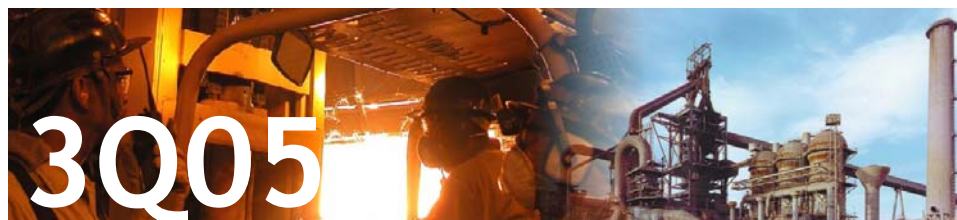


# USIMINAS

ADVANCED TECHNOLOGY FOR  
PRODUCING STEEL AND IMPROVING  
LIVES



Belo Horizonte, November 8, 2005 - Usinas Siderúrgicas de Minas Gerais S/A - USIMINAS (BOVESPA: USIM3, USIM5, USIM6; OTC: USNZY; Latibex: XUSI) announced today its third quarter 2005 (3Q05) 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 (3Q04), except when specified differently.

## Net income of R\$ 2.6 billion and EBITDA of R\$ 4.6 billion through September register growth of 37% and 21% in the period

*"Overcoming challenges. This has been the constant work undertaken associated to producing quality steel. As we have said in the recent past, we are living a period of adjustments in the domestic and international steel markets. The Brazilian steel industry will finish the year with a production slowdown over 2004, arriving at an estimated 31 million tonnes. Conversely, global production, stimulated by China, should reach 1.1 billion tonnes of crude steel in 2005, indicating growth of around 6%, in spite of production cuts made with the intention of aligning supply and demand and inventory reductions. In view of the above, the task of maintaining the excellent results achieved throughout the steel industry in 2004 would be considerable, requiring great effort on the part of the companies. To the measure that we are in the middle of a declining steel demand curve, the Usiminas System is doing its part by adjusting production and sales to the reality of the moment, maintaining a firm, determined course in its cost control policy, preserving good margins and producing solid results. As a consequence of this performance, net income of R\$ 2.6 billion and operational cash generation of R\$ 4.6 billion booked through September demonstrate growth of 37% and 21%, respectively, compared to the same period in 2004. We not only amortized slightly more of our debt, we also are investing in the Ipatinga and Cubatão plants with a view to further reduce costs and add value to our products. We continue confident in relation to the medium and long-term outlook and reaffirm our belief that dedicated work and a qualified team will allow us to overcome all difficulties."*

Rinaldo Campos Soares - CEO

### Highlights

	R\$ million	3Q 05	3Q 04	2Q 05	Chg. 3Q05/3Q04	9M 05	9M 04	Chg. 9M05/9M04
<b>9/30/2005</b>								
Closing Quotes								
USIM3 R\$ 46.90								
USIM5 R\$ 51.90								
USNZY US\$ 23.29								
XUSI € 18.81								
<b>Capitalization</b>								
R\$ 11.7 billion								
US\$ 5.3 billion								
Total Sales Volume (000 t)		1,770	2,011	1,830	-12%	5,368	5,890	-9%
Net Revenue		3,126	3,285	3,487	-5%	10,072	8,421	20%
Gross Profit		1,221	1,572	1,551	-22%	4,503	3,820	18%
Operating Result (EBIT) a		1,098	1,451	1,356	-24%	4,017	3,370	19%
Financial Result		(171)	(96)	(174)	78%	(505)	(688)	-27%
Net Income		782	1,005	810	-22%	2,594	1,892	37%
EBITDA b		1,265	1,602	1,626	-22%	4,615	3,808	21%
EBITDA (R\$/t)		706	796	888	-11%	857	646	32%
Total Assets		17,367	15,976	17,245	9%	17,367	15,976	9%
Net Debt		2,243	4,975	2,426	-55%	2,243	4,975	-55%
Stockholders' Equity		7,994	5,621	7,761	42%	7,994	5,621	42%

(a) Earnings before interest, tax and participations.

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

IMMEDIATE RELEASE

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## Sales and Revenue Highlights

The Usiminas System sold 1.8 million tonnes in 3Q05. Out of this total, 69% was earmarked for the domestic market and 31% was for export. Accumulated sales through September 2005 totaled 5.4 million tonnes of steel products, with 72% destined to the domestic market and 28% for export. The lower volume sold was by reason of adjusting sales to market conditions, especially in the domestic market, which showed weak demand in most consumer segments for flat steel, by excess inventories in distribution and service centers. As the process of inventory reduction in Brazil has been slower than in the European and American markets, Usiminas has been intensifying its export sales and will maintain this policy until the domestic market shows signs of recovery.

Net sales revenue in the quarter reached the mark of R\$ 3.1 billion. In the first 9-months of the year, revenues reached the mark of R\$ 10.1 billion, a growth of 20% in relation to the 9M04, due to better average prices in the period.

## Brazilian Production and Sales

According to preliminary data from IBS - the Brazilian Iron and Steel Institute, Brazilian crude steel production totaled 23.7 million tonnes in the first nine months of 2005, a 4% decrease in relation to the same period in 2004. This is a reflex of declining economic activity in the country, as well as high inventory. Total flat steel production finished the first nine months of 2005 with a decline of 1% in relation to 2004 and totaled 10.5 million tonnes.

Falling demand for flat rolled products in the domestic market resulted in a 16% decline in 3Q05. Compared to the nine months of the previous year, the retraction was 3%. Positive highlights were for the automobile industry, which grew 8%, repeating the excellent performance in 2004 due to the growing rate of production and sales and a healthy vehicle export program. Also, the large-diameter pipe segment evolved significantly - 50% - benefited by several petroleum and gas pipeline projects, where Usiminas is the leading supplier to the industry.

The decline in demand in 2005 occurred in segments such as agricultural machinery, electronic equipment, home appliances, civil construction and distribution. Declines are justified by accumulation of steel inventories, which were formed until the 2<sup>nd</sup> quarter. The causes for decline are numerous - loss of revenue in the agricultural sector due to the extreme drought in the South, non-performance in infrastructure investment, indirect steel imports in the form of machinery and equipment, components and parts (due to the appreciation of the Real in relation to the dollar).

With lower domestic demand, Brazilian exports have won new ground. According to IBS data, export volume (flat and long steel products) recorded growth of 15% in the first nine months of the year.

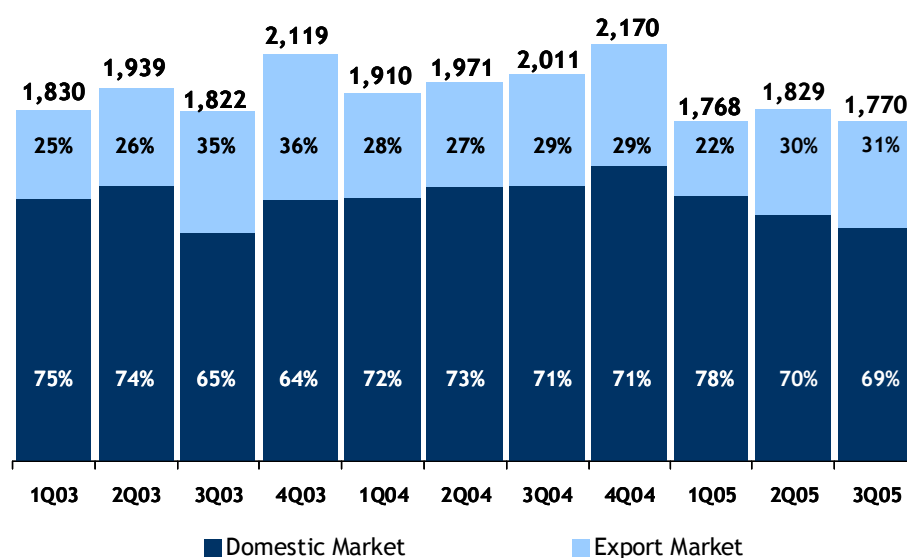
## Production and Sales of the Usiminas System

Production facilities in Ipatinga and Cubatão operated under stable conditions, meeting production and sales planning goals. Productivity improvements were achieved which allowed for cost reductions in pig iron production at the Cubatao mill, among other gains. In 3Q05, crude steel production of the Usiminas System was 2.1 million tonnes. Accumulated production in the first nine months of 2005 totaled 6.5 million tonnes (28% of Brazilian production) in keeping with the programming for the period.

### Production (Crude Steel)

Thousand tonnes	3Q 05	3Q 04	2Q 05	Chg. 3Q05/3Q04	Chg. 3Q05/2Q05	9M 05	9M 04	Var. 9M05/9M04
Usiminas	1,132	1,211	1,161	-7%	-2%	3,428	3,560	-4%
Cosipa	1,015	1,067	1,042	-5%	-3%	3,089	3,163	-2%
Total	2,147	2,278	2,203	-6%	-3%	6,517	6,723	-3%

### Consolidated Sales (000 t)



The Usiminas System sold 1.8 million tonnes of finished, semi-finished and processed products in 3Q05, having earmarked 69% of total product sales to the domestic market. In 9M05, this volume registered was 5.4 million tonnes. Usiminas continued as the main supplier of flat rolled steel in the country: in 3Q05, market share was 54%, one percentage point above that of 2Q05. Accumulated market share in the first nine months of 2005 was 53%, consolidating its leading position in important segments, such as the automotive industry, agricultural and highway machinery, industrial equipment, electronics, and small and large-diameter pipe, shapes and shipbuilding.

