

2Q07 and 1H07 accumulated results

Usiminas records Net Profit of R\$ 1.4 billion and EBITDA of R\$ 2.4 billion in 1H07

The global steel industry is currently experiencing a favorable period due to the fast-paced growth of steel production and demand in China coupled with the positive performance of the main global economies. Forecasts indicate continued growth in consumption over the next few years, further favored by the consolidation process in the industry. The Brazilian steel industry has successfully positioned itself within this business scenario. The mills are operating with consistent scale and technology and are economically and financially prepared to face the challenges of consolidation and global competition.

In turn, the Usiminas System, primarily propelled by the solid performance of the Brazilian economy and the robust demand for flat steel, ended the 1H07 with impressive results - net revenues of R\$ 6.7 billion, net profit of R\$ 1.4 billion and EBITDA of R\$ 2.4 billion, numbers which are, respectively, 12%, 38% and 23% higher than in the same period in the previous year.

The solidity of these financial results, as well as the Company's commitment to its public (shareholders, customers, creditors, suppliers, employees and community) resulted in the rating agencies Fitch and S&P attributing an Investment Grade rating to the Usiminas System. The recognition undoubtedly reflects the maturity that the Usiminas System has undergone to execute its Development Program - vision 2015, which will allocate more than US\$ 8 billion towards the upgrading and expansion of its production facilities.

We continue, therefore, to fully execute our value creation agenda with the same transparency and responsibility that enabled us to consolidate ourselves as the largest flat steel complex in Latin America.

Rinaldo Campos Soares - CEO

Highlights

R\$ million	2Q 2007	2Q 2006	1Q 2007	Chg. 2Q07/2Q06	1H07	1H06	Chg. 1H07/1H06
Total Sales Volume (000 t)	1.980	2.028	1.937	-2%	3.917	3.983	-2%
Net Revenues	3.379	3.053	3.336	11%	6.715	6.011	12%
Gross Profit	1.202	1.013	1.144	19%	2.347	1.901	23%
Operating Result (EBIT) a	1.015	890	964	14%	1.979	1.631	21%
Financial Result	61	(78)	9	-	70	(196)	-
Net Income	802	704	642	14%	1.444	1.049	38%
EBITDA b	1.233	1.046	1.178	18%	2.411	1.955	23%
EBITDA Margin	36,5%	34,3%	35,3%	+2,2 p.p.	35,9%	32,5%	+3,4 p.p.
EBITDA (R\$/t)	623	516	608	21%	616	491	25%
Total Assets	19.711	18.066	19.320	11%	19.711	17.818	11%
Net Debt	(104)	1.497	128	-	(104)	1.497	-
Stockholders' Equity	11.531	9.451	11.060	22%	11.531	9.451	22%

(a) Earnings before interest, tax and participations.

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

Belo Horizonte, August 9, 2007 - Usinas Siderúrgicas de Minas Gerais S/A Usiminas (BOVESPA: USIM3, USIM5, USIM6; OTC: USNZY; Latibex: XUSI; XUSIO) today releases its second quarter 2007 (2Q07) 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 of 06/30/07

Bovespa; USIM3 R\$ 127.50 / share
USIM5 R\$ 110.00/ share

USA/OTC: USNZY US\$ 56.45

Latibex: XUSI €42.52
XUSIO €49.24

Investor Relations

Bruno Seno Fusaro
Head of Investor Relations
Tel: +55 (31) 3499-8710
brunofusaro@usiminas.com.br
www.usiminas.com.br/ri



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Other Information:

- Market capitalization of the Company on 06/30/07: R\$ 24.8 billion, equivalent to US\$12.9 billion.
- Cash position on 06/30/07: R\$ 3.1 billion.
- Net debt amortization in 1H07: R\$ 226 million.
- Investments in Fixed Assets in 1H07: R\$ 515 million.

Economic Analysis and Outlook

International Scenario

"Stability in the international market"

At the end of first half 2007, the expectation of full inventory adjustments in the United States were confirmed, although not at the volume expected. Imports to the US market were significantly reduced due to lower US prices and to an increase in ocean freight rates.

Once again, the rationality of consolidation prevailed and was an effective instrument used by the American mills. The prices, which rose in the first quarter, did not correspond to the increase in demand and fell slightly. In fact, price increases were affected because of the rise in the price of raw materials, especially scrap prices, a basic raw material of American mini mills, which account for almost half of the country's steel production.

As a result, second quarter performance was apathetic. Expectation of an annual cycle like the one seen in 2005 and 2006, where demand and prices recovered more intensively in the second and third quarters, should not occur and we should therefore expect a recovery in demand only in the third and fourth quarters.

In Europe, economic activity proceeds at a strong pace, inventories are still below historical levels and prices are at high levels. The appreciation of the Euro has placed Europe as a leader in prices, and, naturally, exports to the region have become more attractive.

In Asia, China showed strong price recovery at the end of 2006. Nevertheless, this trend reversed in 2007 due to production increases (although at a lower growth rate) or to measures adopted by the authorities to hold back exports.

Outlook for 2007

Taking this scenario into consideration, the achievement of a more balanced international steel market depends on the effective reduction of Chinese export volumes.

The steel market will have to wait and see if the restrictions imposed by the Chinese government, which include the reduction of the credit premium, the increase of export tax levied and the start-up of the export licensing system will produce a real impact and reduce the level of Chinese exports.

The market tends towards stability and it understands that it will once again be affected by prices still considered high due to cost pressure caused by the prices of raw material.

International Market in 3T07, FOB Port prices - Flat Rolled Products

Slabs	520 (*)
Slabs	480 - 500 (**)
Heavy Plate	800 - 850 (*)
Hot Rolled Coil	560 - 580
Cold Rolled Coil	620 - 660
Galvanized	750 - 780

(*) including higher quality

(**) commercial quality

Domestic Scenario

“Record demand in 2007 for the steel market”

The increase of 17.4% in domestic production of industrial machinery and equipment plus a significant import increase, as a consequence of the continued appreciation of the Real in relation to the dollar, shows that the country is expanding its production capacity in several sectors.

By May, industrial production recorded a growth of 4.4% and the investment forecast is for further growth during the year.

In the capital goods segment, the highlight is the automobile industry, which has already grown 6.3% compared to 1H06. Domestic vehicle sales increased 20% in the first half, which has led the manufacturers to reevaluate sales and production projections in 2007.

Demand in 1H07

Flat steel demand in the domestic market in 1H07 grew a significant 16% in relation to the same period last year. This growth was fueled by the sectors that produce durable goods (automobiles, household appliances), as well as the capital goods sectors (agricultural machinery and implements, industrial equipment, large-diameter pipe and civil construction).

The flat-rolled steel distribution and small-diameter tube sector, which serve several other segments, were benefited by general industrial performance and showed an increase in demand of 7% and 53%, respectively. It is worthwhile mentioning that the distribution sector finished the first half of 2007 with inventory levels below what would be an ideal rate, which should result in greater purchasing volumes in the mills in the second half.

Outlook for 2007

Outlook for the domestic flat steel market in 2007 continues positive, judging by the good performance of demand in the first six months of the year.

Falling interest rates, credit expansion, the increase in employment rates and domestic revenue, coupled with a favorable international scenario has led to an optimistic outlook for the Brazilian economy, especially for the steel products market.

Raw Materials and Freight

Iron ore

Chinese imports of iron ore continue high, above the projection for 2007, significantly increasing the level of international trade. In line with the trend seen last year, China is consolidating its position as the main destination of exports from Minas Gerais, surpassing the United States, which until 2006 was the main importer. In the first four months of 2007, exports to China grew 51%.

Coal/Coke

All of the mills have already concluded the coal negotiation process and the trade has softened.

As for coke, the market continues strong, and the increase in export tariffs from 5% to 15% by the Chinese government as of June 1st, associated with the lack of export licenses, has pressured the prices of this raw material.

Freight

In relation to ocean freight, the market has never been as demanding. This has contributed to an increase in production costs, which has partially offset the positive effect of the worldwide reduction in coal prices.

Steel Industry - Global and Brazilian Production

World

According to data from IISI, the International Iron and Steel Institute, global crude steel production in 2Q07 reached approximately 333.4 million tons, totaling a production of 651.6 million tons in 1H07, 8% higher than in the same period of 2006.

China, the world's largest producer, continues to lead production and accounts for 36% of total crude steel produced in the world. In 1H07, its production was 237.1 million tons, 18% higher than in 1H06.

Raw steel production in Latin America totaled approximately 27.3 million tons, 8% higher 1H06. Brazil accounted for approximately 50% of this production.

Brazil

According to preliminary data from the Brazilian Steel Institute (IBS), in 2Q07, around 8.3 million tons of crude steel were produced, totaling 16.3 million tons in 1H07, 13% above the production volume recorded in the same period of 2006. Usiminas' production corresponded to 26% of the total. The production of finished steel (flat and long products) reached 6.6 million tons, totaling approximately 12.6 million tons in 1H07, 13% more than what was produced in 1H06.

