

1Q07 Earnings Report

Usiminas posts net profit of R\$ 642 million, up 86% over 1Q06. EBITDA reaches R\$ 1.2 billion.

Belo Horizonte, May 10, 2007

Usinas Siderúrgicas de Minas Gerais S/A - Usiminas (BOVESPA: USIM3, USIM5, USIM6; OTC: USNZY; Latibex: XUSI; XUSIO) today releases its first quarter 2007 results (1Q07). **Operational and financial information of the Company, except where otherwise stated, are presented based on consolidated figures, in reais, according to corporate law. All comparisons made in this release take into consideration the same period in 2006, except when stated otherwise.**

The Usiminas System begins the fiscal year demonstrating the strength of its operations and the consistency of its results. In first quarter 2007, net revenues of R\$ 3.3 billion and net profit totaling R\$ 642 million were 13% and 86% higher compared with 1Q06, respectively. EBITDA grew 30% over 1Q06, to R\$ 1.2 billion.

With expressive results and comfortable financial position, the Company kicks off a bold investment cycle aimed at expanding production capacity, improving product mix and reducing operating costs.

These efforts, which have resulted in the figures presented below, show our determination to face the challenges of the present business environment and make the Usiminas System even stronger in the Brazilian and global industry.

We are dealing with essential conditions for Usiminas to fulfill its desire to consolidate itself as market leader in Brazil and become a protagonist in the international slab and rolled products market.

Rinaldo Campos Soares, CEO

Highlights

| R\$ million | 1Q 2007 | 1Q 2006 | 4Q 2006 | Chg. 1Q07/1Q06 |
|----------------------------|---------|---------|---------|-------------------|
| Total Sales Volume (000 t) | 1.936 | 1.954 | 1.992 | -1% |
| Net Revenues | 3.336 | 2.958 | 3.277 | 13% |
| Gross Profit | 1.144 | 888 | 1.171 | 29% |
| Operating Result (EBIT) a | 964 | 741 | 907 | 30% |
| Financial Result | (52) | (198) | (66) | -74% |
| Net Income | 642 | 345 | 752 | 86% |
| EBITDA b | 1.178 | 908 | 1.186 | 30% |
| EBITDA (R\$/t) | 608 | 465 | 595 | 31% |
| Total Assets | 19.320 | 17.817 | 18.975 | 8% |
| Net Debt | 128 | 1.497 | 760 | -91% |
| Stockholders' Equity | 11.060 | 9.097 | 10.418 | 22% |

(a) Earnings before interest, tax and participations.

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

Quotation 03/30/07

Bovespa; USIM3 R\$ 119.90 / share
USIM5 R\$ 99.78 / share

USA/OTC: USNZY US\$ 48.25

Latibex: XUSI €35.81

Investor Relations

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Other Information:

- Company's market cap as of 03/31/07: R\$ 21.9 billion, equivalent to US\$ 10.7 billion.
- Accumulated cash position as of 03/31/07: R\$ 3.1 billion.
- Net debt amortization in 1Q07: R\$ 208 million.
- Investments on fixed assets: R\$ 217 million.

Economic Analysis and Outlook

International Scenario

"The international scenario presented a positive performance and indicates a favorable outlook for the year."

International steel demand in 1Q07 grew in several areas in the world.

In China, domestic prices of steel products have been rising since the end of 2006 because of heated demand, which has required large volume of steel imports. Although on the rise, Chinese prices are still below those in the Western hemisphere.

Likewise, the European Union has shown strong demand in view of the fact that its economic growth has continued to accelerate since year 2006. Inventories are still lower than historical levels even with import volumes above that in previous years, especially from China.

The NAFTA region awaits adjustments in inventory, which, at the end of 2006, had reached levels above the historical average, also spurred by a greater import volume than in 2005 and by expectations for a slowdown in the economic growth pace in the US. Such adjustment took place in the first quarter, although not as intensely as the market expected. Local production was lower because of local suppliers who chose to keep prices instead of increasing supply.

On the other hand, the significant economic growth in Latin America led to greater steel demand and consistently higher prices.

There are two other factors worth mentioning: the first is the domestic demand growth in traditional steel exporting countries such as Russia and Ukraine, with consequent decline in supply of export volume and, secondly, strong demand in civil construction in the Middle East.

On a global basis, there were price increases in all steel products, regardless of whether they are semi-finished, long or flat products. It is worth highlighting that the positive effects of continuous consolidation in the industry have provided more rationality on the part of producers in the control of product supply adjustments to real demand levels.

Price support at higher levels is also due to price increases in raw materials, such as iron ore, which had an increase of almost 10% in long-term contracts, as well as for scrap.

Another concern is that, due to the strong Euro against the US dollar, imports into Europe may increase because of the attractive dollar-based prices, which can lead to inventories above their historical levels.

Outlook in 2007

The outlook for the second quarter is highly favorable for the global steel industry because of demand and growing prices in the three major trade blocks.

In the beginning of May, the Chinese government announced its intention to close down obsolete steel production at approximately 40 million tons over the next five years, with 24 million in 2007 alone. Thus, there are still lingering expectations regarding the Chinese steel production scenario and the measures to be taken by the authorities. What is certain is that they have already met their promise to reduce export premiums of finished products on account of the large volume exported in 2006 and first quarter 2007 and the pressure from several countries, such as the US and those in the EU. The fact may lead to a smaller export volume and larger domestic supply, with pressure on domestic steel prices.

Economic growth in the European Union spurs strong demand and low inventories, which translates into continuity in trade volume and price maintenance.

In the US, increasing prices are forecast due to the pricing power the mills have to pass on cost increases, especially the high price of scrap, the basic raw material of mini-mills, which accounts for around 45% of production in the country.

This positive outlook is seen as lasting at least until the end of the third quarter. Small adjustments or a stability trend are likely to be seen in the fourth quarter 2007. That means that this will be a year in which large fluctuations are not expected.

Average International Flat Steel Prices (market) in 2Q07

| FOB Base Prices (w/o extras) | US\$/ton |
|------------------------------|---------------|
| Slab | 480 - 520 (*) |
| Heavy Plate | 700 - 800 |
| Hot Rolled Coil | 580 - 600 |
| Cold Rolled Coil | 650 - 700 |
| Galvanized Coils | 800 - 850 |

() including value-added slab products*

Domestic Scenario

"Favorable indicators of the Brazilian economy. Demand for flat steel grew 16% in 1Q07."

The first months of 2007 have been marked by the confirmation of positive expectations for the economy and the market, scenario on which the commercial planning of the Usiminas System was based. After reviewing the GDP calculation methodology by the IBGE (Brazilian Census Bureau), our growth estimates for the Brazilian economy in 2007 were revised upward, to 4.4% from 3.7%. The revision is also based on the behavior of important economic segments, whose economic growth pace has been faster than the initial estimates.

It is worthwhile to mention that the "credit" effect has driven retail trade sales in the country, especially in the automotive, electronic apparel and construction material segments. In first quarter 2007, commercial sales increased 7.9% over the same period in 2006.

Demand in 1Q07

Flat steel demand in the domestic market in 1Q07 increased 16% over the same period last year, with an outstanding performance in the large- and small-diameter pipe, industrial, civil construction, agricultural and tractor segments.

Performance in the automotive industry, which continues on its path towards growth in production and sales in the domestic market, reflected on demand, which grew 13.3% in 1Q07.

Outlook for 2007

The outlook for the domestic flat steel market in 2007 remain positive, judging by the good performance in the first months of the year.

Currency stability, abundant credit volume, maintenance in the trend of gradual interest rate reductions will favor durable goods consumption, which lead to a positive impact on the automotive, household appliances and electronic equipment industries.

Additionally, the investments already announced in several sectors of the economy will benefit high flat steel demand industrial sectors, such as civil construction, pipes, shipbuilding and industrial equipment, among others.

Raw Materials and Freight

Iron Ore

Demand for iron ore is likely to remain strong in 2007, mainly due to growing Chinese imports, which this year should reach around 360 million tons, up 19% over 2006.

This fact has been driving the mining industry, which is investing to increase production, including the opening of new mining facilities.

The average price increase of that raw material in the 2007/2008 period was approximately 10%.

Coal/Coke

In 1Q07, coal negotiations in the international market were concluded for new contracts beginning in April and July 2007. Negotiations among Australian suppliers and Japanese mills for premium coking coals resulted in a price decline, a fact that has been repeated in closings in South America and Europe. For other coking coals, prices were also reduced, although by different percentages, depending on the origin and quality of the material. The reduction reflects a series of factors, such as greater balance between supply and demand and also by the natural downward adjustment of coal prices, which have been at high levels.

