



Public Disclosure - Belo Horizonte, July 26, 2019. Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas (B3: USIM3, USIM5 and USIM6; OTC: USDMY and USNZY; LATIBEX: XUSIO and XUSI) today releases its second quarter of 2019 (2Q19) results. Operational and financial information of the Company, except where otherwise stated, are presented based on consolidated figures, in Brazilian Real, according to International Financial Reporting Standards (IFRS). All comparisons made in this release take into consideration the first quarter of 2019 (1Q19), unless stated otherwise.

Release of the 2Q19 results

Main operational and financial indicators in the 2Q19

- » Steel sales volume of 1.1 million tons;
- » Iron ore sales volume of 1.8 million tons;
- » Consolidated Adjusted EBITDA of R\$576 million and Adjusted EBITDA margin of 15.6%;
- » Working capital on 06/30/19 of R\$4.2 billion;
- » Cash position on 06/30/19 of R\$1.2 billion;
- » Investments of R\$105 million.

Highlights

R\$ million - Consolidated	2Q19	1Q19	2Q18	Change		1H19	1H18	Change 1H19/1H18
				2Q19/1Q19	2Q19/2Q18			
Steel Sales Volume (000 t)	1,059	1,004	977	5%	8%	2,063	2,066	0%
Iron Ore Sales Volume (000 t)	1,772	1,896	1,386	-7%	28%	3,668	3,192	15%
Net Revenue	3,694	3,532	3,204	5%	15%	7,226	6,448	12%
COGS	(3,088)	(3,036)	(2,621)	2%	18%	(6,124)	(5,253)	17%
Gross Profit (Loss)	606	496	583	22%	4%	1,102	1,195	-8%
Net Income (Loss)	171	76	(19)	125%	-	248	138	79%
EBITDA (Instruction CVM 527)	570	474	497	20%	15%	1,044	1,119	-7%
EBITDA Margin (Instruction CVM 527)	15%	13%	16%	+ 2 p.p.	- 0 p.p.	14%	17%	- 3 p.p.
Adjusted EBITDA	576	488	519	18%	11%	1,063	1,160	-8%
Adjusted EBITDA Margin	16%	14%	16%	+ 2 p.p.	- 1 p.p.	15%	18%	- 3 p.p.
Investments (CAPEX)	105	89	67	19%	58%	194	132	47%
Cash and Cash Equivalents	1,245	1,773	1,104	-30%	13%	1,245	1,104	13%

Market Data - 06/30/19

B3:	USIM5	R\$8.94/share
	USIM3	R\$10.50/share
EUA/OTC:	USNZY	US\$2.29/ADR
LATIBEX:	XUSI	€1.90/share
	XUSIO	€2.44/share

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Economic Outlook

Recent economic activity indicators point to a slower than expected pace for the beginning of the year. Nevertheless, the Brazilian economy is in a process of gradual recovery. Industrial capacity utilization, for example, has risen for two consecutive months (April and May), achieving the highest level since August last year.

In the period January-May 2019, domestic industrial production measured by the IBGE (Brazilian Geography and Statistics Institute) receded 0.7% over the same period last year. Among the major economic categories, the steel-intensive consumption segments, such as consumer durable goods and capital goods had positive results. The first grew 3.3% in the first five months of the year, driven by the increase in automobile manufacturing, and the second show a 1.9% expansion. On the other hand, the results of the first five months showed less dynamic behavior for intermediate goods (-2.0%), mainly as a consequence of the negative behavior of the extraction industries (-1.7%)

The industrial results researched by the National Confederation of Industries (CNI) also evidenced the process of slow recovery of industrial activity in the first months of the year. While some indicators, such as real income and number of hours worked show recovery in relation to 2018, others, such as jobs and total salaries, have had difficulty advancing.

Some expectation indices of the CNI, which had been falling since the beginning of the year, have already stabilized or have begun to improve in the June survey. The exported quantity index, however, continues to fall.

The investment intention index, in spite of falling for the first four months, has maintained itself relatively high at 52.3 points, 3.3 points above the historical average.

The economic activity index of the Banco Central (IBC-Br) points to a fall of 0.06% in the period January-April in comparison to the same period of the previous year.

The expectations survey of Banco Central's Focus Report shows lower economic growth for the year-end 2019. After falling for 21 consecutive weeks, the GDP projection is presently less than 1%.

Below are listed the projection indicators according to the Focus Report of 07/19/19.

Focus Projections

Indicators	2019
GDP (IBGE)	0.8%
Industrial GDP	0.5%
Industrial Production (IBGE)	0.7%
Inflation - IPCA	3.8%
Interest - Selic (end of period)	5.5%
Exchange rate R\$/US\$ - (end of period)	3.75

Source: Focus Report 07/19/19, Banco Central do Brasil.

Economic and Financial Performance

Comments on the Consolidated Results

Net Revenue

Net revenue in the 2Q19 was R\$3.7 billion, against R\$3.5 billion in the 1Q19, with 4.6% increase, mainly due to higher iron ore and steel prices, and higher volume of steel sales in the period.

Net Revenue Breakdown					
	2Q19	1Q19	2Q18	1H19	1H18
Domestic Market	84%	82%	83%	83%	82%
Exports	16%	18%	17%	17%	18%
Total	100%	100%	100%	100%	100%

Cost of Goods Sold - COGS

In the 2Q19, COGS totaled R\$3.1 billion, against R\$3.0 billion in the 1Q19, a R\$52 million increase. For further information, see the Business Units section of this release.

Gross Profit

Gross profit was R\$606 million in the 2Q19, against R\$496 million in the 1Q19, a 22.3% increase. Gross margin is shown below:

Gross Margin					
	2Q19	1Q19	2Q18	1H19	1H18
	16.4%	14.0%	18.2%	15.3%	18.5%

Operating Income (expenses)

Sales expenses in the 2Q19 totaled R\$71 million, against R\$67 million in the 1Q19, a R\$4 million increase, mainly due to higher distribution costs and commissions.

In the 2Q19, general and administrative expenses were R\$110 million, a 9.0% increase in relation to the 1Q19, which were R\$101 million, mainly due to higher personnel expenses.

In the 2Q19, net other operating income (expenses) were a negative R\$133 million in the 2Q19, stable in relation to the 1Q19, which were a negative R\$132 million.

Thus, net operating income (expenses) were a negative R\$314 million in the 2Q19, against a negative R\$300 million in the 1Q19.

In this manner, the Company's operating margin had the following performance:

EBIT Margin					
	2Q19	1Q19	2Q18	1H19	1H18
	7.9%	5.5%	6.6%	6.4%	8.3%

Adjusted EBITDA

Adjusted EBITDA is calculated from net income (loss), reversing income tax and social contribution, financial result, depreciation, amortization and depletion, and equity in the results of Associate, Joint Subsidiary and Subsidiary Companies, not including impairment of assets. Adjusted EBITDA considers the proportional share of 70% of Unigal and other subsidiaries jointly.