Usiminas System - Operational and Sales Performance

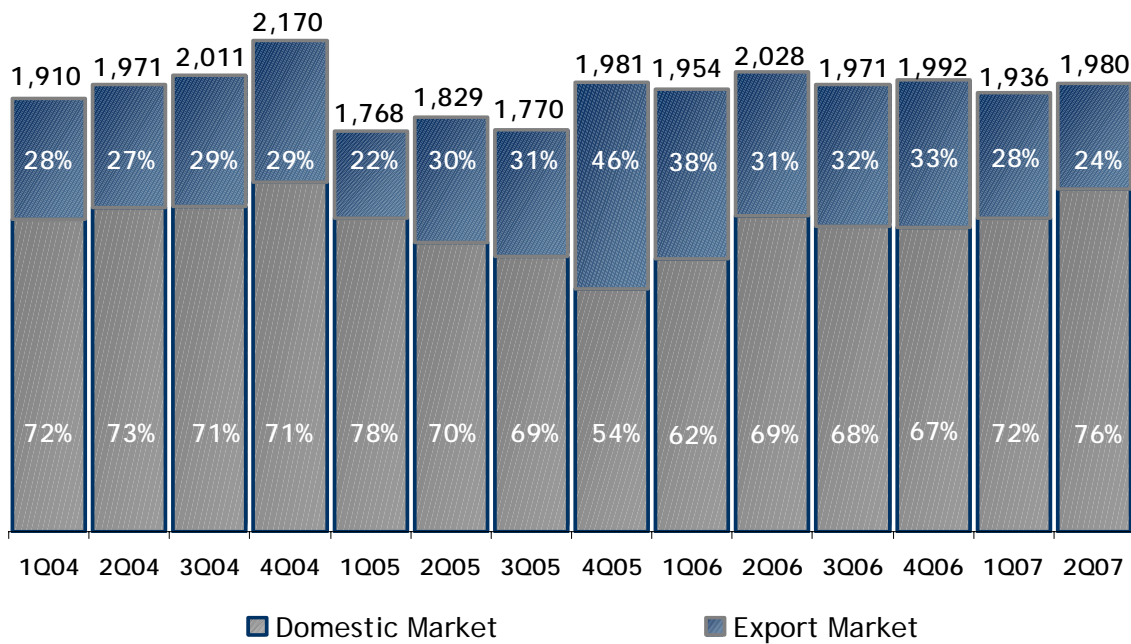
Production (Crude Steel)

Thousand tons	2Q 2007	2Q 2006	1Q 2007	Chg. 2Q07/2Q06	Chg. 2Q07/1Q07	1H07	1H06	Chg. 1H07/1H06
Usiminas	1,102	1,168	1,098	-6%	0%	2,200	2,278	-3%
Cosipa	1,092	1,021	1,010	7%	8%	2,102	2,013	4%
Total	2,194	2,189	2,108	0%	4%	4,302	4,291	0%

The Ipatinga and Cubatão plants registered monthly record-breaking production levels in some of their units. In 2Q07, crude steel production totaled 2.2 million tons, 4% higher than the production volume achieved in 1Q07. At the end of first half 2007, total crude steel production reached 4.3 million tons, almost the same volume recorded in the previous year. In turn, flat steel production in 2Q07 was 2.1 million tons, totaling 4.1 million tons in 1H07, 7% higher than production volume in 1Q07 and 1H06.

The workforce of the two companies (Usiminas and Cosipa) totaled 13,754 employees.

Consolidated Sales (000 t)



Total

The sales volume of 2.0 million tons in 2Q07 was 2% lower than the sales volume of 2Q06. In relation to 1Q07, sales volume was approximately 2% higher. Total sales in 1H07 reached 3.9 million tons, also around 2% lower in relation to volume in 1H06. There was a significant change in the sales mix between domestic and export sales in order to keep up with domestic demand growth for steel products.

Thus, representativity of sales earmarked for the domestic market in the first half was 9% higher in relation to 1H06. As a result, export volumes decreased 15%.

Out of total sales volume in 2Q07, **76%** was for the domestic market and **24%** for exports. In 1H07, the ratio was **74%** for domestic and **26%** for exports.

Domestic Market

In 2Q07, sales reached 1.5 million tons, 8% above sales in 2Q06. Accumulated sales in 1H07 totaled 2.9 million tons, 11% higher in volume over 1H06. This sales increase in the domestic market occurred more significantly in the Heavy Plate line (+63%) and in galvanized products (+14%). In plate products, the increase was triggered by the positive performance in the distribution and the large-diameter pipe sectors, as well as in the industrial, highway and civil construction industries. In the galvanized products line, sales were mainly accounted for by the automobile industry which recorded an increase of 23% in 1H07. In relation to 1Q07, sales increased by 9%.

Market Share: The Usiminas System maintained its leading position as supplier of flat steel to the main domestic market segments, ending the first half with a market share of **52%**.

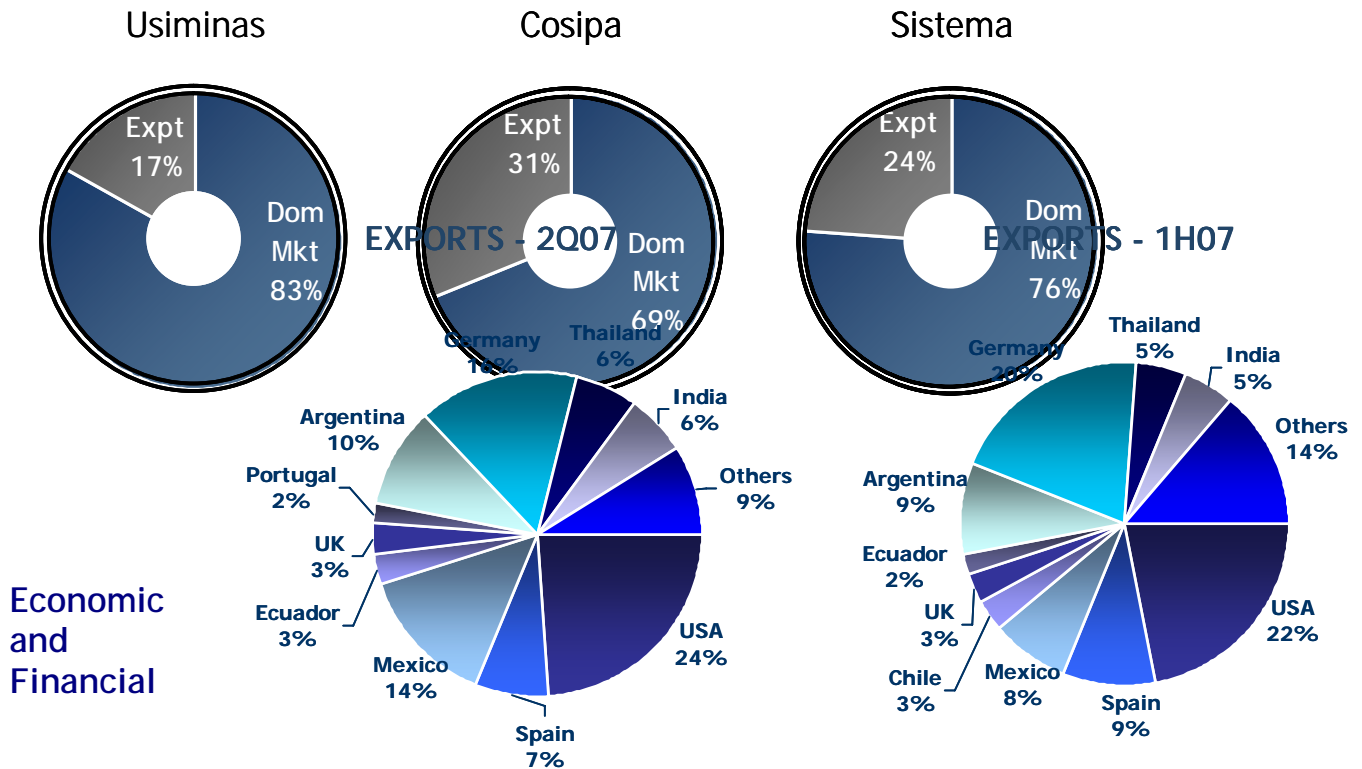
Export Market

In 2Q07, exports totaled 469 thousand tons, 26% lower than total exports in the same period in 2006. QoQ, the decline was 15%. These variations are due to a rearrangement in the Usiminas' export program to give priority to local customers.

Sales Volume

Thousand tons	2Q 2007		2Q 2006		1Q 2007		Chg. 2Q07/2Q06	1H07		1H06		Chg. 1H07/1H06
Usiminas												
Domestic Market	849	83%	832	75%	801	80%	2%	1,649	81%	1,556	72%	6%
Export Market	171	17%	277	25%	204	20%	-38%	376	19%	616	28%	-39%
Total	1,020	100%	1,109	100%	1,005	100%	-8%	2,025	100%	2,172	100%	-7%
Cosipa												
Domestic Market	662	69%	564	61%	585	63%	17%	1,248	66%	1,043	58%	20%
Export Market	298	31%	355	39%	347	37%	-16%	644	34%	768	42%	-16%
Total	960	100%	919	100%	932	100%	4%	1,892	100%	1,811	100%	4%
System												
Domestic Market	1,511	76%	1,396	69%	1,386	72%	8%	2,897	74%	2,599	65%	11%
Export Market	469	24%	632	31%	551	28%	-26%	1,020	26%	1,384	35%	-26%
Total	1,980	100%	2,028	100%	1,937	100%	-2%	3,917	100%	3,983	100%	-2%

Sales Volume Mix - 2Q07



Economic
and
Financial

Performance

“Net Revenues and EBITDA grew 12% and 23% over 1H06.”

