

USIMINAS



Webcast

Fourth Quarter 2005 Results

Presentation: 03/10/06
Paulo Penido Pinto Marques
CFO



Disclaimer

“Declarations relative to business perspectives of the Company, operating and financial results and projections, and references to the growth of the Company, constitute mere forecasts and were based on Management’s expectations in relation to future performance. These expectations are highly dependent on market behavior, Brazil’s economic situation, the industry and international markets, and are therefore subject to change.”

“CONSOLIDATED RESULTS IN 4Q05 AND 2005”

Highlights

R\$ million	4Q 2005	4Q 2004	3Q 2005	Chg. 4Q05/4Q04	2005	2004	Chg. 2005/2004
Total Sales Volume (000 t)	1,981	2,170	1,769	-9%	7,348	8,062	-9%
Net Revenues	2,969	3,809	3,126	-22%	13,041	12,243	7%
Gross Profit	912	1,752	1,221	-48%	5,415	5,606	-3%
Operating Result (EBIT) a	743	1,589	1,098	-53%	4,760	4,983	-4%
Financial Result	(162)	(81)	(171)	99%	(666)	(769)	-13%
Net Income	1,325	1,127	782	18%	3,918	3,019	30%
EBITDA b	910	1,816	1,265	-50%	5,525	5,666	-2%
EBITDA (R\$/t)	459	837	715	-45%	752	703	7%
Total Assets	18,195	16,967	16,981	7%	18,195	16,967	7%
Net Debt	2,012	3,486	2,243	-42%	2,012	3,486	-42%
Stockholders' Equity	8,753	5,949	7,994	47%	8,753	5,949	47%

(a) Earnings before interest, tax and participations.

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



STEEL INDUSTRY IN BRAZIL

- Crude steel production totaled 31.6 million tonnes in 2005, a 4% decrease compared to same period in the previous year
- Domestic flat steel demand totaled 9.2 million tonnes, a 9% decline compared to 2004, due to the decline in economic activity and high inventory levels, in both industry and distribution.



STEEL INDUSTRY IN BRAZIL

- Best performing sectors in 2005:
 - automotive - strong performance in domestic and export sales
 - large-diameter pipes - high volumes from Petrobrás pipeline projects, mainly in the 1st half
- Exports: gained impulse, reaching US\$ 6.5 billion, 23% higher than 2004



