

(A free translation of the original in Portuguese)

**Usinas Siderúrgicas de
Minas Gerais S.A. -
USIMINAS**

**Quarterly Information (ITR) at
September 30, 2012
and Report on Review of
Quarterly Information**



(A free translation of the original in Portuguese)

Report on Review of Quarterly Information

To the Board of Directors and Shareholders
Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS, included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2012, comprising the balance sheet as at that date and the statements of operations and comprehensive result for the quarter and nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.



Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Conclusion on the consolidated interim information

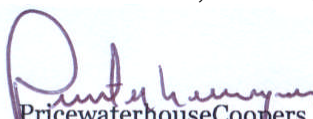
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

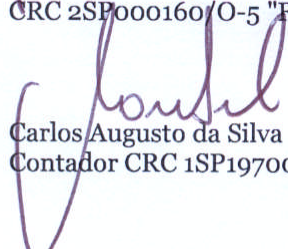
Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the nine-month period ended September 30, 2012. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Belo Horizonte, October 30, 2012



PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" MG



Carlos Augusto da Silva
Contador CRC 1SP197007/O-2 "S" MG

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Company Data / Composition of capital

| Number of Shares | Current Quarter |
|-------------------------|------------------------|
| (Units) | 09/30/2012 |
| Paid-up Capital | |
| Common | 505,260,684 |
| Preferred | 508,525,506 |
| Total | 1,013,786,190 |
| In Treasury | |
| Common | 2,526,654 |
| Preferred | 24,060,356 |
| Total | 26,587,010 |

Individual Financial Statements / Balance Sheet - Assets

(In thousands of Reais)

| Account Code | Account Description | Current Quarter 09/30/2012 | Prior Year 12/31/2011 |
|---------------------|---|---------------------------------------|----------------------------------|
| 1 | Total Assets | 30,380,945 | 30,238,550 |
| 1.01 | Current Assets | 5,582,382 | 6,415,996 |
| 1.01.01 | Cash and Cash Equivalents | 466,500 | 363,586 |
| 1.01.02 | Financial Investments | 17,466 | 124,396 |
| 1.01.03 | Accounts Receivable | 1,106,024 | 783,520 |
| 1.01.03.01 | Trade Receivables | 1,106,024 | 783,520 |
| 1.01.04 | Inventories | 3,407,475 | 4,263,673 |
| 1.01.06 | Taxes Recoverable | 404,415 | 646,160 |
| 1.01.08 | Other Current Assets | 180,502 | 234,661 |
| 1.01.08.03 | Other | 180,502 | 234,661 |
| 1.01.08.03.01 | Advances to Suppliers | 6,661 | 18,396 |
| 1.01.08.03.02 | Financial Instruments | 29,439 | 10,560 |
| 1.01.08.03.03 | Dividends Receivable | 7,980 | 61,952 |
| 1.01.08.03.04 | Other Receivables | 136,422 | 143,753 |
| 1.02 | Non-Current Assets | 24,798,563 | 23,822,554 |
| 1.02.01 | Long-term Receivables | 2,152,092 | 1,793,183 |
| 1.02.01.06 | Deferred Taxes | 1,098,336 | 676,592 |
| 1.02.01.06.01 | Deferred income tax and social contribution | 1,098,336 | 676,592 |
| 1.02.01.08 | Credits with Related Parties | 73,614 | 57,113 |
| 1.02.01.09 | Other Non-Current Assets | 980,142 | 1,059,478 |
| 1.02.01.09.03 | Judicial Deposits | 398,363 | 448,653 |
| 1.02.01.09.04 | Deposits for tax incentives | 290 | 5,490 |
| 1.02.01.09.05 | Properties for sales | 7,840 | 7,124 |
| 1.02.01.09.06 | Financial Instruments | 450,227 | 431,772 |
| 1.02.01.09.07 | Taxes recoverable | 81,230 | 123,381 |
| 1.02.01.09.08 | Prepaid expenses | 20,400 | 16,567 |
| 1.02.01.09.09 | Other receivables | 21,792 | 26,491 |
| 1.02.02 | Investments | 8,452,378 | 8,100,465 |
| 1.02.02.01 | Equity Investments | 8,452,378 | 8,100,465 |
| 1.02.02.01.01 | Interest in Associated Companies | 140,432 | 142,017 |
| 1.02.02.01.02 | Interest in Subsidiaries | 7,571,343 | 7,188,154 |
| 1.02.02.01.03 | Interest in Jointly Controlled Subsidiaries | 740,603 | 770,294 |
| 1.02.03 | Property, Plant and Equipment | 14,044,629 | 13,786,171 |
| 1.02.03.01 | Property, Plant and Equipment in operation | 12,533,019 | 8,815,399 |
| 1.02.03.01.01 | Property, Plant and Equipment in operation | 22,263,958 | 17,971,838 |
| 1.02.03.01.02 | Depreciation | -9,730,939 | -9,156,439 |
| 1.02.03.03 | Construction in Progress | 1,511,610 | 4,970,772 |
| 1.02.04 | Intangible Assets | 149,464 | 142,735 |

Individual Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

| Account Code | Account Description | Current Quarter 09/30/2012 | Prior Year 12/31/2011 |
|---------------------|--|---|----------------------------------|
| 2 | Total Liabilities | 30,380,945 | 30,238,550 |
| 2.01 | Current Liabilities | 5,154,269 | 3,405,007 |
| 2.01.01 | Social Security and Labor Obligations | 221,425 | 200,423 |
| 2.01.02 | Suppliers | 1,816,423 | 1,270,212 |
| 2.01.03 | Tax Obligations | 87,891 | 83,402 |
| 2.01.04 | Loans and Financing | 1,975,397 | 1,104,034 |
| 2.01.04.01 | Loans and Financing | 1,722,500 | 829,615 |
| 2.01.04.02 | Debentures | 252,897 | 274,419 |
| 2.01.05 | Other Obligations | 1,053,133 | 746,936 |
| 2.01.05.01 | Liabilities with Related Parties | 793,199 | 428,592 |
| 2.01.05.02 | Other | 259,934 | 318,344 |
| 2.01.05.02.01 | Dividends and Interest on Own Capital Payable | 935 | 57,171 |
| 2.01.05.02.04 | Taxes Payable in Installments | 36,675 | 57,169 |
| 2.01.05.02.05 | Financial Instruments | 40,538 | 43,589 |
| 2.01.05.02.06 | Advances from Customers | 16,077 | 12,189 |
| 2.01.05.02.07 | Other Payables | 165,709 | 148,226 |
| 2.02 | Non-Current Liabilities | 8,383,829 | 9,549,750 |
| 2.02.01 | Loans and Financing | 6,766,402 | 7,832,780 |
| 2.02.01.01 | Loans and Financing | 6,766,402 | 7,582,780 |
| 2.02.01.02 | Debentures | 0 | 250,000 |
| 2.02.02 | Other Obligations | 153,054 | 231,643 |
| 2.02.02.01 | Liabilities with Related Parties | 40,375 | 43,085 |
| 2.02.02.02 | Other | 112,679 | 188,558 |
| 2.02.02.02.03 | Taxes Payable in Installments | 22,383 | 22,050 |
| 2.02.02.02.04 | Financial Instruments | 16,243 | 23,990 |
| 2.02.02.02.05 | Other Payables | 74,053 | 142,518 |
| 2.02.04 | Provisions | 1,464,373 | 1,485,327 |
| 2.02.04.01 | Provisions for Tax, Social Security, Labor and Civil Contingencies | 218,324 | 150,500 |
| 2.02.04.01.05 | Contingent Liabilities | 218,324 | 150,500 |
| 2.02.04.02 | Other Provisions | 1,246,049 | 1,334,827 |
| 2.02.04.02.03 | Provision for Environmental Liabilities and Demobilization | 11,944 | 57,354 |
| 2.02.04.02.04 | Provision for Retirement Benefits | 1,234,105 | 1,277,473 |
| 2.03 | Equity | 16,842,847 | 17,283,793 |
| 2.03.01 | Realized Capital | 12,150,000 | 12,150,000 |
| 2.03.01.01 | Common Shares | 6,055,436 | 6,055,436 |
| 2.03.01.02 | Preferred Shares | 6,094,564 | 6,094,564 |
| 2.03.02 | Capital Reserves | 5,208 | 2,274 |
| 2.03.02.07 | Recognized Granted Options | 5,208 | 2,274 |
| 2.03.02.08 | Premium on Share Issue | 105,295 | 105,295 |
| 2.03.02.09 | Treasury Stock | -105,295 | -105,295 |
| 2.03.04 | Revenue Reserves | 4,490,822 | 4,517,043 |
| 2.03.04.01 | Legal Reserve | 699,587 | 699,587 |
| 2.03.04.10 | Reserve for Investments and Working Capital | 3,791,235 | 3,791,235 |
| 2.03.04.11 | Unappropriated dividends | 0 | 26,221 |
| 2.03.05 | Accumulated Deficit | -300,194 | 0 |
| 2.03.06 | Carrying Value Adjustments | 497,011 | 614,476 |
| 2.03.06.01 | Result from Capital Transactions | 871,258 | 871,258 |
| 2.03.06.02 | Actuarial (gains) and losses | -437,623 | -341,725 |
| 2.03.06.03 | Adjustment to Property, Plant and Equipment (IAS 29) | 198,719 | 211,887 |
| 2.03.06.04 | Cumulative Translation Adjustments | 1,838 | 1,030 |
| 2.03.06.05 | Cash Flow Hedge Reserve | -152,942 | -143,735 |
| 2.03.06.06 | Other | 15,761 | 15,761 |

Individual Financial Statements / Statement of Income

(In thousands of Reais)

| Account Code | Account Description | Current Quarter 07/01/2012 to 09/30/2012 | Accumulated current year 01/01/2012 to 09/30/2012 | Same Prior Year Quarter 07/01/2011 to 09/30/2011 | Accumulated prior year 01/01/2011 to 09/30/2011 |
|---------------------|--|---|--|---|--|
| 3.01 | Revenue from Sale of Products and/or Services | 2,920,071 | 8,514,140 | 2,631,696 | 8,041,864 |
| 3.02 | Cost of Products and/or Services Sold | -3,021,614 | -8,676,200 | -2,601,847 | -7,888,176 |
| 3.03 | Gross Result | -101,543 | -162,060 | 29,849 | 153,688 |
| 3.04 | Operating Income/Expenses | -27,416 | 149,405 | 454,246 | 539,559 |
| 3.04.01 | Selling Expenses | -42,429 | -114,031 | -44,488 | -163,011 |
| 3.04.02 | General and Administrative Expenses | -78,329 | -187,494 | -73,053 | -210,948 |
| 3.04.04 | Other Operating Income | 57,033 | 183,135 | 19,136 | 102,393 |
| 3.04.05 | Other Operating Expenses | -119,907 | -202,352 | 65,391 | 118,410 |
| 3.04.06 | Equity in the Results of Investees | 156,216 | 470,147 | 487,260 | 692,715 |
| 3.04.06.01 | In associated and Subsidiary Companies | 149,602 | 440,202 | 488,370 | 668,403 |
| 3.04.06.02 | Net capital deficiency | 6,614 | 29,945 | -1,110 | 24,312 |
| 3.05 | Result Before Financial Result and Taxes | -128,959 | -12,655 | 484,095 | 693,247 |
| 3.06 | Financial Result | -158,360 | -670,702 | -579,470 | -540,844 |
| 3.07 | Result Before Taxes on Profit | -287,319 | -683,357 | -95,375 | 152,403 |
| 3.08 | Income Tax and Social Contribution on Net Income | 144,068 | 367,545 | 198,339 | 161,022 |
| 3.08.01 | Current | 0 | -54 | -1 | -11,751 |
| 3.08.02 | Deferred | 144,068 | 367,599 | 198,340 | 172,773 |
| 3.09 | Net Result from Continued Operations | -143,251 | -315,812 | 102,964 | 313,425 |
| 3.10 | Net Result from Discontinued Operations | 0 | 0 | 0 | -124,919 |
| 3.11 | Net Income/Loss for the Period | -143,251 | -315,812 | 102,964 | 188,506 |
| 3.99 | Earnings per Share – (Reais/ Per share) | | | | |
| 3.99.01 | Basic Earnings per Share | | | | |
| 3.99.01.01 | ON | -0.13000 | -0.30000 | 0.15000 | 0.18000 |
| 3.99.01.02 | PN | -0.16000 | -0.34000 | 0.16000 | 0.20000 |
| 3.99.02 | Diluted Earnings per Share | | | | |
| 3.99.02.01 | ON | -0.13000 | -0.30000 | 0.15000 | 0.18000 |
| 3.99.02.02 | PN | -0.16000 | -0.34000 | 0.16000 | 0.20000 |

Individual Financial Statements / Statement of Comprehensive Income

(In thousands of Reais)

| Account Code | Account Description | Current Quarter 07/01/2012 to 09/30/2012 | Accumulated current year 01/01/2012 to 09/30/2012 | Same Prior Year Quarter 07/01/2011 to 09/30/2011 | Accumulated prior year 01/01/2011 to 09/30/2011 |
|---------------------|--|---|--|---|--|
| 4.01 | Net Income for the Period | -143,251 | -315,812 | 102,964 | 188,506 |
| 4.02 | Other Comprehensive Income | -23,747 | -104,297 | -178,560 | -88,695 |
| 4.02.01 | Actuarial gain (loss) with Retirement Benefits | -41,621 | -95,898 | -38,239 | -129,880 |
| 4.02.02 | Exchange Variations of Foreign Subsidiaries and Other Movements | 49 | 808 | 2,484 | 178,212 |
| 4.02.03 | Cash Flow Hedge in Associated Company | 0 | 0 | 0 | 5,778 |
| 4.02.04 | Cash Flow Hedge in Parent Company | 17,825 | -9,207 | -142,805 | -142,805 |
| 4.03 | Comprehensive Income for the Period | -166,998 | -420,109 | -75,596 | 99,811 |

Individual Financial Statements / Statement of Cash Flows - Indirect Method

(In thousands of Reais)

| Account Code | Account Description | Accumulated Current Year 01/01/2012 to 09/30/2012 | Accumulated Prior Year 01/01/2011 to 09/30/2011 |
|---------------------|---|--|--|
| 6.01 | Cash Flows from Operating Activities | 1,581,051 | 196,585 |
| 6.01.01 | Cash Generated in Operations | 134,332 | 477,492 |
| 6.01.01.01 | Net income (loss) for the year | -315,812 | 188,506 |
| 6.01.01.02 | Monetary and Foreign Exchange Variations and Charges, net | 462,350 | 436,498 |
| 6.01.01.03 | Interest Expenses | 180,579 | 192,221 |
| 6.01.01.04 | Depreciation and Amortization | 618,852 | 564,456 |
| 6.01.01.05 | Losses/(Gains) on Sale of Property, Plant and Equipment | -2,986 | -22,389 |
| 6.01.01.06 | Result from Disposal of Discontinued Operations | 0 | 124,919 |
| 6.01.01.07 | Equity in the Results of Investees | -470,147 | -692,715 |
| 6.01.01.09 | Deferred Income Tax and Social Contribution | -367,599 | -172,773 |
| 6.01.01.10 | Changes in Provisions | 89,279 | -76,072 |
| 6.01.01.11 | Actuarial losses (gains) | -63,118 | -65,159 |
| 6.01.01.13 | Stock Option Plan | 2,934 | 0 |
| 6.01.02 | Changes in Assets and Liabilities | 1,446,719 | -280,907 |
| 6.01.02.01 | Marketable Securities | 106,930 | 2,063 |
| 6.01.02.02 | Trade receivables | -322,504 | 409,898 |
| 6.01.02.03 | Inventories | 856,198 | -523,533 |
| 6.01.02.04 | Taxes recoverable | 283,896 | -69,136 |
| 6.01.02.05 | Judicial Deposits | 37,567 | -10,796 |
| 6.01.02.06 | Receivables from Related Parties | -26,953 | -3,588 |
| 6.01.02.07 | Other (Increase) Decrease in Assets | 20,985 | -113,287 |
| 6.01.02.08 | Suppliers | 546,211 | 579,247 |
| 6.01.02.09 | Payables to Related Parties | 361,897 | -30,070 |
| 6.01.02.10 | Advances from Customers | 3,888 | 3,010 |
| 6.01.02.11 | Taxes Payable | 4,489 | -7,904 |
| 6.01.02.12 | Payment of Actuarial Liability | -124,100 | -117,267 |
| 6.01.02.13 | Other Increase (Decrease) in liabilities | 37,172 | -74,168 |
| 6.01.02.14 | Interest Paid | -338,903 | -325,376 |
| 6.01.02.15 | Income Tax and Social Contribution Paid | -54 | 0 |
| 6.02 | Cash Flow from Investing Activities | -671,461 | -1,275,249 |
| 6.02.01 | Amount Received on Disposal of Investments | 0 | 35,953 |
| 6.02.02 | Purchases of Property, Plant and Equipment | -788,524 | -1,402,849 |
| 6.02.03 | Dividends Received | 161,279 | 92,305 |
| 6.02.04 | Purchases of Intangible Assets | -44,167 | -658 |
| 6.02.05 | Amount Paid for the Acquisition of Investments | -3,535 | 0 |
| 6.02.06 | Amount Received for the Sale of Property, Plant and Equipment | 3,486 | 0 |
| 6.03 | Cash Flow from Financing Activities | -817,018 | -147,764 |
| 6.03.01 | New Loans and Financing and Debentures | 277,076 | 896,396 |
| 6.03.02 | Repayment of Loans and Financing | -955,142 | -656,429 |
| 6.03.03 | Taxes Paid in Installments | -23,615 | -23,051 |
| 6.03.04 | Settlement of Swap Transactions | -33,789 | -45,012 |
| 6.03.05 | Dividends and Interest on Own Capital | -81,548 | -319,668 |
| 6.04 | Foreign Exchange Variation on Cash and Cash Equivalents | 10,342 | -10,183 |
| 6.05 | Increase (Decrease) in Cash and Cash Equivalents | 102,914 | -1,236,611 |
| 6.05.01 | Opening balance of Cash and Cash Equivalents | 363,586 | 1,526,767 |
| 6.05.02 | Closing balance of Cash and Cash Equivalents | 466,500 | 290,156 |

Individual Financial Statements / Statements of Changes in Equity - 01/01/2012 to 09/30/2012

(In thousands of Reais)

| Account Code | Account Description | Paid- up Capital | Capital Reserves, Options Granted and Treasury Stock | Revenue Reserves | Retained Earnings/ Accumulated Deficit | Other Comprehensive Income | Equity |
|---------------------|--|-------------------------|---|-----------------------------|---|---|---------------|
| 5.01 | Opening Balances | 12,150,000 | 2,274 | 4,517,043 | 0 | 614,476 | 17,283,793 |
| 5.03 | Adjusted Opening Balances | 12,150,000 | 2,274 | 4,517,043 | 0 | 614,476 | 17,283,793 |
| 5.04 | Capital Transactions with Shareholders | 0 | 2,934 | -26,221 | 2,450 | 0 | -20,837 |
| 5.04.03 | Recognized Granted Options | 0 | 2,934 | 0 | 1,541 | 0 | 4,475 |
| 5.04.07 | Interest on Own Capital | 0 | 0 | -26,221 | 0 | 0 | -26,221 |
| 5.04.08 | Prescribed Dividends | 0 | 0 | 0 | 909 | 0 | 909 |
| 5.05 | Total Comprehensive Income | 0 | 0 | 0 | -302,644 | -117,465 | -420,109 |
| 5.05.01 | Net Income for the Period | 0 | 0 | 0 | -315,812 | 0 | -315,812 |
| 5.05.02 | Other Comprehensive Income | 0 | 0 | 0 | 13,168 | -117,465 | -104,297 |
| 5.05.02.06 | Realization of Adjustment to Property, Plant and Equipment (IAS 29) | 0 | 0 | 0 | 13,168 | -13,168 | 0 |
| 5.05.02.07 | Hedge of Cash Flow in Parent Company | 0 | 0 | 0 | 0 | -9,207 | -9,207 |
| 5.05.02.08 | Actuarial loss (gain) with Retirement Benefits | 0 | 0 | 0 | 0 | -95,898 | -95,898 |
| 5.05.02.09 | Exchange Variations of Foreign Subsidiaries and Other Movements | 0 | 0 | 0 | 0 | 808 | 808 |
| 5.07 | Closing Balances | 12,150,000 | 5,208 | 4,490,822 | -300,194 | 497,011 | 16,842,847 |

Individual Financial Statements / Statements of Changes in Equity - 01/01/2011 to 09/30/2011

(In thousands of Reais)

| Account Code | Account Description | Paid- up Capital | Capital Reserves, Options Granted and Treasury Stock | Revenue Reserves | Retained Earnings/ Accumulated Deficit | Other Comprehensive Deficit | Equity |
|---------------------|--|-------------------------|---|-------------------------|---|--|---------------|
| 5.01 | Opening Balances | 12,150,000 | 0 | 4,493,825 | 0 | 788,774 | 17,432,599 |
| 5.03 | Adjusted Opening Balances | 12,150,000 | 0 | 4,493,825 | 0 | 788,774 | 17,432,599 |
| 5.04 | Capital Transactions with Shareholders | 0 | 0 | -176,833 | 511 | 0 | -176,322 |
| 5.04.07 | Interest on Own Capital | 0 | 0 | -176,833 | 0 | 0 | -176,833 |
| 5.04.08 | Prescribed Dividends | 0 | 0 | 0 | 511 | 0 | 511 |
| 5.05 | Total Comprehensive Income | 0 | 0 | 0 | 205,027 | -105,216 | 99,811 |
| 5.05.01 | Net income for the period | 0 | 0 | 0 | 188,506 | 0 | 188,506 |
| 5.05.02 | Other Comprehensive Income | 0 | 0 | 0 | 16,521 | -105,216 | -88,695 |
| 5.05.02.06 | Realization of Adjustment to Property, Plant and Equipment (IAS 29) | 0 | 0 | 0 | 16,521 | -16,521 | 0 |
| 5.05.02.07 | Cash Flow Hedge in Associated Company | 0 | 0 | 0 | 0 | 5,778 | 5,778 |
| 5.05.02.08 | Cash Flow Hedge in Parent Company | 0 | 0 | 0 | 0 | -142,805 | -142,805 |
| 5.05.02.10 | Actuarial loss(gain) with Retirement Benefits | 0 | 0 | 0 | 0 | -129,880 | -129,880 |
| 5.05.02.11 | Foreign Exchange Variations of Foreign Subsidiaries and Other Movements | 0 | 0 | 0 | 0 | 178,212 | 178,212 |
| 5.07 | Closing Balances | 12,150,000 | 0 | 4,316,992 | 205,538 | 683,558 | 17,356,088 |

Individual Financial Statements / Statement of Value Added

(In thousands of Reais)

| Account Code | Account Description | Accumulated Current Year 01/01/2012 to 09/30/2012 | Accumulated Prior Year 01/01/2011 to 09/30/2011 |
|---------------|---|--|--|
| 7.01 | Revenues | 11,240,537 | 10,779,521 |
| 7.01.01 | Sales of Goods, Products and Services | 11,220,318 | 10,761,861 |
| 7.01.02 | Other Revenues | 23,736 | 26,765 |
| 7.01.04 | Provision/Reversal of Provision for Doubtful Accounts | -3,517 | -9,105 |
| 7.02 | Inputs Acquired from Third Parties | -10,194,949 | -9,786,063 |
| 7.02.01 | Cost of Products, Goods and Services Sold | -9,698,961 | -9,430,370 |
| 7.02.02 | Materials, Energy, Third Party Services and Other | -495,988 | -355,693 |
| 7.03 | Gross Value Added | 1,045,588 | 993,458 |
| 7.04 | Retentions | -618,852 | -564,456 |
| 7.04.01 | Depreciation, Amortization and Depletion | -618,852 | -564,456 |
| 7.05 | Net Value Added | 426,736 | 429,002 |
| 7.06 | Value Added Received in Transfer | 674,355 | 1,004,386 |
| 7.06.01 | Equity in the Results of Investees | 470,147 | 692,715 |
| 7.06.02 | Financial Income | 141,090 | 246,512 |
| 7.06.03 | Other | 63,118 | 65,159 |
| 7.06.03.01 | Actuarial Gains and Losses | 63,118 | 65,159 |
| 7.07 | Total Value Added to be Distributed | 1,101,091 | 1,433,388 |
| 7.08 | Distribution of Value Added | 1,101,091 | 1,433,388 |
| 7.08.01 | Personnel | 818,715 | 648,186 |
| 7.08.01.01 | Direct Remuneration | 690,525 | 502,276 |
| 7.08.01.02 | Benefits | 67,495 | 77,944 |
| 7.08.01.03 | Government Severance Indemnity Fund (FGTS) | 60,695 | 67,966 |
| 7.08.02 | Taxes, Fees and Contributions | -213,604 | -315,579 |
| 7.08.02.01 | Federal | 75,554 | 17,419 |
| 7.08.02.02 | State | -316,956 | -358,397 |
| 7.08.02.03 | Municipal | 27,798 | 25,399 |
| 7.08.03 | Third Party Capital Remuneration | 811,792 | 787,356 |
| 7.08.03.01 | Interest | 447,022 | 508,431 |
| 7.08.03.03 | Other | 364,770 | 278,925 |
| 7.08.03.03.01 | Net Foreign Exchange Variations | 359,943 | 343,113 |
| 7.08.03.03.02 | Other | 4,827 | -64,188 |
| 7.08.04 | Own Capital Remuneration | -315,812 | 313,425 |
| 7.08.04.03 | Retained Earnings/Loss for the Period | -315,812 | 313,425 |

