

USIMINAS



Webcast

First Quarter 2005 Results

Presentation:
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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.”

The Steel Industry - Brazil

- Brazilian crude steel production totaled 7.9 million tonnes in 1Q05, a reduction of 0.4% over the same period of the previous year.
- Domestic flat steel demand grew 12.4% in comparison with 1Q04 and reached 2.8 million tonnes in 1Q05.
- The Brazilian market was sustained by good performance in important segments of the economy, such as automotive and auto parts industries, home appliances and those companies with long-term export programs.

The Global Steel Industry

- Demand:
 - USA and Europe with high inventory levels.
 - Asia with strong demand influence by China
- Global raw steel production grew 7%, with highlight to China (24% increase), responding with 90% of the variation.
- Excluding Chinese production in the first quarters of 2004 and 2005, there was a 1% increase global production, reaching 189.4 million tonnes.

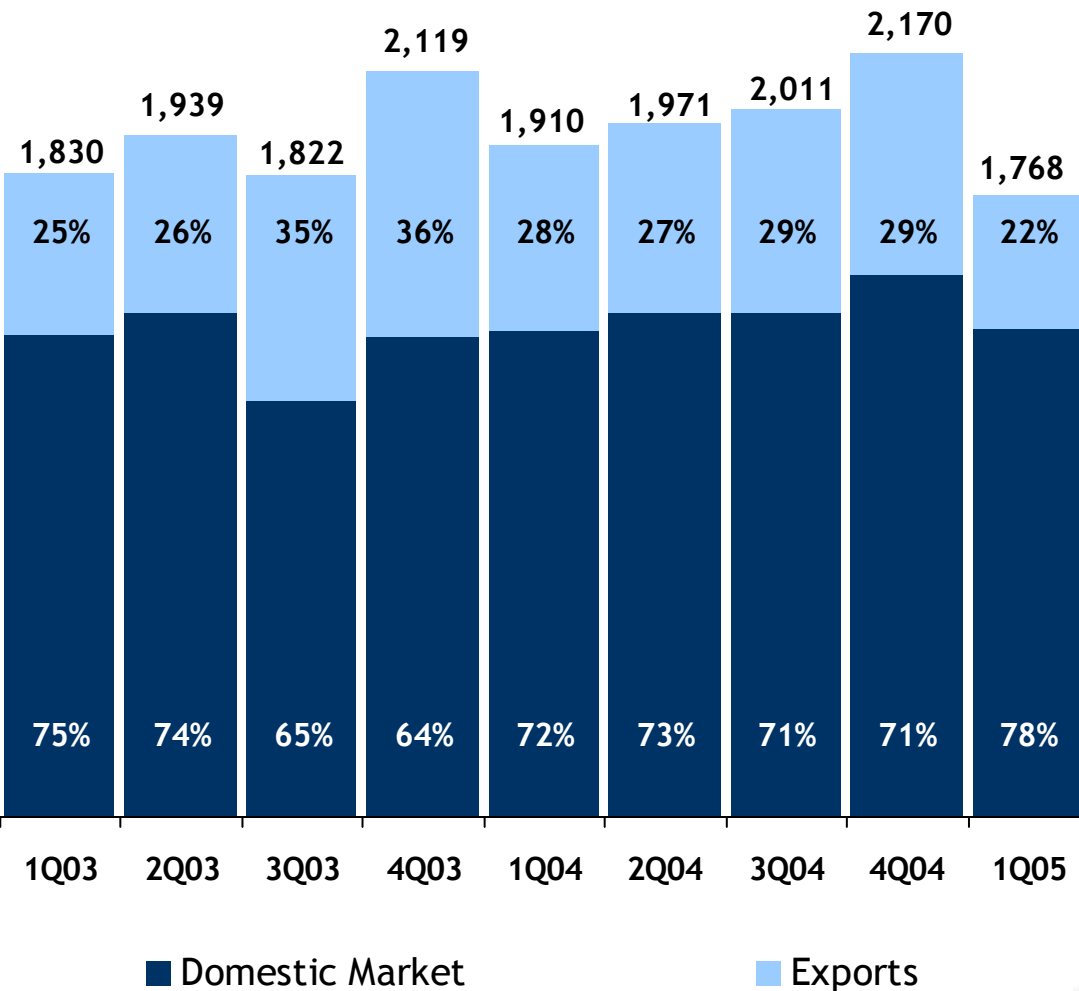
Consolidated Results

R\$ million	1Q 2005	1Q 2004	4Q 2004	Var. 1Q05/1Q04
Sales Volume (thsd t.)	1,768	1,910	2,170	-7%
Net Sales	3,459	2,365	3,809	46%
Net Income	1,001	358	1,127	179%
EBITDA (a)	1,724	921	1,816	87%
EBITDA Margin	49.8%	38.9%	47.7%	
Net Debt	2,590	6,330	3,495	-59%
Net Debt / EBITDA	0.4x	2.0x	0.6x	

(a) Profit before interest, tax, depreciation, amortization and participations.

Usiminas - Sales

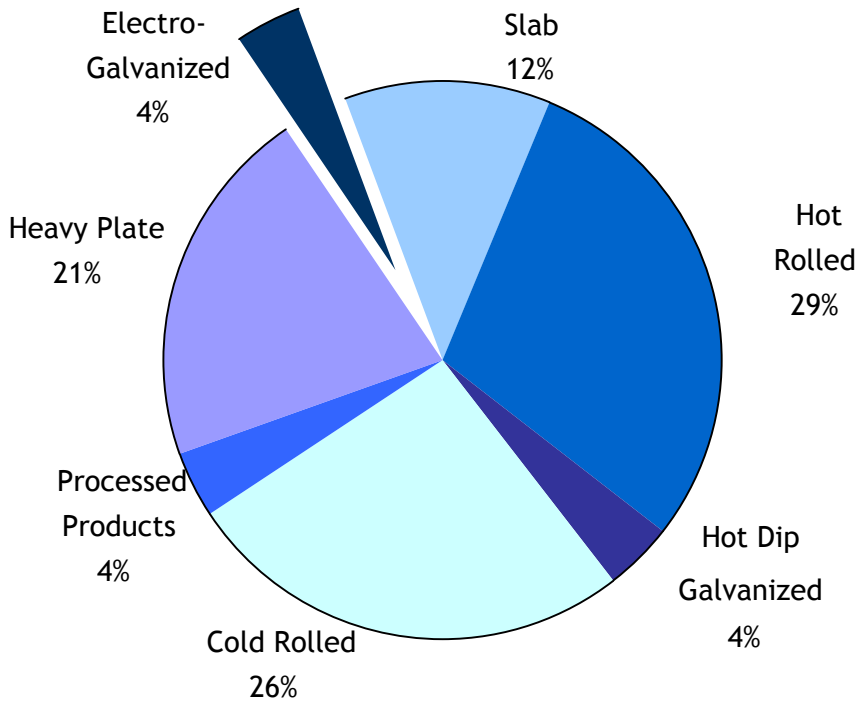
Consolidated sales (thsd t)