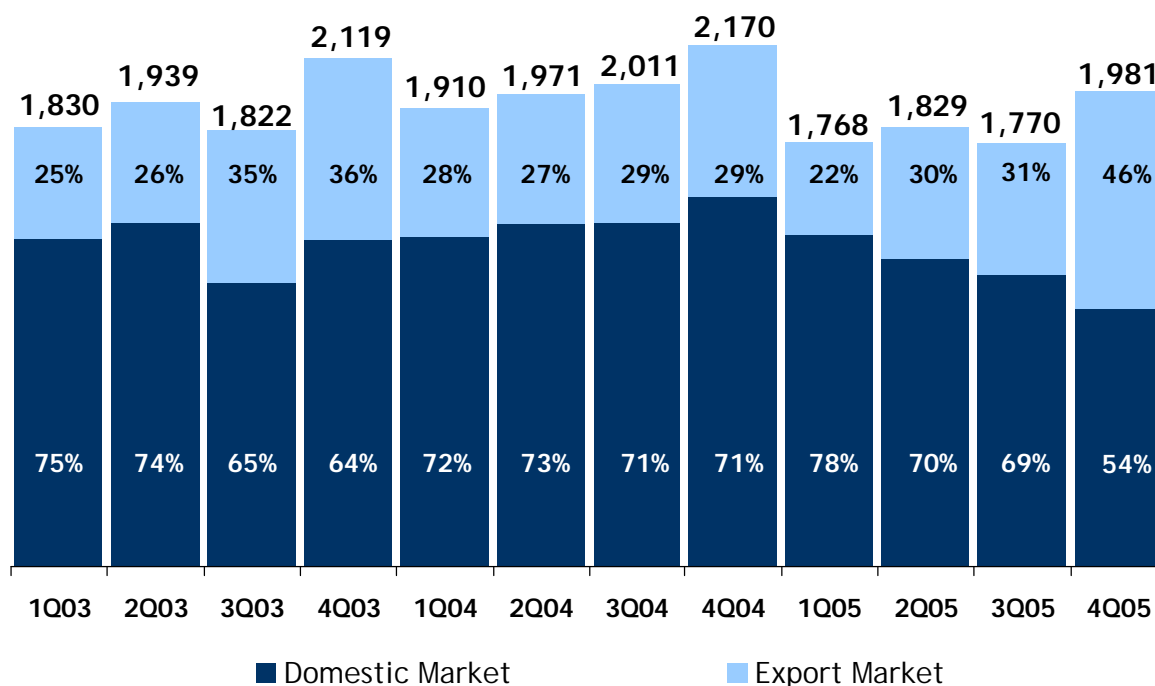
GLOBAL STEEL INDUSTRY

- Global crude steel production in 2005 was 1.1 billion tonnes, 6% above 2004 production
- China corresponded to 32% of world production, with 349 million tonnes, an increase of 25% compared to 2004
- After inventory adjustments in 3Q05, prices increased slightly, coming in line with demand/supply
- Industry consolidation in several countries provided discipline, and companies adjusted production/costs immediately to decline in sales and margin pressure



USIMINAS - CONSOLIDATED SALES

Consolidated Sales (000 t)

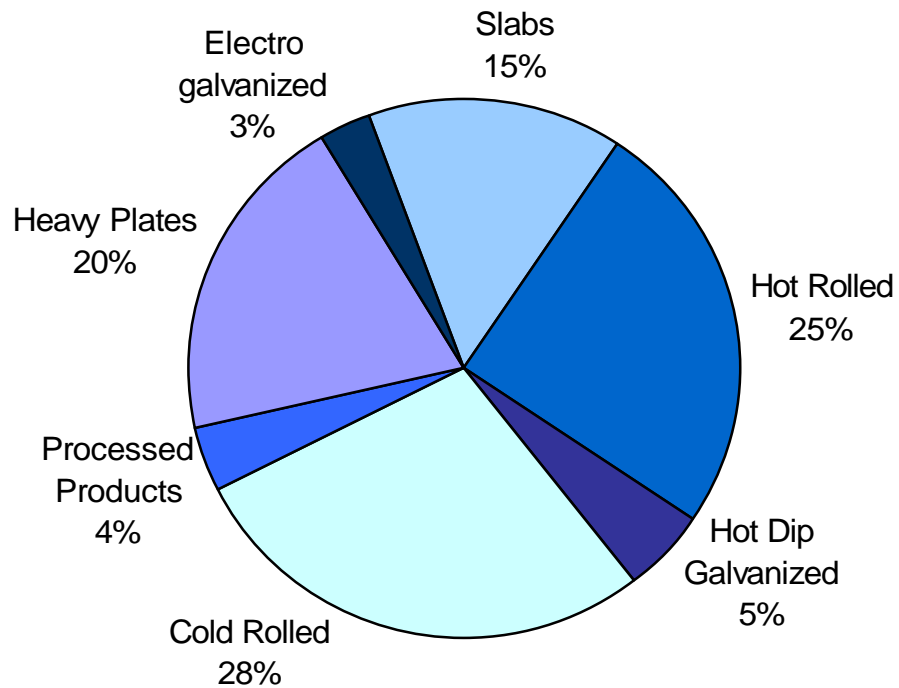


- In 2005, the Usiminas System sold 7.3 mt, 9% lower than 2004
- Adjustment of production and sales to market conditions:
- Slower growth rate of industrial activity in the country
- Excess inventories in some segments