Consolidated (R\$ thousand)	EBITDA Breakdown				
	2Q19	1Q19	2Q18	1H19	1H18
Net Income (Loss)	171,246	76,278	(19,050)	247,524	138,135
Income Tax / Social Contribution	74,097	20,956	(17,132)	95,053	56,671
Financial Result	83,758	135,780	276,578	219,538	410,352
Depreciation, Amortization	240,920	241,020	256,332	481,940	513,436
EBITDA - Instruction CVM - 527	570,021	474,034	496,728	1,044,055	1,118,594
Equity in the Results of Associate and Subsidiary Companies	(36,877)	(37,493)	(31,341)	(74,370)	(72,495)
Joint Subsidiary Companies proportional EBITDA	42,738	50,971	53,426	93,709	113,916
Adjusted EBITDA	575,882	487,512	518,813	1,063,394	1,160,015
Adjusted EBITDA Margin	15.6%	13.8%	16.2%	14.7%	18.0%

Adjusted EBITDA was R\$576 million in the 2Q19, against R\$488 million in the 1Q19, an 18.1% increase, mainly associated to higher iron ore and steel prices, and higher volume of steel sales in the period.

For further information, see the Business Unit section of this release.

Financial Results

The financial result in the 2Q19 was a negative R\$84 million, a 38.3% decline over the previous quarter, which was a negative R\$136 million. The variation is mainly due to financial income as a consequence of reversion of interest on contingent liabilities in the period, as result of favorable decisions to the Company and for the termination of proceedings in function of agreements made, which totaled R\$31 million in the 2Q19, against R\$8 million in the 1Q19.

See the chart below with a summary of the Financial Result:

R\$ thousand	Financial Result - Consolidated					1H19	1H18	1H19/1H18
	2Q19	1Q19	2Q18	2Q19/1Q19	2Q19/2Q18			
Net Currency Exchange Variation	17,071	(11,405)	(149,778)	-	-	5,666	(175,259)	-
Swap Transactions Market Cap.	2,207	594	(955)	272%	-	2,801	511	448%
Interest on Financial Asset and Monetary Effects	20,404	23,843	23,592	-14%	-14%	44,247	60,982	-27%
Other Financial Income	67,567	42,996	34,784	57%	94%	110,563	74,288	49%
Interest and Monetary Effects over Financing and Taxes Payable in Installments	(119,197)	(125,152)	(126,699)	-5%	-6%	(244,349)	(259,251)	-6%
Charges over actuarial liabilities	(12,106)	(13,209)	-	-8%	-	(25,315)	-	-
Other Financial Expenses	(59,704)	(53,447)	(57,522)	12%	4%	(113,151)	(111,623)	1%
FINANCIAL RESULT	(83,758)	(135,780)	(276,578)	-38%	-70%	(219,538)	(410,352)	-47%
+ Appreciation / - Depreciation of Exchange Rate (R\$/US\$)	1.7%	-0.6%	-16.0%	+ 2.2 p.p.	+ 17.7 p.p.	1.1%	-16.6%	+ 17.7 p.p.

Equity in the Results

In the 2Q19, the result of Equity of Associate and Subsidiary Companies totaled R\$37 million, stable in relation to the 1Q19.

Net Profit (Loss)

In the 2Q19, the Company accounted a net profit of R\$171 million, against a net profit of R\$76 million in the 1Q19, a 124.5% increase.

Working Capital

In the 2Q19, working capital was R\$4.2 billion, against R\$3.7 billion in the 1Q19, an increase of R\$474 million, mainly generated by the increase in Inventories and in Accounts Receivable.

Worthy of mention are:

- » Increase of R\$266 million in Inventories, mainly due to higher volume of finished products and raw material in inventory and to the increase in finished products cost;
- » Increase of R\$181 million in Accounts Receivable due to higher sales volume and higher prices.

Investments (CAPEX)

In the 2Q19, CAPEX totaled R\$105 million, an 18.8% increase previous quarter, which was R\$89 million. Investments were applied in mainly in sustaining CAPEX, environmental safety, with 75% in the Steel Unit, 22% in Mining, 2% in the Steel Processing Unit and 1% in the Capital Goods Unit.

Indebtedness

On 06/30/19, consolidated gross debt was R\$5.5 billion, stable in relation to that on 03/31/19. Debt composition by maturity on 06/30/19 was 5% short term and 95% long term, against 3% short term and 97% long term on 03/31/19.

On 06/30/19, consolidated net debt was R\$4.2 billion, a 10.9% increase over that on 03/31/19, due to lower balance in the Cash and Cash Equivalent account by 12.8% at the end of the quarter. The net debt/EBITDA ratio as 1.6x at the end of the 2Q19, against 1.5x in the 1Q19.

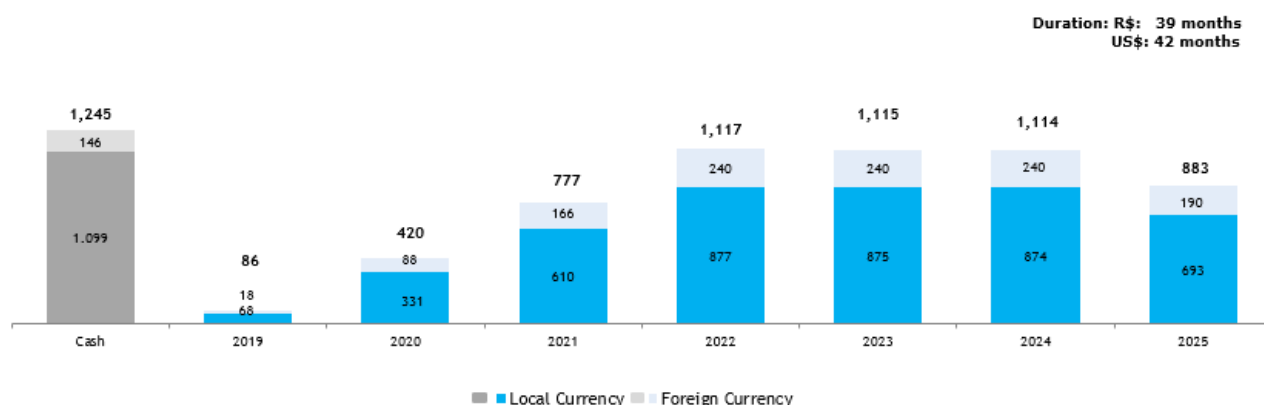
The following chart demonstrates the consolidated debt indices:

Total Indebtedness by Index - Consolidated

R\$ thousand	30-Jun-19			%	31-Mar-19	Change Jun19/Mar19	30-Jun-18	Change Jun19/Jun18
	Short Term	Long Term	TOTAL		TOTAL		TOTAL	
Local Currency	208,968	4,077,869	4,286,837	78%	4,296,809	0%	4,577,663	-6%
TJLP	15,201	300,179	315,380	-	315,737	0%	336,953	-6%
CDI	186,826	3,759,347	3,946,173	-	3,948,650	0%	4,214,963	-6%
Others	6,941	18,343	25,284	-	32,422	-22%	25,747	-2%
Foreign Currency*	53,953	1,125,107	1,179,060	22%	1,199,242	-2%	1,265,585	-7%
Gross Debt	262,921	5,202,976	5,465,897	100%	5,496,051	-1%	5,843,248	-6%
Cash and Cash Equivalents	-	-	1,245,112	-	1,772,792	-30%	1,103,612	13%
Net Debt	-	-	4,220,785	-	3,723,259	13%	4,739,636	-11%