Net Revenues

In 2Q07, net revenues reached R\$ 3.4 billion, 11% higher than in 2Q06 due to better prices practiced in the period and a better product mix. In relation to 1Q07, net income grew 1.3%.

Accumulated net revenues in the first half of the year totaled R\$ 6.7 billion, 12% higher than that recorded in 1H06.

Net Per-Ton Revenues (Usiminas + Cosipa)

Total DOM + EXP	2Q07	2Q06	1Q07	1H07	1H06
	1,628	1,419	1,593	1,610	1,398

Average prices practiced in 2Q07 by Usiminas and Cosipa were 15% higher compared with 2Q06. When compared with 1Q07, the variation was 2%. Accumulated per-ton net revenues in 1H07 were 15% higher in relation to 1H06, due to higher prices. The improvement would have been even better had the Real not appreciated 6% against the dollar in the period, thereby reducing export revenues.

COGS

In 2Q07, cost of goods sold (COGS) totaled R\$ 2.2 billion, in line with COGS recorded in 1Q07. The accumulated 1H07 COGS reached R\$ 4.4 billion, 6% higher than in the same period of the previous year mainly due to:

- greater consumption of purchased slab and heavy plate
- greater volume of construction work and major repairs
- higher fixed costs (labor and third-party services)
- higher variable costs - raw materials - although partially offset by Real-Dollar appreciation

In 2Q07, total per-ton COGS (Usiminas and Cosipa) was R\$ 1,084 and R\$1,076 during 1H07.

Gross Profit

In 2Q07, gross profit reached R\$ 1.2 billion, 19% higher than in 2T06. Gross margin increased 3 percentage points, from 33% to 36%. Compared to 1Q07, gross margin grew two percentage points. Analyzing the first half, gross profit totalled R\$ 2.3 billion, 23% higher than in 1H06. Gross margin was

35%, a growth of three percentage points over 1H06. Better prices and product mix resulted in higher margins.

Operating Profit before Financial Expenses (EBIT)

Operating expenses and revenues in 2Q07 grew 52% over 2Q06 and 4% compared to 1Q07. In 1H07, expenses increased 36%, going from R\$ 270 million to R\$ 367 million. The main variations were:

Sales expenses: were 14% lower than in 1H06, due to lower export volume (363 thousand tons) and to payment of demurrage during the first half.

SG&A: grew 11%, mainly due to labor increases and new hirings

Other Expenses/Revenues: in 1H07, an inventory adjustment of approximately R\$ 16 million (non-recurring) was made. In 1H06, a gain of R\$ 52 million (non-recurring) from the reversal of fiscal contingencies was recorded, as well as the reversal of the actuarial liabilities of FEMCO (Cosipa's pension fund) worth R\$ 16 million and credit of approximately R\$ 9 million (non-recurring) to PIS/COFINS

Operating profit before financial expenses in 2Q07 was R\$ 1.0 billion, 14% higher than in 2Q06 and 5% more than in 1Q07. Accumulated operating profit in 1H07 was R\$ 2.0 billion, 21% higher than the profit recorded in the same period in 2006.

EBITDA

In 2Q07, EBITDA reached R\$ 1.2 billion, 18% above that recorded in the same period in 2006 and 5% higher than the EBITDA of 1Q07. Accumulated 1H07 EBITDA was R\$ 2.4 billion, 23% higher than in 1H06.

EBITDA margin in 2Q07 was 36.5%, 2.2 percentage points above the 2Q06 margin and 1.2 percentage points higher than in 1Q07. At the end of 1H07, the EBITDA margin came to 35.9%, which is 3.4 percentage points above the margin in 1H06. The improvement is due to better prices in the period.

Financial Result

Net financial income in 2Q07 was R\$ 61 million, whereas in 2Q06 net "expense" was R\$ 78 million. Compared to 1Q07, financial revenues increased R\$ 53 million primarily due to adjustments made on judiciary deposits (deposits at law) and lower exchange loss.

On a first-half comparison, the result went from a net financial (expense) of R\$ 196 million in 1H06 to an "income" of R\$ 70 million in 1H07, due to a R\$ 143 million reduction of swap expenses, non-recurring gains of R\$ 44 million from judiciary deposits on taxes and other income, an increase of R\$ 36 million in gains from financial investments, gains of R\$ 25 million deriving from the reduction of financial charges on debt and R\$ 24 million in exchange gains due to the appreciation of the Real.

Equity Income

In the 2Q07 consolidated results, the equity income from subsidiaries was down R\$ 16 million compared with income of R\$ 48 million recorded in 2Q06 and R\$ 13 million in 1Q07. Compared to the previous quarter, the result reflects the effect of the Real appreciation in investments of Ternium. (The exchange variation on investments abroad was a negative R\$ 85 million in the current period, against R\$ 60 million in 1H06).

In the first half, equity income was a negative R\$ 3 million, compared with R\$ 10 million in 1H06 also due to exchange effects, which were a negative R\$ 146 million in 1H07 and R\$ 80 million in 1H06).

Income Tax and Social Contribution

Income tax and social contribution was stable in the first half ended 06/30/2007 compared with the same period a year earlier. In 2Q07, income and tax contribution decreased quarter over quarter due to the provision for interest on equity capital in the amount of R\$ 331 million.

"Net Profit in 1H07 is 38% higher than in 1H06"

Net Profit

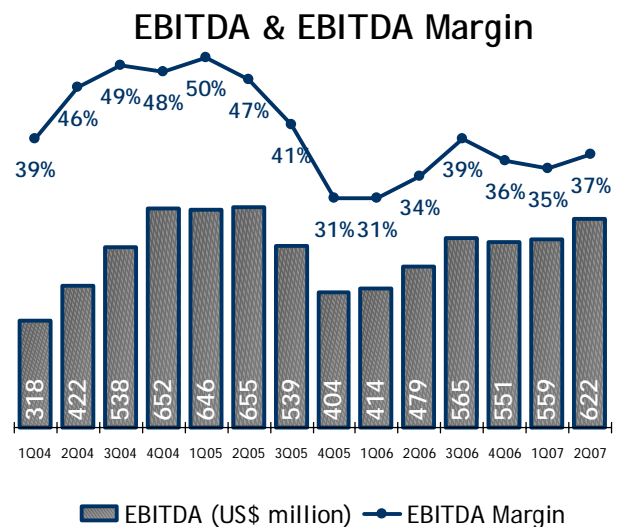
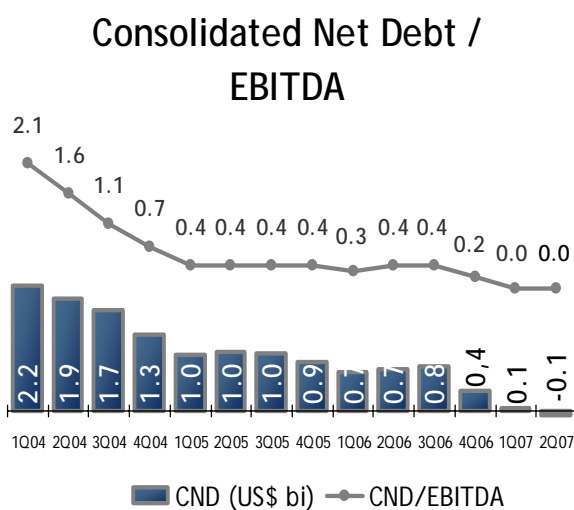
Usiminas recorded consolidated net profit in 2Q07 of R\$ 802 million, 14% higher than 2Q06. Accumulated 1H07 net result reached R\$ 1.4 billion, 38% higher than that recorded in 1H06. The growth in net income was due to better average prices practiced, product mix improvement, along with reduction of financial expenses.

Indebtedness

Total consolidated debt continued its downward trend, going from R\$ 3.2 billion on 3/31/07 to R\$ 3.0 billion on 6/30/07. Effective amortization in the first half was R\$ 226 million (considering amortization minus inflow of proceeds).

As of June 30, 2007 26% of the Company's total debt was denominated in local currency and 74% in foreign currency. In the same period, 18% of the debt comes due in the short term and 82% in the long term, which is considered adequate by the Company.

The Total Debt/EBITDA ratio at the end of 1H07 was 0.7X and the Net Debt/EBITDA ratio was zero at the end of the quarter.



Investments

Investments in fixed assets in 2Q07 totaled R\$ 316 million and accumulated R\$ 515 million in 1H07. Spending was concentrated on maintenance, technology updating of equipment and environmental protection of the Usiminas System plants.

Investment projects aimed at improving quality, mix and expansion and reducing costs follow their normal course of technical detailing, price tenders, signing of contracts and execution of construction work, according to the established schedule.

