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## FOR IMMEDIATE RELEASE

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## Sales exceed 1 million tons and Net Profit grows 11%

Belo Horizonte, May 6, 2002 – Usinas Siderúrgicas de Minas Gerais S/A - USIMINAS (BOVESPA: USIM3, USIM5, USIM6; OTC: USNZY), today announced its first quarter 2002 earnings. Except where otherwise specified, the operating and financial data presented herein are stated in Brazilian Reais as determined under the prevailing Brazilian Corporate Law. Furthermore, all the comparisons provided in the release have been made in relation to the same period in 2001, except where indicated to the contrary.

Usiminas operated at full capacity in first quarter 2002, raising its net profit by 11% and maintaining the pace of sales volume above 1 million tons per quarter, growing both in the domestic (+2%) and export markets (+28%). Net sales were R\$ 755 million and EBITDA came to R\$ 214 million. Net profit was R\$ 26 million.

“Company operations in this first quarter were in line with our planning. We expanded revenues and sales volume, and our result was not better than anticipated only because of the depressed prices on the international market and because of the continued negative impacts on our production costs, mainly with coal. The adaptation of our product mix to prevailing market conditions resulted in our exporting a considerable volume of slab, diluting our fixed costs, however with some sacrifice of sales margin,” affirmed Rinaldo Campos Soares, the Company’s CEO.

“With the conclusion of the major investment cycles, we will now seek to achieve gains of this our long-term strategy, by offering higher value-added products and taking advantage of economies of scale. Those factors and the perspective of a market recovery for flat-rolled products in the second half allow us to increase our cash flow and decrease our debt level,” concluded the executive.

### Highlights

| R\$ million                                 | 1Q 2002      | 1Q 2001      | 4Q 2001      | %<br>1Q/1Q | %<br>1Q/4Q |
|---|--------------|--------------|--------------|------------|------------|
| <b>Total Sales Volume (thousand tons)</b>   | <b>1,029</b> | <b>963</b>   | <b>1,063</b> | 7%         | -3%        |
| <b>Net Revenues</b>                         | <b>755</b>   | <b>680</b>   | <b>748</b>   | 11%        | 1%         |
| <b>Gross Profit</b>                         | <b>201</b>   | <b>246</b>   | <b>230</b>   | -18%       | -13%       |
| <b>Operating Result (EBIT) <sup>a</sup></b> | <b>151</b>   | <b>202</b>   | <b>192</b>   | -25%       | -21%       |
| <b>Financial Result</b>                     | <b>(101)</b> | <b>(220)</b> | <b>11</b>    | -          | -          |
| <b>Net Income</b>                           | <b>26</b>    | <b>7</b>     | <b>244</b>   | 271%       | -89%       |
| <b>EBITDA <sup>b</sup></b>                  | <b>214</b>   | <b>252</b>   | <b>243</b>   | -15%       | -12%       |
| <b>EBITDA (R\$/t)</b>                       | <b>208</b>   | <b>262</b>   | <b>228</b>   | -21%       | -9%        |
| <b>Total Assets</b>                         | <b>8,836</b> | <b>8,608</b> | <b>8,885</b> | 3%         | -1%        |
| <b>Net Debt</b>                             | <b>3,242</b> | <b>3,586</b> | <b>3,362</b> | -10%       | -4%        |
| <b>Stockholders' Equity</b>                 | <b>3,400</b> | <b>3,501</b> | <b>3,374</b> | -3%        | 1%         |

(a) Earnings before interest and tax

(b) Earnings before interest, tax, depreciation and amortization

## Market, Production and Sales Volume

**Brazilian flat-rolled production decreased by 2.4%**

1Q02 was marked by an unfavorable global steel environment, where international prices were at historical lows. In the domestic market, the scenario was also negative, with the auto industry, an important flat steel consumer, retreating 8.8%. On the other hand, the civil construction (pipeline segment), agricultural machinery and shipbuilding industries had good performance, helping to ease the fall in demand. According to IBS, Brazilian flat rolled steel production fell 2.4% in the period, totaling 2,676 thousand tons.

