FOR IMMEDIATE DISCLOSURE - Belo Horizonte, October 28, 2010. Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas (BM&FBOVESPA: USIM3, USIM5, USIM6; OTC: USNZY; Latibex: XUSI; XUSIO) today releases its third quarter 2010 (3Q10). 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 2009, except where stated otherwise.

Net Profit and EBITDA reaches respectively R$ 495 million and R$ 735 million in 3rd quarter. EBITDA margin reaches 23% in 3Q10

Total data up to September/2010:

- Production of crude steel and finished products totaled respectively 5.7 million and 5.4 million tons, 51% and 41% above the volume produced in 9M09.
- Iron ore production reached 5.1 million tons, 31% above the volume of 9M09.
- Steel products sales grew 27% as compared with the sales of 9M09, accounting for around 5.0 million tons.
- Net revenue was R$ 9.9 billion and grew 24% in comparison with that of 9M09.
- EBITDA reached R$ 2.3 billion, representing an increment of 160% in relation to that of 9M09.
- EBITDA margin grew 12 percentage points in comparison with that of 9M09.
- Net profit reached R$ 1.2 billion, 91% above that registered in 9M09.
- Cash position on 09/30/10 was R$ 3.9 billion.
- Net debt/EBITDA on 09/30/10 was 1.6 x.
- Investments totaled R$ 2.2 billion, 57% higher in comparison with those registered in 9M09.
- The Company's market value on 09/30/10 was R$ 23.0 billion.

Highlights

R$ million	3Q10	3Q09	2Q10	Chg. 3Q10/3Q09	9M10	9M09	Chg. 9M10/9M09
Crude Steel Production (000t)	1,953	1,824	1,937	7%	5,710	3,794	51%
Sales Volume (000 t)	1,550	1,694	1,821	-9%	4,986	3,929	27%
Net Revenues	3,241	2,858	3,587	13%	9,870	7,940	24%
Net Income (Loss)	495	433	347	14%	1,171	614	91%
EBITDA (a)	735	417	872	76%	2,318	892	160%
EBITDA Margin	22.7%	14.6%	24.3%	+ 8,1 p.p.	23.5%	11.2%	+ 12,3 p.p.
Investments	697	574	758	21%	2,203	1,403	57%
Cash Position	3,928	2,998	3,668	31%	3,928	2,998	31%

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

Market Data - 09/30/10

Market Capitalization: R$ 23,0 billion

BM&FBOVESPA: USIM5 R$ 22.70/share
USIM3 R$ 25.77/share

EUA/OTC: USNZY US$ 13.40/ADR

Latibex: XUSI € 9.81
XUSIO € 11.11

Interactive Index

Introductory Remarks

Economic Scenario

In the international scenario, the world economy continues to be sustained by the growth of developing countries, mainly the so-called BRICs (Brazil, Russia, India and China), given that the developed economies are still suffering from the effects of the international crisis and the high unemployment level.

The Brazilian economy, after the strong growth registered in 1Q10, has begun to show signs of decelaration in 2Q10, but even so the GDP has grown 1.2%. The increase in investments, employment level, rising credit offer and heated domestic demand in 3Q10 have led the GDP growth expectation for 2010 to reach almost 7.5% according to the Focus newsletter of the Central Bank.

On the other hand, the crisis in the developed countries, mainly the economic slowdown in the US, has caused the Real to appreciate in relation to the US dollar. The appreciated currency, along with the strong growth in the domestic economy, creates a highly favorable environment for a surge in the country's imports.

Results

In the third quarter of 2010, Usiminas registered net revenues of R$ 3.2 billion, a net profit of R$ 495 million and a cash flow measured by EBITDA of R$ 735 million, respectively 13%, 14% and 76% higher than those registered in the same period last year. The results up to September are even more significant when compared to 9M09.

The steel sector, however, is going through an atypical moment: the country is expected to register the 3rd largest global GDP growth rate and the Brazilian flat steels market should grow at record levels, around 40%, favored by the good performance of practically all industrial sectors. However, this growth, associated to an overvalued exchange rate, creates a highly favorable scenario for imports, which affects the industry's growth as a whole and that of the steel sector. According to data from the Brazilian Steel Institute (Instituto de Aço Brasil – IABr), the volume of flat steel imports should reach around 3 million tons in 2010, an increase of around 160% in relation to 2009, substantially higher than the historical average.

This heated competition, which leads to a disturbing deindustrialization process, combined with a significant increase in cost of raw materials absorbed by companies, without this cost being duly transferred to product prices, has substantially affected the company profitability.

Usiminas has invested to reduce its costs and, one of the examples of this, is the recent startup of a new coke oven in the Ipatinga mill, which is considered to be another step towards self sufficiency in coke. It is also investing heavily, preserving its markets and its financial health and maintaining a steady cash flow and a suitable debt profile. Additionally, other actions are being put into practice with the purpose of adding value to the Company through the consolidation and expansion of its business units.

The company seeks to enhance even further its corporate governance actions and efforts to improve its transparency. An example of this was the Transparency Trophy award granted to Usiminas by ANEFAC. The company was recognized for the seventh time for standing out among the best financial statements published in Brazil.

The Company continues to be committed to maintaining its solid fundamentals, taking the measures needed to overcome the challenges of the current scenario, but, at the same time, it is confident that the medium and long term prospects will lead Usiminas back to a prominent level.

Economic and Financial Performance – Consolidated Results

Net Revenues

Revenues decreased circa 10% in 3Q10 in comparison with 2Q10, registering R$ 3.2 billion due to lower volumes sold – 271 thousand tons. This loss was minimized by an average price increase of around 3%.

In 9M10, revenue totaled R$ 9.9 billion, 24% above the revenues registered in 9M09 due mainly to the greater volume sold.

Net Revenues

	3Q10	3Q09	2Q10	9M10	9M09
DM	89%	82%	88%	86%	83%
EM	11%	18%	12%	14%	17%
Total	100%	100%	100%	100%	100%

Cost of Goods Sold (COGS)

The cost of goods sold totaled R$ 2.4 billion in 3Q10, against R$ 2.8 billion in 2Q10, representing a 12% decline due to lower sale volumes, offsetting cost increases for raw materials.

COGS in the first nine months of 2010 was R$ 7.5 billion, up 6% over that registered in the same period of 2009, basically due to greater sales volume in the period and the increase in cost of raw materials.

The Company's gross margin evolved as follows:

Gross Margin

3Q10	3Q09	2Q10	9M10	9M09
24.8%	11.3%	23.0%	23.6%	10.3%

Operating Expenses and Revenue

Operating expenses/revenues in 3Q10 rose 17% in relation to 2Q10 due to an increase in expenses with sales, third-party services, contingencies and swap transactions.

An increase of around R$ 33 million, or 5% above the same period of 2009, was registered in 9M10 basically due to greater sales expenses with product distribution and expenses with personnel and social charges. These increases were offset by lower actuarial debt of the Cosipa Pension Fund (FEMCO), debt recovery from contingencies and reversal of provisions for market value inventory adjustments, among others.

The Company's operating margin evolved as follows:

EBIT Margin

3Q10	3Q09	2Q10	9M10	9M09
17.1%	6.1%	17.1%	16.9%	2.4%

EBITDA

EBITDA decreased 16% in 3Q10 when compared to 2Q10, reaching R$ 735 million, due to the lower volume sold in the period, partially offset by an increase in average prices.

