Usinas records Net Profit of R$ 2.4 billion and EBITDA of R$ 4.6 billion until September/08. EBITDA Margin in 3Q08 is 42.6%

FOR IMMEDIATE DISCLOSURE - Belo Horizonte, October 29, 2008. Usinas Siderúrgicas de Minas Gerais S/A - Usiminas (BOVESPA: USIM3, USIM5, USIM6; OTC: USNZY; Latibex: XUSI; XUSIO) releases today the third quarter 2008 (3Q08) results. The Company's operational and financial information, except where otherwise stated, are presented based on consolidated figures, in Brazilian reais, according to corporate law. All comparisons made in this release take into consideration the same period in 2007, except when stated otherwise.

Usiminas's net revenue until September/2008 totaled R$ 12 billion; EBITDA, R$ 4.6 billion; and net profit, R$ 2.4 billion which, compared to the previous year results, grew 16%, 22% and 8%, respectively. In 3Q08, the highlight was the EBITDA margin, that reached an expressive 42.6%. These results strengthen the Company's growth plan. In spite of the crisis in the international financial markets and its reflexes in the credit system that starts to manifest in the Brazilian economy, the country shall end the year with very expressive growth indicators. For the year of 2009 we forecast a more modest expansion rhythm in domestic demand for flat steel, and that can be attended without the resource of product imports and of the overburden of the production units, as has been the reality in the last 24 months. Usiminas will make the necessary operational adjustments in order to maintain the balance between offer and demand of its products, capitalizing opportunities of cost reduction and rationalization of the value chain. The in course internal restructuring process assures a better capacity to react to the market movements and to the new international reality, once the new organization is focused on building a more agile and dynamic Company, focused on attending its customers and on developing innovating products and services. Our austere policy and prudent cash administration allow us to safely cross through the actual moment of market uncertainty. The financing of the investment plan that will place Usiminas in a new level of productivity and profitability finds itself well structured and the speed of its implementation can easily be adapted, in a manner to preserve the quality of the Company's financial performance indicators. We remain confident in the robust fundamentals that guide the long term growth of international demand for steel. For the second consecutive year, the Company is the only steel company in the Americas to be included in the Dow Jones Sustainability World Index - another sign that certifies our competence to match social, environmental and economic demands of our business.

Statement of Marco Antônio Castello Branco – CEO

Highlights

R$ million	3Q 2008	3Q 2007	2Q 2008	Chg. 3Q08/3Q07	9M 2008	9M 2007	Chg. 9M08/9M07
Total Sales Volume (000 t)	1,915	2,094	1,917	-9%	5,718	6,010	-5%
Net Revenues	4,451	3,630	3,973	23%	11,978	10,346	16%
Gross Profit	1,836	1,343	1,455	37%	4,524	3,690	23%
Operating Result (EBIT) (a)	1,489	1,139	1,245	31%	3,745	3,118	20%
Financial Result	(537)	13	201		(366)	83	0%
Net Income	880	758	861	16%	2,387	2,202	8%
EBITDA (b)	1,894	1,375	1,458	38%	4,607	3,786	22%
EBITDA MARGIM	42.6%	37.9%	36.7%	+ 4.7 p.p.	38.5%	36.6%	+ 1.9 p.p.
EBITDA (R$/t)	989	657	761	51%	806	630	28%
Total Assets	25,388	19,893	24,415	28%	25,388	19,893	28%
Net Debt	1,579	(243)	552		1,579	(243)	0%
Stockholders' Equity	14,334	12,115	13,598	18%	14,334	12,115	18%

(a) Earnings before interest, tax and participations.

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

Market Data

09/30/2008

Bovespa: USIM3 R$ 38.35 / share
USIM5 R$ 40.51 / share

USA/OTC: USNZY US$ 20.90/ADR

Latibex: XUSI € 14.32
XUSIO € 13.60

Conference Calls

10/31/2008

Portuguese - 8:30 a.m. (NY)
English – 10:00 a.m. (NY)

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Dow Jones Sustainability Indexes Member 2008/09

Economic Analysis and Outlook
Domestic Scenario

Continuity of growth in the domestic market in 2009

Brazilian Economy

Until September, the Brazilian economy went through a period of sharp growth, which, regardless of the reflexes of the international financial crisis, signal promissing indicators for the Brazilian economy at the closing of the year. The weekly survey estimates of the Central Bank point to a growth of 5.5% in industrial production and 5.2% in GDP in 2008.

In the first half, the domestic scenario was very favorable, with family consumption growing around 7% and investments expanding by 16% in comparison with the same period of the previous year. These consumer and investment performances sustained the demand for flat rolled steel. In addition to the very positive domestic scenario, the international situation was very favorable.

As of July, the concern with inflation increased, due to a discrepancy between domestic demand and offer and the price hike of oil and metal and agricultural commodities. This scenario caused the Central Bank, which had already increased the interest rates in April, to signal that further increases in interest rates would be necessary to counteract the excess of demand, which triggers price increases.

The subprime mortgage crisis in the US burst the financial bubble, which spread to the major world economies, hitting mainly the US and European economies, which immediately changed the global scenario. This situation may slow down the pace of growth of the Brazilian economy.

The reflexes on the real side of the economy may then be felt mainly as a result of credit restrictions. However, it must be pointed out that the Brazilian economy is registering excellent indicators, which can be a decisive factor at this time of uncertainty.

Demand for Flat-Rolled Steel

The demand for flat-rolled steel until September grew 10% as compared with the same period of the previous year in all sectors with the exception of electronic equipment, household appliances and large-diameter pipes. During this period, the electronic equipment sector faced strong competition from the imported products and the household appliance sector, in a way, stabilized as a result of the saturation of repressed demand in the sector. The large-diameter pipe sector, in turn, revised the schedules of a few oil and gas pipeline projects.

It is worth pointing out the steady growth of the auto sector which has been registering successive records of production and sales since last year as a result of the economy's positive factors. Until September, local vehicle sales grew 27% in comparison with the same period in 2007 and production increased around 20% in the period.

Another highlight was the growth in the shipbuilding sector, which, after several almost stagnant years, began an intense process to resume shipbuilding and oilrig construction for Petrobrás.

Likewise, the agricultural, road machinery and industrial equipment sectors presented significant growth rates due to an increase in investments in the country throughout 2008. The civil construction/shapes sectors, which grew 16%, also reflected this surge of investments in the country throughout the year.

DEMAND GROWTH - In thousand tons			
SECTORS	9M08	9M07	Chg. %
AUTOMOBILE	1,185.5	1,009.2	17.5
AUTOPARTS	1,528.1	1,363.9	12.0
SHIPBUILDING	65.5	41.6	57.5
HIGHWAY EQUIPMENT	140.4	122.2	14.9
AGRICULTURAL MACHINERY	72.5	61.0	18.9
INDUSTRIAL EQUIPMENT	262.7	215.9	21.7
ELECTRONIC EQUIPMENT	258.9	277.4	-6.7
DOMESTIC APPLIANCES	264.2	271.6	-2.7
CIVIL CONSTRUCTION / SHAPES	986.7	848.7	16.3
REROLLING	253.3	219.0	15.7
SMALL DIAMETER TUBES	863.0	858.1	0.6
DISTRIBUTION	2,581.7	2,314.3	11.6
LARGE DIAMETER TUBES	358.4	386.9	-7.4
OTHER	673.4	635.7	5.9
TOTAL	9,494.3	8,625.5	10.1

Outlook

Usiminas expects the local demand for flat-rolled steels to continue in 2009, even though at a lesser pace than that of the last years, but that can be met without the need to implement important adjustments to the Company's current production capacity or to import products to guarantee the supply, as was the case in 2007 and this year. Usiminas will maintain its policy of case by case negotiation with its customers, always in line with the scenario of offer/demand.

Even in a scenario that points to a slower pace of growth in economic activity, it is opportune to consider the following aspects:

- the Brazilian economy's fundamentals are much more prepared to face outside difficulties than they have ever been and this will allow the country to prevent its local market from being significantly affected;
- the investment projects in energy infrastructure and in transportation, in industrial capacity expansion in general, in the strong growth of the extractive mining industry and in the increase in the agribusiness transports must be taken into account;
- the boost in the housing sector, represented by a growth in commercial and industrial constructions;
- the return of the shipbuilding sector should present a growing and sustained demand over the next years.

It is inevitable to consider a new scenario from the financial crisis in the US and its influence in other countries. However, it is still very early to make a definitive evaluation of the effects on the Brazilian economy and on the domestic market for steel products.

We can highlight a few of the effects: credit availability should reduce, which can impact the durable consumer goods sectors such as automobiles and white line products, for example. Other sectors that rely on financing, such as machinery and equipment and civil construction may present a decrease in the growth pace. Sectors linked to exports such as electronic and road equipment may have to depend on credit lines to finance their business.

International Scenario

International market seeks balance

Worldwide Steel Panorama in the First Nine Months of 2008 and Outlook

Until the first half of the year, the international flat steel market registered steep price increases as a result of price hikes in the main raw materials used in the steel manufacturing process and closer ties between offer and demand in the main countries, and of a shrink in volume of exports from China.

From that point on, as was expected, demand began to slow down, particularly in the northern hemisphere, due to summer season and to vacation periods when consumption normally drops, and also the influence of the Olympic games held in China. Therefore, there would be less pressure on the prices in search for a stability that could rapidly be found, if no sellers were in a desperate enough condition to maintain their production lines busy.

