



## Net revenues grow 12% and EBITDA reaches R\$ 921 million

Belo Horizonte, May 5, 2004 - Usinas Siderúrgicas de Minas Gerais S/A - USIMINAS (BOVESPA: USIM3, USIM5, USIM6; OTC: USNZY) announced today its first quarter 2004 results. Operational and financial information of the Company, except where otherwise indicated, is presented based on consolidated data in Brazilian reais in accordance with Corporate Law. All comparisons made in this release take into consideration the same period in 2003, except when specified differently.

### HIGHLIGHTS

#### Sales and Revenues

Sales volume of the Usiminas System reached 1.9 million tonnes in 1Q04, a growth of 4%. Domestic sales remained at the 1.4 million-tonne level achieved in 1Q03, while exports grew 15%, totaling 531 thousand tonnes. Net revenues grew 12% and totaled R\$ 2.4 billion in the quarter, reflecting the increase in the average price of products.

#### EBITDA

EBITDA reached R\$ 921 million, 4% above that obtained in the same period last year. This evidenced both recovery in cash generation, as well as EBITDA margin relative to the last three quarters. In relation to 4Q03, the gain was 8 percentage points, increasing from 31% to 39%.

#### Net Income

Consolidated net income reached R\$ 358 million in 1Q04, 1% above that verified in 1Q03, recalling that the latter period was positively impacted by exchange variations of R\$ 79 million.

#### Subsequent Events

Usiminas signed three important operational agreements in April and May 2004 in keeping with its strategic long-range vision. The signing of the sixth technology transfer agreement with Nippon Steel Corporation, valid until 2009, will assure the continuity of Usiminas' leadership in state-of-the-art steel production. The agreement signed with CVRD will guarantee supply of 5 million tonnes annually of iron ore over the next five years. Lastly, the agreement between Usiminas/Cosipa and Cemig will assure the supply of electrical power over the same five-year period and marks the migration of the Usiminas System from the captive energy market to the free market for electrical energy.

#### Outlook

Usiminas maintains an expectation of a 7% expansion in the domestic flat steel market in 2004, based on data from IBS (Brazilian Steel Institute). Analyses point to export sector growth, with GDP increasing 3%. The Usiminas System's domestic market share should not change significantly in spite of growth in supply. In 2Q04, average prices will remain at high levels in the international market for steel products. For the second half, international business performance remains favorable, even with potential decline in Chinese demand, thanks to the economic recovery in the United States. In the domestic market, the behavior of interest rates and the political environment will set the rhythm of economic activity, with reflexes on steel product demand.

### Highlights

| R\$ million                | 1Q 2004 | 1Q 2003 | Chg. % |
|----------------------------|---------|---------|--------|
| Total Sales Volume (000 t) | 1,910   | 1,830   | 4      |
| Net Revenues               | 2,365   | 2,120   | 12     |
| Gross Profit               | 936     | 875     | 7      |
| Operating Result (EBIT)a   | 781     | 758     | 3      |
| Financial Result           | (253)   | (171)   | 48     |
| Net Income                 | 358     | 356     | 1      |
| EBITDA b                   | 921     | 889     | 4      |
| EBITDA (R\$/t)             | 482     | 486     | -1     |
| Total Assets               | 15,799  | 15,139  | 4      |
| Net Debt                   | 6,330   | 8,061   | -21    |
| Stockholders' Equity       | 4,358   | 3,390   | 29     |

#### Conference Call: Friday, May 7

International, 11:00 am (NY), 12:00 pm (Brasília)  
Local, 10:00 am (Brasília).

#### Connection Numbers:

From USA: (1-888) 340-8477  
(1-786) 924-8430  
From Brazil: (55 11) 4613-0503

Security codes: 927 (international)  
833 (local)

The conference call and a slide presentation will be broadcasted live via internet, accessible through Usiminas' website: [www.usiminas.com.br](http://www.usiminas.com.br)

(a) Earnings before interest, tax and participations.

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

#### FOR IMMEDIATE RELEASE

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## Market, Production and Sales

Brazilian crude steel production reached 8 million tonnes in 1Q04, an increase of 6%. Rolled steel production was the highlight in the period, registering an increase of 14% and totaling 5.7 million tonnes, favored by the start-up of new production lines.

Domestic flat steel demand beat preliminary market forecasts with 2.5 million tonnes, an increase of 7.6%. This growth was led by orders from export and agribusiness sectors.