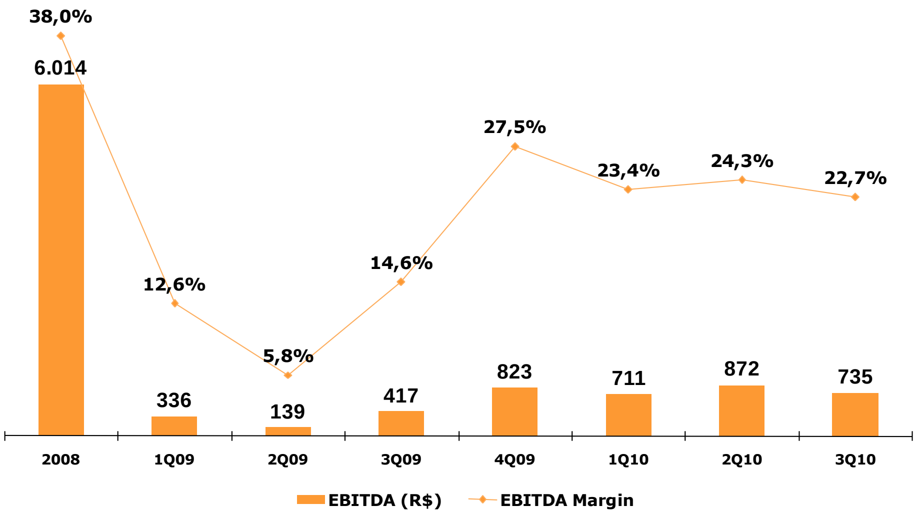
EBITDA in 9M10 grew 160% in comparison with 9M09 and reached R$ 2.3 billion, a reflex of the increase in volume sold.

The margins are shown in the table below:

EBITDA Margin

3Q10	3Q09	2Q10	9M10	9M09
22.7%	14.6%	24.3%	23.5%	11.2%

EBITDA (R$ million)



Financial Result

In 3Q10, net financial revenues amounted to R$ 112 million, against "net financial expenses" which amounted to R$ 129 million in 2Q10, mainly due to the appreciation of the real in relation to the US dollar of around 6% in the quarter against a depreciation of 1% in 2Q10.

In the analysis of 9M10, net financial expenses of R$ 136 million, contrasted with revenues of R$ 636 million appraised in the same period of 2009, mostly due to the effects of the exchange rate appreciation of the real in relation to the US dollar amounting to 3% in 9M10, against an appreciation of the real of around 24% in 9M09.

Financial Income - Consolidated

R$ million	3Q10	3Q09	2Q10	Chg. 3Q10/3Q09	Chg. 3Q10/2Q10	9M10	9M09	Var. 9M10/9M09
Exchange Effects	161,290	316,372	(30,080)	-49%	-	61,555	911,383	-93%
Exchange Variation	176,108	282,725	(6,423)	-38%	-	108,468	900,496	-88%
Hedge Income (Expenses)	(14,818)	33,647	(23,657)	-	-37%	(46,913)	10,887	-
Swap Operations Market Cap. (Law 11,638)	9,789	(21,913)	(26,087)	-	-	920	(62,127)	-
Financial Income	117,990	75,773	81,267	56%	45%	263,567	280,169	-6%
Financial Expenses	(165,302)	(115,559)	(142,459)	43%	16%	(429,094)	(379,246)	13%
Monetary Effects	(11,674)	(54,234)	(11,502)	-78%	1%	(33,333)	(113,827)	-71%
NET INTEREST INCOME	**112,093**	**200,439**	**(128,861)**	**-44%**	**-**	**(136,385)**	**636,352**	**-**

Equity Interest in Controlled Companies

A gain of R$ 59 million was registered in 3Q10, primarily due to the R$ 48 million gain of Ternium.

Revenues reached R$ 180 million in 9M10 mainly due to Ternium's gain of R$ 140 million, against a revenue of R$ 87 million in 9M09 (Ternium gains of R$ 53 million).

Net Income

3Q10 Net profit totaled R$ 495 million, an increase of around 43% in relation to 2Q10, as a result mostly of exchange gains reflected on financial expenses and revenues in the period, offsetting the lower sales volumes of the quarter.

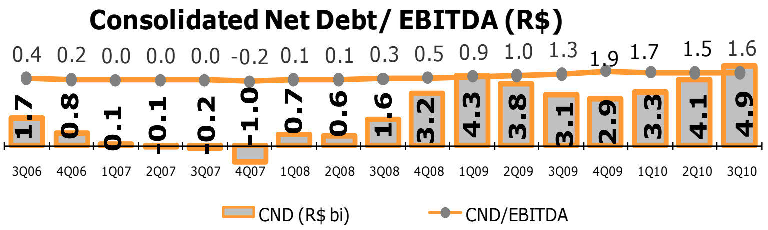
In comparison with 9M09, net profit in 9M10 grew 91% and reached R$ 1.2 billion due to the greater sales volumes, counteracting the reduction of exchange gains from the real valuation in 2010 of around 3% in comparison with the 24% valuation that occurred in the first nine months of 2009.

Indebtedness

Total gross debt on 09/30/10 summed R$ 8.8 billion, against a total debt of around R$ 7.8 billion on 06/30/10. Net debt ended the quarter at R$ 4.9 billion, against R$ 4.1 billion on 06/30/10. The net debt/EBITDA index on 09/30/10 was 1.6x.

At the end of the quarter, the debt breakdown in currency was as follows: 46% in foreign currency and 54% in local currency.

09/30/10	
Cash Position - R$ billion	**3.9**
Total Debt/ EBITDA Ratio	**2.8**
Net Debt/ EBITDA Ratio	**1.6**



Loans and Financing by Index - Consolidated

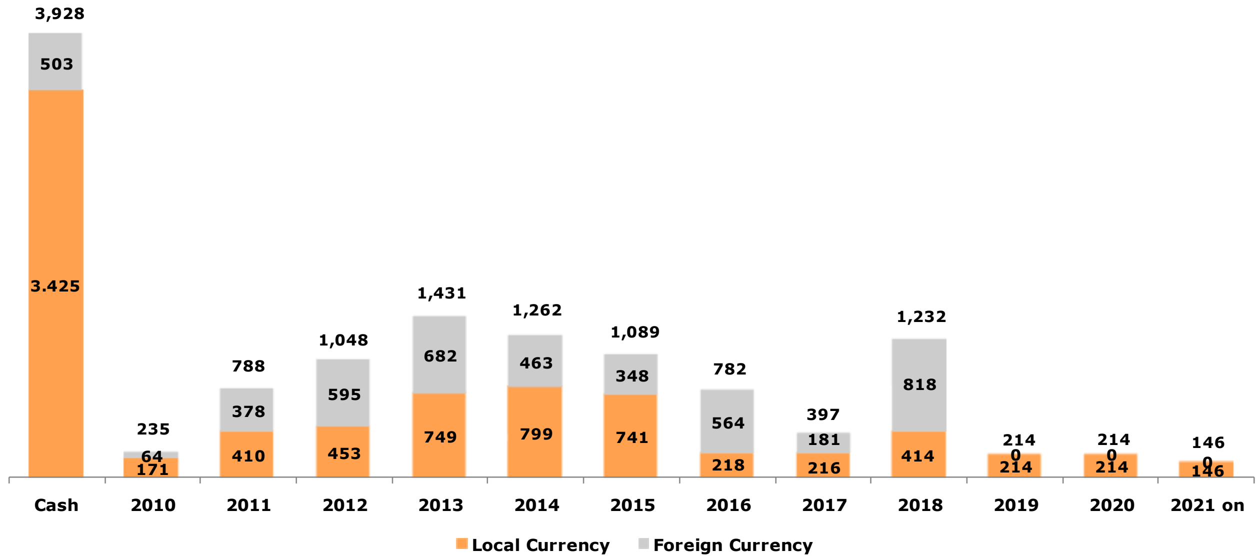
R$ thousand	09/30/2010			%	06/30/10	Chg. sept.10/jun.10
	Short Term	Long Term	TOTAL		TOTAL	
Foreign Currency (*)	**346.750**	**3.746.585**	**4.093.335**	**46%**	**4.207.378**	**-3%**
TJLP	178.762	569.895	748.657	-	612.630	22%
Other local currency	94.841	2.361.961	2.456.802	-	1.391.640	77%
Debentures	25.549	1.100.000	1.125.549	-	1.118.948	1%
Taxes Payable in Installments	65.002	84.332	149.334	-	163.774	-9%
FEMCO	7.264	256.776	264.040	-	296.780	-11%
Local Currency	**371.418**	**4.372.964**	**4.744.382**	**54%**	**3.583.772**	**32%**
TOTAL DEBT	**718.168**	**8.119.549**	**8.837.717**	**100%**	**7.791.150**	**13%**
CASH AND CASH EQUIVALENTS	-	-	**3.928.306**	-	**3.667.540**	**7%**
NET DEBT	**-**	**-**	**4.909.411**	**-**	**4.123.610**	**19%**