Other Highlights in the Quarter

Investments in Subsidiaries/Affiliates

- **Usiparts S.A. Sistemas Automotivos**, a company controlled by Usiminas, inaugurated a new press line at its industrial facilities in Pouso Alegre, southern Minas Gerais in April. The total investment demanded resources of R\$ 46 million. The new presses acquired from Shuler Presses will increase the supply of products, such as large-size exterior panels manufactured in accordance with strict market quality standards to serve the truck and commercial vehicles segment. The company has a large share in the production of stamped parts and welded assemblies for the Brazilian automotive industry and is a leader in the manufacture of complete cabins up to the painting of the final color. It intends to expand its production with this investment by 30%.
- **Usiminas Mecânica** signed a contract with Siif Energias do Brasil (a company owned by multinational company HLC, specialized in renewable energy) for the sale of 15 thousand tons of shot-blasted, painted and cut material (blanks), which will be used in the manufacture of 107 eolic towers from August 2007 to February 2008. They will be fabricated in their newest cutting facility located inside Cosipa in Cubatão, which has latest generation machinery, totally capable of serving the eolic tower and shipbuilding segments.
- **Rio Negro Comércio e Indústria de Aço** inaugurated new industrial facilities at its Taubaté SP plant in July, which required outlays of R\$ 40 million. Driven by the rising demand in the automotive industry, Rio Negro focused its investments on the acquisition of two new machines: a press line for irregular blanks (silhouettes) and a laser welder. The expectation is that the new press will double the capacity of irregular blanking facilities and that the laser welder will increase production of welded blanks by 50%.

Capital Markets

- **Bovespa Performance -Ibovespa Index**

In the quarter, the preferred class "A" shares (USIM5) appreciated by 10.2%, whilst the common shares (USIM3) appreciated 6.3%. In the same period, Ibovespa appreciated 18.7%. In the first half, USIM5 and USIM3 shares appreciated by 36.6% and 32.8%, respectively. Both appreciated more than Ibovespa, which rose by 22.3% in the same period.

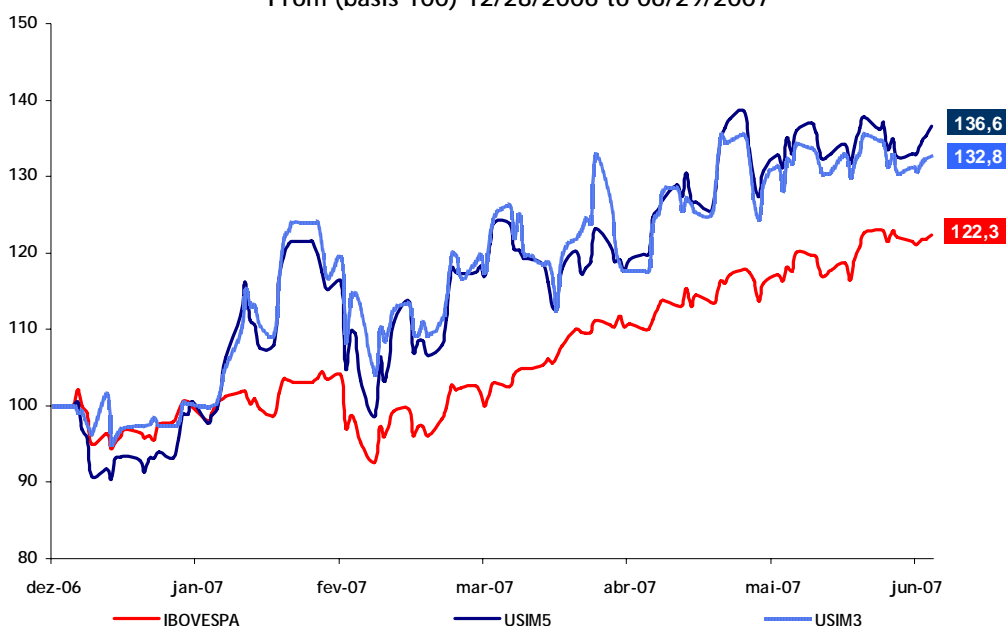
Usiminas held the fourth position among the shares with the greatest weight in IBOVESPA, with a 3.99% share in Ibovespa's theoretical portfolio in the May-August 2007 period.

On 6/30/2007, USIM5 shares were quoted at R\$ 110.00 and USIM3 shares at R\$ 127.50. The table below summarizes the trading of the Company's shares during 2Q07.



USIM5 and USIM3 versus Ibovespa

From (basis 100) 12/28/2006 to 06/29/2007



Trading Summary Table for Usiminas Shares - 2Q07

Stock, ADR or Index	Number of Trades (daily avg)	Share Traded (000 shares)	Volume Traded 000 \$	Appreciation %	Closing Quotation 06/29/07
USIM3 (ON)	311	16,442	1,992,199	6.3%	R\$ 127.50
USIM5 (PNA)	1,564	70,430	7,194,420	10.2%	R\$ 110.00
USNZY (ADR)	13	809	44,604	17.0%	US\$ 56.45
XUSI (Latibex)	38	518	19,460	18.7%	€ 42.52
XUSIO (Latibex)	47	37	1,759	12.7%	€ 49.24
IBOVESPA	60,642	3,467,609	176,668,423	18.7%	54,392

- **ADR Performance in the US**

In the quarter, Usiminas shares, traded in the United States as Level 1 "USNZY" in the OTC market, appreciated by 17%. On 6/30/2007, they were quoted at US\$ 56.45.

- **Latibex Madrid Performance**

The Company's shares listed on the Latibex "XUSI" were the most traded among all shares traded (in volume) and rose 18.7% in the quarter, quoted at EUR 42.52 on 6/30/2007. "XUSIO" (common) shares began trading on the Latibex on 5/03/2007 and until 6/30/2007 had appreciated 12.7%, quoted at EUR 49.24.

Highlights

- **Investment Grade:** Following Fitch Ratings, Standard & Poor's, one of the main risk rating agencies, also attributed an "Investment Grade" rating to Usiminas on 6/04/2007. According to the agency, *"The ratings on Usiminas reflect its sound and sustainable financial profile, with total debt levels and liquidity currently at very conservative levels and expected to remain at least adequate for the rating category in the future. The ratings also reflect a solid business profile made evident by a very competitive cost structure; resilient operating profitability and robust free cash generation through economic cycles; and a favorable market position in the fairly concentrated flat carbon steel sector in Brazil..."*
- **Moody's raises Usiminas rating:** In July, the risk rating agency Moody's Investors Service raised the ratings of Usiminas and Cosipa's foreign debt from Ba2 to Ba1, with a positive outlook. With this, the company is also closer to obtaining an investment grade rating from this agency. Moody's also attributes a corporate rating of Ba1 on a global scale and Aa1 on a Brazilian national scale.
- **APIMEC Award:** In July, APIMEC - the Association of Capital Markets Analysts and Professionals - awarded Usiminas the "Publicly-Traded Company" award for 2006. The award is currently recognized by the Capital Markets as a benchmark in quality of services and regularity of the information given, ethics, transparency and innovative management of the Company.

Corporate Governance

- **Creation of the Human Resources and Auditing Committees:** approved in a Meeting of the Board of Directors held on May 9.
- **Corporate Governance of Bovespa:** After approval by the Board of Directors in a meeting held on March 14, 2007, Usiminas is in the process of adhering to Level 1 of Differentiated Corporate Governance Practices of Bovespa, complying with the requirements and demands of the regulation.
Today Usiminas already complies with most of the requirements of Level 1 and the additional requirements can be easily fulfilled without implying in additional costs to the Company.
By adhering to Level 1 of Bovespa Corporate Governance, Usiminas makes official and public a commitment that is already part of its daily actions, and begins to benefit from the advantages of a more transparent stock market.

Subsequent Events

Shareholder Remuneration

In a meeting held on 08/08/2007, the Company's Board of Directors deliberated payment to the shareholders, who possess shares on August 14, 2007, pursuant to the terms of the Corporate Bylaws and current Law, intermediate interest on equity capital in the amount of R\$ 1.43823 per each ordinary share and R\$ 1.58206 per each preferred share; intermediate dividends, in the amount of R\$ 0.75738 per each ordinary share and R\$ 0.83312 per each preferred share. As of August 15, 2007, the shares will be negotiated "ex rights". Payment of this remuneration will be made as of August 22, 2007.

Investment - New Blast Furnace at Usiminas

In the same meeting, the construction of a new Blast Furnace Nr. 4 was decided in Ipatinga in the 5,000 m³ class. It will be the largest blast furnace in the Americas.

Other Usiminas System Companies

Ternium

On 8/02/2007, Ternium released its 2007 results, summarized in the table below:

Summary of Results	2Q07	1H07
Product Shipments - thsd. t	2,567.0	5,065.9
Net Sales - US\$ million	1,961.1	3,759.4
Gross Profit - US\$ million	652.3	1,226.7
Operating Profit - US\$ million	450.6	866.0
EBITDA - US\$ million	580.8	1,111.5
EBITDA Margin	30%	29.5%
Net Profit - US\$ million	315.0	566.6
Net Profit - Controlling Share. US\$ million	236.9	459.1

Ternium's shipments in 2Q07 totaled 2.6 million tons and grew 6% over the same period in 2006, resulting in net revenues of US\$ 2.0 billion, up 57% over 2Q06.

