

Belo Horizonte, November 8, 2007

Usiminas, the new global leader in sustainability, posts solid and stable results in the quarter.

Solid and stable results of the Usiminas System have been enabling us to fully achieve our objectives. The figures confirm our expectations. Until September, net revenue totaled R\$ 10.3 billion, EBITDA was R\$ 3.8 billion and net profit amounted to R\$ 2.2 billion, respectively 13%, 19% and 25% up from the results of the same period in 2006.

As the leader of the flat rolled steel market in Brazil, the Usiminas System was granted another important certification: it was included in the select group of companies listed in the Dow Jones Sustainability Index, making it the first Brazilian steelmaker and the third in the world to take part of this index, which confirms its financial soundness and the corporate governance practices of the company.

The company's commitment with the principles of transparency in management and respect towards investors granted it also this year the Capital Market Analysts' Association (Apimec) award as the best publicly-traded company in 2006, now reaffirmed in October through the adherence to the Level 1 of Corporate Governance of the São Paulo Stock Exchange. As a result, our shares have been integrated into the index of stocks with Differentiated Corporate Governance Practices.

These are considerable accomplishments that make us proud and even stronger. We are going to grow with a long-term view to generate value in a consistent and constant way and with social responsibility.

Statement of Rinaldo Campos Soares, CEO

Usinas Siderúrgicas de Minas Gerais S/A - Usiminas (BOVESPA: USIM3, USIM5, USIM6; OTC: USNZY; Latibex: XUSI; XUSIO) today releases its third quarter 2007 (3Q07) results. Operational and financial information of the Company, except where otherwise stated, are presented based on consolidated figures, in reais, according to corporate law. All comparisons made in this release take into consideration the same period in 2006, except when stated otherwise.

Quotation 28.09.07

Bovespa: USIM3 R\$ 143.50 / share
USIM5 R\$ 128.00 / share

USA/OTC: USNZY US\$ 70.70

Latibex: XUSI € 49.43
XUSIO € 54.50

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**ADR
Level I**



Highlights

| R\$ million | 3Q 2007 | 3Q 2006 | 2Q 2007 | Chg. 3Q07/3Q06 | 9M 2007 | 9M 2006 | Chg. 9M07/9M06 |
|----------------------------|---------|---------|---------|-------------------|---------|---------|-------------------|
| Total Sales Volume (000 t) | 2,094 | 1,971 | 1,980 | 6.2% | 6,010 | 5,953 | 1.0% |
| Net Revenues | 3,630 | 3,127 | 3,379 | 16.1% | 10,346 | 9,138 | 13.2% |
| Gross Profit | 1,343 | 1,195 | 1,202 | 12.4% | 3,690 | 3,096 | 19.2% |
| Operating Result (EBIT) a | 1,139 | 1,022 | 1,015 | 11.5% | 3,118 | 2,653 | 17.5% |
| Financial Result | 13 | (91) | 61 | 0.0% | 83 | (287) | 0.0% |
| Net Income | 758 | 715 | 802 | 6.1% | 2,202 | 1,763 | 24.9% |
| EBITDA b | 1,375 | 1,228 | 1,233 | 12.0% | 3,786 | 3,182 | 19.0% |
| EBITDA MARGIN | 37.9% | 39.3% | 36.5% | -1,4 p.p. | 36.6% | 34.8% | +1,8 p.p. |
| EBITDA (R\$/t) | 657 | 623 | 623 | 5.4% | 630 | 535 | 17.8% |
| Total Assets | 19,893 | 18,124 | 18,975 | 9.8% | 19,893 | 18,124 | 9.8% |
| Net Debt | (243) | 1,669 | (104) | 0.0% | (243) | 1,669 | 0.0% |
| Stockholders' Equity | 12,115 | 10,166 | 11,531 | 19.2% | 12,115 | 10,166 | 19.2% |

(a) Earnings before interest, tax and participations.

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

Further information:

- Company's market cap as of 09/30/07: R\$ 28.8 billion, equivalent to US\$ 15.7 billion.
- Cash position as of 09/30/07: R\$ 3.1 billion.
- Net debt amortization in first nine months of 2007: R\$ 316 million.
- Investments in fixed assets in first nine months of 2007: R\$ 859 million.

Economic Analysis and Outlook

Domestic Scenario

"Strong growth in demand in 2007 and positive outlook for 2008"

Brazilian Economy

The Brazilian economy in 2007 was marked by a sharp increase in local consumption as well as investments, which reflects the high level of trust of the economic agents regarding the current and future momentum of the country's economy.

Despite the country still lacking the structural reforms and heftier investments in infrastructure, so desired by the society in general, the economy is going through a positive moment, which can be measured by the results of important industry sectors, such as the auto, oil and gas, industrial and road machinery and equipment, agricultural tools, appliances, civil construction, mining, sugar-alcohol and steelmaking sectors, whose sales performance in the domestic market have grown at a steady pace throughout the year of 2007.

The steady growth of world economy, added to the combination of local factors, such as the drop in interest rates, the sharp rise in credit offer and wages has enabled more predictability of the country's economy and has increased the interest of foreign investors, expanding the horizons of companies and accelerating the resumption of investments to expand the capacity of various sectors in the Brazilian economy.

Demand for Flat Rolled Steel

The demand for flat rolled steel until September, combined with the economic performance, posted a growth of 16.5% over the same period of last year. This growth can be seen in almost all sectors, except for the electronic and re-rolling equipment, which were affected by the decrease in exports due to the unfavorable exchange rate.

It is worth pointing out the steady growth in the auto sector which after taking advantage of the positive factors of the economy has posted a record performance in 2007. Until September, the sales of domestic vehicles grew 22.6% over the same period in 2006, with a production that was 10.6% higher during that period.

Another highlight is the growth of the large diameter pipe sector, due to the development of pipeline projects of Petrobrás and investments in Argentina, the signs of recovery of the shipping industry, the strong recovery of the agricultural machinery sector and the good performance of the industrial equipment and civil construction sectors, which reinforce the idea that investments to expand capacity are rising sharply in 2007 in the country.

| DEMAND GROWTH - In thousand tons | | | |
|----------------------------------|----------------|----------------|---------------|
| SECTORS | 9M 2007 | 9M 2006 | Δ Chg. |
| AUTOMOBILE | 1,009.2 | 865.7 | 16.6% |
| AUTOPARTS | 1,363.9 | 1,171.3 | 16.4% |
| SHIPBUILDING | 41.6 | 20.6 | 101.9% |
| HIGHWAY EQUIPMENT | 122.2 | 116.3 | 5.1% |
| AGRICULTURAL MACHINERY | 61 | 34 | 79.4% |
| INDUSTRIAL EQUIPMENT | 215.9 | 168.5 | 28.1% |
| ELECTRONIC EQUIPMENT | 277.4 | 294 | -5.6% |
| DOMESTIC APPLIANCES | 271.6 | 242.0 | 12.2% |
| CIVIL CONSTRUCTION / SHAPES | 848.7 | 696 | 21.9% |
| REROLLING | 219.0 | 219.2 | -0.1% |
| SMALL DIAMETER TUBES | 858.1 | 581 | 47.7% |
| DISTRIBUTION | 2,314.3 | 2,140.3 | 8.1% |
| LARGE DIAMETER TUBES | 386.9 | 220.9 | 75.1% |
| OTHER | 635.7 | 635.2 | 0.1% |
| TOTAL | 8,625.5 | 7,405.0 | 16.5% |

Outlook

For the second consecutive year the demand for flat rolled steel will grow in the country and the expectations are that the year closes with a 15% growth rate. For 2008, the Brazilian Steel Institute (IBS) forecast an 8% growth, which reflects the expansion process of the Brazilian economy.

International Scenario

“Positive outlook for the international market in 2008”

An analysis of the international steel market during the third quarter showed the impact of summer season on the pace in business of the Northern Hemisphere. In the **NAFTA region**, demand was apathetic and prices hit their lowest level.

In the **European Union**, the pace in business was affected due to the same reason. Prices in the region remained stable while in China short-cycle fluctuations occurred on domestic prices, equally reflecting the volatility of the season, with exports maintained at high levels.

After the end of this seasonal change, the mills in the **US** announced increase in steel prices at the beginning of the fourth quarter, triggered by a decrease in imports, the resumption of restocking and an increase in scrap prices. Several sectors are showing that their activities have gone back to normal in terms of growth in steel demand, differently from the residential real estate sector, which continues to decline, aggravated by the crisis of sub-prime mortgages. The auto sector, one of the main buyers of steel, has also recorded a drop in production of around 5% over the preceding year. Likewise, the appliance sector is undergoing a slight retraction due to its close relationship with the residential real estate sector.

In **Europe**, the economic activity recovered its strong pace and demand for steel, as well as the prices, should follow this performance.

In Asia, Chinese prices are again increasing, backed by a strong economic growth of more than 11% a year. Inventories are not excessive and production costs rose due to an increase of iron ore acquired on the spot market. Therefore, the tighter margins have led local producers to increase their prices. The shutting down of obsolete mills has contributed towards an increase in the price of slabs.

In terms of products, demand for heavy plates is strong and prices are rising. Hot rolled products are also on an upward trend, while cold rolled and coated products remain stable.

Outlook

The outlook for 2008 is bullish for the steel industry regarding demand. The main issue is probably that related to price levels of main raw materials needed for the steel industry and freight costs, which are the main cost components for production.

Flat Steel Prices on the International Market in 4Q07
FOB port prices

| FOB Base Price (w/o extras) | US\$/ton |
|-----------------------------|---------------|
| Slab | 480 - 520 (*) |
| Heavy Plate | 820 - 830 |
| Hot Rolled Coil | 560 - 580 |
| Cold Rolled Coil | 620 - 680 |
| Galvanized Coils | 720 - 780 |

(*) commercial grade

Raw Material and Freight

Iron ore

The international iron ore market continues heated due mainly to the strong growth in Chinese imports, although this pace has begun to slow down. These imports grew 40% in 2004, 32% in 2005, 18% in 2006 and should grow around 16% in 2007.

In the domestic market, where there is a bullish outlook in demand for the next years as a result of expansions in new steel mills, the mining companies are consolidating investments to increase production capacity. In this context, large mining companies have joined forces, besides announcing massive investments for 2008 .

Coal/Coke

The coal market is going through a turmoil period mainly due to the still precarious infrastructure conditions in Australia and production problems in the US. A few rumors suggest that the negotiation process will begin earlier and solid business deals may already be closed before the end of this year.

In the case of coke, the market continues strong. The main reason is the shortage of export licenses since there has not been signs of when the next issuance of licenses by Chinese government will occur. In terms of the Chinese FOB price, it is above US\$ 300/t.

Alloys and Refractories

Alloys, metals and refractory supply in 3Q07 was normal. The prices that most fluctuated in relation to 2Q07 were: 4% for refractories, 21% for manganese and 22% for magnesium.

Freight

In terms of ocean freight, the market has never been this heated and this has certainly contributed to the increase in production costs of the steel mills. Speculative components allied to the increase in demand are the main factors behind this behavior which shows no sign of slackening in the short or medium term.

Steel Industry - Global and Brazilian Production

Global

According to IISI, the International Iron and Steel Institute, global crude steel production in 3Q07 reached approximately 329.6 million tons, adding up to 981.2 million tons in 9M07, up 7% over the same period of 2006.

Asia accounted for 55% of this production, with China as the largest global producer, accounting for 37% of production. China produced 362 million tons in 9M07, up 17% over the same period in 2006.