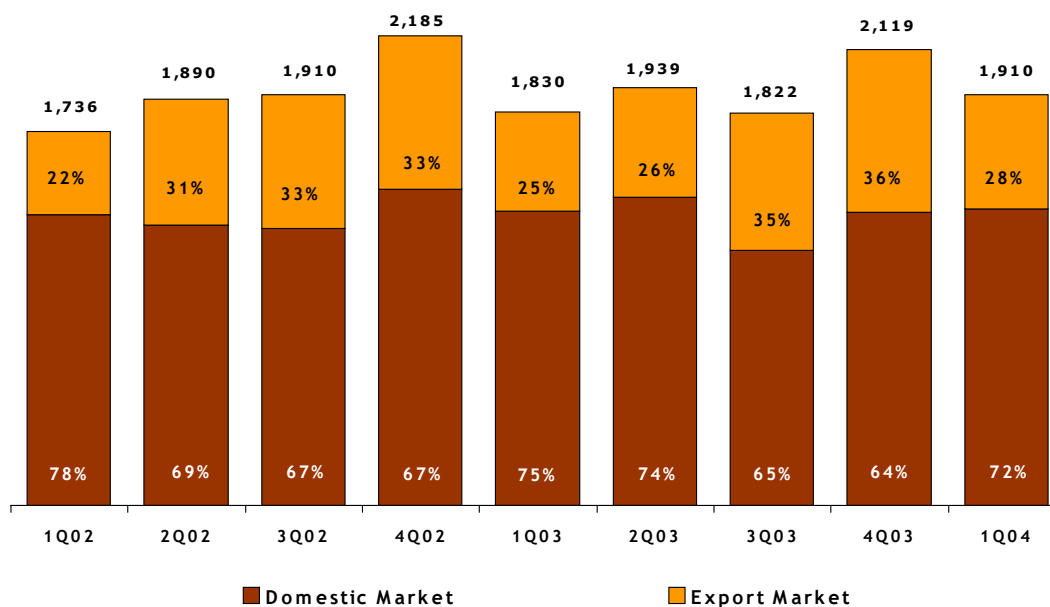
In the international market, Brazilian flat steel exports totaled 828 thousand tonnes. The 32% growth was driven by heated Asian market demand and resumption of purchases in the United States.

The Usiminas System produced 2.2 million tonnes of crude steel in 1Q04, 7% above the same period last year. Operations went as programmed with full capacity utilization at both plants, pointing to an annualized volume of 9 million tonnes.

### Production (Crude Steel)

| Thousand tonnes | 1Q04  | 1Q03  | 4Q03  | Chg. %<br>1Q/1Q | Chg.%<br>1Q/4Q | 2003  | 2002  | Chg.% |
|-----------------|-------|-------|-------|-----------------|----------------|-------|-------|-------|
| Usiminas        | 1,165 | 1,130 | 1,074 | 3               | 8              | 4,524 | 4,575 | -1    |
| Cosipa          | 1,059 | 952   | 1,064 | 11              | 0              | 4,097 | 3,873 | 6     |
| Total           | 2,224 | 2,082 | 2,138 | 7               | 4              | 8,621 | 8,448 | 2     |

### Consolidated Sales (000 t.)



### Share of slab and heavy plate increases in product mix

Sales mix by volume showed an increase in slab and heavy plate in 1Q04. Slab shipments grew 32%, reaching 230 thousand tonnes. Sales of heavy plate grew 9%, totaling 426 thousand tonnes.



Domestic sales of the Usiminas System maintained the 1.4 million-tonne sales level in the quarter. The auto industry, agricultural and highway equipment and electrical equipment segments, related to exports and agribusiness, remained strong and counterbalanced the negative sales performance of sectors dependent on domestic consumption, such as infrastructure and civil construction.

The System ended the quarter with a 57% domestic flat steel market share.

The Company's exports grew 15% and totaled 531 thousand tonnes in 1Q04. Demand remained strong in China and intensified in the United States. Heavy plate shipments for export totaled 125 thousand tonnes, an expansion of 35%. The orders were mainly destined for the shipbuilding industry and infrastructure projects in Southeast Asia. Hot rolled coil exports grew 75%, with sales volume reaching 47 thousand tonnes in the period. Slab exports grew 22%, reaching 191 thousand tonnes in 1Q04.

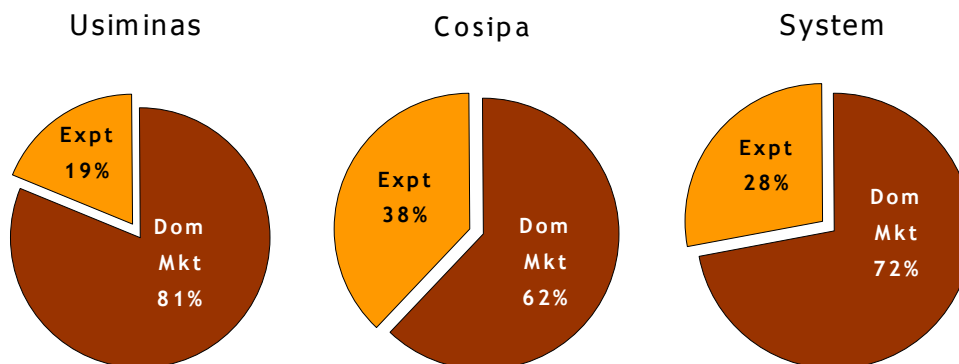
## Sales

| Thousand tonnes | 1Q04         | %          | 1Q03         | %          | Chg.      |
|-----------------|--------------|------------|--------------|------------|-----------|
| <b>Usiminas</b> |              |            |              |            |           |
| Domestic Market | 833          | 81         | 820          | 80         | 2%        |
| Export Market   | 198          | 19         | 201          | 20         | -1%       |
| <b>Total</b>    | <b>1,031</b> | <b>100</b> | <b>1,020</b> | <b>100</b> | <b>1%</b> |
| <b>Cosipa</b>   |              |            |              |            |           |
| Domestic Market | 546          | 62         | 547          | 68         | 0%        |
| Export Market   | 333          | 38         | 262          | 32         | 27%       |
| <b>Total</b>    | <b>879</b>   | <b>100</b> | <b>809</b>   | <b>100</b> | <b>9%</b> |
| <b>System</b>   |              |            |              |            |           |
| Domestic Market | 1,379        | 72         | 1,367        | 75         | 1%        |
| Export Market   | 531          | 28         | 463          | 25         | 15%       |
| <b>Total</b>    | <b>1,910</b> | <b>100</b> | <b>1,830</b> | <b>100</b> | <b>4%</b> |

**Exports accounted for 28% of sales volume in 1Q04**

Exports as a share of total company sales grew by three percentage points as a result of the strong foreign demand for Usiminas System products compared to the same period of the previous year.