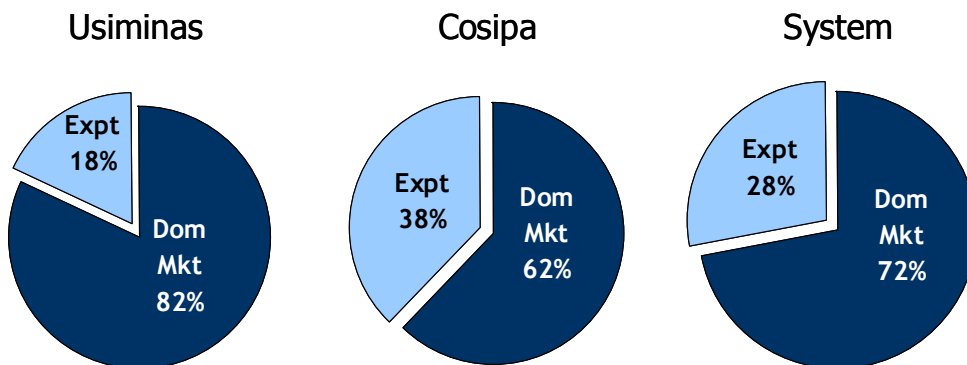
Exports of the Usiminas System totaled 553 thousand tonnes of shipped products in 3Q05 and accumulated sales totaled 1.5 million tonnes. In the quarter, the share of exports on total sales was intensified, growing two percentage points, coming to 31% and, in the first nine months, reached 28% of sales volume, the same percentage as in 2004.

### Sales Volume

Thousand tonnes	3Q 05		3Q 04		2Q 05		Chg. 3Q05/3Q04	9M 05		9M 04		Chg. 9M05/9M04
<b>Usiminas</b>												
Domestic Market	726	78%	831	74%	748	78%	-13%	2,318	82%	2,528	79%	-8%
Export Market	199	22%	291	26%	212	22%	-32%	525	18%	655	21%	-20%
<b>Total</b>	<b>925</b>	<b>100%</b>	<b>1,122</b>	<b>100%</b>	<b>960</b>	<b>100%</b>	<b>-18%</b>	<b>2,843</b>	<b>100%</b>	<b>3,183</b>	<b>100%</b>	<b>-11%</b>
<b>Cosipa</b>												
Domestic Market	490	58%	603	68%	529	61%	-19%	1,558	62%	1,714	63%	-9%
Export Market	354	42%	286	32%	341	39%	24%	967	38%	993	37%	-3%
<b>Total</b>	<b>844</b>	<b>100%</b>	<b>889</b>	<b>100%</b>	<b>870</b>	<b>100%</b>	<b>-5%</b>	<b>2,525</b>	<b>100%</b>	<b>2,707</b>	<b>100%</b>	<b>-7%</b>
<b>System</b>												
Domestic Market	1,216	69%	1,434	71%	1,276	70%	-15%	3,875	72%	4,242	72%	-9%
Export Market	554	31%	577	29%	554	30%	-4%	1,492	28%	1,648	28%	-9%
<b>Total</b>	<b>1,770</b>	<b>100%</b>	<b>2,011</b>	<b>100%</b>	<b>1,830</b>	<b>100%</b>	<b>-12%</b>	<b>5,367</b>	<b>100%</b>	<b>5,890</b>	<b>100%</b>	<b>-9%</b>

Main export countries of destination were USA, China, Germany, Mexico, South Korea, Argentina and Taiwan, which jointly represented 82% of total export sales in the January-September 2005 period.

### Sales Volume Mix - 9M05





## Financial Performance

### Net Revenue

Net consolidated revenue in 3Q05 totaled R\$ 3.1 billion. Over the nine-month period, net revenue was 20% greater than in the same period of the previous year, totaling R\$ 10.1 billion, influenced by better average domestic prices, even in the face of reduced sales volume, the negative currency impact on export revenue and poorer product mix.

**Net revenue  
reached R\$ 10.1  
billion in 9M05**

In 3Q05, net per-tonne revenue grew 8%, going from R\$ 1,767/t against R\$ 1,633/t in 3Q04. Over 9M05, the ratio is more significant, reaching R\$ 1,877/t vs. R\$ 1,429/t in 9M04, a 31% growth.

### Gross Profit

Gross profit in the quarter was R\$ 1.2 billion, lower in relation to 3Q04, mainly caused by the impact of the cost of raw materials, labor, depreciation and third-party services. Gross margin in 3Q05 reached 39%. However, accumulated through September, gross profit totaled R\$ 4.5 billion, 18% above that obtained in 9M04. Margins remained stable at 45%.

In 3Q05, COGS/t came to R\$ 1,077/t. Compared to 2Q05, it is less than a 2% increase. This figure reflects the correct management decision to adjust production to demand for the moment, eliminating higher costs in the production process, such as purchased coke and pellets. Additionally, dollar devaluation in relation to the Real compensated part of the cost increases with imported inputs.

### Operating Profit

Operating profit before finance expenses (EBIT) came to R\$ 1.1 billion. EBIT margin in the period was 35%, influenced by sales expenses. In the 9M05 accumulated analysis, compared to the same period in the previous year, operating profit was R\$ 4.0 billion vs. R\$ 3.4 billion, 19% greater. Operating margin remained stable at 40% in both periods.

EBITDA reached R\$ 1.3 billion in 3Q05, with a margin of 41%. In the 9M05, EBITDA totaled R\$ 4.6 billion, generating a margin of 46%, one percentage point above that reached in the same period of 2004. In spite of the adverse economic environment, which affected the industry, the good operational and sales performance guaranteed the means to honor commitments assumed by the Company, i.e., dividend payments, current investment needs and debt reduction.

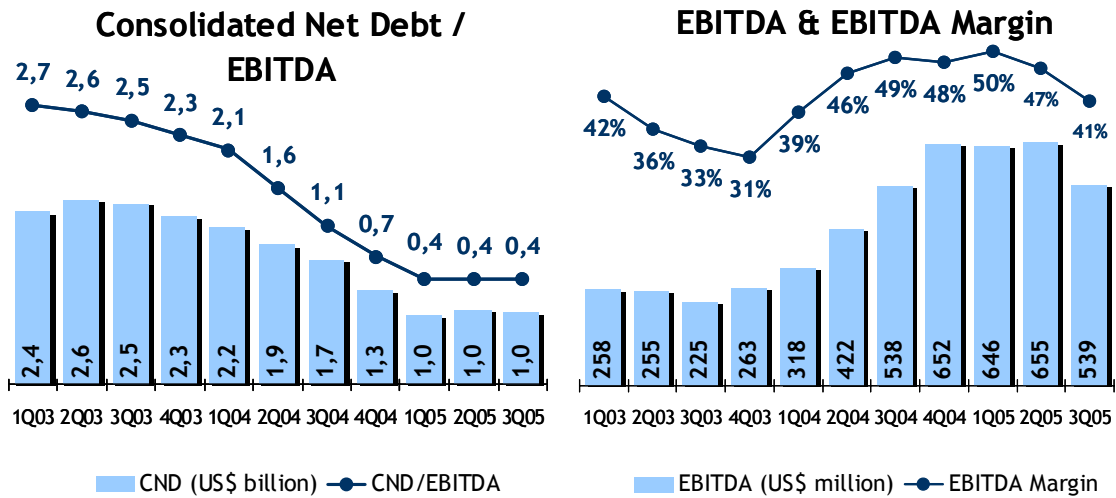
**EBITDA margin  
46% thru Sept/05**

### Financial Results and Debt

Net financial expenses (including monetary and exchange variations) were R\$ 170.6 million, compared to R\$ 95.8 million in 3Q04. In spite of lower hedge expenses and interest payments on debt, as well as a higher return on financial investments, currency gains in 3Q05 were significantly lower when compared to the same period in 2004 due to the appreciation of the Real over the dollar. On the other hand, the situation is inverted on an annual basis, declining 26%, or R\$ 183 million.

Gross consolidated debt went from R\$ 4.3 billion on June 30, 2005, to R\$ 4.0 billion on September 30, 2005, maintaining an equivalent level of US\$ 1.8 billion, with 31% in local currency and 69% in foreign currency. Long-term loans and financing represented 75% of total debt, which is considered adequate by the Company. The solid financial situation is reflected in the net debt/EBITDA ratio of 0.4X on 9/30/05. Effective amortization in the year was US\$ 313 million, a net reduction of R\$ 792 million in 9M05.

Consolidated net debt on 9/30/05 was made up of export-import loans (which represented 31% of total debt), of BNDES financing (21%), of capital markets transactions (14%) and of sundry operations (34%).



## Net Income

In 3Q05, Usiminas accounted for net consolidated income of R\$ 782 million, one of the highest ever reached by the Company. Accumulated net income through September 2005 was R\$ 2.6 billion, 37% above net income recorded in the same period in 9M04. The results remained favorable for the following reasons: higher average prices; cost management, and the Company's strategy to adapt to new market conditions.

## Investment

Accumulated investment through September 2005 reached R\$ 349 million, a growth of 53% in relation to the total invested in the previous year. The outlays are for maintenance, technological updating of equipment and environmental protection in the mills.