Crude steel production in Latin America totaled 35.6 million tons up to September/07, up 5% over the first nine months of 2006, and Brazil accounted for around 50% of this production.

Brazil

According to preliminary data from the Brazilian Steel Institute (IBS), around 8.7 million tons of crude steel was produced in 3Q07, totaling 25.0 million tons in the first nine months of 2007, up 10% the production volume recorded in the same period of 2006.

Usiminas' production of crude steel accounted for 26% of this total. Brazilian steel production of rolled steel (flat and long) reached 18.8 million tons in 9M07, up 8% over the same period of 2006.

Usiminas System - Operational and Commercial Performance

Production (Crude Steel)

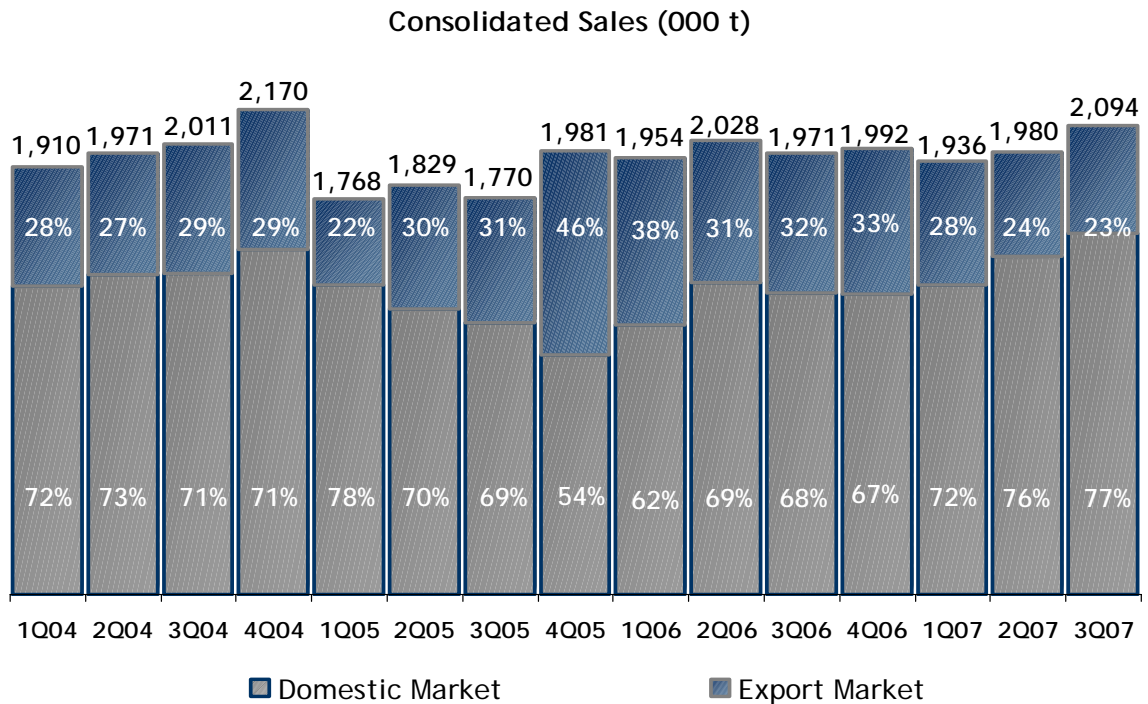
| Thousand tons | 3Q 2007 | 3Q 2006 | 2Q 2007 | Chg. 3Q07/3Q06 | Chg. 3Q07/2Q07 | 9M 2007 | 9M 2006 | Chg. 9M07/9M06 |
|---------------|---------|---------|---------|-------------------|-------------------|---------|---------|-------------------|
| Usiminas | 1,151 | 1,165 | 1,102 | -1% | 4% | 3,351 | 3,443 | -3% |
| Cosipa | 1,070 | 1,097 | 1,092 | -2% | -2% | 3,172 | 3,110 | 2% |
| Total | 2,221 | 2,262 | 2,194 | -2% | 1% | 6,523 | 6,553 | 0% |

The Ipatinga and Cubatão mills continue to break monthly production records at their units and operate with stability. In 3Q07, crude steel production totaled 2.2 million tons, up 1% over 3Q06. At the end of first nine months of 2007, total crude steel production reached 6.5 million tons, almost the same volume recorded in the previous year. In turn, flat steel production in 3Q07 was 2.1 million tons, adding up to 6.2 million tons in 9M07, up 2% over the same period of 2006.

On 09/30/07, the workforce of the two companies (Usiminas and Cosipa) totaled 13,767 employees.

Highlights:

- Approval of the steel produced at the Ipatinga mill to supply Peugeot globally, making it the first steel mill in Brazil to receive a certificate from the automaker laboratories.
- After the approval process of the USIMINAS products in July/07, the regular supply of the HDG/GI materials for Peugeot Brasil began.
- Cetesb granted the renewable Operation Permit to the Cubatão mill (Cosipa).



"Domestic sales grew 14% in the first nine months of 2007. Market Share of 52% is maintained"

Total

The sales volume of 2.1 million tons in 3Q07 grew 6% in comparison with 3Q06. The growth pace was similar when compared with 2Q07.

Sales reached 6.0 million tons in 9M07, up 1% over the first nine months of 2006. The retargeting of sales from the foreign market to the domestic market continues to be prioritized in order to align them with the evolution of domestic demand for steel products.

As a result, the share of sales targeted at the domestic market during the first nine months of the year was higher than that in year-ago period and therefore the volume set aside for exports fell 25%.

Of the total sales volume in 3Q07, 77% was for the domestic market and 23% for exports. In the first nine months of 2007, the share was 75% for the domestic market and 25% for the foreign market compared with 66% and 34% recorded in 9M06.

Domestic Market

Sales reached 1.6 million tons in 3Q07, up 20% over 3Q06. In 9M07 sales totaled 4.5 million tons, up 14% over the same period in 2006. In comparison with 2Q07 domestic market sales grew 7%.

Heavy plates accounted for the largest increase in sales with 49% followed by cold rolled products (+19%), electro-galvanized products (+14%) and hot rolled products (+11%).

Growth of the heavy plate line was even higher (+58%) in 9M07, due to the excellent performance of the large diameter pipe, shipping, industrial and road equipment and civil construction sectors. In the galvanized product line, sales were mainly accounted for by the automobile industry (autos and autoparts). Demand increased 16% in this sector and Usiminas' sales grew 9% in 9M07 over the same period of 2006.

Market Share: The Usiminas System has kept its leading position as supplier of flat steel to the main domestic market segments and ended the nine months of 2007 with a market share of 52%.

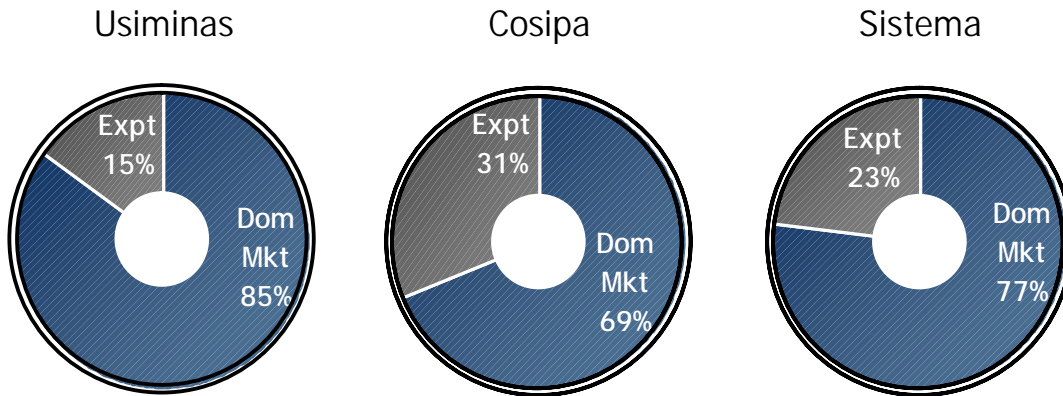
Export Market

Exports totaled 479 thousand tons in 3Q07, down 23% over the same period in 2006. In comparison with 2Q07 there was a slight increase of 2%, or 10 thousand tons. Exports amounted to 1.5 million tons in 9M07, down 25% over 9M06. These variations are a consequence of the plan to adjust Usiminas' exports and prioritize local customers.

Sales Volume

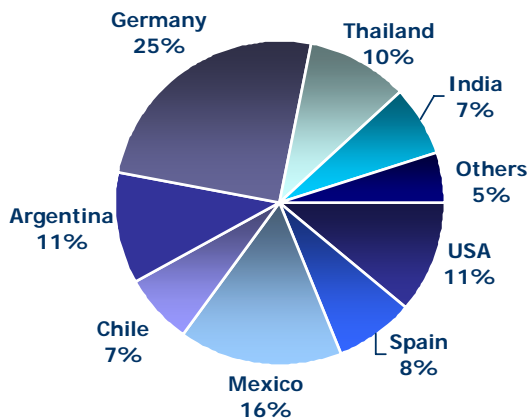
| Thousand tons | 3Q 2007 | | 3Q 2006 | | 2Q 2007 | | Chg. 3Q07/3Q06 | 9M 2007 | | 9M 2006 | | Chg. 9M07/9M06 |
|-----------------|--------------|-------------|--------------|-------------|--------------|-------------|-------------------|--------------|-------------|--------------|-------------|-------------------|
| Usiminas | | | | | | | | | | | | |
| Domestic Market | 933 | 85% | 830 | 79% | 849 | 83% | 12% | 2,583 | 83% | 2,386 | 74% | 8% |
| Export Market | 170 | 15% | 219 | 21% | 171 | 17% | -22% | 545 | 17% | 834 | 26% | -35% |
| Total | 1,103 | 100% | 1,049 | 100% | 1,020 | 100% | 5% | 3,128 | 100% | 3,220 | 100% | -3% |
| Cosipa | | | | | | | | | | | | |
| Domestic Market | 682 | 69% | 516 | 56% | 662 | 69% | 32% | 1,928 | 67% | 1,558 | 57% | 24% |
| Export Market | 309 | 31% | 406 | 44% | 298 | 31% | -24% | 954 | 33% | 1,175 | 43% | -19% |
| Total | 991 | 100% | 922 | 100% | 960 | 100% | 7% | 2,882 | 100% | 2,733 | 100% | 5% |
| System | | | | | | | | | | | | |
| Domestic Market | 1,615 | 77% | 1,346 | 68% | 1,511 | 76% | 20% | 4,511 | 75% | 3,944 | 66% | 14% |
| Export Market | 479 | 23% | 625 | 32% | 469 | 24% | -23% | 1,499 | 25% | 2,009 | 34% | -25% |
| Total | 2,094 | 100% | 1,971 | 100% | 1,980 | 100% | 6% | 6,010 | 100% | 5,953 | 100% | 1% |

Sales Volume Mix - 3Q07

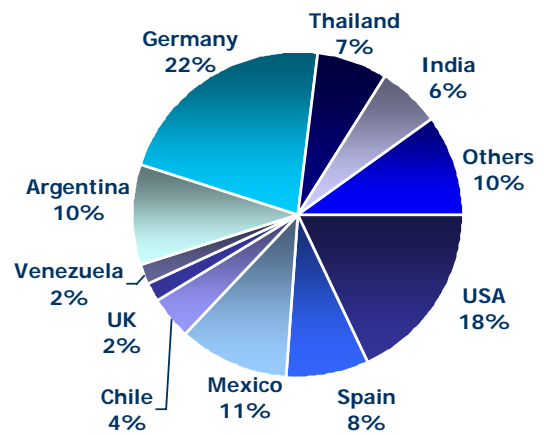


Usiminas System Exports

EXPORTS - 3Q07



EXPORTS - 9M07



Economic and Financial Performance

“Net Revenues and EBITDA grew 13% and 19% over the first nine months of 2006.”