Consolidated Financial Statements/Balance Sheet - Assets

(In thousands of Reais)

| Account Code | Account Description | Current Quarter 09/30/2012 | Prior Year 12/31/2011 |
|---------------------|---|---------------------------------------|----------------------------------|
| 1 | Total Assets | 33,383,908 | 33,360,425 |
| 1.01 | Current Assets | 11,551,640 | 12,616,945 |
| 1.01.01 | Cash and Cash Equivalents | 2,876,553 | 2,901,312 |
| 1.01.02 | Financial Investments | 1,898,115 | 2,289,383 |
| 1.01.03 | Accounts Receivable | 1,671,370 | 1,254,435 |
| 1.01.03.01 | Trade Receivables | 1,671,370 | 1,254,435 |
| 1.01.04 | Inventory | 4,269,322 | 5,058,876 |
| 1.01.06 | Taxes Recoverable | 548,528 | 799,635 |
| 1.01.08 | Other Current Assets | 287,752 | 313,304 |
| 1.01.08.03 | Other | 287,752 | 313,304 |
| 1.01.08.03.01 | Advance to Suppliers | 32,962 | 71,758 |
| 1.01.08.03.02 | Financial Instruments | 50,013 | 29,464 |
| 1.01.08.03.03 | Dividends Receivable | 27,066 | 13,587 |
| 1.01.08.03.04 | Other Accounts Receivable | 177,711 | 198,495 |
| 1.02 | Non-Current Assets | 21,832,268 | 20,743,480 |
| 1.02.01 | Long Term Receivables | 2,370,311 | 1,939,992 |
| 1.02.01.06 | Deferred taxes | 1,265,580 | 797,146 |
| 1.02.01.06.01 | Deferred Income Tax and Social Contribution | 1,265,580 | 797,146 |
| 1.02.01.08 | Credits with Related Parties | 14,082 | 5,710 |
| 1.02.01.09 | Other Non-current assets | 1,090,649 | 1,137,136 |
| 1.02.01.09.03 | Judicial Deposits | 436,436 | 486,327 |
| 1.02.01.09.04 | Financial Investments | 456,684 | 435,972 |
| 1.02.01.09.05 | Taxes Recoverable | 142,105 | 154,737 |
| 1.02.01.09.06 | Other Non-current Assets | 55,424 | 60,100 |
| 1.02.02 | Investments | 449,422 | 428,382 |
| 1.02.02.01 | Equity Investments | 449,422 | 428,382 |
| 1.02.03 | Property, Plant and Equipment | 16,564,242 | 15,921,154 |
| 1.02.03.01 | Property, Plant and Equipment in Operation | 14,441,700 | 10,489,802 |
| 1.02.03.01.01 | Property, Plant and Equipment in Operation | 24,998,761 | 20,390,687 |
| 1.02.03.01.02 | Depreciation | -10,557,061 | -9,900,885 |
| 1.02.03.03 | Construction in Progress | 2,122,542 | 5,431,352 |
| 1.02.04 | Intangible assets | 2,448,293 | 2,453,952 |

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of Reais)

| Account Code | Account Description | Current Quarter 09/30/2012 | Prior Year 12/31/2011 |
|---------------------|---|---------------------------------------|----------------------------------|
| 2 | Total Liabilities | 33,383,908 | 33,360,425 |
| 2.01 | Current Liabilities | 5,774,264 | 4,092,173 |
| 2.01.01 | Social Security and Labor Obligations | 332,474 | 301,950 |
| 2.01.02 | Suppliers | 2,309,526 | 1,462,373 |
| 2.01.03 | Tax Obligations | 206,577 | 323,838 |
| 2.01.03.01 | Federal Tax Obligations | 206,577 | 323,838 |
| 2.01.03.01.01 | Income Tax and Social Contribution Payable | 80,859 | 197,636 |
| 2.01.03.01.02 | Taxes Payable | 125,718 | 126,202 |
| 2.01.04 | Loans and Financing | 2,073,901 | 1,139,516 |
| 2.01.04.01 | Loans and Financing | 1,821,004 | 865,097 |
| 2.01.04.02 | Debentures | 252,897 | 274,419 |
| 2.01.05 | Other Obligations | 851,786 | 864,496 |
| 2.01.05.01 | Liabilities with Related Parties | 95,989 | 92,815 |
| 2.01.05.02 | Other | 755,797 | 771,681 |
| 2.01.05.02.01 | Dividends and Interest on Own Capital Payable | 937 | 69,704 |
| 2.01.05.02.04 | Taxes Payable in Installments | 40,928 | 61,169 |
| 2.01.05.02.05 | Financial Instruments | 40,538 | 43,589 |
| 2.01.05.02.06 | Advances from Customers | 268,906 | 202,978 |
| 2.01.05.02.07 | Acquisition of Mineração Ouro Negro | 175,190 | 156,193 |
| 2.01.05.02.08 | Other Accounts Payable | 229,298 | 238,048 |
| 2.02 | Non-Current Liabilities | 8,968,736 | 10,254,047 |
| 2.02.01 | Loans and Financing | 6,539,135 | 7,623,126 |
| 2.02.01.01 | Loans and Financing | 6,539,135 | 7,373,126 |
| 2.02.01.02 | Debentures | 0 | 250,000 |
| 2.02.02 | Other Obligations | 850,672 | 1,023,053 |
| 2.02.02.01 | Liabilities with Related Parties | 0 | 6,750 |
| 2.02.02.02 | Other | 850,672 | 1,016,303 |
| 2.02.02.02.03 | Taxes Payable in Installments | 36,780 | 38,637 |
| 2.02.02.02.04 | Financial Instruments | 526,862 | 547,250 |
| 2.02.02.02.05 | Acquisition of Mineração Ouro Negro | 218,987 | 312,385 |
| 2.02.02.02.06 | Other Accounts Payable | 68,043 | 118,031 |
| 2.02.03 | Deferred Taxes | 26,445 | 17,880 |
| 2.02.03.01 | Deferred Income Tax and Social Contribution | 26,445 | 17,880 |
| 2.02.04 | Provisions | 1,552,484 | 1,589,988 |
| 2.02.04.01 | Tax, Social Security Labor and Civil Provisions | 251,518 | 204,255 |
| 2.02.04.01.05 | Contingent Liabilities | 251,518 | 204,255 |
| 2.02.04.02 | Other Provisions | 1,300,966 | 1,385,733 |
| 2.02.04.02.03 | Provisions for Environmental Liabilities and Demobilization | 66,861 | 108,260 |
| 2.02.04.02.04 | Provision for Retirement Benefits | 1,234,105 | 1,277,473 |
| 2.03 | Consolidated Equity | 18,640,908 | 19,014,205 |
| 2.03.01 | Realized Capital | 12,150,000 | 12,150,000 |
| 2.03.01.01 | Common Shares | 6,055,436 | 6,055,436 |
| 2.03.01.02 | Preferred Shares | 6,094,564 | 6,094,564 |
| 2.03.02 | Capital Reserves | 5,208 | 2,274 |
| 2.03.02.07 | Recognized Granted Options | 5,208 | 2,274 |
| 2.03.02.08 | Premium on Issue of Shares | 105,295 | 105,295 |
| 2.03.02.09 | Treasury Stock | -105,295 | -105,295 |
| 2.03.04 | Revenue Reserves | 4,490,822 | 4,517,043 |
| 2.03.04.01 | Legal Reserve | 699,587 | 699,587 |
| 2.03.04.10 | Other Revenue Reserves | 3,791,235 | 3,791,235 |
| 2.03.04.11 | Dividends to be Appropriated | 0 | 26,221 |
| 2.03.05 | Retained Earnings/Accumulated Deficit | -300,194 | 0 |
| 2.03.06 | Equity valuation adjustments | 497,011 | 614,476 |
| 2.03.06.01 | Result from Capital Transactions | 871,258 | 871,258 |
| 2.03.06.02 | Actuarial Gains and Losses | -437,623 | -341,725 |
| 2.03.06.03 | Adjustment to Property, Plant and Equipment (IAS 29) | 198,719 | 211,887 |
| 2.03.06.04 | Other | 15,761 | 15,761 |
| 2.03.06.05 | Cumulative Translation Adjustments | 1,838 | 1,030 |
| 2.03.06.06 | Cash Flow Hedge Reserve | -152,942 | -143,735 |
| 2.03.09 | Non-controlling Interest | 1,798,061 | 1,730,412 |

Consolidated Financial Statements/Statement of Income

(In thousands of Reais)

| Account Code | Account Description | Current Quarter 07/01/2012 to 09/30/2012 | Accumulated Current Year 01/01/2012 to 09/30/2012 | Same Prior Year Quarter 07/01/2011 to 09/30/2011 | Accumulated Prior Year 01/01/2011 to 09/30/2011 |
|---------------------|--|---|--|---|--|
| 3.01 | Revenue from Sale of Products and/or Services | 3,389,771 | 9,501,270 | 2,998,154 | 9,087,289 |
| 3.02 | Cost of Products and/or Services Sold | -3,224,216 | -9,004,041 | -2,650,104 | -8,020,468 |
| 3.03 | Gross Result | 165,555 | 497,229 | 348,050 | 1,066,821 |
| 3.04 | Operating Expenses/Income | -264,751 | -606,738 | -103,189 | -407,318 |
| 3.04.01 | Selling Expenses | -96,644 | -272,755 | -88,339 | -294,721 |
| 3.04.02 | General and Administrative Expenses | -125,991 | -349,351 | -130,904 | -392,427 |
| 3.04.04 | Other Operating Income | 63,910 | 201,705 | 71,791 | 171,035 |
| 3.04.05 | Other Operating Expenses | -125,174 | -231,971 | 31,000 | 63,835 |
| 3.04.06 | Equity in the Results of Investees | 19,148 | 45,634 | 13,263 | 44,960 |
| 3.05 | Result Before Financial Result and Taxes | -99,196 | -109,509 | 244,861 | 659,503 |
| 3.06 | Financial Result | -117,446 | -395,941 | -195,766 | -106,678 |
| 3.07 | Result Before Taxes on Profit | -216,642 | -505,450 | 49,095 | 552,825 |
| 3.08 | Income Tax and Social Contribution on Net Income | 91,791 | 257,287 | 104,937 | -101,254 |
| 3.08.01 | Current | -54,605 | -149,945 | -84,775 | -272,546 |
| 3.08.02 | Deferred | 146,396 | 407,232 | 189,712 | 171,292 |
| 3.09 | Net Result from Continued Operations | -124,851 | -248,163 | 154,032 | 451,571 |
| 3.10 | Net Result from Discontinued Operations | 0 | 0 | 0 | -124,919 |
| 3.11 | Consolidated Net Income/Loss for the Period | -124,851 | -248,163 | 154,032 | 326,652 |
| 3.11.01 | Attributed to Parent Company Shareholders | -143,251 | -315,812 | 102,964 | 188,506 |
| 3.11.02 | Attributed to Non-controlling Interest | 18,400 | 67,649 | 51,068 | 138,146 |
| 3.99 | Earnings per Share – (Reais/ Per share) | | | | |
| 3.99.01 | Basic Earnings per Share | | | | |
| 3.99.01.01 | ON | -0.13000 | -0.30000 | 0.15000 | 0.18000 |
| 3.99.01.02 | PN | -0.16000 | -0.34000 | 0.16000 | 0.20000 |
| 3.99.02 | Diluted Earnings per Share | | | | |
| 3.99.02.01 | ON | -0.13000 | -0.30000 | 0.15000 | 0.18000 |
| 3.99.02.02 | PN | -0.16000 | -0.34000 | 0.16000 | 0.20000 |

Consolidated Financial Statements/Statement of Comprehensive Income

(In thousands of Reais)

| Account Code | Account Description | Current Quarter 07/01/2012 to 09/30/2012 | Accumulated Current Year 01/01/2012 to 09/30/2012 | Same Prior Year Quarter 07/01/2011 to 09/30/2011 | Accumulated Prior Year 01/01/2011 to 09/30/2011 |
|---------------------|--|---|--|---|--|
| 4.01 | Consolidated Net Income for the Period | -124,851 | -248,163 | 154,032 | 326,652 |
| 4.02 | Other Comprehensive Income | -23,747 | -104,297 | -178,560 | -88,695 |
| 4.02.01 | Actuarial gain (loss) with Retirement Benefits | -41,621 | -95,898 | -38,239 | -129,880 |
| 4.02.02 | Exchange Variations of Foreign Associated Companies and Other Movements | 49 | 808 | 2,484 | 178,212 |
| 4.02.03 | Cash Flow Hedge in Associated Company | 0 | 0 | 0 | 5,778 |
| 4.02.04 | Cash Flow Hedge in Parent Company | 17,825 | -9,207 | -142,805 | -142,805 |
| 4.03 | Consolidated Comprehensive Income for the Period | -148,598 | -352,460 | -24,528 | 237,957 |
| 4.03.01 | Attributed to Parent Company Shareholders | -166,998 | -420,109 | -75,596 | 99,811 |
| 4.03.02 | Attributed to Non-controlling Interest | 18,400 | 67,649 | 51,068 | 138,146 |

Consolidated Financial Statements/Statement of Cash Flows - Indirect Method

(In thousands of Reais)

| Account Code | Account Description | Accumulated Current Year 01/01/2012 to 09/30/2012 | Accumulated prior Year 01/01/2011 to 09/30/2011 |
|---------------------|--|--|--|
| 6.01 | Cash Flow from Operating Activities | 2,210,753 | -814,991 |
| 6.01.01 | Cash Generated in Operations | 702,998 | 1,329,978 |
| 6.01.01.01 | Net Income (Loss) for the Year | -248,163 | 326,652 |
| 6.01.01.02 | Monetary and Foreign Exchange Variations and Charges, Net | 431,782 | 426,094 |
| 6.01.01.03 | Interest expenses | 230,813 | 207,772 |
| 6.01.01.04 | Depreciation and Amortization | 726,838 | 642,417 |
| 6.01.01.05 | Result from Sale of Property, Plant and Equipment | -3,148 | -43,648 |
| 6.01.01.06 | Result on Disposal of Discontinued Operations | 0 | 124,919 |
| 6.01.01.07 | Equity in the Results of Investees | -45,634 | -44,960 |
| 6.01.01.08 | Deferred Income Tax and Social Contribution | -407,232 | -171,292 |
| 6.01.01.09 | Constitution (Reversal) of Provisions | 77,926 | -72,817 |
| 6.01.01.10 | Actuarial losses (gains) | -63,118 | -65,159 |
| 6.01.01.11 | Stock Option Plan | 2,934 | 0 |
| 6.01.02 | Changes in Assets and Liabilities | 1,507,755 | -2,144,969 |
| 6.01.02.01 | Marketable Securities | 391,268 | -1,968,000 |
| 6.01.02.02 | Trade Receivables | -416,935 | 376,176 |
| 6.01.02.03 | Inventories | 789,554 | -629,807 |
| 6.01.02.04 | Taxes Recoverable | 188,186 | -106,483 |
| 6.01.02.05 | Judicial Deposits | 34,505 | -12,105 |
| 6.01.02.06 | Receivables from Related Parties | -8,372 | 185 |
| 6.01.02.07 | Other (Increase) Decrease in Assets | 79,092 | -84,233 |
| 6.01.02.08 | Suppliers | 847,153 | 741,266 |
| 6.01.02.09 | Payables to Related Parties | -3,576 | -36,771 |
| 6.01.02.10 | Advances from Customers | 65,928 | 9,899 |
| 6.01.02.11 | Taxes Payable | -484 | -14,745 |
| 6.01.02.12 | Payment of Actuarial Liability | -124,100 | -117,267 |
| 6.01.02.13 | Other Increase (Decrease) in Liabilities | 218,409 | 216,919 |
| 6.01.02.14 | Interest Paid | -361,704 | -354,250 |
| 6.01.02.15 | Income Tax and Social Contribution Payable | -191,169 | -165,753 |
| 6.02 | Cash Flow from Investing Activities | -1,446,863 | -124,985 |
| 6.02.01 | Amount Received on Disposal of Investments | 0 | 1,656,740 |
| 6.02.02 | Purchases of Property, Plant and Equipment | -1,277,461 | -1,843,275 |
| 6.02.03 | Amount Paid on Acquisition of Investments | -140,618 | -863 |
| 6.02.04 | Dividends Received | 8,961 | 14,077 |
| 6.02.05 | Purchases of Intangible Assets | -48,385 | -4,146 |
| 6.02.06 | Proceeds from Sale of Property, Plant and Equipment | 10,640 | 52,482 |
| 6.03 | Cash Flow from Financing Activities | -798,991 | -58,295 |
| 6.03.01 | New Loans, Financing and Debentures | 382,785 | 948,756 |
| 6.03.02 | Repayment of Loans, Financing and Debentures | -1,043,670 | -617,558 |
| 6.03.03 | Taxes Paid in Installments | -26,730 | -24,530 |
| 6.03.04 | Settlement of Swap Transactions | -17,297 | -23,945 |
| 6.03.05 | Dividends and Interest on Own Capital Paid | -94,079 | -341,018 |
| 6.04 | Exchange Gains/Losses on Cash and Cash Equivalents | 10,342 | -10,183 |
| 6.05 | Decrease in Cash and Cash Equivalents | -24,759 | -1,008,454 |
| 6.05.01 | Opening Balance of Cash and Cash Equivalents | 2,901,312 | 4,145,779 |
| 6.05.02 | Closing Balance of Cash and Cash Equivalents | 2,876,553 | 3,137,325 |

Consolidated Financial Statements/Statement of Changes in Equity - 01/01/2012 to 09/30/2012

(In thousands of Reais)

| Account Code | Account Description | Paid up Capital | Capital Reserves, Options Granted and Treasury Stock | Revenue Reserves | Retained Earnings/ Accumulated Deficit | Other Comprehensive Income | Equity | Non- controlling Interest | Consolidated Net Equity |
|--------------|---|--------------------|--|---------------------|---|----------------------------------|------------|---------------------------------|----------------------------|
| 5.01 | Opening Balances | 12,150,000 | 2,274 | 4,517,043 | 0 | 614,476 | 17,283,793 | 1,730,412 | 19,014,205 |
| 5.03 | Adjusted Opening Balances | 12,150,000 | 2,274 | 4,517,043 | 0 | 614,476 | 17,283,793 | 1,730,412 | 19,014,205 |
| 5.04 | Capital Transactions with Shareholders | 0 | 2,934 | -26,221 | 2,450 | 0 | -20,837 | 0 | -20,837 |
| 5.04.03 | Recognized Granted Options | 0 | 2,934 | 0 | 1,541 | 0 | 4,475 | 0 | 4,475 |
| 5.04.07 | Interest on Own Capital | 0 | 0 | -26,221 | 0 | 0 | -26,221 | 0 | -26,221 |
| 5.04.08 | Prescribed Dividends | 0 | 0 | 0 | 909 | 0 | 909 | 0 | 909 |
| 5.05 | Total Comprehensive Income | 0 | 0 | 0 | -302,644 | -117,465 | -420,109 | 67,649 | -352,460 |
| 5.05.01 | Net Result for the Period | 0 | 0 | 0 | -315,812 | 0 | -315,812 | 67,649 | -248,163 |
| 5.05.02 | Other Comprehensive Income | 0 | 0 | 0 | 13,168 | -117,465 | -104,297 | 0 | -104,297 |
| 5.05.02.06 | Realization of Adjustment to Property, Plant and Equipment (IAS 29) | 0 | 0 | 0 | 13,168 | -13,168 | 0 | 0 | 0 |
| 5.05.02.07 | Cash Flow Hedge in Subsidiary | 0 | 0 | 0 | 0 | -9,207 | -9,207 | 0 | -9,207 |
| 5.05.02.08 | Actuarial loss(gain) with Retirement Benefits | 0 | 0 | 0 | 0 | -95,898 | -95,898 | 0 | -95,898 |
| 5.05.02.09 | Foreign Exchange Variations of Foreign Associated Company and Other Movements | 0 | 0 | 0 | 0 | 808 | 808 | 0 | 808 |
| 5.07 | Closing Balances | 12,150,000 | 5,208 | 4,490,822 | -300,194 | 497,011 | 16,842,847 | 1,798,061 | 18,640,908 |

Consolidated Financial Statements/Statement of Changes in Equity - 01/01/2011 to 09/30/2011

(In thousands of Reais)

| Account Code | Account Description | Paid up Capital | Capital Reserves, Options Granted and Treasury Stock | Revenue Reserves | Retained Earnings/ Accumulated Deficit | Other Comprehensive Income | Equity | Non- controlling Interest | Consolidated Net Equity |
|--------------|---|--------------------|--|---------------------|---|----------------------------------|------------|---------------------------------|----------------------------|
| 5.01 | Opening Balances | 12,150,000 | 0 | 4,493,825 | 0 | 788,774 | 17,432,599 | 1,596,838 | 19,029,437 |
| 5.03 | Adjusted Opening Balances | 12,150,000 | 0 | 4,493,825 | 0 | 788,774 | 17,432,599 | 1,596,838 | 19,029,437 |
| 5.04 | Capital Transactions with Shareholders | 0 | 0 | -176,833 | 511 | 0 | -176,322 | -6,706 | -183,028 |
| 5.04.06 | Recognized Granted Options | 0 | 0 | 0 | 0 | 0 | 0 | -6,706 | -6,706 |
| 5.04.07 | Interest on Own Capital | 0 | 0 | -176,833 | 0 | 0 | -176,833 | 0 | -176,833 |
| 5.04.08 | Prescribed Dividends | 0 | 0 | 0 | 511 | 0 | 511 | 0 | 511 |
| 5.05 | Total Comprehensive Income | 0 | 0 | 0 | 205,027 | -105,216 | 99,811 | 138,146 | 237,957 |
| 5.05.01 | Net Income for the Period | 0 | 0 | 0 | 188,506 | 0 | 188,506 | 138,146 | 326,652 |
| 5.05.02 | Other Comprehensive Income | 0 | 0 | 0 | 16,521 | -105,216 | -88,695 | 0 | -88,695 |
| 5.05.02.06 | Cash Flow Hedge in Associated Company | 0 | 0 | 0 | 0 | 5,778 | 5,778 | 0 | 5,778 |
| 5.05.02.07 | Cash Flow Hedge in Subsidiary | 0 | 0 | 0 | 0 | -142,805 | -142,805 | 0 | -142,805 |
| 5.05.02.09 | Actuarial loss (gain) with Retirement Benefits | 0 | 0 | 0 | 0 | -129,880 | -129,880 | 0 | -129,880 |
| 5.05.02.10 | Foreign Exchange Variations of Foreign Associated Company and Other Movements | 0 | 0 | 0 | 0 | 178,212 | 178,212 | 0 | 178,212 |
| 5.05.02.11 | Realization of Adjustment to Property, Plant and Equipment (IAS 29) | 0 | 0 | 0 | 16,521 | -16,521 | 0 | 0 | 0 |
| 5.07 | Closing Balances | 12,150,000 | 0 | 4,316,992 | 205,538 | 683,558 | 17,356,088 | 1,728,278 | 19,084,366 |

Consolidated Financial Statements/Statement of Value Added

(In thousands of Reais)

| Account Code | Account Description | Accumulated Current Year 01/01/2012 to 9/30/2012 | Accumulated Prior Year 01/01/2011 to 09/30/2011 |
|---------------------|--|---|--|
| 7.01 | Revenues | 12,457,952 | 12,102,781 |
| 7.01.01 | Sales of Goods, Products and Services | 12,437,765 | 12,085,768 |
| 7.01.02 | Other Revenues | 24,875 | 27,665 |
| 7.01.04 | Provision/Reversal of Provision for Doubtful Accounts | -4,688 | -10,652 |
| 7.02 | Inputs Acquired from Third Parties | -10,870,051 | -10,034,805 |
| 7.02.01 | Cost of Products, Goods and Services Sold | -10,045,882 | -9,440,495 |
| 7.02.02 | Materials, Energy, Third Party Services and Other | -824,169 | -594,310 |
| 7.03 | Gross Value Added | 1,587,901 | 2,067,976 |
| 7.04 | Retentions | -726,838 | -642,417 |
| 7.04.01 | Depreciation, Amortization and Depletion | -726,838 | -642,417 |
| 7.05 | Net Value Added | 861,063 | 1,425,559 |
| 7.06 | Value Added Received in Transfer | 425,367 | 594,274 |
| 7.06.01 | Equity in the Results of Investees | 45,634 | 44,960 |
| 7.06.02 | Financial Income | 316,615 | 484,155 |
| 7.06.03 | Other | 63,118 | 65,159 |
| 7.06.03.01 | Actuarial Gains and Losses | 63,118 | 65,159 |
| 7.07 | Total Value Added to be Distributed | 1,286,430 | 2,019,833 |
| 7.08 | Distribution of Value Added | 1,286,430 | 2,019,833 |
| 7.08.01 | Personnel | 1,402,840 | 1,327,361 |
| 7.08.01.01 | Direct Remuneration | 1,224,153 | 1,121,659 |
| 7.08.01.02 | Benefits | 87,193 | 97,823 |
| 7.08.01.03 | Government Severance Indemnity Fund (FGTS) | 91,494 | 107,879 |
| 7.08.02 | Taxes, Fees and Contributions | -580,803 | -349,932 |
| 7.08.02.01 | Federal | -14,936 | 209,754 |
| 7.08.02.02 | State | -601,577 | -600,860 |
| 7.08.02.03 | Municipal | 35,710 | 41,174 |
| 7.08.03 | Remuneration of Third Party Capital | 712,556 | 590,833 |
| 7.08.03.01 | Interest | 545,170 | 548,158 |
| 7.08.03.03 | Other | 167,386 | 42,675 |
| 7.08.03.03.01 | Net Foreign Exchange Variations | 195,414 | 33,452 |
| 7.08.03.03.02 | Other | -28,028 | 9,223 |
| 7.08.04 | Remuneration of Own Capital | -248,163 | 451,571 |
| 7.08.04.03 | Retained Earnings/Loss for the Period | -315,812 | 313,425 |
| 7.08.04.04 | Non-controlling Interest in Retained Earnings | 67,649 | 138,146 |

Comments on the Performance**COMMENTS ON THE PERFORMANCE****Usiminas in continuous effort to overcome market challenges****The main highlights in the 3Q12 were:**

- Crude steel production totaled 1.8 million tons, in line with the 2Q12;
- Iron ore production was 1.8 million tons, 18% higher than in the 2Q12;
- Consolidated net revenues were R\$3.4 billion, 5% higher than in the 2Q12;
- Consolidated Cash position on 09/30/12 was R\$4.8 billion, stable compared with the 2Q12;
- Consolidated Investments amounted to R\$371.4 million.

Main Highlights

| R\$ million | 3Q12 | 2Q12 | 3Q11 | Chg. 3Q12/2Q12 | 9M12 | 9M11 | Chg. 9M12/9M11 |
|--------------------------------|---------|---------|---------|-------------------|---------|---------|-------------------|
| Crude Steel Production (000 t) | 1,837 | 1,845 | 1,549 | 0% | 5,354 | 5,190 | 3% |
| Sales Volume (000 t) | 1,749 | 1,888 | 1,406 | -7% | 5,149 | 4,576 | 13% |
| Iron Ore Production (000 t) | 1,785 | 1,517 | 1,575 | 18% | 5,156 | 4,665 | 11% |
| Sales Iron Ore (000 t) | 1,142 | 1,497 | 1,434 | -24% | 4,369 | 4,177 | 5% |
| Net Revenues | 3,390 | 3,225 | 2,998 | 5% | 9,501 | 9,087 | 5% |
| COGS | (3,224) | (3,067) | (2,650) | 5% | (9,004) | (8,020) | 12% |
| Gross Profit (Loss) | 166 | 158 | 348 | 5% | 497 | 1,067 | -53% |
| Net Income (Loss) | (125) | (87) | 154 | 44% | (248) | 327 | - |
| EBITDA | 150 | 232 | 343 | -36% | 572 | 1,046 | -45% |
| EBITDA Margin | 4.4% | 7.2% | 11.5% | - 2.8 p.p. | 6.0% | 11.5% | - 5.5 p.p. |
| Investments (Capex) | 371 | 355 | 688 | 5% | 1,288 | 1,843 | -30% |
| Cash Position | 4,775 | 4,844 | 5,503 | -1% | 4,775 | 5,503 | -13% |

Market Data – 09/28/12**Index**

BM&FBOVESPA: USIM5 R\$10.12/share
USIM3 R\$11.62/share

EUA/OTC: USNZY US\$5.08/ADR

Latibex: XUSI €3.19/share
XUSIO €3.79/share

- **Consolidated Results**
- **Performance of Business Units:**
 - Mining
 - Steel Making
 - Steel Transformation
 - Capital Goods
- **Capital Markets**
- **Highlights in the Period**
- **Balance Sheet, Income Statement and Cashflow**

Usiminas Focus

To improve operational performance, to reduce its debt and to maintain a comfortable level of financial liquidity are the main focus of Usiminas. The structural indicators of installed capacity utilization of the plants and reduction of working capital show how strongly the company is preparing itself to overcome market challenges.