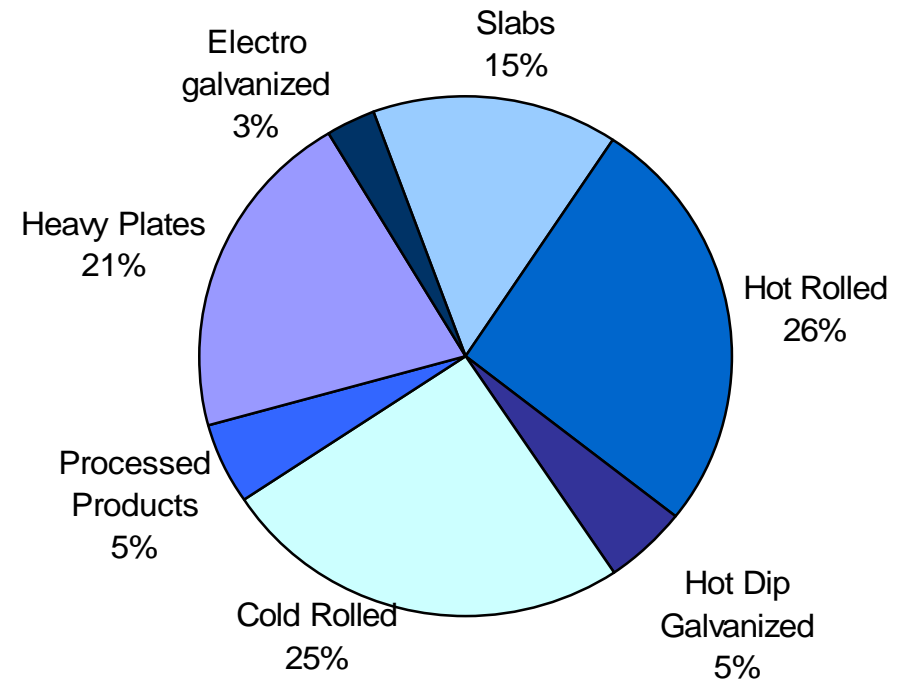


USIMINAS - SALES MIX BY PRODUCT

Sales Volume 2005

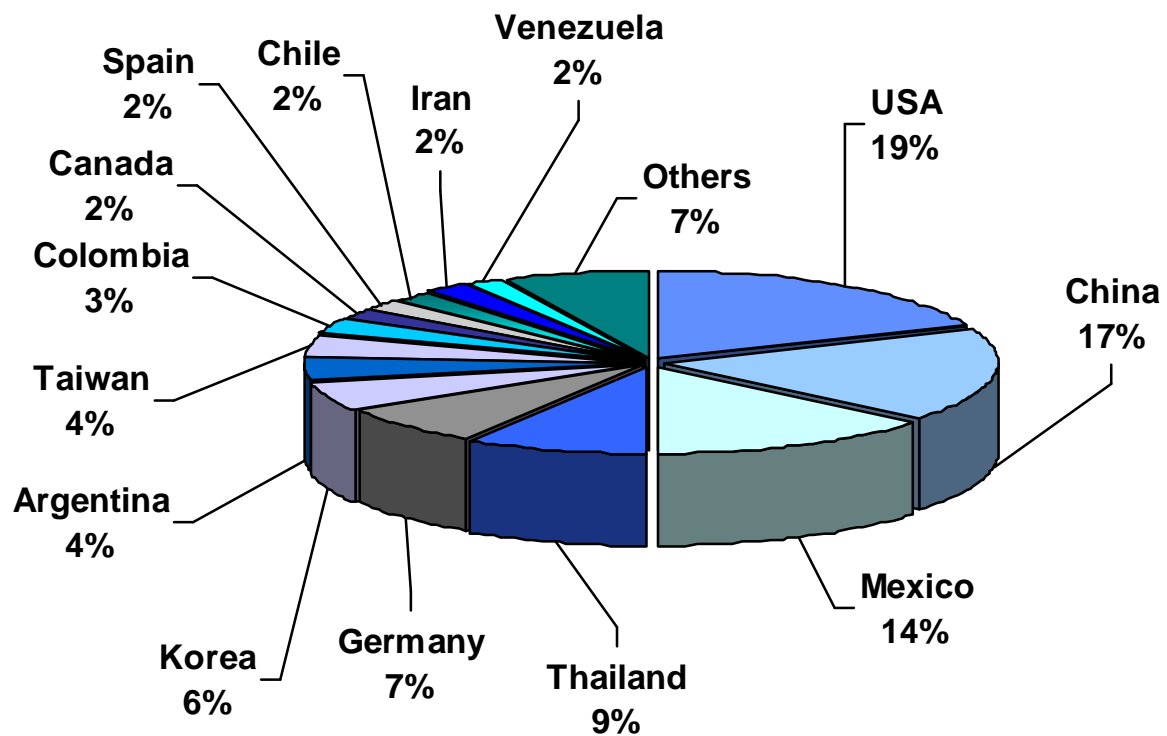


Sales Volume 2004