(*) 99% of total foreign currency is denominated in US dollars

USIMINAS

Debt Profile

Debt Duration: R$: 59 months
US$: 60 months



Business Units Performance

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

Usiminas Consolidated

Mining	Steel	Steel Processing	Capital Goods
Mineração Usiminas*	**Ipatinga Mill** **Cubatão Mill** **Unigal** **Ternium stake****	**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			
	3Q10	2Q10	9M10	9M09	3Q10	2Q10	9M10	9M09	3Q10	2Q10	9M10	9M09	3Q10	2Q10	9M10	9M09	3Q10	2Q10	9M10	9M09
Net Revenues	291	277	726	299	2,846	3,276	8,943	6,936	620	668	1,842	1,451	389	375	1,056	661	3,241	3,586	9,870	7,940
COGS	(69)	(70)	(205)	(114)	(2,351)	(2,777)	(7,407)	(6,619)	(559)	(575)	(1,615)	(1,359)	(340)	(332)	(919)	(535)	(2,438)	(2,760)	(7,541)	(7,122)
Gross Profit	222	207	521	185	495	499	1536	317	61	93	227	92	49	43	137	126	803	826	2329	818
Operating Income (Expenses)	(25)	(17)	(60)	(51)	(138)	(124)	(396)	(385)	(49)	(48)	(119)	(137)	(37)	(24)	(82)	(51)	(249)	(213)	(657)	(624)
EBIT	197	190	461	134	357	375	1140	(68)	12	45	108	(45)	12	19	55	75	554	613	1672	194
EBITDA	**204**	**198**	**483**	**155**	**514**	**607**	**1711**	**566**	**22**	**56**	**139**	**(17)**	**19**	**26**	**76**	**90**	**735**	**871**	**2317**	**892**
EBITDA Margin	**70%**	**72%**	**67%**	**52%**	**18%**	**19%**	**19%**	**8%**	**4%**	**8%**	**8%**	**-1%**	**5%**	**7%**	**7%**	**14%**	**23%**	**24%**	**24%**	**11%**

M I N I N G

Comments on Business Unit Results

Mineração Usiminas posted net revenues of R$ 291 million in 3Q10, up 5% over the amount registered in the 2Q10 due to an improvement in prices.

The revenues increase reflected directly on the growth of gross margin thus representing a gross profit that was greater by R$ 15 million in 3Q10 when compared with 2Q10.

Operating expenses rose 47% due to greater sales expenses, as a result of the greater volume transported/loaded at the mine and at the terminals, mainly at the TCS, to transport to Cubatão, in addition to greater general and administrative expenses due to third party services hired for the construction of the new plant and installations for the processing of the ore.

3Q10 EBITDA amounted to R$ 204 million, 3% higher than that of 2Q10, generating a margin of 70%.

Operating Performance

in September 2010, an all-time record was reached: more than 600 thousand tons of iron ore were produced and, in the nine-month period, iron ore production surpassed 5.0 million tons.

In 3Q10, iron ore production grew 9% in comparison with that of 2Q10 and, in relation to 3Q09, production in 3Q10 grew 31%.

In the Mining process, another all-time record was reached: in July, 2,349 million tons were transported. The consecutive attainment of previously achieved milestones is primarily due to programs based on motivating collaborators and promoting a safe work environment.

No ore was exported in 3Q10.

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

Iron Ore

Thousand tons	3Q10	3Q09	2Q10	Chg. 3Q10/3Q09	Chg. 3Q10/2Q10	9M 2010	9M 2009	Chg. 9M10/9M09
Production	**1,879**	**1,438**	**1,725**	**31%**	**9%**	**5,113**	**3,917**	**31%**
Sales	191	149	85	28%	125%	596	381	56%
Transferred to Mills	1,196	1,256	1,438	-5%	-17%	4,006	3,491	15%
Total - Sales + Transferences to Mills	**1,387**	**1,405**	**1,523**	**-1%**	**-9%**	**4,602**	**3,872**	**19%**

Mineração Usiminas – MUSA S.A.

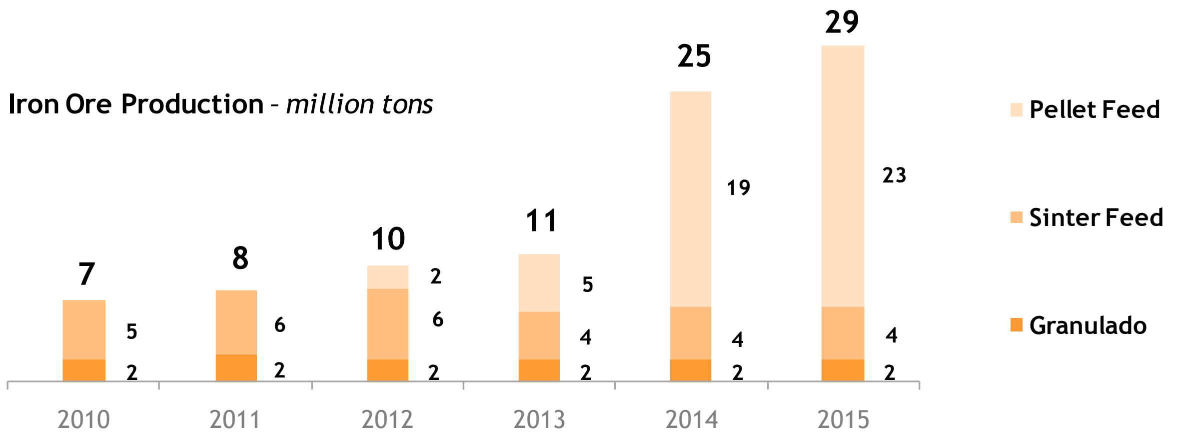
The creation of Mineração Usiminas S.A. (MUSA) implies in the transfer of assets from Usiminas property to MUSA, comprising the mining assets of the Serra Azul region, the share in ore shipping terminals in the Serra Azul region, 83.3% of Usiminas' stake in the capital equity of MRS and the land located in Itaguaí, Rio de Janeiro (Port).

Mineração Usiminas has a great potential for growth in the region of Serra Azul, given its size, availability of capital and integrated logistic function. Through a greater integration of the mining and logistic activities, in combination with the assurance of supply of a certain amount of ore by Usiminas, this represents an important step towards integrating steelmaking to the ore, planned since the acquisition of the assets of J. Mendes.

Investments/Outlook

With the intention of contributing even further to the Group's consolidated result, the mining unit is working on projects to optimize the three existing plants and building a new processing plant. This investment will gradually increase production over the next years, and in 2015, Usiminas expects to reach the production annual capacity of 29 million tons. The investments for the period between 2010 and 2015 are estimated at R$ 4.1 billion.

The estimated production volumes for the next years are shown below.



Logistics – MRS Stake

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

Usiminas, Vale, MBR, Gerdau and CSN comprise the Shareholders' Group that controls MRS. Usiminas holds 20% of the voting capital and is part of the Company's control group.