**Production and Sales - Usiminas**

| Thousand tons                   | 1Q02         | %           | 1Q01         | %           | 4Q01         | %           |
|---------------------------------|--------------|-------------|--------------|-------------|--------------|-------------|
| <b>Production (Crude Steel)</b> | <b>1,091</b> |             | <b>1,140</b> |             | <b>1,192</b> |             |
| <b>Sales Volume</b>             |              |             |              |             |              |             |
| <b>Domestic Market</b>          | <b>811</b>   | 79%         | <b>793</b>   | 82%         | <b>740</b>   | 70%         |
| <b>Export Market</b>            | <b>218</b>   | 21%         | <b>171</b>   | 18%         | <b>323</b>   | 30%         |
| <b>Total</b>                    | <b>1,029</b> | <b>100%</b> | <b>964</b>   | <b>100%</b> | <b>1,063</b> | <b>100%</b> |

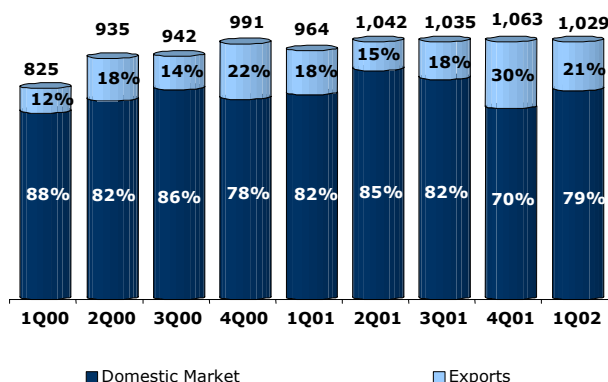
Following its planning and operating at full capacity, Usiminas maintained its production rate at the 1.1 million-ton level.

**Usiminas maintains production and increases sales by 7%**

Sales volume grew 7% and passed the 1-million ton mark. In 1Q02 Usiminas sold 811 thousand tons in the domestic market and exported 218 thousand tons, equivalent to 21% of the total sold.

Domestically, heavy plates sales continued firm (sales of 199 thousand tons), influenced by orders from the pipeline segment for energy projects. There was a slight recovery in hot rolled sheet (267 thousand tons), favored by purchases of re-rollers and autoparts segments and small diameter tubes. Sales of hot dip galvanized products – whose line is in the learning curve process – continued to grow, jumping from 20 thousand tons to 56 thousand tons. On the other hand, cold rolled sales fell 12%, at 154 thousand tons due to lower demand in the auto industry. Exports of slabs continued at high levels, making up two thirds of Usiminas' international sales.

**Sales volume (000 t.)**



**Usiminas Market Share is 36%**

Usiminas' market share in the Brazilian flat rolled market declined slightly, going from 37% in 2001 to 36% in 1Q02. The small decline was in function of the return to production of CSN's and Cosipa'a facilities that were in maintenance in 2H01.

## Net Sales Revenues

**Net sales revenues grew 11% and totaled R\$ 755 million**

Net sales totaled R\$ 755 million in 1Q02, growing 11%. This increase was a consequence of a 7% growth in sales volume and an increase of 4% in average price, which reached R\$ 733.53/t.

Volume continued to reflect the significant participation of slabs in the sales mix to compensate the cold rolled product decline and other products. In relation to average prices, the average dollar rate grew by around 18% between 1Q01 and 1Q02, partially diluting the effect of weak international prices. In the domestic market, Usiminas was able to partially pass through its cost increases to its customers, adjusting prices 9% in 2S01.

## Gross Income

**Gross Income reached R\$ 201 million**

Gross income was R\$ 201 million in the quarter, a decrease of 19%. Gross margin declined from 36% to 27%. Several factors affected margin: low international prices, change in the product mix with increases in the sale of semi-finished products, rising raw materials costs, such as coal (55%), iron ore (25%) and electrical energy (23%), in addition to higher depreciation levels of new equipment.

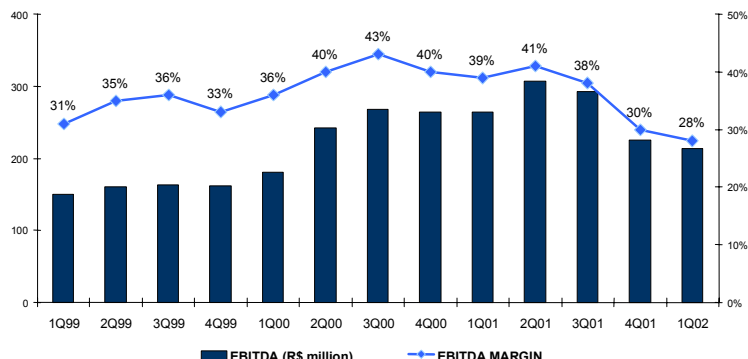
Average per-ton cost was R\$ 538.32 in 1Q02, a hike of 20%.

