



USIMINAS

2Q03

ADVANCED TECHNOLOGY TO MAKE STEEL AND BENEFIT LIVES

EBITDA grows 109% in 1H03 and Net Profit totals R\$ 824 million

Belo Horizonte, August 13, 2003 - Usinas Siderúrgicas de Minas Gerais S/A - USIMINAS (BOVESPA: USIM3, USIM5, USIM6; OTC: USNZY), released today financial and operational figures for 2Q03. Financial and operational information in this release, except when specified to the contrary, are presented on a consolidated basis in reais, in accordance with existing Corporate Law. All comparisons made in this release refer to the same period in 2002, except when otherwise stated.

HIGHLIGHTS

Sales and Revenues – Sales were favored by firm demand in the domestic market, mainly in the industrial and distribution sectors and companies related to agri-business. Sales volume reached 1,939 thousand tonnes in 2Q03, totaling 3,769 thousand tons in 1H03, a growth of 4% over 1H02. Net revenues totaled R\$ 2.1 billion in the quarter and accumulated R\$ 4.2 billion in the half, 56% above the same period last year. The additional of higher-value added sales and sustained domestic market prices in 2Q03 favored revenues in the period.

EBITDA – Cash generation reached R\$ 760 million in 2Q03 and R\$ 1.6 billion in 1H03, a growth of 109% in the semester. EBITDA margin went from 41.9% in 1Q03 to 36.0% in 2Q03 with increases in the cost of raw materials, electrical energy and reduction of export revenues due to exchange rate variations.

Net Income – Usiminas recorded a consolidated net income of R\$ 468 million in 2Q03, totaling R\$ 824 million in 1H03. The favorable result occurred not only from good operational performance, but also from less debt service pressure. With the expansion of cash generation and reduction of indebtedness, the Total Debt/EBITDA ratio went from 5.7x in June 2002 to 2.4x at the end of 2Q03, considering EBITDA of the last 12 months.

Outlook – Perspectives for growth in domestic demand for flat steel in 2003, as a consequence of the cooling down of the Brazilian economy from April onward, were reduced from 5.2% to 2.2% for the year. The worst domestic market demand should occur in 3Q03 with some recovery foreseen for 4Q03, in case the Federal government advances in its macroeconomic policy stimulus, reducing interest rates and the level of compulsory deposits and raising public spending, thereby injecting more money into the economy. In this manner, we estimate a fall in demand in second half 2003 of around 8% in relation to the first half.

The Usiminas System intends to compensate the retraction in the domestic market with exports. The supply of products will be slightly reduced with the programmed stoppage for revamping of Blast Furnace no. 2 at Usiminas for approximately 3 months, as of September.

Highlights

R\$ million	2Q 2003	2Q 2002	Chg %	1H 2003	1H 2002	Chg %
Total Sales Volume (000 t)	1,939	1,890	3	3,769	3,627	4
Net Revenues	2,114	1,409	50	4,234	2,717	56
Gross Profit	762	403	89	1,637	742	121
Operating Result (EBIT^a)	629	303	108	1,387	586	137
Financial Result	60	(932)	-106	(111)	(1,122)	-90
Net Income	468	(290)	-261	824	(259)	-418
EBITDA^b	760	440	73	1,649	789	109
EBITDA (R\$/t)	392	233	68	438	218	101
Total Assets	14,859	14,297	4	14,859	14,297	4
Net Debt	7,367	8,444	-13	7,367	8,444	-13
Stockholders' Equity	3,858	3,084	25	3,858	3,084	25

(a) Earnings before interest and tax.

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

IMMEDIATE RELEASE

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Market, Production and Sales

Brazilian raw steel production grows 8.4% in the half

Brazilian crude steel production grew 8.4% in 1H03 and totaled 15.3 million tonnes. Flat steel production totaled 6.4 million tonnes, growing 18%, while slab production for sale decreased 17% in the half. In the first half, domestic flat steel demand surpassed expectations for the industry due to the continuation of purchases in export-related segments, agricultural implements and machinery, as well as inventory replenishment on the part of distributors and other major customers. With this domestic sales grew 5.7% on a sales volume of 4.6 million tonnes – the best semester in the history of flat steel sales in Brazil. Flat rolled exports grew from 0.8 million to 1.3 million tonnes. Slab exports were reduced from 3.4 to 2.7 million tonnes.

