



Belo Horizonte, May 11, 2005 - Usinas Siderúrgicas de Minas Gerais S/A - USIMINAS (BOVESPA: USIM3, USIM5, USIM6; OTC: USNZY) announced today its first quarter 2005 (1Q05) results. Operational and financial information of the Company, except where otherwise indicated, is presented based on consolidated data in Brazilian reais in accordance with Brazilian Corporate Law. All comparisons made in this release take into consideration the same period in 2004 (1Q04), except when specified differently.

Net Income reaches R\$ 1 billion and EBITDA margin is record

"First quarter 2005 results were favored by the good domestic market conditions for flat steel. However, they also reflect the strategy adopted over recent years to consolidate the Usiminas System into a privileged position in the global steel industry. The solid operational performance of the System's companies resulted in superior financial performance, maintaining the trend set in previous quarters. In spite of the increase in the basic interest rate and its impact on industrial activity, the Brazilian flat steel market was sustained by good performance in several important segments of the economy, such as the auto industry, auto parts, domestic appliances and those sectors related to long-term export programs. In the international markets, the US and Europe are facing high inventory levels, which have triggered a slight decline in prices. On the other hand, demand continues strong in Asia, influenced by the Chinese economy. In this context of challenges and opportunities, where agility and management capability are important differentials to add value, we achieved net sales of R\$ 3.46 billion (46% growth), net income of R\$ 1 billion (an increase of 179%) and EBITDA of R\$ 1.72 billion (record margin of 50%). Our consolidated debt fell by US\$ 214 million in the quarter and the net debt/EBITDA ratio declined to 0.4x, which places us in a very comfortable position to assume new investment commitments. The restructuring and eventual delisting of Cosipa was an important step towards making the organizational structure more efficient. This should contribute to maximizing future results. We have now begun a new investment cycle in projects that add value, reduce costs and modernize equipment and are confident in our competitiveness and in our ability to achieve high levels of profitability."

Rinaldo Campos Soares - CEO

Highlights

3/31/2005	R\$ million	1Q 2005	1Q 2004	4Q 2004	Chg. 1Q05/1Q04
Closing Quotes					
USIM3 R\$ 51.30					
USIM5 R\$ 57.50					
USNZY US\$ 21.30					
Market Capitalization					
R\$ 12.9 billion					
US\$ 4.9 billion					
	Total Sales Volume (000 t)	1,768	1,910	2,170	-7%
	Net Revenues	3,459	2,365	3,809	46%
	Gross Profit	1,731	932	1,752	86%
	Operating Result (EBIT) a	1,563	777	1,589	101%
	Financial Result	(160)	(253)	(81)	-37%
	Net Income	1,001	358	1,127	179%
	EBITDA b	1,724	921	1,816	87%
	EBITDA (R\$/t)	975	482	837	102%
	Total Assets	17,510	15,799	16,981	11%
	Net Debt	2,590	6,330	3,495	-59%
	Stockholders' Equity	6,951	4,358	5,949	59%

(a) Earnings before interest, tax and participations.

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

IMMEDIATE RELEASE

USIMINAS

Bruno Seno Fusaro - Investor Relations Manager
brunofusaro@usiminas.com.br
Phone: (55 31) 3499-8710

FIRB - Financial Investor Relations Brasil

Ligia Montagnani - IR Consultant
ligia.montagnani@firb.com
Phone: (55 11) 3897-6405

Sales and Revenue



Sales of steel products from the Usiminas System totaled 1.8 million tonnes in 1Q05, with 78% of the volume placed in the domestic market and 22% exported. The Brazilian flat steel market grew 12.4% compared to the same period of the previous year, while volume sold by the Usiminas System fell 7%. The difference in performance is mainly due to the anticipation of sales from 1Q05 in 4Q05 to avoid disruption to customers' operations due to a five-day stoppage in invoicing for installing SAP software. Nevertheless, when 1Q05 sales are totaled to sales already confirmed in 2Q05, the 3.8 million tonne goal for the first half 2005 should be achieved. In spite of the lower sales volume, consolidated net revenue reached R\$ 3.46 billion, 46% above that of 1Q04, due to a better domestic and international market environment.

Outlook

The Usiminas System is working with a growth forecast of 3.5% for the Brazilian GDP in 2005 and a positive outlook for the domestic flat steel market. Similarly, the global steel environment is favorable, albeit with lower growth rates than in 2004. Within this scenario, the Chinese market assumes a key role due to the increase in steel demand and low inventory levels, which will partially compensate lower demand in the American and European markets. As of 2Q05, these geographical market movements have encouraged the Company to adopt a sales strategy, which is slightly more export-oriented and designed to adjust to the prevailing domestic market demand.

The Company forecasts a greater balance between supply and demand in the international market with gradual price adjustments at lower, but still high levels. There are no prospects for any significant price reductions, since the mills are under margin pressure due to cost increases.

The System maintains its goal for the year of selling approximately 8 million tonnes of steel products and has destined around 75% of sales to the domestic market.

The Company continues to achieve consistent cash generation, which will tend to be maintained for the remainder of 2005 and will support the priority given to its ongoing Investment Program and dividend payments to its shareholders.

Market, Production and Sales

According to data from IBS-the Brazilian Steel Institute - Brazilian crude steel production totaled 7.9 million tonnes in 1Q05, almost the same volume produced in 1Q04. During the same period, total Brazilian flat steel production remained stable, reaching 5.6 million tonnes.

Domestic flat steel sales amounted to 2.8 million tonnes in 1Q05, a growth of 12.4% over the 2.5 million tonnes produced in 1Q04. Within the segment, there were higher sales of galvanized steel with black plate and hot rolled products above the market average.

Demand for galvanized products was mainly influenced by the auto industry, whose sales to the domestic and export markets maintained positive growth rates. Demand for hot rolled steel was sustained for the greater part by the auto parts, civil construction and distribution segments.

Good performance in the heavy plate market is worth mentioning, with demand remaining strong and continuing over the medium term.

