1Q11

USIMINAS

FOR IMMEDIATE DISCLOSURE - Belo Horizonte, April 28, 2011. Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas (BM&FBOVESPA: USIM3, USIM5 and USIM6; OTC: USDMY and USNZY; Latibex: XUSIO and XUSI) today releases its first quarter 2011 (1Q11). Operational and financial information of the Company, except where otherwise stated, is 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 same period of 2010, except where stated otherwise.

Usiminas reinforces its liquidity despite of cost pressures and unfavorable exchange rate

In 1Q11, the main highlights were:

- Crude steel and rolled steel production totaled respectively 1.8 million and 1.7 million tons, up 12% and 8% over the production of 4Q10.
- Iron ore production registered 1.6 million tons.
- Steel product sales remained stable in relation to 4Q10 and reached 1.6 million tons.
- Net revenue was R$ 3.1 billion, an increase of 1% when compared to the revenue of 1Q10.
- EBITDA totaled R$ 337 million and the EBITDA margin reached 11.0%.
- The cash position on 03/31/11 was R$ 5.9 billion.
- The net debt/EBITDA ratio on 03/31/11 was 1.0x.
- Investments totaled R$ 1.0 billion, 35% over those registered in 1Q10.

Highlights

R$ million	1Q11	1Q10	4Q10	Chg. 1Q11/1Q10
Crude Steel Production (000t)	1,783	1,820	1,588	-2%
Sales Volume (000 t)	1,588	1,615	1,579	-2%
Net Revenues	3,063	3,043	3,092	1%
Net Income (Loss)	16	375	280	-96%
EBITDA (a)	337	711	332	-53%
EBITDA Margin	11.0%	23.4%	10.8%	-12.4 p.p.
Investments	1,025	757	975	35%
Cash Position	5,887	2,571	4,554	129%

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

Market Data - 03/31/11

Market Capitalization: R$ 20.0 billion

BM&FBOVESPA: USIM5 R$ 19.75/share
USIM3 R$ 28.00/share

EUA/OTC: USNZY US$ 12.45/ADR
USDMY US$ 12.13/ADR

Latibex: XUSI € 8.33
XUSIO € 12.53

Interactive Index

Economic Scenario

In the international scenario, the USA showed a recovery in the 1Q11, stimulated by the private sector which contributed to reduce unemployment rate, despite the recent concern with inflation levels in the country. In the Eurozone, February´s industrial production growth stands out, when compared to the same period in 2010. In China, the government remains determined to brake the acceleration of price level and the recent appreciation of Yuan may support for this movement. The negative results of China´s trade balance in February evidence signs of strong domestic demand.

After the strong performance of the Brazilian economy in 2010, the outlook is now concentrated in the expected growth for the next years as well as the ongoing and future investments to support the development of the country. Steel demand shall follow this growth. According to the latest statistics released by Instituto Aço Brasil (IABr), Brazilian steel imports have already presented significant decrease when compared to 2010 monthly average. Some factors contribute for the material decline on imported flat steel products, such as: the reduction in the international inventories of steel products, the potential increase in external demand due to the reconstructing process in Japan and, consequently, the international price increases which have been recovering since December 2010.

The main indexes of economy lead to a scenario of domestic demand expansion in 1T11 and for the whole year of 2011. The Brazilian economy has grown faster, despite the government efforts to control inflation. The strong labor market, the families' high demand and the industry recovery have guaranteed the continuity of the economic heat up.

Divestment in Ternium

On 02/21/2011, Usiminas issued a Notice to Market to its shareholders and the public in general informing the conclusion of the public offer of 21,628,728 American Depositary Shares ("ADSs") representing shares of Ternium S.A., held by its wholly owned subsidiary, Usiminas Europa A/S. The transaction totaled $ 1.029 billion. Usiminas used to own a 14.25% stake in Ternium. By the conclusion of the public offer and the sale of the shares of Ternium, Usiminas no longer owns any stake in Ternium.

The effect of this operation in the quarter results represented a negative impact of approximately R$ 125 million due to the accounting of exchange losses of such investment shown in the account of Operating Loss (Profit) of Discontinued Operations in the Income Statement.

Results

The quarter's results were affected by the ongoing pressure on costs of major raw materials and by the unfavorable exchange rate that encourages competition from imported products.

Usiminas continues to abide by its strategy upstream and downstream integration in order to increase its competitiveness and add value to its products and services. In the Mining sector, Mineração Usiminas will concentrate its efforts and investments to expand its production capacity expected to reach 29 million tons in 2015. Investments underway will assure more competitiveness through an improvement in the product mix, better quality and lower costs, in line with Usiminas' commitment to prioritize the recovery of its competitive edge by cutting costs and integrating the business units.