Usiminas System produces 4.3 million tonnes in 1H03

The Usiminas System produced 2.2 million tonnes of raw steel in 2Q03, accumulating 4.3 million tonnes in the half. Growth was 8% in the period, basically from production increases at Cosipa. With the return of Cosipa's production levels, after maintenance stoppages in 1Q03, the System operated at a production rate of approximately 9 million tonnes/yr in the quarter.

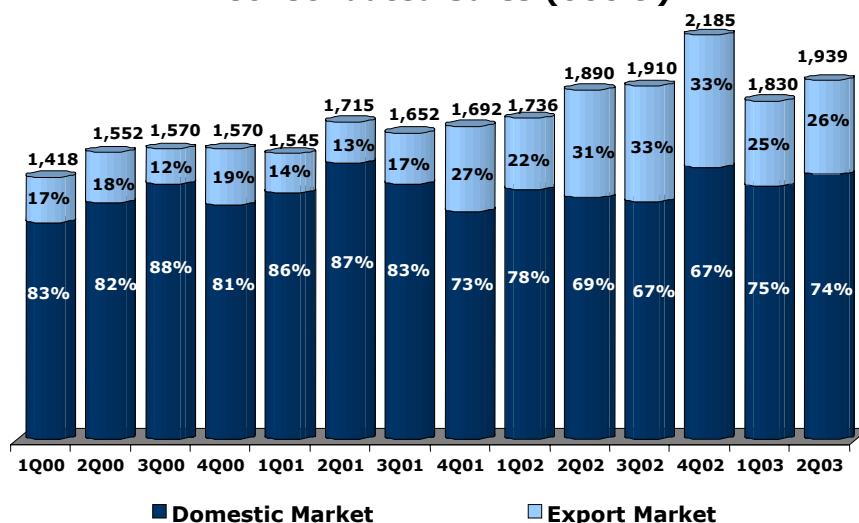
Production (Crude Steel)

Thousand tons	2Q03	2Q02	1Q03	Chg % 2Q/2Q	Chg.% 2Q/1Q	1H 2003	1H 2002	Chg. %
Usiminas	1,163	1,153	1,130	1	3	2,293	2,244	2
Cosipa	1,050	953	952	10	10	2,002	1,746	15
Total	2,213	2,106	2,082	5	6	4,295	3,990	8

Sales volume grows 4% in the half

Consolidated sales volume reached 1.9 million tonnes in the quarter and totaled 3.8 million tonnes in 1H03, 4% above the same semester of last year. Domestic market sales accounted for 74% of shipments in the period.

Consolidated Sales (000 t.)



Galvanized sales grow 42% in the half

Products with better sales margins continued to impact with a growing share of the product mix. Shipments of cold rolled products reached 484 thousand tonnes in the quarter, totaling 963 thousand tonnes in 1H03, 35% above 1H02. Sales of galvanized products reached 146 thousand tonnes in 2Q03 and 289 thousand tonnes in 1H03, a growth of 42% compared to the first half of 2002.

In 2Q03, Usiminas concentrated on supplying domestic market customers, in response to the firm demand of companies with vigorous export programs, as well as the agribusiness and distribution segments.

The Usiminas System has a 59% market share in 2Q03

With the entry of new competitors the Usiminas System's flat rolled steel market decreased from 62% in 2002 to 59% in 2Q03. It is worthy to mention, however, that the fall was less than was initially foreseen by the Company.

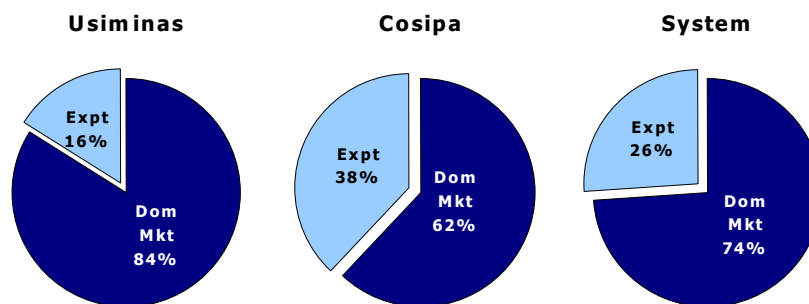
The international market was affected by the interruption of purchases by China in the months of April and May, depressing exports to the Asian market and stagnating international prices. However, the beginnings of a recovery in this area has already been perceived at the end of the half.