## Operating Income

Operating profit before financial expense (EBIT) was R\$ 151 million in the quarter, a decline of 25%.

EBIT margin declined from 30% to 20% inspite of the cost savings policy set by Usiminas, which has reduced administrative and sales expenses proportionally to sales.

**EBITDA totaled R\$ 214 million and EBITDA margin stood at 28%**

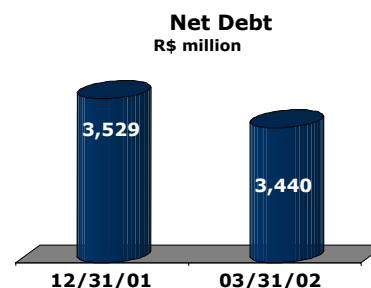


EBITDA totaled R\$ 214 million at Usiminas in 1Q02, 19% below that of 1Q01. With this EBITDA margin went from 39% to 28%, reflecting the lows in prices and cost pressure.

## Financial Expense and Debt

**Net debt fell 3% in 1Q02**

Exchange rate stabilization between the end of fiscal year 2001 and end of 1Q02 favored the financial expense of Usiminas. With almost no impact of exchange rate variation over financing, net financial expense declined from R\$ 220 million in 01Q01 to R\$ 101 million in 1Q02.



Usiminas' gross debt totaled R\$ 3.4 billion at quarter's end. Out of this total 30% is due to export/import financing operations, 30% refer to BNDES debt, 18% are local debentures and the remainder refers to sundry operations.

The debt profile remains elongated, without short-term pressure and with a perspective for gradual reduction now that the Company has concluded its heaviest investments.

The portion of debt contracted in foreign currency protected by hedge on March 31, 2002 was 70% of its total.

### Equity Income

Equity income went from a positive R\$ 4 million in 1Q01 to a negative R\$ 43 million in 1Q02, mainly affected by the losses accounted by the financial cost of Unigal's debt and by the result of the Amazon Consortium and Usiminas International Ltd due to losses booked in Sidor in Venezuela and as well as the negative results of MRS Logística.

***International Market affects performance of associated companies***

### Non-operating Income

Non operating income in the period mainly refers to reversion of ICMS contingencies over exports in the amount of R\$ 49.5 million.

***Net Income totaled R\$ 26 million***

### Net Income

In spite of an unfavorable macroeconomic environment in relation to 1Q01, Usiminas had a net income of R\$ 26 million, compared to R\$ 7 million in the same period in 2001. Exchange rate stability over 1Q02 favored the financial expense of the Company, contrasting with the margin compression due to the fall in export prices, to the product mix and to production cost pressure.

***Conclusion of major investments led the way to record production highs***

### Investments

With the conclusion of the recent major investment cycle, Usiminas substantially reduced the need for expansion and modernization project outlays of its industrial plant. In 1Q02 only R\$ 15 million were spent (R\$ 1 million for environmental protection, R\$ 4 million for technology updating and R\$ 10 million for production optimization).

The projects underway seek to adjust production capacity at Usiminas to 5 million tons/yr and increase in-house electrical generation by installing a top turbine on one of its blast furnaces.

***Consolidated Net Revenue grows 13% with Cosipa expansion***

### Consolidated Income Statement

Raw steel production of the Usiminas System totaled 1.9 million tons in 1Q02. Consolidated sales volume rose 12% and reached 1.7 million tons. The increase in Cosipa's production capacity in the period brought consolidated Usiminas figures to a new high.

Net sales grew 13%, totaling R\$ 1.3 billion, favored by the larger volume sold and also by the increment generated by higher value added products, sold by Unigal.

Consolidated EBITDA reached R\$ 324 million, 15% less than 1Q01 (R\$ 379.0 million). Consolidated net income was R\$ 31 million in 1Q02, compared to R\$ 9 million in obtained in 1Q01, reflecting the same factors related to the performance of the controlling company.