As for coke, the market remains heated and the Chinese government's export tariffs and an increase in domestic Chinese demand and limited issuance of export licenses have pressured prices, which tend to remain at high levels during the remainder of the year.

Alloys

Supply of alloys and refractories in 1Q07 occurred normally and prices remained stable, except for zinc, which, in spite of still being at high levels, fell in comparison with 4Q06 by approximately 15%.

Freight

Freight will be a factor of cost pressure in 2007, because it has been constantly increasing since May 2006. At present, price indicators show all-time highs, which should be maintained throughout the year. The main reasons are China's growing demand for raw materials and the shortage of ships.

Steel Industry - Global and Brazilian Production

Global

In 1Q07 global crude steel production reached 318.2 million tons, 10% above that in 2006, according to data from the IISI (International Iron and Steel Institute).

China, the world's largest producer, accounted for 36% of crude steel production, 22% higher as compared with 1Q06.

Brazil

Around 8.0 million tons of crude steel were produced in 1Q07, according to preliminary data from the Brazilian Steel Institute (IBS), up 11% over the same period in 2006. Usiminas' production accounted for 26.4% of the total. On the other hand, production of rolled steel (flat and long) reached 6.0 million tons, up 11% over 1Q06.

Crude steel production in Latin America totaled 10.5 million tons, up 6% over 1Q06. Brazil accounted for 49.6% of the production.

Usiminas System - Operational and Commercial Performance

Production (Crude Steel)

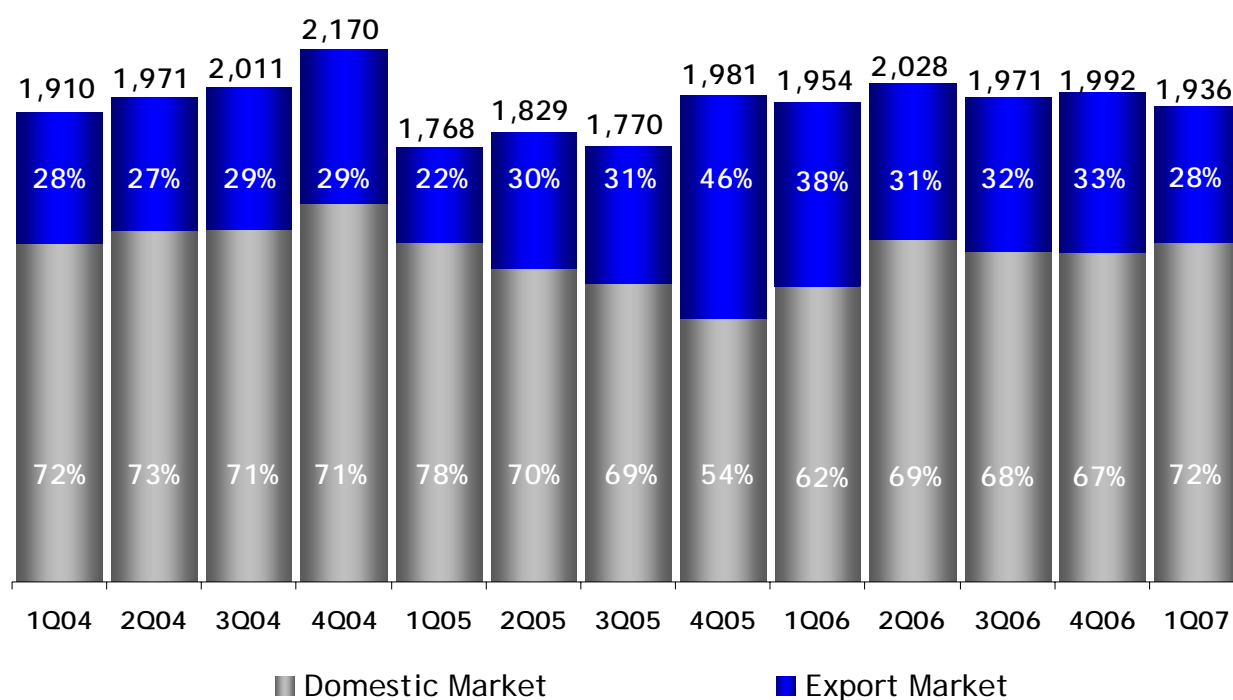
| Thousand tons | 1Q 2007 | 1Q 2006 | 4Q 2006 | Chg. 1Q07/1Q06 | Chg. 1Q07/4Q06 |
|---------------|---------|---------|---------|-------------------|-------------------|
| Usiminas | 1.098 | 1.131 | 1.173 | -3% | -6% |
| Cosipa | 1.010 | 992 | 1.044 | 2% | -3% |
| Total | 2.108 | 2.123 | 2.217 | -1% | -5% |

In 1Q07, crude steel production at the Ipatinga and Cubatão plants totaled 2.1 million tons, while rolled steel production was 2.0 million tons, practically stable from the volumes in 1Q06.

The workforce of the two companies totaled 13,698 on 3/31/2007.

By implementing the new investment cycle, the mills have already adopted measures that seek to assure the continuity of operational stability in such a way as to avoid any interruptions in production that threaten equipment and personnel safety.

Consolidated Sales (000 t)



Sales of the Usiminas System

“Domestic sales grew 15% in 1Q07. Usiminas maintains Brazilian market leadership.”

Total

Total sales volume in 1Q07 was practically stable compared with 1Q06, around 2.0 million tons. In relation to 4Q06, sales volume was approximately 3% lower. There was, however, a significant change in the sales mix in the domestic and export markets. With the purpose of keeping up with the growth in domestic demand for steel products, sales to the domestic market grew 15%, consequently reducing the volume intended for exports.

Domestic market sales accounted for 72% of total sales, with 28% for export.

Domestic Market

In 1Q07, sales reached 1.4 million tons, up 15% over 1Q06. The increase was more significant in the Plate Mill line, stimulated by the positive performance in the large-diameter pipe, industrial equipment, civil construction and distribution segments. In comparison with 4Q06, sales volume grew 3%.

Performance in the automotive sector was a highlight. This industry continues its growth trend in production and sales in the domestic market, which has impacted demand, which grew 13% in 1Q07.

Market Share: The Usiminas System maintained its leadership position in the supply of flat steel to the main domestic market segments, with a 52% market share.

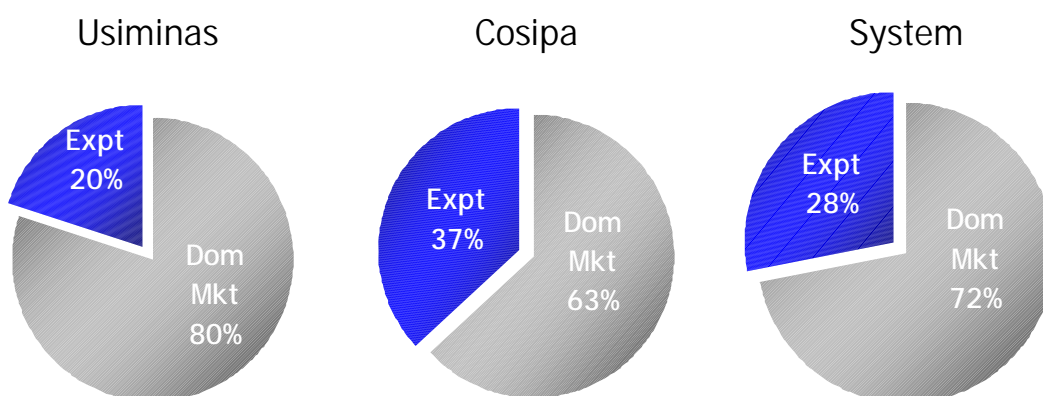
Export Market

In 1Q07, exports totaled 551 thousand tons, down 27% over the same period in 2006. In comparison with 4Q06, the decline was 15%. These variations are a consequence of the plan to adjust Usiminas exports and give priority to local customers.