Economic Outlook

The global economic scene continues without great changes; in spite of stimulus, expectation of low growth continues in the third quarter. According to the IMF, growth in 2012 should be 3.3%, 20 basis points below the forecast in July and lower than the 3.8% recorded in 2011.

In the US, the difficulty to sustain consistent expansion has been confirmed. After growth of 2.1% in the 1Q12, the American economy slowed to a rate of 1.7% per annum in the second quarter, similar to what was expected for this third quarter. In Europe, the severe combination of recession, high debt and rumors of a bank crisis in important countries in the region persist. In China, the government has responded aggressively to the weakening of the economy, which grew 7.6% in the second quarter, the slowest growth rate since mid-2009. Recent data suggests that the slowdown has persisted in the 3Q12, with industrial production in August growing below 10% for the fifth consecutive month, against average growth of 13.7% in 2011.

In Brazil, in spite of consumption has still been growing, the industry performance is still weak. The industrial production reversed the consecutive declines sequence and showed a growth in August, for the third consecutive month. But the accrued reduction is still amounting 3.4% in the year of 2012.

In the third quarter, the Brazilian Economy should expand 1%, after a nearly zero growth in the first half of the year. Among the categories of expenses that compose the GDP, the Gross Fixed Capital Formation (Investment) presents the higher negative impact in the growth of the Brazilian economy in 2012. This is damaging to the steel consumption.

Despite the challenges, the expectation is of improvement in the business environment in the coming quarters as the economy reacts to monetary stimulus, through lower interest rates; fiscal stimulus, through industrial tax (IPI) reduction, tax relief for payroll charges, and reduction of electric energy tariff for the industry; credit stimulus, through the Sustainability Investment Program.

Economic and Financial Performance

Comments on Consolidated Results

Net Revenue

Net revenue in the 3Q12 came to R\$3.4 billion, a 5.1% increase in relation to the 2Q12, which had reached R\$3.2 billion, mainly in function of sales of higher value added products, higher sales prices in the Steel and the Steel Processing Businesses, higher participation of domestic sales and greater contribution of the Capital Goods Business.

Net Revenue Breakdown

| | 3Q12 | 2Q12 | 3Q11 | 9M12 | 9M11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Domestic Market | 79% | 75% | 88% | 80% | 86% |
| Export Market | 21% | 25% | 12% | 20% | 14% |
| Total | 100% | 100% | 100% | 100% | 100% |

Cost of Goods Sold (COGS)

In the 3Q12, consolidated COGS totaled R\$3.2 billion, a 5.1% increase compared to the 2Q12, mainly due to sales of higher valued added products. Gross margin was 4.9%, stable as compared with the 2Q12, as per the table below.

Gross Margin

| 3Q12 | 2Q12 | 3Q11 | 9M12 | 9M11 |
|-------------|-------------|--------------|-------------|--------------|
| 4.9% | 4.9% | 11.6% | 5.2% | 11.7% |

Operating Income and Expenses

Selling, General and Administrative Expenses (SG&A) amounted to R\$222.6 million in the 3Q12, compared to R\$210.1 million in the 2Q12.

Other Operating Income and Expenses totaled expenses of R\$61.3 million in the 3Q12, against R\$51.0 million of income in the previous quarter. This was mainly due to negative extraordinary non-recurring effects of provision of the Transportation Agreement with MRS in the amount of R\$31.2 million and the provision of contingencies with acquisition of equity interests in the amount of R\$30.9 million.

Additionally, there were R\$18.9 million of income related to *Reintegra* Program in the 3Q12, against R\$34.7 million in the previous quarter.

Thus, total Operating Expenses were R\$283.9 million in the quarter, against R\$159.1 million in the 2Q12. Consolidated operating margin in the Company presented the following performance:

EBITDA

EBIT Margin

| 3Q12 | 2Q12 | 3Q11 | 9M12 | 9M11 |
|-------|------|------|-------|------|
| -3.5% | 0.0% | 7.7% | -1.7% | 6.8% |

EBITD

A, composed by operating profit before financial expense and revenue of a negative R\$118.3 million, adding back depreciation and amortization of R\$268.0 million totaled R\$149.7 million, 35.5 % lower than in the 2Q12. EBITDA margin showed a decrease of 280 basis points compared with 2Q12, mainly due to non-recurring extraordinary operating expenses, as previously described. The margins are shown as follows:

EBITDA Margin

| 3Q12 | 2Q12 | 3Q11 | 9M12 | 9M11 |
|------|------|-------|------|-------|
| 4.4% | 7.2% | 11.5% | 6.0% | 11.5% |

Financial Result

The financial result totaled a negative R\$117.4 million in the 3Q12 against a negative R\$255.7 million in the 2Q12. This result can be mainly attributed to a lower dollar variation in the period, which appreciated only 0.46% in the third quarter.

Financial Result - Consolidated

| R\$ thousand | 3Q12 | 2Q12 | 3Q11 | Chg. 3Q12/2Q12 | 9M12 | 9M11 | Chg. 9M12/9M11 |
|-----------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| Currency Exchange Variation | (8,508) | (199,576) | (138,655) | -96% | (210,645) | (9,710) | 2069% |
| Swap Operations Market Cap. | 8,290 | (7,159) | (34,332) | - | 43,259 | (32,965) | -231% |
| Inflationary Variation | (23,462) | (15,632) | (16,962) | 50% | (68,103) | (34,087) | 100% |
| Financial Income | 64,712 | 71,438 | 166,715 | -9% | 213,012 | 310,097 | -31% |
| Financial Expenses | (158,478) | (104,731) | (172,532) | 51% | (373,464) | (340,013) | 10% |
| FINANCIAL RESULT | (117,446) | (255,660) | (195,766) | -54% | (395,941) | (106,678) | 271% |

Equity in the Results of Associate and Subsidiaries Companies

The result of participation in results of subsidiaries was R\$19.1 million in the 3Q12, 43.4% greater than in the 2Q12, being MRS Logística the main contributor.

Net Profit (Loss)

The Company recorded a loss of R\$124.9 million in the quarter, against a loss of R\$86.5 million in the previous quarter, mainly due to the increase in extraordinary operating expenses, although partially compensated by lower financial losses.

Working Capital

Usiminas continues to improve its working capital reduction, which, in the quarter, amounted to a reduction of R\$0.5 billion through the decrease of inventories of steel products and spare parts and obtaining longer accounts payable terms. The accumulated reduction of working capital of the Company in 2012 was R\$1.5 billion.

Investments (Capex)

Investments totaled R\$371.4 million in the 3Q12, 4.6% higher, compared to the 2Q12. Out of the total investments of R\$1,287.7 million in 2012, approximately 63% was spent in Steel, 30% in Mining, 3% in Steel Transformation and 4% in Capital Goods.

Indebtedness

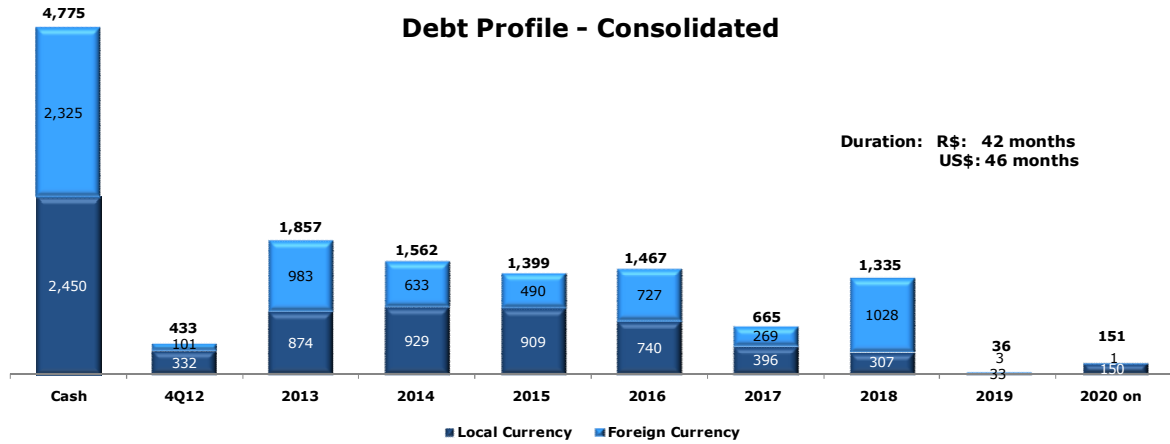
Total debt was R\$8.9 billion on 09/30/12, against R\$9.0 billion on 06/30/12. Net debt was R\$4.1 billion at the end of 3Q12, a decrease of 1.3% in comparison with the previous quarter.

On 09/30/12, debt composition by maturity was 23.7% short term and 76.3% long term. Composition by currency was 52.4% in domestic currency and 47.6% in foreign currency.

Loans and Financing by Index - Consolidated

| R\$ thousand | 30-Sep-12 | | | % | 30-Jun-12 | Chg. Sep12/Jun12 |
|-----------------------------|------------------|------------------|------------------|-------------|------------------|---------------------|
| | Short Term | Long Term | TOTAL | | TOTAL | |
| Local Currency | 1,120,593 | 3,549,122 | 4,669,715 | 52% | 4,621,013 | 1% |
| TJLP | 209,284 | 765,061 | 974,345 | - | 1,033,130 | -6% |
| CDI | 718,888 | 2,504,963 | 3,223,851 | - | 3,182,123 | 1% |
| Others | 192,421 | 279,098 | 471,519 | - | 405,760 | 16% |
| Foreign Currency (*) | 994,236 | 3,240,529 | 4,234,765 | 48% | 4,405,449 | -4% |
| TOTAL DEBT | 2,114,829 | 6,789,651 | 8,904,480 | 100% | 9,026,462 | -1% |
| CASH AND CASH EQUIVALENTS | - | - | 4,774,668 | - | 4,843,544 | -1% |
| NET DEBT | - | - | 4,129,812 | - | 4,182,918 | -1% |

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



Business Units Performance

Transactions between Companies are accounted for on arm’s length basis.

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

* Usiminas' Subsidiary

**Results accounted through Equity in the Results of Associate and Subsidiary Companies

Income Statement per Business Units - Non Audited - Quarterly

| R\$ million | Mining | | Steel | | Steel Processing | | Capital Goods | | Adjustment | | Consolidated | |
|-----------------------------|------------|------------|-----------|------------|------------------|-----------|---------------|-------------|-------------|-------------|--------------|------------|
| | 3Q12 | 2Q12 | 3Q12 | 2Q12 | 3Q12 | 2Q12 | 3Q12 | 2Q12 | 3Q12 | 2Q12 | 3Q12 | 2Q12 |
| Net Revenue | 154 | 213 | 2,955 | 3,097 | 540 | 533 | 305 | 205 | (564) | (823) | 3,390 | 3,225 |
| Domestic Market | 95 | 143 | 2,284 | 2,348 | 532 | 522 | 305 | 203 | (533) | (811) | 2,683 | 2,405 |
| Export Market | 59 | 70 | 671 | 749 | 8 | 11 | 0 | 2 | (31) | (12) | 707 | 820 |
| COGS | (61) | (73) | (2,950) | (3,057) | (481) | (495) | (278) | (225) | 546 | 783 | (3,224) | (3,067) |
| Gross Profit | 93 | 140 | 5 | 39 | 59 | 37 | 27 | (19) | (18) | (39) | 166 | 158 |
| Operating Income (Expenses) | (47) | (49) | (186) | (43) | (52) | (50) | 2 | (17) | (1) | (0) | (284) | (159) |
| EBIT | 46 | 91 | (181) | (4) | 7 | (13) | 29 | (36) | (19) | (39) | (118) | (1) |
| EBITDA | 56 | 100 | 57 | 201 | 20 | 0 | 36 | (29) | (19) | (40) | 150 | 232 |
| EBITDA Margin | 36% | 47% | 2% | 6% | 4% | 0% | 12% | -14% | - | - | 4% | 7% |

Income Statement per Business Units - Non Audited - 9M12

| R\$ million | Mining | | Steel | | Steel Processing | | Capital Goods | | Adjustment | | Consolidated | |
|-----------------------------|------------|------------|------------|------------|------------------|-----------|---------------|-----------|-------------|-----------|--------------|--------------|
| | 9M12 | 9M11 | 9M12 | 9M11 | 9M12 | 9M11 | 9M12 | 9M11 | 9M12 | 9M11 | 9M12 | 9M11 |
| Net Revenue | 607 | 733 | 8,625 | 7,995 | 1,570 | 1,630 | 761 | 1,050 | (2,062) | (2,322) | 9,501 | 9,087 |
| Domestic Market | 456 | 608 | 6,866 | 6,907 | 1,544 | 1,600 | 759 | 1,049 | (1,998) | (2,321) | 7,627 | 7,843 |
| Export Market | 151 | 125 | 1,759 | 1,089 | 26 | 30 | 2 | 1 | (64) | (1) | 1,874 | 1,244 |
| COGS | (234) | (192) | (8,581) | (7,791) | (1,423) | (1,483) | (761) | (924) | 1,995 | 2,370 | (9,004) | (8,020) |
| Gross Profit | 373 | 541 | 45 | 204 | 147 | 147 | 0 | 126 | (68) | 48 | 497 | 1,067 |
| Operating Income (Expenses) | (132) | (88) | (330) | (163) | (154) | (130) | (38) | (75) | 2 | 4 | (652) | (452) |
| EBIT | 241 | 453 | (285) | 41 | (7) | 17 | (38) | 51 | (66) | 52 | (155) | 615 |
| EBITDA | 267 | 474 | 358 | 389 | 31 | 62 | (19) | 71 | (65) | 48 | 572 | 1,046 |
| EBITDA Margin | 44% | 65% | 4% | 5% | 2% | 4% | -3% | 7% | - | - | 6% | 12% |

I) MINING

Mineração Usiminas (MUSA)

Mineração Usiminas is located in the region of Serra Azul (MG) and holds mining assets with potential mineable reserves estimated at 2.6 billion tons, in addition to a retro area of 850 thousand square meters at the port terminal in the Itaguaí region (RJ). MUSA and Usiminas further hold a stake in MRS Logística, through its subsidiary UPL – Usiminas Participações e Logística S.A., with 20% of its voting capital and take part in the control group. The total capital in Mineração Usiminas is comprised 70% by Usiminas and 30% by Sumitomo Corporation.

Comments on Business Unit Results - Mining

In the 3Q12, net revenue in the Mining segment was R\$154.2 million, an 27.6% decrease compared with the 2Q12, in function of lower volume sold in the domestic market and strong decline in the price of iron ore in the market.

In the 3Q12, cost of goods sold (COGS) totaled R\$60.8 million, 16.6% lower than in the 2Q12 due to a lower sales volume.

Gross profit reached R\$93.4 million in the 3Q12, 33.4% lower than the 2Q12's result, which was R\$140.2 million; this drop is the result of the combination of lower volume and sale prices. Gross margin in the 3Q12 was 60.6%, compared with 65.8% in the 2Q12.

Operating expenses decreased by 4.1% in relation to the 2Q12, mainly due to lower export sales volume, reducing sales expenses. EBITDA accounted for in the 3Q12 was R\$55.7 million, 44.3% lower than in the 2Q12, generating an EBITDA margin of 36.1%.

Operating and Sales Performance

Production volume in the 3Q12 was 1.8 million tons, 17.6% higher than in the 2Q12, in line with the productivity increase related to incurred investments. Compared to the 3Q11, the progress recorded was 13.4%, which reinforces stabilization of the existing plants enabling the company to continually increase its production capacity.

Production and sales volume are shown in the table below:

| Iron Ore | | | | | | | |
|-------------------------|--------------|--------------|--------------|-------------------|--------------|--------------|-------------------|
| Thousand tons | 3Q12 | 2Q12 | 3Q11 | Chg. 3Q12/2Q12 | 9M12 | 9M11 | Chg. 9M12/9M11 |
| Production | 1,785 | 1,517 | 1,575 | 18% | 5,156 | 4,665 | 11% |
| Sales - Domestic Market | 47 | 60 | 166 | -22% | 429 | 246 | 74% |
| Sales - Export Market | 324 | 365 | 161 | -11% | 845 | 622 | 36% |
| Sales to Usiminas | 771 | 1,072 | 1,107 | -28% | 3,095 | 3,309 | -6% |
| Total = Sales | 1,142 | 1,497 | 1,434 | -24% | 4,369 | 4,177 | 5% |

Investments

In the 3Q12, investments totaled R\$169.2 million, mainly for the Friable Project ("Projeto Friáveis"), which will allow Mineração Usiminas to reach a production capacity of 12 million tons per year, forecast to start up in the second half of 2013.

Stake in MRS Logística

Mineração Usiminas holds a stake in MRS through its subsidiary UPL – Usiminas Participações e Logística S.A.

MRS Logística is a concession that controls, operates and monitors the Brazilian Southeastern Federal Railroad Network (*Malha Sudeste da Rede Ferroviária Federal*). The Company operates in the railway transportation market, connecting the states of Rio de Janeiro, Minas Gerais and São Paulo and its core business is railway transportation with integrated logistics of cargo in general, such as iron ore, finished steel products, cement, bauxite, agricultural products, green coke and containers, among others.

MRS totaled 40.6 million tons transported in the 3Q12, presenting an increase of 2.6% in relation to the previous quarter. This increase is, for the most part, a reflection of transportation increase in the agricultural segment, specifically corn and sugar.

II) STEEL

The Global and Brazilian Steel Industries

The global steel industry outlook remains negative, with profitability of business conditions unsatisfactory over the third quarter. There was great prices volatility in the international market. In China, the condition of excess supply persists as a result of the production levels in its plants, without a corresponding improvement in demand. Since the beginning of 2012, spending on investment have had a significant reduction. The announcement of stimulus measures by the local government has served to relieve downward price pressure in the Chinese market.

Domestically, the news with greatest impact in the Brazilian steel market was the increase in the import tax from 12% to 25% for specific Heavy Plates and Hot Rolled products included in the list of exceptions to the Common External Tariff of MERCOSUR. The measures came into effect as of October 2012. The impact of the measure on the attractiveness of imports in the domestic market is significant, since the items included represent about 70% of the import volume of Heavy Plate and Hot Strip, based on the period January to July of this year.

Production – Ipatinga and Cubatão Plants

In the 3Q12, crude steel production at the Ipatinga and Cubatão plants was 1.8 million tons, the same level verified in the 2Q12. Flat steel production was 1.7 million tons, 7.2% lower than production in the 2Q12.

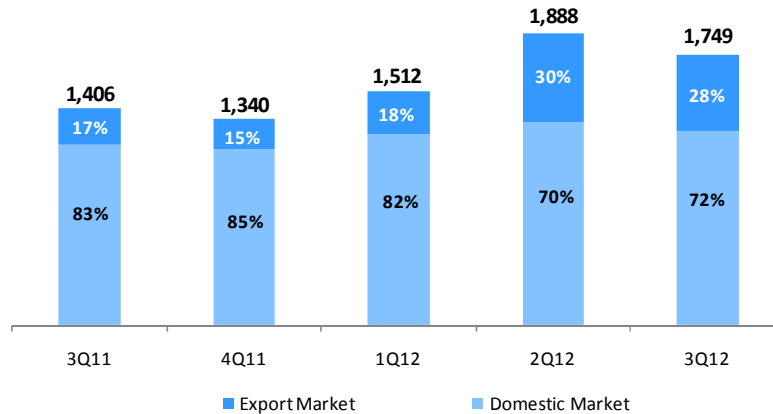
Production (Crude Steel)

| Thousand tons | 3Q12 | 2Q12 | 3Q11 | Chg. 3Q12/2Q12 | 9M12 | 9M11 | Chg. 9M12/9M11 |
|---------------|--------------|--------------|--------------|-------------------|--------------|--------------|-------------------|
| Ipatinga Mill | 980 | 969 | 957 | 1% | 2,883 | 2,830 | 2% |
| Cubatão Mill | 857 | 876 | 592 | -2% | 2,471 | 2,360 | 5% |
| Total | 1,837 | 1,845 | 1,549 | 0% | 5,354 | 5,190 | 3% |

Sales

Total sales volume in the 3Q12 reached 1.7 million tons, a decrease of 7.4% in relation to the 2Q12. Out of total sales, 72.2% was sold in the domestic market and 27.8% in the international market.

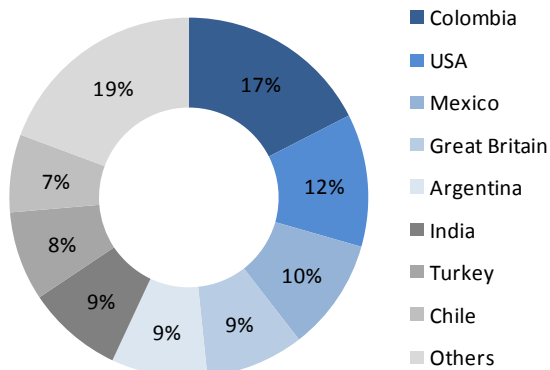
Steel Sales (thousand t)



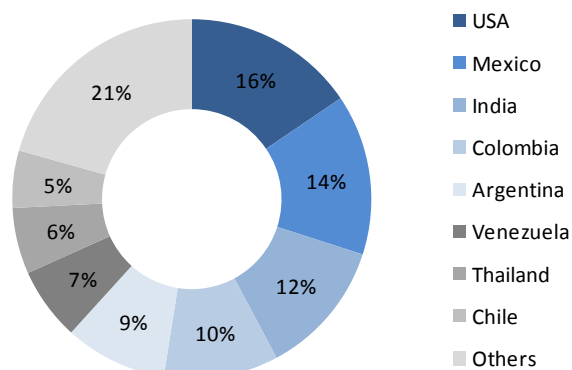
Sales Volume Breakdown

| Thousand tons | 3Q12 | | 2Q12 | | 3Q11 | | Chg. 3Q12/2Q12 | 9M12 | | 9M11 | | Chg. 9M12/9M11 |
|------------------------|--------------|-------------|--------------|-------------|--------------|-------------|----------------|--------------|-------------|--------------|-------------|----------------|
| TOTAL SALES | 1,749 | 100% | 1,888 | 100% | 1,406 | 100% | -7% | 5,149 | 100% | 4,576 | 100% | 13% |
| Heavy Plates | 394 | 23% | 395 | 21% | 360 | 26% | 0% | 1,156 | 22% | 1,180 | 26% | -2% |
| Hot Rolled | 503 | 29% | 545 | 29% | 381 | 27% | -8% | 1,509 | 29% | 1,327 | 29% | 14% |
| Cold Rolled | 386 | 22% | 407 | 22% | 311 | 22% | -5% | 1,106 | 21% | 1,179 | 26% | -6% |
| Electroalvanized | 35 | 2% | 41 | 2% | 54 | 4% | -15% | 111 | 2% | 162 | 4% | -31% |
| Hot Dip Galvanized | 188 | 11% | 175 | 9% | 113 | 8% | 7% | 506 | 10% | 360 | 8% | 41% |
| Processed Products | 46 | 3% | 33 | 2% | 37 | 3% | 39% | 122 | 2% | 107 | 2% | 14% |
| Slabs | 197 | 11% | 292 | 15% | 150 | 11% | -33% | 639 | 12% | 261 | 6% | 145% |
| DOMESTIC MARKET | 1,262 | 72% | 1,327 | 70% | 1,163 | 83% | -5% | 3,835 | 74% | 3,735 | 82% | 3% |
| Heavy Plates | 281 | 16% | 300 | 16% | 290 | 21% | -6% | 877 | 17% | 882 | 19% | -1% |
| Hot Coils | 402 | 23% | 450 | 24% | 361 | 26% | -11% | 1,281 | 25% | 1,229 | 27% | 4% |
| Cold Coils | 299 | 17% | 322 | 17% | 296 | 21% | -7% | 913 | 18% | 971 | 21% | -6% |
| Electroalvanized | 31 | 2% | 34 | 2% | 48 | 3% | -9% | 95 | 2% | 145 | 3% | -34% |
| Hot Dip Galvanized | 169 | 10% | 155 | 8% | 102 | 7% | 9% | 452 | 9% | 325 | 7% | 39% |
| Processed Products | 42 | 2% | 32 | 2% | 32 | 2% | 31% | 114 | 2% | 87 | 2% | 31% |
| Slabs | 38 | 2% | 34 | 2% | 34 | 2% | 12% | 103 | 2% | 96 | 2% | 7% |
| EXPORT MARKET | 487 | 28% | 561 | 30% | 243 | 17% | -13% | 1,314 | 26% | 841 | 18% | 56% |
| Heavy Plates | 113 | 6% | 95 | 5% | 70 | 5% | 19% | 279 | 5% | 298 | 7% | -6% |
| Hot Rolled | 101 | 6% | 95 | 5% | 20 | 1% | 6% | 228 | 4% | 98 | 2% | 133% |
| Cold Rolled | 87 | 5% | 85 | 5% | 15 | 1% | 2% | 193 | 4% | 208 | 5% | -7% |
| Electroalvanized | 4 | 0% | 7 | 0% | 6 | 0% | -43% | 16 | 0% | 17 | 0% | -6% |
| Hot Dip Galvanized | 19 | 1% | 20 | 1% | 11 | 1% | -5% | 54 | 1% | 35 | 1% | 54% |
| Processed Products | 4 | 0% | 1 | 0% | 5 | 0% | 300% | 8 | 0% | 20 | 0% | -60% |
| Slabs | 159 | 9% | 258 | 14% | 116 | 8% | -38% | 536 | 10% | 165 | 5% | 225% |

Exports - Main Markets – 3Q12



Exports - Main Markets – 9M12



The main export destinations are shown below:

Comments on Business Unit Results - Steel

In the 3Q12, the steel business unit accounted for net revenue of R\$3.0 billion, 4.6% lower than in the 2Q12, mainly in function of lower sales volume, partially compensated by better prices in the domestic and export markets, as well as better product mix.

In order to increase objective of sales volume growth and dilution of fixed costs, as well as continuity of the working capital reduction plan, export volume continued at a high level, at a ratio of 28% of sales volume. In the 3Q12, COGS was 3.5% lower than in the 2Q12, totaling R\$3.0 billion, result of lower sales volume in the period. Production cost per ton in the quarter remained stable. COGS per ton shows an increase of 4.2% related to sales of products produced in previous periods, in line with the focus on reducing working capital.