Economic and Financial Performance

Comments on Consolidated Results

Net Revenue

The revenue of 1Q11 decreased around 1% in comparison with 4Q10, reaching R$ 3.1 billion, due mainly to flat steel price cuts in 4Q10 in the domestic market which integrally affected 1Q11. Regarding exports, average prices were positively impacted by a hike in international prices, despite the continuing appreciation of the Real which offsets part of these positive effects.

Net Revenues Breakdown

	1Q11	1Q10	4Q10
DM	84%	82%	81%
EM	16%	18%	19%
Total	100%	100%	100%

Cost of Goods Sold (COGS)

Major raw materials, such as iron ore and coal, continued to pressure costs in 1Q11. COGS totaled R$ 2.8 billion, down 4% in comparison with 4Q10 when it reached R$ 2.9 billion.

This variation is mainly due to reduced spending on outsourced services and labor. Therefore, the Company's gross margin evolved as follows:

Gross Margin

1Q11	1Q10	4Q10
9.8%	23.0%	6.5%

Operating Expenses and Revenue

Operating expenses in 1Q11 reached R$ 137.5 million, versus an operating expense of R$ 64.7 million in 4Q10. The quarter's expenses derived mainly from higher expenses with sales and other expenses and revenues. As such, the Company's operating margin evolved as follows:

EBIT Margin

1Q11	1Q10	4Q10
5.3%	17.7%	4.4%

EBITDA

The EBITDA of 1Q11 remained stable in relation to 4Q10, reaching R$ 337 million. Sales volume directed to the domestic market in the 1Q11 reached 77%, 900 basis points above compared to 4Q10. However the positive effect of higher sales in the domestic market was partially compensated by lower average steel prices and price increases of the main raw materials.

The margins are shown in the table below:

EBITDA Margin

1Q11	1Q10	4Q10
11.0%	23.4%	10.8%

Financial Result

In 1Q11, net financial revenue totaled R$ 43.5 million, against a net financial revenue of R$ 41.3 million in 4Q10. Exchange gains in the quarter amounted to R$ 58 million against R$ 54 million in 4Q10, due to the Real appreciation against the US dollar of 2.3% in the quarter, compared to the 1.7% appreciation in 4Q10.

Financial Income - Consolidated

R$ million	1Q11	1Q10	4Q10	Chg. 1Q11/1Q10	Chg. 1Q11/4Q10
Exchange Effects	57,793	(70,753)	54,371	-	6%
Exchange Variation	43,666	(62,315)	83,100	-	-47%
Swap	14,127	(8,438)	(28,729)	-	-
Swap Operations Market Cap. (Law 11,638)	(2,147)	17,218	16,831	-	-
Monetary Effects	(12,274)	(10,157)	(11,066)	21%	11%
Financial Income	147,165	65,408	147,036	125%	0%
Financial Expenses	(147,064)	(83,709)	(165,848)	76%	-11%
NET INTEREST INCOME	**43,473**	**(81,993)**	**41,324**	**-**	**5%**

Equity Interest in Controlled and Affiliated Companies

A revenue of R$ 18 million was registered in 1Q11 resulting mainly from the stake in MRS Logística.

Net Income

Net income in 1Q11 totaled R$ 16 million against a net loss of R$ 280 million in 1Q10.

Indebtedness

Total gross debt on 03/31/10 amounted to R$ 8.2 billion, practically on the same level of the gross debt of R$ 8.1 billion on 12/31/10. Net debt ended the quarter at R$ 2.3 billion, against R$ 3.6 billion on 12/31/10. The net debt/EBITDA ratio on 03/31/11 was 1.0x, against a ratio of 1.4x on 12/31/2010. It is worthwhile pointing out that the strong cash position growth, which at the end of 1Q11 hit R$ 5.9 billion, was positively impacted by the sale of the stake in Ternium and Usifast.