Sales Volume

| Thousand tons | 1Q 2007 | | 1Q 2006 | | 4Q 2006 | | Chg. 1Q07/1Q06 |
|-----------------|--------------|-------------|--------------|-------------|--------------|-------------|-------------------|
| Usiminas | | | | | | | |
| Domestic Market | 801 | 80% | 724 | 68% | 821 | 77% | 11% |
| Export Market | 204 | 20% | 339 | 32% | 244 | 23% | -40% |
| Total | 1.005 | 100% | 1.063 | 100% | 1.065 | 100% | -5% |
| Cosipa | | | | | | | |
| Domestic Market | 584 | 63% | 478 | 54% | 523 | 56% | 22% |
| Export Market | 347 | 37% | 413 | 46% | 404 | 44% | -16% |
| Total | 931 | 100% | 891 | 100% | 927 | 100% | 4% |
| System | | | | | | | |
| Domestic Market | 1.385 | 72% | 1.202 | 62% | 1.344 | 67% | 15% |
| Export Market | 551 | 28% | 752 | 38% | 648 | 33% | -27% |
| Total | 1.936 | 100% | 1.954 | 100% | 1.992 | 100% | -1% |

Sales Volume Mix - 1Q07



Usiminas System Exports

| 1 st Quarter 2007 | | | |
|------------------------------|--------------|----------------|--------------|
| | COUNTRIES | TONS | SHARE (%) |
| 1 | GERMANY | 131,610 | 23.9 |
| 2 | USA | 106,519 | 19.3 |
| 3 | SPAIN | 57,468 | 10.4 |
| 4 | ARGENTINA | 45,842 | 8.3 |
| 5 | CHILE | 27,607 | 5.0 |
| 6 | INDIA | 24,449 | 4.4 |
| 7 | ITALIA | 20,493 | 3.7 |
| 8 | THAILAND | 19,204 | 3.5 |
| 9 | VENEZUELA | 18,832 | 3.4 |
| 10 | UK | 18,703 | 3.4 |
| | OTHER | 79,973 | 14.7 |
| | TOTAL | 550,700 | 100.0 |

| 1 st Quarter 2006 | | | |
|------------------------------|--------------|----------------|--------------|
| | COUNTRIES | TONS | SHARE (%) |
| 1 | USA | 194,069 | 25.8 |
| 2 | MEXICO | 139,610 | 18.6 |
| 3 | CANADA | 95,020 | 12.6 |
| 4 | GERMANY | 55,086 | 7.3 |
| 5 | CHILE | 47,511 | 6.3 |
| 6 | SOUTH KOREA | 38,561 | 5.1 |
| 7 | SPAIN | 30,683 | 4.1 |
| 8 | ARGENTINA | 28,797 | 3.8 |
| 9 | COLOMBIA | 20,265 | 2.7 |
| 10 | PORTUGAL | 12,497 | 1.7 |
| | OTHER | 89,901 | 12.0 |
| | TOTAL | 752,000 | 100.0 |

Economic and Financial Performance

"Net revenues grew 13%. EBITDA is 30% higher than in 1Q06."

Net Revenues

Net revenues in 1Q07 totaled R\$ 3.3 billion, up 13.0% over 1Q06, due to higher average prices in the period and to mix changes of products sold. Compared with 4Q06, net revenues grew 1.8%.

Net per-ton revenues (Usiminas and Cosipa) were 15.7% higher. The increase in the domestic market was 7.6%.

COGS

In 1Q07, cost of goods sold (COGS) totaled R\$ 2.2 billion, up 6% over 1Q06 due to higher prices of raw materials, higher labor costs and purchased slab consumption.

It is worth highlighting that, due to the improvement in the quarter's sales mix, which comprises sales of products with greater added value, costs are also higher.

As compared to 4Q06, COGS was 4.1% greater in 1Q07 because of the increase in raw material and in the purchased slab consumption.

Total per-ton COGS (Usiminas and Cosipa) in 1Q07 was R\$ 1,061.00/ton.

Gross Profit

In 1Q07, gross profit reached R\$ 1.1 billion, up 28.8% from 1Q06. Gross margin increased by four percentage points, to 34.3%, due to the reasons mentioned in the previous items. Gross margin fell two percentage points over 4Q06.

Operating Profit before Financial Expenses (EBIT)

Operating revenues and expenses in 1Q07 grew 22% over 1Q06. The main variations were:

Sales expenses were 14% lower considering that there were greater port expenses in 1Q06 due to greater export volume (201 thousand tons) and because of demurrage payments.

SG&A grew 22% due to, among other issues, wage increase. On the other hand, **other expenses/revenues** increased 176% because in 1Q06 FEMCO's actuarial surplus was recognized. FEMCO is the pension fund of subsidiary Cosipa.

Compared with 4Q06, operating revenues and expenses were 32% lower due to lower sales expenses (-4%), because of lower exported volume and, consequently, lower port expenses.

SG&A were down 5% over 4Q06, because 4Q06 expenses were impacted by wage adjustments and other expenses. The largest variation was in "other revenues/expenses", a decline of 63%, since 4Q06 was affected by recognition of inventory adjustments and by gain relating to FEMCO's actuarial surplus.

Operating profit before financial expenses reached R\$ 964.4 million, up 30% over 1Q06 and 6% above 4Q06.

EBITDA

EBITDA in 1Q07 reached R\$ 1.2 billion, up 30% over 1Q06 and practically stable compared with 4Q06.

EBITDA margin in 1Q07 was 35.3%, around five percentage points above the 1Q06 margin, due to improved prices in the period. The margin in 1Q07 was in line with Company expectation.

Financial Result

Net financial expenses in 1Q07 totaled R\$ 52 million, a reduction of 73.9% in comparison with 1Q06 due to the reduction in financial charges on debt and reduction of swap expenses.

As compared with 4Q06, net financial expenses declined 22% due to gains with financial investments, lower charges over debt and reduction in exchange losses.

Equity Income

In the consolidated results of the quarter, equity income totaled R\$ 73 million versus R\$ 21 million in 1Q06, due to improvement in Ternium's results. Equity income was stable comparing with 4Q06.

Income Tax and Social Contribution Tax

The effective income tax and social contribution tax remained stable as compared with 1Q06. In 4Q06, there was an accounting impact of the provision for payment of interest on equity in the amount of R\$ 300 million, which reduced tax expenses by approximately R\$ 102 million.

"Net Profit is 86% higher than in 1Q06."

Net Profit

Usiminas recorded a consolidated net profit in 1Q07 of R\$ 642 million, up 86% over 1Q06, due to the increase in sales revenue, which was benefited by improved prices in the period and lower financial expenses, notwithstanding an increase in costs.

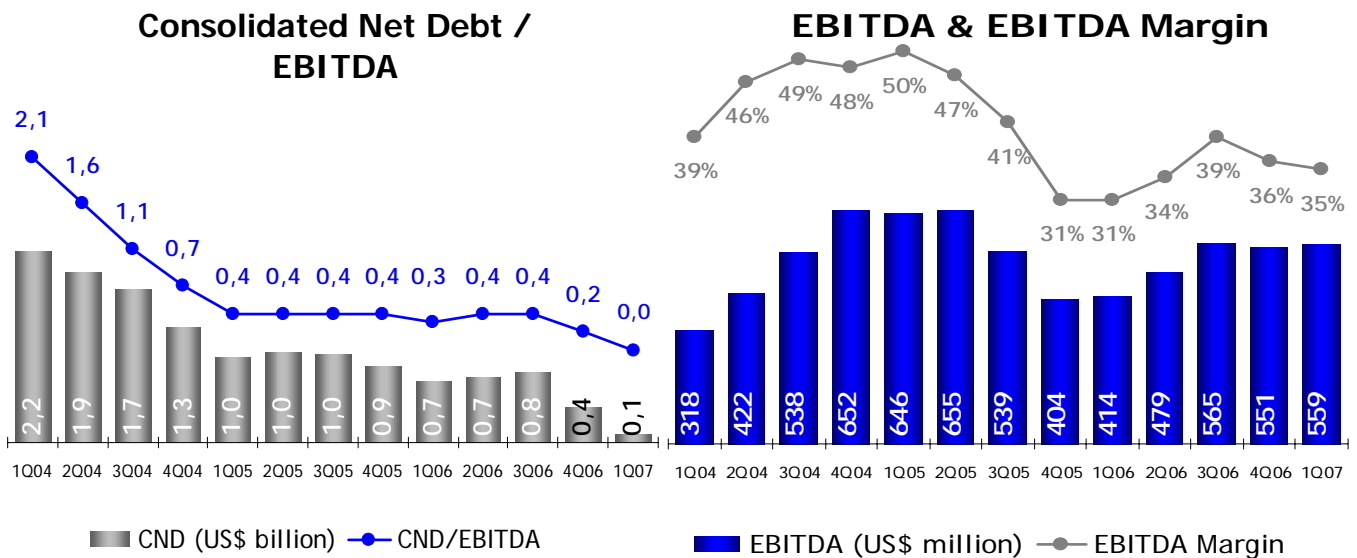
When compared with 4Q06, net profit was 15% lower, mainly due to cost increases and higher expenses with income tax and social contribution tax, since those expenses were reduced by the payment of interest on equity in that quarter.

