

Net profit reaches R\$ 1.5 billion in 1H08. Net revenues and EBITDA totals R\$ 7.5 billion and R\$ 2.7 billion, respectively.

Belo Horizonte, August 14, 2008 - Usinas Siderúrgicas de Minas Gerais S/A Usiminas (BOVESPA: USIM3, USIM5, USIM6; OTC: USNZY; Latibex: XUSI; XUSIO) today releases its second quarter 2008 results (2Q08). Operational and financial information of the Company, except where otherwise stated, are presented based on consolidated figures, in reais, according to corporate law. All comparisons made in this release take into consideration the same period in 2007, except when stated otherwise.

In the first half of 2008 (1H08), net revenue of R\$ 7.5 billion and EBITDA of R\$ 2.7 billion were 12% higher than amounts registered in the same period last year. Net profit also grew 4% in comparison with 1H07, achieving R\$ 1.5 billion.

Despite presenting solid and consistent results, as seen by the figures registered in the period, Usiminas reiterates its plans to strengthen and expand its position in Brazil and raise its aspirations in the international market. This is becoming possible not only due to the verticalization of its operations, through measures already taken towards mining and logistics, but, above all, as a result of the recent announcement of speeding up its investment plan, which will require funds of US\$ 14.1 billion to be disbursed until 2012.

The Company has given strategic and decisive steps in order to consolidate its leading position and continuous growth. The main movements are the initiatives aimed at the technological modernization and update of the Ipatinga and Cubatão Mills, investments in mining and logistics and an increase in production, with the construction of a third mill - with the capacity to produce 5 million tons of slabs per year - in the city of Santana do Paraíso in the Minas Gerais state. Energy and determination, are the fundamentals of the Company, aiming at a long-term outlook, wealth generation and value creation to shareholders. These actions are, however, only part of our aspirations. We are analyzing many other initiatives and opportunities.

We are going to work steadily towards building an organization that meets the corporate requirements of our times, with speed and creativity, able to face the fast-paced transformations of the global steel sector. These are challenges that encourage us to strive for more auspicious results for Usiminas.

Statement of Marco Antonio Castello Branco - CEO

Highlights

R\$ million	2Q 2008	2Q 2007	1Q 2008	Chg. 2Q08/2Q07	1H 2008	1H 2007	Chg. 1H08 / 1H07
Total Sales Volume (000 t)	1,917	1,980	1,886	-3%	3,803	3,916	-3%
Net Revenues	3,973	3,379	3,554	18%	7,526	6,715	12%
Gross Profit	1,455	1,202	1,233	21%	2,688	2,347	15%
Operating Result (EBIT) (a)	1,233	1,015	1,012	22%	2,256	1,979	14%
Financial Result	201	61	(30)	228%	171	70	145%
Net Income	861	802	646	7%	1,507	1,444	4%
EBITDA (b)	1,458	1,233	1,254	18%	2,712	2,411	12%
EBITDA MARGIN	36.7%	36.5%	35.3%	+0.2 p.p.	36.0%	35.9%	+0.1 p.p.
EBITDA (R\$/t)	761	623	665	22%	713	616	16%
Total Assets	24,415	19,711	22,770	24%	24,415	19,711	24%
Net Debt	552	(104)	677		552	(104)	
Stockholders' Equity	13,598	11,531	13,121	18%	13,598	11,531	18%

(a) Earnings before interest, tax and participations.

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

Market Data

June 30, 2008

Bovespa: USIM3 R\$ 75.70 / share
USIM5 R\$ 79.00 / share

USA/OTC: USNZY US\$ 50.03ADR

Latibex: XUSI €32.04
XUSIO €30.45

Conference Calls

August 14, 2008

Portuguese - 11:00 a.m. (Brasília)

English - 12:30 p.m. (Brasília) /
11:30 a.m. (NY)

Webcast

www.usiminas.com.br/ir

Investor Relations

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Other Information – 06/30/08	R\$ Billion
Market Capitalization	40.0 (US\$ 25.2 bi)
Cash Position	4.5
Investments on Fixed Assets	0.6

Economic Analysis and Outlook

Domestic Scenario

“Heated economy: increase in consumption and in investments”

Brazilian Economy

The Brazilian economy in the first half of 2008 continued heated with strong performance in consumption, as well as in investments. The credit expansion - in volume and terms - ,the increase in employment and in the wage base, the high level of confidence of consumers and investors have been essential for the performance of the Brazilian economy and the steel sector.

Rising inflation, caused largely by an imbalance in offer and demand in many sectors, is an ongoing concern. The increase in interest rates by the Central Bank is aimed at harnessing this inflationary pressure, in order to keep up a reasonable pace of economy expansion and the domestic market over the next months.

Demand for Flat-Rolled Steel

When compared with the same period in 2007, demand in 2Q08 rose 9%, which illustrates the dynamics of the main market sectors and the good momentum of the Brazilian economy in 2008.

In the half-year analysis, the demand for flat-rolled steel in the 1S08 rose 14% in relation to 1S07, highlighting the auto industry (+19%), auto parts (+15%), industrial (+28%), highway (+20%), agricultural and tractors (+33%), shipbuilding (+52%) and distribution and civil construction (+19%) sectors, due to the following factors:

- Production and sale of vehicles in strong expansion. According to data from the National Association of Automakers (Anfavea), the expectation is that the production of vehicles will reach 3.4 million units, up 14% in comparison with that in 2007;
- Rising demand of the industrial sector due to a boost in the expansion of production capacity.

It is also worth pointing out that the evolution of demand in 1S08 was not greater due to the milder performance of sectors affected by the loss of purchasing power due to inflation, such as the sectors of house appliances and small diameter pipes (more expensive credit due to higher interest rates), electronic equipment (due to less foreign competition as a result of the high exchange rates), and the large diameter pipes (cancelation of projects in the oil and gas sector).

DEMAND - In thousand tons						
SECTORS	2Q08	2Q07	Chg.	1H08	1H07	Chg.
Auto	397.0	346.9	14%	773.9	652.7	19%
Autoparts	503.1	466.6	8%	973.2	850.4	15%
Shipbuilding	21.9	11.8	86%	36.7	24.2	52%
Highway Equipment	48.6	41.4	17%	92.8	77.4	20%
Agricultural Machinery	29.2	20.9	40%	51.0	38.4	33%
Industrial Equipment	100.2	77.0	30%	177.8	138.6	28%
Electronic Equipment	94.3	95.6	-1%	179.0	184.6	-3%
Domestic Appliances	84.4	91.0	-7%	178.0	177.3	0%
Civil Construction / Shapes	323.7	282.8	15%	655.7	552.3	19%
Rolling	86.0	77.2	11%	173.4	147.1	18%
Small Diameter Pipes	285.1	309.1	-8%	577.8	579.8	0%
Distribution	881.8	808.4	9%	1,769.2	1,492.4	19%
Large Diameter Pipes	137.5	139.5	-1%	250.5	262.3	-5%
Other	238.6	210.3	14%	458.7	416.3	10%
TOTAL	3,231.4	2,978.5	9%	6,347.7	5,593.8	14%

Outlook

The demand for steel products has steadily risen. In addition to the sectors that have been outperforming in the past quarters, it is important to mention the expansion in the sectors of agricultural, industrial and, in particular, shipbuilding industry, which in light of the expansion program of the Transpetro fleet, should present a rising demand over the next years. Therefore, 2008 is expected to register a strong expansion in demand.

International Overview

"1st half/08: Heated International Market and high prices for all products"

World Overview of Steel in the First Half and Outlook

Throughout the entire first half of 2008, the international steel market went through an intense period of price hikes. The prices of many products, such as hot-rolled coils and heavy plates, practically doubled in comparison with those practiced in December of last year as a result of general increases in the main raw materials used for manufacturing, in particular coal, iron ore, besides energy, alloys and shipping freights.

Another factor in this scenario is the continuity of economic growth worldwide, accentuated by the emerging countries and by strong investments in infrastructure, which aligns the demand for steel with the production, offsetting in a way the uncertainties of the North America, European and Japanese economies.

No significant surprises are expected for the second half. Prices tend to stabilize at a high level, given that they are driven by the impact of new raw material prices in the cost matrix of the steel mills.

The greatest concern is not linked directly to the steel sector's scenario alone, but to the global analysis of the price increase of commodities, including those in sectors related to agribusiness, energy, led by oil, raw materials in general, which places the world economy under disquieting inflationary pressure.

Despite the new global configurations, with new economic centers that will evidently show results that differ from the previous cycles, at some point, the balance must once again take the upper hand in global economic relations.