The approved investment programs are in accordance with established schedules and are in the phase of obtaining the necessary authorizations from environmental authorities (new coke oven battery and thermoelectric power plant in Ipatinga) and final technical/commercial adjustments. The Company has already negotiated long-term financing with governmental agencies for these projects.

A highlight is the revamping of the continuous casting machine at the Cubatão plant, whose project has already been defined through a tender, with the contract in the signing phase.

## Outlook

In 2005, global steel production should grow 6% over 2004. China, the largest producer and consumer of steel, remains with a strong economy and should continue to exercise a preponderant role in the market.

The process of adjusting excess inventories is coming to an end. The most recent global market movements for steel indicate a slight price recovery in the 4<sup>th</sup> quarter of 2005, mainly in the United States and Europe. Asia has resumed imports of significant volumes of steel products and prices have already increased from 5% to 10%, inverting the declining curve caused by excess supply to that market. The movement was mainly led by China, where inventories are relatively low in relation to the intensity of economic activity in the country.

Forecasts of adjustments and market balance at higher price levels sustained by a greater rationalization of the producers are being confirmed and should be the rule for 2006, signaling a more stable international market.

In the domestic market, Brazilian crude steel production estimate for 2005 is 31 million tonnes. The expectation in relation to inventory levels of the distribution network, as well as in some industrial segments is for demand to cool at the end of the fiscal year, returning to normal levels in the first quarter of 2006.

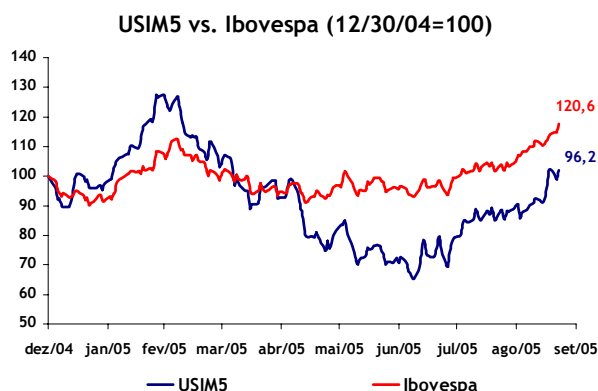
For 2006, the forecast for Brazilian flat steel demand is growth of approximately 8%, according to data from the Brazilian Iron and Steel Institute. This performance will be motivated by factors with direct influence on demand, such as: maintenance in economic growth and international trade; greater steel price stability in the domestic and international markets; reduction in the interest rate and expansion of credit; and advances in management and in infrastructure investments.

## Capital Markets

- In 3Q05, Usiminas shares turned over approximately R\$ 4.6 billion on the São Paulo Stock Exchange, which was 15% over that traded in 2Q05. Total volume traded with Usiminas shares in the quarter accounted for around 5% of total volume of the Bovespa Index. In the quarter, Usiminas shares (USIM5) appreciated 36%, while the Bovespa Index accumulated an appreciation of 26%. ADRs negotiated over-the-counter in New York appreciated 43% in the quarter.

Trading Summary Table for Usiminas Shares - 3Q05

Stock, ADR or Index	Number of Trades	Share Traded (000 shares)	Volume Traded 000 \$	Appreciation %	Closing Quotation 09/30/05
USIM3 (ON)	710	1,426	61,287	21.2%	R\$ 46.90
USIM5 (PNA)	104,866	100,352	4,544,304	36.2%	R\$ 51.90
USNZY (ADR)	-	-	-	42.9%	US\$ 23.00
XUSI (Latibex)	15	701	10,738	40.4%	€ 18.81
<b>IBOVESPA</b>	<b>2,186,576</b>	<b>1,005,868,291</b>	<b>88,174,727</b>	<b>26.1%</b>	<b>31,583</b>



Shareholder Base Total:	225,285,820
ON	112,280,152
PNA	112,552,835
PNB	452,833

- Usiminas holds a noteworthy position on the Bovespa: fourth place in the theoretical portfolio of 5.79%. The main São Paulo Stock Exchange index, the Ibovespa is used by the entire market as a basis for decision making.
- Good performance in the international market was also demonstrated with the results in the Latibex, the Madrid Stock Exchange. In a period of slightly more than two months since its listing on the exchange, from July 5 to September 13, 2005, Usiminas shares reached third place, with trading volume of around € 8.5 million.
- Subsidiary Cosipa has two outstanding Eurobond transactions. The first is in the amount of US\$ 75 million issued in November/03 maturing in November/06 with a coupon of 7.25%. The second is in the amount of US\$ 175 million and was issued in January/04 and matures in January/09 with a coupon of 8.25%.

## Brazil Day and Latibex

Continuing with its policy of transparency in the capital markets, Usiminas will be present in the month of November at two events to foster greater outreach to international investors

- In New York, Brazil Day is an event set for 11/14, where the Company takes part on a steel industry panel.
- In Madrid, the Company takes part in the VII Latibex Forum to be held from 11/16 to 11/18.

## Other highlights

### Creation of Ternium

- On Aug. 25, 2005, Usiminas officially announced its participation together with the Techint Group in a major steel company named Ternium, which is a holding company for companies Siderar (Argentina), Sidor (Venezuela) and Hylsamex (Mexico). The new company will have an installed capacity of 12,5 million tonnes per year and revenues of US\$ 5 billion. In the operation, Usiminas will take part with its shares in Siderar (5.3%) and Sidor (9.9%), in addition to a cash outlay of US 100 million (already paid out in Aug/05), which corresponds to an initial share of approximately 16% in the Ternium's total capital.

The transaction broadens the solid partnership between Usiminas and the Techint Group that already exists through its holdings in the control groups of Siderar and Sidor.

On Oct. 12, 2005, in order to realize the above shareholding, Usiminas established Usiminas Europa A/S, based in Denmark, mainly using assets of its shareholdings in Consorcio Siderurgia Amazonia Ltd - (Sidor) and Siderar. On Oct. 27, 2005, Usiminas, through Usiminas Europa, integrated its participation in holding company Ternium S/A.

### Dividends and Interest on Capital

- In a meeting held on 8/24/05, the Board of Directors approved the distribution of profit related to the 1st half of the current year. Each ordinary share received R\$ 2.3879 and each preferred share R\$ 2.6267, with the following description:
  - (i) **Interest on Capital**, in the amount of R\$ 1.2167 per ordinary share and R\$ 1.3384 per preferred share, deducting Income Tax of 15% (fifteen percent), respecting legal exemptions;
  - (ii) **Dividends**, in the amount of R\$ 1.1712 per ordinary share and R\$ 1.2883 per preferred share.

In both cases, payment was made on 9/20/05 to holder of these shares on 8/31/05. Total payout amount was approximately R\$ 549.6 million, a 30% payout ratio.

### Usiminas is Top Performer in IR

- Usiminas was elected "top performer" in Investor Relations for the second consecutive year according to a survey made by Institutional Investor magazine among 50 institutions operating in the Latin American stock markets. The survey classifies Usiminas in second place in the "Metals and Mining" category - "Buy Side", which places the Company in the select group of principal companies in Latin America. The ranking evaluates topics, such as transparency, quality of financial information, attending to the needs of analysts and portfolio managers and access to top management.

### Transparency Award

- Usiminas was one of the ten finalists for the "Transparency Award - IX Anefac-Fipecafi-Serasa Awards", given by the National Association of Finance, Management and Accounting Executives (Anefac) in the Publicly Traded Company category. The Company was selected among the 500 biggest and best companies in Brazil in the areas of



trade, industry and services. The Transparency Award is conceded to companies that disclose their accounting reports with clear, precise and transparent information, fundamental to demonstrate its respect for consumers, shareholders and society. This is the third that Usiminas has received honorable mention.

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

#### Sidor

Sidor is the largest steel maker in Venezuela. It produced 3.0 million tonnes of crude steel in the first nine months of 2005, 4% greater than that produced in the same period in 2004. Total sales were 2.8 million tonnes, a 14% increase over 9M04, with 45% to meet the needs of the domestic market and 55% for exports. Gross revenues of the company reached US\$ 1.8 billion in the nine months of 2005, 39% above the same period in 2004. EBITDA was US\$ 853 million, with EBITDA margin at 47%. Net income accounted for in the 9 months of 2005 was US\$ 282 million. Usiminas is a shareholder of Sidor via the Amazônia Consortium and holds 16.6% of the Consortium, which corresponds to 9.9% of Sidor's capital.

#### Siderar

The 9-month accumulated sales at Siderar in 2005 were 1.7 million tonnes, 9% greater than that in the same period of the previous year. Out of this total, 67% was earmarked for the domestic market, which had stable demand.

The Company's exports were 570 thousand tonnes (33% of total sales volume) and were distributed to the following countries: Europe, 42%; Latin America, 28%; North America, 20%, Asia, 9% and Africa, 1%.

Net accumulated revenue through September/05 was ARP 3.3 billion (US\$ 1.1 billion\*) 32% greater than revenue in 9M04. EBITDA grew 18% and reached ARP 1.3 billion (US\$ 457.1 million\*) with margin at 39% and net income in the period of ARP 932 million (US\$ 320.6 million\*), 9% greater than the amount achieved in the previous year. Usiminas has a 5.32% share in Siderar's capital.