Sales

Thousand tons	2Q03	%	2Q02	%	1H03	%	1H02	%
Usiminas								
Domestic Market	847	84	805	79	1,666	82	1,615	79
Export Market	157	16	213	21	358	18	432	21
Total	1,004	100	1,018	100	2,024	100	2,047	100
Cosipa								
Domestic Market	584	62	501	57	1,132	65	1,044	66
Export Market	351	38	371	43	613	35	535	34
Total	935	100	872	100	1,745	100	1,579	100
Consolidado								
Domestic Market	1,431	74	1,306	69	2,798	74	2,659	73
Export Market	508	26	584	31	971	26	967	27
Total	1,939	100	1,890	100	3,769	100	3,626	100

Although exports were less attractive because of the appreciation of the real and the fall in international prices, Usiminas maintained its presence, focusing of market with higher value-added products and large customers. In this way, the Company intends to sustain its margins through a pre-established export program.

Sales Mix - Volume – 2Q03



Net Sales Revenues

Net sales grow 56% in 1H03 and reach R\$ 4.2 billion

Consolidated net sales revenues totaled R\$ 2.1 billion in 2Q03, growing 50% in relation to 2Q02. This expansion was partially a result of the price recovery at the end of 2002. In the half net revenues reached R\$ 4.2 billion, 56% higher than in 1H02.

In relation to 1Q03, revenues remained at the same levels, in spite of the negative impact of exchange variation on export revenue. This behavior was a result not only of growth in sales volume, but also from the sustaining of domestic prices and larger sales volumes of higher value-added products.

Gross Profit

Gross Profit grows 121% and totals R\$ 1.6 bi in 1H03

Gross profit was R\$ 762 million in 2Q03, accumulating R\$ 1,637 thousand in 1H03, with growth of 89% and 121%, respectively, over the same periods in 2002.

Gross margin advanced from 29% in 2Q02 to 36% in 2Q03. However, there was a retreat in relation to the 41% reached in 1Q03, mainly in function of the readjustments in the prices of raw materials, greater expenses with coke imports due to the revamping of Cosipa's coke oven batteries and increases in the price of energy.

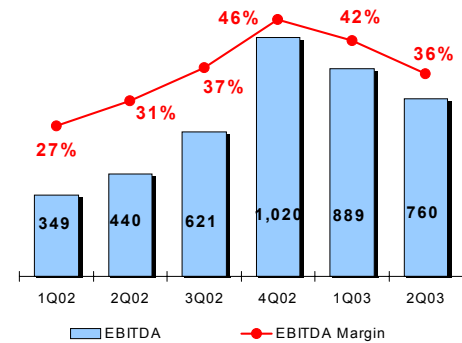
Operating Results

EBITDA totals R\$ 1.7 bi in 1H03 with a 39% margin

Operational profit before financial expenses (EBIT) was R\$ 629 million in 2Q03 and R\$ 1,387 thousand in 1H03, increases of 108% and 137%, respectively.

On the other hand, EBITDA reached R\$ 761 million in 2Q03, accumulating R\$ 1,649 million in the half, a growth of 109% in relation to 1H02. EBITDA margin went from 29% to 39%.

EBITDA/EBITDA Margin



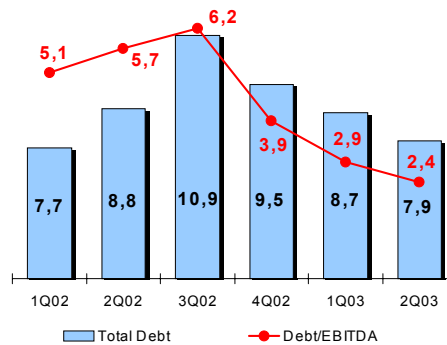
Analyzing quarter over quarter, EBITDA margin went from 41.9% in 1Q03 to 36.0% in 2Q03 as a consequence of cost increases of raw materials and reduction of export revenue due to the appreciation of the real. In spite of the retraction, the EBITDA margin remained above the historical average of the Company.

Financial Results and Debt

In 1H03, the Real appreciated by 19% and generated positive exchange gains of R\$ 350 million (net of hedging operations). This decreased the impact of net financial expense, which totaled R\$ 111 million.