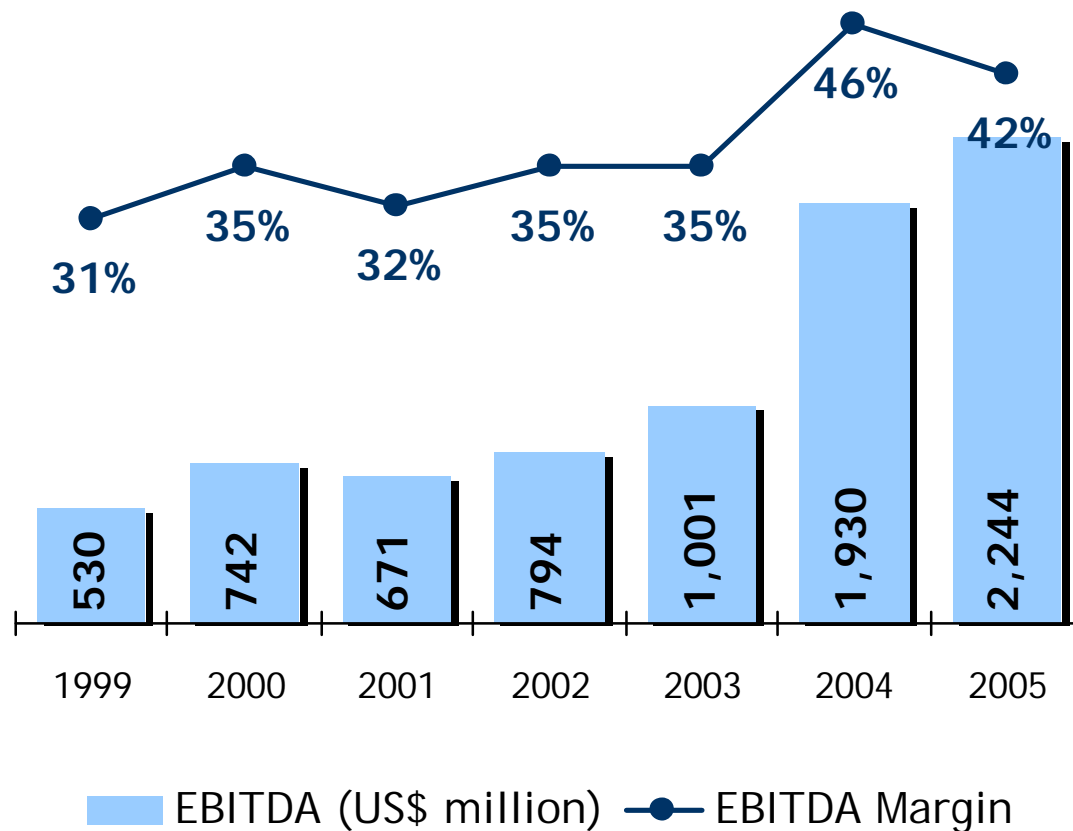
EXPORTS BY COUNTRY - 2005





USIMINAS - CONSOLIDATED EBITDA

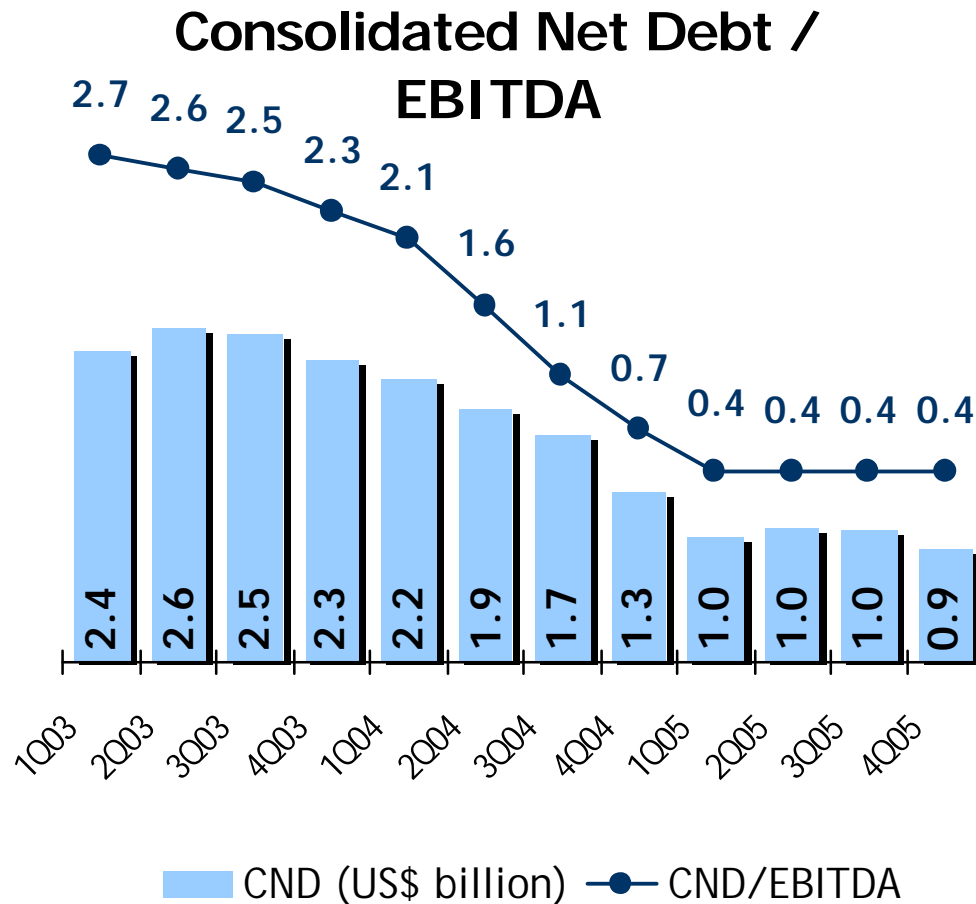
EBITDA & EBITDA Margin



- EBITDA - US\$404 million in 4Q05 and US\$ 2.2 billion in 2005, 16% higher compared to 2004.
- EBITDA margin - 42.4% in 2005