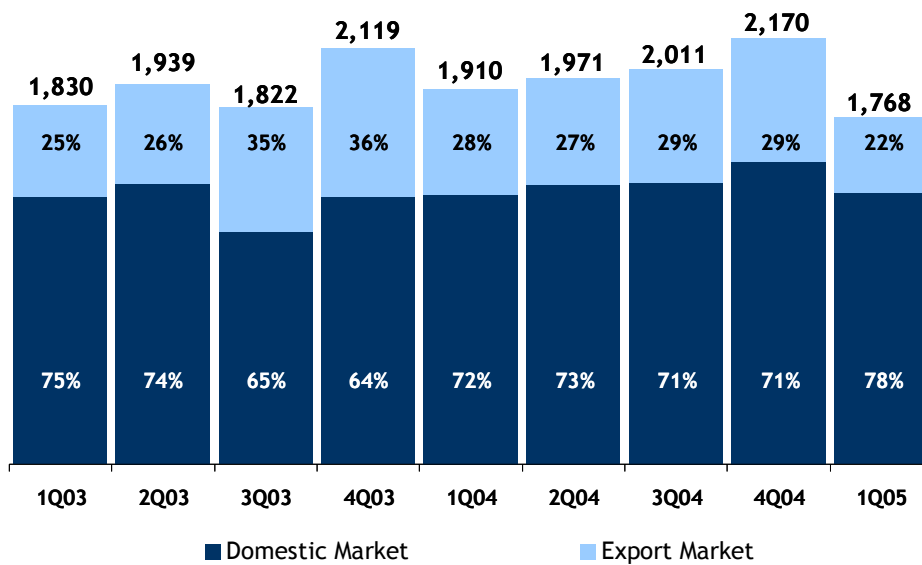
Brazilian export volume for flat steel fell 26.3%, declining from 828.2 thousand tonnes in 1Q04 to 610.0 tonnes in 1Q05 due to the retraction of the North American and European markets.

The plants at Ipatinga (Usiminas) and Cubatão (Cosipa) operated at full capacity, without operational stoppages sufficient to affect the year's targets. Crude steel production in 1Q05 reached 2.2 million tonnes (27.3% of Brazilian production), a slightly lower volume than the same period in 2004.

Production (Crude Steel)

Thousand tons	1Q 2005	1Q 2004	4Q 2004	Chg. 1Q05/1Q04	Chg. 1Q05/4Q04
Usiminas	1,135	1,165	1,178	-3%	-4%
Cosipa	1,032	1,059	1,051	-3%	-2%
Total	2,167	2,224	2,229	-3%	-3%

Consolidated Sales (000 t)



The Usiminas System sold 1.8 million tonnes of flat and further-processed steel products in 1Q05. If added to sales already confirmed in 2Q05, estimated sales volume for first half 2005 should reach 3.8 million tonnes. The Company expects to conclude the first half of 2005 with approximately 71% of total sales in the domestic market and 29% in the export market.

During the quarter, greater priority was given to the domestic market, with the Usiminas System companies earmarking 78% of total sales volume to this market. This represented a growth of 6 percentage points relative to 1Q04 and 7 percentage points in relation to 4Q04.

78% OF SALES FOR DOMESTIC MARKET

The Usiminas System continued to be the main flat steel supplier in the country, concluding the quarter with a market share above 50% and maintaining its position of leadership in important segments such as the auto industry, agricultural and highway machinery, industrial equipment, electronics, large and small diameter pipe and tube, shapes and shipbuilding industries.

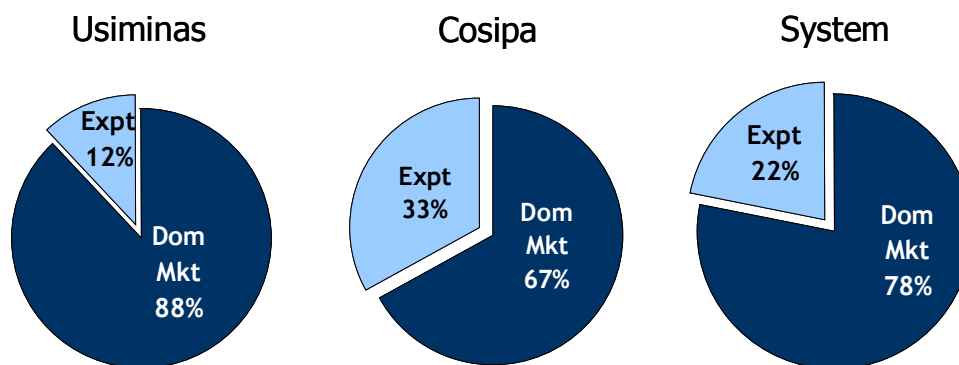
In the export markets, consolidated sales totaled 384 thousand tonnes, a 28% decrease, reflecting US and European market conditions and the priority given to meeting domestic demand.

Sales Volume

Thousand tons	1Q 2005		1Q 2004		4Q 2004		Chg. 1Q05/1Q04
Usiminas							
Domestic Market	846	88%	833	81%	925	83%	2%
Export Market	113	12%	198	19%	185	17%	-43%
Total	959	100%	1,031	100%	1,110	100%	-7%
Cosipa							
Domestic Market	538	67%	546	62%	617	58%	-1%
Export Market	271	33%	333	38%	443	42%	-19%
Total	809	100%	879	100%	1,060	100%	-8%
System							
Domestic Market	1,384	78%	1,379	72%	1,542	71%	0%
Export Market	384	22%	531	28%	628	29%	-28%
Total	1,768	100%	1,910	100%	2,170	100%	-7%

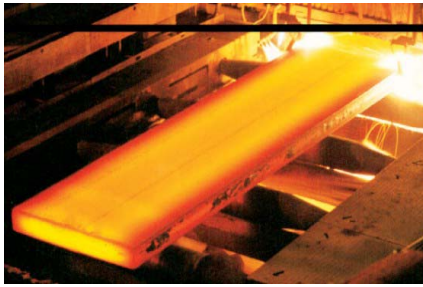
In 1Q05, Usiminas System's export shipments went to: North America, accounting for 38% of exports, 22% to the United States and 16% to Mexico, while a further 40% was exported to South American countries and the remaining 22%, to countries elsewhere.