In 1H07, shipments totaled 5.1 million tons and were 9% greater than in 1H06, resulting in net revenues of R\$ 3.8 million, 16% higher than net revenues in 1H06.

Operating profit in 2Q07 of US\$ 450.6 million decreased 5%. To the degree that larger shipments had higher average prices, the latter were offset by increases in raw material costs and freight and labor increases.

Ternium's net profit in 2Q07 was US\$ 315 million, 9% above the figure posted in 2Q06. In the first half, net income reached US\$ 566.6 million, 17% higher than in 1H06.

On 7/26/2007, Ternium announced the acquisition of the controlling interest of Grupo Imsa S.A.B in Mexico. The transaction was worth US\$ 3.1 billion, including the net debt of Grupo Imsa. The purpose behind this transaction is to strengthen Ternium's position in North America, which accounts for 60% of its revenues.

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 8/02/07, a MRS released its 2007 earnings report, summarized below:

Summary of Results	2Q07	1H07
Volume transported - million tons	31.2	59.0
Net Revenues - R\$ million	537.0	1,017.3
Operating profit (before Financial Result) - R\$ million	217.9	415.5
EBITDA - R\$ million	252.0	483.5
EBITDA Margin	46.9%	47.5%
Net Income - R\$ million	138.3	259.9

Net revenues reached R\$ 537.0 million in 2Q07, up 11.8% compared with 1Q07. In 1H07 net revenues increased 14.9% year over year. The good performance was the result of the increase in tonnage hauled.

MRS' net income increased 13.8% in 2Q07 and reached R\$ 138.3 million. In the first half, net profit was R\$ 259.9 million, 22.1% higher in relation to 1H06.

MRS' activities show significant growth in the most representative segment of the market and it is investing heavily in the purchase of locomotives and rail cars and other projects to promote company growth.

MRS Logística is a concessionaire that controls, operates and monitors the Southeast Federal Railroad Network. The company operates in the rail transportation market, connecting the States of Rio de Janeiro, Minas Gerais and São Paulo. The region concentrates approximately 65% of Brazil's GDP. It is also home to the largest industrial complexes in the country. The most important ports in Latin America, Sepetiba and Santos, are accessed through the company's rail network.

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

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

Unigal

In 2Q07, 119.4 thousand tons of products were processed, up 8% over the same period in 2006. In 1H07, volume reached 232.8 thousand tons, 7% above the tonnage processes in 1H06. Net revenues in 2Q07 were R\$ 66.3 million, and R\$ 108.7 million in 1H07, 44% above the figure recorded in 1H06.

In the quarter, EBITDA reached R\$ 59.9 million, 100% higher than in 2Q06, totaling R\$ 98.0 million during 1H07, 57% above that of 1H06. Net profit in the quarter were R\$ 29.7 million and totaled R\$ 37.5 million in 1H07, a significant growth in relation to the same period in 2006.

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

UMSA is a Capital Goods Manufacturer and a Service Provider and has diverse long-term projects, of which the main are: 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.

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

For more information:
Investor Relations Department

Bruno Seno Fusaro

brunofusaro@usiminas.com.br

Tel: +55 (31) 3499-8710

Luciana Valadares dos Santos

lsantos@usiminas.com.br

Tel: +55 (31) 3499-8619

Matheus Perdigão Rosa

mprosa@usiminas.com.br

Tel: +55 (31) 3499-8056

Gilson Rodrigues Bentes

gilson@cosipa.com.br

Tel: +55 (11) 5070-8980 (Cosipa - SP)

Tel: +55 (31) 3499-8617 (Usiminas -BH)

FIRB
FINANCIAL INVESTOR RELATIONS

Financial Investor Relations Brasil

Lígia Montagnani – Consultant

Tel.: (55 11) 3897-6405

ligia.montagnani@firb.com

Custodian Bank of the Shares: Bradesco S/A

Shareholder Department

Fone: 00X11 – 3684-9495

ADRs - Depository Bank: The Bank of New York

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

Teleconferência: Friday, August 10

Local, at 10:30 AM (Brasília).

Telephones for connection:

Brazil: +55(11) 4688-6301

Abroad: +55 (11) 4688-6301

International, at 12:00 noon (Brasília).

Telephones for connection:

USA: (1 800) 860-2442

Brazil: (11) 4688-6301

Other countries: (1 412) 858-4600

Pincodes: 655 (local) / 769 (international)

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

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 (Legislação Societária)

R\$ thousand	2Q 2007	2Q 2006	1Q 2007	Chg. 2Q07/2Q06
Net Revenues	1,798,044	1,676,619	1,733,919	7%
Domestic Market	1,559,082	1,387,718	1,455,684	12%
Export Market	238,962	288,901	278,235	-17%
COGS	(1,131,789)	(1,105,649)	(1,114,214)	2%
Gross Profit	666,255	570,970	619,705	17%
Gross Margin	37%	34%	36%	+3 p.p.
Operating Income (Expenses)	(85,700)	(48,820)	(95,415)	76%
Selling	(24,160)	(32,461)	(28,471)	-26%
General and Administrative	(39,578)	(40,458)	(38,155)	-2%
Others, Net	(21,962)	24,099	(28,789)	-
EBIT	580,555	522,150	524,290	11%
EBIT Margin	32%	31%	30%	+1 p.p.
Financial Result	62,822	(24,361)	6,471	-
Financial Income	67,269	25,200	20,168	167%
Financial Expenses	(4,447)	(49,561)	(13,697)	-91%
Equity Income	256,439	262,071	288,710	-2%
Operating Result	899,816	759,860	819,471	18%
Non-Operating Income	9,315	1,055	448	783%
Profit Before Taxes	909,131	760,915	819,919	19%
Income Tax / Social Contribution	(105,472)	(51,486)	(179,846)	105%
Net Income	803,659	709,429	640,073	13%
Net Margin	45%	42%	37%	+3 p.p.
Net Income per thousand shares	3.66336	3.23383	2.91768	13%
EBITDA	678,882	566,757	626,855	20%
EBITDA Margin	37.8%	33.8%	36.2%	+4,0 p.p.
Depreciation	69,418	65,261	69,289	6%
Provisions	28,909	(20,654)	33,276	-

Income Statement - Parent Company

Brazilian GAAP (Legislação Societária)

R\$ thousand	1H07	1H06	Var. 1H07/1H06
Net Revenues	3,531,963	3,284,313	8%
Domestic Market	3,014,766	2,600,882	16%
Export Market	517,197	683,431	-24%
COGS	(2,246,003)	(2,176,995)	3%
Gross Profit	1,285,960	1,107,318	16%
Gross Margin	36%	34%	+2 p.p.
Operating Income (Expenses)	(181,115)	(141,963)	28%
Selling	(52,631)	(69,487)	-24%
General and Administrative	(77,733)	(72,781)	7%
Others, Net	(50,751)	305	-
EBIT	1,104,845	965,355	14%
EBIT Margin	31%	29%	+2 p.p.
Financial Result	69,293	(82,715)	-
Equity Income	545,149	332,983	64%
Operating Result	1,719,287	1,215,623	41%
Non-Operating Income	9,763	2,300	324%
Profit Before Taxes	1,729,050	1,217,923	42%
Income Tax / Social Contribution	(285,318)	(182,629)	56%
Net Income	1,443,732	1,035,294	39%
Net Margin	41%	32%	+9 p.p.
Net Income per thousand shares	6.5810	4.7192	39%
EBITDA	1,305,737	1,091,967	20%
EBITDA Margin	37.0%	33.2%	+3,8 p.p.
Depreciation	138,707	130,450	6%
Provisions	62,185	(3,838)	-

Income Statement - Consolidated

Brazilian GAAP (Legislação Societária)

R\$ thousand	2Q 2007	2Q 2006	1Q 2007	Chg. 2Q07/2Q06
Net Revenues	3,379,268	3,053,395	3,336,070	11%
Domestic Market	2,788,488	2,334,602	2,618,671	19%
Export Market	590,780	718,793	717,399	-18%
COGS	(2,176,840)	(2,040,310)	(2,191,846)	7%
Gross Profit	1,202,428	1,013,085	1,144,224	19%
Gross Margin %	36%	33%	34%	+3 p.p.
Operating Income (Expenses)	(187,615)	(123,028)	(179,843)	52%
Selling	(56,424)	(65,959)	(60,199)	-14%
General and Administrative	(76,042)	(74,173)	(73,548)	3%
Others, Net	(55,149)	17,104	(46,096)	-
EBIT	1,014,813	890,057	964,381	14%
EBIT Margin %	30%	29%	29%	+1 p.p.
Financial Result	61,367	(77,665)	8,524	-
Equity Income	(16,048)	48,156	12,652	-
Operating Result	1,060,132	860,548	985,557	23%
Non-Operating Income	10,488	688	(126)	1424%
Profit Before Taxes	1,070,620	861,236	985,431	24%
Income Tax / Social Contribution	(262,017)	(152,065)	(337,708)	72%
Income before Minority Interests	808,603	709,171	647,723	14%
Minority Interests	(6,292)	(5,122)	(5,898)	23%
Net Income	802,311	704,049	641,825	14%
Net Margin	24%	23%	19%	+1 p.p.
Net Income per thousand shares	3.65721	3.20930	2.92566	14%
EBITDA	1,233,404	1,046,473	1,177,638	18%
EBITDA Margin %	36.5%	34.3%	35.3%	+2,2 p.p.
Depreciation	176,835	171,999	171,948	3%
Provisions	41,756	(15,583)	41,309	-