For reference purposes, the prices of flat products for the third quarter should present the following average global prices in FOB basis:

Prices of Flat Rolled Products in International Market
(FOB shipping port) – forecast for 3Q08

Products	US\$/ton.
Slab	1,000
Hot Rolled Coil	1,000 – 1,100
Cold Rolled Coil	1,200
Heavy Plate	1,300
Galvanized Steel	1,300

Raw Materials

Iron Ore

Due to the continuous rising of demand in the domestic and international markets, the prices rose sharply this year.

Fines of ore rose 65%, lumps 97%, and pellets 87%, much above the initial forecasts. Even with these strong price increases, there is still a short supply of pellets in the market, forcing its use to be below ideal levels for the current high steel production.

The prices of pig iron also rose around 70%, but since it is a commodity with constant price fluctuations and in view of the recent reversal in demand, everything points to it having reached its peak and will now tend to drop.

Coal/Coke

The negotiations have already been totally defined and the average increase in hard and PCI coal stood at around 200%. Referring to supply, the situation of the Australian ports is gradually normalizing with a significant reduction in queues.

In the case of coke, new export licenses were issued, but this did not relieve the pressure on the market which continues moderately high, still within the threshold of US\$ 750/t FOB China.

In relation to shipping freight, the market continues with high volatility but with a tendency to drop.

Alloys and Refractory Materials

The supply in 2Q08 moved ahead unhindered. The material facts were the 40% price hike for manganese alloys, 80% for chromium iron, 7% for aluminum and a 12% price drop for zinc in relation to 1Q08.

Steel Production - Global and Brazilian

Global

According to data from IISI - International Iron and Steel Institute - global crude steel production in 2Q08 reached approximately 355 million tons, representing an increase of 7% compared with the same period in 2007. In the total for the first half of 2008, crude steel production totaled 695 million tons, up 7% in comparison with 1S07.

Asia continues to be the continent of most importance in the world scenario, accounting for 57% of total production. China occupies the lead position with 138 million tons or 39% of total production in the quarter.

Crude steel production in South America in 2Q08 totaled 12.4 million tons and Brazil accounted for approximately 71% of this production.

Brazilian

According to preliminary data from the Brazilian Steel Institute (IBS), approximately 8.8 million tons of crude steel was produced in 2Q08, 6% above the volume recorded in the same period of 2007. Crude steel production in 1S08 totaled 17.5 million tons, up 7% in relation to 1S07. Usiminas' production accounted for 23% of this total.

Brazilian steel production of rolled products (flat and long) reached 6.5 million tons in 2Q08, the same production figure registered in 2Q07. In the total six-month period, the production of rolled products totaled 13 million tons, 3% above the production of 1S07.

Usiminas - Operational and Commercial Performance

Production

Thousand tons (Crude Steel)	2Q 2008	2Q 2007	1Q 2007	Chg. 2Q08/2Q07	Chg. 2Q08/1Q08	1H 2008	1H 2007	Chg. 1H08/1H07
Ipatinga Mill	1,128	1,102	1,103	2%	2%	2,231	2,278	-2.1%
Cubatão Mill	865	1,092	887	-21%	-2%	887	1,010	-12.2%
Total	1,993	2,194	1,990	-9%	0%	3,983	4,291	-7.2%

Usiminas' crude steel production in 2Q08 reached 2.0 million tons, down 9% against 2Q07. In 1S08, the production of the two mills' reached 4.0 million tons of crude steel, representing a 7% drop in comparison with 1S07. In relation to 1Q08, production remained stable.

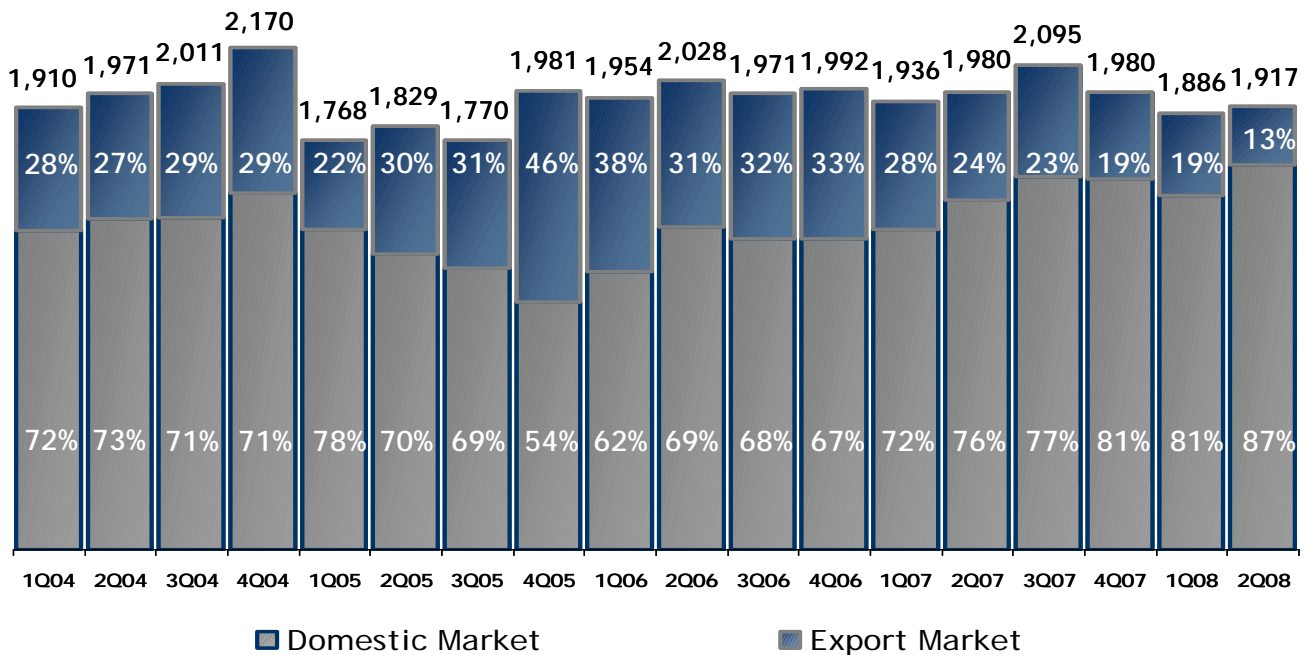
The results of the quarter and the first half of the year, reflect the slower pace of production in the **Cubatão Mill** due to scheduled stoppages for the relining and modernization of Blast Furnace no. 1, Converters no. 5 and 6 of the Steelworks and Continuous Casting Machine no. 3, equipments that are already operating, with emphasis to:

- **Blast Furnace no.1:** The "blow in" occurred on 06/05/08 enabling an increase in production capacity of 1,000 t/day with environmental (closed water circuit for the granulating of waste and an increase in the capacity of the dust reduction system) and technological gains through the automation of the raw material loading system and reliability in heat exchange. The production pace returned to normal 15 days after the "blow in".
- **Upgrading of Steelmaking Process 2:** This involved the revamping of the off-gas system of converters 5 and 6, the installation of the second vacuum degassing apparatus and the upgrading of continuous casting machine no. 3. After having started to operate in April/08, the main outlined objectives were consolidated, as: production increase of 350 thousand tons/year; increase in the offer of high-grade steel from 15% to 32% of production and a reduction in the emission of particulates into the atmosphere.

At the **Ipatinga Mill**, the highlight was the installation license obtained for the expansion of the Heavy Plate Mill and an installation license for the new galvanizing line of Unigal.

On 6/30/2008, the workforce (related to Ipatinga and Cubatão mills) totaled 13,968 employees.

Consolidated Sales (000 t)



"Sales volume in line with planning and market leadership"

Total Sales

Total sales in 2Q08 reached 1.9 million tons, down 3% on QoQ. Comparing to 1Q08, sales grew 2%.

In 1H08, sales totaled 3.8 million tons, 3% less than that registered in 1H07. This was due to the slower production pace and sales in the 1st quarter of 2008, which was already expected by Management, in view of the interferences at the Cubatão Mill.

The domestic market continues to be a priority, absorbing 87% of sales in 2Q08, in line with the significant growth in local demand for steel products. In 2Q07, sales to the domestic market totaled 76% of the volume.

As a result, exports have been reduced to the minimum needed to maintain the Company's strategic position in specific markets. Sales abroad accounted for 13% in 2Q08 while in 2Q07 they represented 24%.

In the half-year analysis, this ratio was 84% for the domestic market and 16% for the export market while in 1S07 this ratio was respectively 74% and 26%.

Domestic Market

Sales hit 1.7 million tons in 2Q08, up 10% over 2Q07. Sales increase was more pronounced in the auto parts, industrial equipment, civil construction and shipbuilding sectors. If compared to sales in 1Q08, they grew 9%.