Indebtedness

Total consolidated debt once again decreased to R\$ 3.2 billion as of 3/31/2007 from R\$ 3.5 billion as of 12/31/2006. Effective amortization until 3/31/2007 was R\$ 208 million (considering amortization less inflow of proceeds).

Made up of 25% in local currency and 75% in foreign currency, 20% of the debt comes due in the short term and 80% in the long term, which is considered adequate by the Company.

Considering cash and applications, net debt at the end of the quarter was R\$ 128 million.



Investments

Investments in fixed assets totaled R\$ 217 million in 1Q07, up 95% over 1Q06.

Material Fact released on 3/14/2007: In a meeting held on 3/14/2007, the Board of Directors of Usiminas approved yet another stage of the Company's investment program, which includes an increase in its steel capacity by 5 million tons/yr, to be done in two stages: in the first, a 2.2 million-ton capacity increase at the Ipatinga plant, focusing on higher value added products, with start up

forecast for 2010/2011; the second stage, an additional increase of 3 million tons of steel/yr, is associated to seeking opportunities to add value in the international market and will be carried out in a location and start up to be defined at the appropriate time.

The new investments, together with investments already underway for cost reductions and mix and quality improvements, should reach approximately US\$ 8.4 billion.

Usiminas System Expansion Plan - Main Investments

| | | | |
|---------------------------|----------------------|---|--------------|
| IPATINGA | Investments underway | Implantation of Steel Shop Nr.3 Implantation of Coke Oven Battery Nr. 3 Technology Updating Program Other Investments | US\$ 4.3 BLN |
| | Expansion | Expansion of 2.2 million tons of liquid steel and rolled products Increase of 500 thousand tons of Heavy Plate Increase of 600 thousand tons of Hot Rolled Coil Increase of 320 thousand tons of Galvanized Coil | |
| CUBATÃO | Investments underway | Implantation of New 4-MMt Hot Strip Mill Technology Updating Program Modernization of Continuous Casting Machine Nr. 3 Revamping of Blast Furnace Nr. 1 Other Investments | US\$ 1.4 BLN |
| ADDITIONAL SLAB EXPANSION | | | US\$ 2.7 BLN |
| TOTAL | | | US\$ 8.4 BLN |

Other Quarterly Highlights

Usifast: Usifast, the logistics company of the Usiminas System received authorization from the Internal Revenue Service to expand its services at the Granbel Dry Port, which will be the first of its kind in Brazil accredited as an "industrial dry port".

Thus, Granbel's customers may execute services of handling and reconditioning, assembly or repair, processing, exposition, demonstration and working tests on the products inside the customs area. They also may receive imported input and/or national components with the suspension of taxes levied at the time of importation. The final product may be exported with pro-rata payment of taxes of the input.

The company is betting that the services offered will allow it to meet its goal of being among the ten largest logistics operators in Brazil by 2009.

Usiminas receives the General Motors award for the second consecutive year: General Motors, the largest car maker in the world, awarded Usiminas the "Global Supplier of the Year Award" for the second consecutive year, referring to 2006. The awards ceremony was held on March 30th in Orlando, Florida. The award is a distinction among the best global GM suppliers, which were evaluated using the criteria of Quality, Services, Technology and Price.

Capital Markets



- **Bovespa Performance - Bovespa Index**

In the quarter, preferred class "A" shares (USIM5) appreciated by 24.0%, while the Ibovespa appreciated 3.0%. Ordinary (USIM3) shares appreciated 24.9%.

On 3/30/2007, USIM5 shares were quoted at R\$ 99.78 and USIM3 shares at R\$ 119.90. The table below summarizes the trading of the Company's shares in 1Q07.

Usiminas maintained the fourth position among the shares with the greatest weight in the IBOVESPA, with a 4.12% share in Ibovespa's theoretical portfolio in the January-April 2007 period.

USIM5 and USIM3 versus Ibovespa

From (basis 100) 12/28/2006 to 03/30/2007



Trading Summary Table for Usiminas Shares - 1Q07

| Stock, ADR or Index | Number of Trades (daily avg) | Share Traded (000 shares) | Volume Traded 000 \$ | Appreciation % | Closing Quotation 12/28/06 |
|---------------------|------------------------------|---------------------------|----------------------|----------------|----------------------------|
| USIM3 (ON) | 54 | 3.473 | 357.728 | 24,9% | R\$ 119,90 |
| USIM5 (PNA) | 1.669 | 80.274 | 6.843.688 | 24,0% | R\$ 99,78 |
| USNZY (ADR) | 22 | 1.385 | 63.865 | 28,7% | US\$ 48.25 |
| XUSI (Latibex) | 32 | 999 | 31.913 | 25,7% | € 35,81 |
| IBOVESPA | 58.052 | 3.500.282.000 | 154.263.019 | 3,0% | 45.804 pts |

- **ADR Performance in the US**

In the quarter, Usiminas shares traded in the United States as Level 1 "USNZY" in the OTC market appreciated by 28.7%. On 3/30/2007, they were quoted at US\$ 48.25.

- **Latibex Madrid Performance**

Shares listed on the Latibex (XUSI) were the second most traded and rose 25.7% in the quarter, quoted at EUR 35.81 on 3/30/2007.

Material Facts Subsequent to the end of the quarter

Secondary Offering of shares belonging to CVRD/PREVI: on 4/27/2007, the announcement of initiation of a public offering of secondary distribution of 16,399,269 ordinary shares was published. Such shares were issued by Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas is owned by Companhia Vale do Rio Doce - CVRD and Caixa de Previdência dos Funcionários do Banco do Brasil - PREVI.

On 5/07/2007, the closing of the offering was announced, informing that the shares sold to the market were 16,399,269 initial shares and 2,409,890 supplementary shares, totaling 18,809,159 shares. The total amount of the offering was R\$ 2,069,007,490.00.

Ordinary Shareholders Meeting on 4/30/2007: the General Ordinary Meeting of the shareholders approved, among other issues, the ratification of anticipated, intermediate and complementary distribution of interest on equity capital and additional dividends; the election of two board members and one alternate of the Board of Directors and the election of the members of the Fiscal Council, effective members and alternates.

Latibex: On 4/24/2007, CVM approved the Depositary Receipt Program relative to ordinary shares of Usiminas for trading in the Spanish market. On 5/03/2007, the shares began to be traded on the Latibex.

Other Companies of the Usiminas System

Ternium

On 5/03/2007, Ternium released its 1Q07 earnings report, as per the summary below:

| Summary of Results | 1Q07 | 1Q06 | Chg % |
|--|---------|---------|-------|
| Product Shipments - thsd. t | 2,498.9 | 2,248.0 | 11 |
| Net Sales - US\$ million | 1,798.3 | 1,531.0 | 17 |
| Gross Profit - US\$ million | 574.4 | 541.3 | 6 |
| Operating Profit - US\$ million | 415.4 | 392.5 | 6 |
| EBITDA - US\$ million | 530.7 | 500.5 | 6 |
| EBITDA Margin | 30% | 33% | -3pp |
| Net Profit - US\$ million | 251.6 | 194.5 | 29 |
| Net Profit - Controlling Share. US\$ million | 222.1 | 165.0 | 35 |

Ternium's shipments in the quarter grew 11% over the same period in 2006, resulting in net revenues of US\$ 1.8 billion, up 17% over 1Q06. Operating profit grew 6% mainly due to greater shipment volume and better average prices, partially offsetting the increase in raw materials and labor costs. These factors associated to lower financial expenses provided a net profit to its shareholders 35% greater than that recorded in the same period of the previous year.

On 5/02/2007, Ternium announced its intention to acquire control of Grupo Imsa S.A.B in Mexico for the amount of US\$ 1.7 billion, aiming at strengthening its position in North America, where over 60% of its revenue is concentrated. The transaction, subject to approval by the Mexican authorities, will be financed by bank loans and is expected to be concluded by the third quarter of 2007.

Ternium is one of the largest steel producers in the Americas, offering a large array of products including flat and long steel products. The company has operational facilities in Mexico (Hylsamex), Argentina (Siderar) and Venezuela (Sidor) and has a vast distribution network.

Usiminas has a 14.25% stake in Ternium's total capital, in which it is a partner with the Techint Group.