Gross consolidated debt falls to R\$ 7.9 billion

Consolidated Total Debt/EBITDA



Gross consolidated debt was reduced to R\$ 7.9 billion at the end of June. Out of this total, 46% is made up of export and import financing, 21% refers to BNDES, 5% is domestic debentures and the remainder refers to sundry operations.

With the purpose of reducing the cost of debt, Usiminas made its first issuance of Eurobonus. Demand surpassed expectations, and the original offering of US\$ 50 million was expanded to US\$ 75 million, fixing remuneration at the minimum limit of the interval of 6.875% per annum.

Debt/EBITDA ratio is reduced to 2.4 X

Between December 2002 and June 2003, the Company's debt level was reduced by R\$ 1.6 billion. With the expansion of cash generation and the gradual reduction of debt, total consolidated debt to EBITDA ratio decreased from 5.7x in 2Q02 to 2.4x in 2Q03.

**Net Consolidated
Income reaches R\$
468 million in 2Q03**

Net Income

Net income was favored by good operational performance and less pressure from debt servicing. Consolidated net income reached R\$ 468 million in 2Q03, accumulating R\$ 824 million in the half.

**Investments total
R\$172 million in
1H03**

Investments

Resources destined for investments in the Usiminas System totaled R\$ 96 million in 2Q03 and R\$ 172 million in the half. Total projected investments for 2003 are basically being directed to equipment maintenance, revamping of Blast Furnace no. 2 at Usiminas and production optimization at Cosipa.

In the beginning of June, Usiminas started operating its blast furnace top blowing turbine on Blast Furnace no. 3 at the Ipatinga works, raising its energy self-sufficiency from 20% to 25%.

**Usiminas maintains
its share in Sidor**

Participation in Sidor's Restructuring

On June 23 Usiminas announced its participation in the restructuring of Sidor's debt through a US\$ 25.8 million cash contribution in the form of subordinated convertible debt. Consolidated debt at Sidor was reduced from US\$ 1,883 million to US\$ 791 million. Additionally, all guarantees offered by the Consórcio Siderurgia Amazônia relative to loans made to Sidor were cancelled and substituted by securitization of assets of Sidor. After conclusion of this first phase, Usiminas' share will reach 11.35% of the total capital of Consórcio Siderurgia Amazônia. At the conclusion of the restructuring process, total share in the voting capital of Consórcio Siderurgia Amazônia could reach 16.6%.

With the restructuring, Usiminas maintained its stake in one of the most important companies with competitive costs and a more solid financial structure. Sidor is the main steel producer in Venezuela, with an installed capacity of 3.6 million tonnes/yr and is the second largest exporter in the country.

**Usiminas pays out
interest on equity**

Interest on Equity

The Company decided to pay out interest on equity to shareholders owning shares on July 11, 2003 in the amount of R\$ 0.3730 per common share and R\$ 0.4103 per preferred share. Payment was made on August 1, 2003.

**Exports will
increase with
market retraction in
3Q03**

Outlook

As a consequence of the retraction of the Brazilian economy as of April, growth projections of domestic demand for flat steel for 2003 were reduced from 5.2% to 2.2%. The worst performance in the domestic market should occur in 3Q03, and recovery should begin in 4Q03, in the case the Federal government advances in its policy to stimulate the economy with falls in the interest rate and compulsory deposits and increased public spending, thereby injecting money into the economy. Thus, we estimate a fall in demand in the 2nd half of 2003 of 8% in relation to 1H03.

The Usiminas System intends to compensate the retraction in the domestic market with exports. The supply of products will be slightly reduced with the programmed stoppage for revamping of Blast Furnace no. 2 at Usiminas for approximately 3 months, as of September.

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

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Usinas Siderúrgicas de Minas Gerais S/A – USIMINAS is an integrated steel manufacturer, with net consolidated sales of R\$ 6.6 billion in 2002. The USIMINAS System is made up of USIMINAS and Cosipa, has an annual production capacity of 9.2 million tons of raw steel, occupying a position of leadership in the domestic flat steel market in the automobile industry, autoparts, agricultural and highway machinery, electronics and linepipe industries.

