

Announcement to the shareholders and to the market in general

Usinas Siderúrgicas de Minas Gerais S/A – USIMINAS, in light of recent events regarding currency derivative transactions or speculative financial applications, announces to its shareholders and to the market in general that:

- Usiminas takes a conservative stance of financial management and, therefore, it does not speculate through financial derivatives;
- The Company participates in swap transactions in order to decrease its exposure to the foreign currency, avoiding currency mismatch. These financial instruments are informed quarterly in the notes to the financial statements;
- Due to currency fluctuations (devaluation of the Brazilian real against the U.S. dollar), there is an accounting impact on the Company's balance sheet over the debt amount denominated in U.S. dollars. Therefore, the effect is non-cash.

Belo Horizonte, October 10, 2008

Paulo Penido Pinto Marques
Chief Financial Officer and Investor Relations Director