	(11,390)	(4,904)	(90,819)
Cash Balance Change	180,144	(32,835)	481,396	(194,061)
At the Beginning of the Period	1,144,259	570,529	843,007	731,755
At the End of the Period	1,324,403	537,694	1,324,403	537,694

Attachment 7 – Financial Statements

Balance Sheet - Assets

Brazilian GAAP (Legislação Societária) - R\$ thousand

Assets	Parent Company		Consolidated	
	30-Sep-04	31-Dec-03	30-Sep-04	31-Dec-03
Current Assets	2,490,846	2,309,116	5,597,919	4,247,631
Cash and Cash Equivalents	503,324	442,733	1,324,403	843,007
Trade Accounts Receivable	847,523	855,754	1,726,541	1,443,797
Taxes Recoverable	35,478	118,199	303,705	244,459
Inventories	930,169	682,592	2,003,676	1,441,846
Deferred Income Tax & Social Contrb'n	92,812	138,857	92,812	138,857
Other Securities Receivables	81,540	70,981	146,782	135,665
Long-Term Receivable	1,427,346	1,425,614	1,679,874	1,820,804
Deferred Income Tax & Social Contrb'n	831,820	934,650	1,210,006	1,373,768
Related Company Credits	374,588	297,560	82,090	77,501
Deposits at Law	158,495	130,290	266,370	230,506
Others	62,443	63,114	121,408	139,029
Permanent Assets	6,183,982	5,606,873	9,404,208	9,504,377
Investments	2,673,365	1,990,933	270,521	179,522
Property, Plant and Equipment	3,510,617	3,615,940	9,083,508	9,274,440
Deferred	-	-	50,179	50,415
Total Assets	10,102,174	9,341,603	16,682,001	15,572,812

Attachment 8 – Financial Statements

Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP (Legislação Societária) - R\$ thousand

Liabilities and Shareholders' Equity	Parent Company		Consolidated	
	30-Sep-04	31-Dec-03	30-Sep-04	31-Dec-03
Current Liabilities	1,316,903	1,846,094	3,696,999	4,205,279
Loans and Financing, Deb. and Taxes Payable in Installments	629,113	972,226	1,799,948	2,794,185
Suppliers, Subcontractors and Freight	139,463	140,207	466,936	316,763
Taxes, Charges and Payroll Taxes	296,946	77,867	710,982	238,067
Financial Instruments	11,900	27,647	90,529	90,868
Related Companies	102,100	178,054	124,891	43,338
FEMCO	-	-	4,534	8,891
Dividends Payable	1,975	306,372	2,018	306,415
Others	135,406	143,721	497,161	406,752
Long-Term Liabilities	3,123,624	3,470,451	7,192,662	7,253,708
Loans and Financing, Deb. and Taxes Payable in Installments	1,195,858	1,688,438	4,142,553	4,430,420
Provision for Contingencies	585,881	502,685	1,020,870	914,315
Actuarial Liability	968,673	967,802	1,025,410	1,024,539
Financial Instruments	98,584	54,597	406,744	284,000
FEMCO	-	-	352,101	353,067
Others	274,628	256,929	244,984	247,367
Minority Interests	-	-	171,294	114,404
Shareholders' Equity	5,661,647	4,025,058	5,621,046	3,999,421
Capital	1,280,839	1,280,839	1,280,839	1,280,839
Reserves	2,474,219	1,431,532	2,448,582	1,412,410
Revenues from Fiscal Year	1,906,589	1,312,687	1,891,625	1,306,172
Total Liabilities and Shareholders' Equity	10,102,174	9,341,603	16,682,001	15,572,812

Attachment 9 – Quarterly Sales Breakdown

Sales Volume Breakdown - Consolidated

Thousand tons	3Q 2004		3Q 2003		2Q 2004		Chg. 3Q/3Q
TOTAL SALES	2,011	100%	1,822	100%	1,971	100%	10%
Heavy Plates	414	21%	367	20%	425	22%	13%
Hot Coils/Sheets	503	25%	479	26%	531	27%	5%
Cold Coils/Sheets	471	23%	427	23%	505	26%	10%
Electrogalvanized Coils	63	3%	50	3%	63	3%	26%
Hot Dip Galvanized Coils	109	5%	84	5%	104	5%	30%
Processed Products	110	5%	99	5%	101	5%	10%
Slabs	342	17%	316	17%	243	12%	8%
TOTAL SALES - DOMESTIC MARKET	1,434	71%	1,184	65%	1,429	73%	21%
Heavy Plates	319	16%	249	14%	285	14%	28%
Hot Coils/Sheets	477	24%	408	22%	494	25%	17%
Cold Coils/Sheets	381	19%	317	17%	383	19%	20%
Electrogalvanized Coils	58	3%	39	2%	54	3%	49%
Hot Dip Galvanized Coils	70	3%	74	4%	78	4%	-5%
Processed Products	64	3%	68	4%	64	3%	-5%
Slabs	66	3%	29	2%	71	4%	130%
TOTAL SALES - EXPORTS	577	29%	639	35%	542	27%	-10%
Heavy Plates	96	5%	118	6%	140	7%	-19%
Hot Coils/Sheets	26	1%	71	4%	37	2%	-64%
Cold Coils/Sheets	90	4%	110	6%	122	6%	-18%
Electrogalvanized Coils	5	0%	11	1%	8	0%	-56%
Hot Dip Galvanized Coils	39	2%	10	1%	26	1%	295%
Processed Products	45	2%	32	2%	36	2%	44%
Slabs	276	14%	287	16%	172	9%	-4%