Sales Volume Mix - 1Q05



Net Revenue

Consolidated net revenue grew 46% in 1Q05 and reached R\$ 3.46 billion due to the favorable domestic and international environment, which compensated the reduction in volume. Net per-tonne revenue increased 57%, advancing from R\$ 1,173/t in 1Q04 to R\$ 1,836/t in 1Q05.



Gross Profit

In the quarter, gross profit was R\$ 1.7 billion, 86% above that of the same period in the previous year. Cost of goods sold (COGS) increased 21% in the quarter, mainly due to price increases of raw materials.

Gross margin reached 50% in the quarter, against 39% in the same period of 2004, which represents a gain of 11 percentage points. The increase resulted from a combination of good operational performance under favorable market conditions, which allowed the Company to pass on costs and increase prices in line with international markets.

Operating Profit

Operating profit before financial expense (EBIT) grew 101% and reached R\$ 1.6 billion in 1Q05. On an annual comparison, EBIT margin jumped from 33% to 45% in the quarter, in spite of increases in SG&A (basically due to the collective labor agreement and employee profit sharing) and of additions to operating expense (mainly the actuarial deficit adjustment at parent company, Usiminas).

EBITDA reached R\$ 1.7 billion in the quarter, an increase of 87% in relation to the same quarter in 2004. EBITDA margin was an all-time high for this quarter of 50%, 11 percentage points above that reached in 1Q04, which compares to 39% in 1Q04. The good performance contributed the Company's increased cash position and debt reduction.

HIGHEST EBITDA MARGIN OF 50%

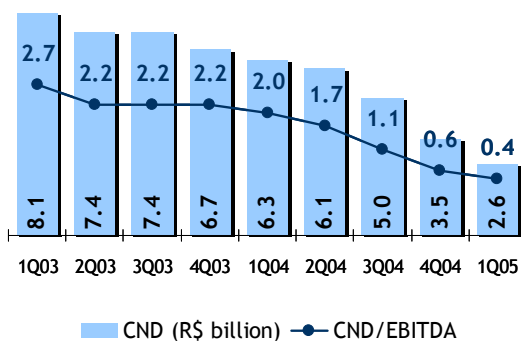
Financial Result and Debt

Net financial expense decreased by R\$ 93 million YoY as a result of the combination of two factors: interest incurred on debt and increase in financial market investment revenues of approximately R\$ 38 million. Monetary and exchange effects accounted for a positive R\$ 10.8 million in the period.

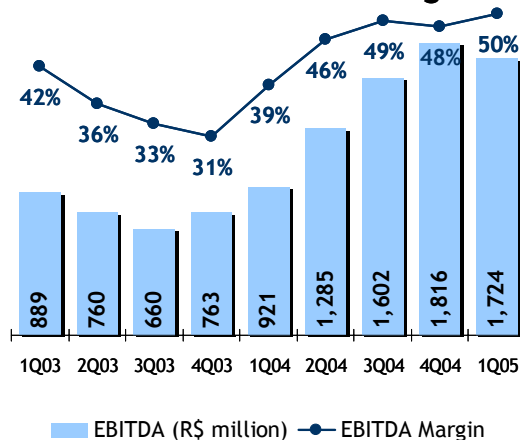
On March 31 2005, consolidated gross debt of R\$ 4.9 billion was made up of export and import financing (35% of total debt), BNDES financing (22%), capital markets transactions (14%) and sundry operations (29%).

Total debt went from R\$ 5.4 billion (US\$ 2.0 billion) on December 31 2004 to R\$ 4.9 billion (US\$ 1.8 billion) on March 31 2005. Effective amortization in the period was US\$ 214 million. Long-term loans and financing accounted for 74% of the total, against 71% on December 31 2004, which is considered by the Company to be an adequate maturity profile. The solid financial position is reflected in the net debt/EBITDA ratio, which went from 0.6x at the end of 2004 to 0.4x on March 31 2005.

Consolidated Net Debt / EBITDA



EBITDA & EBITDA Margin



Net Income

Consolidated net income reached R\$ 1.0 billion in 1Q05, a growth of 179%. This result is the largest in the Company's history in the January-March period, reflecting the Company's long-term strategy, its focus on the domestic market and customer loyalty, in addition to its recognized operational stability.

Investments

Consolidated investments totaled R\$ 124 million in the quarter and are in line with the established schedule in the Company's planning. Outlays forecast for 2005 and 2006 account for approximately US\$ 230 million and US\$ 350 million, respectively, including capital expenditures for maintenance and technological upgrading of equipment, estimated at US\$ 150 million in 2005.

Investments in the next two years will concentrate on:

- Increase from 16% to 33% of in-house electric power generation with the following projects: 60MW thermoelectric power plant to be installed at the Ipatinga plant, worth an estimated US\$ 60 million; 12 MW top-blowing turbine to be installed at the Cubatão plant, with an estimated outlay of US\$ 15 million;
- Self-sufficiency in coke production by mid-2007 with the construction of a new 550 thousand tonne annual capacity coke unit at the Ipatinga plant, corresponding to an investment of about US\$ 150 million;
- Upgrading of products and productivity increase by revamping of the continuous caster at the Cubatão plant at an estimated cost of US\$ 70 million.

The Company is currently negotiating long-term funding with government agency and other institutions.

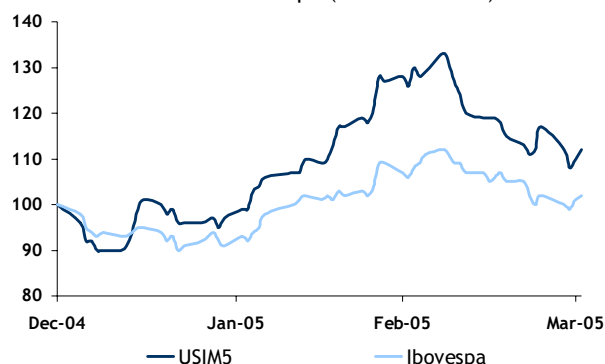
Capital Markets

Usiminas shares accounted for almost R\$ 3.9 billion in trading on the São Paulo Stock Exchange (Bovespa), 90% above that traded in the same period in 2004. Total trading volume in Usiminas shares in the quarter represented 5.33% of the Bovespa Index. Usiminas shares appreciated above the Bovespa Index, with USIM5 6.58% up in the period (Ibovespa= 1.58%). ADRs traded over the counter in New York appreciated 5.45%.