Operating expenses were R\$186.6 million in the 3Q12, against R\$43.2 million in the 2Q12, mainly impacted by the non-recurring extraordinary effects of provision of the Transportation Agreement with MRS in the amount of R\$31.2 million and the provision of contingencies with acquisition of equity interests in the amount of R\$30.9 million. On the positive side, there is the contribution from the *Reintegra* Program in the amount of R\$18.9 million.

The steel business recorded EBITDA of R\$57.4 million in the quarter, compared with R\$200.9 million in the 2Q12, mainly due to the negative impact of extraordinary operating expenses. EBITDA margin in the 3Q12 was 1.9%, against 6.5% in the previous quarter.

Investments

Investments in the 3Q12 totaled R\$183.6 million. It is worthwhile mentioning that the strong investment cycle in the Steel Business initiated in 2008, is in its final stage. The main ongoing investments are:

- Pickling line III are expected to start up in the fourth quarter of 2013. The goal is to supply the growing market demand for pickled products for production of light wheels, autoparts and galvanized steel for civil construction, among others.
- The revamping underway of Coke Oven Battery II in Ipatinga should allow the company to reduce its production cost of coke, besides improving environmental metrics.

III) STEEL TRANSFORMATION

• Soluções Usiminas (SU)

Soluções Usiminas operates in the distribution, services and small diameter tubes markets nationwide, offering its customers high value added products. The Company has a processing capacity of more than 2 million tons of steel per year in its 11 industrial facilities, strategically located in the States of Rio Grande do Sul, São Paulo, Minas Gerais, Espírito Santo, Bahia and Pernambuco. It serves different economic segments, such as Automobile sector, Autoparts, Civil Construction, Distribution, Electric-electronic, Machinery and Equipment and Domestic Household Appliances.

Sales in the distribution, services and small diameter tubes were responsible, respectively, for 44%, 46% and 10% of the volume sold.

Net revenue in the 3Q12 totaled R\$439.7 million, 1.6% lower than in the 2Q12, mainly due to lower sales volume, partially offset by higher average prices.

• Automotiva Usiminas

Automotiva Usiminas is the only company in the autoparts segment in Brazil to produce parts and painted cabins in their final color, starting from the development of raw material to the final product, going through the processes of stamping, welding, painting and assembly.

Investments in production process improvement continue to be made, in line with the company's development plan. Such investments seek to adapt and maintain the technology of the manufacturing facility.

Net revenue was R\$82,3 million in the 3Q12, 13.0% above that recorded in the 2Q12, due to increased sales volume, mainly to the automobile industry.

Highlights

At the end of September, Automotive Usiminas signed a partnership contract with DAF do Brasil. It is responsible for the assembly and painting of two DAF truck models, which will be produced in Brazil, with startup estimated for the 2H13.

Additionally, as of the second half of 2013, Automotive Usiminas will be supplier of stamped laterals of the Mitsubishi's ASX model, currently an imported vehicle in Brazil.

Comment on Business Unit Results – Steel Transformation

In the 3Q12, net revenue of Steel Transformation Business Unit was 1.4% greater than in the 2Q12, totaling R\$540.1 million, as a result of the combination of greater sales volume by Automotiva and higher prices from Soluções Usiminas.

Cost of goods sold in the quarter was R\$480.6 million, 3% lower compared to the 2Q12, which was R\$495.3 million.

Operating expenses were stable.

EBITDA went from a negative R\$0.4 million in the 2Q12 to a positive R\$20.2 million in the 3Q12, with EBITDA margin going from -0.1% in the 2Q12 to 3.7% in the 3Q12.

IV) CAPITAL GOODS

Usiminas Mecânica S.A.

Usiminas Mecânica figures among the largest companies in capital goods, industrial assembly and services in Brazil, with special mention in the following business areas: Steel Structures, Bridges and Blanks; Industrial Equipment; Industrial Assembly; Foundry and Railcars.

Highlights

In the period, the manufacture and assembly of the bridge over Rio Sereno is a highlight, as well as the supply of steel structures for mining and the supply of bell mouths for offshore petroleum exploration platforms.

Investments

Works for the purpose of railcar production capacity increase to three thousand cars per year are scheduled to be concluded in the fourth quarter 2012.

Comments on Business Units Results – Capital Goods

Net revenue accounted in the 3Q12 was R\$304.7 million, an increase of 48.3% over the 2Q12, mainly due to the billing of Oil & Gas projects in portfolio, as well as supply of structures and assembly for Mineração Usiminas and other clients.

Gross profit in the period was R\$27.1 million compared with a loss of R\$19.4 million in the 2Q12. EBITDA in the 3Q12 was R\$35.6 million, reverting the loss shown in the previous period of R\$29.5 million. EBITDA margin in the 3Q12 was 11.7%.

Highlights in the Period

- **Usiminas receives the Volkswagen Supply Award 2011**

Usiminas received the award from Volkswagen in the category “Commercial Excellence”, among more than 700 suppliers at the traditional Volkswagen Supply Award 2011 event, promoted in September, 2012. This award is a recognition to suppliers of the auto maker that most distinguished themselves in quality, commercial excellence, services, facilities, logistics and sustainability, in the year, through criteria of leadership in quality, production capacity, qualified professionals and compatible costs.

- **Usiminas became the only Brazilian steel company and one of the five in the world to be certified as a Platinum Supplier by Caterpillar**

Usiminas has just become the only Brazilian steel company and one of five in the world to be certified as a Platinum Supplier, the maximum degree conceded by Caterpillar, one of the largest heavy machinery groups in the world. Among the items evaluated are quality, logistics and management of steel supply processes for fabrication of levelers, crawler tractors, loaders, diggers and backhoes, among other machinery. Usiminas is the exclusive supplier of steel for Caterpillar Brasil, a relationship that has lasted for more than 40 years.

- **Usiminas is distinguished among winners of the Transparency Trophy 2012**

Usiminas was recognized for the first time as the Distinguished Company among the 10 winners of the 2012 Transparency Trophy in its category, promoted by ANEFAC – the National Association of Finance, Administrative and Accounting Executives, after having been recognized eight times in previous editions. Among the selection criteria are quality, consistency and transparency of accounting statements published by the company.

The Transparency Trophy was instituted by ANEFAC in 1997 to recognize best practices of corporate governance in the financial field. For the 2012 edition, the entity evaluated two thousand balance sheets of publicly traded and private Brazilian companies.

- **New Investor Relations Site**

The IR website was completely reformulated with the purpose of presenting information in a more modern and dynamic concept. In line with the best corporate governance practices and reinforcing the company's commitment with transparency, the content was designed as to comply with the rules of the Disclosure to the Market Orientation Committee - Comitê de Orientação para Divulgação de Informações ao Mercado (CODIM). An important highlight of the new website is the fact that the programming technology applied is totally compatible with mobile devices such as smartphones and tablets.

The new site is available in Portuguese and English and is a tool for fast, effective and equitable communication of relevant information with the capital market.

Visit Usiminas' new IR Site: www.usiminas.com/ri

Subsequent Events to the Quarter's End

Discontinuity of Hedge Accounting

On October 1st 2012, the Company management decided to discontinue the hedge accounting of export sales, thus recognizing the outstanding balance in the Shareholder's Equity of R\$152.9 million on 09/30/12. There shall be no further impact in the Shareholder's Equity resulting from Hedge Accounting. The Company results will be affected when the export sales related to the hedge accounting be performed until 2015.

Non-exclusive Distribution and Commercial Agency Agreement with Ternium

Usiminas and Ternium have signed non-exclusive distribution and commercial agency agreements in which each company will act as a non-exclusive Commercial Agent and/or Distributor to place products complementary to its portfolio. Ternium will act as a commercial agent and/or a distributor for Usiminas' products in several countries in Latin America while Usiminas will act as a commercial agent and/or a distributor for Ternium's products in Brazil. Such agreements will bring synergies between the two companies.

Capital Markets

Performance on BM&FBOVESPA

Usiminas' Common shares (USIM3) closed the 3Q12 quoted at R\$11.62 and its Preferred (USIM5) at R\$10.12. USIM3 appreciated 50.5% in value and USIM5 60.1% this quarter. In the same period the Ibovespa appreciated 8.9%.

Usiminas Performance Summary - BM&FBOVESPA (USIM5)

| | 3Q12 | 2Q12 | Chg. 3Q12/2Q12 | 3Q11 | Chg. 3Q12/3Q11 |
|--|----------------|----------------|-------------------|----------------|-------------------|
| Number of Deals | 939,208 | 653,450 | 44% | 670,485 | 40% |
| <i>Daily Average</i> | <i>14,908</i> | <i>10,540</i> | <i>41%</i> | <i>10,315</i> | <i>45%</i> |
| Traded - thousand shares | 696,660 | 433,495 | 61% | 492,600 | 41% |
| <i>Daily Average</i> | <i>11,058</i> | <i>7,028</i> | <i>57%</i> | <i>7,578</i> | <i>46%</i> |
| Financial Volume - R\$ million | 5,991 | 3,878 | 54% | 5,882 | 2% |
| <i>Daily Average</i> | <i>95</i> | <i>63</i> | <i>51%</i> | <i>90</i> | <i>5%</i> |
| Maximum | 12.96 | 12.52 | 4% | 14.24 | -9% |
| Minimum | 5.57 | 6.02 | -7% | 9.86 | -44% |
| Closing | 10.12 | 6.32 | 60% | 10.52 | -4% |
| Market Capitalization - R\$ million | 10,260 | 6,407 | 60% | 10,665 | -4% |

Foreign Stock Markets**OTC – New York**

Usiminas has American Depositary Receipts (ADRs) traded on the over-the-counter market: USDMY is backed by common shares and USNZY backed by Class A preferred shares. On 9/28/2012, greater liquidity USNZY ADRs were quoted at US\$5.08 and appreciated 56.8% in the quarter.

Latibex – Madrid

Usiminas' shares are traded on the LATIBEX – the Madrid Stock Market: XUSI preferred shares and XUSIO common shares. On 9/28/2012, XUSI closed quoted at €3.19, having appreciated 30.7% in the quarter and XUSIO shares closed at €3.79, an appreciation of 63.9% in the same period.

Explanatory Notes

1 Operations

Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS ("Usiminas" or the "Company"), headquartered in Belo Horizonte, State of Minas Gerais, operates in the steel and related industries. The Company produces flat-rolled steel at the Intendente Câmara plant in Ipatinga, State of Minas Gerais and the José Bonifácio de Andrada e Silva plant in Cubatão, State of São Paulo, for the Brazilian domestic and export markets.

The Company, through its subsidiaries, jointly-controlled and associated companies (collectively, the Usiminas Companies), has several service and distribution centers in Brazil, in addition to the Cubatão and Praia Mole ports located in the states of São Paulo and Espírito Santo, respectively, as strategic ports for the shipping of its production. The activities of the Usiminas Companies are described in Note 1 to the financial statements for the year ended December 31, 2011, which were filed with the Brazilian Securities Commission (CVM).

The Company's shares are listed for trading on the São Paulo Stock Exchange (BM&FBOVESPA) under the tickers USIM3 and USIM5.

As described in Note 19, the Techint Group acquired holdings of the companies of the Votorantim and Camargo Corrêa Groups in USIMINAS, in addition to part of the shares owned by the USIMINAS Pension Fund (Caixa dos Empregados da Usiminas (CAIXA)), totaling 139.7 million shares, or 27.7% of the Company's voting capital. After the approval of the transaction, the controlling group of USIMINAS is composed of Nippon (46.1%), Ternium and Tenaris (43.3%) and PREVIDÊNCIA USIMINAS (10.6%). The transactions were completed on January 16, 2012 with the consequent effectiveness of the New Shareholders Agreement, according to the Material Fact disclosed to the Market on January 17, 2012.

The Company has been implementing measures to improve the operating performance, with the reduction of its indebtedness and the maintenance of a high liquidity level. Among these, the increase in the level of utilization of the installed capacity in the plants, with a better absorption of fixed costs, the reduction of structural expenses (selling and administrative); the reduction of working capital, principally inventories of work in process, finished products and warehouse materials, and the reduction of investments in capital expenditure, should be highlighted. In addition, the Company has a significant volume of cash with its foreign subsidiaries.

2 Interim Financial Statements

The issue and disclosure of these interim financial statements included in the Quarterly Information (ITR) of the Parent Company and Consolidated were approved by the Statutory Board of the Company at a meeting held on October 30, 2012.

3 Presentation of the Interim Financial Statements and Summary of Principal Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are consistent with the policies described in Note 3 to the Company's Financial Statements for the year ended December 31, 2011, as filed with the CVM. These policies have been consistently adopted for all the years presented, unless otherwise stated.

Explanatory Notes

3.1 Basis of preparation

(a) Individual interim financial statements - Parent Company

The individual interim financial statements of Usiminas, presented as Parent Company, have been prepared in accordance with CPC 21, "Interim Financial Statements", based on the rules and regulations of the CVM.

These interim financial statements should be read together with the Company financial statements for the year ended December 31, 2011.

(b) Consolidated interim financial statements

The consolidated interim financial statements, ("Consolidated"), have been prepared and are being presented in accordance with CPC 21, "Interim Financial Statements", in accordance with CVM regulations. They have also been prepared in accordance with IAS 34, "Presentation of Interim Financial Reports", based on CVM rules.

These interim financial statements should be read together with the Company Financial Statements for the year ended December 31, 2011.

3.2 Accounting standards, amendments and interpretations that are not yet effective

In the nine-month period ended September 30, 2012, no standards, amendments and interpretations, except for those disclosed in Note 3.24 to the Company's financial statements for the year ended December 31, 2011, were issued, nor amendments related to the expected effects which were disclosed in those financial statements, that could affect the interim financial statements.

4 Financial Risk Management

No alterations in the policies and management of financial risks occurred in the period ended September 30, 2012 in relation to those disclosed in the Company financial statements for the year ended December 31, 2011.

There were no significant alterations in relation to the information disclosed in the Company's financial statements at December 31, 2011 related to: (a) cash flow of financial instruments; (b) foreign currency denominated assets and liabilities; (c) new loans and financing and debentures by currency and interest rate; (d) financial leverage index ;(e) classification of assets and liabilities measured at fair value and (f) fair value of loans and financing and of other financial assets and liabilities, and, consequently, Management decided not to repeat them in these interim financial statements at September 30, 2012.

4.1 Sensitivity analysis

In the preparation of the sensitivity analysis for derivative financial instruments, the Company utilized the quotations available in the financial market, (Broadcast, Bloomberg, BM&F). These quotations were utilized for the calculation of the future amounts of swap transactions and NDF to present the scenario considered to be *probable* by Management. Additionally, scenarios II and III were calculated based on factors of 25% and 50% from the base risk level deemed as probable by management.

Explanatory Notes**(a) Exchange and interest rate risk****(i) Parent company**

| | | Gain(Loss) | | |
|--------------------|-----------------------------------|-------------------|--------------------|---------------------|
| | | 09/30/2012 | | |
| Transaction | Risk | Probable I | Scenario II | Scenario III |
| Swap | Increase in CDI | 14,781 | 10,415 | 6,089 |
| Swap | Decrease in LIBOR | (37,058) | (39,859) | (42,659) |
| Swap | Decrease in the price of Zinc | 1,808 | (2,041) | (5,889) |
| NDF | Increase in US\$ | 9,017 | (93,215) | (195,448) |
| | | Gain(Loss) | | |
| | | 09/30/2011 | | |
| Transaction | Risk | Probable I | Scenario II | Scenario III |
| Swap | Increase in CDI | (12,801) | (33,808) | (54,955) |
| Swap | Decrease in LIBOR | (53,260) | (58,984) | (64,709) |
| Swap | Decrease in the price of aluminum | 542 | (2,855) | (6,253) |
| Swap | Decrease in the price of copper | (66) | (187) | (308) |
| Swap | Decrease in the price of Zinc | (3,688) | (7,145) | (10,603) |
| NDF | Increase in US\$ | (4,153) | (38,769) | (73,386) |

Explanatory Notes**(ii) Consolidated**

| | | Gain(Loss) | | |
|--------------------|-----------------------------------|-------------------|--------------------|---------------------|
| | | 09/30/2012 | | |
| Transaction | Risk | Probable I | Scenario II | Scenario III |
| Swap | Increase in CDI | 12,542 | 7,170 | 1,833 |
| Swap | Decrease in LIBOR | (37,058) | (39,859) | (42,659) |
| Swap | Decrease in the price of Zinc | 1,808 | (2,041) | (5,889) |
| NDF | Increase in US\$ | 9,017 | (93,215) | (195,448) |
| | | Gain(Loss) | | |
| | | 09/30/2011 | | |
| Transaction | Risk | Probable I | Scenario II | Scenario III |
| Swap | Increase in CDI | (16,454) | (41,010) | (65,906) |
| Swap | Decrease in LIBOR | (53,260) | (58,984) | (64,709) |
| Swap | Decrease in the price of aluminum | 542 | (2,855) | (6,253) |
| Swap | Decrease in the price of copper | (66) | (187) | (308) |
| Swap | Decrease in the price of Zinc | (3,688) | (7,145) | (10,603) |
| NDF | Increase in US\$ | (4,153) | (38,769) | (73,386) |

(b) Sensitivity analysis of loans and financing**(i) Parent company**

| Table of Sensitivity Analysis of Loans and Financing | | | | 09/30/2012 | | |
|---|---------------------|----------------------------|--------------------|---------------------|--|--|
| | | Probable scenario I | scenario II | scenario III | | |
| | US dollar | 2.0306 | 2.5383 | 3.0459 | | |
| | EUR | 2.6109 | 3.2636 | 3.9164 | | |
| | JPY | 0.0261 | 0.0326 | 0.0391 | | |
| Transaction | Risk | Probable scenario I | scenario II | scenario III | | |
| Loans and financing linked to US\$ | Appreciation of USD | 2,789,596 | 3,486,995 | 4,184,394 | | |
| Loans and financing linked to EUR | Appreciation of EUR | 28,278 | 35,348 | 42,417 | | |
| Loans and financing linked to JPY | Appreciation of JPY | 1,732,657 | 2,165,821 | 2,598,986 | | |
| Table of Sensitivity Analysis of Loans and Financing | | | | 09/30/2011 | | |
| | | Probable scenario I | scenario II | scenario III | | |
| | US dollar | 1.8544 | 2.3180 | 2.7816 | | |
| | EUR | 2.4938 | 3.1173 | 3.7407 | | |
| | JPY | 0.0241 | 0.0301 | 0.0361 | | |
| Transaction | Risk | Probable scenario I | scenario II | scenario III | | |
| Loans and financing linked to US\$ | Appreciation of USD | 2,880,383 | 3,600,479 | 4,320,575 | | |
| Loans and financing linked to EUR | Appreciation of EUR | 36,011 | 45,014 | 54,017 | | |
| Loans and financing linked to JPY | Appreciation of JPY | 1,600,348 | 2,000,435 | 2,400,522 | | |

Explanatory Notes**(ii) Consolidated****Table of Sensitivity Analysis of Loans and Financing****09/30/2012**

| | | Probable Scenario I | Probable Scenario II | Probable Scenario III |
|--|-------|----------------------------|-----------------------------|------------------------------|
| | Dólar | 2.0306 | 2.5383 | 3.0459 |
| | EUR | 2.6109 | 3.2636 | 3.9164 |
| | JPY | 0.0261 | 0.0326 | 0.0391 |

| Transaction | Risk | Probable Scenario I | Probable Scenario II | Probable Scenario III |
|------------------------------------|---------------------|----------------------------|-----------------------------|------------------------------|
| Loans ans financial linked to US\$ | Aprecciation of USD | 4,204,092 | 5,255,115 | 6,306,138 |
| Loans ans financial linked to EUR | Aprecciation of EUR | 28,278 | 35,348 | 42,417 |
| Loans ans financial linked to JPY | Aprecciation of JPY | 2,395 | 2,994 | 3,593 |

Table of Sensitivity Analysis of Loans and Financing**09/30/2011**

| | | Probable Scenario I | Probable Scenario II | Probable Scenario III |
|--|-------|----------------------------|-----------------------------|------------------------------|
| | Dólar | 1.8544 | 2.3180 | 2.7816 |
| | EUR | 2.4938 | 3.1173 | 3.7407 |
| | JPY | 0.0241 | 0.0301 | 0.0361 |

| Transaction | Risk | Probable Scenario I | Probable Scenario II | Probable Scenario III |
|------------------------------------|---------------------|----------------------------|-----------------------------|------------------------------|
| Loans ans financial linked to US\$ | Aprecciation of USD | 4,194,345 | 5,242,931 | 6,291,518 |
| Loans ans financial linked to EUR | Aprecciation of EUR | 36,011 | 45,014 | 54,017 |
| Loans ans financial linked to JPY | Aprecciation of JPY | 2,212 | 2,765 | 3,318 |

As at September 30, 2012, considering a foreign currencies variation of 5% in comparison to the Real, the impact of this variation on loans and financing would be R\$227,527 (September 30, 2011 - R\$225,837) in the Parent Company and R\$211,738 (September 30, 2011 - R\$211,628) in Consolidated.

The net balance of trade receivables, financial investments and payables in foreign currency are not material and, therefore, do not represent significant risks arising from the foreign exchange volatility.

5 Derivative Financial Instruments

The Usiminas Companies realize swap and NDF transactions with the objective of hedging and managing risks inherent to the variations of foreign currencies, interest rates, prices and others. These transactions aim to mitigate the exposure to foreign exchange risks and abrupt changes in the prices of commodities (principally aluminum, nickel, copper and zinc). The Usiminas Companies do not enter into financial instrument transactions for speculative purposes. The Company's policy is to not settle transactions prior to their respective original due dates and to not prepay derivative financial instruments.

Explanatory Notes

The transactions with derivative financial instruments are summarized as follows:

(a) Parent Company

| Maturity month/year | INDEX | | NOTIONAL VALUE (contracted value - Notional) | | | | FAIR VALUE (MARKET) -BOOK | | | | Gain (loss) in the result | |
|---|----------------|----------------------------|--|--------------------|----------------|--------------------|---------------------------|--------------------|----------------|--|---------------------------|----------|
| | 09/30/2012 | | 09/30/2012 | | 12/31/2011 | | 09/30/2012 | | 12/31/2011 | | 09/30/2012 | |
| | Asset Position | Liability Position | Asset Position | Liability Position | Asset Position | Liability Position | Asset Position | Liability Position | Asset Position | Liability Position | Gain (loss) | |
| EXCHANGE RATES HEDGE (SWAP) | | | | | | | | | | | | |
| Credit Suisse | 02/09 to 02/14 | Libor + 4 % p.a. | 100% CDI | US\$ 30,000 | US\$ 30,000 | US\$ 70,000 | US\$ 70,000 | 2,952 | (4,563) | 6,737 | (12,816) | (1,964) |
| Prepayment Citibank | 10/09 to 03/15 | Libor + 1.35 % p.a. | 4.23% p.a. | US\$ 300,000 | US\$ 300,000 | US\$ 300,000 | US\$ 300,000 | 614,014 | (638,225) | 555,126 | (580,281) | (5,577) |
| Prepayment HSBC | 10/09 to 03/13 | Libor + 1.10 % p.a. | 3.3375 % p.a. | US\$ 128,871 | US\$ 128,871 | US\$ 300,000 | US\$ 300,000 | 262,868 | (264,994) | 483,124 | (489,146) | (1,600) |
| Banco do Brasil S.A. | 05/10 to 03/13 | Pre fixed rate 11.48% p.a. | 98% CDI | R\$ 300,000 | R\$ 300,000 | R\$ 300,000 | R\$ 300,000 | 400,363 | (381,630) | 367,894 | (357,599) | 8,437 |
| Merrill Lynch | 09/10 to 03/17 | Libor + 0.83% p.a. | 3.05% p.a. | US\$ 96,000 | US\$ 96,000 | US\$ 96,000 | US\$ 96,000 | 185,413 | (195,166) | 168,468 | (176,610) | (4,567) |
| ABN AMRO | 01/08 to 01/18 | Yen + 4.1165 p.a. | US dollar + 7.34 % p.a. | JPY 42,952,000 | US\$ 400,000 | JPY 42,952,000 | US\$ 400,000 | 1,290,296 | (1,023,871) | 1,191,394 | (934,863) | 98,493 |
| ABN AMRO | 06/06 to 06/16 | Yen + 4.275 % p.a. | US dollar + 8.35 % p.a. | JPY 22,800,000 | US\$ 200,000 | JPY 22,800,000 | US\$ 200,000 | 675,641 | (510,919) | 615,282 | (457,413) | (98,049) |
| | | | | | | | | 3,431,547 | (3,019,366) | 3,388,025 | (3,008,728) | (4,827) |
| Accounting balance (net asset/liability position) | | | | | | | | 412,179 | | 379,297 | | (4,827) |
| | | | | | | | | | | Result from settled transactions | | (4,827) |
| | | | | | | | | | | Result for the period - Financial expenses | | (4,827) |
| HEGING OF PRODUCT PRICE AND EXCHANGE - NDF | | | | | | | | | | | | |
| HSBC Bank | 02/15/2012 | US dollar at 1.8445 | Sale PTAX | | | USD 9,189 | USD 9,189 | | | 64,360 | (66,100) | |
| HSBC Bank | 01/17/2012 | US dollar at 1.841 | Sale PTAX | | | USD 24,920 | USD 24,920 | | | 6,255 | (6,361) | |
| Goldman Sacks | 01/17/2012 | US dollar at 1.843 | Sale PTAX | | | USD 3,410 | USD 3,410 | | | 15,258 | (15,536) | |
| MERRILL LYNCH | 02/15/2012 | US dollar at 1.843 | Sale PTAX | | | USD 35,378 | USD 35,378 | | | 25,565 | (26,138) | |
| MERRILL LYNCH | 03/15/2012 | US dollar at 1.8609 | Sale PTAX | | | USD 14,191 | USD 14,191 | | | 25,873 | (26,502) | |
| Citibank | 03/15/2012 | US dollar at 1.9382 | Sale PTAX | | | USD 4,368 | USD 4,368 | | | 8,295 | (8,029) | |
| BRASESCO S.A. | 10/15/2012 | US dollar at 2.0734 | Sale PTAX | USD 40,029 | USD 40,029 | | | 82,789 | (81,066) | | | 1,722 |
| BRASESCO S.A. | 11/14/2012 | US dollar at 2.0828 | Sale PTAX | USD 40,876 | USD 40,876 | | | 84,426 | (82,565) | | | 1,861 |
| Banco Crédit Agricole Brasil | 11/14/2012 | Euro a 2,5710 | Sale PTAX | USD 2,417 | USD 2,417 | | | 6,162 | (4,882) | | | 1,280 |
| VOTORANTIM S.A. | 11/14/2012 | US dollar at 2.0723 | Sale PTAX | USD 11,026 | USD 11,026 | | | 22,659 | (22,272) | | | 387 |
| HSBC Bank | 12/14/2012 | US dollar at 2.0794 | Sale PTAX | USD 98,823 | USD 98,823 | | | 202,595 | (199,179) | | | 3,417 |
| BRASESCO S.A. | 12/28/2012 | US dollar at 2.0843 | Sale PTAX | USD 7,320 | USD 7,320 | | | 15,004 | (14,742) | | | 263 |
| | | | | | | | | 413,635 | (404,706) | 145,606 | (148,666) | 8,930 |
| Accounting balance (net asset/liability position) | | | | | | | | 8,929 | | (3,060) | | 8,930 |
| | | | | | | | | | | Result from settled transactions | | 9,802 |
| | | | | | | | | | | Result for the period - Operating income | | 18,732 |
| HEGING OF PRODUCT PRICE - COMMODITIES | | | | | | | | | | | | |
| SANTANDER SA (ZINC) | 02/02/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 1,387 | USD 1,387 | | | 1,879 | (2,602) | |
| Citibank (ZINC) | 03/02/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 1,412 | USD 1,412 | | | 1,926 | (2,649) | |
| Barclays (ZINC) | 02/02/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 148 | USD 148 | | | 273 | (277) | |
| Barclays (ZINC) | 03/02/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 148 | USD 148 | | | 274 | (277) | |
| Barclays (ZINC) | 04/03/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 148 | USD 148 | | | 275 | (277) | |
| Barclays (ZINC) | 05/03/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 149 | USD 149 | | | 276 | (280) | |
| Barclays (ZINC) | 06/04/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 149 | USD 149 | | | 276 | (280) | |
| Barclays (ZINC) | 07/05/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 149 | USD 149 | | | 277 | (280) | |
| Barclays (ZINC) | 08/02/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 151 | USD 151 | | | 278 | (283) | |
| Barclays (ZINC) | 09/04/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 151 | USD 151 | | | 279 | (283) | |
| Barclays (ZINC) | 10/02/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 151 | USD 151 | | | 280 | (283) | |
| Barclays (ZINC) | 11/05/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 151 | USD 151 | | | 339 | (308) | 281 | (284) | 34 |
| Barclays (ZINC) | 12/04/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 151 | USD 151 | USD 151 | USD 151 | | | 341 | (308) | 282 |
| Barclays (ZINC) | 01/03/2013 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 151 | USD 151 | USD 151 | USD 151 | | | 342 | (308) | 283 |
| BRASESCO S.A. (ZINC) | 01/03/2013 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 1,305 | USD 1,305 | | | 2,993 | (2,650) | | | 342 |
| BRASESCO S.A. (ZINC) | 03/04/2013 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 1,312 | USD 1,312 | | | 3,015 | (2,664) | | | 351 |
| ABC BRASIL S.A. (ZINC) | 11/01/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 1,302 | USD 1,302 | | | 2,957 | (2,648) | | | 313 |
| ABC BRASIL S.A. (ZINC) | 12/03/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 1,304 | USD 1,304 | | | 2,978 | (2,648) | | | 330 |
| ABC BRASIL S.A. (ZINC) | 02/01/2013 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 1,310 | USD 1,310 | | | 3,003 | (2,661) | | | 342 |
| TOTAL | | | | | | | | 15,968 | (14,191) | 7,139 | (8,623) | 1,783 |
| Accounting balance (net asset/liability position) | | | | | | | | 1,777 | | (1,484) | | 1,783 |
| | | | | | | | | | | Result from settled transactions | | (1,345) |
| | | | | | | | | | | Result for the period - Cost of Sales | | 438 |
| Accounting balance (net asset/liability position) | | | | | | | | 422,885 | | 374,753 | | 5,886 |
| | | | | | | | | | | Result from settled transactions | | 8,457 |
| | | | | | | | | | | Total result with financial instruments | | 14,343 |