\* Average exchange rate (ARP/US\$):

9M 2005	9M 2004
2.9081	2.9435

#### Usiminas Mecânica

The company obtained net income of R\$ 16.3 million through September/05, 23% above that accounted for in the same period of the previous year. Net revenue grew 72%.

A capital goods company, "UMSA" holds a portfolio containing several long-term projects, including modular structures for petroleum platforms, equipment and assembly for Expansion II of Alunorte, revamping of the Bronx-Whitestone Bridge in New York City and port cranes. Usiminas holds 99.9% of Usiminas Mecânica S.A.'s capital.

#### Unigal

Unigal is a joint venture between Usiminas and Nippon Steel Corp. and processes cold rolled coils through the hot dip galvanizing process. In 3Q05, 104 thousand tonnes were processed. Net revenue grew 26% and reached R\$ 48.2 million due to higher prices. In the quarter, EBITDA was R\$ 45.2 million and net income in the quarter reached R\$ 10.1 million, 36% and 11% greater, respectively, than those reached in 3Q04.

Through 9M05, accumulated EBITDA totaled R\$ 138 million, a growth of 24%, and net income came to R\$36 million, a growth of 44% over 3Q04. Usiminas holds 79.3% of Unigal's capital.

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**Conference Call: Thursday, November 10**

**Local, at 11:00 A.M. (Brasília).**

Telephones for connection:

Brazil: (11) 4613-0501

International: (55 11) 4613-4525

**International, at 12:30 P.M. (Brasília).**

Telephones for connection:

USA: (1 800) 860-2442

Brazil: (11) 4613-0502

Other countries: (1 412) 858-4600

Access codes: **177** (local) / **675** (international)

The conference call will be transmitted live via internet, accompanied by a slide presentation on the website: [www.usiminas.com.br](http://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.*

## Income Statement - Parent Company

Brazilian GAAP (Legislação Societária)

R\$ thousand	3Q 05	3Q 04	2Q 05	Chg. 3Q05/3Q04
<b>Net Revenues</b>	<b>1,652,944</b>	<b>1,846,190</b>	<b>1,824,359</b>	<b>-10%</b>
Domestic Market	1,404,468	1,332,055	1,510,842	5%
Export Market	248,476	514,135	313,517	-52%
<b>COGS</b>	<b>(960,957)</b>	<b>(976,090)</b>	<b>(1,014,385)</b>	<b>-2%</b>
<b>Gross Profit</b>	<b>691,987</b>	<b>870,100</b>	<b>809,974</b>	<b>-20%</b>
<b>Gross Margin</b>	<b>42%</b>	<b>47%</b>	<b>44%</b>	<b>-5 p.p.</b>
<b>Operating Income (Expenses)</b>	<b>(72,401)</b>	<b>(63,610)</b>	<b>(82,525)</b>	<b>14%</b>
Selling	(21,600)	(23,303)	(27,826)	-7%
General and Administrative	(30,440)	(34,642)	(34,595)	-12%
Others, Net	(20,361)	(5,665)	(20,104)	259%
<b>EBIT</b>	<b>619,586</b>	<b>806,490</b>	<b>727,449</b>	<b>-23%</b>
<b>EBIT Margin</b>	<b>37%</b>	<b>44%</b>	<b>40%</b>	<b>-7 p.p.</b>
Financial Result	(46,233)	(59,863)	(89,227)	-23%
Equity Income	250,204	429,585	360,739	-42%
<b>Operating Result</b>	<b>823,557</b>	<b>1,176,212</b>	<b>998,961</b>	<b>-30%</b>
Non-Operating Income	(841)	(10,314)	713	-92%
<b>Profit Before Taxes</b>	<b>822,716</b>	<b>1,165,898</b>	<b>999,674</b>	<b>-29%</b>
Income Tax / Social Contribution	(57,808)	(160,149)	(194,983)	-64%
<b>Net Income</b>	<b>764,908</b>	<b>1,005,749</b>	<b>804,691</b>	<b>-24%</b>
<b>Net Margin</b>	<b>46%</b>	<b>54%</b>	<b>44%</b>	<b>-8 p.p.</b>
Net Income per thousand shares	3.48672	4.58456	3.66806	-24%
<b>EBITDA</b>	<b>702,301</b>	<b>892,570</b>	<b>832,814</b>	<b>-21%</b>
<b>EBITDA Margin</b>	<b>42.5%</b>	<b>48.3%</b>	<b>45.6%</b>	<b>-5,8 p.p.</b>
Depreciation	65,532	63,723	64,327	3%
Provisions	17,183	22,357	41,038	-23%

## Income Statement - Parent Company

Brazilian GAAP (Legislação Societária)

R\$ thousand	9M 05	9M 04	Chg. 9M05/9M04
<b>Net Revenues</b>	<b>5,380,467</b>	<b>4,654,543</b>	<b>16%</b>
Domestic Market	4,584,536	3,638,707	26%
Export Market	795,931	1,015,836	-22%
COGS	(2,862,902)	(2,519,197)	14%
<b>Gross Profit</b>	<b>2,517,565</b>	<b>2,135,346</b>	<b>18%</b>
<b>Gross Margin</b>	<b>47%</b>	<b>46%</b>	<b>+1 p.p.</b>
<b>Operating Income (Expenses)</b>	<b>(233,839)</b>	<b>(206,843)</b>	<b>13%</b>
Selling	(71,552)	(72,662)	-2%
General and Administrative	(92,498)	(85,242)	9%
Others, Net	(69,789)	(48,939)	43%
<b>EBIT</b>	<b>2,283,726</b>	<b>1,928,503</b>	<b>18%</b>
<b>EBIT Margin</b>	<b>42%</b>	<b>41%</b>	<b>+1 p.p.</b>
Financial Result	(165,168)	(233,866)	-29%
Equity Income	1,103,971	706,843	56%
<b>Operating Result</b>	<b>3,222,529</b>	<b>2,401,480</b>	<b>34%</b>
Non-Operating Income	2,097	(17,019)	-112%
<b>Profit Before Taxes</b>	<b>3,224,626</b>	<b>2,384,461</b>	<b>35%</b>
Income Tax / Social Contribution	(627,944)	(477,872)	31%
<b>Net Income</b>	<b>2,596,682</b>	<b>1,906,589</b>	<b>36%</b>
<b>Net Margin</b>	<b>48%</b>	<b>41%</b>	<b>+7 p.p.</b>
Net Income per thousand shares	11.83659	8.69090	36%
<b>EBITDA</b>	<b>2,535,228</b>	<b>2,144,019</b>	<b>18%</b>
<b>EBITDA Margin</b>	<b>47.1%</b>	<b>46.1%</b>	<b>+1,0 p.p.</b>
Depreciation	193,281	188,566	3%
Provisions	58,221	26,950	116%

## Income Statement - Consolidated

Brazilian GAAP (Legislação Societária)

R\$ thousand	3Q 05	3Q 04	2Q 05	Chg. 3Q05/3Q04
<b>Net Revenues</b>	<b>3,125,994</b>	<b>3,284,712</b>	<b>3,487,371</b>	<b>-5%</b>
Domestic Market	2,409,012	2,245,545	2,599,020	7%
Export Market	<b>716,982</b>	<b>1,039,167</b>	<b>888,351</b>	<b>-31%</b>
COGS	(1,905,278)	(1,712,510)	(1,935,982)	11%
<b>Gross Profit</b>	<b>1,220,716</b>	<b>1,572,202</b>	<b>1,551,389</b>	<b>-22%</b>
<b>Gross Margin %</b>	<b>39%</b>	<b>48%</b>	<b>44%</b>	<b>-9 p.p.</b>
<b>Operating Income (Expenses)</b>	<b>(122,928)</b>	<b>(121,608)</b>	<b>(195,800)</b>	<b>1%</b>
Selling	(59,392)	(55,975)	(59,876)	6%
General and Administrative	(60,574)	(65,895)	(65,285)	-8%
Others, Net	(2,962)	262	(70,639)	-1231%
<b>EBIT</b>	<b>1,097,788</b>	<b>1,450,594</b>	<b>1,355,589</b>	<b>-24%</b>
<b>EBIT Margin %</b>	<b>35%</b>	<b>44%</b>	<b>39%</b>	<b>-9 p.p.</b>
Financial Result	(170,576)	(95,788)	(173,693)	78%
Equity Income	41,178	69,071	26,093	-40%
<b>Operating Result</b>	<b>968,390</b>	<b>1,423,877</b>	<b>1,207,989</b>	<b>-32%</b>
Non-Operating Income	(2,507)	(14,167)	669	-82%
<b>Profit Before Taxes</b>	<b>965,883</b>	<b>1,409,710</b>	<b>1,208,658</b>	<b>-31%</b>
Income Tax / Social Contribution	(181,457)	(371,102)	(395,125)	-51%
<b>Income before Taxes</b>	<b>784,426</b>	<b>1,038,608</b>	<b>813,533</b>	<b>-24%</b>
Minority Interests	(2,350)	(33,685)	(3,079)	-93%
<b>Net Income</b>	<b>782,076</b>	<b>1,004,923</b>	<b>810,454</b>	<b>-22%</b>
<b>Net Margin</b>	<b>25%</b>	<b>31%</b>	<b>23%</b>	<b>-6 p.p.</b>
Net Income per thousand shares	3.56498	4.58079	3.69433	-22%
<b>EBITDA</b>	<b>1,265,389</b>	<b>1,601,561</b>	<b>1,625,908</b>	<b>-21%</b>
<b>EBITDA Margin %</b>	<b>40.5%</b>	<b>48.8%</b>	<b>46.6%</b>	<b>-8,3 p.p.</b>
Depreciation	171,117	138,195	197,920	24%
Provisions	(3,516)	12,772	72,399	-128%