## Sales Volume Mix - 1Q04





## Net Revenues

Consolidated net revenues grew 12% and reached R\$ 2.4 billion in 1Q04. Average per-tonne revenue grew 7%, reaching R\$ 1,238/t.

The performance reflected growth in volume sold and an increase in average product price. Nevertheless, the Brazilian real/dollar appreciation from 1Q03 to 1Q04 decreased the magnitude of the increase in export revenues when compared in local currency. The greater share of slab in the sales mix also adversely affected average price per tonne.

## Gross Profit

Gross profit was R\$ 936 million in 1Q04, a 7% increase. Average per-tonne cost rose 10% to R\$ 748. In view of the fact that Usiminas maintains raw materials safety inventories, including coke and coal, the impact of price adjustments for inputs will become more apparent as of 2Q04.

Gross margin varied slightly, reaching 40%, which evidences the gains made in sales and administrative production costs, thereby preserving Usiminas' sales margins, in spite of strong cost pressures felt at the end of 2003.

## EBITDA and EBITDA margin show improvement in 1Q04

## Operating Profit

EBIT (Operating profit before financial expense) grew 3%, reaching R\$ 781 million. EBIT margin went from 36% to 33%, on the other hand, reflecting greater sales expense.

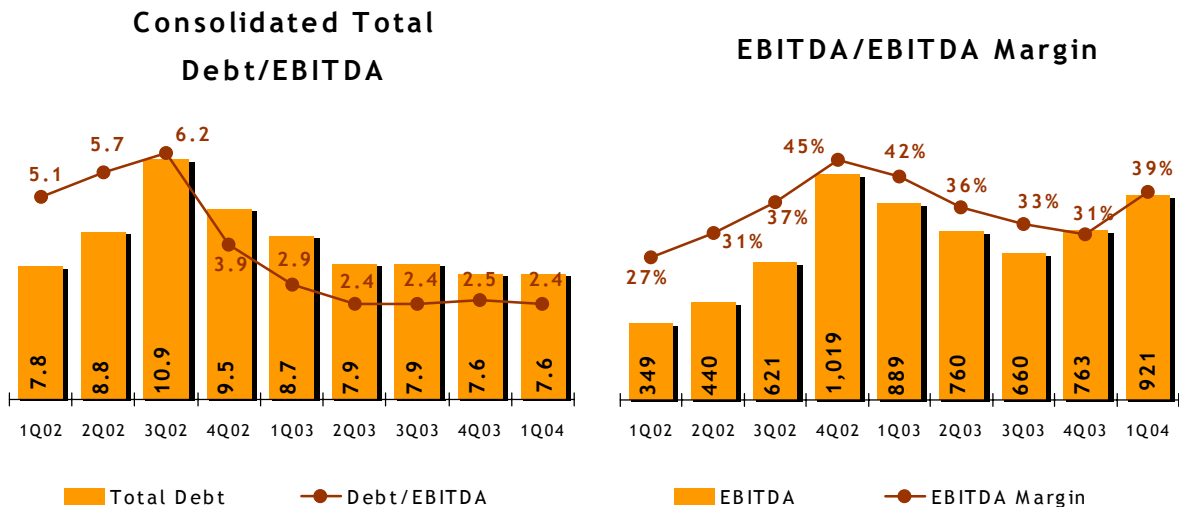
EBITDA reached R\$ 921 million in 1Q04, an amount 4% above that obtained in the same period of the previous year. Analyzing the graph below, EBITDA and EBITDA margin recovered relative to the last three quarters. Q-on-Q, EBITDA growth was 21%, going from R\$ 763 million in 4Q03 to R\$ 921 million in 1Q04. This is the second best performance for Usiminas, only below that achieved in 4Q02, an atypical result due to the strong dollar appreciation and to concentration of shipments.

## Financial Result and Debt

In 1Q04, dollar appreciation in relation to the Brazilian real was approximately 0.7%, which negatively impacted consolidated financial results by approximately R\$ 80 million. In the same period of the previous year, exchange variations resulted in a gain of R\$ 79 million.

Consolidated gross debt totaled R\$ 7.6 billion at the end of March 2004. Of this total, 37% was from export-import financing, 19% referred to BNDES loans, 31% was from capital markets operations and the remaining was sundry operations. Gross debt show a reduction of R\$ 31 million in the quarter. Net debt, on the other hand, was reduced by R\$ 410 million (US\$ 160 million), indicating that the Company's goal of reducing at least US\$ 300 million in the year will be fulfilled.

Cosipa took advantage of the favorable financial market in 1Q04 and issued US\$ 175 million in Eurobonds and obtained a pre-payment export facility in the amount of US\$ 135 million, both of which have five-year maturities, thus maintaining the company policy to lengthen its debt profile.



The total consolidated debt / EBITDA ratio was reduced from 2.5 times in 2003 to 2.4 times in March 2004. This was the result of the increase in cash generation earmarked for debt amortization of the Company.



## Net Income

Consolidated net income reached R\$ 358 million in 1Q04.

## Investments

Investments totaled R\$ 40 million in 1Q04, basically earmarked for equipment maintenance. The 2004 investment program should reach approximately R\$ 450 million, concentrated in production improvements, maintenance and small revamping projects in both mills.