Explanatory Notes

(b) Consolidated

| Maturity month/year | INDEX | | NOTIONAL VALUE (contracted value - Notional) | | | | FAIR VALUE (MARKET) - BOOK | | | | Gain (loss) in the result |
|---------------------|----------------|--------------------|--|--------------------|----------------|--------------------|----------------------------|--------------------|----------------|--------------------|---------------------------|
| | 09/30/2012 | | 09/30/2012 | | 12/31/2011 | | 09/30/2012 | | 12/31/2011 | | 09/30/2012 |
| | Asset position | Liability position | Asset position | Liability position | Asset position | Liability position | Asset position | Liability position | Asset position | Liability position | Liability position |

EXCHANGE RATES HEDGE (SWAP)

| | | | | | | | | | | | | |
|---|----------------|----------------------------|------------------------|----------------|----------------|----------------|----------------|--|-------------|-----------|-------------|----------|
| Credit Suisse | 02/09 to 02/14 | Libor + 4% | 100% CDI | US\$ 30,000 | US\$ 30,000 | US\$ 70,000 | US\$ 70,000 | 2,952 | (4,563) | 6,737 | (12,816) | (1,964) |
| Prepayment Citibank | 10/09 to 03/15 | Libor + 1.35 % | 4.23% p.a. | US\$ 300,000 | US\$ 300,000 | US\$ 300,000 | US\$ 300,000 | 614,014 | (638,225) | 555,126 | (580,281) | (5,577) |
| Prepayment HSBC | 10/09 to 03/13 | Libor + 1.10% p.a. | 3.3375% p.a. | US\$ 128,871 | US\$ 128,871 | US\$ 300,000 | US\$ 300,000 | 262,868 | (264,994) | 483,124 | (489,146) | (1,600) |
| Banco do Brasil S.A | 05/10 to 03/13 | Pre fixed rate 11.48% p.a. | 98% CDI | R\$ 300,000 | R\$ 300,000 | R\$ 300,000 | R\$ 300,000 | 400,363 | (381,630) | 367,894 | (357,599) | 8,437 |
| MERRIL LYNCH | 09/10 to 03/17 | Libor + 0.83% p.a. | 3.05% p.a. | US\$ 96,000 | US\$ 96,000 | US\$ 96,000 | US\$ 96,000 | 185,413 | (195,166) | 168,468 | (176,610) | (4,567) |
| ABN AMRO | 01/08 to 01/18 | Yen + 4.1165% p.a. | JS dollar + 7.34% p.a. | JPY 42,952,000 | US\$ 400,000 | JPY 42,952,000 | US\$ 400,000 | 1,290,296 | (1,023,871) | 1,191,394 | (934,863) | 98,493 |
| ABN AMRO | 06/06 to 06/16 | Yen + 4.275% p.a. | JS dollar + 8.35% p.a. | JPY 22,800,000 | US\$ 200,000 | JPY 22,800,000 | US\$ 200,000 | 675,641 | (510,919) | 615,282 | (457,413) | (98,049) |
| ABN AMRO | 01/08 to 01/18 | US\$ + 7.25% p.a. | Yen + 4.1165% p.a. | US\$ 400,000 | JPY 42,952,000 | US\$ 400,000 | JPY 42,952,000 | 1,095,136 | (1,406,602) | 1,028,656 | (1,352,657) | 24,650 |
| ABN AMRO | 06/06 to 06/16 | US\$ + 8.25% p.a. | Yen + 4.275% p.a. | US\$ 200,000 | JPY 22,800,000 | US\$ 200,000 | JPY 22,800,000 | 530,442 | (706,502) | 492,767 | (673,122) | 8,672 |
| tau BBA | 06/11 to 06/14 | 3.7% p.a. | 106.50% p.a. | US\$ 24,000 | US\$ 24,000 | US\$ 30,000 | US\$ 30,000 | 30,985 | (27,047) | 36,126 | (31,926) | (467) |
| | | | | | | | | 5,088,110 | (5,159,519) | 4,945,574 | (5,066,433) | 28,028 |
| Accounting balance (net asset/liability position) | | | | | | | | | (71,409) | | (120,859) | 28,028 |
| | | | | | | | | Result from settled transactions | | | | |
| | | | | | | | | Result for the period - Financial expenses | | | | 28,028 |

HEDGING OF PRODUCT PRICE AND EXCHANGE - NDE

| | | | | | | | | | | | | |
|---|------------|---------------------|-----------|------------|------------|------------|------------|--|-----------|---------|-----------|--------|
| HSBC Bank | 02/15/2012 | US dollar at 1.8445 | Sale PTAX | | | USD 9,189 | USD 9,189 | | | 64,360 | (66,100) | |
| HSBC Bank | 01/17/2012 | US dollar at 1.841 | Sale PTAX | | | USD 24,920 | USD 24,920 | | | 6,255 | (6,361) | |
| Goldman Sacks | 01/17/2012 | US dollar at 1.843 | Sale PTAX | | | USD 3,410 | USD 3,410 | | | 15,258 | (15,536) | |
| MERRIL LYNCH | 02/15/2012 | US dollar at 1.843 | Sale PTAX | | | USD 35,378 | USD 35,378 | | | 25,565 | (26,138) | |
| MERRIL LYNCH | 03/15/2012 | US dollar at 1.8609 | Sale PTAX | | | USD 14,191 | USD 14,191 | | | 25,873 | (26,502) | |
| Citibank | 03/15/2012 | US dollar at 1.9382 | Sale PTAX | | | USD 4,368 | USD 4,368 | | | 8,295 | (8,029) | |
| BRADESCO S.A. | 10/15/2012 | US dollar at 2.0734 | Sale PTAX | USD 40,029 | USD 40,029 | | | 82,789 | (81,066) | | 1,722 | |
| BRADESCO S.A. | 11/14/2012 | US dollar at 2.0828 | Sale PTAX | USD 40,876 | USD 40,876 | | | 84,426 | (82,555) | | 1,861 | |
| Banco Crédito Agricole Brasil | 11/14/2012 | Euro at 2.5710 | Sale PTAX | USD 2,417 | USD 2,417 | | | 6,162 | (4,882) | | 1,280 | |
| VOTORANTIM S.A. | 11/14/2012 | US dollar at 2.0723 | Sale PTAX | USD 11,026 | USD 11,026 | | | 22,659 | (22,272) | | 387 | |
| HSBC Bank | 12/14/2012 | US dollar at 2.0794 | Sale PTAX | USD 98,823 | USD 98,823 | | | 202,595 | (199,179) | | 3,417 | |
| BRADESCO S.A. | 12/28/2012 | US dollar at 2.0843 | Sale PTAX | USD 7,320 | USD 7,320 | | | 15,004 | (14,742) | | 262 | |
| | | | | | | | | 413,635 | (404,706) | 145,606 | (148,666) | 8,930 |
| Accounting balance (net asset/liability position) | | | | | | | | | 8,929 | | (3,060) | 8,930 |
| | | | | | | | | Result from settled transactions | | | | 9,802 |
| | | | | | | | | Result for the period - Financial expenses | | | | 18,732 |

HEDGING OF PRODUCT PRICE - COMMODITIES

| | | | | | | | | | | | | |
|---|------------|---------------------------|---------------------------|-----------|-----------|-----------|-----------|---|----------|-------|-----------|---------|
| SANTANDER SA (ZINC) | 02/02/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 1,387 | USD 1,387 | | | 1,879 | (2,602) | |
| Citibank (ZINC) | 03/02/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 1,412 | USD 1,412 | | | 1,926 | (2,649) | |
| Barclays (ZINC) | 02/02/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 148 | USD 148 | | | 273 | (277) | |
| Barclays (ZINC) | 03/02/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 148 | USD 148 | | | 274 | (277) | |
| Barclays (ZINC) | 04/03/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 148 | USD 148 | | | 275 | (277) | |
| Barclays (ZINC) | 05/03/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 149 | USD 149 | | | 276 | (280) | |
| Barclays (ZINC) | 06/04/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 149 | USD 149 | | | 276 | (280) | |
| Barclays (ZINC) | 07/03/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 149 | USD 149 | | | 277 | (280) | |
| Barclays (ZINC) | 08/02/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 151 | USD 151 | | | 278 | (283) | |
| Barclays (ZINC) | 09/04/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 151 | USD 151 | | | 279 | (283) | |
| Barclays (ZINC) | 10/02/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | | | USD 151 | USD 151 | | | 280 | (283) | |
| Barclays (ZINC) | 11/05/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 151 | USD 151 | USD 151 | USD 151 | 339 | (308) | 281 | (284) | |
| Barclays (ZINC) | 12/04/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 151 | USD 151 | USD 151 | USD 151 | 341 | (308) | 282 | (284) | |
| Barclays (ZINCO) | 01/03/2013 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 151 | USD 151 | USD 151 | USD 151 | 342 | (308) | 283 | (284) | |
| BRADESCO S.A. (ZINC) | 01/03/2013 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 1,305 | USD 1,305 | | | 2,993 | (2,650) | | 342 | |
| BRADESCO S.A. (ZINC) | 03/04/2013 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 1,312 | USD 1,312 | | | 3,015 | (2,664) | | 351 | |
| ABC BRASIL S.A. (ZINC) | 11/01/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 1,302 | USD 1,302 | | | 2,957 | (2,644) | | 313 | |
| ABC BRASIL S.A. (ZINC) | 12/03/2012 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 1,304 | USD 1,304 | | | 2,978 | (2,648) | | 330 | |
| ABC BRASIL S.A. (ZINC) | 02/01/2013 | Average price (Zn) x Ptax | Call position (Zn) x Ptax | USD 1,310 | USD 1,310 | | | 3,003 | (2,661) | | 342 | |
| TOTAL | | | | | | | | 15,968 | (14,191) | 7,139 | (8,623) | 1,783 |
| Accounting balance (net asset/liability position) | | | | | | | | | 1,777 | | (1,484) | 1,783 |
| | | | | | | | | Result from settled transactions | | | | (1,345) |
| | | | | | | | | Result for the period - Cost of Sales | | | | 428 |
| Accounting balance (net asset/liability position) | | | | | | | | | (60,703) | | (125,403) | 38,741 |
| | | | | | | | | Result from settled transactions | | | | 8,457 |
| | | | | | | | | Total result with financial Instruments | | | | 47,198 |

Explanatory Notes

The accounting balances of transactions with derivative financial instruments are summarized as follows:

| | Parent Company | | Consolidated | |
|-------------------------|----------------|----------------|-----------------|------------------|
| | 09/30/2012 | 12/31/2011 | 09/30/2012 | 12/31/2011 |
| Current assets | 29,439 | 10,560 | 50,013 | 29,464 |
| Non- current assets | 450,227 | 431,772 | 456,684 | 435,972 |
| Current liabilities | (40,538) | (43,589) | (40,538) | (43,589) |
| Non-current liabilities | (16,243) | (23,990) | (526,862) | (547,250) |
| | <u>422,885</u> | <u>374,753</u> | <u>(60,703)</u> | <u>(125,403)</u> |

| | Parent Company | | Consolidated | |
|--|----------------|---------------|---------------|-----------------|
| | 09/30/2012 | 09/30/2011 | 09/30/2012 | 09/30/2011 |
| Result | | | | |
| Cost of products and/or services sold | 438 | (8,655) | 438 | (8,655) |
| Other operating income (expenses), net | 18,732 | (4,018) | 18,732 | (4,018) |
| In financial result | <u>(4,827)</u> | <u>64,188</u> | <u>28,028</u> | <u>(9,223)</u> |
| | <u>14,343</u> | <u>51,515</u> | <u>47,198</u> | <u>(21,896)</u> |

(c) Hedging activities - cash flow hedge (hedge accounting)

On August 1, 2011, the Company designated some export prepayment transactions as hedge instruments against part of the foreign exchange risk arising from highly probable future transactions (exports). The purpose of the adoption of hedge accounting is consistent with the risk management strategy to reduce the impacts from the volatility of foreign exchange rates on the financial statements due to the accounting mismatch generated by future transactions not recognized in the accounting records.

The application of the hedge accounting involves the recognition of the net effect on the result of gains and losses from the changes at the same time in the fair value of the hedge instrument and hedge object.

The Company's management decided to discontinue the accounting of export hedge accounting from October 1, 2012, according to the explanatory note 26 – Subsequent Events.

Explanatory Notes

The export prepayment transactions designated as hedging instruments are presented below:

| | Nominal value US\$ thousands | Interest rate | Maturity | Parent Company and Consolidated | |
|--|---|-------------------------------|-----------------|--|-------------------|
| | | | | Balance of principal | |
| | | | | 09/30/2012 | 12/31/2011 |
| BNP Paribas | | Libor + 1.25% a.a. | 2012 | | 13,643 |
| Club Deal (Mizuho, Tokio Mitsubishi, West LB) | 30,000 | Libor + 0.65% a.a. | 2012 to 2013 | 60,918 | 112,548 |
| Credit Suisse | 30,000 | Libor + 4% a.a. | 2014 | 60,918 | 93,790 |
| Bawag PSK | | Libor + 2.317% a.a. | 2012 | | 13,534 |
| Syndicate (HSBC) | 428,572 | Libor + 1.1% to 1.35% a.a. | 2012 to 2015 | 870,258 | 1,045,089 |
| | <u>488,572</u> | | | <u>992,094</u> | <u>1,278,604</u> |
| In current liabilities | | | | <u>584,127</u> | <u>493,692</u> |
| In non-current liabilities | | | | <u>407,967</u> | <u>784,912</u> |

The recognition of hedge accounting in equity can be presented as follows:

| | Parent Company and Consolidated | |
|--|--|-------------------|
| | 09/30/2012 | 12/31/2011 |
| Initial balance recognized in equity | <u>(143,735)</u> | |
| Amount recognized in the period | (77,602) | (229,714) |
| Amount reversed from equity to export revenues | 63,653 | 11,933 |
| Taxes on deferred profit (34%) | <u>4,742</u> | <u>74,046</u> |
| Final balance recognized in equity | <u>(152,942)</u> | <u>(143,735)</u> |

Explanatory Notes

6 Cash and Cash Equivalents

Cash and cash equivalents comprise the following:

| | Parent Company | | | | | |
|-----------------------------------|----------------------------------|---|----------------|----------------------------------|---|----------------|
| | 09/30/2012 | | | 12/31/2011 | | |
| | Loans and receivables | Fair value through results | Total | Loans and receivables | Fair value through results | Total |
| Bank current accounts | 34,742 | | 34,742 | 29,379 | | 29,379 |
| Offshore current accounts | 63,431 | | 63,431 | 12,223 | | 12,223 |
| Certificates of deposit - CDBs | | 368,327 | 368,327 | | 248,619 | 248,619 |
| Offshore time deposits | | | | 73,365 | | 73,365 |
| | <u>98,173</u> | <u>368,327</u> | <u>466,500</u> | <u>114,967</u> | <u>248,619</u> | <u>363,586</u> |

| | Consolidated | | | | | |
|--------------------------------|----------------------------------|---|------------------|----------------------------------|---|------------------|
| | 09/30/2012 | | | 12/31/2011 | | |
| | Loans and receivables | Fair value through results | Total | Loans and receivables | Fair value through results | Total |
| Bank current accounts | 92,281 | | 92,281 | 72,142 | | 72,142 |
| Offshore current accounts | 88,400 | | 88,400 | 33,846 | | 33,846 |
| Certificates of deposit - CDBs | | 2,357,263 | 2,357,263 | | 2,721,957 | 2,721,957 |
| Offshore time deposits | 338,609 | | 338,609 | 73,367 | | 73,367 |
| | <u>519,290</u> | <u>2,357,263</u> | <u>2,876,553</u> | <u>179,355</u> | <u>2,721,957</u> | <u>2,901,312</u> |

The certificates of deposit have immediate liquidity and remuneration of 97.6% to 103% of the Interbank Deposit Certificate (CDI) Rate.

Offshore time deposits are remunerated at fixed rates plus exchange variations.

7 Financial Investments

Financial investments comprise financial assets classified as loans and receivables, as follows:

| | Parent Company | | Consolidated | |
|------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 9/30/2012 | 12/31/2011 | 9/30/2012 | 12/31/2011 |
| Financial investments abroad | 17,466 | 124,396 | 1,898,115 | 2,289,383 |
| | <u>17,466</u> | <u>124,396</u> | <u>1,898,115</u> | <u>2,289,383</u> |

Although the investments have immediate liquidity, they were classified as financial investments as they are subject to foreign exchange variations and/or a fixed interest rate.

Foreign currency denominated financial investments overseas are remunerated at fixed interest rates.

Explanatory Notes

8 Trade Receivables

| | Parent company | | Consolidated | |
|--|-------------------|------------|--------------|------------|
| | 09/30/2012 | 12/31/2011 | 09/30/2012 | 12/31/2011 |
| Local customers | 636,488 | 517,997 | 1,304,902 | 1,124,237 |
| Export customers | 169,414 | 144,948 | 488,046 | 238,468 |
| Provision for losses on trade receivables | (109,865) | (107,868) | (129,171) | (126,149) |
| Trade receivables, net | 696,037 | 555,077 | 1,663,777 | 1,236,556 |
| Receivables from related parties | 409,987 | 228,443 | 7,593 | 17,879 |
| | 1,106,024 | 783,520 | 1,671,370 | 1,254,435 |

Trade receivables have no financing characteristics and are initially assessed and recorded at fair value.

9 Inventories

| | Parent Company | | Consolidated | |
|--------------------------|-------------------|------------|--------------|------------|
| | 09/30/2012 | 12/31/2011 | 09/30/2012 | 12/31/2011 |
| Finished goods | 888,800 | 1,143,730 | 1,129,535 | 1,463,147 |
| Work in progress | 1,009,356 | 1,706,518 | 1,080,429 | 1,752,084 |
| Raw materials | 513,815 | 514,088 | 956,449 | 857,639 |
| Supplies and spare parts | 653,713 | 729,966 | 758,063 | 807,774 |
| Imports in transit | 183,417 | 108,890 | 188,810 | 109,184 |
| Other | 158,374 | 60,481 | 156,036 | 69,048 |
| | 3,407,475 | 4,263,673 | 4,269,322 | 5,058,876 |

Inventories of R\$15,672 at September 30, 2012 (December 31, 2011 - R\$17,463) were offered in guarantee for judicial processes.

Explanatory Notes**10 Taxes Recoverable**

| | Parent Company | | | |
|--|-----------------------|--------------------|-------------------|--------------------|
| | 09/30/2012 | | 12/31/2011 | |
| | Current | Non-current | Current | Non-current |
| Prepayments of income tax | 5,424 | | 86,926 | |
| Prepayments of social contribution | 58 | | 70,040 | |
| Social Integration Program (PIS) | 47,228 | 591 | 67,331 | 2,480 |
| Social Contribution on Revenues (COFINS) | 170,003 | 2,722 | 305,338 | 11,425 |
| Value-added Tax on Sales and Services (ICMS) | 122,831 | 66,207 | 110,464 | 95,165 |
| Excise Tax (IPI) | 3,441 | | 3,933 | |
| Export credit - Reintegra (*) | 19,351 | | | |
| Import licensing charges | 34,570 | | | |
| Other | 1,509 | 11,710 | 2,128 | 14,311 |
| | <u>404,415</u> | <u>81,230</u> | <u>646,160</u> | <u>123,381</u> |
| | | | | |
| | Consolidated | | | |
| | 09/30/2012 | | 12/31/2011 | |
| | Current | Non-current | Current | Non-current |
| Prepayments of income tax | 13,191 | | 117,529 | |
| Prepayments of social contribution | 1,682 | | 79,506 | |
| Social Integration Program (PIS) | 58,763 | 936 | 80,049 | 2,929 |
| Social Contribution on Revenues (COFINS) | 183,554 | 4,311 | 321,261 | 13,495 |
| Value-added Tax on Sales and Services (ICMS) | 190,539 | 124,993 | 156,618 | 123,847 |
| Excise Tax (IPI) | 39,488 | | 22,190 | |
| Export credit - Reintegra (*) | 19,351 | | | |
| Import licensing charges | 34,570 | | | |
| Other | 7,390 | 11,865 | 22,482 | 14,466 |
| | <u>548,528</u> | <u>142,105</u> | <u>799,635</u> | <u>154,737</u> |

(*) Refers to the Special Rules of Reintegration of Tax Amounts for Export Companies (Reintegra), whose objective is to restitute values resulting from the residual tax costs calculated in the supply chain of export companies. The Reintegra was established by Provisional Measure 540/2011 and regulated by Decree 7633/2011. The basis of calculation represents 3% of export revenue.

Explanatory Notes**11 Income Tax and Social Contribution****(a) Income tax and social contribution expense**

The income tax (IRPJ) and social contribution (CSLL) on net income differs from the amount which would be obtained using the statutory income tax and social contribution nominal rates applicable to net income before taxation, in the Parent Company and Consolidated, as follows:

| | <u>Parent Company</u> | | <u>Consolidated</u> | |
|--|-----------------------|-------------------|---------------------|-------------------|
| | <u>09/30/2012</u> | <u>09/30/2011</u> | <u>09/30/2012</u> | <u>09/30/2011</u> |
| Net income (loss) before income tax and social contribution | (683,357) | 152,403 | (505,450) | 552,825 |
| Statutory rates of tax | <u>34%</u> | <u>34%</u> | <u>34%</u> | <u>34%</u> |
| IRPJ and CSLL at statutory rates | <u>232,341</u> | <u>(51,817)</u> | <u>171,853</u> | <u>(187,961)</u> |
| Adjustments to determine the effective IRPJ and CSLL expense | | | | |
| Equity in the results of investees | 159,850 | 235,523 | 15,516 | 15,286 |
| Permanent exclusions (additions) | (16,531) | (10,933) | (20,671) | (11,584) |
| Tax incentive | | | 3,051 | 2,478 |
| Foreign subsidiary profits not-taxable | | | 88,733 | 89,126 |
| Adjustments to the IRPJ/CSLL of prior years | (8,115) | (11,751) | (9,789) | (9,263) |
| Other | | | <u>8,594</u> | <u>664</u> |
| IRPJ and CSLL | <u>367,545</u> | <u>161,022</u> | <u>257,287</u> | <u>(101,254)</u> |
| Current | (54) | (11,751) | (149,945) | (272,546) |
| Deferred | <u>367,599</u> | <u>172,773</u> | <u>407,232</u> | <u>171,292</u> |
| IRPJ and CSLL in the result | <u>367,545</u> | <u>161,022</u> | <u>257,287</u> | <u>(101,254)</u> |

There were no current tax items taken directly to equity in these interim financial statements.