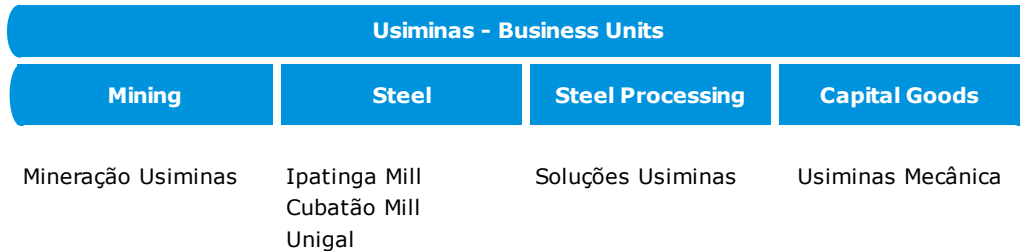
(*)100% of total foreign currency is US dollars denominated in the 2Q19

The graph below shows the cash position and debt profile (principal only) in million of R\$ on 06/30/19. On 07/11/19 the Company concluded a new stage of its debt renegotiation (see Post-closing Event).



Performance of the Business Units

Intercompany transactions are on arm's-length basis (market prices and conditions) and sales between Business Units are carried out as sales between independent parties.



Income Statement per Business Units - Non Audited - Quarterly

R\$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	2Q19	1Q19	2Q19	1Q19	2Q19	1Q19	2Q19	1Q19	2Q19	1Q19	2Q19	1Q19
Net Revenue	441.1	418.1	3,329.2	3,088.5	929.8	879.4	96.4	62.5	(1,102.5)	(916.5)	3,694.0	3,532.0
Domestic Market	179.8	132.7	3,005.5	2,729.3	929.6	879.4	96.4	62.5	(1,102.5)	(916.5)	3,108.8	2,887.3
Exports	261.3	285.5	323.7	359.2	0.2	0.0	-	-	-	-	585.2	644.7
COGS	(211.2)	(233.5)	(2,927.6)	(2,794.2)	(871.8)	(846.7)	(86.0)	(53.6)	1,009.1	892.0	(3,087.6)	(3,036.0)
Gross Profit (Loss)	229.8	184.7	401.6	294.3	58.0	32.7	10.4	8.9	(93.4)	(24.5)	606.5	496.0
Operating Income (Expenses)	(70.4)	(64.3)	(208.8)	(203.3)	(28.1)	(22.9)	(9.6)	(10.2)	2.6	0.3	(314.2)	(300.5)
Selling	(22.7)	(23.5)	(31.9)	(28.4)	(12.5)	(11.4)	(2.9)	(2.9)	(1.1)	(1.2)	(71.0)	(67.4)
General and Administrative	(6.6)	(5.9)	(85.3)	(77.7)	(14.8)	(14.3)	(6.6)	(6.3)	3.4	3.5	(109.8)	(100.8)
Others, Net	(41.1)	(34.9)	(91.7)	(97.2)	(0.8)	2.7	(0.1)	(1.0)	0.2	(2.0)	(133.5)	(132.4)
EBIT	159.5	120.3	192.8	91.0	29.9	9.8	0.8	(1.3)	(90.8)	(24.3)	292.2	195.5
Depreciation	31.0	32.3	211.0	209.9	7.5	7.5	-	-	(8.6)	(8.6)	240.9	241.0
Provisions	13.0	13.6	83.3	60.7	-	-	(0.0)	(0.0)	(59.4)	(36.7)	36.9	37.5
EBITDA (Instruction CVM 527)	203.5	166.1	487.1	361.5	37.4	17.3	0.8	(1.3)	(158.7)	(69.6)	570.0	474.0
EBITDA Margin	46.1%	39.7%	14.6%	11.7%	4.0%	2.0%	0.8%	-2.1%	14.4%	7.6%	15.4%	13.4%
Adjusted EBITDA	190.5	152.6	403.8	300.8	37.4	17.3	0.8	(1.3)	(56.6)	18.2	575.9	487.5
Adj.EBITDA Margin	43.2%	36.5%	12.1%	9.7%	4.0%	2.0%	0.8%	-2.1%	5.1%	-2.0%	15.6%	13.8%

*Consolidated 70% of Unigal

Income Statement per Business Units - Non Audited - Six Months Ended June 30, 2019

R\$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	1H19	1H18	1H19	1H18	1H19	1H18	1H19	1H18	1H19	1H18	1H19	1H18
Net Revenue	859.2	454.0	6,417.7	5,926.9	1,809.2	1,473.4	158.9	214.9	(2,019.0)	(1,621.0)	7,226.0	6,448.3
Domestic Market	312.5	156.3	5,734.8	5,079.2	1,809.0	1,473.1	158.9	214.8	(2,019.0)	(1,621.0)	5,996.2	5,302.4
Exports	546.8	297.6	682.9	847.7	0.2	0.4	-	0.1	-	-	1,229.9	1,145.8
COGS	(444.7)	(318.9)	(5,721.8)	(4,849.8)	(1,718.5)	(1,377.1)	(139.6)	(184.8)	1,901.1	1,477.3	(6,123.6)	(5,253.4)
Gross Profit (Loss)	414.5	135.1	695.9	1,077.1	90.7	96.3	19.2	30.1	(117.9)	(143.7)	1,102.5	1,194.9
Operating Income (Expenses)	(134.7)	(114.8)	(412.2)	(481.0)	(51.0)	(46.1)	(19.7)	(26.8)	2.9	6.5	(614.7)	(662.2)
Selling	(46.2)	(44.4)	(60.3)	(75.7)	(23.9)	(21.1)	(5.7)	(6.4)	(2.2)	(2.3)	(138.4)	(149.8)
General and Administrative	(12.5)	(13.3)	(163.0)	(162.8)	(29.1)	(28.0)	(12.9)	(18.3)	6.9	6.7	(210.5)	(215.7)
Others, Net	(76.0)	(57.2)	(188.8)	(242.5)	1.9	3.0	(1.1)	(2.2)	(1.8)	2.1	(265.8)	(296.7)
EBIT	279.8	20.3	283.8	596.1	39.7	50.2	(0.5)	3.3	(115.1)	(137.2)	487.7	532.7
Depreciation	63.2	62.0	420.9	443.2	15.0	15.6	-	9.5	(17.1)	(16.8)	481.9	513.4
Provisions	26.6	27.0	143.9	57.1	-	-	(0.0)	(0.0)	(96.1)	(11.6)	74.4	72.5
EBITDA (Instruction CVM 527)	369.6	109.3	848.6	1,096.4	54.7	65.8	(0.5)	12.8	(228.3)	(165.6)	1,044.1	1,118.6
EBITDA Margin	0.4	0.2	0.1	0.2	0.0	0.0	(0.0)	0.1	0.1	0.1	0.1	0.2
Adjusted EBITDA	343.0	82.3	704.6	1,039.2	54.7	65.8	(0.5)	12.8	(38.5)	(40.1)	1,063.4	1,160.0
Adj.EBITDA Margin	39.9%	18.1%	11.0%	17.5%	3.0%	4.5%	-0.3%	6.0%	1.9%	2.5%	14.7%	18.0%

*Consolidated 70% of Unigal

I) MINING

The average international iron ore market reference price for 62% Fe in the 2Q19 was US\$100.11/ton, an increase of around 21.1% compared to the 1Q19, which had an average of US\$82.70/ton and 53.1% in comparison to the same period of the previous year of US\$65.38/ton.