## Income Statement - Consolidated

Legislação Societária – Corporate Law

| R\$  | 1Q2002           | 1Q 2001          | Var.<br>1T/1T |
|--|------------------|------------------|---------------|
| <b>Net Sales and Services Revenues</b>           | <b>1,308,109</b> | <b>1,161,501</b> | 13%           |
| Cost of Goods Sold                               | (968,925)        | (798,073)        | 21%           |
| <b>Gross Income</b>                              | <b>339,184</b>   | <b>363,428</b>   | -7%           |
| <i>Gross Margin %</i>                            | <b>26%</b>       | <b>31%</b>       |               |
| <b>Financial (Expense) Income</b>                | <b>(81,398)</b>  | <b>(86,672)</b>  | -6%           |
| Sales  | <b>(25,817)</b>  | <b>(26,936)</b>  | -4%           |
| General and Administrative                       | <b>(43,145)</b>  | <b>(40,480)</b>  | 7%            |
| Other (Expense) Income                           | <b>(12,436)</b>  | <b>(19,256)</b>  | -35%          |
| <b>Operating Income before Financial Expense</b> | <b>257,786</b>   | <b>276,756</b>   | -7%           |
| <i>Operating Margin %</i>                        | <b>20%</b>       | <b>24%</b>       |               |
| <b>Financial (Expense) Income</b>                | <b>(189,115)</b> | <b>(329,671)</b> | -43%          |
| <b>Operating Income</b>                          | <b>68,671</b>    | <b>(52,915)</b>  | -230%         |
| Non-operating income                             | 2,708            | 4,995            | -45%          |
| <b>Income (Loss) before Taxes</b>                | <b>71,379</b>    | <b>(47,948)</b>  | -249%         |
| Social Contribution                              | (9,542)          | 11,024           | -187%         |
| Income Tax                                       | (28,356)         | 47,380           | -160%         |
| Employee Profit Sharing                          | (2,042)          | 0                | -             |
| Minority Shareholder Participation               | (521)            | (1,282)          | -59%          |
| <b>Net Income (Loss)</b>                         | <b>30,918</b>    | <b>9,202</b>     | 236%          |

### Perspectives

#### Market shows signs of recovery

The Company should maintain production rate and sales volume in the coming quarter, since the scenario indicates a recovery in international prices. The pipeline segment continues to demand steel and the auto industry should gradually recover from the end of the first half onward. Growing demand in the electrical/electronic, small diameter tubes and civil construction segment is expected. The gradual increase in the level of activity in these industries should confirm moderate growth in the domestic flat rolled market in 2002, forecasting a 4.6% increase in volume over 2001. This domestic market strengthening will allow Usiminas to upgrade its product mix, decreasing the share of slab.

#### Usiminas will continue to focus on high-value added products and reduction of its debt

According to the trends in the last few months, the Company will proceed to increase the share of galvanized products, mainly to the auto industry. This higher value added product line will contribute to the recuperation of the sales margins at Usiminas.

The export market prices are starting to show recovery after reaching record lows in the recent past. The Section 201 measures provoked increases in finished product prices in the US and should also reflect on the price of slabs. This improvement in the international scenario should improve Usiminas' results in the second half.

With the conclusion of its major investments, the Company's focus will be to reduce its debt level with the generation of cash flow made possible by price recovery and by sales of higher value added products.

*Declarations contained in the communiqué relative to business perspectives of the Company, operating and financial results and projections, and references to the growth of the Company, constitute mere forecasts and were based on Management's expectations in relation to future performance. These expectations are highly dependent on market behavior, of Brazil's economic situation, on the industry and on international markets, and are therefore subject to change.*

# # #

*Usinas Siderúrgicas de Minas Gerais S/A – USIMINAS is an integrated steel producer, with net sales of R\$2.4 billion in 2000. Located in Ipatinga, in the State of Minas Gerais, it has an annual production of approx. 4.7 million tons of raw steel. USIMINAS is the domestic market leader in flat-rolled steel in the automobile industry, autoparts, agricultural and highway machinery sectors, electrical and electronic equipment segments and line pipe industry.*

## Financial Statements

### Income Statement

Brazilian GAAP (Legislação Societária)