This trend effectively occurred in June and mid-July when the first symptoms of the worsening of the US financial crisis began to appear, affecting European banks which directly reflected on the civil construction sector. Concurrently, inflationary pressures in several countries stemming from high commodity prices, became a true concern of the monetary authorities who adopted a few measures to slow down the pace of growth of their economies.

In turn, what was expected from the reversal of behavior in the third quarter became unknown for the rest of the year, not on account of the steel market alone but on account of the global scenario of uncertainties faced by the world with the fragile situation of the financial market and the degree of commitment of the real economy.

China stands out once again with all-time export records. The Russians and Ukrainians should not have, at the moment, the comfort of growth in their domestic economies. Therefore, everyone will be put on hold, consuming their inventories and waiting for the best moment to step back into the market.

A scenario of dropping prices is in sight, which level will be higher or lower depending on the volume put out on the market. However, the greatest reason to stay calm is the fact that production costs will not fall suddenly and will be the barrier that will keep the prices from dropping abruptly. Good sense should prevail and the search for good results will become the determining factor once again.

When this occurs, post consolidation rationality will set in to appease the market, conveying a swift adjustment between offer and demand. And it is already occurring, which implies in a less volatile market.

In the current scenario, market prices no longer correlate with their structure, and what can be seen are takers who accept extremely degraded prices in an attempt to obtain cash in the short and medium term.

Therefore, if this scenario prevails, the indication is of prices decrease in the fourth quarter.

For reference purposes, flat product prices at the end of the third quarter were as follows.

Price of Flat-Rolled Products in the International Market
(FOB port prices)

Products	US$/ton
	3ºQ
Heavy Plates	1,450
Hot Rolled Coil	1,100
Cold Rolled Coil	1,250
Galvanized Steel	1,350
Slabs	1,000

Raw Materials

Iron Ore

Global demand for iron ore continued high until 3Q08, when China, the main buyer, imported around 350 million tons, up 22% when compared to the same period of the previous year.

The effects of the US financial crisis began to affect the spot market prices in Asian countries but were not yet showing signs of a trend towards fluctuating international prices, given the diversity of the analyses undertaken.

The supply pace of the Usiminas's mills remains normal.

Coal

The supply of metallurgic coal imported from Australian suppliers was normalized after strong rains that occurred at the beginning of the year. The market remained stable with highlights being the record volumes of exports to the US.

Due to the falling prices of several commodities, it is believed that the possible effects of the US crisis may come to affect the international coal market, triggering a drop in prices in the short-term spot market.

Metallurgic Coke

The prices of metallurgic coke are falling, influenced primarily by two factors: the slowdown of industrial activities in China due to the Olympics and an increase in export rates from 25% to 40%. Despite being temporary, Chinese government has no clear definition of until when the export rates will continue in effect. Furthermore, there is also a doubt regarding if more export licenses will be issued this year.

Freight

The shipping charges have dropped considerably in the past 3 months, caused mainly by the cooling down of the Chinese industry as a result of the Olympic Games. The US crisis has also had an influence in the lower shipping prices, which should fluctuate until the end of the year, but without reaching the values of July/2008.

Alloys

After the sudden peak in the prices for main alloys in the first half of this year, a significant price reduction occurred in the third quarter and this trend should continue throughout the rest of the year.

Steel Production – Global and Brazilian

Global

According to preliminary data of IISI – International Iron and Steel Institute - the (estimated) global production of crude steel should reach the mark of 341 million tons in 3Q08, resulting in a total accumulated production until September/08 of around 1.0 billion tons.

Asia continues as the most important continent in the global scenario, accounting for around 60% of the production and China occupies the leading position, reaching the mark of 135 million tons in the quarter.

Brazil, with a production of 27 million tons this year, represents approximately 70% of the production in South America and around 3% of global production.

Brazilian

Around 9.3 million tons of crude steel were produced in 3Q08, according to preliminary data from the Brazilian Steel Institute (IBS), up 7% over the same period in 2007 and 6% over the production of 2Q08. Crude steel production in the first nine months of 2008 totaled 26.8 million tons, up 7% over the first nine months of 2007. Usiminas accounted for 23% of this total.

Brazilian steel production of rolled steel (flat and long) reached 6.7 million tons in 3Q08, 3% above the production in 3Q07. In the first nine months of the year, the production of rolled products totaled 19.7 million tons, 3% above the production figure for the first nine months of 2007.

Usiminas – Operational and Commercial Performance

Production (Crude Steel)

Thousand tons	3Q 2008	3Q 2007	2Q 2008	Chg. 3Q08/3Q07	Chg. 3Q08/2Q08	9M 2008	9M 2007	Chg. 9M08/9M07
Ipatinga Mill	1,169	1,098	1,128	6%	4%	3,399	3,351	1%
Cubatão Mill	887	1,092	865	-19%	3%	2,844	3,105	-8%
Total	2,056	2,190	1,993	-6%	3%	6,243	6,456	-3%
Iron Ore Production	1,185	0	1,091	0	9%	2,830	0	0

Usiminas' crude steel production in 3Q08 reached 2.1 million tons, down 6% in relation to 3Q07. Comparing to 2Q08, production grew 3%.

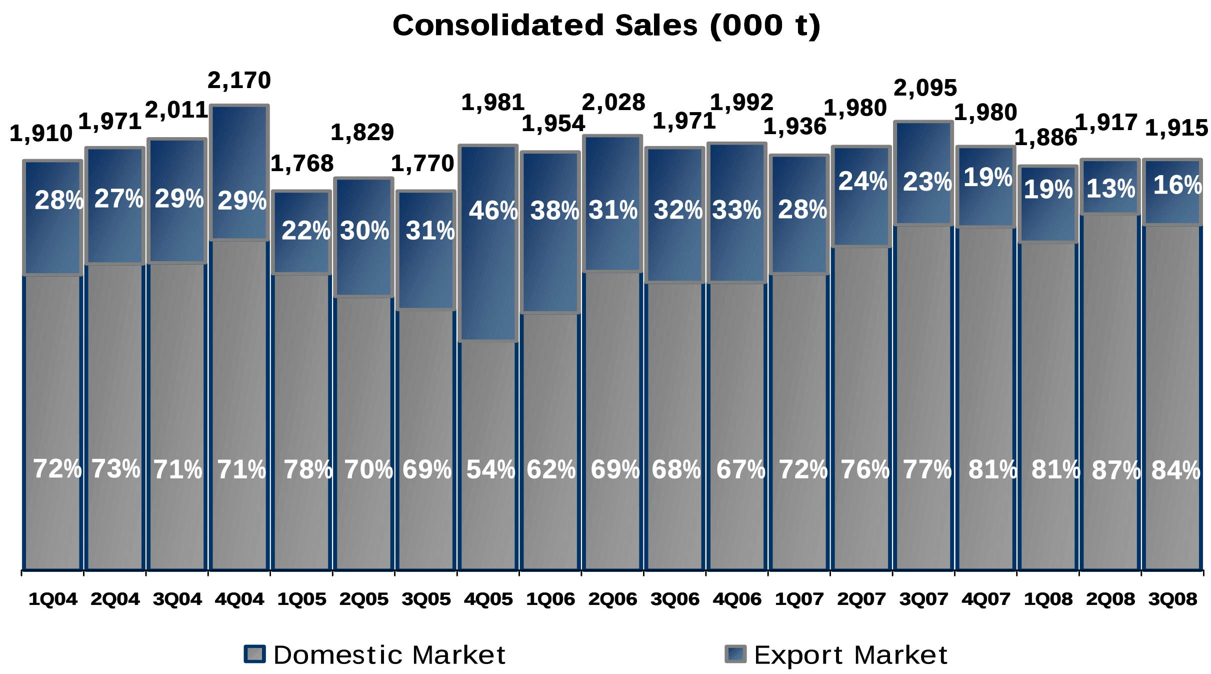
The production increase of the quarter compared to 2Q08 reflects the production increase curve of the **Cubatão Mill**, after the scheduled stoppages for the remodeling and upgrading of Blast Furnace no. 1, Convertors no. 5 and 6 and Continuous Casting Machine no. 3. These equipments are already in full production.

In the first nine months of 2008, the production of both of the Group's mills reached 6.2 million tons of crude steel representing a decrease of 3% in relation to the first nine months of 2007, a result of the slower production pace of the Cubatão mill due to scheduled stops.

At Ipatinga Mill, the highlight was the obtainment of the License for the installation of a new Hot Dip Galvanizing line – **Unigal II**.

Another highlight was the protocol of the request sent to the environmental entity, for the Study of Environmental Impact and Report of Environmental Impact (known locally as EIA/RIMA) for the obtainment of a Preliminary License for a new Mill in the city of Santana do Paraiso.

On 9/30/2008, the workforce (related to the mills of Ipatinga and Cubatão) totaled 14,688 employees.



Production volume and sales in line with Company planning

Total Sales

Total sales in 3Q08 reached 1.9 million tons, down 9% in relation to sales in the same year-ago period. In relation to 2Q08, sales remained stable.

Sales in the first nine months of 2008 totaled 5.7 million tons, down 5% as compared with the same period in 2007. Lower sales volume appraised in the first half of the year, due to the remodeling of the Cubatão mill's equipment, contributed to this drop.

The domestic market absorbed 84% of total sales in 3Q08, in line with the growth in local demand for flat steel products. In 3Q07, sales to domestic market totaled 77% of the volume.