MRS Logística

On 5/02/2007, MRS released its 1Q07 earnings report, as per the summary below:

| Summary of Results | 1Q07 | 1Q06 | Chg % |
|--|-------|-------|-------|
| Volume transported - million tons | 27.8 | 25.0 | 11 |
| Net Revenues - R\$ million | 480.4 | 411,0 | 17 |
| Operating profit (before Financial Result) - R\$ million | 197,6 | 154,9 | 28 |
| EBITDA - R\$ million | 231,5 | 186,1 | 24 |
| EBITDA Margin | 48% | 45% | + 3pp |
| Net Income - R\$ million | 121,5 | 98,4 | 23 |

In relation to 1Q06, the net income of MRS grew 23.5%, since it hauled less cargo in 1Q06. EBITDA reached R\$ 231.5 million and EBITDA margin was 48.2%, three percentage points above that in 1Q06.

MRS Logística is a concessionaire that controls, operates and monitors the Southeast Federal Railroad Network. The company operates in the rail transportation market, interconnecting the States of Rio de Janeiro, Minas Gerais and São Paulo. The region concentrates approximately 65% of Brazil's GDP. It is also home for the largest industrial complexes in the country. Through MRS's network it is also possible to reach the ports of Sepetiba and Santos (the largest in Latin America).

MRS's activities focus on rail transportation of general cargo, such as ores, finished steel products, cement, bauxite, agricultural products, green coke and containers and integrated logistics.

Usiminas holds 20% of the voting capital and is part of the Company's control group.

Unigal

In 1Q07, 113.4 thousand tons of products were processed, up 3% over the same period of 2006, providing net revenues of R\$ 42.4 million, 5% greater than in 1Q06.

In the quarter, EBITDA reached R\$ 38.1 million, up 17% compared with 1Q06 and net income in the quarter reached R\$ 7.8 million, a significant growth in view of the fact that in the same period of 2006, a loss of R\$ 4.8 million was incurred.

As a joint venture between Usiminas and Nippon Steel, Unigal processes cold rolled coils through hot dipped galvanizing. Usiminas has a 79.3% stake in its capital.

Usiminas Mecânica S/A (UMSA)

In 1Q07, the Company posted net income of R\$ 13.6 million, a significant growth considering the loss incurred in 1Q06 of R\$ 9.6 million, consequence of the long-term project portfolio at the end of 2006.

UMSA is a Capital Goods Manufacturer and Service Provider and has diverse long-term projects, highlighting: assembly of Sintering Machine II of Gerdau-Açominas; supply of structures, equipment and assembly at Alumar; supply of structures, equipment and assembly of the Alunorte expansion and the Passagem Bridge in Vitória, ES.

Usiminas holds 99.9% interest in the capital of Usiminas Mecânica S.A..

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Fone: 00X11 – 3684-9495

ADRs - Depository Bank: The Bank of New York

Visit our Investor Relations page: www.usiminas.com.br

Conference calls: Friday, May 11, 2007

Local, at 10:30 AM (Brasília).

Dial-in telephone number:
(11) 4688-6301

International, at 12:00 PM (Brasília).

Dial-in telephones numbers:
US: (1 800) 860-2442
Brazil: (11) 4688-6301
Other countries: (1 412) 858-4600

Audio of the conference call will be transmitted live via Internet, together with a slide presentation on our website: www.usiminas.com.br

Declarations contained in this release relative to the business outlook of the Company, forecasts of operating and financial income 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.

Income Statement - Parent Company

Brazilian GAAP (Legislação Societária)

| R\$ thousand | 1Q 2007 | 1Q 2006 | 4Q 2006 | Chg. 1Q07/1Q06 |
|--|----------------|----------------|----------------|-------------------|
| Net Revenues | 1.733.919 | 1.607.694 | 1.794.201 | 8% |
| Domestic Market | 1.455.684 | 1.213.164 | 1.465.063 | 20% |
| Export Market | 278.235 | 394.530 | 329.138 | -29% |
| COGS | (1.114.214) | (1.071.346) | (1.158.415) | 4% |
| Gross Profit | 619.705 | 536.348 | 635.786 | 16% |
| Gross Margin | 36% | 33% | 35% | +3 p.p. |
| Operating Income (Expenses) | (95.415) | (93.143) | (104.385) | 2% |
| Selling | (28.471) | (37.026) | (25.600) | -23% |
| General and Administrative | (38.155) | (32.323) | (39.317) | 18% |
| Others, Net | (28.789) | (23.794) | (39.468) | 21% |
| EBIT | 524.290 | 443.205 | 531.401 | 18% |
| EBIT Margin | 30% | 28% | 30% | +2 p.p. |
| Financial Result | (59.883) | (153.984) | (32.423) | -61% |
| Financial Income | (46.186) | (105.846) | 237 | -56% |
| Financial Expenses | (13.697) | (48.138) | (32.660) | -72% |
| Equity Income | 355.064 | 166.542 | 302.800 | 113% |
| Operating Result | 819.471 | 455.763 | 801.778 | 80% |
| Non-Operating Income | 448 | 1.245 | 29.365 | -64% |
| Profit Before Taxes | 819.919 | 457.008 | 831.143 | 79% |
| Income Tax / Social Contribution | (179.846) | (131.143) | (81.373) | 37% |
| Income before Taxes and Profit Sharing | 640.073 | 325.865 | 749.770 | 96% |
| Net Income | 640.073 | 325.865 | 749.770 | 96% |
| Net Margin | 37% | 20% | 42% | +17 p.p. |
| Net Income per thousand shares | 2,91768 | 1,48541 | 3,41771 | 96% |
| EBITDA | 626.855 | 525.210 | 638.523 | 19% |
| EBITDA Margin | 36,2% | 32,7% | 35,6% | +3,5 p.p. |
| Depreciation | 69.289 | 65.189 | 67.657 | 6% |
| Provisions | 33.276 | 16.816 | 39.465 | 98% |

Income Statement - Consolidated

Brazilian GAAP (Legislação Societária)

| R\$ thousand | 1Q 2007 | 1Q 2006 | 4Q 2006 | Chg. 1Q07/1Q06 |
|----------------------------------|--------------|--------------|--------------|-------------------|
| Net Revenues | 3.336.070 | 2.957.602 | 3.276.934 | 13% |
| Domestic Market | 2.618.671 | 2.131.823 | 2.401.413 | 23% |
| Export Market | 717.399 | 825.779 | 875.521 | -13% |
| COGS | (2.191.846) | (2.069.201) | (2.105.494) | 6% |
| Gross Profit | 1.144.224 | 888.401 | 1.171.440 | 29% |
| Gross Margin % | 34% | 30% | 36% | +4 p.p. |
| Operating Income (Expenses) | (179.843) | (147.146) | (264.292) | 22% |
| Selling | (60.199) | (69.972) | (62.523) | -14% |
| General and Administrative | (73.548) | (60.468) | (77.500) | 22% |
| Others, Net | (46.096) | (16.706) | (124.269) | 176% |
| EBIT | 964.381 | 741.255 | 907.148 | 30% |
| EBIT Margin % | 29% | 25% | 28% | +4 p.p. |
| Financial Result | (51.680) | (198.067) | (66.018) | -74% |
| Equity Income | 72.857 | 21.175 | 72.724 | 244% |
| Operating Result | 985.558 | 564.363 | 913.854 | 75% |
| Non-Operating Income | (126) | 11.290 | 31.719 | |
| Profit Before Taxes | 985.432 | 575.653 | 945.573 | 71% |
| Income Tax / Social Contribution | (337.708) | (226.027) | (189.282) | 49% |
| Income before Taxes | 647.724 | 349.626 | 756.291 | 85% |
| Minority Interests | (5.898) | (5.013) | (4.079) | 18% |
| Net Income | 641.826 | 344.613 | 752.212 | 86% |
| Net Margin | 19% | 12% | 23% | +7 p.p. |
| Net Income per thousand shares | 2,92567 | 1,57087 | 3,42885 | 86% |
| EBITDA | 1.177.638 | 908.039 | 1.186.154 | 30% |
| EBITDA Margin % | 35,3% | 30,7% | 36,2% | +4,6 p.p. |
| Depreciation | 176.749 | 170.838 | 171.948 | 3% |
| Provisions | 36.508 | (4.054) | 107.058 | |