| in million of Reais - R\$                                | 1Q 2002          | 1Q 2001          | 4Q 2001         | Var.<br>1Q/1Q | Var.<br>1Q/4Q |
|--|------------------|------------------|-----------------|---------------|---------------|
| <b>Net Revenues</b>                                      | <b>754,562</b>   | <b>679,583</b>   | <b>747,918</b>  | <b>11%</b>    | <b>1%</b>     |
| Domestic Market  | 658,438          | 572,747          | 573,196         | 15%           | 15%           |
| Export Market  | 96,124           | 106,836          | 98,570          | -10%          | -2%           |
| COGS   | (553,778)        | (433,170)        | (518,082)       | 28%           | 7%            |
| <b>Gross Profit</b>                                      | <b>200,784</b>   | <b>246,413</b>   | <b>229,836</b>  | <b>-19%</b>   | <b>-13%</b>   |
| <i>Gross Margin %</i>                                    | <b>27%</b>       | <b>36%</b>       | <b>31%</b>      |               |               |
| <b>Operating Income (Expenses)</b>                       | <b>(49,839)</b>  | <b>(44,612)</b>  | <b>(37,646)</b> | <b>12%</b>    | <b>32%</b>    |
| Selling  | (14,030)         | (14,359)         | (14,814)        | -2%           | -5%           |
| General and administrative                               | (16,720)         | (15,952)         | (17,647)        | 5%            | -5%           |
| Others, net  | (19,089)         | (14,301)         | (5,185)         | 33%           | 268%          |
| <b>Operating Income (Loss) before interest and taxes</b> | <b>150,945</b>   | <b>201,801</b>   | <b>192,190</b>  | <b>-25%</b>   | <b>-21%</b>   |
| <i>Operating Margin %</i>                                | <b>20%</b>       | <b>30%</b>       | <b>26%</b>      |               |               |
| <b>Financial Result</b>                                  | <b>(101,438)</b> | <b>(220,303)</b> | <b>11,074</b>   | -             | -             |
| Financial Income   | (9,118)          | 90,382           | (176,778)       | -             | -             |
| Financial Expenses                                       | (92,320)         | (310,685)        | 187,852         | -             | -             |
| Equity Income  | (43,286)         | 4,161            | 52,299          | -             | -             |
| <b>Operating Income</b>                                  | <b>6,221</b>     | <b>(14,341)</b>  | <b>255,563</b>  | -             | -             |
| Non-Operating Income                                     | 52,174           | 4,943            | 12,820          | -             | -             |
| <b>Profit Before Taxes</b>                               | <b>58,395</b>    | <b>(9,398)</b>   | <b>268,383</b>  | -             | -             |
| Social Contribution                                      | (7,994)          | 96               | 20,254          | -             | -             |
| Income Tax   | (24,129)         | 16,002           | (36,517)        | -             | -             |
| <b>Income (Loss) before taxes and profit sharing</b>     | <b>26,272</b>    | <b>6,700</b>     | <b>252,120</b>  | -             | -             |
| Profit sharing   | 0                | 0                | (8,257)         | -             | -             |
| <b>Net income (loss)</b>                                 | <b>26,272</b>    | <b>6,700</b>     | <b>243,863</b>  | -             | -             |
| Net income (loss) (per thousand shares)                  | 0.12214          | 0.03115          | 1.13374         |               |               |
| <b>EBITDA</b>  | <b>293,477</b>   | <b>264,588</b>   | <b>306,705</b>  | -             | -             |
| <i>EBITDA Margin %</i>                                   | <b>38.9%</b>     | <b>38.9%</b>     | <b>41.0%</b>    |               |               |
| Depreciation   | (63,199)         | (56,219)         | (56,266)        | 12%           | 12%           |

## Financial Statements

### Cash Flow

Brazilian GAAP (Legislação Societária)

| R\$ thousand   | Jan-Mar 2002     | Jan-Mar 2001     |
|--|------------------|------------------|
| <b>Operating Activities</b>                            |                  |                  |
| Operating Income (Loss) before interest and taxes      | 150,945          | 201,801          |
| Depreciation, exhaustion and amortization              | 63,199           | 56,219           |
| Reversion of Long-term provision                       | 116              | 5,514            |
| <b>Operating Cash Generation (EBITDA)</b>              | <b>214,260</b>   | <b>263,534</b>   |
| Increase (Decrease) in Accounts Receivables            | (45,468)         | (44,564)         |
| Increase (Decrease) in Inventories                     | (8,535)          | 6,738            |
| Increase (Decrease) in Other Receivables               | 15,507           | 26,904           |
| Increase (Decrease) in Suppliers                       | (22,636)         | (30,459)         |
| Increase (Decrease) in Accounts Payable                | 34,779           | (10,091)         |
| <b>Cashflow generated from operating activities</b>    | <b>187,907</b>   | <b>212,062</b>   |
| <b>Financial Activities</b>                            |                  |                  |
| Inflow in Loans and Financing                          | 163,402          | 151,937          |
| Payment in Loans, Financing and Debentures             | (248,399)        | (230,752)        |
| Payments of Tax Installments                           | (18,069)         | (10,248)         |
| Interest paid on Loans and Financing                   | (55,863)         | (86,259)         |
| Interest paid on Tax Installments                      | (3,204)          | (5,204)          |
| Dividends paid   | -                | (53,400)         |
| Net result of Swap Operations                          | 174              | 59,454           |
| Other financing activities, net                        | 25,157           | 6,808            |
| <b>Net funds from financial activities</b>             | <b>(136,802)</b> | <b>(167,664)</b> |
| <b>Investment Activities</b>                           |                  |                  |
| Additions in Investments                               | (5,637)          | (1,028)          |
| Additions to Permanent Assets, except deferred charges | (14,276)         | (43,398)         |
| Decrease of Permanent Assets                           | 3                | 14               |
| <b>Funds used for Investments</b>                      | <b>(19,910)</b>  | <b>(44,412)</b>  |
| <b>Cash balance variation</b>                          | <b>31,195</b>    | <b>(14)</b>      |
| At the beginning of the period                         | 166,831          | 210,177          |
| At the end of the period                               | 198,026          | 210,163          |