Total net profit is 25% higher than the profit appraised until September/06”

Net Revenue

Net revenue in 3Q07 reached R\$3.6 billion, up 16% over 3Q06 and 7% higher than in 2Q07 as a result of improved prices and volume sold.

Net revenue totaled R\$10.3 billion in 9M07, up 13% over the same period in 2006, mainly due to higher prices, mix improvement and a larger volume of domestic market sales.

Net Per-Ton Revenues (Usiminas + Cosipa) - R\$/tons

| Total DOM + EXP | 3Q07 | 3Q06 | 2T07 | 9M07 | 9M06 |
|-----------------|-------|-------|-------|-------|-------|
| | 1,667 | 1,541 | 1,628 | 1,630 | 1,425 |

Net revenue per ton in 3Q07 rose 8.2% over 3Q06. Quarter-on-quarter growth was 2.4%.

The average price charged by Usiminas and Cosipa was up 12.8% over 9M06. The domestic market average price increased 8.9% and the foreign market average price rose 11.4%, favored by lower slab sales - around 175 thousand tons. It is worth pointing out that during this period the depreciation of the U.S. dollar hit 4.3%, which contributed towards the decrease in revenue from exports.

COGS

In 3Q07, cost of goods sold (COGS) totaled R\$ 2.3 billion, up 18% from 3Q06 and up 5% from 2Q07, due to the higher sales volume during the period and an improvement in the sales mix.

COGS reached R\$6.7 billion in 9M07, up 10% over 9M06, basically due to a surge in the consumption of acquired slabs and heavy plates, a greater volume of construction work and large repairs, and price hikes of raw materials, however partially offset by exchange gains deriving from the appreciation of the real against the dollar.

Total per-ton COGS (Usiminas and Cosipa) was R\$ 1,094.11/ton in 3Q07 and R\$1,076,19/t in 9M07.

Gross Profit

Gross profit reached R\$ 1.3 billion in 3Q07, up 12% over 3Q06. Gross margin decreased to 37% from 38% in 3Q07 and increased by one percentage point compared with 2Q07.

Gross profit totaled R\$ 3.7 billion in 9M07, up 19% compared with the same period in 2006. Gross margin was 36%, a growth of two percentage points over 9M06. Improved prices and a better product mix resulted in higher margins.

Operating Profit before Financial Expenses (EBIT)

Expenses and operating profit grew 18% in 3Q07 over 3Q06 to R\$ 205 million from R\$ 173 million. The comparison between 3Q07 and 2Q07 showed a 9% increase basically due to actuarial adjustment losses from the Pension Funds of Usiminas and Cosipa.

These expenses increased 29% to R\$ 572 million in 9M07 from R\$ 443 million in the same period of 2006. The main changes occurred in the following accounts:

Sales expenses: were 13% lower, since more was spent on port expenses due to a larger export volume (510 thousand tons) and to payment of demurrage in the first nine months of 2006.

SG&A: grew 11%, mainly due to labor increases and hiring.

Other expenses/revenues: increased by R\$ 133 million in comparison with 9M06 due to the fact that in that period a gain of R\$ 52 million (non-recurring) from the reversal of fiscal contingencies of PIS/COFINS on other revenue was recorded, as well as the reversal of the actuarial liabilities of FEMCO (Cosipa's pension fund) worth R\$ 14 million. On the other hand, it is worth noting that the current year includes a non-recurring expense deriving from an inventory increase of R\$ 19 million and tax contingencies of R\$ 23 million.

Operating profit before financial expenses and interest was R\$ 1.1 billion in 3Q07, 11% higher than in 3Q06 and up 12% in relation to 2Q07. Accumulated operating profit in the nine-month period of 2007 was R\$ 3.1 billion, up 18% over the same period in 2006.

The operating margin ended the nine months of 2007 at 30.1%, an increase of one percentage point in relation to the margin of the previous year.

EBITDA

In 3Q07, EBITDA reached R\$ 1.4 billion, up 12% in relation to the same period in 2006 and 12% higher than the EBITDA of 2Q07. Accumulated EBITDA in the first nine months of 2007 was R\$ 3.8 billion, up 19% over the same period of 2006.

EBITDA margin in 3Q07 was 37.9%, up 1.4 percentage point from the 2Q07 margin.

At the end of the period ended on 09/30/07, the EBITDA margin came to 36.6%, which is 1.8 percentage point above the margin for the nine-month period of 2006, due to higher prices during the period and an improved sales mix.

Financial Result

Net expenses and financial revenue in 3Q07 totaled R\$ 13 million against expenses of R\$ 91 million in 3Q06.

In comparison with 2Q07 revenues were lower, due to the period being favored by R\$ 44 million deriving from adjustments of judicial deposits and a decrease in exchange loss.

In the nine-month period of 2007 expenses and net financial revenue went from an expense of R\$ 287 million in 9M06 to a revenue of R\$ 83 million basically due to:

- Reduction of swap expenses of R\$ 162 million.
- gains from the adjustment of judicial deposits totaling R\$ 44 million.
- increase in gains from financial investments totaling R\$ 55 million.
- gains from a reduction in financial charges on debt of R\$ 51 million.
- exchange gains of R\$ 65 million due to the appreciation of the real in relation to the US dollar.

Equity Income

Equity income was a positive R\$ 6 million in 3Q07 compared with a revenue of R\$ 109 million in 3Q06. An expense of R\$ 16 million was posted in 2Q07, reflecting the effect of the Real appreciation in investments of Ternium (the exchange variation on investments abroad was a negative R\$ 60 million in 3Q07, as compared with R\$ 85 million in 2Q07).

Equity income was a positive R\$ 3 million in 9M07 as compared with R\$ 99 million in the same period of 2006, also due to the exchange effect on investments of Ternium. The exchange effects were a negative R\$ 206 million in 9M07 against R\$ 79 million in 9M06.

Expenses and non-operating revenue

In 2Q07, a gain from an increase in Eletrobrás' share price totaling R\$ 9 million against a loss of R\$ 3 million was recorded in 3Q07.

Income Tax and Social Contribution Tax

The income tax and social contribution tax remained stable in 9M07 over 9M06, and it is worth noting that in the comparison between 3Q07 and 2Q07 the latter recorded a lower figure mainly due to the effect of the provision for interest on equity capital of R\$ 331 million which occurred in 2Q07.

"Accumulated Net Profit until September/07 is up 25% in relation to the same period of 2006"

Net Profit

Usiminas posted consolidated net profit of R\$ 758 million in 3Q07, up 6% over 3Q06. There was a 5% reduction when compared with the results of 2Q07 because a gain of R\$ 113 million was then added due to the reduction of income tax applicable on interest on own capital.

Accumulated net profit reached R\$ 2.2 billion, up 25% over the same period of 2006. The growth in net income was mainly due to higher average prices, product mix and destination improvement, along with reduction of financial expenses.

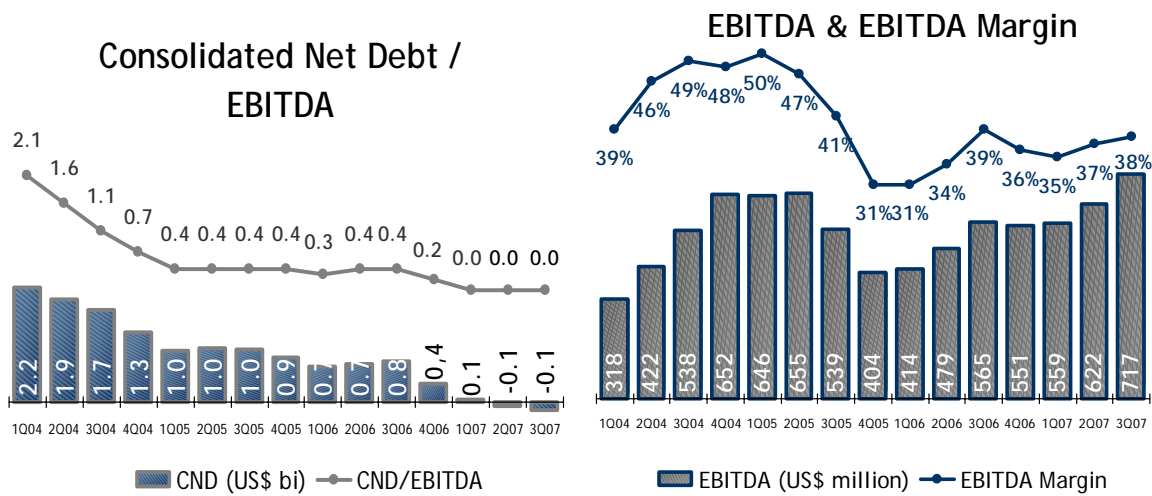
Indebtedness

Total consolidated debt fell to R\$ 2.9 billion on 09/30/2007 from R\$ 3.0 billion on 06/30/07.

Effective debt amortization in the nine-month period of 2007 was R\$ 316 million (considering amortization minus inflows of proceeds).

The debt is comprised of 28% in local currency and 72% in foreign currency, and has a maturity profile of 17% in the short term and of 83% in the long term.

The total debt/EBITDA ratio at the end of the nine-month period of 2007 was 0.6X and the net debt/EBITDA ratio was zero at the end of the quarter.



Investments

Investments in fixed assets totaled R\$ 344 million in 3Q07 and added up to R\$ 859 million in 9M07, up 271% over 9M06. Spending was concentrated on maintenance, technology updating of equipment and environmental protection of the Usiminas System plants.

Other Quarterly Highlights

New global leader in sustainability

- In September, Usiminas became the first Brazilian steel mill and the third in the world to be listed in the Global Dow Jones Sustainability Index. The announcement was made by the Swiss Institute SAM (Sustainable Asset Management), in charge of the methodology of the index. Forty-two companies were identified as “new global leaders in sustainability” and Usiminas was among them. The annual DJSI review influences investment decisions in 15 countries.

In order to be included in the DJSI, a company has its corporate practices analyzed, as well as its social environmental activities, transparency, corporate governance, risk management and work practices and it must have a solid name, among other aspects.

Quality - International environmental certification - RoHS & ELV

- Usiminas has become the first steel mill in Latin America to obtain the certification of compliance for its whole product line (heavy plates, hot rolled and cold rolled products and coated products), as is required by the European RoHS (Restrictions for Use of Harmful Substances) guidelines.

The RoHS guidelines are aimed at protecting the soil, the water and the air against pollution through a restriction to use certain substances, such as lead, mercury, cadmium and others. The certification granted by the Bureau Veritas Certification in France represents another important step of Usiminas to meet the requirements of the clients and the concerns of society, aiming always at the manufacture of ecologically-correct products.

ELV seal - the European green seal for auto steels

- Usiminas is the first Brazilian company to obtain the ELV (End of Life Vehicles) seal for steels used by the auto sector. This European guideline refers to the use of harmful substances in the production of steel. The main purpose of the ELV certification is to reduce environmental impact caused by the disposal of vehicles with no more useful life through collection, reuse and recycling of the components. The goal is to protect the environment and the human being by eliminating the use of heavy metals such as lead, mercury, cadmium and hexavalent chromium. The certification granted by Bureau Veritas Certification (BVC) in France is valid for the whole line of products (heavy plates, hot rolled products, cold rolled and coated products).