Cash Flow

Brazilian GAAP (Legislação Societária)

| R\$ thousand | Parent Company | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 1Q 2007 | 1Q 2006 | 1Q 2007 | 1Q 2006 |
| Operating Activities | | | | |
| Net Income (Loss) in the Period | 640.073 | 325.865 | 641.826 | 344.613 |
| Financial Expenses and Monetary Var/Net Exchge Var | 73.709 | 140.679 | 65.348 | 136.915 |
| Depreciation, Exhaustion and Amortization | 69.289 | 65.189 | 176.749 | 170.821 |
| Investment Write-offs (Decrease in Permanent Assets) | 1.795 | 153 | 1.917 | 137 |
| Equity in the Results of Subsidiaries/Associated Companies | (355.064) | (166.542) | (72.857) | (21.175) |
| Dividend Income from Subsidiaries | 28.648 | 0 | 28.648 | 0 |
| Income Tax and Social Contribution | 126.481 | 131.143 | 284.343 | 226.027 |
| Provisions | (942) | (3.222) | 14.844 | (25.085) |
| Adjustment for Minority Participation | 0 | 0 | 5.898 | 5.013 |
| Total | 583.989 | 493.265 | 1.146.716 | 837.266 |
| Increase/Decrease of Assets | | | | |
| Increase (Decrease) in Accounts Receivables | 42.786 | (8.382) | 46.433 | 64.807 |
| Increase (Decrease) in Inventories | (10.673) | 120.136 | (27.992) | 115.081 |
| Increase (Decrease) in Recovery of Taxes | 6.285 | (10.928) | (6.399) | (4.960) |
| Increase (Decrease) from Deferred Income Tax & Social Contrb'n | 57.043 | 18.968 | 65.518 | 28.189 |
| Increase (Decrease) in Judicial Deposits | (224) | 1.782 | (2.956) | (4.575) |
| Increase (Decrease) in Accounts Receivables Affiliated Companies | 1.505 | (2.547) | 0 | 270.493 |
| Others | (41.894) | 30.073 | (57.536) | (14.141) |
| Total | 54.828 | 149.102 | 17.068 | 454.894 |
| Increase (Decrease) of Liabilities | | | | |
| Increase (Decrease) in Suppliers | (20.072) | (2.232) | 11.327 | (53.778) |
| Amounts Owed to Affiliated Companies | (10.780) | 1.440 | (13.957) | (7.680) |
| Customers Advances | 9.416 | 3.467 | 44.977 | 44.196 |
| Tax Payable | 14.057 | (6.106) | 53.371 | 17.193 |
| Income Tax and Social Contribution | (69.637) | (256.555) | (193.512) | (451.805) |
| Others | 10.259 | 4.985 | (9.170) | 104.511 |
| Total | (66.757) | (255.001) | (106.964) | (347.363) |
| Cashflow Generated from Operating Activities | 572.060 | 387.366 | 1.056.820 | 944.797 |
| Financial Activities | | | | |
| Inflow of Loans and Financing | 46.941 | 711 | 115.040 | 40.846 |
| Payment of Loans and Financing | (111.174) | (143.611) | (323.123) | (372.472) |
| Interest paid on Loans, Financ., and taxes payable in installments | (16.474) | (22.316) | (85.376) | (86.994) |
| Swap Operation Redemptions | (388) | (105.003) | (171.912) | (152.484) |
| Dividends Paid | (33.820) | (6.850) | (34.310) | (6.850) |
| Net Funds from Financial Activities | (114.915) | (277.069) | (499.681) | (577.954) |
| Investment Activities | | | | |
| (Additions) in Long-term Investments | 0 | 0 | 17.803 | (262.029) |
| (Additions) to Permanent Assets, except Deferred Charges | (79.714) | (47.956) | (216.899) | (111.336) |
| (Additions) Right off of permanent assets | 0 | 0 | 0 | 0 |
| Funds Used for Investments | (79.714) | (47.956) | (199.096) | (373.365) |
| Exchange Variation of Cash and Cash Equivalents | (10.043) | (17.678) | (25.735) | (44.338) |
| Cash Balance Change | 367.388 | 44.663 | 332.308 | (50.860) |
| At the Beginning of the Period | 1.274.494 | 1.081.919 | 2.721.062 | 1.930.654 |
| At the End of the Period | 1.641.882 | 1.126.582 | 3.053.370 | 1.879.794 |

Balance Sheet - Assets

Brazilian GAAP (Legislação Societária) - R\$ thousand

| Assets | Parent Company | | Consolidated | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 30-mar-07 | 30-dec-06 | 30-mar-07 | 30-dec-06 |
| Current Assets | 4.187.860 | 3.873.112 | 7.914.352 | 7.582.233 |
| Cash and Cash Equivalents | 1.641.882 | 1.274.494 | 3.053.370 | 2.721.062 |
| Trade Accounts Receivable | 965.834 | 1.008.620 | 1.749.623 | 1.796.055 |
| Taxes Recoverable | 29.820 | 36.105 | 97.469 | 98.853 |
| Inventories | 1.258.921 | 1.248.248 | 2.570.785 | 2.542.793 |
| Deferred Income Tax & Social Contrb'n | 98.498 | 155.541 | 220.238 | 256.836 |
| Other Securities Receivables | 192.905 | 150.104 | 222.867 | 166.634 |
| Long-Term Receivable | 707.325 | 709.513 | 1.116.795 | 1.133.673 |
| Deferred Income Tax & Social Contrb'n | 347.336 | 347.336 | 512.052 | 540.972 |
| Related Company Credits | 7.527 | 9.032 | 48 | 48 |
| Deposits at Law | 254.456 | 254.232 | 429.020 | 426.064 |
| Taxes Recoverable | 15.162 | 16.147 | 48.355 | 40.572 |
| Others | 82.844 | 82.766 | 127.320 | 126.017 |
| Permanent Assets | 10.030.224 | 9.761.535 | 10.289.213 | 10.259.583 |
| Investments | 6.608.888 | 6.348.829 | 1.744.576 | 1.762.748 |
| Property, Plant and Equipment | 3.421.336 | 3.412.706 | 8.520.330 | 8.471.965 |
| Deferred | - | - | 24.307 | 24.870 |
| Total Assets | 14.925.409 | 14.344.160 | 19.320.360 | 18.975.489 |

Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP (Legislação Societária) - R\$ thousand

| Liabilities and Shareholders' Equity | Parent Company | | Consolidated | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30-mar-07 | 30-dec-06 | 30-mar-07 | 30-dec-06 |
| Current Liabilities | 1.629.584 | 1.647.754 | 3.010.188 | 3.175.786 |
| Loans and Financing and Taxes Payable in Installments | 224.383 | 290.382 | 616.324 | 760.903 |
| Suppliers, Subcontractors and Freight | 230.227 | 250.299 | 536.371 | 525.044 |
| Taxes, Charges and Payroll Taxes | 267.026 | 193.943 | 477.004 | 388.658 |
| Related Companies | 264.227 | 252.108 | 215.755 | 228.747 |
| Financial Instruments | 3.742 | 7.185 | 111.134 | 246.907 |
| FEMCO | - | - | 8.500 | 9.124 |
| Dividends Payable | 469.309 | 503.129 | 473.965 | 508.709 |
| Others | 170.670 | 150.708 | 571.135 | 507.694 |
| Long-Term Liabilities | 2.195.826 | 2.236.480 | 5.146.862 | 5.283.632 |
| Loans and Financing and Taxes Payable in Installments | 603.678 | 628.555 | 2.290.531 | 2.446.796 |
| Related Companies | 37.329 | 60.228 | 8.192 | 9.157 |
| Provision for Contingencies | 581.720 | 569.583 | 1.079.447 | 1.053.957 |
| Actuarial Liability | 898.962 | 899.904 | 986.178 | 977.015 |
| Financial Instruments | 8.489 | 10.533 | 246.770 | 258.843 |
| FEMCO | - | - | 266.271 | 273.417 |
| Others | 65.648 | 67.677 | 269.473 | 264.447 |
| Minority Interests | - | - | 103.453 | 98.040 |
| Shareholders' Equity | 11.099.999 | 10.459.926 | 11.059.857 | 10.418.031 |
| Capital | 5.400.000 | 5.400.000 | 5.400.000 | 5.400.000 |
| Reserves | 5.059.926 | 2.557.962 | 5.018.031 | 2.502.570 |
| Revenues from Fiscal Year | 640.073 | 2.501.964 | 641.826 | 2.515.461 |
| Total Liabilities and Shareholders' Equity | 14.925.409 | 14.344.160 | 19.320.360 | 18.975.489 |