## Subsequent Events

In line with its strategic long-range vision, Usiminas signed three important operational agreements at the beginning of the year:

- **Technology transfer** - The signing of the sixth technology transfer agreement with Nippon Steel Corporation occurred in April 2004, valid until 2009. This will assure continuity of Usiminas' state-of-the-art steel production. Nippon Steel is a benchmark in global steel technology. With the contract, Usiminas reinforces its medium and long-term strategies by becoming more competitive in relation to other Brazilian steelmakers;
- **Iron ore purchases** - The agreement established with CVRD also occurred at the end of April and involves close to US\$ 400 million. It will guarantee the supply of iron ore over the next five years and crowns a relationship of 42 years between the two companies. Through this renewable contract, Vale do Rio Doce will assure supply of five million tonnes of iron ore annually, meeting technical production specifications, which represent 85% of Usiminas' needs;
- **Electrical energy purchases** - Signed with Cemig, this agreement assures the supply of electric power between January 2005 and December 2009 and marks the migration of Usiminas and Cosipa from the captive energy market to the free market. It also integrates a set of measures that the System has been implementing to minimize energy requirement risk. Special mention is due of the System's in-house generation project expansion, which will raise energy production from the present 16% to 30% of the total electricity consumed by the Company by 2007.

## Outlook

Maintenance of a conservative monetary policy, reflected in the rate of reduction of the basic interest rate and tight fiscal policy that has increased the tax rate to a level close to 40% of the GDP, has limited the perspectives for recovery of domestic consumption in the near term. In addition, the lack of definition of regulatory guidelines in the infrastructure sector has delayed important investment projects in Brazil.

Within this scenario, we believe that economic activity will continue to be stronger in sectors related to exports and agribusiness. Nevertheless, positive factors could favor the level of activity in other segments. Such factors include the following: (i) announcement of a new industrial policy, contemplating the capital goods industry, pharmaceuticals, software and semi-conductors; (ii) the trend for greater liquidity in the economy; and (iii) announcement of preliminary results of the FGV survey that point to signs of a recovery in industrial production.

Usiminas maintains an expectation of a 7% expansion in the domestic flat steel market in 2004, based on data from IBS (Brazilian Steel Institute). Analyses point to export sector growth, with GDP increasing 3%. The Usiminas System's domestic market share should not change significantly in spite of growth in supply. In 2Q04, average prices will remain at high levels in the international market for steel products. For the second half, international business performance will remain favorable, in spite of possible declines in Chinese demand, thanks to expressive economic recovery in the USA. In the domestic market, the behavior of the interest rate and the political environment will mark the pace of economic activity, with reflexes on the demand for steel products.

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

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Usinas Siderúrgicas de Minas Gerais S/A - USIMINAS is an integrated steel producer, with net sales of R\$ 8.7 billion in 2003. The Usiminas System is made up mainly of USIMINAS and Cosipa and has an annual capacity of 9.3 million tonnes of raw steel and occupies a position of leadership in the domestic flat steel market in the automobile industry, autoparts, agricultural and highway machinery sectors, electrical and electronic equipment segments and large-diameter pipe industry.

## Attachment 1 - Financial Statements

### Income Statement - Parent Company

Brazilian GAAP (Legislação Societária)

| R\$ thousand                                  | 1Q 2004          | 1Q 2003          | Chg. %     |
|---|------------------|------------------|------------|
| <b>Net Revenues</b>                           | <b>1,306,787</b> | <b>1,222,500</b> | <b>7</b>   |
| Domestic Market                               | 1,081,993        | 980,765          | 10         |
| Export Market                                 | 224,794          | 241,735          | -7         |
| COGS  | (734,025)        | (710,878)        | 3          |
| <b>Gross Profit</b>                           | <b>572,762</b>   | <b>511,622</b>   | <b>12</b>  |
| <i>Gross Margin %</i>                         | <b>44%</b>       | <b>42%</b>       | <b>5</b>   |
| <b>Operating Income (Expenses)</b>            | <b>(64,039)</b>  | <b>(65,049)</b>  | <b>-2</b>  |
| Selling                                       | (20,645)         | (13,097)         | 58         |
| General and Administrative                    | (21,630)         | (19,309)         | 12         |
| Others, Net                                   | (21,764)         | (32,643)         | -33        |
| <b>EBIT</b>                                   | <b>508,723</b>   | <b>446,573</b>   | <b>14</b>  |
| <i>EBIT Margin %</i>                          | <b>39%</b>       | <b>37%</b>       | <b>7</b>   |
| <b>Financial Result</b>                       | <b>(81,964)</b>  | <b>(108,438)</b> | <b>-24</b> |
| Financial Income                              | 21,280           | (18,565)         | -          |
| Financial Expenses                            | (103,244)        | (89,873)         | 15         |
| Equity Income                                 | 80,327           | 151,236          | -47        |
| <b>Operating Result</b>                       | <b>507,086</b>   | <b>489,371</b>   | <b>4</b>   |
| Non-Operating Income                          | (4,810)          | (9,278)          | -48        |
| <b>Profit Before Taxes</b>                    | <b>502,276</b>   | <b>480,093</b>   | <b>5</b>   |
| Income Tax / Social Contribution              | (132,393)        | (118,017)        | 12         |
| <b>Income before Taxes and Profit Sharing</b> | <b>369,883</b>   | <b>362,076</b>   | <b>2</b>   |
| Profit Sharing                                | (4,592)          | 0                | -          |
| <b>Net Income</b>                             | <b>365,291</b>   | <b>362,076</b>   | <b>1</b>   |
| Net Income per share (R\$/share)              | 1.66512          | 1.68333          | -1         |
| <b>EBITDA</b>                                 | <b>570,762</b>   | <b>514,733</b>   | <b>11</b>  |
| <i>EBITDA Margin%</i>                         | <b>43.7%</b>     | <b>42.1%</b>     | <b>4</b>   |
| Depreciation                                  | 62,039           | 59,663           | 4          |
| Provisions                                    | -                | 8,497            | -100       |