Financial Statements

Income Statement - Parent Company

Brazilian GAAP (Legislação Societária)

R\$ thousand	Parent Company					
	1Q 2003	1Q 2002	Chg.	1H 2003	1H 2002	Chg.
Net Revenues	1,198,462	800,598	50	2,420,962	1,555,160	56
COGS	(750,878)	(547,940)	37	(1,461,756)	(1,101,718)	33
Gross Profit	447,584	252,658	77	959,206	453,442	112
<i>Gross Margin %</i>	37%	32%	18	40%	29%	36
Operating Income (Expenses)	(67,928)	(52,403)	30	(132,977)	(52,742)	152
Selling	(13,608)	(13,317)	2	(26,705)	(27,347)	-2
General and Administrative	(23,698)	(19,411)	22	(43,007)	(36,131)	19
Othres, Net	(30,622)	(19,675)	56	(63,265)	10,736	-689
EBIT	379,656	200,255	90	826,229	400,700	106
<i>EBIT Margin %</i>	32%	25%	27	34%	26%	32
Financial Result	(14,551)	(272,231)		(122,989)	(373,669)	
Financial Income	(59,526)	108,962		(78,091)	120,299	
Financial Expenses	44,975	(381,193)		(44,898)	(493,968)	
Equity Income	198,348	(246,467)		349,584	(289,753)	
Operating Result	563,453	(318,443)		1,052,824	(262,722)	
Non-Operating Income	2,385	(5,758)		(6,893)	(3,084)	
Profit (Loss) Before Taxes	565,838	(324,201)		1,045,931	(265,806)	
Social Contribution	(30,910)	9,301		(61,901)	1,307	
Income Tax	(61,547)	28,415		(148,573)	4,286	
Income (Loss) before Taxes and Profit Sharing	473,381	(286,485)		835,457	(260,213)	
Profit Sharing	0	0		0	0	
Net Income (Loss)	473,381	(286,485)		835,457	(260,213)	
Net Income (Loss) per thousand shares	2.20080	(1.33190)		3.88412	(1.20976)	
EBITDA	448,504	281,497	59	963,237	495,757	94
<i>EBITDA Margin%</i>	37.4%	35.2%	6	39.8%	31.9%	25
Depreciation	60,735	65,286	(7)	120,398	128,485	(6)
Provisions	8,113	15,956	(49)	16,610	(33,428)	(150)

Financial Statements

Income Statement - Consolidated

Brazilian GAAP (Legislação Societária)

R\$ thousand	Consolidated					
	2Q 2003	2Q 2002	Chg.	1H 2003	1H 2002	Chg.
Net Revenues	2,114,396	1,408,922	50	4,234,222	2,717,031	56
COGS	(1,352,401)	(1,005,895)	34	(2,597,209)	(1,974,820)	32
Gross Profit	761,995	403,027	89	1,637,013	742,211	121
<i>Gross Margin %</i>	36%	29%	26	39%	27%	42
Operating Income (Expenses)	(133,420)	(99,760)	34	(250,493)	(156,130)	60
Selling	(38,833)	(31,218)	24	(74,237)	(57,035)	30
General and Administrative	(56,041)	(46,498)	21	(104,566)	(88,416)	18
Othres, Net	(38,546)	(22,044)	75	(71,690)	(10,679)	571
EBIT	628,575	303,267	107	1,386,520	586,081	137
<i>EBIT Margin %</i>	30%	22%	38	33%	22%	52
Financial Result	60,478	(932,473)		(110,587)	(1,121,588)	
Financial Income	(126,155)	186,053		(161,475)	176,393	
Financial Expenses	186,633	(1,118,526)		50,888	(1,297,981)	
Equity Income	2,421	164,609		2,812	139,581	
Operating Result	691,474	(464,597)		1,278,745	(395,926)	
Non-Operating Income	(1,102)	(66,972)		(12,903)	(64,264)	
Profit (Loss) Before Taxes	690,372	(531,569)		1,265,842	(460,190)	
Social Contribution	(62,445)	74,729		(116,306)	46,373	
Income Tax	(144,498)	139,112		(297,019)	129,570	
Income (Loss) before Taxes and Profit Sharing	483,429	(317,728)		852,517	(284,247)	
Profit Sharing	0	27,636		0	(2,042)	
Minority Interests	(15,474)	0		(28,374)	27,115	
Net Income (Loss)	467,955	(290,092)		824,143	(259,174)	
Net Income (Loss) per thousand shares	2.17557	(1.34867)		3.83152	(1.20493)	
EBITDA	760,449	440,150	73	1,649,251	789,275	109
<i>EBITDA Margin%</i>	36.0%	31.2%	15	39.0%	29.0%	34
Depreciation	119,417	120,487	(1)	242,703	235,989	3
Provisions	9,896	16,395	(40)	17,467	16,704	5