Trading summary table for Usiminas shares

Stock, ADR or Index	Number of Trades	Shares Traded (000 Shares)	Volume Traded 000 R\$	Appreciation %	Closing Quotation 31/03/05
USIM3 (ON)	773	1,216	64,000	2.60%	R\$ 51.30
USIM5 (PNA)	72,718	64,991	3,805,349	6.58%	R\$ 57.50
USNZY (ADR)	--	-	-	5.45%	US\$ 21.30
Soma	73,491	66,209	3,869,483	-	-
Ibovespa	1,593,177	-	72,558,594	1.58%	26,610
Shareholder Base Total:		225,285,820			
		ON			112,280,152
		PNA			112,551,894
		PNB			453,774

USIM5 vs. Ibovespa (12/30/04=100)



- Participation of Usiminas' PN shares in the Bovespa theoretical portfolio increased to 5.2% in the second four month period in 2005 (May-August), occupying fourth position among the most traded stocks. The Ibovespa portfolio lists 55 securities and is made up of securities that in the previous twelve months have trading indices, financial volume and presence on the trading floor at levels that meet criteria established in its calculation methodology. In order to maintain a presence in the Ibovespa, reclassification of the portfolio occurs at the end of each four-month period - in effect for the periods January-April, May-August and September-December.
- Procedures for a future listing of PN shares of Usiminas on the Latibex (Madrid Stock Market) are in hand and should take place early in the second half of this year.
- With the conclusion of the Cosipa restructuring and the company's consequent de-listing, its shares CSPC3 and CSPC4 are no longer traded on the Bovespa.
- At the end of 1Q05, the Eurobond issued in November 2003 with a term of 18 months in the amount of US\$ 75 million was redeemed.
- Cosipa has two outstanding Eurobonds. The first was issued in November 2003 with maturity in November 2006 in the amount of US\$ 75 million and the second, issued in January 2004, maturing in January 2009 in the amount of US\$ 175 million.

Other Highlights

Cosipa Restructuring

Usiminas concluded Cosipa's restructuring process, which had its capital fully absorbed on April 5, 2005, concluding a process initiated in 1999. By establishing a single executive board for the two companies, Usiminas and Cosipa seek greater integration in all areas, enabling the companies to achieve increasingly consistent results.

SAP R/3 System

On May 1 2005, the new version of the SAP/R3 System was unveiled, with the implementation of several modules involving all areas of Usiminas and Cosipa and achieving greater integration between the two companies. This is a system, which uses state-of-the-art technology and allows improvement of internal controls, standardization of functions and rationalization of the use of available resources.

Global Compact

Usiminas announced that it has adhered to the Global Compact. Global Compact is an international initiative to unite companies, United Nations organs, workers and representatives of society to create a more inclusive economy with greater sustainability. UN Secretary General Kofi Annan proposed this initiative in January 1999 at the World Economic Forum in Davos. By adhering to the Global Compact, Usiminas is embracing the 10 universal principles in the areas of human rights, labor, environmental and anti-corruption. Thus, the Company reaffirms its commitment to sustained global development based on regional action and seeks to associate this commitment to the enhancement of its image internationally, treating it as an intangible asset that creates shareholder value.



Other participating companies of the Usiminas System (non-consolidated information)

Sidor

Sidor is the largest steel producer in Venezuela, producing 875 thousand tonnes of liquid steel in 1Q05. Sales were 931 thousand tonnes, 38% to the domestic market and 62% exported. Gross sales revenues reached US\$ 596 million in the period and EBITDA was US\$ 280 million. Net income in the quarter was US\$ 68 million.

Highlights in the period were the start-up of the hot strip finishing line, known as the Skin Passing Mill, with a 600 thousand-tonne/year capacity.

Usiminas is a shareholder in Sidor via the "Consórcio Amazonas", holding 16.6% of the Consortium, which corresponds to a stake of 9.9% of Sidor's total capital.

Siderar

The largest steel maker in Argentina, Siderar registered sales of 597 thousand tonnes in 1Q05, a sales volume 7% above that of the same period last year. The domestic market posted a recovery, accounting for 63% of shipments. The improved output of the Argentine auto industry and export-oriented industries is also worthy of note. Sales to the export market were 217 thousand tonnes, 50% to Europe and 44% to North and South America.

Net sales in the period were US\$ 404 million, a 50% growth, and EBITDA reached US\$ 192 million, with an EBITDA margin of 48%. Net income in 1Q05 was US\$ 142 million, 103% above that of the same period in the previous year.

Usiminas has a 5.32% share in Siderar's capital.

Usiminas Mecânica

"UMSA" is the largest capital goods manufacturer and service company in Brazil. It presently has several orders in its portfolio, the highlights being: offshore platform module structures, revamping of the Bronx-Whitestone bridge in New York, the manufacture of the shell of Blast Furnace III for Companhia Siderúrgica Tubarão, equipment and assembly for Alunorte's Phase 2 Expansion, industrial assembly of the Fábrica Nova mine for CVRD and dockside cranes.

The company posted net income in 1Q05 of R\$ 12.6 million, significantly greater than the R\$ 2.2 million for the same period in 2004. Its net sales expanded 72% and there was a significant reduction in operating and administrative costs.

Usiminas Mecânica is a wholly-owned subsidiary of Usiminas.

Unigal

In 1Q05, Unigal processed 108 thousand tonnes, a volume approximately 13% above the same period in the previous year. Its net revenue grew 186% and reached R\$ 52.7 million thanks to the positive environment, which favored growth in volume and price increases. EBITDA was R\$ 47.9 million and net income in the period reached R\$ 19 million.

Usiminas holds 79.3% of Unigal's capital stock.