(b) Changes in deferred income tax and social contribution

The changes in deferred income tax and social contribution for the nine-month period ended September 30, 2012 were as follows:

| | <u>Parent Company</u> | <u>Consolidated</u> | |
|--|-----------------------|---------------------|--------------------|
| | <u>Assets</u> | <u>Assets</u> | <u>Liabilities</u> |
| At December 31, 2011 | 676,592 | 797,146 | 17,880 |
| Constitution of deferred taxes in results of operations | 1,406,711 | 1,508,356 | 8,565 |
| Reversal of deferred taxes | (1,039,112) | (1,092,559) | |
| Constitution of deferred taxes in the comprehensive income (actuarial liabilities) | 49,403 | 49,403 | |
| Constitution of deferred taxes in the comprehensive income (hedge accounting) | 4,742 | 4,742 | |
| Other | | <u>(1,508)</u> | |
| At September 30, 2012 | <u>1,098,336</u> | <u>1,265,580</u> | <u>26,445</u> |

Explanatory Notes

According to projections approved by the Company's Management, long-term deferred income tax and social contribution at September 30, 2012 will be realized as follows:

| | <u>Parent Company</u> | <u>Consolidated</u> |
|--------------|---------------------------|---------------------|
| 2012 | (21,975) | (1,079) |
| 2013 | (2,138) | 14,177 |
| 2014 | 119,386 | 135,700 |
| 2015 | 129,314 | 145,628 |
| 2016 | 175,496 | 191,810 |
| 2017 | 169,696 | 186,011 |
| As from 2018 | <u>1,128,750</u> | <u>1,194,010</u> |
| Assets | <u>1,698,529</u> | <u>1,866,257</u> |
| Liabilities | <u>(600,193)</u> | <u>(600,677)</u> |
| Net assets | <u>1,098,336</u> | <u>1,265,580</u> |

12 Judicial Deposits

The composition of judicial deposit balances has not changed significantly in relation to those disclosed in the Company's financial statements at December 31, 2011 and, consequently, Management decided not to repeat the balances in the interim financial statements at September 30, 2012.

The changes in judicial deposits for the nine-month period ended September 30, 2012 were as follows:

| | <u>Parent Company</u> | <u>Consolidated</u> |
|---|---------------------------|---------------------|
| At December 31, 2011 before offsetting provisions for contingencies | 754,431 | 831,637 |
| Additions | 20,173 | 28,089 |
| Interest/restatements | 28,927 | 31,919 |
| Payments | (6,591) | (6,774) |
| Reversals | <u>(80,077)</u> | <u>(87,741)</u> |
| | <u>716,863</u> | <u>797,130</u> |
| Deposits linked to provisions for contingencies and taxes payable in installments | <u>(318,500)</u> | <u>(360,694)</u> |
| At September 30, 2012 | <u>398,363</u> | <u>436,436</u> |

There was a redemption of a judicial deposit of R\$ 74,309 during the nine-month period ended September 30, 2012, related to the tax process related to the discussion on the reversal of the IPI credit, included in the amnesty of Provisional Measure (MP) 470/09, which reduced the amount of the penalty and interest.

Explanatory Notes**13 Investments**

The changes in investments in the nine-month period ended September 30, 2012 were as follows:

(i) Parent Company

| | <u>12/31/2011</u> | <u>Additions (disposals)</u> | <u>Equity in the results</u> | <u>Unrealized profit in inventories</u> | <u>Interest on own capital and dividends</u> | <u>Other</u> | <u>09/30/2012</u> |
|---|-------------------|----------------------------------|----------------------------------|---|--|--------------|-------------------|
| Subsidiaries | | | | | | | |
| Automotiva Usiminas S.A. | 115,440 | | 1,634 | 481 | (1,719) | | 115,836 |
| Cosipa Commercial Ltd. | | | 9,580 | | | | 9,580 |
| Cosipa Overseas Ltd. | 17,579 | | 1,376 | | | | 18,955 |
| Mineração Usiminas S.A. | 3,227,711 | | 149,443 | | | | 3,377,154 |
| Rios Unidos Logística e Transporte de Aço Ltda. | 10,206 | 10,452 | (10,806) | | | 6 | 9,858 |
| Soluções em Aço Usiminas S.A. | 756,614 | | (463) | 8,234 | | | 764,385 |
| Usiminas Europa A/S | 1,962,976 | | 200,346 | | | | 2,163,322 |
| Usiminas International Ltd. | 217,362 | | 19,735 | | | | 237,097 |
| Usiminas Mecânica S.A. | 703,521 | | (18,180) | 1,982 | 6,757 | | 694,080 |
| UPL Usiminas Participações e Logística S.A. | 45,944 | | 6,082 | | (932) | | 51,094 |
| Goodwill in subsidiaries | <u>130,801</u> | | | | | <u>(819)</u> | <u>129,982</u> |
| | 7,188,154 | 10,452 | 358,747 | 10,697 | 4,106 | (813) | 7,571,343 |
| Jointly controlled subsidiaries | | | | | | | |
| Fasal Trading Brasil | 9,617 | | (810) | | 333 | 808 | 9,948 |
| Unigal Ltda. | 754,729 | | 73,736 | | (105,000) | | 723,465 |
| Usiroll - Usiminas Court Tecnologia em Acabamento Superficial Ltda. | <u>5,948</u> | | <u>1,226</u> | | | <u>16</u> | <u>7,190</u> |
| | 770,294 | | 74,152 | | (104,667) | 824 | 740,603 |
| Associated companies | | | | | | | |
| Codeme Engenharia S.A. | 38,290 | (780) | 3,735 | | (1,872) | | 39,373 |
| Metform S.A. | 17,840 | (1,362) | 2,655 | | (4,541) | | 14,592 |
| MRS Logística S.A. | 6,423 | | 913 | | (333) | | 7,003 |
| Goodwill in associated companies | <u>79,464</u> | | | | | | <u>79,464</u> |
| | <u>142,017</u> | <u>(2,142)</u> | <u>7,303</u> | | <u>(6,746)</u> | | <u>140,432</u> |
| | <u>8,100,465</u> | <u>8,310</u> | <u>440,202</u> | <u>10,697</u> | <u>(107,307)</u> | <u>11</u> | <u>8,452,378</u> |

Explanatory Notes**(ii) Consolidated**

| | <u>12/31/2011</u> | <u>Additions (disposals)</u> | <u>Equity in the results</u> | <u>Interest on own capital and dividends</u> | <u>Other</u> | <u>09/30/2012</u> |
|----------------------------------|-------------------|----------------------------------|----------------------------------|--|--------------|-------------------|
| Codeme Engenharia S.A. | 38,290 | (780) | 3,735 | (1,872) | | 39,373 |
| Metform S.A. | 17,840 | (1,362) | 2,655 | (4,541) | | 14,592 |
| MRS Logística S.A. | 262,397 | | 37,160 | (13,480) | | 286,077 |
| Terminal de Cargas Sarzedo Ltda. | 3,381 | | 2,373 | (2,587) | | 3,167 |
| Other | 3,185 | (23) | (289) | 40 | 11 | 2,924 |
| Goodwill | <u>103,289</u> | | | | | <u>103,289</u> |
| | <u>428,382</u> | <u>(2,165)</u> | <u>45,634</u> | <u>(22,440)</u> | <u>11</u> | <u>449,422</u> |

14 Property, Plant and Equipment

The composition of property, plant and equipment did not present significant changes in relation to those disclosed in the Company's financial statements at December 31, 2011 and, consequently, Management decided not to repeat the composition in the interim financial statements at September 30, 2012.

The changes in property, plant and equipment in the nine month period ended September 30, 2012, were as follows:

| | <u>Parent Company</u> | <u>Consolidated</u> |
|--|-----------------------|---------------------|
| At December 31, 2011 | <u>13,786,171</u> | <u>15,921,154</u> |
| Additions | 788,524 | 1,277,461 |
| Disposals | (638) | (7,569) |
| Depreciation | (609,362) | (693,461) |
| Capitalized interest and monetary variations | 97,156 | 98,764 |
| Transfers | (10,084) | (17,403) |
| Disposal of advances | | (6,637) |
| Other | <u>(7,138)</u> | <u>(8,067)</u> |
| At September 30, 2012 | <u>14,044,629</u> | <u>16,564,242</u> |

The additions to property, plant and equipment in the nine-month period ended September 30, 2012, in the amount of R\$ 1,277,461, referred mainly to a hot strip mill (R\$ 235,576), stripping activities No. 3 (R\$ 25,683), No. 2 coke plant refurbishment (R\$ 66,875), blooming mill in LCG (R\$ 139,480), control of particled material of the coke extinction tower (R\$ 26,877), intensive mixer for sintering 1 and 2 (R\$ 17,223), refurbishment of peripheral equipment in coke plant No. 2 (R\$ 15,288), electrostatic precipitator of sintering No. 1 (R\$ 28,036), friable (R\$ 265,072) and compact (R\$ 23,293) projects, both of the Subsidiary Mineração Usiminas

Explanatory Notes

15 Intangible Assets

The composition of intangible assets did not present significant changes in relation to those disclosed in the Company's financial statements at December 31, 2011 and, consequently, Management decided not to repeat the composition in the interim financial statements at September 30, 2012.

The changes in intangible assets in the nine-month period ended September 30, 2012 were as follows:

| | <u>Parent Company</u> | <u>Consolidated</u> |
|--|-----------------------|---------------------|
| At December 31, 2011 | 142,735 | 2,453,952 |
| Additions | 6,135 | 10,353 |
| Disposals | | (38) |
| Amortization | (9,490) | (33,377) |
| Transfers from property, plant and equipment | 10,084 | 17,403 |
| At September 30, 2012 | <u>149,464</u> | <u>2,448,293</u> |

16 Loans and Financing

The composition of loans and financing did not present significant changes in relation to those disclosed in the Company financial statements at December 31, 2011 and, consequently, Management decided not to repeat the composition in the interim financial statements at September 30, 2012.

(a) Changes in loans and financing

The changes in loans and financing in the nine-month period ended September 30, 2012 were as follows:

| | <u>Parent Company</u> | <u>Consolidated</u> |
|-------------------------------|-----------------------|---------------------|
| At December 31, 2011 | 8,412,395 | 8,238,223 |
| New loans and financing | 277,076 | 382,785 |
| Charges provisioned | 218,053 | 267,763 |
| Monetary variations | 147,694 | 152,357 |
| Foreign exchange variations | 365,467 | 362,123 |
| Payment of charges | (297,154) | (319,955) |
| Payment of principal | (684,278) | (772,806) |
| Escrow account (*) | (20,864) | (20,864) |
| Transfer of other obligations | 75,465 | 75,465 |
| Other | (4,952) | (4,952) |
| At September 30, 2012 | <u>8,488,902</u> | <u>8,360,139</u> |

(*) Export receivables which will be utilized for the amortization of export prepayment contracts.

Explanatory Notes

(b) Changes in Debentures

The changes in debentures in the nine-month period ended September 30, 2012 were as follows:

| | <u>Parent Company</u> |
|-----------------------|---------------------------|
| At December 31, 2011 | <u>524,419</u> |
| Charges provisioned | 9,036 |
| Monetary variations | 10,673 |
| Payment of charges | (40,958) |
| Payment of principal | (250,000) |
| Other | <u>(273)</u> |
| At September 30, 2012 | <u><u>252,897</u></u> |

(c) Other significant information on loans and financing

Contracting of Guarantee Letter

On January 13, 2012, the Company's Board of Directors approved the contracting of guarantee letter from Banco Safra, in the amount of US\$79,692 thousand, to guarantee operation relating to the supplementary payment and finalization of the acquisition of Mineração JMendes Ltda., from Siderúrgica do Oeste de Minas Gerais Ltda. and from Global Mineração Ltda., as determined in the original agreement disclosed in the Material Fact, dated February 2, 2008. The balance of the letter of credit on September 30, 2012 was US\$ 59,769 thousand.

Restrictive covenants

The Company has loans and financing which have established contractual conditions, which require compliance with certain covenants based on determined financial ratios, as follows:

- Consolidated Interest Coverage Ratio - payment capacity of interest on loans and financing in relation to EBITDA;
- Total Debt to EBITDA and Net Debt to EBITDA - payment capacity of debt in relation to EBITDA;
- Total Capitalization Ratio - relation between own capital and third party capital ;
- Liquidity Level - payment capacity for short-term liabilities;
- Capitalization Level - relation between Net Equity and Total Assets;
- Collections History - relation between the payments of principal and interest on Advances on Foreign Exchange Contracts (ACC) and export prepayments and net export revenue.
- Minimum Cash
- Maximum Indebtedness

The above described ratios are calculated on the Company's consolidated basis.

The obligatory measurement ratios at September 30, 2012 were Liquidity Level, Capitalization Level, Minimum Cash and Maximum Indebtedness and they were duly complied with at that date.

Explanatory Notes**17 Provision for Contingencies****(a) Probable loss contingencies**

The composition of provisions for contingencies can be demonstrated as follows:

| | 09/30/2012 | | | Parent Company 12/31/2011 | | |
|---------------|----------------------|--------------------------|--------------------|--------------------------------------|--------------------------|--------------------|
| | Contingencies | Judicial deposits | Net balance | Contingencies | Judicial deposits | Net balance |
| IRPJ and CSLL | 16,412 | (16,412) | | 16,070 | (16,070) | |
| ICMS | 10,722 | | 10,722 | | | |
| INSS | 42,914 | (5,741) | 37,173 | 41,852 | (5,498) | 36,354 |
| Labor | 163,361 | (93,720) | 69,641 | 131,919 | (83,461) | 48,458 |
| Civil | 108,644 | (9,687) | 98,957 | 73,497 | (7,809) | 65,688 |
| Other | 1,831 | | 1,831 | | | |
| | 343,884 | (125,560) | 218,324 | 263,338 | (112,838) | 150,500 |

| | 09/30/2012 | | | Consolidated 12/31/2011 | | |
|---------------|----------------------|--------------------------|--------------------|------------------------------------|--------------------------|--------------------|
| | Contingencies | Judicial deposits | Net balance | Contingencies | Judicial deposits | Net balance |
| ICMS | 13,748 | | 13,748 | 3,583 | | 3,583 |
| IRPJ and CSLL | 33,135 | (26,314) | 6,821 | 54,973 | (25,966) | 29,007 |
| INSS | 42,942 | (5,769) | 37,173 | 41,880 | (5,526) | 36,354 |
| CIDE | 6,444 | (6,444) | | 6,019 | (6,019) | |
| COFINS | 12,335 | (11,873) | 462 | 12,335 | (11,873) | 462 |
| PIS | 2,216 | (2,216) | | 2,216 | (2,216) | |
| Labor | 194,281 | (104,829) | 89,452 | 159,000 | (92,284) | 66,716 |
| Civil | 111,648 | (9,695) | 101,953 | 75,916 | (7,809) | 68,107 |
| Other | 2,524 | (615) | 1,909 | 703 | (677) | 26 |
| | 419,273 | (167,755) | 251,518 | 356,625 | (152,370) | 204,255 |

(INSS - National Institute of Social Security

CIDE - Tax on the Import of Services and the Payment of Royalties)

The Company had judicial deposits recorded in non-current assets at September 30, 2012, for which no provisions were recorded (Note 12).

The changes in the provisions for contingencies in the nine-month period ended September 30, 2012 were as follows:

| | Parent Company | Consolidated |
|--|-----------------------|---------------------|
| Balances at December 31, 2011 before the offset of judicial deposits | 263,338 | 356,625 |
| Additions | 140,349 | 151,907 |
| Interest/restatement | 23,824 | 26,399 |
| Amortization/reductions | (38,851) | (40,177) |
| Reversals | (9,886) | (38,511) |
| Transfer to other obligations | (34,890) | (36,970) |
| | 343,884 | 419,273 |
| Offset of judicial deposits | (125,560) | (167,7545) |
| Balances at September 30, 2012 | 218,324 | 251,518 |

Explanatory Notes

The provisions for contingencies were constituted to cover probable losses on administrative and judicial litigation relating to tax, labor and civil issues, at amounts considered sufficient by management, based on the advice and evaluation of internal and external legal counsel.

(b) Possible loss contingencies

In addition, the parent company and some of its subsidiaries are also parties to lawsuits which involve risk of loss classified as *possible* by management, based on the evaluation of legal counsel, for which no provisions have been recorded, in the amount of R\$3,168,626 (December 31, 2011 – R\$3,430,391) In the nine month period ended September 30, 2012, the Company was part of new processes, in the amount of R\$ 302,447, which are presented as follows:

| Description | Position | Balance |
|--|--|----------------|
| New tax assessment notice issued by the State of Sao Paulo claiming the reversal of ICMS credits of materials considered to be for use and consumption (refractory and other). | In January, 2012, Usiminas presented its defense. Awaiting judgment at the first administrative level. | 97,202 |
| Tax collection proposed by Ipatinga to cover the payment of Property Tax (IPTU/2011) debits and the request for review of IPTU/2012 presented by Usiminas. | Awaiting the citation of Usiminas in the tax collection process for IPTU 2011. Awaiting judgment at the first administrative level of IPTU 2012. | 68,221 |
| New tax assessment notice issued by the State of Minas Gerais for the reversal of ICMS credits for the purchase of materials classified as for use and consumption by the tax authorities. | Awaiting administrative decision. | 35,518 |
| ICMS - Tax requirement due to undue ICMS credit, realized after the statutory period; the credits were utilized again; the credits were effected without evidence of origin and without indicating the determinant reasons and the credits were utilized in the purchase of use and consumption goods. | Unfavorable decision at first judicial level. Awaiting decision at second judicial level. | 23,028 |
| Tax assessment to collect ICMS, due to interstate transfers between Usiminas branches, since the Company would have utilized as the calculation basis, to determine the credits, the selling price of the products and not their production cost. | Awaiting administrative decision. | 22,262 |
| Lawsuit aiming to avoid the collection of social contributions on profit-sharing paid to the employees in the period from 1995 to 1998. | Usiminas obtained a partially favorable decision at the second judicial level and filed an appeal, which awaits judgment. | 15,617 |
| Tax assessment to collect social security contributions under the allegation that the Company did not inform in the GFIP form and paid the contributions inherent to the cost of special retirement, generated from the exposure of its employees to the following hazardous agents: noise, heat and benzene. Assessed period: 2007. | Awaiting decision at first administrative level. | 15,166 |
| Other | | <u>25,433</u> |
| | | <u>302,447</u> |

Explanatory Notes

Change in the retirement benefit obligations

The actuarial study in conformity with CPC 33 and IAS 19, conducted by an independent actuary for the base date of December 31, 2011, presented a liability of R\$1,277,473. This actuarial study will be reviewed again at December 31, 2012. The change in the defined benefit obligations can be summarized as follows:

| | Parent Company and Consolidated |
|--|--|
| Balance at December 31, 2011 | <u>1,277,473</u> |
| Amortization | (124,100) |
| Amounts recognized in results of operations | (63,118) |
| Actuarial losses directly recognized in other comprehensive income | 145,299 |
| Amortization cost of past service | <u>(1,449)</u> |
| Balance at September 30, 2012 | <u><u>1,234,105</u></u> |

19 Equity

(a) New shareholders' agreement

On January 17, 2012, the Company informed the Market, through a Material Fact Statement, the completion of the share purchase and sale transactions that occurred on January 16, 2012, pursuant to the regulations applicable to the Brazilian Capital Market, the contents of which are described below:

- (i) Confab Industrial S.A. ("Confab"), Prosid Investments S.C.A. ("Prosid"), Siderar S.A.I.C. ("Siderar") and Ternium Investments S.à r.l. ("Ternium" and, jointly with Confab, Prosid and Siderar, "Techint Group ") completed the operation for the purchase and sale of shares pursuant to the agreement for the purchase and sale of shares formalized with VBC Energia S.A. (VBC), Votorantim Industrial S.A. ("Votorantim") and Previdência Usiminas (Caixa dos Empregados da Usiminas) (CEU and the "Purchase and Sale Agreement of Techint Group") on November 27, 2011 and acquired 139,741,296 common shares of Usiminas, representing approximately 27.66% of the common shares and approximately 13.78% of the share capital of Usiminas, for the price of R\$36.00 per share, totaling R\$5,030,687.
- (ii) Nippon Steel Corporation (NSC) completed the purchase and sale of shares pursuant to the agreement for the purchase and sale of shares formalized with CEU on November 27, 2011, and acquired 8,527,440 common shares of Usiminas, representing approximately 1.69% of common shares and approximately 0.84% of the share capital of Usiminas, for the price of R\$36.00 per share, totaling R\$306,988.
- (iii) Techint Group, NSC, Nippon Usiminas Co. Ltd. (NU), Metal One Corporation ("Metal One"), Mitsubishi Corporation do Brasil S.A. ("Mitsubishi") and CEU executed an Amended and Consolidated Shareholders' Agreement of Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS (the "New Shareholders' Agreement"), in terms essentially identical to those of the Amended and Consolidated Shareholders' Agreement of Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS executed on November 27, 2011, excluding, however, the precedent effectiveness conditions of this agreement. The New Shareholders' Agreement amends, consolidates and fully replaces the

Explanatory Notes

Amended and Consolidated Shareholders' Agreement of Usiminas as of November 6, 2006 ("Original Shareholders' Agreement") and, as from the present date, will govern the relationships between the parties to such agreement as shareholders and members of the controlling group of Usiminas. A copy of the New Shareholders' Agreement was delivered to Usiminas on January 17, 2012, to be signed as a consenting party and filed at its headquarters for the purposes of article 118 of Law 6,404/76.

- (iv) The New Shareholders' Agreement also replaces and revokes the Shareholders Agreement of Usiminas of February 18, 2011, between Mitsubishi, Metal One, NSC, NU, VBC and Votorantim, which was expressly terminated by the parties on this date.

For reference purposes, the table below indicates the distribution of the voting capital of Usiminas among the parties of the New Shareholders' Agreement at this date and after the completion of the operations referred to in items (i) and (ii):

| | <u>Original Shareholders' Agreement</u> | | <u>New Shareholders' Agreement</u> | |
|--|---|--------------------------------|------------------------------------|--------------------------------|
| | <u>Linked common shares (%)</u> | <u>Total common shares (%)</u> | <u>Linked common shares (%)</u> | <u>Total common shares (%)</u> |
| NSC (a) | 3.75 | 2.40 | 6.40 | 4.09 |
| NU | 37.18 | 23.74 | 37.18 | 23.74 |
| Total NSC and NU | 40.93 | 26.14 | 43.58 | 27.83 |
| Mitsubishi and Metal One | 2.54 | 1.62 | 2.54 | 1.62 |
| Total NSC, NU, Mitsubishi and Metal One | 43.47 | 27.76 | 46.12 | 29.45 |
| Ternium | | | 26.26 | 16.77 |
| Siderar | | | 3.10 | 1.98 |
| Prosid | | | 6.20 | 3.96 |
| Confab | | | 7.75 | 4.95 |
| Techint Group | | | 43.31 | 27.66 |
| V/C Group (Votorantim and Camargo Correa) | 40.67 | 25.97 | | |
| CEU | 15.86 | 10.13 | 10.57 | 6.75 |
| Controlling shareholders | 100.00 | 63.86 | 100.00 | 63.86 |
| Non-controlling shareholders | | 36.14 | | 36.14 |

(a) NSC Group holds 6,726,600 free common shares, not linked to the New Shareholders' Agreement.

Explanatory Notes

(b) Share capital

The Company share capital, amounting to R\$12,150,000 and comprising 1,013,786,190 shares at September 30, 2012 and December 31, 2011, can be presented as follows:

| | <u>Common</u> | <u>Class A Preferred</u> | <u>Class B Preferred</u> | <u>Total</u> |
|------------------------------------|--------------------|--------------------------|--------------------------|--------------------|
| Total shares | 505,260,684 | 508,439,712 | 85,794 | 1,013,786,190 |
| Total treasury stock | (2,526,654) | (24,060,356) | | (26,587,010) |
| Total shares except treasury stock | <u>502,734,030</u> | <u>484,379,356</u> | <u>85,794</u> | <u>987,199,180</u> |

Each common share entitles its holder to one vote at General Shareholders' Meetings. Preferred shares have no vote but are entitled to (i) receive dividends 10% higher than the dividends attributed to common shares (ii) receive all the bonuses voted in General Meetings, under the same conditions as common shares; (iii) priority in the reimbursement of capital, with no right to premium, in the event the Company is wound up; (iv) right to vote at meetings if the Company does not pay preferred dividends during three consecutive years.

The preferred shares may not be converted into common shares.

The class B preferred shareholders will have priority in capital reimbursement, with no premium right, in the event of the liquidation of the Company. The class A preferred shareholders will have the same priority, however, only after complying with the priority granted to class B preferred shares. The class B preferred shares can, at any time, and at the sole discretion of the shareholder, be converted into class A preferred shares.

The shareholders are assured a minimum dividend of 25% of the net income for the year calculated pursuant to the Corporate Law.

(c) Reserves

- Premium on the issue of shares - Constituted in the merger process, in conformity with article 14, sole paragraph of Law 6,404/76. This reserve can be utilized to absorb losses exceeding the retained earnings and revenue reserves, in the redemption, reimbursement or purchase of shares, and the redemption of beneficiary parties, to be incorporated into capital and for the payment of dividends to preferred shares, when this benefit is assured to them (article 200 of Law 6,404/76)
- Treasury stock - At September 30, 2012 and December 31, 2011 the Company held 2,526,654 common shares and 24,060,356 class A preferred shares in treasury.
- Legal reserve - Constituted based on 5% of net income for each year, up to 20% of capital.

The reserve for investments and working capital comprises:

- (i) appropriation of 50% of the net income for the year adjusted by the legal reserve, as determined in the Company's bylaws. The investments and working capital reserve cannot exceed 95% of capital, and its balance may be used to absorb losses, distribute dividends, for redemptions, reimbursement or purchase of shares, or capitalized.

Explanatory Notes

- (ii) appropriation to the statutory reserve, under the terms of article 196 of Law 6,404/76, based on the capital budget approved at the meeting of the Board of Directors.

(d) Dividends and interest on capital

The distributions of dividends and interest on own capital distribution were as follows:

| | <u>Parent Company</u> | <u>Consolidated</u> |
|--|-----------------------|---------------------|
| Balances at December 31, 2011 | 57,171 | 69,704 |
| Dividends paid | (81,548) | (94,079) |
| Dividends prescribed | (909) | (909) |
| Dividends related to prior year net income | 26,221 | 26,221 |
| Balances at September 30, 2012 | <u>935</u> | <u>937</u> |

20 Segment Information

Management has determined the operating segments of the Usiminas Companies based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors analyses the business by segment under the perspective of products sold.

The revenue generated by the reported operating segments arises mainly from the manufacture and sale of steel products and related services.