Overall sales in 1S08 totaled 3.2 million tons, up 10% in volume over 1S07.

Market Share: Usiminas ended the quarter with a 50% market share and maintains its leadership position in the supply of flat steel to the main domestic market segments.

Export Market

Exports totaled 255 thousand tons in 2Q08, down 46% in relation to 2007. When compared to 1Q08, exports dropped 28%.

These reductions arise from the Company's commercial strategy to prioritize the local market, in detriment to the historical volume aimed at exports. This situation, however, is circumstantial until the startup of operation, in 2011/12, of the new slab production capacity at the mill in Santana do Paraíso, when the Company will direct 60% of the volume to exports, in line with the Usiminas' initiatives for internationalization.

In 1S08, exports totaled 609 thousand tons, a drop of 40% in comparison with the volume exported in 1S07.

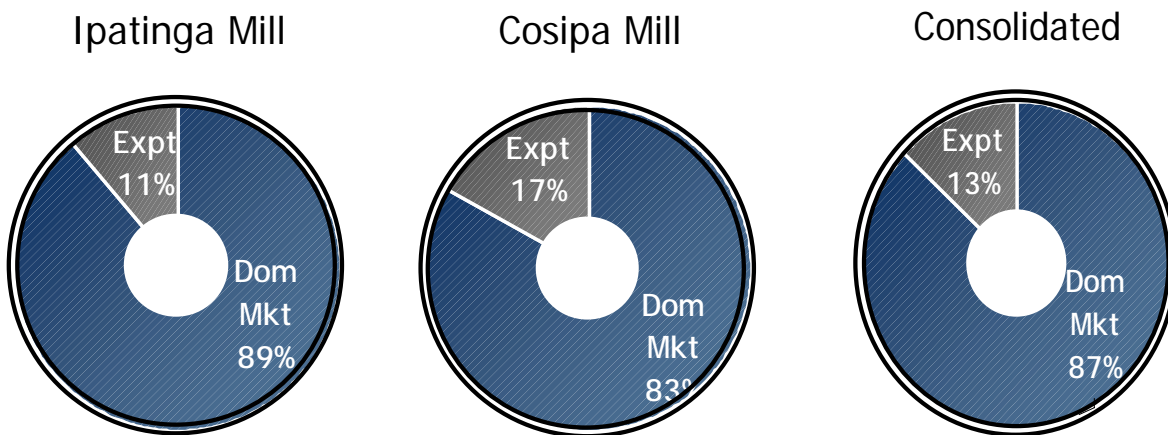
Iron Ore Sales:

Iron ore sales in 2Q08 accounted for 969 thousand tons and in the total for the first half/08 amounted to 1.7 million tons.

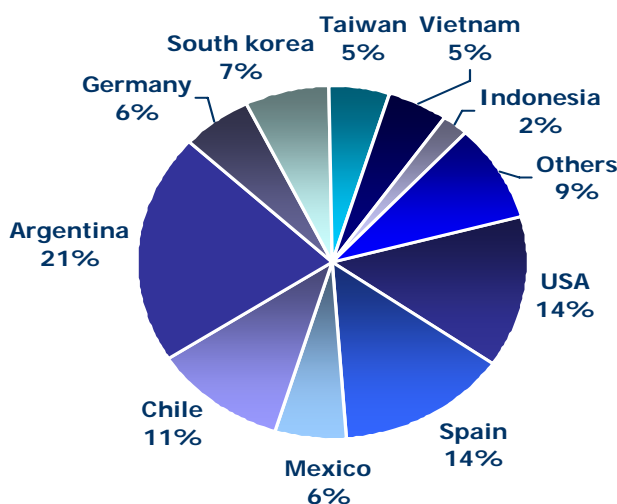
Sales

Thousand tons	2Q 2008		2Q 2007		1Q 2008		Chg. 2Q08/2Q07	1H 2008		1H 2007		Chg. 1H08/1H07
Ipatinga Mill												
Domestic Market	981	89%	849	83%	960	87%	16%	1,941	88%	1,649	81%	18%
Export Market	119	11%	171	17%	146	13%	-30%	265	12%	376	19%	-30%
Total	1,100	100%	1,020	100%	1,106	100%	8%	2,206	100%	2,025	100%	9%
Cubatão Mill												
Domestic Market	681	83%	662	69%	648	71%	3%	1,253	78%	1,247	66%	0%
Export Market	136	17%	298	31%	261	29%	-54%	344	22%	644	34%	-47%
Total	817	100%	960	100%	909	100%	-15%	1,597	100%	1,891	100%	-16%
Consolidated												
Domestic Market	1,662	87%	1,511	76%	1,608	80%	10%	3,194	84%	2,896	74%	10%
Export Market	255	13%	469	24%	407	20%	-46%	609	16%	1,020	26%	-40%
Total	1,917	100%	1,980	100%	2,015	100%	-3%	3,803	100%	3,916	100%	-3%
Iron Ore	969	-	-	-	778	-	-	1,747	-	-	-	-

Sales Volume Mix - 2Q08



EXPORTS - 1H08



Economic–Financial Performance

“Solid and consistent results. Usiminas is prepared for the new investment phase”

Net Revenue

Net revenues reached R\$ 4.0 billion, up 18% over 2Q07. When compared to 1Q08, revenues rose 12%, due basically to the better prices and to the product mix, greater sales volume (31 thousand tons) and also the increase in the share of sales to the domestic market (130 thousand tons).

Net revenues per ton (related to the sales of the Ipatinga and Cubatão Mills) totaled R\$ 1,910/ton in 2Q08, up 14% over 1Q08 and 17% over 2Q07.

Analysis of half-year results:

Net revenues in the first-half of the year reached R\$ 7.5 billion, up 12% in comparison with 1S07, notwithstanding the drop in sales volume (113 thousand tons) and the losses caused by the appreciation of the real in relation to the dollar. This result was possible due mainly to better prices, to the product mix of the period and to the greater concentration of sales to the domestic market (298 thousand tons of products).

Net Revenues (Usiminas + Cosipa) - R\$/ton.

Total DOM + EXP	2Q08	2Q07	1Q08	1H08	1H07
	1,910	1,627	1,679	1,795	1,611

Cost of Goods Sold (COGS)

The cost of goods sold (COGS) reached R\$ 2.5 billion, 16% greater than 2Q07 and 9% greater than 1Q08. This growth arises from a few reasons, such as:

- Greater sales volume in the quarter;
- Greater consumption of slabs, heavy plates and HDG acquired;
- Expenses with outsourced services, construction work and large repairs and inventory;
- Labor adjustments;
- Raw material adjustments.

Analysis of half-year results:

Accumulated COGS in 1S08 totaled R\$ 4.8 billion, representing an 11% increase in comparison with the same period in 2007. Even with the lower volume sold in the period, when compared to the volume of 1S07 (- 113 thousand tons), the increase in COGS stemmed from the above mentioned reasons.

Total per-ton COGS (relative to Ipatinga and Cubatão Mills) in 2Q08 was R\$ 1,240/ton and, in 2Q07, R\$ 1,084/ton.

Gross Profit

Gross profit increased 21% in relation to 2Q07, reaching R\$ 1.5 billion. When compared to 1Q08, profit rose 18%. The increase in the average selling prices per ton enabled a gain of one percentage point in gross margin, from 36% in 2Q07 to 37% in 2Q08. This evolution was even greater, by two percentage points, when comparing with the gross margin registered in 1Q08.

Analysis of half-year results:

Total gross profit in the first half of 2008 was 2.7 billion, up 15% in relation to the profit posted in the first half of 2007.

Operating Profit before Financial Expenses and Participations (EBIT)

Operating expenses and revenue in the quarter were R\$ 210.5 million, a 12% increase in comparison with expenses in 2Q07. This increase stems mostly from fixed production costs that were not absorbed with the shutdown of the blast furnace at the Cubatão mill amounting to R\$ 26 million. When compared to 1Q08, operating expenses and revenue dropped 5%.

Analysis of half-year results:

The operating expenses and revenue totaled R\$ 431.4 million, up 17% in relation to that posted in the first half of 2007, mainly due to the effect of fixed costs that were not absorbed with the scheduled shutdown of the blast furnace at the Cubatão mill amounting to R\$ 42.0 million.

Operating profit before Financial Expenses and Participations in 2Q08 was R\$ 1.2 billion, up 23% in comparison with 2Q07 and in the total up to June 2008 amounted to R\$ 2.3 billion, up 14% in

relation to the first half of 2007. The operational margin of 2Q08 was 31% and 30% in the first half of 2008, 1 percentage point above the margins registered in the same periods of 2007.