Conference Call: Monday, May, 16**Local, at 10:00 AM (Brasília).**

Phone numbers for connection:

Brazil: (11) 4613-0500

Abroad: (55 11) 4613-4520

International, at 12:00 PM (Brasília).

Phone numbers for connection:

USA: (1 800) 860-2442

Brazil: (11) 4613-0502

Other countries: (1 412) 858-4600

Pin numbers: **401 + PIN** (local)**802 + PIN** (international)

The conference call áudio and slide presentations will be transmitted live on the internet at website: www.usiminas.com.br

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.

###

Usinas Siderúrgicas de Minas Gerais S/A - USIMINAS is an integrated steel producer, with net sales of R\$ 12.2 billion in 2004. The Usiminas System is made up mainly of Usiminas and Cosipa and has an annual capacity of 9.5 million tones 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.

Income Statement - Parent Company

Brazilian GAAP (Legislação Societária)

R\$ thousand	1Q 2005	1Q 2004	4Q 2004	Chg. 1Q05/1Q04
Net Revenues	1,903,164	1,306,787	2,028,584	46%
Domestic Market	1,669,226	1,081,993	1,684,435	54%
Export Market	233,938	224,794	344,149	4%
COGS	(887,560)	(737,930)	(1,066,700)	20%
Gross Profit	1,015,604	568,857	961,884	79%
<i>Gross Margin</i>	53.4%	43.5%	47.4%	9 p.p.
Operating Income (Expenses)	(78,913)	(64,726)	(97,827)	22%
Selling	(22,126)	(20,910)	(24,988)	6%
General and Administrative	(27,463)	(22,052)	(33,623)	25%
Others, Net	(29,324)	(21,764)	(39,216)	35%
EBIT	936,691	504,131	864,057	86%
<i>EBIT Margin</i>	49.2%	38.6%	42.6%	11 p.p.
Financial Result	(29,708)	(81,964)	(65,107)	-64%
Equity Income	493,028	80,327	676,979	514%
Operating Result	1,400,011	502,494	1,475,929	179%
Non-Operating Income	2,225	(4,810)	4,391	-146%
Profit Before Taxes	1,402,236	497,684	1,480,320	182%
Income Tax / Social Contribution	(375,153)	(132,393)	(333,185)	183%
Income before Taxes and Profit Sharing	1,027,083	365,291	1,147,135	181%
Net Income	1,027,083	365,291	1,147,135	181%
<i>Net Margin</i>	54.0%	28.0%	56.5%	26 p.p.
Net Income per thousand shares	4.68180	1.66512	5.22904	181%
EBITDA	1,000,113	570,762	994,303	75%
<i>EBITDA Margin</i>	52.6%	43.7%	49.0%	8,9 p.p.
Depreciation	63,422	62,039	64,198	2%

Income Statement - Consolidated

Brazilian GAAP (Legislação Societária)

R\$ thousand	1Q 2005	1Q 2004	4Q 2004	Chg. 1Q05/1Q04
Net Revenues	3,458,802	2,364,710	3,808,981	46%
Domestic Market	2,789,209	1,781,386	2,747,365	57%
Export Market	669,593	583,324	1,061,616	15%
COGS	(1,727,829)	(1,432,720)	(2,056,945)	21%
Gross Profit	1,730,973	931,990	1,752,036	86%
<i>Gross Margin %</i>	50	39	46	11 p.p.
Operating Income (Expenses)	(167,566)	(155,155)	(163,015)	8%
Selling	(54,044)	(53,282)	(67,337)	1%
General and Administrative	(58,055)	(53,953)	(66,114)	8%
Others, Net	(55,467)	(47,920)	(29,564)	16%
EBIT	1,563,407	776,835	1,589,021	101%
<i>EBIT Margin %</i>	44	33	41	12 p.p.
Financial Result	(160,288)	(253,433)	(81,091)	-37%
Equity Income	149,238	13,908	236,985	973%
Operating Result	1,552,357	537,310	1,744,915	189%
Non-Operating Income	1,466	(7,388)	(85,443)	-120%
Profit Before Taxes	1,553,823	529,922	1,659,472	193%
Income Tax / Social Contribution	(543,263)	(164,645)	(494,283)	230%
Income before Taxes	1,010,560	365,277	1,165,189	177%
Minority Interests	(9,242)	(6,857)	(37,948)	35%
Net Income	1,001,318	358,420	1,127,241	179%
<i>Net Margin</i>	28.9%	15.2%	29.6%	14 p.p.
Net Income per thousand shares	4.56436	1.63380	5.13836	179%
EBITDA	1,723,897	921,083	1,816,063	87%
<i>EBITDA Margin %</i>	49.8%	39.0%	47.7%	10,8 p.p.
Depreciation	139,847	135,070	133,215	4%
Provisions	20,643	9,178	93,827	125%

Cash Flow

Brazilian GAAP (Legislação Societária)