Usiminas receives the IDHO award - 2007 Edition

- Usiminas was ranked among the 10 best companies in the Organizational Human Development Index (IDHO) by the *Gestão & RH On Line* magazine through a survey aimed at analyzing the current stage of Brazilian companies in Organizational Human Development. The results were based on the response of 458 companies, Financial Statements, Sustainability Reports, information obtained from sites of the Ethos institute, Ibase, São Paulo Stock Exchange, IBGC, Exame and Época magazines and business publications. The certification awards the best companies in IDHO indicators in four categories: Sustainability, Governance, Human Capital and Transparency.

Capital Markets



**ADR
Level I**



**Dow Jones
Sustainability Indexes**
Member 2007/08



• Bovespa Performance - Bovespa Index

In the quarter, the preferred class "A" shares (USIM5) appreciated by 16.4%, while the common shares (USIM3) appreciated 12.5%. During the same period, Ibovespa appreciated 11.2%. In the first nine months of 2007, the USIM5 shares appreciated 59% and the USIM3 shares 49.5%. Both appreciated more than the Ibovespa, which rose 36% in the same period.

Usiminas maintained the fourth position among the shares with the greatest weight in the Ibovespa, with a 3.41% weighting in Ibovespa's theoretical portfolio in the September-December 2007 period.

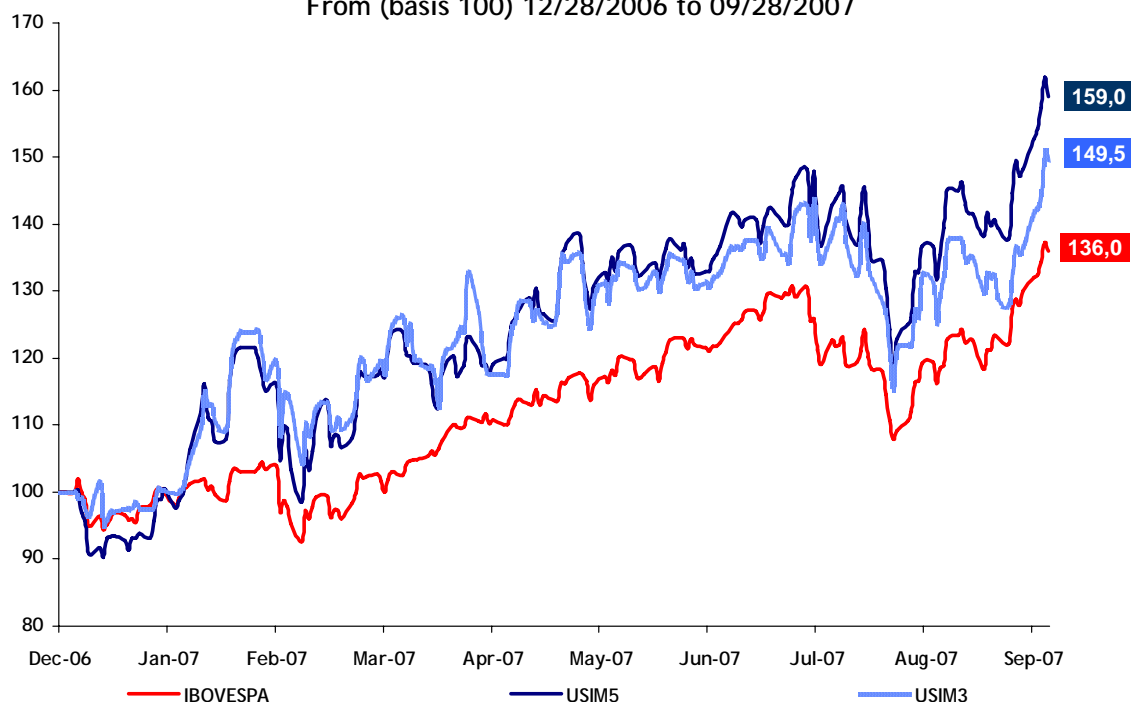
On 09/28/07, USIM5 shares were quoted at R\$ 128.00 and USIM3 shares at R\$ 143.50. The table below summarizes the trading of the Company's shares during 3Q07.

Trading Summary Table for Usiminas Shares - 3Q07

| Stock, ADR or Index | Number of Trades (daily avg) | Share Traded (daily avg) | Volume Traded (daily avg) | Appreciation % | Closing Quotation 09/28/07 |
|---------------------|------------------------------|--------------------------|---------------------------|----------------|----------------------------|
| USIM3 (ON) | 279 | 216,389 | 27,508,272 | 12.5% | R\$ 143.50 |
| USIM5 (PNA) | 1,708 | 1,195,098 | 133,984,598 | 16.4% | R\$ 128.00 |
| USNZY (ADR) | 60 | 33,624 | 2,023,859 | 25.2% | US\$ 56.45 |
| XUSI (Latibex) | 45 | 14,150 | 634,992 | 16.3% | 42.52 |
| XUSIO (Latibex) | 49 | 918 | 44,680 | 10.7% | 49.24 |
| IBOVESPA | 101,249 | 11,832,846,662 | 4,318,246,000 | 11.2% | 60,465 |

USIM5 e USIM3 versus Ibovespa

From (basis 100) 12/28/2006 to 09/28/2007



- **ADR Performance in the US**

In the quarter, Usiminas preferred shares traded in the United States as Level 1 "USNZY" in the OTC market appreciated by 25.2%. On 09/28/07 they were quoted at US\$ 70.70.

- **Latibex Madrid Performance**

The Company's shares listed on the Latibex "XUSI" were the most traded among all shares traded (in volume) and rose 16.3% in the quarter, quoted at EUR 49.43 on 09/28/2007. "XUSIO" (common) shares appreciated 10.7%, quoted at EUR 54.50.

Corporate Governance

- **Bovespa - Level 1 of Corporate Governance:** Usiminas adhered to the Level 1 of Corporate Governance of Bovespa on October 11. The voluntary adherence process reinforces the commitment of the company with the principles of transparency in management and respect towards the investors.

Starting on 10/11, the company began to take part in the index of shares with Differentiated Corporate Governance (IGC).

Material Facts Subsequent to the End of the Quarter

- **Interest on Capital**

The Board of Directors of Usiminas at a meeting held on 11/07/2007, "ad referendum" of the General Shareholders Meeting, approved a proposal of the Officers to distribute to the shareholders, pursuant to the Article of Incorporation and the law in effect, on account of the net profit of the 2nd half of 2007 the amount of R\$ 314.001 million as complementary Interest on Capital, of which each common share is worth R\$ 1.36437 and each preferred share R\$ 1.50081, calculated based on the Company's current number of shares and that will be added to the calculation of the minimum mandatory dividend for 2007.

The payment date will be defined by the Board of Directors at the general shareholders' meeting on March 26, 2008, which will deliberate on the Financial Statements of 2007.

For holders of shares on December 27, 2007 will be entitled to the above mentioned benefit and the Withholding Tax of 15% (fifteen percent), in compliance with the legal exceptions, will be deducted.

The shares will be negotiated "ex-interest" as of December 28, 2007.

- **Stock dividend**

The Board of Directors, at a meeting held on 11/07/2007, "ad referendum" of the Extraordinary General Shareholders Meeting which will take place on 11/27/07, approved a capital increase of USIMINAS amounting to R\$ 2,700,000,000.00, which increases from R\$ 5,400,000,000.00 to R\$ 8,100,000,000.00, through the capitalization of Reserves, with issuance of new shares, and a credit of 1 (one) new bonus share for each group of 2 (two) shares of any type held on November 27, 2007, date of execution and capitalization of the reserves.

The unit cost attributed to the bonus shares is R\$ 23.969551 in conformity with subparagraph 1 of art. 25 of IN/SRF 25/2001, of which, for the purpose of income tax, this unit cost attributed to the new shares, may be added to the cost of company issued shares already held by the shareholders.

In addition, as of 11/28/2007, the negotiations of these shares in the stock exchange will be made ex-bonus.

Possible fractions resulting from the stock dividend will be auctioned at the stock exchange and the corresponding amount will be automatically paid on December 19, 2007.

Other Companies of the Usiminas System

Ternium

On 11/06/07, Ternium released its 3Q07 results, summarized in the table below:

| Summary of Results | 3Q07 | 9M07 |
|--|---------|---------|
| Chg % Product Shipments - thsd. t | 2.733,0 | 7.798,9 |
| Net Sales - US\$ million | 2.343,4 | 6.102,7 |
| Gross Profit - US\$ million | 642,4 | 1.869,1 |
| Operating Profit - US\$ million | 432,6 | 1.298,6 |
| EBITDA - US\$ million | 587,9 | 1.699,4 |
| EBITDA Margin | 25% | 28% |
| Net Profit - US\$ million | 214,0 | 780,6 |
| Net Profit - Share of the Controllers - US\$ million | 159,8 | 618,9 |

Ternium's shipments in 3Q07 totaled 2.7 million tons and grew 23% over the same period in 2006, as a result of the merger of the Imsa group, leading to a net revenue of US\$ 2.3 billion, up 35% over 3Q06 and up 19% over 2Q07.

In 9M07, shipments totaled 7.8 million tons, up 13% over 9M06, resulting in net revenues of R\$ 6.1 million, 23% higher compared with 9M06.

Operating profit in 3Q07 was US\$ 432.6 million, down 15% over the same period in 2006. Without the effects of the merger of the Imsa group as of July/07, this reduction occurred as a result of the cost of raw material, services and labor costs.

Net profit of Ternium was US\$ 214 million in 3Q07, down 40% from 3Q06, affected by exchange loss and higher expenses with interest related to the debt incurred by the acquisition of the Imsa group. In 9M07, net income reached US\$ 780.6 million, 7% lower than in the same period of 2006.

Besides the acquisition of 100% of the equity capital of Grupo Imsa S.A.B., with operations in Mexico, USA and Guatemala, on 10/26/07, Ternium was granted a new concession to explore iron ore in the state of Michoacán in Mexico, which will add around 23,000 hectares to the concessions that Ternium already has in the region. Ternium expects this operation to strongly impact iron ore production.

Ternium is one of the largest steel producers in the Americas and offers a large array of products, including flat and long steel products. The company has operational facilities in Mexico (Hylsamex), Argentina (Siderar) and Venezuela (Sidor) and has a vast distribution network.

Usiminas has a 14.25% stake in Ternium's total capital, in which it is a partner with the Techint Group.

MRS Logística

On 10/30/07, MRS released its 3Q07 results, summarized in the table below:

| Summary of Results | 3Q07 | 9M07 |
|--|-------|---------|
| Volume transported - million tons | 33,7 | 92,7 |
| Net Revenues - R\$ million | 573,5 | 1.590,8 |
| Operating profit (before Financial Result) - R\$ million | 236,3 | 651,8 |
| EBITDA - R\$ million | 269,4 | 752,9 |
| EBITDA Margin | 47,0% | 47,3% |
| Net Income - R\$ million | 143,6 | 403,4 |

Main Highlights:

- 11% increase in gross revenue in 9M07 over 9M06;
- the volume transported until Sept/07 was 11% higher in comparison with the same period in 2006;
- net revenue was 7% higher over 2Q07 and up 10% in 9M07 over the same period of 2006, due to the increase in volume transported of iron ore for exports;
- MRS' net profit grew around 5% over 2Q07 and added up to R\$ 403.4 million in 9M07, up 3% over the same period of 2006;
- MRS reached a record level of monthly production in August - 11.7 million tons.

MRS announced the execution of a contract to purchase 74 new GE C44Emi and AC44i trains and the acquisition of 549 GDT cars and 25,000 tons of TR68 tracks.