Explanatory Notes**20.1 Information on operating result, assets and liabilities by reportable segment**

| | | | | | | | 09/30/2012 |
|--|---------------------------------|-----------------------------|---------------------------------|---------------------------|---------------------|---|--------------------|
| | Mining and Logistics | Steel Metallurgy | Steel Transformation | Capital Assets | Subtotal | Eliminations and adjustments | Total |
| Revenue | 606,548 | 8,625,459 | 1,569,523 | 760,859 | 11,562,389 | (2,061,119) | 9,501,270 |
| Cost of sales | <u>(233,936)</u> | <u>(8,581,010)</u> | <u>(1,423,213)</u> | <u>(760,570)</u> | <u>(10,998,729)</u> | <u>1,994,688</u> | <u>(9,004,041)</u> |
| Gross profit | <u>372,612</u> | <u>44,449</u> | <u>146,310</u> | <u>289</u> | <u>563,660</u> | <u>(66,431)</u> | <u>497,229</u> |
| Operating income/(expenses) | <u>(131,502)</u> | <u>(329,569)</u> | <u>(153,567)</u> | <u>(37,734)</u> | <u>(652,372)</u> | | <u>(652,372)</u> |
| Selling expenses | (74,958) | (114,031) | (71,154) | (12,612) | (272,755) | | (272,755) |
| General and administrative expenses | (43,401) | (195,188) | (68,519) | (48,381) | (355,489) | 6,138 | (349,351) |
| Other income and (expenses) | <u>(13,143)</u> | <u>(20,350)</u> | <u>(13,894)</u> | <u>23,259</u> | <u>(24,128)</u> | <u>(6,138)</u> | <u>(30,266)</u> |
| Operating result (i) | <u>241,110</u> | <u>(285,120)</u> | <u>(7,257)</u> | <u>(37,445)</u> | <u>(88,712)</u> | <u>(66,431)</u> | <u>(155,143)</u> |
| Assets | 5,516,450 | 30,284,559 | 1,630,343 | 1,200,341 | 38,731,611 | (5,347,785) | 33,383,908 |
| Total assets includes: Investments in associated companies (other than goodwill) | 282,243 | 61,032 | | 2,858 | 346,133 | | 346,133 |
| Additions to non-current assets (other than financial instruments and deferred tax assets) | 395,664 | 827,558 | 40,978 | 50,648 | 1,314,848 | 7,755 | 1,322,603 |
| Current and non-current liabilities | <u>728,145</u> | <u>13,439,021</u> | <u>389,932</u> | <u>505,617</u> | <u>15,062,715</u> | <u>(319,715)</u> | <u>14,743,000</u> |

Explanatory Notes

| | Mining and Logistics | Steel Metallurgy | Steel Transformation | Capital Assets | Subtotal | Eliminations and adjustments | 09/30/2011 |
|--|---------------------------------|-----------------------------|---------------------------------|---------------------------|-----------------|---|-------------------|
| Revenue | 733,037 | 7,995,408 | 1,630,278 | 1,050,251 | 11,408,974 | (2,321,685) | 9,087,289 |
| Cost of sales | (192,316) | (7,791,353) | (1,483,003) | (923,976) | (10,390,648) | 2,370,180 | (8,020,468) |
| Gross profit | 540,721 | 204,055 | 147,275 | 126,275 | 1,018,326 | 48,495 | 1,066,821 |
| Operating income/(expenses) | (88,194) | (163,155) | (129,906) | (75,435) | (456,690) | 4,412 | (452,278) |
| Selling expenses | (39,135) | (163,099) | (74,835) | (17,652) | (294,721) | | (294,721) |
| General and administrative expenses | (44,161) | (221,694) | (78,232) | (54,479) | (398,566) | 6,139 | (392,427) |
| Other operating income and (expenses) | (4,898) | 221,638 | 23,161 | (3,304) | 236,597 | (1,727) | 234,870 |
| Operating profit (i) | 452,527 | 40,900 | 17,369 | 50,840 | 561,636 | 52,907 | 614,543 |

(i) The reconciliation of the operating result is as follows:

| | 09/30/2012 | 09/30/2011 |
|---|-------------------|-------------------|
| Operating result of information by business segment | (155,143) | 614,543 |
| Financial result | (395,941) | (106,678) |
| Equity in the results of investees | 45,634 | 44,960 |
| Operating result before taxation on net income | (505,450) | 552,825 |

Sales between segments were realized in a similar manner as sales between independent parties.

The invoicing is pulverized, and the Company and its subsidiaries do not have individual clients representing more than 10% of invoicing. More than 95% of revenues arise from revenues with products and services.

20.2 Reconciliations of assets, liabilities and revenues by reporting segments**(a) Reconciliation of assets**

The amounts disclosed by the Board of Directors in relation to total assets are consistent with the balances recorded in the consolidated financial statements. These assets are allocated based on the segment operations and on the physical location of the asset.

The assets corresponding to the reported segments can be reconciled with total assets, as follows:

| | 09/30/2012 |
|--|-------------------|
| Assets from reported segments | 38,731,693 |
| Elimination of assets between segments | (5,347,785) |
| Total assets | 33,383,908 |

The eliminations of assets between segments refer to common intercompany balances.

Explanatory Notes

(b) Reconciliation of liabilities

The amounts disclosed by the Board of Directors in relation to total liabilities are consistent with the balances recorded in the consolidated financial statements. These liabilities are allocated based on the segment operations.

The liabilities corresponding to the reported segments can be reconciled with total liabilities, as follows:

| | <u>09/30/2012</u> |
|---|--------------------------|
| Liabilities from reported segments | 15,062,715 |
| Elimination of liabilities between segments | <u>(319,715)</u> |
| Total liabilities | <u><u>14,743,000</u></u> |

The eliminations of assets between segments refer to common intercompany balances.

21 Expenses by Nature

| | Parent Company | | Consolidated | |
|--|---------------------------|--------------------|---------------------|--------------------|
| | <u>09/30/2012</u> | <u>09/30/2011</u> | <u>09/30/2012</u> | <u>09/30/2011</u> |
| Depreciation ,amortization and depletion | (618,852) | (564,456) | (726,838) | (642,417) |
| Employee benefit expenses | (885,218) | (692,007) | (1,557,442) | (1,488,529) |
| Raw materials and consumables | (5,750,116) | (5,690,678) | (5,317,763) | (4,813,231) |
| Distribution cost | (48,130) | (61,392) | (150,232) | (115,454) |
| Third-party services | (933,012) | (897,654) | (885,447) | (1,068,829) |
| Reversal (constitution) of provision for contingencies | (119,741) | 219,046 | (102,273) | 212,516 |
| Other income (expenses) | <u>(641,873)</u> | <u>(354,191)</u> | <u>(916,418)</u> | <u>(556,802)</u> |
| | <u>(8,996,942)</u> | <u>(8,041,332)</u> | <u>(9,656,413)</u> | <u>(8,472,746)</u> |
| Cost of products and/or services sold | (8,676,200) | (7,888,176) | (9,004,041) | (8,020,468) |
| Selling expenses | (114,031) | (163,011) | (272,755) | (294,721) |
| General and administrative expenses | (187,494) | (210,948) | (349,351) | (392,427) |
| Other operating income (expenses), net | <u>(19,217)</u> | <u>220,803</u> | <u>(30,266)</u> | <u>234,870</u> |
| | <u>(8,996,942)</u> | <u>(8,041,332)</u> | <u>(9,656,413)</u> | <u>(8,472,746)</u> |

Explanatory Notes

22 Financial Result

The financial income (expenses) can be summarized as follows:

Foreign exchange differences charged or credited to the income statements arise from the foreign exchange gains/losses on loans and financing, foreign suppliers, current accounts, financial investments and customers.

| | Parent Company | | Consolidated | |
|---|---------------------------|-------------------|---------------------|-------------------|
| | <u>09/30/2012</u> | <u>09/30/2011</u> | <u>09/30/2012</u> | <u>09/30/2011</u> |
| Financial income | | | | |
| Interest from customers | 8,964 | 9,153 | 14,037 | 10,890 |
| Income from financial investments | 7,848 | 17,689 | 94,112 | 128,228 |
| Monetary variations | 15,724 | 42,641 | 103,603 | 174,058 |
| Interest on judicial deposits | 28,927 | 43,597 | 29,999 | 43,597 |
| Realization of adjustment to present value of trade accounts receivable | 66,149 | 88,259 | 66,149 | 88,070 |
| Interest on tax credits | 5,919 | 23,759 | 6,858 | 23,759 |
| Other financial income | 7,559 | 21,414 | 1,857 | 15,553 |
| | <u>141,090</u> | <u>246,512</u> | <u>316,615</u> | <u>484,155</u> |
| Financial expenses | | | | |
| Interest on financing | (172,226) | (169,517) | (197,896) | (192,628) |
| Results of swap transactions | (4,827) | 64,188 | 28,028 | (9,223) |
| Monetary variations | (161,723) | (196,671) | (171,706) | (208,145) |
| Interest, commissions and expenses on arrears | (10,614) | (15,237) | (15,043) | (17,588) |
| Tax on Financial Transactions (IOF) | (2,495) | (7,994) | (3,750) | (8,122) |
| Interest on contingent liabilities | (23,824) | (31,924) | (26,399) | (34,189) |
| Realization of adjustment to present value of accounts payable | (52,391) | (57,759) | (79,441) | (59,896) |
| Commissions on financing and others | (16,657) | (27,643) | (16,830) | (27,702) |
| Other financial expenses | (7,092) | (1,686) | (34,105) | 112 |
| | <u>(451,849)</u> | <u>(444,243)</u> | <u>(517,142)</u> | <u>(557,381)</u> |
| Foreign exchange gains and losses, net | <u>(359,943)</u> | <u>(343,113)</u> | <u>(195,414)</u> | <u>(33,452)</u> |
| | <u>(670,702)</u> | <u>(540,844)</u> | <u>(395,941)</u> | <u>(106,678)</u> |

The Company reassessed the interpretation and accounting of interest and monetary restatement of financial investments and loans and financing contracted in local currency and segregated the Amplified Consumer Price Index (IPCA). In this manner, the portion related to IPCA was segregated from income on financial investments and from interest on loans and financing and included in *Monetary variations*, which are included in the *Financial result*. For comparison purposes, the amounts of monetary variations at September 30,2011 have also been reclassified.

Explanatory Notes**23 Earnings (Loss) per Share****(a) Basic and diluted**

Basic and diluted earnings (loss) per share are calculated by dividing the result attributable to the equity holders of the Company by the weighted average number of common shares issued during the nine-month period, excluding common shares purchased by the Company and held as treasury shares.

The Company does not have debt convertible into shares or share purchase options and, therefore, it does not have potentially dilutable common and preferred shares.

| | Parent Company and Consolidated | | | | | |
|---|--|------------------|--------------|-------------------|------------------|--------------|
| | 09/30/2012 | | | 09/30/2011 | | |
| | Common | Preferred | Total | Common | Preferred | Total |
| Basic and diluted | | | | | | |
| Basic and diluted numerator | | | | | | |
| Net income (loss) available to the stockholders | (153,305) | (162,507) | (315,812) | 91,507 | 96,999 | 188,506 |
| Basic and diluted denominator | | | | | | |
| Weighted average of shares, excluding treasury shares | 502,734,030 | 484,465,150 | 987,199,180 | 502,734,030 | 484,465,150 | 987,199,180 |
| Earnings (loss) per share in R\$ - basic and diluted | (0.30) | (0.34) | | 0.18 | 0.20 | |

Explanatory Notes**24 Related Parties Transactions**

The Company's shareholding position was as follows at September 30, 2012 and December 31, 2011:

| Shareholder | 09/30/2012 | | | | | |
|--|--------------------|---------------|--------------------|---------------|----------------------|---------------|
| | Common Shares | | Preferred Shares | | Total | |
| | Number | % | Number | % | Number | % |
| Nippon Usiminas Co. Ltd. (*) | 119,969,788 | 23.74 | 2,830,832 | 0.56 | 122,800,620 | 12.11 |
| Ternium (*) | 84,741,296 | 16.77 | | | 84,741,296 | 8.36 |
| Caixa de Previdência dos Funcionários do Banco do Brasil | 52,980,092 | 10.49 | 6,425,050 | 1.26 | 59,405,142 | 5.86 |
| Companhia Siderúrgica Nacional - CSN | 43,038,802 | 8.52 | 79,793,800 | 15.69 | 122,832,602 | 12.12 |
| Previdência Usiminas (*) | 34,109,762 | 6.75 | | | 34,109,762 | 3.36 |
| Nippon Steel Corporation Co. Ltd. (*) | 27,347,796 | 5.41 | 307,926 | 0.06 | 27,655,722 | 2.73 |
| Confab (*) | 25,000,000 | 4.95 | | | 25,000,000 | 2.47 |
| Prosid (*) | 20,000,000 | 3.96 | | | 20,000,000 | 1.97 |
| Usiminas - in treasury | 2,526,654 | 0.50 | 24,060,356 | 4.73 | 26,587,010 | 2.62 |
| Other shareholders | 95,546,494 | 18.91 | 395,107,542 | 77.70 | 490,654,036 | 48.40 |
| Total | 505,260,684 | 100.00 | 508,525,506 | 100.00 | 1,013,786,190 | 100.00 |

| Shareholder | 12/31/2011 | | | | | |
|--|--------------------|---------------|--------------------|---------------|----------------------|---------------|
| | Common Shares | | Preferred Shares | | Total | |
| | Number | % | Number | % | Number | % |
| Nippon Usiminas Co. Ltd. (*) | 119,969,788 | 23.74 | 2,830,832 | 0.56 | 122,800,620 | 12.11 |
| Votorantim (*) | 65,606,930 | 12.98 | | | 65,606,930 | 6.47 |
| VBC Energia S.A. (*) | 65,606,926 | 12.98 | | | 65,606,926 | 6.47 |
| Caixa de Previdência dos Funcionários do Banco do Brasil | 52,769,590 | 10.45 | 6,640,950 | 1.31 | 59,410,540 | 5.86 |
| Previdência Usiminas (*) | 51,164,642 | 10.13 | | | 51,164,642 | 5.05 |
| Companhia Siderúrgica Nacional - CSN | 31,554,500 | 6.25 | 76,973,800 | 15.14 | 108,528,300 | 10.71 |
| Nippon Steel Corporation Co. Ltd. (*) | 18,820,356 | 3.72 | 307,926 | 0.06 | 19,128,282 | 1.89 |
| BNDES Participações S.A. | | | 18,549,230 | 3.65 | 18,549,230 | 1.83 |
| Usiminas - in treasury | 2,526,654 | 0.50 | 24,060,356 | 4.73 | 26,587,010 | 2.62 |
| Other shareholders | 97,241,298 | 19.25 | 379,162,412 | 74.55 | 476,403,710 | 46.99 |
| Total | 505,260,684 | 100.00 | 508,525,506 | 100.00 | 1,013,786,190 | 100.00 |

(*) Controlling shareholders, by means of shareholders' agreement

Explanatory Notes

The main balances and transactions with related parties are as follows:

(a) Current assets

| | Parent Company | | | | | |
|---|--|---------------------------------|--|--|---------------------------------|--|
| | 09/30/2012 | | | 12/31/2011 | | |
| | Trade accounts receivable | Dividends receivable | Other accounts receivable | Trade accounts receivable | Dividends receivable | Other accounts receivable |
| Controlling shareholders | | | | | | |
| PREVIDÊNCIA USIMINAS | 2 | | | 1 | | |
| Confab | 4,989 | | | | | |
| Mitsubishi Corporation | | | 94 | | | |
| Non-controllers | | | | | | |
| Companhia Siderúrgica Nacional - CSN | | | | 63 | | |
| Subsidiaries | | | | | | |
| Automotiva Usiminas S.A. | 6,039 | 7,312 | | 30,372 | 5,593 | |
| Cosipa Overseas Ltd. | 40,925 | | | 53,324 | | |
| Mineração Usiminas S.A. | 95 | | 682 | 40 | 29,238 | 695 |
| Rios Unidos Logística e Transporte de Aço Ltda. | | | | 1,354 | | 9,222 |
| Soluções em Aço Usiminas S.A. | 108,606 | | | 83,050 | | |
| Usiminas Eletro galvanizado Steel ApS | 90,146 | | | 7,012 | | |
| Usiminas Galvanized Steel ApS | 135,223 | | | 20,089 | | |
| Usiminas Mecânica S.A.. | 22,012 | | 629 | 17,147 | 23,647 | 9,963 |
| Usiminas Participações e Logística S.A. | | | | | 2,806 | |
| Jointly -controlled subsidiaries | | | | | | |
| Fasal Trading Brasil | | | | | 333 | |
| Fasal Trading Corporation | | | | 366 | | |
| Unigal Ltda. | 3 | | | 91 | | |
| Usiroll - Usiminas Court Tecnologia em Acabamento Superficial Ltda. | 42 | | | 1 | | 14,421 |
| Associated companies | | | | | | |
| Codeme Engenharia S.A. | 1,425 | | | 8,494 | | |
| Metform S.A. | 307 | | | 1,312 | | |
| MRS Logística S.A. | 173 | 668 | | | 335 | |
| Other related parties | | | | | | |
| Metal One | | | 5 | 5,727 | | 9 |
| | <u>409,987</u> | <u>7,980</u> | <u>1,410</u> | <u>228,443</u> | <u>61,952</u> | <u>34,310</u> |

Explanatory Notes

| | 09/30/2012 | | Consolidated 12/31/2011 | |
|---|------------------------------|---------------------------------|------------------------------|---------------------------------|
| | Trade accounts receivable | Other accounts receivable | Trade accounts receivable | Other accounts receivable |
| Controlling shareholders | | | | |
| PREVIDÊNCIA USIMINAS | 2 | | 1 | |
| Confab | 4,989 | | | |
| Mitsubishi | | 94 | | |
| Votorantin | | | 462 | |
| Non-controllers | | | | |
| Companhia Siderúrgica Nacional - CSN | | | 63 | |
| Jointly -controlled subsidiaries | | | | |
| Fasal Trading Corporation | | | 183 | |
| Unigal Ltda. | | | 917 | |
| Usiroll - Usiminas Court Tecnologia em Acabamento Superficial Ltda. | 22 | | | 7,210 |
| Associated companies | | | | |
| Codeme Engenharia S.A. | 1,425 | | 8,539 | |
| Metform S.A. | 307 | | 1,312 | |
| MRS Logística S.A. | 848 | 27,066 | 675 | 13,587 |
| Other related parties | | | | |
| Metal One | | 5 | 5,727 | 9 |
| | <u>7,593</u> | <u>27,165</u> | <u>17,879</u> | <u>20,806</u> |

Trade accounts receivable classified as related parties mainly arose from sales transactions and fall due in less than 30 days. The accounts receivable have no guarantees and are subject to interest. No provisions for accounts receivable from related parties were constituted at September 30, 2012 and December 31, 2011.

Other receivables from related parties refer to dividends (MRS) and loans.

(b) Non-current assets - receivables form related companies

| | Parent Company | | Consolidated | |
|---------------------------------|-------------------|---------------|---------------|--------------|
| | 09/30/2012 | 12/31/2011 | 09/30/2012 | 12/31/2011 |
| Controlling shareholders | | | | |
| Previdência Usiminas (a) | 5,723 | 5,710 | 5,723 | 5,710 |
| Subsidiaries | | | | |
| Usiminas Europa A/S | 82 | 74 | | |
| Usiminas Mecânica S.A. (a) | 51,091 | 51,329 | | |
| Usiroll | 16,718 | | 8,359 | |
| | <u>73,614</u> | <u>57,113</u> | <u>14,082</u> | <u>5,710</u> |

(a) Related to actuarial deficit.

Explanatory Notes**(c) Current liabilities**

| | Parent Company | | | | | |
|---|---|------------------|----------------------------|---|---------------|----------------------------|
| | 09/30/2012 | | | 12/31/2011 | | |
| | Liabilities with related parties | | Loans and financing | Liabilities with related parties | | Loans and financing |
| Suppliers | Other payables | Suppliers | | Other payables | | |
| Controlling shareholders | | | | | | |
| Previdência Usiminas (a) | | 434 | | 199 | | |
| Mitsubishi Corporation | 47,942 | | | | | |
| Nippon Steel Corporation Co. Ltd. | 4 | 532 | | 4 | | |
| Nippon Usiminas Co. Ltd. (b) | | | 98,220 | | | 93,015 |
| Non-controllers | | | | | | |
| Companhia Siderúrgica Nacional - CSN | | | | 15,641 | | |
| Subsidiaries | | | | | | |
| Automotiva Usiminas S.A. | 409 | | | 271 | | |
| Cosipa Commercial Ltd. | | | 8,628 | | | 1,279 |
| Cosipa Overseas Ltd. | | | | | | 13,680 |
| Mineração Usiminas S.A. | 351,141 | | | 91,450 | 1 | |
| Rios Unidos Logística e Transporte de Aço Ltda. | 3,588 | | | 2,796 | | |
| Soluções em Aço Usiminas S.A. | 2,759 | | | 559 | 100 | |
| Usiminas Commercial Ltd. | | | 10,532 | | | 22,107 |
| Usiminas Eletro galvanizado Steel ApS | | 148,173 | | | | |
| Usiminas Galvanized Steel ApS | | 72,330 | | | | |
| Usiminas Mecânica S.A. | 58,910 | | | 193,396 | | |
| Jointly -controlled subsidiaries | | | | | | |
| Modal Terminal | 232 | | | | | |
| Unigal Ltda. | 104,602 | | | 90,067 | | |
| Usiroll - Usiminas Court Tecnologia em Acabamento Superficial Ltda. | 800 | | | 534 | | |
| Associated companies | | | | | | |
| Codeme Engenharia S.A. | | 817 | | | 24,624 | |
| Metform S.A. | 14 | 257 | | 99 | 7,776 | |
| MRS Logística S.A. | 186 | 69 | | 1,075 | | |
| | <u>570,587</u> | <u>222,612</u> | <u>117,380</u> | <u>395,892</u> | <u>32,700</u> | <u>130,081</u> |

(a) Refers to the contributions of Usiprev and PB1 comprising the company's and employee's part

(b) Loans in US dollars, bearing charges varying from 0.83% to 2.35% p.a. + LIBOR.

Explanatory Notes

| | Consolidated | | | | | |
|---|---|-----------------------|----------------------------|---|-----------------------|----------------------------|
| | 09/30/2012 | | | 12/31/2011 | | |
| | Liabilities with related parties | | Loans and financing | Liabilities with related parties | | Loans and financing |
| | Suppliers | Other payables | | Suppliers | Other payables | |
| Controlling shareholders | | | | | | |
| Previdência Usiminas (a) | 34 | 475 | | 36 | 221 | |
| Confab | 36 | | | | | |
| Mitsubishi | 47,942 | | | | | |
| Nippon Steel Corporation Co. Ltd. | 4 | 532 | | 4 | | |
| Nippon Usiminas Co. Ltd. (b) | | | 98,220 | | | 93,015 |
| Votorantin | | | | | 17 | |
| Non-controllers | | | | | | |
| Companhia Siderúrgica Nacional - CSN | | | | 15,641 | | |
| Jointly -controlled subsidiaries | | | | | | |
| Modal Terminal de Granéis Ltda. | 156 | | | 299 | | |
| Unigal Ltda. | 31,381 | | | 27,200 | | |
| Usiroll - Usiminas Court Tecnologia em Acabamento Superficial Ltda. | 400 | | | 268 | | |
| Associated companies | | | | | | |
| Codeme Engenharia S.A. | | 818 | | | 24,624 | |
| Metform S.A. | 14 | 257 | | 99 | 7,776 | |
| MRS Logística S.A. | 4,400 | 7,859 | | 8,343 | 7,289 | |
| Terminal de Cargas Sarzedo Ltda. | 1,681 | | | 998 | | |
| | <u>86,048</u> | <u>9,941</u> | <u>98,220</u> | <u>52,888</u> | <u>39,927</u> | <u>93,015</u> |

- (a) Refers to contributions of Usiprev and PB1 comprising the company's and employee's part
(b) Loans in US dollars, bearing charges varying from 0.83% to 2.35% p.a. + LIBOR.

The payables to related companies classified as suppliers arose mainly from purchase transactions and fall due in less than 45 days after the purchase date. The payables to related parties bear no interest.

Explanatory Notes**(d) Non-current liabilities**

| | Parent Company | | | | Consolidated | | |
|-------------------------------------|----------------------------|---------------|----------------------------|---------------|----------------------------|----------------------------|-------------------|
| | 09/30/2012 | | 12/31/2011 | | 09/30/2012 | | 12/31/2011 |
| | Loans and financing | Other | Loans and financing | Other | Loans and financing | Loans and financing | Other |
| Controlling shareholders | | | | | | | |
| Nippon Usiminas Co. Ltd. (a) | 313,708 | | 379,996 | | 313,708 | 379,996 | |
| Subsidiaries | | | | | | | |
| Cosipa Commercial Ltd. | 594,168 | | 554,268 | | | | |
| Usiminas Commercial Ltd. | 1,119,329 | | 1,044,163 | | | | |
| Usiminas Eletrogalvanized Steel ApS | | 14,121 | | 12,709 | | | |
| Usiminas Galvanized Steel ApS | | 26,254 | | 23,626 | | | |
| Associated companies | | | | | | | |
| Codeme Engenharia S.A. | | | | 5,130 | | | 5,130 |
| Metform S.A. | | | | 1,620 | | | 1,620 |
| | <u>2,027,205</u> | <u>40,375</u> | <u>1,978,427</u> | <u>43,085</u> | <u>313,708</u> | <u>379,996</u> | <u>6,750</u> |

(a) Loans in US dollars, bearing charges varying from 0.83% to 2.35% p.a. + LIBOR.