In Usiminas' commercial planning for 2008, exports have been reduced to the minimum needed to maintain the Company's strategic position in specific markets and with specific customers.

Until September, the ratio between foreign and domestic market was 84% for domestic market and 16% for exports, while in the first nine months of 2007 this ratio was respectively 75% and 25%.

Domestic Market

Sales hit 1.6 million tons in 3Q08, the same volume sold in 3Q07. Sales in the first nine months of 2008 totaled 4.8 million tons, up 7% over the first nine months of 2007.

Market Share: Usiminas ended September/08 with a 49% market share and maintains its leading position in the supply of flat steel to the main domestic market segments.

Export Market

Exports totaled 303 thousand tons in 3Q08, down 37% in relation to the same period in 2007. When compared to 2Q08, exports grew 19%.

Exports in the first nine months of 2008 totaled 912 thousand tons, down 39% in relation to the volume shipped in the first nine months of 2007, as a result of the decision to prioritize local supply. After the new production capacity of slabs at the Santana do Paraíso mill kicks off in 2011/12, the Company will export 60% of its total volume, in line with the Usiminas's initiatives for internationalization.

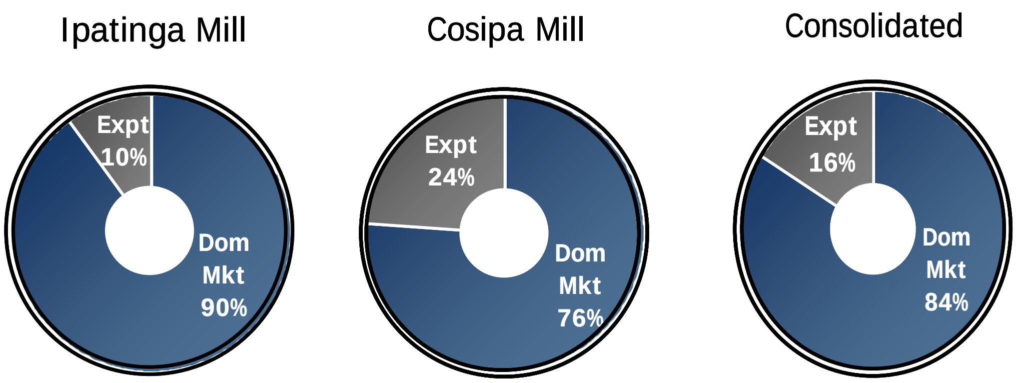
Iron Ore Sales

Iron ore sales in 3Q08 totaled 1.2 million tons, up 22% over the volume sold in 2Q08. In the first nine months of 2008, sales summed 2.9 million tons.

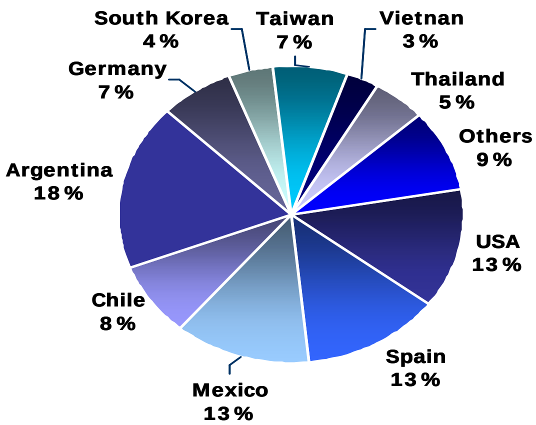
Sales Volume

Thousand tons	3Q 2008		3Q 2007		2Q 2008		Chg. 3Q08/3Q07	9M 2008		9M 2007		Chg. 9M08/9M07
Ipatinga Mill												
Domestic Market	966	90%	933	85%	981	89%	4%	2.907	89%	2.583	83%	13%
Export Market	103	10%	170	15%	119	11%	-39%	368	11%	545	17%	-32%
Total	1.069	100%	1.103	100%	1.100	100%	-3%	3.275	100%	3.128	100%	5%
Cubatão Mill												
Domestic Market	646	76%	682	69%	681	83%	-5%	1.899	78%	1.928	67%	-2%
Export Market	200	24%	309	31%	136	17%	-35%	544	22%	954	33%	-43%
Total	846	100%	991	100%	817	100%	-15%	2.443	100%	2.882	100%	-15%
Consolidated												
Domestic Market	1.612	84%	1.615	77%	1.662	87%	0%	4.806	84%	4.511	75%	7%
Export Market	303	16%	479	23%	255	13%	-37%	912	16%	1.499	25%	-39%
Total	1.915	100%	2.094	100%	1.917	100%	-9%	5.718	100%	6.010	100%	-5%
Iron Ore	1.185		0		969			2.932		0		

Sales Volume Mix - 3Q08



Exports - 9M08



Economic-Financial Performance

Austere Financial Management - Solid cash generation and availability of funding for investments

Net Revenue

Net revenue was a record and reached R$ 4.5 billion, up 23% over that in 3Q07 and 12% over that in 2Q08 due, mainly, to better prices, given that total sales volume was lower.

Analysis of results until September:

Net revenue in the first nine months of 2008 grew 16% and reached R$ 12.0 billion, as a result of better product prices and an improved mix (greater sales volume in the domestic market + 295 thousand/t). This fact offset the lower overall sales volume and the appreciation of the Brazilian real in face of the US dollar in the period.

In 3Q08, net revenue per ton (related to the sales of the Ipatinga and Cubatão mills) totaled R$ 2,201, up 15% over 2Q08 and 32% over 3Q07.

Net Revenues (Usiminas + Cosipa) - R$/ton.

	3Q08	2Q08	3Q07	9M08	9M07
Total DOM + EXP	2,201	1,910	1,667	1,931	1,630

Cost of Goods Sold (COGS)

The cost of goods sold (COGS) was of R$ 2.6 billion, 14% greater than that of 3Q07 and 4% over that of 2Q08. The growth in relation to 2Q08, of around R$ 97 million, resulted from the increase in raw material costs, offset partially by the lower consumption of purchased slabs.

Analysis of results until September:

The accumulated COGS in the first nine months of 2008 totaled R$ 7.5 billion, representing a 12% increase in comparison with the same period in 2007. Even with the lower volume sold in the period, when compared to the volume of the first nine months of 2007 (- 292 thousand tons), the increase in COGS stemmed mainly from the following factors:

- greater consumption of slabs, heavy and galvanized plates;
- expenses with outsourced services, construction work and large repairs and storage;
- labor adjustments;
- raw material adjustments.

Total per-ton COGS (relative to Ipatinga and Cubatão mills) in 3Q08 was R$ 1,399 and, in 3Q07, R$ 1,094.

Gross Profit

Gross profit increased 37% in relation to 3Q07 and was 26% higher than 2Q08, reaching R$ 1.8 billion.

Analysis of results until September:

Total gross profit in the first nine months of 2008 was 4.5 billion, up 23% in relation to the profit posted in the first nine months of 2007.

The Company's gross margin evolved as follows:

	3Q08	2Q08	3Q07	9M08	9M07
Gross Margin	41.3%	36.6%	37.0%	37.8%	35.7%

Operating Expenses

Operating expenses and revenues in 3Q08 represents R$ 348 million, up 70% in comparison with expenses in 3Q07. When compared to 2Q08, this variation was 66% higher due to the actuarial deficit of the Cubatão mill Pension Fund and the provision for legal contingencies that negatively impacted the result of this item by R$ 116 million.

Analysis of results until September:

Operating expenses and revenue totaled R$ 779 million, up 36% over the result of the first nine months of 2007 as a result of the following factors:

- effects of unabsorbed fixed costs arising from the scheduled stoppage of the Cubatão mill Blast Furnace amounting to R$ 41 million;
- legal contingencies totaling R$ 78 million.

Earnings Before Interest and Tax (EBIT)

Earnings before interest and tax in 3Q08 was of R$ 1.5 billion, up 31% and up 20% in comparison with 3Q07 and 2Q08, respectively.

In the first nine months of 2008, it totaled R$ 3.8 billion, up 21% in relation to the first nine months of 2007. The operational margin of 3Q08 was of 34.3% and 31.7% in the first nine months of 2008, respectively three and two percentage points above the margins registered in the same periods of 2007.

EBITDA

EBITDA (Earnings before interest, taxes, depreciation and amortization) in 3Q08 was a record and registered an expressive growth of 38% and hit R$ 1.9 billion. When compared to the 2Q08 EBITDA, there is an increase of 30%. **EBITDA margin** was of **42.6%** in the quarter, a growth of around five percentage points in relation to the 3Q07 margin and six percentage points in relation to 2Q08.

Analysis of results until September:

The EBITDA for the first nine months of 2008 was of R$ 4.6 billion, up 22% in relation to the first nine months of 2007, corresponding to a margin of 38.5%, up two percentage points from that in the same period of 2007.

Financial Result

The item “net financial expenses and revenue” registered an “expense” of R$ 537 million in 3Q08, against a “revenue” of R$ 13 million in 3Q07. A "revenue" of R$ 201 million was registered in 2Q08. This change was basically due to exchange variation costs amounting to R$ 498 million considering that in 2Q08 the Company registered R$ 242 million in exchange gains.