The 9M10 results have not yet been released, however, by the first half of 2010, MRS transported 68.7 million tons of cargo in general, among which, iron ore, coal/coke, steel products, cement and others.

S T E E L

Flat Steel Market

The Brazilian flat steel market has been negatively affected by the overvaluation of the real, that also decreases the competitiveness of exporting sectors, as well as the increasing competition of imported products. In addition, the stocking effect, which began in 1Q10, spurred mainly by the price premium, has also had an impact. In 3Q10, the sector's behavior reversed due to the fact that the inventories of the members of the National Steel Distributors' Institute (INDA) surpassed the consumption for flat steels.

Estimates show that the Brazilian flat steel market consumed in 3Q10 3.3 million tons, of which 75% of the volume was provided by the local mills and 25% by imported material.

In 3Q10, consumption shrank 14% in relation to the previous quarter, due to the anticipation of purchases and the consequent stockpiling. Within this scenario, imports grew in detriment to the sales of local mills. The entry of direct and indirect steel imports continues to impact the sales performance of local mills in a scenario of heated competition through prices, and the imported product lines that registered significant growth were heavy plates (+52%), EG (+227%) and HDG (+38%).

Market Sectors and Share

The consumption estimates show a decline in all sectors, with the exception of Industry, mainly in the Naval industry, due to the relocation of projects from the first half to the second half, Agricultural Machinery due to the seasonality of the sector and Road Machinery, due to a recovery spurred by tax incentives expected to last until December.

The same occurred with the sales of local mills, in which the sectors registered a reduction during this period. The Auto and White Line sectors, due to the end of the IPI tax reduction incentives, the Distribution and Civil Construction sectors due to anticipation of purchases and consequent stockpiling in 3Q10.

In all segments Usiminas has acted strongly through a higher supply of products and services and the regularization of orders.

Comments on Business Unit Results

The Steel Unit in 3Q10 posted net revenues of R$ 2.8 billion, down 13% in comparison with that of 2Q10 with emphasis on:

- decrease in volume sold of 271 thousand tons;
- the average price per ton of finished products sold was higher by around 3% as compared with that of 2Q10, going from R$ 1,772 to R$ 1,822;
- increase in share of sales to the local market, going from 79% in 2Q10 to 80% in 3Q10.

COGS in 3Q10 were 15% inferior compared to 2Q10 due to lower volume sold in the quarter and to the reduction in expenses with personnel. The COGS/net revenue ratio went from 85% in 2Q10 to 83% in 3Q10.

The expenses and operating revenue increase was a result of higher distribution, general and administrative expenses.

The EBITDA of 3Q10 reached R$ 514 million, 15% lower than that of 2Q10 due mostly to the decrease in Company revenues. The margin remained stable and reached 18%.

Operating Performance

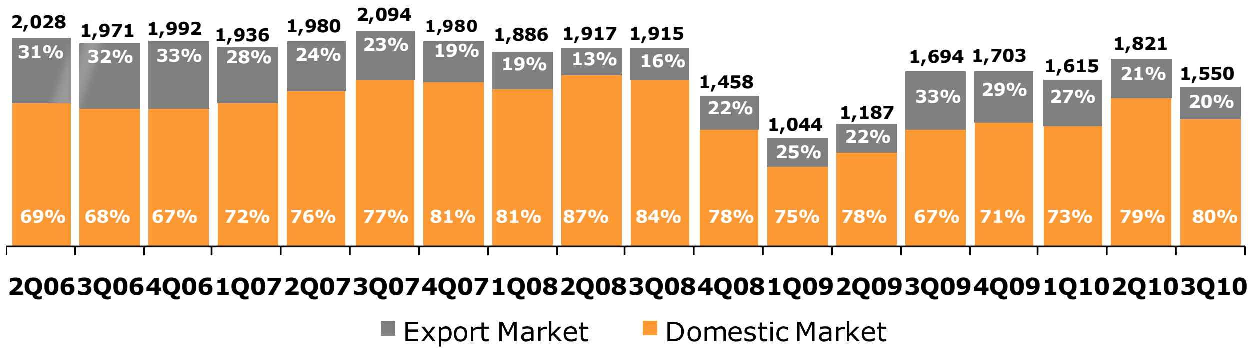
Usiminas' total sales in 3Q10 declined 15% in comparison with those of 2Q10, reaching a total of 1.5 million tons. The local market accounted for a total of 1.2 million tons of products, corresponding to a decrease of 14% when compared with local market sales in 2Q10.

Exports, however, decreased 18% in 3Q10 as compared with those in 2Q10 and represented 20% of sales in the quarter.

A recovery occurred in traditional markets, such as Argentina (+80%) and a growth was registered in the company's large export destinations, such as China (+82%).

In the nine-month period of 2010, sales totaled 5.0 million tons, up 27% over the sales of 9M09. The local market mix stood at 77%. A total of 23% of the sales were exported, surpassing 1 million tons, 4% above compared with 9M09, with China and Latin America as the main markets.

Consolidated Sales (000 t)



Exports - Main Markets – 3Q10

Country	Thousand Tons	Share %
China	109	35%
Singapore	16	5%
Colombia	18	6%
Vietnam	10	3%
Chile	32	10%
USA	24	8%
Argentina	45	14%
Spain	14	4%
Others	47	15%
Total	**315**	**100%**

Exports - Main Markets – 9M10

Country	Thousand tons.	Share %
China	221	19%
Chile	80	7%
Colombia	50	4%
Argentina	94	8%
Thailand	10	1%
USA	92	8%
Taiwan	49	4%
Spain	60	5%
Peru	28	2%
Others	456	41%
Total	**1,141**	**100%**

Sectorial Sales Breakdown - Consolidated

Thousand tons	3Q10		3Q09		2Q10		Chg. 3Q10/3Q09	Chg. 3Q10/2Q10	9M10		9M09		Chg. 9M10/9M09
Domestic Market	**1,235**	**100%**	**1,134**	**100%**	**1,437**	**100%**	**9%**	**-14%**	**3,845**	**100%**	**2,834**	**100%**	**36%**
Automotive	456	37%	378	33%	451	32%	21%	1%	1,313	34%	1,011	36%	30%
Industrial	359	29%	231	20%	305	21%	55%	18%	894	23%	589	21%	52%
Distribution / Civil Construction	420	34%	525	66%	681	47%	-20%	-38%	1,638	43%	1,234	44%	33%

Net Revenues per Ton

R$ / t.	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	4Q08	3Q08	2Q08
Heavy Plates	1,746	1,631	1,575	1,712	1,570	1,860	2,475	2,993	2,486	2,112
Hot Coils/Sheets	1,720	1,683	1,569	1,472	1,477	1,707	1,991	2,202	1,951	1,622
Cold Coils/Sheets	1,985	1,919	1,740	1,671	1,539	1,862	2,058	2,391	2,151	1,836
Electrogalvanized Coils	2,607	2,484	2,387	2,208	2,093	2,286	2,558	2,552	2,399	2,237
Hot Dip Galvanized Coils	2,606	2,564	2,483	2,440	2,253	2,344	2,572	2,817	2,525	2,328
Processed Products	2,652	2,378	2,393	2,413	2,250	1,647	2,314	2,557	2,224	1,958
Slabs	710	797	727	790	649	700	938	1,551	1,444	902
Total	**1,822**	**1,772**	**1,660**	**1,623**	**1,493**	**1,781**	**2,124**	**2,416**	**2,138**	**1,910**