R\$ thousand	Parent Company		Consolidated	
	1Q 2005	1Q 2004	1Q 2005	1Q 2004
Operating Activities				
Net Income (Loss) in the Period	1,027,083	365,291	1,001,318	358,420
Financial Expenses and Monetary Var/Net Exchge Var	73,478	87,616	193,404	254,676
Depreciation, Exhaustion and Amortization	63,422	62,039	139,847	135,070
Investment Write-offs (Decrease in Permanent Assets)	9,227	5	9,443	93
Equity in the Results of Subsidiaries/Associated Companies	(493,028)	(80,327)	(149,238)	(13,908)
Dividend Income from Subsidiaries	0	0	0	362
Income Tax and Social Contribution	375,153	132,393	543,263	164,645
Provisions	5,582	39,984	23,701	91,596
Adjustment for Minority Participation	0	0	9,242	6,857
Total	1,060,917	607,001	1,770,980	997,811
Increase/Decrease of Assets				
Increase (Decrease) in Accounts Receivables	61,024	4,114	235,104	(20,375)
Increase (Decrease) in Inventories	(139,348)	21,408	(260,499)	5,907
Increase (Decrease) in Recovery of Taxes	(5,565)	66,239	(16,913)	72,331
Increase (Decrease) from Deferred Income Tax & Social Contrb'n	114,090	34,737	161,943	33,700
Increase (Decrease) in Judicial Deposits	(135)	(17,535)	(5,128)	(25,262)
Others	19,216	(7,054)	78,625	7,321
Total	49,282	101,909	193,132	73,622
Increase (Decrease) of Liabilities				
Increase (Decrease) in Suppliers	65,072	(16,401)	26,914	8,975
Amounts Owed to Affiliated Companies	46,475	(25,452)	68,767	19,987
Customers Advances	(848)	(1,270)	32,224	44,458
Tax Payable	13,054	1,869	2,873	2,202
Income Tax and Social Contribution	(319,416)	(84,134)	(410,788)	(123,302)
Others	(66,982)	(65,495)	12,600	(44,769)
Total	(262,645)	(190,883)	(267,410)	(92,449)
Cashflow Generated from Operating Activities	847,554	518,027	1,696,702	978,984
Financial Activities				
Inflow of Loans and Financing	66	6,131	113,279	1,166,760
Payment of Loans, Financing and Debentures	(326,845)	(292,589)	(683,285)	(1,223,281)
Interest Paid on Loans, Financing and Debentures and taxes payable in installments	(39,179)	(45,231)	(85,645)	(173,503)
Swap Operation Redemptions	(15,830)	(11,983)	(78,145)	(27,541)
Dividends Paid	(7,009)	(302,207)	(37,206)	(302,207)
Net Funds from Financial Activities	(388,797)	(645,879)	(771,002)	(559,772)
Investment Activities				
(Additions) in Long-term Investments	(287,791)	0	(365,925)	0
(Additions) to Permanent Assets, except Deferred Charges	(100,224)	(10,868)	(123,810)	(40,313)
(Additions) Right off of permanent assets	0	0	(1,701)	0
Funds Used for Investments	(388,015)	(10,868)	(491,436)	(40,313)
Exchange Variation of Cash and Cash Equivalents	1,078	1,612	(2,613)	3,942
Cash Balance Change	71,820	(137,108)	431,651	382,841
At the Beginning of the Period	1,398,139	442,733	1,902,174	843,007
At the End of the Period	1,469,959	305,625	2,333,825	1,225,848

Balance Sheet - Assets

Brazilian GAAP (Legislação Societária) - R\$ thousand

Assets	Parent Company		Consolidated	
	31-mar-05	31-dec-04	31-mar-05	31-dec-04
Current Assets	3,828,878	3,746,938	6,688,508	6,343,217
Cash and Cash Equivalents	1,469,959	1,398,139	2,333,825	1,902,174
Trade Accounts Receivable	829,358	890,382	1,575,630	1,810,734
Taxes Recoverable	26,148	20,583	105,062	162,276
Inventories	1,070,788	931,440	2,240,956	1,980,457
Deferred Income Tax & Social Contrb'n	245,155	294,607	245,155	294,607
Other Securities Receivables	187,470	211,787	187,880	192,969
Long-Term Receivable	851,869	913,668	1,179,047	1,349,007
Deferred Income Tax & Social Contrb'n	486,220	550,858	773,325	885,816
Related Company Credits	128,644	138,206	188	80,787
Deposits at Law	159,615	159,480	270,983	265,855
Taxes Recoverable	26,937	14,340	30,252	18,127
Others	50,453	50,784	104,299	98,422
Permanent Assets	7,418,925	6,610,516	9,642,480	9,289,250
Investments	3,889,454	3,108,864	716,080	344,300
Property, Plant and Equipment	3,529,471	3,501,652	8,877,640	8,895,881
Deferred	-	-	48,760	49,069
Total Assets	12,099,672	11,271,122	17,510,035	16,981,474

Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP (Legislação Societária) - R\$ thousand

Liabilities and Shareholders' Equity	Parent Company		Consolidated	
	31-mar-05	31-dec-04	31-mar-05	31-dec-04
Current Liabilities	2,263,662	2,239,083	3,869,624	3,916,815
Loans and Financing and Taxes Payable in Installments	536,241	616,470	1,252,338	1,378,417
Suppliers, Subcontractors and Freight	163,816	98,979	374,154	347,240
Taxes, Charges and Payroll Taxes	446,452	461,480	699,180	738,550
Related Companies	93,373	46,898	116,085	47,318
Financial Instruments	23,527	27,167	92,601	129,112
FEMCO	-	-	10,527	11,166
Dividends Payable	787,794	794,803	796,803	807,026
Others	212,459	193,286	527,936	457,986
Long-Term Liabilities	2,798,948	3,022,060	6,609,332	6,921,004
Loans and Financing and Taxes Payable in Installments	864,557	1,113,224	3,319,751	3,669,798
Related Companies	96,415	94,409	16,404	16,918
Provision for Contingencies	604,390	589,769	1,042,659	1,019,548
Actuarial Liability	965,363	962,431	1,042,008	1,025,927
Financial Instruments	165,258	155,581	579,127	556,827
FEMCO	-	-	341,481	348,523
Others	102,965	106,646	267,902	283,463
Minority Interests	-	-	80,277	194,171
Shareholders' Equity	7,037,062	6,009,979	6,950,802	5,949,484
Capital	2,400,000	1,280,839	2,400,000	1,280,839
Reserves	3,609,979	1,675,416	3,549,484	1,649,779
Revenues from Fiscal Year	1,027,083	3,053,724	1,001,318	3,018,866
Total Liabilities and Shareholders' Equity	12,099,672	11,271,122	17,510,035	16,981,474

Companhia Siderúrgica Paulista - COSIPA
Income Statement - Consolidated

Brazilian GAAP (Legislação Societária)