## Income Statement - Consolidated

Brazilian GAAP (Legislação Societária)

R\$ thousand	9M 05	9M 04	Chg. 9M05/9M04
<b>Net Revenues</b>	<b>10,072,167</b>	<b>8,420,892</b>	<b>20%</b>
Domestic Market	7,797,241	5,916,063	32%
Export Market	2,274,926	2,504,829	-9%
COGS	(5,569,089)	(4,600,876)	21%
<b>Gross Profit</b>	<b>4,503,078</b>	<b>3,820,016</b>	<b>18%</b>
<b>Gross Margin</b>	<b>45%</b>	<b>45%</b>	<b>0 p.p.</b>
<b>Operating Income (Expenses)</b>	<b>(486,294)</b>	<b>(450,272)</b>	<b>8%</b>
Selling	(173,312)	(174,056)	0%
General and Administrative	(183,914)	(179,554)	2%
Others, Net	(129,068)	(96,662)	34%
<b>EBIT</b>	<b>4,016,784</b>	<b>3,369,744</b>	<b>19%</b>
<b>EBIT Margin</b>	<b>40%</b>	<b>40%</b>	<b>0 p.p.</b>
Financial Result	(504,557)	(687,777)	-27%
Equity Income	216,509	90,080	140%
<b>Operating Result</b>	<b>3,728,736</b>	<b>2,772,047</b>	<b>35%</b>
Non-Operating Income	(372)	(26,276)	-99%
<b>Profit Before Taxes</b>	<b>3,728,364</b>	<b>2,745,771</b>	<b>36%</b>
Income Tax / Social Contribution	(1,119,845)	(800,373)	40%
Income before Taxes and Profit Sharing	2,608,519	1,945,398	34%
Profit Sharing	(14,671)	(53,773)	37%
<b>Net Income</b>	<b>2,593,848</b>	<b>1,891,625</b>	<b>37%</b>
<b>Net Margin</b>	<b>26%</b>	<b>22%</b>	<b>+4 p.p.</b>
Net Income per thousand shares	11.82367	8.79435	34%
<b>EBITDA</b>	<b>4,615,194</b>	<b>3,807,831</b>	<b>21%</b>
<b>EBITDA Margin</b>	<b>45.8%</b>	<b>45.2%</b>	<b>+0,6 p.p.</b>
Depreciation	491,843	410,116	20%
Provisions	89,527	27,971	220%

## Cash Flow

Brazilian GAAP (Legislação Societária)

R\$ thousand	Parent Company		Consolidated	
	3Q 05	3Q 04	3Q 05	3Q 04
<b>Operating Activities</b>				
Net Income (Loss) in the Period	764,908	1,005,749	782,076	1,004,923
Financial Expenses and Monetary Var/Net Exchange Var	52,195	55,802	107,860	94,790
Depreciation, Exhaustion and Amortization	65,532	63,723	171,114	138,194
Investment Write-offs (Decrease in Permanent Assets)	14,978	22,572	15,014	22,578
Equity in the Results of Subsidiaries/Associated Companies	(250,204)	(429,585)	(41,178)	(69,071)
Dividend Income from Subsidiaries	0	0	0	275
Income Tax and Social Contribution	57,808	160,149	181,457	371,102
Provisions	(48,238)	(7,250)	(65,280)	7,808
Adjustment for Minority Participation	0	0	2,350	33,685
<b>Total</b>	<b>656,979</b>	<b>871,160</b>	<b>1,153,413</b>	<b>1,604,284</b>
<b>Increase/Decrease of Assets</b>				
Increase (Decrease) in Accounts Receivables	128,491	(163,607)	97,978	(167,481)
Increase (Decrease) in Inventories	(158,956)	(131,574)	(155,899)	(292,189)
Increase (Decrease) in Recovery of Taxes	4,455	(4,490)	7,018	(103,559)
Increase (Decrease) from Deferred Income Tax & Social Contrb'n	30,175	44,605	57,471	140,850
Increase (Decrease) in Judicial Deposits	(1,897)	279	(10,334)	(3,032)
Others	(182,789)	(22,168)	(233,733)	(25,279)
<b>Total</b>	<b>(180,521)</b>	<b>(276,955)</b>	<b>(237,499)</b>	<b>(450,690)</b>
<b>Increase (Decrease) of Liabilities</b>				
Increase (Decrease) in Suppliers	(26,306)	25,503	(67,662)	100,862
Amounts Owed to Affiliated Companies	(21,153)	19,800	(11,266)	57,310
Customers Advances	12,969	(2,361)	35,361	58,109
Tax Payable	(19,063)	22,407	(24,939)	24,784
Income Tax and Social Contribution	(194,004)	(43,689)	(124,110)	(36,510)
Others	108,890	(47,319)	(55,603)	(104,962)
<b>Total</b>	<b>(138,667)</b>	<b>(25,659)</b>	<b>(248,219)</b>	<b>99,593</b>
<b>Cashflow Generated from Operating Activities</b>	<b>337,791</b>	<b>568,546</b>	<b>667,695</b>	<b>1,253,187</b>
<b>Financial Activities</b>				
Inflow of Loans and Financing	234,576	1,153	355,675	142,083
Payment of Loans, Financing and Debentures	(146,822)	(250,967)	(363,956)	(613,759)
Interest paid on Loans, Financ., Debent.and taxes payable in installments	(31,207)	(42,799)	(109,160)	(168,722)
Swap Operation Redemptions	(12,638)	(341)	(37,229)	(17,151)
Dividends Paid	(549,323)	(269,267)	(533,742)	(270,017)
<b>Net Funds from Financial Activities</b>	<b>(505,414)</b>	<b>(562,221)</b>	<b>(688,412)</b>	<b>(927,566)</b>
<b>Investment Activities</b>				
(Additions) in Long-term Investments	0	0	95,956	(182)
(Additions) to Permanent Assets, except Deferred Charges	(35,618)	(61,630)	(95,247)	(101,248)
(Additions) Right off of permanent assets	0	0	0	0
<b>Funds Used for Investments</b>	<b>(35,618)</b>	<b>(61,630)</b>	<b>709</b>	<b>(101,430)</b>
<b>Exchange Variation of Cash and Cash Equivalents</b>	<b>3,191</b>	<b>(8,160)</b>	<b>(18,183)</b>	<b>(44,047)</b>
<b>Cash Balance Change</b>	<b>(200,050)</b>	<b>(63,465)</b>	<b>(38,191)</b>	<b>180,144</b>
At the Beginning of the Period	1,070,760	566,789	1,832,752	1,144,259
At the End of the Period	870,710	503,324	1,794,561	1,324,403

## Cash Flow

Brazilian GAAP (Legislação Societária)

R\$ thousand	Parent Company		Consolidated	
	9M 05	9M 04	9M 05	9M 04
<b>Operating Activities</b>				
Net Income (Loss) in the Period	2,596,682	1,906,589	2,593,848	1,891,625
Financial Expenses and Monetary Var/Net Exchge Var	174,437	256,085	296,959	675,260
Depreciation, Exhaustion and Amortization	193,281	188,566	508,882	410,117
Investment Write-offs (Decrease in Permanent Assets)	28,624	22,577	29,088	22,865
Equity in the Results of Subsidiaries/Associated Companies	(1,103,971)	(706,843)	(216,509)	(90,080)
Dividend Income from Subsidiaries	0	0	1,723	960
Income Tax and Social Contribution	627,944	477,872	1,119,845	800,373
Provisions	(68,396)	35,711	(24,325)	95,635
Adjustment for Minority Participation	0	0	14,671	53,773
<b>Total</b>	<b>2,448,601</b>	<b>2,180,557</b>	<b>4,324,182</b>	<b>3,860,528</b>
<b>Increase/Decrease of Assets</b>				
Increase (Decrease) in Accounts Receivables	137,424	8,231	278,162	(282,744)
Increase (Decrease) in Inventories	(423,119)	(247,577)	(824,135)	(561,830)
Increase (Decrease) in Recovery of Taxes	2,666	82,721	68,729	(59,246)
Increase (Decrease) from Deferred Income Tax & Social Contrb'n	200,592	148,875	309,397	209,807
Increase (Decrease) in Judicial Deposits	(8,852)	(28,205)	(27,622)	(35,864)
Others	(26,388)	(91,857)	(99,742)	33,752
<b>Total</b>	<b>(117,677)</b>	<b>(127,812)</b>	<b>(295,211)</b>	<b>(696,125)</b>
<b>Increase (Decrease) of Liabilities</b>				
Increase (Decrease) in Suppliers	139,209	(1,868)	124,357	126,118
Amounts Owed to Affiliated Companies	30,264	14,548	30,570	81,553
Customers Advances	9,589	1,015	34,724	141,980
Tax Payable	(56,700)	31,340	(97,752)	34,403
Income Tax and Social Contribution	(607,251)	(224,350)	(709,556)	(259,962)
Others	(113,218)	(55,466)	(222,900)	(87,556)
<b>Total</b>	<b>(598,107)</b>	<b>(234,781)</b>	<b>(840,557)</b>	<b>36,536</b>
<b>Cashflow Generated from Operating Activities</b>	<b>1,732,817</b>	<b>1,817,964</b>	<b>3,188,414</b>	<b>3,200,939</b>
<b>Financial Activities</b>				
Inflow of Loans and Financing	234,576	20,480	562,301	1,507,263
Payment of Loans, Financing and Debentures	(521,601)	(938,241)	(1,354,323)	(2,852,248)
Interest paid on Loans, Financ., Debent.and taxes payable in installments	(83,984)	(135,020)	(302,796)	(492,869)
Swap Operation Redemptions	(28,468)	(22,095)	(115,374)	(72,145)
Dividends Paid	(1,341,985)	(574,397)	(1,356,667)	(575,147)
<b>Net Funds from Financial Activities</b>	<b>(1,741,462)</b>	<b>(1,649,273)</b>	<b>(2,566,859)</b>	<b>(2,485,146)</b>
<b>Investment Activities</b>				
(Additions) in Long-term Investments	(295,624)	0	(295,616)	(1,806)
(Additions) to Permanent Assets, except Deferred Charges	(227,401)	(105,815)	(348,658)	(227,687)
(Additions) Right off of permanent assets	0	0	0	0
<b>Funds Used for Investments</b>	<b>(523,025)</b>	<b>(105,815)</b>	<b>(644,274)</b>	<b>(229,493)</b>
<b>Exchange Variation of Cash and Cash Equivalents</b>	<b>4,241</b>	<b>(2,285)</b>	<b>(84,894)</b>	<b>(4,904)</b>
<b>Cash Balance Change</b>	<b>(527,429)</b>	<b>60,591</b>	<b>(107,613)</b>	<b>481,396</b>
At the Beginning of the Period	1,398,139	442,733	1,902,174	843,007
At the End of the Period	870,710	503,324	1,794,561	1,324,403