Sales Volume Breakdown - Consolidated

Thousand tons	3Q10		3Q09		2Q10		Chg. 3Q10/3Q09	Chg. 3Q10/2Q10	9M10		9M09		Chg. 9M10/9M09
TOTAL SALES	**1,550**	**100%**	**1,694**	**100%**	**1,821**	**100%**	**-8%**	**-15%**	**4,986**	**100%**	**3,929**	**100%**	**27%**
Heavy Plates	357	23%	277	16%	381	21%	29%	-6%	1,061	21%	768	20%	38%
Hot Coils/Sheets	483	31%	488	29%	577	32%	-1%	-16%	1,571	32%	1,155	29%	36%
Cold Coils/Sheets	365	24%	465	27%	495	27%	-22%	-26%	1,342	27%	1,050	27%	28%
Electrogalvanized Coils	59	4%	63	4%	63	3%	-7%	-6%	174	3%	138	4%	27%
Hot Dip Galvanized Coils	118	8%	125	7%	127	7%	-6%	-8%	344	7%	317	8%	9%
Processed Products	36	1%	41	2%	40	2%	-13%	-10%	107	2%	104	2%	3%
Slabs	134	9%	235	15%	138	8%	-43%	-3%	386	8%	397	10%	-3%
DOMESTIC MARKET	**1,235**	**80%**	**1,134**	**67%**	**1,437**	**79%**	**9%**	**-14%**	**3,845**	**77%**	**2,834**	**72%**	**36%**
Heavy Plates	276	14%	166	10%	244	13%	66%	13%	686	14%	436	11%	58%
Hot Coils/Sheets	427	29%	427	25%	527	29%	0%	-19%	1,381	27%	1,034	26%	34%
Cold Coils/Sheets	319	22%	329	19%	436	24%	-3%	-27%	1,151	23%	809	21%	42%
Electrogalvanized Coils	54	4%	46	3%	58	4%	18%	-7%	160	3%	113	3%	42%
Hot Dip Galvanized Coils	106	7%	103	6%	116	6%	3%	-8%	308	6%	268	7%	15%
Processed Products	28	2%	31	2%	27	1%	-10%	4%	78	2%	80	2%	-3%
Slabs	25	2%	32	2%	29	2%	-22%	-14%	81	2%	94	2%	-14%
EXPORTS	**315**	**20%**	**560**	**33%**	**384**	**21%**	**-44%**	**-18%**	**1,141**	**23%**	**1,095**	**28%**	**4%**
Heavy Plates	81	5%	111	7%	137	7%	-27%	-41%	375	7%	332	8%	13%
Hot Coils/Sheets	55	4%	61	4%	50	3%	-9%	10%	190	4%	121	3%	57%
Cold Coils/Sheets	46	3%	136	8%	58	3%	-66%	-21%	191	4%	241	6%	-21%
Electrogalvanized Coils	4	0%	17	1%	5	0%	-74%	-4%	14	0%	25	1%	-42%
Hot Dip Galvanized Coils	11	1%	22	1%	12	1%	-48%	-3%	36	1%	49	1%	-25%
Processed Products	8	1%	10	1%	13	1%	-21%	-39%	30	1%	24	1%	25%
Slabs	109	6%	203	11%	109	6%	-46%	0%	305	6%	303	8%	1%

Brazilian and World Production

Brazilian crude steel production until September/10 totaled 24.8 million tons of crude steel and 19.7 million tons of finished products, representing an increase of 34.4% and 40.3% respectively, in comparison with the same period of 2009.

According to preliminary data of the World Steel Association, the global crude steel production in 3Q10 decreased 6% in relation to 2Q10, amounting to 339 million tons. In 9M10, the production was 1.05 billion tons of crude steel, up 6% in relation to 9M09, with China heading the main producers with 45% of global production.

Production - Ipatinga and Cubatão Mills

In 3Q10, the production of crude steel at the Ipatinga and Cubatão mills was 2.0 million tons, remaining stable in relation to 2Q10. The production of finshed products was 1.8 million tons, 7% lower than the production reached in 2Q10.

Crude steel production in 9M10 was 5.7 million tons, up 51% over the production registered in 9M09. In terms of finished products, the volume produced was 5.4 million tons, up 41% over that of 9M09.

Investment Program (Capex)

Investments on fixed assets in 3Q10 summed R$ 697 million, totaling an overall disbursement of R$ 2.2 billion in 9M10. The current situation of the main investment projects is detailed below:

Investments	Goal	Status	Project Capex	Total Executed up to September/2010
Heavy-Plate Rolling Mill (Ipatinga)	Accelerated Heavy Plate Cooling Technology - meeting the requirements of the pre-salt exploitation projects Production increase to 1,350 thousand tons/year.	Under operation: Homologation Stage Start-up: 4Q/2012.	R$ 1.050 billion	R$ 441 million
New HDG Line (Ipatinga)	Production of 550 thousand tons/year of hot dipped galvanized products. (Ipatinga Mill)	Construction and assembling works in progress. Construction work for the structure of the building by Usiminas Mecânica. Assembling works of the line: March 2010. Start-up: 1H/2011.	R$ 914 million	R$ 661 million
New Hot Strip Mill #2 (Cubatão)	Production of 2.3 million tons/year (Cubatão Mill)	Skinpass Mill: Equipments contracted and in the project detailing stage. Construction and assembling works in progress. Construction work for the structure of the building by Usiminas Mecânica. Start-up: 2H/2011.	R$ 2.530 billion	R$ 1.135 billion

Ternium Stake

Ternium is one of the largest steel producers in the Americas and offers a wide range of products, including flat and long steel products. The company has operating facilities in Mexico, (Hylsa and IMSA) and Argentina (Siderar) and in the US (Ternium USA) and has a wide distribution network.

Usiminas holds 14.25% of Ternium's total capital, of which it is partner along with the Techint group.

Ternium's results are registered in Usiminas balance sheet with a delay of one quarter, and the results for the 3rd quarter had not yet been reported by the time Usiminas' results were released.

Unigal

Unigal is a joint-venture between Usiminas (70% stake) and Nippon Steel (30% stake) aimed at processing coils through hot dipped galvanizing.

Its main investment is aimed at increasing the production capacity in 550 thousand tons/year from the current 480 thousand tons, to meet the needs of the rising offer for galvanization services, as a result of the increase in demand for such products, mainly for the auto, electronic product and civil construction sectors. The expectation for the startup of the operation in the first quarter of 2011 is maintained.

STEEL PROCESSING

Comments on Business Unit Results

In the Steel Processing unit, net revenues was 7% lower than that registered in 2Q10. This decline was due to a 6% drop in volume and in the average sales prices of Soluções Usiminas. In turn, Automotiva Usiminas contributed positively with an increase in revenue of R$ 7 million or up 9% in relation to 2Q10.

The COGS/net revenues ratio jumped from 86% to 90%. Operating expenses and revenues remained stable. Gross profit, impacted by the lower volume sold, registered a reduction of R$ 32 million.

EBITDA in 3Q10 reached R$ 22 million and the EBITDA margin, 4%. The impact on the cash flow was mainly due to the lower prices which were strongly pressured by imports and also by the drop in volumes sold by Soluções Usiminas.

It is worthwhile pointing out that as of this quarter, the Business Segmentation criteria was changed transferring the values related to Galvanization (Unigal) from the Steel Processing Business Unit to the Steel Unit.

- **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 more than 2 million tons of processed steel a 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 auto sector, auto parts, civil construction, distribution, electronic products, machinery and equipment, household appliances and others.

In 3Q10, the sales of the Distribution, Services and Pipes business unit accounted for respectively 49%, 40%, 11% of the volume sold, with emphasis on sales to the following sectors: autos, auto parts, machinery and industrial equipment, civil construction and domestic appliances. Exports were mainly aimed at: Argentina, Bolivia, Paraguay, Peru and Uruguay.

In the first half of 2010, Soluções Usiminas was ranked by the National Steel Distributors Institute (INDA) with a share of 18% of the total members. If considering only the service centers linked to the Brazilian steel mills, this share jumps to 42%.