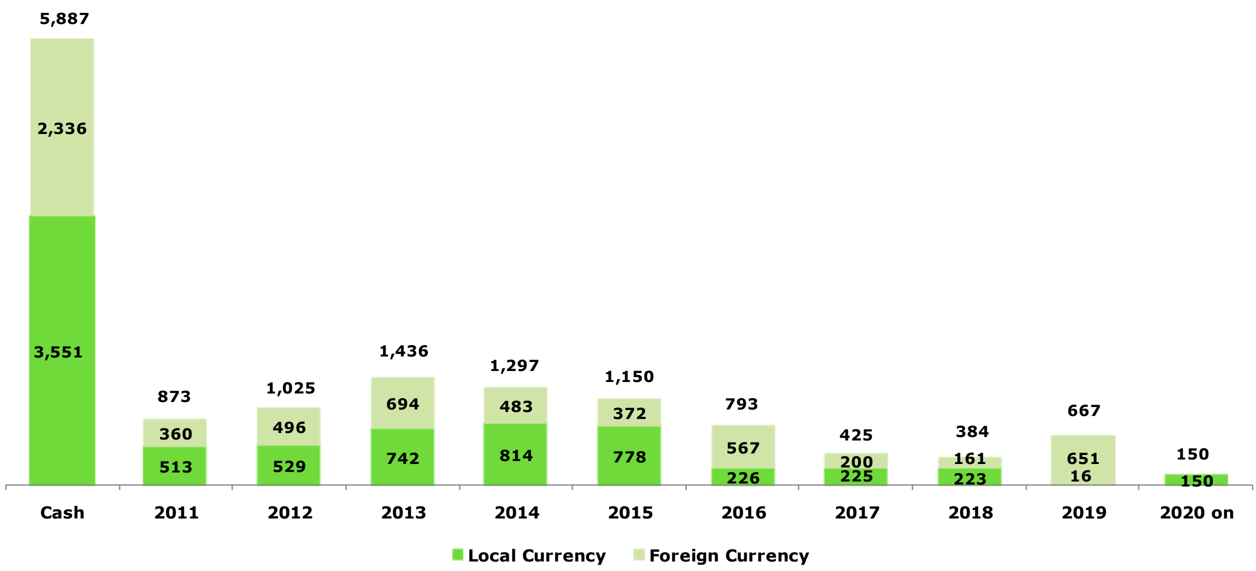
At the end of the quarter, the breakdown of the debt by maturity date was: 16% in the short term and 84% in the long term. The breakdown by currency was represented as follows: 51% in local currency and 49% in foreign currency.

Loans and Financing by Index - Consolidated

R$ thousand	03/31/2011			%	12/31/2010	Chg. mar.11/dec.10
	Short Term	Long Term	TOTAL		TOTAL	
Foreign Currency (*)	**452,105**	**3,532,065**	**3,984,170**	**49%**	**4,087,780**	**-3%**
TJLP	212,257	447,067	659,324	-	568,317	16%
Other local currency	293,925	2,353,086	2,647,011	-	2,573,394	3%
Debentures	258,961	250,000	508,961	-	522,416	-3%
Taxes Payable in Installments	66,971	61,327	128,298	-	128,093	0%
FEMCO	0	272,445	272,445	-	262,082	4%
Local Currency	**832,114**	**3,383,925**	**4,216,039**	**51%**	**4,054,302**	**4%**
TOTAL DEBT	**1,284,219**	**6,915,990**	**8,200,209**	**100%**	**8,142,082**	**1%**
CASH AND CASH EQUIVALENTS	-	-	**5,887,295**	-	**4,553,885**	**29%**
NET DEBT	**-**	**-**	**2,312,914**	**-**	**3,588,197**	**-36%**

(*) 95% of total foreign currency is denominated in US dollars

Debt Maturity Profile



Business Units Performance

The transactions among Companies are assessed in market value and conditions.

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

* Controled by Usiminas
**Results accounted through equity income

Income Statement per Business Units - Non Audited

R$ million	Mining		Steel		Steel Processing		Capital Goods		Consolidated	
	1Q11	**4Q10**	**1Q11**	**4Q10**	**1Q11**	**4Q10**	**1Q11**	**4Q10**	**1Q11**	**4Q10**
Net Revenues	213	234	2,691	2,553	595	591	325	391	3,063	3,092
COGS	(58)	(83)	(2,684)	(2,641)	(542)	(575)	(290)	(341)	(2,765)	(2,891)
Gross Profit	155	151	7	(88)	53	16	35	50	299	201
Operating Income (Expenses)	(23)	(30)	(36)	73	(54)	(84)	(27)	(25)	(137)	(65)
EBIT	132	121	(29)	(15)	(1)	(68)	8	25	161	137
EBITDA	**138**	**154**	**116**	**107**	**17**	**(38)**	**15**	**35**	**337**	**332**
EBITDA Margin	**65%**	**66%**	**4%**	**4%**	**3%**	**-6%**	**5%**	**9%**	**11%**	**11%**

I) M I N I N G

Comments on Business Unit Results - Mining

Net revenue of the Mining segment in 1Q11 was R$ 213 million, 35% higher than in 1Q10. This increase was due to price increases during the same period.

Gross profit reached R$ 155 million. The increase in revenue reflected directly on the growth of gross margin, which went from 58% in 1Q10 to 73% in 1Q11.

Operating expenses increased by 28%, of which the main variations were an increase in general and administrative expenses, primarily due to expenses for the development and structuring of the mining company.

EBITDA in the quarter amounted to R$ 138 million, 70% higher than 1Q10, generating a margin of 65%.