Financial Statements

Cash Flow

Brazilian GAAP (Legislação Societária)

R\$ thousand	Parent Company		Consolidated	
	1H 2003	1H 2002	1H 2003	1H 2002
Operating Activities				
Net Income (Loss) in the Period	835,457	(275,114)	824,143	(259,174)
Financial Expenses and Monetary Var/Net Exchge Var	42,589	296,769	(22,646)	1,107,782
Depreciation, Exhaustion and Amortization	120,398	128,485	247,969	235,989
Investment Write-offs (Decrease in Permanent Assets)	7,770	0	7,514	0
Equity in the Results of Subsidiaries/Associated Companies	(349,585)	304,655	(2,812)	(139,580)
Income Tax and Social Contribution	210,474	(5,593)	413,325	(175,943)
Reversion of Long-Term Provision	(121)	16,072	(6,113)	16,704
Adjustment for Minority Participation	0	0	28,374	(27,115)
Total	866,982	465,274	1,489,754	758,663
Increase/Decrease of Assets				
Increase (Decrease) in Accounts Receivables	2,043	(134,170)	117,362	(230,030)
Increase (Decrease) in Inventories	(60,126)	(2,218)	(200,616)	20,209
Increase (Decrease) in Recovery of Taxes	(1,221)	(11,182)	(55,755)	(14,315)
Increase (Decrease) in Judicial Deposits	5,854	16,971	(12,953)	9,107
Others	(96,417)	24,527	(76,620)	(53,759)
Total	(149,867)	(106,072)	(228,582)	(268,788)
Increase (Decrease) of Liabilities				
Increase (Decrease) in Suppliers	19,409	(33,005)	132,194	(91,237)
Increase (Decrease) in Accounts Payable	(69,017)	26,186	(100,516)	125,837
Others	(76,741)	71,650	(107,672)	2,281
Total	(126,349)	64,831	(75,994)	36,881
Cashflow Generated from Operating Activities	590,766	424,033	1,185,178	526,756
Financial Activities				
Inflow of Loans and Financing	371,155	319,701	2,274,299	1,162,930
Payment of Loans, Financing and Debentures	(946,922)	(610,800)	(2,993,537)	(1,231,787)
Interest Paid on Loans and Financing	(112,502)	(137,659)	(303,966)	(281,895)
Dividends Paid	(42)	(50,000)	(42)	(51,417)
Swap Operations Redemptions	25,934	86	(37,727)	3,077
Net Funds from Financial Activities	(662,377)	(478,672)	(1,060,973)	(399,092)
Investment Activities				
(Additions) in Long-term Investments	(757)	(5,637)	(83,953)	(5,637)
(Additions) to Permanent Assets, except Deferred Charges	(93,325)	(38,229)	(122,049)	(213,640)
Decrease of Permanent Assets	0	0	0	0
Funds Used for Investments	(94,082)	(43,866)	(206,002)	(219,277)
Exchange Variation of Cash and Cash Equivalents	(7,535)	30,483	(79,429)	30,612
Cash Balance Change	(173,228)	(68,022)	(161,226)	(61,001)
At the Beginning of the Period	461,692	166,831	731,755	449,909
At the End of the Period	288,464	98,809	570,529	388,908