R\$ thousand	1Q 2005	1Q 2004	4Q 2004	Chg.% 1Q05/1Q04
Net Revenues	1,343,405	933,398	1,654,487	44
Domestic Market	960,195	611,965	1,007,085	57
Export Market	383,210	321,433	647,402	19
COGS	(709,634)	(619,959)	(934,229)	14
Gross Profit	633,771	313,439	720,258	102
<i>Gross Margin %</i>	<i>47.2%</i>	<i>33.6%</i>	<i>43.5%</i>	<i>14 p.p.</i>
Operating Income (Expenses)	(54,788)	(53,440)	(30,895)	3
Selling	(16,689)	(16,332)	(22,975)	2
General and Administrative	(12,962)	(15,951)	(16,867)	-19
Others, Net	(25,137)	(21,157)	8,947	19
EBIT	578,983	259,999	689,363	123
<i>EBIT Margin %</i>	<i>43.1%</i>	<i>27.9%</i>	<i>41.7%</i>	<i>15 p.p.</i>
Financial Result	(124,140)	(166,169)	(33,794)	(25)
Equity Income	2,729	1,085	3,466	152
Operating Result	457,572	94,915	659,035	382
Non-Operating Income	(759)	(2,857)	(88,760)	(73)
Profit Before Taxes	456,813	92,058	570,275	396
Income Tax / Social Contribution	(157,958)	(31,359)	(153,266)	404
Income before Taxes	298,855	60,699	417,009	392
Minority Interests				
Net Income	298,855	60,699	417,009	392
Net Income per thousand shares	0.07458	0.01515	0.10407	
EBITDA	663,543	323,163	771,644	105
<i>EBITDA Margin %</i>	<i>49.4%</i>	<i>34.6%</i>	<i>46.6%</i>	<i>15 p.p.</i>
Depreciation	64,284	60,001	60,786	7

Companhia Siderúrgica Paulista - COSIPA
Consolidated Cash Flow

Brazilian GAAP (Legislação Societária)

R\$ thousand	CONSOLIDATED	
	1Q 2005	1Q 2004
Operating Activities		
Net Income (Loss) in the Period	298,855	60,699
Financial Expenses and Monetary Var/Net Exchge Var	114,130	154,714
Depreciation, Exhaustion and Amortization	64,284	60,001
Investment Write-offs (Decrease in Permanent Assets)	227	0
Equity in the Results of Subsidiaries/Associated Companies	(2,729)	(1,361)
Dividend Income from Subsidiaries	0	362
Income Tax and Social Contribution	157,958	31,359
Provisions	16,825	52,312
Adjustment for Minority Participation	0	0
Total	649,550	358,086
Increase/Decrease of Assets		
Increase (Decrease) in Accounts Receivables	174,790	47,977
Increase (Decrease) in Inventories	(75,155)	(8,022)
Increase (Decrease) in Recovery of Taxes	(4,287)	20,259
Increase (Decrease) from Deferred Income Tax & Social Contrb'n	0	0
Increase (Decrease) in Judicial Deposits	(4,358)	(4,020)
Others	57,139	1,953
Total	148,129	58,147
Increase (Decrease) of Liabilities		
Increase (Decrease) in Suppliers	(21,676)	19,329
Amounts Owed to Affiliated Companies	0	2,665
Customers Advances	0	0
Tax Payable	2,496	4,673
Income Tax and Social Contribution	(68,212)	0
Others	17,190	4,997
Total	(70,202)	31,664
Cashflow Generated from Operating Activities	727,477	447,897
Financial Activities		
Inflow of Loans and Financing	133	1,094,213
Payment of Loans, Financing and Debentures	(249,103)	(887,955)
Interest Paid on Loans, Financing and Debentures	(75,537)	(125,032)
Swap Operation Redemptions	(50,784)	(15,558)
Dividends Paid	(15,286)	0
Net Funds from Financial Activities	(390,577)	65,668
Investment Activities		
(Additions) in Long-term Investments	0	0
(Additions) to Permanent Assets, except Deferred Charges	(20,941)	(24,979)
(Additions) Right off of permanent assets	0	0
Funds Used for Investments	(20,941)	(24,979)
Exchange Variation of Cash and Cash Equivalents	(4,555)	673
Cash Balance Change	311,404	489,259
At the Beginning of the Period	324,975	177,182
At the End of the Period	636,379	666,441

Companhia Siderúrgica Paulista - COSIPA

Balance Sheet - Assets

Brazilian GAAP (Legislação Societária) - R\$ thousand

Assets	Consolidated	
	31-mar-05	31-dec-04
Current Assets	2,177,380	2,003,467
Cash and Cash Equivalents	636,379	324,975
Trade Accounts Receivable	554,985	737,975
Taxes Recoverable	22,671	54,570
Inventories	918,026	842,871
Deferred Income Tax & Social Contrb'n	-	-
Other Securities Receivables	45,319	43,076
Long-Term Receivable	391,189	432,349
Deferred Income Tax & Social Contrb'n	259,139	307,029
Related Company Credits	-	-
Deposits at Law	80,523	75,358
Taxes Recoverable	2,951	3,479
Others	48,576	46,483
Permanent Assets	4,828,995	4,866,346
Investments	22,605	20,046
Property, Plant and Equipment	4,761,586	4,802,443
Deferred	44,804	43,857
Total Assets	7,397,564	7,302,162

Companhia Siderúrgica Paulista - COSIPA
Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP (Legislação Societária) - R\$ thousand

Liabilities and Shareholders' Equity	Consolidated	
	31-mar-05	31-dec-04
Current Liabilities	1,389,157	1,404,547
Loans and Financing and Taxes Payable in Installments	673,112	660,627
Suppliers, Subcontractors and Freight	186,916	208,592
Taxes, Charges and Payroll Taxes	168,937	165,673
Deferred Taxes	43,458	46,075
Related Companies	-	-
Financial Instruments	57,520	81,060
Actuarial Liabilities	10,527	11,166
FEMCO	1,446	2,845
Dividends Payable	117,826	117,832
Others	129,415	110,677
Long-Term Liabilities	3,582,884	3,770,946
Loans and Financing and Taxes Payable in Installments	2,308,986	2,507,911
Related Companies	-	-
Provision for Contingencies	392,876	382,743
Actuarial Liability	363,413	357,306
Financial Instruments	322,615	317,704
FEMCO	4,497	5,814
Deferred Taxes	137,617	145,904
Others	52,880	53,564
Minority Interests	-	-
Shareholders' Equity	2,425,523	2,126,669
Capital	1,763,814	1,763,814
Reserves	362,854	362,855
Revenues from Fiscal Year	298,855	-
Total Liabilities and Shareholders' Equity	7,397,564	7,302,162

