

1st Quarter 2001 Performance

In the 1st Quarter of 2001, Usiminas obtained net profit of R\$ 6.7 million.

Net sales in the period were R\$ 679.6 million, 35% above sales in the same period in 2000, over a sales volume of 964 thousand tons of steel products (17% above the previous year).

Sales volume increased significantly both in domestic and export markets, growing by 9% and 80% (793 thousand and 171 thousand tons), respectively, in relation to 1st Quarter, 2000.

The growth in sales resulted in operating profit of R\$ 201.8 million, 55% above that accounted in the same period in the year 2000. The improvement in operating performance is clearly demonstrated by the increase in operating margin from 25.9% in 1st quarter/2000 to 29.7% in 2001.

EBITDA reached R\$ 263.5 million, exceeding the same period of the previous year by 46%. Per-ton generation rose from R\$ 219/ton to R\$ 273/ton, or a 38.8% EBITDA margin

“USIMINAS has maintained its position as one of the best performing steel mills in global terms”, commented Rinaldo Campos Soares, Usiminas’ president.

In spite of showing a significantly better operational result than in the same period of last year, the impact of the Real devaluation in dollar terms of around 10.6 % in the quarter over financial expenses caused a net decrease in Usiminas’ result compared to the previous year. As a consequence, net financial expenses totaled R\$ 220.3 million in the 1st quarter, 2001, compared to R\$ 72.9 million last year.

The Company invested R\$ 54 million in the 1st quarter of 2001.

“We have concluded our product line upgrading program with the new hot dip galvanizing line, UNIGAL. This year we will use our strong and expanded

cash generation capacity mainly to reduce the volume and cost of our debt,” added president Rinaldo Campos Soares.

Main Results of Usiminas

	Millions of Reais	
	1° trim/01	1° trim/00
Gross Revenues	869.4	685.3
Net Revenues	679.6	504.4
Domestic Market	572.8	448.3
Exports	106.8	56.1
Gross Profit	246.4	162.0
Net Profit	6.7	48.2

	1° trim/01	1° trim/00
EBTIDA** (millions of R\$)	263.5	180.5
Volume sold (thousands of tons)	964	825
Domestic market	793	730
Exports	171	95
Per ton operational generation (R\$/t)	273.33	218.78

** Operating profit before depreciation, net financial expenses, financial income, shareholder participations and taxes. (EBTIDA)

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