USIMINAS - CONSOLIDATED NET DEBT

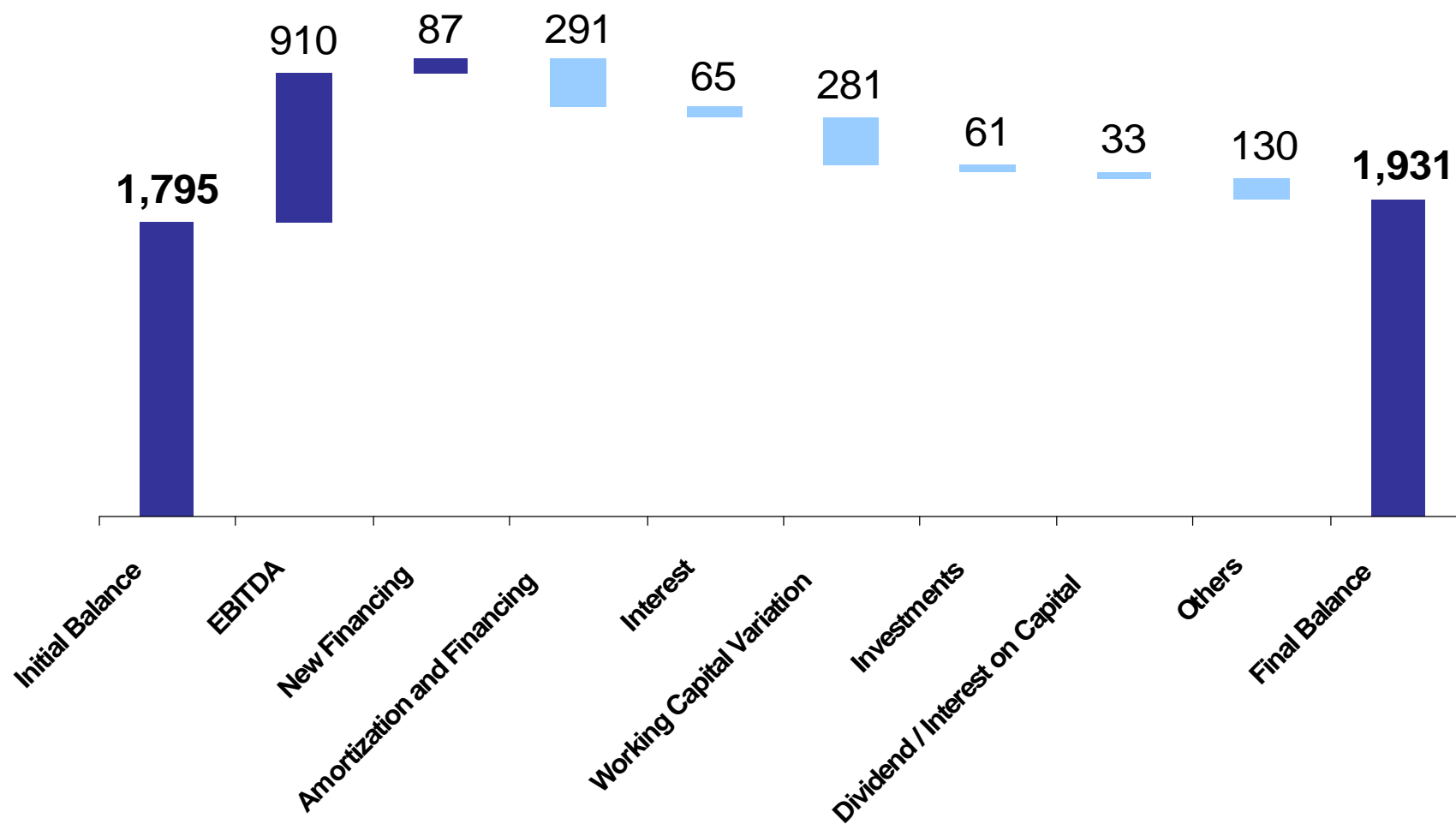


- Effective debt amortization was US\$ 417 million
- The Usiminas System concluded fiscal year 2005 with cash of R\$ 1.9 billion