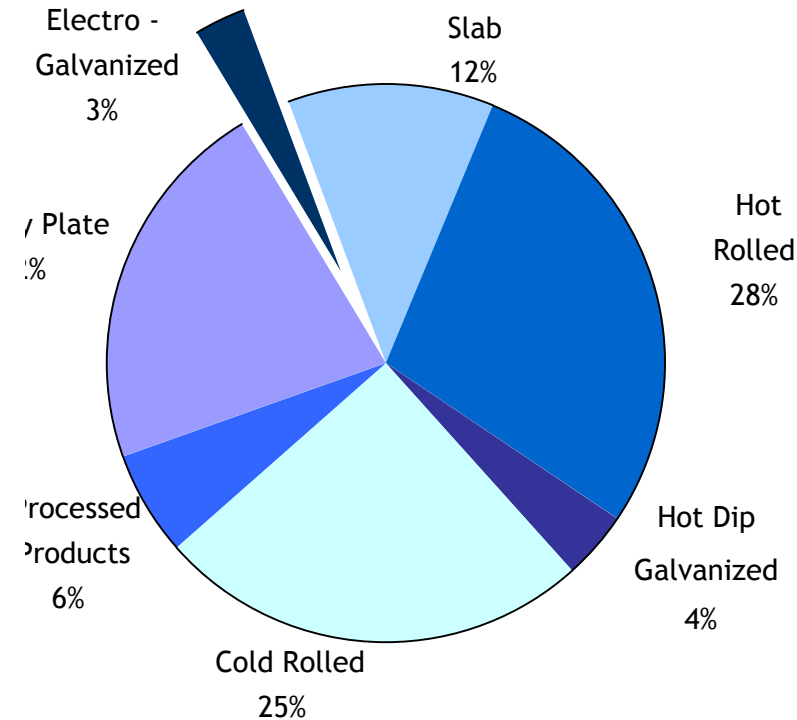
- The System sold 1.8 MMt in 1Q05, 7% below 1Q04.
- Domestic sales totaled 1.4 MMt in 1Q05, maintaining level of 1Q04.
- Maintenance as market leader with market share above 50%.