Operating and Sales Performance

In the first quarter, the production volume reached 1.6 million tons, slightly higher than in same period last year and slightly lower than the estimate for the period due to rains and plant maintenances. However, a recovery was registered in the last month of the quarter. The target for 2011 is to achieve eight million tons of iron ore production.

The sales volume was lower than that of the same period in 2010 due to exports that were completed after the closing of the quarter, during the month of April. The volume of iron ore for the mills of Ipatinga and Cubatão increased 23% compared to 1Q10, reaching around 1.0 million tons.

Total sales and transfers to the Ipatinga and Cubatão mills are shown in the table below:

Iron Ore

Thousand tons	1Q11	1Q10	4Q10	Chg. 1Q11/1Q10	Chg. 1Q11/4Q10
Production	**1,554**	**1,509**	**1,724**	**3%**	**-10%**
Sales	213	320	452	-33%	-53%
Transferred to Mills	1,035	1,372	975	-25%	6%
Total = Sales + Transferences to Mills	**1,248**	**1,692**	**1,427**	**-26%**	**-13%**

Investments

Projects to maximize production in the short term were approved in 4Q10 and were comprised of investments for the recovery of Pellet Feed and Sinter Feed amounting to approximately R$ 50 million. Part of these disbursements occurred in 1Q11.

In 1Q11, disbursements were also made for earthmoving services related to investments for the construction of the new Sinter Feed and Pellet Feed concentration plants, which are expected to boost the production capacity from 7.0 to 12.0 million by the end of 2012.

In line with its strategy to expand Mineração Usiminas, actions were adopted to expand and adapt its infrastructure. The investment forecast until 2012 is R$ 550 million.

Logistics – MRS

MRS Logística is a concession that controls, operates and monitors the Southeast Federal Railroad Network. The company operates in the railway transportation market, connecting the states of Rio de Janeiro, Minas Gerais and São Paulo and its core business is integrated logistics and transportation of general cargo, such as iron ore, finished steel products, cement, bauxite, agricultural produce, green coke and containers.

The 1Q11 results of MRS had not been disclosed until the date of this release. MRS transported, during this period, 34.4 million tons of cargo in general, among which, iron ore, coal/coke, steel products, cement and others.

II) S T E E L

Brazilian and Global Steel Production

At the end of the quarter, a 6% production increase was registered as compared to 1Q10, totaling around 8.5 million tons, according to the figures released by the Brazilian Steel Institute (IABr).

In global terms, crude steel production increased around 6% when compared to 1Q10, according to data released by the World Steel Association, reaching around 365 million tons.

Flat Steel Market

Estimates show that the Brazilian flat steel market consumed in 1Q11 the equivalent of 3.1 million tons, of which 87% was provided by the local mills and 13% by imported material.

Consumption increased 2% in 1Q11 as compared to 4Q10 due to a reduction in inventory levels in 2H10. Within this scenario, imports dropped 52% due to price hikes in the international market in the last quarter of 2010, while sales of local mills increased 24% in 1Q11 as compared to the previous quarter. The increase in sales of domestic mills can be explained mostly by the strong economic activity caused by an increase in industrial production during January and February 2011.

Production - Ipatinga and Cubatão Mills

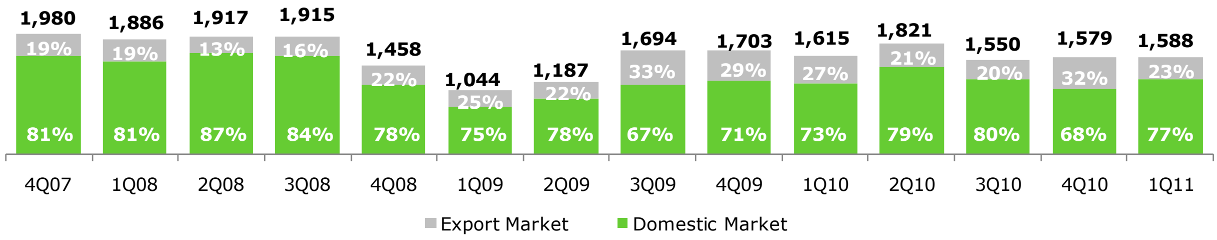
In 1Q11, the production of crude steel at the Ipatinga and Cubatão mills was 1.8 million tons, up 12% over that registered in 4Q10. The production of rolled products was 1.7 million tons, 8% more than in 4Q10.

Sales

Usiminas' total sales in 1Q11 reached 1.6 million tons, 77% for the domestic market, corresponding to 1.2 million tons of products and 15% higher when compared to domestic market sales in 4Q10.

Exports, however, dropped 30% in 1Q11 compared to 4Q10 and represented 23% of sales in the quarter.