Income Statement - Consolidated

Brazilian GAAP (Legislação Societária)

R\$ thousand	1H07	1H06	Chg. 1H07/1H06
Net Revenues	6,715,338	6,010,997	12%
Domestic Market	5,407,159	4,466,425	21%
Export Market	1,308,179	1,544,572	-15%
COGS	(4,368,686)	(4,109,511)	6%
Gross Profit	2,346,652	1,901,486	23%
Gross Margin	35%	32%	+3 p.p.
Operating Income (Expenses)	(367,458)	(270,174)	36%
Selling	(116,623)	(135,931)	-14%
General and Administrative	(149,590)	(134,641)	11%
Others, Net	(101,245)	398	-
EBIT	1,979,194	1,631,312	21%
EBIT Margin	29%	27%	+2 p.p.
Financial Result	69,891	(195,996)	-
Equity Income	(3,396)	(10,405)	-67%
Operating Result	2,045,689	1,424,911	44%
Non-Operating Income	10,362	11,978	-13%
Profit Before Taxes	2,056,051	1,436,889	43%
Income Tax / Social Contribution	(599,725)	(378,092)	59%
Income before Minority Interests	1,456,326	1,058,797	38%
Minority Interests	(12,190)	(10,135)	20%
Net Income	1,444,136	1,048,662	38%
Net Margin	22%	17%	+5 p.p.
Net Income per thousand shares	6.58288	4.87533	35%
EBITDA	2,411,042	1,954,512	23%
EBITDA Margin	35.9%	32.5%	+3,4 p.p.
Depreciation	353,584	342,837	3%
Provisions	78,264	(19,637)	-

Cash Flow

Brazilian GAAP (Legislação Societária)

R\$ thousand	Parent Company		Consolidated	
	2Q 2007	2Q 2006	2Q 2007	2Q 2006
Operating Activities				
Net Income (Loss) in the Period	803,659	709,429	802,310	704,049
Financial Expenses and Monetary Var/Net Exchge Var	(4,135)	39,593	(37,003)	(25,213)
Depreciation, Exhaustion and Amortization	69,418	65,261	176,793	172,016
Investment Write-offs (Decrease in Permanent Assets)	1,797	(38)	1,762	14
Equity in the Results of Subsidiaries/Associated Companies	(256,439)	(262,071)	16,048	(48,156)
Dividend Income from Subsidiaries	91,463	0	36,765	0
Income Tax and Social Contribution	105,472	51,486	262,017	152,065
Provisions	(16,080)	(52,435)	493	(53,738)
Adjustment for Minority Participation	0	0	6,292	5,122
Total	795,155	551,225	1,265,477	906,159
Increase/Decrease of Assets				
Increase (Decrease) in Accounts Receivables	102,318	27,776	(37,982)	(35,139)
Increase (Decrease) in Inventories	(137,018)	(5,495)	(12,682)	(44,190)
Increase (Decrease) in Recovery of Taxes	(26,337)	(10,301)	(35,335)	(9,040)
Increase (Decrease) from Deferred Income Tax & Social Contrb'n	(61,967)	(24,902)	(83,975)	136
Increase (Decrease) in Judicial Deposits	(34,898)	(9,483)	(36,854)	(32,122)
Increase (Decrease) in Accounts Receivables Affiliated Companies	1,808	556,907	0	10,727
Others	(17,383)	(11,249)	(27,714)	21,635
Total	(173,477)	523,253	(234,542)	(87,993)
Increase (Decrease) of Liabilities				
Increase (Decrease) in Suppliers	80,996	50,711	67,896	60,428
Amounts Owed to Affiliated Companies	(52,776)	36,375	(36,362)	17,291
Customers Advances	(9,767)	4,866	9,918	70,335
Tax Payable	905	17,007	13,419	28,740
Income Tax and Social Contribution	(71,136)	(71,647)	(217,194)	(167,987)
Others	34,842	(40,767)	126,594	(31,841)
Total	(16,936)	(3,455)	(35,729)	(23,034)
Cashflow Generated from Operating Activities	604,742	1,071,023	995,206	795,132
Financial Activities				
Inflow of Loans and Financing	31,647	1,515	123,198	504,878
Payment of Loans, Financing and Debentures	(14,290)	(43,541)	(140,634)	(252,181)
Interest paid on Loans, Financ., Debent.and taxes payable in installments	(4,822)	(10,741)	(47,895)	(59,888)
Swap Operation Redemptions	0	(154,380)	(38,005)	(311,046)
Dividends Paid	(463,495)	(529,897)	(474,503)	(543,414)
Net Funds from Financial Activities	(450,960)	(737,044)	(577,839)	(661,651)
Investment Activities				
(Additions) in Long-term Investments	0	(527,320)	0	0
(Additions) to Permanent Assets, except Deferred Charges	(160,610)	(71,530)	(316,349)	(119,755)
(Additions) Right off of permanent assets	0	0	0	0
Funds Used for Investments	(160,610)	(598,850)	(316,349)	(119,755)
Exchange Variation of Cash and Cash Equivalents	(14,432)	(82)	(36,418)	148,456
Cash Balance Change	(21,260)	(264,953)	64,600	162,182
At the Beginning of the Period	1,641,882	1,126,582	3,053,370	1,879,794
At the End of the Period	1,620,622	861,629	3,117,970	2,041,976

Cash Flow

Brazilian GAAP (Legislação Societária)

R\$ thousand	Parent Company		Consolidated	
	1H07	1H06	1H07	1H06
Operating Activities				
Net Income (Loss) in the Period	1,443,732	1,035,294	1,444,136	1,048,662
Financial Expenses and Monetary Var/Net Exchge Var	3,220	84,642	(31,860)	(124,906)
Depreciation, Exhaustion and Amortization	138,707	130,450	353,542	342,837
Investment Write-offs (Decrease in Permanent Assets)	3,592	115	3,679	151
Equity in the Results of Subsidiaries/Associated Companies	(545,149)	(332,983)	3,396	10,405
Dividend Income from Subsidiaries	120,111	0	65,413	0
Income Tax and Social Contribution	285,318	182,629	599,725	378,092
Provisions	(17,022)	(55,657)	15,337	(78,823)
Adjustment for Minority Participation	0	0	12,190	10,135
Total	1,432,509	1,044,490	2,465,558	1,586,553
Increase/Decrease of Assets				
Increase (Decrease) in Accounts Receivables	145,104	19,394	8,451	29,668
Increase (Decrease) in Inventories	(147,691)	114,641	(40,674)	70,891
Increase (Decrease) in Recovery of Taxes	(20,052)	(21,229)	(41,734)	(14,000)
Increase (Decrease) from Deferred Income Tax & Social Contrb'n	(4,924)	(5,934)	(18,457)	28,325
Increase (Decrease) in Judicial Deposits	(35,122)	(7,701)	(39,810)	(36,697)
Increase (Decrease) in Accounts Receivables Affiliated Companies	3,313	554,360	0	281,220
Others	(59,277)	18,824	(85,250)	7,494
Total	(118,649)	672,355	(217,474)	366,901
Increase (Decrease) of Liabilities				
Increase (Decrease) in Suppliers	60,924	48,479	79,223	6,650
Amounts Owed to Affiliated Companies	(63,556)	37,815	(50,319)	9,611
Customers Advances	(351)	8,333	54,895	114,531
Tax Payable	14,962	10,901	66,790	45,933
Income Tax and Social Contribution	(140,773)	(328,202)	(410,706)	(619,792)
Others	(8,652)	(35,782)	63,671	72,670
Total	(137,446)	(258,456)	(196,446)	(370,397)
Cashflow Generated from Operating Activities	1,176,414	1,458,389	2,051,638	1,583,057
Financial Activities				
Inflow of Loans and Financing	78,588	2,226	238,238	545,724
Payment of Loans, Financing and Debentures	(125,464)	(187,152)	(463,757)	(624,653)
Interest paid on Loans, Financ., Debent.and taxes payable in installments	(21,296)	(33,057)	(133,271)	(146,882)
Swap Operation Redemptions	0	(259,383)	(209,529)	(463,530)
Dividends Paid	(497,315)	(536,747)	(508,813)	(550,264)
Net Funds from Financial Activities	(565,487)	(1,014,113)	(1,077,132)	(1,239,605)
Investment Activities				
(Additions) in Long-term Investments	0	(527,320)	0	(262,029)
(Additions) to Permanent Assets, except Deferred Charges	(240,324)	(119,486)	(515,445)	(231,091)
(Additions) Right off of permanent assets	0	0	0	0
Funds Used for Investments	(240,324)	(646,806)	(515,445)	(493,120)
Exchange Variation of Cash and Cash Equivalents	(24,475)	(17,760)	(62,153)	260,990
Cash Balance Change	346,128	(220,290)	396,908	111,322
At the Beginning of the Period	1,274,494	1,081,919	2,721,062	1,930,654
At the End of the Period	1,620,622	861,629	3,117,970	2,041,976