## Balance Sheet - Assets

Brazilian GAAP (Legislação Societária) - R\$ thousand

Assets	Parent Company		Consolidated	
	30-Sep-05	31-Dec-04	30-Sep-05	31-Dec-04
<b>Current Assets</b>	<b>3,332,992</b>	<b>3,746,938</b>	<b>6,724,054</b>	<b>6,343,217</b>
Cash and Cash Equivalents	870,710	1,398,139	1,794,561	1,902,174
Trade Accounts Receivable	752,958	890,382	1,532,572	1,810,734
Taxes Recoverable	17,917	20,583	93,547	162,276
Inventories	1,354,559	931,440	2,804,592	1,980,457
Deferred Income Tax & Social Contrb'n	287,930	294,607	372,802	294,607
Other Securities Receivables	48,918	211,787	125,980	192,969
<b>Long-Term Receivable</b>	<b>931,414</b>	<b>913,668</b>	<b>1,194,744</b>	<b>1,349,007</b>
Deferred Income Tax & Social Contrb'n	356,943	550,858	498,224	885,816
Related Company Credits	314,113	138,206	253,618	80,787
Deposits at Law	168,332	159,480	293,477	265,855
Taxes Recoverable	40,238	14,340	58,437	18,127
Others	51,788	50,784	90,988	98,422
<b>Permanent Assets</b>	<b>8,028,729</b>	<b>6,610,516</b>	<b>9,448,513</b>	<b>9,289,250</b>
Investments	4,521,338	3,108,864	689,194	344,300
Property, Plant and Equipment	3,507,391	3,501,652	8,712,602	8,895,881
Deferred	-	-	46,717	49,069
<b>Total Assets</b>	<b>12,293,135</b>	<b>11,271,122</b>	<b>17,367,311</b>	<b>16,981,474</b>

## Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP (Legislação Societária) - R\$ thousand

Liabilities and Shareholders' Equity	Parent Company		Consolidated	
	30-set-05	31-dez-04	30-set-05	31-dez-04
<b>Current Liabilities</b>	<b>1.806.594</b>	<b>2.239.083</b>	<b>3.589.758</b>	<b>3.916.815</b>
Loans and Financing and Taxes Payable in Installments	545.813	616.470	1.045.500	1.378.417
Suppliers, Subcontractors and Freight	238.900	98.979	471.597	347.240
Taxes, Charges and Payroll Taxes	428.531	461.480	677.798	738.550
Related Companies	76.450	46.898	77.888	47.318
Financial Instruments	342.046	27.167	786.469	129.112
FEMCO	-	-	4.855	11.166
Dividends Payable	2.379	794.803	3.407	807.026
Others	172.475	193.286	522.244	457.986
<b>Long-Term Liabilities</b>	<b>2.429.441</b>	<b>3.022.060</b>	<b>5.726.150</b>	<b>6.921.004</b>
Loans and Financing and Taxes Payable in Installments	731.075	1.113.224	2.660.165	3.669.798
Related Companies	71.677	94.409	15.967	16.918
Provision for Contingencies	561.345	589.769	1.000.203	1.019.548
Actuarial Liability	971.228	962.431	1.051.840	1.037.093
Financial Instruments	-	155.581	354.034	556.827
FEMCO	-	106.646	327.095	337.357
Others	94.116	-	316.846	283.463
<b>Minority Interests</b>	<b>-</b>	<b>-</b>	<b>57.632</b>	<b>194.171</b>
<b>Shareholders' Equity</b>	<b>8.057.100</b>	<b>6.009.979</b>	<b>7.993.771</b>	<b>5.949.484</b>
Capital	2.400.000	1.280.839	2.400.000	1.280.839
Reserves	3.060.418	1.675.416	2.999.923	1.649.779
Revenues from Fiscal Year	2.596.682	3.053.724	2.593.848	3.018.866
<b>Total Liabilities and Shareholders' Equity</b>	<b>12.293.135</b>	<b>11.271.122</b>	<b>17.367.311</b>	<b>16.981.474</b>

**Companhia Siderúrgica Paulista - COSIPA**  
**Income Statement - Consolidated**

Brazilian GAAP (Corporate Law)

R\$ thousand	3Q 05	3Q 04	2Q 05	Chg. 3Q05/3Q04
<b>Net Revenues</b>	<b>1,240,053</b>	<b>1,307,312</b>	<b>1,469,261</b>	<b>-5%</b>
Domestic Market	837,389	846,124	963,565	-1%
Export Market	402,664	461,188	505,696	-13%
COGS	(815,618)	(737,216)	(853,438)	11%
<b>Gross Profit</b>	<b>424,435</b>	<b>570,096</b>	<b>615,823</b>	<b>-26%</b>
<i>Gross Margin</i>	<b>34%</b>	<b>44%</b>	<b>42%</b>	<b>-10 p.p.</b>
<b>Operating Income (Expenses)</b>	<b>(17,489)</b>	<b>(24,181)</b>	<b>(74,827)</b>	<b>-28%</b>
Selling	(20,685)	(15,879)	(14,010)	30%
General and Administrative	(13,754)	(15,128)	(13,389)	-9%
Others, Net	16,950	6,826	(47,428)	148%
<b>EBIT</b>	<b>406,946</b>	<b>545,915</b>	<b>540,996</b>	<b>-25%</b>
<i>EBIT Margin</i>	<b>33%</b>	<b>42%</b>	<b>37%</b>	<b>-9 p.p.</b>
Financial Result	(96,203)	(14,097)	(28,099)	582%
Equity Income	460	4,383	964	-90%
<b>Operating Result</b>	<b>311,203</b>	<b>536,201</b>	<b>513,861</b>	<b>-42%</b>
Non-Operating Income	(2,666)	(2,998)	(486)	-11%
<b>Profit Before Taxes</b>	<b>308,537</b>	<b>533,203</b>	<b>513,375</b>	<b>-42%</b>
Income Tax / Social Contribution	(106,202)	(180,705)	(175,096)	-41%
<b>Net Income</b>	<b>202,335</b>	<b>352,498</b>	<b>338,279</b>	<b>-43%</b>
<b>EBITDA</b>	<b>471,551</b>	<b>592,759</b>	<b>694,821</b>	<b>-20%</b>
<i>EBITDA Margin</i>	<b>38.0%</b>	<b>45.3%</b>	<b>47.3%</b>	<b>-5,3 p.p.</b>
Depreciation	92,682	58,991	120,851	57%

## Companhia Siderúrgica Paulista - COSIPA

### Income Statement - Consolidated

Brazilian GAAP (Corporate Law)