Iron ore 62% Fe was negotiated in April at US\$87.90/ton, ending the quarter at US\$117.95/ton. This was driven by a record monthly steel production in China in May, by concerns in the market in relation to the continuity of ore supply and by the fall in ore inventories in China to 120 Mt, due to the decline in supply from Brazil and Australia.

Operational and Sales Performance - Mining

In the 2Q19, production volume was 1.7 million tons, a 30.7% increase compared to the previous quarter, which was 1.3 million tons, mainly by the partial resumption of the Samambaia Plant. Sales volume was 1.8 million tons in the 2Q19, against 1.9 million tons in the 1Q19, a 6.6% decrease, due to lower sales volumes for exports and to Usiminas, partially compensated by domestic market third-party sales, due to a new contract for the sales of fines.

The production and sales volumes are shown below:

Thousand tons	Iron Ore			Change		Change		
	2Q19	1Q19	2Q18	2Q19/1Q19	2Q19/2Q18	1H19	1H18	1H19/1H18
Production	1,748	1,337	1,338	31%	31%	3,085	2,699	14%
Sales - Third Parties - Domestic Market	540	416	136	30%	297%	956	303	216%
Sales - Exports	683	868	681	-21%	0%	1,551	1,765	-12%
Sales to Usiminas	549	612	569	-10%	-4%	1,161	1,124	3%
Total Sales	1,772	1,896	1,386	-7%	28%	3,668	3,192	15%

Comments on the Business Unit Results - Mining

Net revenue totaled R\$441 million in the 2Q19, a 5.5% increase over that in the 1Q19, which was R\$418 million, due to higher iron ore prices, as well as depreciation of the average Real, partially compensated by lower sales volume, by higher volume of sales of products with lower iron ore content and by sales shipload exported in the FOB (Free on Board) mode with freight costs, that didn't occur in the 1Q19.

Total cash cost per ton was R\$69.8/ton in the 2Q19 against R\$77.2/ton in the 1Q19. Excluding expenses with temporarily inactive beneficiation plants, production cash cost was 56.6/ton in the 2Q19 against R\$62.7/ton in the 1Q19, a 9.7% decrease between periods, due to greater dilution of fixed costs in function of higher production volume with the partial resumption of the Samambaia Plant in June.

Cost of goods sold (COGS) in the 2Q19 was R\$211 million, 9.5% lower when compared to the 1Q19, which R\$233 million, mainly due to lower sales volume and sale of shipload exported in the FOB (Free on Board) mode, with freight cost. In the 2Q19, COGS/ton was R\$119.0/ton, a 3.2% decrease compared to the previous quarter, which was R\$122.9/ton, mostly in function of lower costs with freight.

In the 2Q19, net operating income (expenses) showed a negative result in the 2Q19 of R\$70 million, against a negative result of R\$64 million in the previous quarter, mainly in function of higher costs associated to idle plants and to provision of ICMS due to the lack of expectation of its future use.

Adjusted EBITDA was R\$190 million in the 2Q19, a 24.8% increase over that in the 1Q19, which was R\$153 million. Adjusted EBITDA margin was 43.2% in the 2Q19, against 36.5% in the 1Q19.

Investments (CAPEX)

Total CAPEX invested was R\$23 million in the 2Q19, against R\$21 million in the 1Q19. Investments were applied mainly to sustaining CAPEX, safety and environment.

II) STEEL

According to the Brazilian Steel Institute, apparent flat steel consumption reached 5.2 million tons in the first five months of the year, a 5.3% increase over the same period in 2018. Domestic flat steel sales grew 6.8% to 4.5 million tons and imports declined 3.2%, to 0.6 million tons. Flat steel exports showed a drop of 16.9% under the impact of the Argentina economic crisis and restrictions in other foreign markets.

According to the National Steel Distributors Institute (INDA), in the first five months of 2019, flat steel sales grew 15.3% in the associated distribution network. Inventories fell for the sixth straight month and turnover is at 3.4 months, taking as basis projected sales for June.

Production - Ipatinga and Cubatão Plants

In the 2Q19, crude steel production in Ipatinga was 833 thousand tons, a 4.1% increase in relation to the 1Q19, which was 800 thousand tons. Rolled production in the Ipatinga and Cubatão plants totaled 1.1 million tons in the 2Q19, a 12.6% increase over that in the 1Q19, which was 977 thousand tons. In the 2Q19, 384 thousand tons of purchased slab was processed, against 356 thousand tons in the 1Q19.

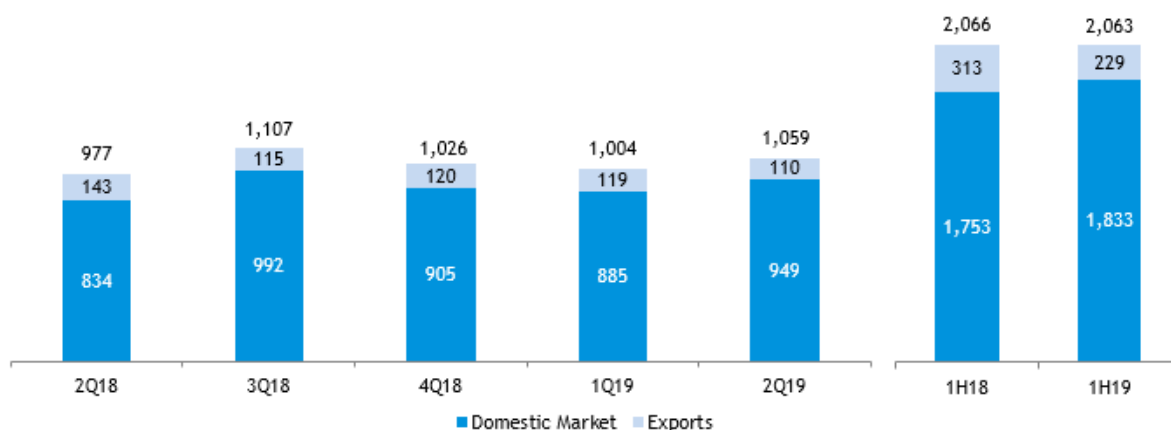
Production of Crude and Rolled Steel

Thousand tons	2Q19	1Q19	2Q18	Change		1H19	1H18	Change 1H19/1H18
				2Q19/1Q19	2Q19/2Q18			
Total Crude Steel	833	800	813	4%	2%	1,633	1,528	7%
Total Rolled Steel	1,100	977	1,058	13%	4%	2,077	2,130	-2%