USIMINAS - 4Q05 CONSOLIDATED CASH FLOW

Brazilian GAAP (Legislação Societária) - R\$ million



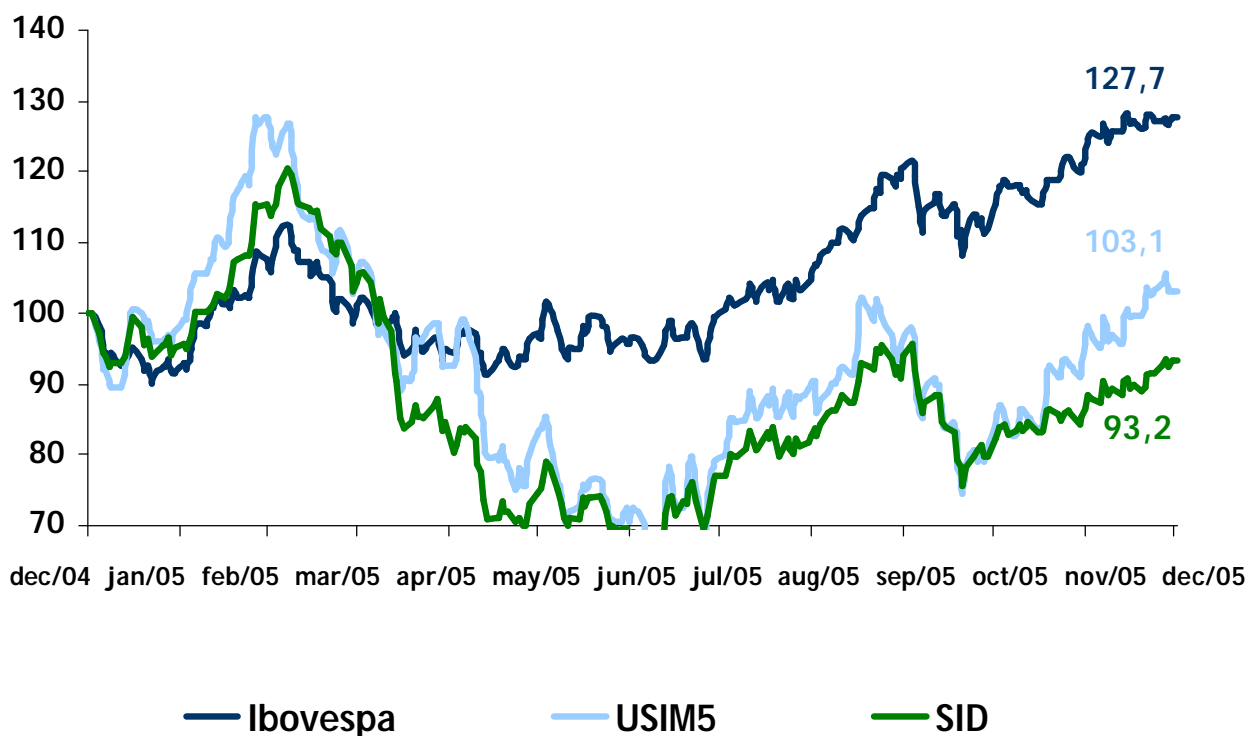


2005 SHARE PERFORMANCE



ADR
Level I

USIM5 vs. Ibovespa (12/30/04=100)



- PNA (USIM5) share appreciation of 3% in the year
- Usiminas maintains 4th greatest weight among companies in the Ibovespa theoretical portfolio (5.79% of the Index)
- ADRs appreciated 15% in the year
- Latibex: 3rd ranked among most traded companies and appreciation of 42%



OUTLOOK

- International Market: favorable growth forecasts of the main industrialized countries
- Domestic Market: steel production growth of 5%
- Brazilian demand: 9% growth in 2006 (IBS estimate)
- Main factors :
 - reduction of interest rate and credit expansion
 - better agricultural performance
 - infrastructure investments



OTHER HIGHLIGHTS

- Participation in the creation of Ternium in partnership with Techint Group (14.25% of total capital). Contribution to annual results were R\$ 749 million.
- Announcement of new medium/long-term investment cycle: investments of approximately US\$ 3 billion over next five years
- Dividend and equity interest payments: distribution of R\$ 1.1 billion to shareholders (30% payout ratio)
- Delisting of Cosipa and unification of Executive Boards
- Debut of shares on the Latibex



For information, contact:
Investor Relations Department

Bruno Seno Fusaro

brunofusaro@usiminas.com.br

Tel: +55 (31) 3499-8710

Luciana Valadares dos Santos

lsantos@usiminas.com.br

Tel: +55 (31) 3499-8619

Matheus Perdigão Rosa

mprosa@usiminas.com.br

Tel: +55 (31) 3499-8056

COSIPA - Gilson Rodrigues Bentes

gilson@cosipa.com.br

Tel: +55 (11) 5070-8980 Cosipa SP

Tel: +55 (31) 3499-8617 Usiminas BH

www.usiminas.com.br