EBITDA

EBITDA (profit before taxes, interest, participations, provisions, depreciation and amortization) in 2Q08 hit R\$ 1.5 billion, up approximately 18% in comparison with 2Q07. When compared to the EBITDA of 1Q08, it grew 16%.

The EBITDA margin in 2Q08 was 37% and increased 1 percentage point, when compared to the margin of 2Q07 and two percentage points in relation to 1Q08.

Analysis of half-year results:

The total EBITDA in the first six months of the year was R\$ 2.7 billion, up 12% in relation to the first half of 2007 and the margin was 36%, the same as that reached in the first six months of 2007.

Financial Result

The item "net financial expenses and revenue" registered "revenue" of R\$ 201 million in 2Q08, against "revenue" of R\$ 61.4 million in 2Q07, an increase of 228%. An "expense" of R\$ 30 million was registered in 1Q08. This variation is basically due to:

- An increase in gains from exchange and swap variations
- An increase in revenue from financial investments.

Analysis of half-year results:

Net financial expenses and revenue totaled, in 1S08, "revenue" of R\$ 171 million, against R\$ 70 million in 1S07, result of an increase in gain from exchange and swap variations and increase in financial investments' income.

Equity Income

Equity income was a negative R\$ 213 million in 2Q08, compared to R\$ 16 million in 2Q07. A positive result of R\$ 3 million was registered in 1Q08. These variations reflect the losses caused by the exchange effect in the Ternium investment amounting to R\$ 163 million and the goodwill amortization from the acquisition of J. Mendes' mining assets totaling R\$ 38 million in 2Q08.

Analysis of half-year results:

In 1H08, equity income was negative by R\$ 210 million, against a negative R\$ 3 million in 1H07, due to the abovementioned reasons. The losses of Ternium until June/08 amounted to R\$ 145 million and J. Mendes' goodwill amortization totaled R\$ 64 million.

Non-Operating Revenue and Expenses

An expense totaling R\$ 9 million relative to the write-off of property, plant and equipment was posted in 2Q08. In the half-year analysis, 2Q08 registered a negative value of R\$ 3 million which, if compared to the amount registered in 1S07 (revenue of R\$ 10 million), can be explained by the gain recognition in the sale of Eletrobrás' shares in that period.

Income Tax and Social Contribution

The lowest income tax and social contribution to profit before taxes, when compared to 1Q08, is related to the accrual of interest on equity capital registered in 2Q08.

Net Profit

Consolidated net profit of 2Q08 reached R\$ 861 million, up 7% in relation to 2Q07 and 33% in comparison with the profit of 1Q08. This result derived from the net revenue increase, better prices and the product mix and also from the increase in the Company's financial revenue, which partly offset the increase in costs (including the unabsorbed fixed costs of the subsidiary Cosipa due to the shutdown of the Blast Furnace), the negative result in equity income arising from the exchange effect on the Ternium investment and the amortization of goodwill from J. Mendes' acquisition.

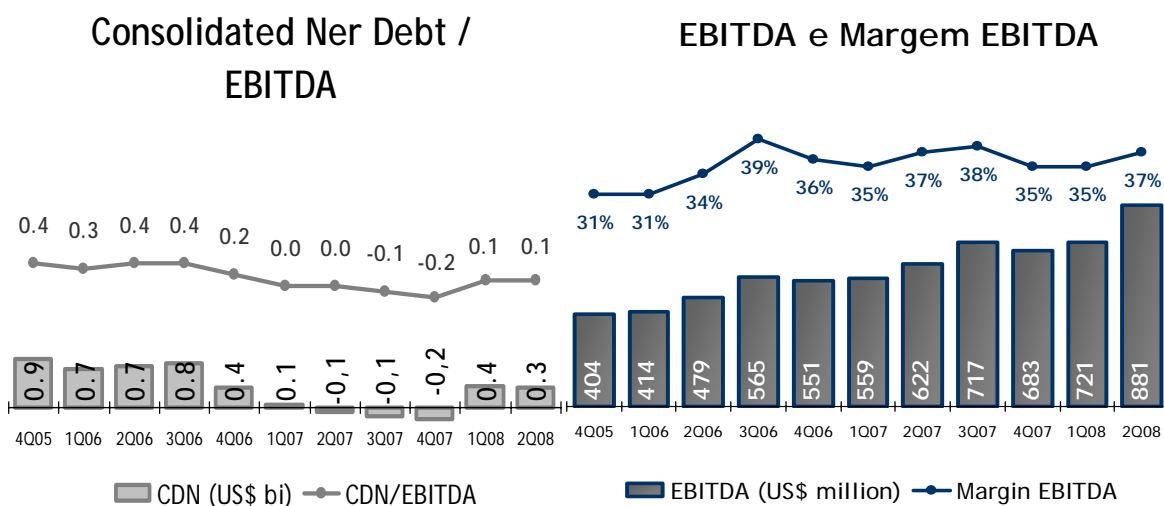
Analysis of half-year results:

Accumulated gross profit in 1S08 was 1.5 billion, up 4% in relation to that in 1S07.

Indebtedness

Consolidated debt reached R\$ 5.0 billion on 06/30/08 (around US\$ 3.2 billion) from R\$ 4.3 billion on 03/31/08 (US\$ 2.5 billion). Net debt corresponded to R\$ 552 million on 06/30/08. Total Debt/EBITDA index represented 1.0x and the Net Debt/EBITDA, 0.1x.

Debt is comprised by 35% of loans/financing in local currency and 65% denominated in foreign currency. The maturity profile is made up of 17% in the short term and 83% in the long term.



Investments on Fixed Assets

Investments on fixed assets totaled R\$ 639 million in the quarter. In the first half of 2008, it totaled R\$ 987 million, against R\$ 515 million in the same period of 2007, up 92%. The investments were focused mainly at maintenance, technological update of equipments and environmental protection. In 2008, Usiminas invested another R\$ 1.6 billion with the acquisition of Mineração J. Mendes.

Usiminas' Investment Plan

Major Investments in the Period 2008-2012

Projects

Steel Production Expansion

Additional 350 thousand tons/year of crude steel in José Bonifácio Mill, in Cubatão (concluded)
Construction of a new Mill in Santana do Paraíso, with a capacity of 5.0 million tons of steel/year

Mix Improvement

Hot Rolled Products

Additional 150 thousand tons/year in Intendente Câmara Mill, in Ipatinga
New HSM that will add to José Bonifácio Mill's capacity, in Cubatão, another 2.3 million tons/year

Heavy Plates

Additional 500 thousand tons/year in Intendente Câmara Mill, in Ipatinga

Galvanized Steel

New Galvanizing Line (Unigal II) that will amplify Intendente Câmara Mill's capacity in 550 thousand tons/year

Cost Reduction

New Coke Plant with a capacity of 750 thousand tons of coke/year in Intendente Câmara Mill, in Ipatinga
New Power Plants of 60 MW in Intendente Câmara Mill in Ipatinga and of 75 MW in Cubatão Mill
Power Plant of 250 MW in Santana do Paraíso Mill
Top Blowing Turbine (12 MW) in José Bonifácio Mill, in Cubatão
Dredging of José Bonifácio Mill's Port Canal, in Cubatão
Technological Updating and Environmental Protection Programs in Ipatinga and Cubatão Mills

Verticalization

Mining

Increase to 29 million tons of iron ore from 5 million tons

Investments in concentrations and pellet plant

Logistics

Acquisition of a property in Baía de Sepetiba and investment in a shipping terminal

Investment Plan's Budget = US\$ 14.1 billion - Period of 2008-2012

Intendente Câmara Mill	José Bonifácio Mill	Santana do Paraíso Mill		Mining
US\$ 2.1 billion	US\$ 2.4 billion	US\$ 5.7 billion	US\$ 0.4 billion (*)	US\$ 3.5 billion (**)