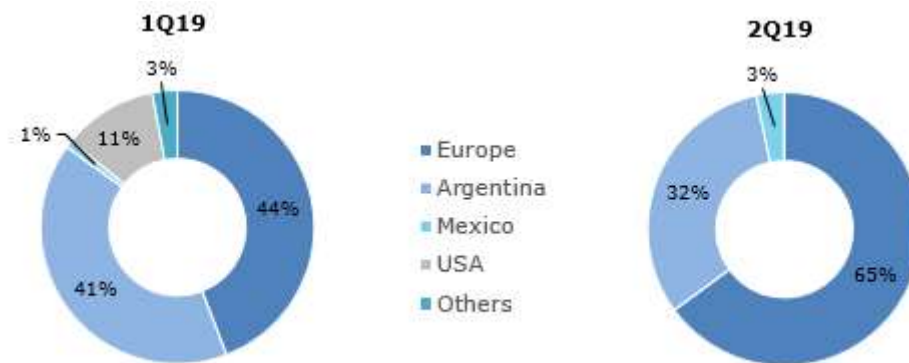
Sales

In the 2Q19, total sales were 1.1 million tons of steel, a 5.5% increase over that in the 1Q19, which was 1.0 million tons. In the domestic market, sales reached 949 thousand tons in the 2Q19, against 885 thousand tons in the 1Q19, a 7.2% increase. Export sales were 110 thousand tons in the 2Q19, a 7.5% decrease in relation to export volume in the 1Q19, which was 119 thousand tons. Sales volume was 90% domestic market and 10% to exports in the 2Q19.

Sales evolution is described in the graph below:



The main export destinations are shown below:



Comments on the Business Unit Results - Steel

Net revenue in the Steel Unit was R\$3.3 billion in the 2Q19, 7.8% higher, compared to the 1Q19, which was R\$3.1 billion, due to higher domestic sales volume and prices.

In the 2Q19, cash cost per ton was R\$2,292/ton, against R\$2,127/ton in the 1Q19, 7.8% increase, mainly due to: greater iron ore costs by 29.9%, due to higher iron ore and pellets prices observed over the quarter; higher cost of purchased slab, mainly due to higher slab prices and higher average exchange rate; higher spending with labor by 6.9%, mainly because of higher third-party costs for maintenance at the Ipatinga plant. Such effects were partially compensated by lower costs with coal and coke costs by 2.5%.

Cost of Goods Sold – COGS – was R\$2.9 billion in the 2Q19, a 4.8% increase against that in the 1Q19, which was R\$2.8 billion. COGS per ton was R\$2,765/ton in the 2Q19, a 0.7% decrease in relation to the 1Q19, which was R\$2,783/ton, mainly due to lower costs of inventory sold and lower freight costs, in addition to dilution of fixed costs, due to higher sales volume by 5.5% compared to the last quarter.

Sales expenses were R\$32 million in the 2Q19, against R\$28 million in the 1Q19, mainly due to higher distribution costs.

In the 2Q19, general and administrative expenses totaled R\$85 million, against R\$78 million in the 1Q19, mainly due to higher personnel expenses.

Other operating income (expenses) were a negative R\$92 million in the 2Q19, against a negative R\$97 million in the 1Q19, a R\$5 million decrease.

In this manner, net operating income (expenses) totaled a negative R\$209 million in the 2Q19, against a negative R\$203.3 million in the 1Q19.

Thus, Adjusted EBITDA reached R\$404 million in the 2Q19, a 34.2% increase over that in the 1Q19, which was R\$301 million. Adjusted EBITDA margin was 12.1% in the 2Q19, against 9.7% in the 1Q19, a 2.4 percentage point increase.

Investments (CAPEX)

CAPEX totaled R\$80 million in the 2Q19, a 19.9% increase in relation to the previous quarter, which was R\$66 million. Investments were applied mainly to sustaining CAPEX, safety and environment.

III STEEL PROCESSING

Soluções Usiminas – SU

Soluções Usiminas operates in the distribution, steel processing and services and small-diameter tubes fabrication markets nationwide, offering to its customers high-value added products. Present processing capacity is around 1.7 million tons of steel annually in its industrial facilities in the states of Rio Grande do Sul, São Paulo, Minas Gerais and Pernambuco to serve several economic segments, such as automotive, auto parts, civil construction, distribution, electro-electronics, machinery and equipment and household appliances, among others.

Comments on the Business Unit Results – Steel Processing

Net revenue in the 2T19 totaled R\$929.8 million, against R\$879 million in the 1Q19, a 5.7% increase, mainly due to higher prices of sales and services.

In the 2Q19, cost of goods sold was R\$872 million, 3.0% higher than in the 1Q19, which was R\$847 million, mainly due to higher average cost of raw material in the period. On the other hand, COGS/ton was R\$3,074/ton in the 2Q19, a 3.1% increase over that in the 1Q19, which was R\$2,982/ton.

Operating income (expenses) were a negative R\$28 million in the 2T19, a 22.8% increase compared to the 1Q19, which were R\$23 million, mainly due to higher provision for judicial contingencies in the amount of R\$3 million in the 2Q19.

Thus, Adjusted EBITDA in the 2T19 was R\$37 million, a 116.8% increase over that in the 1Q19, which was R\$17 million, mainly in function of higher sales prices practiced in the period. Adjusted EBITDA margin was 4.0% in the 2Q19, against 2.0% in the 1Q19.

IV CAPITAL GOODS

Usiminas Mecânica S.A.

Usiminas Mecânica is one of Brazil's largest capital goods companies, dedicated to the fabrication and assembly of metallic structures, shipbuilding and offshore platforms, oil and gas, industrial assembly and equipment fabrication, foundry and railcar manufacture.

Main Contracts

In the 2Q19, the main contracts were destined for the mining, steel and equipment segments.

Comments on the Business Unit Results – Capital Goods

In the 2Q19, net income was R\$96 million, 54.2% higher than in the 1Q19, which was R\$62 million. This increase was mainly due to projects in the mining, steel and equipment segments. However, there are still no relevant, sustainable improvements in Usiminas Mecânica's operations.

Gross profit in the 2Q19 was R\$10 million, 17.1% higher than in the 1Q19, which was R\$9 million, coming mainly from margins obtained in mining, steel and equipment projects.

Adjusted EBITDA in the 2Q19 was a positive R\$1 million, against a negative R\$1 million in the 1Q19. Adjusted EBITDA margin in the 2Q19 was a positive 0.8%, against a negative 2.1% in the 1Q19.