Balance Sheet - Assets

Brazilian GAAP (Legislação Societária) - R\$ thousand

Assets	Parent Company		Consolidated	
	30-jun-06	31-dec-05	30-jun-06	31-dec-05
Current Assets	4,218,831	3,873,112	8,116,346	7,582,233
Cash and Cash Equivalents	1,620,622	1,274,494	3,117,970	2,721,062
Trade Accounts Receivable	863,516	1,008,620	1,787,605	1,796,055
Taxes Recoverable	56,157	36,105	140,587	98,853
Inventories	1,395,939	1,248,248	2,583,467	2,542,793
Deferred Income Tax & Social Contrb'n	160,465	155,541	284,879	256,836
Other Securities Receivables	122,132	150,104	201,838	166,634
Long-Term Receivable	763,469	709,513	1,222,204	1,133,673
Deferred Income Tax & Social Contrb'n	347,336	347,336	531,386	540,972
Related Company Credits	5,719	9,032	48	48
Deposits at Law	289,354	254,232	465,874	426,064
Taxes Recoverable	29,851	16,147	74,207	40,572
Others	91,209	82,766	150,689	126,017
Permanent Assets	10,358,617	9,761,535	10,372,150	10,259,583
Investments	6,847,886	6,348,829	1,696,776	1,762,748
Property, Plant and Equipment	3,510,731	3,412,706	8,651,949	8,471,965
Deferred	-	-	23,425	24,870
Total Assets	15,340,917	14,344,160	19,710,700	18,975,489

Balance Sheet - Liabilities and Shareholders' Equity

Brazilian GAAP (Legislação Societária) - R\$ thousand

Liabilities and Shareholders' Equity	Parent Company		Consolidated	
	30-jun-06	31-dec-05	30-jun-06	31-dec-05
Current Liabilities	1,609,060	1,647,754	2,985,609	3,175,786
Loans and Financing and Taxes Payable in Installments	219,620	290,382	546,036	760,903
Suppliers, Subcontractors and Freight	311,223	250,299	604,267	525,044
Taxes, Charges and Payroll Taxes	350,581	193,943	625,095	388,658
Related Companies	241,287	252,108	180,024	228,747
Financial Instruments	7,089	7,185	118,884	246,907
FEMCO	-	-	6,031	9,124
Dividends Payable	336,814	503,129	338,582	508,709
Others	142,446	150,708	566,690	507,694
Long-Term Liabilities	2,159,199	2,236,480	5,084,929	5,283,632
Loans and Financing and Taxes Payable in Installments	590,152	628,555	2,195,732	2,446,796
Related Companies	7,493	60,228	7,561	9,157
Provision for Contingencies	593,720	569,583	1,094,072	1,053,957
Actuarial Liability	891,803	899,904	980,001	977,015
Financial Instruments	12,461	10,533	256,133	258,843
FEMCO	-	-	266,271	273,417
Others	63,570	67,677	285,159	264,447
Minority Interests	-	-	108,995	98,040
Shareholders' Equity	11,572,658	10,459,926	11,531,167	10,418,031
Capital	5,400,000	5,400,000	5,400,000	5,400,000
Reserves	4,728,926	2,557,962	4,687,031	2,502,570
Revenues from Fiscal Year	1,443,732	2,501,964	1,444,136	2,515,461
Total Liabilities and Shareholders' Equity	15,340,917	14,344,160	19,710,700	18,975,489

Companhia Siderúrgica Paulista - COSIPA
Income Statement - Consolidated
Brazilian GAAP (Corporate Law)

R\$ thousand	2Q 2007	2Q 2006	1Q 2007	Chg. % 2Q07/2Q06	1H 2007	1H 2006	Chg. % 1H07/1H06
Net Revenues	1,520,031	1,234,902	1,396,672	23	2,916,703	2,347,988	24
Domestic Market	1,190,668	880,383	973,403	35	2,164,071	1,615,128	34
Export Market	329,363	354,519	423,269	(7)	752,632	732,860	3
COGS	(1,108,966)	(875,836)	(970,982)	27	(2,079,948)	(1,738,456)	20
Gross Profit	411,065	359,066	425,690	14	836,755	609,532	37
Gross Margin	27.0%	29.1%	30.5%	-2.1 pp	28.7%	26.0%	+2.7 pp
Operating Income (Expenses)	(72,037)	(37,988)	(51,864)	90	(123,901)	(51,936)	139
Selling	(18,528)	(15,931)	(18,736)	16	(37,264)	(31,983)	17
General and Administrative	(17,919)	(15,073)	(15,631)	19	(33,550)	(26,249)	28
Others, Net	(35,590)	(6,984)	(17,497)	410	(53,087)	6,296	(943)
EBIT	339,028	321,078	373,826	6	712,854	557,596	28
EBIT Margin	22.3%	26.0%	26.8%	-3.7 pp	24.4%	23.7%	+0.7 pp
Financial Result	14,952	(46,999)	10,979	(132)	25,931	(81,215)	(132)
Operating Result	353,980	274,079	384,805	29	738,785	476,381	55
Non-Operating Income	(496)	(490)	(564)	1	(1,060)	(955)	11
Profit Before Taxes	353,484	273,589	384,241	29	737,725	475,426	55
Income Tax / Social Contribution	(126,988)	(91,220)	(131,989)	39	(258,977)	(158,454)	63
Minority Interests	(1,844)	(1,672)	(1,869)	10	(3,713)	(2,661)	40
Net Income	224,652	180,697	250,383	24	475,035	314,311	51
EBITDA	444,200	416,824	468,898	7	913,098	723,878	26
EBITDA Margin	29.2%	33.8%	33.6%	-4.6 pp	31.3%	30.8%	+0.5 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	224,652	180,697	475,035	314,311
Financial Expenses and Monetary Var/Net Exchge Var	(12,489)	59,323	(13,513)	79,410
Depreciation, Exhaustion and Amortization	94,371	93,595	188,426	186,638
Investment Write-offs (Decrease in Permanent Assets)	29	33	131	33
Income Tax and Social Contribution	126,988	91,220	258,977	158,454
Provisions	11,121	7,234	21,145	(14,901)
Others adjustments	1,844	1,672	3,713	2,661
Total	446,516	433,774	933,914	726,606
Increase/Decrease of Assets				
Increase (Decrease) in Accounts Receivables	(103,453)	(35,946)	(44,645)	82,309
Increase (Decrease) in Inventories	126,780	(33,352)	90,744	(42,979)
Increase (Decrease) in Recovery of Taxes	(31,775)	(5,396)	(38,737)	(2,921)
Increase (Decrease) in Judicial Deposits	(3,427)	(20,343)	(4,864)	(27,471)
Others	(19,169)	17,411	3,382	19,452
Total	(31,044)	(77,626)	5,880	28,390
Increase (Decrease) of Liabilities				
Increase (Decrease) in Suppliers	(34,489)	42,734	(6,798)	9,738
Amounts Owed to Affiliated Companies	37,358	0	37,358	(570)
Tax Payable	18,799	9,939	54,133	30,383
Income Tax and Social Contribution	(91,773)	(54,779)	(208,948)	(214,316)
Others	(35,369)	(18,939)	(51,897)	(10,439)
Total	(105,474)	(21,045)	(176,152)	(185,204)
Cashflow Generated from Operating Activities	309,998	335,103	763,642	569,792
Financial Activities				
Inflow of Loans and Financing	39,044	464,715	41,355	482,126
Payment of Loans, Financing and Debentures	(93,629)	(143,098)	(283,798)	(346,178)
Interest paid on Loans, Financ., Debent. and tax installments	(24,342)	(30,076)	(82,491)	(86,081)
Swap Operation Redemptions	(8,363)	(135,422)	(179,887)	(182,551)
Dividends Paid	(999)	(1,477)	(1,489)	(1,477)
Others	(6,687)	(7,923)	(14,173)	(18,430)
Net Funds from Financial Activities	(94,976)	146,719	(520,483)	(152,591)
Investment Activities				
(Additions) to Permanent Assets, except Deferred Charges	(94,225)	(36,864)	(159,564)	(91,706)
Funds Used for Investments	(94,225)	(36,864)	(159,564)	(91,706)
Exchange Variation of Cash and Cash Equivalents	(9,633)	(5,176)	(16,620)	(15,882)
Cash Balance Change	111,164	439,782	66,975	309,613
At the Beginning of the Period	1,034,231	457,399	1,078,420	587,566
At the End of the Period	1,145,395	897,181	1,145,395	897,179

Companhia Siderúrgica Paulista - COSIPA
Balance Sheet - Assets
Brazilian GAAP (Corporate Law) - R\$ thousand