- **Automotiva Usiminas**

Highlight

Net sales were 53% above those of the same quarter last year and Net profit was 316% above that of the same quarter last year. EBITDA was 142% higher than that of the same quarter last year. The results of 9M10 were also greater than those registered in 9M09.

Outlook

The company, in addition to following the operational growth of its current clients, plans to offer new services, adding value to the steel supplied by the mills, transforming plates into products, such as truck, bus and light vehicle cabs and components produced by its unit in Pouso Alegre, Minas Gerais state. It plans to open in the 4th quarter the painting and assembly line of a new product in the auto segment.

C A P I T A L G O O D S

Comments on Business Unit Results

The Capital Goods unit registered in 3Q10 net revenues of R$ 389 million, up around 4% over that of 2Q10, positively impacted by the execution of the assembly, structures and equipments for Usiminas vacuum desulphuring facilities.

The COGS/net revenues ratio receded from 89% to 87% in 3Q10, due basically to a recovery in the results of the projects that registered a negative effect in 2Q10, such as the Continuous Online Control or CLC, amounting to R$ 11 million.

Thus, gross profit was greater by R$ 6 million when compared to 2Q10. Operating expenses and revenues grew 54% due to the payment of tax and labor lawsuits and other expenses, amounting to a total of R$ 19 million.

EBITDA of 3Q10 totaled R$ 19 million and the margin was 5%, down 2 percentage points from that of 2Q10.

Usiminas Mecânica S.A.

Usiminas Mecânica, the Group's capital goods arm, is among the largest capital goods companies in the country.

The company operates in the following business areas:

- 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

Among the markets where the company operates, the current focal point is in the following sectors:

- Shipbuilding, Oil & Gas: the company is continuing the implementation of a strategy to meet the demand of the Offshore market by supplying small-scale naval blocks for Platform Supply Boats and Tug Supply, and is developing know-how for larger projects;
- Steelmaking and Mining: seeks integrated solutions and turnkey projects for the EPC-oriented Steelmaking Unit. Currently has the Vacuum Degassing System of the Ipatinga Mill in its portfolio;
- Infrastructure: recognized in this segment, it will participate in the sports events of the 2014 World Cup and the Olympics of 2016 by taking part in the construction of stadiums, walkways, viaducts, parking buildings, airports and malls;
- Electricity: it is able to provide equipment for hydroelectric power plants and small hydroelectric power stations and has the Rio Madeira Complex project (Santo Antonio and Jirau hydroelectric power plants) in its portfolio and will seek new enterprises, such as the Belo Monte hydroelectric power plant.
- Paper and Pulp: has the technology to manufacture heavy equipment, to meet the demand, for example, of the Eldorado Project, which will start operating at the end of 2012 in Mato Grosso do Sul state, and will be the largest global producer of paper and pulp.

The Company's main ongoing contracts are within the established schedule with the clients, such as:

- Building of Towers, Vessels and Tanks for Refinaria do Nordeste (RNEST) in Pernambuco state;
- Manufacture of 2 Converters and 16 Steel Vats for the Gerdau/Açominas Mill in Ouro Branco.
- Manufacture of metal structures for the steel shop and rolling facility buildings of the Vallourec & Sumitomo Steelworks in Jeceaba, Minas Gerais state;

- Manufacture of metallic structures for the Pelletizing VIII Mill of VALE in Vitória, Espírito Santo state.

- Electromechanical assembly of projects for Usiminas: Unigal in Ipatinga – New hot-rolling facility in Cubatão.

Investments

- Foundry and forging: undergoing an expansion and modernization, scheduled to be concluded by 4Q11. Installed capacity: will reach 41 thousand ton/year.

- Manual and mechanized molding line already contracted. Startup of projects in September/2010.

- Acquisition of specific welding machine for welding panels for the manufacture of large-scale welding blocks.

- Acquisition of Vertical Lathe for machining parts weighing 100 tons to meet the demand of the foundry area and the electricity sector (hydroelectric power plants).

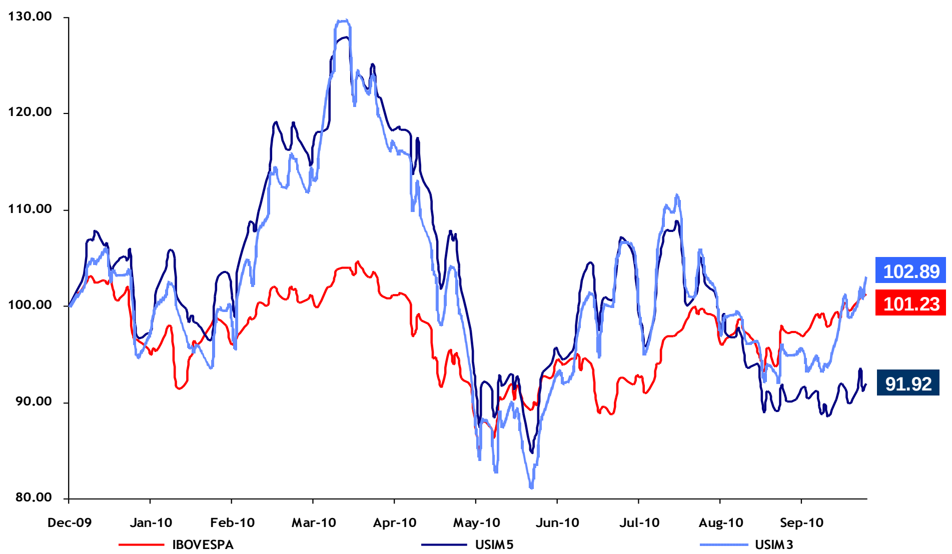
Capital Markets

Performance in BM&F BOVESPA

Usiminas' common stock (USIM3) ended the quarter quoted at R$ 25.77 per share and the preferred stock (USIM5) quoted at R$ 22.70 per share. The appreciation in the quarter of the common share was 8.7% and the depreciation of the preferred share was 5.6%. In the same period, Ibovespa appreciated 13.9% On 09/30/10, Usiminas' market value was R$ 23.0 billion. By September/2010, the variation of Usiminas' stock in relation to Ibovespa's variation is shown below.

USIM5 and USIM3 versus Ibovespa

From (basis 100) 12/30/2009 to 09/30/2010



Performance Summary - BM&FBOVESPA (USIM5)

	3Q10	3Q09	Chg. 3Q10/3Q09	2Q10	Chg. 3Q10/2Q10
Number of Trades	**419,776**	**374,278**	***12%***	**394,257**	***6%***
Daily Average	*6,559*	*5,848*	*12%*	*6,359*	*3%*
Traded - thousand shares	**401,396**	**393,878**	***2%***	**377,060**	***6%***
Daily Average	*6,272*	*6,154*	*2%*	*6,082*	*3%*
Financial Volume - R$ million	**9,625**	**8,605**	***12%***	**9,660**	***0%***
Daily Average	*150*	*134*	*12%*	*156*	*-3%*
Maximum	**24.67**	**25.07**	***-2%***	**32.23**	***-23%***
Minimum	**21.77**	**17.68**	***23%***	**20.76**	***5%***
Closing	**22.70**	**23.36**	***-3%***	**24.06**	***-6%***
Number of Shares	**1,013,786**	**506,893**	***100%***	**506,893**	***100%***
Market Capitalization - R$ million	**23,013**	**23,677**	***-3%***	**24,387**	***-6%***

Foreign Exchanges

NASDAQ – New York

The common and preferred stock of Usiminas are traded in the United States as Level 1 in the OTC market. On 09/30/10 the "USNZY" shares (preferred – type A), of higher liquidity, were quoted at US$ 13.40, and registered a depreciation in the quarter of 2.51%.