Companhia Siderúrgica Paulista - COSIPA
Income Statement - Consolidated
Brazilian GAAP (Corporate Law)

| R\$ thousand | 1Q 2007 | 1Q 2006 | 4Q 2006 | Chg. 1Q07/1Q06 |
|----------------------------------|------------|------------|------------|----------------|
| Net Revenues | 1.396.672 | 1.113.086 | 1.372.975 | 25% |
| Domestic Market | 973.403 | 734.744 | 873.780 | 32% |
| Export Market | 423.269 | 378.342 | 499.195 | 12% |
| COGS | (970.982) | (862.620) | (938.763) | 13% |
| Gross Profit | 425.690 | 250.466 | 434.212 | 70% |
| Gross Margin | 30% | 23% | 32% | +7 p.p. |
| Operating Income (Expenses) | (51.864) | (13.948) | (124.622) | 272% |
| Selling | (18.736) | (16.052) | (19.769) | 17% |
| General and Administrative | (15.631) | (11.176) | (16.262) | 40% |
| Others, Net | (17.497) | 13.280 | (88.591) | -232% |
| EBIT | 373.826 | 236.518 | 309.590 | 58% |
| EBIT Margin | 27% | 21% | 23% | +6 p.p. |
| Financial Result | 10.979 | (34.216) | (24.612) | 0% |
| Operating Result | 384.805 | 202.302 | 284.978 | 90% |
| Non-Operating Income | (564) | (465) | (540) | 21% |
| Profit Before Taxes | 384.241 | 201.837 | 284.438 | 90% |
| Income Tax / Social Contribution | (131.989) | (67.234) | (89.425) | 96% |
| Minority Interests | (1.869) | (989) | (1.037) | 89% |
| Net Income | 250.383 | 133.614 | 193.976 | 87% |
| EBITDA | 468.898 | 307.054 | 468.058 | 53% |
| EBITDA Margin | 34% | 28% | 34% | +6 p.p. |

Companhia Siderúrgica Paulista - COSIPA

Cash Flow

Brazilian GAAP (Corporate Law)

| R\$ thousand | Consolidated | |
|--|------------------|------------------|
| | 1Q 07 | 1Q 06 |
| Operating Activities | | |
| Net Income (Loss) in the Period | 250.383 | 133.614 |
| Financial Expenses and Monetary Var/Net Exchge Var | (1.024) | 20.087 |
| Depreciation, Exhaustion and Amortization | 94.055 | 93.043 |
| Investment Write-offs (Decrease in Permanent Assets) | 102 | 0 |
| Dividend Income from Subsidiaries | 0 | 1 |
| Income Tax and Social Contribution | 131.989 | 67.234 |
| Provisions | 10.024 | (22.136) |
| Others adjustments | 1.869 | 989 |
| Adjustment for Minority Participation | 0 | 0 |
| Total | 487.398 | 292.832 |
| Increase/Decrease of Assets | | |
| Increase (Decrease) in Accounts Receivables | 58.808 | 118.255 |
| Increase (Decrease) in Inventories | (36.036) | (9.627) |
| Increase (Decrease) in Recovery of Taxes | (6.845) | (311) |
| Increase (Decrease) from Deferred Income Tax & | (117) | 2.786 |
| Increase (Decrease) in Judicial Deposits | (1.437) | (7.128) |
| Others | 22.551 | 2.041 |
| Total | 36.924 | 106.016 |
| Increase (Decrease) of Liabilities | | |
| Increase (Decrease) in Suppliers | 27.691 | (32.996) |
| Amounts Owed to Affiliated Companies | 0 | (570) |
| Tax Payable | 35.334 | (139.093) |
| Income Tax and Social Contribution | (117.175) | (4.536) |
| Others | (16.528) | 13.038 |
| Total | (70.678) | (164.157) |
| Cashflow Generated from Operating Activities | 453.644 | 234.691 |
| Financial Activities | | |
| Inflow of Loans and Financing | 2.311 | 17.411 |
| Payment of Loans, Financing and Debentures | (190.169) | (203.080) |
| Interest paid on Loans, Financ., Debent.and tax | (58.149) | (56.005) |
| Swap Operation Redemptions | (171.524) | (47.129) |
| Dividends Paid | (490) | 0 |
| Others | (7.486) | (10.507) |
| Net Funds from Financial Activities | (425.507) | (299.310) |
| Investment Activities | | |
| (Additions) to Permanent Assets, except Deferred Charges | (65.339) | (54.842) |
| Funds Used for Investments | (65.339) | (54.842) |
| Exchange Variation of Cash and Cash Equivalent | (6.987) | (10.706) |
| Cash Balance Change | (44.189) | (130.167) |
| At the Beginning of the Period | 1.078.420 | 587.566 |
| At the End of the Period | 1.034.231 | 457.399 |

Companhia Siderúrgica Paulista - COSIPA

Balance Sheet - Assets

Brazilian GAAP (Corporate Law) - R\$ thousand

| Assets | Consolidated | |
|---------------------------------------|------------------|------------------|
| | 31-mar-07 | 31-dec-06 |
| Current Assets | 2.873.290 | 2.934.486 |
| Cash and Cash Equivalents | 1.034.231 | 1.078.420 |
| Trade Accounts Receivable | 549.935 | 608.743 |
| Taxes Recoverable | 21.669 | 20.650 |
| Inventories | 1.109.378 | 1.073.342 |
| Deferred Income Tax & Social Contrb'n | 95.667 | 96.266 |
| Other Securities Receivables | 62.410 | 57.065 |
| Long-Term Receivable | 271.886 | 292.215 |
| Deferred Income Tax & Social Contrb'n | 60.902 | 89.391 |
| Deposits at Law | 140.450 | 137.943 |
| Taxes Recoverable | 28.390 | 23.838 |
| Others | 42.144 | 41.043 |
| Permanent Assets | 4.462.744 | 4.483.762 |
| Investments | 131 | 131 |
| Property, Plant and Equipment | 4.440.632 | 4.460.307 |
| Deferred | 21.981 | 23.324 |
| Total Assets | 7.607.920 | 7.710.463 |

Companhia Siderúrgica Paulista - COSIPA

Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP (Corporate Law) - R\$ thousand

| Liabilities and Shareholders' Equity | Consolidated | |
|---|------------------|------------------|
| | 31-mar-07 | 31-dec-06 |
| Current Liabilities | 1.072.690 | 1.250.325 |
| Loans and Financing and Taxes Payable in Installments | 333.826 | 404.920 |
| Suppliers, Subcontractors and Freight | 308.615 | 280.926 |
| Taxes Payable in Installments | 78.561 | 42.525 |
| Income Tax and Social Contribution | 77.122 | 95.500 |
| Salaries | 74.642 | 74.360 |
| Financial Instruments | 52.444 | 188.719 |
| Actuarial Liability | 8.500 | 9.124 |
| Dividends Payable | 85.926 | 86.850 |
| Others | 53.054 | 67.401 |
| Long-Term Liabilities | 2.700.122 | 2.876.792 |
| Loans and Financing and Taxes Payable in Installments | 1.668.296 | 1.850.310 |
| Provision for Contingencies | 432.137 | 419.247 |
| Actuarial Liability | 298.774 | 295.815 |
| Financial Instruments | 128.385 | 146.304 |
| Deferred Income Tax & Social Contrb'n | 163.163 | 160.449 |
| Others | 9.367 | 4.667 |
| Minority Interests | 33.620 | 32.241 |
| Shareholders' Equity | 3.801.488 | 3.551.105 |
| Capital | 2.037.814 | 2.037.814 |
| Reserves | 1.513.291 | 1.513.291 |
| Revenues from Fiscal Year | 250.383 | - |
| Total Liabilities and Shareholders' Equity | 7.607.920 | 7.710.463 |