Analysis of results until September:

The net financial expenses and revenue changed from a “revenue” of R$ 83 million in the first nine months of 2007 to an “expense” of R$ 366 million in the first nine months of 2008 due primarily to exchange expenses totaling R$ 225 million while in 2007 the Company registered an exchange revenue of R$ 201 million.

Expenses with financing interests of R$ 230 million were higher by R$ 68 million in 2008 in comparison with the R$ 162 million appraised in the first nine months of 2007.

Equity Income

The equity income was of R$ 298 million in 3Q08, compared to an equity income of only R$ 6 million in 3Q07. A negative result of R$ 213 million was registered in 2Q08. This positive variation is a result of gains arising from the exchange effect in the Ternium investment totaling R$ 260 million.

Analysis of results until September:

In the first nine months of 2008, the equity resulted in R$ 88 million against an equity of R$ 3 million in the first nine months of 2007, reflecting gains of R$ 115 million arising from exchange effects in the Ternium investment. This item suffered an impact also from the accounting of expenses for goodwill amortization resulting from the acquisition of J. Mendes in the amount of R$ 66 million (up to 06/30/08).

Non-Operating Expenses and Revenues

An expense of R$ 19 million was registered in 3Q08 against an expense of R$ 3 million in 3Q07 and R$ 9 million in 2Q08. In the first nine months of 2008, an expense of R$ 22 million was registered against a revenue of R$ 8 million in the first nine months of 2007. In 3Q08, there was a booking of asset write-offs of the Cubatão mill amounting to R$ 25 million.

Income Tax and Social Contribution Tax

The Income and Contribution tax ratio with profit prior to taxation, compared to 2Q08, remained stable, much the same as occurred in the first nine months of 2008 when compared to the same period in 2007.

Net Profit

Consolidated net profit in 3Q08 reached R$ 880 million, up 16% in relation to 3Q07 and 2% in comparison with the profit of 2Q08. In the variation analysis regarding to the preceding quarter, this result derives from:

- increase in the quarter's net revenue due to better prices and mix,
- better result of equity income

These positive variations offset mostly the increase of financial expenses that occurred in the quarter.

Analysis of results until September:

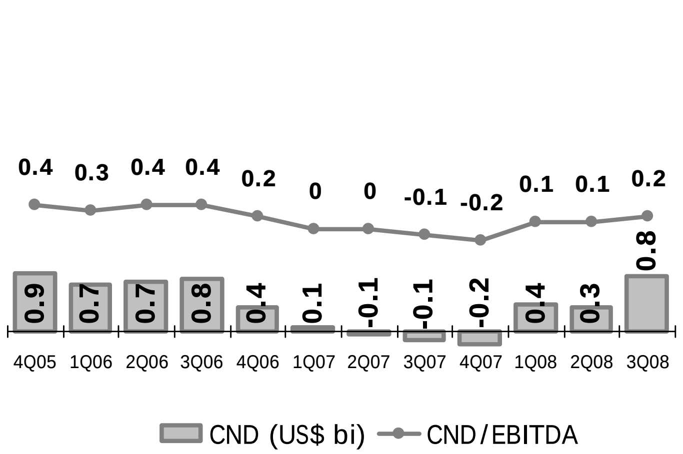
Net profit in the first nine months of 2008 was of 2.4 billion, up 8% in relation to the profit posted in the first nine months of 2007. The increase in net revenue enabled this result, offsetting the increase in costs and the fixed unabsorbed cost resulting from the stop for the remodeling of equipments at the Cubatão mill besides the increase of financial expenses in the period.

Indebtedness

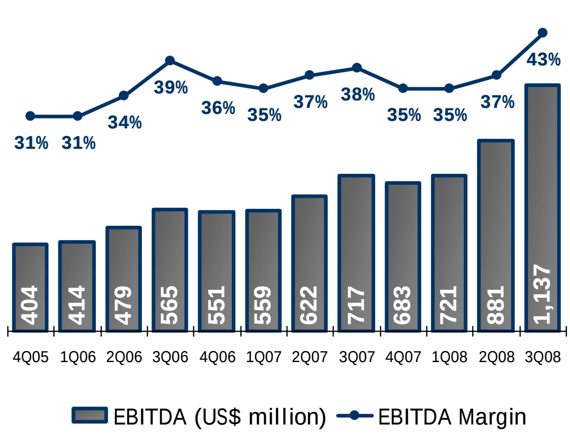
Total consolidated debt reached R$ 5.7 billion on 9/30/2008 (around US$ 3.0 billion) from R$ 5.0 billion on 6/30/2008 (US$ 3.2 billion). Net debt corresponded to R$ 1.6 billion at the end of the quarter.

The debt is comprised of 32% in loans/financing in local currency and 68% in foreign currency. The maturity profile is 17% in the short term and 83% in the long term.

Consolidated Net Debt/EBITDA



EBITDA & EBITDA Margin



Investments on Fixed Assets

Investments on fixed assets totaled R$ 792 million in the quarter, up 24% over 2Q08. Investments totaled R$ 1.8 billion in the first nine months of 2008, against R$ 901 million in the same period of 2007, up 99%. The expenses were focused mainly on maintenance, technological upgrading of equipments and environmental protection. In 2008, Usiminas invested another R$ 1.6 billion to acquire “Mineração J. Mendes”, a mining company.

Financial Management of the Company

- **Exchange rate derivatives or speculative financial transactions**

Usiminas takes a conservative stance of financial management, which is followed periodically by the Executive Board and the Company does not speculate through financial derivatives, which can be highlighted as follows:

- **Financial Instruments**

The administration of these instruments is through operational strategy, seeking liquidity, profitability and safety. The control policy consists of permanent follow up of the contracted rates versus the ones practiced by the market.

- **Exchange Rates Risk**

The Company has assets and liabilities in foreign currency, mostly in US dollar and the results are affected by the variation of the exchange rates.

As a preventive measure and as a reduction of the exchange rates effect, Usiminas has as a policy to maintain assets linked to exchange indexation.

Due to currency fluctuations (devaluation of the Brazilian real against the U.S. dollar), there is an accounting impact on the Company’s balance sheet over the debt stock denominated in U.S. dollars. Therefore, the effect is non-cash. In 3Q08, the impact of exchange costs was of R$ 498 million.

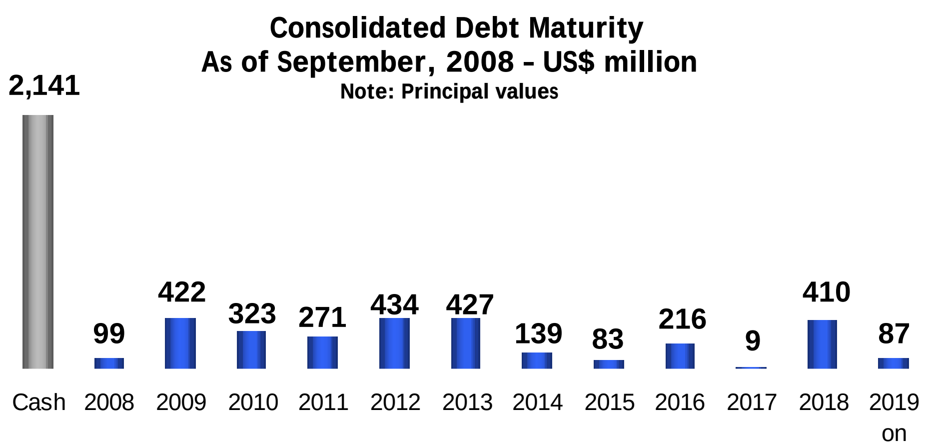
- **Swap Operations**

The Company participates in swap operations in order to decrease costs, protect exchange exposure and protection of interest rates, avoiding currency mismatch.

These operations and its accounting impacts are informed quarterly, in a detailed manner, in the information delivered quarterly to Securities & Exchange Commission (CVM) and to Bovespa.

- **Leverage**

Usiminas, besides relying on funds in cash, has a very favorable debt maturity profile. The maturity dates in the short term represent only 17% and the other 83% are diluted over the long term.



Position – 9/30/08	R$ billion
Cash Balance	4.1
Total Debt/EBITDA	1.0 x
Net Debt/EBITDA	0.3 x

- **Usiminas's Development Plan - 2008/2012**

Usiminas should maintain its investment plans and will continuously evaluate their execution periods based on the indicators and on the trends of the steel market. The Company assigned a large part of its funds to its expansion projects including its new slab mill. Approximately 50% of the investments will be covered by cash generation and the remainder through financing, of which several operations to raise funds have already been concluded. The long-term operations already contracted by Usiminas are:

Loans and Financing already signed

Transactions	Value US$ million	Value R$ million	Term Years
BNDES - Credit Line	-	900	6
BNDES	-	493	7
Eurobonds	400	-	10
Debentures	-	500	4 / 5
Prepayment	600	-	5 / 7
JBIC	550	-	10

Capital Markets

ADR Nível I

Bovespa Performance - Bovespa Index

Despite the solid fundamentals of Usiminas, the Company's shares depreciated in 3Q08 as a result of the pessimism that took over the capital market affected by the international financial crisis and the plummeting stock market prices.

Class "A" preferred shares (USIM5) depreciated 48.7% and common shares (USIM3), 49.3%. Ibovespa depreciated 23.8% in the same period.

Between January and September, the USIM5 and USIM3 shares depreciated 25.4% and 30.7%, respectively, while Ibovespa depreciated 22.5%.

Usiminas occupies the eighth place among the companies with most weight in the theoretical portfolio of Ibovespa between September and December 2008.