Latibex – Madri

On 09/30/10, the XUSI shares (preferred) ended the quarter quoted at € 9.81 and depreciated 12.1%. The XUSIO shares (common) ended quoted at € 11.11, with a depreciation of 0.45%.

Material Facts of the Quarter

Usiminas executes agreement with Sumitomo and concludes negotiations for partnership in Mineração Usiminas

Usiminas concluded negotiations and executes definitive agreements for the establishment of a joint-venture with the Sumitomo Corporation ("Sumitomo") for the development of the Mineração Usiminas business. The Material Fact regarding the deal was published in 09/27/10.

New coke oven starts operating at Ipatinga mill (Minas Gerais state)

Aimed at adding value and reducing costs, Coke Oven no. 3 began operating in September at the Ipatinga Mill. With investments of R$ 707 million, it has the capacity to produce 750 thousand tons of coke a year and it is the first step to self sufficiency in coke, which should be reached in 2013. The electromechanical assembly of the project was provided by Usiminas Mecânica, the capital goods arm of the Usiminas group, with 12,900 tons of metal structures and equipment.

Usiminas is awarded the Transparency Award

Usiminas was one of the winners of the Transparency Award granted annually by the National Association of Finance, Administration and Accounting Executives (ANEFAC) to companies with most transparency in financial statements. The Company has earned this award seven times in recognition for the best financial statements published in Brazil.

Extraordinary Shareholders' Meeting approves stock split

The Extraordinary Shareholders' Meeting held on 09/27/10 approved the stock split of Company-issued shares in the proportion of one (01) new share for every existing share. Therefore, each share of the capital stock will be represented by two (2) shares.

The shares arising from the stock split will be of the same type and class, entitling the holders to the same rights of the previously existing shares. The shareholders that had acquired or maintained the shareholding position until 09/27/10 had the right to receive the shares arising from the stock split. As of 09/28/2010, the shares issued by the Company were traded without the right to receive the shares arising from the stock split. By virtue of the stock split, the Company's capital stock is currently divided into 1,013,786,190 shares, of which 505,260,684 are common shares, 508,438,732 are preferred class A shares and 86,774 are preferred class B shares, leaving the Company's capital stock unchanged.

Board of Directors approved payment of Interest on Own Capital

Usiminas' Board of Directors, at a meeting held on 09/28/10, approved a proposal of the Management for distribution to the shareholders, holders of shares on October 07, 2010, based on the Company's net income in the first half of 2010, the amount of R$ 230.2 million, in the form of interest on own capital, intermediate, entitling each common share to R$ 0.222260 and each preferred share to R$ 0.244485. The Withheld Income Tax of 15% will be deducted from the amounts of interest on own capital in compliance with the legal exceptions. As of October 08, 2010, the shares were negotiated "ex-interest". The payment of this interest was made as of October 20, 2010.

For further information

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ADRs - Depositary Bank

Visit our Investor Relations page: www.usiminas.com/ri
or by mobile phone: m.usiminas.com/ri

3Q10 Conference Call - Date 10/28/2010	
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: 47694 - portuguese	Pincode for replay: 47697 - 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	30/sept/2010	30/june/2010
Current Assets	**11,647,129**	**10,705,409**
Cash and Cash Equivalents	3,928,306	3,667,540
Trade Accounts Receivable	1,930,523	2,297,743
Taxes Recoverable	523,451	451,189
Inventories	5,010,460	3,998,908
Advances to suppliers	61,230	70,466
Financial Instruments	23,384	27,058
Other Securities Receivables	169,775	192,505
Long-Term Receivable	**1,269,785**	**1,151,353**
Deferred Income Tax & Social Contrb'n	354,266	290,752
Deposits at Law	338,435	331,669
Accounts Receiv. Affiliated Companies	6,292	6,864
Taxes Recoverable	231,193	253,093
Financial Instruments	278,637	216,144
Others	60,962	52,831
Permanent Assets	**17,406,650**	**16,953,668**
Investments	2,028,507	2,075,554
Property, Plant and Equipment	13,619,937	13,124,034
Intangible	1,758,206	1,754,080
Total Assets	**30,323,564**	**28,810,430**

Balance Sheet - Liabilities and Shareholders' Equity - Consolidated

IFRS - R$ thousand

Liabilities and Shareholders' Equity	30/sept/2010	30/june/2010
Current Liabilities	**3,474,447**	**3,182,114**
Loans and Financing and Taxes Payable in Installments	710,904	667,404
Suppliers, Subcontractors and Freight	1,119,065	1,116,304
Wages and social charges	314,890	284,315
Taxes and taxes payables	255,073	219,799
Related Companies	80,970	75,961
Financial Instruments	61,318	56,810
Dividends Payable	232,040	2,617
Customers Advances	359,227	320,410
Others	340,960	438,494
Long-Term Liabilities	**9,833,666**	**8,766,904**
Loans and Financing and Taxes Payable in Installments	7,862,773	6,826,966
Actuarial Liability	1,036,456	1,064,781
Provision for Contingencies	369,145	368,820
Financial Instruments	367,120	305,402
Environmental protection provision	96,453	95,373
Others	101,719	105,562
Minority Interests	**373,341**	**376,938**
Shareholders' Equity	**16,642,110**	**16,484,474**
Capital	12,150,000	12,150,000
Reserves & Revenues from Fiscal Year	4,492,110	4,334,474
Total Liabilities and Shareholders' Equity	**30,323,564**	**28,810,430**

Income Statement - Consolidated

IFRS

R$ thousand	3Q10	3Q09	2Q10	Chg. 3Q10/3Q09
Net Revenues	**3,240,501**	**2,857,658**	**3,586,635**	13%
Domestic Market	2,874,177	2,342,754	3,149,628	23%
Export Market	366,324	514,904	437,007	-29%
COGS	(2,437,079)	(2,533,991)	(2,760,288)	-4%
Gross Profit	**803,422**	**323,667**	**826,347**	148%
Gross Margin	**24.8%**	**11.3%**	**23.0%**	**+ 13.5 p.p.**
Operating Income (Expenses)	**(249,331)**	**(149,519)**	**(213,444)**	67%
Selling	(111,059)	(70,971)	(96,581)	56%
General and Administrative	(132,610)	(110,704)	(122,472)	20%
Others, Net	(5,662)	32,156	5,609	-
EBIT	**554,091**	**174,148**	**612,903**	-
EBIT Margin	**17.1%**	**6.1%**	**17.1%**	**+ 11.0 p.p.**
Financial Result	**112,093**	**200,439**	**(128,861)**	-
Financial Income	76,282	10,686	86,706	-
Financial Expenses	35,811	189,753	(215,567)	-
Equity Income	58,903	169,504	67,551	-65%
Operating Profit (Loss)	**725,087**	**544,091**	**551,593**	33%
Income Tax / Social Contribution	(229,959)	(111,394)	(204,809)	106%
Net Income (Loss)	**495,128**	**432,697**	**346,784**	14%
Net Margin	**15.3%**	**15.1%**	**9.7%**	**+ 0.1 p.p.**
Attributable				
Shareholders	**495,335**	**431,036**	**338,752**	15%
Minority Shareholders	**(207)**	**1,661**	**8,032**	-112%
EBITDA	**735,307**	**416,841**	**871,783**	76%
EBITDA Margin	**22.7%**	**14.6%**	**24.3%**	**+ 8.1 p.p.**
Depreciation and amortization	204,530	226,006	200,466	-10%
Provisions	(23,315)	16,687	58,415	-