Attachment 3

## Financial Statements

### Balance Sheet

Brazilian GAAP (Legislação Societária) - in thousands of Reais

| Assets  | 3/31/02          | 12/31/01         | Liabilities and Shareholders' equity              | 3/31/02          | 12/31/01         |
|---|------------------|------------------|---|------------------|------------------|
| <b>Current Assets</b>                         | <b>1,498,158</b> | <b>1,389,323</b> | <b>Current Liabilities</b>                        | <b>1,593,233</b> | <b>1,429,865</b> |
| Cash and cash equivalents                     | 23,767           | 8,704            | Loans and financing                               | 992,569          | 898,881          |
| Marketable Securities                         | 174,259          | 158,127          | Debentures  | 49,078           | 8,604            |
| Trade accounts receivable                     | 480,307          | 434,839          | Suppliers   | 92,696           | 115,332          |
| Advances to suppliers                         | 11,339           | 22,138           | Taxes and payroll taxes                           | 42,952           | 32,807           |
| Taxes Recoverable                             | 66,978           | 74,636           | Dividends   | 50,429           | 51,465           |
| Other Securities Receivables                  | 658,665          | 650,130          | Provisions  | 33,239           | 31,267           |
| Inventories                                   | 82,843           | 40,749           | Related Companies                                 | 159,221          | 144,683          |
| Other   | -                | -                | Tax Payable in Installments                       | 60,457           | 65,738           |
|   |                  |                  | Others  | 112,592          | 81,088           |
| <b>Long-term receivable</b>                   | <b>1,483,322</b> | <b>1,525,519</b> | <b>Long-term Liabilities</b>                      | <b>3,843,142</b> | <b>4,081,164</b> |
| Deferred income and social contribution taxes | 1,143,681        | 1,154,644        | Loans and financing                               | 1,666,235        | 1,847,709        |
| Related Companies                             | 185,061          | 185,124          | Debentures  | 555,341          | 578,330          |
| Deposits at law                               | 91,934           | 91,931           | Provision for contingent liabilities              | 339,728          | 385,299          |
| Other   | 62,646           | 93,820           | Actuarial liability                               | 909,466          | 909,466          |
|   |                  |                  | Tax payable in installments                       | 116,687          | 129,475          |
|   |                  |                  | Others  | 255,685          | 230,885          |
| <b>Permanent assets</b>                       | <b>5,854,834</b> | <b>5,969,854</b> | <b>Shareholders' equity</b>                       | <b>3,399,939</b> | <b>3,373,667</b> |
| Investments                                   | 2,040,405        | 2,112,899        | Capital   | 1,221,000        | 1,221,000        |
| Convertible Bonds (Debentures Cosipa)         | 46,228           | -                | Capital reserves                                  | 1,998,775        | 1,998,775        |
| Property, plant and equipment                 | 3,768,201        | 3,856,955        | Revaluation reserve                               | -                | -                |
|   |                  |                  | Revenue reserves                                  | 153,892          | 153,892          |
|   |                  |                  | Accumulated loss                                  | 26,272           | -                |
| <b>Total assets</b>                           | <b>8,836,314</b> | <b>8,884,696</b> | <b>Total liabilities and shareholders' equity</b> | <b>8,836,314</b> | <b>8,884,696</b> |