(*) Power Plant Central 250 MW in Santana do Paraíso Mill

(**) Includes acquisition amount + expansion plan + pellet plant

Capital Markets



ADR
Nível I



Dow Jones
Sustainability Indexes
Member 2007/08



- Bovespa Performance - Bovespa Index

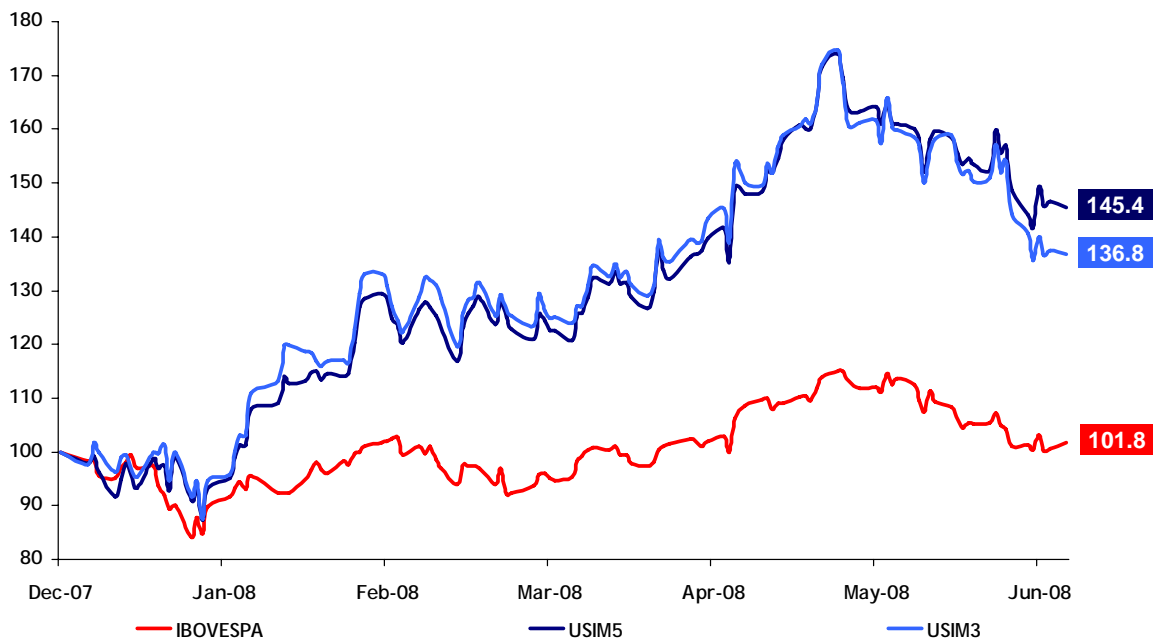
The USIM5 (preferred "A" shares) appreciated 20.4% and the USIM3 (common) shares, 10.5% in 2Q08. IBOVESPA appreciated 7% in the same period.

Considering the year of 2008, the USIM5 and USIM3 shares appreciated 45.4% and 36.8% in the first half, well above the Ibovespa which appreciated 1.8%.

Usiminas was the sixth company with larger weighting on the Ibovespa.

On 6/30/2008, the USIM5 share was quoted at R\$ 79.00 and the USIM3 share at R\$ 75.70.

USIM5 and USIM3 vs Ibovespa From (basis100) 12/28/2007 to 06/30/2008



- **US ADRs**

Usiminas' preferred type A shares are traded in the United States as ADR Level 1 (USNZY) OTC (Over the Counter) and the USNZY were quoted at US\$ 50.03 on 6/30/2008.

- **Latibex Madrid Performance**

Usiminas' shares are listed in Latibex and, on 06/30/08, were quoted at: XUSIO (common) € 30.45 and XUSI (preferred) at € 32.04.

Important Events

- **Usiminas buys land in Baía de Sepetiba**

Usiminas has taken another strategic step in line with its production chain verticalization process, by announcing the acquisition of a property of 850 thousand square meters at Baía de Sepetiba on 06/27/08, a port area in the Rio de Janeiro state, after the bankrupt estate auction of Cia Mercantil e Industrial Ingá. The investment totaled R\$ 72 million.

Usiminas will build a terminal on the property for shipping its products, among which is iron ore. It is estimated that this terminal will begin operating in 2012 at the same time as Usiminas' iron ore and steel product expansion plan. The Company will use its associated company MRS' logistics infrastructure for transporting its products to the terminal.

Usiminas is aware of the environmental issues related to the property and will address them aiming to turn the area into an environmental management benchmark. Usiminas underscores its commitment with the region's economic and social development under the same sustainable development approach as in other regions in which it operates.

- **Usiminas receives awards**

"Qualitas Awards". Usiminas and Usiparts (an Usiminas subsidiary) received the "Qualitas Awards" granted by Fiat to the best suppliers for services provided in 2007.

The award contemplates the best suppliers of the company in Brazil and Argentina.

"Global Supplier of the Year" Usiminas was awarded for the third consecutive time, in the category of best supplier in the metal sector, an honor which has never been achieved before by any of the companies that qualify for this award. The awards' ceremony was held on April 26 in Jacksonville, Florida (USA).

Granted every year by General Motors, the "Global Supplier of the Year" award contemplates the main suppliers of the US company in many different areas.

"Volkswagen Supply Awards" Usiminas received an award in the 8th edition of the "Volkswagen Supply Awards" in the Product Cost Reduction category. The award acknowledges the joint work of several sectors of the company such as Production Schedule, Metallurgy, Logistics and Service Department.

"Global Reporting Initiative- GRI" After becoming the only Brazilian steel mill to be included in the Dow Jones Sustainability Index, Usiminas celebrates a new triumph: It was awarded by Global Reporting Initiative (GRI), an international non-governmental organization that sets guidelines for the preparation of sustainability reports. The company obtained second place in two categories, of the eight that integrate the Readers Choice Awards, delivered during the Global Amsterdam Conference for Sustainability and Transparency in Holland. The choice ratifies the role of Usiminas in the social-environmental area, where the Company has already been acknowledged with other local awards.

"Award - The best of *Dinheiro* 2008" Usiminas was awarded in the category "Steel and Metalurgy" in the rank "The best of *Dinheiro* 2008", promoted by the *Isto É Dinheiro* magazine. The survey involved the 500 greatest Brazilian companies and considered, besides the financial performance, management indicators in the areas: innovation, social and environmental responsibility, human resources and corporate governance.

Subsequent Events After the Closing of the Quarter

- **Material Fact**

On July 8, 2008, Usiminas published a "Material Fact" (*), in compliance with the provisions of CVM Instruction no. 319/1999 and 358/2002, informing that the Board of Directors, at its meeting on 07/07/2008, decided to speed up the Company's investment plan, and for such approved the construction of a new mill with the annual capacity of 5 million tons of steel, for slab production. This mill, the Company's third, will be set up in the city of Santana do Paraíso, Minas Gerais state, seven kilometers from the Intendente Câmara Mill in Ipatinga, Minas Gerais state. The project replaces the previously announced expansion of 3.2 million tons of steel/year. The planned investment for the construction of the new mill is US\$ 5.7 billion and the total sum of the Company's investments is estimated at US\$ 14.1 billion over the next 5 years. Refer to above item - Usiminas' Investment Plan.

(* *The full material fact is available at CVM and at the website: www.usiminas.com.br/ir*

- **Shareholder Remuneration**

The Board, "ad referendum", General Meeting, approved payment to the shareholders pursuant to the terms of the Corporate Bylaws and current Law, the matter of R\$ 528,229 million, being: (i) R\$ 383,002 million regarding interest on equity capital, intermediates, already accrued for in June 2008, in the amount of R\$ 0.73964 per each common share and R\$ 0.81360 per each preferred share; (ii) R\$ 145,227 million for intermediate dividends, in the amount of R\$ 0.28046 per each common share and R\$ 0.28046 per each preferred share, amounts that will be considered in the calculation of the minimum mandatory dividend.

A withholding tax of 15% will be deducted from the amount related to interest on capital, in compliance with the legal exceptions.

The shares will be negotiated "ex-rights" as of August 21, 2008.

Payment will begin as of 09/02/2008, to the holders of these shares on 08/20/2008.

Information about Other Usiminas' Investments

Ternium

Considering the terms of Law no. 11.638 that modifies and introduces new matters to the Corporate Law and CVM's Instruction no. 469/08, of 05/02/08 that treats questions regarding the changes in the criterias for the application of the equity method in subsidiaries, noted on item "d" of such Instruction, determines that investments (i) in subsidiaries, (ii) in associated companies, when the parent company has significant influence in the administration, or participates with 20% (twenty percent) or more of the voting capital and (iii) in other companies that are part of the same group or are under a common control, shall be evaluated under the equity method.

MRS Logística

MRS has not released its 2Q08 results by this date.

Unigal

In 2Q08, Unigal processed 123.2 thousand tons of products, up 3% in comparison with the production shipped in 2Q07. In 1S08, 243.6 thousand tons were processed, 5% above that of 1S07.

Net revenue (processing services) in 2Q08, was R\$ 68.2 million and in the first half of 2008 was R\$ 117.5 million, respectively 3% and 8% over that for the same periods of the previous year.

EBITDA in the quarter reached R\$ 61.6 million and in 1S08 totaled R\$ 104.8 million (up 3% and 7% in relation to the same periods of 2007).

Net profit in the quarter was R\$ 32.1 million and in the first half totaled R\$ 48.3 million, up 8% and 29% when compared with the profit of the same periods in 2007.