Consolidated Sales(000 t)



Sales Volume Breakdown - Consolidated

Thousand tons	1Q11		1Q10		4Q10		Chg. 1Q11/1Q10	Chg. 1Q11/4Q10
TOTAL SALES	**1,588**	**100%**	**1,615**	**100%**	**1,579**	**100%**	**-2%**	**1%**
Heavy Plates	411	26%	323	20%	383	24%	27%	7%
Hot Coils/Sheets	477	30%	513	32%	430	27%	-7%	11%
Cold Coils/Sheets	437	28%	481	30%	445	28%	-9%	-2%
Electrogalvanized Coils	52	3%	53	3%	53	3%	-2%	-3%
Hot Dip Galvanized Coils	128	8%	99	6%	105	7%	30%	23%
Processed Products	36	2%	32	2%	45	4%	14%	-19%
Slabs	46	3%	114	7%	118	7%	-60%	-61%
DOMESTIC MARKET	**1,230**	**77%**	**1,173**	**73%**	**1,069**	**68%**	**5%**	**15%**
Heavy Plates	265	16%	166	10%	265	17%	60%	0%
Hot Coils/Sheets	429	27%	429	27%	327	21%	0%	31%
Cold Coils/Sheets	315	20%	395	24%	270	17%	-20%	16%
Electrogalvanized Coils	47	3%	47	3%	49	3%	0%	-3%
Hot Dip Galvanized Coils	117	7%	85	6%	95	6%	37%	24%
Processed Products	28	2%	23	1%	36	2%	22%	-22%
Slabs	28	2%	27	2%	27	2%	3%	2%
EXPORTS	**358**	**23%**	**442**	**27%**	**510**	**32%**	**-19%**	**-30%**
Heavy Plates	146	9%	157	10%	118	7%	-7%	24%
Hot Coils/Sheets	48	3%	84	5%	103	6%	-43%	-54%
Cold Coils/Sheets	122	8%	86	5%	175	11%	42%	-30%
Electrogalvanized Coils	4	0%	6	0%	4	0%	-24%	-5%
Hot Dip Galvanized Coils	11	1%	13	1%	10	1%	-14%	15%
Processed Products	8	1%	9	1%	9	1%	-6%	-9%
Slabs	18	1%	87	5%	91	6%	-79%	-80%

Comments on Business Unit Results – Steel

The Steel Unit in 1Q11 posted a net revenue of R$ 2.7 billion, up 5% over 4Q10 with emphasis on:

- increase in share of sales to the local market, going from 68% in 4Q10 to 77% in 1Q11;
- the average price per ton of rolled products exported was higher by around 12% compared to 4Q10, going from R$ 1,109 to R$ 1,243.

In 1Q11, COGS was R$ 2.7 billion, in line with 4Q10.

The R$ 109 million increase in expenses and revenue was mainly due to a contingency reversal and taxes recovery in 4Q10.

The EBITDA reached R$ 116 million. The EBITDA margin was 4.3% in 1Q11.

Investment Plan (Capex)

Investments on fixed assets in 1Q11 summed R$ 1.0 billion. The current situation of the main investment projects in the mills is detailed below:

- The Heavy Plate Mill in Ipatinga, with the new CLC technology – accelerated cooling process – initiated operations in 4Q10. The total investment amounted R$1.050 billion. Its products are being homologated and should start to be commercialized in 2Q11;

- The new hot-dipped galvanizing line in Ipatinga entered in pre-operational stage in April 2011. This galvanizing line will expand in 550 thousand tons the current production capacity of 480 thousand tons per year. Total investments amounted R$ 914 million. This equipment should be operating in full capacity by 3Q11;
- The new Hot Strip Mill in Cubatao will represent investments of approximately R$ 2.5 billion and should increase the rolling capacity in 2.3 million tons per year.

III) S T E E L P R O C E S S I N G

- **Soluções Usiminas**

Soluções Usiminas operates in the distribution, services and pipe markets in the country, offering higher value-added products to its clients.

With the capacity to produce over 2 million tons of steel per year, its 14 industrial units, strategically located in the States of Rio Grande do Sul, São Paulo, Minas Gerais, Espírito Santo and Pernambuco, supply the follow sectors: Auto; Auto Parts; Civil Construction; Distribution; Electronic Products; Machinery and Equipment; Home Appliances and others.

The sales of the business unit Distribution, Services and Pipes accounted for respectively 49%, 40% and 11% of the volume sold, with emphasis on sales to the following sectors: Autos, Auto Parts, Machinery and Industrial Equipment, Domestic Appliances and Civil Construction.

- **Automotiva Usiminas**

Automotiva Usiminas is the only company in the auto parts sector to produce complete sets and cabines painted in their definitive color, from the development of raw material up to the final product including the stamping, welding, painting and assembly processes.