Income Statement - Consolidated

IFRS

R$ thousand	9M10	9M09	Chg. 9M10/9M09
Net Revenues	**9,869,935**	**7,939,721**	24%
Domestic Market	8,532,253	6,605,812	29%
Export Market	1,337,682	1,333,909	0%
COGS	(7,540,286)	(7,121,636)	6%
Gross Profit	**2,329,649**	**818,085**	185%
Gross Margin	**23.6%**	**10.3%**	**+ 13.3 p.p.**
Operating Income (Expenses)	**(657,039)**	**(623,999)**	5%
Selling	(283,095)	(205,520)	38%
General and Administrative	(378,542)	(332,775)	14%
Others, Net	4,598	(85,704)	-
EBIT	**1,672,610**	**194,086**	762%
EBIT Margin	**16.9%**	**2.4%**	**+ 14.5 p.p.**
Financial Result	**(136,385)**	**636,352**	-
Financial Income	237,140	60,845	290%
Financial Expenses	(373,525)	575,507	-
Equity Income	180,042	82,644	-
Operating Profit (Loss)	**1,716,267**	**913,082**	88%
Income Tax / Social Contribution	(545,569)	(299,408)	82%
Net Income (Loss)	**1,170,698**	**613,674**	91%
Net Margin	**11.9%**	**7.7%**	**+ 4.2 p.p.**
Attributable			
Shareholders	**1,152,993**	**613,484**	88%
Minority Shareholders	**17,705**	**190**	9218%
EBITDA	**2,317,767**	**892,361**	160%
EBITDA Margin	**23.5%**	**11.2%**	**+ 12.3 p.p.**
Depreciation and amortization	604,977	637,445	-5%
Provisions	40,180	60,830	-34%

Cash Flow - Consolidated

IFRS

R$ thousand	3Q10	3Q09
Operating Activities Cash Flow		
Net Income (Loss) in the Period	495,128	432,697
Financial Expenses and Monetary Var. / Net Exchge Var.	(176,046)	(377,180)
Interest Expenses	133,833	84,550
Depreciation and Amortization	204,530	226,006
Write-offs (Decrease in Permanent Assets and Deferred Charges)	576	1,499
Equity in the Results of Subsidiaries/Associated Companies	(58,903)	(169,505)
Income Tax and Social Contribution	(64,886)	46,811
Provisions	(11,481)	21,732
Total	**522,751**	**266,610**
Increase/Decrease of Assets		
Securities	26,507	79,424
In Accounts Receivables	367,220	(288,208)
In Inventories	(1,011,552)	573,330
In Recovery of Taxes	(50,361)	136,480
In Judicial Deposits	1,293	362
In Accounts Receiv. Affiliated Companies	572	1,923
Others	(32,782)	54,114
Total	**(699,103)**	**557,425**
Increase (Decrease) of Liabilities		
Suppliers, contractors and freights	2,761	228,961
Amounts Owed to Affiliated Companies	(1,331)	6,963
Customers Advances	38,817	14,870
Tax Payable	(85,934)	48,099
Income Tax and Social Contribution	122,195	7,339
Interest Paid	(92,880)	(116,183)
Actuarial Liability payments	(36,636)	(37,446)
Others	(64,049)	44,688
Total	**(117,057)**	**197,291**
Net Cash Generated from Operating Activities	**(293,409)**	**1,021,326**
Investments activities cash flow		
(Additions) Right off of investments	127	9,518
(Additions) to Permanent Assets	(685,361)	(686,715)
Additions to Intangible	(11,943)	11,185
Capitalized Interest	0	77,165
Zamprogna Acquisition	0	(22,627)
Dividends Received	444	37,428
Net Cash Employed on Investments Activities	**(696,733)**	**(574,046)**
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	1,457,657	68,285
Payment of Loans, Financ. & Debent.	(163,641)	(162,815)
Interest Paid on Loans, Financing and Debentures	(15,931)	(3,651)
Swap Operations Redemptions	(588)	6,577
Dividends and Interest on Capital	(82)	(87,459)
Net Cash Generated from (Employed on) Financial Activities	**1,277,415**	**(179,063)**
Net Increase (Decrease) of Cash and Cash Equivalents	**287,273**	**268,217**
Cash and Cash Equivalents at the Beginning of the Period	2,634,281	1,877,686
Cash and Cash Equivalents at the End of The Period	2,921,554	2,145,903

RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	2,634,281	1,877,686
Marketable securities at the beginning of the period	1,033,259	931,672
Cash and cash equivalents at the beginning of the period	**3,667,540**	**2,809,358**
Net increase (decrease) of cash and cash equivalentes	287,273	268,217
Net increase (decrease) of marketable securities	(26,507)	(79,424)
Cash and cash equivalents at the end of the period	2,921,554	2,145,903
Marketable securities at the end of the period	1,006,752	852,248
Cash and cash equivalents at the end of the period	**3,928,306**	**2,998,151**

Cash Flow - Consolidated

IFRS

R$ thousand	9M10	9M09
Operating Activities Cash Flow		
Net Income (Loss) in the Period	1,170,698	613,674
Financial Expenses and Monetary Var. / Net Exchge Var.	(60,815)	(1,027,940)
Interest Expenses	290,996	300,070
Depreciation and Amortization	604,977	637,445
Write-offs (Decrease in Permanent Assets and Deferred Charges)	3,166	12,708
Equity in the Results of Subsidiaries/Associated Companies	(180,041)	(82,645)
Income Tax and Social Contribution	(62,467)	18,273
Provisions	106,450	42,258
Total	**1,872,964**	**513,843**
Increase/Decrease of Assets		
Securities	(21,901)	231,515
In Accounts Receivables	(137,380)	(219,540)
In Inventories	(1,373,257)	1,569,293
In Recovery of Taxes	(46,074)	297,878
In Judicial Deposits	(18,468)	(29,098)
In Accounts Receiv. Affiliated Companies	1,052	25
Others	(32,408)	114,410
Total	**(1,628,436)**	**1,964,483**
Increase (Decrease) of Liabilities		
Suppliers, contractors and freights	303,779	47,273
Amounts Owed to Affiliated Companies	(21,102)	(17,597)
Customers Advances	161,682	17,441
Tax Payable	(23,738)	79,645
Income Tax and Social Contribution	139,916	(435,276)
Interest Paid	(289,901)	(345,747)
Actuarial Liability payments	(109,410)	(111,298)
Others	53,089	(601)
Total	**214,315**	**(766,160)**
Net Cash Generated from Operating Activities	**458,843**	**1,712,166**
Investments activities cash flow		
(Additions) Right off of investments	(32,400)	30,000
(Additions) to Permanent Assets	(2,199,896)	(1,443,646)
Additions to Intangible	(14,274)	11,878
Capitalized Interest	0	0
Zamprogna Acquisition	0	(69,336)
Dividends Received	43,239	68,248
Net Cash Employed on Investments Activities	**(2,203,331)**	**(1,402,856)**
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	3,589,667	999,618
Payment of Loans, Financ. & Debent.	(595,344)	(1,254,188)
Interest Paid on Loans, Financing and Debentures	(36,364)	(8,987)
Swap Operations Redemptions	(9,906)	(127,094)
Dividends and Interest on Capital	(380,207)	(696,997)
Net Cash Generated from (Employed on) Financial Activities	**2,567,846**	**(1,087,648)**
Net Increase (Decrease) of Cash and Cash Equivalents	**823,358**	**(778,338)**
Cash and Cash Equivalents at the Beginning of the Period	2,098,196	2,924,241
Cash and Cash Equivalents at the End of The Period	2,921,554	2,145,903
RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	2,098,196	2,294,241
Marketable securities at the beginning of the period	984,851	1,083,763
Cash and cash equivalents at the beginning of the period	**3,083,047**	**4,008,004**
Net increase (decrease) of cash and cash equivalentes	823,358	(778,338)
Net increase (decrease) of marketable securities	21,901	(231,515)
Cash and cash equivalents at the end of the period	2,921,554	2,145,903
Marketable securities at the end of the period	1,006,752	852,248
Cash and cash equivalents at the end of the period	**3,928,306**	**2,998,151**