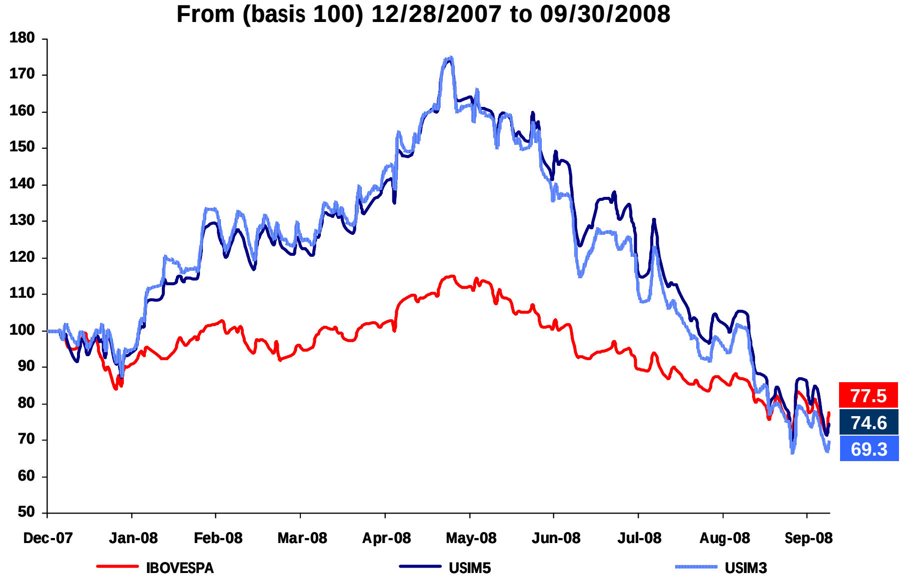
On 9/30/2008, the USIM5 share was quoted at R$ 40.51 and the USIM3 share at R$ 38.35.

Market Value (billion)

Date	R$	US$
9/30/2007	28.8	15.7
9/30/2008	20.5	12.9

Usiminas ON and PNA versus Ibovespa

From (basis 100) 12/28/2007 to 09/30/2008



International Markets	Ticker	Quote 9/30/08	Chg. 3Q08	Chg. 9M08
ADR Nível 1 / USA	USNZY	US$ 20,90	-58.2%	-54.3%
LATIBEX / Spain	XUSI	€ 14.32	-55.3%	-31.3%
	XUSIO	€ 13.60	-55.3%	-36.4%

Highlights of the Period

- **New airport of Vale do Aço will be located at the city of Bom Jesus do Galho**

The second largest airport in the state of Minas Gerais in length of runway, with a capacity for 360 thousand passengers a year, will be built by Usiminas in the Vale do Aço region. The Company, based on technical criteria, chose the city of Bom Jesus do Galho to house the terminal, which is located in the district of Revés de Belém, 30 km from the current Usiminas Airport, located in Santana do Paraíso. The construction work of the new airport will begin in 2009 and it is expected to start operating in August of the same year.

With an estimated cost of R$ 80 million, the airport construction will be financed by Usiminas and is in line with the strategy of the Company to accelerate its investments in the Vale do Aço region through the installation of a new mill in the city of Santana do Paraíso.

- **Usiminas is again acknowledged as a global leader in sustainability.**

For the second consecutive year, the company is the only steel company in the Americas to be included in the Dow Jones Sustainability World Index according to an announcement made in September by Swiss institute SAM, specialized in sustainable investments and in charge of the methodology of the index.

Eight Brazilian companies from five different sectors take part in the group of 320 companies listed in the index. SAM also announced the inclusion of an additional 33 global companies. A total of 25 companies (none Brazilian) were removed from the prior list.

DJSI is one of the most important parameters to analyze social and environmental responsible investors in the world and exists since 1999.

In order to be included in the DJSI, the company has its corporate practices analyzed, as well as its social environmental activities, transparency, corporate governance, risk management and work practices and it must also have a solid name and established standards for supplier chains.

- **Usiminas Mecânica and Nuclep establish partnership to supply capital goods**

Usiminas Mecânica (UMSA) and Nuclebrás Equipamentos Pesados S.A (Nuclep) – industries of made-to-order capital goods – signed in September at the Rio Oil & Gas Fair Expo and Conference, a term for the joint supply of products and services, especially for the oil and gas, steel and mining sectors. The forecast is that the projects carried out by both companies will amount to around R$ 300 million a year.

The purpose is to make use of the greater number of business opportunities in these three markets which present a scenario of increased demand for the next years. Therefore, the companies will explore the synergies between products, services and technology. Forecasted to last at least five years, each business carried out jointly by the companies will be established based on the supply characteristics. As the opportunity is identified, the companies will jointly prospect, elaborate the commercial proposal and execute the contract

- **Usiminas is one of the most valuable brands in Latin America**

Usiminas is one of the most valuable brands in Latin America, according to a ranking drawn up by Interbrand. Usiminas is in the ten most valuable brands amongst Brazilian companies.

The study of Interbrand, a global leader in brand consulting, pointed out the 50 most valuable brands in Latin America. For the selection of the companies, Interbrand considers the following criteria: mostly Brazilian-owned capital stock, company must be listed in the stock exchange or must publish regularly its financial information to the market, interaction with the consumer and positive financial results.

- **Investment-oriented fund raising**

In the month of September/08, Usiminas' Board of Directors approved two operations to raise funds for the Company’s investments with the following characteristics:

Operation:	Financing from the National Economic and Social Development Bank - BNDES
Contractor:	Subsidiary Cosipa
Guarantee:	Usiminas
Target:	Financing of the national part of the new hot strip mill of Cubatão
Amount:	R$ 493.4 million
Term:	7 years

Operation:	Financing from the Japan Bank for International Cooperation (JBIC)
Contractor:	Subsidiary Cosipa
Guarantee:	Usiminas
Target:	Financing of the imported part of the new hot strip mill of Cubatão
Amount:	US$ 550 million
Term:	10 years

Subsequent Events After the Closing of the Quarter

- **Acquisition of Dufer S/A**

Cosipa, the wholly-owned subsidiary of Usiminas, acquired in October the 49% participation in Dufer S.A. which belonged to the German group Thyssen. This operation has made Cosipa the only shareholder of Dufer, a company that has operations in the state of Sao Paulo, and that operates in the distribution and transformation of coils into, slabs, rolls, strips and blanks. This acquisition, in the amount of R$ 92.4 million, aligns to Usiminas's commercial strategy and reinforces the group's presence in the distribution and services center segments.

- **New Management Structure**

On October 10, 2008, Usiminas sent a notice to the Brazilian Securities & Exchange Commission, the Sao Paulo stock exchange and to the market in general announcing that the Board of Directors resolved to establish a new Executive Structure broken down as follows:

- Business Vice-President – Sérgio Leite de Andrade (**)
- Industrial Vice-President – Omar Silva Júnior (*)
- Finance, Investor Relations and Information Technology Vice-President– Paulo Penido Pinto Marques (*)
- Special Affairs Vice-President - Takashi Hirao (*)

(*) elected by the General Shareholder Meeting with terms until 04/30/2010

(**) elected to fulfill terms from 11/01/08 to 04/30/2010

The Development, Domestic Sales and Export Executive Boards are extinct.

Further Information

Usiminas Mecânica S.A.

Net revenue in 3Q08 reached R$ 318 million, up 62% over the net revenue registered in 3Q07 and, in the first nine months of 2008, it amounted to R$ 927 million, up 65% in relation to the revenue in the first nine months of 2007. The EBITDA of the quarter was of R$ 40 million, up 54% over the EBITDA in 3Q07. In the first nine months of 2008, total EBITDA accumulated R$ 137 million, up 65% over the first nine months of 2007.

Net profit in 3Q08 totaled R$ 27 million in 3Q08, amounting to R$ 92 million in the first nine months of 2008, a growth of 68% and 75%, respectively, in relation to the same periods of the previous year.

These results are a reflex of the Company's significant long-term project portfolio, of which the highlights are:

- Supply of structures and assembly of equipments for the nickel mine of Mineração Onça Puma Ltda;
- Supply and assembly of process equipment and structures for a new plant of Alumínio de Maranhão - Alumar;
- Supply and assembly of the Ponte da Passagem in Vitória, in the state of Espitiro Santos;
- Refurnish of Blast Furnace no. 1 Cosipa;
- Supply of structures for the steelmaking process of Companhia Siderúrgica do Atlântico – CSA;
- Supply of structures for the nickel mine of Anglo América Ltda.
- Supply of structures for the Barra Mansa steel company;
- Supply of structures of the P55 offshore oilrig

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

Unigal

In 3Q08, Unigal processed 120.7 thousand tons of products, up 29% in comparison to the production dispatched in 3Q07. In the first nine months of 2008, 364.3 thousand tons were processed, up 12% in relation to the first nine months of 2007.

Net revenue (by processing services) in 3Q08, was of R$ 70.8 million and in the first nine months of 2008 was of R$ 188.3 million, respectively 51% and 21% over that in the same periods of the previous year.

EBITDA in the quarter reached R$ 67 million and in the first nine months of 2008, totaled R$ 172 million (up 63% and 24% in relation to 2007).

Net profit in the quarter was of R$ 36.9 million and in the first nine months totaled R$ 85.2 million, up 208% and 72% when compared to the profit of the same periods in 2007.

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.