It also began construction work to revitalize railroad access to the Port of Rio de Janeiro in September, and recorded an increase of 1.3 million tons in the transport of corn in 3Q07 compared with the previous quarter and a 54% increase in the transport of pig iron for export through the Port of Rio de Janeiro in 3Q07 compared with 3Q06.

MRS Logística is a concessionaire that controls, operates and monitors the Southeast Federal Railroad Network. The company operates in the railroad transportation market, interconnecting the States of Rio de Janeiro, Minas Gerais and São Paulo. The region concentrates approximately 65% of Brazil's GDP. It is also home for the largest industrial complexes in the country. Through MRS's network it is also possible to reach the ports of Sepetiba and Santos (the largest in Latin America).

MRS's activities focus on railroad transportation of general cargo, such as ores, finished steel products, cement, bauxite, cement, bauxite, agricultural products, green coke and containers with an integrated logistics.

Usiminas holds 20% of the voting capital and is part of the Company's control group.

Unigal

Unigal processed 93.4 thousand tons of products in 3Q07 and 326.2 thousand tons in 9M07, the same volume produced in 9M06. Net revenue (for processing services) was R\$ 47.0 million in 3Q07 and totaled R\$ 155.7 million in 9M07, up approximately 40% over 9M06.

EBITDA reached R\$ 41.3 million in 3Q07 and R\$139.3 million in 9M07, up 50.8% over the same period of 2006. Net profit in the quarter was R\$ 12.0 million and totaled R\$ 49.5 million in 9M07, a significant growth in relation to the profit for the same period of 2006, which totaled R\$ 5.3 million.

Unigal, a joint venture between Usiminas and Nippon Steel, processes cold rolled coils through hot dipped galvanizing. Usiminas has a 79.3% stake in its capital.

Usiminas Mecânica S/A

The company posted net revenue of R\$ 196.0 million in 3Q07 and of R\$ 562.3 million in 9M07. Net profit totaled R\$ 16.1 million in 3Q07 and R\$ 52.6 million, a significant growth in comparison with the same period of 2006 when it recorded a net profit of R\$ 11.9 million. This result reflects the performance of the large portfolio of long-term projects recorded at the end of 2006.

UMSA is a Capital Goods Manufacturer and Service Provider and has several long-term projects, highlighting: assembly of Sintering Machine II of Gerdau-Açominas; supply of structures, equipment and assembly at Alumar; supply of structures, equipment and assembly of the Alunorte expansion and the Passagem Bridge in Vitória, ES and the supply of structures for Companhia Siderúrgica do Atlântico - CSA.

Usiminas holds 99.9% interest in the capital of Usiminas Mecânica S.A.

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Visit our Investor Relations page: www.usiminas.com.br/ri

Conference calls: Friday, November 09

International, at 12:00 PM (Brasília time).

Dial-in numbers:

US: (1 800) 860-2442

Brazil: (11) 4688-6301

Other countries: (1 412) 858-4600

Local, at 2:00 PM (Brasília time).

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Abroad: +55 (11) 4688-6301 (55 11) 4688-6301

Pincodes: 557 (local) / 162 (international)

Audio of the conference call will be transmitted live via Internet, together with a slide presentation on our website: www.usiminas.com.br



**ADR
Level I**



Declarations contained in this release relative to the business outlook of the Company, forecasts of operating and financial income 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

| R\$ thousand | 3Q 2007 | 3Q 2006 | 2Q 2007 | Chg. 3Q07/3Q06 |
|----------------------------------|--------------|--------------|--------------|-------------------|
| Net Revenues | 1,972,367 | 1,710,994 | 1,798,044 | 15% |
| Domestic Market | 1,758,514 | 1,434,711 | 1,559,082 | 23% |
| Export Market | 213,853 | 276,283 | 238,962 | -23% |
| COGS | (1,257,468) | (1,103,592) | (1,131,789) | 14% |
| Gross Profit | 714,899 | 607,402 | 666,255 | 18% |
| Gross Margin | 36% | 35% | 37% | +1 p.p. |
| Operating Income (Expenses) | (111,771) | (83,134) | (85,700) | 34% |
| Selling | (25,691) | (29,283) | (24,160) | -12% |
| General and Administrative | (38,913) | (35,209) | (39,578) | 11% |
| Others, Net | (47,167) | (18,642) | (21,962) | 153% |
| EBIT | 603,128 | 524,268 | 580,555 | 15% |
| EBIT Margin | 31% | 31% | 32% | +0 p.p. |
| Financial Result | 9,190 | (12,318) | 62,822 | -175% |
| Financial Income | 33,229 | 29,812 | 67,269 | 11% |
| Financial Expenses | (24,039) | (42,130) | (4,447) | -43% |
| Equity Income | 367,172 | 377,951 | 256,439 | -3% |
| Operating Result | 979,490 | 889,901 | 899,816 | 10% |
| Non-Operating Income | (4,571) | 995 | 9,315 | -559% |
| Profit Before Taxes | 974,919 | 890,896 | 909,131 | 9% |
| Income Tax / Social Contribution | (207,241) | (173,996) | (105,472) | 19% |
| Net Income | 767,678 | 716,900 | 803,659 | 7% |
| Net Margin | 39% | 42% | 45% | -3 p.p. |
| Net Income per thousand shares | 3.49935 | 3.26788 | 3.66336 | 7% |
| EBITDA | 718,319 | 620,476 | 678,882 | 16% |
| EBITDA Margin | 36.4% | 36.3% | 37.8% | +0,1 p.p. |
| Depreciation | 70,027 | 65,361 | 69,418 | 7% |
| Provisions | 45,164 | 30,847 | 28,909 | 46% |

Income Statement - Parent Company

Brazilian GAAP

| R\$ thousand | 9M 2007 | 9M 2006 | Chg. 9M07/9M06 |
|----------------------------------|--------------|--------------|-------------------|
| Net Revenues | 5,504,330 | 4,995,307 | 10% |
| Domestic Market | 4,773,280 | 4,035,593 | 18% |
| Export Market | 731,050 | 959,714 | -24% |
| COGS | (3,503,471) | (3,280,587) | 7% |
| Gross Profit | 2,000,859 | 1,714,720 | 17% |
| Gross Margin | 36% | 34% | +2 p.p. |
| Operating Income (Expenses) | (292,886) | (225,097) | 30% |
| Selling | (78,322) | (98,770) | -21% |
| General and Administrative | (116,646) | (107,990) | 8% |
| Others, Net | (97,918) | (18,337) | 434% |
| EBIT | 1,707,973 | 1,489,623 | 15% |
| EBIT Margin | 31% | 30% | +1 p.p. |
| Financial Result | 78,483 | (95,033) | -183% |
| Financial Income | 120,666 | 44,796 | 169% |
| Financial Expenses | (42,183) | (139,829) | -70% |
| Equity Income | 912,321 | 710,934 | 28% |
| Operating Result | 2,698,777 | 2,105,524 | 28% |
| Non-Operating Income | 5,192 | 3,295 | 58% |
| Profit Before Taxes | 2,703,969 | 2,108,819 | 28% |
| Income Tax / Social Contribution | (492,559) | (356,625) | 38% |
| Net Income | 2,211,410 | 1,752,194 | 26% |
| Net Margin | 40% | 35% | +5 p.p. |
| Net Income per thousand shares | 10.08038 | 7.98711 | 26% |
| EBITDA | 2,024,056 | 1,712,446 | 18% |
| EBITDA Margin | 36.8% | 34.3% | +2,5 p.p. |
| Depreciation | 208,734 | 195,811 | 7% |
| Provisions | 107,349 | 27,012 | 297% |

Income Statement - Consolidated

Brazilian GAAP

| R\$ thousand | 3Q 2007 | 3Q 2006 | 2Q 2007 | Chg. 3Q07/3Q06 |
|---|------------------|------------------|------------------|-------------------|
| Net Revenues | 3,630,317 | 3,127,387 | 3,379,268 | 16% |
| Domestic Market | 3,036,250 | 2,304,161 | 2,788,488 | 32% |
| Export Market | 594,067 | 823,226 | 590,780 | -28% |
| COGS | (2,287,045) | (1,932,667) | (2,176,840) | 18% |
| Gross Profit | 1,343,272 | 1,194,720 | 1,202,428 | 12% |
| Gross Margin % | 37% | 38% | 36% | -1 p.p. |
| Operating Income (Expenses) | (204,683) | (173,153) | (187,615) | 18% |
| Selling | (58,640) | (65,671) | (56,424) | -11% |
| General and Administrative | (75,546) | (68,662) | (76,042) | 10% |
| Others, Net | (70,497) | (38,820) | (55,149) | 82% |
| EBIT | 1,138,589 | 1,021,567 | 1,014,813 | 11% |
| EBIT Margin % | 31% | 33% | 30% | -2 p.p. |
| Financial Result | 12,882 | (91,148) | 61,367 | -114% |
| Financial Income | 68,420 | 77,466 | 79,477 | -12% |
| Financial Expenses | (55,538) | (168,614) | (18,110) | -67% |
| Equity Income | 5,967 | 109,211 | (16,048) | -95% |
| Operating Result | 1,157,438 | 1,039,630 | 1,060,132 | 11% |
| Non-Operating Income | (2,619) | 2,287 | 10,488 | -215% |
| Profit Before Taxes | 1,154,819 | 1,041,917 | 1,070,620 | 11% |
| Income Tax / Social Contribution | (389,623) | (321,666) | (262,017) | 21% |
| Income before Minority Interests | 765,196 | 720,251 | 808,603 | 6% |
| Minority Interests | (7,303) | (5,664) | (6,292) | 29% |
| Net Income | 757,893 | 714,587 | 802,311 | 6% |
| Net Margin | 21% | 23% | 24% | -2 p.p. |
| Net Income per thousand shares | 3.45474 | 3.25734 | 3.65721 | 6% |
| EBITDA | 1,375,084 | 1,227,767 | 1,233,404 | 12% |
| EBITDA Margin % | 37.9% | 39.3% | 36.5% | -1,4 p.p. |
| Depreciation | 178,874 | 172,999 | 176,835 | 3% |
| Provisions | 57,621 | 33,201 | 41,756 | 74% |

Income Statement - Consolidated

Brazilian GAAP

| R\$ thousand | 9M 2007 | 9M 2006 | Chg. 9M07/9M06 |
|---|-------------------|------------------|-------------------|
| Net Revenues | 10,345,655 | 9,138,384 | 13% |
| Domestic Market | 8,443,409 | 6,770,586 | 25% |
| Export Market | 1,902,246 | 2,367,798 | -20% |
| COGS | (6,655,731) | (6,042,178) | 10% |
| Gross Profit | 3,689,924 | 3,096,206 | 19% |
| Gross Margin | 36% | 34% | +2 p.p. |
| Operating Income (Expenses) | (572,141) | (443,327) | 29% |
| Selling | (175,263) | (201,602) | -13% |
| General and Administrative | (225,136) | (203,303) | 11% |
| Others, Net | (171,742) | (38,422) | 347% |
| EBIT | 3,117,783 | 2,652,879 | 18% |
| EBIT Margin | 30% | 29% | +1 p.p. |
| Financial Result | 82,773 | (287,144) | -129% |
| Financial Income | 195,642 | 120,528 | 62% |
| Financial Expenses | (112,869) | (407,672) | -72% |
| Equity Income | 2,571 | 98,806 | -97% |
| Operating Result | 3,203,127 | 2,464,541 | 30% |
| Non-Operating Income | 7,743 | 14,265 | -46% |
| Profit Before Taxes | 3,210,870 | 2,478,806 | 30% |
| Income Tax / Social Contribution | (989,348) | (699,758) | 41% |
| Income before Minority Interests | 2,221,522 | 1,779,048 | 25% |
| Minority Interests | (19,493) | (15,799) | 23% |
| Net Income | 2,202,029 | 1,763,249 | 25% |
| Net Margin | 21% | 19% | +2 p.p. |
| Net Income per thousand shares | 10.03762 | 8.03751 | 25% |
| EBITDA | 3,786,126 | 3,182,279 | 19% |
| EBITDA Margin | 36.6% | 34.8% | +1,8 p.p. |
| Depreciation | 532,458 | 515,836 | 3% |
| Provisions | 135,885 | 13,564 | 902% |