## Sales Breakdown

### Sales Volume Breakdown

| Thousand tons                        | 1Q 2002      |      | 1Q 2001    |      | 4Q 2001      |      | %          | %           |
|--------------------------------------|--------------|------|------------|------|--------------|------|------------|-------------|
|                                      |              |      |            |      |              |      | 1Q/1Q      | 1Q/4Q       |
| <b>Total Sales</b>                   | <b>1,029</b> | 100% | <b>964</b> | 100% | <b>1,063</b> | 100% | <b>7%</b>  | <b>-3%</b>  |
| Heavy Plates                         | 219          | 21%  | 230        | 24%  | 236          | 22%  | -5%        | -7%         |
| Hot Coils / Sheets                   | 294          | 29%  | 321        | 33%  | 289          | 27%  | -8%        | 2%          |
| Cold Coils / Sheets                  | 172          | 17%  | 231        | 24%  | 194          | 18%  | -26%       | -11%        |
| Eletrogalvanized Coils               | 38           | 4%   | 53         | 6%   | 34           | 3%   | -28%       | 13%         |
| Hot Dip Galvanized Coils             | 57           | 5%   | 22         | 2%   | 45           | 4%   | -          | 26%         |
| Processed Products                   | 86           | 8%   | 95         | 10%  | 79           | 7%   | -10%       | 9%          |
| Slabs                                | 163          | 16%  | 13         | 1%   | 188          | 18%  | 1174%      | -13%        |
| <b>Total Sales - Domestic Market</b> | <b>811</b>   | 100% | <b>793</b> | 100% | <b>740</b>   | 100% | <b>2%</b>  | <b>10%</b>  |
| Heavy Plates                         | 199          | 25%  | 184        | 23%  | 202          | 27%  | 8%         | -1%         |
| Hot Coils / Sheets                   | 267          | 33%  | 260        | 33%  | 238          | 32%  | 3%         | 12%         |
| Cold Coils / Sheets                  | 154          | 19%  | 176        | 22%  | 153          | 21%  | -12%       | 1%          |
| Eletrogalvanized Coils               | 37           | 5%   | 52         | 7%   | 33           | 4%   | -29%       | 13%         |
| Hot Dip Galvanized Coils             | 56           | 7%   | 20         | 3%   | 43           | 6%   | -          | 30%         |
| Processed Products                   | 78           | 10%  | 89         | 11%  | 62           | 8%   | -12%       | 26%         |
| Slabs                                | 18           | 2%   | 13         | 2%   | 8            | 1%   | 42%        | 119%        |
| <b>Total Sales - Domestic Market</b> | <b>218</b>   | 100% | <b>171</b> | 100% | <b>324</b>   | 100% | <b>28%</b> | <b>-33%</b> |
| Heavy Plates                         | 20           | 9%   | 46         | 27%  | 33           | 10%  | -57%       | -40%        |
| Hot Coils / Sheets                   | 27           | 12%  | 61         | 36%  | 51           | 16%  | -56%       | -47%        |
| Cold Coils / Sheets                  | 17           | 8%   | 55         | 32%  | 41           | 13%  | -68%       | -57%        |
| Eletrogalvanized Coils               | 1            | 0%   | 1          | 0%   | 1            | 0%   | 35%        | 10%         |
| Hot Dip Galvanized Coils             | 1            | 0%   | 2          | 1%   | 2            | 1%   | -          | -66%        |
| Processed Products                   | 7            | 3%   | 6          | 4%   | 17           | 5%   | 22%        | -55%        |
| Slabs                                | 145          | 66%  | 0          | 0%   | 179          | 55%  | -          | -19%        |

### Sectorial Sales

| Thousand tons          | 1Q 2002    |      | 1Q 2001    |      | 4Q 2001    |      | %         | %          |
|------------------------|------------|------|------------|------|------------|------|-----------|------------|
|                        |            |      |            |      |            |      | 1Q/1Q     | 1T/4T      |
| <b>Domestic Market</b> | <b>811</b> | 100% | <b>793</b> | 100% | <b>740</b> | 100% | <b>2%</b> | <b>10%</b> |
| Auto                   | 98         | 12%  | 101        | 13%  | 75         | 10%  | -3%       | 31%        |
| Autoparts              | 121        | 15%  | 100        | 13%  | 94         | 13%  | 21%       | 29%        |
| Shipbuilding           | 3          | 0%   | 1          | 0%   | 2          | 0%   | -         | -          |
| Line Pipes             | 93         | 11%  | 69         | 9%   | 97         | 13%  | 35%       | -4%        |
| Small Diameter Pipes   | 64         | 8%   | 65         | 8%   | 66         | 9%   | -2%       | -2%        |
| Packaging              | 11         | 1%   | 15         | 2%   | 13         | 2%   | -27%      | -13%       |
| Household Appliance    | 21         | 3%   | 27         | 3%   | 20         | 3%   | -22%      | 6%         |
| Civil Construction     | 68         | 8%   | 66         | 8%   | 67         | 9%   | 3%        | 1%         |
| Electrical Equipment   | 37         | 5%   | 43         | 5%   | 35         | 5%   | -14%      | 7%         |
| Distributors           | 172        | 21%  | 180        | 23%  | 169        | 23%  | -4%       | 2%         |
| Others                 | 123        | 15%  | 126        | 16%  | 105        | 14%  | -2%       | 17%        |