## Attachment 2 - Financial Statements

### Income Statement - Consolidated

Brazilian GAAP (Legislação Societária)

| R\$ thousand                                  | 1Q 2004          | 1Q 2003          | Chg. %    |
|---|------------------|------------------|-----------|
| <b>Net Revenues</b>                           | <b>2,364,710</b> | <b>2,119,826</b> | 12        |
| Domestic Market                               | 1,781,386        | 1,593,683        | 12        |
| Export Market                                 | 583,324          | 526,143          | 11        |
| COGS  | (1,428,815)      | (1,244,808)      | 15        |
| <b>Gross Profit</b>                           | <b>935,895</b>   | <b>875,018</b>   | 7         |
| <i>Gross Margin %</i>                         | <b>40%</b>       | <b>41%</b>       | <b>-4</b> |
| <b>Operating Income (Expenses)</b>            | <b>(154,468)</b> | <b>(117,073)</b> | 32        |
| Selling                                       | (53,017)         | (35,404)         | 50        |
| General and Administrative                    | (53,531)         | (46,237)         | 16        |
| Others, Net                                   | (47,920)         | (35,432)         | 35        |
| <b>EBIT</b>                                   | <b>781,427</b>   | <b>757,945</b>   | 3         |
| <i>EBIT Margin %</i>                          | <b>33%</b>       | <b>36%</b>       | <b>-8</b> |
| <b>Financial Result</b>                       | <b>(253,433)</b> | <b>(171,065)</b> | 48        |
| Financial Income                              | 45,388           | (38,035)         | -         |
| Financial Expenses                            | (298,821)        | (133,030)        | 125       |
| Equity Income                                 | 13,908           | 391              | 3457      |
| <b>Operating Result</b>                       | <b>541,902</b>   | <b>587,271</b>   | -8        |
| Non-Operating Income                          | (7,388)          | (11,801)         | -37       |
| <b>Profit Before Taxes</b>                    | <b>534,514</b>   | <b>575,470</b>   | -7        |
| Income Tax / Social Contribution              | (164,645)        | (206,382)        | -20       |
| <b>Income before Taxes and Profit Sharing</b> | <b>369,869</b>   | <b>369,088</b>   | 0         |
| Profit Sharing                                | (4,592)          | 0                | -         |
| Minority Interests                            | (6,857)          | (12,900)         | -47       |
| <b>Net Income</b>                             | <b>358,420</b>   | <b>356,188</b>   | 1         |
| Net Income per share (R\$/share)              | <b>1.63380</b>   | <b>1.65595</b>   | -1        |
| <b>EBITDA</b>                                 | <b>921,083</b>   | <b>888,802</b>   | 4         |
| <i>EBITDA Margin%</i>                         | <b>39.0%</b>     | <b>41.9%</b>     | <b>-7</b> |
| Depreciation                                  | 135,070          | 123,286          | 10        |
| Provisions                                    | 4,586            | 7,571            | -39       |

## Attachment 3 - Financial Statements

### Cash Flow

Brazilian GAAP (Legislação Societária)