Financial Statements

Balance Sheet - Assets

Brazilian GAAP (Legislação Societária) - R\$ thousand

Assets	Parent Company		Consolidated	
	30-Jun-03	31-Dec-02	30-Jun-03	31-Dec-02
Current Assets	1,963,032	2,103,290	3,658,013	3,700,748
Cash and Cash Equivalents	288,464	461,692	570,529	731,755
Trade Accounts Receivable	760,395	762,438	1,257,816	1,375,178
Taxes Recoverable	38,151	36,930	150,948	95,193
Financial Instruments	9,889	103,582	10,406	113,226
Inventories	721,866	661,741	1,450,998	1,250,382
Deferred Income Tax & Social Contrb'n	57,361	-	57,361	-
Other Securities Receivables	86,906	76,907	159,955	135,014
Long-Term Receivable	1,494,207	1,794,241	1,835,669	2,394,009
Deferred Income Tax & Social Contrb'n	1,008,040	1,162,529	1,357,904	1,555,217
Related Company Credits	245,974	239,510	75,006	7,499
Deposits at Law	123,969	129,823	202,766	189,814
Financial Instruments	-	155,062	-	368,054
Others	116,224	107,317	199,993	273,425
Permanent Assets	5,512,889	5,233,422	9,365,558	9,428,066
Investments	1,891,470	1,577,183	66,884	60,246
Property, Plant and Equipment	3,621,419	3,656,239	9,222,219	9,297,978
Deferred	-	-	76,455	69,842
Total Assets	8,970,128	9,130,953	14,859,240	15,522,823

Financial Statements

Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP (Legislação Societária) - R\$ thousand

Liabilities and Shareholders' Equity	Parent Company		Consolidated	
	30-Jun-03	31-Dec-02	30-Jun-03	31-Dec-02
Current Liabilities	1,785,871	2,277,864	4,338,811	5,038,478
Loans and Financing	1,042,118	1,489,552	2,852,663	3,760,337
Debentures	159,695	133,855	159,695	133,855
Suppliers, Subcontractors and Freight	195,199	243,143	736,437	782,352
Taxes, Charges and Payroll Taxes	99,061	49,630	354,253	130,645
Dividends	289	331	335	2,018
Related Companies	158,451	207,842	11,279	33,664
Taxes Payable in Installments	26,809	25,441	28,310	26,843
Salaries and Social Contribution	7,027	22,750	51,859	62,202
Others	97,222	105,320	143,980	106,562
Long-Term Liabilities	3,296,258	3,800,547	6,547,477	7,363,918
Loans and Financing	1,271,014	1,739,963	3,759,955	4,787,586
Debentures	310,228	326,264	310,228	326,264
Provision for Contingencies	412,668	416,972	642,408	630,619
Actuarial Liability	955,321	938,710	1,012,229	995,288
Taxes Payable in Installments	95,847	102,246	99,118	106,013
Others	251,180	276,392	723,539	518,148
Minority Interests	-	-	115,389	87,007
Shareholders' Equity	3,887,999	3,052,542	3,857,563	3,033,420
Capital	1,221,000	1,221,000	1,221,000	1,221,000
Capital Reserves	1,831,542	1,831,542	1,831,542	1,812,420
Revenue (Loss) Reserves	835,457	-	805,021	-
Total Liabilities and Shareholders' Equity	8,970,128	9,130,953	14,859,240	15,522,823

Sales Breakdown

Sales Volume Breakdown - Consolidated

Thousand tons	2Q 2003	2Q 2002	Chg	1H 2003	1H 2002	Chg
TOTAL SALES	1,939 100%	1,890 100%	3%	3,769 100%	3,626 100%	4%
Heavy Plates	374 19%	343 18%	9%	764 20%	734 20%	4%
Hot Coils/Sheets	551 28%	581 31%	-5%	1,069 28%	1,122 31%	-5%
Cold Coils/Sheets	484 25%	368 19%	31%	963 26%	711 20%	35%
Eletrogalvanized Coils	52 3%	53 3%	-2%	102 3%	91 3%	13%
Hot Dip Galvanized Coils	94 5%	56 3%	68%	187 5%	113 3%	66%
Processed Products	100 5%	116 6%	-14%	224 6%	222 6%	1%
Slabs	285 15%	373 20%	-24%	459 12%	633 17%	-27%
TOTAL SALES - DOMESTIC MARKET	1,431 74%	1,306 69%	10%	2,798 74%	2,659 73%	5%
Heavy Plates	300 15%	278 15%	8%	597 16%	624 17%	-4%
Hot Coils/Sheets	507 26%	505 27%	0%	998 26%	993 27%	0%
Cold Coils/Sheets	402 21%	313 17%	28%	757 20%	626 17%	21%
Eletrogalvanized Coils	45 2%	49 3%	-8%	87 2%	86 2%	1%
Hot Dip Galvanized Coils	81 4%	56 3%	45%	162 4%	112 3%	44%
Processed Products	65 3%	86 5%	-24%	148 4%	173 5%	-14%
Slabs	31 2%	19 1%	61%	49 1%	45 1%	8%
TOTAL SALES - EXPORTS	509 26%	584 31%	-13%	971 26%	967 27%	0%
Heavy Plates	75 4%	65 3%	15%	167 4%	110 3%	51%
Hot Coils/Sheets	44 2%	76 4%	-42%	71 2%	129 4%	-45%
Cold Coils/Sheets	82 4%	55 3%	49%	206 5%	85 2%	142%
Eletrogalvanized Coils	7 0%	4 0%	67%	16 0%	5 0%	210%
Hot Dip Galvanized Coils	12 1%	- 0%	#DIV/0!	26 1%	1 0%	###
Processed Products	34 2%	30 2%	15%	76 2%	49 1%	55%
Slabs	254 13%	354 19%	-28%	411 11%	588 16%	-30%