Cash Flow
Brazilian GAAP

| R\$ thousand | Parent Company | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 3Q 2007 | 3Q 2006 | 3Q 2007 | 3Q 2006 |
| Operating Activities | | | | |
| Net Income (Loss) in the Period | 767,678 | 716,900 | 757,893 | 714,587 |
| Financial Expenses and Monetary Var/Net Exchge Var | 14,150 | 25,942 | (853) | 116,918 |
| Depreciation, Exhaustion and Amortization | 70,027 | 65,361 | 179,104 | 172,875 |
| Investment Write-offs (Decrease in Permanent Assets) | 91 | 407 | 350 | 411 |
| Equity in the Results of Subsidiaries/Associated Companies | (367,172) | (377,951) | (5,967) | (109,211) |
| Dividend Income from Subsidiaries | 27,698 | 0 | 26,387 | 0 |
| Income Tax and Social Contribution | 207,241 | 173,996 | 389,623 | 321,667 |
| Provisions | 11,787 | 90,017 | 37,958 | 96,324 |
| Adjustment for Minority Participation | 0 | 0 | 7,303 | 5,664 |
| Total | 731,500 | 694,672 | 1,391,798 | 1,319,235 |
| Increase/Decrease of Assets | | | | |
| Increase (Decrease) in Accounts Receivables | 39,837 | 3,972 | 98,985 | 108,182 |
| Increase (Decrease) in Inventories | 22,448 | (43,703) | (46,191) | (200,785) |
| Increase (Decrease) in Recovery of Taxes | 584 | 41 | (29,673) | 9,252 |
| Increase (Decrease) from Deferred Income Tax & Social Contrb'n | 102,925 | 62,327 | 109,710 | 83,806 |
| Increase (Decrease) in Judicial Deposits | (80,532) | (5,996) | (84,387) | (10,533) |
| Increase (Decrease) in Accounts Receivables Affiliated Companies | 2,054 | (53,750) | 0 | 13,560 |
| Others | (238) | 2,050 | (8,995) | (128,829) |
| Total | 87,078 | (35,059) | 39,449 | (125,347) |
| Increase (Decrease) of Liabilities | | | | |
| Increase (Decrease) in Suppliers | 73,528 | 3,149 | 121,854 | 48,324 |
| Amounts Owed to Affiliated Companies | (112,030) | (35,635) | (125,115) | (12,755) |
| Customers Advances | (530) | (8,485) | (17,500) | (88,399) |
| Tax Payable | (1,016) | (4,819) | (8,080) | (33,376) |
| Income Tax and Social Contribution | (234,711) | (121,513) | (283,750) | (237,996) |
| Others | 43,116 | 9,155 | (23,355) | (50,348) |
| Total | (231,643) | (158,148) | (335,946) | (374,550) |
| Cashflow Generated from Operating Activities | 586,935 | 501,465 | 1,095,301 | 819,338 |
| Financial Activities | | | | |
| Inflow of Loans and Financing | 112,036 | 1,737 | 232,511 | 412,166 |
| Payment of Loans, Financing and Debentures | (140,769) | (177,812) | (322,830) | (393,386) |
| Interest paid on Loans, Financ., Debent.and taxes payable in | (19,989) | (19,461) | (72,158) | (74,869) |
| Swap Operation Redemptions | 0 | (54,599) | (25,790) | (314,214) |
| Dividends Paid | (501,677) | (350,953) | (501,750) | (356,210) |
| Net Funds from Financial Activities | (550,399) | (601,088) | (690,017) | (726,513) |
| Investment Activities | | | | |
| (Additions) in Long-term Investments | 0 | 0 | 0 | 0 |
| (Additions) to Permanent Assets, except Deferred Charges | (229,875) | (73,998) | (385,060) | (134,117) |
| (Additions) Right off of permanent assets | 0 | 0 | 0 | 0 |
| Funds Used for Investments | (229,875) | (73,998) | (385,060) | (134,117) |
| Exchange Variation of Cash and Cash Equivalents | (10,411) | (1,751) | (27,153) | (239) |
| Cash Balance Change | (203,750) | (175,372) | (6,929) | (41,531) |
| At the Beginning of the Period | 1,620,622 | 861,629 | 3,117,970 | 2,041,976 |
| At the End of the Period | 1,416,872 | 686,257 | 3,111,041 | 2,000,445 |

Cash Flow

Brazilian GAAP

| R\$ thousand | Parent Company | | Consolidated | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 9M 2007 | 9M 2006 | 9M 2007 | 9M 2006 |
| Operating Activities | | | | |
| Net Income (Loss) in the Period | 2,211,410 | 1,752,194 | 2,202,029 | 1,763,249 |
| Financial Expenses and Monetary Var/Net Exchge Var | 17,370 | 110,584 | (32,713) | (7,988) |
| Depreciation, Exhaustion and Amortization | 208,734 | 195,811 | 532,646 | 515,712 |
| Investment Write-offs (Decrease in Permanent Assets) | 3,683 | 522 | 4,029 | 562 |
| Equity in the Results of Subsidiaries/Associated Companies | (912,321) | (710,934) | (2,571) | (98,806) |
| Dividend Income from Subsidiaries | 147,809 | 0 | 91,800 | 0 |
| Income Tax and Social Contribution | 492,559 | 356,625 | 989,348 | 699,759 |
| Provisions | (5,235) | 34,360 | 53,295 | 17,501 |
| Adjustment for Minority Participation | 0 | 0 | 19,493 | 15,799 |
| Total | 2,164,009 | 1,739,162 | 3,857,356 | 2,905,788 |
| Increase/Decrease of Assets | | | | |
| Increase (Decrease) in Accounts Receivables | 184,941 | 23,366 | 107,436 | 137,850 |
| Increase (Decrease) in Inventories | (125,243) | 70,938 | (86,865) | (129,894) |
| Increase (Decrease) in Recovery of Taxes | (19,468) | (21,188) | (71,407) | (4,748) |
| Increase (Decrease) from Deferred Income Tax & Social Contrb'n | 98,001 | 56,393 | 91,253 | 112,131 |
| Increase (Decrease) in Judicial Deposits | (115,654) | (13,697) | (124,197) | (47,230) |
| Increase (Decrease) in Accounts Receivables Affiliated Companies | 5,367 | 500,610 | 0 | 294,780 |
| Others | (59,515) | 20,874 | (94,245) | (121,335) |
| Total | (31,571) | 637,296 | (178,025) | 241,554 |
| Increase (Decrease) of Liabilities | | | | |
| Increase (Decrease) in Suppliers | 134,452 | 51,628 | 201,077 | 54,974 |
| Amounts Owed to Affiliated Companies | (175,586) | 2,180 | (175,434) | (3,144) |
| Customers Advances | (881) | (152) | 37,395 | 26,132 |
| Tax Payable | 13,946 | 6,082 | 58,710 | 12,557 |
| Income Tax and Social Contribution | (359,003) | (449,715) | (694,456) | (857,788) |
| Others | 17,983 | (26,627) | 40,316 | 22,322 |
| Total | (369,089) | (416,604) | (532,392) | (744,947) |
| Cashflow Generated from Operating Activities | 1,763,349 | 1,959,854 | 3,146,939 | 2,402,395 |
| Financial Activities | | | | |
| Inflow of Loans and Financing | 190,624 | 3,963 | 470,749 | 957,890 |
| Payment of Loans, Financing and Debentures | (254,624) | (364,964) | (786,587) | (1,018,039) |
| Interest paid on Loans, Financ., Debent.and taxes payable in installments | (52,894) | (52,518) | (205,429) | (221,751) |
| Swap Operation Redemptions | 0 | (313,982) | (235,319) | (777,744) |
| Dividends Paid | (998,992) | (887,700) | (1,010,563) | (906,474) |
| Net Funds from Financial Activities | (1,115,886) | (1,615,201) | (1,767,149) | (1,966,118) |
| Investment Activities | | | | |
| (Additions) in Long-term Investments | 0 | (527,320) | 0 | (262,029) |
| (Additions) to Permanent Assets, except Deferred Charges | (470,199) | (193,484) | (900,505) | (365,208) |
| (Additions) Right off of permanent assets | 0 | 0 | 0 | 0 |
| Funds Used for Investments | (470,199) | (720,804) | (900,505) | (627,237) |
| Exchange Variation of Cash and Cash Equivalents | (34,886) | (19,511) | (89,306) | 260,751 |
| Cash Balance Change | 142,378 | (395,662) | 389,979 | 69,791 |
| At the Beginning of the Period | 1,274,494 | 1,081,919 | 2,721,062 | 1,930,654 |
| At the End of the Period | 1,416,872 | 686,257 | 3,111,041 | 2,000,445 |

Balance Sheet - Assets

Brazilian GAAP - R\$ thousand

| Assets | Parent Company | | Consolidated | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 30-sep-07 | 31-dec-06 | 30-sep-07 | 31-dec-06 |
| Current Assets | 3,994,535 | 3,873,112 | 8,055,989 | 7,582,233 |
| Cash and Cash Equivalents | 1,416,872 | 1,274,494 | 3,111,041 | 2,721,062 |
| Trade Accounts Receivable | 823,679 | 1,008,620 | 1,688,620 | 1,796,055 |
| Taxes Recoverable | 55,573 | 36,105 | 170,260 | 98,853 |
| Inventories | 1,373,491 | 1,248,248 | 2,629,658 | 2,542,793 |
| Deferred Income Tax & Social Contrb'n | 57,540 | 155,541 | 189,246 | 256,836 |
| Other Securities Receivables | 267,380 | 150,104 | 267,164 | 166,634 |
| Long-Term Receivable | 789,236 | 709,513 | 1,227,921 | 1,133,673 |
| Deferred Income Tax & Social Contrb'n | 347,336 | 347,336 | 517,309 | 540,972 |
| Deposits at Law | 369,886 | 254,232 | 550,261 | 426,064 |
| Taxes Recoverable | 33,792 | 16,147 | 92,832 | 40,572 |
| Others | 38,222 | 91,798 | 67,519 | 126,065 |
| Permanent Assets | 10,765,549 | 9,761,535 | 10,608,912 | 10,259,583 |
| Investments | 7,095,061 | 6,348,829 | 1,702,882 | 1,762,748 |
| Property, Plant and Equipment | 3,670,488 | 3,412,706 | 8,883,913 | 8,471,965 |
| Deferred | - | - | 22,117 | 24,870 |
| Total Assets | 15,549,320 | 14,344,160 | 19,892,822 | 18,975,489 |

Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP - R\$ thousand

| Liabilities and Shareholders' Equity | Parent Company | | Consolidated | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30-sep-07 | 31-dec-06 | 30-sep-07 | 31-dec-06 |
| Current Liabilities | 1,276,865 | 1,647,754 | 2,731,848 | 3,175,786 |
| Loans and Financing and Taxes Payable in Installments | 161,420 | 290,382 | 480,094 | 760,903 |
| Suppliers, Subcontractors and Freight | 384,751 | 250,299 | 726,121 | 525,044 |
| Taxes, Charges and Payroll Taxes | 322,012 | 193,943 | 624,294 | 388,658 |
| Related Companies | 130,272 | 252,108 | 55,976 | 228,747 |
| Financial Instruments | 2,714 | 7,185 | 125,620 | 246,907 |
| Actuarial Liability | 71,818 | - | 75,615 | 9,124 |
| Dividends Payable | 9,443 | 503,129 | 11,628 | 508,709 |
| Others | 194,435 | 150,708 | 632,500 | 507,694 |
| | - | - | - | - |
| Long-Term Liabilities | 2,106,425 | 2,236,480 | 4,930,159 | 5,283,632 |
| Loans and Financing and Taxes Payable in Installments | 597,743 | 628,555 | 2,114,017 | 2,446,796 |
| Related Companies | 6,478 | 60,228 | 6,494 | 9,157 |
| Provision for Contingencies | 605,550 | 569,583 | 1,131,604 | 1,053,957 |
| Actuarial Liability - Caixa | 831,772 | 899,904 | 1,191,072 | 1,250,432 |
| Deferred Income Tax & Social Contrb'n | 60,847 | 64,845 | 266,575 | 254,652 |
| Actuarial Liability - Femco | 4,035 | 10,533 | 210,156 | 258,843 |
| Others | - | 2,832 | 10,241 | 9,795 |
| Minority Interests | - | - | 116,061 | 98,040 |
| Shareholders' Equity | 12,166,030 | 10,459,926 | 12,114,754 | 10,418,031 |
| Capital | 5,400,000 | 5,400,000 | 5,400,000 | 5,400,000 |
| Reserves | 4,554,620 | 2,557,962 | 4,512,725 | 2,502,570 |
| Revenues from Fiscal Year | 2,211,410 | 2,501,964 | 2,202,029 | 2,515,461 |
| Total Liabilities and Shareholders' Equity | 15,549,320 | 14,344,160 | 19,892,822 | 18,975,489 |

Companhia Siderúrgica Paulista - COSIPA

Income Statement - Consolidated

Brazilian GAAP (Corporate Law)

| R\$ thousand | 3Q 2007 | 3Q 2006 | 2Q 2007 | Chg. % 3Q07/3Q06 | 9M 2007 | 9M 2006 | Chg. % 9M07/9M06 |
|----------------------------------|-------------|------------|-------------|---------------------|-------------|-------------|---------------------|
| Net Revenues | 1,574,194 | 1,381,511 | 1,520,031 | 14 | 4,490,897 | 3,729,499 | 20 |
| Domestic Market | 1,223,557 | 862,083 | 1,190,668 | 42 | 3,387,628 | 2,477,211 | 37 |
| Export Market | 350,637 | 519,428 | 329,363 | (32) | 1,103,269 | 1,252,288 | (12) |
| COGS | (1,043,754) | (872,746) | (1,108,966) | 20 | (3,123,702) | (2,611,202) | 20 |
| Gross Profit | 530,440 | 508,765 | 411,065 | 4 | 1,367,195 | 1,118,297 | 22 |
| Gross Margin | 34% | 37% | 27% | -3 pp | 30% | 30% | +0 pp |
| Operating Income (Expenses) | (57,149) | (57,315) | (72,037) | (0) | (181,050) | (109,251) | 66 |
| Selling | (16,266) | (19,429) | (18,528) | (16) | (53,530) | (51,412) | 4 |
| General and Administrative | (17,737) | (16,492) | (17,919) | 8 | (51,287) | (42,741) | 20 |
| Others, Net | (23,146) | (21,394) | (35,590) | 8 | (76,233) | (15,098) | 405 |
| EBIT | 473,291 | 451,450 | 339,028 | 5 | 1,186,145 | 1,009,046 | 18 |
| EBIT Margin | 30% | 33% | 22% | -3 pp | 26% | 27% | -1 pp |
| Financial Result | 11,490 | (74,651) | 14,952 | (115) | 37,421 | (155,866) | (124) |
| Operating Result | 484,781 | 376,799 | 353,980 | 29 | 1,223,566 | 853,180 | 43 |
| Non-Operating Income | 636 | (481) | (496) | (232) | (424) | (1,436) | (70) |
| Profit Before Taxes | 485,417 | 376,318 | 353,484 | 29 | 1,223,142 | 851,744 | 44 |
| Income Tax / Social Contribution | (158,318) | (132,942) | (126,988) | 19 | (417,295) | (291,396) | 43 |
| Minority Interests | (1,467) | (1,804) | (1,844) | (19) | (5,180) | (4,465) | 16 |
| Net Income | 325,632 | 241,572 | 224,652 | 35 | 800,667 | 555,883 | 44 |
| EBITDA | 578,065 | 548,520 | 444,200 | 5 | 1,491,163 | 1,272,398 | 17 |
| EBITDA Margin | 37% | 40% | 29% | -3 pp | 33% | 34% | -1 pp |

Companhia Siderúrgica Paulista - COSIPA

Cash Flow

Brazilian GAAP (Corporate Law)

| R\$ thousand | Consolidated | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 2Q 07 | 2Q 06 | 1H 07 | 1H 06 |
| Operating Activities | | | | |
| Net Income (Loss) in the Period | 325,632 | 241,572 | 800,667 | 555,883 |
| Financial Expenses and Monetary Var/Net Exchange Var | (14,963) | 99,161 | (28,476) | 178,571 |
| Depreciation, Exhaustion and Amortization | 94,217 | 94,579 | 282,643 | 281,217 |
| Investment Write-offs (Decrease in Permanent Assets) | (960) | 103 | (829) | 136 |
| Income Tax and Social Contribution | 158,318 | 132,942 | 417,295 | 291,396 |
| Provisions | 29,766 | 6,036 | 50,911 | (8,865) |
| Others adjustments | 1,467 | 1,804 | 5,180 | 4,465 |
| Total | 593,477 | 576,197 | 1,527,391 | 1,302,803 |
| Increase/Decrease of Assets | | | | |
| Increase (Decrease) in Accounts Receivables | (37,288) | (124,097) | (81,933) | (41,788) |
| Increase (Decrease) in Inventories | (4,661) | (134,031) | 86,083 | (177,010) |
| Increase (Decrease) in Recovery of Taxes | (9,959) | (1,382) | (48,696) | (4,303) |
| Increase (Decrease) in Judicial Deposits | (1,014) | (1,842) | (5,878) | (29,313) |
| Others | 26,526 | (1,519) | 29,908 | 17,933 |
| Total | (26,396) | (262,871) | (20,516) | (234,481) |
| Increase (Decrease) of Liabilities | | | | |
| Increase (Decrease) in Suppliers | 65,605 | 32,894 | 58,807 | 42,633 |
| Amounts Owed to Affiliated Companies | (37,358) | 0 | 0 | (570) |
| Tax Payable | (9,040) | (24,601) | 45,093 | 5,782 |
| Income Tax and Social Contribution | (108,163) | (78,922) | (317,111) | (293,238) |
| Others | 5,014 | 5,502 | (46,883) | (4,936) |
| Total | (83,942) | (65,127) | (260,094) | (250,329) |
| Cashflow Generated from Operating Activities | 483,139 | 248,199 | 1,246,781 | 817,993 |
| Financial Activities | | | | |
| Inflow of Loans and Financing | 73,093 | 365,557 | 114,448 | 847,683 |
| Payment of Loans, Financing and Debentures | (152,926) | (162,013) | (436,724) | (508,191) |
| Interest paid on Loans, Financ., Debent. and tax installments | (46,753) | (55,699) | (129,244) | (141,780) |
| Swap Operation Redemptions | (25,793) | (259,470) | (205,680) | (442,021) |
| Dividends Paid | (73) | (543) | (1,562) | (2,020) |
| Others | (6,753) | (7,941) | (20,926) | (26,371) |
| Net Funds from Financial Activities | (159,205) | (120,109) | (679,688) | (272,700) |
| Investment Activities | | | | |
| (Additions) to Permanent Assets, except Deferred Charges | (148,076) | (47,494) | (307,640) | (139,200) |
| Funds Used for Investments | (148,076) | (47,494) | (307,640) | (139,200) |
| Exchange Variation of Cash and Cash Equivalents | (7,984) | (16) | (24,604) | (15,898) |
| Cash Balance Change | 167,874 | 80,580 | 234,849 | 390,195 |
| At the Beginning of the Period | 1,145,395 | 897,181 | 1,078,420 | 587,566 |
| At the End of the Period | 1,313,269 | 977,761 | 1,313,269 | 977,761 |

Companhia Siderúrgica Paulista - COSIPA

Balance Sheet - Assets

Brazilian GAAP (Corporate Law) - R\$ thousand

| Assets | Consolidated | |
|---------------------------------------|------------------|------------------|
| | 30-sep-07 | 31-dec-06 |
| Current Assets | 3,080,773 | 2,934,486 |
| Cash and Cash Equivalents | 1,313,269 | 1,078,420 |
| Trade Accounts Receivable | 568,345 | 608,743 |
| Taxes Recoverable | 43,206 | 20,650 |
| Inventories | 987,259 | 1,073,342 |
| Deferred Income Tax & Social Contrb'n | 97,313 | 96,266 |
| Other Securities Receivables | 71,381 | 57,065 |
| Long-Term Receivable | 298,688 | 292,215 |
| Deferred Income Tax & Social Contrb'n | 72,552 | 89,391 |
| Deposits at Law | 146,934 | 137,943 |
| Taxes Recoverable | 48,222 | 23,838 |
| Others | 30,980 | 41,043 |
| Permanent Assets | 4,553,542 | 4,483,762 |
| Investments | 131 | 131 |
| Property, Plant and Equipment | 4,534,117 | 4,460,307 |
| Deferred | 19,294 | 23,324 |
| Total Assets | 7,933,003 | 7,710,463 |

Companhia Siderúrgica Paulista - COSIPA

Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP (Corporate Law) - R\$ thousand

| Liabilities and Shareholders' Equity | Consolidated | |
|---|------------------|------------------|
| | 30-sep-07 | 31-dec-06 |
| Current Liabilities | 1,110,809 | 1,250,325 |
| Loans and Financing and Taxes Payable in Installments | 232,448 | 404,920 |
| Suppliers, Subcontractors and Freight | 302,373 | 280,926 |
| Taxes Payable in Installments | 86,570 | 42,525 |
| Income Tax and Social Contribution | 161,637 | 95,500 |
| Salaries | 83,175 | 74,360 |
| Financial Instruments | 59,065 | 188,719 |
| Actuarial Liability | 3,797 | 9,124 |
| Dividends Payable | 121,182 | 86,850 |
| Others | 60,562 | 67,401 |
| Long-Term Liabilities | 2,553,468 | 2,876,792 |
| Loans and Financing and Taxes Payable in Installments | 1,494,506 | 1,850,310 |
| Provision for Contingencies | 459,092 | 419,247 |
| Actuarial Liability | 304,587 | 295,815 |
| Financial Instruments | 110,359 | 146,304 |
| Deferred Income Tax & Social Contrb'n | 176,948 | 160,449 |
| Others | 7,976 | 4,667 |
| Minority Interests | 35,951 | 32,241 |
| Shareholders' Equity | 4,232,775 | 3,551,105 |
| Capital | 2,037,814 | 2,037,814 |
| Reserves | 1,513,291 | 1,513,291 |
| Revenues from Fiscal Year | 681,670 | - |
| Total Liabilities and Shareholders' Equity | 7,933,003 | 7,710,463 |