R\$ thousand	9M 05	9M 04	Chg. 9M05/9M04
<b>Net Revenues</b>	<b>4,052,719</b>	<b>3,460,679</b>	<b>17%</b>
Domestic Market	2,759,012	2,133,229	29%
Export Market	1,293,707	1,327,450	-3%
COGS	(2,378,690)	(2,069,822)	15%
<b>Gross Profit</b>	<b>1,674,029</b>	<b>1,390,857</b>	<b>20%</b>
<i>Gross Margin</i>	<b>41%</b>	<b>40%</b>	<b>+1 p.p.</b>
<b>Operating Income (Expenses)</b>	<b>(147,104)</b>	<b>(137,191)</b>	<b>7%</b>
Selling	(51,384)	(49,001)	5%
General and Administrative	(40,105)	(46,935)	-15%
Others, Net	(55,615)	(41,255)	35%
<b>EBIT</b>	<b>1,526,925</b>	<b>1,253,666</b>	<b>22%</b>
<i>EBIT Margin</i>	<b>38%</b>	<b>36%</b>	<b>+2 p.p.</b>
Financial Result	(248,442)	(423,965)	-41%
Equity Income	4,153	6,950	-40%
<b>Operating Result</b>	<b>1,282,636</b>	<b>836,651</b>	<b>53%</b>
Non-Operating Income	(3,911)	(9,027)	-57%
<b>Profit Before Taxes</b>	<b>1,278,725</b>	<b>827,624</b>	<b>55%</b>
Income Tax / Social Contribution	(439,256)	(280,519)	57%
<b>Net Income</b>	<b>839,469</b>	<b>547,105</b>	<b>53%</b>
<b>EBITDA</b>	<b>1,829,915</b>	<b>1,428,802</b>	<b>28%</b>
<i>EBITDA Margin</i>	<b>45.2%</b>	<b>41.3%</b>	<b>+3,9 p.p.</b>
Depreciation	277,352	174,293	59%

## Companhia Siderúrgica Paulista - COSIPA

### Cash Flow

Brazilian GAAP (Corporate Law)

R\$ thousand	Consolidated			
	3Q 05	3Q 04	9M 05	9M 04
<b>Operating Activities</b>				
Net Income (Loss) in the Period	202,335	352,498	839,469	547,105
Financial Expenses and Monetary Var/Net Exchange Var	59,793	(18,486)	158,146	384,217
Depreciation, Exhaustion and Amortization	93,148	61,330	278,749	182,210
Investment Write-offs (Decrease in Permanent Assets)	0	201	237	262
Equity in the Results of Subsidiaries/Associated Companies	(459)	(4,750)	(4,152)	(7,776)
Dividend Income from Subsidiaries	0	275	1,723	960
Income Tax and Social Contribution	106,202	180,705	439,256	280,519
Provisions	(17,256)	(4,680)	41,248	28,900
Adjustment for Minority Participation	0	0	0	0
<b>Total</b>	<b>443,763</b>	<b>567,093</b>	<b>1,754,676</b>	<b>1,416,397</b>
<b>Increase/Decrease of Assets</b>				
Increase (Decrease) in Accounts Receivables	36,260	8,057	217,840	(69,966)
Increase (Decrease) in Inventories	(24,819)	(157,970)	(341,688)	(291,958)
Increase (Decrease) in Recovery of Taxes	100	(51,024)	28,050	(96,006)
Increase (Decrease) from Deferred Income Tax & Social Contrb'n	0	0	0	0
Increase (Decrease) in Judicial Deposits	(5,760)	(1,786)	(14,576)	(688)
Others	17,781	37,144	46,623	27,037
<b>Total</b>	<b>23,562</b>	<b>(165,579)</b>	<b>(63,751)</b>	<b>(431,581)</b>
<b>Increase (Decrease) of Liabilities</b>				
Increase (Decrease) in Suppliers	(46,264)	110,643	11,551	91,239
Amounts Owed to Affiliated Companies	1,156	(3,723)	1,156	9,160
Tax Payable	(5,902)	5,678	(26,867)	1,845
Income Tax and Social Contribution	(68,684)	0	(246,199)	0
Others	7,977	4,438	(55,894)	65,666
<b>Total</b>	<b>(111,717)</b>	<b>117,036</b>	<b>(316,253)</b>	<b>167,910</b>
<b>Cashflow Generated from Operating Activities</b>				
	<b>355,608</b>	<b>518,550</b>	<b>1,374,672</b>	<b>1,152,726</b>
<b>Financial Activities</b>				
Inflow of Loans and Financing	92,436	107,036	92,569	1,319,001
Payment of Loans, Financing and Debentures	(167,732)	(311,157)	(583,247)	(1,724,409)
Interest paid on Loans, Financ., Debent. and tax installments	(71,513)	(114,047)	(199,413)	(314,293)
Swap Operation Redemptions	(24,676)	(16,641)	(75,444)	(44,983)
Dividends Paid	(3)	0	(132,084)	0
<b>Net Funds from Financial Activities</b>				
	<b>(171,488)</b>	<b>(334,809)</b>	<b>(897,619)</b>	<b>(764,684)</b>
<b>Investment Activities</b>				
(Additions) in Long-term Investments	0	0	0	(164)
(Additions) to Permanent Assets, except Deferred Charges	(49,001)	(34,217)	(102,593)	(109,750)
(Additions) Right off of permanent assets	0	0	0	0
<b>Funds Used for Investments</b>				
	<b>(49,001)</b>	<b>(34,217)</b>	<b>(102,593)</b>	<b>(109,914)</b>
<b>Exchange Variation of Cash and Cash Equivalents</b>				
	<b>(11,980)</b>	<b>(19,424)</b>	<b>(57,469)</b>	<b>(4,808)</b>
<b>Cash Balance Change</b>				
	<b>123,139</b>	<b>130,100</b>	<b>316,991</b>	<b>273,320</b>
At the Beginning of the Period	518,827	320,402	324,975	177,182
At the End of the Period	641,966	450,502	641,966	450,502

**Companhia Siderúrgica Paulista - COSIPA**  
**Balance Sheet - Assets**

Brazilian GAAP (Corporate Law) - R\$ thousand

Assets	Consolidated	
	30-Sep-05	31-Dec-04
<b>Current Assets</b>	<b>2,468,960</b>	<b>2,003,467</b>
Cash and Cash Equivalents	641,966	324,975
Trade Accounts Receivable	508,935	737,975
Taxes Recoverable	12,330	54,570
Inventories	1,184,559	842,871
Deferred Income Tax & Social Contrb'n	84,872	-
Other Securities Receivables	36,298	43,076
<b>Long-Term Receivable</b>	<b>258,106</b>	<b>432,349</b>
Deferred Income Tax & Social Contrb'n	113,233	307,029
Deposits at Law	92,884	75,358
Taxes Recoverable	17,669	3,479
Others	34,320	46,483
<b>Permanent Assets</b>	<b>4,698,720</b>	<b>4,866,346</b>
Investments	30,028	20,046
Property, Plant and Equipment	4,624,936	4,802,443
Deferred	43,756	43,857
<b>Total Assets</b>	<b>7,425,786</b>	<b>7,302,162</b>

**Companhia Siderúrgica Paulista - COSIPA**  
**Balance Sheet - Liabilities and Shareholders' Equity**  
Brazilian GAAP (Corporate Law) - R\$ thousand

Liabilities and Shareholders' Equity	Consolidated	
	30-Sep-05	31-Dec-04
<b>Current Liabilities</b>	<b>1,532,513</b>	<b>1,404,547</b>
Loans and Financing and Taxes Payable in Installments	535,535	660,627
Suppliers, Subcontractors and Freight	209,001	208,592
Taxes, Charges and Payroll Taxes	143,783	165,673
Deferred Taxes	63,965	46,075
Financial Instruments	407,617	81,060
Actuarial Liability	4,855	11,166
FEMCO	-	2,845
Dividends Payable	1,028	117,832
Others	166,729	110,677
<b>Long-Term Liabilities</b>	<b>2,993,253</b>	<b>3,770,946</b>
Loans and Financing and Taxes Payable in Installments	1,770,779	2,507,911
Related Companies	395,611	382,743
Provision for Contingencies	352,994	357,306
Actuarial Liability	226,089	317,704
Financial Instruments	4,602	5,814
FEMCO	191,893	145,904
Others	51,285	53,564
<b>Minority Interests</b>	<b>-</b>	<b>-</b>
<b>Shareholders' Equity</b>	<b>2,900,020</b>	<b>2,126,669</b>
Capital	1,763,815	1,763,814
Reserves	296,736	362,855
Revenues from Fiscal Year	839,469	-
<b>Total Liabilities and Shareholders' Equity</b>	<b>7,425,786</b>	<b>7,302,162</b>

### Sales Volume Breakdown - Consolidated

Thousand tons	3Q 05		3Q 04		2Q 05		Chg. 3Q05/3Q04
<b>TOTAL SALES</b>	<b>1,770</b>	<b>100%</b>	<b>2,011</b>	<b>100%</b>	<b>1,830</b>	<b>100%</b>	<b>-7%</b>
Heavy Plates	363	21%	414	21%	424	23%	-15%
Hot Coils/Sheets	443	25%	503	25%	434	24%	-18%
Cold Coils/Sheets	534	30%	471	23%	481	27%	14%
Electrogalvanized Coils	56	3%	63	3%	55	3%	-15%
Hot Dip Galvanized Coils	94	5%	109	5%	80	4%	29%
Processed Products	72	4%	108	5%	80	4%	-33%
Slabs	207	12%	343	17%	276	15%	-10%
<b>TOTAL SALES - DOMESTIC MARKET</b>	<b>1,216</b>	<b>69%</b>	<b>1,434</b>	<b>71%</b>	<b>1,276</b>	<b>70%</b>	<b>-12%</b>
Heavy Plates	307	17%	319	16%	353	19%	2%
Hot Coils/Sheets	363	21%	477	24%	401	22%	-26%
Cold Coils/Sheets	342	19%	381	19%	336	18%	-8%
Electrogalvanized Coils	50	3%	58	3%	46	3%	2%
Hot Dip Galvanized Coils	79	5%	70	3%	70	4%	23%
Processed Products	44	2%	63	3%	44	2%	-32%
Slabs	31	2%	66	3%	27	2%	-21%
<b>TOTAL SALES - EXPORTS</b>	<b>554</b>	<b>31%</b>	<b>577</b>	<b>29%</b>	<b>554</b>	<b>30%</b>	<b>4%</b>
Heavy Plates	56	3%	95	5%	71	4%	-55%
Hot Coils/Sheets	80	5%	26	1%	33	2%	67%
Cold Coils/Sheets	192	11%	90	4%	145	8%	94%
Electrogalvanized Coils	6	0%	5	0%	9	0%	-65%
Hot Dip Galvanized Coils	16	1%	39	2%	10	1%	67%
Processed Products	28	1%	45	2%	36	2%	-33%
Slabs	176	10%	277	14%	249	13%	-8%