Explanatory Notes**(e) Sales and purchases**

| | Parent Company | | | | Consolidated | | | |
|---|-----------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| | Sales | | Purchases | | Sales | | Purchases | |
| | 09/30/2012 | 09/30/2011 | 09/30/2012 | 09/30/2011 | 09/30/2012 | 09/30/2011 | 09/30/2012 | 09/30/2011 |
| Controlling shareholders | | | | | | | | |
| Confab | 391,084 | | | | 391,118 | | | |
| Mitsubishi | | | 166,669 | | | | 166,669 | |
| Nippon Steel Corporation Co. Ltd. | | | 5,961 | 8,054 | | | 6,968 | 8,577 |
| Siderar | 265 | | | | 265 | | | |
| Ternium | | | | | | | | |
| Votorantim Industrial S.A. | | | | | | 7,331 | | |
| Non-controllers | | | | | | | | |
| Companhia Siderúrgica Nacional - CSN | | 4,800 | 48,321 | 230,792 | | 6,080 | 48,321 | 230,792 |
| Subsidiaries | | | | | | | | |
| Automotiva Usiminas S.A. | 61,571 | 85,304 | 5,998 | 6,793 | | | | |
| Cosipa Overseas Ltd. | 255,755 | 250,004 | | | | | | |
| Mineração Usiminas S.A. | 2,943 | | 594,751 | 861,029 | | | | |
| Rios Unidos Logística e Transporte de Aço Ltda. | | 3 | 42,317 | 43,355 | | | | |
| Soluções em Aço Usiminas S.A. | 1,376,376 | 1,341,926 | 19,874 | 19,090 | | | | |
| Usiminas Eletro galvanizado Steel ApS | 145,001 | 7,900 | | | | | | |
| Usiminas Galvanized Steel ApS | 318,365 | 20,123 | | | | | | |
| Usiminas Mecânica S.A. | 219,843 | 190,311 | 222,936 | 558,917 | | | | |
| Jointly -controlled subsidiaries | | | | | | | | |
| Fasal Trading Corporation | 39 | 84,812 | | 285 | 19 | 42,406 | | 143 |
| Modal Terminal de Granéis Ltda. | | | 746 | 139 | | | 1,711 | 4,279 |
| Unigal Ltda. | 498 | 666 | 359,390 | 230,086 | 1,558 | 9,967 | 107,817 | 69,026 |
| Usiroll - Usiminas Court Tecnologia em Acabamento Superficial Ltda. | | | 7,756 | 4,083 | | | 4,424 | 2,042 |
| Associated companies | | | | | | | | |
| Codeme Engenharia S.A. | 35,006 | 29,177 | 3,535 | 2,465 | 35,029 | 29,213 | 3,535 | 2,465 |
| Metform S.A. | 15,541 | 15,497 | 335 | 1,091 | 15,541 | 15,497 | 1,003 | 1,794 |
| MRS Logística S.A. | 173 | | 156,109 | 124,081 | 2,022 | 469 | 283,568 | 227,550 |
| Terminal de Cargas Sarzedo Ltda. | | | | 52 | | | 12,794 | 7,803 |
| Other related parties | | | | | | | | |
| Metal One | 622 | | 16,118 | 12,987 | 622 | | 16,118 | 12,987 |
| | <u>2,823,082</u> | <u>2,030,523</u> | <u>1,650,816</u> | <u>2,103,299</u> | <u>446,174</u> | <u>110,963</u> | <u>652,928</u> | <u>567,458</u> |

Explanatory Notes

The Company's principal transactions with related parties can be summarized as follows:

- Purchases of services from Nippon Steel Corporation Co Ltd., including the provision of advanced industrial technology, technical assistance services and training for employees;
- Sales of products to Confab industrial S.A. for the production of large diameter pipes, in addition to industrial equipment.
- Sales of products to Automotiva Usiminas for application in the stamping of pieces for the automobile industry;
- Purchases of iron ore from Minerações Usiminas to be used in the Ipatinga and Cubatão Plants.
- Purchases from Rios Unidos Logística and Transporte de Aço S.A. of railroad transportation services for iron and steel products and various materials.
- Sales of products to Soluções em Aço Usiminas S.A. for transformation and distribution. In addition, Soluções em Aço Usiminas S.A. renders technical services in the steel area to customers of the Usiminas Companies;
- Sales of electro-galvanized and galvanized steel to Usiminas Galvanized Steel ApS. and Usiminas Eletrogalvanized Steel ApS., respectively, to foster sales to foreign customers.
- Sales of products to Usiminas Mecânica S.A. and purchases of services, such as the industrialization of steel products and equipment;
- Purchases from Unigal of hot-dip galvanized steel sheets and cold-rolled steel sheets and coils;
- Purchases from Usiroll - Usiminas Court Tecnologia em Acabamento Superficial Ltda. of services of texturing and chrome plating of cylinders used in laminations;
- Purchases of railroad transportation services from MRS Logística S.A. for the transportation of iron ore;
- Purchases from Modal Terminal de Graneis S.A. and Terminal de Cargas Sarzedo Ltda. of storage services and loading of ore;
- Purchases from Mitsubishi Corporation do Brasil S.A. of equipment for hot strip mill No. 2 of the Cubatão Plant;
- Sales of products to Siderar S.A.I.C.;
- Credit assignments with invoices of Mineração Usiminas S.A. related to the supply of iron ore.

Explanatory Notes

Sales between related parties are effected based on the effective price list and on terms and conditions similar to those that would be available for third parties.

The other related party transactions are mainly contracted at market prices and terms.

(f) Financial result

The financial result with related parties refers mainly to charges on loans and financing mentioned in items (c) and (d) above.

| | Parent | | Consolidated | |
|---|------------------|------------------|-----------------|-----------------|
| | 09/30/2012 | 09/30/2011 | 09/30/2012 | 09/30/2011 |
| Controlling shareholders | | | | |
| Previdência Usiminas | 632 | 482 | 632 | 482 |
| Confab | 1,537 | | 1,537 | |
| Mitsubishi | (705) | | (705) | |
| Nippon Steel Corporation Co. Ltd. | | (12) | | (12) |
| Nippon Usiminas Co. Ltd. | (90,612) | (56,724) | (90,612) | (56,724) |
| Prosid Investments Siderar | (21) | | (21) | |
| Non-controllers | | | | |
| Companhia Siderúrgica Nacional - CSN | (410) | | (410) | |
| Subsidiaries | | | | |
| Automotiva Usiminas S.A. | (21) | 268 | | |
| Cosipa Commercial Ltd. | (61,437) | (99,309) | | |
| Cosipa Overseas Ltd. | 920 | 4,321 | | |
| Mineração Usiminas S.A. | 4,594 | 2,022 | | |
| Rios Unidos Logística e Transporte de Aço Ltda. | | (442) | | |
| Soluções em Aço Usiminas S.A. | (1,964) | 9,455 | | |
| Usiminas Commercial Ltd. | (113,100) | (184,918) | | |
| Usiminas Europa A/S | 8 | | | |
| Usiminas Eletro galvanized Steel ApS | (29,846) | 556 | | |
| Usiminas Galvanized Steel ApS | (16,760) | 1,868 | | |
| Usiminas International Ltd. | | 4,270 | | |
| Usiminas Mecânica S.A. | 5,642 | 91 | | |
| Jointly -controlled subsidiaries | | | | |
| Fasal Trading Corporation | (423) | 538 | (211) | 269 |
| Modal Terminal de Granéis Ltda. | (3) | (1) | (2) | (37) |
| Unigal Ltda. | | (1,519) | | (456) |
| Usiroll - Usiminas Court Tecnologia em Acabamento Superficial Ltda. | 1,332 | (46) | 666 | (23) |
| Associated companies | | | | |
| Codeme Engenharia S.A. | 10,400 | 110 | 10,400 | 110 |
| Metform S.A. | 2,833 | 41 | 2,833 | 41 |
| MRS Logística S.A. | (217) | (284) | (217) | (496) |
| Terminal de Cargas Sarzedo Ltda. | | (1) | | (29) |
| | <u>(287,621)</u> | <u>(319,234)</u> | <u>(76,110)</u> | <u>(56,875)</u> |

Explanatory Notes

(g) Key management remuneration

The remuneration paid or payable to key management personnel for employee services is summarized below:

| | Parent Company and Consolidated | |
|------------------------------|--|-------------------|
| | 09/30/2012 | 09/30/2011 |
| Fees and charges | 12,359 | 12,033 |
| Profit sharing | 4,680 | 6,801 |
| Retirement and pension plans | 227 | 205 |
| | <u>17,266</u> | <u>19,039</u> |

The Company has a share-based compensation plan as described in Note 25.

25 Stock Option Plan

The Company has an option plan for the purchase of its shares. This plan is managed by the Company's Board of Directors, with the advice of the Human Resources Committee, observing the limitations included in the Plan.

No changes occurred in the guidelines and characteristics of the plan in relation to those described in the Financial Statements at December 31, 2011.

At October 3, 2011, 2,589,451 Options were granted for the Basic Grant and 402,302 for the Bonus Grant, totaling 2,991,753 Options related to 2011 (first Grant), to be conceded to the executive and statutory officers ("Participants") of the Company through the *Contract for Granting of Stock Option Plan*.

(a) Modalities of Granting Options

A total of 3,965,910 Options were destined to the Stock Option Plan related to 2011.

The Options were granted in two different modalities:

(i) Basic Grant - in which the number of Options granted will be based on Usiminas strategy, and each Option granted will entitle its owner to acquire or subscribe for one preferred share of the Company.

(ii) Bonus Grant - which will be linked to a voluntary investment of the Participant, who will allocate part of the net value of the variable compensation for the acquisition of preferred shares.

Explanatory Notes

The fair value of the Options at the granting date, as well as the main assumptions used in accordance with the Black & Sholes pricing model, are as follows:

| | <u>First year</u> | <u>Second year</u> | <u>Third year</u> |
|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Fair value at the granting date | R\$4.83 | R\$5.07 | R\$5.27 |
| Share price | R\$ 11.45 | R\$ 11.45 | R\$ 11.45 |
| Exercise price | R\$ 11.98 | R\$ 11.98 | R\$ 11.98 |
| Volatility of the share price | 50.70% | 50.70% | 50.70% |
| Grace period (three years) | 33% after 1 st year | 33% after 2 nd year | 33% after 3 rd year |
| Dividend estimate | 2.94% | 2.94% | 2.94% |
| Free risk return rate | 11.62% p.a. | 11.65% p.a. | 11.69% p.a. |
| Adjusted effective period | 4 years | 4.5 years | 5 years |

The exercise price was determined based on the average of the daily quotation in the 30 days prior to the granting of the option.

The total number of outstanding options was as follows at September 30, 2012 and December 31, 2011:

| | <u>Options</u> | |
|--|-------------------|-------------------|
| | <u>09/30/2012</u> | <u>12/31/2011</u> |
| Outstanding options at the beginning of the year | 2,991,753 | _____ |
| Granted during the year | _____ | 2,991,753 |
| Canceled during the year | (1,329,873) | _____ |
| Outstanding options at the end of the year | <u>1,661,880</u> | <u>2,991,753</u> |

The weighted average exercise price was R\$ 11.98 at September 30, 2012 and December 31, 2011.

No options were exercised in the nine-month period ended September 30, 2012.

The technical pronouncement CPC 10 (R1) - Share-based Payment requires that the effects of transactions of share-based payments are recorded in the income statement and in the balance sheet of the Company. The value recorded in the income statement of the Parent Company and Consolidated on September 30, 2012 was R\$ 4,475. The impact on equity in the nine month period ended September 30, 2012 was R\$5,208.

26 Subsequent Events

Discontinuance of hedge accounting

The Company's management decided to discontinue accounting for export hedges from October 1, 2012. Consequently, the balance recognized in Equity at September, 30, 2012 (R\$152,942) will not be altered and will be recognized in the Company's results according to the realization of exports defined as hedging instruments.

Explanatory Notes

27 Explanatory notes presented in the annual financial statements that are not presented in this interim financial information

Pursuant to Circular Letter CVM/SYNC/SEP/No.003/2011, the Company has disclosed the explanatory notes considered to be relevant in the context of the "Basic Accounting Pronouncement - Conceptual Structure for the Preparation and Presentation of the Financial Statements". All the information on omissions or effects that could influence a user's economic decisions have been duly disclosed in the financial information, which should be read together with the Financial Statements at December 31, 2011.

An index to the exact location of the explanatory notes in respect of which the information was not repeated in this interim financial information, because it was redundant or not significant, is set out below:

- Note 04 - Critical accounting estimates and judgments
- Note 07 - Financial instruments by category
- Note 08 - Credit quality of financial assets
- Note 18 - Impairment of non-financial assets
- Note 21 - Debentures
- Note 22 - Taxes payable
- Note 23 - Taxes payable in installments
- Note 25 - Provision for environmental recovery
- Note 29 - Statement of adjusted EBITDA (unaudited)
- Note 30 - Revenue
- Note 32 - Employment benefit expenses
- Note 33 - Operating income (expenses)
- Note 36 - Commitments
- Note 37 - Business combination
- Note 39 - Statements of cash flows
- Note 40 - Insurance coverage
- Note 42 - Net result from discontinued operations

Explanatory Notes**Board of Directors**

Paulo Penido Pinto Marques
President

Alcides José Morgante
Counselor

Aloísio Macário Ferreira de Souza
Counselor

Daniel Agustín Novegil
Counselor

Fumihiko Wada
Counselor

José Oscar Costa de Andrade
Counselor

Lírio Albino Parisotto
Counselor

Nobuhiko Ikura
Counselor

Rita Rebelo Horta de Assis Fonseca
Counselor

Roberto Caiuby Vidigal
Counselor

Fiscal Council

Paulo Frank Coelho da Rocha
President

Lúcio de Lima Pires
Counselor

Masato Ninomiya
Counselor

Marco Antônio Bersiani
Counselor

Telma Suzana Mezia
Counselor

Executive Board

Julián Alberto Eguren
President-Director

Marcelo Rodolfo Chara
Industrial Vice-President

Rômél Erwin de Souza
Vice-President of Information Technology and
Quality

Ronald Seckelmann
Vice-President of Finance and Investors Relations

Sérgio Leite de Andrade
Business Vice-President

Paolo Felice Bassetti
Vice-President of Subsidiaries

Nobuhiro Yamamoto
Vice-President of Corporate Planning

Antônio Geraldo Vilela de Moraes
General Manager of Accounting
Responsável Técnico TC CRC-MG 57.658

Other Information Considered Relevant**1 - Differentiated Corporate Governance Practices – Level 1**

In compliance with the Regulation of Differentiated Governance Practices – Level 1, we present below all shareholdings position exceeding 5% of the company's shares, segregated by type and class, up to the individual level.

USINAS SIDERÚRGICAS DE MINAS GERAIS S.A. – USIMINAS - CNPJ 60.894.730/0001-05
SHARES IN UNITS

BASE DATE : 09/30/2012

| Shareholders | Common Shares | | Preferred Shares "A" | | Preferred Shares. "B" | | Total | |
|--|--------------------|------------|----------------------|------------|-----------------------|------------|----------------------|------------|
| | Number | % | Number | % | Number | % | Number | % |
| Companhia Siderúrgica Nacional | 43,038,802 | 8.52 | 79,793,800 | 15.69 | | | 122,832,602 | 12.12 |
| Nippon Usiminas Co., Ltd. | 119,969,788 | 23.74 | 2,830,832 | 0.56 | | | 122,800,620 | 12.11 |
| Previdência Usiminas | 34,109,762 | 6.75 | | | | | 34,109,762 | 3.36 |
| Nippon Steel Corporation | 27,347,796 | 5.41 | 307,926 | 0.06 | | | 27,655,722 | 2.73 |
| Ternium Investments S.A.R.L. | 84,741,296 | 16.77 | | | | | 84,741,296 | 8.36 |
| Prosid Investments S.C.A. | 20,000,000 | 3.96 | | | | | 20,000,000 | 1.97 |
| Confab Industrial S.A. | 25,000,000 | 4.95 | | | | | 25,000,000 | 2.47 |
| Usiminas S.A. em Tesouraria | 2,526,654 | 0.5 | 24,060,356 | 4.73 | | | 26,587,010 | 2.62 |
| Caixa de Previdência dos Funcionários do Banco do Brasil | 52,980,092 | 10.48 | 6,425,050 | 1.26 | | | 59,405,142 | 5.86 |
| Other | 95,546,494 | 18.92 | 395,021,748 | 77.7 | 85,794 | 100 | 490,654,036 | 48.4 |
| Total | 505,260,684 | 100 | 508,439,712 | 100 | 85,794 | 100 | 1,013,786,190 | 100 |

COMPANHIA SIDERÚRGICA NACIONAL

CNPJ nº 33.042.730/0001-04

SHARES IN UNITS

BASE DATE : 09/30/2012

| Shareholders | Common Shares | | Preferred Shares | | Total | |
|-----------------------------|----------------------|------------|------------------|---|----------------------|------------|
| | Number | % | Number | % | Number | % |
| Rio Iaco Participações S.A. | 58,193,503 | 3.99 | | | 58,193,503 | 3.99 |
| Vicunha Siderurgia S.A. | 697,719,990 | 47.86 | | | 697,719,990 | 47.86 |
| Other | 702,056,615 | 48.15 | | | 702,056,615 | 48.15 |
| Total | 1,457,970,108 | 100 | | | 1,457,970,108 | 100 |

RIO IACO PARTICIPAÇÕES S.A

CNPJ nº 06.990.482/0001-50

SHARES IN UNITS

BASE DATE : 09/30/2012

| Shareholders | Common Shares | | Preferred Shares | | Total | |
|------------------------------|---------------|------------|------------------|---|------------|------------|
| | Number | % | Number | % | Number | % |
| Rio Purus Participações S.A. | 499 | 99.80 | | | 499 | 99.80 |
| Other | 1 | 0.20 | | | 1 | 0.20 |
| Total | 500 | 100 | | | 500 | 100 |

Other Information Considered Relevant

VICUNHA SIDERURGIA S.A.
 CNPJ nº 02.871.007/0001-04
 SHARES IN UNITS
 BASE DATE : 09/30/2012

| Shareholders | Common Shares | | Preferred Shares | | Total | |
|-------------------|--------------------|------------|--------------------|------------|----------------------|------------|
| | Number | % | Number | % | Number | % |
| Vicunha Aços S.A. | 580,634,272 | 100 | 468,298,605 | 100 | 1,048,932,877 | 100 |
| Total | 580,634,272 | 100 | 468,298,605 | 100 | 1,048,932,877 | 100 |

RIO PURUS PARTICIPAÇÕES S.A.
 CNPJ nº 60.078.060/0001-59
 SHARES IN UNITS
 BASE DATE : 09/30/2012

| Shareholders | Common Shares | | Preferred Shares | | Total | |
|---------------------|--------------------|------------|--------------------|------------|----------------------|------------|
| | Number | % | Number | % | Number | % |
| Dorothea Steinbruch | 702,046,223 | 99.99 | | | 702,046,223 | 49.99 |
| Other | 1,500 | 0.01 | 702,047,723 | 100 | 702,049,223 | 50.01 |
| Total | 702,047,723 | 100 | 702,047,723 | 100 | 1,404,095,446 | 100 |

VICUNHA AÇOS S.A.
 CNPJ nº 04.213.131/0001-08
 SHARES IN UNITS
 BASE DATE : 09/30/2012

| Shareholders | Common Shares | | Preferred Shares | | Total | |
|--------------------|--------------------|------------|--------------------|------------|--------------------|------------|
| | Number | % | Number | % | Number | % |
| Vicunha Steel S.A. | 223,982,554 | 99.99 | | | 223,982,554 | 66.96 |
| Other | 8 | 0.01 | 110,521,137 | 100 | 110,521,145 | 33.04 |
| Total | 223,982,562 | 100 | 110,521,137 | 100 | 334,503,699 | 100 |

VICUNHA STEEL S.A.
 CNPJ nº 04.169.992/0001-36
 SHARES IN UNITS
 BASE DATE : 09/30/2012

| Shareholders | Common Shares | | Preferred Shares | | Total | |
|------------------------------|--------------------|------------|------------------|---|--------------------|------------|
| | Number | % | Number | % | Number | % |
| CFL Participações S.A. | 88,994,551 | 39.99 | | | 88,994,551 | 39.99 |
| Rio Purus Participações S.A. | 133,491,823 | 60 | | | 133,491,823 | 60 |
| Other | 8 | 0.01 | | | 8 | 0.01 |
| Total | 222,486,382 | 100 | | | 222,486,382 | 100 |

Other Information Considered Relevant

CFL PARTICIPAÇÕES S.A.
 CNPJ nº 60.078.045/0001-00
 SHARES IN UNITS
 BASE DATE : 09/30/2012

| Shareholders | Common Shares | | Preferred Shares | | Total | |
|--------------------|--------------------|------------|------------------|---|--------------------|------------|
| | Number | % | Number | % | Number | % |
| Clarice Steinbruch | 327,396,429 | 33.33 | | | 327,396,429 | 33.33 |
| Fábio Steinbruch | 327,396,430 | 33.34 | | | 327,396,430 | 33.34 |
| Leo Steinbruch | 327,396,429 | 33.33 | | | 327,396,429 | 33.33 |
| Total | 982,189,288 | 100 | | | 982,189,288 | 100 |

NIPPON USIMINAS CO., LTD.
 SHARES IN UNITS
 BASE DATE : 09/30/2012

| Shareholders | Common Shares | | Preferred Shares | | Total | |
|------------------------------------|----------------|---------------|------------------|---|----------------|---------------|
| | Number | % | Number | % | Number | % |
| Nippon Steel Corporation - NSC (1) | 300,914 | 100.00 | | | 300,914 | 100.00 |
| Total | 300,914 | 100.00 | | | 300,914 | 100.00 |

- (1) NSC – Nippon Steel Corporation is a publicly held company listed on the Tokyo Stock Exchange – Japan and the parent company of Nippon Steel Group the main business of which is steel production in addition rendering Engineering, Construction Chemistry Systems Technology and others services through different subsidiaries.

CONFAB INDUSTRIAL S.A.
 CNPJ 60.882.628/0001-90
 SHARES IN UNITS
 DATA BASE : 09/30/2012

| Shareholders | Common Shares | | Preferred Shares | | Total | |
|---------------------------------|--------------------|---------------|------------------|---|--------------------|---------------|
| | Number | % | Number | % | Number | % |
| Siderca S.A.I.C.(1) | 167,308,639 | 41.91 | | | 167,308,639 | 41.91 |
| Tenaris Investments S.à rl. (2) | 231,901,398 | 58.09 | | | 231,901,398 | 58.09 |
| Total | 399,210,037 | 100.00 | | | 399,210,037 | 100.00 |

- (1) Siderca S.A.I.C. is an Argentine joint stock company and its main shareholders are Tenaris Investments S.à rl., Luxembourg company, and Tenaris Global Services S.A., Uruguayan company, both jointly owned subsidiaries of Tenaris S.A., which hold approximately 97.49% and 2.50%, respectively, of the shares issued by Siderca S.A.I.C.
- (2) Tenaris Investments S.à rl Luxembourg limited liability company, whose shareholder is Tenaris S.A., that holds 100.00% of its shares.

Tenaris S.A. is a publicly held company, listed at New York Stock Exchange (NYSE) – United States of America, at Buenos Aires Stock Exchange – Argentina, at Milan Stock Exchange(MTA) – Italy and at Mexico Stock Exchange – Mexico. Tenaris S.A. is the parent company of Tenaris Group, which, through its different subsidiaries, has as main business the production and supply of steel pipes and services provision for the world energetic industry, as well as for certain industrial use.

Other Information Considered Relevant

Tenaris S.A. is controlled by San Faustin S.A., Luxembourg joint stock company (“San Faustin”), which, indirectly holds, through its Luxembourg jointly owned subsidiary Techint Holdings S.à r.l., approximately 60.5% of the shares issued by Tenaris S.A.

Rocca & Partners Stichting Administratiekantoor Aandelen San Faustin, a Dutch private foundation (“RP STAK”), owns shares issued by San Faustin in sufficient number to control San Faustin. No person or group of persons controls RP STAK.

PROSID INVESTMENTS S.C.A.
CNPJ 14.759.342/0001-02
09/30/2012

Prosid Investments S.C.A. has as its main shareholder Siderar S.A.I.C. with 99.99% of participation in the capital share.

SIDERAR S.A.I.C.
CNPJ 05.722.544/0001-80
09/30/2012

Siderar S.A.I.C. is an Argentine publicly held joint stock company, listed at Buenos Aires Stock Exchange – Argentina. Siderar S.A.I.C. has as its main shareholders Ternium Internacional España, S.L.U., Spanish jointly owned subsidiary of Ternium S.A., which owns approximately 60.94% of the shares issued by Siderar S.A.I.C., and to *Administración Nacional de la Seguridad Social* (ANSeS), Argentine government body, which owns approximately 26.03% of the shares issued by Siderar S.A.I.C. Ternium S.A. control is detailed below.

TERNIUM INVESTMENTS S.À R.L.
CNPJ 12.659.927/ 0001-17
09/30/2012

Ternium Investments S.à r.l. is a Luxembourg limited liability company whose single partner is Ternium S.A. with 100% of participation in its capital share.

Ternium S.A. is a publicly held company, listed at New York Stock Exchange (NYSE) – United States of America. Ternium S.A. is the parent company of Ternium Group, which, through its different subsidiaries, has as main business the production of long and flat steel, with production centers located in Argentina, in Colombia, in the United States of America, in Guatemala and in Mexico. Ternium S.A. is controlled by San Faustin, which, indirectly holds, through its Luxembourg jointly owned subsidiary Techint Holdings S.à r.l., approximately 62% of the shares issued by Ternium S.A.

RP STAK owns shares issued by San Faustin in sufficient number to control San Faustin. No person or group of persons controls RP STAK.

In compliance with the Regulation of Differentiated Corporate Governance Practices – Level 1 we present below the nature of marketable securities issued by the Company. owned directly or indirectly by the Controlling Shareholder, Officers Members of the Fiscal Council and of the Board of Directors. The table also presents the outstanding shares and their percentage in relation to the total number of shares issued.

Other Information Considered Relevant

09/30/2012

| Shareholders | Common | | Preferred class A | | Preferred class B | | | |
|---------------------------------|--------------------|--------------|--------------------|--------------|-------------------|------------|----------------------|--------------|
| | Units | % | Units | % | Units | % | Units | % |
| Controlling Shareholders | 329,377,429 | 65.19 | 3.138.758 | 0,62 | | | 332,516,187 | 32.8 |
| Officers | | | | | | | | |
| Board of Directors | 8 | | 162.003 | 0,03 | | | 162,011 | 0.02 |
| Executive Board | 2 | | 9.247 | | | | 9,249 | |
| Fiscal Council | 100 | | | | | | 100 | |
| Treasury Shares | 2,526,654 | 0.5 | 24.060.356 | 4,73 | | | 26,587,010 | 2.62 |
| Other shareholders | 173,356,491 | 34.31 | 481.069.348 | 94,62 | 85.794 | 100 | 654,511,633 | 64.56 |
| Total | 505,260,684 | 100 | 508.439.712 | 100 | 85.794 | 100 | 1,013,786,190 | 100 |
| Outstanding shares | 173,356,591 | 34.31 | 481.069.348 | 94,62 | 85.794 | 100 | 654,511,733 | 64.56 |

09/30/2011

| Shareholders | Common | | Preferred class A | | Preferred class B | | | |
|---------------------------------|--------------------|---------------|--------------------|---------------|-------------------|---------------|----------------------|---------------|
| | Units | % | Units | % | Units | % | Units | % |
| Controlling Shareholders | 329,377,434 | 65.19 | 3,138,758 | 0.62 | | | 332,516,192 | 32.80 |
| Officers | | | | | | | | |
| Board of Directors | 4,024 | | 4,006 | | | | 8,030 | |
| Executive Board | 10 | | 1,182 | | | | 1,192 | |
| Fiscal Council | | | 8,100 | | | | 8,100 | |
| Treasury Shares | 2,526,654 | 0.50 | 24,060,356 | 4.73 | | | 26,587,010 | 2.62 |
| Other shareholders | 173,352,562 | 34.31 | 481,227,310 | 94.65 | 85,794 | 100.00 | 654,665,666 | 64.58 |
| Total | 505,260,684 | 100.00 | 508,439,712 | 100.00 | 85,794 | 100.00 | 1,013,786,190 | 100.00 |
| Outstanding shares | 173,352,562 | 34.31 | 481,235,410 | 94.65 | 85,794 | 100.00 | 654,673,766 | 64.58 |

Report on Review of Quarterly Information

To the Board of Directors and Shareholders
Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Usinas Siderúrgicas de Minas Gerais S.A. - USIMINAS, included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2012, comprising the balance sheet as at that date and the statements of income and comprehensive income for the quarter and nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters**Statements of value added**

We have also reviewed the parent company and consolidated statements of value added for the nine-month period ended September 30, 2012. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Belo Horizonte, October 30, 2012.

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" MG

Carlos Augusto da Silva
Contador CRC 1SP197007/O-2 "S" MG