Usiminas - Sales Mix by Product

Sales Volume 1Q05

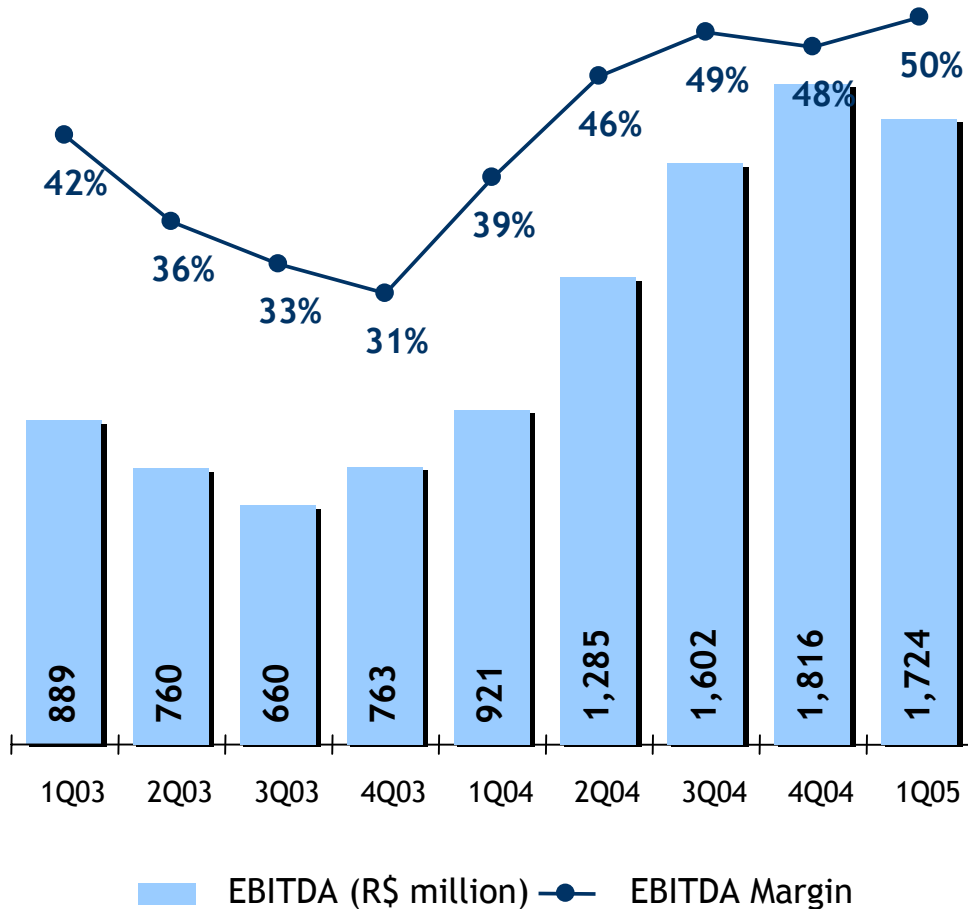


Sales Volume 1Q04



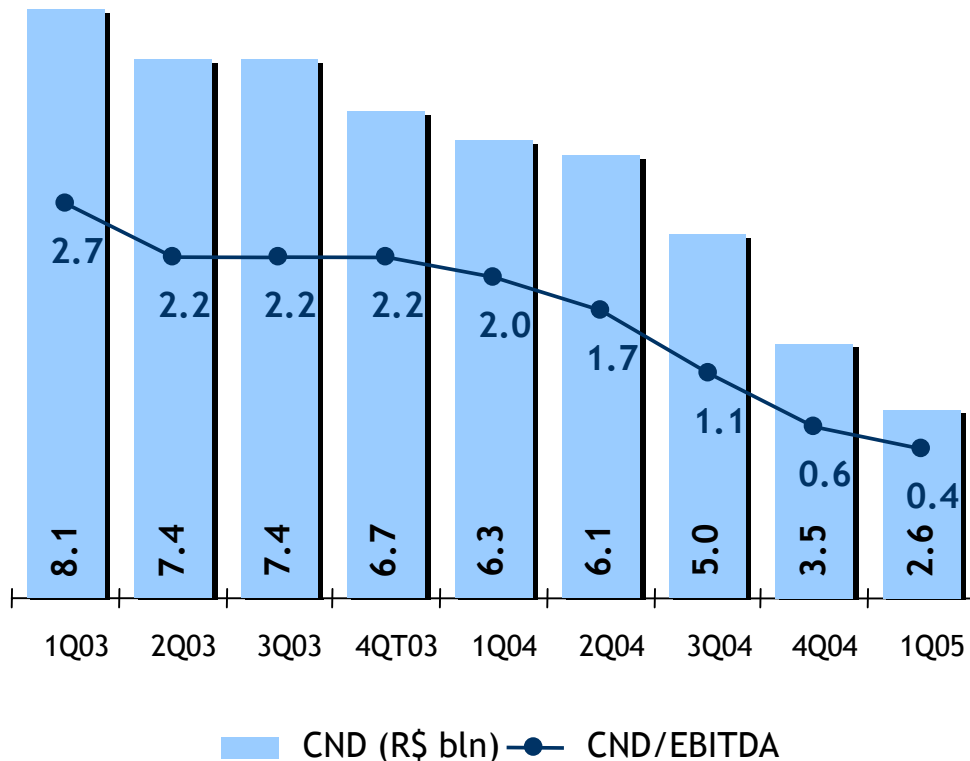
- Stable distribution of sales by product
- Electro-Galvanized products accounted for 4% of sales volume in 1Q05, a 20% increase over 4Q04 and 11% over the same period of the previous year

Usiminas - EBITDA



- EBITDA reached R\$ 1.7 billion in 1Q05, an 87% increase
- In the quarter, EBITDA margin was a record, close to 50%