Post-Closing Event

Renegotiation of Debts

On 07/11/2019, the Company concluded the pricing of the notes issued by its wholly-owned subsidiary Usiminas International S.à r.l. in the international market, in the total amount of US\$ 750 million, with coupon (interest) at the rate of 5.875% p.a., to be paid semiannually, at an issue price of 98.594% of the principal amount, with yield of 6.125% p.a. and maturity date of 07/18/2026. With the proceeds, received on 07/18/2019, the Company expects to affect the prepayments described next until 08/7/2019.

With the proceeds of this issuance, the Company intends to effect: (i) the full prepayment of its debt with Banco Nacional de Desenvolvimento Econômico e Social (BNDES); (ii) the full prepayment of its debt with the Japanese bank creditors; and (iii) the partial prepayment of its debt with the Debenture holders. Any remaining proceeds from this issuance will be used for the partial prepayment of the Company's debt with the Brazilian bank creditors and/or the Debenture holders.

In addition, certain amendments to the terms and conditions of the Company's debt that will remain outstanding with the Brazilian bank creditors and the Debenture holders were established, including, mainly: (i) release of collateral in the form of mortgage of PP&E assets in Ipatinga; (ii) removal of the cash sweep payment obligation; (iii) removal of the CAPEX expansion prohibition upon the compliance with a financial covenant; (iv) review of the financial covenant related to Net Debt/EBITDA; and (v) inclusion of commitment to prepay the remaining debts with the proceeds coming from certain liquidity events.

Highlights in the Quarter

Honda Award: Soluções Usiminas was one of the companies awarded during the 21st Suppliers Convention of Japanese automaker Honda. The Company had its work recognized in the category Quality and Delivery Excellence, in an event by the manufacturer held last month in Itirapina, SP.

Safety Award: Usiminas Mecânica is a finalista in the Brazil Protection Award in Health Safety on the Job (HSJ). The award's objective is to recognize professional organizations for successful action developed in favor of improvement in Health and Safety conditions. This is the first time that Usiminas Mecânica takes part in the awards and is already among the finalists in the category Preventative and Corrective Actions of HSJ, with its Roll Bending Machine Deovalizer. The safety device was invented by collaborators by means of "Safe Hands" to substitute the use of hammers in the process, eliminating accident risk with the hands.

Usiminas Mecânica Awards: In May, Usiminas Mecânica received two awards for excellence that certify its market reliability. In Quality Management, the Company was recognized with the Brazil Quality Certification conceded by the Brazilian Quality Association. Also, in the area of Civil Construction, recognition came by means of the Civil Construction Highlights Award, conceded by the Minas Gerais Civil Engineering Institute (IMEC).

Capital Markets

Usiminas Performance Summary - B3 (USIM5)

	2Q19	1Q19	2Q19/2Q18	2Q18	Chg. 2Q19/2Q18
Number of Deals	805,392	1,034,109	906,438	-22%	-11%
Daily Average	12,990	17,235	14,388	-25%	-10%
Traded - thousand shares	699,247	970,766	742,380	-28%	-6%
Daily Average	11,278	16,179	11,784	-30%	-4%
Financial Volume - R\$ million	6,156	9,628	7,020	-36%	-12%
Daily Average	99	160	111	-38%	-11%
Maximum	10.41	11.22	11.66	-7%	-11%
Minimum	7.70	9.12	7.02	-16%	10%
Closing	8.94	10.04	7.32	-11%	22%
Market Capitalization - R\$ million	11,203	12,581	9,173	-11%	22%

Performance on the B3

Usiminas' common shares (USIM3) closed the 2Q19 quoted at R\$10.50 and its preferred shares (USIM5) at R\$8.94. In the 2Q19, USIM3 and USIM5 depreciated 9.9% and 11.0%, respectively. In the same period, the Ibovespa presented an appreciation of 5.8%.

Foreign Stock Markets

OTC – New York

Usiminas has American Depositary Receipts (ADRs) traded on the over-the-counter market: USDMY is backed by common shares and USNZY, by Class A preferred shares. On 06/30/19, USNZY ADRs, which have higher liquidity, were quoted at US\$2.29, presenting a depreciation of 9.5% in the quarter.

Latibex – Madrid

Usiminas' shares are traded on the LATIBEX – the Madrid Stock Exchange: XUSI as preferred shares and XUSIO as common shares. On 06/30/18, XUSI closed quoted at €1.90, depreciating 17.4% in the quarter. XUSIO shares closed quoted at €2.44, presenting a depreciation of 9.6% in the quarter.

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**Visit the Investor Relations site: www.usiminas.com/ri
or access on your mobile phone: m.usiminas.com/ri**

2Q19 Conference Call Results - Date 07/26/2019	
In Portuguese - Simultaneous Translation into English	
Brasília time: at 11:00 a.m. Dial-in Numbers: Brazil: (+55 11) 3193-1001 / 2820-4001	New York time: at 10:00 a.m. Dial-in Numbers: USA: (1 646) 828-8246
Audio replay available at (55 11) 3193-1012	
Pincode for replay: 7841455# - Portuguese	Pincode for replay: 8146845# - English
Audio of the conference call will be transmitted live via Internet	
See the slide presentation on our website: www.usiminas.com/ri	

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

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

Assets	30-Jun-19	31-Mar-19	30-Jun-18
Current Assets	8,155,163	8,221,070	6,888,151
Cash and Cash Equivalents	1,245,112	1,772,792	1,103,612
Trade Accounts Receivable	1,898,882	1,718,305	1,747,824
Taxes Recoverable	712,662	709,486	375,174
Inventories	4,137,828	3,872,200	3,495,179
Advances to suppliers	7,756	4,276	5,455
Financial Instruments	687	970	272
Other Securities Receivables	152,236	143,041	160,635
Non-Current Assets	18,010,553	18,030,869	18,431,217
Long-Term Receivable	4,708,540	4,646,750	4,167,622
Deferred Income Tax & Social Contribution	2,766,249	2,781,358	3,062,537
Deposits at Law	536,940	513,026	697,205
Accounts Receiv. Affiliated Companies	1,877	2,117	2,814
Taxes Recoverable	375,457	379,673	53,439
Financial Instruments	5,658	3,524	1,421
Accounts Receiv - Eletrobras	676,023	676,023	-
Others	346,336	291,029	350,206
Investments	1,165,451	1,113,812	1,110,529
Property, Plant and Equipment	11,437,713	11,571,751	12,484,296
Intangible	698,849	698,556	668,770
Total Assets	26,165,716	26,251,939	25,319,368

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

Liabilities and Shareholders' Equity	30-Jun-19	31-Mar-19	30-Jun-18
Current Liabilities	2,984,180	3,112,311	2,125,224
Loans and Financing and Taxes Payable in Installments	262,921	189,508	23,156
Suppliers, Subcontractors and Freight	1,166,050	1,149,580	1,086,263
Wages and Social Charges	221,279	194,354	221,247
Taxes and Taxes Payables	110,111	92,659	97,426
Accounts Payable Forfeiting	912,265	994,268	468,171
Dividends Payable	11,892	202,809	185
Customers Advances	57,171	72,179	105,405
Others	242,491	216,954	123,371
Long-Term Liabilities	7,264,334	7,372,906	7,939,018
Loans and Financing and Taxes Payable in Installments	5,202,976	5,306,543	5,820,092
Actuarial Liability	1,009,666	1,013,879	1,008,164
Provision for Legal Liabilities	610,938	617,101	719,473
Environmental Protection Provision	218,338	213,430	166,009
Others	222,416	221,953	225,280
Shareholders' Equity	15,917,202	15,766,722	15,255,126
Capital	13,200,295	13,200,295	13,200,295
Reserves & Revenues from Fiscal Year	1,216,393	1,105,910	665,507
Non-controlling shareholders participation	1,500,514	1,460,517	1,389,324
Total Liabilities and Shareholders' Equity	26,165,716	26,251,939	25,319,368