| R\$ thousand   | Parent Company   |                  | Consolidated     |                  |
|--|------------------|------------------|------------------|------------------|
|  | 1Q 2004          | 1Q 2003          | 1Q 2004          | 1Q 2003          |
| <b>Operating Activities</b>                                |                  |                  |                  |                  |
| Net Income (Loss) in the Period                            | 365,291          | 362,076          | 358,420          | 356,188          |
| Financial Expenses and Monetary Var/Net Exchange Var       | 87,616           | 94,711           | 254,676          | 155,050          |
| Depreciation, Exhaustion and Amortization                  | 62,039           | 59,663           | 135,070          | 123,286          |
| Investment Write-offs (Decrease in Permanent Assets)       | 5                | 7,642            | 93               | 7,066            |
| Equity in the Results of Subsidiaries/Associated Companies | (80,327)         | (151,236)        | (13,908)         | (391)            |
| Income Tax and Social Contribution                         | 132,393          | 118,017          | 164,645          | 206,382          |
| Provisions   | 39,984           | 18,307           | 91,596           | 14,226           |
| Adjustment for Minority Participation                      | 0                | 0                | 6,857            | 12,860           |
| <b>Total</b>   | <b>607,001</b>   | <b>509,180</b>   | <b>997,811</b>   | <b>874,667</b>   |
| <b>Increase/Decrease of Assets</b>                         |                  |                  |                  |                  |
| Increase (Decrease) in Accounts Receivables                | 4,114            | (5,104)          | (20,375)         | 183,487          |
| Increase (Decrease) in Inventories                         | 21,408           | (44,010)         | 5,907            | (149,617)        |
| Increase (Decrease) in Recovery of Taxes                   | 66,239           | (1,008)          | 72,331           | (6,653)          |
| Increase (Decrease) in Judicial Deposits                   | (17,535)         | 6,793            | (25,262)         | 3,297            |
| Others   | (7,054)          | (38,580)         | 7,321            | (22,691)         |
| <b>Total</b>   | <b>67,632</b>    | <b>(81,909)</b>  | <b>40,382</b>    | <b>7,823</b>     |
| <b>Increase (Decrease) of Liabilities</b>                  |                  |                  |                  |                  |
| Increase (Decrease) in Suppliers                           | (16,401)         | 11,305           | 8,975            | (60,072)         |
| Increase (Decrease) in Accounts Payable                    | (25,452)         | (43,368)         | 19,987           | (14,540)         |
| Customer Advances  | (1,270)          | (12,614)         | 44,458           | (3,153)          |
| Taxes to be Collected                                      | 1,869            | (5,065)          | 2,202            | (14,401)         |
| Others   | (115,352)        | (54,034)         | (134,831)        | (20,575)         |
| <b>Total</b>   | <b>(156,606)</b> | <b>(103,776)</b> | <b>(59,209)</b>  | <b>(112,741)</b> |
| <b>Cashflow Generated from Operating Activities</b>        | <b>518,027</b>   | <b>323,495</b>   | <b>978,984</b>   | <b>769,749</b>   |
| <b>Financial Activities</b>                                |                  |                  |                  |                  |
| Inflow of Loans and Financing                              | 6,131            | 200,155          | 1,166,760        | 952,028          |
| Payment of Loans, Financing and Debentures                 | (292,589)        | (536,069)        | (1,223,281)      | (1,550,648)      |
| Interest Paid on Loans, Financing and Debentures           | (36,234)         | (64,658)         | (164,036)        | (164,156)        |
| Interest Paid on Taxes Payable in Installments             | (8,997)          | (4,531)          | (9,467)          | (5,748)          |
| Swap Operations Redemptions                                | (11,983)         | 23,445           | (27,541)         | 22,741           |
| Dividends Paid   | (302,207)        | (3)              | (302,207)        | (919)            |
| <b>Net Funds from Financial Activities</b>                 | <b>(645,879)</b> | <b>(381,661)</b> | <b>(559,772)</b> | <b>(746,702)</b> |
| <b>Investment Activities</b>                               |                  |                  |                  |                  |
| (Additions) in Long-term Investments                       | (10,868)         | (50,700)         | (40,313)         | (96,297)         |
| (Additions) to Permanent Assets, except Deferred Charges   | 0                | 0                | 0                | 2,073            |
| <b>Funds Used for Investments</b>                          | <b>(10,868)</b>  | <b>(50,700)</b>  | <b>(40,313)</b>  | <b>(94,224)</b>  |
| <b>Exchange Variation of Cash and Cash Equivalents</b>     | <b>1,612</b>     | <b>(12,497)</b>  | <b>3,942</b>     | <b>(29,079)</b>  |
| <b>Cash Balance Change</b>                                 | <b>(137,108)</b> | <b>(121,363)</b> | <b>382,841</b>   | <b>(100,256)</b> |
| At the Beginning of the Period                             | 442,733          | 461,692          | 843,007          | 731,755          |
| At the End of the Period                                   | 305,625          | 340,329          | 1,225,848        | 631,499          |



## Attachment 4 - Financial Statements

### Balance Sheet - Assets

Brazilian GAAP (Legislação Societária) - R\$ thousand

| Assets                                | Parent Company   |                  | Consolidated      |                   |
|---------------------------------------|------------------|------------------|-------------------|-------------------|
|                                       | 31-Mar-04        | 31-Dec-03        | 31-Mar-04         | 31-Dec-03         |
| <b>Current Assets</b>                 | <b>2,075,271</b> | <b>2,309,116</b> | <b>4,561,482</b>  | <b>4,247,631</b>  |
| Cash and Cash Equivalents             | 305,625          | 442,733          | 1,225,848         | 843,007           |
| Trade Accounts Receivable             | 851,640          | 855,754          | 1,464,173         | 1,443,797         |
| Taxes Recoverable                     | 51,960           | 118,199          | 172,128           | 244,459           |
| Financial Instruments                 | -                | -                | -                 | -                 |
| Inventories                           | 661,184          | 682,592          | 1,435,939         | 1,441,846         |
| Deferred Income Tax & Social Contrb'n | 138,397          | 138,857          | 138,397           | 138,857           |
| Other Securities Receivables          | 66,465           | 70,981           | 124,997           | 135,665           |
| <b>Long-Term Receivable</b>           | <b>1,408,628</b> | <b>1,425,614</b> | <b>1,807,698</b>  | <b>1,820,804</b>  |
| Deferred Income Tax & Social Contrb'n | 900,373          | 934,650          | 1,340,528         | 1,373,768         |
| Related Company Credits               | 301,092          | 297,560          | 81,531            | 77,501            |
| Deposits at Law                       | 147,825          | 130,290          | 255,768           | 230,506           |
| Financial Instruments                 | -                | -                | -                 | -                 |
| Others                                | 59,338           | 63,114           | 129,871           | 139,029           |
| <b>Permanent Assets</b>               | <b>5,647,365</b> | <b>5,606,873</b> | <b>9,429,442</b>  | <b>9,504,377</b>  |
| Investments                           | 2,082,865        | 1,990,933        | 194,656           | 179,522           |
| Property, Plant and Equipment         | 3,564,500        | 3,615,940        | 9,185,319         | 9,274,440         |
| Deferred                              | -                | -                | 49,467            | 50,415            |
| <b>Total Assets</b>                   | <b>9,131,264</b> | <b>9,341,603</b> | <b>15,798,622</b> | <b>15,572,812</b> |