Sales Volume Breakdown - Consolidated

| Thousand tons | 1Q 2007 | | 1Q 2006 | | 4Q 2006 | | Chg. 1Q07/1Q06 |
|--------------------------------------|--------------|-------------|--------------|-------------|--------------|-------------|-------------------|
| TOTAL SALES | 1.936 | 100% | 1.954 | 100% | 1.992 | 100% | -1% |
| Heavy Plates | 462 | 24% | 365 | 19% | 472 | 24% | 27% |
| Hot Coils/Sheets | 538 | 28% | 540 | 28% | 507 | 25% | 0% |
| Cold Coils/Sheets | 528 | 27% | 521 | 27% | 513 | 26% | 1% |
| Electrogalvanized Coils | 63 | 3% | 61 | 3% | 61 | 3% | 3% |
| Hot Dip Galvanized Coils | 95 | 5% | 105 | 5% | 102 | 5% | -10% |
| Processed Products | 63 | 3% | 83 | 4% | 77 | 4% | -24% |
| Slabs | 187 | 10% | 279 | 14% | 260 | 13% | -33% |
| TOTAL SALES - DOMESTIC MARKET | 1.385 | 72% | 1.202 | 62% | 1.344 | 67% | 15% |
| Heavy Plates | 360 | 20% | 211 | 11% | 331 | 17% | 71% |
| Hot Coils/Sheets | 454 | 23% | 434 | 23% | 453 | 22% | 5% |
| Cold Coils/Sheets | 362 | 19% | 349 | 18% | 353 | 18% | 4% |
| Electrogalvanized Coils | 48 | 2% | 44 | 2% | 47 | 2% | 9% |
| Hot Dip Galvanized Coils | 86 | 4% | 77 | 4% | 82 | 4% | 12% |
| Processed Products | 41 | 2% | 43 | 2% | 42 | 2% | -5% |
| Slabs | 34 | 2% | 44 | 2% | 36 | 2% | -23% |
| TOTAL SALES - EXPORTS | 551 | 28% | 752 | 38% | 648 | 33% | -27% |
| Heavy Plates | 102 | 5% | 154 | 8% | 141 | 7% | -34% |
| Hot Coils/Sheets | 84 | 4% | 106 | 5% | 54 | 3% | -21% |
| Cold Coils/Sheets | 166 | 9% | 172 | 9% | 160 | 8% | -3% |
| Electrogalvanized Coils | 15 | 1% | 17 | 1% | 14 | 1% | -12% |
| Hot Dip Galvanized Coils | 9 | 0% | 28 | 1% | 20 | 1% | 0% |
| Processed Products | 22 | 1% | 40 | 2% | 35 | 2% | -45% |
| Slabs | 153 | 8% | 235 | 12% | 224 | 11% | -35% |

Net Revenues per tonne - USIMINAS + COSIPA

| R\$ / t. | 1Q 07 | 4Q 06 | 3Q 06 | 2Q 06 | 1Q 06 | 4Q 05 | 3Q 05 | 2Q 05 | 1Q 05 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total | 1.593 | 1.567 | 1.537 | 1.419 | 1.379 | 1.396 | 1.635 | 1.800 | 1.836 |
| Heavy Plates | 1.888 | 1.823 | 1.644 | 1.591 | 1.645 | 1.807 | 2.009 | 2.031 | 2.034 |
| Hot Coils/Sheets | 1.347 | 1.354 | 1.356 | 1.294 | 1.239 | 1.340 | 1.445 | 1.673 | 1.654 |
| Cold Coils/Sheets | 1.557 | 1.601 | 1.633 | 1.550 | 1.485 | 1.512 | 1.610 | 1.834 | 1.922 |
| Electrogalvanized Coils | 2.068 | 2.004 | 2.089 | 1.987 | 1.943 | 2.052 | 2.191 | 2.253 | 2.291 |
| Hot Dip Galvanized Coils | 2.106 | 2.044 | 2.069 | 1.934 | 1.861 | 2.095 | 2.094 | 2.195 | 2.289 |
| Processed Products | 1.939 | 1.876 | 1.996 | 1.812 | 1.766 | 1.982 | 2.078 | 2.296 | 2.342 |
| Slabs | 829 | 851 | 955 | 656 | 692 | 644 | 803 | 1.052 | 1.081 |

Sectorial Sales - Consolidated

| Thousand tonnes | 1Q 07 | | 1Q 06 | | 4Q 06 | | Chg. 1Q07/1Q06 |
|------------------------|--------------|-------------|--------------|-------------|--------------|-------------|-------------------|
| Domestic Market | 1.385 | 100% | 1.202 | 100% | 1.344 | 100% | 15% |
| Auto | 185 | 13% | 153 | 13% | 168 | 12% | 21% |
| Autoparts | 240 | 17% | 223 | 19% | 225 | 17% | 7% |
| Shipbuilding | 12 | 1% | 4 | 0% | 14 | 1% | 210% |
| Line Pipes | 115 | 8% | 71 | 6% | 106 | 8% | 61% |
| Small Diameter Pipes | 80 | 6% | 92 | 8% | 112 | 8% | -13% |
| Packaging | 21 | 2% | 21 | 2% | 20 | 2% | 0% |
| Household Appliances | 33 | 2% | 29 | 2% | 31 | 2% | 14% |
| Civil Construction | 82 | 6% | 108 | 9% | 76 | 6% | -24% |
| Electrical Equipment | 63 | 5% | 59 | 5% | 54 | 4% | 6% |
| Distributors | 292 | 21% | 273 | 22% | 301 | 22% | 7% |
| Industrial Equipment | 110 | 8% | 41 | 3% | 67 | 5% | 170% |
| Others | 153 | 11% | 129 | 11% | 170 | 13% | 19% |

Market Share - Usiminas System (*)

(% volume)

| | 1Q07 (*) | 2006 (*) | 2005 (*) | 2004 (*) | 2003 (*) |
|------------------------|------------|------------|------------|------------|------------|
| DOMESTIC MARKET | 52% | 52% | 53% | 55% | 60% |
| Auto | 62% | 59% | 59% | 55% | 62% |
| Autoparts | 65% | 62% | 59% | 62% | 67% |
| Shipbuilding | 100% | 100% | 100% | 100% | 100% |
| Electrical Equipment | 68% | 65% | 66% | 63% | 58% |
| Household Appliances | 34% | 38% | 33% | 36% | 44% |
| Line Pipes | 96% | 98% | 94% | 98% | 95% |
| Small Diameter Pipes | 40% | 54% | 54% | 60% | 68% |
| Packaging | 12% | 13% | 14% | 15% | 16% |
| Civil Construction | 36% | 40% | 44% | 48% | 58% |
| Distributors | 43% | 42% | 44% | 51% | 59% |

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

Source: Information System - IBS

Loans and Financing by Index - Consolidated

| R\$ million | 30-mar-07 | | | 30-dec-06 | Chg. mar07/ dec06 |
|-------------------------------|----------------|------------------|------------------|------------------|----------------------|
| | Short Term | Long Term | TOTAL | TOTAL | |
| TOTAL DEBT | | | | | |
| Foreign Currency (*) | 421.626 | 1.969.665 | 2.391.291 | 2.555.308 | -6% |
| IGP-M | 58.384 | 0 | 58.384 | 116.553 | -50% |
| TJLP | 105.909 | 192.242 | 298.151 | 373.043 | -20% |
| Others | 7.994 | 6.696 | 14.690 | 14.202 | 3% |
| Sub-Total | 593.913 | 2.168.603 | 2.762.516 | 3.059.106 | -10% |
| Debentures | 0 | 0 | 0 | 0 | 0% |
| Sub-Total | 593.913 | 2.168.603 | 2.762.516 | 3.059.106 | -10% |
| Taxes Payable in Installments | 22.411 | 121.928 | 144.339 | 148.593 | -3% |
| TOTAL | 616.324 | 2.290.531 | 2.906.855 | 3.207.699 | -9% |
| FEMCO | 8.500 | 266.271 | 274.771 | 273.417 | 0% |
| TOTAL DEBT | 624.824 | 2.556.802 | 3.181.626 | 3.481.116 | -9% |
| Cash and Cash Equivalents | | | 3.053.370 | 2.721.062 | 12% |
| NET DEBT | | | 128.256 | 760.054 | -83% |

(*) 92,1% of total foreign currency is denominated in US dollars

Financial Income - Consolidated

| R\$ million | 1Q 2007 | 1Q 2006 | 4Q 2006 | Chg. 1Q07/1Q06 |
|---|-----------------|------------------|-----------------|-------------------|
| Monetary Effects | (21.409) | (22.421) | (20.441) | -5% |
| Exchange Variation | 63.449 | 94.612 | 41.813 | -33% |
| Exchange Variation on foreign related companies | (60.204) | (79.736) | (21.359) | -24% |
| Hedge Income (Expenses) | (29.422) | (167.402) | (33.568) | -82% |
| Interest on Loans, Financing, ACC's and Pre-Payment | (59.902) | (70.604) | (68.493) | -15% |
| Financial Income | 79.724 | 79.454 | 67.606 | 0% |
| Other Financial Expenses | (23.916) | (31.970) | (31.576) | -25% |
| NET INTEREST INCOME | (51.680) | (198.067) | (66.018) | -74% |