Highlights

The new production line of truck cabines was inaugurated on March 30 of this year. The new automated line was developed exclusively for the assembly of cabines for the new Ford Cargo truck. A new painting line was also started up in January 2011 with the capacity to produce 72 thousand units/year. Other investments are also planned for 2011 with a focus on meeting the needs of Automotiva Usiminas' customers.

Comments on Business Unit Results – Steel Processing

Net revenue for 1Q11 totaled R$ 595 million, up 7% over 1Q10. The COGS/net revenue ratio declined to 91% in 1Q11 from 97% in 4Q10. Operating expenses and revenues also decreased 36% in relation to 4Q10. EBITDA totaled R$ 17 million. The following contributed to this evolution:

Soluções Usiminas: net revenue reached R$ 487 million, up 5% over the revenue registered in 4Q10.

Automotiva Usiminas: net revenue reached R$ 76 million, up 13% over the revenue registered in 1Q10.

IV) CAPITAL GOODS

Usiminas Mecânica S.A.

Usiminas Mecânica is one of the leading capitals goods companies in Brazil and operates in different business areas, such as:

- Metal Structures and Bridges
- Industrial Equipment
- Industrial Assembly
- Blanks and Stamping
- Foundry, Forging and Railway Cars
- EPC-oriented Steelmaking Unit
- EPC-oriented Oil & Gas Unit

Highlights of the Quarter:

- Supply and assembly of steel structures to the roof of the Magalhães Pinto stadium ("Mineirão") in Belo Horizonte - part of the projects for World Cup 2014;
- Assembly of staves coolers in Blast Furnace no. 2 at the Usiminas mill in Cubatão;
- Provision of steel structures for the expansion of VALE's Carajás mining complex;
- Supply of blanks for offshore rig support vessels for the STX Shipyard.

Investments

- Foundry and forging: undergoing an expansion and modernization process, scheduled to be concluded by 4Q11. The installed capacity will reach 41 thousand tons per year;
- Manual and mechanized molding lines have already been contracted. Start up of construction in September/2010;
- Acquisition of specific welding machine for the welding of panels for the manufacture of large-scale welding blocks;
- Acquisition of a Vertical Lathe for the machining of parts to meet the demand of the foundry area.

Comments on Business Unit Results – Capital Goods

Net revenue in 1Q11 reached R$ 325 million, 11% over that registered in 1Q10.

The COGS/net sales ratio increased from 87% in 4Q10 to 89% in 1Q11 and gross profit reached R$ 35 million in the quarter. EBITDA of 1Q11 totaled R$ 15 million, down 52% as compared with 1Q10. The EBITDA margin declined 400 basis points to 4.6% as a result of margins reduction caused by the stiff competition in the sector.

Capital Markets

Performance in BM&FBOVESPA

Usiminas' common stock (USIM3) ended the 1Q11 quoted at R$ 28.00 per share and the preferred stock (USIM5) quoted at R$ 19.75 per share. The appreciation in the quarter of USIM3 was 31.1% and the appreciation of the USIM5 share was 3.1%. In the same period, Ibovespa depreciated 1.0%. On 03/31/11, Usiminas' market value was R$ 20.0 billion.

Performance Summary - BM&FBOVESPA (USIM5)

	1Q11	1Q10	Chg. 1Q11/1Q10	4Q10	Chg. 1Q11/4Q10
Number of Trades	**583,833**	**321,398**	***82%***	**478,642**	***22%***
Daily Average	*9,571*	*5,357*	*79%*	*7,847*	*22%*
Traded - thousand shares	**426,376**	**304,800**	***40%***	**317,352**	***34%***
Daily Average	*6,990*	*5,080*	*38%*	*5,202*	*34%*
Financial Volume - R$ million	**8,490**	**7,851**	***8%***	**6,496**	***31%***
Daily Average	*139*	*131*	*6%*	*106*	*31%*
Maximum	**21.80**	**30.90**	***-29%***	**23.10**	***-6%***
Minimum	**18.25**	**22.94**	***-20%***	**18.30**	***0%***
Closing	**19.75**	**30.46**	***-35%***	**19.16**	***3%***
Number of Shares	**1,013,786**	**1,013,786**	***0%***	**1,013,786**	***0%***
Market Capitalization - R$ million	**20,022**	**30,880**	***-35%***	**19,424**	***3%***

Foreign Exchanges

OTC – New York

Usiminas has ADRs traded on the US over-the-counter market (OTC), the USDMY backed by common shares and the USNZY backed by preferred class A shares. On 03/31/11, the more-liquid ADR USNZY was quoted at US$ 12.45 and appreciated 3.3% in the quarter and the ADR USDMY closed at the price of US$ 12.13.