## Attachment 5 - Financial Statements

### Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP (Legislação Societária) - R\$ thousand

| Liabilities and Shareholders' Equity              | Parent Company   |                  | Consolidated      |                   |
|---|------------------|------------------|-------------------|-------------------|
|   | 31-Mar-04        | 31-Dec-03        | 31-Mar-04         | 31-Dec-03         |
| <b>Current Liabilities</b>                        | <b>1,312,781</b> | <b>1,846,094</b> | <b>3,323,546</b>  | <b>4,205,279</b>  |
| Loans and Financing                               | 783,656          | 944,008          | 2,126,796         | 2,747,421         |
| Debentures  | -                | -                | -                 | 16,761            |
| Suppliers, Subcontractors and Freight             | 123,806          | 140,207          | 325,738           | 316,763           |
| Taxes, Charges and Payroll Taxes                  | 100,381          | 77,867           | 290,253           | 238,067           |
| Financial Instruments                             | 23,530           | 27,647           | 90,435            | 90,868            |
| Related Companies                                 | 152,602          | 178,054          | 60,156            | 43,338            |
| FEMCO Accounts Payable                            | -                | -                | 9,832             | 8,891             |
| Salaries and Social Contribution                  | 43,406           | 41,367           | 53,201            | 50,325            |
| Taxes Payable in Installments                     | 23,254           | 28,218           | 26,020            | 30,003            |
| Dividends Payable                                 | 4,165            | 306,372          | 4,209             | 306,415           |
| Others  | 57,981           | 102,354          | 336,906           | 356,427           |
| <b>Long-Term Liabilities</b>                      | <b>3,428,134</b> | <b>3,470,451</b> | <b>7,995,974</b>  | <b>7,253,709</b>  |
| Loans and Financing                               | 1,578,701        | 1,597,248        | 5,036,212         | 4,087,373         |
| Debentures  | -                | -                | -                 | 240,000           |
| Provision for Contingencies                       | 551,428          | 502,685          | 1,006,243         | 914,315           |
| Actuarial Liability                               | 968,569          | 967,802          | 1,025,306         | 1,024,539         |
| Taxes Payable in Installments                     | 88,390           | 91,190           | 99,841            | 103,047           |
| Financial Instruments                             | 64,552           | 54,597           | 312,661           | 284,000           |
| FEMCO   | -                | -                | 357,233           | 353,067           |
| Others  | 176,494          | 256,929          | 158,478           | 247,368           |
| <b>Minority Interests</b>                         | <b>-</b>         | <b>-</b>         | <b>121,261</b>    | <b>114,403</b>    |
| <b>Shareholders' Equity</b>                       | <b>4,390,349</b> | <b>4,025,058</b> | <b>4,357,841</b>  | <b>3,999,421</b>  |
| Capital   | 1,280,839        | 1,280,839        | 1,280,839         | 1,280,839         |
| Capital Reserves                                  | 1,831,542        | 1,831,542        | 1,831,542         | 1,831,542         |
| Revenue Reserves                                  | 912,677          | 912,677          | 912,677           | 912,677           |
| Accumulated Profit (Loss)                         | 365,291          | -                | 332,783           | (25,637)          |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>9,131,264</b> | <b>9,341,603</b> | <b>15,798,622</b> | <b>15,572,812</b> |

## Attachment 6 - Sales Breakdown

### Sales Volume Breakdown - Consolidated

| Thousand tonnes                      | 1Q 2004      |             | 1Q 2003      |             | Chg.       |
|--------------------------------------|--------------|-------------|--------------|-------------|------------|
| <b>TOTAL SALES</b>                   | <b>1,910</b> | <b>100%</b> | <b>1,830</b> | <b>100%</b> | <b>4%</b>  |
| Heavy Plates                         | 426          | 22%         | 391          | 21%         | 9%         |
| Hot Coils/Sheets                     | 538          | 28%         | 519          | 28%         | 4%         |
| Cold Coils/Sheets                    | 470          | 25%         | 479          | 26%         | -2%        |
| Eletrogalvanized Coils               | 65           | 3%          | 50           | 3%          | 30%        |
| Hot Dip Galvanized Coils             | 73           | 4%          | 93           | 5%          | -22%       |
| Processed Products                   | 107          | 6%          | 123          | 7%          | -13%       |
| Slabs                                | 230          | 12%         | 175          | 10%         | 32%        |
| <b>TOTAL SALES - DOMESTIC MARKET</b> | <b>1,379</b> | <b>72%</b>  | <b>1,367</b> | <b>75%</b>  | <b>1%</b>  |
| Heavy Plates                         | 301          | 16%         | 298          | 16%         | 1%         |
| Hot Coils/Sheets                     | 490          | 26%         | 491          | 27%         | 0%         |
| Cold Coils/Sheets                    | 371          | 19%         | 355          | 19%         | 4%         |
| Eletrogalvanized Coils               | 48           | 3%          | 42           | 2%          | 16%        |
| Hot Dip Galvanized Coils             | 64           | 3%          | 80           | 4%          | -20%       |
| Processed Products                   | 65           | 3%          | 81           | 4%          | -21%       |
| Slabs                                | 39           | 2%          | 19           | 1%          | 111%       |
| <b>TOTAL SALES - EXPORTS</b>         | <b>531</b>   | <b>28%</b>  | <b>463</b>   | <b>25%</b>  | <b>15%</b> |
| Heavy Plates                         | 125          | 7%          | 92           | 5%          | 35%        |
| Hot Coils/Sheets                     | 47           | 2%          | 27           | 1%          | 75%        |
| Cold Coils/Sheets                    | 99           | 5%          | 123          | 7%          | -20%       |
| Eletrogalvanized Coils               | 17           | 1%          | 9            | 0%          | 92%        |
| Hot Dip Galvanized Coils             | 9            | 0%          | 13           | 1%          | -31%       |
| Processed Products                   | 42           | 2%          | 41           | 2%          | 2%         |
| Slabs                                | 191          | 10%         | 156          | 9%          | 22%        |