Ternium

Ternium will release its results only on 11/05/08.

Ternium investments: In a notice sent to the market on 09/08/08, the Company announced that it plans to invest a total of US$ 4.2 billion over the next 5 years to build a new flat steel plant in Mexico with the purpose of expanding its production capacity.

Usiminas has a 14.25% stake in Ternium's total capital, of which is partner along with Techint group.

MRS Logística

MRS has not released its 3Q08 results by this date.

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THE BANK OF NEW YORK MELLON
ADRs - Depositary Bank

Visit our Investor Relations page: http://eng.usiminas.com.br

Conference Call: October 31, 2008

Local, at 8:30 a.m (New York time).
Dial-in numbers:
Brazil: (55 11) 4688-6301

International, at 10:00 a.m. (New York time).

Dial-in numbers:
USA: (1 800) 860-2442
Other countries: (1 412) 858-4600
Brazil: (11) 4688-6301

Access codes: **125** (local) / **879** (international)

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

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Nível I

Statements contained in this release, relative to the business outlook of the Company, forecasts of operating and financial income and references to growth prospects are mere forecasts and were based on the expectations of Management in relation to future performance. These expectations are highly dependent on market conduct, 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 2008	2Q 2008	2Q 2008	Chg. 3Q08/3Q07
Net Revenues	**2,408,740**	**1,972,367**	**2,156,118**	**22%**
Domestic Market	2,247,238	1,758,514	1,968,948	28%
Export Market	161,502	213,853	187,170	-24%
COGS	(1,539,253)	(1,257,468)	(1,447,703)	22%
Gross Profit	**869,487**	**714,899**	**708,415**	**22%**
Gross Margin	**36%**	**36%**	**33%**	**- 0 p.p.**
Operating Income (Expenses)	**(211,097)**	**(111,771)**	**(94,653)**	**89%**
Selling	(27,895)	(25,691)	(28,440)	9%
General and Administrative	(54,655)	(38,913)	(45,405)	40%
Others, Net	(128,547)	(47,167)	(20,808)	173%
EBIT	**658,390**	**603,128**	**613,762**	**9%**
EBIT Margin	**27%**	**31%**	**28%**	**- 2 p.p.**
Financial Result	(361,522)	9,190	99,721	
Financial Income	139,625	33,229	60,387	320%
Financial Expenses	(501,147)	(24,039)	39,334	
Equity Income	725,906	367,172	254,979	98%
Operating Result	**1,022,774**	**979,490**	**968,462**	4%
Non-Operating Income	2,047	(4,571)	8,844	0%
Profit Before Taxes	**1,024,821**	**974,919**	**977,306**	5%
Income Tax / Social Contribution	(137,645)	(207,241)	(117,573)	-34%
Net Income	**887,176**	**767,678**	**859,733**	16%
Net Margin	**37%**	**39%**	**40%**	**- 2 p.p.**
Net Income per thousand shares	**1.79736**	**3.49935**	**1.74176**	-49%
EBITDA	**864,689**	**718,319**	**704,124**	20%
EBITDA Margin	**35.9%**	**36.4%**	**0.0%**	**- 1 p.p.**
Depreciation and amortization	121,798	70,027	72,195	74%
Provisions	84,501	45,164	18,167	87%

Income Statement - Parent Company

Brazilian GAAP

R$ thousand	9M 2008	9M 2007	Chg. 9M08/9M07
Net Revenues	**6,499,606**	**5,504,330**	18%
Domestic Market	5,971,676	4,773,280	25%
Export Market	527,930	731,050	-28%
COGS	(4,263,646)	(3,503,471)	22%
Gross Profit	**2,235,960**	**2,000,859**	12%
Gross Margin	**34%**	**36%**	**- 2 p.p.**
Operating Income (Expenses)	**(385,361)**	**(292,886)**	32%
Selling	(81,621)	(78,322)	4%
General and Administrative	(140,375)	(116,646)	20%
Others, Net	(163,365)	(97,918)	67%
EBIT	**1,850,599**	**1,707,973**	8%
EBIT Margin	**28%**	**31%**	**- 3 p.p.**
Financial Result	**(297,679)**	**78,483**	
Equity Income	1,275,576	912,321	40%
Operating Result	2,828,496	2,698,777	5%
Non-Operating Income	17,543	5,192	238%
Profit Before Taxes	**2,846,039**	**2,703,969**	5%
Income Tax / Social Contribution	(449,638)	(492,559)	-9%
Net Income	**2,396,401**	**2,211,410**	8%
Net Margin	**37%**	**40%**	**- 3 p.p.**
Net Income per thousand shares	**4.85495**	**10.08038**	**-52%**
EBITDA	**2,235,665**	**2,024,056**	10%
EBITDA Margin	**34.4%**	**36.8%**	**- 2 p.p.**
Depreciation and amortization	264,081	208,734	27%
Provisions	120,985	107,349	13%

Income Statement - Consolidated

Brazilian GAAP

R$ thousand	3Q 2008	3Q 2007	2Q 2008	Chg. 3Q08/3Q07
Net Revenues	**4,451,488**	**3,630,317**	**3,972,740**	23%
Domestic Market	3,920,577	3,036,250	3,567,453	29%
Export Market	530,911	594,067	405,287	-11%
COGS	(2,615,148)	(2,287,045)	(2,517,636)	14%
Gross Profit	**1,836,340**	**1,343,272**	**1,455,104**	37%
Gross Margin	**41%**	**37%**	**37%**	**+ 4 p.p.**
Operating Income (Expenses)	**(347,688)**	**(204,683)**	**(210,492)**	70%
Selling	(44,354)	(58,640)	(60,820)	-24%
General and Administrative	(91,854)	(75,546)	(81,611)	22%
Others, Net	(211,480)	(70,497)	(68,061)	200%
EBIT	**1,488,652**	**1,138,589**	**1,244,612**	**31%**
EBIT Margin	**33%**	**31%**	**31%**	**+ 2 p.p.**
Financial Result	(536,754)	12,882	201,141	
Financial Income	230,126	68,420	115,240	236%
Financial Expenses	(766,880)	(55,538)	85,901	1281%
Equity Income	298,398	5,967	(212,929)	4901%
Operating Result	**1,250,296**	**1,157,438**	**1,232,824**	8%
Non-Operating Income	(18,908)	(2,619)	(8,552)	622%
Profit Before Taxes	**1,231,388**	**1,154,819**	**1,224,272**	7%
Income Tax / Social Contribution	(348,771)	(389,623)	(354,389)	-10%
Income before Minority Interests	**882,617**	**765,196**	**869,883**	15%
Minority Interests	(2,166)	(7,303)	(9,108)	-70%
Net Income	**880,451**	**757,893**	**860,775**	16%
Net Margin	**20%**	**21%**	**22%**	**- 1 p.p.**
Net Income per thousand shares	**1.78374**	**3.45474**	**1.74614**	-48%
EBITDA	**1,894,467**	**1,375,084**	**1,458,183**	38%
EBITDA Margin	**42.6%**	**37.9%**	**36.7%**	**+ 5 p.p.**
Depreciation and amortization	236,247	178,874	184,363	32%
Provisions	169,568	57,621	29,208	194%

Income Statement - Consolidated

Brazilian GAAP

R$ thousand	9M 2008	9M 2007	Chg. 9M08/9M07
Net Revenues	**11,977,974**	**10,345,655**	**16%**
Domestic Market	10,576,577	8,443,409	25%
Export Market	1,401,397	1,902,246	-26%
COGS	(7,453,845)	(6,655,731)	12%
Gross Profit	**4,524,129**	**3,689,924**	**23%**
Gross Margin	**38%**	**36%**	**+ 2 p.p.**
Operating Income (Expenses)	**(779,084)**	**(572,141)**	**36%**
Selling	(172,494)	(175,263)	-2%
General and Administrative	(253,584)	(225,136)	13%
Others, Net	(353,006)	(171,742)	106%
EBIT	**3,745,045**	**3,117,783**	**20%**
EBIT Margin	**31%**	**30%**	**+ 1.5 p.p.**
Financial Result	(365,778)	82,773	
Equity Income	88,251	2,571	3333%
Operating Result	**3,467,518**	**3,203,127**	**8%**
Non-Operating Income	(21,835)	7,743	
Profit Before Taxes	**3,445,683**	**3,210,870**	**7%**
Income Tax / Social Contribution	(1,042,343)	(989,348)	5%
Income before Minority Interests	**2,403,340**	**2,221,522**	**8%**
Minority Interests	(15,887)	(19,493)	-18%
Net Income	**2,387,453**	**2,202,029**	**8%**
Net Margin	**20%**	**21%**	**- 1.4 p.p.**
Net Income per thousand shares	**4.83682**	**10.03762**	**-52%**
EBITDA	**4,606,653**	**3,786,126**	**22%**
EBITDA Margin	**38.5%**	**36.6%**	**+ 1.9 p.p.**
Depreciation and amortization	600,916	532,458	13%
Provisions	260,692	135,885	92%