Income Statement - Consolidated | IFRS

R\$ thousand	2Q19	1Q19	2Q18	2Q19/1Q19	2Q19/2Q18
Net Revenues	3,694,049	3,531,985	3,204,060	5%	15%
Domestic Market	3,108,842	2,887,309	2,656,268	8%	17%
Exports	585,207	644,676	547,792	-9%	7%
COGS	(3,087,584)	(3,035,995)	(2,621,270)	2%	18%
Gross Profit	606,465	495,990	582,790	22%	4%
Gross Margin	16.4%	14.0%	18.2%	+ 2.4 p.p.	- 1.8 p.p.
Operating Income (Expenses)	(314,241)	(300,469)	(373,735)	5%	-16%
Selling Expenses	(71,002)	(67,358)	(73,674)	5%	-4%
Provision for Doubtful Accounts	(2,012)	(795)	(1,436)	153%	40%
Other Selling Expenses	(68,990)	(66,563)	(72,238)	4%	-4%
General and Administrative	(109,782)	(100,758)	(112,907)	9%	-3%
Other Operating Income (expenses)	(133,457)	(132,353)	(187,154)	1%	-29%
Reintegra Program	301	343	5,142	-12%	-94%
Provision for Contingencies	(35,452)	(32,245)	(98,250)	10%	-64%
Result of the Non Operating Asset Sale/Write-Off	4,945	1,159	(326)	327%	-
Result of the Sale of the Surplus Electric Energy	15,252	(5,735)	6,705	-	127%
Temporary Equipments Shutdown (includes depreciation)	(86,293)	(83,805)	(93,469)	3%	-8%
Tax credit on imports PIS/COFINS	-	-	9,645	-	-
Other Operating Income (Expenses), Net	(32,210)	(12,070)	(16,601)	167%	94%
EBIT	292,224	195,521	209,055	49%	40%
EBIT Margin	7.9%	5.5%	6.6%	+ 2.4 p.p.	+ 1.3 p.p.
Financial Result	(83,758)	(135,780)	(276,578)	-38%	-70%
Financial Income	90,178	67,433	58,376	34%	54%
Financial Expenses	(191,007)	(191,808)	(185,176)	0%	3%
Net foreing exchange gain and losses	17,071	(11,405)	(149,778)	-	-
Equity in the Results of Associate and Subsidiary Companies	36,877	37,493	31,341	-2%	18%
Operating Profit (Loss)	245,343	97,234	(36,182)	152%	-
Income Tax / Social Contribution	(74,097)	(20,956)	17,132	254%	-
Net Income (Loss)	171,246	76,278	(19,050)	125%	-
Net Margin	4.6%	2.2%	-0.5%	+ 2.4 p.p.	+ 5.1 p.p.
Attributable:					
Shareholders	131,251	46,857	(32,179)	180%	-
Minority Shareholders	39,995	29,421	13,129	36%	205%
EBITDA (Instruction CVM 527)	570,021	474,034	496,728	20%	15%
EBITDA Margin (Instruction CVM 527)	15.4%	13.4%	15.5%	+ 2.0 p.p.	- 0.1 p.p.
Adjusted EBITDA - Joint Subsidiary Companies proportional EBITDA	575,882	487,512	518,813	18%	11%
Adjusted EBITDA Margin	15.6%	13.8%	16.2%	+ 1.8 p.p.	- 0.6 p.p.
Depreciation and Amortization	240,920	241,020	256,332	0%	-6%

Income Statement - Consolidated | IFRS

R\$ thousand	1H19	1H18	1H19/1H18
Net Revenues	7,226,034	6,448,267	12%
Domestic Market	5,996,151	5,302,421	13%
Exports	1,229,883	1,145,846	7%
COGS	(6,123,579)	(5,253,379)	17%
Gross Profit	1,102,455	1,194,888	-8%
Gross Margin	15.3%	18.5%	- 3.3 p.p.
Operating Income (Expenses)	(614,710)	(662,225)	-7%
Selling Expenses	(138,360)	(149,812)	-8%
Provision for Doubtful Accounts	(2,807)	(3,104)	-10%
Other Selling Expenses	(135,553)	(146,708)	-8%
General and Administrative	(210,540)	(215,689)	-2%
Other Operating Income (Expenses)	(265,810)	(296,724)	-10%
Reintegra Program	644	12,327	-95%
Provision for Legal Liabilities	(67,697)	(113,277)	-40%
Result of the Non Operating Asset Sale/Write-Off	6,104	(7,123)	-
Result of the Sale of the Surplus Electric Energy	9,517	(6,891)	-
Temporary Equipments Shutdown (includes depreciation)	(170,098)	(184,874)	-8%
Tax credit on imports PIS/COFINS	-	28,966	-
Other Operating Income (Expenses), Net	(44,280)	(25,852)	71%
EBIT	487,745	532,663	-8%
EBIT Margin	6.7%	8.3%	- 1.5 p.p.
Financial Result	(219,538)	(410,352)	-47%
Financial Income	157,611	135,270	17%
Financial Expenses	(382,815)	(370,363)	3%
Net foreign exchange gain and losses	5,666	(175,259)	-
Equity in the Results of Associate and Subsidiary Companies	74,370	72,495	3%
Operating Profit (Loss)	342,577	194,806	76%
Income Tax / Social Contribution	(95,053)	(56,671)	68%
Net Income (Loss)	247,524	138,135	79%
Net Margin	3.4%	2.1%	+ 1.3 p.p.
Attributable:			
Shareholders	178,108	107,935	65%
Minority Shareholders	69,416	30,200	130%
EBITDA (Instruction CVM 527)	1,044,055	1,118,594	-7%
EBITDA Margin (Instruction CVM 527)	14.4%	17.3%	- 2.9 p.p.
Adjusted EBITDA - Joint Subsidiary Companies proportional EBITDA	1,063,394	1,160,015	-8%
Adjusted EBITDA Margin	14.7%	18.0%	- 3.3 p.p.
Depreciation and Amortization	481,940	513,436	-6%