Sectorial Sales - Consolidated

Thousand Tons	2Q 2003	2Q 2002	Chg	1H 2003	1H 2002	Chg
Domestic Market	1,431 100%	1,306 100%	9.6%	2,798 100%	2,659 100%	5.2%
Auto	114 8%	135 10%	-16%	230 8%	249 9%	-8%
Autoparts	166 12%	173 13%	-4%	334 12%	314 12%	6%
Shipbuilding	7 0%	9 1%	-23%	7 0%	20 1%	-64%
Line Pipes	89 6%	92 7%	-3%	186 7%	210 8%	-11%
Small Diameter Pipes	130 9%	125 10%	4%	271 10%	270 10%	0%
Packaging	26 2%	15 1%	73%	46 2%	26 1%	78%
Household Appliance	31 2%	51 4%	-39%	60 2%	108 4%	-44%
Civil Construction	118 8%	95 7%	24%	238 9%	190 7%	25%
Electrical Equipment	52 4%	32 2%	61%	99 4%	69 3%	43%
Distributors	431 30%	363 28%	19%	843 30%	768 29%	10%
Industrial Equipment	51 4%	27 2%	88%	95 3%	63 2%	51%
Others	218 15%	189 14%	15%	389 14%	372 14%	5%

Market Share

Market Share - Usiminas System (*) (% volume)

	2Q 2003(**)	2002(**)	2001(*)	2000(*)
DOMESTIC MARKET	59%	62%	62%	59%
Auto	60%	62%	66%	67%
Autoparts	71%	73%	69%	63%
Shipbuilding	100%	100%	100%	100%
Electrical Equipment	55%	54%	64%	62%
Household Appliance	49%	44%	47%	48%
Line Pipes	98%	100%	100%	100%
Small Diameter Pipes	71%	80%	77%	72%
Packaging	15%	14%	12%	13%
Civil Construction	57%	54%	45%	40%
Distributors	55%	62%	66%	64%

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

(**) Defined by USIMINAS, Cosipa, CSN, Acesita and CST (since September), markets.

Source: IBS - Information System

Financial Indebtedness

Financial Income (Expenses), Net

R\$ million	6/30/03 Short Term	6/30/03 Long Term	6/30/03 Total	3/31/03 Total	Chg. 2Q03/1Q03
TOTAL DEBT					
Foreign Currency (*)	2,604	2,715	5,319	6,116	-13%
IGP-M	86	328	414	409	1%
TJLP	239	583	822	840	-2%
Others	197	134	331	312	6%
<i>Sub-Total</i>	3,126	3,760	6,886	7,677	-10%
Debentures	160	310	470	454	3%
<i>Sub-Total</i>	3,286	4,070	7,356	8,131	-10%
Taxes Payable in Installments	28	99	127	131	-3%
<i>TOTAL</i>	3,314	4,169	7,483	8,262	-9%
FEMCO	23	432	455	431	6%
<i>TOTAL</i>	3,337	4,601	7,938	8,693	-9%

(*) 98.8% of foreign currency is denominated in US\$ dollars.

Financial Income (Expenses), Net

R\$ million	1S 2003	1S 2002
Monetary Effects	(132)	(55)
Exchange Variation	1,080	(1,078)
Hedge Income	(730)	273
Interest of Loans and Financing	(230)	(264)
Interest of Pre-Export Payment	(55)	(25)
Financial Income	66	59
Other Financial Expenses	(109)	(31)
NET INTEREST INCOME	(111)	(1,122)