Cash Flow

Brazilian GAAP

R$ (thousand)	Parent Company		Consolitaded	
	3Q 2008	3Q 2007	3Q 2008	3Q 2007
Operating Activities				
Net Income (Loss) in the Period	887.176	767.678	880.451	757.893
Financial Expenses and Monetary Var/Net Exchge Var	358.445	(1.677)	809.515	(68.579)
Depreciation, Exhaustion and Amortization	121.798	70.027	234.118	179.104
Investment Write-offs (Decrease in Permanent Assets)	2	91	20.242	350
Equity in the Results of Subsidiaries/Associated Companies	(725.906)	(367.172)	(298.398)	(5.967)
Dividend Income from Subsidiaries	(8.528)	(114)	24.598	(1.425)
Income Tax and Social Contribution	(23.468)	90.269	(111.575)	96.945
Provisions	73.438	11.787	108.635	37.958
Adjustment for Minority Participation	0	0	2.166	7.303
Total	**682.957**	**570.889**	**1.669.752**	**1.003.582**
Increase/Decrease of Assets				
Increase (Decrease) in Accounts Receivables	(72.673)	39.837	(227.339)	98.985
Increase (Decrease) in Inventories	(419.549)	22.448	(651.534)	(46.191)
Increase (Decrease) in Recovery of Taxes	(1.926)	584	9.938	(29.673)
Increase (Decrease) in Judicial Deposits	12.185	(80.532)	54.415	(84.387)
Increase (Decrease) in Accounts Receiv. Affiliated Companies	40	2.054	(24)	0
Others	202.166	27.574	253.971	18.817
Total	**(279.757)**	**11.965**	**(560.573)**	**(42.449)**
Increase (Decrease) of Liabilities				
Increase (Decrease) in Suppliers	330.381	73.528	480.857	121.854
Amounts Owed to Affiliated Companies	15.766	(112.030)	77.843	(125.115)
Customers Advances	(2.257)	(530)	(317.026)	(17.500)
Tax Payable	4.297	(1.016)	(12.305)	(8.080)
Income Tax and Social Contribution	(159.030)	(14.814)	14.232	21.700
Others	65.112	43.116	(161.726)	73.583
Total	**254.269**	**(11.746)**	**81.875**	**66.442**
Cashflow Generated from Operating Activities	**657.469**	**571.108**	**1.191.054**	**1.027.575**
Financial Activities				
Inflow of Loans and Financing	8.270	112.036	72.655	232.511
Payment of Loans, Financing and Debentures	(78.467)	(140.769)	(305.661)	(322.830)
Interest paid on taxes payable in installments	(2.164)	(4.162)	(2.096)	(4.432)
Swap Operation Redemptions	(11.532)	0	(136.072)	(25.790)
Dividends Paid	(527.264)	(501.677)	(528.780)	(501.750)
Net Funds from Financial Activities	**(611.157)**	**(534.572)**	**(899.954)**	**(622.291)**
Investment Activities				
(Additions) in Long-term Investments	(16.536)	0	26.614	0
(Additions) to Permanent Assets, except Deferred Charges	(607.388)	(229.875)	(791.619)	(385.060)
(Additions) Right off of permanent assets	0	0	0	0
Funds Used for Investments	**(623.924)**	**(229.875)**	**(765.005)**	**(385.060)**
Exchange Variation of Cash and Cash Equivalents	**31.726**	**(10.411)**	**49.682**	**(27.153)**
Cash Balance Change	**(545.886)**	**(203.750)**	**(424.223)**	**(6.929)**
At the Beginning of the Period	2.522.875	1.620.622	4.522.664	3.117.970
At the End of the Period	1.976.989	1.416.872	4.098.441	3.111.041

Cash Flow

Brazilian GAAP (Legislação Societária)

R$ (thousand)	Parent Company 9M 2008	Parent Company 9M 2007	Consolitaded 9M 2008	Consolitaded 9M 2007
Operating Activities				
Net Income (Loss) in the Period	2.396.401	2.211.410	2.387.453	2.202.029
Financial Expenses and Monetary Var/Net Exchge Var	249.752	(19.756)	484.508	(281.711)
Depreciation, Exhaustion and Amortization	264.081	208.734	600.916	532.646
Investment Write-offs (Decrease in Permanent Assets)	1.336	3.683	23.264	4.029
Equity in the Results of Subsidiaries/Associated Companies	(1.275.576)	(912.321)	(88.251)	57.633
Dividend Income from Subsidiaries	52.109	119.999	55.012	63.990
Income Tax and Social Contribution	(151.280)	91.216	(257.621)	124.617
Provisions	96.265	(5.232)	83.700	53.300
Adjustment for Minority Participation	0	0	15.887	19.493
Total	**1.633.088**	**1.697.733**	**3.304.868**	**2.776.026**
Increase/Decrease of Assets				
Increase (Decrease) in Accounts Receivables	(172.832)	184.941	(595.263)	107.436
Increase (Decrease) in Inventories	(820.107)	(125.243)	(1.130.811)	(86.865)
Increase (Decrease) in Recovery of Taxes	(10.347)	(19.468)	(31.779)	(71.407)
Increase (Decrease) in Judicial Deposits	15.017	(115.654)	25.765	(124.197)
Increase (Decrease) in Accounts Receiv. Affiliated Companies	(3.881)	5.367	(3.119)	0
Others	146.202	(31.701)	194.749	(66.435)
Total	**(845.948)**	**(101.758)**	**(1.540.458)**	**(241.468)**
Increase (Decrease) of Liabilities				
Increase (Decrease) in Suppliers	475.303	134.452	522.754	201.077
Amounts Owed to Affiliated Companies	47.628	(175.586)	114.937	(175.434)
Customers Advances	8.040	(881)	(34.859)	37.395
Tax Payable	(1.523)	13.946	40.273	58.710
Income Tax and Social Contribution	(61.569)	122.527	66.111	164.590
Others	196.822	35.793	56.294	137.254
Total	**664.701**	**130.251**	**765.510**	**423.592**
Cashflow Generated from Operating Activities	**1.451.841**	**1.726.226**	**2.529.920**	**2.958.150**
Financial Activities				
Inflow of Loans and Financing	2.464.983	190.624	2.697.856	470.749
Payment of Loans, Financing and Debentures	(131.845)	(254.624)	(501.009)	(786.587)
Interest paid on taxes payable in installments	(22.922)	(15.771)	(22.729)	(16.640)
Swap Operation Redemptions	(14.150)	0	(101.930)	(235.319)
Dividends Paid	(1.144.026)	(998.992)	(1.149.588)	(1.010.563)
Net Funds from Financial Activities	**1.152.040**	**(1.078.763)**	**922.600**	**(1.578.360)**
Investment Activities				
(Additions) in Long-term Investments	(1.647.394)	0	(1.539.525)	0
(Additions) to Permanent Assets, except Deferred Charges	(953.159)	(470.199)	(1.778.173)	(900.505)
(Additions) Right off of permanent assets	0	0	0	0
Funds Used for Investments	**(2.600.553)**	**(470.199)**	**(3.317.698)**	**(900.505)**
Exchange Variation of Cash and Cash Equivalents	**3.560**	**(34.886)**	**12.682**	**(89.306)**
Cash Balance Change	**6.888**	**142.378**	**147.504**	**389.979**
At the Beginning of the Period	1.970.101	1.274.494	3.950.937	2.721.062
At the End of the Period	1.976.989	1.416.872	4.098.441	3.111.041

Balance Sheet - Assets

Brazilian GAAP - R$ thousand

Assets	Parent Company 30-set-08	Parent Company 31-dec-07	Consolidated 30-set-08	Consolidated 31-dec-07
Current Assets	**5.548.023**	**4.712.786**	**10.723.789**	**8.962.928**
Cash and Cash Equivalents	1.976.989	1.970.101	4.098.441	3.950.937
Trade Accounts Receivable	998.223	825.391	1.905.760	1.678.775
Taxes Recoverable	54.964	60.297	210.366	178.587
Inventories	2.194.582	1.374.475	3.824.525	2.693.714
Deferred Income Tax & Social Contrb'n	103.454	41.135	155.380	81.564
Other Securities Receivables	219.811	441.387	529.317	379.351
Long-Term Receivable	**611.673**	**575.039**	**1.095.977**	**1.020.565**
Deferred Income Tax & Social Contrb'n	347.336	347.336	626.352	613.578
Deposits at Law	143.750	158.767	203.976	229.741
Taxes Recoverable	70.159	34.305	190.963	107.424
Others	50.428	34.631	74.686	69.822
Permanent Assets	**14.350.409**	**10.800.225**	**13.544.615**	**10.715.256**
Investments	8.500.450	7.174.346	1.774.373	1.683.259
Property, Plant and Equipment	4.393.354	3.625.879	10.311.223	9.011.407
Intangible	1.455.477	-	1.455.477	-
Deferred	1.128	-	3.542	20.590
Total Assets	**20.510.105**	**16.088.050**	**25.364.381**	**20.698.749**

Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP - R$ thousand

Liabilities and Shareholders' Equity	Parent Company 30-set-08	Parent Company 31-dec-07	Consolidated 30-set-08	Consolidated 31-dec-07
Current Liabilities	**1.651.993**	**1.805.877**	**4.295.327**	**3.769.391**
Loans and Financing and Taxes Payable in Installments	226.250	174.599	986.313	588.829
Suppliers, Subcontractors and Freight	805.202	329.899	1.356.550	833.796
Taxes, Charges and Payroll Taxes	160.579	305.381	700.455	684.032
Related Companies	139.916	89.489	119.329	76.928
Financial Instruments	5.007	2.808	194.588	128.563
Actuarial Liability	78.078	70.115	86.874	77.569
Dividends Payable	3.711	619.508	79.907	626.916
Customers Advances	19.311	11.271	350.657	385.516
Others	213.939	202.807	420.654	367.242
Long-Term Liabilities	**4.458.192**	**1.750.425**	**6.610.375**	**4.340.949**
Loans and Financing and Taxes Payable in Installments	3.144.622	610.180	4.340.995	2.133.725
Actuarial Liability	884.885	853.258	1.286.495	1.210.006
Provision for Contingencies	293.289	220.934	641.665	535.893
Deferred Income Tax & Social Contrb'n	55.516	59.515	176.717	260.342
Financial Instruments	77.473	1.332	43.705	189.582
Environmental protection provision	2.407	-	77.473	-
Others	-	5.206	43.325	11.401
Minority Interests	**0**	**0**	**125.124**	**114.078**
Shareholders' Equity	**14.399.920**	**12.531.748**	**14.333.555**	**12.474.331**
Capital	12.150.000	8.100.000	12.150.000	8.100.000
Reserves	236.521	4.431.748	170.156	4.374.331
Revenues from Fiscal Year	2.013.399	-	2.013.399	-
Total Liabilities and Shareholders' Equity	**20.510.105**	**16.088.050**	**25.364.381**	**20.698.749**

Sales Volume Breakdown - Consolidated

Thousand tons	3Q 2007		3Q 2007		2Q 2008		Chg. 3Q08/3Q07
TOTAL SALES	**1,915**	**100%**	**2,094**	**100%**	**1,917**	**100%**	**-9%**
Heavy Plates	**452**	24%	**478**	23%	**522**	27%	-5%
Hot Coils/Sheets	**591**	31%	**598**	29%	**609**	32%	-1%
Cold Coils/Sheets	**454**	24%	**527**	25%	**461**	24%	-14%
Electrogalvanized Coils	**66**	3%	**68**	3%	**69**	4%	-3%
Hot Dip Galvanized Coils	**122**	6%	**91**	4%	**123**	6%	34%
Processed Products	**54**	3%	**80**	4%	**61**	3%	-33%
Slabs	**177**	9%	**252**	12%	**72**	4%	-30%
DOMESTIC MARKET	**1,612**	**84%**	**1,615**	**77%**	**1,662**	**87%**	**0%**
Heavy Plates	**407**	21%	**409**	20%	**442**	23%	-1%
Hot Coils/Sheets	**556**	29%	**551**	26%	**569**	30%	1%
Cold Coils/Sheets	**402**	21%	**418**	20%	**401**	21%	-4%
Electrogalvanized Coils	**61**	3%	**57**	3%	**59**	3%	6%
Hot Dip Galvanized Coils	**112**	6%	**88**	4%	**104**	5%	27%
Processed Products	**32**	2%	**49**	2%	**34**	2%	-34%
Slabs	**42**	2%	**43**	2%	**53**	3%	-2%
EXPORTS	**303**	**16%**	**479**	**23%**	**255**	**13%**	**-37%**
Heavy Plates	**45**	2%	**69**	3%	**80**	4%	-34%
Hot Coils/Sheets	**35**	2%	**47**	2%	**40**	2%	-26%
Cold Coils/Sheets	**52**	3%	**109**	5%	**60**	3%	-52%
Electrogalvanized Coils	**5**	0%	**11**	1%	**10**	1%	-53%
Hot Dip Galvanized Coils	**10**	1%	**3**	0%	**19**	1%	243%
Processed Products	**21**	1%	**31**	1%	**27**	1%	-31%
Slabs	**135**	7%	**209**	10%	**19**	1%	-35%

Net Revenues per tonne - USIMINAS + COSIPA

R$ / t.	3Q 08	2Q 08	1Q 08	4Q 07	3Q 07	2Q 07	1Q 07	4Q 06	3Q 06	2Q 06
Total	**2,201**	**1,910**	**1,678**	**1,666**	**1,667**	**1,628**	**1,593**	**1,567**	**1,537**	**1,419**
Heavy Plates	**2,486**	**2,112**	**1,892**	**1,887**	**2,017**	**1,942**	**1,888**	**1,823**	**1,644**	**1,591**
Hot Coils/Sheets	**1,951**	**1,622**	**1,447**	**1,455**	**1,467**	**1,361**	**1,347**	**1,354**	**1,356**	**1,294**
Cold Coils/Sheets	**2,151**	**1,836**	**1,676**	**1,720**	**1,679**	**1,593**	**1,557**	**1,601**	**1,633**	**1,550**
Electrogalvanized Coils	**2,399**	**2,237**	**2,068**	**2,076**	**2,104**	**2,072**	**2,068**	**2,004**	**2,089**	**1,987**
Hot Dip Galvanized Coils	**2,525**	**2,328**	**2,245**	**2,161**	**2,210**	**2,120**	**2,106**	**2,044**	**2,069**	**1,934**
Processed Products	**2,224**	**1,958**	**1,913**	**1,972**	**1,933**	**1,834**	**1,939**	**1,876**	**1,996**	**1,812**
Slabs	**1,444**	**902**	**850**	**774**	**798**	**780**	**829**	**851**	**955**	**656**

Sectorial Sales - Consolidated

Thousand tonnes	3Q 08		3Q 07		2Q 08		1Q 08		Chg. 3Q08/3Q07
Domestic Market	**1,612**	**100%**	**1,615**	**100%**	**1,662**	**100%**	**1,532**	**100%**	**0%**
Auto	191	12%	208	13%	203	12%	199	13%	-8%
Autoparts	335	21%	320	20%	309	19%	274	18%	5%
Shipbuilding	29	2%	17	1%	22	1%	15	1%	68%
Line Pipes	95	6%	109	7%	127	8%	97	6%	-13%
Small Diameter Pipes	93	6%	103	6%	108	7%	115	8%	-10%
Packaging	22	1%	24	1%	20	1%	18	1%	-9%
Household Appliances	23	1%	32	2%	27	2%	30	2%	-28%
Civil Construction	106	7%	89	6%	103	6%	96	6%	19%
Electrical Equipment	52	3%	71	4%	66	4%	60	4%	-27%
Distributors	364	23%	358	22%	368	22%	355	23%	2%
Industrial Equipment	81	5%	75	5%	166	10%	133	9%	8%
Others	221	14%	209	13%	143	9%	140	9%	6%

Market Share - Usiminas System (*)

(% volume)

	9M08 (*)	2007 (*)	2006 (*)	2005 (*)	2004 (*)	2003 (*)
DOMESTIC MARKET	**49%**	**52%**	**52%**	**53%**	**55%**	**60%**
Auto	50%	59%	59%	59%	55%	62%
Autoparts	60%	61%	62%	59%	62%	67%
Shipbuilding	100%	100%	100%	100%	100%	100%
Electrical Equipment	69%	73%	65%	66%	63%	58%
Household Appliances	31%	35%	38%	33%	36%	44%
Line Pipes	89%	88%	98%	94%	98%	95%
Small Diameter Pipes	37%	39%	54%	54%	60%	68%
Packaging	12%	14%	13%	14%	15%	16%
Civil Construction	37%	35%	40%	44%	48%	58%
Distributors	42%	44%	42%	44%	51%	59%

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

Source: IBS

Loans and Financing by Index - Consolidated

Loans and Financing by Index - Consolidated	30-set-08 Short Term	30-set-08 Long Term	30-set-08 TOTAL	31-dec-07 TOTAL	Chg. Set08/Dec07
Foreign Currency (*)	796,256	3,043,724	**3,839,980**	**2,024,994**	90%
TJLP	131,101	474,155	**605,256**	**522,597**	16%
Others	**26,274**	**225,531**	**251,805**	**28,299**	**790%**
Sub-Total	953,631	3,743,410	**4,697,041**	**2,575,890**	82%
Debentures	**10,711**	**500,000**	**510,711**	**0**	**0%**
Sub-Total	964,342	4,243,410	**5,207,752**	**2,575,890**	102%
Taxes Payable in Installments	**21,970**	**97,586**	**119,556**	**146,664**	**-18%**
TOTAL	986,312	4,340,996	**5,327,308**	**2,722,554**	96%
FEMCO	**3,088**	**346,897**	**349,985**	**276,747**	**26%**
TOTAL DEBT	989,400	4,687,893	**5,677,293**	**2,999,301**	**89%**
Cash and Cash Equivalents	**4,098,441**	**0**	**4,098,441**	**3,950,937**	**4%**
NET DEBT			**1,578,852**	**(951,636)**	**-266%**

(*) 95.7% of total foreign currency is denominated in US dollars

Financial Income - Consolidated

R$ million	3Q 2008	3Q 2007	2Q 2008	Chg. 3Q08/3Q07	9M08	9M07	Chg. 9M08/9M07
Monetary Effects	(76,971)	(9,055)	20,081	750%	(66,350)	(54,236)	22%
Exchange Variation	(498,173)	45,866	240,634		(224,661)	201,683	
Hedge Income (Expenses)	17,908	(14,877)	(34,317)		(16,232)	(80,768)	-80%
Interest on Loans, Financing, ACC's and Pre-Payment	(83,388)	(49,426)	(79,859)	69%	(230,318)	(161,651)	42%
Financial Income	137,719	81,806	117,759	68%	347,866	272,592	28%
Other Financial Expenses	(33,849)	(41,432)	(63,157)	-18%	(176,083)	(94,847)	86%
NET INTEREST INCOME	**(536,754)**	**12,882**	**201,141**		**(365,778)**	**82,773**	