Unigal, a joint-venture between Usiminas and Nippon Steel, processes cold-rolled coils through hot dipped galvanizing. Usiminas has a 79.3% stake in its capital.

Usiminas Mecânica S/A

Net revenue in 2Q08 reached R\$ 337.1 million, up 61% in relation to the net revenue of 2Q07. Net profit amounted to R\$ 35.2 million in the 2Q08, an increase of 53% in relation to 2Q07. The EBITDA in the quarter was R\$ 53.0 million, 48% greater than the EBITDA reached in 2Q07.

The accrued results up to June/2008 were: Net Revenue of R\$ 608.8 million, Net Profit of R\$ 64.9 million and an EBITDA of R\$ 97.2 million, respectively 66%, 78% and 73% over that registered in the same periods of 2007.

These results are a consequence of the current strong portfolio of projects of the Company.

Usiminas holds 99.9% interest in the capital of Usiminas Mecânica S.A.

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THE BANK OF NEW YORK MELLON
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Visit our Investor Relations page: www.usiminas.com.br/ir

Conference calls: Thursday, August 14, 2008

Local, at 11:00 a.m. (Brasília).

Dial-in numbers:

Brazil: (11) 4688-6301

Abroad: +55 (11) 4688-6301 (55 11) 4688-6301

International, at 12:30 p.m. (Brasília).

Dial-in numbers:

US: (1 800) 860-2442

Brazil: (11) 4688-6301

Other countries: (1 412) 858-4600

Pincodes: 168 (local) / 853 (international)

Audio of the conference call will be transmitted live via Internet, together with a slide presentation on our website:

www.usiminas.com.br



**ADR
Nível I**



**Dow Jones
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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.

Income Statement - Parent Company

Brazilian GAAP

R\$ thousand	2Q 2008	2Q 2007	1Q 2008	Chg. 2Q08/2Q07
Net Revenues	2,156,118	1,798,044	1,934,748	20%
Domestic Market	1,968,948	1,559,082	1,755,490	26%
Export Market	187,170	238,962	179,258	-22%
COGS	(1,447,703)	(1,131,789)	(1,276,690)	28%
Gross Profit	708,415	666,255	658,058	6%
Gross Margin	33%	37%	34%	-4 p.p.
Operating Income (Expenses)	(94,653)	(85,700)	(79,611)	10%
Selling	(28,440)	(24,160)	(25,286)	18%
General and Administrative	(45,405)	(39,578)	(40,315)	15%
Others, Net	(20,808)	(21,962)	(14,010)	-5%
EBIT	613,762	580,555	578,447	6%
EBIT Margin	28%	32%	30%	-4 p.p.
Financial Result	99,721	62,822	(35,878)	59%
Equity Income	254,979	256,439	294,691	-1%
Operating Result	968,462	899,816	837,260	8%
Non-Operating Income	8,844	9,315	6,652	-5%
Profit Before Taxes	977,306	909,131	843,912	7%
Income Tax / Social Contribution	(117,573)	(105,472)	(194,420)	11%
Net Income	859,733	803,659	649,492	7%
Net Margin	40%	45%	34%	-5 p.p.
Net Income per thousand shares	1.74	3.66	1.97	-52%
EBITDA	704,124	678,882	666,852	4%
EBITDA Margin	32.7%	37.8%	34.5%	-5,1 p.p.
Depreciation	72,195	69,418	70,088	4%
Provisions	18,167	28,909	18,317	-37%

Income Statement - Parent Company

Brazilian GAAP

R\$ thousand	1H08	1H07	Chg. 1H08/1H07
Net Revenues	4,090,866	3,531,963	16%
Domestic Market	3,724,438	3,014,766	24%
Export Market	366,428	517,197	-29%
COGS	(2,724,393)	(2,246,003)	21%
Gross Profit	1,366,473	1,285,960	6%
Gross Margin	33%	36%	-3 p.p.
Operating Income (Expenses)	(174,264)	(181,115)	-4%
Selling	(53,726)	(52,631)	2%
General and Administrative	(85,720)	(77,733)	10%
Others, Net	(34,818)	(50,751)	-31%
EBIT	1,192,209	1,104,845	8%
EBIT Margin	29%	31%	-2 p.p.
Financial Result	63,843	69,293	-8%
Equity Income	549,670	545,149	1%
Operating Result	1,805,722	1,719,287	5%
Non-Operating Income	15,496	9,763	59%
Profit Before Taxes	1,821,218	1,729,050	5%
Income Tax / Social Contribution	(311,993)	(285,318)	9%
Net Income	1,509,225	1,443,732	5%
Net Margin	37%	41%	-4 p.p.
Net Income per thousand shares	3.06	6.58	-54%
EBITDA	1,370,976	1,305,737	5%
EBITDA Margin	33.5%	37.0%	-3,5 p.p.
Depreciation	142,283	138,707	3%
Provisions	36,484	62,185	-41%

Income Statement - Consolidated

Brazilian GAAP

R\$ thousand	2Q 2008	2Q 2007	1Q 2008	Chg. 2Q08/2Q07
Net Revenues	3,972,740	3,379,268	3,553,746	18%
Domestic Market	3,567,453	2,788,488	3,088,547	28%
Export Market	405,287	590,780	465,199	-31%
COGS	(2,517,636)	(2,176,840)	(2,321,061)	16%
Gross Profit	1,455,104	1,202,428	1,232,685	21%
Gross Margin	37%	36%	35%	+1 p.p.
Operating Income (Expenses)	(210,492)	(187,615)	(220,904)	12%
Selling	(60,820)	(56,424)	(67,320)	8%
General and Administrative	(81,611)	(76,042)	(80,119)	7%
Others, Net	(68,061)	(55,149)	(73,465)	23%
EBIT	1,244,612	1,014,813	1,011,781	23%
EBIT Margin	31%	30%	28%	+1 p.p.
Financial Result	201,141	61,367	(30,165)	228%
Financial Income	115,240	79,477	109,056	45%
Financial Expenses	85,901	(18,110)	(139,221)	
Equity Income	(212,929)	(16,048)	2,782	1227%
Operating Result	1,232,824	1,060,132	984,398	16%
Non-Operating Income	(8,552)	10,488	5,625	
Profit Before Taxes	1,224,272	1,070,620	990,023	14%
Income Tax / Social Contribution	(354,389)	(262,017)	(339,183)	35%
Income before Minority Interests	869,883	808,603	650,840	8%
Minority Interests	(9,108)	(6,292)	(4,613)	45%
Net Income	860,775	802,311	646,227	7%
Net Margin	22%	24%	18%	-2 p.p.
Net Income per thousand shares	1.75	3.66	1.96	-52%
EBITDA	1,458,183	1,233,404	1,254,003	18%
EBITDA Margin	36.7%	36.5%	35.3%	+0,2 p.p.
Depreciation	184,363	176,835	180,306	4%
Provisions	29,208	41,756	61,916	-30%

Income Statement - Consolidated

Brazilian GAAP

R\$ thousand	1H 2008	1H 2007	Var. 1H08/1H07
Net Revenues	7,526,486	6,715,338	12%
Domestic Market	6,656,000	5,407,159	23%
Export Market	870,486	1,308,179	-33%
COGS	(4,838,697)	(4,368,686)	11%
Gross Profit	2,687,789	2,346,652	15%
Gross Margin	36%	35%	+1 p.p.
Operating Income (Expenses)	(431,396)	(367,458)	17%
Selling	(128,140)	(116,623)	10%
General and Administrative	(161,730)	(149,590)	8%
Others, Net	(141,526)	(101,245)	40%
EBIT	2,256,393	1,979,194	14%
EBIT Margin	30%	29%	+1 p.p.
Financial Result	170,976	69,891	145%
Financial Income	224,296	127,222	76%
Financial Expenses	(53,320)	(57,331)	-7%
Equity Income	(210,147)	(3,396)	6088%
Operating Result	2,217,222	2,045,689	8%
Non-Operating Income	(2,927)	10,362	
Profit Before Taxes	2,214,295	2,056,051	8%
Income Tax / Social Contribution	(693,572)	(599,725)	16%
Income before Minority Interests	1,520,723	1,456,326	4%
Minority Interests	(13,721)	(12,190)	13%
Net Income	1,507,002	1,444,136	4%
Net Margin	20%	22%	+2 p.p.
Net Income per thousand shares	3.06	6.58	-54%
EBITDA	2,712,186	2,411,042	12%
EBITDA Margin	36.0%	35.9%	+0,1 p.p.
Depreciation	364,669	353,584	3%
Provisions	91,124	78,264	16%

Cash Flow

Brazilian GAAP (Legislação Societária)