Latibex – Madri

On 03/31/11, the XUSI shares (preferred) ended the quarter quoted at € 8.33 and depreciated 2.0%. The XUSIO shares (common) ended quoted at € 12.53, with an appreciation in the quarter of 31.1%.

Level II ADR

Usiminas' Board of Directors approved on 03/29/2011 the proposal to convert the current program of American Depositary Receipts - ADRs of the Company to a level II ADR program with ADRs listed on the New York Stock Exchange (NYSE) (ADR-II). The transaction should be concluded in 2011, after review and approval of the ADR conversion plan and related documents by the Securities and Exchange Commission (SEC).

For further information

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THE BANK OF NEW YORK MELLON

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1Q11 Conference Call - Date 04/28/2011	
In Portuguese - Simultaneous Translation into English	
Brasília time: at 11:00 a.m. Dial-in Numbers: Brazil: (55 11) 4688.6361	New York time: at 10:00 a.m. Dial-in Numbers: USA: (1 888) 700.0802
Other Countries: (1 786) 924.6977	
Audio replay available at (55 11) 4688.6312	
Pincoad for replay: 2636641 - portuguese	Pincode for replay: 4343109 - 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

IRFS - R$ thousand

Assets	31/Mar/11	31/Dec/10
Current Assets	**13,795,145**	**12,305,384**
Cash and Cash Equivalents	5,887,295	4,553,885
Trade Accounts Receivable	1,753,953	1,760,751
Taxes Recoverable	924,837	823,271
Inventories	4,892,753	4,898,311
Advances to suppliers	80,239	70,065
Financial Instruments	25,947	24,294
Other Securities Receivables	230,121	174,807
Long-Term Receivable	**1,423,782**	**1,436,133**
Deferred Income Tax & Social Contrb'n	419,598	398,223
Deposits at Law	453,056	443,879
Accounts Receiv. Affiliated Companies	5,906	5,960
Taxes Recoverable	167,573	174,970
Financial Instruments	322,455	356,899
Others	55,194	56,202
Permanent Assets	**16,692,782**	**18,078,042**
Investments	405,718	2,061,186
Property, Plant and Equipment	14,556,859	14,275,006
Intangible	1,730,205	1,741,850
Total Assets	**31,911,709**	**31,819,559**

Balance Sheet - Liabilities and Shareholders' Equity - Consolidated

IFRS - R$ thousand

Liabilities and Shareholders' Equity	31/Mar/11	31/Dec/10
Current Liabilities	**3,889,307**	**3,531,823**
Loans and Financing and Taxes Payable in Installments	1,284,219	905,338
Suppliers, Subcontractors and Freight	1,426,807	1,257,868
Wages and social charges	297,112	287,209
Taxes and taxes payables	205,767	309,034
Related Companies	68,071	79,546
Financial Instruments	63,121	73,027
Dividends Payable	124,911	159,819
Customers Advances	194,937	180,728
Others	224,362	279,254
Long-Term Liabilities	**8,863,681**	**9,258,299**
Loans and Financing and Taxes Payable in Installments	6,643,545	6,974,662
Actuarial Liability	1,319,014	1,301,940
Provision for Contingencies	289,313	314,954
Financial Instruments	393,442	437,195
Environmental protection provision	135,740	134,910
Others	82,627	94,638
Shareholders' Equity	**19,158,721**	**19,029,437**
Capital	12,150,000	12,150,000
Reserves & Revenues from Fiscal Year	5,371,187	5,282,599
Non-controlling shareholders participation	**1,637,534**	**1,596,838**
Total Liabilities and Shareholders' Equity	**31,911,709**	**31,819,559**

Income Statement - Consolidated

IFRS

R$ thousand	1Q11	1Q10	4Q10	Chg. 1Q11/1Q10
Net Revenues	**3,063,476**	**3,042,799**	**3,092,460**	1%
Domestic Market	2,568,551	2,508,448	2,489,316	2%
Export Market	494,925	534,351	603,144	-7%
COGS	(2,764,757)	(2,342,919)	(2,891,253)	18%
Gross Profit	**298,719**	**699,880**	**201,207**	-57%
Gross Margin	**9.8%**	**23.0%**	**6.5%**	**-13,2 p.p**
Operating Income (Expenses)	**(137,488)**	**(161,561)**	**(64,690)**	-15%
Selling	(111,140)	(75,455)	(91,159)	47%
General and Administrative	(125,888)	(123,460)	(148,680)	2%
Others, Net	99,540	37,354	175,149	166%
EBIT	**161,231**	**538,319**	**136,517**	-70%
EBIT Margin	**5.3%**	**17.7%**	**4.4%**	**-12,4 p.p**
Financial Result	**43,473**	**(81,993)**	**41,324**	-
Financial Income	75,793	74,152	154,004	2%
Financial Expenses	(32,320)	(156,145)	(112,680)	-79%
Equity Income	17,976	14,156	18,011	27%
Operating Profit (Loss)	**222,680**	**470,482**	**195,852**	-53%
Income Tax / Social Contribution	(81,740)	(134,711)	46,193	-39%
Net Income (Loss) from Continued Operations	**140,940**	**335,771**	**242,045**	-58%
Net Income (Loss) from Discontinued Operations	(124,919)	39,432	37,832	-
Net Income (Loss)	**16,021**	**375,203**	**279,877**	-96%
Net Margin	**0.5%**	**12.3%**	**9.1%**	**-11,8 p.p**
Attributable				
Shareholders	**(26,090)**	**365,323**	**285,772**	-
Minority Shareholders	**42,111**	**9,880**	**(5,895)**	326%
EBITDA	**337,006**	**710,677**	**332,448**	-53%
EBITDA Margin	**11.0%**	**23.4%**	**10.8%**	**-12,4 p.p**
Depreciation and amortization	213,240	199,981	217,881	7%
Provisions	(37,465)	(27,623)	(21,950)	36%