### Sectorial Sales - Consolidated

| Thousand tonnes        | 1Q 2004      |             | 1Q 2003      |             | Chg.      |
|------------------------|--------------|-------------|--------------|-------------|-----------|
| <b>Domestic Market</b> | <b>1,379</b> | <b>100%</b> | <b>1,367</b> | <b>100%</b> | <b>1%</b> |
| Auto                   | 144          | 10%         | 117          | 9%          | 23%       |
| Autoparts              | 176          | 13%         | 167          | 12%         | 6%        |
| Shipbuilding           | 30           | 2%          | 6            | 0%          | 403%      |
| Line Pipes             | 70           | 5%          | 97           | 7%          | -28%      |
| Small Diameter Pipes   | 119          | 9%          | 140          | 10%         | -15%      |
| Packaging              | 25           | 2%          | 12           | 1%          | 108%      |
| Household Appliance    | 29           | 2%          | 55           | 4%          | -47%      |
| Civil Construction     | 128          | 9%          | 120          | 9%          | 7%        |
| Electrical Equipment   | 54           | 4%          | 40           | 3%          | 34%       |
| Distributors           | 386          | 28%         | 413          | 30%         | -7%       |
| Industrial Equipment   | 52           | 4%          | 44           | 3%          | 18%       |
| Others                 | 167          | 12%         | 156          | 11%         | 7%        |

## Attachment 7 - Market Share

### Market Share - Usiminas System (\*)

(% volume)

|                        | 1Q 2004(**) | 2003(**)   | 2002(**)   | 2001(*)    |
|------------------------|-------------|------------|------------|------------|
| <b>DOMESTIC MARKET</b> | <b>57%</b>  | <b>59%</b> | <b>62%</b> | <b>62%</b> |
| Auto                   | 60%         | 60%        | 62%        | 66%        |
| Autoparts              | 64%         | 68%        | 73%        | 69%        |
| Shipbuilding           | 100%        | 100%       | 100%       | 100%       |
| Electrical Equipment   | 60%         | 58%        | 54%        | 64%        |
| Household Appliance    | 37%         | 43%        | 44%        | 47%        |
| Line Pipes             | 96%         | 98%        | 100%       | 100%       |
| Small Diameter Pipes   | 62%         | 67%        | 80%        | 77%        |
| Packaging              | 15%         | 13%        | 14%        | 12%        |
| Civil Construction     | 46%         | 56%        | 54%        | 45%        |
| Distributors           | 52%         | 56%        | 62%        | 66%        |

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

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

Source: Information System IBS

## Attachment 8 - Financial Indebtedness

### Financial Income (Expenses), Net

| R\$ million                   | 3/31/04 Short Term | 3/31/04 Long Term | 3/31/04 Total | 12/31/03 Total | Chg. 1Q04/4Q03 |
|-------------------------------|--------------------|-------------------|---------------|----------------|----------------|
| <b>TOTAL DEBT</b>             |                    |                   |               |                |                |
| Foreign Currency (*)          | 1,706              | 3,868             | 5,574         | 5,401          | 3%             |
| IGP-M                         | 100                | 247               | 347           | 393            | -12%           |
| TJLP                          | 220                | 506               | 726           | 747            | -3%            |
| Others                        | 97                 | 75                | 172           | 295            | -42%           |
| <b>Sub-Total</b>              | <b>2,123</b>       | <b>4,696</b>      | <b>6,819</b>  | <b>6,835</b>   | <b>0%</b>      |
| Debentures                    | 4                  | 240               | 244           | 257            | -5%            |
| <b>Sub-Total</b>              | <b>2,127</b>       | <b>4,936</b>      | <b>7,063</b>  | <b>7,092</b>   | <b>0%</b>      |
| Taxes Payable in Installments | 26                 | 100               | 126           | 133            | -5%            |
| <b>TOTAL</b>                  | <b>2,153</b>       | <b>5,036</b>      | <b>7,189</b>  | <b>7,225</b>   | <b>0%</b>      |
| FEMCO                         | 10                 | 357               | 367           | 362            | 1%             |
| <b>TOTAL</b>                  | <b>2,163</b>       | <b>5,393</b>      | <b>7,556</b>  | <b>7,587</b>   | <b>0%</b>      |

(\*) 97.1% of total foreign currency is denominated in US dollars

### Financial Income (Expenses), Net

| R\$ million   | 1Q 2004      | 1Q 2003      |
|---|--------------|--------------|
| Monetary Effects                                    | (47)         | (77)         |
| Exchange Variation                                  | (25)         | 295          |
| Hedge Income (Expenses)                             | (55)         | (216)        |
| Interest of Loans, Financing, ACC's and Pre-Payment | (155)        | (170)        |
| Financial Income                                    | 42           | 33           |
| Other Financial Expenses                            | (15)         | (36)         |
| <b>NET INTEREST INCOME</b>                          | <b>(253)</b> | <b>(171)</b> |