Sectorial Sales - Consolidated

Thousand Tons	3Q 2004		3Q 2003		2Q 2004		Chg. 3Q/3Q
Domestic Market	1,434	100%	1,184	100%	1,429	100%	21%
Auto	155	11%	128	11%	151	11%	21%
Autoparts	189	13%	142	12%	177	12%	33%
Shipbuilding	14	1%	5	0%	18	1%	180%
Line Pipes	79	6%	40	3%	80	6%	98%
Small Diameter Pipes	104	7%	113	10%	119	8%	-8%
Packaging	30	2%	12	1%	24	2%	150%
Household Appliances	30	2%	49	4%	29	2%	-39%
Civil Construction	98	7%	111	9%	107	8%	-12%
Electrical Equipment	60	4%	40	3%	57	4%	50%
Distributors	397	28%	336	28%	366	26%	18%
Industrial Equipment	35	2%	16	1%	38	3%	119%
Others	243	17%	192	16%	263	18%	27%

Attachment 10 – Accumulated Sales Breakdown

Sales Volume Breakdown - Consolidated

Thousand tons	9M 2004		9M 2003		Chg.
TOTAL SALES	5,892	100%	5,591	100%	5%
Heavy Plates	1,265	21%	1,131	20%	12%
Hot Coils/Sheets	1,571	27%	1,548	28%	2%
Cold Coils/Sheets	1,446	25%	1,389	25%	4%
Electrogalvanized Coils	191	3%	152	3%	25%
Hot Dip Galvanized Coils	287	5%	271	5%	6%
Processed Products	317	5%	324	6%	-2%
Slabs	815	14%	776	14%	5%
TOTAL SALES - DOMESTIC MARKET	4,242	72%	3,982	71%	7%
Heavy Plates	904	15%	846	15%	7%
Hot Coils/Sheets	1,461	25%	1,406	25%	4%
Cold Coils/Sheets	1,134	19%	1,074	19%	6%
Electrogalvanized Coils	160	3%	126	2%	28%
Hot Dip Galvanized Coils	212	4%	236	4%	-10%
Processed Products	193	3%	216	4%	-11%
Slabs	176	3%	78	1%	127%
TOTAL SALES - EXPORTS	1,650	28%	1,609	29%	3%
Heavy Plates	361	6%	284	5%	27%
Hot Coils/Sheets	110	2%	142	3%	-23%
Cold Coils/Sheets	312	5%	315	6%	-1%
Electrogalvanized Coils	30	1%	27	0%	14%
Hot Dip Galvanized Coils	74	1%	36	1%	109%
Processed Products	124	2%	107	2%	16%
Slabs	639	11%	699	12%	-9%

Sectorial Sales - Consolidated

Thousand Tons	9M 2004		9M 2003		Chg.
Domestic Market	4,242	100%	3,981	100%	7%
Auto	449	11%	358	9%	25%
Autoparts	542	13%	475	12%	14%
Shipbuilding	62	1%	18	0%	237%
Line Pipes	229	5%	226	6%	1%
Small Diameter Pipes	342	8%	384	10%	-11%
Packaging	79	2%	40	1%	98%
Household Appliances	87	2%	159	4%	-45%
Civil Construction	301	7%	364	9%	-17%
Electrical Equipment	171	4%	123	3%	39%
Distributors	1,207	28%	1,182	30%	2%
Industrial Equipment	125	3%	67	2%	87%
Others	648	15%	585	15%	11%

Attachment 11 –Market Share

Market Share - Usiminas System (*)

(% volume)

	9M 2004(**)	2003(**)	2002(**)	2001(*)
DOMESTIC MARKET	53%	60%	62%	62%
Auto	47%	62%	62%	66%
Autoparts	57%	67%	73%	69%
Shipbuilding	100%	100%	100%	100%
Electrical Equipment	59%	58%	54%	64%
Household Appliances	33%	44%	44%	47%
Line Pipes	98%	95%	100%	100%
Small Diameter Pipes	58%	68%	80%	77%
Packaging	14%	16%	14%	12%
Civil Construction	47%	58%	54%	45%
Distributors	51%	59%	62%	66%

(*) Defined by USIMINAS, Cosipa, and CSN markets.

(**) Defined by USIMINAS, Cosipa, CSN, Acesita and CST (since September) markets.

Source: Information System IBS

Attachment 12 - Financial Indebtedness

Financial Income (Expenses), Net

R\$ million	9/30/04 Short Term	9/30/04 Long Term	9/30/04 Total	6/30/04 Total	Chg. 3Q04/2Q04
TOTAL DEBT					
Foreign Currency (*)	1,164	3,296	4,460	5,204	-14%
IGP-M	107	212	320	367	-13%
TJLP	227	415	641	692	-7%
Others	34	66	100	122	-18%
Sub-Total	1,533	3,988	5,521	6,386	-14%
Debentures	243	0	243	254	-4%
Sub-Total	1,776	3,988	5,764	6,640	-13%
Taxes Payable in Installments	24	154	178	185	-4%
TOTAL	1,800	4,143	5,943	6,825	-13%
FEMCO	5	352	357	371	-4%
TOTAL	1,804	4,495	6,299	7,197	-12%

(*) 99.3% of total foreign currency is denominated in US dollars

Financial Income (Expenses), Net

R\$ million	3Q 2004	3Q 2003	9M 2004	9M 2003
Monetary Effects	(35)	(39)	(140)	(171)
Exchange Variation	332	(77)	(7)	1,003
Hedge Income (Expenses)	(270)	(72)	(198)	(801)
Interest on Loans, Financing, ACC's and Pre-Payment	(117)	(138)	(400)	(489)
Financial Income	23	22	129	88
Other Financial Expenses	(29)	(54)	(71)	(97)
NET INTEREST INCOME	(96)	(358)	(688)	(469)