Usiminas - Consolidated Net Debt

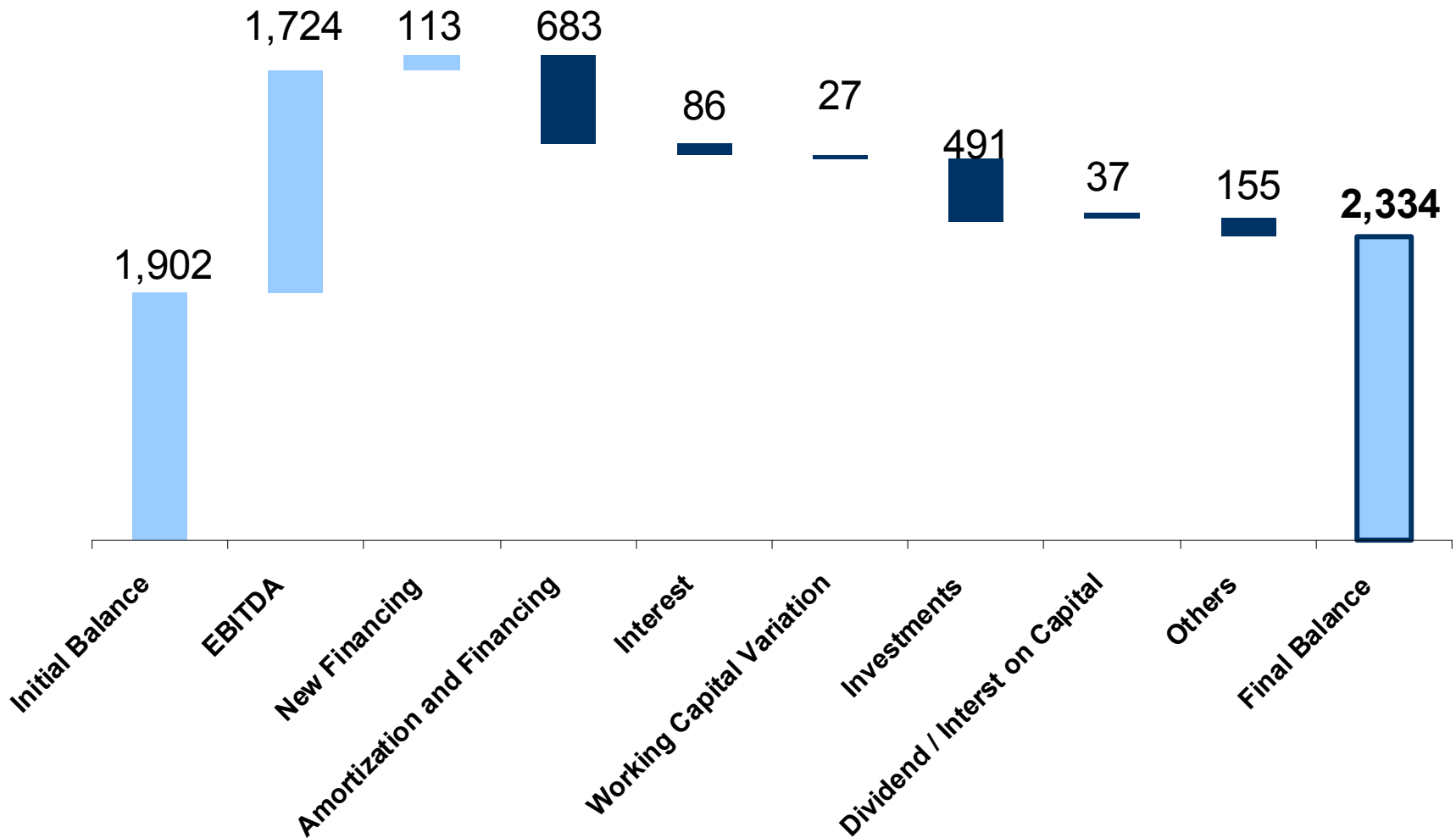


- In 1Q05, solid cash generation allowed to reduce the System's debt by R\$ 904 million.

- Usiminas System finished the quarter with US\$ 1.5 billion in cash.