Cash Flow - Consolidated | IFRS

Cash Flow - Consolidated IFRS	2Q19	1Q19	2Q18
Operating Activities Cash Flow			
Net Income (Loss) in the Period	171,246	76,278	(19,050)
Financial Expenses and Monetary Var. / Net Exchge Var.	8,534	48,263	226,088
Interest Expenses	80,944	95,000	102,794
Depreciation and Amortization	240,920	241,020	256,332
Losses/(gains) on Sale of Property, Plant and Equipment	(4,945)	(1,159)	326
Equity in the Results of Subsidiaries/Associated Companies	(36,877)	(37,493)	(31,341)
Difered Income Tax and Social Contribution	25,813	(11,785)	(22,870)
Constitution (reversal) of Provisions	76,165	58,806	99,077
Actuarial Gains and losses	21,453	21,451	(2,889)
Total	583,253	490,381	608,467
(Increase)/Decrease of Assets			
Accounts Receivables Customer	(234,385)	175,413	(8,337)
Inventories	(258,443)	11,309	(516,601)
Recovery of Taxes	(108,768)	2,968	(55,064)
Judicial Deposits	(30,758)	(9,867)	(11,758)
Accounts Receiv. Affiliated Companies	240	225	138
Others	(39,304)	(70,588)	(8,917)
Total	(671,418)	109,460	(600,539)
Increase / (Decrease) of Liabilities			
Suppliers, Contractors and Freights	16,470	15,817	(21,032)
Amounts Owed to Affiliated Companies	-	(12,416)	-
Customers Advances	(15,008)	8,695	5,290
Tax Payable	123,546	60,598	20,541
Securities Payable Forfaiting	(82,003)	28,341	(59,182)
Actuarial Liability Payments	(57,142)	(54,201)	(50,744)
Others	27,213	16,783	(29,428)
Total	13,076	63,617	(134,555)
Cash Generated from Operating Activities	(75,089)	663,458	(126,627)
Interest Paid	(125,406)	(121,257)	(129,948)
Income Tax and Social Contribution	(31,708)	(11,291)	(12,714)
Net Cash Generated from Operating Activities	(232,203)	530,910	(269,289)
Investments activities cash flow			
Marketable Securities	(134,754)	(24,188)	(103,553)
Capital increase in subsidiary	-	(9)	-
Fixed Asset Acquisition	(98,869)	(81,487)	(62,683)
Fixed Asset Sale Receipt	6,506	1,300	335
Dividends Received	1,458	1,544	1,039
Purchase of Software	(6,472)	(2,154)	(4,092)
Net Cash Employed on Investments Activities	(232,131)	(104,994)	(168,954)
Financial Activities Cash Flow			
Payment of Loans, Financ. & Debent.	(7,252)	(369,534)	(7,220)
Swap Operations Liquidations	356	-	14
Dividends and Interest on Capital	(190,917)	-	(123,287)
Net Cash Generated from (Employed on) Financial Activities	(197,813)	(369,534)	(130,493)
Exchange Variation on Cash and Cash Equivalents	(287)	(1,127)	6,246
Net Increase (Decrease) of Cash and Cash Equivalents	(662,434)	55,255	(562,490)
Cash and Cash Equivalents at the Beginning of the Period	1,162,045	1,106,790	1,141,052
Cash and Cash Equivalents at the End of The Period	499,611	1,162,045	578,562
RECONCILIATION WITH BALANCE SHEET			
Cash and Cash Equivalents at the Beginning of the Period	1,162,045	1,106,790	1,141,052
Marketable Securities at the Beginning of the Period	610,747	586,559	421,497
Cash and Cash Equivalents at the Beginning of the Period	1,772,792	1,693,349	1,562,549
Net Increase (Decrease) of Cash and Cash Equivalentes	(662,434)	55,255	(562,490)
Net Increase (Decrease) of Marketable Securities	134,754	24,188	103,553
Cash and Cash Equivalents at the End of the Period	499,611	1,162,045	578,562
Marketable Securities at the End of the Period	745,501	610,747	525,050
Cash and Cash Equivalents at the End of the Period	1,245,112	1,772,792	1,103,612

Cash Flow - Consolidated | IFRS

R\$ thousand	1H19	1H18
Operating Activities Cash Flow		
Net Income (Loss) in the Period	247,524	138,135
Financial Expenses and Monetary Var. / Net Exchge Var.	56,797	275,869
Interest Expenses	175,944	201,894
Depreciation and Amortization	481,940	513,436
Losses/(gains) on sale of property, plant and equipment	(6,104)	7,123
Equity in the Results of Subsidiaries/Associated Companies	(74,370)	(72,495)
Difered Income Tax and Social Contribution	14,028	(16,547)
Constitution (reversal) of Provisions	134,971	210,107
Actuarial Gains and losses	42,904	5,805
Total	1,073,634	1,263,327
Increase/Decrease of Assets		
Accounts Receivables Customer	(58,972)	(196,390)
Inventories	(247,134)	(758,359)
Recovery of Taxes	(105,800)	(14,894)
Judicial Deposits	(40,625)	(87,751)
Accounts Receiv. Affiliated Companies	465	333
Others	(109,892)	(35,771)
Total	(561,958)	(1,092,832)
Increase / (Decrease) of Liabilities		
Suppliers, contractors and freights	32,287	109,346
Amounts Owed to Affiliated Companies	(12,416)	(8,917)
Customers Advances	(6,313)	24,011
Tax Payable	184,144	(44,108)
Securities Payable Derived from Suppliers	(53,662)	(7,080)
Actuarial Liability payments	(111,343)	(85,087)
Others	43,996	(6,162)
Total	76,693	(17,997)
Cash Generated from Operating Activities	588,369	152,498
Interest Paid	(246,663)	(278,267)
Income Tax and Social Contribution	(42,999)	(30,386)
Net Cash Generated from Operating Activities	298,707	(156,155)
Investments activities cash flow		
Marketable Securities	(158,942)	18,665
Capital increase in subsidiary	(9)	-
Fixed asset acquisition	(180,356)	(124,312)
Fixed asset sale receipt	7,806	19,987
Dividends Received	3,002	129,052
Software Purchase	(8,626)	(7,330)
Net Cash Employed on Investments Activities	(337,125)	36,062
Financial Activities Cash Flow		
Payment of Loans, Financ. & Debent.	(376,786)	(946,675)
Payment of Taxes Installments	-	(132)
Swap Operations Liquidations	356	14
Dividends and Interest on Capital	(190,917)	(123,287)
Net Cash Generated from (Employed on) Financial Activities	(567,347)	(1,070,080)
Exchange Variation on Cash and Cash Equivalents	(1,414)	(1,838)
Net Increase (Decrease) of Cash and Cash Equivalents	(607,179)	(1,192,011)
Cash and Cash Equivalents at the Beginning of the Period	1,106,790	1,770,573
Cash and Cash Equivalents at the End of The Period	499,611	578,562
RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	1,106,790	1,770,573
Marketable securities at the beginning of the period	586,559	543,715
Cash and cash equivalents at the beginning of the period	1,693,349	2,314,288
Net increase (decrease) of cash and cash equivalentes	(607,179)	(1,192,011)
Net increase (decrease) of marketable securities	158,942	(18,665)
Cash and cash equivalents at the end of the period	499,611	578,562
Marketable securities at the end of the period	745,501	525,050
Cash and cash equivalents at the end of the period	1,245,112	1,103,612