Sales Volume Breakdown - Consolidated

| Thousand tons | 3Q 2007 | | 3Q 2006 | | 2Q 2007 | | Chg. 3Q07/3Q06 | 9M 2007 | | 9M 2006 | | Chg. 9M07/9M06 |
|--------------------------|--------------|-------------|--------------|-------------|--------------|-------------|-------------------|--------------|-------------|--------------|-------------|-------------------|
| TOTAL SALES | 2,094 | 100% | 1,971 | 100% | 1,980 | 100% | 6% | 6,010 | 100% | 5,953 | 100% | 1% |
| Heavy Plates | 478 | 23% | 464 | 24% | 488 | 25% | 3% | 1,428 | 24% | 1,272 | 21% | 12% |
| Hot Coils/Sheets | 598 | 29% | 551 | 28% | 535 | 27% | 9% | 1,670 | 28% | 1,665 | 28% | 0% |
| Cold Coils/Sheets | 527 | 25% | 473 | 24% | 530 | 27% | 11% | 1,585 | 26% | 1,501 | 25% | 6% |
| Electrogalvanized Coils | 68 | 3% | 57 | 3% | 67 | 3% | 19% | 198 | 3% | 180 | 3% | 10% |
| Hot Dip Galvanized Coils | 91 | 4% | 92 | 5% | 103 | 5% | -1% | 291 | 5% | 305 | 5% | -5% |
| Processed Products | 80 | 4% | 79 | 4% | 79 | 4% | 1% | 222 | 4% | 238 | 4% | -7% |
| Slabs | 252 | 12% | 255 | 13% | 178 | 9% | -1% | 616 | 10% | 792 | 13% | -22% |
| DOMESTIC MARKET | 1,615 | 77% | 1,346 | 68% | 1,511 | 76% | 20% | 4,511 | 75% | 3,944 | 66% | 14% |
| Heavy Plates | 409 | 20% | 274 | 14% | 411 | 21% | 49% | 1,180 | 20% | 746 | 13% | 58% |
| Hot Coils/Sheets | 551 | 26% | 498 | 25% | 485 | 24% | 11% | 1,489 | 25% | 1,459 | 25% | 2% |
| Cold Coils/Sheets | 418 | 20% | 352 | 18% | 378 | 19% | 19% | 1,158 | 19% | 1,084 | 18% | 7% |
| Electrogalvanized Coils | 57 | 3% | 50 | 3% | 56 | 3% | 14% | 161 | 3% | 148 | 2% | 9% |
| Hot Dip Galvanized Coils | 88 | 4% | 83 | 4% | 94 | 5% | 6% | 269 | 4% | 247 | 4% | 9% |
| Processed Products | 49 | 2% | 49 | 2% | 47 | 2% | 0% | 137 | 2% | 134 | 2% | 2% |
| Slabs | 43 | 2% | 40 | 2% | 40 | 2% | 8% | 117 | 2% | 126 | 2% | -7% |
| EXPORTS | 479 | 23% | 625 | 32% | 469 | 24% | -23% | 1,499 | 25% | 2,009 | 34% | -25% |
| Heavy Plates | 69 | 3% | 190 | 10% | 77 | 4% | -64% | 248 | 4% | 526 | 9% | -53% |
| Hot Coils/Sheets | 47 | 2% | 53 | 3% | 50 | 3% | -11% | 181 | 3% | 206 | 3% | -12% |
| Cold Coils/Sheets | 109 | 5% | 121 | 6% | 152 | 8% | -10% | 427 | 7% | 417 | 7% | 2% |
| Electrogalvanized Coils | 11 | 1% | 7 | 0% | 11 | 1% | 57% | 37 | 1% | 32 | 1% | 16% |
| Hot Dip Galvanized Coils | 3 | 0% | 9 | 0% | 9 | 0% | -67% | 22 | 0% | 58 | 1% | -62% |
| Processed Products | 31 | 1% | 30 | 2% | 32 | 2% | 3% | 85 | 1% | 104 | 2% | -18% |
| Slabs | 209 | 10% | 215 | 11% | 138 | 7% | -3% | 499 | 8% | 666 | 11% | -25% |

Net Revenues per tonne - USIMINAS + COSIPA

| R\$ / t. | 3Q 07 | 2Q 07 | 1Q 07 | 4Q 06 | 3Q 06 | 2Q 06 | 1Q 06 | 4Q 05 | 3Q 05 | 2Q 05 | 1Q 05 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total | 1,667 | 1,628 | 1,593 | 1,567 | 1,537 | 1,419 | 1,379 | 1,396 | 1,635 | 1,800 | 1,836 |
| Heavy Plates | 2,017 | 1,942 | 1,888 | 1,823 | 1,644 | 1,591 | 1,645 | 1,807 | 2,009 | 2,031 | 2,034 |
| Hot Coils/Sheets | 1,467 | 1,361 | 1,347 | 1,354 | 1,356 | 1,294 | 1,239 | 1,340 | 1,445 | 1,673 | 1,654 |
| Cold Coils/Sheets | 1,679 | 1,593 | 1,557 | 1,601 | 1,633 | 1,550 | 1,485 | 1,512 | 1,610 | 1,834 | 1,922 |
| Electrogalvanized Coils | 2,104 | 2,072 | 2,068 | 2,004 | 2,089 | 1,987 | 1,943 | 2,052 | 2,191 | 2,253 | 2,291 |
| Hot Dip Galvanized Coils | 2,210 | 2,120 | 2,106 | 2,044 | 2,069 | 1,934 | 1,861 | 2,095 | 2,094 | 2,195 | 2,289 |
| Processed Products | 1,933 | 1,834 | 1,939 | 1,876 | 1,996 | 1,812 | 1,766 | 1,982 | 2,078 | 2,296 | 2,342 |
| Slabs | 798 | 780 | 829 | 851 | 955 | 656 | 692 | 644 | 803 | 1,052 | 1,081 |

Sectorial Sales - Consolidated

| Thousand tonnes | 3Q 07 | | 3Q 06 | | 2Q 07 | | 1Q 07 | | Chg. 3Q07/3Q06 |
|------------------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|-------------------|
| Domestic Market | 1,615 | 100% | 1,346 | 100% | 1,511 | 100% | 1,385 | 100% | 20% |
| Auto | 208 | 13% | 179 | 13% | 213 | 14% | 185 | 13% | 16% |
| Autoparts | 320 | 20% | 245 | 18% | 275 | 18% | 240 | 17% | 30% |
| Shipbuilding | 17 | 1% | 12 | 1% | 12 | 1% | 12 | 1% | 44% |
| Line Pipes | 109 | 7% | 72 | 5% | 133 | 9% | 115 | 8% | 51% |
| Small Diameter Pipes | 103 | 6% | 114 | 8% | 115 | 8% | 80 | 6% | -9% |
| Packaging | 24 | 1% | 24 | 2% | 21 | 1% | 21 | 2% | 1% |
| Household Appliances | 32 | 2% | 28 | 2% | 31 | 2% | 33 | 2% | 14% |
| Civil Construction | 89 | 6% | 81 | 6% | 80 | 5% | 82 | 6% | 10% |
| Electrical Equipment | 71 | 4% | 62 | 5% | 66 | 4% | 63 | 5% | 15% |
| Distributors | 358 | 22% | 299 | 22% | 351 | 23% | 292 | 22% | 20% |
| Industrial Equipment | 75 | 5% | 69 | 5% | 133 | 9% | 110 | 8% | 9% |
| Others | 209 | 13% | 161 | 12% | 82 | 5% | 153 | 11% | 30% |

Market Share - Usiminas System (*)

(% volume)

| | 9M07 (*) | 2006 (*) | 2005 (*) | 2004 (*) | 2003 (*) |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| DOMESTIC MARKET | 52 % | 52 % | 53 % | 55 % | 60 % |
| Auto | 60 % | 59 % | 59 % | 55 % | 62 % |
| Autoparts | 61 % | 62 % | 59 % | 62 % | 67 % |
| Shipbuilding | 100 % | 100 % | 100 % | 100 % | 100 % |
| Electrical Equipment | 72 % | 65 % | 66 % | 63 % | 58 % |
| Household Appliances | 36 % | 38 % | 33 % | 36 % | 44 % |
| Line Pipes | 92 % | 98 % | 94 % | 98 % | 95 % |
| Small Diameter Pipes | 38 % | 54 % | 54 % | 60 % | 68 % |
| Packaging | 13 % | 13 % | 14 % | 15 % | 16 % |
| Civil Construction | 36 % | 40 % | 44 % | 48 % | 58 % |
| Distributors | 43 % | 42 % | 44 % | 51 % | 59 % |

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

Source: IBS

Loans and Financing by Index - Consolidated

| R\$ million | 30-sep-07 | | TOTAL | 31-dec-06 TOTAL | Chg. Sep07/Dec06 |
|-------------------------------|----------------|------------------|------------------|--------------------|---------------------|
| | Short Term | Long Term | | | |
| TOTAL DEBT | | | | | |
| Foreign Currency (*) | 364,895 | 1,710,455 | 2,075,350 | 2,555,308 | -19% |
| IGP-M | 0 | 0 | 0 | 116,553 | -100% |
| TJLP | 76,358 | 286,244 | 362,602 | 373,043 | -3% |
| Others | 17,228 | 6,953 | 24,181 | 14,202 | 70% |
| Sub-Total | 458,481 | 2,003,652 | 2,462,133 | 3,059,106 | -20% |
| Debentures | 0 | 0 | 0 | 0 | 0% |
| Sub-Total | 458,481 | 2,003,652 | 2,462,133 | 3,059,106 | -20% |
| Taxes Payable in Installments | 21,613 | 110,365 | 131,978 | 148,593 | -11% |
| TOTAL | 480,094 | 2,114,017 | 2,594,111 | 3,207,699 | -19% |
| FEMCO | 3,797 | 270,121 | 273,918 | 273,417 | 0% |
| TOTAL DEBT | 483,891 | 2,384,138 | 2,868,029 | 3,481,116 | -18% |
| Cash and Cash Equivalents | | | 3,111,041 | 2,721,062 | 14% |
| NET DEBT | | | (243,012) | 760,054 | -132% |

(*) 91.8% of total foreign currency is denominated in US dollars

Financial Income - Consolidated

| R\$ million | 3Q 2007 | 3Q 2006 | 2Q 2007 | Chg. 3Q07/3Q06 | 2007 | 2006 | Var. 2007 / 2006 |
|---|---------------|-----------------|---------------|-------------------|---------------|------------------|---------------------|
| Monetary Effects | (9,055) | (21,271) | (29,259) | -57% | (54,236) | (39,224) | 38% |
| Exchange Variation | 45,866 | 5,106 | 92,691 | 798% | 201,683 | 136,974 | 47% |
| Hedge Income (Expenses) | (14,877) | (34,370) | (36,469) | -57% | (80,768) | (242,803) | -67% |
| Interest on Loans, Financing, ACC's and Pre-Payment | (49,426) | (76,098) | (52,323) | -35% | (161,651) | (212,876) | -24% |
| Financial Income | 81,806 | 62,509 | 116,226 | 31% | 272,592 | 184,228 | 48% |
| Other Financial Expenses | (41,432) | (27,024) | (29,499) | 53% | (94,847) | (113,443) | -16% |
| NET INTEREST INCOME | 12,882 | (91,148) | 61,367 | -114% | 82,773 | (287,144) | -129% |