Assets	Consolidated	
	30-jun-07	31-dec-06
Current Assets	2,908,307	2,934,486
Cash and Cash Equivalents	1,145,395	1,078,420
Trade Accounts Receivable	568,415	608,743
Taxes Recoverable	45,716	20,650
Inventories	982,598	1,073,342
Deferred Income Tax & Social Contrb'n	96,757	96,266
Other Securities Receivables	69,426	57,065
Long-Term Receivable	324,175	292,215
Deferred Income Tax & Social Contrb'n	83,164	89,391
Deposits at Law	144,952	137,943
Taxes Recoverable	38,797	23,838
Others	57,262	41,043
Permanent Assets	4,472,743	4,483,762
Investments	131	131
Property, Plant and Equipment	4,451,975	4,460,307
Deferred	20,637	23,324
Total Assets	7,705,225	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-jun-07	31-dec-06
Current Liabilities	978,753	1,250,325
Loans and Financing and Taxes Payable in Installments	256,769	404,920
Suppliers, Subcontractors and Freight	274,126	280,926
Taxes Payable in Installments	94,608	42,525
Income Tax and Social Contribution	119,702	95,500
Salaries	74,977	74,360
Financial Instruments	52,027	188,719
Actuarial Liability	6,031	9,124
Dividends Payable	1,768	86,850
Others	98,745	67,401
Long-Term Liabilities	2,665,358	2,876,792
Loans and Financing and Taxes Payable in Installments	1,587,523	1,850,310
Provision for Contingencies	433,956	419,247
Actuarial Liability	299,756	295,815
Financial Instruments	154,020	146,304
Deferred Income Tax & Social Contrb'n	181,830	160,449
Others	8,273	4,667
Minority Interests	34,974	32,241
Shareholders' Equity	4,026,140	3,551,105
Capital	2,037,814	2,037,814
Reserves	1,513,291	1,513,291
Revenues from Fiscal Year	475,035	-
Total Liabilities and Shareholders' Equity	7,705,225	7,710,463

Sales Volume Breakdown - Consolidated

Thousand tons	2Q 2007		2Q 2006		1Q 2007		Chg. 2Q07/2Q06	1H07		1H06		Var. 1H07/1H06
TOTAL SALES	1,980	100%	2,028	100%	1,937	100%	-2%	3,917	100%	3,983	100%	-2%
Heavy Plates	488	25%	443	22%	462	24%	10%	950	24%	808	20%	18%
Hot Coils/Sheets	535	27%	576	28%	538	28%	-7%	1,073	27%	1,115	28%	-4%
Cold Coils/Sheets	530	27%	505	25%	528	27%	5%	1,058	27%	1,029	26%	3%
Electrogalvanized Coils	67	3%	63	3%	64	3%	6%	131	3%	124	3%	6%
Hot Dip Galvanized Coils	103	5%	107	5%	95	5%	-4%	198	5%	212	5%	-7%
Processed Products	79	4%	77	4%	63	3%	3%	142	4%	159	4%	-11%
Slabs	178	9%	257	13%	187	10%	-31%	365	9%	536	13%	-32%
TOTAL SALES - DOMESTIC MARKET	1,511	76%	1,397	69%	1,386	72%	8%	2,897	74%	2,599	65%	11%
Heavy Plates	411	21%	262	13%	360	19%	57%	771	20%	473	12%	63%
Hot Coils/Sheets	485	24%	528	26%	454	23%	-8%	939	24%	961	24%	-2%
Cold Coils/Sheets	378	19%	382	19%	362	19%	-1%	740	19%	733	18%	1%
Electrogalvanized Coils	56	3%	54	3%	49	3%	4%	105	3%	98	2%	7%
Hot Dip Galvanized Coils	94	5%	86	4%	86	4%	9%	180	5%	163	4%	10%
Processed Products	47	2%	43	2%	41	2%	9%	88	2%	85	2%	4%
Slabs	40	2%	42	2%	34	2%	-5%	74	2%	86	2%	-14%
TOTAL SALES - EXPORTS	469	24%	631	31%	551	28%	-26%	1,020	26%	1,384	35%	-26%
Heavy Plates	77	4%	181	9%	102	5%	-57%	179	5%	335	8%	-47%
Hot Coils/Sheets	50	3%	48	2%	84	4%	4%	134	3%	154	4%	-13%
Cold Coils/Sheets	152	8%	123	6%	166	9%	24%	318	8%	296	7%	7%
Electrogalvanized Coils	11	1%	9	0%	15	1%	22%	26	1%	26	1%	0%
Hot Dip Galvanized Coils	9	0%	21	1%	9	0%	0%	18	0%	49	1%	-63%
Processed Products	32	2%	34	2%	22	1%	-6%	54	1%	74	2%	-27%
Slabs	138	7%	215	11%	153	8%	-36%	291	7%	450	11%	-35%

Net Revenues per tonne - USIMINAS + COSIPA

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

Sectorial Sales - Consolidated

Thousand tonnes	2Q 07		2Q 06		1Q 07		4Q 06		Chg. 1Q07/1Q06
Domestic Market	1,511	100%	1,396	100%	1,385	100%	1,344	100%	8%
Auto	213	14%	179	13%	185	13%	168	12%	19%
Autoparts	275	18%	255	18%	240	17%	225	17%	8%
Shipbuilding	12	1%	5	0%	12	1%	14	1%	136%
Line Pipes	133	9%	71	5%	115	8%	106	8%	87%
Small Diameter Pipes	115	8%	107	8%	80	6%	112	8%	7%
Packaging	21	1%	22	2%	21	2%	20	2%	-5%
Household Appliances	31	2%	34	2%	33	2%	31	2%	-8%
Civil Construction	80	5%	128	9%	82	6%	76	6%	-38%
Electrical Equipment	66	4%	67	5%	63	5%	54	4%	-1%
Distributors	351	23%	338	24%	292	22%	301	22%	4%
Industrial Equipment	133	9%	58	4%	110	8%	67	5%	129%
Others	82	5%	132	9%	153	11%	170	13%	-38%

Participación en el Mercado - Sistema Usiminas (*)

(% volumen)

	1S07 (*)	2006 (*)	2005 (*)	2004 (*)	2003 (*)
MERCADO BRASILEÑO	52%	52%	53%	55%	60%
Automotor	61%	59%	59%	55%	62%
Autopartes	61%	62%	59%	62%	67%
Construcción Naval	100%	100%	100%	100%	100%
Prod. Eléct.y Electron.	70%	65%	66%	63%	58%
Utensilios Domésticos	36%	38%	33%	36%	44%
Tubos de Gran Diámetro	94%	98%	94%	98%	95%
Tubos de Pequeño Diámetro	39%	54%	54%	60%	68%
Embalaje	12%	13%	14%	15%	16%
Construcción Civil	36%	40%	44%	48%	58%
Distribuidores	43%	42%	44%	51%	59%

(*) Definida por los mercados de USIMINAS, Cosipa, CSN, Acesita y CST.

Fuente: Sistema de Información-IBS

Loans and Financing by Index - Consolidated

R\$ million	Short Term	30-jun-07 Long Term	TOTAL	31-dec-06 TOTAL	Chg. jun07/dec06
TOTAL DEBT					
Foreign Currency (*)	382,132	1,850,770	2,232,902	2,555,308	-13%
IGP-M	58,759	0	58,759	116,553	-50%
TJLP	77,660	222,808	300,468	373,043	-19%
Others	7,578	6,096	13,674	14,202	-4%
Sub-Total	526,129	2,079,674	2,605,803	3,059,106	-15%
Debentures	0	0	0	0	0%
Sub-Total	526,129	2,079,674	2,605,803	3,059,106	-15%
Taxes Payable in Installments	19,907	116,058	135,965	148,593	-8%
TOTAL	546,036	2,195,732	2,741,768	3,207,699	-15%
FEMCO	6,031	266,271	272,302	273,417	0%
TOTAL DEBT	552,067	2,462,003	3,014,070	3,481,116	-13%
Cash and Cash Equivalents			3,117,970	2,721,062	15%
NET DEBT			(103,900)	760,054	-114%

(*) 91.5% of total foreign currency is denominated in US dollars

Financial Income - Consolidated

R\$ million	2Q 2007	2Q 2006	1Q 2007	Chg. 2Q07/2Q06	1H07	1H06	Chg. 1H07/1H06
Monetary Effects	(29,259)	(6,696)	(15,922)	337%	(45,181)	(22,961)	97%
Exchange Variation	92,691	42,398	63,126	119%	155,817	131,868	18%
Hedge Income (Expenses)	(36,469)	(41,031)	(29,422)	-11%	(65,891)	(208,433)	-68%
Interest on Loans, Financing, ACC's and Pre-Payment	(52,323)	(66,174)	(59,902)	-21%	(112,225)	(136,778)	-18%
Financial Income	116,226	48,418	74,560	140%	190,786	121,719	57%
Other Financial Expenses	(29,499)	(54,580)	(23,916)	-46%	(53,415)	(81,411)	-34%
NET INTEREST INCOME	61,367	(77,665)	8,524	-179%	69,891	(195,996)	-136%