### Net Revenues per tonne - USIMINAS + COSIPA

R\$ / t.	3Q 05	2Q 05	1Q 05	4Q 04
<b>Total</b>	<b>1,635</b>	<b>1,800</b>	<b>1,836</b>	<b>1,698</b>
Heavy Plates	2,009	2,031	2,034	1,843
Hot Coils/Sheets	1,445	1,673	1,654	1,466
Cold Coils/Sheets	1,610	1,834	1,922	1,851
Electrogalvanized Coils	2,191	2,253	2,291	2,237
Hot Dip Galvanized Coils	2,094	2,195	2,289	2,201
Processed Products	2,078	2,296	2,342	2,245
Slabs	803	1,052	1,081	1,150



### Sales Volume Breakdown - Consolidated

Thousand tons	9M 05		9M 04		Chg. 9M05/9M04
<b>TOTAL SALES</b>	<b>5,368</b>	<b>100%</b>	<b>5,890</b>	<b>100%</b>	<b>-9%</b>
Heavy Plates	1,163	22%	1,265	21%	-8%
Hot Coils/Sheets	1,388	26%	1,571	27%	-12%
Cold Coils/Sheets	1,467	27%	1,446	25%	1%
Electrogalvanized Coils	184	3%	190	3%	-3%
Hot Dip Galvanized Coils	248	5%	286	5%	-13%
Processed Products	217	4%	317	5%	-32%
Slabs	701	13%	815	14%	-14%
<b>TOTAL SALES - DOMESTIC MARKET</b>	<b>3,876</b>	<b>72%</b>	<b>4,240</b>	<b>72%</b>	<b>-9%</b>
Heavy Plates	966	18%	904	15%	7%
Hot Coils/Sheets	1,250	23%	1,461	25%	-14%
Cold Coils/Sheets	1,071	20%	1,134	19%	-6%
Electrogalvanized Coils	147	3%	160	3%	-8%
Hot Dip Galvanized Coils	222	4%	212	4%	5%
Processed Products	129	2%	193	3%	-33%
Slabs	91	2%	176	3%	-48%
<b>TOTAL SALES - EXPORTS</b>	<b>1,492</b>	<b>28%</b>	<b>1,650</b>	<b>28%</b>	<b>-10%</b>
Heavy Plates	197	4%	361	6%	-45%
Hot Coils/Sheets	138	3%	110	2%	25%
Cold Coils/Sheets	396	7%	312	5%	27%
Electrogalvanized Coils	37	1%	30	1%	23%
Hot Dip Galvanized Coils	26	0%	74	1%	-65%
Processed Products	88	2%	124	2%	-29%
Slabs	610	11%	639	11%	-5%

### Sectorial Sales - Consolidated

Thousand tonnes	3Q 05		3Q 04		2Q 05		Chg. 3Q05/3Q04
<b>Domestic Market</b>	<b>1,216</b>	<b>100%</b>	<b>1,434</b>	<b>100%</b>	<b>1,276</b>	<b>100%</b>	<b>-15%</b>
Auto	182	15%	155	11%	167	13%	17%
Autoparts	187	15%	189	13%	167	13%	-1%
Shipbuilding	15	1%	14	1%	12	1%	7%
Line Pipes	118	10%	79	6%	111	9%	49%
Small Diameter Pipes	97	8%	104	7%	96	8%	-7%
Packaging	27	2%	30	2%	20	2%	-12%
Household Appliances	23	2%	30	2%	22	2%	-24%
Civil Construction	67	6%	98	7%	96	8%	-31%
Electrical Equipment	56	5%	60	4%	56	4%	-7%
Distributors	246	20%	397	28%	307	24%	-38%
Industrial Equipment	34	3%	35	2%	37	3%	-4%
Others	164	13%	243	17%	185	13%	-33%

### Sectorial Sales - Consolidated

Thousand tonnes	9M 05		9M 04		Chg. 9M05/9M04
<b>Domestic Market</b>	<b>3,876</b>	<b>100%</b>	<b>4,242</b>	<b>101%</b>	<b>-9%</b>
Auto	511	13%	449	11%	14%
Autoparts	562	14%	542	13%	4%
Shipbuilding	50	1%	62	1%	-20%
Line Pipes	332	9%	229	5%	45%
Small Diameter Pipes	290	7%	342	8%	-15%
Packaging	74	2%	79	2%	-7%
Household Appliances	70	2%	87	2%	-19%
Civil Construction	268	7%	301	7%	-11%
Electrical Equipment	176	5%	171	4%	3%
Distributors	887	23%	1,207	28%	-27%
Industrial Equipment	110	3%	125	3%	-12%
Others	546	14%	648	16%	-16%

## Market Share - Usiminas System (\*)

(% volume)

	9M 05 (*)	2004 (*)	2003 (*)	2002 (*)
<b>DOMESTIC MARKET</b>	<b>53%</b>	<b>55%</b>	<b>60%</b>	<b>62%</b>
Auto	58%	55%	62%	62%
Autoparts	59%	62%	67%	73%
Shipbuilding	100%	100%	100%	100%
Electrical Equipment	65%	63%	58%	54%
Household Appliances	34%	36%	44%	44%
Line Pipes	94%	98%	95%	100%
Small Diameter Pipes	54%	60%	68%	80%
Packaging	13%	15%	16%	14%
Civil Construction	45%	48%	58%	54%
Distributors	45%	51%	59%	62%

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

Source: Information System - IBS

**Loans and Financing by Index - Consolidated**

R\$ million	30-Sep-05			31-Dec-04 TOTAL	Chg. Sep05/Dec04
	Short Term	Long Term	TOTAL		
<b>TOTAL DEBT</b>					
Foreign Currency (*)	662,777	2,123,311	2,786,088	3,869,540	-28%
IGP-M	109,239	108,832	218,071	331,214	-34%
TJLP	214,960	243,599	458,559	584,100	-21%
Others	30,127	35,999	66,126	104,790	-37%
<b>Sub-Total</b>	<b>1,017,103</b>	<b>2,511,741</b>	<b>3,528,844</b>	<b>4,889,644</b>	<b>-28%</b>
Debentures	0	0	0	0	0%
<b>Sub-Total</b>	<b>1,017,103</b>	<b>2,511,741</b>	<b>3,528,844</b>	<b>4,889,644</b>	<b>-28%</b>
Taxes Payable in Installments	28,397	148,424	176,821	181,920	-3%
<b>TOTAL</b>	<b>1,045,500</b>	<b>2,660,165</b>	<b>3,705,665</b>	<b>5,071,564</b>	<b>-27%</b>
FEMCO	4,855	327,095	331,950	348,523	-5%
<b>TOTAL DEBT</b>	<b>1,050,355</b>	<b>2,987,260</b>	<b>4,037,615</b>	<b>5,420,087</b>	<b>-26%</b>
Cash and Cash Equivalents			1,794,561	1,902,174	-6%
<b>NET DEBT</b>			<b>2,243,054</b>	<b>3,517,913</b>	<b>-36%</b>

(\*) 91.7% of total foreign currency is denominated in US dollars

**Financial Income - Consolidated**

R\$ million	3Q 05	3Q 04	2Q 05	Chg. 3Q05/3Q04
Monetary Effects	(34,723)	(35,167)	(24,869)	-1%
Exchange Variation	96,005	331,602	241,119	-71%
Hedge Income (Expenses)	(188,861)	(269,628)	(317,748)	-30%
Interest on Loans, Financing, ACC's and Pre-Payment	(72,752)	(116,610)	(86,893)	-38%
Financial Income	68,136	23,424	58,552	191%
Other Financial Expenses	(38,381)	(29,409)	(43,854)	31%
<b>NET INTEREST INCOME</b>	<b>(170,576)</b>	<b>(95,788)</b>	<b>(173,693)</b>	<b>78%</b>

**Financial Income - Consolidated**

R\$ million	9M 05	9M 04	Chg. 9M05/9M04
Monetary Effects	(89,041)	(139,985)	-36%
Exchange Variation	315,548	(6,767)	-4763%
Hedge Income (Expenses)	(569,890)	(198,272)	187%
Interest on Loans, Financing, ACC's and Pre-Payment	(255,463)	(400,167)	-37%
Financial Income	209,817	128,809	63%
Other Financial Expenses	(115,528)	(71,395)	66%
<b>NET INTEREST INCOME</b>	<b>(504,557)</b>	<b>(687,777)</b>	<b>-27%</b>