Sales Volume Breakdown - Consolidated

Thousand tons	1Q 2005		1Q 2004		4Q 2004		Chg. 1Q05/1Q04
TOTAL SALES	1,768	100%	1,910	100%	2,170	100%	-7%
Heavy Plates	376	21%	426	22%	447	21%	-12%
Hot Coils/Sheets	511	29%	538	28%	553	25%	-5%
Cold Coils/Sheets	453	26%	470	25%	553	25%	-4%
Electrogalvanized Coils	73	4%	66	3%	61	3%	11%
Hot Dip Galvanized Coils	73	4%	73	4%	95	4%	0%
Processed Products	64	4%	107	6%	102	5%	-40%
Slabs	218	12%	230	12%	359	17%	-5%
TOTAL SALES - DOMESTIC MARKET	1,384	78%	1,379	72%	1,542	71%	0%
Heavy Plates	306	17%	301	16%	347	16%	2%
Hot Coils/Sheets	486	28%	490	26%	523	23%	-1%
Cold Coils/Sheets	394	22%	371	19%	434	20%	6%
Electrogalvanized Coils	51	3%	49	3%	60	3%	4%
Hot Dip Galvanized Coils	73	4%	64	3%	78	4%	14%
Processed Products	41	2%	65	3%	64	3%	-37%
Slabs	33	2%	39	2%	36	2%	-15%
TOTAL SALES - EXPORTS	384	22%	531	28%	628	29%	-28%
Heavy Plates	70	5%	125	7%	100	5%	-44%
Hot Coils/Sheets	25	1%	48	3%	30	1%	-48%
Cold Coils/Sheets	59	3%	99	5%	119	5%	-40%
Electrogalvanized Coils	22	1%	17	1%	1	0%	29%
Hot Dip Galvanized Coils	-	0%	9	0%	17	1%	-100%
Processed Products	23	1%	42	2%	38	2%	-45%
Slabs	185	11%	191	10%	323	15%	-3%

Net Revenues per ton - Consolidated

RS / ton.	1Q 2005	1Q 2004	4Q 2004
Total	1,836	1,173	1,698
Heavy Plates	2,034	1,107	1,843
Hot Coils/Sheets	1,654	1,022	1,466
Cold Coils/Sheets	1,922	1,296	1,851
Electrogalvanized Coils	2,291	1,658	2,237
Hot Dip Galvanized Coils	2,289	1,661	2,201
Processed Products	2,342	1,530	2,245
Slabs	1,081	769	1,150

Sectorial Sales - Consolidated

Thousand Tons	1Q 2005		1Q 2004		4Q 2004		Chg. 1Q05/4Q04
Domestic Market	1,384	100%	1,379	100%	1,542	100%	0%
Auto	162	11%	144	10%	174	11%	13%
Autoparts	208	14%	176	13%	197	13%	18%
Shipbuilding	23	2%	30	2%	22	1%	-23%
Line Pipes	104	7%	70	5%	108	7%	49%
Small Diameter Pipes	97	7%	119	9%	102	7%	-18%
Packaging	28	2%	25	2%	33	2%	12%
Household Appliances	25	2%	29	2%	37	2%	-14%
Civil Construction	105	8%	128	9%	117	8%	-18%
Electrical Equipment	64	5%	54	4%	62	4%	19%
Distributors	334	23%	385	28%	429	28%	-13%
Industrial Equipment	39	3%	52	4%	39	3%	-26%
Others	195	16%	167	12%	222	14%	17%

Market Share - Usiminas System (*)

(% volume)

	1Q 2005 (*)	2004 (*)	2003 (*)	2002 (*)
DOMESTIC MARKET	51%	55%	60%	62%
Auto	57%	55%	62%	62%
Autoparts	59%	62%	67%	73%
Shipbuilding	100%	100%	100%	100%
Electrical Equipment	64%	63%	58%	54%
Household Appliances	34%	36%	44%	44%
Line Pipes	95%	98%	95%	100%
Small Diameter Pipes	53%	60%	68%	80%
Packaging	14%	15%	16%	14%
Civil Construction	41%	48%	58%	54%
Distributors	42%	51%	59%	62%

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

Source: Information System IBS

Loans and Financing by Index - Consolidated

R\$ million	31-mar-05		31-dec-04		Chg.
	Short Term	Long Term	TOTAL	TOTAL	1Q05/4Q04
TOTAL DEBT					
Foreign Currency (*)	841,251	2,634,137	3,475,388	3,846,191	-10%
IGP-M	110,976	167,373	278,349	331,214	-16%
TJLP	220,898	300,095	520,993	584,100	-11%
Others	54,919	60,635	115,554	104,790	10%
Sub-Total	1,228,044	3,162,240	4,390,284	4,866,295	-10%
Taxes Payable in Installments	24,294	157,511	181,805	181,920	0%
TOTAL	1,252,338	3,319,751	4,572,089	5,048,215	-9%
FEMCO	10,527	341,481	352,008	348,523	1%
TOTAL DEBT	1,262,865	3,661,232	4,924,097	5,396,738	-9%
Cash and Cash Equivalents			2,333,825	1,902,174	23%
NET DEBT			2,590,272	3,494,564	-26%

(*) 99.2% of total foreign currency is denominated in US dollars

Financial Income - Consolidated

R\$ million	1Q 2005	1Q 2004	Chg.
			1Q05/1Q04
Monetary Effects	(29,449)	(46,538)	-37%
Exchange Variation	(22,948)	(24,540)	-6%
Hedge Income (Expenses)	(63,281)	(55,440)	14%
Interest on Loans, Financing, ACC's and Pre-Payment	(93,128)	(154,773)	-40%
Financial Income	84,501	42,369	99%
Other Financial Expenses	(35,983)	(14,511)	148%
NET INTEREST INCOME	(160,288)	(253,433)	-37%