## Market Share

### Market Share (\*)

|                             | Jan-Mar 2002 | 2001       | 2000       |
|-----------------------------|--------------|------------|------------|
| <b>Domestic Market</b>      | <b>36%</b>   | <b>37%</b> | <b>35%</b> |
| <b>Auto</b>                 | <b>57%</b>   | <b>56%</b> | <b>56%</b> |
| <b>Autoparts</b>            | <b>62%</b>   | <b>57%</b> | <b>51%</b> |
| <b>Shipbuilding</b>         | <b>45%</b>   | <b>18%</b> | <b>6%</b>  |
| <b>Eletrical Equipament</b> | <b>50%</b>   | <b>51%</b> | <b>52%</b> |
| <b>Household Appliance</b>  | <b>29%</b>   | <b>36%</b> | <b>36%</b> |
| <b>Line Pipes</b>           | <b>78%</b>   | <b>89%</b> | <b>88%</b> |
| <b>Small Diameter Pipes</b> | <b>34%</b>   | <b>32%</b> | <b>32%</b> |
| <b>Packaging</b>            | <b>7%</b>    | <b>8%</b>  | <b>9%</b>  |
| <b>Civil Construction</b>   | <b>32%</b>   | <b>32%</b> | <b>24%</b> |
| <b>Distributors</b>         | <b>26%</b>   | <b>29%</b> | <b>30%</b> |

(\*) Defined by USIMINAS, Cosipa and CSN market

Source: USIMINAS

## Financial Indebtedness

### Loans and Financing

| R\$ million                               | 3/31/02 Short-Term | 3/31/02 Long-Term | 3/31/02 Total    | 12/31/01 Total   | Chg. 2002/2001 |
|---|--------------------|-------------------|------------------|------------------|----------------|
| <b>TOTAL DEBT</b>                         |                    |                   |                  |                  |                |
| Foreign Currency (95.8% USdollar)         | 801,113            | 1,131,248         | 1,932,361        | 1,968,531        | -2%            |
| IGP-M                                     | 58,561             | 337,496           | 396,057          | 424,331          | -7%            |
| TJLP                                      | 130,476            | 186,215           | 316,691          | 323,495          | -2%            |
| TR  | 2,419              | 11,276            | 13,695           | 30,233           | -55%           |
| <i>Sub-Total</i>                          | 992,569            | 1,666,235         | 2,658,804        | 2,746,590        | -3%            |
| Debentures                                | 49,078             | 555,341           | 604,419          | 586,934          | 3%             |
| <i>Sub-Total</i>                          | 1,041,647          | 2,221,576         | 3,263,223        | 3,333,524        | -2%            |
| Taxes payable in installments             | 60,457             | 116,687           | 177,144          | 195,213          | -9%            |
| <b>TOTAL</b>                              | <b>1,102,104</b>   | <b>2,338,263</b>  | <b>3,440,367</b> | <b>3,528,737</b> | <b>-3%</b>     |
| Closing exchange rate (R\$ per US\$ 1.00) |                    |                   | <b>2.3236</b>    | <b>2.3204</b>    |                |
| Debt converted into US\$                  |                    |                   | <b>1,480,619</b> | <b>1,520,745</b> | <b>-3%</b>     |

### Financial Income (Expenses), Net.

| R\$ million                     | 1Q 2002        | 1Q 2001        | 4Q 2001     |
|---------------------------------|----------------|----------------|-------------|
| Monetary Effects                | (12.7)         | (9.1)          | (19.7)      |
| Exchange Variation              | (3.5)          | (207.1)        | 295.5       |
| Hedge Income                    | (20.3)         | 79.6           | (190.2)     |
| Interest of Loans and Financing | (68.0)         | (87.7)         | (70.9)      |
| Financial Income                | 11.2           | 10.7           | 13.3        |
| Other Financial Expenses        | (8.1)          | (6.8)          | (17.0)      |
| <b>NET INTEREST INCOME</b>      | <b>(101.4)</b> | <b>(220.3)</b> | <b>11.1</b> |