Cash Flow - Consolidated

IFRS

R$ thousand	1Q11	1Q10
Operating Activities Cash Flow		
Net Income (Loss) in the Period	16,021	375,203
Financial Expenses and Monetary Var. / Net Exchge Var.	(83,666)	70,296
Interest Expenses	123,642	69,941
Depreciation and Amortization	213,240	199,981
Write-offs (Decrease in Permanent Assets and Deferred Charges)	(22,671)	3,805
Equity in the Results of Subsidiaries/Associated Companies	(17,976)	(14,155)
Discontinued Operations Results	124,919	(39,432)
Difered Income Tax and Social Contribution	8,144	(29,587)
Provisions	(33,946)	45,117
Actuarial Gains and losses	(21,720)	(70,327)
Minority Shareholders	0	0
Total	**305,987**	**610,842**
Increase/Decrease of Assets		
Securities	(1,579,567)	(49,047)
In Accounts Receivables	6,798	(330,686)
In Inventories	5,558	(82,478)
In Recovery of Taxes	(94,169)	(34)
In Judicial Deposits	(13,317)	(9,530)
In Accounts Receiv. Affiliated Companies	54	280
Others	98,326	1,402
Total	**(1,576,317)**	**(470,093)**
Increase (Decrease) of Liabilities		
Suppliers, contractors and freights	168,939	170,741
Amounts Owed to Affiliated Companies	(17,792)	1,711
Customers Advances	14,209	161,921
Tax Payable	9,363	90,923
Income Tax and Social Contribution	(36,041)	3,731
Interest Paid	(94,374)	(125,177)
Actuarial Liability payments	(38,595)	(36,857)
Non-controlling participation	0	0
Others	(51,492)	9,497
Total	**(45,783)**	**276,490**
Net Cash Generated from Operating Activities	**(1,316,113)**	**417,239**
Investments activities cash flow		
(Additions) Right off of investments	1,656,740	0
Investment acquisition	(63)	(32,527)
Fixed asset acquisition	(630,040)	(757,151)
Fixed asset sale receipt	21	0
Additions to Intangible	(2,041)	(2,071)
Subsdiary Acquisition	0	0
Dividends Received	444	666
Net Cash Employed on Investments Activities	**1,025,061**	**(791,083)**
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	293,424	242,731
Payment of Loans, Financ. & Debent.	(190,164)	(370,039)
Inflow from subsidiaries share issue	0	0
Interest Paid on Loans, Financing and Debentures	(7,115)	(11,589)
Swap Operations Redemptions	(7,181)	(10,621)
Dividends and Interest on Capital	(36,323)	(34,601)
Net Cash Generated from (Employed on) Financial Activities	**52,641**	**(184,119)**
Exchange Variation on Cash and Cash Equivalents	**(7,746)**	**(3,531)**
Net Increase (Decrease) of Cash and Cash Equivalents	**(246,157)**	**(561,494)**
Cash and Cash Equivalents at the Beginning of the Period	4,156,098	2,098,196
Cash and Cash Equivalents at the End of The Period	3,909,941	1,536,702
RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	4,156,098	2,098,196
Marketable securities at the beginning of the period	397,787	984,851
Cash and cash equivalents at the beginning of the period	**4,553,885**	**3,083,047**
Net increase (decrease) of cash and cash equivalentes	(246,157)	(561,494)
Net increase (decrease) of marketable securities	1,579,567	49,047
Cash and cash equivalents at the end of the period	3,909,941	1,536,702
Marketable securities at the end of the period	1,977,354	1,033,898
Cash and cash equivalents at the end of the period	**5,887,295**	**2,570,600**