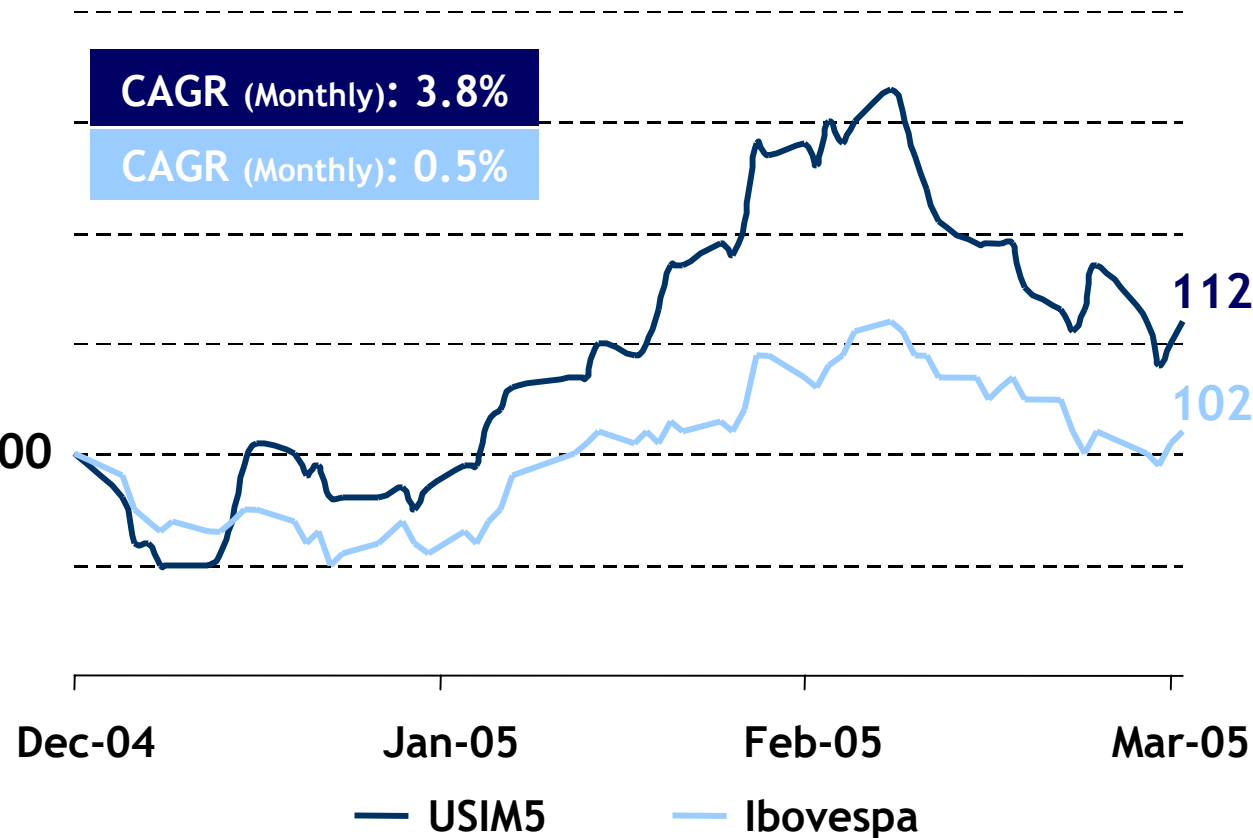
Usiminas - 4Q04 Consolidated Cash Flow

(Brazilian Corporate Law) - R\$ million





Share Performance in 1Q05

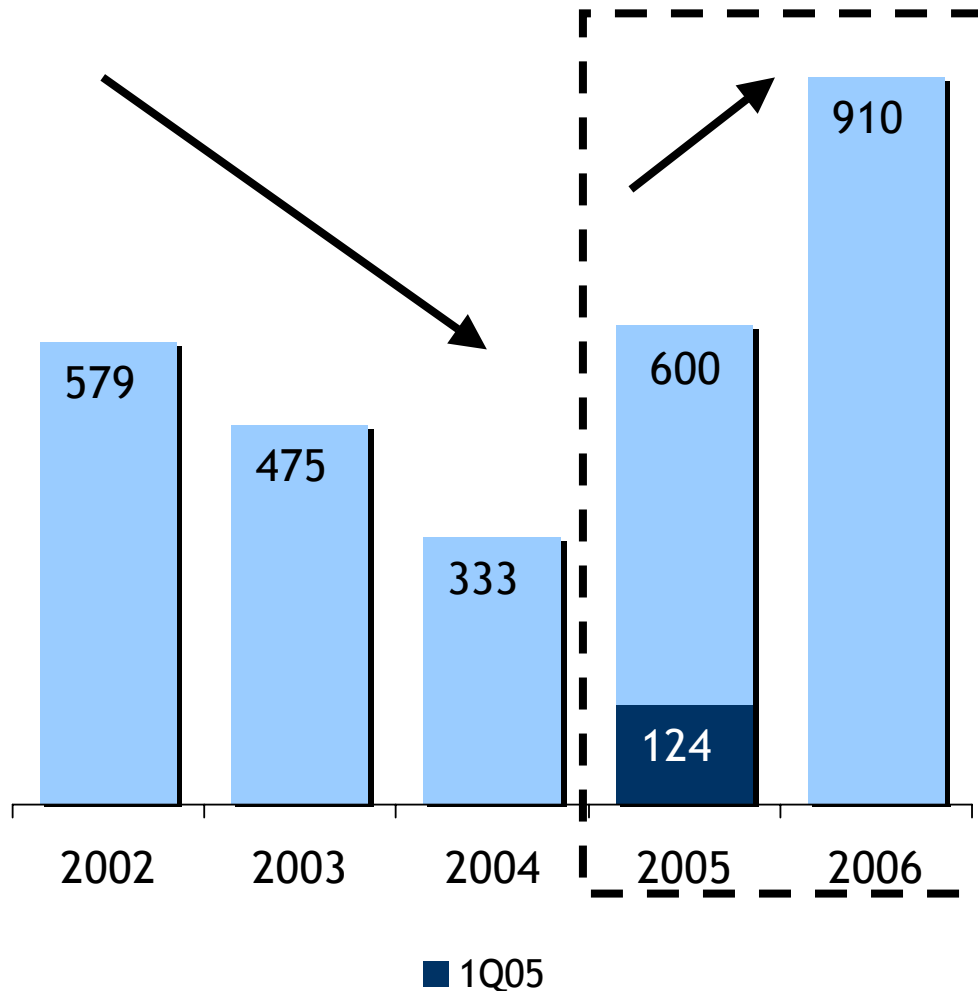


- Share appreciation on Bovespa of Usiminas PNA (USIM5): 12% against 28%

- Usiminas is the fourth most trade company on the Ibovespa (5.16% of the Index).

- Company is preparing to list on the Latibex.

Investments (R\$ million)



New investment phase started in 2005-2006

Usiminas:

- New coke oven plant, which will make company self-sufficient in coke.
- 60MW thermoelectric power plant to increase self generation in Ipatinga

Cosipa:

- Top blowing blast furnace turbine in to increase self generation in Cubatão
- Revamping of continuous casting machine

Outlook

- Brazilian economic growth of 3.5% in 2005.
- Brazilian flat steel market with 6% growth in 2005.
- Gradual price adjustments at lower, but still high levels.
- Consequence of this scenario: continued, consistent cash generation to support investment program, dividend payments and debt amortization.

Goals of the Usiminas System in 2005

- Maintenance of product sales at 8 million tonne level.
- Domestic market continues a priority = 75% of sales, investing in stability of commercial relations and maintenance of business profitability.
- Market share maintenance, with position of leadership in flat rolled steel market.
- Priority of funds generation given to investment program maintenance of dividend policy and continuity of debt repayment.



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