R\$ thousand	Parent Company		Consolidated	
	2Q 2008	2Q 2007	2Q 2008	2Q 2007
Operating Activities				
Net Income (Loss) in the Period	859,733	803,659	860,775	802,310
Financial Expenses and Monetary Var/Net Exchge Var	(123,598)	(8,957)	(347,008)	(137,295)
Depreciation, Exhaustion and Amortization	72,195	69,418	186,492	176,793
Investment Write-offs (Decrease in Permanent Assets)	151	1,797	1,184	1,762
Equity in the Results of Subsidiaries/Associated Companies	(254,979)	(256,439)	212,929	76,253
Dividend Income from Subsidiaries	20,721	91,461	16,644	36,763
Income Tax and Social Contribution	(87,801)	(52,419)	(74,774)	(59,795)
Provisions	30,122	(16,080)	(4,342)	493
Adjustment for Minority Participation	0	0	9,108	6,292
Total	516,544	632,440	861,008	903,576
Increase/Decrease of Assets				
Increase (Decrease) in Accounts Receivables	(109,466)	102,318	(160,446)	(37,982)
Increase (Decrease) in Inventories	(270,329)	(137,018)	(375,006)	(12,682)
Increase (Decrease) in Recovery of Taxes	(6,166)	(26,337)	16,101	(35,335)
Increase (Decrease) in Judicial Deposits	7,809	(34,898)	(14,121)	(36,854)
Increase (Decrease) in Accounts Receivables Affiliated Companies	389	1,808	1,314	0
Others	28,362	(17,381)	38,078	(27,714)
Total	(349,401)	(111,508)	(494,080)	(150,567)
Increase (Decrease) of Liabilities				
Increase (Decrease) in Suppliers	64,568	80,996	77,056	67,896
Amounts Owed to Affiliated Companies	38,910	(52,776)	37,460	(36,362)
Customers Advances	7,769	(9,767)	135,090	9,918
Tax Payable	(4,970)	905	26,564	13,419
Income Tax and Social Contribution	77,631	78,153	137,211	74,008
Others	112,051	(18,911)	190,941	72,843
Total	295,959	78,600	604,322	201,722
Cashflow Generated from Operating Activities				
	463,102	599,532	971,250	954,731
Financial Activities				
Inflow of Loans and Financing	1,035,624	31,647	1,100,552	123,198
Payment of Loans, Financing and Debentures	(10,581)	(6,750)	(13,645)	(140,634)
Interest paid on Loans, Financ., Debent.and taxes payable in installments	(12,954)	(7,540)	(19,617)	(7,808)
Swap Operation Redemptions	0	0	65,775	(37,617)
Dividends Paid	(576,241)	(463,107)	(581,941)	(474,503)
Net Funds from Financial Activities				
	435,848	(445,750)	551,124	(537,364)
Investment Activities				
(Additions) in Long-term Investments	(2,614)	0	(2,267)	0
(Additions) to Permanent Assets, except Deferred Charges	(199,939)	(160,610)	(638,731)	(316,349)
(Additions) Right off of permanent assets	0	0	0	0
Funds Used for Investments				
	(202,553)	(160,610)	(640,998)	(316,349)
Exchange Variation of Cash and Cash Equivalents				
	(19,753)	(14,432)	(28,077)	(36,418)
Cash Balance Change				
	676,644	(21,260)	853,299	64,600
At the Beginning of the Period	1,846,231	1,641,882	3,669,365	3,053,370
At the End of the Period	2,522,875	1,620,622	4,522,664	3,117,970

Cash Flow

Brazilian GAAP (Legislação Societária)

R\$ thousand	Parent Company		Consolidated	
	1H 2008	1H 2007	1H 2008	1H 2007
Operating Activities				
Net Income (Loss) in the Period	1,509,225	1,443,732	1,507,002	1,444,136
Financial Expenses and Monetary Var/Net Exchge Var	(108,693)	(18,079)	(325,007)	(213,132)
Depreciation, Exhaustion and Amortization	142,283	138,707	366,798	353,542
Investment Write-offs (Decrease in Permanent Assets)	1,334	3,592	3,022	3,679
Equity in the Results of Subsidiaries/Associated Companies	(549,670)	(545,149)	210,147	63,600
Dividend Income from Subsidiaries	60,637	120,113	30,414	65,415
Income Tax and Social Contribution	(127,812)	947	(146,046)	27,672
Provisions	22,827	(17,019)	(24,935)	15,342
Adjustment for Minority Participation	0	0	13,721	12,190
Total	950,131	1,126,844	1,635,116	1,772,444
Increase/Decrease of Assets				
Increase (Decrease) in Accounts Receivables	(100,159)	145,104	(367,924)	8,451
Increase (Decrease) in Inventories	(400,558)	(147,691)	(479,277)	(40,674)
Increase (Decrease) in Recovery of Taxes	(8,421)	(20,052)	(41,717)	(41,734)
Increase (Decrease) from Deferred Income Tax & Social Contrib'n	0	0	0	0
Increase (Decrease) in Judicial Deposits	2,832	(35,122)	(28,650)	(39,810)
Increase (Decrease) in Accounts Receivables Affiliated Companies	(3,921)	3,313	(3,095)	0
Others	(55,964)	(59,275)	(59,222)	(85,252)
Total	(566,191)	(113,723)	(979,885)	(199,019)
Increase (Decrease) of Liabilities				
Increase (Decrease) in Suppliers	144,922	60,924	41,897	79,223
Amounts Owed to Affiliated Companies	31,862	(63,556)	37,094	(50,319)
Customers Advances	10,297	(351)	282,167	54,895
Tax Payable	(5,820)	14,962	52,578	66,790
Income Tax and Social Contribution	97,461	137,341	51,879	142,890
Others	131,710	(7,323)	218,020	63,671
Total	410,432	141,997	683,635	357,150
Cashflow Generated from Operating Activities				
	794,372	1,155,118	1,338,866	1,930,575
Financial Activities				
Inflow of Loans and Financing	2,456,713	78,588	2,625,201	238,238
Payment of Loans, Financing and Debentures	(53,378)	(113,855)	(195,348)	(463,757)
Interest paid on Loans, Financ., Debent.and taxes payable in installments	(20,758)	(11,609)	(20,633)	(12,208)
Swap Operation Redemptions	(2,618)	0	34,142	(209,529)
Dividends Paid	(616,762)	(497,315)	(620,808)	(508,813)
Net Funds from Financial Activities				
	1,763,197	(544,191)	1,822,554	(956,069)
Investment Activities				
(Additions) in Long-term Investments	(1,630,858)	0	(1,566,139)	0
(Additions) to Permanent Assets, except Deferred Charges	(345,771)	(240,324)	(986,554)	(515,445)
(Additions) Right off of permanent assets	0	0	0	0
Funds Used for Investments				
	(1,976,629)	(240,324)	(2,552,693)	(515,445)
Exchange Variation of Cash and Cash Equivalents				
	(28,166)	(24,475)	(37,000)	(62,153)
Cash Balance Change				
	552,774	346,128	571,727	396,908
At the Beginning of the Period	1,970,101	1,274,494	3,950,937	2,721,062
At the End of the Period	2,522,875	1,620,622	4,522,664	3,117,970

Balance Sheet - Assets

Brazilian GAAP - R\$ thousand

Assets	Parent Company		Consolidated	
	30-jun-08	31-dec-07	30-jun-08	31-dec-07
Current Assets	5,907,641	4,712,786	10,619,568	8,962,928
Cash and Cash Equivalents	2,522,875	1,970,101	4,522,664	3,950,937
Trade Accounts Receivable	925,550	825,391	2,046,699	1,678,775
Taxes Recoverable	68,718	60,297	220,304	178,587
Inventories	1,775,033	1,374,475	3,172,991	2,693,714
Deferred Income Tax & Social Contrb'n	190,827	41,135	232,779	81,564
Other Securities Receivables	424,638	441,387	424,131	379,351
Long-Term Receivable	597,358	575,039	1,088,434	1,020,565
Deferred Income Tax & Social Contrb'n	347,336	347,336	632,255	613,578
Deposits at Law	155,935	158,767	229,028	229,741
Taxes Recoverable	46,048	34,305	157,175	107,424
Others	48,039	34,631	69,976	69,822
Permanent Assets	13,197,674	10,800,225	12,707,461	10,715,256
Investments	9,352,124	7,174,346	3,029,476	1,683,259
Property, Plant and Equipment	3,845,550	3,625,879	9,674,526	9,011,407
Deferred	-	-	3,459	20,590
Total Assets	19,702,673	16,088,050	24,415,463	20,698,749

Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP - R\$ thousand

Liabilities and Shareholders' Equity	Parent Company		Consolidated	
	30-Jun-08	31-dec-07	30-Jun-08	31-dec-07
Current Liabilities	2,020,190	1,805,877	4,578,270	3,769,391
Loans and Financing and Taxes Payable in Installments	208,218	174,599	836,468	588,829
Suppliers, Subcontractors and Freight	474,821	329,899	875,693	833,796
Taxes, Charges and Payroll Taxes	420,576	305,381	836,530	684,032
Related Companies	122,742	89,489	115,412	76,928
Financial Instruments	10,028	2,808	248,042	128,563
Actuarial Liability	76,398	70,115	84,640	77,569
Dividends Payable	385,748	619,508	389,110	626,916
Customers Advances	21,568	11,271	667,683	385,516
Others	300,091	202,807	524,692	367,242
Long-Term Liabilities	4,024,512	1,750,425	6,113,210	4,340,949
Loans and Financing and Taxes Payable in Installments	2,831,884	610,180	3,953,943	2,133,725
Related Companies	884,945	853,258	1,253,336	1,210,006
Provision for Contingencies	214,219	220,934	537,804	535,893
Actuarial Liability	56,849	59,515	238,053	260,342
Deferred Income Tax & Social Contrb'n	-	1,332	45,138	189,582
Financial Instruments	32,800	-	76,800	-
Others	3,815	5,206	8,136	11,401
Minority Interests	0	0	125,652	114,078
Shareholders' Equity	13,657,971	12,531,748	13,598,331	12,474,331
Capital	12,150,000	8,100,000	12,150,000	8,100,000
Reserves	381,748	4,431,748	381,748	4,374,331
Revenues from Fiscal Year	1,126,223	-	1,066,583	-
Total Liabilities and Shareholders' Equity	19,702,673	16,088,050	24,415,463	20,698,749

Sales Volume Breakdown - Consolidated

Thousand tons	2Q 2008		2Q 2007		1Q 2007		Chg. 2Q08/2Q07
TOTAL SALES	1,917	100%	1,980	100%	1,886	100%	-3%
Heavy Plates	522	27%	490	25%	463	25%	7%
Hot Coils/Sheets	609	32%	535	27%	589	31%	14%
Cold Coils/Sheets	461	24%	530	27%	456	24%	-13%
Electrogalvanized Coils	69	4%	67	3%	75	4%	3%
Hot Dip Galvanized Coils	123	6%	103	5%	100	5%	19%
Processed Products	61	3%	77	4%	61	3%	-21%
Slabs	72	4%	178	9%	142	8%	-60%
DOMESTIC MARKET	1,662	87%	1,511	76%	1,532	81%	10%
Heavy Plates	442	23%	412	21%	353	19%	7%
Hot Coils/Sheets	569	30%	485	24%	540	29%	17%
Cold Coils/Sheets	401	21%	378	19%	398	21%	6%
Electrogalvanized Coils	59	3%	56	3%	65	3%	5%
Hot Dip Galvanized Coils	104	5%	94	5%	87	5%	11%
Processed Products	34	2%	46	2%	37	2%	-26%
Slabs	53	3%	40	2%	52	3%	33%
EXPORTS	255	13%	469	24%	354	19%	-46%
Heavy Plates	80	4%	78	4%	110	6%	3%
Hot Coils/Sheets	40	2%	50	3%	49	3%	-20%
Cold Coils/Sheets	60	3%	152	8%	58	3%	-61%
Electrogalvanized Coils	10	1%	11	1%	10	1%	-9%
Hot Dip Galvanized Coils	19	1%	9	0%	13	1%	111%
Processed Products	27	1%	31	2%	24	1%	-13%
Slabs	19	1%	138	7%	90	5%	-86%

Net Revenues per Tonne - USIMINAS + COSIPA

R\$ / t.	2Q 08	1Q 08	4Q 07	3Q 07	2Q 07	1Q 07	4Q 06	3Q 06	2Q 06
Total	1,910	1,678	1,666	1,667	1,628	1,593	1,567	1,537	1,419
Heavy Plates	2,112	1,892	1,887	2,017	1,942	1,888	1,823	1,644	1,591
Hot Coils/Sheets	1,622	1,447	1,455	1,467	1,361	1,347	1,354	1,356	1,294
Cold Coils/Sheets	1,836	1,676	1,720	1,679	1,593	1,557	1,601	1,633	1,550
Electrogalvanized Coils	2,237	2,068	2,076	2,104	2,072	2,068	2,004	2,089	1,987
Hot Dip Galvanized Coils	2,328	2,245	2,161	2,210	2,120	2,106	2,044	2,069	1,934
Processed Products	1,958	1,913	1,972	1,933	1,834	1,939	1,876	1,996	1,812
Slabs	902	850	774	798	780	829	851	955	656

Sectorial Sales - Consolidated

Thousand tonnes	2Q 08		2Q 07		1Q 08		Chg. 2Q08/2Q07
	Value	%	Value	%	Value	%	
Domestic Market	1,662	100%	1,511	100%	1,532	100%	10%
Auto	203	12%	213	14%	199	13%	-5%
Autoparts	309	19%	275	18%	274	18%	12%
Shipbuilding	22	1%	12	1%	15	1%	86%
Line Pipes	127	8%	133	9%	97	6%	-4%
Small Diameter Pipes	108	7%	115	8%	115	8%	-6%
Packaging	20	1%	21	1%	18	1%	-5%
Household Appliances	27	2%	31	2%	30	2%	-14%
Civil Construction	103	6%	80	5%	96	6%	29%
Electrical Equipment	66	4%	66	4%	60	4%	0%
Distributors	368	22%	351	23%	355	23%	5%
Industrial Equipment	166	10%	133	9%	133	9%	25%
Others	143	9%	82	5%	140	9%	74%

Market Share - Usiminas System (*)

(% volume)

	1H08 (*)	2007 (*)	2006 (*)	2005 (*)	2004 (*)	2003 (*)
DOMESTIC MARKET	49%	52%	52%	53%	55%	60%
Auto	52%	59%	59%	59%	55%	62%
Autoparts	60%	61%	62%	59%	62%	67%
Shipbuilding	100%	100%	100%	100%	100%	100%
Electrical Equipment	71%	73%	65%	66%	63%	58%
Household Appliances	32%	35%	38%	33%	36%	44%
Line Pipes	90%	88%	98%	94%	98%	95%
Small Diameter Pipes	39%	39%	54%	54%	60%	68%
Packaging	11%	14%	13%	14%	15%	16%
Civil Construction	37%	35%	40%	44%	48%	58%
Distributors	41%	44%	42%	44%	51%	59%

(*) Defined by USIMINAS, Cosipa, CSN and Arcelor Mittal markets.

Source: IBS

Loans and Financing by Index - Consolidated

R\$ million	30-jun-08			31-dec-07	Chg. Jun08/Dec07
	Short Term	Long Term	TOTAL	TOTAL	
Foreign Currency (*)	665,634	2,644,258	3,309,892	2,024,994	63%
TJLP	114,046	480,737	594,783	522,597	14%
Others	12,293	228,756	241,049	28,299	752%
Sub-Total	791,973	3,353,751	4,145,724	2,575,890	61%
Debentures	22,768	500,000	522,768	0	-
Sub-Total	814,741	3,853,751	4,668,492	2,575,890	81%
Taxes Payable in Installments	21,727	100,192	121,919	146,664	-17%
TOTAL	836,468	3,953,943	4,790,411	2,722,554	76%
FEMCO	4,905	278,930	283,835	276,747	3%
TOTAL DEBT	841,373	4,232,873	5,074,246	2,999,301	69%
Cash and Cash Equivalents			4,522,664	3,950,937	14%
NET DEBT			551,582	(951,636)	

(*) 92,3% of total foreign currency is denominated in US dollars

Financial Income - Consolidated

R\$ million	2Q 2008	2Q 2007	1Q 2007	Chg. 2Q08/2Q07	1H08	1H07	Chg. 2007/2006
Monetary Effects	20,081	(29,259)	(7,023)		13,058	(45,181)	
Exchange Variation	240,634	92,691	30,441	160%	271,075	155,817	74%
Hedge Income (Expenses)	(34,317)	(36,469)	177	-6%	(34,140)	(65,891)	-48%
Interest on Loans, Financing, ACC's and Pre-Payment	(79,859)	(52,323)	(67,071)	53%	(146,930)	(112,225)	31%
Financial Income	117,759	116,226	92,388	1%	210,147	190,786	10%
Other Financial Expenses	(63,157)	(29,499)	(79,077)	114%	(142,234)	(53,415)	166%
NET INTEREST INCOME	201,141	61,367	(30,165)	228%	170,976	69,891	145%